



DOLLAR GENERAL®

QUICK STATS

1939

Dollar General was founded in
Springfield, KY

\$27.8B

in revenue reported in 2019

16,000

retail locations in 46 states

155,000

employees at all locations
including corporate offices

7,300+ SF

average store footprint

Net Lease Tenant Profile

Dollar General

Since 1939, Dollar General has been serving America's need for essential yet inexpensive household items. Over the last 20 years, the once-family owned business, has turned itself into a Fortune 500 company with a posted total revenue in 2019 of nearly \$28 Billion. With more than 16,000 stores nationwide, Dollar General is one of the most profitable retailers in the United States. Dollar General currently employs 143,000 people as well. Dollar General announced 2020 plans to open 1,000 new stores which will bring its nationwide presence to 46 different states. The company is headquartered in America's heartland in Goodlettsville, Tennessee.

Net Lease Overview

From a net lease point of view, Dollar General is appealing given its lower price points, respectable sales record, and corporate expansion strategy in a growing market segment. They are the industry leader in the dollar store market

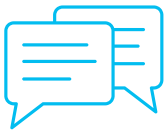
and benefit from high visibility and good access in rural communities. For these reasons, when compared to its dollar store competition, like Family Dollar, on average Dollar General was priced higher regardless of lease type. When considering the short-term net lease (STNL) sub-market of dollar stores, Dollar General is perfect for investors prioritizing a safe deployment of capital over returns.

While they are the "safe play" in the dollar store sub-market, Dollar General owners saw higher returns on their investment than other STNL owners. As seen in graph 1, on average, Dollar General cap rates traded at nearly 5 basis points higher than other STNL properties, regardless of lease term remaining. Data from 2019 and 2020 supports this trend and suggest that Dollar General investors get more "bang for their buck," on average, regardless of lease term, than other STNL investors.

Dollar General qualifies as “essential retail” so there is likely to be a material increase in demand, as retail investors seek out safeguards against future outbreaks.



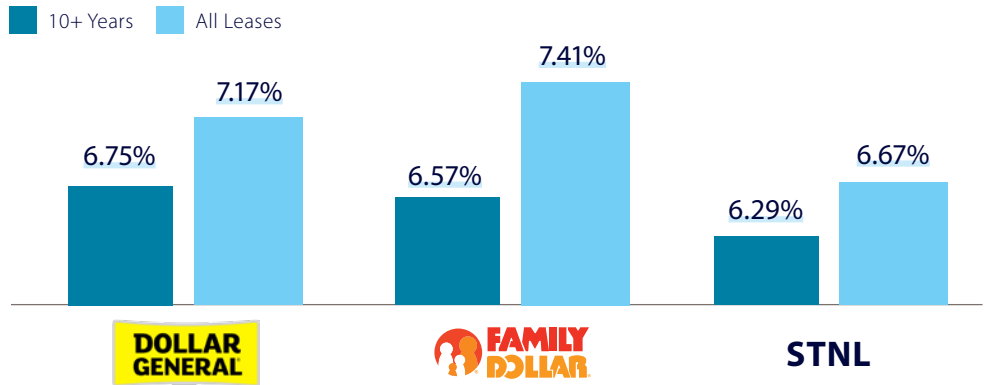
However, Dollar General assets are unlikely to stay cheap for long. COVID-19 has put an emphasis on retail that is “essential,” meaning it can continue to operate regardless of unforeseen circumstances, like a global pandemic, due to the fact that it offers products that consumers must have. Dollar General qualifies as “essential retail” so there is likely to be a material increase in demand, as retail investors seek out safeguards against future outbreaks.



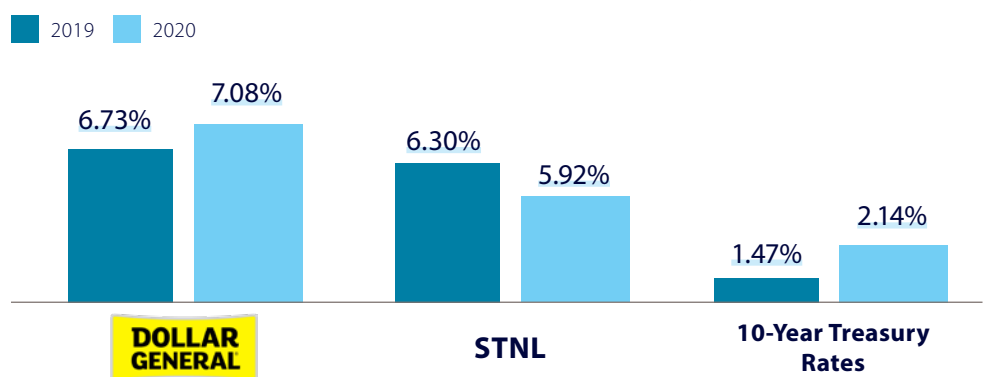
Interested in buying or selling a Dollar General?

Contact the experts at Avison Young Net Lease Group

Average Cap Rates



Dollar General vs STNL Cap Rate vs 10-Year Treasury Rates



NET LEASE *Advisor* See more information on Dollar General [here](#).



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