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WALGREENS
Portage, IN
ACT ID Z0290390

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Marcus & Millichap

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INVESTMENT OVERVIEW



PORTFOLIO OVERVIEW

Property Name	Address	Year Built	Building Size (SF)	Asking Price	Asking Cap Rate	Price per SF	Annual Rental Rate	Rental Rate per SF
Walgreens	6525 University Ave NE Fridley, MN	1998	13,905	\$3,857,143	7.00%	\$277.39	\$270,000	\$19.42
Walgreens	5995 US-6 Portage, IN	1999	13,838	\$3,487,677	7.10%	\$252.04	\$247,625	\$17.89
	Total SF: 27,743 Total Price: \$7,344,820 Total Annual Rent: \$517,625 Avg Rent: \$18.66							

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$3,487,677
Net Operating Income	\$247,625
Capitalization Rate – Current	7.1%
Price / SF	\$252.04
Rent / SF	\$17.89
Lease Type	NN
Gross Leasable Area	13,838 SF
Year Built / Renovated	1999
Lot Size	4.04 acre(s)

FINANCING

Loan Amount	\$2,266,990
Loan Type	Financed - New Loan
Loan to Value	65.00%
Down Payment	35% / \$1,220,687
Interest Rate / Amortization	4.25% / 25 Years
Annual Loan Payment	\$147,374
Net Cash Flow After Debt Service	8.21% / \$100,251
Cash on Cash Return	8.21%
Total Return	0.00% / \$152,283

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES*
St Mary Medical Center Inc	800
St Mary Medical Center	700
Lake George Medical Center	670
Walmart	450
Westrock CP LLC	400
Superior Construction Co Inc	389
Maintenance Department	350
City of Lake Station	300
Strack & Van Til 8778	300
Pts	286
McDonalds	285
Bass Pro Shop	238

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	5,212	45,926	88,368
2010 Census Pop	5,130	45,464	87,465
2018 Estimate HH	2,056	17,129	33,701
2010 Census HH	2,016	16,851	33,219
Median HH Income	\$55,055	\$60,098	\$58,962
Per Capita Income	\$25,800	\$25,876	\$26,864
Average HH Income	\$64,624	\$69,193	\$70,303

* # of Employees based on 5 mile radius

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the corporate Walgreens located at 5995 US-6 in Portage, Indiana. The property was constructed in 1999 as a build-to-suit for Walgreens. This 13,838 square foot building is situated on a 4.04 acre lot. The tenant, Walgreen Co., has nearly nine years remaining on the base lease term with eight, five-year options to renew. Walgreen Co. is subject to a corporately-guaranteed NN lease with the landlord responsible for roof & structure. The Portage Walgreens location features a drive-thru pharmacy as well as beer, wine and liquor sales.

Walgreens is owned by the Walgreens Boots Alliance, Inc. (NASDAQ: WBA, S&P BBB). The parent company is currently the largest retail pharmacy in the US and Europe, with 13,200 stores in over 11 countries. Walgreens is a market leader in the US and has 9,560 retail stores which includes Walgreens and Duane Reade. More than eight million customers interact with Walgreens each day in communities across America, using the most convenient, multi-channel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice.

This Walgreens property is strategically located with excellent visibility on US Route 6 at the corner of a signalized intersection. The property also benefits from its close proximity to the Interstate-90/Interstate-80/Interstate-94 Interchange, which experiences over 40,000 vehicles per day. The immediate trade area is home to an abundance of national retailers and quick-service restaurants including Lowe's, Meijer, Menards, ALDI, Kohl's, among many others. Walgreens is also situated 11 miles from Valparaiso University. There are 6.1+ million square feet of retail within a five-mile radius from this asset. US Route 6 experiences nearly 20,000 vehicles per day. Walgreens is strategically located seconds from Porter Health Care System – Portage Campus. The hospital has 301 beds.

Portage, Indiana is situated 45 minutes from Chicago and features great demographics; there are over 88,000 residents with an average household income exceeding \$66,000 within a five-mile radius.

This Walgreens property provides an investor with a stabilized investment grade asset situated near a hospital.

INVESTMENT HIGHLIGHTS

- Nearly Nine Years Remaining on Corporately Guaranteed, NN Lease Term
- Investment Grade Tenant | Walgreen Co. (S&P: BBB)
- Excellent Visibility on US Route 6- 20,000 Vehicles Per Day
- Drive-Thru Pharmacy | Beer, Wine & Liquor Sales
- Core Retail Market: 6.1+ Million Square Feet of Retail Within Five Miles
- Seconds from Porter Health Care System – Portage Hospital (301-Beds)
- 11 Miles From Valparaiso University
- Great Demographics – Over 88,000 Residents With an Average Household Income Exceeding \$66,000 Within a Five-Mile Radius



Walgreens
drive thru pharmacy





Walgreens Boots Alliance, Inc.

Whether you get your drugs from the pharmacist or the chemist, Walgreens Boots Alliance has you covered. The company, formed when US-based Walgreen Co. bought its European counterpart Alliance Boots, includes nearly 13,000 retail pharmacies (or chemists in some parts of the world) in 10 countries, mostly the US and its territories and the UK, selling prescription and OTC drugs along with health and beauty products and general merchandise.

The Alliance Boots part of the company also includes wholesale operations serving more than 200,000 pharmacies, hospitals, and clinics in a nearly 20 countries. Walgreens Alliance Boots was formed in 2014. Founded in 1901, Walgreens Boots Alliance, Incorporated is the nation's largest drugstore chain. Charles R. Walgreen built the chain from a single drugstore where he created his own drug products. By 1919 there were 20 stores, and in 1927 the Company went public. Three years later, the store count was well over 500. Today, Walgreen operates over 8,200 stores in all 50 states, DC, Puerto Rico and the United States Virgin Islands.

The drug store completed its nearly \$4.4 billion acquisition of more than 1,900 Rite Aid stores and three distribution centers in March, although the stores won't be fully integrated into Walgreens until the 2020 fiscal year. In the past year, the drugstore has also partnered with Humana to offer senior-focused care, Alphabet's Verily to assist patients with chronic illness, FedEx to offer next-day prescription delivery, and Kroger to test an in-store grocery pilot and let Walgreens serve as a pickup point for online grocery orders. The drugstore has also cleared space for CBD products to be sold in 1,500 stores across nine states.

Tenant Profile

Tenant Trade Name	Walgreens Boots Alliance, Inc.
Ownership	Public
Number of Locations	9,560+
Chief Financial Officer	George Fairweather
Address	108 Wilmot Rd , Deerfield, Illinois
Website	www.walgreens.com
TTM Sales	\$136.3 Billion (2019)
Stock Ticker	WBA
Current Price	\$52.11 as of 10/8/2019
53 Week High/Low	\$86.31 / \$49.03
Credit Rating	BBB (S&P)
Rank	#17 on Fortune 500 (2018)

PORTAGE, INDIANA OVERVIEW

Portage, Indiana is situated in northwest Indiana on the beautiful southern shores of Lake Michigan. Located in the center of Southern Lake Michigan's Industrial corridor, Portage, Indiana provides competitive advantages to companies that move cargo by water, rail, and highway.

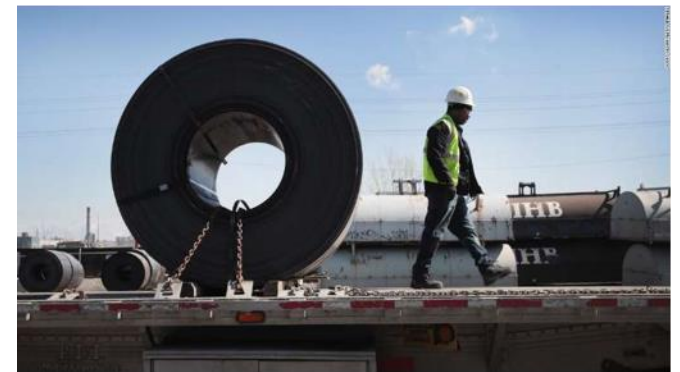
Portage is unparalleled for its access to major transportation links via land, air, and water. Located in the center of Southern Lake Michigan's Industrial corridor, Portage, Indiana provides competitive advantages to companies that move cargo. Portage is situated between America's second largest market in Chicago and other leading industrial and consumer markets in Michigan, making the community a natural production and distribution center for the Midwest.

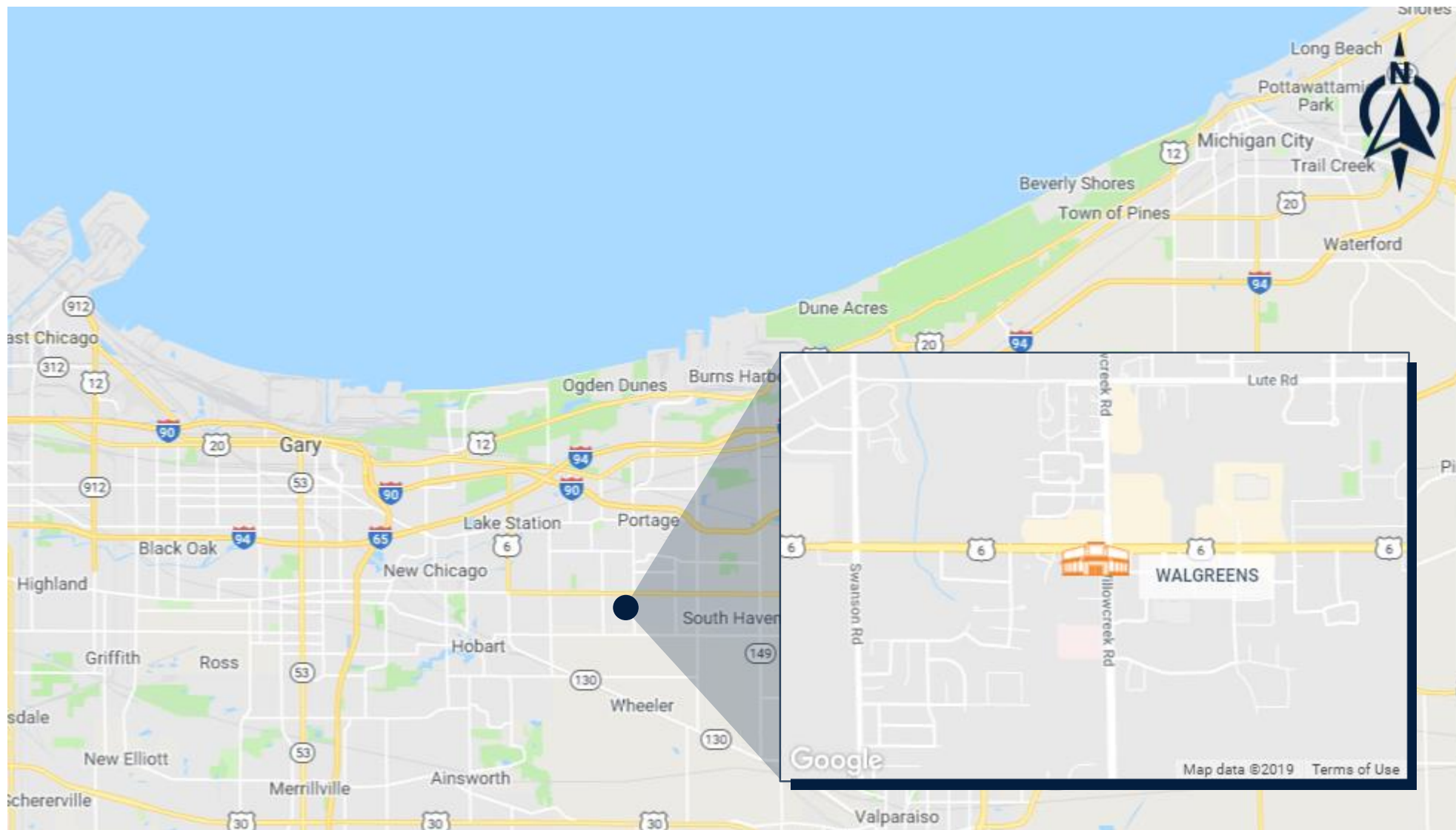
As a multi-modal facility, the Port of Indiana at Portage handles more than 500,000 trucks, 10,000 rail cars, 250 barges, and 100 ships per year. With 20+ steel processing companies and three steel mills, the Port of Indiana at Portage is a one-stop-shop for steel related industries.

Situated along the I-80 and I-94 corridors, 5 miles east of I-65, and just 45 minutes from downtown Chicago, Portage has a transportation system that is un-paralleled. In addition, US-6 runs east and west along the southern border of Portage and US-12 and US-20 run east and west along the northern border of Portage.

Portage is a recreation and tourism destination. The Portage Lakefront and Riverwalk provide easy access to beautiful beaches and Lake Michigan. The city is also located a few miles from the Indiana Dunes, which provide abundant opportunities for recreation, including swimming, hiking, cycling, paddling, birding, and fishing, to name a few.

Portage is home to 14 city Parks including Woodland Park, Imagination Glen, Lakefront Park and Country Side Park. Each one provides a variety of opportunities including adult and youth athletic programs, mountain bike trails, BMX trails, walking and biking trails, and boating and fishing.



5995 US-6, Portage, IN 46368



meijer

Walmart 
Supercenter



FINANCIAL ANALYSIS



PROPERTY SUMMARY

THE OFFERING	
Property	Walgreens
Property Address	5995 US-6 Portage, IN 46368
Price	\$3,487,677
Capitalization Rate	7.10%
Price/SF	\$252.04

PROPERTY DESCRIPTION	
Year Built / Renovated	1999
Gross Leasable Area	13,838 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	4.04 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	Walgreens
Rent Increases	No
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	August 15, 1998
Lease Expiration	August 31, 2028
Lease Term	30
Term Remaining on Lease (Years)	8.8
Renewal Options	Eight, Five-Year
Landlord Responsibility	Roof & Structure
Tenant Responsibility	HVAC, Utilities, Taxes, & Insurance
Right of First Refusal/Offer	Yes

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$247,625

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$247,625	\$20,635	\$17.89	7.10%





MARKET OVERVIEW



Created on October 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	5,578	47,345	90,744
■ 2018 Estimate			
Total Population	5,212	45,926	88,368
■ 2010 Census			
Total Population	5,130	45,464	87,465
■ 2000 Census			
Total Population	3,908	41,347	81,703
■ Current Daytime Population			
2018 Estimate	5,504	32,769	68,030
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	2,226	17,869	34,969
■ 2018 Estimate			
Total Households	2,056	17,129	33,701
Average (Mean) Household Size	2.56	2.67	2.63
■ 2010 Census			
Total Households	2,016	16,851	33,219
■ 2000 Census			
Total Households	1,633	15,155	30,772
■ Occupied Units			
2023 Projection	2,226	17,869	34,969
2018 Estimate	2,202	18,143	36,272
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	3.57%	3.94%	5.01%
\$100,000 - \$149,000	13.54%	16.10%	15.75%
\$75,000 - \$99,999	18.51%	18.46%	16.44%
\$50,000 - \$74,999	17.93%	19.80%	20.54%
\$35,000 - \$49,999	12.56%	13.34%	13.87%
Under \$35,000	33.88%	28.37%	28.40%
Average Household Income	\$64,624	\$69,193	\$70,303
Median Household Income	\$55,055	\$60,098	\$58,962
Per Capita Income	\$25,800	\$25,876	\$26,864

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$60,793	\$65,477	\$66,603
■ Consumer Expenditure Top 10 Categories			
Housing	\$15,486	\$16,657	\$17,128
Transportation	\$10,807	\$11,629	\$11,650
Shelter	\$8,801	\$9,512	\$9,883
Food	\$6,274	\$6,838	\$6,977
Personal Insurance and Pensions	\$5,705	\$6,329	\$6,387
Health Care	\$4,315	\$4,706	\$4,756
Utilities	\$3,572	\$3,795	\$3,827
Entertainment	\$2,563	\$2,844	\$2,946
Apparel	\$1,516	\$1,641	\$1,693
Cash Contributions	\$1,484	\$1,618	\$1,606
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	5,212	45,926	88,368
Under 20	26.26%	26.67%	26.35%
20 to 34 Years	20.75%	19.70%	19.19%
35 to 39 Years	7.44%	7.33%	7.29%
40 to 49 Years	12.63%	13.02%	12.98%
50 to 64 Years	17.83%	19.04%	19.80%
Age 65+	15.10%	14.25%	14.39%
Median Age	37.00	37.46	38.02
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	3,498	30,841	59,819
Elementary (0-8)	2.78%	2.51%	2.40%
Some High School (9-11)	9.73%	9.09%	8.70%
High School Graduate (12)	39.58%	42.07%	40.63%
Some College (13-15)	23.27%	21.81%	22.11%
Associate Degree Only	9.26%	9.74%	9.30%
Bachelors Degree Only	10.13%	10.24%	11.43%
Graduate Degree	5.15%	4.12%	4.83%

Source: © 2018 Experian



Population

In 2018, the population in your selected geography is 88,368. The population has changed by 8.16% since 2000. It is estimated that the population in your area will be 90,744.00 five years from now, which represents a change of 2.69% from the current year. The current population is 48.86% male and 51.14% female. The median age of the population in your area is 38.02, compare this to the US average which is 37.95. The population density in your area is 1,123.06 people per square mile.



Households

There are currently 33,701 households in your selected geography. The number of households has changed by 9.52% since 2000. It is estimated that the number of households in your area will be 34,969 five years from now, which represents a change of 3.76% from the current year. The average household size in your area is 2.63 persons.



Income

In 2018, the median household income for your selected geography is \$58,962, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 24.68% since 2000. It is estimated that the median household income in your area will be \$68,435 five years from now, which represents a change of 16.07% from the current year.

The current year per capita income in your area is \$26,864, compare this to the US average, which is \$32,356. The current year average household income in your area is \$70,303, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 83.02% White, 6.93% Black, 0.02% Native American and 0.92% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 17.83% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

The median housing value in your area was \$142,433 in 2018, compare this to the US average of \$201,842. In 2000, there were 23,681 owner occupied housing units in your area and there were 7,092 renter occupied housing units in your area. The median rent at the time was \$514.



Employment

In 2018, there are 23,114 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 45.64% of employees are employed in white-collar occupations in this geography, and 54.46% are employed in blue-collar occupations. In 2018, unemployment in this area is 6.06%. In 2000, the average time traveled to work was 29.00 minutes.

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