

Investment Offering Memorandum

MAJORITY NNN LEASED

Non-Recourse, 10-Year, Fixed Rate Assumable Debt

400 Hardin Road, Little Rock, AR 72211



Moses Tucker
PARTNERS

501.376.6555 | mosestucker.com

Fletcher Hanson

*Principal, Executive Vice President & Principal
Broker*

501.952.4975

fhanson@mosestucker.com

John Martin, CCIM

*Principal & Vice President of
Brokerage*

501.554.2657

jmartin@mosestucker.com

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01 PROPERTY OVERVIEW

Offering Summary

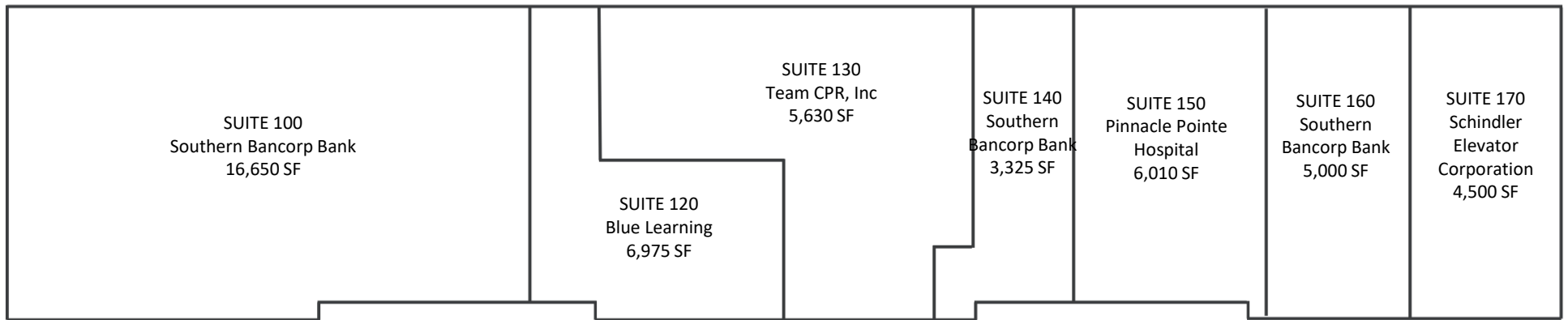
EQUITY REQUIREMENT:	\$2,950,000
LOAN BALANCE:	\$4,250,000
CASH ON CASH (3 YR. AVG.)	10.14%
PROPERTY ADDRESS:	400 Hardin Drive, Little Rock, AR
BUILDING SIZE:	±48,090 SF
LOT SIZE:	±4.88 Acres
YEAR BUILT:	1995
ZONING:	O-3; Office
PARKING:	180 spaces (3.75/1,000 SF)
OCCUPANCY:	100%
BUILDING CLASS:	Class B Professional Office & Medical Bldg.
TRAFFIC COUNTS:	42,000 VPD Financial Centre Pkwy



Property Highlights

- In-place, assumable debt with 10-year interest only term
- Property is occupied by professional tenants including Southern Bancorp Bank, Blue Learning, Team CPR, Pinnacle Pointe Hospital (Pinnacle Point is a subsidiary of Universal Health Services, Inc., a publicly traded company with top line revenue exceeding \$14 billion in 2023) and Schindler Elevator (Schindler Elevator is a subsidiary of Schindler Group, which is publicly traded)
- Located in the heart of West Little Rock business district, just off Financial Center Parkway on Hardin Road, near the I-630/I-430 Big Rock Interchange
- Lighted intersection at Hardin Rd/Financial Centre Parkway
- Conveniently located close to hotels, restaurants, banking, and shopping
- Strong historical occupancy
- Price is well below replacement costs (15% to 20%)
- Below market rents, which could be in excess of \$17.00 PSF

03 TENANT SUITES

































02 LOCATION MAP

Located just off Financial Center Parkway on Hardin Road, near the I-630/I-430 Big Rock Interchange.

02 LOCATION MAP

Located just off Financial Center Parkway on Hardin Road, near the I-630/I-430 Big Rock Interchange.



USGS
science for a changing world

COURTYARD
Marriott

extended
STAY
AMERICA

Proposed
Starbucks

FIRST SERVICE BANK

EAGLE BANK
& TRUST

Crafton Tull

Financial Centre Parkway
50,000 VPD

S Shackelford Road
25,000 VPD

Interstate 430 - 96,000 VPD

DELTA
HOTELS
MARRIOTT

AMERICAN FREIGHT
FURNITURE - MATTRESS

Denny's

BARNES & NOBLE
TRADER JOE'S
pop shelf
PET SMART

ihop

Simmons Bank

LENNYS
GRILL & PUBS

KOBE
Japanese Steak & Sushi

EMBASSY SUITES
by Hilton

The Butcher Shop
STEAKHOUSE

REGIONS

03 FINANCIAL ANALYSIS

Assumptions

Financing	
Sales Price	\$7,200,000
Cap Rate	8.23%
Proforma Cash on Cash (3 Year Avg.)	10.14%
Financing	
Loan-to-Value (LTV)	59%
Loan-to-Value (LTV) - Y3	46%
Interest Coverage Ratio - Y1	1.94
Interest Rate - Annually	7.19%
Interest Rate - Monthly	0.58%
Issuance fee	
Amortization	Interest Only
Maturity	-
Interest Pmt (Yr 1)	-\$305,575
Total Pmt (Yr 1)	-\$305,575

Sources & Use of Funds	
Source of Funds	
Loan Amount	\$4,250,000
Equity	\$2,950,000
Total Sources:	\$7,200,000

Debt Terms	
Terms:	Full Term Interest Only
Assumable:	Yes, with Lender Consent
Loan Balance:	\$4,250,000
Interest Rate:	7.19%
Maturity:	4/6/2034
Monthly Debt Service:	\$25,465
Annual Debt Service:	\$305,575

Exit Summary	
	Year 5
Forward NOI (Y6)	654,311
Applicable Cap Rate	7.00%
Implied Property Value	9,347,297
Sale Price	9,347,297
<i>Price / RSF</i>	194.37
Costs	
(-) Closing Cost	373,892
(-) Debt Outstanding	4,250,000
Return at Closing	4,723,405
Net Profit	3,329,954
Equity Multiplier	1.60

03 FINANCIAL ANALYSIS

Rent Roll

Rent Roll									TOTAL	
# of Units	Unit #	Status	Tenant	Lease Start	Lease End	% of Total	RSF	Rent / RSF	Monthly Rent	Annual Rent
1	100	Occupied	Southern Bancorp Bank	10/15/2020	2/28/2028	34.6%	16,650	\$13.39	\$18,579	\$222,944
1	120	Occupied	Blue Learning	1/1/2020	12/31/2025	14.5%	6,975	\$12.81	7,445	\$89,343
1	130	Occupied	Team CPR, Inc.	1/1/2020	12/31/2029	11.7%	5,630	\$12.99	6,094	\$73,129
1	140	Occupied	Southern Bancorp Bank	11/1/2022	2/28/2028	6.9%	3,325	\$13.39	3,710	\$44,522
1	150	Occupied	Pinnacle Pointe Hospital	12/1/2017	11/30/2025	12.5%	6,010	\$13.51	6,768	\$81,219
1	160	Occupied	Southern Bancorp Bank	11/1/2022	2/28/2028	10.4%	5,000	\$13.39	5,579	\$66,950
1	170	Occupied	Schindler Elevator Corporation	2/1/2006	11/30/2026	9.4%	4,500	\$15.91	5,965	\$71,586
7						100.00%	48,090		\$54,141	\$649,692

03 FINANCIAL ANALYSIS

Pro Forma

Property Pro-Forma										
Potential Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$649,692	\$662,685	\$675,939	\$689,458	\$703,247	\$717,312	\$731,658	\$746,291	\$761,217	\$776,442
CAM Reimbursements	74,592	76,084	77,606	79,158	80,741	82,356	84,003	85,683	87,396	89,144
Other	2,500	2,525	2,550	2,576	2,602	2,628	2,654	2,680	2,707	2,734
Total Potential Income	726,784	741,294	756,095	771,191	786,589	802,295	818,315	834,654	851,321	868,320
Operating Expenses (OPEX)										
Janitorial	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171
Landscaping & Grounds	16,000	16,320	16,646	16,979	17,319	17,665	18,019	18,379	18,747	19,121
Utilities & Service Expenses	22,000	22,440	22,889	23,347	23,814	24,290	24,776	25,271	25,777	26,292
Management	21,804	22,239	22,683	23,136	23,598	24,069	24,549	25,040	25,540	26,050
Real Estate Taxes	55,034	56,135	57,257	58,403	59,571	60,762	61,977	63,217	64,481	65,771
Insurance	13,200	13,464	13,733	14,008	14,288	14,574	14,865	15,163	15,466	15,775
Total OPEX	134,038	136,718	139,451	142,239	145,083	147,984	150,943	153,961	157,040	160,180
Net Operating Income	592,746	604,577	616,644	628,952	641,506	654,311	667,372	680,693	694,281	708,140
NOI Margin		81.56%	81.56%	81.56%	81.56%	81.55%	81.55%	81.55%	81.55%	81.55%
(-) Interest Payment	305,575	305,575	305,575	305,575	305,575	305,575	305,575	305,575	305,575	305,575
(-) Principal Payment	0	0	0	0	0	0	0	0	0	0
Debt Service Total	305,575	305,575	305,575	305,575	305,575	305,575	305,575	305,575	305,575	305,575
Cash Flow After DS	287,171	299,002	311,069	323,377	335,931	348,736	361,797	375,118	388,706	402,565
Cash on Cash	9.73%	10.14%	10.54%	10.96%	11.39%	11.82%	12.26%	12.72%	13.18%	13.65%
Ending Permanent Loan Balance	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000	4,250,000
Debt yield	13.95%	14.23%	14.51%	14.80%	15.09%	15.40%	15.70%	16.02%	16.34%	16.66%
Interest Coverage Ratio	1.94	1.98	2.02	2.06	2.10	2.14	2.18	2.23	2.27	2.32

04 COMPARABLE PROPERTIES

Sold Comps



401 Hardin Rd, Little Rock, AR

Office Building
Year Built: 1994
Lot Size: 2.57 AC
Building Size: 19,005 SF
Sale Date: 2/7/22
Sale Price: \$3,490,000 (\$183.64/SF)



11825 Hinson Rd, Little Rock, AR

Office Building
Year Built: 1990
Lot Size: 0.75 AC
Building Size: 8,820 SF
Sale Date: 11/8/21
Sale Price: \$1,400,000 (\$158.73/SF)



1429 Merrill Dr, Little Rock, AR

Office Building
Year Built: 1995
Lot Size: 0.74 AC
Building Size: 8,943 SF
Sale Date: 8/31/20
Sale Price: \$1,200,000 (\$134.18/SF)



14 Office Park Dr, Little Rock, AR

Office Building
Year Built: 1982
Lot Size: 0.56 AC
Building Size: 6,099 SF
Sale Date: 5/17/22
Sale Price: \$760,000 (\$124.61/SF)



1309 Old Forge Road, Little Rock, AR

Office Building
Year Built: 2006
Lot Size: 2.41 AC
Building Size: 14,248 SF
Sale Date: 12/1/20
Sale Price: \$1,837,500 (\$128.97/SF)



1520 Riverfront Dr, Little Rock, AR

Office Building
Year Built: 2002
Lot Size: 2.12 AC
Building Size: 24,000 SF
Sale Date: 12/23/20
Sale Price: \$2,923,880 (\$121.83/SF)

Note: Sale Comparables were selected by agent via CoStar. Buyers are responsible for performing their own market analysis.

04 COMPARABLE PROPERTIES

Lease Comps



204 Executive Ct, Little Rock, AR

Office Building
Year Built: 1990
Building Size: 19,884 SF
Available Space: 1,753 SF
Lease Rate: \$23.66/SF FSG
NNN Equivalent: \$16.66/SF



10802 Executive Center Dr, Little Rock, AR

Office Building
Year Built: 1982
Building Size: 46,034 SF
Available Space: 15,787 SF
Lease Rate: \$22.50/SF FSG
NNN Equivalent: \$15.50/SF



11219 Financial Centre Pkwy, Little Rock, AR

Office Building
Year Built: 1986
Building Size: 32,767 SF
Available Space: 11,459 SF
Lease Rate: \$22.00/SF FSG
NNN Equivalent: \$15.00/SF



10800 Financial Centre Pkwy, Little Rock, AR

Office Building
Year Built: 1985
Building Size: 116,528 SF
Available Space: 8,051 SF
Lease Rate: \$21.20/SF FSG
NNN Equivalent: \$14.20/SF



904 Autumn Road, Little Rock, AR

Office Building
Year Built: 1996
Building Size: 63,488 SF
Available Space: 10,175 SF
Lease Rate: \$21.00/SF FSG
NNN Equivalent: \$14.00/SF

Note: Lease Comparables were selected by agent via CoStar. Buyers are responsible for performing their own market analysis.

05 TENANT PROFILES



Tenant Name	Southern Bancorp Bank
Website	www.bankssouthern.com
Headquartered	Little Rock, AR
Rentable SF	24,975 SF
Percentage of RBA	52%
Lease Commencement	10/15/20
Lease Expiration	2/28/28
No. of Locations	43

Southern Bancorp is a unique financial institution that was founded to help strengthen underserved communities through financial access and investment. By combining traditional banking and lending services with financial development tools ranging from credit counseling to public policy advocacy, Southern Bancorp helps underserved families and communities grow financially stronger – regardless of zip code. Southern Bancorp’s mission is to create economic opportunity in rural and underserved communities by providing responsible and responsive financial products and services that balance profits with purpose.

Tenant Name	Blue Learning (Responsive Ed)
Website	www.responsiveed.com
Headquartered	Lewisville, TX
Rentable SF	6,975 SF
Percentage of RBA	15%
Lease Commencement	1/1/20
Lease Expiration	12/31/25
No. of Locations	87

In addition to Premier, our dropout recovery and prevention schools, we have developed a line of classical academies, STEM, and early college high schools, as well as several virtual school options, all with the intention of offering students and parents the choices that help them fulfill their dreams.

Tenant Name	Team CPR, Inc
Website	www.teamcprinc.com
Headquartered	Little Rock, AR
Rentable SF	5,630 SF
Percentage of RBA	12%
Lease Commencement	1/1/20
Lease Expiration	12/31/29
No. of Locations	1

CPR began by offering flexible solution-based results for the needs of physicians and provider offices. We also provide other administrative support and IT support services for almost any sized office environment. Our goal is to be an extension of your office, filling day-to-day needs and helping you function more effectively.

05 TENANT PROFILES



Tenant Name	Pinnacle Pointe Hospital
Website	www.thepointebhs.com
Headquartered	Little Rock, AR
Rentable SF	6,010 SF
Percentage of RBA	12%
Lease Commencement	12/1/17
Lease Expiration	11/30/25
No. of Locations	12

The Pointe offers a wide range of outpatient services across Arkansas with service delivery models to fit the various needs of patients as young as age 5. We address a variety of emotional/behavioral health needs for children, teens and adults in a traditional clinic-based setting, but we’re also able to offer support by providing options for therapy sessions in the school or home. As a part of Pinnacle Pointe Behavioral Health System, we bring over 25 years of experience providing quality care to children and adolescents. At The Pointe, we bring that same experience and attention when treating our adult population. Pinnacle Pointe is a subsidiary of Universal Health Services, Inc., a publicly traded company that does \$14 + billion in revenue with a \$11 + billion market cap.

Tenant Name	Schindler
Website	us.Schindler.com
Headquartered	Morristown, New Jersey
Rentable SF	6,975 SF
Percentage of RBA	15%
Lease Commencement	2/1/06
Lease Expiration	11/30/26
No. of Locations	160

With U.S. headquarters in Morristown, New Jersey, and Canadian headquarters in Toronto, Ontario, Schindler Elevator Corporation is the North American operating entity of the Switzerland-based Schindler Group. Schindler is one of the leading global manufacturers of elevators, escalators and moving walks. Schindler employs over 6,000 people in more than 160 locations in North America. Founded in 1874 in Lucerne, Switzerland, by precision engineer Robert Schindler, it is a closely held company and is listed on the Swiss stock exchange. Schindler manufactures, installs, maintains and modernizes mobility solutions for almost every type of building requirement worldwide. The company specializes in latest-technology engineering, as well as mechanical and micro-technology products designed and rigorously tested for comfort, efficiency and reliability. Schindler products can be found in many well-known buildings throughout North America, including office buildings, airports, shopping centers/retail establishments and specialty buildings.

06 MARKET OVERVIEW

The Little Rock-North Little Rock-Conway Metropolitan Statistical Area, is the most populous metro in the US State of Arkansas. With an estimated 2020 population of over 748,031, it is the most populated area in Arkansas. Often considered “Where America Comes Together,” as 40% of the nation’s population and buying power is within a 550-mile radius of the city. The nation’s most heavily traveled Interstate, I-40, also runs through Little Rock. Little Rock is the state’s capital, and the city is also home to two Fortune 500 companies, Arkansas Children's Hospital, and University of Arkansas for Medical Sciences (UAMS). The city is also a center for several major industries including advanced manufacturing, aerospace, agriculture, banking and finance, education, government, healthcare, and technology. With a variety of business sectors, Little Rock has been recognized as a Forbes Top 200 “Best Places for Business and Careers.”



DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
POPULATION	71,604	133,291	312,245
HOUSEHOLDS	31,615	57,871	130,914
AVERAGE AGE	39.1	39.1	38.8
AVERAGE HH INCOME	\$89,206	\$93,837	\$84,091
BUSINESSES	3,028	5,156	11,326
EMPLOYEES	60,667	104,340	231,458

Demographics

Based On 10 Mile Radius Around The Property



312,245

Population

130,914

2021 Households

38.8

Average Age (2021)

\$84,091

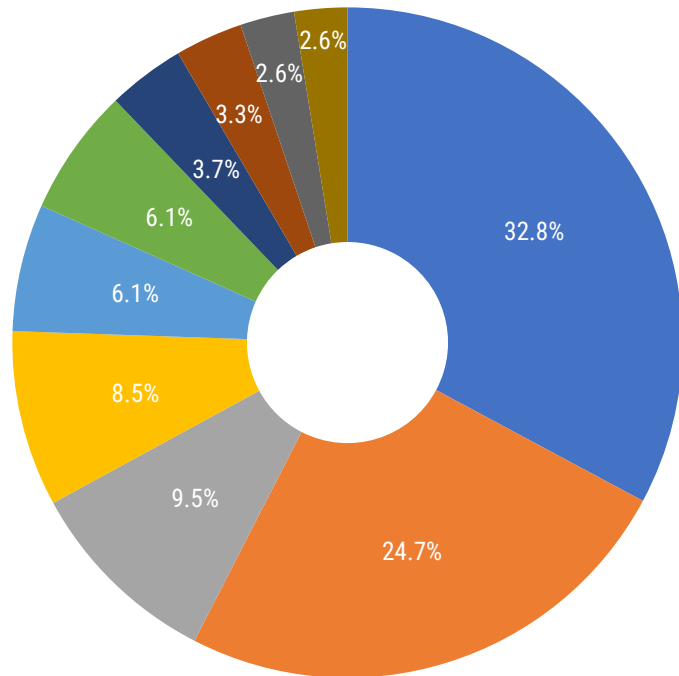
Average Household Income

11,326

Businesses (2021)

06 MARKET OVERVIEW

Major Employers



- State Government - 35,200
- Local Government - 26,500
- Federal Government - 10,200
- UAMS - 9,100
- Baptist Health - 6,590
- Little Rock Air Force Base - 4,500
- Arkansas Children's Hospital - 4,000
- Little Rock School District - 3,500
- Veterans Healthcare System 2,800
- Entergy Arkansas - 2,740



UAMS

UNIVERSITY OF ARKANSAS
FOR MEDICAL SCIENCES





Moses Tucker PARTNERS

Little Rock

HEADQUARTERS
200 River Market Ave
Suite 300
Little Rock, AR 72201
501.376.6555

Bentonville

BRANCH OFFICE
805 S Walton Blvd
Suite 123
Bentonville, AR 72712
479.271.6118

FOR MORE INFORMATION CONTACT:

Fletcher Hanson

Principal, Executive Vice President & Principal Broker
501.952.4975
fhanson@mosestucker.com

John Martin, CCIM

Principal & Vice President of Brokerage
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