

Walgreens



*REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

WALGREENS

ABSOLUTE NNN LEASED OFFERING

201 TRADE STREET HENDERSON, NC 27536

OFFERING MEMORANDUM
PRESENTED BY:

MICHAEL PAEZ
VICE PRESIDENT OF
INVESTMENT SALES

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This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner's sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.

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INVESTMENT OVERVIEW



The subject property is a 14,735 square foot Walgreens Pharmacy located in Henderson, NC. The lease is corporately guaranteed by Walgreen's Corporate Entity and there are 7+ years remaining on the initial 20 year term. Rent increases 10% every ten years and the tenant has eight, 5-year options to renew. The asset is well situated near major national retailers including Walmart Supercenter, Lowe's Home Improvement, ALDI, Chick-fil-A, Ruby Tuesday's and many others.

INVESTMENT HIGHLIGHTS

WALGREENS ABSOLUTE NNN LEASED OFFERING

100% FEE SIMPLE INTEREST

ZERO LANDLORD OBLIGATIONS

SCHEDULED INCREASES IN RENT

S&P RATED BBB INVESTMENT GRADE CREDIT

WELL SITUATED ON A MAJOR COMMERCIAL THOROUGHFARE

NEAREST WALGREENS IS LOCATED OVER 2 MILES AWAY

OFFERING SPECIFICATIONS

PRICE \$3,226,000

CAP RATE 6.75%

NET OPERATING INCOME \$217,800

SQUARE FOOTAGE 14,735

LOT SIZE 1.70 AC

YEAR BUILT 2003

FINANCIAL SUMMARY

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\$3,226,000 • 6.75% CAP

SUMMARY

| | |
|----------------|-------------------------------------|
| TENANT NAME | WALGREENS |
| SQUARE FOOTAGE | 14,735 |
| LEASE STARTS | 5/13/2008 |
| LEASE ENDS | 6/1/2028 |
| ANNUAL RENT | \$217,800 |
| OPTIONS | EIGHT, 5-YEAR OPTIONS |
| INCREASES | 10% EVERY 5 YEARS AND IN OPTIONS |

OFFERING SUMMARY

| | NET OPERATING INCOME | CAP RATE |
|--------------|-------------------------|----------|
| CURRENT | \$217,800 | 6.75% |
| OPTION 1-2 | \$239,580 | 7.43% |
| OPTION 3-4 | \$263,538 | 8.17% |
| OPTION 5 - 6 | \$289,892 | 8.99% |
| OPTION 7 - 8 | \$318,881 | 9.88% |

TENANT OVERVIEW



PUBLICLY TRADED
NASDAQ: WBA



9,560 LOCATIONS



415,000+ EMPLOYEES

WALGREENS

Walgreen Company or simply Walgreens is an American company that operates as the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. As of August 31, 2018, the company operated 9,560 stores in all 50 states, the District of Columbia and the US territories of Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

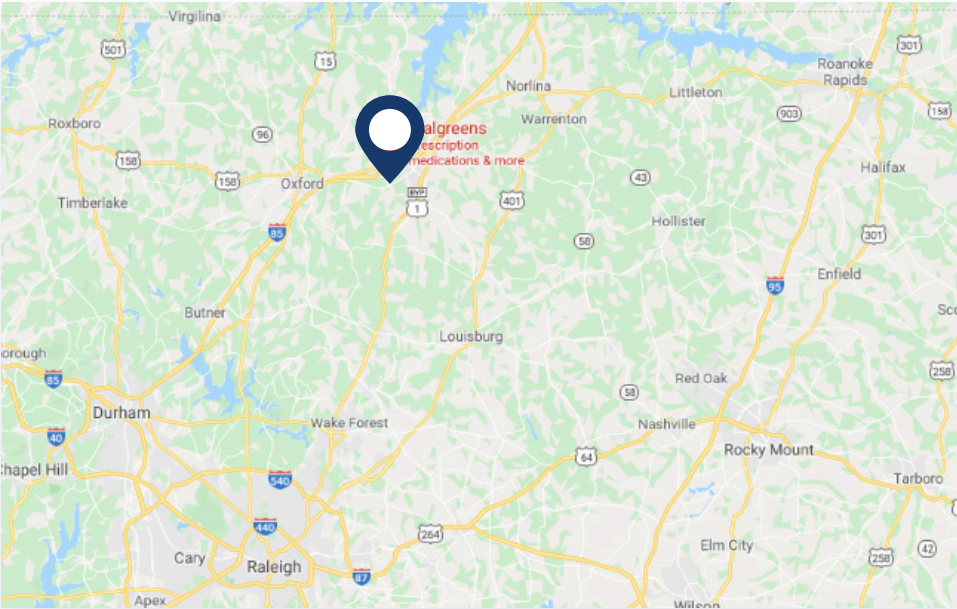
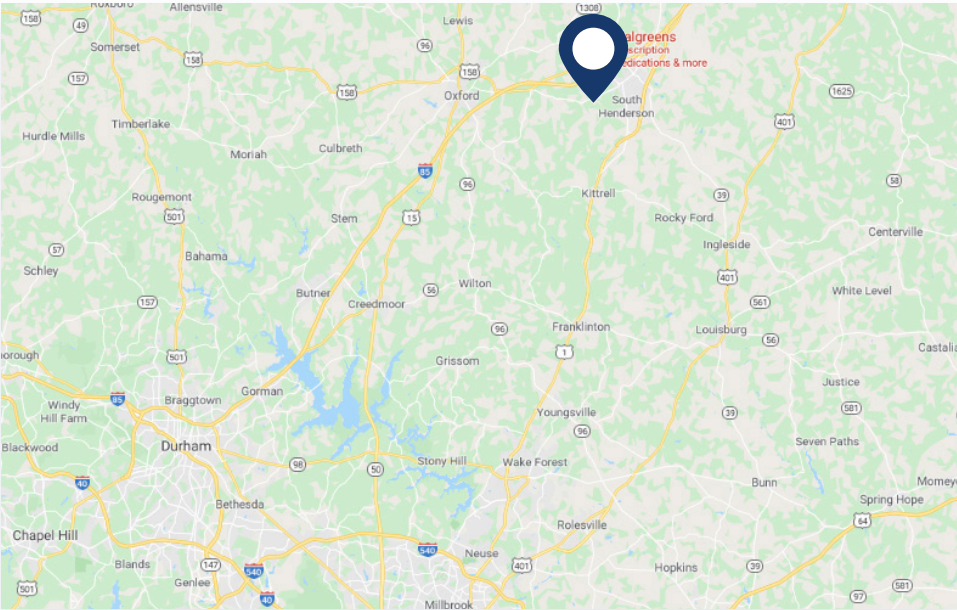
In 2014 the company agreed to purchase the remaining 55% of Switzerland-based Alliance Boots that it did not already own to form a global business. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc., on December 31, 2014. Walgreens became a subsidiary of the new company, which retains its Deerfield headquarters and trades on the Nasdaq under the symbol WBA. Walgreens is rated BBB by S&P Investment Grade Credit

A typical Walgreens store is about 14,500 square feet with 11,000 square feet of sales area. They offer nearly 25,000 items for sale and typically staff between 25 and 30 people per store. On average, one store pulls in \$8.5 million in annual sales. Most stores include a pharmacy, photo lab, cosmetics counter, and a general merchandise area. Select stores in metropolitan Chicago, Florida, Atlanta, Kansas City, Nashville, Las Vegas, and St. Louis now include Walgreens TakeCare Health Clinics where certified (primarily nurse practitioners, and in some states, registered pharmacist) staff diagnose, treat, and prescribe for common illnesses and can also issue vaccinations and physicals in select locations. These clinics are open 7 days a week; including evenings and weekends with no appointments necessary and with acceptance of most major insurance plans. If a patient uses the TakeCare Clinic, their prescription is automatically processed through Walgreens' Intercom Plus Pharmacy System as a waiting prescription, so in most stores, the prescription is ready to be picked up in 15 to 20 minutes.

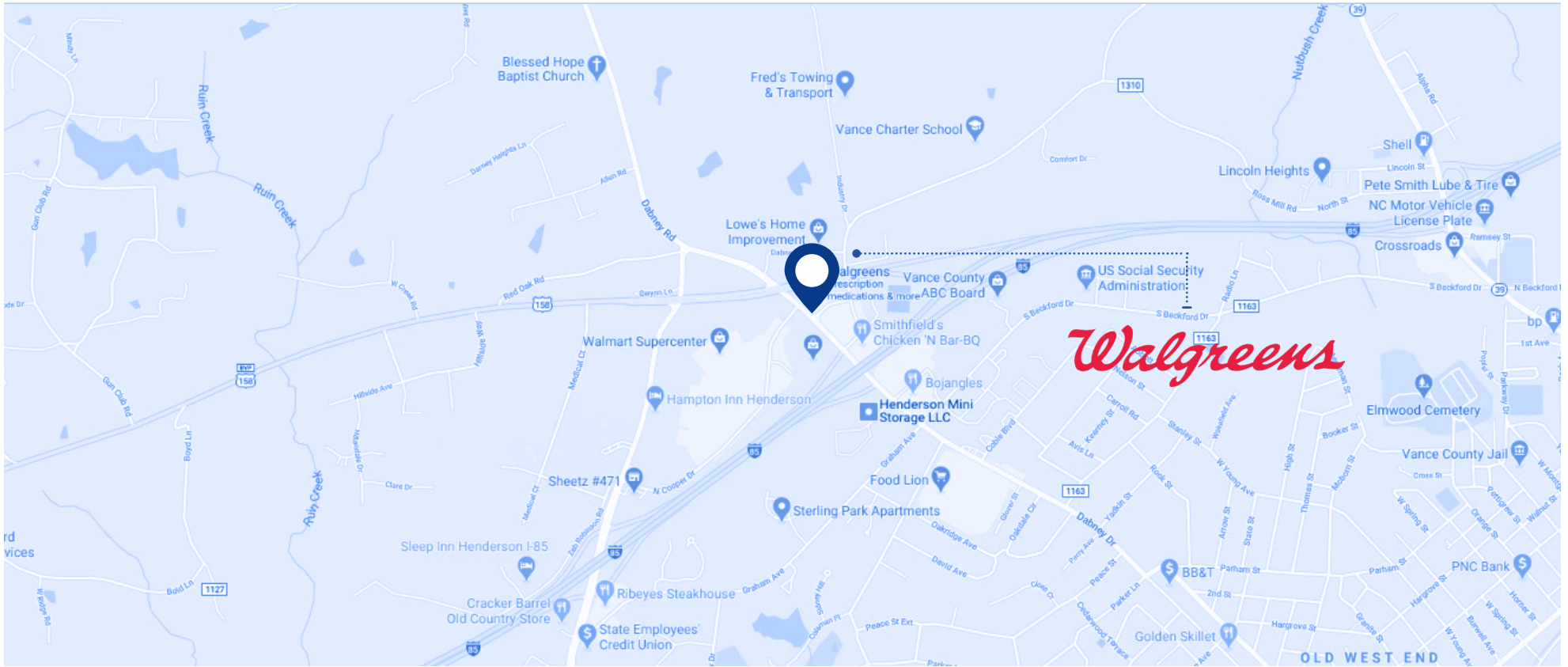
LOCATION AERIAL



REGIONAL OVERVIEW



DEMOGRAPHICS



| | 3 MILES | 5 MILES | 10 MILES |
|---------------------------------|-----------------|-----------------|-----------------|
| TOTAL POPULATION | 17,727 | 26,173 | 57,873 |
| TOTAL HOUSEHOLDS | 7,131 | 10,201 | 22,398 |
| AVERAGE HOUSEHOLD INCOME | \$49,654 | \$49,981 | \$56,937 |
| AVERAGE AGE | 40.40 | 39.70 | 40.30 |

AREA OVERVIEW

| DEMOGRAPHICS | 3 MILES | 5 MILES | 10 MILES |
|---------------------------|-----------|----------|-----------|
| TOTAL POPULATION | 17,727 | 26,173 | 57,873 |
| TOTAL HOUSEHOLDS | 7,131 | 10,201 | 22,398 |
| PERSONS PER HOUSEHOLD | 2.40 | 2.50 | 2.50 |
| AVERAGE HOUSEHOLD INCOME | \$49,654 | \$49,981 | \$56,937 |
| AVERAGE HOUSE VALUE | \$112,615 | \$98,994 | \$117,033 |
| AVERAGE AGE | 40.40 | 39.70 | 40.30 |
| WHITE | 6,374 | 10,594 | 26,575 |
| BLACK | 10,696 | 14,604 | 29,362 |
| AM. INDIAN & ALASKAN | 126 | 245 | 491 |
| ASIAN | 237 | 289 | 481 |
| HAWAIIAN & PACIFIC ISLAND | 12 | 19 | 37 |
| OTHER | 281 | 422 | 928 |

HENDERSON, NORTH CAROLINA

Located 40 minutes north of the capital city of Raleigh, Henderson, North Carolina is a rural town rich with history. The first settlers' residence was built in what is now Henderson in 1785 by Samuel Reavis, Sr. Reavis called his farm "Lonesome Valley" which likely described the area at that time. Reavis' son, Lewis Reavis, opened a store close to the stagecoach road in 1811 where he began to see an influx of settlers and the awakening of a city.

Though Henderson has historically relied heavily on the tobacco, cotton and textile industries for jobs and economic growth, in recent years the retail market has been one of its major growth sectors. With its centralized location along Interstate 85 and U.S. 1, outstanding water supply, mild climate, excellent medical, recreational and educational facilities and stable work force, Henderson continues to be an attractive location to businesses, developers and individuals alike.



HENDERSON, NORTH CAROLINA



The Kase Group

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