

SINGLE TENANT NNN

Investment Opportunity

Walgreens

W/ Drive-Thru Pharmacy



1840 Portland Road | Newberg, Oregon

PORTLAND MSA

ACTUAL SITE



EXCLUSIVELY PRESENTED BY

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PROPERTY PHOTO





SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an NNN leased, Walgreens investment property located in Newberg, OR. The tenant, Walgreen Co., recently signed a new 12-year lease extension with 6 (5-year) options to extend, demonstrating their commitment to the site. The lease features variable rental increases every 5 years throughout the initial term and at the beginning of each option period. The lease is NNN with landlord responsibilities limited to roof, structure, and utility systems, making it an ideal, low management investment opportunity for a passive investor.

Walgreens is located between two signalized, hard corner intersections along State Highway 219 / E. 1st Street and Portland Road, two arterial thoroughfares traveling through Newberg averaging 78,800 combined vehicles passing by daily. The site benefits from multiple points of ingress/egress from 3 directions, with superior consumer exposure via large pylon sign along Portland Road. The building is complete with a drive-thru pharmacy, providing ease and convenience to consumers. Walgreens is also positioned directly across from Grocery Outlet, a dominant regional grocer chain along the West Coast, significantly increasing consumer draw. Grocery Outlet stores do not include pharmacy branches, promoting crossover shopping to the subject property. Other nearby national/credit tenants within the Portland Road retail corridor include Safeway, Fred Meyer, Ace Hardware, AutoZone, Domino's, and more, further increasing consumer draw to the immediate trade area. The 5-mile trade area is supported by nearly 37,000 residents and more than 13,000 employees with a healthy average household income approaching \$91,000.

PROPERTY PHOTOS



OFFERING SUMMARY



OFFERING

Pricing	\$4,655,000
Net Operating Income	\$293,281
Cap Rate	6.30%
Guaranty	Corporate
Tenant	Walgreens Co.
Lease Type	NNN
Landlord Responsibilities	Roof, Structure & Utility Systems
Sales Reporting	Yes - Contact Agent for Details

PROPERTY SPECIFICATIONS

Rentable Area	14,418 SF
Land Area	2.54 Acres
Property Address	1840 Portland Road, Newberg, OR 97132
Year Built	2000
Parcel Number	R3220BA 01100 & R3220BA 01600
Ownership	Fee Simple (Land & Building Ownership)



Corporate Guaranteed Lease | Options To Extend | Demonstrated Commitment to Site

- Walgreen Co. corporate guaranteed lease
- 12 years remaining with 6 (5-year) option periods to extend
- Recent extension signed in 2020 shows the strength of and Walgreens' belief in the location

NNN Lease | Fee Simple Ownership | Limited Landlord Responsibilities

- Tenant pays for CAM, taxes, insurance and maintains most aspects of the premises
- Landlord responsibilities limited to roof, structure, and utility systems
- Ideal, low management investment for an out-of-state, passive investor

Large Pylon Sign | Drive-Thru Pharmacy | Across From Dominant Grocer | Dense Retail Corridor

- The subject property is located between two signalized hard corner intersections of arterial Newberg thoroughfares (78,800 combined VPD)
- Pylon sign provides excellent visibility along Portland Road
- Across from Grocery Outlet, a pharmacy-less dominant grocer along the West Coast, promoting crossover shopping to the site
- Strong tenant synergy and broader national/credit tenant presence promotes crossover shopping to the immediate trade area

Demographics In 5-mile Trade Area | Healthy Incomes

- Nearly 37,000 residents and more than 13,000 day-time employees support the trade area
- Healthy average household income approaching \$91,000

PROPERTY OVERVIEW



Location

Newberg, OR
Yamhill County
Portland MSA



Parking

There are approximately 49 parking spaces on the owned parcel. Ownership pays ground rent for rights to an additional 35 spaces.
(84 total | 5.83 Spaces per 1,000 SF)



Access

1 Access Point: Portland Road
2 Access Points: N. Everest Road
1 Access Point: E. 1st Street



Parcel

Parcel Number: R3220BA 01100 & R3220BA 01600
Acres: 2.54
Square Feet: 110,642 SF



Traffic Counts

Portland Rd/St Hwy 99W:
33,500 Vehicles Per Day
E. 1st St/St Hwy 219:
45,300 Vehicles Per Day



Construction

Year Built: 2000



Improvements

There is approximately
14,418 SF of existing building area



Zoning

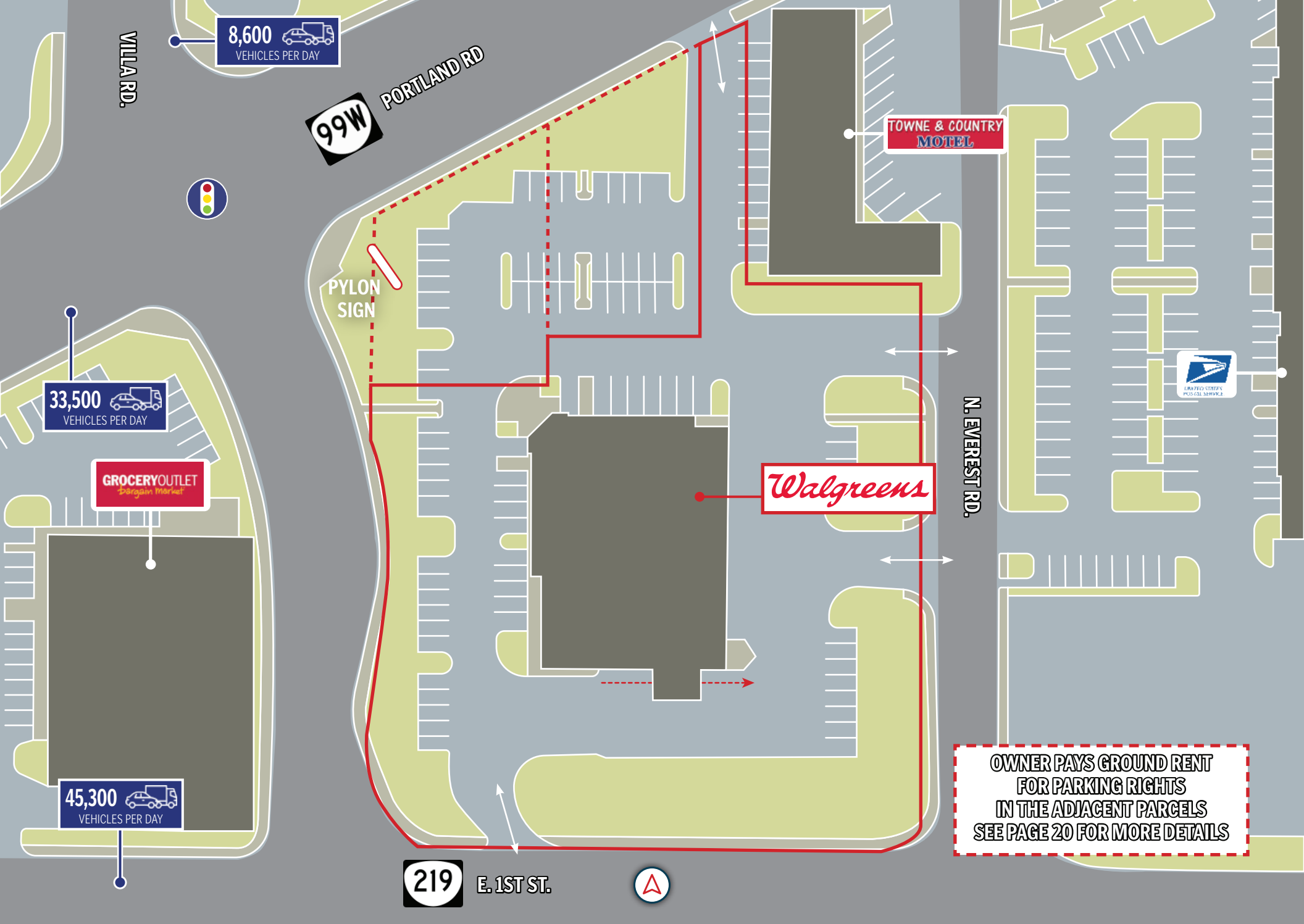
C-2 Community Commercial







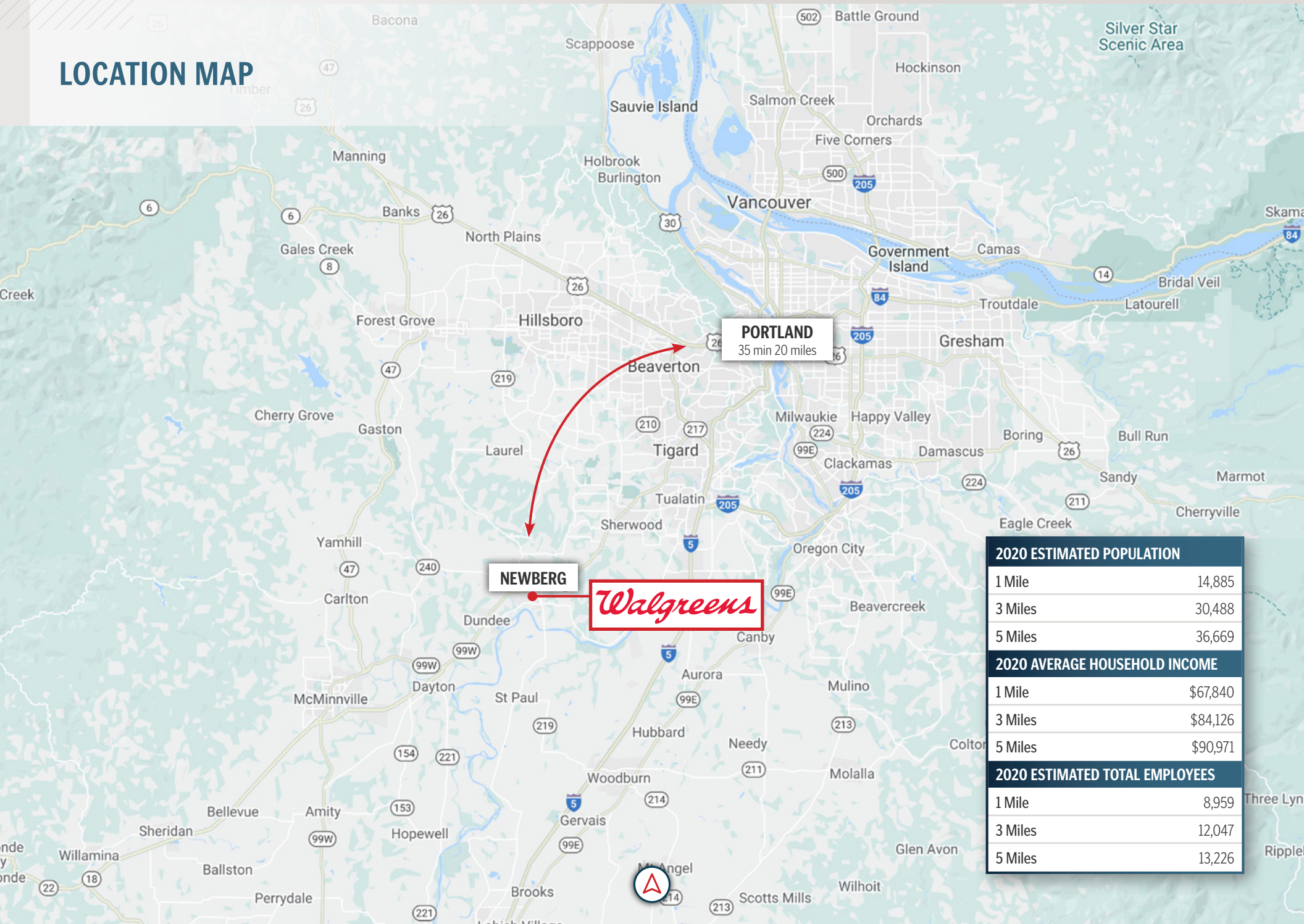




PROPERTY PHOTO



LOCATION MAP



2020 ESTIMATED POPULATION	
1 Mile	14,885
3 Miles	30,488
5 Miles	36,669
2020 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$67,840
3 Miles	\$84,126
5 Miles	\$90,971
2020 ESTIMATED TOTAL EMPLOYEES	
1 Mile	8,959
3 Miles	12,047
5 Miles	13,226

AREA OVERVIEW



NEWBERG, OREGON

Newberg, Oregon, in Yamhill County, is 15 miles SW of Beaverton, Oregon and 21 miles SW of Portland, Oregon. Newberg is a city located in Oregon's Chehalem Valley 20 miles southwest of Portland, sheltered on three sides by mountains, and sitting alongside the Willamette River. It is the gateway to three nationally recognized American Viticultural Areas. City has a population of 24,150 as of 2020. City's main street, Highway 99W, provides the main artery from Portland to Oregon beaches. The area's wineries are among the finest in the state and have achieved world attention for their pinot noir varieties.



Newberg's economy has traditionally been rural in nature. As the city with the second largest population in Yamhill County, Newberg serves as the commerce center for the eastern portion of the county's primarily agricultural economy. Newberg's economic base has become more diversified, including some of its home-grown industries that have evolved into national and international leaders in their respective fields.



The city of Newberg offers a wide variety of recreational opportunities. The area has numerous parks such as the Champoeg State Park, the Molalla River State Park, the Willamette Mission State Park and the Maud Williamson State Park. While in Newberg, a visit to the Oregon Museum of Science and Industry, the Portland Art Museum and the Evergreen Aviation Museum may prove interesting to those interested in the area's history.

Newberg is home to George Fox University and Portland Community College Newberg Center. It also has easy access to several other colleges and universities in the region. Portland Community College provides professional training and business development to help develop high-performing employees, managers and organizations. In addition, nearby Chemeketa Community College also provides convenient access to higher education for the communities throughout the region.



PORTLAND, OREGON

The City comprises an area of approximately 145 square miles in northwestern Oregon, with a population in excess of 619,000. Located astride the Willamette River at its confluence with the Columbia River, the City is the center of commerce, industry, transportation, finance, and services for a metropolitan area of more than two million people. The City is also the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest. The climate of the area is marked by warm, dry summers and mild-to-chilly, rainy winters. This climate is ideal for growing roses and for more than a century, Portland has been known as the “City of Roses”.



Portland is now positioned as the frontrunner to be the capital of the global green economy. Portland is home to one of the most significant concentrations in the U.S. of firms in the renewable energy, environmental services, recycling, and green building sectors. In particular, the city boasts notable concentrations of green building and wind energy firms, including the North American headquarters of Vestas and Iberdrola. The metro region is benefitting from an influx of solar energy firms.



Portland operates the third largest U.S. marine port on the West Coast and is the smallest population center on the West Coast with deep-draft container ship service. Located in the middle of an annual flow of goods on the Columbia/Snake river system and as well as on the Pacific Rim, the city offers regional businesses direct, low-cost freight transportation to the vast U.S. interior and destinations throughout Asia.

Portland has been referred to as one of the most environmentally friendly or green cities in the world. Portland is known for its large number of microbreweries and micro-distilleries, as well as its coffee enthusiasm. The city is home to Portland Community College, Portland State University, Oregon Health & Science University, University of Portland, Reed College, and Lewis & Clark College.

AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
POPULATION			
2020 Estimated Population	14,885	30,488	36,669
2025 Projected Population	15,549	32,092	38,621
2010 Census Population	13,742	27,715	33,319
Projected Annual Growth 2020 to 2025	0.88%	1.03%	1.04%
Historical Annual Growth 2010 to 2020	0.82%	0.96%	0.97%
HOUSEHOLDS & GROWTH			
2020 Estimated Households	5,300	10,890	13,127
2025 Projected Households	5,578	11,513	13,876
2010 Census Households	4,808	9,784	11,811
Projected Annual Growth 2020 to 2025	1.03%	1.12%	1.12%
Historical Annual Growth 2010 to 2020	1.00%	1.08%	1.07%
RACE & ETHNICITY			
2020 Estimated White	90.74%	91.74%	92.06%
2020 Estimated Black or African American	1.07%	0.91%	0.83%
2020 Estimated Asian or Pacific Islander	3.24%	3.00%	2.83%
2020 Estimated American Indian or Native Alaskan	0.88%	0.74%	0.74%
2020 Estimated Other Races	9.77%	6.89%	6.26%
2020 Estimated Hispanic	18.37%	13.68%	12.92%
INCOME			
2020 Estimated Average Household Income	\$67,840	\$84,126	\$90,971
2020 Estimated Median Household Income	\$51,216	\$67,721	\$74,788
2020 Estimated Per Capita Income	\$24,346	\$30,188	\$32,644
DAYTIME POPULATION			
2020 Estimated Total Businesses	735	1,076	1,298
2020 Estimated Total Employees	8,959	12,047	13,226



RENT ROLL & PRICING SUMMARY



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Walgreen Co.	14,418	Feb. 2002	Jan. 2032	Jan. 2021	-	\$34,541	\$2.40	\$414,490	\$28.75	NNN	6 (5-Year)
				Feb. 2023	-18%	\$28,375	\$1.97	\$340,500	\$23.62		5% incr. at beg. of each opt.
				Feb. 2028	5%	\$29,794	\$2.07	\$357,525	\$24.80		
Purchaser (Ground Lease 1)	14,418	Feb. 2000	Jan. 2032	Jan. 2021	-	\$2,096	-	\$25,156	-	NNN	Co-terminous
				Feb. 2023	10%	\$2,306	-	\$27,671	-		with Walgreens
				Feb. 2028	20%	\$2,772	-	\$33,269	-		
Purchaser (Ground Lease 2)	14,418	Feb. 2000	Jan. 2032	Jan. 2021	-	\$2,833	-	\$34,000	-	NNN	Co-terminous
				Feb. 2023	15%	\$3,258	-	\$39,100	-		with Walgreens
				Feb. 2028	15%	\$3,747	-	\$44,965	-		

11-YEAR HOLD	JAN-22	JAN-23	JAN-24	JAN-25	JAN-26	JAN-27	JAN-28	JAN-29	JAN-30	JAN-31	JAN-32
Building Rent	\$449,031	\$414,490	\$340,500	\$340,500	\$340,500	\$340,500	\$340,500	\$357,525	\$357,525	\$357,525	\$357,525
Ground Rent	(\$64,086)	(\$59,156)	(\$66,771)	(\$66,771)	(\$66,771)	(\$66,771)	(\$66,771)	(\$78,234)	(\$78,234)	(\$78,234)	(\$78,234)
NOI	\$384,945	\$355,334	\$273,729	\$273,729	\$273,729	\$273,729	\$273,729	\$279,291	\$279,291	\$279,291	\$279,291

NOTES

- Pricing is based on the average NOI over an 11-year hold period, beginning Jan. 2021 with Year 1 encompassing 13 months from 1/1/2021 to 1/31/2022.
- Purchaser shall have a 30-day ROFO to purchase the portion of land under Ground Lease 1
- Purchaser shall have a 30-day ROFR to purchase the portion of land under Ground Lease 2
- Walgreens has a 10-day ROFR to purchase the portions of land under Ground Leases 1 and 2 should Purchaser receive notice from Ground Lessor triggering such rights

PRICING SUMMARY

Price	\$4,655,000
Net Operating Income ⁽¹⁾	\$293,281
Cap Rate	6.30%
Lease Type	NNN

BRAND PROFILE



WALGREENS

walgreens.com

Company Type: Subsidiary

Parent: Walgreens Boots Alliance

2019 Employees: 232,000

2019 Revenue: \$136.87 Billion

2019 Net Income: \$3.98 Billion

2019 Assets: \$67.60 Billion

2019 Equity: \$23.51 Billion

Credit Rating: S&P: BBB

Walgreens, one of the nation's largest drugstore chains, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), a global leader in retail and wholesale pharmacy. Walgreens is proud to be a neighborhood health, beauty and retail destination supporting communities across the country, and was named to FORTUNE magazine's 2019 Companies that Change the World list. Approximately 8 million customers interact with Walgreens in stores and online each day. As of August 31, 2019, Walgreens operates 9,277 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, along with its omnichannel business, Walgreens.com. Walgreens also provides specialty pharmacy and mail services and offers in-store clinics and other health care services throughout the United States. Walgreens Boots Alliance is the parent company of Walgreens.



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NET LEASE
PROPERTIES SOLD
in 2019

\$1.5B

NET LEASE
TRANSACTION VALUE
in 2019

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