

Merchant Village Shopping Center  
Knoxville, TN

# Offering Memorandum Retail Investment Property East Tennessee



Contact:

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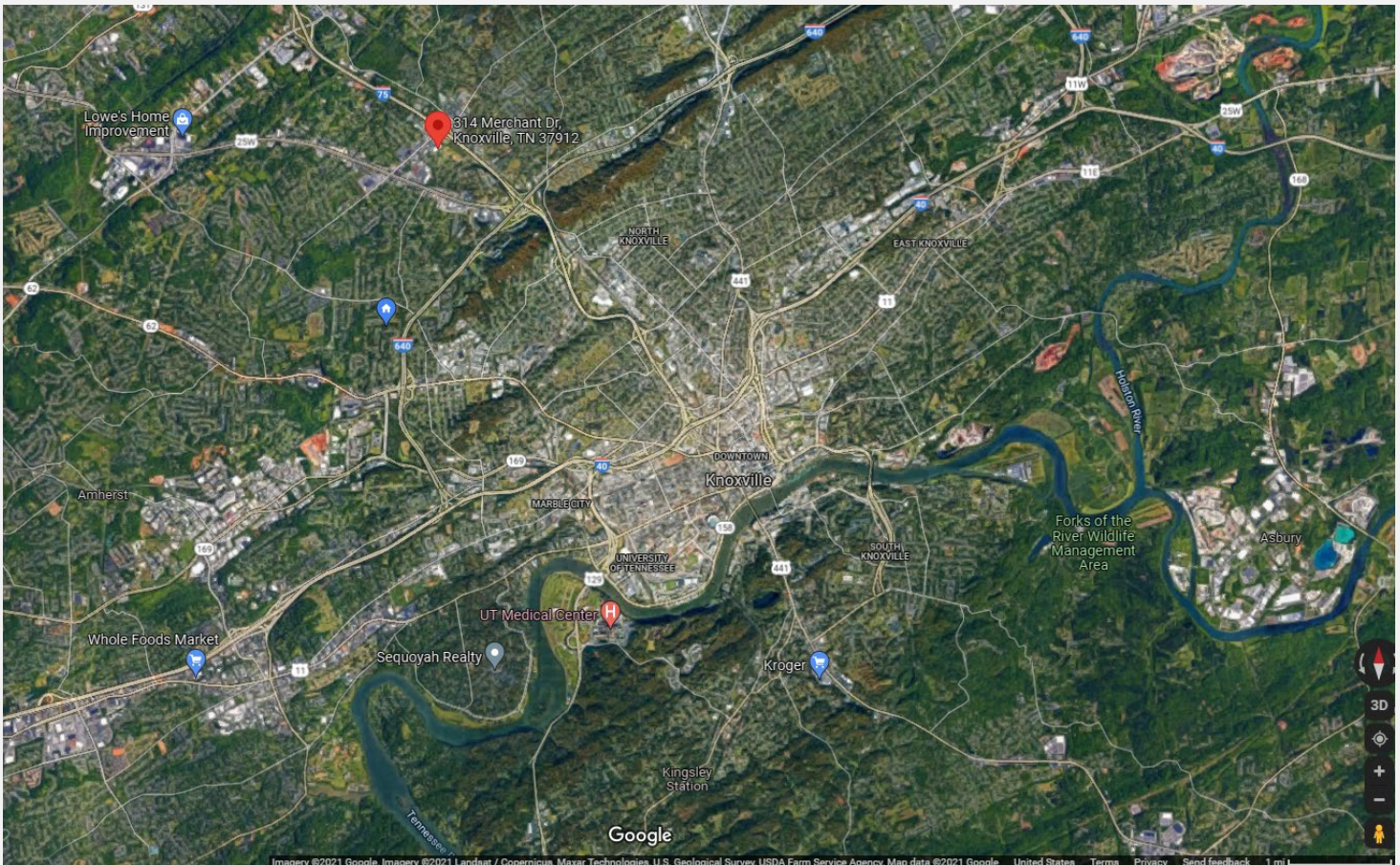
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Knoxville is located in East Tennessee on the banks of the Tennessee River and the foot of the Great Smoky Mountains. It is the home of the flagship campus of the University of Tennessee, Oak Ridge National Lab, Y-12 National Security Complex, TVA, Clayton Homes, Denso, Pilot/Flying J and several major hospitals, among others. Recreational opportunities are abundant, with the mountains, many lakes and rivers. Knoxville is the 3<sup>rd</sup> largest metro area in the State of Tennessee, with a metro population of 879,773 (2020 census), which grew 10.81% between 2010 and 2020.



Merchant Village Shopping Center was built in 1977/1978 in NW Knoxville at the intersection of I-75 (Exit 108) and Merchant Drive. This vibrant center is convenient to I-75, I-40, I-640, Clinton Highway and Downtown Knoxville. It is well positioned in the Knoxville market with a population of over 54,000 in a 3 mile radius. The tenant mix is national, regional and local tenants. Occupancy is 85%, with one 14,600 SF vacancy in the 97,000 SF center. This is an asset with a strong income, and yet represents a good opportunity for a value-add investor, with rents for some tenants at well below market rates.

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Property Address	Acreage	Building SF	Tax ID	Description
314 Merchant Dr	8.15	81,205	068LB014	Main Center
5210 Schubert Dr	1.77	15,980	068LA005	Annex
5208 Schubert	0.41	--	068LA022	Vacant lot with some parking
Totals	10.33 acres	97,185 sq ft		

## Property Details

Roof	2009 TPO membrane (white)
Parking	415 marked parking spaces (not including gravel lot at 5208 Schubert Dr)
Public Transportation	On Knoxville Area Transit bus line
Traffic Counts	I-75, N of Inskip Drive overpass - 92,361 in 2019 Merchant Drive, east of Camelia, 23,310 in 2019
Access	Main entrance to center has full signal controls with a dedicated left turn lane and left turn signal. For entry and exit to the annex, there is a traffic signal and left turn lane

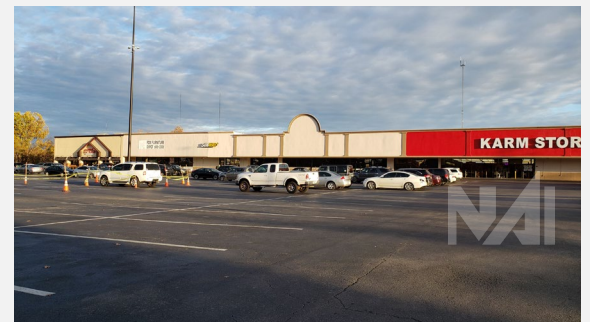


## Property Details (continued)

Electric	KUB – All tenants separately metered. Also house meter for common lighting and pylon entry signage.
Gas	KUB – All tenant spaces are separately metered. All heat systems are gas.
Water	KUB – All tenant spaces are metered separately.
Sewer	KUB – Municipal sewer system.
Zoning	C-H-2
Management	All management has been done by property owner. For purposes of establishing NOI, a 4% management fee has been added to operating expenses.







## Tenant List

Lessee	Address	SF
America's Best Value Motel (motel sign)		
Outback Steakhouse of Florida, LLC	314-A	6,836
Fox Furniture	314-B	23,400
Subway Real Estate Corp.	314-C	2,400
Metro Knoxville HMA, LLC (Tennova)	314-D	10,970
Metro Knoxville HMA, LLC (Tennova)	314-G	2,896
KARM	314-H, 314-I	14,680
Barry's Jewelry	314-J	400
Vacant	314-M	14,600
Accu-Tax	314-K	1,782
Charles Hobbs and Embroidery to Go	314-L	3,241
WaveMax	5210-A	3,880
Bradley Insurance	5210-B	1,700
Peyton's Place	5210-C&D	9,200
Peyton's Place	5210-E	1,200
Smile Doctor (parking area)	5208	

	Rents	CAM
Monthly Gross (current rents and tenants)	\$ 51,006.10	\$ 7,001.65
TI - Reimbursement from Tennova 314-D	\$ 1,053.35	
TI - Reimbursement from Tennova 314-G	\$ 705.71	
Monthly Rent and TI reimbursement Receipts	\$ 52,765.16	
Gross Expected Receipts - Annualized	\$ 633,181.92	\$ 84,019.80
Operating Expenses - 12 months ending 12/31/2020		
Maintenance Exp - Merchant Village MV55	\$ 12,148.04	
Maintenance Exp - 5210 Schubert	\$ 6,344.62	
Commission Exp - MV	\$ -	
Commission Exp - MV5210	\$ -	
City Property Tax - MV55 Merchants	\$ 29,034.40	
City Property Tax - MV56 5210 Schubert	\$ 5,604.65	
Knox County Property Tax - MV55 Merchant Village	\$ 24,983.00	
Knox County Property Tax - 5210 Schubert	\$ 4,823.00	
Knox County Property Tax - 5208 Schubert	\$ 611.00	
MV55 Merchants Vlg Prof Svc Exp	\$ 200.00	
Electric Expense - Merchant Village MV55	\$ 6,143.20	
Electric Expense - 5210 Schubert Rd	\$ 1,721.64	
Water Exp - Merchant Village MV55	\$ 4,030.11	
Water Exp - 5210 Schubert	\$ 441.98	
NatGasExp - Merchant Village MV55	\$ 398.04	
NatGasExp - 5210 Schubert	\$ 180.53	
Trash Pickup - Merchants MV55	\$ 16,059.00	
Insurance Exp - Merchant Village MV55	\$ 8,051.09	
Insurance Exp - 5210 Schubert	\$ 1,954.82	
MV55 Security Service Expense	\$ 5,133.12	
5210 Schubert Security Expense	\$ 4,271.22	
Lawn Care Merchant Village	\$ 3,930.00	
Operating Expenses - 2020	\$ 136,063.46	
Management Fees - Projected for Purchaser (4% of 633,181.92)	\$ 25,327.28	
Projected year 1 - Operating Expenses	\$ 161,390.74	
Projected year 1 - NOI for Purchaser	\$ 555,810.98	



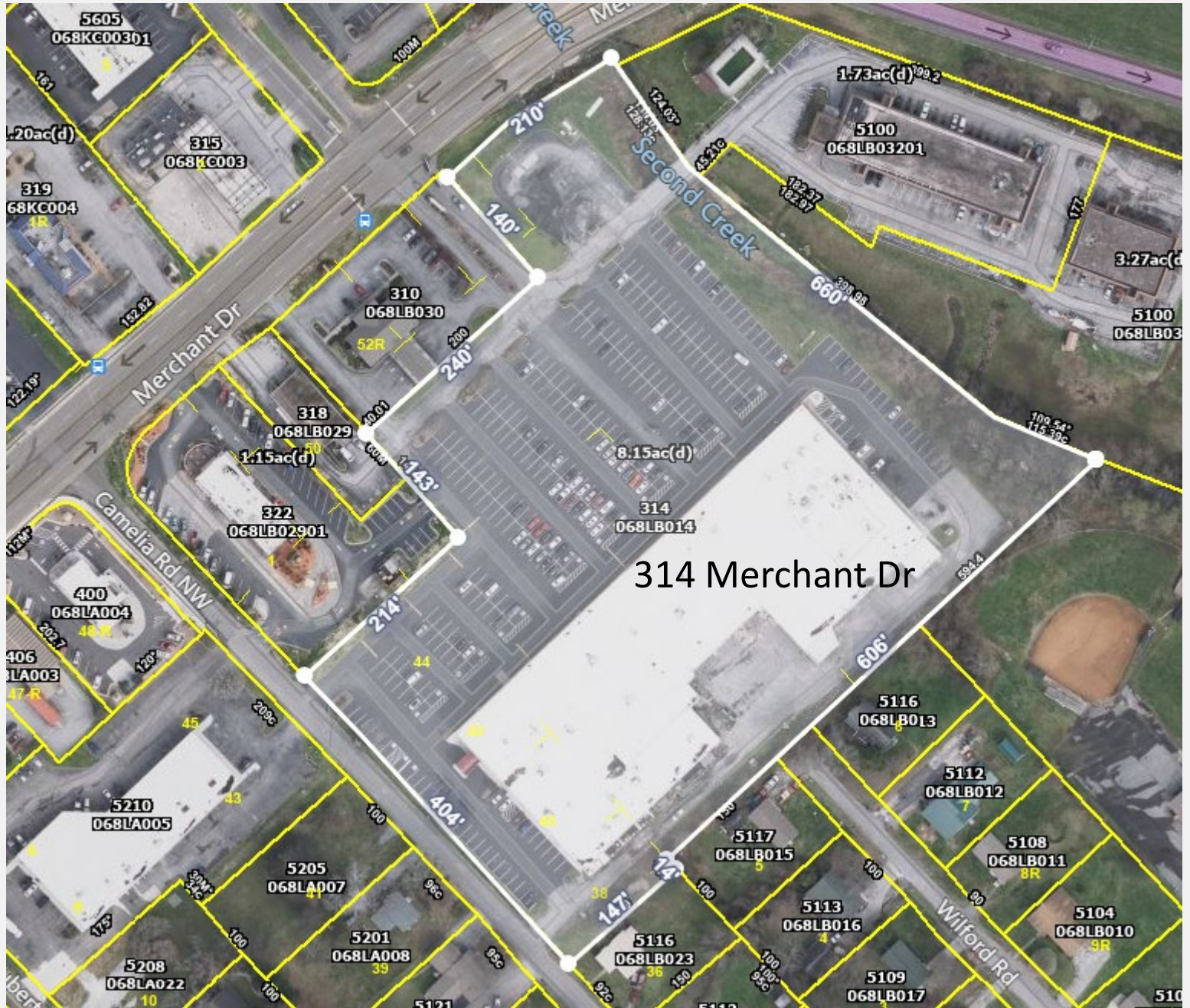


314  
Merchant  
Drive



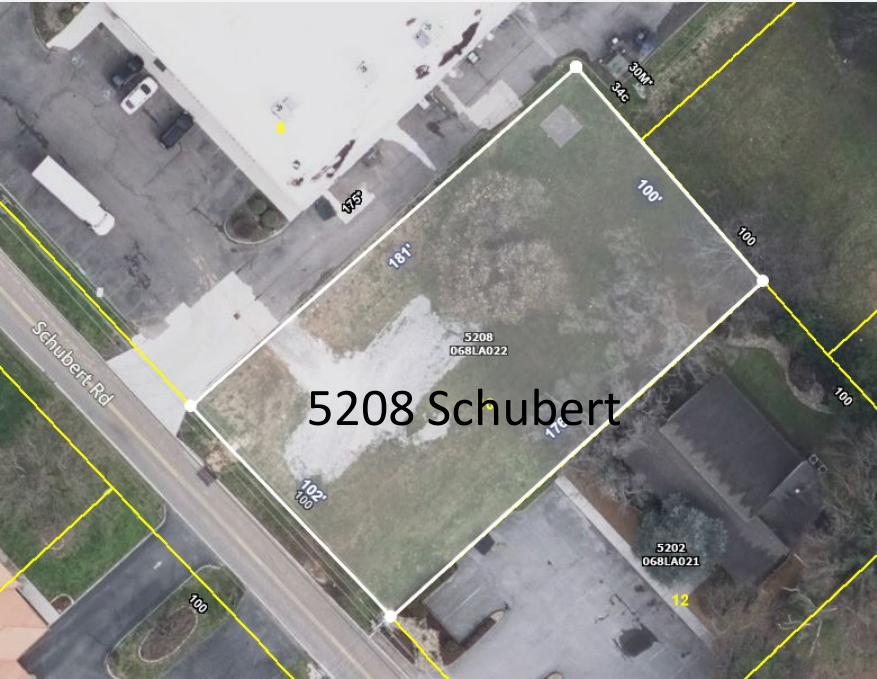
5210  
Schubert  
Drive





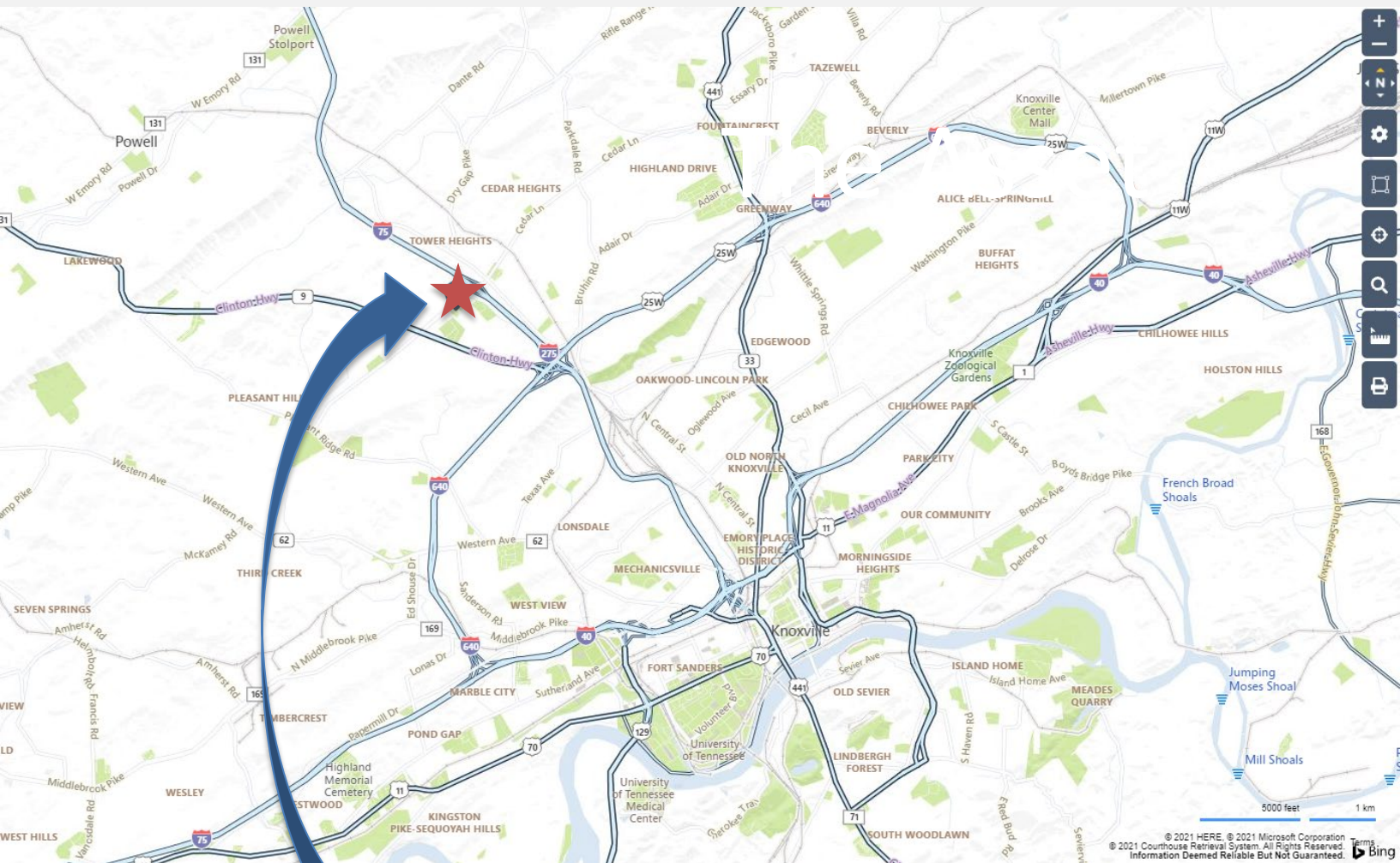


## Parcel Map Annex – 5210 Schubert Rd





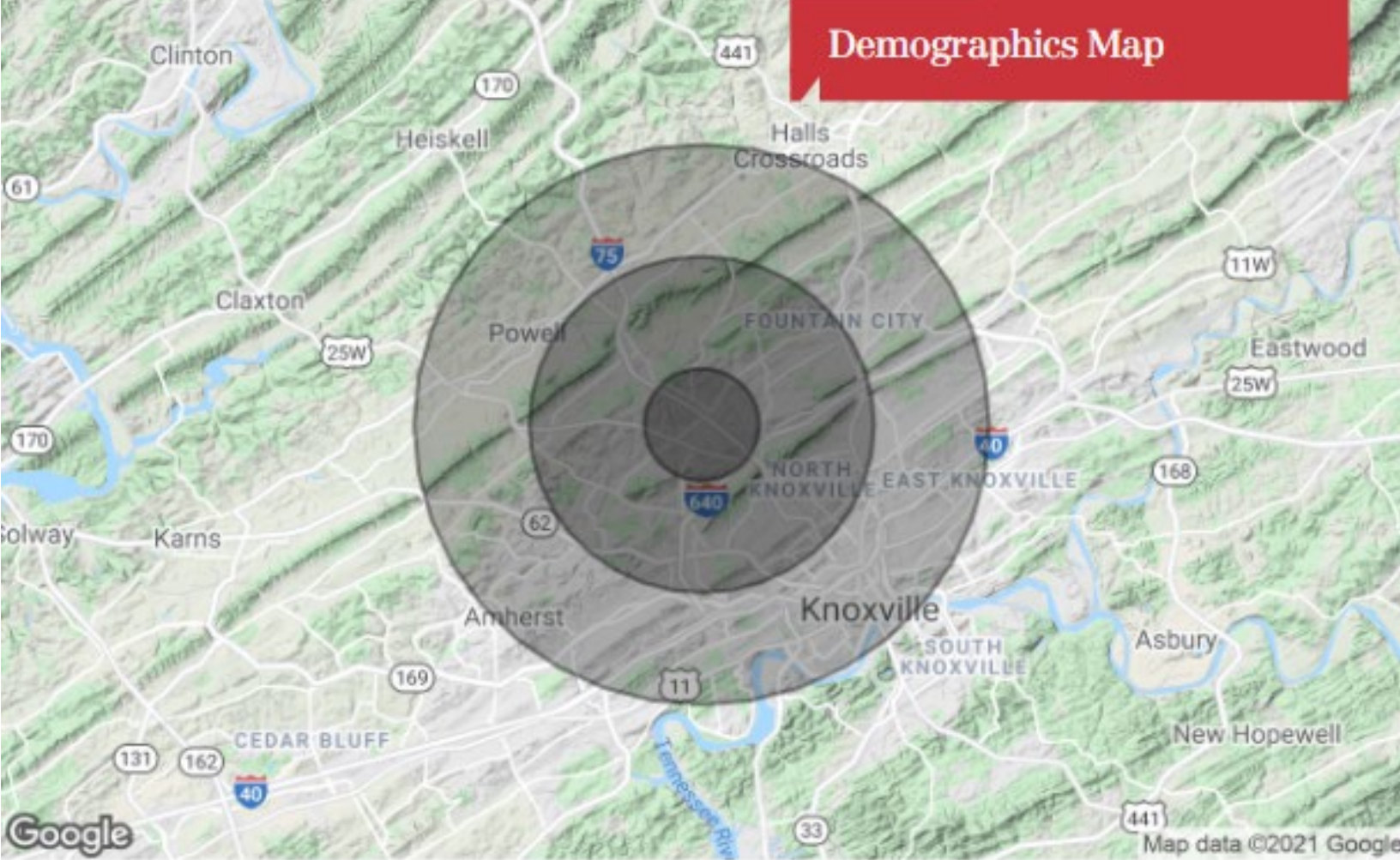
# Road Map Knoxville, Tennessee



Merchant Village Shopping Center



# Demographics Map



## Population

	1 Mile	3 Miles	5 Miles
TOTAL POPULATION	7,123	54,361	142,373
MEDIAN AGE	35.6	35.8	34.8
MEDIAN AGE (MALE)	34.2	34.7	33.6
MEDIAN AGE (FEMALE)	36.7	37.0	36.0

## Households & Income

	1 Mile	3 Miles	5 Miles
TOTAL HOUSEHOLDS	3,506	25,285	63,982
# OF PERSONS PER HH	2.0	2.1	2.2
AVERAGE HH INCOME	\$42,697	\$41,465	\$44,259
AVERAGE HOUSE VALUE	\$114,268	\$115,671	\$132,605

## Race

	1 Mile	3 Miles	5 Miles
% WHITE	91.8%	83.1%	85.0%
% BLACK	6.8%	14.6%	12.2%
% ASIAN	0.1%	0.7%	1.4%
% HAWAIIAN	0.0%	0.0%	0.0%
% INDIAN	0.1%	0.2%	0.3%
% OTHER	1.1%	1.4%	1.0%

## Ethnicity

	1 Mile	3 Miles	5 Miles
% HISPANIC	3.8%	4.5%	3.8%

\* Demographic data derived from 2010 US Census





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