



EXTERIOR RENDERING



Walgreens

STERLING HEIGHTS, MI

OFFERING MEMORANDUM

LISTED BY

JOSH BISHOP

VICE PRESIDENT & DIRECTOR

DIR: 214.692.2289

MOB: 315.730.6228

JOSH.BISHOP@MATTHEWS.COM

LIC # 688810 (TX)

EMMA PIRNAR

ASSOCIATE

DIR: 512.535.1015

MOB: 214.907.5462

EMMA.PIRNAR@MATTHEWS.COM

LIC # 742384 (TX)

CHAD KURZ

EVP & MANAGING DIRECTOR

DIR: 949.662.2252

MOB: 562.480.2937

CHAD.KURZ@MATTHEWS.COM

LIC # 01911198 (CA)

KYLE MATTHEWS

BROKER OF RECORD

LICENSE NO. 6505399495 (MI)



Walgreens

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EXECUTIVE OVERVIEW



INVESTMENT HIGHLIGHTS

- **Brand new 2020 construction** with estimated rent commencement date of February 2021
- **Relocation Store w/ Drive Thru** – Walgreens is relocating from their previously existing store which was four parcels to the West of this location. The subject property includes a drive thru window making the property easily adaptable.
- **Establish customer base** – Relocation stores confirm that the Walgreens has been successful within the market and that they already have an existing customer base
- **Cooper Model Prototype** – The subject property is Walgreens new 2,500 SF Cooper Model Prototype
- **Absolute NNN Lease** – Zero management responsibilities provide for a reliable source of passive income
- **Corporate Guaranty** – the subject property is accompanied by an extremely strong corporate guaranty. Walgreens has an investment grade credit rating of BBB
- **Cube Smart Outparcel** – Walgreens will be a pad site to a former Kroger anchored center which is currently being converted to a Cube Smart (self-storage company). Kroger relocated to a brand-new construction site which is located directly across the street from the subject property
- **Affluent Demographics** – Average household income of \$127,767 within a 1-mile radius. 3-mile population of 95,700 residents; 5-mile population of 231,064 residents
- **Strong Traffic Counts** – Approximately 48,800 vehicles daily at the intersection of 18 Mile Rd & Dequindre Rd
- **Booming Retail Corridor** – National tenants include Kroger, McDonald's, Chase Bank, Starbucks, O'Reilly Auto Parts, Taco Bell, Arby's, and many more
- **Essential Retailer** – Walgreens has been considered an essential retailer and has proven to be Pandemic / Recession proof



 **WASS
ELEMENTARY SCHOOL**
± 421 STUDENTS ENROLLED

PRIMARY CARE

FAMILY DENTISTRY

ORIENTAL
GROCERY MART

Walgreens



JAY JAY'S
BISTRO



DEQUINDRE RD
± 26,400 VPD



Walgreens

18 MILE RD
± 22,400 VPD



\$2,123,900

LIST PRICE



\$120,000

NOI



±0.81 AC

LOT SIZE



5.65%

CAP RATE

BUILDING INFO

Address

2118 18 Mile Rd,
Sterling Heights, MI 48314

GLA of Building

± 2,500 SF

Lot Size

±0.81 AC

TENANT SUMMARY

Tenant Trade Name	Walgreens
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Original Lease Term	10 Years
Rent Commencement	February 2021
Lease Expiration Date	December 2030
Term Remaining	±10 Years
Increases	5% in Options
Options	Four, Five (5) Year Options
Drive Thru	Yes

ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Cap Rate
Years 1 - 10	\$10,000.00	\$120,000	5.65%
Option 1	\$10,500.00	\$126,000	5.93%
Option 2	\$11,025.00	\$132,300	6.23%
Option 3	\$11,576.25	\$138,915	6.54%
Option 4	\$12,155.00	\$145,860	6.87%

**Please contact a Barrington Capital
agent for financing options:**

Kevin Puder
(562) 841-1789
kevin.puder@barringtoncapcorp.com



BARRINGTON CAPITAL
REAL ESTATE FINANCING SERVICES

Walgreens



COMPANY NAME

Walgreens

OWNERSHIP

Public

YEAR FOUNDED

1901

INDUSTRY

Drug Store

HEADQUARTERS

Deerfield, IL

NO. OF EMPLOYEES

±253,400

TENANT OVERVIEW

The nation's #1 drugstore chain, Walgreens, operates close to 8,300 stores in all 50 US states, the District of Columbia, the Virgin Islands and Puerto Rico. Prescription drugs are the focus of the company as they account for close to two-thirds of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics and groceries. Most locations offer drive-through pharmacies and one-hour photo processing, which separates them from competition. Recently, Walgreen Co. fully acquired Alliance Boots, Europe's leading drug wholesaler, to create Walgreens Boots Alliance, of which it is a subsidiary.

WALGREENS HEALTH FOCUS

Walgreens' overall value proposition differentiates it from competitors in valuable ways. Specifically, a focus on health gives Walgreens a competitive advantage over other pharmacies. By putting health at the forefront of all aspect of the business and reducing customers' shopping time, Walgreens has achieved placement in a league of its own as competition aims their focus on things such as convenience, design, or low prices.

MARKETING STRATEGY

Walgreens focuses on customer need and satisfaction. For example, the curbside pick-up service stemmed from the needs of working mothers who don't have the time to go into the store and shop. Creating loyalty amongst patrons is a priority for the company as it keeps them coming back and spending money.

EXTERNAL RENDERINGS



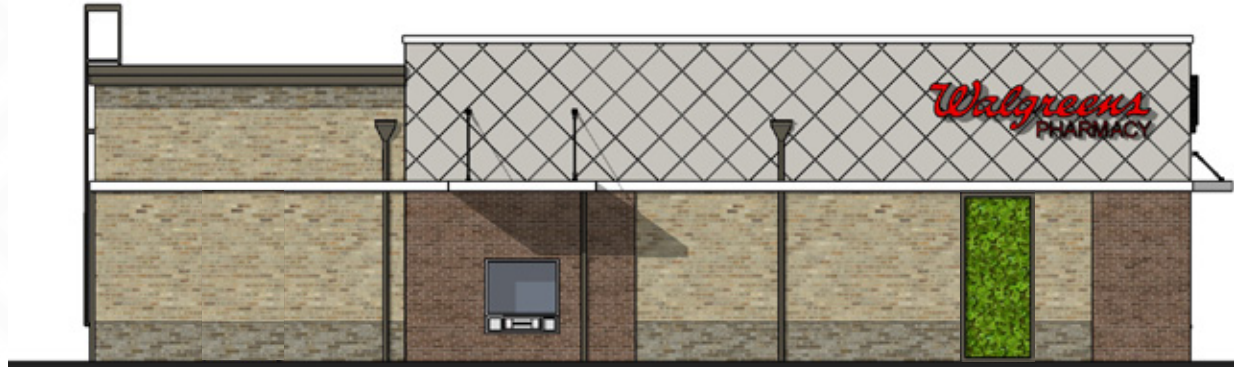
West Elevation



South Elevation



East Elevation



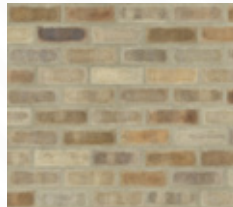
North Elevation



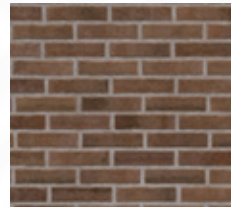
Metal Wall Panel



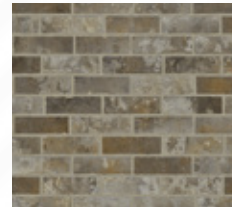
Modular Facade
Trellis System



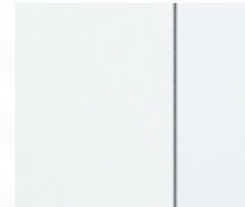
Brick: Field



Brick: Accent



Brick: Accent



Metal Accent Band

STERLING HEIGHTS, MI

The city of Sterling Heights, situated along the banks of the Clinton River, is not only one of Michigan's largest in terms of population but also one of its largest in area. It is also one of the state's fastest-growing large cities. Located in Macomb County, the city lies about 25 miles northeast of Detroit.

DETROIT, MI

Detroit is the largest and most populous city in the U.S. state of Michigan, the largest city on the United States–Canada border, and the seat of Wayne County. The municipality of Detroit had a 2017 estimated population of 673,104, making it the 23rd-most populous city in the United States. The metropolitan area, known as Metro Detroit, is home to 4.3 million people, making it the second-largest in the Midwest after the Chicago metropolitan area. Regarded as a major cultural center, Detroit is known for its contributions to music and as a repository for art, architecture, and design.

Detroit is a major port located on the Detroit River, one of the four major straits that connect the Great Lakes system to the Saint Lawrence Seaway. The Detroit Metropolitan Airport is among the most important hubs in the United States. The City of Detroit anchors the second-largest regional economy in the Midwest, behind Chicago and ahead of Minneapolis–Saint Paul, and the 13th-largest in the United States. Detroit and its neighboring Canadian city Windsor are connected through a tunnel and the Ambassador Bridge, the busiest international crossing in North America. Detroit is best known as the center of the U.S. automobile industry, and the “Big Three” auto manufacturers General Motors, Ford, and Chrysler are all headquartered in Metro Detroit.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 PROJECTION	13,149	97,558	234,357
2020 ESTIMATE	12,965	95,699	231,064
2010 CENSUS	12,559	91,271	223,699
GROWTH 2020-2025	1.42%	1.94%	1.43%
GROWTH 2010-2020	3.23%	4.85%	3.29%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 PROJECTION	4,538	35,598	91,260
2020 ESTIMATE	4,456	34,820	89,735
2010 CENSUS	4,261	32,897	86,117
GROWTH 2020-2025	1.84%	2.23%	1.70%
GROWTH 2010-2020	4.58%	5.85%	4.20%

INCOME	1-MILE	3-MILE	5-MILE
AVERAGE HOUSEHOLD INCOME	\$127,767	\$111,713	\$100,537

Walgreens



DETROIT

± 17 MILES



ECONOMIC DEVELOPMENT

While Detroit is the world's epicenter of mobility and advanced transportation solutions, today's Detroit is so much more than the just the Motor City. With a diverse offering of competitive advantages, Detroit is a smart choice for businesses looking to expand, relocate, and invest.

Detroit offers a suite of incentive programs designed to help businesses thrive with a talented workforce, innovative educational institutions, successful private/public partnerships attracting international attention, and affordable, unique real estate.

Within Detroit beats the heart of a major metropolitan city featuring a thriving downtown district and vibrant neighborhood communities. We have world-class hospital systems and a rich history of art, theater, music, and culture. Learn more about Detroit's unique opportunities and why businesses are choosing to call Detroit home.

TOURISM IN DETROIT

Tourism in metropolitan Detroit, Michigan is a significant factor for the region's culture and for its economy, comprising nine percent of the area's two million jobs. About 15.9 million people visit Metro Detroit annually, spending an estimated \$4.8 billion. Detroit is one of the largest American cities and metropolitan regions to offer casino resort hotels. Leading multi-day events throughout Metro Detroit attract super-sized crowds of hundreds of thousands to over three million people. More than fifteen million people cross the highly traveled nexus of the Ambassador Bridge and the Detroit-Windsor Tunnel annually. Detroit is at the center of an emerging Great Lakes Megalopolis. An estimated 46 million people live within a 300-mile radius of Metro Detroit.

Detroit's unique culture, distinctive architecture, and revitalization and urban renewal efforts in the 21st century have given Detroit increased prominence as a tourist destination in recent years. The New York Times listed Detroit as the 9th-best destination in its list of 52 Places to Go in 2017, while travel guide publisher Lonely Planet named Detroit the second-best city in the world to visit in 2018.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens** located at **2118 18 Mile Road, Sterling Heights, MI 48314** ("Property"). The 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 Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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. By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

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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.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

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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.

CONSTRUCTION AS OF 11/2/2020

Walgreens

2118 18 MILE RD | STERLING HEIGHTS, MI

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