

CIRCLE K

9324 AR-107, SHERWOOD, ARKANSAS



OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

9324 AR-107, Sherwood, AR 72120

FINANCIAL SUMMARY

Price	\$4,908,000
Cap Rate	6.30%
Building Size	4,200 SF
Net Cash Flow	6.30% \$309,202.81 ⁽¹⁾ ⁽²⁾
Year Built	2020
Land/Lot Size	3.08 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Circle K
Guarantor	Gas Express, LLC
Roof & Structure	Tenant Responsible
Lease Commencement Date	April 2020
Lease Expiration Date	October 31, 2040
Lease Term	20 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options
Right of First Refusal	14 Days

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$309,202.81	6.30%
6 - 10	\$340,123.09	6.93%
11 - 15	\$374,135.40	7.62%
16 - 20	\$411,548.94	8.39%
Options	Annual Rent	Cap Rate
Option 1	\$452,703.83	9.22%
Option 2	\$497,974.22	10.15%
Option 3	\$547,771.64	11.16%
Option 4	\$602,548.80	12.28%

Base Rent	\$309,202.81
Net Operating Income	\$309,202.81
Total Return	6.30% \$309,202.81

FOOTNOTES:

(1) The above annual rent is an estimate of what the final rent will be. The Tenant is required to pay Seller (Developer) an annual rent based on a percentage of final construction costs. The final rent will be adjusted no later than thirty (30) days from rent commencement. Any pre-negotiated purchase price with a prospective Buyer will be modified based on the agreed upon cap rate at that time.

(2) The Tenant has a 6-month interest only rent period from the time of opening. Seller will credit Buyer at closing the difference in rent.

Walmart 
Supercenter

MURPHY
USA 

7,200 CPD
W MARYLAND AVE

CIRCLE K 

O'Reilly
AUTO PARTS 

Walmart 
Neighborhood Market

ARKANSAS-107

CVS
pharmacy 

SONIC 

POPEYES
LOUISIANA KITCHEN 

Walgreens 

Wendy's 

Property Description



INVESTMENT HIGHLIGHTS

- » **New 20 Year Absolute Triple-Net (NNN) Lease - 2020 Build**
- » 10% Rental Increases Every 5 Years
- » **100+ Unit Franchisee**
- » Signalized Hard Corner Location
- » **82,446 Residents within a 5-Mile Radius, Growing Trade Area - Little Rock MSA**
- » Surrounded by Major Retailers - Walmart Supercenter, Walmart Neighborhood Market, O'Reilly Auto Parts, Sonic Drive-In, and More
- » **Average Household Income Exceeds \$79K within a 3-Mile Radius**
- » Direct Access to Downtown Little Rock via AR-107
- » **Strong Daytime Population - 78,215 Employees in Surrounding Area**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2024 Projection	8,010	45,321	85,444
2019 Estimate	7,501	43,279	82,466
Growth 2019 – 2024	6.80%	4.72%	3.61%

Households

2024 Projection	3,460	18,942	35,682
2019 Estimate	3,209	17,963	34,240
Growth 2019 – 2024	7.82%	5.45%	4.21%

Income

2019 Est. Average Household Income	\$76,348	\$79,232	\$70,521
2019 Est. Median Household Income	\$57,270	\$58,579	\$51,606
2019 Est. Per Capita Income	\$32,666	\$32,926	\$29,341



Tenant Overview



Tempe, Arizona

Headquarters

Alimentation Couche-Tard

Parent Company

15,000+

Locations

1951

Founded

www.circlek.com

Website

Circle K has become one of the most widely recognized convenience store brands, known worldwide for quality products and great customer service. Founded in 1951 in El Paso, Texas, the company is now owned and operated by the Canada-based Alimentation Couche-Tard. It is present in most of the 50 U.S. states, all Canadian provinces, and a number of European countries.

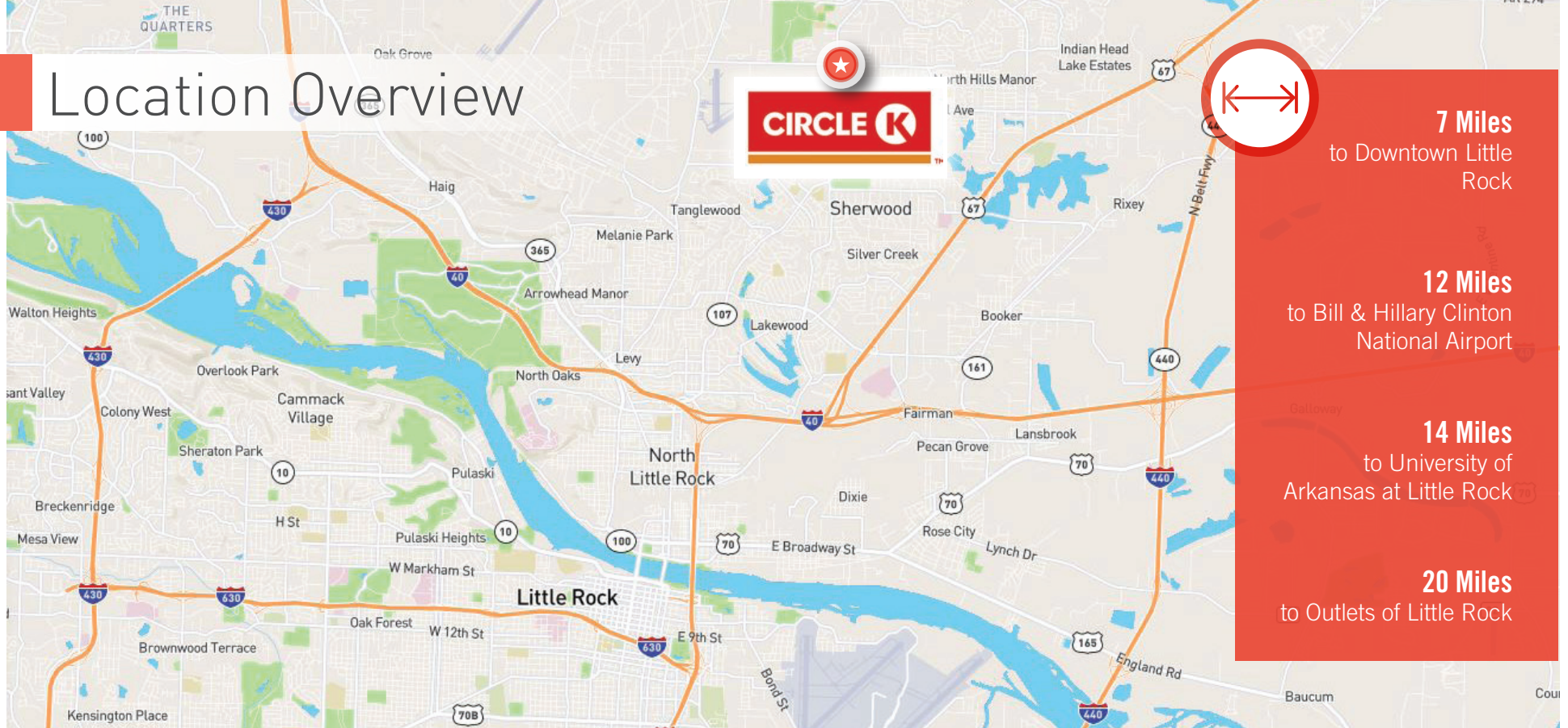
Whether you're looking for snacks, beverages, or everyday necessities, Circle K is a one-stop shop. Circle K's brand "Favorites" carries products such as water, candy, soda, etc. The brand is well-known for their Polar Pop - a fountain beverage in a cup that "stays colder longer." Additionally, the brand offers premium coffee, allowing customers to choose from a variety of brews, flavors, and sweeteners.

Circle K's parent company, Alimentation Couche-Tard Inc., is the leader in the Canadian convenience store industry. In the United States, it is the largest independent convenience store operator in terms of number of company-operated stores. As of July 22, 2018, Couche-Tard's network comprised 9,978 convenience stores throughout North America.

FRANCHISEE OVERVIEW: Gas Express

Gas Express is a franchisee of Circle K, known worldwide for quality products and great customer service. The franchise has over 100 locations throughout Alabama, Arkansas, Georgia, and Louisiana. Their goal is to continue to expand the Circle K presence through an exclusive master franchise agreement.

Location Overview



Sherwood is a city in Arkansas' Pulaski County, part of the Little Rock metropolitan area. As of 2018, the city's estimated population was 31,237 residents.

Little Rock, Arkansas sits on the banks of the Arkansas River in Pulaski County, located in the center of the state. With a population of nearly 200,000 people, it is the largest city in Arkansas. Little Rock is a cultural, economic, government, and transportation within Arkansas and the South. The city is home to strong institutions like Fortune 500 companies, urban universities and technical colleges, hospitals, arts and civil rights organizations, and churches. Little Rock has received numerous accolades, including the 23rd Best Affordable Place to Live (U.S. News and World Report, 2019). Little Rock also found its place on the list of 10 Cities to Watch in 2020 (Worth Magazine), 2019's Best Foodie Cities in

America (WalletHub), and 12 Best Places to Live (Outside Magazine).

With over one million people residing within 50 minutes of downtown Little Rock, the metro area has a strong and thriving economy. Global companies have operations in the city, including Acxiom, Caterpillar Inc., Dassault Falcon Jet Corp., Dillard's Inc., FIS Global, LM Wind Power, L'Oreal USA Products Inc., Stephens Inc., and Welspun Tubular LLC. Organizations like the Arkansas Regional Innovation Hub, Little Rock Tech Park, and The Venture Center, add to the city's impact in the startup realm. In recent years, the city has added \$2.2 billion in new capital investment, \$518 million in new annual payroll, and 15,480 jobs.

[exclusively listed by]

Zack House

Associate Advisor

602 687 6650

zachary.house@marcusmillichap.com

Mark J. Ruble

Senior Managing Director

602 687 6766

mruble@marcusmillichap.com

Chris N. Lind

First Vice President

602 687 6780

chris.lind@marcusmillichap.com

Jamie A. Medress

Senior Managing Director

602 687 6778

jmedress@marcusmillichap.com

Anne Williams

Broker of Record

License #: PB00066390

Offices Nationwide

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