



**RITE AID**

25050 ALLEN ROAD, WOODHAVEN, MI 48183

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## **EXCLUSIVELY LISTED BY:**

### **RICHARD LUDWIG**

SENIOR DIRECTOR

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## INVESTMENT SUMMARY

List Price:	\$5,638,544
Current NOI:	\$414,433.00
Initial Cap Rate:	7.35%
Land Acreage:	Approx 2 Acres
Year Built	2008
Building Size:	14,564 SF
Price PSF:	\$387.16
Lease Type:	Absolute NNN
Lease Term:	20 Years

## INVESTMENT OFFERING

Fortis Net Lease is pleased to present this 14,564 SF Rite Aid, located on the corner of Allen Road and Van Horn in Woodhaven, MI. This Rite Aid operates on a 20 year absolute NNN lease, with 10 years remaining, and a full corporate guarantee. There are six 5 year options, with a 10% rent increase in Option 1 (21st year) and Option 3 (31st year). Given the nature of the lease there are zero landlord responsibilities, so no expenses.

This property is located on a main corner with an average traffic flow of 14,000 and 28,000 vehicles per day. As well as being located near the main retail area of Woodhaven, the property is also within 1 mile of three major automotive plants. Opening in the fall of 2019 will be the Michigan Sports Center, a 220,000 SF indoor multi-sports facility, located across Van Horn Road, a 1/2 mile from the Rite Aid.



**PRICE** \$5,638,544



**CAP RATE** 7.35%



**LEASE TYPE** NNN



**TERM** 20 Years

## INVESTMENT HIGHLIGHTS

- 10 Years Remaining on Lease
- Absolute NNN Lease
- Full Corporate Guarantee
- Six, 5 Year Options to Renew
- 10% Rental Increases in 21st and 31st Year of Lease
- Assumable Non-Recourse Loan
- 11.02% Projected Average Return with Current Financing (first 6 years)

## FINANCIAL SUMMARY

INCOME		PER SF
Gross Income	\$414,433	\$28.46
EXPENSE		PER SF
Gross Expenses	\$0	\$0.00
NET OPERATING INCOME	\$414,433	\$28.46

## ASSUMABLE LOAN SUMMARY

Loan Balance:	\$3,100,000 (subject to change)
Equity Requirement:	\$2,538,544
Lot Size:	2 Acres
Origination Date:	September 26, 2014
Loan at Maturity:	Brick
Term/Amortization:	10/25 Years
Interest Rate:	4.84%
Annual Debt Service (P & I):	\$236,796
Net Cash Flow:	\$177,537 CFR 7%
Average Annual Principal Paydown:	\$102,172
CF Plus Average Loan Paydown:	\$279,709
Average Return while Financing in Place:	11.02%

## LEASE SUMMARY

Tenant:	Rite Aid
Lease Type:	Absolute NNN
Primary Lease Term:	20 Years
Annual Rent:	\$414,433
Landlord Responsibilities:	Minimal
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Tenant Responsibility
Lease Start Date:	February 19, 2009
Lease Expiration Date:	February 28, 2029
Lease Term Remaining:	10 years
Rent Bumps:	10% increase in 21st and 31st year of lease
Renewal Options:	Six 5 year options
Lease Guarantor:	Corporate
Lease Guarantor Strength:	Full
Tenant Website:	www.riteaid.com





OVERVIEW

Company:	Rite Aid
Founded:	1962
Total Revenue:	\$21.52 billion
Net Income:	\$943.47 million
Net Worth:	\$8.98 billion
Headquarters:	Camp Hill, Pennsylvania
Website:	www.riteaid.com

TENANT HIGHLIGHTS

- 2,600 stores in 31 states
- 60,800 Employees
- Third largest drugstore chain in the U.S.
- Have raised over \$100 million for kids through The Rite Aid Foundation

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	MONTHLY RENT	BUMP	\$ INCREASE
1-20	\$414,433	\$34,536.08		
Option 1	\$455,876.30	\$37,989.69	10%	\$41,433.3
Option 2	\$455,876.30	\$37,989.69	0%	\$0
Option 3	\$501,463.93	\$41,788.66	10%	\$45,587.63
Option 4	\$501,463.93	\$41,788.66	0%	\$0
Option 5	No less than prior term		TBD	TBD
Option 6	No less than prior term		TBD	TBD

TENANT OVERVIEW

Rite Aid Corporation is the third largest drugstore chain in the United States. It is headquartered in Camp Hill, East Pennsboro Township, Pennsylvania.

Rite Aid began in 1962, opening its first store in Scranton, Pennsylvania; it was called Thrift D Discount Center. After several years of growth, Rite Aid adopted its current name and debuted as a public company in 1968. As of 2017, Rite Aid is publicly traded on the New York Stock Exchange under the symbol RAD. Its major competitors are CVS and Walgreens. On September 19, 2017, the Federal Trade Commission (FTC) approved a deal agreement for Walgreens to purchase 1,932 Rite Aid stores for \$4.38 billion total. Rite Aid now has 2,600 stores in operation.



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Rite Aid

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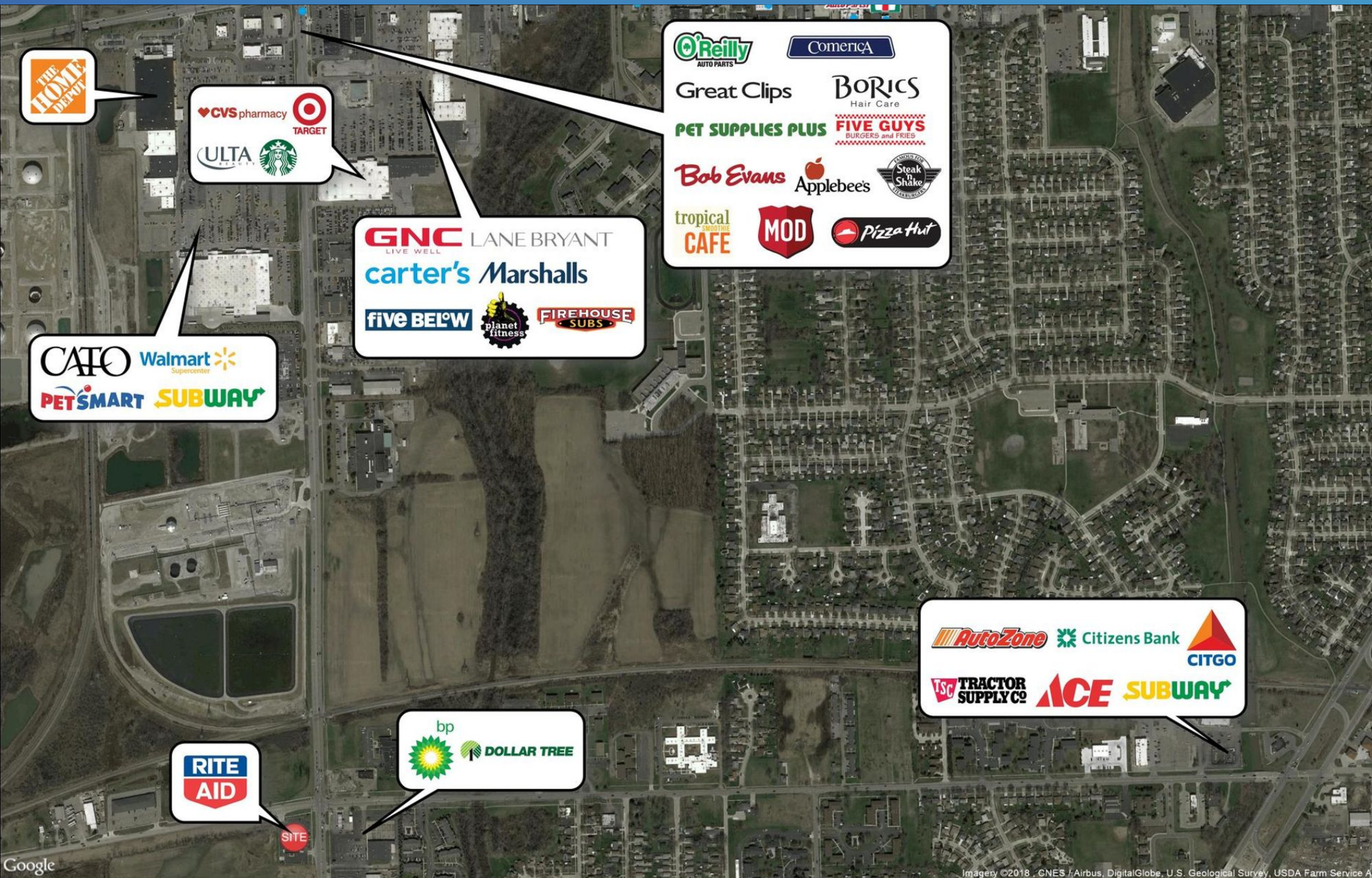




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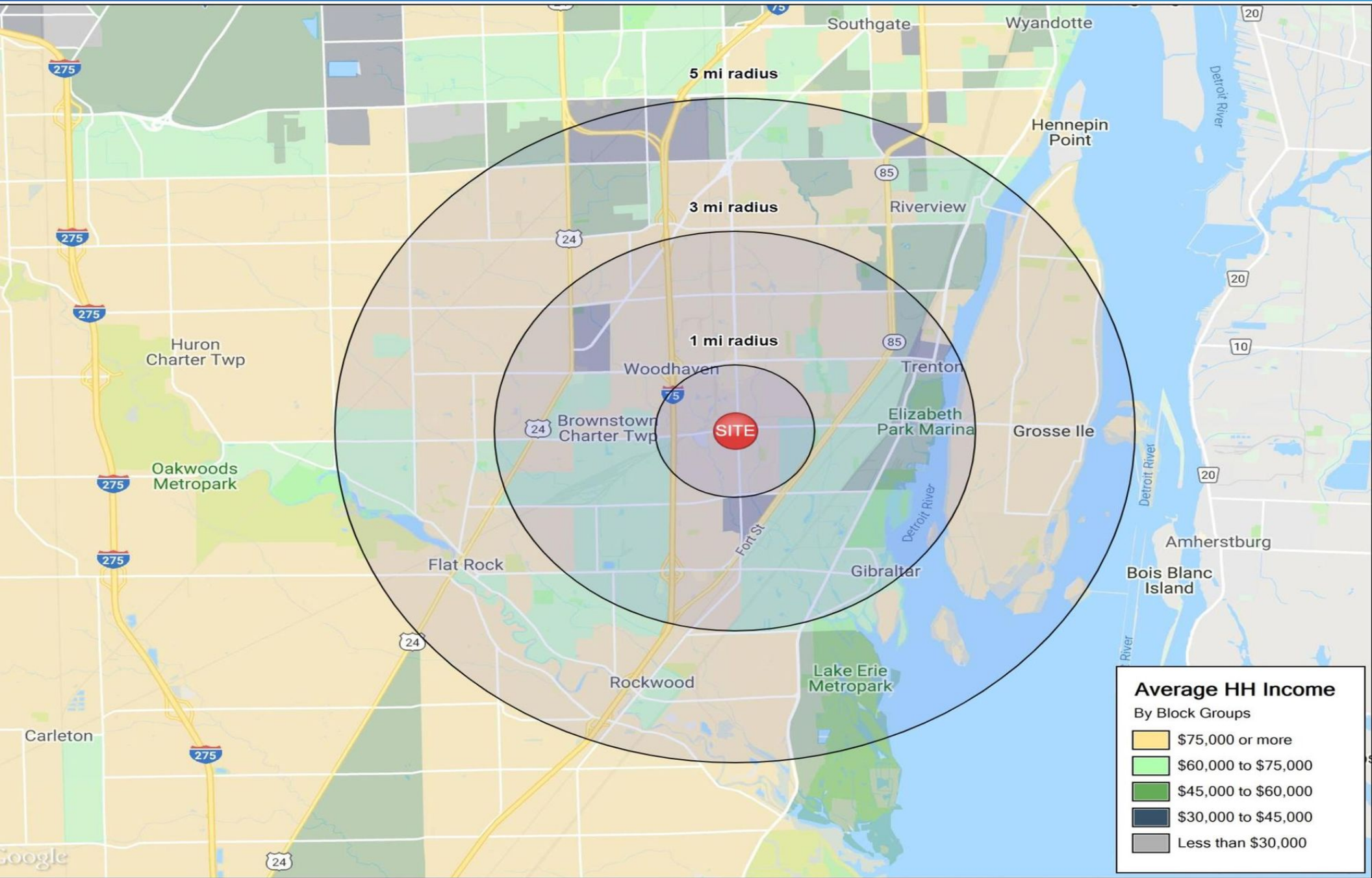
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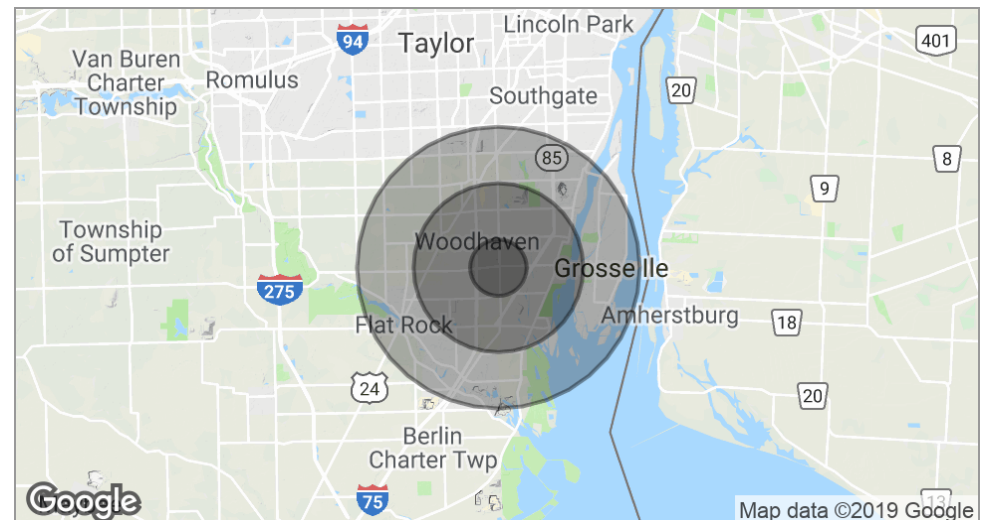






Woodhaven is a growing suburb in southern Wayne County, Michigan. Woodhaven is part of a collection of 18 suburban communities known as “Downriver”. These Downriver communities are south of Detroit, along the western shore of the Detroit River. In the first half of the 20th century, the urban communities in the northern and middle parts of Downriver were mainly populated by workers who were employed by the dozens of auto factories, manufacturing suppliers, ship builders, steel mills and chemical plants making up local heavy industry, including the Ford Rouge Plant Complex, Great Lakes Steel, McLouth Steel, and BASF. While heavy industry is still an important source of jobs, since the late 20th century and industrial restructuring, these communities have a higher proportion of white collar workers, as the economy of Metropolitan Detroit has diversified. Newer developments have featured larger single-family houses for contemporary tastes, and improved freeways have made commuting longer distances feasible. Woodhaven still remains well known as home to the Ford Stamping Plant.

POPULATION	1 MILE	3 MILES	5 MILES
Total Population 2018	6,343	53,793	114,008
Average Age	41.7	40.7	40.8
Average Household Size	2.4	2.5	2.5
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	2,486	21,676	45,783
Average HH Income	\$75,860	\$80,540	\$82,313
Median House Value	\$160,769	\$156,648	\$163,293





TOTAL SALES VOLUME

\$5.5B

PROPERTIES SOLD

2,500+

BROKER & BUYER REACH

345K

STATES SOLD IN

40

*Click to Meet Team Fortis*

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