

RECESSION-PROOF RETAILER

Aaron's

26-30 MERCHANTS ROW
RUTLAND, VT

Offering Memorandum



Actual Locations



26-30 Merchants Row | Rutland, VT

AARON'S SUMMARY	
TENANT	Aaron's, Inc.
NOI	\$83,556
RENT/SF	\$3.76
BUILDING SIZE (SF)	22,200
TOTAL PARCEL SIZE (ACRES)	0.28



THE GYMNASIUM SUMMARY	
TENANT	The Gymnasium
NOI	\$18,000
RENT/SF	\$2.43
OCCUPIED SPACE (SF)	7,400
LEASE EXPIRATION	Month-to-Month

*Aaron's is responsible for the entire building's taxes, repairs & maintenance and insurance costs (i.e. the entire property is NNN to the Landlord).

PRICING	
COMBINED NOI	\$101,556
CAP	6.75%
PRICE	\$1,505,000

DEMOGRAPHICS	
1-MILE POPULATION	10,855
1-MILE AHI	\$51,237
3-MILE POPULATION	19,939
3-MILE AHI	\$60,860
5-MILE POPULATION	25,606
5-MILE AHI	\$63,866



*Actual Location Photos

Location

- Strong access and visibility on Merchants Row (Traffic Count: 6,600 VPD) within Rutland's primary retail corridor.
- Major retailers in the immediate vicinity include Walmart, Price Chopper, Mattress Firm, TJ Maxx, NAPA Auto Parts, Citizens Bank, People's United Bank, CVS, Burger King, Subway, Wendy's, Walgreens and Key Bank among others.
- The property is also located in Downtown Rutland less than 2 miles from the College of Saint Joseph (350 students), whose students and faculty provide the retailer with a built-in customer base.
- Rutland, Vermont (City Population: 16,126) is the third-largest city in the state and the seat of Rutland County (Population: 60,086). Located 68 miles south of Burlington, and 90 miles northeast of Albany, at the foothills of the Green Mountain National Forest. As a regional hub for business, healthcare and retail the city has a diverse employment base with over 100 manufacturers across several industries.



Tenant Overview



Aaron's, Inc., (NYSE: AAN, Dun & Bradstreet Credit Rating: 11AA - highest credit rating), which was established in 1955, is a leading omnichannel provider of lease-purchase solutions. The Atlanta, GA-based company engages in the sales and lease ownership and specialty retailing of furniture, consumer electronics, home appliances and accessories through its 1,689 company-owned and franchised stores in 47 states and Canada as well as its e-commerce platform, Progressive Leasing. Aaron's offers its products to consumers primarily on a month-to-month, lease-to-own basis with no credit needed. Its stores carry well-known brands such as Samsung, Frigidaire, Hewlett-Packard, LG, Whirlpool, Simmons, Philips, Ashley and Magnavox.

The retailer's prototypical store is approximately 6,100 SF and boasts sales of \$318 PSF. Aaron's produced TTM 3/31/2019 sales of \$3.9 billion, EBITDA of \$593 million, and net income of \$200 million. Additionally, the company boasts a net worth of \$1.8 billion.

COMPANY OVERVIEW	
DUN & BRADSTREET CREDIT RATING	11AA
NUMBER OF LOCATIONS	1,689
HEADQUARTERS	Atlanta, GA
TICKER SYMBOL	NYSE: AAN

FINANCIAL HIGHLIGHTS	
SALES	\$3.9 Billion
EBITDA	\$593 Million
NET INCOME	\$200 Million
CASH & CASH EQUIVALENTS	\$124 Million
TOTAL ASSETS	\$369 Million



Lease Summary

TENANT	Aaron's, Inc
INITIAL LEASE TERM:	10 Years
LEASE COMMENCEMENT:	7/27/2017
LEASE EXPIRATION:	7/27/2027
TERM REMAINING:	8 Years
LEASE TYPE:	NNN
INITIAL TERM RENT:	\$1,177,027 (Total of 16 Properties)
RENT ESCALATIONS:	Flat During Initial Term
REMAINING OPTIONS:	Three 5-year Options
OPTION RENT INCREASES:	15% in Each Option
TAXES:	Landlord shall pay when due all real estate taxes and assessments levied and assessed against the Demised Premises. Tenant shall reimburse Landlord for its proportionate share (100%) of the net amount of all real estate taxes and assessments levied and assessed against the Demised Premises.
INSURANCE:	Landlord shall insure the Demised Premises against damage or destruction by fire and other casualties insurable under a "superior form", "all risk" extended coverage endorsement. Such insurance shall be in an amount equal to not less than 100% of the replacement cost, without depreciation, of the Demised Premises. Tenant shall reimburse Landlord for its proportionate share (100%) of Landlord's insurance cost. Tenant shall keep in force a policy of comprehensive public liability insurance, including property damage, with respect to the Building and the business operate by Tenant on the Demised Premises, in which the limits of coverage shall not be less than \$1,000,000 (combined single limit bodily injury and property damage).
REPAIRS & MAINTENANCE:	Tenant shall at all times during the term of this Lease, at its sole expense, keep, maintain and repair (including replacements, if necessary) the Demised Premises (including roof, foundation, exterior walls, floors, driveways, parking areas, sidewalks, utility lines serving the Demised Premises, improvements and replacements of each of the foregoing, heating, ventilating, and air conditioning systems, plumbing and electrical systems, downspouts, fire sprinkler system, if any, and any and all other repairs or maintenance necessary for any portion or part of the interior or the exterior of the Demised Premises) in good order, condition and repair.



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FOR MORE INFORMATION, PLEASE CONTACT:

WILL PIKE

Vice Chairman
+1 404 923 1381
will.pike@cbre.com

THOMAS CARR

Capital Markets Analyst
+1 404 812 5101
thomas.carr4@cbre.com

CHRIS BOSWORTH

Vice Chairman
+1 404 923 1486
chris.bosworth@cbre.com

DAN GREENSTEIN

CBRE VT Licensee
+1 207 553 1703
daniel.greenstein@cbre.com

BRIAN PFOHL

Senior Vice President
+1 404 504 7983
brian.pfohl@cbre.com

MATT MOUNTJOY

Capital Markets Manager
+1 404 504 5939
matthew.mountjoy@cbre.com