



NOT ACTUAL STORE

DOLLAR GENERAL CHICAGO, IL

4524 S Ashland Ave • Chicago, IL 60609

# EXECUTIVE SUMMARY

OFFERING SUMMARY	
Offering Price	\$2,400,000
Capitalization Rate – Current	5.82%
Price / SF	\$177.16
Rent / SF	\$10.32
Lease Structure	NN
Lot Size	0.64 acre(s)
Gross Leasable Area	13,547 SF
Year Built / Renovated	2013
Tenant	Dollar General
F&D Reports Credit Rating	Baa2
Lease Commencement	4/10/2012
Lease Expiration	7/31/2022
Rent Thru 7/31/2022	\$139,786
Landlord Responsibilities	Roof and Structure
Renewal Options	Four 5-Year Options
Option Rent	Option 1 (5%) \$146,774
	Option 2 (5%) \$154,113
	Option 3 (10%) \$169,524
	Option 4 (5%) \$178,000

# INVESTMENT OVERVIEW

---

Marcus & Millichap is pleased to present this Net Leased Dollar General in Chicago, Illinois. This is an exclusive opportunity to acquire an investment credit (Baa2) net leased asset, in a dense Chicago urban infill location with over 313,337 people within a three mile radius of the store.

The brand new NN lease was executed in the 2nd Quarter of 2012 and included a complete renovated building with new plumbing, mechanical, electrical and brand new roof. This property sits on 0.64 acres and approximately 13,547 square feet building on Ashland Avenue, which is a main north-south thoroughfare running through the city and boasts traffic counts of 57,014 vehicles per day. A dedicated parking lot is included that accommodates 37 vehicles.

## INVESTMENT HIGHLIGHTS

---

- Long Term Net Lease | Guaranteed By Dollar General Corporation | F&D Rating A2
- Low Rent Structure of \$10.32 Per Square Foot | Easily Replaceable
- Ideal Location Demographics of more than 26,023 Within a One Mile Radius
- Dollar General Strong Store Performance Reported In This Region

# OFFERING SUMMARY

## PROPERTY SUMMARY

Property	Dollar General
Property Address	4524 S. Ashland Avenue Chicago, IL 60609
Price	\$2,400,000
Capitalization Rate	5.82%
Price / SF	\$177.16

## PROPERTY DESCRIPTION

Year Built / Renovated	2013
Gross Leasable Area	13,547 SF
Zoning	B3-2s, Chicago
Lot Size	0.64 acre(s)
Type of Ownership	Fee Simple

## SITE SUMMARY

**Location:** The property is located on the West side of Ashland Avenue between 45<sup>th</sup> and 46<sup>th</sup> Streets.

**Parcel Number:** 20-06-417-031-0000

**Site Size:** 0.64 acre(s) / 27,699 Square Feet

**Number of Buildings / Stories:** One (1)

**Foundation:** Concrete Slab

**Framing:** Brick

**Exterior Walls:** Brick

**Roof Cover:** The Building has a flat roof with built-up composition. The roof was redone in 2012. The roof warranty has approximately 28 years remaining.

**Year Built:** A major remodel was done in 2012 including new electrical, plumbing and mechanical. There is approximately 18 years of warranty remaining on the roof.

**Shape:** The site is primarily rectangular in shape

**Access:** Ingress and egress is available to the parking area directly off Ashland Avenue.

**Parking:** 37 Spaces in an Asphalt lot | Parking Ratio 2.7 per 1,000 SF GLA

**Flood Plain:** According to FEMA Community Map Panel 17031C0520J dated August 19, 2008, the property is located in *Flood Zone X*, an area of minimal flooding, usually depicted as above the 500-year flood level.



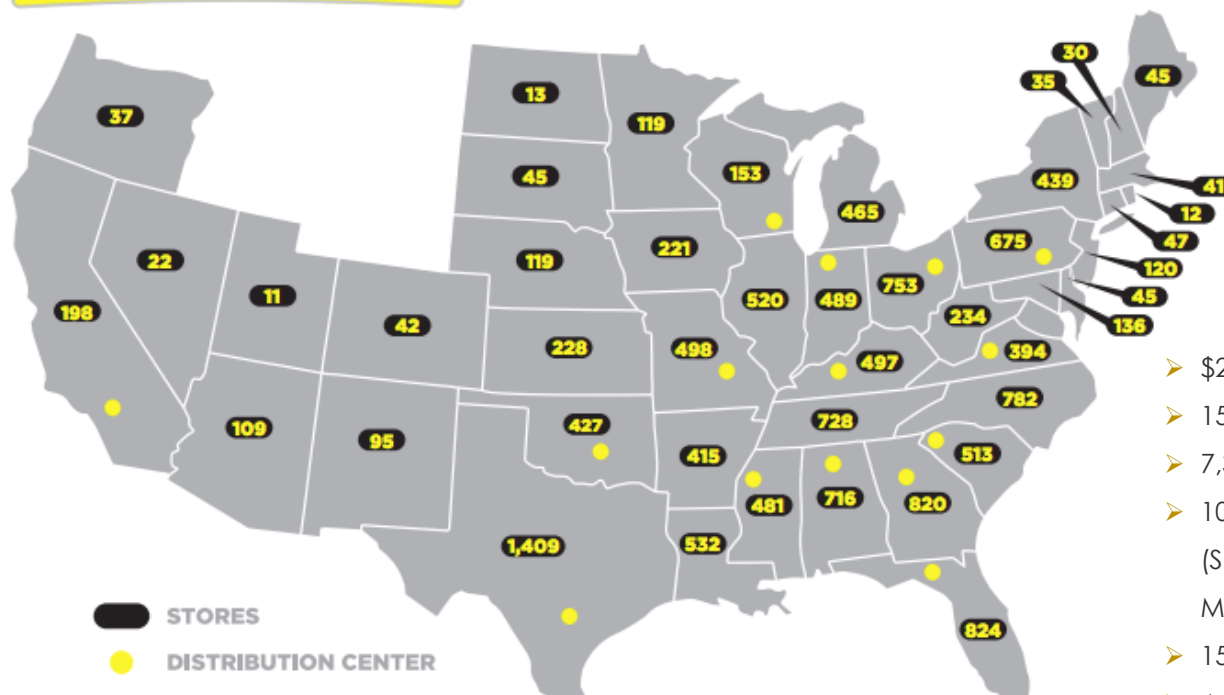
# TENANT OVERVIEW

## Dollar General Corporation

Dollar General is a retailer in the US that sells consumables, groceries, apparel, and seasonal merchandise at low prices. The company was founded in 1939 and is based in Goodlettsville, TN. The company has approximately 15,000 stores across America. The company generates more than \$23 billion in annual sales.



### DOLLAR GENERAL<sup>®</sup> IN 44 STATES



- \$23.5 Billion in Sales in Fiscal 2017
- 15,227 Retail Locations as of November 2, 2018
- 7,300 Square-Foot Stores
- 10,000 - 12,000 Total Stock Keeping Units (SKUs) Per Store from America's Most-Trusted Manufacturers
- 15 Distribution Centers
- Approximately 135,000 Employees
- Ranked #123 on the [Fortune 500](#) List as of May 2018

# LEASE SUMMARY

## LEASE SUMMARY

Property Subtype	Net Leased Discount
Tenant	Dollar General
Rent Increases	5% Increases on Each 5-Year Option
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	April 10, 2012
Lease Expiration	July 31, 2022
Lease Term	10 Years
Term Remaining on Lease	3.5 Years
Renewal Options	Four 5-Year Options
Landlord Responsibility	Roof, Structure, Exterior Portions of Building
Tenant Responsibility	Taxes, Insurance, HVAC, Utilities, Signage
Right of First Refusal / Offer	No

## RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$139,786	\$11,649	\$10.32	5.82%
2022	\$146,775	\$12,231	\$10.83	6.12%
2027	\$154,114	\$12,843	\$11.38	6.42%
2032	\$169,525	\$14,127	\$12.51	7.06%
2037	\$178,002	\$14,833	\$13.14	7.42%

## ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$139,786

# LEASE ABSTRACT

TENANT	Dollar General Corporation
PREMISES	Parcel Size 27,699 SF Building Size 13,547 SF
OWNERSHIP	Fee Simple Interest NN Lease
LEASE COMMENCEMENT	April 10, 2012
LEASE EXPIRATION	July 31, 2022
LEASE EXTENSIONS	Four 5-Year Options
LEASE TYPE	NN – Landlord is Responsible for Roof and Structure
BASE RENT	Current – July 31, 2022   \$139,786
OPTION RENT	
OPTION 1	08/01/2022 – 07/31/2027 \$146,775
OPTION 2	08/01/2027 – 07/31/2032 \$154,114
OPTION 3	08/01/2032 – 07/31/2037 \$169,525
OPTION 4	08/01/2037 – 07/31/2042 \$178,002
SALES REPORTING	None
PERCENTAGE RENT	None

## Dollar General remains one of the success stories of U.S. retailing

After a soft start to the year, Dollar General is finally back on track with much stronger sales numbers. The 11% rise in net revenue is impressive and reflects both ongoing fleet expansion and various initiatives to improve the productivity of existing shops. The 4.3% increase in comparable sales is evidence that the store based programs are working.

Although Dollar General trades primarily on price, it has another, often overlooked advantage: convenience. With well over 14,000 stores across the U.S., almost 75% of the population now live within 5 miles of a Dollar General store. This makes the company the closest and most convenient general merchant for millions, especially those living in rural areas.

Dollar General's forward opportunity is to capitalize on this convenience by persuading more shoppers, and especially those outside of its core target market, to visit stores. This has been one of the focal points of the various store initiatives, and we are encouraged by the early progress, with our data showing the company is capturing a more significant share of spending from middle income and more affluent Americans.

Optimizing the product assortment, including bringing in more branded products, has allowed Dollar General to shift quality perceptions — especially among non-traditional shoppers. The move has also helped Dollar General increase average transaction values. Meanwhile, the introduction of fresh in a handful of [remodeled stores](#) appears to be working well, improving both customer traffic and spending. In our view, rolling fresh out across the bulk of the estate would give Dollar General more of a destination status — although executing this in some of the smaller stores may prove challenging. Dollar General has also been developing product categories where it feels it is underperforming in terms of market share. One of these areas is beauty, and as our data show this is indeed an area of relative weakness for the chain. To capitalize on this latent opportunity, Dollar General has redesigned the cosmetics area in many stores to showcase on-trend products better. Improvements have also been made to health and wellbeing ranges. Early indications suggest that these changes are working well and are driving up market share.

The focus on improving the existing fleet has not come at the expense of store expansion. Indeed, Dollar General has already signaled that it expects to execute over 2,000 real estate projects in 2018 resulting in the opening of at least 900 additional stores. Many of these will be in metro areas, which represents a slight shift in focus — but one that we believe presents Dollar General with a significant opportunity.

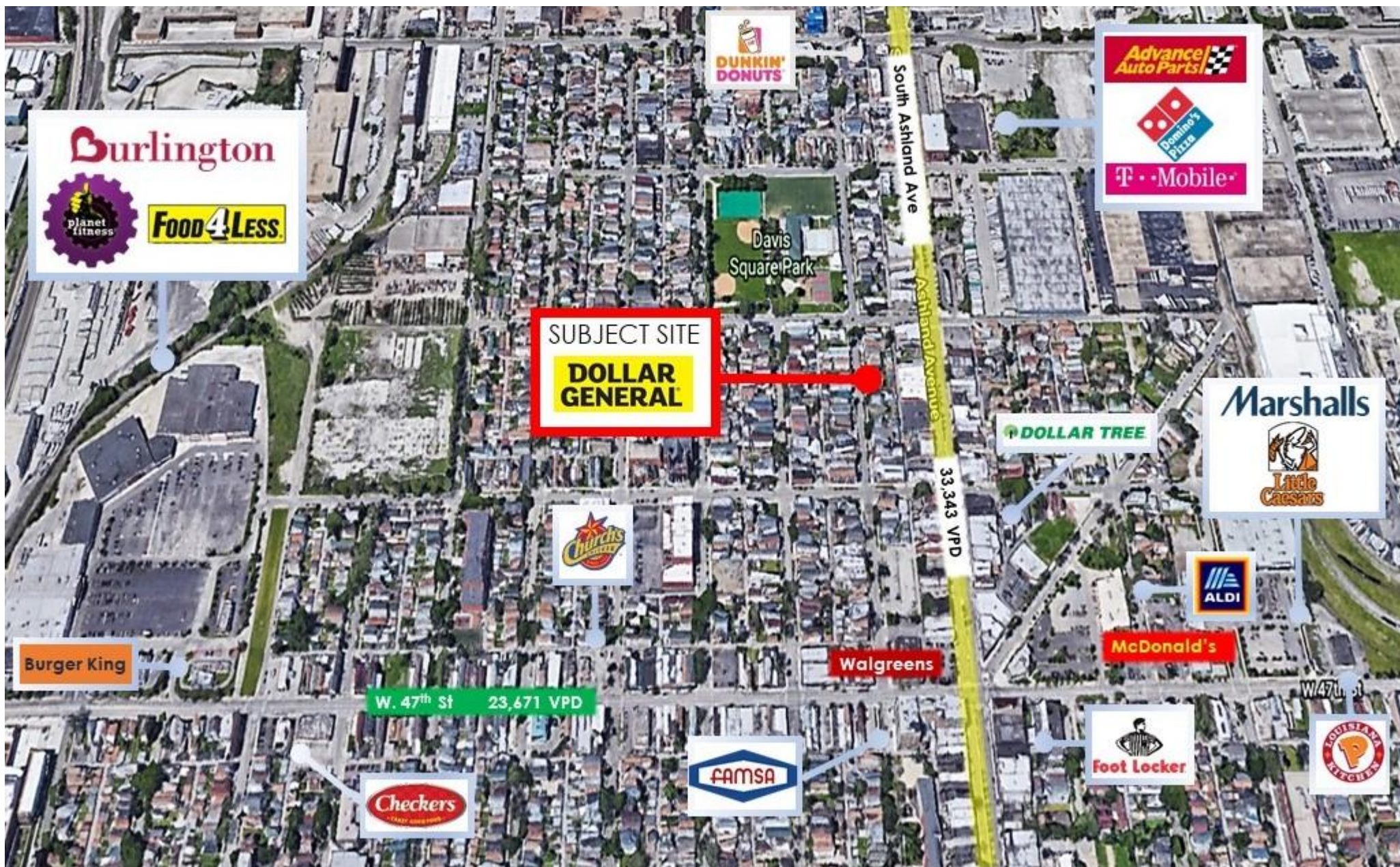
The frantic activity does come with costs attached. However, these are not too much of a concern as Dollar General makes fast returns on both its new stores and its improvement and remodeling programs. Underlying cost increases, including higher salaries, are a little more worrying and continue to act as a drag on margins and profit growth. However, we maintain that it was right for Dollar General to invest more in staff. We are encouraged that it will attempt to find efficiencies elsewhere to offset the costs.

Looking ahead, we expect Dollar General to feel the continued heat of cost increases in the next couple of quarters. However, a much firmer sales trajectory will help alleviate some of this pressure. Overall, Dollar General remains one of the success stories of U.S. retailing.





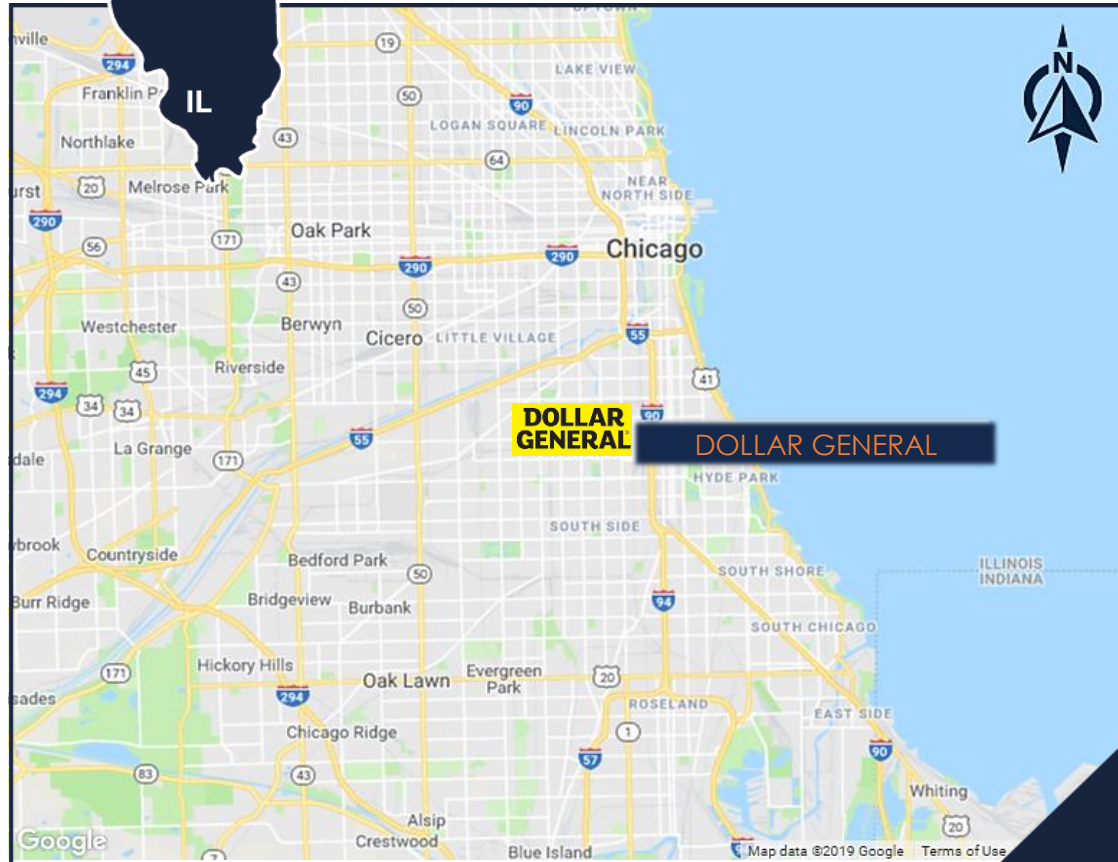
# AERIAL





## LOCATION OVERVIEW

4524 S Ashland Ave, Chicago, IL 60609



Marcus & Millichap is pleased to present this Single Tenant Dollar General in Chicago, Illinois. It is in a great location with residential all around.

- Investment Grade Tenant
- Close to Lake Michigan
- Densely populated residential area
- Near a sporting complex

CLOSE PROXIMITY TO:



## Downtown



## Schools



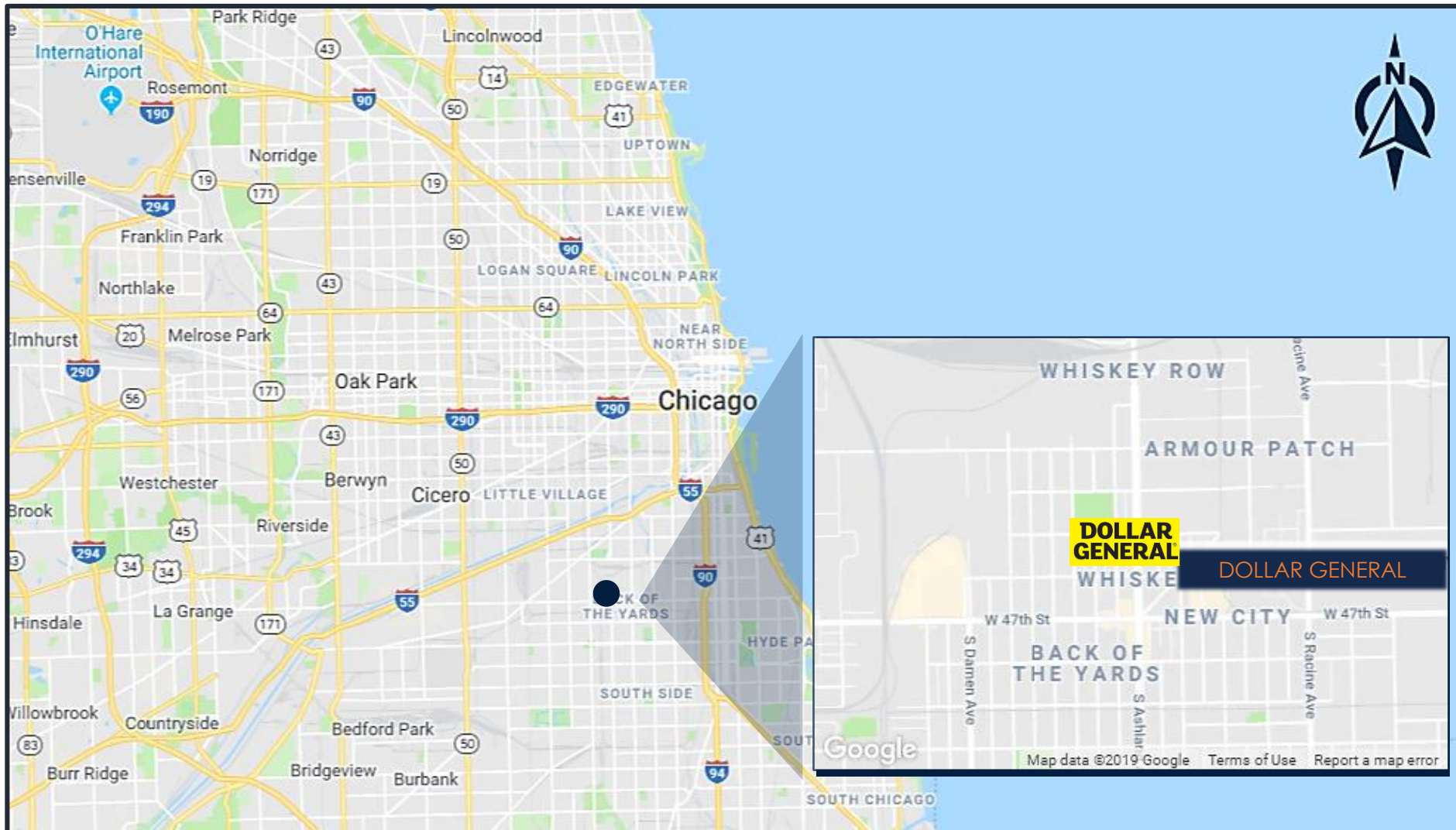
Major Highway



## Shopping Center

# REGIONAL AND LOCAL MAP

4524 S Ashland Ave, Chicago, IL 60609





# MARKET OVERVIEW



## ECONOMY

28 Fortune 500 Companies  
265,000 Businesses  
Four Million Plus Employees  
46.2 Million Tourists Annually

## CULTURE & RECREATION

552 Parks  
70 Museums  
26 Miles of Lakefront  
7 Major Sports Teams  
More than 7,300 Restaurants  
More than 200 Theaters

## POPULATION

Chicago MSA 9.8 Million  
City of Chicago 2.7 Million  
Third Largest MSA in the US  
Employees 4 Plus Million

## TRANSPORTATION

Six Major Interstates  
Hub for Six of the Nations  
Seven Class Railroads  
Midway International Airport  
9.4 Million Passengers  
Annually  
O'Hare International Airport  
32.1 Million Passengers  
Annually



# MARKET DEMOGRAPHICS

Back of the Yards is located on the southwest side of Chicago, and is part of the New City community area, which also includes the bordering neighborhood of Canaryville. This neighborhood earned its name due to the former Union Stock Yards that once occupied the area. In fact, this is the neighborhood that Upton Sinclair wrote about in the 1906 novel, "The Jungle." Since the stock yards closed in the early 1970s, the neighborhood has seen significant residential and commercial development. The Pink and Green Line are the easiest ways to get downtown.

The Back of the Yards neighborhood was originally part of the Town of Lake until its annexation by Chicago in 1889. The expansion of the neighborhood began in the mid-nineteenth century with the establishment of the Union Stockyards and the concentration of railroads in the area. By 1900, the neighborhood had been transformed into a series of Slavic enclaves, dominated by Poles, Czechs, Lithuanians, and Slovaks, largely composed of workingman's cottages.

Historically an industrial neighborhood, Back of the Yards bears a heavy resemblance to its roots (the neighborhood's name comes from its proximity to the Union Stock Yards). But it's also home to some beautiful green spaces, including the sixty-acre Sherman Park and Davis Square Park, both of which were designed by Chicago's favorite architect son, Daniel Burnham. Residents will find most of their daily shopping needs along W 47th Street and Ashland Avenue, but this expansive neighborhood is largely dominated by quaint, bungalow-style homes.

The culinary scene in Back of the Yards is casual, but is growing at a rapid rate. While you will find some chain restaurants, the area is better known for its locally owned neighborhood joints. Lots of comfort food is available, including traditional American food, Chicago classics, and authentic Mexican foods. But a more diverse selection of options is starting to pop up throughout the neighborhood. Casual neighborhood bars are also plentiful.

## 3-Mile Demographics



Population  
340,339



Household  
104,410 – Average Value \$199,815



Average HH Income  
\$42,978

The Back of the Yards Neighborhood Council is a community organization whose mission is to enhance the general welfare of all residents, organizations, and businesses in our service area. We accomplish this by integrating social service and economic development programs into a single community-based intermediary organization, the BYNC leads a holistic approach to the social problems that have plagued the Back of the Yards neighborhood and surrounding communities.

If there is anything going on at the parks mentioned above, then head over there. For a little site-seeing, check out the Union Stock Yard Gate, which is a National Historic Landmark and is located on Exchange Avenue. Take the bus to the Pink or Green line if you want to head out and explore elsewhere in the city.



# OUR FIRM



Across the country, Marcus & Millichap is an industry leader due to the quality of our research and the depth and breadth of our team.

# DOLLAR GENERAL®

FOR MORE INFORMATION CONTACT:

Tyler S. Clements

Dollar Store Specialist | National Retail Group

Marcus & Millichap

[Tyler.S.Clements@MarcusMillichap.com](mailto:Tyler.S.Clements@MarcusMillichap.com)

713.452.4275 Direct

713.725.6849 Mobile

LICENSE: TX 669464

Gus N. Lagos

First Vice President Investments | Director. National Retail Group

Marcus & Millichap

[Gus.Lagos@MarcusMillichap.com](mailto:Gus.Lagos@MarcusMillichap.com)

713.452.4257 Direct

713.459.1333 Mobile

LICENSE: TX 419197

## NON-ENDORSEMENT AND DISCLAIMER NOTICE

### Confidentiality and Disclaimer

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

### Non-Endorsement Notice

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.

PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.


DOLLAR GENERAL SINGLE TENANT NET LEASE INVESTMENT

Chicago, IL

ACT ID ZAA0040041

Marcus & Millichap

## NET LEASED DISCLAIMER



Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



## INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

\_\_\_\_\_  
Licensed Broker /Broker Firm Name or Primary Assumed Business Name

\_\_\_\_\_  
License No.

\_\_\_\_\_  
Email

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Designated Broker of Firm

\_\_\_\_\_  
License No.

\_\_\_\_\_  
Email

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Licensed Supervisor of Sales Agent/Associate

\_\_\_\_\_  
License No.

\_\_\_\_\_  
Email

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Sales Agent/Associate's Name

\_\_\_\_\_  
License No.

\_\_\_\_\_  
Email

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date