



5475 FOX PLAZA DR
MEMPHIS, TN 38115
OFFERING MEMORANDUM



LISTED BY

JACK CHANG

Senior Associate

DIRECT (949) 873-0509
MOBILE (949) 413-9751
jack.chang@matthews.com
LIC # 01873010 (CA)

GARY CHOU

SVP & Senior Director

DIRECT (310) 919-5827
MOBILE (714) 928-8016
gary.chou@matthews.com
LIC # 01911222 (CA)

KYLE MATTHEWS

Broker of Record
LIC # 263667 (TN)

Investment Highlights



PROPERTY DETAILS

- Low price point for a collision shop at only \$1,292,275
- Strong Hedge Against Inflation – Rare 2% annual increase
- Offered at an attractive 8.00% cap rate
- Attractive Tax Benefits – Ownership includes land and improvements, allowing owners to depreciate the improvements over a 39-year depreciation schedule



LOCATION

- Strategically located near multiple car dealerships to optimize synergy
- Neighboring major national tenant including Bank of America, Enterprise Rent-A-Car, Hertz, Krystal and Shell
- Tax-Free State – Tennessee is one of 8 states out of 50 that has no state income taxes – great investment for those also living in tax free states or for those who do not want to file taxes in other states



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 E-commerce

Investment Summary



» 5475 Fox Plaza Dr, Memphis, TN 38115



» \$1,292,275



» 8.00%



» ± 16,000 SF



» ± 1.94 ACRES



» 1984



» A07-4089-E0-0015

Annualized Operating Data

	Monthly Rent	Annual Rent	Cap Rate
Current - 12/31/2019	\$8,615	\$103,382	8.00%
1/1/2020 - 12/31/2020	\$8,787	\$105,449	7.91%
1/1/2021 - 12/31/2021	\$8,963	\$107,558	8.07%
1/1/2022 - 12/31/2022	\$9,142	\$109,710	8.23%

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	10 Years
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	5475 Fox Plaza Dr Memphis, TN 38115

SITE DESCRIPTION

Number of Stories	One
Year Built/Addition	1984
GLA	± 16,000 SF
Lot Size	± 1.94 Acres
Type of Ownership	Fee Simple

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.

Area Overview

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 in 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. Sports fans in the area love to cheer on the University of Memphis Tigers. As for professional teams, many cheer 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	11,219	103,955	202,103
2018 Estimate	11,308	104,498	203,596
2010 Census	11,508	104,796	206,467
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	4,215	40,242	78,805
2018 Estimate	4,250	40,484	79,400
2010 Census	4,323	40,753	80,560
INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average Household Income	\$47,662	\$57,179	\$68,930

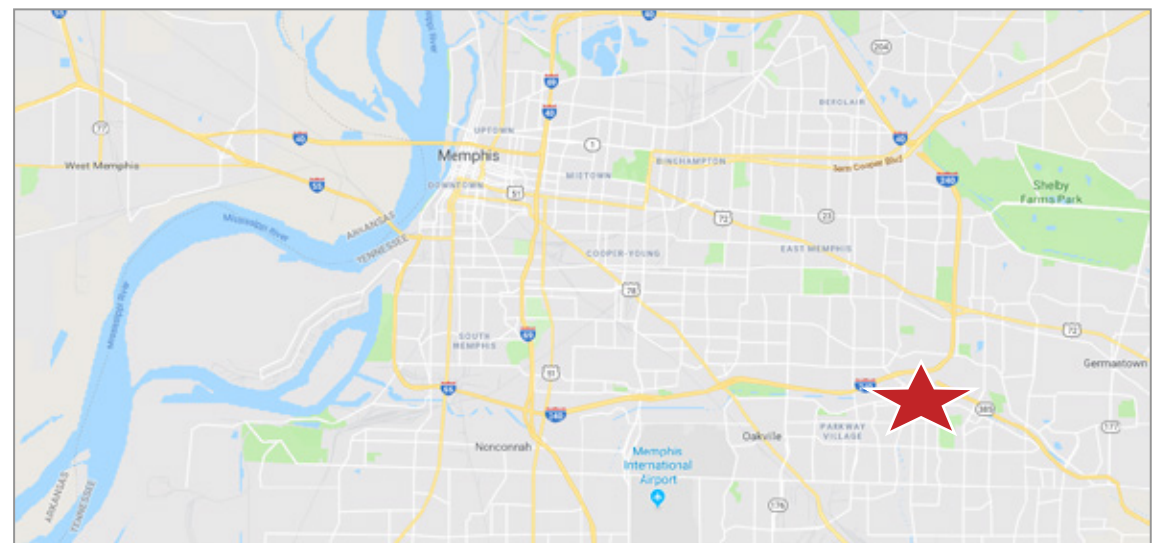
University of Memphis

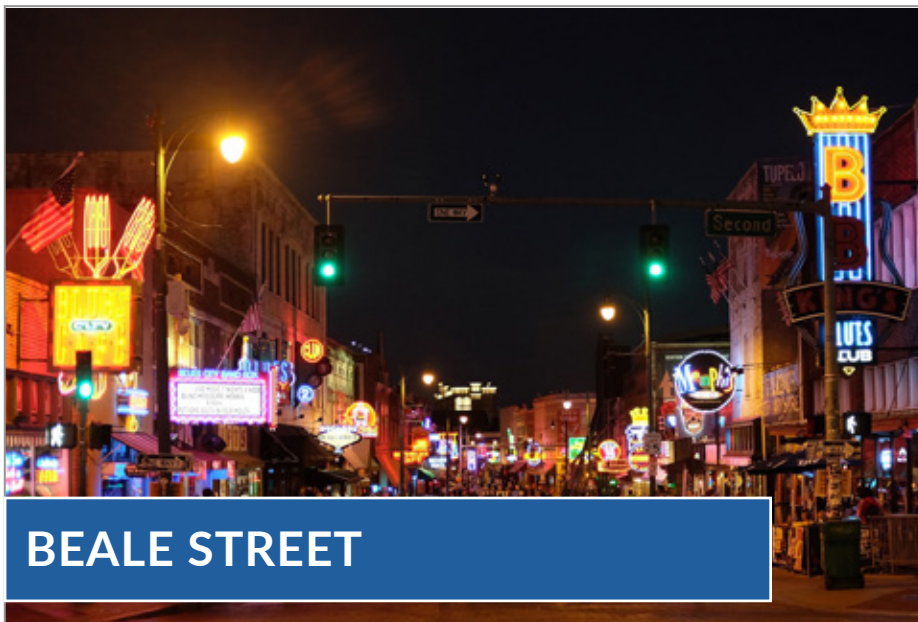
With Memphis being the second largest city in the State, many in-state and out-of-state students attend the University of Memphis. Over 22,000 students attend the University each year. The most popular areas on campus are The Center for Earthquake Research, The Loewenberg College of Nursing, and The FedEx Institute of Technology.

With U of A's student-faculty ratio being 15:1, the rate of Freshman continuing after their first year is 77%. They try to bring in as many local students as possible, so their in-state tuition is minimal compared to surrounding universities.

Economy

Many of Memphis's residents are blue-collared, hard workers. The most common industries in 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.





Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Service King** located at **5475 Fox Plaza Dr Memphis, TN 38115** ("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.



5475 Fox Plaza Dr
Memphis, TN 38115



COLLISION REPAIR CENTER
LISTED BY

JACK CHANG
Senior Associate

DIRECT (949) 873-0509
MOBILE (949) 413-9751
jack.chang@matthews.com
LIC # 01873010 (CA)

GARY CHOU
SVP & Senior Director

DIRECT (310) 919-5827
MOBILE (714) 928-8016
gary.chou@matthews.com
LIC # 01911222 (CA)

KYLE MATTHEWS

Broker of Record
LIC # 263667 (TN)

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES