



Rare Single-Tenant Fee Simple NNN Wawa | Depreciable Asset With Long-Term Lease Extension | High Growth Area

600 E Hundred Road
Chester, VA (Richmond MSA)

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INVESTMENT Summary

Wawa | 600 E Hundred Road, Chester, 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 Chester, 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 length of the lease to 20 years. The rare, Fee Simple NNN Lease structure enables the owner 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. Lastly, the building was recently renovated, demonstrating Wawa's commitment to the location.

Wawa is operating on a 1.64-acre parcel conveniently situated along Route 10 (E. Hundred Road) and is a half mile from Exit 15B of I-295, which boasts more than 35,000 vehicles per day. Route 10 is a main artery in the area that features more than 30,000 VPD and is home to multiple nearby, nationally recognized tenants such as McDonald's, CVS, Wells Fargo, Wendy's, Waffle House, Subway and Taco Bell.

There is rapid growth occurring in Chester, VA. The population, within a one-mile radius of the Property, has grown more than 25% since 2010. This trend is in part due to the rapid economic development that is occurring in the greater Chesterfield County. There are currently dozens of apartment, hotel and mixed-use developments that are underway ([See article: Chesterfield County Commercial Real Estate Development](#)). Further, the county has become a hub for the region's manufacturing and distribution industry because of its centralized location. It is within a one-day haul of approximately 65% of the nation's manufacturing operations and more than 40% of the nation's population.

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	600 E Hundred Road, Chester, VA 23836
Price	\$7,225,263
Cap Rate	4.75%
NOI	\$343,200
Lease Type	Fee Simple: NNN
Building Size	5,109 SF
Parcel Size	1.64 Acres
Year Built	2000
Tenant	Wawa, Inc.
Remaining Term	19+ Years (Expiration 5/31/2039)
Renewal Options	Five (5) Five (5) Year Options
Rental Increases	7.00% Every 5 Years, Starting Year 11

Investment Highlights



Wawa has been operating at this location since 2002 and recently signed a long-term lease extension with attractive, 7% rental increases every 5 years beginning in Year 11.



The rare, Fee Simple NNN Lease structure enables the owner of this property to claim depreciation and cost recovery deductions with respect to the Leased Premises.



The Property is situated along Route 10 (30,000 VPD), which is a main artery in the area that is home to multiple nearby, nationally recognized tenants such as McDonald's, CVS, Wells Fargo, Wendy's, Waffle House, Subway and Taco Bell.



Chester, VA, a suburb of Richmond, is experiencing tremendous growth - the population, within a one-mile radius of the Property, has grown more than 25% since 2010 and there are dozens of commercial real estate developments underway in the greater Chesterfield County.

#2

Wawa was recently ranked as the #2 convenience store in the United States (Food & Wine; see article: [Wawa #2 Convenience Store](#))



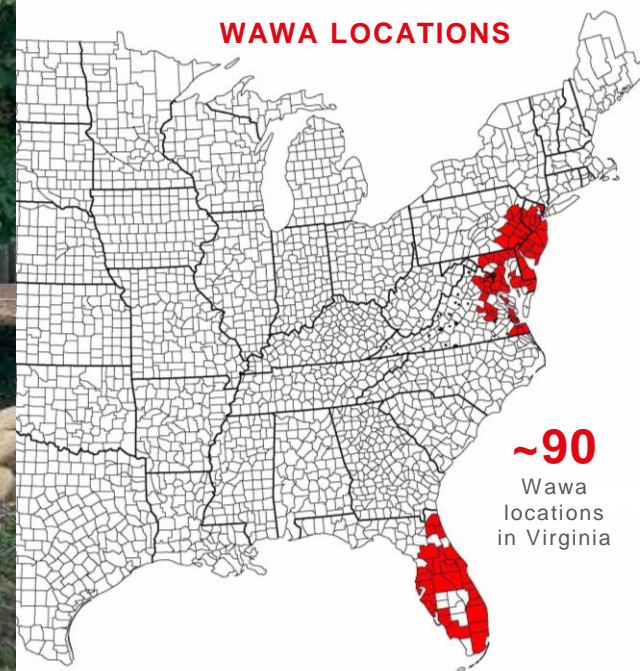
Wawa's Presence in Virginia



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.





TENANT Summary

Wawa | 600 E Hundred Road, Chester, 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 | 600 E Hundred Road, Chester, VA



Wawa | 600 E Hundred Road, Chester, VA

Lease Abstract



\$7,225,263
Asking Price

4.75%
Cap Rate

\$343,200
NOI

LEASE DETAIL

Address	600 E Hundred Road, Chester, VA 23836
Tenant	Wawa, Inc.
Building Size	5,109 SF
Parcel Size	1.64 Acres
Year Built	2000
Annual Rent	\$343,200
Lease Type	Fee Simple: NNN
Roof & Structure	Tenant Responsibility
Rent Commencement	6/25/2002
Lease Expiration	5/31/2039
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 - 5/31/2029	\$343,200	-
Current Term (Years 11-15)	6/1/2029 - 5/31/2034	\$367,224	7.00%
Current Term (Years 16-20)	6/1/2034 - 5/31/2039	\$392,930	7.00%
Option Term 1 (Years 21-25)	6/1/2039 - 5/31/2044	\$420,435	7.00%
Option Term 2 (Years 26-30)	6/1/2044 - 5/31/2049	\$449,865	7.00%
Option Term 3 (Years 31-35)	6/1/2049 - 5/31/2054	\$481,356	7.00%
Option Term 4 (Years 36-40)	6/1/2054 - 5/31/2059	\$515,051	7.00%
Option Term 5 (Years 41-45)	6/1/2059 - 5/31/2064	\$551,104	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.

DEPRECIATION OPPORTUNITY

Special Tax Indemnity	Tenant hereby represents, warrants and covenants to Landlord as follows: neither Tenant nor any Affiliate will claim any depreciation or cost recovery deductions with respect to the Leased Premises or any portion thereof, or will take any other action in connection with filing its or their federal income tax returns that would be a primary factor resulting in a Loss or Inclusion.
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LANDLORD RESPONSIBILITY DETAIL

None



LOCATION Overview

Wawa | 600 E Hundred Road, Chester, VA



Chester, Virginia

Chester, VA is a growing suburb 15 miles south of Richmond. It is located in Chesterfield County and boasts a population over 21,000 people within its 13.3 square miles, which has grown 10.2% since 2000. This historic suburb, nestled along the James and Appomattox Rivers, is home to the 176-acre R. Garland Dodd Park at Point of Rocks – a popular destination for residents that features several athletic facilities and a diverse natural area. The median home value in the city is 10% higher than the US average at \$203,500 with a median household income above \$65,000, 18% higher than the US average.

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

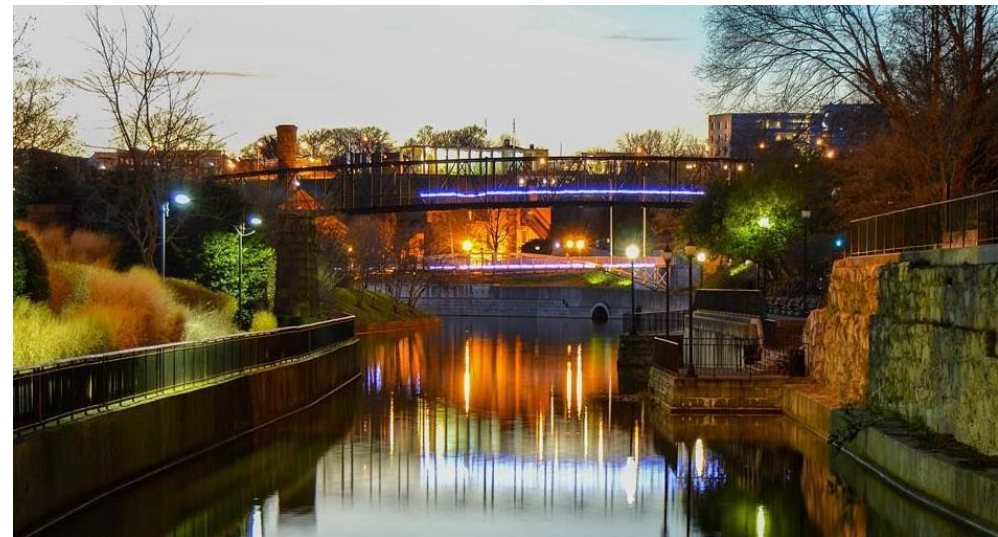
23.7% Population Growth in Richmond MSA from 2000 to 2018

17 Colleges and Universities in the Greater Richmond Area

Demographics

	1-mile radius	3-mile Radius	5-mile radius
POPULATION			
2010 Census	3,784	34,213	68,166
2020 Estimate	4,023	38,208	74,632
2025 Projection	4,176	40,396	78,341
POPULATION GROWTH			
Percent Change: 2000 to 2010	1.01%	25.16%	18.73%
Percent Change: 2010 to 2020	6.32%	11.68%	9.49%
Percent Change: 2020 to 2025	3.80%	5.73%	4.97%
ESTIMATED HOUSEHOLD INCOME			
Average Household Income	\$105,543	\$97,699	\$96,403
Median Household Income	\$92,171	\$84,282	\$81,284
HOUSEHOLDS			
2010 Census	11,111	13,248	22,332
2020 Estimate	10,817	12,846	21,621
2025 Projection	10,795	12,806	21,538
HOUSEHOLD GROWTH			
Percent Change: 2000 to 2010	3.74%	28.61%	20.73%
Percent Change: 2010 to 2020	7.62%	12.07%	10.71%
Percent Change: 2020 to 2025	4.04%	5.86%	5.36%

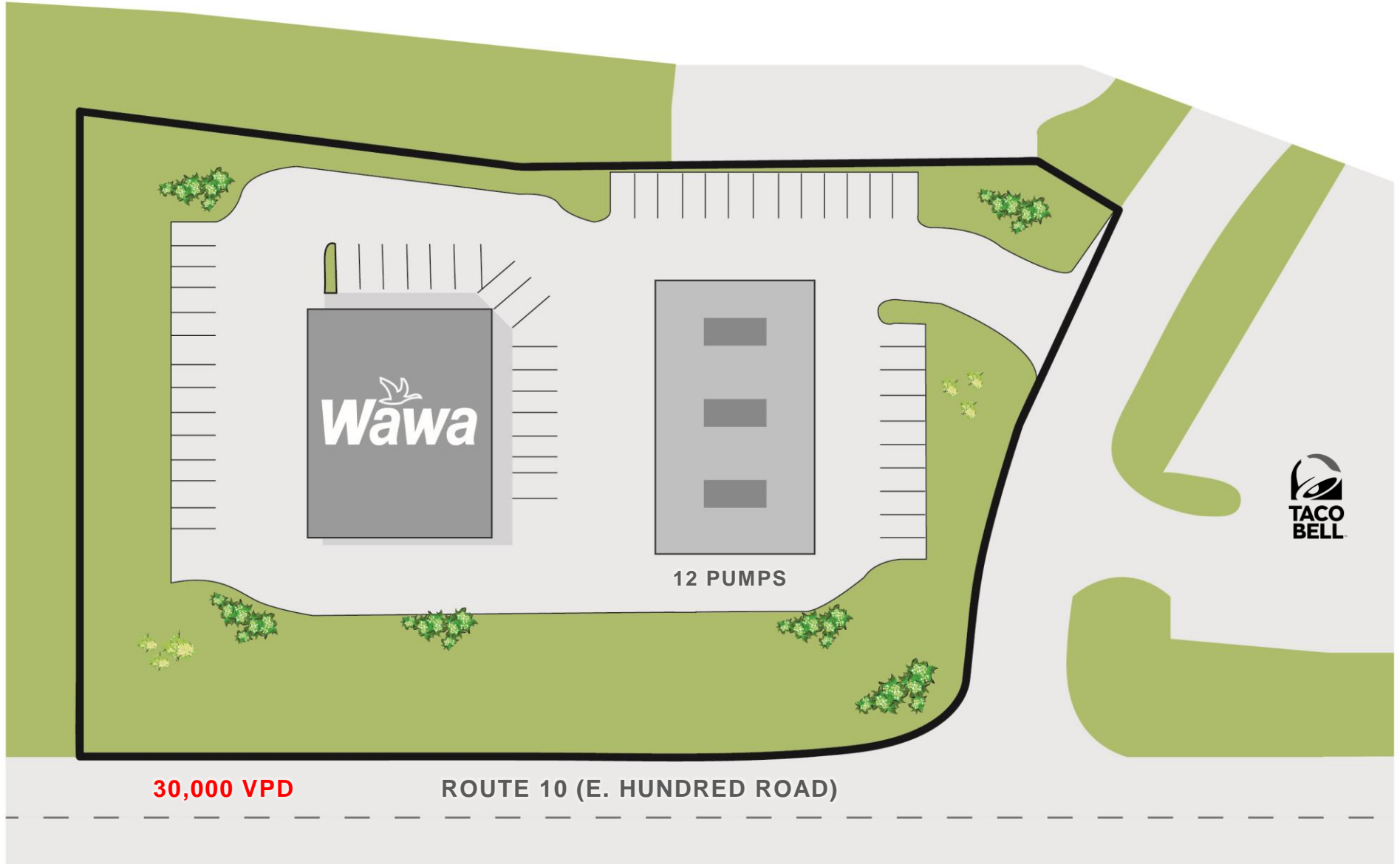
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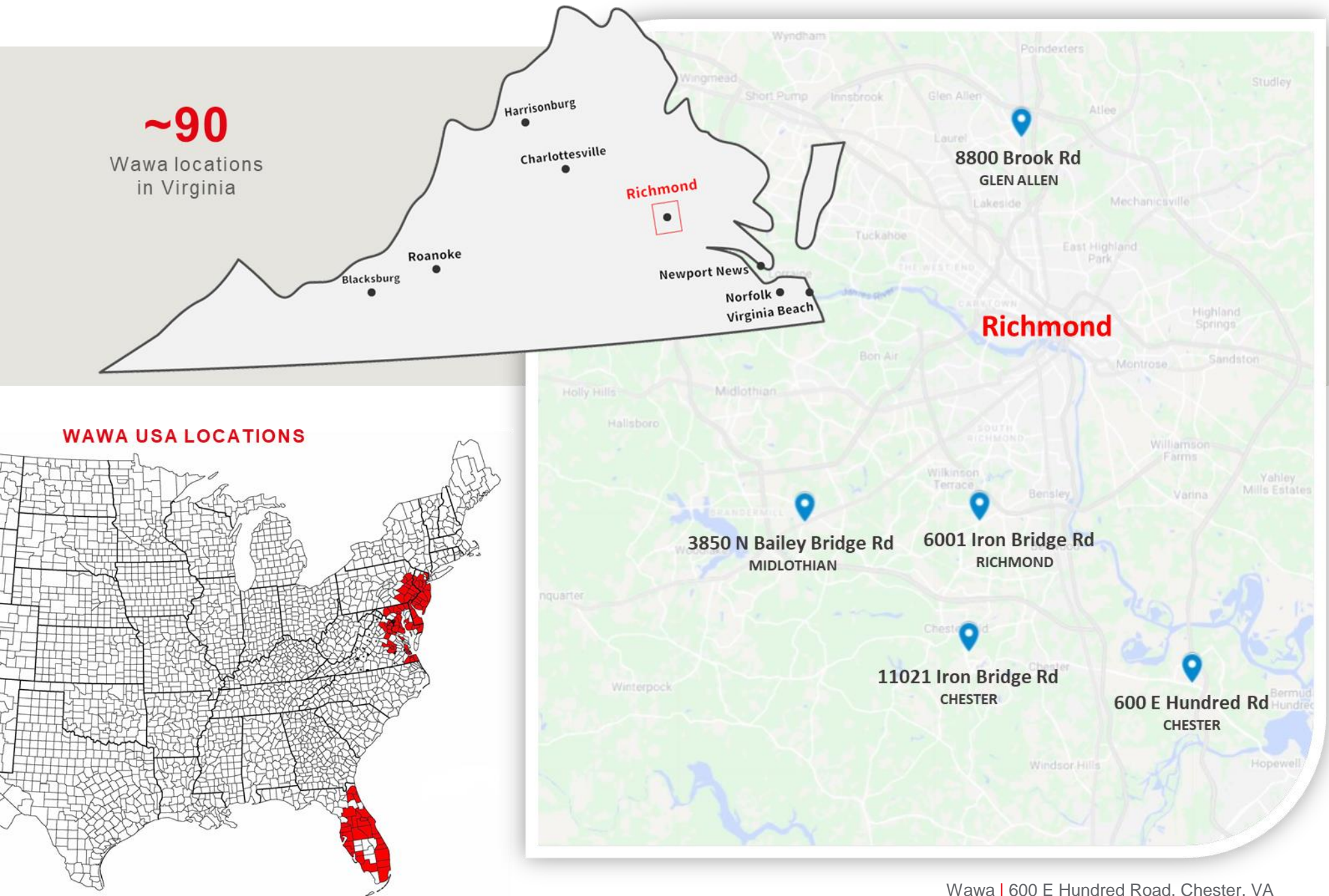
Surrounding Retail & Amenities



Site Plan



Current JLL Wawa Inventory in Virginia



FOR MORE INFORMATION:

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ADDITIONAL WAWA INVENTORY



600 E Hundred Road
Chester, VA (Richmond MSA)

WAWA



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

WAWA



Location	Richmond, VA
Price	\$6,164,211
CAP	4.75%
NOI	\$292,800
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	Midlothian, VA
Price	\$6,952,421
CAP	4.75%
NOI	\$330,240
Term Remaining	19+ Years