

OFFERING MEMORANDUM

4296 KENT RD | STOW, OH 44224



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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INVESTMENT HIGHLIGHTS

NUMBER ONE FRANCHISEE IN THE U.S.

- Flynn Restaurant Group operates over 880 restaurants across 30 states – It operates 466 Applebee's, 279 Taco Bells and 130 Panera Breads
- Through its three entities, Apple American Group, LLC, Bell American Group, LLC, and Pan American Group, LLC, it employs over 40,000 people and generates over \$1.9 billion in sales annually
- Applebee's is one of the largest casual dining chains in America with over 2,016 stores across the US, Puerto Rico, and 15 other countries
- Apple American Group is a wholly owned subsidiary of Flynn Restaurant Group and operates approximately a quarter of all Applebee's locations worldwide

STRONG MARKET FUNDAMENTALS

- Kent State University – Strategically located just 3-miles west of Kent State University - Over 29,000 enrolled students annually at the main campus
- Main Retail Corridor – Immediate tenants include Target, Hobby Lobby, Kohl's, Bath & Body Works, Carter's, OfficeMax, Giant Eagle Supermarket, Bed Bath & Beyond and Macy's among many others
- Stable Market – There are over 135,000 people living in a 5-mile radius with an average household income of over \$70,000 annually
- Close Proximity to Major Cities - Cleveland (38-miles NW), Akron (9-miles SW), Canton (31-miles S)

PASSIVE AND ESTABLISHED INVESTMENT

- This site has been operating as an Applebee's for the past 15 years – There are approximately 4.75 years remaining on original 20-year lease with four (4), 5-year options for tenant to extend
- Absolute NNN Lease – Tenant pays for maintenance, insurance and taxes – ZERO Landlord responsibilities – Ideal for out of state investors

FINANCIAL OVERVIEW



FINANCIAL OVERVIEW



LIST PRICE

\$3,848,500



CAP RATE

7.75%



TERM REMAINING

±4.75 Years

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Cap Rate
10/1/2018 - 9/30/2023	\$24,854.00	\$298,258	7.75%
Option 1	\$26,718.05	\$320,617	8.33%
Option 2	\$28,721.90	\$344,663	8.96%
Option 3	\$30,876.05	\$370,513	9.63%
Option 4	\$33,191.75	\$398,301	10.35%

EXECUTIVE SUMMARY

Property Name	Applebee's
Address	4296 Kent Rd, Stow, OH 44224
Year Built/Renovated	1996/2008
GLA	± 5,384
Lot Size	± 1.24 Acres

TENANT SUMMARY

Tenant Trade Name	Applebee's
Type of Ownership	Fee Simple
Lease Guarantor	Apple American Group (480+ Units)
Lease Type	Absolute NNN
Roof & Structure	Tenant Responsible
Original Lease Term	20 Years
Rent Commencement Date	10/21/2003
Lease Expiration Date	10/20/2023
Term Remaining	±4.75 Years
Increases	7.50%
Options	Four, 5-Year Options

TENANT OVERVIEW

Founded in 1998, Apple American Group, LLC is a subsidiary of Flynn Restaurant Group LLC that owns and operates Applebee's Neighborhood Grill and Bar restaurants. Apple American Group takes a local approach with each of its restaurants to enable them to reach their full potential by empowering their store operators. Once a popular neighborhood restaurant, Applebee's continues to grow and prosper as it is now one of the largest casual dining chains in the world. The menu features beef, chicken and pork items, as well as burgers, pasta and seafood, with a selection of signature menu items found only at Applebee's.

STRATEGY

With the vision to become the premier Applebee's franchisee and one of the best operators in the industry, the Apple American Group company structure is designed to achieve sustained growth. The company strives to maintain its units in optimal physical condition through continued reinvestment to ensure its restaurants meet these high standards.

GEOGRAPHIC REACH

Apple American Group, LLC owns and operates 485 Applebee's locations in the states of Alabama, California, Colorado, Delaware, Georgia, Idaho, Indiana, Maine, Massachusetts, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, Wisconsin, Washington State, and West Virginia.



PARENT COMPANY TRADE NAME

Apple American Group, LLC



NO. OF LOCATIONS

± 485



HEADQUARTERED

Independence, OH



WEBSITE

www.appleamerican.com



YEAR FOUNDED

1998



SURROUNDING TENANTS



Subject
Property



Subject
Property

AKRON, OH

Akron is the fifth-largest city in the U.S. state of Ohio and is the county seat of Summit County. It is located on the western edge of the Glaciated Allegheny Plateau, approximately 39 miles south of Lake Erie. As of the 2015 Census Estimate, the city proper had a total population of 197,542, making it the 119th largest city in the United States. Akron is quickly becoming known as a global hub of innovation, attracting international technologies and companies looking for the convergence of higher education, healthcare, and public and private sector organizations and government. All with the willingness to experiment with new models and new alliances.



AREA OVERVIEW



STOW, OH

The city of Stow is very conveniently located, sitting only 9 miles outside of Akron, 31 miles outside of Canton, and 38 miles outside of Cleveland. The city is easily accessible from S.R. 8 through 3 interchanges, and has fast access to Interstates 76, 77, and 80 as well.

With median household income well above and unemployment levels well below state averages, Stow has a thriving economy. Average hourly earnings for the city are above both state and national averages, as well as the averages for the cities of Cleveland, Akron, and Canton.

The city is a designated business-friendly community, working closely with the Stow-Munroe Falls Chamber of Commerce to bring in new businesses while maintaining current industries in the area. Stow's Economic Development Strategic Plan is helping the city to achieve these goals. Future job growth over the next 10 years is expected to be 38.3%.

HIGHER EDUCATION

Just a few miles down the road from Stow lies Kent State University, a large public research university. As of September 2017, it is one of the largest universities in Ohio with approximately 40,000 enrolled students annually and nearly 10,000 staff members.



AREA DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2023 Projection	5,944	51,422	136,792
2018 Estimate	5,826	51,379	135,985
2010 Census	5,606	51,499	134,864
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2023 Projection	2,614	21,624	57,452
2018 Estimate	2,560	21,450	56,750
2010 Census	2,452	21,097	55,362
INCOME	1-Mile	3-Mile	5-Mile
Average Household Income 2018	\$73,571	\$81,617	\$74,496



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Applebee's** located at **4296 Kent Rd Stow, OH 44224 ("Property")**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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