

\$1,869,310 6.00% CAP RATE

802 US-51 COVINGTON, TN 38019



WHY INVEST?



High-Traffic Corridor Location | Strong Demographics in the Memphis MSA

- Prime Frontage Along US-51, Covington's Primary Commercial Artery,
 Offering Exceptional Visibility, Steady Traffic Flow, and Direct Access
- Modern Wendy's Prototype Featuring Contemporary Design and Operational Upgrades to Maximize Efficiency and Customer Experience
- Located in Covington, Within the Memphis MSA One of Tennessee's Fastest-Growing Metros With a Population Exceeding 1.3 Million
- Surrounded by Leading National Retailers, Including Walmart Supercenter, Walgreens, and Tractor Supply Co., Driving Consistent Daily Destination Traffic
- Strong Residential and Workforce Base, With Steady Population Growth Supporting Long-Term QSR Demand







12 Years Remaining on NNN Lease with Zero Landlord Responsibilities Passive, Inflation-Resilient Investment

- NNN Lease with Approximately 12 Years Remaining, Providing Long-Term Cash Flow Stability and a Highly Passive Investment Structure
- **No Landlord Responsibilities** Tenant Handles All Taxes, Insurance, and Maintenance, Ensuring Minimal Oversight for Ownership
- CPI-Based Rent Increases Every 5 Years (10% Cap) Support
 Predictable Income Growth and a Strong Hedge Against Inflation
- **Four (4) Five-Year Renewal Options** Offer Significant Upside and Potential Lease Extension Through 2057



- Backed by Meritage Hospitality Group, One of the Most Active Wendy's
- Backed by Meritage Hospitality Group, One of the Most Active Wendy's Franchise Operators; Having Acquired Hundreds of Wendy's Restaurants Across the U.S., Operating 385 Locations Across 15+ States, Underscoring Operational Scale and Brand Commitment Within the Wendy's System
- Global QSR Leader Founded in 1969, Wendy's Is the World's Third-Largest Quick-Service Hamburger Chain, With More Than 6,700 Restaurants Across the U.S. and 29 International Markets
- Established Brand Strength Known for Its Fresh, Made-to-Order
 Burgers and Iconic Frosty Dessert, Wendy's Continues To Be a Trusted
 Name in Fast Food With Decades of Brand Loyalty and Market Presence



INVESTMENT SUMMARY

Address: GOOGLE MAPS Q	802 US-51, Covington, TN 38019
Concept:	Wendy's
Guarantor:	Meritage Hospitality Group (385-Units)
Price:	\$1,869,310
Cap Rate:	6.00%
NOI:	\$112,159
Building Size (SF):	±2,811 SF
Lot Size (AC):	±0.57 Acres
Year Built/Renovated:	1984/2021

LEASE TERMS

Lease Commencement:	5/18/2017
Lease Term Expiration:	5/31/2037
Term Remaining:	±12 Years
Lease Type:	NNN
Landlord Responsibilities:	None
Monthly Rent:	\$9,347
Annual Base Rent:	\$112,159
Rental Increases:	CPI/5-Years (10% Cap)
Renewal Options:	4 x 5 Years

The information has been secured from sources we believe to be reliable but we make no representation or warranties as to the accuracy of the information either express or implied. References to square footage or age are approximate. Buyer must verify all information and bears all risk for any inaccuracies.

\$1,869,310

LISTING PRICE

6.00%

CAP RATE

±12 YRS

LEASE TERM

\$112,159

NOI

NNN

LEASE TYPE

2021

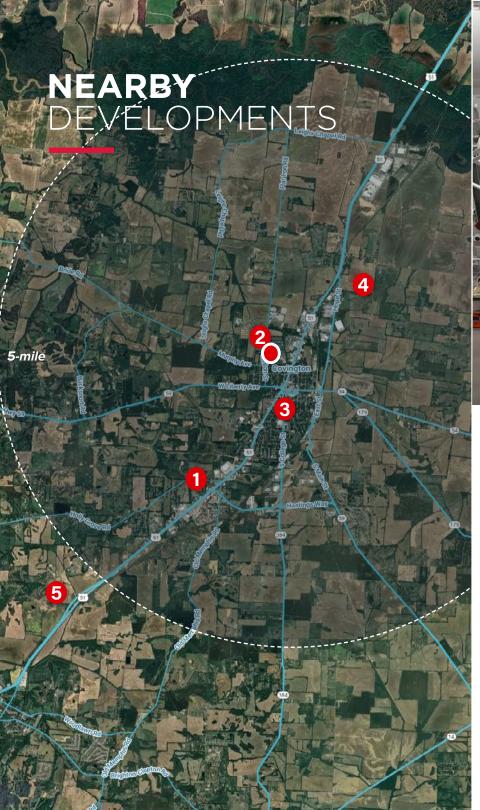
YEAR RENOVATED













1. Charms LLC \$97.7M Manufacturing Expansion

235 Industrial Rd N, Covington, TN 38019

Charms LLC (maker of Blow Pops™, part of Tootsie Roll Industries) is investing \$97.7 million to expand its Covington manufacturing and distribution facility. The project is expected to create 62 new jobs and significantly strengthen the local industrial base — a powerful economic growth signal for Tipton County and the Covington area.



Source: TN - Dept. of Economic and Community Development

2. Broadmeadow Place Apartments \$12.4M Renovation

150 Peeler Rd, Covington, TN 38019

Fairstead is investing \$12.4 million to renovate the 148-unit Broadmeadow Place Apartments in Covington. The project includes extensive interior and exterior upgrades, improved amenities, and extended community services — showing residential reinvestment and quality of life improvements in the market.



Source: Fairstead





with Future I-69 in Tennessee

Kentucky Tennessee



3. Covington Sewer Extension for Growth Support

Along Highway 51 bypass near Charms, Covington, TN 38019

The Covington Board approved a \$2 million sewer extension project aimed at supporting expected growth and housing demand tied to industrial expansion. This infrastructure investment enhances utility capacity along key growth corridors and readies land for future development.

4. Claybrook Farms - 3003 Acre Future Development Tract

845 Antioch Hwy 51 Rd, Covington, TN 38019

A 300± acre strategic property near Covington along US-51 is positioned for significant future commercial, industrial, or mixed-use development. The site benefits from road frontage, utilities nearby, proximity to industrial employers, and planned infrastructure upgrades — highlighting investor confidence in long-term area growth.

5. Future Interstate 69 Through the Region

Connecting I-69 in Kentucky with Future I-69 in Tennessee

The Tennessee Department of Transportation is advancing the Future I-69 Corridor through West Tennessee, with the next major segment scheduled to begin construction in FY 2028. This interstate expansion will improve access along the US-51 corridor, boosting the area's appeal for industrial, retail, and residential growth and further positioning Covington as an emerging development market.









MEMPHIS MSA TENNESSEE



The Memphis Metropolitan Statistical Area (MSA) is a dynamic economic hub of the Mid-South and one of the nation's most significant centers for transportation and logistics. Anchored by the city of Memphis and spanning parts of Tennessee, Mississippi, and Arkansas, the MSA is home to over 1.3 million residents. Historically recognized for its role in river commerce and manufacturing, Memphis has diversified into a robust economy supported by logistics, healthcare, agribusiness, higher education, and tourism. Major employers include FedEx—headquartered in Memphis and operating the world's largest express air hub—St. Jude Children's Research Hospital, Baptist Memorial Health Care, International Paper, AutoZone, and Nike, underscoring the region's global reach and strong employment base.

Strategically located along the Mississippi River and intersected by Interstates 40 and 55, the region offers seamless connectivity to markets across the U.S. and abroad. Memphis International Airport is the busiest cargo airport in North America, solidifying the city's position as "America's Distribution Center." Continued investment in riverport infrastructure, healthcare facilities, and mixed-use developments reflects the MSA's economic momentum and its appeal to both businesses and families.





POPULATION

AVG. HH INCOME

\$101,596

HOUSEHOLDS

521,209

1.34M within MSA

within MSA

within MSA

Memphis's collegiate and athletic presence is anchored by the University of Memphis, whose Division I basketball program draws national attention and unites the region with strong community support. The city is also home to the NBA's Memphis Grizzlies, the Triple-A Memphis Redbirds baseball team, and the Memphis Showboats of the USFL, contributing to a vibrant professional and minor league sports scene. Signature events such as the St. Jude Memphis Marathon, Beale Street Music Festival, and World Championship Barbecue Cooking Contest highlight the city's unique blend of sports, culture, and entertainment while showcasing its role as a gathering place for the region.

LARGEST EMPLOYERS



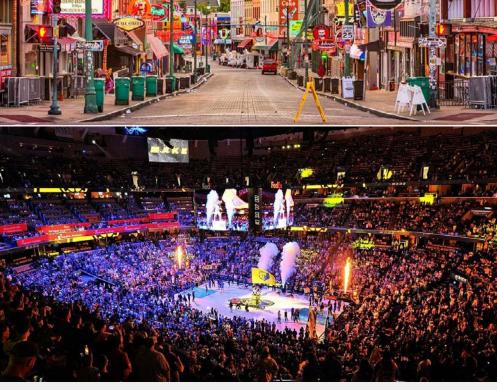












Culturally, Memphis is world-renowned as the birthplace of blues, soul, and rock 'n' roll, with historic landmarks like Beale Street, Sun Studio, and Graceland drawing millions of visitors annually. The city also boasts the Memphis Brooks Museum of Art, the Orpheum Theatre, and a thriving performing arts community. Emerging districts such as Crosstown Concourse and South Main are revitalizing the urban core with art galleries, restaurants, and collaborative workspaces. Memphis's rich cultural diversity, culinary excellence—anchored by its legendary barbecue—and growing creative economy reflect its enduring identity as a city of innovation, resilience, and cultural influence.





2023 #11 FRANCHISE TIMES TOP 500 LIST



2024 BEST TRAVEL, TOURISM, & HOSPITALITY

Founded in 1969 in Columbus, Ohio, Wendy's® has grown into one of the most beloved quick-service restaurant brands, known for its fresh, never frozen beef and signature square-shaped hamburgers. With a commitment to quality and innovation, Wendy's® offers a wide range of menu items, including its iconic Dave's Single®, spicy chicken sandwich, and freshly prepared salads. Wendy's® has set itself apart through its dedication to using premium ingredients, with its "Quality Is Our Recipe®" philosophy shaping the brand's identity since its inception.

Today, Wendy's® operates over 7,000 restaurants worldwide, offering a unique blend of classic and innovative menu options that appeal to a broad audience. The brand is renowned for its famous Frosty® desserts and the "4 for \$4" meal deal, which has become a customer favorite. Wendy's® also takes pride in its signature menu items like the Baconator® and offers an array of breakfast items as part of its expanding offerings.

As a key player in the global quick-service restaurant industry, Wendy's® continues to innovate, introducing new flavors and engaging in digital expansion efforts to enhance customer experiences. The company's commitment to sustainability and community engagement, forward-thinking strategies, franchise growth, and continued focus on quality has reinforced its position as a leader in the fast-food industry and is central to its success in the highly competitive market.

2024 REVENUE

\$12.3B

LOCATIONS
7.1K+

EMPLOYEES

14K+ WEN

NASDAQ



IN THE NEWS



WENDY'S EMBRACES QUARTER-ZIP TREND, OFFERS 'QUARTER SIP' DRINKS

December 10, 2025 | USA Today

Wendy's is jumping on the quarter-zip trend with a "Quarter Sip" deal. "That's right: we're sophisticated, we're grown-up, we're cleaning up our resume. It's all about the Quarter Sips now," Wendy's said in an email to USA TODAY. This isn't the first time the chain has embraced a trend. They also recently launched a deal as an ode to the viral '6-7' phrase. For the "Quarter Sip" deal, Customers can order a 25-cent soft drink of any size when making a purchase when using an offer found in Wendy's app.

HOW WENDY'S PLANS TO OUTPACE COMPETITORS WITH 1,000 NEW LOCATIONS

March 6, 2025 | QSR Magazine

Approximately 80 percent of the brand's largest franchisees are engaged in new development plans. Wendy's CEO Kirk Tanner is often asked, "Why Wendy's?" He claims the question has been posed about 100 times.nHis answer is always the same. "It's our potential," Tanner said at the company's Investor Day on Thursday. "Our potential to grow faster." The burger giant outlined plans to add 1,000 net new restaurants globally by 2028, placing it at 8,100 to 8,300 (up from 7,240). Within...



EXCLUSIVELYLISTED BY

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