

# CHENAL COMMONS







View to  
the East

DOWNTOWN  
LITTLE ROCK

BAPTIST HEALTH  
MEDICAL CENTER



CHENAL PKWY  
40,000 VPD

W MARKHAM ST  
21,000 VPD



SHOE  
CARNIVAL  
KIRKLAND'S

OLD NAVY









DAVID'S BRIDAL

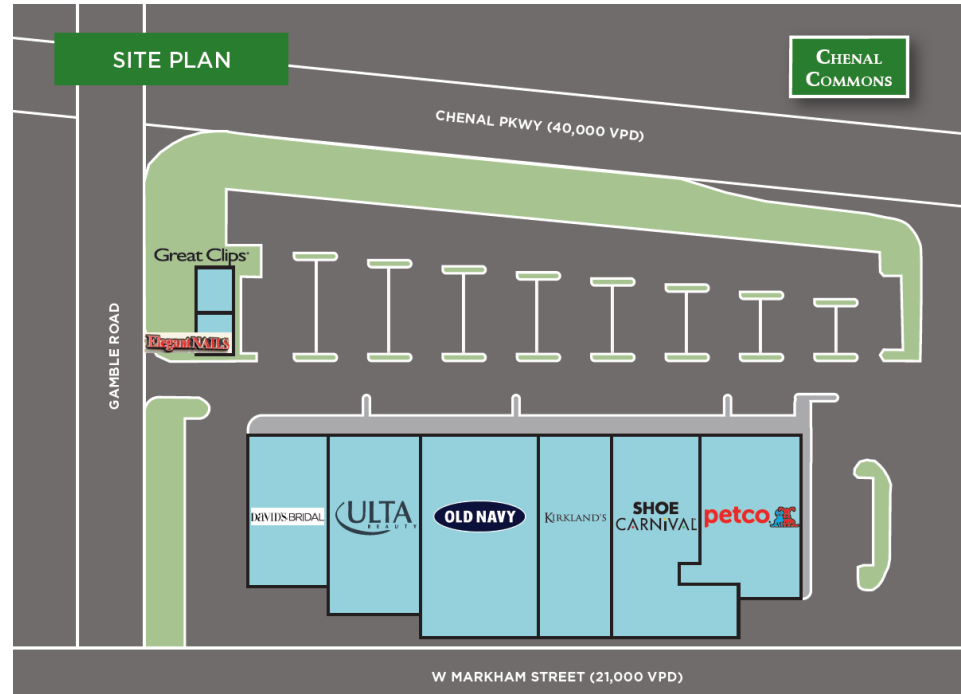
DAVID'S BRIDAL

Great Clips **Elegant NAILS**

CHENAL  
COMMONS

GAMBLE ST

Major Tenants	SF	% of GLA	% of REV	Lease EXP
	15,738	21.0%	19.1%	Feb-2026
	12,494	17.8%	16.9%	Mar-2028
	11,500	16.4%	19.2%	Jun-2031
	11,071	15.8%	15.0%	Aug-2027
	9,604	13.7%	9.8%	Jan-2026
	9,000	11.4%	14.1%	Dec-2029
<b>Total Major Tenants</b>	<b>68,047</b>	<b>97.0%</b>	<b>94.1%</b>	<b>-</b>
<b>SHOP TENANTS</b>				
Great Clips	1,100	1.6%	2.8%	Nov-2027
Elegant Nails	1,000	1.4%	3.1%	Jan-2026
<b>Total Shop Tenants</b>	<b>2,100</b>	<b>3.0%</b>	<b>5.9%</b>	<b>-</b>
<b>TOTAL OWNED GLA</b>	<b>70,147</b>	<b>100%</b>	<b>100%</b>	<b>-</b>







**Lessee:** Old Navy, LLC  
**Size:** 15,378 Square Feet  
**LXD:** February 28, 2026  
**Renewal Options:** None  
**Parent Company:** Gap Inc.  
**Public / Private:** Public (NYSE)  
**Ticker:** GPS

**Lessee:** Kirkland's Stores, Inc  
**Size:** 9,604 Square Feet  
**LXD:** January 31, 2026  
**Renewal Options:** None  
**Parent Company:** Kirkland's Inc  
**Public / Private:** Public (NASDAQ)  
**Ticker:** KIRK

**Lessee:** Petco Animal Supplies  
**Size:** 12,494 Square Feet  
**LXD:** March 31, 2028  
**Renewal Options:** Two, 5-yr options  
**Parent Company:** Petco Health and Wellness  
**Public / Private:** Public (NASDAQ)  
**Ticker:** WOOF

Old Navy is a subsidiary company of Gap Inc. In Nov 2019, Forbes called **Old Navy Gap's "Crown Jewel"** as the subsidiary contributed almost half of Gap's Inc. revenue. A few years later **in calendar year 2021, Old Navy accounted for 54.4% of Gap's revenue**, compared to 48.7% in 2019. Old Navy's revenue is up 12.5% in 2021 over 2019.

Gap has a strong balance sheet with only \$1.4 billion of long-term debt. The next maturity is 2029... this is a significant improvement from a year ago when Gap had \$2.2 billion maturing between 2023 and 2027. The firm was sitting on \$900 million of cash at YE 2021.

**In 2021, Kirkland's had its highest ever Operating Income (\$41M) and EBITDA (\$60M)** although revenue is down slightly from 2019. While Kirkland's has expanded its e-commerce offering with around 25% of orders coming in online approximately half of the online orders are fulfilled in store. This adds an opportunity for store add on sales which average 20% of in store fulfilled ecommerce sales. Kirkland's has been actively buying back shares, a positive signal from the company.

**The Chenal Kirkland's store is paying \$11 net rent. While ownership would incur re-tenanting costs should they elect to close or relocate the store, the opportunity would present serious upside to ownership with the two most recent leases inked in the \$20+ PSF range.**

**Petco revenue totaled \$5.8 billion in 2021, an 18% increase over the prior year.** The Pet services sector has grown by 83% on a two-year basis, this bodes well since virtually all services must be consumed in store.

Petco has excelled in customer loyalty with recurring revenue and membership driving increased retention and spend. Growth in recurring customer revenue was approximately 48% thru Q1 '22 over the same period a year earlier. Petco has also done very well with major adds in vital care subscriptions and grooming and nutrition memberships.



**Lessee:** Ulta Salon, Cosmetics & Fragrance  
**Size:** 11,500 Square Feet  
**LXD:** June 30, 2031  
**Renewal Options:** Three, 5-year fixed  
**Parent Company:** Ulta Beauty, Inc.  
**Public / Private:** Public (NASDAQ)  
**Ticker:** ULTA

**Lessee:** Shoe Carnival, Inc  
**Size:** 11,071 Square Feet  
**LXD:** August 31, 2027  
**Renewal Options:** Two, 5-year fixed  
**Parent Company:** Shoe Carnival, Inc  
**Public / Private:** Public (NASDAQ)  
**Ticker:** SCVL

**Lessee:** David's Bridal  
**Size:** 8,000 Square Feet  
**LXD:** December 31, 2029  
**Renewal Options:** None  
**Parent Company:** Oaktree Capital Mgmt  
**Public / Private:** Private  
**Ticker:** N/A

ULTA is the dominant player in the beauty and cosmetic arena and continues to execute on its long-term strategy to invest heavily in its omnichannel strategy to connects its digital and brick-and-mortar ecosystems.

**In 2021, ULTA's net sales equaled \$8.631 billion, a 16% increase over their 2019 net sales.** ULTA has been buying back shares with over \$1 billion of share repurchases in 2021, a positive sign of commitment from leadership.

2021 was a banner year for Shoe Carnival. The firm's earnings in 2021 exceed earnings in 2015-2020 combined.

**Operations completed its multiyear store productivity improvement plan which eliminated all underperforming stores. All remaining stores across their fleet generated positive cash flow and profit contribution at year-end 2021. Sales per square foot exceeded \$300 for the first time, compared to an average of \$250 psf historically.** Shoe Carnival has modernized approximately 25% of its fleet and will upgrade 50% by summer of 2023. All stores will be modernized by end of fiscal 2024.

The category mix is 50/50 between athletic and non-athletic shoes. Inventory per door is up over 2019 levels and Shoe Carnival is well positioned for back to school season.

David's Bridal has over 70 years of experience dressing its customers for special occasions. There are over 300 stores across the United States. While there are three David's Bridal stores across Arkansas this is the only store that serves the Little Rock MSA.

David's Bridal is a private company so revenue and other projections aren't publicly available. It is estimated that their annual revenue is \$160 million. The company did secure a \$70 million term loan from Canada Pension Plan Investment Board. In closing of the loan, the retailer said had \$63 million unrestricted cash on hand and no borrowings on its \$125 million line of credit.



# SageStreet Property Photography



## *Little Rock, Arkansas “THE ROCK”*

Situated at the base of the Ozark Mountains, Little Rock is the capital and most populous city in the state of Arkansas. The MSA is comprised of approximately 747,000 residents and 6 counties including Pulaski, for which Little Rock serves as the county seat.

Little Rock is the center of an economically diverse region home to state and regional governments, extensive healthcare industry, Little Rock Air Force Base, numerous corporate headquarters, well-developed infrastructure, tourism, and very low business costs. This unique diversity provides an exceptionally well-balanced economic environment which helps make it the economic focal point of the region.

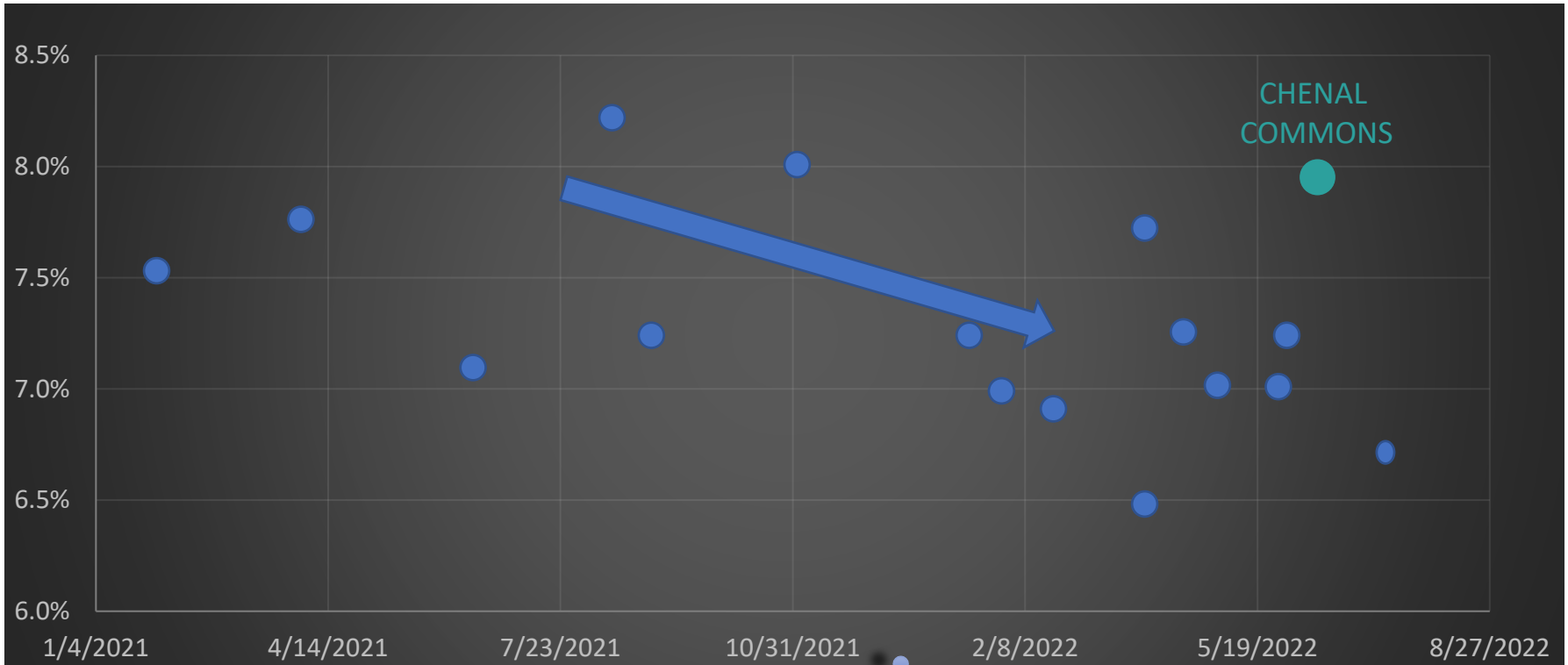
The city is the headquarters of Dillard’s, Windstream Communications, Axiom, Stephens Inc., University of Arkansas for Medical Sciences, Heifer International, the Clinton Foundation, the Rose Law Firm, and Arkansas Blue Cross Blue Shield. Other large corporations, such as Dassault Falcon Jet and LM Wind Power have significant operations in the city. Being the capital of Arkansas, state government is a large employer, spurring heavy investments in downtown Little Rock.

Trade Area Demographics	1-Mile	3-Mile	5-Mile	7-Mile
2021 Population	10,687	60,652	114,941	183,059
Projected 2026 Population	11,033	63,024	119,461	189,562
Projected 5-Year Population Growth	3.2%	3.9%	3.9%	3.6%
2021 Households	5,406	26,874	49,681	77,791
Average HH Income	\$87,458	\$97,520	\$100,094	\$92,960
% White Collar Workers	79.8%	78.9%	76.3%	72.1%
Median Age	34.9	38.1	38.8	37.4
% of Age 25+ w/ HS Degree or Higher	97.1%	95.5%	94.8%	92.8%





## Cap Rate Comparison



Property	Date Awarded	Cap Rate
League City Town Center	2/1/2021	7.50%
Deerbrook	4/1/2021	7.76%
Triangle	8/15/2021	8.20%
Bella Terra	6/15/2021	7.09%
River Market Place	9/1/2021	7.25%
McCain Plaza	11/1/2021	8.00%
Baybrook Passage	1/15/2022	7.25%
University SC	2/1/2022	7.00%

Property	Date Awarded	Cap Rate
Siegen	2/20/2022	6.90%
La Frontera	4/15/2022	7.25%
Louetta Central	6/1/2022	7.00%
Market Square	6/1/2022	7.24%
Lake Jackson	5/1/2022	7.00%
Lakeside Village	4/1/2022	6.50%
Lone Star Pavilion	+/- 07/08/22	6.75%
<b>CHENAL COMMONS</b>	<b>6/15/2022</b>	<b>7.83%</b>



## Renowned Healthcare Center

Healthcare is one of the primary economic drivers in Little Rock and employs 30,000+ people in the metropolitan area. Healthcare related employment is anchored by the University of Arkansas for Medical Sciences (UAMS) which has been ranked in the top 20% nationwide for federal research funding and is ranked 2nd nationally in terms of enrollment per acceptance.

UAMS is one of the biggest drivers in Arkansas. As the state's only comprehensive academic medical center, UAMS plays an integral role in educating the state's physician workforce as it has produced nearly half of Arkansas' practicing physicians. In rural parts of the state, UAMS trains an even higher percentage of the physicians, nearly 60%. UAMS and its affiliates represent an annual \$4.5 billion economic impact. UAMS is also the largest public employer in all of Arkansas.

In addition to the nationally renowned UAMS, Little Rock is home to and served by Baptist Health Medical Center, Arkansas Children's Hospital, Central Arkansas Veterans Healthcare System, CHI St. Vincent, and Arkansas Blue Cross Blue Shield. Little Rock continues to be a regional hub for people seeking medical care, healthcare employment, and healthcare education.



UAMS Campus in Little Rock



**\$4.5B**  
ECONOMIC  
IMPACT

## Access to Jobs and Education

The Property benefits from easy access to the metro’s vast healthcare employment base (30,000+). Over 30,000 people are employed in the healthcare and medical field in Pulaski County, which is home to over 20 hospitals. The only medical school in Arkansas is located in Little Rock, the University of Arkansas for Medical Sciences (UAMS). UAMS Bioventures promotes commercial investment in the development of inventions, discoveries, and other work products flowing from research at UAMS, Arkansas Children’s and Central Arkansas Veterans Healthcare System. UAMS and its affiliates represent an annual \$4 billion economic impact.

## I-630 Medical Corridor



HEALTHCARE PROVIDER	JOB/BEDES/STUDENTS
1. Pinnacle Pointe Behavioral Healthcare System	50 Jobs; 124 Beds
2. Arkansas Heart Hospital	200 Jobs; 110 Beds
3. Baptist Health	6,590 Jobs; 688 Beds
4. CHI St. Vincent	2,600 Jobs; 619 Beds
5. Arkansas State Hospital	90 Beds
6. UAMS	9,100 Jobs
7. Central Arkansas Veterans Healthcare System	2,800 Jobs; 1,500 Students & Residents
8. Arkansas Children’s Hospital	4,000 Jobs; 370 Beds

## PROXIMITY TO STATE AND LOCAL GOVERNMENT

The State of Arkansas, the City of Little Rock, and the Federal Government are the largest single employer in the Little Rock Area. Together they bring more than 60,000 jobs to the Little Rock MSA. Arbor Pointe at Hillcrest is within 4 miles of Little Rock’s Capitol Building and all adjacent government buildings making it a prime location for government employees.

## HIGHLY ACCESSIBLE TO UAMS

University of Arkansas for Medical Sciences (UAMS) is an internationally renowned research university and medical center, the core of the Little Rock Metro. UAMS serves as the region’s primary economic engine with a whopping \$3.9 Billion annual economic impact and over 10,000 jobs.

**#1**

**RANKED HOSPITAL IN THE STATE**

**60,000+**

**TOTAL JOBS (STATE & LOCAL GOV.)**

**10,000+**

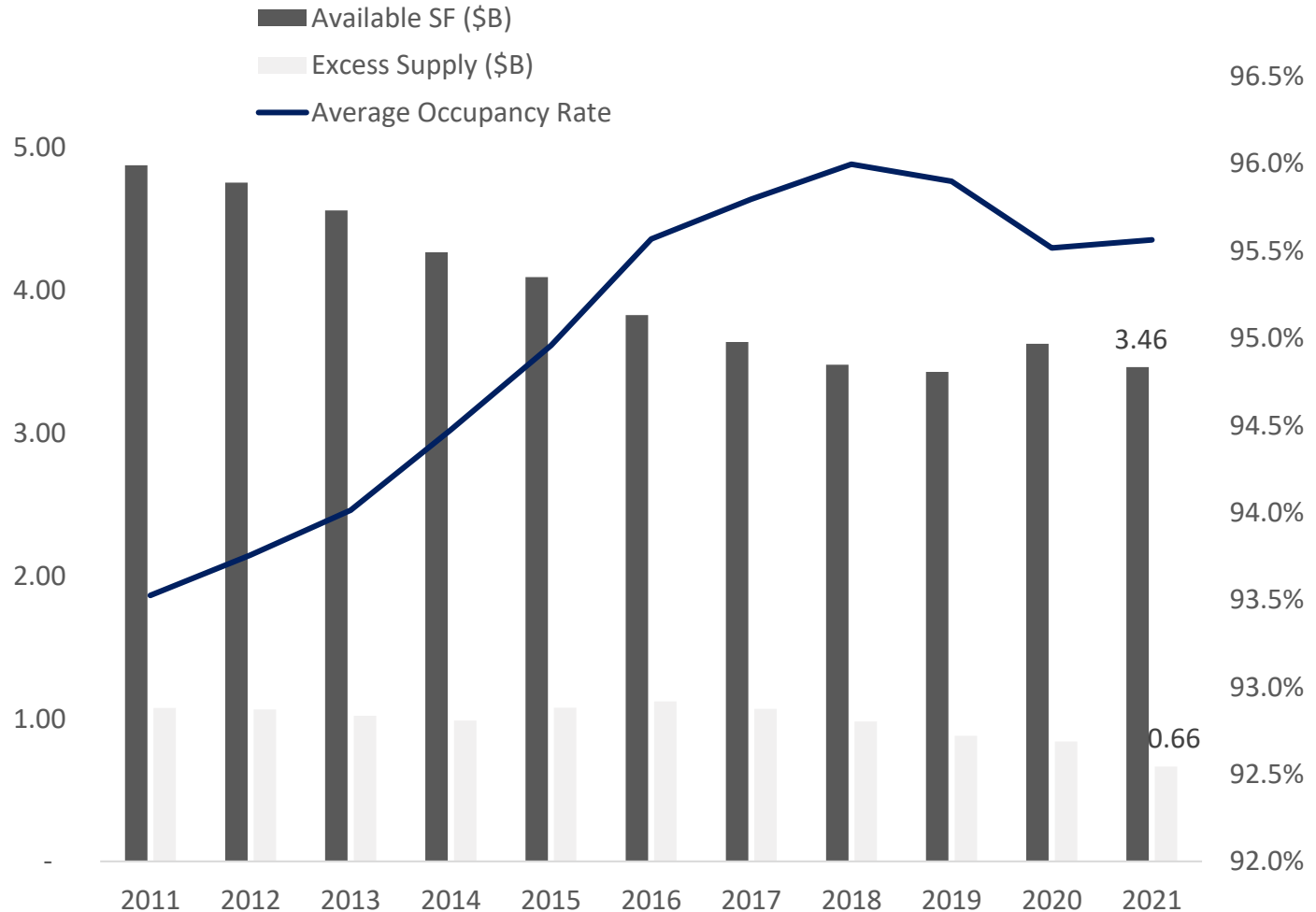
**TOTAL JOBS (UAMS)**



Total demand for retail space in 2021 has risen to 55.6b SF and inventory has risen to 58.4b SF. Since 2011, average annual retail inventory growth has lagged average demand growth by 0.22%.

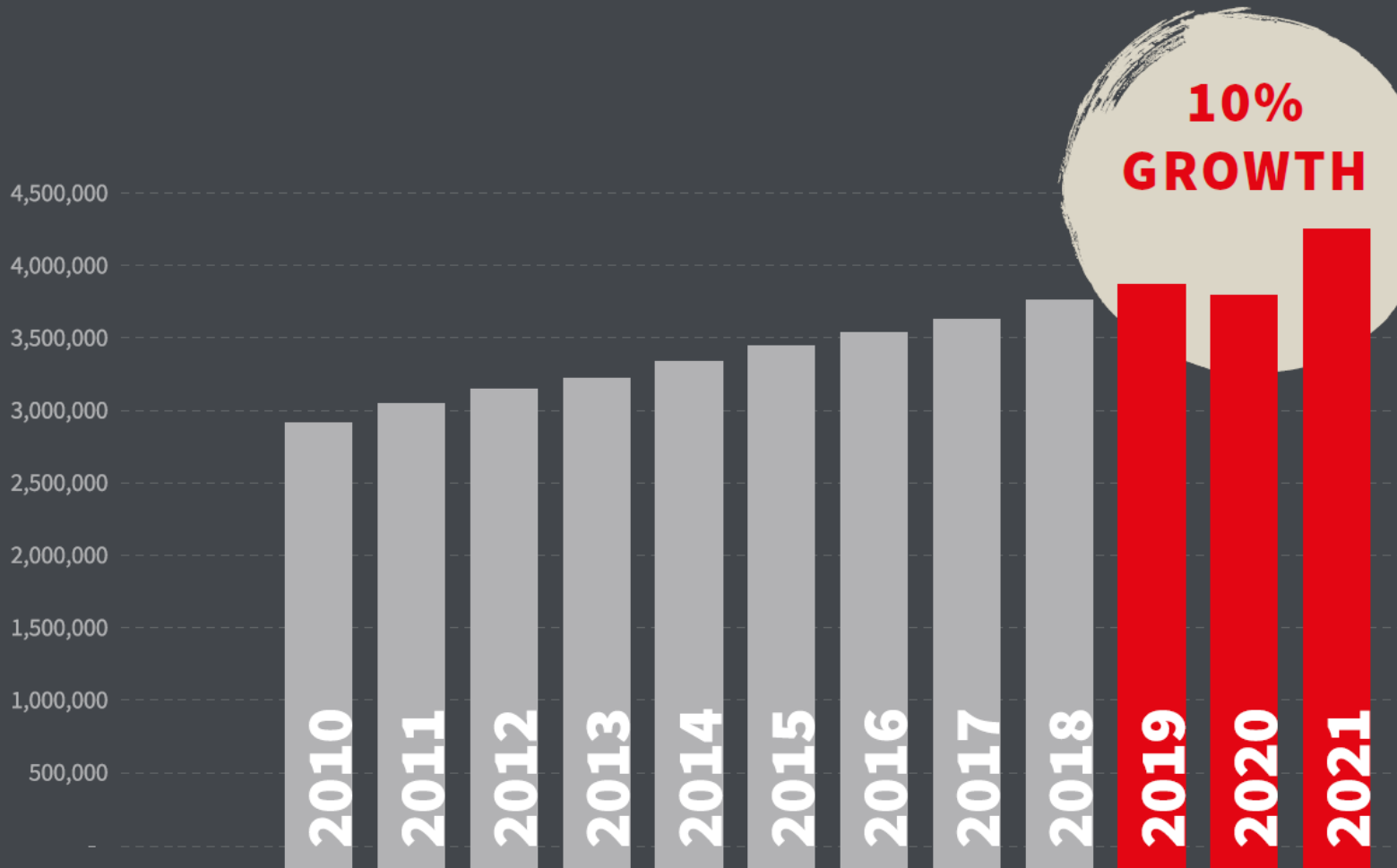
Though total supply has continued to rise, excess supply has been steadily falling since 2016 from 1.12b SF to 0.66b SF in 2021.

## Supply surplus falls amid rising occupancy



## Brick & Mortar Sales

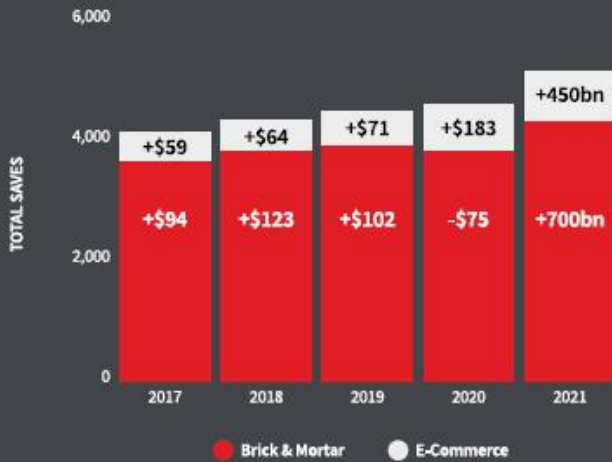
Brick & Mortar sales have grown 3.7% per year over the last decade with 10% growth from 2019 to 2021 resulting in the largest 2 year growth rate on record.





### Brick & Mortar Vs. E-Commerce Sales (last 5 years excluding auto/gas)

Brick & Mortar sales have outpaced e-commerce sales every year since 2000 (save 2020)



**In 2021 Brick & Mortar Sales Growth Is On-Pace To Exceed E-Commerce Growth By A Factor Of 5 To 1**

### Retail Sales Growth (2016-2021) Brick & Mortar Vs. E-Commerce

- **E-Commerce Growth**  
40% of retail sales growth last 5 yrs (\$469 bn)
- **Brick & Mortar**  
60% of retail sales growth last 5 yrs (\$709 bn)

