



# PREMIER WALGREENS GROUND FLOOR RETAIL CONDO INVESTMENT

8+ years remaining | \$650K NOI | 9,996 SF | Downtown Chicago



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# THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”) is pleased to offer for sale a retail condo interest, leased to Walgreens and located on the ground floor of an office tower at 79 West Monroe Street in the heart of downtown Chicago (the “Property”). Bond Drug Company of Illinois, LLC dba Walgreens (“the Tenant”) has been at the site since 2000, and recently signed a new 10-year lease extension with options running through 2050. The Property sits on a hard corner benefitting from frontage along West Monroe and South Clark streets with exposure to ±27,000 VPD. The investment offers a rare opportunity to acquire an investment grade (S&P: BBB) retail-pharmacy brand on a long-term lease, featuring great visibility and access in Chicago’s Central Loop. The Property serves the thousands of consumers walking through the loop on their daily commutes and is a convenient amenity to the 166,000 square feet of office space above.







# INVESTMENT HIGHLIGHTS

## ATTRACTIVE LEASE ECONOMICS WITH CONTRACTUAL INCREASES

- Walgreens extended their lease through April of 2030, with options running through 2050 and 10% rental increases every 5 years.
- Passive investment opportunity with minimal landlord responsibilities.

## LEADING RETAIL PHARMACY TENANCY FROM WALGREENS

- Walgreens Boots Alliance (NASDAQ: 'WBA') has proved to be a pandemic-resistant tenant, ending FY 2021 with 8.6% revenue growth.
- Walgreens Boots Alliance ("Walgreens") is the global leader in pharmacy-led health and wellbeing retail.

## STRONG OPERATING HISTORY & PROVEN COMMITMENT TO LOCATION

- Walgreens has been at this location for over 22 years and been a valuable amenity to the intersection.
- The Tenant's recent lease extension has proven their desire to operate at this location.

## QUALITY REAL ESTATE WITH BUILT-IN DEMAND

- The investment opportunity features premier ground-floor retail space on a hard-corner in Chicago's CBD, with exposure to ±27,000 vehicles at the Clark & Monroe intersection.
- Intrinsic Schools occupies the 5 floors directly above the Asset – Intrinsic founded its downtown campus in 2019 and has grown from 360 to 1,000+ students over the past 2 years as Intrinsic completed its expansion within the building.



# PROPERTY OVERVIEW

9,996 SF

GLA

\$649,700

NOI

8+ Years

Term Remaining

1913/2020

Year Built/Renovated



\$12,995,000

Price

5.00%

Cap Rate



## Property & Lease Overview

<b>Tenant</b>	Walgreens (NASDAQ: WBA)
<b>Address</b>	79 W. Monroe Street, Chicago, IL
<b>GLA</b>	9,996 SF
<b>Year Built / Renovated</b>	1913 / 2020
<b>Rent Commencement</b>	April 17 <sup>th</sup> , 2020
<b>Lease Term Remaining</b>	8+ years
<b>Lease Expiration</b>	April 16 <sup>th</sup> , 2030
<b>Lease Structure</b>	NN
<b>Landlord Responsibilities<sup>(1)</sup></b>	Shared Roof & Structure
<b>Year 1 NOI   PSF</b>	\$649,740   \$65.00
<b>Increases</b>	10% every 5 years
<b>Renewal Options</b>	Four (4) Five (5) Year Options

(1) Subject to Condo Separation Agreement

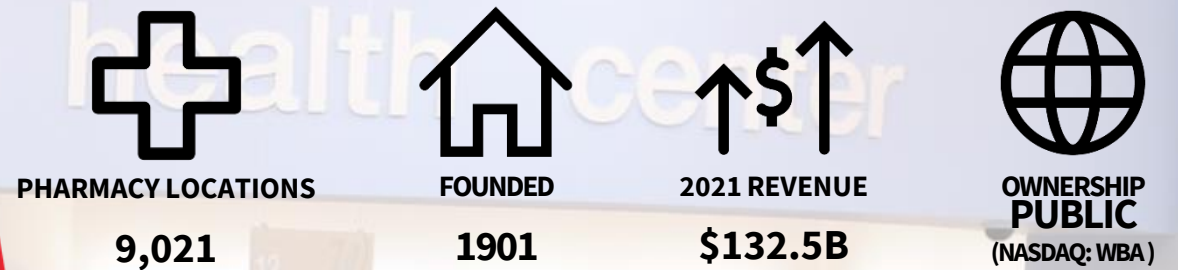
## Rent Roll

Term	Years	Annual	Monthly	Increases
Primary	1-5	\$649,740.00	\$54,145.00	-
Primary	6-10	\$714,714.00	\$59,559.50	10.00%
Renewal Option 1	11-15	\$786,185.40	\$65,515.45	10.00%
Renewal Option 2	16-20	\$864,803.94	\$72,067.00	10.00%
Renewal Option 3	21-25	\$951,284.33	\$79,273.69	10.00%
Renewal Option 4	26-30	\$1,046,412.76	\$87,201.06	10.00%



# TENANT OVERVIEW

- On 1/6/2022, Walgreens reported Q4 earnings, beating on both earnings (\$1.68 adjusted vs. \$1.33 expected) and revenue (\$33.90 billion vs. \$32.74 billion expected) and citing an 88% increase in online orders from one year ago.
- The company has more than 85,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners, and other health-related professionals.
- Bolstering Walgreens' impressive six million daily customers, an average of 68 million people visit Walgreens' website monthly.
- A typical store carries over 18,000 items; Walgreens' stores offer a wide range of consumer goods in addition to its pharmacy, health and wellness services.
- Walgreens operates more than 13,800 stores in the 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands.
- Founded in 1901, Walgreens Boots Alliance ("Walgreens") is the global leader in pharmacy-led health and wellbeing retail.



## COMPANY OVERVIEW

Tenant	Bond Drug Company of IL, LLC
Parents	Walgreens Boot Alliance
Industry	Retail Pharmacy
Year Founded	1901
Headquarters	Deerfield, IL
# of Locations	13,800
# of Employees	385,000
Stock Ticker (NASDAQ)	WBA
Credit Rating (Moody's/S&P)	Baa2/BBB
Annual Income (TTM 8/21)	\$132.5 Billion
Gross Profit (TTM 8/21)	\$28.1 Billion
Total Assets (TTM 8/21)	\$81.3 Billion
Website	www.walgreens.com



# CHICAGO OVERVIEW

Located in the heart of Chicago's Central Loop, the Walgreens condo is ideally situated between the Chicago River and Chicago's iconic State Street. The Central Loop is home to the city's largest banks, financial services, and various professional services firms and has had the historic designation as the financial district. With immediate access to the transportation systems, cultural landmarks, and world-renowned shopping, the Central Loop embodies the city of Chicago. This world-class location continually attracts educated, young professionals and forward-thinking companies from across the world.

## WHO ARE CHICAGOANS?

**YOUTHFUL & HIGHLY EDUCATED CHICAGO WORKFORCE OUTPERFORMS U.S. AVERAGE**

	MEDIAN AGE	LABOR PARTICIPATION RATE	BACHELOR'S DEGREE OR BETTER EDUCATION
CHICAGO	34.6 Years	80.5%	40%
REST OF U.S.	37.8 Years	61.4%	32%





## CHICAGO ACCOLADES

# No 1

**BEST BIG CITY FOR  
THE FOURTH  
CONSECUTIVE YEAR**  
CONDÉ NAST TRAVELER (2020)

# No 6

**BEST CITY FOR PUBLIC  
TRANSPORTATION**  
U.S. NEWS AND WORLD REPORT

# No 2

**IN THE NATION FOR  
NUMBER OF FORTUNE 500  
COMPANIES IN BASED IN A  
U.S. CITY**

# No 1

**BEST CITY FOR  
HAVING IT ALL**  
TIME OUT

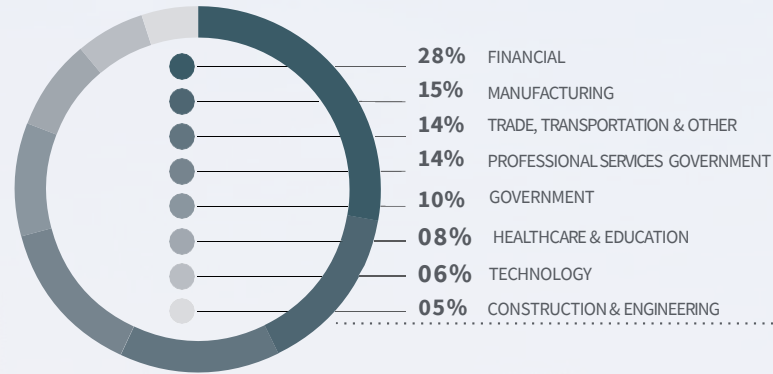
# No 3

**BEST CITY FOR  
FOOD & DRINK  
IN THE WORLD**  
TIME OUT (2019)

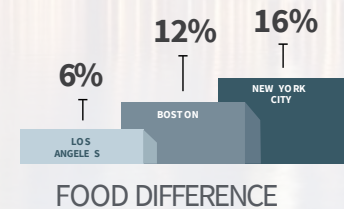
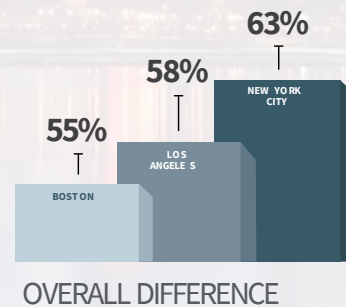
# No 1

**ANNUAL  
MANUFACTURING  
OUTPUT**

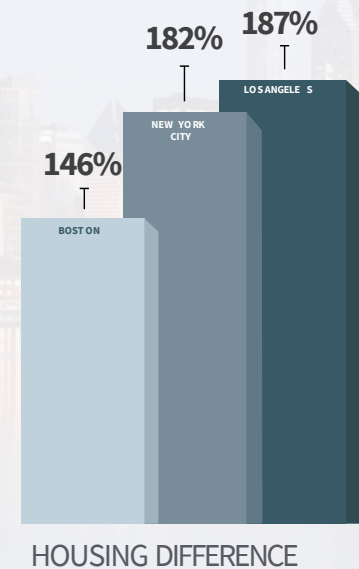
## DIVERSE ECONOMY



## LIVING EXPENSE COMPARED TO CHICAGO



	SQUARE FOOTAGE	JOBS CREATED
FACEBOOK	263k SF	2000 jobs
UBER FREIGHT	463k SF	2000 jobs
GOOGLE	800k SF	1800 jobs
WALGREENS	212k SF	1800 jobs
AMAZON	70k SF	400 jobs
GLASSDOOR	77k SF	500 jobs
MOLSON COORS	TBD	200 jobs
SALESFORCE	500k SF	2000 jobs





# CHICAGO

## RETAIL OVERVIEW

- The Chicago Retail Market boasts over 580 million square feet of gross leasable area across 36 submarkets and over 47,890 buildings.
- The market has seen significant improvement across key metrics since the trough period of COVID-19 – demand for retail space has increased in three consecutive quarters, which has helped push 12-month absorption in Chicago back to positive territory at 3.5 million square feet, its highest level since 2017.
- Rental growth has slowed across all retail property types; however, this slowdown has been felt most in underperforming power and neighborhood centers rather than well-located, highly-accessible Class A retail space like 79 W. Monroe Street's ground-floor condo.
- Spaces impacted by closures in the Chicago region have skewed largely toward anchor spaces in power centers, while freestanding retail has reported the strongest resilience and stable vacancy rates.



CHICAGO WAS RANKED #2 IN US FOR JOBS ADDED IN 2019 WITH OVER 73,000 JOBS ADDED.



CHICAGO IS HOME TO OVER 1,500 FOREIGN-BASED COMPANIES AND MORE THAN 400 HEADQUARTERS FOR MAJOR CORPORATIONS



CHICAGO IS HOME TO 16 TECH UNICORNS (\$1B+ VALUATION)



THE NUMBER OF LAB TENANTS SEEKING SPACE IN CHICAGO HAS MORE THAN TRIPLED SINCE EARLY 2019



MAJOR COMPANIES INCLUDING FACEBOOK, GOOGLE, AMAZON & SALESFORCE HAVE CREATED OVER 10,700 JOBS IN THEIR RECENT EXPANSIONS INTO THE CHICAGO JOB NETWORK





**25**

BEACHES

**600**

PARKS

**200**

ART GALLERIES

**20**

NEIGHBORHOOD ART CENTERS

**8,000**

ACRES OF GREEN SPACE

**26**

MILES OF  
COASTLINE

**250**

THEATRES

**167**

BREWRIES





Intrinsic Schools, a Chicago Charter School with 1,000+ students at this location alone, recently expanded its operations to additional space within the building - lease options running through 2045.





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