

OFFERING MEMORANDUM
Marcus & Millichap



ELKTON, MD

EXECUTIVE SUMMARY



1504 Elkton Rd
Elkton, MD 21921

ADDRESS



Elkton, MD
MARKET

2,903 SF

TOTAL GLA



2+ YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

THE OFFERING

Price	Open Bid
Total GLA	2,903 SF
Lot Size	1.16 Acres
Year Built	2002
Lease Type	NNN - Fee Simple
Lease Term	20 Years
Lease Commencement	March 1, 2002
Lease Expiration	February 28, 2022
Term Remaining	2+ Years
Increases	See Note Below
Options	Two; Five-Year Terms
Debt	Free & Clear

ANNUALIZED OPERATING DATA

Years 16-20 (March 1, 2017 - February 28, 2022)	\$199,368
Option 1 (Years 21-25)	See Note
Option 2 (Years 26-30)	See Note

Note: Option rent rate will adjust by CPI, not to exceed 12.5% or less than previous rent amount per year.

TENANT SALES

2016	\$799,473
2017	\$856,063
2018	\$835,903
2019	\$822,662

INVESTMENT HIGHLIGHTS

FEE SIMPLE NNN LEASE – 7-Eleven is subject to a rare absolute triple net lease providing the owner with zero landlord responsibilities.

ACCELERATED DEPRECIATION – While the majority of 7-Eleven's are subject to ground leases, the property benefits from the fee simple nature of the lease allowing for accelerated depreciation of the 12 multi-product pumps and the canopy.

STRONG LOCAL POSITIONING – Prominently positioned along Elkton Road (23,670 VPD) less than one-half-mile from the Interstate-95 cloverleaf. Interstate-95 is a heavily traveled interstate highway that averages 75,473 vehicles per day at this segment. The Property is the first gas station after exiting I-95 heading north, and captures immense transient traffic as well as many students who pass the site while driving to nearby University of Delaware (3 miles north). Its competitor, Wawa, has far inferior access and is positioned further north along Elkton Road.

ESSENTIAL BUSINESS – 7-Eleven has been designated an “essential business” by the Department of Homeland Security and its locations have remained open and operating during the COVID-19 pandemic. 7-Eleven plans on hiring 20,000 new store employees to meet the increased demand for 7-Eleven products and services. The New 7Now delivery app also offers delivery to more than 30 million US households and has generated tremendous recent demand.

INVESTMENT GRADE CREDIT FROM THE GLOBAL C-STORE LEADER –

The lease is corporately guaranteed by 7-Eleven Inc. with a Standard & Poor's Credit Rating of “AA-”. With over \$99.7 billion in revenue in 2019, 7-Eleven is the premier brand and leader in the convenience store/gas station industry with over 70,000 locations in 18 countries.

IDEAL DEMOGRAPHIC PROFILE – The Tenant is supported by a highly dense, affluent population and is in proximity to the University of Delaware and its more than 23,000 students. Presently there are more than 40,130 people within three miles with an Average Household Income of \$93,829. Since 2000, Elkton's population has increased by more than 21 percent.



This fee simple **CORPORATELY BACKED** 7-Eleven has **OPERATED HERE SINCE 2002** and is **CONVENIENTLY LOCATED LESS THAN A HALF A MILE OFF OF I-95** which is traveled by more than **75,473 VPD**



PFG
Performance Food Group

H
Holiday Inn
Express

7
ELEVEN

← NEWARK, DE
3.7 MILES



0.5 MILES

ELKTON RD – 25,330 VPD

TENANT INFORMATION

7-Eleven is a Japanese-owned American international chain of convenience stores, headquartered in Irving, Texas, that operates, franchises, and licenses some 70,000+ stores in 17 countries as of January, 2020. 7-Eleven is the largest and premier convenience store chain in the world. They have made a reputable name for themselves in the franchise business and are consistently ranked as a top-five franchisor. 7-Eleven stores are extended-hour retail convenience stores that emphasize convenience to the guest and provide a broad array of products, including many not traditionally available in convenience stores, to meet the changing needs of guests.

These products include an assortment of high-quality fresh food, hot food and proprietary beverage offerings, and private brand items. 7-Eleven stores are generally open every day of the year, with the vast majority open 24 hours a day, and are located in neighborhood areas, on main thoroughfares, in shopping centers, or on other sites where they are easily accessible and have parking facilities for quick in-and-out shopping.

7-Eleven has received numerous accolades throughout its 88 years in business. It was ranked Number 1 on Entrepreneur magazine's 2017 Top Global Franchises List, recognized as a Top 100 Global Retail Franchise for five years straight, Number 3 on Fast Company's "World's Top 10 Most Innovative Companies in Retail" in 2013, among many other achievements. 7-Eleven holds an "AA-" credit rating by S&P. Today, the chain continues to expand both financially and globally, introducing their brand to many different locations and neighborhood.



HEADQUARTERS
Dallas, TX



NO. OF EMPLOYEES
45,000+



NO. OF LOCATIONS
70,000+



YEAR FOUNDED
1927



**STOCK SYMBOL
/CREDIT RATING**
SVNDY : AA-

REGIONAL MAP

\$93K

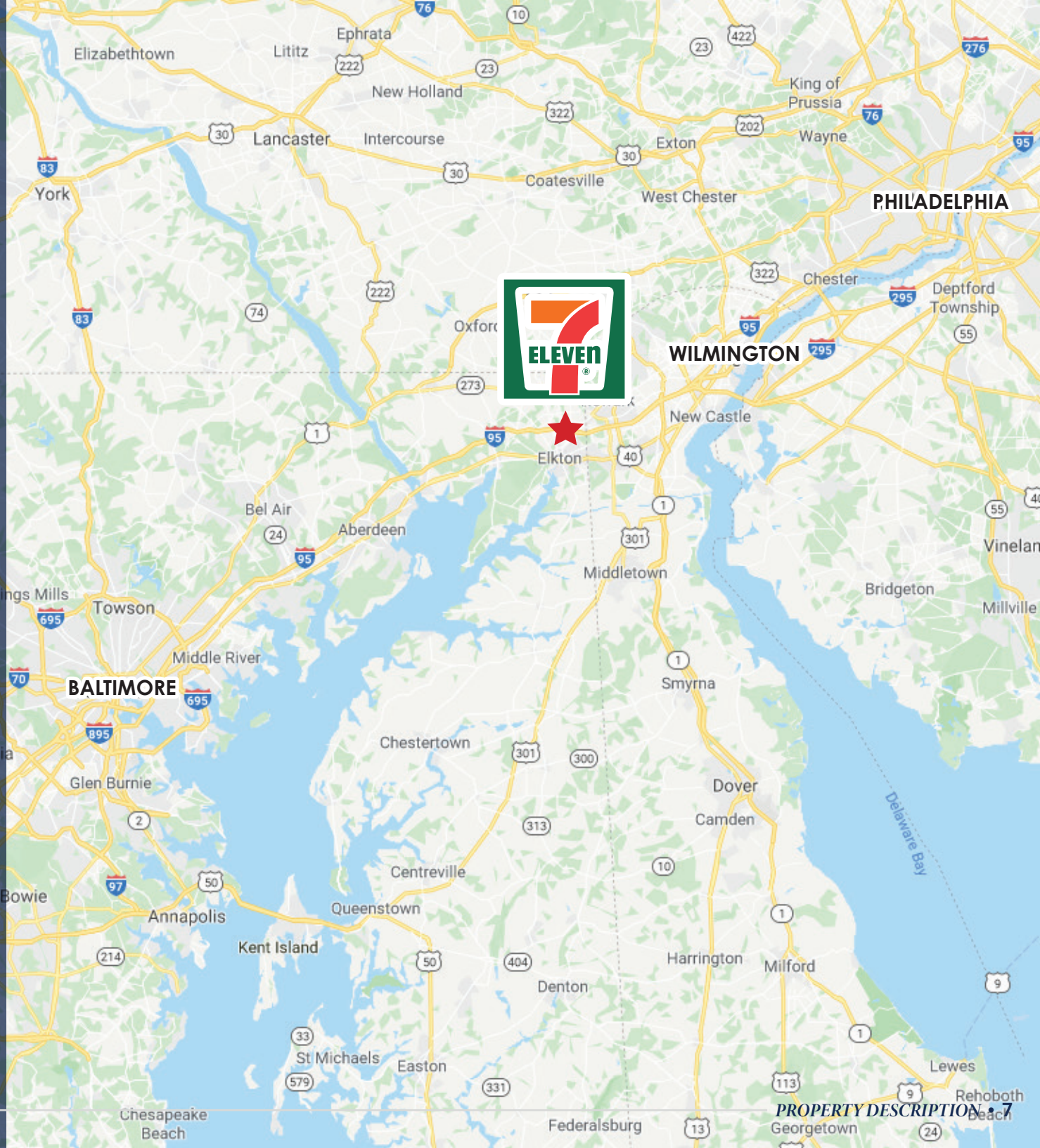
The average household income within a three-mile radius is \$93,829

25K^{VPD}

An average of 25,330 vehicles per day drive by Elkton Road

0.5^{MILES}

Less than 0.5 miles to Interstate-95





NEWARK
INTERCHANGE
BUSINESS PARK

UNIVERSITY OF
DELAWARE
20,000
STUDENTS

ELKTON RD - 25,330 VPD





ELKTON RD - 25,330 VPD



LEASE ABSTRACT

Tenant Trade Name	7-Eleven
Guarantor	Corporate
Lease Type	Absolute NNN
Notification Period for Tenant to Exercise Options	180 Days
Landlords Obligations	None
Tenant's Obligations	At all times during the Term and the Extended Term, Tenant agrees to maintain the foundation and structural soundness of the Premises. Tenant agrees to keep the interior and exterior of the building situated on the Premises in good repair including, electrical, plumbing, heating and air conditioning equipment, and the roof, and to maintain the landscaped areas, surface of the parking and driveway areas, and shall be responsible for all glass (casualty damage and reasonable wear and tear excepted). Tenant shall be responsible for maintenance of any of its above ground or below ground gasoline equipment in the event. Tenant elects to install a gasoline installation on the Premises.
Assignment and Subletting	<p>Tenant shall have the right to assign this Lease or sublease the whole or any part of the Premises. Any assignment or sublease shall be subject to all of the terms, covenants and conditions of this Lease and Tenant shall remain primarily liable for the payment of rent and the performance of the terms, covenants and conditions of this Lease.</p> <p>However, in the event of any assignment or sublease, Tenant shall notify Landlord within thirty (30) days. A demise by Tenant to its franchisees or licensees, or to any parent, subsidiary, or division, or a merger or consolidation of Tenant with another corporation shall not constitute an assignment or subletting for the purposes of this paragraph, and in any such event Tenant shall remain primarily liable for the payment of the rent and the performance of the terms and conditions of this Lease.</p>
Percentage Rental	No later than ninety (90) days after the end of each calendar year, Tenant shall furnish Landlord a statement showing the gross retail sales, as defined herein, made in the building on the Premises during such calendar year. At the time the statement is furnished, Tenant agrees to pay to Landlord, as additional rent, an amount of money equal to Two and One Half Percent (2.5%) of such sales, less the total rent paid during such year and less the cost incurred by Tenant for (i) real property taxes, (ii) casualty and liability insurance, on the Premises during such year. Gross retail sales shall be defined as all retail sales or rental less: (1) refunds made to customers; (2) sales, excise and gross receipts taxes; (3) proceeds from the sale or rental of items or provision of services for which Tenant receives only a fee or commission (e.g., ATM's, public telephones, lottery sales); provided that the commission received by Tenant in connection therein shall be included in gross retail sales; and (4) sales of motor fuels and automotive related petroleum products. All such rent may be paid by check and sent to Landlord at the address in Article 28 by ordinary first class mail.
First Right of Refusal	Yes. 30 Days
First Right to Purchase	None
Termination Rights in the Base Term	None
Sales Reported	Yes

DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection	4,509	40,943	106,290
2018 Estimate	4,458	40,133	103,509
2010 Census	4,397	38,997	99,460
2000 Census	3,518	33,122	88,387
Current Daytime Population	5,247	41,856	137,553

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2018 Estimate Total Population	4,458	40,133	103,509
Under 20	23.12%	24.24%	26.97%
20 to 34 Years	28.96%	25.48%	27.19%
35 to 39 Years	7.75%	7.17%	5.84%
40 to 49 Years	11.51%	12.52%	10.57%
50 to 64 Years	16.40%	18.27%	17.20%
Age 65+	12.23%	12.33%	12.23%
Median Age	33.84	35.18	31.67
<u>Population 25+ by Education Level</u>			
2018 Estimate Population Age 25+	3,133	27,529	62,391
Elementary (0-8)	1.03%	1.36%	1.63%
Some High School (9-11)	4.33%	4.96%	5.74%
High School Graduate (12)	28.47%	26.20%	27.77%
Some College (13-15)	23.11%	22.14%	20.90%
Associate Degree Only	7.16%	6.89%	6.98%
Bachelors Degree Only	19.57%	21.11%	20.73%
Graduate Degree	15.25%	16.47%	15.35%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2023 Projection	1,968	15,949	37,337
2018 Estimate	1,933	15,586	36,181
2010 Census	1,900	15,139	34,669
2000 Census	1,557	12,935	30,480
<u>Income</u>			
2018 Housing Income			
\$150,000 or More	10.74%	14.41%	14.28%
\$100,000 - \$149,000	16.97%	17.83%	17.91%
\$75,000 - \$99,999	13.81%	15.64%	15.37%
\$50,000 - \$74,999	18.02%	17.63%	15.98%
\$35,000 - \$49,999	16.36%	12.82%	11.50%
Under \$35,000	24.10%	21.66%	24.94%
Average Household Income	\$88,194	\$93,829	\$91,294
Median Household Income	\$62,065	\$71,877	\$71,066
Per Capita Income	\$38,238	\$36,544	\$32,878

DEMOGRAPHIC SUMMARY

Geography: 5 Miles



POPULATION

In 2019, the population is 103,509. The population has changed by 17.11% since 2000. It is estimated that the population will be 106,290 five years from now, which represents a change of 2.69% from the current year. The current population is 48.17% male and 51.83% female. The median age of the population is 31.67, compared to the US average which is 38.08. The population density is 1,316.07 people per square mile.



HOUSEHOLDS

There are currently 36,181 households in your selected geography. The number of households has changed by 18.70% since 2000. It is estimated that the number of households will be 37,337 five years from now, which represents a change of 3.20% from the current year. The average household size is 2.64 persons.



INCOME

In 2019, the median household income is \$71,066, compared to the US average which is currently \$60,811. The median household income has changed by 35.97% since 2000. It is estimated that the median household income will be \$82,026 five years from now, which represents a change of 15.42% from the current year.

The current year per capita income is \$32,878, compared to the US average, which is \$33,623. The current year average household income is \$91,294, compared to the US average which is \$87,636.



RACE AND ETHNICITY

The current year racial makeup is as follows: 71.98% White, 14.77% Black, 0.04% Native American and 6.53% Asian/Pacific Islander. Compare these to US averages which are: 70.07% White, 12.87% Black, 0.19% Native American and 5.66% Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 7.55% of the current year population. Compare this to the US average of 18.17%.



HOUSING

The median housing value was \$264,486 in 2019, compared to the US average of \$212,058. In 2000, there were 20,209 owner occupied housing units and there were 10,271 renter occupied housing units. The median rent at the time was \$604.



EMPLOYMENT

In 2019, there are 56,587 employees, this is also known as the daytime population. The 2000 Census revealed that 64.87% of employees are employed in white-collar occupations, and 35.21% are employed in blue-collar occupations. In 2019, unemployment is 6.20%. In 2000, the average time traveled to work was 27.00 minutes.

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Marcus & Millichap

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AUCTION INFORMATION

Ten-X.com Contact

Bradd M. Caplan

Ten-X Commercial
Senior Director, CRE

410-779-1383

Online Live Bidding

Opens 7/27/2020 and Closes 7/29/2020

Opening Bid

\$700,000

**TO ACCESS TEN-X.COM,
CLICK HERE**

MD BOR: Bryn Merrey - 646476

Activity ID:

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