

OFFERING  
MEMORANDUM



Rep Photo

# DOLLAR TREE

*1910 EASTGATE AVENUE  
PIERRE, SOUTH DAKOTA*

Marcus & Millichap

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# FINANCIAL OVERVIEW



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## SECTION 1

# 01

## FINANCIAL OVERVIEW



EXECUTIVE  
SUMMARY



DOLLAR TREE

1910 Eastgate Avenue, Pierre, South Dakota 57501

PRICING

Price:	\$1,334,000
Cap Rate:	7.25%
Gross Leasable Area:	9,000
Price Per Square Foot:	\$148.22
Year Built:	2018
Lot Size:	1.03 Acres



PRICE:  
\$1,334,000



CAP RATE:  
7.25%



NOI:  
\$96,750

LEASE SUMMARY

Lease Type:	Modified NNN
Roof & Structure:	Landlord Responsible
Lease Term:	7 Years
Rent Commencement:	June 24, 2018
Lease Expiration:	June 30, 2025
Term Remaining:	5+ Years
Increases:	In Options
Options:	Four, Five-Year
Termination Clause:	None
Right of First Refusal:	None



SQUARE FEET:  
9,000



LEASE TYPES:  
Modified NNN



ACREAGE:  
1.03 Acres

DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
Population	1,867	14,041	16,838
Average HH Income	\$78,611	\$78,382	\$80,570

RENT  
ROLL

Tenant	Sq. Ft.	Lease Start	Lease End	Monthly Rent	Annual Rent	Annual PSF	Lease Type	Option Terms
Dollar Tree	9,000	6/24/2018	6/30/2025	\$8,063	\$96,750	\$10.75	Modified NNN	(4), Five-Yr
Option I		7/1/2025	6/30/2030	\$8,437	\$101,250	\$11.25		
Option II		7/1/2030	6/30/2035	\$8,812	\$105,750	\$11.75		
Option III		7/1/2035	6/30/2040	\$9,187	\$110,250	\$12.25		
Option IV		7/1/2040	6/30/2045	\$9,562	\$114,750	\$12.75		
Current Totals	9,000			\$8,063	\$96,750	\$10.75		
Occupied	9,000			\$8,063	\$96,750	\$10.75		
Vacant								



TENANT  
PROFILE



**Dollar Tree, Inc.** is an American chain of discount variety stores that sells items for \$1 or less. Headquartered in Chesapeake, Virginia, it is a member company of Fortune 500 and operates 15,115 stores throughout the 48 contiguous U.S. states and Canada. Its stores are supported by a nationwide logistics network of eleven distribution centers. The company operates one-dollar stores under the names of Dollar Tree and Dollar Bills. The company also operates multi-price-point variety chains under the names Deals and Family Dollar. Dollar Tree competes in the dollar store and low-end retail markets. Each Dollar Tree stocks a variety of products including national, regional, and private-label brands.



STOCK SYMBOL  
**NASDAQ: "DLTR"**

TENANT  
**CORPORATE**



WEBSITE  
**DOLLARTREE.COM**



HEADQUARTERS  
**Chesapeake, VA**



# OF LOCATIONS  
**15,115+**



ANNUAL REVENUE  
**\$8.6 Billion**



YEAR FOUNDED  
**1986**

LEASE  
ABSTRACT

COMMON AREA MAINTENANCE

Tenant shall be obligated to perform routine maintenance of the parking lot roadways, pedestrian sidewalks, loading docks and delivery and trash areas, including sweeping and seasonal plowing of the parking areas; seasonal maintenance of the existing landscaping; replacement of light bulbs for all exterior lighting located on the Premises; and routine dock maintenance.

REAL ESTATE TAXES

Tenant Responsible; Landlord pays and Tenant fully reimburses in monthly installments

INSURANCE

Tenant and Landlord shall both carry commercial general liability insurance at their own expense. Landlord shall also maintain property insurance against fire and such other perils in which Tenant will reimburse for Property Insurance Premium.

ROOF & STRUCTURE

Landlord shall keep the foundations, roof, floor slab, and structural portions of the outer walls of the building in good repair and condition. Landlord shall repair and replace the parking areas and parking lot.

HVAC

Tenant, at its sole cost and expense, shall maintain a service contract and perform routine, standard HVAC System maintenance. Landlord shall replace the HVAC System as and when needed at its expense.

UTILITIES

Tenant shall pay all utility bills directly to the appropriate service provider.



# INVESTMENT OVERVIEW

## SECTION 2



# INVESTMENT OVERVIEW



# INVESTMENT OVERVIEW

## INVESTMENT HIGHLIGHTS

- Build to Suit Dollar Tree in 2018 | **Zero Deferred Maintenance**
- Original 7 Year Lease | **Over 5 Years Remaining**
- Perfectly Positioned **Near Pierre Regional Airport** | 5-Mile Avg. Household Income in Excess of \$80,500
- Dollar Tree (NASDAQ: "DTR") | **S&P Rated BBB-** | No Dollar Store Competition
- Tenant Reimburses for Taxes, Insurance | **Tenant Directly Handles CAM**
- **Several Retail Traffic Drivers** | Menards, Walmart Supercenter, Runnings, Hobby Lobby Among Others
- Four, Five-Year Options with **\$0.50/PSF Rent Increases in Each Option**
- Income Tax Free State | **State Capital Location**

## INVESTMENT WRITE-UP

**Marcus and Millichap** is pleased to present for your acquisition review the Dollar Tree in Pierre, South Dakota.

The 9,000 square foot Dollar Tree sits on a 1.03 acre lot near many big-box, destination, national retailers that drive traffic to the area including Walmart Supercenter, Hobby Lobby, and Menards. The next closest Walmart is 116 miles away. Dollar Tree also benefits from limited dollar store competition as there is no Dollar General in the Pierre market.

Pierre is the state capital of South Dakota, boasting a population over 17,000 people with an average household income exceeding \$80,500. The asset is located in close proximity to the Pierre Regional Airport (less than 1 mile) and downtown Pierre (less than 4 miles).

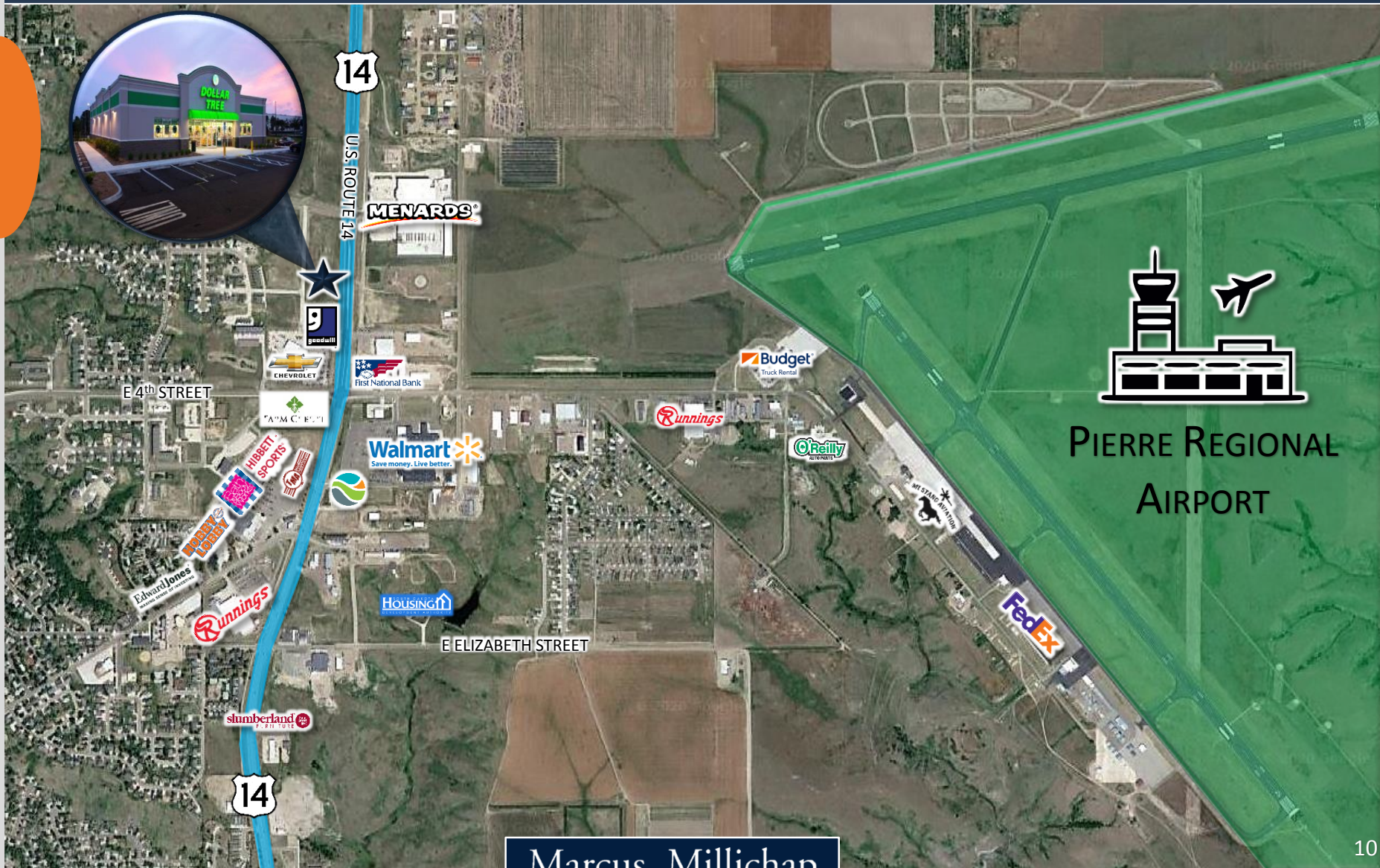
The Dollar Tree was built in 2018, providing assurance of no deferred maintenance for a future landlord. The lease is considered triple net, with the tenant reimbursing for insurance and real estate taxes and the tenant directly handling the common area maintenance. There are scheduled rent increases in each of the four renewal options. Dollar Tree signed an original seven year lease. Currently there are over 5.5 years of term remaining giving an incoming investor ease of mind with a tenant credit rated by S&P 500 as BBB-.

Dollar Tree was founded in 1986 and in 34 years has grown to more than 15,115 locations across 48 states. The company is publicly traded on the NASDAQ under the ticker "DLTR".



# MARKET AERIAL

## SECTION 2



# LOCAL MAP

## SECTION 2



**0.5 MILES**  
Walmart  
Supercenter



**0.5 MILES**  
Menards



**1.5 MILES**  
Pierre Regional  
Airport





# REGIONAL MAP

SECTION 2



**!SIOUX FALLS**  
SOUTH DAKOTA

**226 MILES**  
Sioux Falls,  
South Dakota



**384 MILES**  
Minneapolis,  
Minnesota



**402 MILES**  
Omaha,  
Nebraska

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MARKET  
OVERVIEW

SECTION 3



MARKET  
OVERVIEW



# MARKET OVERVIEW



## Population

In 2019, the population in your selected geography is 17,551. The population has changed by 4.93% since 2000. It is estimated that the population in your area will be 17,847.00 five years from now, which represents a change of 1.69% from the current year. The current population is 48.89% male and 51.11% female. The median age of the population in your area is 38.81, compare this to the US average which is 37.95. The population density in your area is 222.90 people per square mile.



## Race and Ethnicity

The current year racial makeup of your selected area is as follows: 84.00% White, 0.87% Black, 0.00% Native American and 0.75% 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.

People of Hispanic origin make up 3.45% of the current year population in your selected area. Compare this to the US average of 18.01%.



## Employment

In 2019, there are 18,037 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 68.68% of employees are employed in white-collar occupations in this geography, and 31.31% are employed in blue-collar occupations. In 2019, unemployment in this area is 2.73%. In 2000, the average time traveled to work was 13.00 minutes.



## Households

There are currently 7,441 households in your selected geography. The number of households has changed by 11.78% since 2000. It is estimated that the number of households in your area will be 7,648 five years from now, which represents a change of 2.78% from the current year. The average household size in your area is 2.24 persons.



## Income

In 2019, the median household income for your selected geography is \$63,752, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 49.30% since 2000. It is estimated that the median household income in your area will be \$74,478 five years from now, which represents a change of 16.82% from the current year.

The current year per capita income in your area is \$34,591, compare this to the US average, which is \$32,356. The current year average household income in your area is \$80,556, compare this to the US average which is \$84,609.



# MARKET OVERVIEW

POPULATION	1 Miles	3 Miles	5 Miles
▪ 2018 Estimate			
Total Population	2,003	14,716	17,551
▪ 2010 Census			
Total Population	1,921	14,262	16,991
▪ 2000 Census			
Total Population	1,548	14,232	16,727
▪ Current Daytime Population			
2018 Estimate	3,571	19,173	20,594
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
▪ 2023 Projection			
Total Households	815	6,427	7,648
▪ 2018 Estimate			
Total Households	756	6,263	7,441
Average (Mean) Household Size	2.31	2.21	2.24
▪ 2010 Census			
Total Households	714	5,977	7,096
▪ 2000 Census			
Total Households	587	5,670	6,657
▪ Occupied Units			
2023 Projection	815	6,427	7,648
2018 Estimate	787	6,565	7,863
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
▪ 2018 Estimate			
\$150,000 or More	7.09%	8.16%	8.89%
\$100,000 - \$149,000	18.14%	15.18%	15.13%
\$75,000 - \$99,999	19.48%	16.26%	16.10%
\$50,000 - \$74,999	20.86%	21.56%	21.97%
\$35,000 - \$49,999	8.13%	10.54%	10.62%
Under \$35,000	26.31%	28.29%	27.28%
Average Household Income	\$82,929	\$78,523	\$80,556
Median Household Income	\$69,115	\$63,005	\$63,752
Per Capita Income	\$32,134	\$33,905	\$34,591

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$74,420	\$70,200	\$70,819
▪ Consumer Expenditure Top 10 Categories			
Housing	\$18,388	\$17,488	\$17,646
Transportation	\$13,261	\$12,317	\$12,480
Shelter	\$10,533	\$9,986	\$10,066
Personal Insurance and Pensions	\$7,952	\$7,114	\$7,194
Food	\$7,510	\$7,046	\$7,123
Health Care	\$5,123	\$5,047	\$5,119
Utilities	\$4,034	\$3,881	\$3,920
Entertainment	\$3,438	\$3,120	\$3,151
Cash Contributions	\$2,006	\$1,941	\$1,968
Household Furnishings and Equipment	\$1,885	\$1,770	\$1,792
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
▪ Population By Age			
2018 Estimate Total Population	2,003	14,716	17,551
Under 20	27.66%	25.50%	25.61%
20 to 34 Years	21.25%	20.32%	19.73%
35 to 39 Years	6.32%	5.99%	6.04%
40 to 49 Years	11.41%	11.33%	11.50%
50 to 64 Years	20.37%	20.64%	20.62%
Age 65+	13.00%	16.22%	16.49%
Median Age	35.80	38.42	38.81
▪ Population 25+ by Education Level			
2018 Estimate Population Age 25+	1,321	10,104	12,041
Elementary (0-8)	1.49%	2.36%	2.29%
Some High School (9-11)	3.87%	3.33%	3.71%
High School Graduate (12)	27.77%	28.37%	29.54%
Some College (13-15)	19.67%	21.29%	20.50%
Associate Degree Only	12.34%	10.44%	10.65%
Bachelors Degree Only	26.43%	24.32%	22.91%
Graduate Degree	8.18%	9.61%	9.84%

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# DOLLAR TREE | PIERRE, SD

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## EXCLUSIVE OFFERING

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