



# Offering Memorandum



## Broker of Record

Bryn Merrey

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5515 Fort Avenue  
Lynchburg, VA 24502

Marcus & Millichap



# Aerial photo

## Aaron's, Lynchburg, VA





# Offering Summary

5515 Fort Avenue, Lynchburg, VA 24502

## PRICING

List Price	\$1,650,000
CAP	8%
Current Annual Rent	\$132,000

## ANNUALIZED OPERATING DATA

Annual Rental Income	\$132,000
Taxes	Reimbursed*
Insurance	Reimbursed*
Monthly Rent	\$11,000
Annual Rent / SF	\$16.30

## PROPERTY DESCRIPTION

Gross Leasable Area	8,096 SF
Lot Size	.98 acre
Ownership Type	Fee Simple
Year Built	2015

## LEASE SUMMARY

Lease Type	Double Net*
Landlord Responsibility	Roof & Structure, HVAC, Parking Lot*
Lease Term	7 Years
Lease Commencement	1/1/19
Lease Expiration	12/31/25
Remaining Lease Term	6+ Years
Renewal Options	One, Five-Year Option to Renew*
Right of First Refusal	Yes, 30-Days
Lease Guarantor	Corporate

## RENT SCHEDULE

1/1/19 – 12/31/2025 (Current)	\$132,000
1/1/2026 – 1/31/2031 (Option)	Fair Market Value*

\*See Lease Abstract for  
Additional Information

# Investment Overview



## Location

The subject property is located along one of the primary retail corridors in Lynchburg, VA. Aaron's is in close proximity to other major retailers and benefits from positive retail synergy for the Aaron's brand.



## History

This location was previously operated by an extremely successful Aaron's Franchisee. This store was one of the strongest in the previous operator's portfolio, and continues to be an attractive location for the brand – a claim supported by the recent acquisition of the site by Aaron's Corporate.



## Ideal Customer Base

With nearly 100,000 residents within a 5-Mile radius of the site, this location is ideally situated to sustain the strong population growth in the market. Additionally, the local demographics are favorable for the rent-to-own business model.



## Recently Executed Corporate Lease

Aaron's, Inc. Executed a brand new 7 year lease in 2019. The combination of real estate fundamentals and local demographics made this site a prime acquisition candidate for Aaron's Corporate.

**Term  
Remaining**  
**6+ Years**

**Guarantor**  
**Corporate**

**Annual Rent**  
**\$132,000**

**Landlord  
Responsibility**  
**Roof &  
Structure\***

\*See Lease Abstract for  
Additional Information

# Lease Abstract

Aaron's, 5515 Fort Avenue, Lynchburg, VA 24502

## Tenant Repair and Maintenance

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Tenant will maintain and repair the Premises, including without limitation, all landscaping, windows, doors, interior electrical fixtures and wiring.

## Landlord Repair and Maintenance

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Landlord will maintain and repair the roof and the foundation of the building, all exterior walls, all interior walls which provide structural support for the building, all underground water sprinkler systems, sewer, water and other utility service pipes and lines, all exterior lighting, driveways, sidewalks, parking and other paved areas and any other expenses to repair or replace the HVAC

## HVAC Repair and Maintenance

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Tenant shall repair, maintain and replace when necessary the air conditioning and heating systems and equipment ("HVAC") serving the Premises, subject to the \$2,000 annual cap. Tenant shall enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor for servicing the HVAC. Landlord agrees to pay any expenses to repair or replace the HVAC system(s) serving the Premises over the first Two Thousand and No/100 Dollars (\$2,000.00) per year.

## Real Property & Personal Property Taxes

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Tenant will reimburse Landlord for the amount of Taxes which are assessed and paid by Landlord.

## Property Insurance

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Landlord, at Landlord's expense, will insure the Premises, against direct and indirect loss or damage by fire and any other casualty covered under the typical standard fire and extended coverage property insurance policy. Tenant will reimburse Landlord monthly, in accordance with the provisions contained in Paragraph 5, for Tenant's Proportionate Share of the Premium which Landlord paid for the Insurance.

Tenant, at Tenant's expense, will maintain insurance against loss or damage caused by fire or other casualty to any Alterations made by Tenant and Tenant's fixtures, trade fixtures, machinery, equipment and Tenant's other personal property located on the Premises.

Tenant, at Tenant's expense, will maintain comprehensive general liability insurance on the Premises with a combined single limit of liability of not less than One Million Dollars (\$1,000,000) for injury to or death of persons or damage to property as a result of the negligence of Tenant, its employees, agents, invitees and guests.

## Tenant Renewal Option

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Tenant shall have the option, exercisable at Tenant's sole discretion, to extend the lease for an additional term of five consecutive years by providing Landlord with written notice, no later than 60 days prior to the Expiration Date, of Tenant's intention to exercise that option for the renewal period. Rent for the Renewal Period shall be the then-prevailing fair market value of rent for the premises, provided however, that in no event will the rent for the renewal period be greater than the amount of \$132,000 per year.



# Tenant Overview

A leader in the rent-to-own space, Aaron's, Inc. (NYSE: AAN) was founded in 1955 and has been publicly traded since 1982. Headquartered in Atlanta, Aaron's owns the Aaron's & Progressive Leasing brands. Aaron's engages in the sales and lease ownership and specialty retailing of furniture, consumer electronics, home appliances and accessories through its more than 1,600 company-operated and franchised stores in 47 U.S. states and Canada as well as its e-commerce platform Aarons.com.

Aaron's provides access to household goods for lower- to middle-income consumers with limited access to traditional credit sources. Its stores carry top brands such as Philips, Samsung, Beautyrest, GE, LG, and Hewlett-Packard. Progressive Leasing, a virtual lease to own company, provides lease-purchase solutions through approximately 19,000 retail locations across 46 states and has shown significant growth since its acquisition in 2014. Aaron's, Inc. reported \$3.38 billion in total revenues for 2017.



## STOCK SYMBOL

AAN (NYSE)

## TENANT TRADE NAME

Aaron's, Inc.

## OWNERSHIP

Public

## 2017 REVENUES

\$3.38 Billion

## NUMBER OF LOCATIONS

1,600+

## HEADQUARTERS

Atlanta, GA

# Market Overview

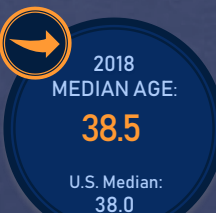
## Richmond, VA

### Nearest Market

Richmond is the capital city of Virginia and consists of the cities of Richmond, Petersburg, Hopewell and Colonial Heights, as well as the counties of Henrico, Chesterfield, Amelia, Caroline, King William, Sussex, Charles City, Dinwiddie, Hanover, Goochland, New Kent, Powhatan and Prince George. The metro is bordered by the Virginia Beach metro to the east, the Charlottesville metro to the west, and Winchester and Northern Virginia-Washington to the north.



### DEMOGRAPHICS



### METRO HIGHLIGHTS



#### COMMERCE CENTER

The area has a well-developed intermodal transportation network that distributes goods throughout the nation.



#### ROBUST PROFESSIONAL WORKFORCE

As the state's capital city, the metro is a major player in the government, financial and legal services industries.



#### EMPLOYMENT GAINS

Over the next five years, area employers are forecast to add nearly 25,000 workers to staffs.



#### ECONOMY

- Richmond's strategic location on the James River is historically responsible for the metro's development as a major center of commerce. Today a well-developed intermodal network points back to this legacy, while the economy has diversified to many professional industries.
- Nationally recognized banks and financial institutions are located in Richmond. It is home to the Federal Reserve Bank of Richmond, Capital One, SunTrust Banks, Wells Fargo, Bank of America and Market.
- Law and legal services are another major component of the metro's local economy. The city of Richmond is home to five of the largest legal firms in the world, each of which handles cases at the national and international level.

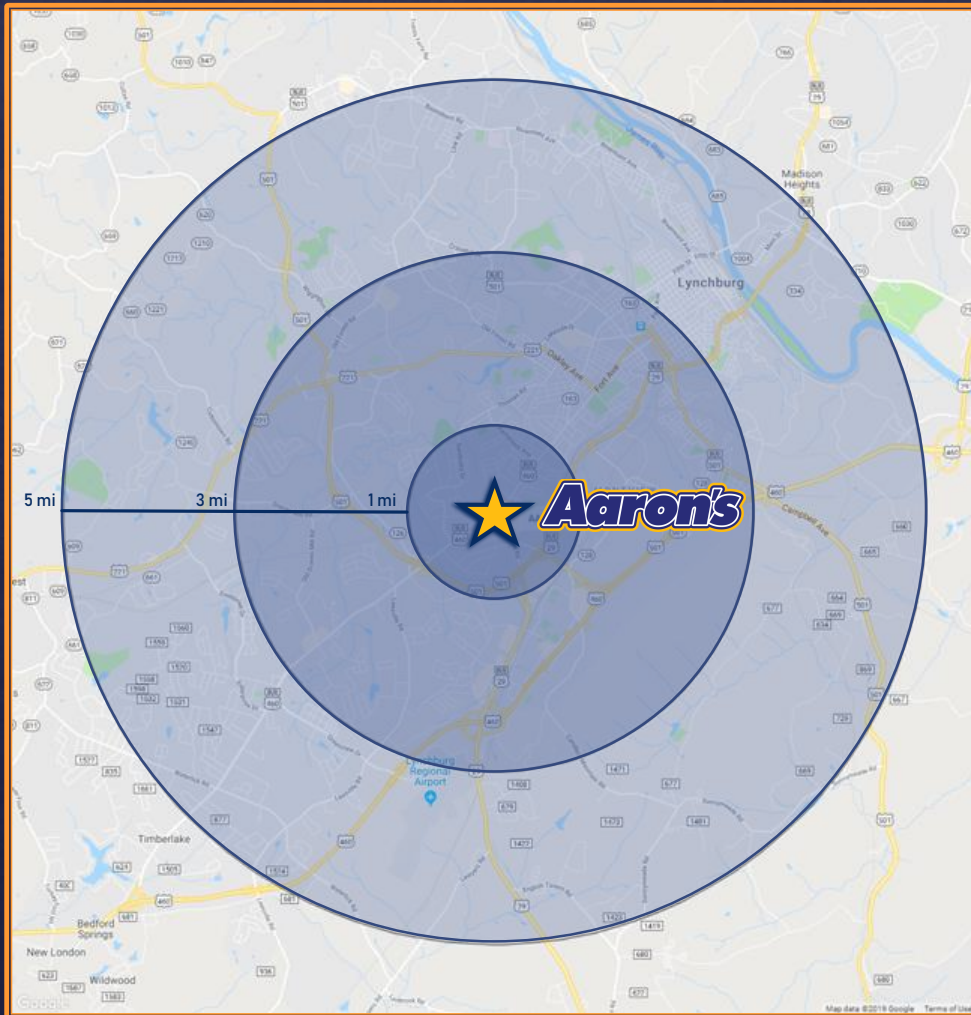
\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



# Demographics

## Lynchburg, VA



	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2023 Projection	7,464	51,561	101,441
2018 Estimate	7,387	49,631	97,469
2010 Census	7,042	46,432	91,728
2000 Census	6,828	37,684	78,723
<b>INCOME</b>			
Average	\$53,572	\$53,386	\$60,480
Median	\$44,194	\$41,759	\$45,229
Per Capita	\$23,560	\$21,964	\$25,035
<b>HOUSEHOLDS</b>			
2023 Projection	3,258	18,892	39,893
2018 Estimate	3,198	17,807	37,634
2010 Census	3,035	16,586	35,224
2000 Census	2,933	14,501	30,956
<b>HOUSING</b>			
2018	\$135,512	\$135,360	\$155,834
<b>EMPLOYMENT</b>			
2018 Daytime Population	8,166	104,978	156,808
2018 Unemployment	3.11%	6.59%	5.46%
2018 Median Time Traveled	18	18	19
<b>RACE &amp; ETHNICITY</b>			
White	72.09%	66.75%	67.78%
Native American	0.00%	0.07%	0.07%
African American	21.20%	24.83%	24.97%
Asian/Pacific Islander	2.00%	3.49%	2.83%

Prepared May 13, 2019



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Lynchburg, VA  
ACT ID ZAA0160191

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# Exclusive Listing

**Aaron's**

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Marcus & Millichap

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**Aaron's**