

# Walgreens

**111 4TH AVENUE | HUNTINGTON, WEST VIRGINIA**



Actual Location



Actual Location



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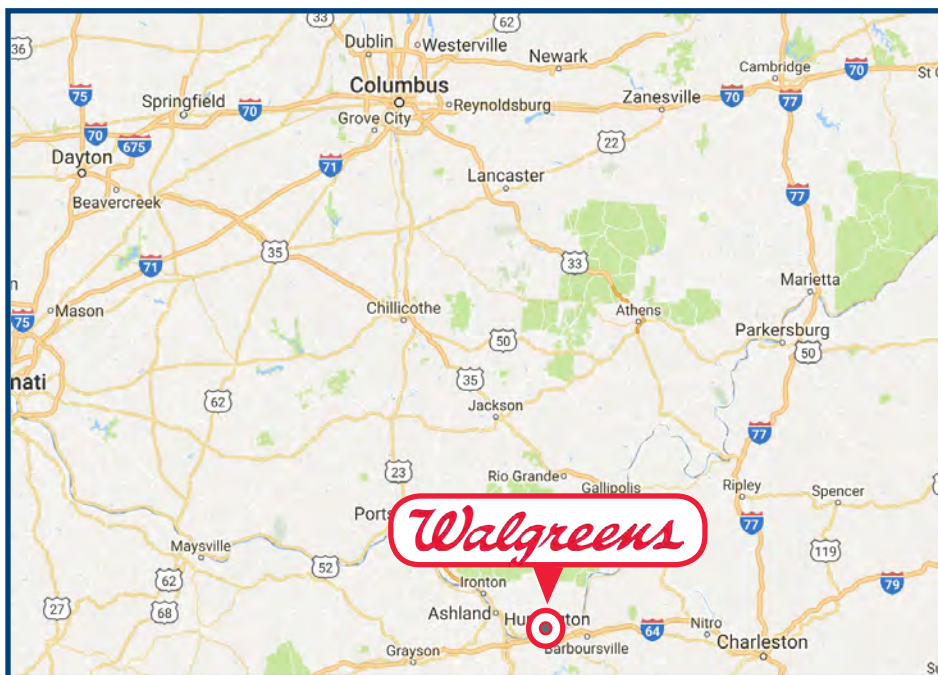
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Actual Location





# Walgreens

## Investment Summary

ADDRESS	111 4th Avenue Huntington, West Virginia 25701
PARCEL SIZE:	1.24 Acres
BUILDING SIZE:	13,976 SF
PARKING:	60 Spaces
TERM REMAINING:	± 15.2 Years
NOI:	\$445,000
PRICE:	\$7,120,000
CAP RATE:	6.25%

## Investment Overview

The CBRE Net Lease Property Group is pleased to exclusively offer a 13,976-square foot freestanding Walgreens situated on 1.24 acres in Huntington, West Virginia (MSA Population: 356,474). Walgreens' absolute NNN lease has ±15.1 years of primary term remaining and features ten 5-year options to renew. Built in 2009, the site is strategically located on a hard corner at the signalized intersection of 4th Avenue and 1st Street (Combined Traffic Count: 12,287 VPD), just south of Highway 527 (Traffic Count: 16,099 VPD). Highway 527 is one of the few thoroughfares in the area which crosses the Ohio River and provides direct access to Ohio. This Walgreens location is close to Kroger, Goodyear, Sprint, Verizon, Valvoline, Morgan Stanley, Chase Bank, Red Lobster, Starbucks, KFC, Taco Bell, Burger King, McDonald's and Dominos, among many others. In total, there is 8.8 MSF of retail, 4.2 MSF of office and 13.1 MSF of industrial space within a 5-mile radius. The site is also less than 1.5 miles from Marshall University (Enrollment: 13,543), providing Walgreens with a built-in customer base. Other amenities near Walgreens include Harris Riverfront Park, Big Sandy Superstore Arena, Pullman Square, Southside Elementary (490 Students), Huntington Station and Ritter Park.

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
9,976	\$47,944	43,998	\$47,152	69,291	\$50,205	4th Avenue: 6,136 VPD 1st Street: 6,151 VPD



## Investment Highlights



- **Premier Drug Store Brand:** Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 8,100 stores across 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. Walgreens Boots Alliance Inc. reported revenues of \$131.5 billion (an 11.3% increase from 2017), EBITDA of \$8.68 billion, and net income of \$5.32 billion in fiscal year 2018.



- **Absolute NNN Lease:** Walgreens' absolute NNN lease has  $\pm 15.1$  years of primary term remaining and features ten 5-year options to renew.



- **Excellent Access/Visibility:** Built in 2009, the site is strategically located on a hard corner at the signalized intersection of 4th Avenue and 1st Street (Combined Traffic Count: 12,287 VPD), just south of Highway 527 (Traffic Count: 16,099 VPD). Highway 527 is one of the few thoroughfares in the area which crosses the Ohio River and provides direct access to Ohio.



- **Strategic Location:** The site is less than 1.5 miles from Marshall University (Enrollment: 13,543) providing Walgreens with a built-in customer base. Other amenities near the site include Harris Riverfront Park, Big Sandy Superstore Arena, Pullman Square, Southside Elementary (490 Students), Huntington Station and Ritter Park.



- **Dynamic Demographics:** Population of 43,998 and average household income of \$47,152 within a 3-mile radius.



- **Strong Retail & Commercial Corridor:** This Walgreens location is close to Kroger, Goodyear, Sprint, Verizon, Valvoline, Morgan Stanley, Chase Bank, Red Lobster, Starbucks, KFC, Taco Bell, Burger King, McDonald's and Dominos, among many others. In total, there is 8.8 MSF of retail, 4.2 MSF of office and 13.1 MSF of industrial space within a 5-mile radius.



- **Huntington, West Virginia:** Huntington is the largest city in the Huntington-Ashland, WV-KY-OH Metropolitan Statistical Area (Population: 356,474) and the second largest city in West Virginia. The city is situated on the southwestern border of West Virginia, along the Ohio-West Virginia state line. Due to its ideal location along the banks of the Ohio River, Huntington boasts a history rooted in transportation and features the largest inland port in the United States. The city is home to Marshall University, which is one of the town's largest employers and a major contributor to the heart and soul of the community. The downtown area—which is anchored by Pullman Square—is a draw for shopping, dining and entertainment. The streets are filled with residents strolling through downtown and taking advantage of the newly-created bike path. Huntington boasts a variety of festivals and special events which draw crowds to Pullman Square, the Big Sandy Superstore Arena and the historic Keith-Albee Performing Arts Center.



## Lease Summary

<b>TENANT:</b>	Walgreen Co. (S&P: BBB)
<b>PARENT COMPANY:</b>	Walgreens Boots Alliance (NASDAQ: WBA; S&P: BBB)
<b>ORIGINAL LEASE COMMENCEMENT:</b>	3/9/2009
<b>LEASE EXPIRATION:</b>	5/31/2034
<b>ORIGINAL LEASE TERM:</b>	25 Years
<b>LEASE TERM REMAINING:</b>	± 15.1 Years
<b>LEASE TYPE:</b>	Absolute NNN
<b>CURRENT RENT:</b>	\$445,000
<b>RENT INCREASES:</b>	Flat
<b>RENEWAL OPTIONS:</b>	Ten 5-year Options
<b>TAXES:</b>	Tenant shall pay the general real estate taxes (including all special benefit taxes and special assessments) levied and assessed against the Leased Premises.
<b>INSURANCE:</b>	Tenant shall carry special form coverage insurance covering the Building and other improvements on the Leased Premises to the extent of not less than 100% of the replacement value. Tenant shall also procure and continue in effect public liability insurance which shall cover liability and property damage for death or bodily injury in any one accident, mishap, or casualty in a combined single limit sum of not less than \$2,000,000.
<b>REPAIRS &amp; MAINTENANCE:</b>	Tenant shall maintain the Leased Premises and make all necessary repairs and replacements.
<b>ROFR:</b>	Yes, 45 days.

Actual Location











4TH AVENUE: 6,136 VPD

1ST STREET: 6,151 VPD





## SURROUNDING USES







## Tenant Overview

Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,560 drug stores in 50 states, the District of Columbia and Puerto Rico. Domestically, the company also operates approximately 500 worksite health and wellness centers and in-store convenient care clinics. Walgreens Boots Alliance Inc. reported revenues of \$131.5 billion (an 11.3% increase from 2017), EBITDA of \$8.68 billion, and net income of \$5.32 billion in fiscal year 2018. Walgreens provides consumer goods and services in addition to pharmacy and health and wellness services through drugstores, by mail, by telephone and online. In addition to prescription and non-prescription drugs, the company sells household products, convenience and fresh foods, personal care and beauty care items, photofinishing and candy products, home medical equipment, contact lenses, vitamins and supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services and operates Take Care Clinics to treat patients, write prescriptions and administer immunizations and other vaccines. Walgreens was founded in 1901 and is based in Deerfield, Illinois.

## WALGREENS BOOTS ALLIANCE

In 2014, Walgreens formed a global business by purchasing the remaining 55% of Switzerland-based Alliance Boots (Walgreens already owned 45% of Alliance Boots) for \$5.3B. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc. (NASDAQ: WBA, S&P: BBB), on December 31, 2014. The tenant under the lease is Walgreen Co., which is now a direct subsidiary of Walgreens Boots Alliance Inc.

## RITE AID ACQUISITIONS

On March 28, 2018, Walgreens Boots Alliance, Inc. completed its purchase of 1,932 stores, three distribution centers and related inventory from Rite Aid Corporation for \$4.375 billion in cash and other consideration. Following the transaction, Walgreens has nearly 10,000 locations which will facilitate the expansion and optimization of the company's pharmacy network in key markets in the U.S.

## Company Overview

TTM Revenue (2/28/2018):	\$124.0 Billion
Number of Locations:	8,100
Number of Employees:	385,000
Headquarters:	Deerfield, IL
Fortune 500:	#17







## Huntington, West Virginia MSA

Huntington is the largest city in the Huntington-Ashland, WV-KY-OH Metropolitan Statistical Area (Population: 356,474) and the second largest city in West Virginia. The city is situated on the southwestern border of West Virginia, along the Ohio-West Virginia state line. Due to its ideal location along the banks of the Ohio River, Huntington boasts a history rooted in transportation and is home to the largest inland port in the United States. In its early days, the port was filled with steam boats shipping lumber and coal to fuel the growth of the railroad extension to the west. This growth was made possible by the city's namesake and founder, Collis P. Huntington, an infamous railroad magnate. The city is also home to Marshall University, which is one of the town's largest employers and a major contributor to the heart and soul of the community. The downtown area—which is anchored by Pullman Square—is a draw for shopping, dining and entertainment. The streets are filled with residents strolling through downtown and taking advantage of the newly-created bike path. Huntington boasts a variety of festivals and special events which draw crowds to Pullman Square, the Big Sandy Superstore Arena and the historic Keith-Albee Performing Arts Center.





## Huntington, West Virginia (Continued)

### ECONOMY

Healthcare and retail trade anchor the local economy and are responsible for nearly a third of the total employment. The largest employers are King's Daughters Medical Center, Cabell Huntington Hospital, St. Mary's Medical Center and Marshall University. Toyota, Amazon, Wal-Mart, DirecTV and AT&T also have a large presence in the area and employ a combined 4,300 people. The city's retail is anchored by the Huntington Mall—the largest mall in West Virginia—and a healthy downtown shopping district which includes the boutiques along 3rd and 4th Avenues.

### MARSHALL UNIVERSITY

Founded in 1837, Marshall University is a historic public university located in downtown Huntington with additional campuses in South Charleston, Point Pleasant, Teays Valley and Beckley. Marshall is home to 13,543 students from around the world and consists of 9 undergraduate colleges (Lewis College of Business, College of Education and Professional Development, College of Arts and Media, College of Health Professions, Honors College, College of Information Technology and Engineering, College of Liberal Arts, College of Science and University College), three graduate colleges (the general Graduate College, School of Pharmacy and Joan C. Edwards School of Medicine) and a regional center for cancer research. In 2018, Marshall was named top 15 public schools in the "Regional Universities South" category by US News.



# Affiliated Business Disclosure & Confidentiality Agreement

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived. You hereby agree that the Owner of the Property is an intended third-party beneficiary of this Confidentiality Agreement and shall have the right to enforce

the provisions of this Confidentiality Agreement.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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