

Family Dollar Harrisville, Michigan



Representative Photo



Exclusive Offering By

Offering Memorandum

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Family Dollar

Harrisville, Michigan

| | |
|---------------------------|---|
| Property | Family Dollar Net Lease |
| Lease Guarantor | Family Dollar Stores, Inc. (Nasdaq: DLTR) |
| Property Address | 610 US-23 Harrisville, MI 48740 |
| Lease Type | NN+ Leased Investment |
| Lease Term | June 30, 2015 - June 30, 2024 |
| Guaranteed Term Remaining | 8 Years |
| Tenant Since | 2005 |
| Early Extension | Yes - Completed in 2015 |
| Renewal Options | Four (4) - Five (5) year options |
| Ground Lease | No |
| Parking Lot Type | Concrete |
| Gross Leasable Area | 9,180 square feet (90' x 102') |
| Net Operating Income | \$50,818.92 |
| CAP Rate | 8.5% |
| Price | \$598,000 |
| Price Per Square Foot | \$65.14 |



Investment Highlights

- Recent 9-Year Lease Extension - Showing Tenant's Commitment to the Site
- Corporate Guaranty (Family Dollar Stores, Inc.), Now Publicly Traded under Dollar Tree Stores (Nasdaq: DLTR)
- Hands-off Investment: Minimal Landlord Responsibilities with Tenant Responsible for Common Area Maintenance
- Limited Competition in Surrounding Retail Area
- Prototypical Family Dollar Building (9,180 SF)

Property Description

For sale to qualified investors is an opportunity in the single tenant, NN+ leased Family Dollar (Nasdaq: DLTR) located at 610 US-23 in Harrisville, Michigan. Family Dollar has occupied the property since 2005 and recently showed their long-term commitment to this site by adding 9 years to the current lease term, giving them 8 years of corporately-guaranteed term remaining. The purchaser of this property will benefit from a unique and advantageous lease structure, which requires Family Dollar to be responsible for HVAC repairs, maintenance and replacement, parking lot maintenance and property landscaping, parking lot striping and cleaning, and parking lot patching up to \$1,000 per year. Due to Family Dollar's tenant obligations set forth in this lease, this particular Family Dollar investment is more hands-off than most on the market today. Family Dollar serves as the primary retailer to this community along with its frequent vacation travelers. This investment offers the purchaser the ability to acquire a property with a solid tenant history, commitment to the future, and with relatively few owner obligations.

Harrisville, Michigan

Harrisville is a city in and the county seat of Alcona County, Michigan. Alcona County has a population of 10,942 and is considered to be a part of Northern Michigan. A popular tourist destination, it is home to several small to medium-sized cities, extensive state and national forests, lakes and rivers, and occupies a good portion of the Great Lakes shoreline. Popular summer activities in the area for residents and tourists alike include boating, golf, camping, sailing, kayaking, canoeing, birding, bicycling, horseback riding and motorcycling. During the winter months, visitors enjoy hunting, ice fishing, snowmobiling, downhill skiing, cross country skiing and Nordic skiing. Each year Michigan has 3.2 million out-of-state visitors, resulting in \$1 billion of total economic impact.



Family Dollar

Harrisville, Michigan

The Property - Property Photo



Family Dollar

Harrisville, Michigan

INCOME

Occupancy: 100%

Base Rental Income

| Tenant | Size (SF) | Annual Rent | PSF |
|---------------|-----------|-------------|--------|
| Family Dollar | 9,180 | \$52,650.00 | \$5.74 |
| Total | 9,180 | \$52,650.00 | |

Reimbursed Expenses

| | |
|----------------|-------------|
| Property Taxes | \$10,775.14 |
| Insurance | \$2,000.00 |
| Total | \$12,775.14 |

| | |
|---------------------|--------------------|
| Gross Rent | \$52,650.00 |
| Gross Income | \$65,425.14 |

OPERATING EXPENSES

| | |
|-----------------------|-------------|
| Property Taxes | \$11,688.22 |
| Insurance | \$2,000.00 |
| Reserves (\$0.10 psf) | \$918.00 |
| Total | \$14,606.22 |

| | |
|---------------------------------|---------------------|
| Total Operating Expenses | \$14,606.22 |
| Net Operating Income | \$50,818.92 |
| Value at 8.5% Cap Rate | \$598,000.00 |

Family Dollar

Harrisville, Michigan

Performance & Tenancy - Rent Roll

| Tenant Name | Square | | Lease Term | | Rental Rates | | | Recovery | |
|---------------|--------|----------|------------|-----------|--------------|-------------|------------|----------|---|
| | Feet | Pro-rata | Begin | End | Begin | Annually | Monthly | Type | Comments/Options |
| Family Dollar | 9,180 | 100% | June-2005 | June-2024 | Current | \$52,650.00 | \$4,387.50 | NN | Tenant reimburses Landlord for its pro-rata share of property taxes and insurance with annual increases not to exceed 5%. Tenant responsible for landscaping, snowplowing, parking lot trash removal, parking lot striping, and asphalt repairs up to \$1,000 annually (only parking lot repairs have an annual \$1,000 cap). |
| | | | | | Options: | | | | |
| | | | | | July-2024 | \$61,425.00 | \$5,118.75 | | |
| | | | | | July-2029 | \$64,496.04 | \$5,374.67 | | Options: Four (4) - Five (5) year options |
| | | | | | July-2034 | \$67,721.04 | \$5,643.42 | | |
| | | | | | July-2039 | \$71,107.08 | \$5,925.59 | | |



Family Dollar Stores, Inc. (Nasdaq: DLTR) is one of the leading small format, value oriented retailers serving the needs of their customers. Family Dollar was founded in 1959 in Charlotte, North Carolina, and currently has over 8,100 stores in 46 states with 45,000 employees, giving them an enormous presence in the large majority of the United States. They offer their customers a mix of everyday, name brand products, including household paper products and food, apparel selections for the entire family, and seasonal merchandise, to name a few. Recently, Family Dollar's shareholders approved an \$8.5 billion (\$74.50 per share) cash-and-stock offer from Dollar Tree, Inc. in January of 2015. The deal has allowed Dollar Tree (combined with Family Dollar) to leapfrog Dollar General and become the largest U.S discount retailer, with more than 13,000 stores across the United States and Canada, and over \$18 billion in annual sales.

Family Dollar

Harrisville, Michigan

Market Overview - Market Aerial



Family Dollar

Harrisville, Michigan

Market Overview - Regional Map



Family Dollar

Harrisville, Michigan

Market Overview - Local Map



| 610 US-23 | | 5 Miles | 10 Miles | 15 Miles |
|---------------------------------------|--|-------------------------------------|----------|----------|
| Harrisville, Michigan | | | | |
| POPULATION | 2015 Estimated Population | 1,713 | 5,363 | 11,111 |
| | 2020 Projected Population | 1,743 | 5,431 | 11,271 |
| | 2010 Census Population | 1,811 | 5,550 | 11,297 |
| | 2000 Census Population | 1,881 | 5,926 | 12,246 |
| | Projected Annual Growth 2015 to 2020 | 0.4% | 0.3% | 0.3% |
| | Historical Annual Growth 2000 to 2015 | -0.6% | -0.6% | -0.6% |
| | HOUSEHOLDS | 2015 Estimated Households | 794 | 2,468 |
| 2020 Projected Households | | 816 | 2,524 | 5,313 |
| 2010 Census Households | | 826 | 2,513 | 5,229 |
| 2000 Census Households | | 815 | 2,527 | 5,303 |
| Projected Annual Growth 2015 to 2020 | | 0.6% | 0.5% | 0.4% |
| Historical Annual Growth 2000 to 2015 | | -0.2% | -0.1% | -0.1% |
| AGE | | 2015 Est. Population Under 10 Years | 7.0% | 7.0% |
| | 2015 Est. Population 10 to 19 Years | 9.1% | 9.0% | 8.7% |
| | 2015 Est. Population 20 to 29 Years | 7.4% | 8.1% | 8.2% |
| | 2015 Est. Population 30 to 44 Years | 11.0% | 11.1% | 11.1% |
| | 2015 Est. Population 45 to 59 Years | 22.0% | 22.2% | 21.8% |
| | 2015 Est. Population 60 to 74 Years | 26.1% | 27.4% | 28.3% |
| | 2015 Est. Population 75 Years or Over | 17.4% | 15.3% | 14.7% |
| | 2015 Est. Median Age | 55.5 | 54.7 | 54.6 |
| INCOME | 2015 Est. HH Income \$200,000 or More | 1.9% | 2.0% | 2.1% |
| | 2015 Est. HH Income \$150,000 to \$199,999 | 0.5% | 1.2% | 1.6% |
| | 2015 Est. HH Income \$100,000 to \$149,999 | 4.0% | 5.3% | 4.7% |
| | 2015 Est. HH Income \$75,000 to \$99,999 | 10.4% | 10.2% | 11.0% |
| | 2015 Est. HH Income \$50,000 to \$74,999 | 18.8% | 19.6% | 18.3% |
| | 2015 Est. HH Income \$35,000 to \$49,999 | 16.8% | 18.2% | 18.1% |
| | 2015 Est. HH Income \$25,000 to \$34,999 | 17.9% | 13.7% | 14.6% |
| | 2015 Est. HH Income \$15,000 to \$24,999 | 13.9% | 13.2% | 13.8% |
| | 2015 Est. HH Income Under \$15,000 | 15.8% | 16.7% | 15.8% |
| | 2015 Est. Average Household Income | \$46,543 | \$49,551 | \$51,489 |
| | 2015 Est. Median Household Income | \$37,161 | \$40,087 | \$39,591 |
| | 2015 Est. Per Capita Income | \$21,984 | \$22,993 | \$24,256 |

Family Dollar

Harrisville, Michigan

Market Overview - Demographics

| 610 US-23 | | 5 Miles | 10 Miles | 15 Miles |
|--|--|-----------|-----------|-----------|
| Harrisville, Michigan | | | | |
| EDUCATION (Adults 25 or Older) | 2015 Est. Adult Population (25 Years or Over) | 1,376 | 4,278 | 8,859 |
| | 2015 Est. Elementary (Grade Level 0 to 8) | 3.0% | 3.1% | 2.6% |
| | 2015 Est. Some High School (Grade Level 9 to 11) | 6.1% | 7.9% | 8.8% |
| | 2015 Est. High School Graduate | 31.2% | 35.3% | 36.1% |
| | 2015 Est. Some College | 31.1% | 28.7% | 27.6% |
| | 2015 Est. Associate Degree Only | 12.7% | 10.0% | 9.0% |
| | 2015 Est. Bachelor Degree Only | 9.3% | 9.3% | 9.8% |
| | 2015 Est. Graduate Degree | 6.6% | 5.6% | 6.1% |
| HOUSING | 2015 Est. Total Housing Units | 1,297 | 4,394 | 9,697 |
| | 2015 Est. Owner-Occupied | 51.1% | 49.3% | 46.5% |
| | 2015 Est. Renter-Occupied | 10.1% | 6.9% | 7.3% |
| | 2015 Est. Vacant Housing | 38.8% | 43.8% | 46.2% |
| HOMES BUILT BY YEAR | 2010 Homes Built 2005 or later | 3.0% | 2.9% | 2.5% |
| | 2010 Homes Built 2000 to 2004 | 6.4% | 5.6% | 6.3% |
| | 2010 Homes Built 1990 to 1999 | 15.0% | 14.9% | 13.9% |
| | 2010 Homes Built 1980 to 1989 | 12.5% | 12.8% | 12.7% |
| | 2010 Homes Built 1970 to 1979 | 16.9% | 19.0% | 22.0% |
| | 2010 Homes Built 1960 to 1969 | 10.7% | 11.3% | 11.9% |
| | 2010 Homes Built 1950 to 1959 | 14.7% | 13.3% | 12.3% |
| | 2010 Homes Built Before 1949 | 20.7% | 20.2% | 18.5% |
| HOME VALUES | 2010 Home Value \$1,000,000 or More | 0.5% | 0.3% | 0.4% |
| | 2010 Home Value \$500,000 to \$999,999 | 2.3% | 1.9% | 1.9% |
| | 2010 Home Value \$400,000 to \$499,999 | 1.7% | 1.3% | 1.2% |
| | 2010 Home Value \$300,000 to \$399,999 | 5.1% | 4.1% | 4.2% |
| | 2010 Home Value \$200,000 to \$299,999 | 10.8% | 12.1% | 12.2% |
| | 2010 Home Value \$150,000 to \$199,999 | 15.3% | 13.2% | 12.6% |
| | 2010 Home Value \$100,000 to \$149,999 | 19.7% | 22.3% | 22.4% |
| | 2010 Home Value \$50,000 to \$99,999 | 31.8% | 31.4% | 31.9% |
| | 2010 Home Value \$25,000 to \$49,999 | 7.1% | 8.2% | 8.0% |
| | 2010 Home Value Under \$25,000 | 5.7% | 5.2% | 5.2% |
| | 2010 Median Home Value | \$111,987 | \$111,969 | \$110,550 |
| | 2010 Median Rent | \$438 | \$424 | \$442 |

Family Dollar

Harrisville, Michigan

Market Overview - Demographics

| 610 US-23 | | 5 Miles | 10 Miles | 15 Miles |
|-----------------------------|--|----------|----------|----------|
| Harrisville, Michigan | | | | |
| LABOR FORCE | 2015 Est. Labor Population Age 16 Years or Over | 1,503 | 4,705 | 9,747 |
| | 2015 Est. Civilian Employed | 38.9% | 39.7% | 40.6% |
| | 2015 Est. Civilian Unemployed | 1.5% | 2.3% | 2.7% |
| | 2015 Est. in Armed Forces | - | - | - |
| | 2015 Est. not in Labor Force | 59.6% | 58.0% | 56.7% |
| | 2015 Labor Force Males | 47.3% | 49.3% | 49.6% |
| | 2015 Labor Force Females | 52.7% | 50.7% | 50.4% |
| OCCUPATION | 2010 Occupation: Population Age 16 Years or Over | 592 | 1,756 | 3,478 |
| | 2010 Mgmt, Business, & Financial Operations | 9.8% | 10.8% | 9.9% |
| | 2010 Professional, Related | 17.7% | 15.9% | 14.6% |
| | 2010 Service | 27.3% | 22.3% | 23.8% |
| | 2010 Sales, Office | 22.7% | 22.3% | 22.6% |
| | 2010 Farming, Fishing, Forestry | 2.2% | 2.7% | 2.1% |
| | 2010 Construction, Extraction, Maintenance | 8.4% | 10.3% | 11.2% |
| | 2010 Production, Transport, Material Moving | 11.9% | 15.6% | 15.9% |
| | 2010 White Collar Workers | 50.3% | 49.0% | 47.1% |
| 2010 Blue Collar Workers | 49.7% | 51.0% | 52.9% | |
| TRAVEL TIME | 2010 Travel to Work in 14 Minutes or Less | 43.9% | 40.5% | 42.4% |
| | 2010 Travel to Work in 15 to 29 Minutes | 35.2% | 36.4% | 34.9% |
| | 2010 Travel to Work in 30 to 59 Minutes | 16.6% | 18.5% | 18.7% |
| | 2010 Travel to Work in 60 Minutes or More | 4.2% | 4.7% | 4.0% |
| | 2010 Average Travel Time to Work | 16.1 | 16.7 | 16.7 |
| CONSUMER EXPENDITURE | 2015 Est. Total Household Expenditure | \$33.1 M | \$107 M | \$232 M |
| | 2015 Est. Apparel | \$1.13 M | \$3.67 M | \$7.94 M |
| | 2015 Est. Contributions, Gifts | \$2.04 M | \$6.68 M | \$14.6 M |
| | 2015 Est. Education, Reading | \$1.07 M | \$3.55 M | \$7.71 M |
| | 2015 Est. Entertainment | \$1.83 M | \$5.92 M | \$12.8 M |
| | 2015 Est. Food, Beverages, Tobacco | \$5.24 M | \$16.9 M | \$36.6 M |
| | 2015 Est. Furnishings, Equipment | \$1.08 M | \$3.51 M | \$7.62 M |
| | 2015 Est. Health Care, Insurance | \$3.12 M | \$9.99 M | \$21.7 M |
| | 2015 Est. Household Operations, Shelter, Utilities | \$10.3 M | \$33.4 M | \$72.3 M |
| | 2015 Est. Miscellaneous Expenses | \$505 K | \$1.63 M | \$3.51 M |
| | 2015 Est. Personal Care | \$429 K | \$1.39 M | \$3.01 M |
| | 2015 Est. Transportation | \$6.38 M | \$20.6 M | \$44.6 M |