

CBRE



# SUPER WAWA

837 PENN AVE | WYOMISSING, PA 19610



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# TENANT OVERVIEW

WAWA | WYOMISSING, PA





Wawa, Inc., a privately held company, began in 1803 as an iron foundry in New Jersey. Wawa Inc. is a chain of convenience store/gas stations located along the East Coast of the United States. It operates in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and Florida. The company's corporate headquarters is located in the Wawa area of Chester Heights, Pennsylvania in Greater Philadelphia. As of 2008, Wawa was the largest convenience store chain in Greater Philadelphia, and it is also the third largest retailer of food in Greater Philadelphia, after ACME Markets and ShopRite. Wawa is also #25 on Forbes's America's Largest Private Companies List 2018.

In recent years, many Wawa Markets have been expanded to "Super Wawas," with 12-20 gasoline pumps. All new Wawas constructed are of the "Super Wawa" variety (though not all feature gas stations). Wawa offers a large fresh food service selection under the Wawa brands including built-to-order hoagies, freshly-brewed coffee and dairy products.

## WAWA CORPORATE OVERVIEW

<b>TENANT TRADE NAME:</b>	Wawa
<b>TENANT OWNERSHIP STATUS:</b>	Private
<b>TENANT:</b>	Corporate Store
<b>LOCATIONS:</b>	-/+ 750 Locations
<b>REVENUE:</b>	\$10.6 Billion (2018)
<b>CREDIT RATING:</b>	Shadow Rating - BBB
<b>EMPLOYEES:</b>	31,000
<b>WEBSITE:</b>	<a href="http://www.wawa.com">www.wawa.com</a>
<b>CORPORATE HEADQUARTERS:</b>	Chester Heights, PA



# FINANCIAL OVERVIEW

WAWA | WYOMISSING, PA

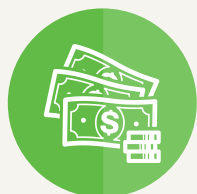




LIST PRICE  
**\$8,152,173**



CAP RATE  
**4.60%**



TOTAL NOI  
**\$375,000**

## PROPERTY HIGHLIGHTS

### LONG-TERM SECURE INVESTMENT

Corporately guaranteed lease with Wawa, the #1 convenience store/gas station operator in the mid-Atlantic region and #25 on Forbes's America's Largest Private Companies, outpacing competitors such as Sheetz, Royal Farms and QuickChek

### INVESTMENT GRADE CREDIT

Wawa has a shadow rating of "BBB" which is equivalent to investment grade credit and is one of the most sought after tenants in the net lease market today

### PASSIVE OWNERSHIP

Wawa executed an absolute NNN lease offering zero landlord responsibilities or expenses making this a great 1031 option and an easy asset to own from anywhere

### CONTRACTUAL YIELD GROWTH

10% rental increases every 5 years in the base term of the lease and in each of the six, five-year options to renew

### NEW CONSTRUCTION PROTOTYPE

The Subject Property is the tenant's newest prototype, a "Super Wawa", with over 5,000 square feet of convenience store space, eight gas dispensers fueling sixteen cars simultaneously, all situated on 2 acres

### ACTIVE MIXED-USE REDEVELOPMENT

Part of The Knitting Mills, an exciting new \$70 million redevelopment mixed-use business and retail campus featuring McDonald's, Tower Health's C-Suite offices, UGI Energy's corporate headquarters, Teleflex Inc's newest lab/R&D/manufacturing facility, VF Outlet Store, Orthopedic Associates surgery and imaging center as well as Sly Fox's latest brewery and pub

### SURROUNDED BY COMPLEMENTARY USES

Surrounding uses include: Drexel University's College of Medicine, Tower Health's Main Campus, Wyomissing Square apartments (248 units), the Lofts at Narrow, Courtyard by Marriott as well as active retail corridors with shops and restaurants on 8th and 6th avenues

### EXCELLENT DEMOGRAPHICS

Wyomissing is a densely populated submarket with 13,625 people within 1 mile, 137,003 people within 3 miles and 203,608 people within 5 miles with average household incomes of approximately \$70,000

### STRATEGIC LOCATION

Situated off Park Rd & Penn Ave., both main retail corridors, with combined traffic counts over 27,000 vehicles per day and roughly ½ mile from the Reading Hospital and an interchange with Rte. 422, the main thoroughfare connecting the western suburbs to Philadelphia

# FINANCIAL OVERVIEW

## FINANCIAL OVERVIEW



**PRICE:** **\$8,152,173**

**CAP RATE:** **4.60%**

**YEAR BUILT:** 2019

**BUILDING SQUARE FOOTAGE:** 5,051

**LOT SIZE:** 1.98 Acres

**TYPE OF OWNERSHIP:** Ground Lease

**TENANT:** Wawa Inc

**LEASE GUARANTOR:** Corporate Guarantee

**LEASE TYPE:** NNN Ground

**INITIAL LEASE TERM:** 20 Years

**ROOF AND STRUCTURE:** Tenant Responsible

**RENT COMMENCEMENT:** 11/1/2019

**LEASE EXPIRATION:** 10/31/2039

**TERM REMAINING ON LEASE:** 19 Years

**INCREASES:** 10% Every 5 Years

**OPTIONS:** 6x5 Years

**ROFR:** N/A

### PROPERTY ADDRESS:

837 PENN AVE | WYOMISSING, PA 19610

ANNUALIZED OPERATING DATA		
RENT INCREASES	ANNUAL	MONTHLY
Years 1-5	\$375,000.00	\$31,250.00
Years 6-10	\$412,500.00	\$34,375.00
Years 11-15	\$453,750.00	\$37,812.50
Years 16-20	\$499,125.00	\$41,593.75
Option 1	\$549,037.50	\$45,753.13
Option 2	\$603,941.25	\$50,328.44
Option 3	\$664,335.38	\$55,361.28
Option 4	\$730,768.91	\$60,897.41
Option 5	\$803,845.80	\$66,987.15
Option 6	\$884,230.38	\$73,685.87
<b>NET OPERATING INCOME:</b>		<b>\$375,000.00</b>

## INVESTMENT OVERVIEW

**CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE** this Wawa property located on Penn Ave in Wyomissing, Pennsylvania. This is a 20 year with 19 years remaining in the initial lease term. The lease is corporately guaranteed by Wawa, the #1 convenience store/gas station operator in the mid-Atlantic region outpacing competitors such as Sheetz, Royal Farms and QuickChek. This is a passive investment, as Wawa executed an absolute NNN lease offering zero landlord responsibilities or expenses making this a great 1031 option and an easy asset to own from anywhere. There are 10% rental increases every 5 years in the base term of the lease and in each of the six, five-year options to renew. Wawa has a shadow rating of “BBB” which is equivalent to investment grade credit and is one of the most sought after tenants in the net lease market today.

The Subject Property was constructed in 2019 and features the tenant’s newest prototype, a “Super Wawa”, with over 5,000 square feet of convenience store space, eight gas dispensers fueling sixteen cars simultaneously, all situated on 2 acres. Wawa is part of The Knitting Mills, an exciting new \$70 million redevelopment mixed-use business and retail campus. The Knitting Mills is home to Tower Health, which currently occupies a 53,000 square foot building (for IT and training purposes) and will additionally occupy a separate 210,650 square foot building (C-Suite administrative offices) in January 2022. UGI Energy’s corporate headquarters will occupies 146,324 square feet within the campus and Teleflex Inc’s newest lab/R&D/manufacturing facility occupies a 53,000 square foot building. The Knitting Mills is also home to VF Outlet Store, Orthopedic Associates surgery and imaging center as well as Sly Fox’s latest brewery and pub. Surrounding complementary uses include: Drexel University’s College of Medicine, Tower Health’s Main Campus, Wyomissing Square apartments (248 units), the Lofts at Narrow, Courtyard by Marriott as well as active retail corridors with shops and restaurants on 8th and 6th avenues. This is a densely populated submarket with 13,625 people within 1 mile, 137,003 people within 3 miles and 203,608 people within 5 miles with average household incomes of approximately \$70,000. Wawa is also strategically situated off Park Rd & Penn Ave., both main retail corridors, with combined traffic counts over 27,000 vehicles per day and roughly ½ mile from the Reading Hospital and an interchange with Rte. 422, the main thoroughfare connecting the western suburbs to Philadelphia.



# PROPERTY SUMMARY

WAWA | WYOMISSING, PA







DREXEL UNIVERSITY  
College of  
Medicine

Under Construction  
150,000sqft

**Teleflex®**

175 Employees  
75,000 sqft



UGI  
Energy Services



TOWER HEALTH  
Advancing Health. Transforming Lives

**QAR**

ORTHOPAEDIC  
ASSOCIATES  
OF READING, LTD.



100 PARK AT  
WYOMISSING SQUARE  
248 UNITS



TOWER HEALTH  
Advancing Health. Transforming Lives



PARK RD - 14,657 V.P.D.

HILL AVE

PENN AVE - 12,574 V.P.D.





 **TOWER HEALTH**  
Advancing Health. Transforming Lives

 **TOWER HEALTH**  
Advancing Health. Transforming Lives  
**Reading Hospital**  
MAIN CAMPUS  
5,000+ Employees

 **McDonald's**

 **SlyFox**  
BREWING COMPANY

 **TOWER HEALTH**  
Advancing Health. Transforming Lives

 **1feleflex®**

 **OAR**  
ORTHOPAEDIC  
ASSOCIATES  
OF READING, LTD.

 **UGI Energy Services**

 **Wawa®**

**US Navy Recruiting**  
**US Air Force Recruiting**

 **UNITED STATES  
POSTAL SERVICE**

 **TOWER HEALTH**  
Advancing Health. Transforming Lives





PROPERTY  
PHOTOS





## LOCAL MAP



WAWA | WYOMISSING, PENNSYLVANIA

## REGIONAL MAP



## LOCATION OVERVIEW

This new construction Wawa sits as Part of The Knitting Mills, a new \$70 million redevelopment mixed-use business, retail and residential campus that will be a huge draw to this specific location once completed. The Subject Property is the tenant's newest prototype, a "Super Wawa", with over 5,000 square feet of convenience store space, eight gas dispensers fueling sixteen cars simultaneously, all situated on 2 acres. This is an ideal local for Wawa, as it is surrounded by numerous businesses, retailers and residences. Surrounding uses include: McDonald's, Slyfox Brewery, UGI Energy Services headquarters (400 employees), a Tower Health's executive suite (500+ employees), the VF Outlet Store (500 employees), Wyomissing Square apartments (248 units) and Courtyard by Marriott. The Reading Hospital and Tower Health's main campus are just 1 mile away, with over 5,000 employees. The Teleflex office employs 175 people and Drexel University College of Medicine plans to open a new medical school adjacent to Teleflex, with a soft opening in September 2020 and will house over 200 students, teachers and staff. Wawa is also situated just off Park Road, the main retail corridor, with traffic counts over 14,000 vehicles per day and roughly ½ mile from an interchange with Rte. 422.



## NEIGHBORING NATIONAL TENANTS



**WYOMISSING** is a borough in Berks County, Pennsylvania. The area is a thriving commercial office and retail area, in large part due to its proximity (3 miles) to Reading. It's easy access to Routes 422 and 222 also contribute to a booming commercial and retail center.





## DREXEL, TOWER HEALTH BREAK GROUND ON NEW MEDICAL SCHOOL BUILDING

Natalie Kostelni, June 18, 2019 Bizjournals.com

Drexel University and Tower Health broke ground on a 150,000-square-foot building that will serve as a new regional campus in Wyomissing for what is being called Drexel University College of Medicine at Tower Health. The occasion marked what Daniel V. Schidlow, dean of the medical school, called “truly a watershed moment” for the university as it establishes a presence 60 miles west of the university’s main campus and tests a new partnership with Tower Health. “It’s not without its challenges and risks,” said John Fry, president of Drexel University. In spite of that, Fry predicted this is likely the beginning of future ventures between the two institutions.

*While the building is significant for Drexel and Tower, it also serves as the newest addition by Equus Capital Partners in the redevelopment of the former VF Outlet Center into a vibrant mixed-use community called the Knitting Mills.*

[READ FULL ARTICLE](#)



## SUBJECT AREA DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2010 POPULATION	12,716	133,651	198,797
2018 POPULATION	13,625	137,003	203,608
PROJECTED POPULATION (2023)	13,967	138,966	206,555
HISTORICAL ANNUAL GROWTH			
2010-2018	0.84%	0.30%	0.29%
PROJECTED ANNUAL GROWTH			
2018-2023	0.50%	0.28%	0.29%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	4,780	49,379	74,709
2018 HOUSEHOLDS	5,100	49,809	75,484
PROJECTED HOUSEHOLDS (2023)	5,212	50,282	76,238
HISTORICAL ANNUAL GROWTH			
2010-2018	0.79%	0.11%	0.13%
PROJECTED ANNUAL GROWTH			
2018-2023	0.44%	0.19%	0.20%
HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2018 AVERAGE	\$70,275	\$61,057	\$69,447
2018 MEDIAN	\$50,303	\$42,066	\$50,545

## POPULATION BY RACE

	1 MILE	3 MILES	5 MILES
WHITE POPULATION	62.7%	55.4%	64.6%
AFRICAN AMERICAN POPULATION	10.8%	10.1%	8.6%
ASIAN POPULATION	2.0%	1.7%	1.9%
PACIFIC ISLANDER POPULATION	0.6%	0.8%	0.6%
AMERICAN INDIAN AND ALASKA NATIVE	0.2%	0.1%	0.1%
OTHER RACE POPULATION	18.8%	26.4%	19.6%
TWO OR MORE RACES POPULATION	5.1%	5.4%	4.6%

## HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	39.0%	50.2%	38.7%
WHITE NON-HISPANIC	48.6%	39.1%	51.2%

## 2018 AGE BY GENDER

	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	36.4/40.8	32.9/36.2	35.6/39.0

## TRAFFIC COUNTS

PARK RD & PENN AVE
27,231



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