



## 11+ Year Walgreens - Absolute Net Lease - Excellent Sales

- 11+ Years Remaining
- Solid Store Sales History
- Absolute Net - No Landlord Responsibilities
- Great Density & Affluent Demographics
- Strategic Location for Walgreens
- Full Walgreens Guaranty

**Walgreens**

📍 WASHINGTON, PA

**\$6,846,138**

**6.50% CAP**

📞 (888) 258-7605  
✉️ Listings@deerfieldteam.com

John Giordani  
Art Griffith

 **DeerfieldPartners**  
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# INVESTMENT SUMMARY

offering memorandum

99 JEFFERSON AVE | WASHINGTON, PA 15301

WALGREENS #9676

**\$6,846,138**

PRICE

**6.50%**

CAP

**\$444,999**

NOI

**11.7**

YEARS REMAINING

Washington is an affluent bedroom community, located just 23 miles from Downtown Pittsburgh. This store features a rare Absolute Net Lease with ZERO landlord responsibilities. Walgreens is positioned at the high traffic intersection of Jefferson & W. Chestnut, across the street from CVS. This Walgreens features strong reported sales history and is an ideal 1031 exchange, with the full rents guaranteed by Walgreens Corporate.



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# PROPERTY OVERVIEW



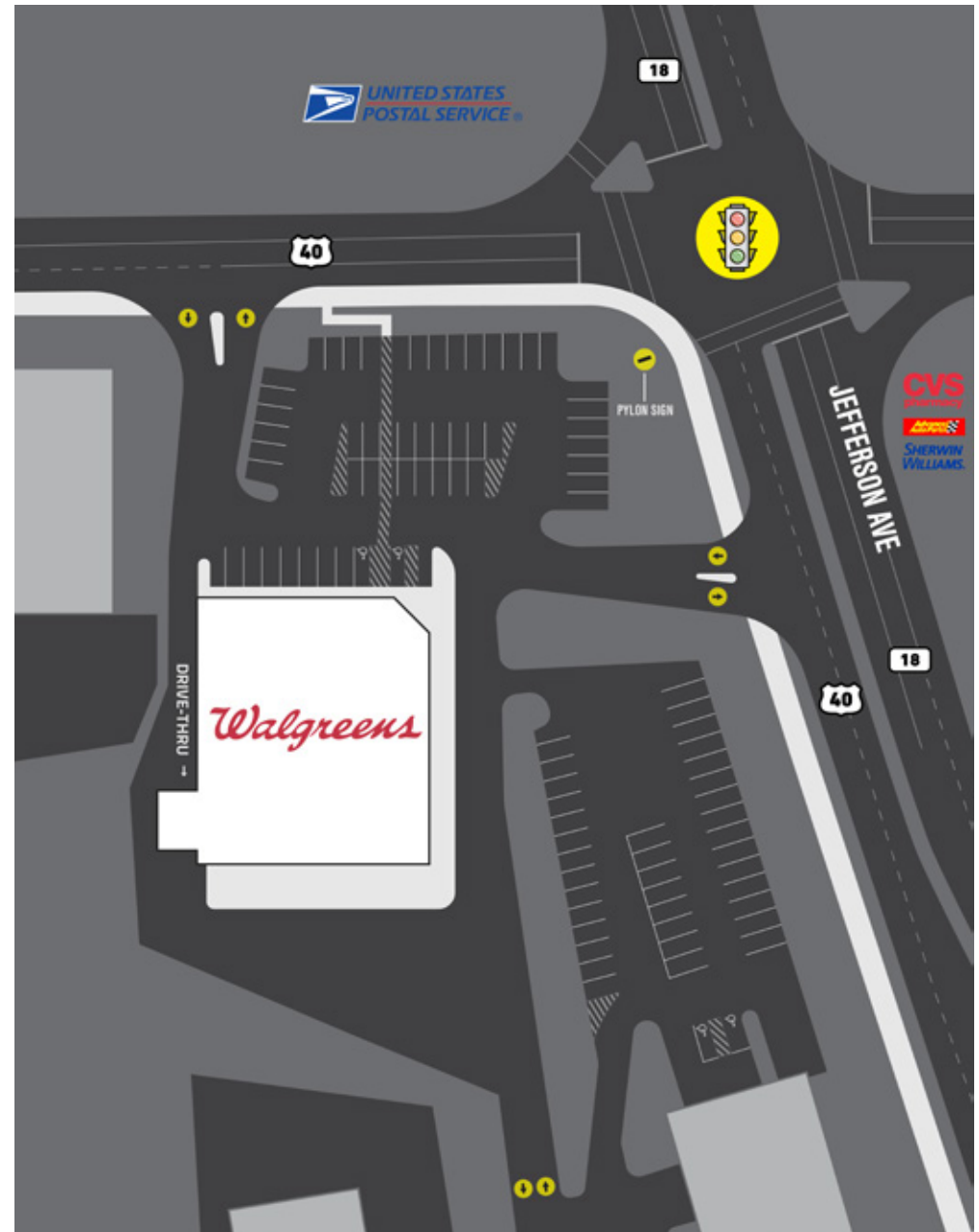
## PROPERTY DETAILS

**Address:** 99 Jefferson Ave.  
**Year Built:** 2007  
**Building Size:** 14,927 (Per Planning Dept)  
**Lot Size:** 1.73 Acres  
**Tenant:** Walgreens



## LEASE SUMMARY

**Lease Type:** NNN  
**Landlord Responsibilities:** None  
**Rent Start Date:** 8/13/2007  
**Firm Term End Date:** 8/31/2032  
**Termination Options:** Tenant has 50 annual options to renew after the initial 25-year lease term.



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# DEMOGRAPHICS



## POPULATION

1 Mile	3 Mile	5 Mile
13,152	33,738	48,286



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$58,866	\$70,596	\$80,718



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SUBJECT PROPERTY  
*Walgreens*

*AutoZone*

Goodwill

genOa  
healthcare®

Allegheny General  
Hospital

UNITED STATES  
POSTAL SERVICE

JEFFERSON AVE

W CHESTNUT ST

JEFFERSON AVE  
(13,690 VPD)

W CHESTNUT ST  
(11,637 VPD)



18

40

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# REGIONAL OVERVIEW



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## ABOUT WALGREENS BOOTS ALLIANCE



Walgreens is committed to providing health services that protect our communities from COVID-19. As of February, 2021 Walgreens will support the administration of COVID-19 vaccines to the general public through their more than 9,000 store locations. With nationwide presence, extensive vaccine experience and trusted community pharmacists, Walgreens can help accelerate COVID-19 vaccine administration nationwide. Walgreens will continue to provide COVID-19 drive-thru testing in 49 states and at-home testing kits.

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25\* countries and employ more than 415,000\* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 18,500\* stores in 11\* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390\* distribution centers delivering to more than 230,000\*\* pharmacies, doctors, health centers and hospitals each year in more than 20\* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

\*As of 31 August 2018, using publicly available information for AmerisourceBergen.

\*\*For 12 months ending 31 August 2018, using publicly available information for AmerisourceBergen.



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# WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2015	2016	2017	2018	2019
<b>Sales/Revenue</b>	<b>103.44B</b>	<b>117.35B</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>
Sales Growth	35.41%	13.44%	0.74%	11.27%	4.05%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>78.26B</b>	<b>89.2B</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>
COGS excluding D&A	76.52B	87.48B	89.05B	100.75B	106.79B
Depreciation & Amortization Expense	1.74B	1.72B	1.65B	1.77B	2.04B
Depreciation	1.26B	1.32B	1.27B	1.28B	1.49B
Amortization of Intangibles	480M	396M	385M	493M	552M
<b>Gross Income</b>	<b>25.18B</b>	<b>28.16B</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>SG&amp;A Expense</b>	<b>20.26B</b>	<b>21.79B</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>
Research & Development	-	-	-	-	-
Other SG&A	20.26B	21.79B	21.25B	22.88B	22.91B
Other Operating Expense	-	-	-	-	-
Unusual Expense	(663M)	963M	886M	188M	311M
EBIT after Unusual Expense	5.58B	5.41B	5.37B	(188M)	4.82B
Non Operating Income/Expense	20M	297M	37M	450M	251M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	315M	37M	135M	191M	164M
<b>Interest Expense</b>	<b>608M</b>	<b>596M</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>
Gross Interest Expense	609M	596M	693M	616M	704M
Interest Capitalized	1M	-	-	-	-
<b>Pretax Income</b>	<b>5.31B</b>	<b>5.14B</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>
Income Tax	1.06B	997M	760M	998M	588M
Income Tax – Current Domestic	967M	1.06B	804M	969M	247M
Income Tax – Current Foreign	128M	371M	390M	353M	241M
Income Tax – Deferred Domestic	(39M)	(177M)	(330M)	(266M)	155M
Income Tax – Deferred Foreign	-	(252M)	(104M)	(58M)	(55M)
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	24M	44M	8M	54M	23M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.28B	4.19B	4.1B	5.03B	3.96B
Minority Interest Expense	59M	18M	23M	7M	(20M)





# WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



## WALGREENS BOOTS ALLIANCE – RETAIL PHARMACY USA DIVISION

Our Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form one of the largest drugstore chains in the U.S., operating 8,100\* drugstores in 50\* states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2017, approximately 76 percent of the population of the U.S. lives within five miles of a Walgreens or Duane Reade.

We sell prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. We offer our products and services through drugstores, as well as through mail, telephone and online. We also provide specialty pharmacy and respiratory services, and operate retail clinics.

Our services help improve health outcomes for patients and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our stores sell branded and own brand general merchandise. In addition, Walgreens has approximately 400 in-store clinic locations throughout the U.S., some of which are operated by the Company and some of which are operated by health system partners.

Prescription drugs account for 69 percent† of sales, while retail products are 31 percent.

Overall, we filled approximately 764 million† prescriptions in fiscal 2017. Adjusted to 30-day equivalents, we filled approximately 990 million prescriptions in fiscal 2017. Third party sales, where reimbursement is received from managed care organizations, government and private insurance, were approximately 98 percent† of prescription sales.

We utilize our extensive retail network as a channel to provide affordable



quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

We have more than 78,000\* healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals. Through them we expect to continue to play a growing role in government and employer efforts to control escalating healthcare costs.

Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards card. Customers have the ability to instantly redeem rewards at our stores or through Walgreens.com. We had 88 million Balance® Rewards active members as of August 2017.

The Division's strategy is designed to further transform our traditional drugstore by offering ultimate convenience, driving the best customer loyalty and delivering extraordinary customer and patient care. We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

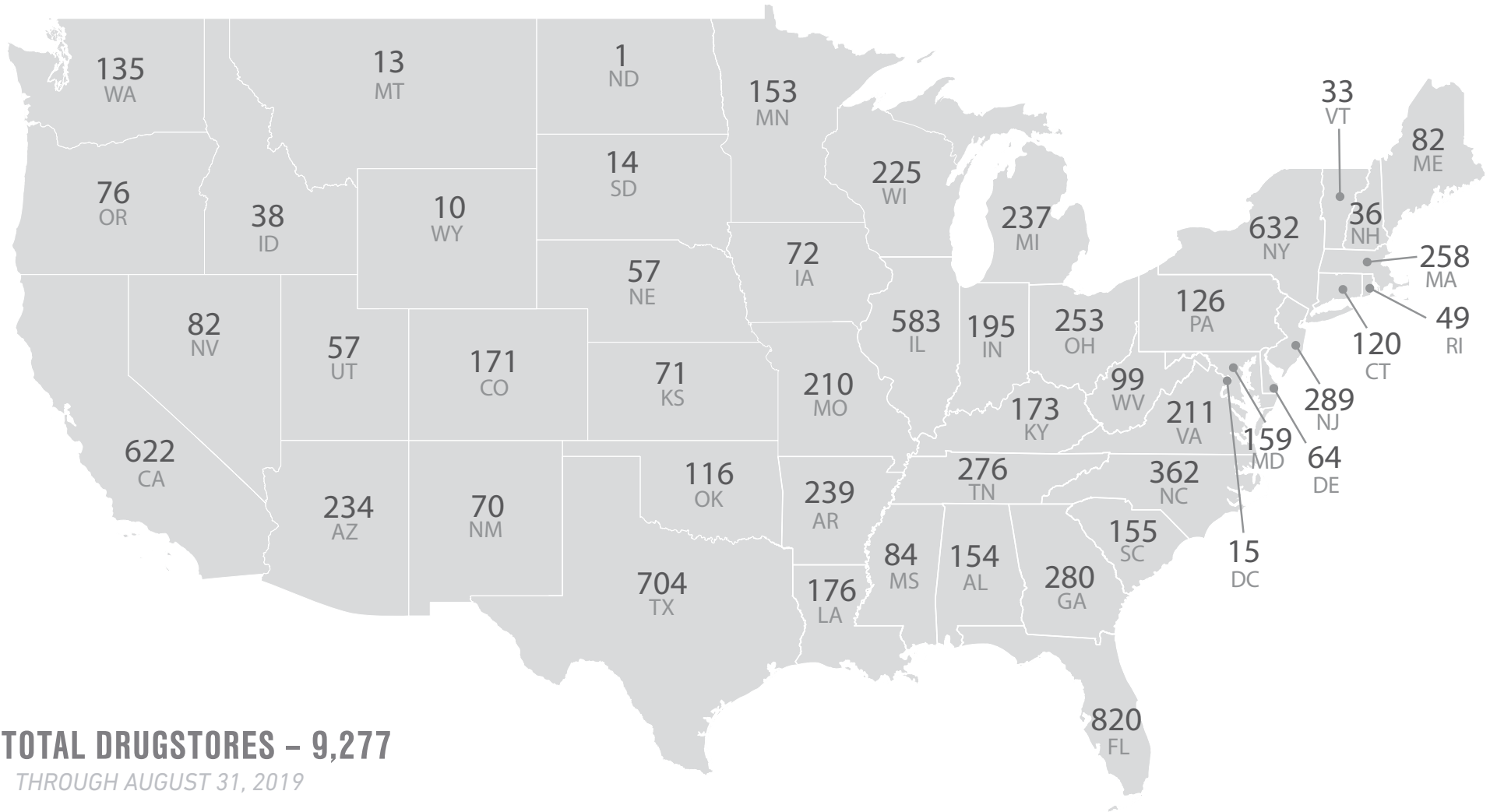
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# WALGREENS DRUGSTORES NATIONWIDE BY STATE



**TOTAL DRUGSTORES – 9,277**

THROUGH AUGUST 31, 2019

Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

Note: Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

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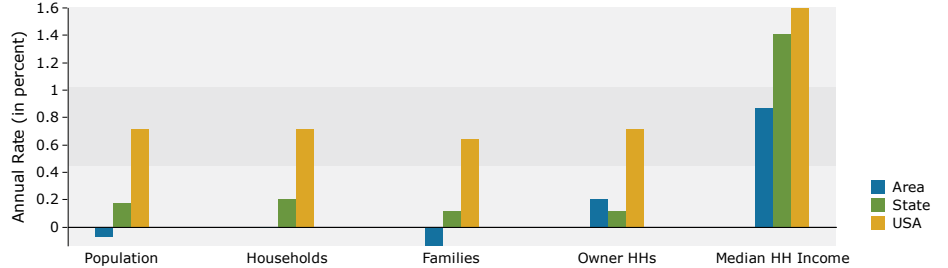
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# 1-Mile DEMOGRAPHICS

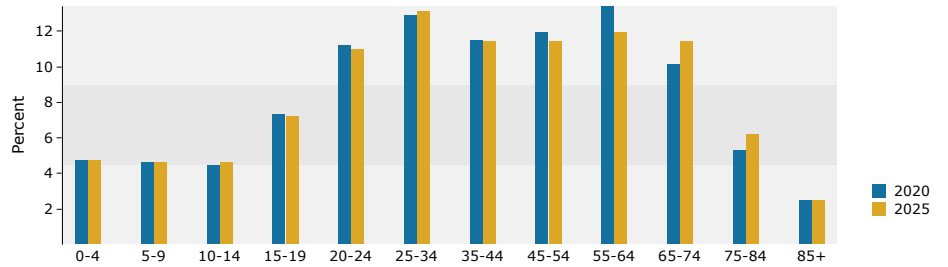
Summary		Census 2010		2020		2025		
Population		13,576		13,152		13,099		
Households		5,482		5,409		5,407		
Families		2,888		2,792		2,773		
Average Household Size		2.14		2.12		2.11		
Owner Occupied Housing Units		2,584		2,306		2,330		
Renter Occupied Housing Units		2,898		3,103		3,076		
Median Age		37.8		39.0		39.4		
Trends: 2020-2025 Annual Rate		Area		State		National		
Population		-0.08%		0.18%		0.72%		
Households		-0.01%		0.21%		0.72%		
Families		-0.14%		0.12%		0.64%		
Owner HHs		0.21%		0.12%		0.72%		
Median Household Income		0.87%		1.41%		1.60%		
Households by Income				2020		2025		
				Number	Percent	Number	Percent	
				<\$15,000	1,038	19.2%	979	18.1%
				\$15,000 - \$24,999	675	12.5%	660	12.2%
				\$25,000 - \$34,999	641	11.9%	641	11.9%
				\$35,000 - \$49,999	665	12.3%	655	12.1%
				\$50,000 - \$74,999	966	17.9%	993	18.4%
				\$75,000 - \$99,999	613	11.3%	633	11.7%
				\$100,000 - \$149,999	532	9.8%	560	10.4%
				\$150,000 - \$199,999	144	2.7%	153	2.8%
				\$200,000+	136	2.5%	132	2.4%
				Median Household Income	\$41,791		\$43,637	
Average Household Income	\$58,866		\$62,257					
Per Capita Income	\$24,847		\$26,377					
Population by Age		Census 2010		2020		2025		
		Number	Percent	Number	Percent	Number	Percent	
		0 - 4	693	5.1%	618	4.7%	615	4.7%
		5 - 9	641	4.7%	600	4.6%	608	4.6%
		10 - 14	626	4.6%	598	4.5%	598	4.6%
		15 - 19	1,121	8.3%	954	7.3%	937	7.2%
		20 - 24	1,571	11.6%	1,474	11.2%	1,435	11.0%
		25 - 34	1,709	12.6%	1,702	12.9%	1,712	13.1%
		35 - 44	1,588	11.7%	1,514	11.5%	1,499	11.4%
		45 - 54	1,992	14.7%	1,560	11.9%	1,498	11.4%
		55 - 64	1,632	12.0%	1,767	13.4%	1,563	11.9%
		65 - 74	1,006	7.4%	1,332	10.1%	1,496	11.4%
		75 - 84	679	5.0%	700	5.3%	808	6.2%
		85+	319	2.3%	333	2.5%	331	2.5%
		Race and Ethnicity		Census 2010		2020		2025
Number	Percent			Number	Percent	Number	Percent	
White Alone	10,823			79.7%	10,143	77.1%	9,912	75.7%
Black Alone	2,006			14.8%	1,944	14.8%	1,922	14.7%
American Indian Alone	25			0.2%	36	0.3%	39	0.3%
Asian Alone	88			0.6%	161	1.2%	196	1.5%
Pacific Islander Alone	7			0.1%	21	0.2%	27	0.2%
Some Other Race Alone	91			0.7%	126	1.0%	148	1.1%
Two or More Races	535			3.9%	720	5.5%	855	6.5%
Hispanic Origin (Any Race)	234			1.7%	372	2.8%	470	3.6%

Median Income is expressed in current dollars

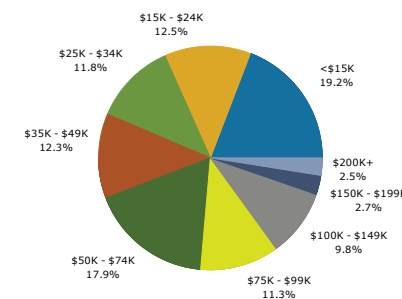
Trends 2020-2025



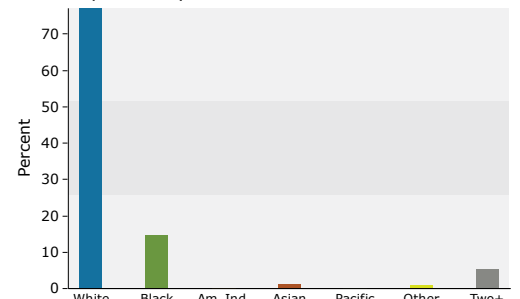
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 2.8%

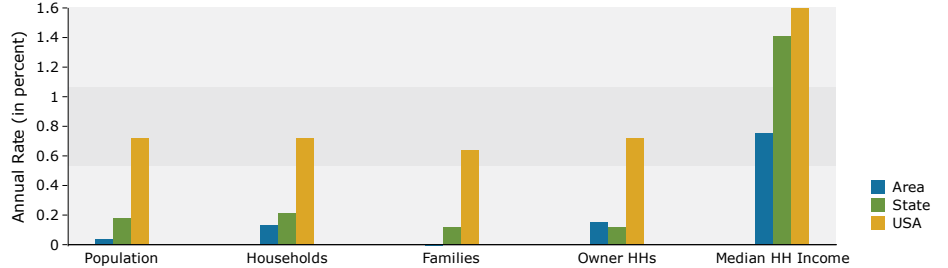


# 3-Mile DEMOGRAPHICS

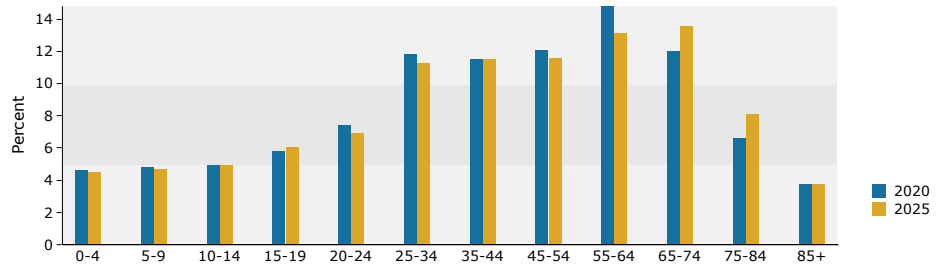
Summary		Census 2010		2020		2025	
Population		34,028		33,738		33,803	
Households		14,631		14,761		14,855	
Families		8,558		8,449		8,446	
Average Household Size		2.16		2.14		2.13	
Owner Occupied Housing Units		8,749		8,251		8,311	
Renter Occupied Housing Units		5,882		6,510		6,544	
Median Age		42.8		44.4		45.1	
Trends: 2020-2025 Annual Rate		Area		State		National	
Population		0.04%		0.18%		0.72%	
Households		0.13%		0.21%		0.72%	
Families		-0.01%		0.12%		0.64%	
Owner HHs		0.15%		0.12%		0.72%	
Median Household Income		0.75%		1.41%		1.60%	
Households by Income				2020		2025	
				Number	Percent	Number	Percent
				1,969	13.3%	1,858	12.5%
\$15,000 - \$24,999				1,635	11.1%	1,565	10.5%
\$25,000 - \$34,999				1,553	10.5%	1,527	10.3%
\$35,000 - \$49,999				1,845	12.5%	1,798	12.1%
\$50,000 - \$74,999				2,744	18.6%	2,797	18.8%
\$75,000 - \$99,999				1,871	12.7%	1,927	13.0%
\$100,000 - \$149,999				1,847	12.5%	1,976	13.3%
\$150,000 - \$199,999				781	5.3%	866	5.8%
\$200,000+				517	3.5%	542	3.6%
Median Household Income				\$52,381		\$54,379	
Average Household Income				\$70,596		\$75,698	
Per Capita Income				\$30,712		\$33,057	
Population by Age		Census 2010		2020		2025	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		1,728	5.1%	1,541	4.6%	1,518	4.5%
5 - 9		1,628	4.8%	1,607	4.8%	1,589	4.7%
10 - 14		1,699	5.0%	1,658	4.9%	1,670	4.9%
15 - 19		2,324	6.8%	1,965	5.8%	2,032	6.0%
20 - 24		2,663	7.8%	2,481	7.4%	2,341	6.9%
25 - 34		3,930	11.5%	3,976	11.8%	3,803	11.3%
35 - 44		3,963	11.6%	3,864	11.5%	3,894	11.5%
45 - 54		5,251	15.4%	4,075	12.1%	3,923	11.6%
55 - 64		4,532	13.3%	4,998	14.8%	4,413	13.1%
65 - 74		2,921	8.6%	4,062	12.0%	4,595	13.6%
75 - 84		2,185	6.4%	2,239	6.6%	2,739	8.1%
85+		1,203	3.5%	1,272	3.8%	1,285	3.8%
Race and Ethnicity		Census 2010		2020		2025	
		Number	Percent	Number	Percent	Number	Percent
White Alone		29,942	88.0%	29,044	86.1%	28,714	84.9%
Black Alone		2,741	8.1%	2,704	8.0%	2,691	8.0%
American Indian Alone		45	0.1%	64	0.2%	72	0.2%
Asian Alone		199	0.6%	388	1.2%	479	1.4%
Pacific Islander Alone		10	0.0%	30	0.1%	38	0.1%
Some Other Race Alone		168	0.5%	238	0.7%	285	0.8%
Two or More Races		924	2.7%	1,271	3.8%	1,523	4.5%
Hispanic Origin (Any Race)		469	1.4%	777	2.3%	996	2.9%

- Median Income is expressed in current dollars

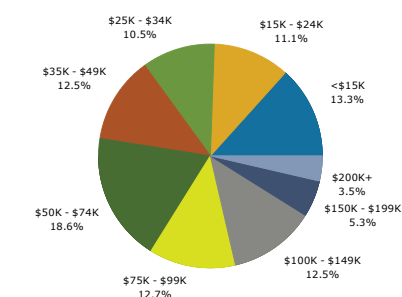
Trends 2020-2025



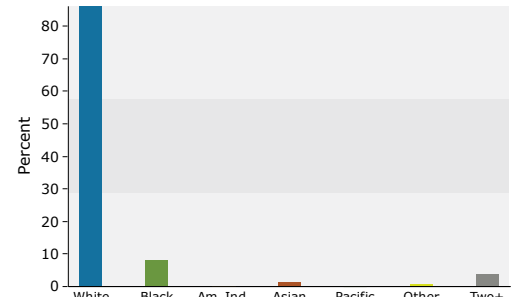
Population by Age



2020 Household Income



2020 Population by Race



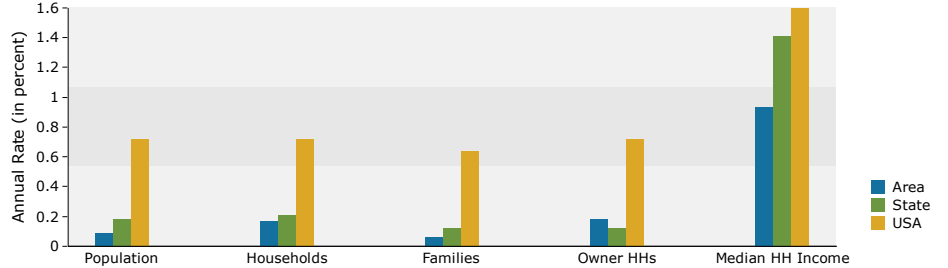
2020 Percent Hispanic Origin: 2.3%

# 5-Mile DEMOGRAPHICS

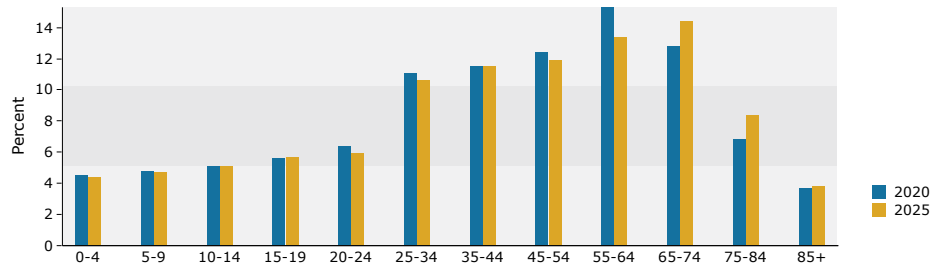
Summary		Census 2010		2020		2025	
Population		48,217		48,286		48,510	
Households		20,323		20,691		20,872	
Families		12,669		12,661		12,698	
Average Household Size		2.24		2.21		2.21	
Owner Occupied Housing Units		13,719		13,251		13,374	
Renter Occupied Housing Units		6,604		7,440		7,498	
Median Age		43.9		45.9		46.7	
Trends: 2020-2025 Annual Rate		Area		State		National	
Population		0.09%		0.18%		0.72%	
Households		0.17%		0.21%		0.72%	
Families		0.06%		0.12%		0.64%	
Owner HHs		0.18%		0.12%		0.72%	
Median Household Income		0.94%		1.41%		1.60%	
Households by Income		Number		Percent		Number	
<\$15,000		2,267		11.0%		2,137	
\$15,000 - \$24,999		1,989		9.6%		1,889	
\$25,000 - \$34,999		1,977		9.6%		1,936	
\$35,000 - \$49,999		2,529		12.2%		2,446	
\$50,000 - \$74,999		3,756		18.2%		3,779	
\$75,000 - \$99,999		2,667		12.9%		2,728	
\$100,000 - \$149,999		2,968		14.3%		3,183	
\$150,000 - \$199,999		1,436		6.9%		1,627	
\$200,000+		1,101		5.3%		1,147	
Median Household Income		\$58,246				\$61,029	
Average Household Income		\$80,718				\$86,613	
Per Capita Income		\$34,607				\$37,283	
Population by Age		Census 2010		2020		2025	
		Number		Percent		Number	
0 - 4		2,415		5.0%		2,122	
5 - 9		2,391		5.0%		2,280	
10 - 14		2,531		5.2%		2,481	
15 - 19		3,116		6.5%		2,774	
20 - 24		3,211		6.7%		2,871	
25 - 34		5,327		11.0%		5,152	
35 - 44		5,780		12.0%		5,595	
45 - 54		7,574		15.7%		5,794	
55 - 64		6,863		14.2%		6,523	
65 - 74		4,316		9.0%		6,996	
75 - 84		3,058		6.3%		4,097	
85+		1,634		3.4%		1,827	
Race and Ethnicity		Census 2010		2020		2025	
		Number		Percent		Number	
White Alone		43,704		90.6%		42,967	
Black Alone		2,913		6.0%		2,890	
American Indian Alone		60		0.1%		86	
Asian Alone		278		0.6%		556	
Pacific Islander Alone		11		0.0%		32	
Some Other Race Alone		202		0.4%		293	
Two or More Races		1,051		2.2%		1,461	
Hispanic Origin (Any Race)		604		1.3%		1,021	

- Male: Income is expressed in current dollars

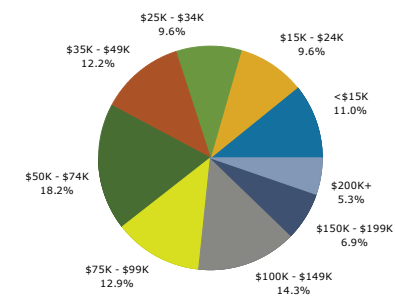
Trends 2020-2025



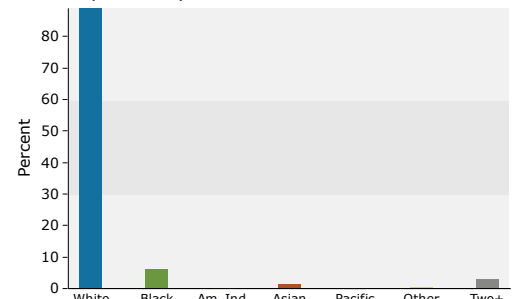
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin:2.1%



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