

OFFERING
MEMORANDUM



Montclair Road

151
601
BIRMINGHAM, AL

1560 MONTCLAIR ROAD BIRMINGHAM, AL

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COLLIERS INTERNATIONAL
880 Montclair Rd #250
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Summary

Colliers International is pleased to offer the opportunity to purchase a Corporate Walgreens located at 1560 Montclair Road Birmingham, AL.

Walgreens occupies a 14,449 square-foot freestanding building with a drive-thru on a 1.13 acre corner pad in front of a 24-Hour Walmart Supercenter. There are approximately 7.2 years remaining on a NNN lease with ten, 5-year options to renew. The subject property is strategically located directly off Interstate 20 at the busy intersection of Montclair Road and Oporto Avenue with traffic counts averaging 46,000 cars per day. More importantly, the site is on the 2 main arteries to and from I-20. The property is adjacent to Eastwood Village, which is a 174,935 square-foot power center anchored by Ross, Party City, Office Depot, Tuesday Morning and Shoe Carnival. Walgreens is also minutes away from the Trinity Medical Center which admitted approximately 350,000 patients last year and employs 1,600 people. Further, the site is one block from multiple retirement communities and age specific communities. The retail trade area is comprised of 1.5 million square-feet of space with retailers that include Publix, Home Depot, Winn Dixie, and TJ Maxx. Walgreens is supported by a trade area that encompasses more than 70,336 people with an average household income that exceeds \$87,948 in a 10 minute drive time and 138,006 in a 15 minute drive time. The subject property borders the city of Mountain Brook, an affluent community.

The property is offered at \$7,226,984.12 which translates to a 6.40% cap rate. The existing loan must be assumed.



Details

STRATEGIC LOCATION

- › Outparcel to 24-Hour Walmart Supercenter and 174,935 Square-Foot Power Center
- › Close Proximity to Trinity Medical Center with 1,600 Employees and Admitted Approximately 350,000 Patients in 2013
- › One block from multiple retirement communities and age specific communities
- › Surrounded by 1.5M Square-Feet of Retail Including Publix, ALDI, Winn Dixie, Home Depot and TJ Maxx
- › Ten Hotels within 2 Mile Radius
- › Directly Off Interstate 20 with 56,830 Cars Per Day

STRONG INVESTMENT FUNDAMENTALS


- › NNN Lease - No Landlord Responsibilities
- › S&P Rated BBB Investment Grade Tenant
- › Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises

INVESTMENT HIGHLIGHTS

- › Corporate Guarantee
- › Brand New Construction
- › Strong Brand
- › Favorable loan terms

 **\$7,114,062.50**
PRICE

 **6.40%**
CAP RATE

 **\$455,300**
NOI

 **7.2**
LEASE TERM REMAINING

 **8.24.2002**
COMMENCEMENT EST.

 **8.31.2027**
EXPIRATION EST.

 **Corporate**
GUARANTEE

 **10, 5 Year**
OPTIONS

Offering Details

PROPERTY DESCRIPTION

PROPERTY ADDRESS	1560 Montclair Road Birmingham, AL
OFFERING PRICE	\$7,114,062.50
NOI	\$455,300
CAP RATE	6.40%
LAND SIZE	1.21 acre
BUILDING SIZE	14,449
YEAR BUILT	2002

LEASE SUMMARY

LEASE TYPE	NNN
LEASE TERM REMAINING	7.2 Years
RENT COMMENCEMENT	August 24, 2002
LEASE EXPIRATION	August 31, 2027
RENEWAL OPTIONS	Ten, five-year options
ESCALATIONS	None
GUARANTOR	Corporate



Area Retail



Area Retail

Loan Details

ASSUMABLE FINANCING INFORMATION

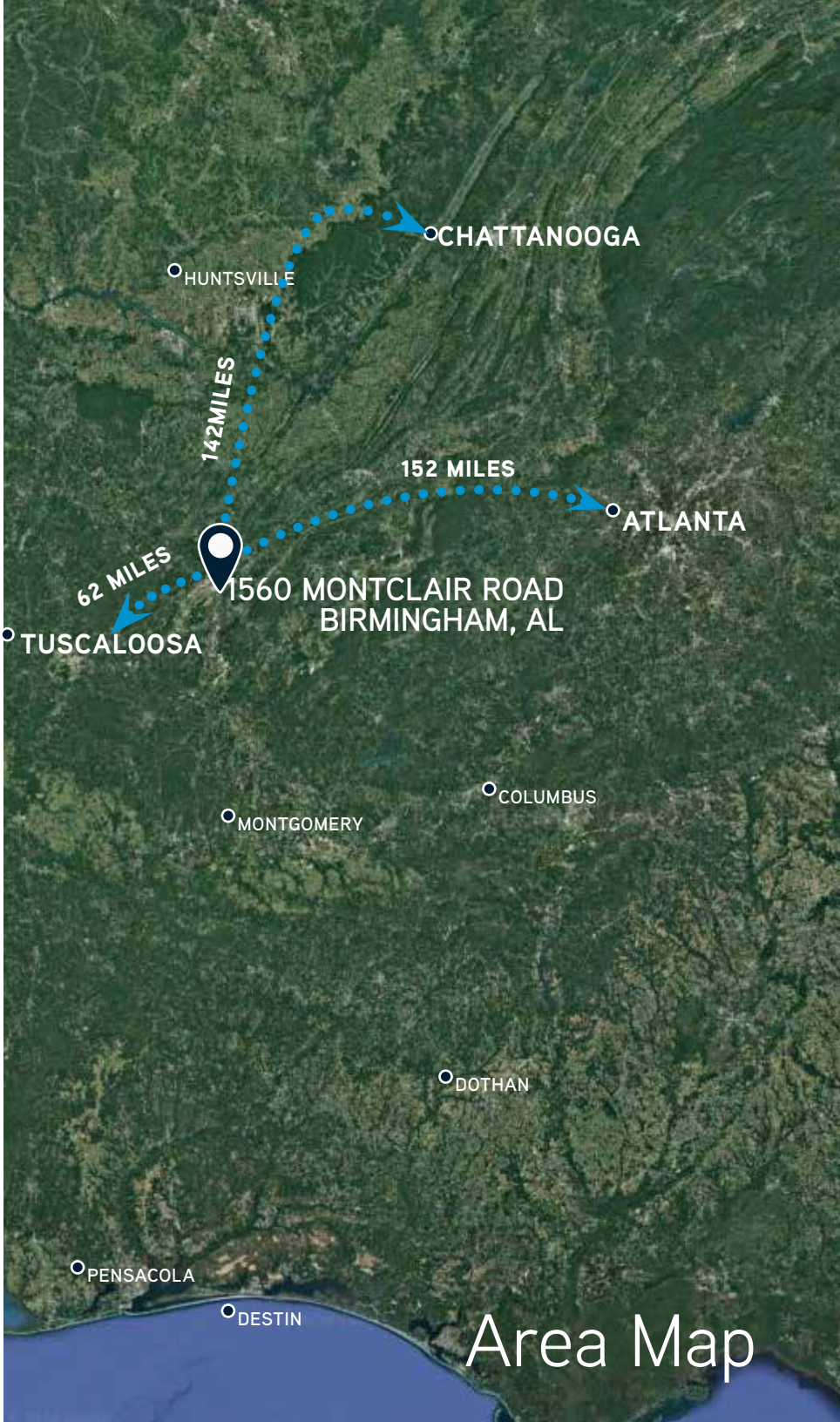
ORIGINAL LOAN AMOUNT (4/1/2015)	\$5,500,000
CURRENT LOAN AMOUNT AS OF 10/1/2020	\$5,161,471.94
DOWN PAYMENT REQUIRED	\$1,952,590.56
INTEREST RATE	4.10%
AMORTIZATION SCHEDULE	30 YEARS
MATURITY DATE	4/1/2025
NET OPERATING INCOME	\$455,300.04
ANNUAL DEBT SERVICE	\$318,910.92
CASH FLOW AFTER DEBT SERVICE	\$136,389.12
CASH ON CASH RETURN (10/1/2020)	6.98%
ASSUMPTION FEE(1%)	\$72,269.89

Location Overview

Birmingham is the most populous city in the U.S. state of Alabama and the county seat of Jefferson County. The City of Birmingham had a population of 216,500 as of July 1, 2018. Birmingham ranks in the upper quartile for Population Density when compared to the other cities, towns and Census Designated Places (CDPs) in Alabama.

Birmingham’s diverse economy, once highly dependent on the iron and steel industry, benefits today from a diversified group of businesses, including finance, healthcare, technology and construction. Projects that are planned, under construction and recently completed are contributing to the economy. Birmingham is also 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. The city still has major perations as one of the regional headquarters of Wachovia, which itself is now part of Wells Fargo Bank. In November 2006, Regions Financial merged with AmSouth Bancorporation, which was also headquartered in Birmingham. They formed the 8th largest U.S. bank (by total assets). Nearly a dozen smaller banks are also headquartered in the Magic City, such as Superior Bank and Cadence Bank. As of 2009, the finance & banking sector in Birmingham employed 1,870 financial managers, 1,530 loan officers, 680 securities commodities and financial services sales agents, 380 financial analysts, 310 financial examiners, 220 credit analysts, and 130 loan counselors. While Birmingham has seen major change-ups with its banking industry, it was still the 9th largest banking hub in the United States by the amount of locally headquartered deposits in 2012. A 2014 study found that the city moved down a spot to the 10th largest banking center.

The city is served by the Birmingham City Schools system. It is run by the Birmingham Board of Education with a current active enrollment of 30,500 in 62 schools: seven high schools, 13 middle schools, 33 elementary schools, and nine kindergarten-eighth-grade primary schools. Noteworthy institutions of higher education in greater Birmingham include the University of Alabama at Birmingham, Samford University (includes the Cumberland School of Law), Birmingham School of Law, Miles College, the independent Miles Law School, Jefferson State Community College, Birmingham-Southern College, University of Montevallo (in Shelby County), Lawson State Community College, and Virginia College in Birmingham, the largest career college based in Birmingham.



Area Map





About Walgreens



Headquartered in Deerfield, IL, Walgreens is the largest drugstore retail chain in the United States with approximately 9,717 stores in all 50 states, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Walgreens opened its 8,000th store in 2012 in Los Angeles; that same year, they purchased a 45% interest in Alliance Boots, a leading international pharmacy health and beauty group. Two years later, Walgreens exercised its option to purchase the remaining 55% of the Switzerland based Alliance Boots to merge and create a new holding company named Walgreens Boots Alliance (NASDAQ: WBA). This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

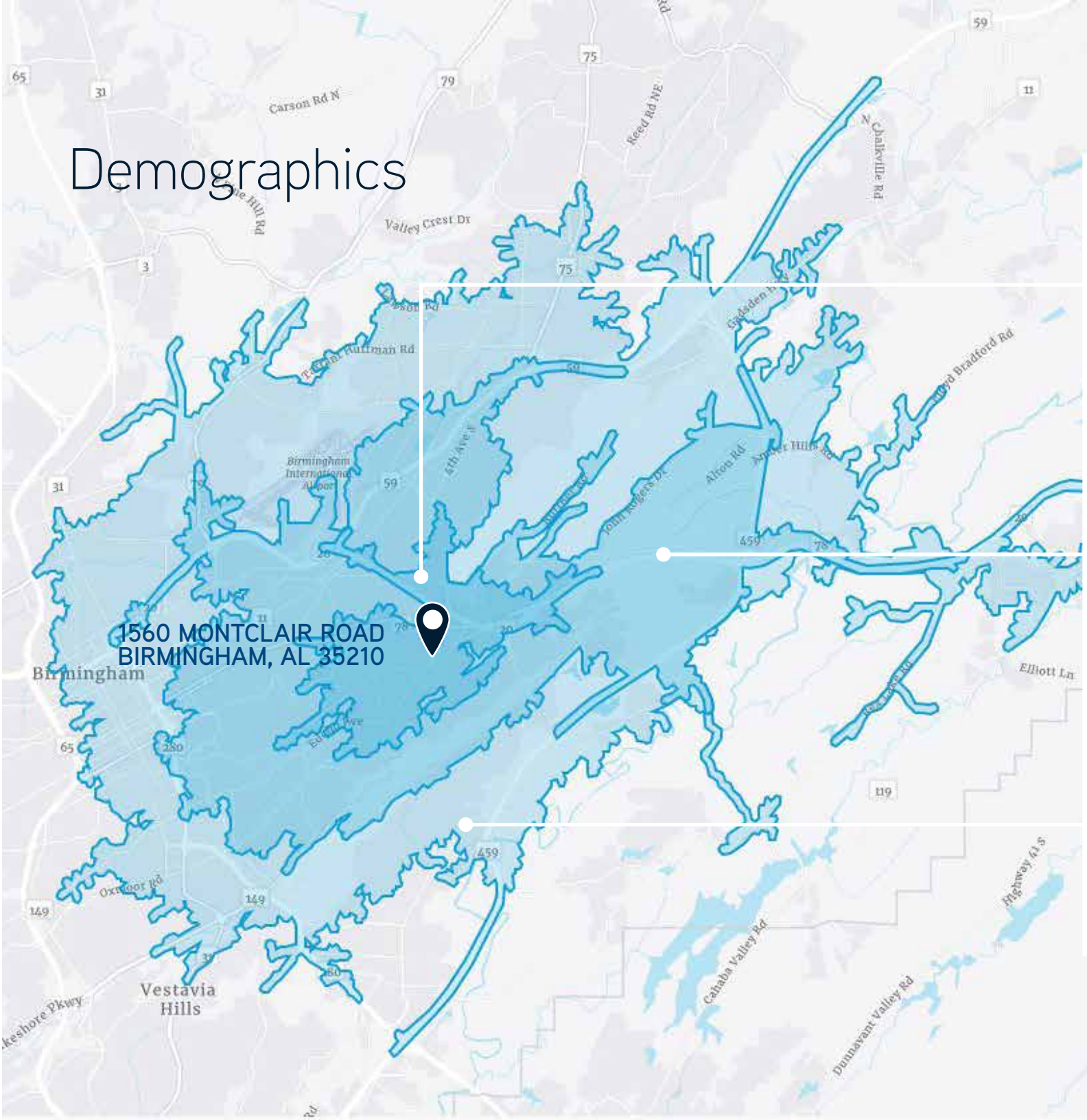
On Oct 27, 2015, Walgreens Boots Alliance entered into an agreement to acquire 1,932 stores, 3 distribution centers and related assets from Rite Aid Corporation (NYSE: RAD). After receiving Rite Aid stockholder and regulatory approvals, the acquisition was finalized in March of 2018.

Walgreens is part of the Retail Pharmacy USA division of Walgreens Boots Alliance. The company sells prescription and non-prescription drugs and general merchandise consisting of over 25,000 household products including convenience and fresh foods, personal care, beauty care, photo finishing, as well as home medical equipment, contact lenses, vitamins, supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services for managing complex and chronic health conditions.

As of 2018, Walgreens employs over 235,000 people worldwide, 78,000 of which are healthcare professionals and fills over 990 million prescriptions annually. Walgreens boasts that 76% of the United States population lives within a five-mile radius of a Walgreens and interacts with over 8 million customers in stores and online on a daily basis.

walgreens.com

Demographics



5 minutes	 13,195 people
	 6,088 households
	 \$79,705 average HHI
10 minutes	 70,336 people
	 30,954 households
	 \$87,948 average HHI
15 minutes	 138,006 people
	 57,928 households
	 \$83,071 average HHI



Confidentiality & Disclaimer Statement

This Offering Memorandum contains select information pertaining to the business and affairs of the property at 1560 Montclair Road Birmingham Alabama 35210. It has been prepared by Colliers International. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Colliers International. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by Peter Block from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum from Colliers International, you agree:

- 1) The Offering Memorandum and its contents are confidential;
- 2) You will hold it and treat it in the strictest of confidence; and
- 3) You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Colliers International expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the property at 1560 Montclair Road Birmingham Alabama 35210 or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Colliers International or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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