



## Excellent Store Sales - Rare North Carolina NNN Drugstore

- Top Tier Store Sales — Up Nearly 25% Over the Last 3 Years
- Preferred 5-Year Option Structure
- Zero Landlord Responsibilities
- Main & Main Location
- High Traffic Corner
- Full Walgreens Corporate Guaranty

*Walgreens*

📍 KERNERSVILLE, NC

📞 (888) 258-7605  
✉️ [Listings@deerfieldteam.com](mailto:Listings@deerfieldteam.com)

John Giordani  
Art Griffith



**DeerfieldPartners**  
The Drugstore Experts

# INVESTMENT SUMMARY

340 N MAIN ST | KERNERSVILLE, NC 27284

WALGREENS #1253

<b>\$6,173,843</b> PRICE WITHOUT DEBT	<b>5.75%</b> CAP	<b>\$354,996</b> ANNUAL RENT	<b>8.6</b> YRS. GUARANTEED
<b>\$5,916,600</b> PRICE WITH BUYER ASSUMING DEBT BELOW	<b>6.00%</b> CAP	<b>\$354,996</b> ANNUAL RENT	<b>8.6</b> YRS. GUARANTEED

This property is being offered two ways, with two different pricing structures. At a 5.75% CAP rate, the property can be delivered Free & Clear, with no debt. At the 6.00% CAP rate, Buyer must assume the debt, as described below.

- Non-recourse CMBS Loan
- 10 Year Fixed Rate Loan
- 10 Years Interest Only
- Loan amount is \$3.705M
- Rate is 4.4355%
- Loan due 12/31/2024 in amount of \$3.705M

## METRICS

Purchase Price	\$5,916,600
Less Loan Amount	(\$3,705,000)
Cash Required	\$2,211,600
Avg Net Annual Cash Flow	\$190,641
Avg Cash on Cash	8.62%
Loan to Value	63%

## NET CASH FLOWS TO BUYER

Year	Start	End	Annual Rent	Annual Debt Service	Net Annual Cash Flow	Return On Cash
1	1/1/2022	12/31/2022	\$354,996	(\$164,355)	\$190,641	8.62%
2	1/1/2023	12/31/2023	\$354,996	(\$164,355)	\$190,641	8.62%
3	1/1/2024	12/31/2024	\$354,996	(\$164,355)	\$190,641	8.62%
Total Net Cash Flow:					\$571,923	8.62%

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# SITE DESCRIPTION

340 N MAIN ST | KERNERSVILLE, NC 27284

WALGREENS #1253

This is a well located Walgreens drugstore, at the intersection of North Main Street and Piney Grove Road. These two roads are the main arterial for Kernersville, with national retailers: Wells Fargo, Bank of America, BB&T Bank, Advance Auto, Dollar General, O'Reilly, AutoZone ... and more. This is a true absolute net lease, with ZERO Landlord responsibilities. Healthy sales performance and the preferred five-year option structure, coupled with a full Walgreens Guaranty - make this an ideal candidate for a savvy 1031 Buyer.



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# PROPERTY OVERVIEW



## PROPERTY DETAILS

**Address:** 340 N Main St  
**Year Built:** 2004  
**Building Size:** 14,750 sq. ft.  
**Lot Size:** 1.906 acres  
**Tenant:** Walgreens



## LEASE SUMMARY

**Lease Type:** Absolute Net Lease  
**Landlord Responsibilities:** Zero  
**Rent Start Date:** 12/25/2004  
**Firm Term End Date:** 12/31/2029  
**Termination Options:** 10 x 5 Year



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# DEMOGRAPHICS



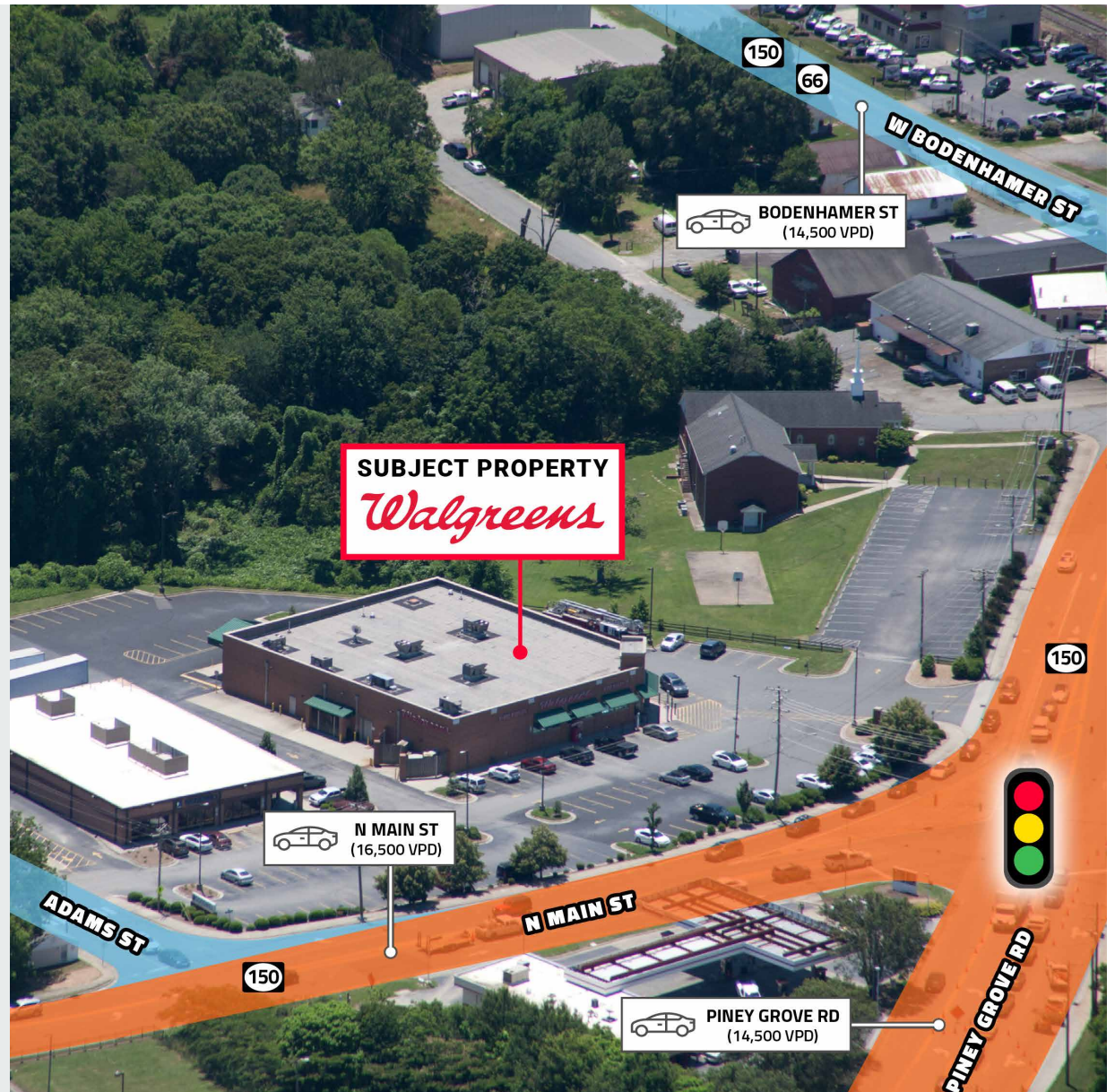
## POPULATION

1 Mile	3 Mile	5 Mile
7,106	28,884	61,429



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$59,239	\$75,582	\$81,571



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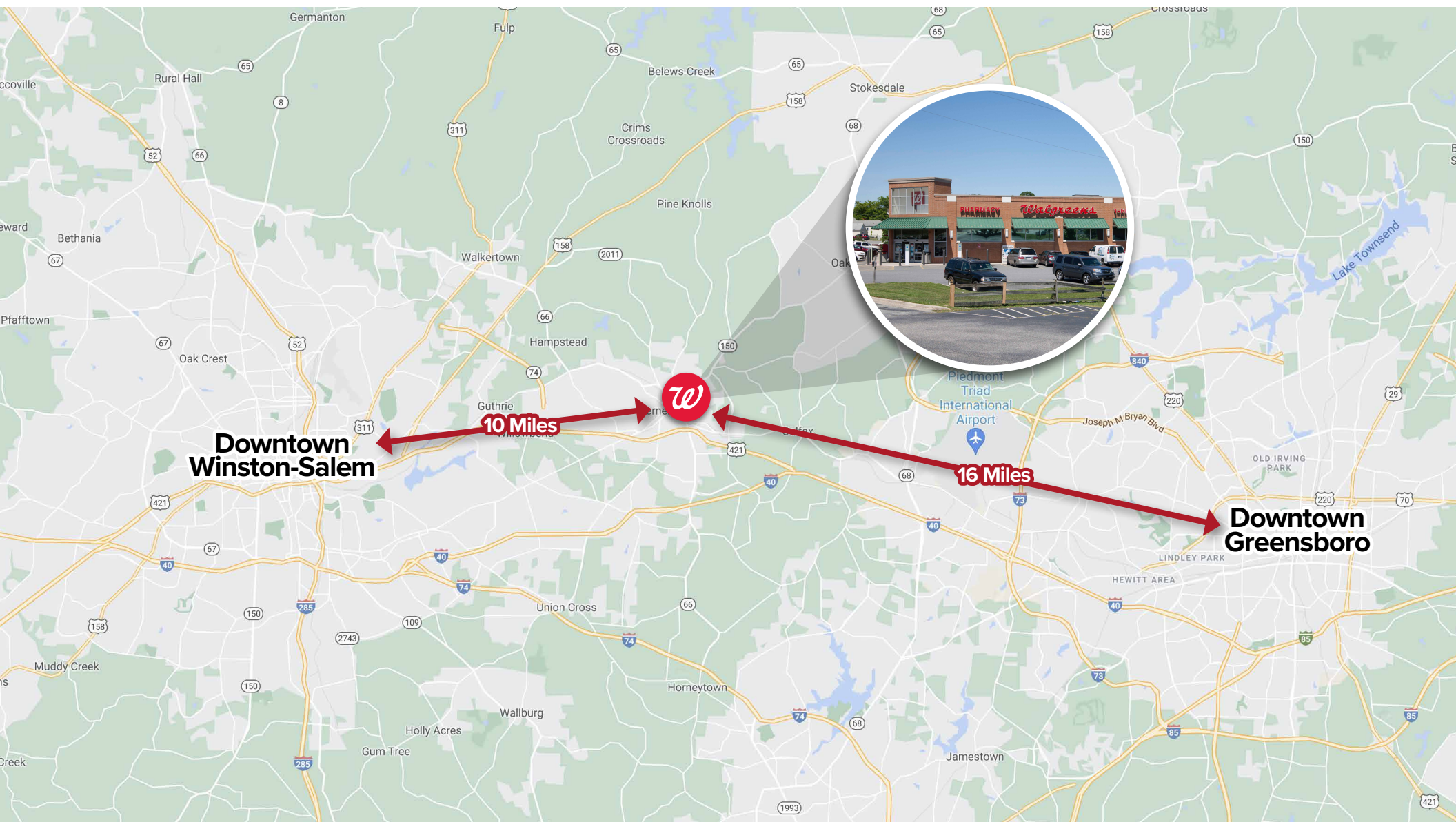
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# REGIONAL OVERVIEW



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## ABOUT WALGREENS BOOTS ALLIANCE



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.





# WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2016	2017	2018	2019	2020
<b>Sales/Revenue</b>	<b>117.35B</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>	<b>139.54B</b>
Sales Growth	13.44%	0.74%	11.27%	4.05%	1.95%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>89.2B</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>	<b>113.45B</b>
COGS excluding D&A	87.48B	89.05B	100.75B	106.79B	111.52B
Depreciation & Amortization Expense	1.72B	1.65B	1.77B	2.04B	1.92B
Depreciation	1.32B	1.27B	1.28B	1.49B	1.47B
Amortization of Intangibles	396M	385M	493M	552M	461M
<b>Gross Income</b>	<b>28.16B</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>	<b>26.09B</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>SG&amp;A Expense</b>	<b>21.79B</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>	<b>22.34B</b>
Research & Development	-	-	-	-	-
Other SG&A	21.79B	21.25B	22.88B	22.91B	22.34B
Other Operating Expense	-	-	-	-	-
Unusual Expense	963M	886M	188M	311M	2.85M
EBIT after Unusual Expense	5.41B	5.37B	(188M)	4.82B	897M
Non Operating Income/Expense	297M	37M	450M	251M	145M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	37M	135M	191M	164M	341M
<b>Interest Expense</b>	<b>596M</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>	<b>639M</b>
Gross Interest Expense	596M	693M	616M	704M	639M
Interest Capitalized	-	-	-	-	-
<b>Pretax Income</b>	<b>5.14B</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>	<b>743M</b>
Income Tax	997M	760M	998M	588M	360M
Income Tax - Current Domestic	1.06B	804M	969M	247M	199M
Income Tax - Current Foreign	371M	390M	353M	241M	204M
Income Tax - Deferred Domestic	(177M)	(330M)	(266M)	155M	(81M)
Income Tax - Deferred Foreign	(252M)	(104M)	(58M)	(55M)	38M
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	44M	8M	54M	23M	41M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.19B	4.1B	5.03B	3.96B	424M
Minority Interest Expense	18M	23M	7M	(20M)	(32M)





# 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.

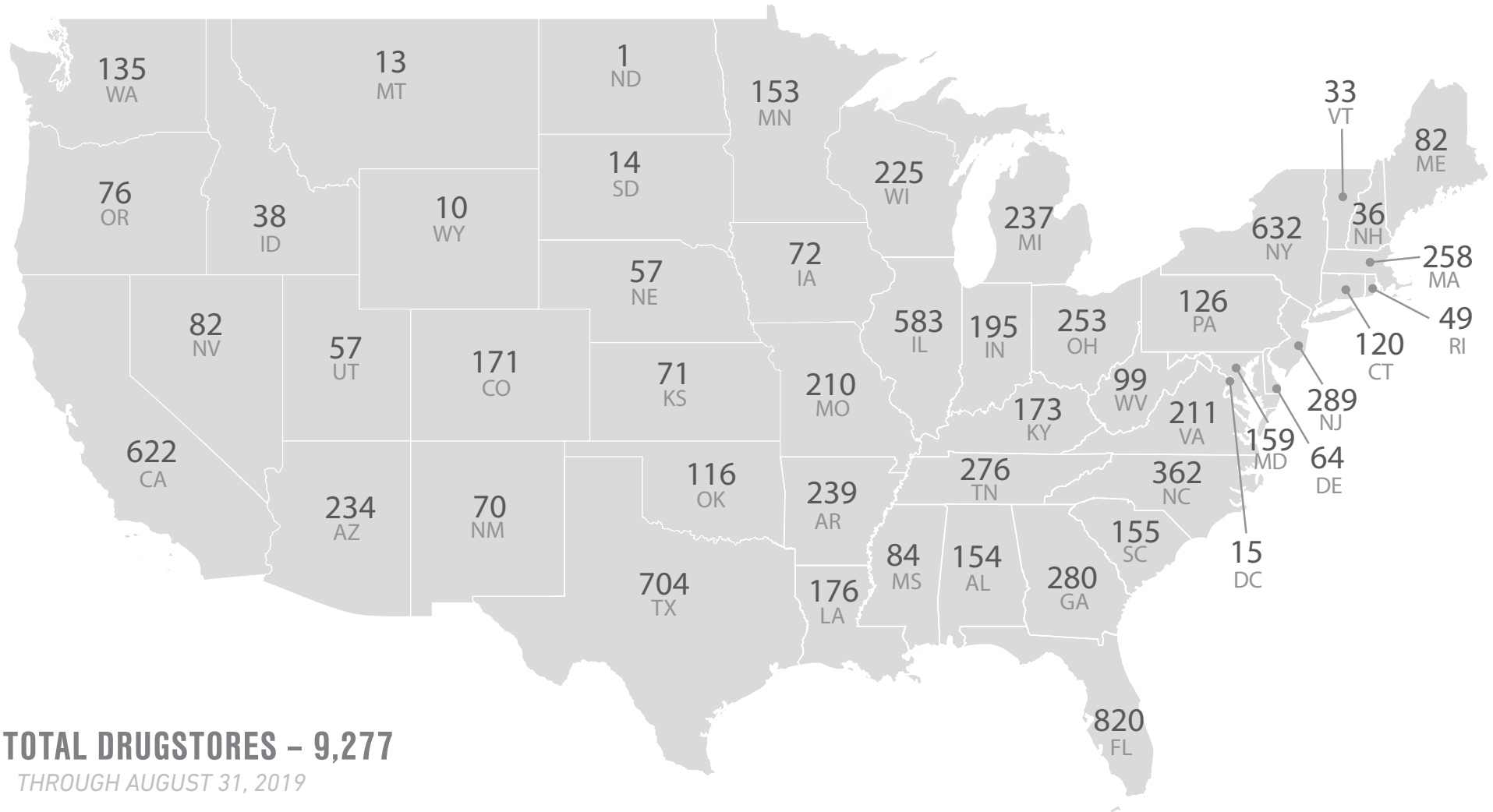
Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards 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.



# 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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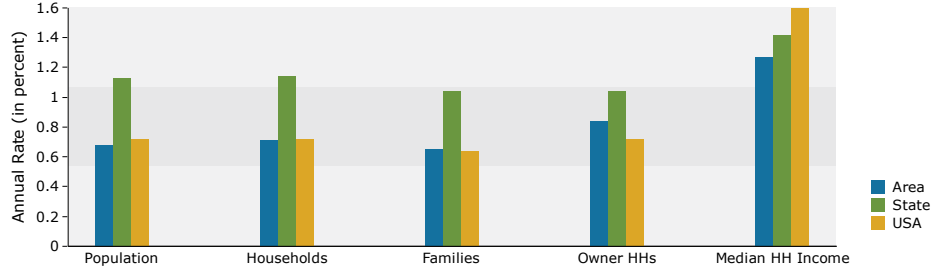
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# 1-Mile DEMOGRAPHICS

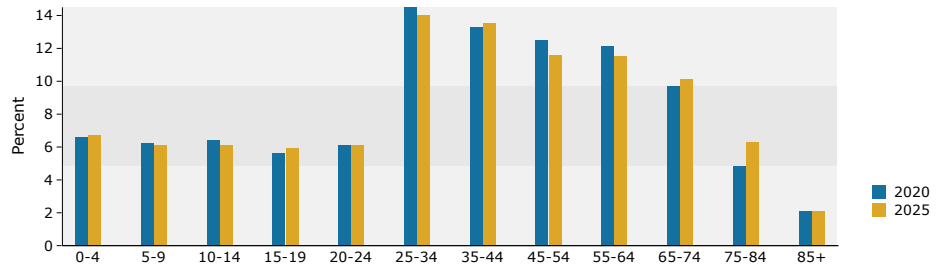
Summary		Census 2010		2020		2025	
Population		6,713		7,106		7,351	
Households		3,023		3,216		3,331	
Families		1,828		1,914		1,977	
Average Household Size		2.22		2.20		2.20	
Owner Occupied Housing Units		1,653		1,549		1,615	
Renter Occupied Housing Units		1,370		1,667		1,716	
Median Age		36.9		38.3		38.8	
Trends: 2020-2025 Annual Rate		Area		State		National	
Population		0.68%		1.13%		0.72%	
Households		0.71%		1.14%		0.72%	
Families		0.65%		1.04%		0.64%	
Owner HHs		0.84%		1.04%		0.72%	
Median Household Income		1.27%		1.42%		1.60%	
Households by Income				2020		2025	
				Number	Percent	Number	Percent
<\$15,000				424	13.2%	400	12.0%
\$15,000 - \$24,999				513	16.0%	498	15.0%
\$25,000 - \$34,999				355	11.0%	355	10.7%
\$35,000 - \$49,999				525	16.3%	538	16.2%
\$50,000 - \$74,999				571	17.8%	600	18.0%
\$75,000 - \$99,999				385	12.0%	423	12.7%
\$100,000 - \$149,999				256	8.0%	300	9.0%
\$150,000 - \$199,999				118	3.7%	142	4.3%
\$200,000+				68	2.1%	75	2.3%
Median Household Income				\$42,769		\$45,548	
Average Household Income				\$59,239		\$64,514	
Per Capita Income				\$25,315		\$27,498	
		Census 2010		2020		2025	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		492	7.3%	470	6.6%	496	6.7%
5 - 9		455	6.8%	441	6.2%	446	6.1%
10 - 14		424	6.3%	456	6.4%	449	6.1%
15 - 19		422	6.3%	395	5.6%	433	5.9%
20 - 24		419	6.2%	436	6.1%	447	6.1%
25 - 34		966	14.4%	1,033	14.5%	1,027	14.0%
35 - 44		964	14.4%	945	13.3%	990	13.5%
45 - 54		923	13.7%	887	12.5%	852	11.6%
55 - 64		765	11.4%	860	12.1%	846	11.5%
65 - 74		464	6.9%	691	9.7%	743	10.1%
75 - 84		301	4.5%	342	4.8%	464	6.3%
85+		118	1.8%	149	2.1%	156	2.1%
		Census 2010		2020		2025	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		5,065	75.4%	5,105	71.9%	5,079	69.1%
Black Alone		651	9.7%	735	10.3%	778	10.6%
American Indian Alone		47	0.7%	52	0.7%	54	0.7%
Asian Alone		83	1.2%	127	1.8%	161	2.2%
Pacific Islander Alone		0	0.0%	0	0.0%	0	0.0%
Some Other Race Alone		677	10.1%	834	11.7%	982	13.4%
Two or More Races		191	2.8%	252	3.5%	296	4.0%
Hispanic Origin (Any Race)		1,286	19.2%	1,559	21.9%	1,789	24.3%

Median Income is expressed in current dollars

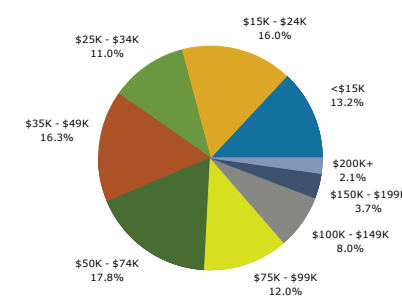
Trends 2020-2025



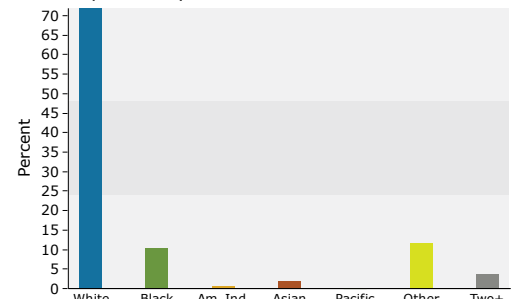
Population by Age



2020 Household Income



2020 Population by Race



2020 Percent Hispanic Origin: 21.9%

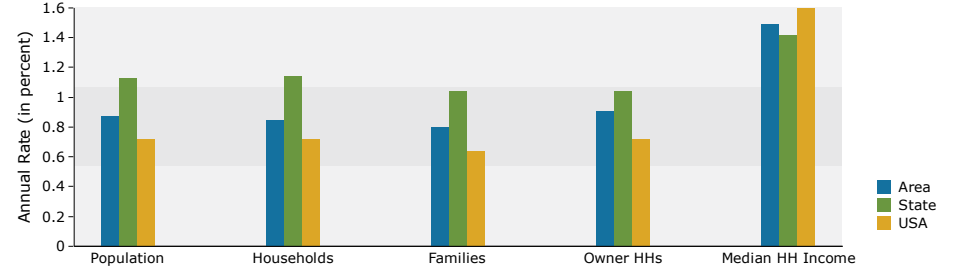


# 3-Mile DEMOGRAPHICS

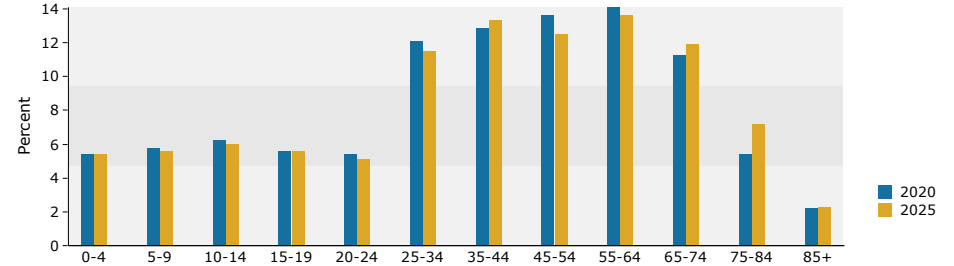
Summary		Census 2010		2020		2025	
Population		26,217		28,884		30,179	
Households		11,241		12,351		12,884	
Families		7,300		7,903		8,225	
Average Household Size		2.33		2.33		2.33	
Owner Occupied Housing Units		7,233		7,263		7,600	
Renter Occupied Housing Units		4,008		5,088		5,285	
Median Age		40.0		42.3		43.1	
Trends: 2020-2025 Annual Rate		Area		State		National	
Population		0.88%		1.13%		0.72%	
Households		0.85%		1.14%		0.72%	
Families		0.80%		1.04%		0.64%	
Owner HHs		0.91%		1.04%		0.72%	
Median Household Income		1.49%		1.42%		1.60%	
				2020		2025	
Households by Income				Number	Percent	Number	Percent
<\$15,000				1,265	10.2%	1,182	9.2%
\$15,000 - \$24,999				1,376	11.1%	1,320	10.2%
\$25,000 - \$34,999				1,198	9.7%	1,181	9.2%
\$35,000 - \$49,999				1,824	14.8%	1,834	14.2%
\$50,000 - \$74,999				2,038	16.5%	2,092	16.2%
\$75,000 - \$99,999				1,695	13.7%	1,813	14.1%
\$100,000 - \$149,999				1,751	14.2%	1,997	15.5%
\$150,000 - \$199,999				670	5.4%	798	6.2%
\$200,000+				535	4.3%	667	5.2%
Median Household Income				\$54,656		\$58,844	
Average Household Income				\$75,582		\$83,878	
Per Capita Income				\$32,084		\$35,539	
				Census 2010		2020	
Population by Age				Number	Percent	Number	Percent
0 - 4				1,615	6.2%	1,565	5.4%
5 - 9				1,702	6.5%	1,687	5.8%
10 - 14				1,756	6.7%	1,794	6.2%
15 - 19				1,580	6.0%	1,611	5.6%
20 - 24				1,443	5.5%	1,546	5.4%
25 - 34				3,182	12.1%	3,490	12.1%
35 - 44				3,786	14.4%	3,733	12.9%
45 - 54				4,010	15.3%	3,922	13.6%
55 - 64				3,429	13.1%	4,069	14.1%
65 - 74				2,066	7.9%	3,269	11.3%
75 - 84				1,216	4.6%	1,563	5.4%
85+				432	1.6%	634	2.2%
				Census 2010		2020	
Race and Ethnicity				Number	Percent	Number	Percent
White Alone				21,053	80.3%	22,184	76.8%
Black Alone				2,621	10.0%	3,179	11.0%
American Indian Alone				119	0.5%	140	0.5%
Asian Alone				446	1.7%	772	2.7%
Pacific Islander Alone				4	0.0%	6	0.0%
Some Other Race Alone				1,427	5.4%	1,831	6.3%
Two or More Races				547	2.1%	773	2.7%
Hispanic Origin (Any Race)				2,738	10.4%	3,473	12.0%
						4,090	
						13.6%	

- \*Note: Totals are expressed in nearest dollars

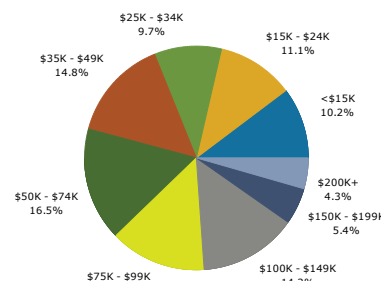
Trends 2020-2025



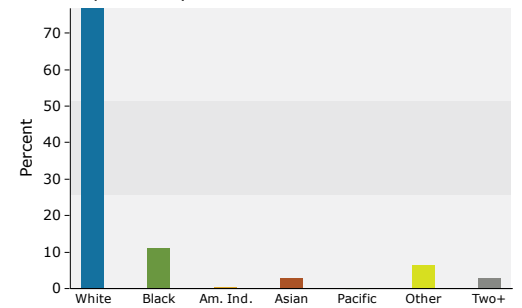
Population by Age



2020 Household Income



2020 Population by Race



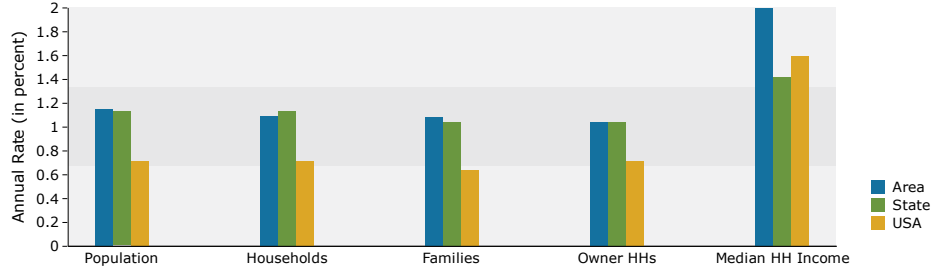
2020 Percent Hispanic Origin:12.0%

# 5-Mile DEMOGRAPHICS

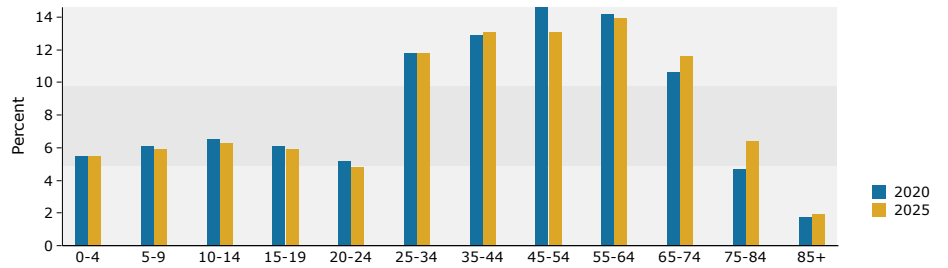
Summary		Census 2010		2020		2025	
Population		54,385		61,429		65,057	
Households		21,838		24,567		25,953	
Families		15,459		17,204		18,152	
Average Household Size		2.48		2.50		2.50	
Owner Occupied Housing Units		15,987		16,846		17,743	
Renter Occupied Housing Units		5,851		7,720		8,210	
Median Age		39.6		41.8		42.6	
Trends: 2020-2025 Annual Rate		Area		State		National	
Population		1.15%		1.13%		0.72%	
Households		1.10%		1.14%		0.72%	
Families		1.08%		1.04%		0.64%	
Owner HHs		1.04%		1.04%		0.72%	
Median Household Income		2.00%		1.42%		1.60%	
Households by Income				2020		2025	
				Number	Percent	Number	Percent
<\$15,000				2,033	8.3%	1,894	7.3%
\$15,000 - \$24,999				2,114	8.6%	2,016	7.8%
\$25,000 - \$34,999				2,084	8.5%	2,018	7.8%
\$35,000 - \$49,999				3,522	14.3%	3,484	13.4%
\$50,000 - \$74,999				4,364	17.8%	4,419	17.0%
\$75,000 - \$99,999				3,773	15.4%	4,055	15.6%
\$100,000 - \$149,999				4,070	16.6%	4,769	18.4%
\$150,000 - \$199,999				1,408	5.7%	1,753	6.8%
\$200,000+				1,199	4.9%	1,544	5.9%
Median Household Income				\$62,157		\$68,620	
Average Household Income				\$81,571		\$91,272	
Per Capita Income				\$32,754		\$36,574	
		Census 2010		2020		2025	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		3,374	6.2%	3,390	5.5%	3,551	5.5%
5 - 9		3,862	7.1%	3,726	6.1%	3,810	5.9%
10 - 14		3,933	7.2%	4,011	6.5%	4,085	6.3%
15 - 19		3,388	6.2%	3,719	6.1%	3,808	5.9%
20 - 24		2,619	4.8%	3,191	5.2%	3,126	4.8%
25 - 34		6,253	11.5%	7,249	11.8%	7,680	11.8%
35 - 44		8,437	15.5%	7,923	12.9%	8,508	13.1%
45 - 54		8,725	16.0%	8,939	14.6%	8,497	13.1%
55 - 64		6,930	12.7%	8,752	14.2%	9,064	13.9%
65 - 74		3,962	7.3%	6,539	10.6%	7,520	11.6%
75 - 84		2,183	4.0%	2,917	4.7%	4,173	6.4%
85+		720	1.3%	1,072	1.7%	1,236	1.9%
		Census 2010		2020		2025	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		44,321	81.5%	47,998	78.1%	49,298	75.8%
Black Alone		5,678	10.4%	7,065	11.5%	7,785	12.0%
American Indian Alone		221	0.4%	270	0.4%	297	0.5%
Asian Alone		978	1.8%	1,709	2.8%	2,272	3.5%
Pacific Islander Alone		20	0.0%	33	0.1%	43	0.1%
Some Other Race Alone		2,128	3.9%	2,816	4.6%	3,452	5.3%
Two or More Races		1,038	1.9%	1,539	2.5%	1,909	2.9%
Hispanic Origin (Any Race)		4,334	8.0%	5,715	9.3%	6,856	10.5%

- Median Income is expressed in current dollars

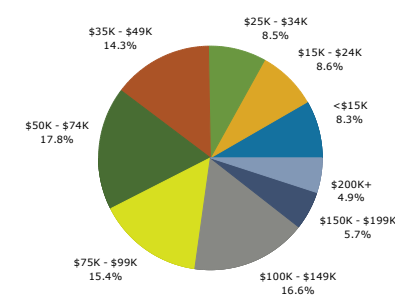
Trends 2020-2025



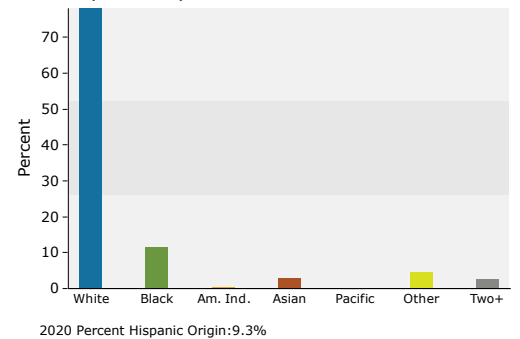
Population by Age



2020 Household Income



2020 Population by Race





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