

Walgreens

An Absolute NNN Drug Store with 14+ Years Remaining in
Hammond, Indiana (Chicago, IL MSA)



Actual Subject Property

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PROPERTY OVERVIEW



Investment Overview

Marcus & Millichap, as exclusive advisor, is pleased to present for sale a long term absolute NNN 14,550 -square foot Walgreens Pharmacy located in Hammond, IN which lies within the Chicago MSA. With zero landlord responsibilities and 14.5 years remaining on the base term, this property provides ultimate passivity for a new incoming investor.

The site has exceptional exposure on a hard-corner, signalized intersection at 173rd Street & US 41 which has average traffic counts that exceed 36,500 vehicles-per-day. The property also sits one-third of a mile from Interstate 94, which is the dominant traffic artery from Indiana into the city of Chicago which has daily traffic counts that exceed 204,000 vehicles-per-day.

The property is located less than two miles from Purdue University's Northwest Campus, which has a student base of nearly 10,000. The school provides a substantial economic driver for the local economy. Purdue University has been investing & expanding it's 194-acre campus with the addition of a \$35 million-dollar bioscience innovation district slated to open in 2020 that provides in-house state-of-the art instructional and research facilities for nursing, biological sciences and STEM education.

Immediately two miles south of the property on US 41 lie two large hospital systems. Community Hospital and Franciscan Health have invested heavily, and both have regional campuses in the immediate area that serve northwest Indiana. Community Hospital has over 460 staffed beds and is nationally recognized for its outstanding quality of care through a full range of inpatient and outpatient programs and specialty service lines.

The property is located on the main retail corridor in the area which boasts many national retailers. It's also surrounded by residential communities, multifamily apartment complexes with Universities & Hospitals in the immediate vicinity. This infill Walgreens location has a captive consumer base with a dense population within close proximity, which provides exceptional intrinsic real estate value for an incoming investor.

Offering Summary

Address	7236 Calumet Avenue Hammond, IN 46324
Price	\$6,000,000
Net Operating Income	\$375,000
Cap Rate	6.25%
Gross Leasable Area	14,550 SF
Base Lease Term Remaining	14.5 Years
Lot Size	0.94 Acres

Investment Highlights

- **Absolute NNN with Zero Landlord Responsibilities**
- **Long Base Term Lease Remaining with 14+ Years Left**
- **Chicago MSA Location in City of Hammond**
- **Investment Grade Tenant**
- **Corporate Guarantee**
- **Signalized Corner Location Next to Interstate 94**

About Hammond, Indiana

Hammond is a city in Lake County, Indiana and is part of the Chicago metropolitan area. The population was 80,830 at the 2010 census, replacing Gary as the most populous city in Lake County. Around 1847, the first permanent residents (German farmers) began to settle at the area between the Grand River and Little Calumet Rivers. Prior to this settlement, the land that is now Hammond was a crossroads for travelers to the west.

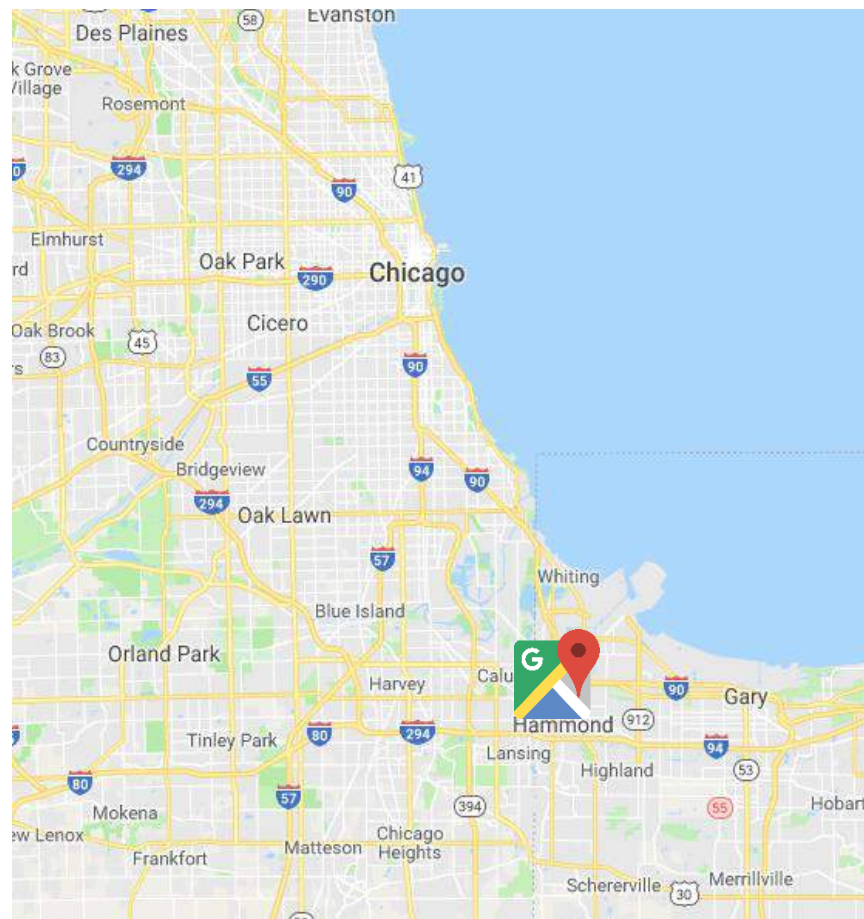
Hammond, Indiana stands as the first industrialized city in Lake County. While a lot has happened since the city was founded, one thing that hasn't changed is Hammond's role as a fun, vibrant addition to the Chicago area.

Hammond boasts some terrific attractions and entertainment choices for visitors, including exhibits at the state-of-the-art Indiana Welcome Center.

Residents and visitors can enjoy a planetarium and laser show at Challenger Learning Center; a space science education center carrying on the educational mission of the Challenger 51-L crew. At White Ripple Gallery you can see professionally curated art shows that rotate monthly. Visitors can also check out live performances at the Towle Community Theater, do some high rolling at the dockside Horseshoe Casino Boat, knock down some pins at Olympia Lanes or splash around at the Aquatic Play Center.

Shopping in Hammond, Indiana delivers all the trusted retail names that you know and love, as well as unique shopping options such as antique shops, local art galleries and furnishing stores. Hammond also features an 185,000-square foot Cabela's retail showroom for those who love the outdoors. Hammond is a haven for those who love the great outdoors!

Regional Map



Community Health
Systems Hospital

Franciscan Physical
Network



204,000 VPD



173rd Street

1.7 Miles

PURDUE
UNIVERSITY
CALUMET



Calumet Avenue
(36,500 VPD)

Downtown
Chicago →



PURDUE
UNIVERSITY
CALUMET CITY
1.7 Miles

Downtown
Chicago



FRESENIUS
MEDICAL CARE



BMO Harris Bank

Calumet Avenue
(36,500 VPD)



PURDUE
UNIVERSITY
CALUMET
1.7 Miles

LEASE OVERVIEW



Lease Summary

Tenant:	Walgreens
Lease Term:	25 Years
Guarantor:	Corporate
Lease Type:	Absolute Triple-Net
Landlord Responsibilities:	None
Lease Commencement Date:	08/31/2007
Lease Expiration Date:	08/31/2033
Lease Term Remaining:	14.5 Years
Options:	Termination Right every 5 years after base term
Increases:	None

Tenant Overview

Tenant:	Walgreens Boots Alliance, Inc.
Ownership:	Public
Sales Volume:	\$103.44 Billion
Net Worth:	\$30.86 Billion
Credit Rating (S&P's):	BBB
Ticker Symbol (NASDAQ):	WBA
Number of Locations:	13,700+
Headquarters:	Deerfield, IL
Website:	www.walgreens.com

Walgreens Boots Alliance, Inc. operates as a pharmacy-led health and wellbeing company. The company operates through three segments: Retail Pharmacy USA, Retail Pharmacy International, and Pharmaceutical Wholesale. The Retail Pharmacy USA segment sells prescription drugs and an assortment of general merchandise, convenience foods, and more through its retail drugstores and convenient care clinics. It also provides specialty pharmacy services; and manages in-store clinics under the brand Healthcare Clinic

About Walgreens

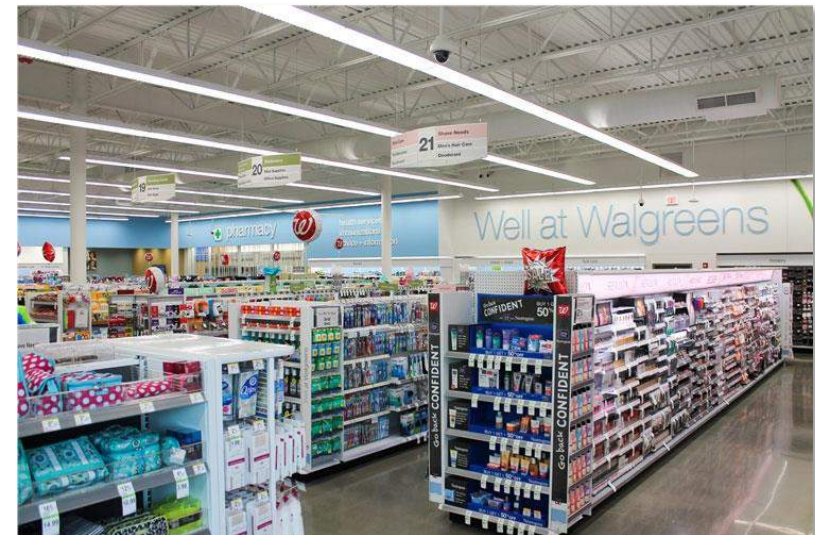
Walgreens is one of the largest drugstore chains.

The poster-child of net lease properties, Walgreens has been a highly traded investment property given the low risks typically associated with these drugstore properties. Additionally, the drugstore sector remains stable given its non-discretionary merchandise offerings.

Walgreens is owned by the Walgreens Boots Alliance, Inc. This parent company is currently the largest retail pharmacy in the US and Europe, with 13,200 stores in over 11 countries.

Walgreens Boots Alliance was created through the combination of Walgreens and Alliance Boots in December 2014. This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years. Walgreens had been in merger talks with Rite Aid since 2015. In June of 2017, the pharmacies announced the merger was off however Walgreens will acquire over 2,100 Rite Aid locations.

Walgreens is a market leader in the US and has 8,175 retail stores which includes Walgreens and Duane Reade. Walgreens owns 15% of these retail locations and the rest are leased. Walgreens Boots Alliance stated that they will close about 200 less-profitable US Walgreens stores and open the same number of stores in new locations. The last closing will be no later than the end of 2017.





MARKET OVERVIEW



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 AREA

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

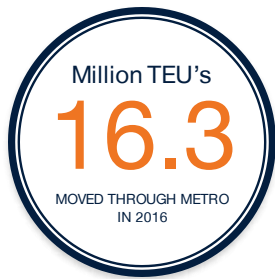
The Chicago metro employs more than 4.7 million individuals in an array of industries, including a growing tech sector.





TRANSPORTATION

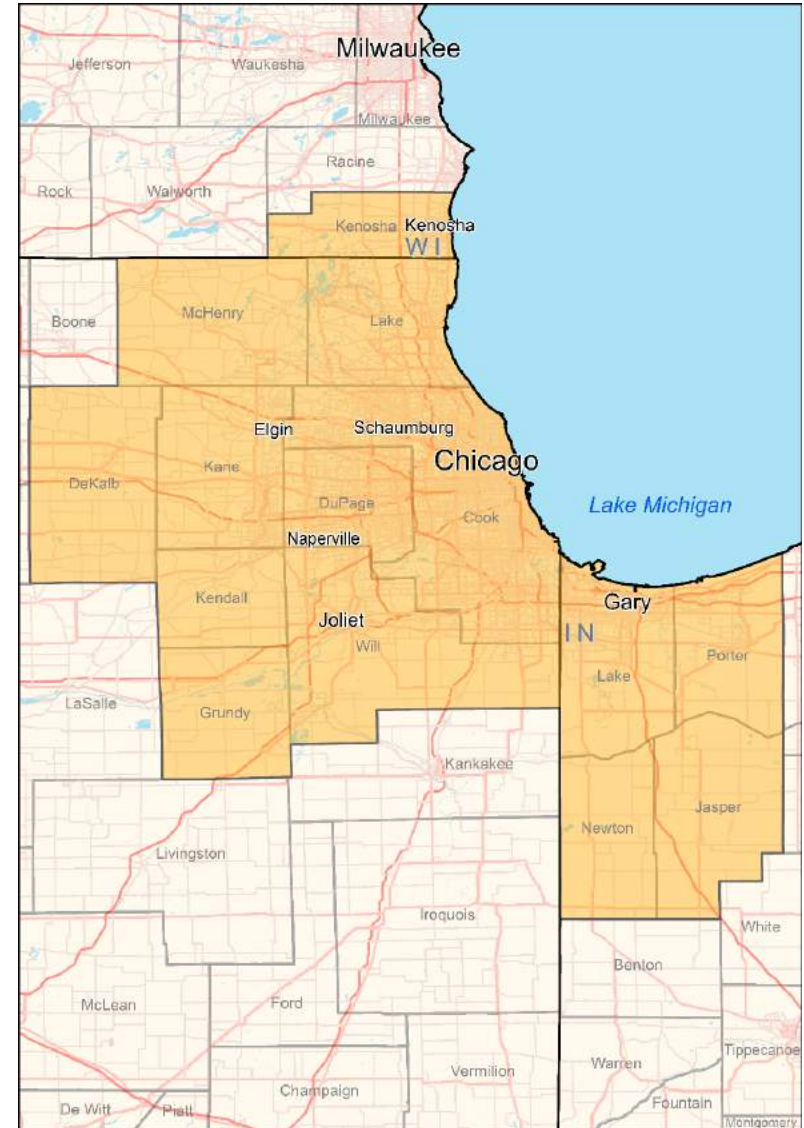
- The region's transit network ranks among the largest and most efficient in the world.
- The vast network of freeways, centralized location, largest rail-truck intermodal facility in the U.S., and the Port of Chicago contribute to the metro's position as a major distribution and logistics hub.
- Chicago is the nation's premier freight rail hub, with four carriers, BNSF, Union Pacific, CSX, and Norfolk Southern, that service the region.
- Amtrak routes originate from Union Station, while the Metra commuter rail and the Chicago L provide passenger service throughout the metro area and beyond.
- International airports include O'Hare, Midway and Gary/Chicago. Seven smaller airports also provide air service for the region.



MORE THAN

40%

OF ILLINOIS RESIDENTS LIVE IN THE
SUBURBS OF CHICAGO, MANY OF
WHOM COMMUTE INTO THE CITY
FOR WORK



POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	17,874	111,598	244,175
■ 2017 Estimate			
Total Population	18,177	113,873	247,366
■ 2010 Census			
Total Population	18,304	115,026	250,408
■ 2000 Census			
Total Population	18,064	116,773	253,048
■ Current Daytime Population			
2017 Estimate	13,073	110,728	222,018
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	6,770	42,496	93,379
■ 2017 Estimate			
Total Households	6,804	42,836	93,275
Average (Mean) Household Size	2.65	2.63	2.63
■ 2010 Census			
Total Households	6,832	43,104	93,967
■ 2000 Census			
Total Households	7,061	45,718	96,201
■ Occupied Units			
2022 Projection	6,770	42,496	93,379
2017 Estimate	7,503	46,852	101,906
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	3.56%	4.94%	5.94%
\$100,000 - \$149,000	9.72%	10.99%	12.01%
\$75,000 - \$99,999	13.49%	12.58%	12.64%
\$50,000 - \$74,999	20.50%	19.63%	20.10%
\$35,000 - \$49,999	15.69%	14.40%	13.85%
Under \$35,000	37.04%	37.45%	35.46%
Average Household Income	\$58,362	\$62,188	\$66,192

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$64,423	\$65,253	\$67,173
■ Consumer Expenditure Top 10 Categories			
Housing	\$17,504	\$17,856	\$18,420
Transportation	\$11,803	\$11,770	\$12,086
Shelter	\$10,600	\$10,842	\$11,184
Food	\$6,825	\$6,839	\$6,973
Personal Insurance and Pensions	\$5,868	\$5,757	\$6,009
Health Care	\$4,380	\$4,633	\$4,847
Utilities	\$3,485	\$3,516	\$3,619
Entertainment	\$2,732	\$2,734	\$2,816
Household Furnishings and Equipment	\$1,717	\$1,748	\$1,814
Apparel	\$1,676	\$1,695	\$1,732
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	18,177	113,873	247,366
Under 20	29.89%	28.44%	27.51%
20 to 34 Years	20.07%	19.49%	18.81%
35 to 39 Years	7.09%	6.44%	6.15%
40 to 49 Years	13.10%	12.91%	12.88%
50 to 64 Years	18.28%	19.27%	20.14%
Age 65+	11.57%	13.47%	14.52%
Median Age	35.03	36.61	38.00
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	11,569	73,702	162,922
Elementary (0-8)	3.72%	4.54%	4.55%
Some High School (9-11)	9.46%	8.54%	8.04%
High School Graduate (12)	34.57%	33.48%	32.83%
Some College (13-15)	24.70%	24.81%	24.21%
Associate Degree Only	9.10%	7.43%	7.58%
Bachelors Degree Only	12.02%	13.49%	14.27%
Graduate Degree	5.12%	6.36%	6.93%



Population

In 2018, the population in your selected geography is 113,873. It is estimated that the population in your area will be 111,598.00 five years from now. The current population is 48.18% male and 51.82% female. The median age of the population in your area is 36.61, compare this to the US average which is 37.83. The population density in your area is 4,019.98 people per square mile.



Households

There are currently 42,836 households in your selected geography. It is estimated that the number of households in your area will be 42,496 five years from now. The average household size in your area is 2.63 persons.



Income

In 2018, the median household income for your selected geography is \$47,902, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 16.70% since 2000. It is estimated that the median household income in your area will be \$55,034 five years from now, which represents a change of 14.89% from the current year.

The current year per capita income in your area is \$23,532, compare this to the US average, which is \$30,982. The current year average household income in your area is \$62,188, 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: 57.85% White, 26.75% Black, 0.02% Native American and 1.63% 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 25.36% 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 \$121,645 in 2018, compare this to the US average of \$193,953. In 2000, there were 31,747 owner occupied housing units in your area and there were 13,972 renter occupied housing units in your area. The median rent at the time was \$509.



Employment

In 2018, there are 45,169 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 56.25% of employees are employed in white-collar occupations in this geography, and 43.80% are employed in blue-collar occupations. In 2018, unemployment in this area is 7.05%. In 2000, the average time traveled to work was 32.00 minutes.

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