

# Walgreens

## EXCLUSIVE NET-LEASE OFFERING

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**TOP PERFORMING STORE**

**\$2,965,000**

**Average Store Sales  
Reported since 2013**

# OFFERING MEMORANDUM

**Walgreens**

49 Kellogg Road, New Hartford, NY 13413

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The Walgreens logo is written in a red, cursive script font.

49 Kellogg Road, New Hartford, NY 13413



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*Walgreens*





# Investment Highlights

PRICE: \$3,995,000 | CAP: 6.00% | RENT: \$240,000

# Walgreens

## About the Investment

- ✓ 12 Years Remaining on an Original 25-Year Triple Net (NNN) Lease
- ✓ Annual Store Sales Since 2013 have Averaged \$2,965,000
- ✓ Ten (10), Five (5)-Year Tenant Renewal Options
- ✓ Low Rent Walgreens Location | Tenant is Only Paying \$16.50 PSF

## About the Location

- ✓ Located at a Signalized Intersection Immediately Off New York Route 8
- ✓ Affluent Population | Average Household Income is \$98,600 Within a One-Mile Radius
- ✓ Immediately Opposite of a Hannaford Anchored Shopping Center
- ✓ National Tenants Nearby Include: Rite Aid, Key Bank, McDonald's, Dunkin' Donuts, CITGO, Mobil, Sunoco, and More
- ✓ Located Right off of NY-8 | Average Daily Traffic Counts Exceed 28,000+ Vehicles
- ✓ 37,350 Individuals Within a Three-Mile Radius and Approximately 95,828 Individuals Residing Within a Five-Mile Radius
- ✓ Utica College | Less Than 3.5 Miles from this Walgreens | 3,685 Students Enrolled Annually
- ✓ Kellogg Road | Average Daily Traffic Counts Exceed 13,600 Vehicles

## About the Tenant / Brand

- ✓ S&P: BBB Credit Guaranty
- ✓ Walgreens is One of the Nation's Largest Leading Drugstore Chains
- ✓ Walgreens Operates 8,100 Drugstores with a Presence in all 50 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.
- ✓ Walgreens Also Manages More Than 400 Healthcare Clinics and Provider Practice Locations Around the Country





# Financial Analysis

PRICE: \$3,995,000 | CAP: 6.00% | RENT: \$240,000

*Walgreens*

## PROPERTY DESCRIPTION

Property	Walgreens
Property Address	49 Kellogg Road
City, State, ZIP	New Hartford, NY 13413
Building Size (SF)	14,550
Lot Size (Acres)	1.80 Acres

## LEASE SUMMARY

Property Type	Net Lease Drug Store
Ownership	Fee Simple
Tenant / Guarantor	Walgreens Eastern Co., Inc.
Lease Term	25 Years
Rent Commencement	July 1, 2006
Lease Expiration	June 30, 2031
Lease Term Remaining	12 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	None
Options to Renew	Ten (10), Five (5)-Year Renewal Options

## THE OFFERING

Purchase Price	\$3,995,000
Cap Rate	6.00%
Annual Rent	\$240,000
Price/SF	\$274.57
Rent/SF	\$16.49

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens Pharmacy located at 49 Kellogg Road, New Hartford, New York. This is a rare opportunity to acquire an investment grade tenant reporting strong annual sales, and paying a rent well below the majority of it's peers. The site has abundant frontage along Kellogg Road, which intersects with New York Route 8. There are over 28,000 vehicles per day travelling NY - Route 8 each day. Furthermore, the property is located immediately opposite a large, Hannaford Brothers anchored shopping center including tenants like Rite Aid and Dollar Tree.

The site was constructed in 2006 and consists of roughly 14,550 rentable square feet of building space on approximately 1.80 acre parcel of land. Walgreens is subject to a 25-year triple-net (NNN) lease, which commenced on July 1<sup>st</sup> 2006 and continues through June 30<sup>th</sup> 2031. Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.





# Tenant Overview

## About Walgreens

Walgreens, one of the nation's largest drugstore chains, constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health, and wellbeing enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens operates 8,100 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 Healthcare Clinics and provider practice locations around the country. Walgreens Boots Alliance reported sales of \$118.21 Billion in fiscal year 2017 and their credit ranking by Standard and Poor's is BBB.

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

# Walgreens



## General Information

Address	Deerfield, IL
Website	<a href="http://www.Walgreens.com">www.Walgreens.com</a>
Founded	1901
Locations	8,100
Chairman/CEO	Gregory D. Wasson



# Location Overview

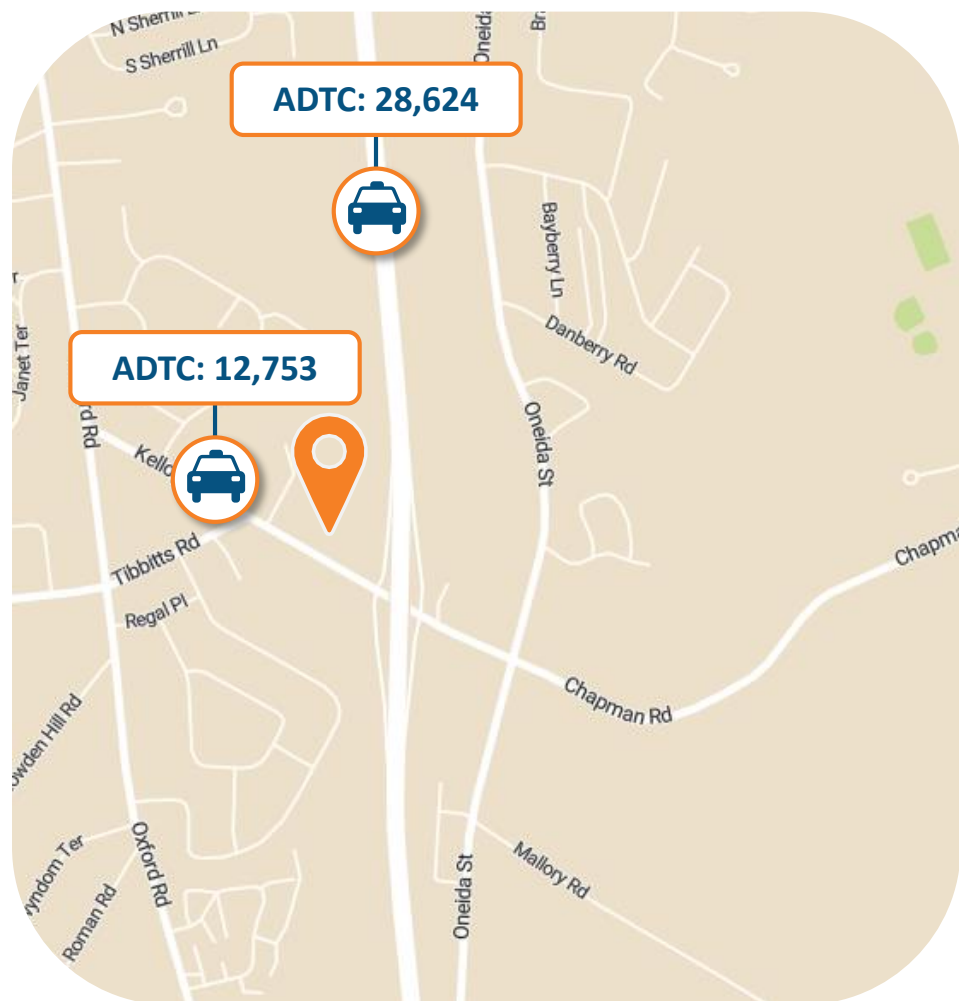
Property Address: 49 Kellogg Road, New Hartford, NY 13413

*Walgreens*

The subject property is located at 49 Kellogg Road in New Hartford, New York. This Walgreens benefits from being in close proximity to ElderChoice Inc., a licensed provider of home healthcare services for Upstate NY. Additionally, located less than a mile from this Walgreens is Centrex Clinical Laboratories, a blood-testing firm and one of the world's largest clinical laboratory operators that recently partnered with Walgreens in 2018. This Walgreens is also located within close proximity to a variety of national retailers, including: Hannaford Supermarket, Rite Aid, Key Bank, McDonald's, Dunkin' Donuts, CITGO, Mobil, Sunoco, and more. This Walgreens is located less than 3.5 miles from Utica College, which enrolls approximately 3,685 students each years. Additionally, New Hartford High School is located just 1.5 miles from this Walgreens.

This Walgreens is situated at a signalized intersection immediately off NY-8, a north-south state highway through Central New York. NY-8 experiences an average daily traffic count that exceeds 28,000 vehicles. There are more than 37,350 individuals residing within a three-mile radius of the property and approximately 95,828 individuals within a five-mile radius. This subject Walgreens is also positioned in an affluent neighborhood as the immediate average household income exceeds \$98,600.

New Hartford is the largest suburb of Utica, New York, which is located directly north of the town and village. New Hartford has become the retail mecca of Oneida County, offering multiple strip malls and an enclosed mall within the town and village limits. The retail includes; The Orchard, Consumer Square, New Hartford Shopping Center, Sangertown Square Mall, with additional free standing shops. Located just 4 miles from New Hartford is the city of Utica, which is the county seat of Oneida County. has become a melting pot for refugees from war-torn countries around the world, encouraging growth for its colleges and universities, cultural institutions and economy. The city is host to a number of arts, historical, cultural and natural sites including the Adirondack Scenic Railroad and Union Station, the Landmarks Society of Greater Utica, the National Distance Hall of Fame, the Munson-Williams-Proctor Arts Institute, the Sculpture Space, Utica Memorial Auditorium and the Utica Zoo among other parks. Annual signature events within the area include the Boilermaker Road Race, Falling Leaves Road Race, RiggieFest, Utica Music Fest, Taste of Utica and the Children's Museum Festival of Trees and Lights. Utica has an array of ethnic cuisines.







# Surrounding Area

# Walgreens







# Surrounding Area Photos

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# Market Overview

City: New Hartford | County: Harris | State: New York

Utica, NY



**Utica** is a city in Mohawk Valley and the county seat of Oneida County. Utica is home to The State University of New York Polytechnic Institute a public research university offering bachelors and masters programs. SUNY Poly is recognized as having the first college in the United States entirely devoted to nanotechnology, The Colleges of Nanoscale Science and Engineering. This was instrumental in government agencies and chip manufacturing companies selecting Utica as the site of a massive semiconductor chip fabrication plant. The development plan of the Marcy Nanocenter site includes up to 8.25 million square feet of teaching facilities, with up to three 450mm computer chip fabs, each with a cleanroom of approximately 450,000 square feet, a total public and private investment of \$10B to \$15B for each phase of development, and the creation of approximately 5,000 direct jobs and approximately 15,000 indirect jobs. Danfoss Silicon Power, the first major tenant in the Utica Campus, is currently the first of 300 employees. This massive investment by both the public and private sector will continue to draw more educated professionals to the Utica region.

## Major Employers

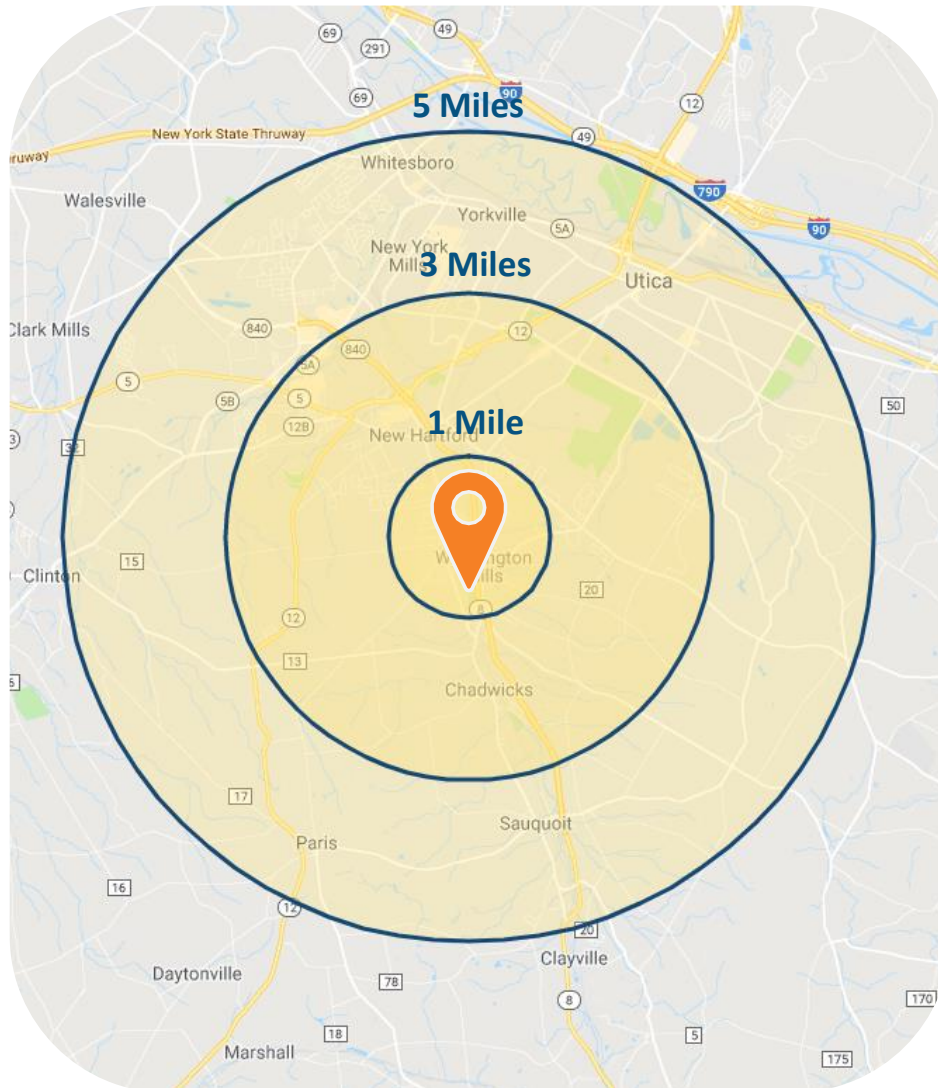
Employer	Estimated # of Employees
Expansion Strategies Inc	2,700
St Elizabeth Medical Center	1,584
Graphic Arts Mutual Insur Co	1,325
Turbine Engine Comp Utica	1,300
Resource Ctr For Ind Living	1,250
McDonalds	1,045
County of Oneida	1,029
Upstate Cerebral Palsy Inc	821
Grand Union Family Markets	800
Utica National Insurance Group	780



# Demographics

Property Address: 49 Kellogg Road, New Hartford, NY 13413

*Walgreens*



## POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	3,981	37,698	95,713
2017 Estimate	3,858	37,355	95,828
2010 Census	3,887	37,492	96,254
2000 Census	4,109	36,608	93,993

## INCOME

Average	\$98,600	\$78,473	\$63,423
Median	\$67,069	\$54,300	\$43,213
Per Capita	\$45,428	\$31,946	\$26,294

## HOUSEHOLDS

2022 Projection	1,851	15,274	39,200
2017 Estimate	1,776	15,029	38,894
2010 Census	1,800	15,155	39,296
2000 Census	1,809	14,574	38,511

## HOUSING

2017	\$153,800	\$121,875	\$105,832
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## EMPLOYMENT

2017 Daytime Population	4,189	41,744	111,284
2017 Unemployment	2.58%	3.70%	5.22%
2017 Median Time Traveled	17	18	19

## RACE & ETHNICITY

White	90.53%	77.12%	74.25%
Native American	0.00%	0.05%	0.04%
African American	1.52%	8.75%	10.12%
Asian/Pacific Islander	5.93%	8.42%	8.53%





## EXCLUSIVE NET LEASE OFFERING

