



PULASKI, VA

OFFERING MEMORANDUM
Marcus & Millichap



EXECUTIVE SUMMARY



1050 E Main Street
Pulaski, VA 24301

ADDRESS



Pulaski, VA

MARKET

25,000 SF
Plus 20,000
SF Exterior
Sales Area

TOTAL GLA



10+ YEARS

TERM REMAINING



LEASE TYPE

THE OFFERING

Price	\$2,000,064
Cap Rate	6.25%
Year Built	2007
Total GLA	25,000 SF
Lot Size	3.06 Acres
Lease Term Remaining	10+ Years
Rent Commencement	12/21/2007
Lease Expiration	4/30/2030
Increases	5% Every 5 Years
Options	Four; Five-Year Terms
Debt	Free & Clear

ANNUALIZED OPERATING DATA

Base Rent	\$125,004
RENTAL INCREASES	
9/1/19 – 4/30/24	\$125,004
5/1/24 – 4/30/30	\$131,232
OPTION TERMS	
Option 1 (5/1/30 - 4/30/35)	\$137,796
Option 2 (5/1/35 - 4/30/40)	\$144,684
Option 3 (5/1/40 - 4/30/45)	\$151,920
Option 4 (5/1/45 - 4/30/50)	\$159,516

INVESTMENT HIGHLIGHTS

ESTABLISHED LOCATION | Proven Tractor Supply Co. location with 12 years of operational history. The Tenant recently executed an early extension for 10 additional years of base term. Tractor Supply Co's decision demonstrates their commitment to the location.

LOW RENTAL RATE | Tenant is paying approximately \$5 PSF which is far below the \$12-19 PSF rental rates of newer build to suit locations.

NN LEASE WITH STRUCTURED RENTAL INCREASES | Lease features five percent (5%) increases during the base term and option periods.

DENSE RETAIL CORRIDOR | Positioned between two grocery-anchored centers, Pulaski Mall, 112,370 square-feet anchored by Save-A-Lot, and Pulaski Plaza, 112,340 square-feet anchored by Food Lion and Peebles. The Property benefits from the tenant mix of investment grade and nationally recognized tenants, including Family Dollar, Dollar General, Aaron's, H&R Block, Hardee's and Domino's Pizza.

LACK OF COMPETITION | The next closest Tractor Supply Co. location is more than 23 miles from the Subject Property. This is in a regional hub of retail that draws from an expansive trade radius far beyond the town's population.

COUNTY SEAT LOCATION | Pulaski is the seat of Pulaski County situated two miles off Interstate-81, a major north-south interstate highway that averages 43,000 vehicles per day. This highway-oriented location allows this store to benefit from short drive times and thus expanding its reach to customers.

PUBLICLY-TRADED RETAILER | 100% leased and guaranteed by Tractor Supply Company (NASDAQ: TSCO), who reported total revenues of \$7.91 billion, a net income of \$532 million, and net worth over \$1.56 billion in 2018. Implied Investment Grade rated tenant.

DOMINANT TENANT | Tractor Supply Co. is the largest operator of rural retail stores in America. The Company posted increases of 9.0% in revenue and 26% in profits over the prior year. Much of this growth has come through innovative strategies including using an online presence to drive in-store sales.



With a **LOW \$5 PSF RENTAL RATE** and **NO MAJOR COMPETITOR FOR 26 MILES**, this recently extended lease should prove to be a **PROFITABLE LOCATION** for the tenant long-term.

TENANT INFORMATION

Tractor Supply Company is the largest operator of rural lifestyle retail stores in America. Founded in 1938 as a mail order tractor parts business, Tractor Supply Company (also referred to as TSC) now owns and operates over 1,700 stores in 49 states supplying basic maintenance products to home, land, pet and animal owners. Based in Brentwood, Tennessee, Tractor Supply is a public company whose stock is traded on The NASDAQ National Market under the symbol TSCO. The leading-edge retailer reported annual revenues of approximately \$7.91 billion in 2018.

TSC stores are located primarily in towns outlying major metropolitan markets and in rural communities. Tractor Supply's customers are farmers, horse owners, ranchers, part-time and hobby farmers, and suburban and rural homeowners, as well as contractors and tradesmen. At TSC, customers find everything they need to maintain their farms, ranches, homes and animals. As the inventors of the "do it yourself" trend, our customers handle practically every chore themselves, from repairing wells to building fences, welding gates together, constructing feed bins, taking care of livestock and pets, repairing tractors and trucks and building trailers for hauling.



REVENUE
\$7.91 Billion (2018)



HEADQUARTERS
Brentwood, TN



NO. OF EMPLOYEES
22,000+



NO. OF LOCATIONS
1,800+



YEAR FOUNDED
1938



**STOCK SYMBOL
/CREDIT RATING**
TSCO : NR

REGIONAL MAP

10K^{VPD}

An average of 10,000 vehicles per day drive by the Property on East Main Street

6^{MILES}

Less than 6 Miles away from Claytor Lake

**RADFORD
UNIVERSITY**

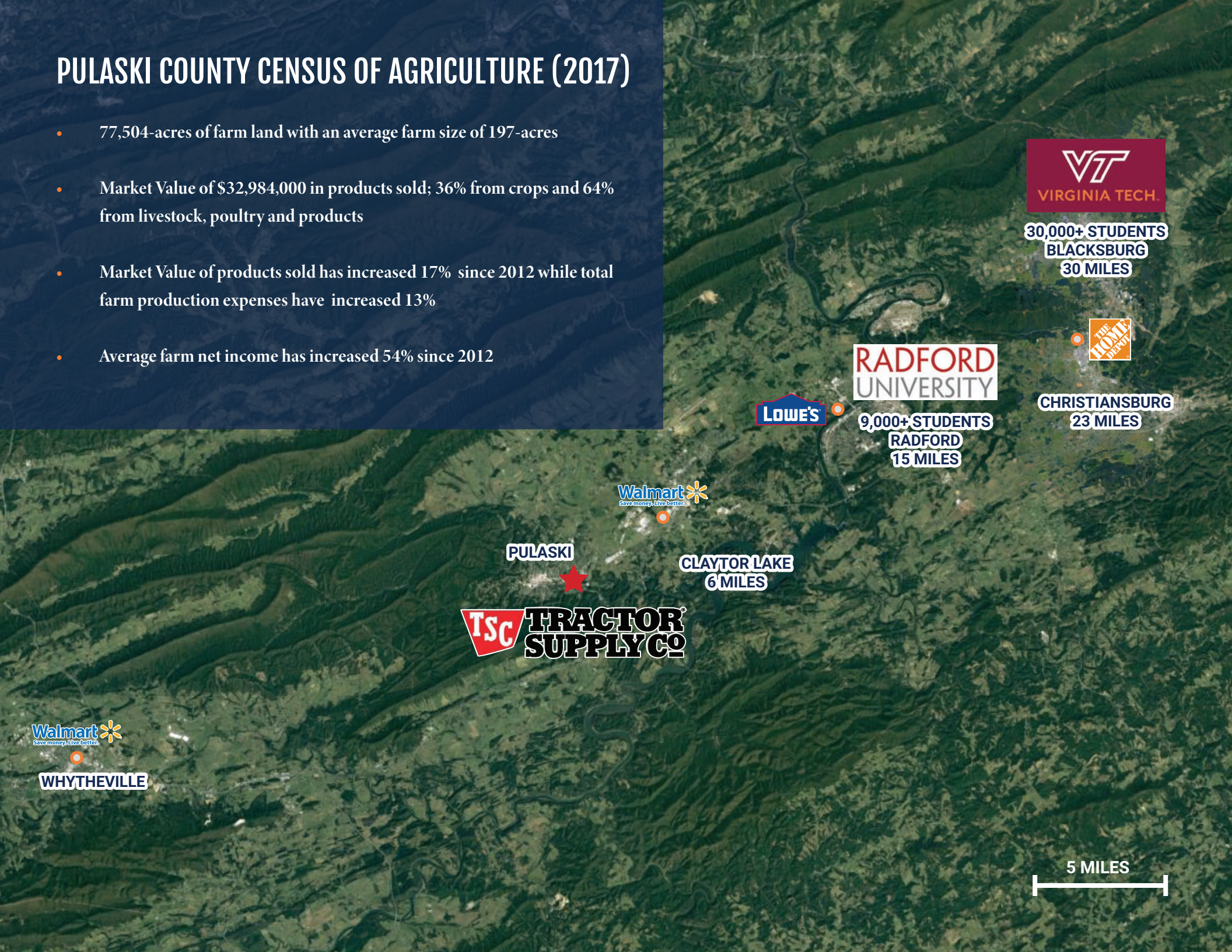
**VT
VIRGINIA TECH.**

15 Miles away from Radford University, and 30 Miles away from Virginia Tech University



PULASKI COUNTY CENSUS OF AGRICULTURE (2017)

- 77,504-acres of farm land with an average farm size of 197-acres
- Market Value of \$32,984,000 in products sold; 36% from crops and 64% from livestock, poultry and products
- Market Value of products sold has increased 17% since 2012 while total farm production expenses have increased 13%
- Average farm net income has increased 54% since 2012



Downtown Pulaski

SUBWAY

bp

Pulaski Middle School

SONIC

O'Reilly
AUTO PARTS

Speedway

Wendy's

DUNKIN'
DONUTS
AMERICA RUNS ON DUNKIN'

Advance
Auto Parts

McDonald's

Dominic's
Place

H&R BLOCK
DOLLAR
GENERAL

Hardee's

SUZUKI

E MAIN ST - 10,000 VPD

TSC TRACTOR
SUPPLY CO



First
Community
Bank



Peebles

Aaron's

FAMILY DOLLAR

TSC TRACTOR
SUPPLY CO

Outdoor Display
Area

E-MAIN ST - 10,000 VPD

LEASE ABSTRACT

Guarantor	Tractor Supply Company
Notification Period for Tenant to Exercise Options	Lease is Silent
Landlords Obligations	Landlord shall maintain, at its cost and expense in good condition and shall perform all necessary maintenance, repair, and replacement to the exterior of the Building including, but not limited to, maintaining the roof in a weather-tight condition; maintaining all paved areas (except the Fenced Outdoor Display Area), including surfacing, sealing, re-striping and pothole repair, but not to include snow and ice removal, so as to maintain the utility and safety of those paved areas; maintaining the foundation, floors, walls, all exterior utility lines and pipes to the point of entry into the Building; and maintaining all other structural portions of the Demised Premises.
Tenant's Obligations	Tenant agrees that, at its expense, it shall keep and maintain the Demised Premises, including all improvements thereof, in good repair and appearance, except for ordinary wear and tear. Tenant shall also make all nonstructural repairs and replacements which may be required to be made to keep and maintain the Demised Premises in good condition, repair and appearance.
Fixtures & Equipment	During the first year of the Initial Term of this Lease, Landlord shall be responsible for the entire cost of all repairs and replacement of fixtures and equipment not covered by applicable warranties. Except for the obligations of landlord under Section 18, Tenant shall thereafter be responsible for the entire cost of maintenance, repairs and replacement of the heating, lighting, plumbing and air conditioning equipment in the Building, except that Tenant shall have no obligation or duty during the last three (3) years of the Initial Term or any Extension Term to replace equipment
Updates to Property	Roof/HVAC: 2007 Parking Lot: 2019
Assignment & Subletting	Tenant may sublet or assign the Demised Premises at any time when the use by the subtenant or assignee shall not be in violation of any restrictions of this Lease or easements of record as shown on the Title Opinion provided to Tenant by Landlord or of any of the Permitted Encumbrances. Tenant shall notify Landlord with the name of the subtenant or assignee within fifteen (15) days of any subletting or assignment. Following any subletting or assignment, Tenant shall not be relieved from any of the terms and conditions of this Lease, and shall remain primarily liable.
First Rights of Refusal	30 Days

DEMOGRAPHIC HIGHLIGHTS



10-MILE POPULATION

31,167



10-MILE AVERAGE HOUSEHOLD INCOME

\$56,404



10-MILE ESTIMATED HOUSEHOLDS

12,942

DEMOGRAPHIC SUMMARY

POPULATION	3 MILES	5 MILES	10 MILES
2023 Projection	11,051	17,010	31,280
2018 Estimate	11,243	17,139	31,167
2010 Census	11,607	17,539	31,487
2000 Census	12,028	17,443	32,166
Current Daytime Population	15,069	22,324	35,587

POPULATION PROFILE	3 MILES	5 MILES	10 MILES
<u>Population By Age</u>			
2018 Estimate Total Population	11,243	17,139	31,167
Under 20	22.33%	21.05%	20.19%
20 to 34 Years	16.57%	16.47%	16.44%
35 to 39 Years	5.29%	5.35%	5.47%
40 to 49 Years	13.40%	13.68%	13.84%
50 to 64 Years	21.85%	22.28%	22.68%
Age 65+	20.58%	21.18%	21.40%
Median Age	44.79	45.67	46.13
<u>Population 25+ by Education Level</u>			
2018 Estimate Population Age 25+	8,078	12,537	23,151
Elementary (0-8)	5.87%	5.60%	4.92%
Some High School (9-11)	12.38%	12.11%	11.00%
High School Graduate (12)	33.39%	33.70%	34.61%
Some College (13-15)	21.04%	21.99%	22.25%
Associate Degree Only	11.52%	11.13%	10.62%
Bachelors Degree Only	9.31%	9.48%	10.37%
Graduate Degree	4.16%	4.11%	4.71%

HOUSEHOLDS	3 MILES	5 MILES	10 MILES
2023 Projection	4,732	6,989	13,097
2018 Estimate	4,783	6,999	12,942
2010 Census	4,972	7,233	13,187
2000 Census	5,232	7,347	13,237

INCOME	3 MILES	5 MILES	10 MILES
<u>2018 Housing Income</u>			
\$150,000 or More	2.29%	2.67%	3.20%
\$100,000 - \$149,000	6.92%	8.18%	9.28%
\$75,000 - \$99,999	9.66%	10.58%	11.10%
\$50,000 - \$74,999	20.03%	21.63%	22.99%
\$35,000 - \$49,999	16.96%	16.34%	16.49%
Under \$35,000	44.14%	40.59%	36.96%
Average Household Income	\$50,130	\$52,986	\$56,404
Median Household Income	\$40,837	\$43,950	\$46,951
Per Capita Income	\$21,485	\$21,915	\$23,975

DEMOGRAPHIC SUMMARY

Geography: 10 Miles



POPULATION

In 2018, the population is 11,243. The population has changed by -6.53% since 2000. It is estimated that the population will be 11,051 five years from now, which represents a change of -1.71% from the current year. The current population is 48.78% male and 51.22% female. The median age of the population is 44.79, compared to the US average which is 37.95. The population density is 397.33 people per square mile.



HOUSEHOLDS

There are currently 4,783 households in your selected geography. The number of households has changed by -8.58% since 2000. It is estimated that the number of households will be 4,732 five years from now, which represents a change of -1.07% from the current year. The average household size is 2.31 persons.



INCOME

In 2018, the median household income is \$40,837, compared to the US average which is currently \$58,754. The median household income has changed by 47.43% since 2000. It is estimated that the median household income will be \$46,850 five years from now, which represents a change of 14.72% from the current year.

The current year per capita income is \$21,485, compared to the US average, which is \$32,356. The current year average household income is \$50,130, compared to the US average which is \$84,609.



RACE AND ETHNICITY

The current year racial makeup is as follows: 89.61% White, 7.03% Black, 0.01% Native American and 0.57% 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 and make up 2.30% of the current year population. Compare this to the US average of 18.01%.



HOUSING

The median housing value was \$111,475 in 2018, compared to the US average of \$201,842. In 2000, there were 3,411 owner occupied housing units and there were 1,821 renter occupied housing units. The median rent at the time was \$289.



EMPLOYMENT

In 2018, there are 3,716 employees, this is also known as the daytime population. The 2000 Census revealed that 45.30% of employees are employed in white-collar occupations, and 53.72% are employed in blue-collar occupations. In 2018, unemployment is 7.51%. In 2000, the average time traveled to work was 21 minutes.

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