



Mountain West Walgreens

- Net Rent Guaranteed by Walgreens Corporate
- High Growth Area of Colorado Springs
- **Recent Lease Extension Shows Commitment to Location**
- Affluent Area: HH Incomes of \$100K Within 1 Mile
- Situated on Busy Austin Bluffs Parkway: 17,000 Cars Per Day

Walgreens

📍 COLORADO SPRINGS, CO

\$4,200,000

7.13% CAP

📞 (888) 258-7605

✉️ Listings@deerfieldteam.com

John Giordani
Art Griffith



DeerfieldPartners
The Drugstore Experts

INVESTMENT SUMMARY

offering memorandum

6011 RANGEWOOD DR | COLORADO SPRINGS, CO

WALGREENS #5621

\$4,200,000

PRICE

7.13%

CAP

\$299,600

ANNUAL RENT

5.2

YRS. GUARANTEED

This is a great opportunity for an investor to acquire a net leased Walgreens in this affluent area of Colorado Springs where average household incomes are \$100,000 within a one mile radius. Walgreens has recently extended their lease on this store, demonstrating their long-term commitment to the location. This is a prototypical freestanding Walgreens that is situated on the busy, signalized corner of Rangewood and Austin Bluffs Parkway, and benefits from being located near Scott Elementary, Martinez Elementary, Jenkins Middle Schools and dense residential neighborhoods.

DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	19,654	140,377	252,812
Avg. HH Inc.	\$102,538	\$92,131	\$92,479



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PROPERTY OVERVIEW



PROPERTY DETAILS

Address:	6011 Rangewood Dr.
Year Built:	2000
Building Size:	15,120 SF
Lot Size:	3.36 Acres
Tenant:	Walgreens



LEASE SUMMARY

Lease Type:	NN
Rent Start Date:	7/1/2000
Firm Term End Date:	8/31/2025
Termination Options:	Tenant has seven five-year options, after the initial firm term of 25 years.





MARTINEZ
ELEMENTARY SCHOOL

COTTONWOOD
CREEK PARK

JENKINS
MIDDLE SCHOOL

SUBJECT PROPERTY
Walgreens

WAYFINDER
COFFEE CO.

Tuscany
WINE, SPIRITS + CRAFT

AUSTIN BLUFFS PKWY

RANGEWOOD DR

JUDGE LUNT
PARK

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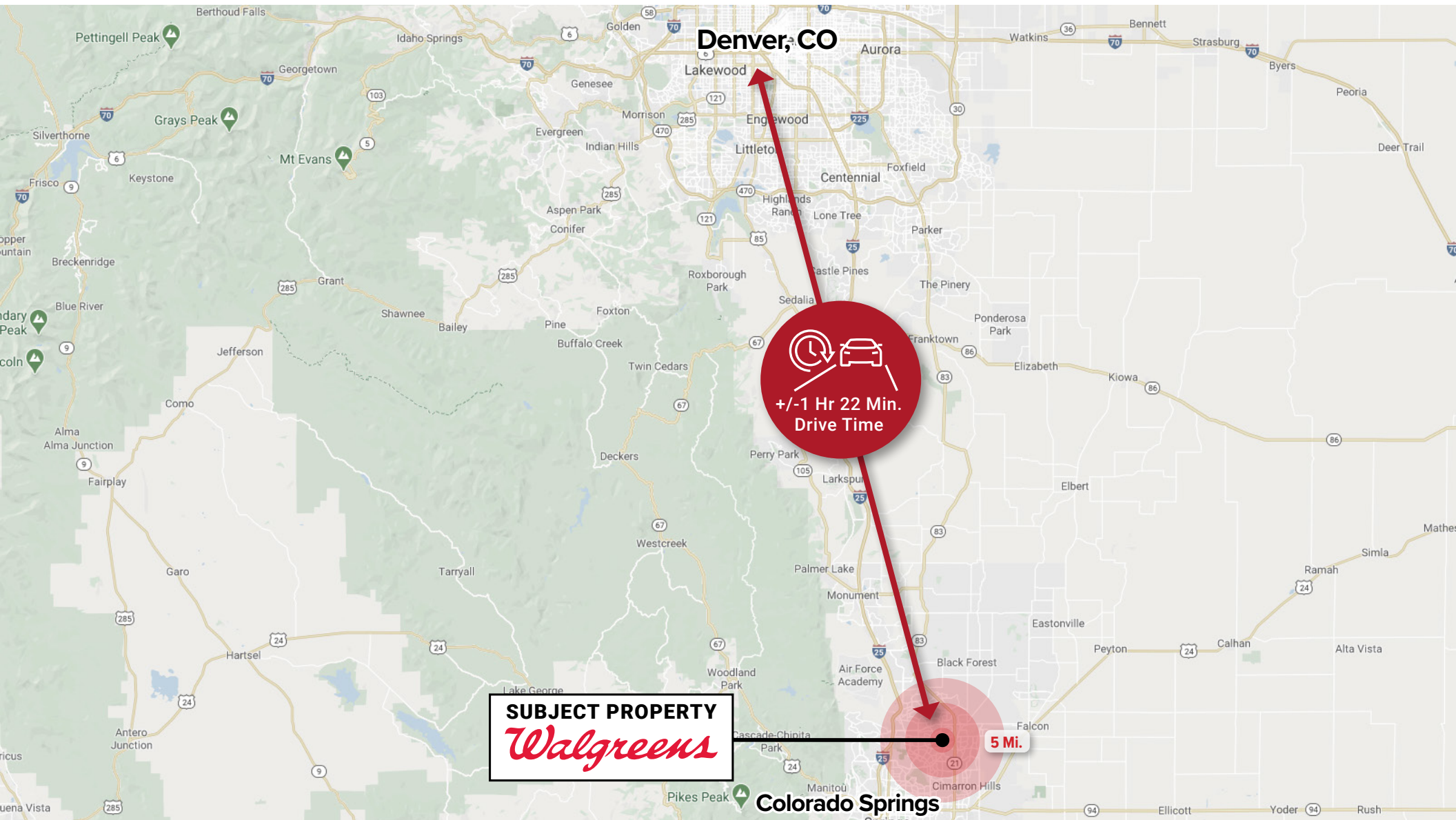


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REGIONAL OVERVIEW



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ABOUT WALGREENS BOOTS ALLIANCE



Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25* countries and employ more than 415,000* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 18,500* stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390* distribution centers delivering to more than 230,000** pharmacies, doctors, health centers and hospitals each year in more than 20* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

*As of 31 August 2018, using publicly available information for AmerisourceBergen.

**For 12 months ending 31 August 2018, using publicly available information for AmerisourceBergen.



WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2015	2016	2017	2018	2019
Sales/Revenue	103.44B	117.35B	118.21B	131.54B	136.87B
Sales Growth	35.41%	13.44%	0.74%	11.27%	4.05%
Cost of Goods Sold (COGS) Incl, D&A	78.26B	89.2B	90.71B	102.52B	108.83B
COGS excluding D&A	76.52B	87.48B	89.05B	100.75B	106.79B
Depreciation & Amortization Expense	1.74B	1.72B	1.65B	1.77B	2.04B
Depreciation	1.26B	1.32B	1.27B	1.28B	1.49B
Amortization of Intangibles	480M	396M	385M	493M	552M
Gross Income	25.18B	28.16B	27.51B	29.02B	28.04B
	2015	2016	2017	2018	2019
SG&A Expense	20.26B	21.79B	21.25B	22.88B	22.91B
Research & Development	-	-	-	-	-
Other SG&A	20.26B	21.79B	21.25B	22.88B	22.91B
Other Operating Expense	-	-	-	-	-
Unusual Expense	(663M)	963M	886M	188M	311M
EBIT after Unusual Expense	5.58B	5.41B	5.37B	(188M)	4.82B
Non Operating Income/Expense	20M	297M	37M	450M	251M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	315M	37M	135M	191M	164M
Interest Expense	608M	596M	693M	616M	704M
Gross Interest Expense	609M	596M	693M	616M	704M
Interest Capitalized	1M	-	-	-	-
Pretax Income	5.31B	5.14B	4.85B	5.98B	4.53B
Income Tax	1.06B	997M	760M	998M	588M
Income Tax - Current Domestic	967M	1.06B	804M	969M	247M
Income Tax - Current Foreign	128M	371M	390M	353M	241M
Income Tax - Deferred Domestic	(39M)	(177M)	(330M)	(266M)	155M
Income Tax - Deferred Foreign	-	(252M)	(104M)	(58M)	(55M)
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	24M	44M	8M	54M	23M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.28B	4.19B	4.1B	5.03B	3.96B
Minority Interest Expense	59M	18M	23M	7M	(20M)



WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



WALGREENS BOOTS ALLIANCE – RETAIL PHARMACY USA DIVISION

Our Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form one of the largest drugstore chains in the U.S., operating 8,100* drugstores in 50* states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2017, approximately 76 percent of the population of the U.S. lives within five miles of a Walgreens or Duane Reade.

We sell prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. We offer our products and services through drugstores, as well as through mail, telephone and online. We also provide specialty pharmacy and respiratory services, and operate retail clinics.

Our services help improve health outcomes for patients and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our stores sell branded and own brand general merchandise. In addition, Walgreens has approximately 400 in-store clinic locations throughout the U.S., some of which are operated by the Company and some of which are operated by health system partners.

Prescription drugs account for 69 percent† of sales, while retail products are 31 percent.

Overall, we filled approximately 764 million† prescriptions in fiscal 2017. Adjusted to 30-day equivalents, we filled approximately 990 million prescriptions in fiscal 2017. Third party sales, where reimbursement is received from managed care organizations, government and private insurance, were approximately 98 percent† of prescription sales.

We utilize our extensive retail network as a channel to provide affordable

quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

We have more than 78,000* healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals. Through them we expect to continue to play a growing role in government and employer efforts to control escalating healthcare costs.

Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards card. Customers have the ability to instantly redeem rewards at our stores or through Walgreens.com. We had 88 million Balance® Rewards active members as of August 2017.

The Division's strategy is designed to further transform our traditional drugstore by offering ultimate convenience, driving the best customer loyalty and delivering extraordinary customer and patient care.

We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

WALGREENS DRUGSTORES NATIONWIDE BY STATE

TOTAL DRUGSTORES – 9,277



THROUGH AUGUST 31, 2019

Alabama	154	Maryland	159	Pennsylvania	126
Alaska	12	Massachusetts	258	Rhode Island	49
Arkansas	239	Michigan	237	South Carolina	155
California	622	Minnesota	153	South Dakota	14
Colorado	171	Mississippi	84	Tennessee	276
Connecticut	120	Missouri	210	Texas	704
Delaware	64	Montana	13	Utah	57
Florida	820	Nebraska	57	Vermont	33
Georgia	280	Nevada	82	Virginia	211
Hawaii	19	New Hampshire	36	Washington	135
Idaho	38	New Jersey	289	West Virginia	99
Illinois	583	New Mexico	70	Wisconsin	225
Indiana	195	New York	632	Wyoming	10
Iowa	72	North Carolina	362	Puerto Rico	108
Kansas	71	North Dakota	1	Washington D.C.	15
Kentucky	173	Ohio	253	U.S. Virgin Islands	1
Louisiana	176	Oklahoma	116	TOTAL	9,277
Maine	82	Oregon	76		

Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

Note: Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

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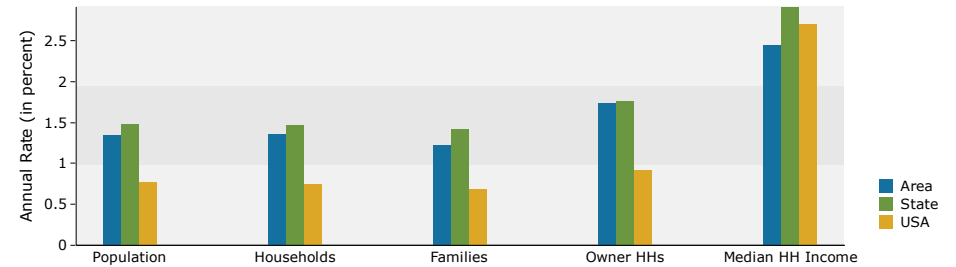
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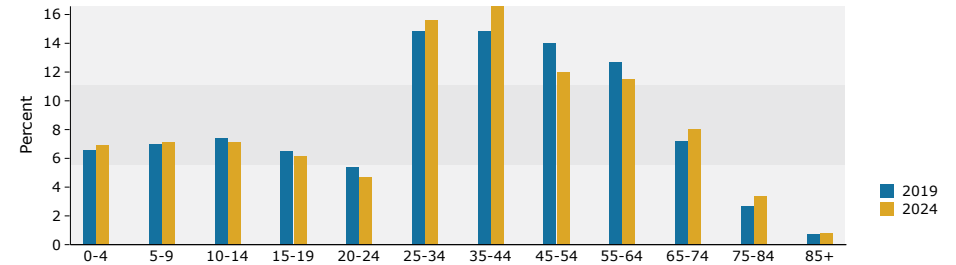
1-Mile DEMOGRAPHICS

Summary		Census 2010		2019		2024	
Population		17,142		19,654		21,009	
Households		6,306		7,266		7,775	
Families		4,709		5,335		5,668	
Average Household Size		2.72		2.70		2.70	
Owner Occupied Housing Units		4,579		5,228		5,698	
Renter Occupied Housing Units		1,727		2,038		2,077	
Median Age		34.0		36.3		36.3	
Trends: 2019 - 2024 Annual Rate		Area		State		National	
Population		1.34%		1.49%		0.77%	
Households		1.36%		1.47%		0.75%	
Families		1.22%		1.42%		0.68%	
Owner HHs		1.74%		1.77%		0.92%	
Median Household Income		2.45%		2.91%		2.70%	
				2019		2024	
Households by Income				Number	Percent	Number	Percent
<\$15,000				199	2.7%	173	2.2%
\$15,000 - \$24,999				212	2.9%	160	2.1%
\$25,000 - \$34,999				466	6.4%	373	4.8%
\$35,000 - \$49,999				690	9.5%	628	8.1%
\$50,000 - \$74,999				1,358	18.7%	1,268	16.3%
\$75,000 - \$99,999				1,441	19.8%	1,460	18.8%
\$100,000 - \$149,999				1,630	22.4%	2,006	25.8%
\$150,000 - \$199,999				804	11.1%	1,096	14.1%
\$200,000+				466	6.4%	612	7.9%
Median Household Income				\$85,154		\$96,105	
Average Household Income				\$102,538		\$116,871	
Per Capita Income				\$37,832		\$43,170	
		Census 2010		2019		2024	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		1,273	7.4%	1,302	6.6%	1,453	6.9%
5 - 9		1,381	8.1%	1,377	7.0%	1,488	7.1%
10 - 14		1,414	8.2%	1,451	7.4%	1,499	7.1%
15 - 19		1,283	7.5%	1,281	6.5%	1,311	6.2%
20 - 24		1,015	5.9%	1,065	5.4%	989	4.7%
25 - 34		2,444	14.3%	2,937	14.9%	3,288	15.6%
35 - 44		2,709	15.8%	2,908	14.8%	3,479	16.6%
45 - 54		2,709	15.8%	2,746	14.0%	2,528	12.0%
55 - 64		1,721	10.0%	2,488	12.7%	2,415	11.5%
65 - 74		786	4.6%	1,424	7.2%	1,675	8.0%
75 - 84		346	2.0%	535	2.7%	717	3.4%
85+		60	0.4%	138	0.7%	168	0.8%
		Census 2010		2019		2024	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		14,142	82.5%	15,881	80.8%	16,764	79.8%
Black Alone		880	5.1%	1,078	5.5%	1,184	5.6%
American Indian Alone		125	0.7%	159	0.8%	179	0.9%
Asian Alone		672	3.9%	790	4.0%	850	4.0%
Pacific Islander Alone		45	0.3%	54	0.3%	61	0.3%
Some Other Race Alone		439	2.6%	601	3.1%	699	3.3%
Two or More Races		838	4.9%	1,092	5.6%	1,271	6.1%
Hispanic Origin (Any Race)		1,794	10.5%	2,452	12.5%	2,930	13.9%

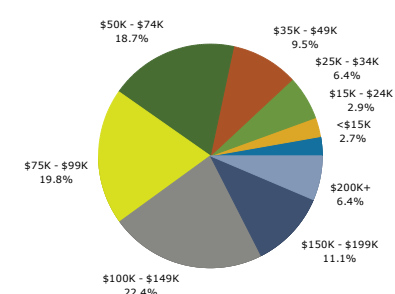
Trends 2019-2024



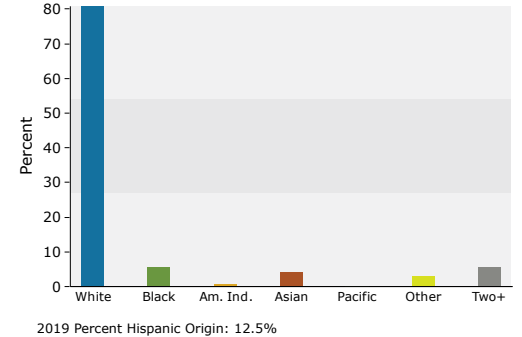
Population by Age



2019 Household Income



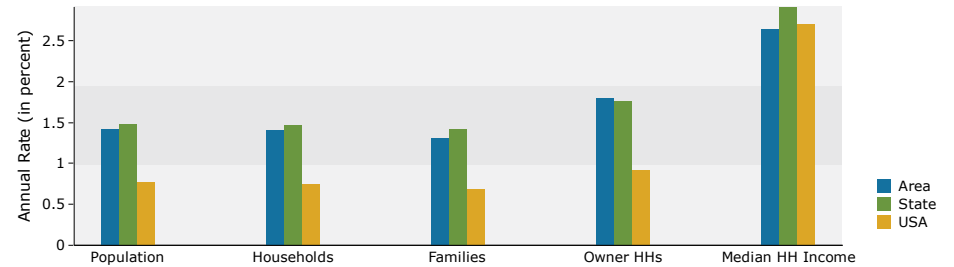
2019 Population by Race



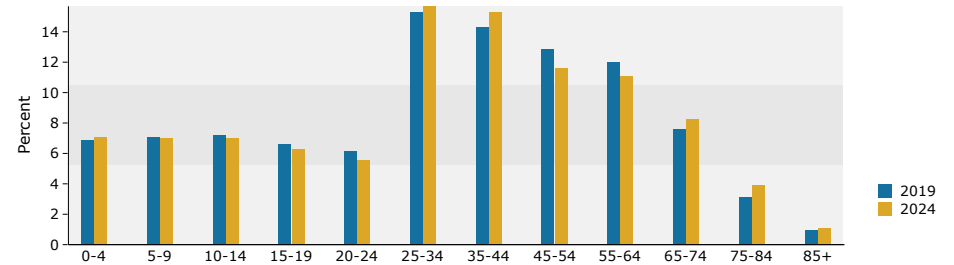
3-Mile DEMOGRAPHICS

Summary	Census 2010	2019	2024			
Population	122,929	140,377	150,524			
Households	45,917	52,555	56,345			
Families	32,952	37,274	39,786			
Average Household Size	2.68	2.67	2.67			
Owner Occupied Housing Units	31,714	36,491	39,900			
Renter Occupied Housing Units	14,203	16,064	16,445			
Median Age	33.4	35.5	35.8			
Trends: 2019 - 2024 Annual Rate	Area	State	National			
Population	1.41%	1.49%	0.77%			
Households	1.40%	1.47%	0.75%			
Families	1.31%	1.42%	0.68%			
Owner HHs	1.80%	1.77%	0.92%			
Median Household Income	2.64%	2.91%	2.70%			
Households by Income	2019	2024				
	Number	Percent	Number	Percent		
<\$15,000	2,923	5.6%	2,416	4.3%		
\$15,000 - \$24,999	2,166	4.1%	1,670	3.0%		
\$25,000 - \$34,999	3,514	6.7%	2,876	5.1%		
\$35,000 - \$49,999	6,250	11.9%	5,801	10.3%		
\$50,000 - \$74,999	10,616	20.2%	10,280	18.2%		
\$75,000 - \$99,999	8,485	16.1%	8,958	15.9%		
\$100,000 - \$149,999	11,193	21.3%	14,070	25.0%		
\$150,000 - \$199,999	4,883	9.3%	6,858	12.2%		
\$200,000+	2,526	4.8%	3,415	6.1%		
Median Household Income	\$76,761		\$87,448			
Average Household Income	\$92,131		\$105,829			
Per Capita Income	\$34,469		\$39,572			
Population by Age	Census 2010	2019	2024			
	Number	Percent	Number	Percent	Number	Percent
0 - 4	9,379	7.6%	9,747	6.9%	10,741	7.1%
5 - 9	9,923	8.1%	9,927	7.1%	10,581	7.0%
10 - 14	9,695	7.9%	10,128	7.2%	10,510	7.0%
15 - 19	9,046	7.4%	9,282	6.6%	9,465	6.3%
20 - 24	7,773	6.3%	8,508	6.1%	8,375	5.6%
25 - 34	18,432	15.0%	21,467	15.3%	23,678	15.7%
35 - 44	18,143	14.8%	20,058	14.3%	22,986	15.3%
45 - 54	18,120	14.7%	18,112	12.9%	17,499	11.6%
55 - 64	12,603	10.3%	16,879	12.0%	16,777	11.1%
65 - 74	5,998	4.9%	10,612	7.6%	12,440	8.3%
75 - 84	2,981	2.4%	4,297	3.1%	5,845	3.9%
85+	836	0.7%	1,360	1.0%	1,626	1.1%
Race and Ethnicity	Census 2010	2019	2024			
	Number	Percent	Number	Percent	Number	Percent
White Alone	100,805	82.0%	112,576	80.2%	119,161	79.2%
Black Alone	6,071	4.9%	7,394	5.3%	8,126	5.4%
American Indian Alone	1,006	0.8%	1,221	0.9%	1,350	0.9%
Asian Alone	4,236	3.4%	5,092	3.6%	5,619	3.7%
Pacific Islander Alone	326	0.3%	383	0.3%	436	0.3%
Some Other Race Alone	4,302	3.5%	5,705	4.1%	6,540	4.3%
Two or More Races	6,182	5.0%	8,006	5.7%	9,293	6.2%
Hispanic Origin (Any Race)	15,220	12.4%	20,389	14.5%	24,163	16.1%

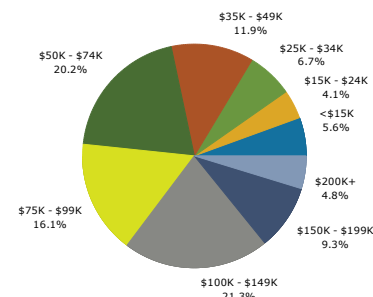
Trends 2019-2024



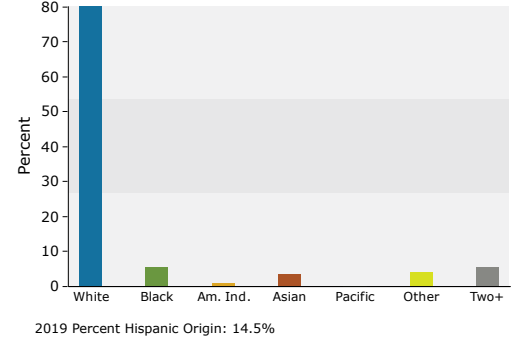
Population by Age



2019 Household Income



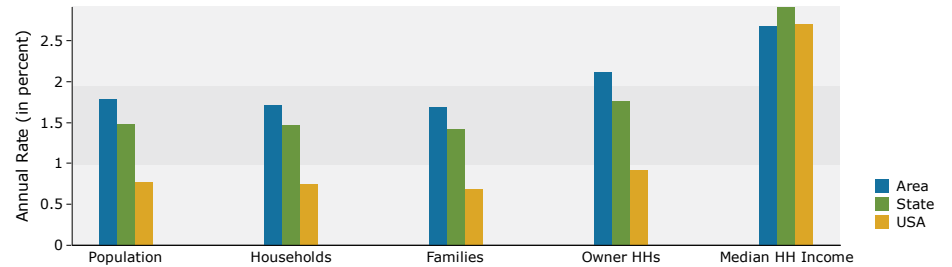
2019 Population by Race



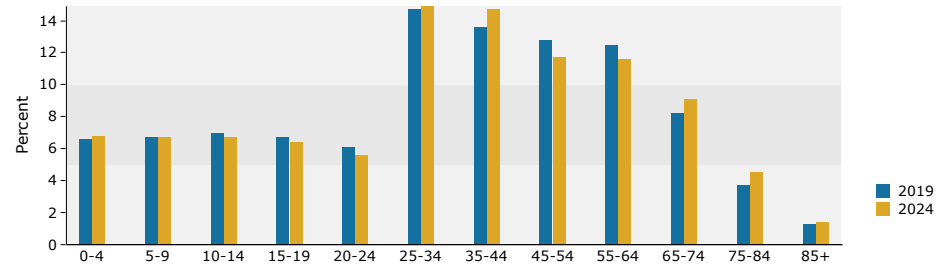
5-Mile DEMOGRAPHICS

Summary		Census 2010		2019		2024			
Population		212,237		252,812		276,299			
Households		80,989		95,826		104,375			
Families		56,716		66,785		72,617			
Average Household Size		2.60		2.62		2.63			
Owner Occupied Housing Units		55,590		66,417		73,762			
Renter Occupied Housing Units		25,399		29,409		30,613			
Median Age		34.7		36.5		36.9			
Trends: 2019 - 2024 Annual Rate		Area		State		National			
Population		1.79%		1.49%		0.77%			
Households		1.72%		1.47%		0.75%			
Families		1.69%		1.42%		0.68%			
Owner HHs		2.12%		1.77%		0.92%			
Median Household Income		2.68%		2.91%		2.70%			
		2019				2024			
Households by Income		Number		Percent		Number		Percent	
<\$15,000		5,652		5.9%		4,689		4.5%	
\$15,000 - \$24,999		4,815		5.0%		3,832		3.7%	
\$25,000 - \$34,999		6,859		7.2%		5,777		5.5%	
\$35,000 - \$49,999		11,399		11.9%		10,928		10.5%	
\$50,000 - \$74,999		19,060		19.9%		19,078		18.3%	
\$75,000 - \$99,999		14,448		15.1%		15,625		15.0%	
\$100,000 - \$149,999		19,701		20.6%		24,821		23.8%	
\$150,000 - \$199,999		8,582		9.0%		12,299		11.8%	
\$200,000+		5,310		5.5%		7,325		7.0%	
Median Household Income		\$75,161				\$85,783			
Average Household Income		\$92,479				\$106,326			
Per Capita Income		\$35,067				\$40,182			
		Census 2010		2019		2024			
Population by Age		Number		Percent		Number		Percent	
0 - 4		15,168		7.1%		16,638		6.6%	
5 - 9		16,065		7.6%		17,054		6.7%	
10 - 14		16,053		7.6%		17,632		7.0%	
15 - 19		15,677		7.4%		16,865		6.7%	
20 - 24		13,918		6.6%		15,528		6.1%	
25 - 34		30,138		14.2%		37,118		14.7%	
35 - 44		29,710		14.0%		34,485		13.6%	
45 - 54		31,808		15.0%		32,456		12.8%	
55 - 64		22,765		10.7%		31,636		12.5%	
65 - 74		11,995		5.7%		20,741		8.2%	
75 - 84		6,767		3.2%		9,302		3.7%	
85+		2,173		1.0%		3,357		1.3%	
		Census 2010		2019		2024			
Race and Ethnicity		Number		Percent		Number		Percent	
White Alone		174,295		82.1%		203,506		80.5%	
Black Alone		10,254		4.8%		12,795		5.1%	
American Indian Alone		1,744		0.8%		2,186		0.9%	
Asian Alone		7,018		3.3%		8,865		3.5%	
Pacific Islander Alone		525		0.2%		630		0.2%	
Some Other Race Alone		7,988		3.8%		10,811		4.3%	
Two or More Races		10,414		4.9%		14,019		5.5%	
Hispanic Origin (Any Race)		26,719		12.6%		36,913		14.6%	

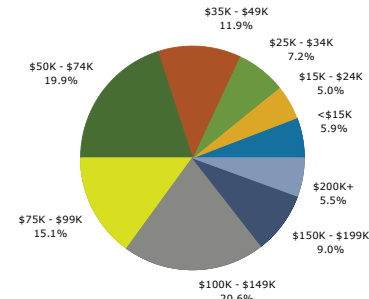
Trends 2019-2024



Population by Age



2019 Household Income



2019 Population by Race

