Dollar General

390 E 20th St, Farmington, NM 87401

DOLLAR GENERAL

Marcus Millichap

Representative Photo

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a Net Lease property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any Net Lease property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. 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

Executive Summary

INVESTMENT OVERVIEW

OFFERING SUMMARY

ABOUT THE TENANT

REGIONAL MAP

SITE PLAN

RETAILER MAP

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IN THE NEWS

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The subject property is a freestanding Dollar General recently build-tosuit constructed in 2021 and located in Farmington, New Mexico. The 9,100 +/- square-foot store is situated directly on E. 20th Street, a primary traffic corridor going west of NM State Road 516, with excellent visibility to 10,693 vehicles per day and adjacent to Kroger owned Smith's Food and Drug.

Strategically located 30 miles east of Shiprock, NM and 50 miles south of Durango, CO, this store is expected to do very well long-term given the recurrent audience and number of communities it will serve. The store is situated in close proximity to several Native American reservations including the Navajo Nation, also known as Navajoland, which is the largest in North America.

New Mexico includes a population of 22 tribal communities and joins Arizona, California and Oklahoma as one of the states with the highest numbers of people who identify as American Indian. The steady traffic which results from the subject store's proximity brings a steady flow of customers to the store particularly on weekends.

Dollar General signed a new triple net (NNN) lease and development agreement in January 2020, with rent commencing in June 2021. The NNN lease provides for the tenant to be responsible for property expenses including CAM, taxes, insurance, roof and structure. Three (3) five-year renewal options follow the initial 15-year lease term. Rent is scheduled to increase by 10% at the beginning of each renewal period.

- NEW 2021 BUILD TO SUIT CONSTRUCTION
- INVESTMENT GRADE TENANT
- TRIPLE NET (NNN) LEASE WITH 13 YEARS REMAINING
- CORPORATE GUARANTY
- NO LANDLORD RESPONSIBILITIES
- ✤ 10% RENT INCREASES AT EACH RENEWAL OPTION
- ADJACENT TO SMITH'S FOOD AND DRUG
- JUST 2 MILES TO FOUR CORNERS REGIONAL AIRPORT
- ✤ TOTAL 5-MILE RADIUS POPULATION OVER 45,000
- COMMERCIAL HUB WITH 150,000 WEEKEND SHOPPERS

THE OFFERING	
Price	\$1,888,000
Capitalization Rate	5.50%
Base Rent	\$103,788
Rent / SF	\$11.41
Price / SF	\$207.47

LEASE SUMMARY			
Tenant	Dollar General		
Guarantor	Corporate Guarantee		
Lease Type	Triple Net (NNN)		
Roof and Structure	Tenant		
Lease Term Remaining	13 Years		
Lease Commencement *	06/08/2021		
Lease Expiration *	06/30/2036		
Renewal Options	Three 5-Year		
Rent Increases	10% at each Renewal Option		

* First Lease Year established as July 1, 2021 ending June 30, 2022.

RENT SCHEDULE

PROPERTY DESCRIPTION

Address	390 E 20th St - Farmington NM
Year Built	2021
Gross Leasable Area	9,100 SF
Type of Ownership	Fee Simple
Lot Size	0.68 Acres

TENANT OVERVIEW	
Trade Name	Dollar General
Туре	Public (NYSE: DG)
Net Sales **	\$37.8 Billion
Operating Profit **	\$3.3 Billion
Credit Rating	BBB / Stable
Rating Agency	Standard & Poors
Number of Locations	19,294
Headquarters	Goodlettesville, TN
Web Site	DollarGeneral.com

** Earnings Release 3/16/2023 for Fiscal Year 2022 ending February 3, 2023.

RENT SCHEDULE				
PERIOD	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
YEARS 1 - 15	\$103,788	\$8,649	\$11.41	5.50%
YEARS 16 - 20 (OPTION 1)	\$114,168	\$9,514	\$12.55	6.05%
YEARS 21 - 25 (OPTION 2)	\$125,580	\$10,465	\$13.80	6.65%
YEARS 26 - 30 (OPTION 3)	\$138,132	\$11,511	\$15.18	7.32%

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Dollar General // ABOUT THE TENANT







Dollar General Corporation (NYSE: DC) is proud to serve as America's neighborhood general store. Founded in 1939, Dollar General lives its mission of **Serving Others** every day by providing access to affordable products and services for its customers, career opportunities for its employees, and literacy and education support for its hometown

communities. As of May 5, 2023, General, DG Market, DGX and states and Mi Súper Dollar provide everyday essentials

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the company's 19,294 Dollar pOpshelf stores across 47 General stores in Mexico including food, health and

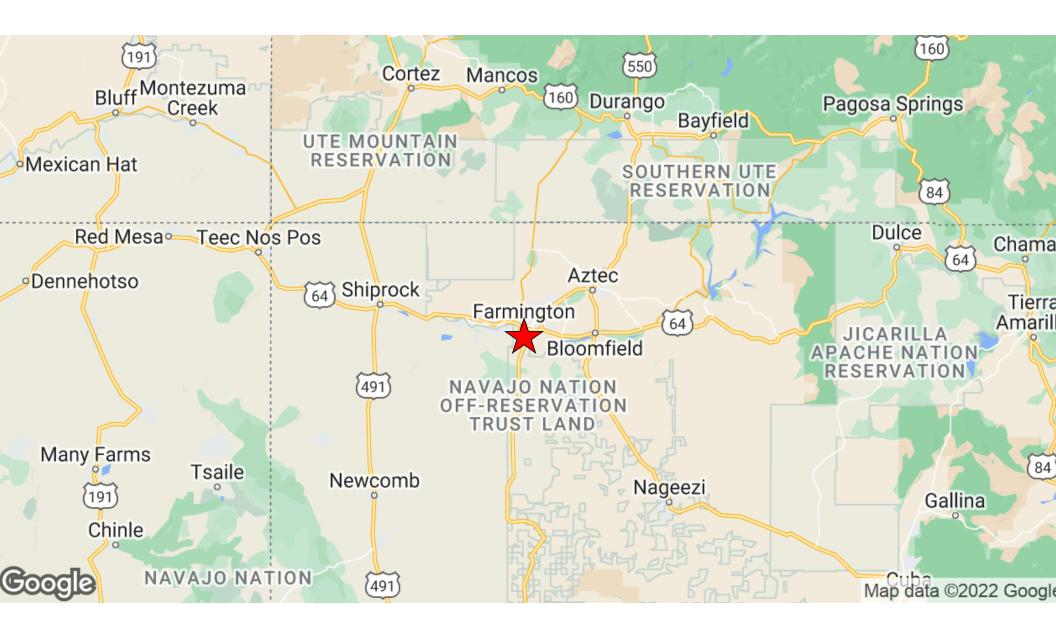
wellness products, cleaning and laundry supplies, self-care and beauty items, and seasonal décor from our highquality private brands alongside many of the world's most trusted brands such as Coca Cola, PepsiCo/Frito-Lay, General Mills, Hershey, J.M. Smucker, Kraft, Mars, Nestlé, Procter & Gamble and Unilever.



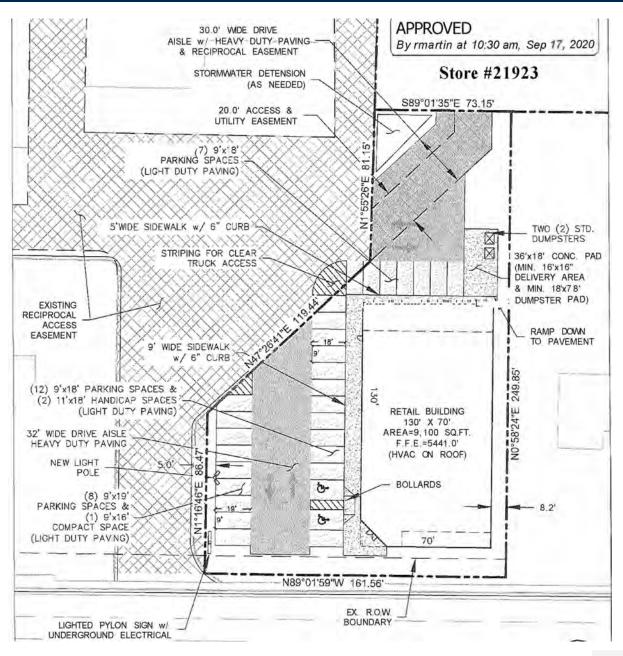




NOTE: Net Sales and Operating Profit for Fiscal Year 2022 ending February 3, 2023 per Earnings Release 3/16/2023.



Dollar General // SITE PLAN



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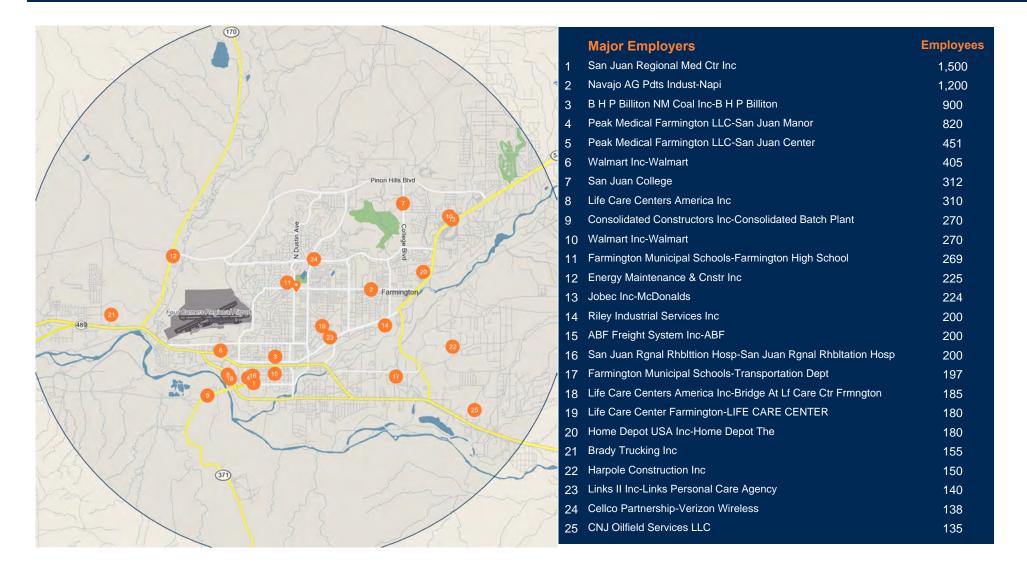
RETAILER MAP // Dollar General



170 POPULATION 1 Mile **3 Miles 5** Miles 2027 Projection 11,767 31,804 45,542 2022 Estimate 11,911 32,105 45,733 2010 Census 12,912 34,916 49,397 2000 Census 11.978 31,082 41,202 HOUSEHOLD INCOME Average \$66,737 \$63,770 \$67,924 Median \$51,583 \$47,352 \$49,717 Pinon Hills Blvd Per Capita \$27,445 \$24,461 \$24,894 HOUSEHOLDS 2027 Projection 16,580 4.860 12,167 2022 Estimate 12,191 16,550 4,881 2010 Census 17,506 5,204 12,984 2000 Census 4,838 11,732 15,018 HOUSING Median Home Value \$193,483 \$185,092 \$187,186 **EMPLOYMENT** 2022 Daytime Population 46,621 60,312 12,123 371) 2022 Unemployment 5.27% 3.91% 5.21% Average Time Traveled (Minutes) 17 18 19 **EDUCATIONAL ATTAINMENT** High School Graduate (12) 25.72% 26.02% 24.78% Some College (13-15) 29.12% 26.43% 26.77% Associate Degree Only 16.27% 15.31% 15.09% Bachelor's Degree Only 11.59% 10.64% 10.44% Graduate Degree 8.64% 10.78% 9.11%

Dollar General // DEMOGRAPHICS

DEMOGRAPHICS // Dollar General



BRANDS THAT ARE BEATING INFLATION by 😳 Placer.ai

Dollar General & Five Below: Expanding and Bustling

The discount and dollar store sector outperformed several comparable retail categories throughout the pandemic, and that momentum is now ramping up even further as more shoppers are now considering low-cost options.

Dollar Stores' Expansion

The success of the category has led to significant expansions for Dollar General, Dollar Tree, and Five Below in recent years – just in time to cater to the increasing number of customers now looking to save on groceries and basic household items. The expansions led to significant Yo3Y growth – and monthly foot traffic to the discount and dollar store sector has continued to significantly outperform other retail segments such as grocery stores and superstores on a YoY basis. In August 2022, discount and dollar store visits remained on par with last year's August foot traffic, posting only a 0.7% decrease despite the comparisons to a particularly strong summer 2021. Meanwhile, that same month, YoY foot traffic to grocery and superstores dropped 6.2% and 5.2%, respectively.

Seizing the Opportunity

Dollar and discount stores' expansion success highlights the value of low-cost brands in the current retail climate – but diving into the data shows that the category's success is not just due to an increase in store count. Analyzing overall monthly visitors (how many unique visitors visit a chain's stores) and visits per venue (how many visits each location receives on average) showcases just how popular Five Below and Dollar General are right now. For both brands, monthly visits per venue and overall visitor count have exceeded 2019 levels every month since the start of 2022. The increase in visits per venue means that Five Below and Dollar General's expansion has not led to demonstrable cannibalization, while the increase in visitors shows that the expansion is allowing Dollar General and Five Below to reach a wider audience.

Both Five Below and Dollar General announced their physical growth plan long before anyone knew that inflation – or COVID – would have such a dramatic impact on brick-and-mortar consumer behavior. But the timing of the expansion has been impeccable, and both brands are now well positioned to reach old and new customers looking for bargains.

EXCERPT, Read the Full Story Here: Brands That Are Beating Inflation (placer.ai)

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