



5692 RISING SUN AVE
PHILADELPHIA, PA



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

**OFFERING
MEMORANDUM**



LISTED BY

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SECTION 1

EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

- » 7.75 years remaining on an absolute triple-net lease
- » Fixed rental increases throughout both the initial term and options
- » Corporately guaranteed lease with a highly successfully, nationally recognized brand in Rite Aid (NYSE: RAD)
- » Opportunity to invest in an asset backed by the 3rd largest drug-store chain in the United States
- » Strong future security in knowing that Rite Aid has reduced its focus to East and West coasts, with a primary focus on eight states including Pennsylvania
- » Rite Aid has 2,550 stores in 19 states and is headquartered in Camp Hill, PA
- » Rising Sun has visibility and access to over 18,000 cars per day and Rite Aid is surrounded by a mix of national retailers such as Walmart, Home Depot, McDonald's, Wells Fargo, Chick Fil A, Panda Express and Ross to name a few
- » The asset is located at a signalized intersection and is 11 miles from downtown Philadelphia which sees over 43.3 million visitors per year
- » Incredibly dense population, with over 412,000 within a 7-mile radius and over 865,000 in the 10-mile radius

INVESTMENT SUMMARY

» PROPERTY ADDRESS	5692 Rising Sun Ave. Philadelphia, PA 19120
» OFFERING PRICE	\$4,406,000
» CAP RATE	7.50%
» LOT SIZE	±11,211 SF
» TOTAL LAND AREA	±0.82 AC
» YEAR BUILT	2006

PARCEL MAP



SECTION 2

FINANCIAL OVERVIEW

TENANT SUMMARY

Tenant Trade Name	Rite Aid
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NNN
Roof and Structure	Tenant Responsibility
Original Lease Term	20 years
Lease Commencement Date	5/4/2006
Rent Commencement Date	5/4/2006
Lease Expiration Date	5/31/2026
Term Remaining on Lease	±8.00 Years
Increase	Yes
Options	Eight, 5-Year Options

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap Rate
Current - 7/31/2024	\$27,541.25	\$330,495.00	\$29.48	7.50%
8/1/2024 - 5/31/2026	\$28,366.25	\$340,395.00	\$30.36	7.72%
Extension 1 - Year 1-3	\$30,295.38	\$363,544.50	\$32.43	8.25%
Extension 1 - Year 4-5	\$31,202.88	\$374,434.50	\$33.40	8.50%
Extension 2 - Year 1-3	\$31,202.88	\$374,434.50	\$33.40	8.50%
Extension 2 - Year 4-5	\$32,201.13	\$386,413.50	\$34.47	8.77%
Extension 3 - Year 1-3	\$34,323.16	\$411,877.95	\$36.74	9.35%
Extension 3 - Year 4-5	\$35,421.24	\$425,054.91	\$37.91	9.65%
Extension 4 - Year 1-3	\$35,421.24	\$425,054.91	\$37.91	9.65%
Extension 4 - Year 4-5	\$36,629.12	\$439,549.47	\$39.21	9.97%
Extension 5 - Year 1-3	\$38,963.36	\$467,560.36	\$41.71	10.61%
Extension 5 - Year 4-5	\$40,292.03	\$483,504.40	\$43.13	10.97%
Extension 6 - Year 1-3	\$40,292.03	\$483,504.40	\$43.13	10.97%
Extension 6 - Year 4-5	\$41,753.57	\$501,042.88	\$44.69	11.37%
Extension 7 - Year 1-3	\$44,321.24	\$531,854.86	\$47.44	12.07%
Extension 7 - Year 4-5	\$45,928.93	\$551,147.13	\$49.16	12.51%
Extension 8 - Year 1-5	\$45,928.93	\$551,147.13	\$49.16	12.51%

Note that the lease is subject to a Right of First Refusal in which Rite Aid has 20 days from receipt of notice to respond.

TENANT MAP



SECTION 3

TENANT OVERVIEW



RITE AID



» **COMPANY NAME**
RITE AID



» **NO. OF LOCATIONS**
±2,550



» **HEADQUARTERED**
CAMP HILL, PENNSYLVANIA



» **INDUSTRY**
RETAIL



» **NO. OF EMPLOYEES**
±60,800



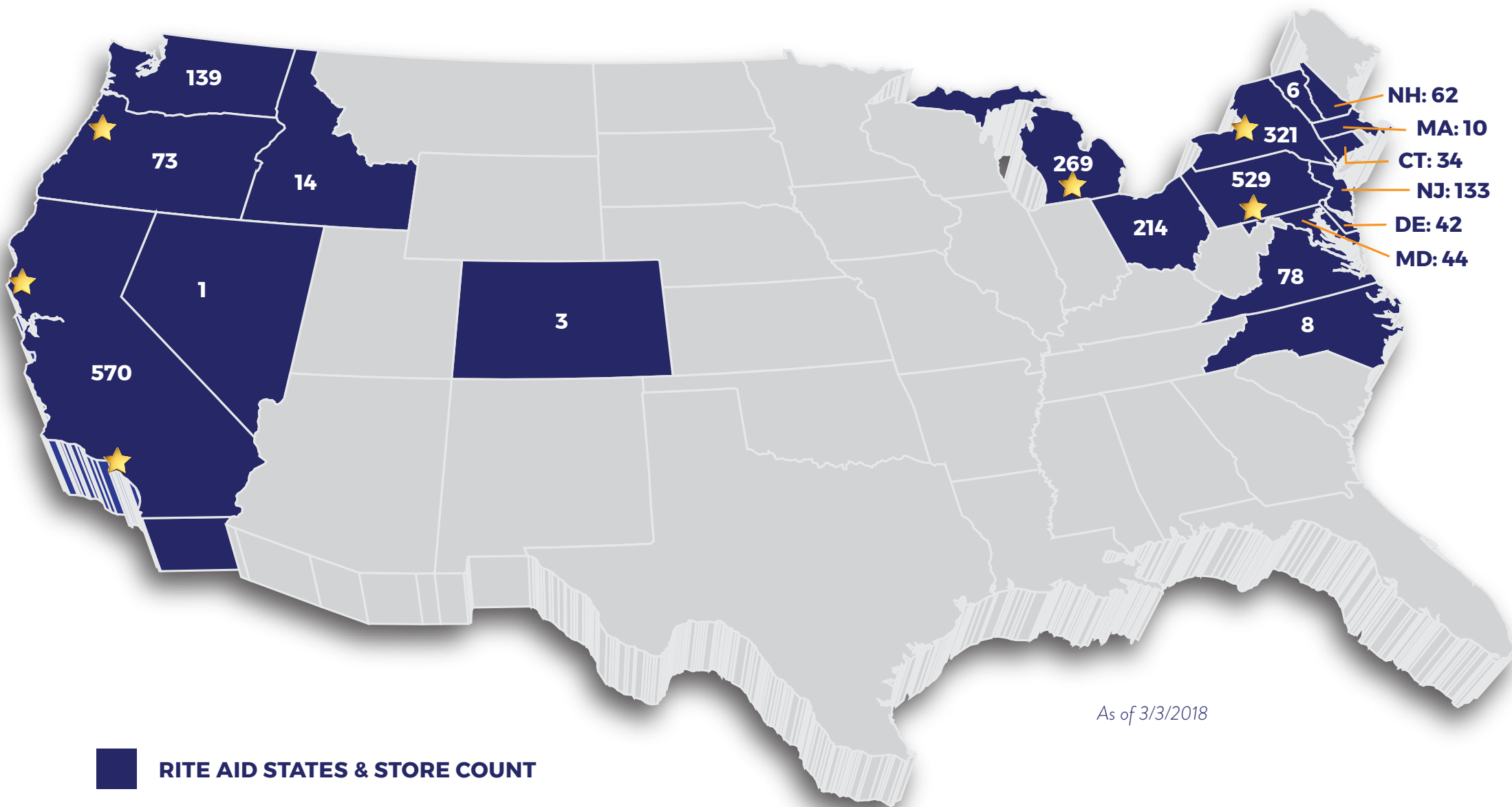
» **WEBSITE**
WWW.RITEAID.COM

Rite Aid is the largest drugstore chain on the East Coast and the third-largest drugstore chain in the United States. Rite Aid has a large presence on the East and West coasts. Rite Aid sells prescription drugs and a wide assortment of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, beverages, convenience foods, greeting cards, and photo processing. The company is publicly traded on the New York Stock Exchange under the ticker symbol RAD.

In 2013, Rite Aid was the #1 Fortune 500 retail stock and the #3 overall Fortune 500 stock. In 2011, Rite Aid was ranked #100 on Fortune 500 largest US corporations. In 2018, Rite Aid is transferring 1,932 stores and three distribution centers to Walgreens for \$4.4 billion cash. As a smaller pharmacy chain, Rite Aid is reducing its focus to the East and West Coasts, focusing primarily on eight states including California, Pennsylvania, Michigan, Ohio, New York, New Jersey, Washing-ton, and, Oregon.

**\$21.5 BILLION
REVENUE**

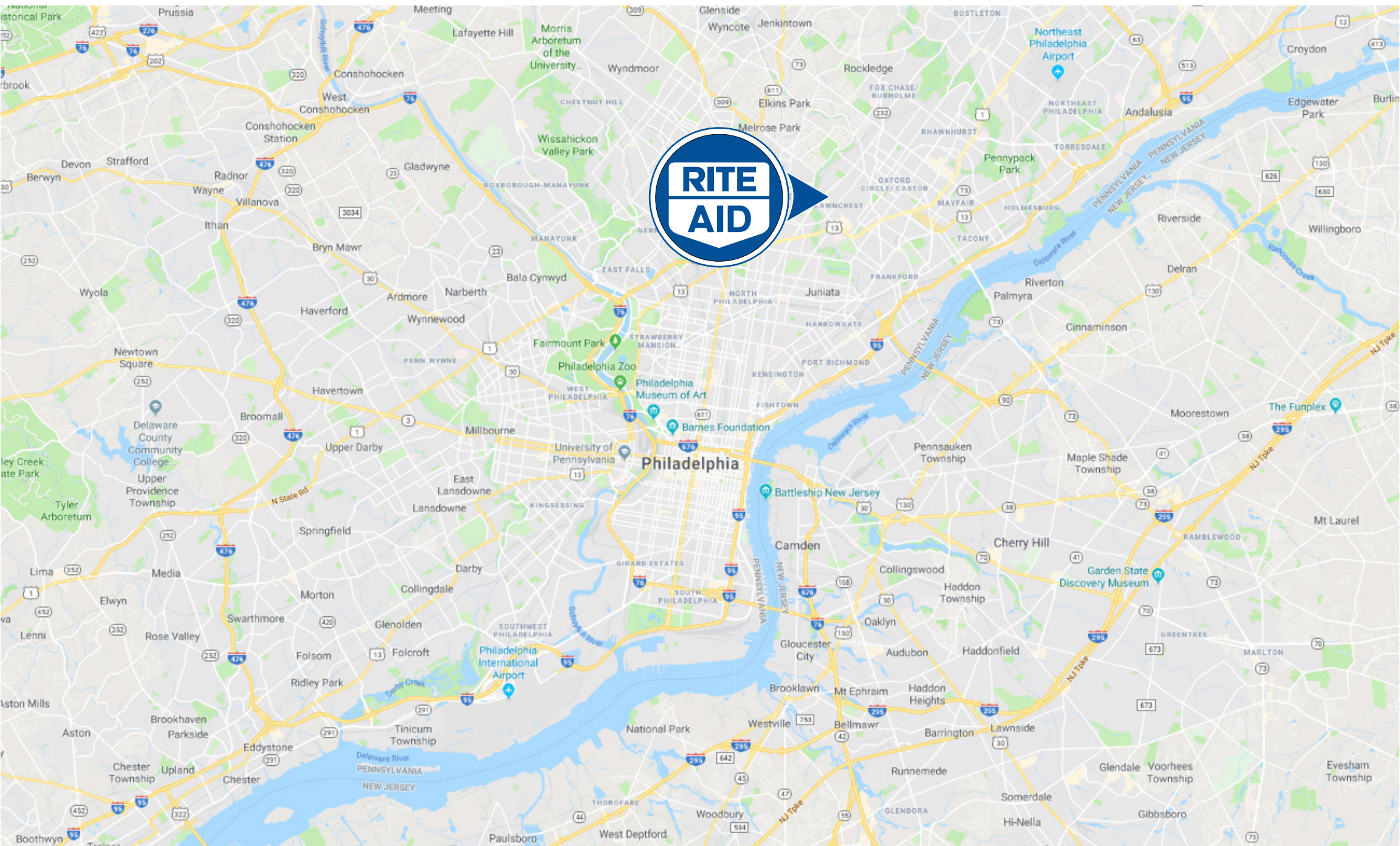
**\$943 MILLION
NET INCOME**



■ RITE AID STATES & STORE COUNT

★ RITE AID DISTRIBUTION CENTER

LOCATION MAP



SECTION 4

AREA OVERVIEW

PHILADELPHIA, PA

Philadelphia is the largest city in Pennsylvania, and the sixth-most populous U.S. city, with a 2017 census-estimated population of 1,580,863. Since 1854, the city has been coterminous with Philadelphia County, the most populous county in Pennsylvania and the urban core of the eighth-largest U.S. metropolitan statistical area, with over 6 million residents as of 2017. Philadelphia is also the economic and cultural anchor of the greater Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Delaware Valley's population of 7.2 million ranks it as the eighth-largest combined statistical area in the United States.

"The City of Brotherly Love," from the literal meaning of the city's name in Greek, is a commercial, educational, and cultural center. It was a centerpiece of early American history, and is home to many national historical sites that relate to the founding of the U.S. Independence National Historical Park is the center of these historical landmarks including, Independence Hall, and the Liberty Bell. The city contains three major research universities: the University of Pennsylvania, Drexel University, and Temple University. The city contains many historic and cultural museums, such as the Pennsylvania Academy of the Fine Arts and the Rodin Museum, which holds the largest collection of work by Auguste Rodin outside of France. The city's major art museum, the Philadelphia Museum of Art, is one of the largest art museums in the country.

10-MILE DEMOGRAPHICS



2018 POPULATION

865,620



2018 HOUSEHOLDS

326,502



2018 INCOME

\$58,588

CITY OF FIRSTS

Philadelphia is the birthplace of the United States Marine Corps, and is also the home of many U.S. firsts:

- » The Library Company of Philadelphia (1731)
- » Pennsylvania Hospital (1751)
- » University of Pennsylvania School of Medicine (1765)
- » Very First US National Capital (1774)
- » Board of Brokers (stock exchange) (1790)
- » The Wharton School of the University of Pennsylvania (1881)

Philadelphia contains 67 National Historic Landmarks and the World Heritage Site of Independence Hall. The city became a member of the Organization of World Heritage Cities in 2015, as the first World Heritage City in the United States. Although Philadelphia is rapidly undergoing gentrification, the city actively maintains mitigation strategies to minimize displacement of homeowners in gentrifying neighborhoods.

EDUCATIONAL AND ECONOMIC HUB

The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. According to the Bureau of Economic Analysis, the Philadelphia area had a gross domestic product of US\$431 billion in 2016, the eighth-largest metropolitan economy in the United States. Philadelphia is the center of economic activity in Pennsylvania and is home to five Fortune 1000 companies. The Philadelphia skyline is expanding, with a market of almost 81,900 commercial properties in 2016, including several nationally prominent skyscrapers. Philadelphia has more outdoor sculptures and murals than any other American city. Fairmount Park, when combined with the adjacent Wissahickon Valley Park in the same watershed, is one of the largest contiguous urban park areas in the United States.

2017 TOURISM

Tourism and hospitality are one of the largest industries in the region and important to the vitality of Greater Philadelphia. The growth of the industry depends on all types of visitors — leisure, business, and convention — traveling to Philadelphia. In 2017, this industry generated more than \$11.5 billion in economic impact in the region. The money visitors spend supports local businesses, creates jobs and generates taxes, helping to build quality of life in Philadelphia.



VISITOR VOLUME

43.3 million people from the U.S. visited Greater Philadelphia



VISITOR SPENDING

\$7.1 billion was the amount visitors spent in Greater Philadelphia

ECONOMIC IMPACT
\$11.5 billion



THAT EQUATES TO
\$31.5 million every day



JOB CREATOR
98,300 jobs

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Rite Aid** located at **5692 Rising Sun Ave, Philadelphia, PA 19120** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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