

OFFERING MEMORANDUM

Walgreens

2539 W Whitner Street
Anderson, SC

NAIBrannenGoddard

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PROPERTY OVERVIEW

WALGREENS STORE #9273

2539 W Whitner Street
Anderson, South Carolina 29624
Anderson County S of I-85 Retail Submarket

BUILDING

Type	Retail
Subtype	Drug Store
Building Size	14,820 SF
Year Built	2005
HVAC	Roof Mounted

LAND

Land Area	2.02 Acres
Zoning	C3
Vehicles Per Day	21,700 / 10,800

LEASE SUMMARY

Annual Rent	\$320,970 / \$21.65 PSF
Landlord Responsibilities	None
Taxes, Insurance & CAM	Tenant
Roof, Structure & Parking	Tenant
Renewal Options	10 (5 Year)
Lease Guarantor	Walgreens Co
Lease Guarantor Strength	BBB
Lease Type	NNN
Rent Commencement	02/01/2005
Primary Term Expiration	01/31/2030
NOI	\$320,970
Right of First Refusal	45 Days

PROPERTY HIGHLIGHTS

- > Signalized Hard Pin-Corner Location
- > Average Household Income of Over \$64,000
- > Over 118,042 Populations in a 5-Mile Radius
- > Easy Access to I-85 and SC 28-Bypass
- > Over 30,000 Average Daily Traffic at Site



INVESTMENT OVERVIEW



INVESTMENT SUMMARY

Asking Price	\$5,135,520
NOI	\$320,970
CAP Rate	6.25%
Total GLA	14,820

ANNUALIZED OPERATING DATA

Debt Service	\$225,325
Debt Coverage Ratio	1.21
Net Cash Flow After Debt Service	6.17% / \$95,027
Principal Reduction	\$94,040
Total Return	12.27% / \$189,067

NEW DEBT OPTION

Current Loan Amount	\$3,594,864
Equity Required	\$1,540,656
Loan to Value	70%
Effective Date	At Closing
End of Term – Balloon Date	10 Years
Annual Debt Service	\$225,325
Interest Rate on Loan	3.90%
Term	10 Years
Amortization	25 Years
Balloon Payment at Maturity	\$2,545,324

EXISTING DEBT ASSUMPTION OPTION

Current Loan Amount	\$3,400,250
Equity Required	\$1,735,270
Loan to Value	66.20%
Effective Date	12/15/2015
End of Term – Balloon Date	1/1/2023
Annual Debt Service	\$227,241.60
Interest Rate on Loan	4.125%
Term	10 Years
Amortization	25 Years
Balloon Payment at Maturity	\$2,787,178

INVESTMENT HIGHLIGHTS

> **SIGNALIZED HARD PIN-CORNER LOCATION**

> **AVERAGE HOUSEHOLD INCOME OF OVER \$64,000**

> **OVER 118,042 POPULATIONS IN A 5-MILE RADIUS**

> **EASY ACCESS TO I-85 AND SC 28-BYPASS**

> **OVER 30,000 AVERAGE DAILY TRAFFIC AT SITE**



We are pleased to present the opportunity to acquire the fee simple interest (land and building) in an absolute NNN leased, corporate guaranteed, drive-thru equipped, Walgreens investment property located in Anderson, South Carolina. Property is approximately 14,820 square feet located on a \pm 2.02 prime commercial acre. The investment grade tenant, Walgreen Co. (NASDAQ: WBA | S&P: BBB).

The original 25-year lease runs through January of 2030 and followed by Ten 5-year option periods to extend. The lease is corporately guaranteed and is absolute NNN with zero landlord responsibilities.

The subject site is strategically located at the signalized, hard southeast corner intersection of SC highway 28 By-Pass and SV Highway 24 aka Whitner Road with a combined 32,500 vehicles passing by daily.

The asset has excellent visibility & access on a corner site with points of ingress and egress on both adjacent streets, as well as a monument sign located on the corner. The site is also equipped with a drive-thru, providing ease and convenience for customers.

Nearby credit tenants in the surrounding trade area include: 24-hour Walmart Supercenter, Dollar General, Advance Auto Parts, O'Reilly Auto Parts, AutoZone Auto Parts, Burger King, CVS, Wells Fargo, and more, further increasing consumer draw to the area. **The two Rite Aid pharmacies (shown on the map on page 14) have already been closed due to the acquisition of Rite Aid by Walgreens further enhancing this location presence.**

The 5-mile trade area is supported by more than 118,042 residents with an average household income of \$64,000.

TENANT INFORMATION

ABOUT WALGREENS

Tenant Trade Name	Walgreens Trade Alliance Incorporate
Lease Guarantor	Corporate
Year Founded	1901
Number of Locations	9,560+
Sales Volume	\$131.5 Billion (2018)
Headquartered	Deerfield, IL
Ownership	Public
Stock Symbol	WBA (NASDAQ)
Credit Rating	BBB (S&P)
	Baa2 (Moody's)

TENANT DESCRIPTION

Walgreens is one of the largest drugstore chains.

Walgreens is owned by the Walgreens Boots Alliance, Inc. This parent company is currently the largest retail pharmacy in the US and Europe, with 13,200 stores in over 11 countries.

Walgreens Boots Alliance was created through the combination of Walgreens and Alliance Boots in December 2014. This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years. Walgreens had been in merger talks with Rite Aid since 2015. In June of 2017, the pharmacies announced the merger was off however Walgreens will acquire over 2,100 Rite Aid locations.

Walgreens is a market leader in the US and has 8,175 retail stores which includes Walgreens and Duane Reade. Walgreens owns 15% of these retail locations and the rest are leased. Walgreens Boots Alliance stated that they will close about 200 less-profitable US Walgreens stores and open the same number of stores in new locations.

www.walgreens.com



PROPERTY PHOTOS



PROPERTY PHOTOS



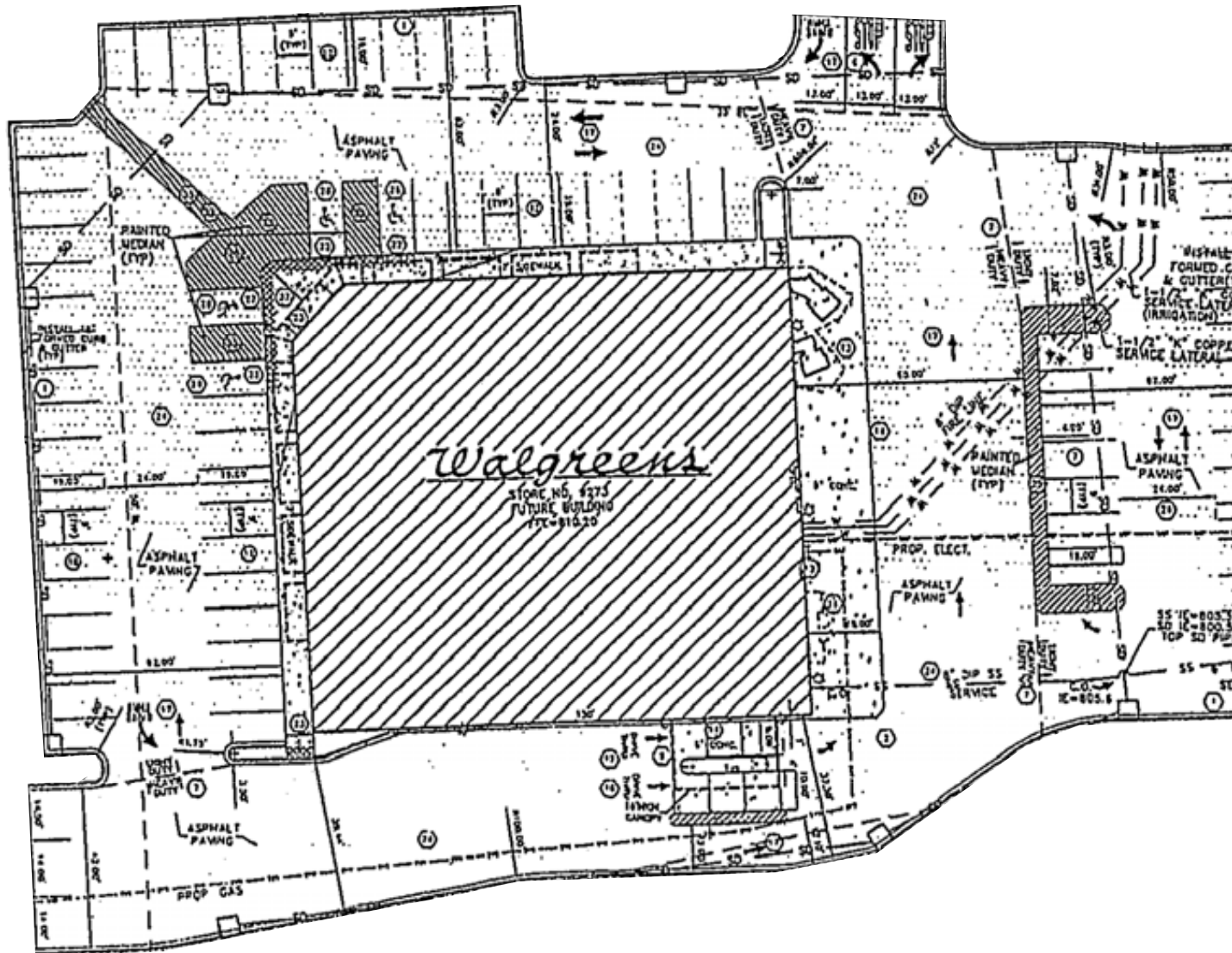
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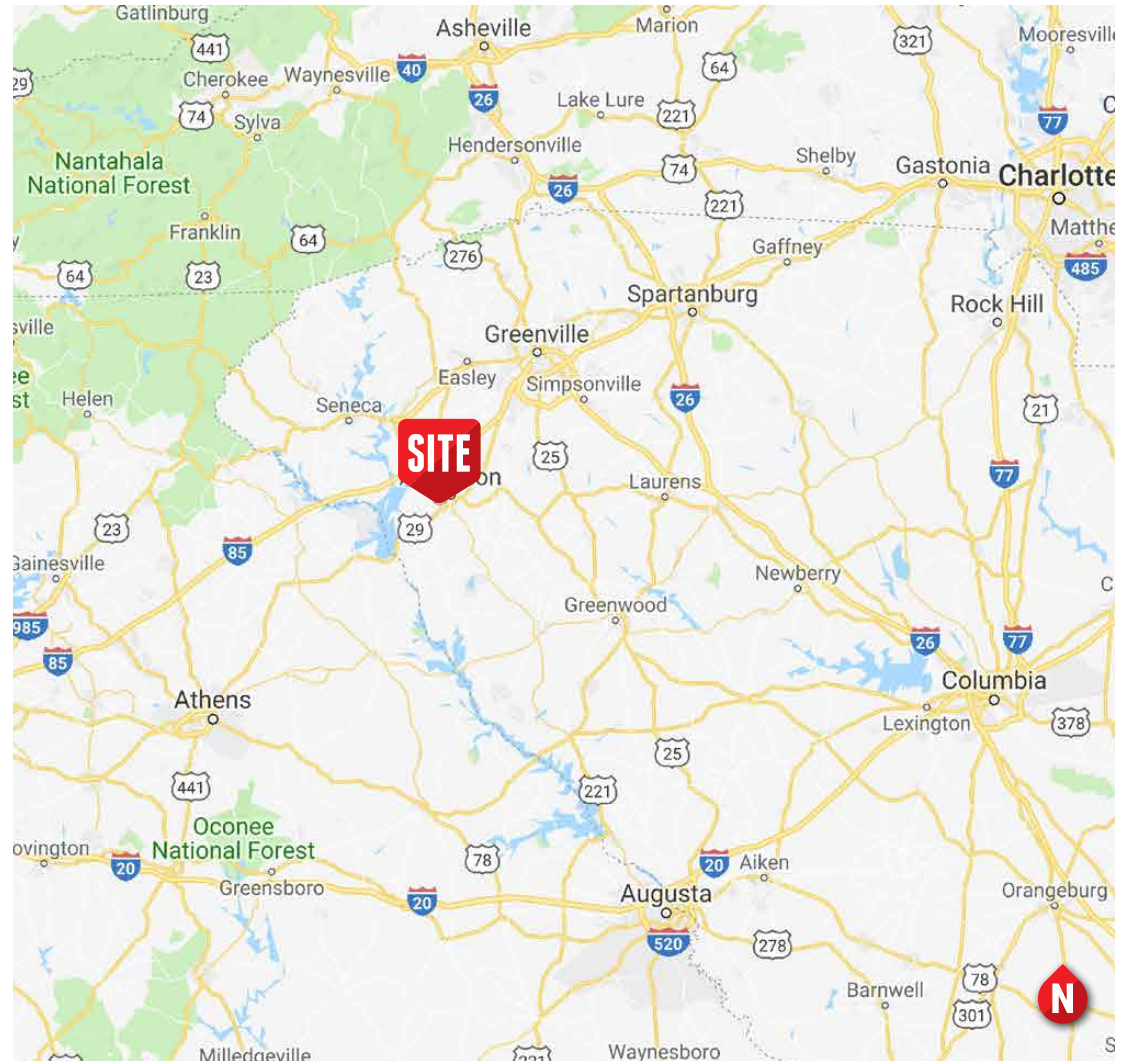
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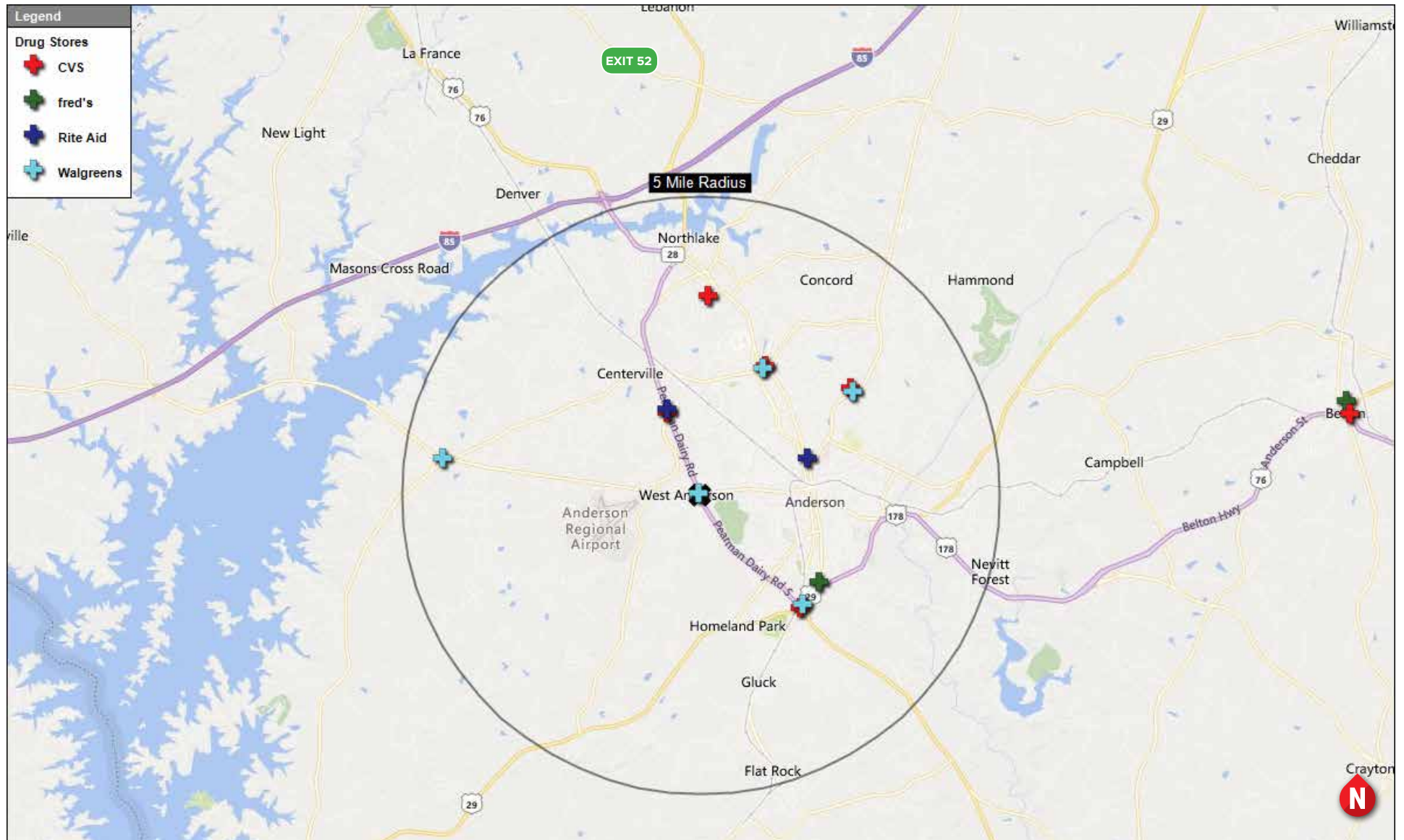
PROPERTY SURVEY



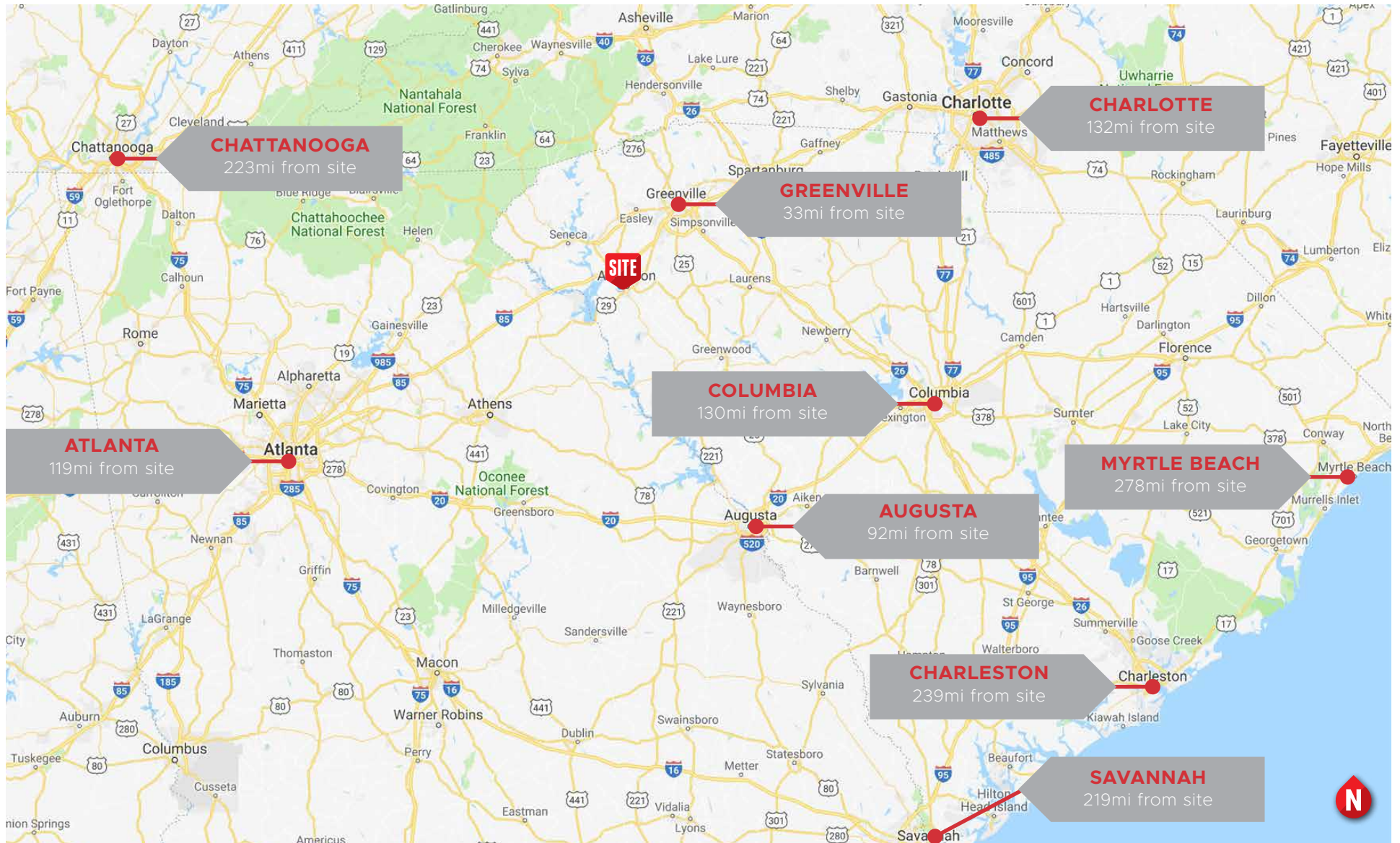
LOCATION MAPS



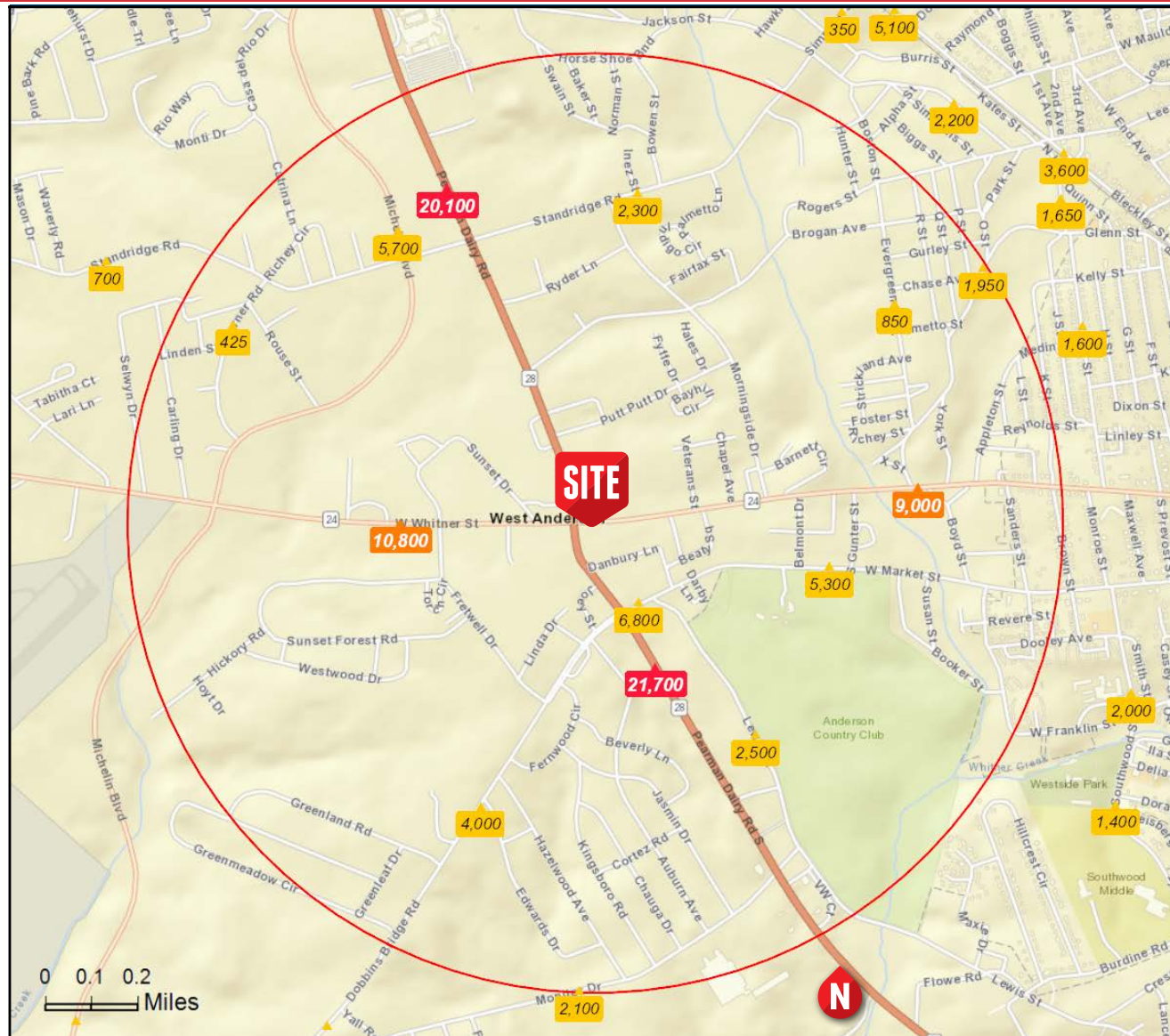
DRUG STORE MAP



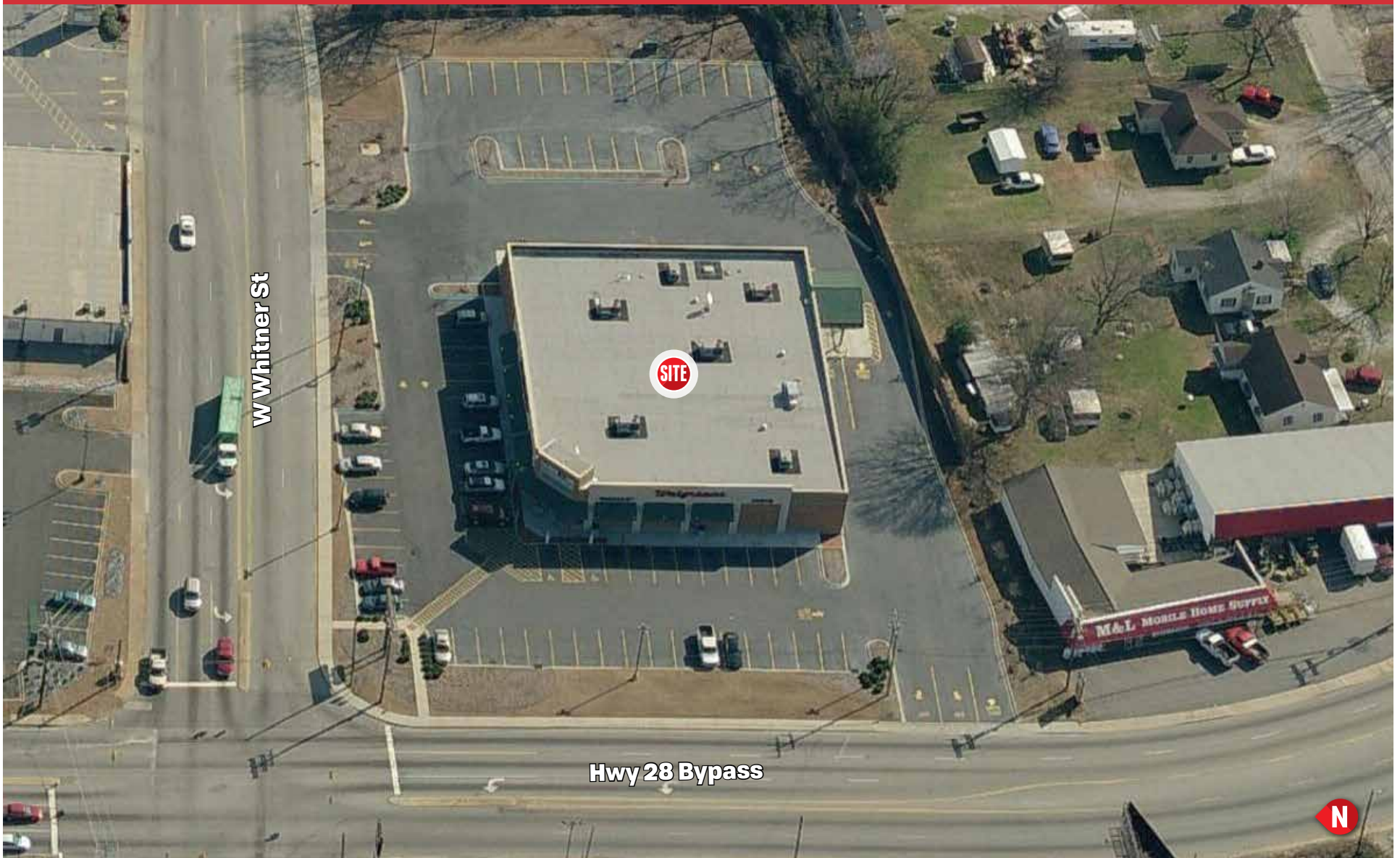
CITY DISTANCES MAP



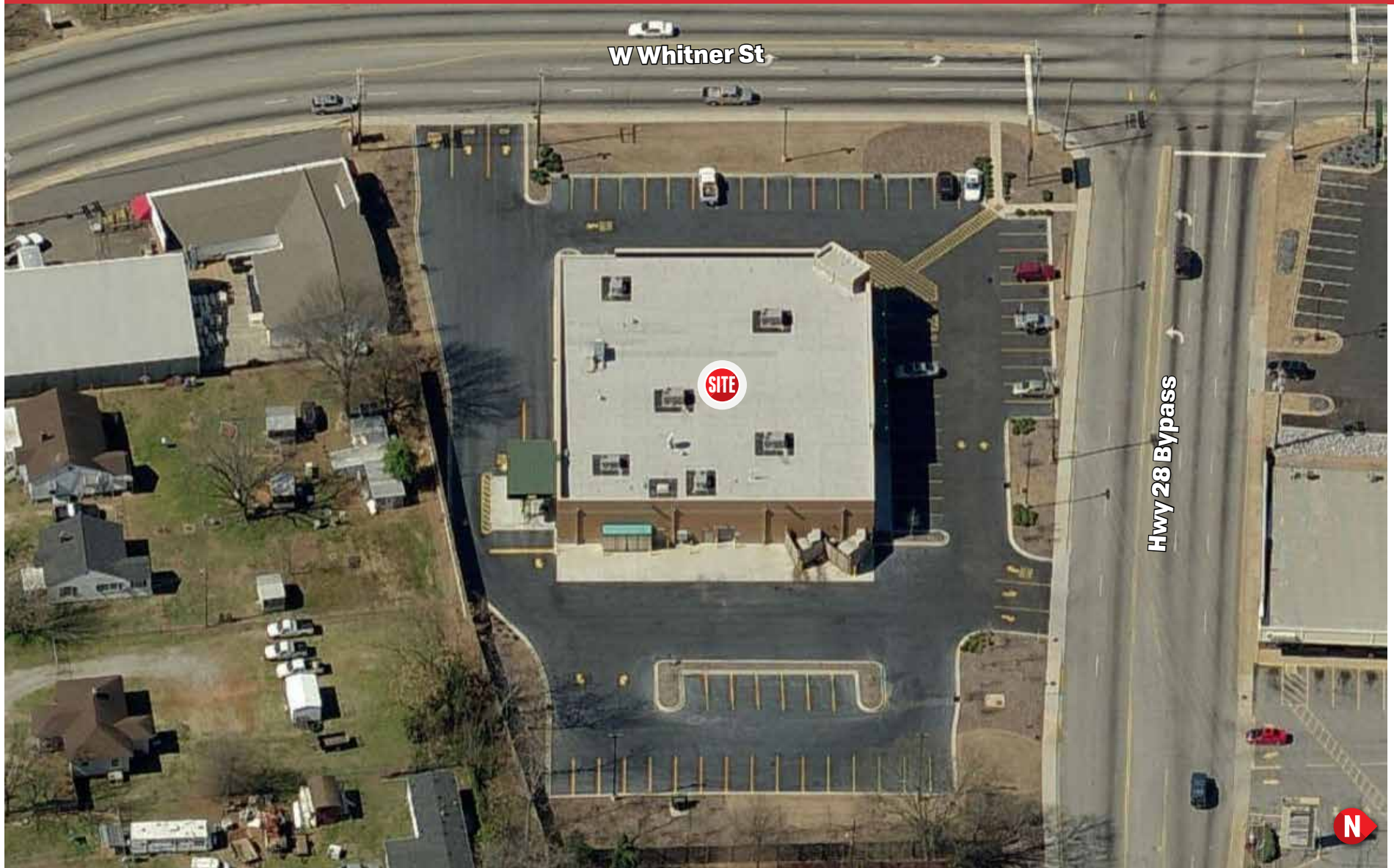
TRAFFIC COUNT MAP



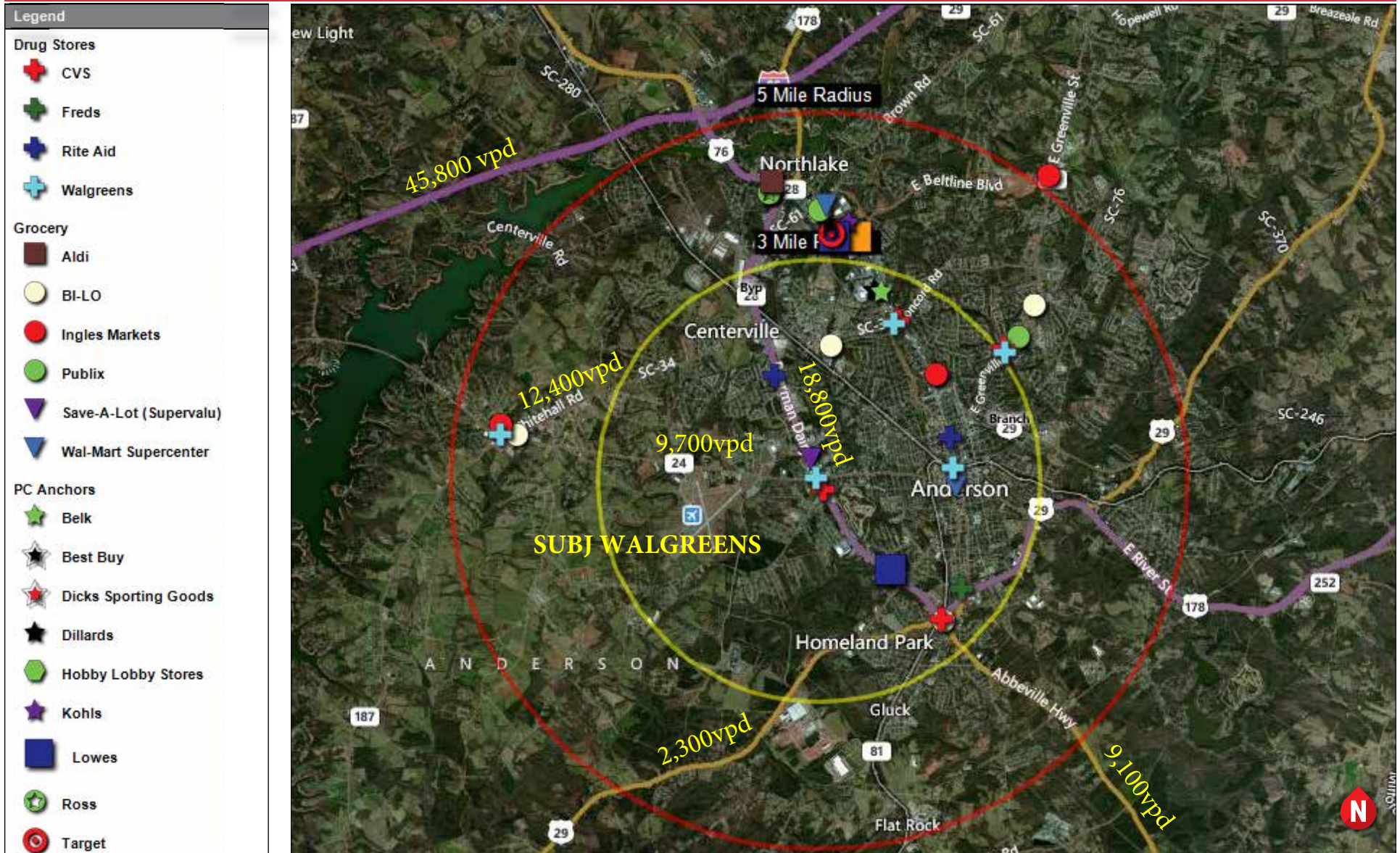
PROPERTY AERIAL



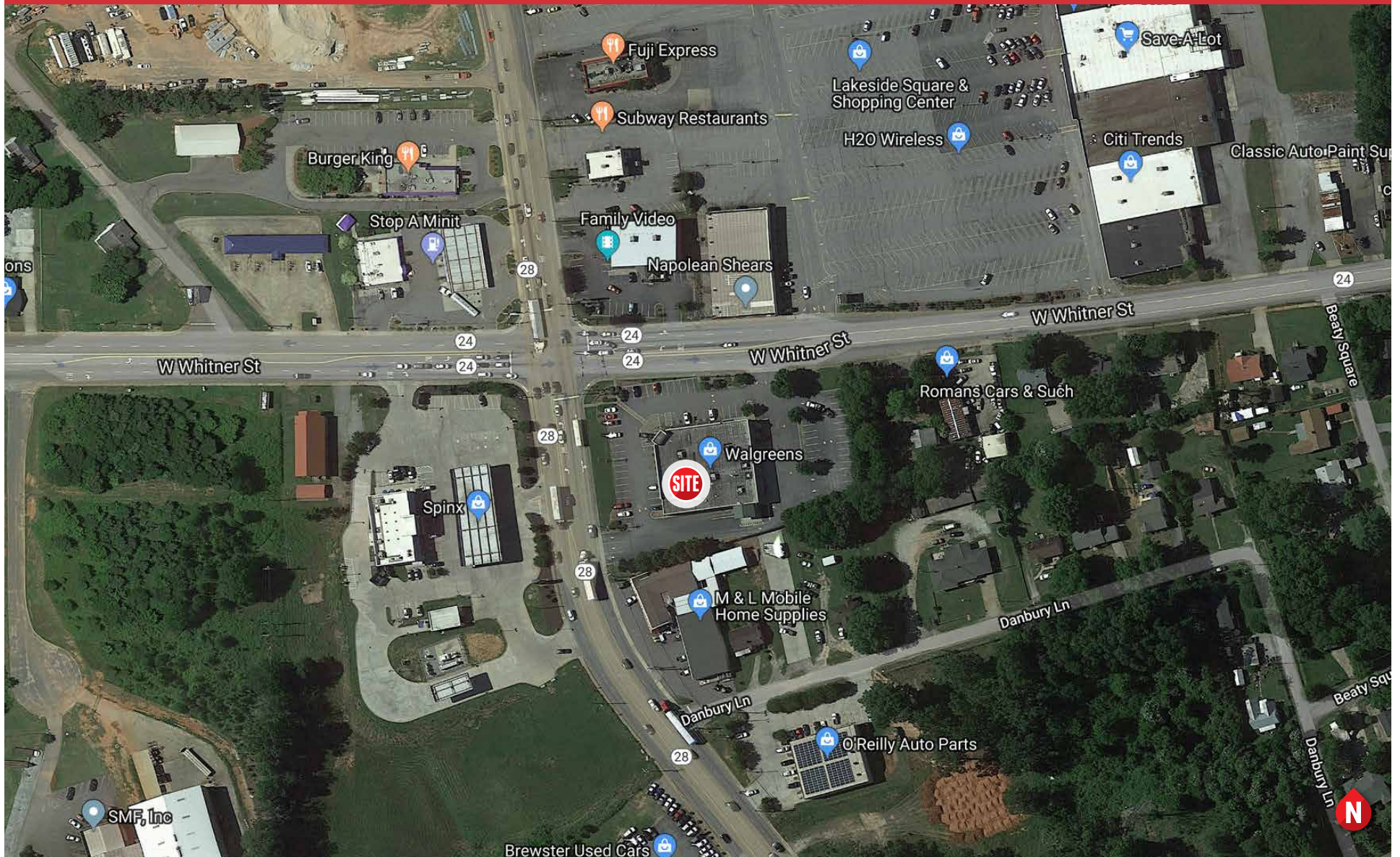
PROPERTY AERIAL



RETAIL AERIAL



NEARBY AMENITIES



LOCATION SUMMARY: ANDERSON, SC



COUNTY SEAT

Anderson County, SC

POPULATION

27,293

MEDIAN HOUSEHOLD INCOME

\$32,655

NICKNAMES

The Friendliest City in SC
The Electric City
All-America City

TRANSPORTATION

Anderson Regional Airport
Interstate 85
Public bus routes

ECONOMY

Automotive
Plastics
Health
Retail

EMPLOYEES

11.2k

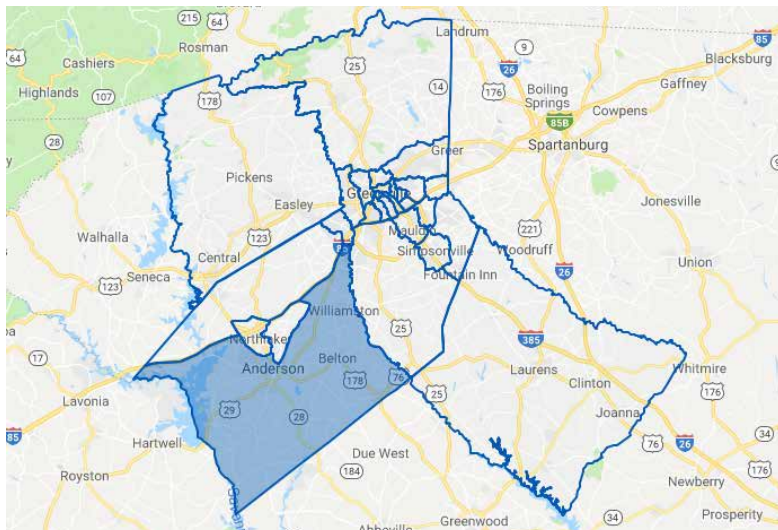


MARKET OVERVIEW

GREENVILLE RETAIL MARKET

Greenville's retail fundamentals have remained on solid ground for years, but things are starting to slow down. Vacancies are near historical lows and consistent positive net absorption has outpaced new deliveries for the bulk of the current cycle. New deliveries and strong absorption have effectively occurred in sync in recent quarters, allowing for a stable vacancy rate and positive rent appreciation. However, rent growth has been cooling over recent years, though as it stands now, appreciation is still in line with the National Index.

Investment has generally trended upward in the latter portion of the cycle and highlight years reached roughly \$400 million in annual transaction volume. The favorable environment is underpinned by a strong local economy, which has been relatively dependent on textile manufacturing, as well as a more diversified economy of jobs in professional services, trade, and technology.



ANDERSON COUNTY / SOUTH OF I-85 SUBMARKET

AVAILABILITY	SUBMARKET	MARKET
Market Rent/SF	\$9.31 ↓	\$13.32 ↓
Vacancy Rate	6.2% ↑	4.2% ↑
Vacant SF	440 K ↑	2.6 M ↑
Availability Rate	6.8% ↑	5.5% ↑
Available SF	485 K ↑	3.4 M ↑
Sublet SF	47.9 K ↑	185 K ↓
Months on Market	13.8	10.5

SALES	SUBMARKET	MARKET
12 Month Properties Sold	65 ↑	376 ↑
Market Sale Price/SF	\$115 ↓	\$136 ↓
Average Market Sale Price	\$786 K ↓	\$1.2 M ↓
12 Month Sales Volume	\$21.8 M ↑	\$294 M ↑
Market Cap Rate	7.6% ↑	7.5% ↑



Avg.
Building
SF: 6.8k



12 Month
Delivered
SF: 40.2k



Existing
Buildings:
1,046



Under
Construction
SF: 4.8k

DEMOGRAPHICS: 1, 5, 10 MILE RADIUS

	1 mi	3 mi	5 mi
Population			
2000 Population	2,962	60,696	95,896
2010 Population	3,136	66,656	107,805
2019 Population	3,519	72,115	118,042
2024 Population	3,702	75,120	123,728
2000-2010 Annual Rate	0.57%	0.94%	1.18%
2010-2019 Annual Rate	1.25%	0.85%	0.99%
2019-2024 Annual Rate	1.02%	0.82%	0.95%
2019 Male Population	46.8%	47.2%	48.1%
2019 Female Population	53.2%	52.8%	51.9%
2019 Median Age	39.3	39.6	41.2

In the identified area, the current year population is 118,042. In 2010, the Census count in the area was 107,805. The rate of change since 2010 was 0.99% annually. The five-year projection for the population in the area is 123,728 representing a change of 0.95% annually from 2019 to 2024. Currently, the population is 48.1% male and 51.9% female.

Median Age

The median age in this area is 39.3, compared to U.S. median age of 38.5.

Race and Ethnicity

2019 White Alone	54.8%	67.8%	73.8%
2019 Black Alone	36.6%	25.8%	20.5%
2019 American Indian/Alaska Native Alone	0.3%	0.3%	0.3%
2019 Asian Alone	0.6%	1.3%	1.3%
2019 Pacific Islander Alone	0.0%	0.0%	0.0%
2019 Other Race	5.1%	2.4%	1.9%
2019 Two or More Races	2.6%	2.4%	2.2%
2019 Hispanic Origin (Any Race)	8.4%	5.2%	4.3%

Persons of Hispanic origin represent 4.3% of the population in the identified area compared to 18.6% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 46.1 in the identified area, compared to 64.8 for the U.S. as a whole.

DEMOGRAPHICS: 1, 5, 10 MILE RADIUS

	1 mi	3 mi	5 mi
Households			
2019 Wealth Index	29	56	70
2000 Households	1,243	24,686	38,273
2010 Households	1,337	27,082	43,038
2019 Total Households	1,498	29,146	46,849
2024 Total Households	1,576	30,324	49,020
2000-2010 Annual Rate	0.73%	0.93%	1.18%
2010-2019 Annual Rate	1.24%	0.80%	0.92%
2019-2024 Annual Rate	1.02%	0.80%	0.91%
2019 Average Household Size	2.34	2.40	2.46

The household count in this area has changed from 43,038 in 2010 to 46,849 in the current year, a change of 0.92% annually. The five-year projection of households is 49,020, a change of 0.91% annually from the current year total. Average household size is currently 2.46, compared to 2.45 in the year 2010. The number of families in the current year is 31,442 in the specified area.

Mortgage Income			
2019 Percent of Income for Mortgage	17.5%	17.1%	16.9%
Median Household Income			
2019 Median Household Income	\$25,684	\$40,539	\$46,652
2024 Median Household Income	\$27,770	\$45,831	\$53,504
2019-2024 Annual Rate	1.57%	2.48%	2.78%
Average Household Income			
2019 Average Household Income	\$36,728	\$57,076	\$64,887
2024 Average Household Income	\$42,128	\$65,114	\$74,664
2019-2024 Annual Rate	2.78%	2.67%	2.85%
Per Capita Income			
2019 Per Capita Income	\$15,387	\$23,358	\$25,959
2024 Per Capita Income	\$17,648	\$26,552	\$29,776
2019-2024 Annual Rate	2.78%	2.60%	2.78%

DEMOGRAPHICS: 1, 5, 10 MILE RADIUS

1 mi

3 mi

5 mi

Households by Income

Current median household income is \$46,652 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$53,504 in five years, compared to \$69,180 for all U.S. households

Current average household income is \$64,887 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$74,664 in five years, compared to \$99,638 for all U.S. households

Current per capita income is \$25,959 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$29,776 in five years, compared to \$36,530 for all U.S. households

Housing

2019 Housing Affordability Index	141	145	147
2000 Total Housing Units	1,438	27,452	42,623
2000 Owner Occupied Housing Units	807	16,176	27,757
2000 Renter Occupied Housing Units	437	8,510	10,516
2000 Vacant Housing Units	194	2,766	4,350
2010 Total Housing Units	1,569	31,070	49,508
2010 Owner Occupied Housing Units	669	16,209	29,108
2010 Renter Occupied Housing Units	668	10,873	13,930
2010 Vacant Housing Units	232	3,988	6,470
2019 Total Housing Units	1,768	33,352	53,526
2019 Owner Occupied Housing Units	682	16,784	30,775
2019 Renter Occupied Housing Units	816	12,362	16,075
2019 Vacant Housing Units	270	4,206	6,677
2024 Total Housing Units	1,860	34,664	55,896
2024 Owner Occupied Housing Units	706	17,525	32,362
2024 Renter Occupied Housing Units	870	12,799	16,658
2024 Vacant Housing Units	284	4,340	6,876

Currently, 57.5% of the 53,526 housing units in the area are owner occupied; 30.0%, renter occupied; and 12.5% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 49,508 housing units in the area - 58.8% owner occupied, 28.1% renter occupied, and 13.1% vacant. The annual rate of change in housing units since 2010 is 3.53%. Median home value in the area is \$161,104, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 2.75% annually to \$184,510.



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