



OFFERING MEMORANDUM

### **WENDY'S**

ABSOLUTE NNN LEASED OFFERING

1301 MEBANE OAKS RD MEBANE, NC 27302

### 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 Superior Restaurant Group of North Carolina Inc. which has 24 units. Superior Restaurant Group as a whole operates over 30 units of Wendy's. 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 and is across from Walmart Supercenter. The city of Mebane is completing a road widening project on Mebane Oak Road, right in front of the property, to accommodate for increased traffic flow.

### **INVESTMENT HIGHLIGHTS**

### **OFFERING SPECIFICATIONS**

| LONG TERM ABSOLUTE NNN LEASE                | PRICE                | \$3,942,240 |
|---|----------------------|-------------|
| 8% INCREASES IN RENT EVERY 5 YEARS          | CAP RATE             | 5.00%       |
| 100% FEE SIMPLE INTEREST                    | NET OPERATING INCOME | \$197,112   |
| ZERO LANDLORD OBLIGATIONS                   | SQUARE FOOTAGE       | 3,146       |
| ESTABLISHED AND GROWING OPERATOR OF WENDY'S | LOT SIZE             | 1.1 AC      |
| WELL SITUATED IN A MAJOR RETAIL TRADE AREA  | RENT:SALES           | 8.7%        |

CITY IS COMPLETING A ROAD WIDENING PROJECT ON MEBANE OAK ROAD, RIGHT IN FRONT OF THE PROPERTY, TO ACCOMMODATE FOR INCREASED TRAFFIC FLOW

### FINANCIAL SUMMARY

### **WENDY'S** • ABSOLUTE NNN LEASE

1301 MEBANE OAKS RD MEBANE, NC 27302

\$3,942,240 • 5.00% CAP

#### **SUMMARY**

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#### **OFFERING SUMMARY**

|             | NET OPERATING INCOME | CAP RATE |
|-------------|----------------------|----------|
| YEARS 1-5   | \$197,112.00         | 5.00%    |
| YEARS 6-10  | \$212,880.96         | 5.40%    |
| YEARS 11-15 | \$229,911.44         | 5.83%    |
| YEARS 16-20 | \$248,304.35         | 6.30%    |
| OPTION 1    | \$268,168.70         | 6.80%    |
| OPTION 2    | \$289,622.20         | 7.35%    |
| OPTION 3    | \$312,791.97         | 7.93%    |
| OPTION 4    | \$337,815.33         | 8.57%    |

### TENANT OVERVIEW





\$1.2B REVENUE



**6,711+** LOCATIONS



**12,100+** EMPLOYEES

#### 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.

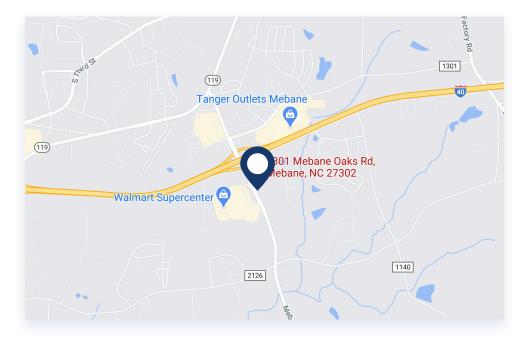
#### SUPERIOR RESTAURANT GROUP

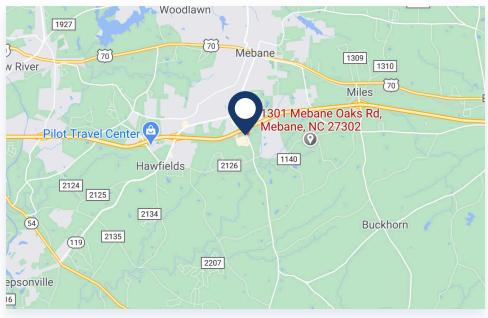
The lease is guaranteed by Superior Restaurant Group of North Carolina Inc. which has 24 units. Superior Restaurant Group as a whole operates over 30 units of Wendy's.

# LOCATION AERIAL



### REGIONAL OVERVIEW







# **DEMOGRAPHICS**



|                          | 3 MILES  | 5 MILES  | 10 MILES |
|--------------------------|----------|----------|----------|
| TOTAL POPULATION         | 20,831   | 34,501   | 121,000  |
| TOTAL HOUSEHOLDS         | 8,507    | 13,777   | 47,946   |
| AVERAGE HOUSEHOLD INCOME | \$77,431 | \$78,367 | \$67,171 |
| AVERAGE AGE              | 39.5     | 40.3     | 39.9     |

### AREA OVERVIEW

| DEMOGRAPHICS                      | 3 MILES   | 5 MILES   | 10 MILES  |
|-----------------------------------|-----------|-----------|-----------|
|                                   |           |           |           |
| TOTAL POPULATION                  | 20,831    | 34,501    | 121,000   |
| TOTAL HOUSEHOLDS                  | 8,507     | 13,777    | 47,946    |
| PERSONS PER HOUSEHOLD             | 2.4       | 2.5       | 2.5       |
| AVERAGE HOUSEHOLD INCOME          | \$77,431  | \$78,367  | \$67,171  |
| Average House Value               | \$179,789 | \$177,690 | \$158,044 |
|                                   |           |           |           |
| AVERAGE AGE                       | 39.5      | 40.3      | 39.9      |
|                                   |           |           |           |
| WHITE                             | 15,264    | 25,791    | 84,177    |
| BLACK                             | 4,583     | 7,144     | 29,962    |
| American Indian/Alaskan<br>Native | 138       | 291       | 2,222     |
| ASIAN                             | 283       | 378       | 1,646     |
| HAWAIIAN & PACIFIC ISLANDER       | 25        | 40        | 105       |
| Two or More Races                 | 539       | 858       | 2,886     |
| HISPANIC ORIGIN                   | 1,478     | 3,079     | 18,685    |

#### MEBANE, NC

Mebane is a city located mostly in Alamance County, North Carolina, and partly in Orange County, North Carolina. The town was named for Alexander Mebane, an American Revolutionary War general and member of the U.S. Congress. It was incorporated as "Mebanesville" in 1881, and in 1883 the name was changed to "Mebane". It was incorporated as a city in 1987. \l;p-=The population as of the 2010 census was 11,393. Mebane is one of the fastest growing municipalities in North Carolina. Mebane straddles the Research Triangle and Piedmont Triad Regions of North Carolina. The Alamance County portion is part of the Burlington Metropolitan Statistical Area, which is a component of the Greensboro-Winston-Salem-High Point Combined Statistical Area. The Orange County portion is part of the Durham-Chapel Hill Metropolitan Statistical Area, which is a component of the Raleigh-Durham-Chapel Hill Combined Statistical Area.





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