**Subject Property** 

Offering Memorandum

# **RITE AID PHARMACY**

Richmond, Virginia

NNN Lease Recently Extended Early by Tenant For 10 Years



RIE AD PHARMAC

> Tenant has Operated from This Location for More Than 20 Years



Low Price PSF and Attractive Price Point for Drug Store Property



Marcus & Millichao

RITE

All

Population Over 113,000 Within Three Miles of Subject Property

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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.



### Overview

1801 Hull Street, Richmond, Virginia 23224

Price:	\$1,999,000
Cap Rate:	7.50%
Rentable Square Feet:	8,052
Annual Rent:	\$150,000
Price PSF:	\$248.26
Land Area:	0.88 Acres
Year Built:	1997

Lease Summary		
Tenant:	Rite Aid	
Website:	www.RiteAid.com	
Lease Guarantor:	Corporate	
Lease Type:	NNN	
Option Periods:	3, 5-Year Options	
Rent Increases:	Every 5 Years in Option Periods	
Roof & Structure:	Tenant	
Commencement:	2/28/1997	
Lease Expiration:	3/31/2030	

### NNN Lease With Recently Extended Lease Term

- Tenant Recently Extended the Lease Term For 10 Years Reflecting Commitment to the Location
- NNN Lease With No Landlord Responsibilities
- Three, Five-Year Renewal Options with Fixed Rent Increases Every Five Years
- Tenant has Been Operating from This Location for More Than 20 Years

### **Downtown Richmond with Strong Demographics**

- Population Over 113,000 Within Three Miles of Subject Property
- Directly Across the River from Downtown Richmond
- Two Miles from Hunter Holmes McGuire VA Medical Center
- 2.5 Miles from Virginia Commonwealth University, with an Undergraduate Enrollment of More Than 20,000 Students
- Eight Miles from the University of Richmond
- Less Than 10 Miles from Richmond International Airport

Base Term	Annual	Rent PSF	Cap Rate
4/1/2020-3/31/2030:	\$150,000	\$18.63	7.50%
<b>Option Periods</b>	Annual	Rent PSF	Cap Rate
			capitate
4/1/2030–3/31/2035:	\$178,872	\$22.21	8.95%
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### **TENANT SUMMARY**



R ite Aid Corporation is on the front lines of delivering health care services and retail products to over 1.6 million Americans daily. Their pharmacists are uniquely positioned to engage with customers and improve their health outcomes. Rite Aid provides an array of whole being health products and services for the entire family through over 2,400 retail pharmacy locations across 18 states. Through EnvisionRxOptions, they provide pharmacy benefits and services to approximately 4 million members nationwide. For more information, visit <u>www.riteaid.com</u>.



"The company plans to open nine pilot stores in the future and renovate around another 65 by the end of the fiscal year of 2021."

### CLICK TO READ ARTICLE: <u>It is a new day at Rite Aid' - Rite Aid unveils</u> <u>new logo</u>

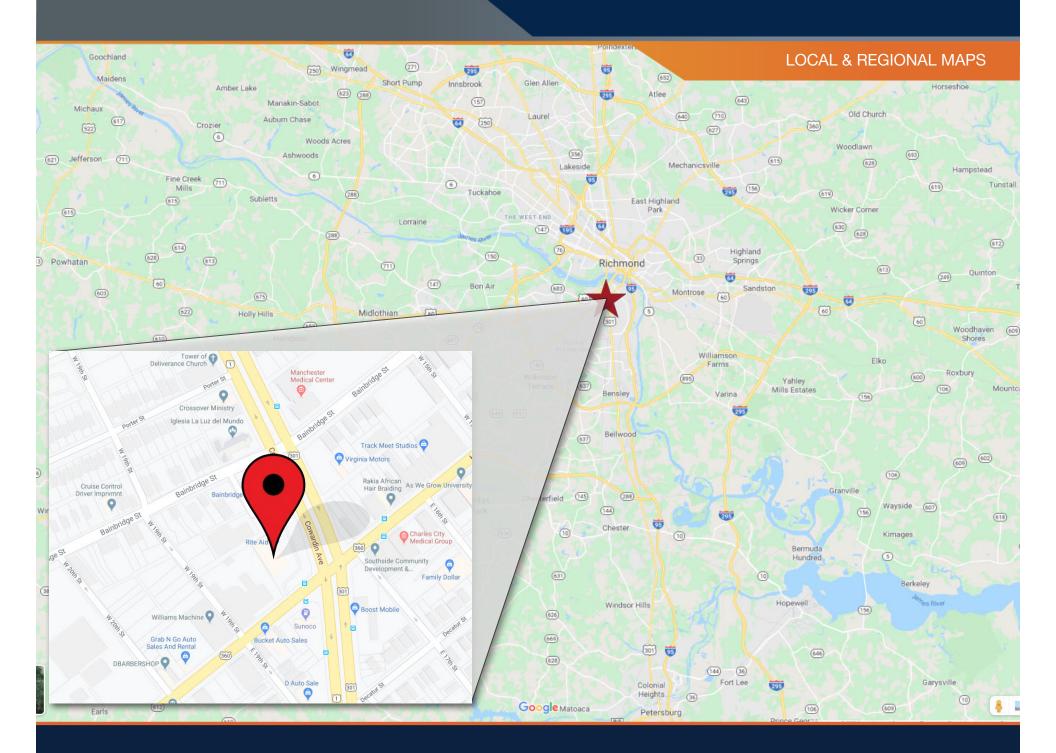












### **RICHMOND**

### **OVERVIEW**

Richmond is the capital city of Virginia, roughly 110 miles south of Washington, D.C. The metro consists of 102 counties and four cities. Richmond's strategic location on the James River and a well-developed intermodal transportation network provide for a growing logistics and distribution sector. Amazon recently announced plans for a fulfillment center along Interstate 95 south of Richmond. The market's educated workforce is also drawing more companies to the region and already Richmond houses more Fortune 500 firms than many larger metros.



### COMMERCE CENTER

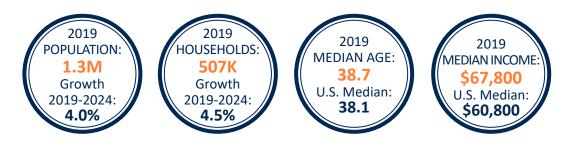
The region is serviced by Interstates 64,85 and 95, two Class 1 railroads and Richmond International Airport, drawing distribution and logistics firms.

### COMPANY HEADQUARTERS

Seven fortune 500 firms are located in the metro including CarMax, Altria Group, Performance Food Group, Dominion Energy and Genworth Financial.

### **HIGHER EDUCATION**

Virginia Commonwealth University, University of Richmond, Virginia Union University Randolph-Macon College and Virginia State University are among the educational institutions that contribute to an skilled labor pool.



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- » Richmond's economy is diversifying from government and commerce expanding into professional industries.
- » Nationally recognized banks and financial institutions are located in Richmond. It is home to the Federal Reserve Bank of Richmond, Capital One, Truist Financial, Wells Fargo, Bank of America and Markel.
- » Law and legal services are another major component of the metro's local economy. The city of Richmond is home to five of the largest legal firms in the world.
- » Anchored by VCU Health System and HCA Virginia, healthcare employs roughly 13% of metro workers. Expansion at VCU will add buildings for outpatient care, engineering and rehabilitation in 2020.
- » The metro is gaining prominence as a data center. Facebook and QTS are expanding there facilities in Henrico County.



POPULATION	1 MILE	3 MILES	5 MILES
2010 Population	8,685	103,041	232,171
2019 Population	10,898	113,763	252,102
2024 Population	12,071	117,062	256,890
2019 Male Population	5,397	55,393	119,322
2019 Female Population	5,501	58,370	132,780
2019 Median Age	34.1	31.3	33.9

RACE & ETHNICITY	1 MILE	3 MILES	5 MILES
American Indian, Eskimo	0.5%	0.3%	0.4%
Asian	1.3%	3.1%	2.2%
Black	62.9%	51.5%	54.6%
Hawaiian/Pacific Islander	0.1%	0.1%	0.1%
White	32.0%	38.4%	35.9%
Other	1.2%	3.8%	4.2%
Multi-Race	2.0%	2.8%	2.7%
Hispanic Ethnicity	3.0%	6.7%	7.4%
Not of Hispanic Ethnicity	97.0%	93.3%	92.6%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 Households	3,806	43,247	97,887
2019 Households	4,834	48,243	106,520
2024 Households	5,501	50,393	109,533

HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2010 Avg Household Income	\$39,867	\$51,736	\$55 <i>,</i> 874
2019 Avg Household Income	\$46,646	\$62,945	\$66 <i>,</i> 489
2024 Avg Household Income	\$49,985	\$68,297	\$72,607
2010 Med. Household Income	\$25,516	\$31,926	\$36,669
2019 Med. Household Income	\$32,038	\$38,356	\$43,797
2024 Med. Household Income	\$33,310	\$42,046	\$47,889
2010 Per Capita Income	\$17,937	\$22,867	\$24,211
2019 Per Capita Income	\$21,065	\$27,749	\$28,703
2024 Per Capita Income	\$23,119	\$30,429	\$31,559





# Marcus & Millichap

The Wolfe Retail Group of Marcus & Millichap specializes in the sale of single-tenant properties and shopping centers and has successfully assisted clients in selling over 500 separate commercial properties with a market value exceeding \$1.45 billion. Having closed sales in more than 40 states, our track record is evidence that we are one of the premier brokerage teams in the United States.

With our experience and background in various fields such as law and finance, we have proved to be invaluable to our clients, earning their trust and exceeding their expectations while best assisting them in their real estate transactions.

For more about the Wolfe Retail Group or to view all of our available listings, visit <u>www.WolfeRetailGroup.com</u>



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With nearly 2,000 investment professionals located throughout the U.S. and Canada, Marcus & Millichap (NYSE: MMI) is a leading specialist in commercial real estate investment sales, financing, research and advisory services. The firm closed more than 9,400 transactions in 2018 with a value of approximately \$46.3 billion.

Marcus & Millichap has been a pioneer in the real estate investment industry and has established a reputation for maximizing value for its clients while fostering long-term relationships built on integrity, trust and service. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. Marcus & Millichap also offers clients access to the most competitive real estate financing through Marcus & Millichap Capital Corporation (MMCC), which maintains relationships with the industry's leading national, regional and local lenders.

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