

# FAMILY DOLLAR - SCOTTSBURG, IN

395 North Gardner Street  
Scottsburg, IN 47170

*For more information contact:*

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## PROPERTY HIGHLIGHTS

- Tenant has responsibility for common area maintenance
- Recent Lease Extension showing commitment to this site
- 9,180 SF Prototype
- Excellent visibility located on U.S. Highway 31
- Located in County Seat of Scott County, Indiana



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# INVESTMENT DETAILS

Family Dollar - Scottsburg, IN  
395 North Gardner Street | Scottsburg, IN 47170

## ANALYSIS

Analysis Date November 2018

## PROPERTY

Property Family Dollar - Scottsburg, IN  
Property Address 395 North Gardner Street  
Scottsburg, IN 47170  
  
Year Built 2009



## PURCHASE INFORMATION

Property Type Commercial  
Purchase Price \$1,000,000  
Fair Market Value \$1,000,000  
Tenants 1  
Total Rentable Sq. Ft. 9,180  
Resale Valuation 1.5% (annual appreciation)  
Resale Expenses 6.0%

## FINANCIAL INFORMATION

Down Payment \$200,000  
Closing Costs \$8,000  
LT Capital Gain 15.00%  
Federal Tax Rate 28.0%  
Discount Rate 8.00%

## LOANS

Type	Debt	Term	Amortization	Rate	Payment	LO Costs
Fixed	\$800,000	20 years	20 years	5.35%	\$5,436	

## INCOME & EXPENSES

Gross Operating Income	\$109,518
Monthly GOI	\$9,127
Total Annual Expenses	(\$24,086)
Monthly Expenses	(\$2,007)

# EXECUTIVE SUMMARY

Family Dollar - Scottsburg, IN  
395 North Gardner Street | Scottsburg, IN 47170

## Acquisition Costs

Purchase Price, Points and Closing Costs	\$1,008,000
Investment - Cash	\$208,000
First Loan	\$800,000

## Investment Information

Purchase Price	\$1,000,000
Price per Tenant	\$1,000,000
Price per Sq. Ft.	\$108.93

## Income, Expenses & Cash Flow

Gross Scheduled Income	\$109,518
Total Vacancy and Credits	\$0
Operating Expenses	(\$24,086)
Net Operating Income	\$85,432
Debt Service	(\$65,227)
Cash Flow Before Taxes	\$20,206
<b>(After Tax Results)</b>	
Total Interest (Debt Service)	(\$42,242)
Depreciation and Amortization	(\$21,299)
Taxable Income (Loss)	\$21,891
Tax Savings (Costs)	(\$6,129)
Cash Flow After Taxes	\$14,076

## Financial Indicators

Cash on Cash Return Before Taxes	9.71%
Optimal Internal Rate of Return (yr 5)	14.14%
Debt Coverage Ratio	1.31
Capitalization Rate	8.54%
Gross Income / Square Feet	\$11.93
Gross Expenses / Square Feet	(\$2.62)
Operating Expense Ratio	21.99%

# PROPERTY DESCRIPTION

Family Dollar - Scottsburg, IN  
395 North Gardner Street | Scottsburg, IN 47170



## Family Dollar - Scottsburg, IN

Family Dollar is located on U.S. Highway 31 (Gardner Street) and has excellent visibility. The tenant is wholly owned subsidiary of Dollar Tree, a publicly traded company (NASDAQ: DLTR) and the largest single-price-point retailer in North America. Family Dollar recently executed a lease amendment showing their commitment to the location.

Scottsburg is considered the heart of Southern Indiana well located intersected by I-65 and U.S. Highway 56, only 30 miles north of Louisville, Kentucky, only 90 miles south of Indianapolis, and only 110 miles west of Cincinnati, Ohio. As of the 2010 Census, there were 24,181 people in the county, Scottsburg is the county seat. The major employers in Scott County include Austin Tri-Hawk Automotive, Ilpea Industries, Morgan Foods, Pepsi Beverages, Multi-Color Corporation, Morgan Foods, Ferrellgas, Genpak, LLC, Genesis Plastics, Samtec, Indiana Bottle, Inc, Tokusen USA Mfg., Merrill Manufacturing, Scott Memorial Hospital and Walmart.

### Extended Lease Options:

2nd Option: \$8175/Month (\$90,000.00/annum)  
3rd Option: \$8,910.75/Month (\$106,929.00/annum)  
4th Option: \$9,712.67/Month (\$116,552.04/annum)

# LOCATION MAP

Family Dollar - Scottsburg, IN  
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# AERIAL MAP

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# DEMOGRAPHICS

Family Dollar - Scottsburg, IN

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<b>Population Characteristic</b>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>	<b>Household Income</b>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>
Ages 0-4	126	384	964	Median Household Income	\$34,244	\$33,543	\$35,198
Ages 5-9	180	519	1,285	< \$10000	108	312	537
Ages 10-14	171	492	1,231	\$10000-\$14999	66	213	528
Ages 15-19	164	475	1,226	\$15000-\$19999	20	218	488
Ages 20-24	173	497	1,287	\$20000-\$24999	106	304	533
Ages 25-29	171	505	1,286	\$25000-\$29999	143	246	614
Ages 30-34	171	533	1,254	\$30000-\$34999	70	295	541
Ages 35-39	173	552	1,264	\$35000-\$39999	104	228	525
Ages 40-44	172	545	1,285	\$40000-\$44999	41	159	426
Ages 45-49	165	539	1,327	\$45000-\$49999	59	145	294
Ages 50-54	153	520	1,294	\$50000-\$60000	136	333	661
Ages 55-59	134	464	1,189	\$60000-\$74000	56	178	698
Ages 60-64	120	394	1,036	\$75000-\$99999	82	235	749
Ages 65-69	102	303	813	\$100000-\$124999	16	66	243
Ages 70-74	84	238	608	\$125000-\$149999	N/A	19	134
Ages 75-79	57	165	396	\$150000-\$199999	N/A	44	101
Ages 80-84	33	103	196	> \$200000	12	12	70
<b>Race Characteristic</b>	<b>1 Mile</b>	<b>3 Mile</b>	<b>5 Mile</b>	<b>Characteristic Housing</b>	<b>1 Mile</b>	<b>3 Mile</b>	
Non Hispanic White	2,354	7,307	18,080	Housing Units	1,212	3,513	
Population Black	N/A	N/A	1	Occupied Housing Units	1,091	3,111	
Population Am In/AK Nat	N/A	N/A	N/A	Owner Occupied Housing Units	569	1,899	
				Renter Occupied Housing Units	522	1,212	
				Vacant Housing Units	121	402	

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# ANNUAL PROPERTY OPERATING DATA

Family Dollar - Scottsburg, IN

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Description	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Income	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
Expense Reimbursements	\$19,518	\$19,518	\$19,518	\$19,518	\$19,518
GROSS SCHEDULED INCOME	\$109,518	\$109,518	\$109,518	\$109,518	\$109,518
GROSS OPERATING INCOME	\$109,518	\$109,518	\$109,518	\$109,518	\$109,518
Expenses					
Management Fee	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)
Building Insurance	(\$3,302)	(\$3,302)	(\$3,302)	(\$3,302)	(\$3,302)
Taxes - Real Estate	(\$12,216)	(\$12,216)	(\$12,216)	(\$12,216)	(\$12,216)
Taxes - Real Estate	(\$4,568)	(\$4,568)	(\$4,568)	(\$4,568)	(\$4,568)
Reserves	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)
TOTAL OPERATING EXPENSES	(\$24,086)	(\$24,086)	(\$24,086)	(\$24,086)	(\$24,086)
NET OPERATING INCOME	\$85,432	\$85,432	\$85,432	\$85,432	\$85,432

# CASH FLOW ANALYSIS

Family Dollar - Scottsburg, IN  
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Description	Year 1	Year 2	Year 3	Year 4	Year 5
GROSS SCHEDULED INCOME	\$109,518	\$109,518	\$109,518	\$109,518	\$109,518
Total Operating Expenses	(\$24,086)	(\$24,086)	(\$24,086)	(\$24,086)	(\$24,086)
NET OPERATING INCOME	\$85,432	\$85,432	\$85,432	\$85,432	\$85,432
Loan Payment	(\$65,227)	(\$65,227)	(\$65,227)	(\$65,227)	(\$65,227)
NET CASH FLOW (b/t)	\$20,206	\$20,206	\$20,206	\$20,206	\$20,206
Cash On Cash Return b/t	9.71%	9.71%	9.71%	9.71%	9.71%
NET OPERATING INCOME	\$85,432	\$85,432	\$85,432	\$85,432	\$85,432
Depreciation	(\$21,299)	(\$22,227)	(\$22,227)	(\$22,227)	(\$21,307)
Loan Interest	(\$42,242)	(\$40,982)	(\$39,652)	(\$38,250)	(\$36,771)
TAXABLE INCOME (LOSS)	\$21,891	\$22,224	\$23,553	\$24,955	\$27,355
Income Taxes	(\$6,129)	(\$6,223)	(\$6,595)	(\$6,988)	(\$7,659)
CASH FLOW (a/t)	\$14,076	\$13,983	\$13,611	\$13,218	\$12,546
Cash On Cash Return a/t	6.77%	6.72%	6.54%	6.35%	6.03%

\* b/t = before taxes;a/t = after taxes

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# FINANCIAL INDICATORS

Family Dollar - Scottsburg, IN

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Description	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Rent Multiplier	9.27	9.41	9.55	9.69	9.84
Capitalization Rate	8.54%	8.54%	8.54%	8.54%	8.54%
Cash On Cash Return b/t	9.71%	9.71%	9.71%	9.71%	9.71%
Cash On Cash Return a/t	6.77%	6.72%	6.54%	6.35%	6.03%
Debt Coverage Ratio	1.31	1.31	1.31	1.31	1.31
Gross Income per Sq. Ft.	\$11.93	\$11.93	\$11.93	\$11.93	\$11.93
Expenses per Sq. Ft.	(\$2.62)	(\$2.62)	(\$2.62)	(\$2.62)	(\$2.62)
Net Income Multiplier	11.88	12.06	12.24	12.42	12.61
Operating Expense Ratio	21.99%	21.99%	21.99%	21.99%	21.99%
Loan To Value Ratio	76.55%	73.07%	69.54%	65.97%	62.36%

\* b/t = before taxes; a/t = after taxes

# INTERNAL RATE OF RETURN ANALYSIS

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## BEFORE TAX IRR

TIME	CASH FLOWS
Initial Investment	(\$208,000)
End of Year 1	\$20,206
End of Year 2	\$20,206
End of Year 3	\$20,206
End of Year 4	\$20,206
End of Year 5*	\$361,089

IRR = 18.55%

\* (\$20,206 + \$340,883)

## AFTER TAX IRR

TIME	CASH FLOWS
Initial Investment	(\$208,000)
End of Year 1	\$14,076
End of Year 2	\$13,983
End of Year 3	\$13,611
End of Year 4	\$13,218
End of Year 5*	\$325,411

IRR = 14.14%

\* (\$12,546 + \$312,865)



# RESALE REPORT

Family Dollar - Scottsburg, IN  
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## NET PROCEEDS FROM SALE

### Adjusted Basis

Basis At Acquisition	\$1,008,000
-Depreciation	(\$109,286)
Adjusted Basis at Sale	\$898,714

### Capital Gain

Sale Price	\$1,077,284
-Sale Expenses	(\$64,637)
-Adjusted Basis at Sale	(\$898,714)
Gain or (Loss)	\$113,933
-Depreciation (limited to gain)	(\$109,286)
Capital Gain from Appreciation	\$4,647

### Sales Proceeds After Tax

Sale Price	\$1,077,284
-Sale Expenses	(\$64,637)
-Mortgage Balance	(\$671,763)
Sale Proceeds Before Tax	\$340,883
-Tax On Depreciation	(\$27,322)
-Tax On Capital Gain	(\$697)
Sale Proceeds After Tax	\$312,865

# PROPERTY RESALE ANALYSIS

Family Dollar - Scottsburg, IN

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Description	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Property Value	\$1,015,000	\$1,030,225	\$1,045,678	\$1,061,364	\$1,077,284
Resale Expenses	(\$60,900)	(\$61,814)	(\$62,741)	(\$63,682)	(\$64,637)
Proceeds b/f Debt Payoff	\$954,100	\$968,412	\$982,938	\$997,682	\$1,012,647
Basis at Acquisition	\$1,008,000	\$1,008,000	\$1,008,000	\$1,008,000	\$1,008,000
Depreciation	(\$21,299)	(\$43,526)	(\$65,753)	(\$87,980)	(\$109,286)
Adjusted Tax Basis	\$986,701	\$964,474	\$942,247	\$920,020	\$898,714
Resale Tax Gain (Loss)	(\$32,601)	\$3,938	\$40,691	\$77,661	\$113,933
Resale Tax Benefit (Cost)	\$0	(\$984)	(\$10,173)	(\$19,415)	(\$28,019)
Loan Principal Balance	(\$777,015)	(\$752,770)	(\$727,196)	(\$700,219)	(\$671,763)
Net Resale Proceeds	\$177,085	\$214,657	\$245,569	\$278,047	\$312,865

\* b/f = before

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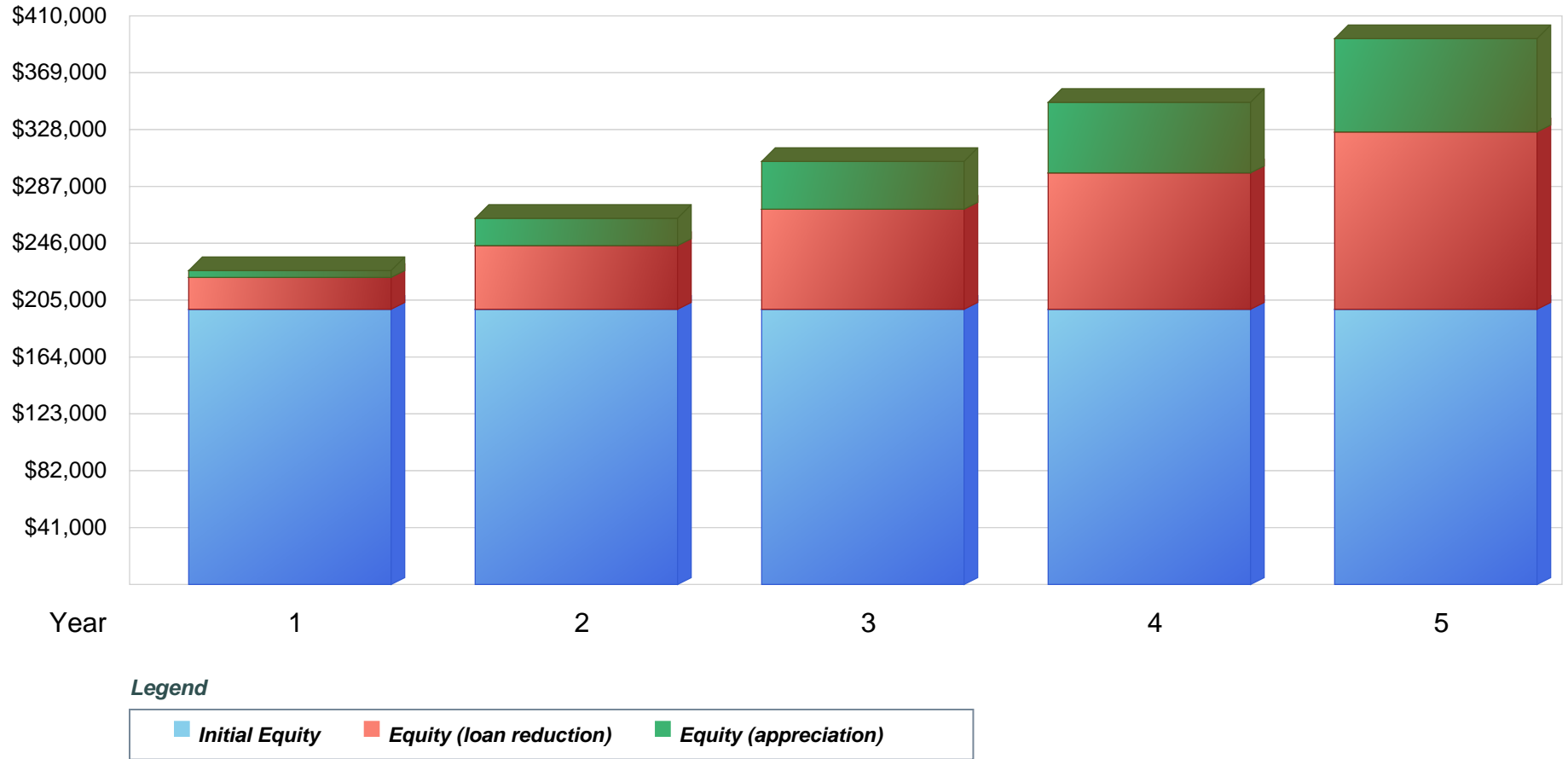
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# PROPERTY EQUITY ANALYSIS

Family Dollar - Scottsburg, IN

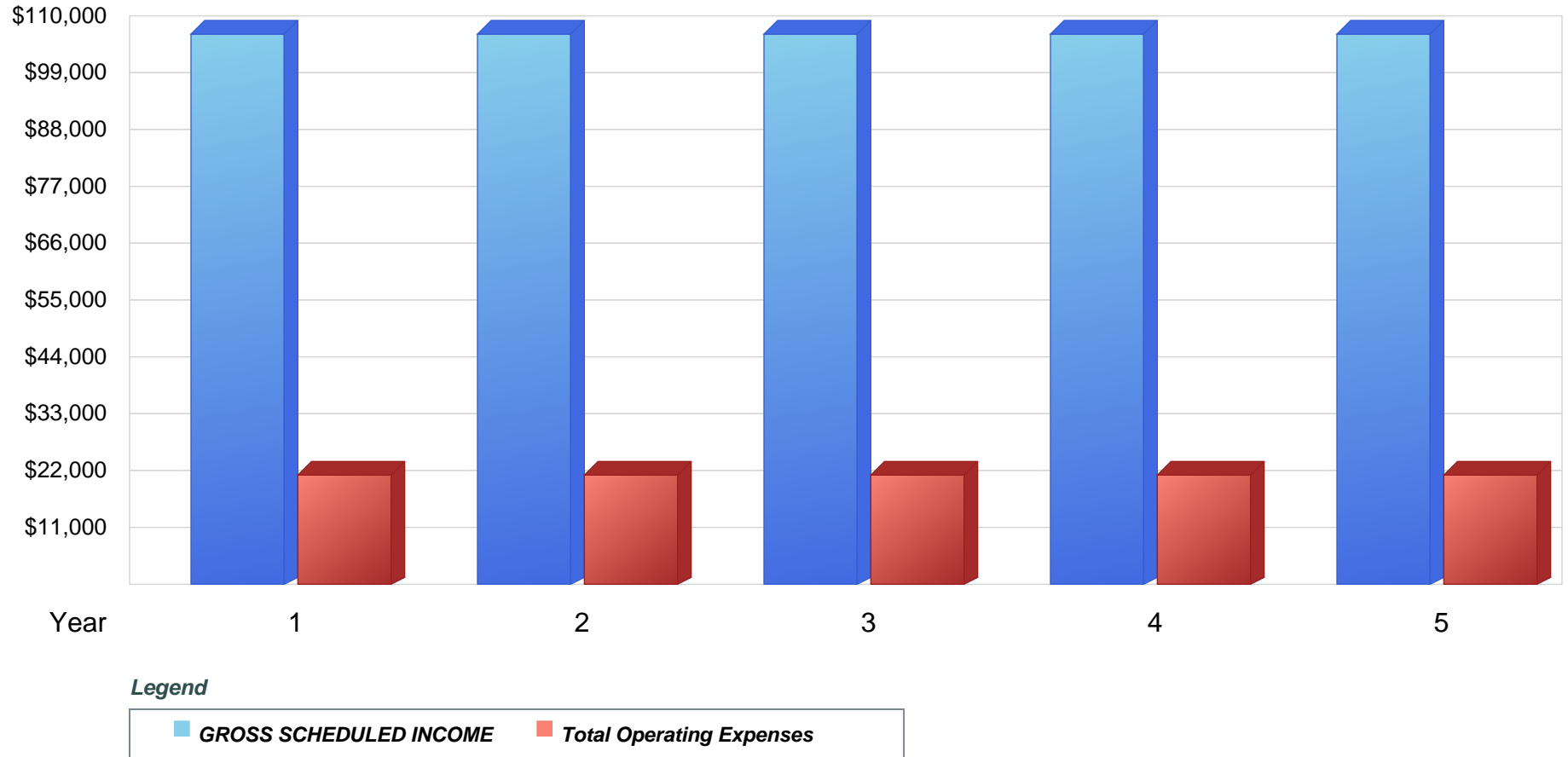
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# GROSS INCOME VS. OPERATING EXPENSES

Family Dollar - Scottsburg, IN

395 North Gardner Street | Scottsburg, IN 47170

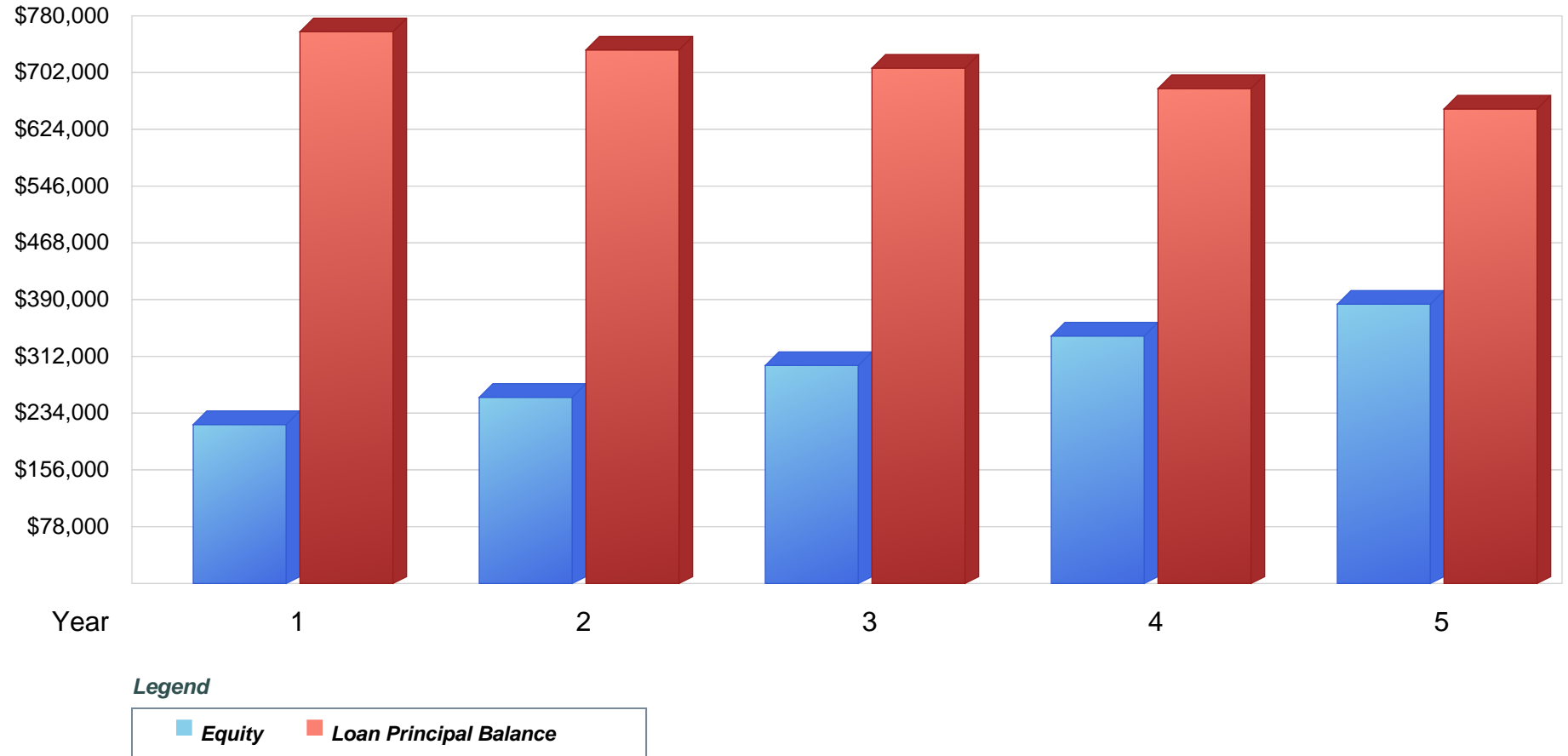




# EQUITY VS. DEBT

Family Dollar - Scottsburg, IN

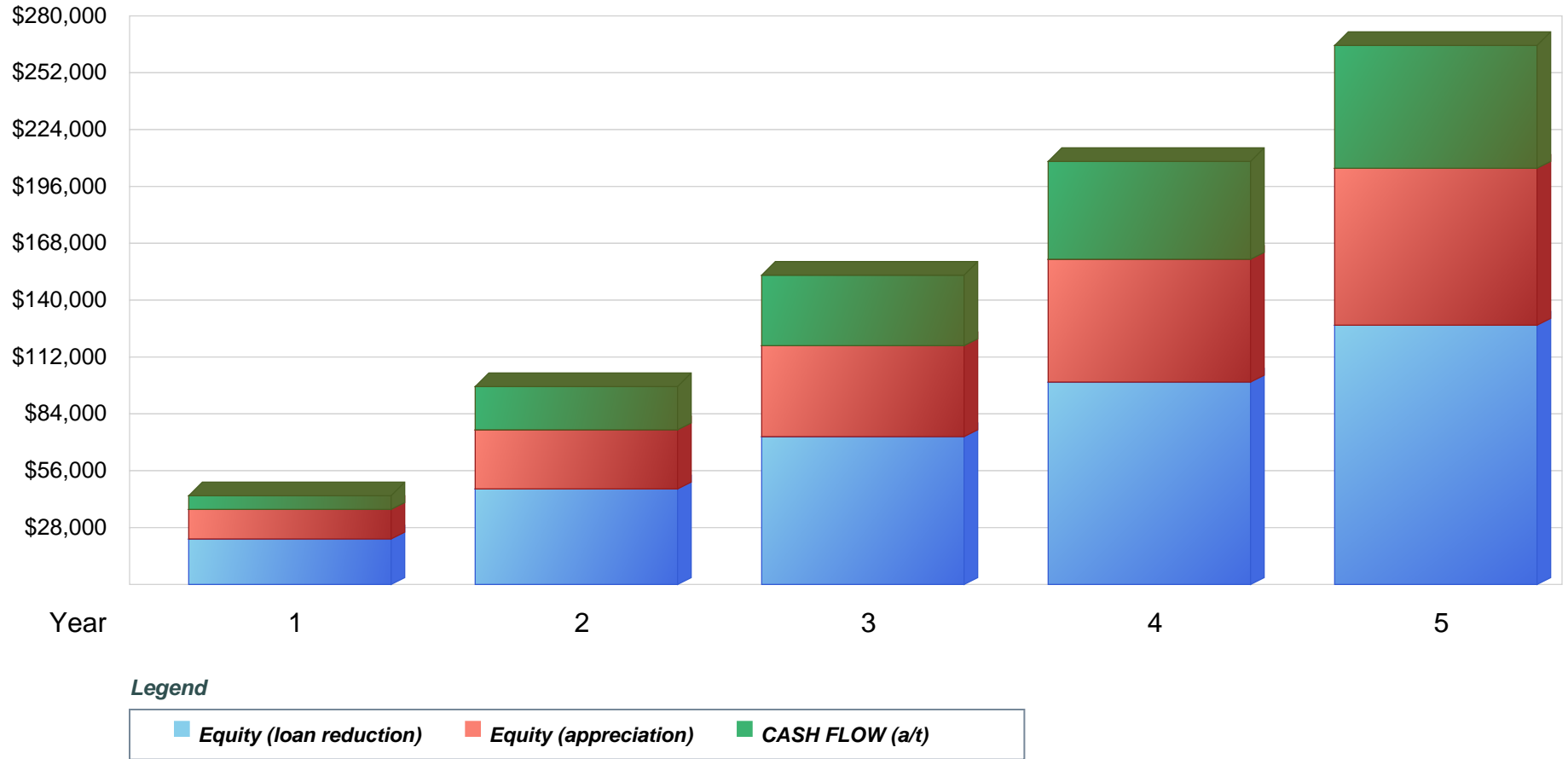
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# CUMULATIVE WEALTH ANALYSIS

Family Dollar - Scottsburg, IN

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# PROFESSIONAL BIO

Family Dollar - Scottsburg, IN  
395 North Gardner Street | Scottsburg, IN 47170

Rob Millman has 27 years of sales experience and works in the Indiana Marketplace focused primarily with commercial real estate sales and leasing. His business philosophy is to provide all his clients a high degree of professionalism and expertise. His mission is to provide spectacular customer service and a mutual respect level creating the basis for long term relationships.

## QUALIFICATIONS

He is a Real Estate Broker and principal for Millman Realty Partners working as Realtor for nearly 20 years. He has worked as a successful residential and commercial broker in the South Central Indiana marketplace. Rob has specialized in new construction, was named Jackson County Realtor of the Year in 2003, Rob has a high sales

success rate and has closed over 950 real estate transaction in the past 19 years, formerly with Berkshire Hathaway, he was recognized with the Chairman Gold Circle Receipt 2014-2017. Rob is a member of the Indiana Commercial Board of Realtors.

## SPECIALIZATIONS

Rob specializes in assisting real estate developers and investors with income producing properties particularly retail, office and multi-family projects. He emphasizes the importance of evaluating the financial feasibility, basic economics and suitability to each client's risk level, sophistication and expertise.

## EDUCATION

Bachelor of Science, Purdue University  
Associate of Science, Vincennes University

## AFFILIATIONS

Indiana Board of Commercial Realtors  
CCIM Certified Commercial Investment Member  
Indiana Chapter of CCIM Institute  
National and Indiana Association of Realtors  
Jackson County Board of Realtors, Past President  
Member of Various Chamber Chamber of Commerces  
Seymour Industrial Corporation, Board Member

