

Dollar General

7014 Cumberland Gap Pkwy, Harrogate, TN 37752



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Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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SECTION 1

Property Information

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

OFFERING SUMMARY

		
Listing Price	Cap Rate	Price/SF
\$800,067	7.50%	\$86.96

FINANCIAL

Listing Price	\$800,067
Down Payment	30% / \$240,020
NOI	\$60,005
Cap Rate	7.50%
Price/SF	\$86.96
Rent/SF	\$0.62

OPERATIONAL

Lease Type	Modified Gross
Gross SF	9,200 SF
Lot Size	0.52 Acres (22,651 SF)
Year Built	1996



DOLLAR GENERAL

7014 Cumberland Gap Pkwy, Harrogate, TN 37752

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to exclusively offer for sale the Dollar General located at 7014 Cumberland Gap Parkway in Harrogate, Tennessee. This investment is being offered at \$800,067 which represents a seven and a half percent capitalization rate.

This Dollar General consists of 9,200 rentable square feet and completed construction in 1996. There is currently just under three years remaining on the modified gross lease agreement with one, three-year option period remaining which includes a ten percent rental increase. Landlord is responsible for the parking lot, roof, HVAC units, and the interior maintenance of the store and does not receive reimbursements for taxes and insurance. Dollar General is responsible for all minor repairs up to \$500, the landlord handles all major repairs over \$500.

Harrogate, Tennessee is located in Claiborne County and sits 58 miles north of Knoxville, Tennessee; Harrogate is also less than 5 miles from the Tennessee-Kentucky border. This site is located on a desirable 0.54-acre corner lot parcel along Cumberland Gap Parkway which sees over 22,000 vehicles pass by daily and is less than a half-mile from Lincoln Memorial University. This location also boasts a 5-mile population of over 17,000 residents and has experienced slight growth in the last decade.

INVESTMENT HIGHLIGHTS

Modified Gross Lease With 2.75 Years

One, Three-Year Option Remaining

Over 17,000 Residents Within A 5-Mile Radius

Site Sees Over 22,000 Vehicles Pass Daily

All Brick Construction

Located In A Proven Market For Dollar General

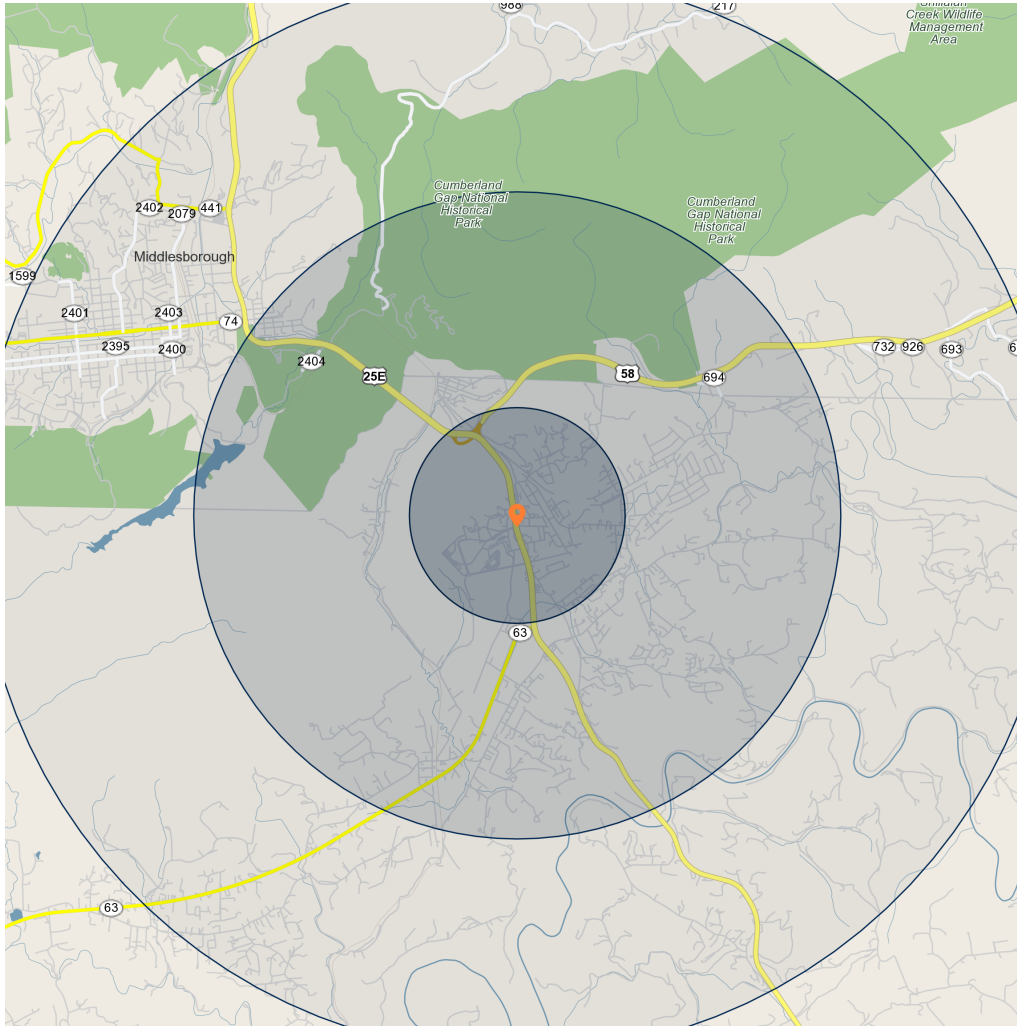
Corner Lot Parcel Directly Across From Lincoln Memorial University

SECTION 2

Market Overview

DEMOGRAPHICS

RETAILER MAP



POPULATION

	1 Mile	3 Miles	5 Miles
2025 Projection	1,760	6,446	15,599
2020 Estimate	1,738	6,387	15,631
2010 Census	1,744	6,398	16,204
2000 Census	1,627	5,854	15,615

HOUSEHOLD INCOME

	1 Mile	3 Miles	5 Miles
Average	\$52,401	\$55,857	\$49,711
Median	\$45,654	\$44,315	\$37,710
Per Capita	\$13,998	\$21,758	\$20,968

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2025 Projection	447	2,436	6,431
2020 Estimate	440	2,381	6,381
2010 Census	449	2,404	6,693
2000 Census	453	2,177	6,399

HOUSING

	1 Mile	3 Miles	5 Miles
Median Home Value	\$125,486	\$123,446	\$108,729

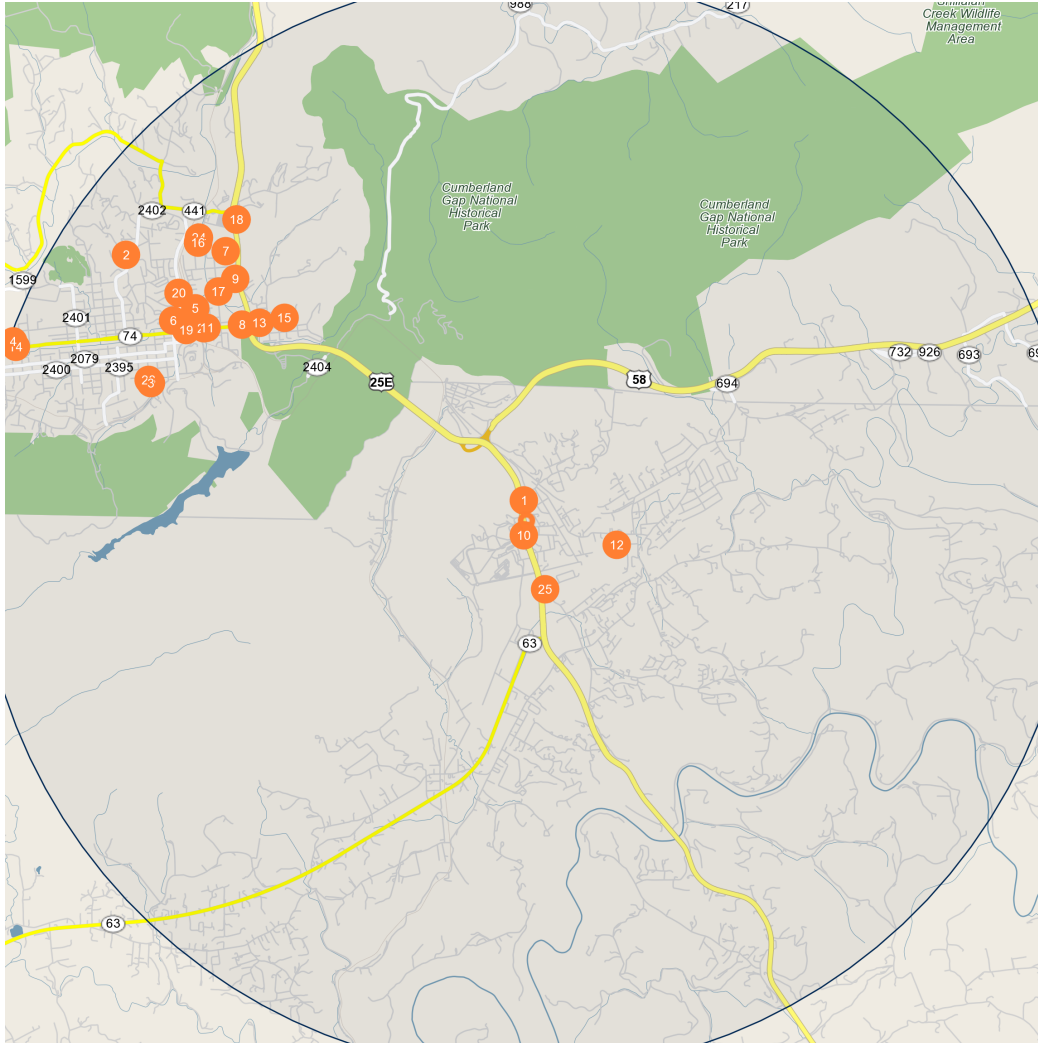
EMPLOYMENT

	1 Mile	3 Miles	5 Miles
2020 Daytime Population	2,888	7,099	16,259
2020 Unemployment	7.89%	5.55%	6.78%
Average Time Traveled (Minutes)	25	27	23

EDUCATIONAL ATTAINMENT

	1 Mile	3 Miles	5 Miles
High School Graduate (12)	30.67%	35.76%	34.43%
Some College (13-15)	19.23%	17.16%	18.13%
Associate Degree Only	9.72%	8.34%	7.71%
Bachelor's Degree Only	11.67%	13.07%	10.61%
Graduate Degree	8.88%	8.58%	7.71%

DEMOGRAPHICS // Dollar General



Major Employers		Employees
1	Claiborne Medical Center	436
2	Walmart Inc-Walmart	380
3	Smithfield Packaged Meats Corp	320
4	Appalchian Rgnal Halthcare Inc-Middlesboro Appalachian	265
5	Kentucky Comm and Tech Coll Sy-Southeast Community College	122
6	United States Dept of Army	121
7	JC Penney Corporation Inc-Jcpenney	115
8	Middlsboro Cc-Cola Btlg Wrks I-Coca-Cola	100
9	Kroger Co-Kroger	100
10	Lincoln Memorial University	96
11	Home Svc Corp Middlesboro KY-Hfb Financial	91
12	Tri State Hlth Rhbltation Ctr	90
13	K-Va-T Food Stores Inc-Food City 428	90
14	Appalchian Rgnal Halthcare Inc-Arh Middlesboro Orthpd Clinic	88
15	Southstern KY Rhbltton Inds I	75
16	Premium Processing Company Inc	74
17	Tarped Out Inc-Pioneer	70
18	Ryans Restaurant Group LLC-Ryans	70
19	University of Kentucky-Southeast Community College	70
20	Kentucky Department of Labor	64
21	Fire Mountain Restaurants LLC-Ryans	59
22	Bell County Court Clerk	57
23	Blue Diamond Industries LLC	53
24	Worldwide Equipment Inc-Middlesboro Division	52
25	Commercial Bank	50

Dollar General // RETAILER MAP



SECTION 3

Financial Analysis

FINANCIAL DETAILS

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Dollar General // FINANCIAL DETAILS

THE OFFERING	
Price	\$800,067
Capitalization Rate	7.50%
Price/SF	\$86.96

PROPERTY DESCRIPTION	
Year Built / Renovated	1996
Gross Leasable Area	9,200 SF
Type of Ownership	Fee Simple
Lot Size	0.54 Acres

LEASE SUMMARY	
Tenant	Dollar General
Rent Increases	10% Each Option
Guarantor	Corporate Guarantee
Lease Type	Modified NN
Lease Commencement	1/1/1996
Lease Expiration	6/30/2024
Renewal Options	One, Three-Year Option
Term Remaining on Lease (Yrs)	2 Years
Landlord Responsibility	Taxes, Insurance, Roof/Structure, CAM
Tenant Responsibility	None

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$68,640	\$5,720	\$7.46	0.00%
Option 1:	\$75,600	\$6,300	\$8.22	9.45%

FINANCIAL DETAILS // Dollar General

CAP RATE	PRICE	PRICE/SF	INITIAL CASH-ON-CASH
7.50%	\$800,067	\$86.96	10.60%
OPERATING INFORMATION			
Year 1 Net Operating Income			\$60,005
Rent/SF			\$7.46 /SF
Gross Leasable Area			9,200 SF
FINANCING			
New Acquisition Financing			\$560,047
Loan To Value			70.00%
Interest Rate			3.75%
Amortization Period			25
Loan Term			5
Loan Constant			6.17%
Annual Debt Service Payment			(\$34,553)
Debt Service Coverage			1.73
Debt Yield			10.71%
Net Cash Flow After Debt Service			\$25,452

LEASE SUMMARY	
Tenant:	Dollar General
Guarantor:	Corporate Guarantee
Credit Rating:	BBB
Lease Expiration:	6/30/2024
Term Remaining:	2.75 Years
Options:	Option 1: \$6,300
Lease Type:	Gross Lease
Base Rent:	\$7.46 /SF \$0.62 /SF/Month \$68,640 Annual Rent
Rent Increases:	10% Each Option

ANNUALIZED OPERATING INFORMATION		
INCOME		
Base Rental Income		\$68,640
Operating Expense Reimbursement		\$0
Neet Operating Income		\$60,005

OPERATING EXPENSES		
Taxes		\$4,603
Insurance		\$2,232
CAM		\$1,800
Total Expenses		\$8,635
Total Expenses/SF		\$0.94

1: Assumes Total Expenses remain constant. Please see agent for details.

BROKER OF RECORD

McKibben, Jody

Tennessee

(615) 997-2860

License: 307629



DOLLAR GENERAL

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