

Walgreens

WALGREENS

Marcus & Millichap

EXCLUSIVE OFFERING MEMORANDUM



OFFERING

MEMORANDUM



606 N Broadway Street
Johnson City, TN 37601

Confidentiality and Disclaimer

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Johnson City, TN 37601

Walgreens

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)



Investment Highlights

PRICE: \$4,475,000 | CAP: 6.67% | RENT: \$298,500

Walgreens

About the Investment

- ✓ Long-Term Lease with 13 Years of Guaranteed Term and Another Fifty Years Worth of Tenant Renewal Options
- ✓ Passive Investment Offering a Long-Term Security of Cash Flow
- ✓ True Triple-Net (NNN) Lease
- ✓ Walgreens Co. | Strong BBB Investment Grade Credit Tenant

About the Location

- ✓ Strong Academic Presence | Located Three Miles from East Tennessee State University | Total Enrollment Exceeds 10,000
- ✓ Situated on the Hard Corner of a Four-Way Intersection
- ✓ Strong Traffic Counts | E Houston Ave and I-26 | Average Traffic Count Per Day Exceeds 7,282 and 40,000 Vehicles
- ✓ Compelling Location Fundamentals | Located Less Than Four-Miles from Johnson Medical Center | A 445-Bed Medical Center
- ✓ Located Less than a Half-Mile from the American Heater Water Co. Headquarters | Sixth Largest Employer in Johnson City with over 1194 Employees

About the Tenant / Brand

- ✓ S&P: 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



Representative Photo





Financial Analysis

PRICE: \$4,475,000 | CAP: 6.67% | RENT: \$298,500

Walgreens

PROPERTY DESCRIPTION

Property	Walgreens
Property Address	606 N Broadway Street
City, State ZIP	Johnson City, TN 37601
Building Size (SF)	13,650
Lot Size (Acres)	+/- 1.80 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$4,475,000
CAP Rate	6.67%
Annual Rent	\$298,500
Rent Per Square Foot	\$21.87

LEASE SUMMARY

Property Type	Net Lease Pharmacy
Tenant / Guarantor	Walgreen Co.
Original Lease Term	75 Years
Lease Commencement	October 27 th , 2008
Lease Expiration	October 31, 2083, Cancellation Option Every 12 Months After 2033
Lease Term Remaining	13 Guaranteed Years
Lease Type	Triple-Net (NNN) Lease
Roof & Structure	Tenant's Responsibility
Rental Increases	None
Options to Renew	Fifty (50), One-Year (1) Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Years 1 - 75	\$298,500	\$24,875	None

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens located at 606 N Broadway Street in Johnson City, TN. The site consists of roughly 13,650 rentable square feet of building space on estimated 1.80-acre parcel of land. This Walgreens asset is subject to a long term, 75-year absolute triple-net (NNN) lease with termination options every 12 months starting in November of 2033. The current annual rent is \$298,500.





Concept 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 8,100 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.



General Information

Address	Deerfield, IL
Website	www.Walgreens.com
Founded	1901
Locations	8,100
Chairman/CEO	Gregory D. Wasson



Location Overview

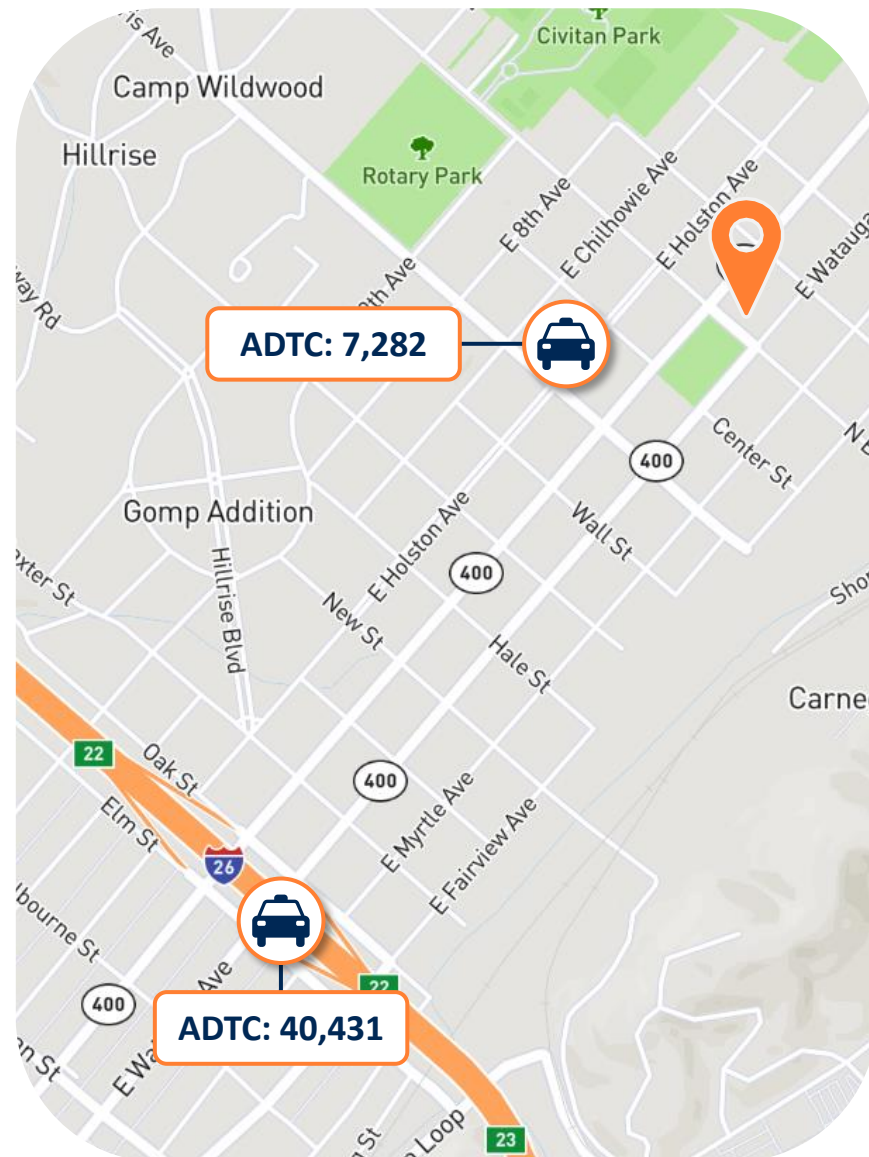
606 N Broadway Street, Johnson City, TN 37601

The subject property is situated on the hard corner of N Broadway Street and E Unaka Ave. E Unaka Ave runs parallel to E Houston Ave which boasts average daily traffic counts exceeding 7,282 vehicles. E Houston Ave intersects with I-26 which brings an additional 40,431 vehicles into the immediate area daily. There are approximately 40,732 individuals within a three-mile radius and 75,972 individuals within a five-mile radius.

The property is well positioned in a mainly residential neighborhood across the street from Carnegie Park. Carnegie Park is a 5-acre neighborhood park established in 1945. The park consists of two girl's lighted softball fields, a restroom shelter, basketball court and playground. The subject property benefits from being located less than four miles from the Johnson City Medical Center. The Johnson City Medical Center is a major medical center in northern Tennessee with over 445-beds. This Walgreens is located within a five-mile radius of several academic institutions. Most notable of these being East Tennessee State University, located three miles from the subject property with over 10,000 students enrolled. This Walgreens benefit from being located less than a half mile from the American Water Heater Co., headquarters. American Water Heater Co. is the sixth largest employer in Johnson City with over 1194 employees.

Johnson City is a city in Washington, Carter, and Sullivan counties in the U.S. state of Tennessee, with most of the city being in Washington County. Johnson City is the principal city of the Johnson City Metropolitan Statistical Area, which covers Carter, Unicoi, and Washington counties. The MSA is also a component of the Johnson City-Kingsport-Bristol, TN-VA Combined Statistical Area – commonly known as the "Tri-Cities" region. This CSA is the fifth-largest in Tennessee. Johnson City is an economic hub largely fueled by East Tennessee State University and the medical "Med-Tech" corridor, anchored by the Johnson City Medical Center, Franklin Woods Community Hospital, ETSU's Gatton College of Pharmacy and ETSU's Quillen College of Medicine. Johnson City is ranked #35 "Best Small Place for Business and Careers" in the USA. Johnson City is ranked the #65 "Best Small Place for Business and Careers" in the US by Forbes, and #5 in Kiplinger's list of "The 10 Least-Expensive Cities For Living in the U.S.A." stating the low cost of living is attributed to affordable homes and below-average utility, transportation and health-care costs.

Walgreens





Surrounding Area

606 N Broadway Street, Johnson City, TN 37601

Walgreens

CARNEGIE PARK

Walgreens

 **REGIONS**



**Super Hydro-
Pressure Car Wash**





Property Photo

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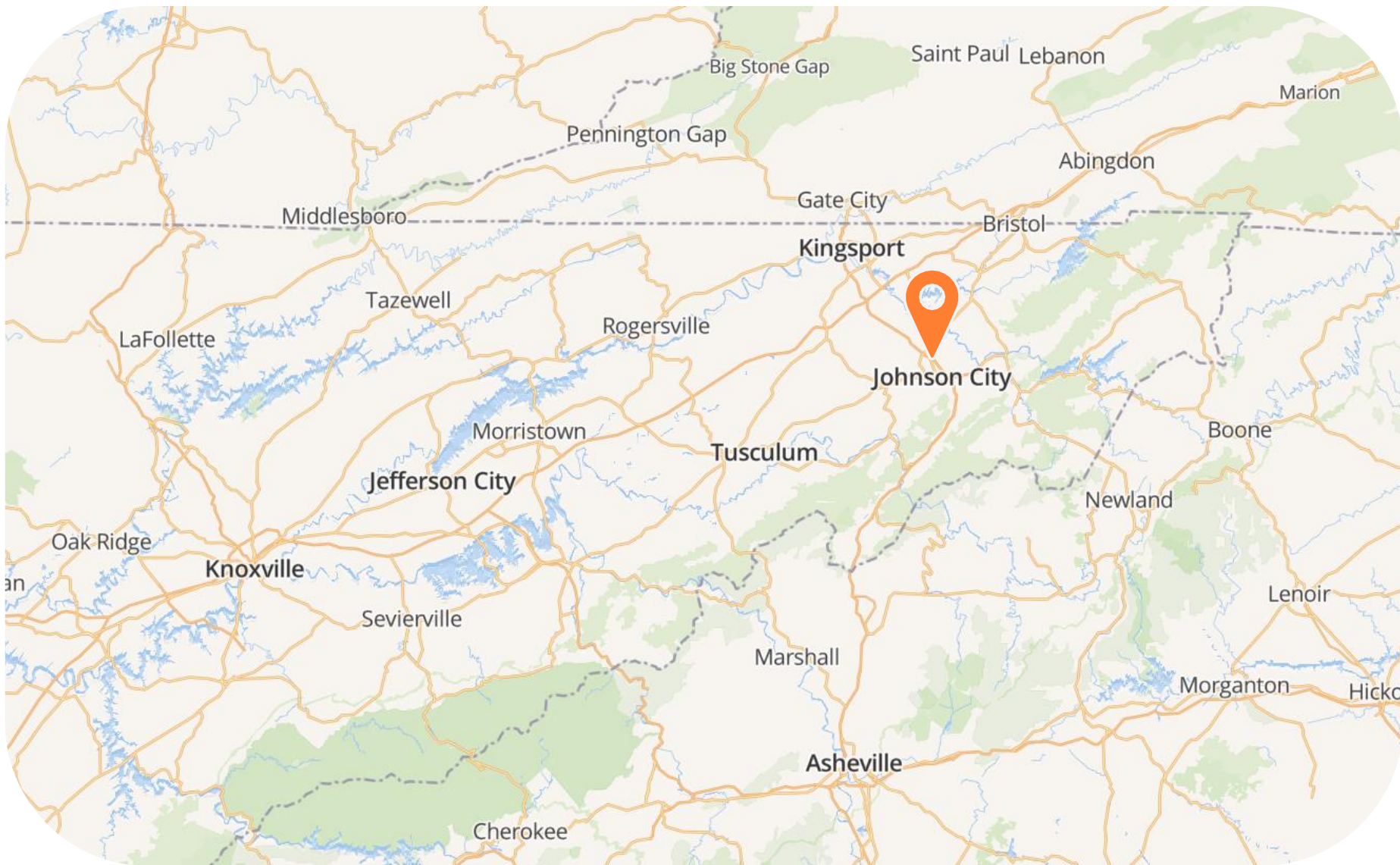




Local Map

606 N Broadway Street, Johnson City, TN 37601

Walgreens

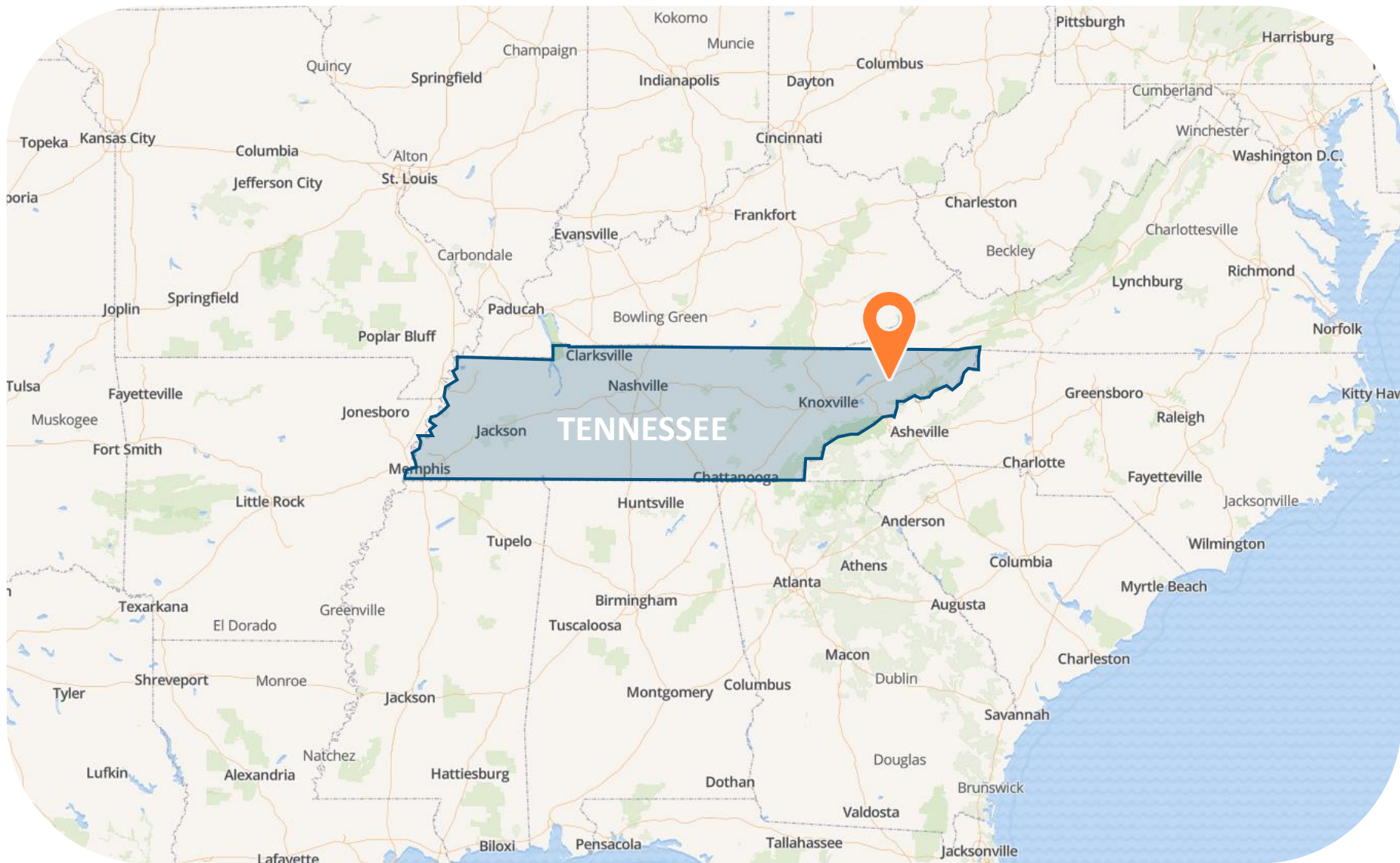




Regional Map

606 N Broadway Street, Johnson City, TN 37601

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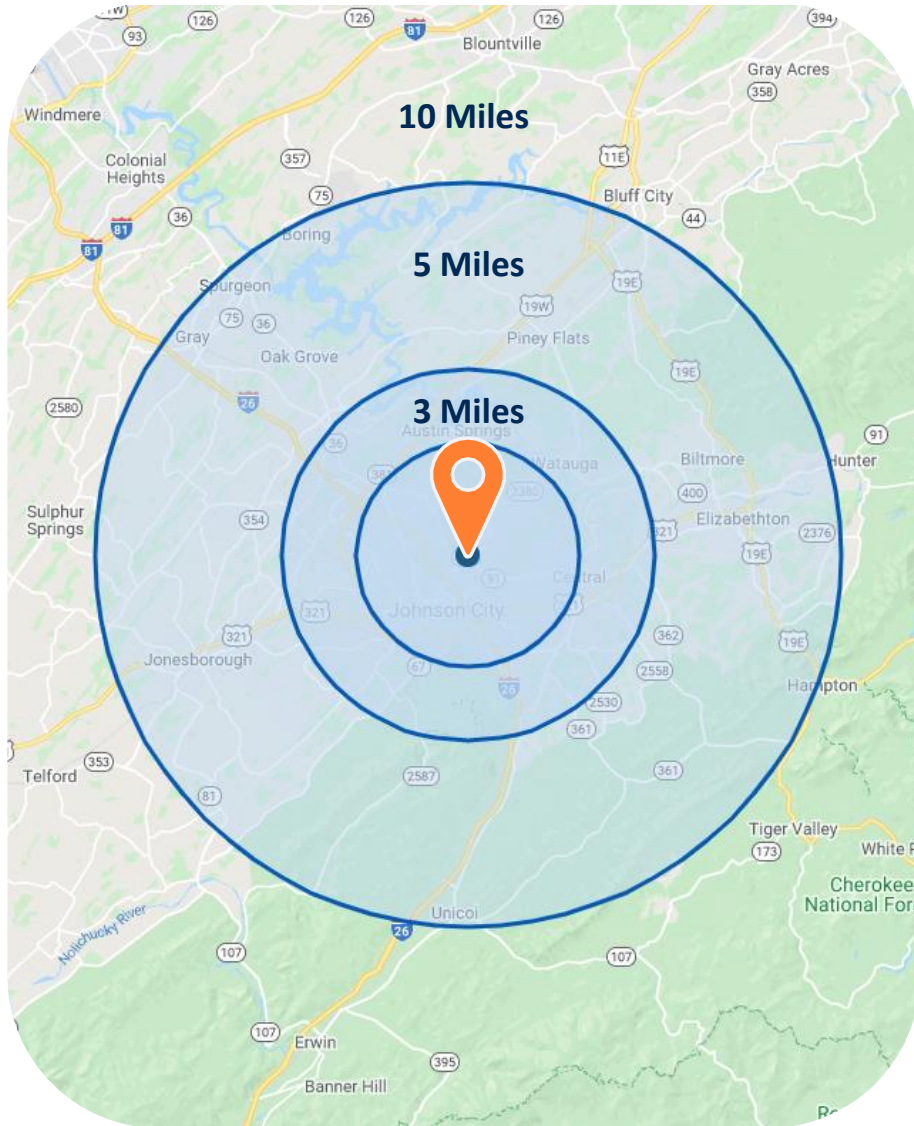




Demographics

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	3 Miles	5 Miles	10 Miles
POPULATION			
2024 Projection	41,069	77,103	159,214
2019 Estimate	40,732	75,972	155,528
2010 Census	40,060	74,180	150,257
2000 Census	37,611	68,199	136,831
INCOME			
Average	\$56,350	\$63,753	\$65,377
Median	\$36,244	\$42,314	\$44,134
Per Capita	\$25,616	\$28,321	\$28,347
HOUSEHOLDS			
2024 Projection	18,227	33,928	68,858
2019 Estimate	17,850	33,035	66,584
2010 Census	17,206	31,704	63,564
2000 Census	16,386	28,852	57,064
HOUSING			
2019	\$152,793	\$162,372	\$158,608
EMPLOYMENT			
2019 Daytime Population	74,401	108,375	176,714
2019 Unemployment	5.09%	4.51%	4.15%
2019 Median Time Traveled	18	19	21
RACE & ETHNICITY			
White	83.03%	86.18%	90.81%
Native American	0.05%	0.05%	0.04%
African American	9.21%	6.60%	3.99%
Asian/Pacific Islander	1.70%	1.97%	1.39%

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