# Dollar General

405 3rd St , Grottoes, VA 24441

DOLLAR GENERAL

Marcus Millichap HURD NET LEASE GROUP

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# **R**GENERAL

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# SECTION 1

# Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

# OFFERING SUMMARY





# **DOLLAR GENERAL** 405 3rd St , Grottoes, VA 24441

### **INVESTMENT OVERVIEW**

Marcus and Millichap is pleased to exclusively offer for sale the Dollar General located at 405 3rd St. in Grottoes, Virginia 24441. The investment is being offered at \$1,152,000 which represents a 7.5% cap rate.

The store is a 9,014 square foot built to suit prototype that was constructed in 2009. There was an initial 10-year lease that was re-casted early for seven years in 2016, demonstrating tenant's strong commitment to this location. There are five, five year options remaining, all with 10% rental increases. The NN lease structure limits the landlord responsibilities to roof, structure and parking lot. The tenant contributes \$300 per month towards CAM that is reconciled at the end of the year. Tenant fully reimburses for landscaping, snow removal, cleaning of the parking lot and light pole repairs. Tenant is responsible for the maintenance, repair and replacement of the HVAC system. The store is part of Dollar General's National Insurance Program.

The property is positioned in an ideal market for a discount dollar store. There are more than 10,500 people within five miles and more than 37,000 people within ten miles. The population in the one, three, five and ten mile radius is projected to increase by approximately 5% through 2025. There is a competition void in the area, with the closest Dollar General being more than five miles away in a different town. The site also sees more than 5,100 vehicles per day.

# **INVESTMENT HIGHLIGHTS**

- NN Lease with 5+ Years Remaining
- Five, Five Year Options Remaining
- 9,014 Square Foot Building
- 2009 Built to Suit Construction
- Landscaping and Snow Removal Fully Reimbursed
- Tenant is Responsible for Maintenance, Repair and Replacement of HVAC
- Tenant Contributes \$300 per Month Towards CAM (Reconciled at End of Year)
- Projected Population Increase of 5% Projected Through 2025 in the One, Five and Ten Mile Radius'

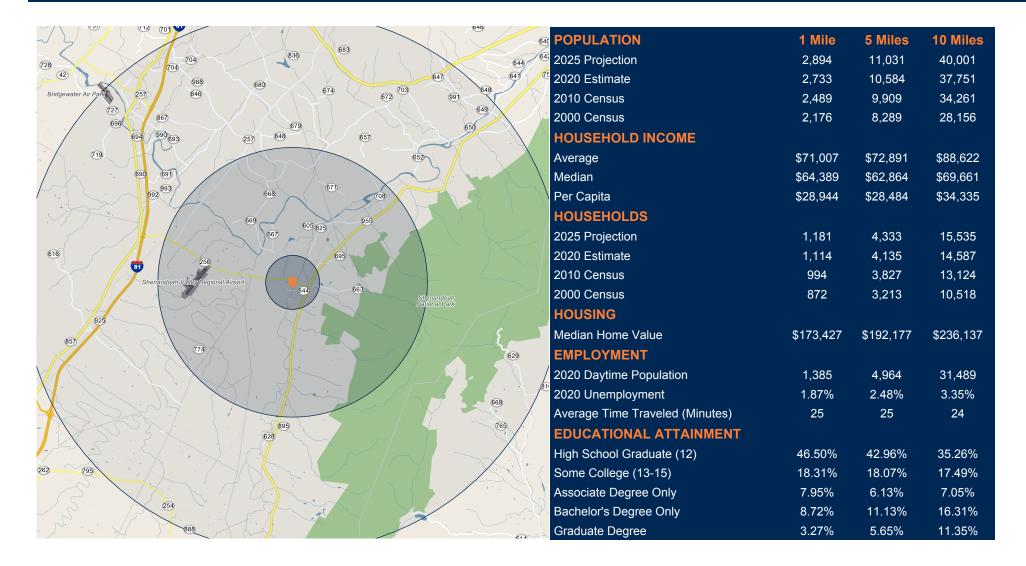
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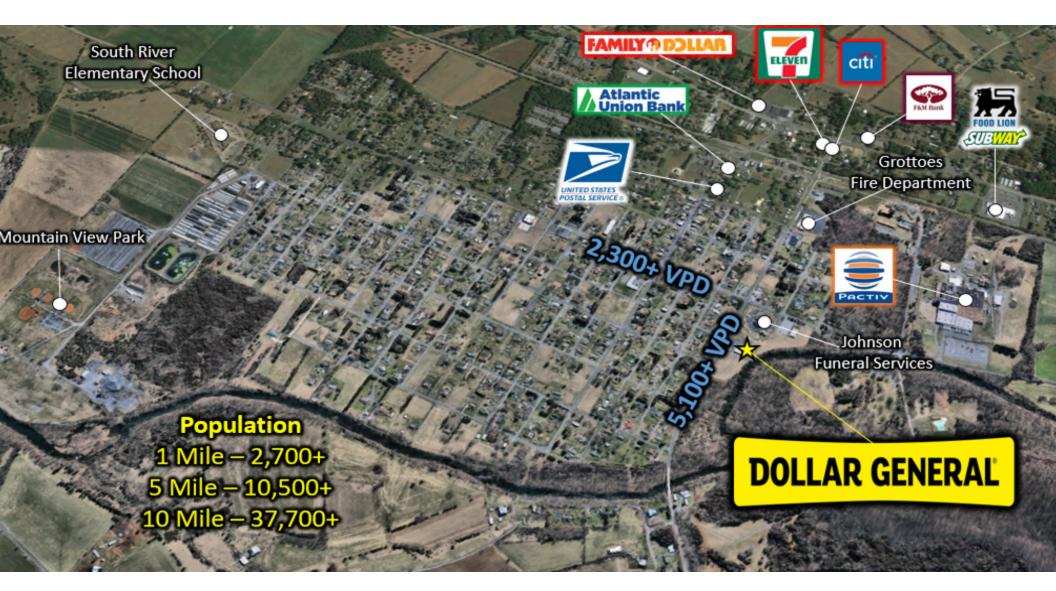
# Property Information

DEMOGRAPHICS

RETAILER MAP

# DEMOGRAPHICS // Dollar General





SECTION 3

# **Financial Analysis**

FINANCIAL DETAILS

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THE OFFERING	
Price	\$1,152,000
Capitalization Rate	7.50%
Price/SF	\$127.80

PROPERTY DESCRIPTION	
Year Built / Renovated	2009
Gross Leasable Area	9,014 SF
Type of Ownership	Fee Simple
Lot Size	1.44 Acres

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$86,400	\$7,200	\$9.59	7.50%
Option 1	\$95,040	\$7,920	\$10.54	8.25%
Option 2	\$104,544	\$8,712	\$11.60	9.08%
Option 3	\$114,998	\$9,583	\$12.76	9.98%
Option 4	\$126,498	\$10,542	\$14.03	10.98%
Option 5	\$139,148	\$11,596	\$15.44	12.08%

# LEASE SUMMARY

Tenant	Dollar General
Rent Increases	10% Each Five Year Period
Guarantor	Corporate Guarantee
Lease Type	Double Net
Lease Commencement	6/1/2009
Lease Expiration	05/31/2026
Renewal Options	Five, Five Year Options
Term Remaining on Lease (Yrs)	5 Years
Landlord Responsibility	Roof & Structure
Tenant Responsibility	Taxes & Insurance

CAP RATE	PRICE	PRICE/SF	INITIAL CASH-ON-CASH
7.50%	\$1,152,000	\$127.80	11.00%
OPERATING INFORMATION			
Year 1 Net Operating Income			\$86,400
Rent/SF			\$9.59 /SF
Gross Leasable Area			9,014 SF
FINANCING			
New Acquisition Financing	-		\$864,000
Loan To Value			75.00%
Interest Rate			4.00%
Amortization Period			25
Loan Constant			6.33%
Annual Debt Service Payment			(\$54,726)
Debt Service Coverage			-1.58
Debt Yield			10.00%
Net Cash Flow After Debt Service			\$141,126

LEASE SUMMARY		
Tenant:	Dollar General	
Guarantor:	Corporate Guarantee	
Credit Rating:	BBB	
Rent Commencement:	6/1/2009	
Lease Expiration:	5/31/2026	
Options:	Option 1 @ \$95,040	
	Option 2 @ \$104,544	
	Option 3 @ \$114,998	
	Option 4 @ \$126,498	
	Option 5 @ \$139,148	
Lease Type:	Double Net	
Base Rent:	\$9.59 /SF \$751.17 /SF/Month \$86,400 Annual Rent	
Rent Increases:	10% Each Five Year Period	

# BROKER OF RECORD

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