



## 2017 CONSTRUCTION – FAMILY DOLLAR

228 HIGHWAY 57 W, GRAND JUNCTION, TN 38039

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CANNON AUSTIN & CANNON, INC.

TN #243009



## INVESTMENT SUMMARY

List Price:	\$962,048
Current NOI:	\$79,850
Initial Cap Rate:	8.30%
Land Acreage:	1.2
Year Built	2017
Building Size:	8,320 SF
Price PSF:	\$115.63
Lease Type:	NN+
Lease Term:	10 Years

## INVESTMENT OFFERING

Fortis Net Lease is pleased to present this 8,320 SF Family Dollar store located in Grand Junction, TN. The property is encumbered with a Ten (10) Year NN+ Lease, leaving minimal landlord responsibilities. The lease contains Six (6), 5-Year Options to renew, each with a 5.00% rental rate increase. The lease is corporately guaranteed by Family Dollar, a wholly owned subsidiary of Dollar Tree. Dollar Tree carries investment grade credit at S&P: BBB-.

This Family Dollar is strategically located in Grand Junction, TN. The town of Grand Junction, TN is 62 miles Southeast of Memphis, TN or a short 1.25 hour drive. The population within a ten mile radius exceeds 5,590 residents with an average household income of \$45,652; ideal Dollar Store demographics. This investment property offers a new owner continued success due to the financial stability and strength of the tenant along with proven profitability in rural locations. List price reflects a 8.30% cap rate based on a NOI of \$79,850.



**PRICE** \$962,048



**CAP RATE** 8.30%



**LEASE TYPE** NN+



**TERM** 10 Years

## INVESTMENT HIGHLIGHTS

- Income Tax Free State
- New Construction Using Family Dollar's Modern Prototype
- Family Dollar (Dollar Tree) Recently Upgraded to Investment Grade
- Low Rent Per Square Foot Ensures Tenant's Continued Profitability
- NN+ Lease Structure Provides Minimal Landlord Responsibilities
- Each Option Period Provides for a 5.00% Rent Increase
- Excellent Traffic Visibility on Major Local Thoroughfare
- 3 Mile Population Exceeds 1,331 Residents

## FINANCIAL SUMMARY

INCOME		PER SF
Gross Income	\$79,850	\$9.60
EXPENSE		PER SF
Gross Expenses	-	-
NET OPERATING INCOME	\$79,850	\$9.60

## PROPERTY SUMMARY

Year Built:	2017
Year Renovated:	2017
Lot Size:	1.2 Acres
Building Size:	8,320 SF
Traffic Count:	3,799
Roof Type:	Steel Seam
Zoning:	Commercial
Construction Style:	Prototype
Parking Lot:	Asphalt
HVAC	Ground Mounted

## LEASE SUMMARY

Tenant:	Family Dollar
Lease Type:	NN+
Primary Lease Term:	10.5 Years
Annual Rent:	\$79,850
Landlord Responsibilities:	Roof, Structure & Lot
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Landlord Responsibility
Lease Start Date:	3/31/2018
Lease Expiration Date:	4/1/2028
Lease Term Remaining:	9.5 Years
Rent Bumps:	5.00% At Each Option
Renewal Options:	Six, 5-Year Option Periods
Lease Guarantor:	Corporate
Lease Guarantor Strength:	Investment Grade Credit
Tenant Website:	www.FamilyDollar.com



GROSS SALES:

-



STORE COUNT:

-



GUARANTOR:

-



S&P:

-

## INVESTMENT OVERVIEW

Price	\$962,048
Price per SF	\$115.63
CAP Rate	8.3%
Cash-on-Cash Return (yr 1)	11.43 %
Total Return (yr 1)	\$44,197
Debt Coverage Ratio	1.61

## OPERATING DATA

Gross Scheduled Income	\$79,850
Other Income	\$0
Total Scheduled Income	\$79,850
Vacancy Cost	\$0
Gross Income	\$79,850
Operating Expenses	\$0
Net Operating Income	\$79,850
Pre-Tax Cash Flow	\$30,101

## FINANCING DATA

Down Payment	\$263,360
Loan Amount	\$698,688
Debt Service	\$49,749
Debt Service Monthly	\$4,145
Principal Reduction (yr 1)	\$14,096



## TENANT SNAPSHOT

Company:	Family Dollar, Inc. A Wholly Owned Subsidiary of Dollar Tree
Founded:	1959
Total Revenue:	\$22,245.5 Billion
Headquarters:	Chesapeake, VA
Website:	<a href="http://www.FamilyDollar.com">www.FamilyDollar.com</a>

## TENANT HIGHLIGHTS

- Dollar Tree Moved from #330 in 2015 on the Fortune 500 to #134
- Revenue Grew 7.4% and Profits Grew 91.3% from Last Fiscal Year
- Dollar Tree & Family Dollar Boast a Market Cap of \$22.523B (As of 3/29/18)
- Dollar Tree & Family Dollar Employ over 116,200 People Worldwide
- Dollar Tree has been on the Fortune 500 List for 10 Years

## RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	RENT PSF	BUMP	YIELD
1-10	\$79,850	\$9.60	-	8.30%
11-15	\$83,843	\$10.08	5.00%	8.40%
16-20	\$88,035	\$10.58	5.00%	8.82%
21-25	\$92,436	\$11.11	5.00%	9.26%
26-30	\$97,058	\$11.67	5.00%	9.72%
31-35	\$101,911	\$12.25	5.00%	10.21%
36-40	\$107,007	\$12.86	5.00%	10.72%

## TENANT HISTORY

Family Dollar was founded in 1959 by Leon Levine, a 21-year-old entrepreneur. In November of that year, the company's first store was opened, in Charlotte, North Carolina. In 1961, their first store in South Carolina opened, followed by stores in Georgia and Virginia, which were opened in 1962 and 1965, respectively. During the 1960s, the store company was largely a southern United States operation. By 1969, there were fifty stores in Charlotte alone.

On July 28, 2014, Dollar Tree announced that it would acquire Family Dollar for \$74.50 per share, a deal valuing Family Dollar at \$8.5 billion, and that Dollar Tree would also assume \$1 billion in debt currently owed by Family Dollar, for a total of \$9.5 billion. This acquisition allowed for Dollar Tree to grow their dollar store network to over 13,000 stores and annual sales exceeding \$20B a year.

Headquartered in Chesapeake, VA, Dollar Tree is the largest and most successful single-price-point retailer in North America, operating thousands of stores across 48 contiguous U.S. states and five Canadian provinces, supported by a solid and scalable logistics network.

## Dollar Tree Inc. Upgraded To 'BBB-' From 'BB+' On Expectations Of Continued Credit Metric Improvement; Outlook Stable

New York (S&P Global Ratings)—08-Mar-2018 08:06 EST

We believe discount dollar store retailer Dollar Tree Inc.'s operating strategies and debt repayment will contribute to the stable margins and improving credit metrics, despite competitive pressures and potential for sales volatility given continued Family Dollar integration efforts.

The company has demonstrated a commitment to a conservative financial policy, most recently with the repayment of \$750 million of unsecured notes on March 1, and credit measures have improved considerably, including debt to EBITDA trending to less than 3x.

We are raising our ratings on Dollar Tree, including our corporate credit rating, to 'BBB-' from 'BB+'.

The stable outlook reflects our view that credit metrics will remain below 3x and cash flow generation will remain healthy. We also expect company performance will remain positive with ongoing expansion, that should further strengthen Dollar Tree's competitive position in the discount space.

**S&P Global**

Moody's		S&P		Fitch		Rating description	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term		
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime	Investment-grade
Aa1		AA+		AA+		High grade	
Aa2		AA		AA			
Aa3		AA-		AA-		Upper medium grade	
A1		A+	A+	F1			
A2	P-2	A	A-1	A	F2	Lower medium grade	
A3		A-	A-				
Baa1		BBB+	A-2	BBB+	F2	Lower medium grade	
Baa2	P-3	BBB	A-3	BBB	F3		
Baa3		BBB-	BBB-				
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative	Non-investment grade aka high-yield bonds aka junk bonds
Ba2		BB		BB		Highly speculative	
Ba3		BB-		BB-			
B1		B+		B+		Substantial risks	
B2		B		B			
B3		B-		B-			
Caa1		CCC+	C	CCC	C	Extremely speculative	
Caa2		CCC				Default imminent with little prospect for recovery	
Caa3		CCC-					
Ca		CC					
C		C					
/		D	/	DDD	/	In default	
/				DD			
/	D						



## Dollar Stores Joining Forces

*If everything in its stores costs a buck, it will take 8.5 billion items sold for Dollar Tree stores to buy rival Family Dollar*

CNN Money—July 28th, 2015 7:05 AM ET

Dollar Tree ([DLTR](#)) is buying its larger rival for 23% more than Family Dollar's closing price last week, for a total value of \$8.5 billion

Dollar Tree plans to continue to operate both the Dollar Tree and Family Dollar brands. Dollar Tree stores sell all items for \$1 or less and CEO Bob Sasser told investors Monday they will continue to do so. Family Dollar stores sells many items for more than \$1 and will stay with that pricing policy as well.

Dollar Tree stores are found mainly in suburban areas. Family Dollar stores are primarily in either urban or rural locations.

Combined, the two chains have more than 13,000 stores and annual revenue of \$18 billion. That would surpass current leader in the dollar-store sector, Dollar General ([DG](#)), which has more than 11,000 stores and revenue of \$17.5 billion.

A big winner in the deal is activist investor Carl Icahn, who holds 9.4% of Family Dollar shares, according to sales tracker LionShares. Icahn acquired most of the shares in the past year.

Shares of the company shot up in June when Icahn disclosed his stake, but have given back most of the gains since. The stock is down nearly 6% for the year through Friday's close.

Shares of Family Dollar ([FDO](#)) soared on the news in early trading, while shares of Dollar Tree posted most modest gains.

Shares of Dollar General and Five Below ([FIVE](#)), a chain that sells items for \$5 or less, were slightly lower on the news. So were shares of Wal-Mart Stores ([WMT](#)), the discount chain that is the nation's largest retailer.

The deal is expected to close early next year.



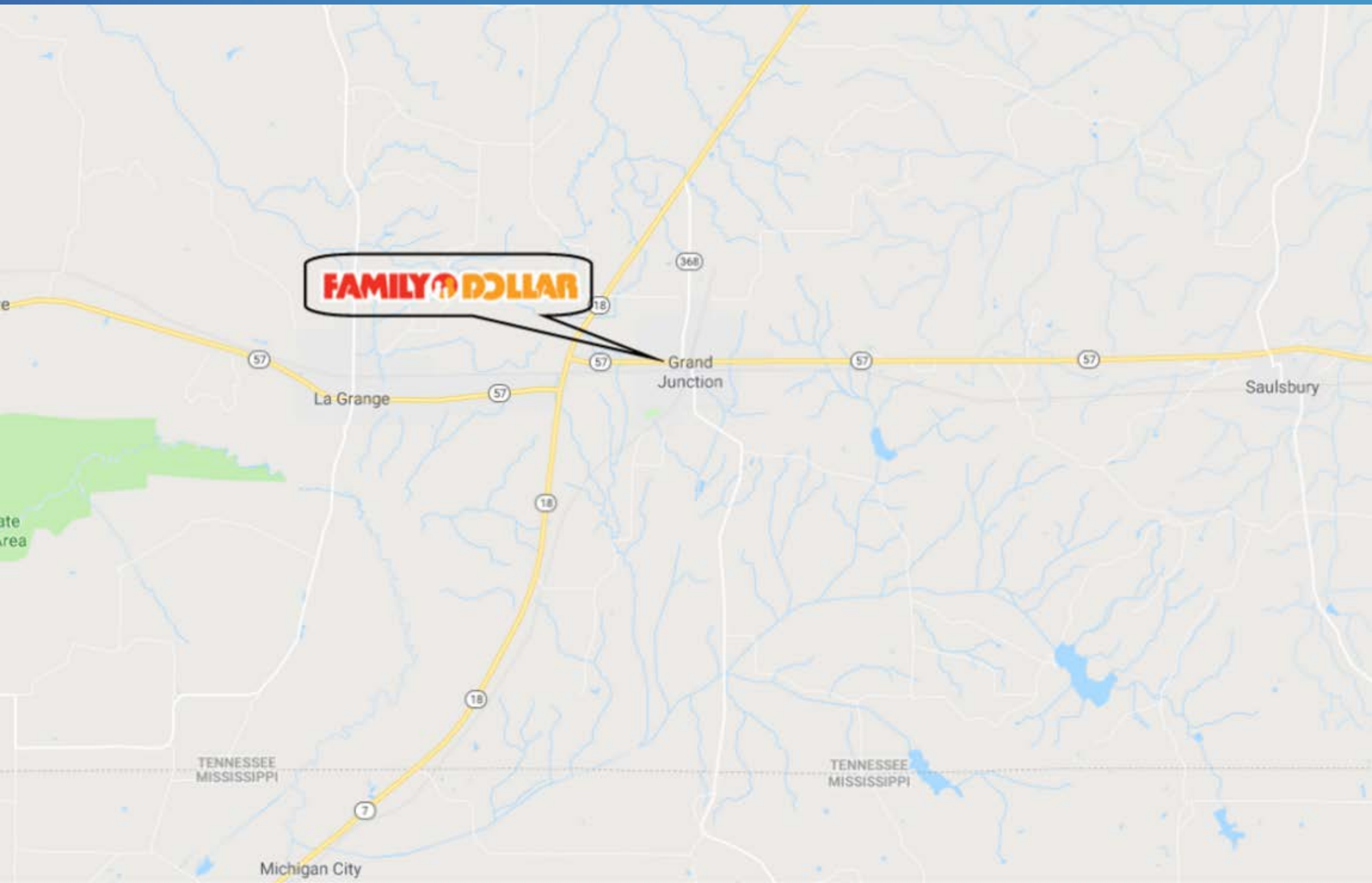




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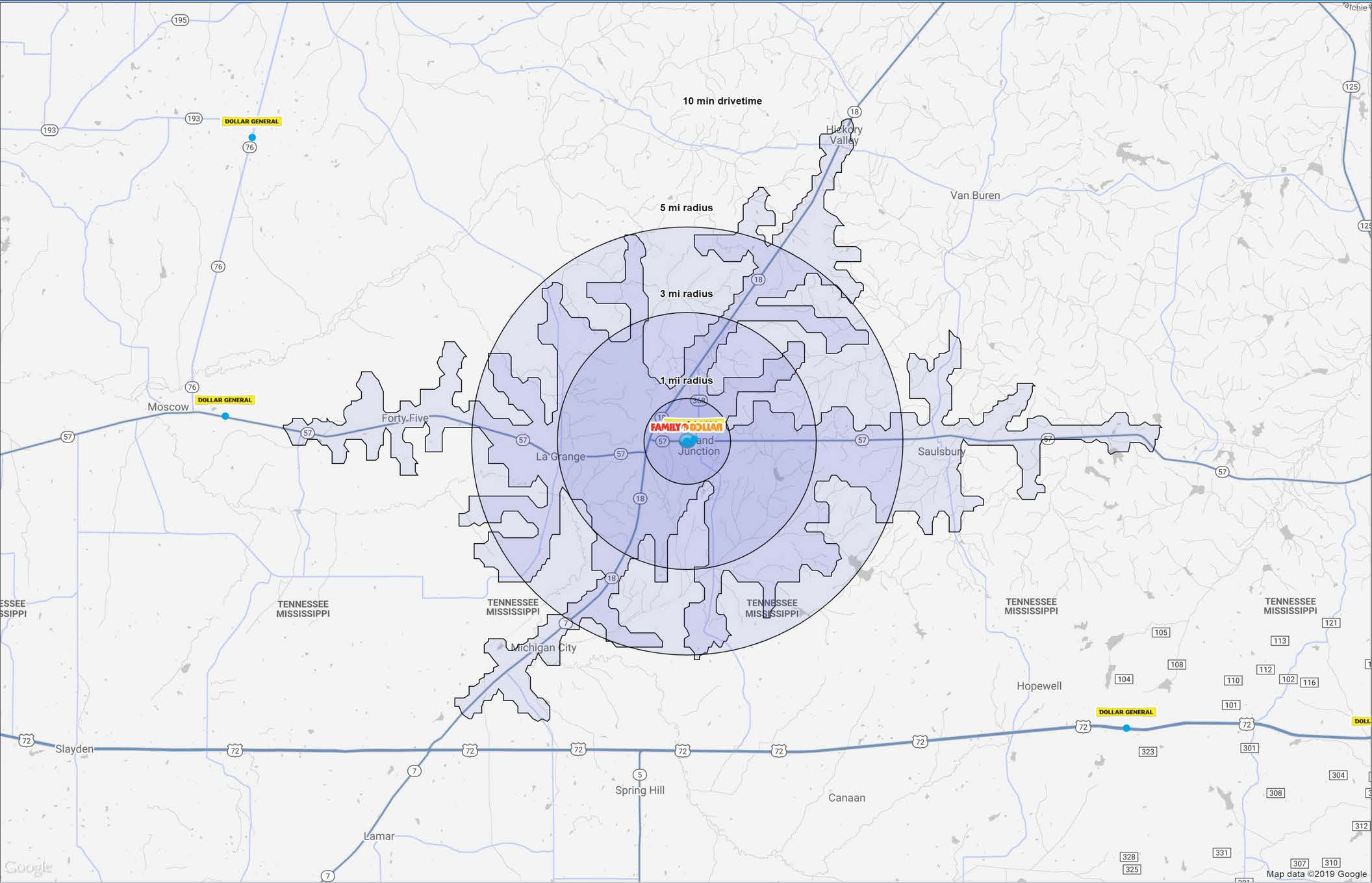
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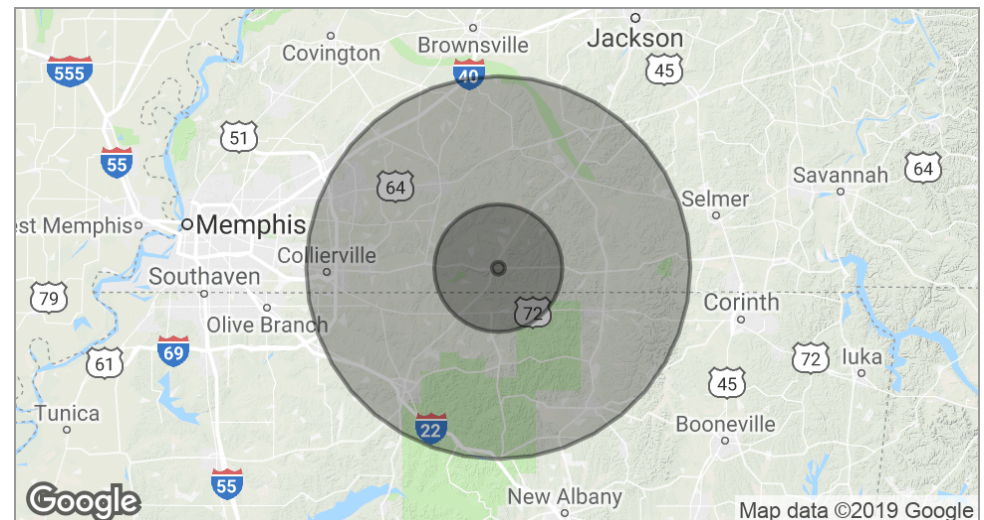
Grand Junction is a city in Hardeman and Fayette counties, Tennessee, in the United States. It has been called the "Bird Dog Capital of the World" and serves as the location of the National Bird Dog Museum.

Grand Junction was founded in 1858. It was named after the "Grand Junction" of the Memphis and Charleston Railroad and the Mississippi Central Railroad. The town was a railroad town, with its own newspaper, two saloons, three hotels, a livery stable, and other businesses. During the Civil War, the Union Army held the city for approximately three years. The town was incorporated in 1901.

The National Bird Dog Museum (NBDM) is located in Grand Junction, as is the Field Trial Hall of Fame and Wildlife Heritage Center, which shares space with the NBDM. The location of the NBDM and the history of the area in regards to hunting has earned the town the title of the "Bird Dog Capital of the World". The town is also home to the National Field Trial Championships, which are held at Ames Plantation.

A Christmas parade is held each year with a tree-lighting ceremony. There is also an annual BBQ Cookoff contest held each year in April that draws a large crowd and plenty of contestants vying for the "Golden Pig".

POPULATION	3 MILE	5 MILES	10 MILES
Total Population 2018	1,327	1,890	5,682
Median Age	35.1	37.4	38.6
Persons Per Household	2.9	2.7	2.8
HOUSEHOLDS & INCOME	3 MILE	5 MILES	10 MILES
Total Households	495	709	2,096
Owner Occupied	394	567	1,712
Renter Occupied	101	142	411
Average HH Income	\$40,968	\$41,754	\$45,764
Average House Value	\$100,435	\$102,439	\$95,373
Consumer Spending (2018)	\$19,369	\$19,624	\$20,605
Proj. Consumer Spending (2023)	\$21,229	\$21,508	\$22,647





TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

*Click to Meet Team Fortis*

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