



Exclusively Listed

Staples

439 S Hermitage Road | Hermitage, PA 16148

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ACTIVITY ID: ZAA0300382

Staples

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INVESTMENT SUMMARY



439 South Hermitage Road
Hermitage, PA 16148



\$3,652,398.26



\$273,875.87 NOI
7.5% CAP Rate



23,925 SF TOTAL GLA
2.64 -Acre Parcel
100 Parking Spaces; 1:200 SF

THE OFFERING

Year Built	1997
Type of Ownership	Fee Simple
Tenant	Office Superstore East LLC
Guarantor	USR Parent, Inc.
Lease Type	Double Net (NN)
Roof & Structure	Landlord's Responsibility
Lease Term	~ 7 Year Early Extension
Term Remaining	6.5+ Years
Lease Commencement	3/17/1997
Lease Expiration	3/19/2026
Increases	8.6% Increase in Option Period
Options	1x 5 Year

RENT SCHEDULE

BASE RENT

3/27/2017 - 3/19/2026 \$278,726.25

OPTIONS

3/20/2026 - 3/19/2031 \$302,651.25

DEBT QUOTE

LTV	70%
Rate	4.25% +/-
Term	5 Years
Amortization	25 Year
Other Terms	Recourse Step Down Prepayment

Provided by Marcus & Millichap Capital Corporation

NOTES

The Third Option was Exercised Early on May 16,2019 to extend the term to March 19, 2026

NOI Includes both Base Rent and Real Estate Tax Reimbursement
Less Expenses

- **Recently Extended Lease for 3rd Time, through May 2026 Indicating Commitment to Site and Strong Performance**
- **Corporate Guarantee**
- **Limited Competition in Market – No Other Office Supply Store within a 10-Mile Radius;** Only a Wal-Mart within a 5-Mile Radius
- **Positioned on the “Main & Main” Retail Corridor** for Hermitage near Kohls, Lowes, Planet Fitness, Applebee’s, Red Lobster and the Shenango Valley Mall
- **Numerous Education Institutions Fuel Store Sales** - Located within 3-Miles of 3 High Schools, Butler Community College, Two Elementary Schools, Penn State Shenango Campus, Laurel Technical Institute, and Sharon Regional Health System Nursing School
- **Strong Traffic Counts** –20,000+ VPD Pass Site on South Hermitage Road



Marcus & Millichap, on behalf of ownership, is pleased to exclusively offer the fee simple interest in this Staples in Hermitage, PA. The tenant just extended their lease for the third time, through May 19th, 2026, with an additional five-year option thereafter. The lease is corporately backed by Staples, which was taken private in September of 2017 by Sycamore Partners Management and have been experiencing stronger sales as a company.

Staples is strategically located on S. Hermitage Road, which is the major retail artery in the Sharon-Hermitage area. The site has two means of ingress and egress and is zoned Commercial (CC-1 City of Hermitage). Over 20,000 Vehicles Per Day Pass the site. Neighbors include the Shenango Valley Mall, Kohls, Lowe’s Home Center, and several fast food and casual dining restaurant chains. With no competition, and several schools and colleges nearby, the store has strong performance based on the number of lease extensions without a rent reduction or a reduction in GLA.



STAPLES

The Office Superstore



INCOME & EXPENSES

INCOME

Scheduled Base Rental Revenue	\$278,726.28
Reimbursement Rent (Real Estate Taxes)	\$50,128.43
GROSS REVENUE	\$328,854.71

EXPENSES

Real Estate Taxes	\$50,128.43
Liability Policy	\$1,261.66
TOTAL OPERATING EXPENSES	\$51,390.09
Replacement Reserve	\$3,588.75
TOTAL EXPENSES	\$54,978.84

NET OPERATING INCOME **\$273,875.87**

UNDERWRITING NOTES & ASSUMPTIONS

- Replacement Reserve is for Roof & Structure and is Calculated at \$0.15 PSF





TENANT INFORMATION

TENANT INFORMATION

Tenant	Office Superstore East LLC
Tenant Trade Name	Staples
Parent Company	Sycamore Partners
Lease Guarantor	Corporate
No. of Locations	1,450+ Stores 40 Warehouses/Fulfillment Centers
Employees	77,000
Sales Volume	\$16 Billion (2018)
Headquartered	Framingham, MA
Type	Private
Website	www.staples.com

The Staples logo, featuring the word "STAPLES" in a bold, red, sans-serif font. A registered trademark symbol (®) is located at the top right of the letter "S".

Staples is the leading operator of office supply superstores in the US at a time when demand for traditional office supplies is waning. It sells a wide range of office supplies (papers, pens, stickies, notebooks, folders, clips), as well as office furniture and computers and printers through more than 1,400 Staples stores in the US and Canada. The company also offers business and technology services (through Staples Business Advantage), an area it hopes to expand. In addition to its retail locations, Staples markets its products and services online, with a direct sales team, and via mail-order (through subsidiary Quill and other operations). The company was bought by Sycamore Partners, a private equity firm, for about \$6.9 billion in 2017.

Staples serves individual consumers as well as small and midsize businesses and large enterprises. It targets customers through multiple channels, including direct sales, e-commerce, mobile, AI-powered “conversational commerce” (chatbots), and retail. The company’s marketing strategy has changed in the past year or so as it emphasizes business services instead of retail stores full of office supplies.

Acquisition by Sycamore Partners

Staples became a private company with the \$6.9 billion acquisition by Sycamore Partners, a private equity firm with a strong concentration in retail. Its other retail holdings include Talbots, Belk, Dollar Express, Nine West, and Hot Topic. As with other companies in changing industries, Sycamore and Staples are betting that as a private company Staples can more swiftly adjust its business model to shifting buying habits than as a public company.



LOCATION DETAILS



Hermitage is in Mercer County, PA, on the Pennsylvania-Ohio border, and adjacent to the Town of Sharon. Hermitage is part of the Youngstown-Warren- Boardman OH-PA metropolitan statistical area, more commonly known as the Mahoning Valley. This area has approximately 565,000 people in it. The town lies about halfway between Pittsburgh and Cleveland. Hermitage is a mid-sized, industrial town that has a small-town atmosphere and an affordable cost of living. The town has many recreational facilities and the environment is protected to ensure a high quality of life. There are many shopping and dining opportunities as well as cultural experiences such as historical museums and local arts. Additionally, Akron, Cleveland, Pittsburgh and Erie are only a short car drive away.

The Hermitage School District strives for excellence in providing learning opportunities and resources for educating students to become productive citizens in our society. The school district consists of two elementary schools, one middle school, and Hickory High School. There are also 8 colleges and universities within a 25-mile radius of hermitage including Penn State Shenango, Youngstown State University, and Kent State – Trumbull Campus.







DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	2,888	33,144	49,022
■ 2018 Estimate			
Total Population	2,853	33,414	49,591
■ 2010 Census			
Total Population	2,895	34,152	50,811
■ 2000 Census			
Total Population	2,922	36,786	55,224
■ Current Daytime Population			
2018 Estimate	3,735	35,513	49,764
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	1,344	14,585	21,152
■ 2018 Estimate			
Total Households	1,304	14,514	21,150
Average (Mean) Household Size	2.12	2.29	2.31
■ 2010 Census			
Total Households	1,335	14,988	21,914
■ 2000 Census			
Total Households	1,256	15,424	22,925
■ Occupied Units			
2023 Projection	1,344	14,585	21,152
2018 Estimate	1,439	16,647	24,295
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	5.32%	4.74%	4.25%
\$100,000 - \$149,000	10.48%	10.58%	9.98%
\$75,000 - \$99,999	11.78%	11.82%	11.46%
\$50,000 - \$74,999	25.72%	19.86%	19.18%
\$35,000 - \$49,999	14.74%	14.70%	14.85%
Under \$35,000	31.96%	38.32%	40.30%
Average Household Income	\$65,215	\$64,220	\$61,021
Median Household Income	\$53,258	\$45,741	\$43,823
Per Capita Income	\$29,995	\$28,076	\$26,218

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$61,868	\$58,220	\$56,523
■ Consumer Expenditure Top 10 Categories			
Housing	\$17,576	\$16,471	\$15,921
Shelter	\$10,005	\$9,448	\$9,119
Transportation	\$9,068	\$8,644	\$8,474
Food	\$5,640	\$5,361	\$5,252
Personal Insurance and Pensions	\$5,357	\$5,008	\$4,860
Health Care	\$5,163	\$4,469	\$4,301
Utilities	\$4,060	\$3,824	\$3,726
Entertainment	\$2,560	\$2,345	\$2,259
Household Furnishings and Equipment	\$1,643	\$1,518	\$1,471
Apparel	\$1,520	\$1,510	\$1,470
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	2,853	33,414	49,591
Under 20	17.11%	22.33%	22.69%
20 to 34 Years	12.95%	15.85%	16.14%
35 to 39 Years	4.88%	5.14%	5.17%
40 to 49 Years	11.20%	11.60%	11.85%
50 to 64 Years	24.72%	22.77%	22.64%
Age 65+	29.14%	22.30%	21.52%
Median Age	52.62	46.02	45.40
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	2,258	24,236	35,688
Elementary (0-8)	1.66%	1.65%	1.88%
Some High School (9-11)	5.68%	6.94%	7.39%
High School Graduate (12)	40.62%	38.20%	41.21%
Some College (13-15)	17.55%	18.49%	17.70%
Associate Degree Only	8.62%	9.40%	9.09%
Bachelors Degree Only	18.06%	16.24%	14.64%
Graduate Degree	7.34%	8.16%	7.17%



Population

In 2018, the population in your selected geography is 33,414. The population has changed by -9.17% since 2000. It is estimated that the population in your area will be 33,144.00 five years from now, which represents a change of -0.81% from the current year. The current population is 47.00% male and 53.00% female. The median age of the population in your area is 46.02, compare this to the US average which is 37.95. The population density in your area is 1,179.68 people per square mile.



Households

There are currently 14,514 households in your selected geography. The number of households has changed by -5.90% since 2000. It is estimated that the number of households in your area will be 14,585 five years from now, which represents a change of 0.49% from the current year. The average household size in your area is 2.29 persons.



Income

In 2018, the median household income for your selected geography is \$45,741, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 41.08% since 2000. It is estimated that the median household income in your area will be \$55,318 five years from now, which represents a change of 20.94% from the current year.

The current year per capita income in your area is \$28,076, compare this to the US average, which is \$32,356. The current year average household income in your area is \$64,220, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 82.06% White, 13.25% Black, 0.01% Native American and 0.96% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 1.86% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$97,829 in 2018, compare this to the US average of \$201,842. In 2000, there were 11,063 owner occupied housing units in your area and there were 4,361 renter occupied housing units in your area. The median rent at the time was \$368.



Employment

In 2018, there are 17,582 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 57.99% of employees are employed in white-collar occupations in this geography, and 41.88% are employed in blue-collar occupations. In 2018, unemployment in this area is 6.10%. In 2000, the average time traveled to work was 19.00 minutes.



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