Single-Tenant Net Leased Trends Report

January 2018 - April 2019

Marcus & Millichap

Standard & Poor's Credit Rating Definitions

CREDIT QUALITY	CREDIT RATINGS	RATINGS DEFINED
Excellent	AAA	An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
Excellent	AA	An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.
Good	A	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
Good	BBB	An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
Satisfactory	BB	An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.
Below Satisfactory	B	An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.
Poor	CCC	An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.
Poor	CC	An obligation rated 'CC' is currently highly vulnerable to nonpayment.
Critical	C	A 'C' rating is assigned to obligations that are currently highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default. Among others, the 'C' rating may be assigned to subordinated debt, preferred stock or other obligations on which cash payments have been suspended in accordance with the instrument's terms or when preferred stock is the subject of a distressed exchange offer, whereby some or all of the issue is either repurchased for an amount of cash or replaced by other instruments having a total value that is less than par.
Critical	D	An obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action if payments on an obligation are jeopardized. An obligation's rating is lowered to 'D' upon completion of a distressed exchange offer, whereby some or all of the issue is either repurchased for an amount of cash or replaced by other instruments having a total value that is less than par.
Plus (+) or minus (-)		The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The information contained in this report was obtained from sources deemed reliable. Every effort was made to obtain complete and accurate information; however, no representation, warranty or guarantee to the accuracy, express or implied, is made

Cap Rates Based Upon Lease Expiration Range

Walgreens

S&P Rating: BBB
Est. Sales PSF: $785

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	9.55%	2	8.09%	7
6-10 Years	6.58%	4	7.94%	7
11-15 Years	6.30%	8	6.12%	14
16-20 Years	5.59%	5	5.83%	7

CVS/pharmacy

S&P Rating: BBB
Est. Sales PSF: $720

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.96%	7	7.01%	3
6-10 Years	6.84%	6	6.96%	1
11-15 Years	5.80%	2	5.73%	8
16-20 Years	5.72%	3	5.59%	11
21-25 Years	4.68%	2	5.28%	4

RITE AID

S&P Rating: B
Est. Sales PSF: $465

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	10.10%	3	-	-
6-10 Years	7.66%	3	8.57%	8
11-15 Years	7.54%	1	6.99%	1

FAMILY DOLLAR

S&P Rating: BBB-
Est. Sales PSF: $153

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	9.00%	8	7.65%	1
6-10 Years	8.12%	13	7.77%	6
11-15 Years	6.60%	15	6.94%	12

DOLLAR GENERAL

S&P Rating: BBB
Est. Sales PSF: $187

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	9.66%	10	9.14%	8
6-10 Years	7.99%	18	7.72%	20
11-15 Years	6.69%	91	6.66%	84

DOLLAR TREE

S&P Rating: BBB-
Est. Sales PSF: $156

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	10.56%	1	6.96%	3
6-10 Years	6.55%	4	7.08%	8
11-15 Years	5.35%	1	-	-

Cap Rates Based Upon Lease Expiration Range

Walmart Neighborhood Market

S&P Rating: AA
Est. Sales PSF: $471

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	-	-
11-15 Years	-	-	-	-
16-20 Years	5.31%	4	5.05%	1

Aaron's

S&P Rating: N/A
Est. Sales PSF: $249

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	9.57%	4	-	-
6-10 Years	7.93%	1	7.71%	2
11-15 Years	8.74%	1	-	-

SHERWIN WILLIAMS

S&P Rating: BBB
Est. Sales PSF: $630

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	7.05%	1
6-10 Years	6.13%	4	5.33%	1

FRESENIUS MEDICAL CARE

S&P Rating: BBB-
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	8.48%	2	7.99%	4
6-10 Years	-	-	7.27%	3
11-15 Years	6.28%	15	7.19%	17

DaVita

S&P Rating: BB
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	9.39%	2	8.38%	2
6-10 Years	6.81%	7	7.85%	4
11-15 Years	5.91%	11	5.91%	8

TSC TRACTOR SUPPLY CO

S&P Rating: N/A
Est. Sales PSF: $273

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.75%	1	8.66%	1
6-10 Years	8.00%	2	8.77%	3
11-15 Years	6.60%	2	6.80%	1

Cap Rates Based Upon Lease Expiration Range

S&P Rating: BBB
Est. Sales PSF: $269

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	5.00%	1
6-10 Years	6.02%	6	6.34%	3
11-15 Years	5.19%	4	5.23%	5

S&P Rating: BBB-
Est. Sales PSF: $238

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	8.45%	5	8.97%	3
6-10 Years	7.52%	9	7.15%	3
11-15 Years	5.40%	4	6.17%	3

S&P Rating: BBB
Est. Sales PSF: $251

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	8.58%	1	-	-
6-10 Years	6.54%	3	6.38%	1
11-15 Years	6.31%	2	5.60%	1
16-20 Years	5.71%	4	5.95%	8

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	7.93%	1
6-10 Years	6.90%	6	6.40%	1
11-15 Years	6.43%	5	6.31%	3
16-20 Years	-	-	5.54%	1

S&P Rating: BB+
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	8.46%	1
6-10 Years	6.01%	4	6.35%	1
11-15 Years	5.80%	1	-	-

S&P Rating: BBB+
Est. Sales PSF: $907

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	5.02%	1	-	-
6-10 Years	5.27%	22	5.52%	13
11-15 Years	3.97%	1	-	-
16-20 Years	4.47%	2	-	-

Cap Rates Based Upon Lease Expiration Range

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.68%	2	-	-
6-10 Years	5.73%	3	5.95%	1
11-15 Years	5.70%	9	5.56%	4
16-20 Years	5.06%	4	5.57%	2

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.23%	1	8.12%	2
6-10 Years	5.00%	1	5.50%	1
11-15 Years	5.94%	1	6.08%	6
16-20 Years	5.33%	6	4.88%	2

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	8.27%	1	-	-
6-10 Years	-	-	4.50%	1
11-15 Years	4.79%	5	4.89%	5
16-20 Years	5.22%	2	5.49%	2

S&P Rating: N/A
Est. Sales PSF: $597

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.54%	5	5.59%	3
6-10 Years	5.08%	3	-	-
11-15 Years	5.38%	3	5.60%	1
16-20 Years	5.21%	1	-	-

S&P Rating: BBB+
Est. Sales PSF: $610

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	5.84%	1	5.66%	1
6-10 Years	4.45%	2	4.97%	2
11-15 Years	4.22%	2	4.34%	3
16-20 Years	4.34%	5	4.11%	3

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	-	-
11-15 Years	6.16%	2	5.70%	5
16-20 Years	-	-	6.12%	8

Cap Rates Based Upon Lease Expiration Range

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.81%	3	8.03%	1
6-10 Years	7.48%	10	6.67%	7
11-15 Years	5.50%	4	5.85%	3
16-20 Years	6.15%	7	5.95%	7

Burger King

S&P Rating: B+
Est. Sales PSF: $417

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.86%	4	6.89%	3
6-10 Years	6.84%	4	6.42%	2
11-15 Years	5.99%	5	6.23%	4
16-20 Years	5.86%	24	5.74%	33

S&P Rating: B
Est. Sales PSF: $495

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	8.13%	1	7.60%	1
6-10 Years	6.03%	10	6.04%	3
11-15 Years	5.51%	6	5.37%	4
16-20 Years	5.54%	35	5.68%	24

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	7.02%	3	8.80%	1
11-15 Years	6.20%	1	5.98%	3
16-20 Years	5.95%	4	5.77%	4

S&P Rating: BB
Est. Sales PSF: $397

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.98%	2	8.36%	4
6-10 Years	6.52%	1	-	-
11-15 Years	6.25%	6	6.18%	8
16-20 Years	6.00%	1	5.79%	2

S&P Rating: BB
Est. Sales PSF: $682

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.31%	1	-	-
6-10 Years	6.30%	1	5.75%	4
11-15 Years	5.35%	4	5.53%	4
16-20 Years	5.76%	9	5.56%	16
21-25 Years	-	-	4.90%	2

Cap Rates Based Upon Lease Expiration Range

S&P Rating: AA
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	-	-
11-15 Years	-	-	5.68%	1
16-20 Years	6.17%	9	5.92%	5

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	-	-
11-15 Years	-	-	5.78%	2
16-20 Years	6.05%	4	6.11%	8
21-25 Years	5.93%	26	6.13%	10

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.38%	2	7.75%	1
6-10 Years	7.03%	4	6.86%	3
11-15 Years	6.71%	2	6.93%	5
16-20 Years	5.81%	1	-	-

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	8.18%	1
6-10 Years	7.02%	5	10.79%	1
11-15 Years	6.64%	2	-	-
16-20 Years	6.10%	1	6.58%	1

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	5.79%	2
11-15 Years	5.94%	2	5.63%	4
16-20 Years	-	-	6.18%	2

S&P Rating: BB
Est. Sales PSF: $523

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	6.95%	1
11-15 Years	6.07%	2	6.15%	1
16-20 Years	5.81%	10	5.72%	9

Cap Rates Based Upon Lease Expiration Range

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	4.25%	1
11-15 Years	4.08%	4	4.20%	1
16-20 Years	4.32%	3	4.31%	1

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	-	-	3.82%	1
11-15 Years	6.21%	3	-	-
16-20 Years	5.47%	2	5.39%	1

S&P Rating: AA-
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.80%	8	-	-
6-10 Years	5.65%	6	4.54%	2
11-15 Years	5.34%	7	5.26%	3
16-20 Years	4.80%	1	-	-

S&P Rating: BBB
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.85%	8	8.64%	2
6-10 Years	6.45%	2	6.18%	5
11-15 Years	4.95%	1	6.35%	1
16-20 Years	5.03%	1	-	-

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	-	-	-	-
6-10 Years	5.43%	1	-	-
11-15 Years	-	-	4.85%	1
16-20 Years	4.85%	9	4.76%	10

S&P Rating: BBB+
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.92%	4	7.50%	1
6-10 Years	6.47%	13	6.53%	1

Cap Rates Based Upon Lease Expiration Range

CHASE

S&P Rating: N/A
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.27%	4	6.00%	1
6-10 Years	5.09%	2	-	-
11-15 Years	5.14%	5	-	-
16-20 Years	4.36%	1	4.59%	3

PNC BANK

S&P Rating: A-
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	7.83%	1	7.14%	1
6-10 Years	-	-	6.15%	1
11-15 Years	4.81%	1	4.79%	1

Bank of America

S&P Rating: A-
Est. Sales PSF: N/A

	January-Sept 2018		Oct 2018-April 2019	
Yrs Remaining	Avg Cap Rate	# of Properties	Avg Cap Rate	# of Properties
1-5 Years	6.04%	5	6.71%	4
6-10 Years	5.16%	2	7.11%	2
11-15 Years	4.29%	1	5.82%	1

Marcus & Millichap

WOLFE RETAIL GROUP
The Wolfe Pack of Marcus & Millichap

The Wolfe Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling over 500 separate commercial properties with a market value exceeding $1.45 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

About Marcus & Millichap

With nearly 2,000 investment professionals located throughout the U.S. and Canada, Marcus & Millichap (NYSE: MMI) is a leading specialist in commercial real estate investment sales, financing, research and advisory services. The firm closed more than 9,400 transactions in 2018 with a value of approximately $46.3 billion.

Marcus & Millichap has been a pioneer in the real estate investment industry and has established a reputation for maximizing value for its clients while fostering long-term relationships built on integrity, trust and service. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. Marcus & Millichap also offers clients access to the most competitive real estate financing through Marcus & Millichap Capital Corporation (MMCC), which maintains relationships with the industry's leading national, regional and local lenders.

Marcus & Millichap

WOLFE RETAIL GROUP

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SAMPLING OF RECENTLY SOLD TRANSACTIONS

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