



**RITE AID PHARMACY - RARE 10% RENT ESCALATIONS**

**8239 WATERVILLE-SWANTON ROAD, WATERVILLE, OH 43566**

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## INVESTMENT SUMMARY

List Price:	\$6,150,000
Current NOI:	\$388,129
Initial Cap Rate:	6.31%
Land Acreage:	3.95
Year Built	2014
Building Size:	14,673 SF
<b>Average Cap Rate:</b>	<b>6.95% (Over Next 14.25 Years)</b>
Lease Type:	Absolute NNN
Original Term:	20 Years

## INVESTMENT OFFERING

Fortis Net Lease is pleased to present this 14,673 square foot Rite Aid Pharmacy located at 8239 Waterville-Swanton Road in Waterville, OH. There is a twenty year Absolute NNN lease in place with over fourteen years remaining. There are six, five year options to renew with ten percent rent increases at year eleven and the first and third option periods. The lease is guaranteed by Rite Aid Corporation which has a S&P Rating "B" and is considered investment grade. **The nearest Walgreen's is over 12 Mile east. The nearest CVS is over 11 miles northeast. This is the dominant pharmacy in a five mile radius.**

The subject property is strategically located on the corner of Michigan Avenue (6,000 VPD) and Waterville Swanton Road (2,900 VPD). Surrounding retail tenants include Kroger, McDonald's, Pizza Hut, Dollar General, Starbucks, Marco's Pizza, YMCA and Great Clips. This Rite Aid is situated in a densely populated area with over 163,000 residents and has a projected 1.27 percent population growth by 2023. The five mile median home value exceeds \$234,000 and the average household income exceeds \$113,000.

**Due to the 10% rent bump that occurs at the beginning of year 11 a new owner can expect an average, un-levered, Cap Rate of 6.74% over the remaining primary lease term**



**PRICE** \$6,150,000



**AVG CAP RATE** 6.74%



**LEASE TYPE** Absolute NNN



**TERM LEFT** 14.75 Years

## INVESTMENT HIGHLIGHTS

- Newer Construction, 14,673 SF Rite Aid Pharmacy
- 20 Year Absolute NNN Lease | No Landlord Responsibilities
- **10% Rent Bumps at Year 11**
- Corporate Guaranteed Lease | S&P Rating "B"
- Over 163,000 Residents Within 10 Miles
- **1.27% Projected Population Growth Within 5 Miles by 2023**
- 5 Mile Median Home Value Exceeds \$234,000
- Hardcorner Location With Excellent Visibility
- **5 Mile Average Household Income Exceeds \$113,000**

## FINANCIAL SUMMARY

INCOME		PER SF
<b>Gross Income</b>	<b>\$388,129</b>	<b>\$26.45</b>
EXPENSE		PER SF
<b>Gross Expenses</b>	-	-
<b>NET OPERATING INCOME</b>	<b>\$388,129</b>	<b>\$26.45</b>

## PROPERTY SUMMARY

Lot Size:	3.95 Acres
Building Size:	14,673 SF
Zoning:	Commercial
Frontage:	270' on Waterville Swanton Rd.
Ownership:	Fee Simple
Traffic Counts:	6,000 VPD on Michigan Ave.

## LEASE SUMMARY

Tenant:	Rite Aid Pharmacy
Lease Type:	Absolute NNN
Primary Lease Term:	20 Years
Annual Rent:	\$388,129
Rent PSF:	\$26.45
Landlord Responsibilities:	None
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Tenant Responsibility
Lease Start Date:	August 1, 2014
Lease Expiration Date:	January 31, 2034
Lease Term Remaining:	14.75 Years
Rent Bumps:	10% at Year 11, Options 1 & 3
Renewal Options:	Six, Five Year Options
Lease Guarantor:	Corporate
Lease Guarantor Strength:	S&P Rating "B"
Tenant Website:	www.riteaid.com



**GROSS SALES:**  
\$32.8 BILLION



**STORE COUNT:**  
4,536



**GUARANTOR:**  
CORPORATE



**S&P:**  
B

TENANT NAME	UNIT SIZE (SF)	LEASE START	LEASE END	ANNUAL RENT	% OF GLA	ESC DATE	RENT PER SF/YR
Rite Aid	14,673	August 1, 2014	January 31, 2034	\$388,129	100.0	Years 1-10 Years 11-20 Option 1 Option 2 Option 3 Option 4 Option 5 Option 6	\$26.45 \$29.10 \$32.01 \$32.01 \$35.21 \$35.21 TBD TBD
<b>Totals/Averages</b>	<b>14,673</b>			<b>\$388,129</b>			<b>\$26.45</b>



TOTAL SF  
14,673



TOTAL ANNUAL RENT  
\$388,129



OCCUPANCY RATE  
100%



AVERAGE RENT/SF  
\$26.45



NUMBER OF TENANTS  
1



## OVERVIEW

Company:	Rite Aid Corporation
Founded:	1927
Total Revenue:	\$32.8 Billion
Net Income:	\$4.1 Million
Headquarters:	Camp Hill, PA
Website:	www.riteaid.com

## TENANT HIGHLIGHTS

- 2017 Revenues Increased \$2.1 Billion or 6.9% Over the Previous Year
- 4,536 Stores are Located in 31 States
- Rite Aid is the Largest Drug Store on the East Coast and the Third Largest in the United States
- Rite Aid has over 30 Million Customers Enrolled in Wellness+ with Plenti
- Rite Aid Plans to Complete 200 Additional Wellness Remodels in 2018 Along with 26 Relocations and 5 New Store Openings

## RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	\$ INCREASE	% INCREASE
1-10	\$388,129.00	\$32,344.08		
11-20	\$426,941.90	\$35,578.49	\$38,813	10.0%
Option 1	\$469,635.10	\$39,136.26	\$42,693	10.0%
Option 2	\$469,635.10	\$39,136.26	\$0	0.0%
Option 3	\$516,598.61	\$43,049.88	\$46,964	10.0%
Option 4	\$516,598.61	\$43,049.88	\$0	0.0%
Option 5	TBD	TBD	TBD	TBD
Option 6	TBD	TBD	TBD	TBD

## COMPANY BACKGROUND

At Rite Aid, we have a personal interest in your health and wellness. That's why we deliver the products and services that you, our valued customer, need to lead a healthier, happier life. Everyone at Rite Aid—from our knowledgeable, caring associates and pharmacists to the members of our board of directors—works together to provide you with a superior pharmacy experience. Rite Aid Corporation is also proud to be one of the nation's leading drugstore chains. With approximately 4,536 stores in 31 states and the District of Columbia, we have a strong presence on both the East and West Coasts. Rite Aid is the largest drugstore chain on the East Coast and the third-largest in the United States, employing roughly 89,000 associates. Our company is publicly traded on the New York Stock Exchange under the ticker symbol RAD.

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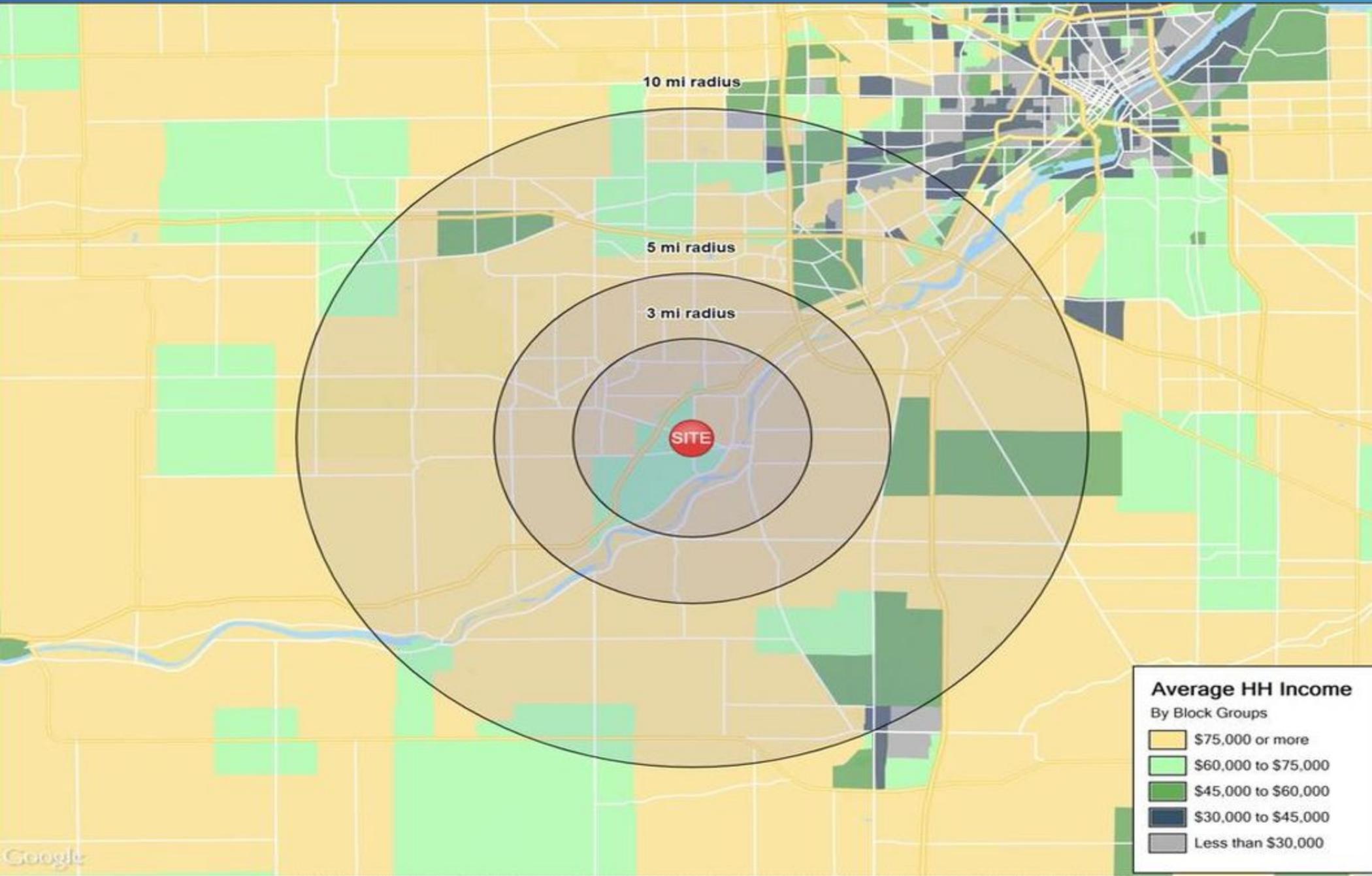
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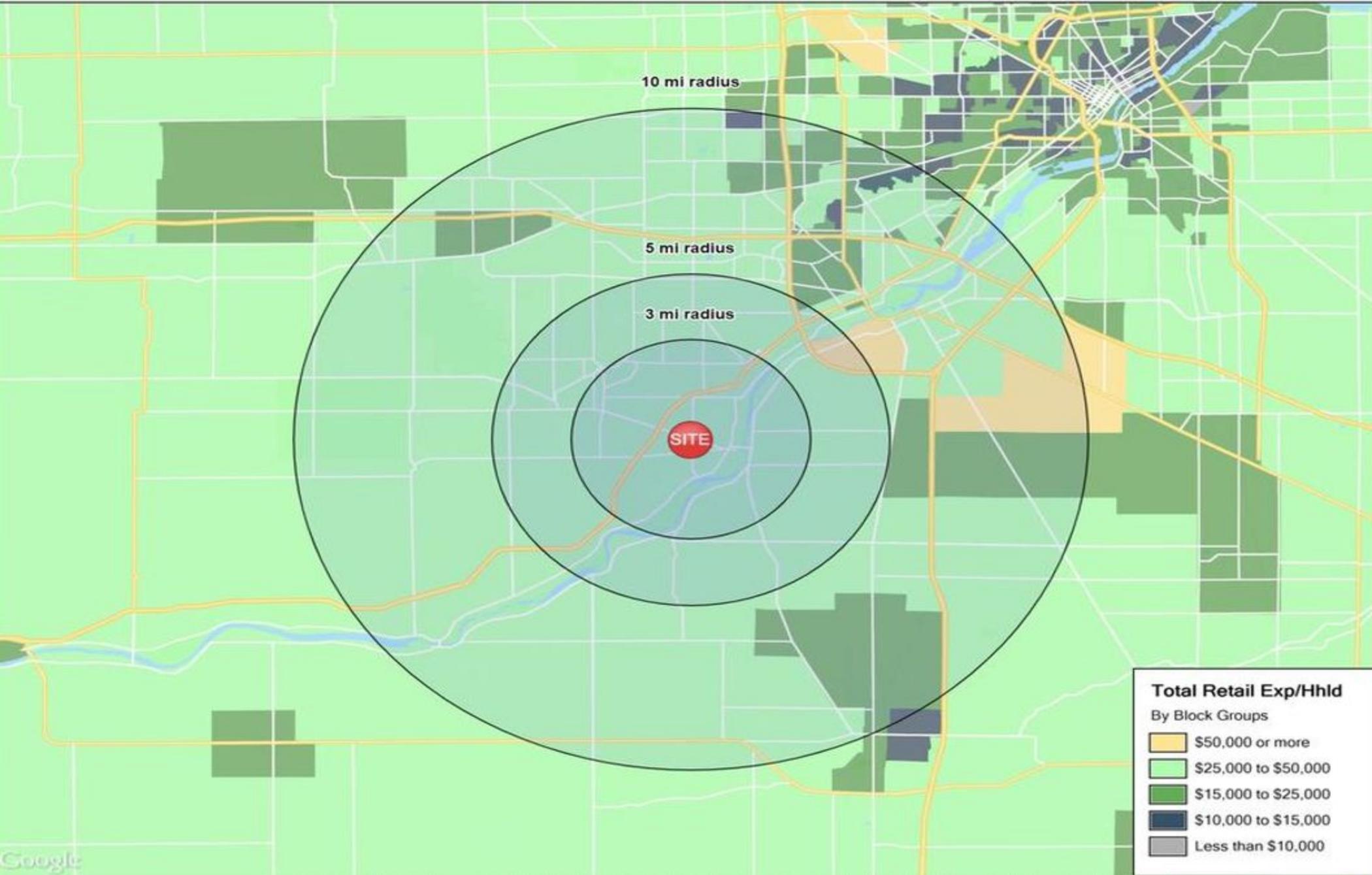
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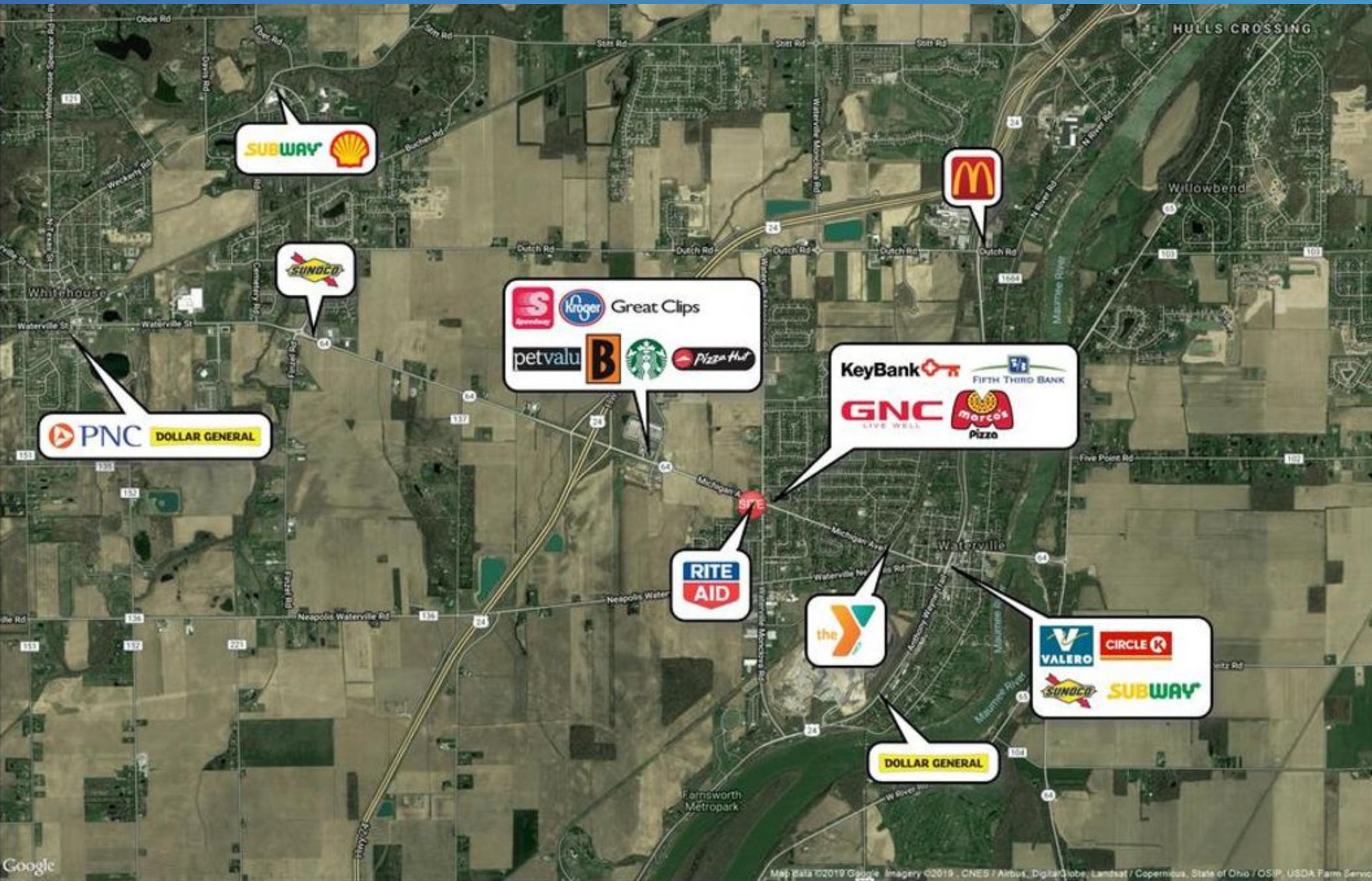
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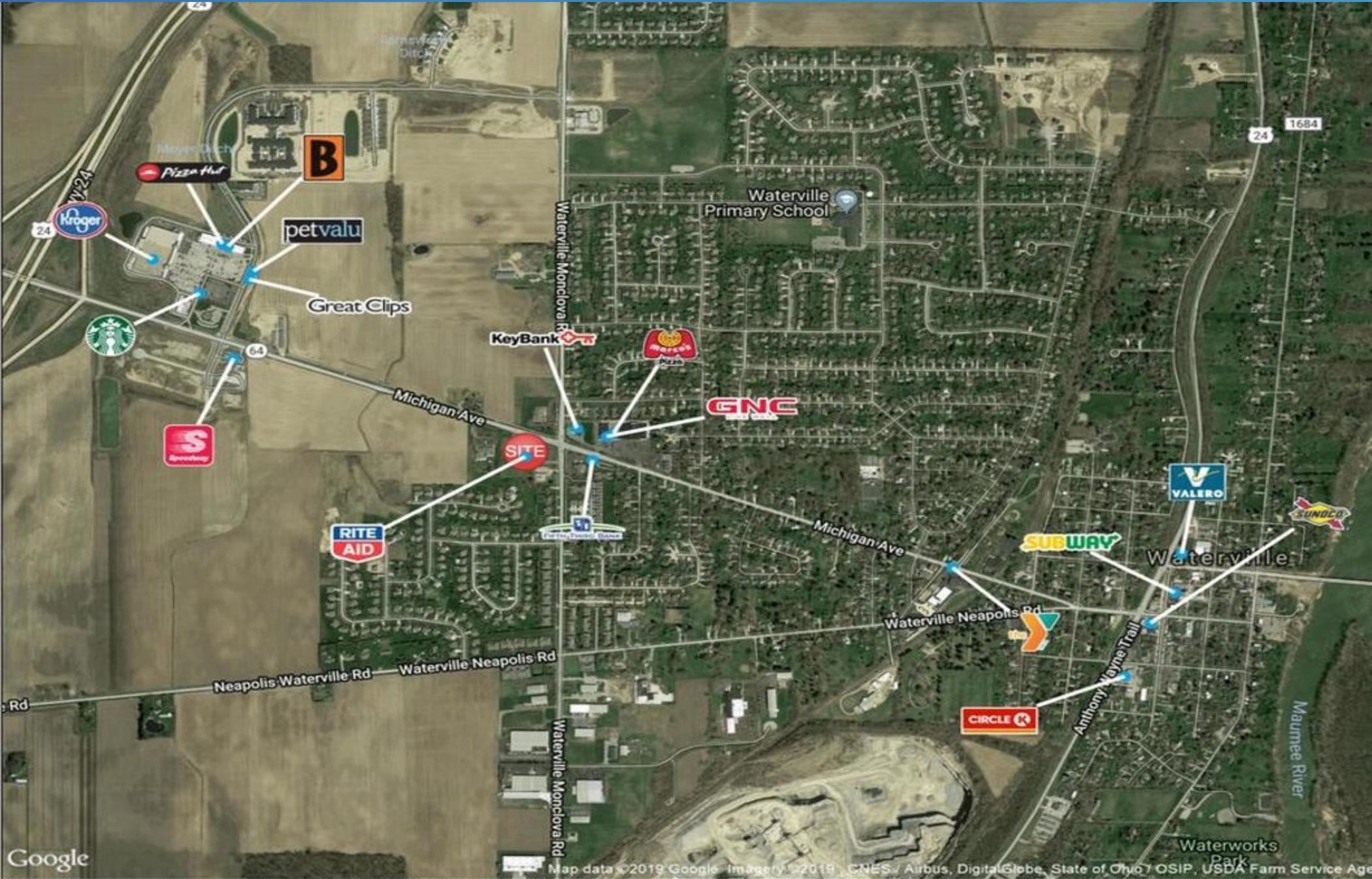
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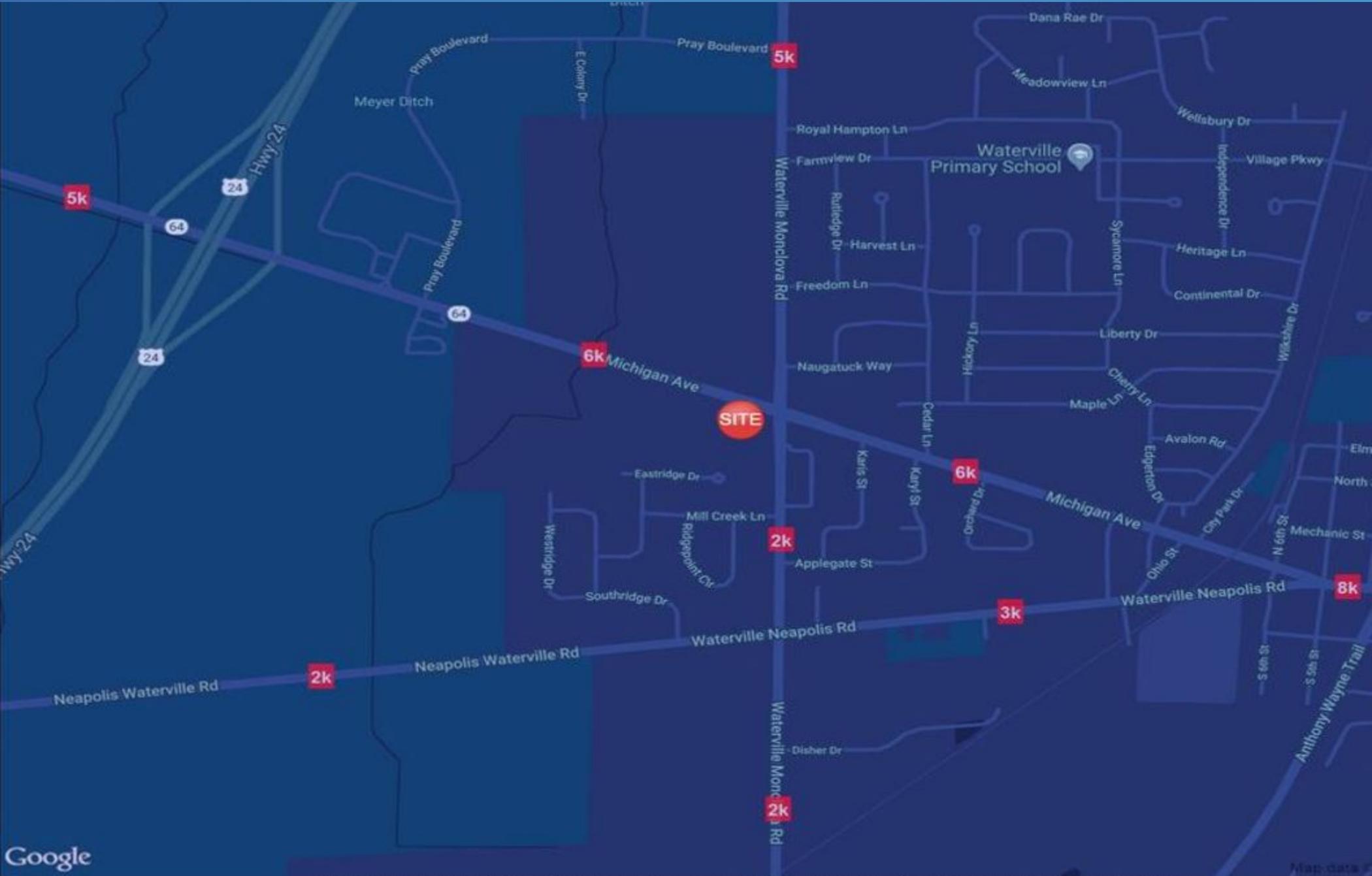
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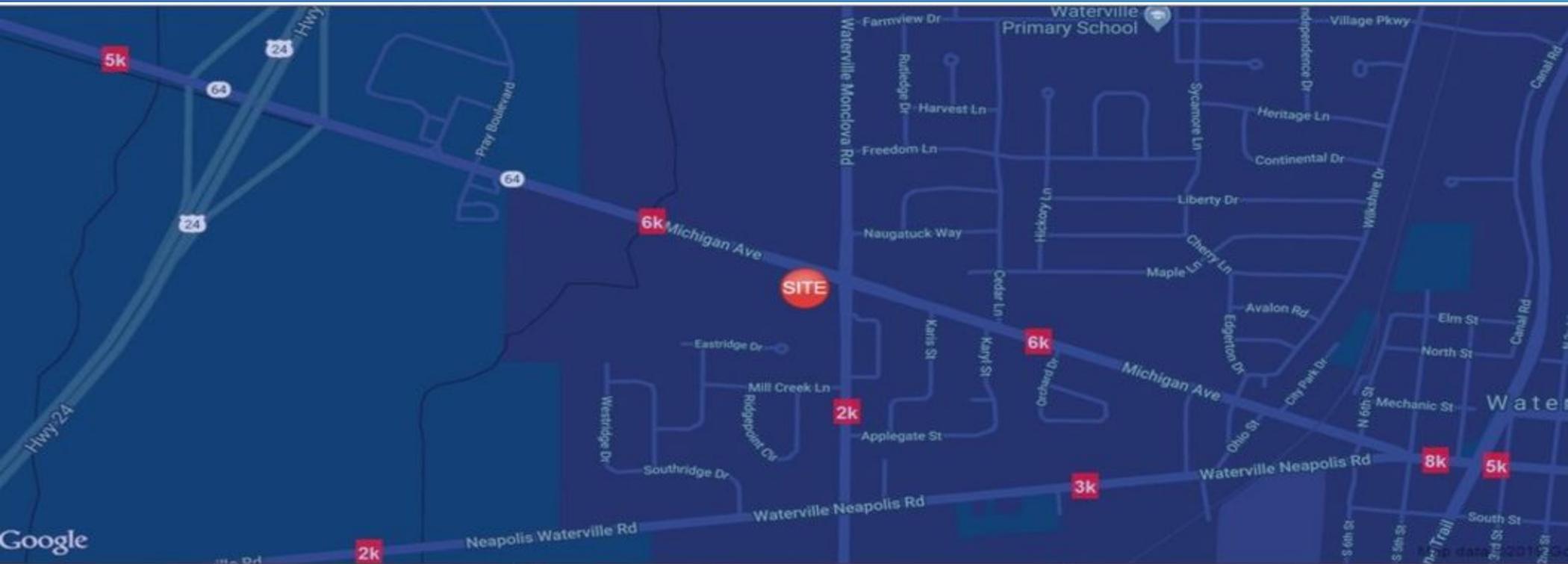
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## Aerial View



## Demographics

	1 mi radius	3 mi radius	5 mi radius
Population	4,331	11,108	32,430
Households	1,675	4,454	12,654
Population Median Age	41.6	41.7	40.7
5 Yr Pop Growth (Total%)	-1.9%	-1.8%	-0.7%

## 5 Mile Information



## Photo



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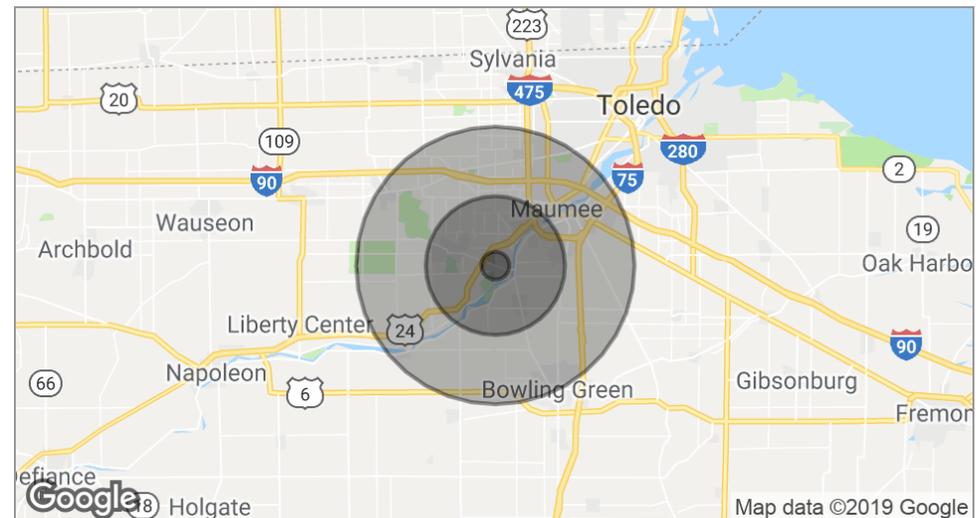


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Waterville is a city in Lucas County, Ohio, United States, along the Maumee River, a suburb of Toledo. The population was 5,523 at the 2010 census. Waterville was platted in 1830 by settler John Pray on the west bank of the upper Maumee River opposite what was then known as Pray's Falls, a rapids on that stream. A post office called Waterville has been in operation since 1828.

Waterville's Baer Park is nestled at the end of North Fifth Street in Waterville. Baer Park offers fun for all ages with playground equipment, a baseball field, basketball courts, tennis courts, and a shuffleboard area. Baer Park is also popular for soccer and cheerleading practice during the fall and spring. Whether you want to take on your buddies in a pick-up game or take the family dog for a walk, Baer Park is a great place to spend a few hours. The Walking Path at Baer Park is 3/10 of a mile.

POPULATION	3 MILE	5 MILES	10 MILES
Total Population 2018	11,116	31,216	163,984
Total Population 2023	11,192	31,613	164,332
Population Growth Rate	0.68%	1.27%	0.21%
Average Age	41.0	40.40	39.90
Average Household Size	2.60	2.70	2.40
HOUSEHOLDS & INCOME	3 MILE	5 MILES	10 MILES
Total Households	4,176	11,518	66,669
Average HH Income	\$99,526	\$113,986	\$84,656
Median House Value	\$210,251	\$234,086	\$171,965



# FNL

TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

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