

Offering Memorandum



Walgreens

Birmingham, Alabama

Marcus & Millichap

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WALGREENS

2301 Center Point Parkway

Birmingham, AL 35215

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OFFICES NATIONWIDE AND THROUGHOUT CANADA

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WALGREENS

2301 Center Point Parkway, Birmingham, AL 35215

- ▶ NNN Lease, No Landlord Responsibilities
- ▶ In 2014, Walgreens Exercised an Early Lease Extension Through 2028 With Eight, 5-Year Renewal Options
- ▶ Walgreens Converted Lease From NN Into an Absolute Net Lease
- ▶ Roof Replaced in 2014
- ▶ Jefferson State Community College (10,000+ Students) is Located 2.1 Miles Away
- ▶ Located Along Major Thoroughfare With Numerous National Retailers Along Corridor
- ▶ High Visibility, Freestanding Signage
- ▶ Three Points of Ingress/Egress
- ▶ Walgreens is designated as an Essential Retail Business by the State of Alabama

OFFERING PRICE

\$4,234,468

CAP RATE

7.25%

GROSS LEASABLE AREA

13,905 SF

Tenant Name

Walgreens

Walgreens Boots Alliance, Inc., together with its subsidiaries, operates a network of drugstores in the United States. It provides consumer goods and services, pharmacy, and health and wellness services through drugstores, as well as through mail, and by telephone and online. The company provides specialty pharmacy services and sells prescription and non-prescription drugs; and general merchandise, including convenience and fresh foods, household items, personal care, photofinishing and candy, and beauty care. In addition, the company manages in-store convenient care clinics (Healthcare Clinics). It operates over 9,500 locations in 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. The company also manages approximately 400 Healthcare Clinics and provider practice locations.

Sales Volume

\$72B

Ownership

Public

Credit Rating

S&P: BBB

Number of Locations:

9,500+







Marcus & Millichap is pleased to present the fee simple interest in this 13,905 square foot Walgreens location in Birmingham, Alabama. The structure was built in 1998 at which time Walgreens signed a 20-year double net (NN) lease which commenced in December 1998. The success of the store prompted Walgreens to negotiate an extension of the base term through December 2028, converting the lease to absolute net thereby transferring all landlord obligations to maintain the property under the original lease to the tenant. The landlord concurrently agreed to replace the roof of the structure which was completed in 2014. The lease also provides Walgreens with eight, 5-year options to renew. Currently, there are 8.75 years remaining on the base lease term. Located approximately 10 miles northeast of Birmingham's central business district, the property is at a signalized intersection on Center Point Parkway (AL-75) which is a major north-south artery connecting the northern suburbs with direct access to Interstate 59 and downtown Birmingham. The property is less than two miles from Jefferson State Community College, a public school with over 10,000 students. The area benefits from average daily traffic counts of over 30,000 vehicles and is surrounded by numerous local and national retail tenants.

The property is located opposite a neighborhood retail plaza anchored by Dollar General, Dollar Tree, Radio Shack, Pizza Hut, Regions Bank and adjacent to a free-standing Dunkin Donuts. Other national retailers in the immediate vicinity include DaVita, Wells Fargo, Sonic Drive In, Papa John's and Waffle House. Within 1 mile are CVS, Walmart Neighborhood Market, McDonald's, AutoZone, Family Dollar and Advance Auto Parts. Centerpoint Parkway is known throughout the southeast for its dense population of retail and automotive dealerships. Jefferson State Community College is located about two miles west of the subject property and enrolls approximately 9,400 students and is one of the largest accredited two year colleges in the state and is located on a wooded 200 acre campus.

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THE OFFERING	
Property	Walgreens
Property Address	2301 Center Point Pkwy, Birmingham, AL 35215
Price	\$4,234,468
Capitalization Rate	7.25%
Price/SF	\$304.53

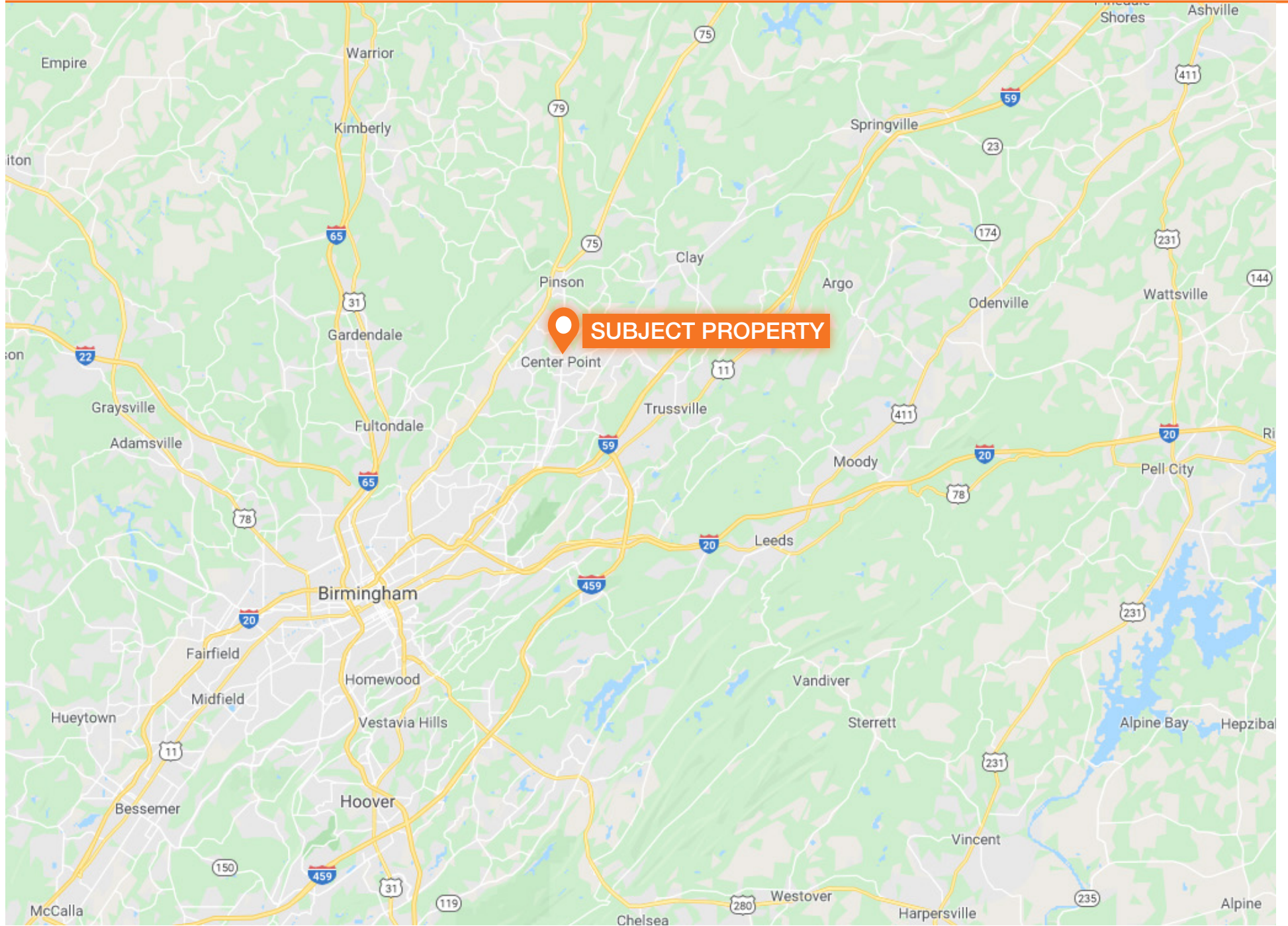
PROPERTY DESCRIPTION	
Year Built / Renovated	1998 / 2014
Gross Leasable Area	13,905 SF
Zoning	Retail
Type of Ownership	Fee Simple
Lot Size	2.08 Acres

ANNUALIZED OPERATING INFORMATION	
Income	
Net Operating Income	\$306,999

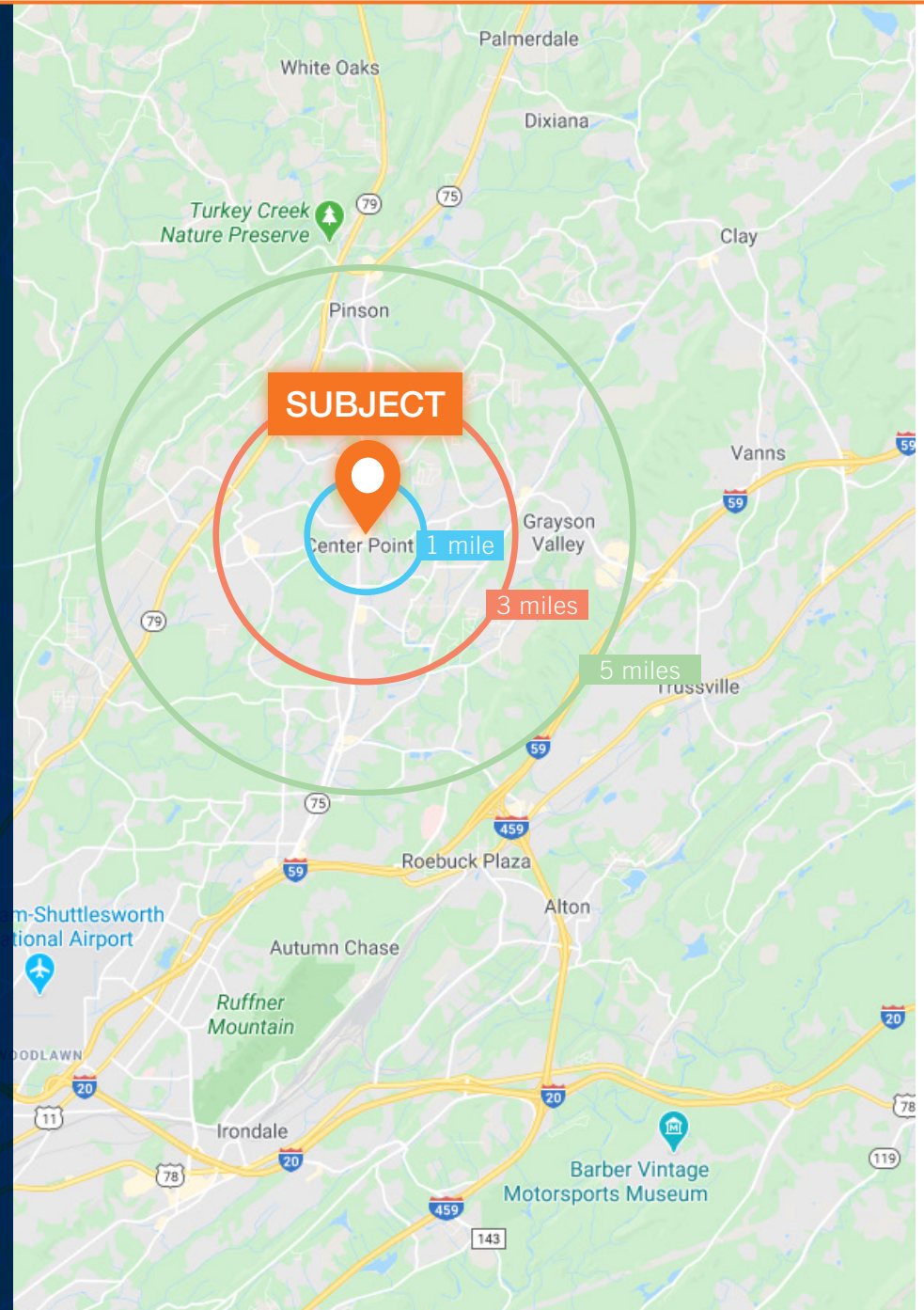
LEASE SUMMARY				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$306,999	\$25,583.25	\$22.08	7.25%

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	Walgreens
Rent Increases	None
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	12/12/1998
Lease Expiration	12/31/2028
Lease Term	20 Years
Term Remaining on Lease (Years)	8.75
Renewal Options	Yes
Landlord Responsibility	None
Tenant Responsibility	All Expenses including Roof and Structure
Right of First Refusal/Offer	No





POPULATION	1 Mile	3 Miles	5 Miles
2023 Projection	8,660	56,105	87,149
2019 Estimate	8,729	57,023	91,571
2010 Census	8,467	55,937	90,660
2000 Census	8,660	56,105	87,149
2018 Daytime Population	5,286	36,660	70,980
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2023 Projection	3,124	21,141	34,941
2019 Estimate	3,189	21,302	34,913
2010 Census	3,307	21,797	35,364
2000 Census	3,456	21,648	33,811
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2019 Owner Occupied	51.8%	63.6%	67.2%
2019 Renter Occupied	48.2%	36.4%	32.8%
2019 Vacant	16.0%	12.9%	12.1%
INCOME	1 Mile	3 Miles	5 Miles
2019 Estimate			
Median Household Income	\$41,358	\$51,835	\$54,580
Per Capita Income	\$20,415	\$23,292	\$25,874
Average Household Income	\$54,174	\$61,070	\$67,046

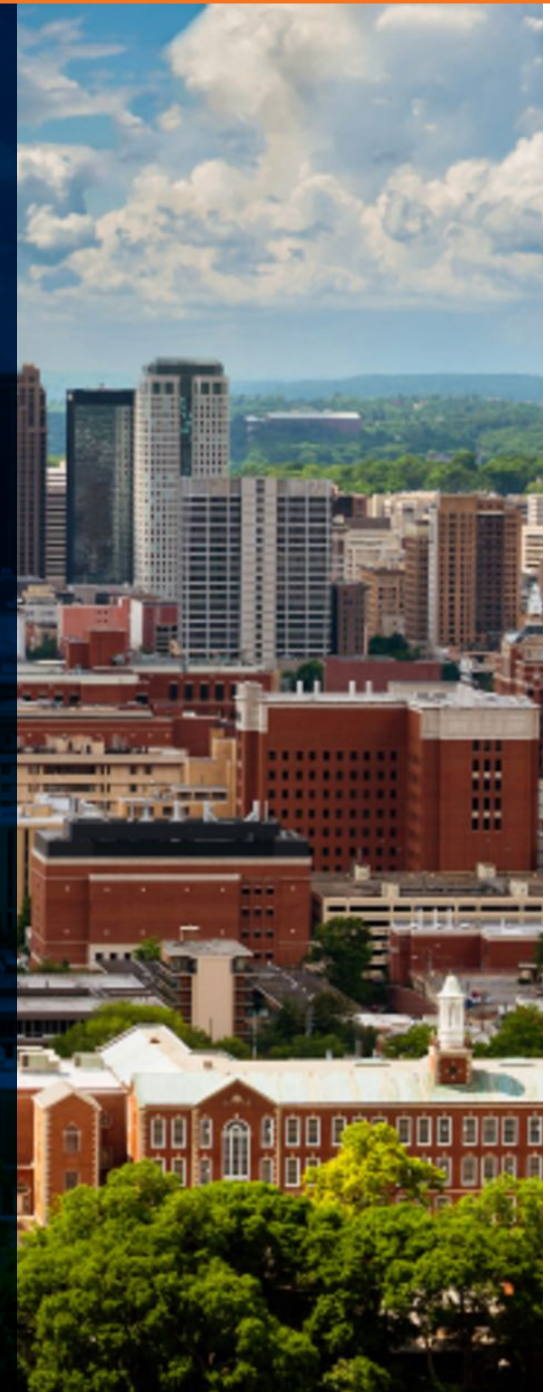
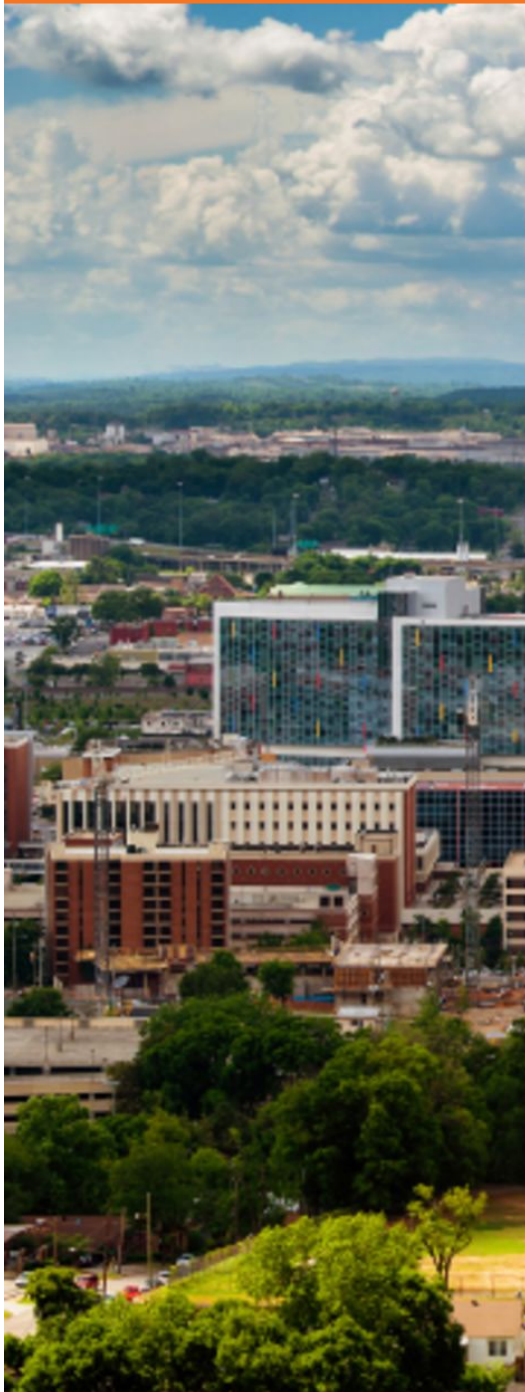


Birmingham, AL

Birmingham is a city in the north central region of the U.S. state of Alabama. With an estimated 2018 population of 209,880, it is the most populous city in Alabama. Birmingham is the seat of Jefferson County, Alabama's most populous and fifth largest county. As of 2018, the Birmingham-Hoover Metropolitan Statistical Area had a population of 1,151,801, making it the most populous in Alabama and 49th-most populous in the United States. Birmingham serves as an important regional hub and is associated with the Deep South, Piedmont, and Appalachian regions of the nation.

In the 1970s and 1980s, Birmingham's economy was transformed by investments in biotechnology and medical research at the University of Alabama at Birmingham (UAB) and its adjacent hospital. UAB is now the area's largest employer and the second largest in Alabama, with a workforce of about 23,000 as of 2016. Health care services providers Encompass Health (formerly HealthSouth), Surgical Care Affiliates and Diagnostic Health Corporation are also headquartered in the city. Caremark Rx was founded in the city.

Birmingham is a leading banking center, serving as home to two major banks: Regions Financial Corporation and BBVA Compass. SouthTrust, another large bank headquartered in Birmingham, was acquired by Wachovia in 2004.





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