

Walgreens

EXCLUSIVE NET-LEASE OFFERING

OFFERING MEMORANDUM

Walgreens

15253 Manchester Road, Ballwin, MO 63011

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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The Walgreens logo is written in a red, cursive script font.

15253 Manchester Road, Ballwin, MO 63011

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Walgreens





Investment Highlights

PRICE: \$9,225,000 | CAP: 6.00% | RENT: \$553,500

Walgreens

About the Investment

- ✓ Long-Term, 25-Year Absolute Triple Net (NNN) Lease
- ✓ **7.70%+ Cash-on-Cash Return Attainable With Market Debt**
- ✓ Very Strong Performing Location | High Reported Sales
- ✓ 12.5 Years of Ter Remaining | Built in 2007
- ✓ Ten (10), Five (5) Year Tenant Renewal Options, Bringing the Potential Lease Term to 75 Years
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Dense Retail Corridor | Walmart, Costco, Target, Best Buy, Nordstrom Rack, Kohl's, Marshalls, Ross Dress For Less, Old Navy, Hobby Lobby, McDonald's, and Many More
- ✓ Robust Demographics | Population Exceeds 77,500 Individuals Within a Three-Mile Radius
- ✓ Strong Traffic Counts | Manchester Road & Highway 141 | 52,000 & 62,500 Vehicles Per Day, Respectively
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$136,500 Within a Five-Mile Radius

About the Tenant / Brand

- ✓ BBB Credit Guaranty
- ✓ Walgreens is One of the Nation's Largest Leading Drugstore Chains
- ✓ Walgreens Operates 8,100 Drugstores with a Presence in all 50 States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.
- ✓ Walgreens Also Manages More Than 400 Healthcare Clinics and Provider Practice Locations Around the Country
- ✓ Publicly Traded on the NYSE Under the Ticker Symbol 'WBA'





Financial Analysis

PRICE: \$9,225,000 | CAP: 6.00% | RENT: \$553,500

Walgreens

Property Description

Property	Walgreens
Property Address	15253 Manchester Road
City, State, ZIP	Ballwin, MO 63011
Year Built / Renovated	2007
Building Size	14,490
Lot Size	+/- 1.57 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$9,225,000
CAP Rate	6.00%
Annual Rent	\$553,500
Price / SF	\$636.02
Rent / SF	\$38.16

Lease Summary

Property Type	Net Leased Drug Store
Tenant / Guarantor	Corporate
Ownership Type	Public
Original Lease Term	25 Years
Lease Commencement	9/10/2007
Lease Expiration	9/30/2032
Lease Term Remaining	12.5 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	10, 5 Year Options

Subject Property



INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens located at 15253 Manchester Road in Ballwin, Missouri. The site constructed in 2007, consists of roughly 14,490 rentable square feet of building space on estimated 1.57 acre parcel of land.

Walgreens is subject to a brand new, 25-year triple-net (NNN) lease, with 12.5 years remaining, which commenced on September 10, 2007. The annual rent is \$553,500. There are ten (10), five (5)-year tenant renewal options, extending the total possible lease term to 75 years.



Tenant Overview

Walgreens

About Walgreens

Walgreens, one of the nation's largest drugstore chains, constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health, and wellbeing enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens operates 9,000+ drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 Healthcare Clinics and provider practice locations around the country. Walgreens Boots Alliance reported sales of \$118.21 Billion in fiscal year 2017 and their credit ranking by Standard and Poor's is BBB.

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

Subject Property



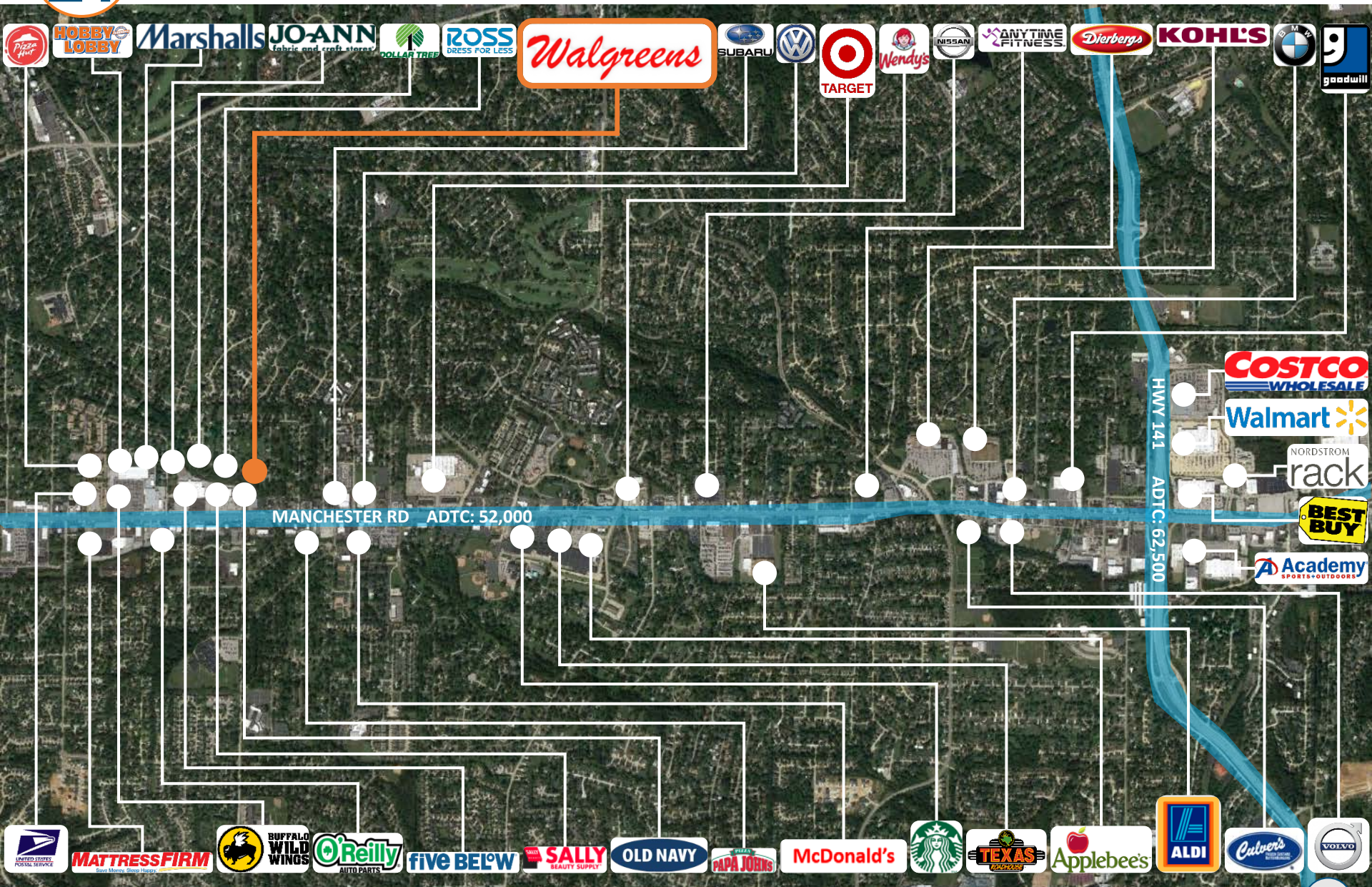
General Information

Address	Deerfield, IL
Website	www.Walgreens.com
Founded	1901
Locations	9,560 (August 31, 2018)
Chairman/CEO	Stefano Pessina



Surrounding Area

Walgreens





Location Overview

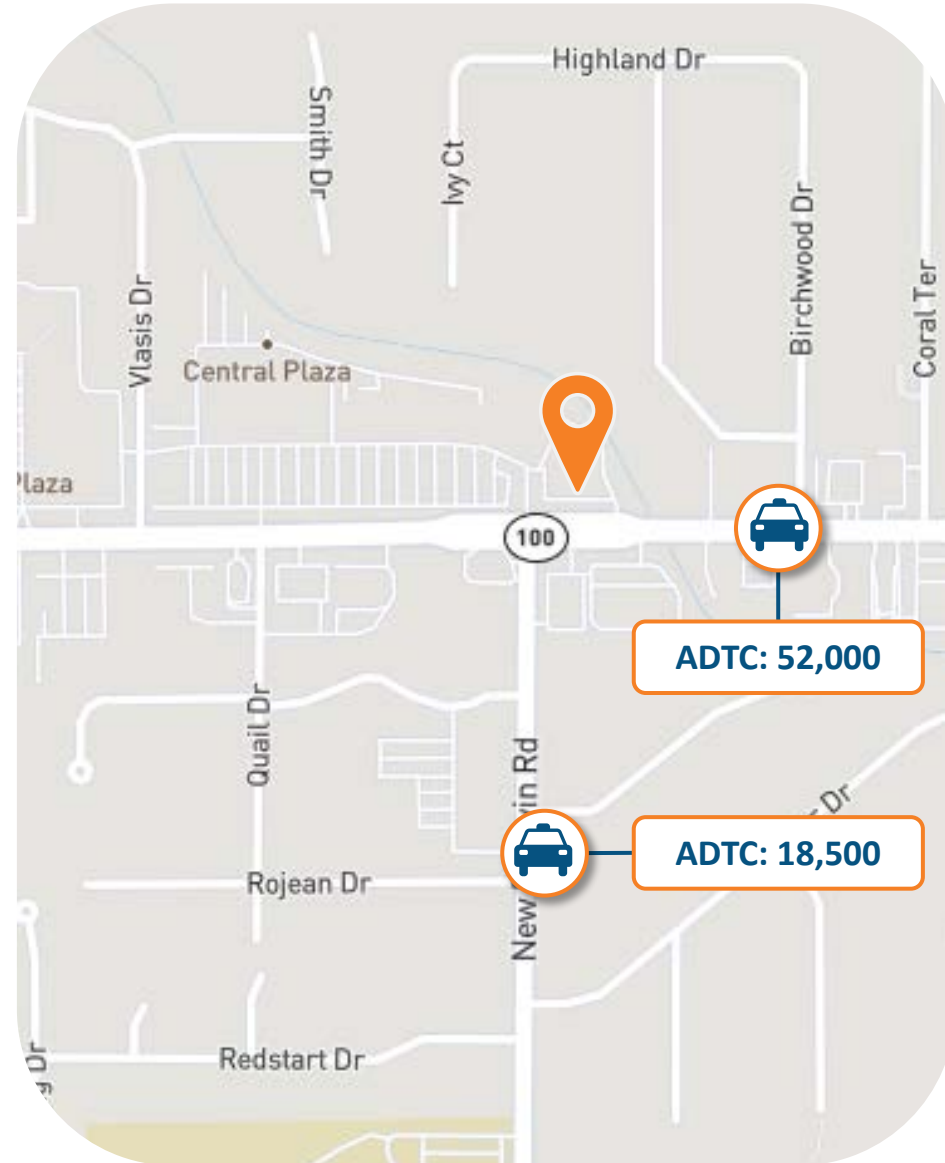
Property Address: 15253 Manchester Rd, Ballwin, MO 63011

Walgreens

The subject investment property is situated on Manchester Road at a signalized intersection with New Ballwin Road. The Two roads boast average daily traffic counts of 52,000 and 18,500 vehicles, respectively. Manchester Road serves as an access road to Highway 141, which brings an additional 62,500 vehicles into the immediate area on average daily. This investment property greatly benefits from its robust demographics. There are more than 77,500 individuals residing within a three-mile radius of the property and more than 160,500 individuals within a five-mile radius, these figures are projected to continue to grow over the coming years. This subject Walgreens is also positioned in an affluent neighborhood, within a five-mile radius the average household income exceeds \$136,500, which is more than double the national average.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants all within proximity of this property. Major national tenants include: Walmart, Costco, Target, Best Buy, Nordstrom Rack, Kohl's, Marshalls, Ross Dress For Less, Old Navy, Hobby Lobby, McDonald's, and many more. The subject investment property benefits from its immediate access to healthcare. St. Luke's Des Peres Hospital and Mercy Hospital of St. Louis are both located less than nine miles away. The two hospitals have a combined bed count that exceeds a whopping 940 staffed beds. Additionally, St. Louis Lambert International Airport is located twelve miles away. The airport serves of 15.5 million passengers annually.

Ballwin is a middle-class suburb located just west of St. Louis. Its convenient location puts it within 30 minutes from five major universities and colleges, St. Louis-Lambert International Airport, and downtown St. Louis. The town has grown tremendously since its founding. Today, over 32,000 people call this thriving city their home. The city greatly benefits from being located just over 20 miles from St. Louis. Known for the iconic Gateway Arch, St. Louis is a major U.S. port, located along the western bank of the Mississippi River. It is the cultural and economic center of the Greater St. Louis Metropolitan area and is the largest metropolitan area in Missouri. The area's economy relies on service, manufacturing, trade, transportation of goods, and tourism. Its metro area is home to major corporations, including Anheuser-Busch, Boeing Defense, Energizer, Panera, Enterprise, Edward Jones, and Purina. The city is also gaining recognition for its growing medical, pharmaceutical and research presence. Several institutions of higher education are in the metropolitan area. St. Louis University and The University of Missouri - St. Louis are the area's major universities. Other schools include Lindenwood University, Harris-Stowe State College, Maryville University of St. Louis, Webster University, Fontbonne University, and St. Louis Community College.

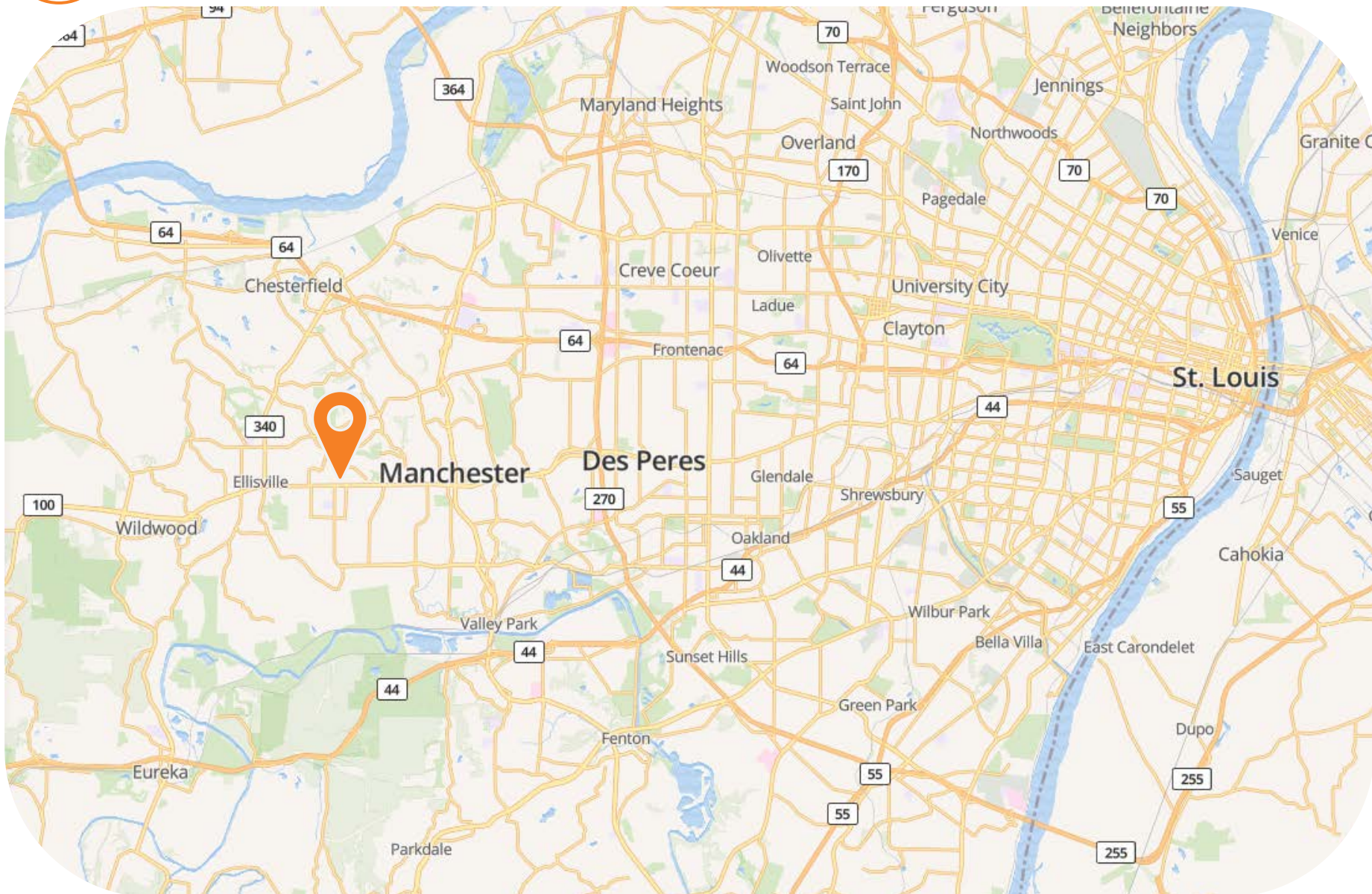




Local Map

Walgreens

Property Address: 15253 Manchester Rd, Ballwin, MO 63011





Regional Map

Walgreens

Property Address: 15253 Manchester Rd, Ballwin, MO 63011

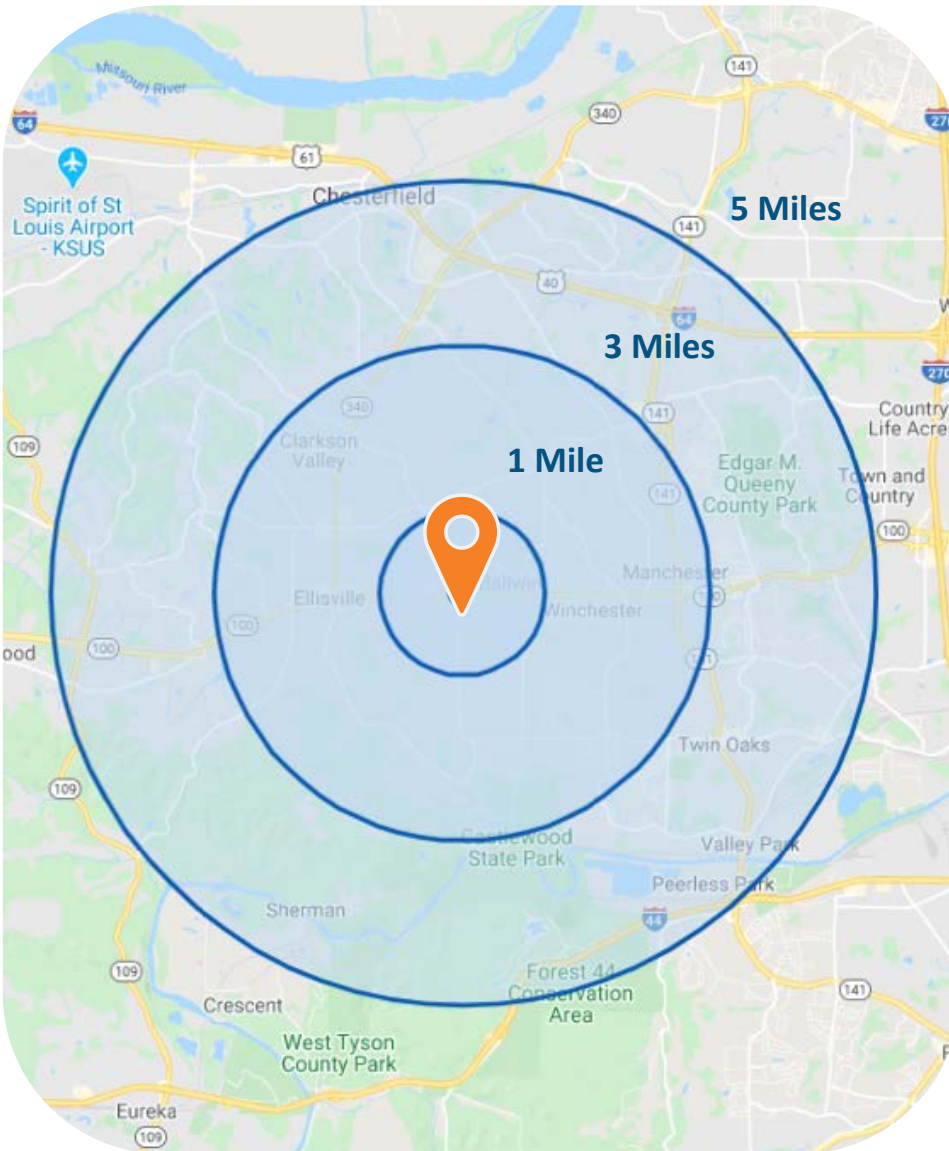




Demographics

Property Address: 15253 Manchester Rd, Ballwin, MO 63011

Walgreens



	1 Mile	3 Miles	5 Miles
POPULATION			
2023 Projection	10,297	78,811	164,251
2018 Estimate	10,068	77,961	160,600
2010 Census	10,026	77,428	159,393
2000 Census	10,830	78,709	155,247
INCOME			
Average	\$97,588	\$129,952	\$136,879
Median	\$72,725	\$95,980	\$98,200
Per Capita	\$39,620	\$49,518	\$53,207
HOUSEHOLDS			
2023 Projection	4,197	30,311	64,359
2018 Estimate	4,085	29,647	62,206
2010 Census	4,069	29,443	61,738
2000 Census	4,236	28,488	57,043
HOUSING			
2018	\$221,505	\$258,678	\$275,259
EMPLOYMENT			
2018 Daytime Population	10,359	65,244	162,032
2018 Unemployment	1.78%	1.92%	2.05%
2018 Median Time Traveled	28 Mins	28 Mins	27 Mins
RACE & ETHNICITY			
White	85.56%	86.87%	86.03%
Native American	0.05%	0.02%	0.01%
African American	3.62%	2.81%	2.89%
Asian/Pacific Islander	6.33%	7.41%	8.06%



Market Overview

City: Ballwin | County: St. Louis | State: Missouri

St. Louis, MO

St. Louis is a major independent city and inland port in Missouri. It is the second largest city in the state of Missouri behind Kansas City. The city is situated along the western bank of the Mississippi River, which marks Missouri's border with Illinois. The Missouri River merges with the Mississippi River just north of the city, forming the fourth-largest river system in the world. A "Gamma" global city with a metropolitan GDP of more than \$160 billion in 2017, metropolitan St. Louis's diverse economy has strengths in the service, manufacturing, trade, transportation, and tourism industries. Home to nine of the ten Fortune 500 companies based in Missouri, Greater St. Louis counts among its major corporations Anheuser-Busch, Express Scripts, Centene, Boeing Defense, Emerson, Energizer, Panera, Enterprise, Peabody Energy, Ameren, Post Holdings, Monsanto, Edward Jones, Go Jet, Purina, Olin Corporation, and Sigma-Aldrich. Major research universities within the city include Washington University in St. Louis and Saint Louis University. The Washington University Medical Center hosts an agglomeration of medical and pharmaceutical institutions, including the nationally recognized Barnes-Jewish Hospital.

The Gateway Arch anchors downtown St. Louis and a historic center that includes: the Federal courthouse where the Dred Scott case was first argued, a newly renovated and expanded public library, major churches and businesses, and retail. An increasing downtown residential population has taken to adapted office buildings and other historic structures. In nearby University City is the Delmar Loop, ranked by the American Planning Association as a "great American street" for its variety of shops and restaurants, and the Tivoli Theater, all within walking distance.



EXCLUSIVE NET LEASE OFFERING

MO BROKER OF RECORD:

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