

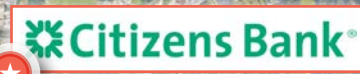
CITIZENS BANK - 15 YR ABS. NNN

4015 ERIE STREET, WILLOUGHBY (CLEVELAND MSA), OHIO



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

4015 Erie Street, Willoughby (Cleveland MSA), Ohio 44094

FINANCIAL SUMMARY

Citizens Bank at 5.15 Percent CAP	\$4,544,000
Construction Rent NPV ⁽¹⁾	\$52,000
Total Offering Price	\$4,596,000
Building Square Feet	3,500 Square Feet
Base Rent Cash Flow	5.15 Percent \$234,000
Year Built	2020
Lot Size	.678 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Citizens Bank, N.A.
Guarantor ⁽²⁾	Corporate
Roof and Structure	Tenant Responsible
Lease Commencement Date	February 1, 2020
Lease Expiration Date	January 31, 2035
Original Lease Term	15 Years
Rental Increases	Eight Percent Every Five Years
Renewal Options ⁽³⁾	Three, Five Year Options

DEPOSITS

6/30/2020	\$131,790,000
6/30/2019	\$118,137,000
6/30/2018	\$117,995,000

ANNUALIZED OPERATING DATA - BASE RENT

Lease Years	Annual Rent	Cap Rate
One - Five	\$234,000.00	5.15 Percent
Six - 10	\$252,720.00	5.56 Percent
11 - 15	\$272,938.00	6.01 Percent
Options	Annual Rent	Cap Rate
Option One	\$294,773.00	6.49 Percent
Option Two	See Below ⁽³⁾	
Option Three	See Below ⁽³⁾	

NOTE: Subject Bank Branch is a relocation of a long-standing branch (which held approximately \$118,000,000 in deposits) located at 38115 Euclid Avenue, Willoughby, Ohio, approximately 0.20 miles north of the Subject Bank Branch. It is Seller's understanding that Citizens Bank relocated to the Subject Bank Branch to right-size the building and improve access and visibility of the bank branch.

(1) CONSTRUCTION RENT: Per Section 6.3 of the Lease Agreement, Landlord incurred \$63,765 of costs which Tenant is repaying in 60 monthly installments of \$1,232.58 commencing 2/1/2020. The Construction Rent NPV of \$52,000 is calculated using the monthly Construction Rent payment of \$1,232.58 discounted at the offered capitalization rate of 5.15 percent over a period of 47 months (utilizes a closing date of +/- 2/15/2021).

(2) Tenant may assign the Lease to an entity having a tangible net worth not less than \$500,000,000 ("Permitted Transfer"). In addition, Permitted Transfers shall mean an assignment of the Lease and/or a sublease or all of any part of the Premises: (i) to any business organization affiliated with Tenant; (ii) to any business organization resulting from the consolidation or merger of Tenant with any other business organization or organizations; (iii) to any business organization which alone or together with affiliated business organizations shall acquire all or substantially all of the operations of Tenant and/or Tenant's business (iv) to any business organization that acquires the ongoing business operations of Tenant in the Premises; or (v) as may be required by any applicable regulating body, including, but not limited to, the Federal Deposit Insurance Corporation and its successors and assigns. Except for Permitted Transfers, Tenant agrees to not assign its interest in the Lease or Premises or sublease all or any part of the Premises without first obtaining Landlord's written consent.

(3) The first, five-year renewal option increases by eight percent, but the rent for options two and three are to be set at Market Rent, as defined in the Lease. In no event shall the Market Rent be less than the prior five-year period or greater than eight percent of the rent paid in the prior five-year period.

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12,840 CPD
VINE ST/MENTOR AVE

WILLOUGHBY
OHIO
MUNICIPAL COURT

12,100 CPD
ERIE STREET

FIFTH THIRD BANK

FIREFIIGHTERS
COMMUNITY
CREDIT UNION

UNITED STATES
POSTAL SERVICE

HARMONY yoga studios

FRANK & TONY'S
PLACE

KLEIFELD'S RESTAURANT
PRANZO THE MOREHOUSE

Westel's Alibi & Hush
usbank

roundbar Chagrin River
DINER
etc.
DAVE'S COSMIC SUBS
barrix

Ballantine
tda
HOOK & HOOF

Vitalone's
SERVICES

Citizens Bank

Vitalone's
SERVICES

Willoughby
BREWING CO.



DOLLAR GENERAL

Mercedes-Benz

fine arts
association

Andrews Osborne
ACADEMY

CHAGRIN RIVER
WALK

TODD FIELD

12,840 CPD
VINE ST/MENTOR AVE

Citizens Bank

Willoughby
BREWING CO.

roundbar
Chagrin River
DINER
etc.
DAVE'S
COSMIC
SUBS
DK SPORTS
barri

HOLA
TAQUERIA & DRIVE-IN

FIFTH THIRD BANK

Vitalone's
SERVICES

WILLOUGHBY

MUNICIPAL COURT

12,100 CPD
ERIE STREET

KLEIFELD'S RESTAURANT
PRANZO

FIREFIGHTERS
COMMUNITY
CREDIT UNION

UNITED STATES
POSTAL SERVICE

Property Description



INVESTMENT HIGHLIGHTS

- » 15 Year Absolute Triple-Net (NNN) Lease with Citizens Bank, N.A., a Subsidiary of Citizens Financial Group, Inc. (NYSE: CFG; S&P A Credit Rating)
- » Eight Percent Rental Increases Every Five Years
- » 112,000 Residents within a Five-Mile Radius - Cleveland MSA
- » Subject Property is Relocation of an Established Nearby Branch
- » Extremely Strong Deposits of \$131,790,000 - 11.5 Percent Year Over Year Growth
- » Prime Location in the Heart of Downtown Willoughby
- » Signalized Hard Corner, Visible to Nearly 25,000 Cars Per Day at Intersection
- » Average Household Income Exceeds \$76,000 within Five Miles of Subject Property
- » Strong Daytime Population - 117,881 Employees in Surrounding Area
- » Three Miles to Lakeland Community College (Over 13,000 Students) and Great Lakes Mall (More Than Six Million Shoppers Annually)



DEMOGRAPHICS

One-mile

Three-miles

Five-miles

Population

2025 Projection	4,983	50,694	111,727
2020 Estimate	4,902	50,792	112,000

Households

2025 Projection	2,342	22,399	48,792
2020 Estimate	2,285	22,271	48,475

Income

2020 Est. Average Household Income	\$74,247	\$73,999	\$76,656
2020 Est. Median Household Income	\$57,953	\$58,571	\$60,347
2020 Est. Per Capita Income	\$34,622	\$32,516	\$33,283

Daytime Population

2020 Estimate	5,835	61,460	117,881
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Tenant Overview



Providence, Rhode Island

Headquarters

NYSE: CFG

Stock Symbol

S&P A

Credit Rating

www.citizensbank.com

Website

Citizens Financial Group, Inc. (NYSE: CFG), founded in 1828, is one of the nation's oldest and largest financial institutions, with \$179.9 billion in assets, \$143.6 billion in deposits, 1,000 branch locations and 2,700 ATMs as of June 30, 2020. The Company is headquartered in Providence, Rhode Island and has operations in 13 U.S. states: Connecticut, Delaware, Maine, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, South Carolina, Pennsylvania, Rhode Island and Vermont.

Citizens offers a broad range of retail and commercial banking products and services to individuals, small businesses, middle-market companies, large

corporations and institutions. In Consumer Banking, Citizens provides an integrated experience that includes mobile and online banking, a 24/7 customer contact center, and the convenience of its branch locations and ATMs. Consumer Banking products and services include a full range of banking, lending, savings, wealth management and small business offerings.

In Commercial Banking, Citizens offers a broad range of financial products and solutions, including lending and leasing, deposit and treasury management services, foreign exchange, interest rate and commodity risk management solutions, corporate finance and more.

Location Overview



Willoughby is located in Ohio's Lake County and is a suburb of Cleveland. The city's estimated 2019 population is just under 23,000 people. Willoughby was founded in the late 1700s by Yale graduate David Abbott. In 1834, a group of local doctors established the Willoughby University of Lake Erie Medical College, named after Dr. Westel Willoughby, their former professor at New York's Fairfield Medical College. That same year, the city was named "Willoughby" after Dr. Willoughby.

Willoughby is home to a historic downtown that has become a destination for unique shops, delicious food and a lively nightlife, with a scenic lakefront just a

few miles away. Over 185 acres of parks allow visitors and residents alike to enjoy numerous outdoor recreational activities. Many annual events, including ArtsFest and the Rib Burnoff, draw in crowds from all over the area.

Greater Cleveland is ranked as the 33rd-largest metropolitan area in the United States, with 2,057,009 people as of 2018. Cleveland is home to the corporate headquarters of many large companies such as Applied Industrial Technologies, Cliffs Natural Resources, Eaton Corp., KeyBank, The Progressive Corporation, Travel Centers of America, NACCO Industries, Sherwin-Williams Company, Cleveland Clinic and University Hospitals.

[exclusively listed by]

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