

OFFERING MEMORANDUM

Walgreens Net Lease | Houston, Texas MSA

Walgreens



TABLE OF CONTENTS

04	Transaction Summary
05	Tenant Summary
06	Area Map
07	Aerial Views
10	Market Overview
13	Demographics



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TRANSACTION SUMMARY

Purchase Price:	\$5,584,000
Cap Rate:	6.25%
Annual Rent:	\$349,000

Lease Specifications

Tenant:	Walgreens
Lease Type:	NNN
Landlord Responsibilities:	None
Initial Lease Term:	25 years
Lease Commencement:	May 7, 2004
Lease Expiration:	May 31, 2029
Options to Renew:	10, 5-year options

Property Specifications

Location:	1307 FM 1092 Road Missouri City, Texas
RSF:	14,560 SF
Land Size:	1.80 AC
Current Rent (\$ / SF):	\$23.96 / SF

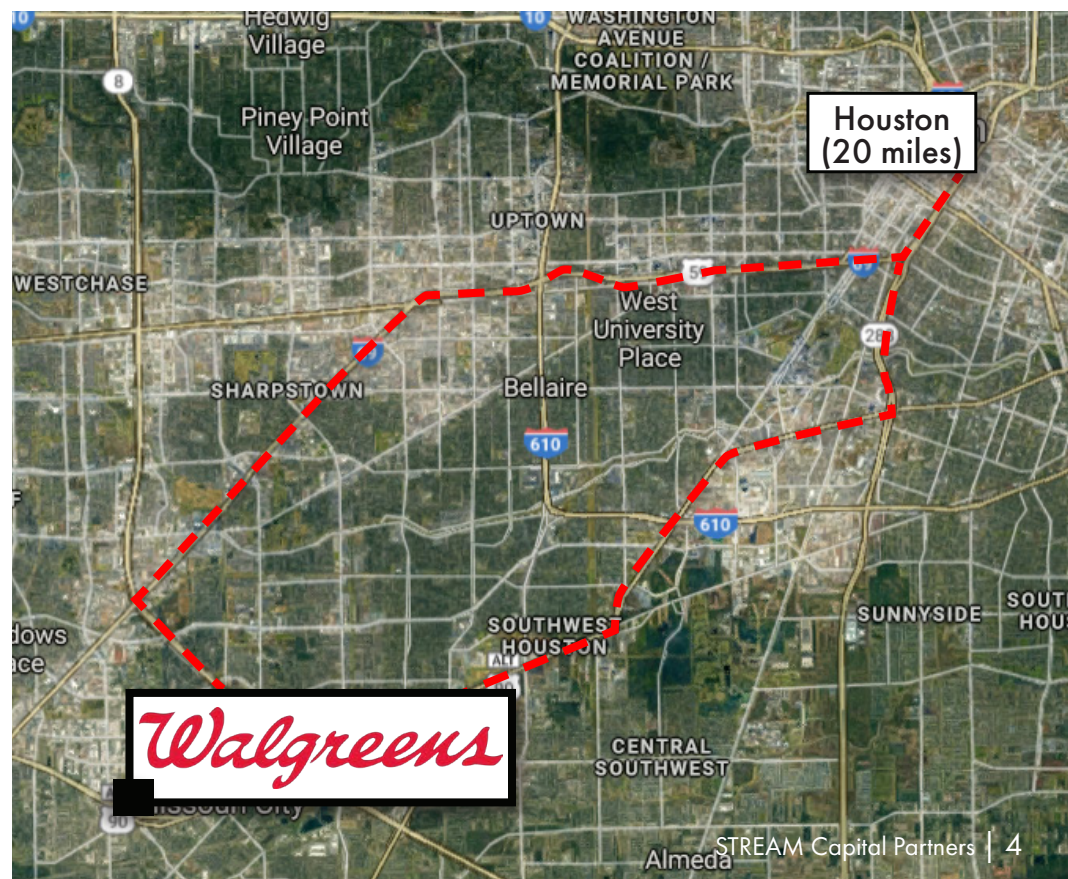
Location Highlights

Located 0.4 miles from Dr Lynn Armstrong Elementary School with over 660 students

20 miles from Downtown Houston

Average household income is over \$110,000 within one mile of property and \$122,000 within three miles of property

Densely populated area with 16,800+ people within one mile and 127,600+ within three miles



TENANT SUMMARY

Walgreens, one of the nation's largest drugstore chains, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (NASDAQ: WBA), the first global pharmacy-led, health and wellbeing enterprise. Approximately 8 million customers interact with Walgreens in stores and online each day, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice.

As of August 31, 2018, Walgreens operates 9,560 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, along with its omnichannel business, Walgreens.com. Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

With its brand as a foundation, Walgreens is building its business in four areas: pharmacy, front end, health care services, and consumer services. These areas are being enabled through partnerships, new store layouts and product assortments, new approaches to pricing and promotion to unlock value and by helping team members better serve customers by eliminating unproductive work and putting more decisions in their hands.



1.1 Billion

Number of prescriptions & immunizations filled in 2018

240,000

Total number of Walgreens Employees

85,000

Number of healthcare service providers

78%

Of U.S. population lives within five miles of a store

88 Million

Balance Rewards active members

9,560

Number of stores in U.S., Puerto Rico & Virgin Islands



AREA MAP



AERIAL VIEWS



Quail Valley
Apartment Homes

New Hope
Lutheran Church

CVS
pharmacy



First United
Methodist Church



Land just sold to
retail developer



Walgreens

Murphy Road

Independence
Boulevard

5,483
Households within 1 Mile

45,200
Households within 3 Miles

104,775
Households within 5 Miles

AERIAL VIEWS

Lexington Square

Dr Lynn Armstrong Elementary School (660+ students)

Land just sold to retail developer

\$110,031
Average HH Income within 1 Mile

\$122,386
Average HH Income within 3 Miles

\$116,236
Average HH Income within 5 Miles

Independence Boulevard

Walgreens



AERIAL VIEWS



First United
Methodist Church



Murphy Road

Independence
Boulevard

16,847

1 Mile Population

127,610

3 Mile Population

302,477

5 Mile Population

MARKET OVERVIEW

Missouri City, Texas, is located 20 miles southwest of Houston in the state's wealthiest county - Fort Bend County. With a population over 780,000 people, this is the fastest-growing large county in the nation. The Houston MSA has a population of over 7 million, ranking it 5th in the nation. Interstate 69, the "NAFTA Superhighway" runs through the county, providing easy access to Houston; it is a 25-minute drive from Missouri City and only a 30-minute commute by bus.

The local economy is strong; the area boasts an average household income of over \$90,000 as compared to the statewide average of about \$55,000. Regarding the workforce, 45% have a bachelor's degree or more.

Among major employers in the area are energy, chemical production, and engineering companies such as Schlumberger Technology Corp., Sunoco Logistics, Nalco Champion, and Fluor Corp. Additionally, Houston is home to 26 Fortune 500 companies within a 30-minute commute and hosts the second-largest concentration of Fortune 1000 companies in the country behind New York.

Area Developments

In July 2018, Best Buy invested \$100 million in a 550,000 square foot distribution center in Missouri City. In February, the Dollar Tree announced plans for a \$130 distribution center in Rosenberg, which would create 300 jobs.

Master planned communities, such as the Grid, are a major focus in the area. Initiated in March, this development consists of 350,000 square feet of retail and restaurant space, 2,400 residential units, and 500,000 square feet of office space. Investments of this type offer a promising outlook for this already prosperous area.

#4

Houston's rank among U.S. metro areas in Fortune 500 headquarters

Fortune 500 Companies in Houston Metro

Rank	Company	Revenues
28	Phillips 66	\$91.6 B
54	Sysco	\$55.4 B
95	Conoco Phillips	\$32.6 B
105	Enterprise Products Partners	\$29.2 B
115	Plains GP Holdings	\$26.2 B
146	Halliburton	\$20.6 B
202	Waste Management	\$14.5 B
218	Kinder Morgna	\$13.7 B
220	Occidental Petroleum	\$13.3 B
257	Andarko Petroleum	\$11.9 B
270	EOG Resources	\$11.2 B
273	Group 1 Automotive	\$11.1 B
282	Huntsman	\$10.6 B
308	CenterPoint Energy	\$9.6 B
316	Quanta Services	\$9.5 B
334	Targa Resources	\$8.8 B
336	Calpine	\$8.8 B
352	Westlake Chemical	\$8.0 B
388	National Oilwell Varco	\$7.3 B
438	Apache	\$6.4 B
489	Cheniere Energy	\$5.6 B

HOUSTON

Houston, with 2.3 million residents, is the fourth most populous city in the United States, trailing only New York, Los Angeles and Chicago

Ranked Houston among “The 7 Most Impressive American Cities of 2017” for its diverse population, affordability and strong economy by Thrillist

More than 3.5 million foreign travelers came to Houston in 2017

Ninety-one nations have consular representation in the city, ranking Houston’s consular corps third largest in the nation

The Greater Houston area has 14 major institutions of higher learning and more than 60 degree-granting colleges, universities and technical schools

Tier One research universities in the Houston region include: Rice University, the University of Houston and Texas A&M University

Houston (Rice University) is the birthplace of nanotechnology

Houston is home to Johnson Space Center, the training base and home for our nation’s astronauts and the site of Mission Control





21.8
MILLION+

Record-High
Visitors in 2017

\$16.5
BILLION+

Economic Impact
for 2017

6%

2016 Domestic
Visitation Growth

4.4
MILLION

Square Feet of
Convention Space

MISSOURI CITY, TEXAS (HOUSTON, TX MSA) DEMOGRAPHICS

POPULATION ESTIMATE

1-MILE

16,874

3-MILE

127,610

5-MILE

302,477

ESTIMATED AVERAGE HOUSEHOLD INCOME

1-MILE

\$110,031

3-MILE

\$122,386

5-MILE

\$116,236



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