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





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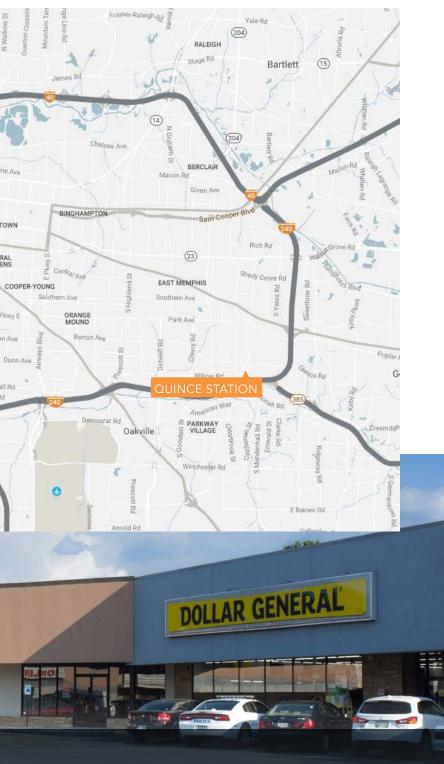


FRAYSER MEMPHIS MIDTOWN DOWNTOWN CENTRAL GARDENS ARKANSAS Walker Ave INESSE E Trigg Ave S Pkwy E S Pkwy E E Person Ave SOUTH E Mallory Ave Ball Rd Noncon inley Rd NHITEHAVEN

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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

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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

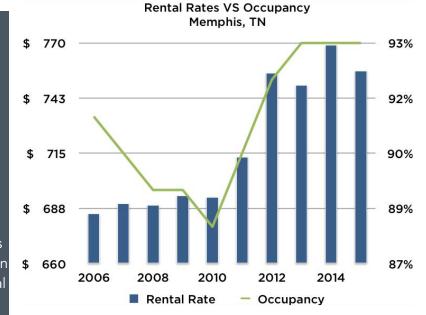
Center, the Southern College of Optometry and other research institutes are located in Memphis, along with four major healthcare systems. St. Jude Children's Research Hospital attracts researchers and patients from all around the world.

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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