

*Walgreens*



REPRESENTATIVE PHOTO



WALGREENS | LONG TERM NET LEASED OFFERING

3990 E LUCAS DR, BEAUMONT, TX 77708

#### OFFERING MEMORANDUM

**JACOB ABUSHARKH** | MANAGING PRINCIPAL

T: 415.269.2474 E: [jacob@thekasegroup.com](mailto:jacob@thekasegroup.com) BRE#01385529

**KASE ABUSHARKH** | FOUNDING PRINCIPAL

T: 925.348.1844 E: [kase@thekasegroup.com](mailto:kase@thekasegroup.com) TX LICENSE#708586

# DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner (“Owner”) in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement

between it and Owner. The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner’s sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.

# TABLE OF CONTENTS



4 INVESTMENT OVERVIEW

5 FINANCIAL SUMMARY

6 TENANT OVERVIEW

7 LOCATION AERIAL

8 DEMOGRAPHICS

9 AREA OVERVIEW

JACOB ABUSHARKH | MANAGING PRINCIPAL  
T: 415.269.2474 E: jacob@thekasegroup.com BRE#01385529

KASE ABUSHARKH | FOUNDING PRINCIPAL  
T: 925.348.1844 E: kase@thekasegroup.com TX LICENSE#708586

# INVESTMENT OVERVIEW

This offering is for the 100% fee simple interest in the land and building. The property is leased to Walgreens under a long term net lease with 7 years remaining. The lease calls for minimal landlord obligations. The property benefits from its location on a highly trafficked thoroughfare in a thriving market. The asset is surrounded by national retailers including Walmart, The Home Depot and AutoZone. The asset also benefits from its location at a signalized hard corner with excellent visibility.

2015 reported sales totaled \$1,561,204

2016 reported sales totaled \$1,487,619.01

2017 reported sales totaled \$1,376,681 (Year of Hurricane Harvey)



## INVESTMENT HIGHLIGHTS

LONG TERM NET LEASED WALGREENS

MINIMAL LANDLORD OBLIGATIONS

S&P RATED BBB INVESTMENT GRADE CREDIT

CORPORATE GUARANTY - NASDAQ: WBA

100% FEE SIMPLE INTEREST

LOCATED IN A DENSE RETAIL CORRIDOR

## SUMMARY

PRICE \$2,982,273

CAP RATE 6.60%

NET OPERATING INCOME \$196,830

SQUARE-FOOTAGE 13,500

LOT SIZE 1.14 AC

ROOF TYPE/  
YEAR INSTALLED  
MODIFIED BITUMEN  
GRANULAR CAP SHEETS  
2008 (RE-ROOFED)



# FINANCIAL SUMMARY

## WALGREENS | LONG TERM NET LEASE

3990 E LUCAS DR, BEAUMONT, TX 77708  
FEE SIMPLE OWNERSHIP

### SUMMARY

TENANT NAME	WALGREENS
SQUARE FOOTAGE	13,500
LEASE ENDS	09/30/2024
ANNUAL RENT	\$196,830
OPTIONS	TEN, 5 YEAR
INCREASES	RENT IS FLAT

### PRICE

\$2,982,273

### CAP RATE

6.60%

# TENANT OVERVIEW

## WALGREENS

Walgreens is the #1 pharmacy in America by any measure. Traded on the New York Stock Exchange (NASDAQ: WBA), Walgreens operates 8,541 locations, including 8,116 drug stores in all 50 states, the District of Columbia and Puerto Rico. Walgreens is widely regarded as one of the safest, most secure single-tenant NNN leased investment properties because of its strong balance sheet and market capitalization. Walgreens maintains investment grade credit with a Standard & Poor's rating of BBB.

Over 4.7 million customers are served by Walgreens daily chain-wide and over 580 million prescription scripts are filled annually. Walgreens was founded in Chicago, Illinois, in 1901 and has since expanded throughout the United States. Its headquarters are located in Deerfield, Illinois, a suburb of Chicago. Its main competitors are CVS/pharmacy, Wal-Mart, Rite Aid as well as Target Corporation and Osco.

A typical Walgreens store is about 14,500 square feet with 11,000 square feet of sales area. They offer nearly 25,000 items for sale and typically staff between 25 and 30 people per store. On average, one store pulls in \$8.5 million in annual sales. Most stores include a pharmacy, photo lab, cosmetics counter, and a general merchandise area. Select stores in metropolitan Chicago, Florida, Atlanta, Kansas City, Nashville, Las Vegas, and St. Louis now include Walgreens TakeCare Health Clinics where certified (primarily nurse practitioners, and in some states, registered pharmacist) staff diagnose, treat, and prescribe for common illnesses and can also issue vaccinations and physicals in select locations. These clinics are open 7 days a week; including evenings and weekends with no appointments necessary and with acceptance of most major insurance plans. If a patient uses the TakeCare Clinic, their prescription is automatically processed through Walgreens' Intercom Plus Pharmacy System as a waiting prescription, so in most stores, the prescription is ready to be picked up in 15 to 20 minutes.



8,500+  
LOCATIONS



GLOBAL  
LOCATIONS



PUBLICLY  
TRADED



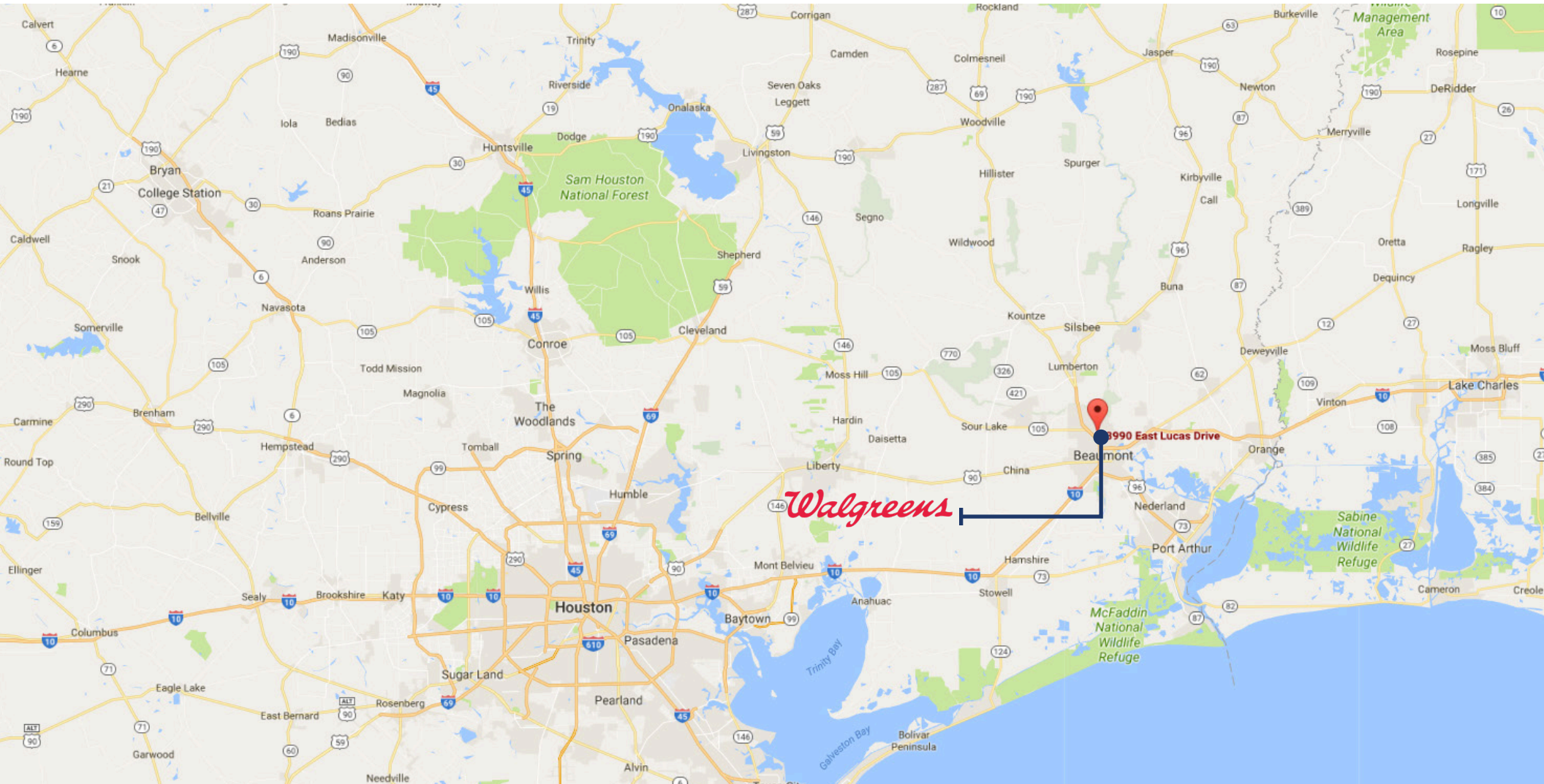
# LOCATION AERIAL





## DEMOGRAPHICS

TOTAL POPULATION	53,740	89,219	157,643
TOTAL HOUSEHOLDS	21,892	36,105	60,866
AVERAGE HOUSEHOLD INCOME	\$66,886	\$65,513	\$64,577
AVERAGE AGE	36.50	37.10	37.10





# AREA OVERVIEW

## BEAUMONT, TEXAS

Beaumont, Texas lies 90 miles east of Houston and sits within the Beaumont-Port Arthur MSA (Population: 408,419). The property is well located with excellent access and excellent visibility.

Beaumont is located in Jefferson County, Texas. Beaumont is just a one-hour drive east of Houston. Beaumont has transformed into one of the most major refinery hubs in the country. The city also has a strong healthcare sector.

Among the city's top employers are Cai, LP, Exxon Mobil, Christus St. Elizabeth Hospital, Baptists Hospital of Southeast Texas and Memorial Hermann Baptist Hospital.



### DEMOGRAPHICS

3 MILES

5 MILES

10 MILES

TOTAL HOUSEHOLDS

21,892

36,105

60,866

TOTAL POPULATION

53,740

89,219

157,643

PERSONS PER HOUSEHOLD

2.40

2.40

2.50

AVERAGE HOUSEHOLD INCOME

\$66,886

\$65,513

\$64,577

AVERAGE HOUSE VALUE

\$124,106

\$116,781

\$105,840

AVERAGE AGE

36.50

37.10

37.10

POPULATION WHITE

26,210

45,740

91,714

POPULATION BLACK

24,292

37,767

56,839

POPULATION AM. INDIAN & ALASKAN

481

833

1,448

POPULATION ASIAN

1,795

3,288

4,932

POPULATION HAWAIIAN & PACIFIC

41

59

130

POPULATION OTHER

922

1,533

2,579



## Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



### TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<b>TKG Net Lease Inc.</b>	<b>9006301</b>	<b>kevin@thekasegroup.com</b>	<b>512.636.9613</b>
Licensed Broker/Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<b>Kevin Cordova</b>	<b>485683</b>	<b>kevin@thekasegroup.com</b>	<b>512.636.9613</b>
Designated Broker of Firm	License No.	Email	Phone
<b>Kevin Cordova</b>	<b>485683</b>	<b>kevin@thekasegroup.com</b>	<b>512.636.9613</b>
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
<b>Kevin Cordova</b>	<b>485683</b>	<b>kevin@thekasegroup.com</b>	<b>512.636.9613</b>
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller and/or Initials

\_\_\_\_\_  
Date

Regulated by the Texas Real Estate Commission

Information available at [www.trec.texas.gov](http://www.trec.texas.gov)

IAB5 1-0



# Walgreens

BEAUMONT | TEXAS



**The Kase Group**

WWW.THEKASEGROUP.COM

OFFERING MEMORANDUM

WALGREENS | LONG TERM NET LEASED OFFERING

3990 E LUCAS DR, BEAUMONT, TX 77708

JACOB ABUSHARKH | MANAGING PRINCIPAL

T: 415.269.2474 E: jacob@thekasegroup.com BRE#01385529

KASE ABUSHARKH | FOUNDING PRINCIPAL

T: 925.348.1844 E: kase@thekasegroup.com TX LICENSE#708586