



Representative Photo



OFFERING MEMORANDUM

FAMILY DOLLAR | STRONG STORE SALES

2020 Spring Garden Ave • Pittsburgh, PA 15212

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FAMILY DOLLAR
Pittsburgh, PA
ACT ID ZAA0440018



INVESTMENT HIGHLIGHTS

- 7,000 Square-Foot Family Dollar in Pittsburgh, Pennsylvania
- Strong Store Sales of \$1.46M in 2017 | Sales Trending Upwards Over Last Four Years
- Five Years Remaining on Recently Exercised Renewal Option
- Ten Percent Rent Increases in Each of the Three, Five-Year Renewal Options
- Extremely Dense Infill Location: 147,353 Residents in 3-Miles | 364,974 Residents in 5-Miles
- 2.5 Miles from Downtown Pittsburgh (MSA Population of Over 2.35 Million Residents)
- Family Dollar Has Exercised Two Renewal Options at Contractual Rents, Showing it's Strong Commitment to the Site
- Dollar Tree Bought Family Dollar in 2015 | Market Capitalization of \$19.47 Billion | Fortune 500 Rank #134 in 2017



Marcus & Millichap, on behalf of ownership is pleased to bring to market a 7,000 square foot Family Dollar in Pittsburgh, Pennsylvania. Family Dollar recently exercised their second renewal option that expires December 31, 2023, providing nearly five years of committer lease term. Family Dollar is required to report store sales at this location with the most recently reported figures from 2017 at nearly \$1.46M. These sales are above the national average and have continued to trend upwards over the last four years. There are three, five-year renewal options currently remaining with ten percent rental increases in each.

Their lease is double net structured with minimal landlord responsibilities. The tenant is responsible for real estate taxes (paid as monthly reserves), insurance, common area maintenance, parking lot repairs and HVAC repairs/replacement (excluding replacements during the last two years of any extended lease term). The Landlord's primary responsibilities include roof, structure and parking lot replacement.

Dollar Tree purchased Family Dollar in 2015, and was ranked #134 on the 2017 Fortune 500 and has a current market capitalization of \$19.47 Billion.

PROPERTY SUMMARY

THE OFFERING	
Property	Family Dollar
Property Address	2020 Spring Garden Avenue Pittsburgh, PA 15212
Price	\$942,000
Capitalization Rate	8.35%
Price/SF	\$134.57

PROPERTY DESCRIPTION	
Year Built / Renovated	2005
Gross Leasable Area	7,000 SF
Zoning	N/A
Type of Ownership	Fee Simple
Lot Size	1.51 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Discount
Tenant	Family Dollar
Rent Increases	10% in the Options
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	July 20, 2005
Lease Expiration	December 31, 2023
Lease Term	18
Term Remaining on Lease (Years)	4.9
Renewal Options	Three, 5-Year Options
Landlord Responsibility	Roof & Structure
Tenant Responsibility	RET, INS, CAM, Parking Lot & HVAC Repairs
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$78,650

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$78,650	\$6,554	\$11.24	8.35%
Option 3 (5 Years)	\$86,515	\$7,210	\$12.36	9.18%
Option 4 (5 Years)	\$95,167	\$7,931	\$13.60	10.10%
Option 5 (5 Years)	\$104,683	\$8,724	\$14.95	11.11%

MAJOR EMPLOYERS (5-MILE RADIUS)

EMPLOYER	# OF EMPLOYEES *
Alcoa Primary Products	16,200
University of Pittsburgh	10,756
Arconic Mexico Holdings LLC	9,001
Allegheny General Hospital	6,645
Bny Mellon	5,674
Hcl Global Systems Inc	5,480
Board of Public Education Scho	5,016
Continuing Care Center	4,500
Office of Student Unions	4,500
Carnegie Mellon University	3,909
Boke Investment Company	3,000
Compagnie Des Bxites De Guinee	3,000

Dollar Tree, Inc.


CREDIT RATING: BBB-
www.fdreports.com | www.creditintell.com | November 03, 2018

General Information	
Address	500 Volvo Pkwy , Chesapeake, Virginia, 23320, United States
Phone	757-321-5000
Website	www.dollartree.com

Store Base	
Store Count	15,187
TTM Sales	\$22,978,700,000

Key Personnel	
President & CEO	Gary Philbin
Chief Financial Officer	Kevin S. Wampler
Executive Chairman	Bob Sasser

Financial Markets	
Stock Ticker	DLTR
Current Price	\$98.53 as of 2/14/19
52 Week High/Low	\$109.57 / \$78.78

Dollars may not grow on trees, but Dollar Tree brings in the green. The fast-growing company operates more than 15,000 Dollar Tree and Family Dollar discount stores across the US and in five provinces in Canada. The stores carry a mix of housewares, toys, seasonal items, food, health and beauty aids, and books. At Dollar Tree shops most goods are priced at \$1 or less while Family Dollar merchandise is usually less than \$10. The stores are generally located in high-traffic strip centers and malls, often in midsize cities and small towns.

Fiscal Year Ended February 03, 2018

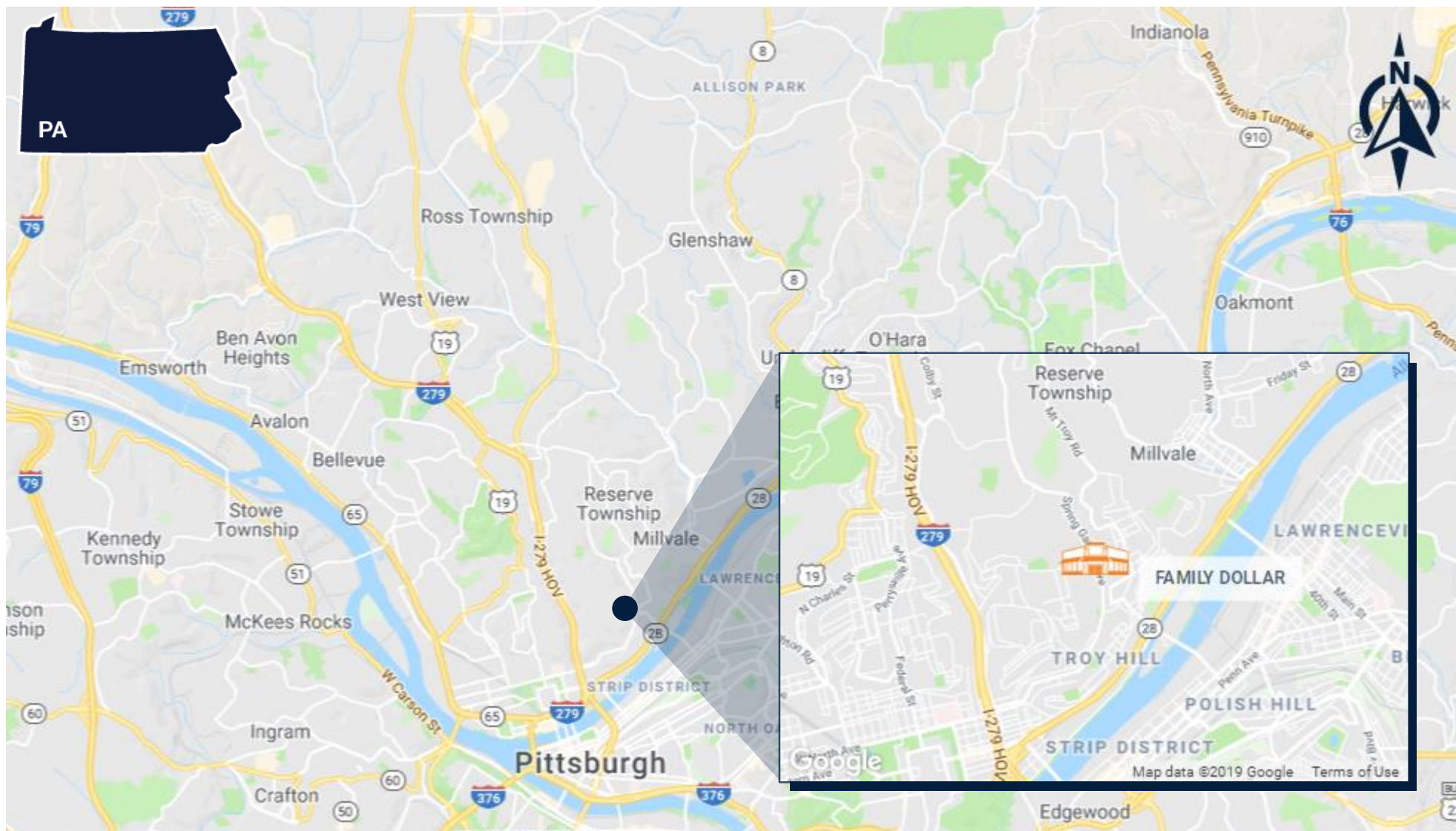
Credit Rating Chart Comparison

Creditintell | F&Dreports

Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

2020 Spring Garden Ave, Pittsburgh, PA 15212



Created on February 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	10,164	144,055	356,879
■ 2018 Estimate			
Total Population	10,447	147,007	364,107
■ 2010 Census			
Total Population	10,458	145,320	361,401
■ 2000 Census			
Total Population	12,522	156,204	392,535
■ Current Daytime Population			
2018 Estimate	13,477	382,659	567,535
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	4,721	62,799	161,135
■ 2018 Estimate			
Total Households	4,746	63,258	162,427
Average (Mean) Household Size	2.15	1.98	2.09
■ 2010 Census			
Total Households	4,747	62,938	162,003
■ 2000 Census			
Total Households	5,140	65,115	169,931
■ Occupied Units			
2023 Projection	4,721	62,799	161,135
2018 Estimate	5,747	73,644	184,612
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	4.16%	6.28%	8.12%
\$100,000 - \$149,000	7.43%	9.14%	11.06%
\$75,000 - \$99,999	10.12%	9.86%	11.12%
\$50,000 - \$74,999	20.56%	16.60%	17.64%
\$35,000 - \$49,999	12.66%	12.01%	12.42%
Under \$35,000	45.07%	46.12%	39.66%
Average Household Income	\$55,426	\$61,617	\$70,227
Median Household Income	\$40,578	\$39,410	\$47,280
Per Capita Income	\$25,306	\$28,318	\$32,182

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$53,213	\$53,730	\$59,014
■ Consumer Expenditure Top 10 Categories			
Housing	\$15,459	\$15,708	\$17,141
Shelter	\$8,995	\$9,379	\$10,140
Transportation	\$7,234	\$7,155	\$7,942
Food	\$5,215	\$5,340	\$5,770
Personal Insurance and Pensions	\$4,100	\$4,302	\$5,116
Utilities	\$3,521	\$3,457	\$3,779
Health Care	\$3,360	\$3,353	\$3,868
Entertainment	\$2,495	\$2,538	\$2,830
Apparel	\$1,532	\$1,714	\$1,771
Education	\$1,428	\$1,526	\$1,640
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	10,447	147,007	364,107
Under 20	23.62%	21.14%	20.73%
20 to 34 Years	24.35%	35.14%	30.60%
35 to 39 Years	6.65%	5.79%	6.20%
40 to 49 Years	11.08%	8.96%	9.92%
50 to 64 Years	19.42%	15.77%	17.97%
Age 65+	14.90%	13.21%	14.60%
Median Age	36.40	31.18	34.17
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	7,339	93,581	251,314
Elementary (0-8)	2.01%	1.67%	1.42%
Some High School (9-11)	8.85%	7.08%	6.22%
High School Graduate (12)	40.77%	28.91%	28.40%
Some College (13-15)	14.59%	15.90%	15.80%
Associate Degree Only	9.51%	7.34%	7.89%
Bachelors Degree Only	15.18%	21.24%	21.33%
Graduate Degree	8.11%	16.81%	18.04%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 147,007. The population has changed by -5.89% since 2000. It is estimated that the population in your area will be 144,055.00 five years from now, which represents a change of -2.01% from the current year. The current population is 49.91% male and 50.09% female. The median age of the population in your area is 31.18, compare this to the US average which is 37.95. The population density in your area is 5,191.01 people per square mile.



Households

There are currently 63,258 households in your selected geography. The number of households has changed by -2.85% since 2000. It is estimated that the number of households in your area will be 62,799 five years from now, which represents a change of -0.73% from the current year. The average household size in your area is 1.98 persons.



Income

In 2018, the median household income for your selected geography is \$39,410, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 56.34% since 2000. It is estimated that the median household income in your area will be \$46,865 five years from now, which represents a change of 18.92% from the current year.

The current year per capita income in your area is \$28,318, compare this to the US average, which is \$32,356. The current year average household income in your area is \$61,617, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 63.19% White, 26.60% Black, 0.04% Native American and 6.15% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 2.90% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$110,978 in 2018, compare this to the US average of \$201,842. In 2000, there were 30,244 owner occupied housing units in your area and there were 34,871 renter occupied housing units in your area. The median rent at the time was \$402.



Employment

In 2018, there are 258,353 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 62.93% of employees are employed in white-collar occupations in this geography, and 36.98% are employed in blue-collar occupations. In 2018, unemployment in this area is 7.21%. In 2000, the average time traveled to work was 24.00 minutes.

PITTSBURGH OVERVIEW

The Pittsburgh metro area rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. Consisting of Armstrong, Butler, Fayette, Westmoreland, Washington, Allegheny and Beaver counties, the metro contains nearly 2.4 million residents, with nearly half concentrated in Allegheny county. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second-largest in Pennsylvania, with approximately 310,000 residents.

METRO HIGHLIGHTS



POSITIVE EMPLOYMENT TRENDS

An estimated 36,500 jobs are expected through 2022. Growth will be driven by professional services, education and healthcare.



QUALITY HIGHER EDUCATION

The local economy benefits from university-related startup companies. Carnegie Mellon, Duquesne and the University of Pittsburgh are among the local higher-educational institutions.



POPULATION GROWTH

After years of decline, job seekers moving to the metro contribute to a rising population.

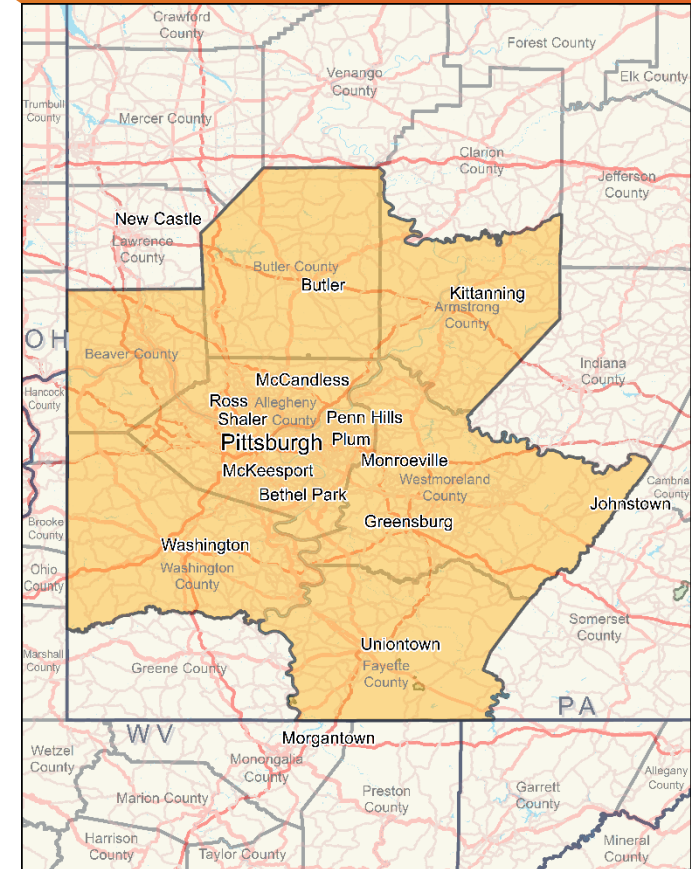
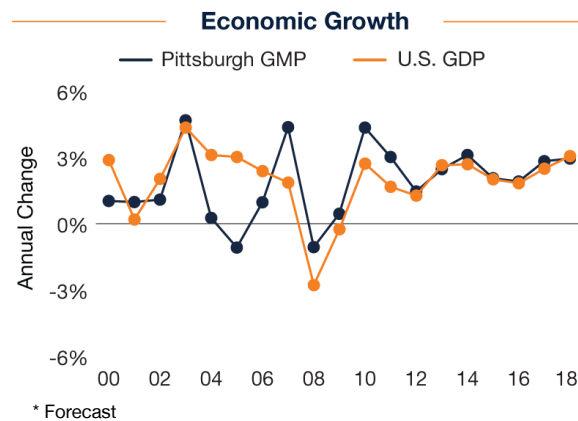


ECONOMY

- Once centered on the steel industry, Pittsburgh's economy has become much more diversified over the past 20 years and continues to change.
- There are a multitude of international firms with headquarters or regional offices in the metro. Additionally, six Fortune 500 companies are headquartered in Pittsburgh: U.S. Steel Corp., Kraft Heinz Co., PNC Financial, Wesco International, PPG Industries and Dick's Sporting Goods.
- High-tech is expanding, particularly in automation and manufacturing equipment, software, biotechnology, environmental services, and pharmaceuticals.

MAJOR AREA EMPLOYERS

UPMC
West Penn Allegheny Health System
University of Pittsburgh
BNY Mellon Corp.
PNC Financial Services
Eat'n Park Hospitality Group
Carnegie Mellon University
Highmark Blue Cross Blue Shield
U.S. Steel
Children's Hospital of Pittsburgh



SHARE OF 2017 TOTAL EMPLOYMENT

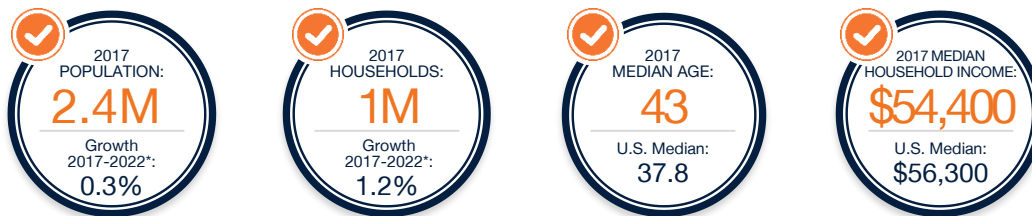




DEMOGRAPHICS

- The metro is expected to add nearly 7,000 people through 2022, which will result in the formation of more than 12,000 households.
- A median home price below the national level allows 69 percent of households to own their home, which is above the national rate of 64 percent.
- Roughly 31 percent of people age 25 and older hold bachelor's degrees; among those residents, 12 percent also have earned a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



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