

OFFERING MEMORANDUM

# Walgreens

2379 Plainfield Rd

Crest Hill, IL



FOR MORE INFO, CONTACT:

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BROKER OF RECORD  
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### MARKET ANALYSIS

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Market Overview

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## PROPERTY OVERVIEW

### WALGREENS STORE #9273

2379 Plainfield Road  
Crest Hill, Illinois 60403  
Joliet / Central Will Submarket

### BUILDING

Type	Retail
Subtype	Drug Store
Building Size	13,650 SF
Year Built	2003
HVAC	Roof Mounted

### LAND

Land Area	1.18 Acres
Zoning	Commercial
Vehicles Per Day	37,650

### 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	07/01/2003
Primary Term Expiration	05/31/2028
NOI	\$350,000
Right of First Refusal	14 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-55 (85,000 VPD) | Equipped With Drive-Thru Lane

Strategically located at the signalized, hard corner intersection of Plainfield Road (SR-30), Gaylord Road and Caton Farm Road a combined 37,500 vehicles passing by daily

Close proximity west from Interstate 55 (85,000 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 Louis Joliet Mall, composed of National, regional and lifestyle tenants

Dick's Sporting Goods, Target, PetSmart, Discount Tire, Fresh Thyme Farmers Market, and more increases crossover traffic and draw to the subject property

### Strong Demographics In 5-Mile Trade Area | Joliet, IL

More than 460,000 residents support the trade area

\$111,090 average household income

# Walgreens

Crest Hill, Illinois

## INVESTMENT OVERVIEW



### INVESTMENT SUMMARY

Asking Price	\$6,034,482
NOI	\$350,000
CAP Rate	5.80%
Total GLA	13,650

### ANNUALIZED OPERATING DATA

Debt Service	\$260,603
Debt Coverage Ratio	1.21
Net Cash Flow After Debt Service	4.93% / \$89,397
Principal Reduction	\$110,497
<b>Total Return</b>	<b>11.16% / \$202,217</b>

### NEW DEBT OPTION

Loan Amount	\$4,224,000
Equity Required	\$1,810,482
Loan to Value	70%
Effective Date	COE
End of Term – Balloon Date	10 Years
Annual Debt Service	\$260,603
Interest Rate on Loan	3.75%
Term	10 Years
Amortization	25 Years
Balloon Payment at Maturity	\$2,973,896

### EXISTING DEBT ASSUMPTION OPTION

Current Loan Amount	\$3,737,250
Equity Required	\$2,297,232
Loan to Value	62%
Effective Date	02/01/2016
End of Term – Balloon Date	1/1/2023
Annual Debt Service	\$239,825
Interest Rate on Loan	4.125%
Term	10 Years
Amortization	25 Years
Balloon Payment at Maturity	\$3,063,417

## INVESTMENT HIGHLIGHTS

- » Walgreens Corporate Guarantee (NYSE: WBA) – Investment Grade Tenant (S&P BBB)
- » Absolute NNN – Zero Landlord Responsibility
- » Located on Highly Visible Signalized Corner
- » Fee Simple Allowing for Depreciation
- » Approximately 10 Years remaining in Initial 25-Year Term
- » Exposure to More than 37,500 Vehicles Per Day
- » Household Income Exceeding \$82,000 in Market Area
- » Drive-Thru Pharmacy
- » Prime Commercial Parcel of Land
- » Joliet, Illinois MSA

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 Crest Hills (Joliet) Illinois. Property is approximately 13,650 square feet located on a 1.18 +/- prime commercial acre. The investment grade tenant is Walgreen Co. (NASDAQ: WBA | S&P: BBB).

The original 25-year lease runs through May 2028 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 six-point corner intersection of Plainfield Road (SR-30), Gaylord Road and Caton Farm Road with a combined 37,500 vehicles passing by daily.

The asset has excellent visibility and multiple access points 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 national, regional and local tenants in the surrounding trade area include: Louis Joliet Mall, Dick's Sporting Goods, Target, PetSmart, Discount Tire, Fresh Thyme Farmers Market, and more.

The surrounding 5-mile trade area is supported by more than 205,000 residents with an average household income of \$82,000.

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

Crest Hill, Illinois

## PROPERTY PHOTOS





# Walgreens

Crest Hill, Illinois

## PROPERTY PHOTOS





# Walgreens

Crest Hill, Illinois

## PROPERTY PHOTOS

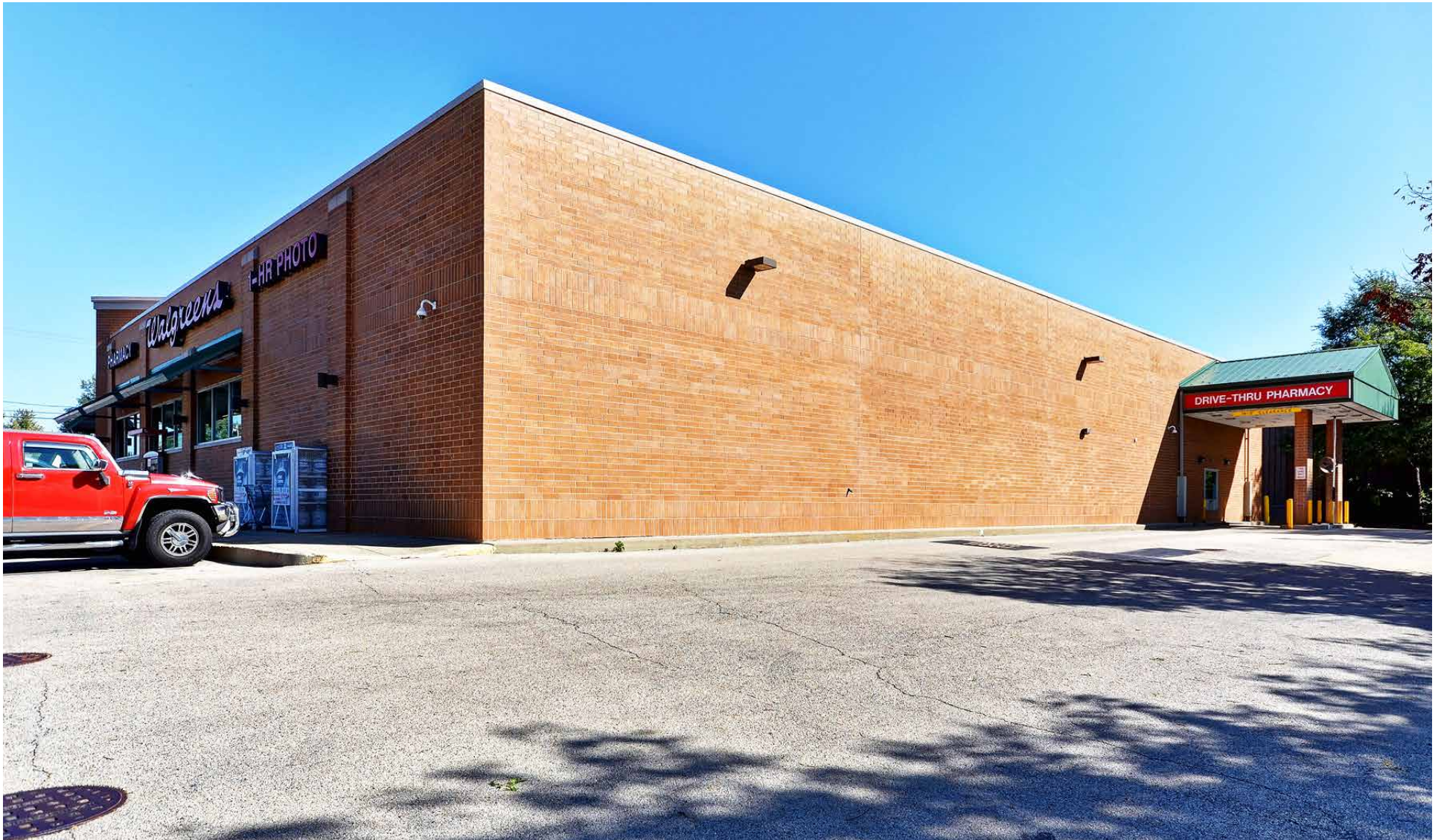




# Walgreens

Crest Hill, Illinois

## PROPERTY PHOTOS





## PROPERTY PHOTOS





## PROPERTY SURVEY

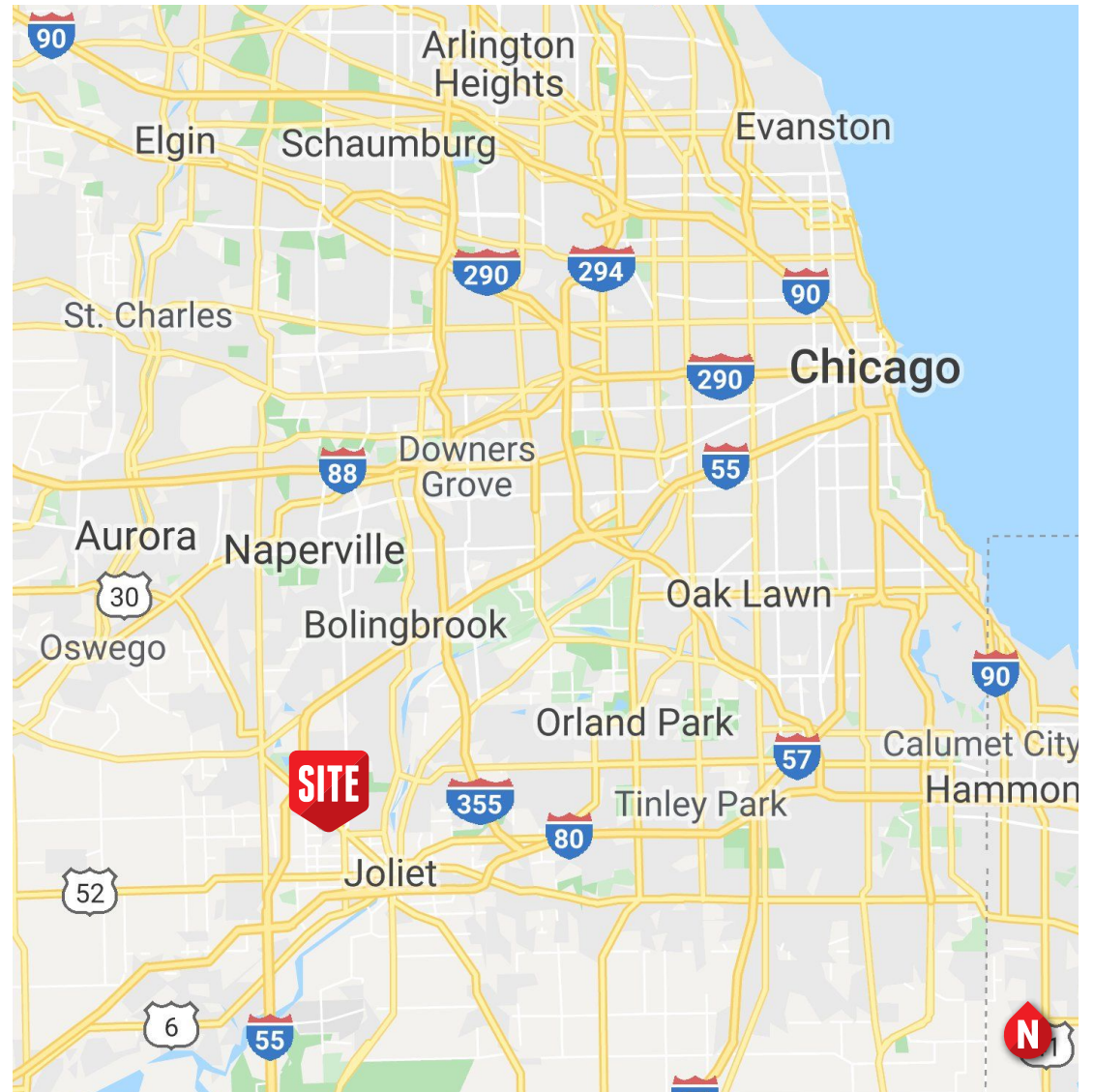




# Walgreens

Crest Hill, Illinois

## LOCATION MAPS





# Walgreens

Crest Hill, Illinois

## RETAIL AERIAL





# Walgreens

Crest Hill, Illinois

## CITY DISTANCES MAP





## TRAFFIC COUNT MAP





# Walgreens

Crest Hill, Illinois

## LOCATION SUMMARY: JOLIET, IL



### WILL COUNTY

Located in northeastern Illinois

### CREST HILL POPULATION

20,837

### JOLIET METRO POPULATION

150,495

### SUBURB OF CHICAGO

30 miles southwest of the Windy City, Joliet is the third largest city in Illinois and a thriving suburb.

### HISTORY

Location of America's first public community college  
Location of the first-ever Dairy Queen restaurant

### NICKNAMES

City of Champions  
City of Steel  
City of Stone

### NOTABLE INDUSTRIES

Health care  
Education  
Hospitality  
Public Administration

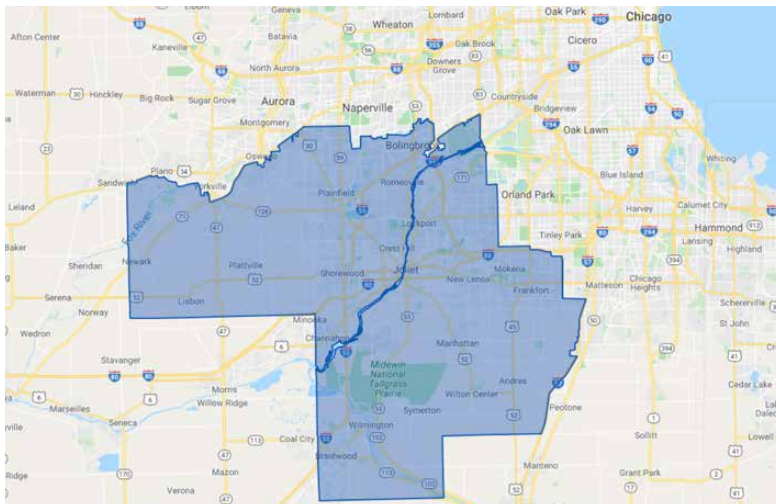


## MARKET OVERVIEW

### CHICAGO RETAIL MARKET

Similar to the story playing out nationally, the Chicago retail market is highly bifurcated by both geography and retail type. Despite numerous store closures throughout the Chicago area, metro-wide vacancy remains below its historical average, thanks largely to a lack of new development this cycle and strong retailer demand for freestanding single tenant spaces.

Given softening fundamentals and a lack of pricing power amongst landlords in all but the most sought after locations, average retail asking rents have declined over the last year, with the pullback being felt across all retail subtypes. Given the plethora of concerns surrounding the retail sector, including store closures, elevated availabilities, and falling rents, investors and the banks financing their acquisitions have taken a cautious approach to retail. As such, sales activity has slowed over the past two years, with 2019 on pace for its worst year since 2012. The one bright spot in the Chicago retail market has been the single-tenant net lease space, which continues to benefit from historically low interest rates and steady demand from 1031 investors.



### JOLIET / CENTRAL WILL RETAIL SUBMARKET

AVAILABILITY	SUBMARKET	MARKET
Market Rent/SF	\$17.34 ↓	\$19.01 ↓
Vacancy Rate	6.1% ↑	6.1% ↑
Vacant SF	2.2 M ↑	34.6 M ↑
Availability Rate	9.1% ↓	8.3% ↓
Available SF	3.3 M ↓	46.9 M ↓
Sublet SF	91.2 K ↓	1.5 M ↓
Months on Market	11.5	12.6

SALES	SUBMARKET	MARKET
12 Mo Properties Sold	133 ↓	2,124 ↓
Market Sale Price/SF	\$173 ↑	\$181 ↓
Average Market Sale Price	\$2.7 M ↑	\$2.2 M ↓
12 Mo Sales Volume	\$177 M ↑	\$2.5 B ↓
Market Cap Rate	7.4% ↑	7.5% ↑



Avg.  
Building  
SF: 15.5k



12 Month  
Delivered  
SF: 73.3k



Existing  
Buildings:  
2,331



Under  
Construction  
SF: 72.7k



## DEMOGRAPHICS: 5 MILE RADIUS

Summary	Census 2010		2019		2024	
Population	200,822		205,262		208,537	
Households	68,041		69,268		70,396	
Families	48,359		48,431		48,936	
Average Household Size	2.85		2.86		2.86	
Owner Occupied Housing Units	51,080		51,830		53,388	
Renter Occupied Housing Units	16,961		17,438		17,008	
Median Age	33.6		35.1		35.4	
<b>Data for all</b>					<b>5 miles</b>	
Total Businesses:					5,810	
Total Employees:					81,441	
Total Residential					205,262	
Employee/Residential					40	
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	15,723	7.8%	14,582	7.1%	14,890	7.1%
5 - 9	16,063	8.0%	14,907	7.3%	14,870	7.1%
10 - 14	15,270	7.6%	14,626	7.1%	14,766	7.1%
15 - 19	15,069	7.5%	14,197	6.9%	14,050	6.7%
20 - 24	13,114	6.5%	13,316	6.5%	12,570	6.0%
25 - 34	29,614	14.7%	30,681	14.9%	32,001	15.3%
35 - 44	31,340	15.6%	29,214	14.2%	30,349	14.6%
45 - 54	25,799	12.8%	25,893	12.6%	24,494	11.7%
55 - 64	17,923	8.9%	21,494	10.5%	21,469	10.3%
65 - 74	11,078	5.5%	14,882	7.3%	15,879	7.6%
75 - 84	6,961	3.5%	7,897	3.8%	9,440	4.5%
85+	2,869	1.4%	3,571	1.7%	3,758	1.8%

Households by Income			2019		2024		
			Number	Percent	Number	Percent	
<\$15,000			5,840	8.4%	4,966	7.1%	
\$15,000 - \$24,999			5,944	8.6%	5,190	7.4%	
\$25,000 - \$34,999			5,083	7.3%	4,423	6.3%	
\$35,000 - \$49,999			7,836	11.3%	7,069	10.0%	
\$50,000 - \$74,999			13,552	19.6%	13,230	18.8%	
\$75,000 - \$99,999			10,503	15.2%	10,662	15.1%	
\$100,000 - \$149,999			12,554	18.1%	14,348	20.4%	
\$150,000 - \$199,999			5,337	7.7%	7,167	10.2%	
\$200,000+			2,620	3.8%	3,342	4.7%	
Median Household Income			\$66,287		\$75,550		
Average Household Income			\$82,094		\$93,763		
Per Capita Income			\$28,031		\$31,986		
Race and Ethnicity	Census 2010		2019		2024		
	Number	Percent	Number	Percent	Number	Percent	
	White Alone	140,260	69.8%	135,315	65.9%	132,852	63.7%
	Black Alone	29,277	14.6%	31,853	15.5%	33,016	15.8%
	American Indian Alone	623	0.3%	734	0.4%	815	0.4%
	Asian Alone	5,570	2.8%	7,274	3.5%	8,118	3.9%
	Pacific Islander Alone	39	0.0%	51	0.0%	53	0.0%
	Some Other Race Alone	19,611	9.8%	23,457	11.4%	26,344	12.6%
	Two or More Races	5,443	2.7%	6,580	3.2%	7,340	3.5%
	Hispanic Origin (Any Race)	48,775	24.3%	57,589	28.1%	64,848	31.1%







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