

Hedstrom World Headquarters Sale-Leaseback Ashland, Ohio



Exclusive Offering By:

Kyle Hartung | 216-381-8200 x 205
kyle@goodmanrealestate.com

Offering Memorandum

Goodman Real Estate Services Group LLC
www.goodmanrealestate.com

PLEASE REVIEW THIS INFORMATION CAREFULLY

- Disclaimer -

The information contained herein has been obtained from sources believed to be reliable. Goodman Real Estate Services Group LLC and its agents, associates, and employees make no guarantee, warranty or representation about it. The information may be subject to changes in price, financing, leases, or other errors and omissions without prior notice. Evaluating retail investment opportunities requires careful due diligence and information gathering, which is why we suggest that you and your advisors conduct your own careful investigation of the property.

Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Table of Contents

SECTION I - The Property

Investment Summary	Pg. 1
Property Description	Pg. 2
Property Photos	Pg. 3-6

SECTION II - Performance and Tenancy

NOI Budget	Pg. 7
Rent Roll	Pg. 8
Tenant Information	Pg. 9-11

SECTION III - Market Overview

Ashland Market Overview	Pg. 12
Ashland Manufacturers	Pg. 13
Market Aerial	Pg. 14-17
Regional Map	Pg. 18
Local Map	Pg. 19
Demographics	Pg. 20-22

Presented By:



Kyle Hartung
Director of Investment Sales
Goodman Real Estate Services
Group LLC
25333 Cedar Road, Suite 305
Cleveland, Ohio 44122

Email: kyle@goodmanrealestate.com
Phone: 216-381-8200 x205

Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

The Property - Investment Summary

Property	Hedstrom World Headquarters
Address	100 Hedstrom Drive Ashland, OH 44805
Tenant	Hedstrom
Lease Guaranty	Personal - Scott Conery (Owner of Hedstrom Plastics, Inc.)
Deal Type	Sale-Leaseback
Lease Type	Triple-Net
Lease Commencement	Close of Escrow
Guaranteed Lease Term	10 Years With Options
Market	Mansfield-Ashland-Bucyrus CSA
Population	167,893
Major Highway Access	Interstate 71
Building Size	226,552 Square Feet
Lot Size	28.9 Acres
Year Built / Updates	1989 / 2011-2016
Base Rent	\$3.86 Per Square Foot
Net Operating Income	\$875,000
Cap Rate	7.75%
Pricing	\$11,290,320
Price Per Square Foot	\$49.83



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

The Property - Property Description

Investment Highlights

- Sale Leaseback of 100-Year-Old Plastics Manufacturer's World Headquarters
- New 10 Year Guaranteed Lease to Commence at Close of Escrow
- Low \$49.83 PSF Pricing, Far Below Current Replacement Cost
- Strategically Located Facility with Interstate 71 Access, 1 Hour from both Cleveland and Columbus, and Over 12 Million People within a Two-Hour Drive
- Absolute NNN Lease - Hands-off Investment
- Recent Major Renovations - Including New Roof with 20-Year Warranty, Concrete Surface Parking Lot & New Landscaping, Interior & Exterior Updates, and more

Property Description

For sale to qualified investors is the 100% fee-simple interest in a rare and exciting opportunity to own the Hedstrom World Headquarters in Ashland, Ohio. This sale leaseback will be an absolute triple-net lease with no landlord obligations and personally guaranteed by the owner of the company. Hedstrom is a 100+ year old plastics manufacturer and has committed themselves to this complex with massive recent capital improvements. The 226,552 square foot industrial facility has recently undergone major upgrades including a new roof with a 20 year warranty, addition of new contemporary facades, all new concrete parking and loading areas, and complete interior remodel with insulation exceeding even LEED requirements. Additionally, they currently occupy roughly 65% of the facility, leaving themselves ample room for future growth. The property is being offered at an attractive 7.75% capitalization rate with a corresponding price of \$11,290,320. Notable manufacturers and retail tenants in the area include Ball Bounce and Sport, Inc., Fresenius Kidney Care, Snyder's Lance, Barbasol, McGraw Hill, Bookmasters, Conery Manufacturing, McDonald's, Chase Bank, Rite Aid, Burger King, Taco Bell, Wendy's, PNC Bank, Walmart, Home Depot, Ashland University, and many others.

Ashland, Ohio

Ashland is a city in and the county seat of Ashland County, Ohio. The population was 20,362 at the 2010 census and it is the center of the Ashland Micropolitan Statistical Area. The city is located approximately half-way between Cleveland and Columbus, and has direct access to Interstate 71, connecting the north and south portions of the state. Ashland is known throughout the region as a center for higher education with its Ashland University and Ashland Theological Seminary.



Ashland University is a mid-sized, private, non-profit university. The university consists of a 135-acre main campus and several off-campus centers throughout central and northern Ohio. It was founded in 1878 and is affiliated with the Brethren Church. Judeo-Christian values are the foundation of the educational and social environment of the university. Today, the university offers nearly 70 undergraduate majors and nine pre-professional programs. The majors include actuarial science, toxicology/environmental science and entrepreneurship, which are unusual for an institution of its size. In addition, it offers most traditional liberal arts majors as well as a wide range of majors in business and education.

Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

The Property - Property Photos



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

The Property - Property Photos



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

The Property - Property Photos



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

The Property - Property Photos



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Performance & Tenancy - NOI Budget

INCOME

Base Rental Income

Tenant	Size (SF)	Annual Rent	PSF
Hedstrom	226,552	\$875,000.00	\$3.86
Total	226,552	\$875,000.00	

Reimbursed Expenses

None - Tenant Responsible for All Repair, Maintenance, and Replacement

Effective Gross Income **\$875,000.00**

OPERATING EXPENSES

None - Tenant Responsible for All Repair, Maintenance, and Replacement

Total Operating Expenses **\$0.00**
Net Operating Income (NOI) **\$875,000.00**
Value at 7.75% Cap Rate **\$11,290,322.58**

Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Performance & Tenancy - Rent Roll

Tenant Name	Square		Lease Term			Rental Rates		Recovery		Comments/Options
	Feet	Pro-rata	Begin	End	Begin	Annually	PSF	Type		
Hedstrom	226,552	100%	Close of Escrow	10 Years	Close of Escrow	\$875,000	\$3.86	NNN	Tenant is leasing the building on a triple-net basis and pays all expenses directly.	

Increases: Base rent shall increase 5% starting with year six of the lease.

Options: Four 5-year options, with 8% increases every 5 years at the start of each option period.





www.HedstromPlastics.com

Hedstrom Plastics is a Ball, Bounce and Sport, Inc. company that is headquartered in Ashland, Ohio. For over a 100 years, Hedstrom Plastics has been one of the nation's premier manufacturers and marketers of play and sport balls in the United States. Originally founded in 1913, Hedstrom started manufacturing balloons using makeshift equipment in an 18,000 square foot building. Now they operate three separate facilities in Ohio with over 300,000 square feet, equipped with 33 rotational molding machines and 5 axis CNC machines. Each facility specializes in custom plastic rotational molding and manufacturing services nationwide. Conquering the play ball market with a majority share of the retail market, Hedstrom continues to grow its product offerings while expanding into new markets with a core focus on children 2-8 years of age. Hedstrom's mission is to get kids off the couch and start having "Unplugged Fun."



#1 Marketer of Play Balls
In North America



Currently Own 90% of the
Market Share in Play Balls

Hedstrom World Headquarters Sale-Leaseback

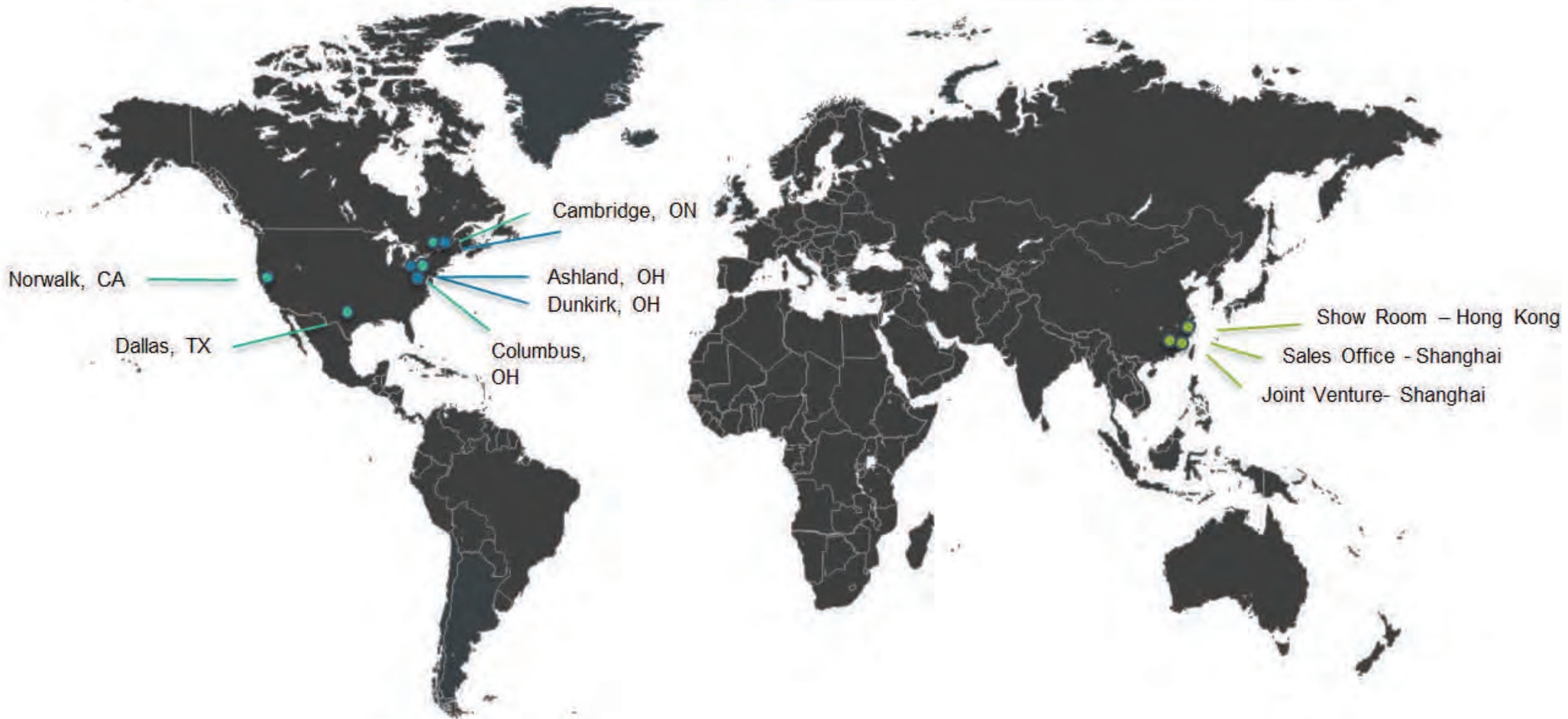
Ashland, Ohio

Performance & Tenancy - Tenant Information

DOMESTIC

DISTRIBUTION
CENTERS

INTERNATIONAL



CURRENT CLIENTS



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Market Overview - Ashland Market Overview

U.S. Industrial Highlights

As published by *Heartland Real Estate Business* in 2017, "the U.S. vacancy rate for the industrial sector stood at 5.6 percent at the end of 2016, the lowest on record despite the completion of 246 million square feet of new construction during the year. More than \$59 billion in industrial assets changed hands in 2016, among the highest totals ever."

Ashland Market Highlights

- There are over 85 manufacturing companies located throughout the county, with a rich history of manufacturing in pumps, coloring books, electric control panels, food and agricultural
- Strategic location along Interstate 71, Ashland is half way between Columbus, Ohio, and Cleveland, Ohio, also featuring several U.S. Highways and State Routes
- Samaritan Regional Health System is recognized as one of the Thompson Reuters Top 100 Hospitals in the nation
- Rail access is prevalent throughout Ashland County. Norfolk Southern Corp. crosses the southern part of the county and CSX Transportation and Wheeling & Lake Erie Railway cross the northern part of the county
- Ohio has over 33,000 trucking companies, making Ashland an ideal location for receiving and distribution
- In 2016 Ashland County was ranked #22 Micropolitan Market in the United States for business expansion projects and Ashland County as a top growing rural community in the nation
- Ashland University is a mid-sized, private, non-profit university that offers over 70 undergraduate majors and 9 pre-professional programs. The university consist of 5,700 students on their 135 acre campus
- Ohio has the 4th largest Interstate Highway system and 10th largest Highway network in the nation

Top Employers - Ashland County

Company	# Of Employees
Ashland University	744
Samaritan Regional Health System	639
Charles River Laboratories	619
Mansfield Plumbing	610
Ashland City Schools	406
Ashland County	350
Wal-Mart	320
Hedstrom Plastics - Ball Bounce & Sport	271
Step 2 Corporation	248
Snyder's-Lance, Inc.	195



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

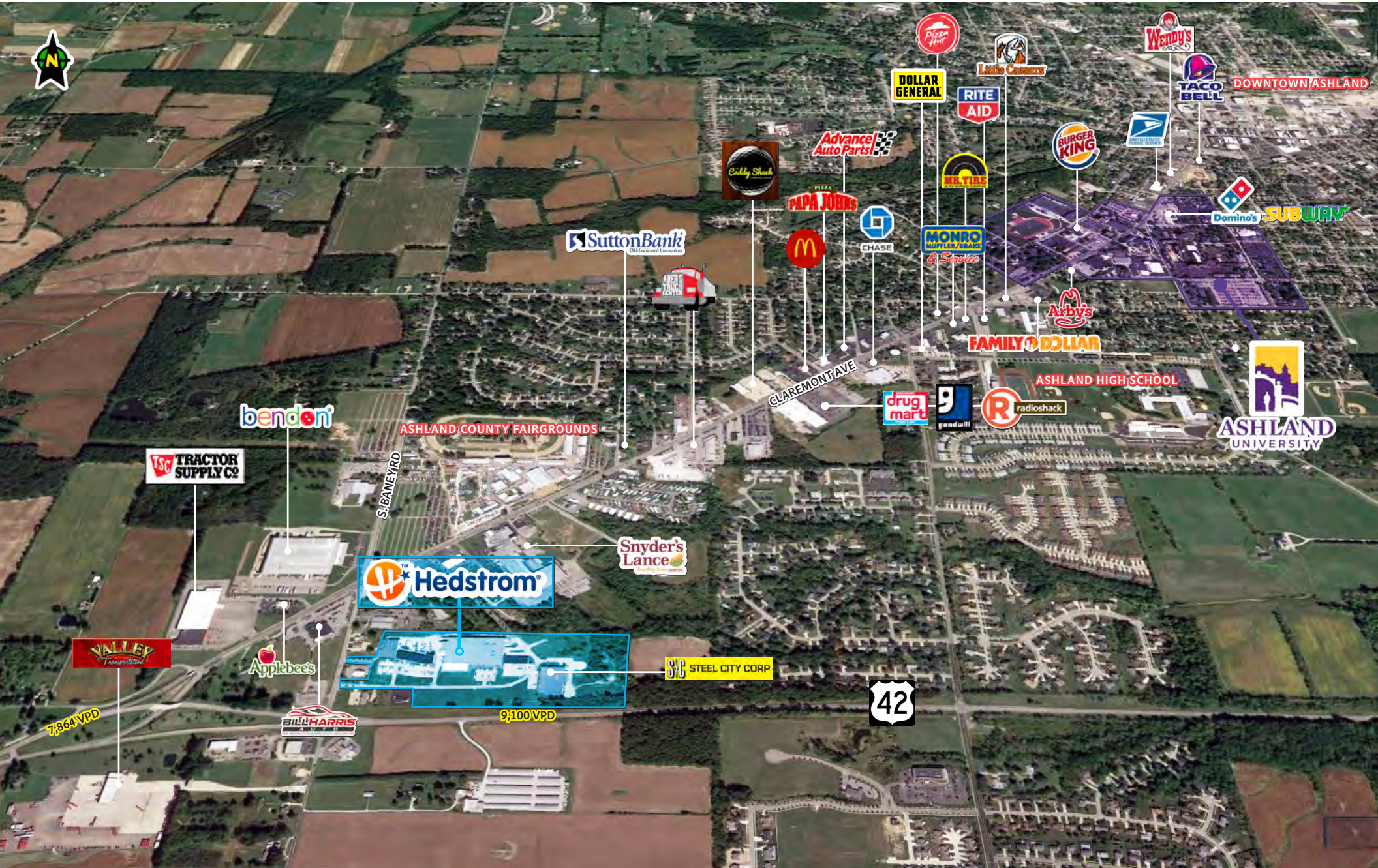
Market Overview - Ashland Manufactures



Hedstrom Plastics Corporate Sale-Leaseback

Ashland, Ohio

Market Overview - Market Aerial



Hedstrom Plastics Corporate Sale-Leaseback

Ashland, Ohio

Market Overview - Market Aerial



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Market Overview - Market Aerial



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

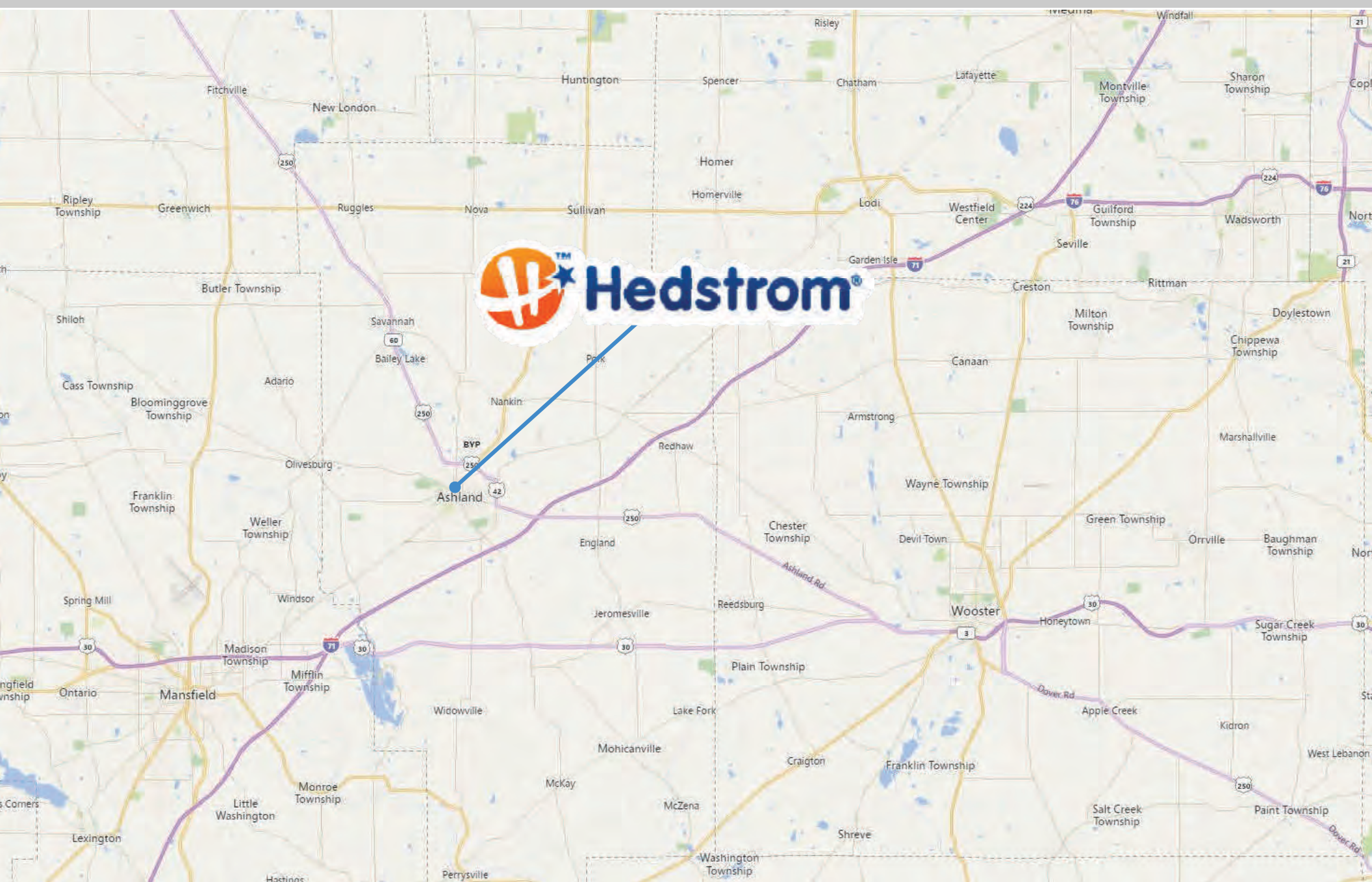
Market Overview - Market Aerial



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

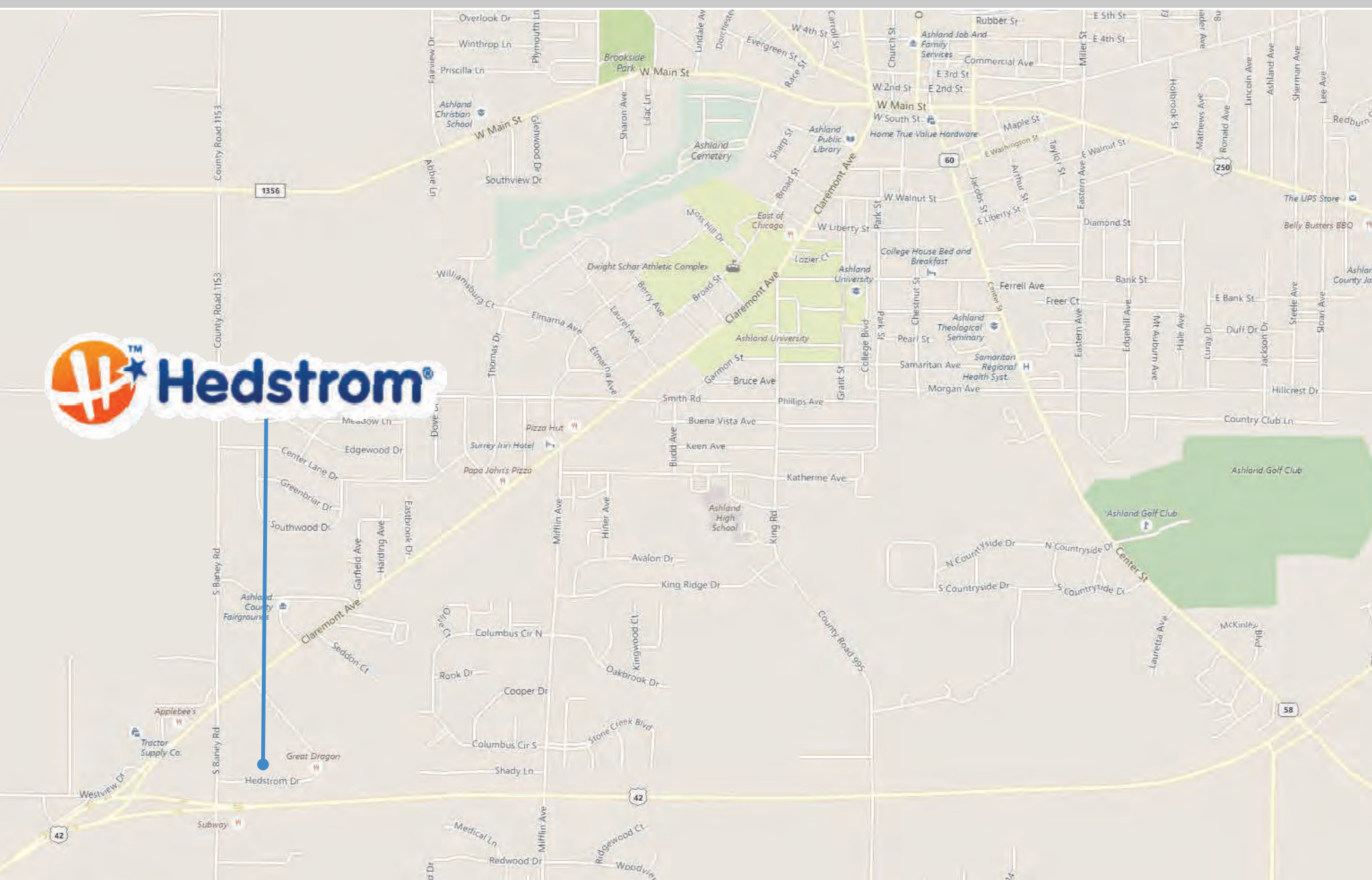
Market Overview - Regional Map



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Market Overview - Local Map



Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Market Overview - Demographics

	3 mi	6 mi	9 mi	12 mi
Population				
2016 Estimated Population	22,121	28,144	38,039	60,472
2021 Projected Population	22,250	28,334	38,264	60,610
2010 Census Population	22,066	28,007	37,809	60,095
2000 Census Population	22,949	28,539	37,802	59,988
Projected Annual Growth 2016-2021	0.58%	0.68%	0.59%	0.23%
Historical Annual Growth 2000-2016	-3.61%	-1.38%	0.63%	0.81%
Households				
2016 Estimated Households	8,734	10,982	14,554	23,196
2021 Projected Households	8,792	11,063	14,646	23,252
2010 Census Households	8,695	10,912	14,452	23,032
2000 Census Households	8,920	10,931	14,147	22,499
Projected Annual Growth 2016-2021	0.66%	0.74%	0.63%	0.24%
Historical Annual Growth 2000-2016	-2.08%	0.47%	2.88%	3.10%
Age (2016)				
Est. Population Under 10 Years	11.2%	11.1%	11.1%	11.3%
Est. Population 10-19	13.6%	13.8%	14.1%	14.0%
Est. Population 20-30	17.1%	16.0%	14.8%	13.8%
Est. Population 30-44	17.0%	16.8%	16.6%	16.5%
Est. Population 45-59	17.4%	18.3%	18.9%	19.6%
Est. Population 60-74	15.2%	15.8%	16.6%	17.2%
Est. Population 75 Years or Over	8.3%	8.2%	7.9%	7.6%
Income (2016)				
Est. HH Inc \$200,000 or more	1.1%	1.3%	1.7%	1.3%
Est. HH Inc \$150,000 to \$199,999	1.9%	2.3%	2.2%	1.9%
Est. HH Inc \$100,000 to \$149,999	9.3%	10.2%	10.2%	9.3%
Est. HH Inc \$75,000 to \$99,999	10.9%	11.7%	13.2%	13.8%
Est. HH Inc \$50,000 to \$74,999	18.7%	18.7%	19.9%	20.9%
Est. HH Inc \$35,000 to \$49,999	16.5%	16.3%	16.2%	16.4%
Est. HH Inc \$25,000 to \$34,999	11.9%	11.8%	11.2%	11.9%
Est. HH Inc \$15,000 to \$24,999	15.5%	14.6%	13.3%	12.5%
Est. HH Inc Under \$15,000	14.2%	13.1%	12.1%	12.0%
Est. Average Household Income	\$ 53,976	\$ 58,141	\$ 61,207	\$ 59,597
Est. Median Household Income	\$ 41,717	\$ 44,207	\$ 47,237	\$ 47,281
Est. Per Capita Income	\$ 21,312	\$ 22,688	\$ 23,419	\$ 22,860

Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Market Overview - Demographics

	3 mi	6 mi	9 mi	12 mi
Education (2016)				
Est Pop Age 25+ by Educ Attain.	14,305	18,432	25,110	40,404
Less than 9th grade	3.2%	3.5%	3.8%	4.2%
Some High School, no diploma	9.4%	9.1%	8.8%	9.2%
High School Graduate (or GED)	40.6%	41.2%	42.3%	44.0%
Some College, no degree	15.6%	15.6%	16.1%	16.8%
Associate Degree	5.8%	5.9%	6.5%	6.7%
Bachelor's Degree	14.9%	14.7%	13.7%	11.9%
Graduate Degree	10.6%	10.2%	8.8%	7.2%
Housing (2016)				
Est. Total Housing Units	9,530	11,924	15,744	25,022
Est. Owner-Occupied	60.0%	63.4%	67.0%	69.7%
Est. Renter-Occupied	31.7%	28.7%	25.5%	23.0%
Est. Vacant Housing Units	8.4%	7.9%	7.6%	7.3%
Homes Built by Year (ACS)				
Homes Built 2005 Or Later	0.2%	0.3%	0.3%	0.3%
Homes Built 2000 To 2004	8.8%	10.1%	10.4%	9.8%
Homes Built 1990 To 1999	11.1%	12.1%	13.2%	12.6%
Homes Built 1980 To 1989	7.6%	8.5%	8.4%	8.6%
Homes Built 1970 To 1979	12.2%	11.7%	12.4%	15.0%
Homes Built 1960 To 1969	10.9%	11.4%	12.0%	13.0%
Homes Built 1950 To 1959	14.8%	13.8%	12.4%	13.0%
Homes Built 1940 To 1949	7.7%	6.6%	6.1%	6.6%
Homes Built 1939 Or Earlier	26.6%	25.5%	24.9%	21.1%
Housing (2016)				
Home Value \$1,000,000 or more	0%	1%	1%	0%
Home Value \$500,000 to \$999,999	1%	1%	1%	1%
Home Value \$400,000 to \$499,999	1%	1%	1%	1%
Home Value \$300,000 to \$399,999	3%	4%	5%	4%
Home Value \$200,000 to \$299,999	15%	18%	18%	15%
Home Value \$150,000 to \$199,999	18%	19%	20%	18%
Home Value \$100,000 to \$149,999	32%	30%	30%	29%
Home Value \$70,000 to \$99,999	16%	13%	12%	15%
Home Value \$50,000 to \$69,999	4%	4%	4%	6%
Home Value \$25,000 to \$49,999	3%	2%	2%	4%
Home Value Under \$25,000	7%	7%	6%	6%
Median Housing Unit Value	\$ 127,528	\$ 138,390	\$ 142,755	\$ 131,358

Hedstrom World Headquarters Sale-Leaseback

Ashland, Ohio

Market Overview - Demographics

	3 mi	6 mi	9 mi	12 mi
Labor Force (2016)				
Est Pop Age 16+ by Employ. Status	18,089	22,991	30,986	49,091
Labor Force	61.7%	61.5%	61.7%	61.4%
In Armed Forces	0.1%	0.1%	0.1%	0.1%
Civilian, Employed	57.3%	57.3%	57.6%	57.4%
Civilian, Unemployed	4.3%	4.1%	4.0%	3.9%
Not in Labor Force	38.3%	38.5%	38.3%	38.6%
Occupation (2016)				
Agr, forest, fish & hunt., min and const.	5.4%	6.5%	7.5%	7.8%
Manufacturing	17.1%	17.7%	18.4%	19.9%
Wholesale & retail trade	12.6%	11.8%	11.7%	12.6%
Transp. and warehousing, and utilities	4.6%	4.7%	4.9%	5.4%
Information	2.9%	2.5%	2.5%	2.0%
Fin, ins., real estate, rental & leasing	4.4%	4.2%	3.7%	3.9%
Prof, sci, manag, admin, & waste ms	7.7%	8.1%	7.9%	7.1%
Educational, health and social services	27.9%	27.3%	26.6%	24.2%
Arts, enter., rec., accom. & food services	8.4%	8.1%	7.8%	7.5%
Other services (except pub admin.)	5.4%	5.6%	5.5%	5.7%
Public Administration	3.5%	3.4%	3.3%	4.1%
Travel Time (ACS)				
14 Minutes or Less	57.2%	53.3%	45.9%	40.2%
15 to 29 Minutes	20.3%	23.8%	29.6%	35.6%
30 to 59 Minutes	14.9%	15.3%	16.2%	15.8%
60 Or More Minutes	7.7%	7.6%	8.4%	8.4%
Weekly Per Capita Consumer Expenditures				
Market Basket	\$ 50.89	\$ 50.90	\$ 50.72	\$ 51.17
Apparel and services	\$ 11.47	\$ 11.61	\$ 11.65	\$ 11.72
Transportation	\$ 65.14	\$ 65.99	\$ 66.40	\$ 66.74
Health Care	\$ 27.18	\$ 27.52	\$ 27.71	\$ 28.05
Entertainment	\$ 18.16	\$ 18.37	\$ 18.48	\$ 18.64