



# RITE AID

**OFFERING MEMORANDUM**



**10 HEMINGWAY AVENUE | EAST HAVEN, CT**

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES



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# **RITE AID**

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# EXECUTIVE OVERVIEW

## INVESTMENT HIGHLIGHTS



- **Long Term Lease** - Recent 10-year lease extension from Rite Aid, giving the lease just under 11 years of term, showing the tenant's commitment to the location. The lease has four (4) five (5) year option periods with a favorable rental bump of 14% in the first option.



- **Dense Population** - 179,011 people within a 5-mile radius of the location, with over 70,000 households that have a median household income within a 1-mile radius of \$86,837.



- **Strategically Positioned** - Located on a hard, signalized corner on a main retail corridor. Average traffic volume of 29,000 VPD passing in front of the site.



- **Corporate Backed Lease** - Lease is guaranteed by Rite Aid of Connecticut, Inc. Rite Aid is ranked No. 132 on the 2020 Fortune 500 list with a \$736 million market cap.



- **COVID Resistant Tenant** - Great 1031 Exchange property, that includes a long-term, passive income asset favorable for any investor seeking security of income. Rite Aid was up in store sales during COVID and was deemed "essential" throughout the pandemic allowing them to remain open.



- **Strong Brand Recognition** - Rite Aid has almost 2,500 locations across the US in 19 states, with over 51,000 employees.



- **Nearby National Retail Tenants** - Located nearby Dunkin', Dollar General, Stop & Shop, McDonald's, The Home Depot, TJ Maxx, HomeGoods, & Chili's.







# FINANCIAL OVERVIEW



**\$4,062,364**

LIST PRICE



**\$233,585.95**

NOI



**±10.5 YRS**  
TERM REMAINING



**5.75%**  
CAP RATE

## PROPERTY SUMMARY

Property Address	10 Hemingway Ave.
City	East Haven
State	CT
Zip	06512
Store Number	3264
GLA (SF)	± 11,240 SF
Lot (SF)	± 55,757 SF
Year Built	1999
APN	EHAV M:160
Zoning	C1
Parking Spaces	66
Parking Ratio (per 1,000)	5.87

## LEASE SUMMARY

Tenant	Rite Aid
Type of Ownership	Fee Simple
Lease Guarantor	Rite Aid Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Original Lease Term	20 years
Lease Commencement Date	6/21/00
Rent Commencement Date	N/A
Lease Expiration Date	5/31/32
Term Remaining	± 10.58 Years
Increases	In Options
Options	Four, (5) year options

## ANNUALIZED OPERATING DATA

Term	Annual Rent	Monthly Rent	Rent PSF	Increase	Cap Rate
Current	\$233,585.98	\$19,465.50	\$20.78	-	5.75%
Option 1	\$265,077.80	\$22,089.82	\$23.58	13.48%	6.53%
Option 2	\$276,257.80	\$23,021.48	\$24.58	4.22%	6.80%
Option 3	\$287,437.80	\$23,953.15	\$25.57	4.05%	7.08%
Option 4	\$298,617.80	\$24,884.82	\$26.57	3.89%	7.35%

Please contact a Matthews™ Capital Markets Agent  
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# TENANT OVERVIEW



## COMPANY NAME

Rite Aid

## NO. OF LOCATIONS

±2,550

## HEADQUARTERS

Camp Hill, PA

## INDUSTRY

Drug Store

## WEBSITE

[www.riteaid.com](http://www.riteaid.com)

## NO. OF EMPLOYEES

±60,800

## TENANT OVERVIEW

Rite Aid is the largest drugstore chain on the East Coast and the third-largest drugstore chain in the United States. Rite Aid has a large presence on the East and West coasts. Rite Aid sells prescription drugs and a wide assortment of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, beverages, convenience foods, greeting cards, and photo processing. The company is publicly traded on the New York Stock Exchange under the ticker symbol RAD.

As a smaller pharmacy chain, Rite Aid is reducing its focus to the East and West Coasts, focusing primarily on eight states including California, Pennsylvania, Michigan, Ohio, New York, New Jersey, Washington, and, Oregon.





True Value

CVS  
pharmacy

95  
± 100,000 VPD

jiffy lube

DUNKIN'



WELLS  
FARGO

Webster Bank

BANK OF AMERICA

TROLLEY SQUARE  
SHOPPING CENTER  
SUPERCUTS  
SUBWAY  
STOP & SHOP  
KeyBank  
People's United Bank  
UNITED STATES  
POSTAL SERVICE

Public  
Storage

goodwill

McDonald's

New Haven  
moving equipment

HEMINGWAY AVE.  
± 18,000 VPD

DUNKIN'

RITE  
AID

Gulf

DOLLAR  
GENERAL

SHORT BEACH RD.  
± 7,000 VPD

tweed NEW  
HVH  
Southern Connecticut's Airport

TOWN  
FAIR  
TIRE

EAST  
HAVEN  
BUILDERS  
SUPPLY  
A Division of



# AREA OVERVIEW

## DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	8,471	44,775	178,887
2021 Estimate	8,575	45,048	179,011
2010 Census	9,085	46,327	179,138
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	3,464	18,319	71,072
2021 Estimate	3,510	18,455	18,455
2010 Census	7,301	50,564	138,052
INCOME	1-MILE	3-MILE	5-MILE
Avg Household Income	\$86,837	\$87,415	\$75,558



## | EAST HAVEN, CT

East Haven is a town in New Haven County, Connecticut. East Haven is home to an array of attractions. The East Haven Town Beach offers scenic views and a place to relax during the summer months, including the Overshores Brewing, the East Haven Historical Society Museum and the Farm River State Park.



# | YALE UNIVERSITY

Yale University is an American private Ivy League research university in New Haven, Connecticut. Founded in 1701, it is the third-oldest institution of higher education in the United States and one of the nine Colonial Colleges chartered before the American Revolution. Yale's reach is both local and international. It partners with its hometown of New Haven, Connecticut to strengthen the city's community and economy. And it engages with people and institutions across the globe in the quest to promote cultural understanding, improve the human condition, delve more deeply into the secrets of the universe, and train the next generation of world leaders.

Yale is organized into fourteen constituent schools: the original undergraduate college, the Yale Graduate School of Arts and Sciences, and twelve professional schools. While the university is governed by the Yale Corporation, each school's faculty oversees its curriculum and degree programs. In addition to a central campus in downtown New Haven, the University owns athletic facilities in western New Haven, a campus in West Haven, Connecticut, and forest and nature preserves throughout New England. The university's assets include an endowment valued at \$30.2 billion at the end of fiscal year 2019, the second-largest endowment of any educational institution in the United States and the World. The Yale University Library, serving all constituent schools, holds more than 15 million volumes and is the third-largest academic library in the United States.





## | NEW HAVEN, CT

New Haven is a coastal city in Connecticut. It is located on New Haven Harbor on the northern shore of Long Island Sound in New Haven County, Connecticut. New Haven is the home of Yale University. As New Haven's biggest taxpayer and employer, Yale serves as an integral part of the city's economy. Health care (hospitals and biotechnology), professional services (legal, architectural, marketing, and engineering), financial services, and retail trade also contribute to the city's economic activity. New Haven is one of the most walkable city centers between New York City and Boston, and it has idyllic rural homes for those who love peace and quiet.





## NEW HAVEN ECONOMY

New Haven has the fourth-largest economy in New England, one spot ahead of Springfield, and one spot behind Hartford. New Haven’s largest employment concentration is in health services. Health care companies such as Yale New Haven Health System, Covidien-Surgical Devices, and Medtronic Inc. are major contributors to New Haven’s economy.

## ECONOMIC DEVELOPMENT

The mission of the Economic Development Administration is to advance New Haven as a model, modern, world-class city, in which everyone who wants a well-paying, career-oriented job can find one, by (1) facilitating commercial development, (2) attracting quality businesses and investment, and (3) expanding the breadth and quality of overall employment.

- ◀ ATTRACTING AND RETAINING QUALITY COMPANIES: Securing public-sector investment and private-sector partners that will build on New Haven’s advanced manufacturing, high technology, food processing, health care, and life science industry clusters.
- ◀ DEVELOPING LOCAL JOBS AND BUSINESSES: Providing small businesses, particularly minority-, woman-, and locally-owned small businesses.
- ◀ REVITALIZING NEW HAVEN’S NEIGHBORHOODS: Fostering mixed-use development that accelerates the formation and enhancement of distinctive, welcoming communities downtown and throughout the city; partnering with community stakeholders and accomplished developers to offer residents of all circumstances high-quality housing and retail options; and promoting the growth of diverse educational, artistic, and cultural amenities that augment New Haven’s status as a leading recreational destination.
- ◀ IMPROVING NEW HAVEN’S GLOBAL COMPETITIVENESS: Enhancing New Haven’s competitive stature regionally, nationally, and internationally, and means of access to the world, by increasing its connectivity at and through State Street and Union Station and Tweed-New Haven Airport and creating new transit alternatives that align with the city’s essential quality of life.

## MAJOR EMPLOYERS

COMPANY
Yale New Haven Health System
Covidien-Surgical Devices
Medtronic Inc.
Yale School of Psychiatry
Southern CT State University
United Illuminating Co.
American Medical Response
Knight of Columbus
New Haven Register
SARGENT Manufacturing Co.
Assa Abloy Inc.
New Haven Police Department
Cornell Scott Hill Health Corp
IKEA

Source: Connecticut Department of Labor



## DOWNTOWN NEW HAVEN

Downtown New Haven is filled with cultural attractions. Restaurants, nightclubs and music venues offer some entertainment, while charming independent shops line the brick-paved streets downtown, providing daytime diversions.

New Haven - more specifically, Yale University - is also home to a number of noteworthy museums and art galleries, including the Yale University Art Gallery, the Yale Center for British Art and the Yale Peabody Museum of Natural History. Nearby vacation towns line the coast, and even after their beaches empty for the cold New England winter, many of their museums, theaters and quaint main streets remain open.

### NEW DOWNTOWN DEVELOPMENTS

One of the new construction projects closest to completion is the 132-unit apartment building at 18 High St. That complex stands right in front of New Haven Towers, replacing a parking deck. The building should be finished and open by the first week of June. A few blocks south in the Hill, Salvatore's development company is at work building a new 223-unit apartment complex at 9 Tower Ln. The development company says that the building should be finished and open by the end of 2021 or early 2022. They have also mentioned that his company's conversion of the rundown former Welch Annex School at 49 Prince St. into 30 new affordable apartments should be done within the next 45 days. These projects mark the third and final phase of the Hill-to-Downtown redevelopment plan.



## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Rite Aid** located at **10 Hemingway Avenue, East Haven, CT 06512** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

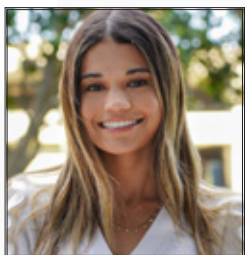
This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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