



Offering Memorandum

WALGREENS
6838 N 7TH STREET
PHOENIX, AZ 85014

Marcus & Millichap





DOWNTOWN PHOENIX

6 MILES | 15 MINUTES

N 7TH ST
30,500 CPD

Walgreens

WELLS
FARGOMadison
Animal Hospital & Grooming
Proud Member of AZ Pet VetW GLENDALE AVE
31,500 CPDPEI WEI
SUBWAY
LESLIE'S SWIMMING
POOL SUPPLIES
sauce
pizza | wine
Orangetheory
FITNESS

CHASE

WALGREENS

6838 N 7th Street
Phoenix, AZ 85014

FINANCIAL SUMMARY

Price	\$7,680,000
Down Payment	100% \$7,680,000
Cap Rate	6.25%
Building SF	14,490 SF
Net Cash Flow	6.25% \$480,000
Year Built	2002
Lot Size	1.09 Acres

THE HUMAN BEAN LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Lease
Tenant	Walgreen Arizona Drug Co.
Roof & Structure	Tenant Responsible
Lease Commencement Date	December 21, 2002
Lease Expiration Date	December 31, 2077
Effective Lease Term Remaining	8 Years
Rental Increases	None
Tenant Right to Terminate	Tenant's Option Every 5 Years After Initial 25 Year Term
Right of First Refusal	Tenant's Option within 45 Days After Receipt of Landlord's Notice of Bona Fide Offer

BASE RENT	\$480,000
Net Operating Income	\$480,000
Total Return	6.10% \$480,000





Walgreens is an American pharmaceutical company which operates the largest drug retailing chain in the United States of America. It specializes in serving prescriptions, health & wellness products, health information and photo services. As of February 29, 2016, the company operated 8,177 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

Walgreens Boots Alliance is the first global pharmacy-led, health and wellbeing enterprise. Their goal is to help people across the world lead healthier and happier lives. Walgreens Boots Alliance was created through the combination of Walgreens and Alliance Boots in December 2014. This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

The Company, together with its equity method investments, has a presence in more than 25 countries, employs more than 370,000 people and is the largest retail pharmacy, health and daily living destination in the USA and Europe, and is:

- A global leader in pharmacy-led, health and wellbeing retail with over 13,100 stores in 11 countries
- One of the world's largest purchasers of prescription drugs and many other health and wellbeing products

www.walgreens.com

INVESTMENT HIGHLIGHTS

- Absolute Triple-Net (NNN) Lease with Walgreens – Investment Grade Tenant
- 8 Years Remaining on Lease Term
- Excellent Hard Corner Location – 60,000+ CPD at the 7th Street and Glendale Avenue Intersection
- Easily Accessible from the AZ-51 Freeway and I-17 Freeway
- Dense Infill Location - 384,403 Residents in 5-Mile Radius
- Across from Safeway-Anchored Center
- Central Location – Minutes to Grand Canyon University, Downtown Phoenix, Biltmore Fashion Park, and More
- Average Household Income Exceeds \$103K in Immediate Area
- Strong Daytime Population - 498,850+ Employees in Surrounding Area

DEMOGRAPHICS

Population	1-Mile	3-Miles	5-Miles
2022 Projection	15,470	139,523	377,704
2017 Estimate	15,537	140,876	384,403
Households	1-Mile	3-Miles	5-Miles
2022 Projections	6,959	62,769	154,831
2017 Estimate	6,913	61,853	153,003
Income	1-Mile	3-Miles	5-Miles
2017 Est. Average Household Income	\$103,287	\$70,452	\$67,026
2017 Est. Median Household Income	\$58,817	\$42,978	\$41,794
2017 Est. Per Capita Income	\$46,198	\$31,130	\$26,838

LOCATION OVERVIEW

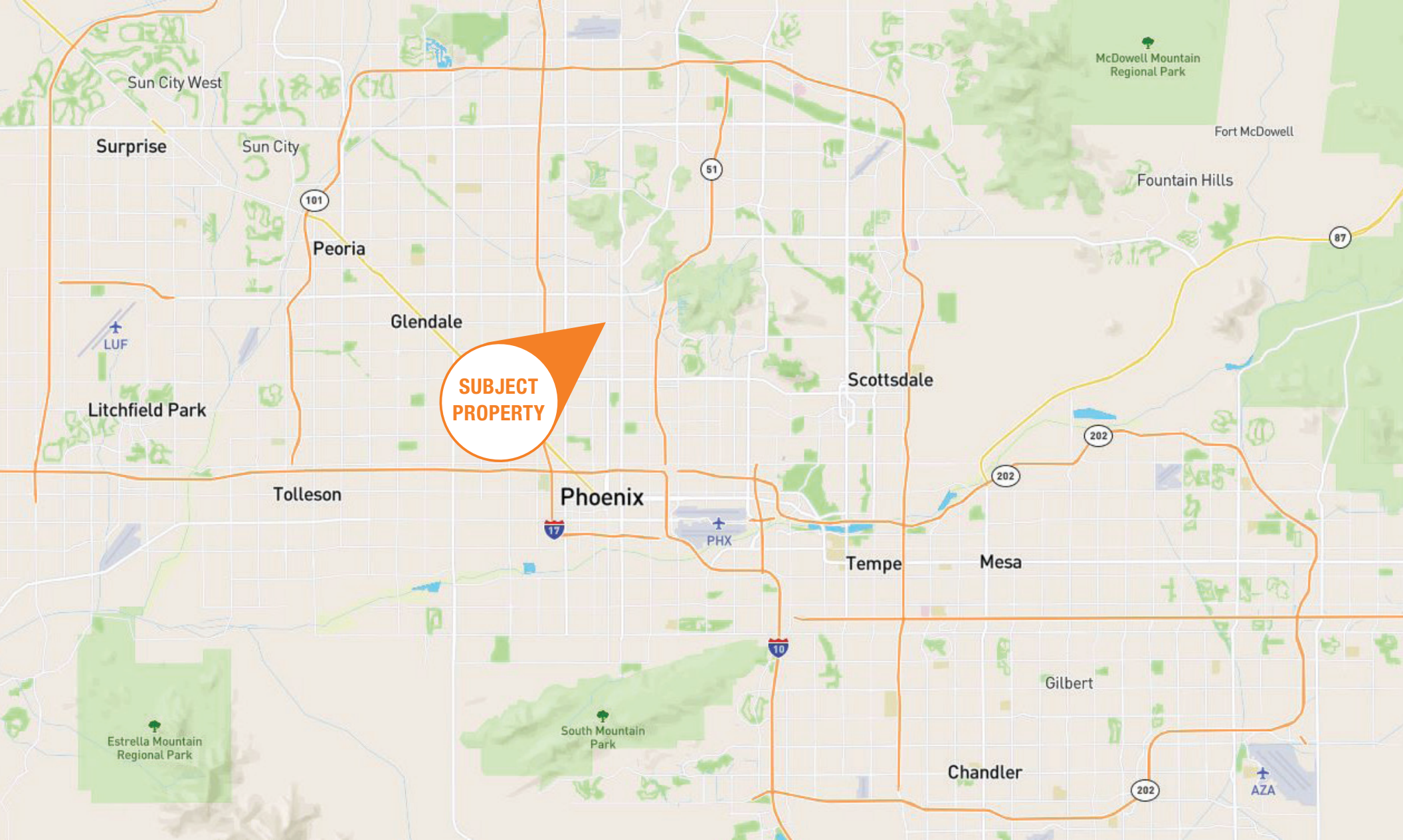
The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 38 percent. The largest city is Phoenix, which encompasses about 520 square miles, is the capital city and boasts a population of more than 1.5 million.

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, hightech manufacturing, healthcare and tourism dominate the Phoenix economy. The local economy has strengthened since the recession, with retail sales projected above 8 percent this year and hotel occupancy levels rising.

High-tech manufacturing has been a powerful driver in the local economy for two decades. The region's relatively low cost of doing business has encouraged several manufacturers to remain and expand in the area, while luring others. The strengthening economy has drawn job seekers to the area, boosting the housing market. Phoenix offers a lower cost of living than other metros its size, a moderate climate, and a wide variety of recreational and cultural activities.

The Phoenix region boasts almost 300 days of sunshine annually, low humidity and mild winters. In addition to hiking, camping and boating, sports enthusiasts can enjoy one of the most complete lineups of major league teams found in any city, including teams in all four major sports. The Cactus League holds spring training baseball throughout the Valley, and the area has numerous golf courses and tennis courts.





2 MILES
Pointe Hilton
Squaw Peak Resort

5 MILES
Grand Canyon
University

6 MILES
Downtown
Phoenix

9 MILES
Phoenix Sky Harbor
International Airport

Net Leased Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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.

Confidentiality Agreement

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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