

# Dollar Tree | New 10-Year Lease

Grocery Anchored Shopping Center | Significant Traffic Counts | Dense, In-Fill Location

2341 Main St. | Los Lunas, NM 87031

Offering  
Memorandum



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# Investment Highlights

Investment Property Advisors is pleased to offer for sale a single-tenant, net-lease Dollar Tree in the high growth market of Los Lunas, New Mexico. The asset is located at 2341 Main St. SE in a grocery anchored shopping center. It is positioned at The “Y”; the intersection of Main St. and Hwy 47, with car counts exceeding 39,500 cars per day. The “Y” is an extremely desirable retail corridor; neighboring tenants of Dollar Tree include Albertsons, Ross, Big 5, Smith’s, Walgreens, and Burger King among many others. Los Lunas services a very large trade area and services all of Valencia County and outlying communities as far south as Socorro. The community has experienced a tremendous amount of growth with more on the way; currently Facebook is investing over \$1 billion on the construction of its datacenters.

The approximately 13,500 sq. ft. building is situated on about 1.31 acres. Dollar Tree recently signed a 10-year lease with two, five-year renewal options. There are \$0.50/SF rental increases every five years. Dollar Tree is the largest and most successful single-price-point retailer in North America. The company operates over 15,115 stores throughout the contiguous 48 states and Canada with over 182,000 employees. Dollar Tree is a Fortune 500 Company that is traded on the NASDAQ, with a BBB- investment grade credit rating.

This investment benefits from the strong credit tenant, new long-term lease, and its exceptional location. The long-term lease coupled with its strong real estate fundamentals limit downside risk for an investor. This investment is located in a high growth market that is positioned extremely well for the future.



## Offering Summary

Purchase Price	\$1,610,000
Net Operating Income	\$104,625
Cap Rate	6.50%
Lease Type	NN

## STNL Dollar Tree

- Single-Tenant Net-Lease Dollar Tree
- Brand new 10-year lease with (2) 5-year options
  - \$0.50/SF increases every five years
- Building Size: ±13,500 SF
- Land Size: ±1.31 Acres
- BBB- Investment Grade Credit Rating
- Strong real estate fundamentals
  - Grocery anchored shopping center
  - Located along Main St. (main thoroughfare in Los Lunas)
  - Neighboring retailers include Albertsons, Ross, Big 5, Walgreens, Smith’s, Burger King, and Taco Bell among many others
- Located at the “Y” (Intersection of Main St. and Hwy 47) with significant traffic counts
  - Traffic counts exceed 26,200 cars per day on Main St.
  - Traffic counts exceed 13,200 cars per day on Hwy 47
- Dense, in-fill retail corridor
  - Population exceeds 44,000 within a 5 mile radius
- Los Lunas is thriving and growing
  - Los Lunas services all of Valencia County and outlying communities as far south as Socorro
  - Facebook’s multiple data centers are being built in Los Lunas with over \$1 billion in investment; construction of the project will run through 2023



# Lease Summary & Rent Schedule



## Lease Summary



Location	2341 Main St SE, Los Lunas, NM 87031
Tenant	Dollar Tree Stores, Inc.
Building Size	±13,500
Land Size	±1.31 Acres
Rent Commencement Date*	March 26, 2020
Remaining Base Lease Term	10 years through March 31, 2030
Rental Increases	\$0.50/SF every 5 years
Renewal Options	(2) 5-year options
Net Operating Income	\$104,625
Lease Type	NN

*\*Tenant has a Free Rent period of six months from the Rent Commencement Date; Seller may be willing to credit Buyer with Free Rent differential between the closing date and remaining Free Rent on the Closing Date*

## Rent Schedule



Period	Annual Rent
Years 1-5	\$104,625
Years 6-10	\$111,375
Years 11-15 (Option 1)	\$118,125
Years 16-20 (Option 2)	\$124,875

## Tenant Highlights



**DOLLAR TREE®**

Dollar Tree is a chain of discount variety stores that sells items for \$1 or less. Dollar Tree is a Fortune 500 Company that is traded under the stock ticker DLTR. The company operates over 15,115 stores throughout the contiguous 48 states and Canada with over 182,000 employees. The company operates its stores under the names of Dollar Tree and Dollar Bills; it also operates a multi-price point variety chain under the Family Dollar name.

Dollar Tree was founded in 1986 by Doug Perry, Macon Brock, and Ray Compton. The company is headquartered in Chesapeake, VA. It was originally called Only \$1.00 but the name changed in 1993 to Dollar Tree. In 1995, Dollar Tree went public and is traded on the NASDAQ. Dollar Tree has since expanded through multiple acquisitions as well as new store growth.

Dollar Tree has grown and expanded tremendously throughout North America and is the largest and most successful single-price-point retailer.



### Tenant Profile

Tenant	Dollar Tree Stores, Inc.
Headquarters	Chesapeake, VA
Locations	15,115+
Type	Public
Stock Ticker	DLTR (NASDAQ)
Credit Rating	BBB- (Investment Grade)
Year Founded	1986
Website	<a href="http://www.dollartree.com">www.dollartree.com</a>



# Trade Area



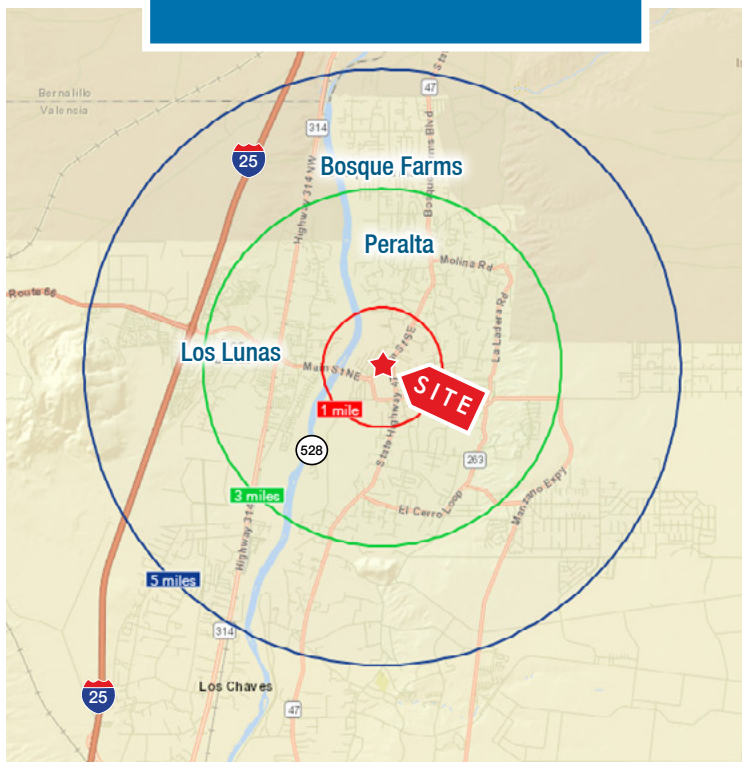


# Site Aerial





# Demographics 1, 2 & 3 Miles



	1 Mile	3 Mile	5 Mile
<b>Summary</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
Population	2,297	23,216	44,001
Households	866	8,616	15,421
Families	598	6,111	11,114
Average Household Size	2.65	2.67	2.76
Owner Occupied Housing Units	732	7,266	13,168
Renter Occupied Housing Units	135	1,350	2,253
Median Age	43.7	40.5	38.5
<b>Trends: 2019 - 2024 Annual Rate</b>	<b>State</b>	<b>State</b>	<b>State</b>
Population	0.65%	0.65%	0.65%
Households	0.61%	0.61%	0.61%
Families	0.38%	0.38%	0.38%
Owner HHs	0.80%	0.80%	0.80%
Median Household Income	1.55%	1.55%	1.55%
<b>Households by Income</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	Number Percent	Number Percent	Number Percent
<\$15,000	104 12.0%	893 10.4%	1,725 11.2%
\$15,000 - \$24,999	164 18.9%	1,083 12.6%	1,942 12.6%
\$25,000 - \$34,999	120 13.9%	1,024 11.9%	1,565 10.1%
\$35,000 - \$49,999	64 7.4%	1,011 11.7%	1,855 12.0%
\$50,000 - \$74,999	151 17.4%	1,987 23.1%	3,630 23.5%
\$75,000 - \$99,999	122 14.1%	877 10.2%	1,669 10.8%
\$100,000 - \$149,999	81 9.4%	1,189 13.8%	2,165 14.0%
\$150,000 - \$199,999	53 6.1%	403 4.7%	609 3.9%
\$200,000+	7 0.8%	149 1.7%	261 1.7%
Median Household Income	\$44,732	\$52,452	\$52,834
Average Household Income	\$59,970	\$65,638	\$65,105
Per Capita Income	\$22,910	\$24,299	\$22,909
<b>Population by Age</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>
	Number Percent	Number Percent	Number Percent
0 - 4	138 6.0%	1,379 5.9%	2,774 6.3%
5 - 9	124 5.4%	1,378 5.9%	2,811 6.4%
10 - 14	126 5.5%	1,411 6.1%	2,846 6.5%
15 - 19	132 5.7%	1,387 6.0%	2,663 6.1%
20 - 24	128 5.6%	1,387 6.0%	2,720 6.2%
25 - 34	294 12.8%	3,201 13.8%	6,254 14.2%
35 - 44	239 10.4%	2,605 11.2%	5,314 12.1%
45 - 54	302 13.1%	2,945 12.7%	5,529 12.6%
55 - 64	384 16.7%	3,556 15.3%	6,191 14.1%
65 - 74	268 11.7%	2,565 11.0%	4,502 10.2%
75 - 84	123 5.4%	1,076 4.6%	1,867 4.2%
85+	39 1.7%	326 1.4%	529 1.2%



# Trade Area Analysis

## VILLAGE OF Los Lunas

### LOS LUNAS | A Small Community with Big Possibilities

**Los Lunas** is a friendly, pro-development community located 20 minutes from downtown Albuquerque, and easily accessed off the major Interstate 25. As the second fastest growing city in the state, the largest employers are the Walmart Distribution Center, ACIM/Party City Manufacturing, Home Depot and Lowes who employ over 3,500 people. The Village of Los Lunas is a great place to live, work and play as it is centrally located in the state and close to everything. With mild year-round temperatures and thriving businesses, Los Lunas is the ideal place to establish a company. The Village of Los Lunas and the Community Development Department are committed to supporting local businesses.

#### Village of Los Lunas by the numbers (ESRI 2018 Demographics)



**"The City is proud to offer a fast, 3 week or less approval process of commercial and residential plans"** - Village of Los Lunas, Business Resources | Economic Development

#### ECONOMIC DEVELOPMENT REPORT CARD

#### Facebook is coming to town...

- Facebook's server farm to be built in Los Lunas, New Mexico with a \$250 Million investment
- A catalyst for more companies to follow
- Predictions and new houses, stores, business and restaurants to come to the area
- Phase I of project is expected to provide hundreds of construction jobs, then 30 to 50 full-time jobs
- Facebook has approved Phase 2 construction, with possible additional phases on the way



LOS LUNAS HAS BUILT A THRIVING RETAIL SECTOR.

With an average daily traffic count on NM 6 (Main St.) of 25,000 vehicles, the Village is the perfect location for all types of businesses seeking high visibility



#### CHALLENGES

Los Lunas experiences a significant level of retail leakage into the City of Albuquerque.

**Approx. \$155 Million in leakage**



#### OPPORTUNITIES

Investors can bridge the gap of needs and retail services in Los Lunas. The Village of Los Lunas is committed to supporting local business

