

Walgreens



*REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

WALGREENS NET LEASED OFFERING

1619 50TH ST, LUBBOCK, TX 79412

OFFERING MEMORANDUM
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INVESTMENT OVERVIEW



The subject property is a net leased Walgreens in Lubbock, Texas. The lease calls for minimal landlord obligations. The twenty year lease ended in April of 2019, and the tenant is now exercising their first of seven 5-year renewal options beyond the initial term. The property is well-situated on a major retail corridor surrounded by national retailers including 7-Eleven and United Supermarket, and is down the street from Grace Medical Center.

INVESTMENT HIGHLIGHTS

WALGREENS NET LEASED OFFERING

100% FEE SIMPLE INTEREST

MINIMAL LANDLORD OBLIGATIONS

INCOME TAX FREE STATE

WELL SITUATED ON A MAJOR COMMERCIAL THOROUGHFARE

STRONG SURROUNDING DEMOGRAPHICS

OFFERING SPECIFICATIONS

PRICE \$2,622,267

CAP 7.50%

NET OPERATING INCOME \$196,670

SQUARE FOOTAGE 14,476

YEAR BUILT 1998

FINANCIAL SUMMARY

WALGREENS • NET LEASED OFFERING

1619 50TH ST, LUBBOCK, TX 79412

\$2,622,267 • 7.50%

SUMMARY

TENANT NAME	Walgreens
SQUARE FOOTAGE	14,476
LEASE STARTS	April 1, 2019*
LEASE ENDS	March 31, 2024
ANNUAL RENT	\$196,670
OPTIONS	SEVEN, 5-YEAR OPTIONS (SIX REMAINING)
INCREASES	RENT IS FLAT

OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
CURRENT (OPTION 1)	\$196,670	7.50%

* TENANT IS EXERCISING FIRST OF EIGHT OPTIONS

TENANT OVERVIEW



PUBLICLY TRADED
NASDAQ: WBA



9,500+ LOCATIONS



415,000+ EMPLOYEES

WALGREENS

Walgreen Company or simply Walgreens is an American company that operates as the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. As of August 31, 2018, the company operated 9,560 stores in all 50 states, the District of Columbia and the US territories of 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.

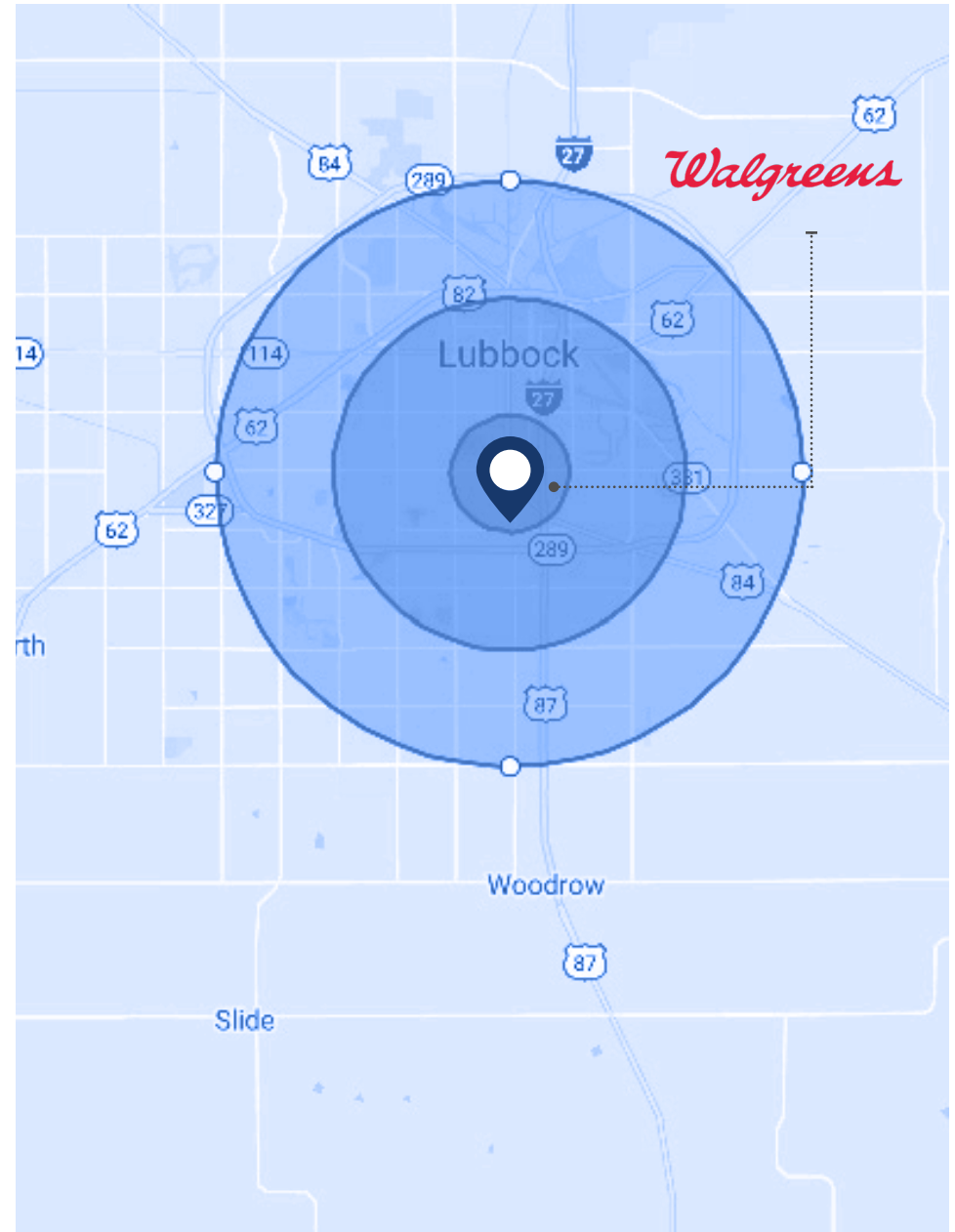
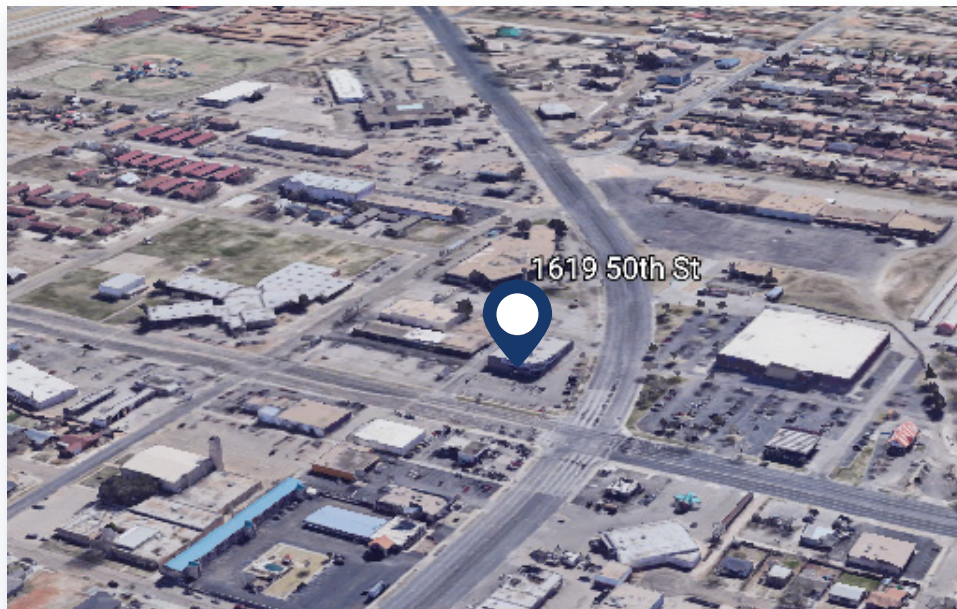
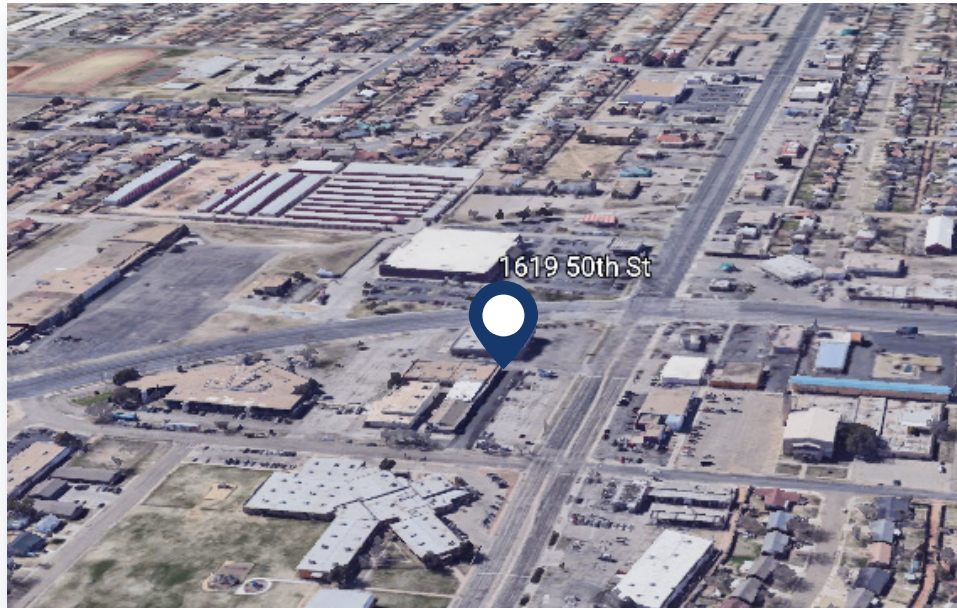
In 2014 the company agreed to purchase the remaining 55% of Switzerland-based Alliance Boots that it did not already own to form a global business. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc., on December 31, 2014. Walgreens became a subsidiary of the new company, which retains its Deerfield headquarters and trades on the Nasdaq under the symbol WBA

A typical Walgreens store is about 14,500 square feet with 11,000 square feet of sales area. They offer nearly 25,000 items for sale and typically staff between 25 and 30 people per store. On average, one store pulls in \$8.5 million in annual sales. Most stores include a pharmacy, photo lab, cosmetics counter, and a general merchandise area. Select stores in metropolitan Chicago, Florida, Atlanta, Kansas City, Nashville, Las Vegas, and St. Louis now include Walgreens TakeCare Health Clinics where certified (primarily nurse practitioners, and in some states, registered pharmacist) staff diagnose, treat, and prescribe for common illnesses and can also issue vaccinations and physicals in select locations. These clinics are open 7 days a week; including evenings and weekends with no appointments necessary and with acceptance of most major insurance plans. If a patient uses the TakeCare Clinic, their prescription is automatically processed through Walgreens' Intercom Plus Pharmacy System as a waiting prescription, so in most stores, the prescription is ready to be picked up in 15 to 20 minutes.

LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	94,767	195,386	284,707
TOTAL HOUSEHOLDS	34,549	74,827	108,545
AVERAGE HOUSEHOLD INCOME	\$56,809	\$63,679	\$69,883
AVERAGE AGE	33.10	34.70	34.60

AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	94,767	195,386	284,707
TOTAL HOUSEHOLDS	34,549	74,827	108,545
PERSONS PER HOUSEHOLD	2.50	2.50	2.50
AVERAGE HOUSEHOLD INCOME	\$56,809	\$63,679	\$69,883
AVERAGE HOUSE VALUE	\$117,487	\$129,273	\$144,566
AVERAGE AGE	33.10	34.70	34.60
WHITE	80,475	165,265	245,183
BLACK	9,417	19,468	23,486
AM. INDIAN & ALASKAN	1,200	2,315	3,199
ASIAN	1,682	4,450	7,187
HAWAIIAN & PACIFIC ISLAND	172	292	396
OTHER	1,821	3,595	5,256

LUBBOCK, TEXAS

Lubbock is the 11th-most populous city in the state of Texas and the county seat of Lubbock County. With a population of 260,972 in 2019, the city is also the 81st-most populous in the United States. The city is in the northwestern part of the state, a region known historically and geographically as the Llano Estacado, and ecologically is part of the southern end of the High Plains, lying at the economic center of the Lubbock metropolitan area, which has a projected 2020 population of 327,424.

Lubbock's nickname, "Hub City", derives from it being the economic, educational, and health-care hub of the multicounty region, north of the Permian Basin and south of the Texas Panhandle, commonly called the South Plains. The area is the largest contiguous cotton-growing region in the world and is heavily dependent on water from the Ogallala Aquifer for irrigation. CNNMoney.com selected Lubbock as the 12th-best place to start a small business. CNN mentioned the city's traditional business atmosphere: low rent for commercial space, central location, and cooperative city government. Lubbock is home to Texas Tech University, the sixth-largest college by enrollment in the state. Lubbock High School has been recognized for three consecutive years by Newsweek as one of the top high schools in the United States, based in part on its international baccalaureate program

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LUBBOCK, TEXAS



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