



\*REPRESENTATIVE PHOTOS



OFFERING  
MEMORANDUM

## WENDY'S ABSOLUTE NNN LEASED OFFERING

226 S GRAHAM HOPEDALE RD BURLINGTON, NC 27217

OFFERING MEMORANDUM  
**PRESENTED BY:**

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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 WendSchmidt NC LLC, which operates 24 Units of Wendy's. Schmidt Family Restaurant Group operates a total of 75 restaurants. 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

STRONG OPERATOR OF WENDY'S

HEALTHY RENT TO SALES RATIO: 7.7%

## OFFERING SPECIFICATIONS

PRICE \$3,954,660

CAP RATE 5.00%

NET OPERATING INCOME \$197,733

SQUARE FOOTAGE 3,440

LOT SIZE 1.1 AC

RENT:SALES 7.7%

# FINANCIAL SUMMARY

## WENDY'S • ABSOLUTE NNN LEASE

226 S GRAHAM HOPEDALE RD BURLINGTON, NC 27217

\$3,954,660 • 5.00% CAP

### SUMMARY

TENANT NAME	WendSchmidt NC LLC.
LEASE START	12/1/2018
LEASE END	11/30/2038
ANNUAL RENT	\$197,733
OPTIONS	Four, 5-Year
INCREASES	8% Every 5 Years

### OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
YEARS 1-5	\$197,733.00	5.00%
YEARS 6-10	\$213,551.64	5.40%
YEARS 11-15	\$230,635.77	5.83%
YEARS 16-20	\$249,086.63	6.30%
OPTION 1	\$269,013.56	6.80%
OPTION 2	\$290,534.65	7.35%
OPTION 3	\$313,777.42	7.93%
OPTION 4	\$338,879.61	8.57%

# TENANT OVERVIEW

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## 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.

## SCHMIDT FAMILY RESTAURANT GROUP

Schmidt Family Restaurant Group was founded in 1988 by Scott Schmidt. Schmidt had worked in an Ohio Wendy's for 13 years before founding the company and purchasing two franchises in Portsmouth, Ohio. Today, the company operates 75 Wendy's locations in Ohio, Kentucky, North Carolina and West Virginia.

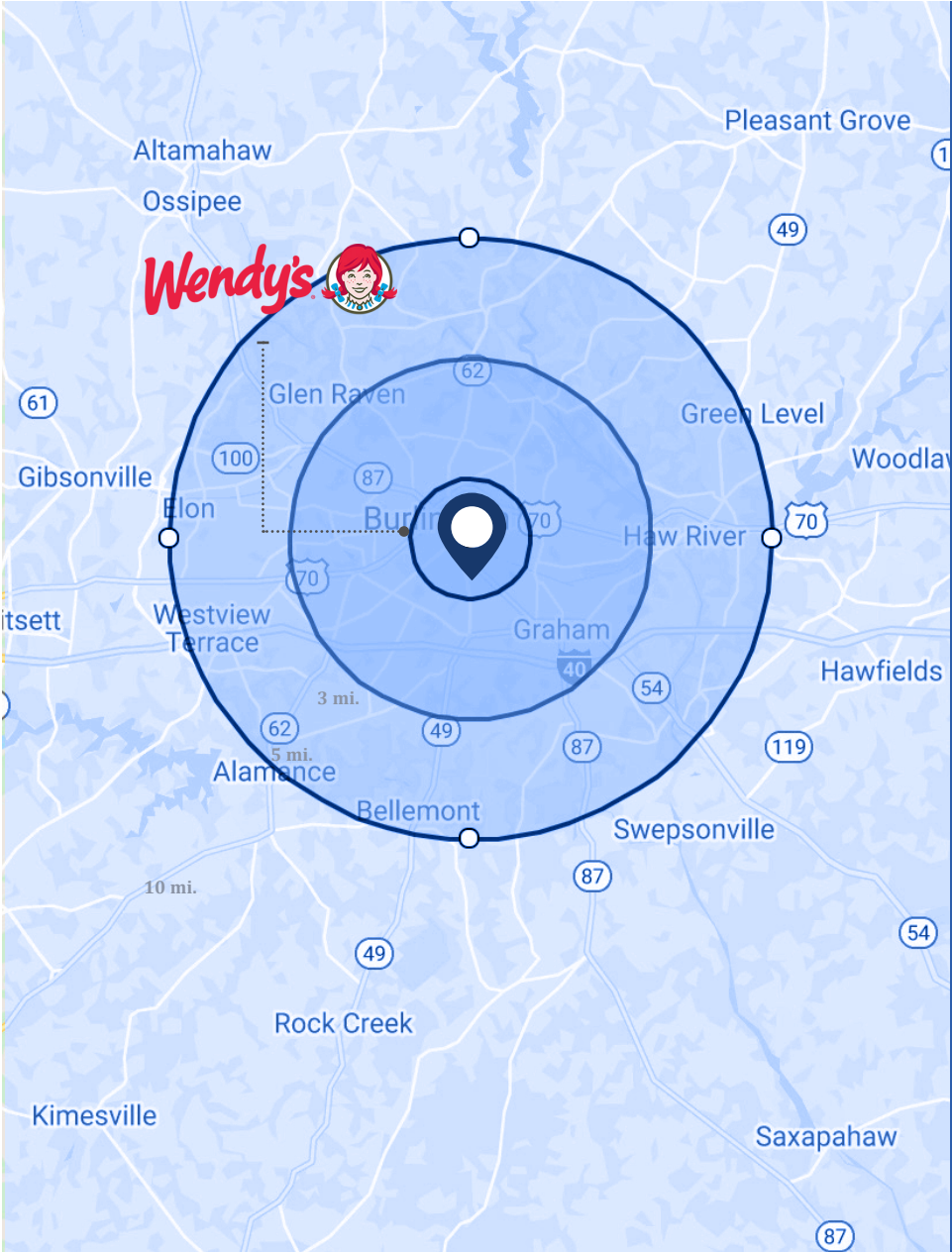
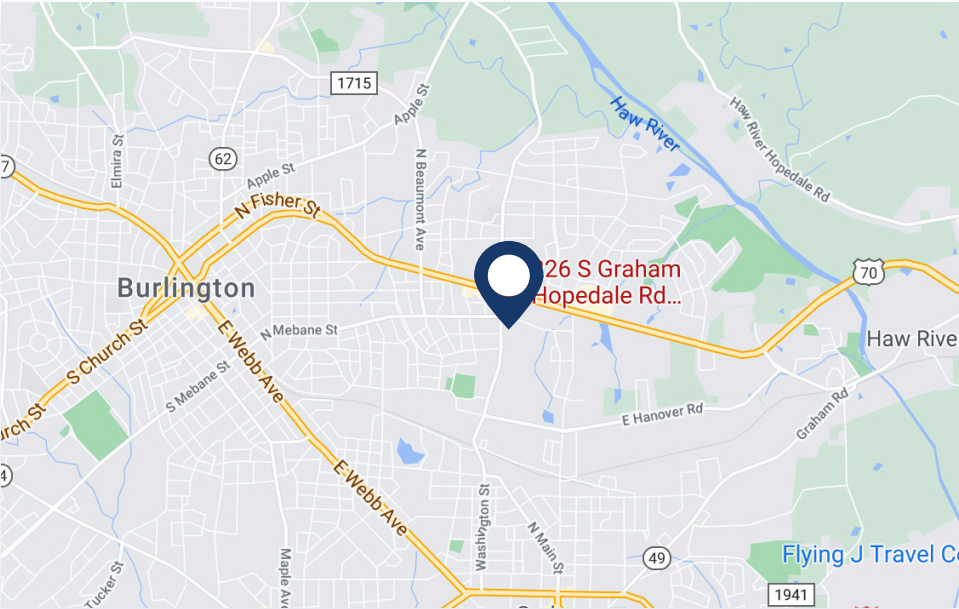
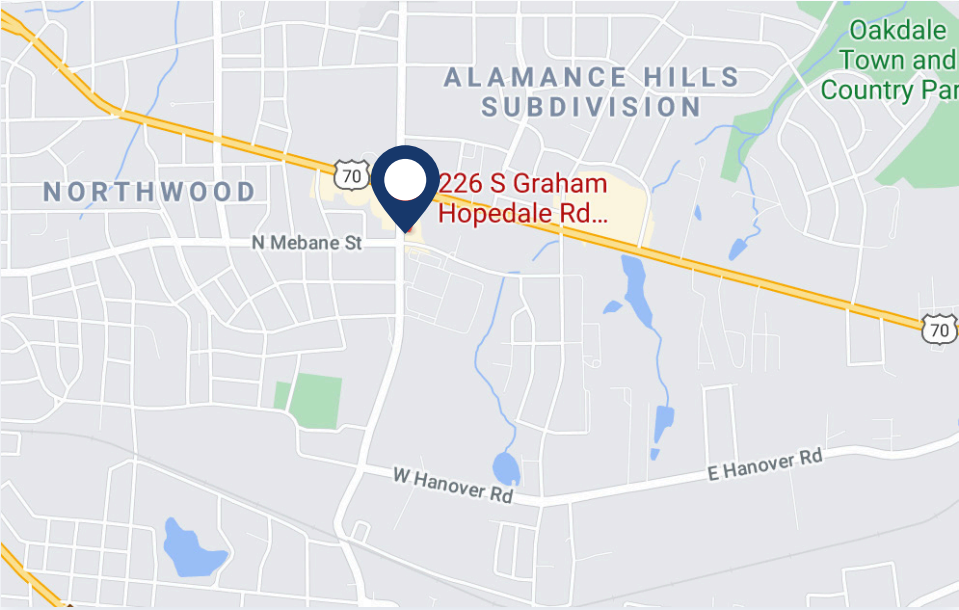


# LOCATION AERIAL





# REGIONAL OVERVIEW





## A map of the area around 226 S Graham Hopedale Rd. The map shows a street grid with S Graham Hopedale Rd running vertically and N Mebane St running horizontally. A blue location pin marks the address 226 S Graham Hopedale Rd. To the west of this location, a red Wendy's logo is prominently displayed. Other businesses and landmarks visible on the map include: King's Wheels &amp; Tires, Skid's Drive-In, Happy Tire, Barbee's Car Cleaning Services, La Cocina Mexican, Papa John's Pizza, KFC, Woody's Body Shop, Good Samaritan Super Thrift, Western Charcoal Steak House, Mi Pueblito Taqueria Y Antojitos, Page's Laundry, Dollar Tree, USA Pawn, Enterprise Rent-A-Car, North Plaza Services Center, La Guerrense, Discount Furniture Superstore, Aaron's, Ollie's Bargain Outlet, Taqueria El Taquito De Oro, National Guard Recruiter, Western Union, Diva Beauty Supply, Human Hair and Wigs, Mebane Street Church of Christ, and Murphy USA. The map also shows several highways, including US-70 and US-17.

WENDY'S • BURLINGTON, NC

# AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	48,013	84,979	166,164
TOTAL HOUSEHOLDS	18,769	33,946	65,660
PERSONS PER HOUSEHOLD	2.40	2.40	2.40
AVERAGE HOUSEHOLD INCOME	\$48,507	\$56,934	\$66,929
AVERAGE HOUSE VALUE	\$107,630	\$133,618	\$157,569
AVERAGE AGE	37.3	38.9	39
WHITE	28,177	56,587	121,148
BLACK	16,558	22,939	35,779
AMERICAN INDIAN/ALASKAN NATIVE	1,128	1,830	2,310
ASIAN	830	1,561	3,081
HAWAIIAN & PACIFIC ISLANDER	66	104	159
TWO OR MORE RACES	1,252	1,958	3,688
HISPANIC ORIGIN	11,857	16,592	21,500

## BURLINGTON, NC

Burlington is a city in Alamance and Guilford counties in the State of North Carolina. It is the principal city of the Burlington, North Carolina Metropolitan Statistical Area, which encompasses all of Alamance County, in which most of the city is located, and is a part of the Greensboro-Winston-Salem-High Point CSA. The population was 50,042 at the 2010 census, which makes Burlington the 17th largest city in North Carolina. The Metropolitan Statistical Area population was over 150,000 in 2010.





**BURLINGTON, NORTH CAROLINA**



**The Kase Group**

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