

Walgreens



*REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM PRESENTED IN CONJUNCTION WITH

SAREnterprises

WALGREENS
NET LEASED OFFERING

2737 E MCKELLIPS RD MESA, AZ 85213

OFFERING MEMORANDUM
PRESENTED BY:

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OFFERING MEMORANDUM
presented in conjunction with:

SAREnterprises

The Kase Group
Real Estate Investment Services

DISCLAIMER & CONFIDENTIALITY

The material contained in this Investment Offering Brochure is furnished solely for the purpose of considering the purchase of the property within and is not to be used for any other purpose. This information should not, under any circumstances, be photocopied or disclosed to any third party without the written consent of The Kase Group or Owner, or used for any purpose whatsoever other than to evaluate the possible purchase of the Property.

The only party authorized to represent the Property Owner ("Owner") in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

Neither The Kase Group Advisor nor the Owner or its affiliates make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein is or shall be relied upon as a promise or representation as to the future performance of the Property. This Offering Brochure may include certain statements and estimates by The Kase Group with respect to the projected future performance of the Property. These Assumptions may or may not be proven to be correct, and there can be no assurance that such estimates will be achieved. Further, The Kase Group Advisor and the Owner disclaim any and all liability for representations or warranties, expressed or implied, contained in or omitted from this Investment Offering Brochure, or any other written or oral communication transmitted or made available to the recipient. The recipient shall be entitled to rely solely on those representations and warranties that may be made to it in any final, fully executed and delivered Real Estate Purchase Agreement between it and Owner.

The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.



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INVESTMENT OVERVIEW



The subject property is a 13,903 square foot, single tenant Walgreens property in Mesa, Arizona. The property was built in 1996 and leased to Walgreens on a 20 year term that has been extended by an additional 15 years (11+ remain). The property is an out-parcel to the Lindsay Groves Shopping Center, anchored by a Walmart Neighborhood Market. The landlord responsible for roof and structure, including the building paint--the building was recently painted in 2016.

INVESTMENT HIGHLIGHTS

NET LEASED WALGREENS

MINIMAL LANDLORD OBLIGATIONS

S&P RATED BBB INVESTMENT GRADE CREDIT

CORPORATE GUARANTY - NASDAQ: WBA

100% FEE SIMPLE INTEREST

OVER 26,000 VPD ON MCKELLIPS RD.

LANDLORD RESPONSIBLE FOR ROOF AND STRUCTURE INCLUDING THE BUILDING PAINT (PAINTED IN 2016).

OFFERING SPECIFICATIONS

PRICE \$3,241,000

CAP RATE 5.75%

NET OPERATING INCOME \$186,390

SQUARE FOOTAGE 13,903

LOT SIZE 1.937 AC

YEAR BUILT 1996

FINANCIAL SUMMARY

WALGREENS • NET LEASED OFFERING

2737 E MCKELLIPS RD MESA, AZ 85213

\$3,241,000 • 5.75%

SUMMARY

TENANT NAME	WALGREENS
SQUARE FOOTAGE	13,903
LEASE STARTS	9/27/1996
LEASE ENDS	9/30/2031
ANNUAL RENT	\$186,390
OPTIONS	Eight, 5-Year
INCREASES	Rent is Flat

OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
CURRENT	\$186,390 .00	5.75%

TENANT OVERVIEW



PUBLICLY TRADED
NASDAQ: WBA



9,500+ LOCATIONS



415,000+ EMPLOYEES

WALGREENS

Walgreen Company or simply Walgreens is an American company that operates as the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. As of August 31, 2018, the company operated 9,560 stores in all 50 states, the District of Columbia and the US territories of Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

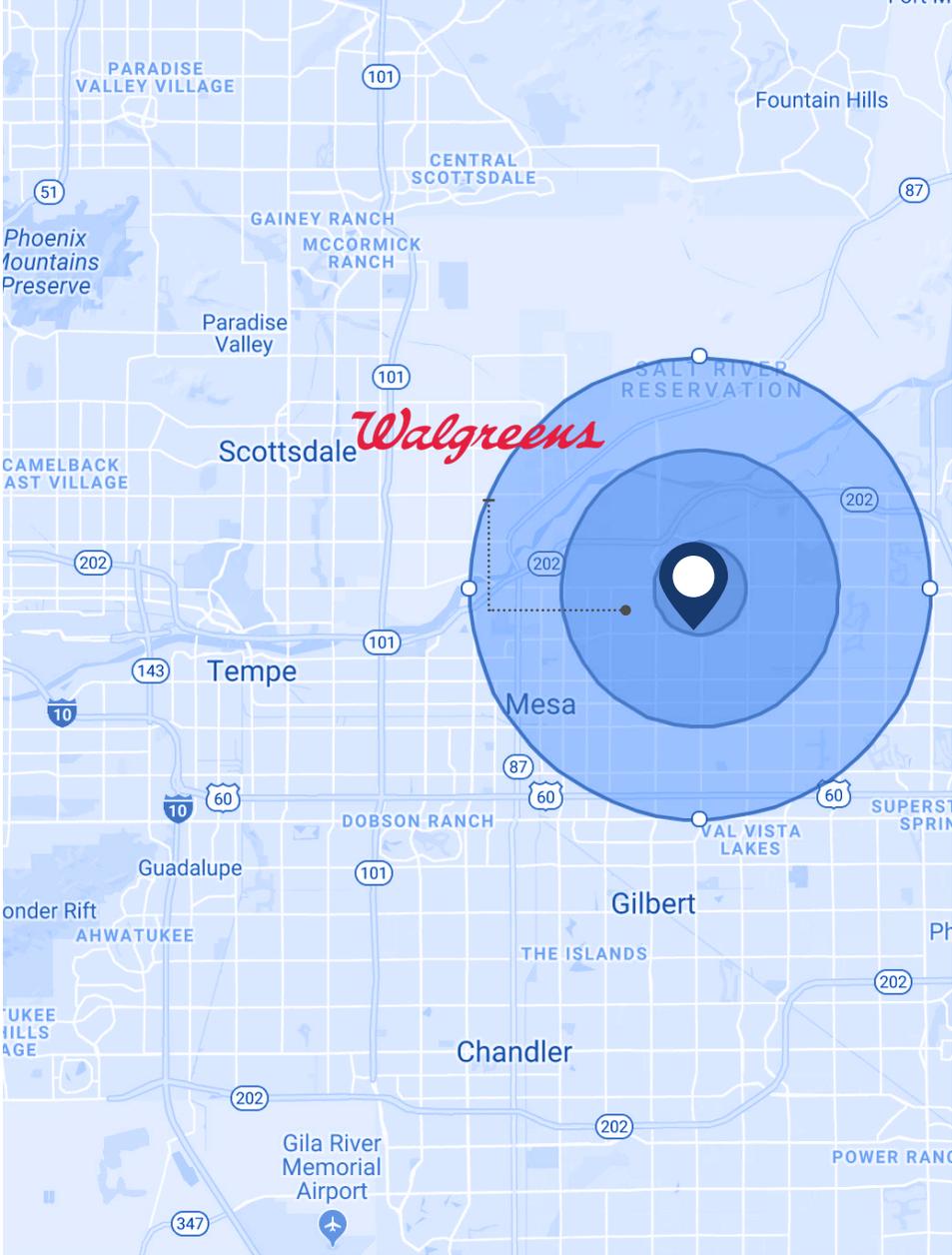
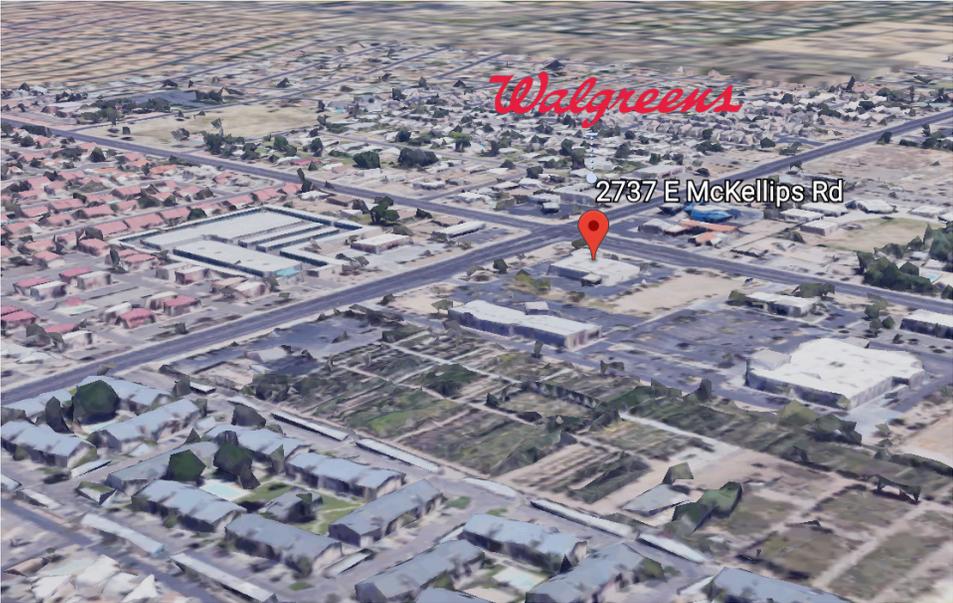
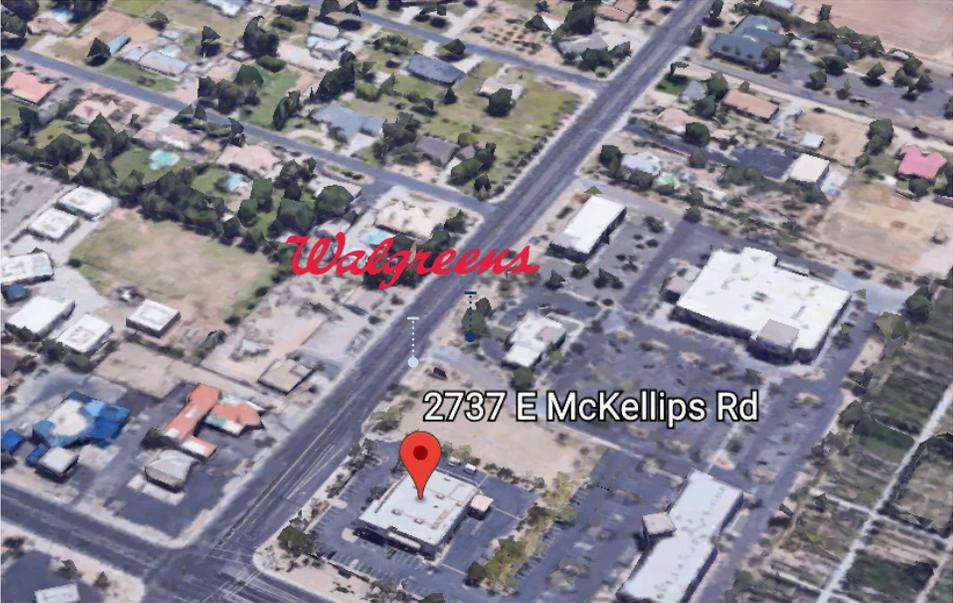
In 2014 the company agreed to purchase the remaining 55% of Switzerland-based Alliance Boots that it did not already own to form a global business. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc., on December 31, 2014. Walgreens became a subsidiary of the new company, which retains its Deerfield headquarters and trades on the Nasdaq under the symbol WBA

A typical Walgreens store is about 14,500 square feet with 11,000 square feet of sales area. They offer nearly 25,000 items for sale and typically staff between 25 and 30 people per store. On average, one store pulls in \$8.5 million in annual sales. Most stores include a pharmacy, photo lab, cosmetics counter, and a general merchandise area. Select stores in metropolitan Chicago, Florida, Atlanta, Kansas City, Nashville, Las Vegas, and St. Louis now include Walgreens TakeCare Health Clinics where certified (primarily nurse practitioners, and in some states, registered pharmacist) staff diagnose, treat, and prescribe for common illnesses and can also issue vaccinations and physicals in select locations. These clinics are open 7 days a week; including evenings and weekends with no appointments necessary and with acceptance of most major insurance plans. If a patient uses the TakeCare Clinic, their prescription is automatically processed through Walgreens' Intercom Plus Pharmacy System as a waiting prescription, so in most stores, the prescription is ready to be picked up in 15 to 20 minutes.

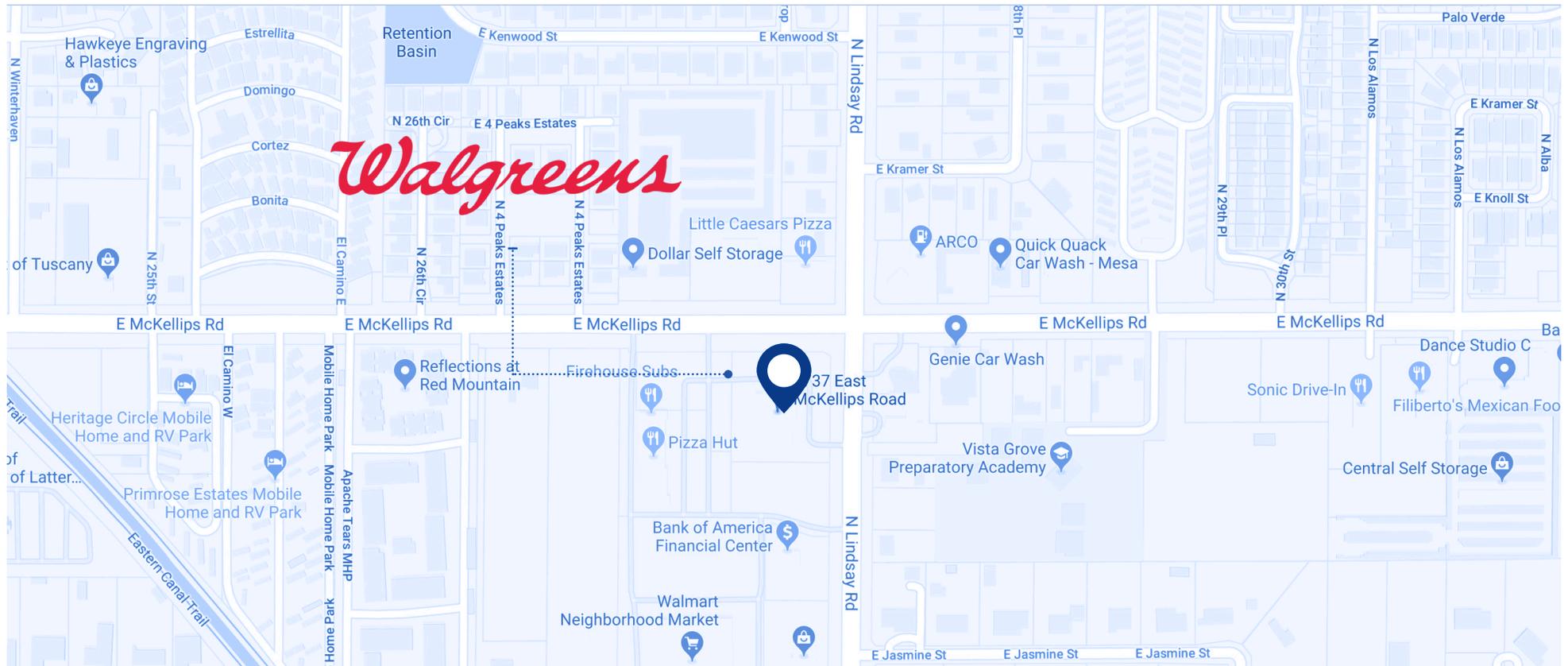
LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



	1 MILES	3 MILES	5 MILES
TOTAL POPULATION	12,891	88,140	260,702
TOTAL HOUSEHOLDS	4,093	31,953	97,675
AVERAGE HOUSEHOLD INCOME	\$113,133	\$80,287	\$67,320
AVERAGE AGE	37.50	38.90	39.20

AREA OVERVIEW

DEMOGRAPHICS	1 MILES	3 MILES	5 MILES
TOTAL HOUSEHOLDS	4,093	31,953	97,675
TOTAL POPULATION	12,891	88,140	260,702
PERSONS PER HOUSEHOLD	3.10	2.70	2.60
AVERAGE HOUSEHOLD INCOME	\$113,133	\$80,287	\$67,320
AVERAGE HOUSE VALUE	\$324,743	\$235,325	\$191,069
AVERAGE AGE	37.50	38.90	39.20
POPULATION WHITE	11,745	78,188	228,260
POPULATION BLACK	247	2,870	9,696
POPULATION AM, INDIAN, & ALASKAN	178	2,831	10,448
POPULATION ASIAN	412	1,621	4,293
POPULATION HAWAIIAN & PACIFIC ISLANDER	42	348	1,163
POPULATION OTHER	268	2,281	6,842

MESA, ARIZONA

Mesa is a city in Maricopa County, in the state of Arizona. It is a suburb located about 20 miles east of Phoenix. Mesa is the central city of the East Valley section of the Phoenix Metropolitan Area. It is bordered by Tempe on the west, the Salt River Pima-Maricopa Indian Community on the north, Chandler and Gilbert on the south along with Queen Creek, and Apache Junction on the east.

Mesa is the third-largest city in Arizona, after Phoenix and Tucson, and the 36th-largest city in the US. The city is home to 439,041 people as of 2010 according to the Census Bureau. Mesa is home to numerous higher education facilities including the Polytechnic campus of Arizona State University.

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