



ACTUAL LOCATION



Single Tenant LongHorn Steakhouse | NNN Ground Lease
High Yield Offering | Strong Retail Trade Area

1085 Woodland Road | Wyomissing, PA

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INVESTMENT Summary

LongHorn Steakhouse | Wyomissing, PA



The Offering



PROPERTY SUMMARY

Address	1085 Woodland Road, Wyomissing, PA 19610
Price	\$2,445,000
Cap Rate	6.75%
NOI	\$165,000
Lease Type	NNN Ground Lease
Building Size	6,242 SF
Parcel Size	2.31 Acres
Year Built	2013
Tenant	Rare Hospitality International, Inc.
Remaining Lease Term	2.5 Years (Expiration: 2/28/2023)
Options	Three (3), Five (5) Year Options and One, Four (4) Year, Eleven (11) Month Option
Rental Increases	10% Every Five Years

JLL is pleased to exclusively offer the opportunity to acquire a single tenant property corporately leased to LongHorn Steakhouse (the “Property”) in Wyomissing, PA, which is just 65 miles northwest of Philadelphia and a neighboring town to Reading – the 84th best place to live according to U.S. World News & Report. The tenant, who built the building in 2013 on a larger 2.31-acre parcel, has 2.5 years of term remaining on its NNN ground lease and Three (3), Five (5) Year Options and One, Four (4) Year, Eleven (11) Month Option. All option periods feature attractive, 10.00% rental increases. LongHorn Steakhouse is a subsidiary of Darden Restaurants Inc., which boasts an investment-grade credit rating of BBB (S&P). They have remained open during the pandemic, providing contactless pick-up for all of their locations.

Longhorn Steakhouse is ideally situated within the main retail trade area in Wyomissing. The restaurant is located just off U.S. Route 422, which boasts 86,000 VPD, across from the Berkshire Mall. The mall contains nearly 100 tenants including Boscov’s, T.J. Maxx, American Eagle Outfitters, A.C. Moore, Chick-fil-A and more. In addition, other popular shopping destinations such as Berkshire Square, The Shoppes at Wyomissing, Broadcasting Square and VF Outlet Reading are nearby. Together, these shopping centers are home to nationally recognized retailers such as Walmart, ROSS, Bed Bath & Beyond, LA Fitness, and Marshalls. Lastly, The Home Depot and Crowne Plaza are across the street from Longhorn Steakhouse, further driving consumers to the area.

LongHorn Steakhouse is a full-service steakhouse restaurant with locations primarily in the eastern United States. LongHorn Steakhouse opened its first restaurant in 1981 and was acquired by Darden Restaurants in 2007 as a part of the RARE Hospitality International, Inc. acquisition. LongHorn Steakhouses have increased their national footprint, growing every year since 2008, increasing their number of locations by 71% in that timeframe. In fiscal 2020, there have been 12 LongHorn Steakhouse openings with another 12-15 openings projected for 2021.

Investment Highlights



Longhorn Steakhouse is located across from the Berkshire Mall, one of the premier shopping destinations in Berks County. The mall consists of approximately 100 retailers including Boscov's, T.J. Maxx, Outback Steakhouse, Ruby Tuesday, Chick-fil-A and more.



The Property is located just off U.S. Route 422, one of the most heavily trafficked highways in the eastern portion of Pennsylvania (86,000 VPD), connecting travelers from Hershey, PA to the suburbs of Philadelphia.



Educational opportunities are nearby. Albright College and Penn State University Berks Campus are both 10 minutes away and contribute more than 4,400 students to the daytime population of Wyomissing.



The Property is surrounded by a host of shopping destinations such as Berkshire Square, The Shoppes at Wyomissing, Broadcasting Square and VF Outlet Reading. Together, these shopping centers are home to nationally recognized retailers such as Walmart, ROSS, Bed Bath & Beyond, LA Fitness, Marshalls and more. In addition, The Home Depot and Crowne Plaza Hotel are located across the street.



There are seven hotel options in the immediate trade area, demonstrating the area's centralized location for business and opportunity. Each day, these hotels contribute to Berks County's workforce of 32,000 people and make it convenient for those flying into Reading Regional Airport.



Wyomissing is a member of Berks County, an area conveniently situated equidistant from Harrisburg, Allentown and Philadelphia. The county consists of roughly 420,000 people and contains a diverse economy ranging from manufacturing, health care, and government services to education, retail and agriculture.





TENANT Summary

LongHorn Steakhouse | Wyomissing, PA



LongHorn Steakhouse | Wyomissing, PA

LongHorn Steakhouse Overview

LongHorn Steakhouse is a full-service steakhouse restaurant with locations primarily in the eastern United States, operating in an atmosphere inspired by the American West. LongHorn Steakhouse opened its first restaurant in 1981 and was acquired by Darden Restaurants in 2007 as a part of the RARE Hospitality International, Inc acquisition. LongHorn Steakhouse restaurants feature a variety of menu items including signature fresh steaks and chicken, as well as salmon, shrimp, ribs, pork chops, burgers and prime rib.

Most dinner menu entrée prices range from \$12.00 to \$30.00, and most lunch menu entrée prices range from \$8.00 to \$16.50. The price of most entrées includes a side and/or salad and as much freshly baked bread as a guest desires. During fiscal 2020, the average check per person was approximately \$22.50, with alcoholic beverages accounting for 8.9 percent of LongHorn Steakhouse's sales. Darden-owned LongHorn Steakhouses have increased their national footprint, growing every year since 2008, increasing their number of locations by 71% in that timeframe. In fiscal 2020, there have been 12 LongHorn Steakhouse openings with another 12-15 openings projected for 2021.

www.longhornsteakhouse.com

Longhorn Overview	
Year Founded	1981
Headquarters	Orlando, FL
# of Locations	522+
Parent Company	Darden Restaurants Inc.

Darden Overview	
Ownership	Public (NYSE: DRI)
Credit Rating	BBB (S&P) Baa2 (Moody's)
Year Founded	1968
Headquarters	Orlando, FL
# of Employees	177,000
# of Locations	1,804

Darden Overview

Darden Restaurants, Inc. is a full-service restaurant company, and as of May 31, 2020, they owned and operated 1,804 restaurants through subsidiaries in the United States and Canada under their eight trademarks including; LongHorn Steakhouse, Olive Garden, The Capital Grille and Seasons 52. All of Darden Restaurants subsidiaries have initiated and maintained no-contact curbside pickup during the COVID-19 pandemic. Darden Restaurants is pushing for more to-go sales; including online, mobile and 3rd party ordering, especially for its largest brands: LongHorn Steakhouse and Olive Garden.

Darden Restaurants' sales from continuing operations were \$7.81 billion in fiscal 2020. Since 2001, Darden Restaurants have increased their national footprint increasing the number of locations more than 3.5x in that timeframe. In fiscal 2021, Darden Restaurants expect to open 35-40 net new restaurants and expect to spend \$250-\$300 million to build any new restaurants, remodel and maintain existing restaurants and further incorporate technology initiatives.

www.darden.com



FINANCIAL Analysis

LongHorn Steakhouse | Wyomissing, PA



LongHorn Steakhouse | Wyomissing, PA

Lease Abstract



\$2,445,000
Asking Price

6.75%
Cap Rate

\$165,000
NOI

LEASE DETAIL

Address	1085 Woodland Road, Wyomissing, PA 19610
Tenant	Rare Hospitality International, Inc.
Building Size	6,242 SF
Parcel Size	2.31 Acres
Year Built / Renovated	2013
Annual Rent	\$165,000
Lease Type	NNN Ground Lease
Roof & Structure	Tenant Responsibility
Rent Commencement	3/1/2013
Lease Expiration	2/28/2023
Remaining Options	Three (3), Five (5) Year Options and One, Four (4) Year, Eleven (11) Month Option

RENT SCHEDULE

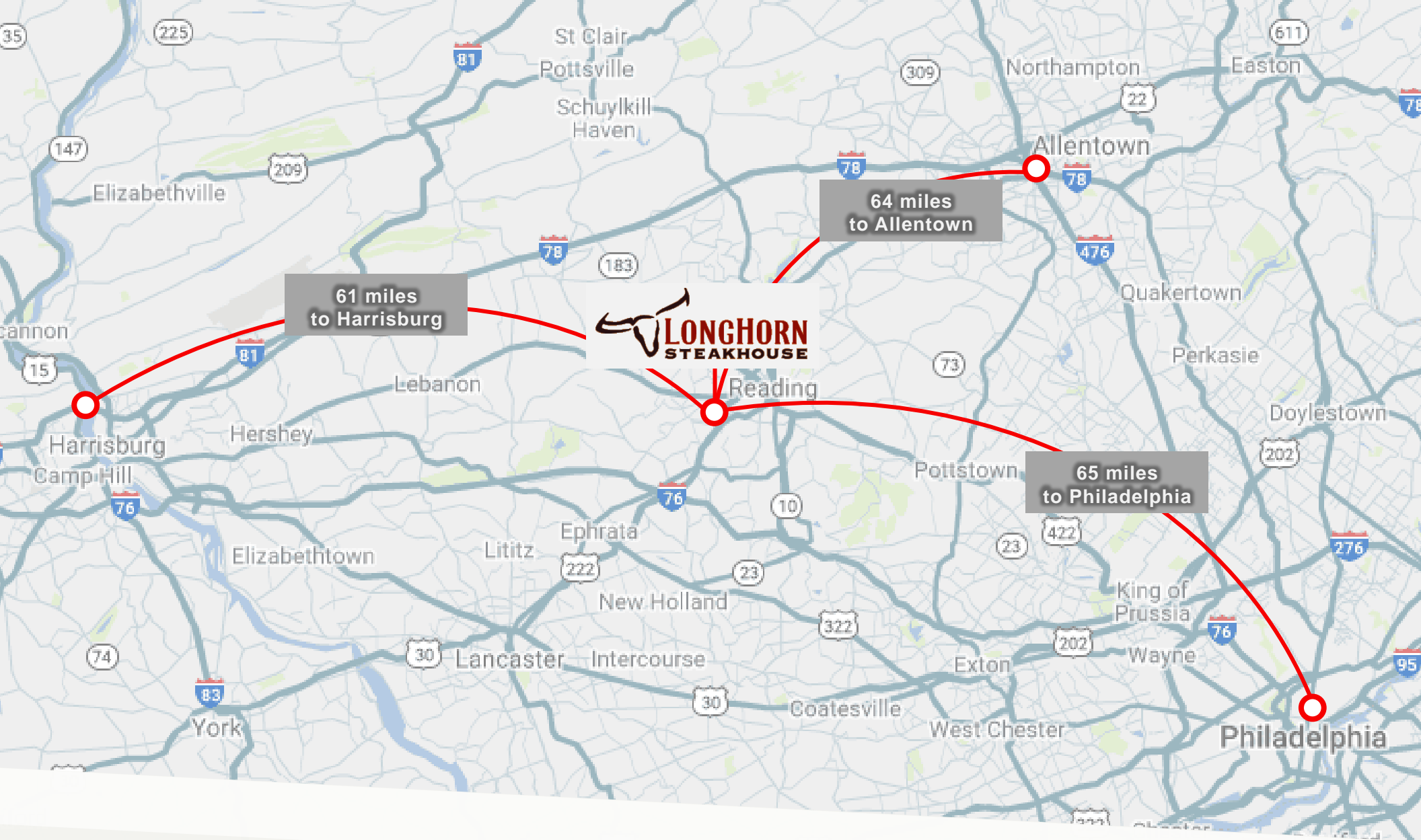
Description	Dates	Annual Rent	% Increase
Current Term	3/1/2018 - 2/28/2023	\$165,000	-
Option Term 1	3/1/2023 - 2/28/2028	\$181,500	10.00%
Option Term 2	3/1/2028 - 2/28/2033	\$199,650	10.00%
Option Term 3	3/1/2033 - 2/28/2038	\$219,615	10.00%
Option Term 4	3/1/2038 - 1/31/2043	\$241,577	10.00%

TENANT RESPONSIBILITY DETAIL

Maintenance & Repairs	Tenant will, at its own cost and expense, maintain in good repair and condition the buildings and improvements erected by Tenant on the premises.
Insurance	Tenant shall be responsible for all insurance requirements as mentioned in the Lease, including but not limited to, fire insurance, general liability and all risk property insurance.
Taxes	Tenant will pay the Taxes to the Landlord before the due date to the taxing authority. If such tax bill is sent directly to Tenant by the taxing authority, Tenant will pay such Taxes directly to the taxing authority before delinquency.
Utilities	Tenant will promptly pay all charges for water, sewer, electricity, gas, fuel, heat, power and other utilities supplied to the premises for use by Tenant.

LANDLORD RESPONSIBILITY DETAIL

Maintenance & Repairs	None
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LOCATION Overview

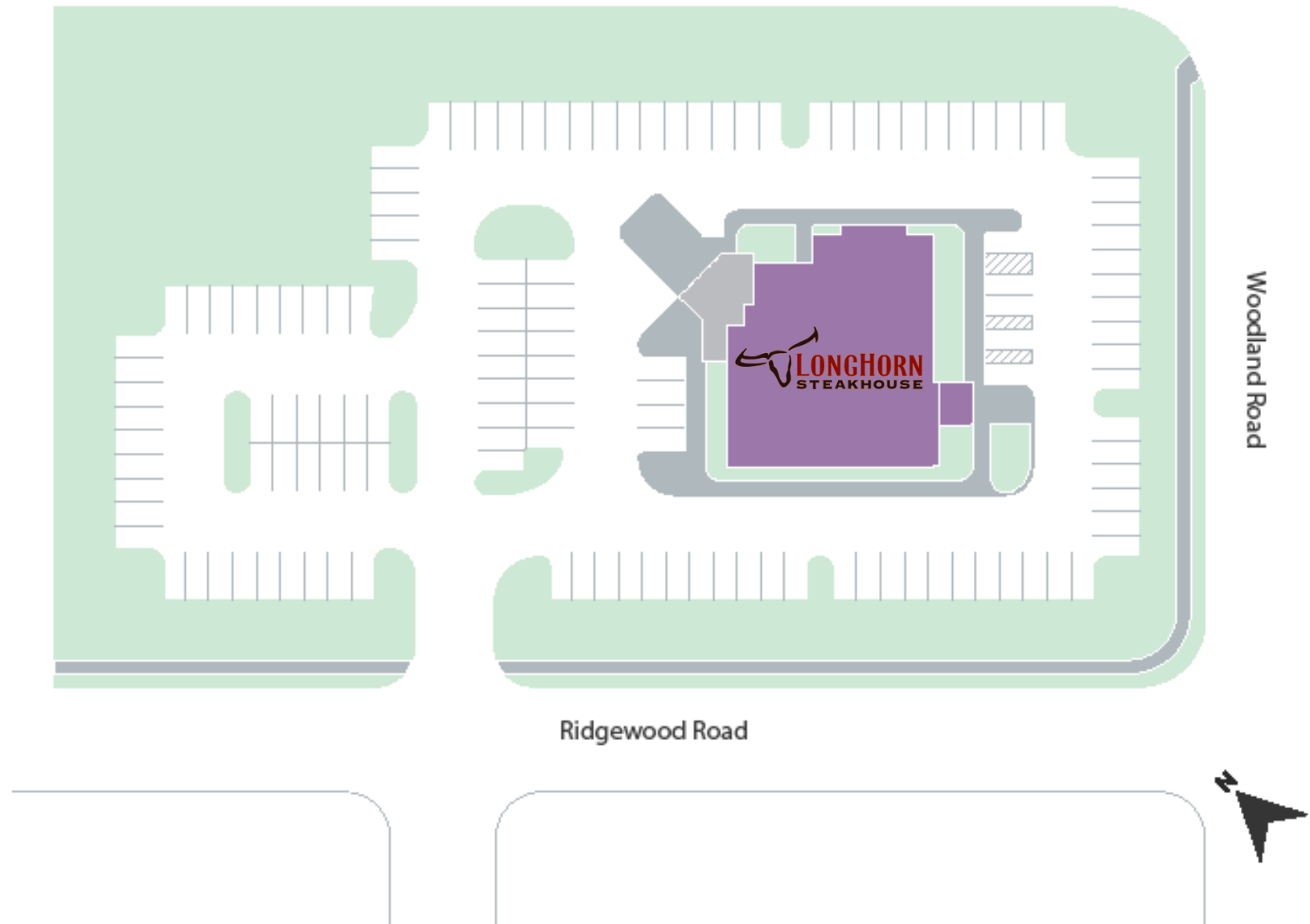
LongHorn Steakhouse | Wyomissing, PA



Location Overview



Site Plan



Surrounding Retail & Amenities



Wyomissing, PA

Wyomissing is a borough situated in Berks County, Pennsylvania, approximately 65 miles northwest of Philadelphia. It contains some of the best shopping and restaurants in the area, and is conveniently located near Routes 422 and 222, making it a thriving commercial and retail center. The Borough is home to two, respected school districts in Wyomissing and Wilson, and maintains over 350 acres of parkland, enabling its residents to participate in a wide variety of outdoor activities. In addition, Reading Hospital and Medical Center and HealthSouth Rehabilitation Hospital are located in close proximity to the Borough.

BERKS COUNTY

Berks County, settled in 1701 is an urban area consisting of 417,854 people situated equidistant from Harrisburg, Allentown and Philadelphia. Berks County is home to many different areas including the rural and historic Oley, and upscale areas such as Wyomissing. Berks county offers the enjoyment the local wineries, shopping malls, and gourmet restaurants nearby. Furthermore, Berks county is home to one of the most predominant performing arts scenes in Pennsylvania. The Reading Symphony Orchestra and Reading Public Museum are considered among the best in the state. Berks County residents also enjoy GoggleWorks, one of the nation's largest interactive community arts centers. And each year, the Berks Arts Council presents the largest jazz festival on the east coast. In addition, the Santander Arena and Performing Arts Center bring some of the world's top acts to Reading.

The Berks County economy is broad-based, characterized by a diversity of business and industry including manufacturing, health care, government services, education, retail and agriculture. Despite being a small percentage of overall county employment, agriculture plays an important role in the economy accounting for nearly \$368 million in revenue, ranking it one of the top five counties in the state for agricultural product sales. With over 550 manufacturing establishments, Berks County produces goods valued at over \$8.5 billion and employs over 32,000 workers. Additionally, wholesale trade produces \$4.4 billion in sales while employing over 6,300. Five colleges and universities also reside in the county enrolling over 21,000 students.



Demographics			
	1-mile radius	3-mile Radius	5-mile radius
POPULATION			
2010 Census	6,752	117,663	189,842
2020 Estimate	7,297	123,016	197,637
2025 Projection	7,651	125,565	201,211
POPULATION GROWTH			
Percent Change: 2020 to 2025	0.95%	0.41%	0.36%
ESTIMATED HOUSEHOLD INCOME			
Average Household Income	\$86,738	\$63,738	\$70,235
Median Household Income	\$58,426	\$42,816	\$51,495
HOUSEHOLDS			
2010 Census	2,759	43,673	70,573
2020 Estimate	3,104	45,207	72,864
2025 Projection	3,259	46,129	74,111
HOUSEHOLD GROWTH			
Percent Change: 2020 to 2025	0.98%	0.40%	0.34%

(Esri)



NEIGHBORING PROPERTIES ALSO AVAILABLE FOR PURCHASE



Red Lobster

Price: \$2,248,728

CAP: 7.00%

NOI: \$157,411

Term Remaining: 3 Years



Plaza Azteca

Price: \$2,765,700

CAP: 7.00%

NOI: \$193,600

Term Remaining: 8+ Years

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