

SAVERS THRIFT STORE

21201 CENTER RIDGE ROAD
FAIRVIEW PARK (CLEVELAND), OH 44116

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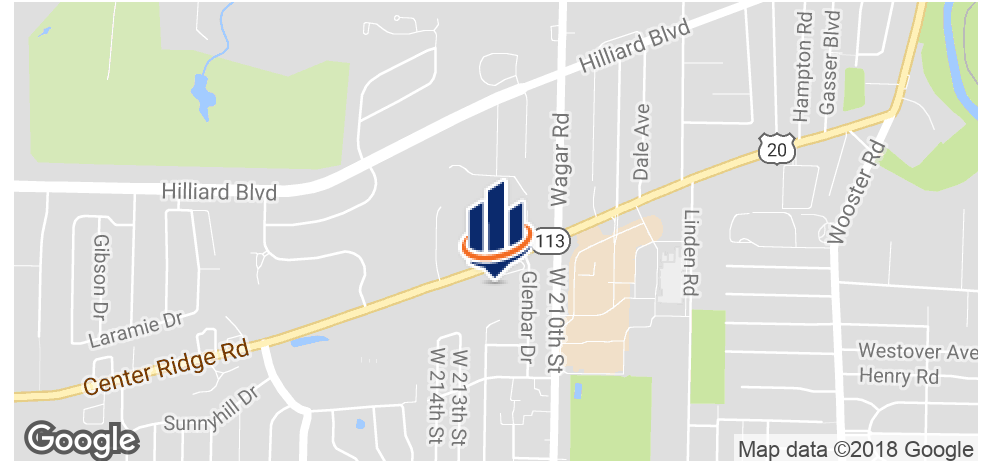
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1 PROPERTY INFORMATION

21201 Center Ridge Road
Fairview Park [Cleveland], OH 44116

Property Summary



OFFERING SUMMARY

Sale Price:	\$4,495,000
Cap Rate:	8 %
NOI:	\$358,843
Lot Size:	2.84 Acres
Year Built:	1999
Building Size:	30,122 SF
Renovated:	2015
Zoning:	Commercial
Market:	Cleveland
Submarket:	Rocky River/Fairview Park
Price / SF:	\$149.23

PROPERTY OVERVIEW

30,122 sq.ft. building in West Cleveland Suburbs leased to Savers for 10 years with two five-year options with increases. Savers is a unique Thrift Store concept featuring traditional retail practices while selling repurposed goods.

PROPERTY HIGHLIGHTS

- Corporate guaranteed lease
- Savers is the largest for-profit Thrift Store chain in the world with over 325 locations; employs 20,000
- Completely renovated building in 2015
- Net leased for 10 years with two, five-year options with increases (7 years left)
- Perfect 1031 Exchange
- Located in the most heavily concentrated retail areas straddling two contiguous suburbs
- 8 % Cap rate with possible 13% cash on cash return
- Business model protects against economic downturn and e-commerce cannibalization

Property Description



PROPERTY OVERVIEW

30,122 sq.ft. building in West Cleveland Suburbs leased to Savers for 10 years with two five-year options with increases. Savers is a unique Thrift Store concept featuring traditional retail practices while selling repurposed goods.

LOCATION OVERVIEW

Located on Center Ridge Rd. at the border of Rocky River and Fairview Park (two prominent Bedroom suburbs of Cleveland) which have ideal Demographics for what this store sells. Situated between 4 power centers totaling nearly 1.5 million sq.ft. within a quarter of a mile of the property. Center Ridge is one of the busiest Cleveland West Side retail corridors with close proximity to I 90. Numerous apartment units and single family homes nearby. Excellent Traffic counts are currently in excess of 15,000 cpd and within 300 feet of cross street registering over 19,000 cpd. Shares an entrance immediately to the east with a Regional Transit Bus Terminal providing exceptional customer access for thrift shoppers. These buses deliver almost 5000 people per day to Savers front door. Immediately to the west is a recently refurbished and expanded Aldi's store at an estimated cost over \$ 2 million. Within a block to the west, two new restaurants, Red Robin and Panda Express have opened with investments estimated in excess of \$4 million. These investments are strong votes of confidence from 3 national brands in this high traffic location. This is an ideal location as it has a strong donation base from the west and a strong shopper base to the east. See map with arrows, population, and household income.

Property Details

SALE PRICE

\$4,495,000

LOCATION INFORMATION

Building Name	Savers Thrift Store
Street Address	21201 Center Ridge Road
City, State, Zip	Fairview Park (Cleveland), OH 44116
County/Township	Cuyahoga
Market	Cleveland
Submarket	Rocky River/Fairview Park
Cross Streets	West 210th Street

BUILDING INFORMATION

Building Size	30,122 SF
Occupancy %	100%
Tenancy	Single
Number Of Floors	1
Average Floor Size	30,122 SF
Year Built	1999
Last Renovated	2015

PROPERTY DETAILS

Property Type	Retail
Property Subtype	Free Standing Building
Zoning	Commercial
Lot Size	2.84 Acres
APN#	323-28-008

Complete Highlights

SALE HIGHLIGHTS

- Corporate guaranteed lease
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Additional Photos



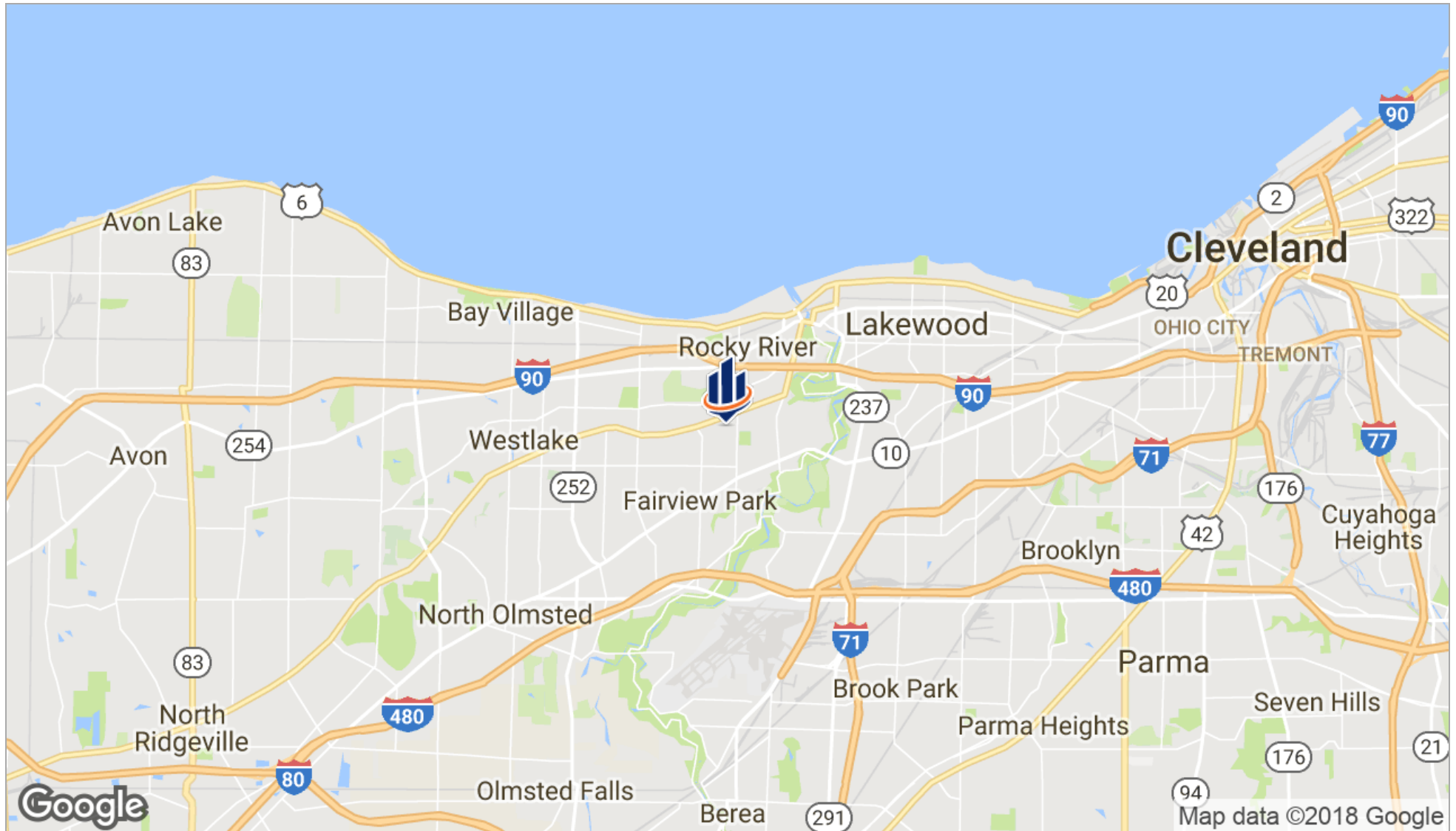
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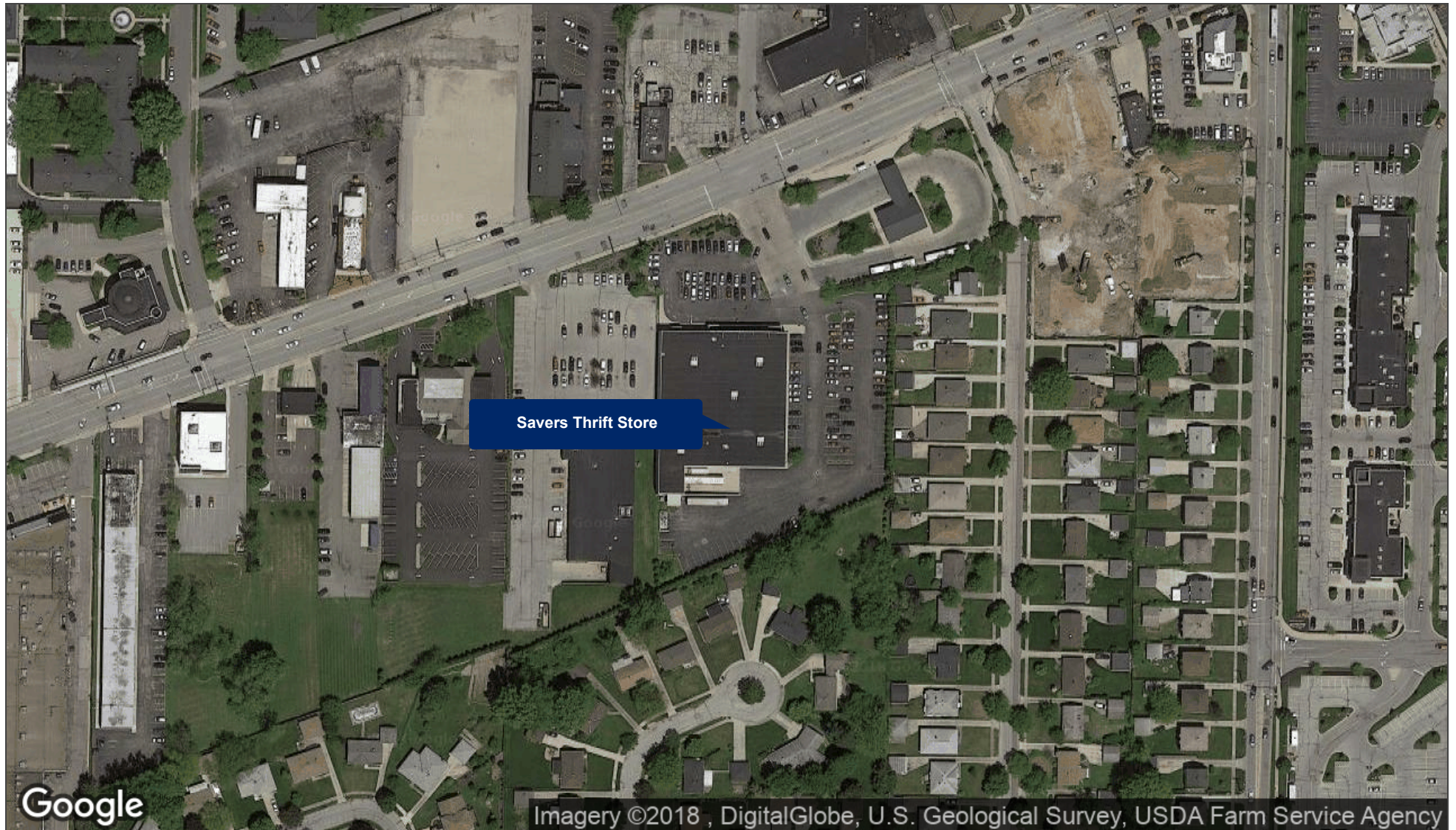
Regional Map



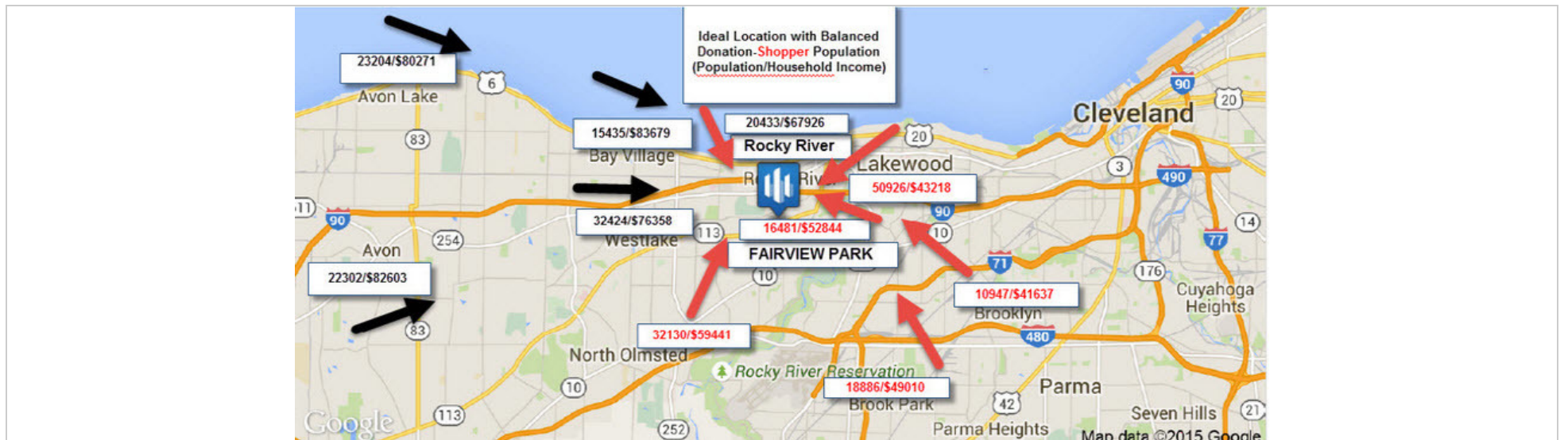
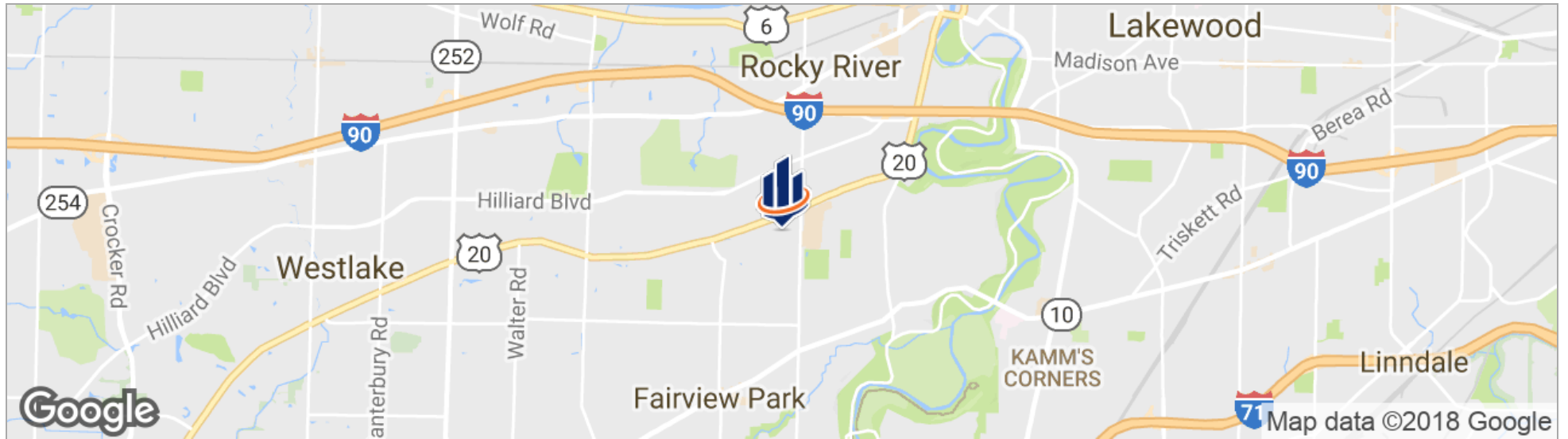
Location Maps



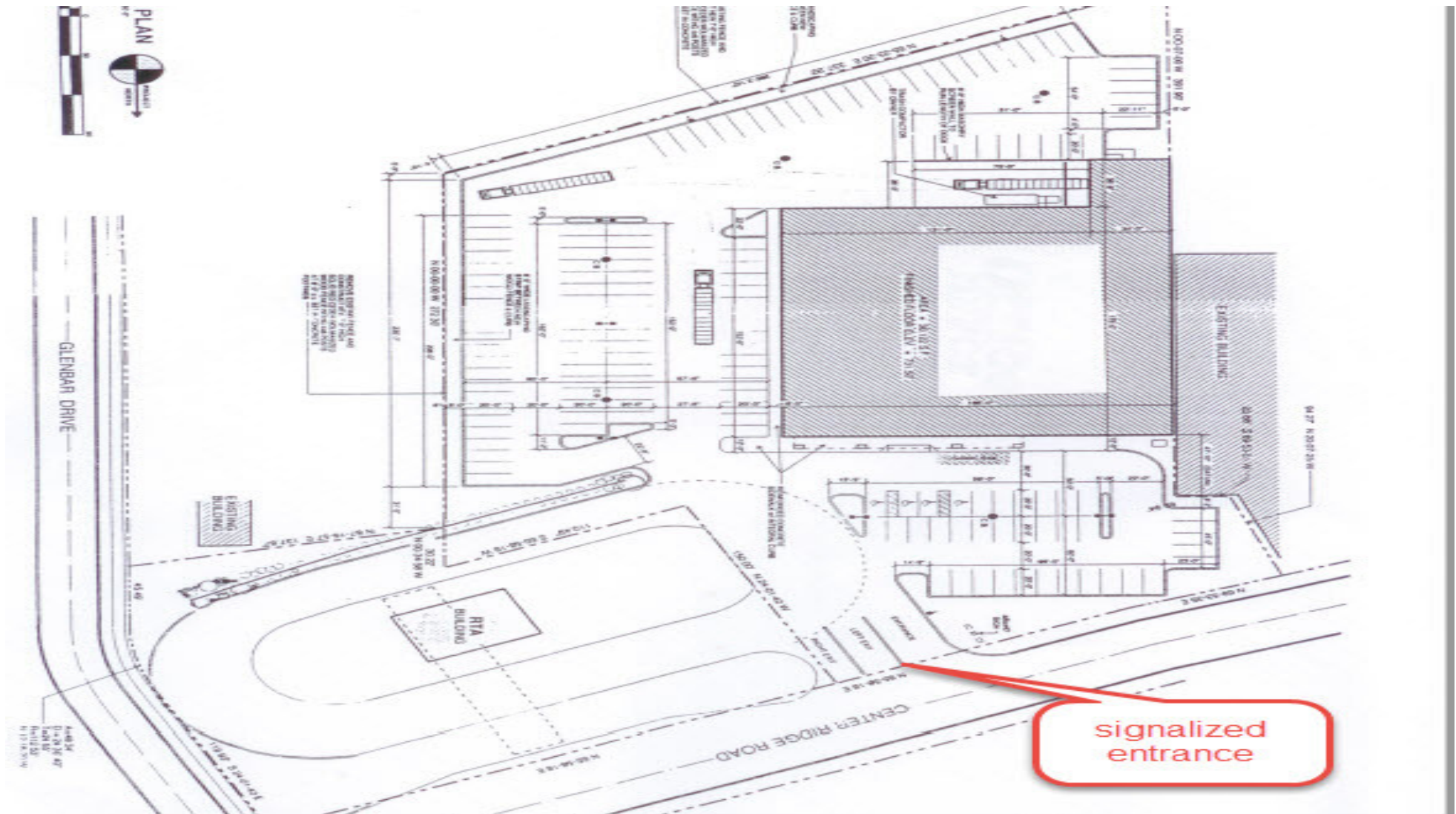
Aerial Map



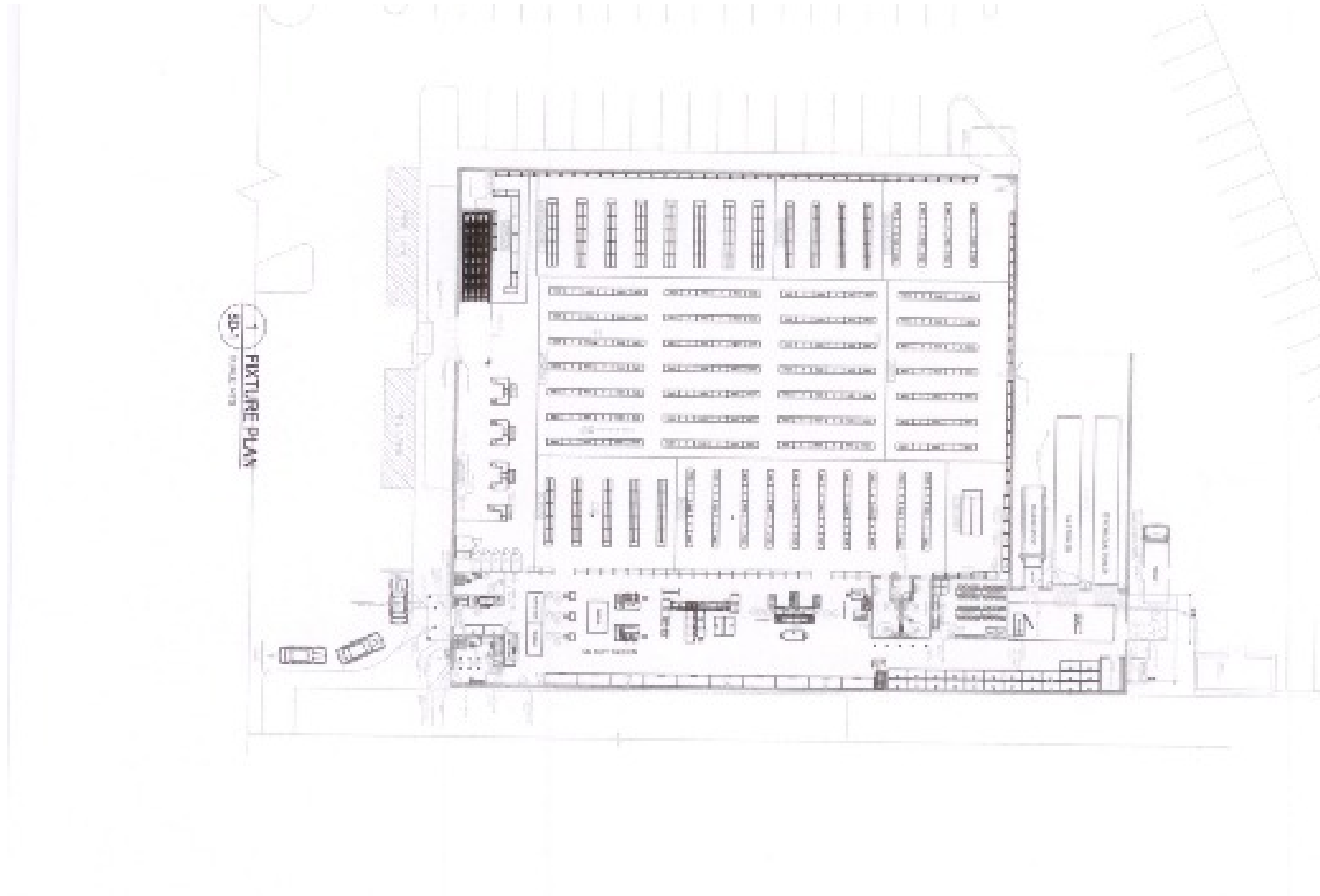
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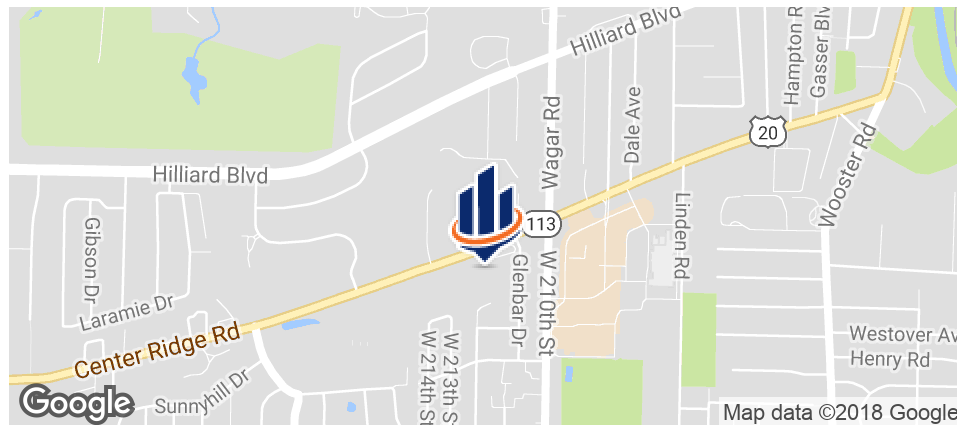
Site Plan



Floor Plan



Fairview Park [Cleveland], Ohio



FAIRVIEW PARK (CLEVELAND), OH

Located on the West Side of Cleveland, this bedroom community is a perfect spot for a Savers Thrift Store. The demographic is such that there are higher incomes to the West of the property which provides a good source of donations and lower incomes to the East which provides the population more likely to shop in a thrift store. It is highly accessible to Interstates and has a great many multi-family and single family dwellings. Fairview Park boast plenty of green space with the MetroParks abutting the city. The housing stock is very affordable to a middle class population.

Rocky River is just North and West of Fairview Park and provides a more upscale residential environment providing an excellent sour source of donations. Unlike normal retail, a successful donation base is just one more reason for the store to be valued for its location.

20 minute drive to Downtown Cleveland

Outstanding residential neighborhoods

Excellent City Parks, Schools, and Shopping

Tree-lined Streets with excellent City services

Cuyahoga County



CUYAHOGA COUNTY, OHIO

Cuyahoga County is Ohio's largest County with 1.25 million population and recently adopted a new charter government with focus on economic development. Cleveland is the county seat. The County is part of a region known as "Northeast Ohio" comprising 22 counties and approximately 4 million people. While manufacturing continues to be a very important sector, medical devices and technology are the single highest employment grouping. The County is home to the Cleveland Clinic, named the 2nd Best Hospitals in the U.S. and is Ohio's largest employer. With a significant portion of its border fronting Lake Erie, the County has access to the Great Lakes water supply which makes up 20% of the world's fresh water supply. Cuyahoga County recently completed a new Convention Center and Global Center for Health Innovation, a new administration building to consolidate government staffs, and a new 600 room Hilton Convention Hotel. The County also boasts three major league sports teams [Cavaliers, Indians, Browns] and Playhouse Square, the second largest theater district in the U.S., and University Circle, the center for three major hospital systems including Cleveland Clinic, University Hospitals and the Veterans Administration Medical Complex. Cleveland recently hosted the Republican National Convention.

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21201 Center Ridge Road
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Financial Summary

INVESTMENT OVERVIEW

PROFORMA

Price	\$4,495,000
Price per SF	\$149.23
CAP Rate	8.0%
Cash-on-Cash Return (yr 1)	13.24 %
Total Return (yr 1)	\$198,652
Debt Coverage Ratio	1.5

OPERATING DATA

PROFORMA

Gross Income	\$455,745
Operating Expenses	\$96,902
Net Operating Income	\$358,843
Pre-Tax Cash Flow	\$118,990

FINANCING DATA

PROFORMA

Down Payment	\$899,000
Loan Amount	\$3,596,000
Debt Service	\$239,853
Debt Service Monthly	\$19,987
Principal Reduction (yr 1)	\$79,662

Income & Expenses

INCOME SUMMARY	PROFORMA	PER SF
Rental Income	\$343,349	\$11.40
Rent Supplement til 3/31/20	\$34,380	\$1.14
Expense Reimbursement	\$78,016	\$2.59
Gross Income	\$455,745	\$15.13
EXPENSE SUMMARY	PROFORMA	PER SF
Operating Expenses	\$78,016	\$2.59
Reserves for roof and structure -5%	\$18,886	\$0.63
Gross Expenses	\$96,902	\$3.22
Net Operating Income	\$358,843	\$11.91

Seller will supplement current rent until March 31, 2020, when rent increases to \$377,729.

Lease Exerpt:

Owner: Center Ridge Equities, Inc.

Tenant: TVI, Inc. (wholly owned subsidiary of Savers, LLC)

Lease Term: 10 years, beginning April 9, 2015

Renewal Options: 2, 5 year options

Rents:

<u>Years</u>	<u>Annual</u>
\$343,349	1-5
\$377,729	6-10
\$415,382	11-15
\$456,950	16-20

First 10 year average: \$360,539

Type of Lease: NNN except Structural

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DEMOGRAPHICS

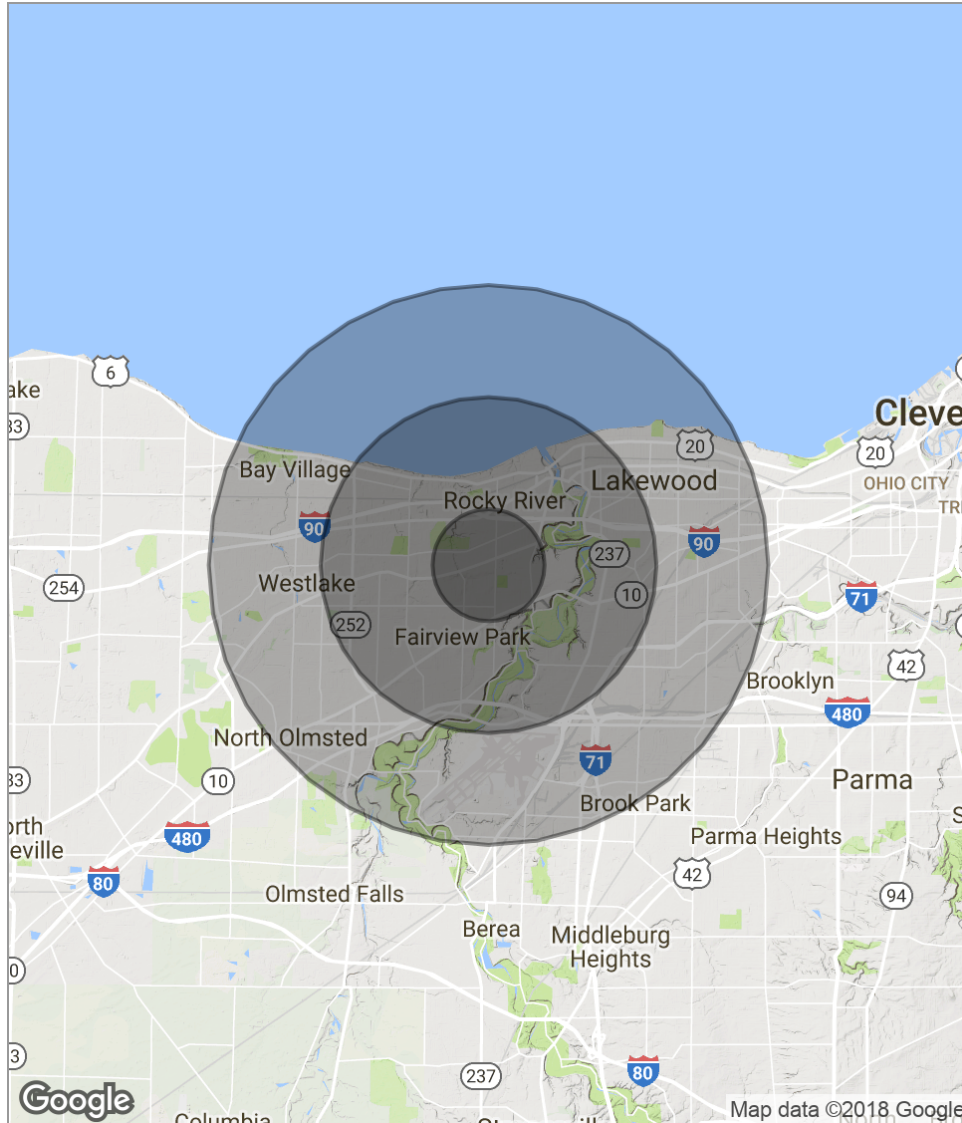
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Demographics Report

	1 MILE	3 MILES	5 MILES
Total population	14,485	96,529	219,509
Median age	46.5	42.6	41.1
Median age (male)	45.9	41.8	40.5
Median age (female)	46.9	43.3	41.4
Total households	6,692	37,220	85,560
Total persons per HH	2.1	2.2	2.3
Average HH income	\$69,854	\$75,620	\$68,636
Average house value	\$207,988	\$196,227	\$180,567
Total Population - White	13,443	86,973	183,729
Total Population - Black	304	4,054	17,122
Total Population - Asian	376	227	5,926
Total Population - Hawaiian	0	0	0
Total Population - American Indian	14	193	439
Total Population - Other	332	3,281	12,073
Total Population - Hispanic	478	4,344	16,024

** Demographic data derived from 2010 US Census*

Demographics Map



POPULATION	1 MILE	3 MILES	5 MILES
Total population	14,485	96,529	219,509
Median age	46.5	42.6	41.1
Median age (male)	45.9	41.8	40.5
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HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
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# of persons per HH	2.1	2.2	2.3
Average HH income	\$69,854	\$75,620	\$68,636
Average house value	\$207,988	\$196,227	\$180,567
ETHNICITY (%)	1 MILE	3 MILES	5 MILES
Hispanic	3.3%	4.5%	7.3%
RACE (%)	1 MILE	3 MILES	5 MILES
White	92.8%	90.1%	83.7%
Black	2.1%	4.2%	7.8%
Asian	2.6%	0.2%	2.7%
Hawaiian	0.0%	0.0%	0.0%
American Indian	0.1%	0.2%	0.2%
Other	2.3%	3.4%	5.5%

* Demographic data derived from 2010 US Census

5 ADDITIONAL INFORMATION

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Savers and its position in the Repurposed Goods Business

<http://www.savers.com>

Savers is a privately-held, for-profit, global thrift retailer offering clothing and accessories for men, women and children and household goods under the Savers, Value Village, Village des Valeurs, Unique Thrift Store and Valu Thrift Store Brands. The company is over 60 years old, being founded by William Elison, the father of the current Chairman. Through its unique business model of purchasing, reselling and recycling second hand merchandise, the Savers Family of thrift stores benefits more than 140 non-profit organizations, gives local consumers a smart way to shop and saves more than 650 million pounds of quality used goods from landfills each year.

Savers is the largest for-profit, thrift store chain in North America. It operates approximately 330 stores in some 25 US states, 10 Canadian provinces, and Australia. Its retail outlets sell everything from designer and vintage clothing to unique home decor, electronics, hardcover and paperback books, and toys. They have plans to grow to 400 stores by 2016. They have approximately 20,000 employees and , it's estimated sales are well over \$1 billion. Savers underwent a recapitalization and ownership change in mid-2012. Private equity firms, Leonard Green & Partners and TPG – along with Savers' chairman Thomas Ellison (son of Savers' late founder) and the management team -- acquired the company from Freeman Spogli for \$1.7 billion.

Savers stores attract bargain hunters and environmentally-aware shoppers looking for second hand products. The average customer's household income is between \$40,000 and \$70,000. The recession in the U.S. and lackluster recovery has helped Savers' business as consumers trade down from department stores to discount and thrift outlets. Savers top competitors are Goodwill, Salvation Army and Dollar Stores. However, their business practices are very different and these practices set them apart from their competitors.

Savers Motto is: "A better world through reuse"

Other facts about Savers

- Savers leads the industry with 90% of all clothing received being reused or recycled which avoids disposal annually

- The average item in a Savers store sells for under \$4.50, and 98% of the inventory sells below \$10. These prices represent a fraction of an item's original value – an important distinction for those consumers who are shopping with a budget or looking for a great deal.

- A recent survey done by Kelton Research found that nearly half of all citizens shop in thrift stores, and one-third are thrifting more frequently than they did three years ago. The survey demonstrated a distinct consumer preference for businesses that recycle. 63% of respondents claimed that it's important to recycle and avoid wastefulness. About half of the consumers reported that they enjoy thrifting because it feels like a "treasure hunt"

If you are interested in reviewing the *Savers Community Impact Report*, email Vic Voinovich at voinovichv@svn.com.

Savers enjoys a commanding share of the Thrift Store market which had been estimated to be approximately \$9 billion and employs approximately 168,000 people. Savers market share would be in the 15 to 20% range, which is why they are considered to be the market leader having approximately 50% more stores than Goodwill. On average, Savers stores tend to be 20 to 30% larger thereby increasing its competitive position through scale which enhances its offerings and trade area reach while benefitting its gross margins.

The Thrift Stores industry has a low level of capital intensity, with the average industry operator spending \$0.04 on capital for every \$1.00 spent on labor. Capital expenses for this industry are minimal, and are mostly limited to cash registers, point-of-sale (POS) systems and other inventory management systems. Over the past 15 years, the implementation of computer scanning technology has led to substantial change in the way in which the industry operates. The widespread use of this technology has simplified labor tasks and minimized the level of human error in processing purchases. POS systems have enabled operators to computerize their inventory, resulting in better stock control and cost efficiency.

Additional Photos



Additional Photos



Additional Photos



Additional Photos



6 ADVISOR BIOS

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Advisor Bio & Contact 1

VICTOR S. VOINOVICH SR.

Managing Director



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PROFESSIONAL BACKGROUND

Victor S. Voinovich, Sr., Managing Director of Sperry Van Ness/ First Place Commercial Realty, LLC is headquartered in Cleveland, Ohio. He has listed and sold or leased properties in locations throughout Ohio and in multiple states throughout United States. These properties include, office, industrial and medical buildings, shopping centers, sale leasebacks, multi-family, hotels, vacant land as well as buyer and tenant representation assignments in each of these product types.

Having spent over 30 years in the transaction side of commercial real estate business, Vic is familiar with all aspects of underwriting, marketing, and negotiating a commercial real estate transaction smoothly through the closing process. As a CPA [inactive], Vic is knowledgeable with the tax and financial ramifications associated with commercial real estate. Vic communicates extensively with his clients providing frequent written and verbal reports on all marketing and transaction activities.

What sets Mr. Voinovich apart from his competitors is how broadly he markets a property, never assuming to know all the buyers. Vic has found, more often than not, the highest prices seem to come from unknown buyers. Within 48 hours of listing a property, it is posted on multiple web sites, exposing it to several million subscribers. Vic proactively cobrokes his listings by broadcasting the availability to thousands of real estate agents within 48 hours of listing the property. Vic's franchise agreement with SVN requires that he shares 50% of the brokerage commission with cooperating brokers. Compared to the national average of 20%, SVN co-brokers 93% of the time [more than four times the national average] to complete its transactions.

Vic is a member of the Sperry Van Ness Asset Recovery Team which provides immediate nationwide underwriting and disposition solutions to financial institutions and real estate clients with distressed portfolio assets. SVNART is a select group of real estate professionals that specialize in asset disposition solutions for distressed assets and portfolios. The team designs and implements custom marketing initiatives for the disposition of assets that insure maximum return to its clients, providing both national reach and local expertise through SVN's network of 900 Sperry Van Ness advisors located in 160 markets.



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