

RITE AID (With Drive Thru)

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



1396 W Chestnut St,
Washington, PA 15301

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Investment Highlights

PRICE: \$6,417,507 | CAP: 6.50% | RENT: \$417,138



About the Investment

- ✓ Passive Income – ±8.5 years Remaining on an Absolute Triple-Net (NNN) Lease - No Landlord Responsibilities – With Two (2) Five (5) Year Tenant Renewal Option Periods Brining Potential Lease Term up to Over 18 Years
- ✓ Attractive Rental Increases Throughout Option Periods
- ✓ Corporate Guarantee – Lease Corporately Guaranteed by Rite Aid, the 3rd Largest Retail Pharmacy, Health and Daily Living Destination in the U.S.

About the Location

- ✓ Strategic Location- Situated 50-Miles Northwest of Downtown Pittsburgh, 24-Miles from Pittsburgh, and 13 - Miles to the Ohio/Pennsylvania State Border.
- ✓ Highly Visible Hard Corner – Situated near Dwight D. Eisenhower Highway which boasts an average daily traffic count of 39,726
- ✓ National and local tenants, hospitality accommodations, academic institutions and other notable points of interest all nearby.
- ✓ Dense Retail Corridor | Sunoco, Wendy's, Denny's, Bob Evans, Dunkin' Donuts, Burger King, Subway, Taco Bell, Marathon, Marshall and Many More.
- ✓ Average Household Income within a 3-Mile Radius Exceeds \$63,000, 5-Mile \$67,000 and 10-Mile \$77,000
- ✓ Highly Visible Corner – Situated at the Signalized W Chestnut Street and near an intersection with Dwight D. Eisenhower Highway

About the Tenant / Brand

- ✓ Rite Aid Corporation (NYSE: RAD) is the third largest retail drug store chain in the United States based on both revenues and number of stores.
- ✓ Has over 2400 stores in 18 states and the District of Columbia with presence on both the east and west coasts.
- ✓ In early 2020, Rite Aid announced a revolutionary overhaul of the pharmacy giant which includes introduction of new merchandising, implementation of cutting-edge workflow practices, re-engineering of pharmacy team engagement, workspace improvements, and state-of-the-art technological/digital upgrades.
- ✓ Rite Aid had a 2020 revenue of over \$21.93 Billion.

Representative Photo



Representative Photo





Financial Analysis

PRICE: \$6,417,507 | CAP: 6.50% | RENT: \$417,138



PROPERTY DESCRIPTION

Property	Rite Aid
Property Address	1396 West Chestnut Street
City, State, ZIP	Washington, PA 15301
Year Built/Renovated	2003
Building Size	13,813 SF
Lot Size	+/- 3.00 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$6,417,507
CAP Rate	6.50%
Annual Rent	\$417,138

LEASE SUMMARY

Property Type	Net-Leased Drug Store
Tenant	Rite Aid
Guarantor	Rite Aid Corporate
Original Lease Term	20 Years
Lease Commencement	July 9th, 2003
Lease Expiration	May 31 st , 2030
Lease Term Remaining	±8.5 Years
Lease Type	Absolute Triple-Net (NNN)
Rental Increases	Throughout Options: 12.77% 1.46%
Options to Renew	2 (Two) – 5 (Five) Year Renewal Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Present – 5/31/2030	\$417,138	\$34,762	-

RENEWAL OPTIONS

Option 1			
6/1/2030 - 5/31/2035	\$470,394	\$39,200	12.77%
Option 2			
6/1/2035 - 5/31/2040	\$477,300	\$39,775	1.47%

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Rite Aid located 1396 West Chestnut Street. The site consists of roughly 13,813 rentable square feet of building space on estimated 3.00-acre parcel of land.

Rite Aid is subject to an ±8.5-year absolute triple-net (NNN) lease, which commenced on July 9th, 2003. The current annual rent is \$417,138, and is scheduled to increase by 12.77% and 1.46% throughout each of the two (2), five (5)-year tenant renewal option periods.





Market Sales Comparables

PRICE: \$6,417,507 | CAP: 6.50% | RENT: \$417,138

Property Address: 1396 West Chestnut Street - Washington, PA 15301



Concept	Address	City	State	Building Size (SF)	Lot Size (Acres)	C.O.E	Rent	Cap	Price	R/SF	P/SF
Rite Aid	501 Water St	Chardon	OH	10,400	1.00	1/13/2022	\$ 207,870	6.15%	\$3,380,000	\$ 19.99	\$ 325.00
Rite Aid	205 W G L Smith St	Morgantown	KY	10,752	1.52	12/28/2021	\$ 151,500	6.06%	\$2,500,000	\$ 14.09	\$ 232.51
Rite Aid	4519 Richfield Rd	Flint	MI	11,180	1.91	12/21/2021	\$ 258,000	6.00%	\$4,300,000	\$ 23.08	\$ 384.62
Totals / Average				10,777	1.48		205,790	6.06%	\$3,393,333	\$ 19.09	\$ 314.86



501 Water St Chardon, OH 44024



205 W G L Smith St Morgantown, KY 42261



4519 Richfield Rd Flint, MI 48506



Concept Overview

About Rite Aid

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, 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 headquarter 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 and their credit ranking by Standard and Poor's is B.

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	https://www.riteaid.com/
Founded	1962
Locations	2,450
Chairman/CEO	Heyward R. Donigan





Surrounding Area



Property Address: 1396 West Chestnut Street - Washington, PA 15301





Location Overview

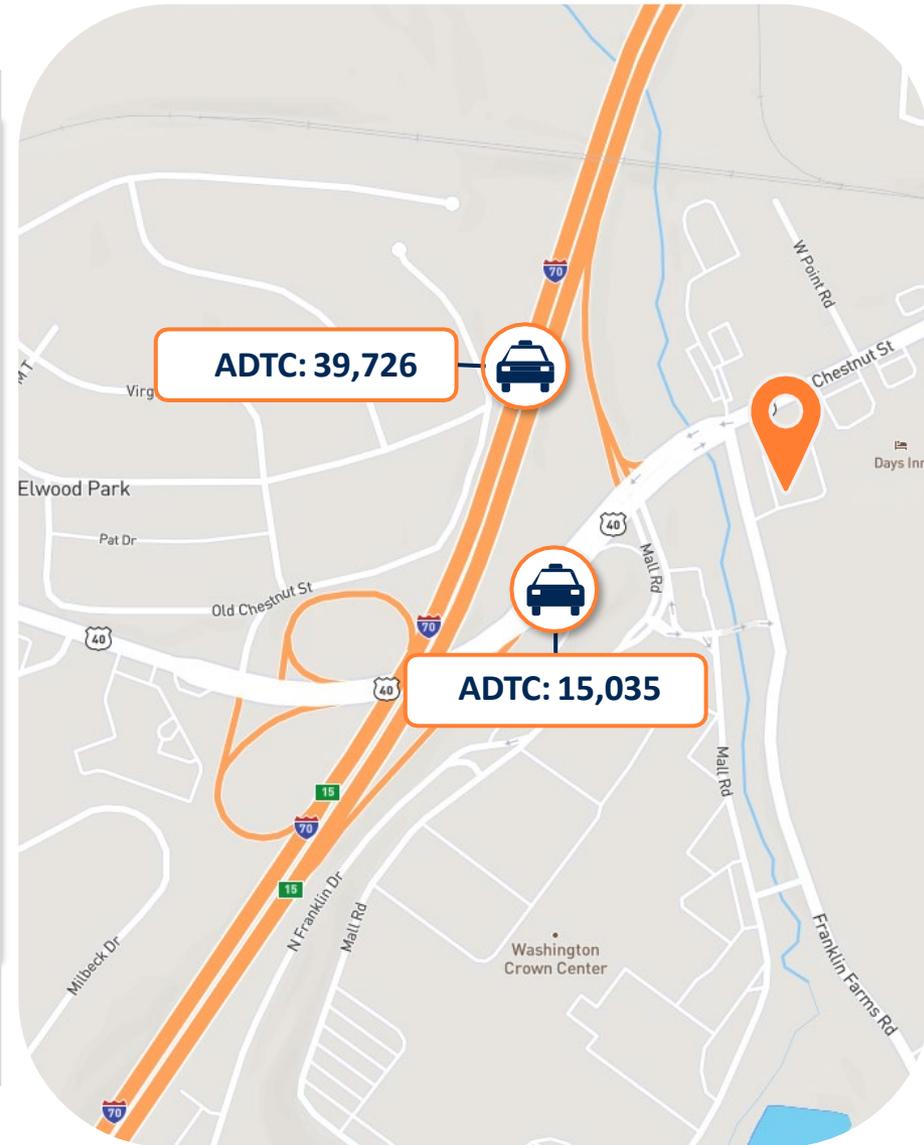
Property Address: 1396 West Chestnut Street - Washington, PA 15301



This Rite Aid property is strategically located on West Chestnut Street which boasts an average daily traffic count of 15,035 vehicles per day. The subject property is also near the intersection of West Chestnut Street and Dwight D. Eisenhower Highway which boasts an average daily traffic count of 39,726 vehicles per day. There are over 32,000 individuals residing within a three-mile radius of the subject property and over 90,000 individuals within a ten-mile radius. The average household income within a five-mile radius is approximately \$78,000.

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 Marshalls, McDonald's, Burger King, Wendy's, Dunkin' Donuts, 7-Eleven, Sunoco, and Red Roof Inn as well as many more. This Rite Aid subject property also benefits from being near the Washington Crown Center Shopping Mall which is less than a quarter mile from the property.

Washington is just under fourteen-miles Southwest of the second largest city in Pennsylvania, Pittsburgh. Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.



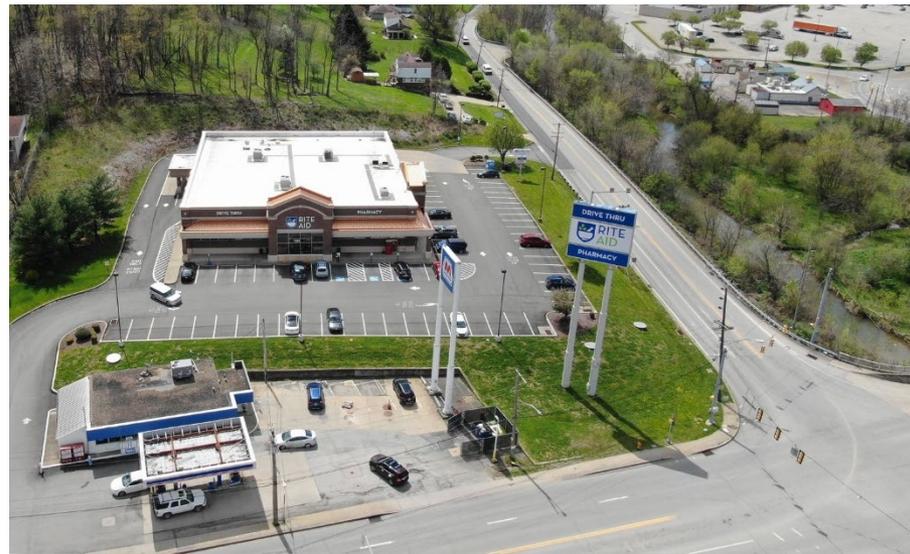


Property Photos





Property Photos





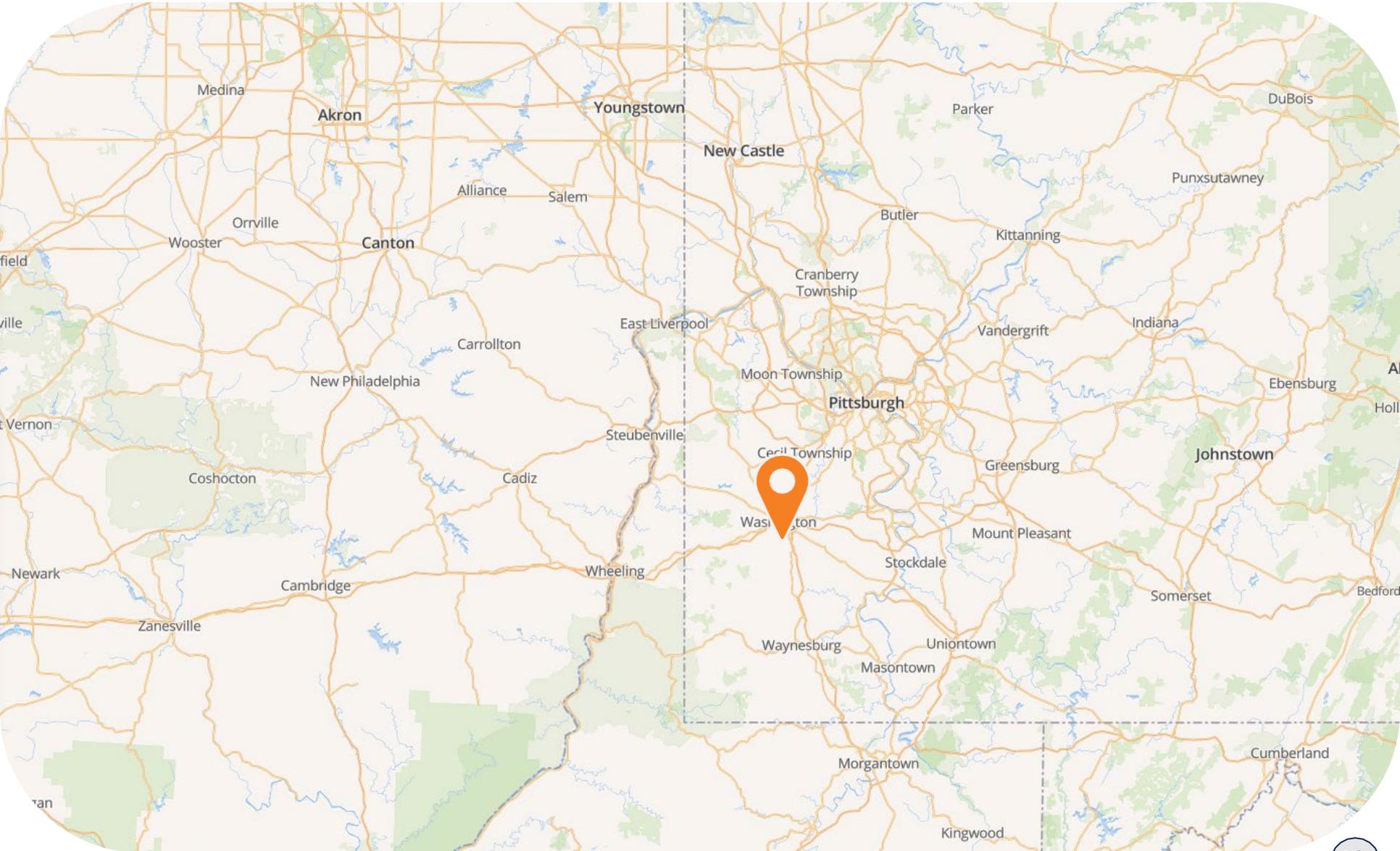
Surrounding Area Photos





Local Map

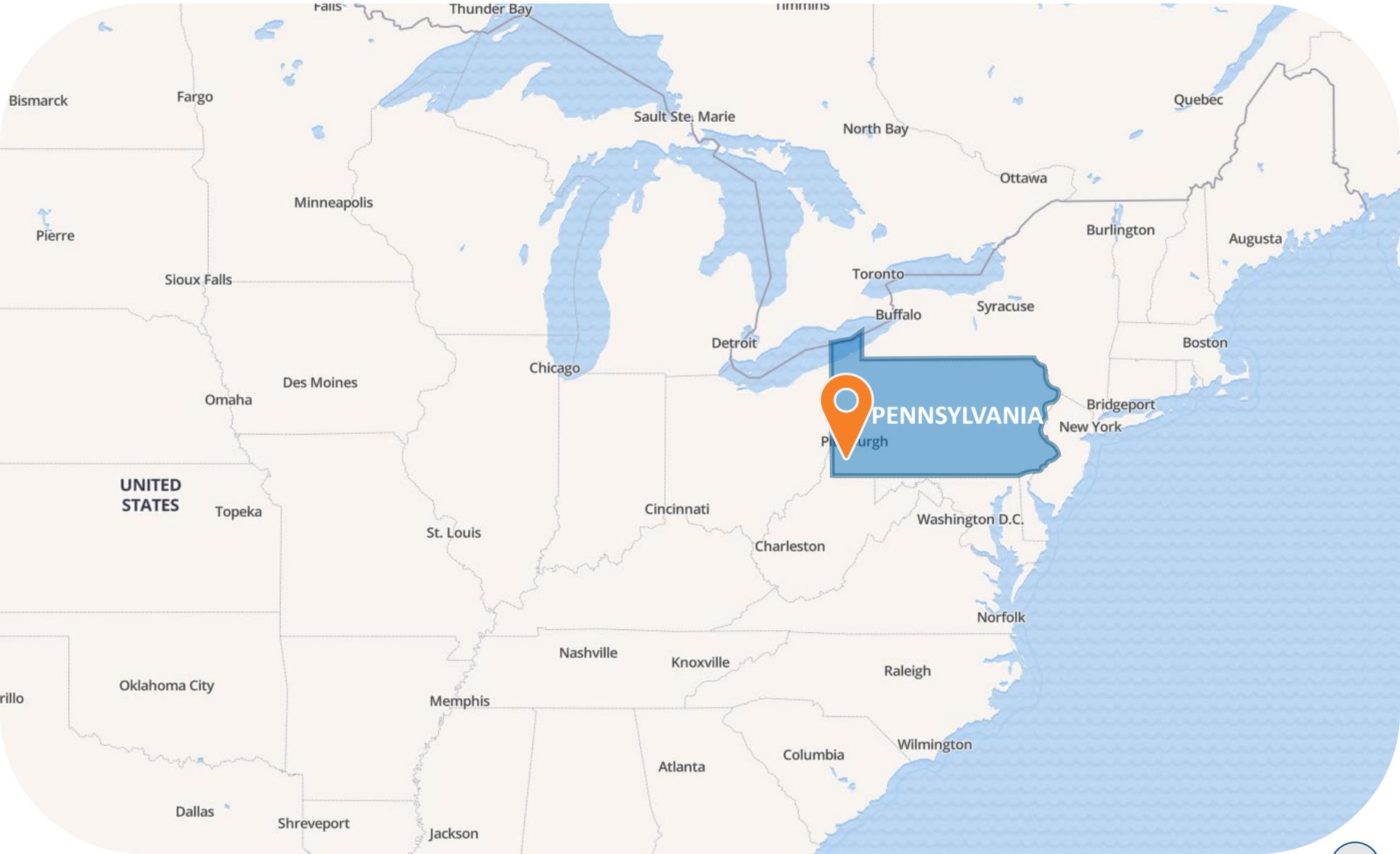
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Regional Map

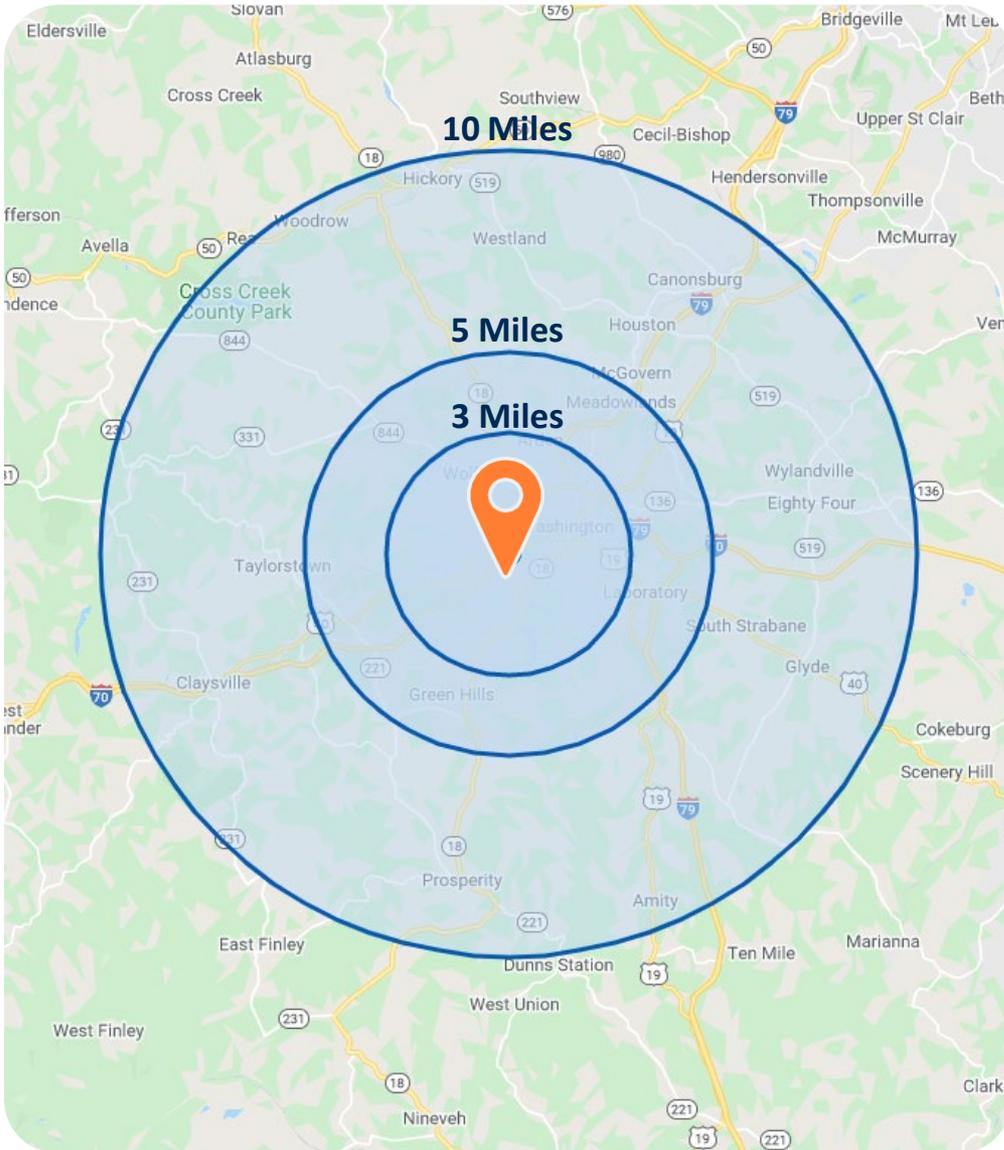
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Demographics

Property Address: 1396 West Chestnut Street - Washington, PA 15301

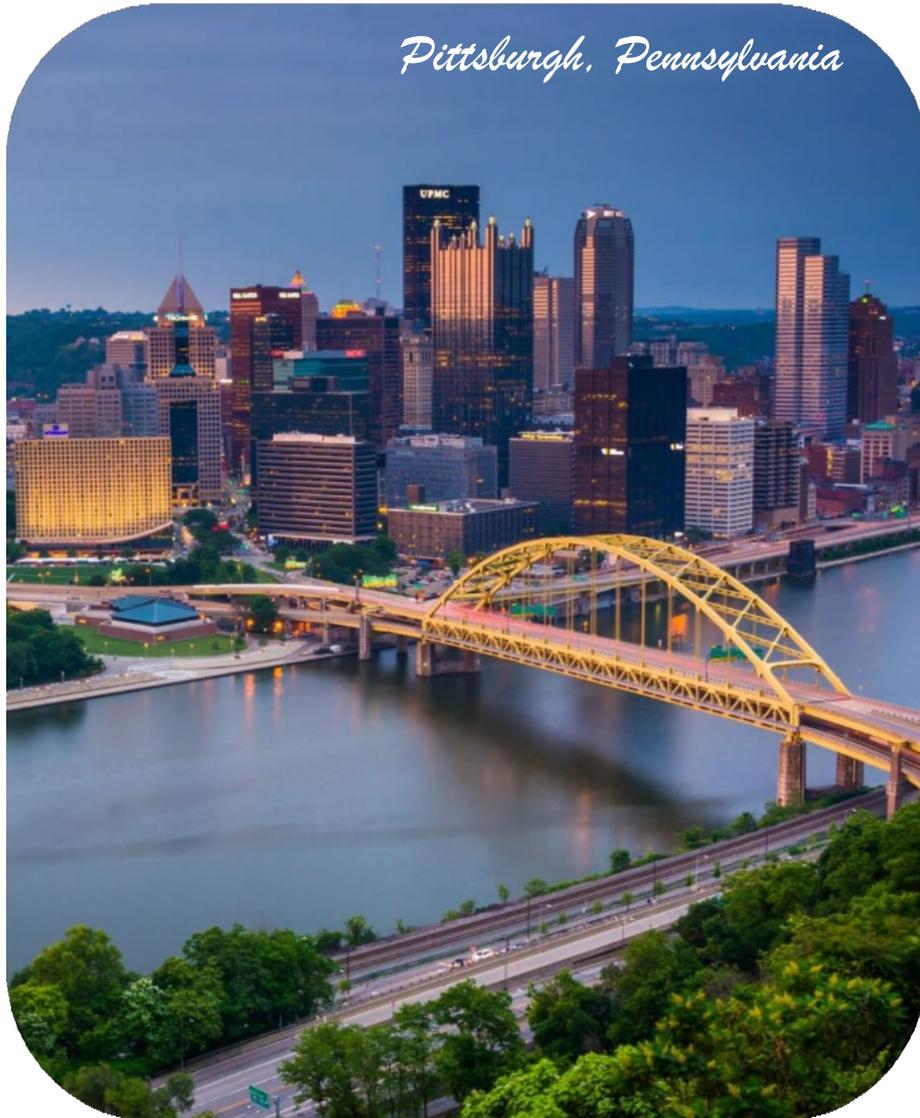


	3 Mile	5 Miles	10 Miles
POPULATION TRENDS			
2010 Population	32,763	45,379	89,708
2021 Population	32,259	44,925	90,721
2026 Population Projection	32,129	44,791	90,819
POPULATION BY RACE (2021)			
White	28,035	40,181	83,117
Black	2,723	2,873	4,205
American Indian/Alaskan Native	80	105	203
Asian	286	457	1,043
Hawaiian & Pacific Islander	17	20	31
Two or More Races	1,118	1,289	2,121
Hispanic Origin	703	884	1,688
HOUSEHOLD TRENDS			
2010 Households	13,841	19,075	37,365
2021 Households	13,723	19,020	37,984
2026 Household Projection	13,680	18,980	38,046
Annual Growth 2010-2021	0.20%	0.20%	0.40%
AVERAGE HOUSEHOLD INCOME (2021)	\$69,483	\$78,481	\$88,186
MEDIAN HOUSEHOLD INCOME (2021)	\$52,115	\$57,349	\$66,837
HOUSEHOLDS BY HOUSEHOLD INCOME (2021)			
< \$25,000	3,350	3,867	6,310
\$25,000 - 50,000	3,251	4,332	8,067
\$50,000 - 75,000	2,500	3,399	6,444
\$75,000 - 100,000	1,572	2,465	5,221
\$100,000 - 125,000	1,174	1,652	3,834
\$125,000 - 150,000	660	1,006	2,230
\$150,000 - 200,000	756	1,336	3,347
\$200,000+	458	962	2,530



Market Overview

Pittsburgh, Pennsylvania



Pittsburgh, rests at the foothills of the Allegheny Mountains in the southeastern corner of Pennsylvania, outside the congested East Coast corridor. The region's economy, which was once dominated by the steel industry, has diversified with the help of the area's many colleges and universities. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join to form the Ohio River. Pittsburgh is the most populous city in the metro and the second-largest in Pennsylvania.

Education is a major economic driver in the region. The largest single employer in education is the University of Pittsburgh, with 10,700 employees. Six Fortune 500 companies call the Pittsburgh area home. These include downtown's PNC Financial Services, PPG Industries, U.S. Steel, The Kraft Heinz Company, WESCO International, and the Findlay Township, Pennsylvania based Dick's Sporting Goods. In 2006, Expansion Magazine ranked Pittsburgh among the top 10 metropolitan areas in the nation for climates favorable to business expansion.

The region is home to Allegheny Technologies, American Eagle Outfitters, CONSOL Energy, Kennametal, Mylan Bayer USA, and Alcoa Corporation headquarters. Other major employers include BNY Mellon, GlaxoSmithKline, Thermo Fisher Scientific, and Lanxess. The Northeast U.S. regional headquarters for Chevron Corporation, Nova Chemicals, Deloitte Touche Tohmatsu, FedEx Ground, Ariba, and the RAND Corporation call the area home. 84 Lumber, Giant Eagle, Highmark, Rue 21, General Nutrition Center (GNC), CNX Gas (CXG), and Genco Supply Chain Solutions are major non-public companies headquartered in the region. Area retail is anchored by over 35 shopping malls and a healthy downtown retail sector, as well as boutique shops along Walnut Street, in Squirrel Hill, Lawrenceville and Station Square.

Pittsburgh is a relatively affordable place to live compared with many other major East Coast metros. In addition, the market has one of the lowest crime rates in the country. There are more than 500 organizations serving southwestern Pennsylvania, such as the Pittsburgh Cultural Trust, which has revitalized downtown. Regional amenities also include three professional sports teams: the Steelers (NFL), Pirates (MLB) and Penguins (NHL). The Pittsburgh Penguins and the University of Pittsburgh Medical Center (UPMC) built a \$72 million sports medical center and practice rinks. UPMC is one of the busiest transplant centers in the world. In addition, Children's Hospital of Pittsburgh is one of the highest-ranked children's hospitals in the nation.

Marcus & Millichap

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