

Offering
Memorandum

Walgreens

606 Valley Street
Manchester, NH 03103

- ❖ *Single Tenant NNN Walgreens*
- ❖ *Early 10 – Year Base Term Extension*
- ❖ *(6) – Five Year Options*
- ❖ *Corporately Guaranteed Asset | S&P Credit Rating: BBB*
- ❖ *New Hampshire | Income Tax-Free State*
- ❖ *Rare Walgreens Rent Bump at First Option | 17% on January 1, 2029*



RICHARD DRINKWATER
RETAIL GROUP



Marcus & Millichap

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WALGREENS
Manchester, NH
ACT ID Z0560330

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Marcus & Millichap

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$3,950,000
Net Operating Income	\$246,000
Capitalization Rate	6.23%
Price / SF	\$293.35
Rent / SF	\$18.27
Lease Type	NNN
Gross Leasable Area (GLA)	13,465 SF
Year Built	2000
Lot Size	1.54 acre (s)

FINANCING

Down Payment	All Cash
Net Cash Flow	6.23% / \$246,000



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Coworx Staffing Services LLC	5,004
ElliotThe	3,400
Staff Hunters	3,000
Surge Resources Inc	2,000
ELLIOT HOSPITAL	1,937
Information Technology Svcs	1,900
Catholic Medical Center	1,506
Catholic Medical Centr Physcn	1,400
CitizensBank	1,311
Builders Insulation NH	1,237
Verizon	1,201
Ridgewood Center	1,066

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	29,757	99,597	135,553
2010 Census Pop	29,106	97,911	133,006
2017 Estimate HH	11,657	41,007	54,749
2010 Census HH	11,469	40,379	53,772
Median HH Income	\$43,962	\$55,362	\$61,200
Per Capita Income	\$22,264	\$29,394	\$32,737
Average HH Income	\$55,767	\$70,279	\$79,607

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale the Walgreens at 606 Valley Street in Manchester, New Hampshire. The property is located at the signalized intersection of Valley Street and Wilson Street and is located in the center of Manchester. There are over 10 years remaining on the triple net lease (NNN) which provides an investor with the opportunity to get into a strong corporately guaranteed single tenant net-leased investment with minimal landlord responsibility.

The property is leased to Walgreens with a parent corporation guaranty from Walgreens, Corp. The lease is triple net with the tenant responsible for taxes, insurance and maintenance and the landlord is responsible for repairing and/or replacing structural portions of the roof and structure. The base term of the lease was 20 years and the tenant extended an additional 10 years bringing the current term out to 2028 and providing an investor with over 10 years of term before the option periods begin. There is also a 17% rent increase at the first option in 2029.

Manchester, the most populous city in the State of New Hampshire, is strategically located approximately 18 miles south of the state's capital, Concord, and 18 miles North of the second largest city in the state, Nashua. It is split East and West by the Merrimack River and conveniently accessed by two North-South interstate highways 293 and 93.

The subject is located in the central part of the city and services the community on the Eastern side of the Merrimack River, which includes dense residential communities and Southern New Hampshire University (3,000+ students). Directly across the street from the property are offices for several City of Manchester departments including the Manchester Police Department, Water Works Department, Traffic Division, Trash Collection and the Highway Department. The subject is surrounded by national, regional and local retailers and businesses including Dollar Tree, Domino's, Rite Aid, CVS, Hannaford Supermarket, McDonald's and the Elliot Hospital – a 296 bed facility.



INVESTMENT HIGHLIGHTS

- Investment Grade Tenant | Standard & Poor's Credit Rating: BBB
- Corporately Guaranteed by Walgreens
- Located in Income Tax Free State of New Hampshire
- In Close Proximity to SNHU | 3,000+ Students Enrolled | 10 Minute Drive
- Located 1 Mile from Elliot Hospital | 296 Bed Facility
- Other Market Retailers | Family Dollar, Hannaford Supermarket, Market Basket, CVS, Rite Aid, McDonald's and Many Others
- 17% Rent Increase at First Option | January 1, 2029

CLOSE PROXIMITY TO:



Downtown



Hospital



Major Highway



Schools



CREDIT RATING: B1

www.fdreports.com | www.creditintell.com | May 31, 2018

General Information

Address	108 Wilmot Rd , Deerfield, Illinois, 60015, United States
Phone	(847) 315-2500
Website	www.walgreens.com

Key Personnel

Chairman & Chief Executive Officer	Stefano Pessina
Chairman	James A Skinner
Chief Financial Officer & Executive Vice President	James Kehoe
President & COO	Alex Gourlay

Store Base

Store Count	9,964
TTM Sales	\$128,244,000,000

Financial Markets

Stock Ticker	WBA
Current Price	\$69.99 as of 8/20/18
52 Week High/Low	\$83.89 / \$59.07

Whether you get your drugs from the pharmacist or the chemist, Walgreens Boots Alliance has you covered. The company, formed when US-based Walgreen Co. bought its European counterpart Alliance Boots, includes more than 13,200 retail pharmacies (or chemists in some parts of the world) in 11 countries, mostly the US and its territories and the UK, selling prescription and OTC drugs along with health and beauty products and general merchandise. The Alliance Boots part of the company also includes wholesale operations serving more than 230,000 pharmacies, hospitals, and clinics in up wards of 20 countries. Walgreens Alliance Boots was formed in 2014.

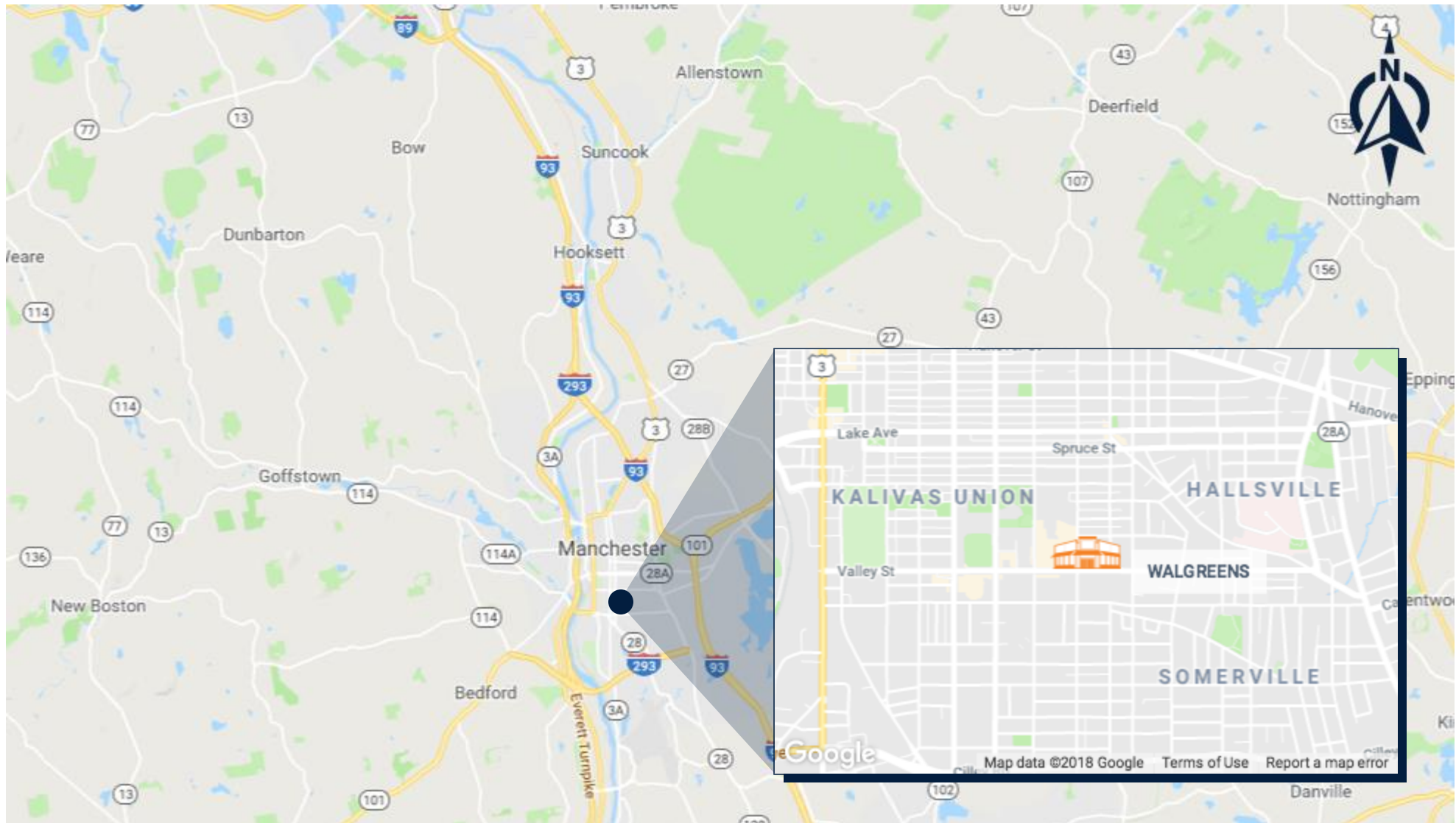
Fiscal Year Ended August 31, 2017

Credit Rating Chart Comparison Creditintell | F&Dreports

ⓘ Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

606 Valley St, Manchester, NH 03103





PROPERTY SUMMARY

THE OFFERING	
Property	Walgreens
Property Address	606 Valley Street Manchester, NH 03103
Price	\$3,950,000
Capitilaztion Rate	6.23%
Price/SF	\$293.35

PROPERTY DESCRIPTION	
Year Built / Renovated	2000
Gross Leasable Area	13,465
Lot Size	1.54
Type of Ownership	Fee Simple

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	Walgreens
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	December 19, 1998
Lease Expiration	December 31, 2028
Lease Term	30
Term Remaining on Lease (Years)	10.4
Rent Increases	First Option: 17% Increase
Renewal Options	(6) - Five Year Options
Landlord Responsibility	Roof and Structure
Tenant Responsibility	Taxes, Insurance and CAM

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$246,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$246,000	\$20,500	\$18.27	6.23%
opt 1: 1/1/2029 - 12/31/2033	\$298,008	\$24,834	\$22.13	7.54%
opt 2: 1/1/2034 - 12/31/2038	\$298,008	\$24,834	\$22.13	7.54%
opt 3: 1/1/2039 - 12/31/2043	\$298,008	\$24,834	\$22.13	7.54%
opt 4: 1/1/2044 - 12/31/2048	\$298,008	\$24,834	\$22.13	7.54%
opt 5: 1/1/2049 - 12/31/2053	\$298,008	\$24,834	\$22.13	7.54%
opt 6: 1/1/2054 - 12/31/2058	\$298,008	\$24,834	\$22.13	7.54%



Created on August 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	29,316	100,088	137,122
■ 2017 Estimate			
Total Population	29,757	99,597	135,553
■ 2010 Census			
Total Population	29,106	97,911	133,006
■ 2000 Census			
Total Population	29,547	96,989	129,658
■ Current Daytime Population			
2017 Estimate	29,130	125,261	174,065
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	11,748	41,966	56,312
■ 2017 Estimate			
Total Households	11,657	41,007	54,749
Average (Mean) Household Size	2.42	2.34	2.36
■ 2010 Census			
Total Households	11,469	40,379	53,772
■ 2000 Census			
Total Households	11,734	39,693	52,008
■ Occupied Units			
2022 Projection	11,748	41,966	56,312
2017 Estimate	12,727	43,720	58,066
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	3.64%	6.85%	9.36%
\$100,000 - \$149,000	8.88%	13.45%	15.21%
\$75,000 - \$99,999	13.24%	14.88%	15.36%
\$50,000 - \$74,999	18.29%	19.08%	18.77%
\$35,000 - \$49,999	15.63%	13.55%	13.05%
Under \$35,000	40.32%	32.19%	28.24%
Average Household Income	\$55,767	\$70,279	\$79,607
Median Household Income	\$43,962	\$55,362	\$61,200
Per Capita Income	\$22,264	\$29,394	\$32,737

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$56,719	\$65,761	\$70,105
■ Consumer Expenditure Top 10 Categories			
Housing	\$16,827	\$19,081	\$20,182
Shelter	\$10,432	\$11,798	\$12,464
Transportation	\$9,289	\$10,785	\$11,537
Food	\$5,614	\$6,361	\$6,747
Personal Insurance and Pensions	\$4,835	\$6,153	\$6,878
Utilities	\$3,314	\$3,691	\$3,885
Health Care	\$3,072	\$3,725	\$4,034
Entertainment	\$2,243	\$2,600	\$2,790
Education	\$1,540	\$1,911	\$2,109
Household Operations	\$1,366	\$1,592	\$1,693
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	29,757	99,597	135,553
Under 20	24.48%	23.12%	23.05%
20 to 34 Years	27.39%	24.77%	23.87%
35 to 39 Years	7.35%	6.67%	6.38%
40 to 49 Years	13.17%	12.54%	12.75%
50 to 64 Years	16.75%	19.25%	19.97%
Age 65+	10.84%	13.64%	13.98%
Median Age	33.91	36.48	37.33
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	20,013	69,130	93,668
Elementary (0-8)	7.44%	4.76%	4.06%
Some High School (9-11)	10.51%	7.86%	6.92%
High School Graduate (12)	36.08%	33.23%	31.44%
Some College (13-15)	18.49%	18.76%	18.78%
Associate Degree Only	7.51%	8.31%	8.67%
Bachelors Degree Only	12.32%	17.21%	18.55%
Graduate Degree	4.56%	8.20%	10.25%

Source: © 2017 Experian



Population

In 2017, the population in your selected geography is 29,757. The population has changed by 0.71% since 2000. It is estimated that the population in your area will be 29,316.00 five years from now, which represents a change of -1.48% from the current year. The current population is 51.59% male and 48.41% female. The median age of the population in your area is 33.91, compare this to the US average which is 37.83. The population density in your area is 9,451.41 people per square mile.



Households

There are currently 11,657 households in your selected geography. The number of households has changed by -0.66% since 2000. It is estimated that the number of households in your area will be 11,748 five years from now, which represents a change of 0.78% from the current year. The average household size in your area is 2.42 persons.



Income

In 2017, the median household income for your selected geography is \$43,962, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 28.99% since 2000. It is estimated that the median household income in your area will be \$48,750 five years from now, which represents a change of 10.89% from the current year.

The current year per capita income in your area is \$22,264, compare this to the US average, which is \$30,982. The current year average household income in your area is \$55,767, compare this to the US average which is \$81,217.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 76.12% White, 6.97% Black, 0.15% Native American and 4.53% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 18.32% of the current year population in your selected area. Compare this to the US average of 17.88%.



Housing

The median housing value in your area was \$215,521 in 2017, compare this to the US average of \$193,953. In 2000, there were 3,986 owner occupied housing units in your area and there were 7,748 renter occupied housing units in your area. The median rent at the time was \$527.



Employment

In 2017, there are 20,663 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 48.07% of employees are employed in white-collar occupations in this geography, and 51.18% are employed in blue-collar occupations. In 2017, unemployment in this area is 5.76%. In 2000, the average time traveled to work was 25.00 minutes.



RICHARD DRINKWATER
— RETAIL GROUP —

New Hampshire Broker of Record:

Jennifer Athas
License: NH 069504

PRESENTED BY

Laurie Ann (L.A.) Drinkwater, CCIM

First Vice President Investments
Director - National Retail Group
Boston Office
Tel: (617) 896-7230
Fax: (617) 896-7210
laurieann.drinkwater@marcusmillichap.com
Licenses: CT REB.0751880, MA 147511, RI B 16787

Seth J. Richard

First Vice President Investments
Director - National Retail Group
Manhattan Office
Tel: (212) 430-5164
Fax: (212) 430-5110
seth.richard@marcusmillichap.com
Licenses: CT RES- 0764595, NY 10401275108,
MA 149700

Joseph M. Durkin

Associate
Associate Member - National Retail Group
Boston Office
Tel: (617) 896-7233
Fax: (617) 8967210
joseph.durkin@marcusmillichap.com
Licenses: NY 10401304033, MA9558878