

OFFERING MEMORANDUM

WALGREENS, BEAUMONT MSA, TEXAS



Actual Location

Price: \$6,115,000 – 6.11% Cap Rate

- 15+ YEARS REMAINING ON LEASE
- Hard Corner Location
- Offered Free and Clear or With Existing Financing

Disclaimer



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Property Information

LOCATION:

The subject property is located at 496 Highway 96 in the Beaumont MSA of Silsbee, Texas on the corner of West Avenue N and Highway 96 South along the areas two main traffic and retail corridors. National retailers in the immediate area include McDonalds, Wells Fargo, Jack in the Box, CVS, Shell and many other national and regional retailers. Daily traffic counts in the area are in excess of 26,000.

IMPROVEMENTS:

The improvements consist of a 14,550 square foot pharmacy with drive thru. The property was constructed in 2010 and has parking for 66 cars (4.53:1 parking ratio).

LOT SIZE:

Approximately 1.71 acres.

NET ANNUAL INCOME:

\$373,396

LEASE:

Leased to **Walgreens** for 25 years commencing in January 18, 2010 and expiring on January 31, 2035. The tenant is responsible for taxes, insurance and maintenance including the roof, walls, foundation and parking lot. There are fifty (50) one year options to renew at the same terms and conditions.

Purchase Price: \$6,115,000 Cap Rate: 6.11%

View North on 5th St.



View South on 5th St.



About the Area

Silsbee, Texas is approximately 31 minutes north of Beaumont and 71 minutes east of Houston. It is part of the Beaumont-Port Arthur Metropolitan Area, which according to the 2010 U.S. Census, had a population of 385,090. The subject Property benefits from tremendous visibility, as it is located at the hard corner of West Avenue North and Highway 96 S. (in excess of 16,000 VPD) The subject property is in close proximity to other major tenants including Walmart Supercenter, CVS Pharmacy, McDonald's, Wells Fargo, Pizza Hut, Whataburger and others.

Silsbee has emerged as the principal economic center of Hardin County through a diverse economic base consisting of manufacturing, health care, retail, and tourism industries.

The Beaumont–Port Arthur metropolitan area is defined by the United States Census Bureau as a four-county region in Southeast Texas. The metropolitan area shares borders with the Houston–Sugar Land–Baytown metropolitan area to the west and the Lake Charles metropolitan area to the east. The area is also known as the Golden Triangle. The “golden” refers to the wealth that came from the Spindletop oil strike near Beaumont in 1901, and “triangle” refers to the area among the cities of Beaumont, Port Arthur, and Orange. According to the 2010 Census, it has a population of 388,745. Newton County was added to the MSA in the February, 2013 delineation, and the addition of Newton County increases the 2010 population by 14,445.



Silsbee Public Library

The Grindhouse in Downtown Silsbee

Ice House Museum



Walgreens
Subject Location



New Silsbee Elementary School
1200 Students
\$25 Million Construction Cost

16,600 Vehicles Per Day

9,700 Vehicles Per Day

View North on 5th St.



Tenant Information



Walgreens Boots Alliance, Inc. operates as a pharmacy-led health and wellbeing company. It 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, including non-prescription drugs, beauty products, photo finishing, seasonal merchandise, greeting cards, and convenience foods through its retail drugstores and convenient care clinics. It also provides specialty pharmacy services; and manages in-store clinics.

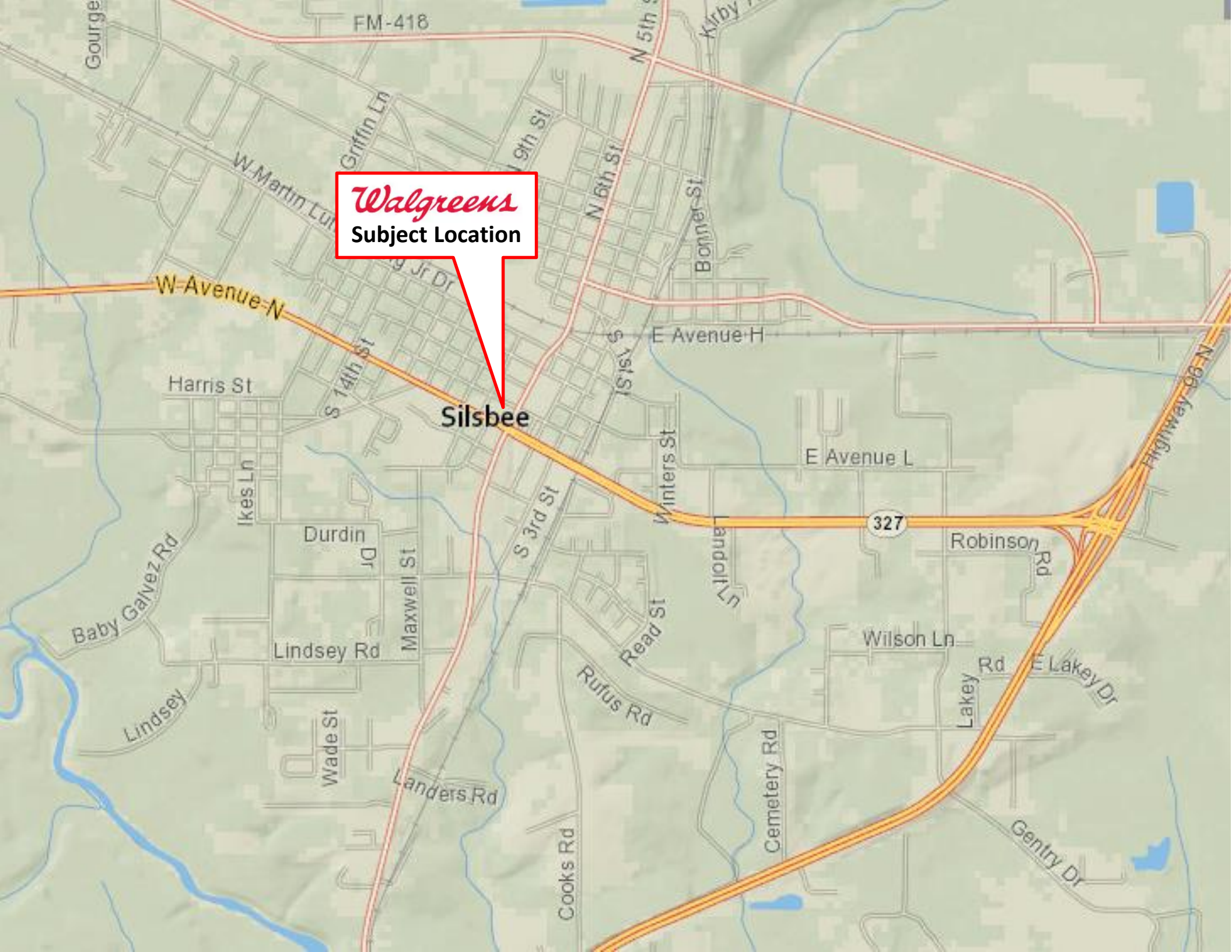
As of August 31, 2016, this segment operated 8,175 retail stores under the Walgreens and Duane Reade brands in the United States; and 7 specialty pharmacies, as well as approximately 400 in-store clinic locations.

The Retail Pharmacy International segment sells prescription drugs; and health, beauty, toiletry, and other consumer products through its pharmacy-led health and beauty stores, as well as through boots.com. It is also involved in optical practice and related contract manufacturing operations.

This segment operated 4,673 retail stores under the Boots, Benavides, and Ahumada in the United Kingdom, Thailand, Norway, the Republic of Ireland, the Netherlands, Mexico, and Chile; and 636 optical practices. Walgreens Boots Alliance, Inc. was founded in 1901 and is based in Deerfield, Illinois.

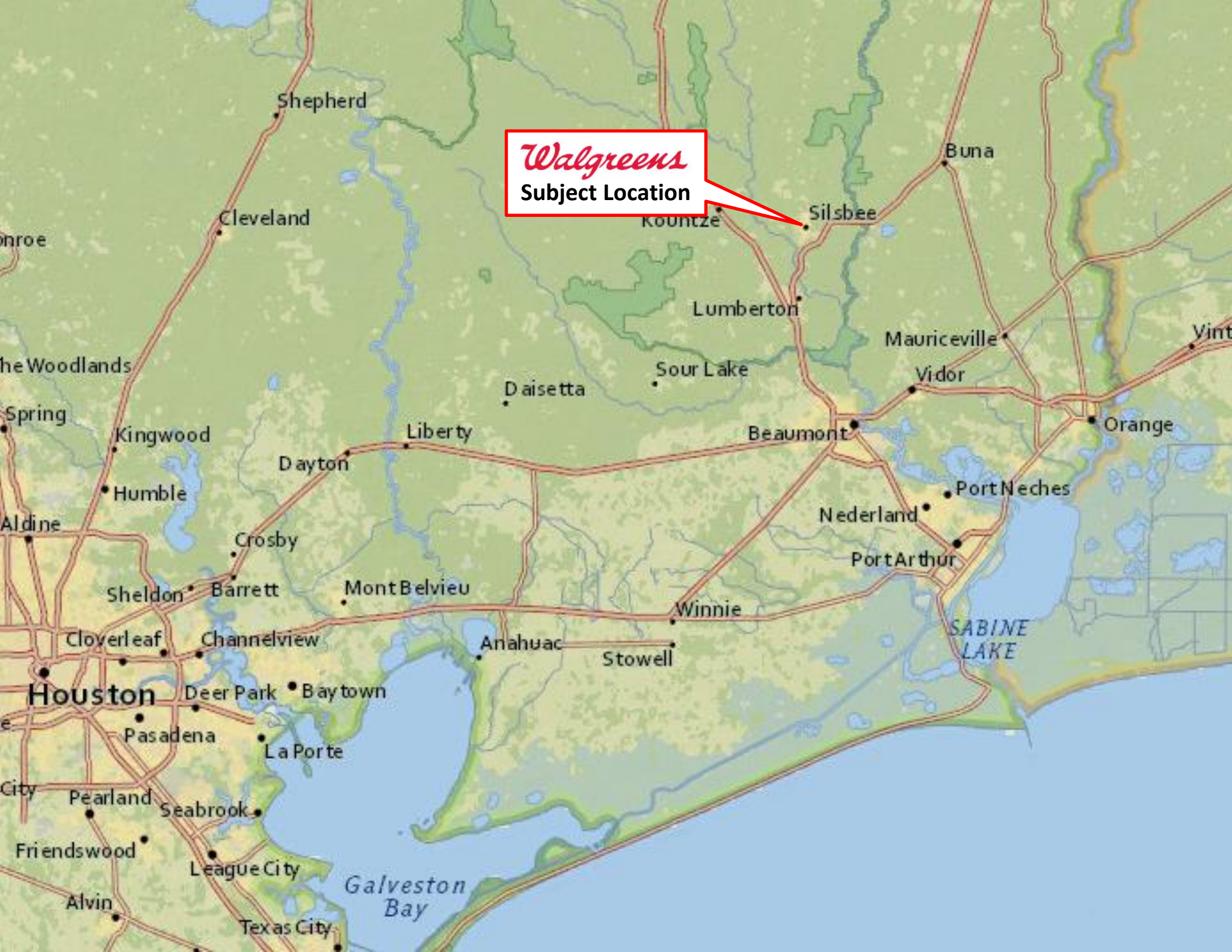
REVENUES	FYE 8-2017	\$118 BILLION	FYE 8-2016	\$117 BILLION
NET INCOME	FYE 8-2017	\$4.07 BILLION	FYE 8-2016	\$4.17 BILLION
STOCKHOLDER EQUITY	FYE 8-2017	\$27.4 BILLION	FYE 8-2016	\$29.8 BILLION

The information set forth herein has been received by us from sources we believe to be reliable, but we have made no independent investigation of the accuracy or completeness of the information and make no representation with respect thereto. The above is submitted subject to errors, prior sale or lease, change in status or withdrawal without notice.



Walgreens
Subject Location

Silsbee



Walgreens
Subject Location

Demographics

Population Summary	3 mile	5 mile	10 mile
Population 2010	9,247	16,549	42,519
Population 2016	9,481	17,125	45,495
Population 2021	9,711	17,630	47,636
Income			
2016 Average Household Income	\$59,258	\$66,225	\$69,226
2021 Average Household Income	\$63,490	\$71,494	\$74,641
Traffic Count – Cars Per Day			
US Highway 96	16,600 cars per day		
West Avenue North	9,700 cars per day		

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Approved by the Texas Real Estate Commission for Voluntary Use
Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

Information About Brokerage Services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written - listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an

intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- (4) may not disclose any confidential information or any information that a party specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salespersons are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)

TREC No. OP-K



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