



McKay's
MARKET



GROCERY ANCHORED INVESTMENT OPPORTUNITY

1300 US-101, REEDSPORT, OREGON 97467





McKay's
MARKET



EXCLUSIVELY MARKETING BY

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ACTUAL SITE



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INVESTMENT SUMMARY

SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in a NNN leased, two-tenant, grocery anchored, McKay's Market and Dollar Tree, investment property located in Reedsport, Oregon. Recently remodeled in 2018, the offering features 27,011 SF of quality retail space, and sits on 3.11 acres of land. The tenants, Dollar Tree Stores, Inc. (corporate) and K.E. McKay's Market of Coos Bay, Inc. (corporate), have both signed brand new 10 year leases with 3 (5-year) and 1 (10-year) options to extend respectively, demonstrating their commitment to the site. The leases are NNN with minimal landlord responsibilities. McKay's Market and Dollar Tree are adjacent to national/credit tenants Ace Hardware (NAP) and First Community Bank (NAP), which make up the rest of the shopping center. McKay's Market has been operating at this location for nearly 40 years, previously doing business as Price 'n Pride before re-branding and remodeling to McKay's in 2017. A proven track record with strong local brand awareness and historical occupancy. In addition, the property recently had a new roof put in place with a transferable 10-year warranty, limiting future capital expenditures for a new owner. McKay's reported record sales in July and is nearly finished building a new deli station opening end of Summer. Both tenants underwent extensive redevelopment that includes new demising walls, new paint, new electrical service, new storefront systems, fire safety/monitoring system, and more, which was all permitted and completed in 2018. McKay's reports healthy store sales, and single digit occupancy cost (contact Agent for details).

The subject property is located at the signalized, hard corner intersection of Oregon Coast Highway/U.S. Highway 101 and 13th Street, with 10,600 vehicles passing by each day. The property has significant amounts of highway frontage and multiple access points, providing ease and convenience to shopping customers. In addition, the site features a prominent, highly visible pylon sign with both McKay's and Dollar Tree logos displayed largely at the top. The offering is positioned in the main commercial corridor for the city of Reedsport with a Safeway anchored shopping center located directly across the street. Other nearby national/credit tenants include NAPA Auto Parts, 7-Eleven, Subway, McDonald's, and more, increasing consumer traffic to the area. McKay's Market and Dollar Tree benefit from limited competition in the area. The next McKay's Market is located 12 miles south and the alternative Dollar Tree is also 10 miles south in Coos Bay. The 10-mile trade is supported by a population of over 7,700 with an average household income of nearly \$54,000.



OFFERING SUMMARY

OFFERING

PRICING:	\$3,369,000
NET OPERATING INCOME:	\$235,806
CAP RATE:	7.00%
TENANTS:	Dollar Tree Stores, Inc. - (Corporate) K.E. McKay's Market of Coos Bay, Inc. - (Corporate)

PROPERTY SPECIFICATIONS

RENTABLE AREA:	27,011 SF
LAND AREA:	3.11 Acres
PROPERTY ADDRESS:	1300 US-101, Reedsport, OR 97467
YEAR BUILT / REMODELED:	1981 / 2018
PARCEL NUMBER:	R72661
OWNERSHIP:	Fee Simple (Land and Building)



INVESTMENT HIGHLIGHTS

BRAND NEW 10-YEAR LEASES | CORPORATE GUARANTY | OPTIONS TO EXTEND

- Corporate guaranteed leases
- McKay's Market signed a brand new lease extension for 10-years and Dollar Tree signed a brand new 10-year lease
- Dollar Tree has 3 (5-year) options to extend while McKay's has 1 (10-year), demonstrating long term commitment to the site
- McKay's reports healthy store sales, and single digit occupancy cost (contact Agent for details)

NEW REMODEL & NEW ROOF | HISTORICAL OCCUPANCY AT THE SITE

- The property recently had a new roof put in place with a transferable 10-year warranty, limiting future capital expenditures for a new owner
- Updated facade and new LED signage making the property easy identifiable
- McKay's Market has been operating at this location for nearly 40 years, previously doing business as Price 'n Pride before re-branding and remodeling to McKay's in 2017

MCKAY'S MARKET & DOLLAR TREE EXTENSIVE REDEVELOPMENT WORK

- New consolidated access and front door storefront system (McKay's)
- New demising wall (steel stud, wall to deck of roof)
- New HVAC units over Dollar Tree (three 7.5 ton units & one 4 ton unit)
- All new doors and hardware for entrances and exits on Dollar Tree (expanded loading entrance and new emergency exit doorway)
- New storefront system (Dollar Tree)
- Re-surfaced parking lot
- New flooring (polished concrete) in Dollar Tree
- New interior paint throughout Dollar Tree and demising wall for McKay's
- All construction work was permitted and completed in 2018

NNN LEASES | FEE SIMPLE OWNERSHIP | LIMITED LANDLORD RESPONSIBILITIES

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- Landlord responsibilities limited to roof & structure
- Ideal, low-management investment for an out-of-state, passive investor

LOCATED AT SIGNALIZED, HARD CORNER INTERSECTION | EXCELLENT VISIBILITY

- Situated at the signalized, hard corner intersection of Oregon Coast Highway/U.S. Highway 101 and 13th Street, with 10,600 vehicles passing by each day
- The property has significant amounts of highway frontage and multiple access points, providing ease and convenience to shopping customers
- The site features a prominent and highly visible pylon sign with both McKay's Market and Dollar Tree logos displayed largely at the top

PRIMARY COMMERCIAL CORRIDOR | LIMITED COMPETITION IN THE AREA

- The offering is positioned in the main commercial corridor for the city of Reedsport with a Safeway anchored shopping center located just across the street
- Other nearby national/credit tenants include NAPA Auto Parts, 7-Eleven, Subway, McDonald's, and more
- Increases consumer draw to the trade area and promotes crossover shopping
- McKay's Market and Dollar Tree benefit from limited competition in the area
- The next McKay's Market is located 12 miles south and the alternative Dollar Tree is also 10 miles south in Coos Bay

DEMOGRAPHICS IN 10-MILE TRADE AREA

- More than 7,500 residents and over 2,000 employees support the trade area
- \$53,700 average household income



DOLLAR 1



TRAFFIC COUNTS

IMPROVEMENTS

PARKING

YEAR BUILT

PARCEL

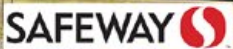
ZONING







Reedsport Jr./Sr.
High School



N. 14th St.

N. 13th St.



10,600
CARS PER DAY





10,600
CARS PER DAY



first community
credit union



McKay's
MARKET



Best Western

Winchester Ave.

Oregon Coast Hwy. / U.S Highway 101



SUNRISE
ENTERPRISES

SUBWAY

SAFeway



TYREE OIL

10,600
CARS PER DAY



Oxburn Veterinary Clinic

Cascadia Trailer

HARBOR LIGHT RESTAURANT

STATE FARM INSURANCE

State Highway 38

CENTRAL LINCOLN A COMMUNITY-COOPERATIVE ELECTRIC UTILITY

BUTTERFLY EFFECT

Myrtwood Gallery

McDonald's

DQ

SUBWAY

Chevron

SAFeway

Tires LES SCHWAB

NAPA

McKay's MARKET **DOLLAR TREE**

UMPQUA BANK

7 ELEVEN

Nationwide

RESTAURANT

Oregon Coast Hwy / U.S Highway 101

Mast

Winchester Ave.

Reedsport Jr/Sr High School

Highland Elementary School



HAWTHORNE AVE.

GREENWOOD AVE.

11TH ST.

FIR AVE.

WINCHESTER AVE.

13TH ST.

N. 14TH ST.

101 OREGON COAST HWY. - 10,600 VPD



AREA OVERVIEW

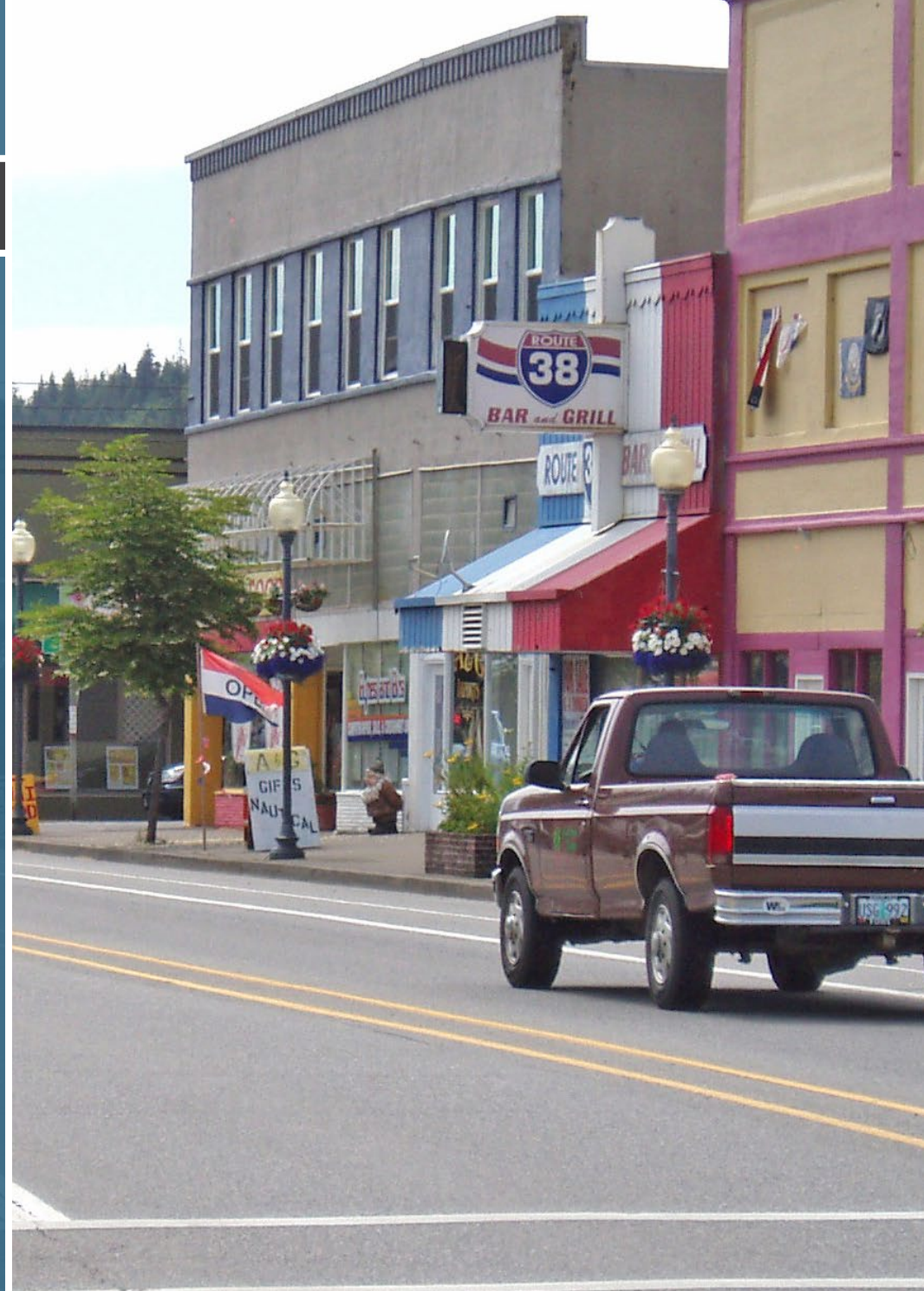
Reedsport, Oregon

Reedsport is located in Douglas County on the central Oregon coast at the intersection of Oregon Highway 38 and U.S. Highway 101. The City is approximately 195 miles south of Portland, 87 miles southwest of Eugene, 70 miles west of Roseburg, 25 miles north of Coos Bay, and 21 miles south of Florence. Reedsport is within easy driving distance the University of Oregon and Oregon State University, shopping and cultural centers, and a variety of excellent outdoor recreation areas. Southwestern Oregon Community College, (SWOCC), is located in nearby Coos Bay. As of the July 1, 2017, the population was 4,181.

Reedsport is an outdoor lover's paradise. The Umpqua River is home to one of the largest recreational fishing ports on the Oregon Coast. In addition to fishing, citizens, guests, and visitors enjoy hunting, hiking, riding ATVs on the Dunes, beachcombing, boating, bike riding, and much more. Just three miles east on Highway 38 is the famous Dean Creek Elk Viewing area currently sustaining hundreds of Oregon's Roosevelt Elk in their natural habitat with viewing stations and photo opportunities.

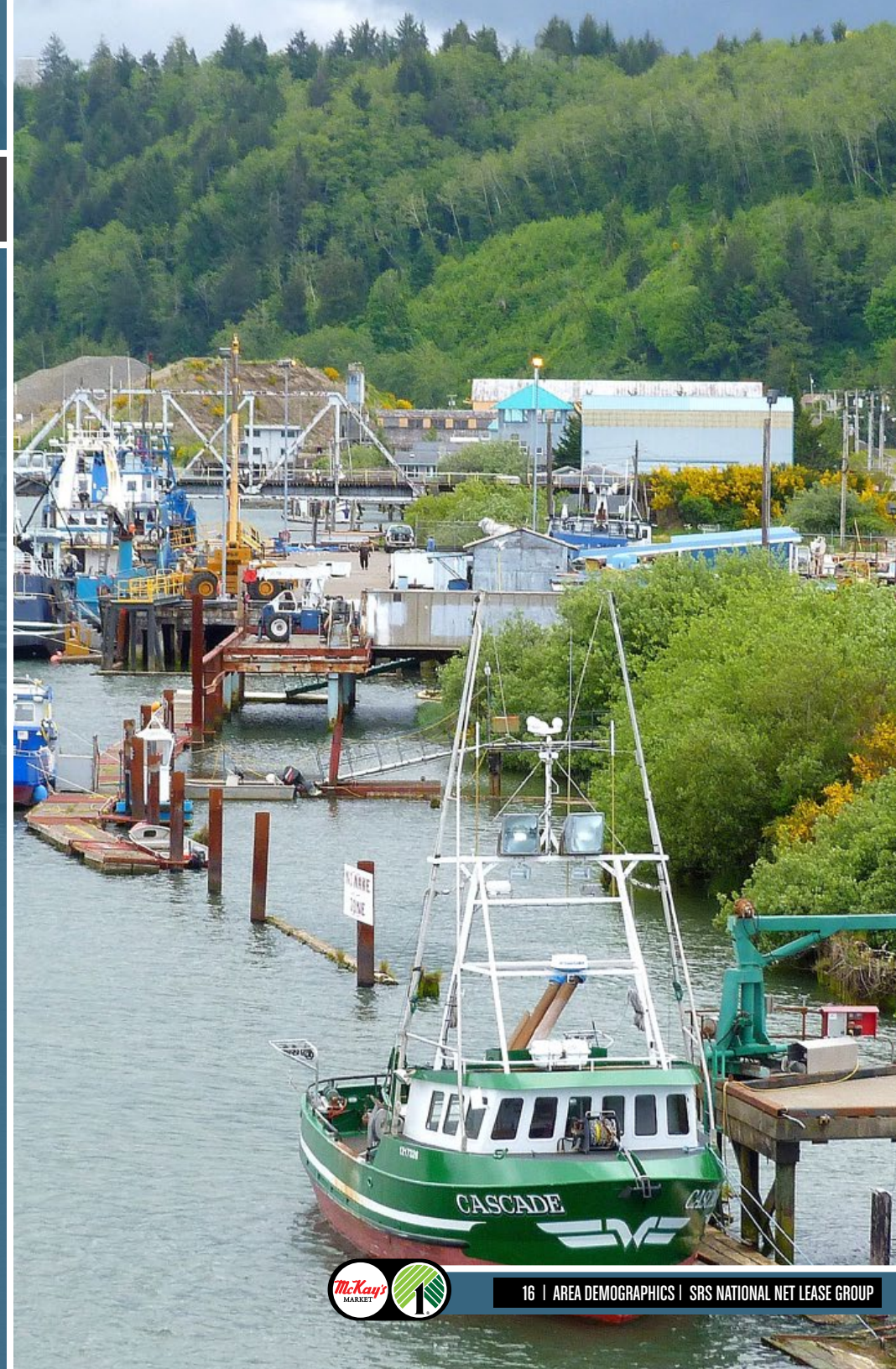
Douglas County is a county in the U.S. state of Oregon. As of July 1, 2017, the population was 109,405. The county seat is Roseburg. It is named after Stephen A. Douglas, an American politician who supported Oregon statehood.

Douglas County comprises the Roseburg, OR Micropolitan Statistical Area. Agriculture, mainly field crops, orchards, and livestock (particularly sheep ranching), is also important to the economy of the county. The land of Douglas County is roughly half-publicly and half-privately owned.



AREA DEMOGRAPHICS

DEMOGRAPHICS	3 MILE	5 MILES	10 MILES
2018 Estimated Population	4,776	5,188	7,721
2023 Projected Population	4,875	5,292	7,876
2010 Census Population	4,672	5,080	7,562
Projected Annual Growth 2018 to 2023	0.41%	0.40%	0.40%
Historical Annual Growth 2010 to 2018	0.27%	0.26%	0.25%
2018 Estimated Households	2,250	2,446	3,635
2023 Projected Households	2,295	2,494	3,704
2010 Census Households	2,203	2,397	3,568
Projected Annual Growth 2018 to 2023	0.40%	0.39%	0.38%
Historical Annual Growth 2010 to 2018	0.26%	0.25%	0.23%
2018 Estimated White	92.10%	92.10%	92.40%
2018 Estimated Black or African American	0.40%	0.40%	0.40%
2018 Estimated Asian or Pacific Islander	1.10%	1.10%	0.90%
2018 Estimated American Indian or Native Alaskan	1.30%	1.30%	1.40%
2018 Estimated Other Races	1.50%	1.50%	1.40%
2018 Estimated Hispanic	5.70%	5.80%	5.40%
2018 Estimated Average Household Income	\$56,322	\$55,880	\$53,745
2018 Estimated Median Household Income	\$38,675	\$38,429	\$38,655
2018 Estimated Per Capita Income	\$26,661	\$26,525	\$25,338
2018 Estimated Total Businesses	243	286	353
2018 Estimated Total Employees	1,620	1,813	2,102



RENT ROLL

Tenant Name	Size SF	Pro Rata (SF)	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr	Pro Rata (\$)	Rental Increases						Lease Start Date	Lease End Date	Lease Options
								Increase Date	Inc.	Rent Monthly	Rent \$/SF/Mo	Rent Annual	Rent \$/SF/Yr			
K.E. McKay's Market of Coos Bay, Inc. ^{1,2} (Corporate)	17,511	65%	\$10,784	\$0.62	\$129,406	\$7.39	53%			Rent Abatement from 9/1/18 to 6/30/2019				Apr-18	Mar-28	1 (10-Year) Opt 1: \$142,347
Dollar Tree Stores, Inc. (Corporate)	9,500	35%	\$9,500	\$1.00	\$114,000	\$12.00	47%	-	-	-	-	-	-	May-18	May-28	3 (5-Year) Opt 1: \$118,750 Opt 2: \$123,500 Opt 3: \$128,250
Total Occupied	27,011	100%	\$20,284	\$0.75	\$243,406	\$9.01	100%									
Total Vacant	0	0%	\$0		\$0		0%									
Total / Wtd. Avg:	27,011	100%	\$20,284	\$0.75	\$243,406	\$9.01	100%									

Notes:

1. In lieu of \$107,500 in Tenant Improvement Allowance, Landlord will provide McKay's Market with 10 months of free rent concession beginning 9/1/2018 and ending 6/30/2019. Base rent to resume on 7/1/2019. (Excluded from Analysis)
2. Tenant is obligated to pay to Lessor as additional rent, one and one half percent (1.5%) of Lessee's gross sales. Gross sales is defined to be the aggregate selling price of all merchandise and services sold in, upon, or from the leased premises by Lessee. Excludes all credits, returns and refunds, all settlements and claims, sales tax, and cancelled sales.



PRICING SUMMARY

OPERATING CASH FLOW	IN PLACE
Potential Rental Revenue:	\$243,406
Potential Reimbursement Revenue:	\$60,591
Effective Gross Revenue (EGR):	\$303,997
Less Expenses:	(\$68,191)
Net Operating Income:	\$235,806
Less Loan Payment:	(\$141,067)
Cash Flow:	\$94,739

OPERATING EXPENSES	IN PLACE	PSF/YR
Taxes: ¹	\$25,477	\$0.94
Insurance: ²	\$8,103	\$0.30
CAM: ³	\$27,011	\$1.00
Management: ⁴	\$7,600	\$0.28
Total:	\$68,191	\$2.52

POTENTIAL FIRST LOAN	
Loan Amount (65%):	\$2,189,850
Down Payment (35%):	\$1,179,150
Payment (annual):	(\$141,067)
Interest Rate:	5.00%
Amortization:	30 years
Maturity:	10 years

PRICING SUMMARY	
Price:	\$3,369,000
Price/SF:	\$125
Net Operating Income:	\$235,806
Cap Rate:	7.00%
Cash/Cash:	8.03%

NOTES
1) Taxes are per the 2017 Douglas County, OR property tax bill.
2) Insurance is estimated at \$0.30/SF/Yr.
3) CAM is estimated at \$3.20/SF/Yr.
4) Management is estimated at 3% of EGR.
5) Dollar Tree has caps on Insurance of \$0.30/Yr, on Taxes of \$0.96/Yr, and CAM of \$1.00/Yr for the first year only.
6) For financing options and loan quotes, please contact our SRS Debt & Equity team at debtequity-npb@srsre.com .



BRAND PROFILE



MCKAY'S MARKETS

McKay's Markets provides groceries to the local community. McKay's Market is Oregon Grown, 100% Employee Owned company. They are proud to serve the communities they live in. They choose only the freshest, highest quality flowers and their shop has a professional and caring staff to serve all customer's floral needs.

Company Type: Private
Locations: 9
Website: www.mckaysmarket.com



DOLLAR TREE

Dollar Tree Stores, Inc. owns and operates a chain of discount variety stores in the United States. Its stores offer housewares, glassware, dinnerware, cleaning supplies, candies, snacks, foods, health and beauty products, toys, gifts, gift bags and wraps, party supplies, stationery, craft supplies, teaching supplies, books, seasonal décor items, and more. The company also sells products online. It was formerly known as Only \$1.00 Inc. and changed its name to Dollar Tree Stores, Inc. in January 1993. Dollar Tree, a Fortune 200 Company, now operates 15,000 stores across 48 states and five Canadian provinces as of July 12, 2018. Stores operate under the brands of Dollar Tree, Family Dollar and Dollar Tree Canada. The company was founded in 1986 and is based in Chesapeake, Virginia.

Company Type: Public (NASDAQ: DLTR)
2018 Employees: 56,300
2018 Revenue: \$22.25 Billion
2018 Net Income: \$1.71 Billion
2018 Assets: \$16.33 Billion
2018 Equity: \$7.18 Billion
Credit Rating: S&P: BBB-
Credit Rating: Moody's: Baa3





NATIONAL NET LEASE GROUP

SRS GLOBAL STATS



1000+
PROPERTIES CURRENTLY
REPRESENTED



600+
CLIENTS REPRESENTED
IN 2016



\$2.6B*
TRANSACTION VALUE



20+
OFFICES



250+
BROKERS,
PROFESSIONALS,
AND STAFF



#1
LARGEST REAL ESTATE FIRM
EXCLUSIVELY DEDICATED TO
RETAIL SERVICES IN NORTH AMERICA

*STATISTICS ARE FOR 2017.

This Offering Memorandum has been prepared by SRS National Net Lease Group (SRS) and has been approved for distribution by the owner. Although effort has been made to provide accurate information, neither the owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been referred to in summary form and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represents that this offering summary is all inclusive or contains all of the information a purchaser may require. All of the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this Offering Memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed subsequent to the preparation of the package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market and the surrounding competitive environment.