
OFFERING
MEMORANDUM



RITE AID

531 W GENESEE STREET, SAGINAW, MI 48602

Marcus & Millichap

NON-ENDORSEMENT & DISCLAIMER NOTICE

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc.

© 2018 Marcus & Millichap. All rights reserved.

NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers. **ACTIVITY ID: ZAA0940065**

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

Marcus & Millichap

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

NET-LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows: The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions 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 a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate **Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.**



N MICHIGAN AVE

W GENESEE AVE



DOWNTOWN
SAGINAW



W GENESEE AVE

N MICHIGAN AVE

OFFERING SUMMARY

531 W Genesee St, Saginaw, MI

RITE AID

 <i>Total Price</i>	\$1,800,000	9.30% <i>CAP RATE</i>
Base Rent	\$167,700	
Square Feet	11,180*	
Lot Size	1.53 Acres*	
Ownership	Fee Simple	

*Building and lot size information per RealQuest. Buyer will need to verify the accuracy of this during the due diligence period.



LEASE SUMMARY

Lease Type	Double Net
Roof & Structure	Landlord Responsible
Tenant	Rite Aid of Michigan, Inc.
Lease Term	20 Years*
Rent Commencement	August 28, 1998
Lease Expiration	August 27, 2021
Term Remaining	2 years
Percentage Rent	Yes
Increases	In Options
ROFR	None
Options	Four, 5-year

*Tenant recently executed a lease extension for 3 years until August 27, 2021 with an annual rent of \$167,700

ANNUAL RENT

Current NOI	\$167,700
Option 1	\$269,453
Option 2	\$277,748
Option 3	\$286,043
Option 4	\$294,338
Rent (\$15.00/SF)	\$167,700
NET OPERATING INCOME	9.30%/\$167,700
TOTAL RETURN	\$167,700



TENANT OVERVIEW // *Rite Aid*



 **2,500+**
LOCATIONS

 HEADQUARTERED IN
Camp Hill, PA

 STATE LOCATIONS
30

STOCK SYMBOL
NYSE: RAD

FOUNDED IN
1962

MORE THAN
89,000
EMPLOYEES



WEBSITE
www.riteaid.com

Rite Aid Corporation is a retail drugstore chain in the United States and a Fortune 500 company. It is headquartered in Camp Hill, Cumberland County, Pennsylvania. The Company's segments include Retail Pharmacy and Pharmacy Services. The Company operates under The Rite Aid name. It operates approximately 2,525 stores in over 30 states across the country and in the District of Columbia. Rite Aid is the largest drugstore chain on the East Coast and the third largest in the United States, employing roughly 89,000 associates. The company is publicly traded on the New York Stock Exchange under the ticker symbol RAD.



INVESTMENT HIGHLIGHTS

- Corporate Lease with Rite Aid of Michigan, Inc.
 - Lease recently extended in 2018
 - Low rent at \$15/sf

PROPERTY HIGHLIGHTS

- Located at the 4-way signalized intersection of Michigan Ave and Genesee Ave
 - Blocks away from Interstate 675
- Surrounding national tenants include Walgreens, Family Dollar, Tim Horton's, Food Depot, Citi Trends and Aaron's,
 - Near the Saginaw Arts & Sciences Academy (student enrollment approx. 600)
- Less than one mile from the Covenant Healthcare Center - a 520 bed Medical center
- One Mile from the Dow Event Center - an indoor arena for concerts, shows & sporting events
 - Strong demographics with over 100,000 people within 5 miles





GRAND RAPIDS

LANSING

DETROIT



SAGINAW // *Overview*

- Saginaw is the county seat of Saginaw County and is part of the “Tri-City area” along with Bay City and Midland
- Saginaw county MSA has a population of about 197,000
- Home to the Saginaw Spirit hockey team (Ontario league) & Saginaw Valley State University (student population approx. 8,660)
- The Dow center hosts many major sporting events and concerts each year that bring in over thousands of fans
- I-75 is a major highway that runs alongt the eastern side of Saginaw and stretches North-South from Mexico to Canada
- Home to one of two U.S. Nexteer Automotive plants which is a world-wide leader in intuitive motion control, serving more than 60 customers in every major region of the world. Customers include companies like BMW, Ford, GM, and Toyota.
- 15 miles from the great lakes

POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection	8,461	65,204	105,011
2018 Estimate	8,933	67,893	107,416
2010 Census	9,228	70,361	110,378
2000 Census	10,845	81,082	122,727

INCOME	1 MILE	3 MILES	5 MILES
Average	\$42,729	\$48,536	\$55,320
Median	\$32,814	\$34,573	\$39,056
Per Capita	\$16,428	\$19,434	\$22,588

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2023 Projection	3,226	25,911	42,633
2018 Estimate	3,390	26,652	43,100
2010 Census	3,603	28,135	45,034
2000 Census	4,329	31,481	48,212

EMPLOYMENT	1 MILE	3 MILES	5 MILES
2018 Daytime Population	15,647	80,666	119,463
2018 Unemployment	7.07%	7.16%	6.29%
2018 Median Time Traveled	19	19	20

HOUSING

2018	\$58,274	\$72,574	\$84,093
------	----------	----------	----------



Steve Chaben
Regional Manager, Detroit
steve.chaben@marcusmillichap.com
License: 0292650

Marcus & Millichap