

307 S Fry Rd  
Houston, TX 77450

**\$4,541,825**

5.15% CAP RATE

ABSOLUTE NET-LEASED INVESTMENT

LARGEST WENDY'S FRANCHISEE

PANDEMIC PROOF QUICK SERVICE  
RESTAURANT WITH DRIVE THRU

PAD TO TARGET/ TJ MAXX  
ANCHORED CENTER

Actual Site Photo

**OFFERING**

**MEMORANDUM**

| Irreplaceable Houston, TX Location  
| Rare Trophy NNN Opportunity  
| Strong Franchisee Guarantee

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# WHY INVEST?

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## LOCATION

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Located in a Rapidly Expanding Corridor that's Undergoing Major Development Due to Close Proximity to Downtown Houston

Major Retail Corridor | H-E-B, Walmart Supercenter, Sam's Club, Target, Lowe's, Kohl's, Hobby Lobby, Best Buy, and More

Minutes from Katy Mills Mall - 1.3M+ Sq.Ft Shopping Center

Adjacent Houston Methodist Hospital - 102 Bed Hospital serving the Katy and West Houston Communities



## LEASE

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Absolute Triple Net (NNN) Lease with Zero Landlord Responsibilities

Attractive Rental Increases | 10% Every Five Years Including Option Periods

Two (2) Tenant Renewal Periods of Ten (10) Years Each

Ideal for Out-of-State Investors - Tenant is Responsible for All Maintenance, Taxes, Insurance, Roof, and Structure



## TENANT

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Largest Franchisee in Wendy's System

One of the Fastest Growing QSR Franchisees in the Country

Haza Foods Ranked #20 Restaurant Franchisee in Nation

Subsidiary of the Dhanani Group the #4 Ranked Franchisee in Nation (1,200+ Units)

Built 2019 | 361 Units



**FIVE GUYS** BURGERS and FRIES  
**The Vitamin Shoppe** SINCE 1977  
**CHIPOTLE** MEXICAN GRILL  
**Ashley** HOMESTORE  
**M** MEN'S WEARHOUSE  
**SMOOTHIE KING**  
**LA|FITNESS.**  
**CHASE**  
**Applebee's**  
**H-E-B**  
**at home** The Home Décor Superstore

INTERSTATE 10 KATY FWY (VPD: 257,000)

**Chick-fil&**  
**SportClips** HAIRCUTS  
**STARBUCKS** COFFEE  
**corner bakery** CAFE



**AT&T** **tj-max** **MATTRESS FIRM** **GNC** LIVE WELL. **Randalls**  
**Office DEPOT** **OfficeMax** **five BELOW** **ULTA** BEAUTY **Party City**



FRY RD (VPD: 30,500)



KATY FWY (VPD: 257,000)



Visionworks



FRY RD (VPD: 30,500)



# EXECUTIVE SUMMARY

## The Offering

PROPERTY ADDRESS	307 S Fry Rd, Houston, TX 77450
ASSET CLASS	Single-Tenant, Net-Leased Quick Service Restaurant
TENANT	Wendy's
GUARANTOR	385+ Unit Franchisee

## Site Description

BUILDING SIZE	3,002 SF
LOT SIZE	0.98 Acres
YEAR BUILT/ RENOVATED	1994/2013

## Investment Overview

PURCHASE PRICE	\$4,541,825
NET OPERATING INCOME	\$233,904
CAP RATE	5.15%
BASE TERM REMAINING	3.5+ Years
LEASE TYPE	NNN
RENEWAL OPTIONS	Two (2) Ten (10) Year Options
RENT INCREASES	10% Every Five (5) Years

  
**LIST PRICE**  
**\$4,541,825**

  
**CAP RATE**  
**5.15%**

  
**LEASE TERM**  
**3.5+ YRS**



## HIGHLIGHTS

PRICE	\$4,541,825
NOI	\$233,904
CAP RATE	5.15%
PARKING	47 Spaces
LEASE TERM	3.5+ Years
RENEWALS	Two (2) Ten (10) Year
3 MILE POPULATION	118,050

## FEATURES

- Absolute NNN Investment
- Largest Wendy's Franchisee
- Ideal Quick Service Model For Contactless Dining
- Strong Demographics - Population Exceeds 260,000 Within a Five-Mile Radius
- Dense Retail Corridor: H-E-B, Walmart Supercenter, Sam's Club, Target, Lowe's, The Home Depot, Kohl's, Hobby Lobby, Best Buy, and More

# WENDY'S

## ABSOLUTE NET LEASED INVESTMENT

Marcus and Millichap is pleased to exclusively offer for sale the real estate of a freestanding Wendy's located in Houston, TX. The 0.98 acre lot consists of 3,002 square feet of building space that includes parking, a drive-thru, and street signage.

## GEOGRAPHIC SUMMARY

Houston is the most populous city in Texas, the fourth-most populous city in the United States, the most populous city in the Southern United States, and the sixth-most populous in North America, with a population of 2,304,580 in 2020. Located in Southeast Texas near Galveston Bay and the Gulf of Mexico, it is the largest city of Harris County and the principal city of the Greater Houston metropolitan area, which is the fifth-most populous metropolitan statistical area in the United States and the second-most populous in Texas after Dallas–Fort Worth. Houston is the southeast anchor of the greater megaregion known as the Texas Triangle.



# TENANT SUMMARY

## Haza Foods

In February 2013, Owner Ali Dhanani acquired 34 Wendy's restaurants in the Houston DMA becoming the now known HAZA Foods Franchise. In December of 2013, HAZA Foods acquired 30 more restaurants in the Austin DMA. By 2015, HAZA Foods grew just a tad and acquired 19 more locations while also completing 7 new builds, bringing the total number of restaurants to 89 locations, making HAZA Foods one of the largest franchises in Texas.

Despite the exponential growth in a short period of time, HAZA Foods had a little growth spurt and acquired 74 more Wendy's restaurants in Louisiana in August 2016, making HAZA Foods the largest franchise in that state and increasing HAZA's portfolio to 184 restaurants. In November of 2017, HAZA Foods entered into the Minneapolis DMA hitting yet another growth spurt by acquiring 53 restaurants bringing the portfolio to a total of 254 locations including 80 remodeled locations and 35 New Builds from February 2013.

8 years later, HAZA Foods has acquired two more DMA's including Cincinnati, Ohio & Buffalo, New York adding an additional 130+ stores in 2021 making it a total of more than 380. HAZA Foods is now the largest Wendy's franchisee in the system and growing.

## Wendy's

Wendy's was founded in 1969 by Dave Thomas in Columbus, Ohio. Dave built his business on the premise, "Quality is our Recipe®," which remains the guidepost of the Wendy's system. 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.

The Wendy's Company (NASDAQ: WEN) is committed to doing the right thing and making a positive difference in the lives of others. This is most visible through the Company's support of the Dave Thomas Foundation for Adoption® and its signature Wendy's Wonderful Kids® program, which seeks to find every child in the North American foster care system a loving, forever home.

As of May 2020, 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. Currently, Wendy's is the world's number three hamburger chain in terms of locations (only behind McDonald's and Burger King).

<b>Units</b>	<b>385 Wendy's</b>
<b>Rank</b>	<b>#20 Ranked Restaurant Franchisee in Nation</b>
<b>HQ</b>	<b>Sugarland, TX</b>
<b>Founded</b>	<b>2012</b>





# GEOGRAPHIC OVERVIEW

## HOUSTON, TX

As the fifth most populous metro area in the United States, Houston houses more than 7.1 million people in southeastern Texas. Roughly one-third of residents live in the city of Houston. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller. The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for exports. Local industries have diversified from oil to technology and health care. Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west.

### METRO HIGHLIGHTS



#### CORPORATE GROWTH

Houston is a top destination for corporate relocations, due to its business-friendly environment. More than 20 Fortune 500 companies are headquartered in the metro.



#### HIGHER EDUCATION

Over 40 post-secondary educational institutions are in the metro. Roughly 32 percent of citizens ages 25 and older have a bachelor's degree, with 11 percent also holding a graduate or professional degree.



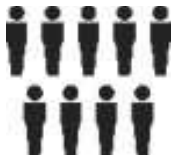
#### LOW COST OF LIVING, DOING BUSINESS

Houston has a lower cost of living than many major metros, no state income tax and a median home price below the national level.



# DEMOGRAPHICS

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## POPULATION

In 2021, the population within a 5-mile radius of the subject property is 261,220. The population has changed by 129.5 percent since 2000. It is estimated that the population in your area will be 298,945 five years from now, which represents a change of 14.4 percent from the current year. The current population is 48.8 percent male and 51.2 percent female. The median age of the population in your area is 34.8, compared with the U.S. average, which is 38.4. The population density in your area is 3,328 people per square mile.



## HOUSEHOLDS

There are currently 86,977 households within a 5-mile radius of the subject property. The number of households has changed by 134.4 percent since 2000. It is estimated that the number of households in your area will be 100,092 five years from now, which represents a change of 15.1 percent from the current year. The average household size in your area is 3.0 people.



## INCOME

In 2021, the median household income within a 5-mile radius of the subject property is \$88,448, compared with the U.S. average, which is currently \$65,694. The median household income for your area has changed by 21.3 percent since 2000. It is estimated that the median household income in your area will be \$90,973 five years from now, which represents a change of 2.9 percent from the current year. The current year per capita income in your area is \$40,568, compared with the U.S. average, which is \$36,445. The current year's average household income in your area is \$121,798, compared with the U.S. average, which is \$94,822.



## EDUCATION

The selected area within a 5-mile radius of the subject property in 2021 had a higher level of educational attainment when compared with the U.S. averages. 14.2 percent of the selected area's residents had earned a graduate degree compared with the national average of only 12.0 percent, and 27.2 percent completed a bachelor's degree, compared with the national average of 19.5 percent. The number of area residents with an associate degree was lower than the nation's at 8.3 percent vs. 8.3 percent, respectively. The area had fewer high-school graduates, 18.6 percent vs. 27.2 percent for the nation, but the percentage of residents who completed some college is higher than the average for the nation, at 22.9 percent in the selected area compared with the 20.5 percent in the U.S.



## HOUSING

The median housing value within a 5-mile radius of the subject property was \$192,222 in 2021, compared with the U.S. median of \$227,827. In 2000, there were 30,261 owner-occupied housing units and 6,839 renter-occupied housing units in your area. The median rent at the time was \$702.



## EMPLOYMENT

In 2021, 137,267 people within a 5-mile radius of the subject property were employed. The 2000 Census revealed that 80.0 percent of employees are in white-collar occupations in this geography, and 20.0 percent are in blue-collar occupations. In 2021, unemployment in this area was 6.0 percent. In 2000, the average time traveled to work was 32.4 minutes.

# DEMOGRAPHICS CONT.

POPULATION	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Population	15,819	123,876	298,945
<b>2021 Estimate</b>			
Total Population	14,659	114,948	261,220
<b>2010 Census</b>			
Total Population	12,373	98,003	193,714
<b>2000 Census</b>			
Total Population	8,708	66,687	113,802
<b>Daytime Population</b>			
2021 Estimate	16,703	107,554	236,445
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2026 Projection</b>			
Total Households	5,683	42,923	100,092
<b>2021 Estimate</b>			
Total Households	5,213	39,424	86,977
Average (Mean) Household Size	2.8	2.9	3.0
<b>2010 Census</b>			
Total Households	4,370	33,195	64,302
<b>2000 Census</b>			
Total Households	2,953	21,791	37,101
Growth 2021-2026	9.0%	8.9%	15.1%
HOUSING UNITS	1 Mile	3 Miles	5 Miles
<b>Occupied Units</b>			
2026 Projection	5,927	44,852	104,445
2021 Estimate	5,436	41,157	90,715
Owner Occupied	3,065	25,488	59,158
Renter Occupied	2,148	13,936	27,819
Vacant	223	1,734	3,738
<b>Persons in Units</b>			
2021 Estimate Total Occupied Units	5,213	39,424	86,977
1 Person Units	20.0%	19.4%	18.0%
2 Person Units	31.1%	27.9%	27.3%
3 Person Units	20.2%	19.2%	19.2%
4 Person Units	17.3%	18.0%	19.1%
5 Person Units	7.0%	9.1%	9.7%
6+ Person Units	4.4%	6.4%	6.7%

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2021 Estimate</b>			
\$200,000 or More	15.8%	10.6%	12.2%
\$150,000-\$199,999	10.1%	8.3%	9.9%
\$100,000-\$149,999	17.3%	19.5%	21.4%
\$75,000-\$99,999	12.6%	15.0%	14.7%
\$50,000-\$74,999	17.7%	19.4%	17.5%
\$35,000-\$49,999	9.9%	11.1%	9.6%
\$25,000-\$34,999	5.9%	5.8%	5.9%
\$15,000-\$24,999	4.6%	5.1%	4.4%
Under \$15,000	6.1%	5.1%	4.3%
Average Household Income	\$128,182	\$111,833	\$121,798
Median Household Income	\$85,525	\$80,057	\$88,448
Per Capita Income	\$45,587	\$38,370	\$40,568
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population By Age</b>			
2021 Estimate Total Population	14,659	114,948	261,220
Under 20	27.0%	29.4%	31.0%
20 to 34 Years	20.8%	19.9%	19.3%
35 to 39 Years	6.0%	6.6%	7.1%
40 to 49 Years	12.8%	14.0%	14.4%
50 to 64 Years	22.0%	19.6%	18.3%
Age 65+	11.4%	10.5%	9.9%
Median Age	36.8	35.5	34.8
<b>Population 25+ by Education Level</b>			
2021 Estimate Population Age 25+	9,650	73,270	163,162
Elementary (0-8)	3.1%	4.3%	4.1%
Some High School (9-11)	3.6%	5.0%	4.6%
High School Graduate (12)	17.7%	19.5%	18.6%
Some College (13-15)	20.9%	23.4%	22.9%
Associate Degree Only	6.9%	8.2%	8.3%
Bachelor's Degree Only	29.7%	26.4%	27.2%
Graduate Degree	18.2%	13.3%	14.2%
<b>Population by Gender</b>			
2021 Estimate Total Population	14,659	114,948	261,220
Male Population	49.1%	48.9%	48.8%
Female Population	50.9%	51.1%	51.2%



OFFERING MEMORANDUM

307 S FRY RD

HOUSTON, TX 77094

ACTUAL SITE PHOTO

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