

24 HOUR LOCATION



RITE AID

2401 E VENANGO ST.
PHILADELPHIA, PA 19134

CBRE

**OFFERING
MEMORANDUM**

EXCLUSIVELY LISTED BY:

IAN SCHROEDER

Senior Vice President
Investment Properties
Lic. 01497897
+1 949 438 1002
ian.schroeder@cbre.com

PRIMARY CONTACT:

MELISSA LEY

Associate
Investment Properties
Lic. 01984445
+1 949 725 8617
melissa.ley@cbre.com

Brokers of Record:

MATTHEW GORMAN
CBRE - Conshohocken, PA
Lic. 287470

MICHAEL SHOVER
CBRE - Conshohocken, PA
Lic. 297116





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INVESTMENT HIGHLIGHTS

- Rite Aid has been at this location since 1999 and **just executed a new 11 year lease term (which commenced July 22, 2019)**. The lease also features four (4), five (5) year options.
- The lease structure is **double net (NN), with minimal landlord responsibilities**. Tenant is responsible for HVAC, maintaining CAM and parking, and payment of all taxes, utilities, and insurances.
- The lease provides for **10% rental increases at the start of each option period**.
- There are **34,825 residents located in the one (1) mile demographic ring**.
- The average household income in the five (5) mile demographic ring is **\$60,298**.
- This location is open 24 hours a day and is situated on the **hard-signalized corner of E Verango St. & Aramingo Ave.**
- Rite Aid is the **largest pharmacy and 7th largest company in Pennsylvania**.
- Rite Aid is headquartered in Camp Hill, PA, **which is located 112 miles (110 minutes) away from the subject property**.
- Rite Aid is located just 4.6 miles (8 minutes) from downtown Philadelphia (Center City)**. It encompasses the city's busiest and most densely packed cultural, historical and entertaining neighborhoods.
- Rite Aid is located right off Interstate 95, **which reports strong traffic counts of 197,000 cars per day**.
- The subject property is located in a dense retail corridor surrounded by other tenants such as **Forman Mills, Taco Bell, Panda Express, AT&T, Jiffy Lube, Walmart Supercenter Target & Lowe's**.
- Pennsylvania's largest and principal city is Philadelphia, **the most populous city in the state, and sixth-most populous city in the U.S.**
- Eighteen citywide conventions, the most in a decade, and an increase in overseas visitation combined to brought **1.3 million overnight visitors to Philadelphia in 2018**.
- The Philadelphia International Airport is **located just 15 miles (20 minutes) from the subject property and serves 31.7 million passengers annually**.

INVESTMENT SUMMARY

Offering Price.....	\$4,892,000
Cap Rate.....	7.50%
Price/SF.....	\$384.02
Lease Structure	NN
Current Annual Rent.....	\$366,886
Building GLA	12,739 SF
Lot Size.....	1.4 acres
Ownership	Fee Simple



TENANT OVERVIEW

About Rite Aid

Rite Aid Corporation (NYSE: RAD) Rite Aid is the third largest retail drugstore chain in the United States based on both revenues and number of stores. With approximately 2,550 stores in 19 states and the District of Columbia, Rite Aid has a strong presence on both the West and East Coasts.

Rite Aid sells prescription drugs and a wide assortment of other merchandise, which they call “front-end” products. Front-end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, food and beverages, and numerous other every day and convenience products.

In fiscal 2018, Rite Aid continued reporting their business in two distinct segments. Their Retail Pharmacy Segment consists of Rite Aid stores, RediClinic and Health Dialog. Their Pharmacy Services Segment consists of EnvisionRx, a pharmacy benefit management (PBM) provider that they acquired in June 2015. In fiscal 2018, prescription drug sales accounted for 65.9% of their total drugstore sales, while their front-end products accounted for the remaining 34.1% of the total drug store sales.

On October 27, 2015 Rite Aid Corporation announced a plan to merge with Walgreens Boots Alliance, Inc. The merger was terminated, Walgreens paid a \$325 million termination fee, and the deal was revised to an asset purchase agreement that was completed on March 27, 2018.

Under the new deal, Walgreens paid \$4.38 billion to buy 1,932 Rite Aid stores. A press release by Rite Aid mentions that this “asset sale repositions Rite Aid as an independent, multi-regional drugstore chain and pharmacy benefits manager with compelling footprint in key markets.” This release also mentions that “Rite Aid will have the option to purchase generic drugs that are sourced through an affiliate of WBA at cost, substantially equivalent to Walgreens, for a period of 10 years.”

Rite Aid later announced a proposed merger with Albertsons that was called off in August of 2018 due to shareholder opposition.



RITE AID CORPORATE OVERVIEW

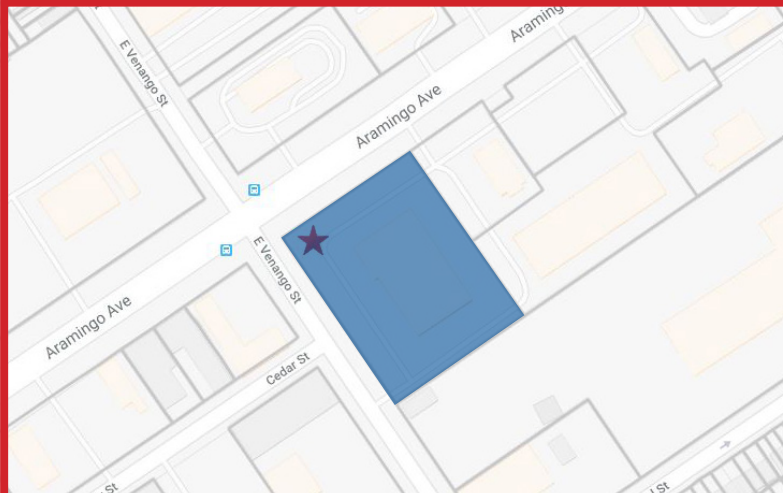
Type:	Public (NYSE: RAD)
Industry:	Drug, Health & Beauty Stores
Locations:	2,550+
Employees:	88,000+
Revenue:	\$21.5 Billion (FY 2018)
Corporate Headquarters:	Camp Hill, PA

PROPERTY OVERVIEW





PROPERTY OVERVIEW



PROPERTY SUMMARY

Price: \$4,892,000

Cap Rate: 7.50%

Address: 2401 E Venango St.
Philadelphia, PA 19134

Ownership: Fee Simple

Building GLA: 12,739 SF

Lot Size: 1.4 acres

Parking: ~66

Year Built: 1990

Parcel Number: 88-2076101

LEASE SUMMARY

Tenant: ECKERD CORPORATION

Date of Lease: March 12, 1999

Lease Extension Commencement: July 22, 2019

Lease Expiration: June 30, 2030

Term Remaining: 11 years

Renewal Options: 4 - 5 year options

Current Annual Rent: \$366,886

Rental Increases: 10% at start of each option

Percentage Rent: The amount by which 2% of Gross Receipts exceeds base rent

Sales Reporting: Store reports sales.



LEASE SUMMARY CONTINUED

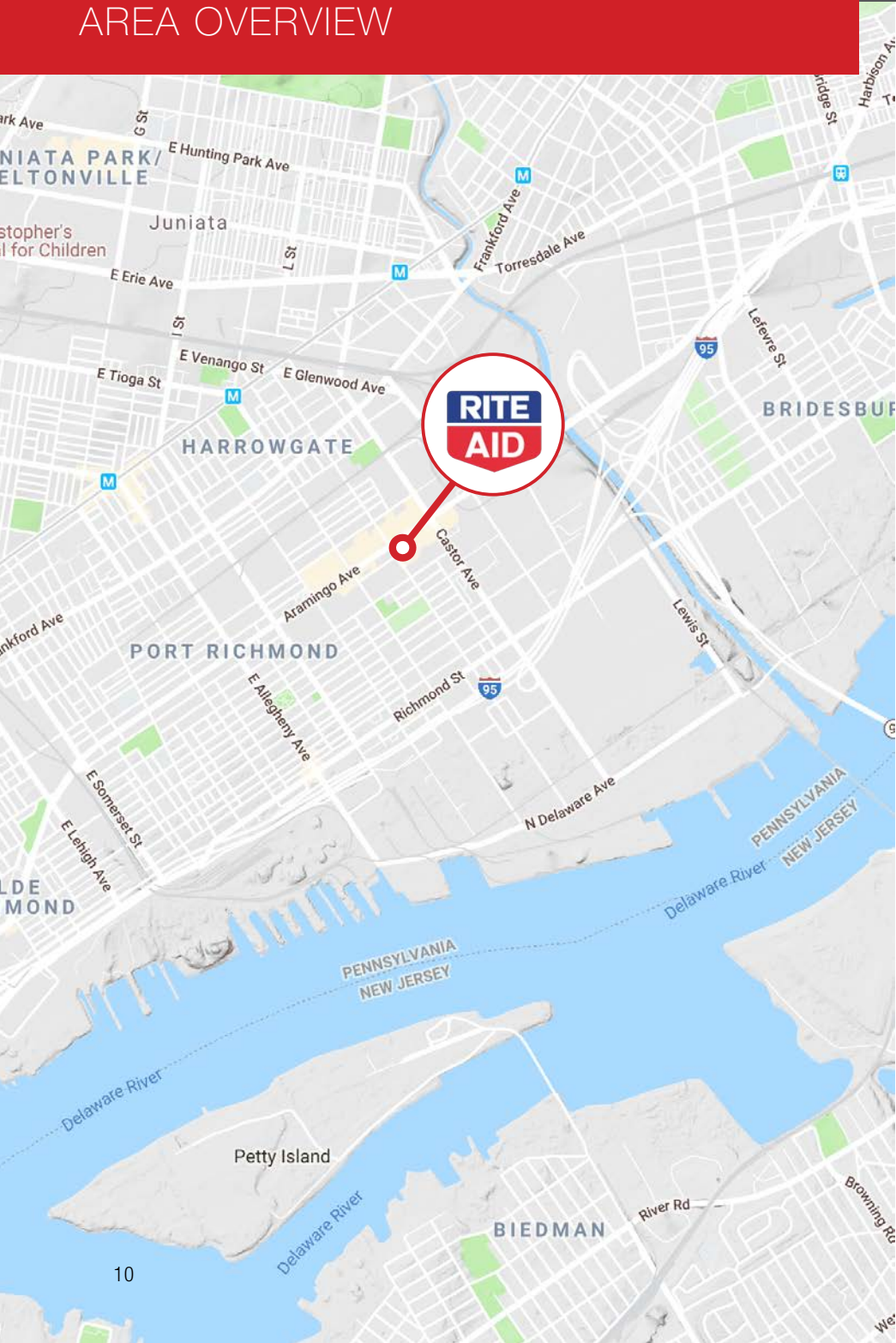
Lease Structure:	NN - Some Landlord Responsibility
Roof:	Landlord
Structure:	Landlord
HVAC:	Tenant
Common Area:	Tenant
Parking:	Tenant
Property Taxes:	Tenant - Tenant pays direct
Utilities:	Tenant - Tenant pays direct
Insurance:	Tenant - Tenant pays direct
Assignment & Subletting:	No assignment or sublet shall relieve Tenant of its obligations under the lease
ROFR:	Tenant does not have a ROFR.

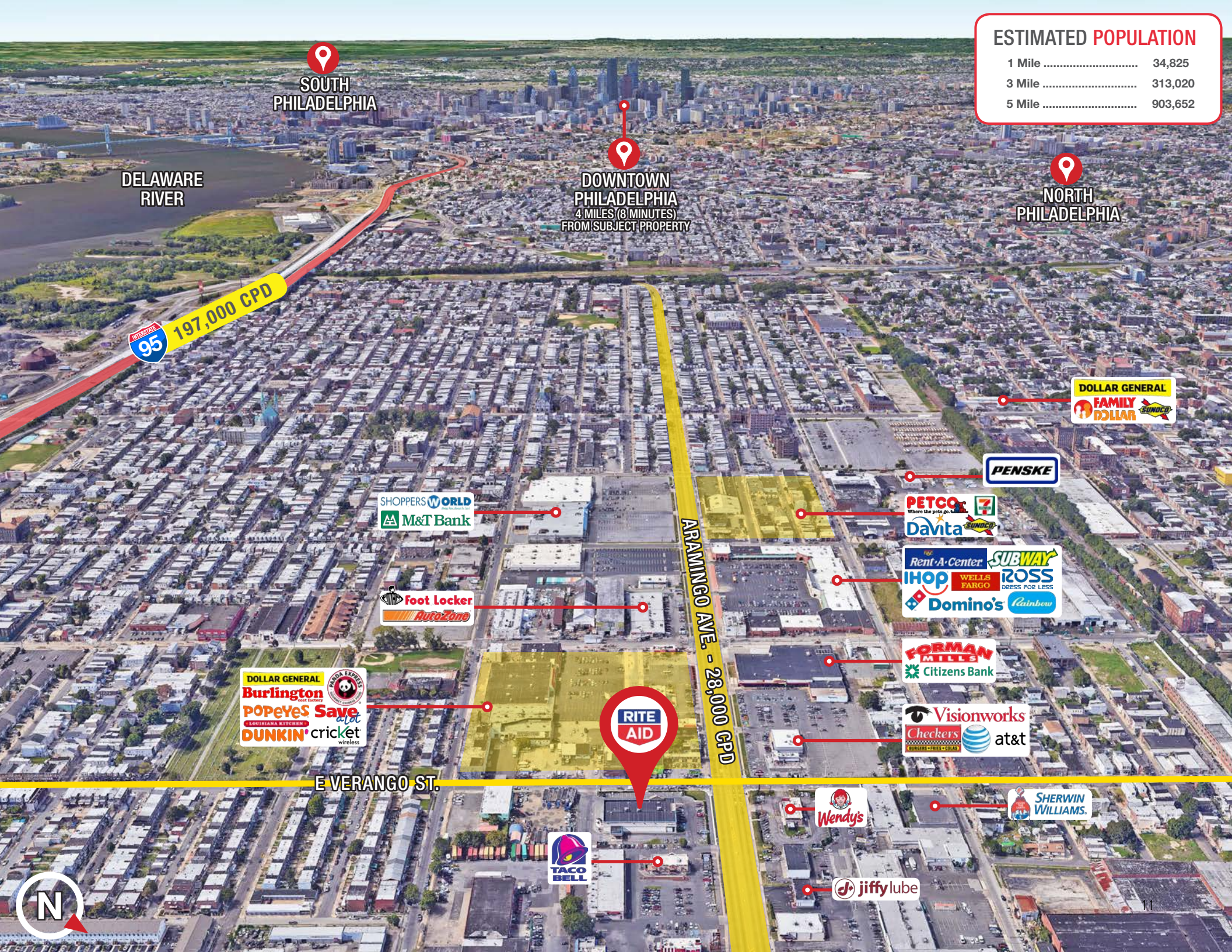
RENT SCHEDULE

Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 11:	\$30,574	\$366,886	\$28.80	
Option 1:		\$33,631	\$403,575	\$31.68	10.00%
Option 2:		\$36,994	\$443,932	\$34.85	10.00%
Option 3:		\$40,694	\$488,325	\$38.33	10.00%
Option 4:		\$44,763	\$537,158	\$42.17	10.00%



AREA OVERVIEW






SOUTH
PHILADELPHIA


DOWNTOWN
PHILADELPHIA
4 MILES (8 MINUTES)
FROM SUBJECT PROPERTY


NORTH
PHILADELPHIA

DELAWARE
RIVER

 197,000 CPD

ESTIMATED POPULATION

1 Mile	34,825
3 Mile	313,020
5 Mile	903,652

SHOPPERS WORLD
M&T Bank

Foot Locker
AutoZone

DOLLAR GENERAL
Burlington
POPEYES
DUNKIN' CRICKET

E VERANGO ST.



ARAMINGO AVE. - 28,000 CPD

DOLLAR GENERAL
FAMILY DOLLAR

PENSKE

PETCO
Davita

Rent-A-Center
IHOP
Domino's

FORMAN
Citizens Bank

Visionworks
Checkers
at&t

Wendy's

SHERWIN
WILLIAMS

jiffy lube

TACO BELL





Wawa
DOLLAR GENERAL

RITE AID
FAMILY DOLLAR
Save a lot

Wendy's
McDonald's
TACO BELL

FRANKLIN TOWNE
CHARTER HIGH SCHOOL

7
ELEVEN

LOWE'S
SONIC
five BELOW
Chick-fil-Steak
Walmart
TD Bank

Wawa
Public Storage

RITE AID
Wawa

BRIDESBURG
ELEMENTARY SCHOOL

Wendy's
MATTRESS FIRM
Visionworks
FORMAN MILLS
Checkers
jiffy lube

SHOPPERS WORLD
IHOP
WELLS FARGO
Domino's
Davita
PETCO
Rent-A-Center
SUBWAY
M&T Bank

FRESENIUS
KIDNEY CARE

FAMILY
DOLLAR

FRANCES E WILLARD
ELEMENTARY SCHOOL

RITE
AID

WING STOP
DOLLAR TREE

FRANKLIN TOWNE
CHARTER ELEMENTARY
SCHOOL

ABF
Freight

ARAWINGO AVE. - 28,000 CPD

EVERANGO ST.

Wawa

TARGET
Advance Auto Parts
GameStop
Applebee's
SHERWIN WILLIAMS
DUNKIN'
McDonald's
SUNOCO
bp
Shell

197,000 CPD

95

BETSY ROSS BRIDGE

DELAWARE
RIVER

PENNSYLVANIA
NEW JERSEY



AREA OVERVIEW

PHILADELPHIA, PA

HISTORY

- The country's first World Heritage City, Philadelphia is also the birthplace of the United States, where our Founding Fathers met, discussed, debated and formed a new country. The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA is located in the Delaware Valley and encompasses the southeastern portion of Pennsylvania, the southwestern portion of New Jersey, the northern portion of Delaware and the northeastern portion of Maryland. It is comprised of 11 counties within these four states. Its largest and principal city is Philadelphia, the most populous city in Pennsylvania, and sixth-most populous city in the U.S.
- The City currently occupies an area of 135 square miles along the Delaware River, serves a population in excess of 1.5 million and is the hub of a five-county metropolitan area including Bucks, Chester, Delaware and Montgomery Counties in southeast Pennsylvania.



ECONOMY

- Philadelphia benefits from its strategic geographical location, relative affordability, cultural and recreational amenities, and its growing strength in key industries. As a hub for education and medicine, the City is home to a number of institutions of higher education, medical and research facilities, and hospitals. The City also has a strong business and personal services economy with strengths in insurance, law, finance, and leisure and hospitality. The cost of living in the City is relatively moderate compared to other major metropolitan areas. In addition, the City offers the business community a large and diverse labor pool.
- Today, one in six Philadelphia workers are in the industrial sector, and only one in ten workers are in manufacturing specifically. Philadelphia industrial has pivoted to regional and national distribution, warehousing, logistics, and transportation companies, and including manufacturing, industrial businesses generate \$1.3 billion in wages annually.

RETAIL ACTIVITY

- Philadelphia supports a thriving retail economy and is currently home to 73.6 million square feet of retail space and 11,046 retail buildings and centers. The MSA ranks sixth overall in total retail sales, and seventh for per capita retail sales. The largest centers in the city include the 1.9 million square foot Franklin Mills, the 1.2 million square foot Fashion District Philadelphia and the 630,000-square foot Whitman Square.

AREA OVERVIEW

EDUCATION

- The Philadelphia university system is exceptional, attracting professionals to the MSA, and helps to maintain a skilled workforce for technology and medical services. The knowledge economy and educated workforce have promoted employer growth and expansion within the MSA.
- There are 115 colleges and universities in the Philadelphia MSA, including the University of Pennsylvania (7 miles from subject property), Temple (4 miles from subject property), and Drexel (6 miles from subject property), the three of which enroll roughly 90,000 students. Philadelphia ranks amongst the top 19 “Knowledge Capitals” internationally according to the Brookings Institution based on ideas and new technologies that the university system, researchers, firms and entrepreneurs have been able to produce and share with the world courtesy of the City of Brotherly Love.

AIRPORTS & TRAVEL

- The Philadelphia-Camden-Wilmington MSA is located between New York City and Washington DC, two densely populated metropolitan areas with significantly higher land costs on average, and Interstates 95, 76 and the PA and NJ Turnpikes provide direct access from Philadelphia to all of the major population centers on the East Coast. Philadelphia’s Delaware River ports can accommodate Supramax shipping vessels, and the port is in the midst of a \$300M renovation which will double cargo handling capacity.
- Philadelphia International Airport has 6 cargo facilities and is a major hub for UPS, offering same-day service to the Eastern U.S. and Western Europe. The airport is located just 15 miles (20 minutes) from the subject property and serves 31.7 million passengers annually.



SURROUNDING ACTIVITY

- Famous as the birthplace of life, liberty and the pursuit of happiness, Philadelphia delivers one destination, five counties and countless things to do: fascinating museums, vibrant parks, national historic sites and famous (and delicious) food. Philadelphia features iconic landmarks that played a pivotal role in the establishment of America—including Independence Hall, a UNESCO World Heritage Site and the building where the Declaration of Independence and U.S. Constitution were debated and adopted.
- While the City is known worldwide for its rich history, Philadelphia has accumulated significant accolades for its walkable downtown, distinct neighborhoods, outstanding restaurants, exceptional arts and culture, outdoor life, tax-free shopping on clothing and shoes, and much more. Eighteen citywide conventions, the most in a decade, and an increase in overseas visitation combined to brought 1.3 million overnight visitors to Philadelphia in 2018. The economic impact from overseas visitation reached \$1.1 billion, and Center City hotel occupancy climbed to an all-time high of 79.6%.

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
Estimated Population (2018)	34,825	313,020	903,652
Census Population (2010)	33,504	301,462	865,661
Projected Population (2023)	35,352	318,788	924,340
HISTORICAL ANNUAL GROWTH			
2000-2010	0.71%	0.21%	0.25%
2010-2018	0.47%	0.46%	0.52%
PROJECTED ANNUAL GROWTH			
2018-2023	0.30%	0.37%	0.45%
HOUSEHOLDS	1 Mile	3 Mile	5 Mile
Estimated Households (2018)	12,049	104,513	334,519
Census Households (2010)	11,833	101,781	322,198
Projected Households (2023)	12,136	105,890	341,982
HISTORICAL ANNUAL GROWTH			
2000-2010	0.12%	0.31%	0.32%
2010-2018	0.22%	0.32%	0.46%
PROJECTED ANNUAL GROWTH			
2018-2023	0.14%	0.26%	0.44%

2018 POPULATION BY RACE	1 Mile	3 Mile	5 Mile
Hispanic	36.4%	47.4%	26.6%
White	46.7%	23.2%	28.3%
Black or African American	16.2%	26.9%	38.5%
Asian	1.7%	4.1%	6.5%
2018 AGE BY GENDER	1 Mile	3 Mile	5 Mile
MEDIAN AGE			
Male	31.00	29.90	32.20
Female	32.60	32.00	34.40
HOUSEHOLD INCOME	1 Mile	3 Mile	5 Mile
2018 Average	\$45,231	\$45,828	\$60,298
2018 Median	\$31,005	\$31,794	\$39,222
VALUE OF HOUSING UNITS	1 Mile	3 Mile	5 Mile
2018 Average	\$127,052	\$131,135	\$183,900
2018 Median	\$107,050	\$105,041	\$135,788

AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs.

ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

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.

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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CONTACT US

Exclusively Listed By:

Primary Contact:

IAN SCHROEDER
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Investment Properties
Lic. 01497897
+1 949 438 1002
ian.schroeder@cbre.com

MELISSA LEY
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