



NEW 13 YEAR ABSOLUTE NNN LEASE | RARE 5% RENT INCREASES EVERY 5 YEARS

**WALGREENS PHARMACY**

**FORT MYERS BEACH, FLORIDA**

Marcus & Millichap  
THE GLASS GROUP



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**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

**WALGREENS PHARMACY**  
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**Marcus & Millichap**

# INVESTMENT OVERVIEW

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## WALGREENS PHARMACY

NEW 13-YEAR ABSOLUTE NNN LEASE | RARE 5% INCREASES EVERY 5-YEARS  
WELL-ESTABLISHED LOCATION

Marcus & Millichap

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# INVESTMENT OVERVIEW<sup>1</sup>

## NEW 13-YEAR ABSOLUTE NNN LEASE

The subject property operates under a newly-signed 13-year Absolute NNN Lease with no landlord management or maintenance responsibilities whatsoever.

## RARE 5% RENT INCREASES EVERY 5 YEARS

The lease offers 5% rent increases every 5 years during the original term and the 12, five-year renewal options (if exercised) providing exceedingly more cash flow than a traditional flat Walgreens lease.

## CRITICAL DRIVE-THROUGH LANE

According to the Wall Street Journal, more companies look for properties that will allow them to serve customers in their cars. Interest in drive-through real estate was growing even before Covid-19, but it exploded last year when total sales volume for restaurants, pharmacy and bank properties hit a record \$12 billion, according to data firm CoStar Group Inc. Finding drive-through real estate can be challenging, especially in densely built areas, because the properties need to have enough space to accommodate long lines of cars.

## ATTRACTIVE RETAIL LOCATION NEAR FORT MYERS BEACH

The Property is located at the heavily trafficked corner of Summerlin and Pine Ridge Road. The traffic counts at this intersection exceed 40,000 VPD. The Walgreens benefits from its proximity to Fort Myers Beach and direct access to Sanibel Island. Situated in Lee County and part of the Cape Coral-Fort Myers MSA, the area has grown over 55% since the 2010 census and is currently growing at a rate of 5.3% annually.

## INVESTMENT GRADE TENANT<sup>2</sup>

The Lease is guaranteed by Walgreen Co., a subsidiary of Walgreens Boots Alliance, Inc. and rated Baa2/Stable by Moody's. Walgreens Boots Alliance, Inc., the Parent Company, carries an Investment Grade Credit Rating of BBB/Stable from S&P and Baa2/Stable from Moody's.

## ESSENTIAL RETAILER OPERATING AND ASSISTING U.S. AUTHORITIES DURING THE COVID-19 PANDEMIC<sup>3</sup>

As a global, pharmacy-led health care company, Walgreens Boots Alliance has been working to ensure the safety and well-being of their colleagues, patients and customers during the pandemic of COVID-19. Their retail pharmacies have worked to provide up-to-date information and public health guidelines to customers, and their emergency response teams across the business are actively working to find ways play a greater role in what has become a global emergency – including working with the United States federal government to expand access to COVID-19 testing.

## GROWING SOUTH FLORIDA LOCATION

Located in north-central Lee County north of the Caloosahatchee River across from the City of Fort Myers. Fort Myers Beach is one of the county's most diverse communities, featuring urban commercial centers and residential areas, suburban neighborhoods, commercial corridors, and rural lands. Situated in Lee County and part of the Cape Coral-Fort Myers MSA, the area has grown over 55% since the 2010 census and is currently growing at a rate of 5.3% annually. Home to miles of beaches, the MSA is continually ranked among the top travel destinations in the U.S., funneling tourism dollars into the local economy, approximately 120 miles south of Tampa at the meeting point of the Gulf of Mexico and the Caloosahatchee River.



(1) Rentable Area, Lot Size, Guarantor, Lease Terms, Building Specifications, Year Built, Demographics and S&P/Moody's Ratings are estimates. Buyer is responsible for verifying during the Due Diligence process.

(2) All financial data shown above is for Walgreens Boots Alliance, Inc., the Parent Company. The Tenant under the Lease, Walgreen Co., is a subsidiary of Walgreens Boots Alliance, Inc., the parent company. Walgreens Boots Alliance, Inc. does not guarantee the lease.

(3) Sources: www.walgreensbootsalliance.com



# OFFERING HIGHLIGHTS<sup>1</sup>

## WALGREENS

17065 PINE RIDGE ROAD  
FORT MYERS BEACH, FL 33931

Net Operating Income	\$370,500.00
Lease Type	Absolute NNN
Lease Term	13 Years
Lease Commencement	2/1/2022
Lease Expiration Date	2/28/2035
Year Built	2005 <sup>1</sup>
Rentable Area	14,578 SF <sup>1</sup>
Lot Size	2.18 Acres <sup>1</sup>
Rent Escalations	5% Every Five Years
Options	(12) Five-Year Options
Tenant / Guarantor	Walgreens Co.
Right of First Refusal	Yes, Twenty (20) Days

## POTENTIAL FINANCING OPTIONS<sup>2</sup>

Program	10-Yr Fixed Rate	10-Yr Fixed Rate
Interest Rate	3.65%	4.04%
Down Payment / LTV	\$3,406,896 / 60%	\$3,832,758 / 55%
Amortization	30 Years	Interest Only

For questions on financing contact:

Chris Marks

Marcus & Millichap Capital Corporation

212.430.5173 direct

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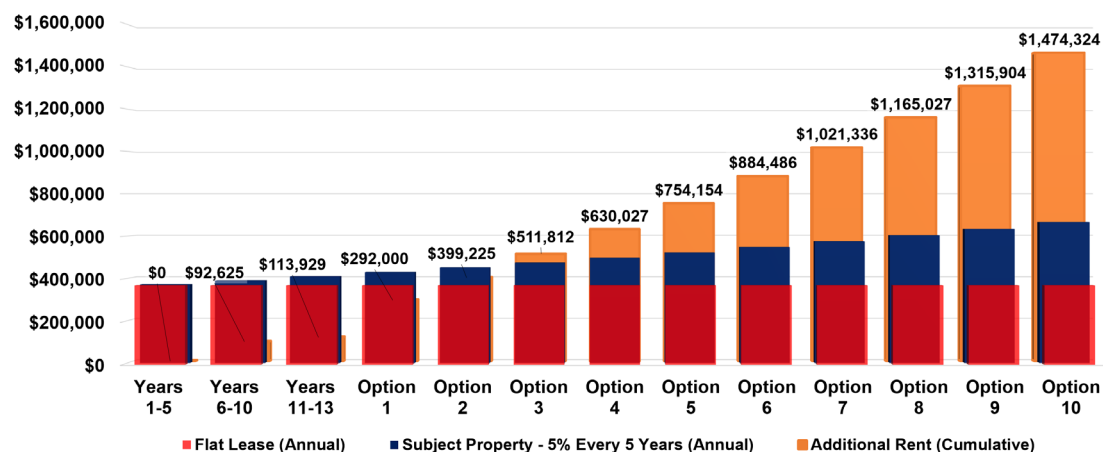
## OFFERING PRICE

# \$8,517,241

## CAP RATE

# 4.35%

## ADDITIONAL RENT COMPARISON SUBJECT PROPERTY VS. HISTORICAL FLAT LEASE<sup>3</sup> CUMULATIVE ADDITIONAL RENT OVER COMPARABLE LEASE AND OPTION PERIODS



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(2) Financing options shown are subject to market changes. Final LTV contingent on CAP Rate. See agent for details.

(3) For demonstration purposes only. This graph is not a guarantee of Subject Property's performance, additional rents, and/or Walgreens exercising any option(s) under the lease.



# TENANT OVERVIEW

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# TENANT OVERVIEW<sup>1</sup>



## WALGREENS BOOTS ALLIANCE, INC.<sup>1</sup>

Walgreens is part of the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (NASDAQ: WBA), the first global, pharmacy-led health and wellbeing enterprise. As the largest retail pharmacy, health and daily living destination across the United States and Europe, Walgreens Boots Alliance has a presence in more than 25 countries and employs more than 450,000 people. The Company has over 21,000 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with over 425 distribution centers delivering to more than 250,000 pharmacies, doctors, health centers and hospitals each year in more than 20 countries. Operations are organized into three divisions: Retail Pharmacy USA, Retail Pharmacy International and Pharmaceutical Wholesale. By its sheer size, scale and expertise, Walgreens Boots Alliance is well-positioned to help expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide. They have more than 100 years of trusted health care heritage and innovation in community pharmacy and pharmaceutical wholesaling. Their purpose is to help people across the world lead healthier and happier lives.

The Retail Pharmacy USA division has pharmacy-led health and beauty retail offerings in 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The Company operated 9,021 retail stores in the division as of August 31, 2020. The principal retail pharmacy brands in the division are Walgreens and Duane Reade. The Company is a market leader in the United States and, as of August 31, 2020, approximately 78% of the population of the United States lived within five miles of a Walgreens, Duane Reade or acquired Rite Aid retail pharmacy. The Company is focused on creating a neighborhood health destination and a more modern pharmacy aligned to a wider range of healthcare services. The Company utilizes its retail network as a channel to provide health and wellness services to its customers and patients, as illustrated by the Company's ability to play a significant role in providing flu vaccines and other immunizations. Additionally, through their strategic partnership strategy, their key collaborations aim to develop new health care delivery models and to improve access to advanced healthcare technologies and solutions. They've taken further steps to develop our neighborhood health destinations, working with their strategic partners. The Company has more than 85,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals.

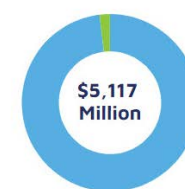
## COMPANY HIGHLIGHTS<sup>1</sup>

- ▣ \$139.5 BILLION IN REVENUE / \$23.4 BILLION NET WORTH (FY 2020)
- ▣ INVESTMENT GRADE TENANT / WALGREENS CO. - RECENTLY AFFIRMED (2021) MOODY'S RATED BAA2 / OUTLOOK STABLE
- ▣ SALES INCREASED 2.3% YEAR-OVER-YEAR TO \$34.7 BILLION IN Q4 2020
- ▣ 9,021 RETAIL PHARMACY STORES WITH PLANS FOR 1,000 IN-STORE CLINIC LOCATIONS ACROSS 50 STATES, THE DISTRICT OF COLUMBIA, PUERTO RICO & THE U.S. VIRGIN ISLANDS BY 2027
- ▣ 75% OF RETAIL PHARMACY USA DIVISION SALES ARE PHARMACY, WITH THE REMAINING 25% FROM RETAIL SALES
- ▣ 818.0 MILLION PRESCRIPTIONS, INCLUDING IMMUNIZATIONS, WERE FILLED IN FY 2020
- ▣ 78% OF THE POPULATION IN THE UNITED STATES LIVES WITHIN 5 MILES OF A WALGREENS, DUANE READE, OR ACQUIRED RITE AID PHARMACY

## FINANCIAL HIGHLIGHTS<sup>1</sup>

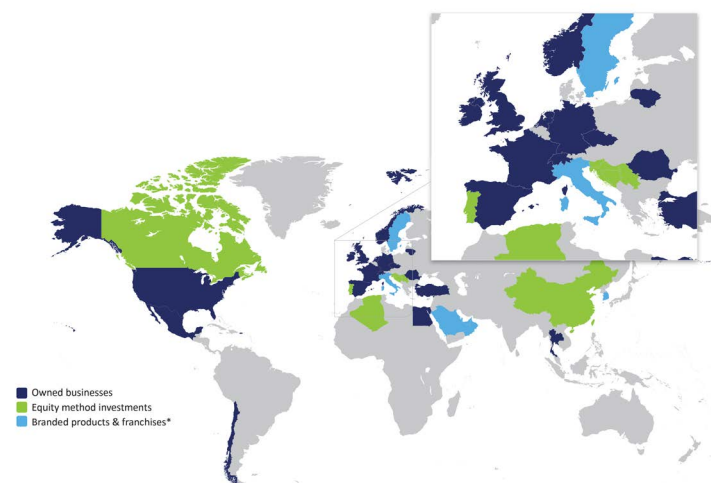


**FY21 Sales**  
● United States  
● International



**FY21 Adjusted Operating Income\***  
● United States  
● International

## A GLOBAL PRESENCE<sup>1</sup>



\*Countries where the Company's products are available for purchase or there are Company franchises (other than those countries where there are owned businesses, equity method investments or joint ventures)

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# LOCATION OVERVIEW

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# LOCATION OVERVIEW<sup>1</sup>



**WELL-ESTABLISHED  
DRIVE-THROUGH  
LOCATION WITH  
17-YEARS OF  
OPERATIONAL  
HISTORY**

**HARD CORNER  
LOCATION WITH  
TRAFFIC COUNTS  
OF 41,000+ VPD**

**APPEALING  
DEMOGRAPHICS  
WITH AVERAGE HHI  
OF \$96,307 WITHIN  
A 3-MILE RADIUS**

## ATTRACTIVE RETAIL LOCATION NEAR FORT MYERS BEACH & SANIBEL ISLAND

The Walgreens benefits from its proximity to Fort Myers Beach, less than four miles south, and direct access to Sanibel Island. It is only nine miles west along Summerlin Road. The popular Golf Harbour Yacht & Country Club is two miles to the north. In addition to the numerous hotels and living communities in the area are national retailers including Target, Publix, Walmart, Aldi, Chase Bank, Wells Fargo, Bealls, Dunkin', Big Lots, SunTrust Bank, and Dollar Tree.

## HARD-CORNER LOCATION WITH EXCELLENT VISIBILITY

The Property is located on the hard corner of Pine Ridge Road and Summerlin Road, connecting Fort Myers Beach with Sanibel Island, with combined traffic counts of over 41,000 VPD.

## GROWING SOUTH FLORIDA LOCATION

Located in north-central Lee County north of the Caloosahatchee River across from the City of Fort Myers, Fort Myers Beach is one of the county's most diverse communities, featuring urban commercial centers and residential areas, suburban neighborhoods, commercial corridors, and rural lands. Situated in Lee County and part of the Cape Coral-Fort Myers MSA, the area has grown over 55% since the 2010 census and is currently growing at a rate of 5.3% annually. Home to miles of beaches, the MSA is continually ranked among the top travel destinations in the U.S., funneling tourism dollars into the local economy, approximately 120 miles south of Tampa at the meeting point of the Gulf of Mexico and the Caloosahatchee River.







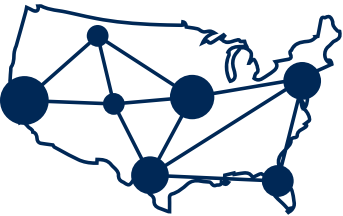
Summerlin Road



30,794 VPD



# DEMOGRAPHICS<sup>1</sup>



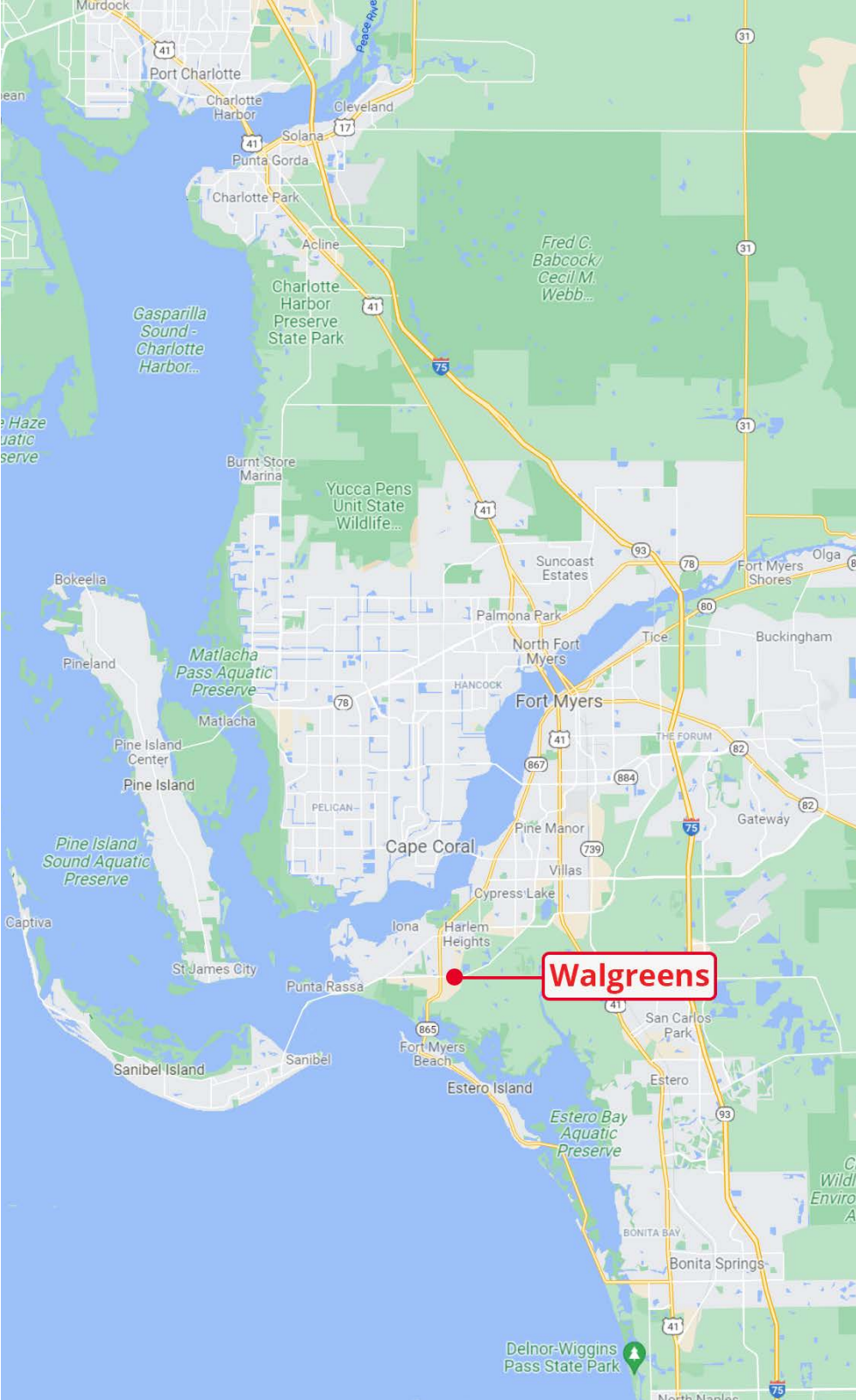
## HOUSEHOLD INCOME

YEAR 2021	1 MILE	3 MILES	5 MILES
AVERAGE	\$69,181	\$96,307	\$92,249
MEDIAN	\$46,684	\$60,180	\$60,093

## POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2026 Projection Total Population	6,768	44,946	89,908
2021 Census Total Population	6,387	42,809	86,174
2010 Census Total Population	5,060	34,836	71,267

Sources: Marcus & Millichap Research Services, CoStar







# WALGREENS PHARMACY

## FORT MYERS BEACH, FLORIDA

EXCLUSIVELY LISTED BY

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