

# DRUGSTORE INVESTMENT OFFERING



1492 CHEWS LANDING ROAD | PHILADELPHIA MSA (LAUREL SPRINGS), NJ 08021



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## Offering Summary

<b>LIST PRICE</b>	<b>\$2,580,645</b>
<b>CAP RATE</b>	<b>7.75%</b>
<b>LEASE TERM REMAINING</b>	<b>3 Years 9 Months</b>
<b>OPTIONS</b>	<b>Four (5-Year) Options</b>
<b>LEASE TYPE</b>	<b>Absolute Net</b>
<b>ANNUAL RENT (NOI)</b>	<b>\$200,000</b>
<b>MONTHLY RENT</b>	<b>\$16,666</b>
<b>BUILDING SIZE (SF)</b>	<b>±10,880</b>
<b>LOT SIZE (SF)</b>	<b>±96,109</b>
<b>YEAR BUILT</b>	<b>1997</b>

## Investment Highlights

### STABLE INCOME

The lease income is guaranteed by the Rite Aid Corporation (NYSE: RAD) with a credit rating (S&P) of B (Stable).

### 2016 EXTENSION ON NNN LEASE

Rite Aid agreed to extend their lease in 2016 waiving their first option showing commitment to this location. This is an absolute net lease with three years and nine months of primary lease term remaining with four (5 year) options and no landlord responsibilities whatsoever.

### LOW PRICE POINT

This is a rare opportunity to acquire an absolute net leased drugstore for under \$2,600,000 in a top 10 MSA.

### RENT INCREASE IN THE OPTIONS

This lease allows for ±2.5% increases in each of the four options.

### MEDICAL CORRIDOR WITHIN 1 MILE

The property benefits from a medical corridor within a mile featuring a hospice care center, rehabilitation facility, senior care home, dental office and several private medical offices.

### AFFLUENT PHILADELPHIA SUBURB TOP 10 MSA

The average household income in a one-mile radius is \$109,664, in a three-mile radius it is \$80,693, and it is \$87,875 in a five mile radius. There are 94,554 residents in a three-mile radius and 232,894 in a five-mile radius.

### SOLID TRAFFIC COUNTS

This property is located at the signalized corner of Little Gloucester Rd and Chews Landing Rd with combined daily traffic counts of 21,312 vehicles per day. New Jersey Route 42 is located just west of the property with 115,569 vehicles per day.

### ADJACENT TO MIDDLE & ELEMENTARY SCHOOLS

This asset is located directly across from the entrance to Loring -Fleming Elementary and Glen Landing Middle School with a combined student body of more than 1,400 students enrolled annually.



## Lease Summary

ADDRESS	1492 Chews Landing Road Laurel Springs, NJ 08021
TENANT	Rite Aid
LEASE COMMENCEMENT	July 20, 2017
LEASE EXPIRATION	July 19, 2022
TERM REMAINING	3 Years 9 Months
LEASE TYPE	Absolute Net
ANNUAL RENT	\$200,000
MONTHLY RENT	\$16,666
RENT PER SQUARE FOOT	\$18.86
OPTIONS	Four (5-Year) Options
RENT INCREASES	±2.5% Per Option
LANDLORD RESPONSIBILITIES	None whatsoever

## Rent Schedule

TERM	DATES	MONTHLY RENT	ANNUAL RENT
Current	Present - July 19, 2022	\$16,666.67	\$200,000
Option 1	July 20, 2022- July 19, 2027	\$17,120.00	\$205,440
Option 2	July 20, 2027- July 19, 2032	\$17,573.33	\$210,879
Option 3	July 20, 2032- July 19, 2037	\$18,026.66	\$216,319
Option 4	July 20, 2037- July 19, 2042	\$18,479.99	\$221,759





## Building Photos





## Property Photos





# Location Aerial





## Location Overview and Demographics

Laurel Springs is a Borough located in Southern New Jersey about 15 miles southeast of Downtown Philadelphia in Camden County. Camden had a population of 510,719 per the 2017 census estimate making it the state's 8th largest county. The county is part of the Camden, NJ Metropolitan Division of the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD / Delaware Valley Metropolitan Statistical Area. Some of the area's amenities and draws include:

- **DEPFORD MALL (3 Miles Northwest)** - Deptford Mall It is the seventh largest mall in the state of New Jersey and the county's only indoor regional shopping center. The 1,040,000 square foot mall is anchored by Boscov's, JCPenney, Macy's and Sears and has over 160 stores.
- **CAMDEN COUNTY COLLEGE (3.2 Miles South)** - Camden County College is an accredited co-educational two-year public community college located in Camden County, New Jersey. Camden County College has four locations Camden, Sicklerville, Cherry Hill and the main campus located in Blackwood. The four campuses have a combined student body of 17,416 with 439 full time employees.
- **GLOUCESTER PREMIUM OUTLETS (4 Miles South)** - Conveniently accessed from Philadelphia & Atlantic City, Gloucester Premium Outlets features 90 stores including Nike, Michael Kors, Vera Bradley, Armani, A/X Armani Exchange, Banana Republic, Guess Factory Store, J.Crew Factory and many more.



### Total Population

1 MILE	9,181
3 MILES	94,554
5 MILES	232,894



### Average Household Income

1 MILE	\$109,664
3 MILES	\$80,693
5 MILES	\$87,875



### Total Households

1 MILE	3,711
3 MILES	37,224
5 MILES	91,907



### Average Age

1 MILE	42.20
3 MILES	39.60
5 MILES	39.90



### Traffic Counts Vehicles/Day

CHEWS LANDING	12,003
GLOUCESTER RD	9,309
ROUTE 42	15,569

Disclaimer: This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, distances, lot size, store opening dates, demographic information, aerial information, tenant information & store operating information are approximate. By accepting this package, buyer and their representatives must verify the information and bears all risk for any inaccuracies.





## Company Summary\*

Rite Aid is the third largest national pharmacy chain behind Walgreens and CVS, operating 2,569 stores in 19 states across the United States. The company's growth is due to development of new stores, aggressive acquisitions and strategic mergers. The chain sells both brand name and generic prescription drugs in addition to a variety of front-end products including health and beauty merchandise, personal care products, cosmetics and numerous other convenience items.

In 1995, Rite Aid completed its largest acquisition to date by purchasing Perry Drugstores which ran 224 stores primarily throughout Michigan. One year later, Rite Aid purchased the 1,000 unit west coast chain of Thrifty PayLess followed by another large acquisition 10 years later in 2006 as Rite Aid announced they would purchase both the Eckerd and Brooks Pharmacy chains for \$3.4 billion. This move would make Rite Aid the dominant retail chain on the east coast.

Rite Aid acquired RediClinic in April of 2014 to provide a broad range of preventive services, including screenings, medical tests, immunizations and physical exams and is a key component of Rite Aid's plans to offer an all-encompassing retail healthcare offering. As of 2018 Rite Aid operates 75 RediClinics across Philadelphia, Washington, New Jersey and Texas.

In February of 2015 Rite Aid purchased Envision Pharmaceutical Services (EnvisionRX), a multifaceted healthcare and pharmacy benefit management company for approximately \$2 billion. The acquisition bolstered the retail healthcare platform allowing the delivery of cost-effective solutions to both health plans and employers.

On September 19, 2017 the Federal Trade Commission approved an agreement between Rite Aid and Walgreens for the purchase of 1,932 Rite Aid stores, three distribution centers and related inventory for \$4.38 Billion. The properties were primarily located in the Northeast and Southern regions of the United States and the transfer of all stores was completed in the spring of 2018.

*\*Rite Aid company information received from Rite Aid investor relations.*

## Tenant Profile

<b>GUARANTOR</b>	Rite Aid Corporation
<b>OWNERSHIP</b>	Public
<b>STOCK SYMBOL (NASDAQ)</b>	RAD
<b>CREDIT RATING (S&amp;P)</b>	B Stable
<b>BUSINESS</b>	Retail Pharmacy
<b>LOCATIONS</b>	2,569 (as of April 2018)
<b>ANNUAL REVENUE</b>	\$22.9 billion (2017)
<b>MARKET CAPITALIZATION</b>	\$1.72 billion (2017)
<b>HEADQUARTERS</b>	Camp Hill, PA
<b>WEBSITE</b>	<a href="http://www.riteaid.com">www.riteaid.com</a>



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