

OFFERING MEMORANDUM



Walgreens

2125 HIGHWAY 155 N | MCDONOUGH, GA 30252



EXCLUSIVELY LISTED BY:

GRANT KORN

Senior Associate

DIR +1 (310) 844-9367
MOB +1 (310) 927-6117
grant.korn@matthews.com

License No. 02109645 (CA)

MAXX BAUMAN

Market Leader

DIR +1 (310) 919-5765
MOB +1 (310) 994-0262
maxx.bauman@matthews.com

License No. 01996741 (CA)

KYLE MATTHEWS

Broker of Record

License No. 67120 (GA)

Walgreens

2125 HIGHWAY 155 N | MCDONOUGH, GA 30252

3

INVESTMENT SUMMARY

4

FINANCIAL OVERVIEW

7

TENANT PROFILE

8




AREA OVERVIEW

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

INVESTMENT SUMMARY

TENANT	Walgreens
PROPERTY ADDRESS	2125 Highway 155 N McDonough, GA 30252
LIST CAP RATE	6%
LIST PRICE	\$5,017,616

2021 DEMOGRAPHICS

	1-MILE	3-MILE	5-MILE
 POPULATION	1,434	22,441	72,519
 HOUSEHOLDS	485	7,749	25,204
 HH INCOME	\$122,557	\$104,639	\$97,476

INVESTMENT HIGHLIGHTS

LOCATION HIGHLIGHTS

- **Strong Demographics** - 1-mile average household income is over \$120,000 and 5-mile population over 68,000
- **Located on a hard signalized corner**
- **Limited competition** - Closest Walgreens is located over 5 miles away
- **Less than 30-minute drive to Hartsfield-Jackson Atlanta International Airport**
- **Dense retail corridor** - Kroger, McDonald's, Advance Auto Parts, Burger King, Dunkin', Shell, Taco Bell, and more
- **Less than a mile away from Union Grove Highschool, Union Grove Middle School, and East Lake Elementary**
- **Former Rite Aid rebranded showing commitment to market**
- **Walgreens typically spends \$300,000 when converting an acquired pharmacy location**

LEASE & PROPERTY DETAILS

- **Absolute NNN lease** - No Landlord responsibilities
- **Low rent** - Walgreens is paying 15% below their national average
- **RARE Rent increases every 5 years during option periods**

ABOUT WALGREENS

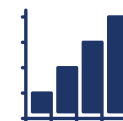
- **Recession Proof Retail Concept** - over 70% of Walgreens revenue is derived through pharmacy sales
- **Corporate Guarantee** - Walgreens has a Market Cap of \$43.61 B & Generated over \$132.5 B in annual sales in 2021
- **Essential business**

Walgreens

PROPERTY SUMMARY



\$5,017,616
OFFERING PRICE



6.00%
CAP RATE



±1.5 YEARS
TERM REMAINING

TENANT SUMMARY

LEASE TYPE	NNN
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Corporate
ROOF AND STRUCTURE RESPONSIBLE	Tenant Responsible
ORIGINAL LEASE TERM (YEARS)	20 Years
LEASE COMMENCEMENT DATE	April, 2003
RENT COMMENCEMENT DATE	November, 2003
LEASE EXPIRATION DATE	November, 2023
LEASE TERM REMAINING (YEARS)	±1.5 Years
INCREASES	2% Each Option
OPTIONS	Seven, 5-Year options

ANNUALIZED OPERATING DATA

TERM	LEASE YEARS	ANNUAL RENT	MONTHLY RENT	RENT PSF
11/08/03 - 11/07/2023	1.5 Years Remaining	\$301,057	\$25,088.08	\$21.80
11/08/23 - 11/07/2028	5 Years	\$307,078	\$25,589.84	\$22.23
11/08/28 - 11/07/2033	5 Years	\$313,220	\$26,101.64	\$22.68
11/08/33 - 11/07/2038	5 Years	\$319,484	\$26,623.67	\$23.13
11/08/38 - 11/07/2043	5 Years	\$325,874	\$27,156.14	\$23.59

DEBT QUOTE

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

PATRICK FLANAGAN
(214) 550-0277
patrick.flanagan@matthews.com

LTV: 65%

RATE RANGE: 3.8% - 4.15%

AMORTIZATION: 25

TERM: 5



 **AMERIS BANK**

**DOLLAR
GENERAL**

EAST LAKE ELEMENTARY

UNION GROVE MIDDLE SCHOOL

UNION GROVE HIGH SCHOOL

115

± 21,000 VPD



E LAKE RD
± 25,000 VPD



SUBWAY

DUNKIN'



Bojangles

Walgreens

E LAKE PKWY
± 23,000 VPD

115

± 23,000 VPD





UNION GROVE HIGH SCHOOL



± 23,000 VPD



E LAKE RD
± 25,000 VPD



± 21,000 VPD

E LAKE PKWY
± 23,000 VPD





TENANT PROFILE

COMPANY NAME

Walgreens

OWNERSHIP

Public

WEBSITE

www.walgreens.com

INDUSTRY

Drug Store

HEADQUARTERS

Deerfield, IL

WALGREENS

The nation's #1 drugstore chain, Walgreens, operates close to 8,300 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.

Walgreens' overall value proposition differentiates it from competitors in many valuable ways. Specifically, a focus on health gives Walgreens a competitive advantage over other pharmacies. By putting health at the forefront of all aspects of the business and reducing customers' shopping time, Walgreens has achieved placement in a league of its own as the competition aims its focus on things such as convenience, design, or low prices.

Walgreens focuses on customer needs and satisfaction. For example, the curbside pick-up service stemmed from the needs of working mothers who don't have the time to go into the store and shop. Creating loyalty amongst patrons is a priority for the company as it keeps them coming back and spending money.



8,300+

Locations



1901

Year Founded



253,400+

Employees

MCDONOUGH, GA

McDonough, Georgia is an affluent area about half an hour south of downtown Atlanta. McDonough is located in Henry County, the tenth fastest-growing county in the nation -- has a wealth of interesting attractions, fabulous dining options, and a quality of life many find extremely appealing.

Also in McDonough is the Veterans Military Museum and Historical Village, located off Lake Dow Road. Featured in the area is a log cabin erected by English settlers in 1827, an original two-room schoolhouse, a 1934 steam engine locomotive, and, interestingly, Henry County's very first library building. NASCAR fans in McDonough can easily be part of all the high-speed action happening at the nearby Atlanta Motor Speedway. Situated on nearly 900 acres in Hampton, Georgia, the Atlanta Motor Speedway is but a mere fifteen minute drive from McDonough.



\$122,557

5 MI AVG HH INCOME

72,519

5 MI POPULATION



ATLANTA, GA

Atlanta is the capital of and the most populous city in the U.S. state of Georgia, the cultural and economic center of the Atlanta metropolitan area, and the ninth-largest metropolitan area in the United States. Atlanta has a diversified economy with healthy concentrations in transportation/logistics, media, information technology, entertainment, tourism, financial services, government, and education and healthcare. Atlanta is home to 30 headquarters of Fortune 500/1000 companies. In fiscal year 2019, these 30 companies generated an aggregate revenue of \$438 billion.

Atlanta is an “alpha-” or “world city”, exerting a significant impact upon commerce, finance, research, technology, education, media, art, and entertainment. It ranks 36th among world cities and 8th in the nation with a gross domestic product of \$270 billion. Atlanta’s economy is considered diverse, with dominant sectors including logistics, professional and business services, media operations, and information technology.

Atlanta is home to professional franchises for three major team sports: the Atlanta Braves of Major League Baseball, the Atlanta Hawks of the National Basketball Association, and the Atlanta Falcons of the National Football League. Due to the more than 30 colleges and universities located in the city, Atlanta is considered a center for higher education.

#2 MOVING DESTINATION IN THE NATION

- Penske, “Annual Top Moving Destinations List, 2020”

#2 METRO AREA FOR BUSINESS CLIMATE

- Business Facilities, “2020 Metro Rankings Report”

#3 CITY FOR REAL ESTATE CONDITIONS

- Site Selection Group, “2020 Tech City Ranking Report”



#8 BEST CITY IN THE SOUTH

- *Southern Living, "The South's Best Cities, 2020"*

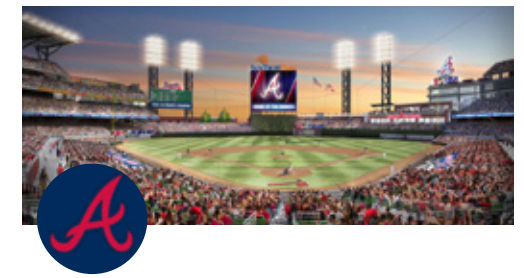
ATLANTA TOURISM

Atlanta is the most-visited destination in the state of Georgia. Atlanta offers lots of tourist attractions such as the Georgia Aquarium, the World of Coca-Cola, the Atlanta Botanical Garden, and many more. Atlanta also hosts several annual food, film, and music festivals each season. Atlanta is known for its fabulous shopping malls. Shopping centers such as Lenox Square with 250 stores, Perimeter Mall with 158 stores, and Cumberland Mall with 143 stores all make Atlanta a shopaholic's paradise. Atlanta is also home to five professional sports teams: Atlanta Hawks, Atlanta Falcons, Atlanta United FC, Atlanta Braves, and Atlanta Thrashers. Over 50 million people visit Atlanta annually.



ATLANTA EVENTS

Atlanta celebrates various events and festivals each year. Food festivals include the Beer, Bourbon, and BBQ Festival in the spring, the Atlanta Food and Wine Festival in the summer, the Atlanta Greek Festival in the fall, and the Oysterfest in the winter. Music and film festivals include the Shaky Knees Music Festival in the spring, the Tunes from the Tombs at Historic Oakland Cemetery in the summer, the Imagine Music Festival in the fall, and the Atlanta Jewish Film Festival in the winter.



ATLANTA BRAVES
(Major League Baseball)



ATLANTA FALCONS
(National Football League)



ATLANTA HAWKS
(National Basketball Association)



ATLANTA THRASHERS
(National Hockey League)

ATLANTA ECONOMY

Metro Atlanta is recognized as an international gateway and the economic engine of the Southeast. As the largest economy of all metros in the region, metro Atlanta offers diverse businesses and services, with dominant sectors including logistics, professional and business services, media operations, and information technology. **ACCORDING TO INVEST ATLANTA, 1.9M JOBS ARE TO BE CREATED BY 2040 AND THE RESIDENT POPULATION WILL INCREASE TO 1.5M BY 2050.**

Encompassing \$304 billion, the Atlanta metropolitan area is the eighth-largest economy in the country and 17th-largest in the world. **HOME TO 26 OF AMERICA'S LARGEST CORPORATIONS (FORTUNE 1000) AND 220 OF THE NATION'S FASTEST-GROWING PRIVATE COMPANIES (INC. 5000)**, metro Atlanta is a premier location for regional and global headquarters. In fact, Atlanta contains the country's third-largest concentration of Fortune 500 companies. Over 75 percent of Fortune 1000 companies conduct business operations in the Atlanta metropolitan area, and the region hosts offices of about 1,250 multinational corporations.

Metro Atlanta is a thriving ecosystem for entrepreneurs and new businesses. In 2017, **ATLANTA WAS NAMED A RUNNER-UP TO THE TOP 20 TECH STARTUP ECOSYSTEMS GLOBALLY AND ONE OF THE TOP 10 CITIES FOR CORPORATE INNOVATION.** There is an abundance of creative energy, talent, and entrepreneurial spirit in metro Atlanta. Many companies choose metro Atlanta to locate their innovation centers.

Atlanta is home to more than 64 accredited universities, colleges, and technical schools. Atlanta is home to three national universities which together account for approximately 100,000 in students, faculty, and staff. **THE COLLEGES AND UNIVERSITIES IN THE ATLANTA REGION CREATE OVER 130,000 JOBS FOR THE STATE OF GEORGIA AND HAVE HIGH CONTRIBUTIONS TO THE STATE'S ECONOMY.** According to the Metro Atlanta Chamber of Commerce, Atlanta is a national leader in attracting college-educated 25 to 34-year-olds to the region.

GLOBAL HEADQUARTERS



TECHNOLOGY

Atlanta is home to world-class technology community - from startups to FORTUNE 500 companies with strengths in FinTech, cybersecurity, IoT/mobile, health IT, digital media, and supply chain. Headquartered in Atlanta's Technology Square, the Advanced Technology Development Center (ATDC) is a startup incubator at Georgia Tech that helps technology entrepreneurs in Georgia launch and build successful companies. ATDC serves as the hub for technology entrepreneurship in Georgia. ATDC Select is a three-year incubator program for high potential technology companies. In addition, ATDC provides services open to all technology entrepreneurs in Georgia. According to Forbes, ATDC is one of the twelve business incubators changing the world.



SUPPLY CHAIN & ADVANCED MANUFACTURING

Atlanta is the global logistics hub for the Southeast with an extensive intermodal network of air, road, rail, and port. Atlanta ranks 5th in the nation for metro area transportation and logistics employment and is the 6th largest U.S. industrial real estate market. Strengths include supply chain management software, distribution services, food processing, aerospace, and automotive.

#1 METRO AREA TECH HUB

- Business Facilities, "2020 Metro Rankings Report"

#3 BEST CITY FOR YOUNG ENTREPRENEURS

- Forbes

#4 METRO AREA FOR STEM PROFESSIONALS

- WalletHub, 2020

#13 BEST PLACES FOR BUSINESS & CAREERS

- Forbes

MAJOR EMPLOYERS

COMPANY	# OF EMPLOYEES
Delta Air Lines	34,500
Emory University/Emory Healthcare	32,091
The Home Depot	16,510
Northside Hospital	16,000
Piedmont Healthcare	15,900
Publix Super Markets	15,591
WellStar Health Systems	15,353
The Kroger Co.	15,000
AT&T	15,000
UPS	14,594
Marriott International	12,000
Children's Healthcare of Atlanta	9,000
Cox Enterprises	8,894
Center for Disease Control and Prevention (CDC)	8,403
The Coca-Cola Company	8,000

Source: Metro Atlanta Chamber

CONFIDENTIALITY AGREEMENT & DISCLOSURE

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens located at 2125 Highway 155 N, McDonough, GA 30252** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This 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 Seller and in part upon financial information obtained from sources the Owner it deems reliable. Owner, nor their officers, employees, or real estate agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its contents, 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. and conduct their own due diligence.

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.

OFFERING MEMORANDUM

Walgreens

2125 HIGHWAY 155 N | MCDONOUGH, GA 30252

EXCLUSIVELY LISTED BY:

GRANT KORN
Associate

DIR +1 (310) 844-9367
MOB +1 (310) 927-6117
grant.korn@matthews.com

License No. 02109645 (CA)

MAXX BAUMAN
Market Leader

DIR +1 (310) 919-5765
MOB +1 (310) 994-0262
maxx.bauman@matthews.com

License No. 01996741 (CA)

KYLE MATTHEWS
Broker of Record

License No. 67120 (GA)

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES