



DOLLAR GENERAL

469 S Main St • Montrose, PA 18801

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Marcus & Millichap

Dollar General Corporation


CREDIT RATING: A2
www.fdreports.com | www.creditintell.com | May 03, 2019

General Information

Address	100 Mission Ridge , Goodlettsville, Tennessee, 37072, United States
Phone	615-855-4000
Website	www.dollargeneral.com

Key Personnel

Chairman	Michael M. Calbert
Chief Executive Officer	Todd J. Vasos
CFO & EVP	John W. Garratt

Store Base

Store Count	15,597
TTM Sales	\$26,133,765,000

Financial Markets

Stock Ticker	DG
Current Price	\$132.15 as of 8/1/19
52 Week High/Low	\$145.06 / \$96.73

Dollar General commands the field of discount general merchandise. The fast-growing retailer boasts some 14,500 discount stores in some 45 US states, mostly in the South, the Midwest, and the Southwest. It generates more than 75% of its sales from consumables (including refrigerated, shelf-stable, and perishable foods) and more than 10% from seasonal items. The stores also offer household products (cleaning supplies and health and beauty aids) and apparel. Dollar General targets low-, middle-, and fixed-income shoppers, pricing items at \$10 or less. The no-frills stores typically measure about 7,400 sq. ft. and are in small towns that are off the radar of giant discounters.

Fiscal Year Ended February 01, 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

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$687,898
Net Operating Income	\$54,000
Capitalization Rate – Current	7.85%
Price / SF	\$76.31
Rent / SF	\$5.99
Lease Type	NN
Gross Leasable Area	9,014 SF
Year Built / Renovated	1993
Lot Size	0.76 acre(s)

FINANCING

Loan Amount	\$481,529
Loan Type	Financed - New Loan
Loan to Value	70.00%
Down Payment	30% / \$206,369
Interest Rate / Amortization	4.5% / 25 Years
Annual Loan Payment	\$32,118
Net Cash Flow After Debt Service	10.60% / \$21,882
Cash on Cash Return	10.60%
Total Return	15.77% / \$32,549



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
Montrose Area Junior-Senior High	240
County of Susquehanna	227
Meadow View Senior Living Ctr	165
Montrose Area Jr Sr Hs	100
Price Chopper 185	100
County Commissioners	99
Endless Mountains Hlth Systems	92
Susquehanna County Trehab	78
United Fire Co of Montrose PA	60
Lathrop Street Elementary Schl	58
McDonalds	45
Gracious Living Estates	38

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2023 Estimated Pop	1,864	3,908	5,596
2018 Population	1,846	3,295	5,574
2023 Estimated HH	830	1,377	2,335
2018 Census HH	810	1,372	2,361
Median HH Income	\$48,474	\$49,459	\$50,970
Per Capita Income	\$26,833	\$26,105	\$26,830
Average HH Income	\$80,930	\$82,054	\$83,843

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

Marcus and Millichap is pleased to exclusively offer for sale the Dollar General located at 469 S. Main St. in Montrose, Pennsylvania. The investment is being offered at \$687,898 which represents a 7.85% cap rate.

The building is 9,014 square feet and an interior remodel was recently scheduled by Dollar General. The current lease term was re-casted to a fresh 9 years demonstrating commitment to this location. There is a rental increase in 2022 with the extended term and two, five year options continuing. The landlord responsibilities are limited to roof, structure and parking lot. The tenant reimburses for taxes and insurance and contributes \$413 per month as an allowance towards the CAM. That monthly allowance increases with the extension as well as both options.

This store is positioned in an area with ideal dollar store demographics, hosting more than 1,700 people within 1 mile and over 3,900 people within 3 miles. The median household income ranges between \$43,000 and \$48,000 and approximately 77% of houses are valued at \$200,000 or less within 1 mile. The area is surrounded with local business, schools, churches and credit tenants including McDonalds, Dunkin Donuts, Rite Aid, Shell, United States Post Office and NAPA Auto Parts.

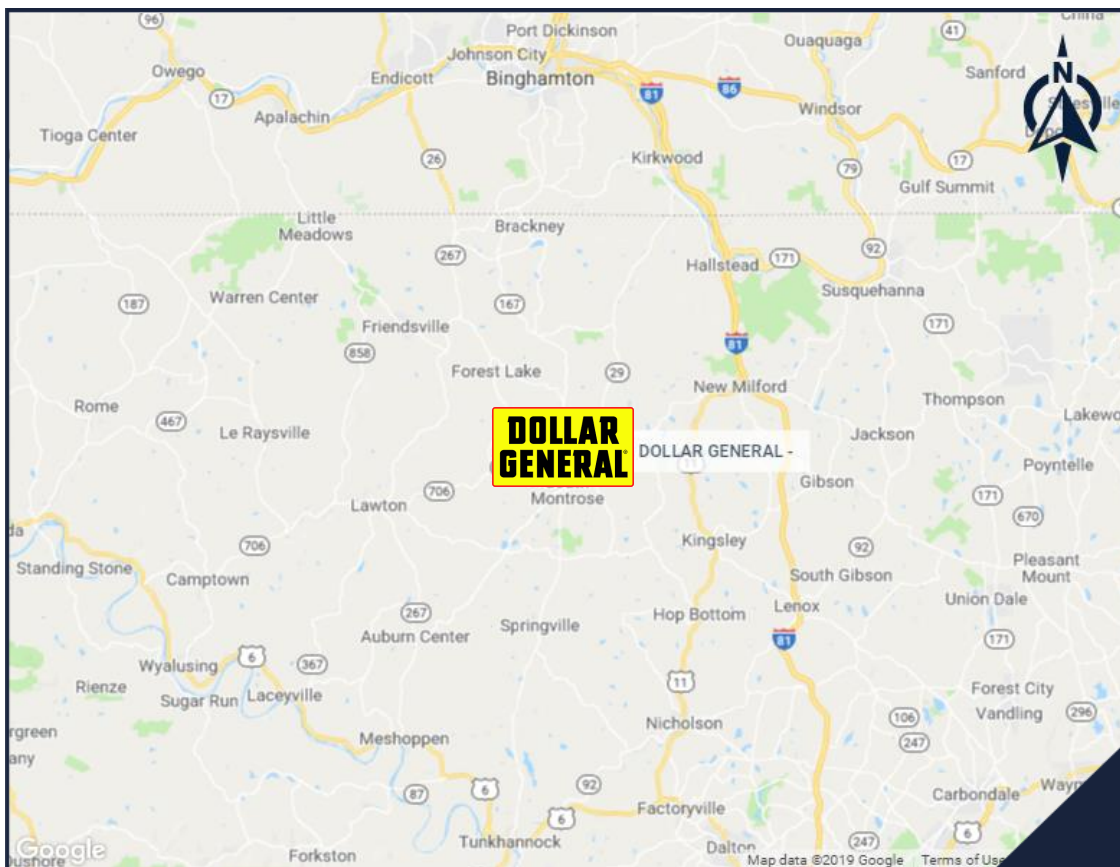
INVESTMENT HIGHLIGHTS

- NN Lease with 8.8 years remaining
- Recent lease recast with a rental increase in 2022
- Dollar General is responsible for minor repairs up to \$1000
- DG is performing an interior remodel demonstrating commitment to the location
- Minimal landlord responsibilities - Roof, structure and parking lot repair
- Strong CAM Allowance of \$413/month (Increases with extension and option periods)



PA

469 S Main St, Montrose, PA 18801



- NN Lease with minimal landlord responsibilities
- Recent lease recast to 9 years
- Rental increase in 2022
- Strong CAM allowance of \$413/month
- DG handles minor repairs up to \$1,000
- 9,014 square foot building
- Multiple credit tenants in surrounding area
- Ideal discount dollar store demographics
- Interior remodel scheduled
- Exterior of store was recently painted
- Local area hosts a mix of local businesses, churches, schools and residential homes
- Projected 3-mile population growth
- Traffic counts of over 3,000 vehicles per day

CLOSE PROXIMITY TO:

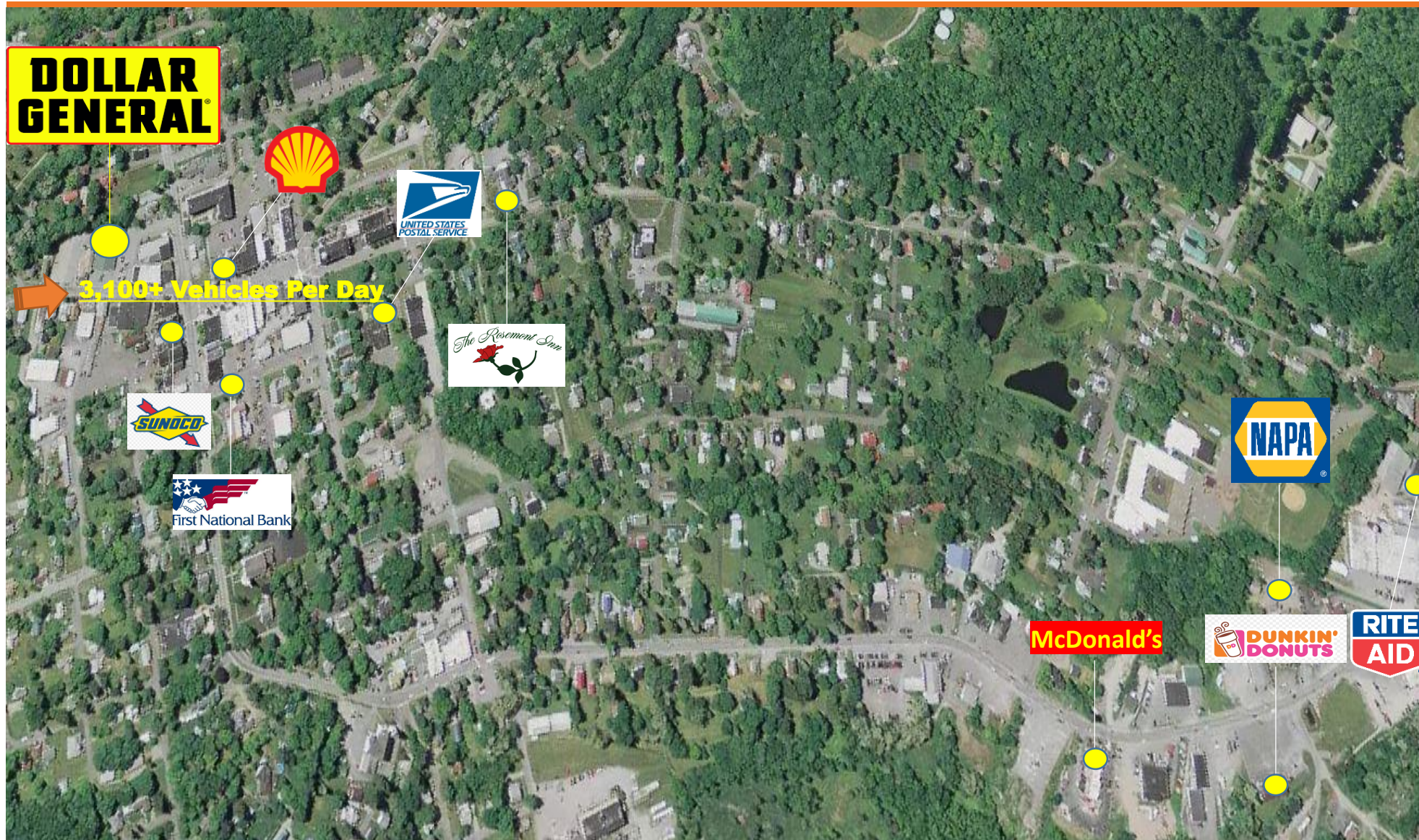


Hotel



Schools

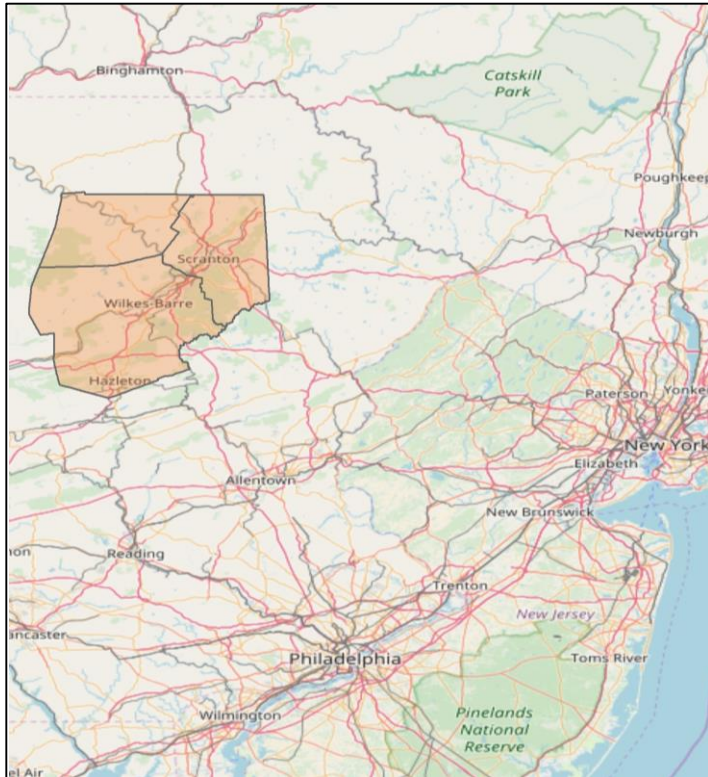
469 S Main St, Montrose, PA 18801



SCRANTON

OVERVIEW

The Scranton metro is located in the Pocono mountains of northeast Pennsylvania roughly 120 miles northwest of New York City and 125 miles north of Philadelphia. The metro encompasses Luzerne, Lackawanna and Wyoming counties and is also known as the Wyoming Valley. The region has diversified from its coal mining roots. Now many people move to the Valley to take advantage of the lower cost of living and commute into New Jersey and New York City for employment. The most populous city is Scranton with 76,250 people.



METRO HIGHLIGHTS



STRATEGIC LOCATION

Situated at the crossroads of Interstates 81, 84, 380 and 476, the metro has easy transportation access to a large portion of the nation's population, which is growing a logistics and distribution sector.



DIVERSIFYING ECONOMY

Once based in mining, the metro has expanding industries that include food and beverage manufacturing; defense and security; back-office operations, healthcare and distribution/logistics.



LOWER LIVING COSTS

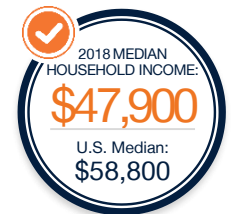
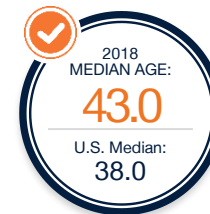
A median home price, which is well below the national median, and lower natural gas prices contribute to more affordable living expenses.



ECONOMY

- A vast infrastructure network provides for a large manufacturing and distribution base. Hershey, Amazon, Pride Mobility Products, and Bemis are some of the many firms located in the region.
- A number of the area's biggest employers are healthcare providers including Wyoming Valley Health Care System, VA Medical Center, Wilkes-Barre Hospital and Mercy Health Partners.
- The metro receives economic benefits from back-office operations of major companies, including Bank of America, PC Data Centers and Cigna Health and Life Insurance Co.
- Access to the Marcellus Shale formation provides a large supply of natural gas at a relatively affordable price.

DEMOGRAPHICS



* Forecast

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

PROPERTY SUMMARY

THE OFFERING	
Property	Dollar General
Property Address	469 S. Main St Montrose, PA 18801
Price	\$687,898
Capitalization Rate	7.85%
Price/SF	\$76.31

PROPERTY DESCRIPTION	
Year Built / Renovated	1993
Gross Leasable Area	9,014 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.76 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Discount
Tenant	Dollar General
Rent Increases	N/A
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	03/22/2005
Lease Expiration	05/31/2028
Lease Term	23
Term Remaining on Lease (Years)	8.8
Renewal Options	Two, Five Year Options
Landlord Responsibility	See Below
Tenant Responsibility	See Below
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$54,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$54,000	\$4,500	\$5.99	7.85%
Extended Term	\$55,200	\$4,600	\$6.12	8.02%
Option 1	\$58,200	\$4,850	\$6.46	8.46%
Option 2	\$61,200	\$5,100	\$6.79	8.90%



NOTES: Landlord responsible for roof, structure and parking lot
 Tenant reimburses landlord for taxes and insurance
 Tenant contributes \$413/month towards CAM (contribution increases in extended terms and options)
 Tenant handles minor repairs up to \$1000

EXCLUSIVELY LISTED BY:

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