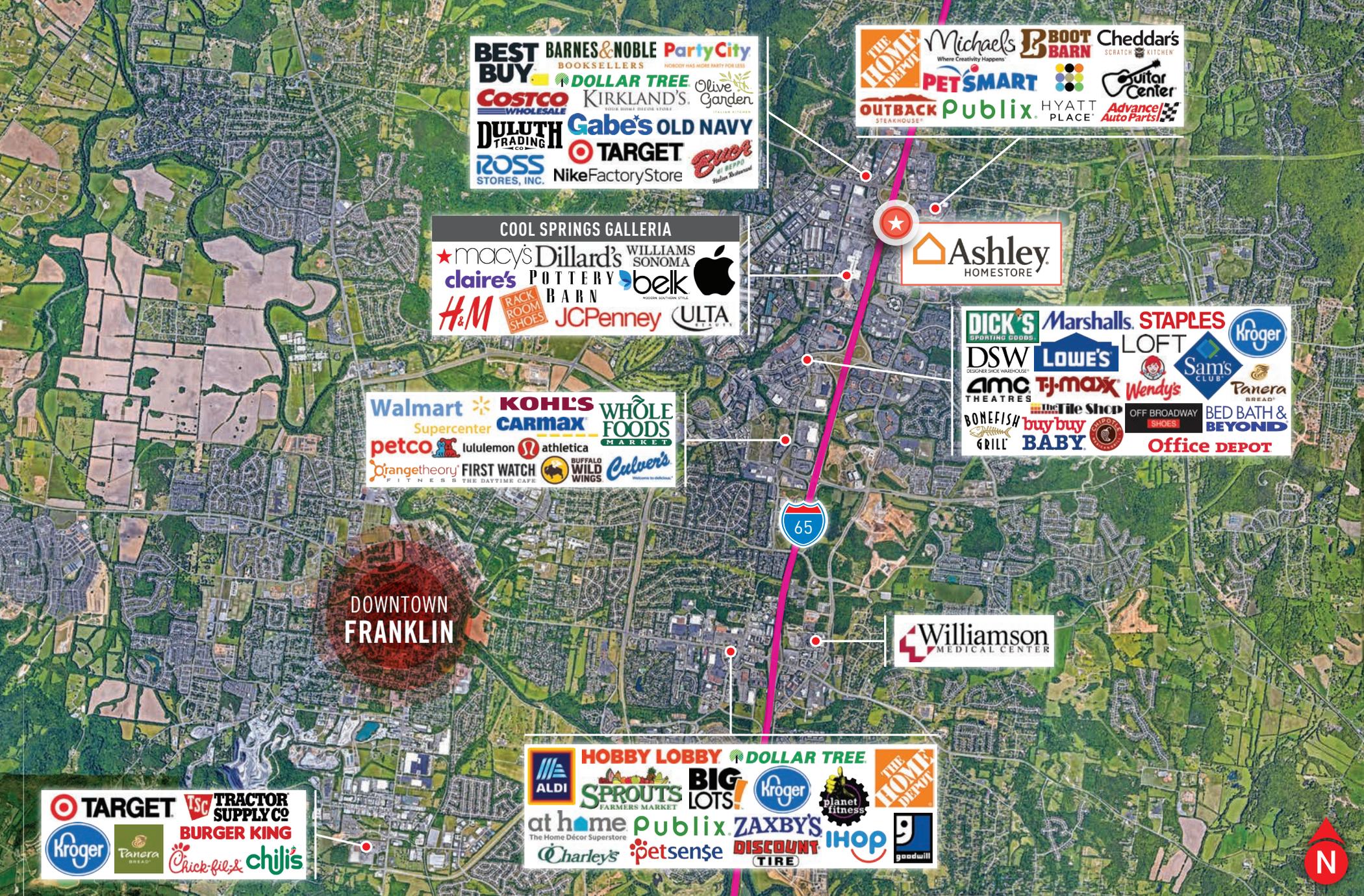


ASHLEY HOMESTORE

8099 MOORES LANE, BRENTWOOD (NASHVILLE), TENNESSEE



OFFERING MEMORANDUM



BEST BUY **BARNES & NOBLE BOOKSELLERS** **PartyCity**
COSTCO WHOLESALE **DOLLAR TREE** **Olive Garden**
KIRKLAND'S **Gabe's OLD NAVY**
DULUTH TRADING CO. **TARGET** **Bucar**
ROSS STORES, INC. **Nike Factory Store**

THE HOME DEPOT **Michaels** **BOOT BARN** **Cheddar's SCRATCH KITCHEN**
PETSMART **HYATT PLACE** **Guitar Center**
OUTBACK STEAKHOUSE **Publix** **Advance! Auto Parts**

COOL SPRINGS GALLERIA
macy's **Dillard's** **WILLIAMS SONOMA** **Apple**
claire's **POTTERY BARN** **belk**
H&M **RACK ROOM SHOES** **JCPenney** **ULTA**

Ashley HOMESTORE

Walmart Supercenter **KOHL'S** **WHOLE FOODS MARKET**
petco **lululemon** **athletica**
Orangetheory FITNESS **FIRST WATCH THE DAYTIME CAFE** **BUFFALO WILD WINGS** **Culver's**

DICK'S SPORTING GOODS **Marshall's** **STAPLES** **Kroger**
DSW **LOFT** **Sam's CLUB** **Panera BREAD**
AMC THEATRES **TJ-maxx** **Wendy's** **the Tile Shop**
BONEFISH GRILL **buybuy BABY** **OFF BROADWAY SHOES** **BED BATH & BEYOND** **Office DEPOT**

DOWNTOWN FRANKLIN

Williamson MEDICAL CENTER

ALDI **HOBBY LOBBY** **DOLLAR TREE** **THE HOME DEPOT**
SPROUTS FARMERS MARKET **BIG LOTS!** **Kroger** **planet fitness**
atHome **Publix** **ZAXBY'S** **planet fitness**
The Home Decor Superstore **Charley's** **petsense** **DISCOUNT TIRE** **IHOP** **goodwill**

TARGET **TRACTOR SUPPLY CO.** **BURGER KING**
Kroger **Panera BREAD** **Chick-fil & chijis**

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BEST BUY KIRKLAND'S
 YOUR HOME DECOR STORE
PartyCity
 NikeFactoryStore **ROSS**
DOLLAR TREE STORES, INC.

TESLA
 SHOWROOM

COSTCO WHOLESALE **TARGET**
DULUTH TRADING CO. **BARNES & NOBLE**
 BOOKSELLERS
 Olive Garden **OLD NAVY** **Bucar**
Gabe's HI BEPPO Italian Restaurant

THE HOME DEPOT **Michaels** **Advance Auto Parts**
 Where Creativity Happens™
PET SMART **Guitar Center**
OUTBACK STEAKHOUSE **Publix** **BOOT BARN**

COOL SPRINGS GALLERIA
 ★ **macy's** **Dillard's** **WILLIAMS SONOMA**
claire's **POTTERY BARN** **Apple**
H&M **RACK ROOM SHOES** **JCPenney** **ULTA BEAUTY**

Ashley
 HOMESTORE

HYATT PLACE **Holiday Inn Express** **Holiday Inn** **extended STAY AMERICA**
Hilton Garden Inn **Walgreens pharmacy** **CVS**

DICK'S SPORTING GOODS **Marshall's** **STAPLES** **Kroger**
DSW **Wendy's** **BED BATH & BEYOND** **Panera BREAD**
TJ-MAXX **buy buy BABY** **The Tile Shop** **LOFT**
OFF BROADWAY SHOES **Starbucks** **CARRABBA'S ITALIAN GRILL** **Jack in the box**
Office DEPOT **P.F. CHANG'S**

COURTYARD Marriott **noodles WORLD KITCHEN**
FIRST WATCH THE DAYTIME CAFE **Residence Inn Marriott**



AMC THEATRES **LOWE'S** **Sam's CLUB**
BONEFISH GRILL **CHIPOTLE MEXICAN GRILL**

Walmart Supercenter **KOHL'S** **CARMAX**
BUFFALO WILD WINGS **Calver's** **petco**

WHOLE FOODS MARKET **Orangetheory FITNESS**
lululemon **athletica** **FIRST WATCH THE DAYTIME CAFE**



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Executive Summary

FINANCIAL SUMMARY

Price	\$8,716,000
Down Payment	100% \$8,716,000
Cap Rate	6.50%
Building SF	43,584 SF
Net Cash Flow	6.50% \$566,592 ⁽¹⁾
Year Built / Remodeled	1995 / 2010
Lot Size	4.254 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	DSG Nashville, LLC
Guarantor	Dufresne Spencer Group Holding, LLC
Roof & Structure	Landlord Responsible
Lease Commencement Date	August 1, 2010
Lease Expiration Date	July 31, 2030
Lease Term Remaining	10+ Years
Rental Increases	1.5% Annually
Renewal Options	2, 5 Year Options

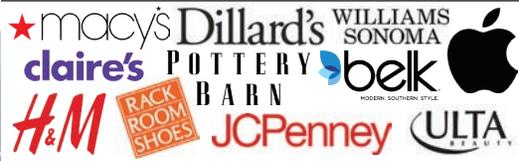
(1) Based on Rent as of August 1, 2020.

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
8/1/2020 - 7/31/2021	\$566,592.00	6.50%
8/1/2021 - 7/31/2022	\$575,090.88	6.60%
8/1/2022 - 7/31/2023	\$583,717.24	6.70%
8/1/2023 - 7/31/2024	\$592,473.00	6.80%
8/1/2024 - 7/31/2025	\$601,360.10	6.90%
8/1/2025 - 7/31/2026	\$610,380.50	7.00%
8/1/2026 - 7/31/2027	\$619,536.21	7.11%
8/1/2027 - 7/31/2028	\$628,829.25	7.21%
8/1/2028 - 7/31/2029	\$638,261.69	7.32%
8/1/2029 - 7/31/2030	\$647,835.61	7.43%

Base Rent	\$566,592
Net Operating Income	\$566,592
Total Return	6.50% \$566,592

COOL SPRINGS GALLERIA



137,700 CPD
INTERSTATE 65





OFFICES



21,900 CPD
MOORES LANE



Property Description



DEMOGRAPHICS

Population

	1-mile	3-miles	5-miles
2024 Projection	2,645	37,857	105,092
2019 Estimate	2,410	33,301	92,642
Growth 2019 – 2024	9.75%	13.68%	13.44%

Households

	1-mile	3-miles	5-miles
2024 Projection	978	14,924	38,340
2019 Estimate	893	13,099	33,872
Growth 2019 – 2024	9.52%	13.93%	13.19%

Income

2019 Est. Average Household Income	\$153,787	\$159,615	\$160,909
2019 Est. Median Household Income	\$110,440	\$114,459	\$117,353



INVESTMENT HIGHLIGHTS

- » **10+ Years Remaining on Lease Term**
- » 1.5% Annual Rental Increases
- » **Tenant is the Nation's Largest Ashley HomeStore Franchisee with Approx. 100 Locations**
- » Households Projected to Increase Nearly 14% within a 3-Mile Radius by 2024
- » **92,642 Residents in Growing Brentwood Trade Area - Nashville MSA**
- » **Strong Performing Location with Increasing Volume**
- » Adjacent to The Home Depot, Michaels, PetSmart, Publix Supermarket, and More
- » **Affluent Trade Area - Average Household Income Exceeds \$160K within a 5-Mile Radius**
- » Located in Major Retail Corridor - Tenants Include Target, Costco, Best Buy, The Home Depot, Ross, and Barnes & Noble
- » **Dominating Visibility Along Interstate-65, with Immediate Access to the Subject Property, Boasting Traffic Counts of Over 137,700 Cars/Day**
- » Close Proximity to CoolSprings Galleria, an Enclosed Regional Mall with 165+ Stores, Including, but Not Limited to, The Apple Store, The Cheesecake Factory, Williams-Sonoma, H&M, American Girl, Macy's, and Many More





Tenant Overview



Arcadia, Wisconsin

Ashley Furniture Industries

1,000+

ashleyfurniture.com

Headquarters

Parent Company

Locations

Website

Ashley HomeStore is an American furniture store chain, exclusively selling products manufactured by its parent company, Ashley Furniture Industries. Opened in 1997, the chain comprises over 800 Ashley HomeStores and 15 manufacturing and distribution facilities worldwide. Products are sold by more than 6,000 retail partners with over 20,000 storefronts in 123 countries. The chain has both corporate and independently owned locations.

Ashley Furniture Industries, Inc. is an American home furnishings manufacturer, headquartered in Arcadia, Wisconsin. Ashley Furniture licenses its name to Ashley HomeStores, which sell only Ashley Furniture-branded products. Ashley Furniture has consistently been rated as the #1 furniture manufacturer in the

world. In 2018, the company was voted #1 in “Top Furniture Stores” by The Spruce. Also in 2018, BizVibe ranked Ashley Furniture as #1 in their list of Top 10 Furniture Manufacturers in the USA. Ashley Furniture’s biggest draw to customers is their mostly affordable furniture at promotional to mid-level price points. The company oversees the design, manufacture, and distribution of the products sold in Ashley HomeStore retail stores and by independent furniture dealers. Ashley Furniture Industries is privately held.

In 2018, Ashley Furniture was #88 on Forbe’s list of America’s Largest Private Companies, employing over 23,000 people. As of 2017, the company’s revenue exceeded \$4.7 billion.

Guarantor Overview

Dufresne Spencer Group



DUFRESNE SPENCER GROUP

Based in Memphis, Tennessee, the Dufresne Spencer Group (DSG) is the nation's largest Ashley HomeStore franchisee. Founded in 2003, the company is led by CEO and co-founder Chad Spencer. With the support of nearly 3,500 team members across 12 states, DSG operates 100 Ashley HomeStores and 4 Stash Home locations.

EXPANSION AND GROWTH

In January of 2019, DSG acquired nine stores from Olinde, a furniture group based in Louisiana. This acquisition followed a number of purchases that allowed DSG to grow to become that largest Ashley HomeStore franchisee. In November 2018, DSG entered New Mexico with a three-store HomeStore acquisition, which followed earlier purchases of two HomeStores in Detroit and 30 stores across Texas, Washington, Oregon, and Idaho.

Sales for 2019 are expected to reach about \$825 million. This is almost a 14% increase from the company's 2018 sales, which totaled \$725 million and more than doubled its sales in 2017.

INVESTING IN THE COMPANY

Ashley Global Retail (AGR) – the marketing, sales, and e-commerce arm of Ashley Furniture Industries (corporate) – announced in December 2017 their decision to invest in DSG. Speaking on the subject, CEO Todd Wanek noted that DSG “continues to perform and grow at an impressive rate. The investment speaks to our confidence in its continued growth plan.”

In March 2018, DSG made an investment in Hill Country Holdings, another top Ashley HomeStore licensee.



Nashville MSA

GREATER NASHVILLE AREA

The Nashville metropolitan area consists of 14 counties within Middle Tennessee. It is the 36th largest MSA in the United States and the largest in the state of Tennessee. The greater Nashville region is poised to grow by leaps and bounds over the next couple decades. With a total 2018 population of 1.93 million people, it is projected that close to another million people will relocate to the area by 2035.

NASHVILLE REAL ESTATE MARKET

With over 100 new people moving to the city each day, Nashville is considered one of the country's hottest real estate markets. Nashville's population growth is one of the highest in the country, contributing greatly to the city's housing market. Tourism is also a major contributing factor. With over 15 million visitors per year, there is a strong demand for rental properties in Nashville.

CULTIVATING A GROWING ECONOMY

Home to more than 1.9 million people and over 40,000 businesses, Middle Tennessee is defined by a diverse economy, low costs of living and doing business, and a well-educated population. Many corporate headquarter giants call Middle Tennessee home, including Nissan North America, Bridgestone Americas, Dollar General, Hospital Corporation of America, and Cracker Barrel. A national hub for the creative class, Nashville has the strongest concentration of the music industry in America.

A thriving business environment, along with moderate labor costs and a highly educated work force, position the greater Nashville area for significant growth. The area's gross domestic product grew 4.1% from 2017 to 2018 to more than \$133 billion. This places greater Nashville fifth among metro areas with real GDPs of \$100 billion or more, trailing only Silicon Valley, Austin, Seattle, and San Antonio.

A REGION RICH IN CULTURE AND ENTERTAINMENT

Nashville's current momentum is thanks, in part, to the wealth of cultural and entertainment options. Known as "Music City," *Rolling Stone* ranked the region as "the nation's best music scene." Nashville is home to more than 180 recording studios, 5,000 working musicians, and a world-class symphony that has received 14 GRAMMY® nominations and seven wins. The city is also home to successful and well-respected NFL and NHL franchises. *SmartAsset* ranked Nashville as "the number 1 minor league baseball city."



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