

DOLLAR GENERAL®



SINGLE TENANT
NET LEASE
OPPORTUNITY

CRANSTON | RI

HORVATH & TREMBLAY

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DISCLAIMER

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Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a free-standing Dollar General investment property located at 1548 Broad Street in Cranston, Rhode Island (the "Property"). The Property contains 10,640 square feet of leasable area on a 0.76-acre corner lot with 42 striped parking spaces. Dollar General took possession of the Property and the initial ten-year lease term commenced on December 1, 2014.

The Property benefits from its highly visible corner location along Broad Street, a primary north-south artery in Cranston. Cranston is Rhode Island's largest city or town in land area and the 2nd most populous, trailing only the state capital of Providence.

- **ATTRACTIVE RENT INCREASES:** There are 4 years remaining on the initial lease term plus three, 5-year renewal options. The lease calls for a 10% rent increase every 5 years and at the start of each option period, providing a steady increase in income and an attractive hedge against inflation.
- **STRATEGIC "IN-TOWN" LOCATION:** The Property is strategically located on Broad Street, a main north-south traveling through the densely populated city of Cranston. The location offers access to exceptional demographics and a convenient location for area residents. Over 19,000 people live within one mile of the Property.
- **INVESTMENT GRADE GUARANTOR:** The Lease is guaranteed by Dollar General Corporation. Dollar General has the highest credit rating among its peers and is the only "dollar store" with investment-grade credit; rated BBB (S&P) and Baa2 (Moody's). Dollar General operates over 15,000 locations throughout the country.
- **EXCEPTIONAL DEMOGRAPHICS:** An impressive 158,000 people live within a 3-mile radius of the Property with an average household income of \$68,284, presenting a densely populated residential area well-aligned with Dollar General's target demographic.
- **TRAFFIC COUNTS:** Broad Street is a primary north-south artery through the densely populated city of Cranston, Rhode Island. On average, over 16,800 vehicles per day pass the subject Dollar General.
- **RECENT RENOVATIONS:** The Property was renovated and improved to Dollar General's standards in 2014. Upgrades included the early introduction of food coolers and freezers as part of Dollar General's strategic initiative to take on traditional supermarkets by offering fresh, refrigerated and frozen products.
- **"DG FRESH" INITIATIVE:** The subject Dollar General was an early adaptor of Dollar General's "DG Fresh" initiative by selling fresh, frozen and refrigerated foods to help build store traffic and comps for a national rollout of the program. Dollar General has also begun a cost-saving initiative to "self-distribute" the fresh and frozen foods to their 300 Dollar General stores in the Northeast; a program that will improve gross margins and be expanded nationally to include over 5,000 Dollar General stores by the end of Q1 2020.



1548 BROAD STREET | CRANSTON, RI 02905

DOLLAR GENERAL

PROPERTY TYPE:	Single Tenant, Net Lease
TYPE OF OWNERSHIP:	Fee Simple
YEAR BUILT/RENOVATED:	1930/2014
BUILDING AREA:	10,640 SF
PARCEL SIZE:	0.76 Acres
TRADE NAME/DBA:	Dollar General
GUARANTOR:	Corporate
LEASE TYPE:	Double Net
ROOF & STRUCTURE:	Landlord Responsibility
RENT COMMENCEMENT DATE:	12/01/2014
LEASE EXPIRATION DATE:	11/30/2024
LEASE TERM REMAINING:	4+ Years
RENEWAL OPTIONS:	3, 5-Year Options

	LIST PRICE:	\$1,744,827
	CAP RATE:	7.25%
	NOI:	\$126,500

ANNUALIZED OPERATING DATA				
START	END	TERM	RENT	% INC
12/01/2014 - 11/30/2019			\$115,000	
12/01/2019 - 11/30/2024			\$126,500	10.0%
12/01/2024 - 11/30/2029			OPTION 1	\$139,150
12/01/2029 - 11/30/2034			OPTION 2	\$153,065
12/01/2034 - 11/30/2039			OPTION 3	\$168,372



LOCATIONS:	15,370 in 45 states
HEADQUARTERS:	Goodlettsville, TN
INDUSTRY:	Retail - Discount & Variety
ANNUAL REVENUE (2018):	\$25.6 Billion
ANNUAL OPERATING PROFIT (2018):	\$1.59 Billion
MARKET CAP (JULY 2019):	\$36.1 Billion
CREDIT RATING:	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.



CRANSTON | RI



158,000+
PEOPLE WITHIN 3 MILES



\$68,000+
AVERAGE HOUSEHOLD INCOME



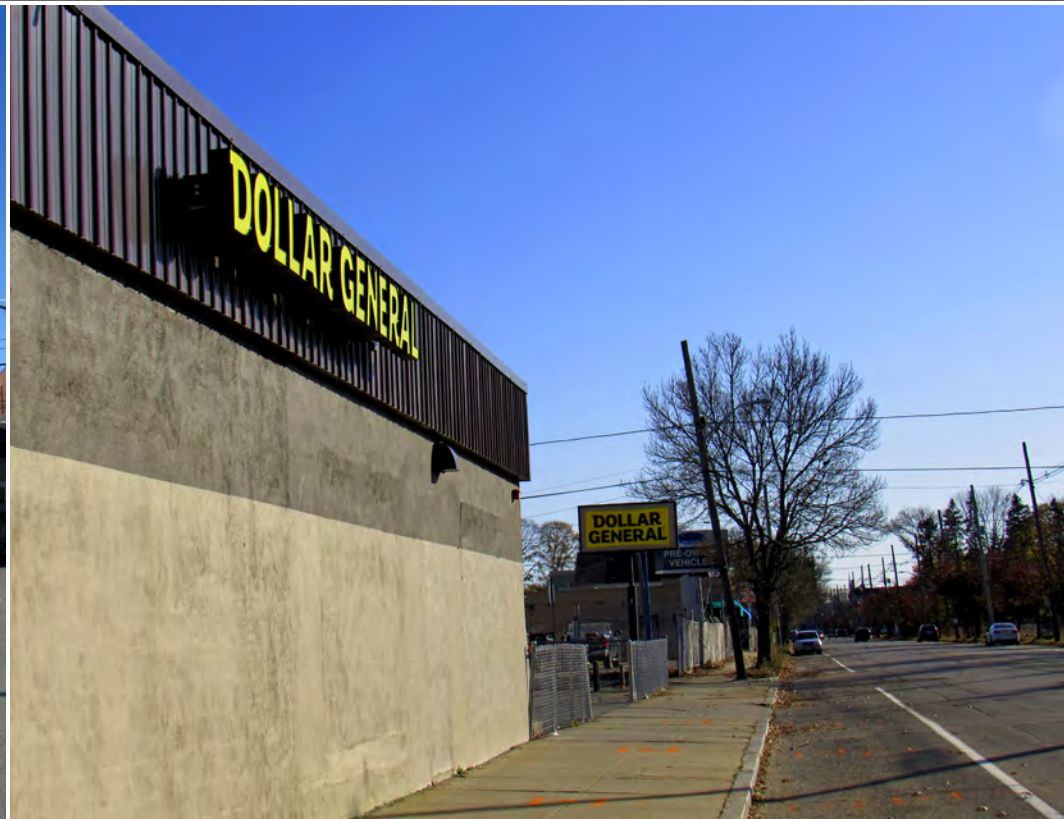
16,812 VPD
BROAD STREET

	3 MILES	5 MILES	10 MILES
POPULATION			
2019 Estimated Population	158,371	340,197	701,239
2024 Projected Population	160,864	345,681	710,814
2010 Census Population	156,245	336,013	695,164
BUSINESS			
2019 Est. Total Business	8,489	17,401	31,224
2019 Est. Total Employees	117,122	229,077	384,485
HOUSEHOLDS			
2019 Estimate	61,735	134,658	287,718
2024 Projection	62,670	136,782	291,699
2010 Census	58,291	127,328	272,697
INCOME			
Average Household Income	\$68,301	\$76,154	\$82,513
Median Household Income	\$54,636	\$60,693	\$66,007

OVERVIEW

The City of Cranston, Rhode Island is part of the larger metropolitan area of Providence and is located just south of the Capital City, with over 3 miles of shoreline on the Providence River where it begins to broaden into Narragansett Bay. Cranston is also bounded by the City of Warwick and the Towns of West Warwick and Coventry on the south, and by the Town of Scituate on the west. Cranston has a geographical area of 28.2 square miles that includes 32,189 households, and an estimated 2018 population of 81,274. Cranston is a part of the Providence MSA with a population of 1.6 million.





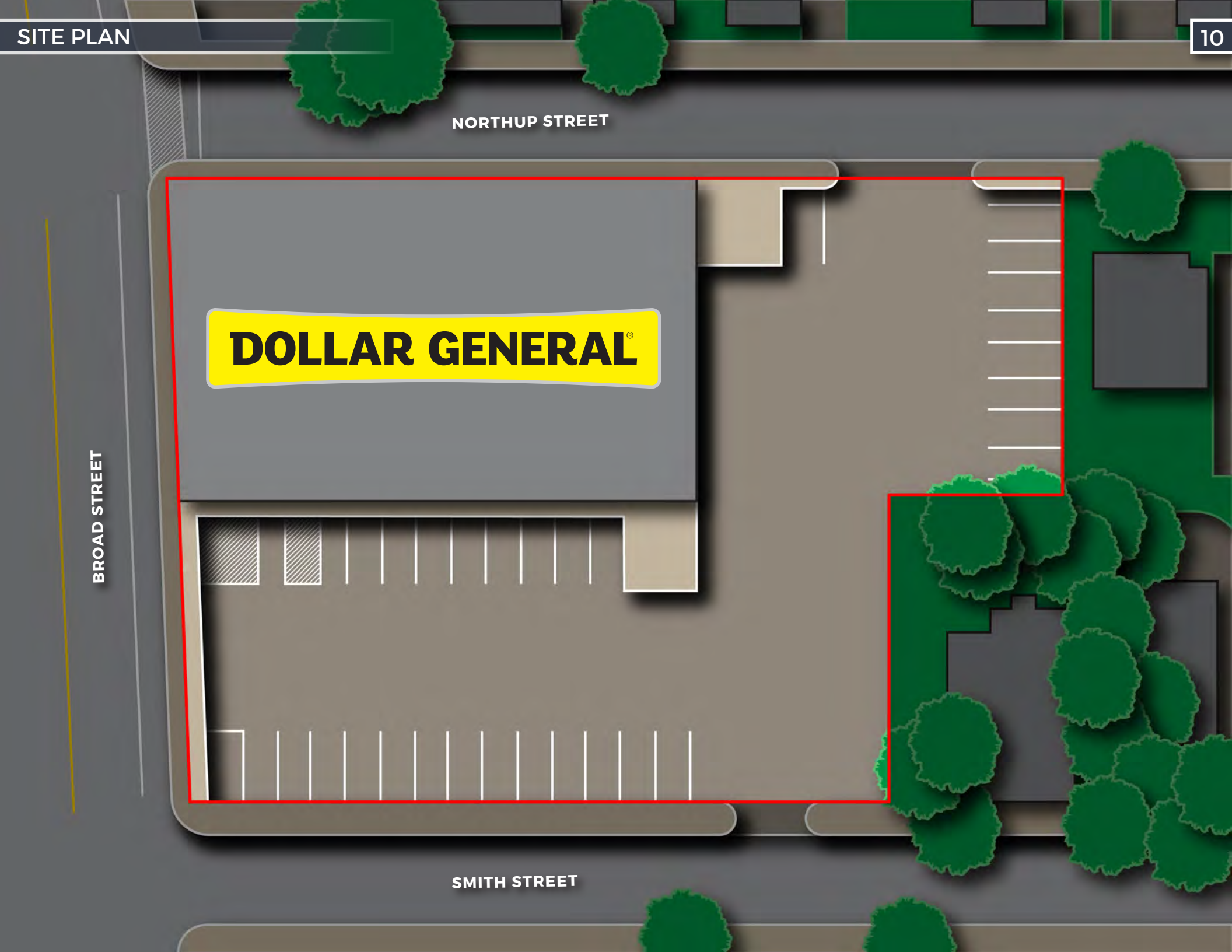


NORTHUP STREET

DOLLAR GENERAL®

BROAD STREET

SMITH STREET



AREA LOCATION MAP



ROGER WILLIAMS PARK BOTANICAL CENTER

ROGER WILLIAMS PARK ZOO

ALAN SHAWN FEINSTEIN ELEMENTARY SCHOOL

Cumberland FARMS

FAMILY DOLLAR

TACO BELL

Bank of America



Santander

Walgreens

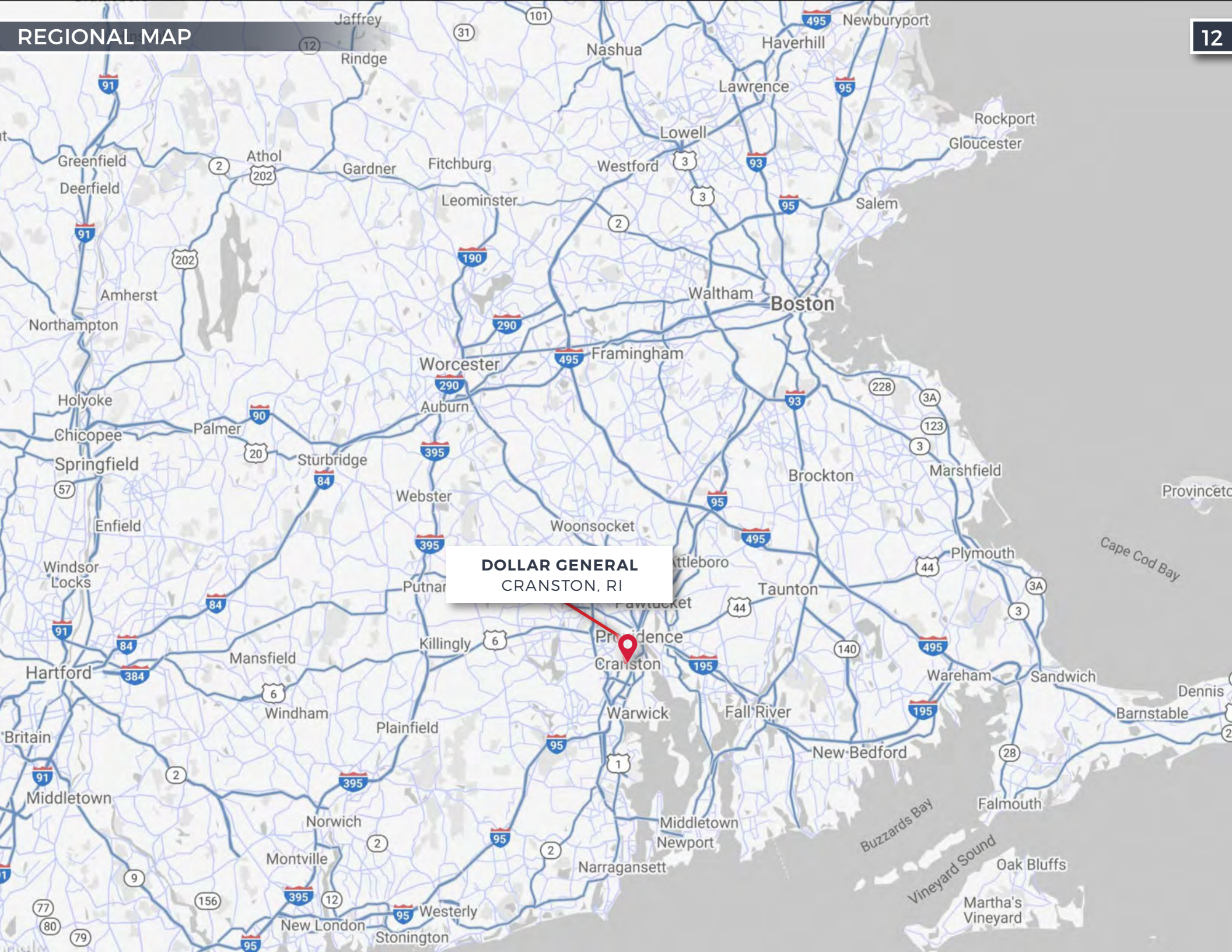
CVS

PARK VIEW MIDDLE SCHOOL

1A

1A

95





DOLLAR GENERAL