

# RITE AID

530 WEST MARKET STREET | TIFFIN, OH 44883



NET LEASE PROPERTY GROUP - Midwest

**CBRE**

# AFFILIATED BUSINESS DISCLOSURE & CONFIDENTIALITY AGREEMENT

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The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

ALL PARCEL LINES ON SITE PLAN AND AERIALS ARE APPROXIMATE.





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## EXECUTIVE SUMMARY



## THE OFFERING

CBRE's Net Lease Property Group is pleased to extend the opportunity to acquire fee simple interest in a Rite Aid located in Tiffin, OH. Tiffin is the county seat of Seneca County and sits about 55 miles southeast of Toledo, Ohio. Rite Aid has been operating at this location since 2000, and in 2016, executed a 10-year extension beyond their initial term showing their strong dedication to the site. Rite Aid currently occupies 11,178 square feet of space with a double drive-thru and is situated on a 1.43-acre parcel of land. The asset is being offered free and clear of existing debt.

The property has outstanding access and visibility by being strategically positioned just off the hard corner of Market and Wentz Street. Market Street is the main point of access to and around the city and holds Tiffin's main retail corridor. The intersection combines for approximately 29,000 vehicles per day. Nearby retailers include Walmart, Kroger, Lowe's, ALDI, Tractor Supply Co., Ace Hardware, Rural Kings and many more.

With approximately 8.2 million customers a week, Rite Aid Corporation (NYSE: RAD) is the nation's third-largest drugstore chain (behind CVS and Walgreens). The company has a strong presence on the east and west coast with 2,467 stores in 18 states as of April 2019. Rite Aid currently employs more than 51,000 associates and is headquartered in Camp Hill, PA. The company had fiscal 2018 annual revenues of \$21.6 billion and is ranked #107 on Forbes' Fortune 500.



## FINANCIAL OVERVIEW

<b>ASKING PRICE:</b>	<b>\$3,711,000</b>
<b>CAP RATE:</b>	<b>7.50%</b>
Current Annual Rent:	\$278,346.60
Lease Structure:	NN
Building Size:	11,178 Square Feet
Site Size:	± 1.4292 Acres / 62,256 Square Feet
Tenant:	Rite Aid of Ohio, Inc.
Guarantor:	Corporate
Lease Expiration:	April 30, 2030
Lease Term Remaining:	10 Years, 11 Months
Renewal Options:	Six, 5-Year Options
Rental Increases:	15% in Option 1 3% in Options 2 through 6
Landlord Responsibilities:	Roof and Structure
Tenant Responsibilities:	CAM, Taxes, Insurance and Parking

Base Term	Annual Rent	Monthly Rent
Current - 4/30/2030	\$278,346.60	\$23,195.55

Option Terms	Annual Rent	Monthly Rent
Option 1: 5/1/2030 - 4/30/2035	\$320,418.84	\$26,701.57
Option 2: 5/1/2035 - 4/30/2040	\$331,598.76	\$27,633.23
Option 3: 5/1/2040 - 4/30/2045	\$342,778.80	\$28,564.90
Option 4: 5/1/2045 - 4/30/2050	\$353,958.84	\$29,496.57
Option 5: 5/1/2050 - 4/30/2055	\$365,138.76	\$30,428.23
Option 6: 5/1/2055 - 4/30/2060	\$376,318.80	\$31,359.90



# INVESTMENT HIGHLIGHTS

**Corporate Guarantee:** This is an excellent opportunity to acquire fee interest in a corporate Rite Aid lease. Rite Aid is the nations third-largest drugstore chain (behind CVS and Walgreens) and has a strong presence on the east and west coast with 2,467 stores in 18 states as of April 2019. Rite Aid currently employs more than 51,000 associates and is headquartered in Camp Hill, PA. The company had fiscal 2018 annual revenues of \$21.6 billion and is ranked #107 on Forbes' Fortune 500.

**Long Term Commitment:** The original lease was signed in 1999 and was set to expire in 2020, but Rite Aid extended their term by an additional 10 years. The lease now has approximately 10 years and 11 months of term remaining.

**"Wellness Store" Remodel:** In 2012, Rite Aid selected a limited number of stores across the country for a "Wellness Store" remodel, transforming stores to an industry-leading level of functionality and aesthetic. Rite Aid in Tiffin was one of the selected stores, demonstrating a strong vote of confidence from Rite Aid on the success of this location.

**Minimal Landlord Responsibilities:** Rite Aid is responsible for the CAM, Taxes, and Insurance on the asset, as well as all parking lot related items. The Landlord is responsible for only the roof and structure of the building. Ideal low management investment for a passive investor.

**Outstanding Access and Visibility:** Rite Aid is highly visible on both Market and Wentz Street with frontage of  $\pm 300$  feet and  $\pm 225$  feet, respectively. The site also benefits from three main points of access from the surrounding roads. There is one point of access on the intersection of Market Street and Hopewell Avenue, as well as two ingress/egress points on Wentz Street.

**Minor Competition:** In addition to the Rite Aid, Tiffin and the surrounding area are only serviced by one other Pharmacy, a CVS. There are no other pharmacies in the surrounding area, and the nearest Walgreens is over 20 miles away.

**Proximity to Top Area Employers:** Rite Aid is located just over one-mile northeast of Mercy Tiffin Hospital, a major employer serving Seneca County. Rite Aid is also less than one mile from Tiffin University with over 3,000 students, and two miles from Heidelberg University with over 1,200 students.

**Bustling Trade Area:** Rite Aid is located in the most retail-centric corridor in the area. West Market Street is filled with national and regional retailers such as Walmart, Kroger, Lowe's, ALDI, Tractor Supply Co., Ace Hardware, Rural Kings, and many more. This street contains more national and regional retailers than any other corridor for 20 miles.

**Free and Clear Offering:** Rite Aid is offered free and clear of existing debt. This enables investors to structure their capital requirements according to their needs and if desired, leverage the acquisition with debt that is currently available at attractive interest rates and terms.



## AERIAL VIEW LOOKING WEST





REGIONAL MAP







## PROPERTY DESCRIPTION



SITE PLAN



# PROPERTY DESCRIPTION

## Location

530 West Market Street, Tiffin, OH 44883

## General Description

One-story, single tenant retail building

## Year Built

2000

## Building Size

11,180 Square Feet

## Land Area

± 1.4292 Acres / 62,256 Square Feet

## Parking

Surface parking is provided for 39 vehicles, or 3.5 spaces per 1,000 SF of GLA.

## Zoning

C-2 (General Commercial District)

## Access

Ingress and egress are provided via one point along Market Street south of the asset and two points along Wentz Street north of the asset.

## Frontage/Visibility

The Property is highly visible from Market Street with no impeding outlots and ±300 feet of frontage. The Property is also visible from Wentz street with ±225 feet of frontage.

## Flood Zone

According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 39147C0352D dated May 3, 2011. Zone X, an area that is determined to be outside the 100-and 500-yearflood plains.





# TENANT PROFILE



With approximately 8.2 million customers per week, Rite Aid Corporation (NYSE: RAD) is the largest drugstore chain on the east coast and the third-largest in the nation (behind CVS and Walgreens). The company has a strong presence on the east and west coast with 2,467 stores in 18 states as of April 2019. The company had fiscal 2019 annual revenues of \$21.6 billion and is ranked #107 on Forbes’ Fortune 500.

Rite Aid operates under two segments, Retail Pharmacy and Pharmacy Services. Its Retail Pharmacy segment sells prescription drugs and an array of other merchandise including over-the-counter medication, health and beauty products, personal care items, household items, greeting cards and food and beverages among others. The Pharmacy Services segment provides pharmacy benefit management (PBM) services and a range of pharmacy-related services. Rite Aid fills approximately 214 million prescriptions per year and over 13 million members in their wellness and loyalty program. The company was founded in 1962, opening its first store in Scranton, PA. Rite Aid currently employs more than 51,000 associates and is headquartered in Camp Hill, PA.



2,467  
Locations



Headquarters  
Camp Hill, PA



Founded in  
1962



Employees  
51,000



Total Revenue  
\$21.6 Billion



Stock Symbol  
NYSE: RAD





## MARKET OVERVIEW



# MARKET OVERVIEW

Tiffin, Ohio is the county seat of Seneca County and centrally located between Toledo (55 miles northwest), Columbus (88 miles south) and Cleveland (93 miles northeast). The city's current population is approximately 18,000. The MSA's population, which consists of Seneca County, exceeds 56,100 residents. Tiffin is a scenic community with nearly seven miles of the Sandusky River flowing through the center of town and 200-acres of parkland. The National Arbor Day Foundation has designated Tiffin as a Tree City USA.

## Economy

The Tiffin MSA employs nearly 22,000 people and is driven by Manufacturing, Health Care & Social Assistance and Retail Trade. Industries that pay the highest in the area include Utilities as well as Transportation and Warehousing. The average household income in the Tiffin MSA \$63,225. The unemployment rate in the Tiffin MSA is 4.4% and recent job growth has been on a positive trend. Employers and residents are also drawn to this area due to its low cost of living which is approximately 24% lower than the national average.

## Transportation

The Seneca County Airport sits near the southwest edge of town. The Tiffin MSA is within driving distance to four major airports in major MSA's nearby as well as Amtrak stations. They city is served by cabs as well as a senior and national bus line. US Route 224 runs south of town and consists of 289 miles running from Huntington, IN to New Castle PA.

## Recreation and Shopping

Tiffin is home to thirteen parks for residents and visitors to enjoy, which spans approximately 200-ares total. Each park offers natural features, landscape, facilities and opportunities for recreation. The area is also home to a county museum, library, county fair, festivals, home and garden tours, concerts and parades among others. There are also sporting, cultural and social events held in Tiffin every week. The majority of the areas retail is located on Market Street which hosts national and regional retailers such as Walmart, Kroger, Lowe's, ALDI, Tractor Supply Co., Ace Hardware, Rural Kings, and many more. There are also numerous downtown businesses, an industrial park and flea market.

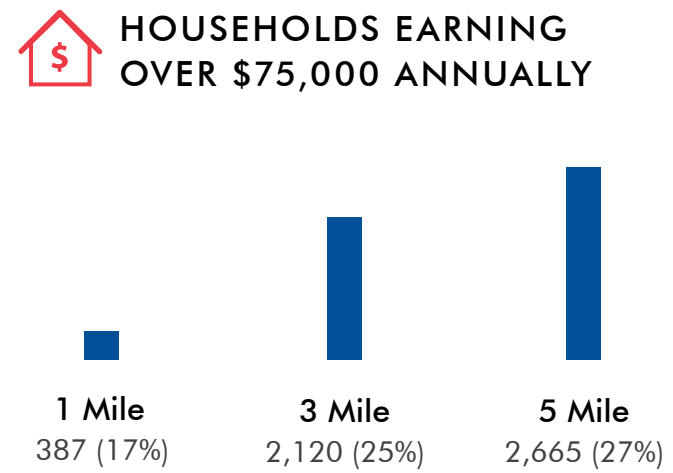
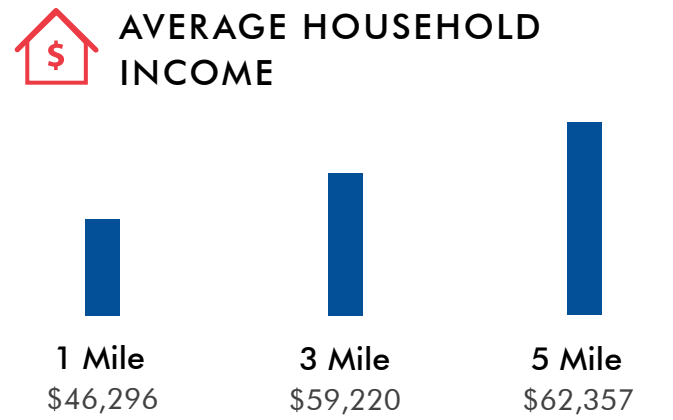
## Education

Commonly known as "The Education Community", Tiffin has two universities as well as trade, technical and vocational schools. Tiffin University, situated on a 130-acre campus, was established in 1888 and is a private coeducation university. The university is home to over 3,000 students and offers over 50 undergraduate majors and concentrations as well as over 25 graduate programs. Heidelberg University was founded in 1850 and is a four-year private institution that combines liberal arts and professional preparation. The 125-acre campus is home to over 1,200 students. The university offers 74 majors, minors and pre-professional programs.

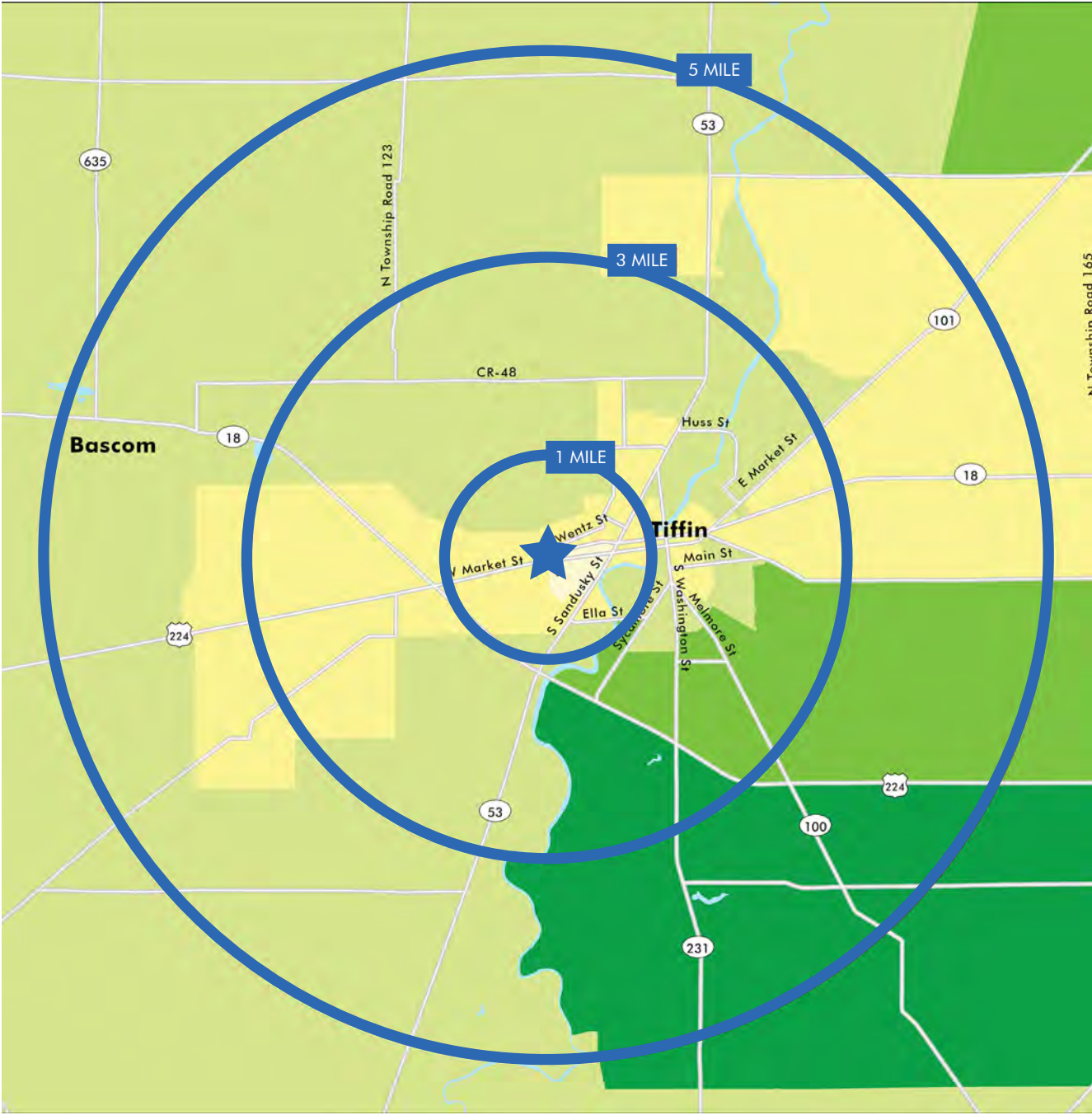
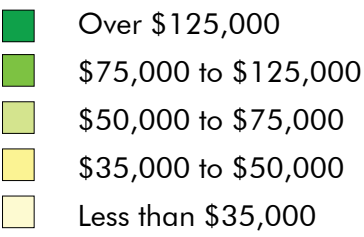


Heidelberg University

# HOUSEHOLD INCOME

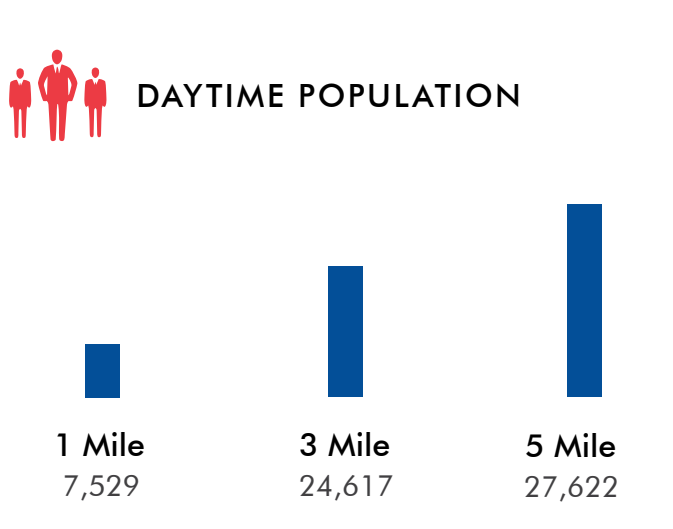
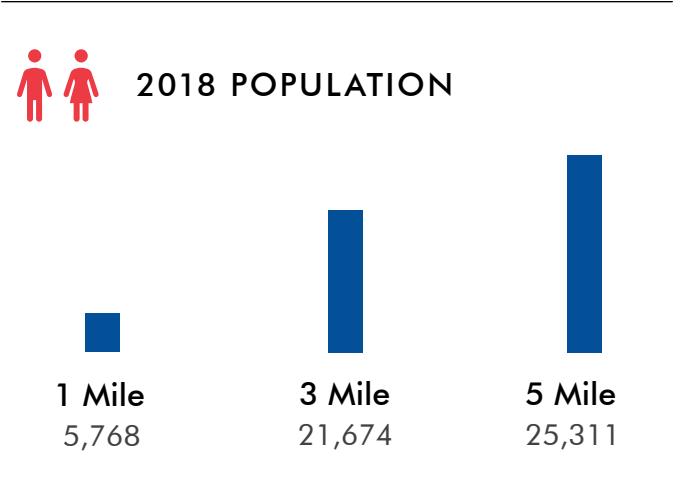


## AVERAGE HOUSEHOLD INCOME

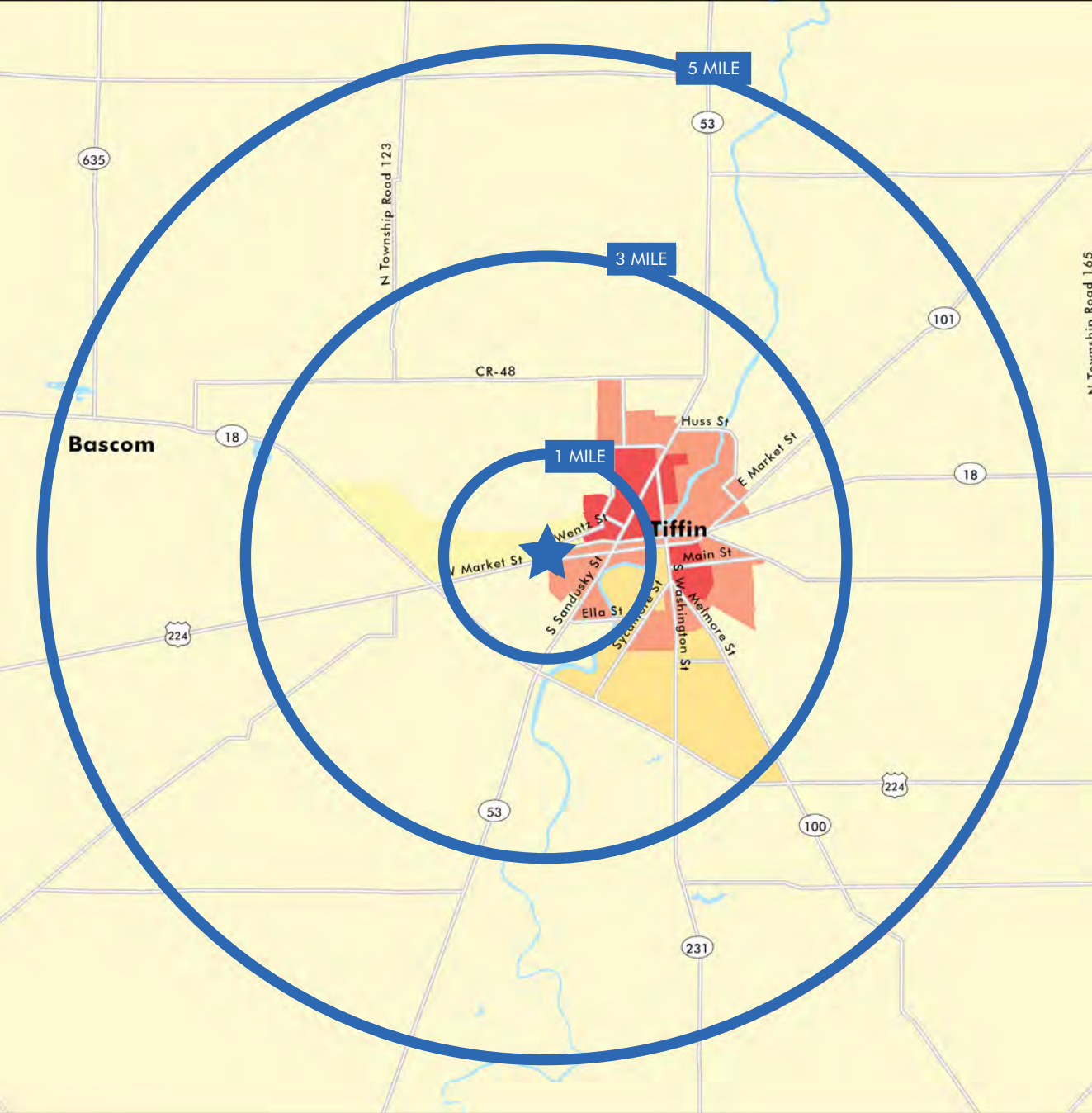




# POPULATION CONCENTRATION



## POPULATION PER SQUARE MILE



# RITE AID

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