

Walgreens

7901 RITCHIE HWY, GLEN BURNIE, MD





Actual Location

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Investment Summary

ADDRESS	7901 Ritchie Hwy, Glen Burnie, MD 21061
PARCEL SIZE:	2.14 Acres
BUILDING SIZE:	14,650 SF
PARKING:	71 Spaces
NOI:	\$395,000
PRICE:	\$6,583,000
CAP RATE:	6.00%

Investment Overview

The CBRE Net Lease Property Group is pleased to exclusively offer a 14,650-square-foot freestanding Walgreens situated on 2.14 acres in Glen Burnie, Maryland (Population: 68,000)—an upscale suburban community situated just 15 miles south of Baltimore and 14 miles north of Annapolis (MSA Population: 2.9 Million). Built in 2004, Walgreen's absolute NNN lease features ± 10.3 years of primary term remaining with ten 5-year options. The property is strategically positioned on the signalized hard corner of Marley Station Road and Ritchie Highway (Combined Traffic Count: 36,760 VPD). The site is also just 0.5 miles south of Maryland State Route 100 (Traffic Count: 86,671 VPD), which is the major east-west highway that provides access to the Baltimore–Washington International Airport and the Arundel Mills Mall. Walgreens is also ideally located directly across from the 1.1 MSF Marley Station Mall (Anchors: J.C. Penney, Macy's, Gold's Gym and Sears) and adjacent to Wendy's. The 480,000-square-foot Southdale Shopping Center is located just 0.3 miles southeast of the site and is home to an impressive list of national tenants including Home Depot, Marshalls, PetSmart, Office Depot, Michaels, Value City Furniture, The Tile Shop, Plato's Closet, Bank of America, Capital One Bank, Boston Market, Potbelly Sandwich Shop, Burger King and Subway. Additional national tenants in the immediate area include Walmart Supercenter, ALDI, Weis Markets, Burlington, Home Goods, Party City, Pier 1, LA Fitness, Planet Fitness, Regency Furniture, Verizon, Wells Fargo, Dollar Tree, Carrabba's, Panera Bread, Arby's, Chick-fil-A, Dunkin' Donuts, Bob Evans, Pizza Hut, IHOP, Outback Steakhouse and Mission BBQ, among many others. The site further benefits from its proximity—less than 3 miles—to the University of Maryland Baltimore Washington Medical Center, which boasts 310 beds and is home to 2,800 employees and 800 physicians that serve the greater Baltimore region with its leading-edge technology, nationally recognized quality and personalized services. The Baltimore–Washington International Airport is also 6 miles north of the site and is a major traffic driver for the surrounding region. As the primary international airport serving the Baltimore and one of three airports serving the Baltimore–Washington D.C metropolitan area, it attracts more than 25 million passengers annually and has an economic impact of \$9.3 billion. Finally, Walgreens also benefits from dynamic demographics with a population of 93,933 and an average household income of \$89,735 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 Count
14,718	\$75,398	93,933	\$89,735	188,972	\$102,973	86,671 VPD on MD State Route 100 22,720 VPD on Ritchie Hwy 14,040 on Marley Station Road



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.



Long-Term NNN Lease: Built in 2004, Walgreen's NNN lease features ± 10.3 years of primary term remaining with ten 5-year options.



Proximity to Major Medical Complex: The University of Maryland Baltimore Washington Medical Center (UM BWMC) is the city's primary healthcare facility and is conveniently located less than 3 miles west of the site. The 310-bed hospital opened in 1965 and is home to more than 2,800 employees and 800 physicians. UM BWMC is one of the largest and best-equipped medical centers in the state and is considered to be one of the top 5% hospitals nationwide. In addition, the hospital is among the busiest in Maryland and serves more than 104,000 patients annually.



Excellent Access/Visibility: The property is strategically positioned on the signalized hard corner of Marley Station Road and Ritchie Highway (Combined Traffic Count: 36,760 VPD), which leads onto Maryland State Route 100 (Traffic Count: 86,671 VPD), which is the major east-west highway providing direct access to both Baltimore–Washington International Airport and the Arundel Mills Mall.



Limited Store Competition: This Walgreens location is the only freestanding pharmacy within the immediate area, lending it the ability to serve over 15,000 people in a 1.5 mile radius.



Seasoned Store with Strong Sales: This location has been operating for nearly 15 years and has annual sales of \$3.12 million.



Strategic Location with Excellent Retail Synergies: Walgreens is ideally located across from the 1.1 MSF Marley Station Mall (Anchors: J.C. Penney, Macy's, Gold's Gym and Sears) and adjacent to Wendy's. The Southdale Shopping Center is located just 0.3 miles southeast of the site and includes an impressive list of national tenants including Home Depot, Marshalls, PetSmart, Michaels, Value City Furniture, The Tile Shop, Bank of America, Capital One Bank, Boston Market, Potbelly Sandwich Shop, Burger King and Subway. Additional national tenants in the immediate area include Walmart Supercenter, ALDI, Weis Markets, Burlington, Home Goods, LA Fitness, Planet Fitness, Regency Furniture, Verizon, Wells Fargo, Dollar Tree, Carrabba's, Panera Bread, Arby's, Chick-fil-A, Dunkin' Donuts, Bob Evans, Pizza Hut, IHOP, Outback Steakhouse and Mission BBQ, among many others.



Benefit of BWI Airport: Glen Burnie is home to the Baltimore—Washington International Airport (BWI), which is the primary international airport serving Baltimore, MD and one of three major airports serving the Baltimore—Washington D.C combined statistical area. The 3,160-acre campus encompasses a 2 MSF passenger terminal (5 concourses and 70 jet gates). BWI is the busiest airport in the Baltimore-Washington CSA and is also considered one of the fastest growing airports in the nation, serving more than 25 million passengers annually. In addition, BWI was ranked as the 10th best U.S airport on the Conde Nast Traveler 2018 Reader's Choice Awards and has an economic impact of \$9.3 billion, generating more than 106,000 jobs throughout the region.



Baltimore MSA Advantage: The property benefits from its location within the Baltimore-Washington CSA, which includes the overlapping labor market regions of Baltimore, Maryland and Washington, D.C. As the 21st largest metro area in the U.S., the Baltimore region is home to more than 2.9 million people. Strategically located in the mid-Atlantic region, Baltimore has always been a hub for national and international relations and its economy has been one of industrial and maritime tradition. The region also benefits greatly from Baltimore tourism. The city boasts more than 750 tourist attractions, museums and sporting venues including the National Aquarium in Baltimore, Oriole Park at Camden Yards, M&T Bank Stadium, Maryland Science Center and Port Discovery Children's Museum.







Lease Summary

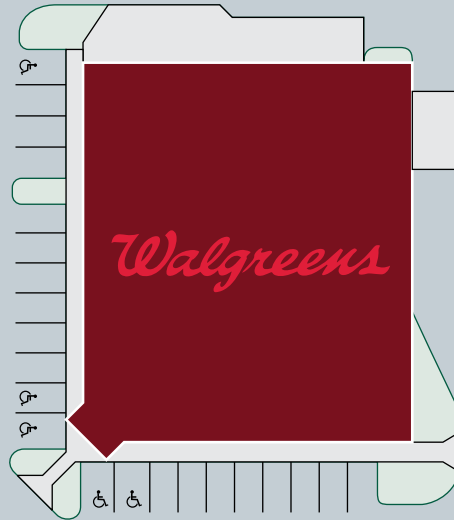
TENANT:	Walgreen Co.
LEASE COMMENCEMENT:	September 10, 2004
LEASE EXPIRATION:	September 30, 2029
LEASE TERM REMAINING:	±10.3 Years
LEASE TYPE:	Absolute NNN
INITIAL TERM RENT:	\$395,000
RENEWAL OPTIONS:	Ten 5-year options
OPTION RENT:	Flat
2018 SALES:	\$3,120,053 (2018)
TAXES:	Tenant shall pay, when due and before delinquency, the ad valorem real estate taxes (including all special benefit taxes and special assessments) levied and assessed against the Leased Premises.
INSURANCE:	<p>Tenant shall carry special form (All Risk) coverage insurance covering the Building, and the other improvements on the Leased Premises, to the extent of not less than 100% of replacement value, less foundations.</p> <p>Tenant shall also procure and continue in effect commercial general liability and property damage insurance with respect to the operation of the Leased Premises. Such commercial general liability insurance shall cover liability for death or bodily injury in any one accident, mishap or casualty in a sum of not less than \$2,000,000, and shall cover liability for property damage in one accident, mishap or casualty in the amount of not less than \$500,000 (subject to periodic increases).</p>
REPAIRS & MAINTENANCE:	<p>Tenant, at Tenant's sole cost and expense, shall maintain the Leased Premises and make all necessary repairs and replacements whether interior or exterior, to all parts of the same.</p> <p>Tenant, at Tenant's cost and expense, shall maintain, repair and replace the parking areas of the Leased Premises.</p>
ROFR:	Yes (30 Days)



MARLEY STATION ROAD (14,040 VPD)



RITCHIE HIGHWAY (22,720 VPD)



SURROUNDING USES



Wendy's
(Adjacent to site)



Marshalls
(0.4 miles from site)



Boston Market
(0.3 miles from site)



Home Depot
(0.7 miles from site)



Marley Station Mall
(Across from site)



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

GLEN BURNIE, MD

Glen Burnie (Population: 68,000) is a suburban town in affluent Anne Arundel County, Maryland and is situated along Curtis Creek, which provides access to the Patapsco River. With 16 constituent neighborhoods, Glen Burnie is the sixth largest community in Maryland, and is a suburb of Baltimore, which is just 10 miles to the north. Glen Burnie is also located 20 miles northwest of Annapolis and 30 miles northeast of Washington.

Glen Burnie is home to the Baltimore—Washington International Airport (BWI), which is the primary international airport serving Baltimore, MD and one of three major airports serving the Baltimore—Washington D.C combined statistical area. The 3,160-acre campus encompasses a 2 MSF passenger terminal (5 concourses and 70 jet gates). BWI is the busiest airport in the Baltimore-Washington CSA and is also considered one of the fastest growing airports in the nation, serving more than 25 million passengers annually. In addition, BWI was ranked as the 10th best U.S airport on the Conde Nast Traveler 2018 Reader's Choice Awards and has an economic impact of \$9.3 billion, generating more than 106,000 jobs throughout the region.

The University of Maryland Baltimore Washington Medical Center (UM BWMC) is the city's primary healthcare facility and is conveniently located just 2 miles west of the site. The 310-bed hospital opened in 1965 and is home to more than 2,800 employees and 800 physicians. UM BWMC is one of the largest and best-equipped medical centers in the state and is considered to be one of the top 5% hospitals nationwide. In addition, the hospital is among the busiest in Maryland and serves more than 104,000 patients annually. The hospital is well-known for its leading program in neurology and neurosurgery, as well as its Aiello Breast Cancer Center, which made UM BWMC the first hospital in Maryland to receive accreditation from the National Accreditation Program for Breast Cancer.



Baltimore Washington Medical Center



Baltimore-Washington International Airport

ANNE ARUNDEL COUNTY OVERVIEW

Anne Arundel County, Maryland is a part of the Baltimore Metropolitan Statistical Area (MSA) which is the 20th largest MSA in the country. The Baltimore MSA (Population: 2.9 million) is part of the greater Washington/Baltimore Combined Statistical Area (CSA), which the fourth largest CSA in the United States. The County boasts dynamic demographics and has an average household income of \$97,085.

With a population of more than 570,000, Anne Arundel County covers 415 square miles and is strategically located near Washington D.C. and Baltimore. The county has a diverse \$36 billion economy, which is the third largest in Maryland with approximately 52,000 business. As the heart of the nation's cyber security effort and home to a broad range of industries, Anne Arundel County is a premier location for businesses offering a highly educated and skilled workforce, paired with a superior quality of life. The county is home to several critical statewide and national assets including:

- Annapolis, which is Maryland's state capital
- Baltimore—Washington International Airport (BWI)
- National Business Park (NSA Surveillance-Industrial Complex)
- Maryland Live!, one of the nation's largest casinos
- Fort George G. Meade, the third largest Army base in the U.S.
- The National Security Agency
- U.S. Cyber Command
- U.S. Naval Academy

Anne Arundel County is known as the "land of pleasant living" and has

something for everyone. The county borders the Chesapeake Bay and has over 534 miles of shoreline. Anne Arundel County continues to attract businesses and new residents due to its central location between Baltimore and Washington, and its superior transportation networks. Anne Arundel County's location along the Atlantic seaboard allows overnight truck access to one-third of the nation's population and buying income, therefore creating a large job force around the shipping and port industries.

Anne Arundel County is home to the City of Annapolis (the state capital of Maryland) which has been named one of the "100 Best Places to Live in the United States" by Money Magazine. Annapolis is the sailing capital of the country and hosts three of the world's largest in-water boat shows, which attract thousands of visitors across the world. The county is home to the famous Baltimore & Annapolis Trail, a 13-mile trail which connects Baltimore and Annapolis. The trail is popular for walking, jogging and biking. The flowerbed lined trail also features the NASA-sponsored Planet Walk, which is a linear museum with educational displays of the solar system.



BALTIMORE MSA OVERVIEW

The Baltimore–Columbia–Towson MSA (Population: 2.9 million), also known as Central Maryland, is made up of seven counties and is the 20th largest metro area in the U.S. Strategically located in the mid-Atlantic region, Baltimore has always been a hub for national and international relations and its economy has been one of industrial and maritime tradition. The city boasts more than 750 tourist attractions, museums and sporting venues including the National Aquarium in Baltimore, Oriole Park at Camden Yards, M&T Bank Stadium, Maryland Science Center and Port Discovery Children's Museum. The region also benefits from an array of recreational, cultural and historical attractions including activities surrounding the Chesapeake Bay, horse and wine country and water-based recreation. Currently, the metro area is ranked as #27 in Education and #57 Best Places for Business and Careers by Forbes.

ECONOMY

Baltimore–Columbia–Towson's labor market is outperforming those of both Maryland and the Northeast. The area is currently a hub for growing cybersecurity and is a well-funded and established medical research center. The financial services industry dominates Baltimore with more than 1,400 financial services firms. Additionally, over 5,700 companies combine to make

up Baltimore's service industry with strong medical, business, educational and nonprofit focused institutions, including John Hopkins Hospital, University of Maryland, and the U.S. Social Security Administration. Top employers include Fort George G. Meade, Johns Hopkins University, University System of Maryland and Aberdeen Proving Ground.

TRANSPORTATION

Baltimore's location on the eastern seaboard places it in one of the most attractive locations for accessibility to other major cities including Washington, D.C., Richmond, Wilmington, Philadelphia, and New York. The region's accessibility to Amtrak, Metro Rail Commuter System, and a light rail system, known as Mass Transit Authority, gives commuters and tourists a host of convenient options to work, visit and live in the Baltimore Metropolitan Area. The Port of Baltimore is the nation's third largest port and its enviable transportation system is supported by Conrail, CP Rail Systems and CSX railroads, all accessible to interchanges along four interstate highways. The Baltimore–Washington International Airport (BWI) is the fastest growing airport in the nation and is undergoing a \$60 million improvement and expansion project.



GREATER WASHINGTON D.C

Glenn Burnie, MD is part of the Greater Washington region which includes the jurisdictions of Washington, D.C., Northern Virginia and Suburban Maryland. The region has remained one of the best-performing economies in the U.S. and is positioned to prosper in the years ahead. This is largely facilitated by it being one of the most dynamic economies in the US. The Greater Washington region has gained more than 275,000 jobs over the last decade, which is the greatest number of any metropolitan region in the country and has maintained unemployment rates consistently below the U.S. average.

**"THE NATION'S CAPITAL HAS IT ALL . . . PLENTY OF COMPANIES
LARGE AND SMALL, STRONG ECONOMY, LOW JOBLESS RATES
AND, OF COURSE, A HUGE GOVERNMENTAL INFRASTRUCTURE."**

– DOW JONES & CO.'S



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CONFIDENTIALITY AGREEMENT

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and

treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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