

# 7-ELEVEN

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



3915 William Flinn Highway  
Allison Park, PA 15101

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# Investment Highlights

PRICE: \$4,660,862 | CAP: 5.10% | RENT: \$237,704



## About the Investment

- ✓ Original 20-Year Absolute Triple-Net (NNN) Lease, Over 10 Years Remaining
- ✓ Rare 2% Annual Rental Increases
- ✓ One 5 Year Renewal Option & One 4.5 Year Renewal Option
- ✓ Investment Grade Credit Guarantee: 7-Eleven Corporate (S&P: AA-)
- ✓ Fee Simple – Eligible for Bonus Depreciation

## About the Location

- ✓ Strong Location Fundamentals | Hard Signalized Corner | Ten Miles From Pittsburgh
- ✓ Adjacent to Allison Park, Park & Ride | Direct Commuter Service to Pittsburgh
- ✓ Affluent Suburban Community | AHHI Within Three-Miles Exceeds \$112,000
- ✓ Dense Residential Community | Surrounded by Multiple Neighborhoods
- ✓ Adjacent Retail Corridor | Walgreens, Milano's Pizza, Colliers Auto Service, Giant Eagle Supermarket, GMC Dealership, Antime Fitness, and Many More
- ✓ Strong Academic Presence | Eight Local Schools Within Three-Miles | Over 3,000 Students Combined
- ✓ Features High Visibility and Ease of Access | Positioned on a Hard-Signalized Corner
- ✓ Strong Traffic Counts | William Flinn Highway | 19,500 Vehicles Per Day

## About the Tenant / Brand

- ✓ 7-Eleven is the Largest Convenience Store Chain in the World | 60,000 Stores in 18 Countries
- ✓ 10,700 Stores in North America
- ✓ Committed to Meeting the Needs of All Guests by Providing a Broad Selection of Fresh, High-Quality Products and Services at Everyday Fair Prices
- ✓ Essential Business – Rent Paid in Full at Every Location Throughout Covid-19 Pandemic



Representative Photo



# Financial Analysis

PRICE: \$4,660,862 | CAP: 5.10% | RENT: \$237,704



## Property Description

Property	7-Eleven
Property Address	3915 William Flynn Highway
City, State, ZIP	Allison Park, PA 15101
Year Built / Renovated	2000 / 2009
Building Size	3,772 SF
Lot Size	+/- 1.20 Acres
Type of Ownership	Fee Simple

## The Offering

Purchase Price	\$4,660,862
CAP Rate	5.10%
Annual Rent	\$237,704

## Lease Summary

Property Type	Net-Leased Convenience Store / Gas Station
Tenant	7-Eleven Inc
Guarantor	7-Eleven Corporate
Original Lease Term	20 Years
Lease Commencement	December 21 <sup>st</sup> , 2010
Lease Expiration	December 20 <sup>th</sup> , 2030
Lease Term Remaining	~10 Years
Lease Type	Absolute Triple-Net (NNN)
Rental Increases	2% Annually
Options to Renew	One Five Year & One 4.5 Year Option

\*\*Glen Kunofsky & other members of the selling entity, Exclusive Listing Agents, are part fee simple owners of this property. They are licensed real estate salespeople for Marcus & Millichap in the State of New York

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 9	\$228,474	\$19,039	2%
Year 10	\$233,043	\$19,420	2%
<b>Year 11</b>	<b>\$237,704</b>	<b>\$19,809</b>	<b>2%</b>
Year 12	\$242,458	\$20,205	2%
Year 13	\$247,307	\$20,609	2%
Year 14	\$252,253	\$21,021	2%
Year 15	\$257,298	\$21,442	2%
Year 16	\$262,444	\$21,870	2%
Year 17	\$267,693	\$22,308	2%
Year 18	\$273,693	\$22,808	2%
Year 19	\$278,509	\$23,209	2%
Year 20	\$284,078	\$23,673	2%
5-Year Renewal	\$289,760	\$24,147	2% Annually
4.5-Year Renewal	\$319,918	\$26,660	2% Annually

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a 7-Eleven located at 3915 William Flynn Highway in Allison Park, Pennsylvania. The property consists of roughly 3,772 rentable square feet of building space on an estimated 1.20-acre parcel of land.

This 7-Eleven is subject to a 20-Year Absolute Triple-Net (NNN) lease with just over 10 years remaining. In December 2020 the rent increases to \$237,704 and continues to increase annually for the remainder of the lease term and into the option periods. There is one, five year renewal option followed by one 4.5 year renewal option bringing the total possible lease term to 29.5 years.





# Bonus Depreciation

**\*\*The below content is meant to provide general information.  
Please contact your accountant/tax advisor for more information.**

Depreciation	Accelerated Depreciation	Bonus Depreciation
A reduction in the value of an asset with the passage of time, due in particular to wear and tear. <b>39 Year Schedule</b>	<i>Modified Accelerated Cost Recovery System (Service Stations, Car Washes, &amp; Oil Changing Facilities)</i> <b>15 Year Schedule</b>	Eligible for properties with a useful life of under 20 years. New Law: 100% Of The Property in Year One. <b>1 Year Schedule</b> Phase Out Beginning on January 1, 2023

## \$4,660,862 7-ELEVEN WITH BONUS DEPRECIATION- 5.10% CAP RATE ACQUISITION

### FOR EXAMPLE PURPOSES ONLY

Purchase Price:	\$4,660,862
Loan Amount:	\$3,029,560
Equity:	\$1,631,302
LTV:	65.00%
Interest Rate:	3.50%
Amortization (Years):	30
Cap Rate:	5.10%
Rent:	\$237,704
Debt Service (Annual):	\$163,248
Annual NOI After Debt Service:	\$74,455
Principle Reduction Year 1:	\$63,078
Total Return Year 1:	\$137,533
Total Interest Deduction Year 1:	\$113,774
*Total Depreciation Year 1 (After 20% Land Allocation):	\$3,728,689
Total Tax Deductions Year 1 (Depreciation + Interest):	<b>\$3,842,464</b>



## Compare To: 39 Year Schedule

*Total Depreciation Year 1 (After 20% Land Allocation):	\$95,607
Total Tax Deductions Year 1 (Depreciation + Interest):	<b>\$209,381</b>

## 15 Year Schedule

*Total Depreciation Year 1 (After 20% Land Allocation):	\$248,579
Total Tax Deductions Year 1 (Depreciation + Interest):	<b>\$362,353</b>





# Tenant Overview



7-Eleven focuses on meeting the needs of convenience-oriented guests by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean, friendly shopping environment. Each store's selection of about 2,500 different products and services is tailored to meet the needs and preferences of local guests. Stores typically vary in size from 2,400 to 3,000 square feet and are most often located on corners for great visibility and easy access. Well known for the Big Gulp® fountain soft drink, Big Bite® grill items, the Slurpee® beverage and its fresh-brewed coffee, 7-Eleven's food service offerings bring guests a proprietary line of prepared-fresh-daily and daily delivered deli sandwiches, wraps, breakfast sandwiches and a wide assortment fruits, salads and baked goods.

## Company Profile

7-Eleven is the world's largest convenience store chain operating, franchising and licensing more than 60,000 stores in 18 countries, of which nearly 10,700 are in North America. 7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999. Founded in 1927 in Dallas, Texas, 7-Eleven pioneered the convenience store concept during its first years of operation as an ice company when its retail outlets began selling milk, bread and eggs as a convenience to guests. The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11 p.m. Today, offering busy shoppers 24-hour convenience, seven days a week is the cornerstone of 7-Eleven's business.

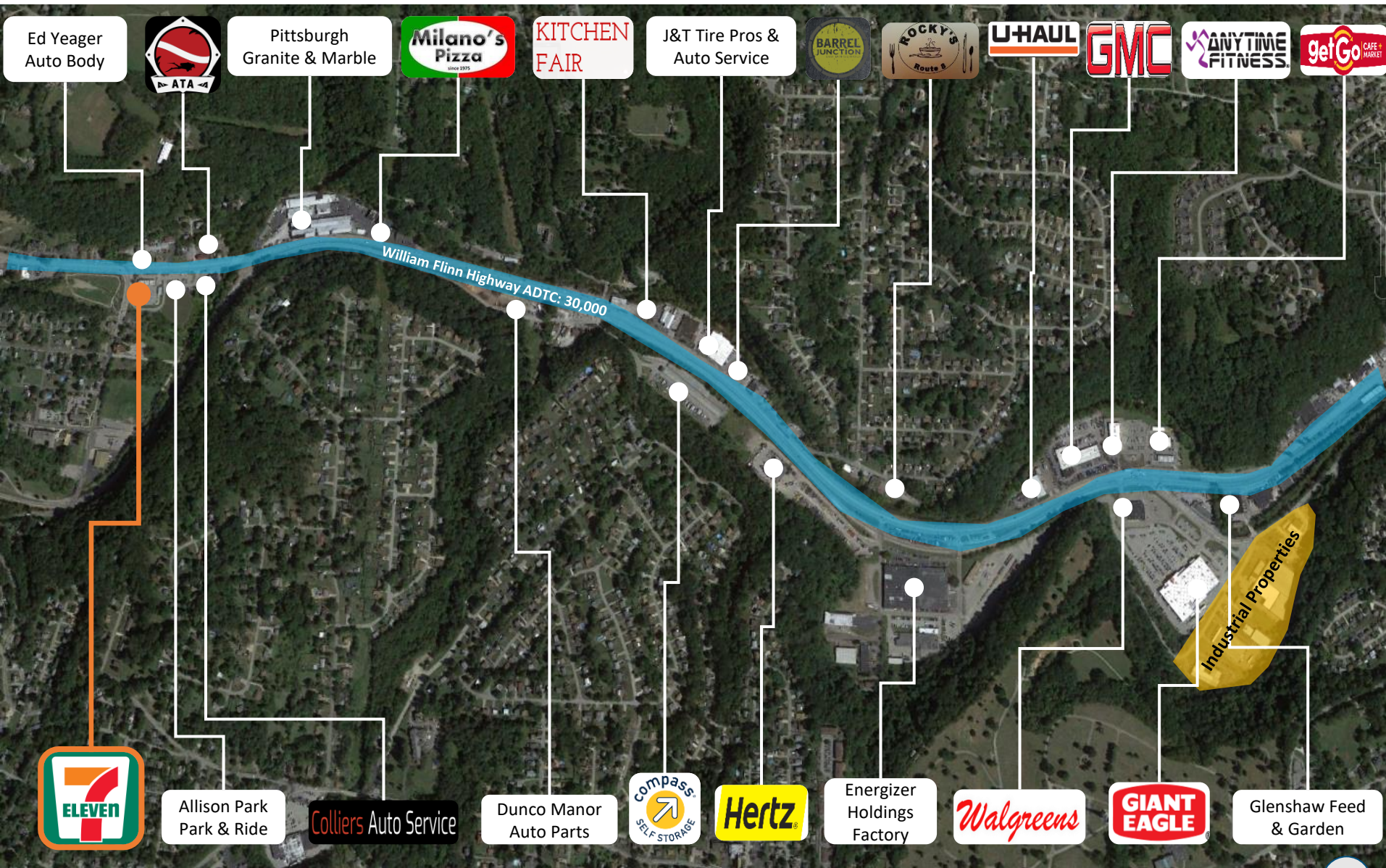






# Surrounding Area

Property Address: 3915 William Flinn Highway, Allison Park, PA 15101







# Location Overview

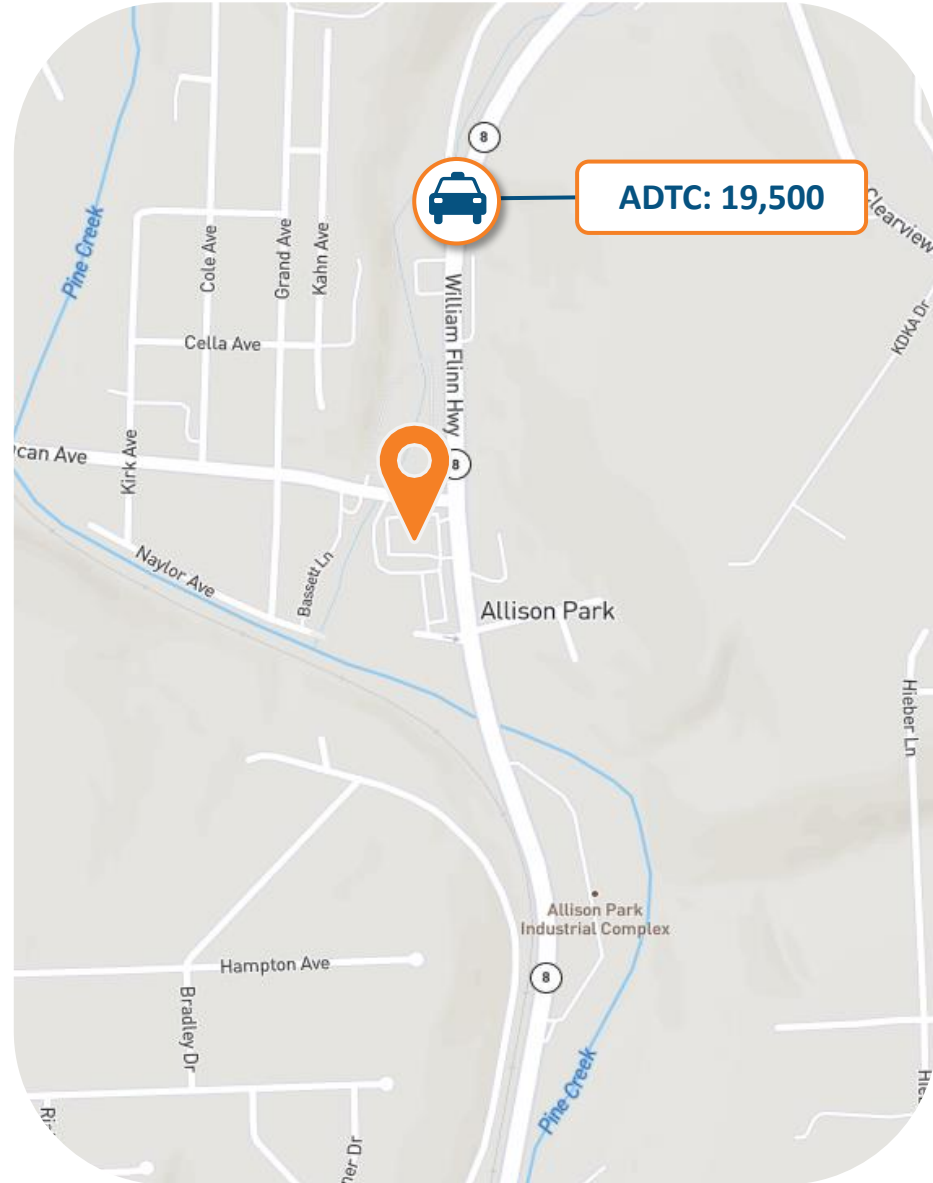
Property Address: 3915 William Flinn Highway, Allison Park, PA 15101



This 7-Eleven investment property is located at 3915 William Flinn Highway in Allison Park, PA. William Flinn Highway boasts average daily traffic counts exceeding 19,500 vehicles. The subject property benefits from being in a densely populated area. There are over 46,000 individuals within a three-mile radius, 125,000 individuals within a five-mile radius, and over 605,000 individuals within a five-mile radius. The immediate surrounding area is affluent with an average household income over \$112,000.

The subject property benefits from being well-positioned in a highly dense residential area just down the road from Allison Park's main retail corridor consisting of national and local tenants. Major national tenants include: Giant Eagle Supermarket, Anytime Fitness, Walgreens, Milano's Pizza, U-Haul, GMC Dealership, Get & Go Café, Compass Self Storage and many more. Additionally, the subject property is surrounded by many industrial warehouse facilities and factories. The 7-Eleven investment property is located approximately 15 miles from Pittsburgh International Airport. Additionally, this 7-Eleven investment property is approximately three miles from UPMC Passavant – McCandless, a state of the art, 389-bed hospital. Directly adjacent to the subject property is the Allison Park Park & Ride which services the surrounding area with direct bus service to downtown Pittsburgh.

The town of Allison Park is located in Allegheny County and is a wealthy suburb of Pittsburgh. The property is located just 10 miles north of downtown Pittsburgh. Pittsburgh, PA is known for its industrial history and consists of five main districts which are the North Side, West End, South Side, East End and Downtown. It is home to the six time NFL Super Bowl Champions the Pittsburgh Steelers, and MLB team the Pittsburgh Pirates who have won the World Series five times, and the Pittsburgh Penguins who have won three Stanley Cups. Pittsburgh has a beautiful countryside that offers plenty of outdoor events such as festivals and parks consisting of bike trails, kayaking, hiking, and fishing.





# Property Photo

Property Address: 3915 William Flinn Highway, Allison Park, PA 15101







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# Property Photo

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# Surrounding Area Photos

Property Address: 3915 William Flinn Highway, Allison Park, PA 15101



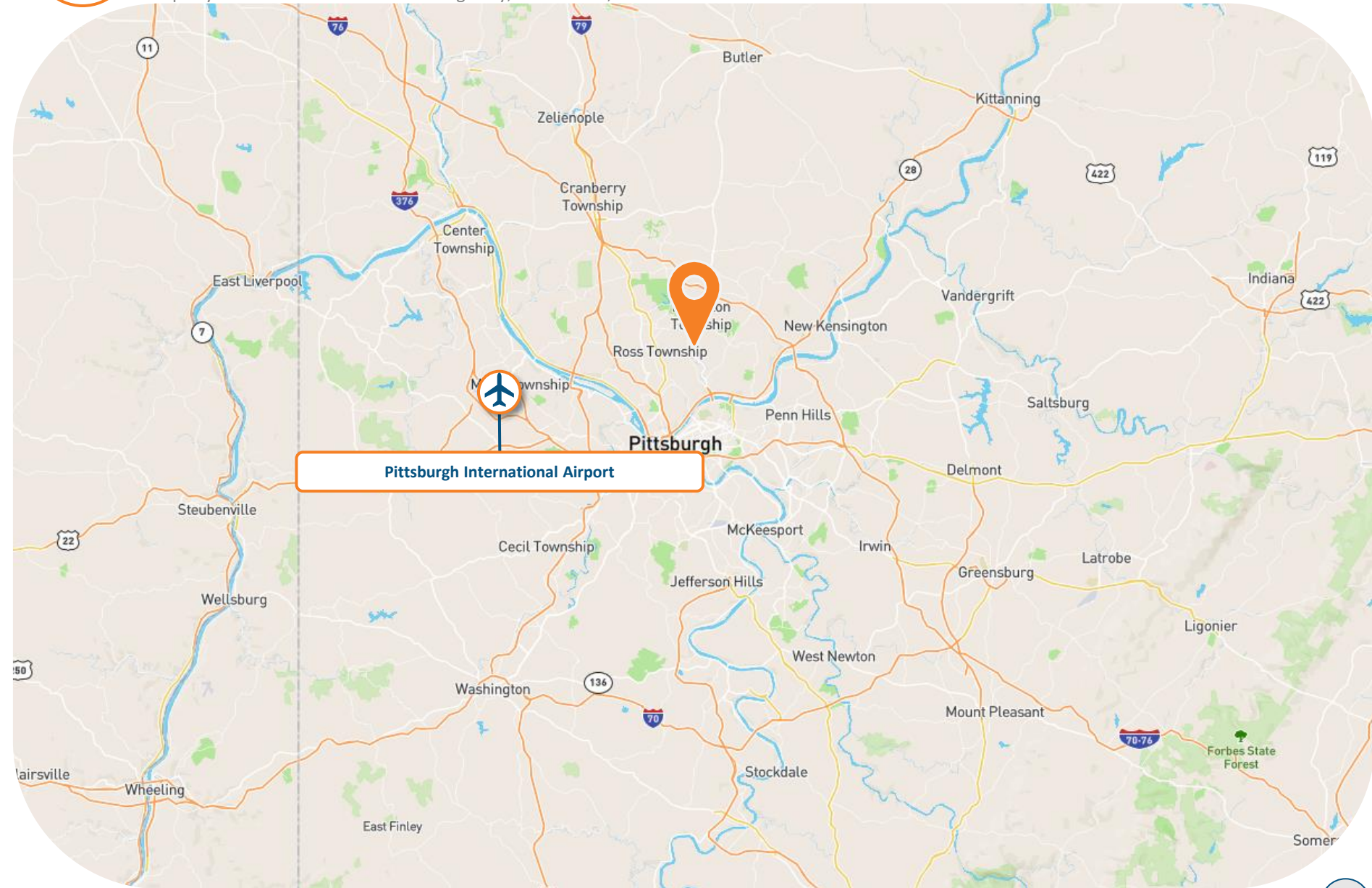




# Local Map



Property Address: 3915 William Flinn Highway, Allison Park, PA 15101



Pittsburgh International Airport



# Regional Map

Property Address: 3915 William Flinn Highway, Allison Park, PA 15101

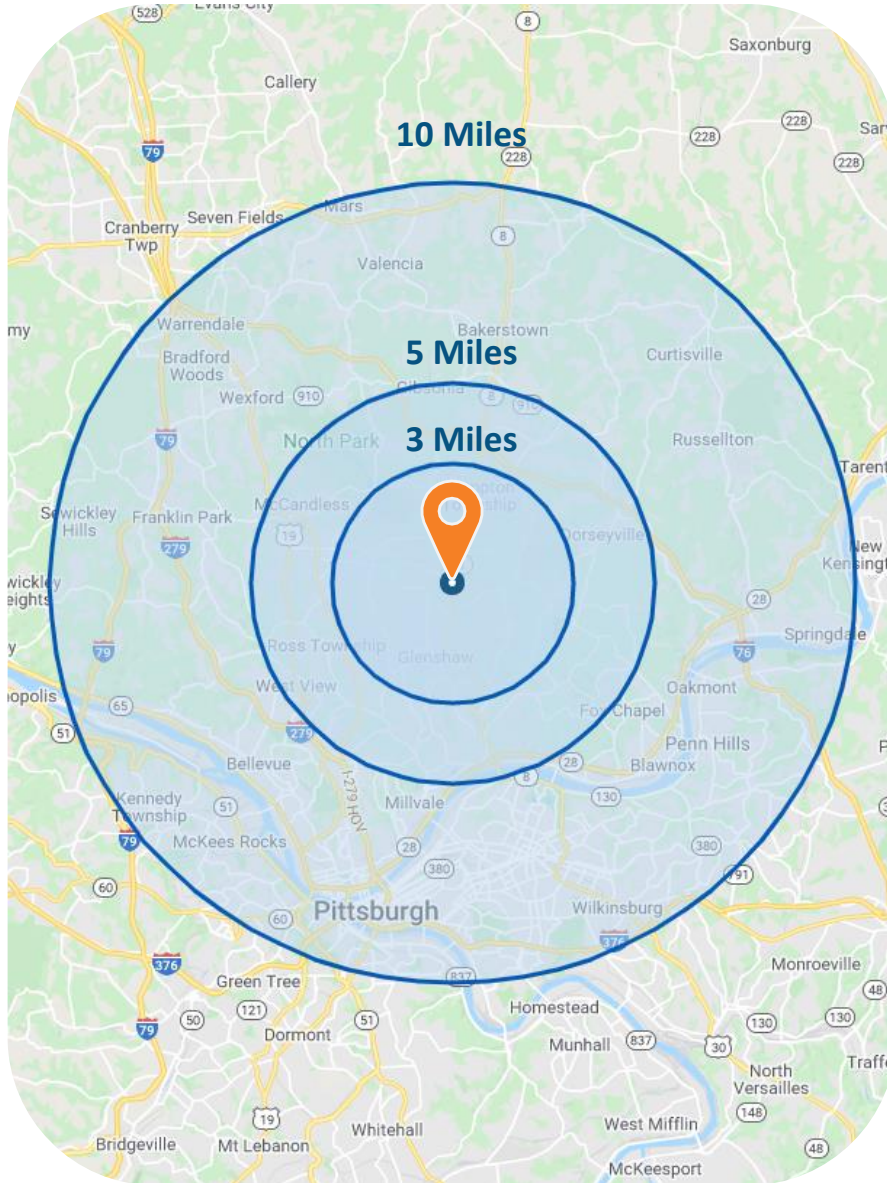






# Demographics

Property Address: 3915 William Flinn Highway, Allison Park, PA 15101



	3 Miles	5 Miles	10 Miles
<b>POPULATION</b>			
2024 Projection	46,522	125,762	610,149
2019 Estimate	46,473	125,839	605,461
2010 Census	45,953	124,546	592,205
2000 Census	46,348	127,346	617,600
<b>INCOME</b>			
Average	\$112,654	\$106,509	\$89,412
Median	\$83,254	\$77,139	\$60,269
Per Capita	\$45,622	\$44,799	\$39,508
<b>HOUSEHOLDS</b>			
2024 Projection	18,956	53,155	268,408
2019 Estimate	18,740	52,712	263,638
2010 Census	18,554	52,348	258,524
2000 Census	17,444	50,515	258,901
<b>HOUSING</b>			
2019	\$197,243	\$186,740	\$166,700
<b>EMPLOYMENT</b>			
2019 Daytime Population	42,695	106,139	794,442
2019 Unemployment	2.82%	2.62%	4.38%
2019 Median Time Traveled	29 mins	28 mins	27 mins
<b>RACE &amp; ETHNICITY</b>			
White	93.99%	93.30%	74.70%
Native American	0.02%	0.03%	0.03%
African American	1.23%	1.47%	17.19%
Asian/Pacific Islander	3.45%	3.60%	4.86%



# Market Overview

City: Allison Park | County: Allegheny | State: Pennsylvania



*Pittsburgh, Pennsylvania*

**Pittsburgh,** rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. Consisting of Armstrong, Butler, Fayette, Westmoreland, Washington, Allegheny and Beaver counties, the metro contains nearly 2.4 million residents, with nearly half concentrated in Allegheny county. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second-largest in Pennsylvania, with approximately 310,900 residents.

Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.





Marcus & Millichap

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