

OFFERING MEMORANDUM

Marcus & Millichap



WAWA

413 Lancaster Ave
Reading, PA

NEW CONSTRUCTION | OPENING FALL OF 2018



Wawa

BUSINESS 222 (22K VPD)



**DOUGHERTY
& PARTNERS**
of Marcus & Millichap

OFFERED EXCLUSIVELY BY

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Broker of Record: Anthony Palumbo

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DOWNTOWN READING

Reading Area
Community College



U.S. ROUTE 422 (65K VPD)



BUSINESS 222 (22K VPD)

PROPERTY ANALYSIS



Tom Masano
Auto Sales

BUSINESS 222 (22K VPD)

CARROLL ST



Hertz



PROPERTY OVERVIEW:

\$5,163,136

PRICE

4.75%

CAP RATE

\$245,249

NET OPERATING INCOME

Wawa

413 LANCASTER AVE READING, PA

Lease Summary	
Guarantor	Corporate Guarantee
Building Size	5,585
Lot Size	1.62 Acres
Year Built / Renovated	2018
Lease/ Rent Commencement	TBD
Lease/ Rent Expiration	TBD
Base Lease Term	20 Years
Lease Term Remaining	20 Years
Annual Base Rent	\$245,249
Rent Increases	10% every 5 Years
Renewal Options	6 - 5 year Options
Renewal Notice	180 Days
Option Increases	10%
Lease Type	NNN Ground Lease
Landlord Responsibilities	None
Insurance	Tenant Responsible
Taxes	Tenant Responsible
CAM	Tenant Responsible
Utilities	Tenant Responsible
ROFR	None
Estoppel	30 days
Ownership Interest	Ground Lease
Encumbrances	None, Delivered Free and Clear

YEARS	ANNUAL RENT	MONTHLY RENT	RENT PSF	INCREASE
Year 1	\$245,249.00	\$20,437.42	\$43.91	10.00%
Year 2	\$245,249.00	\$20,437.42	\$43.91	
Year 3	\$245,249.00	\$20,437.42	\$43.91	
Year 4	\$245,249.00	\$20,437.42	\$43.91	
Year 5	\$245,249.00	\$20,437.42	\$43.91	
Year 6	\$269,773.90	\$22,481.16	\$48.30	10.00%
Year 7	\$269,773.90	\$22,481.16	\$48.30	
Year 8	\$269,773.90	\$22,481.16	\$48.30	
Year 9	\$269,773.90	\$22,481.16	\$48.30	
Year 10	\$269,773.90	\$22,481.16	\$48.30	
Year 11	\$296,751.29	\$24,729.27	\$53.13	10.00%
Year 12	\$296,751.29	\$24,729.27	\$53.13	
Year 13	\$296,751.29	\$24,729.27	\$53.13	
Year 14	\$296,751.29	\$24,729.27	\$53.13	
Year 15	\$296,751.29	\$24,729.27	\$53.13	
Year 16	\$326,426.42	\$27,202.20	\$58.45	10.00%
Year 17	\$326,426.42	\$27,202.20	\$58.45	
Year 18	\$326,426.42	\$27,202.20	\$58.45	
Year 19	\$326,426.42	\$27,202.20	\$58.45	
Year 20	\$326,426.42	\$27,202.20	\$58.45	

READING, PA	1 MILE	3 MILES	5 MILES
Population	17,119	128,308	198,620
Households	6,332	46,858	74,635
Household Income	\$42,906	\$54,440	\$64,727
Traffic Counts	22,310 VPD (BUS 222)		

WAWA - Reading, PA // Marcus & Millichap

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SITE RENDERING:



INVESTMENT OVERVIEW:

Marcus & Millichap, on behalf of ownership, is pleased to exclusively offer a brand new, ground leased Wawa opportunity in Reading, Pennsylvania. The Tenant, Wawa, Inc., is subject to a new 20-year NNN ground lease in a high barrier, Reading submarket. The lease features 10% rental increases every five years in the base term and six, five-year option periods. In terms of credit, Wawa was recently rated as "BBB" by Fitch, or investment grade, and operates over 600 locations in the Mid-Atlantic and Florida.

The Tenant is well-located along Lancaster Ave (BUS 222), the main artery through the city of Reading, Pennsylvania in a dense infill area. Wawa selected this site due to its unique location and being one of the only remaining large sites available for development. It is also strategically located along the retail corridor surrounded by residential developments and .5 miles from the area's luxury auto retailers.

Greater Reading is a leader in manufacturing with over 500 manufacturers located in the area, most notable of which are Baldwin Hardware, Carpenter Technology Corporation, East Penn Manufacturing Company, Quadrant Engineering Plastic Products and Yuasa. It is also the headquarters for Sovereign Bank, Boscov's Department Stores (two miles from the site) and Penske Truck Leasing, as well as the birthplace of two leading medical device companies: Teleflex Medical and Angiotech. Major employers in the area include Reading Hospital and Medical Center, the largest health care provider in Pennsylvania between Philadelphia and Pittsburgh. The Reading Hospital and Medical Center also ranks among Pennsylvania's top four hospitals.

INVESTMENT HIGHLIGHTS:

- **NEW CONSTRUCTION 20-YEAR NNN GROUND LEASE**
 - FIRST GAS CONVENIENCE STORE LOCATED WESTBOUND OFF OF US 422 (65K VPD)
- **10% RENTAL INCREASES EVERY FIVE YEARS**
- **NEAR LUXURY AUTO MALL AND SITUATED ALONG RETAIL CORRIDOR WITH OVER 22,000 VPD**
 - BMW, ACURA, MERCEDES, & HONDA
- **HIGH BARRIER TO ENTRY LOCATION**
 - SHALLOW LOT DEPTH MAKES NEW DEVELOPMENT DIFFICULT IN SUB MARKET
- **INVESTMENT GRADE TENANT, "BBB" SHADOW RATED BY FITCH**



LOCATION OVERVIEW:



Reading is a city in and the county seat of Berks County, Pennsylvania, United States. With a population of 87,575, it is the fifth-largest city in Pennsylvania. Located in the southeastern part of the state, it is the principal city of the Greater Reading Area. The city is strategically situated along a major transportation route from Central to Eastern Pennsylvania, and lent its name to the now defunct Reading Railroad, which transported coal from the Pennsylvania Coal Region to the east coast.

Reading was one of the first localities where outlet shopping became a tourist industry. It has been known as "The Pretzel City", due to numerous pretzel bakeries such as Bachman, Dieffenbach, Tom Sturgis, and Unique Pretzel. Reading is also home to higher education institutions: Albright College, Alvernia University, Penn State Berks, Reading Area Community College, and Kutztown University.



- Pre-professional programs are available in dentistry, law, medicine, pharmacy, and veterinary studies.
- Master's degrees are awarded in occupational therapy, business administration, nursing, community counseling, education, and liberal studies.



- Students can get involved with more than fifty special-interest clubs and organizations and a wide range of theatre, arts, and entertainment options.
- The college is a member of the National Collegiate Athletic Association (NCAA) Division III and student athletes can compete in 12 varsity sports



- Albright College has been named one of the "Best Northeastern" schools for 14 consecutive years by The Princeton Review.
- Albright College athletics compete in the National Collegiate Athletic Association (NCAA) Division III as a member of the Middle Atlantic Conferences.

NEW RESIDENTIAL DEVELOPMENTS:

CUMRU TOWNSHIP - 88 NEW HOMES

Ashley Run	57-acre site for a 55 single-family homes on Cedar Top Road
Governor Pointe	37-acre, 33 lot residential subdivision

OLEY TOWNSHIP - 117 NEW HOMES DEVELOPMENT

Meadow View Farms II	Residential community of 117 homes and a community center
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AMITY TOWNSHIP - 827 NEW HOMES

West Ridge	Nine phase, 302 lot single-family development on 184-acres
Creekside	56 lot single family housing on 18 acres
Woods Edge	61-acre, 48 lot single-family development
High Meadows	79 lot residential subdivision
Greenbriar Estates	310 lot single-family housing development on 186-acres
Far Hills Farms	Two phase 32 home single-family residential development

TENANT OVERVIEW

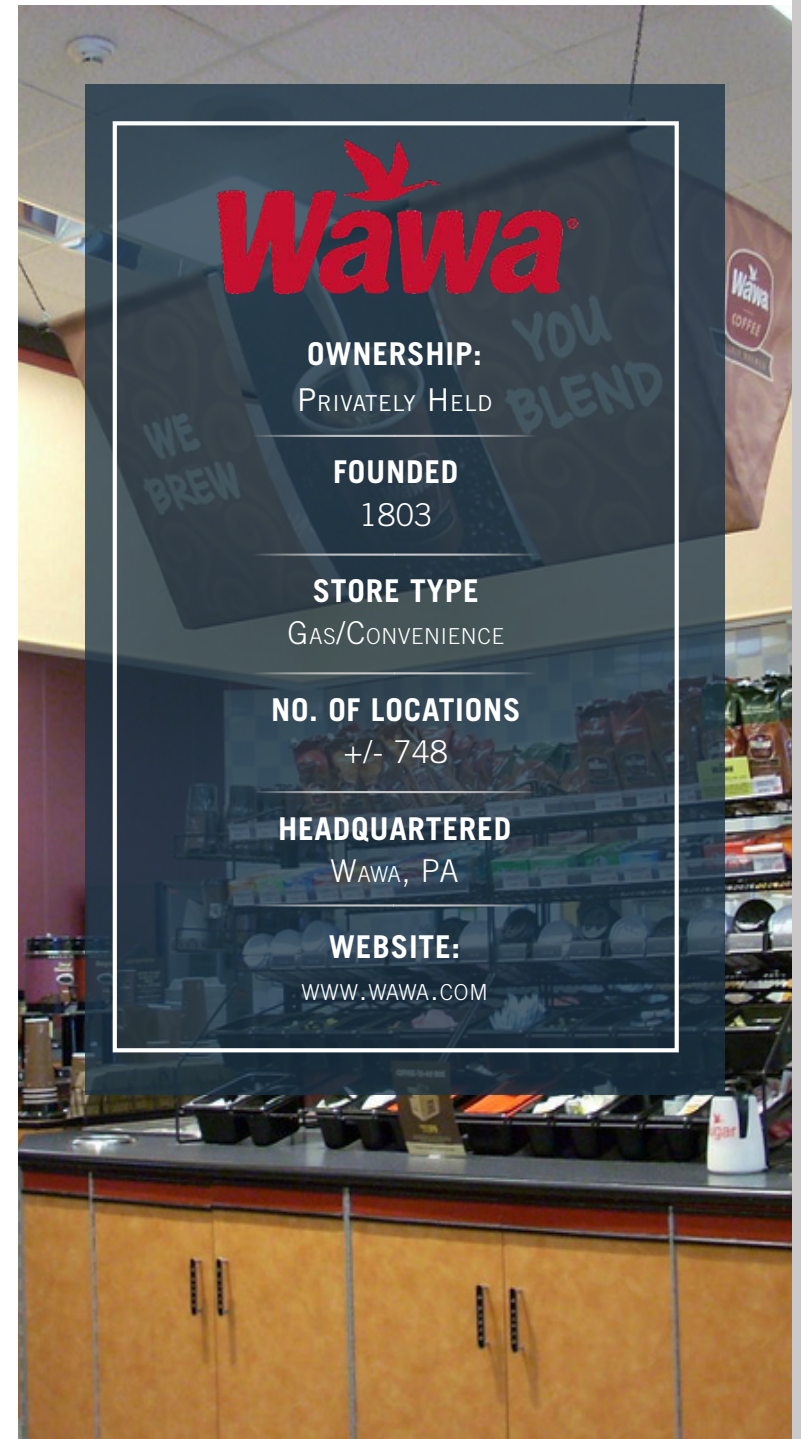


TENANT DESCRIPTION:

Wawa Inc. is a chain of convenience store/gas stations located along the East Coast of the United States. It operates in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and Florida. The company's corporate headquarters is located in the Wawa area of Chester Heights, Pennsylvania in Greater Philadelphia.

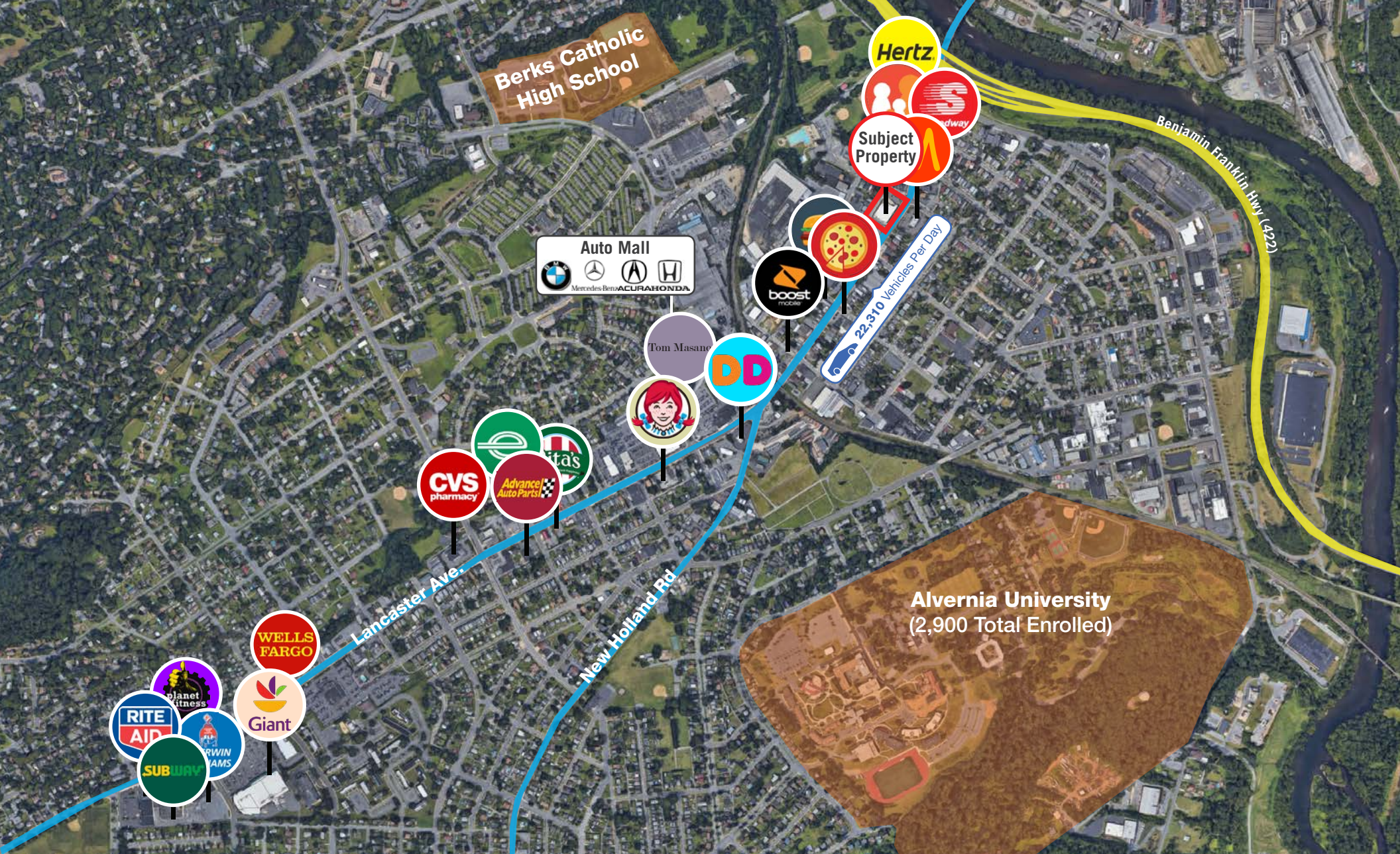
Founded in 1803 by the Wood family and incorporated in 1865, Wawa, Inc. (the "Company" or "Wawa"). Today, the Company operates approximately 748 convenience stores, approximately 513 of which include a fuel offering, in Pennsylvania, New Jersey, Delaware, Maryland, Virginia and Florida.

Wawa offers a large fresh food service selection, including freshly brewed coffee and full-service specialty beverages, a wide selection of dairy products, fresh produce, hot foods, Built-To-Order® sandwiches and Wawa-branded products, such as juices, teas and bakery products. The Company's revenue principally consists of fuel and merchandise sales. The Company operates a dairy manufacturing facility, producing Wawa branded beverages and dairy products for distribution to, and sale in, its stores and to wholesale customers.



MARKET OVERVIEW





\$54,440

AVERAGE HOUSEHOLD INCOME



Less Than 60 Miles

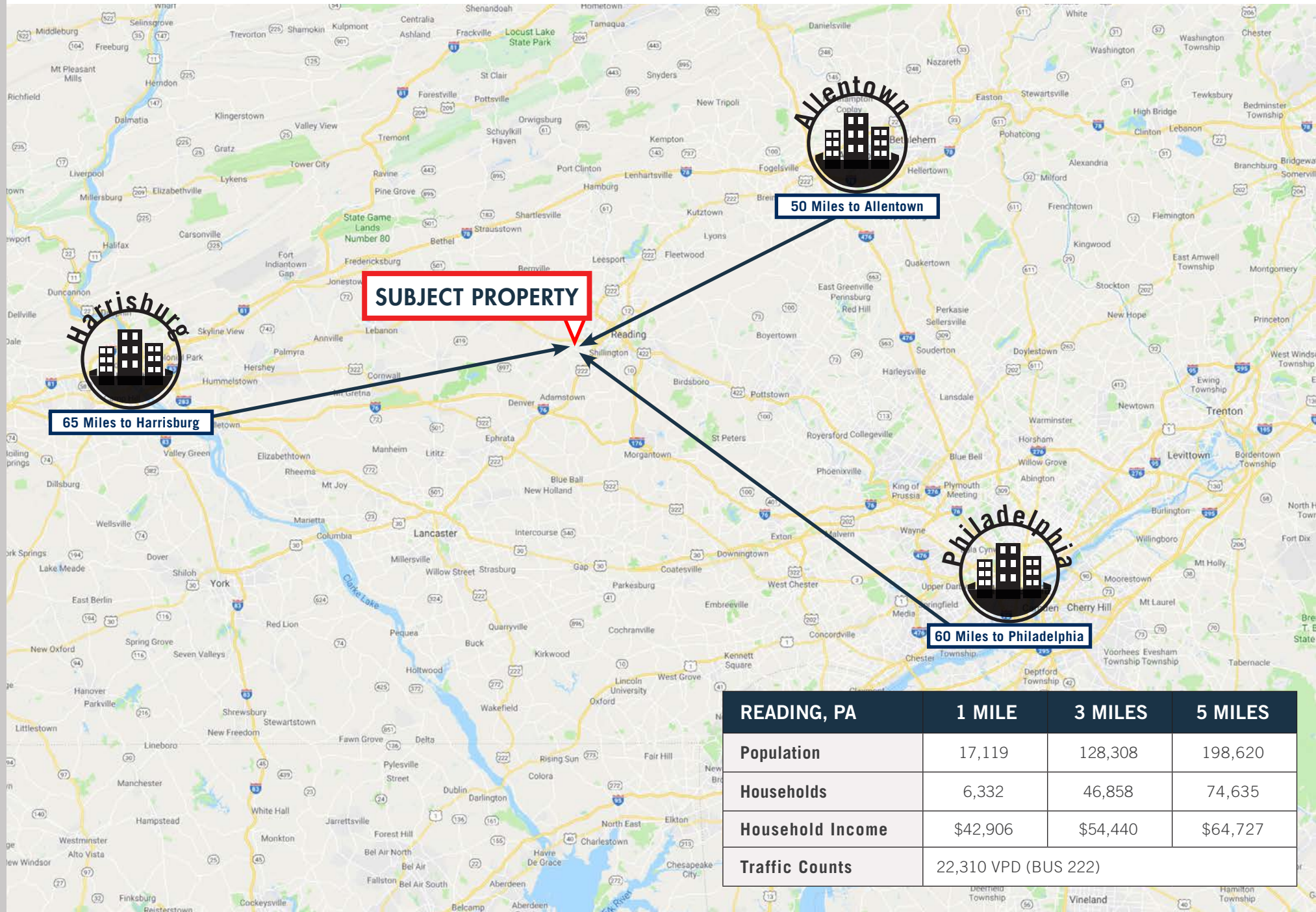
TO PHILADELPHIA



22,310

VEHICLES PER DAY

REGIONAL MAP:



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DEMOGRAPHIC SUMMARY:



Population

In 2017, the population in your selected geography is 17,119. The population has changed by 6.99% since 2000. It is estimated that the population in your area will be 16,834.00 five years from now, which represents a change of -1.66% from the current year. The current population is 47.56% male and 52.44% female. The median age of the population in your area is 31.98, compare this to the US average which is 37.83. The population density in your area is 5,440.55 people per square mile.



Households

There are currently 6,332 households in your selected geography. The number of households has changed by 1.25% since 2000. It is estimated that the number of households in your area will be 6,370 five years from now, which represents a change of 0.60% from the current year. The average household size in your area is 2.54 persons.



Income

In 2017, the median household income for your selected geography is \$31,686, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 16.51% since 2000. It is estimated that the median household income in your area will be \$35,597 five years from now, which represents a change of 12.34% from the current year.

The current year per capita income in your area is \$16,702, compare this to the US average, which is \$30,982. The current year average household income in your area is \$42,906, compare this to the US average which is \$81,217.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 53.85% White, 11.77% Black, 0.08% Native American and 1.39% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 53.91% of the current year population in your selected area. Compare this to the US average of 17.88%.



Housing

The median housing value in your area was \$103,879 in 2017, compare this to the US average of \$193,953. In 2000, there were 3,419 owner occupied housing units in your area and there were 2,835 renter occupied housing units in your area. The median rent at the time was \$397.



Employment

In 2017, there are 14,127 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 48.09% of employees are employed in white-collar occupations in this geography, and 51.22% are employed in blue-collar occupations. In 2017, unemployment in this area is 9.39%. In 2000, the average time traveled to work was 23.00 minutes.



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Marcus & Millichap hereby advises all prospective purchasers of Single Tenant Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.

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