



Premier IOS Offering Outside of Nashville | 2.50% Annual Increases | 133,000+ People in 5-Miles



OFFERING MEMORANDUM
LA VERGNE, TENNESSEE (NASHVILLE MSA)

Marcus & Millichap
THE SULO GROUP

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Exclusively Listed by:

Dominic Sulo
Senior Managing Director
CHICAGO OAKBROOK
Tel: (630) 570-2171
DSulo@marcusmillichap.com
License: IL 475.134920

Co-Listed With:

Brett Winger
Associate
Tel: (407) 334-7548
brett.winger@outlook.com
License: IL 475.173343

Broker of Record:

Jody McKibben
Regional Manager
License: 307629

Marcus & Millichap

Oakbrook, IL
1 Mid America Plaza #200
Oakbrook Terrace, IL 60181
P: +1 630-570-2200

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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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OFFERING SUMMARY

PROPERTY ADDRESS

H&E Rentals

1231 Bridgestone Parkway
La Vergne, TN 37086

OFFERING SUMMARY

Price:	\$4,608,000
Cap Rate:	5.75%
Net Operating Income:	\$264,915
Building Square Footage:	14,225 Sq Ft
Year Built Renovated:	1994 2021
Lot Size:	+/- 9.13 Acres

LEASE SUMMARY

Tenant:	H&E Rentals
Guaranty:	Corporate
Rent Commencement:	1/25/2021
Lease Expiration:	4/30/2031
Lease Term:	10 Years, 3 Months
Lease Type:	Double Net
Roof and Structure:	Landlord Responsible
Rental Increases:	2.50% Annual Increases
Renewal Options:	Two, Two-Year
Right of First Refusal:	No

OPERATING DATA

Year	Start Date	End Date	Annual Rent	Cap Rate	
5	2/1/2025	1/31/2026	\$264,915	5.75%	
6	2/1/2026	1/31/2027	\$271,538	5.89%	
7	2/1/2027	1/31/2028	\$278,326	6.04%	
8	2/1/2028	1/31/2029	\$285,284	6.19%	
9	2/1/2029	1/31/2030	\$292,417	6.35%	
10	2/1/2030	4/30/2031	\$299,727	6.50%	
11	(Option 1)	5/1/2031	4/30/2032	\$307,220	6.67%
12		5/1/2032	4/30/2033	\$314,901	6.83%
13	(Option 2)	5/1/2033	4/30/2034	\$322,773	7.00%
14		5/1/2034	4/30/2035	\$330,843	7.18%

INVESTMENT HIGHLIGHTS

- **Strong Corporate Guarantee from H&E Equipment Services (NASDAQ: HEES)**
 - H&E Equipment Services is one of the largest integrated equipment services companies in the United States with over 160 branch locations nationwide and is ranked #5 in the Top 100 Equipment Rental Companies in the United States by RER.
 - The company achieved over \$1.5 billion in total revenue in 2023 which represented an increase of 18.1% from 2022.
 - Through their branch expansion program and strategic acquisitions H&E Equipment Services added a record 17 branch locations in 2023, or a 14% increase to their branch network.
- **Strategically Located in the Nashville and Murfreesboro MSAs**
 - The subject property is ideally located off I-24 which is the main interstate connecting Nashville to Southeast Tennessee. This location was strategically selected by H&E to service customers in the South Nashville and greater Murfreesboro areas which are continuing to see massive population growth.
 - Murfreesboro is the sixth largest city in Tennessee, currently growing at a rate of more than 3.5%. Population growth since the 2010 census has exceeded 52%.
 - Nashville is the state's capital and largest city with a population of over 2 million residents in its metropolitan statistical area.
 - The La Vergne industrial corridor is one of the main industrial corridors in Nashville MSA: located 11 miles from Nashville International Airport and 18 miles from downtown Murfreesboro.
- **Extremely Low Vacancy Rate for Industrial Outdoor Storage (IOS)**
 - The subject property is ideally positioned for Industrial Outdoor Storage featuring a 14,225 square foot facility on 9.13 Acres (4+/- usable acres for outdoor storage). The property features a fully fenced yard area, offices, parts warehouse, and a repair shop with six service bays and an overhead crane.
 - Limited supply and increased demand have caused IOS vacancy to drop below 3% as of mid-2022, which is well below the historical average.
 - As of the second quarter of 2024, the industrial vacancy rate in the Nashville area was 3.4%, which is 140 basis points lower than the national average.
- **Long Term Net Lease with Strong Rental Increases**
 - H&E Equipment Services signed a new 10 Year and 3-month lease agreement in January 2021 displaying their long-term commitment to this branch location.
 - The Lease offers a strong hedge against inflation with scheduled annual rent increases of 2.5% throughout the base term and option periods.
 - H&E is operating under a Landlord favorable net lease in which the Landlord is only responsible for roof and structure.



AERIAL OVERVIEW



SAIA

SINOMAX

Inland Foods

CRANEWORKS RENTALWORKS

POWER EQUIPMENT

PROTRITION

GOALS

Firestone
BRIDGESTONE
Distribution Center

Thompson CAT

Subject Property
H&E RENTALS

Bridgestone Pkwy

AERIAL OVERVIEW



TENANT PROFILE

Founded in 1961, H&E is one of the largest equipment rental companies in the nation, providing the higher standard in equipment rentals. With locations across the United States, we're leveraging our national fleet of equipment with a local approach, working closely with customers to understand their needs and provide them reliability, fair prices, and the support of a first-class service team. We're an equipment company, run by equipment people.

In 2022, the company increased its footprint in existing states by opening new facilities in Fairburn, GA; El Dorado, AR; West San Antonio, TX; Indio, CA; and Hollywood, Lakeland, Ocala, and Palm Bay, FL, with the largest growth for the year in the state of Florida. Branch openings in New Castle, DE, and Philadelphia, PA, begin business operations in two new states.

The acquisition of One Source Equipment Rentals on October 1, 2022 adds 10 branches in the Midwest and Southeast, placing operations in three additional new states—Illinois, Indiana, and Kentucky—and into eight new markets. Branches now number 120 across 29 states.

In December 2022, the sale of the Komatsu earthmoving distributorship in the state of Louisiana to Waukesha Pearce Industries (WPI) effectively completes the transformation of the company to a pure-play rental business.

Company Type: Public
Location: Baton Rouge, Louisiana (160+ Locations)
Website: <https://he-equipment.com/>



1961
Year
Founded

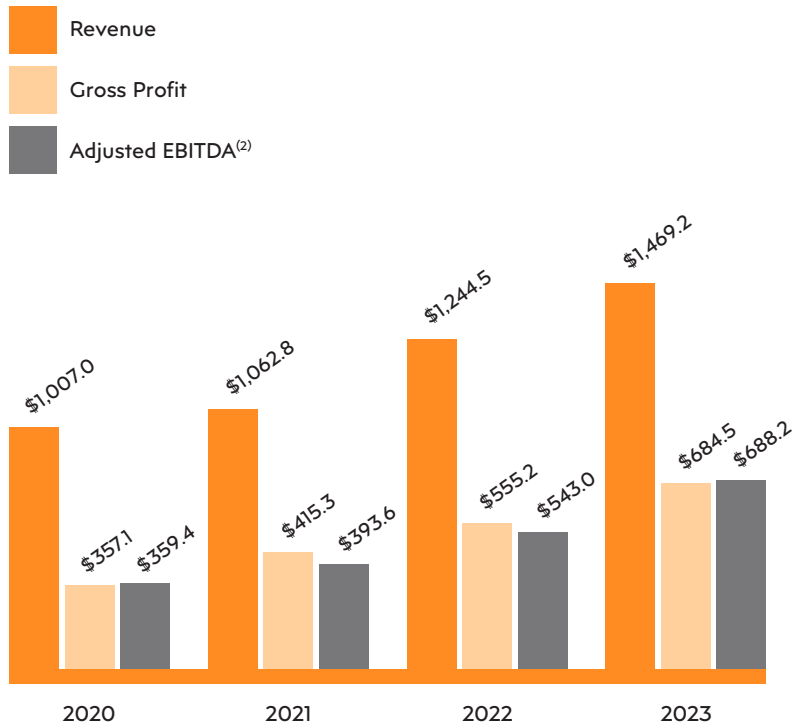
26.6%
Net Income Increase
from 2022

\$1.46B+
2023
Revenue

TENANT PROFILE

FINANCIAL METRICS 2023 KEY FINANCIAL HIGHLIGHTS

Financial Results⁽¹⁾ (\$ in millions)



RECORD FINANCIAL PERFORMANCE

Resilient industry fundamentals, impressive fleet growth and strong branch expansion contributed to another year of robust financial performance. Record results were reported for total revenues, gross profit and Adjusted EBITDA. Also, for the first time in the Company's 62-year history, revenues from rental equipment exceeded \$1.0 billion following the transition to a pure rental focus.

Revenue

\$1,469.2M, up 18.1% from 2022

Gross Profit

\$684.5M, up 23.3% from 2022 and representing 46.6% of revenue

Income from Operations

\$276.7M, up 21.3% from 2022

Net Income

\$169.3M, up 26.6% from 2022

Adjusted EBITDA⁽²⁾

\$688.2M, or 46.8% of revenue, up 320 basis points from 2022

Increase in Fleet
Original Equipment Cost

18.3%



Increase in
Rental Rates

5.6%



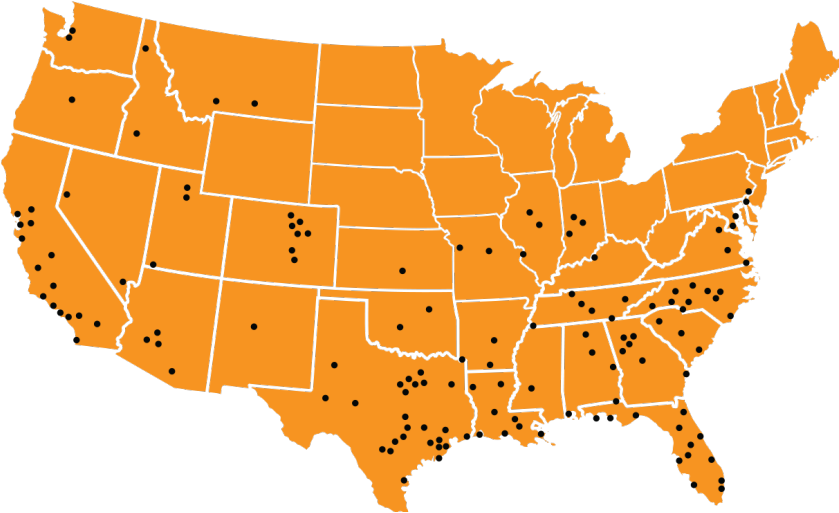
(1) On a continuing operations basis.

(2) Adjusted EBITDA from continuing operations is a non-GAAP financial measure. See the Supplemental Schedule following the Company's Form 10-K for a reconciliation to the comparable GAAP measure.

TENANT PROFILE

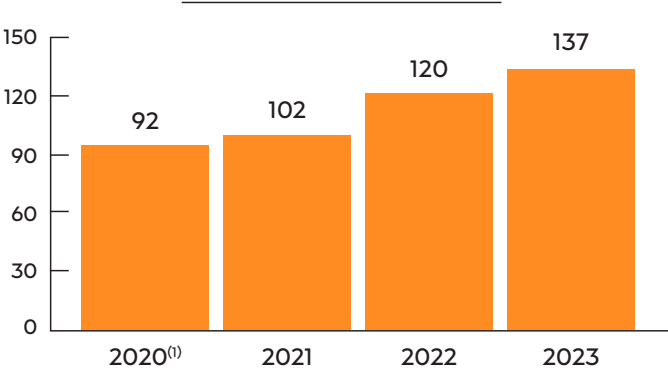
INDUSTRY LEADING EXPANSION

The Company added a record 17 new locations in 2023, combining the success of its accelerated branch expansion strategy with an acquisition. Since 2020, on a continuing operations basis, the Company has grown its branch network by 48.9%, establishing greater branch density throughout its geographic footprint and increased opportunities for customer engagement.



137 BRANCHES

IN 30 STATES



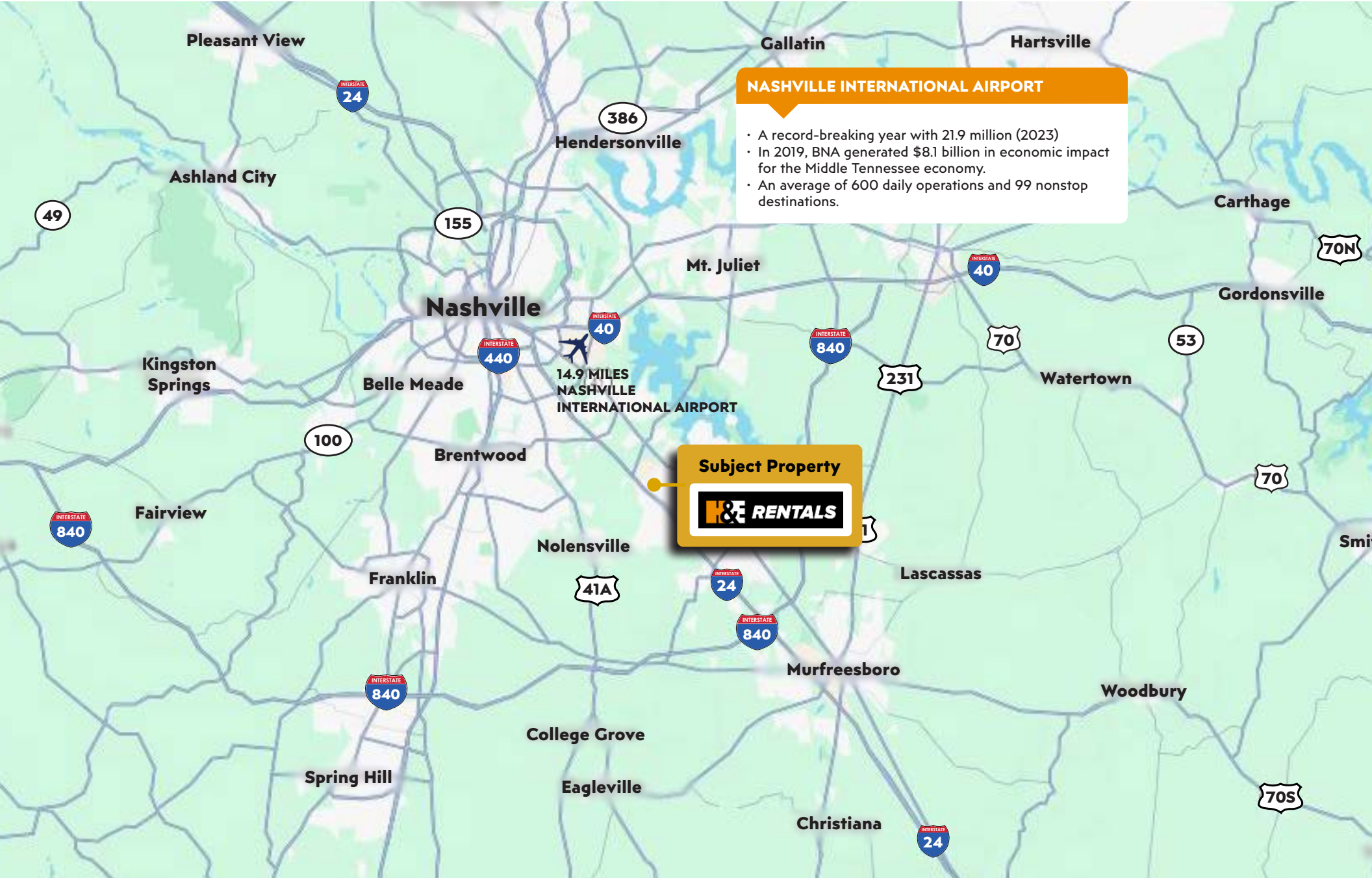
(1) On a continuing operations basis.

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PROPERTY PHOTOS



REGIONAL MAP



NASHVILLE INTERNATIONAL AIRPORT

- A record-breaking year with 21.9 million (2023)
- In 2019, BNA generated \$8.1 billion in economic impact for the Middle Tennessee economy.
- An average of 600 daily operations and 99 nonstop destinations.

14.9 MILES
NASHVILLE
INTERNATIONAL AIRPORT

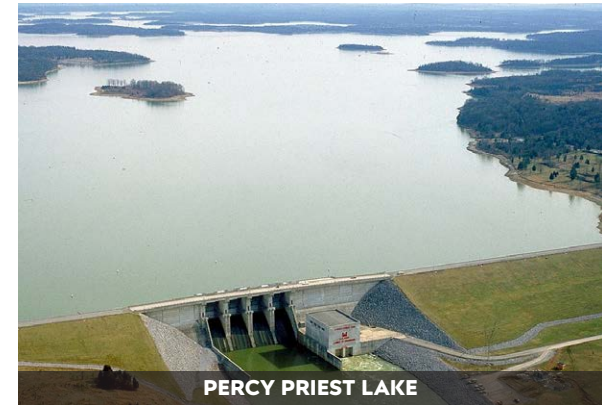
Subject Property



AREA OVERVIEW

LA VERGNE

- La Vergne, Tennessee is located within 15-miles of Nashville and Murfreesboro, Tennessee.
- La Vergne is a city by a beautiful lake. Percy Priest Lake offers many opportunities including fishing, boating, hiking, camping, and other outdoor fun.
- On the city side, you can find a camping area at Pool Knobs Recreation Area (off of Jones Mills Road).
- La Vergne restaurants include sit-down dining, fast food, multi-cultural cuisines, and a variety of locations. Whether you want burgers, chicken, steaks, seafood, Mexican, Chinese, Thai, or southern home cooking, you can find it in La Vergne.
- Ranked sixth in the state for being business-friendly by the Tennessee Center for Policy Research.
- home to the largest industrial park in the state, and has become a smart choice for international companies to set up headquarters, including Bridgestone, Ingram Books, Whirlpool Corporation and Singer Sewing Company.



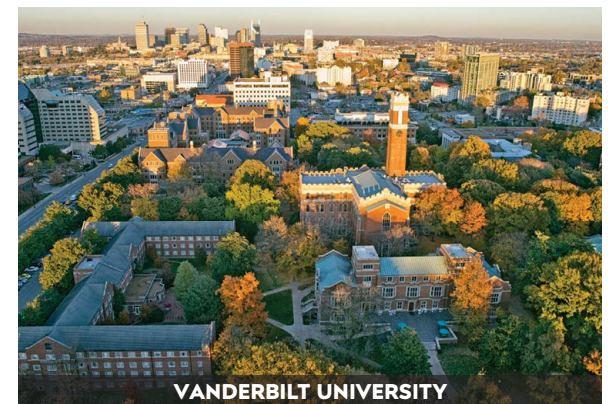
NASHVILLE

- Known as the cultural epicenter of country music, the Nashville metro contains roughly 2.1 million residents across 14 counties that span from highly urban to rural and sparsely populated.
- The metro is located in the north-central portion of the state of Tennessee, in a topographical region called the Central Basin.
- The Cumberland River, which juts through the region, adds to the local economic base and enhances Nashville's quality of life.
- Contributing to its economy, the metro has a strong intermodal infrastructure network, linking it to other population hubs in the south, midwest and northeast. E-commerce is also a growing presence, with Amazon's Operations Center of Excellence in the metro.
- Music is alive not only at the Grand Ole Opry, but also at the Ryman Auditorium, Fontanel Mansion, Schermerhorn Symphony Center and the Tennessee Performing Arts Center.
- The city's central location, combined with an international airport, port facilities on the Cumberland, and rail and highway connections, make it a distribution and transportation centre. Agriculture in the region includes tobacco, livestock, dairy products, corn, and soybeans.



ECONOMY


- Developers grew multifamily stock by a nationally-high 7.0 percent during 2023, and will follow that up with another 6.3 percent expansion in 2024, totaling almost 24,000 deliveries in two years.
- The local hospitality sector has additionally grown at one of the fastest paces in the country. Nashville's hotel room inventory grew by nearly 25 percent over the last five years, coinciding with a nationally-high over 22 percent increase in hotel room booking volumes.



DEMOGRAPHICS


POPULATION	1-MILE	3-MILE	5-MILE
2010 Population	1,209	27,183	98,826
2020 Population	1,592	35,794	131,699
2023 Population	1,603	35,742	133,243
2028 Population	1,696	39,580	150,248
HOUSEHOLDS			
2010 Households	424	9,757	37,049
2020 Households	593	12,535	46,642
2023 Households	616	13,428	50,723
2028 Households	655	14,918	57,392
OWNER OCCUPIED HOUSING UNITS			
2010 Owner Occupied Housing Units	76.4%	74.2%	65.1%
2020 Owner Occupied Housing Units	0.7%	0.7%	0.6%
2023 Owner Occupied Housing Units	73.5%	66.8%	63.0%
2028 Owner Occupied Housing Units	73.3%	66.9%	63.0%
RENTER OCCUPIED HOUSING UNITS			
2010 Renter Occupied Housing Units	23.6%	25.8%	34.9%
2020 Renter Occupied Housing Units	0.3%	0.3%	0.4%
2023 Renter Occupied Housing Units	26.6%	33.2%	37.0%
2028 Renter Occupied Housing Units	26.7%	33.1%	37.0%
AVERAGE HOUSEHOLD INCOME	\$98,286	\$82,895	\$86,652

AREA SNAPSHOT




133,243

POPULATION (5-MILE)




118,277

DAYTIME POPULATION (5-MILE)



9.6%

POPULATION GROWTH (2023-2028)



\$98,286

AVERAGE HOUSEHOLD INCOME (1-MILE)