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A D V I S O R S



WALGREENS

1280 WALTON BLVD, ROCHESTER HILLS, MI 48307

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INVESTMENT SUMMARY

| | |
|----------------|------------------|
| Tenant | Walgreens |
| Street Address | 1280 Walton Blvd |
| City | Rochester Hills |
| State | MI |
| Zip | 48307 |
| GLA | 13,219 SF |
| Lot Size | 2.13 AC |
| Year Built | 2005 |

\$ **\$6,259,680**
LIST PRICE

% **6.25%**
CAP RATE

\$ **\$391,230**
NET OPERATING INCOME

Price / SF \$473.54

Rent / SF \$29.60



Corporate Lease with Investment Grade Tenant - The lease is guaranteed by Walgreens Corporation (NYSE: WBA), a publicly traded corporation with an investment-grade credit rating of 'BBB' (S&P).

Growth During Pandemic - Net cash provided by operating activities was \$3.4 billion, an increase of \$183 million compared with the same period a year ago; free cash flow increased 23.7 percent to \$2.4 billion.

Established Location with Drive-Thru - Walgreens has been a tenant at the site since 2005, making it a staple in the community. This property also benefits from its drive-thru window, which adds a meaningful level of convenience to the customer experience and drives sales especially during COVID-19.

Limited Landlord Responsibility - This asset is subject to a Triple-Net (NNN) lease in which the tenant is responsible for all maintenance, taxes, insurance, roof & structure & reimburses the landlord for CAM expenses.

Dense Retail Corridor - Retailers in the immediate vicinity include Kroger, Taco Bell, Panera Bread, Chase Bank, Buffalo Wild Wings, Jimmy John's, and many more.

LEASE SUMMARY

| | |
|---------------------|--------------------|
| Lease Type | Triple-Net (NNN) |
| Type of Ownership | Fee Simple |
| Original Lease Term | 25 Years |
| Commencement Date | 10/01/2005 |
| Lease Expiration | 09/30/2030 |
| Term Remaining | 9.5+ Years |
| Increases | 5% in Every Option |
| Options | Seven (7), 5-Year |

| | |
|---------------------|--------------------|
| Real Estate Taxes | Tenant Responsible |
| Insurance | Tenant Responsible |
| Roof & Structure | Tenant Responsible |
| Lease Guarantor | Corporate |
| Company Name | Walgreens |
| Ownership | Public |
| Years in Business | 118 |
| Number of Locations | 9,560 |



Globally Recognized Brand - In the U.S, there are more than 9,560 locations in all 50 states, including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Walgreens is owned by Walgreens Boots Alliance, Inc. WBA is currently the largest retail pharmacy in the U.S and Europe, with 13,200 stores in over 11 countries.

Substantial Traffic Counts - This site boasts substantial traffic counts with over 20,831 vehicles passing per day.

Strategically Located - This property is located in close proximity to Pro-Health Urgent Care of Rochester, Marina Rehabilitation and Health Services, University Pain Clinic of Rochester, Ascension Providence Rochester Hospital, Rochdale Medical Center, Great Oaks Country Club, and Rochester High School, increasing foot traffic substantially.

Site Accessibility - This property is located at a hard, signalized corner with multiple ingress/egress points that allow for easy access to the site.

Robust Demographics - The population density is approximately 66,366 residents within 3 miles and 138,383 residents within 5 miles of the site, with an expected population growth of over 2% in the coming five years.

WALGREENS
RENT SCHEDULE



| Period | Term | Annual Rent | Monthly Rent | Increase | CAP Rate |
|-------------------------|------------|--------------|--------------|----------|----------|
| 10/01/2005 - 09/30/2030 | Base Term | \$391,230.00 | \$32,602.50 | - | 6.25% |
| 10/01/2030 - 09/30/2035 | 1st Option | \$410,784.00 | \$34,232.00 | 5% | 6.56% |
| 10/01/2035 - 09/30/2040 | 2nd Option | \$431,367.00 | \$35,947.25 | 5% | 6.89% |
| 10/01/2040 - 09/30/2045 | 3rd Option | \$452,957.04 | \$37,746.42 | 5% | 7.24% |
| 10/01/2045 - 09/30/2050 | 4th Option | \$475,560.96 | \$39,630.08 | 5% | 7.60% |
| 10/01/2050 - 09/30/2055 | 5th Option | \$499,325.04 | \$41,610.42 | 5% | 7.98% |
| 10/01/2055 - 09/30/2060 | 6th Option | \$524,393.04 | \$43,699.42 | 5% | 8.38% |
| 10/01/2060 - 09/30/2065 | 7th Option | \$550,620.00 | \$45,885.00 | 5% | 8.80% |









ABOUT THE BRAND



Walgreens

Walgreens is an American company that operates as the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. As of early 2020, the company operated more than 9,560+ stores in the United States. Walgreens is a subsidiary of Walgreens Boots Alliance, a multi-billion dollar American holding company.



9,560+

NUMBER OF LOCATIONS



BBB

CREDIT RATING



\$136.9 Billion

ANNUAL REVENUE



230,000+

NUMBER OF EMPLOYEES



Walgreens to Add 9,500 Jobs in Response to Coronavirus Demand

Walgreens is looking to add more than 9,500 full- and part-time and temporary roles in stores across the U.S., including customer service associates, pharmacy technicians and shift leads, as part of its coronavirus response. The pharmacy chain also announced it would give bonuses – \$300 for full-time and \$150 for part-time hourly employees in stores and distribution centers beginning in April.

Walgreens Reports Full-Year 2019 Results

- Sales increased 4.1 percent to \$136.9 billion, up 5.8 percent on a constant currency basis.
- Operating income decreased 20.5 percent to \$5.0 billion.
- Adjusted operating income decreased 9.6 percent to \$6.9 billion, down 8.6 percent on a constant currency basis.
- EPS decreased 14.6 percent to \$4.31.
- Adjusted EPS decreased 0.5 percent to \$5.99, up 0.5 percent on a constant currency basis.

LOCATION OVERVIEW

Rochester Hills, MI

Rochester Hills is a city in Oakland County in the U.S. state of Michigan. As of the 2019, the city exceeded total population of 74,516. Rochester Hills is situated in the east central portion of Oakland County comprised of 32.2 square miles. As a northern suburb of Metro Detroit, the city is about 12 miles north of the city of Detroit. Rochester Hills is bordered to the north by Oakland Charter Township along Dutton Road, to the south by the city of Troy along South Boulevard, to the east by Shelby Township in Macomb County along Dequindre Road, and to the west by the city of Auburn Hills along part of Adams Road.

Rochester Hills is a zoned community and has a Master Land Use Plan, which has been implemented for its orderly development. A wide variety of industries, such as computer technology, electronic research, development, manufacturing, plastic injection molding, precision machine tool fabrication, structural engineering, warehousing & distribution have chosen Rochester Hills as their corporate headquarters. The populace is well-educated, interested in community and civic affairs, proud of their homes and the municipality in which they live.



Rochester Hills is home to Oakland University, and is ranked as one of the wealthiest cities in the state and among the 50 most-educated cities in the U.S. This city has a safety rating of 90.61, making Rochester Hills the safest city in Michigan. A perfect mix of historic and hip, Rochester attracts both local residents and visitors from across the state.

Employment

The past five years, Rochester Hills' unemployment rate has averaged 3.9%, consistently lower than state and national averages. The current unemployment rate is 2.7%. Top industries that employ city residents include manufacturing (7,604 residents), healthcare and social assistance (4,955 residents), retail (3,409 residents), and educational services (3,117 residents).

Affluent Community

Rochester Hills' average household income is \$124,184, making it one of the wealthiest communities in Michigan and substantially higher than the national average.

LOCATION OVERVIEW

1. Oakland University

318 Meadow Brook Rd, Rochester, MI 48309

2.8 MILES FROM SUBJECT PROPERTY

2. Meadow Brook Hall

350 Estate Dr, Rochester, MI 48309

3.4 MILES FROM SUBJECT PROPERTY

3. Village Of Rochester Hills

104 S. Adams Rd, Rochester, MI 48309

2.3 MILES FROM SUBJECT PROPERTY

4. Bald Mountain State Recreation Area

3361 S. Lapeer Rd, Orion Charter Township, MI 48360

8.2 MILES FROM SUBJECT PROPERTY

5. Rochester University

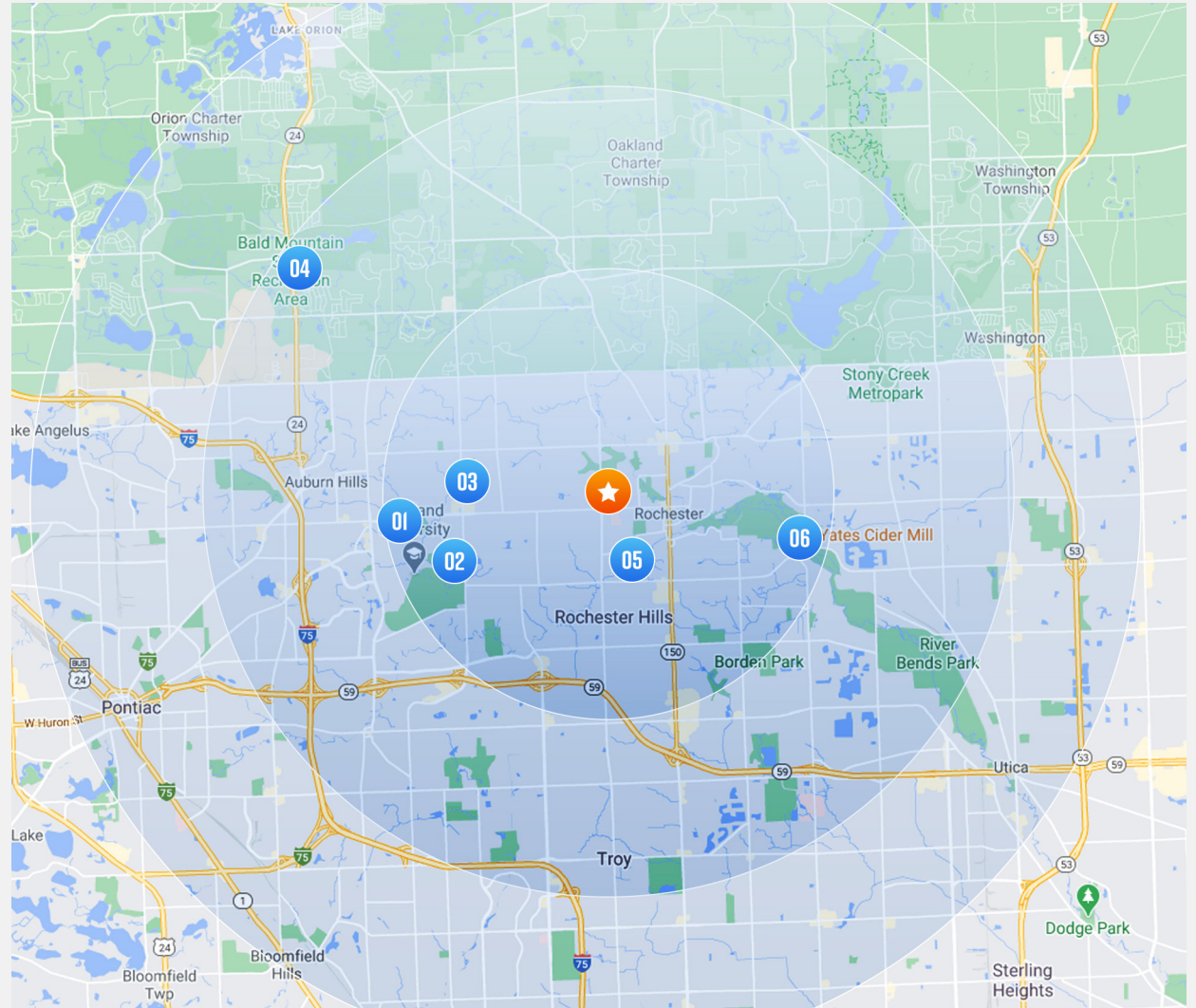
800 W. Avon Rd, Rochester Hills, MI 48307

1.7 MILES FROM SUBJECT PROPERTY

6. Yates Cider Mill

1950 E. Avon Rd, Rochester Hills, MI 48307

4.4 MILES FROM SUBJECT PROPERTY



LOCATION OVERVIEW



01

OAKLAND UNIVERSITY

THIS UNIVERSITY HAS MORE THAN 20,000 ANNUALLY ENROLLED STUDENTS.



02

MEADOW BROOK HALL

THIS STRUCTURE IS THE 4TH LARGEST HISTORIC MANSION MUSEUM IN THE USA.



03

VILLAGE OF ROCHESTER HILLS

AN UPSCALE RETAIL LIFESTYLE CENTER WITH 40+ NATIONAL RETAILERS.



04

BALD MOUNTAIN STATE RECREATION AREA

A 4,637-ACRE STATE PARK LOCATED NEAR LAKE ORION, MICHIGAN OFF M-24.



05

ROCHESTER UNIVERSITY

THIS PRIVATE UNIVERSITY HAS 12,000+ ANNUALLY ENROLLED STUDENTS.

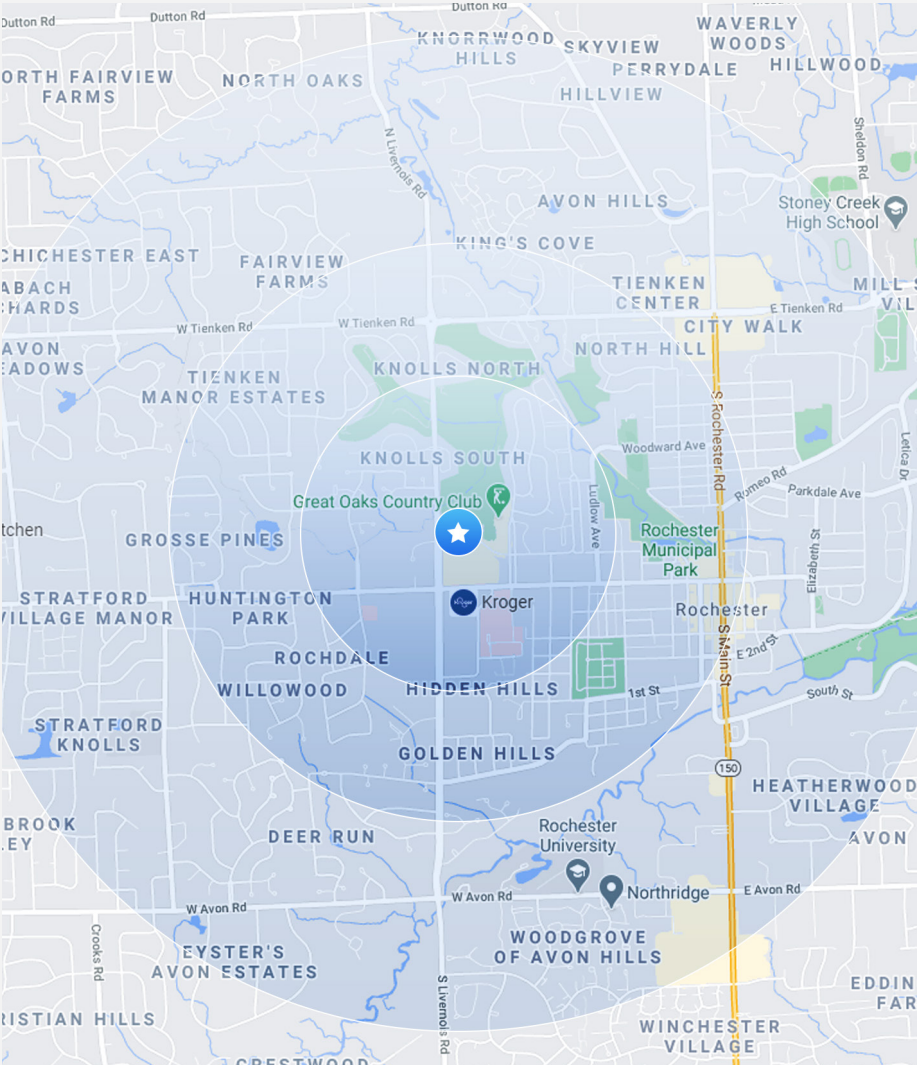


06

YATES CIDER MILL

YATES CIDER MILL IS A CIDER MILL TRACING ITS ROOTS BACK TO 1863.

WALGREENS
DEMOGRAPHICS



POPULATION

| | 1-Mile | 3-Mile | 5-Mile |
|------------------|--------|--------|---------|
| 2025 Projection | 10,494 | 72,119 | 151,323 |
| 2020 Estimate | 10,292 | 70,824 | 148,453 |
| 2010 Census | 9,573 | 66,366 | 151,323 |
| Growth '20 - '25 | 0.80% | 0.70% | 0.70% |
| Growth '10 - '20 | 0.40% | 0.40% | 0.40% |

HOUSEHOLDS

| | 1-Mile | 3-Mile | 5-Mile |
|------------------|-----------|-----------|-----------|
| 2025 Projection | 4,740 | 28,030 | 58,817 |
| 2020 Estimate | 4,650 | 27,521 | 57,671 |
| 2010 Census | 4,740 | 25,801 | 53,676 |
| Growth '20 - '25 | 0.40% | 0.40% | 0.40% |
| Growth '10 - '20 | 0.50% | 0.40% | 0.60% |
| Average Income | \$103,618 | \$124,184 | \$117,909 |
| Median Income | \$75,936 | \$97,486 | \$92,132 |

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WALGREENS

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