



MARKET  STREET  
retail advisors

PARK PLAZA  
835 HIGHWAY 51  
COVINGTON, TN

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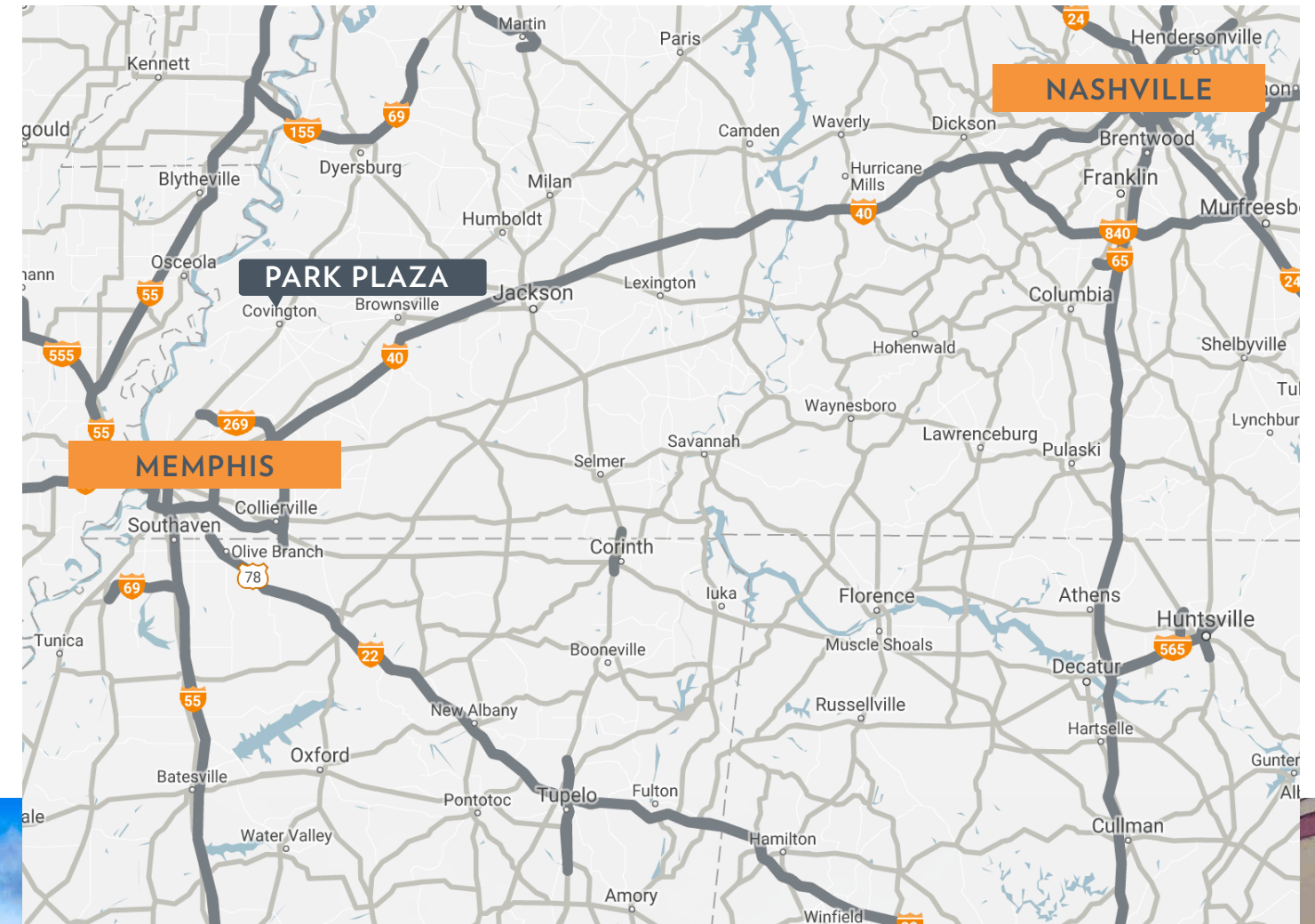
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*Park Plaza*

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# OFFERING SUMMARY

## PARK PLAZA 835 HIGHWAY 51 | COVINGTON, TN

Market Street Retail Advisors is pleased to present Park Plaza in Covington, Tennessee. Park Plaza is a neighborhood shopping center consisting of 53,965 square feet. Park Plaza is a well-established center located on the primary commercial corridor in Covington, Highway 51. The center has access on Highway 51 and Peeler Road which is a signalized intersection with Highway 51. The center was built in 1975 and is 97.67% occupied. Park Plaza has 8 tenants including Save-A-Lot, Rent-A-Center, and Family Dollar, and one vacant space.

### Offering Summary

Offering Price	\$2,850,000
Price per SF	\$52.81
Cap Rate	8.62%

### Operations Summary

#### Year 1

Effective Gross Income	\$330,387
(Operating Expenses)	(\$76,689)
(Capital Reserves)	(\$8,095)
Net Operating Income	\$245,603

### Property Summary

Number of Tenants	8
Rentable Square Feet	53,965
Average Base Rent	\$6.39
Average Total Rent PSF	\$6.70
Year Built	1975
Average Occupancy	97.67%
Tax Rate: Covington & Tipton Co.	\$3.75
Assessment Ratio	40%
Tax Reappraisal Schedule	Every 6 Years
Next Scheduled Reappraisal	2020
Does Sale Trigger Reassessment?	Not Automatically

# INVESTMENT HIGHLIGHTS



**CAP RATE:**  
8.62%



**GLA**  
53,965



**ASKING PRICE:**  
\$2,850,000

**Designated Opportunity Zone** – Park Plaza is located within a Qualified Opportunity Zone which offers federal tax benefits for investors.

**Save-A-Lot, Rent-A-Center, and Family Dollar** - 57% of the shopping center is leased to national tenants.

**Long Term Tenancy** – Since 1995; Save-A-Lot, Family Dollar, Rent-A-Center, and K&S Beauty have continuously operated in Park Plaza

**Other Area Retailers** – Kroger, Walmart Supercenter, The Home Depot, Dollar Tree, Goody's, Applebee's, IHOP, AT&T, Shoe Show, CATO, Gamestop





- **SUBJECT PROPERTY**
- **CHARMS COMPANY**  
270 employees
- **BAPTIST MEMORIAL HOSPITAL- TIPTON**  
240 employees; 100-bed facility
- **DYERSBURG STATE COMMUNITY COLLEGE**  
102-acre, 33,503 SF campus of Dyersburg Community College; one of three campuses



**TSC TRACTOR SUPPLY CO**  
**DOLLAR TREE**  
**GOODY'S**

**Kroger**

**McDonald's**

**Walgreens**

**H Holiday Inn Express**

**CAPTAIN D'S**

**AutoZone**

**POPEYES**

**PIZZA HUT**

**Wendy's**

**SUBWAY**

**Goodwill**

US 51: 20,021 VPD

- **SUBJECT PROPERTY**
- **UNILEVER ICE CREAM FACTORY**  
Covington's Leading Employer
- **CHARMS COMPANY**  
270 employees

SUITE	TENANT	SF
1	Family Dollar	8,250
2	Hamilton-Ryker	3,750
3	KSK Beauty Supplies	6,150
4	Rent-A-Center	10,000
5	Save-A-Lot	13,000
6	State of TN - DCS	6,268
7	HIS Fashions	1,290
8	Crumpys	4,000
9	Available	1,257





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FINANCIAL ANALYSIS



# RENT ROLL

	Lease Data					Monthly Rent		Annual Rent		Total Rent			Option Terms		
Tenant	Suite	SF	ProRata	Start Date	End Date	Base Rent	Recoveries	Base Rent	Reimb.	Gross Rent	Base (PSF)	Reimb. (PSF)	Gross Rent	Base (PSF)	Reimb. (PSF)
Family Dollar	1	8,250	15.29%	12/8/2010	12/31/2020	\$3,667	\$83	\$44,004	\$996	\$45,000	\$5.33	\$0.12	1/1/2021	\$4,033	5-Yr. Option
Crumpys	2	4,000	7.41%	10/1/2019	9/30/2022	\$1,868	\$133	\$22,416	\$1,596	\$24,012	\$5.60	\$0.40			
Hamilton-Ryker	3	3,750	6.95%	12/1/2017	11/30/2022	\$1,520	\$80	\$18,240	\$960	\$19,200	\$4.86	\$0.26			
KSK Beauty Supplies	4	6,150	11.40%	2/1/2016	1/31/2021	\$2,935	\$222	\$35,220	\$2,664	\$37,884	\$5.73	\$0.43			
Rent-A-Center	5	10,000	18.53%	8/1/2018	7/31/2021	\$4,594	\$0	\$55,128	\$0	\$55,128	\$5.51	\$0.00			
Save-A-Lot	6	13,000	24.09%	9/1/2015	8/31/2020	\$4,840	\$260	\$58,080	\$3,120	\$61,200	\$4.47	\$0.24	9/1/2020	\$5,203	5-Yr. Option
													9/1/2025	\$5,593	5-Yr. Option
State of TN - DCS	7	6,268	11.61%	7/21/2016	10/31/2022	\$7,156	\$0	\$85,872	\$0	\$85,872	\$13.70	\$0.00			
HIS Fashions	8	1,290	2.39%	1/1/2019	3/31/2024	\$637	\$113	\$7,644	\$1,355	\$8,999	\$5.93	\$1.05			
Available	9	1,257	2.33%												
<b>SubTotals</b>	<b>9</b>	<b>53,965</b>	<b>100.00%</b>			<b>\$27,217</b>	<b>\$891</b>	<b>\$326,604</b>	<b>\$10,691</b>	<b>\$337,295</b>	<b>\$6.39</b>	<b>\$0.31</b>			

# CASH FLOW REPORT

# CASH FLOW REPORT

Forecast	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
For the Years Ending	Dec-2020	Dec-2021	Dec-2022	Dec-2023	Dec-2024	Dec-2025
<b>Rental Revenue</b>						
Potential Base Rent	337,093	356,149	360,978	362,959	366,148	370,593
Absorption & Turnover Vacancy	-7,542	-7,768	-11,326	-8,241	-8,489	-8,743
<b>Total Rental Revenue</b>	<b>329,551</b>	<b>348,380</b>	<b>349,651</b>	<b>354,718</b>	<b>357,659</b>	<b>361,850</b>
<b>Other Tenant Revenue</b>						
Total Expense Recoveries	10,683	11,003	11,333	11,673	12,024	12,384
<b>Total Other Tenant Revenue</b>	<b>10,683</b>	<b>11,003</b>	<b>11,333</b>	<b>11,673</b>	<b>12,024</b>	<b>12,384</b>
<b>Total Tenant Revenue</b>	<b>340,233</b>	<b>359,384</b>	<b>360,985</b>	<b>366,391</b>	<b>369,683</b>	<b>374,234</b>
<b>Vacancy &amp; Credit Loss</b>						
Vacancy Allowance	-9,847	-10,589	-9,893	-10,490	-10,420	-10,406
<b>Total Vacancy &amp; Credit Loss</b>	<b>-9,847</b>	<b>-10,589</b>	<b>-9,893</b>	<b>-10,490</b>	<b>-10,420</b>	<b>-10,406</b>
<b>Effective Gross Revenue</b>	<b>330,387</b>	<b>348,794</b>	<b>351,092</b>	<b>355,901</b>	<b>359,263</b>	<b>363,828</b>
<b>Operating Expenses</b>						
Real Estate Taxes	18,309	18,858	19,424	20,007	20,607	21,225
Insurance	10,548	10,865	11,191	11,527	11,872	12,229
Management Fee	9,912	10,464	10,533	10,677	10,778	10,915
Common Area Maintenance	37,920	39,058	40,229	41,436	42,679	43,960
Capital Reserves	8,095	8,095	8,095	8,095	8,095	8,095
<b>Total Operating Expenses</b>	<b>84,784</b>	<b>87,339</b>	<b>89,472</b>	<b>91,741</b>	<b>94,031</b>	<b>96,423</b>
<b>Net Operating Income</b>	<b>245,603</b>	<b>261,455</b>	<b>261,620</b>	<b>264,160</b>	<b>265,232</b>	<b>267,405</b>
<b>Leasing Costs</b>						
Tenant Improvements	0	0	13,299	0	0	0
Leasing Commissions	0	0	10,033	0	0	0
<b>Total Leasing Costs</b>	<b>0</b>	<b>0</b>	<b>23,332</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Flow</b>	<b>245,603</b>	<b>261,455</b>	<b>238,288</b>	<b>264,160</b>	<b>265,232</b>	<b>267,405</b>

\*ARGUS file available upon request

# CASH FLOW REPORT

# CASH FLOW REPORT

Forecast	Year 7	Year 8	Year 9	Year 10	Year 11	
For the Years Ending	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Total
<b>Rental Revenue</b>						
Potential Base Rent	386,485	391,369	395,381	400,417	410,595	4,138,167
Absorption & Turnover Vacancy	-13,931	-13,130	-9,554	-9,841	-18,871	-117,437
<b>Total Rental Revenue</b>	<b>372,554</b>	<b>378,239</b>	<b>385,827</b>	<b>390,576</b>	<b>391,723</b>	<b>4,020,730</b>
<b>Other Tenant Revenue</b>						
Total Expense Recoveries	12,656	13,138	13,533	13,939	14,007	136,374
<b>Total Other Tenant Revenue</b>	<b>12,656</b>	<b>13,138</b>	<b>13,533</b>	<b>13,939</b>	<b>14,007</b>	<b>136,374</b>
<b>Total Tenant Revenue</b>	<b>385,210</b>	<b>391,378</b>	<b>399,360</b>	<b>404,515</b>	<b>405,731</b>	<b>4,157,104</b>
<b>Vacancy &amp; Credit Loss</b>						
Vacancy Allowance	-10,041	-10,179	-10,892	-10,877	-10,051	-113,685
<b>Total Vacancy &amp; Credit Loss</b>	<b>-10,041</b>	<b>-10,179</b>	<b>-10,892</b>	<b>-10,877</b>	<b>-10,051</b>	<b>-113,685</b>
<b>Effective Gross Revenue</b>	<b>375,169</b>	<b>381,199</b>	<b>388,468</b>	<b>393,638</b>	<b>395,680</b>	<b>4,043,419</b>
<b>Operating Expenses</b>						
Real Estate Taxes	21,862	22,518	23,193	23,889	24,606	234,498
Insurance	12,595	12,973	13,362	13,763	14,176	135,102
Management Fee	11,255	11,436	11,654	11,809	11,870	121,303
Common Area Maintenance	45,278	46,637	48,036	49,477	50,961	485,672
Capital Reserves	8,095	8,095	8,095	8,095	8,095	89,042
<b>Total Operating Expenses</b>	<b>99,086</b>	<b>101,659</b>	<b>104,340</b>	<b>107,033</b>	<b>109,708</b>	<b>1,065,617</b>
<b>Net Operating Income</b>	<b>276,083</b>	<b>279,540</b>	<b>284,128</b>	<b>286,604</b>	<b>285,972</b>	<b>2,977,803</b>
<b>Leasing Costs</b>						
Tenant Improvements	19,702	0	15,880	0	34,942	83,823
Leasing Commissions	6,588	0	10,519	0	9,718	36,857
<b>Total Leasing Costs</b>	<b>26,290</b>	<b>0</b>	<b>26,399</b>	<b>0</b>	<b>44,660</b>	<b>120,681</b>
<b>Cash Flow</b>	<b>249,794</b>	<b>279,540</b>	<b>257,729</b>	<b>286,604</b>	<b>241,312</b>	<b>2,857,122</b>

\*ARGUS file available upon request

# ASSUMPTIONS

GENERAL	
Begin Date	Jan/2020
End Date	Dec/2029
Term	10 Years
Building Square Footage	53,965 SF
Vacancy Loss	5%

GROWTH RATES	
Market Rent	3%
Operating Expenses	3%
Property Taxes	3%
Capital Reserves	\$0.15 / 0%

VACANT SPACE LEASING	
Total Vacant Space	1,257 SF
Start Date	N/A
Lease Term	5 Years
Abatement	None
Initial Annual Market Rent	\$6.00
Expense Recovery Type	NNN
Rent Adjustment	0% Annual Increase
Tenant Improvements	\$10.00 PSF
Commission	4%

SECOND GENERATION LEASING		
	SHOPS	ANCHORS
Retention Ratio	80%	80%
Size	< 20,000 SF	> 20,000 SF
Lease Term	5 Years	10 Years
Initial Annual Market Rent	\$6.00	\$3.00
Rent Adjustment	3% Annual Increase	0% Annual Increase
Expense Recovery Type	NNN	NNN
Initial Tenant Improvements		
New	\$10.00 PSF	\$10.00 PSF
Renewal	\$0.00 PSF	\$0.00 PSF
Commissions		
New	4%	4%
Renewal	2%	2%
Downtime	6 Months	12 Months

# ASSUMPTIONS

ADDITIONAL NOTES	
<b>Leasing Assumptions</b>	
1. All Available spaces are assumed to be vacant for the length of the analysis.	
2. Crumpys, Hamilton-Ryker, KSK, Rent-A-Center, and HIS Fashions assumes two 5 year renewals with 10% increases every 5 years.	
<b>Expense Assumptions</b>	
3. A 3% Management Fee has been added to this analysis.	
4. A Reserve of \$0.15 per square foot has been added to this analysis.	
5. Commission, Depreciation, Fuel & Oil, Interest, Professional, Equipment Moving, and Operating Supplies have been removed from this analysis.	

## REAL ESTATE TAXES

Tax Reappraisal Schedule	Last Reassessment Year	Next Reassessment Year	Assessment Ratio	Total Millage Rate
Every 6 Years	2014	2020	40%	\$3.75 per \$100 of assessed value

Time Period	Parcel ID	Appraised Value	Assessed Value	Tipton Co. millage rate	Covington millage rate	Real Estate Taxes
2017	025K A 023.00	\$1,220,600	\$488,240	\$2.42	\$1.33	\$18,309
2018	025K A 023.00	\$1,220,600	\$488,240	\$2.42	\$1.33	\$18,309



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TENANT & LOCATION  
OVERVIEW





**SAVE-A-LOT**

Save-A-Lot is an American discount supermarket chain known for occupying large buildings, typically 15,000 square feet and displaying items in their cardboard shipping boxes. There are currently more than 1,300 Save-A-Lot locations across 36 states. Save-A-Lot is a subsidiary of Onex Corporation, a private equity company with more than \$32 billion of assets under management. Save-A-Lot has more than \$4 billion in sales and is headquartered in Earth City, MO.

**DYER FOODS, INC.**

The store is operated by Dyer Foods, Inc. based in Dyer, Tennessee. Dyer Foods owns and operates 3 Save A Lot locations in Millington, Covington, and Brownsville, TN as well as 11 Food Rite grocery stores in Tennessee and Kentucky.

<b>Headquartered (U.S)</b>	Earth City, MO
<b>Number of Locations</b>	1,300
<b>Square Footage</b>	13,000
<b>Base Rent Per SF</b>	\$4.47
<b>Website</b>	<a href="https://save-a-lot.com/">https://save-a-lot.com/</a>



**FAMILY DOLLAR**

Family Dollar was founded in 1959 and is currently headquartered in Charlotte, NC. Family Dollar is an American variety store chain specializing in clothing, cleaning supplies, home decor and grocery. There are more than 8,000 Family Dollar locations in every U.S. state except Alaska, Hawaii, Oregon and Washington. Family Dollar was purchased by Dollar Tree in 2015. Family Dollar employs over 60,000 people and reported revenues of \$10.489 billion in 2014.

<b>Square Footage</b>	8,250
<b>% of GLA</b>	15.29%
<b>Base Rent Per SF</b>	\$5.21



**RENT-A-CENTER**

Rent-A-Center was founded in 1973 and is headquartered in Plano, Texas. Today it operates over 2,900 company-owned stores in the United States, Canada, Puerto Rico, and Mexico. Rent-A-Center occupies approximately 35% of the rent-to-own market in the United States. Rent-A-Center employs over 22,000 people and reported revenues of \$3.27 billion in 2015.

**IMPACT RTO TENNESSEE LLC**

The Rent-A-Center within Park Plaza is operated by Impact Properties. With its acquisition of 76 existing corporate retail locations from Rent a Center across the Southeast, Impact Properties became the largest franchisee in the system in 2015.

<b>Square Footage</b>	10,000
<b>% of GLA</b>	18.53%
<b>Base Rent Per SF</b>	\$5.15



# LOCATION OVERVIEW

Covington, the largest city and county seat of Tipton County, is home to a population of more than 9,000 people. The city is located in West Tennessee, 12 miles east of the Mississippi River and 42 miles northeast of Memphis. Covington is part of the Memphis Metropolitan Statistical Area.

Covington and Tipton County have many opportunities for outdoor recreation. The Cobb-Parr Memorial Park is the largest park in the Covington area, housing many special facilities that house sports leagues and other organized recreation opportunities. 80 acres of land encompass not just the park area, but also the Covington Integrated Arts Academy and the Tipton County Alternative Learning Center grounds, creating a unique school-park recreation area for city residents.

Baptist Memorial Hospital-Tipton is the largest hospital in the area and is located on the south side of Covington. This fully accredited facility is equipped with 100 beds, employs approximately 300 employees, and features a six-bed observation unit adjacent to the emergency room. Baptist Memorial Hospital-Tipton handles general medical, surgical, and obstetrical patients.

The Tipton County School District is a public-school district located in Covington, TN with 11,376 students in grades Pre-Kindergarten -12th and a student-teacher ratio of 16:1. According to state test scores, 68% of students are proficient in math.

Tipton County is home to 61,303 people, and the economy revolves around Manufacturing, Retail, Government, Healthcare, Accommodation/Food Services, and Construction. The largest employers in the county are Tipton County School District, Inc., Unilever, Jay-Ton Construction Company, Inc., and Wal-Mart, all of which have locations in Covington. Additionally, Covington is home to Dyersburg State Community College (538 enrolled) and Tennessee College of Applied Technology- Covington (331 enrolled).



## OPPORTUNITY ZONE

Park Plaza is located in one of the Memphis MSA's Opportunity Zones, providing a future road map for developers as the MSA continues its development.

# DEMOGRAPHICS

Description	5 Miles	7 Miles	10 Miles
<b>POPULATION BY YEAR</b>			
Population (4/1/1990)	11,265	14,213	23,718
Population (4/1/2000)	12,716	15,023	30,455
Population (4/1/2010)	13,275	15,588	32,711
Population (1/1/2018)	13,286	15,611	31,302
Population (1/1/2023)	13,425	15,774	31,450
Percent Growth (2018/2010)	0.08	0.15	-4.31
Percent Forecast (2023/2018)	1.05	1.04	0.47
<b>HOUSEHOLDS BY YEAR</b>			
Households (4/1/1990)	4,060	5,070	8,171
Households (4/1/2000)	4,758	5,618	10,323
Households (4/1/2010)	4,986	5,869	11,164
Households (1/1/2018)	4,972	5,856	11,170
Households (1/1/2023)	5,035	5,930	11,242
Percent Growth (2018/2010)	-0.28	-0.22	0.05
Percent Forecast (2023/2018)	1.27	1.26	0.64
<b>GENERAL POPULATION CHARACTERISTICS</b>			
Median Age	35.5	36.6	36.4
Male	6,165	7,337	17,074
Female	7,110	8,251	15,637
Density	196.4	131.9	97.8
Urban	8,578	8,578	13,279
Rural	4,697	7,010	19,432
<b>GENERAL HOUSEHOLD CHARACTERISTICS</b>			
Households (4/1/2010)	4,986	5,869	11,164
Families	3,437	4,085	8,167
Non-Family Households	1,549	1,784	2,997
Average Size of Household	2.59	2.6	2.68
Median Age of Householder	51.3	51.6	51.2
Median Value Owner Occupied (\$)	108,234	109,578	120,808
Median Rent (\$)	399	400	436
Median Vehicles Per Household	2.1	2.2	2.4
<b>GENERAL HOUSING CHARACTERISTICS</b>			
Housing, Units	5,457	6,428	12,295
Housing, Owner Occupied	2,805	3,535	7,670
Housing, Renter Occupied	2,181	2,334	3,494
Housing, Vacant	471	559	1,131
<b>POPULATION BY RACE</b>			
White Alone	7,723	9,707	22,458
Black Alone	5,255	5,541	9,357
Asian Alone	45	46	106
American Indian and Alaska Native Alone	35	40	163
Other Race Alone	57	60	174
Two or More Races	160	194	453
<b>POPULATION BY ETHNICITY</b>			
Hispanic	161	168	509
White Non-Hispanic	7,633	9,613	22,195
<b>GENERAL INCOME CHARACTERISTICS</b>			
Total Personal Income (\$)	258,853,561	318,825,372	648,683,333
Total Household Income (\$)	251,508,194	311,480,005	636,803,385
Median Household Income (\$)	36,375	39,134	45,384
Average Household Income (\$)	50,443	53,072	57,041
Per Capita Income (\$)	19,499	20,453	19,831



Location: Park Plaza  
 Address: 835 Highway 51  
 Latitude: 35° : 34' : 32"  
 Longitude: -89° : 38' : 44"

Footnotes:  
 Easy Analytic Software, Inc. (EASI) is the source of all updated estimates. All other data are derived from the US Census and other official government sources.



# Park Plaza

**Save**  
*alot*

**TN** Department of  
**Children's Services**

**RAC** **Rent-A-Center**

**KSK BEAUTY SUPPLY**

**FAMILY DOLLAR**

**ON THE ROCKS**  
**RESTAURANT BAR & GRILL**

**BAPTIST**  
Rehabilitation  
Tipton

**HR** **HAMILTON-RYKER**

**Workforce**  
**Essentials Inc.**

**TENNESSEE CAREER CENTER**  
americanjobcenter

**Volunteer** ✓ **Express**  
476-6000