



# WALGREENS & MATTRESS FIRM

166 WALNUT STREET, SAUGUS, MA 01906

LOCATED ON THE CORNER OF ROUTE 1 AND WALNUT STREET

Offering Memorandum

**Marcus & Millichap**  
RICHARD DRINKWATER  
RETAIL GROUP

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# WALGREENS & MATTRESS FIRM

166 WALNUT STREET, SAUGUS, MA 01906

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# EXECUTIVE SUMMARY

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WALGREENS & MATTRESS FIRM

## OFFERING HIGHLIGHTS

OFFERING PRICE	CAP RATE	NOI
<b>\$13,444,000</b>	<b>5.73%</b>	<b>\$771,000</b>

VITAL DATA	
Price	\$13,444,000
Cap Rate	5.73%
Price/SF	\$630.58
NOI	\$771,000
Lease Type	NNN
Gross Leasable Area	21,320 SF
Year Built	2006
Lot Size	2.26 Acres

## LOCATION HIGHLIGHTS



166 Walnut Street,  
Saugus, MA 01906



**317,742**  
5-Mile Population



**\$134,632**  
Average Household  
Income



**119,934**  
Vehicles Per Day



# INVESTMENT HIGHLIGHTS

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WALGREENS & MATTRESS FIRM

## INVESTMENT HIGHLIGHTS

CAP RATE	OFFERING PRICE	NOI
5.73%	\$13,444,000	\$771,000

### ABOUT THE INVESTMENT

- 100% Occupied by Walgreens and Mattress Firm
- Walgreens: 12 years Remaining with 10 5-Year Options
- Billboard 100% Controlled by Walgreens
- Walgreens: High Annual Sales
- 2 Points of Ingress/Egress – Rare North/South Highway Access
- Year Built: 2006
- Corporate Guaranteed Leases
- 2.26 Acres

### ABOUT THE LOCATION

- Centrally Located on Route 1 – ADT: 119,934
- Major Retail Corridor
- 12 Miles from Boston Logan International Airport
- Over 317,000 People within 5 Mile Radius
- AHHI: \$134,000+
- Nearby Retail Includes Bob’s Discount Furniture, Bed Bath & Beyond, Kohl’s, Target, CVS, Trader Joe’s, Staples, Barnes & Noble, Walmart Supercenter, Stop & Shop, Marshalls, Michaels, Dollar Tree, Bernie & Phyl’s, The Home Depot, Ocean State Job Lot, Best Buy, Dick’s Sporting Goods, TJ Maxx, Macy’s and more





# PROPERTY DESCRIPTION

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WALGREENS & MATTRESS FIRM

## PROPERTY DETAILS

The subject property is a Walgreens and Mattress Firm building located directly on Route 1 in Saugus, Massachusetts. The building consists of 21,320 square feet of gross leasable area and sits on 2.26 acres of land. Walgreens occupies 70% of the building and operates on a NNN lease with 12 years remaining on the base term. Walgreens also has ten five-year options and has 100% control over the billboard overlooking Route 1. This Walgreens location has extremely high sales and includes a drive-thru. Mattress Firm occupies the other 30% of the building and operates on a NNN lease with two years remaining. Mattress Firm has one five-year option to extend their lease.

The property is centrally located on Route 1 in Saugus with exceptional traffic counts (119,000+ daily). Directly at the property are full service on and off ramps with an overpass. Walgreens and Mattress Firm are 12 miles from Boston Logan International Airport. Besides I-93, Route 1 is the major roadway commuters use to access Boston from the North Shore. This roadway is a major retail corridor and has extremely strong demographics with over 317,000 people within a five mile radius. The average household income within one mile of the property is over \$134,000. Other major retailers in the area include Bob's Discount Furniture, Kohl's, Bed Bath & Beyond, Trader Joe's, Staples, Target, CVS, Marshalls, Michaels, The Home Depot, Walmart Supercenter, Ocean State Job Lot, Dick's Sporting Goods, Macy's, TJ Maxx, Best Buy and more.

WALGREENS & MATTRESS FIRM	
Property Address	166 Walnut Street, Saugus, MA 01906
GLA	21,320 SF
Year Built	2006
Lot Size	2.26 Acres
Type of Ownership	Fee Simple
Guarantor	Corporate
Lease Type	NNN



## PROPERTY DETAILS

### WALGREENS

WALGREENS	
Year Built	2006
Acres	2.26
Type of Ownership	Fee Simple
Guarantor	Walgreen Co.
Gross Leasable Area	14,820 SF
NOI	\$615,000
Lease Type	NNN
Expiration Date	11/30/2032
Term Remaining	12 Years
Options	10 5-Year Options
Percentage Rent	Yes
Drive-Thru	Yes
Rent Increases	None
Landlord Responsibilities	Roof & Structure, Parking Lot Replacement

### MATTRESS FIRM

MATTRESS FIRM	
Year Built	2006
Acres	2.26
Type of Ownership	Fee Simple
Guarantor	Sleepy's, LLC
Gross Leasable Area	6,500 SF
NOI	\$156,000
Lease Type	NNN
Expiration Date	11/30/2022
Term Remaining	2 Years
Options	1 5-Year Option
Percentage Rent	No
Rent Increases	33% at Beginning of Option
Landlord Responsibilities	Roof & Structure

## TENANT OVERVIEW

### WALGREENS walgreens.com

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 Boots Alliance, includes more than 13,200 retail pharmacies (or chemists in some parts of the world) in 11 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 Boots Alliance part of the company also includes wholesale operations serving more than 230,000 pharmacies, hospitals, and clinics in upwards of 20 countries. Walgreens Boots Alliance was formed in 2014.



COMPANY TYPE <b>SUBSIDIARY</b>	PARENT <b>Walgreens Boots Alliance, Inc.</b>	# OF LOCATIONS <b>9,964</b>
2019 REVENUE <b>\$6.94B</b>	2019 SALES <b>\$136.9B</b>	CREDIT RATING <b>S&amp;P: BBB</b>
		STOCK TICKER <b>WBA</b>

## TENANT OVERVIEW

# MATTRESS FIRM

[www.mattressfirm.com](http://www.mattressfirm.com)

For the past 90 years, Mattress Firm and its family of companies have been delivering better sleep by matching you with your perfect mattress at the perfect price. With top-rated brands like Tempur-Pedic, Sealy, Beautyrest, Purple, Serta, Sleepy's and more, finding your ideal mattress with a sleep expert in-store, online or by phone has never been easier. Today, Mattress Firm has grown to become America's largest mattress retailer with more than 2,000 neighborhood stores in 49 states.

While we're committed to finding you your perfect mattress, we're also committed to serving the communities where we live and work. Our Mattress Firm Foster Kids initiative, a program of the Ticket to Dream Foundation, hosts three collection drives throughout the year to ensure that foster children have the resources needed to get better sleep for a better future.



PARENT  
STEINHOFF INTERNATIONAL HOLDINGS, N.V.

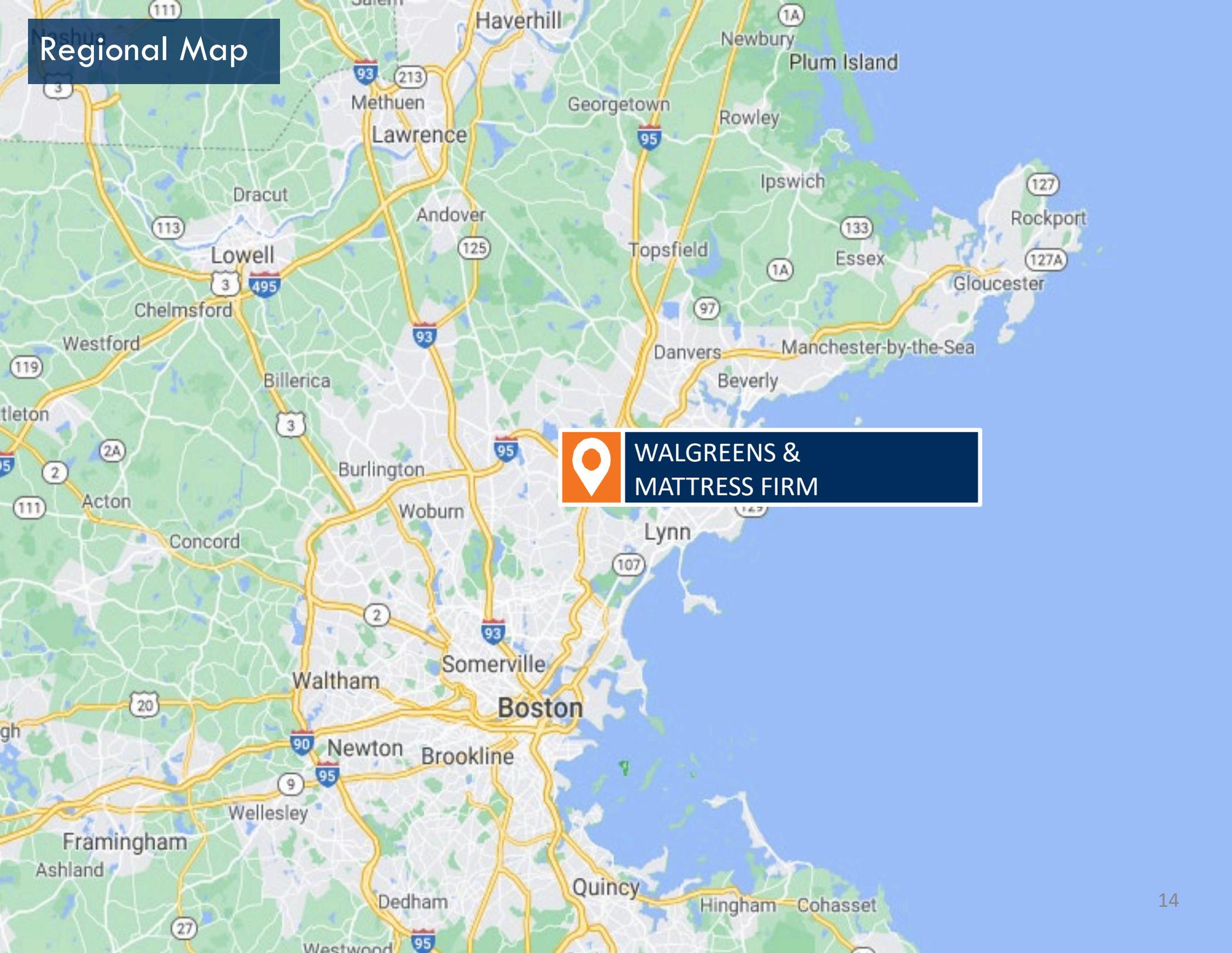
HEADQUARTERS  
HOUSTON, TX

# OF EMPLOYEES  
10,000

2019 REVENUE  
\$3.1B

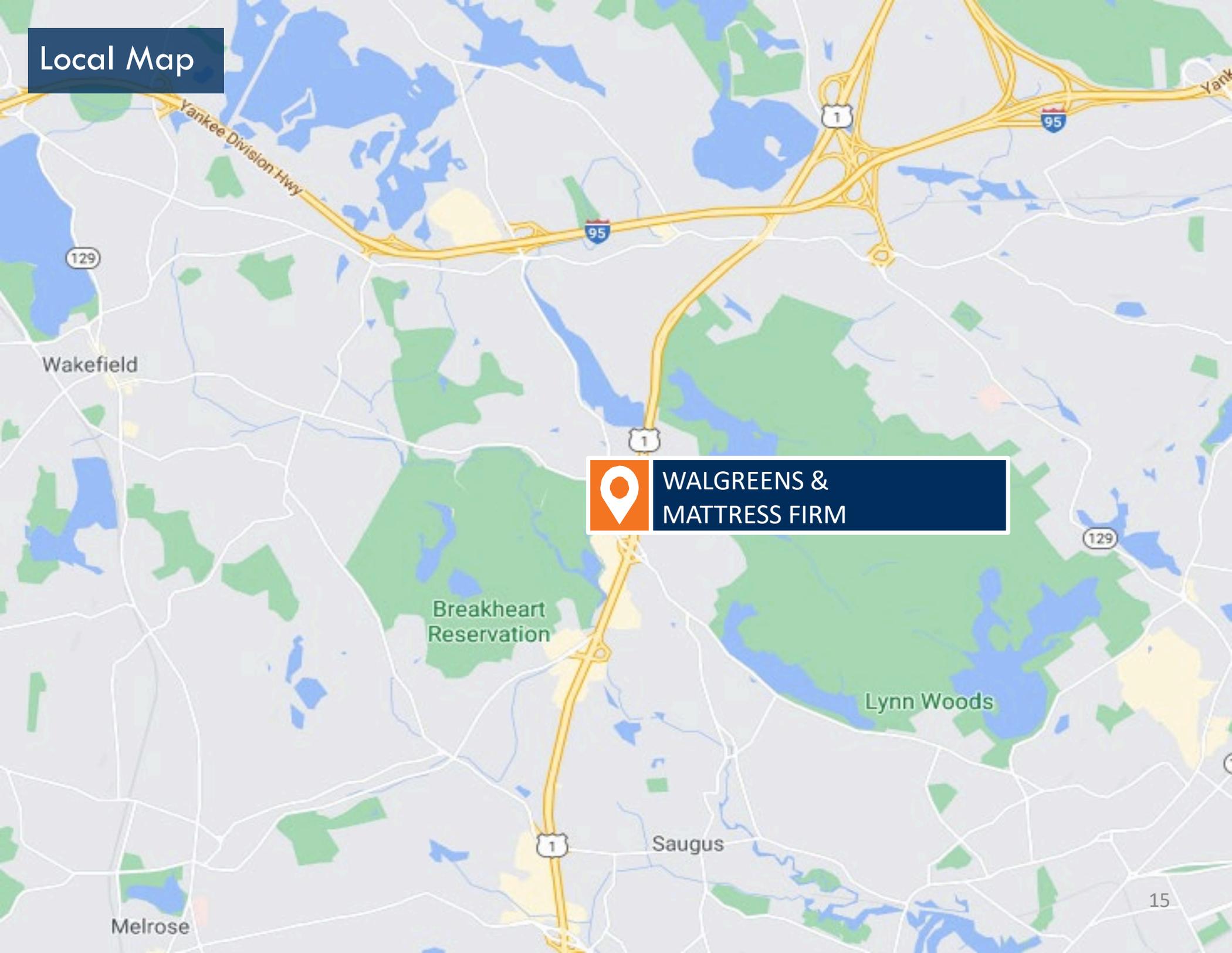
# OF LOCATIONS  
2,600

# Regional Map



 **WALGREENS &  
MATTRESS FIRM**

Local Map



WALGREENS &  
MATTRESS FIRM



**BOB'S**  
DISCOUNT  
FURNITURE

Ninety Nine  
99  
RESTAURANT & PUB  
THE SALVATION ARMY

TOWN FAIR TIRE  
POLCARI'S  
DUNKIN'

**MATTRESSFIRM**  
Walgreens

AT&T ShoYu  
Chinese & Japanese Cuisine  
FRESENIUS  
KIDNEY CARE  
nutrition  
orange leaf

BED BATH & Wine & Spirits  
BEYOND OSHKOSH  
Big Y petco carter's

BOSTON MARKET VAPE  
Signarama  
Balloonatics

ROLLER WORLD  
TACO BELL KFC Papa Gino's  
THE HONEY BAKED Ham CO

the paper store  
Miracle-Ear  
Applebees  
AAA H&R BLOCK COSMOPROF  
WORLDWIDE BOLOGNA

Route 1 (119,934 Vehicles)

Walnut Street (7,790 Vehicles)



**Square One Mall**  
DICK'S SPORTING GOODS  
★ macy's  
sears  
TJ-MAXX  
BEST BUY

StopsShop  
FLOOR DECOR

CVS pharmacy  
Safelite  
JO-ANN  
AutoGlass

Bernie & Phylis  
ROCKY TOWN

boston interiors  
SNEAKERS  
THE VITAMIN SHOPPE  
CRAFTSMAN

Marshalls  
DOLLAR TREE  
Michaels

CVS pharmacy  
TARGET  
NORTH SHORE BANK  
KELLY'S

BED BATH & BEYOND  
Wine & Spirits  
KOHLS  
OSHKOSH  
petco  
carter's

**MATTRESS FIRM**  
Walgreens

BOB'S  
DISCOUNT  
FURNITURE

Ninety Nine  
99  
RESTAURANT & PUB  
THE CALABRO SPY

ROLLER WORLD  
TACO BELL  
KFC  
Papa Gino's  
THE HONEY BAKED Ham

LA Z BOY  
TRADER JOE'S  
PETS MART  
511 TACTICAL SERIES  
STARBUCKS  
verizon

CHIPOTLE  
Staples  
BARNES & NOBLE

WAL-MART  
SUPER CENTER

FedEx  
People's United Bank  
NTB

Ocean State  
JOB LOT

paper store  
Applebees  
AAA  
COSMOPROF  
WORLDWIDE SOLOGNA  
Miracle-Ear  
HER BLOCK  
PONSATI

WISCONSIN MARKET  
VAPES  
Balloوناتics  
Signarama

AT&T  
ShoYu  
FRESENIUS KIDNEY CARE  
nutrition  
orange leaf

TOWN FAIR TIRE  
POLCARI'S  
DUNKIN'

Walnut Street  
(7,790 Vehicles)

Route 1 (119,934 Vehicles)



# FINANCIAL ANALYSIS

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WALGREENS & MATTRESS FIRM

## PRICING SUMMARY

### SUMMARY

PRICE	\$13,444,000
Down Payment	\$13,444,000
Price Per SF	\$630.58
NOI	\$771,000
Gross Leasable Area	21,320 SF
Lease Type	NNN
Ownership Type	Fee Simple
Year Built	2006
Occupancy	100%

### RETURNS

CAP RATE	5.73%
Cash-on-Cash	5.73%



## TENANT SUMMARY

Tenant Name	Square Feet	Lease Start	Lease End	Increase	Rent/SF	Annual Rent	Lease Type
Walgreens	14,820	11/27/2007	11/30/2032		\$41.50	\$615,000	NNN
Mattress Firm	6,500	12/1/2007	11/30/2022		\$24.00	\$156,000	NNN
	Opt. 1	12/1/2022	11/30/2027	33%	\$32.00	\$208,000	



# MARKET OVERVIEW

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WALGREENS & MATTRESS FIRM

## BOSTON OVERVIEW

Steeped in history, the Boston metro spans 4,128 square miles across Essex, Middlesex, Norfolk, Plymouth and Suffolk counties in Massachusetts, and Rockingham and Strafford counties in southeastern New Hampshire. The region is home to approximately 4.8 million individuals and accounts for nearly 71 percent of all Massachusetts' residents. Boston is the most populous city in the metro with roughly 680,000 citizens. It is located along the Atlantic seaboard and fronts Boston Harbor. The harbor is a natural estuary of Massachusetts Bay and home to the Port of Boston. The metro also has a well-developed distribution infrastructure by road, rail and air, and it provides the only full-service cargo terminal in the region, servicing many of the world's top container lines.

## METRO HIGHLIGHTS



### HIGHLY EDUCATED AND SKILLED WORKFORCE

Boston offers one of the world's largest concentrations of colleges and universities and boasts a well-educated workforce.



### LEADING LIFE-SCIENCES CLUSTER

A deep talent pool and world-renowned research and health institutions support the metro's highly ranked life-sciences sector and attract companies.



### GLOBAL FINANCIAL CENTER

Boston is regarded as one of the top 10 financial centers in the world, with many bank and insurance, wealth management and venture capital firms.



## NATIONAL RANKINGS

#1 U.S. State for Education

#1 Best City for Active Living

#1 Most Innovative State

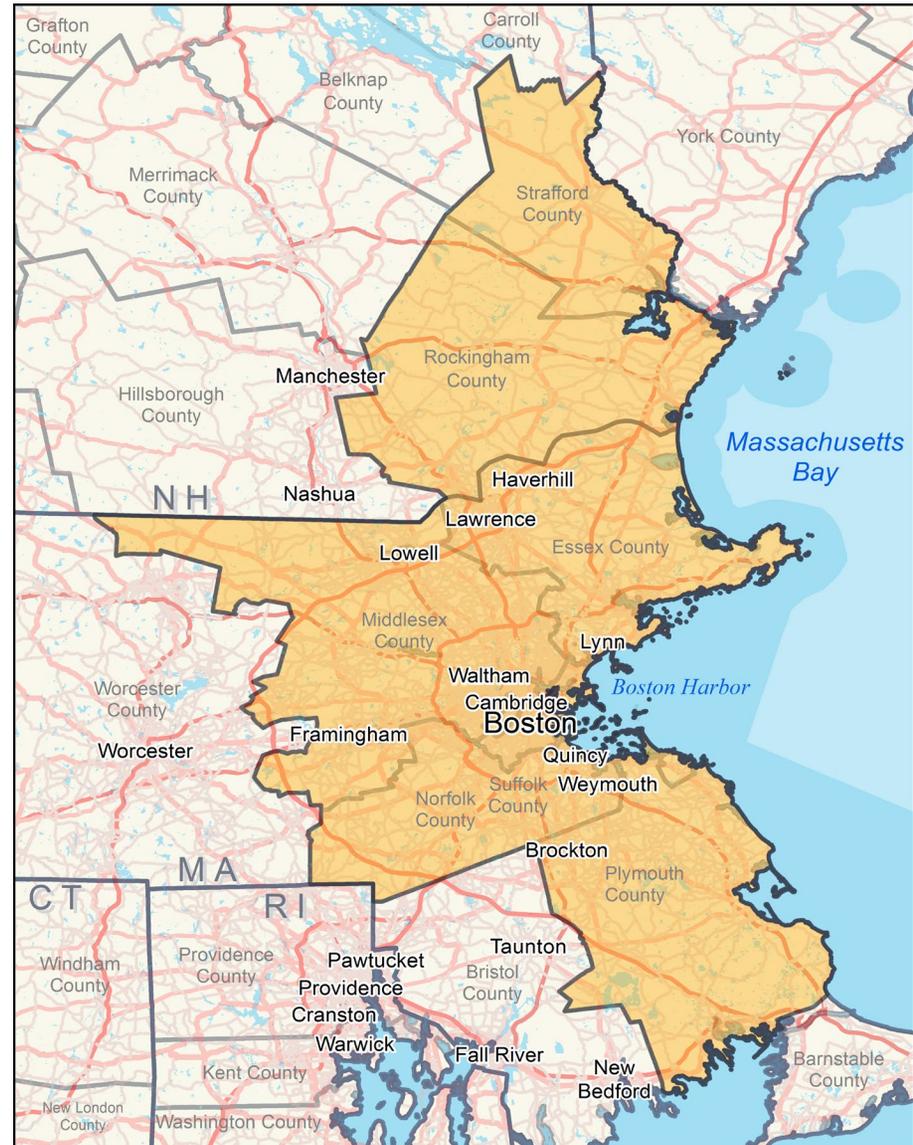
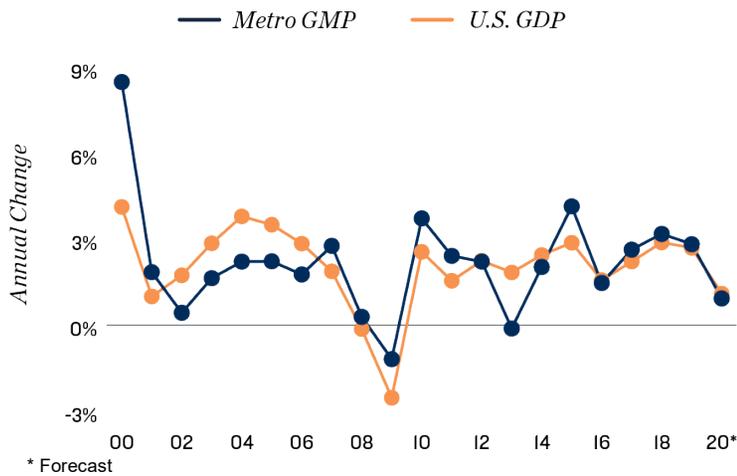
#1 U.S. City for Quality of Life  
(#8 Globally)

#3 Most Walkable U.S. City

# ECONOMY

- ▶ Boston has transitioned from a manufacturing hub to one of the top innovation, healthcare and education centers of the world.
- ▶ Numerous Fortune 500 companies are headquartered in Boston, including a handful of financial-sector mainstays. Boston also has sizable high-tech/defense, biotech, and pharmaceutical firms, including Raytheon, Biogen, TJX, and Boston Scientific.
- ▶ The Metro is home to a thriving startup ecosystem, with medical research at world-renowned institutions such as Harvard and MIT at its core.

## Economic Growth



## SHARE OF 2019 TOTAL EMPLOYMENT

**21%**

EDUCATION & HEALTH SERVICES

**19%**

PROFESSIONAL & BUSINESS SERVICES

**15%**

TRADE, TRANSPORTATION & UTILITIES

**11%**

GOVERNMENT

**10%**

LEISURE & HOSPITALITY

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## DEMOGRAPHICS HIGHLIGHTS



317,742

POPULATION WITHIN 5-MILE RADIUS



126,757

HOUSEHOLDS WITHIN 5-MILE RADIUS



\$134,632

AVERAGE HOUSEHOLD INCOME



## DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2020 Estimated Population	3,481	82,726	317,742
2025 Projected Population	3,493	84,338	324,473
Population Growth 2020 - 2025	0.34%	1.95%	2.12%
Average Age	49	44	40
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2020 Estimated Households	1,258	32,999	126,757
Projected Household Growth 2020 - 2025	0.56%	2.70%	2.71%
Average Household Income	\$134,632	\$122,392	\$107,491
Average Household Size	2.6	2.5	2.5
2020 Average Vehicles Per Household	2.0	2.0	2.0
HOUSING	1 MILE	3 MILE	5 MILE
Median Home Value	\$487,335	\$452,116	\$437,715
Median Year Built	1969	1955	1955

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