

# *Walgreens*

## CBRE

7155 WEST FOSTER PLACE  
CHICAGO, IL 60656





## INVESTMENT CONTACTS

### **Brian Pfohl**

Senior Vice President  
T +1 404 504 7893  
brian.pfohl@cbre.com

### **Chris Bosworth**

Vice Chairman  
T +1 404 923 1486  
chris.bosworth@cbre.com

### **Will Pike**

Vice Chairman  
T +1 404 923 1381  
will.pike@cbre.com

### **Matt Mountjoy**

Capital Markets Manager  
+1 (404) 504-5939  
matthew.mountjoy@cbre.com

### **Michael Kaider**

CBRE | IL Licensee  
michael.kaider@cbre.com



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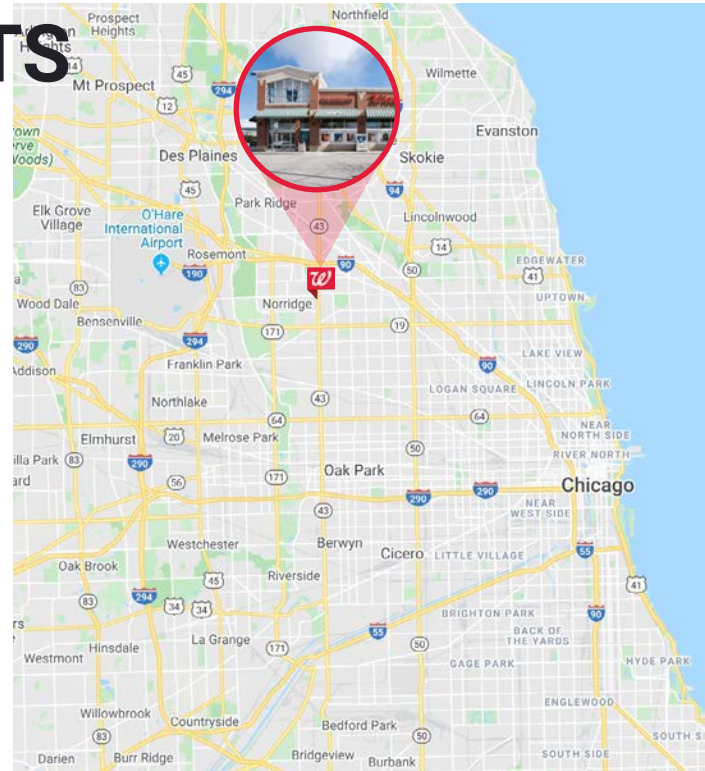
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# INVESTMENT OVERVIEW

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# Investment Overview

The CBRE Net Lease Property Group is pleased to exclusively offer a 15,330-square-foot free standing Walgreens situated on  $\pm 0.76$  acres situated in the affluent community of Norwood Park in Chicago, Illinois (MSA Population: 9.5 million). Built in 2004, Walgreens signed a 25-year absolute NNN lease which has  $\pm 9$  years of primary term remaining. The property is ideally positioned on an infill hard corner site at the signalized intersection of West Foster Place and North Harlem Avenue (Combined Traffic Count: 41,800 VPD) just 0.5 miles south of Interstate 90 (Traffic Count: 203,300 VPD), which provides direct access to Downtown Chicago (13 miles to the southeast). The property is also situated directly across from 275,314-square foot Harlem Foster Shopping Center which is anchored by Jewel Osco and occupied by Bank of America, Ace Hardware, Planet Fitness, H&R Block, O'Reilly Auto Parts and Pet Supplies Plus, among others. Walgreens is also ideally located at the heart of a dynamic retail and commercial corridor, highlighted by the 700,000-square foot Harlem Irving Plaza Mall (Anchors: Best Buy, Kohl's & Target) with more than 9.5 MSF of retail, 9.3 MSF of office, 7.3 MSF of industrial within a 3-mile radius. Other major retailers with a presence in the immediate vicinity include: Marshalls, Burlington, Aldi, Mariano's Fresh Market, AMC Theatres, Old Navy, Staples, Mattress Firm, McDonald's, XSport Fitness, PetCo, PNC Bank, Miller's Ale House, Chipotle, Panera Bread, Men's Wearhouse, Red Robin, Papa John's, Longhorn, Chase, Ulta and Michaels, among others.

Additionally, Walgreens is proximate to the 360-bed award-winning Resurrection Medical Center (1 mile), Ridgemoor Country Club (1 mile), Wilbur Wright College with an enrollment of 12,468 students (1.8 miles) and the Chicago O'Hare International Airport, the 3rd busiest airport in the nation (5 miles). The property also benefits from dynamic infill demographics with a population of 233,918 and an average household income of \$93,447. Further, there are more than 6,337 multi-family units and more than 8 schools and 10 major shopping centers within a 3-mile radius.

<b>ADDRESS:</b>	7155 West Foster Place Chicago, IL 60656
<b>PARCEL SIZE:</b>	0.757 acres
<b>BUILDING SIZE:</b>	15,330 square feet
<b>PARKING:</b>	36 Spaces
<b>YEAR BUILT:</b>	2004
<b>NOI:</b>	\$475,000
<b>PRICE:</b>	\$7,723,600
<b>CAP RATE:</b>	6.15%



# Investment Highlights

- **Premier Tenant:** Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,175 stores across 50 states, the District of Columbia and Puerto Rico. Walgreens Boots Alliance Inc. reported total revenues of \$137.4 billion and net income of \$3.7 billion as of November 30, 2019.
- **Attractive Long-Term Absolute NNN Lease:** 25-year Absolute NNN Lease with  $\pm 9$  years of primary lease term remaining and ten 5-year options—No Landlord responsibilities.
- **Proven Location:** This Chicago location boasts strong annual store-level sales of  $\pm$ \$2.68 million.
- **Excellent Visibility:** The property is ideally positioned on an infill hard corner site at the signalized intersection of West Foster Place and North Harlem Avenue (Combined Traffic Count: 41,800 VPD) just 0.5 miles south of Interstate 90 (Traffic Count: 203,300 VPD), which provides direct access to Downtown Chicago (13 miles to the southeast).
- **Dominant Retail and Commercial Corridor:** Located at the heart of a dynamic retail and commercial corridor, highlighted by the 700,000-square foot Harlem Irving Plaza Mall (Anchors: Best Buy, Kohl's & Target) with more than 9.5 MSF of retail, 9.3 MSF of office, 7.3 MSF of industrial within a 3-mile radius. Other major retailers with a presence in the immediate vicinity include: Marshalls, Burlington, Aldi, Mariano's Fresh Market, AMC Theatres, Old Navy, Staples, Mattress Firm, McDonald's, XSport Fitness, PetCo, PNC Bank, Miller's Ale House, Chipotle, Panera Bread, Men's Wearhouse, Red Robin, Papa John's, Longhorn, Chase, Ulta and Michaels, among others.
- **Affluent Community:** Norwood Park, Illinois is a well-established and affluent suburban community situated in the northwest suburbs of Chicago, approximately 13 miles from the city's Central Business District with more than 6,337 multi-family units and more than 8 schools and 10 major shopping centers within a 3-mile radius.
- **Strategic Location:** Proximate to the 360-bed award-winning Resurrection Medical Center (1 mile), Ridgemoor Country Club (1 mile), Wilbur Wright College with an enrollment of 12,468 students (1.8 miles) and the Chicago O'Hare International Airport, the 3rd busiest airport in the nation (5 miles).
- **Dynamic Demographics:** The property benefits from dynamic infill demographics with a population of 233,918 and an average household income of \$93,447 within a 3 miles radius.
- **Windy City Advantage:** Chicago is one of the most attractive and dynamic markets in the nation. Chicago boasts an attractive retail market, with the third largest economy in the nation and over \$127.9 billion in annual retail sales (2018 metro Chicago sales). The market's vibrant business climate, central geographic location, diversified economy and available human resources have helped Chicago achieve a prominent position as a world-class city in finance, international trade, manufacturing, transportation, culture and the arts.

## DEMOGRAPHICS

1 Mile Pop	1 Mile AHI	3 Mile Pop	3 Mile AHI	5 Mile Pop	5 Mile AHI	Traffic Count
26,081	\$90,406	233,918	\$93,447	636,520	\$88,777	11,600 VPD on West Foster Ave 30,200 VPD on North Harlem Ave



# PROPERTY OVERVIEW

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# Lease Summary

<b>PROPERTY NAME:</b>	Walgreens
<b>TENANT:</b>	Walgreen Co. (S&P: BBB)
<b>PARENT COMPANY:</b>	Walgreens Boots Alliance, Inc. (NASDAQ: WBA, S&P: BBB)
<b>LEASE COMMENCEMENT:</b>	December 11, 2004
<b>LEASE EXPIRATION:</b>	December 31, 2029
<b>TERM REMAINING:</b>	±9 Years
<b>LEASE TYPE:</b>	Absolute NNN
<b>BASE RENT:</b>	\$475,000
<b>RENT INCREASES:</b>	Flat during initial term
<b>OPTIONS:</b>	Ten 5-year renewal options
<b>OPTION INCREASES:</b>	Flat during option periods
<b>PERCENTAGE RENT:</b>	If a sum equal to 2% of Gross Sales (except food and prescription items), and 0.5% of food and prescription items (excluding prescription items sold through Third Party Prescription Plans) exceeds fixed rent in a year, Tenant will pay to Landlord the amount in excess in Percentage Rent. Percentage Rent cannot exceed twice the amount of fixed rent. Other customary Walgreens exclusions are also excluded from the calculation of Percentage Rent.
<b>TAXES:</b>	Tenant shall pay, when due and before delinquency, the ad valorem real estate taxes (including all special benefit taxes and special assessments) levied and assessed against the Leased Premises, commencing with the Rent Commencement Date and continuing for the remainder of the Term.
<b>INSURANCE:</b>	Commencing with the Initial Term, Tenant shall carry special form coverage insurance covering the Building and other improvements on the Leased Premises to the extent of not less than 100% of replacement value. Tenant shall also procure and continue in effect public liability insurance with a combined single limit of not less than \$2 million.

Walgreens has the right to self-insure if its net worth is equal to or greater than \$200 million.

## REPAIRS & MAINTENANCE:

Tenant, at Tenant's sole cost and expense, shall maintain the Leased Premises and make all necessary repairs and replacements, whether interior or exterior, to all parts of the same.

Tenant, at Tenant's cost and expense, shall maintain, repair and replace the parking areas of the Leased Premises.

## ROFR:

If Landlord receives a Bona fide offer to purchase the Leased Premises, Landlord shall notify Tenant. Tenant may, at Tenant's option, within 10 days, purchase the premises upon the same term contained in the Bona fide offer.

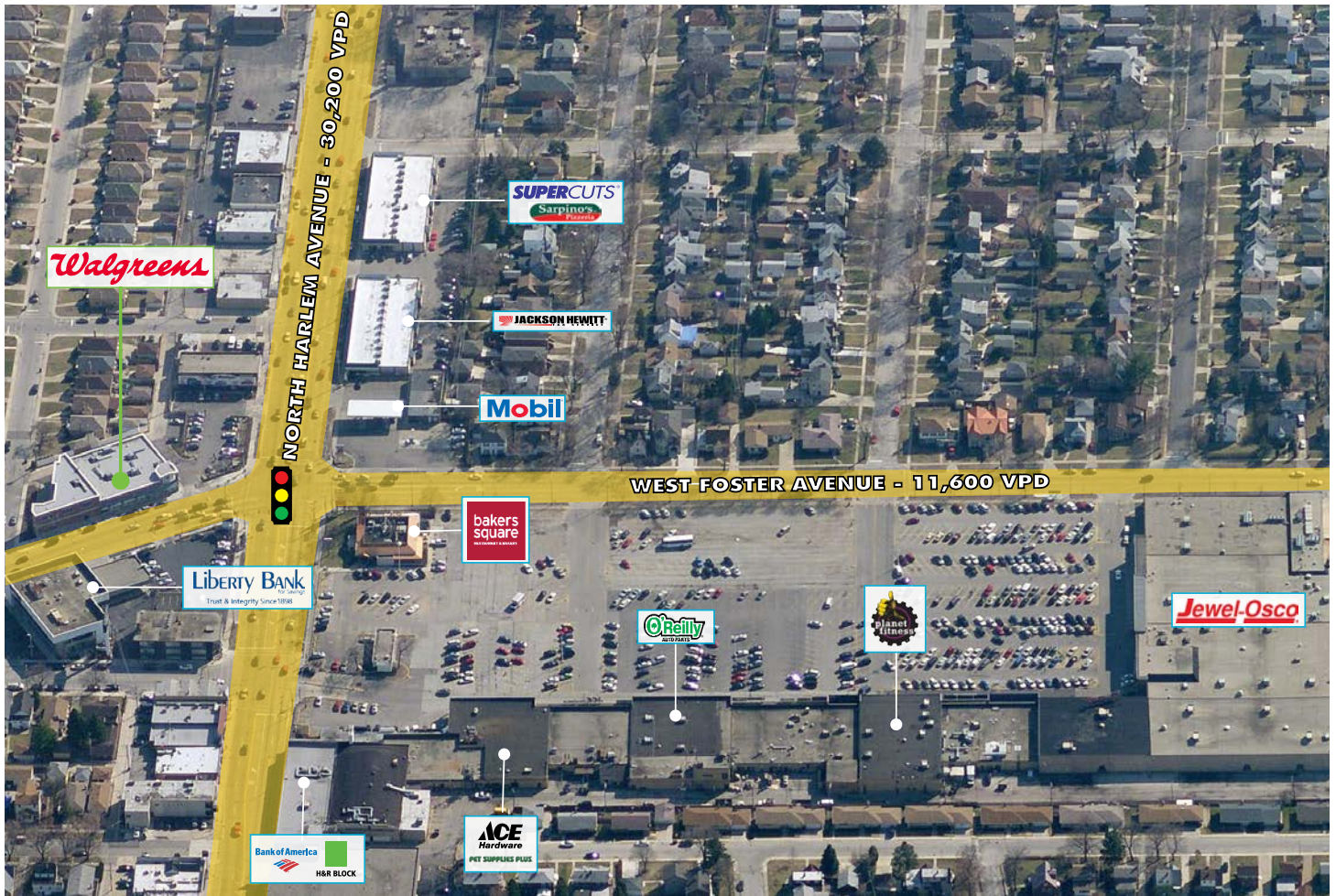


Actual Location

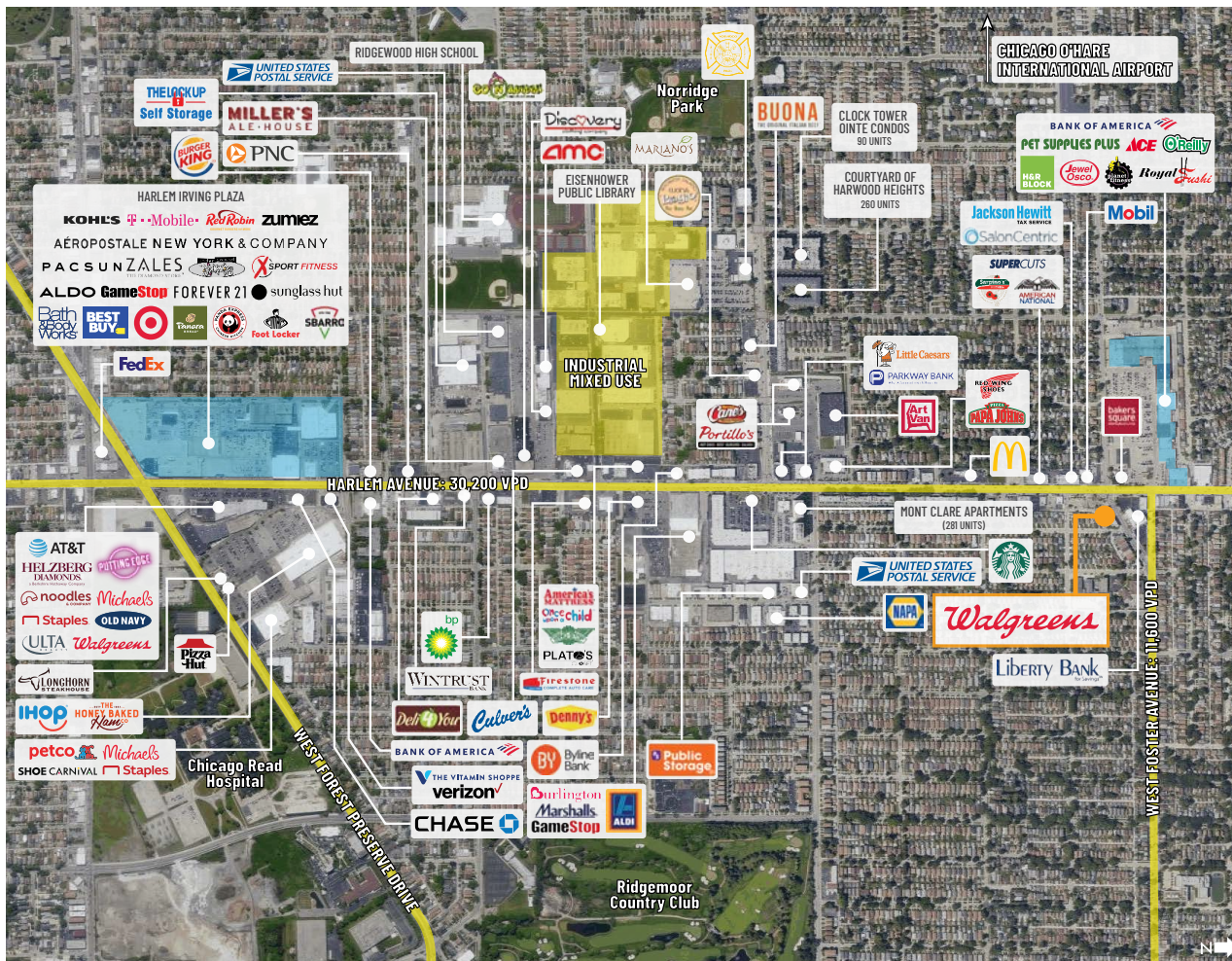


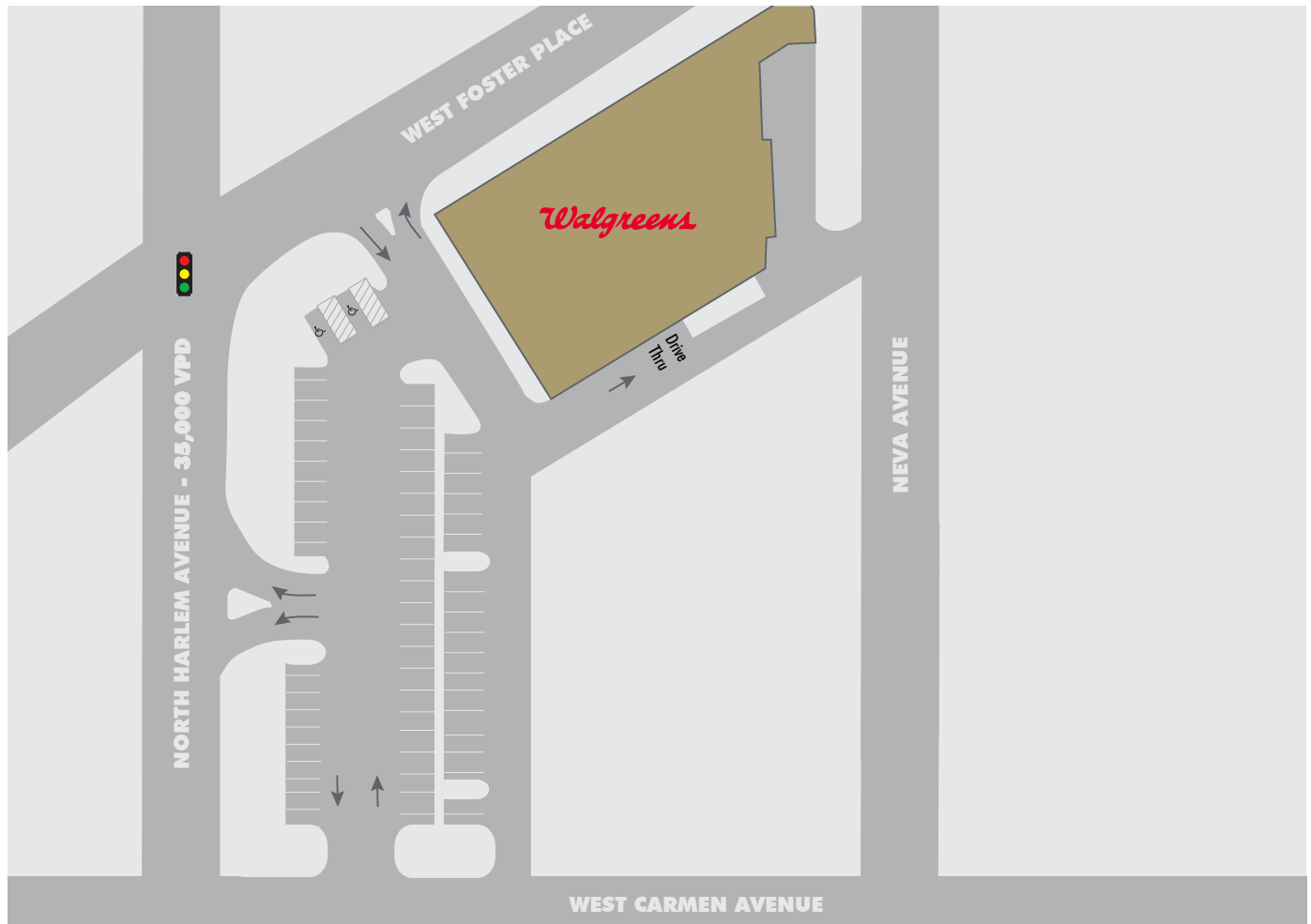


# **AERIALS, SITE PLAN & SURROUNDING USES**









# Surrounding Uses



HARLEM FOSTER SHOPPING CENTER



NORRIDGE COMMONS SHOPPING CENTER



HARLEM IRVING PLAZA MALL



HARWOOD COMMONS SHOPPING CENTER



NORRIDGE PLAZA







## TENANT OVERVIEW



## Tenant Overview

Walgreen Co. (S&P: BBB), a subsidiary of Walgreens Boots Alliance Inc. (NASDAQ: WBA), operates 9,175 drug stores in 50 states, the District of Columbia and Puerto Rico. Domestically, the company also operates approximately 500 worksite health and wellness centers and in-store convenient care clinics. Walgreens Boots Alliance Inc. reported TTM revenues of \$137.4 billion and net income of \$3.7 billion as of November 30, 2019. Walgreens provides consumer goods and services in addition to pharmacy and health and wellness services through drugstores, by mail, by telephone and online. In addition to prescription and non-prescription drugs, the company sells household products, convenience and fresh foods, personal care and beauty care items, photofinishing and candy products, home medical equipment, contact lenses, vitamins and supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services and operates Take Care Clinics to treat patients, write prescriptions and administer immunizations and other vaccines. Walgreens was founded in 1901 and is based in Deerfield, Illinois.

## Walgreens Boots Alliance

In 2014, Walgreens formed a global business by purchasing the remaining 55% of Switzerland-based Alliance Boots (Walgreens already owned 45% of Alliance Boots) for \$5.3B. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc. (NASDAQ: WBA, S&P: BBB), on December 31, 2014. The tenant under the lease is Walgreen Co., which is now a direct subsidiary of Walgreens Boots Alliance Inc.

## Rite Aid Transaction

In Spring 2018, Walgreens finalized their purchase of 1,932 stores and 3 distribution centers from Rite Aid for approximately \$4.4 billion. Walgreens will spend \$750 million to integrate all of the locations by end of the 2020 fiscal year, as well as an additional \$500 million on store improvements.

## Company Overview

TTM Revenue:	\$137.4 Billion (as of 11/30/2019)
Number of U.S. Locations	9,175
Number of Employees	342,000
Headquarters	Deerfield, IL
Fortune 500	#17



Actual Location



## **AREA OVERVIEW**

# Market/Area Overview

## NORWOOD PARK

Norwood Park, Illinois is a well-established and affluent community situated in the northwest suburbs of Chicago, approximately 13 miles from downtown Chicago. The community is home to over 37,000 individuals.

## HISTORY

The town was originally organized in 1873 and named after Henry Ward Beecher's novel, Norwood. Norwood Park was incorporated as a village in 1874 and was annexed to Chicago in late 1893. When residential development surged after 1910, citizens created a local park district to serve the area. Established in 1920, the Norwood Park District was one of 22 park commissions consolidated into the Chicago Park District in 1934. The Norwood Park District purchased 14 acres for its first park in 1921. Site drainage began in 1922, and bath house and swimming pool construction began shortly thereafter. In 1928, the park district added a fieldhouse with a 500-seat assembly hall.

## NORWOOD PARK TODAY

The community is known for its wealth of parks, trees and natural scenes scattered among the city landscape. It also boasts the oldest extant building in Chicago, the Noble-Seymour-Crippen House. Today, a large number of residents have the benefits of living a comfortable and affordable life in Norwood Park as well as having access to a major metroplex via an easy commute on Interstate 90 or through the city's metro.



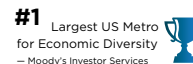
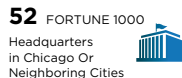
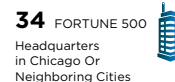
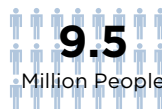
# Market/Area Overview

## Chicago, IL MSA

Chicago is one of the most attractive and dynamic markets in the nation. Chicago boasts an attractive retail market, with the third largest economy in the nation and over \$127.9 billion in annual retail sales (2018 metro Chicago sales). The market's vibrant business climate, central geographic location, diversified economy and available human resources have helped Chicago achieve a prominent position as a world-class city in finance, international trade, manufacturing, transportation, culture and the arts.

The Chicago MSA has matured into a broad-based and diversified economy that was rated the #1 Largest US Metro for Economic Diversity by Moody's Investor Services. Chicago has one of the world's largest economies with 4.7 million employees and a gross regional product of more than \$640 billion, which places the Chicago economy as the 22nd largest in the world. Due to this economic diversification, Chicago tends to experience fewer seasonal and cyclical peaks and valleys and is somewhat insulated against major downturns.

The Windy City, as it has been nicknamed, welcomes in 57.6 million international and domestic visitors each year who come to see attractions including Chicago's numerous parks, art galleries, architectural wonders, professional sports teams, universities and more.





## WHY CHICAGO?

- Chicago has a strong, globally diverse economy larger than that of many countries.
- Chicago's industry mix most closely matches that of the nation, with no single industry employing more than 20% of the workforce.
- Chicago is one of the most cost-effective cities in the world for doing business, ahead of New York and Los Angeles, according to KPMG.
- Chicago's affordable cost of living and world-class cultural and recreational opportunities make it an excellent value for the city's vibrant and diverse workforce.
- Chicago is a central transportation hub with direct flights between more than 200 cities worldwide, and direct connections to six major U.S. Interstates.

## #2 Best City to Get a College Degree - The A.T. Kearney Global Cities Index



**65,000**  
in downtown  
Chicago alone



**60 Colleges**  
or Universities in  
the Chicago MSA



**325,000**  
Students

## CHICAGO, IL MSA

### Transportation

Chicago is one of the primary transportation hubs in the United States. Chicago is home to O'Hare International Airport, the 3rd busiest airport in the nation. According to the Chicago Department of Aviation, in 2018 the airport serviced nearly 83 million passengers to and from 208 destinations around the world via more than 48 passenger carriers. Chicago is also home to Midway International Airport, which serviced more than 22 million passengers via five passenger carriers to 75 destinations in the US, Mexico, Jamaica, the Dominican Republic and Canada.

Several major interconnected expressways and interstate highways pass through the Chicago area. Interstates 80, 88 and 290 are the main east/west routes. Interstates 55 and 57 provide access to the south and southwestern suburban areas. Communities to the north and northwest are accessed via Interstates 90 and 94. North/south travel between the western suburbs is facilitated by Interstates 294 and 355.

### Demographics

The Chicago metropolitan statistical area is home to over 9.50 million residents, making it the third most populous MSA in the nation. Residents earn an average household income of \$97,963; more than 8% higher than the state average of \$90,792 and nearly 12% higher than the national average of \$87,398.

### Deep & Educated Labor Pool

The Chicago MSA is well educated with 60 colleges and universities in the area. Chicago also has a higher population under the age of 24 than New York, San Francisco, Washington D.C., Los Angeles, Boston, and Philadelphia.

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions

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the provisions of this Confidentiality Agreement.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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## INVESTMENT CONTACTS

### Brian Pfohl

Senior Vice President

T +1 404 504 7893

brian.pfohl@cbre.com

### Chris Bosworth

Vice Chairman

T +1 404 923 1486

chris.bosworth@cbre.com

### Will Pike

Vice Chairman

T +1 404 923 1381

will.pike@cbre.com

### Matt Mountjoy

Capital Markets Manager

+1 (404) 504-5939

matthew.mountjoy@cbre.com

### Michael Kaider

CBRE | IL Licensee

michael.kaider@cbre.com



# CBRE

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