



BUFFALO, NY

OFFERING MEMORANDUM
Marcus & Millichap



EXECUTIVE SUMMARY

2078 Niagara St,
Buffalo, NY 14207

ADDRESS



Buffalo, NY

MARKET

3,486 SF

TOTAL GLA



11.08 YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

THE OFFERING

Price	\$960,000
Cap Rate	5.00%
Year Built	1985
Total GLA	3,486 SF
Lot Size	0.39 Acres
Rent Commencement	October 25, 1985
Lease Expiration	October 24, 2030
Increases	See Rent Schedule
Options	Three; Five-Year Terms
Debt	Free and Clear

ANNUALIZED OPERATING DATA

Base Rent	\$48,000*
RENTAL INCREASES	
10/25/10- 10/24/20	\$24,000
10/25/20- 10/24/25	\$48,000
10/25/25- 10/24/30	\$52,800
OPTION TERMS	
Option 1 (10/25/30- 10/24/35)	\$58,080
Option 2 (10/25/35- 10/24/40)	\$63,900
Option 3 (10/25/40- 10/25/45)	\$70,320

*Rent Credit- Seller will credit Buyer the per diem difference between the current rental rate of \$24,000 and the rental rate of \$48,000 at the time of closing.

INVESTMENT OVERVIEW

Marcus & Millichap, on behalf of ownership, is pleased to exclusively offer the fee simple interest in this 7-Eleven Convenience Store located in Buffalo, New York. The Tenant, 7-Eleven, Inc., has new 11 years remaining on their absolute NNN lease. This is a long-established 7-Eleven location as the tenant has operated here since 1985, and recently exercised a 10-year extension through 2030. The lease features attractive rental increases of 10 percent every five years during the base term and three, five-year option periods. The fee-simple nature of the lease allows an investor the ability to depreciate the improvements which is increasingly rare on small price point deals such as this. The lease is corporately guaranteed by 7-Eleven, Inc., the world's leading convenience store with an investment grade credit rating of "AA-" by Standard & Poor's.

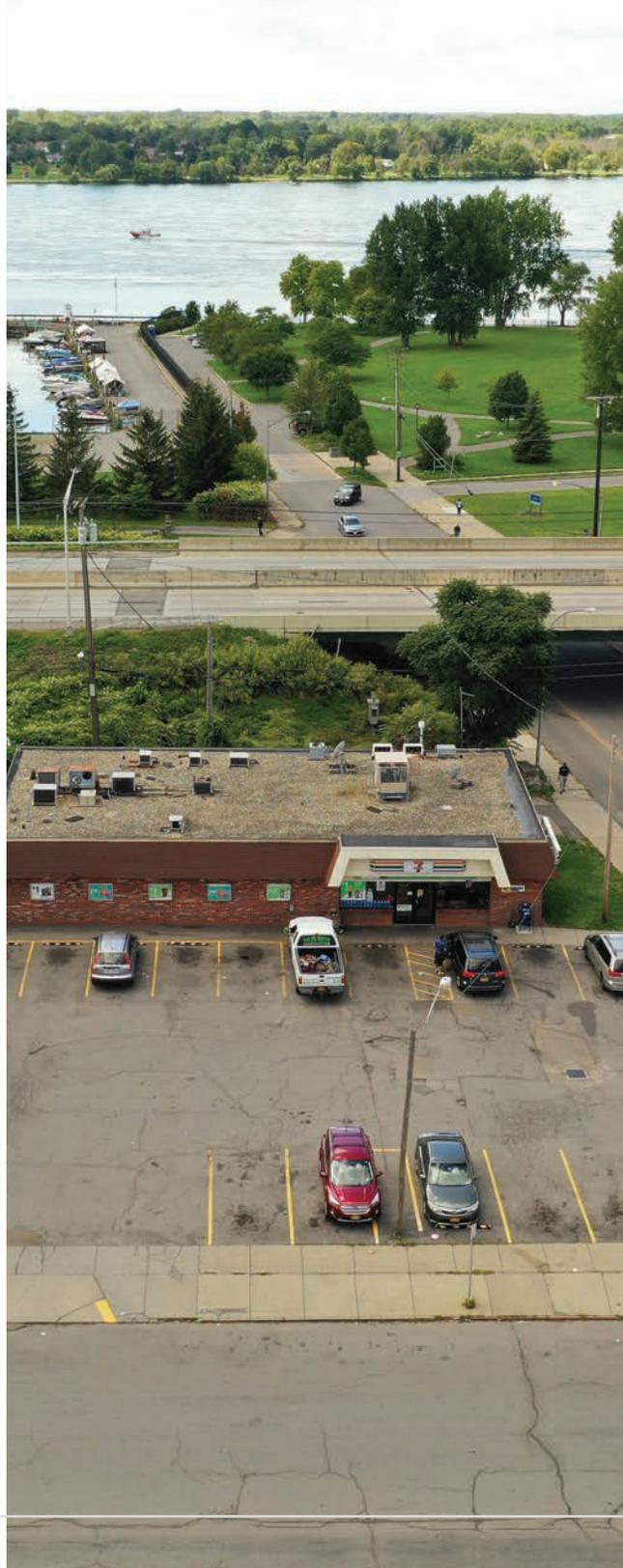
7-Eleven is situated upon a 0.39-acre parcel at the signaled intersection of Niagara Street and Hertel Avenue in the highly dense Black Rock neighborhood in northwest Buffalo. The Property is located just one-tenth-of-a-mile from the Interstate-190 exit at Austin Street (59,274 VPD). It is on the opposing corner from Watergate II, a 195-unit low income housing apartment community, West Marine boat and fishing supply, and the 5-acre Towpath Park. The Tenant is in proximity to notable retailers McDonald's, Family Dollar and Advance Auto Parts, and one-and-one-half-miles from Buffalo State College. The College campus, which includes 11,000 students and 1,820 administrative staff, is also home to the Richardson Olmstead, one of Buffalo's most iconic buildings and a National Historic Landmark that is being renewed after years of neglect. The 191,000-square-foot project includes 88 hotel rooms, conference facilities, a fine dining restaurant, and a grab-and-go café. Located less than five miles northwest of downtown Buffalo, this submarket is highly dense. Presently there are more than 11,602 people within one-mile and more than 114,634 people within three miles of the property.

INVESTMENT HIGHLIGHTS

- **11 Year NNN Lease; Depreciation Benefits**
- **Attractive 10% Increases Every 5 Years**
- **Long-Established 7-Eleven C-Store Location Since 1985**
- **Proximity to Buffalo State College with 12,820 Students, Faculty & Staff**
- **Highly Dense Black Rock Neighborhood with 114,634 People Within 3 Miles**
- **0.1-Mile from Interstate-190 Exit with 59,274 VPD**
- **Neighbors 195-Unit Apartment Complex and 500-Slip Marina**
- **Proximity to Notable Tenants McDonald's, Family Dollar and Advance Auto Parts**
- **Proximity to Richardson Olmstead, 191,000 SF Redevelopment Project**

TENANT INFORMATION

7-Eleven is the world's largest convenience store chain operating, franchising and licensing more than 60,000 stores in 18 countries, of which nearly 10,700 are in North America. 7-Eleven also is one of the nation's largest independent gasoline retailers. Its company's name was changed from The Southland Corporation to 7-Eleven, Inc. after approval by shareholders on April 28, 1999. Founded in 1927 in Dallas, Texas, 7-Eleven pioneered the convenience store concept during its first years of operation as an ice company when its retail outlets began selling milk, bread and eggs as a convenience to guests. The name 7-Eleven originated in 1946 when the stores were open from 7 a.m. to 11 p.m. Today, offering busy shoppers 24-hour convenience, seven days a week is the cornerstone of 7-Eleven's business. 7-Eleven focuses on meeting the needs of convenience-oriented guests by providing a broad selection of fresh, high-quality products and services at everyday fair prices, speedy transactions and a clean, friendly shopping environment. Each store's selection of about 2,500 different products and services is tailored to meet the needs and preferences of local guests. Stores typically vary in size from 2,400 to 3,000 square feet and are most often located on corners for great visibility and easy access. Well known for the Big Gulp® fountain soft drink, Big Bite® grill items, the Slurpee® beverage and its fresh-brewed coffee, 7-Eleven's food service offerings bring guests a proprietary line of prepared-fresh-daily and daily delivered deli sandwiches, wraps, breakfast sandwiches and a wide assortment fruits, salads and baked goods.



HEADQUARTERS

Dallas, TX



NO. OF EMPLOYEES

45,000+



NO. OF LOCATIONS

65,000+



YEAR FOUNDED

1927



STOCK SYMBOL /CREDIT RATING

SVNDY : AA-

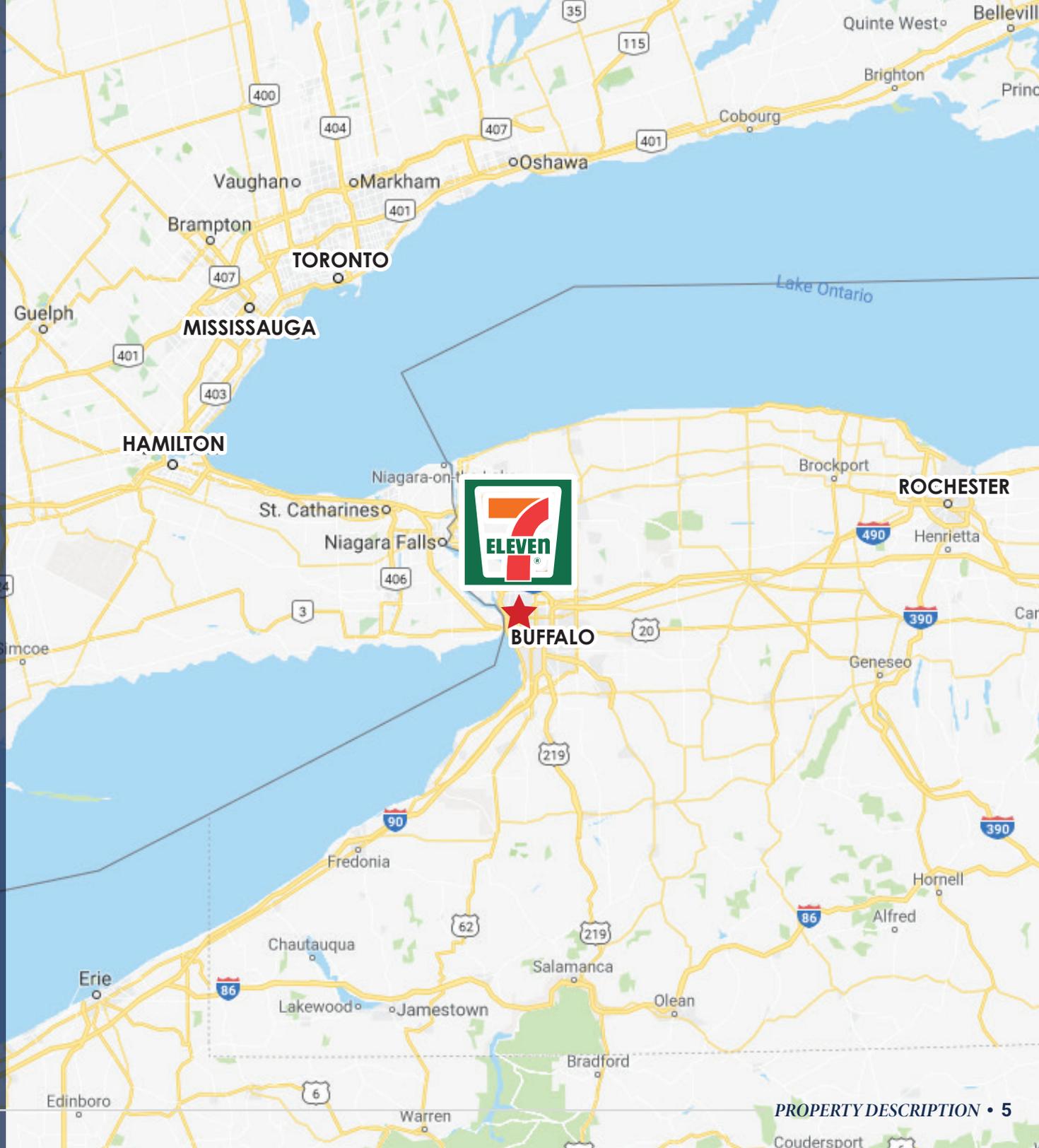
REGIONAL MAP

19K VPD

An average of 19,249 vehicles per day drive by Hartel Ave and Niagara Street

5 MILES

Less than 5 miles to downtown Buffalo, NY



Niagara Falls

Riverside Institute of Technology

Watergate II
195 units



West Marine

0.2 Miles Away
McDonald's



Advance Auto Parts
FAMILY DOLLAR

One-Mile
Population:
11,602 People

0.1 Miles Away
From I-190 Ramp

59,274 VPD



HARTEL AVE - 6,327 VPD

NIAGARA ST - 12,922 VPD



Buffalo State College
11,000 Students



Downtown Buffalo, NY



One-Mile
Population:
11,602 People

Rich Marine Sales
& Marina
500 Slips

NIAGARA ST - 12,922 VPD

59,274 VPD

HARTEL AVE - 6,327 VPD

0.1 Miles Away
From I-190 Ramp



LEASE ABSTRACT

Guarantor 7-Eleven, Inc.

Lease Commencement Date October 25, 1985

Expiration Date October 24, 2030

Notification Period for Tenant to Exercise Options 90 Days

Landlords Obligations None

Tenant's Obligations Tenant shall maintain demised premises

Assignment & Subletting At any time and from time to time during the term of this Lease or any renewal or extension thereof, the Lessee shall have the unrestricted right to assign, transfer, sublet, encumber, or otherwise dispose of all or part of its interest in and to the leased premises; but any such assignment or subletting shall not in any way release Lessee from any of its liabilities or obligations under the terms of this Lease.

DEMOGRAPHIC HIGHLIGHTS



5-MILE POPULATION

264,026



5-MILE AVERAGE HOUSEHOLD INCOME

\$58,168



5-MILE ESTIMATED HOUSEHOLDS

114,988



DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection	11,430	112,008	255,603
2018 Estimate	11,602	114,634	264,026
2010 Census	11,776	115,288	264,864
2000 Census	11,533	120,456	289,908
Current Daytime Population	8,047	121,728	315,514

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2023 Projection	4,624	50,031	112,756
2018 Estimate	4,663	50,573	114,988
2010 Census	4,771	50,912	115,275
2000 Census	4,973	52,363	122,461

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2018 Estimate Total Population	11,602	114,634	264,026
Under 20	31.43%	24.58%	24.68%
20 to 34 Years	24.01%	28.86%	25.84%
35 to 39 Years	6.18%	6.66%	6.04%
40 to 49 Years	10.86%	10.40%	10.50%
50 to 64 Years	17.04%	17.37%	19.00%
Age 65+	10.48%	12.12%	13.95%
Median Age	31.26	32.96	34.63
<u>Population 25+ by Education Level</u>			
2018 Estimate Population Age 25+	7,083	76,450	176,662
Elementary (0-8)	5.64%	3.87%	3.22%
Some High School (9-11)	18.18%	9.29%	9.13%
High School Graduate (12)	35.41%	23.84%	25.99%
Some College (13-15)	17.60%	17.57%	19.61%
Associate Degree Only	7.12%	8.62%	9.74%
Bachelors Degree Only	9.67%	19.63%	17.36%
Graduate Degree	3.70%	15.02%	13.25%

INCOME	1 MILE	3 MILES	5 MILES
<u>2018 Housing Income</u>			
\$150,000 or More	1.40%	6.68%	5.40%
\$100,000 - \$149,000	5.06%	8.53%	9.20%
\$75,000 - \$99,999	6.89%	9.78%	10.30%
\$50,000 - \$74,999	12.19%	16.74%	16.37%
\$35,000 - \$49,999	13.46%	13.10%	12.93%
Under \$35,000	61.01%	45.18%	45.81%
Average Household Income	\$38,916	\$61,485	\$58,168
Median Household Income	\$26,085	\$40,034	\$39,416
Per Capita Income	\$15,731	\$27,645	\$25,794

DEMOGRAPHIC SUMMARY

Geography: 5 Miles



POPULATION

In 2018, the population is 264,026. The population has changed by -8.93% since 2000. It is estimated that the population will be 255,603 five years from now, which represents a change of -3.19% from the current year. The current population is 47.95% male and 52.05% female. The median age of the population is 34.63, compared to the US average which is 37.95. The population density is 3,354.40 people per square mile.



HOUSEHOLDS

There are currently 114,988 households in your selected geography. The number of households has changed by -6.10% since 2000. It is estimated that the number of households will be 112,756 five years from now, which represents a change of -1.94% from the current year. The average household size is 2.22 persons.



INCOME

In 2018, the median household income is \$39,416, compared to the US average which is currently \$58,754. The median household income has changed by 41.88% since 2000. It is estimated that the median household income will be \$45,469 five years from now, which represents a change of 15.36% from the current year.

The current year per capita income is \$25,794, compared to the US average, which is \$32,356. The current year average household income is \$58,168, compared to the US average which is \$84,609.



RACE AND ETHNICITY

The current year racial makeup is as follows: 55.32% White, 31.06% Black, 0.07% Native American and 4.84% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 11.41% of the current year population. Compare this to the US average of 18.01%.



HOUSING

The median housing value was \$107,966 in 2018, compared to the US average of \$201,842. In 2000, there were 60,054 owner occupied housing units and there were 62,408 renter occupied housing units. The median rent at the time was \$380.



EMPLOYMENT

In 2018, there are 170,530 employees, this is also known as the daytime population. The 2000 Census revealed that 60.85% of employees are employed in white-collar occupations, and 39.11% are employed in blue-collar occupations. In 2018, unemployment is 7.59%. In 2000, the average time traveled to work was 22.00 minutes.

BUFFALO OVERVIEW

Containing the popular tourist attraction Niagara Falls and located less than 100 miles from Toronto, the Buffalo metro consists of Erie and Niagara counties, with the city of Buffalo representing the county seat of Erie County. The metro generates a significant portion of revenue through tourism, while the economy also specializes in financial services, healthcare and retailing. The market lies within 500 miles of 40 percent of the U.S. population and a large portion of the Canadian market.

METRO HIGHLIGHTS



CENTRALIZED LOCATION

Three certified Foreign Trade Zones and a centralized location near major metropolitan areas provide a base of operations for manufacturing and logistics.



ADVANCED MANUFACTURING BASE

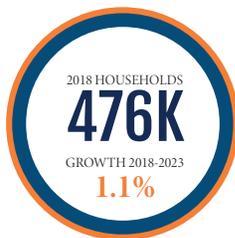
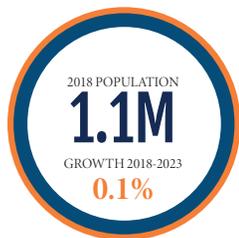
There is no state income tax for manufacturing companies, supporting a growing advanced manufacturing base, with over 63,000 skilled workers in the metro.



WORLD-CLASS LIFE-SCIENCES RESEARCH

Roughly 15 percent of local graduates receive degrees in life sciences, making it the fourth-ranked metro on a per capita basis in the nation.

BUFFALO DEMOGRAPHICS



THE BUFFALO ECONOMY

Comprehensive healthcare systems companies Kaleida Health and Catholic Health employ nearly 20,000 people combined, underscoring the vast healthcare diagnostics and research employment base.

M&T Bank, one of the largest commercial banks in the nation, is headquartered in Buffalo. The firm employs more than 7,500 workers locally.

The Buffalo Niagara Medical Campus, a 120-plus acre collaborative research park in downtown Buffalo, provides space for research and development for more than 75 companies in biotech and life sciences.

The metro is the leading dairy producer in the state, while New York is the third largest dairy-producing state in the nation.

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