

# SINGLE TENANT ABSOLUTE NNN

Investment Opportunity

*Walgreens*

W/ Drive-Thru Pharmacy



5204 N Navarro Street

**VICTORIA TEXAS**

ACTUAL SITE





## EXCLUSIVELY PRESENTED BY



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# INVESTMENT SUMMARY



SRS National Net Lease Group is pleased to offer the opportunity to acquire the fee simple interest (land & building ownership) in an absolute NNN leased, corporate guaranteed, investment grade (S&P: BBB), Walgreens investment property located in Victoria, Texas. The tenant, Walgreens Co. (Store #7964), recently executed a brand new 15-year lease with 12 (5-year) options to extend, demonstrating their commitment to the site. The lease features 5% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation. The lease is corporate guaranteed by Walgreens Co. (S&P: BBB) and is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor.

Walgreens is located at the signalized, hard corner intersection of N. Navarro Street and Sam Houston Road, averaging a combined 33,000 vehicles passing by daily. The building is complete with a drive-thru pharmacy, providing ease and convenience for customers. The property is equipped with a large monument sign, creating excellent visibility along both cross-streets. The asset is as an anchor to The Centre At Navarro, a 57,414 SF neighborhood center that also includes Aldi and Planet Fitness. Walgreens is located less than 2 miles south of Victoria Mall, a 795,000 SF regional mall anchored by Best Buy, JCPenney, and T.J. Maxx. Other nearby shopping centers include Northcross Shopping Center (240,000 SF), Victoria Shopping Center (96,400 SF), and Victoria Crossing (208,000 SF). Nearby retail centers significantly increase consumer draw to the immediate trade area and promote crossover store exposure to the site. Additionally, the subject property is within close proximity to a variety of national/credit tenants including H-E-B plus!, Target, The Home Depot, PetSmart, Lowe's Home Improvement, Dollar Tree, and more, further increasing exposure and crossover synergy for the asset. The subject property is surrounded by several housing communities including Pinnacle Pointe Apartments (144 units), Mockingbird Lane Plaza (160 units), and The Colony (180 units), providing the pharmacy with a direct residential consumer base from which to draw. The 5-mile trade area is supported by more than 71,400 residents and 36,500 daytime employees with an average household income of \$72,500.



## PROPERTY PHOTOS





# OFFERING SUMMARY



## OFFERING

<b>Pricing</b>	\$6,500,000
<b>Net Operating Income</b>	\$325,000
<b>Cap Rate</b>	5.00%
<b>Guaranty</b>	Corporate
<b>Tenant</b>	Walgreen Co. (Store #7964)
<b>Lease Type</b>	Absolute NNN
<b>Landlord Responsibilities</b>	None
<b>Sales Reporting</b>	Yes - Contact Agent For Details

## PROPERTY SPECIFICATIONS

<b>Rentable Area</b>	14,560 SF
<b>Land Area</b>	2.27 Acres
<b>Property Address</b>	5204 N. Navarro Street Victoria, TX 77904
<b>Year Built</b>	2005
<b>Parcel Number</b>	51427R1-001-00100
<b>Ownership</b>	Fee Simple (Land & Building)

# INVESTMENT HIGHLIGHTS



## **Brand New 15-Year Lease | Corporate Guaranteed | Investment Grade Tenant (S&P: BBB)**

- Corporate guaranteed by Walgreens Co. (S&P: BBB)
- Recently executed a brand new 15-year lease with 12 (5-year) options to extend, demonstrating their commitment to the site
- Lease features 5% rental increases every 5 years throughout the initial term and at the beginning of each option period, growing NOI and hedging against inflation
- Headquartered in Deerfield, IL, Walgreens operates more than 9,200 stores across all 50 states
- Walgreens was recently included in FORTUNE's 2020 list of the World's Most Admired Companies for the 27th consecutive year

## **Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities**

- Tenant pays for CAM, taxes, and insurance
- No landlord responsibilities
- Ideal, management-free investment for a passive investor

## **Signalized, Hard Corner Intersection | Drive-Thru Equipped | Excellent Visibility & Access**

- Walgreens is located at the signalized, hard corner intersection of N. Navarro Street and Sam Houston Road, averaging a combined 33,000 vehicles passing by daily
- The building is complete with a drive-thru pharmacy, providing ease and convenience for customers
- The property is equipped with a large monument sign, creating excellent visibility along both cross-streets

## **Anchor to The Centre At Navarro | Nearby to Victoria Mall | Retail Corridor | Strong National/Credit Tenants**

- Anchor to The Centre At Navarro, a 57,414 SF neighborhood center that also includes Aldi and Planet Fitness
- Located less than 2 miles south of Victoria Mall, a 795,000 SF regional mall anchored by Best Buy, JCPenney, and T.J. Maxx
- Nearby shopping centers include Northcross Shopping Center (240,000 SF), Victoria Shopping Center (96,400 SF), and Victoria Crossing (208,000 SF)
- Retail centers significantly increase consumer draw to the immediate trade area and promote crossover store exposure to the site
- Nearby national/credit tenants including H-E-B plus!, Target, The Home Depot, PetSmart, Lowe's Home Improvement, Dollar Tree, and more, further increasing exposure and crossover synergy for the asset

## **Direct Residential Consumer Base | Strong Demographics in 5-Mile Trade Area**

- Nearby housing communities including Pinnacle Pointe Apartments (144 units), Mockingbird Lane Plaza (160 units), and The Colony (180 units), providing the pharmacy with a direct residential consumer base from which to draw
- More than 71,400 residents and 36,500 employees support the trade area
- \$72,500 average household income



# PROPERTY OVERVIEW



## Location

Victoria, TX  
Victoria County



## Parking

There are approximately 69 parking spaces on the owned parcel.  
The parking ratio is approximately 4.74 stalls per 1,000 SF of leasable area.



## Access

**1 Access Point:** N. Navarro Street  
**1 Access Point:** Sam Houston Drive



## Parcel

**Parcel Number:** 51427R1-001-00100  
**Acres:** 2.27  
**Square Feet:** 98,938 SF



## Traffic Counts

**N. Navarro Street:** 33,000 Vehicles Per Day  
**State Highway 463:** 27,900 Vehicles Per Day



## Construction

**Year Built:** 2005



## Improvements

There is approximately 14,560 SF of existing building area



## Zoning

Commercial



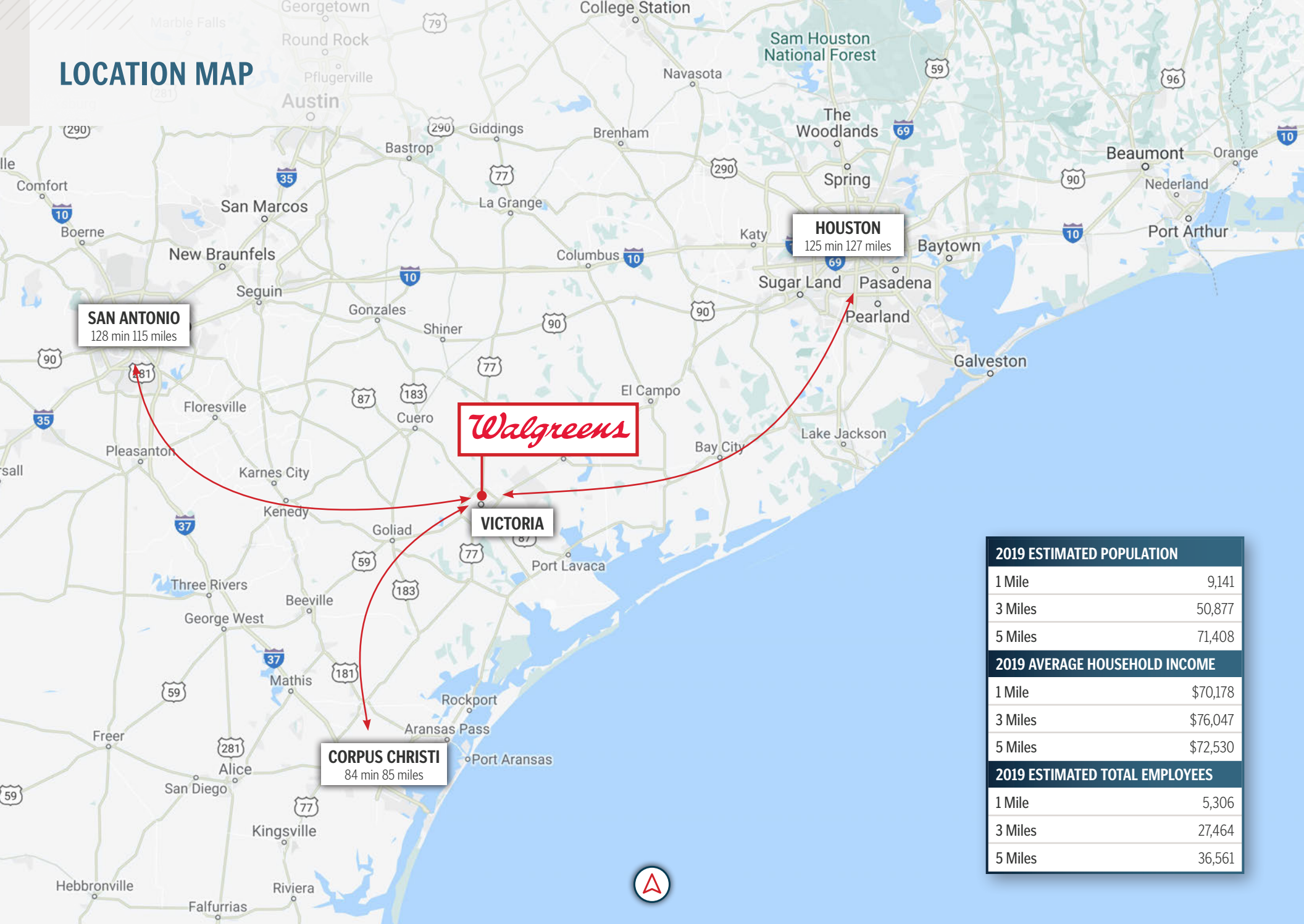








## LOCATION MAP



2019 ESTIMATED POPULATION	
1 Mile	9,141
3 Miles	50,877
5 Miles	71,408
2019 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$70,178
3 Miles	\$76,047
5 Miles	\$72,530
2019 ESTIMATED TOTAL EMPLOYEES	
1 Mile	5,306
3 Miles	27,464
5 Miles	36,561



### VICTORIA, TEXAS

Victoria is the largest city and county seat of Victoria County, Texas. Victoria City had a population of 68,799 as of July 1, 2019. Victoria is located 30 miles inland from the Gulf of Mexico. Victoria City is a regional hub for a seven-county area known as the “Golden Crescent”, and serves a retail trade area of over 250,000 people. Victoria is known as “The Crossroads” because of its location within a two-hour drive of Corpus Christi, Houston, San Antonio, and Austin. Victoria is named for General Guadalupe Victoria, who became the first president of independent Mexico. Victoria is the cathedral city of the Roman Catholic Diocese of Victoria in Texas.

Victoria’s economy is a mix of education, health, retail, agriculture, and industry. Its access to major highways, the Victoria Regional Airport, railway terminals, the shallow draft Port of Victoria, and the deep water port of Port Lavaca-Point Comfort help to sustain a healthy environment for business. Major industrial employers in the region include Formosa Plastics Corp, Inteplast Group, Dow, Invista, and Alcoa.

Some of Victoria’s commercial ventures are unique in both state and national business annals. A safe and vault company was the only institution of its kind south of Cincinnati, and the Texas Continental Meat Company, established in 1883, was a harbinger of new techniques. Combining prairie grass, cattle, railroads, and business acumen, Continental pioneered in the slaughtering and packing of swine, sheep, and poultry, as well as beef.

Popular museums in the area include Nave Museum, Children’s Discovery Museum, and McNamara House Museum. Parks like Riverside Park and Goliad State Park offer opportunities for camping, fishing, and hiking. Texas Zoo is a popular tourist attraction and a favorite site for young children. Local events include Czech Heritage Festival, Black History Festival and Parade, and the Jazz Festival.





# AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2019 Estimated Population	9,141	50,877	71,408
2024 Projected Population	9,332	53,159	74,391
2010 Census Population	8,770	45,865	64,928
Projected Annual Growth 2019 to 2024	0.41%	0.88%	0.82%
Historical Annual Growth 2010 to 2019	0.56%	1.09%	1.05%
<b>HOUSEHOLDS &amp; GROWTH</b>			
2019 Estimated Households	3,696	19,547	26,276
2024 Projected Households	3,773	20,427	27,388
2010 Census Households	3,604	17,920	24,292
Projected Annual Growth 2019 to 2024	0.41%	0.88%	0.83%
Historical Annual Growth 2010 to 2019	0.38%	0.91%	0.87%
<b>RACE &amp; ETHNICITY</b>			
2019 Estimated White	82.31%	81.48%	79.52%
2019 Estimated Black or African American	7.30%	6.68%	7.27%
2019 Estimated Asian or Pacific Islander	1.39%	2.24%	1.82%
2019 Estimated American Indian or Native Alaskan	0.67%	0.64%	0.71%
2019 Estimated Other Races	11.76%	10.83%	12.08%
2019 Estimated Hispanic	46.07%	45.97%	50.92%
<b>INCOME</b>			
2019 Estimated Average Household Income	\$70,178	\$76,047	\$72,530
2019 Estimated Median Household Income	\$50,028	\$54,729	\$51,782
2019 Estimated Per Capita Income	\$27,721	\$29,196	\$26,880
<b>DAYTIME POPULATION</b>			
2019 Estimated Total Businesses	539	2,353	3,081
2019 Estimated Total Employees	5,306	27,464	36,561



# RENT ROLL



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Walgreen Co. (Store #7964)	14,560	10/15/2020	10/15/2035	Year 1	-	\$27,083	\$1.86	\$325,000	\$22.32	Absolute NNN	12 (5-Year)
(Corporate Guaranty)				Year 6	5%	\$28,438	\$1.95	\$341,250	\$23.44	5% Increase at Beg. of Each Option	
				Year 11	5%	\$29,859	\$2.05	\$358,313	\$24.61		

<sup>1</sup>Tenant has 10-day Right of First Opportunity.

<sup>2</sup>In addition to fixed rent, tenant pays percentage rent of 2% of gross sales and 0.5% of gross sales of food and prescription items.

## FINANCIAL INFORMATION

Price	\$6,500,000
Net Operating Income	\$325,000
Cap Rate	5.00%
Lease Type	Absolute NNN

## PROPERTY SPECIFICATIONS

Year Built	2005
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Land Area	2.27 Acres
Address	5204 N. Navarro Street Victoria, TX 77904





# BRAND PROFILE



## WALGREENS

**Company Type:** Subsidiary

**Parent:** Walgreens Boots Alliance

**2019 Employees:** 232,000

**2019 Revenue:** \$136.87 Billion

**2019 Net Income:** \$3.98 Billion

**2019 Assets:** \$67.60 Billion

**2019 Equity:** \$23.51 Billion

**Credit Rating: S&P:** BBB

Walgreens, one of the nation's largest drugstore chains, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), a global leader in retail and wholesale pharmacy. Walgreens is proud to be a neighborhood health, beauty and retail destination supporting communities across the country, and was named to FORTUNE magazine's 2019 Companies that Change the World list. Approximately 8 million customers interact with Walgreens in stores and online each day. As of August 31, 2019, Walgreens operates 9,277 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, along with its omnichannel business, Walgreens.com. Walgreens also provides specialty pharmacy and mail services and offers in-store clinics and other health care services throughout the United States. Walgreens Boots Alliance is the parent company of Walgreens.



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RETAIL  
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#1

LARGEST REAL ESTATE  
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in North America  
exclusively dedicated  
to retail

2K+

RETAIL  
TRANSACTIONS  
company-wide  
in 2019

485

NET LEASE  
PROPERTIES SOLD  
in 2019

\$1.5B

NET LEASE  
TRANSACTION VALUE  
in 2019

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