

EDGEWATER PARK MANOR & THE BREAKERS

76 UNITS | 9823 - 9829 LAKE AVENUE, CLEVELAND, OHIO

**CLEVELAND OHIO
TRANSACTION TEAM**

RICO A. PIETRO, SIOR

PRINCIPAL
+1 216 525 1473
rpietro@crescorealestate.com

JASON GRIFFITH

SALES ASSOCIATE
+1 216 525 1494
jgriffith@crescorealestate.com

**CUSHMAN & WAKEFIELD |
CRESCO REAL ESTATE**

3 SUMMIT PARK DRIVE
SUITE 200
CLEVELAND, OHIO 444
PHONE: +1 216 520 1200
FAX: +1 216 520 1828
crescorealestate.com



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INVESTMENT SUMMARY



OPPORTUNITY

Edgewater Park Manor and The Breakers are uniquely located in one of the most desirable neighborhoods in Cleveland's Edgewater Park community. Edgewater Park Manor consists of 35,152/SF amassing 36 luxury apartment units. The authentic meticulously maintained apartment structure was originally constructed in 1930 and sits on a 16,000/SF lot. The Breakers (9829 Lake Avenue) consists of 34,732/SF on a 16,000/SF lot with 40 luxury apartment units. The property was constructed in 1930 as well. Our offering includes a development site contiguous to the Properties to the East of an estimated 12,000/SF. This site is ideal for another structure and can accommodate an apartment building or cluster housing.

The Apartments are incredibly well maintained and all units have recent upgrades. The historical occupancy is routinely in the 90-100% range. Edgewater Park Manor and The Breakers offers an investor a stable asset with an ideal avenue to reposition the property by cosmetic upgrades allowing for upside to the investment.

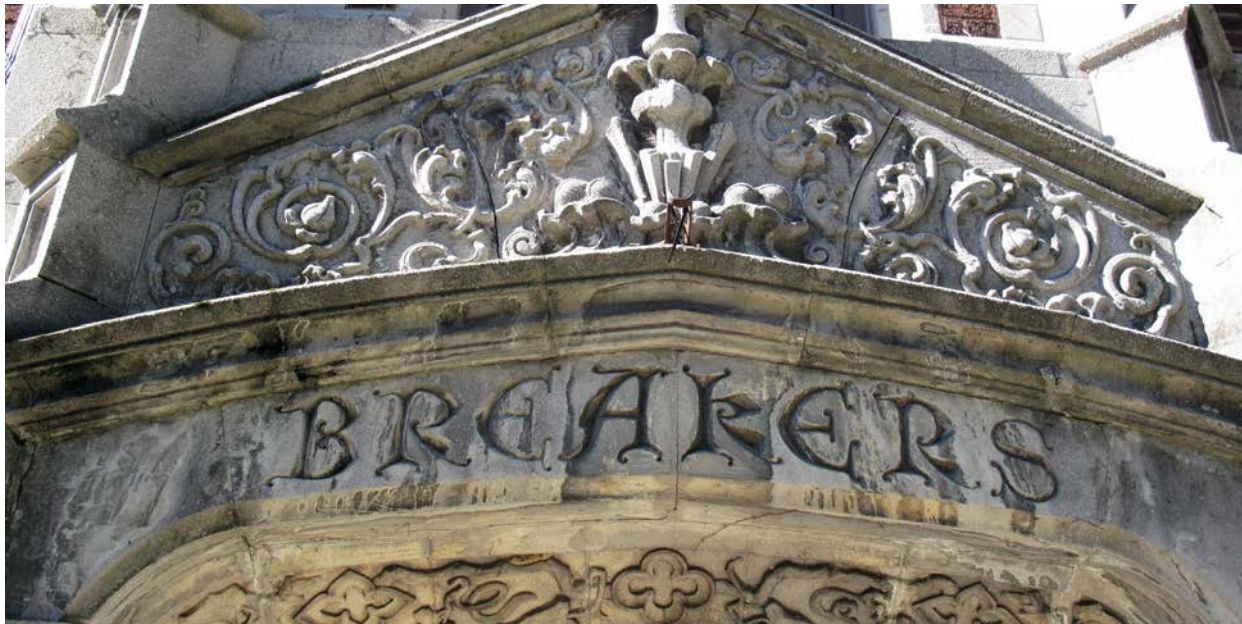
Compared to similar vintage, but more upgraded properties, Edgewater Park Manor and The Breakers estimates rent premiums of \$75-\$150.00 per month per unit can be achieved by modernizing the units. These upgrades will be predominately cosmetic (countertops, appliances and some upgrades to lighting). In addition, the common areas and landscaping can use a modest upgrade to enhance the curb appeal.

Edgewater Beach, located in the lower Edgewater Park has something for everyone to enjoy and is just a few minute walk from the property. Make a day of it and rent a cabana along the shoreline or join a pick-up game of beach volleyball. Stroll along the beach while enjoying a delicious scoop of Honey Hut ice cream from Eats and Treats concession stand. Experience panoramic views of downtown Cleveland from the shore and experience a breath-taking sunset. Edgewater Beach is accessible from both the lower section of Edgewater Park as well as the Upper section. The 2,400 foot beach features 1,000 feet of swimming access. The westernmost portion of the beach is dog friendly. The beach also provides kayaking access.

The investment is an ideal, stable investment that still provides an investor an opportunity for value adds with modest improvements and an on campus shovel ready development site. This is the first time the Asset has gone to market in over 50 years.



PROPERTY DESCRIPTION



COMMUNITY AMENITIES

- Full-time maintenance staff member
- Electronic security at entrance
- Pet friendly
- Indoor parking available
- High Speed Internet
- Private Balcony/Patio
- Indoor Corridor
- Well Lit Walking Area
- Easy Access to I-90 & Rt. 2

UNIT FEATURES

- Ceiling Fans
- Electric Ranges
- Garbage Disposals
- Dish Washers
- Walk-in Closets
- Hardwood floors

THE OFFERING	
Name	Edgewater Park Manor & The Breakers
Address	9823 Lake Avenue 9829 Lake Avenue
Type of Ownership	Fee Simple
Assessor's Parcel Number	001-10-003, 001-10-004, 051-10-005
SITE DESCRIPTION	
Number of Units	76
Number of Buildings	2
Number of Stories	4
Rentable Square Feet	34,732 SF & 35,156
Year Built	1930
Lot Size	0.37, 0.37, 0.28 = 1.02 acres
Parking	Level Spaces

UTILITIES	
Water	Landlord Pays
Electric	Tenant Pays
Gas	Heat - Tenant Pays
Trash	Landlord

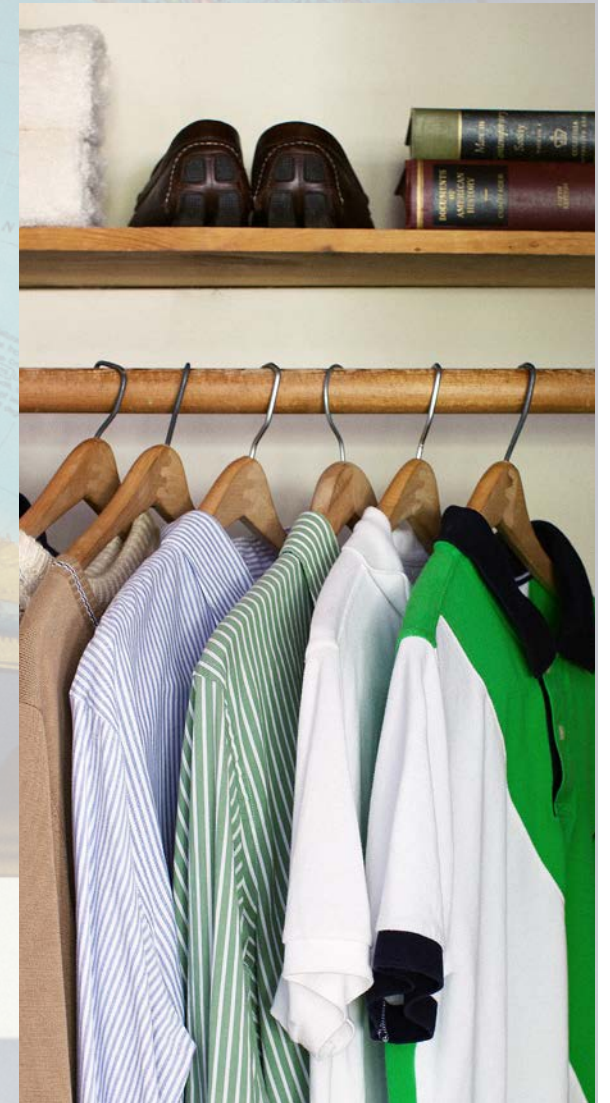
CONSTRUCTION	
Foundation	Cement
Framing	Wood/Brick
Exterior	Brick/Concrete/Tudor
Roof	Flat

UNIT MIX OVERVIEW			
UNIT TYPE	NUMBER OF UNITS	UNIT SF	TOTAL SF
Studio	10	474	4740
1 Bed / 1 Bath	46	807	37,122
2 Bed / 1 Bath	20	978	19,560
	76	808	61,422

INTERIOR PHOTOS



INTERIOR PHOTOS





LOCATION OVERVIEW



NEIGHBORHOOD

Gordon Square

The Gordon Square Arts District leverages vibrant arts and culture to foster economic growth and livability in Gordon Square. The goals over the next year are to create sustainable prosperity through arts and culture initiatives, build on the arts identity through enhanced placemaking, arts programming and public art, engage and support artists and creative professionals who live and work in the neighborhood and to expand and protect the physical and institutional assets of the arts district.

-www.gordonsquare.org/about-us

Detroit Shoreway

Known as one of Cleveland's coolest, most diverse neighborhoods along the North Coast. New residents are moving in, businesses are setting up shop, theaters are opening, EcoVillage is blossoming and visitors are arriving.

Less than two miles west from Downtown, this neighborhood is quickly becoming the place to live, work and play.

www.dscdo.org

Edgewater Park

Known as the westernmost park in Cleveland Metroparks Lakefront Reservation, Edgewater park features 9,000 SF of shoreline, dog and swim beaches, boat ramps, fishing pier, grilling areas and much more.

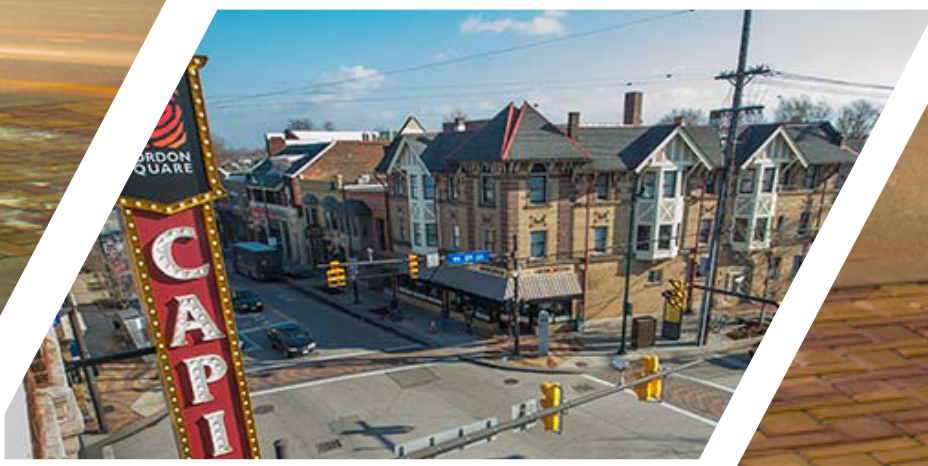
Upper Edgewater boasts stunning views of the Cleveland skyline and is home to one of the city's famous "Cleveland" signs.

-www.clevelandmetroparks.com/park/visit/parks





APARTMENT MARKET



CLEVELAND

CONTINUING THE MOMENTUM

Downtown Cleveland experienced even more growth as it welcomed its 15,000th resident in 2017 and hosted millions of visitors. The combined success of the Downtown sports team, groundbreaking residential developments and our work with companies that chose to move their headquarters to the heart of the city, forecasts a promising future for Downtown.

-Downtown Cleveland Alliance

Housing



FACTS & FIGURES

Downtown Cleveland's Housing market is constantly growing. More than 1,700 units have been added since 2011 and more than 2,300 new apartments will be on the market by the end of 2018. The addition of these housing units will increase the downtown population to more than 18,000 by the end of 2018.

Downtown's population has increased 79 percent since 2000, including a 77 percent increase in Millennial residents and a 97 percent increase in Baby Boomer residents.

Emerging trends now show that people with families are also choosing to live in Downtown Cleveland. Between 2010 and 2014, the number of children 5 to 9 years old increased 189 percent and the number of 35 to 40 year-olds increased 31 percent, reversing the previous decline. Current population data illustrates the need for developers, lenders and investors to consider larger units in residential buildings.

LIVING DOWNTOWN

Housing Market Dashboard

In 2017, the Alliance set the goal of achieving 20,000 residents by 2020 in order to support existing retail, attract more amenities, and make downtown's growth more sustainable. We identified 17 previously announced projects that, if completed by 2020, would carry the downtown population to 20,000 residents.



805
apartments added in 2017

7,042
total market rate apartments

880
condominiums and townhomes

1,738
affordable apartment units

\$1.52sf
avg lease rate

\$1,207
avg rent for a 1-bedroom apartment

947,145
residents in the region who can afford a 1 bedroom apartment

79
for-sale units sold at an average of \$259,845, or \$210psf



FINANCIAL SUMMARY



PROFORMA

Projected Inc	Breakers (\$5k/unit upgrade)	Edgewater (\$5k/unit upgrade)	Total	Breakers (post upgrade)	Edgewater (post upgrade)	Total
Gross Inc	538,867	566,729	1,105,596	538,867	566,729	1,105,596
5% vacancy	26,943	28,336	55,279	26,943	28,336	55,279
Net Inc	511,924	538,393	1,050,317	511,924	538,393	1,050,317
Expenses						
advertising	3,000	4,000	7,000	3,000	4,000	7,000
auto	2,100	2,100	4,200	2,100	2,100	4,200
background	250	250	500	250	250	500
cable/security	500	500	1,000	500	500	1,000
city fees	75	75	150	75	75	150
contractors	7,500	7,500	15,000	7,500	7,500	15,000
elevator	1,900	1,900	3,800	1,900	1,900	3,800
exterminator	650	650	1,300	650	650	1,300
insurance	8,640	9,000	17,640	8,640	9,000	17,640
landscaping	1,100	1,100	2,200	1,100	1,100	2,200
maintenance*	180,000	200,000	380,000	26,943	28,336	55,279
office	4,000	4,000	8,000	4,000	4,000	8,000
payroll	3,700	3,700	7,400	3,700	3,700	7,400
payroll tax	555	555	1,110	555	555	1,110
painting	4,500	6,000	10,500	4,500	6,000	10,500
professional fees	4,000	4,000	8,000	4,000	4,000	8,000
taxes	24,000	32,600	56,600	24,000	32,600	56,600
roof	1,500	1,500	3,000	1,500	1,500	3,000
trash	2,800	3,600	6,400	2,800	3,600	6,400
supplies	16,000	17,500	33,500	16,000	17,500	33,500
telephone	800	1,750	2,550	800	1,750	2,550
gas	20,200	22,000	42,200	20,200	22,000	42,200
elec	4,600	2,700	7,300	4,600	2,700	7,300
sewer/water	18,300	18,700	37,000	18,300	18,700	37,000
TOTAL expense	310,670	345,680	656,350	157,613	174,016	331,629
NOI	201,254	192,713	393,967	354,311	364,377	718,688
Cap Rate			8.38 base on*			15.29 based on*
notes*	\$5,000/unit upgrades and then 5%of gross income there after cap rate based on purchase of \$4.7 million Rent rolls and Income/Expense reports are available upon request					
AS IS	Breakers and Edgewater Park					
total NOI	331,034					
Cap Rate	7.04 based on*					

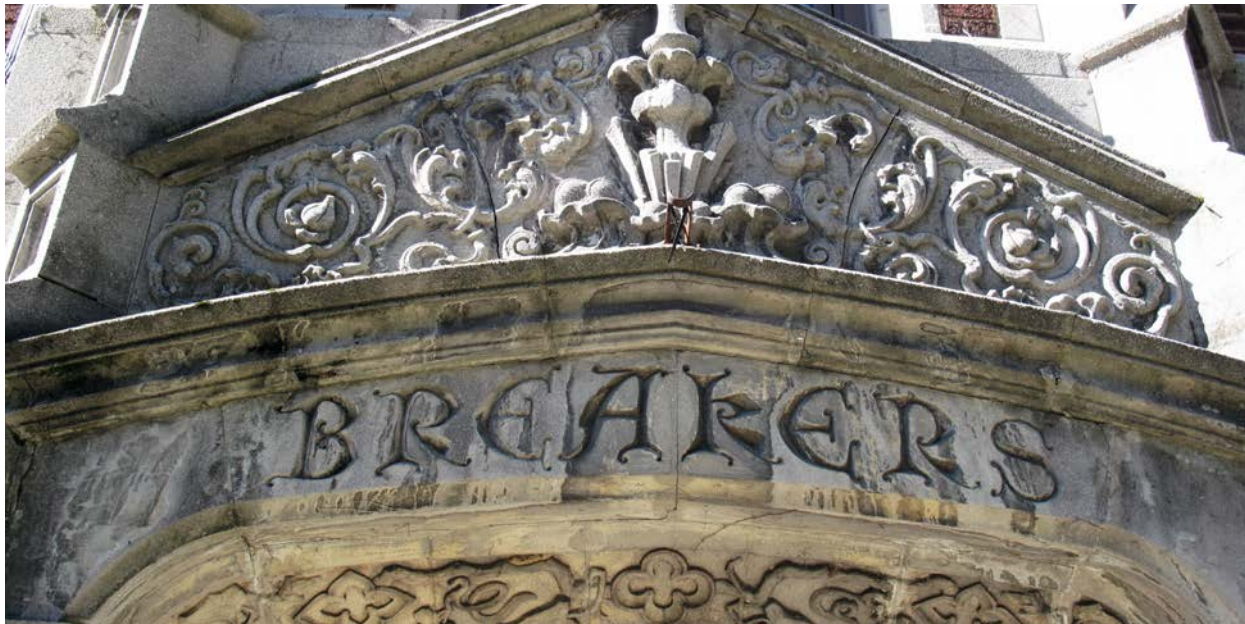
PROJECTION OF RENTAL INCOME

Projection of Rental Income and Expenses - Breakers Apartments & Edgewater Park Apartments

Income	Breakers Apartments	Edgewater Park Apartments	Totals
Scheduled Income Rentals including garage rentals			
	\$330,192.00	\$347,160.00	\$677,352.00
Less 5% vacancy	-\$16,510.00	-\$17,358.00	-\$33,868.00
Net Rental Income	\$313,682.00	\$329,802.00	\$643,484.00
Projected Expenses:			
Advertising	\$3,000.00	\$4,000.00	\$7,000.00
Automobile & Parking	\$2,100.00	\$2,100.00	\$4,200.00
Background Checks	\$250.00	\$250.00	\$500.00
Cable Service & Security	\$500.00	\$500.00	\$1,000.00
Commercial Activity Tax	\$75.00	\$75.00	\$150.00
Contract Services	\$7,500.00	\$7,500.00	\$15,000.00
Elevator Service	\$1,900.00	\$1,900.00	\$3,800.00
Exterminator	\$650.00	\$650.00	\$1,300.00
Insurance	\$8,640.00	\$9,000.00	\$17,640.00
Landscape Services	\$1,100.00	\$1,100.00	\$2,200.00
Licenses	\$1,800.00	\$2,000.00	\$3,800.00
Maintenance & Repairs	\$18,000.00	\$14,300.00	\$32,300.00
Office Expenses	\$4,000.00	\$4,000.00	\$8,000.00
Payroll	\$3,700.00	\$3,700.00	\$7,400.00
Payroll Taxes	\$555.00	\$555.00	\$1,110.00
Painting & Decorating	\$4,500.00	\$6,000.00	\$10,500.00
Professional Fees	\$4,000.00	\$4,000.00	\$8,000.00
Real Estate Taxes	\$24,000.00	\$32,600.00	\$56,600.00
Roof Repairs	\$1,500.00	\$1,500.00	\$3,000.00
Rubbish Removal	\$2,800.00	\$3,600.00	\$6,400.00
Supplies	\$16,000.00	\$17,500.00	\$33,500.00
Telephone	\$800.00	\$1,750.00	\$2,550.00
Utilities			
Gas	\$20,200.00	\$22,000.00	\$42,200.00
Electric	\$4,600.00	\$2,700.00	\$7,300.00
Sewer & Water	\$18,300.00	\$18,700.00	\$37,000.00
Total utilities:	\$43,100.00	\$43,400.00	\$86,500.00
Total Expenses:	\$150,470.00	\$161,980.00	\$312,450.00
Net Income before Interest & Depreciation:	\$163,212.00	\$167,822.00	\$331,034.00



BROKER PROFILES



OUR TEAM



Rico A. Pietro, SIOR Principal

3 Summit Park Drive, Suite 200 | Independence, OH 44131

Direct: +1 216 525 1473 | Mobile: +1 216 235 1559

rpietro@crescorealestate.com | crescorealestate.com

Professional Expertise

Rico Pietro, Principal with Cushman & Wakefield | CRESCO Real Estate has been in the real estate industry for over twenty (20) years. He joined Cushman & Wakefield | CRESCO Real Estate in 2004 as a founding member of the Office Services Group. Rico provides corporate real estate advisory solutions to his clients locally and on an international basis. Rico currently sits on the Cushman & Wakefield Tenant Advisory Counsel. Rico is known as the most active broker in the Cleveland Region and is routinely the firm's top producer in dollar volume and number of transactions.

Rico specializes in creative brokerage, advisory services and marketing trends in the office, investment, and mixed use arena. Rico is the 2014, 2015 and 2016 Northern Ohio NAIOP Office Broker of the Year. His recent accomplishments include lead advisor for The "9" complex in downtown Cleveland that includes an autograph Marriott Hotel, Heinen's Grocery Store, luxury apartments and the County Office Headquarters. He also was the lead broker in assembling the land for the Gateway "nuCLEus" project, a proposed \$500 million + ground up mixed use development. Rico's headquarter work includes Dealer Tire in MidTown who began occupying 180,000 SF in early 2017. Rico also was the lead broker for the sale of Terminal Tower in September, 2016 for 38.5MM.

Clients Served

- ADCOM
- Answers.com
- Allstate Insurance
- Behavioral Centers of America
- BEK Developers
- Bober Markey Fedorovich
- Bryant & Stratton College
- Bureau Veritas
- Carpenters Union
- CF Bank
- Cleveland.com
- Cleveland Urology
- The Cleveland Clinic
- Comsys
- Cuyahoga County Land Bank
- Dalad Group
- Dealer Tire World Headquarters
- Dresser-Rand Company
- Education Management Corp
- Forest City Enterprises
- Fresenius Dialysis Centers
- GEIS
- Gleeson Labs/Co-lab
- Hemingway Development
- Intercontinental Hotel Group
- J Dek Investments
- J Scheer Investments
- K & D Group
- Lifestance
- Marcus & Millichap
- Marriott
- Merge Healthcare
- Microsoft
- Middlefield Bank
- Morgan Stanley
- New York Community Bank
- Nationwide Insurance
- NESCO
- Northeastern Ohio Neurosurgeons
- NM Management
- NV5 Management
- OrangeTheory Fitness
- Prestige Management
- Weston Hurd
- Starbucks
- Select Medical
- St. Vincent Medical Center
- Stark Enterprises
- Sun Life
- Uber
- University Hospitals Hospital Systems
- Vatterott College
- Welty Building Co
- Weston Hurd

OUR TEAM

Major Transactions

- Dealer Tire - 180,000 SF
- “The 9” and County Office Headquarters - 500,000 SF
- Downtown Land Assembly - “nuCLEus” \$26,000,000 - For proposed \$500 million mixed used development
- Sale of Terminal Tower for luxury apartment conversion for \$38.5MM

Accomplishments

- Routine Top Company Producer
- Consistent “Power Broker” via CoStar

Professional Affiliations

- Cleveland Area Board of Realtors (CABOR)
- Ohio Association of Realtors (OAR)
- National Association of Realtors (NAR)
- Society Industrial and Office Realtors (SIOR) Executive Committee

Professional Recognition

- NAIOP Office Broker of the Year - 2014 2015, 2016, 2017
- NAIOP Office Broker of the Year Nominee - (2006, 2007, 2010, 2011, 2013, 2014, 2015, 2016 & 2017)
- NAIOP Investment Transaction of the Year - 2016
- NAIOP Office Transactions of the Year - 2017

Community Leadership

- Lakeland Foundation – Next Generation Board Member
- Ohio Association of Community Colleges Board Member

Education

- John Carroll University: Boler School of Business; B.S.B.A., Marketing Major

OUR TEAM



Jason Griffith Sales Associate

3 Summit Park Drive, Suite 200 | Independence, OH 44131

Direct: +1 216 525 1494 | Mobile: +1 216 520 1818

jgriffith@crescorealestate.com | crescorealestate.com

Professional Expertise

Jason Griffith joined Cushman & Wakefield | CRESCO Real Estate as a Sales Associate in 2015. Jason specializes in Industrial Brokerage with Cushman & Wakefield | CRESCO Real Estate. Working on both the lease and sales side for local and national clients, Jason streamlines the deal making process. Mr. Griffith is excited to make a positive impact for his clients and the Northeast Ohio area.

In 2014, Mr. Griffith helped start Lenus Properties LLC to rehabilitate homes and manage rental properties. He spent the past year as Vice President and General Manager. Mr. Griffith handled human resource duties, operations, and sales. Jason hired a new GM in December of 2014 to handle the daily operations and he remains involved as a partner. Mr. Griffith began his real estate career with Cutler Real Estate in 2013. A Certified Distressed Property Expert, Jason specialized in selling REO/bank owned properties as well as helping clients with the foreclosure process. Mr. Griffith received the Ohio Association of Realtors President Sales Club Award as a member of the Justice team in 2013.

Prior to entering the real estate field Mr. Griffith coached defense in Men's Lacrosse at Hood College (2009-2011) and the University of Delaware (2011-2012). Jason was able to guide the Hood program to numerous school records and its' first ever playoff berth.

Clients Served

- Crystal Kingdom Developments
- M & M Property Group
- National Trench Safety
- O'Reilly's Autoparts
- Redwood Media
- Vento Maysa Investments

Major Transactions

- Crystal Kingdom/3101 Euclid Ave, Cleveland, OH - 89,784 SF

Accomplishments

- Crystal Kingdom/3101 Euclid: Sold as a residential mixed-use redevelopment for \$1.75 million

Professional Affiliations

- NAR
- OAR
- ACAR
- CDPE
- Junior Achievement
- Head Coach - Boy's Lacrosse Shaker Heights High School
- Western Reserve Academy Alumni Association
- The Ohio State University Alumni Association
- Hood College Alumni Association

Education

- The Ohio State University, B.S. in Psychology
- Hood College, M.A. in Psychology



RICO A. PIETRO, SIOR

Principal

rpietro@crescorealestate.com

Direct +1 216 525 1473

JASON GRIFFITH

Sales Associate

jgriffith@crescorealestate.com

Direct +1 216 525 1494

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 45,000 employees in more than 70 countries help occupiers and investors optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$6 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. 2017 marks the 100-year anniversary of the Cushman & Wakefield brand. 100 years of taking our clients' ideas and putting them into action. To learn more, visit www.cushwakecentennial.com, www.cushmanwakefield.com or follow @CushWake on Twitter.