

CBRE

OFFERING MEMORANDUM



SUBJECT PROPERTY. PARKING LOT
IS SCHEDULED TO BE REPLACED BY
TENANT IN SUMMER 2021

3 NY-303 | TAPPAN, NY 10983

VIEW PROPERTY VIDEO



MATTHEW GORMAN
+1 484 567 2340
matthew.gorman@cbre.com

MICHAEL SHOVER
+1 484 567 2344
michael.shover@cbre.com

THOMAS FINNEGAN
+1 484 567 2375
thomas.finnegan@cbre.com

ROB THOMPSON
+1 484 567 3340
rob.thompson2@cbre.com

LOCAL NY LICENSE:
FRED SULLIVAN
+1 201 712 5894
fred.sullivan@cbre.com

Table of Contents



04

TENANT OVERVIEW

06

FINANCIAL ANALYSIS

Property Highlights
Financial Overview
Investment Overview

10

PROPERTY SUMMARY

Property Photos
Tappan Plaza Redevelopment
Aerial Maps
Local/Regional Maps
Location Overview
Demographics



TENANT OVERVIEW





Wendy's® was founded in 1969 by Dave Thomas in Columbus, Ohio. Wendy's is best known for its made-to-order square hamburgers, using fresh, never frozen beef, freshly-prepared salads, and other signature items like chili, baked potatoes and the Frosty dessert. A publicly traded company (Nasdaq: WEN), Wendy's and its franchisees employ hundreds of thousands of people across more than 6,800 restaurants worldwide with a vision of becoming the world's most thriving and beloved restaurant brand.

WENDY'S CORPORATE OVERVIEW

TENANT TRADE NAME:	Wendy's
TENANT OWNERSHIP STATUS:	Public
BOARD/SYMBOL:	Nasdaq/WEN
TENANT:	Franchisee
LOCATIONS:	-/+ 6,800
REVENUE:	\$1.73 Billion (2020)
CORPORATE HEADQUARTERS:	Dublin, OH



FINANCIAL ANALYSIS





LIST PRICE
\$2,022,000



CAP RATE
4.50%



TOTAL NOI
\$91,000

PROPERTY HIGHLIGHTS

ESTABLISHED & SUCCESSFUL STORE

Wendy's has successfully operated in this location since 1986 and recently recommitted to this store by extending the lease an additional 10 years, for a total of 11+ years

PART OF MAJOR REDEVELOPMENT INCLUDING LIDL

Wendy's is a pad site to Tappan Plaza, which is under new ownership and in the final planning stages of a major redevelopment that includes the addition of Lidl as a grocery-anchor

NEW YORK CITY MSA

Tappan is located in Rockland County, just outside of NYC and part of the highly sought-after New York City MSA, featuring some of the best demographics in country in terms of density and affluence

STRONG REAL ESTATE FUNDAMENTALS

The subject property offers a below market rent, a low price point, rental increases starting Jan 2023 and a drive-thru, which has been a huge component of success for many retail tenants during the pandemic

PASSIVE OWNERSHIP

The long-term absolute-net ground lease is a huge benefit to the landlord, eliminating any exposure to expenses and property management, making this an easy asset to own from anywhere

UPDATED PROTOTYPE

The subject property was recently renovated in 2015, updated to Wendy's newest prototype with a drive-thru, all at the tenant's cost. Additionally, the parking lot is scheduled to be replaced in the summer of 2021

YIELD GROWTH

Contractual rental increases beginning as soon as January of 2023 and every 5 years thereafter, which produces consistent yield growth over the hold period

EXCEPTIONAL DEMOGRAPHICS

Population growth and density starting at 9,002 (1-mi.), 42,015 (3-mi.) and 146,764 (5-mi.) coupled with average household incomes over \$150K+ in all three rings

HIGHLY VISIBLE & EASILY ACCESSIBLE

The subject property is ideally located on NY-303 with traffic counts exceeding 22,000 vehicles per day and benefits from the additional draw of Tappan Plaza

PHENOMENAL RETAIL LOCATION

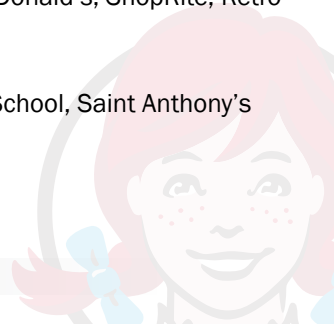
Surrounding tenants of note include CVS, Starbucks, Walgreens, Dunkin, Panera, McDonald's, ShopRite, Retro Fitness, Advance Auto Parts, Jersey Mike's and PNC Bank to name a few

COMPLIMENTARY USES

The subject property is surrounded by numerous schools including Northvale Public School, Saint Anthony's School, and New Jersey Music School

NO INTERNAL COMPETITION

In a market with high-barriers to entry the closest Wendy's is over 6 miles away



FINANCIAL
OVERVIEW



PROPERTY ADDRESS:
3 NY-303 | TAPPAN, NY 10983

PRICE:	\$2,022,000
CAP RATE:	4.50%
YEAR BUILT/RENOVATED:	Est 2015
BUILDING SQUARE FOOTAGE:	2,872
LOT SIZE:	0.76 Acres
TYPE OF OWNERSHIP:	Ground Lease
TENANT:	West Rock LLC (Wendy's Franchise)
GUARANTEE:	Franchisee
LEASE TYPE:	NNN Ground
INITIAL LEASE TERM:	15 Years
ROOF AND STRUCTURE:	Tenant Responsible
LEASE COMMENCEMENT:	10/28/1986
LEASE EXPIRATION:	12/31/2032 1 st & 2 nd options exercised
TERM REMAINING ON LEASE:	11+ Years
OPTIONS:	4x5 Years Remaining 6 months prior notice
INCREASES:	9.34% in 1/1/2023, 9.4% in 1/2/2028, 9.45% in option 3, and increases per CPI in Options 4, 5, & 6
ROFR:	Yes - 30 business days

ANNUALIZED OPERATING DATA		
RENT INCREASES	ANNUAL	MONTHLY
Current - 12/31/2022	\$91,000.00	\$7,583.33
1/1/2023 - 12/31/2027 Option 1 (Already Exercised)	\$99,500.00	\$8,291.66
1/1/2028 - 12/31/2032 Option 2 (Already Exercised)	\$108,850.00	\$9,070.83
Option 3	\$119,135.00	\$9,927.92
Option 4*	\$124,448.50	\$10,370.71
Option 5*	\$136,890.00	\$11,407.50
Option 6*	\$150,583.00	\$12,548.58
NET OPERATING INCOME:		\$91,000.00

*CPI Rental Increases: Figures in the rent schedule for Options 4-6 represent the maximum rental amounts for those periods.

Investment Overview

CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE THIS WENDY'S property located on NY-303 in Tappan, NY. Wendy's has successfully operated in this location since 1986 and recently recommitted to this store by extending the lease an additional 10 years, for a total of 11+ years remaining. The subject property was recently renovated in 2015, updated to Wendy's newest prototype with a drive-thru, all at the tenant's cost. Additionally, the parking lot is scheduled to be replaced in the summer of 2021. This is a long-term absolute-net ground lease which is a huge benefit to the landlord, eliminating any exposure to expenses and property management, making this an easy asset to own from anywhere. There are also contractual rental increases beginning as soon as January of 2023 and every 5 years thereafter, which produces consistent yield growth over the hold period.

The subject property is ideally located on NY-303 with traffic counts exceeding 22,000 vehicles per day. Wendy's is a pad site to Tappan Plaza, which is under new ownership and in the final planning stages of a major redevelopment that includes the addition of Lidl as a grocery-anchor. This is a phenomenal retail location with surrounding tenants including CVS, Starbucks, Walgreens, Dunkin, Panera, McDonald's, ShopRite, Retro Fitness, Advance Auto Parts, Jersey Mike's and PNC Bank to name a few. It's also surrounded by numerous schools including Northvale Public School, Saint Anthony's School, and New Jersey Music School. This area boasts exceptional demographics with population growth and density starting at 9,002 (1-mi.), 42,015 (3-mi.) and 146,764 (5-mi.) coupled with average household incomes over \$150K+ in all three rings. Tappan is located in Rockland County, just outside of NYC and part of the highly sought-after New York City MSA, featuring some of the best demographics in country in terms of density and affluence. In a market with high-barriers to entry the closest Wendy's is over 6 miles away. The subject property offers a below market rent, a low price point, rental increases starting Jan 2023 and a drive-thru, which has been a huge component of success for many retail tenants during the pandemic.



PROPERTY SUMMARY



PROPERTY
PHOTOS



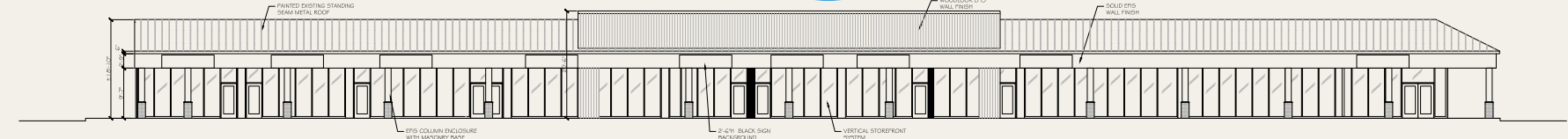
PROPERTY
PHOTOS



TAPPAN PLAZA

UPCOMING RENOVATIONS

WENDY'S SITS AS PART OF TAPPAN PLAZA, WHICH IS CURRENTLY UNDER NEW OWNERSHIP, AND IN THE FINAL STAGES OF PLANNING A MAJOR REDEVELOPMENT AT THE CENTER INCLUDING A PARKING LOT PAVING PROJECT.



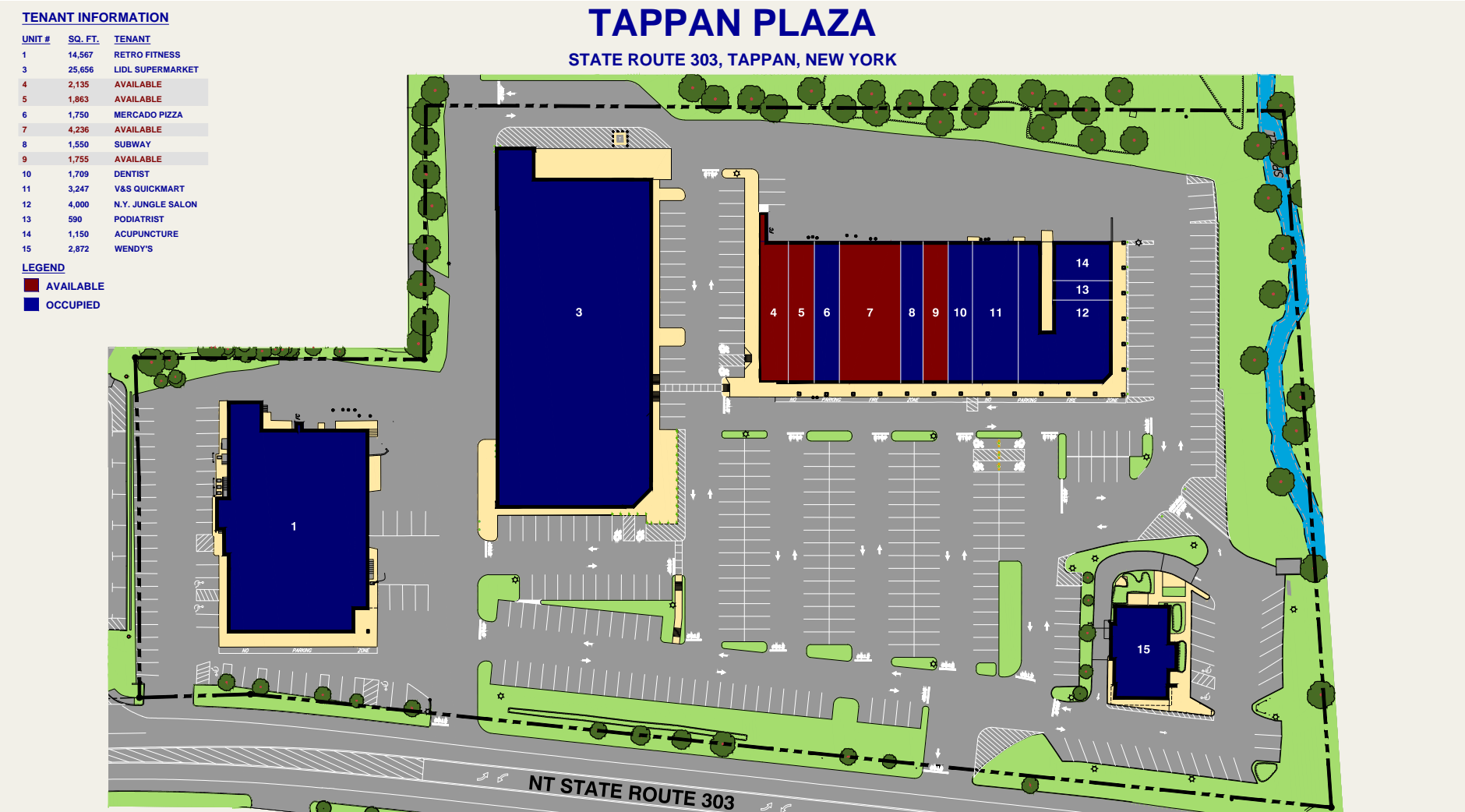
Elevation
3/12/24 - 1'-0"



Facade Rendering- Front
N.T.S.



TAPPAN PLAZA
FUTURE SITE PLAN

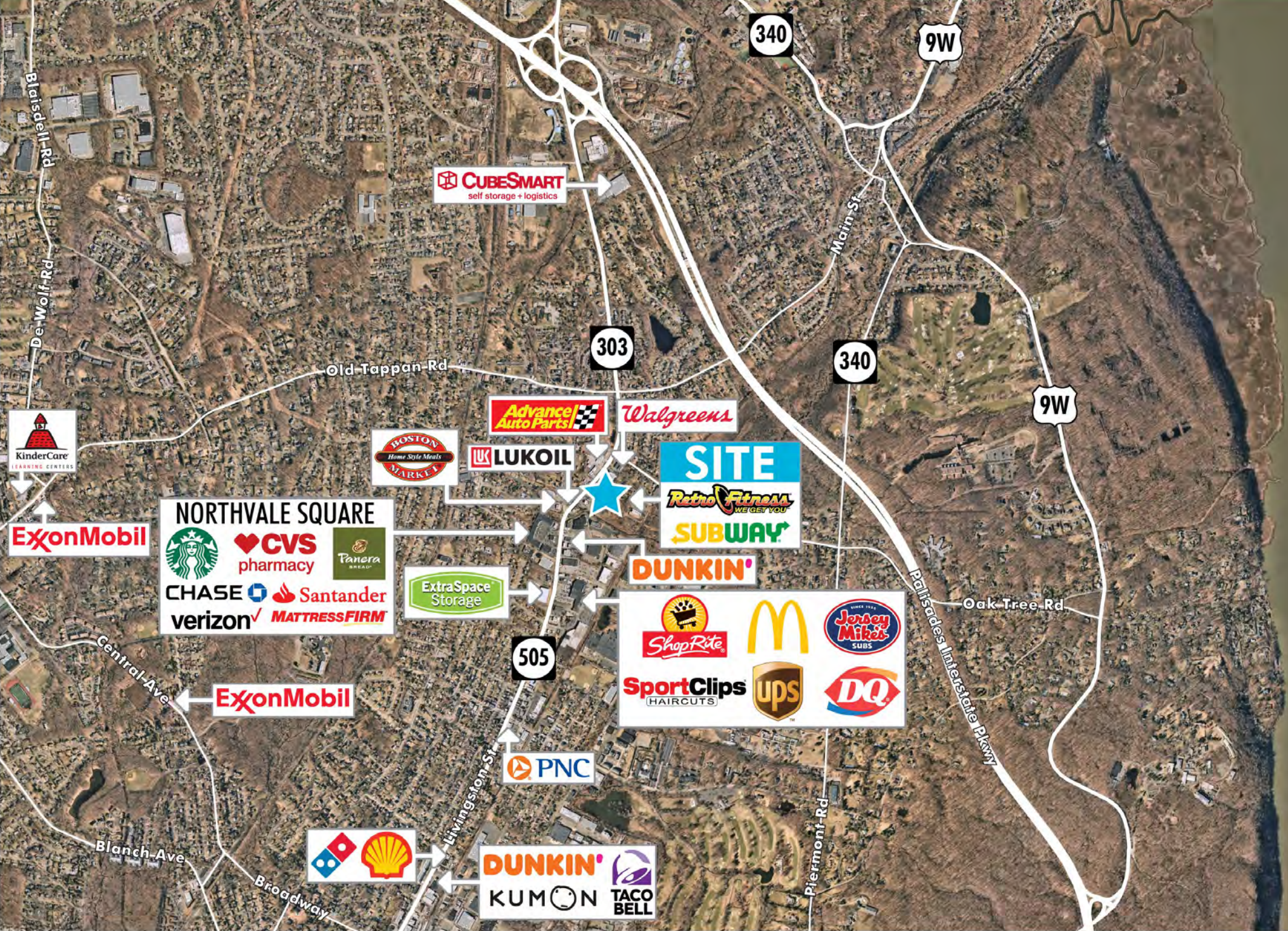




303

303

NY-303 - 22,220 V.P.D.



LOCAL MAP



REGIONAL MAP



Location Overview

Wendy's is located on NY-303 with excellent visibility for the combined 22,000+ vehicles traveling by daily. This is a main retail location with nearby national tenants including Walgreens, Dunkin', Boston Market, Advance Auto Parts, Panera, Retro Fitness, Starbucks, CVS, ShopRite and Subway to name a few. There are 9,002 people within 1 mile of the site, 42,015 people within 3 miles and 146,764 people within 5 miles. It's also an affluent market with the average household income over is over \$150,000 within 1 mile of the site, over \$169,000 within 3 miles and over \$175,000 within 5 miles. Wendy's is also surrounded by numerous schools including Northvale Public School, Saint Anthony's School, and New Jersey Music School.

Tappan is a census-designated place in the town of Orangetown, Rockland County, New York. It is situated at the New York/New Jersey border and approximately 29 miles from New York City.

WITHIN 5 MILES OF SUBJECT PROPERTY

TOTAL
POPULATION



146,764

HOUSEHOLD
INCOME



\$175,305

Average

DAYTIME
POPULATION



149,558

TOTAL
HOUSEHOLDS



52,659



SUBJECT AREA DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2010 POPULATION	8,542	40,885	143,381
2020 POPULATION	9,002	42,015	146,764
PROJECTED POPULATION (2025)	9,164	42,394	147,549
HISTORICAL ANNUAL GROWTH			
2010-2020	0.51%	0.27%	0.23%
PROJECTED ANNUAL GROWTH			
2020-2025	0.36%	0.18%	0.11%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	2,841	13,738	51,197
2020 HOUSEHOLDS	2,985	14,205	52,659
PROJECTED HOUSEHOLDS (2024)	3,034	14,344	52,929
HISTORICAL ANNUAL GROWTH			
2010-2020	0.48%	0.33%	0.28%
PROJECTED ANNUAL GROWTH			
2020-2025	0.33%	0.19%	0.10%
HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2020 AVERAGE	\$150,608	\$169,891	\$175,305
2020 MEDIAN	\$119,406	\$121,492	\$124,703

POPULATION BY RACE	1 MILE	3 MILES	5 MILES
WHITE POPULATION	72.4%	71.0%	74.5%
AFRICAN AMERICAN POPULATION	1.7%	2.9%	4.5%
ASIAN POPULATION	20.6%	21.1%	15.0%
PACIFIC ISLANDER POPULATION	0.2%	0.1%	0.2%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.0%
OTHER RACE POPULATION	2.7%	2.5%	3.3%
TWO OR MORE RACES POPULATION	2.4%	2.3%	2.5%

HISPANIC OR LATINO POPULATION BY ORIGIN	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	11.9%	10.6%	12.1%
WHITE NON-HISPANIC	64.4%	64.1%	67.1%

2020 AGE BY GENDER	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	43.6/47.8	45.5/48.6	44.1/47.1

TRAFFIC COUNTS	
NY 303	PALISADES INTERSTATE HWY
22,220	45,204

MATTHEW GORMAN

+1 484 567 2340

matthew.gorman@cbre.com

MICHAEL SHOVER

+1 484 567 2344

michael.shover@cbre.com

THOMAS FINNEGAN

+1 484 567 2375

thomas.finnegan@cbre.com

ROB THOMPSON

+1 484 567 3340

rob.thompson2@cbre.com

LOCAL NY LICENSE:

FRED SULLIVAN

+1 201 712 5894

fred.sullivan@cbre.com

CBRE

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the "Property"), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates' interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms' length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

© 2021 CBRE, Inc. All rights reserved. This information has been obtained from sources believed reliable, but has not been verified for accuracy or completeness. You should conduct a careful, independent investigation of the property and verify all information. Any reliance on this information is solely at your own risk. CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners. Photos herein are the property of their respective owners and use of these images without the express written consent of the owner is prohibited.