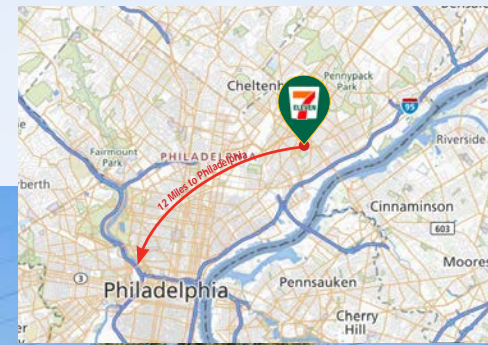




# 7-ELEVEN - PHILADELPHIA, PA

8 YEARS REMAINING | NEW 6 YEAR LEASE EXTENSION



1435 COTTMAN AVENUE  
**PHILADELPHIA, PENNSYLVANIA 19111**



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7-Eleven

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License: PA RM424190





 **Northeast High School**  
(3,108 Total Enrolled)

 **PETSMART**  
for the love of pets

 **TARGET**

**Roosevelt Mall**  
    
**ROSS** T-Mobile verizon  
**GameStop** macy's hair cutters  
**DUNKIN'** 7-ELEVEN KICKSUSA

**Cottman & Castor Shopping Center**  
    
**Party City** **FIVE BELOW** **Durlington**  
**SHOE CARNIVAL** Raymour & Flanigan  
FURNITURE | MATTRESSES

 **Burger King**

 **jiffy lube**

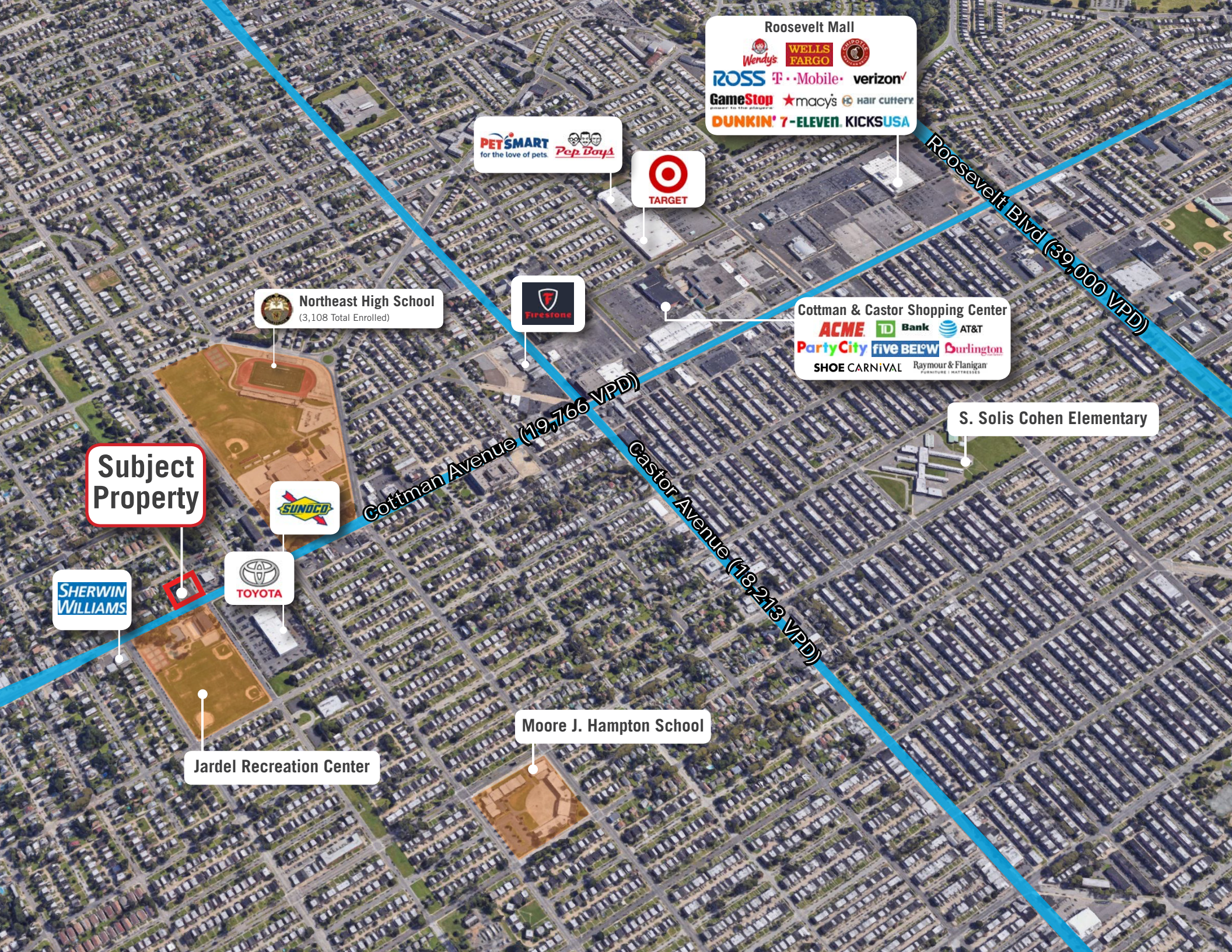
 **SUNICO**

 **TOYOTA**

**Subject Property**

**Cottman Avenue (19,766 VPD)**

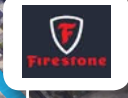




Roosevelt Mall



**Northeast High School**  
(3,108 Total Enrolled)



**Cottman & Castor Shopping Center**  
ACME TD Bank AT&T  
Party City five BELOW Burlington  
SHOE CARNIVAL Raymour & Flanigan  
FURNITURE MATTRESSES

**S. Solis Cohen Elementary**

**Subject Property**



**Jardel Recreation Center**

**Moore J. Hampton School**

**Cottman Avenue (19,766 VPD)**

**Castor Avenue (18,213 VPD)**

**Roosevelt Blvd (39,000 VPD)**



# PROPERTY OVERVIEW

## Lease Summary

Tenant	7-Eleven
Guarantor	Corporate
Building Size	3,009 SF
Lot Size	.27 Acres
Year Built / Renovated	1986
Lease/ Rent Commencement	1/1/1987
Lease/ Rent Expiration	11/30/2027
Base Lease Term	10 Years
Lease Term Remaining	8 Years
Renewal Options	Two (5) Year Options
Renewal Notice	(90) Days
Option Increases	10% Every (5) Years
Lease Type	NNN
Landlord Responsibilities	None
Insurance, Taxes, CAM	Tenant is responsible for all expenses
Utilities	Tenant is responsible for all expenses
ROFR	20 Days notice
Roof & Structure	Tenant is responsible
Parking	13 Spaces +/-
Ownership Interest	Fee Simple

## Rent Schedule

Term	Annual Rent	% Increase
<b>Current</b>	<b>\$79,200</b>	<b>-</b>
Years 1-5 (12/1/11 - 11/30/16)	\$72,000	-
Years 6-16 (12/1/16 - 11/30/27)	\$79,200	10%
Years 17-22 (Option 1)	\$87,120	10%
Years 23-28 (Option 2)	\$95,832	10%



**\$1,537,864**

**LIST PRICE**



**5.15%**

**CAP RATE**



**\$79,200**

**NOI**



**NNN**

**LEASE TYPE**



**10 Years**

**LEASE TERM**



# OVERVIEW & HIGHLIGHTS

Marcus and Millichap is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, corporate guaranteed, 7-Eleven investment property located in Philadelphia, PA. The tenant has (8) years remaining in their lease term, as result of a recent six-year extension showing Tenant commitment to the space; in addition to two (5) year option periods to extend granted to Tenant. The lease features a 10% rental increase in both option periods, beginning in December 2028; steadily growing NOI and hedging against inflation. The lease is absolute NNN with zero landlord responsibilities making it an ideal, management free investment opportunity for an out of state investor. The lease is also corporately guaranteed by 7-Eleven, Inc., an investment grade, rated “AA-” by Standard & Poor’s.

7-Eleven is strategically located near the signalized, hard corner intersection of Cottman Avenue & Pennway Street, averaging a combined **21,786** vehicles passing by daily. The asset is ideally positioned along the main retail thoroughfare for the Northeast Philadelphia submarket. The site sits just (1) mile from the **Roosevelt Mall (432,884 SF)**, a popular shopping center anchored by Macy’s. Other nearby national/credit tenants in the center include: Ross, Foot Locker, Dunkin’ Donuts, & Verizon, further increasing consumer draw to the trade area. Moreover, the asset is one block from **Northeast High School**, one of the oldest high schools in Philadelphia, with approximately **3,000 students**, providing a direct consumer base from which to draw. The 5-mile trade area is supported by a dense population of over **671,000 residents** with an average household income of \$60,952.

## HIGHLIGHTS:

### Lease:

- » 7-Eleven recently signed a brand new (6)-year lease extension with two (5-year) option periods to extend, demonstrating long term commitment to this site
- » Corporately guaranteed by 7-Eleven, Inc., an investment grade credit tenant rated “AA-” by Standard & Poor’s
- » Ideal, management-free investment for a passive investor
- » (8)-Year Absolute Triple Net (NNN); Passive Investment Offering a Long-Term Security of Cash Flow

### Location:

- » Cottman Avenue serves as the primary retail thoroughfare in the Northeast Philadelphia area with nearby national/credit tenants including Ross, Foot Locker, Dunkin’ Donuts, & Verizon
- » Located on Cottman Avenue (19,766 VPD) with immediate access to the Roosevelt Boulevard (39,000 VPD), providing access from all around the North to Northeast Philadelphia regions
- » 7-Eleven benefits from its proximity being walking distance to both Roosevelt Mall (432,884 SF Center) & Northeast High School (3,000 students)
- » Positive Real Estate Fundamentals | 5-mile trade area supported by 671,000 residents with an average household income of \$60,952.



7-Eleven

## PROPERTY OVERVIEW

7-Eleven is the world's largest operator, franchisor and licensor of convenience stores with more than 64,319 stores in 18 countries around the globe. The largest markets are Japan, the United States, Thailand, the Republic of Korea and Taiwan. 7-Eleven-branded stores operate under 7-Eleven Japan, who is a subsidiary of parent company, Seven & I Holdings Co, LTD, a Japanese diversified retail group that is currently the fifth-largest retailer in the world.

The company originated in 1927 in Dallas, Texas, when an employee of what was Southland Ice Company began selling milk, eggs and bread from an improvised storefront in one of the company's ice houses. The concept took off and today, stores operate 24 hours-a-day, 7 days-a week to meet the needs of convenience-oriented customers by providing a broad selection of fresh, high-quality products and services at everyday fair prices in a clean and friendly shopping environment. Each store offers roughly 2,500 products and services and is tailored to their immediate market. Stores typically vary from 2,400 SF to 3,000 SF and are most often located on corners for great visibility and easy access. 7-Eleven has been consistently ranked in Entrepreneur's Franchise 500, ranked 6th in 2014. In addition, they were ranked second in Entrepreneur's 2014 Fastest-Growing Franchises.



**68,000+**  
**LOCATIONS**  
World Wide



**34**  
**STATES**  
With 7-Eleven Locations



**45,000**  
**EMPLOYEES**  
Worldwide Workforce



**\$5.1**  
**BILLION**  
YTD Company Revenue

**AA-**  
**S&P CREDIT**  
**RATING**  
Credit Rated Tenant

**Baa1**  
**MOODY'S**  
**RATING**  
Credit Rated Tenant



Philadelphia, PA

## AREA DEMOGRAPHICS

### Outstanding Area Demographics

The Philadelphia metro encompasses 11 counties in four states: Philadelphia, Delaware, Bucks, Chester and Montgomery in Pennsylvania; Gloucester, Burlington, Camden and Salem counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland. More than 100 million people are within a one-day drive of Philadelphia. The Greater Philadelphia market area spans nineteen counties in Southeastern Pennsylvania, Southern New Jersey and Northern Delaware.

RADIUS	1 MILE	3 MILE	5 MILES
Average HH Income	\$59,760	\$62,104	\$60,952
Median HH Income	\$48,226	\$48,157	\$44,164
Population	43,690	300,640	671,649
Households(#)	16,060	109,678	242,898
Median Age	37.90	37.70	37.90

## Impressive Development Pipeline

*will further economic progress in the Treater Philadelphia Region*



**151,062**

Population  
*within a 3 mile radius*



**\$62,104**

AVG. HH Income  
*within a 3 mile radius*



**(0.44%)**

Population Growth  
*within a 3 mile radius*



**49.1%**

College Educated  
*Philadelphia, PA*



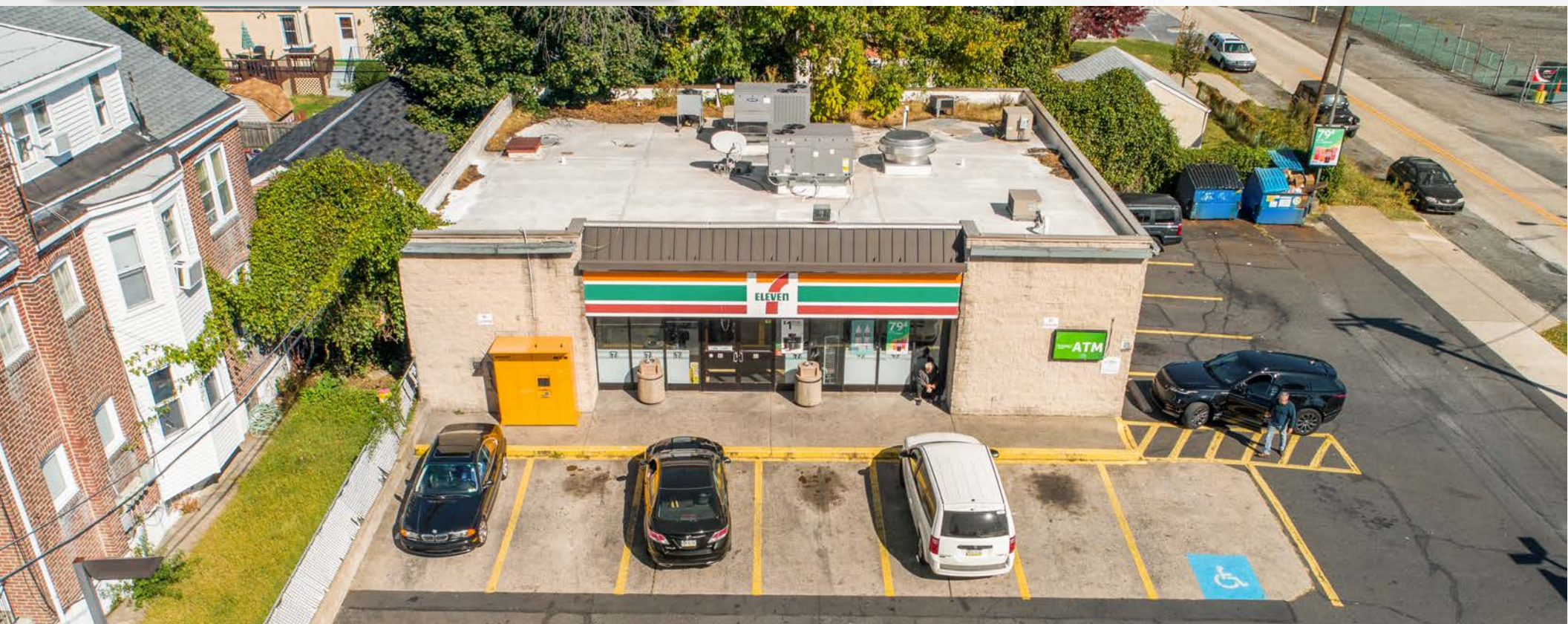
**4.8%**

Unemployment Rate  
*within a 3 mile radius*



**1.2%**

Job Growth Rate  
*Philadelphia, PA*





## Local Economy

Philadelphia boasts strong economic fundamentals. The Gross Metropolitan Product for the Philadelphia Region is the eighth largest in the U.S. (\$433.9 billion dollars in 2017). The strength and desirability of Greater Philadelphia is characterized by its economic diversity and population density. Its location, high concentration of educational, medical and government facilities, and a strong transportation network underscore these strengths. Residents of the Philadelphia area have always enjoyed a high quality of life.



## Top Employers

Organization/Company	Industry Type
Trustees of the University of PA	Academic/Business
City of Philadelphia	City
Federal Government	Government
School District of Philadelphia	Education
The Children's Hospital of Philadelphia	Healthcare
Temple University	Education
Thomas Jefferson University Hospital	Healthcare
American Airlines Inc	Travel/Shipping
Southeastern PA Transportation Authority	Transportation

The Greater Philadelphia Area is served by nearly 2,500 miles of highways and roads. Major interstates, state and local highways in the Greater Philadelphia Area include:



Interstate 76 (the Schuylkill Expressway) links Philadelphia and southern New Jersey to the western Suburbs through Center City.



Interstate 476 (the Blue Route) connects I-95 with the PA Turnpike as it runs north-south, continuing northward to Allentown as the Northeast Extension of the PA Turnpike.



Interstate 95, a major north-south freeway follows the Delaware River and passes by the Philadelphia International Airport.



The Pennsylvania Turnpike provides east-west access, as well as northern connections via Interstate 476 (Northeast Extension) and connections to the NJ Turnpike.



U.S. 30 runs east-west across the southern part of the state, passing through Pittsburgh and Philadelphia on its way from the West Virginia state line.



US-202 runs through the southeastern part of the U.S. state of Pennsylvania, passing through the western and northern suburbs of Philadelphia.



## NORTHEAST PHILADELPHIA:

- According to the 2000 Census, Northeast Philadelphia is the largest section of the city and is home to 30% of the city's total population
- Nearby attractions include Parx Casino, Philadelphia Mills Mall, Northeast Philadelphia Airport and a brand-new Top Golf facility.



## ROOSEVELT BOULEVARD:

- Roosevelt Boulevard, also known as "The Boulevard," is one of the most well-known streets in Northeast Philadelphia. It runs from Schuylkill Expressway in Fairmount Park through North Philadelphia.
- Experiencing sustained growth since the early 2000's, Roosevelt Boulevard is a twelve lane, east-west thoroughfare that intersects North Broad Street at a full exchange just 4 miles north of Center City



## Philadelphia, PA ECONOMIC DRIVERS



Philadelphia is Pennsylvania's largest city, the business capital of the state, and ranks second in size only to New York City on the East Coast. Philadelphia boasts strong economic fundamentals. The Gross Metropolitan Product for the Philadelphia Region is the eighth largest in the U.S. (\$433.9 billion dollars in 2017). The strength and desirability of Greater Philadelphia is characterized by its economic diversity and population density. Its location, high concentration of educational, medical and government facilities, and a strong transportation network underscore these strengths. Residents of the Philadelphia area have always enjoyed a high quality of life.

**2MILLION**

PLUS SQUARE FEET  
OF PROPOSED NEW  
DEVELOPMENT

**3RD**

LARGEST METRO  
IN THE NORTHEAST  
\$432B IN GRP

**5TH**

MOST POPULOUS  
CITY IN UNITED  
STATES

**11**

COUNTIES IN FOUR  
STATES MAKE THE  
PHILADELPHIA MSA

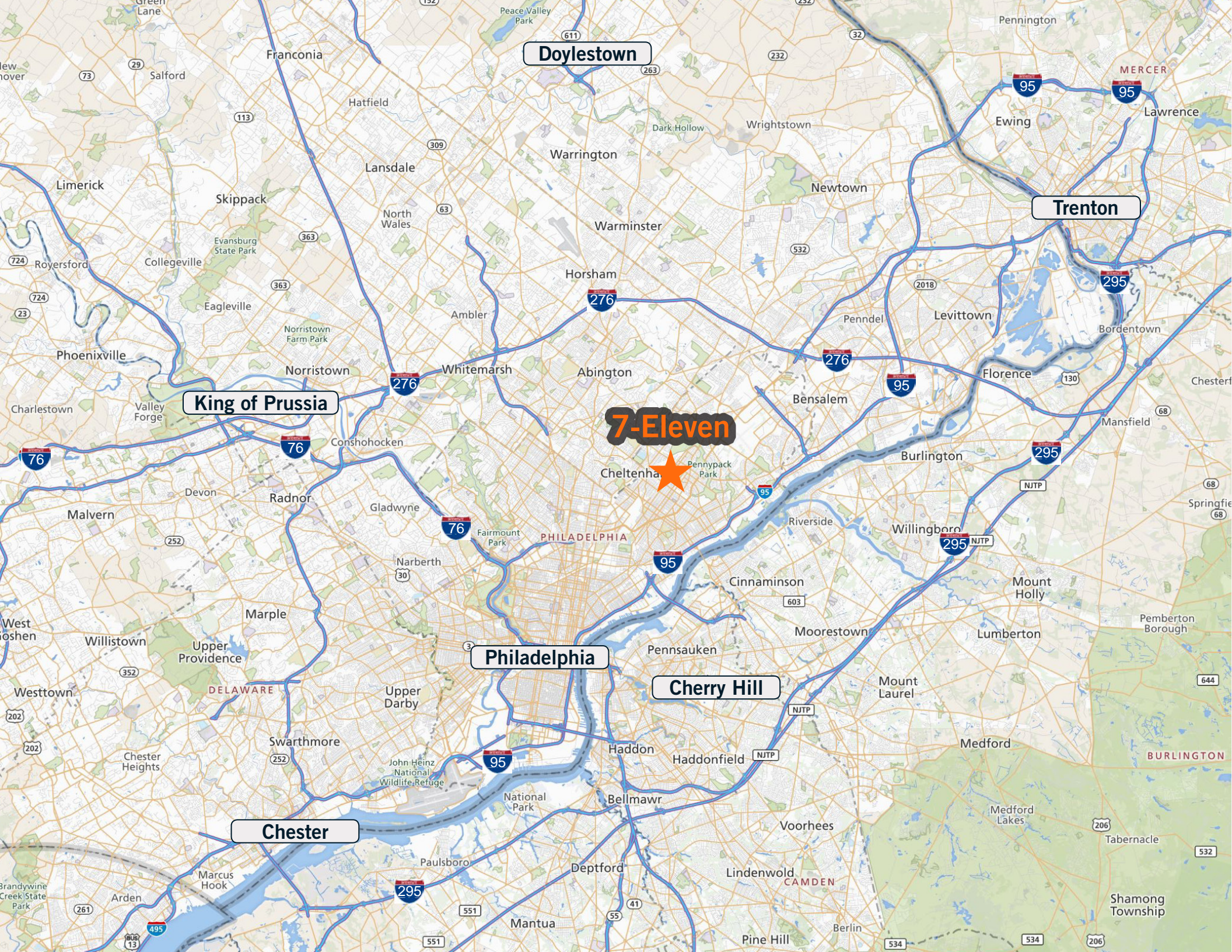
**100MILLION**

PEOPLE WITHIN  
ONE DAY DRIVE OF  
PHILADELPHIA

**300MILES**

20% OF THE U.S.  
POPULATION & 25%  
OF ITS INCOME





Doylestown

Trenton

King of Prussia

7-Eleven

Philadelphia

Cherry Hill

Chester





**DOUGHERTY  
& PARTNERS**  
of Marcus & Millichap

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