

# Walgreens

8800 W 95<sup>th</sup> Street,  
Hickory Hills, IL 60457  
Chicago MSA



**MID-AMERICA**  
Real Estate Corporation



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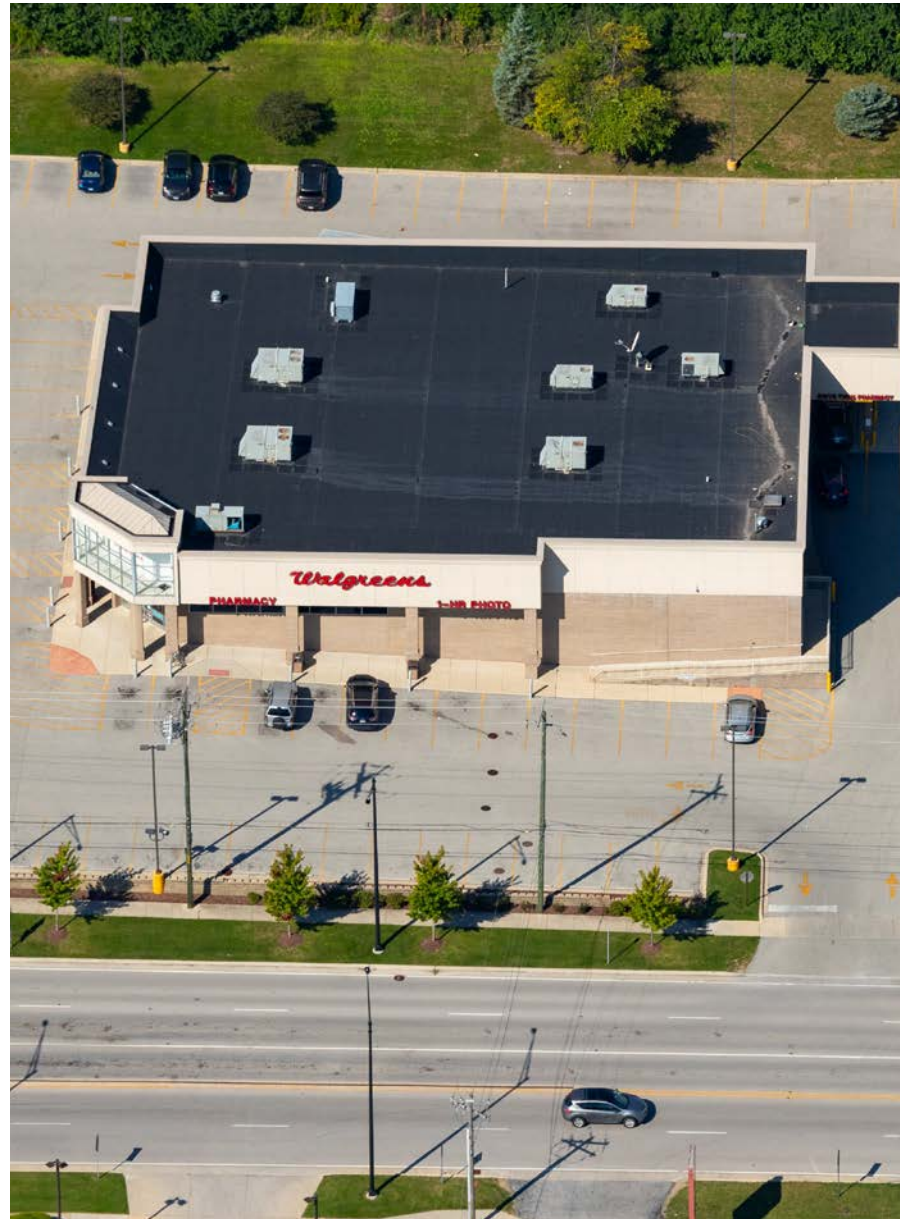
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# INVESTMENT OVERVIEW

## SUBJECT OFFERING

Mid America Real Estate Corporation is pleased to present Walgreens located at 8800 W 95<sup>th</sup> St, Hickory Hills, IL 60457. Hickory Hills is an upper middle-class suburban community in the Chicago MSA. The property is comprised of a 15,031 square foot free-standing retail building, situated on a large 1.83 acre parcel located in the Chicago MSA. Walgreens has been occupying this site for over 19 years and has 6+ years remaining on the lease after a recent extension. The site is located at a hard corner signalized intersection and is less than 1.5 miles from the Tri-State Tollway. This asset gives potential buyers the opportunity to own a strong investment grade tenant in the Chicago MSA.

## PROPERTY DETAILS

PRICE:	\$3,888,000
CAP RATE:	7.00%
ANNUAL RENT	\$272,160
SQUARE FOOTAGE:	15,031 SF
LOT SIZE:	1.83 ACRES
TERM:	6+ YEARS
YEAR BUILT:	2000



## KEY FEATURES

**RECENTLY EXTENDED LEASE, STRONG SALES AND RARE RENTAL INCREASES** – Walgreens has over 6 years remaining on the lease after a recent waiver of termination option. The lease features 10% increases every 10 years, which is very rare for any Walgreens investment. This store boasts strong reported sales, well above the national average, boding well for their long term success.

**DESIRABLE TENANT WITH INVESTMENT GRADE CREDIT** – Walgreens has established itself as one of the largest pharmacy chains 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

**DENSE UPPER MIDDLE CLASS SUBURB IN THE CHICAGO MSA** – The subject offering is located in a dense, upper middle class suburb in the Chicago MSA, with more than 206,214 residents within 5 miles and average household incomes exceeding \$88,000. Also within one mile of the site there are more than 12,000 people with an average household income of \$84,413. These attractive demographics make the property well poised to hold long term value for Walgreens and many other retailers.

**SURROUNDED BY MAJOR RETAILERS** – The site is also surrounded by national and regional retailers such as Fairplay Foods, Advance Auto Parts, Family Dollar, O’Reilly Auto Parts and Speedway. The wider area also includes major retailers including: Walmart, Menards, Pete’s Fresh Market Shop N Save, Jewel Osco, Dollar Tree, Planet Fitness and Once Upon a Child.

**STRONG ECONOMIC REGION** – The subject offering is located in the Chicago MSA, which is the 3<sup>rd</sup> largest MSA in the nation with over 9.5 million people. It encompasses fourteen counties in Illinois, Indiana, and Wisconsin, covering over 9,581 square miles of land and water. The Chicago MSA has a very diversified economy with main industries are financial services, education, transportation, manufacturing, insurance, pharmaceuticals, technology and healthcare. In total, the Chicago MSA has an annual GDP over \$680 billion with an unemployment rate of 4.1%.

**SIGNALIZED CORNER, EXCELLENT TRAFFIC & ACCESS** – The subject offering is situated at the signalized intersection of W 95<sup>th</sup> St (21,900 VPD) and S 88<sup>th</sup> Ave (11,100 VPD). The site is less than 1.5 miles from the Tri-State Tollway (156,000 VPD), which is one of the main traffic corridors connecting the suburban areas with Chicago. Customers have direct access to the property from both W 95<sup>th</sup> St and S 88<sup>th</sup> Ave. This helps regulate traffic flow, and creates many opportunities for customers to turn in and visit the subject offering.





## NORTHEAST FACING AERIAL





## EAST FACING AERIAL





## SITE AERIAL



## LEASE ABSTRACT

Tenant:	Walgreens Co.	Rental Increases:	10% increases every 10 years
Address:	8800 W 95 <sup>th</sup> St, Hickory Hills, IL 60457	Insurance:	Tenant maintains insurance
Lease Type:	NN Lease	Taxes:	Tenant pays directly
Year Built:	2000	Utilities:	Tenant pays directly
Building Size:	15,031 SF	Sales Reporting:	Within 45 days after the end of lease year
Land Area:	1.83 Acres	Estoppel:	Within 30 days after written request
First Termination Option:	11/30/25	ROFR:	Tenant has the right to purchase the property within 10 days of receiving the Bona Fide Offer
Additional Termination Options:	Every Five (5) Year Thereafter	Landlord Maintenance:	Landlord responsible for maintaining all exterior and structural portions of the building, roof, utility lines as well as the replacement of the light poles and parking lot
Annual Rent:	\$272,160	Tenant Maintenance:	Tenant responsible for maintaining parking lot, landscaping HVAC equipment, interior of building and exterminating services
Monthly Rent:	\$22,680		
Percentage Rent:	If the sum of 2% of Gross Sales (exclude prescriptions and food items) + 0.5% gross sales of food and prescriptions items exceeds the total base rent then excess amount is paid as percentage rent		



## PRICING

Price: \$3,888,000

Cap Rate: 7.00%

## FINANCIAL SUMMARY

Dates	Annual Base Rent	Monthly Rent	Yield	Rental Increase
Current Term – 11/30/2030*	\$272,160	\$22,680.00	7.00%	-
12/1/2030 – 11/30/2040*	\$299,376	\$24,948.00	7.70%	10%
12/1/2040 – 11/30/2050*	\$329,314	\$27,442.83	8.47%	10%
12/1/2050 – 11/30/2060*	\$362,245	\$30,187.08	9.32%	10%
12/1/2060 – 11/30/2070*	\$398,470	\$33,205.83	10.25%	10%
Average Yield Throughout Term			8.55%	

Options\*

Walgreens has the option to terminate the lease on 11/30/2025, 11/30/2030, 11/30/2035, 11/30/2040, 11/30/2045, 11/30/2050, 11/30/2055, 11/30/2060, 11/30/2065



## TENANT OVERVIEW

Founded in 1901 as a single drug store in Chicago, Walgreens today is one of the nation's largest pharmacy chains in the United States with over 9,500 stores. 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:  
Parent Company:  
Stock Symbol (Nasdaq):  
Credit Rating (S&P):  
Company Headquarters:  
Number of Stores (2018):  
Market Cap:  
Revenue (8/31/2018):  
Net Income (8/31/2018):

Walgreen, Co.  
Walgreens Boots Alliance, Inc.  
WBA  
"BBB"  
Deerfield, IL  
9,800+  
\$68.89 Billion  
\$131.54 Billion  
\$5.02 Billion





## HICKORY HILLS OVERVIEW

The city of Hickory Hills is an upper middle class suburban community located in the southwest region of the Chicago MSA. Hickory Hills was formally incorporated in 1951 and has a population over 13,900 people. It is less than 15 miles southwest from downtown Chicago. The subject offering is in the southwest corner of Hickory Hills off W 95<sup>th</sup> St, which is the primary thoroughfare through Hickory Hill's main trade area. The city is bordered to the west by over 10,000 acres of Cook County Forest Preserves and the Tri-State Tollway (Interstate 294) to the east, which has a traffic count over 156,000 VPD. The Tri-State Tollway is one of the main traffic corridors in the Chicago MSA for the transportation of goods as well as for people who commute to work in downtown Chicago. The city has a diverse consumer base of both blue collar and white collar professionals. Overall, many families choose to live in Hickory Hills given its relatively low cost of living, excellent school system, natural beauty and easy access major arterial routes.





## CHICAGO MSA

The City of Chicago is the third largest city in the nation and is the economic and cultural capital of the Midwest. The Chicago Metropolitan Statistical Area (“MSA”) encompasses fourteen counties in Illinois, Indiana, and Wisconsin. It covers 9,581 square miles of land and water and is the third largest MSA in the nation with over 9.5 million people. The region was established at a natural portage between the Great Lakes and the Mississippi Valley and has served as the pivotal link in the nation’s water, rail, and aviation networks. The Chicago MSA is a leader in financial trading, higher education, logistics, health care, manufacturing, and cultural institutions and is home to the headquarters of thirty-four Fortune 500 corporations, including Boeing, Walgreens, Kraft Foods, McDonald’s, Motorola, and United Airlines. The city of Chicago is an approved investment market for the vast majority of public, institutional, and private real estate investments firms.

Chicago has developed from America’s industrial capital into one of the nation’s most dynamic and diversified economies, with strengths in financial services, transportation, insurance, pharmaceuticals, and retailing. In addition, Chicago is home to four of the nation’s largest financial exchanges, including the Chicago Board of Trade, the Chicago Board Options Exchange, the Chicago Mercantile Exchange, and the Chicago Stock Exchange. Major U.S. money center banks and nearly ninety foreign banks, including more than forty full-service branches, have operations in Chicago. These institutions serve as a major source of investment capital for the Midwest, providing clients with access to the Euro-Markets and facilitating both imports to the Midwest and exports of the region’s products overseas. Public employment and services are provided by six county governments, 270 cities and villages, and nearly 1,000 schools, park, and other special-purpose districts.





## DEMOGRAPHIC OVERVIEW

Population	1 Mile	3 Miles	5 Miles
2019 Population	12,625	81,997	206,214
2024 Projected Population	12,431	81,112	203,746
Workplace Establishments	239	2,513	6,556
Estimated Daytime Population	8,328	73,400	199,082
Households	1 Mile	3 Miles	5 Miles
2019 Households	4,810	31,047	76,888
2024 Projected Households	4,738	30,660	75,896
Persons per Household	2.61	2.60	2.64
Income	1 Mile	3 Miles	5 Miles
Average Household Income	\$84,413	\$74,668	\$88,453
Median Household Income	\$62,194	\$57,282	\$64,434
Per Capita Income	\$31,940	\$28,249	\$32,953

### DEMOGRAPHIC PROFILE WITHIN 5-MILE RADIUS:



**POPULATION**  
206,214



**HOUSEHOLDS**  
76,888



**AVERAGE HH INCOME**  
\$88,453

# 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 8800 W 95<sup>th</sup> St, Hickory Hills, IL 60457 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, (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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