

WALGREENS



One East Golf Road
Arlington Heights, IL 60005

Actual Site

Marcus & Millichap

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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.

WALGREENS
Arlington Heights, IL
ACT ID ZAB0370358

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INVESTMENT HIGHLIGHTS

- ▶ Recent 5-Year Lease Extension With No Rent Reduction
Walgreens Waived Their First Option-To-Terminate; Further Showing Their Commitment and Success to This Location
- ▶ Investment Grade Credit | S&P Rating: BBB (Stable)
Largest Drug Retailer in the United States with Over 9,200+ locations and a Market Cap of \$38 Billion
- ▶ Built-to-Suit Store with Drive-Thru Pharmacy Window
Only Drugstore with a Drive-Thru Within Three-Mile Radius
- ▶ Above Average Traffic Count & Household Income
Traffic Count of 68,000 VPD & Average HHI of \$101,000 Within a 1-Mile Radius
- ▶ Recent Renovations on the Property
Completely Re-done Parking Lot and New Roof with 20-year Warranty
- ▶ Advocate Medical Group Operating a Clinic at this Location
This location is One of 48 Locations that Advocate Operates From Within a Walgreens
- ▶ Strategically Located Within Main Retail Trade Area
Over Neighboring Retailers Include PNC, Jewel-Osco, Starbucks, O'Reilly Auto Part, McDonald's XSport Fitness Dollar Tree, and Many More
- ▶ Recession Proof Tenant Base
Walgreens is considered an essential retailer even during the Great Recession and COVID-19 pandemic

INVESTMENT OVERVIEW

Marcus & Millichap is proud to exclusively present a 14,725-square foot Walgreens located in the Chicago's northwest suburb of Arlington Heights. Walgreens has been operating at this location since 2000 and recently waived their first option-to-terminate resulting in 5 plus years remaining of lease term. The Property is located at a signalized intersection across from a 90,000-square foot shopping center and kitty corner from Jewel-Osco, providing great visibility from the 68,000 vehicles that pass by the intersection every day. Walgreens operates under a double-net lease at this location and with limited landlord responsibilities given the recent brand-new roof with a 20-year transferable warranty and completely repaved parking lot. Walgreens' lease has no rent increases and the ability to terminate every five years after June 30th, 2025 through July 31st, 2060.

The Property is located at the signalized intersection of Golf Road and Arlington Heights Road, two heavily traveled thoroughfares. The Property is highly visible from both of these major roads and has access points from both Golf and Arlington Heights Road. There is an impressive traffic count of nearly 68,000 vehicles driving through the intersection daily. Interstate 90 interchange is approximately a half mile south from the property and provides easy access to downtown Chicago, as well as the surrounding northwest suburbs. Jewel-Osco, Chicagoland's leading grocery chain, is directly across Golf Road and Arlington Towne Square, a 90,000-square foot shopping center, is directly across Arlington Heights Road. Valli Produce grocery store, ALDI, Lowe's, Meijer and Wal-Mart are all within a mile of the Property, as well as a plethora of small national retailers, fast food and fast casual restaurants. The dense retail presence makes this area a main destination for local residents.

A new investor has the opportunity to acquire an investment grade credit tenant (BBB) operating in a bustling retail pocket of town with a recent lease extension; further showing their commitment and success to this location. Given Walgreens' long-term tenancy at this location, well-located asset within the retail trade area, and Advocate's recent integration of its clinic facility at this location, an investor can feel confident in acquiring this unique opportunity with great real estate fundamentals in-place and benefiting from the tax-benefit of asset depreciation; providing favorable after-tax savings.

PROPERTY DETAILS



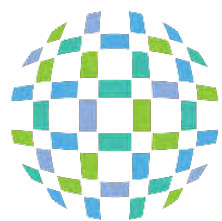
THE OFFERING	
Property Name	Walgreens
Property Address	1 East Golf Road Arlington Heights, IL 60005
Price	\$5,677,000
Capitalization Rate	6.50%
Price/SF	\$385.53
PROPERTY DESCRIPTION	
Year Built	2000
Gross Leasable Area	14,725
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.15 Acres
Parking Spots Parking Ratio	52 Stalls 3.53/1,000
Parking	Asphalt

LEASE SUMMARY				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$369,000	\$30,750	\$25.06	6.50%
Options 1 through 8	\$369,000	\$30,750	\$25.06	6.50%

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	Walgreens Co.
Rent Increases	None
Guarantor	Corporate Guarantee
Lease Type	Double-Net
Lease Commencement	12/02/2000
Lease Expiration	12/31/2025
Original Lease Term	20 Years
Remaining Lease Term - As of July-2020	5.5 Years
Option To Terminate	Seven, 5-Yr Options
Landlord Responsibility	Replacement of Roof & Parking Lot
Tenant Responsibility	Maintenance of Entire Property
Right of First Refusal	Tenant has Ten (10) Business Days to respond to Bona Fide Offer

PROPOSED FINANCING	
Loan Amount	\$3,690,050
Loan Type	New Loan
Loan-to-Value	65%
Down Payment	35% \$1,986,950
Interest Rate	3.65% Fixed
Loan Term / Amortization	5 Years 20 Years
Annual Debt Service	\$260,236
Debt Service Coverage	1.42x
Net Cash Flow <u>After</u> Debt Service	\$180,764

* Please contact Marcus & Millichap Capital Corp. for a tailored loan quote.



Walgreens Boots Alliance



CREDIT RATING: BBB

General Information	
Address	108 Wilmot Rd , Deerfield, Illinois, 60015, United States
Phone	(847) 315-2500
Website	www.walgreens.com

Store Base	
Store Count	9,200
Market Cap	\$39 Billion

Whether you get your drugs from the pharmacist or the chemist, Walgreens Boots Alliance has you covered. The company, formed when US-based Walgreen Co. bought its European counterpart Alliance Boots, includes nearly 13,000 retail pharmacies (or chemists in some parts of the world) in 10 countries, mostly the US and its territories and the UK, selling prescription and OTC drugs along with health and beauty products and general merchandise. The Alliance Boots part of the company also includes wholesale operations serving more than 200,000 pharmacies, hospitals, and clinics in a nearly 20 countries. Walgreens Alliance Boots was formed in 2014; it's buying US pharmacy chain Rite Aid.

On January 11, 2016, Walgreens and Advocate Health Care announced Advocate will own and operate 56 Healthcare Clinics at Walgreens stores across the greater Chicagoland area. Since then, the retail clinics have functioned as part of Advocate and have strengthen care coordination for patients, while also furthering overall convenience and access. The clinics, were branded as Advocate Clinic at Walgreens under Advocate as of May 2016.

Key Personnel	
Executive Vice President & Chief Financial Officer	George Fairweather
Chairman & Chief Executive Officer	Stefano Pessina
Executive Vice President	Alex Gourlay
Chairman	James A Skinner

Financial Markets	
Stock Ticker	WBA
Current Price	\$42.68 as of 06/24/2020
52 Week High/Low	\$64.50 / \$36.65

"Advocate Clinic at Walgreens expands Advocate's care delivery locations to provide more options for patients and meet the needs of consumers in an evolving health care environment," said Lee Sacks, M.D., Advocate's chief medical officer and executive vice president. "With Walgreens' unmatched footprint coupled with our leading clinical expertise and commitment to delivering high quality, affordable health care, more patients will have access to the best care when and where they need it."

About Advocate Health Care

Advocate Health Care is the largest health system in Illinois and one of the largest health care providers in the Midwest. Advocate operates more than 250 sites of care and 12 hospitals, including five of the nation's 100 Top Hospitals, the state's largest integrated children's network, five Level I trauma centers (the state's highest designation in trauma care), three Level II trauma centers, one of the area's largest home health and hospice companies and one of the region's largest medical groups. Advocate Health Care trains more primary care physicians and residents at its four teaching hospitals than any other health system in the state.

TENANT OVERVIEW



Walgreens Boots Alliance

WALGREENS

Whether you get your drugs from the pharmacist or the chemist, Walgreens Boots Alliance has you covered. The company, formed when US-based Walgreen Co. bought its European counterpart Alliance Boots, includes nearly 13,000 retail pharmacies (or chemists in some parts of the world) in 10 countries, mostly the US and its territories and the UK, selling prescription and OTC drugs along with health and beauty products and general merchandise. The Alliance Boots part of the company also includes wholesale operations serving more than 200,000 pharmacies, hospitals, and clinics in a nearly 20 countries. Walgreens Alliance Boots was formed in 2014; it's acquisition of U.S. pharmacy chain Rite Aid.

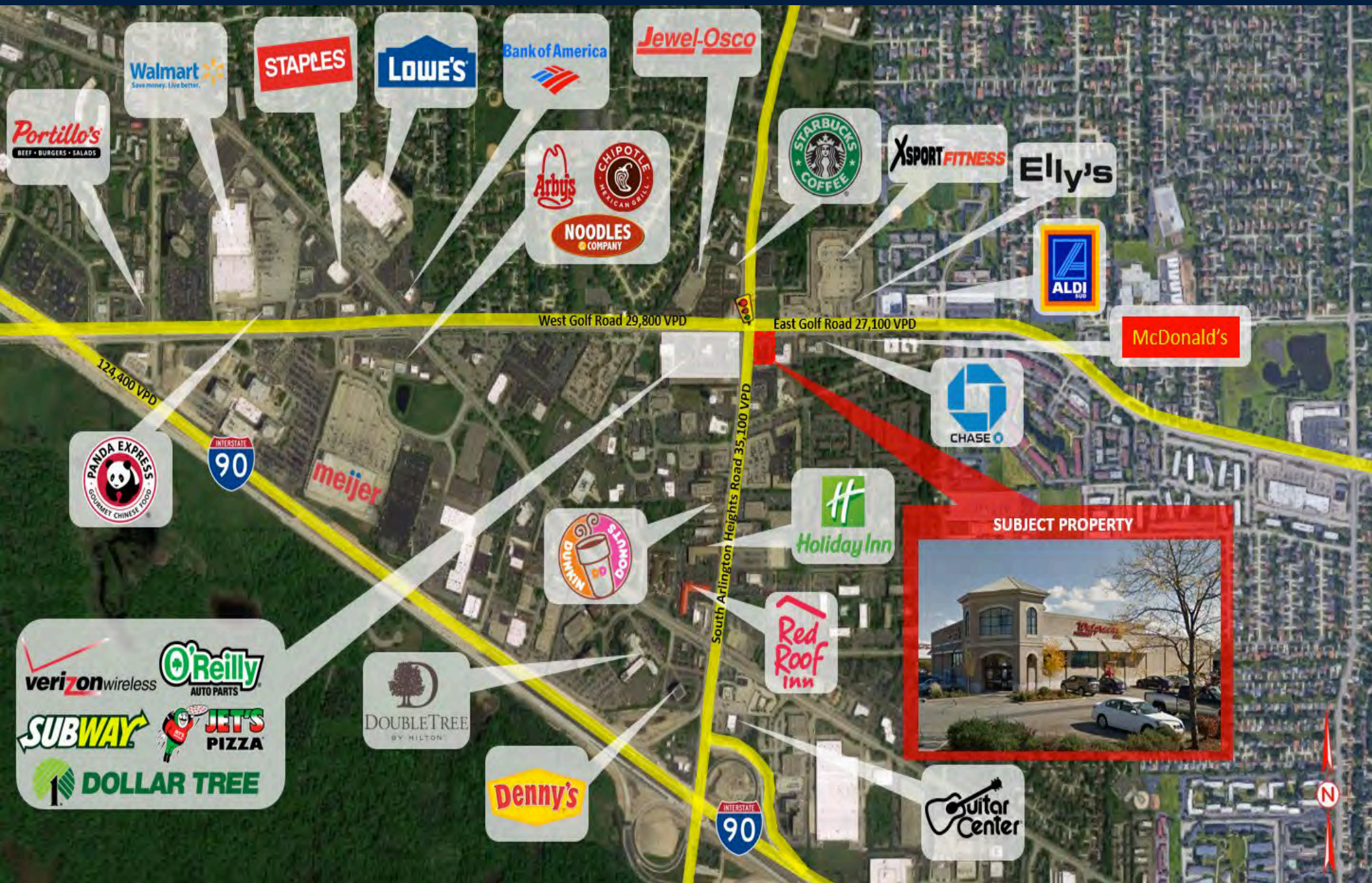
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Recent News – COVID-19

While most of the world and local economies recovering from the COVID-19 pandemic, uncertainty and concerns loom for many retailers. On March 27th, 2020 the U.S. President passed a \$2 Trillion stimulus to aid individuals via extended unemployment benefits and direct cash payments. Walgreens is likely to prove to be a critical retailer for the duration. Access to medication and the need for basic household products is expected to last for weeks, providing Walgreens sufficient cash flow and giving relief to many individuals. In addition, Walgreens partnered with local health officials and activated their first drive-thru testing site in the Chicagoland area.

Tenant: Walgreens Co.
Parent Company: Walgreens Boots Alliance
Headquarters: Deerfield, Illinois
S&P Credit Rating: BBB / Stable
Stock Symbol: WBA (NASDAQ)
52-Week Stock Range: \$40.52-\$64.50
FYE 2019 Revenue: \$136.8 Billion
FYE 2019 Net Earnings \$3.98 Billion
Store Count: 9,277
Website: www.Walgreens.com





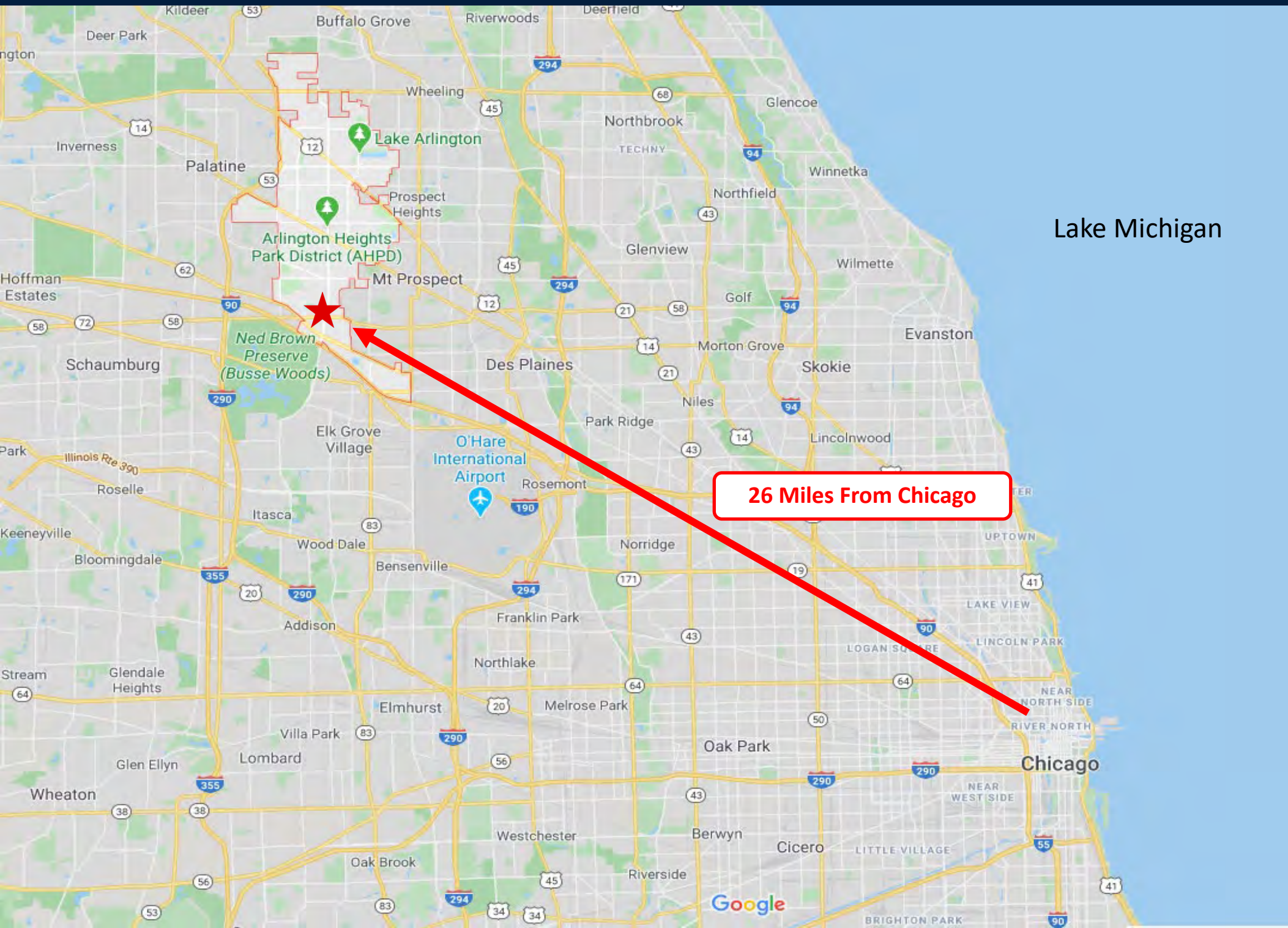












ABOUT ARLINGTON HEIGHTS, ILLINOIS

The Village of Arlington Heights is one of the top 15 largest municipalities in Illinois, featuring a unique blend of old and new. Redevelopment efforts in the Downtown and other shopping areas have added vibrancy and interest, making Arlington Heights an attractive destination for homebuyers, shoppers, businesses and visitors.

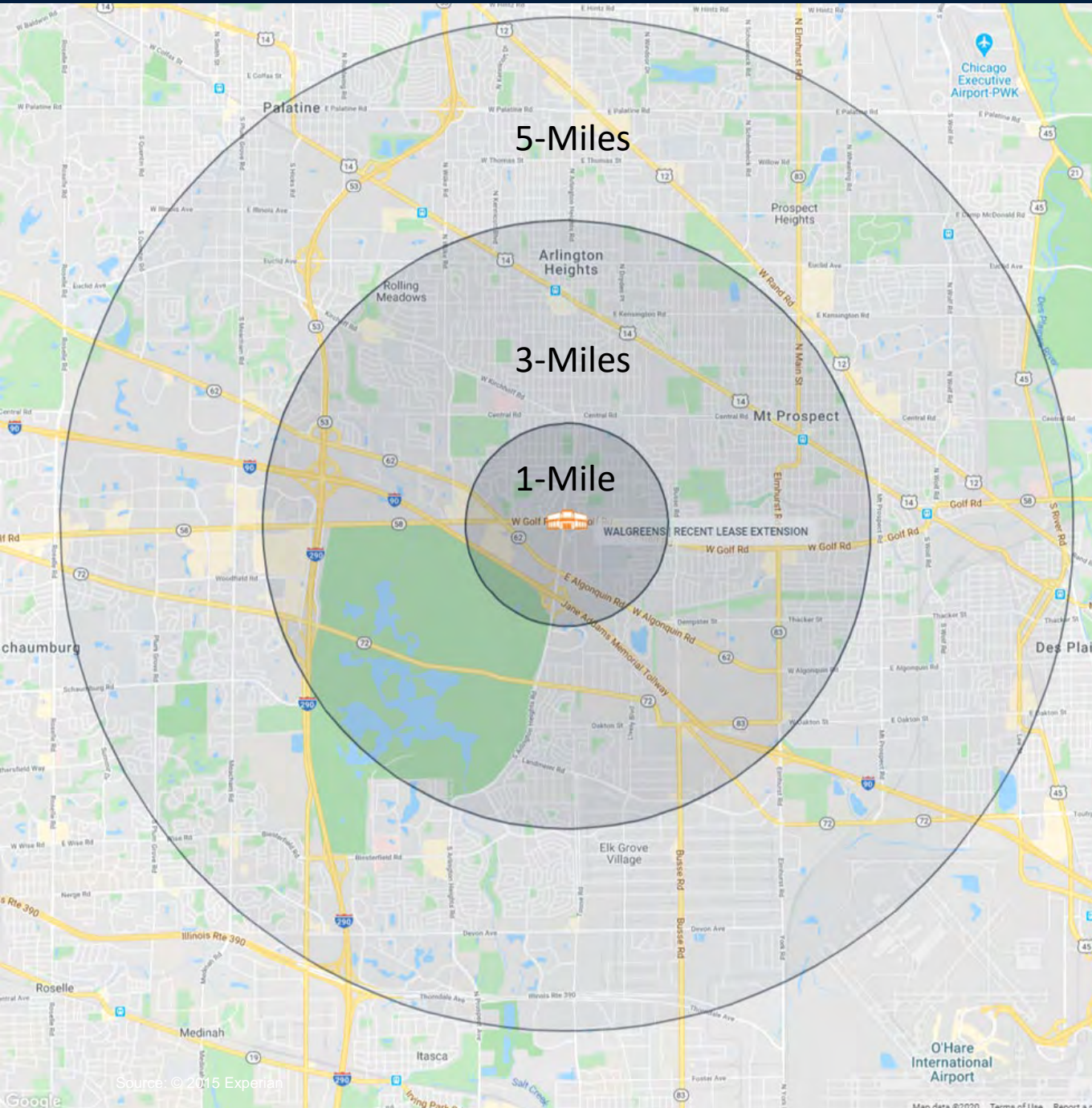
Arlington Heights was founded in the mid 1800s by Asa Dunton, a Yankee stonecutter. Asa's son William Dunton was the first homeowner of this farming community, which was originally called the "Town of Dunton." The original train depot served as a catalyst for Arlington Heights' growth. The train depot was a great convenience for nearby farmers who used the railroad to transport their goods. The depot became a central gathering place for the community and prompted development of a Downtown as more people settled in Arlington Heights.

Throughout its long history, Village Government has remained consistent in preserving Arlington Heights' quality of life by providing municipal services that are responsive to the needs of the residents and businesses and are reliable, efficient and fiscally responsible. Arlington Heights' municipal services have received top accreditations and award recognitions. The Village is also home to award-winning Schools, a Public Library and a Park District as well as the highly acclaimed Northwest Community Hospital.

The location of Arlington Heights offers great access to major thoroughfares making travel convenient to nearby suburbs as well as to Chicago and O'Hare International Airport. The Downtown train station is Metra's busiest commuter stop on the Northwest rail line. The train station is the hub of a transit-oriented, pedestrian friendly urban neighborhood where commuters working in Chicago can live a short walk from the station and near shopping, restaurants, entertainment and various parks where many events are held throughout the year.

There is much to discover in Arlington Heights, including the internationally renowned Arlington Park, one of the most exquisite thoroughbred horseracing facilities in the country. Additional attractions include Metropolis Performing Arts Centre and a dine-in movie theater, Cinema Star Grille.





CREATED ON JUNE 2020

	1 Miles	3 Miles	5 Miles
POPULATION			
2024 Projection	12,862	109,845	263,021
2019 Estimate	12,965	110,478	263,965
2010 Census	12,986	109,948	262,179
2000 Census	13,818	111,626	264,701
INCOME			
Average	\$101,446	\$102,912	\$107,443
Median	\$70,881	\$73,773	\$78,058
Per Capita	\$41,429	\$40,870	\$43,080
HOUSEHOLDS			
2024 Projection	5,233	43,667	105,493
2019 Estimate	5,287	43,814	105,601
2010 Census	5,295	43,553	104,785
2000 Census	5,610	44,206	105,123
HOUSING			
2019	\$319,837	\$289,791	\$287,546
EMPLOYMENT			
2019 Daytime Population	17,412	135,299	369,666
2019 Unemployment	3.88%	2.92%	2.89%
2019 Median Time Traveled	31	31	30
RACE & ETHNICITY			
White	70.98%	77.14%	77.10%
Native American	0.01%	0.02%	0.02%
African American	2.87%	1.99%	1.72%
Asian/Pacific Islander	17.93%	11.60%	13.44%

CHICAGO OVERVIEW

Chicago-Naperville-Elgin is one of the largest metros in the nation. Also known as the Greater Chicagoland area, it is bounded to the east by Lake Michigan, expands over a 5,000-square-mile region in northeastern Illinois and extends into Wisconsin and Indiana. The metro houses 9.6 million people and comprises 14 counties. The city of Chicago contains 2.7 million residents. The greatest growth during the past 20 years occurred in the western portion of the region. In recent years, however, businesses are relocating back into the city to attract young workers, supporting the development of high-rise residential towers in the downtown Chicago.

METRO HIGHLIGHTS



THIRD-LARGEST METROPOLITAN AREA

The metro population trails only New York City and Los Angeles in size. It will expand to nearly 9.9 million residents by 2023.



WEALTH OF INTELLECTUAL CAPITAL

The number of corporate headquarters in Chicago is second only to New York City. There are 34 Fortune 500 companies based locally.



LARGE, DIVERSE EMPLOYMENT BASE

The Chicago metro employs nearly 4.8 million workers in an array of industries, including a growing tech sector.



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