



# SERVICE KING COLLISION REPAIR CENTER

1919 COVINGTON PIKE, MEMPHIS, TN 38128

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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

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## INVESTMENT SUMMARY

List Price:	\$3,182,400
Current NOI:	\$190,944
Initial Cap Rate:	6.0%
Average Cap Rate:	7.44%
Land Acreage:	1.41 Acres
Year Renovated:	2013
Building Size:	10,478 SF
Price PSF:	\$303.72
Lease Type:	Triple Net
Lease Term:	14 +/- Years <b>(Includes a 10 Year Seller Lease Term Guarantee)</b>
Term Remaining:	14 +/- Years <b>(Includes a 10 Year Seller Lease Term Guarantee)</b>

## INVESTMENT OFFERING

The property is situated in a very dense automotive corridor, with over 20 automotive surrounding retail tenants including Kia, Honda, Mazda, Volkswagen, Audi, Chrysler/Dodge, GMC Hertz, Automax, Enterprise, Chevy, Nissan and Subaru., The surrounding area has over 201,000 residents within 5 miles. The average household income within 1 mile exceeds \$67,000.

**Note: Gossett Motors is currently the lessee of this property and has subleased to Service King, who has recently executed one of their renewal options for an additional 5 years. They have two, 5 year options to extend remaining. The seller (Gossett Motors) is so certain that SK will exercise these two remaining options that they will guarantee the lease for a further 10 years past the current expiration date. In the rare event that SK does not exercise their two remaining options, Gossett Motors will step in and assume SK's obligations under the lease. Gossett Motors is one of the largest dealers in the region with 15 locations.**



**PRICE** \$3,182,400



**CAP RATE** 6.0%



**LEASE TYPE** Triple Net



**TERM REMAINING** 14+ Years **(See Note)**

## INVESTMENT HIGHLIGHTS

- 10,478 SF Service King Collision Repair Center on 1.41 Acres
- Recently Extended Triple Net Lease
- 3% Rent Increases Every 5 Years
- Blackstone Group is a Majority Shareholder of Service King
- 5 Mile Population Exceeds 201,000 Residents
- Extremely High Barriers To Entry For Competitors

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## FINANCIAL SUMMARY

INCOME	SERVICE KING COLLISION REPAIR CENTER	PER SF
Gross Income	\$190,944	\$18.22
EXPENSE	SERVICE KING COLLISION REPAIR CENTER	PER SF
Gross Expenses	\$0	\$0.00
NET OPERATING INCOME	\$190,944	\$18.22

## PROPERTY SUMMARY

Year Built:	1981
Year Renovated:	2013
Lot Size:	1.41 Acres
Building Size:	10,478 SF
Zoning:	Commercial
Construction Style:	Industrial

## LEASE SUMMARY

Tenant:	Service King Collision Repair Center
Lease Type:	Triple Net
Primary Lease Term:	15 Years <b>(Includes a 10 Year Seller Lease Term Guarantee)</b>
Annual Rent:	\$190,944
Rent PSF:	\$18.22
Landlord Responsibilities:	None
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Tenant Responsibility
Extended Term Start Date:	August 14, 2019
Lease Expiration Date:	December 18, 2035 <b>(Includes a 10 Year Seller Lease Term Guarantee)</b>
Lease Term Remaining:	14+ Years <b>(Includes a 10 Year Seller Lease Term Guarantee)</b>
Rent Bumps:	3% Increases Every 5 Years
Renewal Options:	Two, 5-Year Options Remain
Lease Guarantor:	Service King, Inc.
Lease Guarantor Strength:	Moody's B2
Tenant Website:	www.serviceking.com



GROSS SALES:  
EST.\$1 BILLION



STORE COUNT:  
343+



GUARANTOR:  
SERVICE KING, INC.



MOODY'S:  
B2



## OVERVIEW

Company:	Service King Body & Paint, LLC
Founded:	1976
Ownership:	Private
Parent (Majority):	The Blackstone Group
Parent (Minority):	The Carlyle Group
Headquarters:	Richardson, TX
Website:	www.serviceking.com

## TENANT HIGHLIGHTS

- Founded in 1976 | 343 Locations in 24 States
- Blackstone Group Purchased Majority Ownership in 2014
- **Collision Repair Industry is Growing | Great Hedge against E-Commerce**
- Gold Class Professional designation from I-CAR
- Offer Customers Lifetime Written Warranty
- Valued for sale as a company in 2017 closed to \$2 Billion

## RENT SCHEDULE

LEASE YEARS	YEARS	BUMP
1-15	2019-2034	3% Every 5 Years

## COMPANY PROFILE

Service King Collision Repair is a national automotive collision repair company. It was founded in 1976 by Eddie Lenno in Dallas, Texas. Service King is one of the largest providers of collision repair services in the country.

In 2012, The Carlyle Group purchased a majority stake in Service King and the company started to expand into Arizona. Global Investment and Advisory Group, Blackstone, purchased majority ownership in Service King in July of 2014. Service King eclipsed the 200-location milestone by December 2014 after purchasing, Seattle-headquartered, Kirmac Collision Services to expand its footprint in the Pacific Northwest. Service King hit the 300-locations mark in August 2016. In 2017, Blackstone and Carlyle considered selling Service King and valued the company around \$2 Billion. Service King also moved to their new corporate headquarters in Richardson, Texas in 2017.

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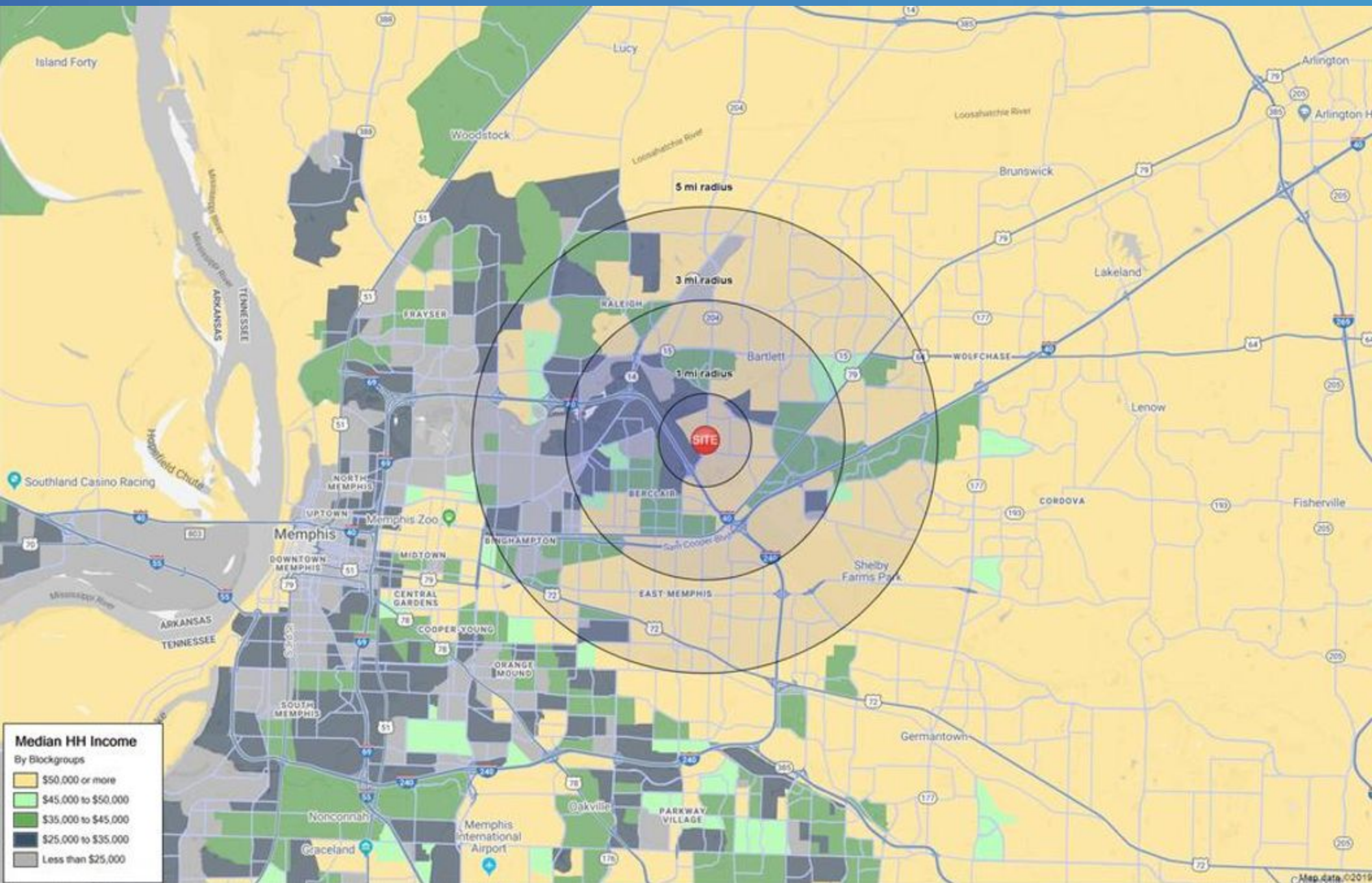
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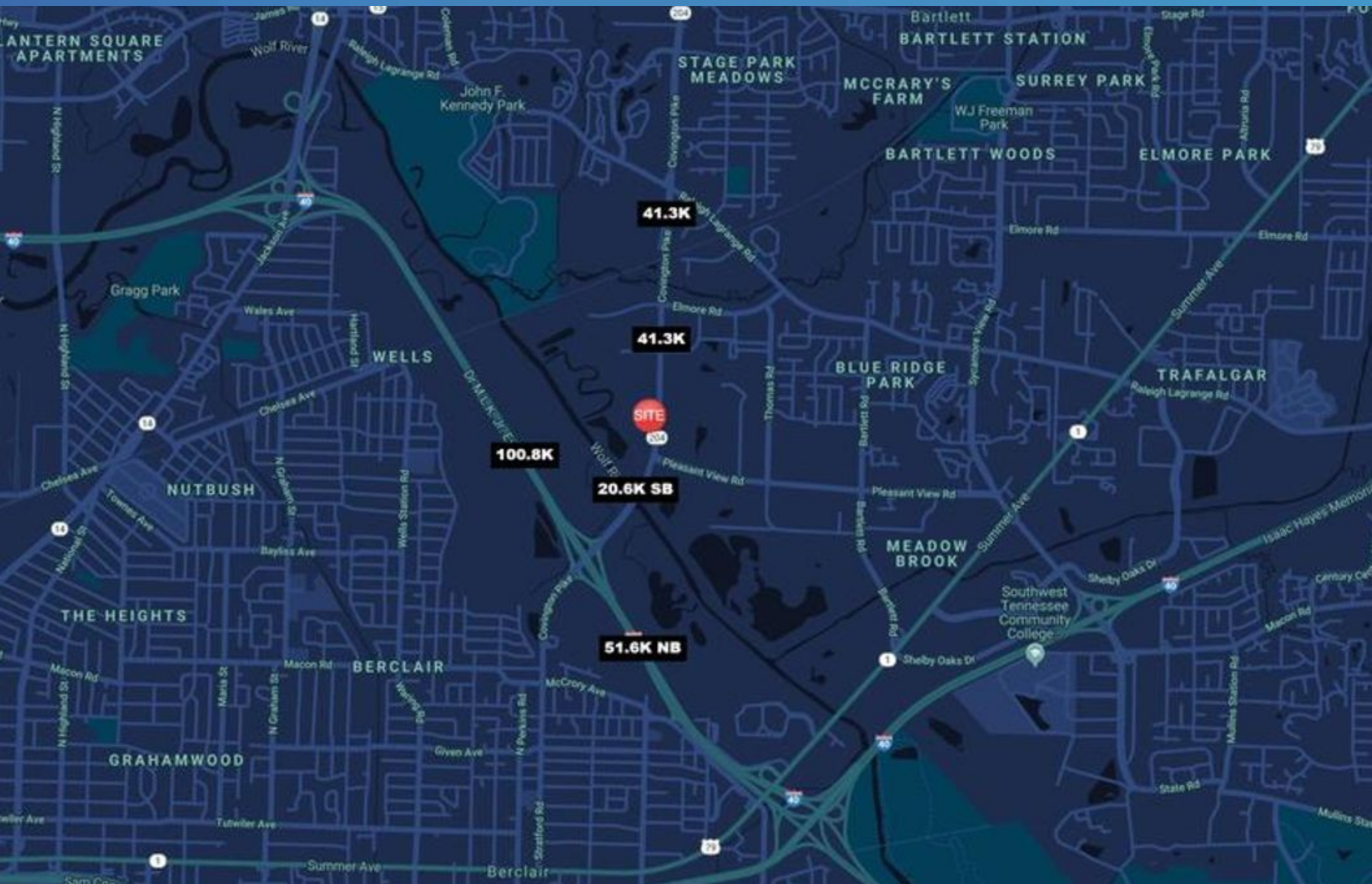
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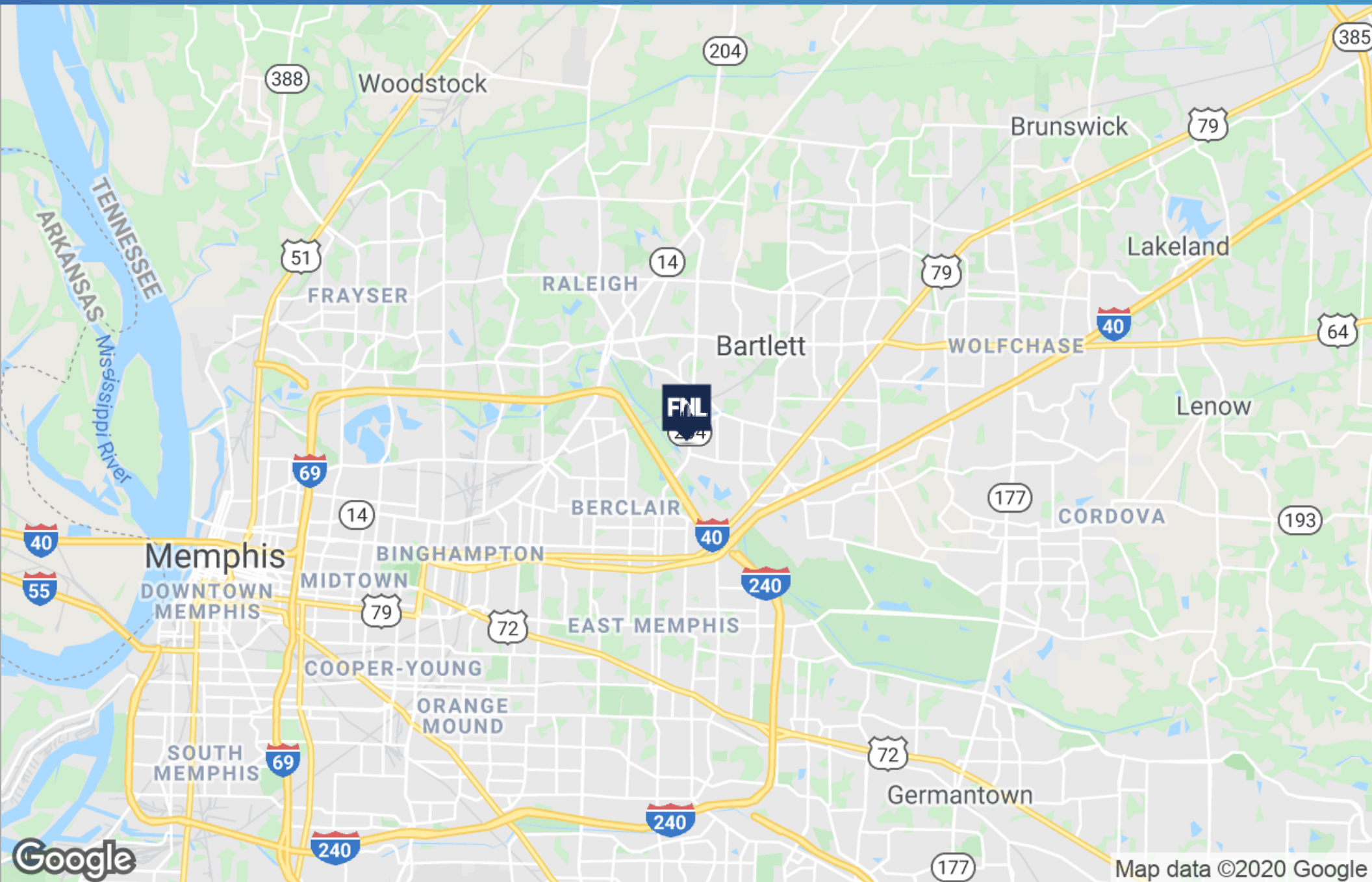
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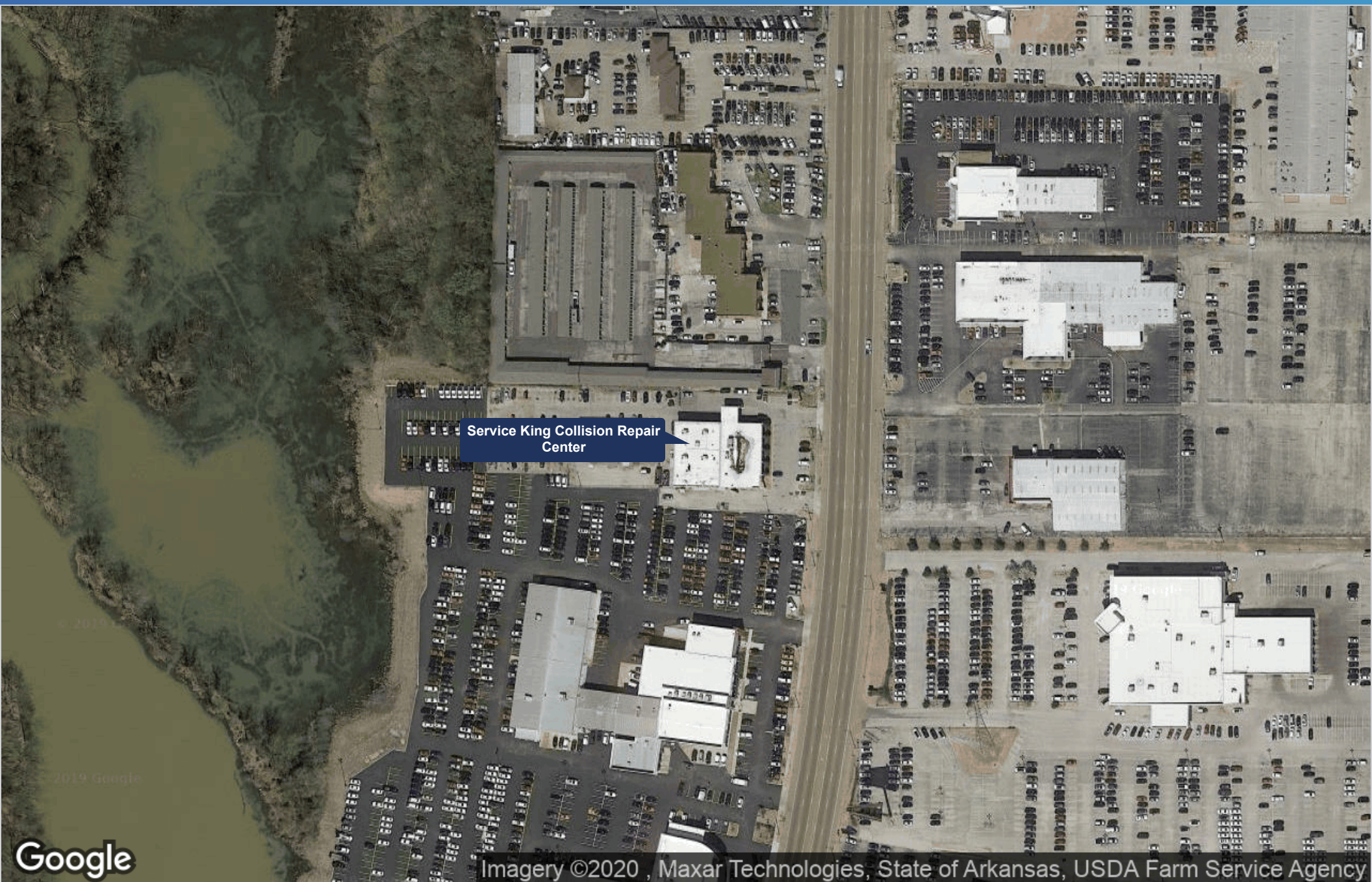
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Memphis is a city located along the Mississippi River in southwestern Shelby County, Tennessee, United States. The 2017 city population was 652,236, making Memphis the largest city on the Mississippi River, the second most populous city in Tennessee, as well as the 26th largest city in the United States. Greater Memphis is the 42nd largest metropolitan area in the United States, with a population of 1,348,260 in 2017. The city is the anchor of West Tennessee and the greater Mid-South region, which includes portions of neighboring Arkansas and Mississippi. Memphis is the seat of Shelby County, the most populous county in Tennessee. As one of the most historic and cultural cities of the southern United States, the city features a wide variety of landscapes and distinct neighborhoods.

Today, Memphis is a regional center for commerce, education, media, art, and entertainment. The city has long had a prominent music scene, with historic blues clubs on Beale Street originating the unique Memphis blues sound during early 20th century. The city's music has continued to be shaped by a multi-cultural mix of influences across the blues, country, rock n' roll, soul, and hip-hop genres.

POPULATION	1 MILE	3 MILES	5 MILES
Total Population 2018	2,311	75,255	200,418
Average Age	35.9	36.2	37.1
# Of Persons Per HH	2.7	2.6	2.5
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	839	27,000	76,689
Average HH Income	\$51,324	\$55,544	\$66,528
Median House Value	\$115,410	\$122,777	\$138,235





TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

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