

OFFERING MEMORANDUM

# Walgreens

1402 Miamisburg Centerville Rd  
Dayton, OH

**NAI Brannen Goddard**

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### MARKET ANALYSIS

Location Summary: Dayton, OH  
Market Overview

### DEMOGRAPHICS

Demographics: 5 Mile Radius





## PROPERTY OVERVIEW

### WALGREENS STORE #9273

1402 Miamisburg Centerville Rd  
Centerville, Dayton, Ohio 45459  
South Dayton Retail Submarket

### BUILDING

Type	Retail
Subtype	Drug Store
Building Size	13,650 SF
Year Built	2004
HVAC	Roof Mounted

### LAND

Land Area	1.79 Acres
Zoning	Commercial
Vehicles Per Day	33,880

### LEASE SUMMARY

Annual Rent	\$350,000 / \$25.64 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	05/01/2004
Primary Term Expiration	04/30/2029
NOI	\$350,000
Right of First Refusal	10 Days

## PROPERTY HIGHLIGHTS

### Corp Guaranteed | Investment Grade Tenant

Walgreens Co. corporate guaranteed lease (S&P:BBB)  
After the primary lease term there are Ten (10) 5-year options to extend

### Abs NNN Lease | Fee Simple Ownership | 0 Landlord Responsibilities

Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises

Landlord has zero responsibilities

Ideal, management-free investment for an out-of-state, passive investor

Attractive Assumable Debt OR Free & Clear of Debt

### Signalized Hard Corner Intersection | Near I-675 (64,000 VPD) | I-75 (102,000 VPD) | Equipped With Drive-Thru Lane

Strategically located at the signalized intersection of Miamisburg Centerville Road and Lyons Road combined 34,000 vehicles passing by daily

Close proximity west from Interstate 675 (64,000 VPD), and I-75 (102,000 VPD) a major south/north thoroughfare for the city of Aurora

The pharmacy is equipped with a drive-thru lane offering ease for customers

### Close Proximity To National/Credit Tenants

Walgreens is located in close proximity of Dayton Mall, composed of National, regional and lifestyle tenants

Dick's Sporting Goods, Target, Sam's Club, Walmart Supercenter and more increases crossover traffic and draw to the subject property

### Strong Demographics In 5-Mile Trade Area | Dayton, OH

More than 412,000 residents support the trade area

\$90,000 average household income

## INVESTMENT OVERVIEW



### INVESTMENT SUMMARY

Asking Price	\$5,833,333
NOI	\$350,000
CAP Rate	6.00%
Total GLA	13,650

### ANNUALIZED OPERATING DATA

Debt Service	\$251,904
Debt Coverage Ratio	1.21
Net Cash Flow After Debt Service	5.60% / \$98,096
Principal Reduction	\$106,809
<b>Total Return</b>	<b>11.86% / \$207,604</b>

### NEW DEBT OPTION

Loan Amount	\$4,083,000
Equity Required	\$1,750,000
Loan to Value	70%
Effective Date	COE
End of Term – Balloon Date	10 Years
Annual Debt Service	\$251,904
Interest Rate on Loan	3.75%
Term	10 Years
Amortization	25 Years
Balloon Payment at Maturity	\$2,874,624

### EXISTING DEBT ASSUMPTION OPTION

Current Loan Amount	\$3,736,250
Equity Required	\$2,097,708
Loan to Value	64.5%
Effective Date	02/01/2016
End of Term – Balloon Date	1/1/2023
Annual Debt Service	\$239,761
Interest Rate on Loan	4.125%
Term	10 Years
Amortization	25 Years
Balloon Payment at Maturity	\$3,062,597

## INVESTMENT HIGHLIGHTS

- » Walgreens Corporate Guarantee (NYSE: WBA) – Investment Grade Tenant (S&P BBB)
- » Absolute NNN – Zero Landlord Responsibility
- » Located on Highly Visible Intersection
- » Fee Simple Allowing for Depreciation
- » Approximately 11 Years remaining in Initial 25-Year Term
- » Exposure to More than 64,000 Vehicles Per Day
- » Household Income Exceeding \$90,000 in Market Area
- » Drive-Thru Pharmacy
- » Prime Commercial Parcel of Land
- » Dayton, Ohio

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 Centerville, Dayton, Ohio.

Property is approximately 13,650 square feet located on a  $\pm 1.79$  prime commercial acre. The investment grade tenant is Walgreen Co. (NASDAQ: WBA | S&P: BBB).

The original 25-year lease runs through April 2029 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 intersection of Miamisburg Centerville Road and Lyons Road with a combined 64,000 vehicles passing by daily.

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

Nearby national, regional and local tenants in the surrounding trade area include: Dayton Mall, Sam's Club, Walmart Supercenter, Target and a variety of other National Regional and local tenants.

The 5-mile trade area is supported by more than 160,000 residents with an average household income of over \$90,000.

Property is offered free and clear of debt or the attractive existing debt can be assumed. Please see page 5 for details.



## 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](http://www.walgreens.com)





# Walgreens

Dayton, OH

## PROPERTY PHOTOS





# Walgreens

Dayton, OH

## PROPERTY PHOTOS



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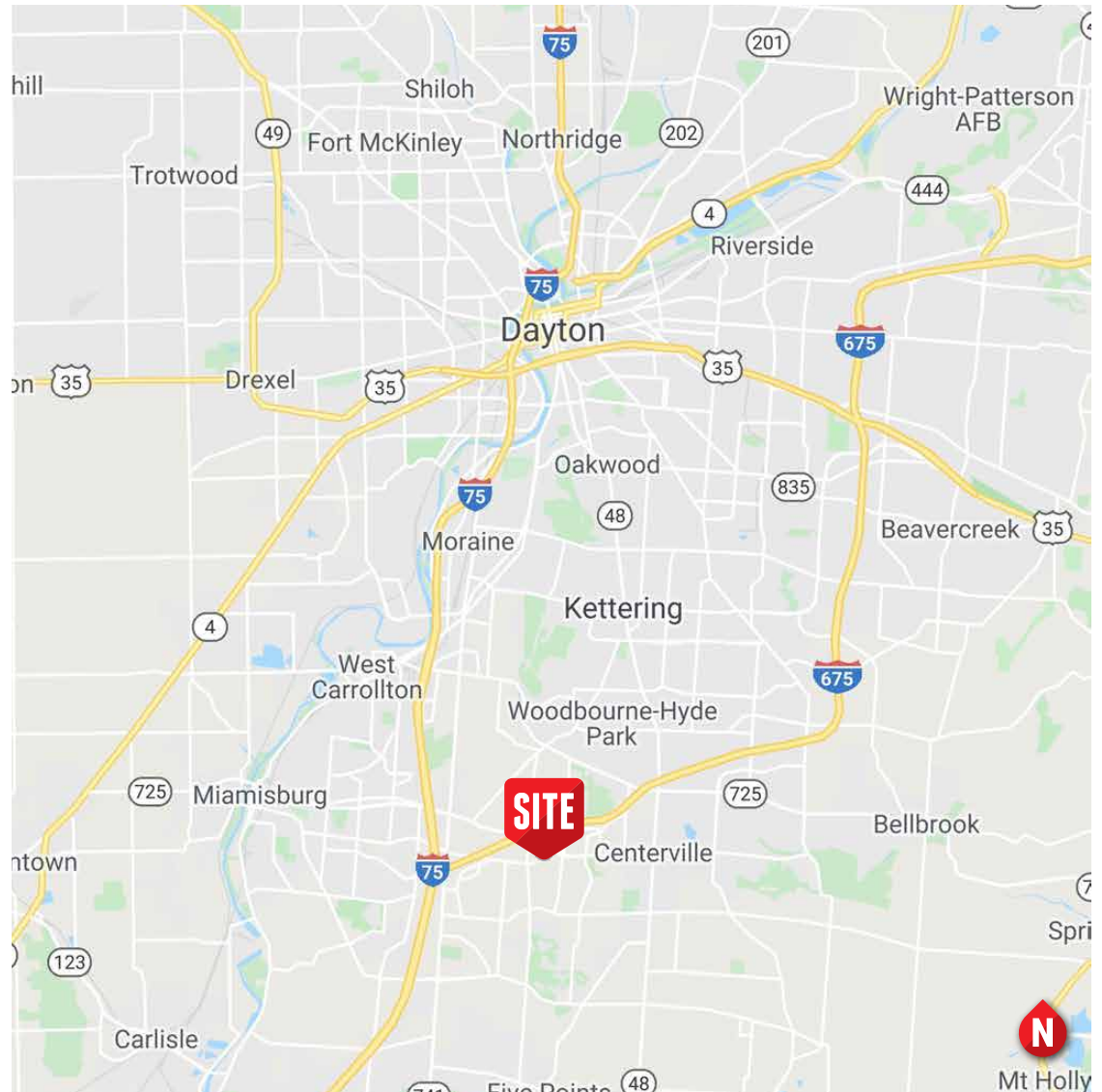




## PROPERTY AERIAL



## LOCATION MAPS





# Walgreens

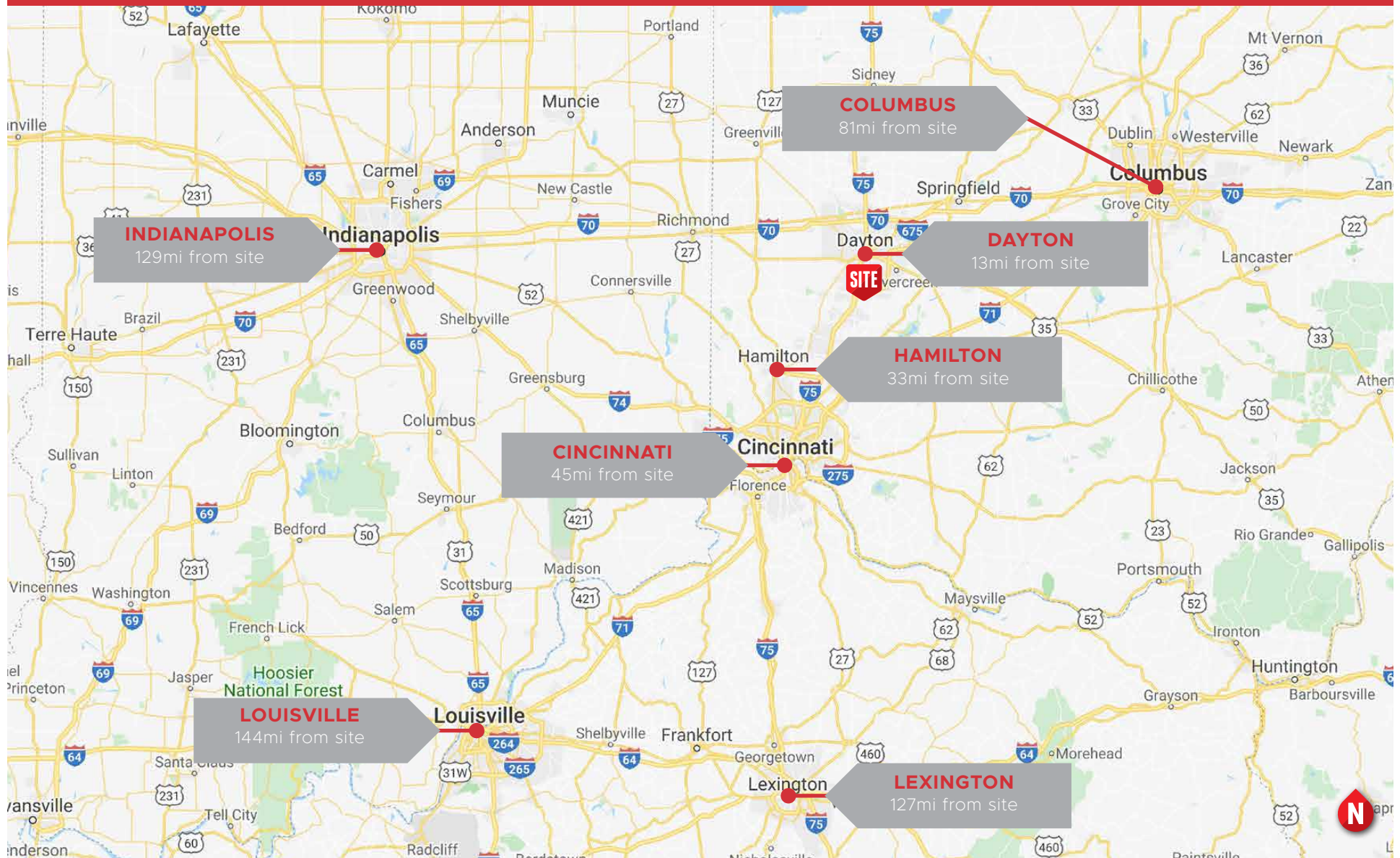
Dayton, OH

## RETAIL AERIAL



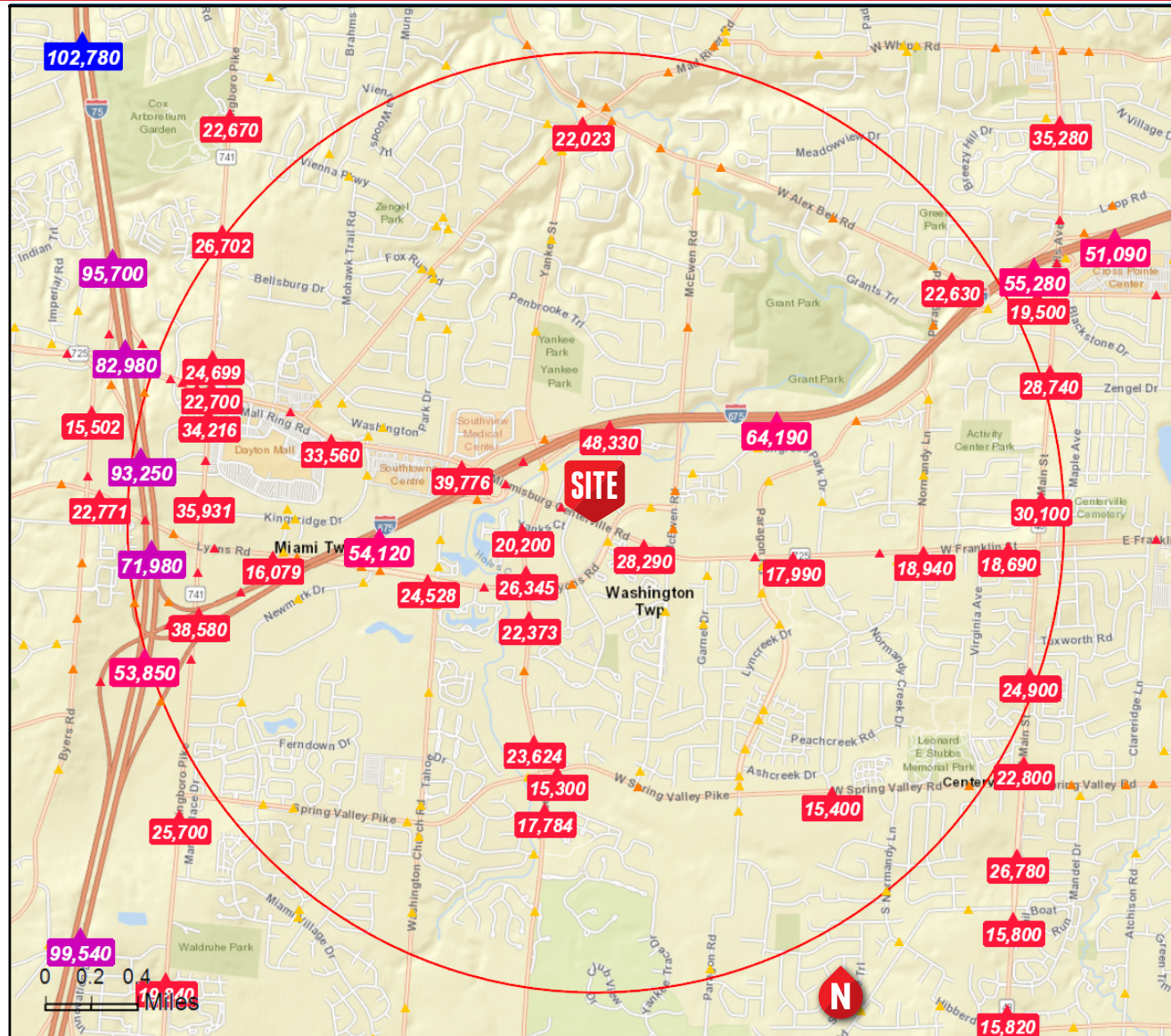


## CITY DISTANCES MAP





## TRAFFIC COUNT MAP





## LOCATION SUMMARY: DAYTON, OHIO



### COUNTY SEAT

Montgomery County, OH

### POPULATION

803,416

### MEDIAN HOUSEHOLD INCOME

\$52,745

### EMPLOYEES

374k

### TOP INDUSTRIES

Defense  
Aerospace  
Technology  
Healthcare

### RECREATION

Outdoor trails  
Five rivers  
Lakes  
Camping areas  
Theatre  
Art / Museums  
Shopping / Dining  
Athletics



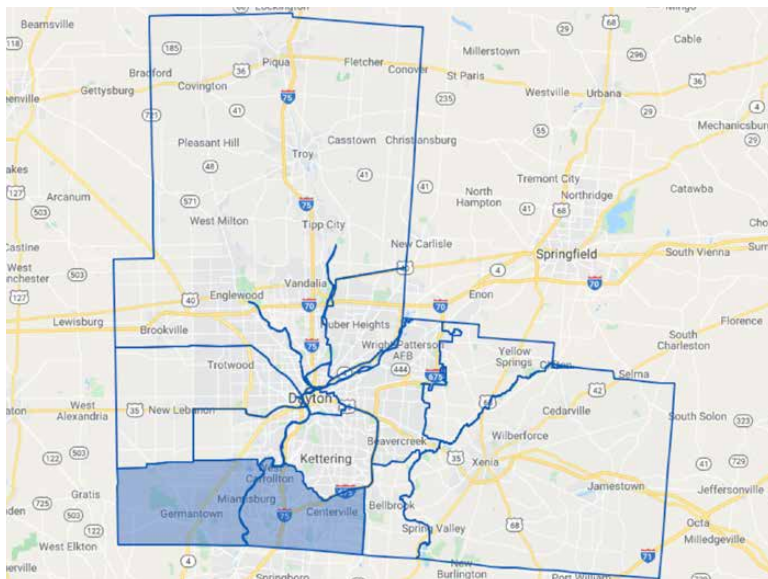


## MARKET OVERVIEW

### DAYTON RETAIL MARKET

2018 was a good year for the U.S. consumer, with solid job growth, wage gains, and tax cuts all supporting spending. Closures and bankruptcies continued, primarily focused in the department store segment, but stronger-than-expected sales kept many struggling retailers open. E-commerce has gained more ground and is helping to force the evolution of shopping as entertainment. Old, tired malls are increasingly obsolete, with shoppers and retailers favoring open-air, experiential mixed-use developments. Omnichannel is becoming the norm, and even direct-to-consumer (DTC) retailers are recognizing the importance of a brick-and-mortar presence.

Dayton's shopping centers are working to find new tenants and/or uses for the multiple anchors and retailers that have closed locations in the past year. While many of these efforts have been successful to date, the challenge is ongoing as closures mount.



### SOUTH DAYTON RETAIL SUBMARKET

AVAILABILITY	SUBMARKET	MARKET
Market Rent/SF	\$12.88 ↑	\$11.56 ↑
Vacancy Rate	4.0% ↓	4.9% ↑
Vacant SF	462 K ↓	3 M ↑
Availability Rate	5.9% ↓	6.2% ↓
Available SF	689 K ↓	3.8 M ↓
Sublet SF	41.3 K ↓	88.7 K ↑
Months on Market	9.4	11.1

SALES	SUBMARKET	MARKET
12 Mo Properties Sold	27 ↓	238 ↓
Market Sale Price/SF	\$94 ↑	\$97 ↑
Average Market Sale Price	\$1.4 M ↑	\$997 K ↑
12 Mo Sales Volume	\$26.8 M ↓	\$146 M ↓
Market Cap Rate	7.9% ↑	8.1% ↑



Avg.  
Building  
SF: 15k



12 Month  
Delivered  
SF: 15k



Existing  
Buildings:  
776



Under  
Construction  
SF: 34.3k

## DEMOGRAPHICS: 5 MILE RADIUS

Summary		Census 2010		2019		2024	
Population		156,337		161,395		164,208	
Households		66,637		68,616		69,771	
Families		42,748		43,525		44,108	
Average Household Size		2.32		2.33		2.33	
Owner Occupied Housing Units		45,497		45,194		46,575	
Renter Occupied Housing Units		21,140		23,422		23,196	
Median Age		41.0		42.6		42.9	
Data for all						5 miles	
Total Businesses:						5,798	
Total Employees:						89,113	
Total Residential						161,395	
Employee/Residential						55	
		Census 2010		2019		2024	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		9,242	5.9%	8,691	5.4%	8,957	5.5%
5 - 9		10,198	6.5%	9,197	5.7%	9,207	5.6%
10 - 14		10,391	6.6%	9,928	6.2%	9,467	5.8%
15 - 19		9,352	6.0%	9,391	5.8%	9,152	5.6%
20 - 24		7,933	5.1%	8,824	5.5%	8,746	5.3%
25 - 34		19,466	12.5%	19,540	12.1%	20,659	12.6%
35 - 44		20,129	12.9%	19,777	12.3%	20,222	12.3%
45 - 54		23,014	14.7%	20,551	12.7%	19,235	11.7%
55 - 64		20,329	13.0%	22,524	14.0%	21,737	13.2%
65 - 74		12,954	8.3%	17,814	11.0%	19,425	11.8%
75 - 84		9,142	5.8%	10,061	6.2%	12,168	7.4%
85+		4,189	2.7%	5,097	3.2%	5,235	3.2%

			2019		2024	
Households by Income			Number	Percent	Number	Percent
<\$15,000			4,906	7.1%	3,956	5.7%
\$15,000 - \$24,999			5,851	8.5%	4,926	7.1%
\$25,000 - \$34,999			5,567	8.1%	5,109	7.3%
\$35,000 - \$49,999			9,044	13.2%	8,450	12.1%
\$50,000 - \$74,999			12,340	18.0%	11,970	17.2%
\$75,000 - \$99,999			8,450	12.3%	8,912	12.8%
\$100,000 - \$149,999			11,997	17.5%	13,761	19.7%
\$150,000 - \$199,999			5,453	7.9%	7,022	10.1%
\$200,000+			5,007	7.3%	5,666	8.1%
Median Household Income			\$66,122		\$76,012	
Average Household Income			\$92,010		\$103,498	
Per Capita Income			\$39,162		\$44,018	
	Census 2010		2019		2024	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	137,902	88.2%	137,680	85.3%	137,026	83.4%
Black Alone	8,368	5.4%	9,569	5.9%	10,151	6.2%
American Indian Alone	290	0.2%	324	0.2%	354	0.2%
Asian Alone	5,468	3.5%	7,960	4.9%	9,640	5.9%
Pacific Islander Alone	44	0.0%	63	0.0%	72	0.0%
Some Other Race Alone	1,131	0.7%	1,524	0.9%	1,843	1.1%
Two or More Races	3,134	2.0%	4,276	2.6%	5,123	3.1%
Hispanic Origin (Any Race)	3,535	2.3%	5,101	3.2%	6,309	3.8%







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