

RITE AID (OPPORTUNITY ZONE)

Erie, PA

JAMESCAPITAL
ADVISORS



James Capital Advisors

Marketing Package

Rite Aid

1709 Liberty St, Erie, PA 16502

PROPERTY INFO

Tenant	Rite Aid
Street Address	1709 Liberty Pl
City	Erie
State	PA
Zip	16502
APN	16-030-036.0-109.00
GLA	11,325 SF
Lot Size	0.86 AC
Year Built	1996



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The Offering

FINANCIAL SUMMARY

Purchase Price	\$1,973,981
Cap Rate	8.25%
Net Operating Income	\$162,853.50
Price / SF	\$174.30
Rent / SF	\$14.38
Listing Agent	Gil Meshulam
Phone Number	(424) 325-2612
Email	SUBMIT OFFER

INVESTMENT HIGHLIGHTS

- Opportunity Zone**

Opportunity Zones allow investors to defer federal taxes on any recent capital gains til 2026 and pay as little as zero taxes on potential profits from an Opportunity Fund if held for 10 years.
- Minimal Landlord Responsibilities**

The subject property operates under a Double-Net (NN) lease with minimal landlord responsibilities. The tenant is responsible for real estate taxes, insurance, and common area maintenance.
- Low Rent Compared to National Average**

The subject property operates at \$14.38/SF, which is significantly below Rite Aid’s average of \$24.15/SF.



- Strong Store Sales**

Store sales have been steadily increasing year-over-year for the trailing five years. Contact agent for details.
- Fixed Rental Increases in All Option Periods**

This lease features healthy rental increases during option periods, providing an investor with a hedge against ordinary inflation.
- Nationally Recognized Brand**

Rite Aid is a leading pharmacy retailer with more than 2,500 locations across 31 states.

Rite Aid

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LEASE SUMMARY

Lease Type	Double-Net (NN)
Type of Ownership	Fee Simple
Original Lease Term	20.5 Years
Commencement Date	November 22, 1995
Lease Expiration	May 31, 2022
Term Remaining	3.25 Years
Increases	Set
Options	Six, Five-Year
ROFR	Yes

Real Estate Taxes	Tenant Responsible
Insurance	Tenant Responsible
Roof & Structure	Landlord Responsible
Lease Guarantor	Corporate
Company Name	Rite Aid
Ownership	Public
Years in Business	56
Number of Locations	2,526



REAL ESTATE HIGHLIGHTS

Over Two Decades of Operating History

Rite Aid has shown a strong commitment to this location, having operated here for 20+ years and recently extending their first, five-year option.

Major Roof Repair in 2015

Transferable roof warranty in place from major roof repair completed in 2015.

Strong Store Sales

Store sales have been steadily increasing year-over-year for the trailing five years. Contact agent for details.

Health Care Dominant Submarket

In 2018, within a one-mile radius of the subject property, \$5M was spent on medical services, \$3.4M in prescription drugs, and \$835K on medical supplies.

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Lease Summary

Rite Aid

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RENT SCHEDULE

	PERIOD	ANNUAL RENT	MONTHLY RENT	INCREASE	RENT / SF	CAP RATE
11/22/1995 - 06/01/2017	Base Term	\$157,197.00	\$13,099.75	-	\$13.88	7.96%
06/01/2017 - 05/31/2022	1st Option	\$162,853.50	\$13,571.13	4%	\$14.38	8.25%
06/01/2022 - 05/31/2027	2nd Option	\$179,847.00	\$14,987.25	10%	\$15.88	9.11%
06/01/2027 - 05/31/2032	3rd Option	\$191,172.00	\$15,931.00	6%	\$16.88	9.68%
06/01/2032 - 05/31/2037	4th Option	\$202,497.00	\$16,874.75	6%	\$17.88	10.26%
06/01/2037 - 05/31/2042	5th Option	\$213,816.00	\$17,818.00	6%	\$18.88	10.83%
06/01/2042 - 05/31/2047	6th Option	\$225,141.00	\$18,761.75	5%	\$19.88	11.41%

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Rent Schedule

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ABOUT THE BRAND

Since 1962, Rite Aid Corporation has been building a strong presence on both the East and West Coasts, making Rite Aid one of the nation's leading drugstore chains. Rite Aid Corporation, a Fortune 500 company, operates its drugstores in 31 states across the country and in the District of Columbia. Rite Aid, headquartered in Camp Hill, is publicly traded on the New York Stock Exchange under the ticker RAD. Rite Aid stores service prescription drug customers and offer an additament of other general merchandise, which it calls front-end products. Front-end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, beverages, convenience foods, seasonal merchandise, and other everyday and convenience products, as well as photo processing.

Rite Aid's mission in Battle Creek, MI is to improve the health and wellness of neighboring communities through engaging experiences that provide customers with the best products, services and advice to meet their unique needs. Customers confidently choose Rite Aid first for their everyday health and wellness needs because Rite Aid consistently understands and exceeds customer's expectations.



RECENT NEWS

Rite Aid and GNC Extend Partnership Through 2022

GNC (NYSE: GNC), a leading global specialty retailer of health and wellness products and Rite Aid Corporation have extended their long-existing partnership through 2022.

Rite Aid Becomes 1st Drugstore Retailer to Offer Kokie Cosmetics

Rite Aid customers can now find a selection of more than 200 prestige quality, cruelty-free beauty items from Kokie Cosmetics at more than 2,300 Rite Aid stores and at RiteAid.com.

Ben Bulkley Named CEO of EnvisionRxOptions

Ben Bulkley, an established executive with more than 20 years' experience in health care and technology, has been named CEO of EnvisionRxOptions, a wholly owned subsidiary of Rite Aid.

Rite Aid Continues Sourcing with McKesson

Rite Aid and McKesson have agreed to key terms to continue providing Rite Aid with sourcing and direct-to-store delivery, ensuring highest levels of service for Rite Aid stores and customers.

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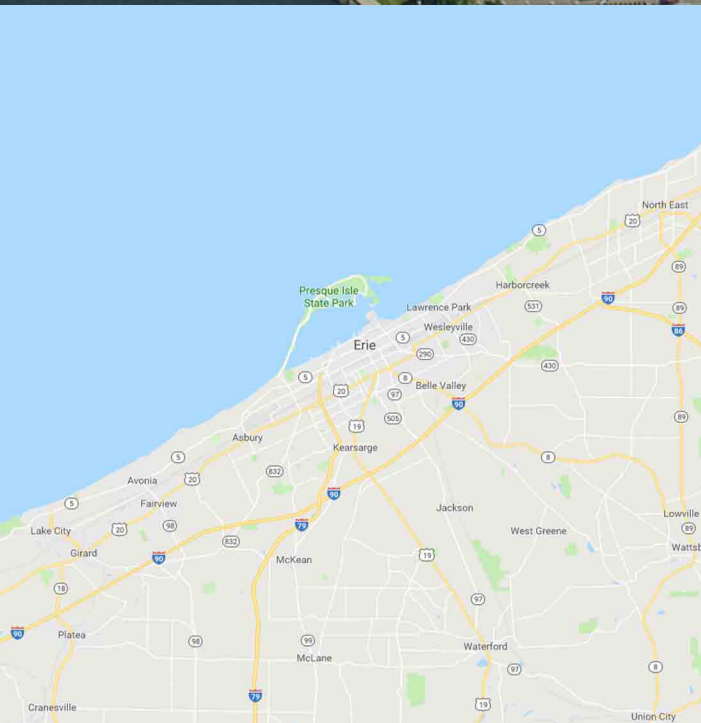
About the Brand

Rite Aid

1709 Liberty St, Erie, PA 16502



ERIE, PA



LOCATION OVERVIEW

Proximity to Pennsylvania's Most Visited State Park

Presque Isle, located less than ten miles from the subject property, welcomes over four million visitors annually and was USA Today's Readers' Choice for "Top Pennsylvania Attraction 2017".

Fourth Largest City in Pennsylvania

There are over 154,060 people living within a five-mile radius of the subject property and there are many residential buildings in the immediate area.

Healthy Rent Growth

Between 2013 and 2018, Erie experienced steady rent growth as investments exceeded the metro's expectations.

\$135M Erie Insurance Expansion Plan

In 2017, Erie Insurance began construction on a brand new \$135M, 346,000-square-foot office building in Downtown Erie. The expansion will create over 600 new jobs and is set to be completed in 2020.







DEMOGRAPHICS

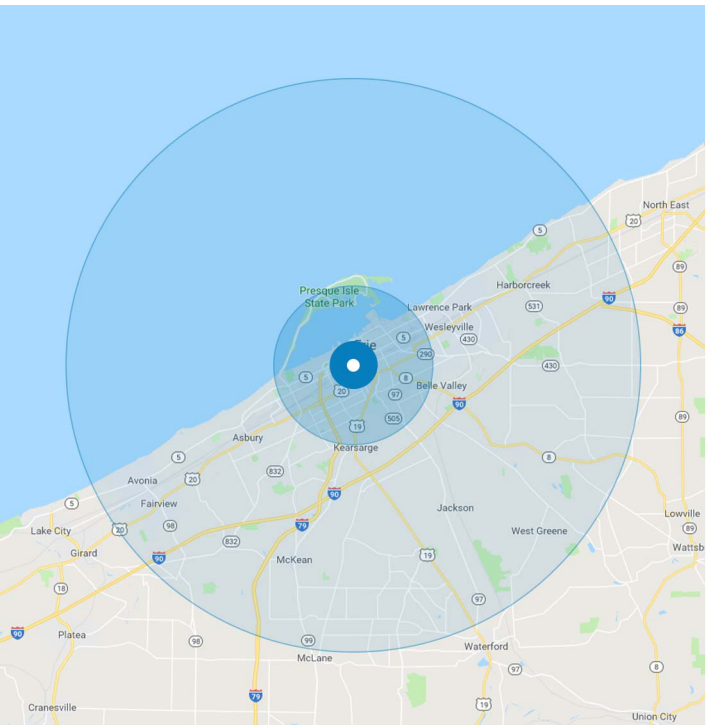
POPULATION	1 MILE	3 MILE	5 MILE	10 MILE
2024 Projection	22,154	97,999	151,780	194,911
2019 Estimate	22,635	99,803	154,060	197,632

Healthy Rent Growth

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Fourth Largest City in Pennsylvania

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HOUSEHOLDS

2024 Projection

2019 Estimate

	1 MILE	3 MILE	5 MILE	10 MILE
2024 Projection	9,241	39,866	62,188	78,484
2019 Estimate	9,453	40,615	63,142	79,616

HOUSEHOLDS

Avg. HH Income

Med. HH Income

	1 MILE	3 MILE	5 MILE	10 MILE
Avg. HH Income	\$41,062	\$52,585	\$58,285	\$64,487
Med. HH Income	\$33,364	\$38,631	\$43,690	\$48,520



DISCLAIMER

The information contained in this Marketing Brochure has been obtained from sources believed to be reliable. However, James Capital Advisors, Inc. & R. Scott Burdett (“Broker”) has not, and will not, verify any of this information, nor has Broker conducted, nor will it conduct, any investigation regarding these matters. Broker makes no representations, guarantees or warranties of any nature about the accuracy or completeness of any information provided. The information provided in this brochure is in no way a substitute for a thorough due diligence investigation by Buyer. Broker has made no investigation of, and has made no representations, guarantees, or warranties of any nature, with regard to income and expenses for this property nor the future financial performance of the property. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties as to the size and square footage of the property, the presence of any contaminating substances at the property, the physical condition of the property or compliance with any State, Local or Federal regulations. In addition, Broker has made no investigation of, and has made no representations, guarantees or warranties of any nature, with regard to the financial condition or future financial condition of any tenants, nor any future plans or intentions of tenants with regard to the continued occupancy of the property. All parties are aware that Broker has no affirmative obligation to conduct a due diligence examination of the property for any Buyer. Any and all projections or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property.

The value of the property to any Buyer depends on numerous factors that must be evaluated by Buyer and Buyer’s legal, tax, construction and financial advisors. Buyer and Buyer’s advisors should conduct a thorough, independent investigation of the property to determine its suitability for Buyer’s intended usage. This investment, as with all real estate investments, carries a substantial risk. As such, Buyer and Buyer’s legal and financial advisors are strongly advised to request and review all legal and financial documentations related to the property and tenants.

A tenant’s past performance is not a guarantee of future performance. The lease rate stated for some properties may be based on a tenant’s projected sales with little or no record of actual performance or comparable rents for the area in question. Returns are in no way guaranteed. Tenants may fail to pay the rent or property taxes or any other tenant obligations under the terms of the lease. Regardless of tenant’s history of performance, and/or any lease guarantors and/or guarantees, Buyer is responsible for conducting Buyer’s own investigation of all matters related to any and all tenants and lease agreements. Broker is not, in any way, responsible for the performance of any tenant or for any breach or default by any tenant of any terms of any lease agreement related to the property. Further, Buyer is responsible for conducting Buyer’s own independent investigation of all matters related to the value of the property, including, but not limited to, the value of any long term leases. Buyer must carefully evaluate the possibility of tenants vacating the property or breaching their leases and the likelihood and financial impact of being required to find a replacement tenant if the current tenant should default and/or abandon the property. Buyer must also evaluate Buyer’s legal ability to make alternate use of the property in the event of a tenant abandonment of the property.

CONFIDENTIALITY

This Marketing Brochure and the information contained within, is propriety and strictly confidential. It is intended to be used only by the party receiving it from Broker. It should not be made available to any other person or entity without the express written consent of Broker.

RELEASE

This Marketing Brochure has been prepared to provide basic, unverified information for prospective purchasers. By accepting this Marketing Brochure, the recipient agrees to release and hold harmless Broker from any claim, demand, liability or loss arising out, or relating in any way, to the information contained in this Marketing Brochure and from Buyer’s investigation of the property.

NON-ENDORSEMENT

Broker is not affiliated with, endorsed by or sponsored in any way by any tenant or lessee identified in this Marketing Brochure. The presence of any entity’s logo or name is not intended in any way to indicate affiliation, sponsorship or endorsement by said entity of Broker.

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Disclaimer

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CONTACT INFORMATION

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PA RE Lic. RSR001342

SUBMIT OFFER



James Capital Advisors

Contact Information

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CONSUMER NOTICE

THIS IS NOT A CONTRACT

Pennsylvania law requires real estate brokers and salespersons (licensees) to advise consumers who are seeking to sell or purchase residential or commercial real estate or tenants who are seeking to lease residential or commercial real estate where the licensee is working on behalf of the tenant of the business relationships permitted by the real estate licensing and registration act. **This notice must be provided to the consumer at the first contact where a substantive discussion about real estate occurs unless an oral disclosure has been previously provided. If the oral disclosure was provided, this notice must be provided at the first meeting or the first time a property is shown to the consumer by the broker or salesperson.**

Before you disclose any information to a licensee, be advised that unless you select an agency relationship the licensee is NOT REPRESENTING YOU. A business relationship of any kind will NOT be presumed but must be established between the consumer and the licensee.

Any licensee who provides you with real estate services owes you the following duties:

- Exercise reasonable professional skill and care which meets the practice standards required by the Act.
- Deal honestly and in good faith.
- Present, in a reasonably practicable period of time, all offers, counteroffers, notices, and communications to and from the parties in writing. The duty to present written offers and counteroffers may be waived if the waiver is in writing.
- Comply with Real Estate Seller Disclosure Act.
- Account for escrow and deposit funds.
- Disclose all conflicts of interest in a reasonably practicable period of time.
- Provide assistance with document preparation and advise the consumer regarding compliance with laws pertaining to real estate transactions.
- Advise the consumer to seek expert advice on matters about the transaction that are beyond the licensee's expertise.
- Keep the consumer informed about the transaction and the tasks to be completed.
- Disclose financial interest in a service, such as financial, title transfer and preparation services, insurance, construction, repair or inspection, at the time service is recommended or the first time the licensee learns that the service will be used.

A licensee may have the following business relationships with the consumer:

Seller Agency:

Seller agency is a relationship where the licensee, upon entering into a written agreement, works only for a seller/landlord. Seller's agents owe the additional duties of:

- *Loyalty* to the seller/landlord by acting in the seller's/landlord's best interest.
- *Confidentiality*, except that a licensee has a duty to reveal known material defects about the property.
- Making a *continuous and good faith effort* to find a buyer for the property, except while the property is subject to an existing agreement.
- Disclosure to other parties in the transaction that the licensee has been engaged as a seller's agent.

A seller's agent may compensate other brokers as *subagents* if the seller/landlord agrees in writing. Subagents have the same duties and obligations as the seller's agent. Seller's agents may also compensate buyer's agents and transaction licensees who do not have the same duties and obligations as seller's agents.

If you enter into a written agreement, the licensees in the real estate company owe you the additional duties identified above under seller agency. The exception is designated agency. See the designated agency section in this notice for more information.

Buyer Agency:

Buyer agency is a relationship where the licensee, upon entering into a written agreement, works only for the buyer/tenant. Buyer's agents owe the additional duties of:

- *Loyalty* to the buyer/tenant by acting in the buyer's/tenant's best interest.
- *Confidentiality*, except that a licensee is required to disclose known material defects about the property.
- Making a *continuous and good faith effort* to find a property for the buyer/tenant, except while the buyer/tenant is subject to an existing contract.
- Disclosure to other parties in the transaction that the licensee has been engaged as a buyer's agent.

A buyer's agent may be paid fees, which may include a percentage of the purchase price, and, even if paid by the seller/landlord, will represent the interests of the buyer/tenant.

If you enter into a written agreement, the licensees in the real estate company owe you the additional duties identified above under buyer agency. The exception is designated agency. See the designated agency section in this notice for more information.

Dual Agency:

Dual agency is a relationship where the licensee acts as the agent for both the seller/landlord and the buyer/tenant in the same transaction with the written consent of all parties. Dual agents owe the additional duties of:

- Taking no action that is *adverse or detrimental* to either party's interest in the transaction.

- Unless otherwise agree to in writing, making a *continuous and good faith* effort to find a buyer for the property and a property for the buyer, unless either are subject to an existing contract.
- *Confidentiality*, except that a licensee is required to disclose known material defects about the property.

Designated Agency:

In designated agency, the employing broker may, with your consent, designate one or more licensees from the real estate company to represent you. Other licensees in the company may represent another party and shall not be provided with any confidential information. The designated agent(s) shall have the duties as listed above under seller agency and buyer agency.

In designated agency, the employing broker will be a dual agent and have the additional duties of:

- Taking reasonable care to protect any confidential information disclosed to the licensee.
- Taking responsibility to direct and supervise the business activities of the licensees who represent the seller and buyer while taking no action that is adverse or detrimental to either party's interest in the transaction.

The designation may take place at the time that the parties enter into a written agreement, but may occur at a later time. Regardless of when the designation takes place, the employing broker is responsible for ensuring that confidential information is not disclosed.

Transaction Licensee:

A transaction licensee is a broker or salesperson who provides communication or document preparation services or performs other acts for which a license is required **WITHOUT being the agent or advocate** for either the seller/landlord or the buyer/tenant. Upon signing a written agreement or disclosure statement, a transaction licensee has the additional duty of limited confidentiality in that the following information may not be disclosed:

- The seller/landlord will accept a price less than the asking/listing price.
- The buyer/tenant will pay a price greater than the price submitted in a written offer.
- The seller/landlord or buyer/tenant will agree to financing terms other than those offered.

Other information deemed confidential by the consumer shall not be provided to the transaction licensee.

OTHER INFORMATION ABOUT REAL ESTATE TRANSACTIONS

The following are negotiable and shall be addressed in an agreement/disclosure statement with the licensee:

- The duration of the employment, listing agreement or contract.
- The fees or commissions.
- The scope of the activities or practices.
- The broker's cooperation with other brokers, including the sharing of fees.

Any sales agreement must contain the zoning classification of a property except in cases where the property is zoned solely or primarily to permit single family dwellings.

Real Estate Recovery Fund exists to reimburse any person who has obtained a final civil judgment against a Pennsylvania real estate licensee owing to fraud, misrepresentation, or deceit in a real estate transaction and who has been unable to collect the judgment after exhausting all legal and equitable remedies. For complete details about the Fund, call (717) 783-3658.

ACKNOWLEDGMENT

I acknowledge that I have received this disclosure.

Date: _____	_____	_____
	Print (Consumer)	Print (Consumer)
	_____	_____
	Signed (Consumer)	Signed (Consumer)
	_____	_____
	Address (Optional)	Address (Optional)
	_____	_____
	Phone Number (Optional)	Phone Number (Optional)

I certify that I have provided this document to the above consumer.

Date: _____	R. Scott Burdett
	Print (Licensee)

	Signed (Licensee)