



RITE AID

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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by FNL in compliance with all applicable fair housing and equal opportunity laws.

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INVESTMENT SUMMARY

List Price:	\$4,783,000
Current NOI:	\$294,152.00
Initial Cap Rate:	6.15%
Land Acreage:	2.7+/-
Year Built	2017
Building Size:	11,115 SF
Price PSF:	\$441.07
Lease Type:	Absolute NNN
Lease Term:	20 Years

INVESTMENT OFFERING

Fortis is proud to present this new construction absolute NNN lease Rite Aid. The tenant signed a brand new 20 year absolute NNN lease that commenced at the start of 2017. The absolute NNN lease leaves the landlord with zero responsibilities. The lease features a 5% rental increase in Year 11 and then a 7.5% increase in three of the six, five year option periods. The building is brand new high-quality brick construction with a drive-thru.

The subject property is located on the hard signalized corner seeing over 40,000 vehicles per day. The sites is located just 12 miles from Newport News, VA and just 13 miles from Hampton, VA. There are over 18,000 people within 5 miles and the average household income within 5 miles exceeds \$108,000.



PRICE \$4,783,000



CAP RATE 6.15%



LEASE Absolute NNN



TERM 20 Years

INVESTMENT HIGHLIGHTS

- 20-Year Absolute NNN Lease
- Rental Increases in Base Term & Options
- New 2017 High-Quality Brick Construction with a Drive-Thru
- Average Household Income Exceeds \$108,000 in 5 Miles
- Hard Corner Signalized Intersection Seeing Over 40,000 VPD
- Close to Nearby Paul D Camp D College (1,812 Students)
- **SEE FINANCIAL PAGE(S) FOR ATTRACTIVE ASSUMABLE DEBT**
- **LOAN AT 4.50% FOR REMAINING TERM OF LEASE**
- Recent Market Loan Rate on Page 6 For Comparison
- **Property Can Also Be Purchase Free & Clear**



PROPERTY SUMMARY

Year Built:	2017
Lot Size:	2.7 Acres
Building Size:	11,115 SF
Zoning:	Commercial
Construction Style:	New Brick Construction
Ownership Type	Fee Simple

LEASE SUMMARY

Tenant:	Rite Aid
Lease Type:	Absolute NNN
Primary Lease Term:	20 Years
Annual Rent:	\$294,152
Landlord Responsibilities:	None
Taxes, Insurance & CAM:	Tenant Responsibility
Roof, Structure & Parking:	Tenant Responsibility
Lease Start Date:	January 5, 2017
Lease Expiration Date:	January 2037
Lease Term Remaining:	18.25 Years
Rent Bumps:	5% in Year 11, 7.5% Every 10 Years in Options
Renewal Options:	Six, Five-Year
Lease Guarantor:	Rite Aid Corporation
Lease Guarantor Strength:	S&P "B"
Tenant Website:	https://www.riteaid.com/



GROSS SALES:
\$20B



STORE COUNT:
4,600



GUARANTOR:
RITE AID, INC.



S&P:
"B"

INVESTMENT OVERVIEW

Price	\$4,783,000
Price per SF	\$430.32
CAP Rate	6.15%
Cash-on-Cash Return (yr 1)	3.37 %
Total Return (yr 1)	\$154,436
Debt Coverage Ratio	1.23

ATTRACTIVE ASSUMABLE DEBT – CONTACT BROKERS FOR DETAILS

OPERATING DATA

Gross Scheduled Income	\$294,152
Total Scheduled Income	\$294,152
Vacancy Cost	\$0
Gross Income	\$0
Operating Expenses	\$0
Net Operating Income	\$294,152
Pre-Tax Cash Flow	\$55,011

ASSUMABLE DEBT DETAILS

FINANCING DATA

Down Payment (At Asking Price)	\$1,633,000
Loan Amount (August 2018)	\$3,150,000
Debt Service	\$239,141 +/-
Debt Service Monthly	\$19,928 +/-
Principal Reduction (yr 1)	\$99,425
Loan Schedule	20 Years
Maturity Date	2037 (Runs With Lease)
Interest Rate	4.50% FIXED

ASSUMABLE DEBT

INVESTMENT OVERVIEW

Price	\$4,783,000
Price per SF	\$430.32
CAP Rate	6.15%
Cash-on-Cash Return (yr 1)	2.32 %
Total Return (yr 1)	\$128,764
Debt Coverage Ratio	1.23

TODAY'S FORECASTED DEBT – MARKET COMPARISON

OPERATING DATA

Gross Scheduled Income	\$294,152
Other Income	\$0
Total Scheduled Income	\$294,152
Vacancy Cost	\$0
Gross Income	\$294,152
Operating Expenses	\$0
Net Operating Income	\$294,152
Pre-Tax Cash Flow	\$37,958

TODAY'S MARKET DEBT

FINANCING DATA

Down Payment	\$1,633,000
Loan Amount	\$3,150,000
Debt Service	\$256,194
Debt Service Monthly	\$21,349
Principal Reduction (yr 1)	\$90,806
Loan Schedule	20 Years
Maturity Date	10 Years
Interest Rate	5.32%

TODAY'S MARKET DEBT



OVERVIEW

Company:	Rite Aid
Founded:	1962
Total Revenue:	\$20B
Net Income:	\$760.7M
Market Cap:	\$1.77B
Headquarters:	Camp Hill, PA
Website:	www.riteaid.com

TENANT OVERVIEW

- Roughly 2,600 Stores in 19 States as of Year End 2017
- RAD Fills About 221,000,000 Scripts Per Year
- Subject Property is Home to the New Wellness and Loyalty Program which is Being Rolled Out Nationally and Currently has Over 12 Million Members
- Rite Aid is Home to Over 7,000,000 Customers Per Week



RITE AID

RENT SCHEDULE

Year	Annual Rent	Rent Bump
1-10	\$294,152	-
11-20	\$308,859	5%
Option 1	\$332,024	7.5%
Option 2	\$332,024	-
Option 3	\$356,925	7.5%
Option 4	\$356,925	-
Option 5	\$383,695	7.5%
Option 6	\$383,695	-

TENANT OVERVIEW

Rite Aid was founded in 1962 and is the 3rd largest pharmacy chain in the US. Rite Aid recently sold Walgreen's 1,932 stores located in the northeast, southeast and mid-Atlantic states. The sale price was reported to be \$4.375 Billion. Since the transition was completed, Rite Aid continues to operate approximately 2,600 retail stores. More than 60% of Rite Aid stores are freestanding and most have drive thru facilities. Rite Aid recently announced a merger with grocery behemoth, Albertson's. The merger has been approved by the board of director from both firms and is awaiting approval from the FTC. This will join the nations second largest supermarket operator with the third largest pharmacy chain with projected revenue for 2018 of about \$83 Billion.

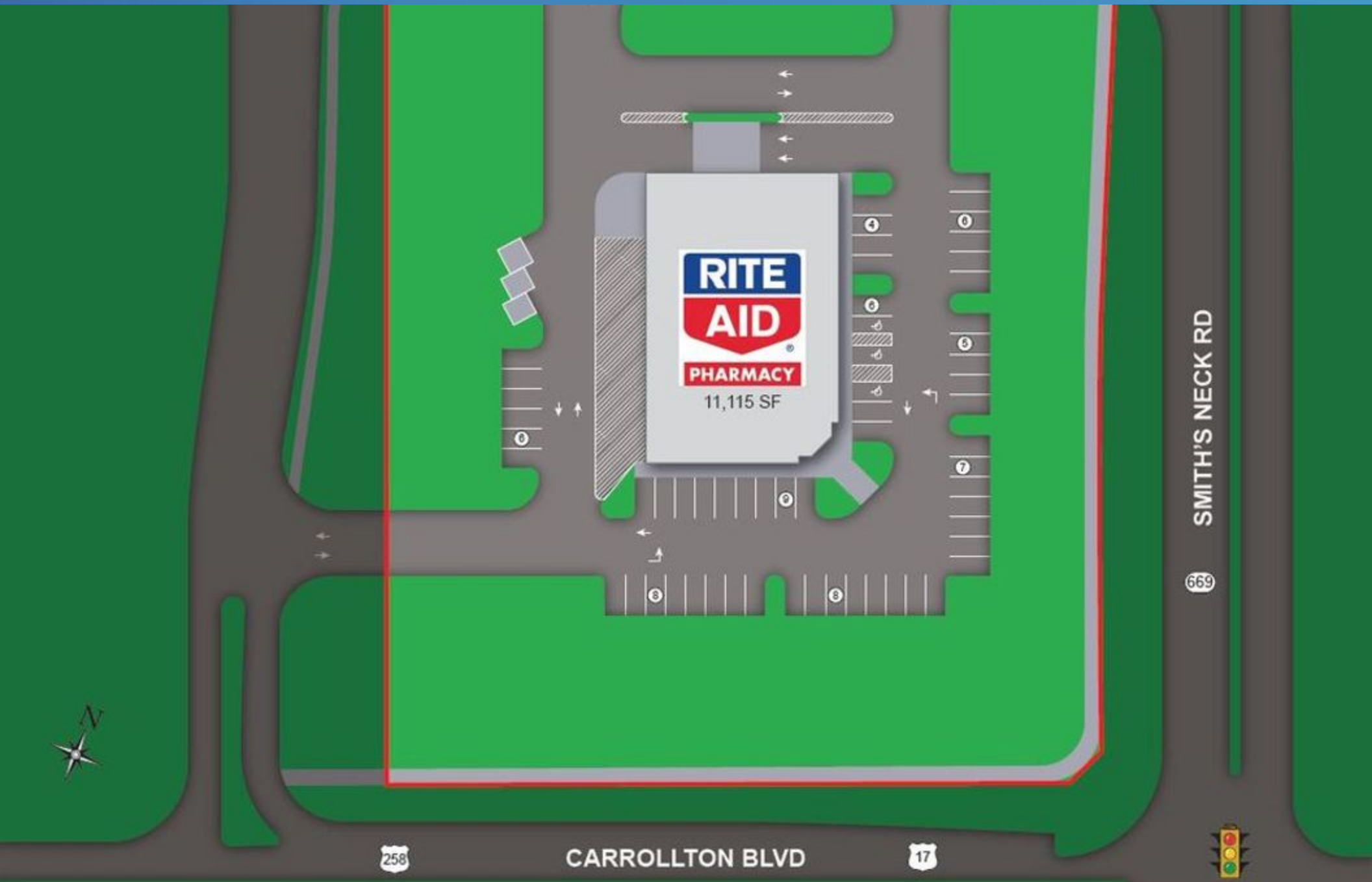
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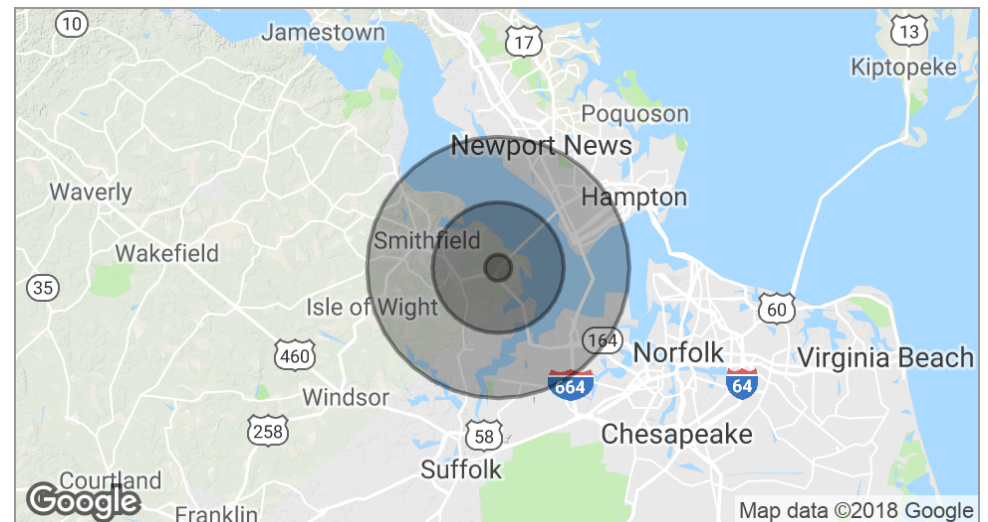




Carrollton is a census-designated place (CDP) in Isle of Wight County, Virginia, United States. The population as of the 2010 census was 4,574. Carrollton is located near the southern end of the James River Bridge across from Newport News. Carrollton has recently experienced growth as a bedroom community. Carrollton has seen significant growth in the last decade, including a shopping center, several fast food establishments, medical and veterinary medical centers, regional banks, a farm supply store, a fitness center, and a hotel.

Several residential communities have been developed since 2001, with homes having starting prices above \$250,000 and some as high as \$900,000. Condominiums adjoin these communities, as well as luxury apartments. Some of these are not newly approved, as the Eagle Harbor subdivision was originally approved in the 1970s by the county's Board of Supervisors, though development plans lay dormant until around 2000. The Carrollton Fire Department has undergone extensive expansion, adding bays and being the only fire department in the county to also offer EMS service with two new Freightliner ambulances. Carrollton is one of the two largest voting districts in Isle of Wight County, the other being Smithfield.

POPULATION	1 MILE	5 MILES	10 MILES
Total Population	3,393	18,891	150,870
Median Age	42.6	42.5	36.8
Median Age (Male)	41.9	42.5	35.4
Median Age (Female)	43.6	43.0	38.1
HOUSEHOLDS & INCOME	1 MILE	5 MILES	10 MILES
Total Households	1,433	3,157	59,389
# Of Persons Per HH	2.5	2.6	2.5
Average HH Income	\$82,406	\$89,059	\$65,587
Average House Value	\$344,902	\$344,416	\$264,795





TOTAL SALES VOLUME

\$5.0B

PROPERTIES SOLD

2,200

BROKER & BUYER REACH

250K

STATES SOLD IN

40

The FNL Team

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