



MID-AMERICA®

SAINT
JOSEPH
MERCY
HEALTH SYSTEM
REGIONAL
MEDICAL CENTER

Walgreens

HIGH PERFORMING LOCATION & EARLY 10 YEAR EXTENSION

2170 WASHTENAW ROAD, YPSILANTI, MI
ANN ARBOR MSA



EASTERN
MICHIGAN UNIVERSITY



UNIVERSITY OF
MICHIGAN



INVESTMENT HIGHLIGHTS

SUBJECT OFFERING

Mid-America Real Estate Corporation in cooperation with Mid-America Real Estate-Michigan, LLC is pleased to present Walgreens located at 2170 Washtenaw Ave, Ypsilanti (Ann Arbor MSA), MI 48197. The property is comprised of a 15,031 square foot retail building situated on a large 2.21 acre parcel located in the Ann Arbor MSA. Walgreens has been occupying this site for 20 years and just extended the firm term on the lease by 10 years. This asset gives potential buyers the opportunity to own a strong credit rated tenant in a desirable college town. The site is located at a hard corner signalized intersection close to Eastern Michigan University and Saint Joseph Mercy Hospital.

PRICE: **\$6,535,433**

CAP RATE: **6.35%**

SQUARE FOOTAGE: **15,031 SF**

LOT SIZE: **2.21 ACRES**

YEAR BUILT: **1999**

TERM: **10.5 YEARS WITH TEN – FIVE YEAR OPTIONS**



- **HIGH-PERFORMING STORE WITH RECENT 10 YEAR EXTENSION WITH NO CONCESSION**
- **COLLEGE TOWN LOCATION ADJACENT TO REGIONAL MEDICAL CENTER & ANN ARBOR**

KEY FEATURES

RECENT 10 YEAR EXTENSION WITH NO CONCESSION – Walgreens recently agreed to waive two consecutive termination options with no concession, showing a strong commitment to this location. The store has continued to generate strong store sales year in and year out, making it an important location for the company.

HIGH-PERFORMING STORE & STABLE ECONOMIC REGION – The subject offering is a top performing location and is the only drive-thru pharmacy within 2.5 miles. The site is located 6 miles west of downtown Ann Arbor. The Ann Arbor MSA has a population of over 370,000 people, making it one of the largest MSAs in Michigan. The MSA's top 5 largest employers are University of Michigan, University of Michigan Medical Center, Trinity Health, Ann Arbor Public Schools and Eastern Michigan University. The combination of large hospitals and state sponsored education institutions provides stable employment during economic downturns.

LONG TERM LEASE WITH AN INVESTMENT GRADE COMPANY – Walgreens recently extended their firm term for an additional 10 years. Walgreens has established itself as the largest pharmacy chain in the United States, with 9,800+ locations and serving approximately 8 million customers in store and online daily. Walgreens Boots Alliance Inc., is the parent company of Walgreens and boasts an investment grade S&P credit rating of “BBB.” As of August 31, 2018 the company reported revenues of more than \$131.54 Billion and net income of \$5.02 Billion.

ATTRACTIVE RETAIL LOCATION IN COLLEGE TOWN – The subject offering is located near Eastern Michigan University and Washtenaw Community College, which combined have a total student enrollment of over 40,000 annually. The site is less than half a mile west of Eastern Michigan University. The city of Ypsilanti has countless national retailers including Dollar Tree, At Home, Planet Fitness, Fresh Thyme, and countless others. The site is also near multiple shopping centers anchored by big box retailers including: Home Depot, Kroger, T.J Maxx, Walmart, Aldi, Whole Foods and Meijer.

CLOSE PROXIMITY TO ST. JOSEPH MERCY HOSPITAL– Walgreens is strategically located less than one mile south of the St. Joseph Mercy Hospital. St. Joseph Mercy Hospital is a 537-bed teaching hospital located on a 340 acre campus. The hospital specializes in Oncology, Cardiovascular, Neurosciences, Women and Children, Orthopedics, and Senior Health

EXCELLENT TRAFFIC, VISIBILITY & ACCESS – The subject offering is situated at the hard corner signalized intersection of North Hewitt Road and Washtenaw Avenue (23,000 VPD). and is less than 1.5 miles from I-94 (106,000 VPD). Customers have easy access to the property from both North Hewitt Road and Washtenaw Ave. This access helps regulate traffic flow, and creates many opportunities to turn in and visit the subject offering.

WEST FACING AERIAL



NORTHEAST FACING AERIAL



NORTH FACING AERIAL



SITE AERIAL



LEASE SUMMARY

Tenant:	Walgreens Co.	Rental Increases:	None.
Address:	2170 Washtenaw Ave, Ypsilanti, MI 48197	Insurance:	Tenant maintains insurance.
Lease Type:	NN Lease	Taxes:	Tenant pays directly.
Year Built:	1999	Utilities:	Tenant pays directly.
Building Size:	15,031 SF	Termination Options:	Option to terminate every 5 years after 12/31/29.
Land Area:	2.21 Acres	Sales Reporting:	Within (45) days after the end of lease year.
Expiration Date:	12/31/29	Tenant Maintenance:	Tenant responsible for maintaining parking lot, HVAC equipment, interior of building and plate glass.
Options:	Ten (10) – Five (5) Year Option Periods	Landlord Maintenance:	Landlord responsible for maintaining all exterior and structural portions of the building, roof, utility lines as well as the replacement of the parking lot.
Annual Rent:	\$415,000	ROFR:	Tenant has the right to purchase the property within 20 days of receiving the Bona Fide Offer.
Monthly Rent:	\$34,583		
Percentage Rent:	If the sum of 2% of Gross Sales (exclude prescriptions and food items) + 0.5% gross sales of prescriptions items + 0.5% gross sales of food items exceeds the total base rent then excess amount is paid as percentage rent.		

Address	City	State	Term	Annual Base Rent	Monthly Rent	Square Footage
2170 Washtenaw Rd	Ypsilanti	MI	10.5 years	\$415,000	\$34,583	15,031 SF

PRICING

Price:	\$6,535,433
Cap Rate:	6.35%
Square Feet:	15,031

TENANT OVERVIEW

Founded in 1901 as a single drug store in Chicago, Walgreens today is the largest pharmacy chain in the United States. Through constant innovation, Walgreens has a history of breaking new ground to meet its customers' needs and improve their health from offering self-service stores beginning in the 1950's to developing a 5-star rated mobile app today. It specializes in filling prescriptions, health and wellness products, health information and photo services. The drive to innovate led Walgreens to merge with European-based Alliance Boots in 2014 to form Walgreens Boots Alliance, Inc. Walgreens Boots Alliance, Inc. is the first global pharmacy-led, health and well-being enterprise. Besides the Walgreens brand, the unit includes Duane Reade stores and most recently Walgreens completed their acquisition of more than 1,900 Rite Aid drugstores in the U.S.

For the US subsidiary, prescription drugs account for about 70% of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. Most Walgreens stores offer drive-through pharmacies and one-hour photo processing. Additionally, 400 Walgreens locations feature in-store clinics, some of which are operated by Walgreens while others are operated by third parties.

Tenant:	Walgreen, Co.
Parent Company:	Walgreens Boots Alliance, Inc.
Stock Symbol (Nasdaq):	WBA
Credit Rating (S&P):	"BBB"
Company Headquarters:	Deerfield, IL
Number of Stores (2018):	9,800+
Market Cap:	\$68.89 Billion
Revenue (8/31/2018):	\$131.54 Billion
Net Income (8/31/2018):	\$5.02 Billion

Market Analysis

Being a western suburb of Detroit, many of Ypsilanti residents work outside the city limits in either Detroit or neighboring Ann Arbor. The economies of Ann Arbor and Detroit are closely tied to the city's economy. Ann Arbor is home to the University of Michigan a top public university and premier research institution. The University has an annual student enrollment over 45,000, while employing over 30,000 additional people of which 12,000 work in high paying research jobs at the University of Michigan Medical Center. The University of Michigan has turned Ann Arbor into a premier research center attracting many high tech, health services and bio tech companies to the city. The university's research, infrastructure and talent pool have drawn many start-up companies as well as industry titans such as Verizon, Bosch, Intel, Qualcomm Ford, GM, Nissan, Honda to the city. These major companies, combined with two large public universities, provide a strong economic foundation for the Ann Arbor MSA.

The Big House



Downtown Ann Arbor



DEMOGRAPHIC OVERVIEW

Population	1 Mile	3 Miles	5 Miles
2019 Population	11,454	62,722	161,732
2024 Projected Population	11,562	64,077	165,968
Workplace Establishments	354	2,546	5,376
Estimated Daytime Population	8,068	70,866	204,976
Households	1 Mile	3 Miles	5 Miles
2019 Households	5,696	26,950	63,602
2024 Projected Households	5,747	27,535	65,318
Persons per Household	1.98	2.17	2.33
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$66,279	\$72,652	\$84,562
Median Household Income	\$47,871	\$50,562	\$57,579
Per Capita Income	\$32,660	\$31,907	\$34,428

DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:



POPULATION

161,732



HOUSEHOLDS

60,751



AVERAGE HH INCOME

\$84,562

LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire 2170 Washtenaw Ave, Ypsilanti MI 48197 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation Mid-America Real Estate-Michigan, Inc. (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.

LEGAL DISCLAIMER

Representation The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.

For further information contact the owner's exclusive representatives:

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