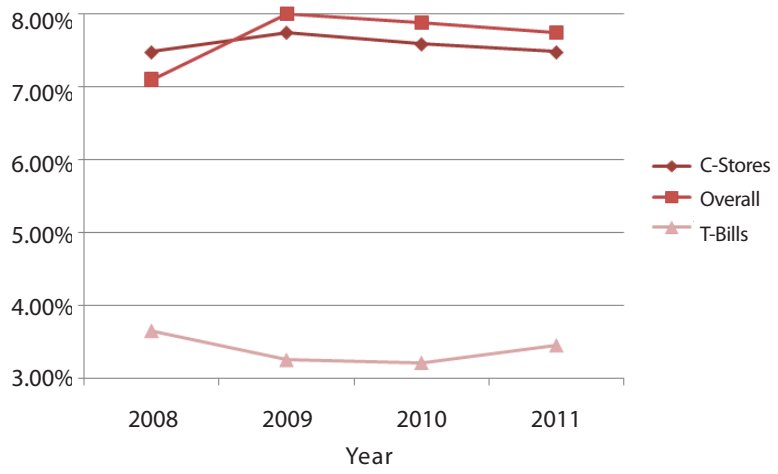
RESEARCH SNAPSHOT: C-STORES/GAS STATIONS

- Cap rates for c-stores differ more greatly from premium to non premium tenants than any other sub-section. For example, ExxonMobil trades with cap rates around 5.00%, 7-Eleven around 7.00%, and single unit operators from 10-12%. A gap of almost 700 basis points.
- There was a high focus on only best in class in 2009. Today people are looking at properties with cap rates ranging from 7-8% to 10-12%.
- Larger corporate operators in 2006 and 07 did a lot of sale-leasebacks, especially Circle K. Recently they have been re-purchasing sites. In general, the same people who were selling years ago are buying again.
- Environmental regulations (many of which became active in 2010) caused many gas stations to be sold by corporations due to lack of profitability with regulations.

NET LEASE C-STORES/GAS STATIONS CAP RATES



GRAPH DATA

	2008	2009	2010	2011
C-Stores	7.48%	7.75%	7.59%	7.48%
Overall	7.10%	8.00%	7.88%	7.75%
T Bills	3.66%	3.26%	3.22%	3.46%

- Gas Stations are the most polarizing sub-section. They have accelerated depreciation and steady demand. However, environmental regulations and concerns over alternative fuels turn many away.

FOR MORE INFORMATION

WINSTON ORZECHOWSKI | *Research Director*
Calkain Companies, Inc.
Tel. (703) 787-4714 | Fax (703) 787-4783
worzechowksi@calkain.com

CALKAIN COMPANIES, INC.
WASHINGTON, DC
FLORIDA
MARYLAND
DELAWARE
BOSTON