

NNN Jimmy John's & Panini's Bar and Grill

Cleveland Heights, Ohio



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Cleveland Heights, Ohio

The Property - Investment Summary

Property	Mult-Tenant Restaurant
Tenants	Jimmy Johns Panini's Bar & Grill
Lease Type	NNN
Percent Leased	100%
Address	1825 Coventry Road Cleveland Heights, Ohio
Major Market	Cleveland-Elyria MSA
Market Population	2,058,844
Size	8,400 Square Feet (Includes Outdoor Patio)
Building Type	Brick
Acreage	0.345 Acres
Parcels	2
Average Rent	\$15.87
Investment Type	Stabilized
Net Operating Income	\$133,700
CAP Rate	7.75%
Price	\$1,725,153



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The Property - Property Description

Investment Highlights

- Rental Increases Provide a Hedge Against Inflation
- Hands-Off Asset - NNN Leases
- Irreplaceable Restaurant/Retail Location - Trendy Coventry Village
- Long-Term Occupancy History - Over 20 Years Combined History at this Location in the Heart of Coventry
- Part of the Cleveland-Elyria MSA - 2,058,844 People
- Conveniently Located on Coventry Road within the Shopping, Arts & Entertainment District

Property Description

For sale to qualified investors is the 100% fee-simple interest in the NNN-leased Jimmy John's and Panini's Bar and Grill in Cleveland Heights, Ohio. Located in the heart of Cleveland's Coventry Road shopping district, this investment offers the purchaser the opportunity to own high profile/high traffic real estate leased to two successful restaurants with abundant parking and outdoor patio space, at under market rental rates. There are approximately 161,926 people within a three mile radius, with average incomes of \$58,459. The property is situated on Coventry Road between Euclid Heights Boulevard and Mayfield Road, adjacent to the public parking deck serving the shopping area. Known to Clevelanders simply as "Coventry," this area is one of the most well known outdoor shopping venues in all of Cleveland. With its unique mix of progressive restaurants, fashion, and entertainment, the area sees customers from throughout Northeast Ohio and beyond. A few of the nearby retailers include Marc's Grocery Store, Key Bank, Tommy's, bd's Mongolian Grill, Phoenix Coffee Company, Huntington Bank, Dave's Cosmic Subs, Seafood Shake, Pho and Rice, High Thai'd Café, Record Revolution, Hunan Coventry, Tree Country Bistro and many more.

Cleveland Heights, Ohio

Cleveland Heights is a city in Cuyahoga County, Ohio and part of the eastern suburbs of Cleveland. As of 2016, Cuyahoga County had an estimated population of over 1,249,352, making it the most populous county in the state. Cleveland Heights was ranked the 8th largest city by population in the Greater Cleveland metropolitan area and ranked 20th in Ohio. Situated between Mayfield Road and Euclid Heights Boulevard is a commercial district known as Coventry Village. Coventry is associated with Northeast Ohio's artistic, musical, hippie and trendy communities that is the center of Cleveland's creative class. Similar comparisons have been made to Haight-Ashbury district in San Francisco, California and Greenwich Village in New York City. Coventry is only minutes on Mayfield Road from University Circle, which is home to Case Western Reserve University, the hub of nationally acclaimed public art venues and museums, and epicenter of healthcare with the Cleveland Clinic and University Hospitals main campuses.



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The Property - Property Photos



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Performance & Tenancy - Pricing Analysis

2018 Actual

INCOME

Occupancy: 100%

Base Rental Income

Tenant	Size (SF)	Annual Rent	PSF
Panini's	6,700	\$108,000.00	\$16.12
Jimmy John's	1,700	\$26,539.32	\$15.61
Total	8,400.00	\$134,539.32	

Reimbursed Expenses

Property Taxes	\$34,815.26
Insurance	\$4,702.00
Total	\$39,517.26

Gross Rent	\$134,539.32
Gross Income	\$174,056.58

OPERATING EXPENSES

Property Taxes	\$34,815.26
Insurance (\$0.30 psf)	\$4,702.00
Reserves (\$0.10 psf)	\$840.00
Total	\$40,357.26

Total Operating Expenses	\$40,357.26
Net Operating Income	\$133,699.32
Value at 7.75% Cap Rate	\$1,725,152.52

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Performance & Tenancy - Rent Roll

Tenant Name	Square Feet	Lease Term		Rental Rates			Recovery Type	Comments/Options			
		Begin	End	Begin	Annually	Monthly					
Jimmy John's	1,700	3-15-2016	3-31-2026	Current	\$26,539.32	\$2,211.61	NNN	Jimmy John's has been a tenant since 2006 - store sold to current operator in 2016. Tenant reimburses Landlord for property taxes and insurance. Tenant directly pays for CAM and HVAC. Options: Two (2) — Five (5) year options. Tenant to give Landlord no less than 180 days prior written notice of its intent to renew.			
				4-1-2021	\$30,000.00	\$2,500.00					
				<u>Options</u>							
				4-1-2026	\$33,000.00	\$2,750.00					
			4-1-2031	\$36,000.00	\$3,000.00						
Panini's Bar and Grill	6,700	2-21-2014	2-28-2024	Current	\$108,000.00	\$9,000.00	NNN	Tenant reimburses Landlord for property taxes and insurance. Tenant directly pays for CAM, HVAC, structural repairs and maintenance. Options: Two (2) — Five (5) year options. Tenant to give Landlord no less than 7 months prior written notice of its intent to renew. Option rent shall be negotiated in good faith by Landlord and Tenant and determined not less than 6 months prior to the expiration date of the current term.			
				3-1-2019	\$118,800.00	\$9,900.00					





Jimmy John's is a franchised sandwich restaurant chain founded by Jimmy John Liautaud in 1983 and headquartered in Champaign, Illinois. Over the last 30 years the company has grown to more than 2,500 locations operating in over 40 states. In the past 3 years, Jimmy Johns has opened approximately 200 locations per year and as of 2014, 98% of the locations are franchised-owned. Jimmy John's was named #1 on the Entrepreneur 2016 Franchise 500 and has made countless other top list. What makes Jimmy John's different from the competition is that their sandwiches are fresh, fast, and reasonably priced. Jimmy John's definition of fresh is worlds apart from everyone else's. Bread is baked in-house everyday and served fresh. Meat and Veggies are sliced fresh in-house everyday. The turkey is real turkey, the roast beef is real roast beef—no additives and no vegetable based fillers. Nothing is delivered pre-sliced.



Panini's Bar and Grill opened its first restaurant in the Cleveland area in May of 1986, over thirty years ago. Since then, Panini's has grown from a single location, late-night beer and sandwich stop to a full-menu, casual dining restaurant with locations throughout Northeast Ohio. There are currently 14 Panini's locations with more in the pipeline as the company continues to expand and reach new markets. With a relaxed atmosphere and a reputation for excellent food at a remarkable value, Panini's has cultivated a local and national following. Known for their Famous Overstuffed Sandwich and Pizza, customers and their families have continued to praise the restaurant. Additionally, Panini's offers appetizers, salads, wraps, sandwiches, entrees, desserts, kid meals and other specialty food items.

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Market Overview - Regional Snapshot

Cleveland Regional Highlights

- The Cleveland Clinic consistently ranks in the Top 5 for Best Hospitals in the U.S., with 5.1 million patient visits per year.
- In the 2015 Fortune 500 ranking of the largest U.S. corporations, 7 companies are based in Northeast Ohio.
- According to the 2015 Census Estimate, the Cleveland-Akron-Canton CSA has a population of 3,515,646 people. The area is also home to NBA, NFL, and MLB professional franchises.
- The RNC (Republican National Convention) was held in Cleveland at the end of July 2016, and was estimated to have generated over \$200 Million in direct spending.



- Case Western Reserve University & Cleveland State University reside in the heart of downtown Cleveland. Combined enrollment is over 28,000 students.
- During 2016, developers rolled out over 1,500 apartment suites in Cleveland's central business district. In 2015 the average was 750 apartments units, resulting in a 100% increase from the previous year. 1,000 new units are planned for 2017.

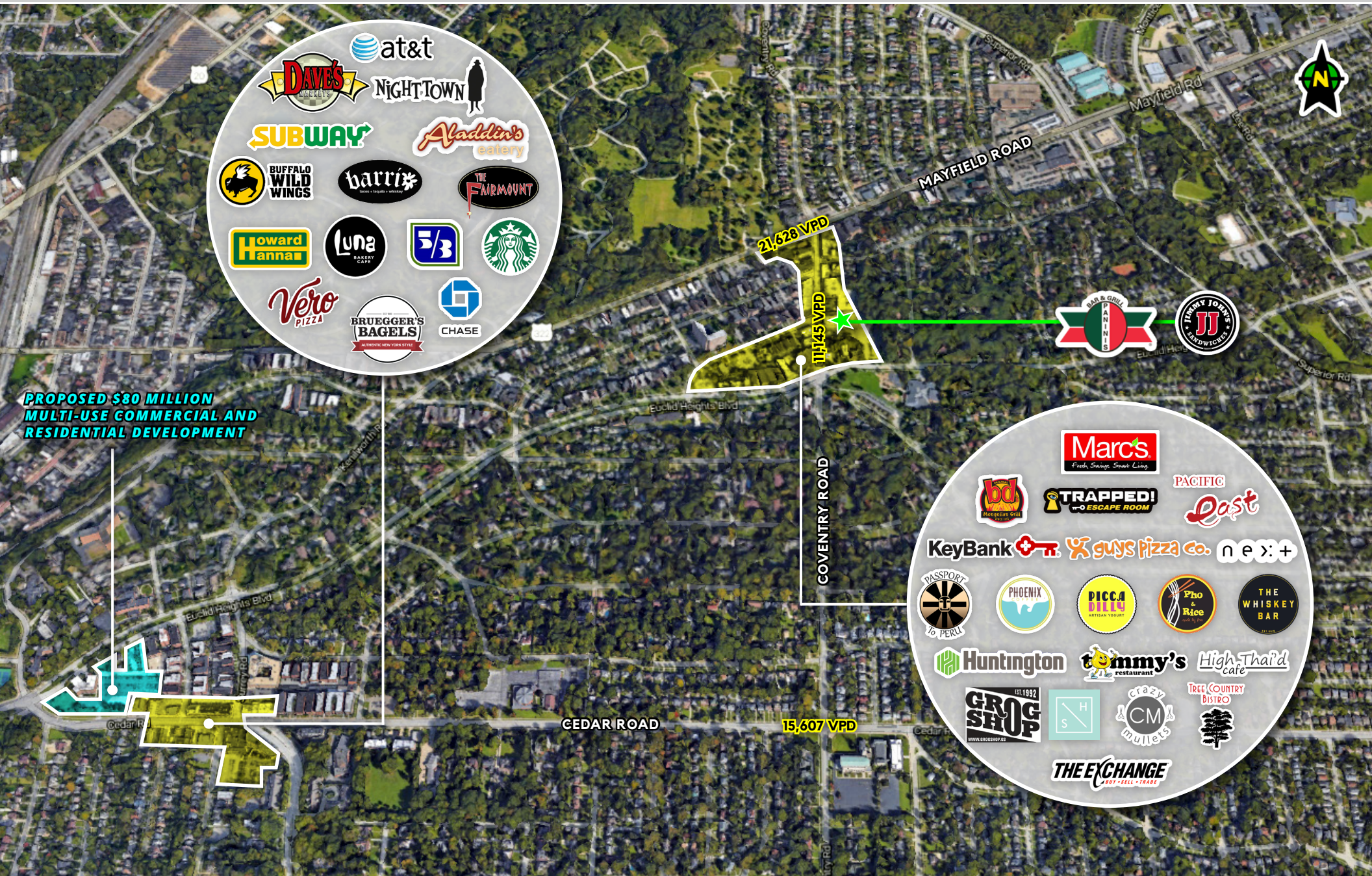
Top Employers

Company	# Of Employees
• Cleveland Clinic	32,251
• University Hospitals	14,518
• Progressive Insurance	8,379
• The MetroHealth System	5,823
• Key Corp	4,812
• Case Western Reserve University	4,512
• Swagelok Co	4,186
• Sherwin-Williams Co	3,430
• Lincoln Electric Co	2,800
• Nestle USA	2,298



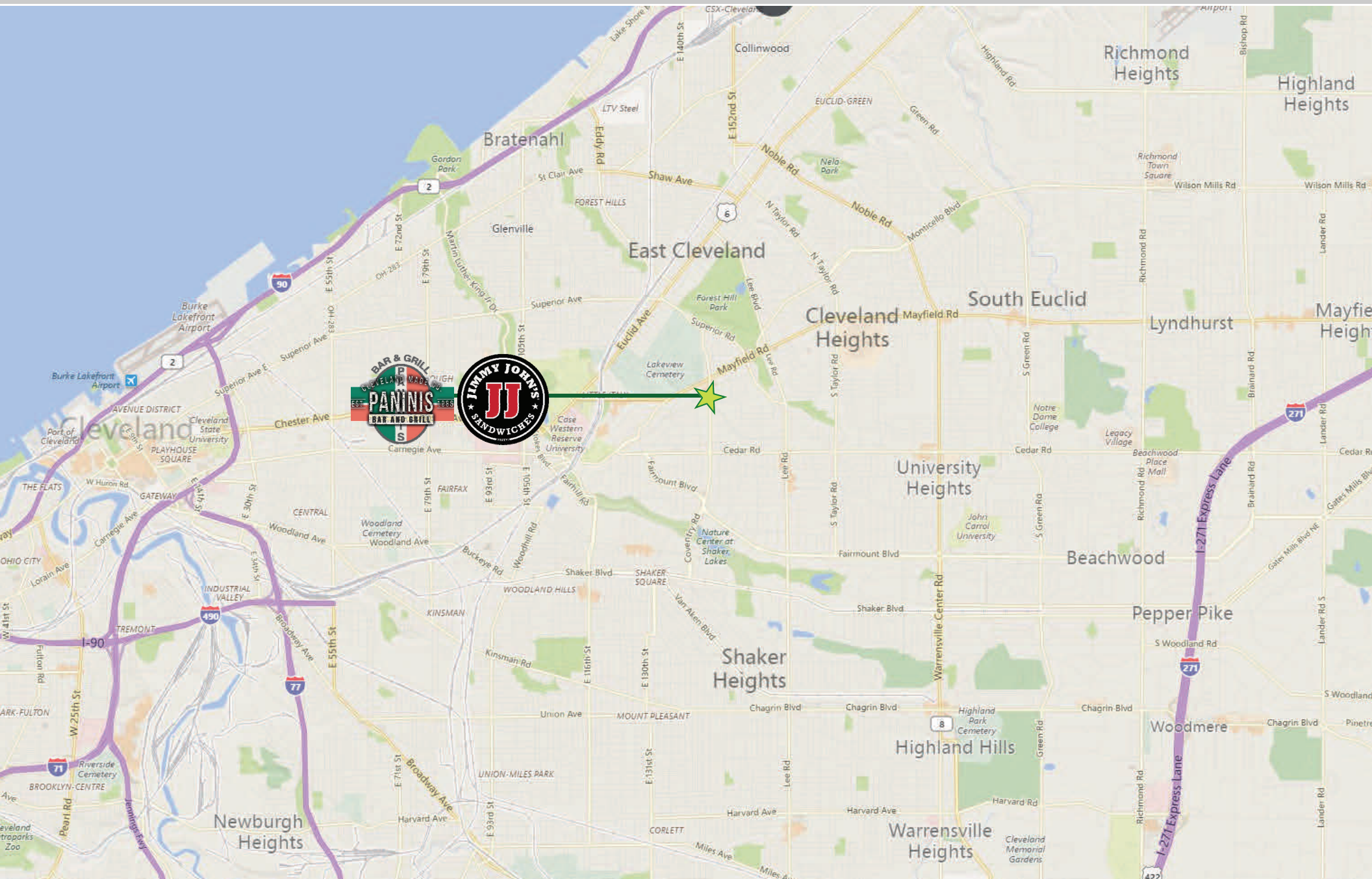
NNN Jimmy John's & Panini's Bar and Grill Cleveland Heights, Ohio

Market Overview - Retail Aerial



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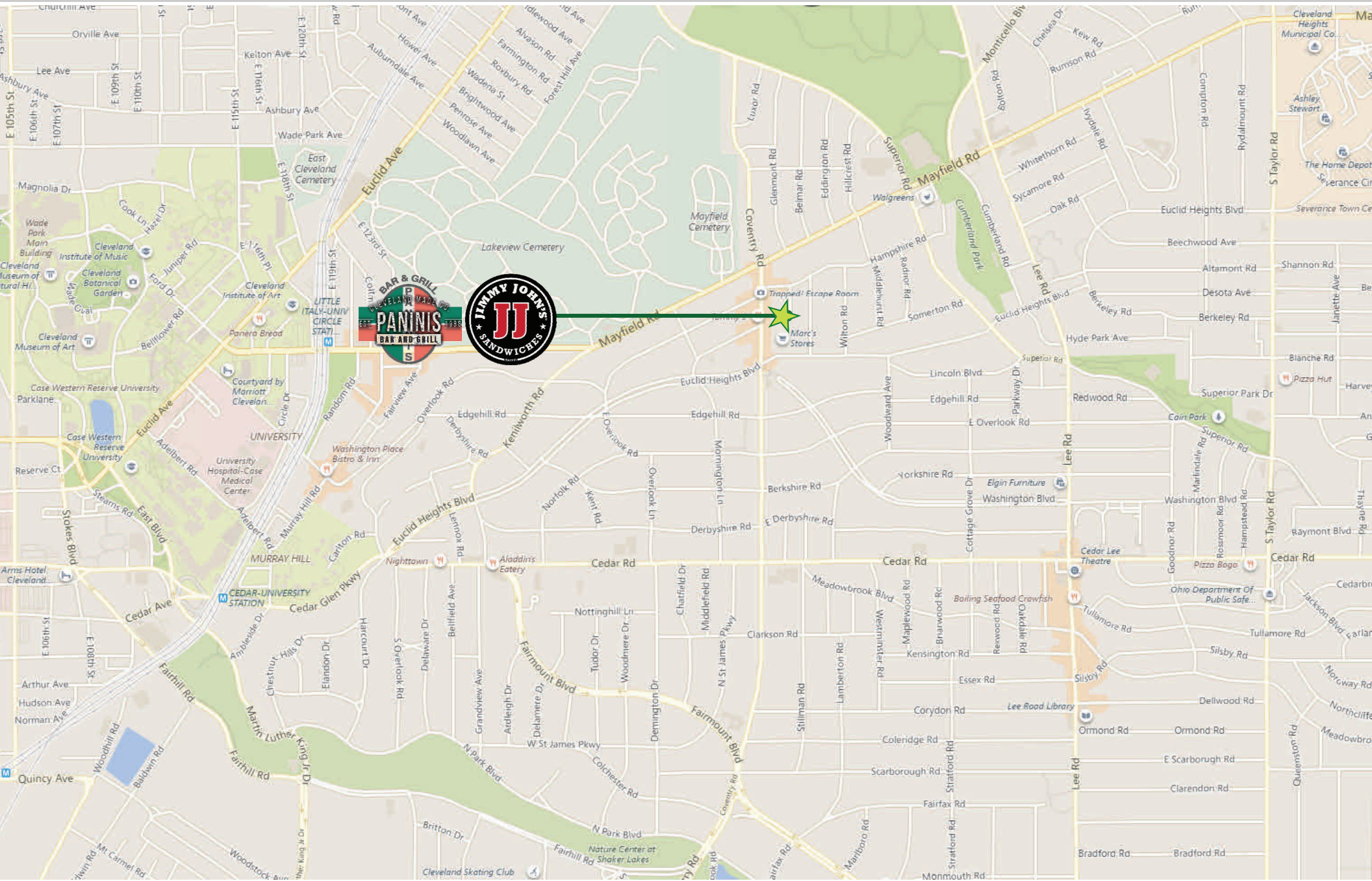
Market Overview - Regional Map



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Market Overview - Local Map



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Market Overview - Demographics

	1 mi	3 mi	5 mi	7 mi
Population				
2017 Estimated Population	18,483	161,950	333,359	484,977
2022 Projected Population	18,204	157,032	323,395	471,929
2010 Census Population	18,827	171,241	351,991	504,908
2000 Census Population	21,243	216,562	432,796	596,276
Households				
2017 Estimated Households	3,522	29,230	61,532	117,646
2022 Projected Households	3,501	29,273	61,696	118,047
2010 Census Households	3,335	28,770	60,437	115,442
2000 Census Households	3,488	28,627	58,579	113,467
Projected Annual Growth 2016-2021	-0.57%	0.15%	0.27%	0.34%
Historical Annual Growth 2000-2016	0.95%	2.11%	5.04%	3.68%
Age (2017)				
Est. Population Under 10 Years	14.1%	12.2%	12.1%	12.0%
Est. Population 10-19	11.9%	13.5%	13.7%	13.3%
Est. Population 20-30	16.2%	15.3%	14.6%	14.2%
Est. Population 30-44	25.7%	18.1%	17.1%	17.6%
Est. Population 45-59	14.1%	17.9%	18.3%	18.9%
Est. Population 60-74	13.1%	16.3%	16.7%	16.6%
Est. Population 75 Years or Over	5.0%	6.7%	7.4%	7.3%
Income (2017)				
Est. HH Inc \$200,000 or more	3.8%	3.1%	3.1%	3.2%
Est. HH Inc \$150,000 to \$199,999	6.6%	3.6%	3.6%	3.5%
Est. HH Inc \$100,000 to \$149,999	9.9%	8.0%	8.0%	8.3%
Est. HH Inc \$75,000 to \$99,999	9.5%	9.1%	8.5%	9.0%
Est. HH Inc \$50,000 to \$74,999	17.9%	14.1%	13.7%	14.5%
Est. HH Inc \$35,000 to \$49,999	12.8%	12.3%	12.7%	13.3%
Est. HH Inc \$25,000 to \$34,999	9.6%	10.7%	10.7%	11.1%
Est. HH Inc \$15,000 to \$24,999	10.2%	13.0%	13.5%	13.1%
Est. HH Inc Under \$15,000	19.8%	26.0%	26.2%	24.1%
Est. Average Household Income	\$ 69,486	\$ 58,320	\$ 57,505	\$ 58,494
Est. Median Household Income	\$ 47,222	\$ 35,302	\$ 34,603	\$ 36,776
Est. Per Capita Income	\$ 33,724	\$ 25,076	\$ 24,386	\$ 25,007

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	1 mi	3 mi	3 mi	7 mi
Education (2017)				
Est Pop Age 25+ by Educ Attain.	12,028	106,591	220,761	325,319
Less than 9th grade	1.8%	3.0%	3.5%	3.5%
Some High School, no diploma	6.3%	11.1%	12.1%	11.4%
High School Graduate (or GED)	15.1%	24.9%	26.2%	27.5%
Some College, no degree	19.2%	22.5%	22.9%	22.8%
Associate Degree	4.9%	7.1%	6.6%	6.7%
Bachelor's Degree	25.3%	15.1%	14.5%	14.8%
Graduate Degree	27.4%	16.4%	14.2%	13.3%
Housing (2017)				
Est. Total Housing Units	10,654	87,576	174,847	250,888
Est. Owner-Occupied	29.4%	38.1%	40.9%	43.2%
Est. Renter-Occupied	54.8%	41.5%	39.9%	39.5%
Est. Vacant Housing Units	15.8%	20.5%	19.1%	17.4%
Homes Built by Year (ACS)				
Homes Built 2005 Or Later	0.0%	0.0%	0.0%	0.0%
Homes Built 2000 To 2004	0.2%	0.4%	0.4%	0.5%
Homes Built 1990 To 1999	1.0%	2.5%	3.2%	3.6%
Homes Built 1980 To 1989	2.1%	2.5%	3.2%	3.3%
Homes Built 1970 To 1979	2.7%	2.4%	2.8%	3.2%
Homes Built 1960 To 1969	4.9%	4.7%	6.0%	6.8%
Homes Built 1950 To 1959	6.0%	7.3%	8.7%	10.4%
Homes Built 1940 To 1949	11.5%	14.0%	16.9%	19.2%
Homes Built 1939 Or Earlier	10.8%	13.6%	12.9%	12.2%
Housing (2017)				
Home Value \$1,000,000 or more	0%	1%	1%	1%
Home Value \$500,000 to \$999,999	7%	4%	3%	3%
Home Value \$400,000 to \$499,999	6%	2%	2%	3%
Home Value \$300,000 to \$399,999	10%	4%	5%	5%
Home Value \$200,000 to \$299,999	24%	12%	12%	12%
Home Value \$150,000 to \$199,999	21%	15%	14%	14%
Home Value \$100,000 to \$149,999	18%	25%	23%	24%
Home Value \$70,000 to \$99,999	8%	17%	17%	18%
Home Value \$50,000 to \$69,999	2%	9%	9%	9%
Home Value \$25,000 to \$49,999	3%	8%	9%	8%
Home Value Under \$25,000	1%	3%	4%	4%
Median Housing Unit Value	\$ 193,648	\$ 123,848	\$ 120,858	\$ 120,940

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Market Overview - Demographics

	1 mi	3 mi	5 mi	7 mi
Labor Force (2017)				
Est Pop Age 16+ by Employ. Status	14,777	130,609	268,506	391,840
Labor Force	64.3%	59.2%	58.5%	59.7%
In Armed Forces	0.0%	0.0%	0.0%	0.0%
Civilian, Employed	59.0%	50.9%	50.2%	52.0%
Civilian, Unemployed	5.3%	8.3%	8.3%	7.7%
Not in Labor Force	35.7%	40.8%	41.5%	40.3%
Occupation (2017)				
Agr, forest, fish & hunt., min and const.	2.9%	2.8%	3.0%	3.2%
Manufacturing	6.9%	8.3%	9.2%	10.4%
Wholesale & retail trade	8.8%	8.8%	10.5%	11.3%
Transp. and warehousing, and utilities	0.7%	3.6%	3.8%	4.0%
Information	1.7%	1.9%	1.8%	1.7%
Fin, ins., real estate, rental & leasing	6.9%	7.1%	7.0%	7.3%
Prof, sci, manag, admin, & waste ms	13.0%	10.3%	10.1%	10.5%
Educational, health and social services	43.9%	39.2%	36.1%	33.4%
Arts, enter., rec., accom. & food services	10.3%	9.7%	9.7%	9.7%
Other services (except pub admin.)	2.9%	4.7%	4.6%	4.5%
Public Administration	2.1%	3.9%	4.3%	4.1%
Travel Time (ACS)				
14 Minutes or Less	30.4%	23.5%	22.9%	23.4%
15 to 29 Minutes	41.0%	43.4%	43.2%	43.6%
30 to 59 Minutes	23.9%	27.8%	28.2%	27.7%
60 Or More Minutes	4.7%	5.3%	5.7%	5.3%
Weekly Per Capita Consumer Expenditures				
Market Basket	\$ 53.92	\$ 53.54	\$ 53.36	\$ 53.22
Apparel and services	\$ 12.73	\$ 12.00	\$ 11.85	\$ 11.89
Transportation	\$ 72.15	\$ 67.91	\$ 67.16	\$ 67.62
Health Care	\$ 31.38	\$ 30.85	\$ 30.70	\$ 30.86
Entertainment	\$ 19.89	\$ 19.12	\$ 18.97	\$ 19.01