

# NNN La-Z-Boy - Corporate Guaranty

Cuyahoga Falls, Ohio



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Offering Memorandum

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## Cuyahoga Falls, Ohio

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# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

### The Property - Investment Summary

Property	La-Z-Boy Single Tenant Net Lease
Guarantor	La-Z-Boy Incorporated, a Michigan Corporation
Ticker	NYSE: LZB
Address	172 Howe Avenue Cuyahoga Falls, Ohio 44221
Major Market	Akron MSA
Market Population	703,200
Building Size	17,908 Square Feet
Acreage	1.25 Acres
Year Built	2006
Location Type	Freestanding - Highway Visible
Rent Commencement	October 11, 2015
Lease Expiration	November 31, 2025
Rental Increases	Yes - CPI Beginning of Each Option
Price PSF	\$127
Net Operating Income	\$181,767
CAP Rate	8%
Price	\$2,272,000

### **Comparable La-Z-Boy Rent Per-Square-Foot**

Jacksonville, Florida	\$26.33
<b>Cuyahoga Falls, Ohio</b>	<b>\$10.25</b>
San Antonio, Texas	\$21.41
Rockford, Illinois	\$23.47
O'Fallon, Missouri	\$17.13
Average	\$19.72



# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

### The Property - Property Description

#### Investment Highlights

- Strong Corporate Guaranty from La-Z-Boy Incorporated - Publicly Traded Under Ticker LZB on the New York Stock Exchange
- Replaceable Rent - Rent Per Square Foot (\$10.25) is Roughly ONE-HALF of Comparable La-Z-Boys Being Marketed for Sale
- Ideal 1031 Candidate with Hands-Off Corporate Lease
- Dominant Real Estate - La-Z-Boy is Positioned on the Highway Exit Entering Regional Retail Market
- Part of the Akron MSA - 703,200 Population
- La-Z-Boy Incorporated Acquired this Store from a Franchisee in 2015, Showing the Strength of the Store and Overall Market

#### Property Description

For sale to qualified investors is the fee-simple interest in a freestanding and highway-prominent La-Z-Boy retail store located on Howe Avenue in Cuyahoga Falls, Ohio. Because of the superior position of the real estate and regionality of the market, La-Z-Boy Incorporated acquired this location from the franchisee in 2015 and proceeded to execute a 10 year lease. The lease is corporately guaranteed by La-Z-Boy (NYSE: LZB) and has over 5 years of base term remaining. La-Z-Boy performs all daily property maintenance and repairs as well as reimbursement of property taxes and insurance. Additionally, the tenant also performs semi-annual roof maintenance and repairs, effectively making this a corporate hands-off investment for the owner. The property is prominently positioned at the exit of State Route 8 (divided highway) and Howe Road, and is one of the first properties seen upon entering this retail market. There are over 130,000 vehicles per day surrounding this site. Surrounding the property are Target, Home Depot, Best Buy, Giant Eagle, Dick's Sporting Goods, TJ Maxx, Regal Cinemas, Burlington Coat Factory, Sam's Club, and many others. Not only is this a major trade area serving all northern Akron suburbs and southeast Cleveland suburbs, but the property is located on the most desirable one-block stretch of this thriving market. The overall occupancy rate of the three major shopping centers surrounding the property is approximately 97% and represents roughly 877,040 square feet of nationally-tenanted retail space.

#### Cuyahoga Falls, Ohio

Cuyahoga Falls is a northeast suburb of Akron, Ohio, and features the major retail marketplace serving Akron's northern suburbs. Located in Summit County, Cuyahoga Falls is second in the county only to Akron in terms of overall population. Within five miles of the shopping center, there are over 200,000 residents, with Cuyahoga Falls proper housing roughly 49,000 of those. The Akron MSA has a population of 703,200. The area became a manufacturing center due to its location on numerous waterways and other railroad lines. Over the past few years, Akron's economy has diversified into many different sectors that include healthcare, education, manufacturing and biomedical. Major businesses located downtown include Goodyear Tire, Gojo Industries, FirstEnergy, Huntington Bank, Jo Ann Stores, Diebold and Bridgestone Corporation, to name a few. Large employers in the surrounding area include Summa Health System (11,000 employees), Huntington Bank (4,894 employees), Akron General Hospital (3,843 employees), Goodyear (3,000 employees), The University of Akron (2,622 employees), First Energy (2,500 employees) and Sterling Jewelers (2,300 employees).





# NNN La-Z-Boy - Corporate Guaranty

Cuyahoga Falls, Ohio

The Property - Property Photos



# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

Performance & Tenancy - Pricing Analysis

2020 Actual

Occupancy: 100%

### INCOME

#### Base Rental Income

	Tenant	Building	Annual Rent	PSF	Monthly Rent
	La-Z-Boy	17,908 SF	\$183,557.00	\$10.25	\$15,296.42
	Total		\$183,557.00		

#### Reimbursed Expenses

	Property Taxes	\$56,390.00
	Insurance	\$5,589.00
	Common Area Maintenance	Tenant Pays Directly
	Total	\$61,979.00

**Gross Income \$245,536.00**

### OPERATING EXPENSES

	Property Taxes	\$56,390.00
	Insurance	\$5,589.00
	Common Area Maintenance	Tenant Responsibility
	Reserves (\$0.10 PSF)	\$1,790.00
	Total	\$63,769.00

**Total Operating Expenses \$63,769.00**

**Net Operating Income \$181,767.00**

**Value at 8% Cap Rate \$2,272,000.00**

# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

### Performance & Tenancy - Rent Roll

Tenant Name	Square Feet	Lease Term		Rental Rates			Recovery Type	Comments/Options
		Begin	End	Begin	Annually	Monthly		
LZB Furniture Galleries of Boston, Inc.	17,908	10-11-2015	10-31-2025*	Current	\$183,557	\$15,296.42	NN+	<p>Tenant performs all daily CAM and repairs and reimburses landlord monthly for real estate taxes and insurance with no caps. Tenant is required to maintain and repair the roof and HVAC equipment with a service contract per the manufacturer's requirements not less than semi-annually. Landlord is required to carry building and casualty insurance on the property with reimbursement by tenant. Landlord responsible for <u>replacement only</u> of the roof, structural components, HVAC and parking lot.</p> <p><b>Options:</b> Four (4) — Five (5) year options. Tenant to give Landlord 180 day prior notice of its intent to renew. Rent at the beginning of each option period to increase per the increase in CPI over the previous term with no caps.</p> <p>*COVID19 Lease Amendment - Tenant shall have abated rent for so long as the governmental authority requires the store to be closed. Thereafter rent shall resume per the lease and additional term shall be added to the term of the lease equivalent to the time the store was required to remain closed. For example, if the store is required to remain closed for a period of two months, then two months shall be added to the current guaranteed lease term.</p>
Guaranteed by La-Z-Boy Incorporated				<u>Options</u>				
				11-1-2025	CPI			
				11-1-2030	CPI			
				11-1-2035	CPI			
				11-1-2040	CPI			





La-Z-Boy Incorporated (NYSE: LZB) is an American furniture company based in Monroe, Michigan, that manufactures, markets, imports, exports, distributes and retails upholstery furniture products. The company also imports, distributes and retails accessories and casegoods (wood) furniture products. As of 2018 the company employed 8,900 workers. The company's business segments include upholstery, casegoods, and the retail segment. La-Z-Boy is the producer of reclining chairs and manufacturer/distributor of residential furniture in the United States. The company sells its products, primarily in the United States and Canada, as well as internationally, to furniture retailers and directly to consumers through stores that it owns and operates. La-Z-Boy has a network of approximately 340 La-Z-Boy Furniture Galleries stores and over 560 Comfort Studio locations. The Company owns approximately 120 of the La-Z-Boy Furniture Galleries stores, which includes the store in Cuyahoga Falls, Ohio. Their other brands include England, Kincaid, American Drew and Hammary.

La-Z-Boy Incorporated	NYSE: LZB
Founded	1927
Locations	900
States	50
Number Of Employees	+ 8,950



### Akron/Cuyahoga Falls Area Highlights

- 50% of America's population lives within 500 miles of Akron, and there are 10,000,000 people living within 150 miles.
- Akron is the fifth-largest city in the State of Ohio and is the county seat of Summit County, with an MSA population of 703,200.
- The Polymer Science Institute at UA has made Akron an international leader in the polymer field - more than 35,000 people in Akron are employed in over 400 polymer-related companies.
- Akron holds the largest small-business incubator in the state and one of the largest in the world, the Akron Global Business Accelerator.



- The University of Akron has approximately 25,000 students representing 44 U.S. states and 88 foreign countries.
- The University of Akron is a vibrant community within metropolitan Akron, with more than 80 buildings on 218 acres. Since 2000, the university has added 22 buildings, completed 18 major additions, acquisitions and renovations, and created 34 acres of green space.
- With 300 associate, bachelor's, master's, doctorate and law degree programs, UA offers career-focused and experiential learning that defines the polytechnic approach to education.

### Top Employers

Company	# Of Employees
Summa Health System	11,000
FirstMerit Bank	4,894
Akron General Hospital	3,843
Akron Children's Hospital	3,220
Goodyear	3,000
University of Akron	2,622
FirstEnergy	2,500
Sterling Jewelers	2,300





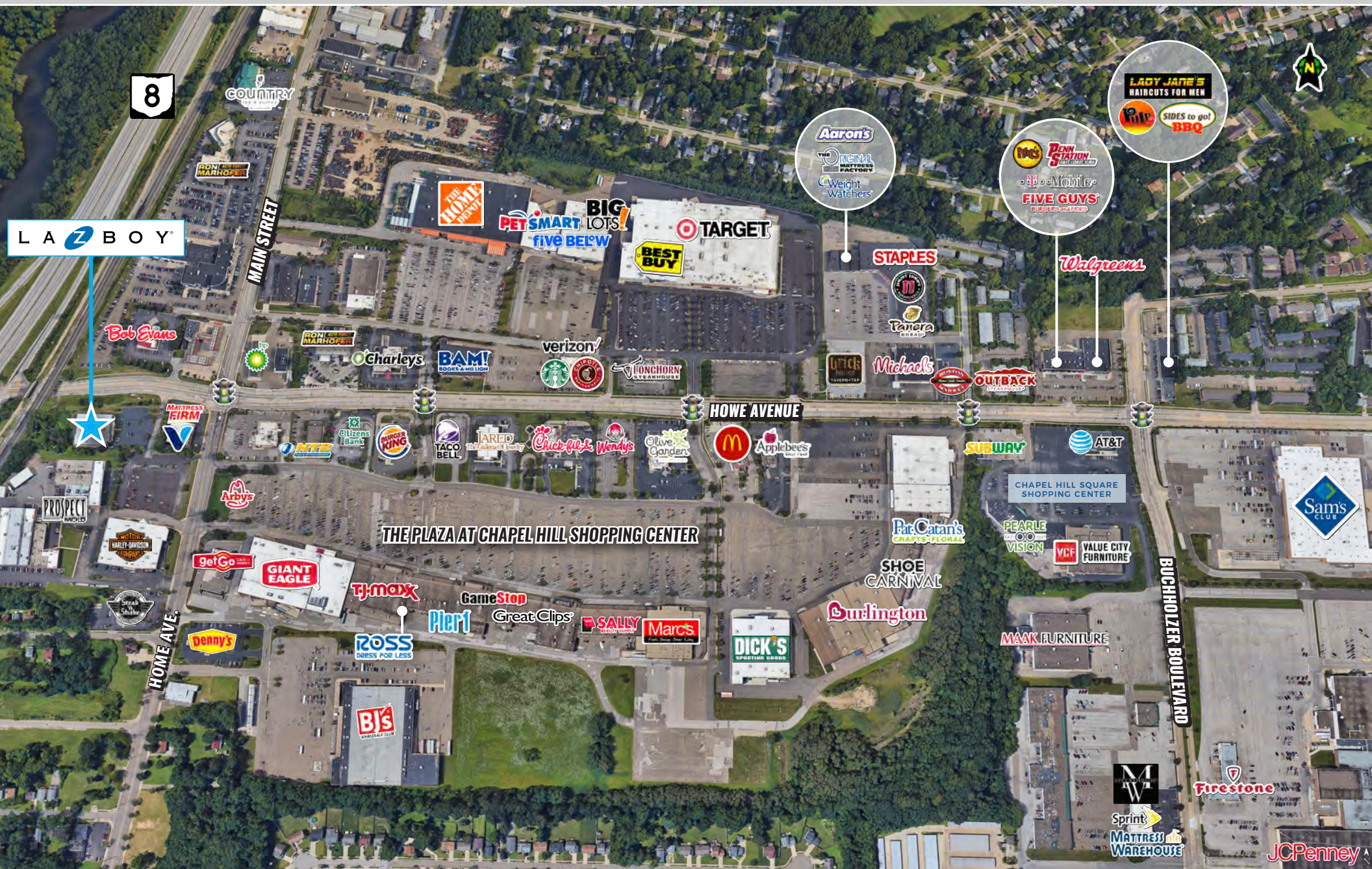




# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

Market Overview - Market Aerial





# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

### Market Overview - Regional Map





# NNN La-Z-Boy - Corporate Guaranty

## Cuyahoga Falls, Ohio

### Market Overview - Local Map



	1 mi	3 mi	5 mi	7 mi
<b>Population</b>				
2020 Estimated Population	12,661	89,458	218,737	336,733
2025 Projected Population	12,509	88,460	216,242	332,934
2010 Census Population	12,586	89,149	219,176	336,877
2000 Census Population	13,194	94,276	231,131	350,911
<b>Households</b>				
2020 Estimated Households	5,889	39,326	92,986	142,161
2025 Projected Households	5,813	38,892	91,904	140,558
2010 Census Households	5,848	39,069	93,060	142,144
2000 Census Households	6,035	40,185	95,738	144,451
<b>Age (2020)</b>				
Est. Population Under 10 Years	13.6%	12.9%	12.3%	12.3%
Est. Population 10-19	11.8%	12.2%	12.7%	12.7%
Est. Population 20-30	10.1%	11.8%	13.6%	13.3%
Est. Population 30-44	21.8%	20.4%	19.7%	19.3%
Est. Population 45-59	19.3%	18.6%	18.3%	18.6%
Est. Population 60-74	17.4%	17.5%	17.0%	17.3%
Est. Population 75 Years or Over	6.0%	6.5%	6.4%	6.5%
<b>Income (2020)</b>				
Est. HH Inc \$200,000 or more	0.3%	1.3%	1.7%	2.1%
Est. HH Inc \$150,000 to \$199,999	1.3%	2.7%	3.5%	3.9%
Est. HH Inc \$100,000 to \$149,999	7.5%	9.9%	10.1%	10.3%
Est. HH Inc \$75,000 to \$99,999	11.8%	12.7%	11.9%	11.8%
Est. HH Inc \$50,000 to \$74,999	18.6%	19.9%	18.8%	18.5%
Est. HH Inc \$35,000 to \$49,999	15.8%	14.9%	14.5%	14.7%
Est. HH Inc \$25,000 to \$34,999	16.4%	12.7%	11.6%	11.3%
Est. HH Inc \$15,000 to \$24,999	13.0%	11.4%	12.0%	12.3%
Est. HH Inc Under \$15,000	15.4%	14.4%	15.8%	15.2%
Est. Average Household Income	\$ 49,543	\$ 58,573	\$ 59,921	\$ 61,766
Est. Median Household Income	\$ 40,518	\$ 46,254	\$ 45,800	\$ 46,281
Est. Per Capita Income	\$ 23,046	\$ 25,749	\$ 25,473	\$ 26,076