

CBRE

OFFERING MEMORANDUM



RITE AID

165 BUTLER RD | KITTANNING, PA 16201

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TENANT OVERVIEW

RITE AID | KITTANNING, PA





Rite Aid is one of the nation's leading drugstore chains with fiscal 2019 annual revenues of \$21.6 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 third quarter 2020, Rite Aid operated approximately 2,550 stores in 19 states.

RITE AID CORPORATE OVERVIEW

TENANT TRADE NAME:	Rite Aid
TENANT OWNERSHIP STATUS:	Public
BOARD/SYMBOL:	NYSE/RAD
TENANT:	Corporate
CREDIT RATING:	CCC+ (Standard & Poor's)
LOCATIONS:	-/+2,550
REVENUE:	\$21.6 Billion (2019)
CORPORATE HEADQUARTERS:	Camp Hill, PA

FINANCIAL OVERVIEW

RITE AID | KITTANNING, PA



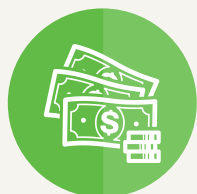
FINANCIAL OVERVIEW



LIST PRICE
\$5,018,971



CAP RATE
7.25%



TOTAL NOI
\$363,875

PROPERTY HIGHLIGHTS

ESTABLISHED & SUCCESSFUL STORE

Rite Aid has been operating here since 2005 and proved their commitment to the site through an early extension of their lease in 2019

COMPLETELY PASSIVE INVESTMENT

This is a fee simple NNN lease with zero landlord responsibilities or expenses

CORPORATELY GUARANTEED

Corporately guaranteed lease by Rite Aid

LONG-TERM LEASE

Over 9 years remaining in the initial lease term with two, five year options to renew.

EXCELLENT ACCESS AND VISIBILITY

Located on Butler Road, a major thoroughway in Kittanning with traffic counts exceeding 12,000 vehicles per day passing by the site

SCHEDULED RENOVATION

Rite Aid has plans to re-brand this store with their newest logo and signage, further showing their dedication to this location

DOMINANT DRUG STORE TENANT

Located in Pennsylvania where Rite Aid is the dominant drug store tenant

ESSENTIAL BUSINESS

Rite Aid has remained open throughout the current COVID-19 pandemic

IN TOWN LOCATION

This is an in-town location and surrounded by numerous local businesses and neighborhoods making it a go-to store for surrounding residents and employees

RENTAL INCREASES

There is a 13% rental increase in option 1, and a 1.6% increase in option 2

LIMITED DRUG STORE COMPETITION

These closest CVS and Walgreens competition are over 20 miles away in any direction

3.5 MILES FROM ACMH HOSPITAL

Situated just 3.5 miles from Armstrong County Memorial Hospital with 164 beds

FINANCIAL OVERVIEW



PRICE:	\$5,018,971
CAP RATE:	7.25%
YEAR BUILT:	2005
BUILDING SQUARE FOOTAGE:	13,813
LOT SIZE:	1.388 Acres
TYPE OF OWNERSHIP:	Fee Simple
TENANT:	Corporate Store
LEASE GUARANTOR:	Corporate Guarantee
LEASE TYPE:	NNN
INITIAL LEASE TERM:	20 Years
ROOF AND STRUCTURE:	Tenant Responsible
RENT COMMENCEMENT:	2/25/2005
LEASE EXPIRATION:	5/31/2030
TERM REMAINING ON LEASE:	9+ Years
INCREASES:	13% increase in Option 1 1.68% in Option 2
OPTIONS:	1x5 years and 1x4 years 11 months

PROPERTY ADDRESS:

165 BUTLER RD | KITTANNING, PA 16201

ANNUALIZED OPERATING DATA		
RENT INCREASES	ANNUAL	MONTHLY
Current – 5/31/2030	\$363,875.44	\$30,322.95
Option 1	\$411,213.00	\$34,267.75
Option 2	\$418,119.00	\$34,843.25
NET OPERATING INCOME: \$363,875.44		

INVESTMENT OVERVIEW

CBRE IS PLEASED TO EXCLUSIVELY PRESENT FOR SALE this Rite Aid property located on Butler Road in Kittanning, Pennsylvania. Rite Aid has been operating at this location since 2005 and has over 9 years remaining in its initial lease term with two options to renew with increases. This a fee simple triple net lease with zero landlord responsibilities or expenses and is corporately guaranteed by Rite Aid.

This 13,813 square foot Rite Aid sits on a large 1.388 acre parcel with two points of access, and a drive-thru. The property is ideally situated on Butler Rd, a main thoroughway and retail corridor in Kittanning with 12,000 vehicles traveling by the site daily. Rite Aid sits in front of The PA Department of Transportation / Drivers License Center and 84 Lumber, and adjacent to BP gas station drawing people to this site. Nearby national tenants include Walmart, ALDI, Shop n Save, McDonald's, Advance Auto Parts and KFC to name a few. The site is also surrounded by numerous local businesses. There are 3,355 people within 1 mile of the site, 15,181 people within 3 miles and 21,311 people within 5 miles. This is the only national drug store chain within a 4 mile radius and surrounded by numerous neighborhoods along the Allegheny River, providing a built in customer base. This NNN lease coupled with a successful, established tenant and strong location makes this the ideal investment for the astute investor.



PROPERTY SUMMARY

RITE AID | KITTANNING, PA



PROPERTY
PHOTOS





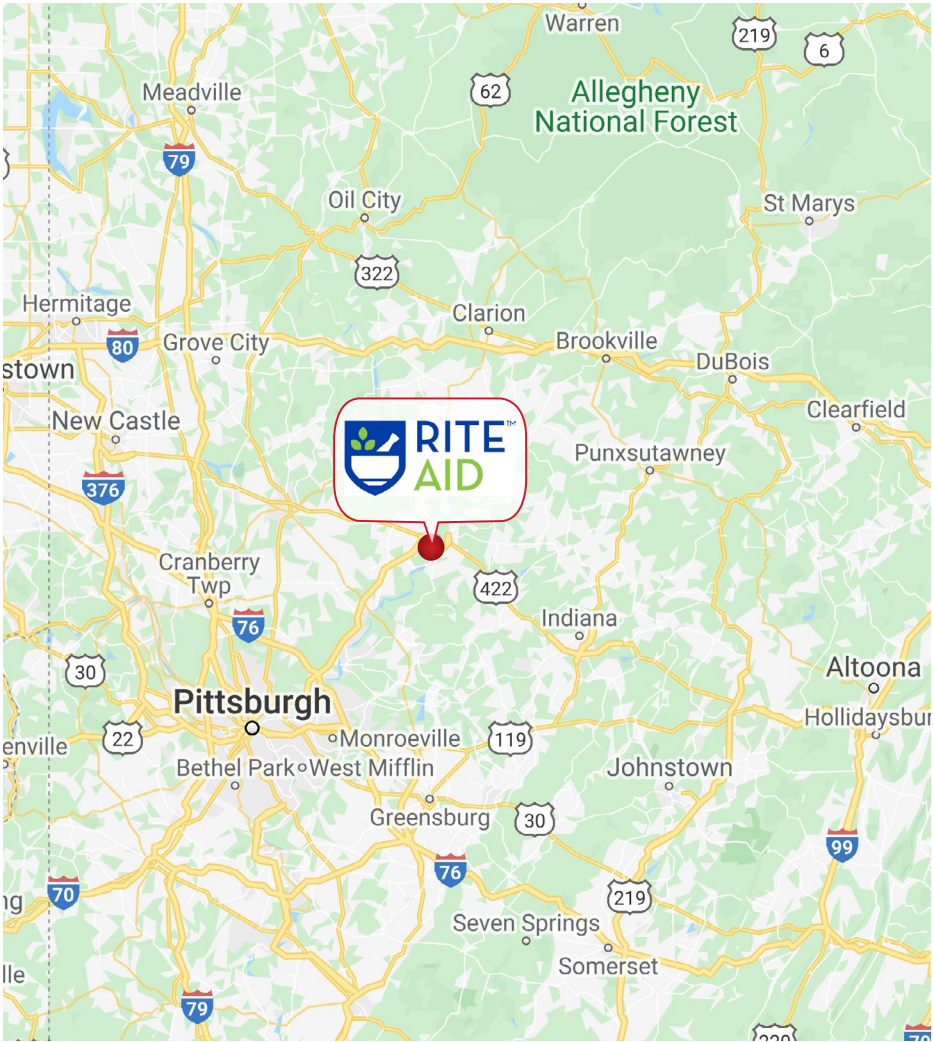
RT 422 - 22,318 V.P.D.

BUTLER RD - 12,585 V.P.D.

LOCAL
MAP



REGIONAL
MAP



LOCATION OVERVIEW

This freestanding Rite Aid Pharmacy is situated on Butler Road in Kittanning, Pennsylvania. The property boasts a drive-thru facility, two means of ingress/egress and ample parking. Rite Aid sits in front of The PA Department of Transportation / Drivers License Center and 84 Lumber, and adjacent to BP gas station drawing people to this site. Nearby national tenants include Walmart, ALDI, Shop n Save, McDonald's, Advance Auto Parts and KFC to name a few. There are 3,355 people within 1 mile of the site, 15,181 people within 3 miles and 21,311 people within 5 miles. In this area, Butler Road is a major route for commuters and local traffic alike with traffic counts exceeding 12,000 vehicles per day passing by this Rite Aid site.

Kittanning is a borough and the county seat of Armstrong County in Pennsylvania. It is situated 44 miles northeast of Pittsburgh, along the east bank of the Allegheny River. Kittanning has been the backdrop for numerous popular movies and television programs.

NEIGHBORING NATIONAL TENANTS



SUBJECT AREA DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
2010 POPULATION	3,541	15,983	22,546
2020 POPULATION	3,355	15,181	21,311
PROJECTED POPULATION (2025)	3,255	14,737	20,655
HISTORICAL ANNUAL GROWTH			
2010-2020	-0.53%	-0.50%	-0.55%
PROJECTED ANNUAL GROWTH			
2020-2025	-0.60%	-0.59%	-0.62%
HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	1,790	7,090	9,811
2020 HOUSEHOLDS	1,718	6,832	9,416
PROJECTED HOUSEHOLDS (2025)	1,671	6,659	9,165
HISTORICAL ANNUAL GROWTH			
2010-2020	-0.40%	-0.36%	-0.40%
PROJECTED ANNUAL GROWTH			
2020-2025	-0.55%	-0.51%	-0.54%
HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
2020 AVERAGE	\$59,515	\$64,729	\$68,208
2020 MEDIAN	\$41,976	\$45,016	\$47,536

POPULATION BY RACE

	1 MILE	3 MILES	5 MILES
WHITE POPULATION	97.2%	96.8%	97.1%
AFRICAN AMERICAN POPULATION	0.8%	1.2%	1.1%
ASIAN POPULATION	0.7%	0.4%	0.4%
PACIFIC ISLANDER POPULATION	0.1%	0.1%	0.1%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.0%
OTHER RACE POPULATION	0.1%	0.2%	0.2%
TWO OR MORE RACES POPULATION	1.0%	1.3%	1.1%

HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	1.3%	1.1%	1.0%
WHITE NON-HISPANIC	96.3%	96.1%	96.4%

2020 AGE BY GENDER

	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	47.0/54.2	44.3/47.5	45.4/48.4

TRAFFIC COUNTS

BUTLER RD			
12,585			

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