



**RITE AID**

1186 BALDWIN AVE, PONTIAC, MI 48340

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**EXCLUSIVELY LISTED BY:****RICHARD LUDWIG**

SENIOR DIRECTOR

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## INVESTMENT SUMMARY

List Price:	\$5,990,286
Current NOI:	\$440,286.00
Initial Cap Rate:	7.35%
Land Acreage:	2.07
Year Built	2008
Building Size:	14,564 SF
Price PSF:	\$411.31
Lease Type:	Absolute NNN Lease
Lease Term:	20 Years (9.5 Remaining)

## INVESTMENT OFFERING

Fortis Net Lease is pleased to present this 14,564 SF Rite Aid located in the heart of Pontiac, MI. This Rite Aid operates on a 20 year absolute NNN lease, with a little over 10 years remaining, and a full corporate guarantee. There are six 5 year options, with a rent increase in Option 1 (21st year) and Option 3 (31st year). Given the nature of the lease there are zero landlord responsibilities, so no expenses.

This property is located on the southeast corner of Columbia Ave and Baldwin Ave with an average traffic flow of 18,000 and 9,000 vehicles per day, featuring a double drive-thru pharmacy. It is located near a Family Dollar, Chase Bank, Little Caesar's Pizza, and Sav-A-Lot Supermarket in a residential neighborhood. It is also adjacent to the GM Pontiac Stamping plant and the United States Postal Service Michigan Metroplex Distribution facility.



**PRICE** \$5,990,286



**CAP RATE** 7.35%



**LEASE TYPE** Absolute NNN Lease



**TERM** 20 Years (9.5 Remaining)

## INVESTMENT HIGHLIGHTS

- 9.5 Years Remaining on NNN Lease
- Full Corporate
- Zero Landlord Responsibilities
- 20 Year Lease with Six, Five Year Options
- Assumable Non-Recourse Loan
- 11.07% Projected Average Return with Current Financing (first 6 years)

## FINANCIAL SUMMARY

INCOME		PER SF
Gross Income	\$440,286	\$30.23
EXPENSE		PER SF
Gross Expenses	\$0	\$0.00
NET OPERATING INCOME	\$440,286	\$30.23

## ASSUMABLE LOAN SUMMARY

Loan Balance:	\$3,364,000
Equity Requirement:	\$2,626,286
Lot Size:	2.07 Acres
Origination Date:	September 26, 2014
Loan Maturity Date:	October 31, 2024
Loan at Maturity:	Brick
Interest Rate:	4.84%
Annual Debt Service (P & I):	\$257,576
Net Cash Flow:	\$182,710 CFR 6.96%
Average Annual Principal Paydown:	\$108,131
CF Plus Average Loan Paydown:	\$290,841
Average Return While Financing in Place:	11.07%

## LEASE SUMMARY

Tenant:	Rite Aid
Lease Type:	Absolute NNN Lease
Primary Lease Term:	20 Years
Annual Rent:	\$440,286
Landlord Responsibilities:	Zero Responsibilities
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Tenant Responsibility
Lease Start Date:	November 1, 2008
Lease Expiration Date:	October 31, 2028
Lease Term Remaining:	9.5 years
Rent Bumps:	10% at 21st and 31st years of Lease (options)
Renewal Options:	Six, Five-Year Options
Lease Guarantor:	Corporate Guarantee
Lease Guarantor Strength:	Full
Tenant Website:	www.riteaid.com







OVERVIEW

Company:	Rite Aid
Founded:	1962
Total Revenue:	\$21.52 billion
Net Income:	\$943.47 million
Net Worth:	\$8.98 billion
Headquarters:	Camp Hill, PA
Website:	www.riteaid.com

TENANT HIGHLIGHTS

- 2,600 stores in 31 states
- 60,800 Employees
- Third largest drugstore chain in the U.S.
- Have raised over \$100 million for kids through The Rite Aid Foundation

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	BUMP	% INCREASE
11-20	\$440,286	\$36,690.50		
Options 1 & 2	\$480,312	\$40,026	\$40,026	9.09%
Options 3 & 4	\$520,338	\$43,361.5	\$40,026	8.33%
Options 5 & 6	TBD	No less than prior term	TBD	TBD

TENANT OVERVIEW

Rite Aid Corporation is the third largest drugstore chain in the United States. It is headquartered in Camp Hill, East Pennsboro Township, Pennsylvania.

Rite Aid began in 1962, opening its first store in Scranton, Pennsylvania; it was called Thrift D Discount Center. After several years of growth, Rite Aid adopted its current name and debuted as a public company in 1968. As of 2017, Rite Aid is publicly traded on the New York Stock Exchange under the symbol RAD. Its major competitors are CVS and Walgreens. On September 19, 2017, the Federal Trade Commission (FTC) approved a deal agreement for Walgreens to purchase 1,932 Rite Aid stores for \$4.38 billion total. Rite Aid now has 2,600 stores in operation.

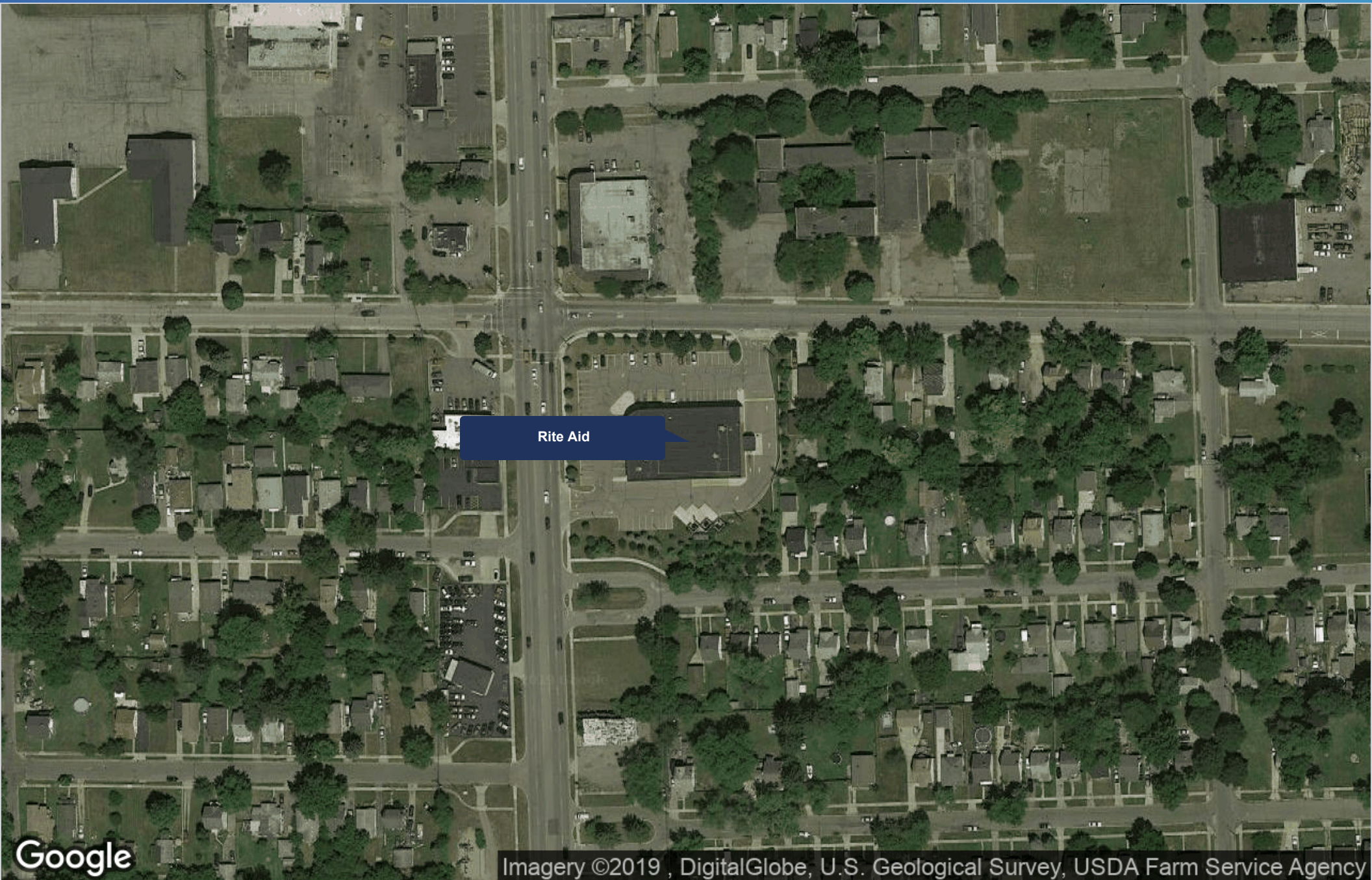




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 FORTIS NET LEASE™



Rite Aid

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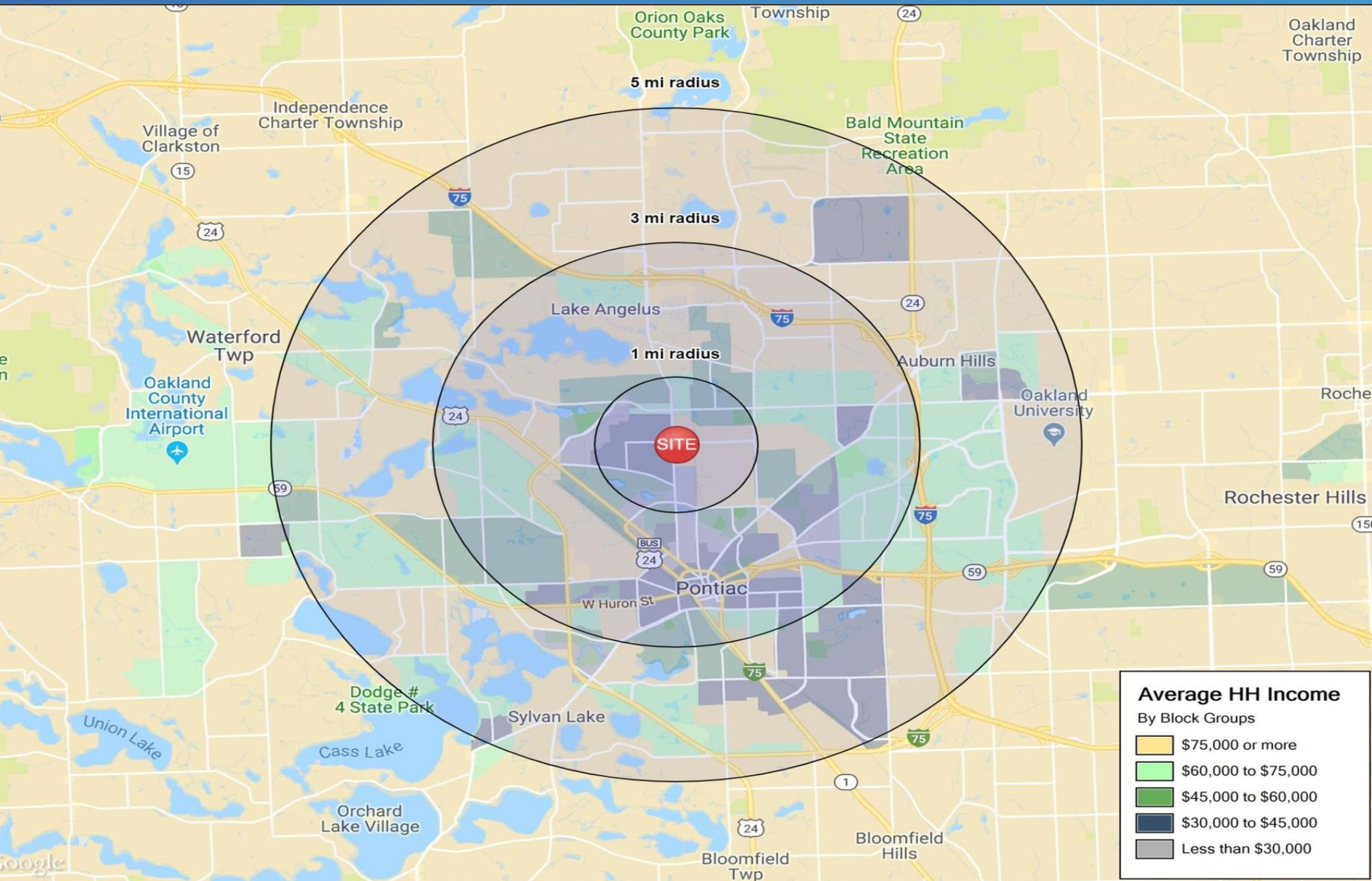
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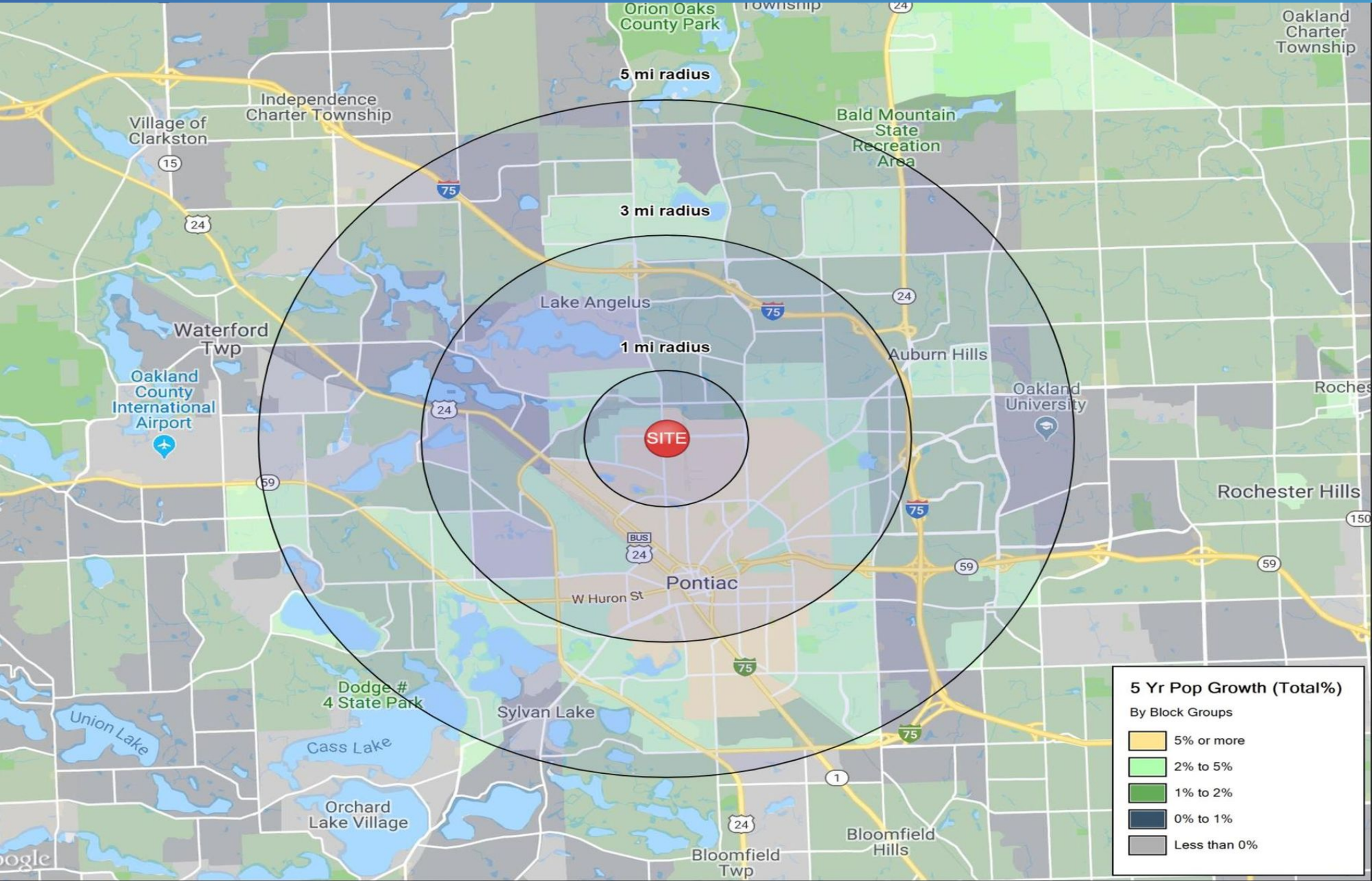


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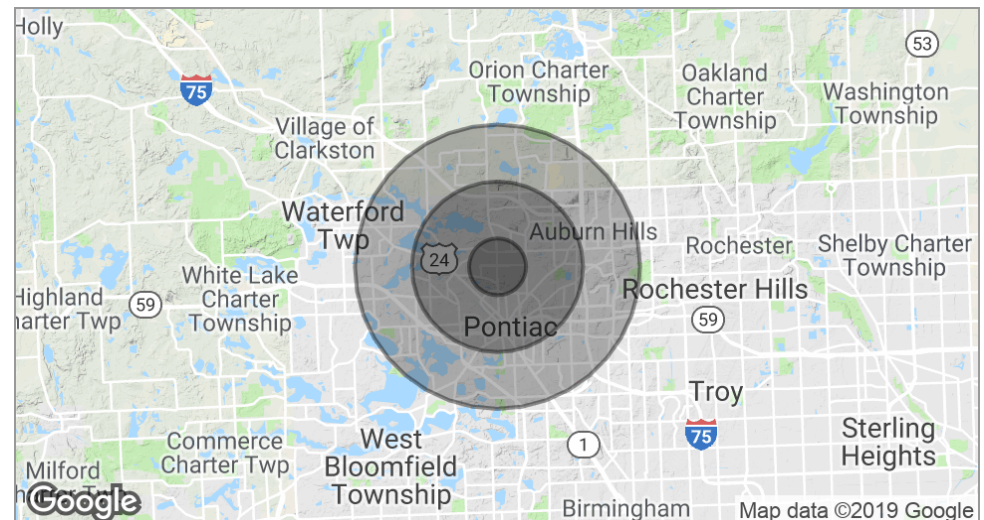




Pontiac is a city in Michigan, located in Metro Detroit. It is the county seat of Oakland County and about 12 miles north and slightly west of the Detroit city limits. Founded in 1818, Pontiac is notably the second European-American organized settlement in Michigan within close proximity to Detroit. It was named after Pontiac, a war chief of the Ottawa people who had occupied the area before the European settlers. The city achieved its widest reputation for its General Motors automobile manufacturing plants of the 20th century, which were the basis of its economy and contributed to the wealth of the region.



POPULATION	1 MILE	3 MILES	5 MILES
Total Population 2018	11,118	66,974	156,186
Total Population 2023	11,167	67,718	158,824
Population Growth Rate	0.44%	1.11%	1.69%
Average Age	35.6	36.9	38.1
# Of Persons Per HH	2.6	2.5	2.4
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	4,307	25,499	62,569
Average HH Income	\$39,492	\$49,055	\$65,783
Median House Value	\$67,619	\$92,404	\$141,883







TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

*Click to Meet Team Fortis*

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