



FAMILY DOLLAR

Offering Memorandum

Pearland Sites Rd. & Hastings Cannon Rd.
Pearland, TX 77511



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INVESTMENT HIGHLIGHTS



- New Construction 2019 Built-to-Suit
- Pearland is a suburb of Houston, TX located just 17 miles south of its Central Business District
- Pearland was named 3rd fastest growing economy in the US in 2018 according to Houston Business Journal
- No caps for tenant reimbursements of real estate taxes and property insurance
- Excellent visibility off Pearland Sites Rd. with combined (Hasting Cannon Rd.) traffic counts of 9,827 vehicles per day
- Brand new 10-year NN Lease with minimal LL responsibilities
- (6) 5-year renewal options with 5% rental increases in each
- Investment grade tenant (NASDAQ: DLTR | BBB-, Stable outlook)
- High density growth market with over 97,044 within a 5 mile radius and Average HH incomes over over \$112,034 within same



INVESTMENT OVERVIEW



PRICE
\$1,421,000



CAP RATE
6.85%



NOI
\$97,369

Pearland Sites Rd. & Hastings Cannon Rd. | Pearland, TX 77511

Original Lease Commencement: August 7, 2018

Current Lease Expiration: March 31, 2030

Rent Commencement: September 15, 2019 (estimated)

Guaranteed Lease Term: 10+ Years

Renewal Options: (6) 5-year renewal options w/ 5% rental increases

Lease Structure: NN

Landlord Responsibility: Roof & Structure (roof comes w/ 20-year warranty)

Tenant Responsibility: Taxes (no caps), insurance (no caps), CAM, HVAC repair/replacement, utilities, parking lot (lighting, striping, sweeping, trash removal)

Lease Guarantor: Family Dollar Stores, Inc., a Delaware Corporation

Ownership: Fee Simple (Land & Building)

Building Size: 8,320 square feet

Land Size: 59,400 square feet

Parking Spaces: 32

Year Built: 2019

RENT/YIELD SCHEDULE

NOI	CAP RATE	YEAR
\$97,369	6.85%	1-10
\$102,237	7.19%	Option 1
\$107,349	7.55%	Option 2
\$112,717	7.93%	Option 3
\$118,353	8.32%	Option 4
\$124,270	8.74%	Option 5
\$130,484	9.18%	Option 6



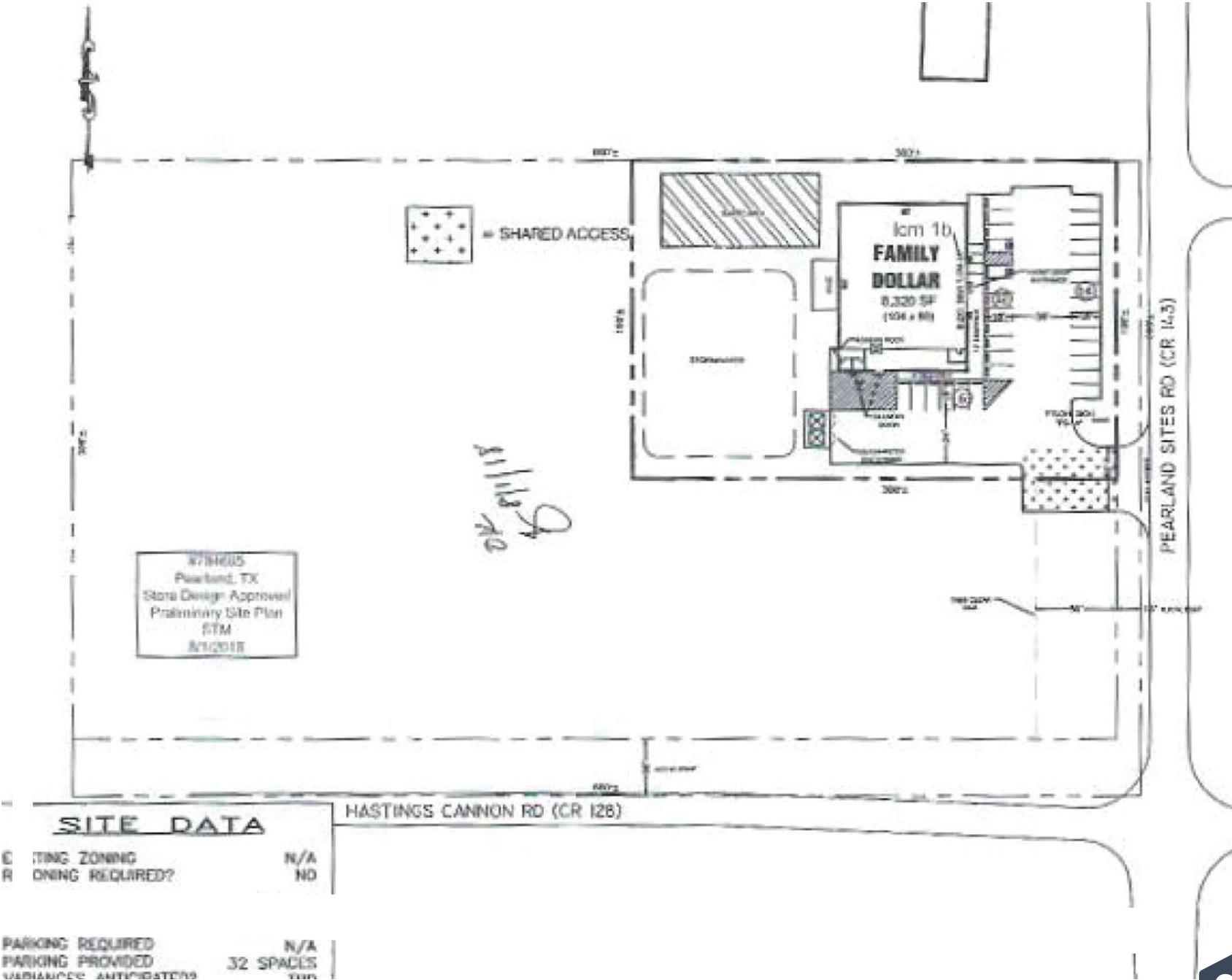
PROPERTY & LOCATION OVERVIEW



The subject property consists of a new construction, 8,320 square foot, freestanding Family Dollar Store situated on a 1.36 acre parcel and located in Pearland, TX. This new build-to-suit has in place a 10-year NN lease with minimal landlord responsibilities (roof and structure – roof comes with a 20-year transferrable “weatherproof” warranty). Pearland is a rapidly growing suburb of Houston located just 17 miles from downtown. The city has experienced massive growth over the past decade and was named the 3rd fastest growing city in the US economy in 2018 according to the Houston Business Journal. The property is located on Pearland Sites Rd., just north of its intersection with Hastings Cannon Rd. on the west side of the street. The property has excellent visibility to the combined 9,827 vehicles per day that travel past the site. The area boasts extreme population density. New home developments are sprouting up in all directions of the immediate vicinity of the property and there is a small gap in retail supply in this pocket of the Pearland market that Family Dollar aims to fulfill demand.

This location fits into the well-established strategic store expansion program of Family Dollar, providing convenience goods (including food, refrigerated products and non-perishable items) to its customer base. Demographics indicate a population of 97,044 within a 5-mile radius of the subject property with average HH incomes of \$112,034.





Pearland named one of the fastest-growing economies in the U.S.

Pearland has one of the fastest-growing economies in the U.S. over the past seven years, according to a report released Oct. 1.

The Houston suburb ranked No. 3 on personal finance website WalletHub's 2018 list of the fastest-growing economies in America with an overall score of 72.68. WalletHub compared 515 U.S. cities across 15 key metrics including population growth, job growth, college-educated population growth, income growth, poverty rate decrease, regional GDP growth per capita and unemployment rate decrease.

Other Texas cities finishing in the top 30 include Midland at No. 2, McKinney at No. 5, College Station at No. 6, Frisco at No. 16, Round Rock at No. 17, Austin at No. 18, and League City at No. 29.

Pearland scored No. 1 for sociodemographics, which weighed overall population growth, the working-age population growth, and the college-educated population growth between 2011 and 2017, according to WalletHub. However, Pearland scored No. 240 for jobs and economy, which weighed factors such as job growth, increase in the number of startups, businesses and venture capital investments, and building permit activity growth.

Fort Myers, Florida, had the highest overall score on the list with 76.57. Greeley, Colorado, scored No. 1 for jobs and economy.

One company that is growing in Pearland is Switzerland-based biotech giant Lonza Group Ltd., which opened a 300,000-square-foot facility in April that's touted as the largest dedicated cell and gene therapy manufacturing facility in the world. About 170 employees work at the facility, and Lonza Houston plans to hire 50 more employees this year and aims to hire an additional 150 Pearland employees in 2019.



TENANT INFO



Family Dollar Stores, Inc. operates a chain of general merchandise retail discount stores primarily for low- and middle-income consumers in the United States. Its merchandise assortment includes consumables, such as batteries, diapers, food products, hardware and automotive supplies, health and beauty aids, household chemicals, paper products, pet food and supplies, and tobacco; and home products, including blankets, sheets, towels, giftware home décor products, and housewares.

The company also offers apparel and accessories comprising boys' and girls', infants', men's, and women's clothing, as well as fashion accessories and shoes; and seasonal and electronic products, such as toys, stationery and school supplies, and seasonal goods, as well as personal electronics, including pre-paid cellular phones and services. As of April 8, 2015, it operated approximately 8,100 stores in 46 states. The company was founded in 1959 and is headquartered in Matthews, North Carolina. As of July 6, 2015, Family Dollar Stores Inc. operates as a subsidiary of Dollar Tree, Inc.



Website:

www.familydollar.com

Credit Rating:

**Moody's
(Baa3)**

Stock Symbol:

NYSE: FDO

Year Founded:

1959

Headquarters:

Charlotte, NC

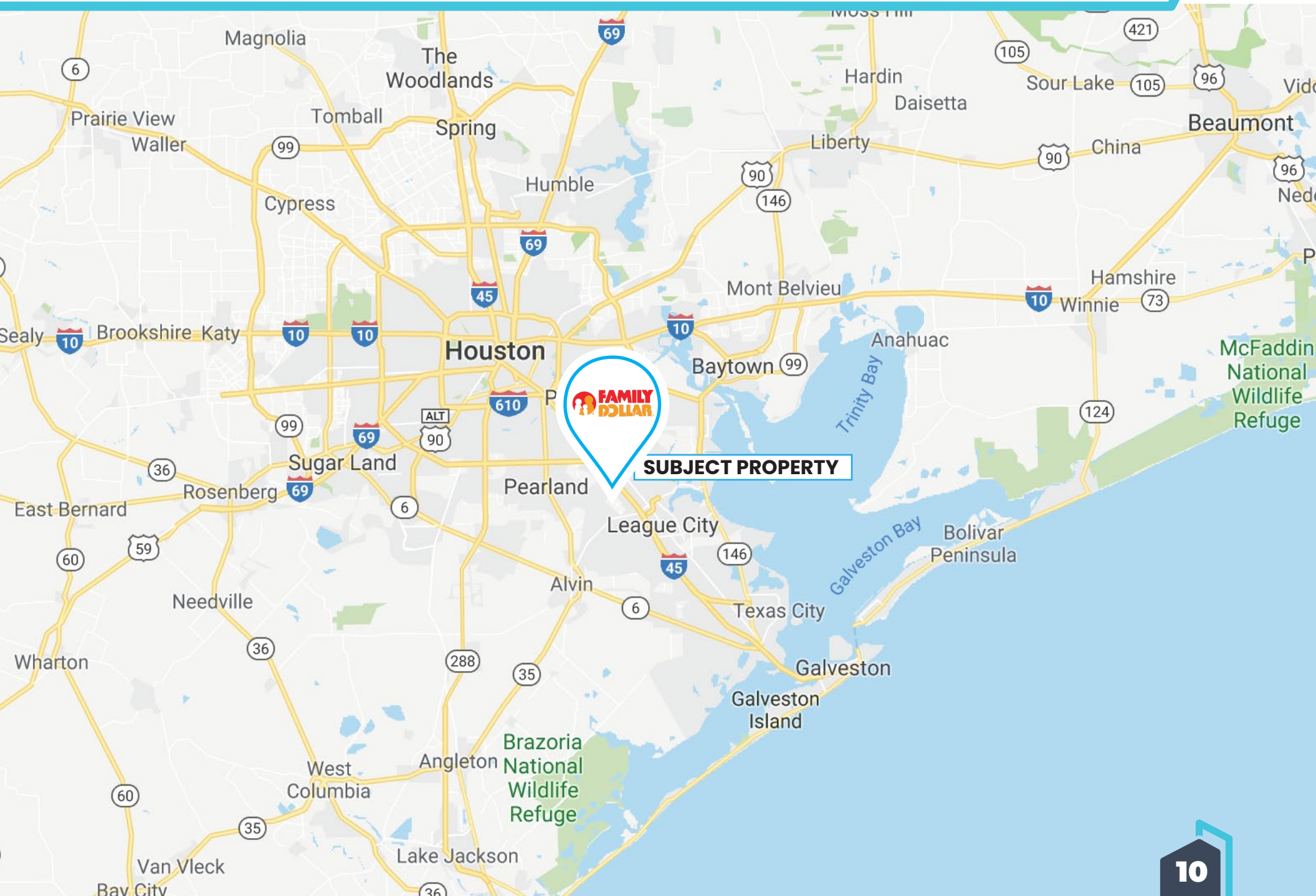
Number of Locations:

8,000+

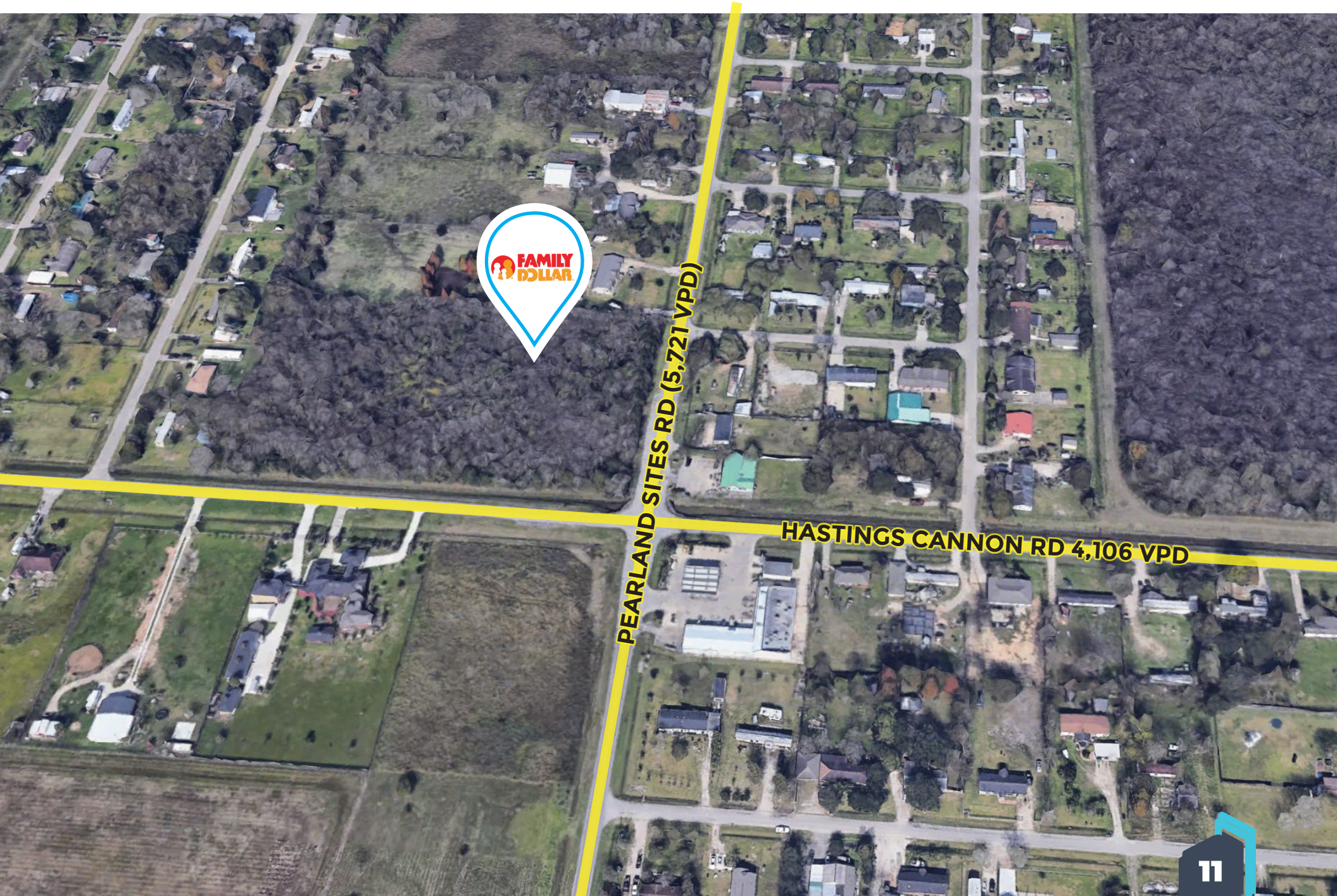
Market Capitalization:

\$9.09 Billion

REGIONAL MAP



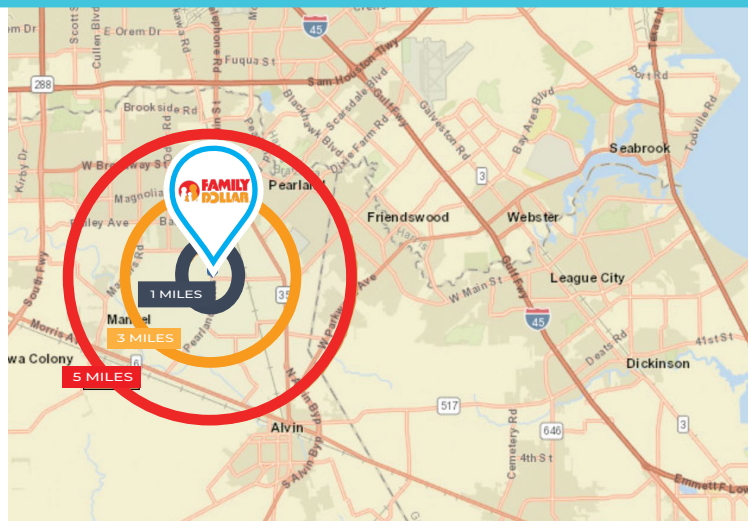
LOCATOR MAP



TRADE MAP



DEMOGRAPHICS



1 miles

3,350

Population

30.5

Median Age



Average Household Size

\$58,893

Average Household Income

BUSINESS



24

Total Businesses



111

Total Employees

INCOME



\$40,011

Median Net Worth



\$38,869

Median Household Income



\$17,157

Per Capital Income

3 miles

18,414

Population

34.5

Median Age



Average Household Size

\$104,694

Average Household Income

BUSINESS



283

Total Businesses



1,984

Total Employees

INCOME



\$236,578

Median Net Worth



\$85,909

Median Household Income



\$85,909

Per Capital Income

5 miles

97,044

Population

35.9

Median Age



Average Household Size

\$112,034

Average Household Income

BUSINESS



2,451

Total Businesses



24,265

Total Employees

INCOME



\$260,276

Median Net Worth



\$95,590

Median Household Income



\$37,670

Per Capital Income



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