



**WALGREENS**  
13723 N. LITCHFIELD RD.  
SURPRISE, AZ 85379

**CBRE** | **OFFERING**  
MEMORANDUM



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## INVESTMENT HIGHLIGHTS

- The lease structure is **triple net (NNN), with zero landlord responsibilities**. Tenant is responsible for maintaining, repairing, and replacing all aspects of the property, as well as all required insurances, taxes, and utilities.
- There are **fifteen (15) years remaining on the lease term**.
- There are **203,831 residents located in the five (5) mile demographic ring**, and this area is projected to experience large annual growth of 1.41% over the next five (5) years.\*
- There are **over 34,000 households in the three (3) mile demographic ring**.\*
- The average household income in the three (3) mile demographic ring is **\$74,591**.\*
- Walgreens is situated on the hard-signalized corner of N Litchfield Rd. & W Waddell Rd., which **report strong combined traffic counts of 39,007 cars per day**\*\*
- The subject property is surrounded by significant big box retail, which helps drive traffic to the store. Nearby stores include **Walmart Supercenter, Safeway, AMC Theatres, Dunkin', Chase Bank, Subway, Anytime Fitness and Taco Bell among others**.
- The City of Surprise is **located approximately 28 miles (±35 minutes), west of downtown Phoenix, and has grown from 500 residents to a city of over 130,000 people**.
- Surprise supports a thriving retail economy and is currently home to **approximately 5.46 million square feet of retail space and 54 major retail centers**\*\*
- Phoenix Sky Harbor International Airport is **located approximately 32 miles (±40 minutes) from the subject property, and flies 44 million passengers on an annual basis**.

\*Source: Esri Page 1 ProjectID:476106

\*\*Source: Kalibrate ProjectID: 476106

### INVESTMENT SUMMARY

Offering Price .....	\$7,018,000
Cap Rate.....	6.00%
Price/SF .....	\$476.41
Lease Structure .....	NNN
Current Annual Rent.....	\$421,070
Building GLA .....	±14,731 SF
Lot Size.....	±1.77 acres
Ownership .....	Fee Simple



## TENANT OVERVIEW

### About Walgreens

Walgreens (NASDAQ: WBA) is the second largest drugstore chain in the U.S., with more than 9,560 stores in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Founded with a single store in Chicago in 1901, Walgreens is today continuing to build a seamless customer experience through its drugstores and its omnichannel business, Walgreens.com. Whether it is for a prescription, last-minute grocery or gift needs, photo prints or beauty products, Walgreens helps customers quickly get in and get what they want with ultimate convenience, often finding an unexpected shopping need to fill along the way.

In December 2014, Walgreens completed its strategic combination with Alliance Boots to establish Walgreens Boots Alliance, Inc., forging the first global pharmacy-led, health and wellbeing enterprise. The combination brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through community pharmacy care and pharmaceutical wholesaling.

In September 2017, Walgreens announced the acquisition of 1,932 Rite Aid locations, after 2 years of revising deals with Rite Aid. Of those stores, they are shutting down approximately 600 locations which will bring Walgreens' store count to over 9,560. Due to this acquisition, Walgreens reported double digit growth in sales in FY 2018.

Walgreens filled a record of more than 1 billion prescriptions (including immunizations) on a 30-day adjusted basis in fiscal 2018. With stores located within five miles of approximately 76 percent of Americans, and with an award-winning mobile app, Walgreens interacts with 8+ million customers a day.

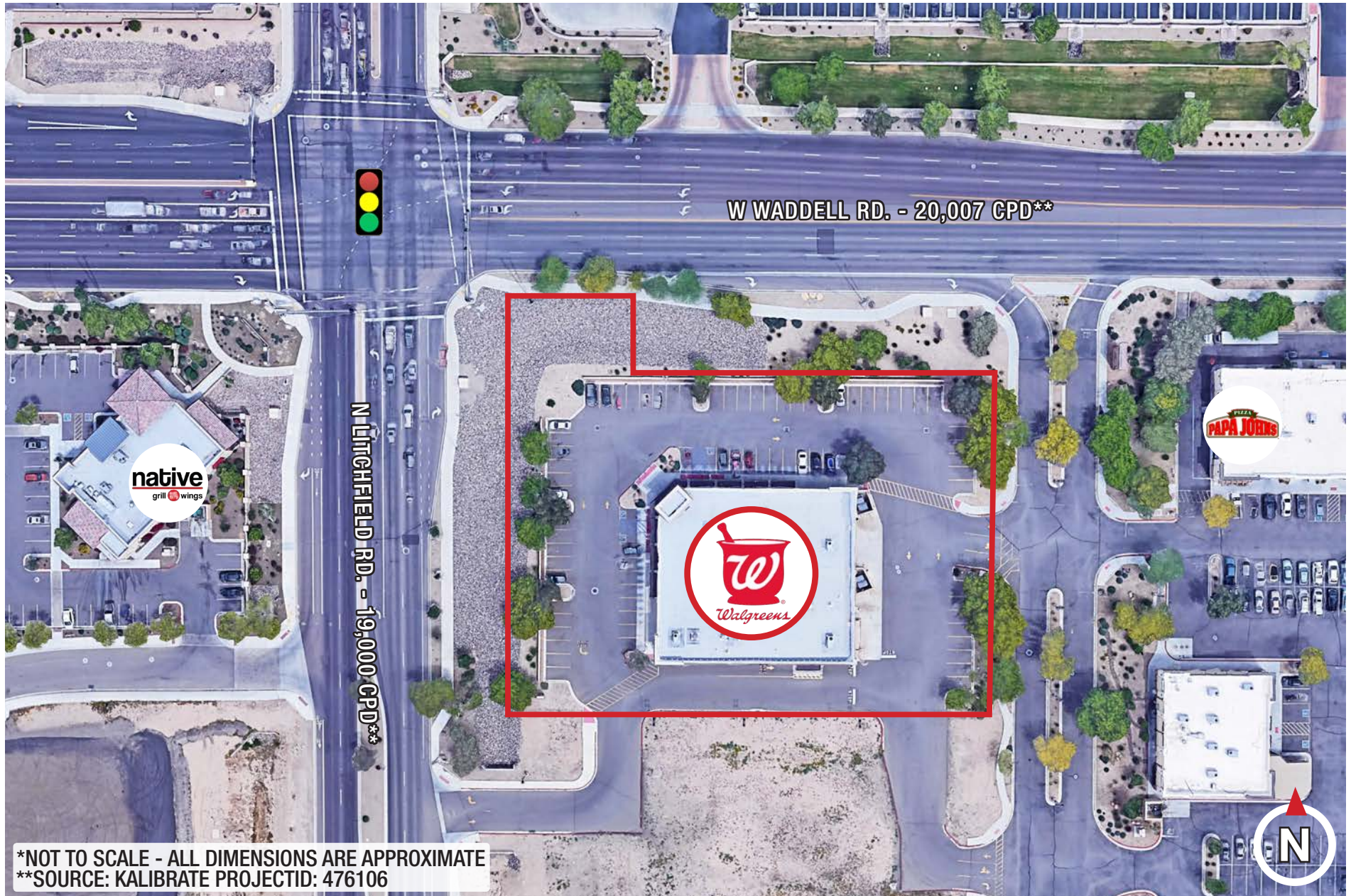


### WALGREENS CORPORATE OVERVIEW

Type:	Public (NASDAQ: WBA)
Industry:	Drug, Health & Beauty Stores
Locations:	9,560+
Employees:	354,000+
Revenue:	\$131.5 Billion (FY 2018)
Corporate Headquarters:	Deerfield, IL
Credit Rating:	S&P: BBB, Moody's: Baa2



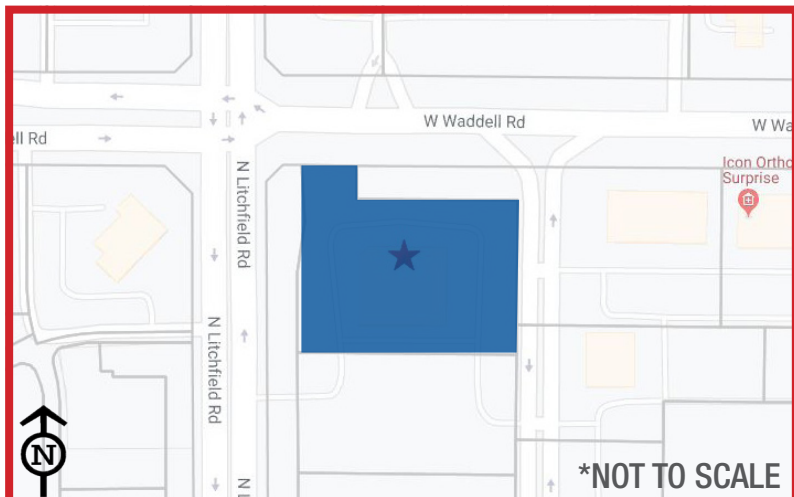
## PROPERTY OVERVIEW







# PROPERTY OVERVIEW



## PROPERTY SUMMARY

Price: \$7,018,000

Cap Rate: 6.00%

Address: 13723 N. Litchfield Rd.  
Surprise, AZ 85379

Ownership: Fee Simple

Building GLA: ±14,731 SF

Lot Size: ±1.77 acres

Parking: ±76

Year Built: 2009

Parcel Number: 501-36-908

## LEASE SUMMARY

Tenant: WALGREEN ARIZONA DRUG Co.

Date of Lease: October 22, 2008

Rent Commencement: August 1, 2009

Lease Expiration: July 31, 2084

Lease Term: 75.0 years

First Termination Option: July 31, 2034

Guaranteed Term Remaining: 15.0 years (as of 09/2019)

Termination Options: Every 5 years, beginning at the end of Year 25

Current Annual Rent: \$421,070

Rental Increases: None

Percentage Rent: The amount by which the sum of 2% of Gross Sales and 0.50% of Gross Sales from food and prescription items exceeds annual rent.

Sales Reporting: Yes

You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.



## LEASE SUMMARY CONTINUED

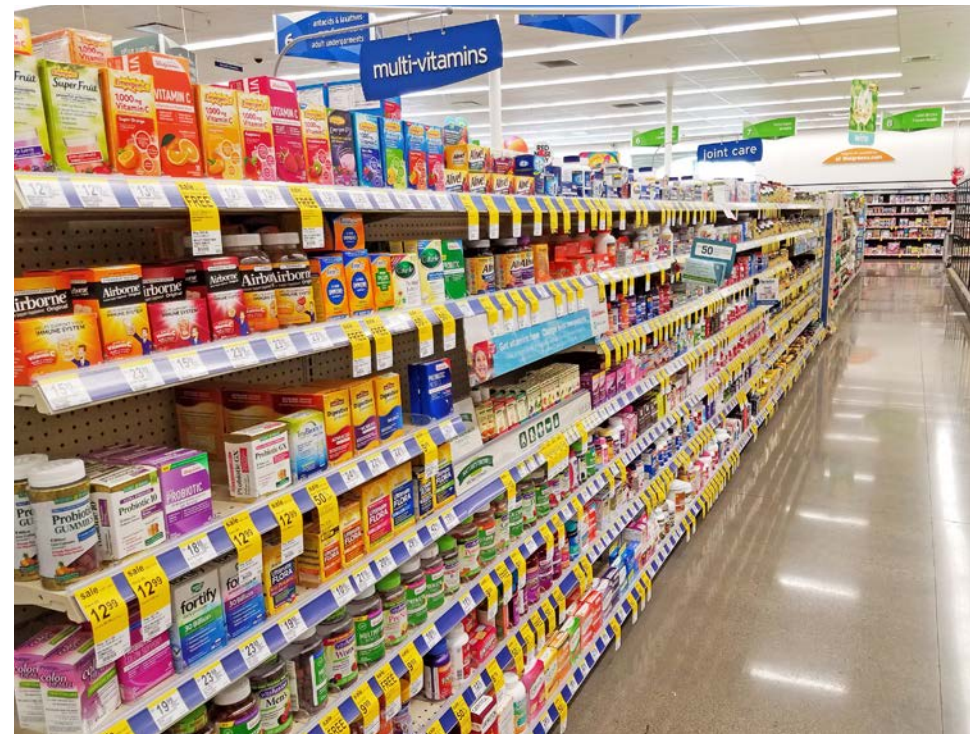
Lease Structure:	NNN - Zero Landlord Responsibility
Roof:	TENANT
Structure:	TENANT
HVAC:	TENANT
Common Area:	TENANT
Parking:	TENANT
Property Taxes:	TENANT - Tenant pays direct.
Utilities:	TENANT - Tenant pays direct.
Insurance:	TENANT - Tenant pays direct.
Other:	LANDLORD - [7(c)] - Requires Landlord to comply with and/or enforce any responsibilities set forth in the CC&R's as it relates to the adjacent property. [10(f)] Requires Landlord to maintain, repair, light, and replace the Driveways.
Assignment & Subletting:	No assignment or sublet shall relieve Walgreen Arizona Drug Co. from its obligations under the lease.
ROFR:	Tenant has a 10-day ROFR.

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## RENT SCHEDULE

Lease Term	Lease Years	Monthly Rent	Annual Rent	Rent/SF	Increase (%)
Primary:	1 - 75:	\$35,089.17	\$421,070.04	\$28.58	None

**Walgreens**  
AT THE CORNER OF **HAPPY & HEALTHY™**

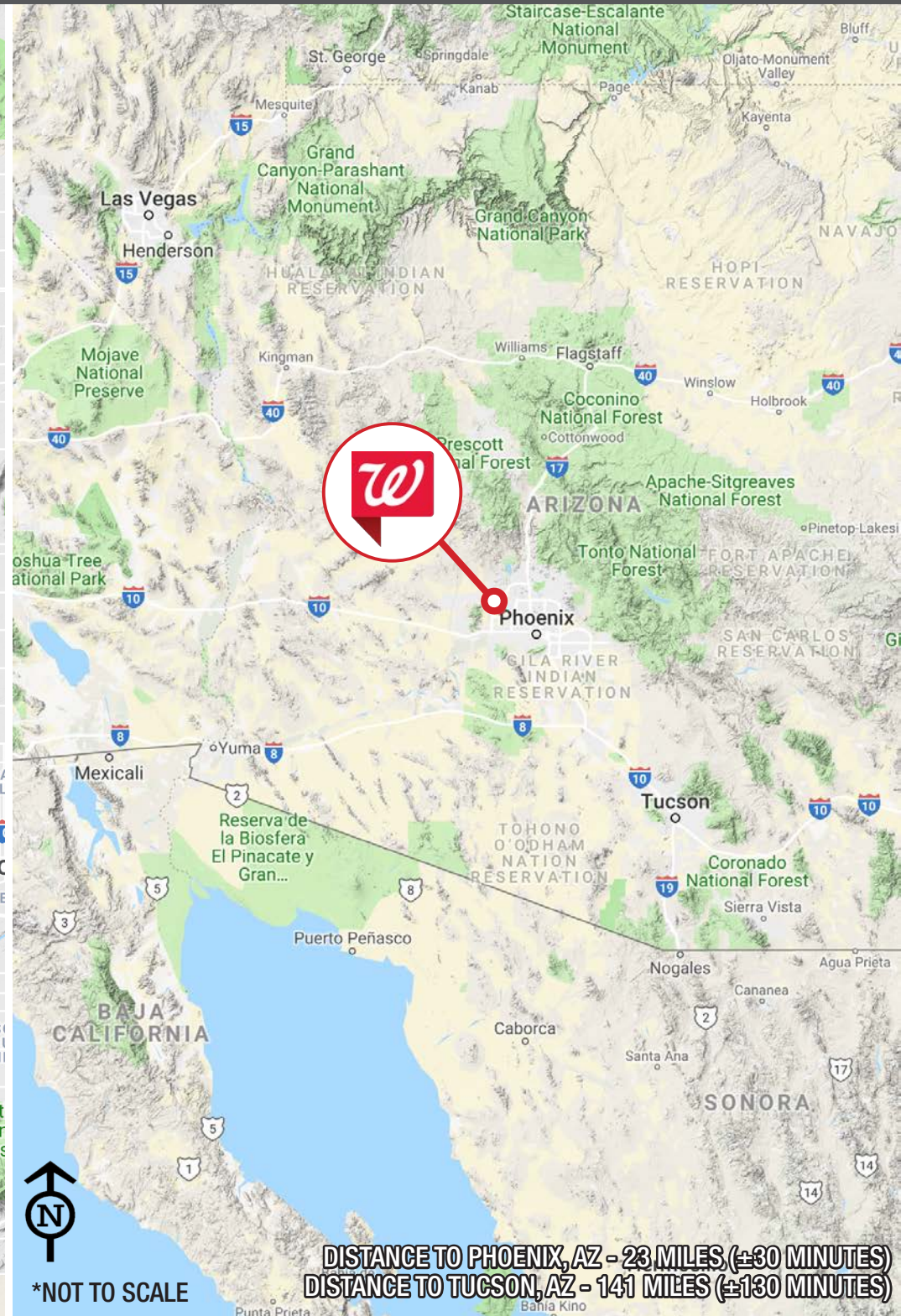




## AREA OVERVIEW



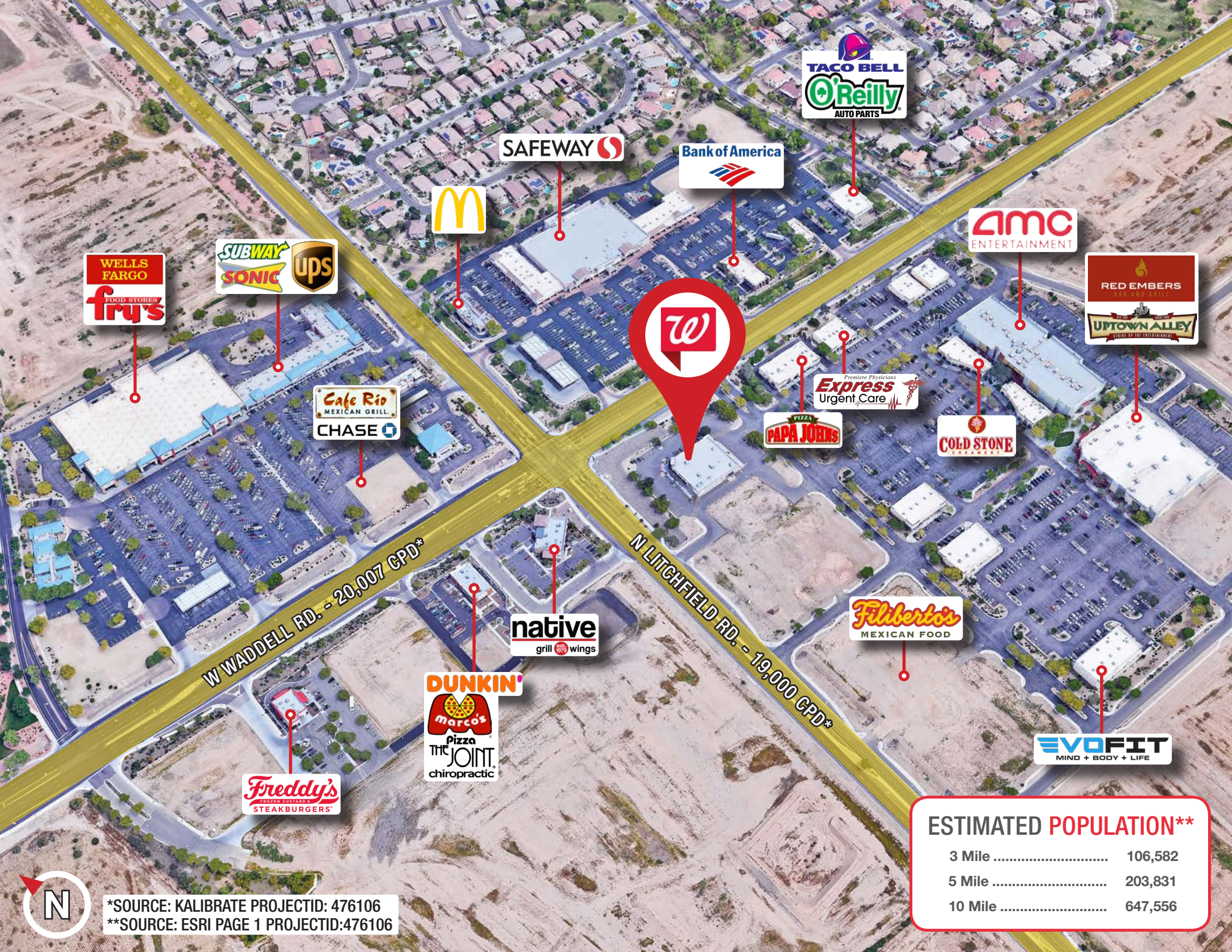
\*NOT TO SCALE



\*NOT TO SCALE

DISTANCE TO PHOENIX, AZ - 23 MILES (±30 MINUTES)  
DISTANCE TO TUCSON, AZ - 141 MILES (±130 MINUTES)





WELLS  
FARGO  
FOOD STORES  
**Fry's**

**SUBWAY**  
**SONIC** **ups**

**Cafe Rio**  
MEXICAN GRILL  
**CHASE**

**McDonald's**

**SAFEWAY**

**Bank of America**

**TACO BELL**  
**O'Reilly**  
AUTO PARTS

**AMC**  
ENTERTAINMENT

**RED EMBERS**  
BAR AND GRILL  
**UPTOWN ALLEY**  
RESTAURANT & BAR

Premiere Physicians  
**Express**  
Urgent Care

**PAPA JOHN'S**

**COLD STONE**  
CREAMERY

W WADDELL RD. - 20,007 CPD\*

N LITCHFIELD RD. - 19,000 CPD\*

**native**  
grill wings

**DUNKIN'**  
**marco's**  
Pizza  
**THE JOINT**  
chiropractic

**Freddy's**  
STEAKBURGERS

**Filiberto's**  
MEXICAN FOOD

**EVOFIT**  
MIND + BODY + LIFE



\*SOURCE: KALIBRATE PROJECTID: 476106  
\*\*SOURCE: ESRI PAGE 1 PROJECTID:476106

### ESTIMATED POPULATION\*\*

3 Mile .....	106,582
5 Mile .....	203,831
10 Mile .....	647,556





303 18,500 CPD\*

60 32,064 CPD\*

N LITCHFIELD RD. - 19,000 CPD\*

W WADDELL RD. - 20,007 CPD\*



BUSINESS/  
COMMERCIAL  
PARK

DYSART  
HIGH SCHOOL

PUEBLO EL MIRAGE  
GOLF COURSE

SITE OUTLINE NOT TO SCALE  
\*SOURCE: KALIBRATE PROJECTID: 476106





## AREA OVERVIEW

# SURPRISE, ARIZONA

## HISTORY

- Surprise, located just  $\pm 35$  minutes west of downtown Phoenix along U.S. Route 60/State Highway 93, was founded on May 17, 1938 by Flora Mae Statler who purchased and subdivided the original town site. The former small farming village now encompasses approximately 108 square miles, including urban and commercial developments, ranches, industrial sites, and business parks. Surprise has grown from 500 residents to a city of over 130,000 people, evolving from a small-town government to a regional governmental entity.



CITY HALL



## ECONOMY

- Forecasts show continued improvement in the economic outlook for the City of Surprise. Key indicators supporting the forecasts include growth in both residential population (350% in the last 17 years) and commercial square footage that result in increased revenues for the city as well as low inflation rates that has kept expenditure increases at a manageable level. Residential population growth in the city has exceeded the statewide average over the last five years and is expected to continue based on the availability of land within the city's planning area. Employment in construction, retail and service sectors has been established, and the city's focused on bringing high-quality jobs to its residents and investment-rich global companies to its Foreign Trade Zone.

## RETAIL ACTIVITY

- Surprise supports a thriving retail economy and is currently home to  $\pm 5.46$  million square feet of retail space and 54 major retail centers. The largest centers in the city include the  $\pm 518,000$ -square foot Surprise Towne Center, the  $\pm 466,000$ -square foot Surprise Marketplace, and the  $\pm 263,000$ -square foot Waddell Square Shopping Center.

## AREA OVERVIEW

### EDUCATION

- Ottawa University's location in Surprise, Arizona, sits in the beautiful Civic Center Complex. The private Christian university has a growing student population of 658 and is located approximately 2 miles ( $\pm 5$  minutes) from the subject property.

### AIRPORTS

- Phoenix Sky Harbor International Airport is located approximately 32 miles ( $\pm 40$  minutes) from the subject property, and flies 44 million passengers on an annual basis. Phoenix Sky Harbor serves more than 120,000 passengers daily, with more than 1,200 flights per day, and has a total economic impact of more than \$38 billion per year.

### SURROUNDING ACTIVITY

- The charming community of Surprise is surrounded by mountain park lands, a regional lake and the pristine, open Sonoran Desert. The city offers spring training baseball, the largest tennis and racquet complex in the southwest, seven gorgeous golf courses, an urban fishing lake and two public aquatic centers. Year-round sunshine, new, clean safe neighborhoods, and a business and family friendly environment in a southwest setting can only be described as breath taking.



PHOENIX SKY HARBOR AIRPORT



SURPRISE STADIUM

- Surprise Stadium is the Spring Training home of Major League Baseball's Kansas City Royals and Texas Rangers and host to several college baseball tournaments each year. The Surprise Tennis and Racquet Complex is the largest in the southwest, attracting both tennis legends and USTA tournaments! It offers 25 tennis courts; 17 are lighted for night play. The White Tank Mountain Regional Park borders the city, providing  $\pm 30$  thousand acres of outdoor recreation.
- The city's position is in the Northwest Valley of the Sun, just  $\pm 45$  minutes from downtown Phoenix. Consistently rated as one of the safest cities in the Southwest, neighbors say they love the small town feel of events like Surprise Party in the winter and the 4th of July fireworks. Visitors and residents may enjoy eight open to the public golf courses, day trips to the Wildlife World Zoo, or fabulous Lake Pleasant for boating and jet skiing, all within an easy drive of the amenities of the metro Phoenix area.



## DEMOGRAPHICS

POPULATION	3 Mile	5 Mile	10 Mile
Estimated Population (2019)	106,582	203,831	647,556
Census Population (2010)	94,030	183,488	558,813
Projected Population (2024)	115,406	218,637	703,617
HISTORICAL ANNUAL GROWTH			
2000-2010	12.99%	8.01%	4.77%
2010-2019	1.36%	1.14%	1.61%
PROJECTED ANNUAL GROWTH			
2019-2024	1.60%	1.41%	1.67%
HOUSEHOLDS	3 Mile	5 Mile	10 Mile
Estimated Households (2019)	34,843	81,219	245,204
Census Households (2010)	31,059	74,010	216,115
Projected Households (2024)	37,591	86,445	264,471
HISTORICAL ANNUAL GROWTH			
2000-2010	12.35%	6.02%	4.42%
2010-2019	1.25%	1.01%	1.37%
PROJECTED ANNUAL GROWTH			
2019-2024	1.53%	1.25%	1.52%

Source: Esri Page 1 ProjectID:476106

2019 POPULATION BY RACE	3 Mile	5 Mile	10 Mile
White	52.2%	64.7%	62.0%
Hispanic	33.7%	23.7%	25.2%
Black or African American	7.3%	6.0%	5.8%
Asian	3.2%	2.7%	4.0%
2019 AGE BY GENDER	3 Mile	5 Mile	10 Mile
MEDIAN AGE			
Male	31.60	40.70	39.00
Female	33.90	45.90	42.90
HOUSEHOLD INCOME	3 Mile	5 Mile	10 Mile
2019 Average	\$74,591	\$69,209	\$81,779
2019 Median	\$60,722	\$55,480	\$63,510
VALUE OF HOUSING UNITS	3 Mile	5 Mile	10 Mile
2019 Average	\$235,517	\$244,781	\$277,421
2019 Median	\$218,163	\$220,832	\$246,393

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