

## SOUTHERN CALIFORNIA INVESTMENT OFFERING

# Walgreens

111 WEST WASHINGTON AVENUE | ESCONDIDO (SAN DIEGO MSA), CA 92025



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## Offering Summary

<b>LIST PRICE</b>	<b>\$4,400,000</b>
<b>CAP RATE</b>	<b>6.11%</b>
<b>PRICE PER SF</b>	<b>\$293.37</b>
<b>TERM REMAINING</b>	<b>5 Years, 10 Months</b>
<b>OPTIONS</b>	<b>Six (5-year)</b>
<b>LEASE TYPE</b>	<b>Double Net Lease</b>
<b>ANNUAL RENT (NOI)</b>	<b>\$268,875</b>
<b>MONTHLY RENT</b>	<b>\$22,406</b>
<b>BUILDING SIZE (SF)</b>	<b>±14,998</b>
<b>LOT SIZE (SF)</b>	<b>±64,904</b>
<b>YEAR BUILT</b>	<b>2000</b>
<b>PARCEL NUMBER</b>	<b>229-291-28-00</b>

## Investment Highlights

### STABLE INCOME

The lease income is guaranteed by Walgreens Corporation (NYSE: WAG) with a credit rating (S&P) of BBB (Investment Grade).

### RECENTLY EXERCISED OPTION TO EXTEND EARLY

Walgreens recently exercised their option to extend their lease early speaking to the strength of this location. There are currently five (5) years and ten (10) months remaining on a double net lease with landlord responsible for roof and structure. This is store offers beer and wine.

### RARE SOUTHERN CALIFORNIA INVESTMENT OFFERING

The property is centrally located in a dense infill retail area with over 210,000 people within a 5-mile radius with an average household income of over \$83,879. Walgreens is in close proximity to numerous national retailers, multifamily properties and medical offices.

### ADJACENT TO CITY CENTER IN SAN DIEGO INFILL LOCATION

Across the street from a 12-acre complex including Escondido City Hall and the California Center for the Arts. The property is one block east of Latitude 33, a 198-unit apartment home community constructed in 2012 and the newly constructed 112-unit Alcove Luxury Apartments.

### OVER 1,600,000 SF OF RETAIL SPACE WITHIN A 2-MILE RADIUS

The subject property is surrounded by over 1,600,000 square feet of retail tenants within a two mile radius.

### OUTSTANDING TRAFFIC COUNTS OF ±62,087 VEHICLES PER DAY

The subject property is located at the signalized corner of West Washington (31,700 vehicles per day) and North Broadway (30,387 vehicles per day) with a combined traffic count of ±62,087 vehicles per day. The property is less than a mile from Interstate 15 which has a daily traffic count of ±272,000 vehicles per day and less than two miles west of SR-78 with a traffic count of 85,000 vehicles per day.

### PALOMAR MEDICAL CENTER LOCATED 2.5 MILES WEST

Escondido's top employer, Palomar Medical Center is a 319-bed hospital with over 2,600 employees and is the only designated trauma center in northern San Diego County.

## Lease Summary

ADDRESS	111 West Washington Avenue Escondido, CA 92025
TENANT	Walgreens
LEASE COMMENCEMENT	August 26, 2000
LEASE EXPIRATION	August 31, 2025
LEASE TYPE	Double Net Lease
ANNUAL RENT	\$268,875
MONTHLY RENT	\$22,406
RENT PER SQUARE FOOT	\$17.92
OPTIONS	Six (5-Year) Options
LANDLORD RESPONSIBILITIES	Roof & Structure



## Building Photos





## Building Photos



## Location Aerial



## Location Overview and Demographics

Escondido is a city located in the inland hills of San Diego County's North County region, 20 minutes from the coast and 30 miles northeast of Downtown San Diego, California. Escondido is home to the California Center for the Arts, a unique performing arts complex, museum, and conference center which includes Escondido City Hall; the San Diego Zoo Safari Park, an expansive wildlife sanctuary; and the Daley Ranch, a wilderness preserve with extensive hiking, biking and equestrian trails.

- **Palomar Medical Center** (2.5 miles), Escondido's top employer, Palomar Medical Center is a 319-bed hospital with over 2,600 employees and is the only designated trauma center in northern San Diego County.
- **World famous San Diego Zoo's Safari Park** (6.5 miles) is an 1,800 acre zoo in Escondido. The park is visited by 2 million people annually, has the world's largest veterinary hospital and houses over 2,600 animals.
- **City's Cultural Center** is located a block away. Its 12-acre complex includes the Escondido City Hall offices, the California Center for the Arts' two theatres, art museum, and conference center, and the San Diego Children's Discovery, a non-profit providing hands-on exhibits to 140,000 visitors in 2016



### Total Population

1 MILE	39,366
3 MILES	156,041
5 MILES	210,378



### Average Household Income

1 MILE	\$53,152
3 MILES	\$76,413
5 MILES	\$83,879



### Total Households

1 MILE	11,282
3 MILES	49,393
5 MILES	67,807



### Average Age

1 MILE	32.40
3 MILES	35.80
5 MILES	36.40



### Traffic Counts Vehicles/Day

W WASHINGTON	31,700
N BROADWAY	30,387
I-15	272,000

Disclaimer: 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, age, distances, lot size, store opening dates, demographic information, aerial information, tenant information & store operating information are approximate. By accepting this package, buyer and their representatives must verify the information and bears all risk for any inaccuracies.



## Walgreens Company Summary\*

### Tenant History

Headquartered in Deerfield, IL, Walgreens is the largest drugstore retail chain in the United States with approximately 9,500 stores in all 50 states, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Walgreens opened its 8,000th store in 2012 in Los Angeles and that same year they purchased a 45% interest in Alliance Boots, a leading international pharmacy-led health and beauty group. Two years later, Walgreens exercised its option to purchase the remaining 55% of the Switzerland based Alliance Boots to merge and create a new holding company named Walgreens Boots Alliance (NASDAQ: WBA). 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.

On Oct 27, 2015, Walgreens Boots Alliance entered into an agreement to acquire 1,932 stores, 3 distribution centers and related assets from Rite Aid Corporation (NYSE: RAD). After receiving Rite Aid stockholder and regulatory approvals, the acquisition was finalized in March of 2018.

Walgreens is part of the Retail Pharmacy USA division of Walgreens Boots Alliance. The company sells prescription and non-prescription drugs and general merchandise consisting of over 25,000 household products including convenience and fresh foods, personal care, beauty care, photo finishing, as well as home medical equipment, contact lenses, vitamins, supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services for managing complex and chronic health conditions.

As of 2018, Walgreens employs over 235,000 people worldwide, 78,000 of which are healthcare professionals, and fills over 990 million prescriptions annually. Walgreens boasts that 76% of the United States population lives within a five-mile radius of a Walgreens and interacts with over 8 million customers in stores and online on a daily basis.

*\*Walgreens company information received from Walgreens investor relations.*

### Tenant Profile

<b>GUARANTOR</b>	Walgreens Boots Alliance, Inc.
<b>OWNERSHIP</b>	Public
<b>STOCK SYMBOL (NASDAQ)</b>	WBA
<b>CREDIT RATING (S&amp;P)</b>	BBB
<b>BUSINESS</b>	Retail Pharmacy
<b>LOCATIONS</b>	±9,500 (as of March 2018)
<b>ANNUAL REVENUE</b>	\$131.5 billion (2018)
<b>MARKET CAPITALIZATION</b>	\$64.35 billion (2018)
<b>HEADQUARTERS</b>	Deerfield, IL
<b>WEBSITE</b>	www.walgreens.com

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