



*REPRESENTATIVE PHOTOS



OFFERING
MEMORANDUM

WENDY'S ABSOLUTE NNN LEASED OFFERING

808 E ATLANTIC ST SOUTH HILL, VA 23970

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 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

HEALTHY RENT TO SALES RATIO: 7.9%

OFFERING SPECIFICATIONS

PRICE \$2,370,360

CAP RATE 5.00%

NET OPERATING INCOME \$118,518

SQUARE FOOTAGE 3,163

LOT SIZE 0.75 AC

RENT:SALES 7.9% AC

FINANCIAL SUMMARY

WENDY'S • ABSOLUTE NNN LEASE

808 E ATLANTIC ST SOUTH HILL, VA 23970

\$2,370,360 • 5.00% CAP

SUMMARY

TENANT NAME	Delight VA Beach 1 LLC
LEASE START	12/1/2018
LEASE END	11/30/2038
ANNUAL RENT	\$118,518
OPTIONS	Four, 5-Year
INCREASES	8% Every 5 Years

OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
YEARS 1-5	\$118,518.00	5.00%
YEARS 6-10	\$127,999.44	5.40%
YEARS 11-15	\$138,239.40	5.83%
YEARS 16-20	\$149,298.55	6.30%
OPTION 1	\$161,242.43	6.80%
OPTION 2	\$174,141.83	7.35%
OPTION 3	\$188,073.17	7.93%
OPTION 4	\$203,119.02	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.

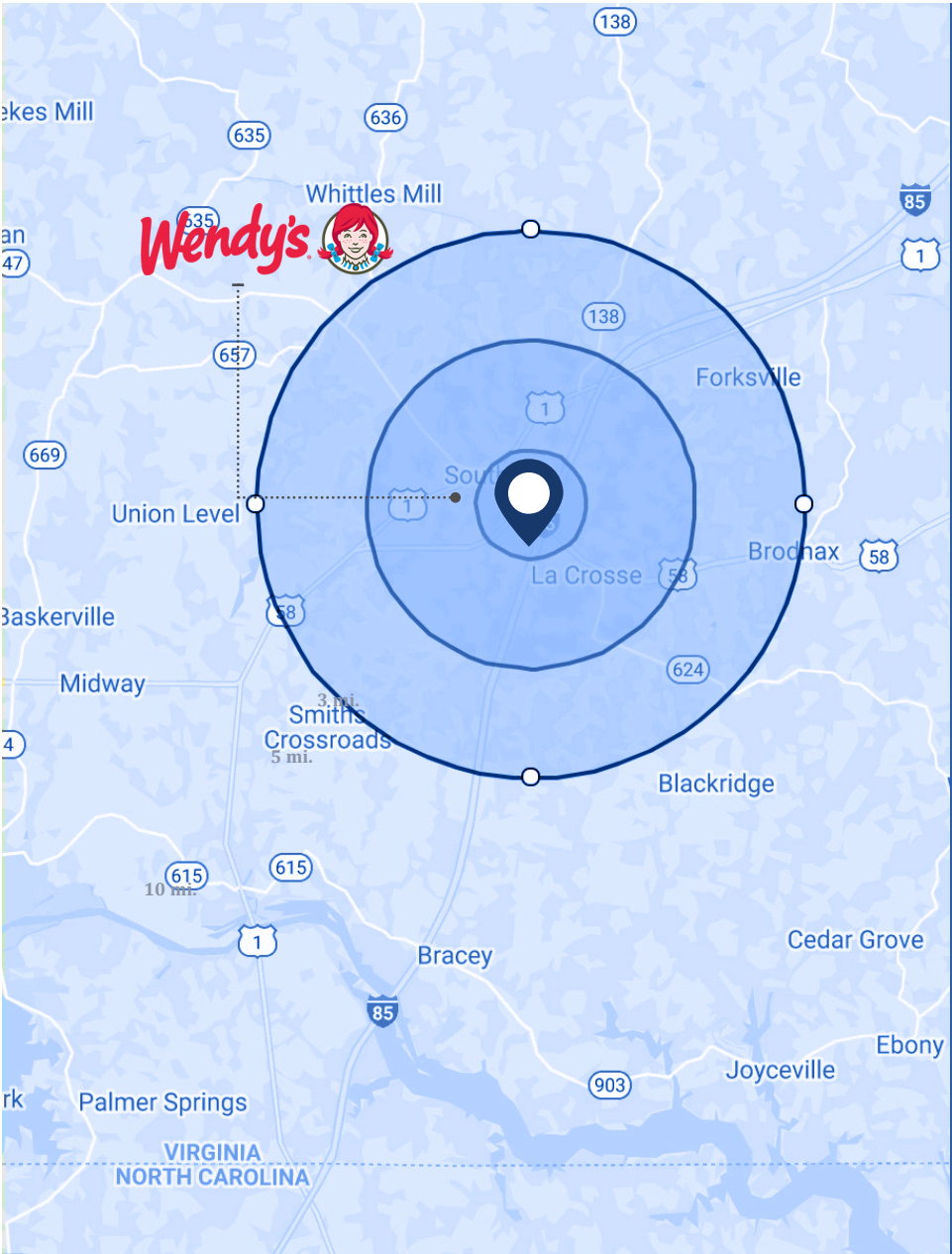
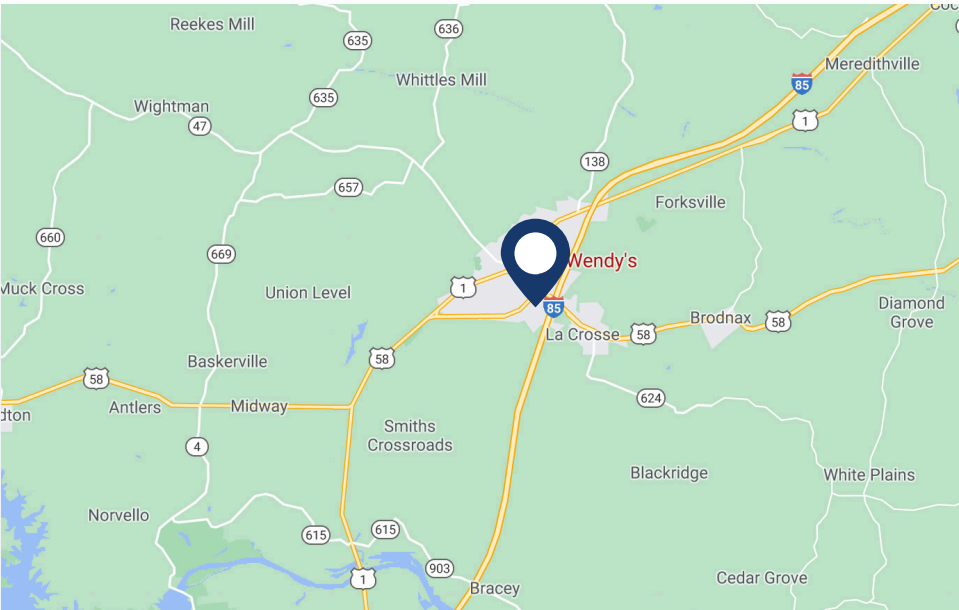
DELIGHT RESTAURANT GROUP

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	6,037	8,277	14,338
TOTAL HOUSEHOLDS	2,569	3,507	6,000
AVERAGE HOUSEHOLD INCOME	\$51,198	\$52,890	\$55,704
AVERAGE AGE	42.3	43.3	45.6

AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	6,037	8,277	14,338
TOTAL HOUSEHOLDS	2,569	3,507	6,000
PERSONS PER HOUSEHOLD	2.3	2.3	2.3
AVERAGE HOUSEHOLD INCOME	\$51,198	\$52,890	\$55,704
AVERAGE HOUSE VALUE	\$124,661	\$122,677	\$129,790
AVERAGE AGE	42.3	43.3	45.6
WHITE	3,271	4,596	8,518
BLACK	2,498	3,339	5,308
AMERICAN INDIAN/ALASKAN NATIVE	16	21	42
ASIAN	109	133	183
HAWAIIAN & PACIFIC ISLANDER	12	14	17
TWO OR MORE RACES	132	173	271
HISPANIC ORIGIN	304	425	643

SOUTH HILL, VA

South Hill is a town in Mecklenburg County, Virginia. The population was 4,650 at the 2010 census. Located on major Interstate and U.S. highways, it has a full-service hospital (serving patients from several rural counties), a tobacco market, and several hotels. South Hill has a close relationship with the neighboring town of La Crosse. Lake Gaston, a large reservoir popular with boaters and fishermen, is a short distance to the southwest.

The Colonial Theatre was listed on the National Register of Historic Places in 2003



SOUTH HILL, VIRGINIA



The Kase Group

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