

CBRE

OFFERING MEMORANDUM



RITE AID

1301 E. STATE STREET | DELMAR, MD 21875

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TENANT OVERVIEW

RITE AID | DELMAR, MARYLAND



TENANT OVERVIEW



Rite Aid is one of the nation's leading drugstore chains with fiscal 2018 annual revenues of \$21.5 billion. The company operates retail drugstores which sell prescription drugs, as well as front-end products including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, convenience foods, greeting cards, and seasonal merchandise. As of Mar 3, 2018, Rite Aid operated 2,550 stores in 19 states and the District of Columbia.

RITE AID CORPORATE OVERVIEW

TENANT TRADE NAME:	Rite Aid
TENANT OWNERSHIP STATUS:	Public
BOARD/SYMBOL:	NYSE/RAD
TENANT:	Corporate
CREDIT RATING:	B (Standard & Poor's)
LOCATIONS:	2,550
REVENUE:	\$21.5 Billion (2018)
CORPORATE HEADQUARTERS:	Camp Hill, PA

FINANCIAL OVERVIEW

RITE AID | DELMAR, MARYLAND

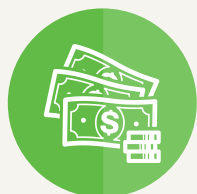




LIST PRICE
\$5,791,411



CAP RATE
8.50%



TOTAL NOI
\$492,270

PROPERTY HIGHLIGHTS

ESTABLISHED & SUCCESSFUL STORE

Rite Aid has been successfully operating here since 2005 and is a relocation of an established inline location which Rite Aid occupied since 1990

CORPORATELY GUARANTEED

Corporately guaranteed lease by Rite Aid rated B by Standard & Poor's

MARYLAND/DELAWARE BORDER

Situated at the busy signalized intersection of Route 54 and Route 13 with over 35,000 vehicles passing by daily on the Maryland/Delaware border

GROWING POPULATION

Population growth in the 1, 3 and 5 mile rings over the last 5 years which is projected to continue through 2023

THREE POINTS OF ACCESS

Excellent visibility and three points of access, one on Route 13, one on Route 54 and one on Woodlawn Ave

SURROUNDED BY NATIONAL TENANTS

Main retail corridor location with surrounding tenants including McDonald's, Food Lion, Wawa, PetValu, Verizon, Advance Auto Parts and Autozone

1 MILE FROM MIDDLE AND HIGH SCHOOL

Located less than 1 mile from Delmar Middle School & Senior High School with over 1,330 students enrolled

RENTAL INCREASES

There are five, five year options to renew each with rental increases

FINANCIAL OVERVIEW



PRICE: **\$5,791,411**

CAP RATE: **8.50%**

YEAR BUILT: 2005

BUILDING SQUARE FOOTAGE: 14,564

LOT SIZE: 1.749 Acres

TYPE OF OWNERSHIP: Fee Simple

TENANT: Corporate Store

LEASE GUARANTOR: Corporate Guarantee

LEASE TYPE: NN

INITIAL LEASE TERM: 20 Years

ROOF AND STRUCTURE: Landlord Responsible

RENT COMMENCEMENT: 5/26/2005

LEASE EXPIRATION: 5/25/2026

TERM REMAINING ON LEASE: 7 Years

INCREASES: In the Options

OPTIONS: 5x5 Years

PROPERTY ADDRESS:
1301 STATE ST | DELMAR , MD 21875

ANNUALIZED OPERATING DATA		
RENT INCREASES	ANNUAL	MONTHLY
Current – 5/25/2026	\$492,270.00	\$41,022.50
Option 1	\$541,497.00	\$45,124.75
Option 2	\$595,647.00	\$49,637.25
Option 3	\$655,211.00	\$54,600.91
Option 4	\$720,732.00	\$60,061.00
Option 5	\$792,805.00	\$66,067.08
NET OPERATING INCOME: \$492,270.00		

Landlord shall keep and maintain the roof (unless repair shall be due to Tenant's material violation of Landlord's roof warranty, in which case Tenant shall be responsible), masonry walls, foundation, floor slab, and structure and structural membranes.

Tenant responsible for all other repairs and maintenance of building including parking areas, landscaping, parking lot lighting, glass windows and doors, all mechanical and electrical equipment and all plumbing including drains and drain lines, periodic painting of the building and maintenance of floor coverings

INVESTMENT OVERVIEW

CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE this Rite Aid property located on East State Street (Rt 54) in Delmar, Maryland. Rite Aid has been operating at this location since 2005 and has 7 years remaining in its initial lease term with five, five year options to renew. This double net lease offers minimal landlord responsibilities and is corporately guaranteed by Rite Aid, rated B by Standard & Poor's.

This 14,564 square foot Rite Aid sits on a large 1.74 acre parcel with three points of access, which allows for numerous redevelopment opportunities in the future if necessary. The property is ideally situated at the busy signalized intersection of East State St (Rt 54) and Sussex Hwy (Rt 13) with over 35,000 vehicles traveling by daily. This is also a high traffic area as its located on the Maryland/Delaware border. Major surrounding tenants including Food Lion, Wawa, McDonald's, Verizon, PetValu and AutoZone to name a few. There are 4,101 people within 1 mile, 10,215 people within 3 miles and 24,132 people within 5 miles. The area has seen home construction and a population growth of 0.94% over the last 5 years within 1 mile of Rite Aid which is projected to continue to increase another 1.11% through 2023. There are also numerous new commercial developments under construction and for/sale and lease along Sussex Highway, further proving the popularity of and draw to this area.



PROPERTY SUMMARY

RITE AID | DELMAR, MARYLAND



PROPERTY
PHOTOS





RT 13 - 27,275 V.P.D.

STATE ST (RT 54) - 8,250 V.P.D.

DELAWARE
MARYLAND

DELAWARE
MARYLAND



LOCAL
MAP



REGIONAL
MAP



LOCATION OVERVIEW

This freestanding Rite Aid Pharmacy is situated at the southwest corner of Route 13 and Route 54 (E. State Street) in Delmar, Maryland. The property boasts a double drive-thru facility, three means of ingress/egress and ample parking. Surrounding national tenants include Food Lion, Wawa, McDonald's, Verizon, PetValu and AutoZone to name a few. There are 4,101 people within 1 mile, 10,215 people within 3 miles and 24,132 people within 5 miles. Rite Aid is also located less than 1 mile from Delmar Middle School & Senior High School with over 1,330 students enrolled. This area has seen home construction and a population growth of 0.94% over the last 5 years within 1 mile of Rite Aid which is projected to continue to increase another 1.11% through 2023. In this area, Route 13 is a major route for commuters and local traffic alike. A few miles to the south, Route 13 runs into Salisbury, Maryland and an abundance of retail. As Salisbury has expanded its population base, Delmar has benefited. Several new shopping centers were built. Traffic counts on Route 13 and Route 54 are in excess of 35,000 vehicles per day, and this site has superb access and visibility off both routes.

Delmar is a town in Wicomico County, Maryland and is included in the Salisbury, Maryland-Delaware MSA. Delmar is situated on the Delaware-Maryland border along the Transpeninsular Line which stretches 35 miles east-to-west and is Delaware's southern border with Maryland. Delmar has been able to maintain a close-knit community feel is because it is far enough away from more densely populated areas such as Seaford, which is 15 miles north; Salisbury, Maryland, eight miles south; and Ocean City, Maryland, 27 miles east. But it is also close enough to be impacted by their growth.

NEIGHBORING NATIONAL TENANTS



SUBJECT AREA DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2010 POPULATION	3,796	9,281	21,901
2018 POPULATION	4,101	10,215	24,132
PROJECTED POPULATION (2023)	4,334	10,879	25,757
HISTORICAL ANNUAL GROWTH			
2010-2018	0.94%	1.17%	1.18%
PROJECTED ANNUAL GROWTH			
2018-2023	1.11%	1.27%	1.31%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	1,440	3,567	8,298
2018 HOUSEHOLDS	1,541	3,923	9,085
PROJECTED HOUSEHOLDS (2023)	1,620	4,170	9,677
HISTORICAL ANNUAL GROWTH			
2010-2018	0.83%	1.16%	1.10%
PROJECTED ANNUAL GROWTH			
2018-2023	1.00%	1.23%	1.27%
HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2018 AVERAGE	\$57,059	\$67,800	\$68,030
2018 MEDIAN	\$40,215	\$50,916	\$53,119

POPULATION BY RACE

	1 MILE	3 MILES	5 MILES
WHITE POPULATION	71.4%	71.6%	66.1%
AFRICAN AMERICAN POPULATION	19.9%	18.9%	24.2%
ASIAN POPULATION	2.6%	3.8%	3.7%
PACIFIC ISLANDER POPULATION	0.2%	0.2%	0.2%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.1%
OTHER RACE POPULATION	1.6%	2.0%	2.5%
TWO OR MORE RACES POPULATION	4.2%	3.5%	3.2%

HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	5.0%	4.9%	4.9%
WHITE NON-HISPANIC	68.7%	69.2%	64.1%

2018 AGE BY GENDER

	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	36.0/37.9	36.7/39.1	37.6/39.9

TRAFFIC COUNTS

STATE ST
8,250

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