

*Walgreens*

320 SOUTH SCATTERFIELD ROAD | ANDERSON, INDIANA

Actual Location







Actual Location

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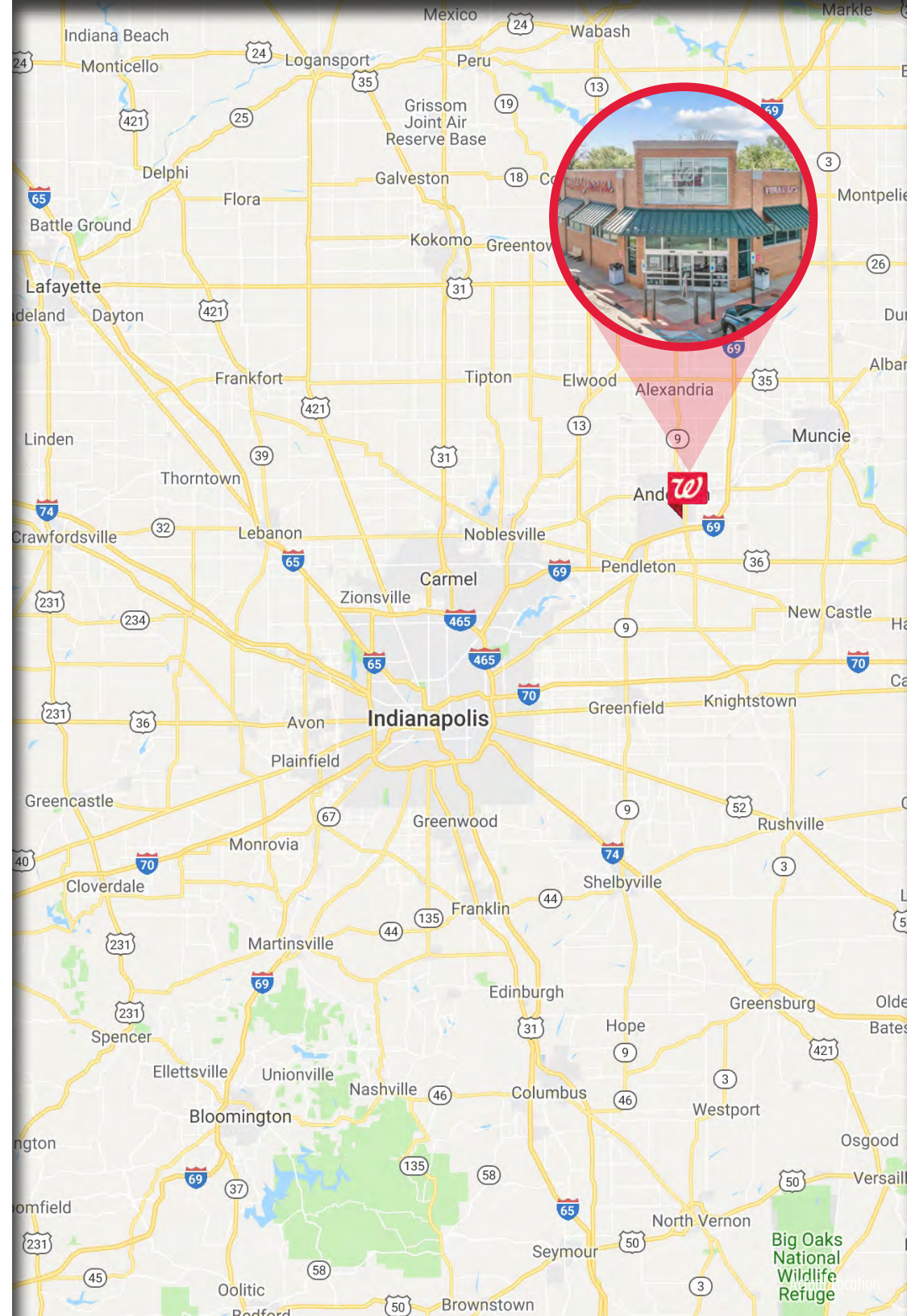
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## Investment Summary

ADDRESS	320 South Scatterfield Road Anderson, Indiana 46012
PARCEL SIZE:	1.38 Acres
BUILDING SIZE:	14,418 SF
YEAR BUILT	2004
PARKING:	55 Spaces
NOI:	\$300,000
PRICE:	\$4,200,000
CAP RATE:	7.15%

## Investment Overview

The CBRE Net Lease Property Group is pleased to exclusively offer a 14,418-square-foot freestanding Walgreens situated on 1.38 acres in Anderson, Indiana—a component of the Indianapolis-Carmel-Anderson Metropolitan Area (MSA Population: 2,048,703). Built in 2004, Walgreens' absolute NNN lease features  $\pm 10.3$  years of primary term remaining and ten 5-year renewal options. The property is positioned with excellent access and visibility one parcel inset from the signalized corner of South Scatterfield Road (Traffic Count: 22,119 VPD) and University Boulevard (Traffic Count: 10,042 VPD), which provides access to Interstate 69 (Traffic Count: 44,639 VPD) to the east. Walgreens is strategically located adjacent to Clancy's Car Wash and Sparking Clean Car Wash, directly across from Dollar General and JD Byrider, and diagonally across from CVS. Walgreens benefits from its position within 3 miles from both the Community Hospital (139 beds) and the St. Vincent Anderson Regional Hospital (240 beds). The site is also within walking distance from Anderson University (Enrollment: 1,800) and less than 2 miles from the Anderson Municipal Airport. Walgreens further benefits from its location within Anderson's primary retail and commercial corridor with 2.9 MSF of retail, 2.2 MSF of office, 4.0 MSF of industrial, and 2,256 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include Harvest Supermarket, Ollie's Bargain Outlet, Dunham's Sports, Roses, Advance Auto Parts, O'Reilly Auto Parts, Old National Bank, Jiffy Lube, Midas, Subway, Long John's Silver's, Wendy's, Good Year, McDonald's, Verizon, Dairy Queen, Speedway, Marco's Pizza, and Taco Bell, among others. Furthermore, Walgreens enjoys dynamic demographics with a population of 42,988 and an average household income of \$51,296 within a 3-mile radius.

### DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Counts
7,277	\$49,296	42,988	\$51,296	70,607	\$54,086	South Scatterfield Road: 22,119 VPD University Boulevard: 10,042 VPD Interstate 69: 44,639 VPD





## Investment Highlights



**Premier Drug Store Brand:** Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,560 stores across 50 states, the District of Columbia and Puerto Rico. Walgreens Boots Alliance Inc. reported TTM revenues of \$136.1 billion, TTM EBITDA of \$7.67 billion, and TTM net income of \$5.13 billion as of February 28, 2019.



**Proximity to Hospitals:** Three miles from both the Community Hospital (139 beds) and the St. Vincent Anderson Regional Hospital (240 beds).



**Excellent Access/Visibility:** The property is positioned with excellent access and visibility one parcel inset from the signalized corner of South Scatterfield Road (Traffic Count: 22,119 VPD) and University Boulevard (Traffic Count: 10,042 VPD), which provides access to Interstate 69 (Traffic Count: 44,639 VPD) to the east.



**Strategic Location:** Walgreens is strategically located adjacent to Clancy's Car Wash and Sparking Clean Car Wash, directly across from Dollar General and JD Byrider, and diagonally across from CVS. The site is also within walking distance from Anderson University (Enrollment: 1,800) and less than 2 miles from the Anderson Municipal Airport.



**Seasoned Store:** Built in 2004, this location has been operating for nearly 15 years.



**Absolute NNN Lease:** Walgreens's absolute NNN lease features  $\pm 10.3$  years of primary term remaining and ten 5-year renewal options.



**Dominant Retail & Commercial Corridor:** Walgreens benefits from its location within Anderson's primary retail and commercial corridor with 2.9 MSF of retail, 2.2 MSF of office, 4.0 MSF of industrial, and 2,256 multifamily units within a 3-mile radius. Major retailers within the immediate vicinity include Harvest Supermarket, Ollie's Bargain Outlet, Dunham's Sports, Roses, Advance Auto Parts, O'Reilly Auto Parts, Old National Bank, Jiffy Lube, Midas, Subway, Long John's Silver's, Wendy's, Good Year, McDonald's, Verizon, Dairy Queen, Speedway, Marco's Pizza, and Taco Bell, among others.



**Indianapolis MSA Advantage:** Comprised of 11 counties, the Indianapolis-Carmel-Anderson, IN Metropolitan Area is centered on the capital and most populous city of Indiana, Indianapolis. The metro area is a component of the most populated and largest megalopolis in North America—the Great Lakes Megalopolis—with a population in excess of 59 million. Anchored by logistics, the state capital, and manufacturing, the Indianapolis economy boasts a diversified industrial structure, highly-developed distribution network, strong demographics, and low business costs.





Advance  
Auto Parts



DOLLAR  
GENERAL

Anderson University  
(Enrollment: 1,800)

Jack's DONUTS  
La Nueva Charreada

Gene's Root Beer  
& Hot Dogs

Deluxe Donuts

JACKSON HEWITT  
PROPERTY SERVICES

Sparkling Clean Car Wash



SOUTH SCATTERFIELD ROAD: 22,119 VPD

Walgreens

UNIVERSITY BOULEVARD: 10,042 VPD

clancy's  
CAR WASH

INDEPENDENT  
FEDERAL CREDIT UNION  
ATM









## Lease Summary

<b>TENANT:</b>	Walgreen Co. (S&P: BBB)
<b>PARENT COMPANY:</b>	Walgreens Boots Alliance
<b>LEASE COMMENCEMENT:</b>	August 1, 2004
<b>LEASE EXPIRATION:</b>	July 31, 2029
<b>LEASE TERM REMAINING:</b>	±10.3 Years
<b>LEASE TYPE:</b>	NNN
<b>INITIAL TERM RENT:</b>	\$300,000
<b>RENEWAL OPTIONS:</b>	Ten 5-year options
<b>OPTION RENT:</b>	\$300,000
<b>2018 SALES:</b>	\$1.35M
<b>TAXES:</b>	Tenant shall pay, when due and before delinquency, the ad valorem real estate taxes (including all special benefit taxes and special assessments) and payments due on tax increment financing levied and assessed against the Leased Premises.
<b>INSURANCE:</b>	Tenant, at Tenant's sole cost and expense, shall carry the following policies of insurance: (i) special form coverage insurance covering the Building and other improvements on the Leased Premises to the extent of not less than 100% of replacement value, less foundations, on an actual cash value basis; and (ii) general commercial liability and property damage insurance covering liability and property damage for death or bodily injury in any one accident, mishap or casualty in a combined single limit sum of not less than \$3,000,000. Tenant may self-insure only if Tenant or Tenant's parent company maintains a tangible net worth of \$100,000,000.
<b>REPAIRS &amp; MAINTENANCE:</b>	Tenant, at Tenant's sole cost and expense, shall maintain the Leased Premises, parking areas of the Leased Premises, and the Common Access Drive and make all necessary repairs and replacements, whether interior or exterior, to all parts of the same.
<b>ROFR:</b>	Yes, 15 days.
<b>COMMON AREA MAINTENANCE:</b>	Tenant covenants to operate and maintain at its expense all Common Areas located on its Parcel in good order, condition and repair. Tenant shall maintain the Common Access Drive in good condition and repair, including without limitation, keeping the Common Access Drive free from obstructions, re-sealing, re-striping, repairing potholes, and replacing the asphalt surface when necessary, all at Tenant's sole cost and expense.





UNIVERSITY BOULEVARD: 10,042 VPD



SOUTH SCATTERFIELD ROAD: 22,119 VPD







## Tenant Overview

Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,560 drug stores in 50 states, the District of Columbia and Puerto Rico. Domestically, the company also operates approximately 500 worksite health and wellness centers and in-store convenient care clinics. Walgreens Boots Alliance Inc. reported TTM revenues of \$136.1 billion, TTM EBITDA of \$7.67 billion, and TTM net income of \$5.13 billion as of February 28, 2019. Walgreens provides consumer goods and services in addition to pharmacy and health and wellness services through drugstores, by mail, by telephone and online. In addition to prescription and non-prescription drugs, the company sells household products, convenience and fresh foods, personal care and beauty care items, photofinishing and candy products, home medical equipment, contact lenses, vitamins and supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services and operates Take Care Clinics to treat patients, write prescriptions and administer immunizations and other vaccines. Walgreens was founded in 1901 and is based in Deerfield, Illinois.

## Walgreens Boots Alliance

In 2014, Walgreens formed a global business by purchasing the remaining 55% of Switzerland-based Alliance Boots (Walgreens already owned 45% of Alliance Boots) for \$5.3B. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc. (NASDAQ: WBA, S&P: BBB), on December 31, 2014. The tenant under the lease is Walgreen Co., which is now a direct subsidiary of Walgreens Boots Alliance Inc.

## Rite Aid Transaction

In Spring 2018, Walgreens finalized their purchase of 1,932 stores and 3 distribution centers from Rite Aid for approximately \$4.4 billion. Walgreens will spend \$750 million to integrate all of the locations by end of the 2020 fiscal year, as well as an additional \$500 million on store improvements.

## Company Overview

TTM Revenue:	\$136.1 Billion (as of 2/28/2019)
Number of Locations	9,560
Number of Employees	415,000
Headquarters	Deerfield, IL
Fortune 500	#19





## Area Overview

### ANDERSON, INDIANA

Situated 45 miles northeast of Downtown Indianapolis, the city of Anderson is the county seat of Madison County, Indiana and a principal city to the Indianapolis–Carmel–Anderson, IN Metropolitan Area (MSA Population: 2,048,703). Located on the Interstate 69 corridor, the city is positioned in the heart of the Midwest United States and is home to Anderson University (Enrollment: 1,800) and the Anderson Municipal Airport. Anderson boasts an affordable cost of living, a business-friendly economy, and an experienced work force.

### INDIANAPOLIS–CARMEL–ANDERSON, IN METROPOLITAN AREA

Comprised of 11 counties, the Indianapolis–Carmel–Anderson, IN Metropolitan Area is centered on the capital and most populous city of Indiana, Indianapolis. The metro area is a component of the most populated and largest megalopolis in North America—the Great Lakes Megalopolis—with a population in excess of 59 million.

### Expanding Economy

Anchored by logistics, the state capital, and manufacturing, the Indianapolis economy continues to progress forward due to its diversified industrial structure, highly-developed distribution network, strong demographics, and low business costs. The area's central location and extensive highway/freight infrastructure have supported its role as a regional distribution center and have also attracted investment from UPS, Fedex, and Amazon. The area's labor market has experienced steady growth for nearly a decade and has been able to accommodate a surge in the labor supply. Currently at a record high, the Indianapolis labor force is 10% above its level from 10 years ago. Indianapolis' greatest economic advantage is the attainment of its production workforce, which is supported by the collection of higher education institutions that produce graduates with degrees in mechanical engineering. Over the long term, Indianapolis will rely on performance from private services, specifically transportation/warehousing and technology. Additionally, Indianapolis ranks among the top 5% of metro areas in industrial diversity, minimizing employment volatility and uncertainty (Source: Moody's Analytics).

### TOP EMPLOYMENT SECTORS



**16.2%**  
PROFESSIONAL &  
BUSINESS SERVICES



**15.0%**  
EDUCATIONAL &  
HEALTH SERVICES



**12.4%**  
GOVERNMENT



**10.5%**  
RETAIL TRADE

### TOP EMPLOYERS

INDIANA UNIVERSITY HEALTH	23,187
ST. VINCENT HOSPITALS & HEALTH SERVICES	17,398
ELI LILLY AND CO.	11,334
COMMUNITY HEALTH NETWORK	11,328
WAL-MART STORES INC.	8,934
THE KROGER CO.	8,146
MARSH SUPERMARKETS INC.	8,000
PURDUE UNIVERSITY	5,100
FEDEX	5,000
MEIJER	4,825

Source: Indianapolis Business Journal Book of Lists, 2018



## Area Overview (Continued)

### Higher Education

Indianapolis is home to a high concentration of higher education institutions, including Indiana Institute of Technology, Indiana University–Purdue University, Butler University, Marian University, University of Indianapolis, and many others.

Indiana University–Purdue University–Indianapolis (IUPUI) is the region's largest institution with over 29,000 students. Located along the White River and Fall Creek, IUPUI is situated on a peninsula adjacent to Downtown Indianapolis. IUPUI is Indiana's premier urban university with over 20 schools and 350 academic programs provided by both Indiana University and Purdue University. The Indianapolis campus is the primary campus for both the Indiana University School of Medicine and the Indiana University School of Dentistry—the only dental school in the state.

### Transportation & Connectivity

Known as a center for logistics and transportation, Indianapolis serves as a major point on the United States Interstate Highway System due to the number of major interstate highways that cater to the area.

- Interstate 65 runs to Gary, IN to the north and Louisville, KY, Nashville, TN, and Birmingham, AL to the south.
- Interstate 69 runs to Fort Wayne, IN to the north and will run to Evansville and Bloomington, IN to the south once completed.
- Interstate 70 runs to Columbus, OH to the east and St. Louis, MO and Denver, CO to the west.
- Interstate 74 runs to Cincinnati, OH to the east and Peoria, IL to the west.
- Interstate 465 is a beltway that circles suburban Indianapolis.

By air, Indianapolis is served by several airports. The Indiana International Airport is the region's busiest airport with over 9.4 million passengers in 2018, a 7.1% increase from 2017.

*Indiana University–Purdue University–Indianapolis (IUPUI)*



*Indianapolis International Airport*





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