



HICKORY RIDGE CROSSING

3685 Hickory Hill Rd • Memphis, TN 38115

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HICKORY RIDGE CROSSING
Memphis, TN
ACT ID Z0630057

Marcus & Millichap

INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

VITAL DATA				
		YEAR 1		YEAR 2
Price	\$3,995,000	CAP Rate	10.87%	10.87%
Down Payment	30% / \$1,198,500	Net Operating Income	\$434,312	\$434,312
Loan Amount	\$2,796,500	Net Cash Flow After Debt Service	19.46% / \$233,216	19.46% / \$233,216
Loan Type	Proposed New	Total Return	24.10% / \$288,821	24.35% / \$291,811
Interest Rate / Amortization	5.25% / 25 Years			
Gross Leasable Area (GLA)	68,029 SF			
Price/SF	\$58.72			
Current Occupancy	100.0%			
Year Built / Renovated	1985			
Lot Size	6.58 acre(s)			

MAJOR TENANTS			
TENANT	GLA	LEASE EXPIRATION	LEASE TYPE
Hibbet Sporting Goods	6,490	6/30/2021	NNN
Store	9,350	1/31/2022	NNN
Royal Furniture	23,640	12/31/2019	NNN



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
ARS Investment Holdings LLC	7,700
Promus Operating Company Inc	7,140
Homewood Suites	5,843
Thomas & Betts International	5,000
Tin Inc	3,800
INTERNATIONAL PAPER	3,000
Fedex	2,657
Marie Callenders Pie Shops	2,255
Tbc Retail Enterprises Inc	1,723
St Francis Hospital Inc	1,700
Varco Pruden Holding Inc	1,658
ServiceMaster	1,571

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	15,073	94,085	199,825
2010 Census Pop	14,895	92,969	195,363
2017 Estimate HH	5,639	34,581	75,595
2010 Census HH	5,588	34,298	74,215
Median HH Income	\$31,775	\$39,284	\$47,099
Per Capita Income	\$15,241	\$19,472	\$26,432
Average HH Income	\$40,739	\$52,914	\$69,740

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale Hickory Ridge Crossing. This 68,029-square-foot shopping center is fully leased by a strong mix of national, regional and local tenants. National credit occupies a quarter of the shopping center.

Located on the corner of Winchester Road (30,000 vehicles per day) and Hickory Hill Road (25,000 vehicles per day). The center is accessible from either street.

There is potential future earnings upside through rent increases built into the leases.

This property has been beautifully maintained, and will require minimal capital improvement.

INVESTMENT HIGHLIGHTS

- Fully Leased Retail Shopping Center
- Offered at an Attractive 10.87 CAP on In Place Income
- National Credit Occupies 25 Percent of the Center
- Well Maintained Property with Minimal Capital Improvement Needed
- Tenants Have Long History of Success in Current Location



PROPERTY OVERVIEW

Marcus & Millichap is please to present for sale Hickory Ridge Crossing Shopping Center.

Located at the busy intersection of Hickory Hill Road (25,000 VPD) and Winchester Road (30,000 VPD) in southeast Memphis, this 68,000-square-foot shopping center is occupied by a healthy mix of national, regional and local tenants.



PROPERTY SUMMARY

THE OFFERING	
Property	Hickory Ridge Crossing
Price	\$3,995,000
Property Address	3685 Hickory Hill Rd, Memphis, TN
SITE DESCRIPTION	
Year Built/Renovated	1985
Gross Leasable Area	68,029 SF
Ownership	Fee Simple
Lot Size	6.58 Acre(s)

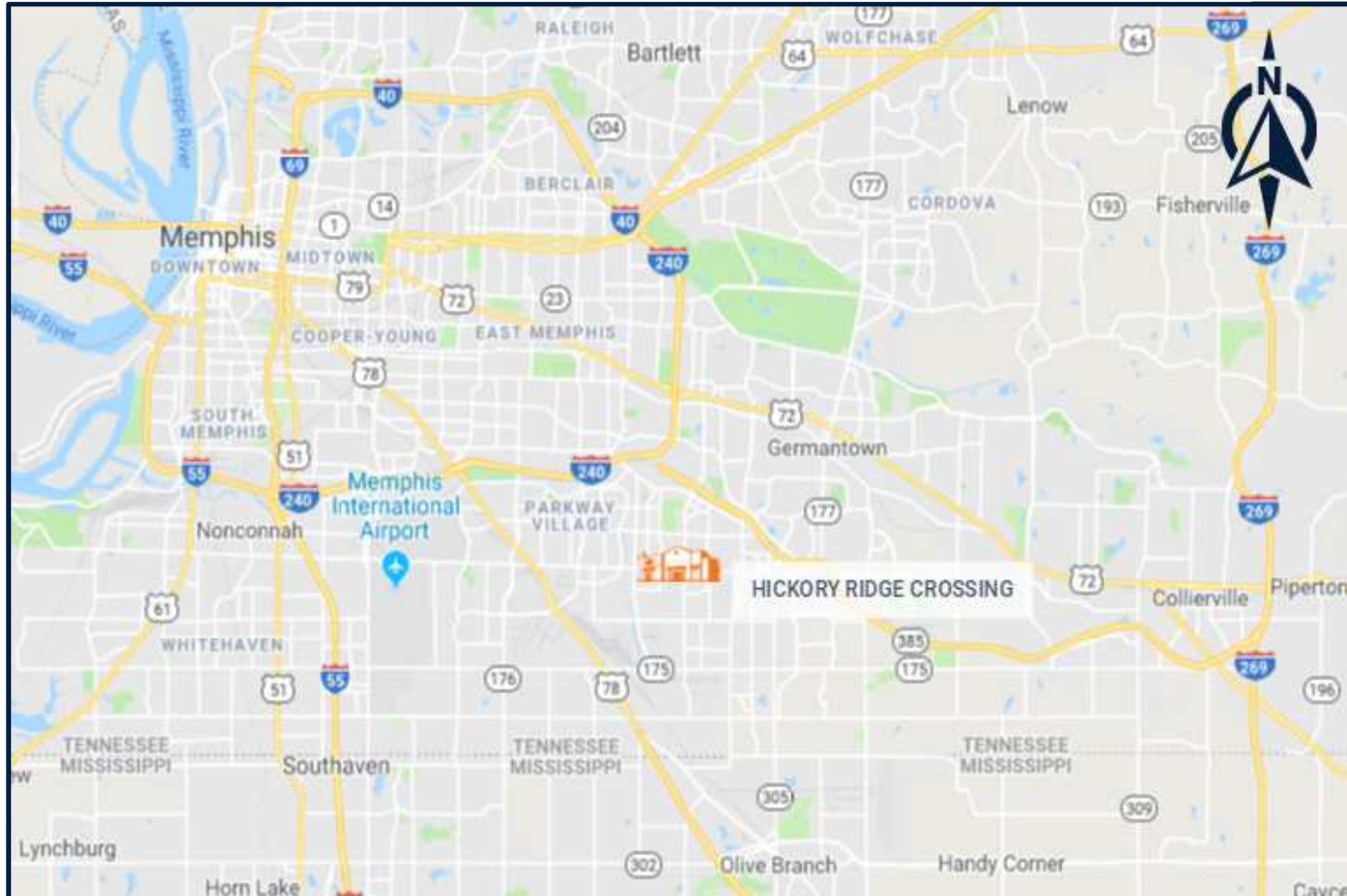
PROPOSED FINANCING	
First Trust Deed	
Loan Amount	\$2,796,500
Loan Type	Proposed New
Interest Rate	5.25%
Amortization	25 Years
Loan Term	5 Years
Loan to Value	70%
Debt Coverage Ratio	2.16





3685 Hickory Hill Rd, Memphis, TN 38115

TN



CLOSE PROXIMITY TO:



Major Highway



Airport



Schools









FINANCIAL ANALYSIS



TENANT SUMMARY

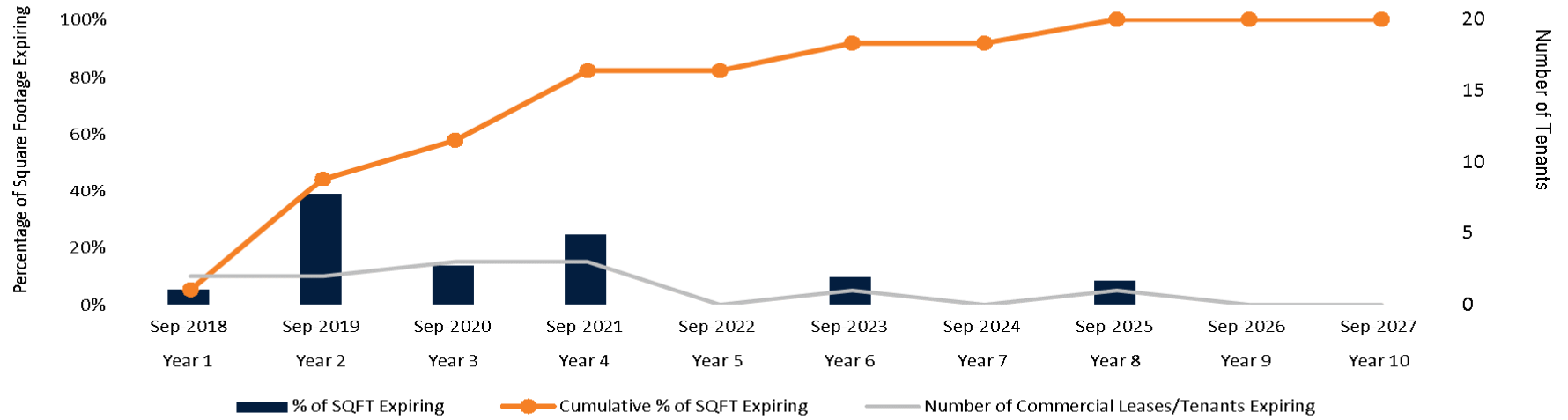
As of September,2018

Tenant Name	Suite	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Lease Type	Expense Reimbursements	
				Comm.	Exp.						
Hibbet Sporting Goods	3685	6,490	9.5%	6/9/09	6/30/21	\$9.00	\$4,868	\$58,410	NNN	\$27,757	
Digi Tech	3689	2,750	4.0%	6/5/15	8/31/20	\$9.50	\$2,177	\$26,125	NNN	\$11,758	
Store	3693	9,350	13.7%	11/6/13	1/31/22	\$6.00	\$4,675	\$56,100	NNN	\$39,993	
Super Mercado	3699	3,300	4.9%	2/4/04	1/31/22	\$9.82	\$2,700	\$32,400	NNN	\$14,127	
Mad Rag	3701	6,526	9.6%	10/1/12	9/30/23	\$5.50	\$2,991	\$35,888	NNN	\$27,922	
Jewelry Store	3707	5,683	8.4%	10/1/18	11/1/25	\$5.28	\$2,500	\$30,000	NNN	\$20,914	
Headz	3708	1,400	2.1%	2/3/15	3/31/21	\$13.25	\$1,546	\$18,552	NNN	\$5,995	
One Stop Taxes	3711	1,400	2.1%	11/1/17	4/30/21	\$12.00	\$1,400	\$16,800	NNN	\$5,995	
Irma's Salon	3713	1,400	2.1%	10/1/13	11/30/18	\$13.36	\$1,558	\$18,698	NNN	\$5,995	
Royal Furniture	3716	23,640	34.7%	1/1/04	12/31/19	\$2.69	\$5,300	\$63,600	NNN	\$101,129	
M&K Suits	3717	3,920	5.8%	12/1/16	4/30/22	\$8.17	\$2,670	\$32,040	NNN	\$16,778	
A&R Bar BQ	3721	2,170	3.2%	12/1/01	1/31/19	\$14.00	\$2,532	\$30,380	NNN	\$9,285	
Total		68,029				\$6.16	\$34,916	\$418,992		\$287,648	
				Occupied Tenants: 12		Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%	

Notes:

TENANT SUMMARY

Lease Expiration Summary



OPERATING STATEMENT

Income	Year 1		Per SF	Year 2		Per SF	Notes
Scheduled Base Rental Income	418,983		6.16	418,983		6.16	
Expense Reimbursement Income							
CAM	153,504		2.26	153,504		2.26	
Insurance	9,773		0.14	9,773		0.14	
Real Estate Taxes	88,323		1.30	88,323		1.30	
Management Fees	36,048		0.53	36,048		0.53	
Total Reimbursement Income	\$287,648	105.6%	\$4.23	\$287,648	105.6%	\$4.23	
Potential Gross Revenue	706,631		10.39	706,631		10.39	
General Vacancy	0	0.0%	0.00	0	0.0%	0.00	
Effective Gross Revenue	\$706,631		\$10.39	\$706,631		\$10.39	
Operating Expenses	Year 1		Per SF	Year 2		Per SF	Notes
Common Area Maintenance (CAM)							
Utilities	10,766		0.16	10,766		0.16	
Repairs & Maintenance	11,395		0.17	11,395		0.17	
Common Area Expense	116,000		1.71	116,000		1.71	
Insurance	9,795		0.14	9,795		0.14	
Real Estate Taxes	88,315		1.30	88,315		1.30	
Management Fee	36,048	5.1%	0.53	36,048	5.1%	0.53	
Total Expenses	\$272,319		\$4.00	\$272,319		\$4.00	
Expenses as % of EGR	38.5%			38.5%			
Net Operating Income	\$434,312		\$6.38	\$434,312		\$6.38	

Unrecoverable Capital improvements of \$52,466 incurred in 2017

PRICING DETAIL

Summary		
Price	\$3,995,000	
Down Payment	\$1,198,500	30%
Number of Suites	12	
Price Per SqFt	\$58.72	
Gross Leasable Area (GLA)	68,029 SF	
Lot Size	6.58 Acres	
Year Built/Renovated	1985	
Occupancy	100.00%	

Returns	Year 1	Year 2
CAP Rate	10.87%	10.87%
Cash-on-Cash	19.46%	19.46%
Debt Coverage Ratio	2.16	2.16

Financing	1st Loan
Loan Amount	\$2,796,500
Loan Type	New
Interest Rate	5.25%
Amortization	25 Years
Year Due	2023

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

Operating Data

Income		Year 1		Year 2
Scheduled Base Rental Income		\$418,983		\$418,983
Total Reimbursement Income	68.7%	\$287,648	68.7%	\$287,648
Other Income		\$0		\$0
Potential Gross Revenue		\$706,631		\$706,631
General Vacancy		\$0		\$0
Effective Gross Revenue		\$706,631		\$706,631
Less: Operating Expenses	38.5%	(\$272,319)	38.5%	(\$272,319)
Net Operating Income		\$434,312		\$434,312
Tenant Improvements		\$0		\$0
Leasing Commissions		\$0		\$0
Capital Expenditures		\$0		\$0
Cash Flow		\$434,312		\$434,312
Debt Service		(\$201,096)		(\$201,096)
Net Cash Flow After Debt Service	19.46%	\$233,216	19.46%	\$233,216
Principal Reduction		\$55,605		\$58,595
Total Return	24.10%	\$288,821	24.35%	\$291,811

Operating Expenses	Year 1	Year 2
CAM	\$138,161	\$138,161
Insurance	\$9,795	\$9,795
Real Estate Taxes	\$88,315	\$88,315
Management Fee	\$36,048	\$36,048
Other Expenses - Non Reimbursable	\$0	\$0
Total Expenses	\$272,319	\$272,319
Expenses/SF	\$4.00	\$4.00

MARKET COMPARABLES



HICKORY RIDGE CROSSING

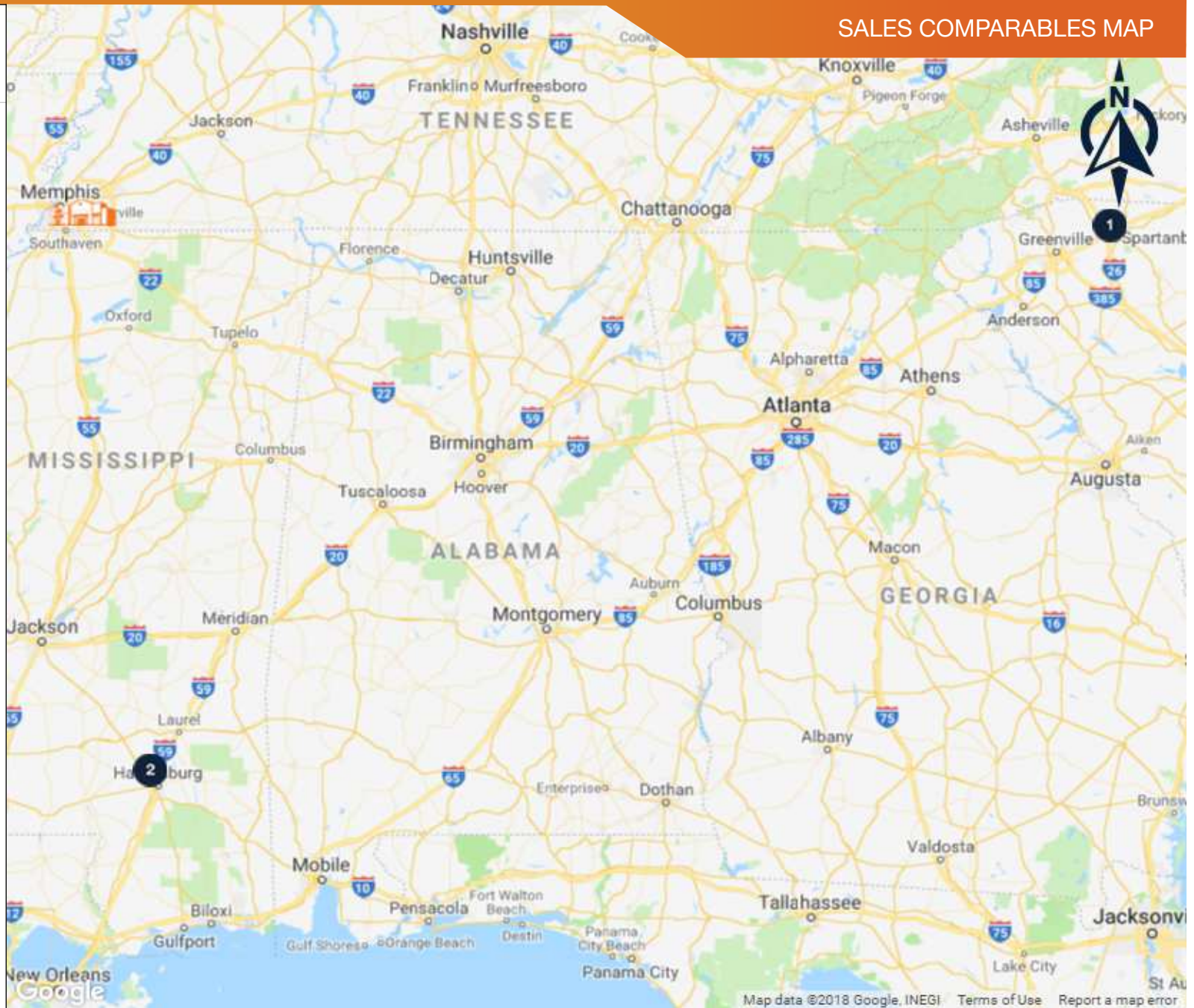


HICKORY RIDGE CROSSING (SUBJECT)

- 1 Camelot Center
- 2 Westwood Square

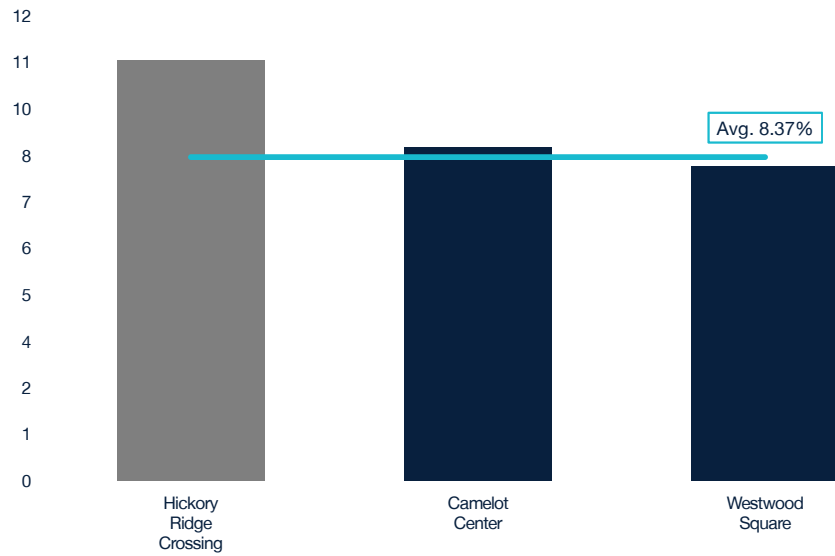
● SALES COMPARABLES

SALES COMPARABLES MAP

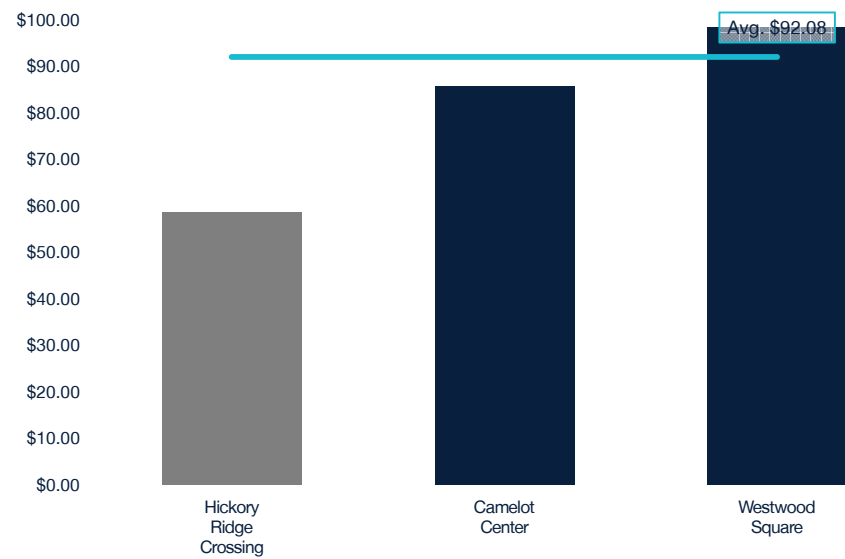


SALES COMPARABLES SALES COMPS AVG

Average Cap Rate



Average Price Per Square Foot



SALES COMPARABLES

HICKORY RIDGE CROSSING

3685 Hickory Hill Rd, Memphis, TN, 38115



		Tenants	Lease Type
Asking Price:	\$3,995,000	Hibbet Sporting Goods	NNN
Price/SF:	\$58.72	Store	NNN
CAP Rate:	10.87%	Royal Furniture	NNN
Year Built:	1985		

	Annual	Per SF
Income	\$706,631	\$10.39
Expenses	\$272,319	\$4.00
NOI	\$434,312	\$6.38
Occupancy	100.0%	

CAMELOT CENTER

1600 John B White Sr Blvd, Spartanburg, SC, 29301



		Tenants	Lease Type
Close Of Escrow:	6/5/2017	Aaron's	NNN
Days On Market:	199	Dollar General	NNN
Sales Price:	\$5,530,000		
Price/SF:	\$85.71		
CAP Rate:	8.61%		
Year Built:	1987		

	Annual	Per SF
Expenses	\$176,037	\$2.73

WESTWOOD SQUARE

4400 Hardy Street, Hattiesburg, MS, 39402



		Tenants	Lease Type
Close Of Escrow:	9/8/2017	Play it Again Sports	NNN
Days On Market:	135	Western Union	NNN
Sales Price:	\$7,585,000		
Price/SF:	\$98.45		
CAP Rate:	8.12%		
Year Built:	1982		

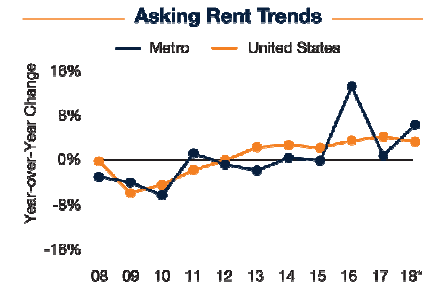
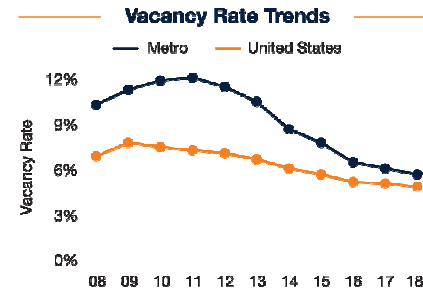
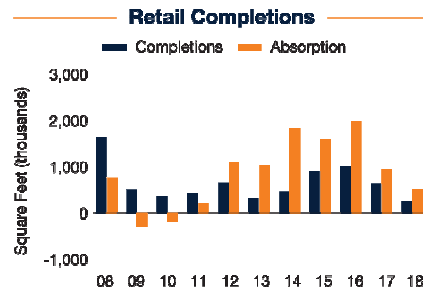
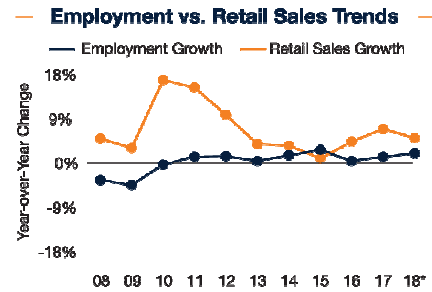
	Annual	Per SF
Expenses	\$205,556	\$2.67

MARKET OVERVIEW



TENNESSEE METRO AREAS: MEMPHIS

1Q18 - 12-MONTH TREND



EMPLOYMENT

2.0% increase in total employment Y-O-Y

- Employers created 12,500 positions in Memphis during the previous 12-month period. The education and health services sector created the most jobs, adding nearly 3,400 workers to staffs.
- Hiring slashed the unemployment rate 160 basis points to 4 percent in March. The tight rate will likely restrain the pace of employment growth this year.

CONSTRUCTION

431,000 square feet completed Y-O-Y

- Building on the 1.1 million square feet delivered in the prior yearlong period, roughly 431,000 square feet was completed in the past 12 months.
- Construction will moderate this year as 238,000 square feet are slated for delivery in 2018. The largest project is a 160,000-square-foot Kroger store at the Shops at Arlington Village located in the Northeast submarket.

VACANCY

50 basis point decrease in vacancy Y-O-Y

- Net absorption of 830,000 square feet outpaced construction, cutting vacancy to 6.0 percent. The prior year, strong demand slashed the rate 100 basis points.
- Healthy demand for multi-tenant space cut vacancy 30 basis points during the past 12 months to 7.1 percent. In Collierville, multi-tenant vacancy dropped 130 basis points to 4.0 percent.

RENTS

5.4% increase in the average asking rent Y-O-Y

- The average asking rent ticked up 5.4 percent to \$11.97 per square foot during the previous four quarters.
- The Southaven-Horn Lake submarket posted a 6.1 percent increase in the average asking rent to \$13.96 per square foot. Vacancy in the area was at 3.5 percent in the first quarter.

* Forecast

Created on October 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	14,777	92,305	203,344
■ 2017 Estimate			
Total Population	15,073	94,085	199,825
■ 2010 Census			
Total Population	14,895	92,969	195,363
■ 2000 Census			
Total Population	14,201	95,314	188,312
■ Current Daytime Population			
2017 Estimate	14,090	90,941	226,261
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	5,586	34,212	77,905
■ 2017 Estimate			
Total Households	5,639	34,581	75,595
Average (Mean) Household Size	2.68	2.72	2.63
■ 2010 Census			
Total Households	5,588	34,298	74,215
■ 2000 Census			
Total Households	5,585	37,420	73,921
■ Occupied Units			
2022 Projection	5,586	34,212	77,905
2017 Estimate	6,988	39,771	84,689
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	1.39%	2.71%	7.10%
\$100,000 - \$149,000	3.57%	7.41%	10.86%
\$75,000 - \$99,999	6.55%	10.64%	11.37%
\$50,000 - \$74,999	13.79%	17.34%	18.08%
\$35,000 - \$49,999	19.49%	17.79%	15.81%
Under \$35,000	55.21%	44.13%	36.78%
Average Household Income	\$40,739	\$52,914	\$69,740
Median Household Income	\$31,775	\$39,284	\$47,099
Per Capita Income	\$15,241	\$19,472	\$26,432

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$41,988	\$52,649	\$59,984
■ Consumer Expenditure Top 10 Categories			
Housing	\$11,745	\$14,110	\$15,810
Transportation	\$7,813	\$9,622	\$10,739
Shelter	\$6,678	\$8,020	\$8,922
Food	\$4,160	\$5,125	\$5,900
Utilities	\$3,044	\$3,534	\$3,824
Personal Insurance and Pensions	\$2,963	\$4,315	\$5,317
Health Care	\$2,357	\$3,119	\$3,768
Entertainment	\$1,440	\$1,836	\$2,222
Cash Contributions	\$1,226	\$1,647	\$1,951
Apparel	\$1,171	\$1,415	\$1,593
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	15,073	94,085	199,825
Under 20	34.54%	31.45%	29.18%
20 to 34 Years	28.02%	24.64%	22.92%
35 to 39 Years	7.07%	7.15%	6.90%
40 to 49 Years	11.26%	12.79%	12.86%
50 to 64 Years	12.78%	15.66%	17.40%
Age 65+	6.34%	8.30%	10.77%
Median Age	28.02	30.99	33.55
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	8,481	56,756	126,703
Elementary (0-8)	4.44%	4.27%	3.63%
Some High School (9-11)	10.00%	9.22%	7.17%
High School Graduate (12)	36.49%	32.61%	27.56%
Some College (13-15)	30.11%	28.81%	26.68%
Associate Degree Only	4.96%	5.39%	5.92%
Bachelors Degree Only	9.97%	12.85%	18.15%
Graduate Degree	3.38%	6.03%	10.12%

Source: © 2017 Experian