



**Wawa**  
PORTSMOUTH, VA



# EXECUTIVE SUMMARY



720 London St  
Portsmouth, VA 23704

ADDRESS



Hampton Roads MSA

MARKET



LOT SIZE



20 YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

## THE OFFERING

Price	\$5,622,222
Cap	4.50%
GLA	6,049 SF
Lot Size	1.60 Acres
Year Built	2020
Lease Type	NNN Ground Lease
Rent Commencement	3/19/2021
Lease Expiration	3/18/2041
Increases	10% Every 5 Years
Options	Six; Five-Year Terms
Debt	Free & Clear

ANNUALIZED OPERATING DATA	ANNUAL RENT	% INCREASE
Years 1-5	\$253,000	
Years 6-10	\$278,300	10.00%
Years 11-15	\$306,130	10.00%
Years 16-20	\$336,743	10.00%
Option 1 (Years 21-25)	\$370,417	10.00%
Option 2 (Years 26-30)	\$407,459	10.00%
Option 3 (Years 31-35)	\$448,205	10.00%
Option 4 (Years 36-40)	\$493,025	10.00%
Option 5 (Years 41-45)	\$542,328	10.00%
Option 6 (Years 46-50)	\$596,561	10.00%

# INVESTMENT HIGHLIGHTS

**NEW 20-YEAR LEASE WITH STRUCTURED RENTAL INCREASES** | Brand new 20-year term NNN ground lease with 10 percent (10%) increases every five years during the base term and six, five-year option periods.

**SITUATED AT A PRIME CORNER LOCATION IN HISTORIC OLDE TOWN** | Large 1.6-acre parcel positioned at the signaled intersection of London Street and Effingham Street. This intersection features average daily traffic counts of 33,000 vehicles and is just one-half-mile from the Interstate-264 interchange (84,000 VPD).

**PROXIMITY TO NATIONAL RETAILERS** | Neighbored by notable national retailers Starbucks and McDonald's, both of which have very strong site selection and draw immense traffic, as well as 7-Eleven and Wendy's.

**NEAR MEDICAL DRIVERS** | One-half-mile from Naval Medical Center Portsmouth (NMCP), the Country's oldest operating Naval Hospital and one of the area's major drivers. NMCP is home to more than 5,000 men and women who provide healthcare services to all of our armed forces, their family members, and military retirees, nearly 180,000 beneficiaries.

**NEW RESIDENTIAL AND MIXED-USE DEVELOPMENT** | Tenant is within two miles of new residential and mixed-use development including the 100-unit Lexington Place Apartments and the potential redevelopment of the Portsmouth Waterfront to include a 200-unit high-end waterfront apartment complex and a brand-new city hall.

**STRONG POPULATION DENSITY** | Dense three-mile population 121,789 and a daytime population of 177,641. The three-mile average household income is \$58,000, which is ideal as Wawa thrives with a middle-income consumer.

**BEST IN CLASS RETAILER** | Wawa, Inc. is a best-in-class tenant within the highly sought-after convenience sector and a tier one retailer that is both online and recession resistant. Wawa operates over 800 locations in the Mid-Atlantic and Florida and reported more than \$9.1 Billion in Annual Revenue.

**INVESTMENT GRADE CREDIT** | Shadow Rating of "BBB" by Fitch



Located just 0.5 **MILES FROM AREA MEDICAL DRIVERS** such as **NAVAL MEDICAL CENTER PORTSMOUTH (NMCP)** and also **0.5 MILES FROM INTERSTATE-264** seeing **84,000 VPD**, this site will highly benefit from **DIVERSE CUSTOMER SOURCES.**



# NAVAL MEDICAL CENTER PORTSMOUTH

FOUNDED IN  
**1830**  
OLDEST OPERATING  
NAVAL HOSPITAL IN  
THE COUNTRY

**0.5**  
**MILES**  
FROM WAWA



**5,000**  
EMPLOYEES

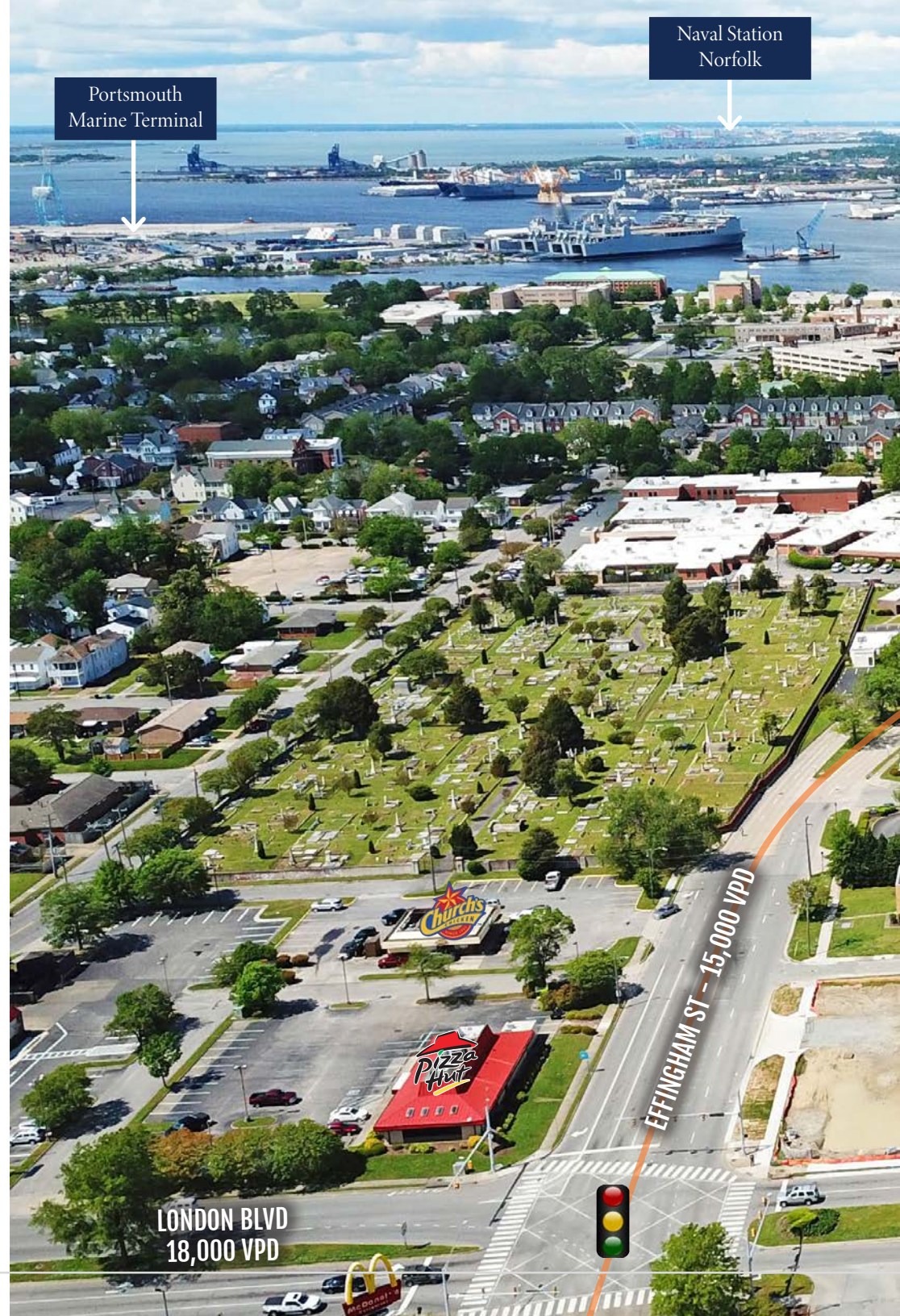


ONE OF THE  
REGION'S MAJOR  
AREA DRIVERS

Founded in 1830, Naval Medical Center Portsmouth (NMCP) is the United States Navy's oldest, continuously-operating hospital. Located in the southeastern corner of the Commonwealth of Virginia, on historic Hospital Point in Portsmouth, Virginia, the main campus of NMCP is home to more than 5,000 men and women who provide healthcare services to the men and women of all our armed forces, their family members, and military retirees, nearly 180,000 beneficiaries.

The nationally acclaimed, state of the art medical center, including its ten branch and TRICARE Prime clinics located throughout the Hampton Roads area, additionally offers premier research and teaching programs designed to prepare new doctors, nurses and hospital corpsmen for future roles in healing and wellness. NMCP is a patient-driven TRICARE facility entrusted with the health readiness of the United States armed forces.

Hampton Roads generally includes the cities of Newport News, Hampton, Norfolk, Portsmouth, Virginia Beach, Chesapeake, and Suffolk, and is populated with more than 1.5 million people. The region is homeport to the majority of the ships, aircraft, and Department of the Navy Sailors and Marines assigned to the Atlantic Fleet. NMCP is one of many regional commands that constitute the largest military concentration in the world.





Naval Medical  
Center Portsmouth





## TENANT INFORMATION

Founded in 1803 as a dairy operator, Wawa, Inc. operates more than 838 convenience stores, of which about 200 stores are in New Jersey and Pennsylvania and the balance is spread through Delaware, Virginia, Maryland, Florida and Washington, D.C. New Wawa store openings are almost exclusively of the expanded “Super Wawa” format, which includes a larger footprint (generally 4,600 to 5,700 square feet of retail space, compared with 3,000 or 3,600 for “legacy” stores) and typically 12-20 gas pumps. The company offers fuel at about 70 percent of its store base.

Historically, Wawa has strived to differentiate itself from traditional convenience stores in that food, beverages and customer experience, not fuel, are its main offerings. The company also offers a large selection of private-label products, including bottled water, candy, assorted nuts, yogurt, teas, cheese, and ice cream products. Its stores are generally open 24 hours, 365 days a year. Wawa is 41 percent owned by employees with the balance controlled by the founding family and management.

The company also supplies over 1,000 institutional customers such as schools, hospitals, restaurants and hotels. Wawa’s primary wholesaler is McLane Foodservice Distribution, but the company also has its own distribution center in Carney’s Point, NJ. In 2017, Wawa completed the construction of four new buildings on its 26-acre corporate campus. In December 2017, the company opened its first store in Washington, D.C., its largest to date, at 9,000 square feet.



Representative Photo



**REVENUE**  
\$9.1 B



**HEADQUARTERS**  
Wawa, PA



**NO. OF EMPLOYEES**  
31,000+



**NO. OF LOCATIONS**  
800+



**YEAR FOUNDED**  
1964



**STOCK SYMBOL  
/CREDIT RATING**  
Fitch : BBB

## REGIONAL MAP

**33K<sup>VPD</sup>**

An average of 33,000 vehicles per day drive by London Blvd and Effingham St

**0.5<sup>MILES</sup>**

0.5 miles from I-264; 84,000 VPD

**10K**

The population within a one-mile radius is 10,716







US Coast Guard  
Base Portsmouth

Portsmouth  
Marine Terminal

Naval Station  
Norfolk

Naval Medical  
Center Portsmouth

Wawa

QUALITY  
INN

STARBUCKS  
COFFEE

Hardee's

Church's  
CHICKEN

Pizza  
Hut

7  
ELEVEN

LONDON BLVD  
18,000 VPD

EFFINGHAM ST - 15,000 VPD

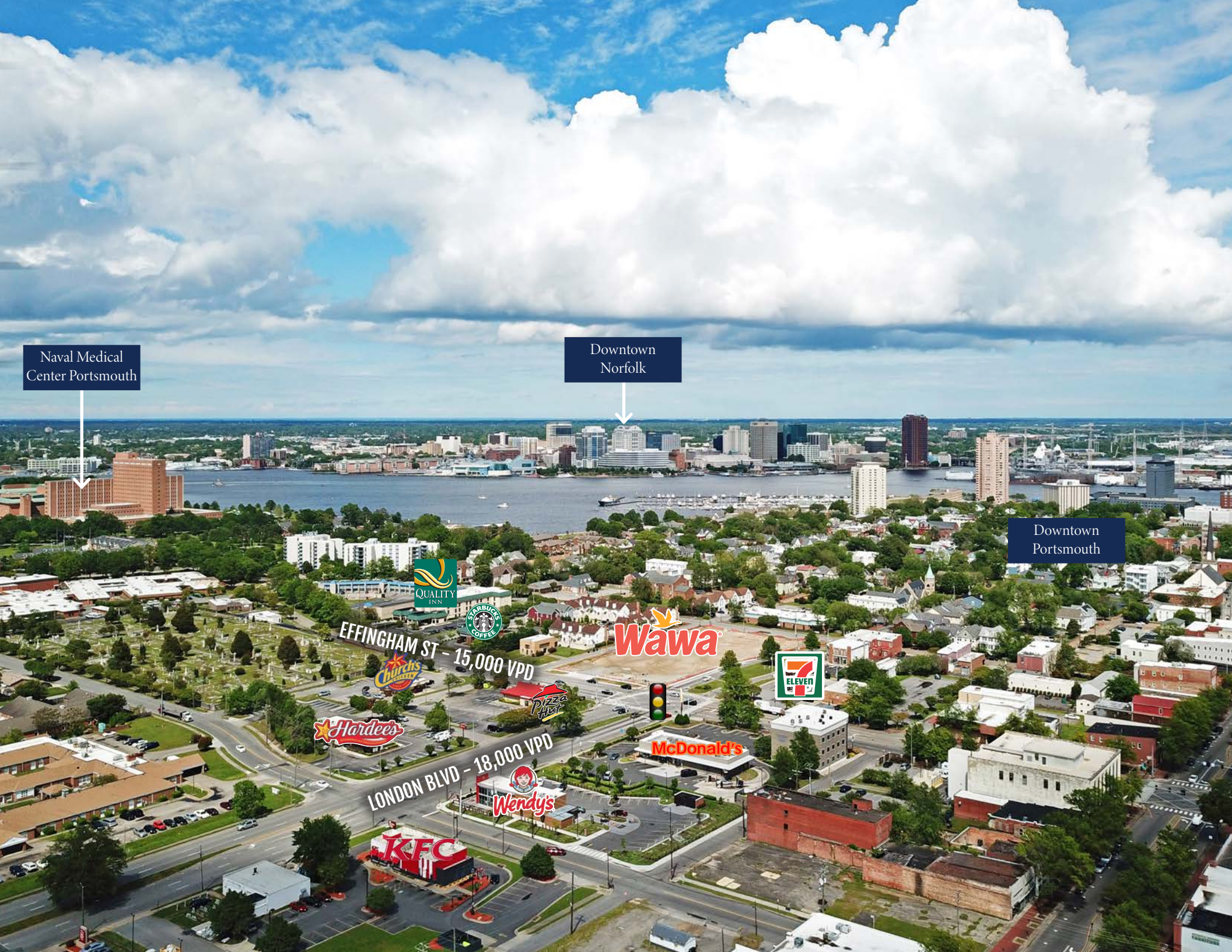
LONDON ST



Naval Medical  
Center Portsmouth

Downtown  
Norfolk

Downtown  
Portsmouth





Naval Medical  
Center Portsmouth

Downtown  
Norfolk

LONDON BLVD - 18,000 VPD

HIGH ST

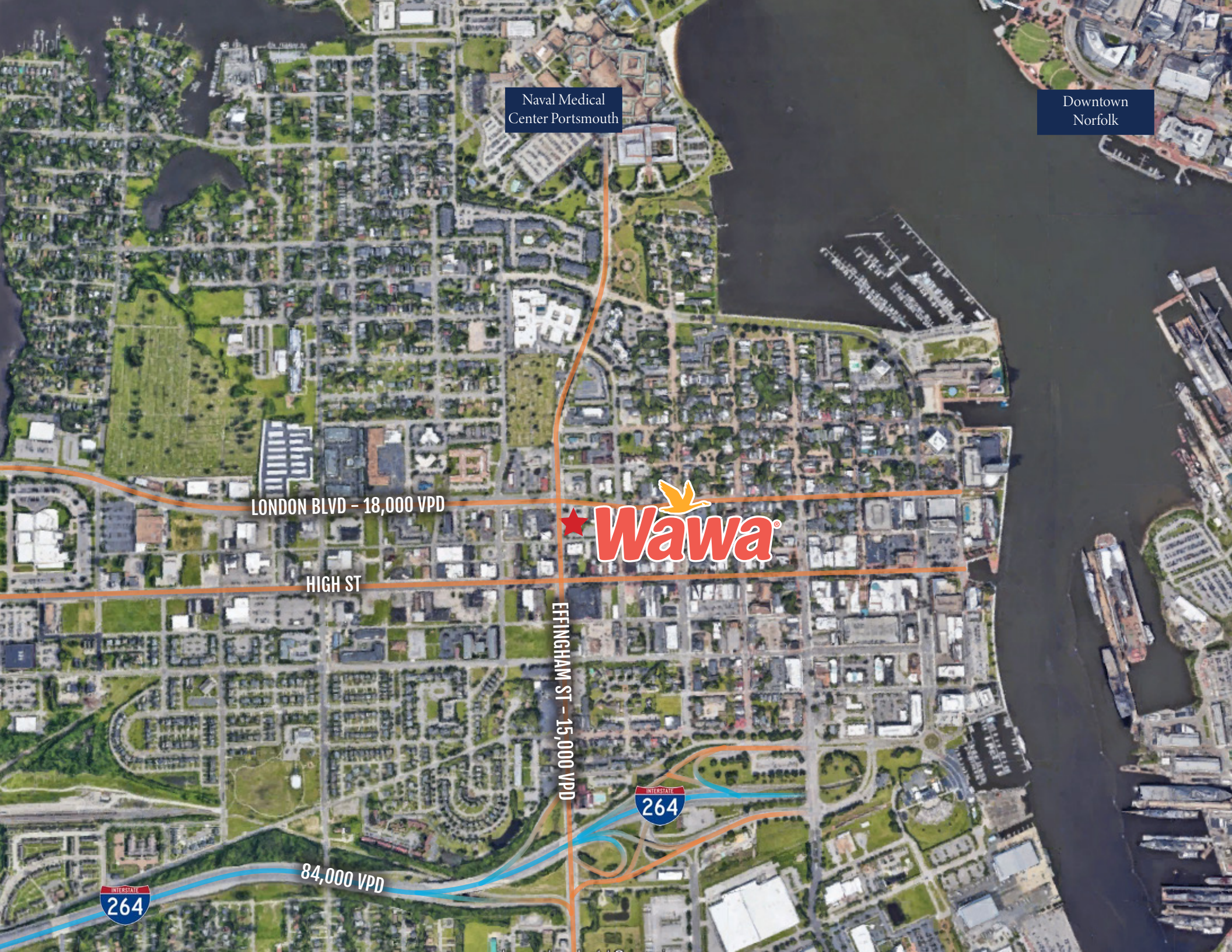
EFFINGHAM ST - 15,000 VPD

★ **Wawa**

84,000 VPD

INTERSTATE  
264

INTERSTATE  
264

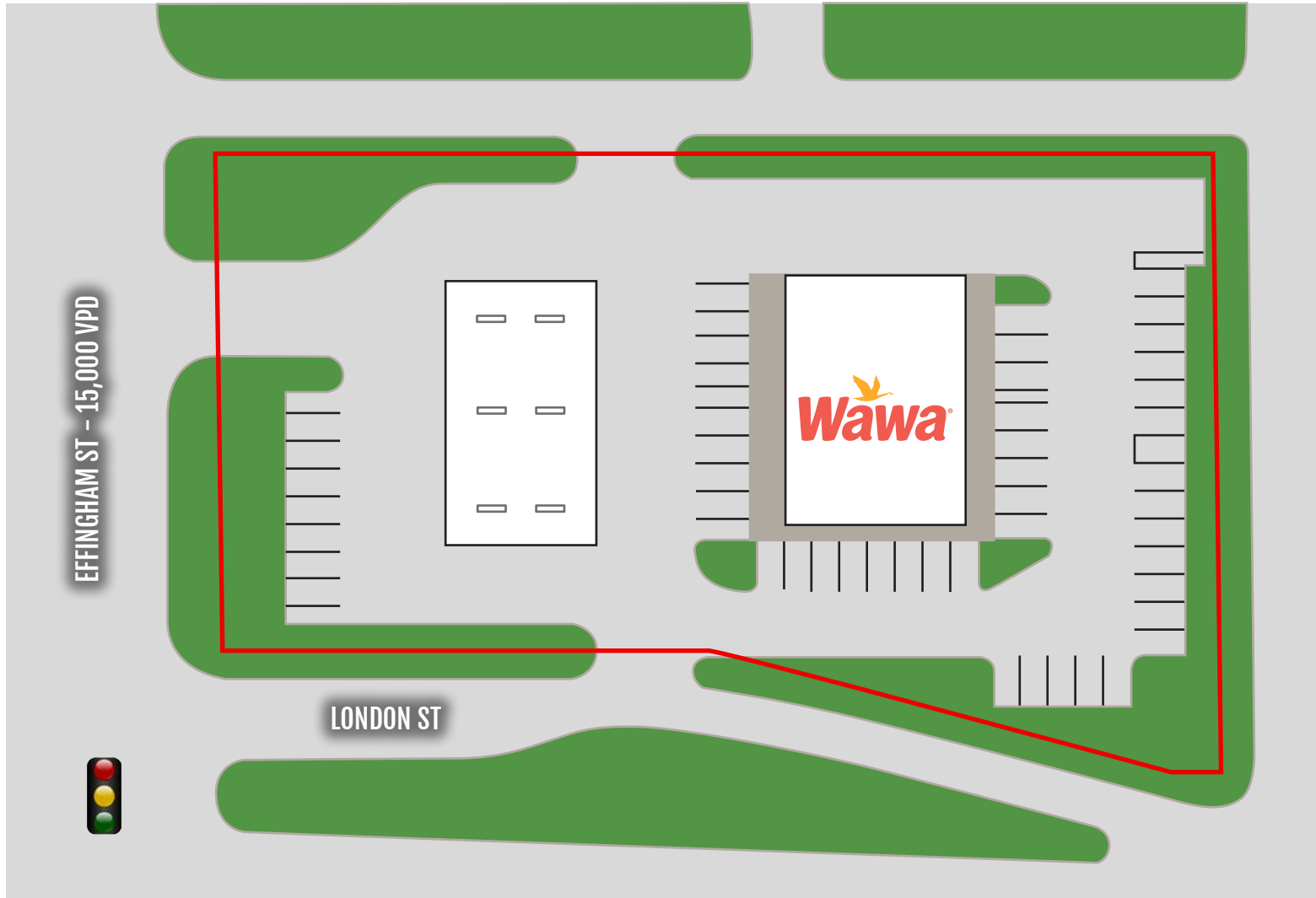




# UPDATED CONSTRUCTION – JANUARY 2021









# LEASE ABSTRACT

Lessee	Wawa, Inc.
Notification Period to Exercise Options	180 Days
Landlord Obligations	None
Tenant Obligations	Tenant shall maintain demised premises
Assignment & Subletting	Tenant may assign this Lease (in whole or in part and whether by operation of law or otherwise), mortgage or otherwise encumber this Lease (in whole or in part), or sublease all or any part of the Leased Premises without requiring Landlord's consent. Tenant shall give Landlord written notice of the assignment or sublease within thirty (30) days thereafter, together with the name and address of the assignee or subtenant. Tenant shall not be released and relieved from further liability, except hereunder. Tenant shall have the right to assign its interest in this Lease to any entity which succeeds to the business now carried on by Tenant, provided that in any such instance, (i) the successor entity has a net worth, in accordance with generally accepted accounting principles, at least equal to One hundred Million Dollars (\$100,000,000.00) which shall be verified by Landlord's chosen representatives, with all costs associated with said verification being paid by Landlord and (ii) Tenant shall give Landlord an executed assumption agreement whereby the successor shall assume and agree with Landlord to pay the Rent and to perform all other terms, covenants and conditions under this Lease. Tenant shall be released and relieved from liability upon any assignment in accordance with this subsection.
Restrictive Covenant	During the term of this Lease, Landlord covenants not to permit any property that it may now own or hereafter acquire within a one (1) mile radius of the Leased Premises to be occupied or used for a convenience food store, coffee store, doughnut store, sandwich store, smoothie store, quick service restaurant, drug store, fuel dispensing facility, electric vehicle charging station, or any combination of such uses. During the term of this Lease, Landlord covenants not to permit any property that it may now own or hereafter acquire within a three (3) mile radius of the Leased Premises to be occupied or used for a fuel dispensing facility operated by any warehouse discount club, wholesale club or grocery store, including but not limited to, the type of fuel dispensing facility operated by Costco, Sam's Club, BJ's Wholesale Club, Walmart, Giant, Kroger, Safeway or Martins.
Landlord's Insurance	Landlord shall maintain and keep in effect insurance on an occurrence basis against claims for personal injury (including death) and property damage arising from occurrences on, in or about the Leased Premises, with broad form contractual liability coverage, under a policy or policies of commercial general liability insurance, with such limits as may be reasonably determined by Landlord from time to time, naming Tenant as an additional insured, but not less than Two Million Dollars (\$2,000,000) per occurrence.



# DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection	10,893	121,396	273,076
2018 Estimate	10,716	121,789	273,143
2010 Census	10,487	117,796	264,741
2000 Census	10,235	97,327	242,664
Current Daytime Population	18,229	177,641	325,683

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2018 Estimate Total Population	10,716	121,789	273,143
Under 20	23.58%	24.18%	24.72%
20 to 34 Years	27.47%	36.38%	29.96%
35 to 39 Years	6.40%	6.46%	6.40%
40 to 49 Years	10.44%	9.16%	9.97%
50 to 64 Years	18.40%	14.40%	16.68%
Age 65+	13.71%	9.43%	12.27%
Median Age	34.3	28.96	31.95
<u>Population 25+ by Education Level</u>			
2018 Estimate Population Age 25+	7,188	72,367	172,216
Elementary (0-8)	3.89%	3.41%	2.98%
Some High School (9-11)	14.09%	12.86%	11.35%
High School Graduate (12)	28.60%	27.00%	28.26%
Some College (13-15)	23.28%	24.36%	25.11%
Associate Degree Only	6.70%	6.41%	7.04%
Bachelors Degree Only	13.13%	14.49%	14.62%
Graduate Degree	8.14%	9.93%	9.25%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2023 Projection	4,636	40,163	97,280
2018 Estimate	4,438	39,739	96,257
2010 Census	4,339	38,076	93,031
2000 Census	3,985	37,994	92,264

INCOME	1 MILE	3 MILES	5 MILES
<u>2018 Housing Income</u>			
\$150,000 or More	6.82%	5.89%	6.21%
\$100,000 - \$149,000	5.87%	7.59%	9.78%
\$75,000 - \$99,999	7.74%	8.73%	10.85%
\$50,000 - \$74,999	17.12%	17.62%	19.39%
\$35,000 - \$49,999	14.45%	13.45%	14.74%
Under \$35,000	48.02%	46.73%	39.02%
Average Household Income	\$58,524	\$58,572	\$63,969
Median Household Income	\$37,619	\$38,829	\$45,976
Per Capita Income	\$25,578	\$22,314	\$24,295



# DEMOGRAPHIC SUMMARY

Geography: 5 Miles



## POPULATION

In 2019, the population was 273,143. The population has changed by 12.56 percent since 2000. It is estimated that the population will be 273,076 five years from now, which represents a change of -0.02 percent from the current year. The current population is 50.81 percent male and 49.19 percent female. The median age of the population is 31.95, compared to the US average which is 37.95. The population density is 3,475.10 people per square mile.



## HOUSEHOLDS

There are currently 96,257 households in your selected geography. The number of households has changed by 4.33 percent since 2000. It is estimated that the number of households will be 97,280 five years from now, which represents a change of 1.06 percent from the current year. The average household size is 2.50 persons.



## INCOME

In 2019, the median household income was \$45,976, compared to the US average which is currently \$58,754. The median household income has changed by 40.87 percent since 2000. It is estimated that the median household income will be \$56,131 five years from now, which represents a change of 22.09 percent from the current year.

The current year per capita income is \$24,295, compared to the US average, which is \$32,356. The current year average household income is \$63,969, compared to the US average which is \$84,609.



## RACE AND ETHNICITY

The current year racial makeup is as follows: 42.24 percent White, 49.75 percent Black, 0.12 percent Native American and 2.18 percent Asian/Pacific Islander. Compare these to US averages which are: 70.20 percent White, 12.89 percent Black, 0.19 percent Native American and 5.59 percent Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 6.04 percent of the current year population. Compare this to the US average of 18.01 percent.



## HOUSING

The median housing value was \$190,083 in 2019, compared to the US average of \$201,842. In 2000, there were 49,823 owner occupied housing units and there were 42,442 renter occupied housing units. The median rent at the time was \$434 per month.



## EMPLOYMENT

In 2019, there are 168,796 employees, this is also known as the daytime population. The 2000 Census revealed that 55.30 percent of employees are employed in white-collar occupations, and 44.51 percent are employed in blue-collar occupations. In 2019, unemployment was 5.41 percent. In 2000, the average time traveled to work was 24 minutes.



# HAMPTON ROADS OVERVIEW

Hampton Roads, also known as the Virginia Beach-Norfolk-Newport News metropolitan area, is recognized for its miles of waterfronts and beaches, military presence, harbors, shipyards and coal piers. The metro is composed of James, Gloucester, Mathews, York and Isle of Wight counties in Virginia, and Gates and Currituck counties in North Carolina, as well as the cities of Virginia Beach, Williamsburg, Chesapeake, Norfolk, Newport News, Hampton, Poquoson, Portsmouth and Suffolk. Approximately 1.8 million people reside in the market, roughly 460,000 of whom are in Virginia Beach, the market's most populous city.

## METRO HIGHLIGHTS



### MILITARY CONCENTRATION

The metro has the second-largest concentration of military personnel in the U.S. with nine military installations providing numerous jobs.



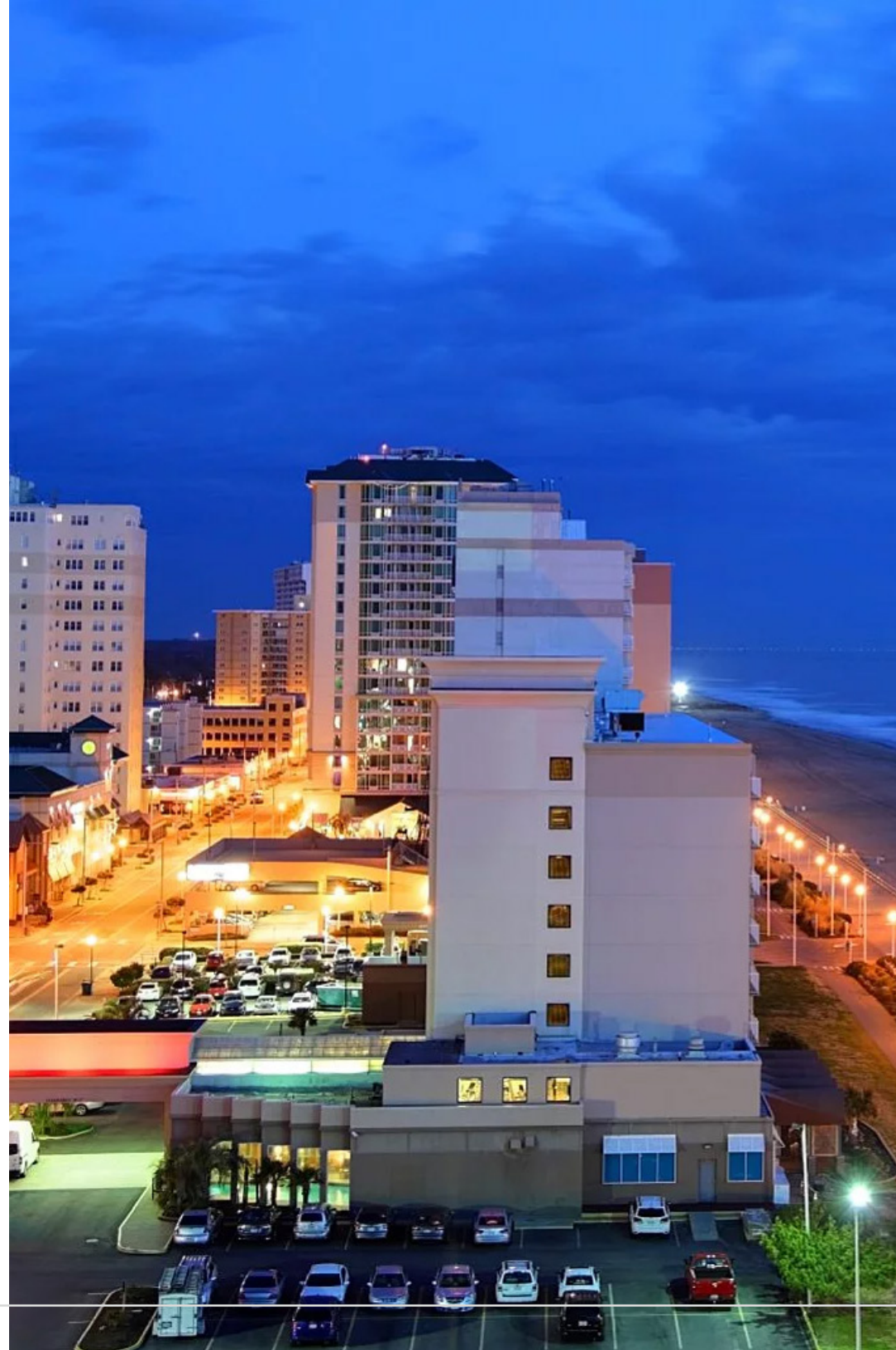
### HOSPITALITY AND TOURISM

Visitors are drawn to Williamsburg and the multiple beaches and resorts, which have activities for everyone.



### SKILLED WORKERS

Technical knowledge learned in the military helps to provide a highly educated and skilled labor force.

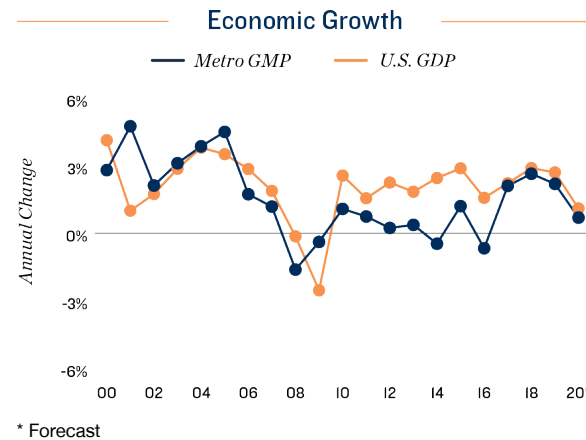




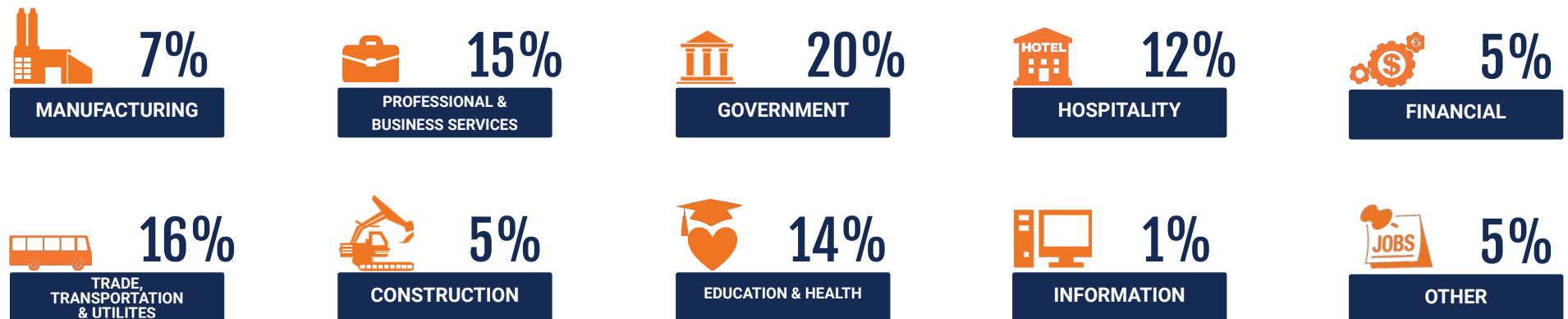
# THE HAMPTON ROADS ECONOMY

The local economy is best known for tourism and defense, but advanced manufacturing, maritime and logistics, cybersecurity and biomedical technology are growing sectors. Fortune 500 headquarters include Norfolk Southern, Dollar Tree and Huntington Ingalls Industries. Other companies headquartered locally include Gold Key PHR, Amerigroup, Anthem and Stihl. The large military presence includes Naval Station Norfolk, Joint Expeditionary Base Little Creek-Fort Story, Naval Air Station Oceana Dam Neck Annex, Joint Base Langley-Eustis, Norfolk Naval Shipyard and Coast Guard Base-Portsmouth.

MAJOR AREA EMPLOYERS
Huntington Ingalls Industries Inc.
Sentara Healthcare
Naval Medical Center Portsmouth
Norfolk Naval Shipyard
Riverside Health System
The Colonial Williamsburg Foundation
Joint Expeditionary Base Little Creek-Ft. Story
GEICO General Insurance Co.
Naval Air Station Oceana-Dam Neck
Nasa Langley Research University



## SHARE OF 2019 TOTAL EMPLOYMENT





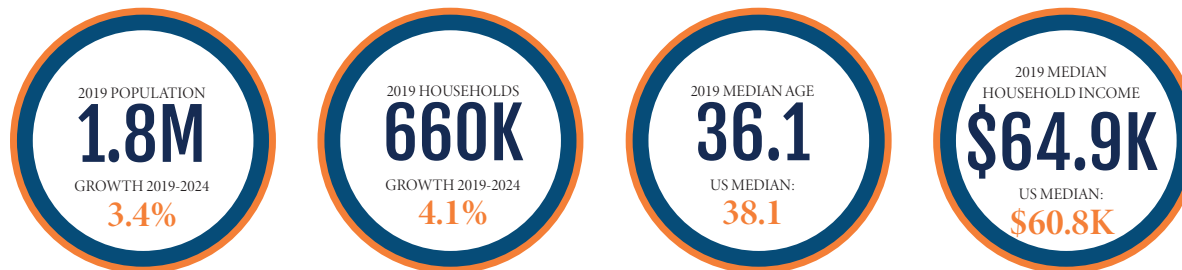
# HAMPTON ROADS DEMOGRAPHICS

The metro is projected to expand by 60,800 people through 2024, resulting in the formation of 26,800 households during this period.

Median home prices that are above the U.S. level contribute to a homeownership rate of 56 percent, which is slightly below the national rate of 57 percent.

Approximately 30 percent of residents age 25 and older hold a bachelor's degree; of those residents, 12 percent also have earned a graduate or professional degree.

## 2019 POPULATION BY AGE



## QUALITY OF LIFE

Known for its beaches and water recreation, the region has much to offer by way of outdoor activities and entertainment. Busch Gardens Williamsburg, Colonial Williamsburg, the USS Wisconsin and the Virginia Aquarium are prominent attractions that draw tourist and locals alike. Cultural activities are available at the Virginia Museum of Contemporary Art, Virginia Aquarium & Marine Science Center and Virginia Beach Amphitheater. Sports teams play at the Virginia Beach Sportsplex, Harbor Park and Scope Arena, while the Kingsmill Championship is held here as a part of the PGA Tour. Universities include the College of William & Mary, Old Dominion University, Virginia Wesleyan College, Hampton University, Christopher Newport University and Norfolk State University.

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

## SPORTS



## EDUCATION



## ARTS & ENTERTAINMENT





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