



9380 Mason Montgomery Rd | Mason, OH  
OFFERING MEMORANDUM



Lowe's is scheduled to completely re-pave and re-stripe the entire parking lot by year's end

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REAL ESTATE INVESTMENT SERVICES

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## EXECUTIVE OVERVIEW INVESTMENT HIGHLIGHTS

- **Best in Class Tenant** - Lowe's is a top Fortune 500 company, ranked ahead companies like Proctor & Gamble, PepsiCo, Walt Disney, Goldman Sachs, and Morgan Stanley. They have a market cap of ±\$85B and is has an investment-grade credit rating, BBB+. Revenue for 2018 surpassed \$70B and net income was greater than \$2B. Founded in 1921, Lowe's now has over 2,000 locations and employs more than 310,000 people.
- **New Roof with 20-Year Warranty; Re-Paved & Re-Striped Parking Lot by 2021**- The Roof was replaced on 12/7/16. There is a 20-year, manufacturer's roof-warranty in place that will be transferred to the Buyer at closing. Lowe's will also be re-paving and re-striping by the parking lot by year's end.
- **Commitment to Location** - Lowe's has been at the location since 1997. At their first option, Lowe's renewed the lease with no landlord concessions. Prior to their second option, Lowe's agreed to an additional 10-year lease showing their strong commitment to the location.
- **Long-Term Lease with Increases** - The investment yields an average return of 6.00% over the remaining initial term. Lowe's recently extended their lease and now has over 12 years of guaranteed term. There is a 15.57% rental increase in 2027, a 10.25% increase in the 2nd option period, and 5% increases in each of the remaining option periods thereafter.



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- **High Growth and Wealthy Suburb of Cincinnati** - There are  $\pm 150,000$  people in the 5-mile radius with an average household income greater than \$110,000. The growth rate in the nearby radius has been tremendous, nearly 50% in the 1-mile radius over the last decade and strong growth expected over the next decade. Downtown Cincinnati is located just 20 miles south of the subject property. Cincinnati is a top MSA ahead of Austin, Kansas City, Nashville, Jacksonville, and Indianapolis.
- **The New Downtown** - The District at Deerfield is being developed directly across the street and is poised to become the Cincinnati area's newest mega entertainment district. The development will encompass about 28 acres which will have 350+ high-end apartment units and 95,000 square feet of street-level retail space. The public-private partnership will be a vibrant, new downtown district for the community.
- **Desirable Retail Location** - The property is surrounded by over a million square feet of retail with tenants like Walmart, Whole Foods, Regal, Kroger, Hobby Lobby, Costco, Target, anchoring the area. Additionally, there are hundreds of thousands of square feet of multifamily and office in the immediate vicinity. The property benefits from freeway visibility with nearly 100,000 VPD and is located along the main thoroughfare with over  $\pm 81,600$  VPD.

# FINANCIAL OVERVIEW



**\$18,464,600**

LIST PRICE



**\$1,043,250**

NOI



**5.65%**

CAP RATE (CURRENT)



**6.00%**

AVG CAP RATE  
OVER BASE TERM

## BUILDING INFO

Address	9380 Mason Montgomery Rd, Mason, OH
APN	16-26-170-007-1
Year Built	1997
GLA of Building	± 128,747 SF
Lot Size	± 13.90 AC

## TENANT SUMMARY

Trade Name	Lowe's
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	*NN
Roof and Structure	*Landlord Responsible
Original Lease Term	20 Years
Lease Commencement Date	12/30/96
Lease Expiration Date	9/30/32
Term Remaining	±13 Years
Increases	15.75% in 2027 10.25% in 2nd Option 5% in 3rd-8th Options
Options	8, Five Year Options

\*The Roof was replaced on 12/7/16. There is a 20-year, manufacturer's roof-warranty in place that will be transferred to the Buyer at closing

## ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Rent PSF	CAP
Current - 9/30/27	\$86,937.50	\$1,043,250	\$8.10	5.65%
10/1/27 - 9/30/32	\$100,641.00	\$1,207,692	\$9.38	6.54%
Option 1	\$100,641.00	\$1,207,692	\$9.38	6.54%
Option 2	\$110,956.67	\$1,331,480	\$10.34	7.21%
Option 3	\$116,504.50	\$1,398,054	\$10.86	7.57%
Option 4	\$122,329.75	\$1,467,957	\$11.40	7.95%
Option 5	\$128,446.25	\$1,541,355	\$11.97	8.35%
Option 6	\$134,868.58	\$1,618,423	\$12.57	8.77%
Option 7	\$141,612.00	\$1,699,344	\$13.20	9.20%
Option 8	\$148,692.58	\$1,784,311	\$13.86	9.66%

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# TENANT OVERVIEW



## The Offering

<b>PROPERTY NAME</b>	<b>Lowe's Home Improvement</b>
Property Address	9380 Mason Montgomery Rd Mason, OH
<b>SITE DESCRIPTION</b>	
Number of Stories	One
Year Built	1997
Lot Size	± 13.90 AC
Type of Ownership	Fee Simple

## Tenant Overview

» <b>Company Name</b>	» <b>Year Founded</b>	» <b>Headquarters</b>
Lowe's Home Improvement	1866	Mooreville, NC
» <b>Ownership</b>	» <b>Industry</b>	» <b>No. of Employees</b>
Public	Retail	±310,000

Lowe's Companies, Inc. doing business as Lowe's, is an American retail company specializing in home improvement. Headquartered in Mooreville, North Carolina, the company operates a chain of retail stores in the United States and Canada. As of November 2018, Lowe's and its related businesses operate 300 home improvement and hardware stores and employ almost 2.1 million people in North America. Lowe's is the second-largest hardware chain in the United States behind The Home Depot and ahead of Menards. For the fiscal year 2018, Lowe's reported earnings of US\$3.436 billion, with an annual revenue of US\$68.619 billion, an increase of 5.5% over the previous fiscal cycle.

**\$70 B**

2018 Sales

**\$2 B +**

2018 Net Income

**2,000 +**

Locations Worldwide



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# SURROUNDING TENANTS



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The District at Deerfield is an integrated, mixed-use development on 28 acres in Deerfield Township – a thriving regional submarket of Cincinnati, Ohio – that offers a unique, pedestrian-friendly dining, retail and entertainment destination. A public/private partnership with Deerfield Township preserves open green space for active programming, creating a gathering space for the community.

Located at the corner of Mason Montgomery Road and Parkway Drive, the upscale, urban-style site design is uniquely positioned in the heart of one of the most highly traveled corridors in Greater Cincinnati.

***The District at Deerfield combines  
the best of both worlds –  
suburban convenience with urban  
amenities:***

- 95,000 square feet of street-level retail and restaurant space
- 362 luxury apartments
- Proposed 150-room hotel and hospitality space
- Medical office building
- Walkable environment
- Open green space with active, public programming





Residents at The District at Deerfield will enjoy elevated lifestyle living in the heart of Deerfield Township's thriving business, entertainment and social environment. The development's urbanist design, cohesive streetscape elements and active, open space creates a dynamic atmosphere for the more than 360 luxury apartments on site.

#### ***The District at Deerfield amenities include:***

- Public park with active programming
- Walkable Social Scene
- Other (pool, workout facility, community gathering space)

#### ***Commercial Leasing:***

The District at Deerfield is a premier dining, shopping and entertainment destination for those living, working and visiting Deerfield Township. Coupled with its mix of boutique retailers, authentic cuisine and active green space, the development's upscale site design brings urban character to an affluent, heavily traveled regional hub. The large local workforce, overnight visitors and Deerfield Township residents looking for a taste of the downtown scene close to home will drive commerce and community engagement.

#### ***The local trade area features:***

- More than 3 million square feet of office space
- Nearly 4.3 million square feet of retail space
- Fortune 500 companies





VIEW OF **SUBJECT PROPERTY** FROM  
**WATERSTONE CENTER**



# AREA OVERVIEW

## MASON, OH OVERVIEW

Mason is a city in southwestern Warren County, Ohio and only 22 miles from downtown Cincinnati. Mason is home to Kings Island amusement park and one of the largest tennis stadiums in the world, the Lindner Family Tennis Center, home of the Western & Southern Open, one of the world's top tennis tournaments for both men and women. Mason is home to seven city parks which cover about 300 acres and include fishing lakes, walking trails, ball fields, tennis courts, picnic shelters and playgrounds. A continually expanding network of bike paths connects neighborhoods to schools, parks and downtown.

## ECONOMY

Mason tourist attractions include: Kings Island amusement park and water park; Great Wolf Lodge indoor water park and resort; The Beach water park; and The Lindner Family Tennis Center, which hosts the historic Western & Southern Open men's and women's tennis tournaments, part of the top nine tennis tournaments in the world as part of the ATP World Tour Masters 1000 series. Mason's largest employers include Procter & Gamble's Mason Business Center, the headquarters of Luxottica Retail and Cintas corporate headquarters. Other notable companies with large operations in Mason are Mitsubishi Electric, L-3 Communications and Heinz. Over 500 businesses operate in Mason's 18 square miles. High-tech companies, corporate headquarters, and light industries are particularly attracted to Mason. More than 90 corporations have headquarters or manufacturing operations in Mason's 24 commerce parks.



## DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Projection	8,195	67,483	152,035
2019 Estimate	7,582	65,588	147,940
2010 Census	5,917	61,803	140,208
Growth 2019-2024	8.09%	2.89%	2.77%
Growth 2010-2019	28.14%	6.12%	5.51%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Projection	3,259	26,713	58,407
2019 Estimate	3,017	25,912	56,760
2010 Census	2,388	24,309	53,614
Growth 2019-2024	8.02%	3.09%	2.90%
Growth 2010-2019	26.34%	6.59%	5.87%
INCOME	1-MILE	3-MILE	5-MILE
2019 Avg Household Income	\$113,589	\$121,629	\$126,290
2019 Med Household Income	\$79,628	\$89,080	\$91,826

# CINCINNATI, OH

Cincinnati, located in southwestern Ohio on the Ohio River, is the third-largest city in the state. Cincinnati MSA has a population of around 2,200,000 and is home to major corporations such as Procter & Gamble, The Kroger Company, and Macy's, Inc., amongst others. Kroger, the largest employer in the city, has 17,000 employees. The University of Cincinnati is the second largest, with 15,162 employees.

Cincinnati has two major league teams, seven minor league teams, five college institutions with sports teams, and seven major sports venues. Cincinnati's two major league teams are Major League Baseball's Reds, who were named for America's first professional baseball team, the Cincinnati Red Stockings and the Bengals of the National Football League who have made two Super Bowl appearances since its founding. On Major League Baseball Opening Day, Cincinnati has the distinction of holding the "traditional opener" in baseball each year, due to its baseball history.

## ECONOMY

Cincinnati has recently become a younger, more educated city with a fast-growing economy exceeding most other cities in the country. The study was done by taking a twice-a-year economic snapshot of the Greater Cincinnati economy and finding the city isn't aging as fast as the rest of the country and the population's education level is on the rise. This has caused a growth in the economy with it now being 2 percent above its pre-recession level.

With the low cost of living and unemployment rate, many people have moved to the area and it has become a hot spot for many corporations. Several Fortune 500 companies are headquartered in Cincinnati including Procter & Gamble, The Kroger Company, and Macy's. General Electric has also moved their headquarters to the city for GE Aviation and Global Operations.



# THE UNIVERSITY OF CINCINNATI

The University of Cincinnati is a public institution with an undergraduate enrollment of 25,054 and a total enrollment of over 44,000 making it the second largest university in Ohio and one of the 50 largest in the United States. The school offers hundreds of programs of study including graduate degrees in business, law, and engineering but the university is known for their highly ranked fine arts and health master's programs.

The University of Cincinnati contributes greatly to the statewide economy. The university has an economic impact of around \$2 billion annually. By these measures, the University of Cincinnati does better than any of the other state universities and any other university.



## RECENT DEVELOPMENT

The city has been undergoing new developments to help renovate the city to become more modern and innovative. The Banks project is planned to finish in the next couple years and will create a riverfront area between the Paul Brown Stadium and Great America Ball Park, along



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Lowe's** located at **9380 Mason Montgomery Rd, Mason, OH 45040** ("Property"). It has been prepared by Matthews Real Estate Investment Services. 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 Real Estate Investment Services. 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 Real Estate Investment Services 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 Real Estate Investment Services 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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