

Mahoning Plaza
Austintown, Ohio



Exclusive Offering By:

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Offering Memorandum

Goodman Real Estate Services Group LLC
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Mahoning Plaza

Austintown, Ohio

The Property - Investment Summary

| | |
|-----------------------|---|
| Property | Mahoning Plaza |
| Type | Two-Tenant Anchored Strip Center |
| Property Address | 4475-4477 Mahoning Avenue Austintown, Ohio 44515 |
| Tenants | Family Farm & Home Kmart |
| Gross Leasable Area | 129,880 Square Feet |
| Percent Leased | 100% |
| Lot Size | 12.96 Acres |
| Fee Type | Fee-Simple |
| Roof Type | Replaced 2005 |
| Average Base Rent | \$2.60 Per Square Foot |
| Net Operating Income | \$302,661 |
| CAP Rate | 9.15% |
| Price | \$3,308,000 |
| Price Per Square Foot | \$25.47 |



Mahoning Plaza

Austintown, Ohio

Investment Highlights

- Low \$25.47 psf Purchase Price, Significantly Below Replacement Cost
- 100% Leased Two-Tenant Strip Center with Rents Averaging \$2.60 per square foot
- Kmart Rent-to-Sales Ratio Under 3% - Profitable Store
- New 10 Year Lease (9 Years Remaining) with Family Farm & Home
- Situated in the Center of 500,000 Person Retail Trade Area with Highway Access

Property Description

For sale is the 100% fee simple interest in Mahoning Plaza, a 129,880 square foot shopping center anchored by Family Farm & Home and Kmart in Austintown, Ohio. Family Farm & Home recently signed a new, 10 year NNN lease in the property that commenced July 1, 2015, and Kmart recently extended its lease through 2019, showing their commitment to the trade area. This Kmart store posted a year over year same store sales increase of 8% in 2015, and is a top performer (inquire directly for confidential store sales). This property is being offered to qualified investors at a very attractive cap rate of 9.15%, providing a return much higher than that of the typical retail investment. The owner has meticulously maintained the property, and as such the parking lot is in excellent condition. The roof was redone approximately 10 years ago with a 20 year warranty. The property is located on Mahoning Avenue, which is one of three major retail markets in the Youngstown-Warren MSA serving over 500,000 people. It is surrounded by other national and regional retailers including Walmart, Home Depot, Giant Eagle, Marc's Grocery, Aldi, Chase, Wendy's, Dunkin Donuts, Arby's, Walgreen's, Chipotle, Denny's, Buffalo Wild Wings, and Ford, Chevrolet, and Chrysler/Jeep/Dodge dealerships. In addition to offering long-term tenants in a high-traffic retail marketplace, this property is being offered for sale at a per-square-foot price of \$25.47, which is far below its current replacement cost.

Austintown, Ohio

Austintown is located west of Youngstown on Mahoning Avenue, and is approximately 18 minutes away from the nearest major retail trade area to the north, Niles, and 20 minutes away from the nearest retail trade area to the southeast, Boardman. Family Farm & Home and Kmart are located on Mahoning Avenue (29,882 vehicles per day) which is the main artery of the Austintown retail trade area. The shopping center is just blocks away from Ohio State Route 46 and Ohio State Route 11, the later of which is a divided highway connecting Ashtabula on Lake Erie to the north to the greater Youngstown area, including Boardman, Canfield, Columbiana, Lisbon, and dozens of other communities both north and south of the property. It is the property's ability to trade regionally into multiple counties that allowed it to recently attract Family Farm & Home, whose desire is to trade to a wide geographic area. Tenants coming into the Youngstown area need stores in Austintown, Boardman, and Niles to capture the majority of market. Today, a handful of tenants are in all three major markets, but many are still only in Niles and Boardman, which are approximately 30 minutes apart, and have room to expand into Austintown.





Mahoning Plaza

Austintown, Ohio

The Property - Property Photos



Mahoning Plaza

Austintown, Ohio

Performance & Tenancy - 2016 NOI Budget

INCOME

Occupancy: 100%

Base Rental Income

| Tenant | Size (SF) | Annual Rent | PSF |
|--------------------------|-----------|--------------|--------|
| Kmart Corporation | 84,000 | \$210,000.00 | \$2.50 |
| Family Farm & Home, Inc. | 45,880 | \$126,170.00 | \$2.75 |
| Total | 129,880 | \$336,170.00 | |

Reimbursed Expenses

| | |
|-------------------------|--------------|
| Property Taxes | \$74,291.00 |
| Insurance | \$12,161.00 |
| Common Area Maintenance | \$44,942.00 |
| Total | \$131,394.00 |

Effective Gross Income \$467,564.00

OPERATING EXPENSES

| | |
|-------------------------------|--------------|
| Property Taxes | \$74,291.00 |
| Insurance | \$12,161.00 |
| Cam - General | \$8,211.00 |
| Cam - Snowplowing | \$16,923.00 |
| Cam - Utilities | \$4,861.00 |
| Cam - Lot and Light Repairs | \$14,947.00 |
| Management (3% EGI) | \$14,026.92 |
| Capital Reserves (\$0.15 psf) | \$19,482.00 |
| Total | \$164,902.92 |

Total Operating Expenses \$164,902.92

Net Operating Income (NOI) \$302,661.08

Value at 9.15% Cap Rate \$3,308,000

Mahoning Plaza

Austintown, Ohio

Performance & Tenancy - Rent Roll

| Tenant Name | Square | | Lease Term | | Rental Rates | | | Recovery | |
|--------------------|--------|----------|------------|------------|--------------|-----------|--------|----------|--|
| | Feet | Pro-rata | Begin | End | Begin | Annually | PSF | Type | Comments/Options |
| Family Farm & Home | 45,880 | 35.37% | 7-1-2015 | 6-30-2025 | Current | \$126,170 | \$2.75 | NNN | Tenant reimburses its pro-rata share of common area maintenance, taxes and insurance, payable monthly. 3% annual cap on cam excluding taxes, insurance, and snowplowing. Tenant also reimburses over a 10 year period resurfacing of more than 50% of the parking lot. HVAC: New Units 2015. Options: Two 5 year options with 2% annual increases in base rent. |
| Kmart | 84,000 | 64.63% | 1-3-1967 | 11-30-2019 | Current | \$210,000 | \$2.50 | NNN | Tenant reimburses its pro-rata share of common area maintenance, taxes and insurance, payable monthly. Right of First Refusal - 30 days. Security Deposit: none. Options: Two 5 year options. Option 1 = \$4.25 PSF, Option 2 = \$4.50 PSF. |



Family Farm and Home is a leading regional farm and home specialty retailer with locations throughout the Great Lakes region. The company is a family owned and operated company based out of Michigan. The company's first stores opened their doors in April of 2002, and since then they have enjoyed rapid growth due to customer demand throughout the region. Family Farm and Home currently operates 51 stores mainly throughout Michigan, Indiana and Ohio, and continues to expand into new markets and add store in existing territories. The company added 16 new stores between 2015 and mid-2016 alone. Stores are approximately 40,000 square feet in size and cater to their customers' needs by supplying a wide variety of products in departments such as tools, hardware, automotive, pet, work and casual clothing, footwear, farm supplies, horse and livestock feed, bird food, lawn and garden, and alternative heating.



Kmart, a wholly owned subsidiary of Sears Holdings Corporation (NASDAQ: SHLD), is a mass merchandising company and part of "shop your way," a social shopping experience where members have the ability to earn points and receive benefits across a wide variety of physical and digital formats through ShopYourWay.com. Kmart offers customers quality products through a portfolio of exclusive brands that include Sofia by Sofia Vergara, Jaclyn Smith, Joe Boxer, Route 66 and Smart Sense. Kmart is headquartered in Hoffman Estates, Illinois. The chain purchased Sears for \$11 billion in 2005, which formed Sears Holdings Corporation. Kmart itself was founded in 1962 and is the third largest discount store chain in the world, behind Walmart and Target, with stores in the United States, Puerto Rico, the U.S. Virgin Islands, and Guam. As of January 2016, the company operated a total of 941 Kmart stores in 49 states, Guam, Puerto Rico, and the U.S. Virgin Islands, with the non-Super Center store size averaging 95,000 square feet.

Mahoning Plaza Austintown, Ohio

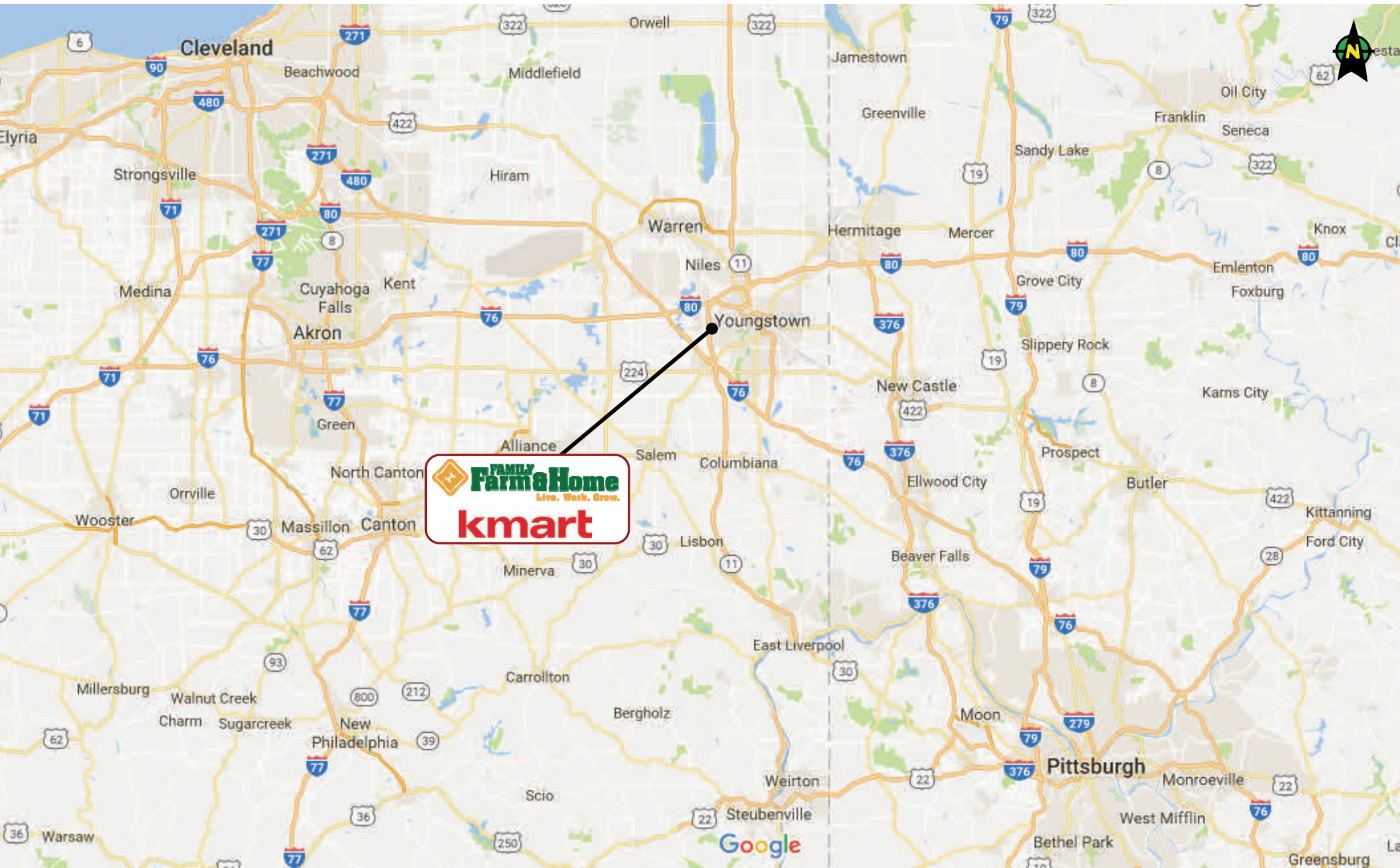
Market Overview - Market Aerial



Mahoning Plaza

Austintown, Ohio

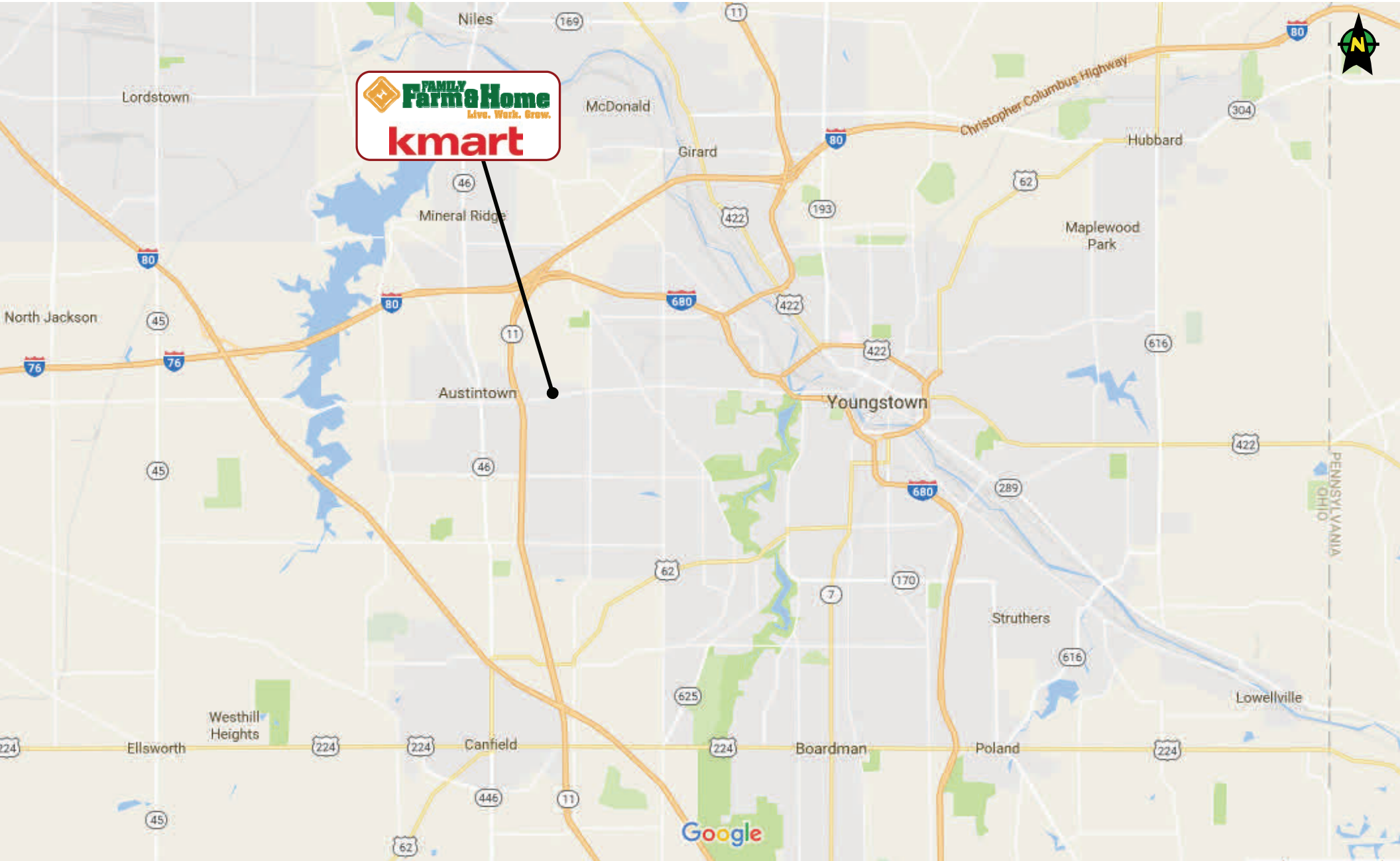
Market Overview - Regional Map



Mahoning Plaza

Austintown, Ohio

Market Overview - Local Map



4475 Mahoning Avenue

Austintown, Ohio

1 Mile

3 Miles

5 Miles

7 Miles

POPULATION

| | | | | |
|---------------------------------------|--------|--------|---------|---------|
| 2016 Estimated Population | 9,346 | 49,592 | 111,021 | 192,001 |
| 2021 Projected Population | 9,110 | 48,753 | 110,869 | 191,755 |
| 2010 Census Population | 9,656 | 51,625 | 113,485 | 196,739 |
| 2000 Census Population | 10,332 | 54,856 | 125,545 | 216,021 |
| Projected Annual Growth 2016 to 2021 | -0.5% | -0.3% | - | - |
| Historical Annual Growth 2000 to 2016 | -0.6% | -0.6% | -0.7% | -0.7% |

HOUSEHOLDS

| | | | | |
|---------------------------------------|-------|--------|--------|--------|
| 2016 Estimated Households | 4,576 | 22,272 | 47,895 | 82,763 |
| 2021 Projected Households | 4,560 | 22,350 | 48,875 | 84,479 |
| 2010 Census Households | 4,583 | 22,568 | 47,598 | 82,356 |
| 2000 Census Households | 4,777 | 22,885 | 50,592 | 87,544 |
| Projected Annual Growth 2016 to 2021 | -0.1% | 0.1% | 0.4% | 0.4% |
| Historical Annual Growth 2000 to 2016 | -0.3% | -0.2% | -0.3% | -0.3% |

AGE

| | | | | |
|---------------------------------------|-------|-------|-------|-------|
| 2016 Est. Population Under 10 Years | 11.4% | 10.7% | 10.9% | 10.8% |
| 2016 Est. Population 10 to 19 Years | 11.0% | 10.8% | 12.2% | 11.9% |
| 2016 Est. Population 20 to 29 Years | 16.3% | 12.8% | 13.5% | 13.3% |
| 2016 Est. Population 30 to 44 Years | 17.9% | 17.3% | 16.7% | 17.1% |
| 2016 Est. Population 45 to 59 Years | 18.4% | 19.9% | 20.2% | 20.5% |
| 2016 Est. Population 60 to 74 Years | 16.5% | 18.6% | 17.4% | 17.2% |
| 2016 Est. Population 75 Years or Over | 8.6% | 9.8% | 9.1% | 9.2% |
| 2016 Est. Median Age | 38.5 | 42.6 | 41.3 | 41.5 |

INCOME

| | | | | |
|--|----------|----------|----------|----------|
| 2016 Est. HH Income \$200,000 or More | 0.5% | 1.1% | 1.7% | 1.9% |
| 2016 Est. HH Income \$150,000 to \$199,999 | 0.4% | 1.7% | 2.5% | 2.5% |
| 2016 Est. HH Income \$100,000 to \$149,999 | 6.5% | 9.2% | 8.6% | 8.8% |
| 2016 Est. HH Income \$75,000 to \$99,999 | 8.6% | 10.7% | 10.0% | 9.7% |
| 2016 Est. HH Income \$50,000 to \$74,999 | 17.1% | 18.4% | 17.8% | 18.3% |
| 2016 Est. HH Income \$35,000 to \$49,999 | 14.3% | 16.4% | 15.3% | 15.5% |
| 2016 Est. HH Income \$25,000 to \$34,999 | 18.5% | 13.7% | 12.2% | 12.3% |
| 2016 Est. HH Income \$15,000 to \$24,999 | 18.7% | 14.9% | 14.4% | 14.4% |
| 2016 Est. HH Income Under \$15,000 | 15.4% | 14.1% | 17.4% | 16.7% |
| 2016 Est. Average Household Income | \$42,823 | \$51,389 | \$53,436 | \$53,866 |
| 2016 Est. Median Household Income | \$37,739 | \$43,725 | \$43,216 | \$43,743 |
| 2016 Est. Per Capita Income | \$20,990 | \$23,200 | \$23,260 | \$23,547 |

4475 Mahoning Avenue

Austintown, Ohio

| | 1 Mile | 3 Miles | 5 Miles | 7 Miles |
|--|----------|----------|-----------|-----------|
| EDUCATION (Adults 25 or Older) | | | | |
| 2016 Est. Adult Population (25 Years or Over) | 6,483 | 35,679 | 77,262 | 134,906 |
| 2016 Est. Elementary (Grade Level 0 to 8) | 2.4% | 2.2% | 2.6% | 2.8% |
| 2016 Est. Some High School (Grade Level 9 to 11) | 8.7% | 6.9% | 8.8% | 8.6% |
| 2016 Est. High School Graduate | 41.1% | 40.7% | 38.0% | 38.3% |
| 2016 Est. Some College | 24.0% | 22.9% | 22.2% | 21.9% |
| 2016 Est. Associate Degree Only | 7.6% | 7.4% | 7.4% | 7.3% |
| 2016 Est. Bachelor Degree Only | 11.2% | 13.0% | 13.2% | 13.4% |
| 2016 Est. Graduate Degree | 4.9% | 6.9% | 7.8% | 7.6% |
| HOUSING | | | | |
| 2016 Est. Total Housing Units | 5,098 | 24,631 | 53,874 | 93,088 |
| 2016 Est. Owner-Occupied | 42.7% | 60.8% | 58.1% | 58.7% |
| 2016 Est. Renter-Occupied | 47.0% | 29.6% | 30.8% | 30.2% |
| 2016 Est. Vacant Housing | 10.2% | 9.6% | 11.1% | 11.1% |
| HOMES BUILT BY YEAR | | | | |
| 2010 Homes Built 2005 or later | 1.4% | 2.0% | 2.2% | 2.0% |
| 2010 Homes Built 2000 to 2004 | 3.3% | 4.1% | 4.0% | 4.0% |
| 2010 Homes Built 1990 to 1999 | 6.0% | 8.8% | 9.4% | 9.3% |
| 2010 Homes Built 1980 to 1989 | 8.5% | 7.1% | 7.1% | 7.2% |
| 2010 Homes Built 1970 to 1979 | 20.6% | 17.8% | 15.6% | 15.1% |
| 2010 Homes Built 1960 to 1969 | 14.4% | 16.4% | 13.2% | 13.6% |
| 2010 Homes Built 1950 to 1959 | 26.0% | 22.0% | 20.0% | 19.8% |
| 2010 Homes Built Before 1949 | 19.8% | 21.7% | 28.4% | 29.0% |
| HOME VALUES | | | | |
| 2010 Home Value \$1,000,000 or More | 0.1% | 0.1% | 0.2% | 0.3% |
| 2010 Home Value \$500,000 to \$999,999 | 0.3% | 0.4% | 0.7% | 0.7% |
| 2010 Home Value \$400,000 to \$499,999 | 0.5% | 0.7% | 1.2% | 1.2% |
| 2010 Home Value \$300,000 to \$399,999 | 0.7% | 1.4% | 2.3% | 2.5% |
| 2010 Home Value \$200,000 to \$299,999 | 3.0% | 5.4% | 7.2% | 7.5% |
| 2010 Home Value \$150,000 to \$199,999 | 5.9% | 10.3% | 11.6% | 11.8% |
| 2010 Home Value \$100,000 to \$149,999 | 17.4% | 25.4% | 22.0% | 21.9% |
| 2010 Home Value \$50,000 to \$99,999 | 66.5% | 45.3% | 38.3% | 36.7% |
| 2010 Home Value \$25,000 to \$49,999 | 4.2% | 7.4% | 8.7% | 9.5% |
| 2010 Home Value Under \$25,000 | 1.5% | 3.6% | 7.9% | 7.9% |
| 2010 Median Home Value | \$84,942 | \$98,097 | \$101,081 | \$102,242 |
| 2010 Median Rent | \$495 | \$474 | \$464 | \$467 |

4475 Mahoning Avenue

Austintown, Ohio

| | | 1 Mile | 3 Miles | 5 Miles | 7 Miles |
|-----------------------------|--|----------|----------|----------|----------|
| LABOR FORCE | 2016 Est. Labor Population Age 16 Years or Over | 7,682 | 41,050 | 91,192 | 157,899 |
| | 2016 Est. Civilian Employed | 61.3% | 57.2% | 54.4% | 54.8% |
| | 2016 Est. Civilian Unemployed | 3.3% | 2.9% | 3.2% | 3.1% |
| | 2016 Est. in Armed Forces | - | 0.1% | 0.1% | 0.1% |
| | 2016 Est. not in Labor Force | 35.5% | 39.9% | 42.2% | 41.9% |
| | 2016 Labor Force Males | 46.4% | 46.9% | 47.3% | 47.9% |
| | 2016 Labor Force Females | 53.6% | 53.1% | 52.7% | 52.1% |
| OCCUPATION | 2010 Occupation: Population Age 16 Years or Over | 4,061 | 22,378 | 46,888 | 80,835 |
| | 2010 Mgmt, Business, & Financial Operations | 10.2% | 11.1% | 11.6% | 11.2% |
| | 2010 Professional, Related | 14.8% | 17.9% | 19.3% | 19.7% |
| | 2010 Service | 18.8% | 19.8% | 20.5% | 21.3% |
| | 2010 Sales, Office | 28.5% | 26.6% | 25.7% | 25.6% |
| | 2010 Farming, Fishing, Forestry | - | 0.2% | 0.2% | 0.2% |
| | 2010 Construction, Extraction, Maintenance | 7.9% | 7.6% | 7.1% | 7.1% |
| | 2010 Production, Transport, Material Moving | 19.8% | 16.7% | 15.6% | 14.9% |
| | 2010 White Collar Workers | 53.5% | 55.7% | 56.6% | 56.5% |
| 2010 Blue Collar Workers | 46.5% | 44.3% | 43.4% | 43.5% | |
| TRAVEL TIME | 2010 Travel to Work in 14 Minutes or Less | 33.2% | 33.9% | 34.4% | 35.5% |
| | 2010 Travel to Work in 15 to 29 Minutes | 47.1% | 45.8% | 45.1% | 44.3% |
| | 2010 Travel to Work in 30 to 59 Minutes | 14.3% | 15.1% | 15.1% | 14.8% |
| | 2010 Travel to Work in 60 Minutes or More | 5.4% | 5.1% | 5.4% | 5.3% |
| | 2010 Average Travel Time to Work | 17.8 | 18.3 | 18.0 | 17.7 |
| CONSUMER EXPENDITURE | 2016 Est. Total Household Expenditure | \$181 M | \$989 M | \$2.17 B | \$3.78 B |
| | 2016 Est. Apparel | \$6.19 M | \$33.9 M | \$75.0 M | \$130 M |
| | 2016 Est. Contributions, Gifts | \$10.7 M | \$60.9 M | \$137 M | \$239 M |
| | 2016 Est. Education, Reading | \$6.02 M | \$34.0 M | \$77.5 M | \$135 M |
| | 2016 Est. Entertainment | \$9.88 M | \$54.7 M | \$120 M | \$209 M |
| | 2016 Est. Food, Beverages, Tobacco | \$28.8 M | \$156 M | \$341 M | \$592 M |
| | 2016 Est. Furnishings, Equipment | \$5.79 M | \$32.6 M | \$71.9 M | \$125 M |
| | 2016 Est. Health Care, Insurance | \$16.9 M | \$90.7 M | \$198 M | \$344 M |
| | 2016 Est. Household Operations, Shelter, Utilities | \$56.5 M | \$308 M | \$677 M | \$1.18 B |
| | 2016 Est. Miscellaneous Expenses | \$2.79 M | \$15.1 M | \$32.9 M | \$57.1 M |
| | 2016 Est. Personal Care | \$2.36 M | \$12.9 M | \$28.3 M | \$49.1 M |
| 2016 Est. Transportation | \$34.8 M | \$191 M | \$415 M | \$723 M | |