



ACTUAL LOCATION



**Rare Single Tenant Fee Simple NNN Wawa | Depreciable Asset
Long Term Lease Extension | Tremendous Vehicle Traffic**

**3850 N Bailey Bridge Road
Midlothian, VA (Richmond MSA)**

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INVESTMENT Summary

Wawa | Midlothian, VA



The Offering



JLL is pleased to exclusively offer the opportunity to acquire the fee simple interest in a single tenant property, net leased to Wawa, Inc. (the “Property”) in Midlothian, VA – a suburb of Richmond. The Tenant has been operating at this location since 2002 and recently executed a long-term lease extension, extending the lease to 20 years. The rare, Fee Simple NNN Lease structure enables the Landlord of this property to claim depreciation and cost recovery deductions with respect to the Leased Premises. Further, the lease features attractive, 7% rental increases that will commence in Year 11 and continue every 5 years thereafter, inclusive of the remaining five (5), five (5) year renewal options. The building was recently renovated, displaying Wawa’s commitment to the location.

Wawa is operating on a 2.31-acre parcel conveniently situated at the fully signalized corner of North Bailey Bridge Road and US-360 (Hull Street Road). There is tremendous traffic density around the site due to two, major highways. US-288, which carries more than 58,000 VPD, runs parallel to the location and US-360, a main artery in the area that features more than 46,000 VPD, borders the Wawa site. There are also multiple shopping destinations on either side of the Property along US-360. Chesterfield Crossing Shopping Center, a 250,000+ SF Walmart-anchored center, is just 0.8 miles away and features other national tenants such as The Home Depot, PetSmart, Chick-fil-A, Chili’s Grill & Bar, and IHOP. A Food Lion-anchored shopping center, Genito Crossing is one mile away, and is situated across the street from Victorian Square. Victorian Square is home to larger tenants such as Ashley Homestore, Planet Fitness and Gabe’s. This combination of high traffic counts and multiple surrounding retailers bodes extremely well for this Wawa property.

There is tremendous growth occurring in Midlothian, VA. The population, within a 5-mile radius of the Property, has grown nearly 10% since 2000. Recently, plans for the Midlothian Special Area Plan were approved by the Chesterfield County Board of Supervisors (See article: [Midlothian Special Area Plan](#)). The plan, which is targeting Midlothian Turnpike (9 miles from the Property), calls for interconnected, bike-friendly and walkable neighborhoods, as well as added residential density to support the village core along the thoroughfare. There has not been a reported completion date.

Wawa, Inc., is a privately held company with a chain of more than 850 convenience retail stores (over 600 offering gasoline). The company employs more than 35,000 people and operates their stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida, and the District of Columbia. Each store offers a large fresh food service selection, such as build-to-order hoagies, freshly brewed coffee, hot breakfast sandwiches, built-to-order specialty beverages, and an assortment of soups, sides and snacks.

PROPERTY SUMMARY

| | |
|------------------|--|
| Address | 3850 N. Bailey Bridge Road, Midlothian, VA 23112 |
| Price | \$6,953,000 |
| Cap Rate | 4.75% |
| NOI | \$330,240 |
| Lease Type | Fee Simple: NNN |
| Building Size | 5,017 SF |
| Parcel Size | 2.31 Acres |
| Year Built | 2000 |
| Tenant | Wawa, Inc. |
| Remaining Term | 19+ Years (Expiration 6/30/2039) |
| Renewal Options | Five (5) Five (5) Year Options |
| Rental Increases | 7.00% Every 5 Years, Starting in Year 11 |

Investment Highlights



Wawa has been operating at this location since 2002 and recently signed a lease extension to 20 years with attractive, 7% rental increases every 5 years beginning in Year 11, showing a true commitment to the location.



The rare, Fee Simple NNN lease structure enables the future owner of this Property to exercise depreciation methods or cost recovery deductions with respect to the Leased Premises; This is very uncommon for Wawa opportunities.



The Property is conveniently situated at the fully signalized corner of North Bailey Bridge Road and US-360 (Hull Street Road). US-360 is a main artery in the area that features more than 46,000 VPD.



The Property is surrounded by three shopping destinations in Chesterfield Shopping Center, Genito Crossing and Victorian Square, resulting in a large consumer draw. Chesterfield Shopping Center is just 0.8 miles down the road and features tenants such as Walmart, The Home Depot, PetSmart, Chick-fil-A, Chili's Grill & Bar, and IHOP.



Midlothian, VA, a suburb of Richmond, is experiencing tremendous growth - the population, within a 5-mile radius of the Property, has grown nearly 10% since 2010. Further, the Midlothian Special Area Plan is in the works to modernize the entire town village along Midlothian Turnpike, which includes a multifamily housing component.



Wawa was recently ranked as the #2 convenience store in the United States (Food and Wine).





TENANT Summary

Wawa | Midlothian, VA



Wawa | Midlothian, VA

Wawa Corporate Overview



Wawa, Inc., whose namesake is a Native American word for the Canada Goose in flight, is a privately held company with a chain of more than 850 convenience retail stores (over 600 offering gasoline). The company employs more than 35,000 people and operates their stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida, and the District of Columbia.

Today, Wawa Food Markets carry more than 6,000 items including Wawa brands and popular national and local products. In addition, the stores offer a large fresh food service selection, such as build-to-order hoagies, freshly brewed coffee, hot breakfast sandwiches, built-to-order specialty beverages, and an assortment of soups, sides and snacks. Unlike many convenience store chains, Wawa operates its own dairy, supplying Wawa stores and about 1,000 hospitals, schools, and other institutions. Surcharge-free ATMs are also provided. In recent years, many Wawa Markets have been expanded to “Super Wawa’s,” with 12-20 gasoline pumps. All new Wawa’s are constructed in the “Super Wawa” format (though not all feature gas stations). The company produces annual revenue in excess of \$12 billion (2018), as reported by Forbes Magazine, and was ranked #25 on Forbes’ list of America’s Largest Private Companies in 2019.

COMPANY OVERVIEW

| | |
|------------------------|----------|
| Ownership | Private |
| # of Locations | 850+ |
| # of Employees | 35,000+ |
| US Headquarters | Wawa, PA |
| Website | wawa.com |



FINANCIAL Analysis

Wawa | Midlothian, VA



Wawa | Midlothian, VA

Lease Abstract



\$6,953,000
Asking Price

4.75%
Cap Rate

LEASE DETAIL

| | |
|------------------------|--|
| Address | 3850 N. Bailey Bridge Road, Midlothian, VA 23112 |
| Tenant | Wawa, Inc. |
| Building Size | 5,017 SF |
| Parcel Size | 2.31 Acres |
| Year Built | 2000 |
| Annual Rent | \$330,240 |
| Lease Type | Fee Simple: NNN |
| Roof & Structure | Tenant Responsibility |
| Rent Commencement | 6/25/2002 |
| Lease Expiration | 6/30/2039 |
| Remaining Lease Term | 19+ Years |
| Remaining Options | Five (5), Five (5) Year Options |
| Right of First Refusal | 25 Days |

RENT SCHEDULE

| Description | Dates | Annual Rent | % Increase |
|-----------------------------|-----------------------|-------------|------------|
| Current Term (Years 1-10) | 5/29/2019 - 6/30/2029 | \$330,240 | - |
| Current Term (Years 11-15) | 7/1/2029 - 6/30/2034 | \$353,357 | 7.00% |
| Current Term (Years 16-20) | 7/1/2034 - 6/30/2039 | \$378,092 | 7.00% |
| Option Term 1 (Years 21-25) | 7/1/2039 - 6/30/2044 | \$404,558 | 7.00% |
| Option Term 2 (Years 26-30) | 7/1/2044 - 6/30/2049 | \$432,877 | 7.00% |
| Option Term 3 (Years 31-35) | 7/1/2049 - 6/30/2054 | \$463,179 | 7.00% |
| Option Term 4 (Years 36-40) | 7/1/2054 - 6/30/2059 | \$495,601 | 7.00% |
| Option Term 5 (Years 41-45) | 7/1/2059 - 6/30/2064 | \$530,293 | 7.00% |

TENANT RESPONSIBILITY DETAIL

| | |
|-----------------------|---|
| Maintenance & Repairs | Tenant shall at all times, including any Requisition period, put, keep and maintain the Leased Premises and the Equipment in the same condition and order of repair as exists as of the date of this Lease. |
| Insurance | Tenant shall maintain, at its sole cost, all insurance requirements per the Lease, outlined in section 14. |
| Taxes | Tenant shall pay all taxes of every kind and nature on or with respect to the Leased Premises, or the use, lease, ownership or operation thereof. |
| Utilities | Tenant shall pay all water and sewer rents and other utility charges on or with respect to the Lease Premises. |

LANDLORD RESPONSIBILITY DETAIL

| |
|------|
| None |
|------|



LOCATION Overview

Wawa | Midlothian, VA



Wawa | Midlothian, VA

Midlothian, Virginia

Midlothian, VA, a suburb 14 miles west of Richmond, is located in the northwestern part of Chesterfield County. The town contains a population of 58,000 people within its 32.4 square miles. Midlothian is an especially affluent area in the Richmond market with a median household income of \$117,000. Midlothian remains as one of the region's fastest-growing communities in the 21st century.

- In 2011, CNBC consulted Location, Inc. to discover suburbs in the United States with the best mix of affordable housing, good education, low crime, high employment and reasonable commutes. Midlothian was ranked #6 in the nation (See article: [10 Perfect Suburbs](#)).

Chesterfield County Overview

Located southwest of downtown Richmond, Chesterfield County is part of the Richmond metro area and is bounded by the cities of Richmond, Petersburg, Hopewell, and Colonial Heights. Covering 446 square miles of land, Chesterfield County is home to a number of pleasant suburban communities that are within a two-hour drive from Virginia Beach, the Blue Ridge Mountains, and Washington, D.C. The county is also within a one-day haul of approximately 65% of the nation's manufacturing operations and more than 40% of the nation's population.

As a result of the county's central location and excellent transportation infrastructure, the county has become a hub for the region's manufacturing and distribution industry. Major manufacturers headquartered in Chesterfield County include E.I. du Pont de Nemours & Company, Honeywell, Inc. and Alstom Power, Inc. Recent growth in the county's manufacturing base includes expansions at Mazda Motor Corporation, MGC Advanced Polymers, Hill PHOENIX, Blueprint Automation, Inc., Maruchan Virginia, Inc. and Eternal Technology Corporation.

DEMOGRAPHIC SNAPSHOT

- 39 median age
- \$284,845 Average Home Value
- 8% Population growth since 2010
- 342,909 Population as of 2017
- \$93,929 Average Household Income
- 32% Homes Valued over \$300,000
- 38% with Bachelor's Degree

RICHMOND MSA LOCATION OVERVIEW

#2 Top 25 Cities where Millennials are Moving – Time Magazine 2017

681,900+ People Employed within the Richmond MSA – June 2018

23.7% Population Growth in Richmond MSA from 2000 to 2018

17 Colleges and Universities in the Greater Richmond Area

Demographics

| | 1-mile radius | 3-mile Radius | 5-mile radius |
|-----------------------------------|------------------|------------------|------------------|
| POPULATION | | | |
| 2010 Census | 4,820 | 41,082 | 110,928 |
| 2020 Estimate | 5,319 | 44,304 | 121,994 |
| 2025 Projection | 5,611 | 46,312 | 127,520 |
| POPULATION GROWTH | | | |
| Percent Change: 2000 to 2010 | 16.09% | 15.81% | 20.01% |
| Percent Change: 2010 to 2020 | 10.35% | 7.84% | 9.98% |
| Percent Change: 2020 to 2025 | 5.49% | 4.53% | 4.53% |
| ESTIMATED HOUSEHOLD INCOME | | | |
| Average Household Income | \$94,637 | \$105,266 | \$116,111 |
| Median Household Income | \$83,950 | \$88,943 | \$95,689 |
| HOUSEHOLDS | | | |
| 2010 Census | 1,834 | 15,741 | 40,943 |
| 2020 Estimate | 2,061 | 17,160 | 45,556 |
| 2025 Projection | 2,186 | 17,991 | 47,782 |
| HOUSEHOLD GROWTH | | | |
| Percent Change: 2000 to 2010 | 22.27% | 20.96% | 24.96% |
| Percent Change: 2010 to 2020 | 12.38% | 9.02% | 11.27% |
| Percent Change: 2020 to 2025 | 6.07% | 4.84% | 4.89% |

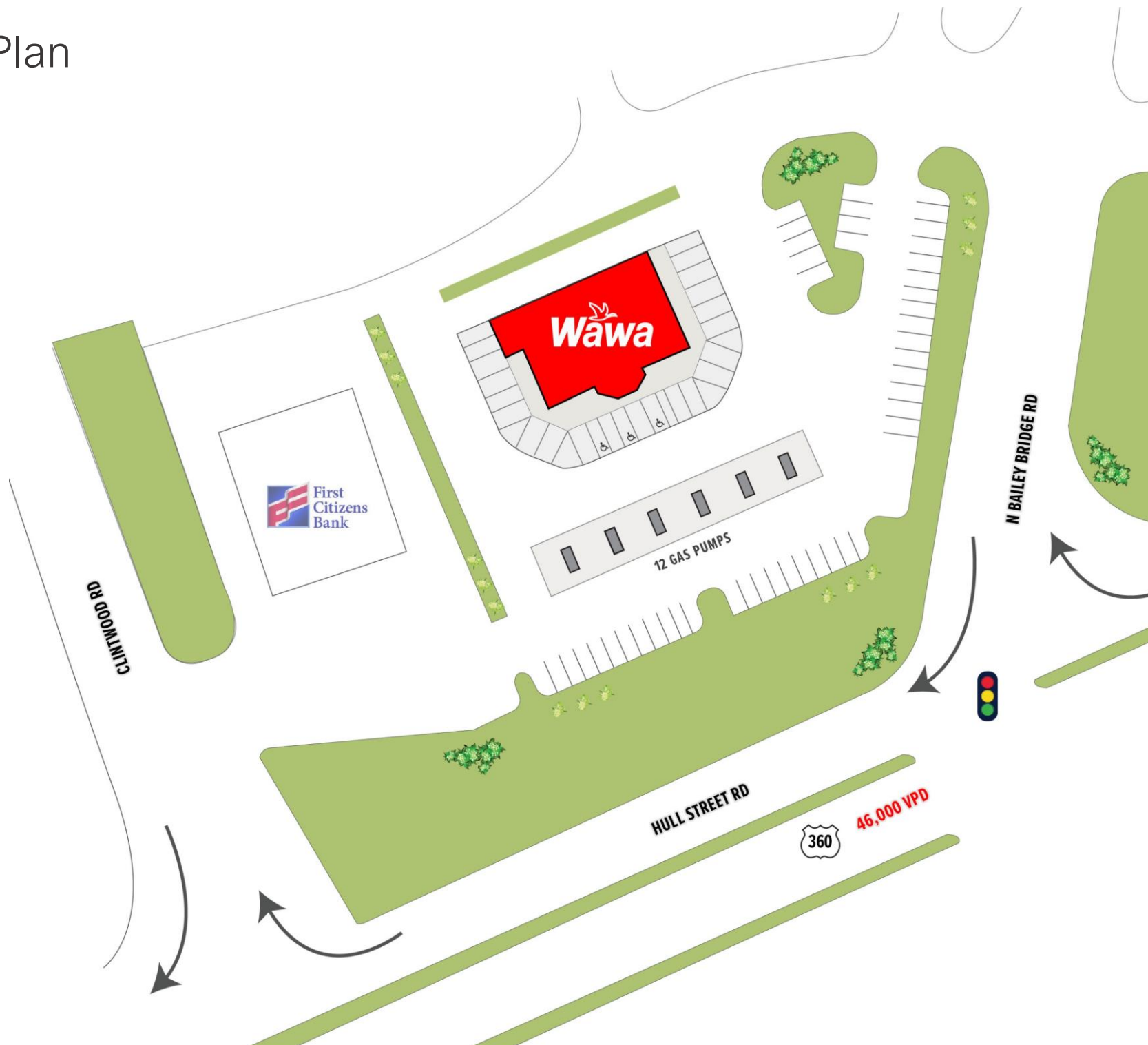
(Envionics Analytics)



Surrounding Retail & Amenities



Site Plan



Wawa's Presence in Virginia

Wawa has had a presence in the state of Virginia dating back to 1998. Today, the private company operates roughly 90 stores and employs nearly 3,000 people in Virginia. In 2018, Wawa announced the celebration of its 20-year anniversary. To honor their foothold and appreciation in the Commonwealth, the Wawa Foundation presented the Virginia Hero Awards, which aided the state's nonprofit organizations in each of the markets that Wawa served. Wawa CEO, Chris Gheysens, commented on the positive relationship saying, "We look forward to expanding further into Virginia over the next few years and can't wait to see where we are another 20 years from now."

In September of 2019, Wawa announced plans to open 40 stores in Northern Virginia over the next 15 years (See article: [Wawa Virginia Expansion](#)). The \$240 million dollar project would boost the private company's presence and market share in the state and ultimately lead to more than 2,000 new jobs. The development plan is calling for 2 to 3 store openings each year. The senior director of Wawa's real estate department, John Poplawski, mentioned that the store openings are not tied to Amazon's new headquarters Arlington, VA, indicating the company's belief in Northern Virginia – one of the nation's most affluent areas. Further, the chief real estate and fuel officer for Wawa, Brian Schaller, added, "We do think there's enough brand-building opportunity and enough folks here that we're going to accomplish that." Coined "HQ2," Amazon plans to expand their 2nd headquarters in Virginia to 25,000 employees over the next decade. Still, that figure is just half of the 50,000 employees that Amazon originally promised to plant at its new headquarters, leaving tremendous potential for growth and perhaps, an entirely new consumer base for Wawa.

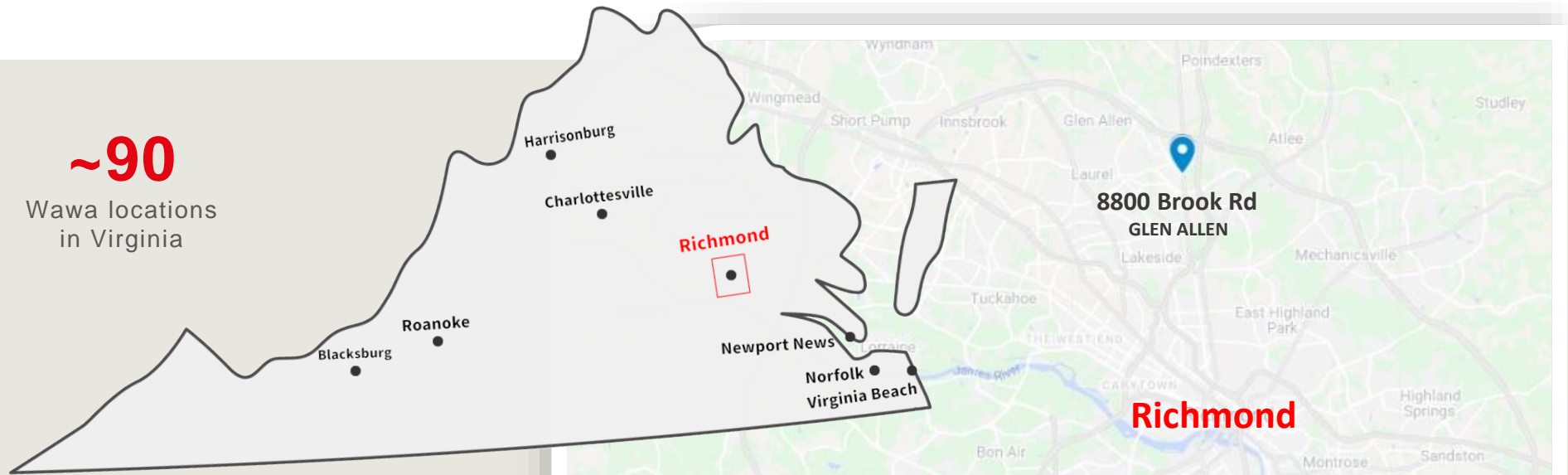
Wawa has been the leader of the convenience store market share for quite some time in the Delaware Valley (Philadelphia, PA MSA). In 2012, the company began its rapid expansion when it opened its first store in Florida. Due to the high performance of each store, Wawa has continued to build in the sunshine state and is showing no plans of slowing down. According to experts, they expect Florida's store count to surpass both New Jersey (250) and Pennsylvania (238) by 2022. Chain wide, Wawa opens nearly 60 new stores each year in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, Florida and Washington, D.C., the company said.



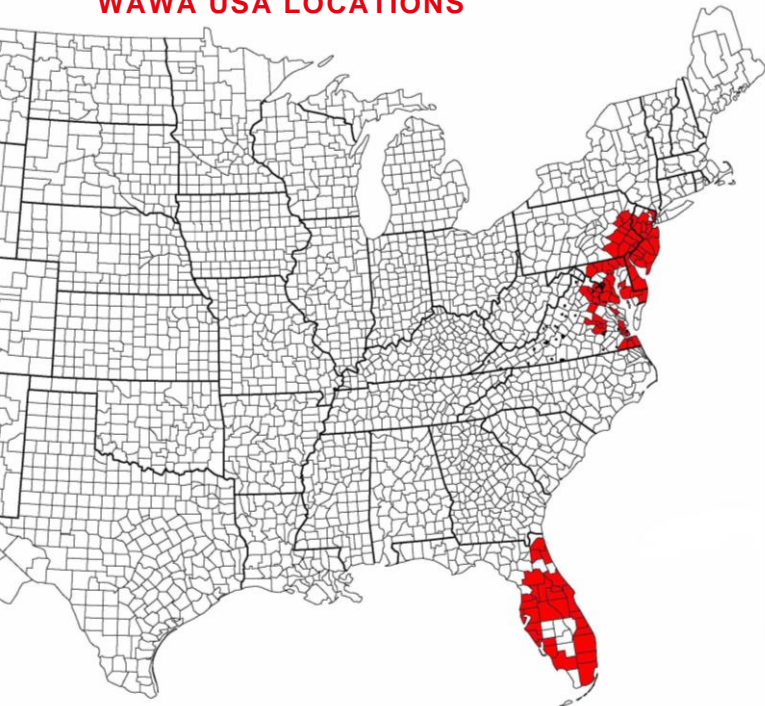
Current JLL Wawa Inventory in Virginia

~90

Wawa locations
in Virginia



WAWA USA LOCATIONS



FOR MORE INFORMATION:

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ADDITIONAL WAWA INVENTORY COMING SOON



3850 N Bailey Bridge Road
Midlothian, VA (Richmond MSA)

WAWA



| | |
|----------------|--------------|
| Location | Richmond, VA |
| Price | \$8,531,358 |
| CAP | 4.75% |
| NOI | \$405,240 |
| Term Remaining | 19+ Years |

WAWA



| | |
|----------------|-------------|
| Location | Chester, VA |
| Price | \$7,225,263 |
| CAP | 4.75% |
| NOI | \$343,200 |
| Term Remaining | 19+ Years |

WAWA



| | |
|----------------|----------------|
| Location | Glen Allen, VA |
| Price | \$8,010,947 |
| CAP | 4.75% |
| NOI | \$380,520 |
| Term Remaining | 19+ Years |

WAWA



| | |
|----------------|-------------|
| Location | Chester, VA |
| Price | \$6,164,211 |
| CAP | 4.75% |
| NOI | \$292,800 |
| Term Remaining | 19+ Years |