



AARON'S

2605 N Broadway • Knoxville, TN 37917

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AARON'S
Knoxville, TN
ACT ID ZAB0230104

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Marcus & Millichap

PROPERTY SUMMARY

OFFERING SUMMARY	
Property	Aaron's
Property Address	2605 N. Broadway Knoxville, TN 37917
Price	\$1,100,000
Net Operating Income	\$96,103
Capitalization Rate – Current	8.74%
Price / SF	\$91.67
Rent / SF	\$8.01
Gross Leasable Area	12,000 SF
Year Built	1962
Lot Size	1.57 acre(s)

LEASE SUMMARY	
Property Subtype	Net Leased Miscellaneous
Type of Ownership	Fee Simple
Rent Increases	10% Every 5 Years
Tenant	Aaron's, Inc.
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	October 25, 2007
Lease Expiration	October 31, 2022
Lease Term	15 Years
Term Remaining on Lease (Years)	2.7
Renewal Options	One, Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	Roof, Structure, Taxes & Insurance
Right of First Refusal	No

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$96,103
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RENT SCHEDULE

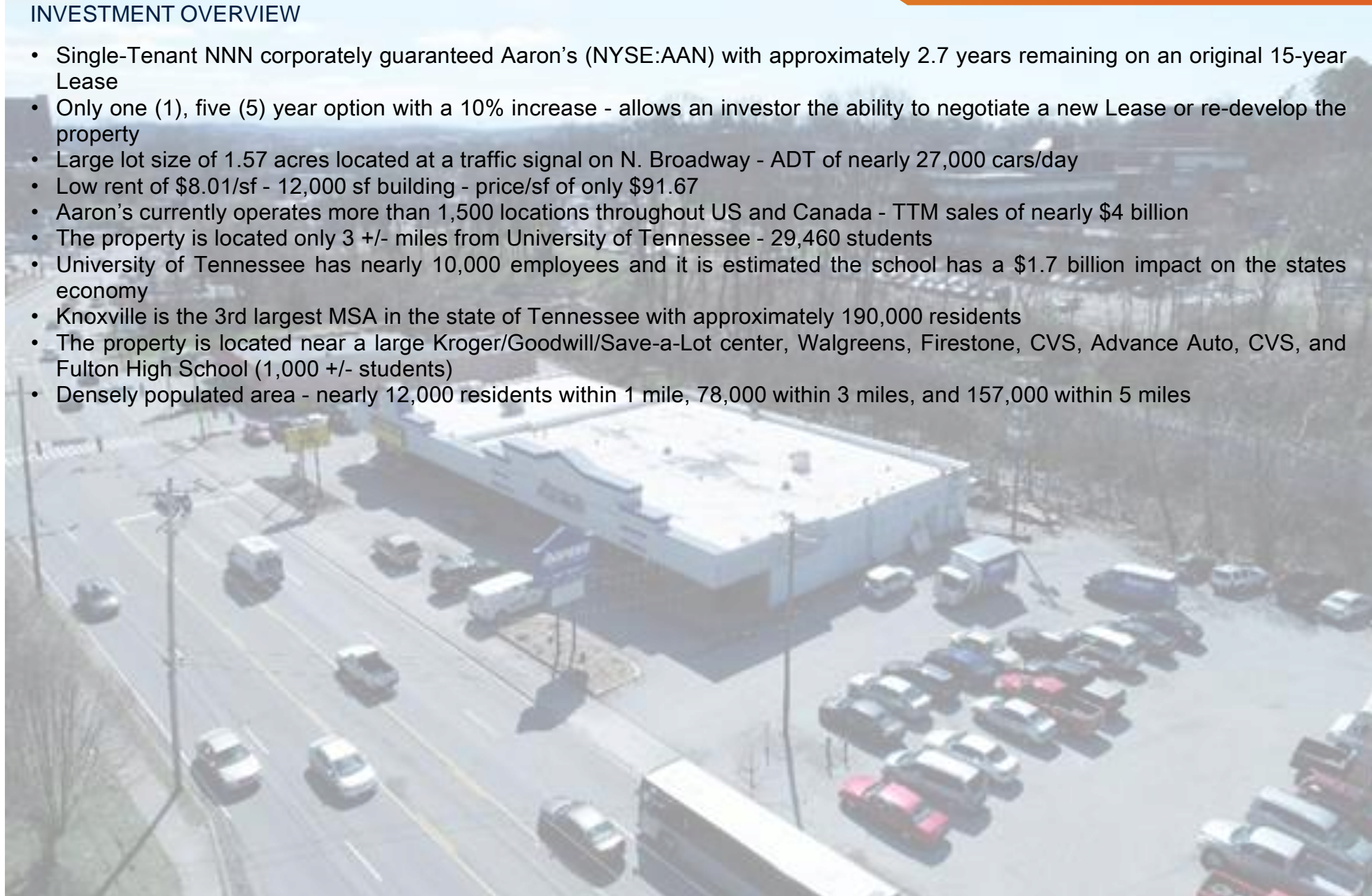
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$96,103	\$8,009	\$8.01	8.74%
1 st Option	\$105,713	\$8,809	\$8.81	9.61%



NOTES

INVESTMENT OVERVIEW

- Single-Tenant NNN corporately guaranteed Aaron's (NYSE:AAN) with approximately 2.7 years remaining on an original 15-year Lease
- Only one (1), five (5) year option with a 10% increase - allows an investor the ability to negotiate a new Lease or re-develop the property
- Large lot size of 1.57 acres located at a traffic signal on N. Broadway - ADT of nearly 27,000 cars/day
- Low rent of \$8.01/sf - 12,000 sf building - price/sf of only \$91.67
- Aaron's currently operates more than 1,500 locations throughout US and Canada - TTM sales of nearly \$4 billion
- The property is located only 3 +/- miles from University of Tennessee - 29,460 students
- University of Tennessee has nearly 10,000 employees and it is estimated the school has a \$1.7 billion impact on the states economy
- Knoxville is the 3rd largest MSA in the state of Tennessee with approximately 190,000 residents
- The property is located near a large Kroger/Goodwill/Save-a-Lot center, Walgreens, Firestone, CVS, Advance Auto, CVS, and Fulton High School (1,000 +/- students)
- Densely populated area - nearly 12,000 residents within 1 mile, 78,000 within 3 miles, and 157,000 within 5 miles



Aaron's, Inc.



CREDIT RATING: B2

www.fdreports.com | www.creditintell.com | September 30, 2019

General Information

Address	309 E Paces Ferry Road NE , Atlanta, Georgia, 30305, United States
Phone	404-231-0011
Website	www.aarons.com

Key Personnel

Chief Financial Officer	Steven A. Michaels
Chief Executive Officer	John W. Robinson III

Store Base

Store Count	1,504
TTM Sales	\$3,937,236,000

Financial Markets

Stock Ticker	AAN
Current Price	\$41.45 as of 2/26/20
52 Week High/Low	\$78.59 / \$40.79

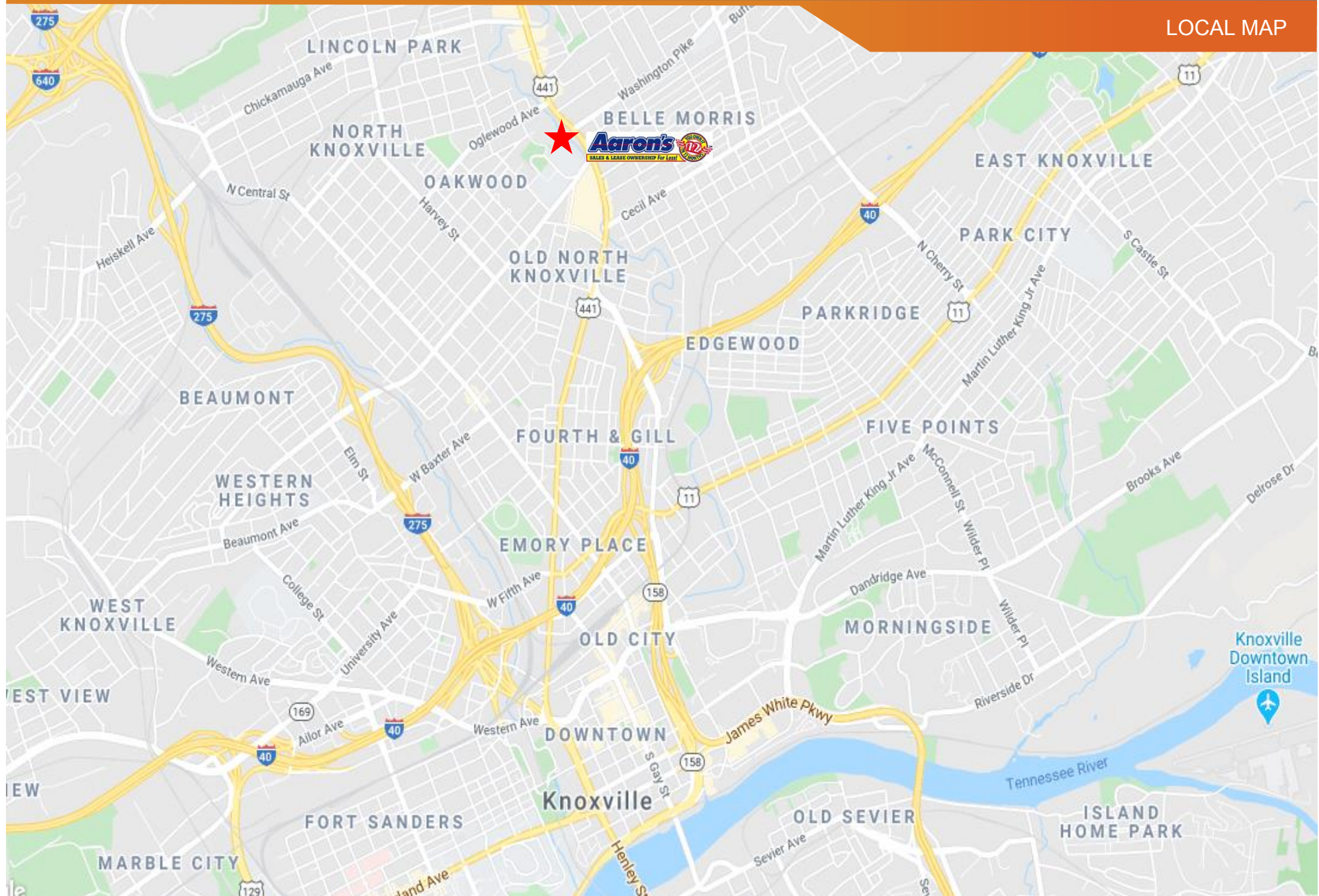
Aaron's rents and sells sofas, beds, electronics, and appliances along with other furniture and household goods. One of the nation's top rental and rent-to-own companies (behind industry leader Rent-A-Center), Aaron's purveys private-label and name-brand merchandise through nearly 1,600 Aaron's stores in the US and Canada. The company's Woodhaven Furniture unit makes most of its furniture and bedding at about a dozen plants in the US. Aaron's also provides virtual leasing services to help some 20,000 retail partners across the US serve credit-challenged customers. Aaron's was founded in 1955.

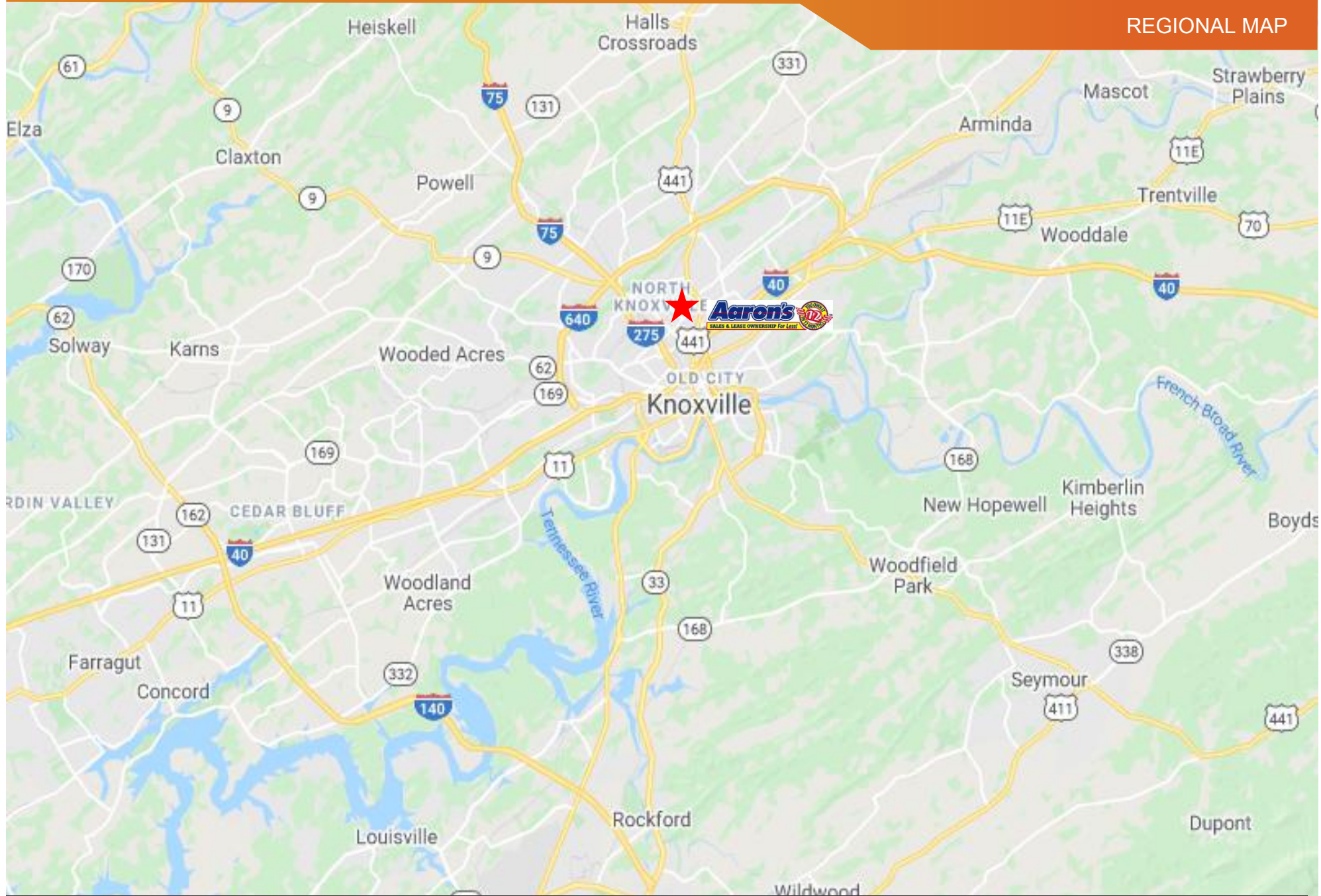
Fiscal Year Ended December 31, 2018

Credit Rating Chart Comparison Creditintell | F&Dreports

Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D











29,460 Students (2019)
3 +/- miles from Aaron's

KNOXVILLE OVERVIEW

The Knoxville metro area is centered in the eastern portion of Tennessee and is the states third largest market after Nashville and Memphis. The metro consists of nine counties: Anderson, Blount, Campbell, Grainger, Knox, Loudon, Morgan, Roane and Union. The local economy centers primarily around economic hubs created by the University of Tennessee and Great Smoky Mountain tourism. The city of Knoxville is the county seat of Knox County and is home to 189,800 residents.



METRO HIGHLIGHTS



HIGHER EDUCATION

The University of Tennessee has nearly 29,500 students and 9,400 employees. It is estimated the school has a \$1.7 billion impact on the state's economy.



INLAND PORT

The Port of Knoxville is connected to the nation's waterways and the Gulf of Mexico via channels on the Mississippi and Tennessee Rivers.



GREAT SMOKY MOUNTAIN CULTURE

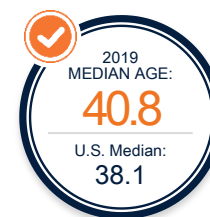
The Knoxville region has a strong arts community, contributing to bluegrass and country music with bands such as Flatt & Scruggs and the Everly Brothers. In nearby Pigeon Forge, the Dollywood park hosts 3 million tourists in a season.



ECONOMY

- Technology and research activities are also growing in the metro, with multiple National Science Foundation-funded centers associated with the University of Tennessee. In addition, a number of research and development firms are located in the Tennessee Technology Corridor.
- Diversification has brought major employers a variety of industries such as media and healthcare with companies like Regal Entertainment Group, Scripps Networks Interaction and TeamHealth.
- While diversifying from its manufacturing roots into media and professional service jobs, the metro still houses big manufacturing operations, including a Coca-Cola bottling plant.

DEMOGRAPHICS



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	11,400	77,940	159,232
■ 2018 Estimate			
Total Population	11,725	78,043	157,567
■ 2010 Census			
Total Population	11,350	74,197	149,900
■ 2000 Census			
Total Population	12,286	71,813	142,564
■ Current Daytime Population			
2018 Estimate	20,675	145,832	245,311
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	5,237	34,472	68,559
■ 2018 Estimate			
Total Households	5,331	34,099	67,112
Average (Mean) Household Size	2.11	2.15	2.21
■ 2010 Census			
Total Households	5,180	32,217	63,629
■ 2000 Census			
Total Households	5,753	32,205	61,826
■ Occupied Units			
2023 Projection	5,237	34,472	68,559
2018 Estimate	6,038	38,613	74,721
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	1.98%	1.71%	3.24%
\$100,000 - \$149,000	5.42%	4.49%	6.56%
\$75,000 - \$99,999	5.15%	6.34%	8.42%
\$50,000 - \$74,999	17.08%	14.95%	16.87%
\$35,000 - \$49,999	14.93%	12.99%	13.68%
Under \$35,000	55.44%	59.50%	51.24%
Average Household Income	\$44,204	\$40,582	\$49,998
Median Household Income	\$31,931	\$28,400	\$33,999
Per Capita Income	\$20,416	\$18,461	\$21,960

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$42,191	\$39,016	\$45,393
■ Consumer Expenditure Top 10 Categories			
Housing	\$10,902	\$10,227	\$11,601
Transportation	\$8,031	\$7,266	\$8,365
Shelter	\$5,662	\$5,411	\$6,052
Food	\$4,709	\$4,334	\$5,001
Health Care	\$3,135	\$2,704	\$3,224
Utilities	\$2,948	\$2,741	\$3,072
Personal Insurance and Pensions	\$2,845	\$2,708	\$3,537
Entertainment	\$1,734	\$1,556	\$1,856
Cash Contributions	\$1,185	\$1,082	\$1,314
Household Furnishings and Equipment	\$1,053	\$976	\$1,177
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	11,725	78,043	157,567
Under 20	19.60%	23.88%	24.13%
20 to 34 Years	24.55%	30.74%	29.40%
35 to 39 Years	7.16%	6.03%	6.03%
40 to 49 Years	12.48%	10.70%	10.76%
50 to 64 Years	18.57%	16.48%	16.50%
Age 65+	17.65%	12.18%	13.18%
Median Age	39.02	31.70	32.39
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	8,603	47,387	97,252
Elementary (0-8)	6.15%	4.78%	4.02%
Some High School (9-11)	13.28%	11.96%	9.77%
High School Graduate (12)	28.35%	30.86%	29.62%
Some College (13-15)	21.30%	22.11%	21.94%
Associate Degree Only	7.98%	7.98%	7.91%
Bachelors Degree Only	13.35%	13.26%	16.32%
Graduate Degree	6.77%	7.17%	9.02%

Source: © 2019 Experian



Population

In 2019, the population in your selected geography is 11,725. The population has changed by -4.57% since 2000. It is estimated that the population in your area will be 11,400.00 five years from now, which represents a change of -2.77% from the current year. The current population is 48.06% male and 51.94% female. The median age of the population in your area is 39.02, compare this to the US average which is 37.95. The population density in your area is 3,729.94 people per square mile.



Households

There are currently 5,331 households in your selected geography. The number of households has changed by -7.34% since 2000. It is estimated that the number of households in your area will be 5,237 five years from now, which represents a change of -1.76% from the current year. The average household size in your area is 2.11 persons.



Income

In 2019, the median household income for your selected geography is \$31,931, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 37.48% since 2000. It is estimated that the median household income in your area will be \$35,071 five years from now, which represents a change of 9.83% from the current year.

The current year per capita income in your area is \$20,416, compare this to the US average, which is \$32,356. The current year average household income in your area is \$44,204, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 83.77% White, 8.46% Black, 0.10% Native American and 0.50% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 6.35% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$79,184 in 2019, compare this to the US average of \$201,842. In 2000, there were 3,005 owner occupied housing units in your area and there were 2,748 renter occupied housing units in your area. The median rent at the time was \$336.



Employment

In 2019, there are 5,826 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 49.71% of employees are employed in white-collar occupations in this geography, and 51.37% are employed in blue-collar occupations. In 2019, unemployment in this area is 4.27%. In 2000, the average time traveled to work was 21.00 minutes.

Broker of Record
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