



HORVATH & TREMBLAY

BRIDGEPORT | CT



REPRESENTATIVE PHOTO

GROUND LEASE OPPORTUNITY

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INVESTMENT HIGHLIGHTS

Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a brand new 20-year Wendy's Ground Lease located at 500 North Avenue (US Route 1) in Bridgeport, Connecticut (the "Property"). The Wendy's is currently under construction with an anticipated rent commencement date on or about September 1, 2022. The absolute triple-net ground lease will have a 20-year term with one (1), 10-year and two (2), 5-year renewal options. Both the initial term and renewal options will feature attractive 12% rent increases every five years.

The Property is well located at the signalized intersection of North Avenue (US Route 1) and Lindley Street and is positioned less than 500 feet from the exit 4 on/off ramp of the CT Route 8/25 Highway which sees more than 77,000 vehicles per day. The new construction Wendy's is 0.75-miles from Price Rite, the area's primary grocery store, and 1-mile from Central High School, one of the largest high schools in the state.

- **NEW CONSTRUCTION GROUND LEASE:** Wendy's signed a new 20-Year Ground Lease with one (1), 10-year and two (2), 5-year renewal options. The Property is currently under construction with the rent commencement date anticipated on 09/01/2022.
- **ATTRACTIVE RENT INCREASES:** The lease calls for attractive 12% rent increases every 5-years during both the original lease term and the renewal options providing a steady increase in income and an attractive hedge against inflation.
- **ZERO MANAGEMENT RESPONSIBILITIES:** The Wendy's ground lease is absolute triple net and requires zero management responsibilities making it an attractive investment for the passive real estate investor.
- **BEST-IN-CLASS TENANT:** The Wendy's Company is a publicly traded company (NASDAQ: WEN) with a market cap of \$4.55 billion (April 2022) and 2021 revenues of \$1.9 billion. This is an 11.76% increase in revenue over 2021 (\$1.7 Billion). Wendy's is one of the world's largest hamburger franchises with more than 6,700 restaurants worldwide.
- **STRATEGIC RETAIL LOCATION:** The Property is situated at the signalized intersection of North Avenue (US Route 1) and Lindley Street and is positioned less than 500 feet from the exit 4 on/off ramp of the CT Route 8/25 Highway which sees more than 77,000 vehicles per day. The new construction Wendy's is 0.75-miles from Price Rite, the area's primary grocery store, and 1-mile from Central High School, one of the largest high schools in the state. The Property sits in the middle of a business/enterprise zone that is surrounded by a high-density, urban infill residential neighborhood.
- **TRAFFIC COUNTS:** More than 21,600 vehicles pass the Property daily at the intersection of North Avenue (US Route 1) and Lindley Street. Additionally, the Property is just 500 feet from CT Route 8/25 which has traffic counts of more than 77,000 vehicles per day.
- **DEMOGRAPHICS:** Over 183,700 people live within 3-miles of the Property, an impressive 269,600 people live within 5-miles of the Property with an average household income of \$98,250. Additionally, there are more than 109,600 employees within 5-miles of the Property.
- **RETAIL TRADE AREA:** Additional retailers and attractions driving traffic to the trade are Central High School, Price Rite, CVS, Walgreens, AutoZone, Napa Auto Parts, Pep Boys, McDonald's, Burger King, KFC, Taco Bell, Duchess, Popeyes, Little Caesars, and Subway.



PROPERTY OVERVIEW



REPRESENTATIVE PHOTO



\$2,888,889

LIST PRICE



4.50%

CAP RATE



\$130,000

NET OPERATING INCOME

500 NORTH AVENUE | BRIDGEPORT, CT 06606

OWNERSHIP:	Ground Lease
BUILDING AREA:	3,000 SF
YEAR BUILT:	2022
LAND AREA:	0.81 Acres
GUARANTOR:	Franchisee (9 Unit Operator)
ROOF & STRUCTURE:	Tenant Responsibility
RENT COMMENCEMENT DATE:	09/01/2022 (Anticipated)
LEASE EXPIRATION DATE:	08/31/2042
LEASE TERM:	20 Years
RENEWAL OPTIONS:	1, 10-Year & 2, 5-Year Options
TENANT PURCHASE OPTION:	ROFR

ANNUALIZED OPERATING DATA					
YEAR	START	END	TERM	RENT	% INC
1 - 5	09/01/2022 - 08/31/2027		CURRENT	\$130,000	
6 - 10	09/01/2027 - 08/31/2032			\$145,600	12.0%
11 - 15	09/01/2032 - 08/31/2037			\$163,072	12.0%
16 - 20	09/01/2037 - 08/31/2042			\$182,641	12.0%
21 - 25	09/01/2042 - 08/31/2047		OPTION 1	\$204,558	12.0%
26 - 30	09/01/2047 - 08/31/2052			\$229,104	12.0%
31 - 35	09/01/2052 - 08/31/2057		OPTION 2	\$256,597	12.0%
36 - 40	09/01/2057 - 08/31/2062		OPTION 3	\$287,389	12.0%

* The above building size is estimated.

** This Wendy's is operated by Wenconn, a 9-unit franchisee and has a personal guarantee from the owner of Wenconn.

TENANT OVERVIEW



ABOUT THE TENANT

TENANT OVERVIEW - WENDY'S

The Wendy's Company (NASDAQ: WEN) is the world's 2nd largest hamburger franchise and has a market cap of \$4.55 Billion (April 2022). Known for superior-quality ingredients, unique menu offerings, contemporary restaurant designs as well as its flexible approach to developing new markets, Wendy's is meaningfully differentiated and well-positioned for future growth. Wendy's had 2021 total revenues of \$1.9 billion, and 11.7% increase from their 2020 total revenue of \$1.7 Billion.

There are approximately 6,700+ Wendy's restaurants currently in operation in the United States and 30 foreign countries and U.S. territories worldwide. Additionally, due to the continued success of the company Wendy's corporate adds significant fuel to New Restaurant Development and raises the 2025 target meaningfully to 8,500 to 9,000 Global Restaurants.

In March 2020, Wendy's launched a rejuvenated lineup of breakfast sandwiches and morning drinks, looking to provoke a "Breakfast Battle" as a seemingly not-so-veiled threat to McDonald's, which has long dominated the fast-food breakfast space.

"2021 was a breakthrough year, as evidenced by significant growth across our business," President and Chief Executive Officer Todd Penegor said. "Global same-restaurant sales accelerated to double digits on a one- and two-year basis, Company restaurant margins expanded by almost 200 basis points, and we opened more than 200 restaurants, highlighting the success of our strong brand and aligned system. In 2022, we are planning to deliver another year of accelerated growth across our three long-term growth pillars: significantly building our breakfast daypart, accelerating our digital business, and expanding our footprint across the globe. With focus on executing our key priorities and maintaining the momentum in our business, our future is bright and I am confident that we will continue to make meaningful progress towards achieving our vision of becoming the world's most thriving and beloved restaurant brand." – The Wendy's Company 03/01/2022.





OVERVIEW

Bridgeport is a historic seaport city in the U.S. state of Connecticut, and its largest city. With a census-estimated population of 144,399 in 2019, it is also the fifth-most populous in New England. Located in Fairfield County at the mouth of the Pequonnock River on Long Island Sound, it is 60 miles (97 km) from Manhattan and 40 miles (64 km) from The Bronx. It is bordered by the towns of Trumbull to the north, Fairfield to the west, and Stratford to the east. Bridgeport and other settlements in Fairfield County make up the Bridgeport-Stamford-Norwalk-Danbury metropolitan statistical area, the second largest metropolitan area in Connecticut. The Bridgeport-Stamford-Norwalk-Danbury metropolis forms part of the New York megacity.

In the early 21st century, Bridgeport has taken steps toward redevelopment of its downtown and other neighborhoods. In 2004, artists' lofts were developed in the former Read's Department Store on Broad Street. Several other rental conversions have been completed, including the 117-unit Citytrust bank building on Main Street. The recession halted, at least temporarily, two major mixed-use projects including a \$1-billion waterfront development at Steel Point, but other redevelopment projects have proceeded, such as the condominium conversion project in Bijou Square. In 2009, the City Council approved a new master plan for development, designed both to promote redevelopment in selected areas and to protect existing residential neighborhoods. In 2010, the Bridgeport Housing Authority and a local health center announced plans to build a \$20 million medical and housing complex at Albion Street, making use of federal stimulus funds and designed to replace some of the housing lost with the demolition of Father Panik Village. Recently, MGM announced plans to build a waterfront casino and shopping center in the city, awaiting approval by the state government. If built, the development will create 2,000 permanent jobs and about 5,779 temporary jobs.



183,500+
PEOPLE WITHIN 3 MILES



77,000+
VEHICLES PER DAY
CT Route 8/25



\$75,500+
AVERAGE HOUSEHOLD INCOME

	3 MILES	5 MILES	10 MILES
POPULATION			
2021 Estimate	183,786	269,680	439,590
2026 Projection	180,550	266,741	439,618
2010 Census	180,718	264,566	425,434
BUSINESS			
2021 Est. Total Businesses	9,845	14,954	28,159
2021 Est. Total Employees	70,807	109,673	231,730
HOUSEHOLDS			
2021 Estimate	66,241	98,272	164,916
2026 Projection	66,598	99,482	169,127
2010 Census	63,966	94,682	155,844
INCOME			
Average Household Income	\$75,887	\$98,250	\$130,158
Median Household Income	\$59,322	\$76,631	\$96,531









REGIONAL MAP



