

**CBRE**  
OFFERING MEMORANDUM



**RITE AID / SUBWAY**

3106 EAST PLEASANT VALLEY BLVD | ALTOONA (BELLWOOD) , PA 16601

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# TENANT OVERVIEW

RITE AID / SUBWAY | ALTOONA, PA





Rite Aid is the largest drugstore chain on the East Coast and the third-largest in the United States, employing roughly 89,000 associates. The company operates retail drugstores which sell prescription drugs, as well as front-end products including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, convenience foods, greeting cards, and seasonal merchandise. As of Dec 2, 2017, Rite Aid operated 4,404 stores in 31 states and the District of Columbia.

## RITE AID CORPORATE OVERVIEW

TENANT TRADE NAME:	Rite Aid
TENANT OWNERSHIP STATUS:	Public
BOARD/SYMBOL:	NYSE/RAD
REVENUE:	\$30.736 Billion
LOCATIONS:	-/+ 4,404
CREDIT RATING:	B (Standard & Poor's)
CORPORATE HEADQUARTERS:	Camp Hill, PA



Subway is a privately held American fast food restaurant franchise that primarily serves submarine sandwiches and salads. Subway is one of the fastest-growing franchises in the world and, as of June 2017, has approximately 44,000 stores located in more than 112 countries. It world's largest restaurant chain, serving 7 million made-to-order sandwiches a day. Founded more than 52 years ago, Subway is still a family-owned business, working with more than 21,000 dedicated franchisees around the world.

## SUBWAY CORPORATE OVERVIEW

TENANT TRADE NAME:	Subway
TENANT OWNERSHIP STATUS:	Private
LOCATIONS:	-/+ 44,000
CORPORATE HEADQUARTERS:	Milford, CT

# FINANCIAL OVERVIEW

RITE AID / SUBWAY | ALTOONA, PA





LIST PRICE  
**\$1,304,458**



CAP RATE  
**10.00%**



TOTAL NOI  
**\$130,445**

## PROPERTY HIGHLIGHTS

### PHARMACY ANCHORED STRIP CENTER

Rite Aid, the anchor tenant to this strip center, has 6 years remaining on initial 10 year NNN lease with two, five year options to renew

### VALUE-ADD MULTI-TENANT OPPORTUNITY

The offering leaves upside for the next owner through leasing of the vacant space and possibly converting the Subway lease to NNN

### INTERSTATE INTERCHANGE LOCATION

Located just off of the Interstate 99 and Rte. 865 Interchange with combined traffic counts of 28,000 vehicles per day

### LARGE 2.1 ACRE PARCEL

The Subject Property sits on an oversized 2.14 acre parcel that lends itself to numerous future redevelopment opportunities if necessary

### LIMITED LANDLORD RESPONSIBILITIES

Easy to own and operate property for the real estate investor looking for more yield

### DOUBLE DRIVE-THRU

Both Rite Aid and Subway have their own drive-thru windows at the property adding a level of ease and convenience for their customers

### HIGH YIELD INVESTMENT

Listed at a 10% cap rate with room to grow and a low price point this is a unique private investor opportunity

### TOP-LINE CONSTRUCTION

Well maintained block-on-block construction helps to alleviate deferred maintenance in the near future

### MAIN ARTERY FRONTAGE

Situated on E Pleasant Valley Blvd, one of the main north/south arteries that parallels I-99 and sees over 6,000 vehicles traveling by daily

### NO IMMEDIATE COMPETITION

There is no drug store competition within the Bellwood submarket and the closest drug store chain is a Martin's Pharmacy 2.6 miles away

## FINANCIAL OVERVIEW



### CURRENT EXPENSES

Real Estate Taxes	\$11,879.00
Insurance	\$2,521.00
<b>CAM</b>	
Landscaping	\$952.00
Snow Removal	\$6,625.00
CAM Total	\$7,577.00
<b>TOTAL EXPENSES</b>	<b>\$21,977.00</b>

### ANNUALIZED OPERATING INCOME

Rental Income	\$136,730.80
Total Reimbursable Expenses	\$15,692.00
<b>Gross Potential Income</b>	<b>\$152,422.80</b>
Total Expenses	(\$21,977.00)
<b>TOTAL NOI</b>	<b>\$130,445.80</b>

### RENT ROLL

TENANT	GLA	LEASE TYPE	LEASE START	LEASE EXPIRE	ANNUAL RENT	RENT PSF	RENTAL INCREASE	RENTAL INCREASE TO	OPTIONS TO RENEW
RITE AID	7,500	NNN	10/10/2014	1/31/2025	\$124,000.00	\$16.53	2/1/2025 (10% in Option 1)	\$136,400.00	2x5yr
SUBWAY	1,360	Gross	7/1/2017	6/30/2020	\$12,730.80	\$8.82			1x3yr
VACANT	1,640								
<b>TOTALS</b>	<b>10,500</b>				<b>\$136,730.80</b>				



## INVESTMENT OVERVIEW

CBRE is pleased to exclusively present for sale this Rite Aid anchored strip center located on East Pleasant Valley Boulevard in Altoona, Pennsylvania. Rite Aid has 6 years remaining on its initial 10 year NNN lease with two, five year options to renew. There are currently limited landlord responsibilities, making this an easy to own and operate property for the real estate investor looking for more yield. The building is well maintained block-on-block construction which helps to alleviate deferred maintenance in the near future. This is a value-add, multi-tenant opportunity leaving an upside for the next owner through leasing of the vacant space and possibly converting the Subway lease to NNN.

This 10,500 square foot property sits on a large 2.14 acre parcel on East Pleasant Valley Boulevard, one of the main north/south arteries that parallels I-99, with over 6,000 vehicles traveling by daily. This large parcel size lends itself to numerous future redevelopment opportunities if necessary. Both Rite Aid and Subway have their own drive-thru windows at the property, adding a level of ease and convenience for their customers. There is no drug store competition within the Bellwood submarket and the closest drug store chain is a Martin's Pharmacy 2.6 miles away. The property is also situated just off the Interstate 99 and Rte. 865 Interchange with combined traffic counts of 28,000 vehicles per day. This high yield investment with room to grow and low price point makes this a unique opportunity for the private investor.

# PROPERTY SUMMARY

RITE AID / SUBWAY | ALTOONA, PA



## PROPERTY PHOTOS



## PROPERTY PHOTOS





E PLEASANT VALLEY BLVD - 6,000 V.P.D.



STATE ROUTE 865 - 6,300 V.P.D.



E PLEASANT VALLEY BLVD - 6,000 V.P.D.

INTERSTATE 99 - 22,000 V.P.D.





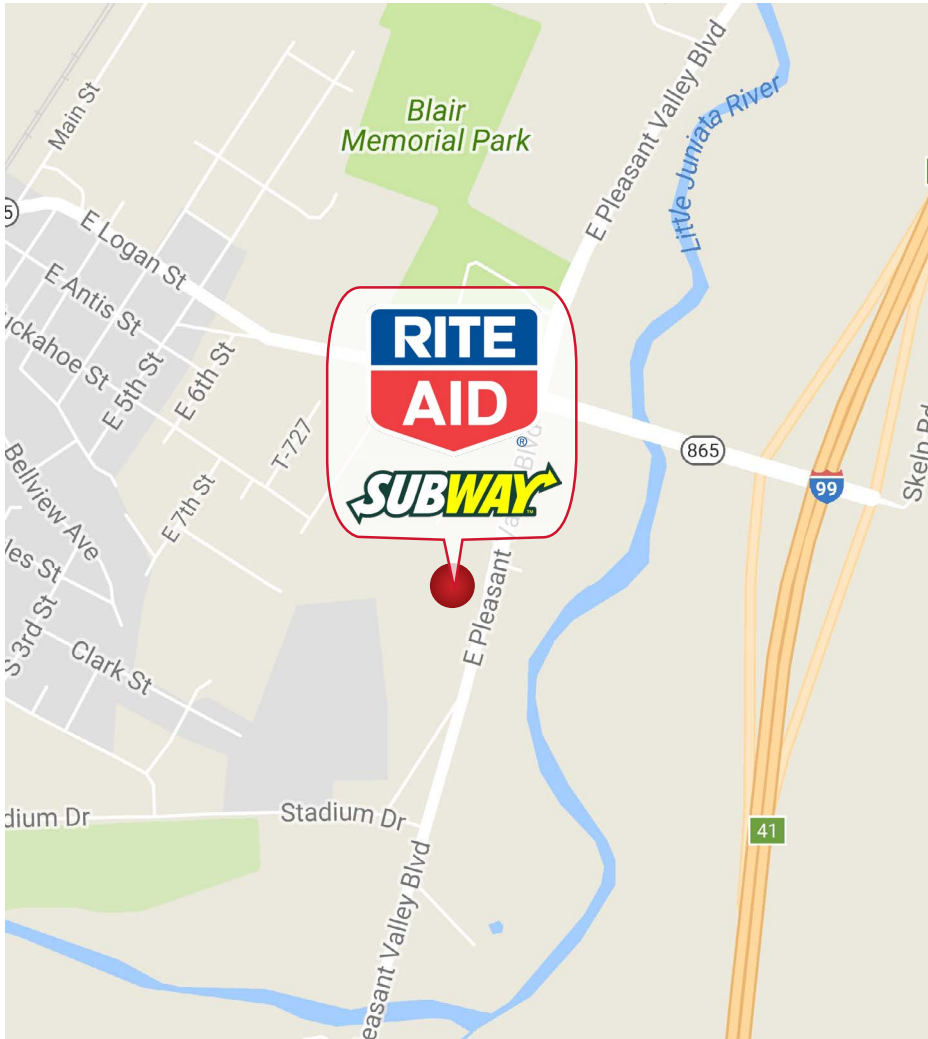
## LOCATION OVERVIEW



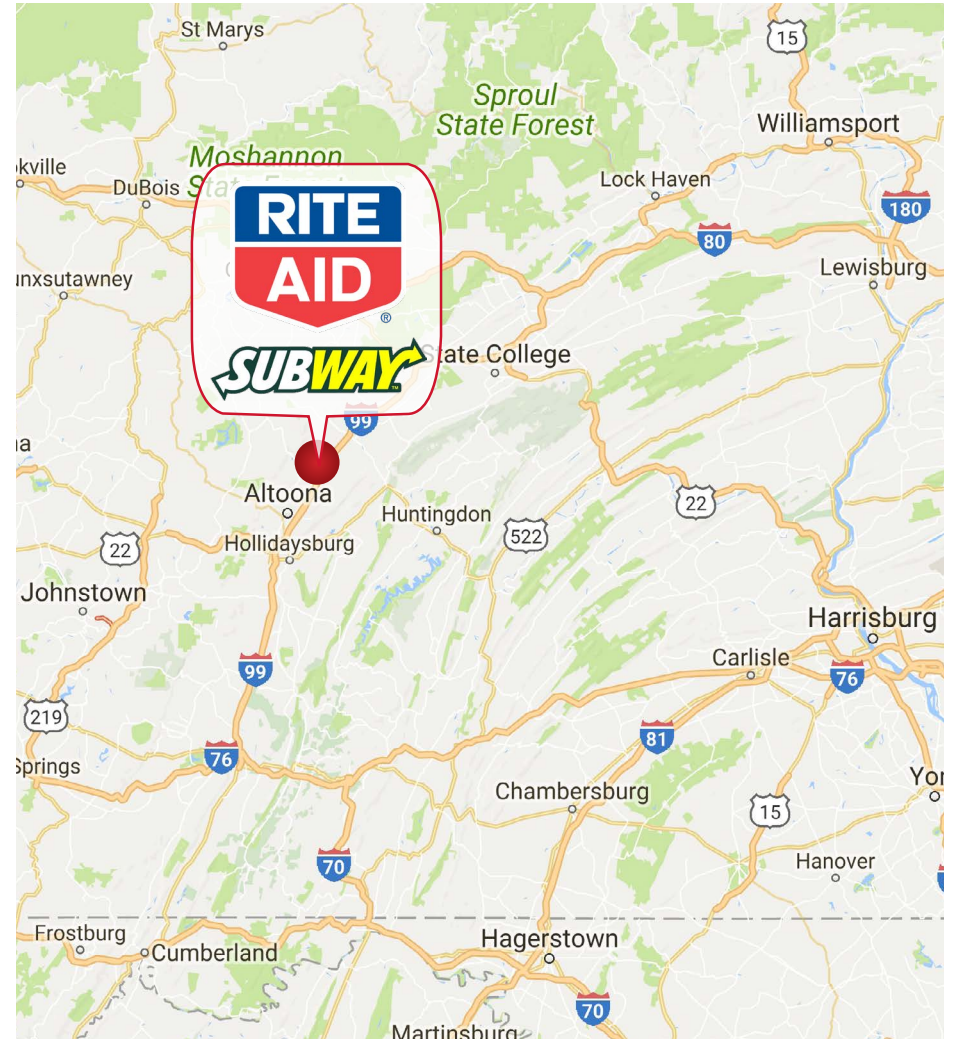
This Rite Aid/Subway property sits on E Pleasant Valley Blvd with over 6,000 vehicles passing day daily. The property is also situated just off Interstate 99, with traffic counts of 22,000 vehicles per day. Surrounding tenants include Sheetz, Martin General Store and First Commonwealth Bank. This site has no competition, as this Rite Aid is the only national drug store in the Bellwood market. There are 2,300 people within 1 mile of the subject property, 6,504 people within 3 miles and 13,906 people within 5 miles.

The city of Altoona is home to the Altoona Curve baseball team of the Double A Eastern League, which is the Double A affiliate of the Major League Baseball team Pittsburgh Pirates. Additionally, Altoona is home to the 75+ year-old Altoona Symphony Orchestra. Prominent landmarks include the Horseshoe Curve, the Railroaders Memorial Museum, the Juniata Shops of the Altoona Works, the Mishler Theatre, The Cathedral of the Blessed Sacrament, and the Jaffa Shrine Center. The top field of employment in Altoona and the metro area is healthcare. Facilities include: UPMC Altoona with its many local facilities that employ thousands, Healthsouth Rehabilitation Hospital and its several local facilities, James E. Van Zandt Medical Center (Veterans Hospital), dozens of doctors offices, and over 20 nursing homes and assisted living facilities. Additional top employers in Altoona include Penn State Altoona, Sheetz and the Norfolk Southern Railroad.

## LOCAL MAP



## REGIONAL MAP





## SUBJECT AREA DEMOGRAPHICS



POPULATION	3 MILES	5 MILES	10 MILES
2010 POPULATION	6,379	13,831	79,337
2017 POPULATION	6,504	13,906	78,503
PROJECTED POPULATION (2022)	6,486	13,808	77,483
HISTORICAL ANNUAL GROWTH			
2010-2017	0.27%	0.07%	-0.15%
PROJECTED ANNUAL GROWTH			
2017-2022	-0.06%	-0.14%	-0.26%
HOUSEHOLDS	3 MILES	5 MILES	10 MILES
2010 HOUSEHOLDS	2,633	5,667	32,507
2017 HOUSEHOLDS	2,679	5,687	32,023
PROJECTED HOUSEHOLDS (2022)	2,670	5,643	31,549
HISTORICAL ANNUAL GROWTH			
2010-2017	0.24%	0.05%	-0.21%
PROJECTED ANNUAL GROWTH			
2017-2022	-0.07%	-0.16%	-0.30%
HOUSEHOLD INCOME	3 MILES	5 MILES	10 MILES
2017 AVERAGE	\$63,171	\$65,313	\$58,180
2017 MEDIAN	\$53,749	\$53,001	\$43,489

POPULATION BY RACE	3 MILES	5 MILES	10 MILES
WHITE POPULATION	98.2%	97.7%	94.3%
AFRICAN AMERICAN POPULATION	0.4%	0.8%	2.6%
ASIAN POPULATION	0.2%	0.4%	0.7%
PACIFIC ISLANDER POPULATION	0.1%	0.1%	0.2%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.0%
OTHER RACE POPULATION	0.1%	0.2%	0.3%
TWO OR MORE RACES POPULATION	0.9%	0.9%	1.9%

HISPANIC OR LATINO POPULATION BY ORIGIN	3 MILES	5 MILES	10 MILES
HISPANIC OR LATINO	0.8%	0.8%	1.5%
WHITE NON-HISPANIC	97.6%	97.1%	93.4%

2017 AGE BY GENDER	3 MILES	5 MILES	10 MILES
MEDIAN AGE			
MALE/FEMALE	44.4/47.2	44.9/47.4	40.0/43.9

TRAFFIC COUNTS
E PLEASANT VALLEY BLVD
6,000

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