

*Walgreens*



REPRESENTATIVE PHOTO



**WALGREENS** | NET LEASED OFFERING

2737 E MCKELLIPS RD MESA, AZ 85213

OFFERING MEMORANDUM presented in conjunction with:

**SAR**Enterprises

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# INVESTMENT OVERVIEW

The subject property is a 13,903 square foot, single tenant Walgreens property in Mesa, Arizona. The property was built in 1996 and leased to Walgreens on a 20 year term that has been extended by an additional 15 years (of which over 12 years remain). The property is an out-parcel to the Lindsay Groves Shopping Center, anchored by a Walmart Neighborhood Market. The landlord responsible for roof and structure, including the building paint--the building was recently painted in 2016.]



## INVESTMENT HIGHLIGHTS

NET LEASED OFFERING

S&P RATED BBB INVESTMENT GRADE CREDIT

CORPORATE GUARANTY - NASDAQ: WBA

100% FEE SIMPLE INTEREST

OVER 26,000 VPD ON MCKELLIPS RD.

LANDLORD RESPONSIBLE FOR ROOF AND STRUCTURE INCLUDING THE BUILDING PAINT (RECENTLY PAINTED IN 2016).

## OFFERING SPECIFICATIONS

PRICE \$3,241,000

CAP RATE 5.75%

NET OPERATING INCOME \$186,390

SQUARE-FOOTAGE 13,903

LOT SIZE 1.937 AC

YEAR BUILT 1996



# FINANCIAL SUMMARY

## WALGREENS | NET LEASED OFFERING

2737 E MCKELLIPS RD MESA, AZ 85213

\$3,241,000  
5.75% CAP  
FEE SIMPLE OWNERSHIP

### SUMMARY

TENANT NAME	WALGREENS
SQUARE FOOTAGE	13,903
LEASE BEGINS	9/27/1996
LEASE ENDS	9/30/2031
ANNUAL RENT	\$186,390
OPTIONS	EIGHT, 5 YEAR
INCREASES	RENT IS FLAT

### OPERATING SUMMARY

	NET OPERATING INCOME	CAP RATE
ANNUAL RENT	\$186,390	5.75%

# 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



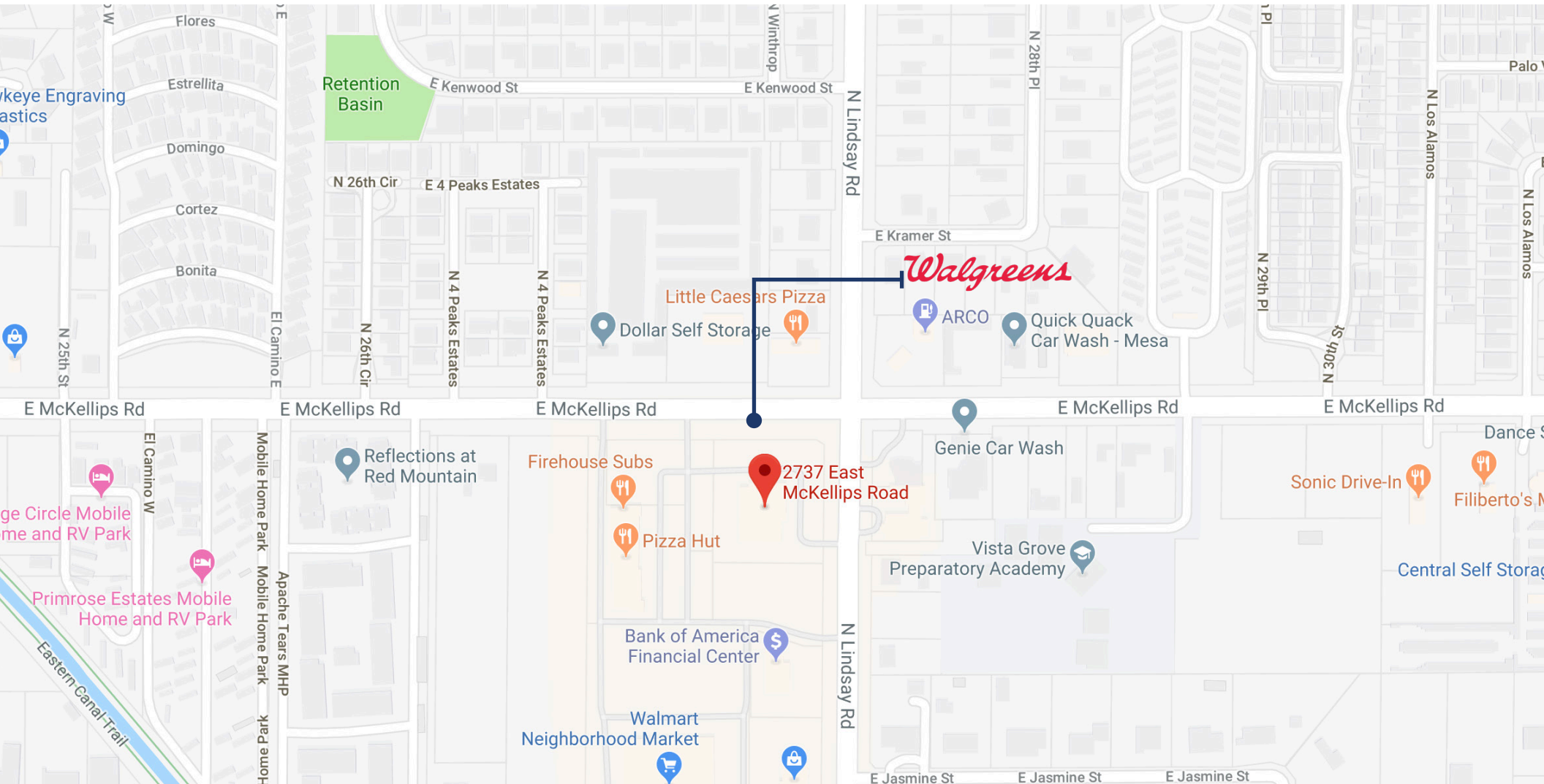
# LOCATION AERIAL





## DEMOGRAPHICS

	1 MILES	3 MILES	5 MILES
TOTAL POPULATION	12,891	88,140	260,702
TOTAL HOUSEHOLDS	4,093	31,953	97,675
AVERAGE HOUSEHOLD INCOME	\$113,133	\$80,287	\$67,320
AVERAGE AGE	37.50	38.90	39.20





# AREA OVERVIEW

## MESA, ARIZONA

Mesa is a city in Maricopa County, in the state of Arizona. It is a suburb located about 20 miles east of Phoenix. Mesa is the central city of the East Valley section of the Phoenix Metropolitan Area. It is bordered by Tempe on the west, the Salt River Pima-Maricopa Indian Community on the north, Chandler and Gilbert on the south along with Queen Creek, and Apache Junction on the east.

Mesa is the third-largest city in Arizona, after Phoenix and Tucson, and the 36th-largest city in the US. The city is home to 439,041 people as of 2010 according to the Census Bureau. Mesa is home to numerous higher education facilities including the Polytechnic campus of Arizona State University.



### DEMOGRAPHICS

#### 1 MILES

#### 3 MILES

#### 5 MILES

#### TOTAL HOUSEHOLDS

4,093

31,953

97,675

#### TOTAL POPULATION

12,891

88,140

260,702

#### PERSONS PER HOUSEHOLD

3.10

2.70

2.60

#### AVERAGE HOUSEHOLD INCOME

\$113,133

\$80,287

\$67,320

#### AVERAGE HOUSE VALUE

\$324,743

\$235,325

\$191,069

#### AVERAGE AGE

37.50

38.90

39.20

#### WHITE

11,745

78,188

228,260

#### BLACK

247

2,870

9,696

#### AM. INDIAN & ALASKAN

178

2,831

10,448

#### ASIAN

412

1,621

4,293

#### HAWAIIAN & PACIFIC ISLAND

42

348

1,163

#### OTHER

268

2,281

6,842

# Walgreens

MESA | ARIZONA



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