

# WALGREENS - ISLAND LAKE, IL

OFFERING MEMORANDUM

442 West State Road | Island Lake, IL 60042



# AFFILIATED BUSINESS DISCLOSURE AND CONFIDENTIALITY AGREEMENT

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If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

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and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

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ALL PARCEL LINES ON AERIALS AND SITE PLAN ARE APPROXIMATELY.



# OFFERING MEMORANDUM

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## TABLE OF CONTENTS

04  
EXECUTIVE  
SUMMARY

10  
PROPERTY  
OVERVIEW

14  
MARKET  
OVERVIEW





# THE OFFERING

CBRE's Net Lease Property Group - Midwest is pleased to present, as exclusive advisor, an exceptional opportunity to acquire fee interest in a Walgreens in Island Lake, IL. Island Lake is situated in McHenry County and Lake County, a part of the northwest suburbs of Chicago, with strong household incomes. The lease has over 11 years of remaining term and a full, investment credit, parent guarantee of Walgreens Co. (Standard & Poor: "BBB").

Walgreens occupies a 14,280-square foot space along IL-176 (W State Road) with traffic counts exceeding 20,000 vehicles per day. State Route 176 is situated directly between Route 31 & Route 12 which provide access to major Interstates as well as other surrounding northwest suburban cities such as Crystal Lake, Barrington, Lake Zurich, Algonquin, and many others. Within the 5-mile primary trade area of Walgreens, there are over 75,000 residents with average household incomes that exceed \$114,000 annually.

Walgreens Boots Alliance (NASDAQ: WBA) is a global leader in retail and wholesale pharmacy, touching millions of lives every day through dispensing and distributing medicines, its convenient retail locations, digital platforms and health and beauty products. The company has more than 170 years of trusted healthcare heritage and innovation in community pharmacy and pharmaceutical wholesaling. WBA is one of the world's largest purchasers of prescription drugs and many other health and well-being products. The company's size, scale and expertise will help position us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide. The Company is included in Fortune's 2020 list of the World's Most Admired Companies. This is the 27th consecutive year that WBA or its predecessor company, Walgreen Co., has been named to the list. WBA recorded over \$136.9 billion in 2019 fiscal year sales and nearly \$7 billion in adjusted operating income.





# FINANCIAL OVERVIEW

Offering Price	\$5,620,000
Cap Rate	6.00%
Annual Rent	\$336,999.96
Monthly Rent	\$28,083.33
Lease Structure	Absolute NNN
Land Area	±2.37 Acres/102,976 Square Feet
Building Size	14,820 Square Feet
Parking	83 Spaces
Tenant	Walgreen Co., an Illinois Corporation
Guarantee:	Corporate
Lease Term Remaining	11 Years, 9 Months
Lease Commencement	November 1, 2007
Lease Expiration	October 31, 2032
Renewal Options	After October 31, 2032, tenant shall have the right to terminate the lease, but give 12 months' notice to the Landlord.

Rental Increases	None
ROFR	Tenant has 21-day Right of First Refusal
Tenant Responsibilities	Roof, Structure, CAM, Taxes and Insurance
Landlord Responsibilities	None
Parking Areas	Tenant, at Tenant's sole cost and expense, shall maintain, repair, and replace the parking areas of the Leased Premises.



You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.



# AERIAL VIEW NORTHWEST



COTTON CREEK  
SCHOOL

FIFTH THIRD BANK

U-HAUL

7 ELEVEN  
TWILIGHT TAN  
Nancy's

Great Clips  
DUNKIN' DONUTS  
ATHLETICO  
PHYSICAL THERAPY

IL - 176 (W State Rd)  
20,000 VPD

McDonald's

Young Scholars  
CHILD CARE CENTER, LTD.

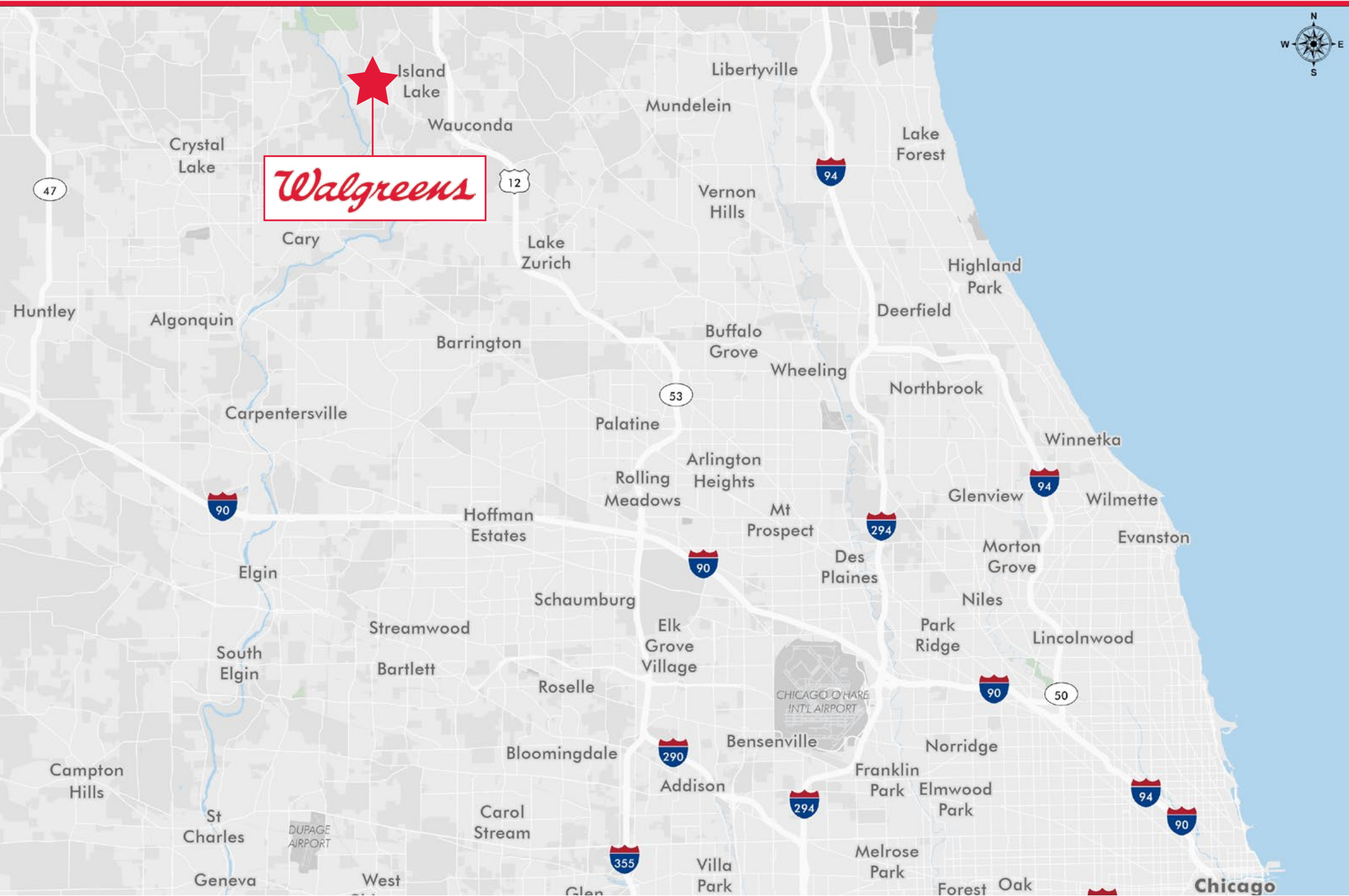
AutoZone

SNAP  
FITNESS 24/7  
Fast • convenient • affordable

Walgreens



# REGIONAL MAP





# INVESTMENT HIGHLIGHTS



**TREMENDOUS OPPORTUNITY:** This is an incredible opportunity to acquire fee simple interest in a single tenant, Walgreens located on a heavily trafficked, signalized intersection in the northwest Chicago suburbs. Walgreen's lease commenced in November 2007, and currently has over 11 years remaining on their lease with ten, 5-year options to extend the lease.



**STRONG SALES:** Walgreens in Island Lake, IL has shown strong historical success at this site as evidenced by their reported sales. This location reports over the national average for Walgreens. Please contact Michael Kaider for more information.



**INVESTMENT CREDIT:** Walgreens Boots Alliance is one of the world's largest drugstore chains operating 9,277 drugstores throughout all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, along with its omnichannel business, Walgreens.com. Walgreens Boots Alliance has a "BBB" rating from Standard and Poors. WBA recorded over \$136.9 billion in 2019 fiscal year sales and nearly \$7 billion in adjusted operating income.



**ABSOLUTE NET LEASE:** There are ZERO landlord responsibilities. Tenant is responsible for taxes, insurance, CAM, roof, and structural repairs.



**INCREDIBLE ACCESSIBILITY & VISIBILITY:** Walgreens is strategically positioned on the full access interchange of IL-176 and Newport Ct. The asset has a full, unobstructed view from IL-176 and multiple points of access.



**STRONG DEMOGRAPHICS:** Walgreens has access to an enormous amount of buying power at this location. The primary trade area contains over 75,000 residents with average household incomes of \$114,000 within a five-mile radius of the asset.



**CHICAGO MSA:** Chicago is home to the third largest economy and is the third most populous MSA in the nation (Chicago MSA Population: 9.6 million). The city'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.





# TENANT PROFILE

Founded in 1901 and headquartered in Deerfield, Illinois, Walgreens is one of the nation's largest drugstore chains providing trusted care in communities around the United States. Walgreens has 9,277 locations in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Prescription drugs account for the majority of the company's sales while the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. For fiscal 2019, Walgreens filled 1.2 billion prescriptions (including immunizations) on a 30-day adjusted basis. Walgreens employs more than 230,000 people and interacts with approximately 8 million customers in its stores and online each day.

In December 2014, Walgreens combined with European-based Boots Alliance to create the first global pharmacy-led, health and wellbeing enterprise in the world. Walgreens Boots Alliance (NASDAQ: WBA) is the largest retail pharmacy, health, and daily living destination across the U.S. and Europe. Under the Walgreens, Duane Reade, Boots and Alliance Healthcare brands, the company offers prescription and nonprescription drugs, beauty and personal care products, household items, greeting cards, seasonal items, and convenience food. The company employs over 440,000 people and has a presence in 25 countries with 18,750 stores in 11 countries. Walgreens Boots Alliance had Fiscal Year ending August 2019 sales of \$136.9 billion.



**9,277+**  
Locations



**Total Revenue**  
**\$136.9B**



**Stock Symbol**  
**NASDAQ: WBA**



**Employees**  
**230,000**



**8M**  
**Customers**

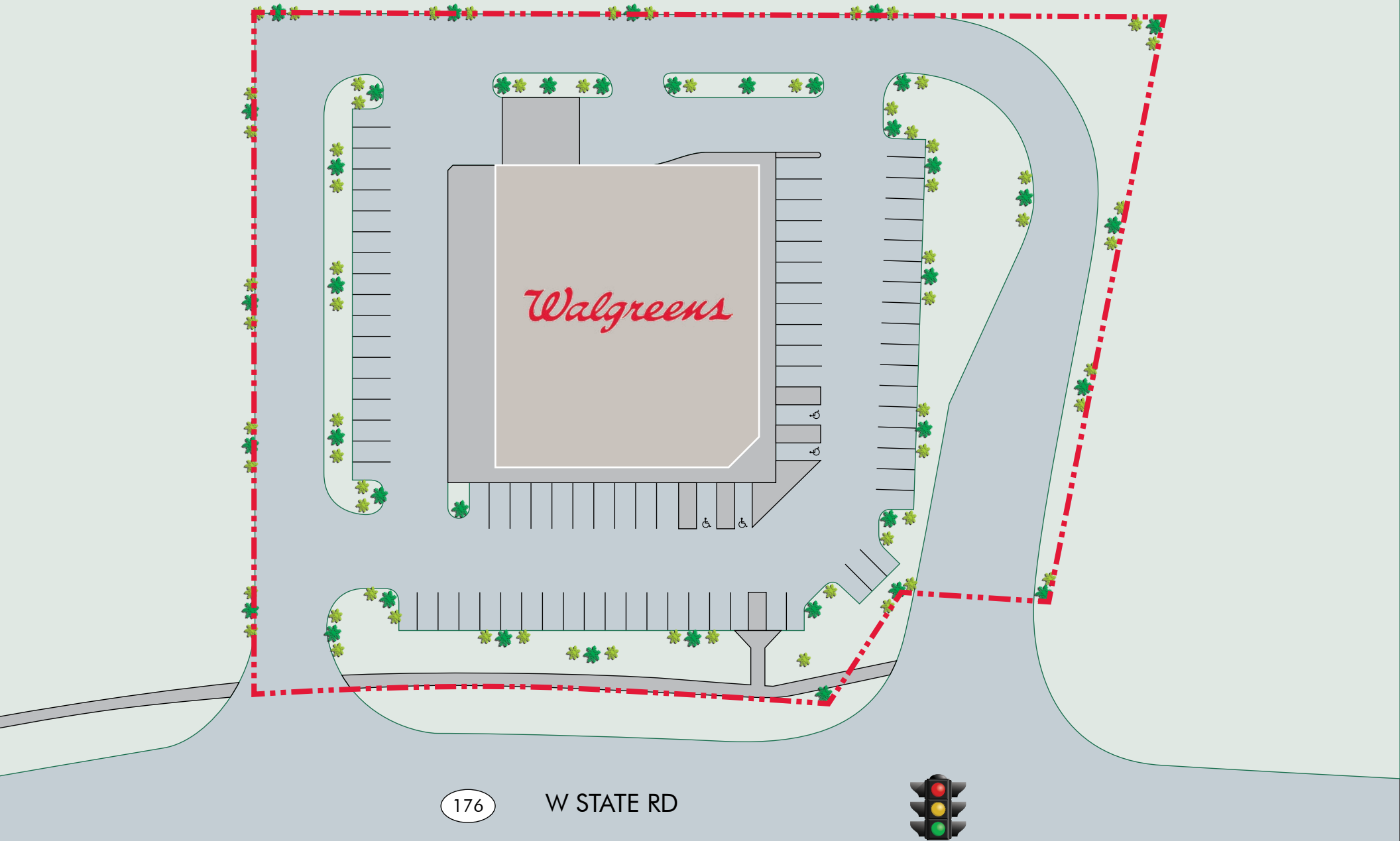


**S&P Rating**  
**BBB**

## RANKINGS AND RATINGS

- Fortune magazine World's Most Admired Companies for 13 straight years (2020)
- Fortune magazine 500 Largest U.S.-Based Companies (2020) - Walgreens ranked 19th overall in revenue.
- Tenet Partners, CoreBrand 100-top Most Powerful Brands (2020)
- Brand Finance, Best Retail Brands (2020)
- Kantar, BrandZ Top 100 Most Valuable US Brands (2020)
- Kantar, BrandZ Top 75 Global Retail Brands (2020)

# SITE PLAN





# PROPERTY HIGHLIGHTS

Property Name	Walgreens
Location	442 W. State Road Island Lake (McHenry County), IL 60042
GLA	14,820 Square Feet
Site Size	± 2.37 Acres / 102,976 Square Feet
Year Built	2007
Parking	83 parking spaces (including 4 accessible spaces) 5.6 per 1,000 SF
PIN	15-20-251-023
Access	Direct ingress/egress to the Site is provided two access points on State Road.
Frontage/Visibility	±350 feet of frontage on State Road
Flood Zone	According to the flood hazard maps published by the FEMA, the site is within Zone X as indicated on Community Map Panel No. 17111C0239J dated November 16, 2006. Zone X, an area that is determined to be outside the 100-and 500-year floodplains.
Traffic Counts	State Road - 20,600 VPD Illinois Route 59 - 35,400 VPD









# MARKET OVERVIEW

The village of Island Lake is located in Lake and McHenry counties, approximately 48 miles northwest of Chicago's Central Business District. Island Lake is home to more than 8,000 residents earning an average household income of \$87,903.

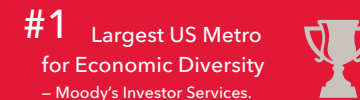
The Chicago is one of the most attractive and dynamic markets in the nation. Chicago boasts an attractive retail market, with the third largest economy in the nation and over \$127.9 billion in annual retail sales (2018 metro Chicago sales; Melaniphy). The market's vibrant business climate, central geographic 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 nearly 4.6 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 over 52 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.



# MARKET OVERVIEW

## 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.
- Chicago is hub of international business activity, with more than 1,800 foreign-based companies and more than \$100 billion in foreign direct investment.

## DEMOGRAPHICS

The Chicago metropolitan statistical area is home to over 9.6 million residents, making it the third most populous MSA in the nation. The population is projected to grow 0.54% over the next five years to 9.65 million. Residents earn an average household income of \$97,963; nearly 8% higher than the state average of \$90,792 and 12% higher than the national average of \$87,393.

## 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 2019 the airport serviced nearly 85 million passengers to and from 233 destinations around the world via more than 48 passenger carriers. Chicago is also home to Midway International Airport, which serviced nearly 21 million passengers via six passenger carriers to 69 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.





# MARKET OVERVIEW

## DEEP AND 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.

## TOP 10 GRADUATE BUSINESS SCHOOLS

RANK	SCHOOL
1 (Tie)	University of Chicago (Booth), Chicago, IL
1 (Tie)	Harvard University, Boston, MA
3	University of Pennsylvania (Wharton), Philadelphia, PA
4	Stanford University, Stanford, CA
5	Massachusetts Institute of Technology (Sloan), Cambridge, MA
6	Northwestern University (Kellogg), Evanston, IL
7 (Tie)	University of California-Berkley (Haas), Berkeley, CA
7 (Tie)	University of Michigan-Ann Arbor (Ross), Ann Arbor, MI
9	Columbia University, New York, NY
10	Dartmouth College (Tuck), Hanover, NH

## ALL LOCATED WITHIN THE CHICAGO MSA

**UIC** UNIVERSITY OF ILLINOIS  
AT CHICAGO

 THE UNIVERSITY OF  
**CHICAGO**

 **DEPAUL UNIVERSITY**

 **LOYOLA**  
UNIVERSITY CHICAGO  
*ing people to lead extraordinary lives*



**Northwestern**  
University

# #2

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



**65,000**

in downtown  
Chicago alone



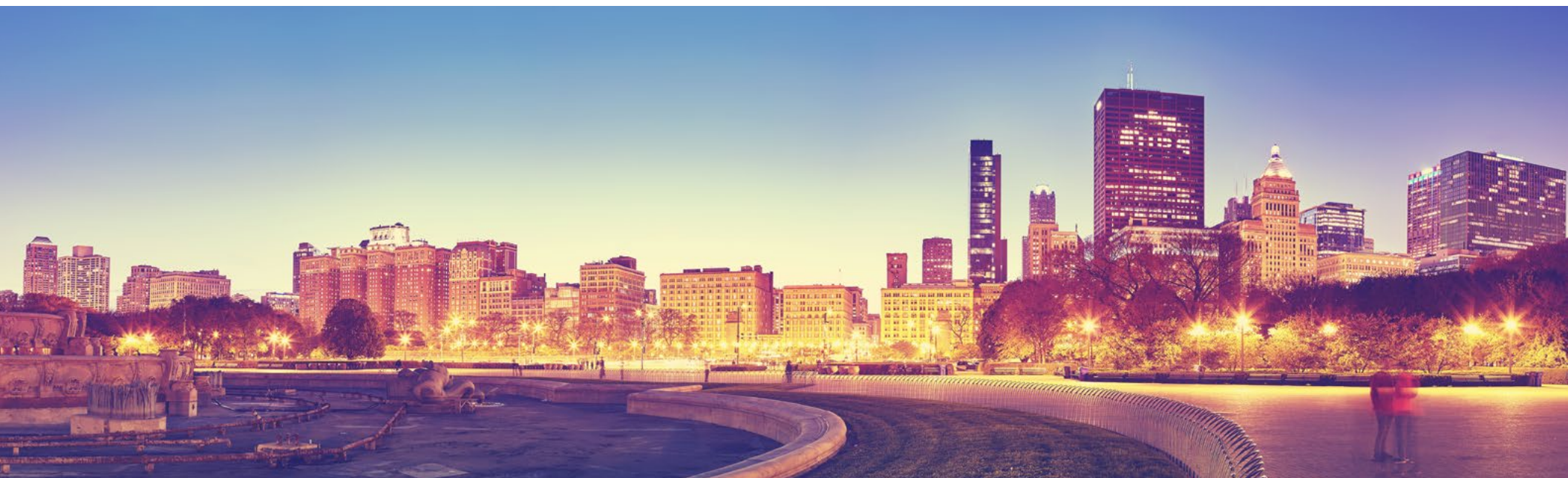
**60 Colleges**

or Universities in the  
Chicago MSA



**325,000**

Students





# MARKET OVERVIEW





# MARKET OVERVIEW

## FORTUNE 500 COMPANIES IN THE CHICAGO MSA

RANK	COMPANY	LOCATION	REVENUES (\$M)
19	Walgreens Boots Alliance	Deerfield, IL	\$118,214
27	Boeing	Chicago, IL	\$93,392
45	Archer Daniels Midland	Chicago, IL	\$60,828
65	Caterpillar	Deerfield, IL	\$45,462
79	Allstate	Northbrook, IL	\$38,524
81	United Continental Holdings	Chicago, IL	\$37,736
92	Exelon	Chicago, IL	\$33,531
110	AbbVie	North Chicago, IL	\$28,216
111	Abbott Laboratories	Abbott Park, IL	\$27,390
117	Mondelez International	Deerfield, IL	\$25,896
121	US Foods Holding	Rosemont, IL	\$24,147
131	McDonald's	Oak Brook, IL	\$22,820
172	Sears Holdings	Hoffman Estates, IL	\$16,702
189	CDW	Lincolnshire, IL	\$15,192
204	Illinois Tool Works	Glenview, IL	\$14,314
263	Discover Financial Services	Riverwoods, IL	\$11,545
283	Baxter International	Deerfield, IL	\$10,561
287	W.W. Grainger	Lake Forest, IL	\$10,425
300	LKQ	Chicago, IL	\$9,848
320	Tenneco	Lake Forest, IL	\$9,274
321	Conagra Brands	Chicago, IL	\$9,239
342	Navistar International	Lisle, IL	\$8,570
349	Univar	Downers Grove, IL	\$8,254
356	Jones Lang LaSalle	Chicago, IL	\$7,932
357	Anixter International	Glenview, IL	\$7,927
392	Dover	Downers Grove, IL	\$7,830
406	R.R. Donnelley & Sons	Chicago, IL	\$6,940
436	Packaging Corp. of America	Lake Forest, IL	\$6,445
443	Motorola Solutions	Chicago, IL	\$6,380
446	TreeHouse Foods	Oak Brook, IL	\$6,307
450	Old Republic International	Chicago, IL	\$6,263
454	Arthur J. Gallagher	Rolling Meadows, IL	\$6,160
471	Ulta Beauty	Bolingbrook, IL	\$5,885
478	Ingredion	Westchester, IL	\$5,832
486	Northern Trust	Chicago, IL	\$5,716

## INTERNATIONAL CORPORATE HUB RELOCATIONS



Historic multi-year trend of companies relocating from the suburbs or out of state to the downtown area of Chicago to compete in the tight labor market.

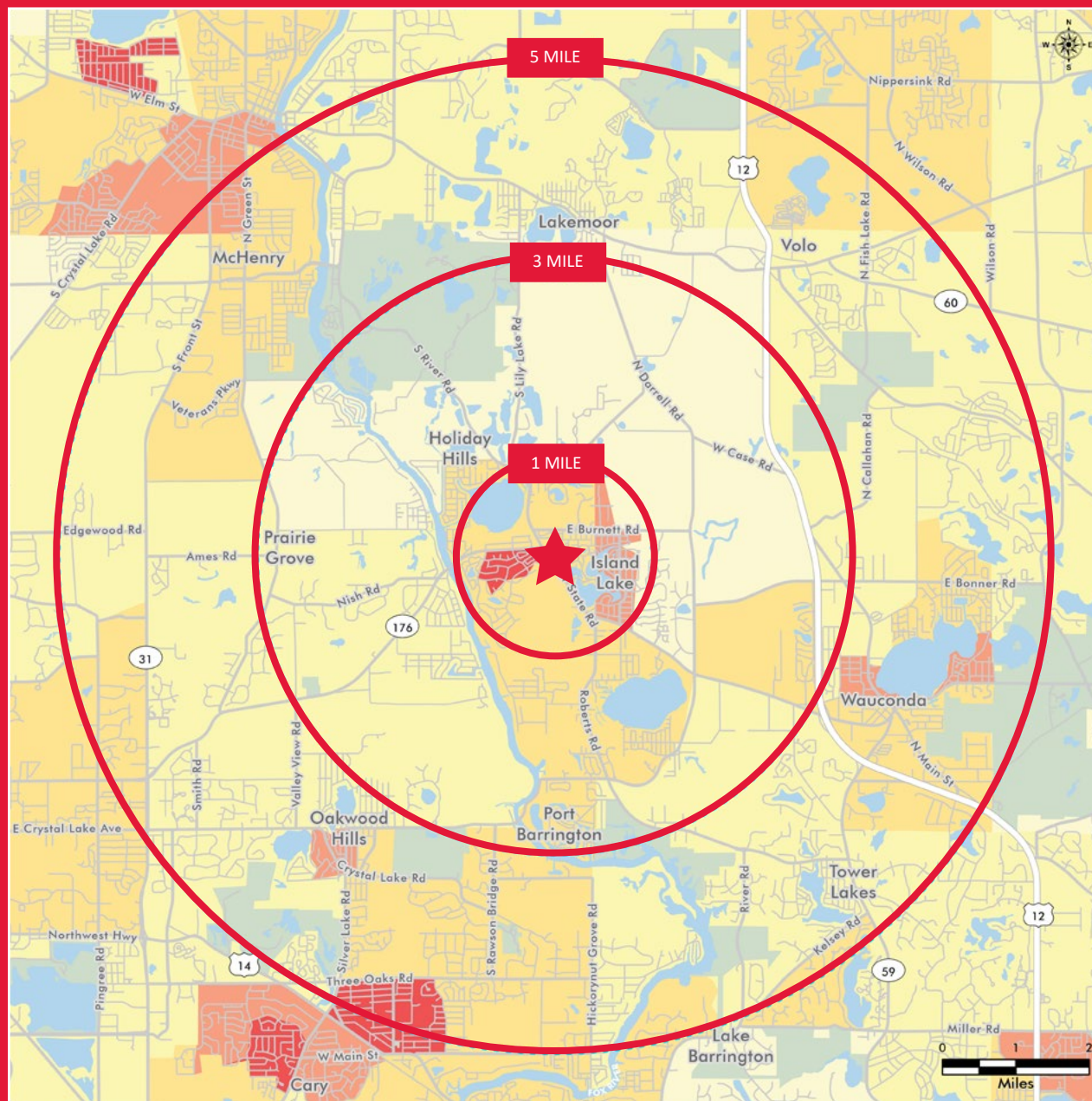


Recent examples include McDonald's, United Continental Holdings, Willis Group, Motorola (Lenovo), ThyssenKrupp and ADM.



In a move from Deerfield, Illinois to downtown, Walgreens recently announced their intention to move 1,800 jobs and relocate the corporate headquarters to Chicago's Old Post Office Building.

# POPULATION CONCENTRATION



## 2020 POPULATION

1 MILE | 7,138  
3 MILES | 20,265  
5 MILES | 75,204



## 2025 POPULATION

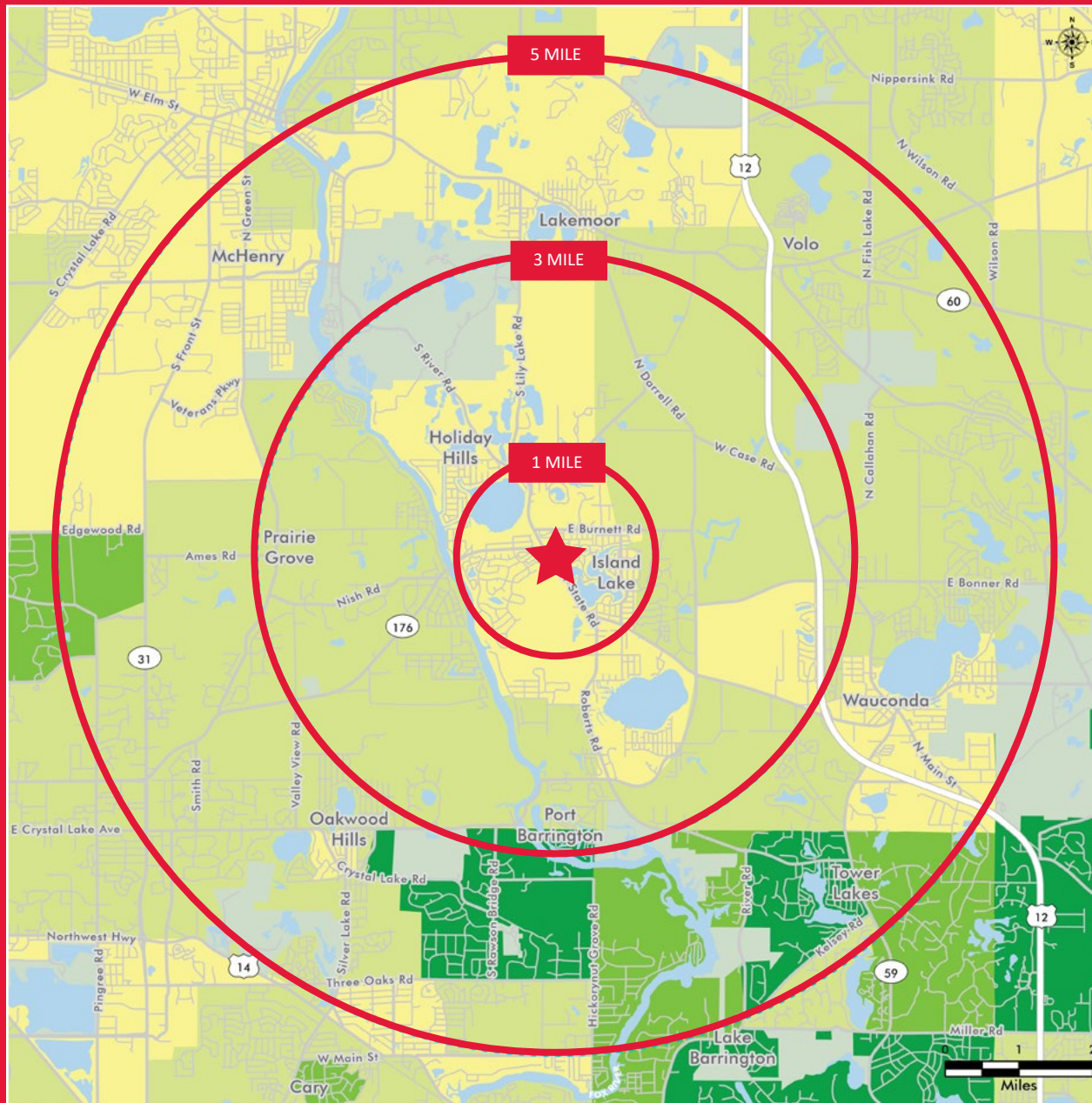
1 MILE | 7,119  
3 MILES | 20,238  
5 MILES | 76,272

## POPULATION PER SQUARE MILE - 2020

- Over 5,000
- 2,500 to 5,000
- 1,000 to 2,500
- 500 to 1,000
- Less Than 500



# HOUSEHOLD INCOME



## 2020 AVERAGE HOUSEHOLD INCOME

1 MILE | \$86,053  
3 MILES | \$103,255  
5 MILES | \$114,842



## 2025 AVERAGE HOUSEHOLD INCOME

1 MILE | \$195,804  
3 MILES | \$114,767  
5 MILES | \$126,297

## AVERAGE HOUSEHOLD INCOME - 2020

- Over \$200,000
- \$150,000 to \$200,000
- \$100,000 to \$150,000
- \$50,000 to \$100,000
- Less than \$50,000

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