

FARM STORES

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



9 Nelson Street
Newton, NJ 07680

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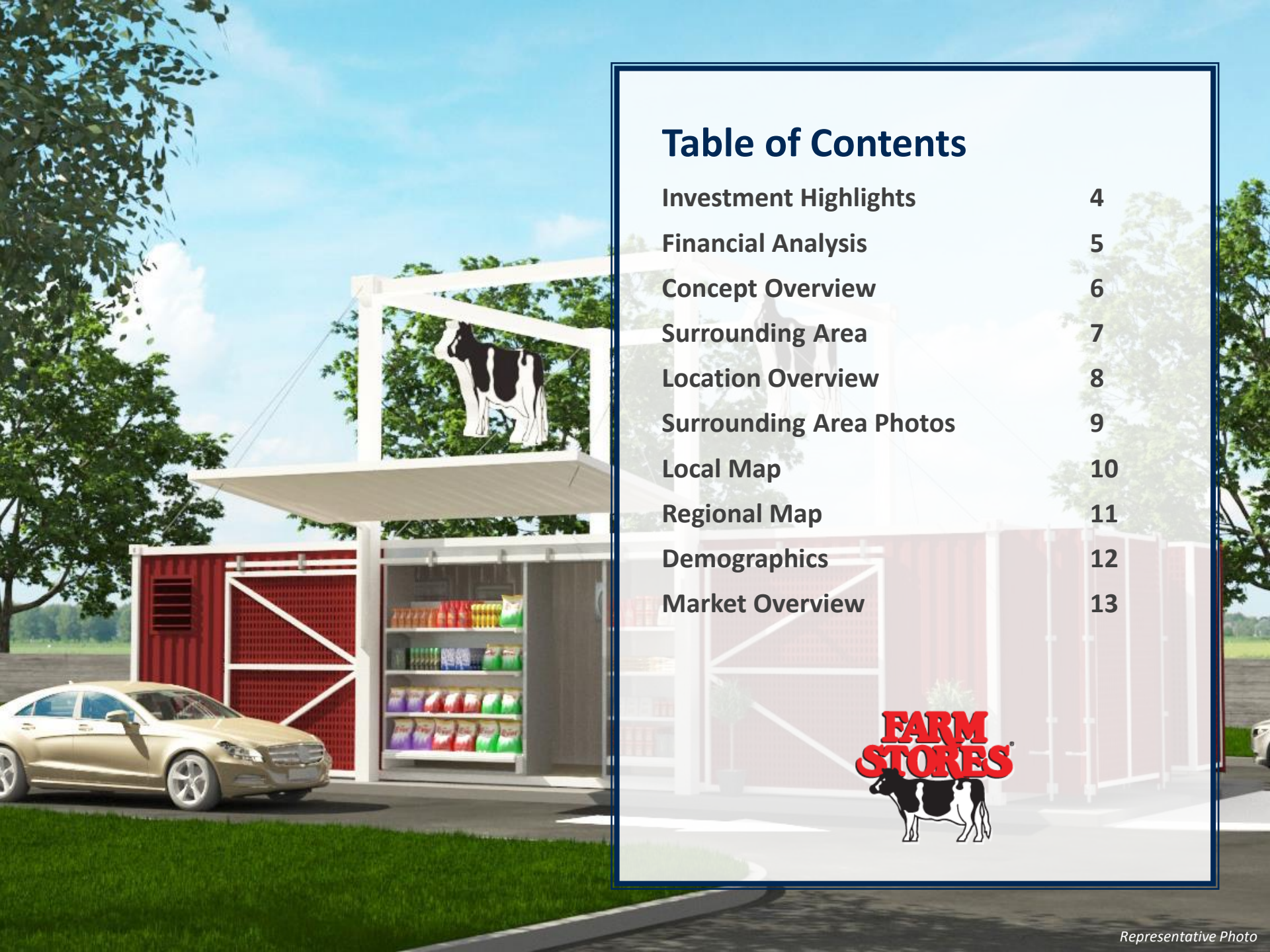


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Investment Highlights

PRICE: \$1,248,174 | CAP: 5.75% | RENT: \$71,770



About the Investment

- ✓ Under Renovation; Estimated Opening Late September 2021!
- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease
- ✓ Lease Commencement Upon Store Opening
- ✓ Strong Hedge Against Inflation | Three Percent (3.0%) Annual Rental Increases
- ✓ Two (2), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 30 Years

About the Location

- ✓ Dense Urban Infill | Walmart, Lowe's, The Home Depot, Walgreens, Dollar General, Dairy Queen, McDonald's, Burger King, and More
- ✓ Affluent Suburban Community | Average Income Within a Three-Mile Radius Exceeds \$102,400
- ✓ Highly Trafficked Area | Over 15,500 and 14,000 Vehicles Per Day Along Main Street and Woodside Avenue
- ✓ Strong Academic Presence | Total Combined Enrollment of Approximately 3,500 Students Within a Two-Mile Radius
- ✓ Newark Liberty International Airport (EWR) Serves Over 34,000,000 Passengers Annually and Contributes \$2.6 Billion to the Regional Economy | Located Within a 40-Minute Drive of the Subject Property

About the Tenant / Brand

- ✓ Farm Stores is America's Largest and Oldest Drive-Thru Convenience Store – COVID Proof Retail
- ✓ A hybrid Grocery Store, Bakery and Restaurant With a Double Drive-Thru, Which Makes Farm Stores Concept One-Of-a-Kind
- ✓ There Are Currently 60 Farm Stores With Rapid Expansion Plans | Scheduled to Break Ground on 30-40 Units Over the Next 12 Months | Under Development Contract to Open 500 Stores Within the Next 7 Years
- ✓ Farm Stores Has Been Successfully Operating For 50+ Years





Financial Analysis

PRICE: \$1,248,174 | CAP: 5.75% | RENT: \$71,770



PROPERTY DESCRIPTION

Concept	Farm Stores
Street Address	9 Nelson Street
City, State ZIP	Newton, NJ 07680
Year Renovated	2021
Building Size Estimated (SF)	792
Lot Size Estimated (Acres)	0.31
Type of Ownership	Fee Simple

THE OFFERING

Price	\$1,248,174
CAP Rate	5.75%
Annual Rent	\$71,770*

LEASE SUMMARY

Property Type	Net Leased Drive-Thru Convenience Store
Tenant / Guarantor	Jersey State Development Group, LLC / 4 Personal Guarantees
Original Lease Term	20.0 Years
Lease Commencement	Upon Store Opening
Lease Expiration	20 Years From Store Opening
Lease Term Remaining	20.0 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	3% Annually
Options to Renew	Two, Five Year Options

* Rent is subject to change based upon final construction costs.

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$71,770	\$5,980.83	-
Year 2	\$73,923	\$6,160.26	3.00%
Year 3	\$76,141	\$6,345.07	3.00%
Year 4	\$78,425	\$6,535.42	3.00%
Year 5	\$80,778	\$6,731.48	3.00%
Year 6	\$83,201	\$6,933.43	3.00%
Year 7	\$85,697	\$7,141.43	3.00%
Year 8	\$88,268	\$7,355.67	3.00%
Year 9	\$90,916	\$7,576.34	3.00%
Year 10	\$93,644	\$7,803.63	3.00%
Year 11	\$96,453	\$8,037.74	3.00%
Year 12	\$99,346	\$8,278.87	3.00%
Year 13	\$102,327	\$8,527.24	3.00%
Year 14	\$105,397	\$8,783.06	3.00%
Year 15	\$108,559	\$9,046.55	3.00%
Year 16	\$111,815	\$9,317.94	3.00%
Year 17	\$115,170	\$9,597.48	3.00%
Year 18	\$118,625	\$9,885.41	3.00%
Year 19	\$122,184	\$10,181.97	3.00%
Year 20	\$125,849	\$10,487.43	3.00%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Farm Stores located at 9 Nelson Street in Newton, NJ. Scheduled to open in late September 2021, the site will consist of roughly 792 rentable square feet of building space on estimated 0.31-acre parcel of land.

The Farm Stores property is subject to a brand new 20-year triple-net (NNN) lease, which will commence upon store opening. The initial annual rent will be \$71,770 and will increase by three percent (3%) annually, throughout the term of the lease and in each option period. There are two (2), five (5)-year tenant renewal options, extending the total possible lease term to 30 years.



Concept Overview



About Farm Stores

Farm Stores is the country's largest and fastest growing chain of drive thru grocery stores. Catering to consumers with busy lifestyles and families always on the go, Farm Stores prides itself on being the Convenience last stop store on the way home. A hybrid grocery store, bakery and restaurant with a double drive-thru makes Farm Stores concept one-of-a-kind. In 1957, the company created its drive-thru stores to deliver fresh dairy products directly to the consumer. By the late 1960s, Farm Stores had become recognized as the premier convenience store for quality dairy products and groceries in Florida. Today, it is the oldest and largest drive-thru convenience store in the United States.

Farm Stores is rapidly expanding throughout the country. In addition to its locations in Florida, the company is scheduled to break ground on approximately 30-40 stores. Additionally, Farm Stores is under a development contract to open 500 stores over the next seven years.

The secret to Farm Stores' success is catering to the neighborhoods in which they are located. "Each neighborhood dictates how the store is merchandised," Bared says. "Eighty percent of the merchandise is common items like milk, bread and other fresh products that we know will sell in every store and state. The remaining 20 percent is localized items. Farm Stores equips its franchise locations with a cloud-based POS system. The company is also rolling out its app so customers can order from the drive-thru or at home and speed up the process. The app also allows customers to take a deeper look inside the store's menu of products, something not so easily done from the car.

General Information

Founded	1957
Website	http://www.farmstores.com
Number of Locations	60



9 Things to Love About Farm Stores

**\$700
BILLION
INDUSTRY**

Farm Stores is part of a growing \$700-billion industry

**EFFICIENT
BUSINESS
MODEL**

Our extremely efficient business model has low operating costs and requires few employees.

**GROCERY
+BAKERY
+RESTAURANT**
Farm Stores

A hybrid of grocery store, bakery and restaurant – Farm Stores is 100% unique

**LARGEST
& OLDEST**

Since 1957, Farm Stores is the largest and oldest drive-thru grocery store in America.



80% of Farm Stores customers are repeat customers, returning to the store at least once weekly!

**MULTI-UNIT
OPPORTUNITIES**

We have great locations available and multi-unit growth potential.



Nationwide Area Developer opportunities are available now.

Stocking the **(MOST
FREQUENT
MOST
CONVENIENT)** items.

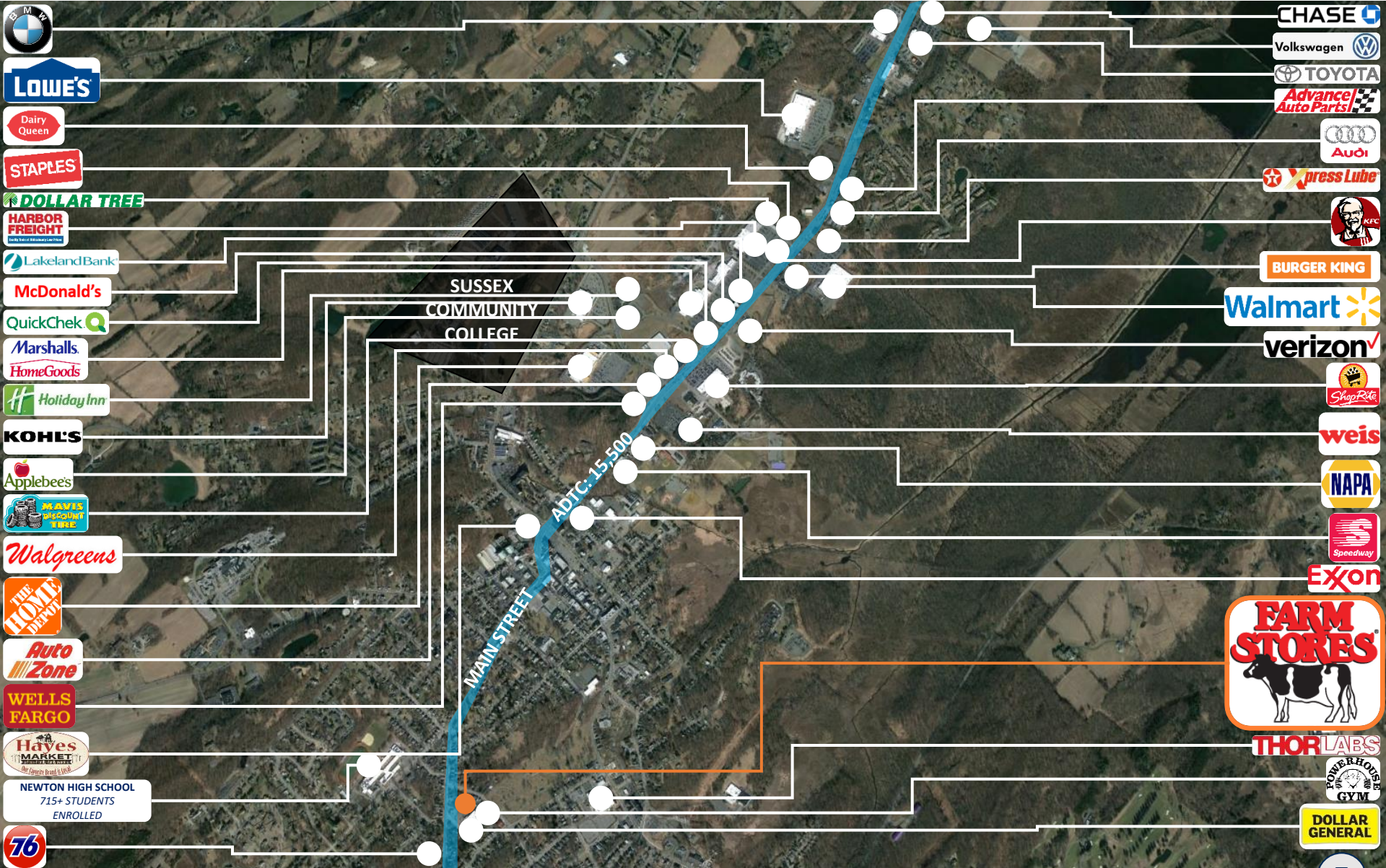
**CONVENIENCE
CONVENIENT
STORE**

Farm Stores sells the grocery and foodservice items that consumers purchase most frequently and delivers them in the most convenient way possible – via small, drive-thru locations.

Not a traditional convenience store, we view ourselves as a convenient store – and we're the last stop for busy families on-the-go and on the way home.



Surrounding Area





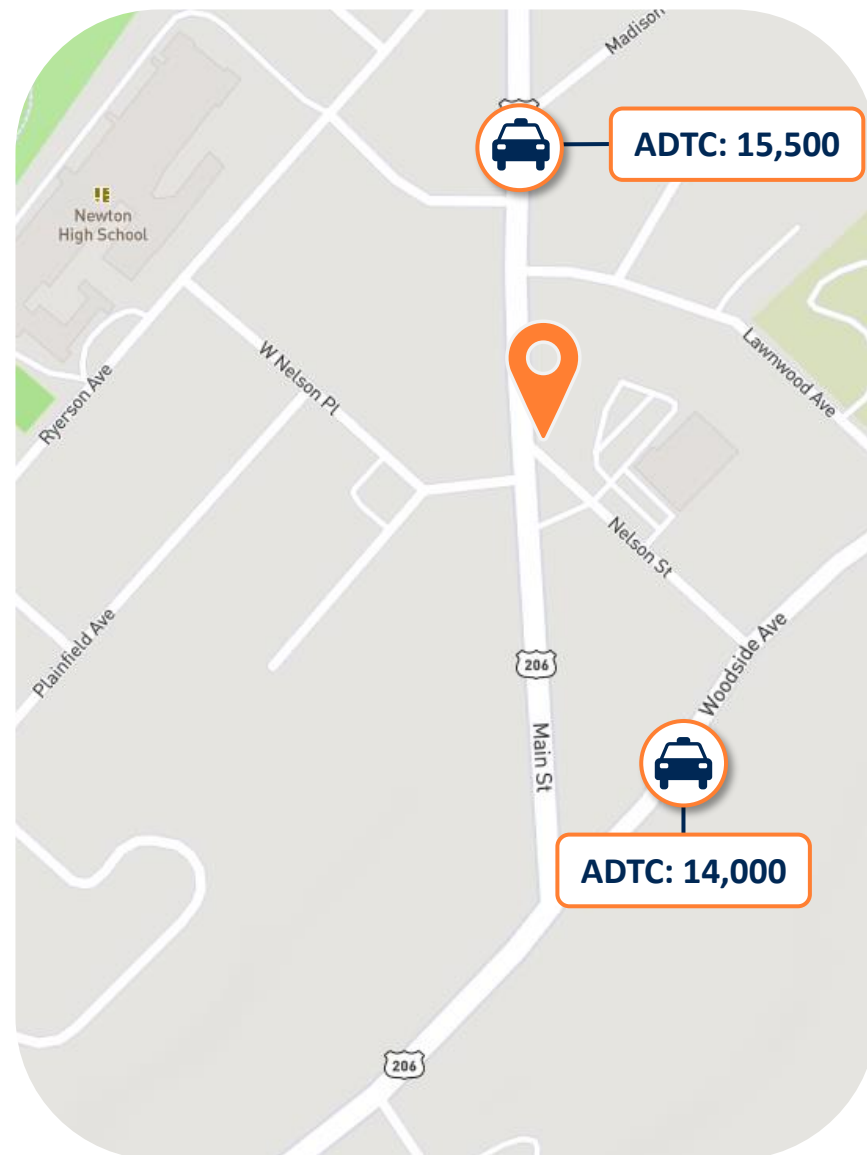
Location Overview



This Farm Stores property is strategically situated at 9 Nelson Street in Newton, NJ. The subject property is situated on the corner of Nelson Street and Main Street, which experiences average daily traffic counts exceeding 15,500 vehicles. Nelson Street intersects with Woodside Avenue, which brings in an additional 14,000 vehicles into the immediate area daily. There are more than 25,000 individuals residing within a five-mile radius of the property and more than 98,000 individuals within a ten-mile radius. Additionally, this Farm Stores property is situated in an affluent suburban community with an average household income of over \$102,400 within a three-mile radius.

The subject property benefits from being well-positioned in an urban infill consisting of national and local tenants and academic institutions all within close proximity of this property. Major national tenants include: Walmart, Lowe's, The Home Depot, Walgreens, Dollar General, Dairy Queen, McDonald's, Burger King, as well as many others. This Farm Stores property also benefits from its close proximity to several academic institutions. The most notable are Nelson High School and Sussex County Community College, which have a total combined enrollment exceeding 3,500 students. Newton Medical Center, a 150+ bed, general medical and surgical facility, is located within a one-mile radius of the subject property. Newark Liberty International Airport (EWL), serves approximately 34,000,000 passengers annually, and is located within a one-hour drive. Additionally, EWL contributes over \$11.3 billion to the regional economy.

Newton, the county seat of Sussex County, is an incorporated municipality. One of fifteen municipalities in the state organized as a town, the municipal government operates under a council-manager structure provided by the Faulkner Act, or Optional Municipal Charter Law. It is part of the New York Metropolitan Area and is part of the state's Skylands Region, a term promoted by the New Jersey Commerce, Economic Growth, & Tourism Commission to encourage tourism. Newton is situated just 40 miles outside of Newark, the most populous city in New Jersey and one of the nation's major air, shipping, and rail hubs.



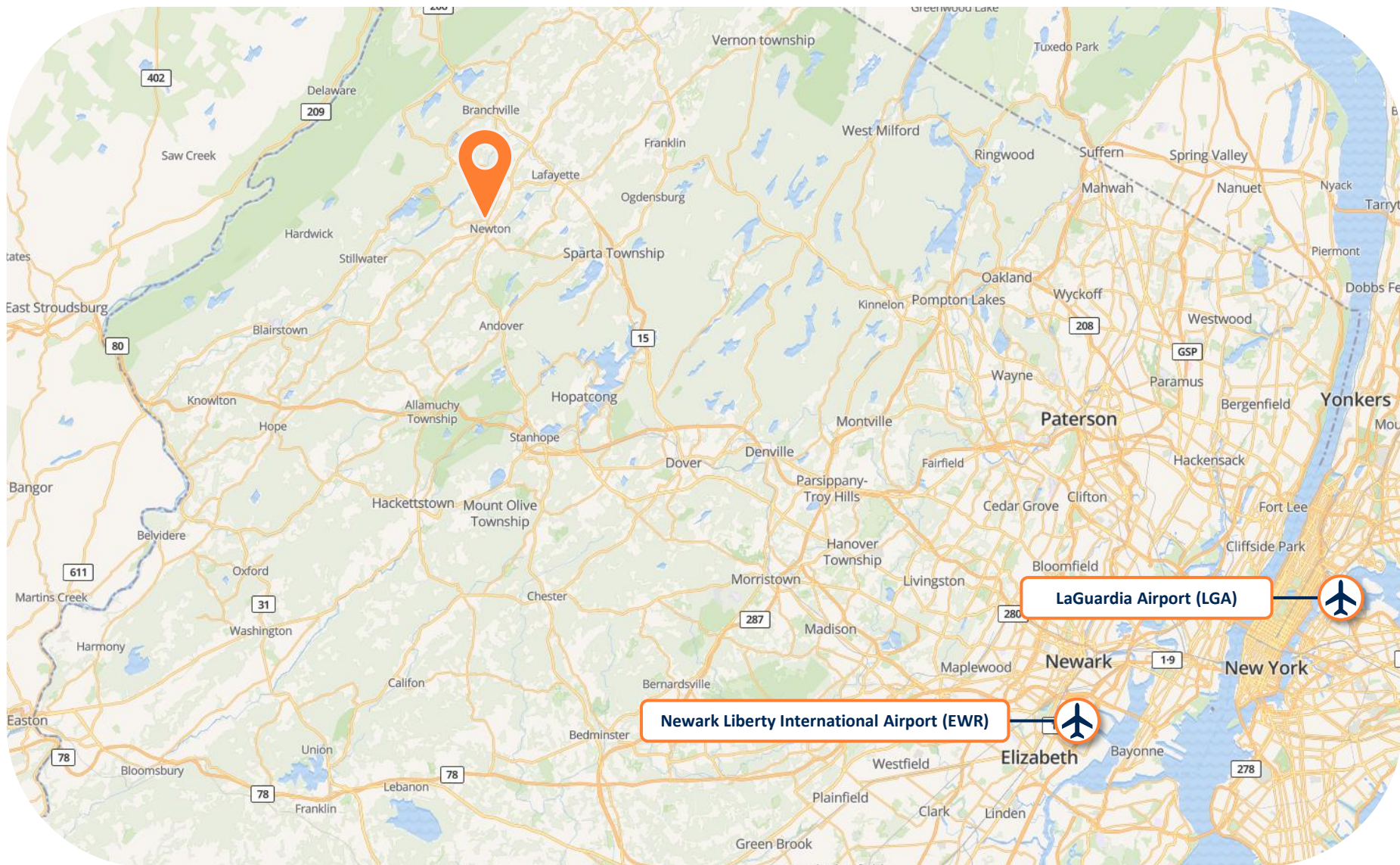


Surrounding Area Photos



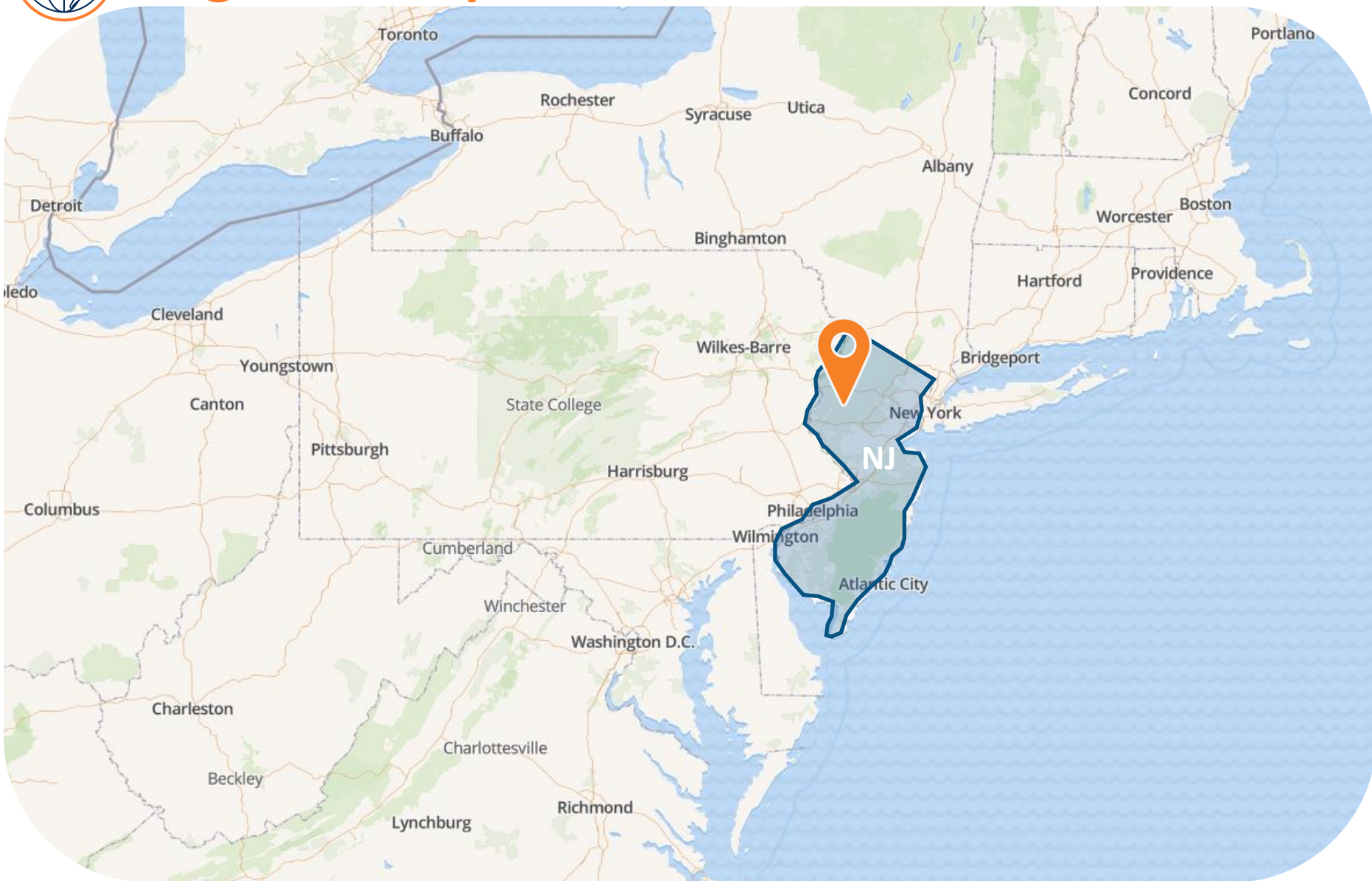


Local Map



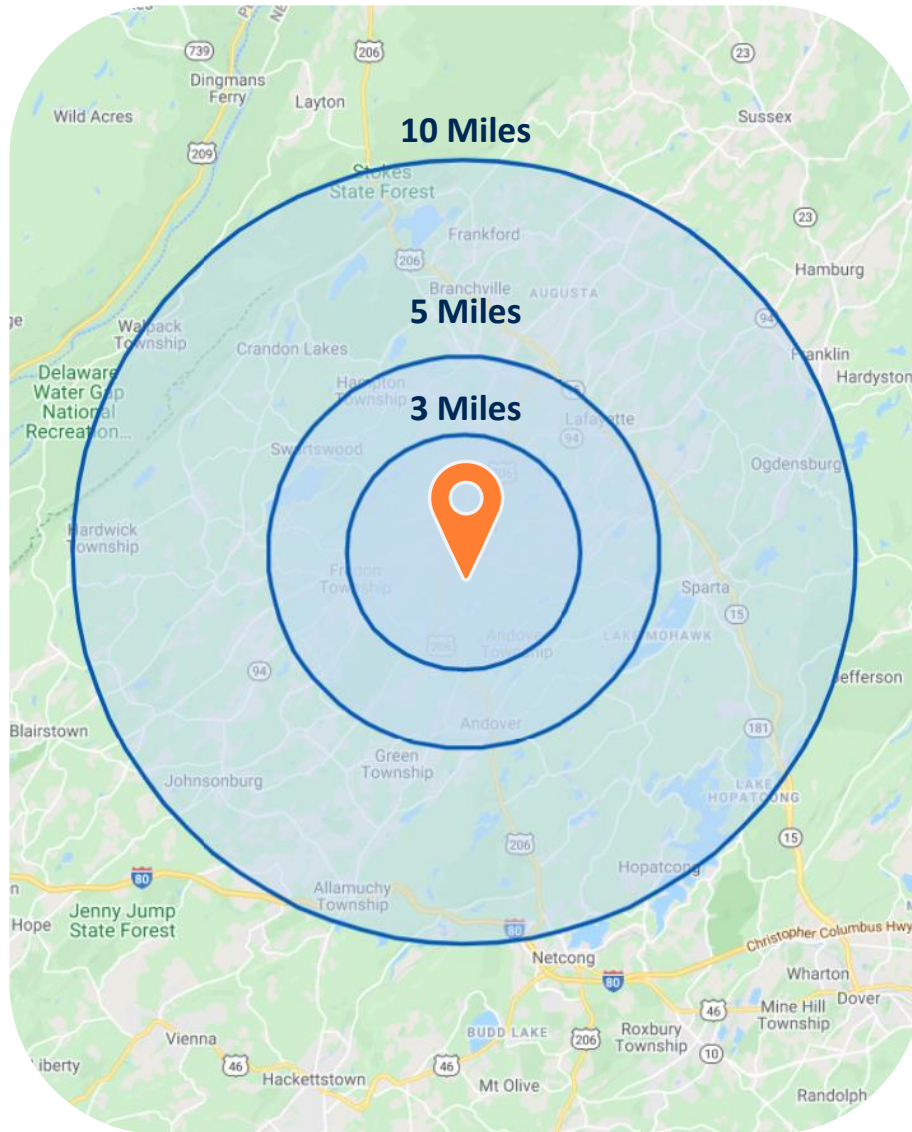


Regional Map





Demographics



	3 Miles	5 Miles	10 Miles
POPULATION TRENDS			
2010 Population	14,834	28,046	99,340
2020 Population	13,789	25,898	93,390
2025 Population Projection	13,569	25,446	92,116
Population by Race (2020):			
White	12,253	23,745	86,880
Black	727	937	2,379
American Indian/Alaskan Native	88	104	237
Asian	457	667	2,358
Hawaiian & Pacific Islander	7	13	29
Two or More Races	257	432	1,507
Hispanic Origin	1,650	2,423	8,165
Household Trends:			
2010 Households	5,555	10,210	36,345
2020 Households	5,153	9,366	34,071
2025 Household Projection	5,067	9,186	33,582
Growth 2010 - 2020	0.40%	0.20%	0.10%
Owner Occupied	3,269	7,004	28,425
Renter Occupied	1,797	2,182	5,156
Average Household Income (2020):			
Households by Household Income (2020):			
<\$25,000	898	1,203	3,295
\$25,000 - \$50,000	789	1,213	4,150
\$50,000 - \$75,000	671	1,192	4,608
\$75,000 - \$100,000	855	1,623	5,532
\$100,000 - \$125,000	532	924	3,809
\$125,000 - \$150,000	356	728	2,907
\$150,000 - \$200,000	498	1,082	4,264
\$200,000+	554	1,403	5,505



Market Overview



Newark, New Jersey



Newton is located less than 40 miles outside of Newark, New Jersey. Newark is the most populous city in the U.S. state of New Jersey and the seat of Essex County. As one of the nation's major air, shipping, and rail hubs, the city had a census-estimated population of 282,011 in 2019, making it the nation's 73rd-most populous municipality, after being ranked 63rd in the nation in 2000. Its location at the mouth of the Passaic River has made the city's waterfront an integral part of the Port of New York and New Jersey. Today, Port Newark–Elizabeth is the primary container shipping terminal of the busiest seaport on the U.S. East Coast. Newark Liberty International Airport was the first municipal commercial airport in the United States, and today is one of its busiest.

Several leading companies have their headquarters in Newark, including Prudential, PSEG, Panasonic Corporation of North America, Audible.com, IDT Corporation, and Manischewitz. A number of important higher education institutions are also in the city, including the Newark campus of Rutgers University (which includes law and medical schools and the Rutgers Institute of Jazz Studies); the New Jersey Institute of Technology; and Seton Hall University's law school. The U.S. District Court for the District of New Jersey sits in the city as well. Local cultural venues include the New Jersey Performing Arts Center, Newark Symphony Hall, the Prudential Center and The Newark Museum of Art.

Newark is divided into five political wards (East, West, South, North and Central) and contains neighborhoods ranging in character from bustling urban districts to quiet suburban enclaves. Newark's Branch Brook Park is the oldest county park in the United States and is home to the nation's largest collection of cherry blossom trees, numbering over 5,000. More than 100,000 people commute to Newark each workday, making it the state's largest employment center with many white-collar jobs in insurance, finance, import-export, healthcare, and government. As a major courthouse venue including federal, state, and county facilities, it is home to more than 1,000 law firms. The city is also a college town, with nearly 50,000 students attending the city's universities and medical and law schools. Its airport, maritime port, rail facilities, and highway network make Newark the busiest transshipment hub on the U.S. East Coast in terms of volume.

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