

Walgreens

Absolute NNN Lease | 19+ Years Operating History | 70,000 CPD Intersection



In Association with Scott Reid & ParaSell, Inc. | P: 949.924.6578 | A Licensed Tennessee Broker #264531

OFFERING MEMORANDUM
MEMPHIS, TENNESSEE



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS

Walgreens

TABLE OF CONTENTS

Offering Summary	3
Investment Highlights	4
Location Highlights	5
Site Plan / Parcel Map	6
Aerial Overview	7
Regional Map	9
Tenant Profile	10
Area Overview	11
Demographics	14

EXCLUSIVELY LISTED BY:

Dylan Mallory

Vice President

dmallory@hanleyinvestment.com

844.585.7678

Scott Reid

ParaSell, Inc.

broker@parasellinc.com

949.942.6585 | TN Lic #264531

In Association with Scott Reid & ParaSell, Inc.
P: 949.924.6578 | A Licensed Tennessee Broker #264531

OFFERING SUMMARY

LOCATION

Walgreens
8035 E. Shelby Drive
Memphis, TN 38125



OFFERING SUMMARY

Price:	\$5,095,000
Current Net Operating Income (NOI):	\$293,000
Current Capitalization Rate:	5.75%
Net Rentable Area:	14,490
Year Built:	2002
Lot Size (Acres):	1.66

LEASE TERMS (1)

Lease Commencement:	5/1/2002
Lease Expiration:	4/30/2027
Lease Term:	25 Years
Lease Type:	Absolute NNN
Roof & Structure:	Tenant Responsibility
Monthly Rent:	\$24,417 (\$20.22/sf)
Annual Rent:	\$293,000
Rental Increases:	None
Renewal Options:	Ten 5-year Options

(1) All lease provisions to be independently verified by Buyer during the Due Diligence Period.



Walgreens | Quick Facts

225,000+

TOTAL NUMBER OF
EMPLOYEES

85,000+

NUMBER OF HEALTHCARE
SERVICE PROVIDERS

9,021

NUMBER OF DRUGSTORES
IN 50 STATES

INVESTMENT HIGHLIGHTS

- **Single-Tenant Walgreens:**

- Absolute NNN lease; no landlord responsibilities
- Long-term corporate guaranteed lease; 75-year corporate Walgreen's lease with 5+ years remaining on initial 25-year term
- Ten 5-year lease extension options
- Prototype store format with drive-thru; large monument sign

- **#1 Drugstore Chain in the U.S.**

- Investment Grade Credit (NASDAQ: WBA; S&P: BBB; Moody's Baa2)
- Largest daily needs and retail pharmacy provider in the USA and Europe
- 18,750 locations in 11 countries (415,000 employees)
- #2 "Most Admired Company" – Fortune (2021)
- #17 "Largest U.S. Based Companies" – Fortune (2019)



LOCATION HIGHLIGHTS

- **Excellent Accessibility, Identity, and Visibility; Hard Corner Location with Multiple Points of Ingress/Egress**
- **Hard Corner, Signalized Intersection Location:** Situated at the intersection of E. Shelby Drive and Hacks Cross Road, benefitting from 70,000 cars per day combined
- **Dense, Affluent Demographics:** Average household incomes are \$90,000+ within a 5-mile radius, with a population in excess of 145,000 people in that same radius
- **Located Adjacent to Southwind High School:** Part of the Shelby County Schools district with a student population in excess of 1,600
- **Located within the Memphis, Tennessee MSA:** The subject property is located 30 minutes from downtown Memphis and 20 minutes from Memphis International Airport
 - Memphis is the second-most populous city in Tennessee
 - Greater Memphis is the 43rd largest metro in the U.S with a population of over 1.3 million
 - Home to three Fortune 500 companies; FedEx, AutoZone, and International Paper
 - “25 Best Places to Visit” by Forbes (2020)
 - **Memphis International Airport** – the world’s second-busiest cargo airport and the busiest cargo airport in North America; 4.5 million passengers in 2019



SITE PLAN / PARCEL MAP



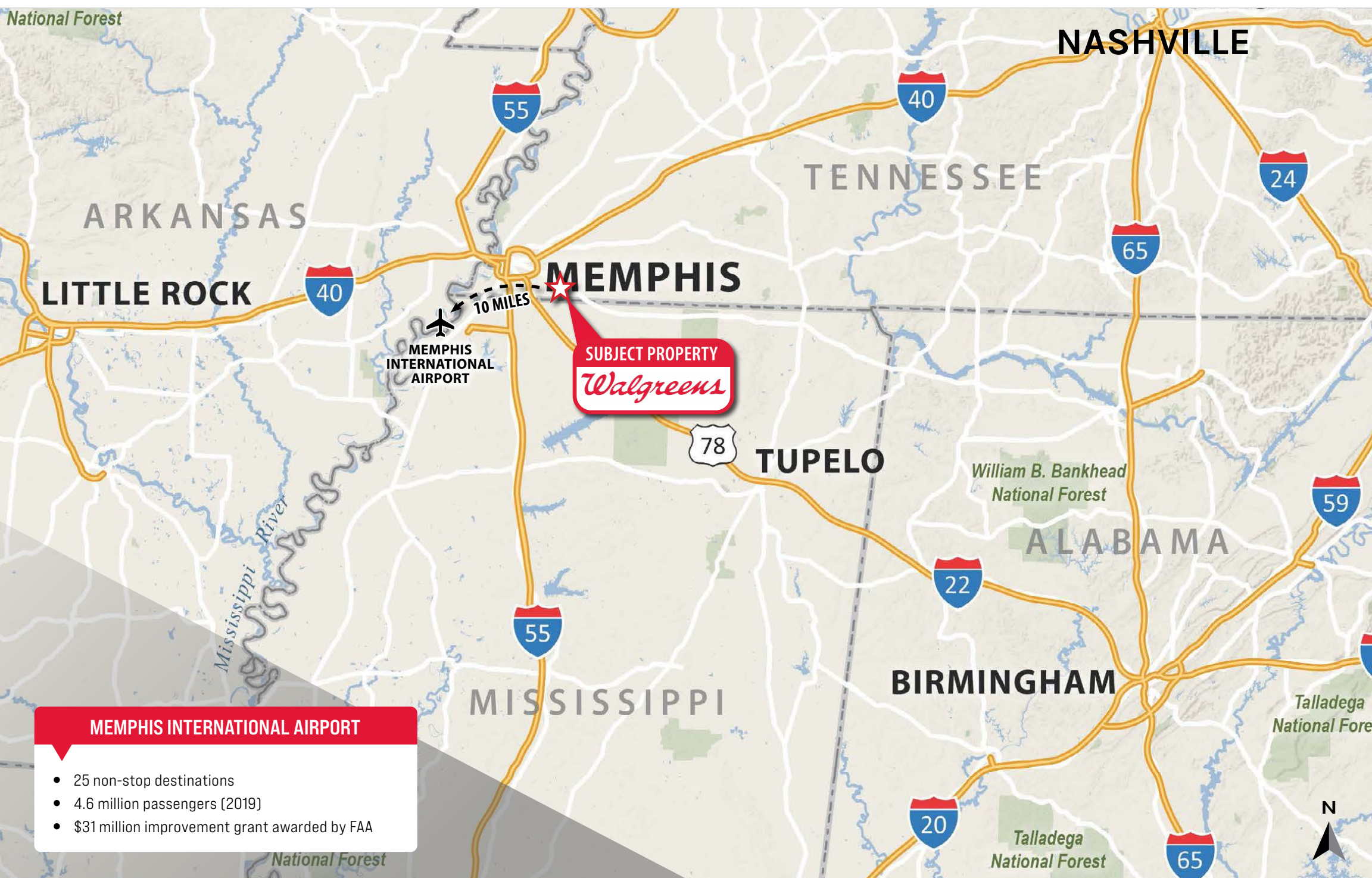
AERIAL OVERVIEW



AERIAL OVERVIEW



REGIONAL MAP



TENANT PROFILE



Walgreens

Walgreens was founded in 1901 in Chicago and is the second largest pharmacy store chain in the United States. The company offers a wide range of products and services to help customers get, stay, and live well. Walgreens' goal is to be consumers' first, most convenient choice for goods, pharmacy, health, wellness and photo services. Some stores also carry a curated assortment of Kroger grocery products, Home Chef meal kits, and Birchbox. Walgreens also offers health services in e-commerce marketplace called Find Care Now. Walgreens operates 9,277 retail stores in all 50 U.S. states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands and employs 230,000.

Walgreens has expanded rapidly over the past decade due in large part to an aggressive acquisition strategy. The company acquired New York City-based Duane Reade in 2010 and Drugstore.com in 2011. In 2012, Walgreens acquired a 45% stake in Alliance Boots, a multinational pharmacy-led health and beauty group, for \$6.7 billion. In 2014,

In 2017, the FTC approved a deal for Walgreens to purchase Rite Aid for \$4.38 billion. Following the deal, Walgreens acquired 1,932 Rite Aid stores. As of August 2019, WBA is the largest retail pharmacy, health and daily living destination across the United States and Europe. WBA and the companies in which it has equity method investments together have a presence in more than 251 countries and employ more than 440,000 people.

Company Type: Public (NASDAQ: WBA; S&P: BBB)
Locations: 9,021 (in 50 States)
Website: www.walgreens.com

#2

**Most Admired
Company**

Fortune (2021)

#17

**Largest U.S.
Based Companies**

Fortune (2019)

#13

**Change
the World**

Fortune (2019)

AREA OVERVIEW



\$33.54 Billion in Sales Expected for Walgreens Boots Alliance, Inc. (NASDAQ:WBA) This Quarter

By Markerbeat | January 26, 2022

Wall Street brokerages predict that Walgreens Boots Alliance, Inc. (NASDAQ:WBA) will report \$33.54 billion in sales for the current quarter, according to Zacks Investment Research. Five analysts have issued estimates for Walgreens Boots Alliance's earnings, with estimates ranging from \$33.03 billion to \$34.13 billion. Walgreens Boots Alliance reported sales of \$32.78 billion during the same quarter last year, which would suggest a positive year over year growth rate of 2.3%.

Walgreens Boots Alliance (NASDAQ:WBA) last issued its quarterly earnings results on Thursday, January 6th. The pharmacy operator reported \$1.68 earnings per share for the quarter, topping the Thomson Reuters' consensus estimate of \$1.35 by \$0.33. The company had revenue of \$33.90 billion for the quarter, compared to analysts' expectations of \$32.87 billion. Walgreens Boots Alliance had a return on equity of 20.28% and a net margin of 4.76%.

[CLICK FOR ARTICLE](#)



Memphis, Tenn., Positions Itself for Smart City Growth

By Skip Descant | November 02, 2021

Multibillion-dollar economic development investments in the Memphis area have city and economic leaders reimagining the region's next chapter as a place for urban tech innovation and smart technologies. City and economic leaders in Memphis, Tenn., hope to reimagine the historic river and music city as a place for urban tech innovation.

Part of what's positioning Memphis as a smart city is the Smart Memphis Plan, which was adopted in April and is a byproduct of the broader Memphis 3.0 Comprehensive Plan. But also, sizable private developments — like The Walk on Union, a \$1.5 billion real estate development, and the coming Ford megacampus known as BlueOval City in nearby Stanton — have moved planning and economic development conversations into the more smart city and data-driven space. Ford, for its part, plans to invest \$11.4 billion in the six-square-mile site where it plans to build electric vehicles and battery packs.

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Memphis, TN

- Located along the Mississippi River in southwestern Shelby County
- 651,000+ residents in the city; 1,374,000+ total residents in the Greater Memphis area
 - Greater Memphis spans three states: Tennessee, Mississippi and Arkansas
- #1 largest city situated along the Mississippi River; #2 most populous city in the state

ECONOMY

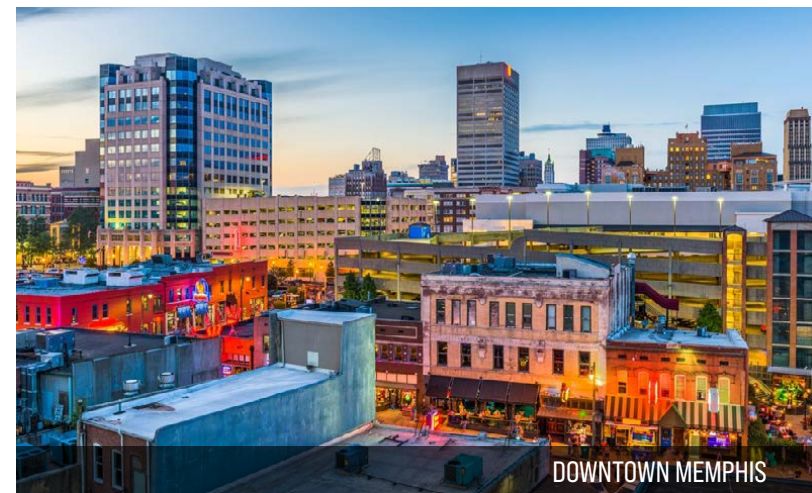
- The largest industries are transportation, warehousing, health care, social assistance, and retail trade
- 42,000 businesses; 637,000 employees
 - Over 209,000 employees are in the manufacturing and transportation industries (over 30%)
- Major employers include FedEx (30,000), ServiceMaster (13,000), International Paper (55,000 worldwide), and St. Jude Children's Hospital (3,700)
- Home of 3 Fortune 500 companies: FedEx (no. 63), International Paper (no. 107), and AutoZone (no. 306)
- **St. Jude Children's Hospital** – One of the world's premier pediatric cancer research centers and a multi-billion dollar charitable healthcare provider that is instrumental to the growth of the downtown area
 - \$1.5 billion, 6-year strategic expansion launched in 2015 with plans to add 1,000+ new jobs and a 625,000 square foot advanced research center
- Other major corporate headquarters include Indigo AG, First Horizon National Corp., Mueller Industries, and Thomas & Betts

DEVELOPMENTS

- **Le Bonheur Children's Hospital** – \$37.6 million two-story project adding 70,500 square feet of space and 31 dedicated cardiovascular beds
- **Memphis International Airport (MEM)** – International civil-military airport located 7 miles southeast of downtown; serviced 4.64 million passengers in 2019, up 5.09% from 2018



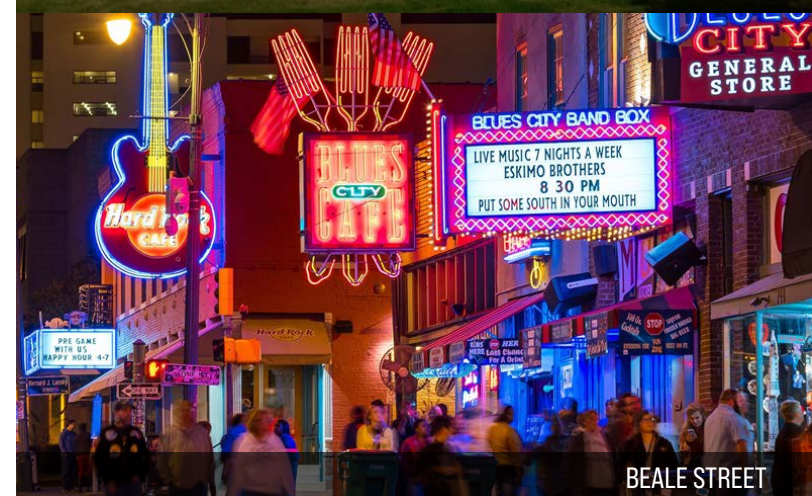
651,000+ Residents in the City



DOWNTOWN MEMPHIS



ST. JUDE CHILDREN'S HOSPITAL



BEALE STREET

AREA OVERVIEW

Memphis, TN (Continued)

- #28 largest city in the U.S.
- Low cost of living, business favorable tax laws, and high quality of life have helped economic growth rebound over the last year
 - \$167,369 median home value
- **Memphis Area Transit Authority (MATA)** – Services over 12 million passengers' trips on a fleet of 222 transit vehicles including passenger buses and trolleybuses

DEVELOPMENTS (CONTINUED)

- Gross Domestic Product (GDP) exceeds \$140.7 billion; 26th largest economic region in the U.S.
- Underwent an economic renaissance during the past two decades; diversifying the manufacturing-based economy into a variety of other employment sectors
 - Current economy is based on business services, transportation and logistics, education, financial services, hospitality and tourism, and distribution services
 - Home to FedEx's 2nd largest worldwide hub which houses 250+ million square feet of industrial warehouse space
- An important national health-science sector accounts for 2,100 companies (56,000 employees), anchored by Roche Diagnostics Corp., Eli Lilly and Co., and Covance Inc.

EDUCATION

- **Shelby County School District (SCS)** – Serves the city as well as the unincorporated areas of Shelby County; over 100,000 students in more than 200 schools
- **University of Memphis** – Public research university 22,000+ students and 2,500 faculty and staff
 - Ranked among the world's top universities by Wall Street Journal/Times Higher Education World University (2021); only one of three honored in the State of Tennessee
- Other notable colleges and universities include Rhodes, University of Memphis Law School, and Christian Brothers University



UNIVERSITY OF MEMPHIS



SUN STUDIO



MISSISSIPPI RIVER



28 Largest City in the U.S.

DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
2025 Projection	11,066	61,931	147,769
2020 Census	10,916	60,858	144,888
2010 Census	10,318	58,687	139,736
2000 Census	4,662	42,216	115,274
Growth 2000-2010	121.32%	39.02%	21.22%
Growth 2010-2020	5.80%	3.70%	3.69%
Growth 2020-2025	1.37%	1.76%	1.99%

HOUSEHOLDS

2025 Projection	4,156	23,275	55,554
2020 Census	4,012	22,567	54,058
2010 Census	3,818	21,731	52,194
2000 Census	1,618	15,525	43,737
Growth 2000-2010	135.97%	39.97%	19.34%
Growth 2010-2020	5.08%	3.85%	3.57%
Growth 2020-2025	3.59%	3.14%	2.77%

2020 POPULATION BY SINGLE-CLASSIFICATION RACE

White Alone	999	10,011	46,364
Black or African American Alone	9,017	44,925	83,934
American Indian and Alaska Native Alone	22	146	319
Asian Alone	427	2,349	4,839
Native Hawaiian and Other Pacific Islander Alone	1	24	58
Some Other Race Alone	273	2,416	7,071
Two or More Races	167	957	2,222

2020 POPULATION BY ETHNICITY (HISPANIC OR LATINO)

Hispanic or Latino	534	4,079	11,483
Not Hispanic or Latino	10,382	56,779	133,405

2020 AVERAGE HOUSEHOLD INCOME

\$89,122	\$86,178	\$90,559
----------	----------	----------

MEMPHIS SNAPSHOT



144,888
POPULATION (5-Mile)



56,855
DAYTIME POPULATION (5-Mile)



121.32%
POPULATION GROWTH (1-Mile, 2000-2010)



\$90,559
AVERAGE HOUSEHOLD INCOME (5-Mile)



\$177,659
AVERAGE HOME VALUE (1-Mile)



HANLEY INVESTMENT GROUP

REAL ESTATE ADVISORS

EXCLUSIVELY LISTED BY:

Dylan Mallory

Vice President

dmallory@hanleyinvestment.com

844.585.7678

Scott Reid

ParaSell, Inc.

broker@parasellinc.com

949.942.6585 | TN Lic #264531

In Association with Scott Reid & ParaSell, Inc.

P: 949.924.6578 | A Licensed Tennessee Broker #264531

The information contained herein does not purport to provide a complete or fully accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective buyers may need or desire. All financial projections are based on assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Broker and, therefore, are subject to material variation. This Marketing Package does not constitute an indication that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the information herein. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective buyers.

Neither Owner nor Broker nor any of their respective officers, Agents or principals has made or will make any representations or warranties, express or implied, as to the accuracy or completeness of this Marketing Package or any of its contents, and no legal commitment or obligation shall arise by reason of the Marketing Package or its contents. Analysis and verification of the information contained in the Marketing Package is solely the responsibility of the prospective buyer, with the Property to be sold on an as is, where-is basis without any representations as to the physical, financial or environmental condition of the Property.

Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or terminate discussions with any entity at any time with or without notice. Owner has no legal commitment or obligations to any entity reviewing this Marketing Package or making an offer to purchase the Property unless and until such sale of the Property is approved by Owner in its sole discretion, a written agreement for purchase of the Property has been fully delivered, and approved by Owner, its legal counsel and any conditions to the Owner's obligations thereunder have been satisfied or waived.

This Marketing Package and its contents, except such information which is a matter of public record or is provided in sources available to the public (such contents as so limited herein called the Contents), are of a confidential nature. By accepting this Marketing Package, you unconditionally agree that you will hold and treat the Marketing Package and the Contents in the strictest confidence, that you will not photocopy or duplicate the Marketing Package or any part thereof, that you will not disclose the Marketing Package or any of the Contents to any other entity (except in the case of a principal, who shall be permitted to disclose to your employees, contractors, investors and outside advisors retained by you, or to third-party institutional lenders for financing sought by you, if necessary, in your opinion, to assist in your determination of whether or not to make a proposal) without the prior authorization of the Owner or Broker, and that you will not use the Marketing Package or any of the Contents in any fashion or manner detrimental to the interest of the Owner or Broker.

Copyright © 2022 Hanley Investment. Information herein has been obtained from sources deemed reliable, however its accuracy cannot be guaranteed. The user is required to conduct their own due diligence and verification.



\$8.8 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$3.1 BILLION IN RETAIL SOLD
over 500 transactions in last 36 mos.