A VALUE-ADD OPPORTUNITY IN A DENSELY POPULATED MEMPHIS SUBMARKET

\$59.80 PSF | 87,620 SF | MEMPHIS, TN

8.95% CAP | 82% OCCUPANCY



OUINCE STATION DOLLAR GENERAL





5141 Virginia Way, Suite 320 Brentwood, TN 37027 T: 615.309.6100 | F: 615.523.4990

Ben Sullivan Managing Partner ben@marketstreetretail.com

Harrison Truex Managing Partner harrison@marketstreetretail.com

Tim Hickey Managing Partner tim@marketstreetretail.com

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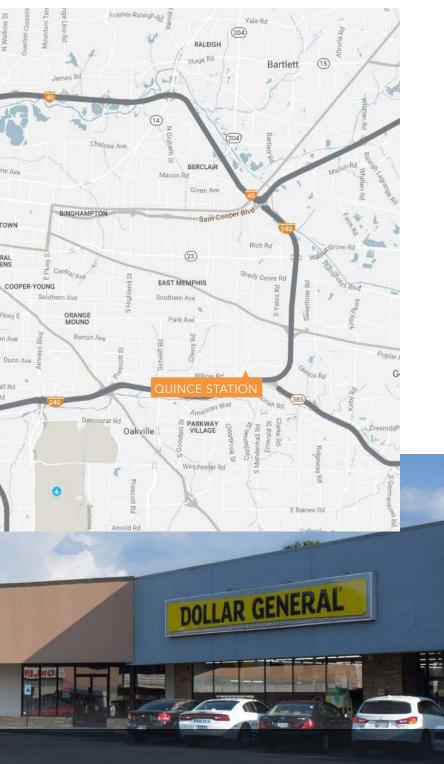


FRAYSER MEMPHIS MIDTOWN DOWNTOWN CENTRAL GARDENS ARKANSAS Walker Ave INESSE E Trigg Ave S Pkwy E S Pkwy E E Person Ave SOUTH E Mallory Ave Ball Rd Noncon inley Rd NHITEHAVEN

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ng substances. PCB's or asl will not verify, any of the information contained herein, nor have Market Street Retail Advisors conducted any inve measures to verify all of the information set forth herei

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OFFERING SUMMARY

THE OFFERING Address 5143 Quince Rd, Memphis, TN 38117 Number of Occupants

0

| Rentable Square Feet | 87,620 |
|----------------------|------------------------|
| Average Base Rent | \$6.68 |
| Year Built | 1959, 1964, 1989, 2010 |
| Occupancy | 82.35% |

| OFFERING SUMMARY | | | | |
|-----------------------|-------------|--|--|--|
| Sales Price | \$5,240,000 | | | |
| Price per Square Foot | \$59.80 | | | |
| Capitalization Rate | 8.95% | | | |

| DEMOGRAPHICS | | | | | |
|-------------------------------|----------|----------|----------|--|--|
| | 1 mile | 3 miles | 5 miles | | |
| Population | 8,931 | 100,828 | 219,536 | | |
| Average Household Income | \$78,756 | \$70,291 | \$68,002 | | |
| Population Growth (2022/2017) | 4.08% | 3.98% | 3.9% | | |

CAP RATE: 8.95%

Marre:

Quince Station - an 87,620 square foot neighborhood shopping center in Memphis, Tennessee.

Value Add – The asking cap rate is based on in-place income. The shopping center is 82.35% occupied. 15,468 square feet available for income upside (7100 SF, 5868 SF, and 2500 SF)

Sales Price Per Square Foot - \$60.04 PSF

<u>3-Mile Radius</u> – The population is 100,828 and the average household income is \$70,291

Proven Tenants - The largest tenant, Billy Hardwick's All-Star Lanes, has operated in the center since 1989, while Dollar General opened in 2002 and Ace Hardware opened in 2010.

INVESTMENT HIGHLIGHTS



NOI \$468,952 **ASKING PRICE:** \$5,240,000

ittle









SOUTH





MEMPHIS UNIVERSITY SCHOOL

240

ST. FRANCIS HOSPITAL RIDGEWAY HIGH SCHOOL

QUINCE STATION

240



WEST

240

DOWNTOWN MEMPHIS

AND VOR ON

and share the state of

QUINCE STATION



PHOTOS











SITE PLAN



| SUITE | TENANT | SF | |
|-------|----------------------|--------|--|
| A-1 | Yorkshire Launderett | 2,095 | |
| A-2 | All Star Lanes | 34,802 | |
| B-1 | Ace Hardware | 10,800 | |
| B-2 | VACANT | 5,868 | |
| B-3 | Dollar General | 10,683 | |
| B-4 | ER Wireless | 719 | |
| B-5 | Quince Style Barber | 2,253 | |
| B-6 | VACANT | 2,500 | |
| B-7 | Subway | 2,500 | |
| B-8A | VACANT | 7,100 | |
| B-8B | Outlaw Furniture | 7,100 | |
| NAP | Imperium Companies | 0 | |
| PADA | Three Little Pigs | 1,200 | |
| TOTAL | | 87,620 | |

Vera Crut Street





FINANCIAL ANALYSIS



| | | | Lease Data | | | I | Base Rent Summar | у | | Increases | |
|----------------------|-------|--------|-----------------|------------|------------|------------------------|--------------------|------------|----------|-----------|----------|
| Tenant | Suite | SF | ProRata | Start Date | End Date | Base Rent (Monthly) | Base Rent (Annual) | Base (PSF) | Date | New Rent | Notes |
| Yorkshire Launderett | A-1 | 2,095 | 2.90% | 5/1/2003 | 4/30/2023 | \$2,409 | \$28,911 | \$13.80 | 5/1/2020 | \$2,472 | Increase |
| | | | | | | | | | 5/1/2021 | \$2,556 | Increase |
| | | | | | | | | | 5/1/2022 | \$2,619 | Increase |
| | | | | | | | | | | | |
| All Star Lanes | A-2 | 34,802 | 48.23% | 7/1/2004 | 6/30/2024 | \$14,167 | \$170,004 | \$4.88 | 7/1/2019 | \$15,226 | Increase |
| | | | | | | | | | 7/1/2020 | \$15,683 | Increase |
| | | | | | | | | | 7/1/2021 | \$16,153 | Increase |
| | | | | | | | | | 7/1/2022 | \$16,638 | Increase |
| | | | | | | | | | 7/1/2023 | \$17,137 | Increase |
| | | | | | | | | | | | |
| Ace Hardware | B-1 | 10,800 | 1 4.97 % | 6/1/2010 | 10/31/2020 | \$5,400 | \$64,800 | \$6.00 | | | |
| A | 5.0 | 0 | 0.00% | | | | | | | | |
| Available | B-2 | 0 | 0.00% | | | | | | | | |
| Dolar General | B-3 | 10,683 | 14.81% | 3/1/2002 | 2/28/2022 | \$4,674 | \$56,086 | \$5.25 | | | |
| | | | | | | | | | | | |
| ER Wireless | B-4 | 719 | 1.00% | 6/1/2016 | 5/31/2021 | \$926 | \$11,109 | \$15.45 | 6/1/2021 | FMV | Option |
| | | | | | | | | | | | |
| Quince Style Barber | B-5 | 2,253 | 3.12% | 1/1/2013 | 2/28/2023 | \$2,236 | \$26,832 | \$11.91 | 3/1/2020 | \$2,291 | Increase |
| | | | | | | | | | 3/1/2021 | \$2,360 | Increase |
| | | | | | | | | | 3/1/2022 | \$2,429 | Increase |

| | | | Lease Data | | | В | ase Rent Summa | ry | | Increases | |
|-------------------|-------|--------|------------|------------|------------|------------------------|--------------------|------------|----------|-----------|----------|
| Tenant | Suite | SF | ProRata | Start Date | End Date | Base Rent (Monthly) | Base Rent (Annual) | Base (PSF) | Date | New Rent | Notes |
| Available | B-6 | 0 | 0.00% | | | | | | | | |
| | | | | | | | | | | | |
| Subway | B-7 | 2,500 | 3.46% | 9/1/2004 | 8/31/2024 | \$2,367 | \$28,400 | \$11.36 | 9/1/2019 | FMV | Option |
| | | | | | | | | | | | |
| Available | B-8A | 0 | 0.00% | | | | | | | | |
| | | | | | | | | | | | |
| Outlaw Furniture | B-8B | 7,100 | 9.84% | 1/1/2018 | 1/31/2023 | \$4,571 | \$54,852 | \$7.73 | 2/1/2019 | \$4,571 | Increase |
| | | | | | | | | | 2/1/2020 | \$4,708 | Increase |
| | | | | | | | | | 2/1/2021 | \$4,849 | Increase |
| | | | | | | | | | 2/1/2022 | \$4,994 | Increase |
| | | | | | | | | | 2/1/2023 | FMV | Option |
| | | | | | | | | | | | |
| Three Little Pigs | PADA | 1,200 | 1.66% | 6/1/1988 | 12/31/2018 | \$3,432 | \$41,184 | \$34.32 | 1/1/2019 | FMV | Option |
| | | | | | | | | | | | |
| SubTotals | 12 | 72,152 | 100.00% | | | \$40,182 | \$482,178 | \$6.68 | | | |

CASH FLOW REPORT

| orecast | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | |
|----------------------------------|----------|----------------|--------------------|----------------|----------|----------|-----------|
| For the Years Ending | Mar-2020 | Mar-2021 | Mar-2022 | Mar-2023 | Mar-2024 | Mar-2025 | Total |
| Rental Revenue | | | | | | | |
| Potential Base Rent | 669,914 | 680,867 | 698,463 | 718,782 | 725,916 | 744,218 | 4,238,160 |
| Absorption & Turnover Vacancy | -177,882 | -105,232 | -33,890 | -42,165 | -31,908 | -60,148 | -451,224 |
| Scheduled Base Rent | 492,032 | 575,635 | 664,572 | 676,618 | 694,008 | 684,071 | 3,786,936 |
| Total Rental Revenue | 492,032 | 575,635 | 664,572 | 676,618 | 694,008 | 684,071 | 3,786,936 |
| Other Tenant Revenue | | | | | | | |
| Total Expense Recoveries | 215,472 | 221,936 | 230,008 | 238,961 | 276,225 | 288,902 | 1,471,504 |
| Total Other Tenant Revenue | 215,472 | 221,936 | 230,008 | 238,961 | 276,225 | 288,902 | 1,471,504 |
| Total Tenant Revenue | 707,504 | 797,571 | 894,581 | 915,578 | 970,233 | 972,972 | 5,258,440 |
| Potential Gross Revenue | 707,504 | 797,571 | 894,581 | 915,578 | 970,233 | 972,972 | 5,258,440 |
| Vacancy & Credit Loss | | | | | | | |
| Vacancy Allowance | 0 | 0 | -15,614 | -14,443 | -18,505 | -18,235 | -66,796 |
| Total Vacancy & Credit Loss | <u> </u> | 0 | -15,614 -15,614 | -14,443 | -18,505 | -18,235 | -66,796 |
| Effective Gross Revenue | 707,504 | 797,571 | 878,967 | 901,136 | 951,728 | 954,738 | 5,191,643 |
| | 707,304 | 777,371 | 0/0,70/ | 701,130 | 731,720 | 734,730 | 5,171,045 |
| Operating Expenses | | | | | | | |
| Real Estate Taxes | 119,512 | 123,098 | 126,791 | 130,594 | 134,512 | 138,548 | 773,055 |
| Insurance | 22,682 | 23,362 | 24,063 | 24,785 | 25,529 | 26,295 | 146,716 |
| Management Fee | 17,666 | 18,196 | 18,742 | 19,304 | 19,883 | 20,479 | 114,269 |
| Common Area Maintenance | 65,549 | 67,516 | 69,541 | 71,627 | 73,776 | 75,989 | 423,999 |
| Fire System | 13,117 | 13,510 | 13,916 | 14,333 | 14,763 | 15,206 | 84,844 |
| General M&R | 9,806 | 10,100 | 10,403 | 10,715 | 11,037 | 11,368 | 63,430 |
| Pest Control | 1,378 | 1,419 | 1,462 | 1,505 | 1,551 | 1,597 | 8,912 |
| Utilities | 12,406 | 12,778 | 13,161 | 13,556 | 13,963 | 14,382 | 80,245 |
| Janitorial Day Porter & Supplies | 5,293 | 5,452 | 5,615 | 5,784 | 5,957 | 6,136 | 34,237 |
| Sweeping | 8,569 | 8,826 | 9,091 | 9,364 | 9,644 | 9,934 | 55,428 |
| Landscaping | 7,541 | 7,767 | 8,000 | 8,240 | 8,487 | 8,742 | 48,778 |
| Lighting | 230 | 237 | 244 | 251 | 259 | 267 | 1,488 |
| Signs | 720 | 742 | 764 | 787 | 810 | 835 | 4,657 |
| Pressure Wash | 1,700 | 1,751 | 1,804 | 1,858 | 1,913 | 1,971 | 10,996 |
| Security Service | 4,000 | 4,120 | 4,244 | 4,371 | 4,502 | 4,637 | 25,874 |
| Snow Removal | 790 | 814 | 838 | 863 | 889 | 916 | 5,110 |
| Capital Reserves | 13,143 | 13,143 | 13,143 | 13,143 | 13,143 | 13,143 | 78,858 |
| Total Operating Expenses | 238,552 | 245,314 | 252,280 | 259,454 | 266,843 | 274,454 | 1,536,897 |
| Net Operating Income | 468,952 | 552,257 | 626,687 | 641,682 | 684,885 | 680,284 | 3,654,747 |
| Leasing Costs | | | | | | | |
| Tenant Improvements | 0 | 139,872 | 90,308 | 58,296 | 18,733 | 129,730 | 436,939 |
| Leasing Commissions | 0 | 40,692 | 18,362 | 27,023 | 13,336 | 68,538 | 167,951 |
| Total Leasing Costs | 0 | 180,564 | 108,671 | 85,319 | 32,069 | 198,268 | 604,890 |
| Total Leasing & Capital Costs | 0 | 180,564 | 108,671 | 85,319 | 32,069 | 198,268 | 604,890 |
| Cash Flow Before Debt Service | 468,952 | 371,693 | 518,017 | 556,363 | 652,816 | 482,016 | 3,049,856 |
| Debt Service | | | | | | | |
| Interest | | | | | | | |
| Proposed Loan | 203,591 | 197,451 | 190,980 | 184,161 | 176,975 | 0 | 953,158 |
| Total Interest | 203,591 | 197,451 | 190,980 | 184,161 | 176,975 | 0 | 953,158 |
| Principal | | | | | | | |
| Proposed Loan | 114,175 | 120,314 | 126,786 | 133,604 | 140,791 | 0 | 635,670 |
| Total Principal | 114,175 | 120,314 | 126,786 | 133,604 | 140,791 | 0 | 635,670 |
| Total Debt Service | 317,766 | 317,765 | 317,766 | 317,765 | 317,766 | 0 | 1,588,828 |
| | | | | | | - | |
| Cash Flow After Debt Service | 151,186 | 53,928 | 200,251 | 238,598 | 335,050 | 482,016 | 1,461,028 |

CASH FLOW REPORT

*ARGUS file available upon request

ASSUMPTIONS (CASH FLOW REPORT)

| GENERAL | | | | | |
|---------------|-----------|--|--|--|--|
| Begin Date | Apr/2019 | | | | |
| End Date | Mar/2029 | | | | |
| Term | 5 Years | | | | |
| Building SF | 87,620 SF | | | | |
| Vacancy Loss | 5% | | | | |
| Cost of Sale | 6% | | | | |
| Exit Cap Rate | 8.95% | | | | |

| GROWTH RATES | | | | | | |
|--------------------|-----------|--|--|--|--|--|
| Market Rent | 3% | | | | | |
| Operating Expenses | 3% | | | | | |
| Property Taxes | 3% | | | | | |
| Capital Reserves | 0.15 / 0% | | | | | |

| VACANT SPACE | LEASING |
|-------------------------------|-----------------------|
| Total Vacant Space | 15,468 SF |
| Start Date | See notes |
| Lease Term | 5 Years |
| Abatement | None |
| Initial Annual Market Rent | \$11.50 |
| Expense Recovery Type | NNN |
| Rent Adjustment | 0% Annual Increase |
| Tenant Improvements | \$15.00 PSF |
| Commission | 5% |

SECOND GENERATION LEASING

| | SHOPS | ANCHORS |
|-------------------------------|-----------------------|------------------|
| Retention Ratio | 80% | 80% |
| | | |
| Size | < 10,000 SF | > 10,000 SF |
| | | |
| Lease Term | 5 Years | 10 Years |
| | | |
| Initial Annual Market Rent | \$11.50 | \$5.00 |
| | | |
| Rent Adjustment | 3% Annual Increase | 10% in Year 6 |
| | | |
| Expense Recovery Type | NNN | NNN |
| | | |
| Initial Tenant Improven | nents | |
| New | \$15.00 PSF | \$15.00 PSF |
| Renewal | \$0.00 PSF | \$0.00 PSF |
| | | |
| Commissions | | |
| New | 5% | 5% |
| Renewal | 2% | 2% |
| | | |
| Downtime | 6 Months | 12 Months |

- 1. Space B-8A is assumed to be leased on 4/1/20
- 2. Space B-2 is assumed to be leased on 4/1/21
- 3. Space B-6 is assumed to vacant the length of the analysis.

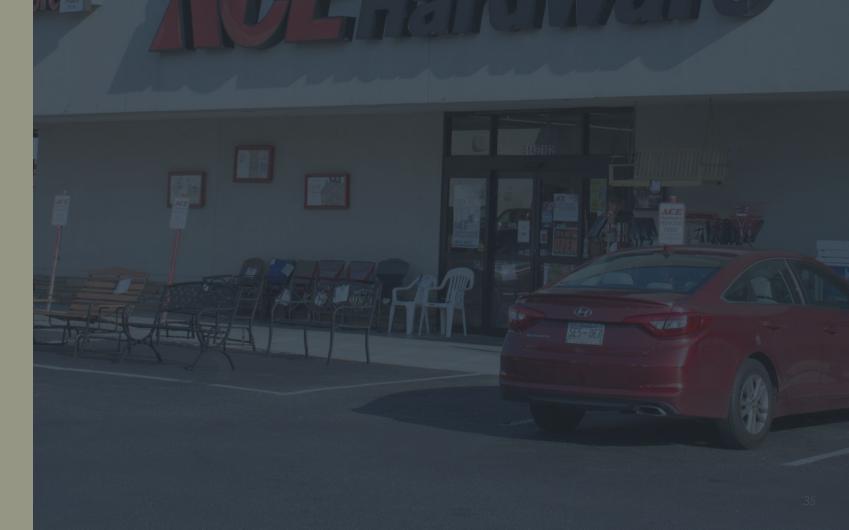


ASSUMPTIONS (CASH FLOW REPORT)

ADDITIONAL NOTES



MARKET & TENANT OVERVIEWS





TENANT OVERVIEWS



DOLLAR GENERAL

Coming off of its 75-year anniversary, Dollar General has established itself as a premier place for small box discount retailing with the use of top brands. Originally named, J.L. Turner and Son, the store opened in 1939 as a dry goods dealer in Scottsville, KY. The company's headquarters in located in nearby Goodlettsville, TN. In 2012, the company reached the 10,000 mark in retail stores residing in 40 states. Dollar General currently employs about 100,000 employees, operates 14,534 stores in 44 states, and was recently recognized by G.I. Jobs as a top 100 military friendly employer. Dollar General was also recognized as an S&P 500 business and has a yearly sales volume of \$16 billion. Dollar General's goal is to provide customers with a better life and an opportunity for employees.

| 10,683 |
|--------|
| 12.19% |
| \$5.25 |
| 14,534 |
| |



ACE HARDWARE

The Ace Hardware Corporation is a retailers' cooperative based in Oak Brook, Illinois, United States. As of 2017, Ace has over 5,000 locations around the world, does over \$13 billion in retail hardware sales annually, and has 86,000 employees. It is the world's largest hardware retail cooperative and the largest non-grocery American retail cooperative.

> Square Footage % of GLA Base Rent Per SI Store Count



TENANT OVERVIEWS

| | 10,800 | |
|---|--------|--|
| | 12.33% | |
| F | \$6.00 | |
| | 5,000 | |
| | | |

TENANT OVERVIEWS



BILLY HARDWICK'S ALL STAR LANES

Billy Hardwicks is a family-owned & operated 40 lane bowling center with updated HD scoring, full lounge, snack bar and arcade. Open in 1982, Billy Hardwicks offers open, league and coscmic bowling year round, and can set-up parties with their group specials and catering menu.

| Square Footage | 34,802 |
|------------------|--------|
| % of GLA | 39.72% |
| Base Rent Per SF | \$4.95 |
| Store Count | 1 |



THREE LITTLE PIGS

Family owned and operated since 1989, Three Little Pigs BBQ is a neighborhood restaurant serving real Memphisstyle pork shoulder barbecue. Hickory-smoked for over 20 hours and served with tangy mild or fiery hot sauce, Three Little Pigs pairs their BBQ with freshly made cole slaw and barbecue beans. Three Little Pigs also is known for their breakfast, which is served daily starting at 8am.

| Square Footage | 1,200 |
|------------------|---------|
| % of GLA | 1.37% |
| Base Rent Per SF | \$29.28 |
| Store Count | 1 |



TENANT OVERVIEWS

MARKET SUMMARY

Memphis is a city that is known worldwide and is one of the most strategically important locations in the U.S. due to its location and the convergence of river, road, rail and runway. Memphis is the entertainment, cultural and economic powerhouse for the Mid-South region, which encompasses parts of Tennessee, Mississippi and Arkansas.

Memphis is known for its location on the Mississippi River, the Blues, Soul and Rock & Roll music that has defined it. Served by Interstates 40, 55 and 69 and numerous U.S. highways, you can reach more markets and population centers from Memphis one day than from any other U.S. city.

According to a recent Berkadia report, employment expansion in Memphis is set to fuel continued growth in demand for multifamily apartments and drive down vacancy rates. This demand, coupled with the steady increase in rental rates, makes Memphis a prime area for multifamily investment.





EMPLOYMENT/ECONOMY



In addition to excellent highway access, Memphis is one of the few cities where rail lines cross the Mississippi River, and five Class I rail lines offer service. Logistics is a key economic sector, and Memphis has been promoted as America's Distribution Center.

Memphis is the home of the FedEx World Hub and Global Headquarters (30,000 employees) and the world's second businest cargo airport. Other Fortune 500 companies headquartered in Memphis include Autozone, International Paper and Service Master.

Healthcare, Biomedical and Medical Device Manufacturing is another key component of the economy. The University of Tennessee Health Science

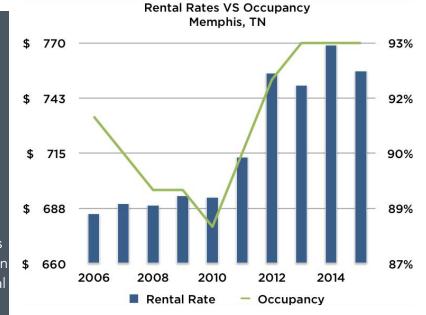
Center, the Southern College of Optometry and other research institutes are located in Memphis, along with four major healthcare systems. St. Jude Children's Research Hospital attracts researchers and patients from all around the world.

Newer companies locating in Memphis and still in the start-up stage include Electrolux and Mitsubishi Electric. Nike has a major expansion of its distribution operation underway, and Ikea has one of its few U.S. retail stores under construction. These projects are expected to result in a total of 2,000 new jobs and \$340 million in capital investment.

POPULATION STATISTICS

The Memphis Metropolitan area has a population of 1,354,354. Shelby County makes up 945,757 of the metro population, while the City of Memphis has a current population of 653,480. Memphis is the 23rd largest city in America.

Because it is a center for higher education, there is a large student population. Also, the median age in Memphis of 34.1 years is younger than the national median age of 37.6 years.



The metro population is projected to grow 2% - by more than 27,000 people - over the next five years. The current average household income is estimated to be \$68,451 for the Memphis Metro.

EDUCATION

Memphis is home to over 20 colleges, universities, seminaries and technical schools. The University of Memphis is the largest public higher education institution (22,000 students). Southwest Tennessee Community College is the region's largest community college (10,227 students). Other major private colleges and universities include Rhodes (2,054 students),



Christian Brothers University (1,667 students), LeMoyne-Owen College (1,006 students), University of Tennessee-Health Science Center (Medical, Dental, Pharmacy and additional medical fields of study), Southern College of Optometry (527 students) and Tennessee College of Applied Technology-Memphis (1,051 students). For students at the primary and secondary levels, the Memphis area offers a wide range of choices. There are several public school districts and charter schools, as well as numerous private school choices. Memphis has a large crop of Teach For America teachers and has attracted national education programs, such as New Leaders for New Schools.

#5 Lowest Cost Cities - 2014, ACCRA Cost of Living Index









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