



EXCLUSIVELY LISTED BY:

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OFFERING MEMORANDUM



RITE AID

4117 Kitsap Way, Bremerton, WA 98312

Marcus & Millichap

TERMS OF THE OFFERING



**4117 KITSAP WAY
BREMERTON, WA**
ADDRESS

\$7,613,000
PRICE

\$517,666
NOI

6.80%
CAP RATE

17,272 SF
BUILDING SIZE

\$440.77
PRICE / SF

2.55 ACRES
LOT SIZE

2006
YEAR BUILT

An aerial photograph showing a large, rectangular building with a flat roof, highlighted with an orange semi-transparent overlay. The building is situated in a wooded area, surrounded by tall evergreen trees. To the left of the building, there is a parking lot with several cars. In the background, a road intersection is visible, and further back, a body of water (likely a lake or bay) can be seen under a clear blue sky.

INVESTMENT OVERVIEW

Marcus & Millichap has been selected to exclusively market for sale the Rite Aid located at 4117 Kitsap Way in Bremerton, Washington. The property consists of a 17,272 square-foot building situated on a 2.55-acre parcel. Built in 2006, the building offers a rare, double drive-thru with abundant parking and convenient access via multiple points of ingress/egress from Highway 310 and National Avenue. The asset sits on a highly visible corner with combined traffic counts in excess of 43,500 vehicles per day.

The original 20-year, NNN lease offers minimal landlord responsibilities and benefits from a corporate guarantee by the Rite Aid Corporation. Additionally, the lease provides for scheduled rent increases of approximately 3% throughout each of the six 5-year renewal options.

RETAIL TRADE MAP



INVESTMENT HIGHLIGHTS



HIGH EXPOSURE CORNER

Situated at the busy intersection of Highway 310 (34,000 VPD) and National Ave (9,500 VPD)



LARGE PARCEL & DOUBLE DRIVE-THRU

2.55-acre parcel with 67 parking stalls (3.88 / 1,000 sf) and rare double drive-thru



SCHEDULED RENT INCREASES

Lease provides for ~3% rental increases throughout each 5-year option period



LIMITED LANDLORD RESPONSIBILITIES

Lease benefits from minimal landlord responsibilities, which include roof and structure



NEWER CONSTRUCTION BUILD TO SUIT

Property was a Build to Suit for Rite Aid in 2006



PARTNERSHIP WITH AMAZON

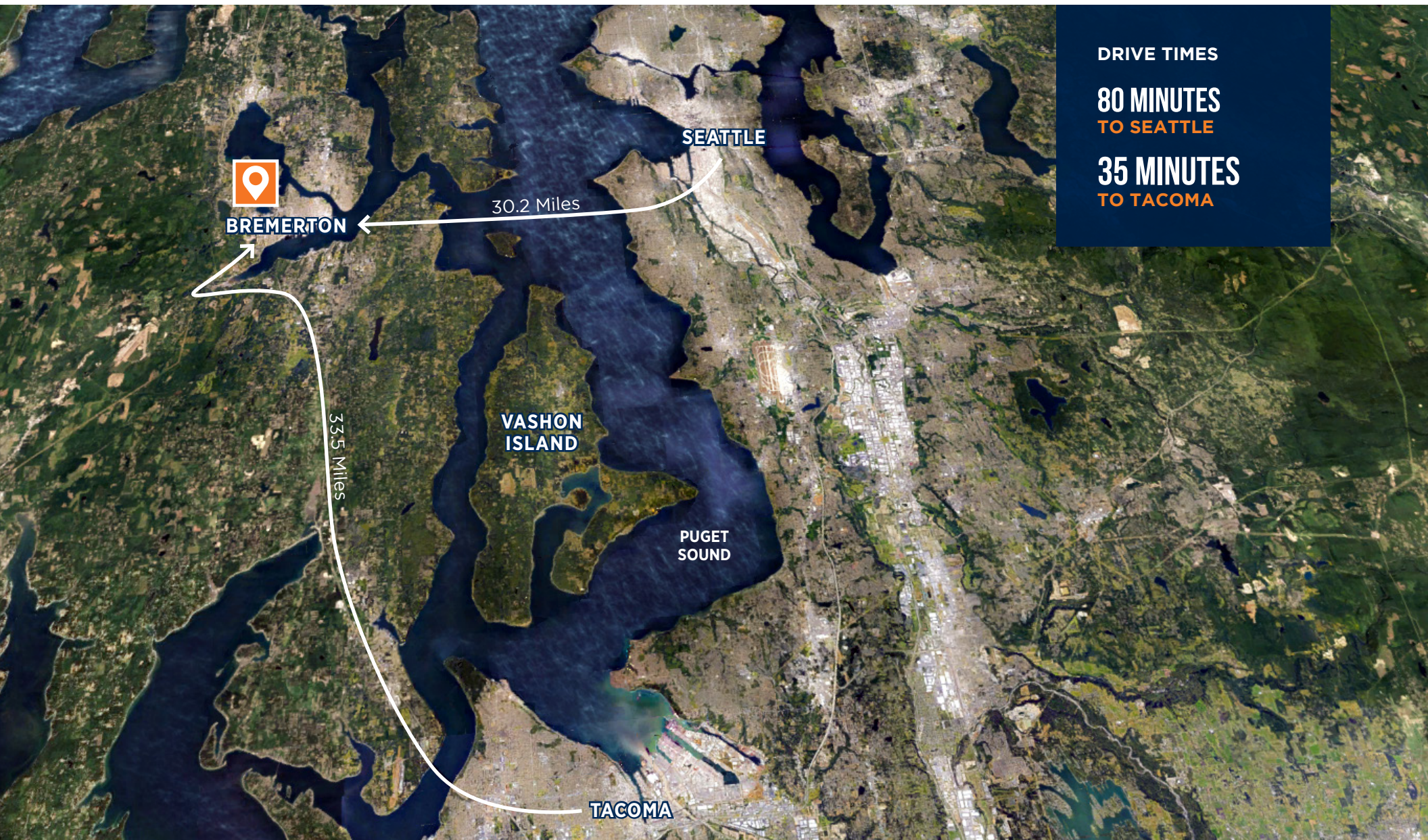
Rite Aid recently announced a strategic partnership with Amazon via its in-store Counter pick-up service



CORPORATE LEASE

Lease guaranteed by Rite Aid Corporation, a publicly traded company (NYSE: RAD) with approximately 2,500 stores in 19 states

REGIONAL AERIAL



DRIVE TIMES

80 MINUTES
TO SEATTLE

35 MINUTES
TO TACOMA

LEASE SUMMARY



Tenant	Thrify Payless, Inc.
Guaranty:	Rite Aid Corporation
Lease Type:	NNN
Lease Commencement:	1/31/2007
Lease Expiration:	1/30/2027
Lease Term:	20 Years
Term Remaining:	7.5 Years

Annual Rent:	\$517,666
Renewal Options:	6 x 5 Years
Rent Increases:	~3% Each Option
Landlord Responsibilities:	Roof & Structure
Tenant Responsibilities:	Taxes, Insurance & CAM
Right of First Refusal	None



National Ave N



 RITE AID

 9,500 VPD

 34,000 VPD

 Kitsap Way



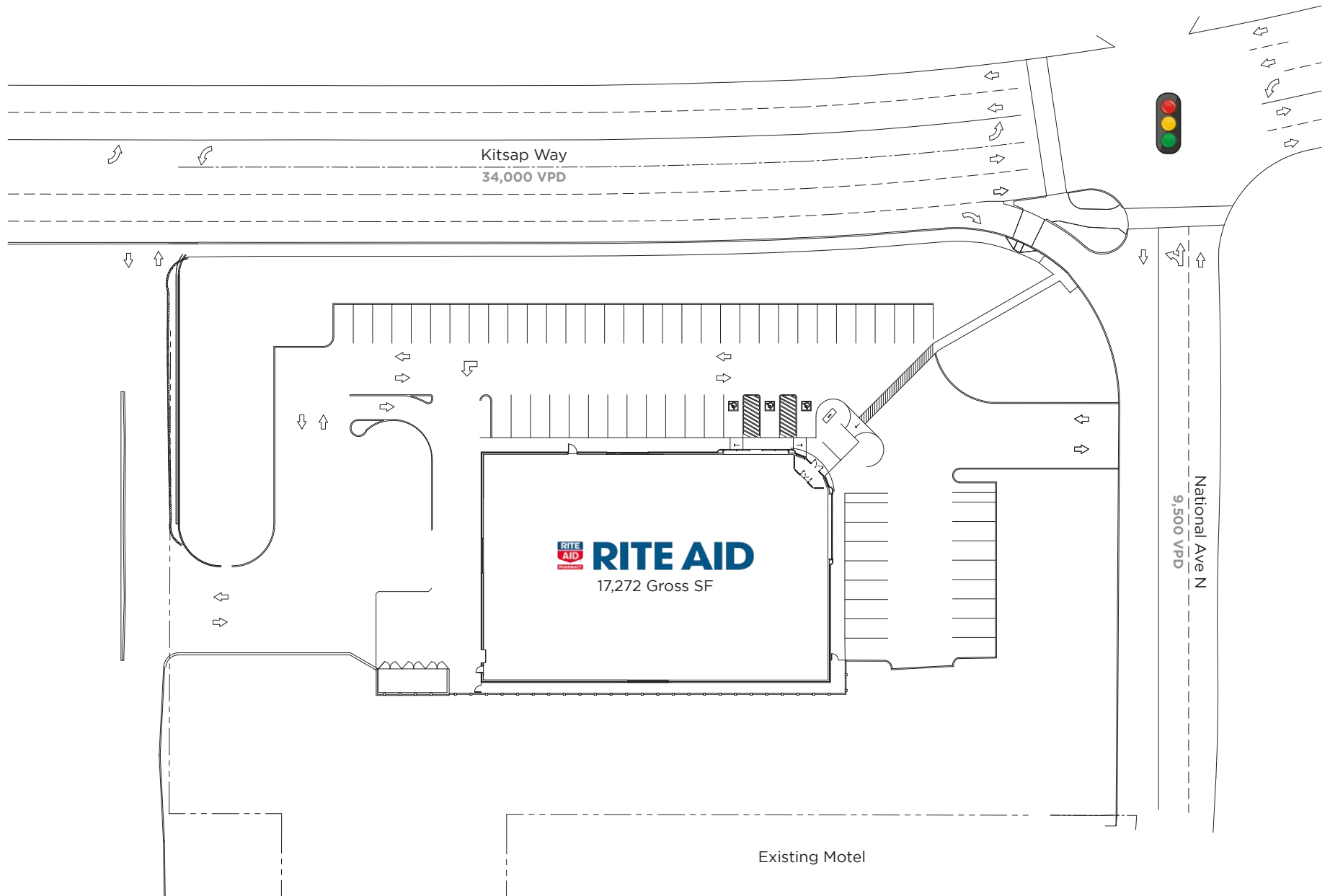
 34,000 VPD

 RITE AID

310

Kitsap Way

SITE PLAN



TENANT OVERVIEW



Rite Aid Corporation, through its subsidiaries, operates a chain of retail drug stores in the United States. The company sells prescription drugs and a range of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise, and more. Rite Aid has 2,469 stores in 18 states of the United States, and the District of Columbia. Rite Aid Corporation was founded in 1927 and is headquartered in Camp Hill, Pennsylvania.

Rite Aid recently announced a strategic partnership with Amazon via its in-store Counter pick-up service. Amazon has selected Rite Aid as its first U.S. partner to offer the Counter service, which allows Amazon shoppers free in-store pick-up of their packages. The partnership is expected to create a stronger in-store presence for existing Rite Aid customers and bring in new customers that come in to pick up their packages.

Tenant Trade Name	Rite Aid
Credit Rating	B- (S&P)
Ticker Symbol	RAD
2018 Revenue	\$21.53 Billion
Number of Stores	+/- 2,469



| PARTNERSHIP WITH AMAZON

AMAZON COUNTER PICK-UP SERVICES

Rite Aid recently announced a strategic partnership with Amazon via its in-store Counter pick-up service. Amazon has selected Rite Aid as its first U.S. partner to offer the Counter service, which allows Amazon shoppers free in-store pick-up of their packages. Rite Aid and Amazon will kick off Counter availability in over 100 Rite Aid locations across the United States, with the plans to quickly expand the pick-up option to 1,500 stores by the end of 2019.

“Creating a seamless, convenient customer experience is a key element of our strategy and digital transformation,” said Jocelyn Konrad, Executive Vice President, Pharmacy and Retail Operations of Rite Aid, in a statement. “Being the first store partner for Counter in the U.S. is a differentiator for Rite Aid and we believe our partnership with Amazon, that includes Locker, creates a stronger in-store experience for existing customers and new customers that come in to pick up their packages.”



LOCATION OVERVIEW



BREMERTON

Situated approximately 15 miles west of Seattle, Bremerton is the largest city and county seat of Kitsap County. Bremerton is connected to downtown Seattle by the nation's largest ferry system, which offers passengers a 60-minute vehicle and passenger ferry, as well as a 28-minute Fast Ferry for passengers and bicycles. Bremerton is home to Puget Sound Naval Shipyard (PSNS), which is the Pacific Northwest's largest Naval shore facility and one of Washington state's largest industrial installations. PSNS is part of Naval Base Kitsap, the 3rd largest naval installation in the country and the largest employer in Kitsap County. Bremerton's accessibility from Seattle, and its proximity to the waterfront and Olympic Mountains make it a highly desirable place to live, work and visit.

KITSAP COUNTY

Located on the Kitsap Peninsula, immediately west of Seattle, Kitsap County is made up of such major cities as Bainbridge Island, Poulsbo, Bremerton and Port Orchard. Kitsap County is an integral part of the Greater Seattle regional economy and a leader in several key industries in the region, including Military & Defense, Maritime, Healthcare, Advanced Manufacturing & Design, Technology, and Tourism.

Kitsap is home to over one third of the region's defense workforce with more than 33,800 daily workers, including 16,200 military personnel, 17,600 civilian personnel and 7,500 defense contractors. Kitsap's defense workforce is highly skilled, and includes the highest concentration of engineering talent in Washington State. Many large multi-national defense firms maintain significant operations in Kitsap County, including; Lockheed Martin; Raytheon; Northrop Grumman /AMSEC, BAE, SAIC and Electric Boat (General Dynamics).



LOCATION OVERVIEW

Kitsap County is a leader in large and diverse regional maritime economy: Central Puget Sound region is home to one of the largest and most diverse maritime economies in the world, which includes Shipping, Fishing and Food Processing, Maritime Logistics, Naval Architecture, and Ship Building, Repair and Maintenance. Kitsap County is the leader in the region's boat and ship building, repair and maintenance sub-sector cluster. With the largest employment base and economic output in ship building, repair and maintenance in region, Kitsap is home to Naval Base Kitsap and the Puget Sound Naval Shipyard and Intermediate Maintenance Facility, and the nation's largest ferry system main repair, maintenance and boatyard.

Kitsap is also home to Harrison Medical Center & The Doctors Clinic, providing top ranked clinical primary

care and in a multitude of specialties. Hospitals, clinics, mental health facilities, assisted living centers, in-home health operations, physical therapy, homeopathic care, pharmacies, cancer-care facilities and medical laboratories help make up the healthcare sector in Kitsap County.

Kitsap's idyllic setting and close proximity to the metro Seattle area makes Tourism one of Kitsap County's top economic drivers. Easily accessible from Downtown Seattle via a 30-60 minute ferry, Kitsap offers limitless recreational and hospitality opportunities framed by 250 miles of salt water shoreline and 850 square miles of mature green canopy under the Olympic Mountain Range & National Park.



MAJOR EMPLOYER PROFILE

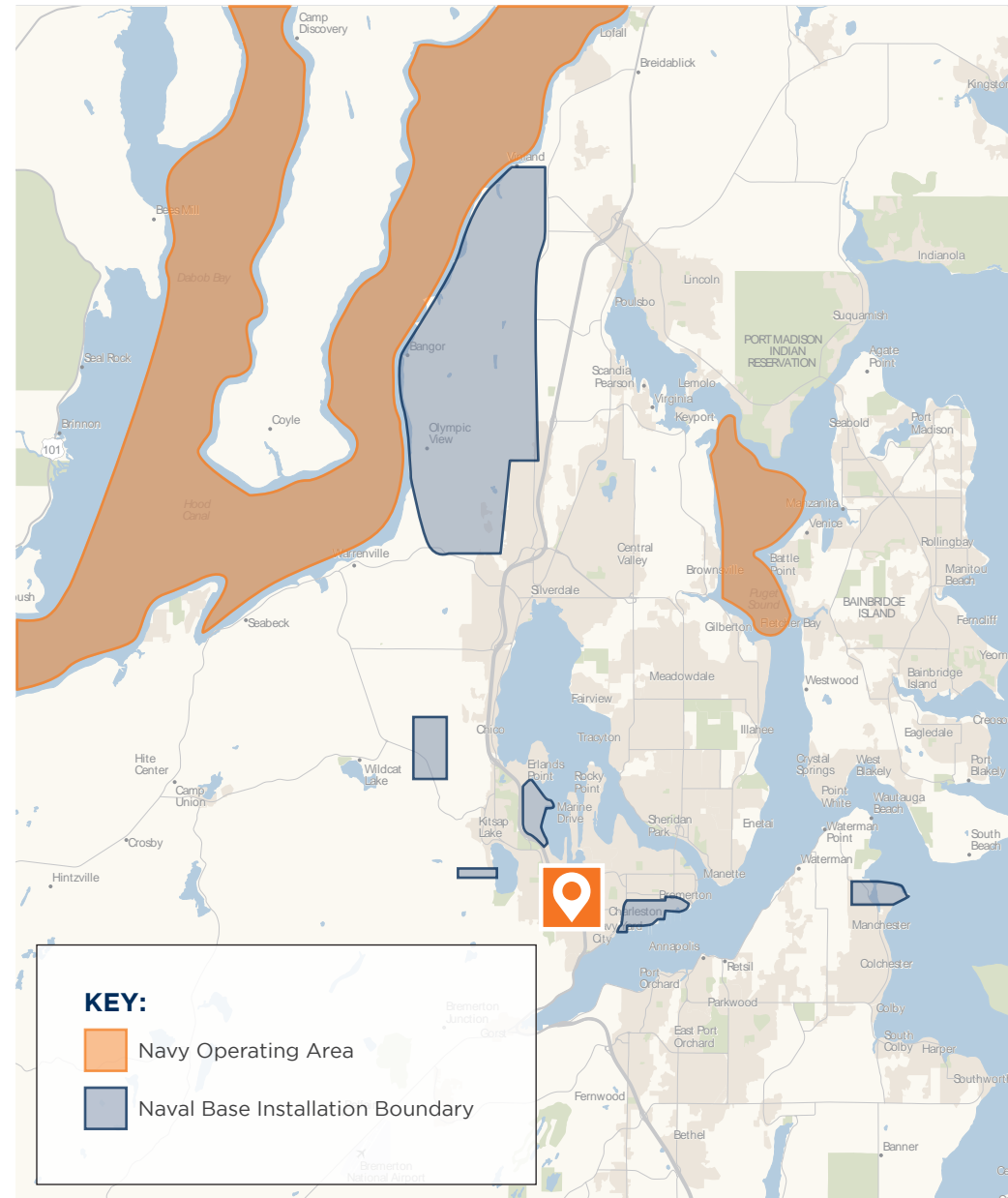
NAVAL BASE KITSAP



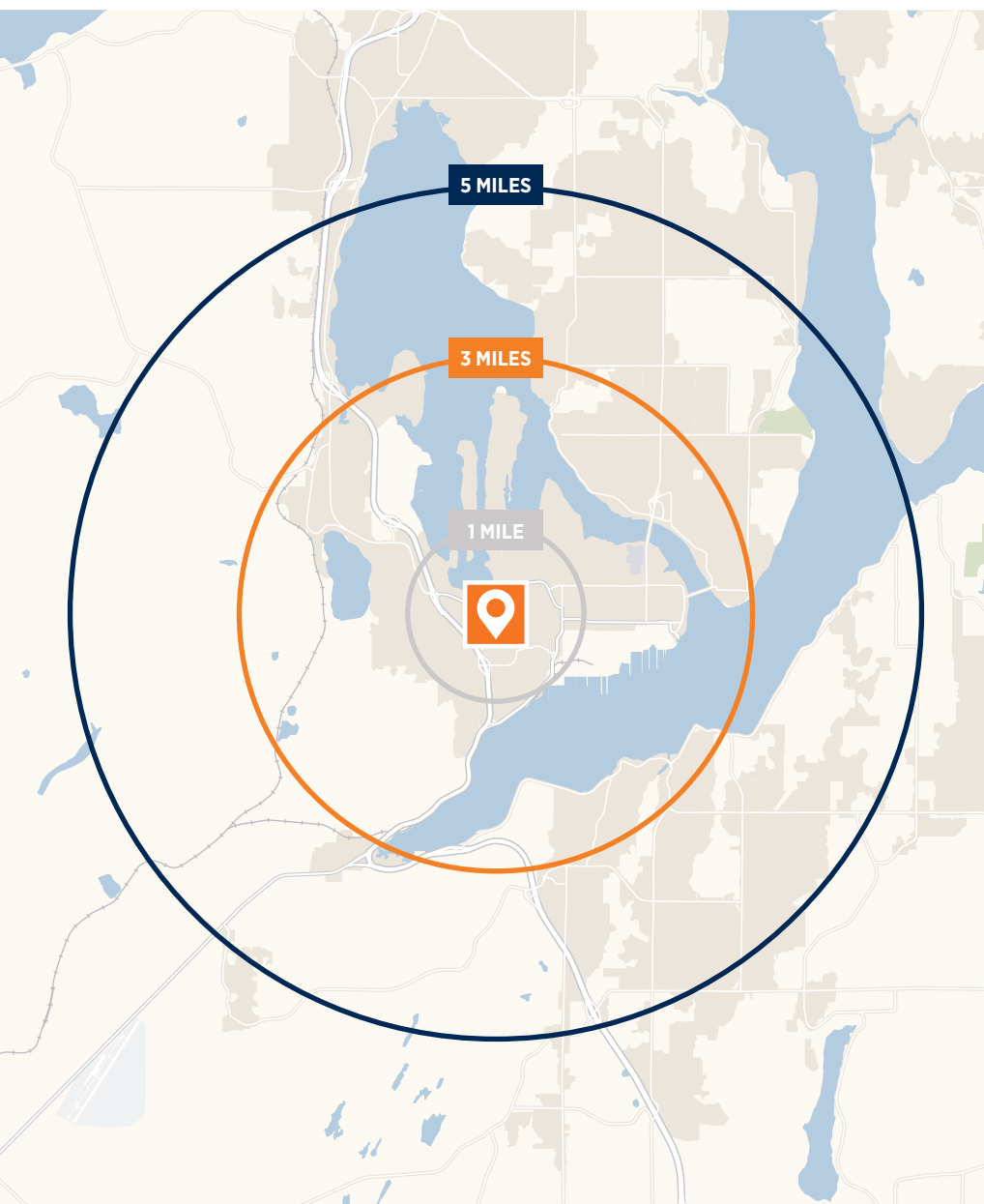
Naval Base Kitsap (NBK) is the third largest installation in the U.S. Navy and arguably the most complex. NBK is home to multiple high-value, strategic missions including all types of submarines, two aircraft carriers, the Puget Sound Naval Shipyard (PSNS), and the largest fuel depot in the Continental U.S. These facilities provide critical support to the National Defense Strategy. NBK is also the home of several Research, Development, Testing, and Evaluation (RDT&E) Commands who work to maintain the U.S. Navy's technological advantage.

Three major commands of the U.S. Navy – NAVSEA (Naval Sea Systems Command), NAVSUP (Naval Supply Systems Command) and NAVFAC NW (Naval Engineering Facilities Command Northwest) – operate in Kitsap

PSNS-IMF is the U.S. Navy's largest shipyard on the West Coast and the second largest industrial complex in the Pacific Northwest – second only to Boeing's Everett Plant. One out of every three jobs in Washington State's ship building, repair and maintenance industry is located in Kitsap.



DEMOGRAPHICS



POPULATION	1 Miles	3 Miles	5 Miles
2023 Projection	9,098	54,424	105,770
2018 Estimate	9,198	53,999	103,128
2010 Census	8,717	51,356	98,241
2000 Census	9,783	51,023	94,762
INCOME			
Average	\$58,738	\$62,984	\$69,847
Median	\$43,580	\$48,031	\$55,005
Per Capita	\$25,696	\$26,679	\$28,416
HOUSEHOLDS			
2023 Projection	3,927	22,016	42,142
2018 Estimate	3,934	21,561	40,535
2010 Census	3,721	20,495	38,536
2000 Census	4,031	20,489	36,871
HOUSING			
2018	\$209,622	\$234,362	\$250,549
EMPLOYMENT			
2018 Daytime Population	8,976	72,358	114,126
2018 Unemployment	7.65%	6.14%	5.79%
2018 Median Time Traveled	31	28	28
RACE & ETHNICITY			
White	74.97%	73.40%	75.09%
Native American	1.38%	1.25%	1.52%
African American	5.29%	6.55%	4.95%
Asian/Pacific Islander	4.40%	5.56%	6.59%

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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 Offering Memorandum 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.

ACTIVITY ID:



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