



# ABSOLUTE NNN LEASE RARE PARENT GUARANTEE

**Ranked #1 FORTUNE 500 in 2018**

750 Lynn Garden Dr., Kingsport, TN 37660

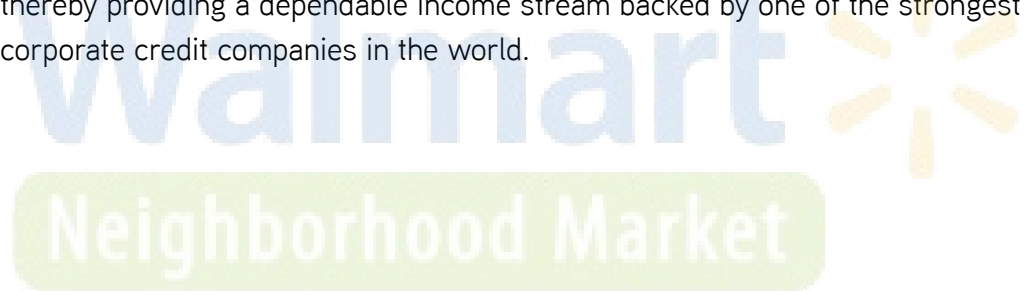




## Investment Overview

We are pleased to offer to qualified investors an opportunity to purchase a single tenant retail asset on a NNN lease that is 100% occupied by Walmart Neighborhood Market and backed by a full corporate guarantee from Walmart Stores Inc (Parent Company). The term expires in November 2030 and includes 17-5 year option periods. During the primary term, there are 3% rental escalations every 5 years, followed by 5% rental escalations every 5 years during the option periods. This is a fee simple (land and building) asset that includes a 43,101 square foot building on approximately 6.01 acres of land. Strategically located along Lynn Garden Drive, the site is surrounded by retailers such as Walgreens, Dollar General, KFC, and DQ Grill & Chilis Restaurant. The property is also in close proximity to the Tuscany Villas, Elmcroft of Kingsport apartments, Travel Inn Kingsport Hotel, Super 8 Kingsport Hotel, Westside Inn Hotel, LifeBridge Christian Church, Concordia Lutheran Church and Jackson Elementary School.

This is an excellent opportunity to buy an extremely low risk, stable retail asset that requires zero landlord management, includes fixed rental escalations (many Walmart stores have zero rental increases), and an 11+ year NNN lease, thereby providing a dependable income stream backed by one of the strongest corporate credit companies in the world.





PRICING DETAILS

List Price	\$13,202,224
CAP Rate	5.35%
Annual Rent	\$706,319
Taxes	NNN
Insurance	NNN
CAM	NNN

LEASE ABSTRACT

Tenant Trade Name	Walmart Neighborhood Market
Lease Start	November 11, 2015
Lease Expiration	November 30, 2030
Term Remaining On Lease	11+ Years
Base Rent	\$706,319*
Rental Adjustments	3% Increases Every 5 Years 11/11/2025: \$727,509
Option Periods	17 - 5 Year Options 5% Increases Each Option
Lease Type	NNN Lease
Roof & Structure	Tenant Responsible
*Rent in the Analysis is as of 11/11/2020 Current Rent is \$57,145.58/mo Through 11/10/2020	

PARCEL DETAILS

APN	029M-H-014.00
Building Size	43,101 SF
Land Size	Approx. 6.01 Acres

Investment Highlights

Long-Term Lease

- Fee Simple Ownership (Land and Building) - Depreciable Asset
- Long Term 11+ Year Lease with 17 - 5 Year Option Periods
- 3% Rental Increases During Primary Term - Inflation Hedge
- 5% Rental Increases During Option Periods
- Zero Landlord Obligations - Coupon Clipper Asset

Corporate Guarantee

- Walmart Neighborhood Market - Over 500 Stores - Rapidly Growing
- Walmart Stores Inc - Parent Company Guarantee - Investment Grade
- Rated “AA” by Standard & Poor; Rated Aa2 by Moody’s - Highly Stable
- Ranked #1 on Fortune 500 Global List - #1 in Global Sales
- #9 Most Valuable Brand - Inc.com & #22 World’s Most Valuable Brands - Forbes

Pride of Ownership

- New Walmart Neighborhood Market Prototype - Pride of Ownership
- Approximately 6.01 Acres of Land - Excellent Street Visibility and Access
- Surrounding Retailers include McDonald’s, Walgreens, Taco Bell, Family Dollar, Burger King and Winn Dixie
- Approximately 62,200+ Residents Within a 5 Mile Radius
- Average Household Income of \$54,000+ Within a 5 Mile Radius

Walmart operates over **11,300 Retail Units** under **58 Banners** in **27 Countries** and eCommerce websites in **10 countries**







90% of all Americans  
live within 10 miles of a  
Walmart Store







  
 The **LARGEST RETAILER**  
 In The **WORLD**







## Tenant Overview

### Walmart Neighborhood Market

Walmart Neighborhood Markets were designed in 1998 as a smaller-footprint option for communities in need of a pharmacy, affordable groceries and merchandise. Each one is approximately 38,000 square feet and employs up to 95 associates. Walmart Neighborhood Markets offer fresh produce, meat and dairy products, bakery and deli items, household supplies, health and beauty aids and a pharmacy.



### Walmart Supercenter

Walmart began building Supercenters in 1988 and are around 182,000 square feet employing about 300 associates. Walmart Supercenters offer a one-stop shopping experience by combining a grocery store with fresh produce, bakery, deli and dairy products with electronics, apparel, toys and home furnishings. Most Supercenters are open 24 hours, and may also include specialty shops such as banks, hair and nail salons, restaurants, or vision centers.

### Walmart Discount Store

Since Sam Walton opened his first discount store in Rogers, Ark., in 1962, we've built hundreds across the U.S. Smaller than a Supercenter, discount stores employ about 200 associates and offer electronics, apparel, toys, home furnishings, health and beauty aids, hardware and more in about 106,000 square feet of open, brightly lit space.

NYSE: WMT	
Walmart	
Wal-Mart Stores inc.   \$107.41	
Price	\$107.41
52wk Range	\$85.78 - \$115.49
Average Volume	\$5.8M
Market Cap	\$306.625B
8/13/2019	



**38.5 MILLION** People shop at Walmart every day



**Fiscal Year 2019 Revenue of \$514.4 BILLION**



**Walmart Employs Over 2.2 MILLION ASSOCIATES Worldwide 1.5 MILLION in the U.S.**



# City of KINGSPORT

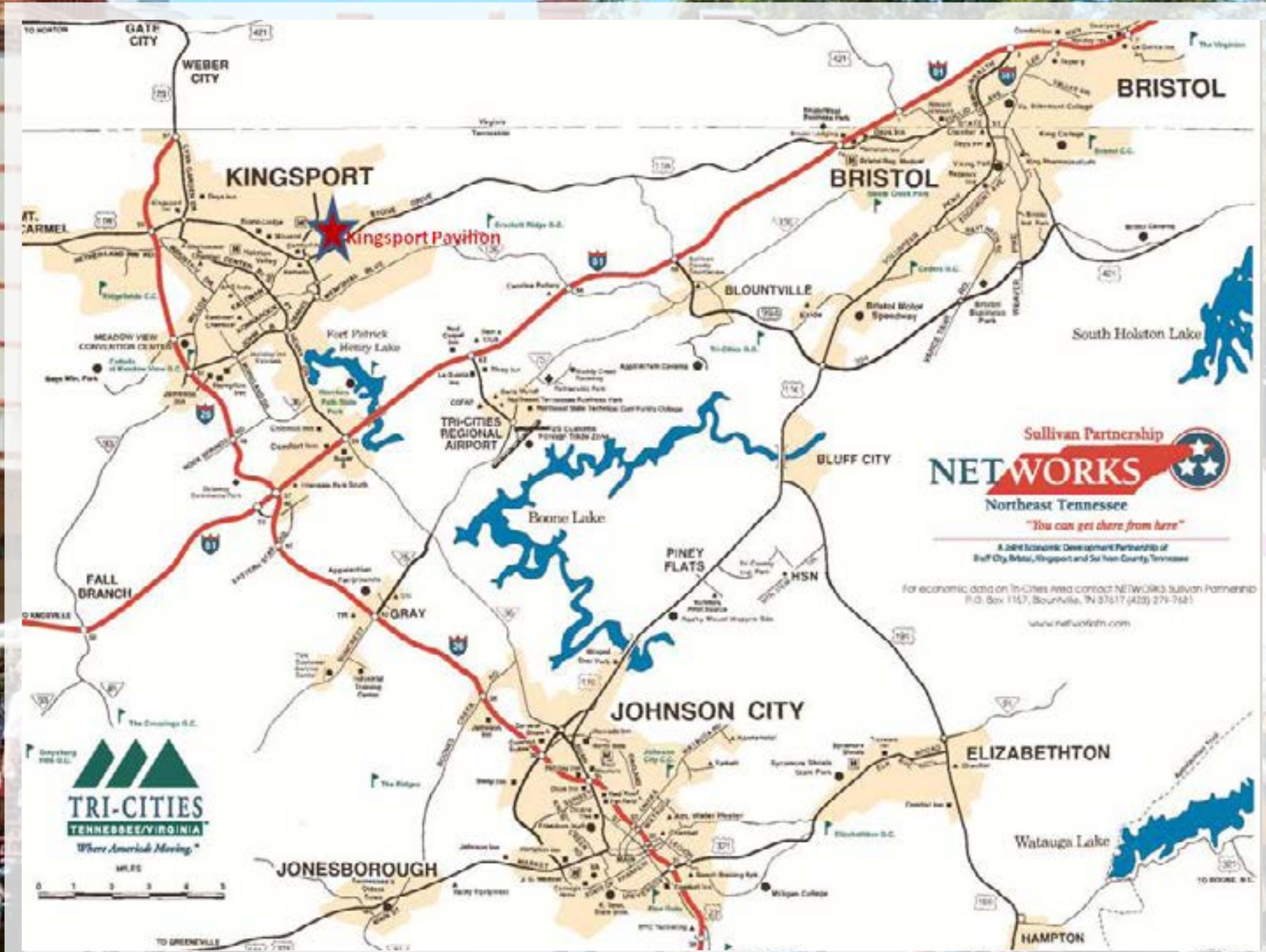
## About Kingsport

Kingsport is conveniently located by Interstates 26 and 81 in Hawkins in the state of Tennessee. Kingsport’s location in Northeast Tennessee provides perfect fall temperatures and foliage, moderate winters with light snow, bright spring flowers and warm summer temperatures, creating pleasant, scenic walks year round at Bays Mountain Park & Planetarium and on the Greenbelt’s nine-mile walking and biking trail.



## Economy

Through the economic development initiative called Project Inspire, Kingsport added its largest property to inventory this cycle in the Eastman Corporate Business Center in early 2016. The initiative aims to bring hundreds of jobs through Eastman Chemical Company’s projected growth. Major tenants in the city include Target, Lowe’s, Kroger, Chick-Fil-A, Buffalo Wild Wins, Panera, Starbucks and more. Kingsville reported 26 new businesses to start Q1 of 2017, bringing additional jobs and income to the area. Retailers also benefit from tourism as there were over 320,000 room rentals with over 49 sporting events and conventions in the area for 2015. The city has seen strong growth as there was a 9.4% increase in the population since 2010. Kingsport boasts a low unemployment rate of 4.6% and a median earnings that comes in above the state of Tennessee median earnings.



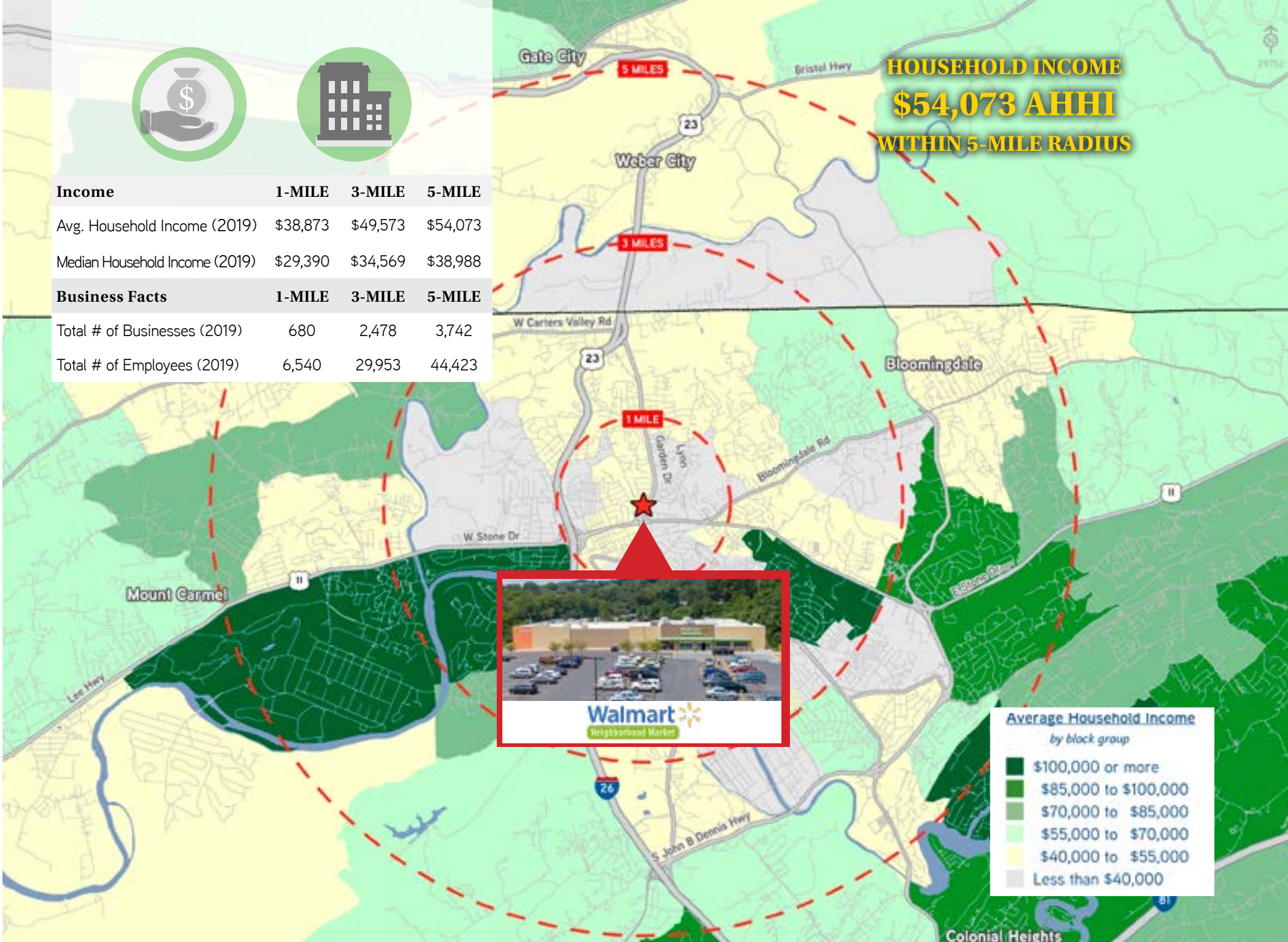




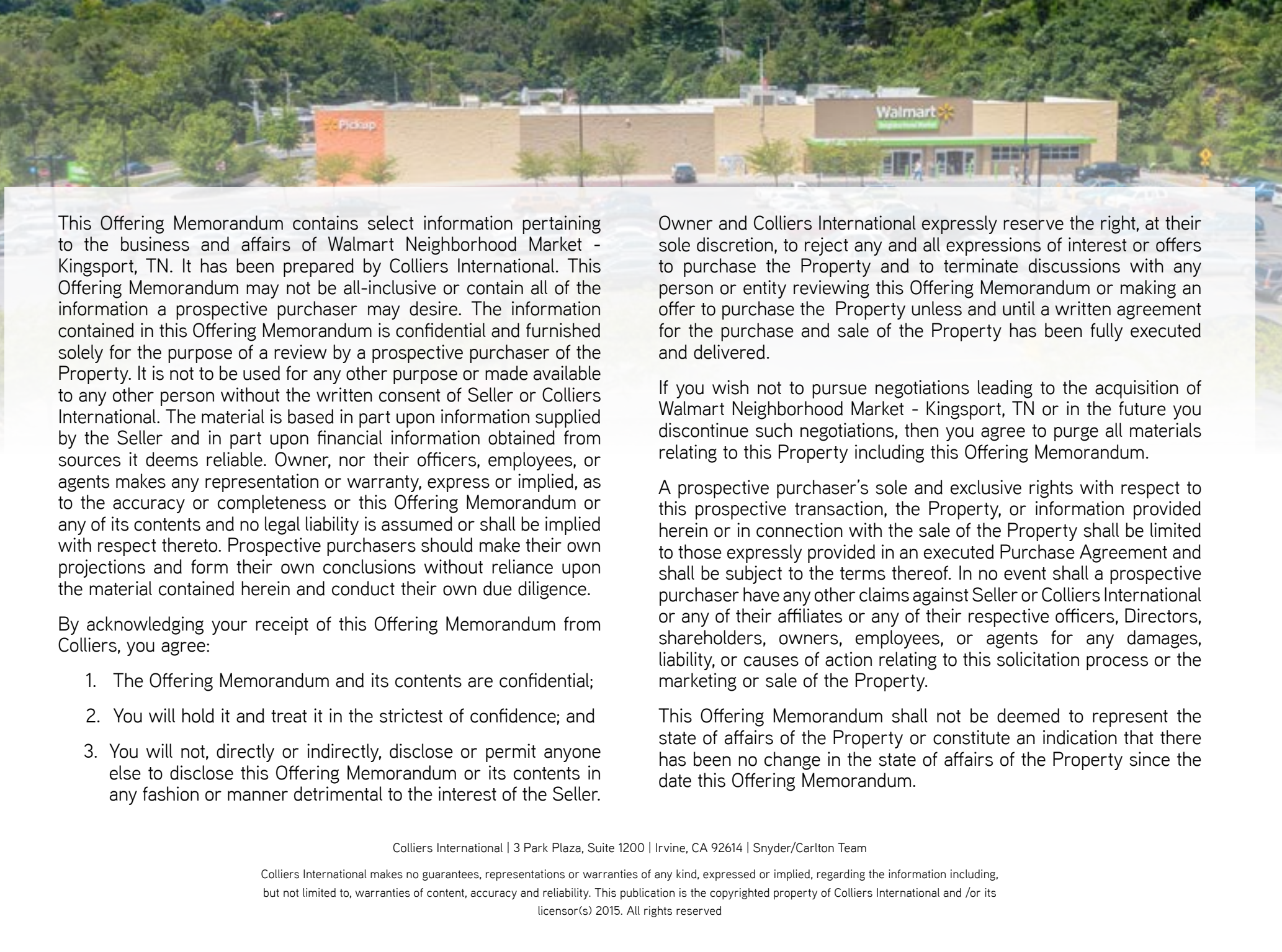
Population	1-MILE	3-MILE	5-MILE
Estimated Population (2019)	7,174	33,212	62,259
Projected Population (2024)	7,115	33,345	62,629
Households	1-MILE	3-MILE	5-MILE
Estimated Households (2019)	3,250	14,976	27,548
Projected Households (2024)	3,226	15,062	27,747



Income	1-MILE	3-MILE	5-MILE
Avg. Household Income (2019)	\$38,873	\$49,573	\$54,073
Median Household Income (2019)	\$29,390	\$34,569	\$38,988
Business Facts	1-MILE	3-MILE	5-MILE
Total # of Businesses (2019)	680	2,478	3,742
Total # of Employees (2019)	6,540	29,953	44,423







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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 Colliers International 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 Walmart Neighborhood Market - Kingsport, TN 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 Colliers International 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.

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