

AVENUE SHOPPES RETAIL | INCLUDES RARE 16% UPSIDE

Mentor, Ohio

OFFERING MEMORANDUM



CONTENTS

THE PROPERTY

- 01 Investment Summary
- 02 Investment Highlights
- 03 Property Description
- 04 Property Photos
- 06 Parcel Map

PERFORMANCE AND TENANCY

- 07 NOI Budget
- 08 Rent Roll
- 09 Tenant Information

MARKET OVERVIEW

- 10 Market Aerials
- 12 Regional Map
- 13 Local Map
- 14 Demographics



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Goodman Real Estate Services Group is the Northern Ohio partner of ChainLinks Retail Advisors, the nation's leading retail-focused real estate services and commercial property brokerage organization.

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INVESTMENT SUMMARY



PROPERTY

THE AVENUE SHOPPES

ADDRESS

7585-7601 Mentor Avenue
Mentor, Ohio 44060

PROPERTY TYPE

Retail Strip Center

INVESTMENT TYPE

Value-Add

TENANTS

Service: Lady Jane's

Fitness: Spotlight Dance

Restaurant: Rascal House, El Rodeo

Hard Goods: Sleep Outfitters

MARKET

Cleveland, Ohio MSA

POPULATION

2,058,844

YEAR RENOVATED

2015 – Complete Façade Upgrade

BUILDING SIZE

27,547 Square Feet

LAND SIZE

1.97 Acres

PERCENT LEASED

83.69%

NET OPERATING INCOME

\$296,087

CAP RATE

Year 1: 7%

Year 2: 7.28%

Year 2 Fully Leased: 10%

PRICE: \$4,230,000

**CLICK FOR
GOOGLE MAP**



INVESTMENT HIGHLIGHTS

RARE 16.31% Vacancy Offered to Buyer as Upside

Substantial Upside

Tenant Categories Include Restaurant, Salon, Fitness and Hard Goods

Ideal Tenant Lineup

Over 45,000 People in 3 Miles with Average HH Income \$88,834

Optimal Demographics

INVESTMENT HIGHLIGHTS

Advantageous Leases

Average Term Remaining is 4.5 Years with Staggered Option Dates

High Traffic

Over 20,000 Daily Vehicles on Mentor Avenue with Multiple Access Points

Regional Retail Area

Surrounded by Dicks, Best Buy, Aldi, TJ Maxx, At Home, DSW, and More

Modern Storefronts

Complete Recent Façade Renovation Provides Tenants with Anchor-Type Storefronts

PROPERTY DESCRIPTION

CLEVELAND, OHIO

Cleveland is a major city in the U.S. state of Ohio and the county seat of Cuyahoga County. Greater Cleveland is ranked as the 32nd largest metropolitan area in the U.S., with 2,055,612 people. The city is located on the southern shore of Lake Erie and was founded in 1796 near the mouth of the Cuyahoga River. It became a manufacturing center due to its location on both the river and lake shore, as well as being connected to numerous canals and railroad lines. As Cleveland continues to evolve and grow, the economy relies on diversified sectors such as manufacturing, financial services, healthcare, entertainment and biotechnology. Over the last 5 years, Cleveland has added over \$5 billion worth of new construction, including 1,500 hotel rooms, converting 1 million square feet of commercial space into 3,300 residential units and added 350,000 square feet of prime office space. The city is home to some of the best hospitals in the U.S., including The Cleveland Clinic, University Hospital and MetroHealth. Additionally, the city is home to Playhouse Square, the second largest performing arts center in the U.S. behind New York City's Lincoln Center.

PROPERTY DESCRIPTION

For sale to qualified investors is a regional strip center opportunity offering an immediate 16.31% upside opportunity through lease-up of vacant space. The Avenue Shoppes is located on heavily trafficked Mentor Avenue (21,408 vehicles per day) and is situated in the center of one of the Cleveland's main regional retail trade areas. The 27,547 square foot strip center features anchor-type facades that provide tenants with major street presence facing Mentor Avenue. The current tenant mix includes restaurant, fitness, hard goods and service, which combined with the regional nature of the property, allows the asset to cater to a geographically diverse clientele. This offering comes with vacant spaces of 2,343 and 2,150 square feet, offering the investor with immediate upside opportunity rarely seen in the market today. The property is being offered at a 7% cap rate on in-place income only, allowing the investor to capture 100% of the upside post-sale. The property is surrounded by national retailers including Dicks Sporting Goods, Best Buy, TJ Maxx, At Home, DSW, Five Below, Aldi, Michael's, Starbucks, Panera, Chipotle, and many, many more

PROPERTY PHOTOS



PROPERTY PHOTOS



PARCEL MAP

PARCEL #'S

16-B-031-B-00-003-0

16-B-031-B-00-019-0

16-B-031-B-00-001-0



VALUATION SUMMARY | 2024 PROFORMA

INCOME

Occupancy: 83.69%

BASE RENTAL INCOME

Tenant	Size (SF)	Annual Rent	PSF
El Rodeo	7,254	\$105,183.00	\$14.50
Sleep Outfitters	4,955	\$86,713.00	\$17.50
Lady Jane's	1,486	\$29,720.00	\$20.00
Vacant	2,343	\$0.00	
Vacant	2,150	\$0.00	
Rascal House	2,320	\$48,720.00	\$21.00
Spotlight Dance	7,039	\$80,949.00	\$11.50
Total	27,547	\$351,285.00	\$16.90

REIMBURSED EXPENSES

2024 Projection

Property Taxes	\$31,610.25
Insurance	\$4,804.50
Common Area Maintenance	\$29,741.57
Utilities	\$12,356.88
Management	\$4,100.77
Administrative	\$3,640.99
Total	\$86,254.95

EFFECTIVE GROSS INCOME \$437,539.95

OPERATING EXPENSES

2024 Projection

CAM - Parking Lot	\$7,932.24
CAM - Landscaping	\$5,013.13
CAM - Snow Removal	\$12,869.16
CAM - Roof	\$6,104.93
CAM - Trash Removal	\$11,124.43
CAM - Security	\$872.10
CAM - Repair and Maintenance	\$7,241.74
CAM - Backflow Testing	\$951.33
CAM - Fire Alarm	\$1,746.86
Electric	\$2,855.02
Water	\$6,179.12
Sewer	\$3,032.73
Insurance	\$8,264.10
Property Tax	\$54,372.00
Management (3% EGI)	\$12,893.95
Total	\$141,452.84

YEAR 1 EFFECTIVE GROSS INCOME \$437,539.95

LESS EXPENSES \$141,452.84

NET OPERATING INCOME \$296,087.12

PRICING AT 7% CAP RATE \$4,229,815.97

RENT ROLL

TENANT NAME	SQUARE FEET	PRO RATA	LEASE TERM		RENTAL RATES		PSF	RECOVERY TYPE	COMMENTS/OPTIONS
			BEGIN	END	BEGIN	ANNUALLY			
El Rodeo	7,254	26.33%	7-1-2023	6-30-2033	Current	\$105,183.00	\$14.50	NNN	Tenant reimburses Landlord for its pro rata share of common area maintenance, taxes, insurance, and 15% of CAM as an admin/management fee. Options: Two 5-year options to extend, to be exercised at least 180 days prior to lease expiration. HVAC Repairs and Replacement: Tenant's primary responsibility
					7-1-2025	\$108,810.00	\$15.00		
					7-1-2028	\$119,691.00	\$16.50		
					Options:				
					7-1-2033	\$131,660.10	\$18.15		
					7-1-2038	\$144,862.38	\$19.97		
Sleep Outfitters	4,955	17.99%	8-1-2022	7-31-2027	Current	\$86,713.00	\$17.50	NNN	Tenant reimburses Landlord for its pro rata share of common area maintenance, taxes, insurance, management, and 5% admin on CAM. Options: Two 5-year options to extend, to be exercised 120 days prior to lease expiration. HVAC Repairs and Replacement: Tenant's responsibility unless unit is deemed by HVAC professional to be beyond its useful life
					Options:				
					8-1-2027	\$95,383.75	\$19.25		
					8-1-2032	\$104,897.35	\$21.17		
Lady Jane's Haircuts	1,486	5.39%	2-11-2016	1-31-2026	Current	\$29,720.00	\$20.00	NNN	Tenant reimburses Landlord for its pro rata share of common area maintenance, taxes, insurance, and management. Options: One 5-year option to extend, to be exercised 180 days prior to lease expiration. HVAC Repairs and Replacement: Tenant responsible for maintenance and repairs, Landlord responsible for replacement
					Options:				
					2-1-2026	\$32,692.00	\$22.00		
					Current	\$48,720.00	\$21.00		
Rascal House	2,320	8.42%	10-19-2021	9-30-2032	4-1-2027	\$53,592.00	\$23.10	NNN	Tenant reimburses Landlord for its pro rata share of common area maintenance, taxes, insurance, management, and 8% admin on CAM. Options: Three 5-year options to extend with annual rental increases as shown, to be exercised at least 180 days prior to lease expiration. HVAC Repairs and Replacement: Tenant's responsibility
					Options:				
					10-1-2032	\$58,951.20	\$25.41		
					10-1-2037	\$64,844.00	\$27.95		
					10-1-2042	\$71,340.00	\$30.75		
Spotlight Dance	7,039	25.55%	8-1-2010	8-31-2030	Current	\$80,949.00	\$11.50	Gross	Tenant reimburses Landlord for its share of utilities. Options: None HVAC Repairs and Replacement: Tenant's responsibility
					9-1-2025	\$89,043.35	\$12.65		
Vacant	2,343	8.51%							
Vacant	2,150	7.80%							

TENANT INFORMATION

EL RODEO MEXICAN RESTAURANT

EL RODEO is a family owned restaurant offering authentic Mexican food including lunch, dinner, carryout, and catering. The company has over 13 individually-owned restaurants throughout Ohio and Pennsylvania, with the Mentor location serving all of Lake County, Ohio. The menu consists of a variety of Mexican favorites offering appetizers, salads, burritos, house specialties, tacos, enchiladas, Tex-Mex combos, fajitas, seafood and more. All menu items are made fresh, to order, with only high-quality ingredients. The restaurants are known for consistency as all plates are made fresh from scratch with original family recipes, never sacrificing the quality in each item. All dishes are offered either for dine-in or carry-out.

SLEEP OUTFITTERS

SLEEP OUTFITTERS opened their first store in 1983 with the goal of bringing quality brands, outstanding values, and great sleep to people in West Virginia. Today, there are approximately 100 Sleep Outfitters throughout Alabama, Indiana, Kentucky, Ohio, Tennessee, Kansas, Missouri, and West Virginia. Until recently, the company also operated stores called Mattress King and Mattress Warehouse that have since become part of the Sleep Outfitters brand. The customer experience begins with a Personal Sleep Profile, a series of questions to determine the individual's sleep habits, needs, and issues, in order to assist in providing restful, restorative sleep. Products sold and tailored to each customer's needs include the mattress, foundation, pillows, protector, and even sheets that fit specific body types and needs. Sleep Outfitters offers America's most iconic bedding brands: Sealy, Stearns & Foster, and Tempur-Pedic.

LADY JANE'S HAIRCUTS FOR MEN

LADY JANE'S HAIRCUTS FOR MEN was founded in 2004 by Chad Johnson in Saint Clair Shores, Michigan. Since 2004, Lady Jane's has grown to more than 100 retail stores in more than 21 states and still expanding. According to Chad Johnson, "Our award-winning stylists are truly talented, but it goes beyond their skill. They are fun, energetic people who work hard to make sure every guy not only gets a great haircut, but also enjoys his experience at Lady Jane's." Every Lady Jane's location features leather recliners in the lobby, HD Plasma TV's throughout the salon, sports memorabilia covering the walls and a truly fun and inviting staff. Services include precision haircuts, shampoo, hot towel, and scalp massages services, in addition to colors and highlights, beard and neck trims, facemasks, facial steam services, and more.

RASCAL HOUSE A Different Kind of Pizza Place.

RASCAL HOUSE is a Cleveland-based restaurant known for its signature pizzas, sandwiches, hamburgers, French fries, salads, and more. The concept has steadily grown since its inception to now include six restaurants throughout Cleveland including downtown and Mentor. In 1980, Mike and Fouly Frangos turned their passion for food and service into a high quality fast food restaurant in their flagship downtown Cleveland location. Mike focused on serving people with a smile and serving them quickly. Fouly focused on making sure the recipes were exceptional and the presentation of the food was extraordinary. With their hard work and attention to detail, it didn't take long for the restaurant to catch on. Rascal House became a "home away from home" for hungry college kids and an office favorite for downtown Cleveland's working crowd. Today, the company is continuing to search for new locations both for corporate stores and franchisees.

SPOTLIGHT DANCE

SPOTLIGHT DANCE is the premier competitive, instructional, and recreational dance academy serving Lake County and Cleveland's eastern suburbs for the past 30 years. Spotlight provides dance instruction and performing arts classes for students ages 3 to adult. They strive to foster a caring, learning atmosphere, and all instructors are well educated in all dance and musical theater techniques. Specific disciplines offered include creative & combo, ballet, hip hop, jazz, acro, tap, musical theater, and break dance. The company prides themselves on taking time to discuss each student's proper class placement, evaluate their progress, and help them to achieve their individual goals. The studio in Mentor, Ohio, has four state-of-the-art classrooms with large viewing windows for parents to observe classes, and serves a vast clientele from all of Eastern Cleveland, Lake County, and beyond.

PROPERTY AERIAL

LOOKING EAST 



RIDGE ELEMENTARY
735 STUDENTS

ROSS DRESS FOR LESS
DOLLAR TREE
Dollar Bank
TJ-maxx
ALDI
Great Clips

21,482 VNU (241)
RUN WALK
DUNKIN' CORE LIFE
LABOY
MATTRESS WAREHOUSE
TACO BELL
premier bank
MATTRESS FIRM
Jersey Mike's SUBS

TOMMY'S OLD FASHION SUBS
Affordable UNIFORMS

T-Mobile
Sport Clips HAIRCUTS
Bank of America

ATLAS FITNESS
HOBBY LOBBY

KIX
DICK'S SPORTING GOODS
JCPenney EXPRESS FACTORY OUTLET

OUTBACK STEAKHOUSE
bakers square
Denny's
Arby's
BEST BUY

LOUISIANA KITCHEN
POPEYES

CARPET ONE FLOOR & HOME

HIBBETT SPORTS
Dillard's
FOREVER 21

KeyBank
SHERWIN WILLIAMS
PNC
DFW
MICHAEL'S
FAMOUS footwear
Burlington

SUBWAY
STUDIO 20 salons
Gymmy Anne's DRY CLEANING

Aspen Dental
PLATO'S CLOSE

CF&G

CHASE
sears APPLIANCE & HARDWARE STORE

at home JOANN

AVENUE SHOPPES RETAIL

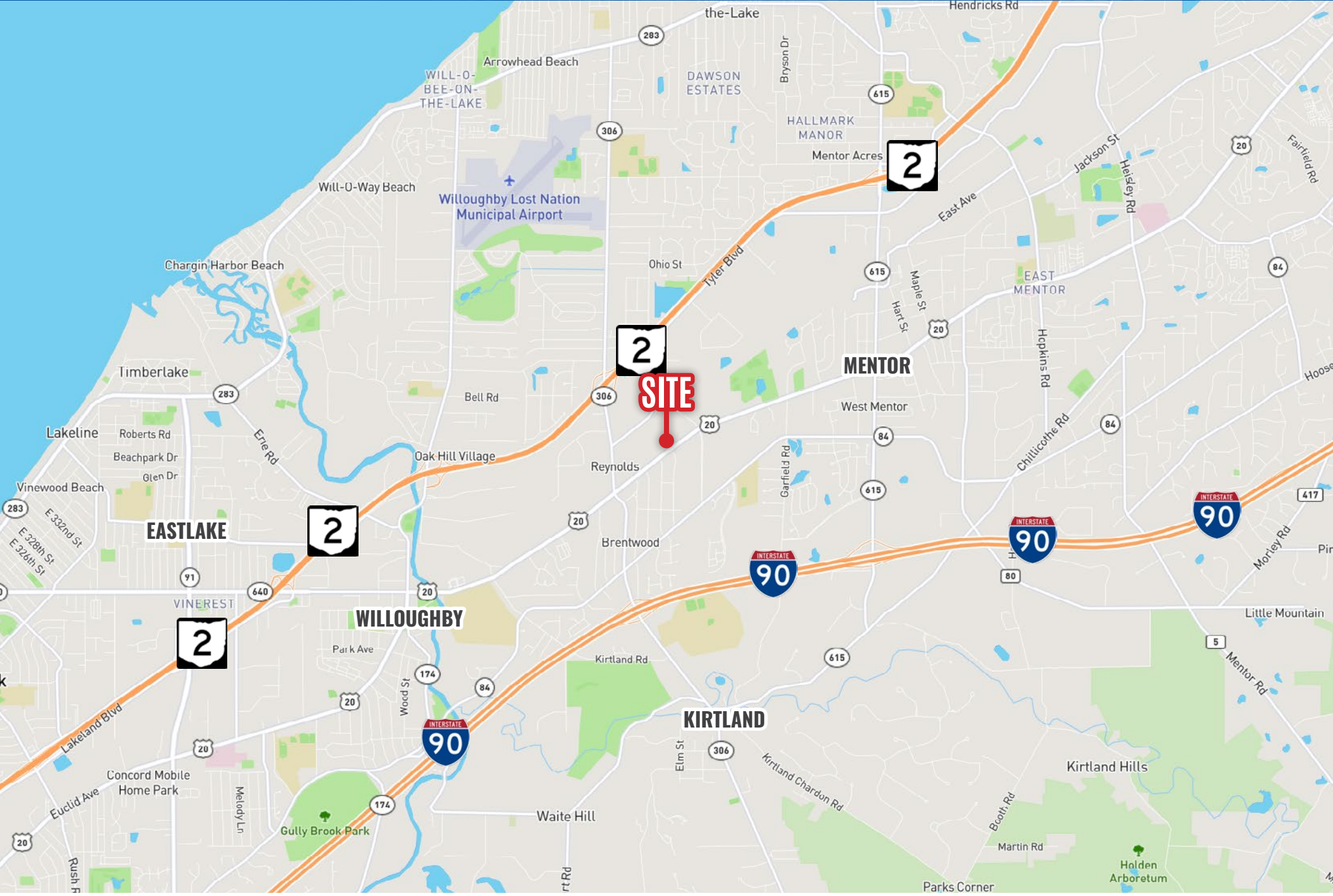
SPOTLIGHT DANCE
RASCAL HOUSE
LADY JANE'S HAIRCUTS FOR MEN
SLEEP OUTFITTERS ESTABLISHED 1983
EL RODEO MEXICAN RESTAURANT

East Coast ORIGINAL FROZEN CUSTARD
TAKE 5 OIL CHANGE

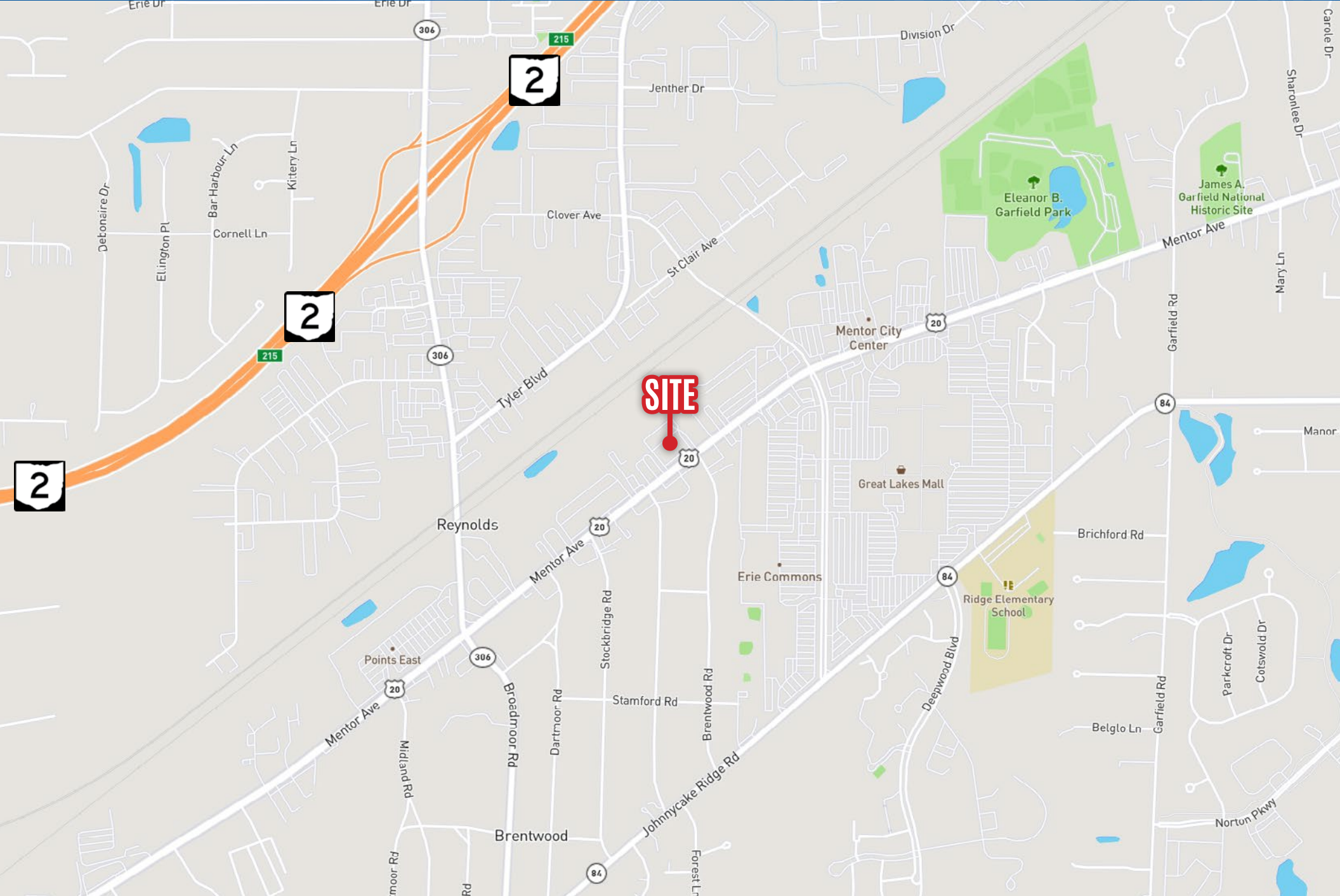
MARKET AERIAL



REGIONAL MAP



LOCAL MAP



DEMOGRAPHICS


POPULATION	1 MILE	3 MILE	5 MILE	7 MILE
Current Year Estimated Population	5,765	45,676	108,427	166,916
5 Year Projected Population	5,620	45,170	107,383	166,055
2020 Census Population	5,693	45,379	108,836	166,433

HOUSEHOLDS	1 MILE	3 MILE	5 MILE	7 MILE
Current Year Estimated Households	2,687	20,087	48,282	73,295
5 Year Projected Households	2,617	19,860	47,806	72,893
2020 Census Households	2,672	19,969	48,415	73,013


AGE	1 MILE	3 MILE	5 MILE	7 MILE
Est. Population Under 10 Years	9.2%	9.7%	9.4%	9.7%
Est. Population 10-19	9.7%	10.6%	10.5%	10.8%
Est. Population 20-30	11.6%	10.9%	10.8%	11.1%
Est. Population 30-44	18.7%	18.1%	17.5%	17.8%
Est. Population 45-59	18.6%	18.8%	18.8%	18.8%
Est. Population 60-74	21.6%	21.9%	22.3%	21.6%
Est. Population 75 Years or Over	10.7%	10.1%	10.7%	10.2%

INCOME	1 MILE	3 MILE	5 MILE	7 MILE
Est. HH Inc \$200,000 or more	3.2%	4.9%	4.6%	4.5%
Est. HH Inc \$150,000 to \$199,999	7.8%	8.8%	7.9%	7.5%
Est. HH Inc \$100,000 to \$149,999	17.0%	18.3%	16.8%	17.1%
Est. HH Inc \$75,000 to \$99,999	11.0%	14.7%	15.2%	16.2%
Est. HH Inc \$50,000 to 74,999	21.9%	18.8%	19.0%	19.4%
Est. HH Inc \$35,000 to \$49,999	12.9%	12.8%	12.6%	12.6%
Est. HH Inc \$25,000 to \$34,999	12.5%	9.3%	9.8%	9.1%
Est. HH Inc \$15,000 to \$24,999	8.0%	6.7%	7.6%	7.6%
Est. HH Inc Under \$15,000	5.7%	5.6%	6.4%	6.1%
Est. Average Household Income	\$79,080	\$88,834	\$84,354	\$85,303
Est. Median Household Income	\$61,143	\$70,230	\$67,428	\$68,546
Est. Per Capita Income	\$36,865	\$39,066	\$37,562	\$37,458


5 MILE RADIUS DEMOGRAPHICS



108,427
Population




47
Median Age



2.23
Avg. HH Size

AVERAGE HOUSEHOLD INCOME



1 Mile	\$79,080
3 Mile	\$88,834
5 Mile	\$84,354

