

OFFERING MEMORANDUM

26531 Aliso Creek Rd
Aliso Viejo, CA

PRESENTED BY THE KIDDER MATHEWS INVESTMENT GROUP

Walgreens



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km Kidder Mathews



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Walgreens

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INVESTMENT SUMMARY

THE OFFERING

Kidder Mathews is pleased to offer to qualified investors the opportunity to acquire the fee simple interest of a single-tenant, absolute NNN leased, Walgreens located within a dominant Trader Joes anchored center in premier Aliso Viejo, CA (Orange County).

Walgreens has been operating at this location since 2008 and has just under 8 years remaining on the initial 20-year lease term. The lease features rare 5% rental increases every 10 years. Additionally, this investment features zero landlord obligations making it an ideal investment opportunity for both local or out of state investors. The lease is corporate guaranteed by Walgreens Co., a nationally recognized tenant with 9,560 locations in 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

The subject property is ideally positioned at a signalized, hard corner intersection of Enterprise and Aliso Creek Road with over 47,000 vehicles passing by daily.

Additionally the property benefits from its location as a free standing outparcel within Aliso Viejo Commons shopping center, anchored by national tenants such as Trader Joe’s and Michael’s. The asset is well positioned in a dominant retail corridor directly adjacent to the Aliso Viejo Town Center which is anchored by Edwards Theatres, Barnes & Noble, Ralph’s, and TJ Max.

The subject property draws from in a substantially dense and affluent area. There’s approximately 288,032 people living within 5 miles of the property with an average household income of \$143k. It’s conveniently located less than 600 feet away from Hoag Urgent Care and a large medical building. This is an excellent investment opportunity to purchase a trophy Walgreens in a very desirable Southern California town.



\$15M

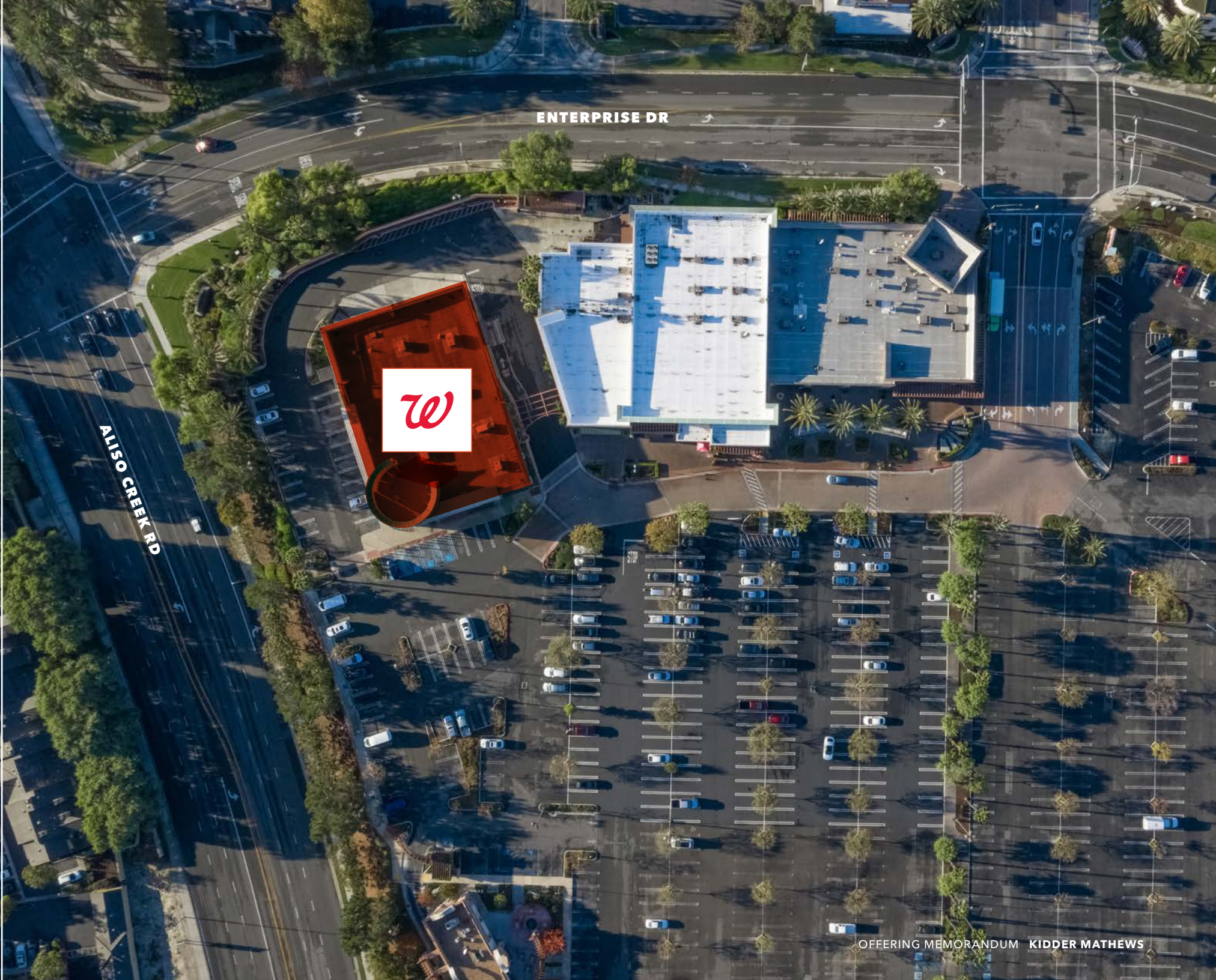
SALE PRICE

4.42%

CAP RATE



2020 DEMOGRAPHICS			
	1 Mile	3 Miles	5 Miles
POPULATION	26,725	128,549	288,032
2025 PROJECTION	27,561	131,839	294,575
AVG HH INCOME	\$125,013	\$133,870	\$143,557



PROPERTY OVERVIEW

PRICE	\$15,000,000
CAP RATE	4.42%
ADDRESS	26531 Aliso Creek Rd Aliso Viejo, CA 92656
TENANT	Walgreens (S&P: BBB)
LEASE GUARANTOR	Corporate
LEASE TYPE	Absolute NNN
LANDLORD RESPONSIBILITIES	None
NET OPERATING INCOME	\$662,580
LEASE EXPIRATION	November 30, 2028
OPTIONS	(5) 10 Year Options; (1) 5 Year Option
RENT INCREASES	5% every 10 years & In Options

PROPERTY SPECIFICATIONS

RENTABLE AREA	13,386 SF
LAND AREA	1,78 AC
YEAR BUILT	2008
PARCEL NUMBER	629-101-21
OWNERSHIP	Fee Simple (Land & Building)



INVESTMENT HIGHLIGHTS

CORPORATE CREDIT

Walgreens NASDAQ (Symbol: WBA) is one of the largest drug retailing chain in the United States with a market capitalization in excess of \$37B

ABSOLUTE NNN LEASE | NO LANDLORD RESPONSIBILITIES

Walgreens pays for ALL operating expenses such as taxes, insurance, maintenance, roof and structure

Ideal for 1031 or out-of-state investors

LONG TERM INVESTMENT | 8 YEARS REMAINING

8 years remaining on the initial term with options extending to 2083

DENSE & AFFLUENT POPULATION IN THE PRIMARY TRADE AREA

More than 288,032 residents with an average HH income of \$143k within 5 miles of the subject property

SIGNALIZED, HARD CORNER INTERSECTION

Over 47,000 VPD at the intersection of Enterprise and Aliso Creek Road

DOMINANT RETAIL CORRIDOR

Located in one of the most dominant retail developments in Orange County

Major anchors at the Town Center include: a 20-screen Regal Theatre, Ralphs, Michaels, Trader Joe’ s, TJ Maxx, Petsmart, Barnes & Noble, Pier 1 Imports, Staples and Bank of America



Walgreens benefits from strong demographics in a 5-mile trade area


288K+
RESIDENTS IN THE AREA

+13K
PROJ POP GROWTH (2020-2025)

\$144K
AVG HOUSEHOLD INCOME




QUICK FACTS




Location

Located in Aliso Viejo, CA
8 miles from Laguna Beach




Exceptional Access and Visibility

Enterprise/Aliso Creek Road - 47k VPD




Absolute NNN Lease

There's just 8 years remaining with 5% increases every 10 years.




Year Built

Built in 2008



Strong Demographics

There's approximately 288,032 people living within 5 miles of the property with an average household income of \$143k



Land Area

The property sits on a 1.78-AC lot





AREA OVERVIEW

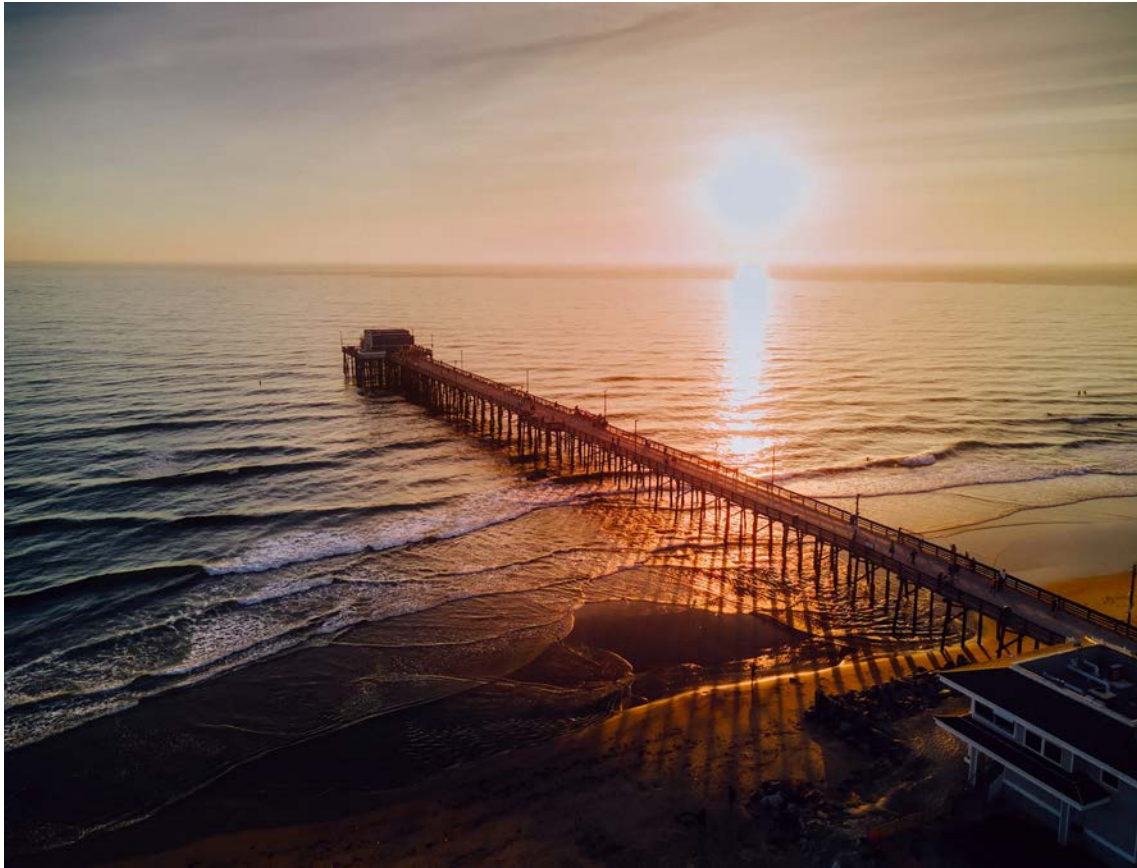
Aliso Viejo is located in southern Orange County, California. Its neighboring cities are Laguna Beach on the west and southwest, Laguna Hills on the east, Laguna Niguel on the southeast, and Laguna Woods on the north.

ALISO VIEJO, CA

Aliso Viejo has a 2020 population of 52,031, it is the 176th largest city in California and the 765th largest city in the United States. Aliso Viejo is currently growing at a rate of 0.24% annually and its population has increased by 8.80% since the most recent census, which recorded a population of 47,823 in 2010.

The City of Aliso Viejo is a strategical community plan that was developed to contain a balance between residential neighborhoods, community parks, facilities and schools as well as an appropriate mix of business, office and retail uses. It officially became Orange County's 34th city on July 1, 2001.

Aliso Viejo is home to the headquarters of numerous large corporations and offers plenty of employment opportunities.



DEMOGRAPHICS

POPULATION

	1 Mile	3 Miles	5 Miles
2020 ESTIMATE	26,725	128,549	288,032
2025 PROJECTION	27,561	131,839	294,575
2010 CENSUS	24,524	118,912	268,595
GROWTH 2020 - 2025	0.62%	0.51%	0.45%
2020 DAYTIME POP	29,084	128,969	303,844

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2020 ESTIMATE	10,814	51,734	109,083
2025 PROJECTION	11,111	52,765	111,123
2010 CENSUS	10,092	48,990	103,115
GROWTH 2020 - 2025	6.42%	7.18%	7.15%

2020 EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
AVG HH INCOME	\$125,013	\$133,870	\$143,557
MEDIAN HH INCOME	\$102,908	\$98,578	\$106,745
TOTAL EMPLOYEES	16,625	58,087	147,788

FINANCIALS

RENT ROLL

		LEASE TERM			RENTAL RATES			
Tenant	SF	Lease Start		Lease End	Annual Rent	Price / SF / Year	% Change	Lease Type
Walgreens	13,386	11/21/2008		11/30/2018	\$631,080	\$47.14		NNN
		CURRENT	12/1/2018	11/30/2028	\$662,580	\$49.50	5%	NNN
		OPTION 1	12/1/2028	11/30/2038	\$697,230	\$52.09	4.97%	NNN
		OPTION 2	12/1/2038	11/30/2048	\$735,345	\$54.93	5.18%	NNN
		OPTION 3	12/1/2048	11/30/1958	\$777,272	\$58.07	5.39%	NNN
		OPTION 4	12/1/2058	11/30/2068	\$823,391	\$61.51	5.60%	NNN
		OPTION 5	12/1/2068	11/30/2078	\$874,122	\$65.30	5.80%	NNN
		OPTION 6	12/1/2078	11/30/2083	\$929,925	\$69.47	6.00%	NNN

For financing options
& loan quotes, please contact:

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\$15,000,000
PRICE

4.42%
CAP RATE

\$662,580
NET OPERATING INCOME



TENANT OVERVIEW

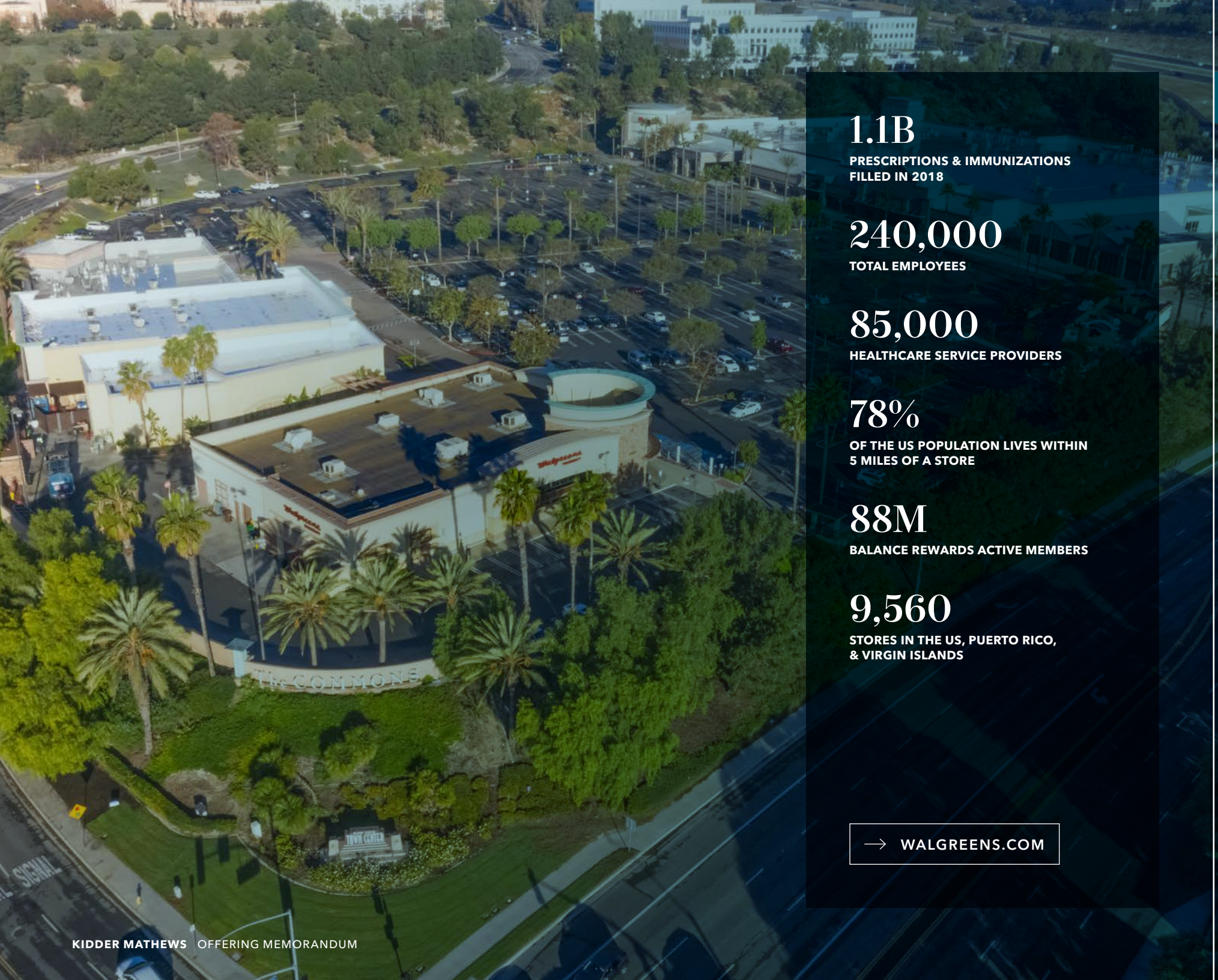
Approximately 8 million customers interact with Walgreens in stores and online each day, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice.

Walgreens, one of the nation’s largest drugstore chains, is included in the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (NASDAQ: WBA), the first global pharmacy-led, health and wellbeing enterprise. As of August 31, 2019, Walgreens operates 9,560 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. Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

The Walgreen Company is the SECOND largest drug retailing chain in the United States. The company is publicly traded on the NASDAQ (Symbol: WBA) with a market capitalization in excess of \$37 Billion. Both Walgreen Co. and Walgreens Boots Alliance, Inc. are investment grade rated each with a Standard & Poor’s rating of BBB. In October 2016 Walgreens Boots Alliance received the United Nations Foundation Global Leadership Award for its commitment to the UN’s Sustainable Development Goals.



WBA STOCK SYMBOL (NASDAQ)	BBB S&P RATING
\$37B MARKET CAPITALIZATION	9,560 NUMBER OF LOCATIONS



1.1B
PRESCRIPTIONS & IMMUNIZATIONS
FILLED IN 2018

240,000
TOTAL EMPLOYEES

85,000
HEALTHCARE SERVICE PROVIDERS

78%
OF THE US POPULATION LIVES WITHIN
5 MILES OF A STORE

88M
BALANCE REWARDS ACTIVE MEMBERS

9,560
STORES IN THE US, PUERTO RICO,
& VIRGIN ISLANDS

→ [WALGREENS.COM](https://www.walgreens.com)

Walgreens

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