

RECENTLY EXTENDED LEASE

SINGLE TENANT  
NET LEASE  
OPPORTUNITY



**DOLLAR GENERAL**

NICHOLS | NY

HORVATH & TREMBLAY



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## DISCLAIMER

Horvath & Tremblay has been engaged by the owner of the property to market it for sale. Information concerning the property described herein has been obtained from sources other than Horvath & Tremblay and we make no representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all references to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a buyer. Buyers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change.





Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a net-leased Dollar General investment property located at 65 E. River Road in Nichols, New York (the "Property"). Dollar General has been operating at the Property for over 14 years and recently extended their lease term for an additional seven (7) years through June 2027 with one, 5-year renewal option.

- **LOCATION COMMITMENT / LEASE EXTENSION:** Dollar General has been operating at the Property for over 14 years and recently demonstrated their commitment to the location by extending their lease term for 7 years through June 2027 with one, 5-year option.
- **CORPORATE LEASE / INVESTMENT-GRADE CREDIT:** Dollar General is a public company (NYSE: DG) with over 15,000 locations throughout the country. DG boasts the highest credit rating among its peers and is the only "dollar store" with an investment-grade credit: rated BBB by S&P and Baa2 by Moody's.
- **IN-TOWN LOCATION:** The Dollar General is strategically situated in a convenient and hard-to-replace "town center" location within the Town of Nichols.
- **MARKET SHARE DOMINANT LOCATION:** The popular Dollar General is the only national retailer of groceries and discount consumer goods serving the Town of Nichols. As is the case with this location, Dollar General's corporate strategy is to target small and rural communities underserved by other retailers. These low-cost locations, commonly referred to as "food deserts," are intended to provide convenience and discount shopping to area residents that have no nearby access to grocery stores, pharmacies or big-box retailers. In short, the Subject Property is the "only game in town" for area residents.
- **RECENT CAPITAL IMPROVEMENTS:** The Property received a complete parking lot resurfacing and restriping in 2019.
- **OPPORTUNITY ZONE DESIGNATION:** The Subject Property is located within a designated "Opportunity Zone". Established under the Tax Cuts and Jobs Act of 2017, the designation provides a federal tax incentive on the investment of unrealized capital gains into Opportunity Zones. Taxpayers who realize capital gains from other investments and then reinvest amounts equal to those gains in real estate located within Opportunity Zones, may be entitled to: (1) defer taxes on the original capital gain until 2026; (2) earn a basis step-up of up to 15% on the original capital gain, and (3) avoid paying any tax on capital gains from the sale or exchange of an Opportunity Zone investments held for 10 years or more. Please consult with your tax professional for more information.



## PROPERTY OVERVIEW

# DOLLAR GENERAL®

## PROPERTY OVERVIEW

TYPE OF OWNERSHIP:	Fee Simple
BUILDING GLA:	8,420 SF
DOLLAR GENERAL GLA:	7,660 SF
VACANT GLA:	760 SF
OCCUPANCY:	91.0%
YEAR BUILT:	1966
PARCEL SIZE:	0.67 Acres

## DOLLAR GENERAL LEASE OVERVIEW

LESSEE:	Dolgencorp of New York, Inc.
TRADE NAME/DBA:	Dollar General
GUARANTOR:	Corporate
LEASE TYPE:	Double Net (NN)
ROOF & STRUCTURE:	Landlord responsibility
INITIAL COMMENCEMENT DATE:	07/01/2005
EXTENSION COMMENCEMENT DATE:	07/01/2020
LEASE EXPIRATION DATE:	06/30/2027
LEASE TERM REMAINING:	7 Years, 8 Months
RENEWAL OPTIONS:	1, 5-Year Option



65 E. RIVER ROAD | NICHOLS, NY 13812

\$	<b>LIST PRICE:</b>	<b>\$1,103,491</b>
%	<b>CAP RATE:</b>	<b>8.25%</b>
📁	<b>NOI:</b>	<b>\$91,038</b>

TENANT	SQ FT	% OF GLA	ANNUAL RENT *	RENT PSF	LEASE TYPE	EXPIRATION *	OPTIONS
DOLLAR GENERAL	7,660	91.0%	\$93,000	\$12.14	NN	06/30/2027	1, 5-Year Option
VACANT	760	9.0%	-	-			
<b>TOTAL</b>	<b>8,420</b>	<b>100.0%</b>	<b>\$93,000</b>				

\* The Lease Extension Term Commences on 07/01/2020. Seller will escrow funds at closing for the per diem rent differential for the period from close of escrow through 06/30/2020.

INCOME

Base Rental Revenue	\$93,000
Expense Reimbursement Revenue	19,838
Gross Potential Revenue	112,838

EXPENSES

Repairs & Maintenance	1,660
Parking Lot	1,500
Landscaping	800
Snow Removal	2,506
Utilities	2,750
Insurance	4,000
RE Taxes	8,584
TOTAL OPERATING EXPENSES	21,800

NET OPERATING INCOME	\$91,038
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<b>LOCATIONS:</b>	15,370 in 45 states
<b>HEADQUARTERS:</b>	Goodlettsville, TN
<b>INDUSTRY:</b>	Retail - Discount & Variety
<b>ANNUAL REVENUE (2018):</b>	\$25.6 Billion
<b>ANNUAL OPERATING PROFIT (2018):</b>	\$1.59 Billion
<b>MARKET CAP (JULY 2019):</b>	\$36.1 Billion
<b>CREDIT RATING:</b>	BBB (S&P) / Baa2 (Moody's)

ABOUT THE TENANT

Dollar General is the largest chain of discount stores in the country and is among the largest retailers of products made by leading companies such as Procter & Gamble, Kellogg's, General Mills, Nabisco, Fruit of the Loom and Coca-Cola. The company began in 1939 as a family-owned business called J.L. Turner and Son in Scottsville, Kentucky. In 1968 the name changed to Dollar General and the company went public on the NYSE. Dollar General has since become one of the most profitable stores in the U.S. with FY 2019 revenue reaching \$25.6 billion.

Dollar General predominantly serves rural and suburban low-income customers. The retailer's target shopper is often living in areas called "food deserts," meaning they are miles away from the nearest Walmart or grocery store. This has meant that the majority of its stores are located in rural and suburban areas, where the stores cost less to operate.

Dollar General has had explosive growth, nearly doubling their store count from 8,194 in 2007 to 15,370 in 2018. Over the same time period, the company's sales jumped from \$9.5 billion to over \$25 billion. As of 2017, Dollar General has the most store locations of any retailer in America. They currently operate over 15,300 stores in 45 states with 14 distribution centers in 14 states.

From a net lease point of view, Dollar General is appealing given its lower price point and impressive sales record in a growing market segment. While competitors have been squeezed by growing competition from Amazon, Dollar General has flourished, swooping in and offering prices that are 20% - 40% lower than grocery and drug stores. As of their most recent quarterly results, Dollar General had continued its 29-year long sales growth streak, reporting a 4% increase in same-store sales.





# NICHOLS | NY



38,000+  
PEOPLE WITHIN 10 MILES



\$69,500+  
AVERAGE HOUSEHOLD INCOME

	3 MILES	5 MILES	10 MILES
POPULATION			
2019 Estimate	2,427	4,740	38,052
BUSINESS			
2019 Est. Total Business	49	102	1,678
2019 Est. Total Employees	469	1,234	22,872
HOUSEHOLDS			
2019 Estimate	1,039	1,994	16,903
INCOME			
Average Household Income	\$69,352	\$70,103	\$69,748
Median Household Income	\$56,600	\$56,457	\$54,307

OVERVIEW

Nichols, New York is a town of 2,500 residents in Tioga County along the Pennsylvania border in south-central New York State. Nichols located approximately halfway between the larger cities of Binghamton and Elmira on the Southern Tier Expressway (Route 17 and futures Interstate 86). The town is notable for its proximity to the Tioga Downs Race Track, Casino and Resort, located 3 miles from the Subject Property on the Southern Tier Expressway.

The Subject Property is located within the downtown Village of Nichols, a census designated place and home to the majority of the town's residents. Both the Town and the Village are part of the Binghamton Metropolitan Statistical Area in southern upstate New York. The MSA encompasses Broome and Tioga counties and has a population of 251,725 residents. The metropolitan area is located in the Southern Tier region of New York State and lies on Pennsylvania's northern border, approximately 60 miles south of Syracuse, New York.

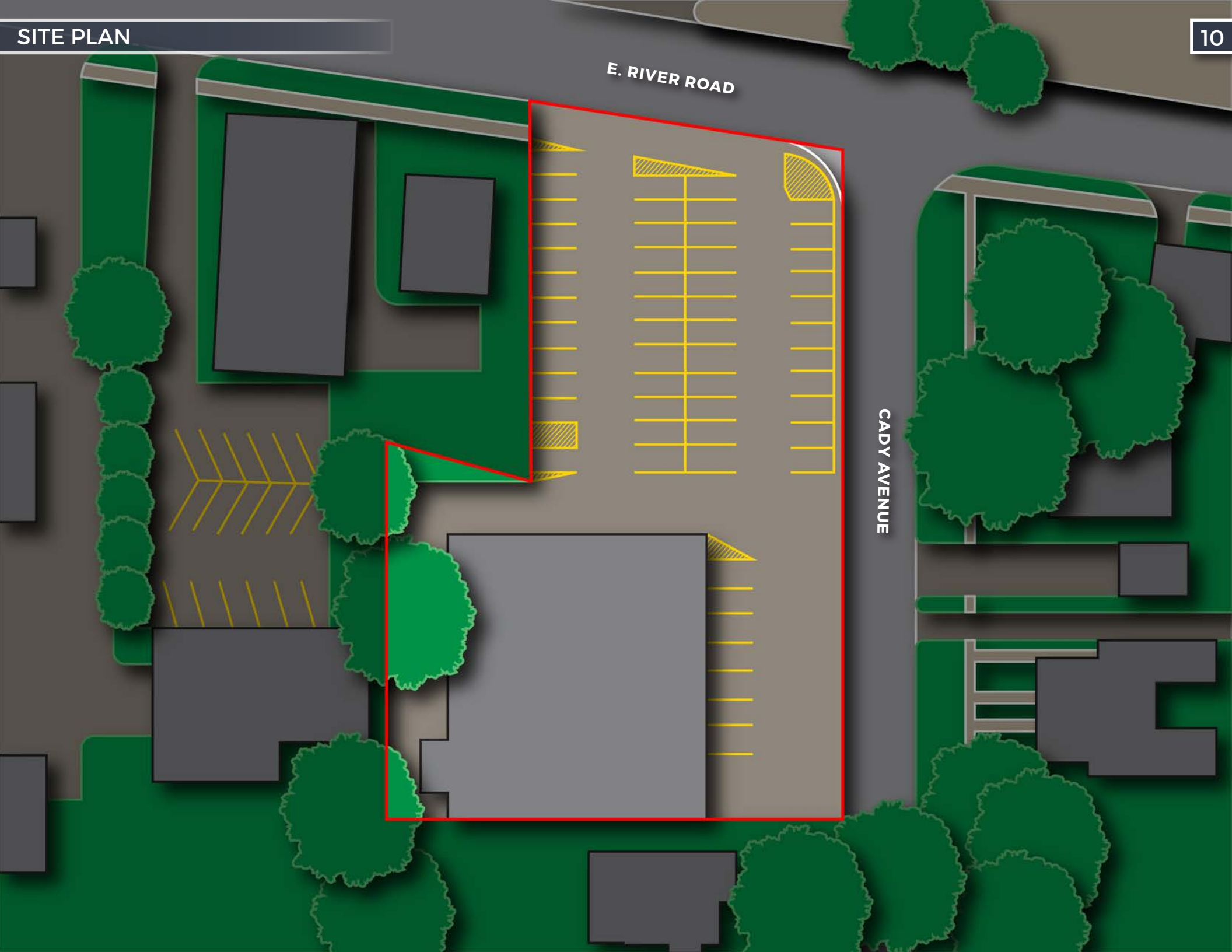














AREA LOCATION MAP



SUSQUEHANNA RIVER

SOUTHERN TIER EXPY

17

POST OFFICE

ELEGANT LADY  
BED & BREAKFAST

BARSTOW HOUSE

THE STATION BAR & GRILL

COMMUNITY BANK

NICHOLS  
KIRBY PARK

MAIN ST



# REGIONAL MAP

