

WALGREENS

EXCLUSIVE NET-LEASE OFFERING



Subject Property

OFFERING MEMORANDUM

The Walgreens logo, featuring the word "Walgreens" in a red, cursive script font.

12450 Timberland Boulevard – Fort Worth, TX 76248

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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.

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12450 Timberland Boulevard – Fort Worth, TX 76248

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Walgreens





Investment Highlights

PRICE: \$4,760,313 | CAP: 5.75% | RENT: \$273,718

Walgreens

About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease With Over 13 Years Remaining
- ✓ Eleven (11), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Dense Residential Area | Projected to Grow Significantly in the Next Few Years | Over 162,000 People Living in A Five-Mile Radius
- ✓ Compelling Real Estate Fundamentals | Close Proximity to Several Major Freeways | Bringing in 36,000 and 51,000 Vehicles Daily
- ✓ Many National Tenants in The Area | McDonald's, Pizza Hut, Subway, 7-Eleven, Cabela's, Bank of America, Domino's Pizza, Kroger, Great Clips, Little Caesar's and Many More
- ✓ Strong Academic Presence | Within One Mile from Caprock Elementary, Timber Creek High School, Kay Granger Elementary School, and Independent Elementary School | Over 2,500 Students Enrolled
- ✓ Close Proximity to Fort Worth Alliance Airport | Second Largest Airport Facility in North Texas | Over 110,000 Flight Operations Annually

About the Tenant / Brand

- ✓ 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.
- ✓ Publicly Traded on the NYSE Under the Ticker Symbol 'WBA'
- ✓ BBB Credit Guaranty



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$4,760,313 | CAP: 5.75% | RENT: \$273,718

Walgreens

PROPERTY DESCRIPTION

| | |
|-----------------------------|----------------------------|
| Property | Walgreens |
| Property Address | 12450 Timberland Boulevard |
| City, State, ZIP | Fort Worth, TX, 76248 |
| Building Size (Square Feet) | 14,820 |
| Lot Size | +/- 1.66 Acres |
| Type of Ownership | Fee Simple |

THE OFFERING

| | |
|----------------|-------------|
| Purchase Price | \$4,760,313 |
| CAP Rate | 5.75% |
| Annual Rent | \$273,718 |

LEASE SUMMARY

| | |
|----------------------|---------------------------|
| Property Type | Net-Leased Drug Store |
| Tenant | Walgreens |
| Original Lease Term | 20 Years |
| Lease Commencement | February 28, 2013 |
| Lease Expiration | February 28, 2033 |
| Lease Term Remaining | 13.5 Years |
| Lease Type | Triple-Net (NNN) |
| Options to Renew | Eleven, Five Year Options |

RENT SCHEDULE

| Lease Year(s) | Annual Rent | Monthly Rent | Rent Escalation (%) |
|---------------|-------------|--------------|---------------------|
| Year 1-20 | \$273,718 | \$22,810 | - |

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens located at 12450 Timberland Boulevard in Fort Worth, Texas. The site constructed in 2005, consists of roughly 14,820 rentable square feet of building space on estimated 1.70 acre parcel of land.

Walgreens is subject to a 20-year triple-net (NNN) lease, which commenced on February 28, 2013. The annual rent is \$273,718. There are eleven (11), five (5)-year tenant renewal options, extending the total possible lease term to 75 years.



Representative Photo



Tenant Overview

CREDIT RATING: BBB

General Information

| | |
|---------|--|
| Address | 12450 Timberland Drive, Fort Worth, TX |
| Phone | (817) 431-8330 |
| Website | www.walgreens.com |

Company Financial Highlights

| | |
|------------------------------|--------------------|
| Store Count (as of 6/1/2018) | 14,500 |
| TTM Sales | \$124,028,000,000 |
| Stock Ticker | WBA |
| Average Store Size | 13,900 Square Feet |

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.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25* countries and employ more than 385,000* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 14,500** stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390* distribution centers delivering to more than 230,000** pharmacies, doctors, health centers and hospitals each year in more than 20* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products.

Walgreens



Walgreens Boots Alliance



The company's portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands, such as No7, Botanics, Liz Earle and Soap & Glory.

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

More company information is available at www.walgreensbootsalliance.com

* As of 31 August 2017, using publicly available information for AmerisourceBergen.

** As of 28 June 2018.

**For 12 months ending 31 August 2017, using publicly available information for AmerisourceBergen.



Surrounding Area

Property Address: 12450 Timberland Boulevard – Fort Worth, TX 76248

Walgreens

Cabela's



oliva
italian eatery



McDonald's

Walgreens

SUBWAY



Papa Murphy's
TAKE 'N BAKE PIZZA



citibank



Great Clips
IT'S GONNA BE GREAT



Bank of America

family Video

TIMBERLAND DRIVE

TIMBER CREEK HIGH SCHOOL





Location Overview

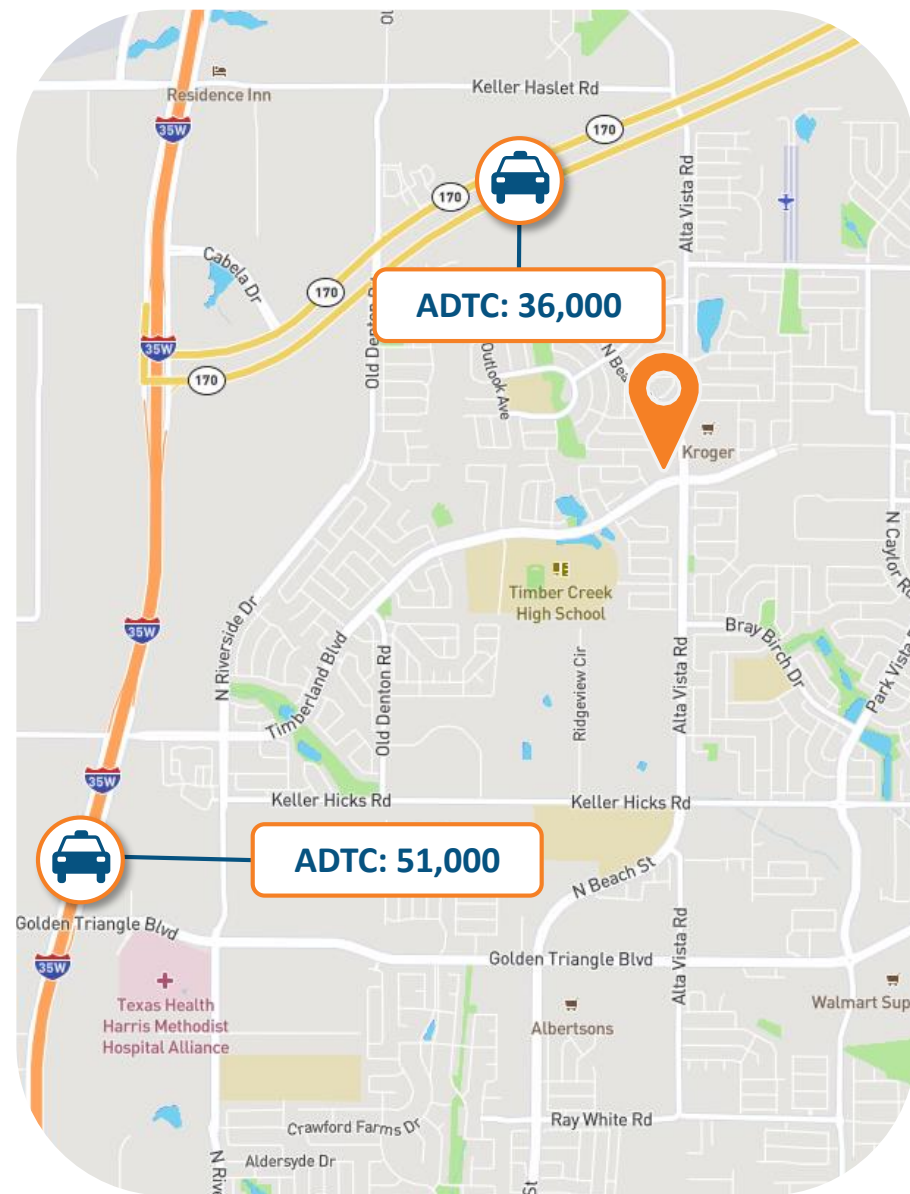
Property Address: 12450 Timberland Boulevard – Fort Worth, TX 76248

Walgreens

The subject investment property is situated on Timberland Boulevard in Fort Worth. There are more than 74,000 individuals residing within a three-mile radius of the property and more than 162,000 individuals within a five-mile radius.

The Walgreens property benefits from being well-positioned in a highly dense residential corridor consisting of several national tenants, including: McDonald's, Pizza Hut, Subway, 7-Eleven, Cabela's, Bank of America, Domino's Pizza, Kroger, Great Clips, Little Caesar's, as well as many others. This Walgreens also benefits from being situated within a three-mile radius from Fort Worth Alliance Airport, which is the second largest airport facility in North Texas, behind only Dallas/Fort Worth International Airport with over 110,000 flight operations annually. Additionally, several academic institutions surround the site including Caprock Elementary, Timber Creek High School, Kay Granger Elementary School, and Independent Elementary School, which have a combined total enrollment exceeding 2,000 students.

Fort Worth is the 15th-largest city in the United States and the fifth-largest city in the state of Texas. It is the county seat of Tarrant County, covering nearly 350 square miles into four other counties: Denton, Johnson, Parker and Wise. According to the 2017 census estimates, Fort Worth's population is 874,168. Fort Worth is home to the Van Cliburn International Piano Competition and several world-class museums designed by internationally known contemporary architects. The Kimbell Art Museum, considered to have one of the best art collections in Texas, is housed in what is widely regarded as one of the outstanding architectural achievements of the modern era. The Fort Worth Museum of Science and History, designed by famed architect Ricardo Legorreta of Mexico, engages the diverse Fort Worth community through creative, vibrant programs and exhibits. The Dallas–Fort Worth metroplex (officially designated the Dallas–Fort Worth–Arlington, TX Metropolitan Statistical Area) encompasses 13 counties within the U.S. state of Texas. It is the economic and cultural hub of the regions of North Texas, and it is the largest inland metropolitan area in the United States. The region's economy is primarily based on banking, commerce, telecommunications, technology, energy, healthcare and medical research, and transportation and logistics. In 2017, Dallas–Fort Worth is home to 22 Fortune 500 companies, the third-largest concentration of Fortune 500 companies in the nation, behind New York City (63) and Chicago (34). The metroplex encompasses 9,286 square miles of total area, making it larger than the states of Rhode Island and Connecticut combined.





Subject Property Photos

Walgreens





Surrounding Area Photos

Walgreens

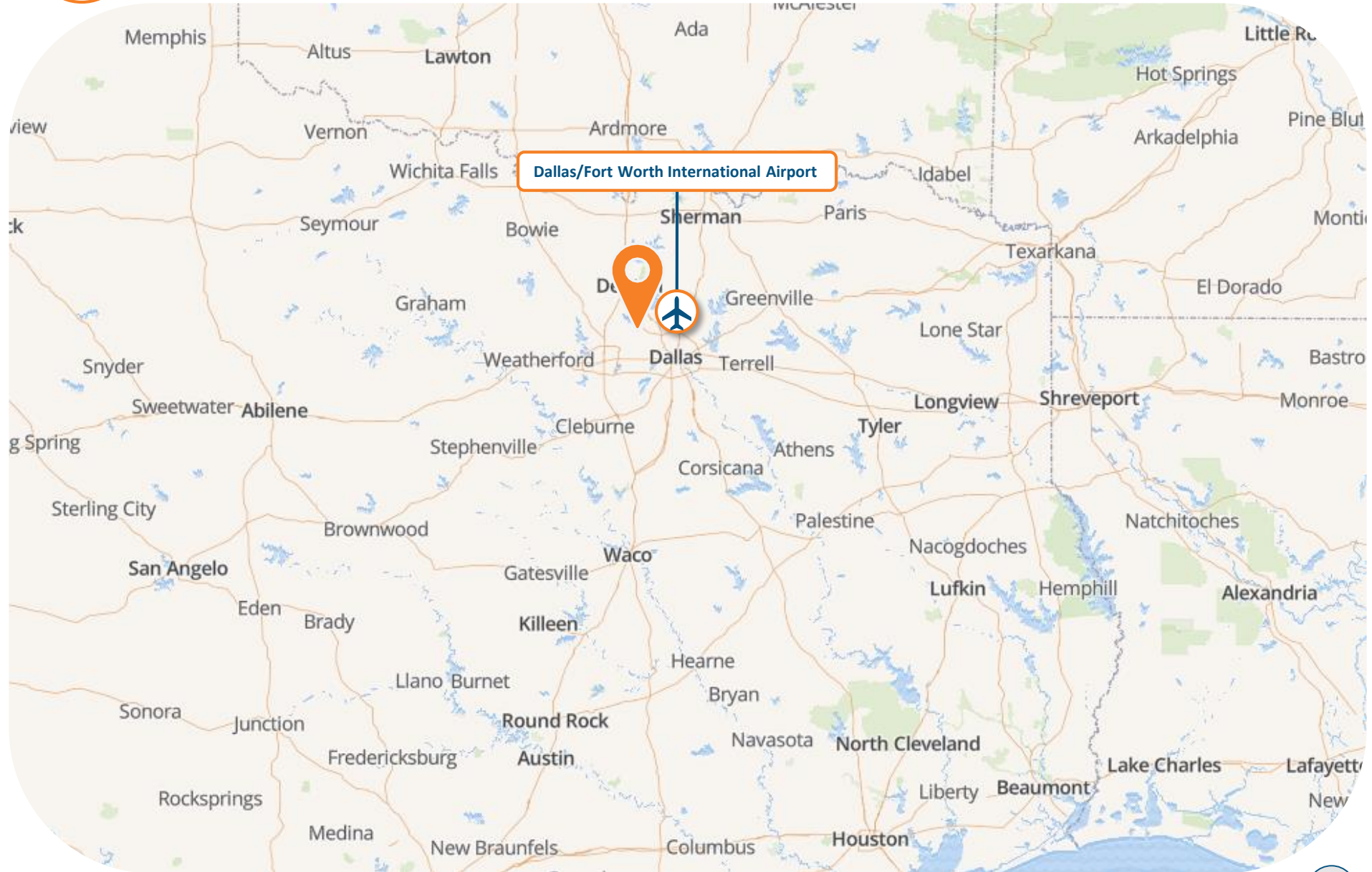




Local Map

Walgreens

Property Address: 12450 Timberland Boulevard – Fort Worth, TX 76248

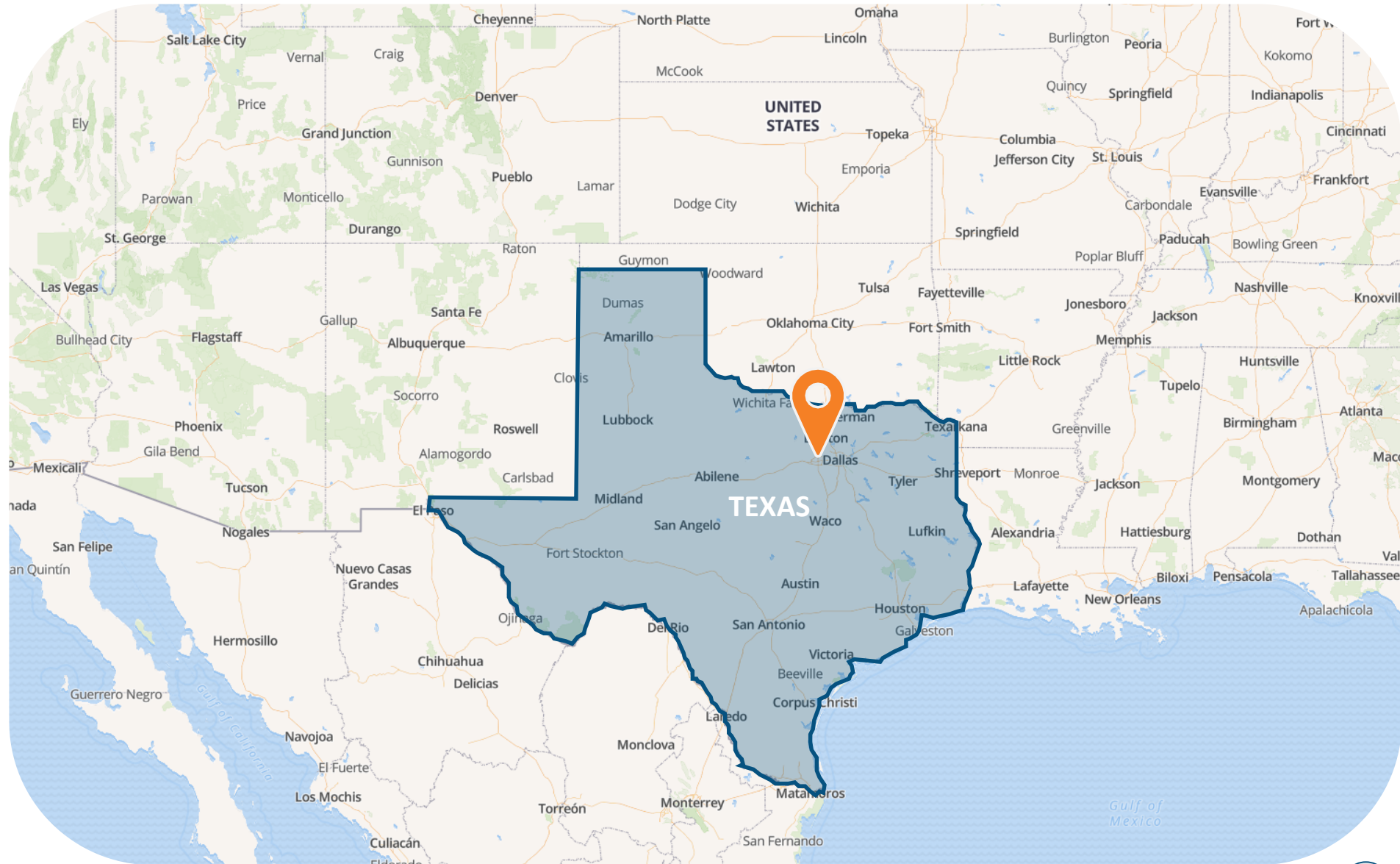




Regional Map

Property Address: 12450 Timberland Boulevard – Fort Worth, TX 76248

Walgreens

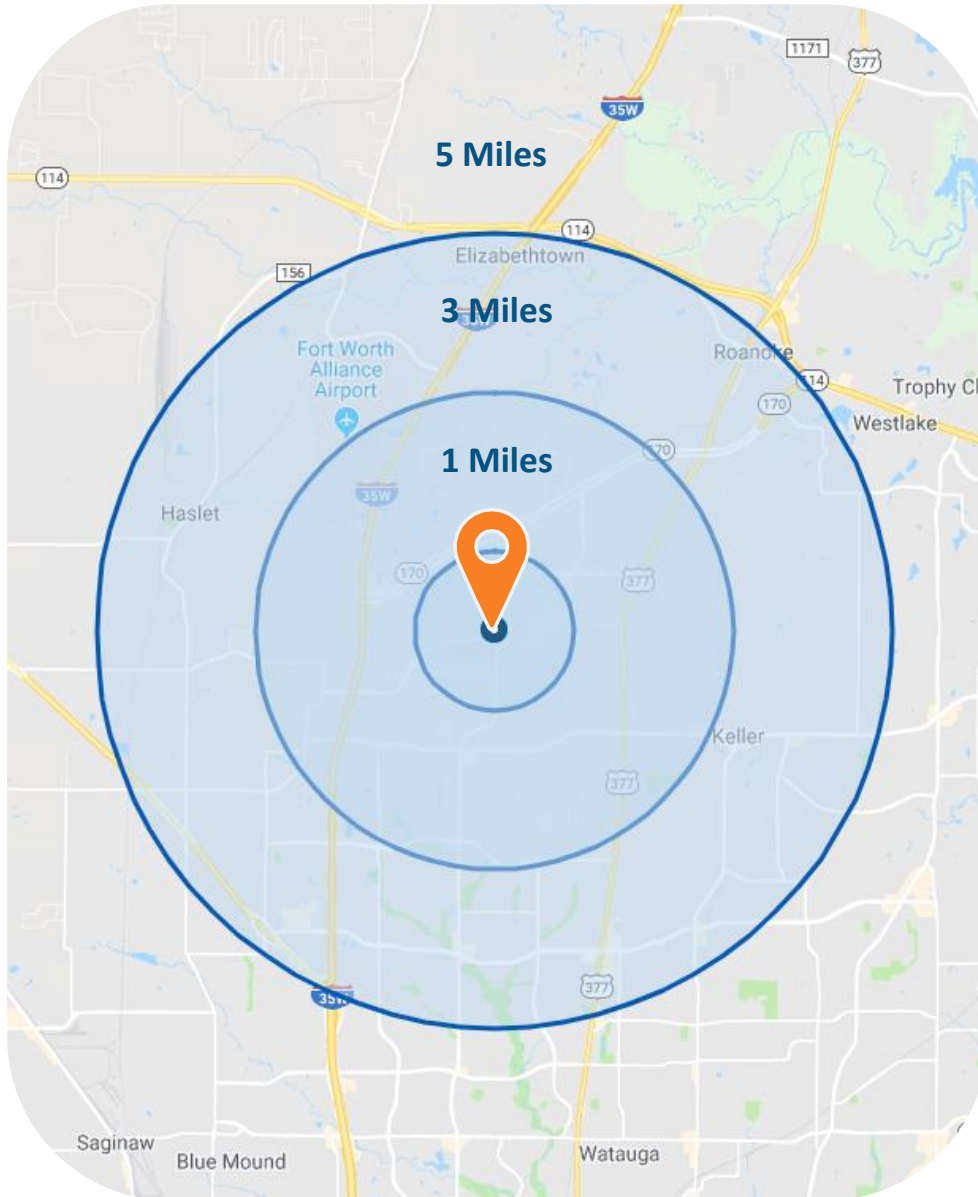




Demographics

Property Address: 12450 Timberland Boulevard – Fort Worth, TX 76248

Walgreens



POPULATION

| | 1 Miles | 3 Miles | 5 Miles |
|-----------------|---------|---------|---------|
| 2023 Projection | 21,601 | 95,534 | 200,088 |
| 2018 Estimate | 16,470 | 74,229 | 162,507 |
| 2010 Census | 12,491 | 55,289 | 126,481 |
| 2000 Census | 653 | 9,953 | 44,468 |

INCOME

| | | | |
|------------|-----------|-----------|-----------|
| Average | \$113,153 | \$120,443 | \$123,891 |
| Median | \$90,850 | \$92,321 | \$94,324 |
| Per Capita | \$36,644 | \$39,660 | \$41,557 |

HOUSEHOLDS

| | | | |
|-----------------|-------|--------|--------|
| 2023 Projection | 7,046 | 31,614 | 67,661 |
| 2018 Estimate | 5,334 | 24,432 | 54,485 |
| 2010 Census | 4,010 | 18,076 | 42,116 |
| 2000 Census | 209 | 3,395 | 14,467 |

HOUSING

| | | | |
|------|-----------|-----------|-----------|
| 2018 | \$191,873 | \$204,170 | \$211,642 |
|------|-----------|-----------|-----------|

EMPLOYMENT

| | | | |
|---------------------------|--------|--------|---------|
| 2018 Daytime Population | 10,713 | 59,037 | 136,657 |
| 2018 Unemployment | 4.37% | 3.26% | 2.59% |
| 2018 Median Time Traveled | 34 | 33 | 32 |

RACE & ETHNICITY

| | | | |
|------------------------|--------|--------|--------|
| White | 77.79% | 76.65% | 76.80% |
| Native American | 0.08% | 0.15% | 0.16% |
| African American | 8.07% | 8.48% | 7.77% |
| Asian/Pacific Islander | 5.21% | 6.06% | 6.66% |



Market Overview

City: Fort Worth | County: Tarrant | State: Texas



The Fort Worth/Dallas MSA is the ninth-largest city and part of the fourth-largest metropolitan area in the nation, which covers approximately 343 square miles and has a population exceeding 6,800,000. The ultra modern and sophisticated city attracts worldwide travelers, making the area the No. 1 visitor and leisure destination in Texas. Outdoor activities abound in Dallas as a result of the city's favorable location and climate. With seven major league sport teams, rodeo, NASCAR and marathons, the adrenaline is year round. Dallas has been named the #3 Sports Town in the nation by Sports Illustrated. The Dallas-Fort Worth MSA has one of the largest concentrations of corporate headquarters for publicly traded companies in the United States. In addition to its large number of businesses, Dallas has more shopping centers per capita than any other city in the United States. Dallas is the third most popular destination for business travel in the United States, and the Kay Bailey Hutchison Convention Center is one of the largest and busiest convention centers in the country, at over 1,000,000 square feet and the world's single-largest column-free exhibit hall. Additionally, Dallas has a lower cost of living than many major metros, no state income tax and a median home price below the national level and over 45 post-secondary educational institutions are located in the metro. Nearly 31 percent of residents have attained a bachelor's degree, with 10 percent also holding a graduate or professional degree.

Major Employers

| Employer | Estimated # of Employees |
|--------------------------------|--------------------------|
| Subway | 5,155 |
| Genco | 2,400 |
| St Elizabeth Ann Seton School | 1,005 |
| Regional Administrator | 1,000 |
| Cisco Systems | 691 |
| Walmart | 684 |
| Dyncorp International LLC | 559 |
| AT&T Wireless | 500 |
| Vadens Acoustics & Drywall Inc | 500 |
| Lockheed Martin Corporation | 473 |



OFFERING MEMORANDUM

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