



*REPRESENTATIVE PHOTOS



OFFERING
MEMORANDUM

WENDY'S ABSOLUTE NNN LEASED OFFERING

375 S CHURTON ST HILLSBOROUGH, NC 27278

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 1 LLC which operates 12 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

LOCATED IN A MAJOR RETAIL TRADE AREA

OFFERING SPECIFICATIONS

PRICE \$3,506,540

CAP RATE 5.00%

NET OPERATING INCOME \$175,327

SQUARE FOOTAGE 3,120

LOT SIZE 0.92 AC

RENT:SALES 9.2%

FINANCIAL SUMMARY

WENDY'S • ABSOLUTE NNN LEASE

375 S CHURTON ST HILLSBOROUGH, NC 27278

\$3,506,540 • 5.00% CAP

SUMMARY

TENANT NAME	Delight Raleigh 1 LLC
LEASE START	12/1/2018
LEASE END	11/30/2038
ANNUAL RENT	\$175,327
OPTIONS	Four, 5-Year
INCREASES	8% Every 5 Years

OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
YEARS 1-5	\$175,327.00	5.00%
YEARS 6-10	\$189,353.16	5.40%
YEARS 11-15	\$204,501.41	5.83%
YEARS 16-20	\$220,861.53	6.30%
OPTION 1	\$238,530.45	6.80%
OPTION 2	\$257,612.88	7.35%
OPTION 3	\$278,221.91	7.93%
OPTION 4	\$300,479.67	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	19,083	26,731	148,753
TOTAL HOUSEHOLDS	7,500	10,508	61,583
AVERAGE HOUSEHOLD INCOME	\$94,887	\$95,971	\$103,029
AVERAGE AGE	41	41.7	39.2

AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	19,083	26,731	148,753
TOTAL HOUSEHOLDS	7,500	10,508	61,583
PERSONS PER HOUSEHOLD	2.5	2.5	2.4
AVERAGE HOUSEHOLD INCOME	\$94,887	\$95,971	\$103,029
AVERAGE HOUSE VALUE	\$250,814	\$251,648	\$297,818
AVERAGE AGE	41	41.7	39.2
WHITE	15,025	21,122	110,060
BLACK	2,950	4,140	22,295
AMERICAN INDIAN/ALASKAN NATIVE	187	255	1,078
ASIAN	356	464	11,392
HAWAIIAN & PACIFIC ISLANDER	15	22	129
TWO OR MORE RACES	551	729	3,799
HISPANIC ORIGIN	1,694	2,531	13,897

HILLSBOROUGH, NC

The town of Hillsborough is the county seat of Orange County, North Carolina and is located along the Eno River. The population was 6,087 in 2010.

Its name was unofficially shortened to “Hillsboro” during the 19th century. In the late 1960s, residents voted to change the name back to its original, historic spelling.



HILLSBOROUGH, NORTH CAROLINA



The Kase Group

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