

# Marcus & Millichap

THE IACONO TEAM

## Rite Aid • Offering Memorandum

1021 1<sup>st</sup> Avenue, Conway, PA 15027



## NON - ENDORSEMENT AND DISCLAIMER NOTICE

### Confidentiality and Disclaimer

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

### Non-Endorsement Notice

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

RITE AID  
Conway, PA  
ACT ID Z0280995



**INVESTMENT OVERVIEW**

**FINANCIAL OVERVIEW**

**LOCATION OVERVIEW**

**SECTION**

**01**

**02**

**03**

**EXCLUSIVELY LISTED BY**

**Karly Iacono**

Vice President

Net Leased Properties Group

National Retail Group

Tel: (201) 742-6119

[karly.iacono@marcusmillichap.com](mailto:karly.iacono@marcusmillichap.com)

Licenses: NJ 0345216, NY 10401274993

[www.iaconoretailgroup.com](http://www.iaconoretailgroup.com)

**JC Corr**

Associate

Net Leased Properties Group

National Retail Group

Tel: (201) 742-6181

[je.corr@marcusmillichap.com](mailto:je.corr@marcusmillichap.com)

License: NJ 1757580

[www.iaconoretailgroup.com](http://www.iaconoretailgroup.com)



# INVESTMENT OVERVIEW

Marcus & Millichap  
THE IACONO TEAM



OFFERING PRICE	CAP RATE	TERM REMAINING
<b>\$2,750,000</b>	<b>10.11%</b>	<b>3.8 Years</b>

Vital Data	
Price	\$2,750,000
Cap Rate	10.11%
Price / SF	\$252.11
Rent / SF	\$25.50
Net Operating Income	\$278,142
Gross Leasable Area	10,908 Sq. Ft.
Year Built / Renovated	1999
Lot Size	1.11 acres
Lease Type	NNN



## LOCATION HIGHLIGHTS



1021 1<sup>st</sup> Avenue  
Conway, PA



74,352  
5-Mile Population



\$64,780  
5-Mile Average Income



32,088  
5-Mile Estimated Households



24,578  
Vehicles Per Day

Marcus and Millichap is pleased to exclusively present a Rite Aid in Conway, PA. The property is subject to a NNN corporately guaranteed lease. There are 3.8 years remaining on the base term. Rite Aid recently extended their lease through 2023. Rite Aid has been operating at this location since 1999.

Rite Aid operates a chain of 2,500 retail drugstores across 19 US states. The company operates through two segments, Retail Pharmacy and Pharmacy Services. Retail Pharmacy and Pharmacy Services. The Retail Pharmacy segment sells prescription drugs and an assortment of other merchandise, including over-the-counter medications, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise and other every day and convenience products. It also operates retail clinics that provide treatment for common conditions; and provides preventative services, such as screenings, medical tests, immunizations and basic physical exams. Rite Aid is currently ranked number 107 on the Fortune 500 list.

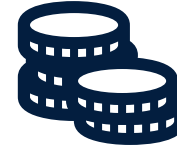
The subject property is located on a heavily trafficked road with more than 24k vehicles per day. There are many national and local tenants nearby. National tenants nearby include Walmart, Taco Bell, Burger King, Dollar Tree, and more. Additionally, the property is located near the Norfolk Southern Conway Railyard. Norfolk Southern is one of the nation's premier transportation companies. They operate approximately 19,500 route miles in 22 states and the District of Columbia, serve every major container port in the eastern United States, and provides efficient connections to other rail carriers. Conway is a suburb of Pittsburgh and has more than 74k people residing in 5 miles.

### Investment Highlights

---

- NNN Lease
- Corporate Guarantee
- High Traffic Location | 24,578 VPD
- Recent Lease Extension through 2023
- Excellent Demographics | Over 74k People in 5 Miles
- Long Term Historical Occupancy | Rite Aid has Operated at this Location since 1999





2019 REVENUE: \$21.6B  
\*2019 Fiscal Year Statement



NYSE:  
RAD



2,500+  
LOCATIONS



FOUNDED IN  
1962



Rite Aid Corporation, through its subsidiaries, operates a chain of retail drugstores in the United States. The company operates through two segments, Retail Pharmacy and Pharmacy Services. The Retail Pharmacy segment sells prescription drugs and an assortment of other merchandise, including over-the-counter medications, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise and other every day and convenience products. It also operates retail clinics that provide treatment for common conditions; and provides preventative services, such as screenings, medical tests, immunizations and basic physical exams.

Rite Aid is currently ranked 107 on the Fortune 500 list. The company operates roughly 2,500 stores in 19 states. Rite Aid Corporation was founded in 1962 and is headquartered in Camp Hill, Pennsylvania.



# FINANCIAL OVERVIEW

Marcus & Millichap  
THE IACONO TEAM





Offering Summary	
Property Address	1021 1 <sup>st</sup> Avenue Conway, PA 15027
Price	\$2,750,000
Cap Rate	10.11%
Price / SF	\$252.11
Rent / SF	\$25.50

Property Description	
Year Built / Renovated	1999
Gross Leasable Area	10,908 Sq. Ft.
Lot Size	1.11 acres
Type of Ownership	Fee Simple

Annualized Operating Data				
Year	Annual Rent	Monthly Rent	Rent/SF	Cap Rate
Current	\$278,142	\$23,179	\$25.50	10.11%
2019-6/6/2020	\$278,142	\$23,179	\$25.50	10.11%
6/7/2020-6/6/2023	\$218,160	\$18,180	\$20.00	7.93%

In exchange for extending the lease through 2023, landlord granted a rent reduction as outlined above.

Lease Summary	
Property Subtype	Net Leased Drug Store
Tenant	Rite Aid
Guarantor	Corporate
Lease Type	NNN
Lease Commencement	July 15, 1999
Lease Expiration	June 6, 2023
Base Term Remaining	3.8 Years
Renewal Options	None
Rent Increases	None
Landlord Responsibility	None
Tenant Responsibility	Taxes, Maintenance, Insurance
Right of First Refusal	No



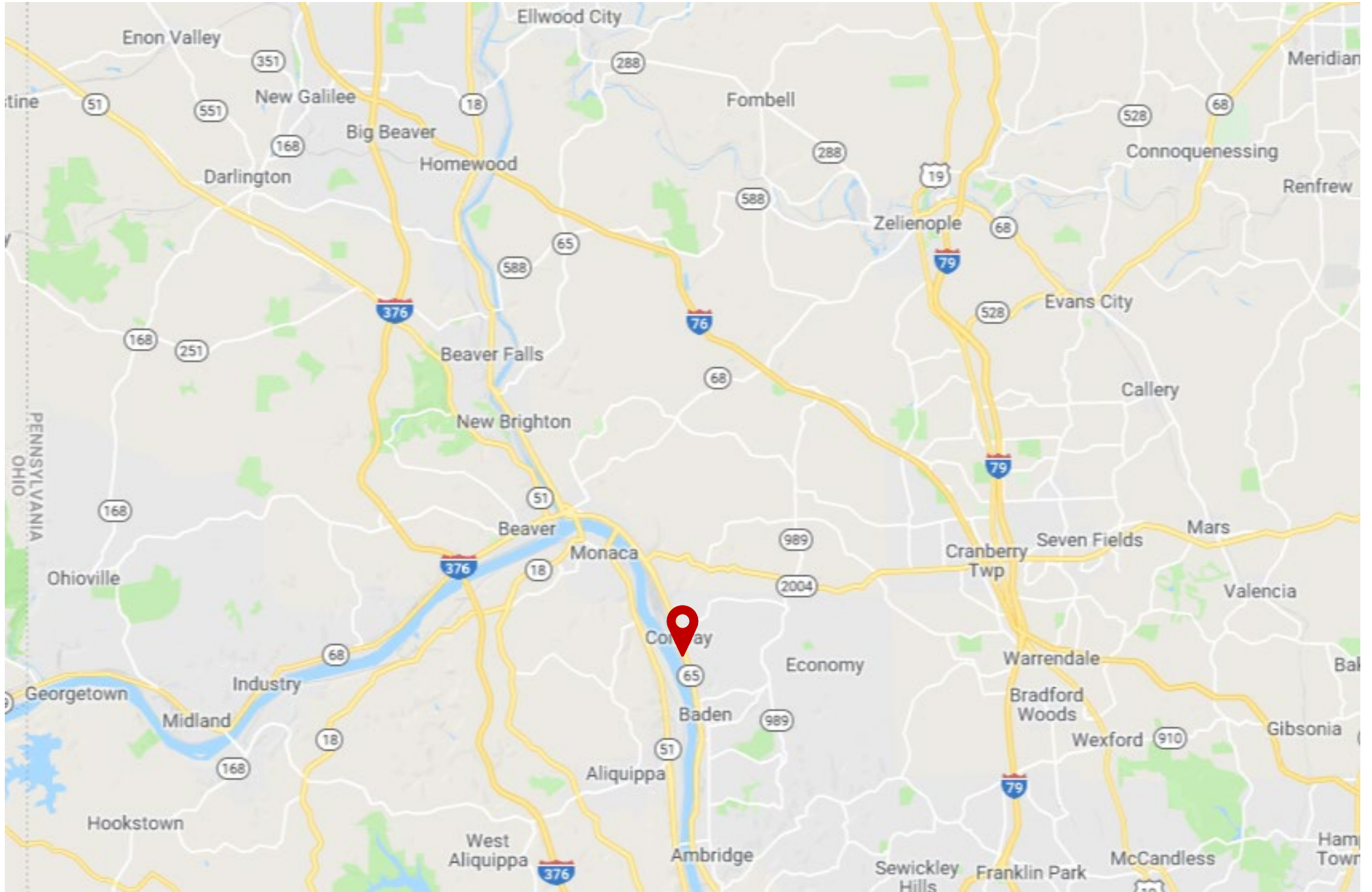
# LOCATION OVERVIEW

Marcus & Millichap  
THE IACONO TEAM

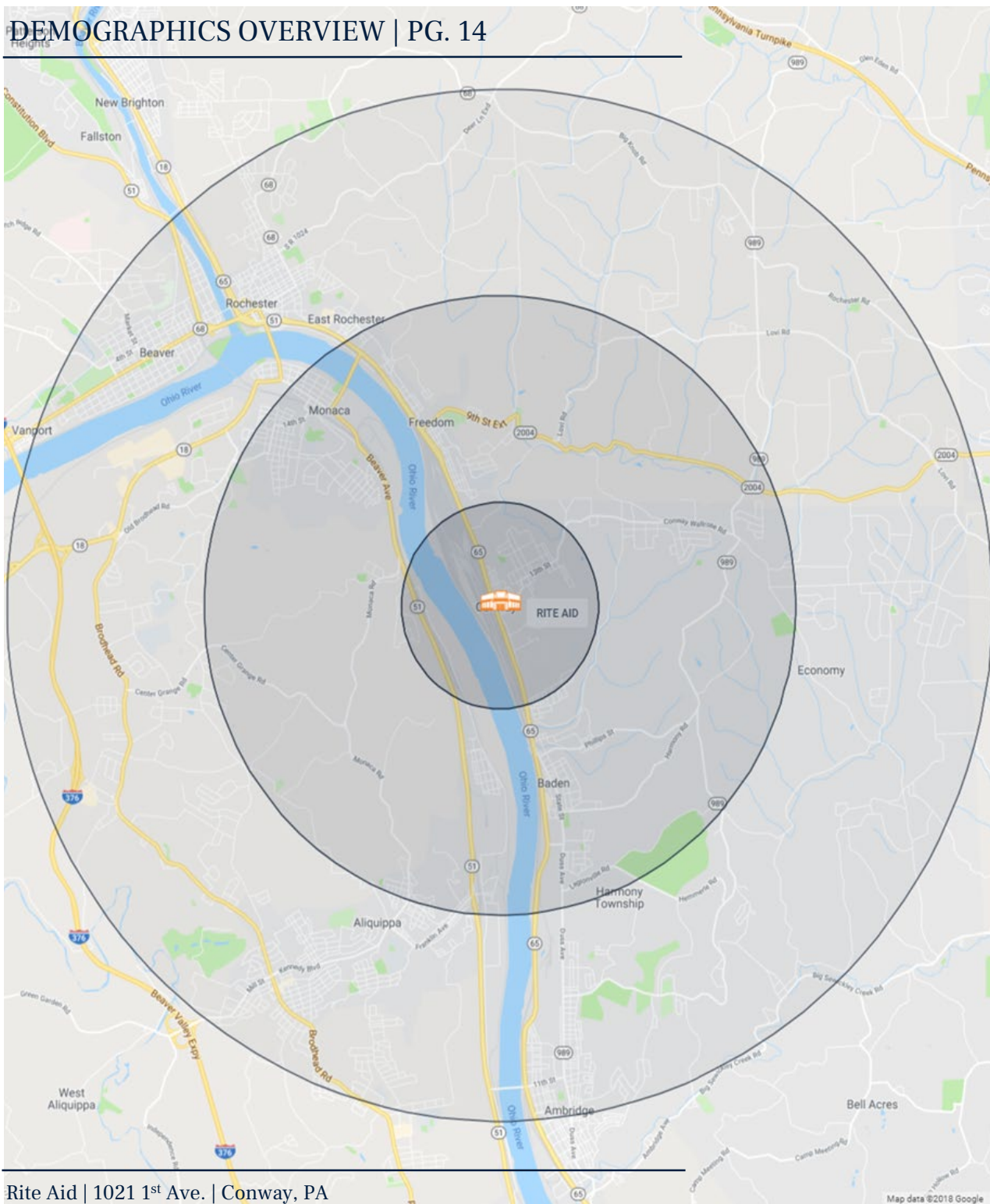




**1021 1<sup>ST</sup> Avenue, Conway, PA 15027**







## Demographics Summary

	1 Miles	3 Miles	5 Miles
<b>POPULATION</b>			
2023 Projection	2,722	23,309	73,906
2018 Estimate	2,869	23,374	74,352
2010 Census	2,883	23,296	74,456
2000 Census	3,132	24,825	79,344
<b>INCOME</b>			
Average	\$59,265	\$61,590	\$64,780
Median	\$50,081	\$50,741	\$50,633
Per Capita	\$25,788	\$26,364	\$28,151
<b>HOUSEHOLDS</b>			
2023 Projection	1,191	9,992	32,218
2018 Estimate	1,235	9,940	32,088
2010 Census	1,244	9,955	32,278
2000 Census	1,273	10,153	32,879
<b>HOUSING</b>			
2018	\$119,758	\$119,328	\$124,471
<b>EMPLOYMENT</b>			
2018 Daytime Population	3,104	18,265	69,093
2018 Unemployment	3.90%	5.62%	5.78%
2018 Median Time Traveled	26	26	26
<b>RACE &amp; ETHNICITY</b>			
White	96.43%	91.13%	88.29%
Native American	0.00%	0.01%	0.01%
African American	1.31%	6.32%	8.53%
Asian/Pacific Islander	0.36%	0.51%	0.63%



EXCLUSIVELY LISTED BY

**Karly Iacono**  
Vice President  
Net Leased Properties Group  
National Retail Group  
Tel: (201) 742-6119  
karly.iacono@marcusmillichap.com  
Licenses: NJ 0345216, NY 10401274993  
www.iaconoretailgroup.com

**JC Corr**  
Associate  
Net Leased Properties Group  
National Retail Group  
Tel: (201) 742-6181  
jc.corr@marcusmillichap.com  
License: NJ 1757580  
www.iaconoretailgroup.com

**PA Broker of Record**  
Sean Beuche  
License: RM424190

**Marcus & Millichap**

**THE IACONO TEAM**