



RITE AID

114 12TH STREET NE | CANTON, OH 44704

OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

EXCLUSIVELY LISTED BY



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EXECUTIVE OVERVIEW

Matthews™ is pleased to exclusively present the opportunity to acquire the fee simple interest in a Rite Aid Drugstore located at 114 12th St. NE in Canton OH. This extremely well-placed property is located on one of the most highly trafficked corners in the heart of the City of Canton, being seen by 23,000 cars per day on the corner of 12th St. NE and Market Ave N. Additionally, the store is only 1.5 miles from the I-77 interstate (40,000 VPD) and is in close proximity to the Canton Museum of Art, Canton Memorial Civic Center, the Cultural Center for the Arts, the ArtsinStark Education Center, a number of churches and other religious organizations, abundant dining options, and countless other retailers. This store features a brand-new drive-thru, over 50 parking spaces, three points of ingress/egress, and an Amazon Hub Counter inside speaking to the profitability of the store and the traffic in the surrounding area. The Lease features a NN structure with minimal Landlord responsibilities, a Corporate Guarantee, sales reporting annually, additional percentage rent based on sales figures, and two increases in the rental rate during the base term (very rare).

This property is being offered “free and clear” of any existing financing burdens, providing an investor with the flexibility to achieve the best possible financing on such a unique opportunity among competing investments. Please contact Sales Agent or Matthew’s Capital Markets for more information on debt quotes.

INVESTMENT HIGHLIGHTS



Long Term and Investor Friendly Corporately Backed Lease

The Corporately Guaranteed Double Net Lease creates minimal LL responsibilities, requires annual sales reports from Rite Aid, and includes the ability for percentage rent in addition to the base rent



Very Rare Increase Structure During the Base Term

Investment benefits from TWO increases in the rental rate during the base term, providing an investor with an ideal hedge against inflation that is nearly unheard of for Drugstore investment assets nationally



Highly Improved and Meticulously Maintained Real Estate

Property features the rare Double Lane Drive-Thru, a full roof replacement in 2022 (20 yr. warranty), includes Amazon Hub Counter, and has undergone renovations to match new national branding themes



Ideally Located in the Heart of Downtown Canton

Main-and-Main corner in Canton’s main retail and lifestyle corridor, located minutes from countless retailers and lifestyle attractions, including the Pro Football Hall of Fame and Hall of Fame Village



Store Reports Extremely Healthy Sales Figures

Most recent sales report shows over \$4.9M in gross sales, showcasing a very healthy 3.24 Occupancy Cost Ratio, while also allowing ownership the ability to recapture additional percentage rent



FINANCIAL OVERVIEW



\$2,650,000

LIST PRICE



\$163,221.18*

NOI



±11 YRS

TERM REMAINING



6.16%

CAP RATE

BUILDING INFO

Address	114 12th Street NE Canton, OH 44704
Year Built	1995
GLA of Building	±10,258 SF

* Year 1 NOI reflected per Annualized Return Schedule

TENANT SUMMARY

Tenant Trade Name	Rite Aid
Type of Ownership	Fee Simple
Lease Guarantor	Rite Aid Corporation
Lease Type	NN
Roof and Structure	Landlord
Lease Commencement Date	2/10/1995
Rent Commencement Date	7/1/2021
Lease Expiration Date	7/31/2033
Term Remaining on Lease	±11 Years
Increase(s)	Yes - Varying
Options Remaining	5 x 5 Year Options

ANNUALIZED RETURN SCHEDULE

(Assuming February 1, 2023 Close)

Ownership Year	Annualized Income	Scheduled Rent Increase	Cap Rate
Current	\$160,000	-	6.04%
Year 1	\$163,221.18	4.03%	6.16%
Year 2	\$166,442.40	-	6.28%
Year 3	\$166,442.40	-	6.28%
Year 4	\$166,442.40	-	6.28%
Year 5	\$166,442.40	-	6.28%
Year 6	\$170,603.46	5.00%	6.44%
Year 7	\$174,764.52	-	6.59%
Year 8	\$174,764.52	-	6.59%
Year 9	\$174,764.52	-	6.59%
Year 10	\$174,764.52	-	6.59%
Year 11 (Option 1)	\$182,984.52	9.41%	6.91%
Year 12	\$191,204.52	-	7.22%

*Seller to credit difference in rents based on closing dates as applicable

FINANCING OPTIONS

For financing options
reach out to:

Gregory Kavoklis
(818) 206-5835
gregory.kavoklis@matthews.com

RENT SCHEDULE

Date	Annual Rent	Monthly Rent	\$ PSF/Yr.
Thru 7/31/2023	\$160,000.00	\$13,333.33	\$15.60
8/1/2023 - 7/31/2028	\$166,442.40	\$13,870.20	\$16.23
8/1/2028 - 7/31/2033	\$174,764.52	\$14,563.71	\$17.04
Options	Annual Rent	Monthly Rent	\$ PSF/Yr.
8/1/2033 - 7/31/2038	\$191,204.52	\$15,933.71	\$18.64
8/1/2038 - 7/31/2043	\$197,473.56	\$16,456.13	\$19.25
8/1/2043 - 7/31/2048	\$203,742.48	\$16,978.54	\$19.86
8/1/2048 - 7/31/2053	\$210,011.52	\$17,500.96	\$20.47
8/1/2053 - 7/31/2058	\$216,280.00	\$18,023.33	\$21.08

TENANT OVERVIEW



COMPANY NAME

Rite Aid

NO. OF LOCATIONS

±2,451

HEADQUARTERS

Camp Hill, PA

INDUSTRY

Drug Store

WEBSITE

www.riteaid.com

NO. OF EMPLOYEES

±60,800

RITE AID

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.





CULTURAL CENTER FOR THE ARTS



DOLLAR GENERAL



A&A BEAUTY



12TH STREET ± 13,000 VPD



HAIR WORLD





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AREA OVERVIEW



CANTON, OH

Canton, Ohio has a population of over 70,000 people. Canton is the county seat of Stark County, Ohio. Canton is located just 60 miles south of Cleveland, and 20 miles south of Akron. Founded in 1805, the city was primarily known as a heavy manufacturing center because of its numerous railroad lines.

Today, Canton's industry is diversified into the service economy, including retailing, education, finance, and healthcare. While the local economy is still mostly industrial, many folks living in Canton work outside the city limits. Downtown Canton is the heart of the city and offers a huge variety of dining, entertainment, and shopping options. Canton is also located near Ohio's extensive Amish country. Canton is also known for being the birthplace of the National Football League.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2027 Projection	14,991	70,371	158,294
2022 Estimate	14,305	67,485	152,145
2010 Census	12,509	60,970	139,449
2022-2027 Growth	5.55%	4.12%	2.94%
2010-2021 Growth	13.53%	8.56%	7.71%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2027 Projection	4,268	20,693	46,035
2022 Estimate	4,070	19,831	44,216
2010 Census	3,543	17,838	40,350
2022-2027 Growth	16.01%	13.09%	10.4%
2010-2021 Growth	91.6%	51.07%	53.51%
INCOME	1-MILE	3-MILE	5-MILE
Avg Household Income	\$69,716	\$66,601	\$73,883



ECONOMY & POINTS OF INTEREST

ECONOMY

In the past year, Canton's job market has increased. Most of Canton's population works in the Health Care and Social Assistance, and Manufacturing industries. The highest paid fields include Public Administration, Utilities, and Finance & Insurance. TimkenSteel Corporation, a major steel manufacturer is headquartered in Canton. Some of Canton's major employers include the Aultman Hospital, TimkenSteel, Stark County, and Mercy Medical (Canton's Comprehensive Financial Report).

POINTS OF INTEREST

Canton Classic Car Museum

The Canton Classic Car Museum exhibits 40 unique automobiles, along with historical memorabilia featured throughout the museum.

Malone University

Founded in 1892, Malone University is a private, Christian university in Canton. There is a student population of 1,600. Malone has 60+ majors offered to undergraduate students. There is a wide variety of graduate and professional degrees as well.

Gervasi Vineyard

The Gervasi Vineyard is a luxury winery resort dedicated to providing a memorable experience for its' guests. During the summer months, the vineyard has live entertainment nightly, and a variety of outdoor activities.

HALL OF FAME VILLAGE

PRO FOOTBALL HALL OF FAME

The 118,000 square foot nationally accredited museum, Pro Football Hall of Fame, serves as a shrine to the legends of the game and is one of the state's biggest tourism destinations. The annual Hall of Fame Enshrinement Festival is the city's flagship community event, featuring a parade, cook-offs, a hot air balloon festival, and the inter-league exhibition game at Tom Benson Hall of Fame Stadium.

Tom Benson Hall of Fame Stadium is a one-of-a-kind entertainment complex with over 28,000 square feet of premier event space. The stadium is home to three major events of the annual Enshrinement Week. The stadium also hosts high school and college football games including the OHSA State Championships and the NCAA Division III National Football Championships in 2020 and 2021. The Stadium has hosted concerts for Pitbull, Toby Keith, Kid Rock, Maroon 5, and Imagine Dragons.



HALL OF FAME VILLAGE REDEVELOPMENT



Source: Crainscleveland.com

HALL OF FAME VILLAGE REDEVELOPMENT

The Pro Football Hall of Fame Resort said the Hall of Fame Village is on schedule to have several pieces finished by the annual Enshrinement Week. The future home of the Tapestry by Hilton Hotel, an indoor football-themed water park, and the Constellation Center for Excellence, this \$300 million project includes a variety of tourist attractions and activities as well as lodging options and unique entertainment. Plans include building three more youth athletic fields to join the five already constructed and in use. The second phase also included renovations of the DoubleTree by Hilton hotel in downtown Canton. The Hall of Fame Village is an exemplary project with great meaning for the state of Ohio and for the Midwest overall.

TAPESTRY BY HILTON HOTEL

This seven-story, 154,000 square foot hotel will be complete with 180 guestrooms, 10 suites, and a 5,000 square foot ballroom. It will also include 2,100 square feet of meeting rooms, an indoor pool, fitness center, and a full service, 106 seat restaurant with both indoor and outdoor seating. The hotel will be connected to a football-themed water park.

INDOOR FOOTBALL-THEMED WATERPARK

This 147,000 square foot football-themed waterpark features a waterslide tower, lazy river, and wave pool. This unique facility also includes a zero entry fun zone, swim up bar, and outdoor entertainment area, fit for any sports fanatic.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Rite Aid** located at **114 12th Street NE Canton, OH 44704** (“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:

1. The Offering Memorandum and its contents are confidential;
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.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. 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 Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

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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