

20 Year Wendy's Ground Lease - University of Akron Akron, Ohio



DIVISION I UNIVERSITY LOCATION
20,544 STUDENTS

20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Disclaimer

A large Wendy's restaurant sign featuring the Wendy character logo and the word "Wendy's" in a stylized font. The sign is mounted on a pole and is partially obscured by a semi-transparent red banner.

PLEASE REVIEW THIS INFORMATION CAREFULLY

- Disclaimer -

The information contained herein has been obtained from sources believed to be reliable. Goodman Real Estate Services Group LLC and its agents, associates, and employees make no guarantee, warranty or representation about it. The information may be subject to changes in price, financing, leases, or other errors and omissions without prior notice. Evaluating retail investment opportunities requires careful due diligence and information gathering, which is why we suggest that you and your advisors conduct your own careful investigation of the property.

20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Table of Contents

SECTION I - The Property

| | |
|----------------------|---------|
| Investment Summary | Pg. 1 |
| Property Description | Pg. 2 |
| Property Photos | Pg. 3-5 |

SECTION II - Performance and Tenancy

| | |
|--------------------|-------|
| Rent Roll | Pg. 6 |
| Tenant Information | Pg. 7 |

SECTION III - Market Overview

| | |
|---------------|----------|
| About Akron | Pg. 8 |
| Market Aerial | Pg. 9-10 |
| Regional Map | Pg. 11 |
| Local Map | Pg. 12 |
| Demographics | Pg. 13 |



Presented By:

Kyle Hartung
Director of Investment Sales
Goodman Real Estate Services Group LLC
25333 Cedar Road, Suite 305
Cleveland, Ohio 44122

Email: kyle@goodmanrealestate.com
Phone: 216-381-8200 x205

Jeff Sabo
Investment Sales Advisor
Goodman Real Estate Services Group LLC
25333 Cedar Road, Suite 305
Cleveland, Ohio 44122

Email: jeff@goodmanrealestate.com
Phone: 216-381-8200 x228

20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

The Property - Investment Summary

| | |
|-----------------------|--|
| Property | New 20 Year Wendy's Ground Lease |
| Lease Guarantor | Wenco Akron, LLC 22 Stores Under Guarantor |
| Address | 275 East Market Street Akron, Ohio 44308 |
| Deal Type | Ground Lease |
| Lease Type | Triple-Net - Tenant responsible for all repairs, maintenance, and expenses of any kind. including roof, structure, and parking lot |
| Market | Cleveland-Akron-Canton DMA |
| Population | 3,277,100 |
| Building Size | 2,350 Square Feet |
| Lot Size | 0.76 Acres |
| Primary Traffic Count | 21,970 VPD (source: ODOT) |
| Shadow Anchor | University of Akron 20,554 Students 1,376 Faculty |
| Rent Commencement | 11-24-20 |
| Lease Expiration | 20 Year Base Term |
| Renewal Options | Four 5-Year Options |
| Net Operating Income | Year 1-5: \$75,000 Year 6-10: \$80,000 |
| Cap Rate Year 1 | 4.7% |
| Cap Rate Year 6 | 5% |
| Price | \$1,596,000 |



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

The Property - Property Description

Investment Highlights

- 20 Year Ground Lease with No Landlord Obligations
- Strong Parent Guarantor - Wenco Akron LLC Owns and Operates 22 Wendy's Throughout the Akron Area
- University of Akron Location - Located Directly Across the Street from Division I University of Akron with over 20,500 Students
- Stark State College Location - New 68,000 SF Facility Adjacent Wendy's Enrolls Approximately 5,000 Students
- Relocation of Successful Store - Wenco Relocated their Wendy's with 20 Year Operating History to this Site
- Lease Features Rental Increases Every 5 Years During the Initial Term and Options
- Ideal 1031 Investment with Hands-Off Lease with Guaranty

Property Description

Trophy Wendy's Ground Lease | University of Akron

For sale to qualified investors is a new 20 year ground lease with Wendy's. The store is operated by Wenco LLC, who has 63 Wendy's throughout Ohio, Indiana, and Michigan, including 22 units in Akron that guaranty the lease. Opened 4th quarter 2020, this new Wendy's is a relocation of a 20-year-old store that they chose to move when the location became available. The new location sits directly across the street from the University of Akron and just around the corner from the Stark State College Akron Campus. Between the two schools, enrollment is over 26,000 students and faculty. The property sits just a block from the State Route 8 Highway Interchange (over 100,000 VPD), and has over 21,000 cars passing the site daily. The new location in this thriving Downtown Akron market not only gives Wendy's access to the university and college campus, but also corporate headquarters for First Energy and Gojo (makers of Purell). Additionally, the area is home to healthcare facilities service over 1,000,000 people, including the Summa Health Akron Hospital, Akron Children's Hospital, Akron Sports Medicine Center, and the Cleveland Clinic Akron General Hospital. Downtown Akron has over 50,000 employees working daily.

Akron, Ohio

Akron is the fifth-largest city in Ohio and is the county seat of Summit County. Akron is part of the Cleveland DMA, and as of the 2019 Census estimate, the Greater Akron Area had an estimated population of 703,505. A long history of rubber and tire manufacturing, carried on today by The Goodyear Tire & Rubber Company, gave Akron the nickname "Rubber Capital of the World". It was once known as a center of airship development, and is still the home of the famous Goodyear Blimp. Today, its economy includes manufacturing, education, healthcare, and biomedical research; leading corporations include Gojo Industries, FirstEnergy, Huntington Bank, and Charter Spectrum.



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

The Property - Property Photos



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

The Property - Property Photos



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

The Property - Property Photos



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Performance & Tenancy - Rent Roll

| Tenant Name | Square | | Lease Term | | Rental Rates | | Recovery | Comments/Options |
|--------------------------------|---------------|----------|------------|------------|-----------------|-----------|----------|--|
| | Feet | Pro-rata | Begin | End | Begin | Annually | Type | |
| WENCO AKRON LLC dba WENDY'S | 0.76 acres | 100% | 11-24-20 | 11-31-2040 | Current | \$75,000 | NNN | Tenant is leasing the property on a triple-net basis and pays all expenses directly. Options: Four 5-year options with rental increase at the start of each option. Tenant must give written notice 180 days prior to lease expiration or option date. |
| | | | | | 12-1-2025 | \$80,000 | | |
| | | | | | 12-1-2030 | \$85,000 | | |
| | | | | | 12-1-2035 | \$90,000 | | |
| | | | | | Options: | | | |
| | | | | | 12-1-2040 | \$95,000 | | |
| | | | | | 12-1-2045 | \$100,00 | | |
| | | | | | 12-1-2050 | \$105,000 | | |
| | | | | | 12-1-2055 | \$110,000 | | |



Wendy's is an American-based international fast food chain founded by Dave Thomas on November 15, 1969, with its current headquarters in Dublin, Ohio. As of June 2020, Wendy's was the world's third-largest hamburger fast-food chain with over 6,500 locations, following only Burger King and McDonald's. On April 24, 2008, the company announced a merger with Triarc Companies Inc., a publicly-traded company and the parent company of Arby's. The combined company is now **known as The Wendy's Company. Of the over 6,500 locations, 353 are company-owned and the remainder are franchised; 92% of the system-wide locations are in North America. The company's 2019 annual sales were \$1.71 Billion.**

The chain is known for its square hamburgers, sea salt fries, and Frosty, a form of soft-serve ice cream mixed with starches. Wendy's menu consists primarily of hamburgers, chicken sandwiches, French fries, and beverages such as the Frosty. **The classic Wendy's Single was introduced in 2011 as Dave's Hot 'N Juicy, a signature square-pattied burger made with fresh ground beef rather than round frozen patties.**

The franchisee, Wenco LLC, is based in Ashland, Ohio, and owns and operates 63 Wendy's restaurants throughout Ohio, Indiana, and Michigan, including 22 in the Akron area that guaranty the Akron university lease.

Website: www.wendys.com and www.wencowendy's.com

20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

The Market - About Akron

University of Akron

- The University of Akron has approximately 20,554 students representing 44 U.S. states and 88 foreign countries.



- The University of Akron is a vibrant community within metropolitan Akron, with more than 80 buildings on 218 acres. Since 2000, the university has added 22 buildings, completed 18 major additions, acquisitions and renovations, and created 34 acres of green space.
- With 300 associate, bachelor's, master's, doctorate and law degree programs, UA offers career-focused and experiential learning that defines the polytechnic approach to education.
- The College of Polymer Science and Polymer Engineering is home to the world's largest polymer academic program and greatest concentration of polymer expertise in the nation
- Only 2 percent of business schools worldwide have dual AACSB accreditation (hallmark of excellence in management education) in business and accounting – UA's College of Business Administration is one of them.

About Akron

- 50% of America's population lives within 500 miles of Akron, and there are 10,000,000 people living within 150 miles.
- Home of the Akron Aeros, the Cleveland Indians AA minor league baseball team.
- Akron is the fifth-largest city in the State of Ohio and is the county seat of Summit County, with an MSA population of 703,505.
- The Polymer Science Institute at UA has made Akron an international leader in the polymer field - more than 35,000 people in Akron are employed in over 400 polymer-related companies.
- Akron holds the largest small-business incubator in the state and one of the largest in the world, the Akron Global Business Accelerator.



- Home to the World-Championship Bridgestone Invitational golf tournament
- Location of Derby Downs, home of the All-American Soap-Box-Derby, the world's greatest amateur racing event
- Home of the National Inventor's Hall of Fame

20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

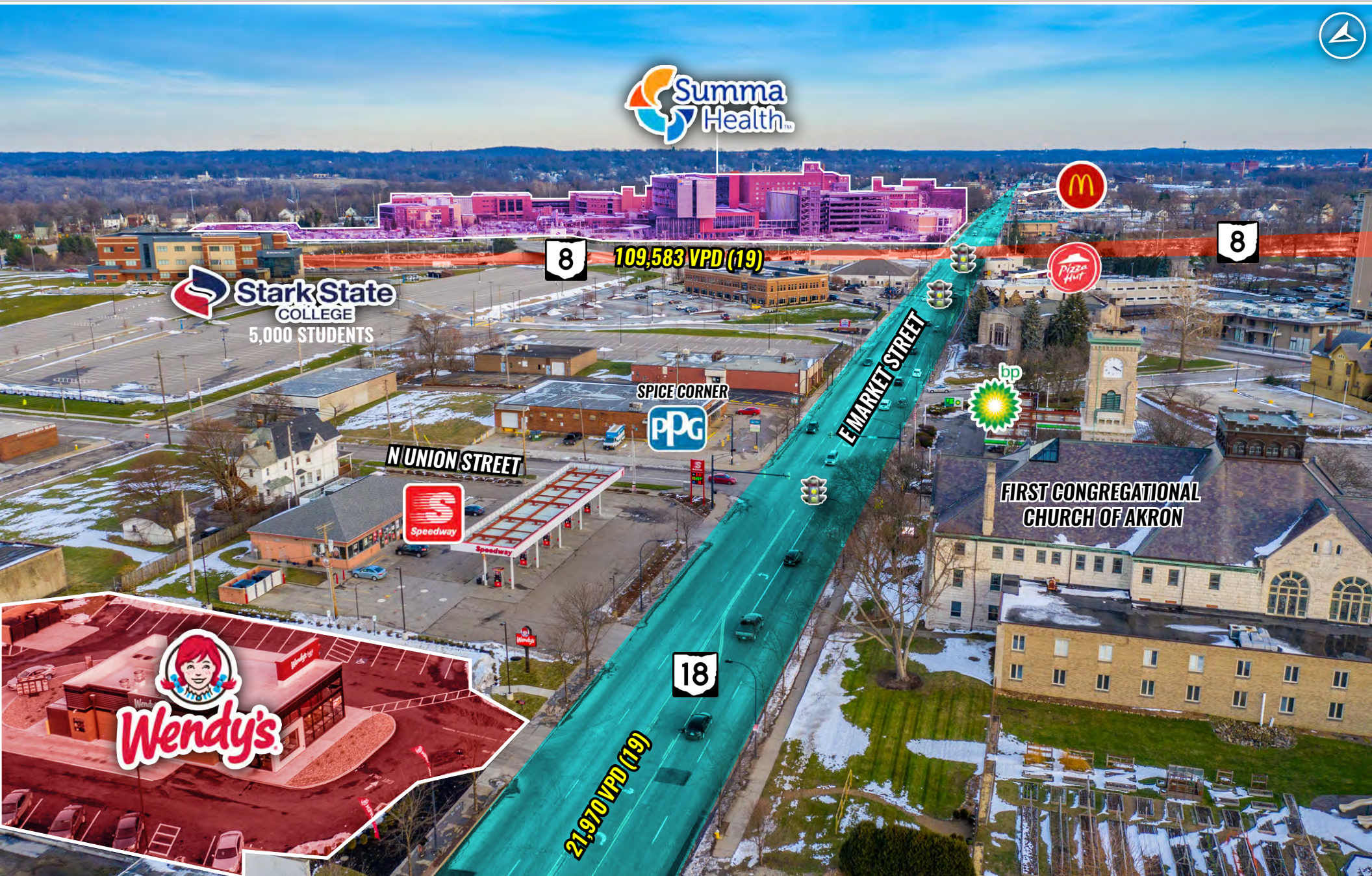
Market Overview - Market Aerial



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Market Overview - Property Aerial



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Market Overview - Regional Map



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Market Overview - Local Map



20 Year Wendy's Ground Lease - University of Akron

Akron, Ohio

Market Overview - Demographics

| | 1 mi | 3 mi | 5 mi | 7 mi |
|------------------------------------|-----------|-----------|-----------|-----------|
| Population | | | | |
| Current Year Estimated Population | 12,101 | 112,324 | 240,369 | 341,395 |
| 5 Year Projected Population | 12,047 | 110,236 | 236,840 | 337,086 |
| 2010 Census Population | 12,373 | 115,160 | 243,382 | 344,128 |
| 2000 Census Population | 13,760 | 130,070 | 262,280 | 361,536 |
| Households | | | | |
| Current Year Estimated Households | 3,794 | 45,352 | 102,204 | 144,580 |
| 5 Year Projected Households | 3,770 | 44,459 | 100,687 | 142,736 |
| 2010 Census Households | 3,953 | 46,583 | 103,441 | 145,701 |
| 2000 Census Households | 5,340 | 52,605 | 109,808 | 149,515 |
| Age (2020) | | | | |
| Est. Population Under 10 Years | 8.7% | 12.8% | 12.8% | 12.1% |
| Est. Population 10-19 | 20.5% | 14.0% | 13.0% | 12.5% |
| Est. Population 20-30 | 29.3% | 15.1% | 13.3% | 13.0% |
| Est. Population 30-44 | 20.2% | 20.2% | 20.1% | 19.0% |
| Est. Population 45-59 | 11.3% | 17.2% | 18.0% | 18.4% |
| Est. Population 60-74 | 8.0% | 15.5% | 16.9% | 18.1% |
| Est. Population 75 Years or Over | 2.0% | 5.2% | 6.0% | 6.8% |
| Income (2020) | | | | |
| Est. HH Inc \$200,000 or more | 0.7% | 0.6% | 0.9% | 1.6% |
| Est. HH Inc \$150,000 to \$199,999 | 0.2% | 2.2% | 2.8% | 3.9% |
| Est. HH Inc \$100,000 to \$149,999 | 1.9% | 6.0% | 8.4% | 10.3% |
| Est. HH Inc \$75,000 to \$99,999 | 3.5% | 8.4% | 10.9% | 12.2% |
| Est. HH Inc \$50,000 to \$74,999 | 12.9% | 15.8% | 18.3% | 18.9% |
| Est. HH Inc \$35,000 to \$49,999 | 13.0% | 15.0% | 15.4% | 14.9% |
| Est. HH Inc \$25,000 to \$34,999 | 14.1% | 14.2% | 12.7% | 11.3% |
| Est. HH Inc \$15,000 to \$24,999 | 17.9% | 15.3% | 13.8% | 12.5% |
| Est. HH Inc Under \$15,000 | 35.8% | 22.6% | 17.0% | 14.4% |
| Est. Average Household Income | \$ 34,052 | \$ 46,946 | \$ 54,268 | \$ 61,430 |
| Est. Median Household Income | \$ 22,771 | \$ 33,498 | \$ 40,792 | \$ 46,666 |
| Est. Per Capita Income | \$ 10,676 | \$ 18,955 | \$ 23,075 | \$ 26,016 |