

# RITE AID

## EXCLUSIVE NET-LEASE OFFERING



[Click for property video](#)



# OFFERING MEMORANDUM



17072 S Dupont Hwy,  
Harrington, DE 19952

# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap Real Estate Investment Services, Inc. ("M&M") is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of

M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)





# Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6
Surrounding Area	7
Location Overview	8
Property Photo	9
Property Photo	10
Surrounding Area Photos	11
Local Map	12
Regional Map	13
Demographics	14
Market Overview	15







# Investment Highlights

PRICE:\$6,186,487 | CAP: 5.95% | RENT: \$368,096

## About the Investment

- ✓ Strong & Increasing Store Sales (Inquire With Listing Agent)
- ✓ Longstanding Tenancy & Recently Extended Lease | Property Has Been A Rite Aid for Sixteen Years, Rite Aid Just Extended Lease
- ✓ Recently Refreshed Location | All Work Completed By Rite Aid
- ✓ Rent Increases By 7.50% In 2027 & 10% In Each Option Period
- ✓ Five (5) Extension Option Periods of Five (5) Years Each
- ✓ Located 25 Minutes South of Dover, the state capital of Delaware

## About the Location

- ✓ Harrington Raceway & Casino | Massive 140,000 Square Foot Facility | 1,800 Slot Machines | Located One Mile Away
- ✓ Dense Retail Corridor | Walgreens, Family Dollar, Food Lion, Dollar General, Royal Farms, McDonald's, Ace Hardware, Subway, Taco Bell, and Many More
- ✓ Affluent Community | Average Income Within a Ten-Mile Radius is Approximately \$73,000
- ✓ High Academic Presence | Two Schools Within a One-Mile Radius | Combined Enrollment Exceeds 1,300 Students

## About the Tenant / Brand

- ✓ Rite Aid Corporation is One of the Nations Leading Drugstore Chains with More than 2,450 Stores in 18 States and the District of Columbia And has Over 51,000 Associates
- ✓ Rite Aid is the Largest Drugstore Chain on the East Coast and the Third Largest in the U.S
- ✓ Rite Aid is a Fortune 500 Company and Reported Store Sales of \$21.9 Billion in Fiscal Year 2020
- ✓ Rite Aid The Company is Publicly Traded in the New York Stock Exchange Under the Ticker RAD



[Click for property video](#)



Subject Property



Representative Photo



# Financial Analysis

PRICE:\$6,186,487 | CAP: 5.95% | RENT: \$368,096

## PROPERTY DESCRIPTION

Property	Rite Aid
Property Address	17069 S Dupont Hwy
City, State, ZIP	Harrington, DE 19952
Building Size	14,564
Lot Size	+/- 1.92 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$6,186,487
CAP Rate	5.95%
Annual Rent	\$368,096

## LEASE SUMMARY

Property Type	Net-Leased Drug Store
Tenant	Rite Aid
Guarantor	Rite Aid Corporate
Lease Commencement	April 30 <sup>th</sup> , 2005
Lease Expiration	January 31 <sup>st</sup> , 2033
Lease Term Remaining	+/- 11 Years
Lease Type	Double-Net (NN)
Landlord Responsibilities	Roof & Structure
Options to Renew	Five, Five Year Renewals Rent Increases 7.5% In 2027 & 10% In Options

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
2/1/2022-1/31/2023	\$368,096	\$30,675	-
2/1/2023-1/31/2024	\$368,096	\$30,675	-
2/1/2024-1/31/2025	\$368,096	\$30,675	-
2/1/2025-1/31/2026	\$368,096	\$30,675	-
2/1/2026-1/31/2027	\$368,096	\$30,675	-
2/1/2027-1/31/2028	\$395,703	\$32,975	7.50%
2/1/2028-1/31/2029	\$395,703	\$32,975	-
2/1/2029-1/31/2030	\$395,703	\$32,975	-
2/1/2030-1/31/2031	\$395,703	\$32,975	-
2/1/2031-1/31/2032	\$395,703	\$32,975	-
2/1/2032-1/31/2033	\$395,703	\$32,975	-

Five, Five Year Renewal Option Periods- Rent Increases 10% Each Option

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Rite Aid located at 17069 South Dupont Highway in Harrington, Delaware. The site consists of roughly 14,564 rentable square feet of building space on estimated 1.92-acre parcel of land. This property is subject to a double-net (NN) lease, which commenced on April 30<sup>th</sup>, 2005. The current annual rent is \$368,096 and is scheduled to increase by seven and a half percent (7.50%) in February 2027 and then ten percent (10%) at each of the five (5), five (5)-year renewal options. Additionally, the tenant recently extended the term through 2033, showing a strong commitment to the site.



# Concept Overview

## About Rite Aid

Rite Aid Corporation is one of the nation's leading drugstore chains with more than 2,450 stores in 18 states and the District of Columbia, with a strong presence on both the East and West Coasts, and nearly 51,000 associates. Rite Aid The Company is publicly traded in the New York Stock Exchange under the ticker RAD.

Rite Aid began in 1962 as a single store opened in Scranton, Pennsylvania. After several years of growth, Rite Aid adopted its current name and debuted as a public company in 1968. Rite Aid headquarters in Camp Hill, Pennsylvania a suburb of Harrisburg. Rite Aid reported store sales of \$21.9 Billion in fiscal year 2020. Rite Aid is a Fortune 500 Company.

The company is combining modern store base, strong brand name, modern distribution centers and superior pharmacy technology. Rite Aid stores fill prescription (accounting for about 64% of sales) and sell health and beauty aids, food, and other food items including more than 2,600 private label products. Nearly 45% of Rite Aid stores have drive through pharmacies, and it sells products online through drugstore.com.



## General Information

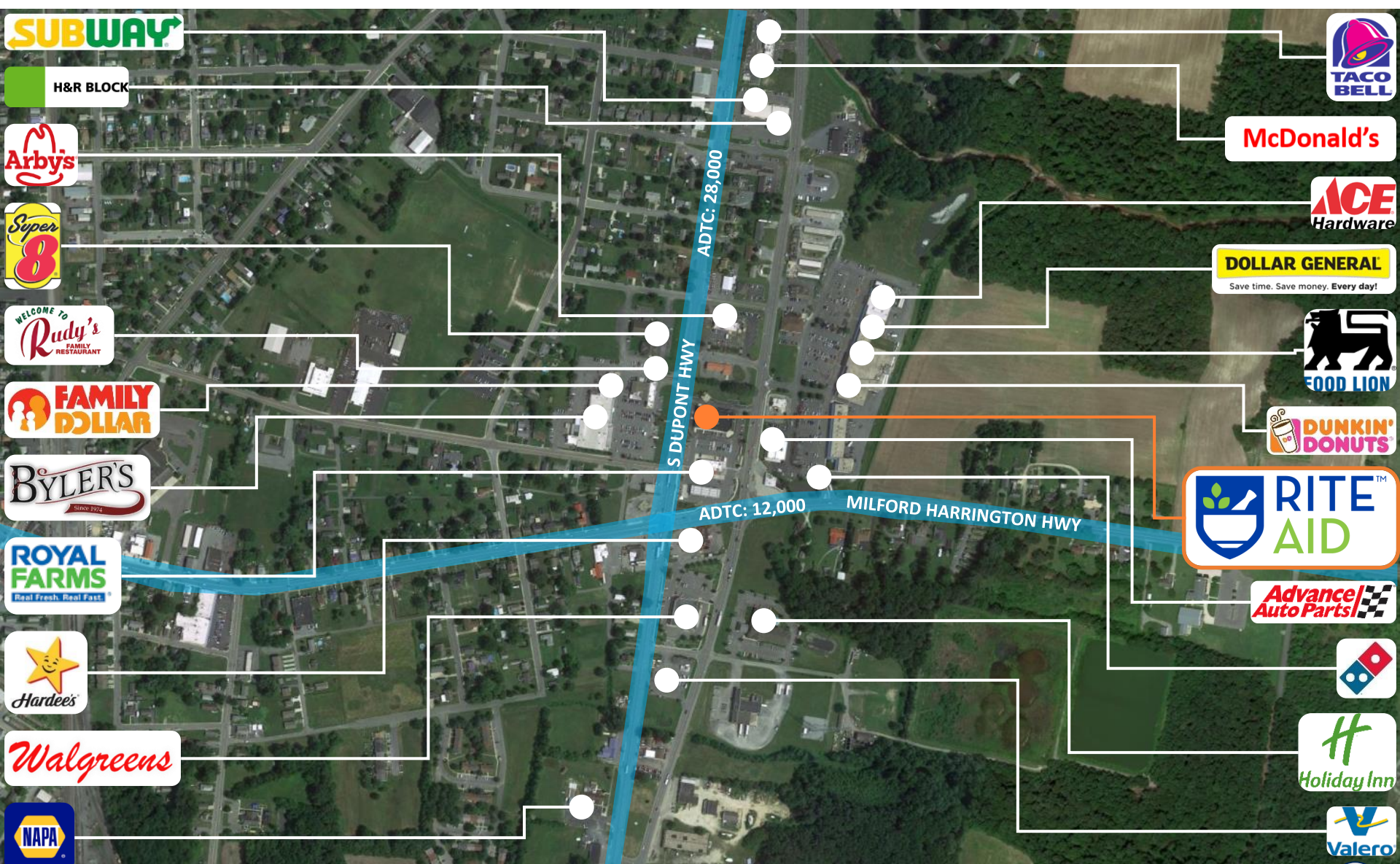
Head Quarters	Camp Hill, PA
Website	<a href="https://www.riteaid.com/">https://www.riteaid.com/</a>
Founded	1962
Locations	2,450
Chairman/CEO	Heyward R. Donigan







# Surrounding Area



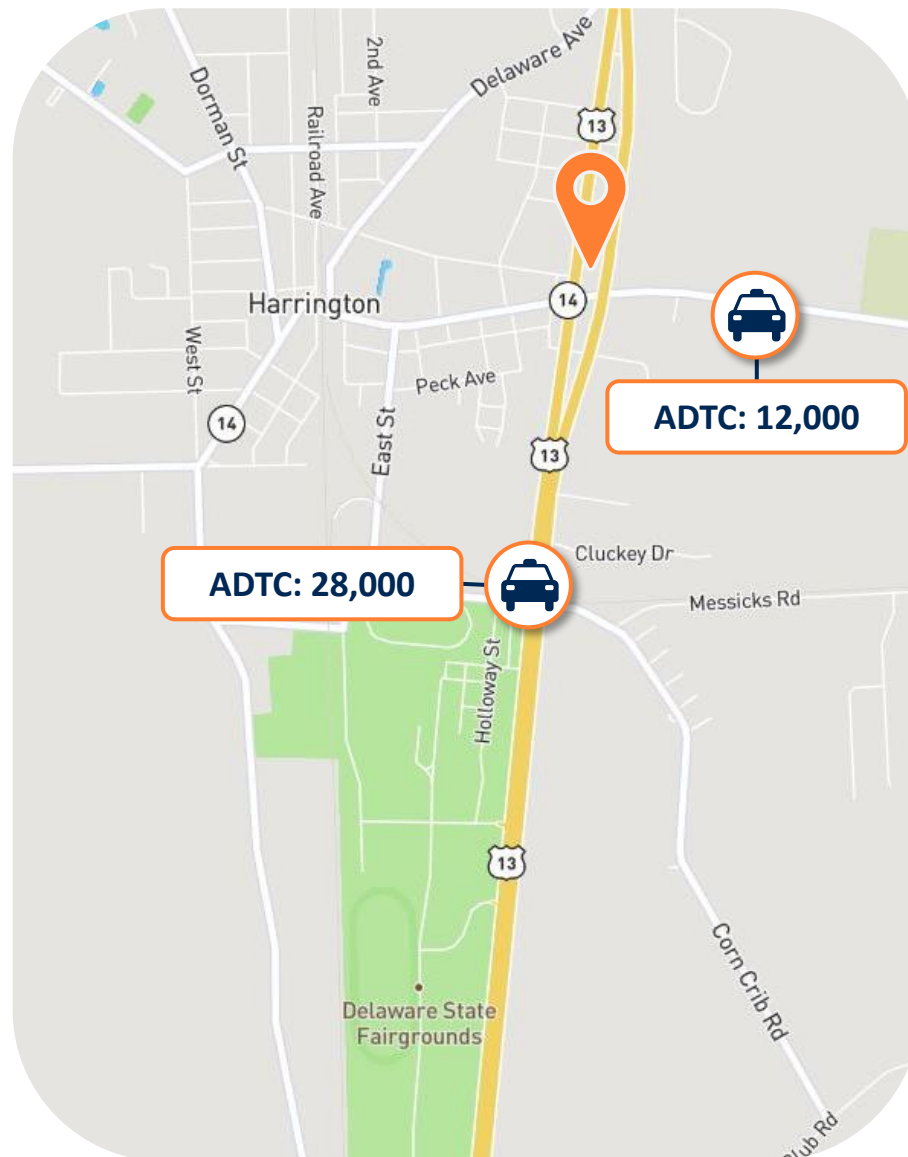


# Location Overview

This Rite Aid property is strategically located just north of Harrington Raceway & Casino on South Dupont Highway in Harrington, Delaware. South Dupont Highway boasts an average daily traffic count of 28,000 vehicles. South Dupont Highway intersects with Milford Harrington Highway, which brings an additional 12,000 vehicles into the immediate area daily. There are more than 14,000 individuals residing within a five-mile radius of the subject property and more than 62,000 individuals within a ten-mile radius. Furthermore, the subject property further benefits from being located in an affluent community, the average household income within a ten-mile radius is approximately \$73,000.

The subject property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, hospitality accommodations, academic institutions and other notable points of interest all within close proximity of this property. Major national tenants in the area include Walgreens, Family Dollar, Food Lion, Dollar General, Royal Farms, McDonald's, Ace Hardware, Subway, Taco Bell as well as many more. This Rite Aid subject property benefits from being located just north of Harrington Raceway & Casino. Harrington Raceway and Casino consists of a 140,000 square foot gaming facility with over 1,800 slot machines and hosts annually on average 70 days of live racing. Additionally, there are numerous surrounding hospitality accommodations. There are three located within a one-mile radius, Super 8, Holiday Inn, and Quality Inn. Also, the subject investment property benefits from being located within a one-mile radius of Lake forest South Elementary School and WT Chipman Middle School. These two schools have a combined enrollment that exceeds 1,300 students.

Harrington is a city in Kent County, Delaware, United States. It is part of the Dover, Delaware Metropolitan Statistical Area and is within a 14-mile radius of the state's capital Dover, which is the second largest city in the state. Dover is one of the fast-growing areas in the state of Delaware, due in large part to the relatively low cost of living. The setting in a flat, mostly agricultural area is idyllic without being too far removed from larger northeastern cities. The nearby Delaware Bay and its beaches and wildlife areas provide ample recreational opportunities. The Dover International Speedway (NASCAR) and the Dover Downs harness racecourse add to entertainment options.







# Property Photos

Subject Property







# Property Photos

Subject Property







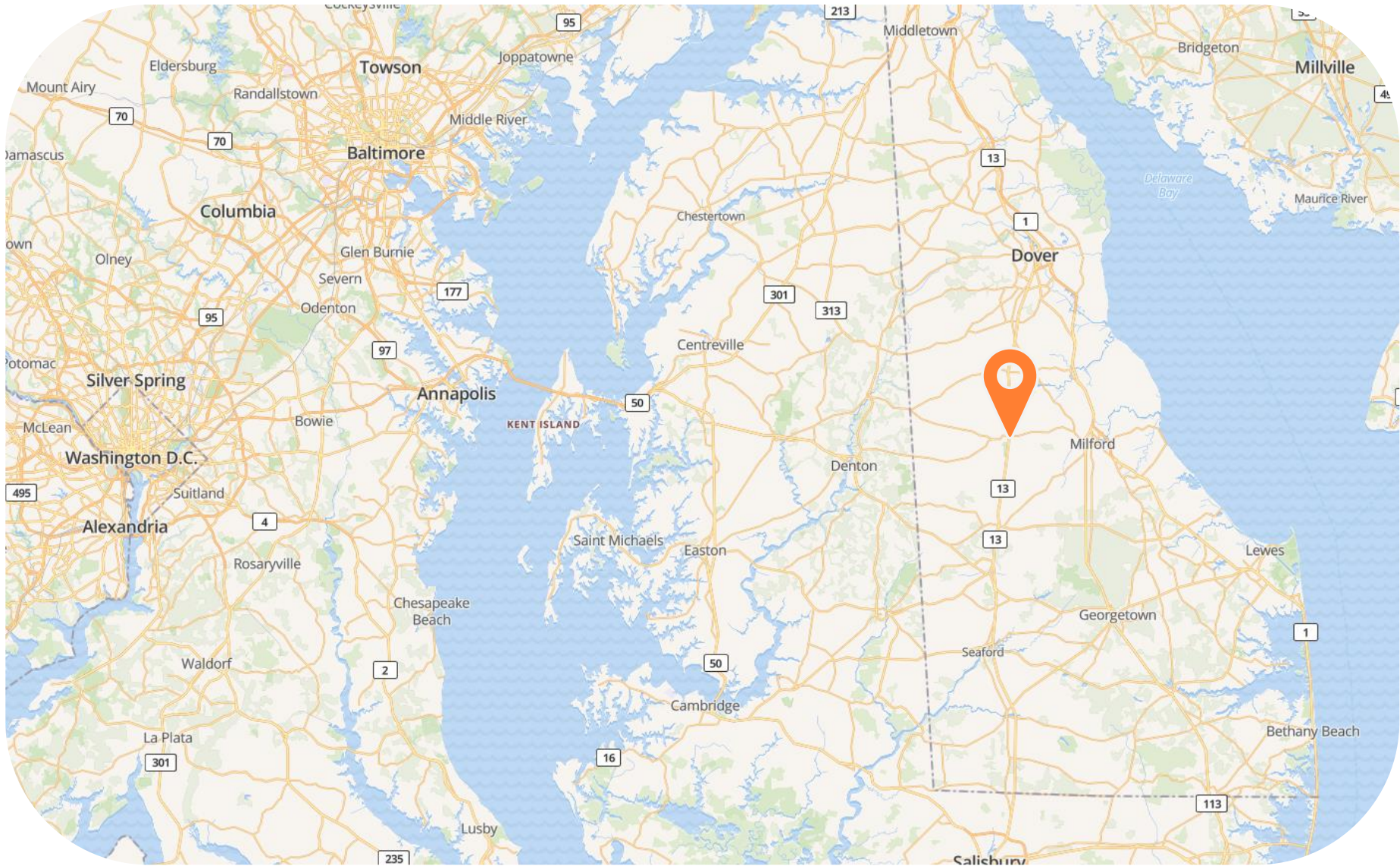
# Surrounding Area Photos







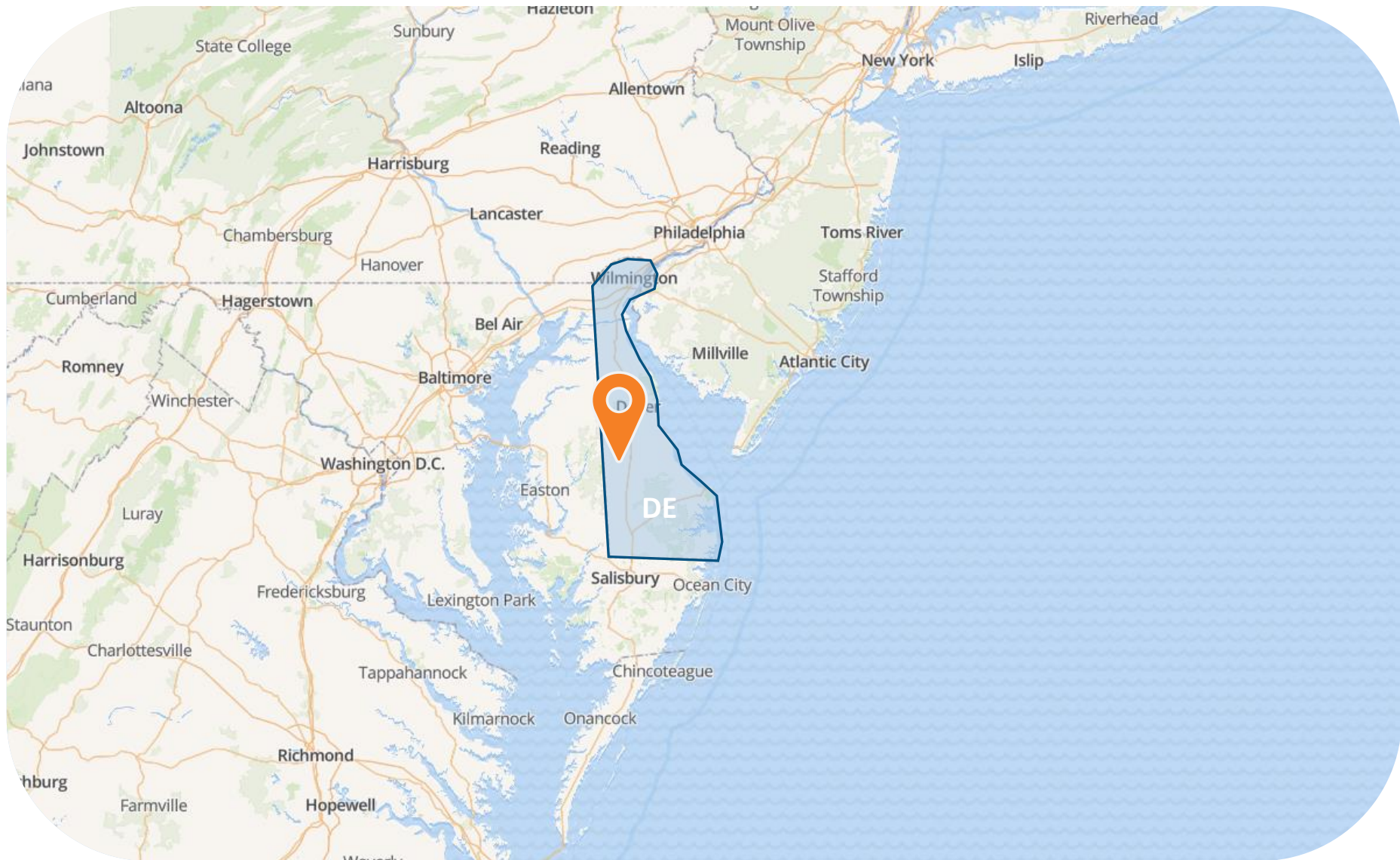
# Local Map







# Regional Map





# Demographics

**3 Miles 5 Miles 10 Miles**



## Population Trends:

2010 Population	6,726	12,967	57,924
2020 Population	7,323	14,213	62,291
2025 Population Projection	7,645	14,855	65,502
Growth 2010 - 2020	0.80%	0.90%	0.70%
Growth 2020 - 2025	0.90%	0.90%	1.00%

## Population by Race (2020):

White	5,379	11,014	48,033
Black	1,538	2,506	11,061
American Indian/Alaskan Native	37	70	356
Asian	91	163	788
Hawaiian & Pacific Islander	14	16	129
Two or More Races	264	443	1,924
Hispanic Origin	390	688	5,568

## Household Trends:

2010 Households	2,621	4,969	21,901
2020 Households	2,861	5,468	23,565
2025 Household Projection	2,992	5,725	24,809
Growth 2010 - 2020	1.10%	1.10%	1.20%
Growth 2020 - 2025	0.90%	0.90%	1.10%
Owner Occupied	2,035	4,399	18,954
Renter Occupied	957	1,326	5,855

## Average Household Income (2020):

**\$62,334 \$67,551 \$72,901**

## Households by Household Income (2020):

<\$25,000	695	1,061	4,010
\$25,000 - \$50,000	740	1,522	6,045
\$50,000 - \$75,000	605	1,106	4,602
\$75,000 - \$100,000	326	627	3,217
\$100,000 - \$125,000	214	432	2,000
\$125,000 - \$150,000	89	289	1,697
\$150,000 - \$200,000	157	366	1,596
\$200,000+	37	66	399

## Median Household Income (2020):

**\$49,860 \$53,659 \$59,520**





# Market Overview



**Dover** is the capital and second-largest city in the U.S. state of Delaware. It is also the county seat of Kent County, and the principal city of the Dover, DE Metropolitan Statistical area, which encompasses all of Kent County and is part of the Philadelphia-Wilmington-Camden, PA-NJ-DE-MD Combined Statistical Area. It is located on the St. Jones River in the Delaware River coastal plain. It was named by William Penn for Dover in Kent, England.

Dover is one of the fast-growing areas in the state of Delaware, due in large part to the relatively low cost of living. As a consequence, the Kent County government is a major employer in the area as well. Apart from the state and county governments, Dover's significant employers include Dover Air Force Base, located within the southeast corporate limits of the city. The base houses two airlift wings as well as the U.S. military's only mortuary in the continental United States, which accepts and processes the remains of soldiers killed in battle. In addition, Kraft Foods and Procter & Gamble have manufacturing facilities in Dover. The Kraft Foods plant in Dover has been the plant that manufactures Jell-O since 1964 when it relocated from Bloomfield, New York.

Two weekends a year, NASCAR races are held at Dover International Speedway, attracting about 65,000 spectators. The races bring in increased patronage for local businesses, and hotels and motels sell out weeks in advance. These races, and in recent years adjacent slot machine gambling at Dover Downs Hotel & Casino, contribute millions of dollars to Dover's economy. Additionally, Firefly Music Festival, a three-day music festival with over 100 artists, is hosted in the Woodlands of Dover Internationally Speedy annually since 2012. Firefly attracts over 50,000 individuals to the immediate area annually.



Marcus & Millichap

## EXCLUSIVE NET-LEASE OFFERING

