

# DOLLAR GENERAL®

GRAMERCY | LA

# HORVATH & TREMBLAY



SINGLE TENANT NET LEASE OPPORTUNITY



## LEAD AGENT

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**DISCLAIMER**

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## INVESTMENT HIGHLIGHTS

Horvath & Tremblay is pleased to present the exclusive opportunity to purchase a freestanding Dollar General investment property located at 116 N Magnolia Street in Gramercy, Louisiana (the "Property"). Dollar General has been at this location since 1996 and recently extended their lease demonstrating their commitment to this location and market. Dollar General also modified its lease structure upon extending, assuming 100% of the real estate tax burden. Dollar General has 5 years of term remaining and is followed by two, 5-year renewal options. The lease features 10% rent increases at the start of each renewal option. The Property also features an income generating billboard.

The Property benefits from a corner location at the intersection of N Magnolia Street and Main Street (LA Route 641), the primary commercial corridor traversing Gramercy, LA. Gramercy is located along the banks of the Mississippi River approximately 45 miles west of New Orleans.

- **LONG TERM TENANT:** Dollar General has been at this location since 1996 (25-years) and just extended their lease. Dollar General also modified their lease structure upon extending, assuming 100% of the real estate tax burden. Dollar General has 5 years remaining on their Double Net Lease with two (2), 5-year Renewal Options.
- **PLUS SIZE STORE:** Dollar General occupies the entire 16,800 square foot building which is situated on a 1.00-acre corner parcel with an income producing billboard that has excellent visibility along Main Street.
- **STRONG HISTORICAL SALES:** Dollar General has performed extremely well at this location and has a consistent history of paying percentage rent (this is not factored into the NOI).
- **ATTRACTIVE RENT INCREASES:** The lease includes an attractive ten percent (10%) Rent Increase at the start of each renewal option, providing a steady increase in income and an attractive hedge against inflation.
- **INVESTMENT GRADE CREDIT:** 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 17,000 locations throughout the country.
- **DOMINANT MARKET-SHARE LOCATION:** As is the case for the subject Property, Dollar General's corporate strategy is to target suburban and rural communities underserved by other retailers. These low-cost locations, commonly referred to as "food deserts," are intended to provide convenience and discount shopping to area residents that have no nearby access to grocery stores, pharmacies or big-box discount retailers.
- **STRATEGIC RETAIL LOCATION:** The Property is strategically at the intersection of N Magnolia Street and Main Street (LA Route 641), which is the primary commercial street in Gramercy. The Property is positioned 2-miles south of US highway 61 and 6-miles south of Interstate 10.
- **RECESSION RESISTANT TENANT:** Dollar General thrives in middle-America markets where incomes may be modest, proving the tenant to be a resilient and recessions-resistant retailer. For the 39-week period ended October 30, 2020, net sales increased 23.0% to \$25.3 billion, compared to \$20.6 billion in the comparable 2019 period. This net sales increase included positive sales contributions from new stores and growth in same-store sales, modestly offset by the impact of store closures.







# \$850,857

LIST PRICE



# 7.00%

CAP RATE



# \$59,560

NET OPERATING INCOME

116 N MAGNOLIA STREET | GRAMERCY, LA 70052

OWNERSHIP:	Fee Simple
BUILDING AREA:	16,800 SF
YEAR BUILT:	1970
LAND AREA:	1.00 Acres
GUARANTOR:	Corporate
LEASE TYPE:	Double Net
ROOF & STRUCTURE:	Landlord Responsible
RENT COMMENCEMENT DATE:	03/01/1996
LEASE EXPIRATION DATE:	02/28/2026
LEASE TERM REMAINING:	5 Years
RENEWAL OPTIONS:	2, 5-Year Options
PERCENTAGE RENT:	2% of Gross Sales above \$1,972,000 (Effective March 1, 2021)
LAMAR BILLBOARD:	\$400 Per Year

# DOLLAR GENERAL®

## ANNUALIZED OPERATING DATA

YEAR	START	END	TERM	RENT	% INC
25 - 30	03/01/2021	02/28/2026	CURRENT	\$59,160.00	
31 - 35	03/01/2026	02/28/2031	OPTION 1	\$65,076.00	10.0%
36 - 40	03/01/2031	02/29/2036	OPTION 2	\$71,583.60	10.0%

NOTE: LAMAR recently extended their billboard lease for 3 years, effective January 2021. Their rent is reflected in the Net Operating Income.



## TENANT OVERVIEW



5

## ABOUT THE TENANT

### **DG is proud to be America's neighborhood general store.**

Dollar General Corporation is an American chain of variety stores headquartered in Goodlettsville, Tennessee. As of January 2020, Dollar General operates more than 17,000 stores in the continental United States.

The company began in 1939 as a family-owned business called J.L. Turner and Son in Scottsville, Kentucky, owned by James Luther Turner and Cal Turner. In 1955, the name changed to Dollar General Corporation and in 1968 the company went public on the New York Stock Exchange. Fortune 500 recognized Dollar General in 1999 and in 2020 reached #112. Dollar General has grown to become one of the most profitable stores in the rural United States with revenue reaching around \$27 billion in 2019.

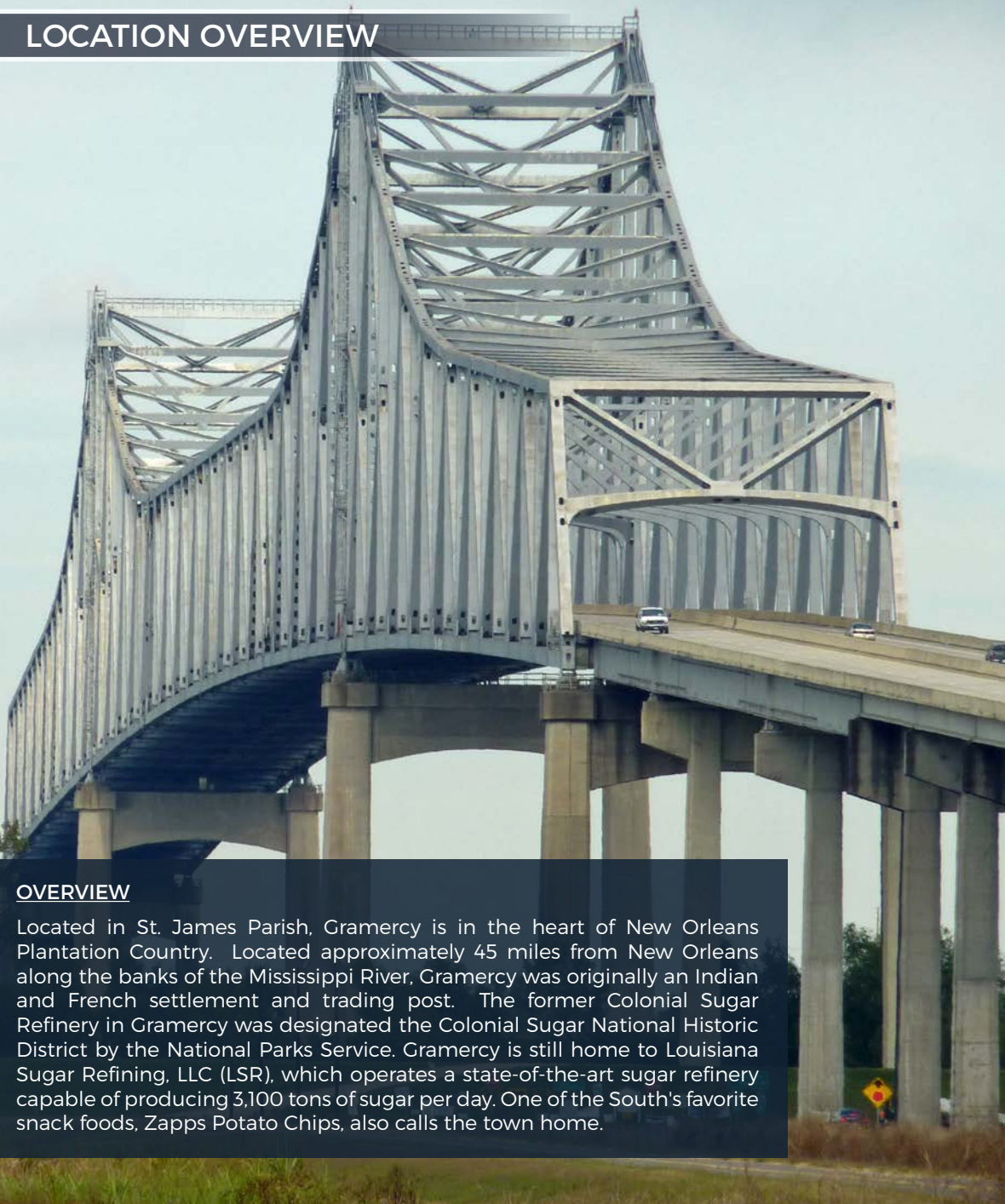
Dollar General strives to make shopping hassle-free and affordable with more than 17,000 convenient, easy-to-shop stores in 46 states. Dollar General's stores deliver everyday low prices on items including food, snacks, health and beauty aids, cleaning supplies, basic apparel, housewares, seasonal items, paper products and much more from America's most-trusted brands and products, along with high-quality private brands.

Dollar General stands for convenience, quality brands and low prices. Dollar General's stores aim to make shopping a hassle-free experience. Dollar General designs small, neighborhood stores with carefully-edited merchandise assortments to make shopping simpler. They don't carry every brand and size, just those their customers want the most.

For the 39-week period ended October 30, 2020, net sales increased 23.0% to \$25.3 billion, compared to \$20.6 billion in the comparable 2019 period. This net sales increase included positive sales contributions from new stores and growth in same-store sales, modestly offset by the impact of store closures.







### OVERVIEW

Located in St. James Parish, Gramercy is in the heart of New Orleans Plantation Country. Located approximately 45 miles from New Orleans along the banks of the Mississippi River, Gramercy was originally an Indian and French settlement and trading post. The former Colonial Sugar Refinery in Gramercy was designated the Colonial Sugar National Historic District by the National Parks Service. Gramercy is still home to Louisiana Sugar Refining, LLC (LSR), which operates a state-of-the-art sugar refinery capable of producing 3,100 tons of sugar per day. One of the South's favorite snack foods, Zapps Potato Chips, also calls the town home.

**9,000+**

PEOPLE WITHIN 3 MILES

**1,500+**

EMPLOYEES WITHIN 3 MILES

**\$76,000+**

AVERAGE HOUSEHOLD INCOME

	3 MILES	5 MILES	10 MILES
<b>POPULATION</b>			
2020 Estimate	9,192	15,800	30,516
2025 Projection	8,752	15,456	30,066
2010 Census	9,858	17,167	33,516
<b>BUSINESS</b>			
2020 Est. Total Businesses	208	277	601
2020 Est. Total Employees	1,921	2,658	8,310
<b>HOUSEHOLDS</b>			
2020 Estimate	3,516	5,943	11,431
2025 Projection	3,509	6,081	11,734
2010 Census	3,540	6,069	11,822
<b>INCOME</b>			
Average Household Income	\$76,176	\$75,463	\$70,034
Median Household Income	\$57,095	\$59,356	\$53,231





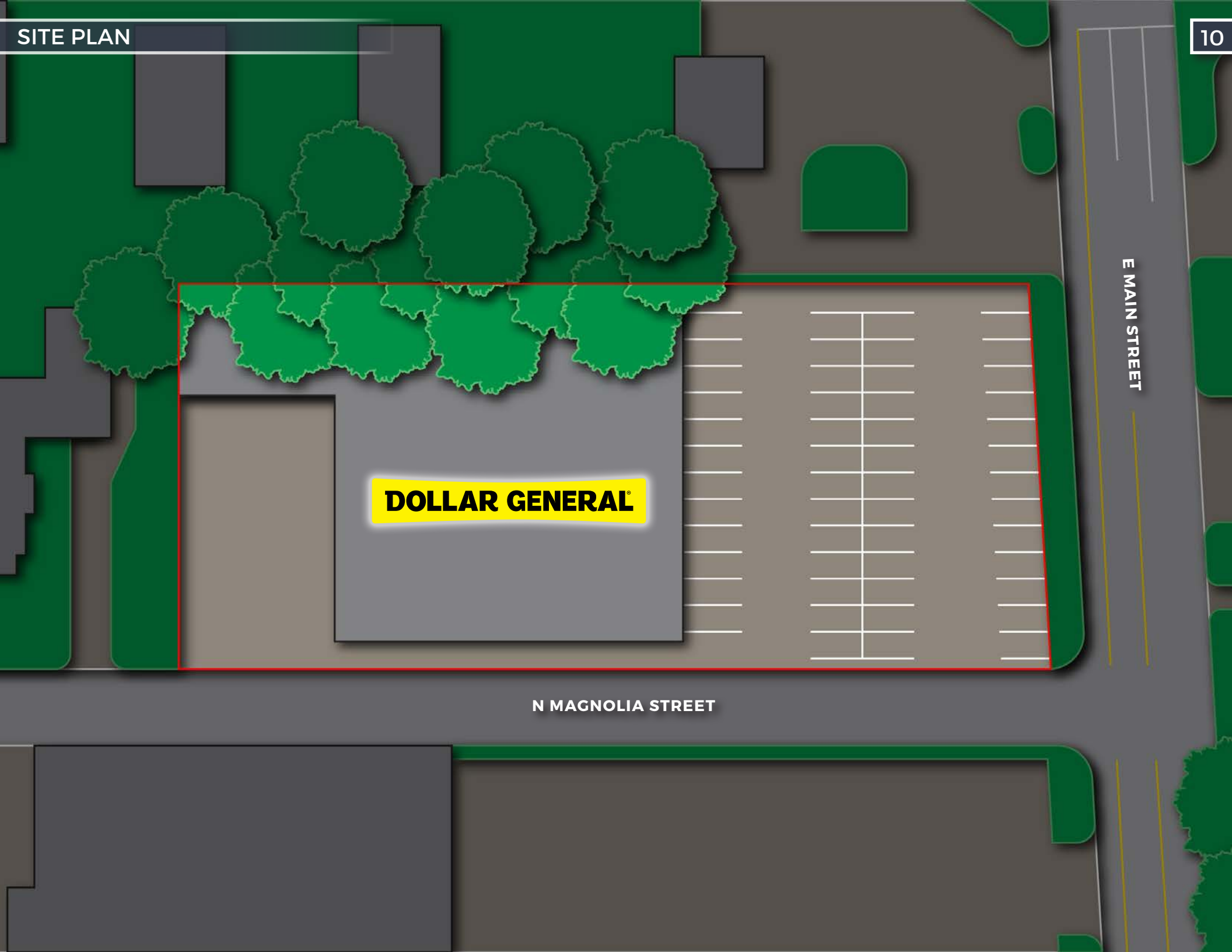












**DOLLAR GENERAL®**

E MAIN STREET

N MAGNOLIA STREET



AREA LOCATION MAP





REGIONAL MAP

