

Walgreens

Actual Site



Marcus & Millichap

OFFERING MEMORANDUM

1340 DEKALB AVE | SYCAMORE, ILLINOIS 60178

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WALGREENS

Sycamore, Illinois

ACT: Y0150659

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present a Fee Simple Walgreens located in Sycamore, Illinois. The Subject Property consists of approximately 1.80-acres of land and a free-standing retail building measuring approximately 15,120-square feet. The Property features a drive-thru window and ample on-site parking, representing a parking ratio of 5.62/1,000. Built in 2000, the prototype building is currently leased to Walgreens who has occupied the property for over eighteen years. Walgreens is currently operating under a double-net lease and they recently extended their lease in 2016 resulting in over eleven years of remaining lease term. In addition to Base Rent, Walgreens is responsible for paying Taxes, CAM, and Insurance directly. Landlord is responsible for the Replacement of Roof and Structure. The Property underwent parking lot improvements in 2016 of approximately \$117,000.

The Property is situated at the signalized intersection of Dekalb Avenue & South Peace Road, which is approximately 67 miles from Chicago. The Property receives great visibility from its pylon and its adjacent location to Blains Farm & Fleet and a Country Inn Hotel. The Property is easily accessible through its four points of ingress/egress and its close proximity of 4 miles from Dekalb Taylor Municipal Airport.

The Property is also located less than 2 miles from Northwestern Medicine Hospital, equipped with 98 acute-care beds. A new investor has the opportunity to acquire an investment grade credit tenant (BBB-) operating on an triple-net lease basis with over eleven years remaining on its original lease term. Given Walgreens long-term tenancy, well-located asset within the immediate area, below market rent, and above average store sales an investor can feel confident in acquiring a net-asset with long-term predictable income.



WALGREENS

1340 DEKALB AVENUE | SYCAMORE, ILLINOIS 60178

OFFERING PRICE

\$3,231,000

CAP RATE

6.50%

VITAL DATA

Price	\$3,231,000
Net Operating Income	\$210,000
Capitalization Rate - Current	6.50%
Price Per Square Foot	\$213.69
Rent Per Square Foot	\$13.89
Lease Structure	Double-Net
Gross Leasable Area	15,120 SF
Year Built Renovated	2000
Lot Size	1.80 Acres

PROPERTY DETAILS



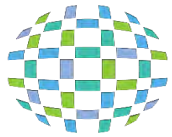
THE OFFERING	
Property	Walgreens
Property Address	1340 Dekalb Avenue Sycamore, Illinois 60178
Price	\$3,231,000
Capitalization Rate	6.50%
Price/SF	\$213.69
PROPERTY DESCRIPTION	
Year Built / Renovated	2000
Gross Leasable Area	15,120 SF
Zoning	Commerical
Type of Ownership	Fee Simple
Lot Size	1.80 Acres
Parking Spots Parking Ratio	85 Stalls 5.62/1,000
Parking	Asphalt

LEASE SUMMARY				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$210,000	\$17,500	\$13.89	6.50%
Options 1 through 8	\$210,000	\$17,500	\$13.89	6.50%

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	Walgreens Co.
Rent Increases	None
Guarantor	Corporate Guarantee
Lease Structure	Double-Net
Lease Commencement	8/19/2000
Lease Expiration	8/31/2030
Lease Term	30 Years
Remaining Lease Term - As of Mar-2019	11.4 Years
Renewal Options	Eight, Five Year Options
Landlord Responsibility	Replacement of Roof & Structure
Tenant Responsibility	Maintenance of entire property
Right of First Refusal/Offer	Yes, Tenant up to 5 business days to respond to Bona Fide Offer

FINANCING	
Loan Amount	\$2,387,000
Loan Type	New Loan
Loan to Value	70.00%
Down Payment	30% \$1,023,000
Interest Rate	4.70% Fixed
Loan Term / Amortization	10 Years 25 Years
Annual Debt Service	\$162,482
Net Cash Flow After Debt Service	\$47,518

TENANT OVERVIEW



Walgreens Boots Alliance

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 nearly 13,000 retail pharmacies (or chemists in some parts of the world) in 10 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 200,000 pharmacies, hospitals, and clinics in a nearly 20 countries. Walgreens Alliance Boots was formed in 2014; it's buying US pharmacy chain Rite Aid.

On January 11, 2016, Walgreens and Advocate Health Care announced Advocate will own and operate 56 Healthcare Clinics at Walgreens stores across the greater Chicagoland area. Since then, the retail clinics have functioned as part of Advocate and have strengthened care coordination for patients, while also furthering overall convenience and access. The clinics, were branded as Advocate Clinic at Walgreens under Advocate as of May 2016.

WALGREENS

ANNUAL RENT:
\$343,999.92

TENANT:
WALGREEN CO.

PARENT COMPANY:
WALGREENS BOOTS ALLIANCE

S&P CREDIT RATING:
BBB / STABLE

STOCK SYMBOL:
WBA (NASDAQ)

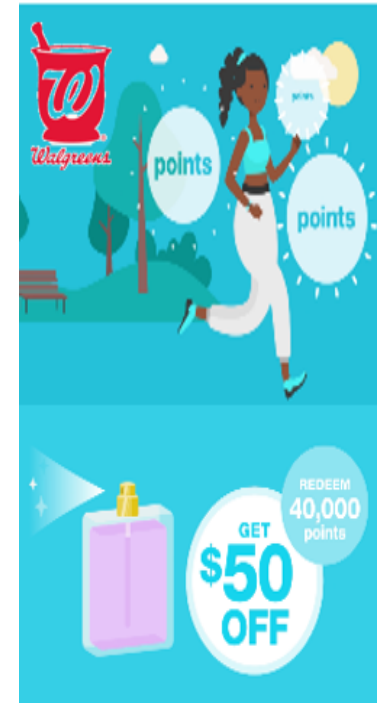
FYE 2017 REVENUE:
\$118.21 BILLION

FYE 2017 NET EARNINGS:
\$4.1 BILLION

MARKET CAP (AUGUST 2018):
\$66.31 BILLION

WORLDWIDE LOCATIONS:
12,822 STORES

WEBSITE:
WWW.WALGREENS.COM



INVESTMENT HIGHLIGHTS

- 24-Hour Walgreens With Above Average Store Sales
Most Recent Sales Reported Nearly \$5 Million
- Recent Lease Extension Showing Their Commitment to Location
Eleven Plus Years Remaining of Lease Term
- Below Average Rent of About Fourteen Dollars Per Square Foot
Ability to Potentially Reset Rent to Market Value Overtime
- Located Two Miles From Northwestern Medicine Hospital
Equipped with 98 Acute-Care Beds
- Located at Signalized Intersection and 67 Miles From Chicago
Easily Accessible Through its Four Points of Ingress & Egress
- Investment Grade Credit | S&P Rating BBB-
Second Largest Drugstore in the United States



Heavily Traveled



Highly Visible



Multiple Access Points



Walgreen

24HR



67 Miles From Chicago

Chicago





Sycamore
High
School

ROSATT'S
PIZZA

First
Midwest
Bank

TACO
BELL

Dekalb Avenue

BURGER
KING

JIMMY
JOHN'S

bp

Dekalb Avenue

Walgreens
Blain's
FARM & FLEET
CAREER CONNECTION

Culver's

SHELL

Ford

South Peace Road

COUNTRY
SUITES
BY CARLSON

QUALITY
INN & SUITES

McDonald's

KFC

South Prairie
Elementary
School

NEIGHBORHOOD OVERVIEW -



Sycamore is a city in DeKalb County, Illinois. It has a commercial district based and centered on Illinois Route 64. The population was 17,519 at the 2010 census, up from 12,020 in 2000. Sycamore is the county seat of DeKalb County and was named after the sycamore tree.

Brief History

The first European settlers to the Sycamore-area arrived in 1835 and concentrated themselves mostly north of the Kishwaukee River and the present site of Sycamore. The original town was platted by a New Yorker named Christian Sharer. A mill was constructed and the Kishwaukee dammed but the town failed. By 1837, after some controversy, the location of county seat was settled in favor of Orange, Sycamore's original name, and the settlement moved to the present-day site of the city.

The present-day town site was platted by James Waterman and Evans Wharry in 1837 (the same year Chicago was founded). The first settler at the new site was Carlos Lattin, who preceded the town, having arrived in 1835. Lattin staked a claim that included most of the present west side of the city and erected his first cabin just north of downtown Sycamore.

Downtown Sycamore embodies the Sycamore Community and its identity. As the heart of the City, the historic center serves as home to the DeKalb County seat offering a collection of locally-owned shops and restaurants woven into a network of intimate tree-lined streets. High quality streetscapes enhance the traditional street grid by introducing on-street parking and wide, commercially-oriented sidewalks with a variety of traditional street features. These elements combine to establish an active pedestrian environment possessing the quaint nature of a traditional small town and reinforcing the identity and charm of the community.

Real Estate Market and Economic Development Resident and stakeholder input indicated a strong desire to preserve home-grown businesses while attracting other small scale retailers. While the City already conducts a successful façade grant program to promote downtown façade improvements, the City will investigate programs that supply funding to incentivize commercial business to locate in downtown Sycamore.

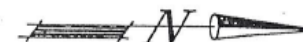


WALGREENS SITE PLAN

PEACE ROAD (Previously Dedicated)
(TRAFFIC VOLUME = 5,000)

Walgreens

PEACE RD. & RT. 23
SYCAMORE, IL



SCALE 1" = 60'

PAVING LEGEND	
	CONCRETE
	18.12 CURB
	6\"/>

EXISTING DETENTION POND
DETENTION VOLUME FOR
PROPOSED WALGREENS SITE
WAS PROVIDED WITH
FARM & FLEET DEVELOPMENT

EXISTING DETENTION POND
HIGH WATER ELEV. = 886.0

PROPOSED 1 STORY BUILDING
AREA: 15,120 SQ. FT.
TOTAL PARKING: 83 CARS

F/F = 871.00

LOT 102
LOT AREA = 1.80 ACRES

EXISTING 18.12\"/>

PROPOSED CENTERLINE
(TYPICAL)

S.B.I. ROUTE 23

DEKALB AVE.
(TRAFFIC VOLUME = 25,500)
(Previously Dedicated)

REMOVE EXISTING PAVEMENT
MARKINGS WITHIN PROPOSED
DRIVEWAY AND STRIP AREA
BETWEEN DRIVEWAY AND NEXT
FULL PARKING STRIP WITH 4\"/>

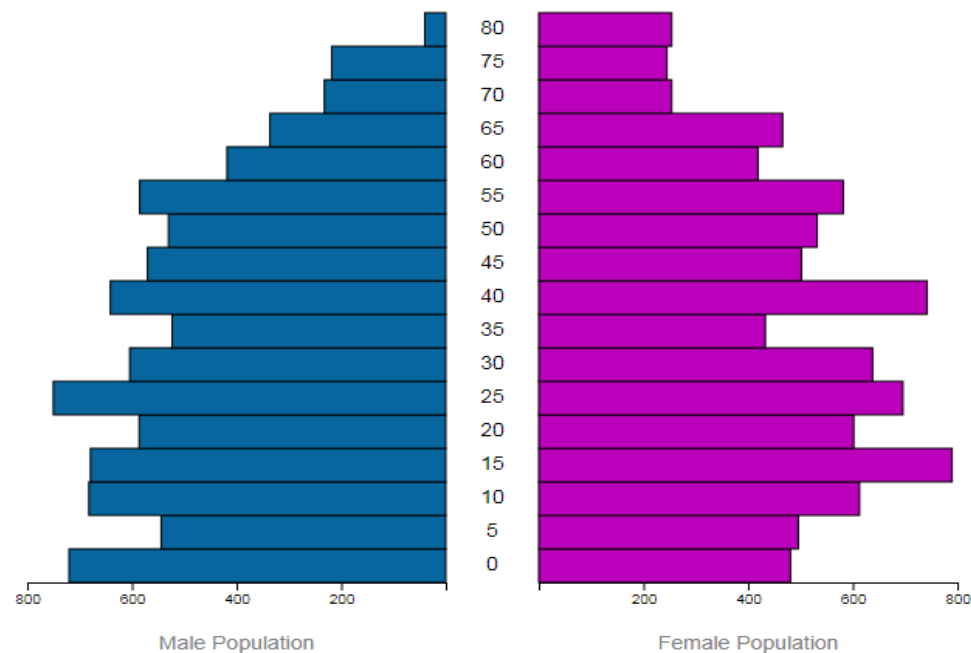
Topography Provided by:
William E. Hanna Surveyors
508 Pine Street
DeKalb, Illinois 60115
(815) 756-2189
Fax 748-2532
hannasurv@aol.com
JOB NO. WES 70398



CIVIL ENGINEERING SERVICES
700 W. LOCUST ST., BELVIDERE, IL 61008
(815)-547-8435 FAX: (815)-544-0421

EXHIBIT "A"

Sycamore II Population Pyramid 2019



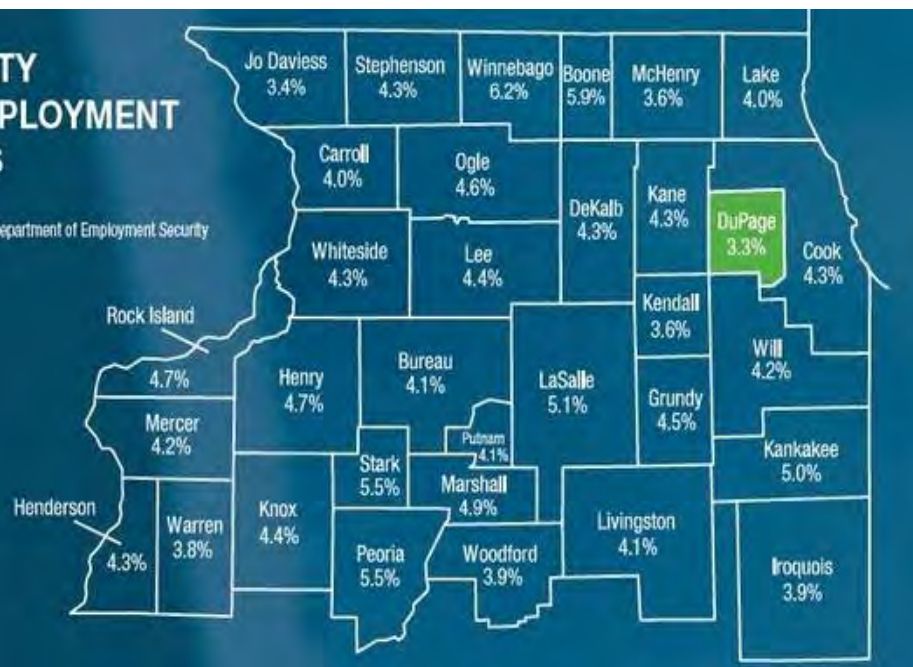
MAJOR EMPLOYERS IN 5-MILE RADIUS

EMPLOYER	# OF EMPLOYEES
Tegant Holding Corp	3,370
TexasRoadhouse Inc	3,354
Ideal Industries Inc	751
County of De Kalb	514
Walmart	500
Sonoco Alloyd	325
Sonoco Protective Solution	325
De Kalb County Nursing Home	250
Northern Illinois University	240
Growing Place II	201
Kindred Hospital Sycamore	200
Hackensack Meridian Health Inc	197

COUNTY UNEMPLOYMENT RATES

(May 2017)

Source: Illinois Department of Employment Security



DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	6,503	24,624	63,707
2010 Census Pop	6,475	24,688	64,544
2017 Estimate HH	2,800	9,951	23,521
2010 Census HH	2,783	9,962	23,579
Median HH Income	\$64,563	\$67,267	\$52,190
Per Capita Income	\$32,572	\$33,454	\$26,224
Average HH Income	\$75,429	\$82,390	\$67,790

CHICAGO

OVERVIEW

Chicago-Naperville-Elgin is one of the largest metros in the nation. Also known as the greater Chicagoland area, it is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region. In recent years, however, businesses are relocating back into the city to attract young workers, supporting the development of high-rise residential towers in the downtown Chicago.

METRO HIGHLIGHTS



THIRD-LARGEST METROPOLITAN

The metro population trails only New York City and Los Angeles in size. It will expand to nearly 9.9 million residents by 2023.



WEALTH OF INTELLECTUAL CAPITAL

The number of corporate headquarters in Chicago is second only to New York City. There are 33 Fortune 500 companies based locally.



LARGE, DIVERSE EMPLOYMENT BASE

The Chicago metro employs more than 4.7 million individuals in an array of industries, including a growing tech sector.



Walgreens

OFFERING MEMORANDUM

1340 Dekalb Avenue
Sycamore, Illinois 60178



EXCLUSIVELY LISTED BY:

Marcus & Millichap

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LICENSE #: 471.011175 - ILLINOIS

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