

Dollar General

3228 US-64, Waterflow, NM 87421



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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

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Marcus & Millichap

OFFERING SUMMARY

		
Listing Price	Cap Rate	Price/SF
\$1,551,000	6.50%	\$170.44

FINANCIAL

Listing Price	\$1,551,000
NOI	\$100,776
Cap Rate	6.50%
Price/SF	\$170.44
Rent/SF	\$11.07

OPERATIONAL

Lease Type	Triple Net (NNN)
Guarantor	Corporate Guarantee
Tenant Credit Rating	BBB / Stable
Lease Term	15 Years
Lease Expiration	08/31/2036
Renewal Options	Three 5-Year
Rentable SF	9,100 SF
Year Built	2021



INVESTMENT OVERVIEW // Dollar General

The subject property is a recently constructed freestanding Dollar General located in Waterflow, New Mexico. The 9,100 +/- square-foot store is situated directly on U.S. Highway 64 which serves as the city's primary traffic corridor.

Located between the New Mexico cities of Shiprock and Farmington, this store is expected to do very well long-term given the recurrent audience and number of communities it will serve. The store is strategically situated in close proximity to Navajo Nation, a Native American reservation, both north and south of Highway 64 and is the first private land and services available as you travel east of the reservation, 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 in November 2019, with rent commencing in August 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.

- ❖ LOCATED FOR STEADY CUSTOMER FLOW
- ❖ FIRST PRIVATE SERVICES EAST OF NAVAJOLAND
- ❖ NEW 2021 BUILD TO SUIT CONSTRUCTION
- ❖ INVESTMENT GRADE "BBB" RATED TENANT
- ❖ 15 YEAR TRIPLE NET (NNN) LEASE
- ❖ CORPORATE GUARANTY
- ❖ NO LANDLORD RESPONSIBILITIES
- ❖ 10% RENT INCREASES AT EACH RENEWAL

Dollar General // LEASE SUMMARY

THE OFFERING

Price	\$1,551,000
Capitalization Rate	6.50%
Base Rent	\$100,776
Rent / SF	\$11.07
Price / SF	\$170.44

LEASE SUMMARY

Tenant	Dollar General
Guarantor	Corporate Guarantee
Lease Type	Triple Net (NNN)
Roof and Structure	Tenant
Lease Term	15 Years
Lease Commencement *	08/12/2021
Lease Expiration *	08/31/2036
Renewal Options	Three 5-Year
Rent Increases	10% at each Renewal Option

* First Lease Year established as September 1, 2021 ending August 31, 2022.

PROPERTY DESCRIPTION

Address	3228 US Hwy 64 - Waterflow NM
Year Built	2021
Gross Leasable Area	9,100 SF
Type of Ownership	Fee Simple
Lot Size	0.97 Acres

TENANT OVERVIEW

Trade Name	Dollar General
Type	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	Goodlettsville, 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	\$100,776	\$8,398	\$11.07	6.50%
YEARS 16 - 20 (OPTION 1)	\$110,856	\$9,238	\$12.18	7.15%
YEARS 21 - 25 (OPTION 2)	\$121,944	\$10,162	\$13.40	7.86%
YEARS 26 - 30 (OPTION 3)	\$134,136	\$11,178	\$14.74	8.65%

ABOUT THE TENANT // Dollar General

19,294

STORES IN 47 STATES

80+ YRS

FOUNDED IN 1939

BBB

S&P RATING

Dollar General Corporation (NYSE: DG) 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 wellness products, cleaning and laundry supplies, self-care and beauty items, and seasonal décor from our high-quality 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.

DOLLAR GENERAL®

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

DG

NYSE SYMBOL

\$37.8 B

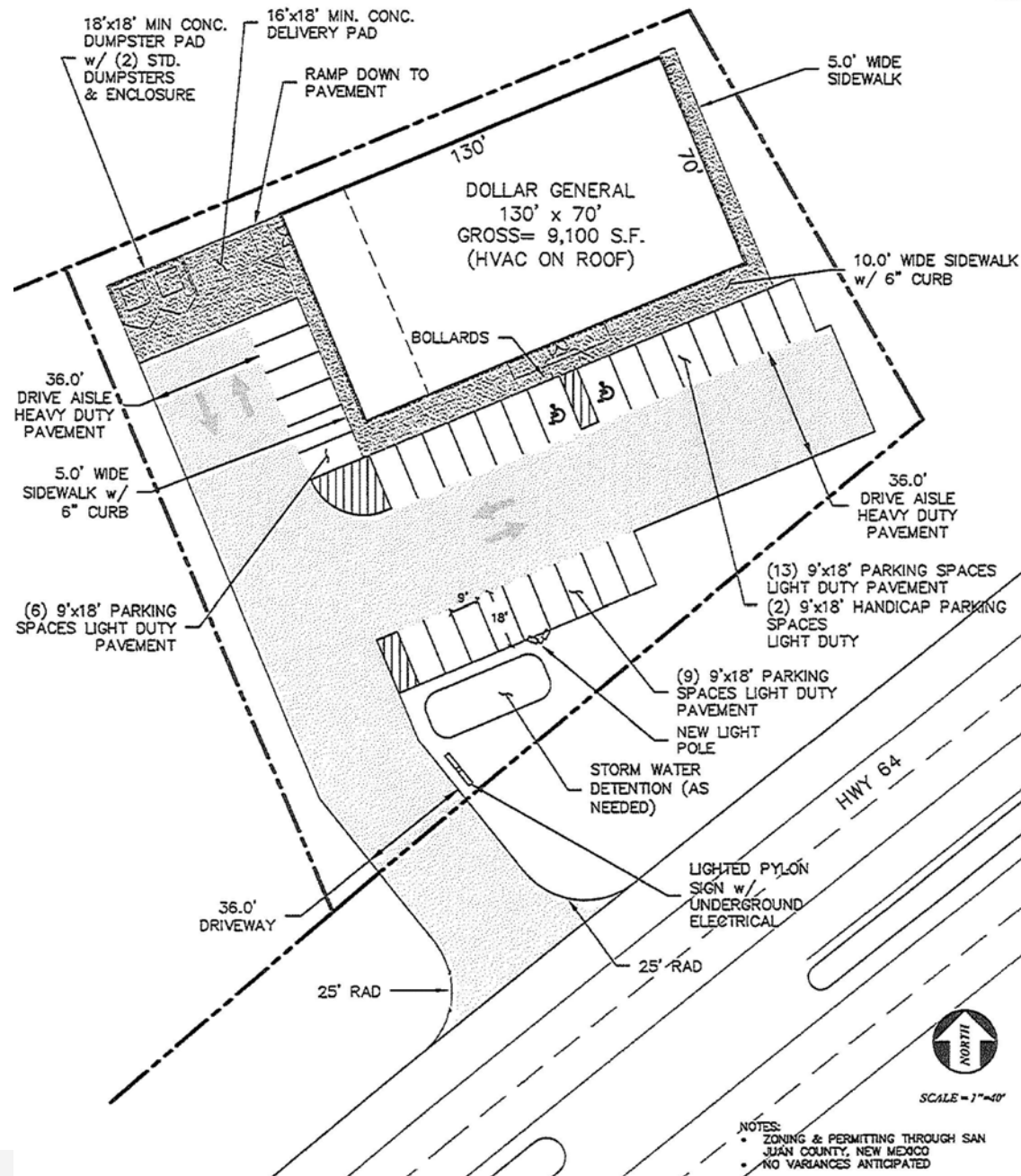
NET SALES

\$3.3 B

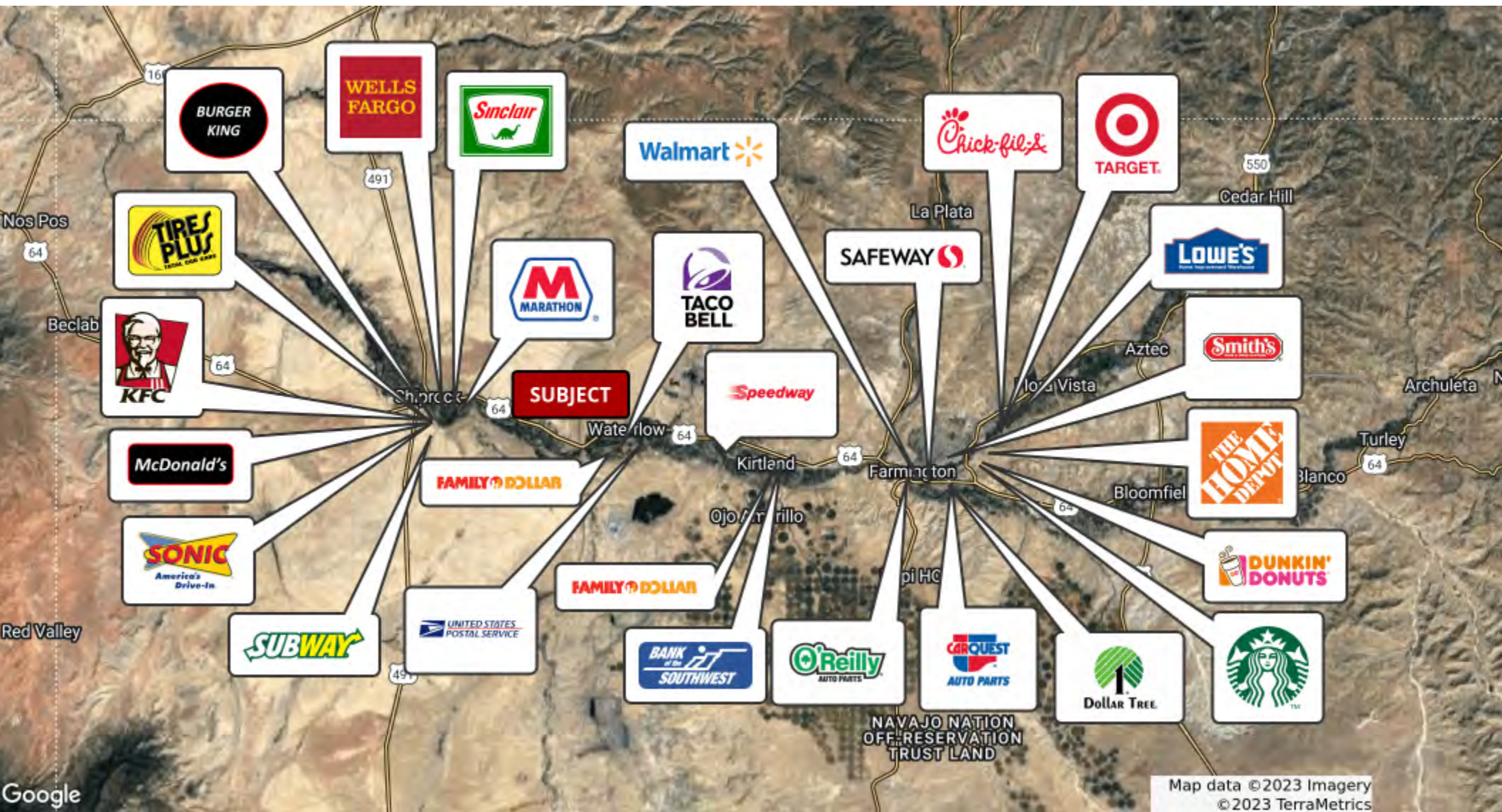
OPERATING PROFIT



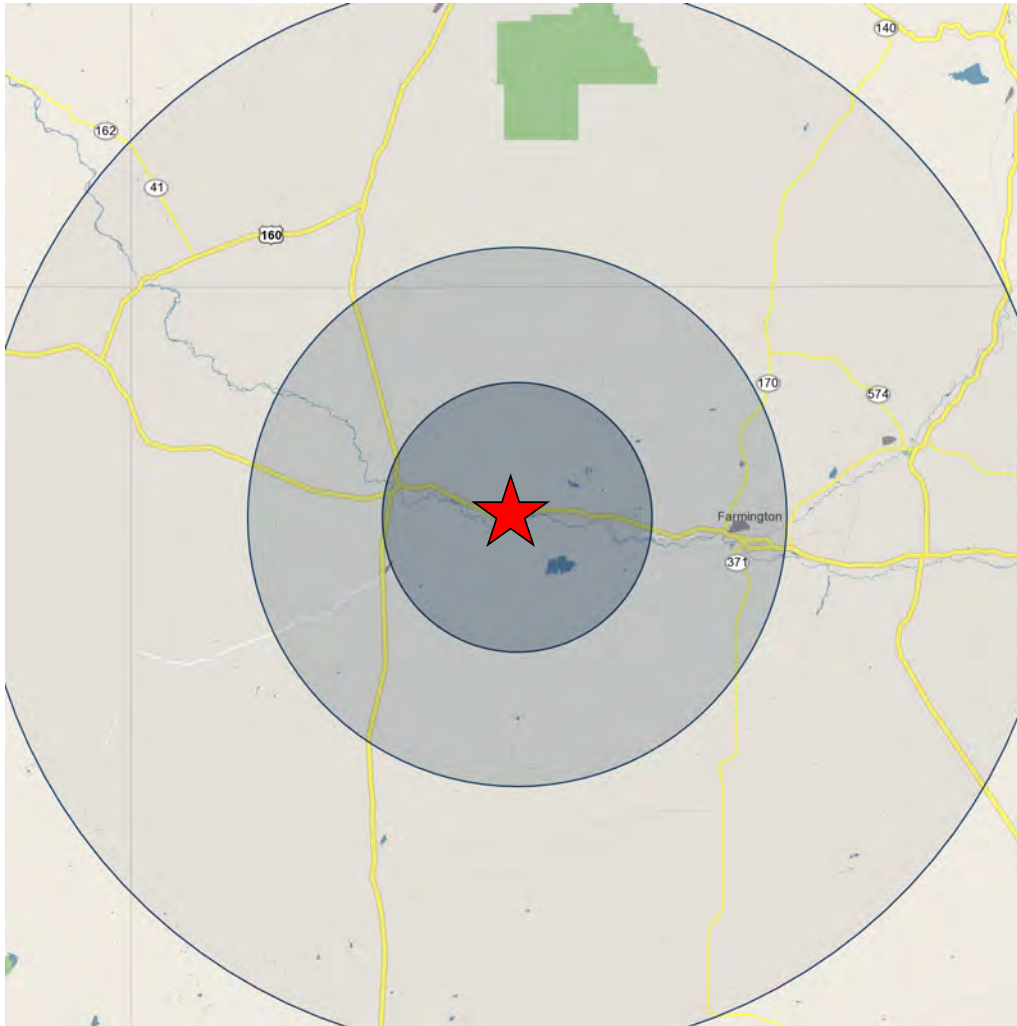
SITE PLAN // Dollar General



Dollar General // RETAILER MAP

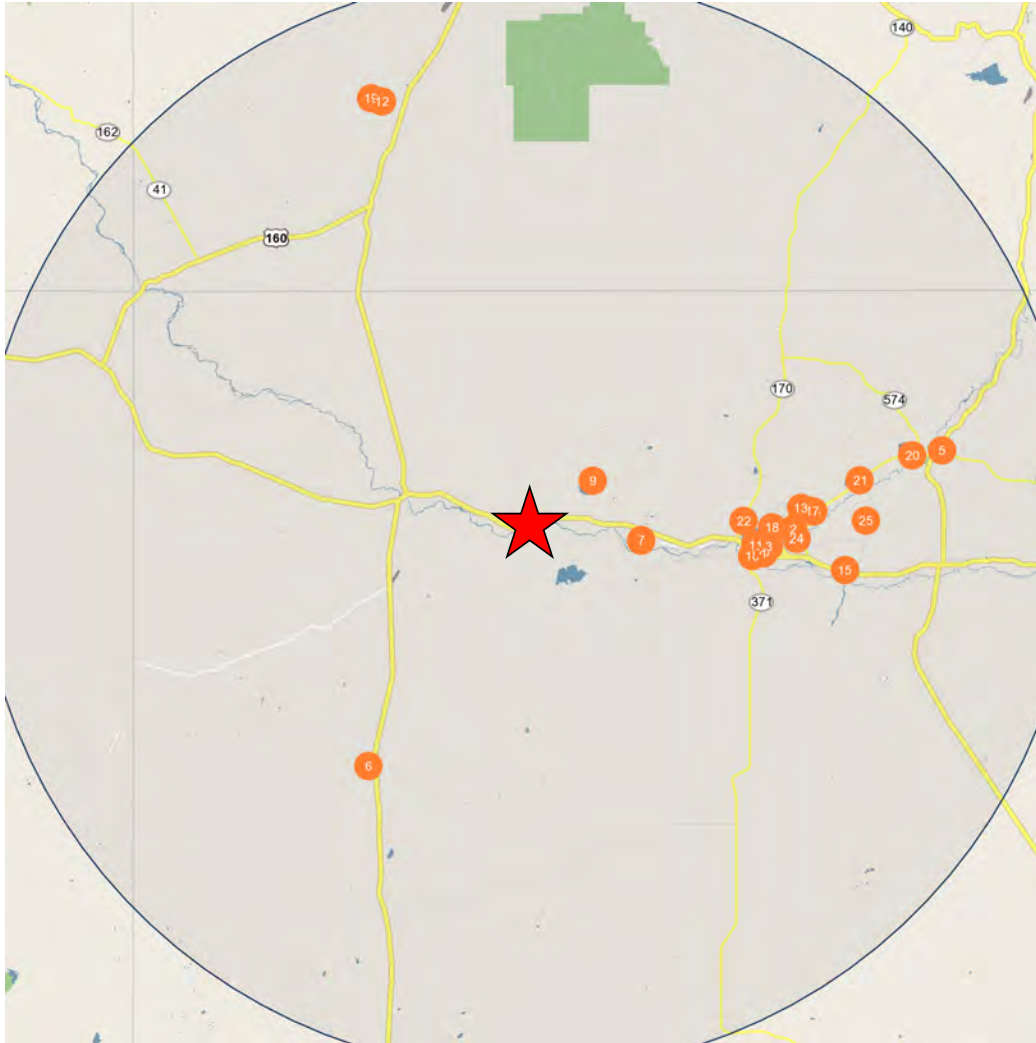


TRADE AREA DEMOGRAPHICS // Dollar General



POPULATION	10 Miles	20 Miles	40 Miles
2027 Projection	13,071	57,976	127,029
2022 Estimate	13,091	57,985	125,835
2010 Census	13,888	61,806	131,240
2000 Census	11,340	55,725	113,789
HOUSEHOLD INCOME			
Average	\$54,028	\$59,811	\$63,197
Median	\$41,844	\$45,414	\$47,290
Per Capita	\$15,775	\$20,435	\$22,076
HOUSEHOLDS			
2027 Projection	3,841	19,799	44,397
2022 Estimate	3,813	19,668	43,678
2010 Census	4,008	20,651	44,821
2000 Census	3,127	18,486	37,762
HOUSING			
Median Home Value	\$107,141	\$161,542	\$170,812
EMPLOYMENT			
2022 Daytime Population	11,394	61,237	116,919
2022 Unemployment	10.20%	6.94%	6.17%
Average Time Traveled (Minutes)	30	23	25
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	35.04%	29.06%	30.61%
Some College (13-15)	26.35%	26.54%	25.95%
Associate Degree Only	12.31%	14.36%	12.88%
Bachelor's Degree Only	7.16%	8.96%	9.00%
Graduate Degree	4.42%	6.94%	6.67%

Dollar General // TRADE AREA DEMOGRAPHICS



Major Employers		Employees
1	San Juan Regional Med Ctr Inc	1,500
2	Navajo AG Pdts Indust-Napi	1,200
3	B H P Billiton NM Coal Inc-B H P Billiton	900
4	Peak Medical Farmington LLC-San Juan Manor	820
5	Sunland Construction Inc	776
6	National Institutes of Health-Northern Navahoe Medical Ctr	720
7	Central Cnsld Schl Dist 22-Administration Office	571
8	Navajo Engrg & Cnstr Auth	460
9	San Juan Coal Company	460
10	Peak Medical Farmington LLC-San Juan Center	451
11	Walmart Inc-Walmart	405
12	Ute Mountain Ute Tribe-Ute Mountain Casino & Resort	400
13	San Juan College	312
14	Life Care Centers America Inc	310
15	Process Equipment & Svc Co Inc-Pesco	280
16	Consolidated Constructors Inc-Consolidated Batch Plant	270
17	Walmart Inc-Walmart	270
18	Farmington Municipal Schools-Farmington High School	269
19	Ute Mountain Ute Tribe-Ute Mountain Tribal Government	260
20	San Juan County New Mexico-Human Resources	250
21	TRC Construction Inc	250
22	Energy Maintenance & Cnstr Inc	225
23	Jobec Inc-McDonalds	224
24	Riley Industrial Services Inc	200
25	West States Energy Contrs Inc	200

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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Gift Cards

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Shopping
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Large Bag \$2.50
Insulated
Hot/Cold Bag \$5



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