

# Shaw's - Peterborough, NH

135 Dublin , Peterborough, NH 83726



John Gendron, CCIM  
(207) 939-8500  
gendroncommercial@gmail.com

450 Baxter Blvd.  
Portland, ME 04103  
207-939-8500 (p)  
866-246-0114 (f)  
www.gendroncommercial.com

**Real Estate Investment Details**

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**ANALYSIS**

**Analysis Date:** September 2012



**PROPERTY**

**Property:** Shaw's - Peterborough, NH  
**Property Address:** 135 Dublin  
 Peterborough, NH 83726  
**Year Built:** 2009

**PURCHASE INFORMATION**

**Property Type:** Commercial  
**Purchase Price:** \$5,700,000  
**Fair Market Value:** \$5,700,000  
**Tenants:** 1  
**Total Rentable Sq. Ft.:** 39,000  
**Resale Valuation:** 2.0% (annual appreciation)  
**Resale Expenses:** 3.0%

**FINANCIAL INFORMATION**

**Down Payment:** \$1,995,000  
**Closing Costs:** \$15,000  
**LT Capital Gain:** 15.00%  
**Federal Tax Rate:** 35.0%  
**Discount Rate:** 4.00%

**LOANS**

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$3,705,000	25 yrs	4.0%	\$19,556	

**INCOME & EXPENSES**

**Gross Operating Income:** \$365,750  
**Monthly GOI:** \$30,479  
**Total Annual Expenses:** \$0

**CONTACT INFORMATION**

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The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

Shaw's - Peterborough, NH

## Biography



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### **PROFESSIONAL BIO**

John R. Gendron is a commercial real estate broker specializing in the selling, leasing and development of all types of commercial properties. He earned the designation of CCIM (Certified Commercial Investment Member) and holds several real estate broker licenses including Maine, New Hampshire, New York, Massachusetts, Florida and Connecticut. He is a past President, Vice President and Treasurer of the York County Board of Realtors, past President of Maine Homebuilders Association, past Director of the State of Maine Realtors Association, past Director of Portland Chamber of Commerce, past Director of Greater Portland Landmarks; past Member of Mercy Hospital Board of Trustees, and past Director of McAuley Residence.



***135 Dublin Road***  
***Peterborough, NH***

The Subject Property consists of an absolute NNN Ground Lease situated on 5 +/- acres of land in Peterborough, NH. Leased on a long term basis to Shaw's Supermarkets with over 18 years remaining on the base term of the lease, this is a great example of a management free single tenant property secured by a recession resistant tenant. This single tenant grocery store is located in Northern New England near the Eastern Mountain Sports headquarters, and has very limited competition with comparatively high barriers to entry.



Shaw's Supermarkets is the number two grocers in New England behind Stop & Shop. The Company operates 169 stores in Maine, New Hampshire, Massachusetts, Rhode Island, and Vermont. The property is located adjacent to CVS Pharmacy which was constructed with the Shaw's as part of a master development plan.

This Investment represents an excellent opportunity for an investor to acquire a recently developed single tenant ground leases supermarket with a dominate and secure tenant. The lease term has structured rent increases throughout the base term of the lease as well as the option periods. Investors will benefit from the strong tenancy, low risk and long term income growth!

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## Property Photos



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## Property Photos



Property Photo



Property Photo



Site Plan



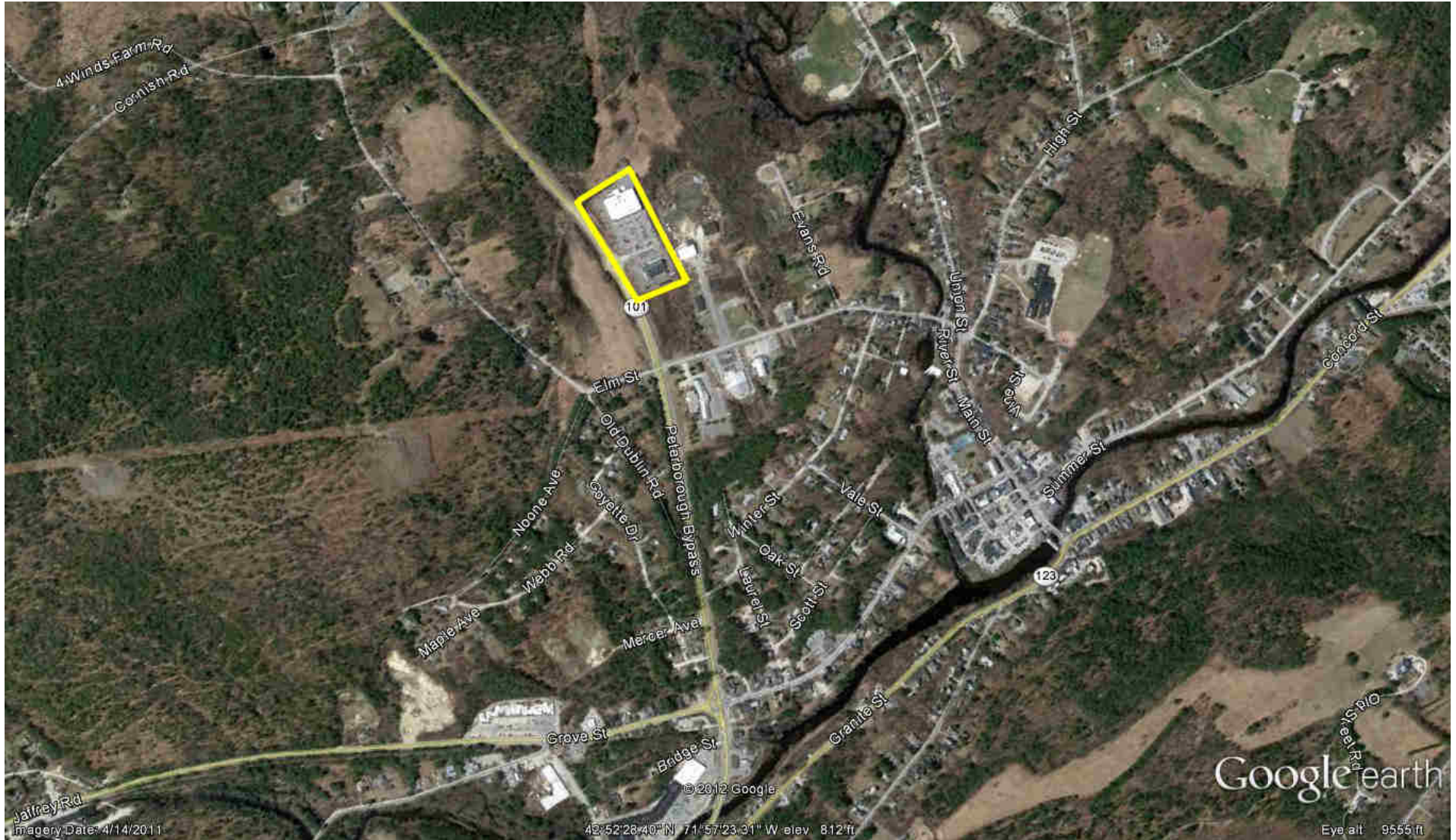
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## Maps and Aerials



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## ACQUISITION COSTS

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<b>Purchase Price, Points and Closing Costs</b>	\$5,715,000
<b>Investment - Cash</b>	\$2,010,000
<b>First Loan</b>	\$3,705,000

## INVESTMENT INFORMATION

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<b>Purchase Price</b>	\$5,700,000
<b>Price per Tenant</b>	\$5,700,000
<b>Price per Sq. Ft.</b>	\$146.15

## INCOME, EXPENSES & CASH FLOW

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<b>Gross Scheduled Income</b>	\$365,750
<b>Total Vacancy and Credits</b>	\$0
<b>Operating Expenses</b>	\$0
<b>Net Operating Income</b>	\$365,750
<b>Debt Service</b>	(\$234,676)
<b>Cash Flow Before Taxes</b>	\$131,074
<b>Total Interest (Debt Service)</b>	(\$146,597)
<b>Depreciation and Amortization</b>	\$0
<b>Taxable Income (Loss)</b>	\$219,153
<b>Tax Savings (Costs)</b>	(\$76,704)
<b>Cash Flow After Taxes</b>	\$54,370

## FINANCIAL INDICATORS

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<b>Cash on Cash Return Before Taxes</b>	6.52%
<b>Optimal Internal Rate of Return (yr 6)</b>	9.60%
<b>Debt Coverage Ratio</b>	1.56
<b>Capitalization Rate</b>	6.42%
<b>Gross Income / Square Feet</b>	\$9.38



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## Cash Flow Analysis



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>GROSS SCHEDULED INCOME</b>	\$365,750	\$371,846	\$384,038	\$384,038	\$384,038	\$384,038	\$390,438	\$403,239	\$403,239	\$403,239
<b>Total Operating Expenses</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>NET OPERATING INCOME</b>	\$365,750	\$371,846	\$384,038	\$384,038	\$384,038	\$384,038	\$390,438	\$403,239	\$403,239	\$403,239
<b>Loan Payment</b>	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)	(\$234,676)
<b>NET CASH FLOW (b/t)</b>	\$131,074	\$137,170	\$149,361	\$149,361	\$149,361	\$149,361	\$155,762	\$168,563	\$168,563	\$168,563
<b>Cash On Cash Return b/t</b>	6.52%	6.82%	7.43%	7.43%	7.43%	7.43%	7.75%	8.39%	8.39%	8.39%
<b>NET OPERATING INCOME</b>	\$365,750	\$371,846	\$384,038	\$384,038	\$384,038	\$384,038	\$390,438	\$403,239	\$403,239	\$403,239
<b>Loan Interest</b>	(\$146,597)	(\$143,008)	(\$139,274)	(\$135,387)	(\$131,342)	(\$127,132)	(\$122,750)	(\$118,190)	(\$113,444)	(\$108,505)
<b>TAXABLE INCOME (LOSS)</b>	\$219,153	\$228,837	\$244,764	\$248,651	\$252,696	\$256,906	\$267,688	\$285,049	\$289,795	\$294,734
<b>Income Taxes</b>	(\$76,704)	(\$80,093)	(\$85,667)	(\$87,028)	(\$88,444)	(\$89,917)	(\$93,691)	(\$99,767)	(\$101,428)	(\$103,157)
<b>CASH FLOW (a/t)</b>	\$54,370	\$57,076	\$63,694	\$62,334	\$60,918	\$59,444	\$62,071	\$68,796	\$67,135	\$65,406
<b>Cash On Cash Return a/t</b>	2.70%	2.84%	3.17%	3.10%	3.03%	2.96%	3.09%	3.42%	3.34%	3.25%

Footnotes: b/t = before taxes; a/t = after taxes

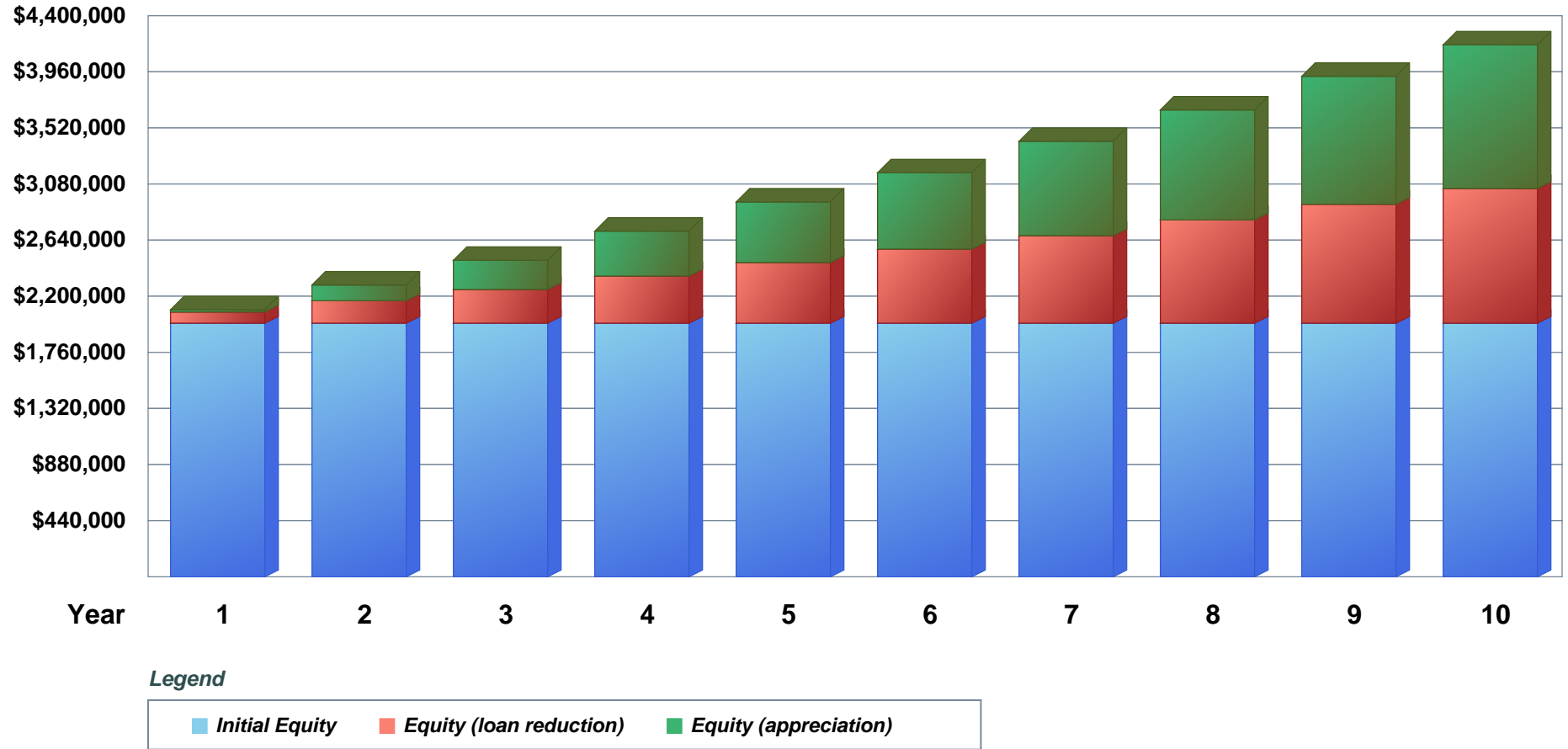
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## Property Equity Analysis



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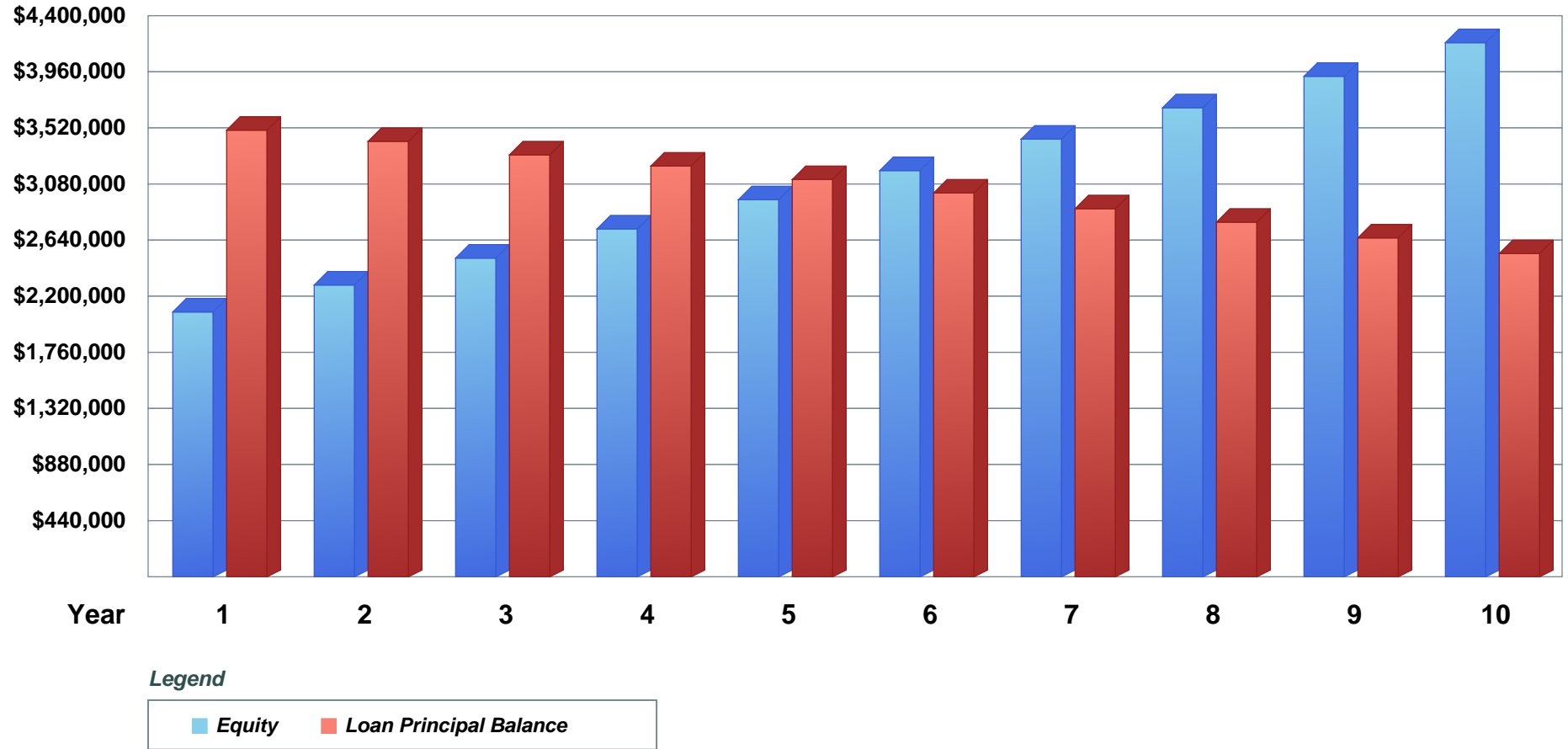
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## Equity vs. Debt



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## **Tenant Summary**

Tenant Trade Name	Shaw's
Ownership	Public
Tenant	Corporate Store
Lease Guarantor	Subsidiary of a Corporation
Lease Type	Ground Lease
Roof and Structure	Tenant Responsible
Lease Term	20 Years
Lease Commencement Date	4/24/09
Rent Commencement Date	4/24/09
Lease Expiration Date	4/30/29
Term Remaining On Lease	17 Years
Increases	5% Every 5 Years
Options	15 Five Year Options

### Annualized Operating Data

Rent Increases	Annual Rent	Monthly Rent
Years 1-5	\$365,750	\$30,479.17
Years 6-10	\$384,037.50	\$32,003.13
Years 11-15	\$403,239.38	\$33,603.28
Years 16-20	\$425,401.34	\$35,283.45
1 <sup>st</sup> Option Period	\$444,571.98	\$37,047.62
2 <sup>nd</sup> Option Period	\$466,799.98	\$38,900.00
3 <sup>rd</sup> Option Period	\$490,139.98	\$40,845.00
4 <sup>th</sup> Option Period	\$514,646.98	\$42,887.25
5 <sup>th</sup> Option Period	\$540,379.33	\$45,031.61
6 <sup>th</sup> Option Period	\$567,398.30	\$47,283.19
7 <sup>th</sup> Option Period	\$595,768.22	\$49,647.35
8 <sup>th</sup> Option Period	\$625,556.63	\$52,129.72
9 <sup>th</sup> Option Period	\$656,834.46	\$54,736.21
10 <sup>th</sup> Option Period	\$689,676.18	\$57,473.02
11 <sup>th</sup> Option Period	\$724,159.99	\$60,346.67
12 <sup>th</sup> Option Period	\$760,367.99	\$63,364.00
13 <sup>th</sup> Option Period	\$798,386.39	\$66,532.20
14 <sup>th</sup> Option Period	\$838,305.71	\$69,858.81
15 <sup>th</sup> Option Period	\$880,220.99	\$73,351.75



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Base Rent (9.38/SF)	\$365,750
Base Rent Growth Rate	
Year 6	5.00%
Every 5 Year Thereafter	5.00%
Net Operating Income	\$365,750
<u>Total Return</u>	<u>6.51% \$365,750</u>

## Demographics

	5 Miles	10 Miles	15 Miles
1990 Population	8,414	25,589	62,591
2000 Population	9,134	28,187	68,107
2010 Population	9,680	30,184	73,961
2015 Population	9,728	30,426	74,879
1990 Households	3,216	8,940	22,009
2000 Households	3,569	10,057	24,828
2010 Households	3,831	10,897	27,249
2015 Households	3,861	11,020	27,671
2010 Average Household Size	2.42	2.59	2.63
2010 Owner Occupied Housing Units	61.8%	62.9%	64.8%
2010 Renter Occupied Housing Units	28.0%	21.6%	20.5%
2010 Vacant Housing Units	10.3%	15.6%	14.7%
2011 Households by Income			
<\$15,000	8.2%	7.5%	8.8%
\$15,000-\$24,999	9.9%	8.1%	8.2%
\$25,000-\$34,999	9.9%	9.4%	8.7%
\$35,000-\$49,999	14.3%	14.9%	14.8%
\$50,000-\$74,999	23.5%	22.7%	21.6%
\$75,000-\$99,999	11.2%	13.9%	14.7%
\$100,000-\$149,000	12.7%	13.8%	14.3%
\$150,000-\$199,999	6.2%	5.6%	5.3%
\$200,000+	4.2%	4.1%	3.6%
2010 Median Household Income	\$55,965	\$58,507	\$58,542
2010 Per Capita Income	\$32,530	\$30,659	\$29,457
2010 Average Household Income	\$75,295	\$76,776	\$75,500

\*This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

## Summary Report

### Population

In the identified market area, the current year population is 73,961. In 2000, the Census count in the market area was 68,107. The rate of change since 2000 was 0.81 percent annually. The five-year projection for the population in the market area is 74,879, representing a change of .025 percent annually from 2010 to 2015. Currently, the population is 49.4 percent male and 50.6 percent female.

### Households

The household count in this market area has changed from 24,828 in 2000 to 27,249 in the current year, a change of .091 percent annually. The five-year projection of households is 27,671, a change of 0.31 percent annually from the current year total. Average household size is currently 2.63, compared to 2.66 in the year 2000. The number of families in the current year is 19,448 in the market area.

### Housing

Currently, 6.48 percent of the 31,927 housing units in the market area are owner occupied; 20.5 percent renter occupied; and 14.7 percent are vacant. In 2000, there was 28,000 housing units- 69.4 percent owner occupied, 20.3 percent renter occupied and 11.3 percent vacant. The rate of change in housing units since 2000 is 1.29 percent. Median home value in the market area is \$184,525, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 3.87 percent annually to \$223,085. From 2000 to the current year, median income value changed by 4.32 percent annually.

### Households by Income

Current market household income is \$63,438 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$74,493 in five years. In 2000, median household income was \$50,209, compared to \$37,245 in 1990.

Current average household income is \$75,749 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$88,587 in five years. In 2000, average household income was \$60,876, compared to \$42,586 in 1990.

Current per capita income is \$28,410 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$33,301 in five years. In 2000, the per capita income was \$22,510, compared to \$15,261 in 1990.

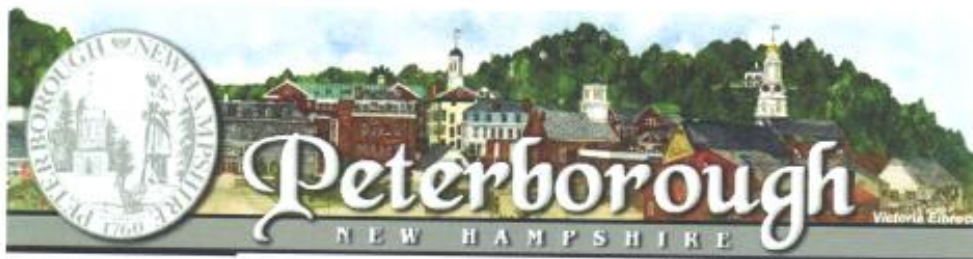
## **Population by Employment**

Currently, 92.3 percent of the civilian labor force in the identified market area is employed and 7.7 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 94.3 percent by the civilian labor force, and unemployment will be 5.7 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 71.7 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.1 percent were in the armed forces.

In the current year, the occupational distribution of the employed population is:

- 61.1 percent in white collar jobs
- 14.2 percent in service jobs
- 24.7 percent in blue collar jobs

In 2000, 81.1 percent of the market area population drove alone to work, and 5.3 percent worked from home. The average travel time to work in 2000 was 28.5 minutes in the market area, compared to the U.S. average of 25.5 minutes.



**Advantages of Doing Business in Peterborough  
The Top Reasons to Move Your Business Here!**

- **Exceptional quality of life**  
Peterborough has a European flavor and comraderie which is like none other. Its cultural resources and recreation surpass other towns of its size. Clean air and water, great schools, arts and antiques, plenty of intown and nearby shopping areas and malls, and events and recreation for all age groups are some examples.
- **Natural beauty and natural resources**  
Peterborough is a short drive to the ocean, and has its own mountains, lakes and rivers, skiing, hiking, swimming, boating, climbing... and breathtaking views within town.
- **Low Crime Index**  
Having one of the lowest crime rates in the country and one of the lowest auto theft rates keeps insurance rates affordable.
- **No general sales or use tax**
- **Workers take home more of their pay here than in any other state in the Union.<sup>1</sup>** Because workers take home more each week, New Hampshire has one of the highest rates of home ownership in the nation.
- **No general personal income tax** (New Hampshire is one of only two states in the nation that does not have either a general sales or income tax.)
- **No capital gains tax**
- **No inventory tax**
- **No property tax on machinery or equipment**
- **One of the lowest unemployment insurance rates in the country**
- **Investment Tax Incentives**
- **Job Tax Credits**
- **Research & Development Tax Incentives**
- **Available sites for offices, industry, exporting companies**
- **Active Chamber of Commerce**
- **Educational resources, labor-specific training**
- **Full Service Community: full time infrastructure to staff support**
- **Proximity to international tradeports, Canada, Boston and New York**
- **Superior fiber optics system**
- **more high-tech workers than any other state**
- **and last, but definitely not least: The People of Peterborough!**



## Peterborough - From Budget Travel

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### ROAD TRIP

## 10 Coolest Small Towns, N.H.

*A little bit hip and a little bit homey, these up-and-coming towns guarantee a fun detour on your next road trip. You'll be browsing the local real estate pages before you know it.*

By Melinda Page, September 2007 issue | [Subscribe to the magazine](#)

### Peterborough, N.H.

Population: 5,863

Nearest City: Boston, 73 miles

Not too many small towns are home to two theater groups, or, for that matter, The MacDowell Colony, the country's oldest artists retreat. "There's a cool blend of artists and regular folks here, but there's no attitude," says Dave Chicane, a chef late of Cambridge, Mass., and now at Peterborough's **Pearl Restaurant & Oyster Bar** (1 Jaffrey Rd., 603/924-5225, scallops \$16). In 2003, Dave Szehi saw the community spirit firsthand when neighbors helped him renovate and expand **Harlow's Pub** (3 School St., 603/924-6365, harlowspub.com). Nearby, gourmet market **Twelve Pine**, inside a refurbished railroad warehouse, makes its own gelato (11 School St., 603/924-6140, twelvepine.com). In the summer, there are music jams in the park, pickup dodgeball games, and movies that kids can watch while floating in the community pool. Outdoors lovers know Peterborough because **Eastern Mountain Sports** is headquartered here, and accordingly, every other car has a kayak on top. EMS's flagship store is at 1 Vose Farm Road. (603/924-7231, ems.com).

**Note:** This story was accurate when it was published. Please be sure to confirm all rates and details directly with the companies in question before planning your trip.



Harlow's Pub in Peterborough (courtesy Pamela Giverton) [\[enlarge photo\]](#)

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### ONLINE EXCLUSIVE

If our story on the coolest small towns in the U.S.A. doesn't already make you want to move, just wait until you see how much house you can buy in them. Check out this slide show featuring photos of houses currently on the market, as well as ones that have recently been snapped up.

• [Launch the slide show](#)