



RITE AID

NNN LEASE | 15+ YEARS REMAINING

28995 NEWPORT ROAD, MENIFEE, CA 92584





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EXECUTIVE SUMMARY

Rare Drug Store Investment Opportunity with Increases



Over 15 Years Remaining on Corporate Guaranteed NNN Lease with Rite Aid



Below Market Rent of Only \$2.06/SF & 5% Increases Every 10 Years



Surrounded By Menifee Lakeside Communities and Menifee Lakes Country Club and Golf Resort



Excellent Retail Location Located Directly in the Path of New Development in Menifee, CA (6th Fastest Growing City in California)

Corporate Guaranteed Lease | Strong Brand Recognition | Strategic Location

- ▶ **Above Average Store Sales** (Please Contact Agent for More Details)
- ▶ **Corporate Guaranteed NNN Lease with Minimal Landlord Responsibilities**
- ▶ Prominent Signalized, Corner Location with **Excellent Signage and Exposure on Both Newport Road and Menifee Road (±40,200 Cars Per Day)**
- ▶ **Strong Brand Recognition and Strategic Location** – Rite Aid has Over 2,400 Locations Nationwide | Strong Location Near a Number of Residential Communities Provides for a Consistent Customer Base

Strong Real Estate Fundamentals

- ▶ Multiple Points of Ingress and Egress on Both Newport Road and Menifee Road
- ▶ **Oversized Lot of ±1.63 Acres | Recent 2016 Construction**
- ▶ Menifee, CA is the **Fastest Growing City in Southwest Riverside County** and the **6th Fastest Growing City in all of California** – Menifee is Poised for Strong Future Growth with a Number of Retail and Residential Developments Currently Underway
- ▶ **Less Than 1 Mile from the Newport Road Entrance to the 215 Freeway** – Menifee Road and Newport Road are the Main Corridors for Access to the Freeway from Neighboring Communities



Excellent Demographics Strong Surrounding Credit Tenant Presence

- ▶ **Strong Immediate Credit Tenant Presence** Provides for Consistent Daily Traffic – Nearby Credit Tenants Include Stater Bros., McDonald's, Del Taco, Arco, Starbucks, CVS, Archibald's, Ralph's, Ross, Living Spaces and Many More
- ▶ Other Major Nearby Centers Include Menifee Countryside Marketplace (Anchored by Target, Lowe's, Kohl's, Michael's and Best Buy) and Town Center Marketplace, Which Includes a ±95,000 New Construction Center, Menifee's New Location for City Hall, a County Courthouse, and ±850 Residential Dwellings
- ▶ **Strong Average Household Income of \$94,513** Within One Mile | **Dense, Infill Area** with Population Counts Exceeding 112,000 Residents Within Five Miles – **Population is Expected to Grow by 10% By 2025**

TENANT OVERVIEW

Rite Aid

Rite Aid is the Country's 3rd largest drug store retailer and has been paramount in both testing and offering vaccinations against the Covid-19 virus. Additionally, it works in partnership with Amazon as a "package pick up center" further spawning retail foot traffic onto the site.



Rite Aid Corporation, through its subsidiaries, operates a chain of retail drugstores in the United States. The company operates through two segments, Retail Pharmacy and Pharmacy Services. The Retail Pharmacy segment sells prescription drugs and an assortment 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 other every day and convenience products.

It also operates retail clinics that provide treatment for common conditions; and provides preventative services, such as screenings, medical tests, immunizations, and basic physical exams. In addition, this segment offers healthcare coaching and disease management services. The Pharmacy Services segment provides pharmacy benefit management (PBM) services and a range of pharmacy-related services.

Website	www.riteaid.com
Symbol	NYSE: RAD
Revenue (TTM)	\$24B (as of June 2021)

Rite Aid - 2020 Rebranding

In November 2020, Rite Aid unveiled a rebranding that includes a new logo, holistic health focus and website revamp, along with a store concept in pilot mode. The logo replaces blue and red chevron color blocks with blue and green, including a graphic of a mortar and pestle with an herbal sprig.

The drugstore retailer said it's offering a "fusion" of traditional medicine and alternative remedies, and elevating the role of its more than 6,300 store-based pharmacists, according to a company press release.

The first three "Stores of the Future," two in Pennsylvania and one in New Hampshire, feature pharmacists in more accessible areas, the company said. **As more open, some will include beauty ambassadors, clean beauty products and "a spa-like destination."**

Read more about the rebranding by visiting <https://www.retaildive.com/news/rite-aid-leans-on-pharmacists-in-rebranding-effort/588652/>



Subject Property - Menifee, CA



FINANCIAL ANALYSIS

Offering Summary

Property Name	Rite Aid
Property Address	28995 Newport Road Menifee, CA 92584
Assessor's Parcel Number	364030014-5
Year Built	2016
Gross Leasable Area (GLA)	±17,185 Square Feet
Lot Size	±1.63 Acres (±71,002 Square Feet)

Pricing

Price	\$9,300,000
Cap Rate	4.57%

Annualized Operating Data

Gross Potential Rent	\$425,000
Total Expenses	NNN
Net Operating Income	\$425,000

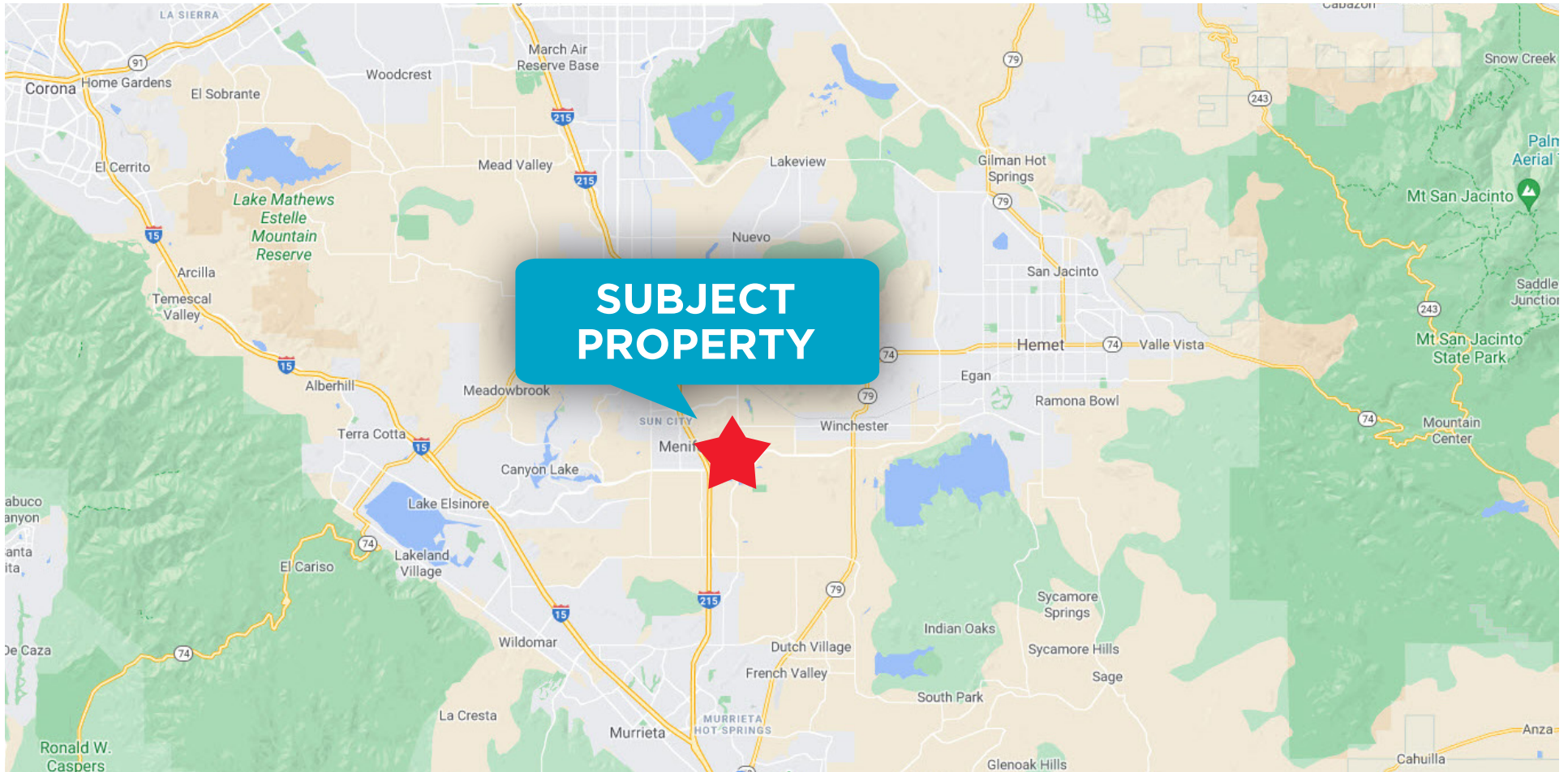
Lease Information

Initial Lease Term	20 Years
Lease Commencement Date	October 1, 2016
Lease Expiration Date	September 30, 2036
Lease Remaining	±15.25 Years
Lease Type	NNN
Increases	5% Every 10 Years
Options	Six, Five-Year
Guarantee	Corporate
Notes	Landlord is responsible for roof & structure (roof warranted through 2036).



MARKET OVERVIEW

Regional Map



±40,200

CARS PER DAY AT THE MENIFEE/
NEWPORT ROAD INTERSECTION



±41 MILES

TO ONTARIO INTERNATIONAL
AIRPORT (ONT)



±9 MILES

TO THE 15 FREEWAY (ACCESS TO
SAN DIEGO & ORANGE COUNTY)



±1 MILES

TO THE NEWPORT ROAD
ENTRANCE TO THE 215 FREEWAY

MARKET OVERVIEW

The City Of Menifee, CA

Menifee is a city in Riverside County, California, United States, and part of the Los Angeles Combined Statistical Area. The city is centrally located in the heart of Southern California, in the Menifee Valley. It is almost 15 miles (24 km) north of Temecula and just north of Murrieta. Menifee is roughly 46 square miles (100 km²) in size and has an elevation of 1,424 feet (434 m). The incorporated City of Menifee includes the communities of Sun City, Quail Valley, Paloma Valley, and Romoland.



Menifee touts itself as being young — both in the time it's been a city and because of its demographics. While the Sun City community is still full of retirees, officials say many young families have been moving to the city.

Menifee is now the fastest-growing community in the southwest Riverside County, the fifth fastest in Riverside County, and 6th fastest in all of California.

Menifee's Strong Growth Factors

- ▶ **Future Housing Growth** – With the master planned developments of Menifee Town Center and Audie Murphy Ranch within the immediate neighborhood, and with over 50 new residential home developments expanding in the general trade area, it will add approximately 2,700 new homes increasing the Menifee residential population base by approximately 10,600 residents by 2025
- ▶ **Retail Demand** – Per the City of Menifee, there is a retail sales leakage gap of more than \$830 million to neighboring cities, which combined with a growing population desiring more amenities closer to home makes Menifee an unmatched opportunity for commercial development in Southern California
- ▶ **Available Property** – Menifee's economic development corridor includes more than 2,000 acres of land ready for retail/commercial development, with more than three miles of vacant, available frontage land along the heavily traveled Interstate 215.
- ▶ **Population Growth & Demographics**
 - 5-Mile Radius - 9% Growth Projected by 2025
 - 10-Mile Radius - 7.5% Growth Projected by 2025
 - 15-Mile Radius - 6.5% Growth Projected by 2025
 - Median Age: 36 Years
 - Average Household Income: \$87,421 (2020 - 13% Growth Projected by 2025)

A Residential Community in Menifee, CA



MARKET OVERVIEW

Demographic Summary

Population	1-Mile	3-Miles	5-Miles
2025 Population	16,065	63,601	124,543
2020 Population	14,646	57,753	112,244
2015 Population	11,661	46,604	89,369
2010 Population	4,228	22,208	45,583

Households	1-Mile	3-Miles	5-Miles
2025 Households	5,436	21,745	42,837
2020 Households	4,948	19,875	38,877
2015 Households	3,947	16,065	31,013
2010 Households	1,442	8,718	18,416
2025 Owner Occupied Housing	72.8%	73.6%	74.4%
2025 Rent Occupied Housing	27.2%	26.4%	25.6%
2020 Owner Occupied Housing	73.1%	73.7%	74.4%
2020 Renter Occupied Housing	26.9%	26.3%	25.6%
2010 Owner Occupied Housing	75.8%	76.1%	76.3%
2010 Renter Occupied Housing	24.2%	23.9%	23.7%

Income	1-Mile	3-Miles	5-Miles
\$ 0 - \$ 14,999	4.8%	6.6%	7.4%
\$ 15,000 - \$24,999	6.6%	8.0%	8.6%
\$ 25,000 - \$34,999	8.1%	8.1%	8.8%
\$ 35,000 - \$49,999	9.9%	11.0%	11.6%
\$ 50,000 - \$74,999	16.4%	18.3%	18.5%
\$ 75,000 - \$99,999	18.9%	16.4%	14.7%
\$100,000 - \$124,999	14.8%	13.2%	11.9%
\$125,000 - \$149,999	7.1%	7.0%	6.7%
\$150,000 - \$200,000	10.5%	7.5%	7.5%
\$200,000 to \$249,999	0.6%	1.0%	1.3%
\$250,000 +	2.4%	2.9%	2.9%
2020 Median Household Income	\$80,640	\$72,323	\$68,769
2020 Average Household Income	\$94,513	\$88,665	\$86,204



\$88,665

2020 AVERAGE HOUSEHOLD INCOME
3-MILE RADIUS





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