

Walgreens

DEARBORN HEIGHTS, MI | OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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INVESTMENT HIGHLIGHTS

- **Below Average Rent** - Walgreens is paying less than \$10.00/PSF in rent, which is less than half of the national average for Walgreens.
- **Over 20 years in Operation at this Location** - Walgreens has occupied this building since 1997.
- **Prototype Walgreens Store Format on Signalized Intersection** - Drive-thru 13,905 SF store format on 1.45 acres. At the southeast corner of N Telegraph Rd (55,000 VPD) and Joy Rd (16,000 VPD).
- **Nearby Commercial Tenants** - Include CVS, Dollar General, Advance Auto Parts, Taco Bell, The Salvation Army, 7-Eleven, Aldi, Starbucks, Dunkin' Donuts, Dollar General, Chase Bank, and many more.
- **Dense Population** - More than 392,000 residents in the 5-mile radius with an average household income of \$64,000.
- **Detroit MSA** - Less than 17 miles from downtown Detroit. Detroit MSA is home to about 4.3 million people and is the second largest Midwest MSA only behind Chicago.
- **Nationally Recognized Investment Grade Tenant** - Lease is fully guaranteed by Walgreens Co. (S&P's Rated BBB). The company is ranked #17 on the 2017 Fortune 500.



FINANCIAL OVERVIEW

WALGREENS - STORE # 4367

8706 North Telegraph Rd
Dearborn Heights, MI 48127



\$1,731,000
LIST PRICE



8.00%
CAP RATE



\$138,500
ANNUAL RENT



NN
LEASE TYPE



± 5 Years
TERM REMAINING

EXECUTIVE SUMMARY

PROPERTY ADDRESS

8706 North Telegraph Rd
Dearborn Heights, MI 48127
± 13,905 SF

GLA

LOT SIZE

±1.45 AC (63,162 SF)

YEAR BUILT

1997

APN

33 001 02 0108 300

WALGREENS LEASE SUMMARY

TENANT

WALGREEN CO.

TYPE OF OWNERSHIP

FEE SIMPLE

LEASE GUARANTOR

CORPORATE

LEASE TYPE

NN

ROOF AND STRUCTURE

LANDLORD RESPONSIBILITY

ORIGINAL LEASE TERM

SIXTY (60) YEARS

LEASE DATE

8/13/97

LEASE COMMENCEMENT DATE

2/27/99

LEASE EXPIRATION DATE

2/28/59

NEXT TERMINATION OPTION DATE

3/1/24

TERM REMAINING

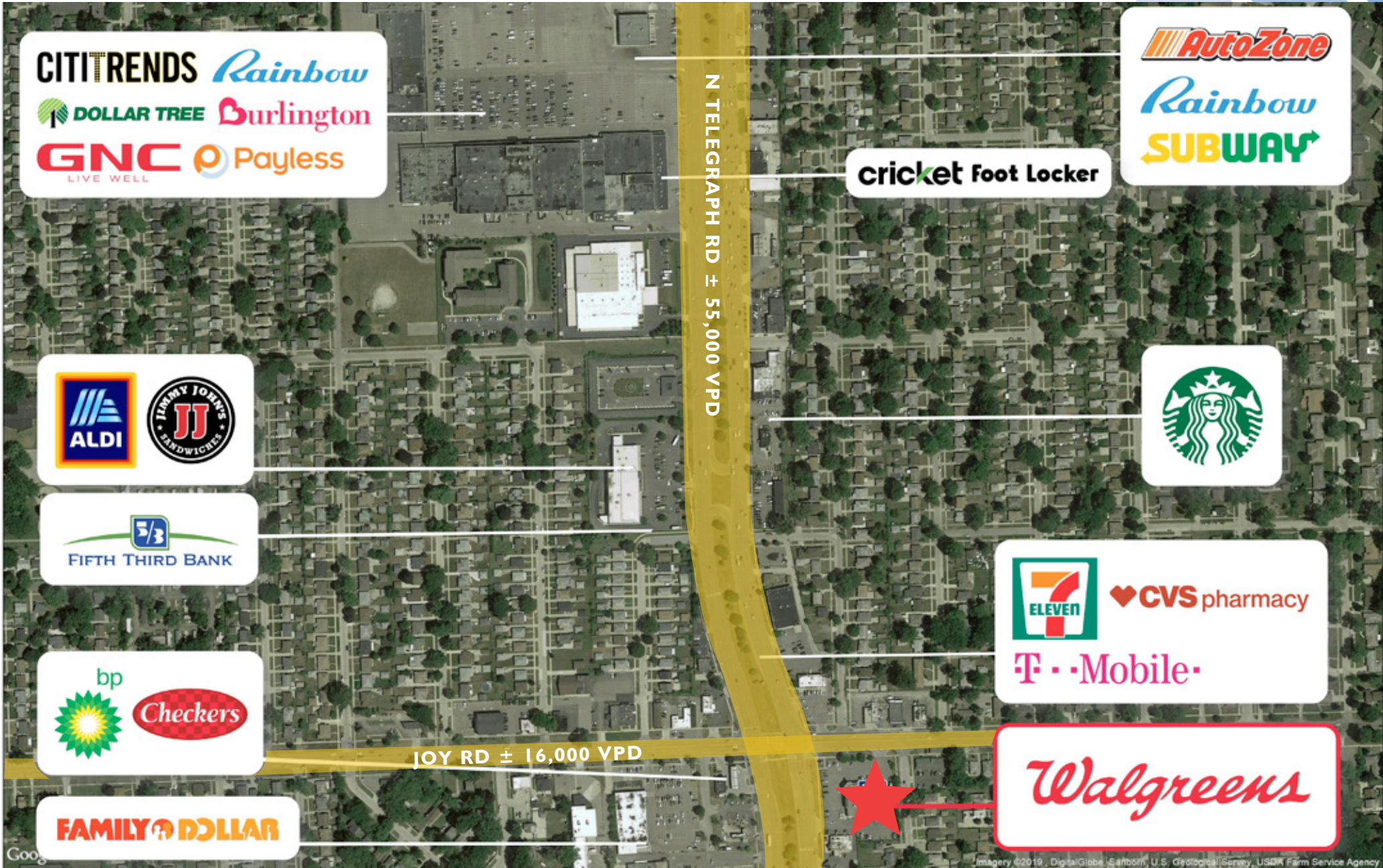
± 5 YEARS

ADDITIONAL OPTIONS
TO TERMINATE

Tenant shall have the right to terminate this
Lease as of February 29, 2024, February 28,
2029, February 28, 2034, February 28, 2039,
February 29, 2044, February 28, 2049 and
February 28, 2054.

ANNUALIZED OPERATING DATA

| | ANNUAL RENT | MONTHLY RENT | RENT PSF | CAP RATE |
|--------------------------|----------------|-----------------|----------|----------|
| CURRENT TO MARCH 1, 2024 | \$138,500 | \$11,541.67 | \$9.96 | 8.00% |
| OPTIONS | \$385,510 | \$32,125.83 | \$27.72 | 22.27% |



PARCEL MAP



TENANT OVERVIEW



Company Name
• Walgreens Boots Alliance



Year Founded
• 1901



Headquarters
• Deerfield, IL



Ownership
• Public



Industry
• Drug Store



S&P Credit Rating
• BBB

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted health care services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.



Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25 countries and employ more than 415,000 people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with its equity method investments, has more than 18,500 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks.

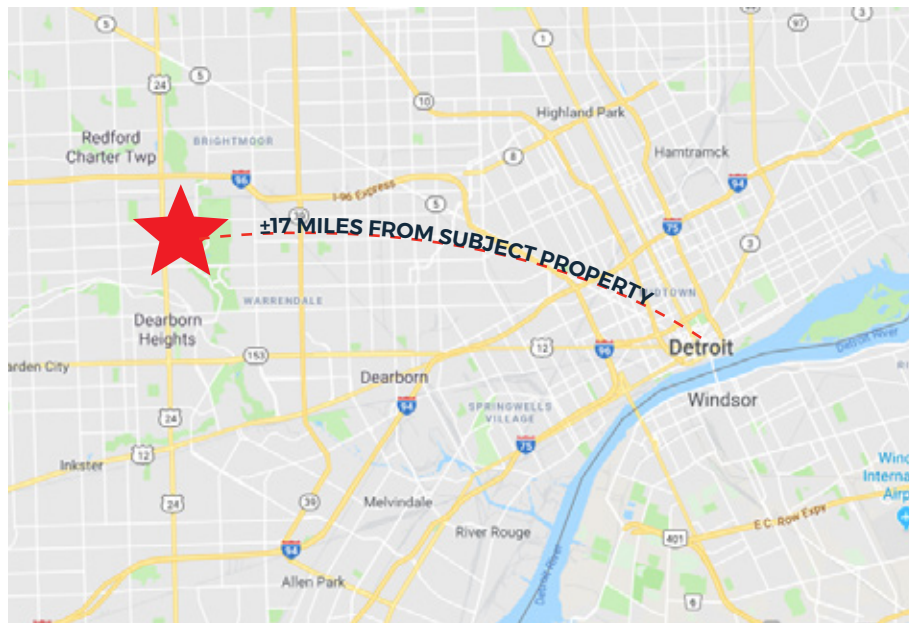
WBA U.S. prescription revenues grew in 2017. Its same-store prescription growth was much higher than its peers' growth. This reflects its aggressive participation in commercial and Medicare Part D narrow networks. Three notable transactions boosted Walgreens' pharmacy revenues in 2017 and will also affect 2018 figures: its acquisition of Rite Aid stores, the formation of AllianceRx Walgreens Prime, and its minority investment in PharMerica.

AREA OVERVIEW

DEARBORN HEIGHTS, MI

Dearborn Heights sits in Wayne County within the Detroit metropolitan area. Dearborn Heights is divided into five school districts. Most north end residents are in the Crestwood School District or Dearborn Public Schools, and south end residents fall into the Westwood Community School District or the Dearborn Heights No. 7 School District. There are also three zoned high schools within the Dearborn Heights city limits; Crestwood High School, Robichaud High School, and Annapolis High School.

The city sits just 11 miles away from Detroit, allowing it to reap all the benefits of a large city as well as those of a small city. The city of Detroit is home to 4.3 million people, making it the second-largest in the Midwest after the Chicago metropolitan area. Regarded as a major cultural center, Detroit is known for its contributions to music and as a repository for art, architecture, and design.



POPULATION

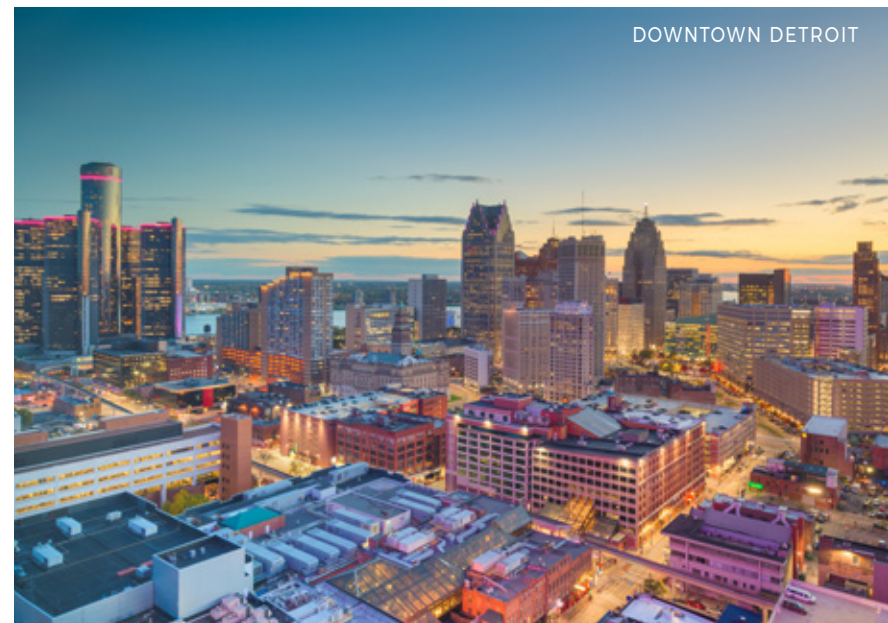
| | 1-Mile | 3-Mile | 5-Mile |
|-----------------|--------|---------|---------|
| 2000 Census | 15,869 | 136,003 | 392,439 |
| 2010 Census | 15,633 | 123,328 | 346,014 |
| 2019 Estimate | 15,020 | 117,811 | 329,432 |
| 2024 Projection | 14,798 | 115,998 | 324,085 |

HOUSE HOLDS

| | 1-Mile | 3-Mile | 5-Mile |
|-----------------|--------|--------|---------|
| 2000 Census | 6,341 | 52,547 | 147,855 |
| 2010 Census | 6,047 | 47,184 | 132,111 |
| 2019 Estimate | 5,912 | 46,039 | 128,634 |
| 2024 Projection | 5,860 | 45,669 | 127,539 |

INCOME

| | 1-Mile | 3-Mile | 5-Mile |
|-------------------|----------|----------|----------|
| Average HH Income | \$61,526 | \$64,306 | \$64,009 |
| Median HH Income | \$50,000 | \$46,942 | \$47,292 |



DETROIT, MI



Detroit is the largest and most populous city in the U.S. state of Michigan, the largest city on the United States–Canada border, and the seat of Wayne County. The municipality of Detroit had a 2017 estimated population of 673,104, making it the 23rd-most populous city in the United States. The metropolitan area, known as Metro Detroit, is home to 4.3 million people, making it the second-largest in the Midwest after the Chicago metropolitan area. Regarded as a major cultural center, Detroit is known for its contributions to music and as a repository for art, architecture, and design.

Detroit is a major port located on the Detroit River, one of the four major straits that connect the Great Lakes system to the Saint Lawrence Seaway. The Detroit Metropolitan Airport is among the most important hubs in the United States. The City of Detroit anchors the second-largest regional economy in the Midwest, behind Chicago and ahead of Minneapolis–Saint Paul, and the 13th-largest in the United States. Detroit and its neighboring Canadian city Windsor are connected through a tunnel and the Ambassador Bridge, the busiest international crossing in North America. Detroit is best known as the center of the U.S. automobile industry, and the “Big Three” auto manufacturers General Motors, Ford, and Chrysler are all headquartered in Metro Detroit.

Nearly **1,300 FOREIGN COMPANIES** from over 38 countries employ **MORE THAN 150,000** people in the Detroit region

Since 2006, the city of Detroit has experienced more than **\$13 BILLION** in new investments across **200+ PROJECTS**

60 OF THE TOP 100 automotive suppliers to North America are **HEADQUARTERED** in Michigan with an additional 32 having a major presence



ECONOMIC DEVELOPMENT

While Detroit is the world's epicenter of mobility and advanced transportation solutions, today's Detroit is so much more than just the Motor City. With a diverse offering of competitive advantages, Detroit is a smart choice for businesses looking to expand, relocate, and invest.

Detroit offers a suite of incentive programs designed to help businesses thrive with a talented workforce, innovative educational institutions, successful private/public partnerships attracting international attention, and affordable, unique real estate.

Within Detroit beats the heart of a major metropolitan city featuring a thriving downtown district and vibrant neighborhood communities. We have world-class hospital systems and a rich history of art, theater, music, and culture. Learn more about Detroit's unique opportunities and why businesses are choosing to call Detroit home.

TOURISM IN DETROIT

Tourism in metropolitan Detroit, Michigan is a significant factor for the region's culture and for its economy, comprising nine percent of the area's two million jobs. About 15.9 million people visit Metro Detroit annually, spending an estimated \$4.8 billion. Detroit is one of the largest American cities and metropolitan regions to offer casino resort hotels. Leading multi-day events throughout Metro Detroit attract super-sized crowds of hundreds of thousands to over three million people. More than fifteen million people cross the highly traveled nexus of the Ambassador Bridge and the Detroit-Windsor Tunnel annually. Detroit is at the center of an emerging Great Lakes Megalopolis. An estimated 46 million people live within a 300-mile radius of Metro Detroit.

Detroit's unique culture, distinctive architecture, and revitalization and urban renewal efforts in the 21st century have given Detroit increased prominence as a tourist destination in recent years. The New York Times listed Detroit as the 9th-best destination in its list of 52 Places to Go in 2017, while travel guide publisher Lonely Planet named Detroit the second-best city in the world to visit in 2018.

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens** located at **28706 N Telegraph Rd, Dearborn Heights MI 48127** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

LISTED BY



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