

MATTHEWS[™]
REAL ESTATE INVESTMENT SERVICES



**Service King**
COLLISION REPAIR CENTERS

7260 AIRWAYS BLVD
SOUTHAVEN, MS 38671
OFFERING MEMORANDUM



LISTED BY

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LIC # 18906 (MS)

Investment Highlights



PROPERTY DETAILS

- » Low price point for a collision shop at only \$1,710,471
- » Rare 2% annual increase, great hedge against inflation
- » Offered at an attractive 7.14% cap rate
- » Attractive Tax Benefits – Ownership includes land and improvements, allowing owners to depreciate the improvements over a 39-year depreciation schedule



LOCATION








- » 10 minutes away from Memphis International Airport
- » Sits on the Airways Blvd, the major street in town with over 20,000 VPD
- » Neighboring major national tenant including Dunkin Donuts, Buffalo Wild Wings, Sonic Drive-In, McDonald's, Circle K and CVS



TENANT

- » Service King is one of the largest Collision Repair companies in the United States with over 350 location in 24 different states
- » Significant Private Equity Funding - Blackstone Group LP and Carlyle LP backed, with Blackstone Group LP with controlling shares
- » Service King is estimated to have over \$1.2 billion in annual revenue and employs more than 6,000 people
- » Service King is capitalizing on the consolidation of the rapidly growing Collision Industry, a \$33+ billion industry in US and Canada
- » Great Hedge Against Ecommerce

Investment Summary

	» PROPERTY ADDRESS	7260 Airways Blvd Southaven, MS
	» LIST PRICE	\$1,710,471
	» CAP RATE	7.14%
	» TOTAL BUILDING AREA	±8,340 SF
	» TOTAL LAND AREA	±0.93 AC
	» YEAR BUILT	1998
	» APN	1-07-9-30-14-0-00001-01

Annualized Operating Data

	Monthly Rent	Annual Rent	Cap Rate
Current - 12/31/2019	\$10,177	\$122,128	7.14%
1/1/2020 - 12/31/2020	\$10,381	\$124,571	7.28%
1/1/2021 - 12/31/2021	\$10,589	\$127,062	7.43%
1/1/2023 - 12/31/2023	\$10,800	\$129,603	7.58%

Tenant Summary

Tenant Trade	Service King
Type of Ownership	Fee Simple
Lease Guarantor	Service King Paint and Body, LLC
Lease Type	NN
Roof / Structure	Landlord
Original Lease Term	12/31/12
Lease Expiration	12/31/22
Term Remaining	± 3.75 Years
Increases	2% Annual Increase
Options	Two (2), 5-Year Options







THE OFFERING

PROPERTY NAME Service King

Property Address 7620 Airways Blvd
Southaven, MS 38671

SITE DESCRIPTION

Number of Stories 1

Year Built 1998

GLA ±8,340 SF

Lot Size ±0.93 AC

Type of Ownership Fee Simple

Landscaping Professional

Topography Generally Level

TENANT OVERVIEW

- » **Company Name** Service King
- » **Year Founded** 2012 (Private Equity)
- » **No. of Locations** ±340
- » **Ownership** Non-Public
- » **Revenue** \$1.2B
- » **Website** www.serviceking.com

Service King Collision Repair Centers is a national leader in collision repair, operates in 24 states with over 330 locations and plans to continue growing. Service King Collision Repair Centers offers high-quality repairs with a lifetime warranty, free estimates, on-site rental cars and an overall superior customer service experience.

In 2012, as one of the largest independent operator of collision repair centers in the U.S., global asset manager The Carlyle Group closes on its acquisition of majority ownership of Service King Collision Repair Centers. In 2014, after Service King triples its revenue over a two-year period, premier global investment and advisory firm Blackstone purchases majority ownership of the **company**. The Carlyle Group remains a minority investor as do Service King internal shareholders. In 2015, Service King surpasses \$1 billion in annual revenue.

Southaven, MS

Located in DeSoto County, Southaven is an affluent suburb of Memphis, TN. With a population of approximately 53,214, Southaven is the 3rd largest city in the state of Mississippi and the second most populous suburb of Memphis.

Known for its top-notch public schools and family-friendliness, Southaven was named the #2 Best Suburbs to Live in Mississippi and the #2 Most Diverse Suburbs in Mississippi in 2018. Southaven is also known for being a very diverse community.

Economy

With a median household income and median home values well above the state and national averages, Southaven has a strong economy bolstered by manufacturing, transportation, and warehousing. The city has a strong job market and low unemployment rate compared to state averages.

The cost of living in Southaven is relatively low, which has created a steady influx of new residents. Southaven was named the 8th fastest-growing city in the state in 2018 with a growth rate of 10.85%.

Developments



TANGER OUTLETS

Sitting just off of Interstate 55, the \$115 Million Tanger Outlets retail development opened its doors in 2015. The upscale, destination-style development includes 70 designer stores as well as a hotel and 3 restaurants. Tanger spans approximately 324,000 SF across 54 acres of land.



SILO SQUARE

The \$220 Million Silo Square is a 700,000+ SF mixed-use development is currently in the works. The development will span 228 acres and is expected to have 300 residential lots, 2 hotels, a grocery store, and various retail and office space. It will be centered around an 100-year-old silo which will serve as an icon for the development.



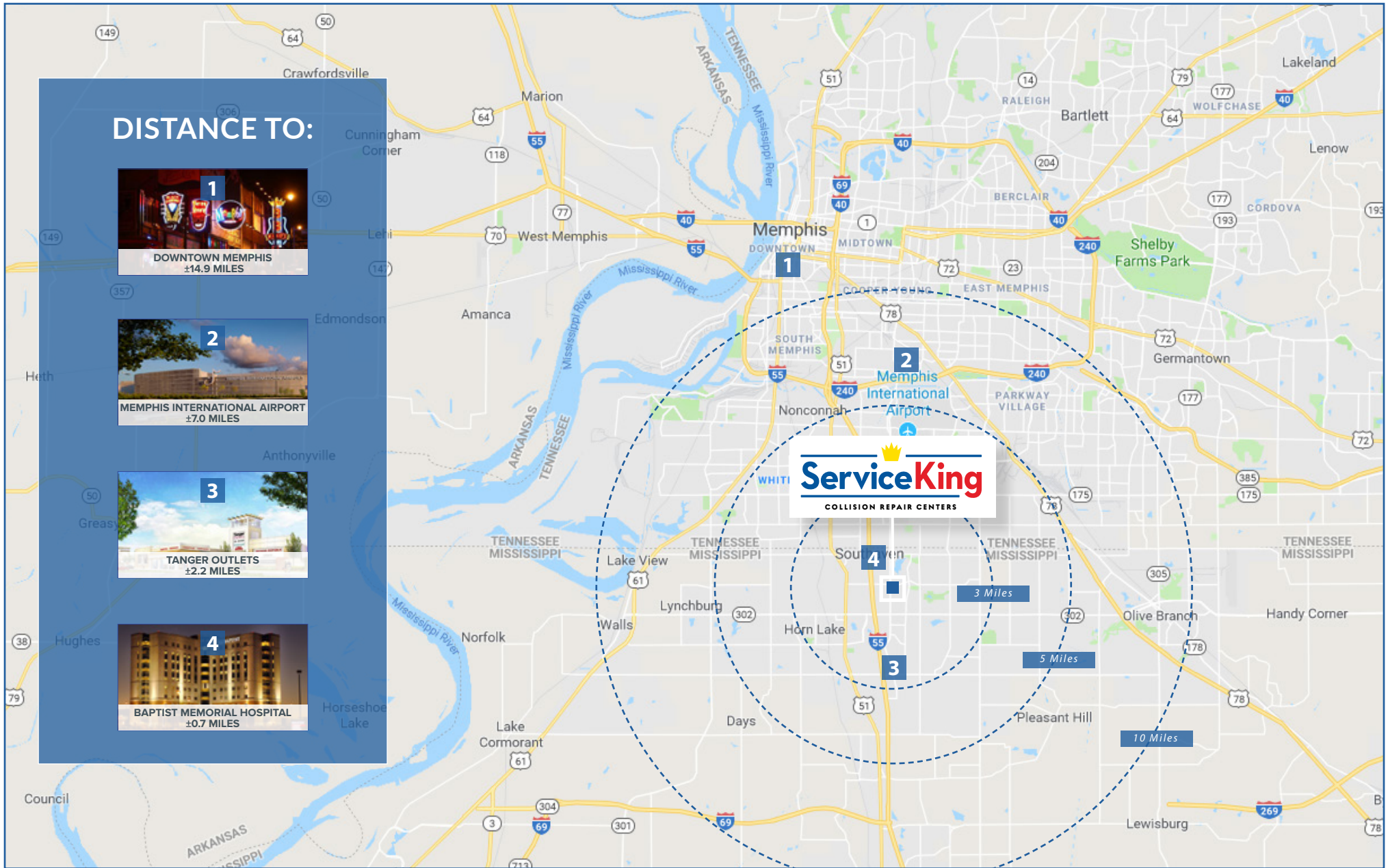
SOUTHAVEN TOWNE CENTER

Anchored by J.C. Penney and Dillard's, Southaven Towne Center is an open-air lifestyle center located off of Interstate 55. Its ±45 stores occupy over 567,640 Square Feet of building space across 196+ acres of land. Upon opening Southaven Towne Center added approximately 1,000 local jobs to the local economy.

Demographics

POPULATION	1 - MILE	3 - MILE	5 - MILE
2023 Projection	6,042	52,162	122,107
2018 Estimate	5,669	49,345	117,953
2010 Census	5,389	46,449	111,296
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	2,312	19,717	45,687
2018 Estimate	2,150	18,452	43,482
2010 Census	2,024	17,138	40,191
INCOME	1 - MILE	3 - MILE	5 - MILE
Average Household Income	\$66,504	\$61,962	\$64,849

Location Map



Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Service King** located at **7260 Airways Blvd Southaven, MS 38671** ("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:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. 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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