Marcus & Millichap

Conn's HomePlus

(NASDAQ: CONN)

OFFERING MEMORANDUM

8888 AIRLINE HIGHWAY

BATON ROUGE, LA 70815

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Activity ID #ZAC0980009

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT OVERVIEW

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Conn's
HomePlus
YES
YES
APPLIANCES
ELECTRONICS
FURNITURE

OFFERING SUMMARY

Listing Price	Cap Rate	Price/SF
$4,875,000	**8.75%**	**$91.27**

FINANCIAL	
Listing Price	$4,875,000
Down Payment	35% / $1,706,250
NOI	$426,520
Cap Rate	8.75%
Price/SF	$91.27

OPERATIONAL	
Lease Type	Triple Net (NNN)
Guarantor	Corporate Guarantee
Lease Expiration	11/30/2028
Rentable SF	53,414 SF
Lot Size	3 Acres
Occupancy	100%
Year Built/Renovated	1981/2018

FINANCING OPTIONS & LOAN QUOTES

PATRICK AGNEW
Marcus Millichap Capital Corp.
(858) 373-3162 or EMAIL

Conn's HomePlus

8888 Airline Hwy, Baton Rouge, LA 70815

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to offer the opportunity to acquire the fee-simple interest (land & building) in a NNN-leased, corporate-guaranteed Conn's HomePlus investment property located in Baton Rouge, Louisiana. The tenant, Conn's Appliances Inc., has just over seven years remaining on their third extension of 10 years. Additionally, Conn's has four, five-year options to extend with rental increases. The lease is guaranteed by Conn's Inc. (NASDAQ: CONN) who operates 145+ locations throughout the south, and is NNN with limited landlord responsibilities.

Conn's HomePlus is located along Airline Highway (U.S. Hwy 61), which is a major artery averaging over 50,000 vpd. Additionally, the property benefits from a lighted access. The site is north of I-12 (155,000+ vpd) and just South of Florida Boulevard (53,000+ vpd) where Amazon is currently building a 2.8M sqft distribution facility at the corner of Airline/Florida. The property is positioned in one of the densest areas of Baton Rouge with numerous retailers including Amazon, Wal-Mart, Home Depot, Lowe's, and is supported by over 212,000 people living within a five-mile radius, and over 278,500 daytime employees.

SECTION 2

Property Information

PROPERTY DETAILS

FINANCIAL DETAILS

TENANT PROFILE

REGIONAL MAP

LOCAL MAP

LOCAL NEWS

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Conn's HomePlus // PROPERTY DETAILS

PROPERTY INFORMATION

Construction Status	Existing
Address	8888 Airline Hwy., Baton Rouge, LA 70815
Market	Baton Rouge
Cross Streets	US Hwy 190 (53,000 ADT)

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	BUMP	YIELD
CURRENT – Nov. 2028	$426,520	Flat	8.75%
OPTION 1 – Nov. 2033	$479,835	12.5%	9.84%
OPTION 2 – Nov. 2038	$506,492	5.55%	10.39%
OPTION 3 – Nov. 2043	$533,150	5.26%	10.94%
OPTION 4 – Nov. 2048	FMV		

PROPERTY AREA HIGHLIGHTS

Population of 212,000+ within 5-Mile Radius

Traffic Counts Exceed 50,000 vpd on Airline Hwy

2 Miles from Interstate 12 (155,000 VPD)

Less than 7 Miles from LSU w/ Enrollment of 45,200+

Eight Miles from Baton Rouge Metro Airport

New 2.8M SF Amazon Distribution Under Construction

Long-Term Tenant Over 20 Years

Complete Corporate Remodel in 2018

Store Sales Above AUV See Agent for Details

Daytime Population 278,500 within 5 Miles

CAP RATE	PRICE	PRICE/SF	INITIAL CASH-ON-CASH
8.75%	$4,875,000	$91.27	13.02%

OPERATING INFORMATION	
Year 1 Net Operating Income*	$426,520
Rent/SF	$7.99 /SF
Gross Leasable Area	53,414 SF

FINANCING	
New Acquisition Financing	New Loan
Loan To Value	65.00%
Interest Rate	4.00%
Amortization Period	25 Year
Loan Term	7 Year
Annual Debt Service Payment	$204,431
Debt Service Coverage	2.09%

LEASE SUMMARY	
Tenant:	Conn's HomePlus
Guarantor:	Corporate Guarantee
Credit Rating:	B1
Rent Commenced:	03/01/1999
Lease Expiration:	11/30/2028
Option Periods:	Rent / Cap Rate
Option 1	$479,835 (9.84%)
Option 2	$506,492 (10.39%)
Option 3	$533,150 (10.94%)
Option 4	FMV
Lease Type:	Triple Net (NNN)
Base Rent:	$7.99 /SF $4,451.17 /SF/Month $426,520 Annual Rent
Rent Increases:	At Options

NOTE: *May 2020 Rent (Deferred) is Due December 2021. Actual NOI for 2021 to be $462,063
June 2020 Rent (Deferred) is Due December 2022. Actual NOI for 2022 to be $462,063

FINANCING OPTIONS & LOAN QUOTES

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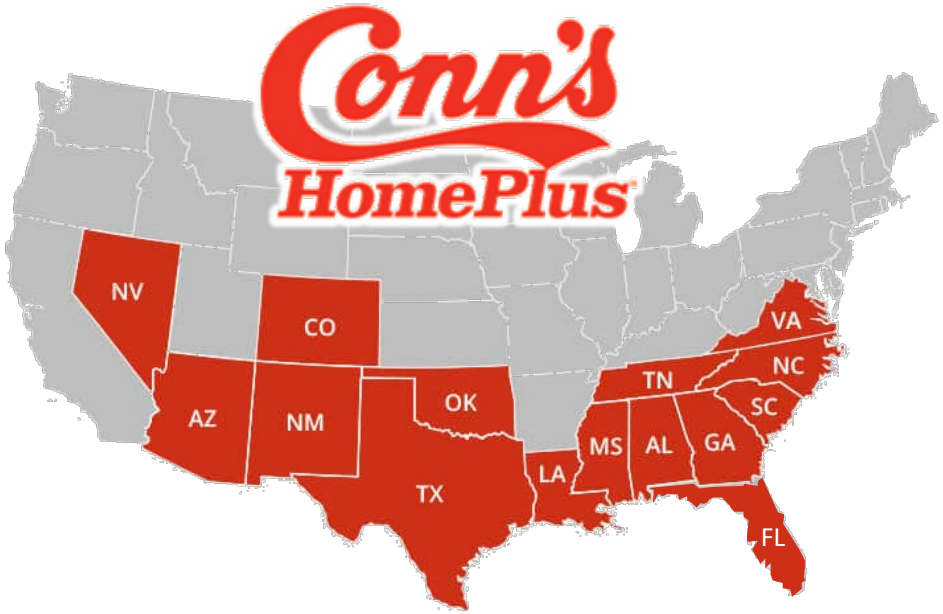
TENANT OVERVIEW

Company:	Conn's, Inc.
Founded:	1890
Locations:	145+
Total Revenue:	$1.54 Billion (2020)
Net Income:	$56M (2020)
Company Type:	Public (NASDAQ: CONN)
Employees:	4,200
Headquarters:	The Woodlands, TX
Website:	www.CONNS.com

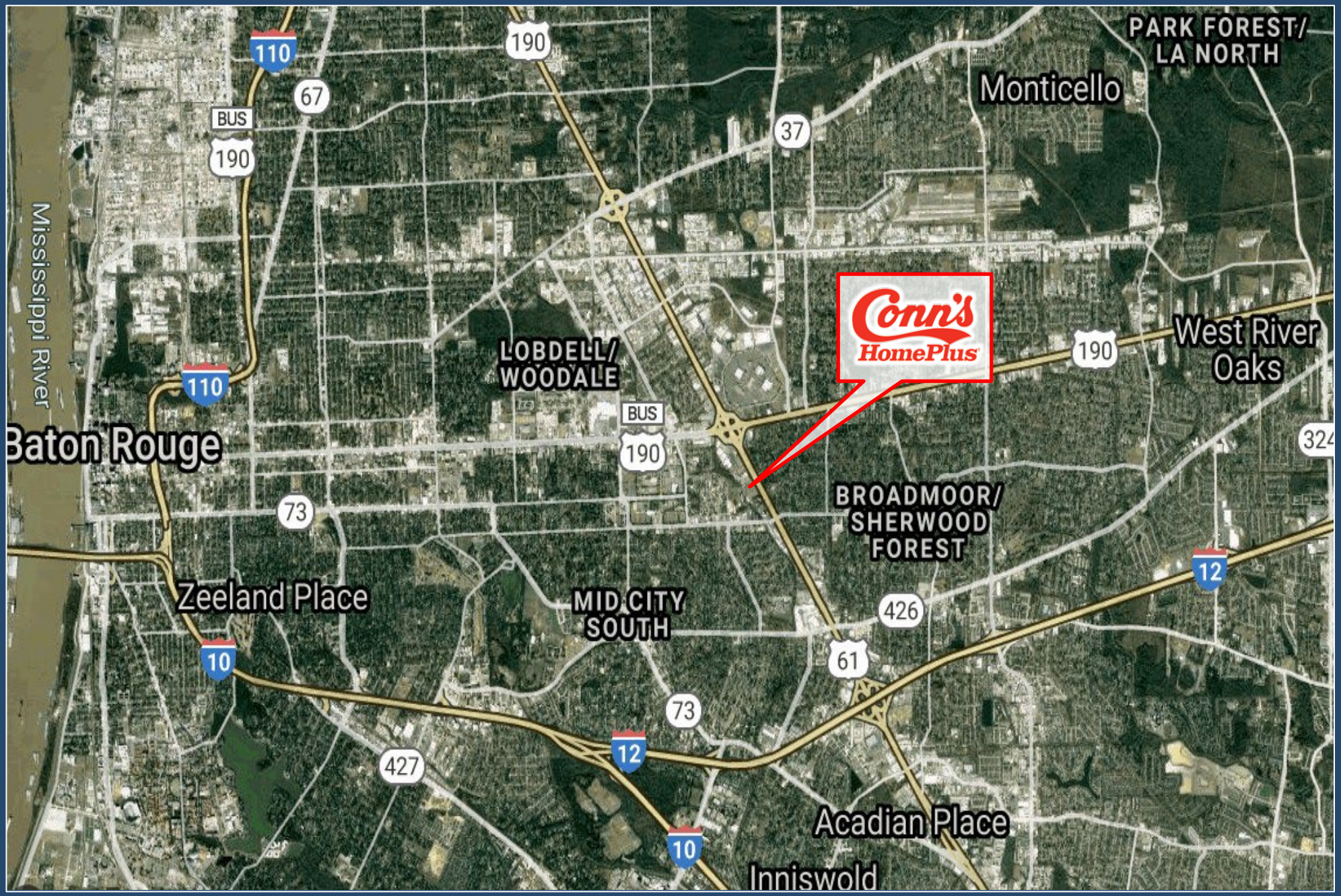


CONN's is a specialty retailer currently operating +/- 145 locations throughout Alabama, Arizona, Colorado, Florida, Georgia, Louisiana, Mississippi, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

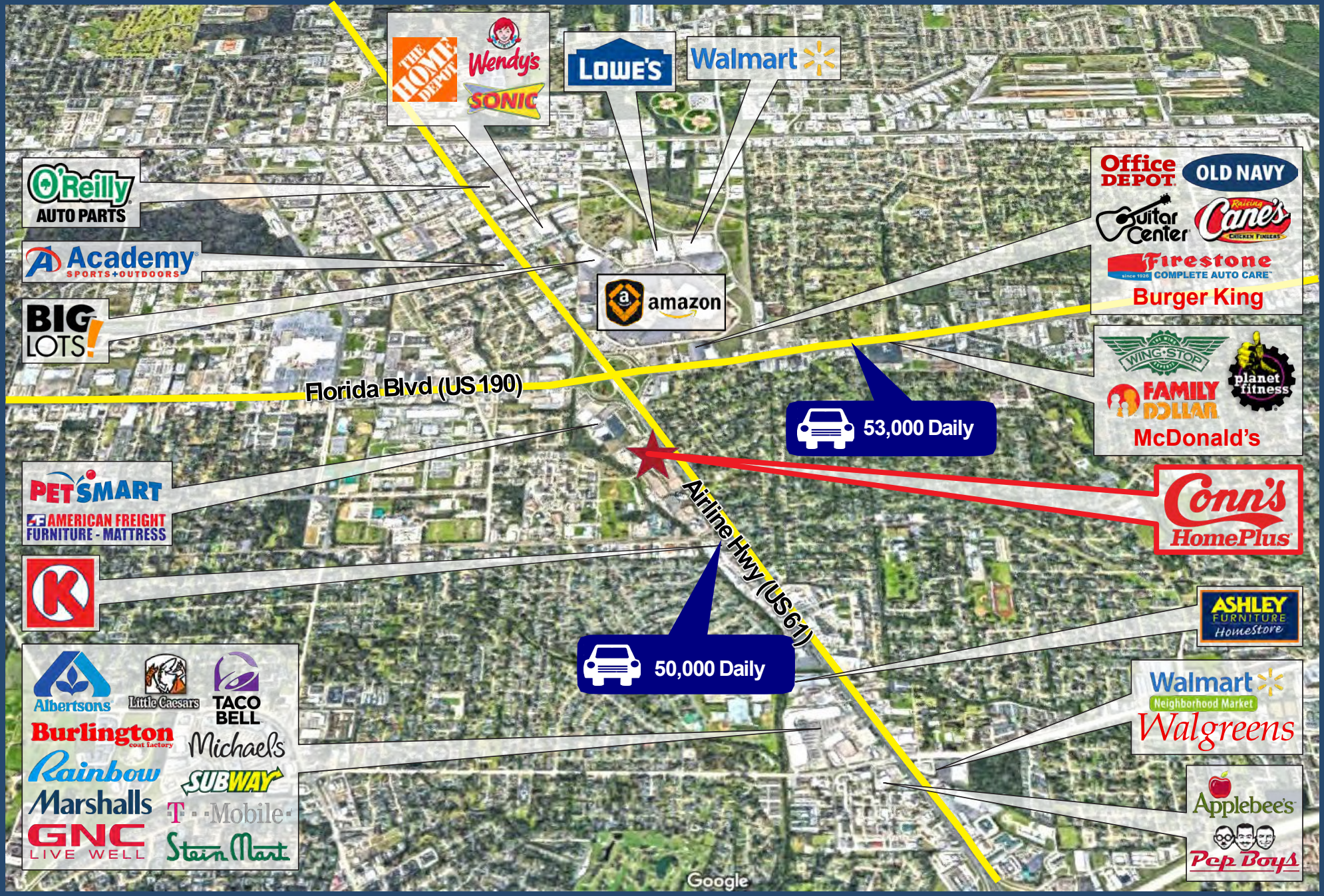
CONN's sells furniture and related accessories for the living room, dining room, bedroom, as well as traditional and specialty type mattresses. They also sell home appliances including refrigerators, washers/dryers, dishwashers, and ranges; a variety of consumer electronic goods including tv's, home theatre systems, and audio equipment; home office products including computers, printers, and other accessories.

CONN's also offers a variety of products on a seasonal basis. To differentiate themselves from other retailers, CONN's offers and provides flexible in-house credit options, third-party financing programs, and third-party "lease-to-own" payment plans.

REGIONAL MAP // Conn's HomePlus



LOCAL MAP // Conn's HomePlus



THE ADVOCATE

Cortana Amazon fulfillment center takes another step to reality with permit application

MAY 4, 2021

Seefried Industrial Properties has applied for a permit to build a 2.8 million square foot Amazon fulfillment center on the site of Cortana Mall.

The company applied for the permit Monday afternoon. Seefried has said it tentatively plans to begin construction in the first week of June. The building should be substantially completed by September 2022.

Jonathan Stites, a Senior Vice President with Seefried, has said the Cortana facility will be the largest prototype fulfillment center for Amazon and will feature the latest technology the company has to offer. Atlanta-based The Conlan Co. will serve as general contractor.

The building will be nearly 90 feet tall, with the second through fifth floors taken up by storage, robotics and conveyors, which will pluck items and transport them down to the first floor for packaging and distribution. None of the items stored in the Cortana center will be sent directly to customers; instead the facility acts as the first cog in the distribution system Amazon has established.

The demolition of Cortana started in late March and is expected to go through August-Sept. Plans are to transform the entire site, not only replacing the shopping center with a huge warehouse, but ripping up the parking lot and replacing much of it with landscaping.....

Full Story Here

amazon

Large Conn's warehouse planned for budding shipping development in West Baton Rouge

BATON ROUGE, LA (WBRZ) – Conn's will build a giant, 250,000-square-foot warehouse along I-10 in West Baton Rouge as part of the company's expansion in Louisiana.

The announcement of the distribution center came Monday afternoon.

Company officials said the facility will serve multiple states in Conn's HomePlus growing furniture, appliance and electronics store. The distribution center will be the major tenant in a new, 34-acre warehouse complex on Commercial Drive between the Port Allen and Lobdell exits, government officials said.

The $5.7 million project will create 70 new jobs with an average salary of $41,300. State economic development officials said they suspect the project could create another 50 indirect jobs.

Conn's HomePlus has eight stores in Louisiana and is expected to expand. The distribution center will handle shipping to those stores plus others in Mississippi and Alabama…..

Full Story

"The new distribution center will not only grow our presence in LA, but will also serve as a gateway to better serve our customers in the Southeast."

Conn's HomePlus to open second Baton Rouge store, expanding in state

BATON ROUGE, LA (WAFB) - Conn's HomePlus is set to open its second store in Baton Rouge as the home furniture company continues to expand in the state.

After opening a New Orleans store on Friday, the Houston-based furniture company will open the store located in the Siegen Marketplace on Saturday. The second store comes 20 years after the company opened its first location on Airline Highway **(Subject Property)**.

The openings exhibits the company growing its brand in Southeast Louisiana. Conn's plans to open stores in Slidell and Metairie in late June.

Conn's HomePlus operates retail locations in Alabama, Arizona, Colorado, Georgia, Mississippi, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia….

Full Story

SECTION 3

Market Overview

MARKET OVERVIEW

DEMOGRAPHICS

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BATON ROUGE
LOUISIANA

POPULATION
859,000

BATON ROUGE is the capital of Louisiana and its second-largest city located on the eastern bank of the Mississippi River, and is the parish seat of East Baton Rouge Parish. As its capital city, Baton Rouge is the political hub of Louisiana. The MSA, known as "Greater Baton Rouge," is also the second-largest in Louisiana, with a population of 833,567 people. The urban area has around 594,309 inhabitants.

Baton Rouge is a major industrial, petrochemical, medical, research, motion picture, and growing technology center of the American South. It is also the location of Louisiana State University, the LSU System's flagship university and the largest institution of higher education in the state. The Port of Greater Baton Rouge is the tenth largest in the United States in terms of tonnage shipped, and is the farthest upstream Mississippi River port capable of handling Panamax ships.

A building boom began in the city in the 1990s and continued into the 2000s, during which Baton Rouge was one of the fastest-growing cities in the South in terms of technology. Metro-Baton Rouge was ranked as one of the fastest-growing metropolitan areas in the U.S. (with a population under 1 million), with 602,894 in 2000 and 802,484 people as of the 2010 census. After the extensive damage in New Orleans and along the coast from Hurricane Katrina (2005), this city accepted as many as 200,000 displaced residents.

LSU is made up of more than 250 buildings on 2,000 acres, and has a student enrollment more than 45,200 with roughly 5,000 faculty and staff.

The metro has a diverse employment base, from manufacturing and distribution to media and healthcare. It is home to firms such as Turner Industries Group and Performance Contractors.

The area's petrochemical industry is underpinned by Exxon Mobil. The company's refinery complex is the fourth-largest oil refinery in the U.S. and is also one of the largest in the world. The industry is supported by a transportation network that includes rail, highway, pipeline and deep-water access.

The Port of Greater Baton Rouge is the northernmost port on the Mississippi River that can handle Panamax ships.

POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	5,604	76,544	212,622
2020 Population	5,443	74,244	210,205
2025 Population	5,410	73,959	211,264
2020 Male Population	2,503	34,859	98,902
2020 Female Population	2,940	39,385	111,303
2020 Median Age	45.5	35.6	35.5

RACE & ETHNICITY	1 MILE	3 MILES	5 MILES
American Indian, Eskimo	0.2%	0.2%	0.2%
Asian	5.0%	4.3%	3.4%
Black	24.8%	47.6%	53.4%
Hawaiian/Pacific Islander	0.1%	0.0%	0.0%
White	66.7%	43.8%	39.3%
Other	2.0%	2.3%	2.0%
Multi-Race	1.3%	1.8%	1.7%
Hispanic Ethnicity	4.5%	5.5%	4.7%
Not of Hispanic Ethnicity	95.5%	94.5%	95.3%

Click to View in Google Maps

Or in Google Street View

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2010 Avg Household Inc	$84,889	$64,016	$63,937
2020 Avg Household Inc	$104,758	$80,954	$80,883
2025 Avg Household Inc	$119,543	$92,570	$92,709
2010 Med. Household Inc	$52,998	$41,778	$41,829
2020 Med. Household Inc	$72,038	$53,397	$53,868
2025 Med. Household Inc	$84,234	$63,467	$63,957
2010 Per Capita Income	$35,245	$27,672	$26,366
2020 Per Capita Income	$43,351	$34,917	$33,298
2025 Per Capita Income	$49,682	$40,089	$38,433

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	2,310	32,862	87,183
2020 Households	2,239	31,846	86,146
2025 Households	2,236	31,875	87,239

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