



DOLLAR TREE
100 W Jones St • Kenly, NC 27542

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DOLLAR TREE
Kenly, NC
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Marcus & Millichap

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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.

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Marcus & Millichap

Dollar Tree, Inc.


CREDIT RATING: B1
www.fdreports.com | www.creditintell.com | May 04, 2019

General Information

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

Key Personnel

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

Store Base

Store Count	15,264
TTM Sales	\$23,078,300,000

Financial Markets

Stock Ticker	DLTR
Current Price	\$107.39 as of 6/30/19
52 Week High/Low	\$113.38 / \$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 mid-sized cities and small towns.

Fiscal Year Ended February 02, 2019

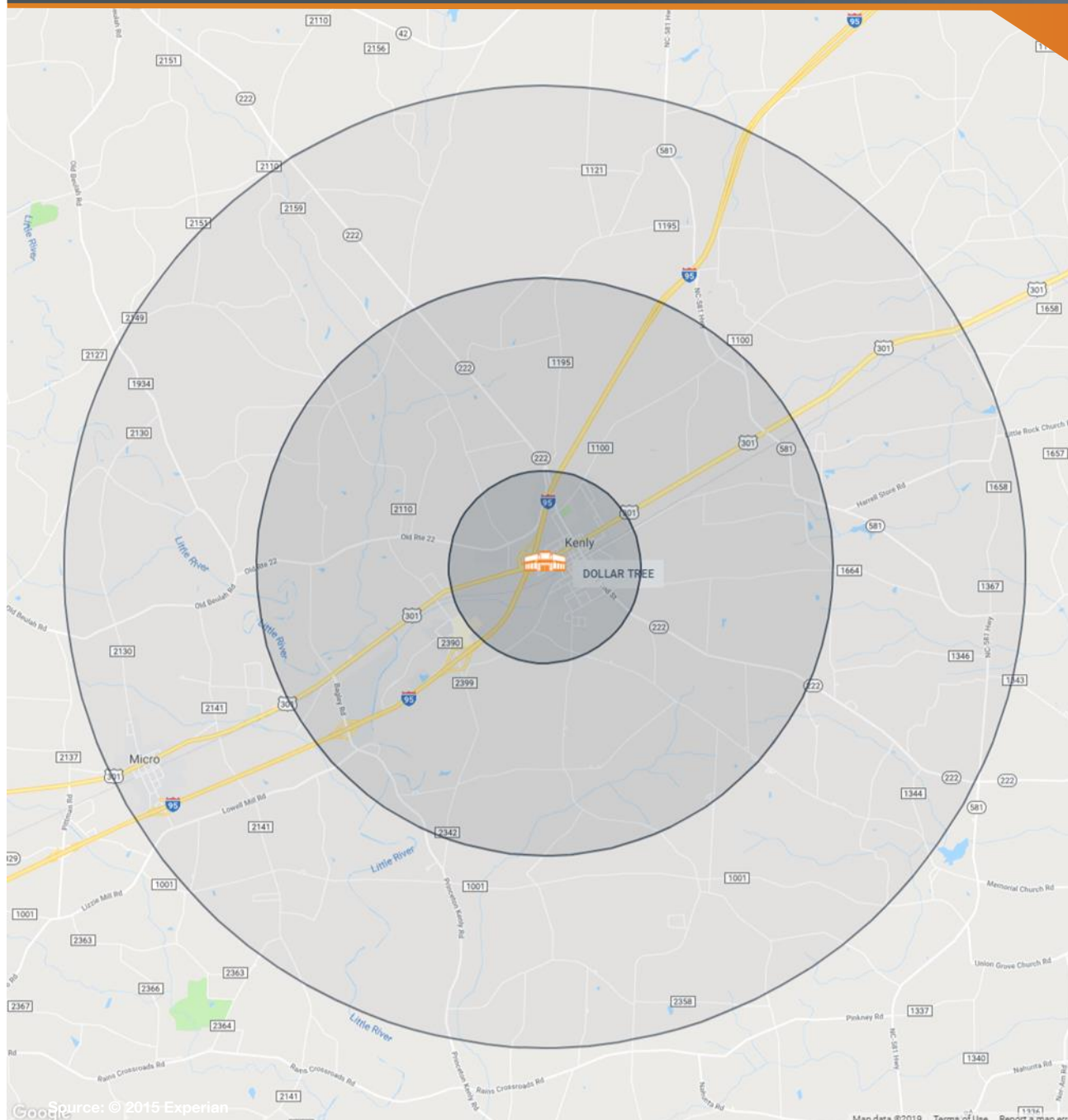
Credit Rating Chart Comparison Creditintell | F&Dreports

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



CREATED ON JUNE 30, 2019



	1 Miles	3 Miles	5 Miles
POPULATION			
2023 Projection	1,729	3,865	9,157
2018 Estimate	1,793	3,931	8,980
2010 Census	1,562	3,484	8,093
2000 Census	1,680	3,584	7,550

INCOME			
Average	\$57,460	\$57,568	\$55,142
Median	\$43,248	\$43,857	\$44,053
Per Capita	\$26,016	\$23,617	\$22,179

HOUSEHOLDS			
2023 Projection	791	1,599	3,723
2018 Estimate	812	1,613	3,612
2010 Census	693	1,395	3,186
2000 Census	765	1,475	3,033

HOUSING			
2018	\$125,580	\$120,801	\$106,632

EMPLOYMENT			
2018 Daytime Population	2,016	3,795	7,369
2018 Unemployment	5.75%	5.51%	5.44%
2018 Median Time Traveled	31	30	29

RACE & ETHNICITY			
White	72.71%	73.63%	75.46%
Native American	0.00%	0.00%	0.00%
African American	21.48%	19.51%	16.05%
Asian/Pacific Islander	0.26%	0.26%	0.25%

Source: © 2015 Experian

Map data ©2019 Terms of Use Report a map error

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$1,102,564
Net Operating Income	\$86,000
Capitalization Rate – Current	7.8%
Price / SF	\$136.96
Rent / SF	\$10.68
Lease Type	NN
Gross Leasable Area	8,050 SF
Year Built / Renovated	2012
Lot Size	0.98 acre(s)

FINANCING

Loan Amount	\$771,795
Loan Type	Financed - New Loan
Loan to Value	70.00%
Down Payment	30% / \$330,769
Interest Rate / Amortization	5% / 25 Years
Annual Loan Payment	\$54,142
Net Cash Flow After Debt Service	9.63% / \$31,858
Cash on Cash Return	9.63%
Total Return	14.44% / \$47,772



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
Cummins Inc	343
Purolator Pdts A Filtration Co	174
Kenly 95 Ta Truckstop	150
Conestoga Wood Spc Corp	100
Glendale-Kenly Elementary Schl	85
Glendale Kenly Elementary Sch	80
North Johnston High School	80
North Johnston Middle School	67
Dollar General	66
Ace Transport Ltd	63
Aycock Auto Auction	50
Big Boys Inc	50

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	1,793	3,931	8,980
2010 Census Pop	1,562	3,484	8,093
2018 Estimate HH	812	1,613	3,612
2010 Census HH	693	1,395	3,186
Median HH Income	\$43,248	\$43,857	\$44,053
Per Capita Income	\$26,016	\$23,617	\$22,179
Average HH Income	\$57,460	\$57,568	\$55,142

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

Marcus and Millichap is pleased to exclusively offer for sale the Dollar Tree located at 100 W. Jones St. in Kenly, North Carolina.

The building is 8,050 square feet and was rebranded to Dollar Tree from Family Dollar in 2016. The current lease term has just under 4 years remaining with five, five year options continuing, each of which has 10% increases scheduled. Landlord responsibilities are limited to roof, structure and parking lot repair. Tenant reimburses for taxes and insurance. Tenant is responsible for maintaining landscaping including mowing and snow plowing as well as restriping of the parking area and repairing the parking lights.

This store is positioned strategically as it is immediately off of the Kenly/Wilson exit where it is visible more than a quarter mile before the entrance. There are multiple credit tenants located within a half mile of the store including Food Lion, McDonald's, O'Reilly Auto Parts, Dollar General, Subway, USPS, NAPA Auto Parts, Boost Mobile and a Quality Inn directly across the street. The main thoroughfare through town also hosts multiple local businesses including churches, service stores, banks, restaurants, car dealerships and others.

Kenly is projected to have a strong 9% population increase in both the one and three mile radius over the next three to five years. There is also heavy traffic volume, with more than 10,000 vehicles per day on Highway 301 (W. Jones St) and over 30,000 vehicles per day passing by on the Interstate 95 exit crossroad. Both of these factors are significant variables when it comes to lease extension consideration.

INVESTMENT HIGHLIGHTS

- NN Lease
- Five, five year options continuing with scheduled 10% increases
- Minimal landlord responsibilities – roof, structure and parking lot repair
- Tenant responsible for reimbursement of taxes and insurance
- Tenant responsible for HVAC maintenance and repair, CAM including landscaping/snow plowing, and parking lot restriping/parking lights
- Built in 2013 – Rebranded in 2016 to Dollar Tree





100 W Jones St, Kenly, NC 27542



- Located outside the Raleigh MSA
- Excellent visibility - Sets immediately off of I-95 Kenly Exit
- Primary location on the main thoroughfare through town
- Ideal dollar store demographics
- Projected 9% population increase in one and three mile radius
- Heavy traffic volume of more than 10,000 vehicles per day
- Surrounded by multiple credit tenants including Food Lion, McDonalds, NAPA Auto Parts, O'Reilly Auto Parts, Quality Inn, Dollar General, Subway, and USPS
- Town hosts plethora of local businesses

CLOSE PROXIMITY TO:



Major Highway

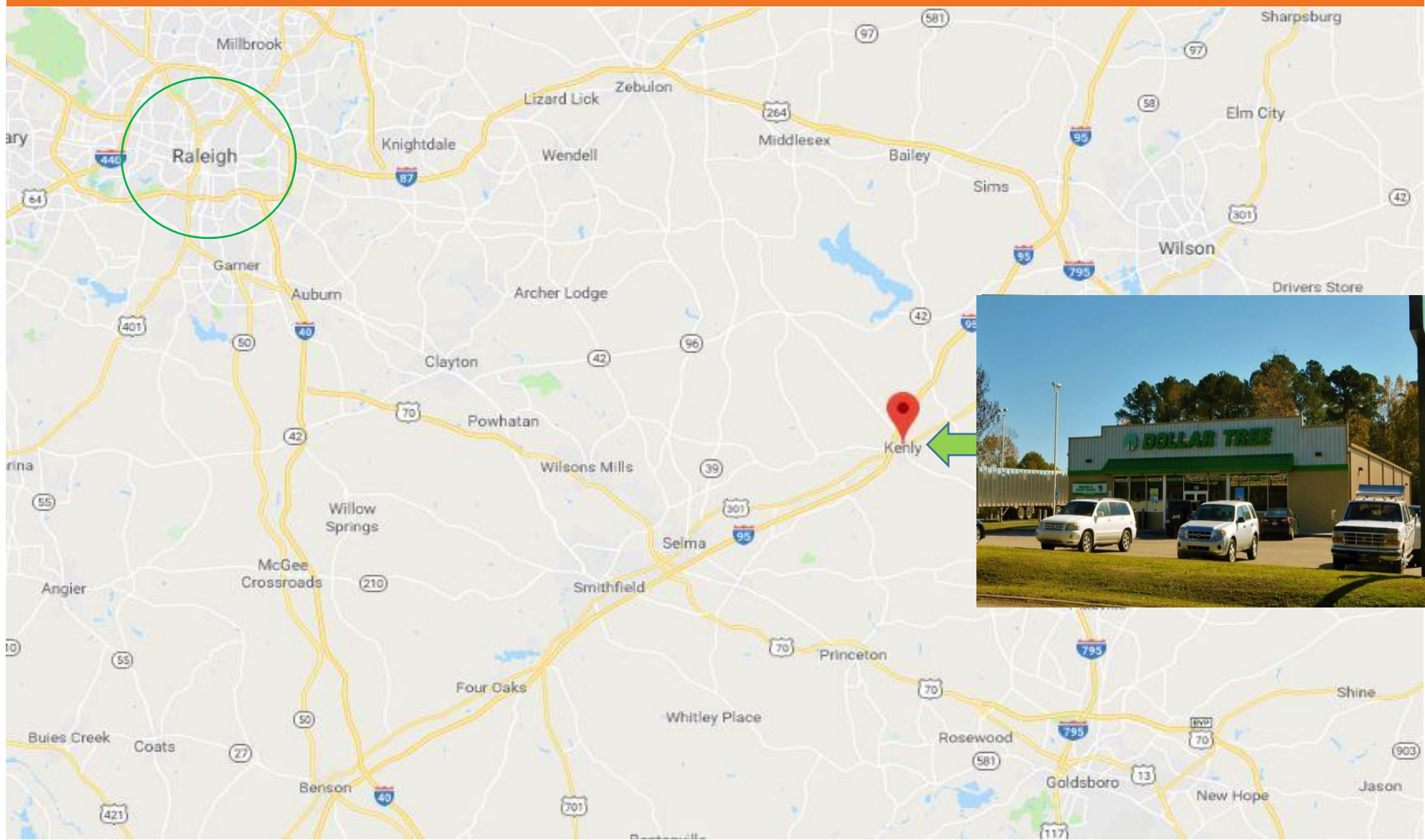


Hotel



Schools

100 W Jones St, Kenly, NC 27542



RALEIGH OVERVIEW

The Raleigh-Durham-Chapel Hill metro is located in the north-central portion of North Carolina where the North American Piedmont and Atlantic Coastal Plain regions join. The area is approximately two hours west of the Atlantic Ocean and four hours east of the Appalachian Mountains. The metro is composed of 11 counties: Wake, Durham, Johnston, Chatham, Orange, Franklin, Harnett, Vance, Granville, Lee and Person.

The market has a population of nearly 2.2 million people, almost half of whom live in Wake County. Raleigh, home to the state capitol, is the most populous city in the metro with approximately 464,000 citizens. Durham is the second largest with 269,000 residents.

METRO HIGHLIGHTS



HIGHLY SKILLED WORKFORCE

Numerous world-renowned colleges and universities are located in the metro and contribute to an educated labor pool.



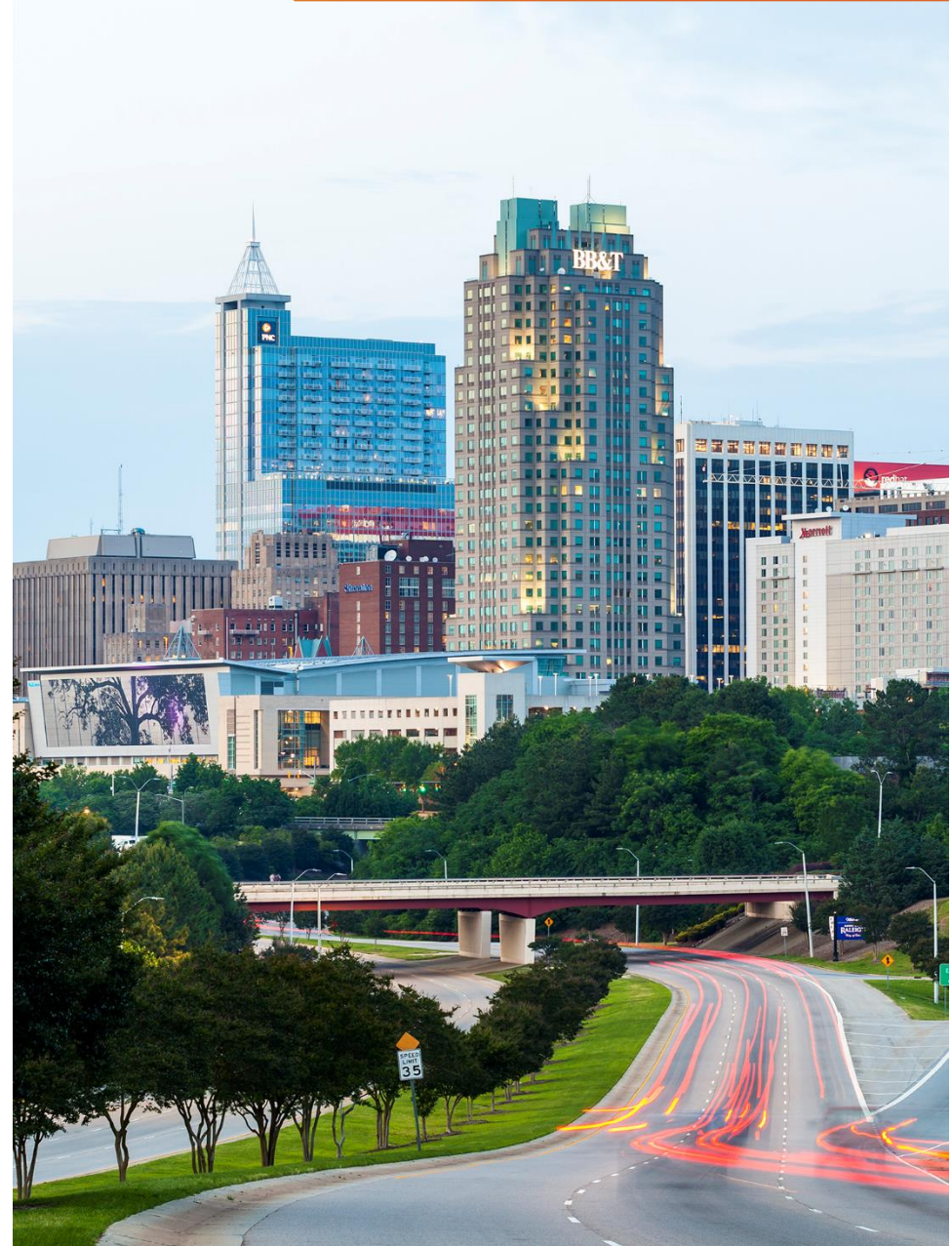
AFFORDABLE COST OF LIVING

A metro median home price of roughly \$290,000 is lower than many other East Coast communities and the annual median household income of \$65,100 is well above that of the U.S.



HIGH-TECH EMPLOYMENT

The Research Triangle Park attracts and fosters high-tech and biotechnology firms.





DEMOGRAPHICS

- The metro is projected to add nearly 210,000 people over the next five years, which will result in the formation of 88,000 households.
- A median home price of \$287,000 allows 64 percent of households to own their homes, on par with the national level.
- Roughly 41 percent of people age 25 and older hold a bachelor's degree; among these residents, 15 percent have also earned a graduate or professional degree.

2018 Population by Age



QUALITY OF LIFE

Situated on rolling hills between the Atlantic coast beaches and the Appalachian Mountains, the Raleigh-Durham-Chapel Hill region provides a wide variety of outdoor activities. Sports enthusiasts follow the Atlantic Coast Conference rivalry among the University of North Carolina, Chapel Hill, North Carolina State and Duke. Also, the NHL's Carolina Hurricanes play in Raleigh and minor league baseball is represented by the Durham Bulls and the Carolina Mudcats. The region also provides many cultural opportunities, such as the Carolina Theater, Carolina Ballet, North Carolina Symphony and NC Opera. Venues include the Durham Performing Arts Center, the Time Warner Cable Music Pavilion at Walnut Creek and the Raleigh Amphitheatre and Festival Site.

* Forecast

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



SPORTS



EDUCATION



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



MEREDITH
COLLEGE

Duke
UNIVERSITY



ARTS & ENTERTAINMENT



NASHER
MUSEUM OF ART AT DUKE UNIVERSITY

Strong Tailwinds Continue to Propel Healthy Economy; New Tax Law May Encourage Investors to Refine Strategies

Tax reform powers economic acceleration. The new tax law has invigorated economic growth, boosting consumption and business investment. With optimism running high, many companies have generated new jobs, dropping the national unemployment rate below 4 percent. A tightening job market has supported increased wage growth, expanding personal disposable income more than 2 percentage points above the 10-year average to 5.4 percent. Because of this, core retail sales have benefited, rising by an average of 5.6 percent in May and June. The convergence of these factors has resulted in accelerated economic growth that climbed above 4 percent.

Elevated Treasury rates placing upward pressure on yields. A booming economy brings with it inflationary risk, prompting the Federal Reserve to tighten monetary policy. The single-tenant net-leased retail sector may be substantively impacted by a more disciplined monetary approach as assets are typically responsive to the 10-year Treasury due to their bondlike parallels. This will coalesce with other components such as brand, location and lease terms when determining going-in cap rates. For example, dollar store yields can vastly differ as a number of these assets are in rural locations, providing potential for higher returns. Conversely, yields for convenience stores and quick-service restaurants typically maintain a much smaller range due to their tempered sensitivity to key determinants of cap rates.

Investment Highlights

Over the past year, transaction velocity eased modestly as investors awaited details on the new tax law. With much of that uncertainty now relieved, sales activity could accelerate. Furthermore, decreased taxes on pass-through entities could lead to repositioning efforts, bringing more assets online and elevating market liquidity.

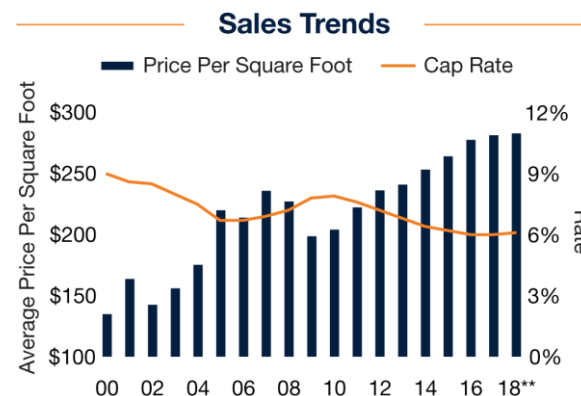
The 1031 exchange was retained in the new tax law, remaining a commonly used practice for single-tenant net-leased investors. Investors favor this tax provision to swap out management-intensive assets for properties that involve a more passive approach while deferring the capital gains tax.

Under the new tax law, sale-leasebacks have become an increasingly popular tactic. With new restrictions on business interest deductibility, some retailers are selling the real estate in which they operate to investors, then leasing it back to maximize deductions. This process opens the door for reinvestment into existing assets and investment into future plans as more capital would be available.



* Forecast

** Through June



PROPERTY SUMMARY

THE OFFERING	
Property	Dollar Tree
Property Address	100 W. Jones St Kenly, North Carolina 27542
Price	\$1,102,564
Capitalization Rate	7.80%
Price/SF	\$136.96

PROPERTY DESCRIPTION	
Year Built / Renovated	2012
Gross Leasable Area	8,050 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.98 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Discount
Tenant	Dollar Tree
Rent Increases	10% Each Five Year Period
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	03/01/2012
Lease Expiration	04/30/2023
Lease Term	11
Term Remaining on Lease (Years)	3.9
Renewal Options	Five, Five Year Option
Landlord Responsibility	See Below
Tenant Responsibility	See Below
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$86,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$86,000	\$7,167	\$10.68	7.80%
Option 1	\$94,600	\$7,883	\$11.75	8.58%
Option 2	\$104,060	\$8,672	\$12.93	9.44%
Option 3	\$114,446	\$9,537	\$14.22	10.38%
Option 4	\$125,892	\$10,491	\$15.64	11.42%
Option 5	\$138,481	\$11,540	\$17.20	12.56%



NOTES: Landlord responsible for roof, structure and parking lot repair

Tenant reimburses landlord for taxes and insurance

Tenant responsible for HVAC maintenance and repair – Landlord responsible for HVAC replacement

Tenant responsible for CAM including snow plowing and landscaping as well as parking lot restriping and parking light repair

EXCLUSIVELY LISTED BY:

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