



REPRESENTATIVE PHOTO

DOLLAR TREE - UNDER CONSTRUCTION

286 PLEASANT STREET, WORCESTER, MASSACHUSETTS 01609

SJS & PARTNERS
CLIENT FOCUSED, RETAIL DRIVEN

EXCLUSIVELY LISTED BY :

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REPRESENTATIVE PHOTO

Investment Overview

Marcus & Millichap is pleased to present a single-tenant Dollar Tree property located at 286 Pleasant Street in Worcester, Massachusetts. The existing building is being completely renovated and is currently under construction (expected opening – August 2, 2018) and will consist of a 7,818 square-foot single-story retail building, situated on a 0.60-acre lot. Dollar Tree recently signed a brand new 7-year, corporately guaranteed, modified gross lease that is expected to commence in September 2018. The lease has three 5-year options with \$0.50 per square-foot increases in each option. Under this lease structure the tenant will be responsible for 100% of the real estate tax increases over the base year tax amount. The Landlord is responsible for CAM & insurance, as well as the repairs & maintenance of the roof & structure. Dollar Tree is located on the corner of Pleasant Street (11,500 Vehicles Per Day (VPD)) and Hawley Street. The

subject property is also located by Interstate 290 (128,000 VPD). Other points of interest and national retailers surrounding the site include: UMass Memorial Medical Center, Saint Vincent Hospital, Worcester Polytech Institute (Total Enrolled: 6,600 Students), Worcester State University (total enrolled: 6,500 students), Worcester Regional Airport, CVS, Walgreens, Bank of America, TD Bank, Whole Foods, Trader Joes, Starbucks, Five Guys, Stop & Shop, Shaw’s, and many more. The property is in an area with a population of 230,000 people living within a five-mile radius with an average household income of \$73,000. Dollar Tree provides qualified investors an opportunity to own a newly constructed property with a corporately guaranteed lease in a proven retail corridor with direct exposure to the surrounding colleges and universities.

Investment Highlights

- Future Dollar Tree Property Located at 286 Pleasant Street, Worcester, MA that is Currently Under Construction (Expected Opening – September 2018)
- Brand New, 7-Year, Corporately Guaranteed, Modified Gross Lease That is Expected to Commence on September 15, 2018 with Three 5-Year Options that have \$0.50 Per Square-Foot Increases During each Option
- Located on the Corner of Pleasant Street (11,500 Vehicles Per Day (VPD)) and Hawley Street; Close to Interstate 290 (128,000 VPD)
- Points of Interest and National Retailers Surrounding the Site Include: UMass Memorial Medical Center, Saint Vincent Hospital, CVS, Walgreens, Bank of America, TD Bank, Whole Foods, Trader Joes, Starbucks, Five Guys, Stop & Shop, Shaw’s, Worcester Regional Airport, and Many More
- Universities and Colleges in the Immediate Area Include: Worcester Polytech Institute (Total Enrolled: 6,600 Students), Worcester State University (Total Enrolled: 6,500 Students), Clark University (Total Enrolled: 3,100 Students), Holy Cross University (Total Enrolled: 3,000 Students), and Becker College (Total Enrolled: 2,100 Students)
- In an Area with a Population of 230,000 People Living Within a Five-Mile Radius with an Average Household Income of \$73,000



Offering Summary

PRICE

\$1,192,000

| | | | |
|----------------------|----------|----------------------|--------------------|
| Cap Rate | 7.25% | Estimated Year 1 NOI | \$86,388 |
| Gross Leaseable Area | 7,818 SF | Years Remaining | 7 Years |
| Price Per SF | \$152 | Expiration | September 30, 2025 |

Rent Schedule

| Start Date | End Date | Per SF | Monthly | Annual | Increases | Term |
|------------|----------|---------|----------|-----------|-----------|-----------|
| Sep-18 | Sep-25 | \$15.00 | \$9,773 | \$117,270 | n/a | Base Term |
| Oct-25 | Sep-30 | \$15.50 | \$10,098 | \$121,179 | 3.33% | Option 1 |
| Oct-30 | Sep-35 | \$16.00 | \$10,424 | \$125,088 | 3.23% | Option 2 |
| Oct-35 | Sep-40 | \$16.50 | \$10,750 | \$128,997 | 3.13% | Option 3 |



Proposed Financing

| | |
|---------------------|--------------|
| LTV | 65.00% |
| Loan Amount | \$774,800 |
| Interest Rate | 4.75% |
| Amortization or IO? | Amortization |
| Amortization Term | 25 Years |
| Annual Debt Service | \$53,007 |
| Term | 5 Years |
| DSCR (Year 1) | 1.63x |
| Cash-On-Cash Return | 8.00% |

Operating Data

| | |
|----------------------------------|-----------|
| Potential Gross Revenue | |
| Potential Base Rent | \$117,270 |
| Scheduled Base Rental Revenue | \$117,270 |
| Total Potential Gross Revenue | \$117,270 |
| Effective Gross Revenue | |
| \$117,270 | |
| Operating Expenses | |
| Projected Real Estate Taxes* | \$21,109 |
| Estimated Insurance (\$10.50/SF) | \$3,909 |
| Estimated CAM (\$10.75/SF) | \$5,864 |
| Total Operating Expenses | \$30,882 |
| NOI | \$86,388 |

*Tenant pays all increases over 1st 12 months Real Estate Taxes

Property Details

| | |
|----------------------|-------------------------|
| Address | 286 Pleasant Street |
| City, State Zip | Worcester, MA 01609 |
| County | Worcester |
| Tax Parcel Number | WORC M:06 B:006 L:006+7 |
| Lot Size - SF | 15,863 SF |
| Lot Size - Acres | 0.36 Acres |
| Gross Leaseable Area | 7,818 SF |
| Number of Buildings | One |
| Number of Stories | One |
| Parking Spaces | 50 Spaces |
| Parking Ratio | 6.40 |
| Year Built | 2018 |
| Zoning | BG-3 |
| 2018 Taxes | \$17,277 |





CITY HALL, DOWNTOWN WORCESTER, MASSACHUSETTS

Tenant & Lease Overview

Tenant Overview - Dollar Tree

| | |
|----------------------------|--------------------|
| Tenant Name | Dollar Tree |
| Industry | Discount Retail |
| Type | Public |
| Ticker Symbol | NASDAQ: DLTR |
| Revenue (FY 2017) | \$22.246 Billion |
| Operating Income (FY 2017) | \$1.999 Billion |
| Net Income (FY 2017) | \$1.714 Billion |
| Credit Rating | BBB- |
| Rating Agency | S&P |
| Credit Rating | Baa3 |
| Rating Agency | Moody's |
| Number of Locations | 14,300+ |
| Headquarters | Chesapeake, VA |
| Website | www.dollartree.com |
| Year Founded | 1986 |

Dollar Tree Lease Overview

| | |
|----------------------------|---|
| Gross Leasable Area | 7,818 SF |
| Estimated Lease Start | 9/15/18 |
| Estimated Lease Expiration | 9/30/25 |
| Initial Lease Term | 7 Years |
| Rent/SF | \$15.00 |
| Monthly Rent | \$9,773 |
| Annual Rent | \$117,270 |
| Estimated Year 1 NOI | \$86,388 |
| Increases | \$0.50/SF Each Option Period |
| Options | 3, 5-Year Options |
| Option Notice | Tenant must give Landlord written notice at least 9 months prior to the expiration of the Term. Tenant's option is not waived until Landlord gives Tenant written notification of failure to exercise the option. |
| Lease Type | Modified Gross Lease |
| Pro Rata Share | 100% |
| Real Estate Taxes | Tenant shall pay Pro Rata share of RET increases over the Base Year Taxes. Base Year is defined as the first 12 months after the Turnover Date (6/15/18). |
| CAM & Insurance | Included in rent as this is a gross loan. |
| Utilities | Tenant shall put all utility services in tenants name and Tenant shall be responsible for all charges. |
| Roof & Structure | Landlord Responsibility |
| Guarantor | Dollar Tree Stores, Inc. (Corporate) |



Dollar Tree, Incorporated operates more than 14,300 Dollar Tree, Deal\$, Dollar Bills, and Family Dollar discount stores in 48 US states and the District of Columbia, and in five provinces in Canada. Stores carry a mix of housewares, toys, seasonal items, food, health and beauty aids, gifts, and books. At Dollar Tree shops most goods are priced at \$1 or less while Family Dollar merchandise is usually less than \$10. The stores are located in high-traffic strip centers and malls often in small towns. It purchased fellow discounter Family Dollar in 2015, bolstering its competitive position against Dollar General.



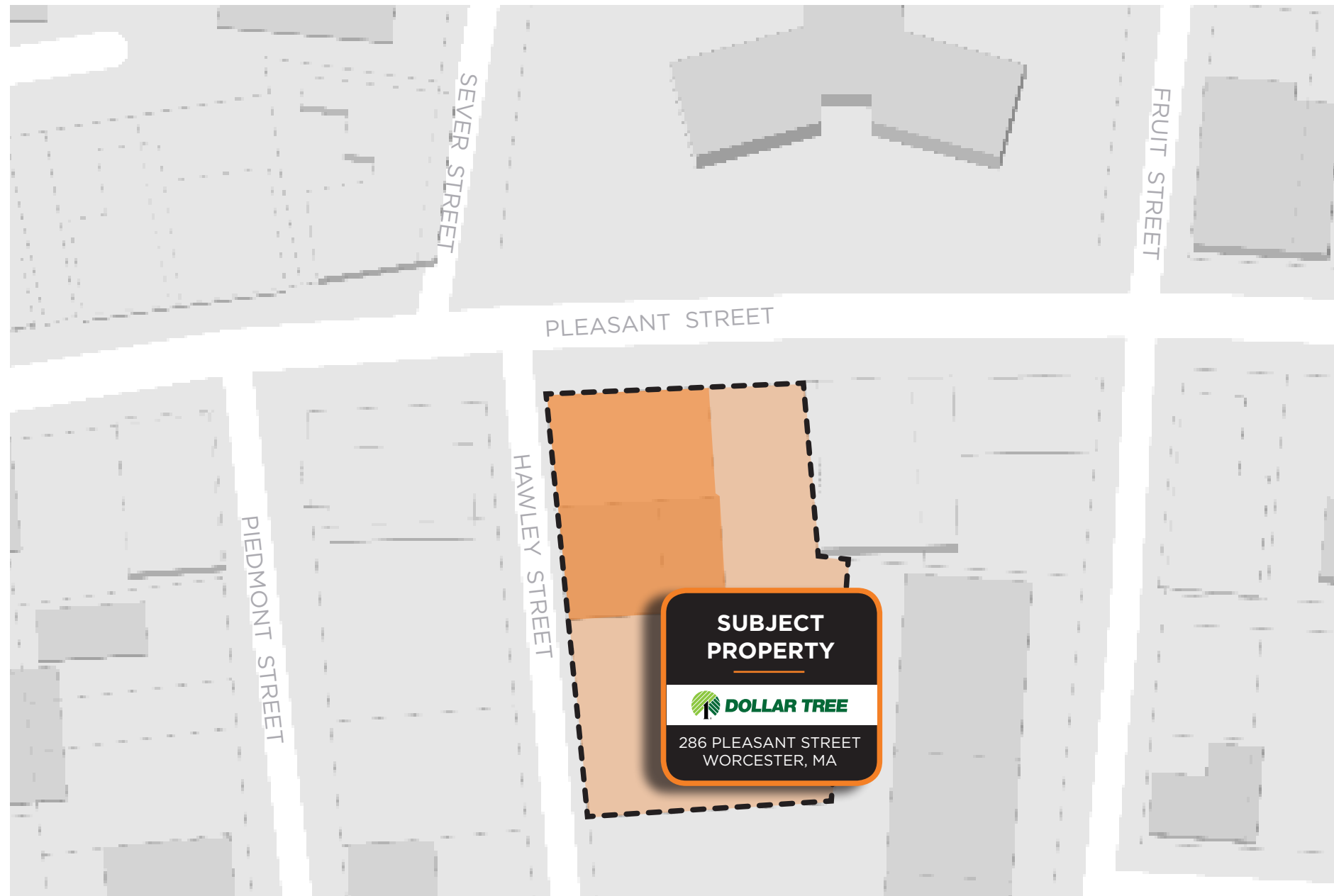
WORCESTER RAILROAD TRAIN STATION, WORCESTER, MASSACHUSETTS

Parcel Map



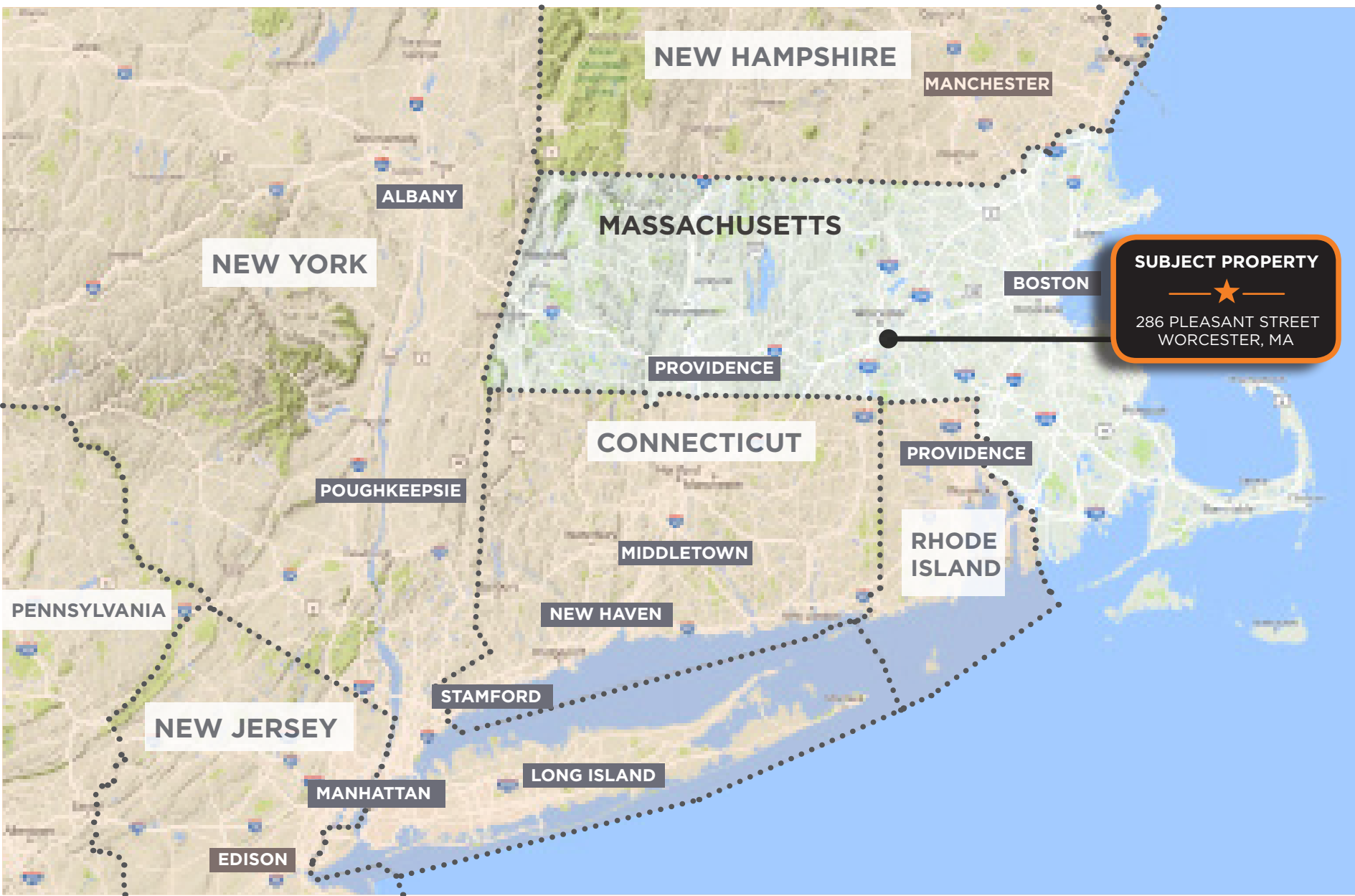
*Borders are approximate and to be used for reference purposes only.

Parcel Map



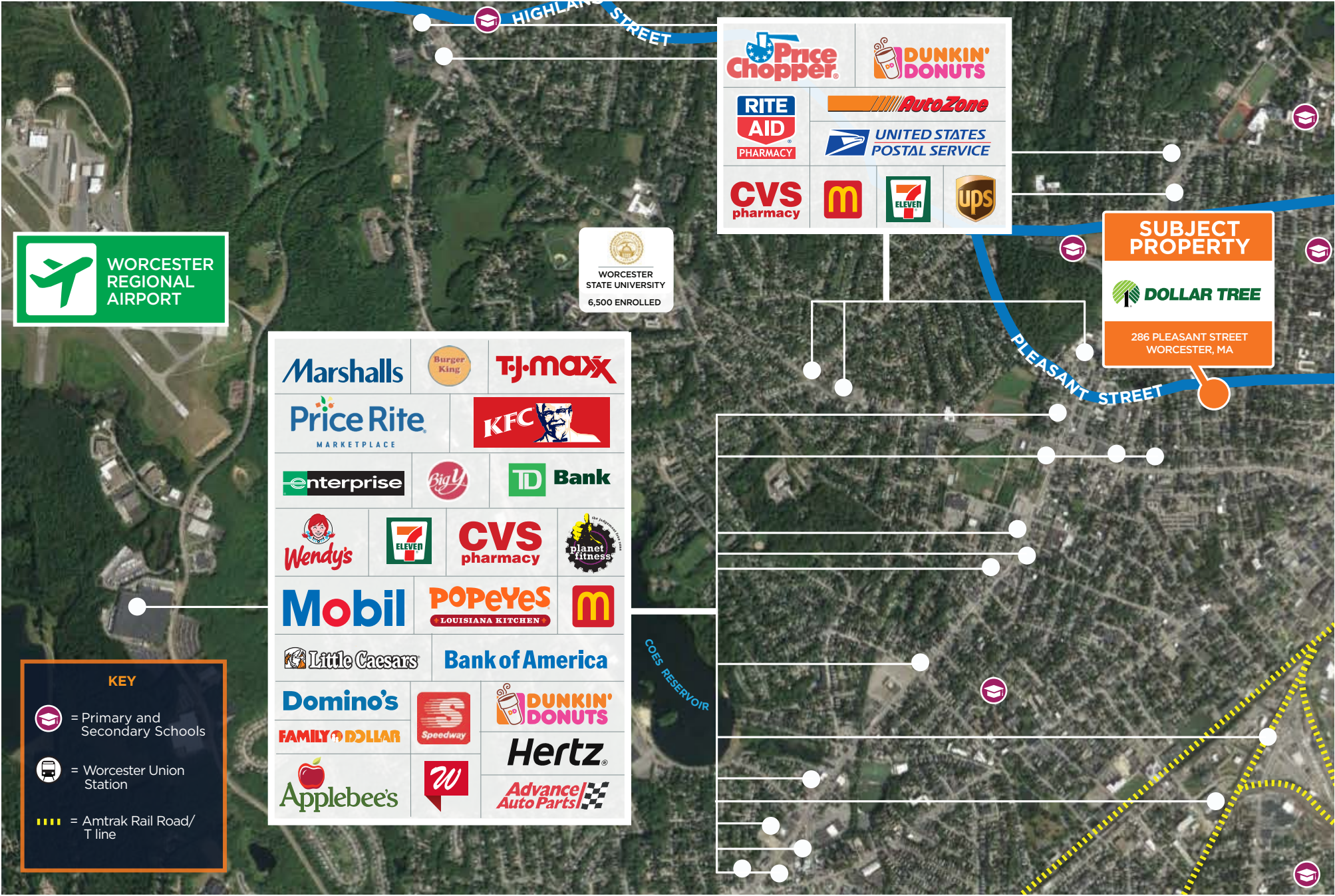
*Borders are approximate and to be used for reference purposes only.

Regional Map



*Borders are approximate and to be used for reference purposes only.

Retail Map



Retail Map



Location Overview

The City of Worcester has a long and rich history of important people, places and events. Worcester named after Worcester, England was first established as a town in 1722 and later became a city in 1848. During the past three centuries Worcester has evolved from its modest, but instrumental revolutionary beginnings to a major manufacturing center to its current concentration of world-class colleges and universities, medical facilities and teaching hospitals. As of the 2010 Census the city’s population was 181,045, making it the second most populous city in New England after Boston.

After World War II, Worcester began to fall into decline as the city lost its manufacturing base to cheaper alternatives across the country and overseas. Worcester felt the national trends of movement away from historic urban centers. The city’s population would drop over 20% from 1950 to 1980. In the mid-20th century large urban renewal projects were undertaken to try and reverse the city’s decline. In the late 20th century Worcester’s economy began to recover as the city expanded into biotechnology and healthcare fields. The UMass Medical School has become a leader in biomedical research and the Massachusetts Biotechnology Research Park has become a center of medical research and development.

| DEMOGRAPHICS | 1 MILE | 3 MILE | 5 MILE |
|-------------------------------|----------|----------|----------|
| 2017 Population | 34,696 | 155,003 | 230,125 |
| 2022 Population | 34,586 | 155,839 | 232,632 |
| Expected Growth | (0.32%) | 0.54% | 1.09% |
| 2017 Average Household Income | \$46,542 | \$64,157 | \$72,791 |
| 2017 Median Household Income | \$27,244 | \$44,807 | \$52,857 |
| 2017 Per Capita Income | \$17,960 | \$24,885 | \$28,257 |

Major Area Employees

| RETAILER | # OF EMPLOYEES |
|--------------------------------------|----------------|
| UMass Memorial County Hospitals Inc. | 8,683 |
| University Massachusetts Inc. | 8,000 |
| UMass Memorial Health Care Inc. | 4,800 |
| Worcester Episcopal Housing Co. | 3,900 |
| Saint-Gobain Corporation | 3,748 |

Traffic Counts

| STREET NAME | VEHICLES PER DAY (VPD) |
|-------------------------|------------------------|
| Interstate 290 | 128,000 |
| Boston Turnpike/Route 9 | 23,000 |
| Pleasant Street | 11,500 |

Worcester hospitals Saint Vincent Hospital and UMass Memorial Health Care have become two of the largest employers in the city. Worcester’s many colleges, including the College of the Holy Cross, Worcester Polytechnic Institute, Clark University, UMass Medical School, Assumption College, MCPHS University, Becker College, and Worcester State University, attract many students to the area and help drive the new economy.

In recent decades, a renewed interest in the city’s downtown has brought new investment and construction to Worcester. A convention center was built along the DCU Center arena in downtown Worcester in 1997. In 2000, Worcester’s Union Station reopened after 25 years of neglect and a \$32 million renovation. Hanover Insurance helped fund a multimillion-dollar renovation to the old Franklin Square Theater into the Hanover Theatre for the Performing Arts. In 2000, the Massachusetts College of Pharmacy and Health Sciences built a new campus in downtown Worcester. In 2007 WPI opened the first facility in their new Gateway Park center in Lincoln Square. Also in 2010 demolition began on a \$565 million, multi-phased, mixed-use project in the heart of Worcester named City Square.



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