



OAKLYN, NJ
PHILADELPHIA, PA MSA

OFFERING MEMORANDUM

Marcus & Millichap



Representative Photo

EXECUTIVE SUMMARY



1006 White Horse Pike
Oaklyn, NJ 08107

ADDRESS



Oaklyn, NJ
Philadelphia, PA MSA

MARKET



1.92 Acres

LOT SIZE



20 YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

THE OFFERING

Price	\$8,625,000
Cap	4.00%
GLA	5,051 SF
Lot Size	1.92 Acres
Year Built	2022
Lease Type	NNN Ground Lease
Rent Commencement*	First Quarter 2023
Lease Expiration	First Quarter 2043
Increases	10% Every Five Years
Options	Six; Five-Year Terms

*Turnover is expected in Mid Summer 2022, and buyers could close post turnover to tenant.

ANNUALIZED OPERATING DATA ANNUAL RENT % INCREASE

Years 1-5	\$345,000	
Years 6-10	\$379,500	10.00%
Years 11-15	\$417,450	10.00%
Years 16-20	\$459,195	10.00%
Option Terms		
Option 1 (Years 21-25)	\$505,115	10.00%
Option 2 (Years 26-30)	\$555,626	10.00%
Option 3 (Years 31-35)	\$611,189	10.00%
Option 4 (Years 36-40)	\$672,307	10.00%
Option 5 (Years 41-45)	\$739,538	10.00%
Option 6 (Years 46-50)	\$813,492	10.00%

INVESTMENT HIGHLIGHTS

20-YEAR CORPORATE LEASE; SHADOW-RATED “BBB” BY FITCH

10% INCREASES EVERY FIVE YEARS

PROMINENT 1.92-ACRE PARCEL WITH 312 FEET OF FRONTAGE

DENSE PHILADELPHIA METRO; THREE-MILE POPULATION OF 140,728

BEST-IN-CLASS RETAILER WITH DOMINANT MARKET SHARE

20-YEAR CORPORATE LEASE WITH INCREASES – The Tenant, Wawa Inc., is subject to a new 20-year NNN ground lease to commence in Q1 2023. The lease features 10 percent (10%) rental increases every five years during the base term and six, five-year options. This provides an excellent hedge against inflation.

OVERSIZED 1.92-ACRE PARCEL – The Tenant occupies an oversized 1.92-acre parcel along U.S. Route 30/White Horse Pike, a US highway that runs from the Benjamin Franklin Bridge in Camden County south to Atlantic County. The property has 312 feet of frontage along Route 30, which averages nearly 16,000 vehicles per day, and three means of access. Wawa will operate in a newly constructed 5,051-square-foot store with six pumps.

PROXIMATE TO AREA WALMART AND TARGET – Wawa is positioned within one-mile of both Walmart and the Target-anchored Westmont Plaza. According to the geofencing data from Placer.ai, Westmont Plaza is within the top five percent (5%) of shopping centers nationwide with 1.4 million customer visits per year, and Walmart accounts for an additional 1.3 million customer visits. These two retailers, along with other notable neighboring retailers such as TD Bank with \$144 Million in deposits, generate significant daytime traffic to this corridor. The next closest Walmart and Target locations are five miles away. The Property is also within one-and-one-half-miles to eight area schools totaling 3,860 students.

DOMINANT BRAND IN THE REGION – Wawa is the dominant gas and convenience brand in the greater Philadelphia market with 24 gas locations within a 15-mile radius. Its primary competitors, 7-Eleven and Royal Farms, have seven and 15 locations respectively. Wawa also

competes closely with grocers, as proven by its 10% market share (by food sales) in the Greater Philadelphia area, only behind supermarket powerhouses Giant, ShopRite and Acme. Wawa Ranks #4 within the Greater Philadelphia market in grocers and independent retailer chains in 2021, per Food Trade News’ annual market share report, which ranks retailers by sales volume (excludes fuel).

HIGHLY DENSE PHILADELPHIA METRO – Oaklyn is an extremely dense Camden County suburb located eight miles southeast of Philadelphia. The submarket features a population of 18,927 within one-mile and 140,728 within three-miles, providing a large customer base for the tenant. Greater Camden County features a population of 513,657, ranked the 7th county in the state, and a labor force of 255,628. Camden County is home to major private employers Cooper Health System, American Water Works, Campbell Soup Company, and Lockheed Martin, as well as Rowan University (Gloucester) and Rutgers University with a total enrollment of more than 22,000 students.

BEST-IN-CLASS RETAILER – Wawa, Inc. is a best-in-class tenant within the highly sought-after convenience sector and a tier one retailer that is both online and recession resistant. Wawa operates over 900 locations in the Mid-Atlantic and Florida and reported more than \$9.1 Billion in Annual Revenue. Wawa is currently #2 on CSP Magazine’s “Fuels 50” list which ranks convenience store brands by Market efficiency, as well as Food & Wine Magazine’s America’s Best Convenience Stores, 2nd only to Texas-based Buc-ee’s on both.

INVESTMENT GRADE CREDIT – Shadow Rating of “BBB” by Fitch

RELOCATION OF A SUCCESSFUL **Wawa**!

Clyde S. Jennings
Elementary School

Westmont Plaza
1/2 Mile North
TARGET
Top 5% of shopping
centers nationwide &
1.4M visitors annually,
per Placer.ai

Cedar Court
Apartments
77 Units

NovaCare
REHABILITATION

SoH **ARTS**
Community Art Space
& Local Tenants

E PARK AVE

E CEDAR AVE

WHITE HORSE PIKE - 16,000 VPD

30

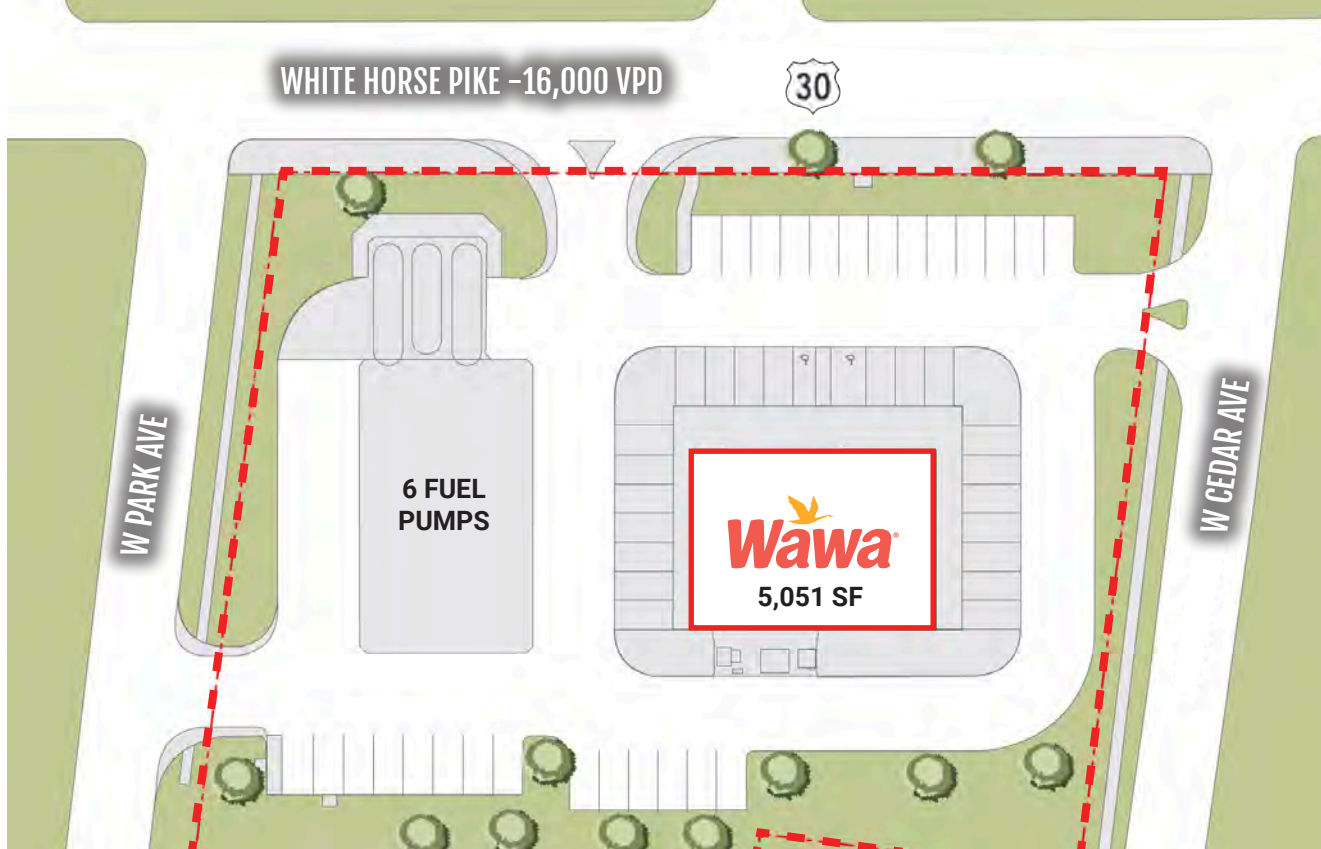
W PARK AVE

NEWTON AVENUE

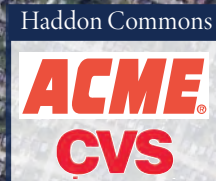
Local Retail
Strip

Wawa
Consolidation of
existing "non gas" C-Store
2 Blocks West

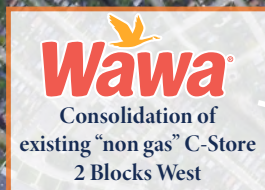
Wawa



PHILADELPHIA CENTER CITY IS A 7 MILE, 20 MINUTE DRIVE AWAY!



Haddonfield Township
High School
633 Students



Oaklyn Public School
500 Students



Paul VI High School
1,050+ Students



REGIONAL MAP

\$93K

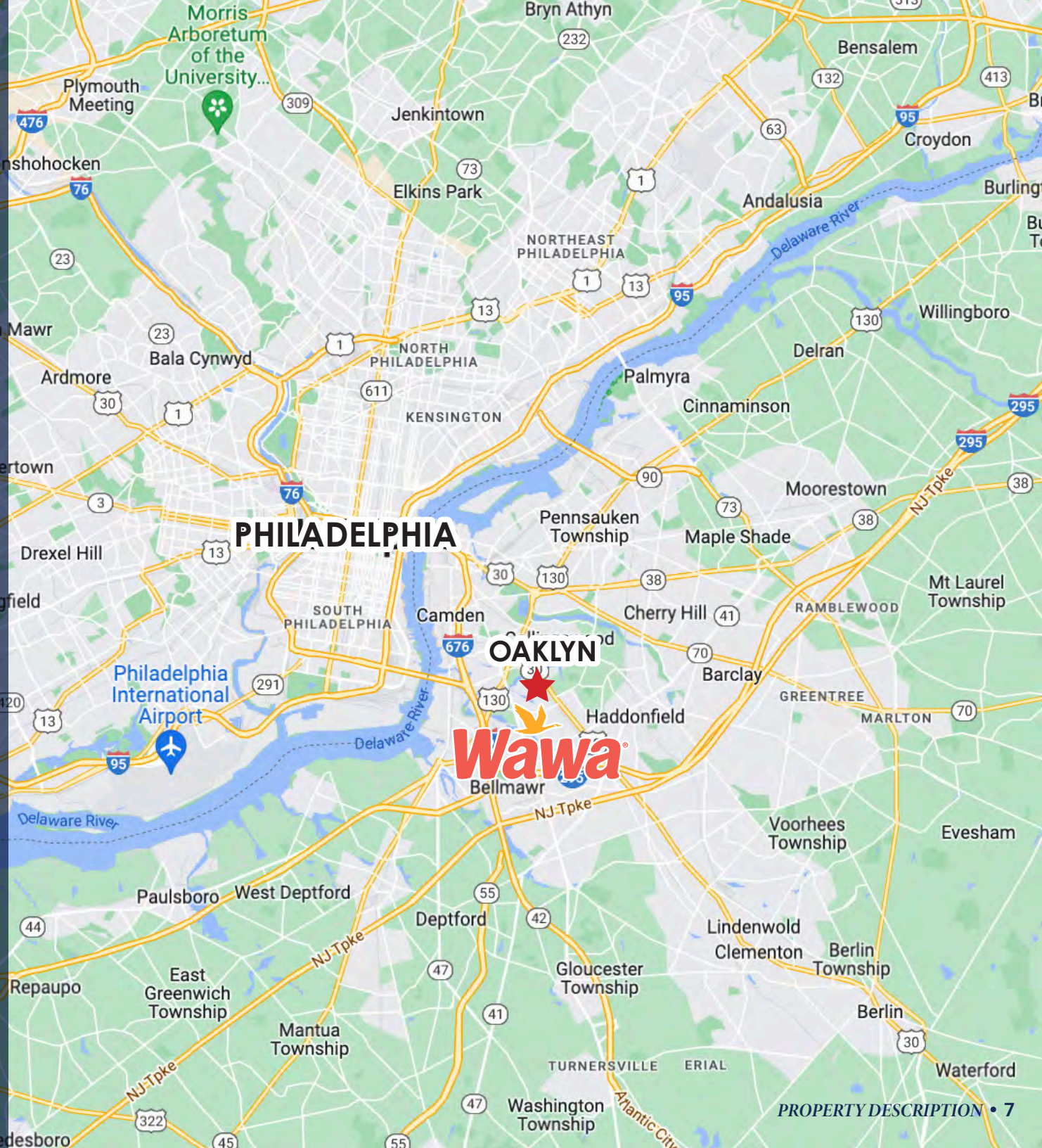
Within a 5-mile radius, the average household income is \$93,083

16K^{MPD}

An average of 15,811 vehicles per day drive by White Horse Pike

360K

Within a 5-mile radius, the population density is 360,467



TENANT INFORMATION

Founded in 1803 as a dairy operator, Wawa, Inc. operates more than 900 convenience stores, of which about 200 stores are in New Jersey and Pennsylvania and the balance is spread through Delaware, Virginia, Maryland, Florida and Washington, D.C. New Wawa store openings are almost exclusively of the expanded “Super Wawa” format, which includes a larger footprint (generally 4,600 to 5,700 square feet of retail space, compared with 3,000 or 3,600 for “legacy” stores) and typically 12-20 gas pumps. The company offers fuel at about 70 percent of its store base.

Historically, Wawa has strived to differentiate itself from traditional convenience stores in that food, beverages and customer experience, not fuel, are its main offerings. The company also offers a large selection of private-label products, including bottled water, candy, assorted nuts, yogurt, teas, cheese, and ice cream products. Its stores are generally open 24 hours, 365 days a year. Wawa is 41 percent owned by employees with the balance controlled by the founding family and management.

The company also supplies over 1,000 institutional customers such as schools, hospitals, restaurants and hotels. Wawa’s primary wholesaler is McLane Foodservice Distribution, but the company also has its own distribution center in Carney’s Point, NJ. In 2017, Wawa completed the construction of four new buildings on its 26-acre corporate campus. In December 2017, the company opened its first store in Washington, D.C., its largest to date, at 9,000 square feet.



REVENUE
\$9.1 B



HEADQUARTERS
Wawa, PA



NO. OF EMPLOYEES
31,000+



NO. OF LOCATIONS
900+



YEAR FOUNDED
1803



**STOCK SYMBOL
/CREDIT RATING**
Fitch : BBB

LEASE ABSTRACT

Guarantor	Wawa, Inc.
Notification Period to Exercise Options	180 Days
Landlord Obligations	None
Tenant Obligations	Tenant shall pay all utilities and maintain the demised premises.
Assignment & Subletting	Tenant may assign this Lease or sublease all or any part of the Leased Premises without requiring Landlord's consent. Tenant shall give Landlord written notice of the assignment or sublease within 30 days thereafter. Tenant shall remain liable for the performance of its obligations except in the event that the that the assignee is a national or regional operator of at least five retail locations in the state of New Jersey and has a net worth of at least \$50,000,000.
Radius Restriction	Landlord covenants not to permit any property that it may own within a three mile radius of the Leased Premises to be occupied or used for a convenience food store, coffee store, doughnut store, sandwich store, smoothie store, quick service restaurant, drug store, fuel dispensing facility, electric vehicle charging station, or any combination of such uses.

DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2026 Projection	18,824	139,820	360,467
2021 Estimate	18,927	140,728	360,953
2010 Census	19,205	143,560	363,731
2000 Census	19,222	145,344	361,203
Current Daytime Population	14,961	126,174	333,421

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2021 Estimate Total Population	18,927	140,728	360,953
Under 20	20.96%	25.85%	24.67%
20 to 34 Years	19.71%	19.85%	21.85%
35 to 39 Years	6.72%	6.64%	7.06%
40 to 49 Years	12.29%	12.11%	12.07%
50 to 64 Years	21.49%	19.37%	18.69%
Age 65+	18.82%	16.18%	15.67%
Median Age	42.21	38.19	37.38
<u>Population 25+ by Education Level</u>			
2021 Estimate Population Age 25+	13,965	96,180	250,436
Elementary (0-8)	1.00%	2.78%	3.81%
Some High School (9-11)	3.90%	7.86%	8.46%
High School Graduate (12)	30.93%	30.29%	30.38%
Some College (13-15)	20.40%	19.34%	17.80%
Associate Degree Only	6.57%	6.59%	6.25%
Bachelors Degree Only	22.74%	20.07%	19.21%
Graduate Degree	13.35%	11.68%	11.75%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2026 Projection	8,386	55,600	137,380
2021 Estimate	8,397	55,677	136,791
2010 Census	8,534	56,570	137,757
2000 Census	8,321	56,314	134,779

INCOME	1 MILE	3 MILES	5 MILES
<u>2021 Housing Income</u>			
\$150,000 or More	15.15%	14.74%	14.77%
\$100,000 - \$149,000	18.67%	16.17%	16.03%
\$75,000 - \$99,999	14.45%	12.02%	12.60%
\$50,000 - \$74,999	15.63%	15.76%	16.29%
\$35,000 - \$49,999	9.82%	10.38%	10.47%
Under \$35,000	26.28%	30.93%	29.86%
Average Household Income	\$95,358	\$93,091	\$93,083
Median Household Income	\$72,014	\$63,001	\$64,211
Per Capita Income	\$42,318	\$36,881	\$35,472

PHILADELPHIA OVERVIEW

The Philadelphia metro encompasses 11 counties in four states: Philadelphia, Delaware, Bucks, Chester and Montgomery in Pennsylvania; Gloucester, Burlington, Camden and Salem counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland. The Delaware River bisects the metropolis from northeast to southwest and serves as the border between Pennsylvania and New Jersey. The Schuylkill River passes through the heart of Philadelphia, separating West Philadelphia from Center City. The Philadelphia metro contains approximately 6.1 million residents. Although the metro has more than 360 municipalities, few have more than 50,000 citizens. Philadelphia is the largest city with close to 1.6 million residents.

METRO HIGHLIGHTS



HIGHLY EDUCATED WORKFORCE

Philadelphia has one of the highest concentrations of institutions of higher learning in the nation, including the University of Pennsylvania, Temple University and Drexel University.



EXPANDING HEALTH-SCIENCES SECTOR

The metro is a significant pharmaceutical, medical and biosciences center. Major companies include Merck, GlaxoSmithKline and Johnson & Johnson.



TRANSPORTATION NETWORK

Interstate 95 connects Philadelphia to both New York City and Washington, D.C., and Interstate 76 links the region to Pittsburgh and Cleveland.



THE PHILADELPHIA ECONOMY

Drivers of the region's economy include pharmaceuticals, biotechnology, financial services, education, transportation logistics, advanced manufacturing and telecommunications.

The Philadelphia area is home to nine Fortune 500 companies that operate across a broad spectrum of industries, including AmerisourceBergen, Comcast and Aramark.

Philadelphia is headquarters of the Federal Reserve's Third District, which, along with the U.S. Mint, the Philadelphia Stock Exchange and companies such as Lincoln Financial Group and Vanguard, helps shape a formidable financial sector.

MAJOR AREA EMPLOYERS
University of Pennsylvania
Jefferson Health System
Merck & Co.
Drexel University
Temple University and Health System
Trinity Health Corp.
Comcast
Bank of America Corp.
Children's Hospital of Philadelphia
The Vanguard Group Inc.



SHARE OF 2018 TOTAL EMPLOYMENT



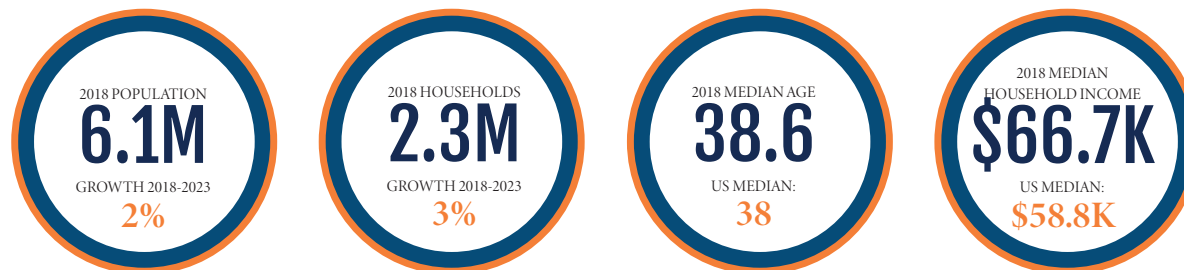
PHILADELPHIA DEMOGRAPHICS

The metro is expected to add nearly 122,000 people over the next five years, which will result in the formation of nearly 70,000 households.

A median home price below the U.S. level has afforded 67 percent of households to own their homes, compared with 64 percent for the nation.

Roughly 35 percent of people age 25 and older hold a bachelor's degree; among those residents, 14 percent also have earned a graduate or professional degree.

2018 POPULATION BY AGE



QUALITY OF LIFE

Philadelphia offers its residents an attractive package of economic, educational, cultural and recreational advantages. Its transformation from a manufacturing-based economy to one more reliant on information will continue to provide greater economic opportunities. In addition, the cost of living in Philadelphia is much less than in other major East Coast markets. Philadelphia provides both visitors and locals with a wide array of destinations. Art and science museums are plentiful, and the restaurant and nightclub scene is alive in the Center City area. The metro houses major professional sports teams, including the Eagles (NFL), 76ers (NBA), Phillies (MLB), Flyers (NHL) and Union (MLS) in addition to numerous golf courses, bike paths and water-related activities.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT



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Wawa®

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