



WALGREENS

4995 Highway 6 North • Houston, Texas 77084

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TEXAS REAL ESTATE COMMISSION
P.O. BOX 12188
AUSTIN, TEXAS 78711-2188
(512) 936-3000

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WALGREENS
Houston, TX
ACT ID ZAA0040280

Marcus & Millichap

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As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

Marcus & Millichap

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$3,383,000
Net Operating Income	\$203,000
Capitalization Rate – Current	6.00%
Price / SF	\$243.29
Rent / SF	\$14.60
Lease Type	NN
Gross Leasable Area	13,905 SF
Year Built / Renovated	1996
Lot Size	1.91 Acre(s)

FINANCING

Loan Amount	\$2,537,250
Loan Type	Financed - New Loan
Loan to Value	75.00%
Down Payment	25% / \$845,750
Interest Rate / Amortization	4.9% / 25 Years
Annual Loan Payment	\$176,221
Net Cash Flow After Debt Service	3.17% / \$26,779
Cash on Cash Return	3.17%
Total Return	9.44% / \$79,856



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
Fscu	46,255
Conocophillips Company	3,808
Wood Group Usa Inc	3,313
Conocophillips	3,053
Diamond Offshore Drlg Svcs Inc	2,500
Conocophillips Holding Company	2,000
B P Amoco Business Services	1,900
Shell	1,253
Keystone Concrete Placement	1,200
Gulf International Corporation	1,100
BP Energy Company	1,000
Morrison Energy Group	1,000

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	27,975	112,265	283,341
2010 Census Pop	24,300	98,560	242,739
2018 Estimate HH	8,982	35,766	91,550
2010 Census HH	7,831	31,515	78,899
Median HH Income	\$53,801	\$66,976	\$70,622
Per Capita Income	\$23,486	\$29,692	\$31,121
Average HH Income	\$73,140	\$93,177	\$96,295

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

The subject property is a 13,905 square foot building leased to Walgreens (NYSE: WAG). It is located on the northwest corner of the signalized intersection of Keith Harrow and Highway 6 North in Houston, Texas.

The property was built in 1996 exclusively for Walgreens who recently extended for an additional seven years on their current term with seven options for an additional 5-years in each option. The current rent is below market at \$14.60 PSF (\$203,000 annually) allowing for replacement with another tenant should Walgreens not exercise their options. Walgreens roof was replaced approximately two years ago.

Traffic counts for Highway 6 North are 54,000 cars per day and over 15,600 on Keith Harrow. The average household incomes within three miles are over \$93,000 and the population is over 112,000 in the same area.

Walgreens has a S&P credit rating of BBB. Their stock is trading at around \$51 per share

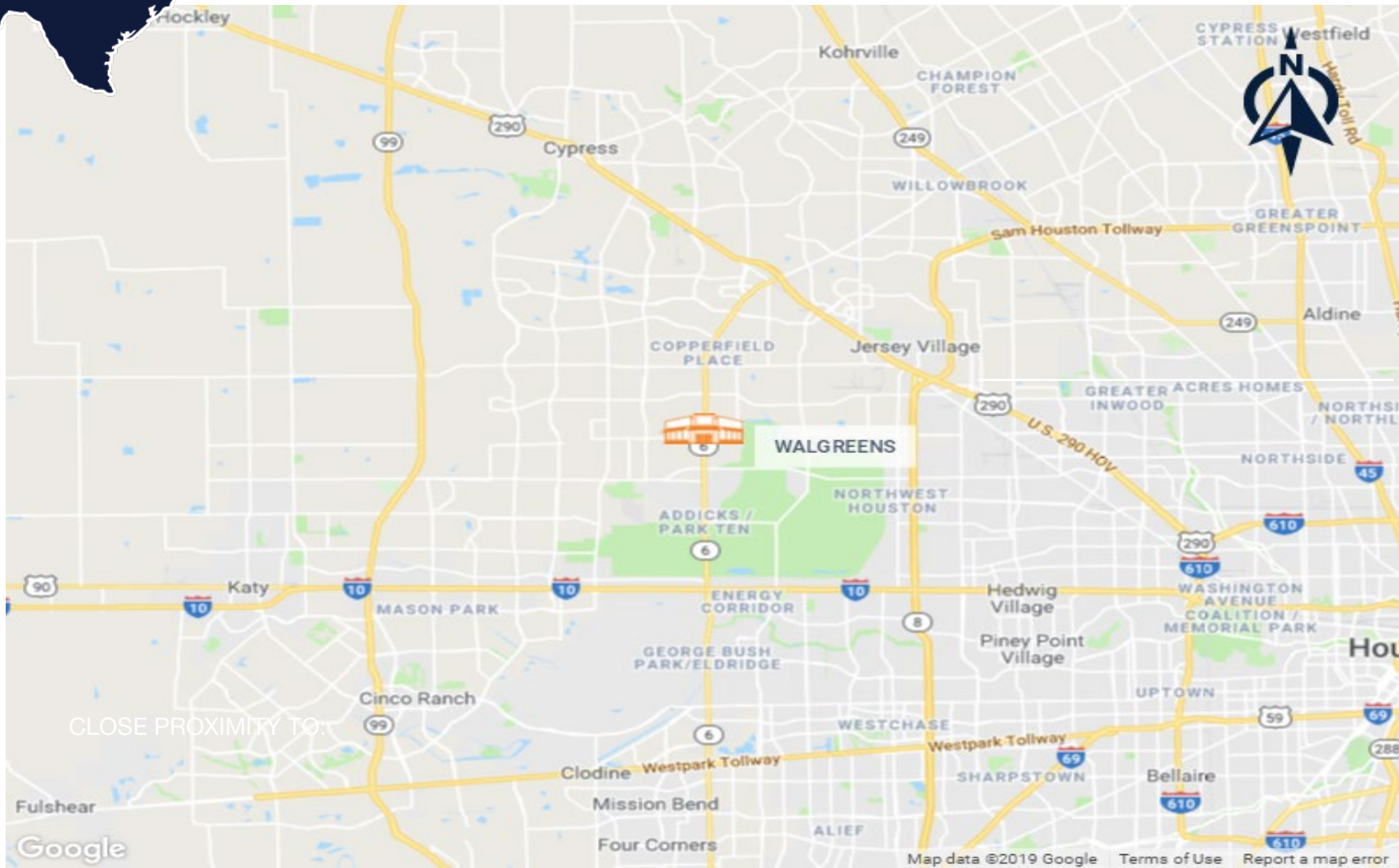
INVESTMENT HIGHLIGHTS

- Signalized Hard Corner | Houston, TX
- Across from H-E-B & 99 Cent Store
- No State Income Tax | BBB Credit Rating
- Open Since 1996 | 7 Years Remaining
- Below Market Rent | Low Price Per Square Foot

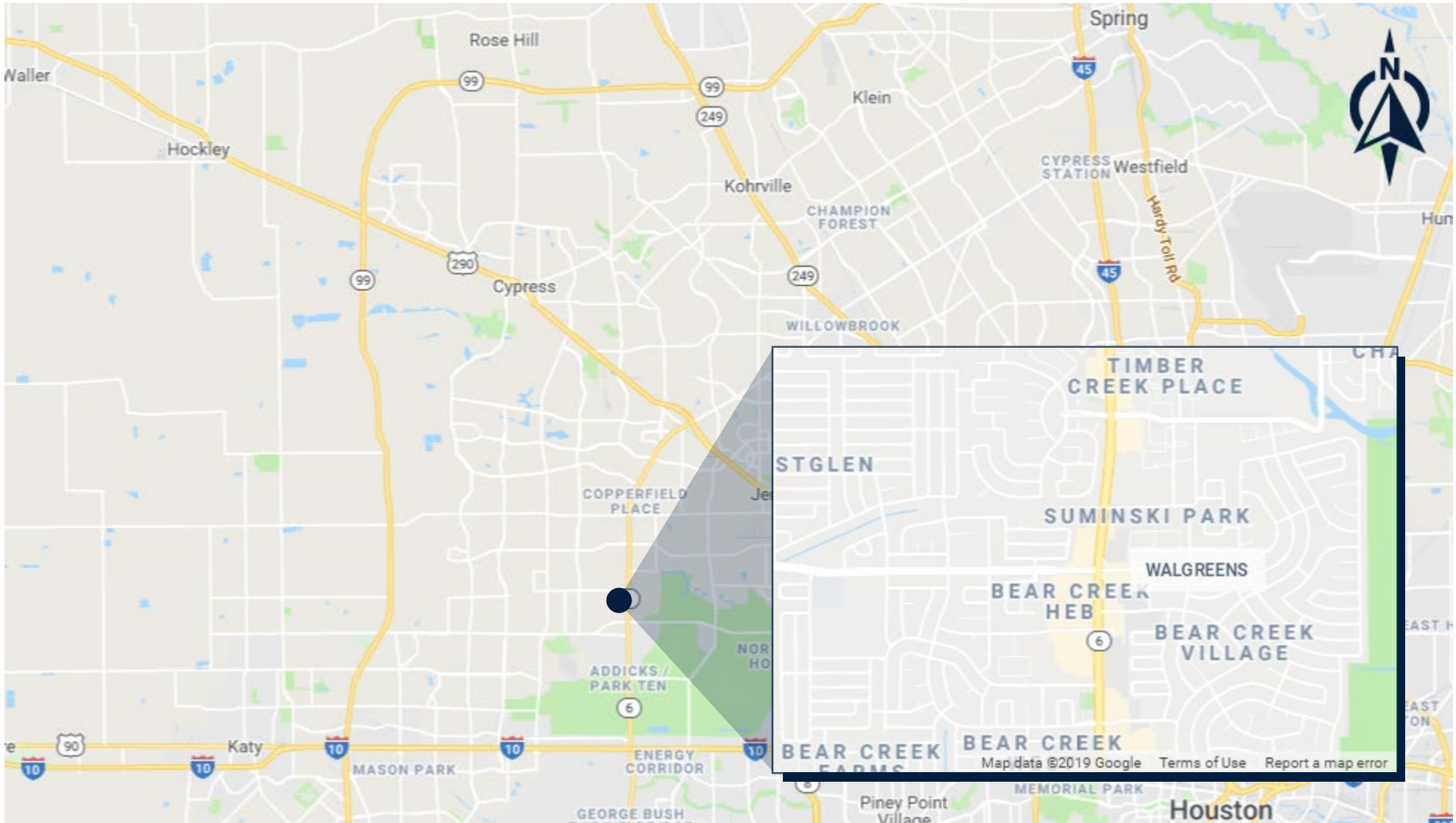




4995 Highway 6 North, Houston, Texas 77084



4995 Highway 6 North, Houston, Texas 77084







PROPERTY SUMMARY

THE OFFERING	
Property	Walgreens
Property Address	4995 Highway 6 North Houston, TX 77084
Price	\$3,383,000
Capitalization Rate	6.00%
Price/SF	\$243.29

PROPERTY DESCRIPTION	
Year Built / Renovated	1996
Gross Leasable Area	13,905 SF
Zoning	N/A
Type of Ownership	Fee Simple
Lot Size	1.91 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	Walgreens
Rent Increases	N/A
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	9/15/1996
Lease Expiration	9/30/2026
Lease Term	30
Term Remaining on Lease (Years)	7.3
Renewal Options	7 5-Year Options
Landlord Responsibility	Roof, Structure and Foundation
Tenant Responsibility	HVAC, Plate Glass
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$203,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$203,000	\$16,917	\$14.60	6.00%
		\$0	\$0.00	0.00%
		\$0	\$0.00	0.00%
		\$0	\$0.00	0.00%



NOTES

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,678
debt and equity
financings
in 2018**



**National platform
operating
within the firm's
brokerage
offices**



**\$6.24 billion
billion total
national
volume in 2018**



**Access to
more capital
sources than
any other firm
in the industry**

WHY MMCC?

**Optimum financing solutions
to enhance value**

**Our ability to enhance
buyer pool by expanding
finance options**

**Our ability to enhance
seller control**

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**



WALGREENS
(SUBJECT)

- 1 Walgreens
- 2 Walgreens
- 3 Walgreens
- 4 Walgreens
- 5 Walgreens
- 6 Walgreens
- 7 Walgreens
- 8 Walgreens

- SALES COMPARABLES
- ON MARKET COMPARABLES

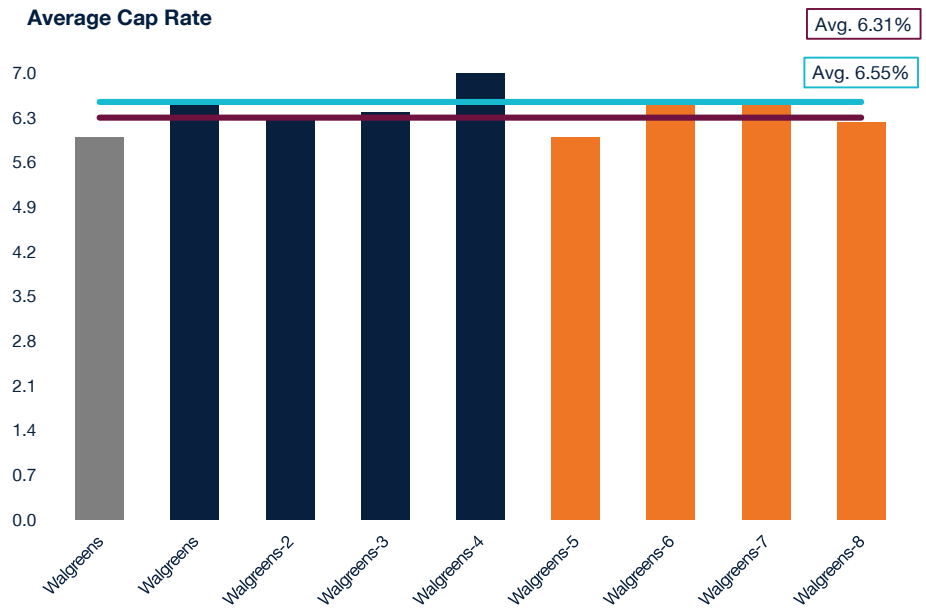


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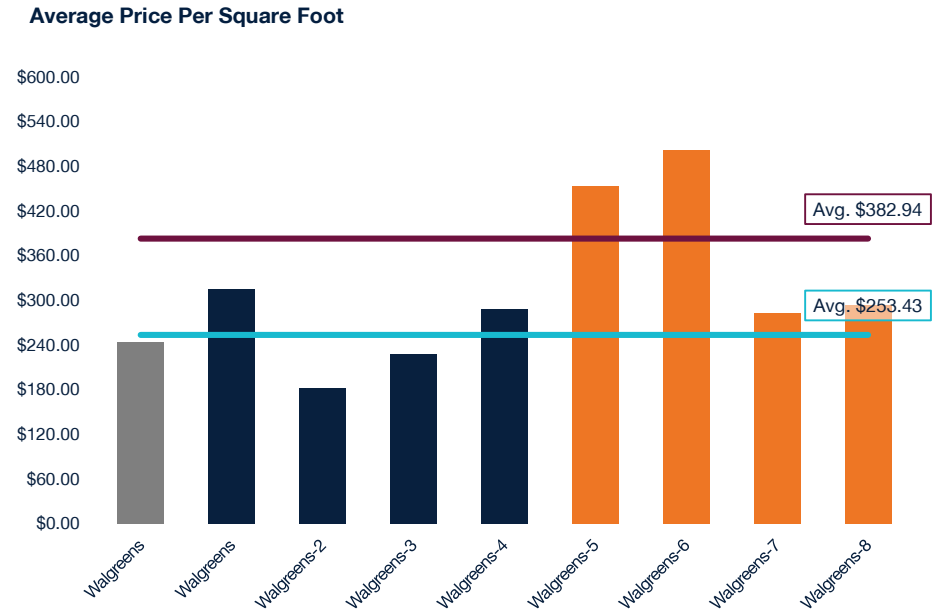
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Average Cap Rate



Average Price Per Square Foot



SALES COMPARABLES

ON MARKET COMPARABLES

WALGREENS

4995 Highway 6 North, Houston, TX, 77084



SUBJECT PROPERTY

Asking Price	\$3,383,000
Price/SF	\$243.29
CAP Rate	6%
GLA	13,905 SF
Lot Size	1.91 Acre(s)
Year Built	1996
Lease Term Remaining	7.3 Years

WALGREENS

1295 Lily Cache Lane, Bolingbrook, IL, 60490



Close Of Escrow	1/17/2019
Sales Price	\$4,385,000
Price/SF	\$315.35
CAP Rate	6.5%
GLA	13,905 SF
Lot Size	1.84 Acre(s)
Year Built	1998

WALGREENS

3431 West Union Hills Drive, Phoenix, AZ, 85027



Close Of Escrow	11/7/2018
Sales Price	\$2,550,000
Price/SF	\$182.56
CAP Rate	6.31%
GLA	13,968 SF
Lot Size	2.13 Acre(s)
Year Built	1998

NOTES

Walgreens recently exercised a 10-yr extension on their double-net lease. Walgreens is also paying a low rent of \$11.53 PSF.

SALES COMPARABLES ON MARKET COMPARABLES

WALGREENS

227 South Main Street, Manchester, NH, 03102



Close Of Escrow	8/10/2018
Sales Price	\$3,175,000
Price/SF	\$228.34
CAP Rate	6.39%
GLA	13,905 SF
Lot Size	1.59 Acre(s)
Year Built	1997

WALGREENS

2915 North Center Street, Hickory, NC, 28601



Close Of Escrow	12/20/2018
Sales Price	\$4,185,714
Price/SF	\$287.48
CAP Rate	7%
GLA	14,560 SF
Lot Size	1.67 Acre(s)
Year Built	2003

WALGREENS

150 North Macdade Boulevard, Glenolden, PA, 19036



On Market	
List Price	\$6,315,900
Price/SF	\$454.22
CAP Rate	6%
GLA	13,905 SF
Lot Size	2.1 Acre(s)
Year Built	1998
Lease Term Remaining	9 Years

NOTES

Walgreens has been at this location since 1997 and operating under a triple-net lease and paying \$14.60 PSF

SALES COMPARABLES ON MARKET COMPARABLES

WALGREENS

3011 Northeast Sunset Boulevard, Renton, WA, 98056



On Market	
List Price	\$6,846,138
Price/SF	\$501.55
CAP Rate	6.5%
GLA	13,650 SF
Lot Size	1.5 Acre(s)
Year Built	2002
Lease Term Remaining	8 Years

WALGREENS

342 Power Road, Pawtucket, RI, 02860



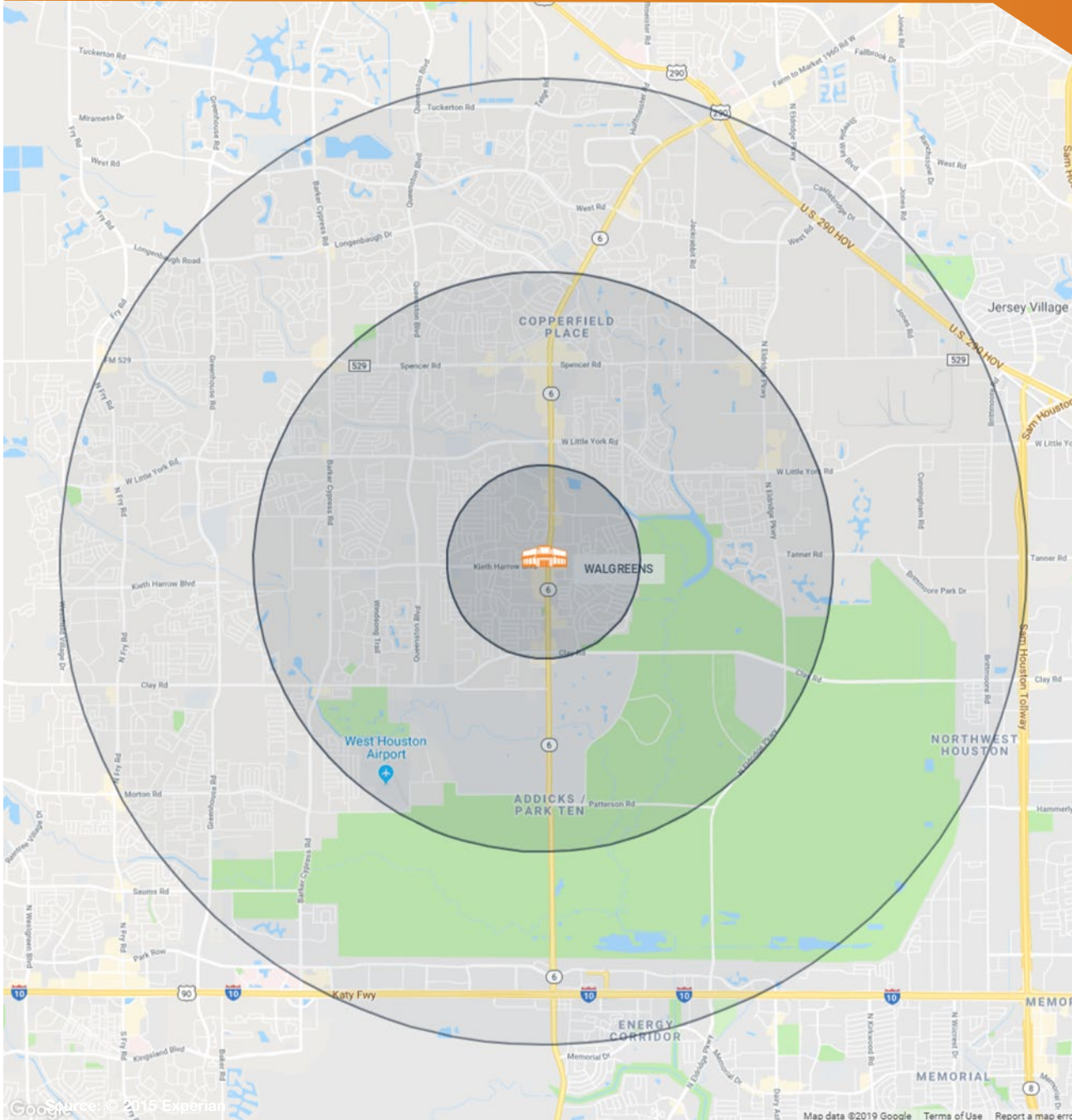
On Market	
List Price	\$3,271,277
Price/SF	\$282.62
CAP Rate	6.5%
GLA	11,575 SF
Lot Size	1.34 Acre(s)
Year Built	2008
Lease Term Remaining	9 Years

WALGREENS

606 Valley Street, Manchester, NH, 03103



On Market	
List Price	\$3,950,000
Price/SF	\$293.35
CAP Rate	6.23%
GLA	13,465 SF
Lot Size	1.54 Acre(s)
Year Built	2000
Lease Term Remaining	9 Years



CREATED ON MAY 24, 2019

	1 Miles	3 Miles	5 Miles
POPULATION			
2023 Projection	29,016	116,466	297,845
2018 Estimate	27,975	112,265	283,341
2010 Census	24,300	98,560	242,739
2000 Census	18,109	73,743	138,800
INCOME			
Average	\$73,140	\$93,177	\$96,295
Median	\$53,801	\$66,976	\$70,622
Per Capita	\$23,486	\$29,692	\$31,121
HOUSEHOLDS			
2023 Projection	9,493	37,711	97,635
2018 Estimate	8,982	35,766	91,550
2010 Census	7,831	31,515	78,899
2000 Census	6,460	24,669	46,948
HOUSING			
2018	\$142,129	\$157,988	\$165,060
EMPLOYMENT			
2018 Daytime Population	13,611	71,401	216,677
2018 Unemployment	4.06%	3.83%	3.72%
2018 Median Time Traveled	35	36	37
RACE & ETHNICITY			
White	55.15%	54.65%	54.45%
Native American	0.05%	0.06%	0.06%
African American	12.46%	13.40%	16.02%
Asian/Pacific Islander	8.66%	11.23%	10.25%

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- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

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