

#FERGUSON®

1740 Cherokee Blvd Memphis, TN 38118 Offering memorandum

EXCLUSIVE LISTING AGENT:



KARTER STONE

NATIONAL INDUSTRIAL SPECIALIST DIRECT (949) 432-4519

MOBILE (949) 226-2090 Karter.Stone@matthews.com LIC # 02010439 (CA)



ARON CLINE SVP & SENIOR DIRECTOR

Mary .

DIRECT (949) 432-4509 MOBILE (818) 632-0233 Aron.Cline@matthews.com LIC # 01904371 (CA)

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KYLE MATTHEWS Broker of Record LIC # 000109289-0 (AL)

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SECTION EXECUTIVE OVERVIEW ONE

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INVESTMENT HIGHLIGHTS

- Ferguson is the Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire, and fabrication products With annual revenue of \$20.75B
- Investment Grade Credit Ferguson has a long-term investment grade credit rating of BBB+ from S&P Global outperforming similar industrial tenants - HD Supply, Sunbelt Rentals, Watsco, and MRC Global
- Built to Suit This property was built to suit for Ferguson and has been an anchor location for Ferguson's Tennessee operations
- Passive Lease Minimal landlord responsibilities Modified NNN
- Strategic Logistic Location Less than five minutes from Memphis International Airport, and the I-240.
- Large Parcel Site is located on 3.18 Acres offering investor upside in building/yard expansion to increase operations and revenue
- Industrial Components Six (6) loading docks, One (1) drive-in, 26' Clear Height

SECTION FINANCIAL OVERVIEW TWO

TENANT SUMMARY

Tenant Name	Ferguson Dialysis			
Type of Ownership	Fee Simple	Price	\$1,720,932	
Lease Type	NN			
Original Lease Term	3 Years		8.90%	
Lease Commencement Date	5/1/2018	Cap Rate		
Lease Expiration Date	4/30/2021			
Term Remaining	±2 Years			
Increases	10% every 5 years			
Options	Two (2) Five (5)			

RENT ROLL

Lease Year	Monthly	Base Rent (Per RSF)	Annual	Total NOI	Cap Rate
Current - 4/30/2021	\$12,763.58	\$5.33	\$153,162.96	\$153,162.96	8.90%
Fifth Extension : 5/1/2021 - 4/30/2024	\$12,763.58	\$5.33	\$153,162.96	\$153,163.96	8.90%
Six Extension : 5/1/2024 - 4/30/2027	\$12,763.58	\$5.33	\$153,162.96	\$153,163.96	8.90%

S E C T I O N TENANT OVERVIEW T H R E E

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TENANT OVERVIEW

Ferguson raises the bar for industry standards as the top-rated wholesale supplier of commercial and residential plumbing supplies. However, their expertise goes beyond plumbing. They are a diverse distributor that spans multiple businesses including HVAC/R, waterworks and industrial. In the past 65 years, they've grown from a local distributor to a \$20.75 billion-dollar company with more than 1,500 locations and over 35,000 associates across three regions. Every step of the way, they serve communities and industries by connecting people with expertise and products to power success. Providing world-class customer service is a cultural belief that is demonstrated every day through their expansive product selection backed by knowledgeable associates.

MARKET POSITION:

- Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire and fabrication products
- Third largest distributor of industrial and HVAC/R products

COMPANY SIZE:

- \$20.75 billion in sales
- 35,000 associates
- 1,500 locations
- 10 strategically-located distribution centers throughout the US
- Serves customers in all 50 states, the Caribbean, Puerto Rico, and Mexico

DISTRIBUTORS OF:

- Commercial and residential plumbing supplies
- Pipe, valves, and fittings (PVF)
- Heating and cooling equipment (HVAC)
- Waterworks
- Industrial and mechanical products
- Fireplaces and fire protection products
- Kitchen, bath, lighting, and appliances
- Tools and safety equipment
- Maintenance, repair and operations (MRO) products

SECTION AREA OVERVIEW FIVE

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MEMPHIS, TN

Memphis, Tennessee is the largest city on the Mississippi River. Located within Shelby County, Memphis is a vibrant and historic city. It is the second largest city within Tennessee and brings in a large amount of tourist because of its famous, historical landmarks. Being only 3 miles from Memphis, Arkansas, it is only a hop, skip, and a jump from the Arkansas/ Tennessee border.

Known as the "Birthplace of Rock and Roll," the city holds a significant amount of history within its borders. The residents of Memphis take pride in their city, and are usually known as "Memphians." Although this town has a variety of entertainment to offer. The sports fans of the area love to cheer on the University of Memphis Tigers. As for professional teams, many cheers on the Memphis Grizzlies. The animal lovers enjoy the Memphis Zoo. Memphis has been the zoo's home for over 100 years and has over 3,500 animals.

DEMOGRAPHICS:

Population	1-Mile	3-Mile	5-Mile
2023 Projection	8,749	82,318	211,326
2018 Estimate	8,750	82,022	211,308
2010 Census	9,023	83,862	218,143
Households	1-Mile	3-Mile	5-Mile
2023 Projection	3,496	31,959	85,869
2018 Estimate	3,466	31,669	85,413
2010 Census	3,490	31,888	86,887
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$42,316	\$49,254	\$60,668
Median Household Income	\$29,209	\$31,340	\$37,707

DISTANCE TO MAJOR CITIES:



ECONOMY

 Many of Memphis's residents are blue-collar, hard workers. The most common industries within this area are Transportation and Warehousing, Construction, and Manufacturing. Within those, the most common occupations are Material Moving, Construction, and Extraction. The unemployment rate has started to decrease with the overall household income increasing since early 2000.

Located on the Mississippi River, Memphis is one of the largest metropolitan areas in the Southeast, ranking 41st out of the top 75 according to a Department of Labor Release. Of the 40 metropolitan areas ahead of Memphis, only 12 are in the South. The city has historically been one of the largest shipping hubs in the Mid-South, dating back to the Civil War. As transportation methods developed, Memphis has continued to hold significance as a transportation hub. Now the city is home to the second largest cargo airport in the world, Memphis International Airport, and the world's busiest domestic airport with 3.9 million metric tonnes. Memphis International Airport and Memphis have had huge significance in the railroad industry. The city has the 3rd largest rail center in the U.S. behind Chicago and St. Louis. It is also one of only four U.S. cities with five Class 1 railroads.

Because Memphis has been such an important city for transportation and shipping, it is attractive to businesses, especially those producing goods shipped nationwide. Three Fortune 500 companies, FedEx, AutoZone, and International Paper Co. call Memphis home. These significant businesses have brought a large manufacturing industry. Of the 607,900 jobs in Memphis in July 2014, 209,900 are in the Manufacturing and Transportation industries, around 34.5 percent.

MUSIC-THEMED ATTRACTIONS

 Memphis, Home of the blues and Birthplace of Rock 'n' Roll has many must-see music-themed attractions including Beale Street Historic District, Blues Music hall of Fame, Center for Southern Folklore, Graceland (home of Elvis Presley and one of the most visited homes), Gibson Guitar Factory, Memphis Music Hall of Fame, Memphis Rock 'n' Soul Museum, St. Blues Guitar Workshop, Stax Museum of American Soul Music, Sun Studio, and the W.C. Handy home and Museum.

RESTAURANTS

• With approximately 100 barbecue restaurants alone, Memphis is also home to world-famous fine dining, rich soul food, and eclectic dining.

THEATERS AND SMALL THEATERS

 Memphis offers multiple choices when it comes to live entertainment, dance classical concerts and performance art. Of special note is the Orpheum Theatre, Playhouse on the Square, Circuit Playhouse, Theatre Memphis, Hattiloo Theatre, and FedExForum

ART MUSEUMS

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ACE

 Memphis is rich with arts, sculpture and painting exhibits offering pieces from Rodin to Renoir. Memphis also offers the Dixon Gallery and Gardens, Memphis Botanic Garden, Memphis Brooks Museum of Art, Metal Museum, Belz Museum of Asian and Judaic Art, and the Cotton Museum at the Memphis Cotton Exchange.

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the **Ferguson** located at **1740 Cherokee Blvd**, **Memphis, TN 38118** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This 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 is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

The Offering Memorandum and its contents are confidential;

You will hold it and treat it in the strictest of confidence; and

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.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

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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Plumbing Supplies Lighting & Appliances Pipes Valves • Fittings

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