



OFFERING MEMORANDUM
REGIONS BANK

112 LONG HOLLOW PIKE | GOODLETTSVILLE, TN 37072

Exclusively Marketed by:

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MIG MATYSEK INVESTMENT GROUP
COMMERCIAL REAL ESTATE ADVISORS

Listed in conjunction with TN Broker David B Zacharia (license # 262628). All negotiations to be done through TN Broker

INVESTMENT SUMMARY

Property	Regions Bank – Dollar General Bldg
Property Address	112 Long Hollow Pike, Goodlettsville, TN 37072
Property Type	2-Story Office Building with Basement
Price	\$8,500,000
Price/SF/Bldg	\$194.85
Net Operating Income	\$489,793
Cap Rate (April 2017)	5.9% , NOI = \$500,976
(April 2018)	6.18%, NOI = \$525,388
(April 2019)	6.33%, NOI = \$538,016
Lease Type	Gross Lease
Tenant and Lease Term Remaining	Regions Bank – 3 years, 8 months
	Dollar General Real Estate Division Offices - 5 years, 11 months
Occupancy	100%
Building Size	43,622 SF
Land Size	152,460 SF
Year Built / Renovated	1986/ 2011
APN	026-01-0-099-00
Zoning	6ZZ
TRAFFIC COUNTS	
CARS PER DAY	
Long Hollow Pike	17,932

INVESTMENT HIGHLIGHTS

- 100% Occupancy with investment grade tenants.
- Regions Bank carries substantial deposits of over \$124,000,000 as of June 2016 – 6th highest in Davidson County which is the 2nd most populous county in TN.
- Close proximity to Dollar General corporate campus – less than 2 miles away, indicative of tenant durability.
- Recent Dollar General lease renewal in September 2016.
- Strong probability of on-going lease renewal and lengthy option terms.
- Property value will benefit from nearby rising Nashville market.
- Direct access to I-65, and only 20 miles north of Nashville International Airport
- Distinctive and unique classical architectural appeal
- Ample parking with 125 spaces
- Property manager willing to continue service.



RESONS

WATSON
STUDIO





RENT ROLL

Suite	Tenant	SF	% of GLA	Rent			Lease Dates		Increase Schedule	Lease Type	Renewal Options	
				Monthly	PSF	Annual	PSF	Start				End
0.1, 1.1	Regions Bank	11,041	25.31%	\$16,755	\$1.52	\$201,057	\$18.21	6/15/2005	6/30/2020	2.5% annually	Gross	1, 10-yr, and 2, 5-yr
B-2, 100, 200	Dollar General Corporate Offices	32,581	74.69%	\$49,000	\$1.50	\$588,000	\$18.05	9/25/2012	9/30/2022	2.5% annually	Gross	1, 5-yr
TOTAL		43,622	100%	\$65,755		\$789,057						
TOTAL OCCUPIED		43,622	100.00%									
TOTAL VACANT		0	0.00%									

3 YEAR INCOME & EXPENSE

INCOME & EXPENSE - 3 YEAR INCOME & EXPENSE			
INCOME	YEAR 1	YEAR 2	YEAR 3
Potential Rental Income	\$800,240	\$820,307	\$840,838
Less: Vacancy & Losses	\$0.00	\$0.00	\$0.00
Effective Rental Income	\$800,240	\$820,307	\$840,838
Plus: Expense Recapture	\$0.00	\$0.00	\$0.00
Gross Operating Income	\$800,240	\$820,307	\$840,838
Less: Operating Expenses	\$299,264	\$294,919	\$302,822
Net Operating Income	\$500,976	\$525,388	\$538,016

OPERATING EXPENSES	YEAR 1	YEAR 2	YEAR 3
Property Taxes	\$40,888	\$41,000	\$41,820
Property Insurance	\$5,253	\$5,348	\$5,615
Repairs and Maintenance	\$96,157	\$96,023	\$100,824
Management	\$31,035	\$32,610	\$33,426
Utilities	\$125,931	\$119,938	\$121,137
Total Operating Expenses	\$299,264	\$294,919	\$302,822

Notes:

- Potential rental income is based on the 12 months forward, in-place rents with an analysis start date of April 2017, (the assumed closing date of the transaction.)
- Total operating expenses in Y1 are based on YTD November 2016 actual P&Ls (plus assumed expenses for month of December 2016.) Total operating expenses at FYE 2015 were \$293,283.54.
- Total operating expenses in Y2 and Y3 are based on seller pro-forma.



- PWC Emerging Trends 2017 Report ranks Nashville as the 6th (of 78) best market in the country for investment and development.
- Nashville is among the top 10 metros for job growth over the past 4 years, and the Nashville Area Metropolitan Planning Organization predicts a 65% employment growth in the region by 2040.
- Nashville led the nation in creating the most white-collar jobs according to a July research study conducted by Forbes.
- Since 2010, Nashville has experienced business service employment growth of 47.2% to 152,000 jobs, with 7.7% growth last year alone.
- 54,900 new jobs from company relocations and expansions were announced in the Nashville Chamber of Commerce's 2016 Annual Report for FY 2015-2016.
- Nashville remains a prime location for companies to relocate and expand, and new development continues to race to meet the demand for Class A space.
- Highly Desirable Southeastern Market Home to more than 40,000 businesses, Nashville was named among the hottest cities for 2016 by Business Insider.

Market Indicators		
Relative to prior period	3Q 2016	4Q 2016*
VACANCY	↓	↓
NET ABSORPTION	+	+
CONSTRUCTION	↑	↑
RENTAL RATE	↑	↑

*Projected

Summary Statistics	Entire Market	Downtown	Suburban
3Q 2016 Nashville Office Market			
Vacancy Rate	4.8%	8.2%	3.5%
Change From 2Q 2016 (basis points)	-30	-140	-80
3Q Absorption	507,037	78,571	428,466
New Construction	266,356	0	266,356
Under Construction (Square Feet)	3.4M	2.02M	1.4M

Asking Rents			
Per Square Foot Per Year			
Average	\$23.56	\$25.63	\$22.68
Class A	\$27.11	\$27.95	\$26.90
Class B	\$21.30	\$25.02	\$20.30

Job Growth & Unemployment		
Unemployment		
	Jul-15	Jul-16
Nashville	5.0%	3.9%
Tennessee	5.6%	4.3%
U.S.	5.3%	4.9%
Job Growth		
	Annual Change	# of Jobs
Nashville	3.4%	31,000
Tennessee	2.1%	61,000
U.S.	1.7%	2.0M

- *“The Southeast looks positioned to do well for the next five to ten years. North Carolina, South Carolina, and Tennessee all have their acts together.”*
- *“The capital of Tennessee has generated as much conversation as any market during the Emerging Trends interviews over the past two years, and interest in this 18-hour market remains high in 2017.”*
- *“Nashville maintains its hip factor, which continues to be evidenced by the high percentage of graduates from Nashville-area colleges and universities who choose to stay in the market after graduation.”*
- *“The diverse economy is driven by health care, technology, tourism, and education. All of these sectors have been job creators during the economic recovery and are expected to continue to create jobs in 2017.”*
- *“Nashville is an example of a market that has transitioned to an upper-tier secondary market.”*
- *“The increased level of investor interested in Nashville increases the perceived liquidity of the market, which only makes it more attractive to nonlocal investors.”*
- *“Debt and equity capital continues to be available from both debt and equity sources.”*

Source: PWC Emerging Trends in Real Estate 2017, p. 41





 REGIONS

Goodlettsville, TN

Goodlettsville is a city in Davidson and Sumner counties, Tennessee. Goodlettsville was incorporated as a city in 1958 with a population of just over 3,000 residents; at the 2010 census, the city had a total population of 15,921 and in 2015 the population was 16,994. Goodlettsville chose to remain autonomous in 1963 when the city of Nashville merged with the government of Davidson County.

The Census reported that there were 13,780 people, 5,601 households, and 3,825 families residing in the city. The population density was 986.5 people per square mile. There were 5,853 housing units at an average density of 419.0 per square mile. The racial makeup of the city was 86.42% White, 9.83% African American, 0.22% Native American, 1.64% Asian, 0.01% Pacific Islander, 0.65% from other races, and 1.23% from two or more races. 1.48% of the population were Hispanic or Latino of any race.

There were 5,601 households out of which 30.2% had children under the age of 18 living with them, 52.7% were married couples living together, 12.4% had a female householder with no husband present, and 31.7% were non-families. 25.5% of all households were made up of individuals and 7.7% had someone living alone who was 65 years of age or older. The average household size was 2.44 and the average family size was 2.94.

In the city the population was spread out with 23.7% under the age of 18, 8.3% from 18 to 24, 31.3% from 25 to 44, 24.8% from 45 to 64, and 11.9% who were 65 years of age or older. The median age was 37 years. For every 100 females there were 90.6 males. For every 100 females age 18 and over, there were 86.1 males.

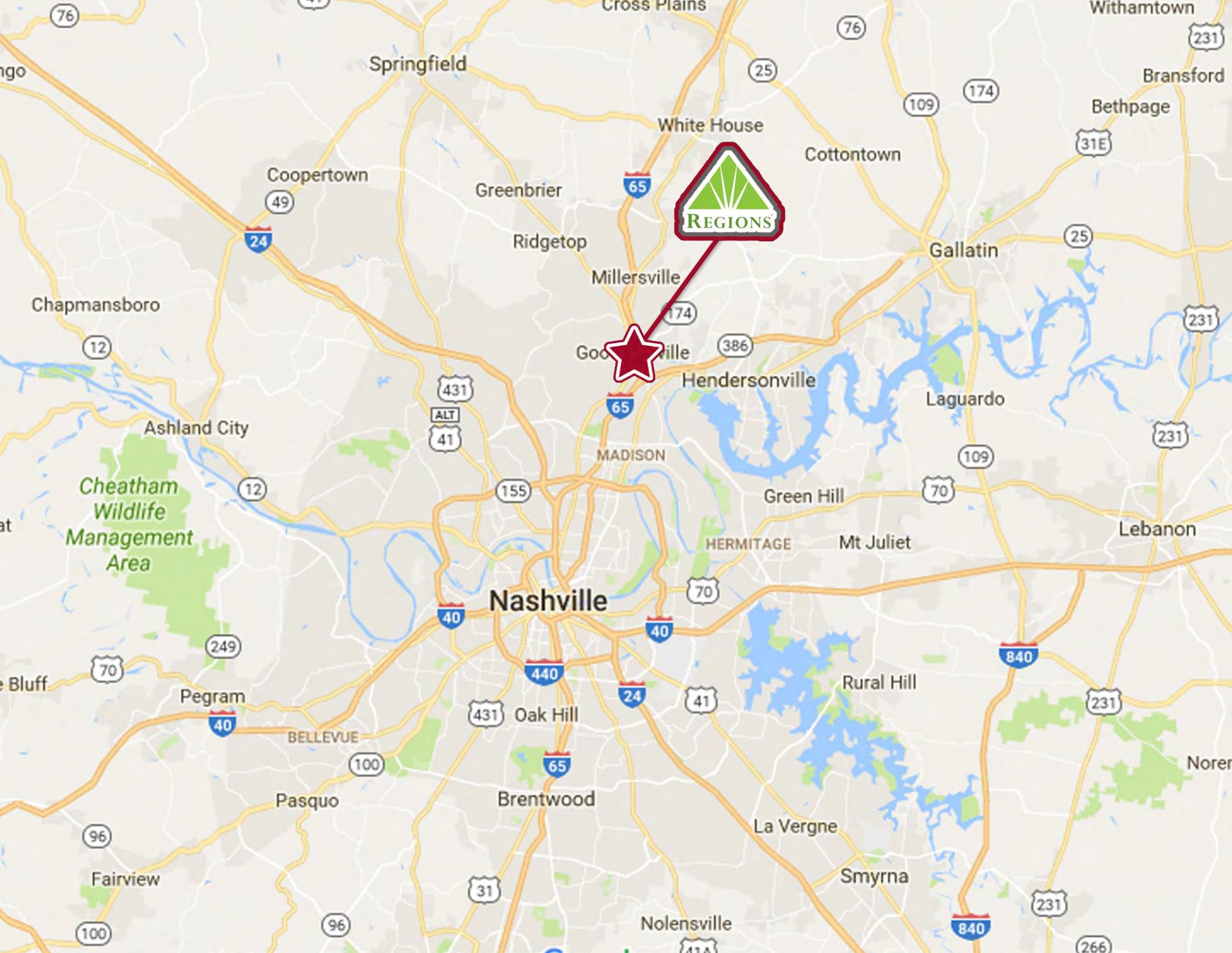
The median income for a household in the city was \$45,690, and the median income for a family was \$54,159. Males had a median income of \$40,567 versus \$27,250 for females. The per capita income for the city was \$22,946. 9.4% of the population and 7.5% of families were below the poverty line. 18.1% of those under the age of 18 and 5.1% of those 65 and older were living below the poverty line.

Nashville, TN

Nashville is the capital of Tennessee, and the county seat of Davidson County. It is the second largest city in Tennessee, the fourth largest city in the Southeast, and the 36th largest MSA in the U.S. The population of Nashville exceeds 1.8 million and is growing more than 7% annually, making it the seventh fastest growing American city with a population of over 1 million. A 2015 survey by the Urban Land Institute ranked Nashville 7th among all major U.S. metros for desirability of investment in commercial real estate. Of all MSA's in the country (381), Nashville is ranked 7th in Economic strength by Policom Economic Research, a score based on the composition, growth, and durability of its workforce and key economic sectors.

The Nashville region continues to be an area of strong, consistent growth in the talent pipeline supporting the region's workforce. There are 21 institutions of higher learning in the Nashville area with an aggregate enrollment of over 100,000, with 60% of students choosing to stay in the region upon graduation. 35.3% of Davidson County's population has a Bachelor's degree or higher.







Long Hollow Pike





Long Hollow Pike

Dickerson Pike





Dickerson Pike



Long Hollow Pike



	1 mile	3 miles	5 miles
Population			
2000 Population	3,231	21,569	58,206
2010 Population	3,578	25,652	65,508
2016 Population	3,832	27,128	69,324
2021 Population	4,107	28,816	73,711
2000-2010 Annual Rate	1.03%	1.75%	1.19%
2010-2016 Annual Rate	1.10%	0.90%	0.91%
2016-2021 Annual Rate	1.40%	1.21%	1.23%
2016 Male Population	47.9%	47.5%	48.3%
2016 Female Population	52.1%	52.5%	51.7%
2016 Median Age	39.7	38.6	38.4
Median Age			
The median age in this area is 39.7, compared to U.S. median age of 38.0.			
Race and Ethnicity			
2016 White Alone	72.1%	70.2%	69.0%
2016 Black Alone	20.0%	20.7%	21.3%
2016 American Indian/Alaska Native Alone	0.3%	0.3%	0.3%
2016 Asian Alone	1.7%	3.0%	2.0%
2016 Pacific Islander Alone	0.1%	0.2%	0.2%
2016 Other Race	2.7%	2.7%	4.4%
2016 Two or More Races	3.1%	2.9%	2.9%
2016 Hispanic Origin (Any Race)	5.2%	6.4%	9.1%
Median Household Income			
2016 Median Household Income	\$44,756	\$50,570	\$45,692
2021 Median Household Income	\$50,820	\$56,668	\$51,603
2016-2021 Annual Rate	2.57%	2.30%	2.46%
Average Household Income			
2016 Average Household Income	\$60,494	\$65,555	\$59,972
2021 Average Household Income	\$65,816	\$71,948	\$65,488
2016-2021 Annual Rate	1.70%	1.88%	1.78%
Data for all businesses in area			
Total Businesses:	632	1,812	3,644
Total Employees:	8,366	23,183	38,661
Total Residential Population:	3,832	27,128	69,324



TENANT INFO

Tenant	# of Locations	Website	Description
<p>Dollar General</p> 	13,000	www.dollargeneral.com	<p>Dollar General Corporation is an American chain of discount retailer, variety stores headquartered in Goodlettsville, Tennessee. As of August 2016, Dollar General operated over 13,000 stores in all U.S. states except: Alaska, Hawaii, Idaho, Montana, North Dakota, Washington</p> <p>Dollar General offers both name brand and generic merchandise — including off-brand goods and closeouts of name-brand items. Although it has the word "dollar" in the name, Dollar General is not a dollar store by the strict definition of that term as most of its products are priced at more than \$1.00.</p> <p>Outside of larger urban markets and small cities, Dollar General often serves smaller rural areas which do not have the customer base for a regular-sized discount department store. It competes in the dollar store format with national chains Family Dollar and Dollar Tree, regional chains such as Fred's in the Southeast, and numerous independently owned stores.</p> <p>As of June 2016, Moody's Investors Service rated Dollar General Corporation's senior unsecured debt rating to Baa2 from Baa3, an upgrade. The outlook is stable and the company is considered an "investment grade" tenant.</p>
<p>Regions Bank</p> 	1,700	www.regions.com	<p>Regions Financial Corporation is a US bank and financial services company based in Birmingham, Alabama, with its corporate headquarters at the Regions Center. A member of the S&P 500 Index, the company provides retail and commercial banking, trust, securities brokerage, mortgage and insurance products and services.</p> <p>Regions is the only member of the Fortune 500 headquartered in Alabama (ranked #479 in 2015), and was ranked by Business Insider as the largest company in the state. Regions is the largest deposit holder in Alabama, with \$22.8 billion in local deposits, or 25.7% of all local deposits. As of 2012, Regions had \$122 billion in assets. In 2010, Regions had \$137 billion in assets, making it at that time the 22nd largest bank in the United States, and the 10th largest U.S. based bank. Its banking subsidiary, Regions Bank, operates some 1,700 branches and 2,400 ATMs across a 16-state network in the South, Midwest, and Texas.</p> <p>As of November 2016, Moody's Investors Service upgraded certain ratings of Regions Financial Corporation (Regions). Regions' senior unsecured, issuer, and subordinated debt ratings were upgraded to Baa2 from Baa3. The company is considered an "investment grade" tenant.</p>

LEAST ABSTRACT – REGIONS BANK



Lease Abstract

TENANT INFORMATION

Tenant Name:	Regions Bank		
Address:	112 Long Hollow Pike, Goodlettsville, TN 37072		
Suite:	Suite 1.1 and Suite 0.1		
DBA Name:	Regions Bank		
Premises Square Footage:	11,041 SF	Suite 1.1: 8,050 RSF	Suite 0.1: 2,991 RSF
Guarantor:	None		

DEPOSIT INFORMATION

Security Deposit: \$0.00

TERM

Lease Commencement Date:	06/15/05
Rent Commencement Date:	06/15/05
Lease Expiration Date:	06/30/20
Term:	180 months

BASE RENT AND PERCENTAGE RENT

Free Rent/Abatements:	None
Base Rent:	Amd3, 2(d)

TERM	BEGIN	END	ANNUAL	MONTHLY	PSF	SQFT
Original Term	01/01/13	06/30/13	\$182,176.56	\$15,181.38	\$16.50	11,041 SF
Original Term	07/01/13	06/30/14	\$186,703.32	\$15,558.61	\$16.91	11,041 SF
Original Term	07/01/14	06/30/15	\$191,451.00	\$15,954.25	\$17.34	11,041 SF
Original Term	07/01/15	06/30/16	\$196,198.56	\$16,349.88	\$17.77	11,041 SF
Original Term	07/01/16	06/30/17	\$201,056.64	\$16,754.72	\$18.21	11,041 SF
Original Term	07/01/17	06/30/18	\$206,135.52	\$17,177.96	\$18.67	11,041 SF
Original Term	07/01/18	06/30/19	\$211,324.80	\$17,610.40	\$19.14	11,041 SF
Original Term	07/01/19	06/30/20	\$216,624.48	\$18,052.04	\$19.62	11,041 SF
Option Term 1	07/01/20	06/30/30		95%of the FMRV		11,041 SF
Option Term 2	07/01/30	06/30/35		95%of the FMRV		11,041 SF
Option Term 3	07/01/35	06/30/40		95%of the FMRV		11,041 SF

LEAST ABSTRACT – REGIONS BANK

RECOVERIES	
Tenant Pro-Rata Share:	25.6%(Amd2, 2)
Real Estate Taxes:	Effective from Jan 1, 2013, Landlord's sole cost and expense, to pay those costs and expenses due under the Lease related to taxes.(Amd3, 2(c.))
Common Area Maintenance / Operating Expenses:	Effective from Jan 1, 2013, Tenant shall not be required to pay the Basic Operating Adjustment(Amd3, 2(c.))
Administrative Fee:	N/A
Management Fee:	N/A
Insurance:	Effective from Jan 1, 2013, Landlord's sole cost and expense, to pay those costs and expenses due under the Lease related to insurance required to be maintained by Landlord.(Amd3, 2(c.))
Utilities and Services:	Landlord shall furnish Tenant Hot and cold water at those points of supply provided for general use of other tenants in the Building, central heat and air conditioning at the standard
Additional Landlord Reimbursements:	None
TENANT OPTIONS	
Renewal Option:	Tenant is granted the option to renew this Lease for one (1) additional term of ten (10) years and two (2) additional terms of five (5) years each. Tenant shall notify Landlord in writing not less than nine (9) months prior to the expiration of the Initial Term that Tenant desires such extension. The Rental shall be an amount equal to 95%of the FMRV. If Tenant elects to renew for only a portion of the Leased Premises, the portion of the Leased Premises that is not renewed by Tenant must have a size and configuration, as reasonably agreed by Landlord and Tenant, that makes it readily leaseable to third party tenants. (Art 2)
Expansion Option:	Lease is Silent
Right of First Offer/ First Refusal:	Amd2, 5 and 6: Deleted
Early Termination:	Tenant shall have the opportunity of terminating this Lease upon no less than ninety (90) days notice to the Landlord and payment to the Landlord on the termination date of a fee equal to the present value of the rent for the remaining balance of the then-existing Lease Tenant using an interest rate equal to the prevailing prime rate (as reported from time to time in the Wall Street Journal (or a successor publication))(Art 30)

LEAST ABSTRACT – DOLLAR GENERAL GENERAL

DOLLAR GENERAL

Take this. Take it. Use it. Every day.

Lease Abstract

TENANT INFORMATION

Tenant Name:	Dollar General Corporation
Address:	112 Long Hollow Pike, Goodlettsville, TN 37072
Suite:	Suites 200, 100 and B-2
DBA Name:	Dollar General
Premises Square Footage:	32,581 SF
Guarantor:	None

DEPOSIT INFORMATION

Security Deposit:	\$0.00
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TERM

Lease Commencement Date:	10/01/12
Rent Commencement Date:	10/01/12
Lease Expiration Date:	09/30/22
Term:	120 months

BASE RENT AND PERCENTAGE RENT

Free Rent/Abatements:	None
Base Rent:	2.1 & Amd1, 10

TERM	BEGIN	END	ANNUAL	MONTHLY	PSF	SQFT
Original Term	10/01/12	09/30/13	\$532,699.32	\$44,391.61	\$16.35	32,581 SF
Original Term	10/01/13	09/30/14	\$546,016.80	\$45,501.40	\$16.76	32,581 SF
Original Term	10/01/14	09/30/15	\$559,667.28	\$46,638.94	\$17.18	32,581 SF
Original Term	10/01/15	09/30/16	\$573,658.92	\$47,804.91	\$17.61	32,581 SF
Original Term	10/01/16	09/30/17	\$588,000.36	\$49,000.03	\$18.05	32,581 SF
Renewal Term	10/01/17	09/30/18	\$602,748.48	\$50,229.04	\$18.50	32,581 SF
Renewal Term	10/01/18	09/30/19	\$617,817.24	\$51,484.77	\$18.96	32,581 SF
Renewal Term	10/01/19	09/30/20	\$633,262.68	\$52,771.89	\$19.44	32,581 SF
Renewal Term	10/01/20	09/30/21	\$649,094.16	\$54,091.18	\$19.92	32,581 SF
Renewal Term	10/01/21	09/30/22	\$665,321.52	\$55,443.46	\$20.42	32,581 SF
Option Term 1	07/01/22	06/30/27		Market Rate		32,581 SF

LEAST ABSTRACT – DOLLAR GENERAL

RECOVERIES

Tenant Pro-Rata Share: 74.69%

Real Estate Taxes: Included in Operating Expenses.(Art. 2.2(c.))



Tenant agrees to pay in addition to Base Rent and as Additional Rent Tenant's Pro Rata Share of the excess Operating Expenses. If at any time during the Lease Term, Operating Expenses are not based on a completed and fully assessed Project having at least ninety-five percent (95%) of the rentable area of the Building occupied, then Operating Expenses shall be adjusted by Landlord in order to reasonably approximate the variable components of Operating Expenses for such year or applicable portion thereof; employing sound accounting and management principles, that would have been payable if the Project were completed, fully assessed and at least ninety-five percent (95%) of the rentable area of the Building were occupied.

Common Area Maintenance / Operating Expenses:

Current Base Year shall be January 2013 thru December 2013. In no event shall Tenant's Pro Rata Share of Operating Expenses increase by more than five percent (5%) from Lease Year 1 to the next on a non-cumulative basis excluding, any Uncontrollable Operating Expenses.(FLP, 2.2)

The base year for the Renewal shall be October 1, 2017 through September 30, 2018. Any increase in Controllable Operating Expenses will be capped at 4% over the expenses for the previous year. Controllable Operating Expenses are all expenses except Real Estate Taxes, Insurance and costs for HVAC usage.(Amd 8)

Administrative Fee: Lease is Silent

Management Fee: 4% of gross rental collections is included in Operating Expenses.(Art. 2.2(c.))

Insurance: Included in Operating Expenses.(Art. 2.2(c.))

Utilities and Services:

Landlord will maintain the Building and provide usual and reasonable water, heat, cooling, Landlord's standard janitorial and cleaning services to the Premises no less than five (5) days per week elevator services for ordinary purposes and electric current for lighting purposes in accordance with Normal Building Hours. Landlord will furnish up to 5 watts per usable square foot of power in the Premises for routine lighting and the operation of general office machines(Art 3.1)



REGIONS



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