

WENDY'S | ABSOLUTE NNN LEASED OFFERING

12486 NORTHWEST FREEWAY HOUSTON, TX



*REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM



OFFERING MEMORANDUM
PRESENTED BY:

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DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.



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INVESTMENT OVERVIEW



This property is located next to US Highway 290 with an average daily traffic count of over 200,000 VPD. Within the 1 mile radius of the property, there are over 16,629 residents living in the vicinity along with 12,736 daytime employees. Around the site, the property is benefited by limited-service hotels that include Regency Inn & Suites, Holiday Inn Express & Suites, Fairfield Inn & Suites, Econolodge and Platinum Inn & Suites. On the main frontage road of the subject property are 24-Hour Fitness, Wells Fargo, iHop, Brake Check, and Dunkin' Donuts.

INVESTMENT HIGHLIGHTS

LONG TERM ABSOLUTE NNN LEASE
HEALTHY RENT COVERAGE: 8.00% RENT TO SALES
LOCATED RIGHT OFF OF US ROUTE 290 (198,00 VPD)
SEASONED LOCATION: OPERATED AS A WENDY'S SINCE 1985
RENT SIGNIFICANTLY BELOW TENANT AVERAGE
HAZA FOODS: 200+ UNIT OPERATOR
DENSE INFILL SITE: 143,000 PEOPLE IN A 3 MILE RADIUS

OFFERING SPECIFICATIONS

PRICE	\$1,500,000
CAP RATE	6.08%
NET OPERATING INCOME	\$91,256
SQUARE FOOTAGE	2,680
LOT SIZE	0.75 AC
YEAR BUILT	1985
COUNTY	HARRIS

FINANCIAL SUMMARY

WENDY'S • ABSOLUTE NNN LEASE OFFERING

12486 NORTHWEST FREEWAY HOUSTON, TX

\$1,500,000 • 6.08%

SUMMARY

TENANT NAME	HAZA FOODS
SQUARE FOOTAGE	2,680
LOT SIZE	0.75 AC
LEASE BEGINS	12/10/2010
LEASE ENDS	3/22/2029
ANNUAL RENT	\$91,256
OPTIONS	Four, 5-Year
INCREASES	5% Every 5 Years

OFFERING SUMMARY

	ANNUAL RENT	CAP RATE
CURRENT*	\$86,910	5.70%
12/02/2020- 12/01/2025	\$91,256	6.08%
12/02/2026- 12/01/2029	\$95,818	6.28%
OPTION 1	\$100,610	6.60%
OPTION 2	\$105,640	6.93%
OPTION 3	\$110,922	7.27%
OPTION 4	\$116,468	7.64%

* Seller will provide full rent credit to 12/02/2020

CONCEPT OVERVIEW



WENDY'S

Wendy's is one of the largest quick-service hamburger restaurant chains.

Wendy's is an attractive investment due to the underlying asset. Restaurants are typically in a 3,000 square foot building with a drive-thru window, and situated on 0.5 - 1.0 acre of land. It is important to note that Wendy's franchises the majority of its locations. There are a number of various lease agreements and guarantors operating under the Wendy's banner. As a result, lease terms vary, as do cap rates, based on the size and strength of the operator and sales at a particular location. Generally the lease term is 20 years with four (4), five (5) year options with increases of 5-10% every 5 years.

When Wendy's International and Arby's parent company, Triarc Companies, merged in September 2008, they created the third-largest US fast-food chain (behind only McDonald's and Yum! Brands). This merger formed the Wendy's/Arby's Group, the parent company of Wendy's International, Inc. and Arby's Restaurant Group, Inc. which are the franchisors of the Wendy's and Arby's restaurant systems. Wendy's/Arby's Group creation has altered the perception of both Wendy's and Arby's net lease properties with the introduction of new management and new menu concepts.

Wendy's is engaged in the quick-service restaurant (QSR) business, operating, developing and franchising Wendy's restaurants. The revenues from its restaurant business are derived from four principal sources: sales at Wendy's-owned restaurants; sales of bakery items and kid's meal promotional items to franchisees; franchise royalties received from all Wendy's franchised restaurants, and up-front franchise fees from restaurant operators for each new unit opened.

Each Wendy's restaurant offers a relatively standard menu featuring hamburgers and filet of chicken breast sandwiches and wraps, which are prepared to order with the customer's choice of condiments. Wendy's menu also includes chicken nuggets, chili, baked and French fried potatoes, freshly prepared salads, soft drinks, milk, Frosty desserts, floats and kids meals."



\$1.2B REVENUE



6,656+ LOCATIONS



12,100+ EMPLOYEES

LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	16,629	143,194	336,173
TOTAL HOUSEHOLDS	5,944	49,179	118,202
AVERAGE HOUSEHOLD INCOME	\$56,632	\$63,153	\$82,365
AVERAGE AGE	34.50	34.20	35.60

AREA OVERVIEW

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	16,629	143,194	336,173
TOTAL HOUSEHOLDS	5,944	49,179	118,202
PERSONS PER HOUSEHOLD	2.70	2.80	2.80
AVERAGE HOUSEHOLD INCOME	\$56,632	\$63,153	\$82,365
AVERAGE HOUSE VALUE	\$187,110	\$194,605	\$227,752
AVERAGE AGE	34.50	34.20	35.60
WHITE	12,951	107,488	245,318
BLACK	2,927	26,947	63,118
AM. INDIAN & ALASKAN	191	2,349	4,650
ASIAN	290	3,956	17,302
HAWAIIAN & PACIFIC ISLAND	17	142	319
OTHER	254	2,313	5,467

HOUSTON, TX

Houston is the fourth most populous city in the nation, with an estimated July 2018 population of 2,325,502 (trailing only New York, Los Angeles and Chicago), and is the largest in the southern U.S. and Texas. Houston is expected to become the third most populous U.S. city during the second half of the decade of the 2020s.It's closely linked with the Space Center Houston, the coastal visitor center at NASA's astronaut training and flight control complex. The city's relatively compact Downtown includes the Theater District, home to the renowned Houston Grand Opera, and the Historic District, with 19th-century architecture and upscale restaurants.



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.

- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.
- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A **BROKER'S MINIMUM DUTIES REQUIRED BY LAW** (A client is the person or party that the broker represents):

A **LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:**

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

TREX Net Lease, Inc.	9006301	kevin@thelasegroup.com	512.636.9613	Kevin Cordova	485683	kevin@thelasegroup.com	512.636.9613
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone	Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Kevin Cordova	485683	kevin@thelasegroup.com	512.636.9613	Kevin Cordova	485683	kevin@thelasegroup.com	512.636.9613
Designated Broker of Firm	License No.	Email	Phone	Sales Agent/Associate's Name	License No.	Email	Phone



HOUSTON, TEXAS



The Kase Group

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