



Family Dollar
8490 State Route 10
Branchland, West Virginia 25506

Representative Photo



EXCLUSIVE
NET-LEASE OFFERING

OFFERING MEMORANDUM

Marcus & Millichap

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overview

INVESTMENT OVERVIEW

Executive Summary | Investment Highlights

Property Name	Family Dollar
Location	8490 State Route 10, Branchland WV
Price	\$978,427
CAP Rate	7.50%
Net Operating Income	\$ 73,382
Price/SF	\$101.35
Building Size (SF)	9,987
Lot Size	1.08 Acres
Year Built	2015



Investment Highlights

- A 10-Year Absolute Triple-Net (NNN) Lease
- Attractive Rent Escalations | 10 Percent Every Five Years Starting in Year 10
- Six, Five-Year Tenant Renewal Options
- National Tenant with Strong Financials | Ba1 Rating by Moody's and BB Credit Rating by Standard & Poor's
- Corporate Tenant; Corporate Guarantee

Marcus & Millichap is pleased to present the exclusive listing for a Family Dollar located at 8490 State Route 10 in Branchland, West Virginia. The property consists of 9,987 square feet of building space and sits on 1.08 acres of land. This Family Dollar is currently being constructed built-to-suit and will be completed in 2015.

The property is subject to a new 10-year double-net (NN) lease. The base rent is \$73,382 and be subject to 10 percent rental increases continue through the five, five-year tenant renewal options. The tenant is Family Dollar Stores of West Virginia, Incorporated and the lease has a Family Dollar Store, Incorporated guarantee.

Family Dollar is one of the fastest growing discount store chains in the United States. Their merchandising strategy is what drives their growth and provides customers with attractive values on basic goods for the family and home in a small-box, neighborhood format. For over 50 years, Family Dollar has provided customers with value and convenience.

Dollar Tree officially acquired Family Dollar for \$8.5 billion, combining for over 13,000 stores in 48 states and five Canadian Providences with sales of over \$18 billion.

Family Dollar Overview

Concept Overview

When it comes to getting value for everyday items for the entire family in an easy to shop, neighborhood location, Family Dollar is the best place to go. One of the nation's fastest growing retailers, Family Dollar offers a compelling assortment of merchandise for the whole family ranging from household cleaners to name brand foods, from health and beauty aids to toys, from apparel for every age to home fashions, all for everyday low prices. While shoppers can find many items at \$1 or less, most items in the store are priced below \$10, which makes shopping fun without stretching the family budget.



When the company opened its first store in November 1959 in Charlotte, North Carolina, nothing sold for more than \$2. Now, more than 50 years later, Family Dollar has grown to more than 8,100 stores in 46 states with sales in excess of \$10 billion. Over time, the merchandise mix has evolved, but the principal that drives the business the same – satisfy the customer and the customer will return.

As shoppers enter their neighborhood Family Dollar, they'll find great values on the name brands they trust in a clean, well-organized store staffed with friendly team members who are members of the local community. The average size of a Family Dollar store is approximately 7,000 square feet, and most stores are operated in leased facilities. This relatively small footprint allows the company to open new stores in rural areas and small town, as well as in large urban neighborhoods. Within these markets, the stores are located in shopping centers or as free-standing building and all are convenient to the company's customer base.

Family Dollar is headquartered in Matthews, North Carolina, just outside of Charlotte and has been a publicly held corporation since 1970. Its common stock is listed on the New York Stock Exchange under the ticker symbol FDO. The stores generally serve customers who live within three to five miles of the store. Approximately 24 percent of Family Dollar stores are located in large urban markets, while roughly 20 percent of its stores are located in small urban markets or suburban areas. Family Dollar's target customer is women in their forties shopping for a family earning less than \$40,000 a year.

The Company sells brands from leading manufacturers including Procter & Gamble, Coca-Cola, Unilever, Nestle, Kimberly Clark, Clorox, Colgate Palmolive, Georgia Pacific, Frito-Lay, and PepsiCo, which are sold at higher prices elsewhere. During fiscal 2014, nationally advertised brand name merchandise accounted for approximately 71 percent of sales. Merchandise sold under the Company's private brands program, across all merchandise categories, accounted for approximately 29 percent of sales. During fiscal 2014, closeout merchandise accounted for approximately three percent of total sales.



FAMILY DOLLAR FACTS

Our History:

Founded in 1959 in Charlotte, North Carolina by entrepreneur, Leon Levine

Our Mission:

To be a compelling place to shop for our customers

To be a compelling place to work for our team members

To be a compelling place to invest for our shareholders

Our Vision:

To be the best small-format convenience and value retailer serving the needs of families in our neighborhoods

Our Core Customer:

Female head of household in her mid-40's making less than \$40,000/year

Our Product Mix:

We offer our customers a mix of quality name brand products they use every day; from consumable products such as household paper products and expanded food assortment, to treasures for every home and even quality apparel for men, women, and children. We also offer a mix of seasonal products, greeting cards, gift-wrap, and more.

Our Team and Our Culture:

8,000 stores in 46 states; 50,000 team members

By attracting and retaining team members who are committed to the ideals of an achievement-focused culture and who participate in decision-making through open lines of communication, Family Dollar will stride into the next 50 years as a world-class organization.

Our Investor Information:

The company's stock went public in 1970 at \$14.50 per share. In 2008, the stock finished as the top performer on the Standard and Poor (S&P) 500 with \$8.5 billion in sales and more than \$388 million in earnings in fiscal 2011.



analysis

PRICING AND FINANCIAL ANALYSIS

Financial Offering Summary

Property Name	Family Dollar
Property Type	Discount Dollar Store
Ownership	Fee Simple
Tenant	Family Dollar Stores of West Virginia, Incorporated
Guarantor	Family Dollar Stores, Incorporated
Lease Term	10 Years
Lease Commencement	11/25/2013
Rent Commencement	12/17/2015
Lease Expiration	6/30/2025
Lease Type	Double-Net(NN)
Roof & Structure	Landlord Responsible
Options to Renew	Five , Five-Year Renewal Options
Rental Increases	10% Increases Every Five Years During the Option Periods

Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Years 1- 10	\$73,382	\$6,115
First Option Period	\$80,720	\$6,727
Second Option Period	\$88,792	\$7,399
Third Option Period	\$97,671	\$8,139
Fourth Option Period	\$107,439	\$8,953
Fifth Option Period	\$118,182	\$9,849

Annual Rent	\$73,382
CAP Rate	7.25%
Price	\$1,012,166

Recent Sales Comparables



Family Dollar | 10-Year Lease | Kansas City, MO

Close of Escrow	8/19/14	Square Feet	8,783 SF
Price	\$1,992,857	Price / SF	\$226
CAP Rate	7.25%	Term Remaining	9 Years
Net Operating Income	\$144,482	Rental Increases	10% Increases Every Five Years
Option Periods	Six, Five-Year Options	Other	Corporate Double-Net (NN) Lease



Family Dollar | 10-Year Lease | Binghamton, NY

Close of Escrow	7/15/2014	Square Feet	9,050 SF
Price	\$1,210,000	Price / SF	\$134
CAP Rate	7.29%	Term Remaining	10 Years
Net Operating Income	\$88,238	Rental Increases	10% at the Start of Each Option Period
Option Periods	Four, Five-Year Options	Other	Corporate



Dollar General | 15-Year Lease | Chandler, IN

Close of Escrow	5/29/13	Square Feet	9,100 SF
Price	\$1,368,000	Price / SF	\$150
CAP Rate	7.35%	Term Remaining	12 Years
Net Operating Income	\$100,543	Rental Increases	3% Year 11
Option Periods	Five, Five-Year Options	Other	

property

PROPERTY OVERVIEW

Location Highlights | Property Description

- ❖ Located 46 Miles West of Charleston, the capital of West Virginia
- ❖ Located 26 Miles South of Huntington, the second most populous city in West Virginia and Home to the University of Marshall
- ❖ Nearby Hamlin and West Hamlin are towns that have a strong nationwide retail presence. These locations include IGA Grocery, BP, Exxon, City National Bank, Subway, McDonalds and Burger King among others



The subject property is a Family Dollar located at 8490 State Route 10 (Riverview Ave) in Branchland, West Virginia. Branchland is an unincorporated community in western Lincoln County, in Central West Virginia. Branchland is located 46 Miles West of Charleston and 26 miles south of Huntington, West Virginia's first and second largest cities, respectively.

Branchland is located Near many park areas East Lynn Lake Wildlife Management area and the Beech Fork Lake Wildlife Management area. Nearby Hamlin and West Hamlin are towns that have a strong nation wide retail presence. These locations include IGA Grocery, BP, Exxon, City National Bank, Subway, McDonalds and Burger King among others.

Charleston, West Virginia's state Capital is located 46 miles east of Branchland is the most populous city in West Virginia, totaling 51,000. Charlestown is home to Yeager Airport, West Virginia's largest airport as well as The University of Charleston, Marshall Universities Post Graduate Campus, as well as a branch campus for the University of West Virginia.

Huntington, West Virginia's Second Largest city with a population of over 49,000 is located 26 miles north of this Branchland Family Dollar. Huntington is home to Marshall University, with 14,000 students and a famous Division 1 Football and Basketball team. The Joan C. Edwards Stadium located on the campus of Marshall University has a capacity of over 41,000. Huntington is also headquarters of the CSX transportation-Huntington Division, the largest division in the CSX network as well as the Port of Huntington – Tristate, the largest river port in the United States.

Aerial Photo | Surrounding Area

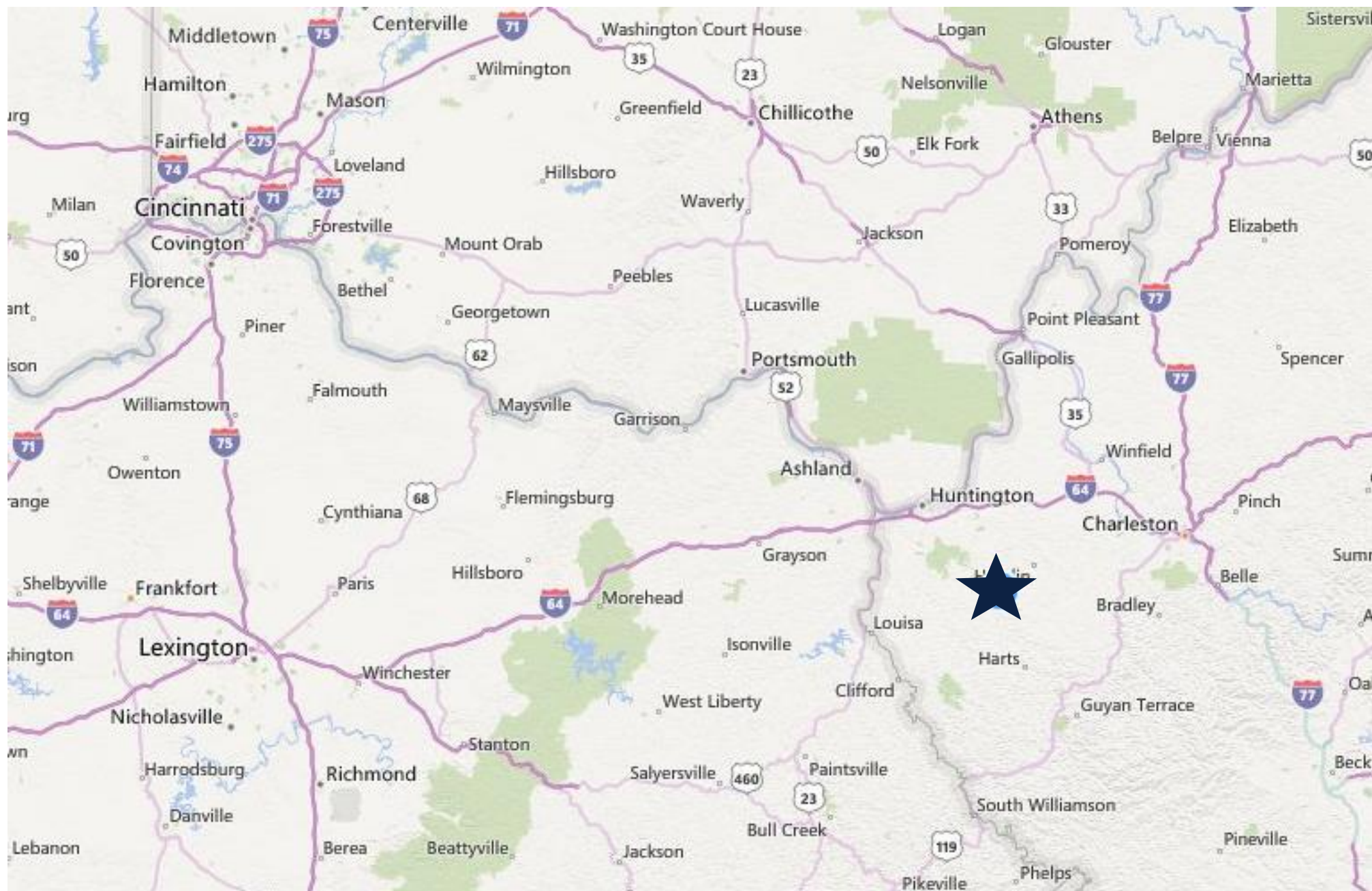


Property Photo

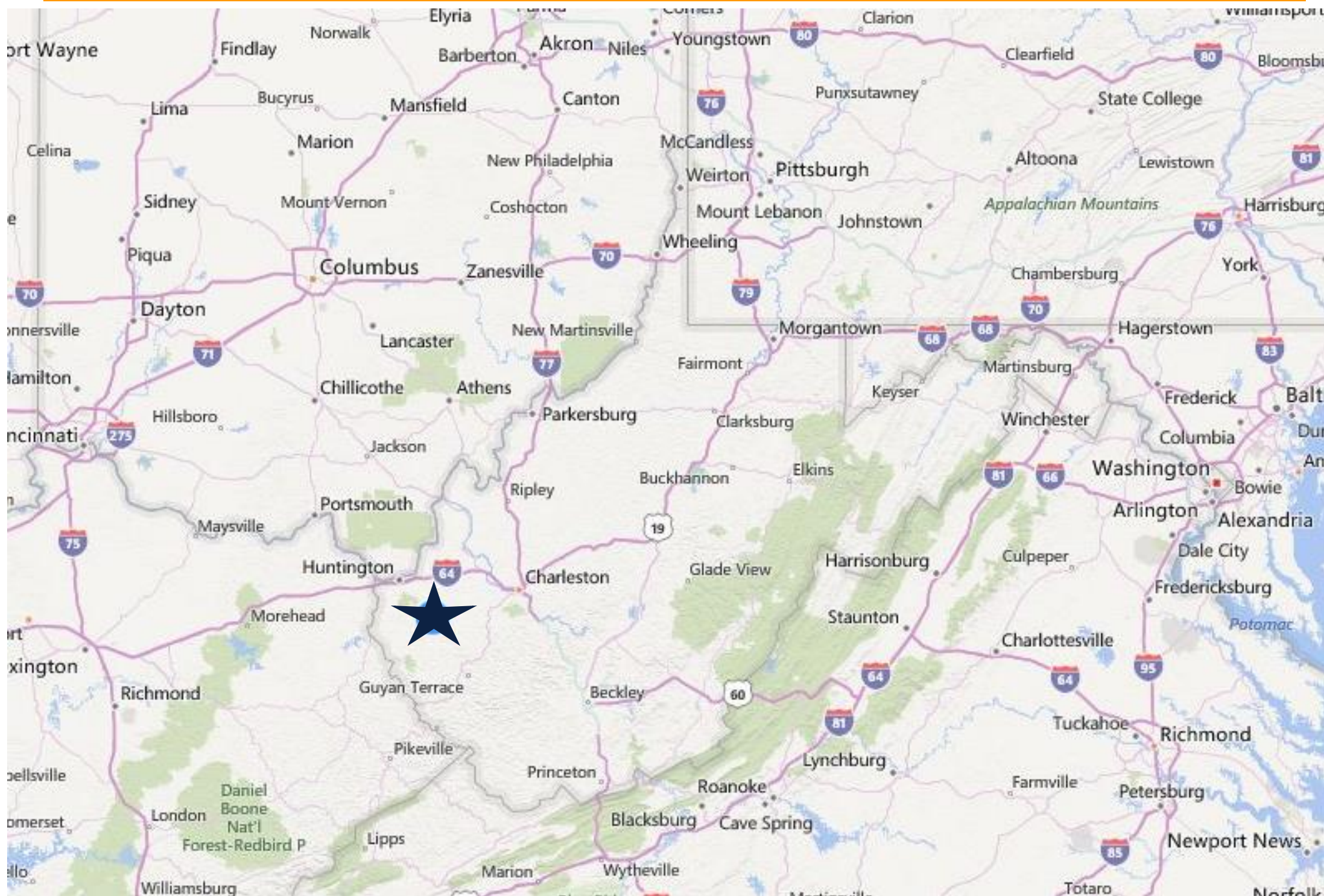


Representative Photo

Regional Map



State Map



demographics

MARKET OVERVIEW AND DEMOGRAPHICS

Demographic Summary Report

Population

In 2014, the population in your selected geography is 5,009. The population has changed by -4.43% since 2000. It is estimated that the population in your area will be 4,984 five years from now, which represents a change of 0.48% from the current year. The current population is 49.52% male and 50.47% female. The median age of the population in your area is 41.5, compare this to the Entire US average which is 37.3. The population density in your area is 63.71 people per square mile.

Households

There are currently 2,046 households in your selected geography. The number of households has changed by 0.62% since 2000. It is estimated that the number of households in your area will be 2,058 five years from now, which represents a change of 0.57% from the current year. The average household size in your area is 2.43 persons.

Income

In 2014, the median household income for your selected geography is \$35,514, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 50.17% since 2000. It is estimated that the median household income in your area will be \$40,043 five years from now, which represents a change of 12.75% from the current year.

The current year per capita income in your area is \$16,926, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$41,413, compare this to the Entire US average which is \$74,533.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 98.48% White, 0.11% Black, 0.00% Native American and 0.19% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 0.48% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

Employment

In 2014, there are 645 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 39.25% of employees are employed in white-collar occupations in this geography, and 60.42% are employed in blue-collar occupations. In 2014, unemployment in this area is 10.45%. In 2000, the average time traveled to work was 40.8 minutes.

exclusively listed

Offering Memorandum | 8490 State Route 10, Branchland, West Virginia

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