



WALGREENS

ABSOLUTE NNN WITH 12+ YEARS REMAINING – INFILL CENTRAL VALLEY

FRESNO, CA



CAPITAL PACIFIC

Contact the team

CHRIS KOSTANECKI

ck@capitalpacific.com

PH: 415.274.2701

CA DRE# 01002010

ZEB RIPPLE

zripple@capitalpacific.com

PH: 415.274.2702

CA DRE# 01242540

CHRIS PETERS

cpeters@capitalpacific.com

PH: 415.274.2703

CA DRE# 01339983

TREVOR MORSE

tmorse@capitalpacific.com

PH: 415.274.2714

CA DRE# 01996197

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



Investment Summary



WALGREENS

2420 N BLACKSTONE AVE FRESNO, CA 93703 

\$5,474,000

PRICE

6.85%

CAP

NOI:

\$375,000

LEASE TYPE:

ABSOLUTE NNN

LEASE TERM:

25 YEARS

LEASABLE AREA:

14,740 SF

LAND AREA:

1.10 ACRES

YEAR BUILT:

2008

**CORPORATE LEASE WITH DRIVE-THRU
PHARMACY; SIGNALIZED INTERSECTION
LOCATION**

Investment Highlights



THE OFFERING

An opportunity for an investor to acquire an absolute NNN, corporate Walgreens located on a heavily trafficked intersection in Fresno, just north of the downtown district. The property features assumable, non recourse, self-amortizing debt and over 12 years of primary term remaining, with 50 one-year options. The attractively constructed building features prominent pylon signage on the corner of N Blackstone Ave and E Clinton Ave, as well as a drive-thru pharmacy pick up window.

Walgreens is well-positioned within the Midtown East submarket of Fresno. Easily accessible from State Route 41, the subject property shares a signalized intersection with Smart & Final, Starbucks, and Family Dollar, creating a synergistic mix of daily needs tenants. Additionally, Walgreens is a 7-minute walk from Fresno City College, California's first community college and a major driver to the area, serving over 22,000 students.

HIGHLIGHTS

- **Corporate Abs. NNN Lease with zero landlord obligations**
- **12+ years remaining in the primary term with assumable, non-recourse, self-amortizing debt which eliminates long term refi risk**
- **“Essential Service” tenant that remains open and operating during the Coronavirus Pandemic**

DESIRABLE LOCATION

- **Located on a signalized intersection with excellent street visibility**
- **Densely populated surrounding area (399,000+ residents within a 5-mile radius)**
- **Minutes away from Fresno City College (22,000+ students)**

Income & Expense

		CURRENT
Price:		\$5,474,000
Capitalization Rate:		6.85%
Price Per Square Foot:		\$371.37
Down Payment	56%	\$3,087,662
Loan Amount	44%	\$2,386,338
Total Rentable Area (SF):		14,740
Lot Size (AC):		1.10
STABILIZED INCOME		PER SQUARE FOOT
Scheduled Rent	\$25.44	\$375,000
Effective Gross Income	\$25.44	\$375,000
LESS		PER SQUARE FOOT
Taxes	NNN	\$0.00
Insurance	NNN	\$0.00
Total Operating Expenses	NNN	\$0.00
EQUALS NET OPERATING INCOME		\$375,000

EXISTING FINANCING/CASH FLOW

CURRENT ASSUMABLE FINANCING	
Original Loan Amount	\$3,084,000
Outstanding Balance (est. as of 08/01/20)	\$2,386,338
Loan To Value	44%
Interest Rate	5.17%
Lender:	Riversource Life Insurance Co.
Recourse:	Non-Recourse
Amortization / Term	19.5
Net Operating Income	\$375,000
Debt Service	(\$251,362)
Pre-Tax Cash Flow	\$123,638
Debt Coverage Ratio	1.49
Pre-Tax Leveraged Cash-on-cash Return	4.00%
Est. Principal Pay down (Year 1 of Ownership)	\$125,011
Total Return	\$248,649
Total Yield	8.05%



Rent Roll

TENANT INFO		LEASE TERMS		RENT SUMMARY				
TENANT	SQ. FT.			CURRENT RENT	MONTHLY RENT	YEARLY RENT	MONTHLY RENT/FT	YEARLY RENT/FT
Walgreens	14,740	07/27/08	07/31/33	\$375,000	\$31,250	\$375,000	\$2.12	\$25.44
TOTALS:	14,740			\$2,604.17	\$31,250.00	\$375,000	\$2.12	\$25.44

Tenant has 50 one-year extension options with a flat annual rent of \$375,000, and must give 12 months prior written notice before terminating the Lease.

Lease Abstract

Walgreens

RENT

BASE RENT

DATE RANGE	MONTHLY RENT	ANNUAL RENT
07/27/08 - 07/31/33	\$31,250	\$375,000

OPTION RENTS

Tenant has 50 one-year extension options with a flat annual rent of \$375,000, and must give 12 months prior written notice before terminating the Lease.

The details contained within the Lease Abstract are provided as a courtesy to the recipient for purposes of evaluating the Property's initial suitability. While every effort is made to accurately reflect the terms of the lease document(s), many of the items represented herein have been paraphrased, may have changed since the time of publication, or are potentially in error. Capital Pacific and its employees explicitly disclaim any responsibility for inaccuracies and it is the duty of the recipient to exercise an independent due diligence investigation in verifying all such information, including, but not limited to, the actual lease document(s).

PREMISES & TERM

TENANT	Walgreen Co.
LEASE TYPE	Absolute NNN
LEASE TERM	25 years
LEASE EXPIRATION	07/31/2033
OPTIONS	50 one-year options

EXPENSES

TAXES

Tenant pays directly to the taxing authority

INSURANCE

Tenant carries and maintains special form insurance as well as public liability and property damage insurance

UTILITIES

Tenant pays all utilities directly

MAINTENANCE

Tenant is responsible

LANDLORD'S OBLIGATIONS

No Landlord obligations.

ADDITIONAL LEASE PROVISIONS

PERCENTAGE RENT

If 2% of Gross Sales (except Gross Sales from sale of food items) plus 0.5% of such Gross Sales shall exceed the fixed rent for any lease year, then Tenant shall pay Landlord the amount of such excess as additional percentage rent annually

RIGHT OF FIRST REFUSAL

If Landlord receives a Bona Fide Offer to purchase the Premises, Tenant shall be notified and will have 14 days to purchase at the same price and terms

Site Plan

- sf**
14,740
RENTABLE SF
- ac**
1.10
ACRES
- 
53
SPACES



This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

Tenant Overview



ABOUT WALGREENS

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led health and well-being enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots of England in December 2014, bringing together two leading companies with iconic brands, a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care.

Walgreens provides about 80% of the revenue and profits of WBA. The parent company employs over 385,000 people and has a presence in more than 25 countries. It is the largest retail pharmacy, health and daily living destination in the USA and Europe.

Walgreens Boots Alliance has more than 14,300 stores, and the **largest global pharmaceutical wholesale and distribution network** with over 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in 20 countries. In addition, Walgreens Boots Alliance is the world's largest purchaser of prescription drugs and many other health and wellbeing products. Its portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare.

Walgreens is **the largest drugstore chain in the U.S. with fiscal 2019 sales of more than \$136.8 billion**. Founded with a single store in Chicago in 1901, Walgreens today has more than 9,560 drugstores.

9,560+

LOCATIONS IN ALL 50 STATES,
PUERTO RICO, AND THE U.S.
VIRGIN ISLANDS

Subject Property



Surrounding Retail



Retail Aerial



DOWNTOWN FRESNO

SEQUOIA-KINGS CANYON FREEWAY

109,000
VPD

FRESNO CITY COLLEGE

22,000+ STUDENTS
ENROLLED

180

SAN JOAQUIN
MEMORIAL
HIGH SCHOOL



RATCLIFFE
STADIUM



PHILLIP J PATIÑO
SCHOOL OF
ENTREPRENEURSHIP



12,985
VPD



E TERRACE AVENUE



N BLACKSTONE AVENUE



35,508
VPD



This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

Zoomed-In Aerial



E SHIELDS AVENUE

23,374
VPD



Denny's

Best
Western

U-HAUL



35,508
VPD



Auto
Zone

41

VETERANS
AFFAIRS
MEDICAL
CENTER

13,366
VPD



149,000
VPD

Smart & Final
extra!

E CLINTON AVENUE

FAMILY
DOLLAR

E CLINTON AVENUE



FRESNO
CITY
COLLEGE

FRESNO
CITY
CENTER



41

16,562
VPD

cricket
wireless

Aaron's

CITY OF
FRESNO



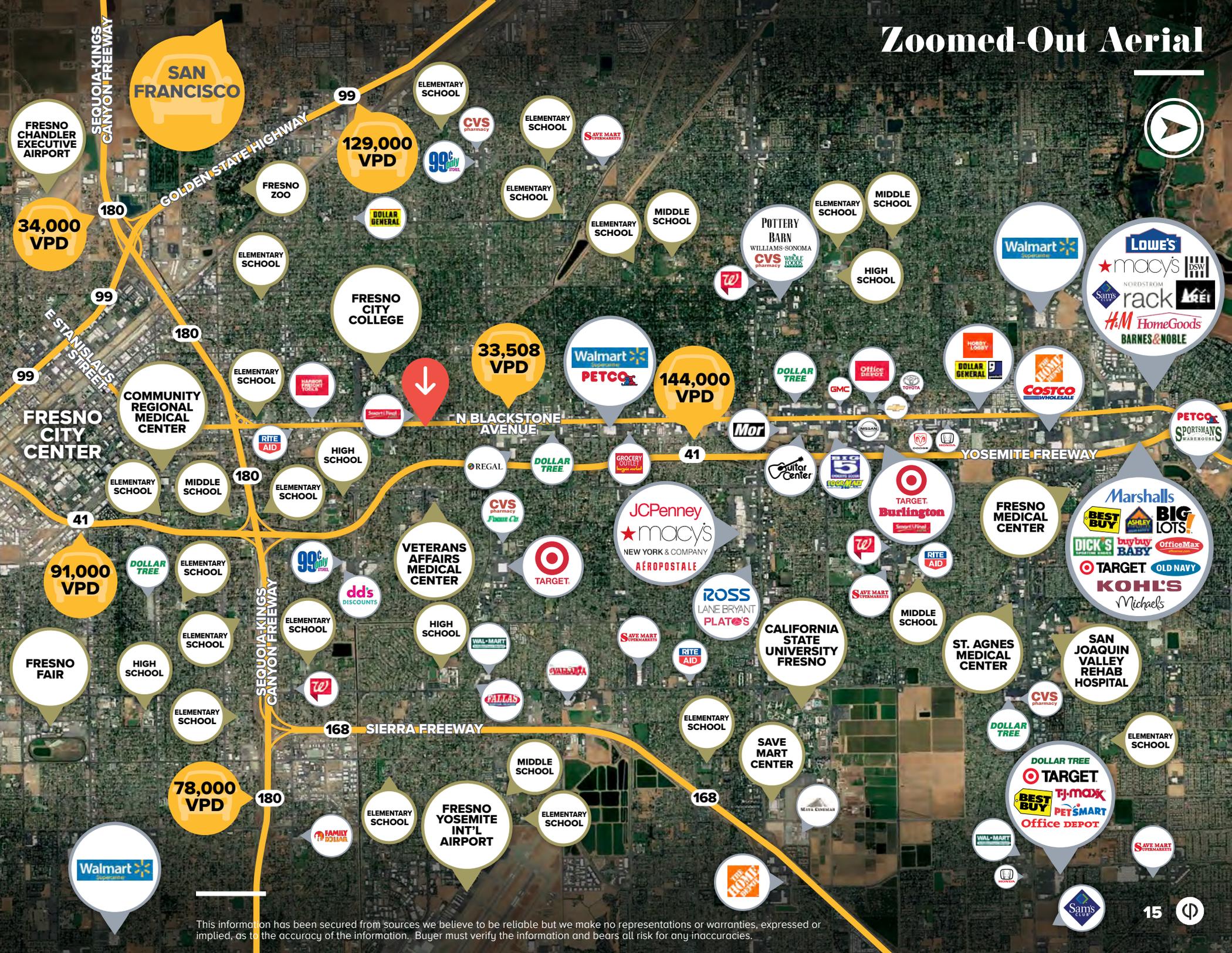
W MCKINLEY AVENUE

W MCKINLEY AVENUE

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



Zoomed-Out Aerial



This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



Demographics



POPULATION

	1-MILE	3-MILES	5-MILES
2010	17,512	175,317	388,389
2019	18,292	178,843	399,929
2024	18,758	181,741	407,931

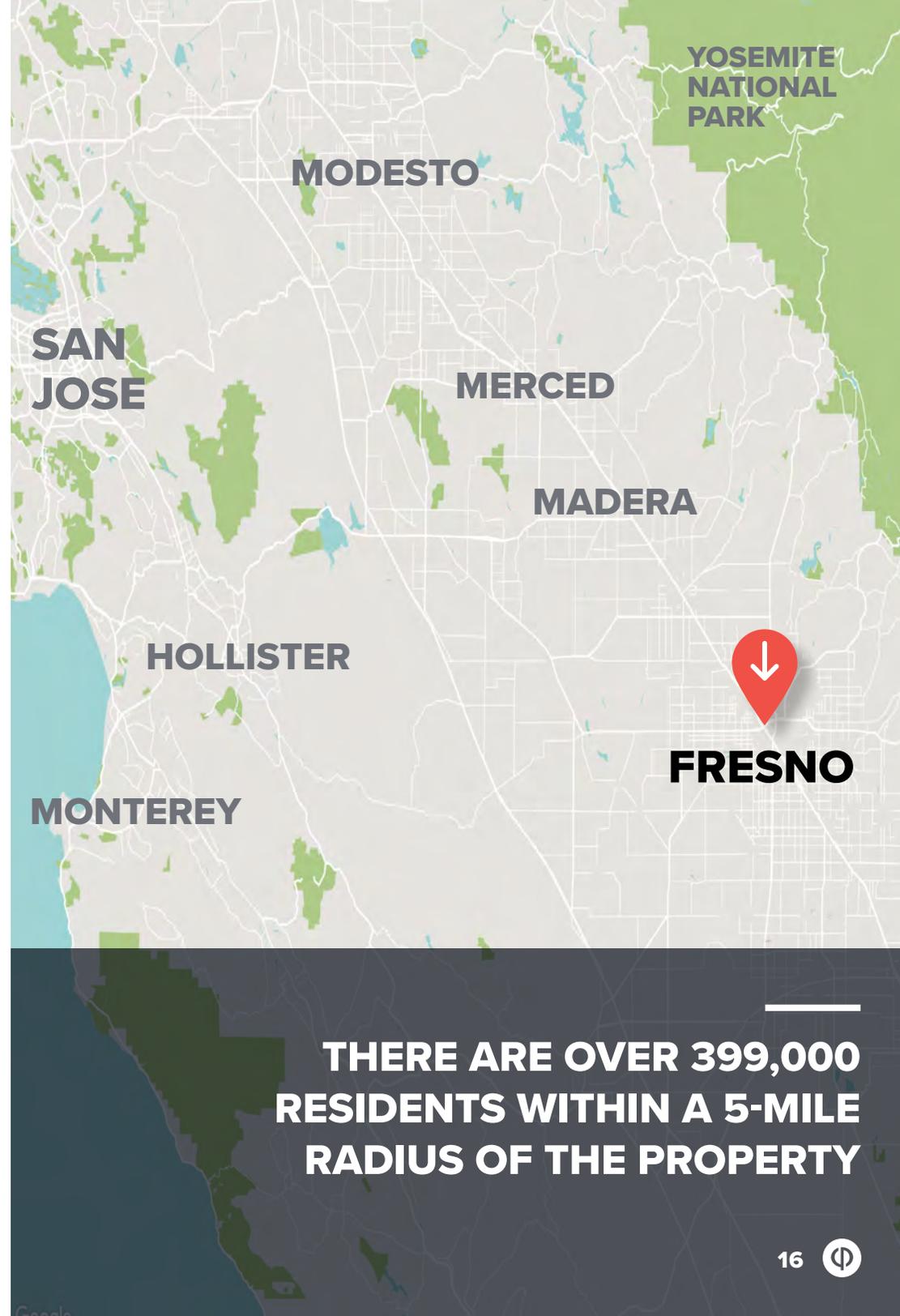


2019 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$51,044	\$51,593	\$55,254

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Fresno United School District	9,586+
Clovis Community Medical Center	7,800+
City of Fresno	2,894
Saint Agnes Medical Center	2,547
Kaiser Permanente Fresno	2,350



**THERE ARE OVER 399,000
RESIDENTS WITHIN A 5-MILE
RADIUS OF THE PROPERTY**

FRESNO, CALIFORNIA



DOWNTOWN FRESNO

FRESNO is located in central California, within a three hour drive from Los Angeles, the San Francisco Bay Area, and Sacramento. Fresno is California's 5th largest city.

The unincorporated area and rural cities surrounding Fresno remain predominantly tied to large-scale agricultural production. Fresno County is known as the Agricultural Capital of the World producing 350 crops worth approximately \$6.8 billion.

Fresno County is home to several universities, such as California State University - Fresno, National University, Fresno Pacific University, Fresno City College, West Hills Community College, as well as an abundance of trade and technology institutions. The Save Mart Center on the campus of Fresno State University, is a venue for national touring concert acts, as well as Fresno State home basketball games.

FRESNO SERVES AS THE ECONOMIC HUB of Fresno County and California's San Joaquin Valley. Due to its central location within the state, Fresno County is home to numerous distribution centers, including those for Amazon, ULTA, Kraft Foods, and Gap. International freight shipments to and from the entire region flow through the Fresno Yosemite International Airport, a direct port of entry. The nation's largest parcel carriers, FedEx, UPS, and DHL, operate out of the airport.

1.01 MILLION



**FRESNO COUNTY
POPULATION
(ESTIMATED)**

EXCERPTS FROM: ON THE RISE? THE CENTRAL VALLEY IS BEATING THE BAY AREA AND L.A. IN KEY MEASURES

Jan. 7, 2019 (The Sacramento Bee) It may be time to stop thinking of the Central Valley as the downtrodden sibling to California's coastal powers. By some measures, the Central Valley outperformed the Bay Area and Southern California in 2018, according to state population and economic figures.

Population growth in the Valley outpaced gains in both the Bay Area and Southern California. Job growth here was on par with gains in the Bay and was stronger than the Los Angeles/San Diego megaregion. And while the Bay Area and L.A. continue to lose residents to other parts of the state and nation, the Valley made gains in 2018.

Of the 20 fastest-growing counties in the state last year, 12 were in the Central Valley.

One theory that could explain the Valley's robust growth, said state demographer Ethan Sharygin: "Families are starting there and growing." Many Valley counties had strong birth rates, suggesting residents planting roots in the region are doing so to have children in a place far more affordable than the coastal counties.

There's more. California's population growth in recent years has been driven primarily by births and immigration from other countries. But the Valley is also seeing an influx of new residents from other parts of the United States — most notably from the expensive coastal regions of California. The Valley added roughly 8,400 residents last year through net domestic migration, state figures show.

The Valley also added lots of jobs last year. The number of employed people in the labor force rose 2.6 percent in the 17-county region. By comparison, the Bay Area region saw a 2.9 percent in overall jobs, while the Los Angeles-San Diego-Inland Empire area had a job-growth rate of 1.4 percent.

[READ THE FULL ARTICLE](#)



Contact us.

CHRIS KOSTANECKI

ck@capitalpacific.com

PH: 415.274.2701

CA DRE# 01002010

CHRIS PETERS

cpeters@capitalpacific.com

PH: 415.274.2703

CA DRE# 01339983

ZEB RIPPLE

zripple@capitalpacific.com

PH: 415.274.2702

CA DRE# 01242540

TREVOR MORSE

tmorse@capitalpacific.com

PH: 415.274.2714

CA DRE# 01996197

CAPITALPACIFIC.COM

CAPITAL PACIFIC COLLABORATES.
CLICK [HERE](#) TO MEET OUR
SAN FRANCISCO TEAM.



CAPITAL PACIFIC

Copyright © 2020 Capital Pacific Partners

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.