

CLEVELAND CLINIC CONDO

36901 AMERICAN WAY, AVON, OH 44011



OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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MENARDS®

JCPenney

LOWE'S

AutoZone

Cabela's

Walmart
Supercenter

BEST BUY

AVON COMMONS
SHOPPING CENTER

Bath & Body Works
five BELOW

heinen's
GROCERY STORE
Since 1909

Marshall's

THE HOME DEPOT

HomeGoods
SALLY BEAUTY

TARGET

COSTCO
WHOLESALE

DISCOUNT
TIRE

THE SALVATION ARMY

ALDI

CENTER ST
± 32,400 VPD

petco
where the healthy pets go

WESTON Dental Care

SUBJECT PROPERTY

University Hospitals
UH AVON HEALTH CENTER

INTERSTATE
90

± 74,000 VPD

CLEVELAND EYE CLINIC
World Class Excellence in Eyecare



EXECUTIVE OVERVIEW

CLEVELAND CLINIC CONDO

Matthews Real Estate Investment Services™ Healthcare Division is proud to present the opportunity to acquire a 18,423 sq ft medical condo located in Avon, OH, a suburb of the great city of Cleveland. The unit is being offered with a 10-year lease to the Cleveland Clinic, one of the largest and most respected operators in the medical space.

The property is located off the high traffic I-90 freeway, in a dense medical corridor surrounded by similar use medical tenants, and near surrounding retail such as Best Buy, Walmart, Dunkin' Donuts, Wendy's, Panda Express, The Home Depot, Kohl's, etc. Avon is an affluent market, with average household incomes of over \$100,000 and over 100,000 people within a 5-mile radius. Benefiting from its location, quality of tenancy, and strong real estate fundamentals, this asset provides qualified investors an opportunity to acquire a secure, e-commerce proof, property with a long-term lease and an investment grade credit tenant.

TENANT HIGHLIGHTS

- **International Operator** - Cleveland Clinic has locations in Ohio, Florida, Las Vegas, Canada, and Abu Dhabi, and is continually expanding into new markets.
- **Largest Private Employer in Northeast Ohio** - With more than 48,000 employees, Cleveland Clinic is the largest private employer in Northeast Ohio.
- **\$2.72 Billion In Revenue** - Cleveland Clinic's revenue in the 3rd quarter of 2020 was \$2.72 billion, up from \$2.65 billion in the same period of 2019.
- **Credit Tenant** - The Cleveland Clinic has an Aa2 credit rating from Moody's, designating it as investment grade credit.

PROPERTY HIGHLIGHTS

- **Medical Real Estate** - Healthcare properties are extremely sought-after investments for their resistance to downturns in the economy and e-commerce trends as well as COVID-19 related issues that affect traditional retail properties.
- **Hands Off Investment** - This property already has a management company in place that handles the maintenance and expenses of the property, allowing a new landlord to "put it on the shelf" and collect passive income without actively managing the property.
- **Long Term Security** - The Cleveland Clinic has occupied this property since October of 2010, and with a recent 10-year extension in place, the Cleveland Clinic has expressed a clear long-term commitment to this property, allowing a new landlord to enjoy the cashflow this investment provides for the next decade before a lease renewal is necessary.

LOCATION HIGHLIGHTS

- **High Visibility** – Highly visible location near the I-90 freeway, with vehicle counts over 74,000 per day.
- **Proximity to Hospitals** – The property is in close proximity to the new Cleveland Clinic Richard E. Jacobs Health Center & University Hospitals Avon Health Center.
- **Strong Area Demos** – The property has over 100,000 residents within 5 miles and has average household incomes over \$100,000 within the 1, 3, and 5 mile radius.
- **Future Outlook** – The Avon schools district has received an 'A' rating on their performance index and met all 24 performance indicators for achievement, meaning this is an educated area with a strong future outlook.



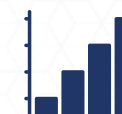
LIST PRICE

\$5,964,618



TOTAL NOI

\$328,054



CAP RATE

5.50%



GROSS LEASABLE AREA

±18,423 SF



**Groundfloor Unit*







FINANCIAL OVERVIEW

CLEVELAND CLINIC CONDO

FINANCIAL OVERVIEW

ADDRESS	36901 American Way Unit #1 Avon, OH 44011
LIST PRICE	\$5,964,618
NOI	\$328,054
CAP RATE	5.50%
PRICE PSF (\$)	\$323.76
NET RENTABLE AREA	±18,423 SF*
YEAR BUILT	2005
IN PLACE OCCUPANCY	100%

*This is a condo unit located in a professional medical park. This facility takes the entire ground floor and represents 57% of the building

SITE DESCRIPTION

NUMBER OF STORIES	2
LEASE TYPE	Gross
APN	04-00-009-702-001
TOTAL BUILDING SQUARE FOOTAGE	31,519
TYPE OF OWNERSHIP	Fee Simple Condo
LANDSCAPING	Professional
TOPOGRAPHY	Generally Level

DEBT QUOTE

Loan quote provided by Matthews™ Capital Markets Agent based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing. Please contact:

PATRICK FLANAGAN
(214) 550-0277
patrick.flanagan@matthews.com

LTV: 65%

RATE: 3.95%

AMORTIZATION: 25

LEASE SUMMARY

TENANT	The Cleveland Clinic Foundation
ORIGINAL LEASE DATE	8/1/05
CURRENT TERM START	8/1/20
LEASE END	12/31/30
LEASE OPTIONS	Two (2) Five (5) Year Options*

*At the prevailing market rental rate as determined by a 3rd party appraiser

INCOME AND EXPENSES

LEASE YEARS - THROUGH DECEMBER 2030	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
INCOME:										
Base Rent	\$396,094	\$396,094	\$396,094	\$415,899	\$415,899	\$415,899	\$436,694	\$436,694	\$436,694	\$436,694
Additional Rent (Adj+CPI or 1%) Projected Minimum**	\$72,584	\$75,849	\$79,073	\$80,338	\$83,150	\$84,150	\$85,412	\$87,120	\$87,992	\$89,312
Rental Income	\$468,678	\$471,943	\$475,167	\$496,237	\$499,049	\$500,049	\$522,106	\$523,814	\$524,685	\$526,005
EXPENSES:										
Realty Taxes***	\$75,539	\$76,294	\$77,057	\$80,910	\$81,719	\$82,536	\$83,362	\$87,530	\$88,405	\$89,289
Insurance - Owner	\$2,337	\$2,454	\$2,577	\$2,705	\$2,773	\$2,842	\$2,984	\$3,059	\$3,136	\$3,292
CAM & Condo Fees*	\$62,748	\$62,748	\$62,748	\$62,748	\$62,748	\$65,047	\$65,047	\$65,047	\$65,047	\$65,047
Expenses	\$140,624	\$141,496	\$142,382	\$146,363	\$147,240	\$150,425	\$151,393	\$155,636	\$156,588	\$157,628
NOI	\$328,054	\$330,447	\$332,785	\$349,874	\$351,809	\$349,624	\$370,713	\$368,178	\$368,097	\$368,377

*Covers Cap-X, Maintenance, Professional Management 24x7

**Additional Rent - This rent component increases annually by the CPI or at a minimum 1%

*** The realty tax increases quoted here are only estimates, the actual taxes may differ as tax rates change

**Groundfloor Unit*





TENANT OVERVIEW

CLEVELAND CLINIC CONDO



COMPANY NAME
CLEVELAND CLINIC

HEADQUARTERS
CLEVELAND, OH

REVENUE
\$2.72 BILLION

CLEVELAND CLINIC

Cleveland Clinic is a nonprofit American academic medical center based in Cleveland, Ohio. Owned and operated by the Cleveland Clinic Foundation, an Ohio nonprofit corporation established in 1921, it runs a 170 acres campus in Cleveland, as well as 11 affiliated hospitals, 19 family health centers in Northeast Ohio, and hospitals in Florida and Nevada. Outside the United States, Cleveland Clinic also operates the Cleveland Clinic Abu Dhabi hospital as well as two Cleveland Clinic Canada locations in Toronto. A Cleveland Clinic hospital campus in London, England is scheduled to open in 2021.

Cleveland Clinic is consistently ranked as one of the best hospitals in the United States. In 2018–2019, the U.S. News & World Report ranked Cleveland Clinic as the number 2 hospital in the Best Hospitals Honor Roll, as it was nationally ranked in 14 adult and 10 pediatric specialties. Cleveland Clinic conducts their pediatric operations through the Cleveland Clinic Children's Hospital.

#1
**CARDIOLOGY PROGRAM IN
THE NATION**

104
TRAINING PROGRAMS

+67,000
EMPLOYEES



AREA OVERVIEW

CLEVELAND CLINIC CONDO



AVON, OH

Tucked away just 22 miles west of downtown Cleveland we are one of Northeast Ohio's fastest-growing communities. The town of Avon is a family-focused neighborhood with a majority of family-owned businesses. Avon Local School District operates three elementary schools, one middle school, and Avon High School. There are over 300 acres of park within the area and great hiking and walking trails.

Avon was voted the Top 3 Best Suburbs in Ohio by Cleveland Magazine and has a 95% employment rate. The town is perfectly positioned for a little day trip to Ohio's best wineries, amusement parks, world-class theaters, and museums.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	3,885	37,234	102,729
2020 Estimate	3,903	37,265	103,741
2010 Census	3,863	32,980	98,006
Growth: 2010-2020	1.04%	12.99%	5.85%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	1,596	15,185	42,011
2020 Estimate	1,576	14,929	41,735
2010 Census	1,513	12,661	38,038
Growth: 2010-2020	4.11%	17.91%	9.72%
INCOME	1-MILE	3-MILE	5-MILE
Avg HH Income	\$96,671	\$115,757	\$113,377



AREA OVERVIEW

CLEVELAND

OHIO

The Greater Cleveland area, located on the southern shore of Lake Erie, continues to be one of the preferred locations in the State of Ohio. Greater Cleveland's population encompasses a five-county area, which is home to 3.1 million residents. Located in Cuyahoga County, the largest in Ohio with a population of 1,280,122, Cleveland is the 29th largest Metropolitan area in the United States. The average per capita income (according to recent data from Moody's Economy.com) is estimated to be \$48,468 and total employment stands at 1.39 million workers.



3.1M
CLEVELAND MSA
POPULATION



175,066+
CITY LABOR
FORCE



\$430 Million
IN BUSINESSES &
REAL ESTATE VENTURES



\$134B
GROSS METRO
PRODUCT



Five Fortune 500
COMPANY CORPORATE
HEADQUARTERS

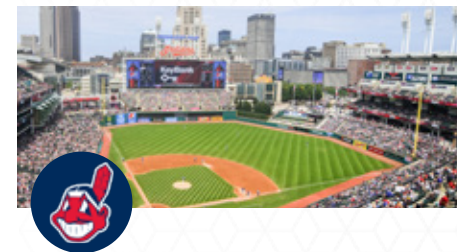
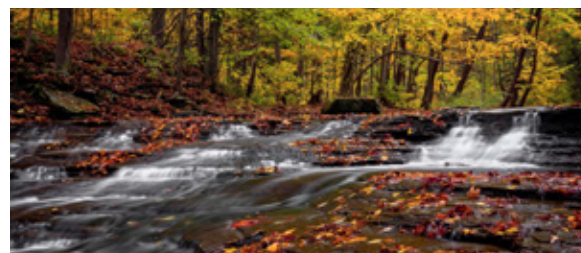
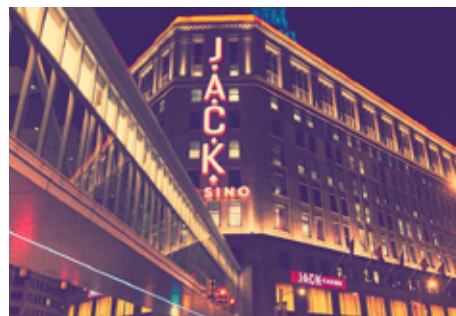


14.05M
CONVENTION AND
LEISURE VISITORS

CLEVELAND CULTURE

In Cleveland, you can catch a show at the second-largest theater district outside of Broadway, stroll the Rock & Roll Hall of Fame, or marvel at the masterpieces housed at The Cleveland Museum of Art. From Broadway productions at Playhouse Square to the sounds of one of the “Big Five” orchestras of the United States, the pulse of arts and culture in Cleveland is strong enough to rival any city.

With dozens of ethnic, arts, and street festivals taking place year-round, locals and visitors alike can experience enough music, food, and culture to feel like a seasoned traveler. The 11-day Cleveland International Film Festival screens more than 200 new independent films while the Cleveland Asian Festival features free performances, demonstrations, vendors, and restaurants.



CLEVELAND INDIANS

(Major League Baseball)

24,083 Avg. Attendance



CLEVELAND BROWNS

(National Football League)

67,431 Avg. Attendance



CLEVELAND CAVALIERS

(National Basketball Association)

17,816 Avg. Attendance

HEALTHCARE SECTOR

Healthcare is one of the strongest sectors in Northeast Ohio's economy.

Not only is Cleveland a hotspot for medical innovation, but is also home to the Cleveland Clinic, ranked as one of the nation's top hospitals by U.S. News & World Report. Here you'll also find one of the nation's top research and teaching medical schools, Case Western Reserve University School of Medicine. Case Western was recently listed as a Best Medical School in the Research and Primary Care categories by US News Rankings, providing a foundation of expert health care professionals. Cleveland's Health-Tech Corridor (commonly referred to as HTC), is a prime location for biomedical, healthcare and technology companies looking to take advantage of close proximity to four world-class healthcare institutions including the Cleveland Clinic and University Hospitals, six business incubators, four academic centers, and more than 170 high-tech and health-tech companies engaged in the business of innovation.



CLUSTERS

The strength of Cleveland's biomedical industry can be seen in its clusters:

- **Cardiovascular** – Cleveland provides businesses with unique access to and collaboration with key cardiovascular leaders.
- **Imaging** – Over 55 companies make Cleveland a global leader in medical imaging.
- **Neuro Device** – Cleveland is ranked #5 in neurotech healthcare and #6 for neuro device companies per NeuroInsights Industry Report.
- **Orthopedic** – With more than 50 companies, Cleveland has long been a center for orthopedic technologies.

#2 HOSPITAL IN THE COUNTRY

#4 IN MIDWEST FOR ATTRACTING BIOMEDICAL INVESTMENTS

+700 BIOMEDICAL COMPANIES IN THE AREA

+5,000 POSITIONS IN BIOTECH COMPANIES

\$243M IN NEW CAPITAL EXPENDITURES SINCE 2012

CRITICAL MASS & TALENT

- Medical device companies makeup half of the total and include firms such as Philips, Hitachi, Steris, Invacare, Integra, Greatbatch, and GE.
- Biopharmaceutical companies including Ricerca, WIL Laboratories, and Affymetrix are all located in the region.
- Health IT companies such as Hyland Software, Radisphere, and LexiComp complete the picture.

WORLD-CLASS CLINICAL & RESEARCH INSTITUTIONS

Internationally recognized clinical and research institutions provide the platform for Cleveland's biomedical industry. These institutions conduct over \$700 million in annual research and are nationally ranked by US News and World Report in all medical specialty areas.

- **Cleveland Clinic** - Nationally ranked in 24 specialties, including #1 heart and heart surgery for 21 years in a row; #2 in gastroenterology & GI surgery, rheumatology, urology, and nephrology.
- **University Hospitals** - Nationally ranked in 17 specialties, including cancer, ear, nose and throat, gastroenterology and GI surgery, and orthopedics.
- **Akron Children's Hospital** - Nationally Ranked in 7 specialties, including neonatology, neurology & neurosurgery, and urology.
- **Case Western Reserve University** - Nationally, School of Nursing ranked 17th, School of Medicine ranked 24th, and School of Engineering ranked 47th.

These institutions have been awarded over \$500 million in targeted funds for innovation in cardiovascular therapies, biomaterials, neurostimulation, medical imaging, and regenerative medicine.





ENROLLMENT

- ±5,150 Undergraduate Students
- ±6,674 Graduate and Professional Students
- ±3,098 Full and Part-Time Staff



QUICK FACTS

- Accredited since 1913 by the Higher Learning Commission
- More than 110,000 Alumni
- The campus has 267 acres located in Cleveland's University Circle, and a 400-acre farm



RANKINGS

- 1st in Ohio
- 13th for commercialization of Research
- 32nd Most Innovative
- 40th Among National Universities



CASE WESTERN RESERVE
UNIVERSITY EST. 1826

CASE WESTERN RESERVE UNIVERSITY

“Case,” a private research university established in 1826 and based in Cleveland’s University Circle neighborhood, serves over 5,000 undergraduate students and over 6,500 graduate and professional students. Case has 16 Nobel Laureates among current and former faculty and alumni and is ranked the 1st overall university in Ohio. The medical school, affiliated with the Cleveland Clinic, is ranked 24th nationally.





**CLEVELAND STATE
UNIVERSITY**

CLEVELAND STATE UNIVERSITY

Founded in 1964, Cleveland State University is a public research institution with over 17,000 students, 10 colleges and schools, and more than 175 academic programs.

According to the Brookings Institution, CSU is No. 18 in the U.S. among public universities that fulfill a critical dual mission: providing upward mobility and conducting impactful research. CSU is the only Ohio university in the top tier of the Brookings list.



ENROLLMENT

- ±17,000 Students & ±511 Academic Staff
- ±1,000 Administrative Staff
- 120,000+ Graduates



QUICK FACTS

- Established in 1964
- The 17-18 academic year welcomed the largest freshman class in its history, with 2,000 first-year students on campus



RANKINGS

- One of America's best colleges and universities
- #1 in the nation for increases in research expenditures

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Cleveland Clinic Condo** located at **36901 American Way, Avon, OH 44011** ("Property"). The 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 and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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
4. 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.

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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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