



*REPRESENTATIVE PHOTOS



OFFERING
MEMORANDUM

WENDY'S ABSOLUTE NNN LEASED OFFERING

1808 S MIAMI BLVD DURHAM, NC 27703

OFFERING MEMORANDUM
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INVESTMENT OVERVIEW



The subject property is a 20-year Wendy's NNN lease, which commenced in December 2018. The lease is guaranteed by Delight Raleigh 3 LLC which operates 13 units. The tenant's parent company is Delight Restaurant Group which operates over 57 restaurants including Wendy's and Taco Bell and is continuing to grow. This lease calls for zero landlord obligations and scheduled increases of 8% every 5 years. The tenant also has four, 5-year options to renew. The site benefits from its location in a major retail trade area.

INVESTMENT HIGHLIGHTS

LONG TERM ABSOLUTE NNN LEASE

8% INCREASES IN RENT EVERY 5 YEARS

100% FEE SIMPLE INTEREST

ZERO LANDLORD OBLIGATIONS

ESTABLISHED AND GROWING OPERATOR OF WENDY'S

STRONG RENT TO SALES RATIO: 6.9%

OFFERING SPECIFICATIONS

PRICE \$2,485,720

CAP RATE 5.00%

NET OPERATING INCOME \$124,286

SQUARE FOOTAGE 3,227

LOT SIZE 0.91 AC

RENT:SALES 6.9%

FINANCIAL SUMMARY

WENDY'S • ABSOLUTE NNN LEASE

1808 S MIAMI BLVD DURHAM, NC 27703

\$2,485,720 • 5.00% CAP

SUMMARY

TENANT NAME	Delight Raleigh 3
LEASE START	12/1/2018
LEASE END	11/30/2038
ANNUAL RENT	\$124,286
OPTIONS	Four, 5-Year
INCREASES	8% Every 5 Years

OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
YEARS 1-5	\$124,286.00	5.00%
YEARS 6-10	\$134,228.88	5.40%
YEARS 11-15	\$144,967.19	5.83%
YEARS 16-20	\$156,564.57	6.30%
OPTION 1	\$169,089.73	6.80%
OPTION 2	\$182,616.91	7.35%
OPTION 3	\$197,226.26	7.93%
OPTION 4	\$213,004.36	8.57%

TENANT OVERVIEW



**DELIGHT
RESTAURANT**
— group —

WENDY'S

Wendy's is an American international fast food restaurant chain founded by Dave Thomas on November 15, 1969, in Columbus, Ohio. The company moved its headquarters to Dublin, Ohio, on January 29, 2006. As of December 31, 2018, Wendy's was the world's third-largest hamburger fast-food chain with 6,711 locations, following 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. Wendy's headquarters remained in Dublin. Following the merger, Triarc became known as Wendy's/Arby's Group, and later as The Wendy's Company.

As of December 31, 2018, there were a total of 6,711 locations, including 353 that are company-owned and 6,358 that are franchised; 92% of the system-wide locations are in North America. While Wendy's determines standards for each store's exterior appearance, food quality, and menu, the store owners have control over hours of operations, interior decor, pricing, staff uniforms, and wages.

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.

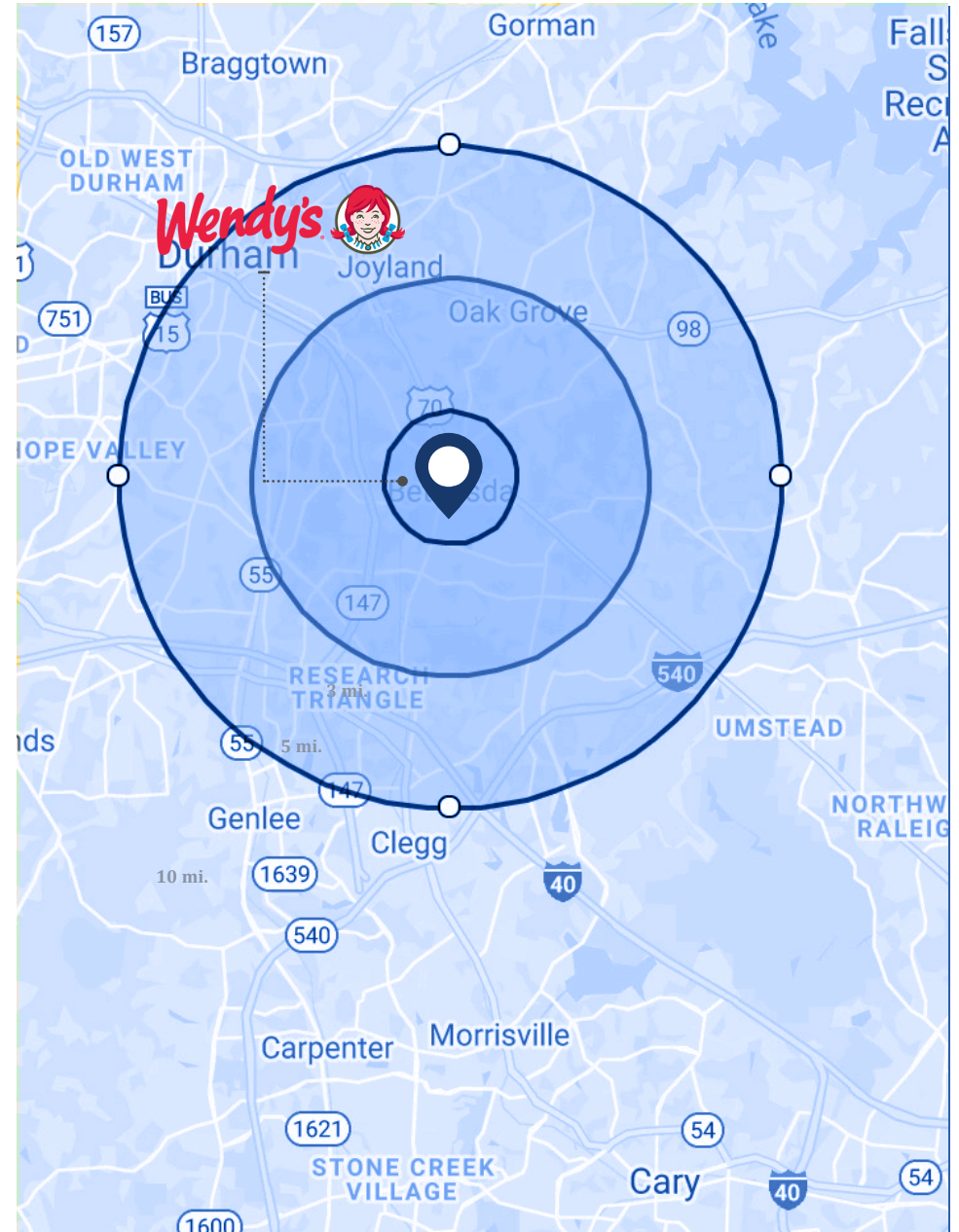
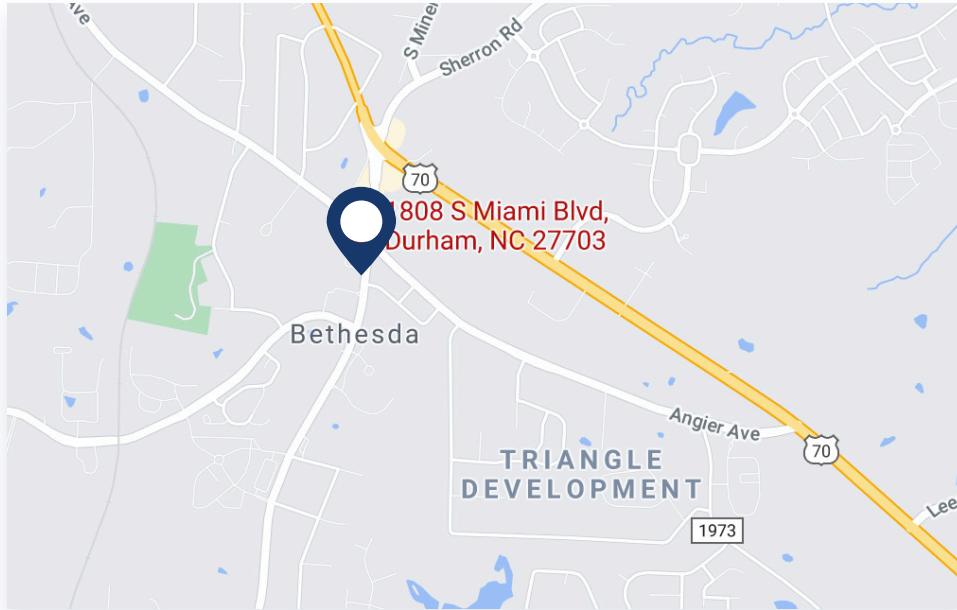
DELIGHT RESTAURANT GROUP

Delight Restaurant Group is a growth-oriented restaurant company with a strong focus on running excellent operations by investing in people and facilities. Through acquisition, the company will operate 165 restaurants across Wendy's and Taco Bell in North Carolina, Virginia, Indiana, and Michigan.

LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	37,067	133,160	464,486
TOTAL HOUSEHOLDS	14,583	53,288	190,969
AVERAGE HOUSEHOLD INCOME	\$91,971	\$80,133	\$99,645
AVERAGE AGE	36.1	34.6	35.7

AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	37,067	133,160	464,486
TOTAL HOUSEHOLDS	14,583	53,288	190,969
PERSONS PER HOUSEHOLD	2.5	2.4	2.3
AVERAGE HOUSEHOLD INCOME	\$91,971	\$80,133	\$99,645
AVERAGE HOUSE VALUE	\$224,490	\$205,863	\$282,859
AVERAGE AGE	36.1	34.6	35.7
WHITE	18,426	54,603	263,985
BLACK	15,584	67,042	137,612
AMERICAN INDIAN/ALASKAN NATIVE	494	1,432	3,572
ASIAN	1,638	6,633	46,721
HAWAIIAN & PACIFIC ISLANDER	26	110	426
TWO OR MORE RACES	900	3,341	12,170
HISPANIC ORIGIN	5,408	19,053	53,826

DURHAM, NC

Durham also known as Bull City, is a city in and the county seat of Durham County in the State of North Carolina. Small portions of the city limits extend into Orange County and Wake County. The U.S. Census Bureau estimated the city's population to be 278,993 as of July 1, 2019, making it the 4th-most populous city in North Carolina, and the 74th-most populous city in the United States. The city is located in the east-central part of the Piedmont region along the Eno River. Durham is the core of the four-county Durham-Chapel Hill Metropolitan Area, which has a population of 644,367 as of U.S. Census 2019 Population Estimates. The Office of Management and Budget also includes Durham as a part of the Raleigh-Durham-Cary Combined Statistical Area, commonly known as the Research Triangle, which has a population of 2,079,687 as of U.S. Census 2019 Population Estimates.

Durham is home to several recognized institutions of higher education, most notably Duke University and North Carolina Central University. Durham is also a national leader in health-related activities, which are focused on the Duke University Hospital and many private companies. Duke and its Duke University Health System, in fact, are the largest employers in the city. North Carolina Central University is a historically black university that is part of the University of North Carolina system. Together, the two universities make Durham one of the vertices of the Research Triangle area; central to this is the Research Triangle Park



DURHAM, NORTH CAROLINA



The Kase Group

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