

WALGREENS (DOLLAR TREE SUBLEASE)

**26781 MISSION BLVD
HAYWARD, CA 94544**

MATTHEWS™
REAL ESTATE INVESTMENT SERVICES



**OFFERING
MEMORANDUM**

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SECTION 1

EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

- » Incredibly rare California real estate available for purchase at a very high yield.
- » Great frontage on one of the bay area's busiest and most well-known road Mission Blvd
- » Oversized parcel of 1.00 acres on a hard corner
- » Market rent per CoStar is estimated to be \$27/SF
- » Just under 4 years remaining on a corporately guaranteed, NNN lease from Walgreens (BBB) which is paying \$425,000 annually in rent. Walgreens is currently subleasing the property to Dollar Tree (BBB-), paying a sub-rent of \$234,360 annually.
- » Dollar Tree has no options remaining on their lease and is paying well below market rent at \$15/SF
- » Population exceeds 370,000 in a 5-mile radius with over 10% population growth since 2010 and continued projected growth through 2025.
- » Average Household Income exceeds \$100,000 in a 1, 3, and 5-mile radius.
- » A quarter of a mile from the intersection of Harder Rd NW and Mission Blvd where traffic counts exceed 42,000 VPD
- » Across the street from Moreau Catholic School and Saint Clement Catholic School, all prominent private schools in Hayward, CA.
- » Located in a dense retail corridor with notable tenants such as McDonald's, Food Source, Sears, Bank of America, Baskin-Robbins, AutoZone, Wells Fargo, CVS, a Mitsubishi Dealership, Enterprise, and much more.

INVESTMENT SUMMARY

» PROPERTY ADDRESS	26781 Mission Blvd Hayward, CA 94544
» OFFERING PRICE	\$5,400,000
» CAP RATE	7.87%
» BUILDING SIZE	±15,120 SF
» LOT SIZE	±1.0 AC
» YEAR BUILT	2000

SECTION 2

FINANCIAL OVERVIEW

TENANT SUMMARY

Tenant Trade Name	Walgreens
Type of Ownership	Fee Simple
Lease Guarantor	Walgreens Co.
Lease Type	Absolute NNN
Roof and Structure	Tenant
Original Lease Term	25 Years
Lease Commencement Date	8/6/99
Rent Commencement Date	11/1/99
Rent Expiration Date	11/1/24
Term Remaining on Lease	±3.9 Years
Increase	None Remaining
Options	None
Subtenant	Dollar Tree
Sublease Expiration	12/28/25
Sub rent (Monthly)	\$19,530.00
Sub rent (Annually)	\$234,360.00

ANNUALIZED OPERATING DATA

Lease Years	Monthly Rent	Annual Rent	Cap Rate
11/1/1999-11/1/2024	\$35,416.67	\$425,000.04	7.87%

DEBT QUOTE

Jesse Lillard
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LTV: 65% **RATE:** 3.85% **AMORTIZATION:** 25 Years

Loan quote provided by Matthews™ based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing.

PARCEL MAP





CAL STATE
EAST BAY



± 42,000 VPD



MISSION BLVD
± 20,000 VPD

BANK OF AMERICA



sears
HOME SERVICES

FOOD
SOURCE
GREAT PRICES EVERY DAY



MISSION BLVD
± 20,000 VPD



SECTION 3

TENANT OVERVIEWS



WALGREENS

The nation's #1 drugstore chain, Walgreens, operates close to 9,500 stores in all 50 US states, the District of Columbia, the Virgin Islands and Puerto Rico. Prescription drugs are the focus of the company as they account for close to two-thirds of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. Most locations offer drive-through pharmacies and one-hour photo processing, which separates them from the competition. Recently, Walgreen Co. fully acquired Alliance Boots, Europe's leading drug wholesaler, to create Walgreens Boots Alliance, of which it is a subsidiary.



±9,500
NO. OF LOCATIONS



Deerfield, IL
HEADQUARTERS



1901
YEAR FOUNDED

\$127 B
REVENUE

\$5 B
NET INCOME

9,500+
LOCATIONS WORLDWIDE



±15,500
NO. OF LOCATIONS



Chesapeake, VA
HEADQUARTERS



1986
YEAR FOUNDED

DOLLAR TREE

Dollar Tree locations carry a mix of housewares, toys, seasonal items, food, health and beauty aids, gifts, and books. At Dollar Tree shop's most goods are priced at \$1 or less while Family Dollar merchandise is usually less than \$10. The stores are located in high-traffic strip centers and malls often in small towns. It purchased fellow discounter, Family Dollar in 2015, bolstering competitive position against Dollar General. The company wants to create a “treasure hunt” type environment where people can bring their whole families.

GEOGRAPHIC OUTREACH

Dollar Tree operates more than ±15,500 Dollar Tree, Deal\$, Dollar Bills, and Family Dollar discount stores in 48 US states and the District of Columbia and five provinces in Canada.

STRATEGY

Dollar Tree continues to offer customers products they need at extreme values while keeping their stores bright, clean, organized and stocked. The company carries a broad mix of merchandise that includes many trusted national and regional brands.



MISSION BLVD (20,000 VPD)

SAN FRANCISCO
± 43 MILES

SAN FRANCISCO
± 43 MILES

SUBJECT PROPERTY

SAN JOSE
± 68 MILES

SAN JOSE
± 68 MILES

SECTION 4

AREA OVERVIEW

HAYWARD, CA

Hayward is a city located in Alameda County, California in the East Bay subregion of the San Francisco Bay Area. With a 2019 population of 159,203, Hayward is the sixth-largest city in the Bay Area and the third largest in Alameda County. It is included in the San Francisco–Oakland–Fremont Metropolitan Statistical Area. It is located primarily between Castro Valley, San Leandro and Union City, and lies at the eastern terminus of the San Mateo–Hayward Bridge.

Hayward has a large number of manufacturing companies, both corporate headquarters and plants. This includes some high-tech companies, with Hayward considered part of a northern extension of Silicon Valley. Manufacturing plants in Hayward include Annabelle Candy, Columbus Salame, the Shasta soft drink company, and a PepsiCo production and distribution center.

DEMOGRAPHICS

POPULATION	1 - MILE	3 - MILE	5 - MILE
2025 Projection	27,260	181,717	374,806
2020 Estimate	27,025	179,967	371,382
2020-2025 Growth	0.87%	0.97%	0.92%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2025 Projection	8,059	59,445	123,393
2020 Estimate	7,738	57,020	118,431
2020-2025 Growth	4.14%	4.25%	4.19%
HH INCOME	1 - MILE	3 - MILE	5 - MILE
2020 Est Avg HH Income	\$102,195	\$122,286	\$130,899

SAN FRANCISCO

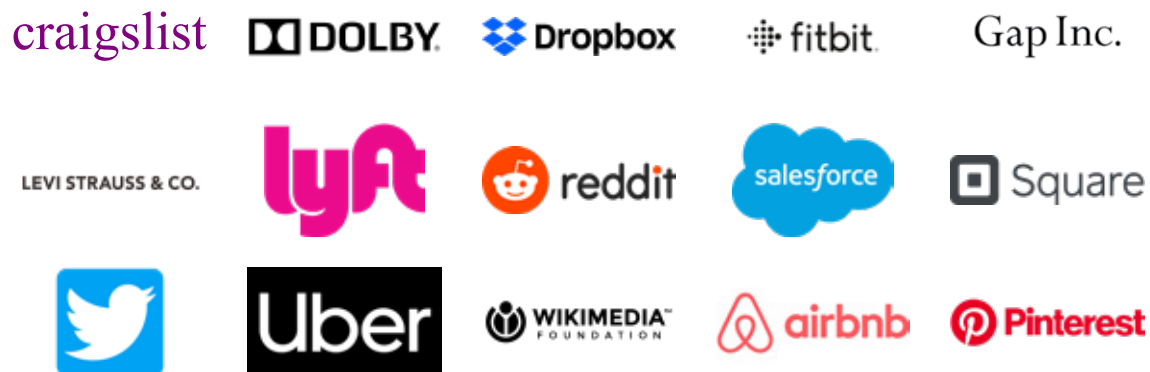
San Francisco is the cultural, commercial and financial center of Northern California. The city is the 4th most populous city in California and the 13th most populous city in the United States. San Francisco is the fifth most densely populated U.S. county behind only four New York City boroughs. The city's recognizable features include the Golden Gate Bridge, Cable Cars, Fisherman's Wharf, and its Chinatown district. In 1945 San Francisco became the birthplace of the United Nations. After World War II and with growing opposition to the Vietnam War, the city developed its "hippie" culture and began several civil rights movements liberalizing the city into its current political environment.

Set along the ocean, with rolling hills and the iconic Golden Gate Bridge, San Francisco is one of the most beautiful cities in the United States and the jewel of Northern California. The city is full of history, great neighborhoods, parks, beaches, museums, and a whole host of entertainment options and things to do. Some of the most famous attractions are Alcatraz Island and Fisherman's Wharf, but the sightseeing possibilities here are extensive. San Francisco's Chinatown is the largest of its kind in North America.



ECONOMY

San Francisco is a major banking and finance center being the headquarters of five major banking institutions and 30 international financial institutions. The city is also home to Levi Strauss & Co., Gap Inc., Fitbit, Salesforce.com, Dropbox, Reddit, Square, Inc., Dolby, Airbnb, Weebly, Pacific Gas, and Electric Company, Yelp, Pinterest, Twitter, Uber, Lyft, Mozilla, Wikimedia Foundation, and Craigslist. Higher Education has a home in San Francisco with the University of San Francisco, University of California, San Francisco, San Francisco State University, the De Young Museum, the San Francisco Museum of Modern Art, and the California Academy of Sciences. Tourism is another major influencer the San Francisco economy.





GOLDEN GATE BRIDGE

The Golden Gate Bridge is a California icon gracing San Francisco Bay. It is the most photographed site in the city, with the orange structure backed by blue water, or in many cases, peaking through low lying cloud. Connecting San Francisco with Marin County and other districts further north, the Golden Gate Bridge was, at one time, designated the greatest man-made sight in the United States by the U.S. Travel Service. Opened on May 28th, 1937, the bridge took four years to build and at the time of its completion, was the longest suspension bridge in the world, measuring approximately two miles in length.



ALCATRAZ

The historic and notorious Alcatraz penitentiary, located on Alcatraz Island in San Francisco Bay, is one of America's most infamous prisons. It operated for almost thirty years, closing in 1963 and re-opening as a tourist attraction in 1973. Some of America's most well-known criminals were inmates here, including Al Capone and the "Birdman," who would later form the basis for the fictional movie *The Birdman of Alcatraz*.



FISHERMAN'S WHARF

Fisherman's Wharf is one of San Francisco's most popular tourist areas. This old section, once the Little Italy of San Francisco, is known for its shops, restaurants, and beautiful setting along the waterfront. Some of the main attractions in the area are Madame Tussauds Wax Museum, Musée Mécanique, Ripley's Believe it or Not!, and Ghirardelli Square. Restored 19th- and 20th-century ships line the waterfront at the Hyde Street Pier, which is now the San Francisco Maritime National Historic Park. The USS Pampanito, a national historic landmark, is a WWII submarine and part of the San Francisco Maritime National Historic Park.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens (Dollar Tree Sublease)** located at **26781 Mission Blvd , Hayward, CA** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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