

FIVE GUYS - ABSOLUTE NNN

KENT, OHIO



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**PLEASE REVIEW THIS INFORMATION CAREFULLY**

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## THE PROPERTY - INVESTMENT HIGHLIGHTS

<b>NAME</b>	<b>FIVE GUYS</b>
<b>LOCATION</b>	<b>623 EAST MAIN STREET</b>
<b>CITY/STATE</b>	<b>KENT, OHIO</b>
<b>MAJOR MARKET</b>	<b>CLEVELAND, OHIO</b>
<b>BUILDING SIZE</b>	<b>2,546 SF</b>
<b>EFFECTIVE YEAR BUILT</b>	<b>2009</b>
<b>PARCELS</b>	<b>1</b>
<b>ACREAGE</b>	<b>0.378</b>
<b>PERCENT LEASED</b>	<b>100%</b>
<b>LEASE TYPE</b>	<b>ABSOLUTE TRIPLE NET</b>
<b>LEASE TERM</b>	<b>20 YEARS</b>
<b>RENTAL INCREASES</b>	<b>10% EVERY 5 YEARS</b>
<b>NOI YEAR ONE</b>	<b>\$85,000</b>
<b>CAP RATE</b>	<b>6.3%</b>
<b>PRICE</b>	<b>\$1,350,000</b>

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## THE PROPERTY - PROPERTY DESCRIPTION

**F**or sale is the 100% fee-simple interest in an absolute triple net leased Five Guys restaurant located directly across the street from Kent State University in Kent, Ohio. Wholesome Enterprises LLC, the franchisee and operator of the Five Guys and guarantor of the lease, currently owns and operates 16 Five Guys restaurants throughout Northeast Ohio and Pennsylvania and projects company sales to be approximately \$20 Million for the fiscal year. They have operated this store for the past three years and will sign a new 20 year lease at the close of escrow with 10% increases every five years during the initial term and options. This lease will be 100% free of landlord obligations and with the strong guaranty and length of lease makes a perfect 1031 candidate. Additionally, there are over 26,000 students and faculty at Kent State within walking distance to the property, making this a long term A+ piece of real estate.

**T**he property is located at 623 East Main Street in Kent, Ohio, ideally situated directly across the street from Kent State University. As of 2013 there were over 26,000 students enrolled at the university. In addition to the thousands of students that have walking access to the restaurant, there are over 88,000 residents within five miles of the site, making Kent a thriving retail marketplace in the summer as well as during the school year. Within the past few years, the Kent State Hotel and Conference Center was constructed just west of the Five Guys along with dozens of apparel, dining, and other retail options, helping to make this entire retail corridor popular not just with students and locals, but also with other Northeast Ohio residents of Cleveland, Akron and Canton.

**T**he City of Kent is located in Northeast Ohio between Cleveland and Akron and is accessed from Ohio State Route 8 to the west and Interstate 76 to the south. Education is the city's largest economic sector with Kent State University being the city's, and one of the region's, largest employers. Kent is also the home of the Davey Tree Expert Company, which is the largest residential tree care company in North America. Kent has nearly 20 parks and preserves and hosts a number of annual festivals including ones related to Earth Day, folk music, and Independence Day. In addition to the Kent State athletic teams, the city also hosts a number of amateur and local sporting events at various times during the year.

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THE PROPERTY - PROPERTY AERIAL





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THE PROPERTY - PROPERTY PHOTOS



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## PERFORMANCE AND TENANCY - RENT ROLL

Tenant Name	Square		Lease Term		Rental Rates		Recovery	Comments/Options
	Feet	Pro-rata	Begin	End	Begin	Annually	Type	
Wholesome Burger X LLC Db a Five Guys	2,546	100%	Close of Escrow	20 Years	Years 1-5	\$85,000	NNN	Options: Four 5-year options at 10% increases Absolute Triple Net Lease. Tenant is responsible for all maintenance and repairs. Guarantor: Wholesome Enterprises LLC. Guarantor owns 16 Five Guys restaurants throughout Ohio and Pennsylvania, and projects 2014 gross sales of over \$20 Million.
					Years 6-10	\$93,500		
					Years 11-15	\$102,850		
					Years 16-20	\$113,135		



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## PERFORMANCE AND TENANCY - TENANT INFORMATION

Five Guys Burgers and Fries opened its first location in Arlington, Virginia in 1986. Beginning as a family-owned, community restaurant, Janie and Jerry Murrell along with their five sons opened a total of five Five Guys locations in the Washington, D.C. metro area from 1986 to 2001. In 2003, the family began offering franchising opportunities that were immediately successful, landing them national recognition in several trade publications including *Nation's Restaurant News* and the *Franchise Times*. Since then, according to their website, Five Guys has expanded to 1,000 locations across 47 states and 6 Canadian provinces with over 1,500 units in development.



The fast-casual restaurant chain focuses on hamburgers, hot dogs, and French fries, has received numerous awards in the D.C. area, including the award for "Number 1 Burger" for seven years by Washingtonian Magazine. Awards also extend nationwide; in 2011 Five Guys ranked first in "Fast Food - Large Chains" and "Best Burger" in Zagat's annual Fast Food Survey. In 2012, in a poll of 7,600 fast-food customers, Five Guys ranked number one in food quality, taste, services, cleanliness, and atmosphere. Five Guys is the fastest-growing fast food chain in the United States, with a 32.8% sales increase from 2010 to 2011.

Wholesome Enterprises LLC, the franchisee and operator of the Five Guys restaurant in Kent, Ohio, and guarantor of the lease, currently owns and operates 16 Five Guys restaurants throughout Northeast Ohio and Pennsylvania. They are projecting company sales to be approximately \$20 Million for the current fiscal year. The company has operated this store for the past three years and opened their first Five Guys restaurant in Pittsburgh in 2005.

Website: [www.fiveguys.com](http://www.fiveguys.com)



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MARKET OVERVIEW - MARKET AERIAL





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## MARKET OVERVIEW - REGIONAL MAP







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## MARKET OVERVIEW - DEMOGRAPHICS

623 East Main Street - Kent, Ohio		1 Mile Radius	3 Mile Radius	5 Mile Radius	7 Mile Radius
POPULATION	2013 Estimated Population	15,400	41,764	88,263	166,247
	2018 Projected Population	15,557	42,354	89,744	169,255
	2010 Census Population	14,998	40,941	86,747	163,610
	2000 Census Population	14,736	38,294	80,660	156,934
	Projected Annual Growth 2013 to 2018	0.2%	0.3%	0.3%	0.4%
	Historical Annual Growth 2000 to 2013	0.3%	0.7%	0.7%	0.5%
HOUSEHOLDS	2013 Est. Households	4,734	15,803	34,420	67,404
	2018 Projected Households	4,966	16,544	35,852	69,996
	2010 Census Households	4,588	15,332	33,492	65,699
	2000 Census Households	4,454	13,973	30,094	60,627
	Projected Annual Growth 2013 to 2018	1.0%	0.9%	0.8%	0.8%
	Historical Annual Growth 2000 to 2013	0.5%	1.0%	1.1%	0.9%
INCOME	2013 Est. HH Income \$200,000 or More	1.3%	2.5%	2.8%	2.9%
	2013 Est. HH Income \$150,000 to \$199,999	2.2%	4.0%	5.1%	4.9%
	2013 Est. HH Income \$100,000 to \$149,999	4.6%	9.0%	11.9%	11.8%
	2013 Est. HH Income \$75,000 to \$99,999	6.1%	9.6%	12.4%	12.3%
	2013 Est. HH Income \$50,000 to \$74,999	10.6%	13.3%	17.4%	18.8%
	2013 Est. HH Income \$35,000 to \$49,999	13.4%	12.7%	14.8%	16.6%
	2013 Est. HH Income \$25,000 to \$34,999	13.1%	12.0%	10.7%	10.4%
	2013 Est. HH Income \$15,000 to \$24,999	16.7%	12.9%	9.7%	9.0%
	2013 Est. HH Income Under \$15,000	32.0%	24.0%	15.2%	13.3%
	2013 Est. Average Household Income	\$42,235	\$55,619	\$63,581	\$64,046
	2013 Est. Median HH Income	\$29,275	\$41,458	\$52,933	\$54,333
	2013 Est. Per Capita Income	\$14,336	\$21,639	\$25,116	\$26,176
AGE	2013 Est. Population Under 10 Years	3.6%	8.0%	9.6%	10.1%
	2013 Est. Population 10 to 19 Years	6.0%	9.7%	11.2%	11.7%
	2013 Est. Population 20 to 29 Years	44.5%	31.3%	21.5%	17.6%
	2013 Est. Population 30 to 44 Years	7.7%	13.0%	15.8%	16.9%
	2013 Est. Population 45 to 59 Years	7.8%	15.0%	19.2%	20.7%
	2012 Est. Population 60 to 74 Years	5.3%	9.5%	12.5%	14.0%
	2012 Est. Population 75 Years or Over	3.1%	4.7%	5.8%	6.8%
	2012 Est. Median Age	24.2	30.1	35.5	38.1

Please be advised that the Demographics are based on the 2000-2010 Census, 2013 Estimates, and 2018 Projections.

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## MARKET OVERVIEW - DEMOGRAPHICS

623 East Main Street - Kent, Ohio		1 Mile Radius	3 Mile Radius	5 Mile Radius	7 Mile Radius
EDUCATION (25 YRS+)	2013 Est. Adult Population (25 Years or Over)	4,630	20,494	52,539	106,957
	2013 Est. Elementary (Grade Level 0 to 8)	1.1%	1.1%	1.4%	1.6%
	2013 Est. Some High School (Grade Level 9 to 11)	6.1%	5.6%	5.4%	5.9%
	2013 Est. High School Graduate	22.6%	24.7%	29.1%	31.2%
	2013 Est. Some College	22.0%	21.5%	21.5%	21.1%
	2013 Est. Associate Degree Only	5.5%	7.0%	8.0%	8.3%
	2013 Est. Bachelor Degree Only	26.1%	24.4%	22.0%	20.9%
	2013 Est. Graduate Degree	16.5%	15.7%	12.7%	11.0%
HOUSING	2013 Est. Total Housing Units	5,073	16,778	36,180	70,882
	2013 Est. Owner Occupied	26.4%	44.2%	60.3%	62.4%
	2013 Est. Renter Occupied Percent	66.9%	50.0%	34.8%	32.7%
	2013 Est. Vacant Housing Percent	6.7%	5.8%	4.9%	4.9%
HOMES BUILT BY YEAR	2010 Homes Built 2005 or later	2.1%	6.2%	5.6%	4.4%
	2010 Homes Built 2000 to 2004	5.1%	5.5%	6.6%	6.5%
	2010 Homes Built 1990 to 1999	11.3%	11.8%	13.6%	13.1%
	2010 Homes Built 1980 to 1989	9.7%	11.0%	11.3%	10.5%
	2010 Homes Built 1970 to 1979	18.7%	18.9%	17.7%	16.8%
	2010 Homes Built 1960 to 1969	17.9%	14.3%	15.0%	14.6%
	2010 Homes Built 1950 to 1959	12.6%	12.4%	12.9%	14.9%
	2010 Homes Built Before 1949	22.6%	20.0%	17.3%	19.1%
HOME VALUES	2010 Home Value \$1,000,000 or More	0.2%	0.4%	0.6%	0.5%
	2010 Home Value \$500,000 to \$999,999	3.1%	1.1%	0.8%	1.1%
	2010 Home Value \$400,000 to \$499,999	1.0%	1.3%	1.9%	1.7%
	2010 Home Value \$300,000 to \$399,999	4.6%	5.0%	4.9%	4.5%
	2010 Home Value \$200,000 to \$299,999	9.2%	21.4%	20.1%	18.9%
	2010 Home Value \$150,000 to \$199,999	24.2%	23.6%	24.2%	23.9%
	2010 Home Value \$100,000 to \$149,999	37.8%	29.7%	28.0%	29.6%
	2010 Home Value \$50,000 to \$99,999	14.3%	12.9%	12.8%	14.0%
	2010 Home Value \$25,000 to \$49,999	0.6%	1.1%	1.8%	2.0%
	2010 Home Value Under \$25,000	5.0%	3.5%	4.8%	3.9%
	2010 Median Home Value	\$136,081	\$158,983	\$158,045	\$156,454
	2010 Median Rent	\$619	\$609	\$620	\$619

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623 East Main Street - Kent, Ohio		1 Mile Radius	3 Mile Radius	5 Mile Radius	7 Mile Radius
LABOR FORCE	2013 Est. Labor: Population Age 16 Years or Over	8,856	29,977	67,286	130,483
	2013 Est. Civilian Employed	61.4%	64.1%	64.2%	63.4%
	2013 Est. Civilian Unemployed	6.1%	5.2%	4.6%	4.4%
	2013 Est. in Armed Forces	—	0.1%	0.1%	0.1%
	2013 Est. not in Labor Force	32.4%	30.7%	31.1%	32.1%
	2013 Labor Force: Males	48.8%	48.1%	48.2%	48.1%
	2013 Labor Force: Females	51.2%	51.9%	51.8%	51.9%
OCCUPATION	2010 Occupation: Population Age 16 Years or Over	7,384	20,201	43,336	80,258
	2010 Mgmt, Business, & Financial Operations	7.2%	11.4%	13.0%	14.2%
	2010 Professional, Related	22.1%	24.6%	23.5%	22.2%
	2010 Service	31.6%	24.0%	19.6%	18.2%
	2010 Sales, Office	27.0%	24.9%	25.6%	25.9%
	2010 Farming, Fishing, Forestry	—	—	—	0.1%
	2010 Construction, Extraction, & Maintenance	4.3%	5.5%	6.4%	6.6%
	2010 Production, Transport, & Material Moving	7.9%	9.6%	11.8%	13.0%
	2010 White Collar Workers	56.2%	60.9%	62.2%	62.2%
	2010 Blue Collar Workers	43.8%	39.1%	37.8%	37.8%
TRAVEL TIME	2010 Travel to Work in 14 Minutes or Less	45.4%	36.2%	32.2%	31.6%
	2010 Travel to Work in 15 to 29 Minutes	31.6%	36.8%	37.3%	37.8%
	2010 Travel to Work in 30 to 59 Minutes	19.8%	23.2%	26.4%	26.0%
	2010 Travel to Work in 60 Minutes or More	3.2%	3.7%	4.1%	4.6%
	2010 Average Travel Time to Work	16.0	18.5	19.9	20.2
CONSUMER EXPENDITURE	2013 Est. Total Household Expenditure	\$185 M	\$738 M	\$1.76 B	\$3.47 B
	2013 Est. Apparel	\$8.91 M	\$35.5 M	\$84.7 M	\$166 M
	2013 Est. Contributions, Gifts	\$11.0 M	\$46.4 M	\$113 M	\$223 M
	2013 Est. Education & Reading	\$5.07 M	\$20.6 M	\$48.8 M	\$95.3 M
	2013 Est. Entertainment	\$10.1 M	\$40.7 M	\$98.3 M	\$193 M
	2013 Est. Food, Beverages, Tobacco	\$30.8 M	\$120 M	\$282 M	\$554 M
	2013 Est. Furnishings, Equipment	\$7.58 M	\$31.5 M	\$77.1 M	\$152 M
	2013 Est. Health Care, Insurance	\$13.9 M	\$53.7 M	\$126 M	\$248 M
	2013 Est. Household Operations, Shelter, Utilities	\$55.3 M	\$221 M	\$527 M	\$1.04 B
	2013 Est. Miscellaneous Expenses	\$3.20 M	\$12.5 M	\$29.5 M	\$58.0 M
	2013 Est. Personal Care	\$2.73 M	\$10.8 M	\$25.6 M	\$50.2 M
	2013 Est. Transportation	\$36.4 M	\$146 M	\$352 M	\$692 M

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