



403 NE GEORGIA AVE SWEETWATER, TX

# TABLE OF CONTENTS

01

PROPERTY OVERVIEW 02

LEASE DETAILS 03

TENANT OVERVIEW 04

LOCATION OVERVIEW





#### PROPERTY DETAILS

Address	403 NE Georgia Ave Sweetwater, TX 79556	
Year Built	2005	
Rentable Area (SF)	3,233	

#### OFFERING SUMMARY

Purchase Price	\$1,894,500	
Cap Rate	5.75%	
NOI	\$108,934	



#### RENT GROWTH

The lease features attractive 1.25% annual rent escalations growing the initial yield an investor would expect to receive over time.



## STRONG FRANCHISEE -NATIONAL TENANT

The Franchisee, Stonewall Road Restaurant Group LLC (SRRG), operates 11 Wendy's restaurants in Texas and Oklahoma. Centered around the Dallas-Fort Worth MSA, SRRG had LTM Pro Forma Sales of ~\$13,325,000 and LTM Pro Forma SLEBITDA of ~\$1,540,000. Wendy's is the third largest hamburger fast food chain with over 6,700 locations worldwide. Global system wide sales in 2020 is expected to reach \$11.5B.



#### TENANT COMMITMENT & TERM

Wendy's Restaurant signed a new 20 year lease in 2015, demonstrating commitment by a premier quick service restaurant operator to this location, which is situated alongside I-20. The nearest major intersection of the I-20 and Lamar Street experiences over 17,000 vehicles per day.



## ABSOLUTE TRIPLE NET LEASE

The property operates under an absolute triple net lease structure, with Wendy's responsible for all operating expenses, taxes, and insurance. This lease features zero landlord responsibilities, reflective of the most passive net lease investment type.



## SWEETWATER. TX MARKET AREA

The subject property is located in Sweetwater, TX, and is easily accessible to the 84 highway and the I-20 in Nolan County, TX. The community is the largest population center in its county, and offers award-winning schools as well as a variety of business opportunities, all in a familycentered atmosphere.



## LEASE ABSTRACT

Address	403 NE Georgia Ave, Sweetwater, TX 79556
Tenant	Wendy's
Rent Commencement	January 31, 2015
Primary Lease Term	January 31, 2015 - January 31, 2035
Option Periods	2, 10-Year Options
Annual Rent	\$107,590
Rent Increases	1.25% Annually
Lease Structure	Absolute NNN
Landlord Responsibilities	None
Utilities	Tenant Responsibility
Taxes	Tenant Responsibility
Insurance	Property and Commercial General Liability

## RENT SCHEDULE

LEASE YEAR	BASE RENT	RENT INCREASE
Current	\$107,590*	1.25% Annually
Option 1 (10 Years)	\$131,248 - \$146,773	1.25% Annually
Option 2 (10 Years)	\$148,608 - \$166,187	1.25% Annually

<sup>\*</sup>next rental increase 2/1/2020 equates to \$108,935







- Expected Global System Wide Sales in 2020: \$11.5 Billion
- 3rd Largest Hamburger Fast Food Chain: Over 6,700 Locations

Wendy's is an American fast food restaurant chain that was founded by Dave Thomas in 1969 who opened the first restaurant in Columbus Ohio. His passion for the restaurant business set Wendy's apart from other chains. Instead of mass producing, Dave Thomas thought of a way to prepare fresh made to order burgers. Each Wendy's restaurant offers an extensive menu specializing in hamburger sandwiches and featuring filet of chicken breast sandwiches, which are prepared to order with the customer's choice of condiments. Wendy's menu also includes chicken nuggets, chili, french fries, baked potatoes, freshly prepared salads, soft drinks, Frosty® desserts and kids' meals. In addition, the restaurants sell a variety of promotional products on a limited time basis. Wendy's also offers breakfast in some restaurants in the United States. Notable menu items include the Baconator, Dave's Single, Double and Triple and the Frosty among others.

Free-standing Wendy's restaurants generally include a pick-up window in addition to a dining room.

Approximately two-thirds of sales at Company-operated Wendy's restaurants occur through the pick-up window.

Wendy's opened their first international location in Ontario, Canada in 1976. As of June 30, 2019, the Wendy's restaurant system was comprised of 6,719 restaurants, of which 358 were owned and operated by the Company. Wendy's is the world's third largest quick-service restaurant company in the hamburger sandwich segment following McDonald's and Burger King.





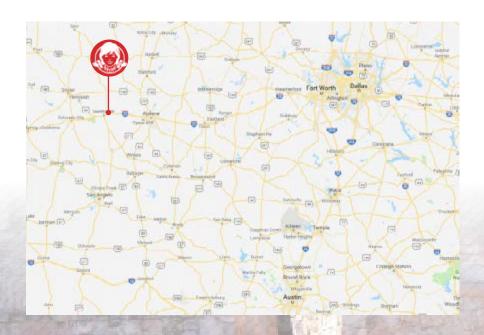
## SWEETWATER, TX



Sweetwater is a municipality and county seat of Nolan County, Texas located roughly 230 miles southeast of Amarillo and 180 miles west of Fort Worth. The community is the largest population center of the county, and offers award-winning schools as well as a variety of business opportunities, all in a family-centered atmosphere. West Texas State Technical College's main campus is located in Sweetwater, which added the first community college wind energy program in Texas in 2007. Sweetwater is the center of the leading wind-power generation region of the Western Hemisphere.

Much of Sweetwater's economy is agriculturally driven, with gypsum plants, apparel manufacturers, cement plants, cotton compresses, a cottonseed oil mill, and packing companies among the nearly 250 businesses operating there from the 1970s. Many still operate today. Sweetwater remains a production hub for such commodities as cotton, oil, and cattle.

POPULATION			
	1 MILE	3 MILE	5 MILE
2019 Total Population	3,002	10,931	11,574
2024 Population	2,968	10,733	11,376
Pop Growth 2019–2024	(1.13%)	(1.81%)	(1.70%)
Average Age	38.9	37.9	38.10
HOUSEHOLDS			
2019 Total Households	1,173	4,331	4,585
HH Growth 2019-2024	(1.11%)	(1.80%)	(1.70%)
Median Household Inc	\$37,500	\$46,466	\$43,038
HOUSING			
Median Home Value	\$59.764	\$68,346	\$70,169
Median Year Built	1957	1958	1958





### **NET LEASE CAPITAL MARKETS**

#### **MATT BERRES**

Executive Managing Director 949.608.2066 matt.berres@ngkf.com

## **SAMER KHALIL**

Director 949.608.2042 samer.khalil@ngkf.com

#### KARICK BROWN

Associate 949.608.2033 karick.brown@ngkf.com

#### **JENI TRAN**

Marketing Coordinator 949.608.2106 jtran@ngkf.com

## LISPAH HOGAN, CCIM, MCR

Executive Managing Director 1700 Post Oak Blvd. 2 BLVD Place, Ste. 250 Houston, TX 77056 T 713.490.9994 Ihogan@ngkf.com License #342405

## Click Here to View TREC's Information About Brokerage Services Form

#### AFFILIATED BUSINESS DISCLOSURE & CONFIDENTIALITY AGREEMENT

Newmark Knight Frank's Net Lease Capital Markets (the "Agent") has been engaged as the exclusive sales representative for the sale of (the "Property") by 'Ownership' (the "Seller").

The information contained herein has been obtained from sources deemed reliable but has not been verified and no guarantee, warranty or representation, either express or implied, is made with respect to such information. Terms of sale or lease and availability are subject to change or withdrawal without notice.

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

NEWMARK REAL ESTATE OF HOUSTON LLC LICENSE #537005

CORPORATE LICENSE #01355491

