



# Offering Memorandum



## Broker of Record

Ben Yelm  
License #303785  
(843) 952-2300

1336 East Franklin Boulevard  
Gastonia, NC 28054

Marcus & Millichap



# Aerial photo

# Aaron's, Gastonia, NC





# Offering Summary

1336 East Franklin Boulevard  
Gastonia, NC 28054

## PRICING

List Price	\$800,000
CAP (Current)	8.25%
Price/SF	\$177.38

## ANNUALIZED OPERATING DATA

Annual Rental Income	\$66,000
Annual Rent/Ft.	\$14.63
Tenant Responsibility	Taxes, Insurance, Maintenance
Landlord Responsibility	Roof, Structure, Parking Lot

## PROPERTY DESCRIPTION

Gross Leasable Area	4,510 SF
Lot Size	0.65 Acre
Ownership Type	Fee Simple
Year Built/Renovated	1958/2003

## LEASE SUMMARY

Lease Type	Double Net
Lease Term	15 Years
Lease Commencement	11/1/2018
Lease Expiration	10/31/2021
Remaining Lease Term	2+ Years
Renewal Options	None
Right of First Refusal	No
Lease Guarantor	Corporate

# Investment Overview



## Primary Retail Corridor

The subject property is located along E Franklin Blvd. which is the primary retail corridor in Gastonia. The site is situated amongst multiple national retailers and is close to the Eastridge Mall, which has seen several new proposals for redevelopment of retail, multifamily, and hotels in the last year.



## Strong Yield

The current pricing affords an incoming investor the ability to achieve an 8.25% Cap Rate through 2021. The tenant has no options remaining, which provides an investor the ability to negotiate a new lease with the tenant at an attractive rental rate.



## Corporate Guarantee

Aaron's, Inc. is a publicly traded entity with approximately 1,500 locations throughout the US, Canada, and Puerto Rico. The company's stock has seen tremendous growth in the last few years.



## Prime Demographics for Tenant

Aaron's has successfully operated in this location since 2003 and provides the community with access to household goods such as furniture, electronics, and other necessities. The local demographics support this business model, a claim which is supported by Aaron's exercising multiple options to extend since inception.

**Lease Term**  
2+ Years  
Remain

**Guarantor**  
Corporate

**Annual Rent**  
\$66,000

**Landlord  
Responsibility**  
Roof,  
Structure,  
Parking Lot



# Tenant Overview

## Aaron's

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 1,500 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

1,500+

### HEADQUARTERS

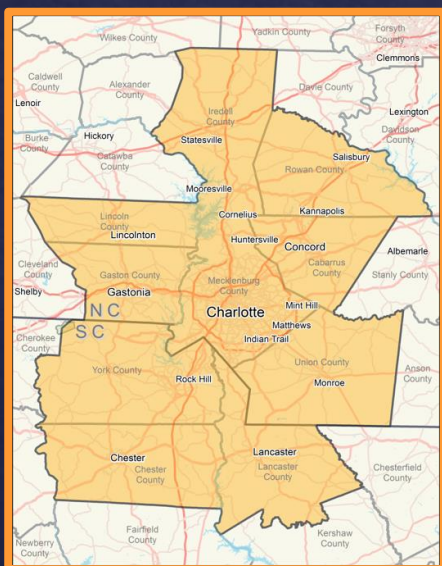
Atlanta, GA

# Market Overview

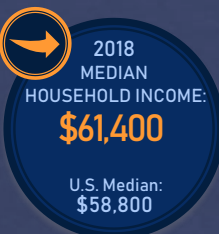
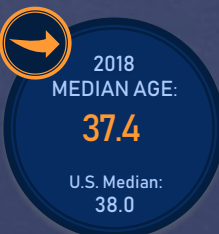
## Charlotte, NC

### Overview

Located between the Blue Ridge Mountains and coastal plains, the Charlotte metro stretches 3,198 square miles across the Piedmont region of the Southeastern United States. It contains seven counties in North Carolina: Mecklenburg, Gaston, Union, Cabarrus, Iredell, Rowan and Lincoln. South Carolina counties include York, Lancaster and Chester. A strong financial presence has contributed to the local population growing to more than 2.5 million citizens, becoming one of the nation's fastest-growing metros over the past 15 years. Charlotte is the largest city, with nearly 850,000 people, followed by Concord and Gastonia, each with less than 100,000 residents.



### DEMOGRAPHICS



### METRO HIGHLIGHTS



#### POPULATION GROWTH

The population of the Charlotte metro will expand faster than the U.S. rate during the next five years. A large portion of the gain will be due to in-migration.



#### SKILLED WORKERS

Charlotte has a well-educated and highly trained labor pool that is attracted by a variety of industries and employers located in the metro.



#### ECONOMIC EXPANSION

The metro's employment base is growing and diversifying, drawing Fortune 500 companies.



### ECONOMY

- Though the finance sector is a large driver of the economy, manufacturing, healthcare and energy industries also play a vital role.
- Charlotte's low cost of doing business attracts companies. During 2018, six Fortune 500 companies had headquarters in the region: Bank of America, Lowe's, Duke Energy, Nucor, Sealed Air and Sonic Automotive.
- Highly ranked universities provide employment and produce an educated workforce, drawing top companies to the area.

\* Forecast

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



# Market Overview

## Quality of Life

The Charlotte metro offers a wide variety of cultural and entertainment activities. Charlotte hosts several historical sites due to the strong ties to the American Revolution, Civil War and the first gold rush in the nation. Additional museums and cultural amenities include the Bechtler Museum of Modern Art, Historic Rosedale Plantation, Wells Fargo History Museum, Charlotte Symphony Orchestra, Opera Carolina and Carolina Renaissance Festival. Charlotte offers professional football, basketball, soccer and lacrosse. The Carolina Panthers and Charlotte Bobcats have stadiums in Uptown Charlotte. The metro includes the legendary Charlotte Motor Speedway that hosts major NASCAR races.

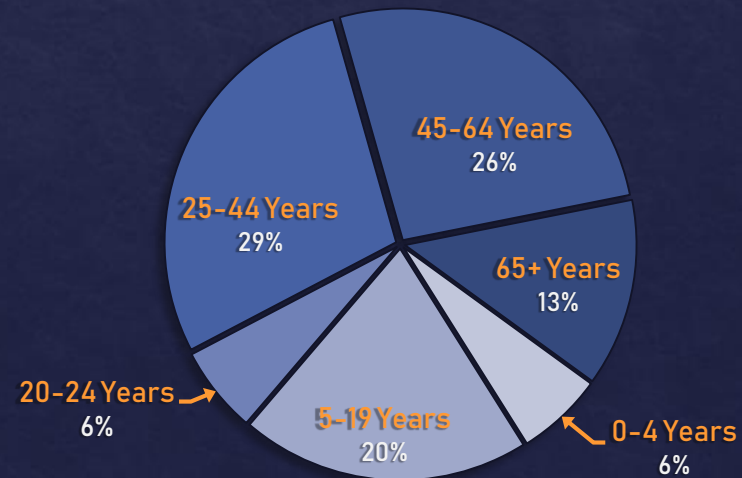
## Demographics

- The metro is expected to add nearly 235,000 people through 2023, resulting in the formation of approximately 100,200 households.
- The median home price of \$240,000 has allowed 66 percent of households to own their home, which compares with the national rate of 64 percent.
- Roughly 32 percent of people age 25 and older hold bachelor's degrees; among those residents, 10 percent have also obtained a graduate or professional degree..

## Economic Growth

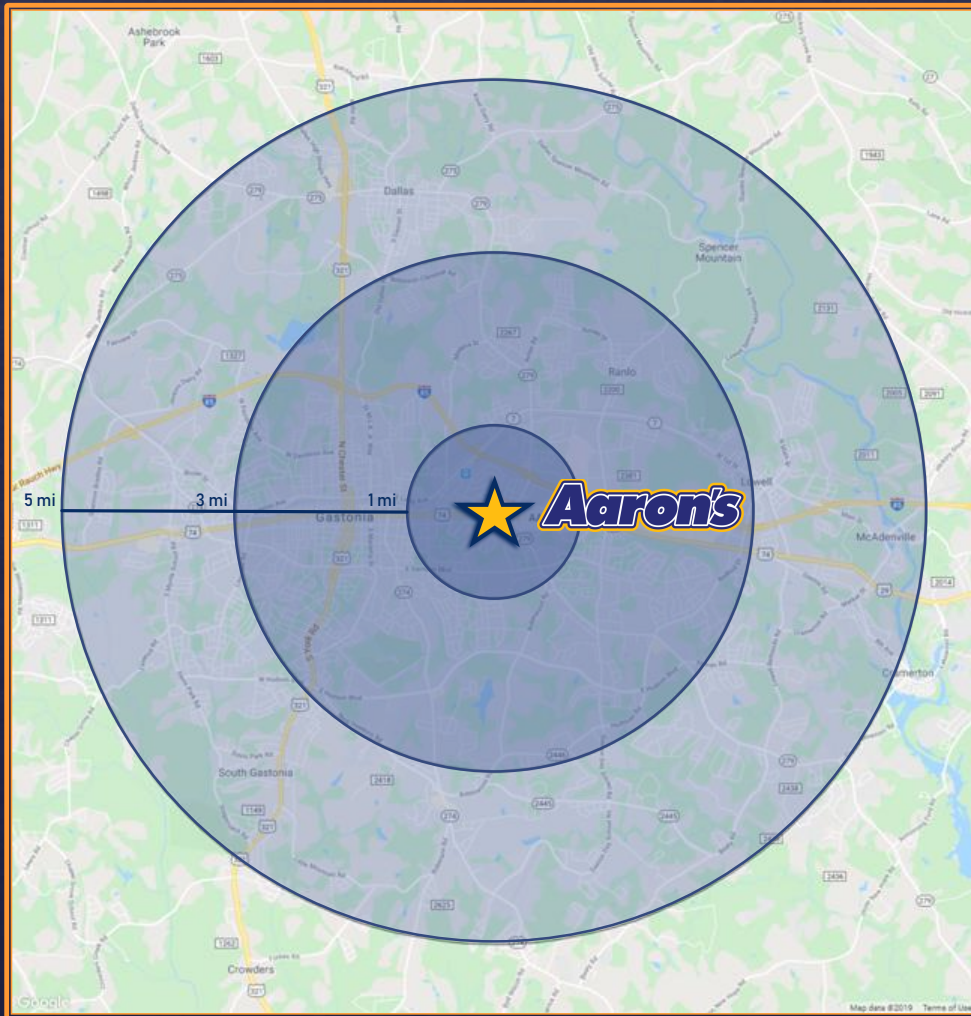


## 2017 Population by Age



# Demographics

## Gastonia, NC



	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2023 Projection	5,385	55,242	107,659
2018 Estimate	5,523	54,336	104,626
2010 Census	5,321	51,047	97,504
2000 Census	5,439	48,617	90,838
<b>INCOME</b>			
Average	\$57,214	\$57,687	\$61,032
Median	\$43,988	\$42,988	\$45,333
Per Capita	\$23,907	\$23,027	\$23,684
<b>HOUSEHOLDS</b>			
2023 Projection	2,151	21,957	41,804
2018 Estimate	2,183	21,332	40,186
2010 Census	2,128	20,336	37,920
2000 Census	2,284	19,647	35,638
<b>HOUSING</b>			
2018	\$115,443	\$129,759	\$132,651
<b>EMPLOYMENT</b>			
2018 Daytime Population	11,912	63,401	105,438
2018 Unemployment	5.30%	5.46%	5.04%
2018 Median Time Traveled	23	25	26
<b>RACE &amp; ETHNICITY</b>			
White	59.81%	59.32%	65.16%
Native American	0.04%	0.02%	0.03%
African American	27.90%	29.70%	24.71%
Asian/Pacific Islander	0.66%	1.63%	1.59%

Prepared November 6, 2019



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AARON'S  
Gastonia, NC  
ACT ID ZAA0160468

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# Exclusive Listing

**Aaron's**

1336 East Franklin Boulevard  
Gastonia, NC 28054



Marcus & Millichap

## Broker of Record:

Ben Yelm

Regional Manager

Charlotte Office

Tel: (843) 952-2300

[benjamin.yelm@marcusmillichap.com](mailto:benjamin.yelm@marcusmillichap.com)

License # 303785



**Aaron's**