



Representative Photo

Walgreens

BRIDGETON, NJ
PHILADELPHIA, PA MSA

OFFERING MEMORANDUM

Marcus & Millichap



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EXECUTIVE SUMMARY

9 Landis Ave
Bridgeton, NJ 08302

ADDRESS

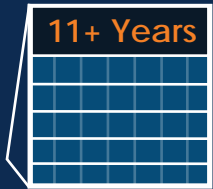


Bridgeton, NJ
Philadelphia, PA MSA

MARKET



CREDIT
RATING



TERM
REMAINING



LEASE TYPE

THE OFFERING

| | |
|------------------|----------------------|
| Price | \$5,851,852 |
| Cap Rate | 6.75% |
| Year Built | 2005 |
| Total GLA | 14,560 SF |
| Lot Size | 2.43 Acres |
| Lease Expiration | 6/30/2030 |
| Increases | None |
| Options | Ten; Five-Year Terms |
| Debt | Free and Clear |

ANNUALIZED OPERATING DATA

| | |
|-----------|-----------|
| Base Rent | \$395,000 |
|-----------|-----------|

INVESTMENT OVERVIEW

Marcus & Millichap, on behalf of ownership, is pleased to exclusively offer the fee simple interest in this Walgreen's (NYSE:WBA) located in Bridgeton, New Jersey, the seat of Cumberland County and a bedroom community of Philadelphia. The Tenant has approximately 11+ years remaining on the initial 25-year NNN lease with preferred ten, five-year option periods. The lease is guaranteed by Walgreen Corporation, now a subsidiary of Walgreens Boots Alliance Inc. after the company's merger in 2014. Walgreens Boots Alliance, Inc. is investment grade, rated "BBB" by Standard & Poor's.

The Property is well positioned at the intersection of Route 56 (Landis Avenue) and Route 77 in the middle of the town's retail node known as Carll's Corner. Walgreens operates in a 14,560-square-foot store with drive-thru upon a highly visible and highly accessible "island" pad with three means of access. The pad, an oversized 2.4-acres, provides excellent redevelopment potential long-term and is larger than most drug store parcels. This location benefits from strong local traffic, nearly 23,000 vehicles per day, as in addition to retail density Route 56 serves as a connector between Bridgeton and Vineland. This region is an easy one hour commute to Center City Philadelphia, Cherry Hill/Marlton which are centers of employment. Walgreens is positioned on the opposing corner from Upper Deerfield Plaza, 110,728 square-feet anchored by Aldi and Dollar Tree, and Carll's Corner, 129,582 square-feet anchored by a strong performing Peebles and Rite Aid. The Property is also immediately across Route 77 from Wawa, a preferred pharmacy co-tenant, and proximate to ShopRite and Walmart Supercenter.

Located 40 miles southeast of Philadelphia, Bridgeton is a dense submarket that serves as the seat of Cumberland County. Presently, there are 24,545 and 44,574 people within three and five miles of the Property, both which have increased by 10 percent since 2000. Bridgeton is a diverse community that combines small town charm and low cost of living with easy accessibility to Philadelphia, New York and Baltimore, as well as the beach towns along the New Jersey shore.



INVESTMENT HIGHLIGHTS

- 11+ Years Remain on NNN Lease
- "BBB" Rated Investment Grade Retailer
- Oversized 2.4 Acre Pad across from a busy Wawa location
- Philadelphia MSA; county seat location



TENANT INFORMATION

Walgreen Co. (NYSE: WBA) is the largest drug retailing chain in the United States, operating more than 12,800 drugstores. In addition to its drugstores, Walgreens also operates worksite health centers, home care facilities and specialty and mail service pharmacies. Its Take Care Health Systems subsidiary is the largest and most comprehensive provider of worksite health and wellness centers and convenient care clinics, with more than 700 locations throughout the country. Founded in 1901, Walgreens employs more than 200,000 people and is headquartered in Deerfield, Ill.

An aerial photograph of a Walgreens store. The building is a large, single-story structure with a flat roof covered in solar panels. A parking lot with several cars is visible in front of the building. The surrounding area includes trees and other commercial buildings.

Walgreens

STOCK SYMBOL

WBA

CREDIT RATING

BBB

TENANT TRADE NAME

Walgreens

OWNERSHIP

Public

NO. OF LOCATIONS

8,175

HEADQUARTERS

Deerfield, IL

REGIONAL MAP

22K^{MPD}

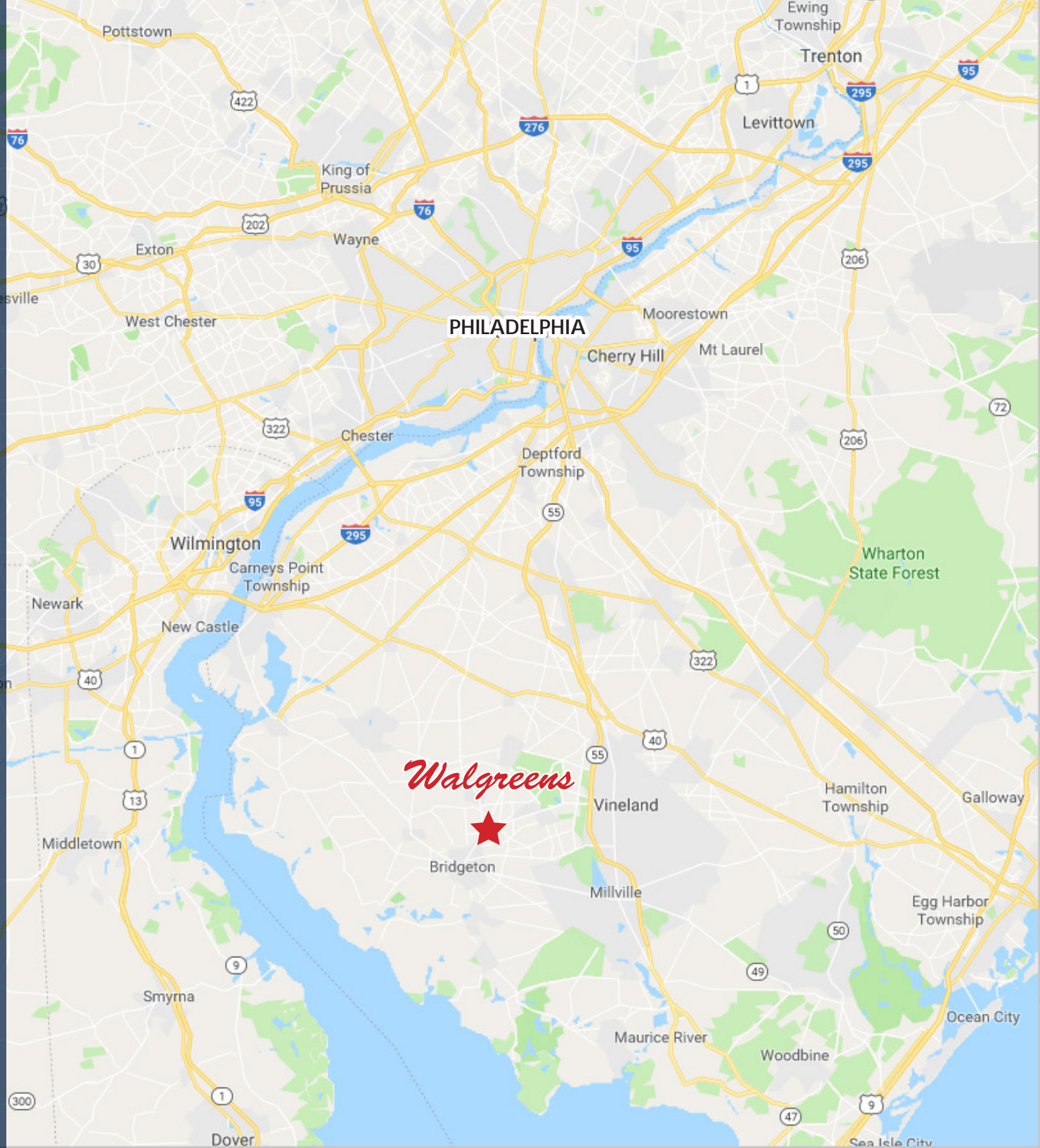
An average of 22,949
vehicles per day drive by
N Pearl Street and Landis
Avenue

:50

Less than 50 minutes to
downtown Philadelphia, PA

5

PROPERTY DESCRIPTION







DOLLAR
GENERAL

BURGER
KING

ShopRite

Little Caesars
pizzapizza!

MCDONALD'S

MONRO
MUFFLER/BRAKE
& Service

verizon
wireless

FAMILY DOLLAR

SALLY
BEAUTY

Peebles
Great Fashions. Great Prices. Every Day!

Carll's Corner
Shopping Center

RITE
AID

S BURLINGTON RD

14,250 VPD

PEARL ST

CORNWELL DR

Wawa

Walgreens

LANDIS AVE

8,699 VPD



S BURLINGTON RD

Walgreens

Walgreens
DRIVE-THRU PHARMACY

DOLLAR
GENERAL

BURGER
KING

MONRO
MUFFLER/BRAKE
& Service

MCDONALD'S

Little Caesars
pizzapizza

RITE
AID

14,250 VPD

PEARL ST

8,699 VPD

LANDIS AVE

DEMOGRAPHIC HIGHLIGHTS



5-MILE POPULATION

44,574



5-MILE AVERAGE HOUSEHOLD INCOME

\$60,916



5-MILE ESTIMATED HOUSEHOLDS

13,232

LEASE ABSTRACT

| | |
|--|---|
| Guarantor | Walgreen Co. |
| Notification Period for Tenant to Exercise Options | 9 Months |
| Tenant's Obligations | Tenant shall maintain the Leased Premises. |
| Percentage Rent | If a sum equal to 2.0% of the Gross Sales, as hereinbelow defined, except Gross Sales from the sale of food items, if any, and prescription items, if any, plus 0.5% of such Gross Sales of food items, if any, and prescription items (excluding prescription items sold pursuant to Third Party Prescription Plans as defined below), if any, in excess the total fixed annual rent of \$395,000. |
| Sales Reported | Annually |
| Assignment & Subletting | Tenant may sublet a portion of the Leased Premises, to any person, firm, corporation or without Landlord's consent. In such case, the Gross Sales of such subtenant (but not the subrentals paid by such subtenant) shall be included in the Gross Sales of Tenant. In the event of any subletting, Tenant shall pay to Landlord the fixed and percentage rent, if any, as and if the same become due and payable pursuant to this Lease. |
| First Rights of First Opportunity | In the event that Landlord elects to voluntarily sell the Leased Premises at any time and from time to time on or after the date hereof and during the Initial Term and Term of this Lease or any extensions thereof, Landlord shall first notify Tenant in writing of its intent to sell, setting forth the specific terms and conditions upon which Landlord will offer the Leased Premises for sale. Tenant shall have the first right to meet such terms of sale which option shall be for a period of ten (10) working days. |

DEMOGRAPHIC SUMMARY

| POPULATION | 1 MILE | 3 MILES | 5 MILES |
|----------------------------|--------|---------|---------|
| 2021 Projection | 1,279 | 24,697 | 44,734 |
| 2017 Estimate | 1,256 | 24,545 | 44,574 |
| 2010 Census | 1,251 | 24,218 | 44,190 |
| 2000 Census | 1,193 | 22,613 | 41,627 |
| Current Daytime Population | 986 | 23,467 | 37,407 |

| POPULATION PROFILE | 1 MILE | 3 MILES | 5 MILES |
|--|--------|---------|---------|
| <u>Population By Age</u> | | | |
| 2017 Estimate Total Population | 1,256 | 24,545 | 44,574 |
| Under 20 | 20.92% | 29.63% | 27.64% |
| 20 to 34 Years | 15.96% | 24.67% | 23.93% |
| 35 to 39 Years | 5.41% | 6.79% | 6.99% |
| 40 to 49 Years | 12.19% | 11.66% | 12.70% |
| 50 to 64 Years | 22.53% | 15.28% | 16.40% |
| Age 65+ | 22.98% | 11.97% | 12.37% |
| Median Age | 46.64 | 32.31 | 33.99 |
| <u>Population 25+ by Education Level</u> | | | |
| 2017 Estimate Population Age 25+ | 931 | 15,429 | 29,043 |
| Elementary (0-8) | 5.05% | 12.69% | 9.88% |
| Some High School (9-11) | 7.16% | 14.00% | 13.75% |
| High School Graduate (12) | 40.23% | 37.82% | 40.08% |
| Some College (13-15) | 18.91% | 14.49% | 15.39% |
| Associate Degree Only | 10.57% | 5.18% | 5.78% |
| Bachelors Degree Only | 12.00% | 8.35% | 8.62% |
| Graduate Degree | 4.78% | 3.99% | 3.38% |

| HOUSEHOLDS | 1 MILE | 3 MILES | 5 MILES |
|-----------------|--------|---------|---------|
| 2021 Projection | 530 | 7,800 | 13,387 |
| 2017 Estimate | 511 | 7,704 | 13,232 |
| 2010 Census | 508 | 7,590 | 13,069 |
| 2000 Census | 464 | 7,376 | 12,706 |

| INCOME | 1 MILE | 3 MILES | 5 MILES |
|----------------------------|----------|----------|----------|
| <u>2017 Housing Income</u> | | | |
| \$150,000 or More | 6.04% | 5.23% | 5.29% |
| \$100,000 - \$149,000 | 18.37% | 11.01% | 11.46% |
| \$75,000 - \$99,999 | 10.92% | 9.44% | 10.48% |
| \$50,000 - \$74,999 | 21.38% | 17.21% | 18.16% |
| \$35,000 - \$49,999 | 14.41% | 13.28% | 13.07% |
| Under \$35,000 | 28.88% | 43.83% | 41.55% |
| Average Household Income | \$71,295 | \$60,053 | \$60,916 |
| Median Household Income | \$55,947 | \$41,657 | \$44,391 |
| Per Capita Income | \$28,997 | \$20,612 | \$19,520 |

DEMOGRAPHIC SUMMARY

Geography: 5 Miles



Population

In 2017, the population is 44,574. The population has changed by 7.08% since 2000. It is estimated that the population will be 44,734 five years from now, which represents a change of 0.36% from the current year. The current population is 53.40% male and 46.60% female. The median age of the population is 33.99, compared to the US average which is 37.83. The population density is 566.76 people per square mile.



Households

There are currently 13,232 households in your selected geography. The number of households has changed by 4.14% since 2000. It is estimated that the number of households will be 13,387 five years from now, which represents a change of 1.17% from the current year. The average household size is 2.97 persons.



Income

In 2017, the median household income is \$44,391, compared to the US average which is currently \$56,286. The median household income has changed by 24.17% since 2000. It is estimated that the median household income will be \$52,629 five years from now, which represents a change of 18.56% from the current year.

The current year per capita income is \$19,520, compared to the US average, which is \$30,982. The current year average household income is \$60,916, compared to the US average which is \$81,217.



Race and Ethnicity

The current year racial makeup is as follows: 46.17% White, 27.75% Black, 0.04% Native American and 1.04% 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 and make up 32.91% of the current year population. Compare this to the US average of 17.88%.



Housing

The median housing value was \$162,974 in 2017, compared to the US average of \$193,953. In 2000, there were 8,258 owner occupied housing units and there were 4,448 renter occupied housing units. The median rent at the time was \$519 per month.



Employment

In 2017, there are 13,303 employees, this is also known as the daytime population. The 2000 Census revealed that 47.20% of employees are employed in white-collar occupations, and 53.08% are employed in blue-collar occupations. In 2017, unemployment is 9.24%. In 2000, the average time traveled to work was 28 minutes.

MARKET OVERVIEW

PHILADELPHIA OVERVIEW

The Philadelphia metro encompasses 11 counties in four states: Philadelphia, Delaware, Bucks, Chester and Montgomery in Pennsylvania; Gloucester, Burlington, Camden and Salem counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland. The Delaware River bisects the metropolis from northeast to southwest and serves as the border between Pennsylvania and New Jersey. The Schuylkill River passes through the heart of Philadelphia, separating West Philadelphia from Center City. The Philadelphia metro contains approximately 6.1 million residents. Although the metro has more than 360 municipalities, few have more than 25,000 citizens. Philadelphia is the largest city with approximately 1.6 million residents.

METRO HIGHLIGHTS



HIGHLY EDUCATED WORKFORCE

Philadelphia has one of the highest concentrations of institutions of higher learning in the nation, including the University of Pennsylvania, Temple University and Drexel University.



EXPANDING HEALTH-SCIENCES SECTOR

The metro is a significant pharmaceutical, medical and biosciences center. Major companies include Merck, GlaxoSmithKline and Johnson & Johnson.



TRANSPORTATION NETWORK

Interstate 95 connects Philadelphia to both New York City and Washington, D.C., and Interstate 76 links the region to Pittsburgh and Cleveland.



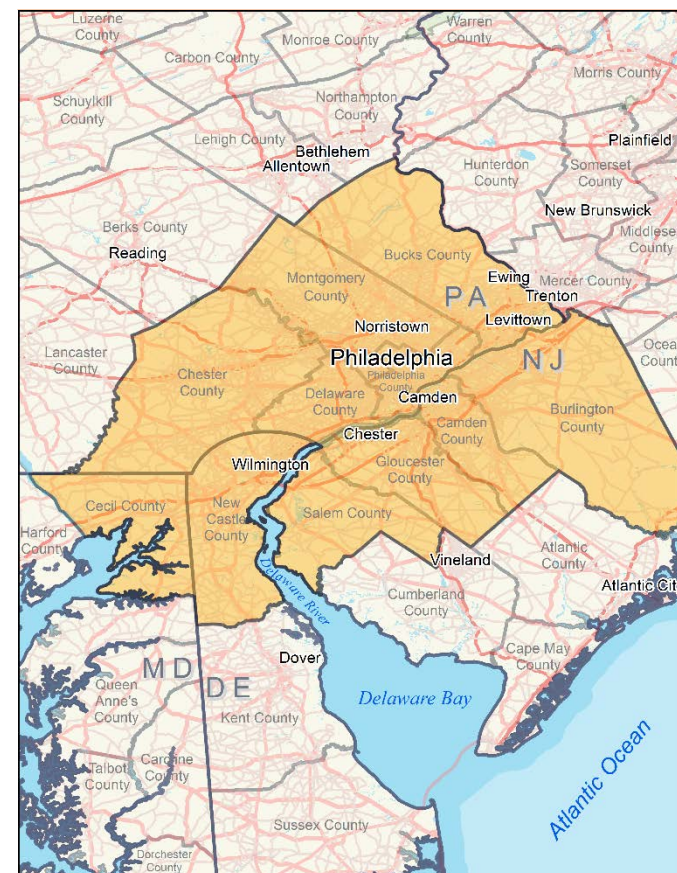
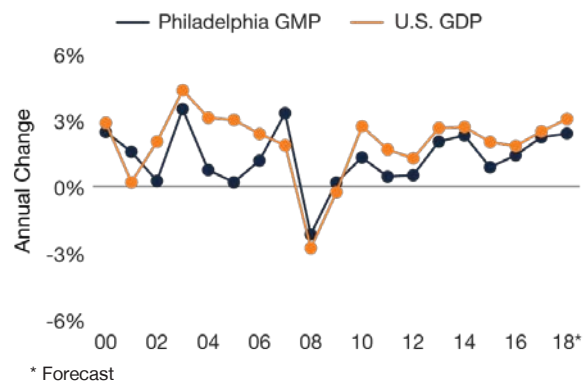
ECONOMY

- Drivers of the region's economy include pharmaceuticals, biotechnology, financial services, education, transportation logistics, advanced manufacturing and telecommunications.
- The Philadelphia area is home to 14 Fortune 500 companies that operate across a broad spectrum of industries including AmerisourceBergen, Comcast, DuPont and Aramark.
- Philadelphia is headquarters of the Federal Reserve's Third District, which, along with the U.S. Mint, the Philadelphia Stock Exchange and companies such as Lincoln Financial Group and Vanguard, helps shape a formidable financial sector.

MAJOR AREA EMPLOYERS

| |
|----------------------------|
| University of Pennsylvania |
| Jefferson Health System |
| Merck & Co. |
| Drexel University |
| Main Line Health |
| UPS |
| Comcast |
| Bank of America Corp. |
| Catholic Health East |
| Aramark |

Economic Growth



SHARE OF 2017 TOTAL EMPLOYMENT





DEMOGRAPHICS

- The metro is expected to add nearly 124,000 people over the next five years, which will result in the formation of nearly 72,000 households.
- A median home price below the U.S. level has afforded 67 percent of households to own their homes, compared with 64 percent for the nation.
- Roughly 34 percent of people age 25 and older hold a bachelor's degree; among those residents, 14 percent also have earned a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

Philadelphia offers its residents an attractive package of economic, educational, cultural and recreational advantages. Its transformation from a manufacturing-based economy to one more reliant on information will continue to provide greater economic opportunities. In addition, the cost of living in Philadelphia is much less than in other major East Coast markets. Philadelphia provides both visitors and locals with a wide array of destinations. Art and science museums are plentiful, and the restaurant and nightclub scene is alive in the Center City area. The metro houses major professional sports teams, including the Eagles (NFL), 76ers (NBA), Phillies (MLB), Flyers (NHL) and Union (MLS) in addition to numerous golf courses, bike paths and water-related activities.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



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