

Downtown St. Louis

WesternUnion WU

DashMart

dancewear  
SOLUTIONS

MJB  
MAJOR BRANDS

ABBOTT  
EMS

METRO  
ELECTRIC

**Walgreens**

Manchester Ave (20,943 VPD)

McCausland Ave (23,010 VPD)

Parcel lines are not exact

**NEW 13 YEAR ABSOLUTE NNN LEASE | RARE 5% RENT INCREASES EVERY 5 YEARS**  
**WALGREENS PHARMACY**  
**ST. LOUIS, MISSOURI**

Marcus & Millichap  
THE GLASS GROUP



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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap Real Estate Services of Florida, Inc. has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap Real Estate Services of Florida, Inc.'s principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap Real Estate Services of Florida, Inc. and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

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

**WALGREENS PHARMACY**  
2310 MCCAUSLAND AVENUE  
ST. LOUIS, MISSOURI 63143

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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.

## SURROUNDED BY NATIONAL TENANTS NEAR DOWNTOWN ST. LOUIS

The subject property is situated only 1.5 miles south of SSM Health St. Mary's Hospital (683-beds) and minutes away from Downtown St. Louis at the signalized corner of McCausland Avenue and Manchester Avenue. The property has excellent visibility in both directions with an unusually high traffic count of 43,000 cars a day. Walgreens is in close proximity to Busch Stadium III, the home park of the St. Louis Cardinals, Schnucks Fresh Foods Grocery Store, O'Reilly Auto Parts, BP, Public Storage, 7-Eleven, Family Dollar, Restaurant Depot, ALDI, Lowe's, and many regional retailers.

## 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.



(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) Source: www.walgreensbootsalliance.com

# OFFERING HIGHLIGHTS<sup>1</sup>

## WALGREENS

2310 MCCAUSLAND AVENUE  
ST. LOUIS, MISSOURI 63143

Net Operating Income	\$441,650
Lease Type	Absolute NNN
Lease Term	13 Years
Lease Commencement	2/1/2022
Lease Expiration Date	2/28/2035
Year Built	N/A <sup>1</sup>
Rentable Area	20,075 SF <sup>1</sup>
Lot Size	1.96 Acres <sup>1</sup>
Primary Term 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	\$3,533,200 / 60%	\$3,974,850 / 55%
Amortization	30 Years	Interest Only

For questions on financing contact:

Chris Marks  
Marcus & Millichap Capital Corporation  
212.430.5173 direct  
[cmarks@marcusmillichap.com](mailto:cmarks@marcusmillichap.com)

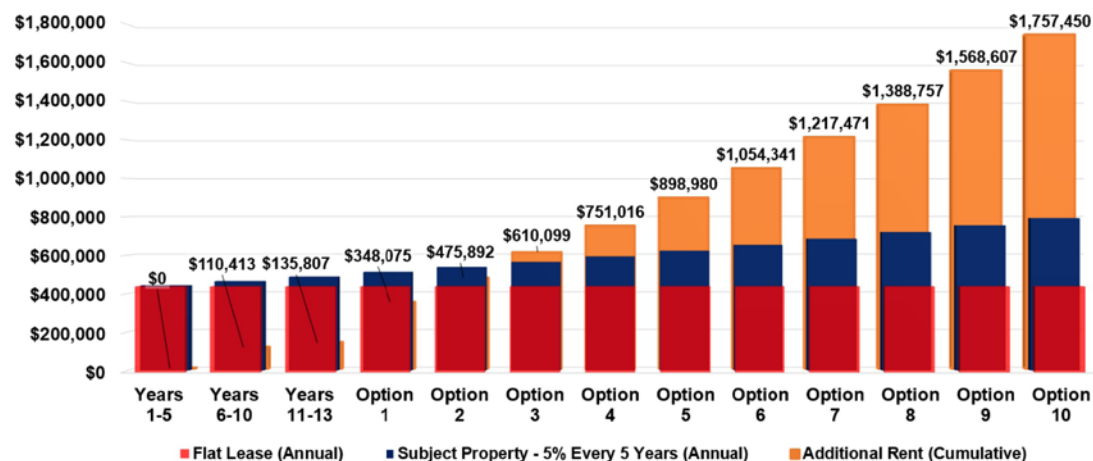
## OFFERING PRICE

# \$8,833,000

## CAP RATE

# 5.00%

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



ACTUAL LOCATION



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(2) Financing options shown are subject to market changes. 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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## WALGREENS PHARMACY

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

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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>

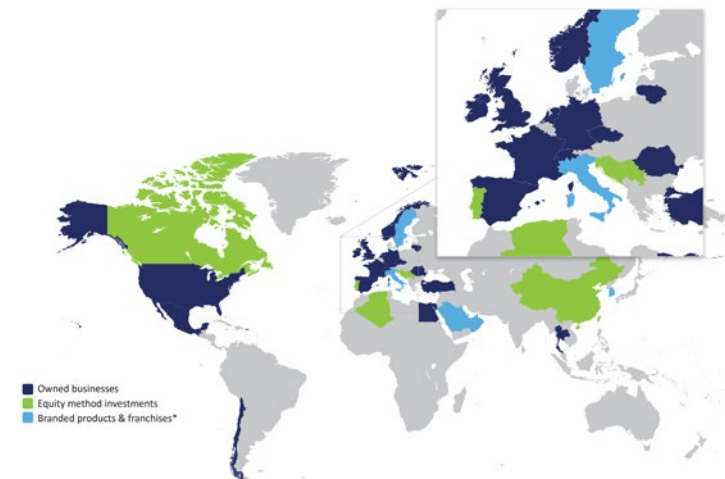


**FY21 Sales**  
● United States  
● International



**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)

(1) 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.



# LOCATION OVERVIEW

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## WALGREENS PHARMACY

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

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# LOCATION OVERVIEW<sup>1</sup>



**8 FORTUNE 500 &  
14 FORTUNE 1000  
COMPANIES ARE  
HEADQUARTERED IN  
THE ST. LOUIS METRO**

**HOME OF THE MLB'S  
ST. LOUIS CARDINALS  
& ANHEUSER-BUSCH'S  
FLAGSHIP BREWERY**

**OVER 2.8 MILLION  
RESIDENTS IN THE  
ST. LOUIS MSA**

**AVERAGE HHI OF  
\$96,401 WITHIN 3-MI**

## **SURROUNDED BY NATIONAL RETAILERS MINUTES FROM DOWNTOWN ST. LOUIS**

The subject property is strategically located minutes from Downtown St. Louis. Surrounded by an abundance of national retailers and residential neighborhoods, Walgreens is one block south of SSM Health St. Mary's Hospital (683-beds). Other nationally-recognized retailers in the immediate vicinity include ALDI, Lowe's, Sam's Club, BP, Restaurant Depot, Slim Chickens, Schnucks Fresh Foods, 7-Eleven, O'Reilly Auto Parts, and many more.

## **HARD-CORNER LOCATION WITH EXCELLENT VISIBILITY**

The property is situated at the 4-way signalized hard corner of McCausland Avenue (23,010 VPD) and Manchester Avenue (20,943 VPD) only 1.5 miles south of SSM Health St. Mary's Hospital (683-beds). There are average household incomes of \$96,401 within 3-miles of the subject property.

## **HOME OF THE ST. LOUIS CARDINALS & HEADQUARTERS OF ANHEUSER-BUSCH**

St. Louis is home to one of the most successful MLB franchises of this century. At a \$2.245 Billion valuation (#7), the St. Louis Cardinals are one of only five clubs to win multiple World Series titles since 2000, boasting a 0.500 record or better in 20 of the last 22 seasons and reaching the playoffs in 15 of those seasons. And as the hub for innovation brewing over 30 of their brands, St. Louis is the flagship brewery and the headquarters of Anheuser-Busch. Beloved favorites like Budweiser and Michelob are some of America's most iconic and most recognizable beer brands. As the undisputed leader of the U.S. beer industry, the country's largest brewer and leading American manufacturer, Anheuser-Busch supports more than 2.1 millions jobs related to the beer industry. The \$365 Million Busch Stadium III with a 44,383 person seating capacity is located only 10 minutes from the subject property.

ACTUAL LOCATION





# AERIAL OVERVIEW



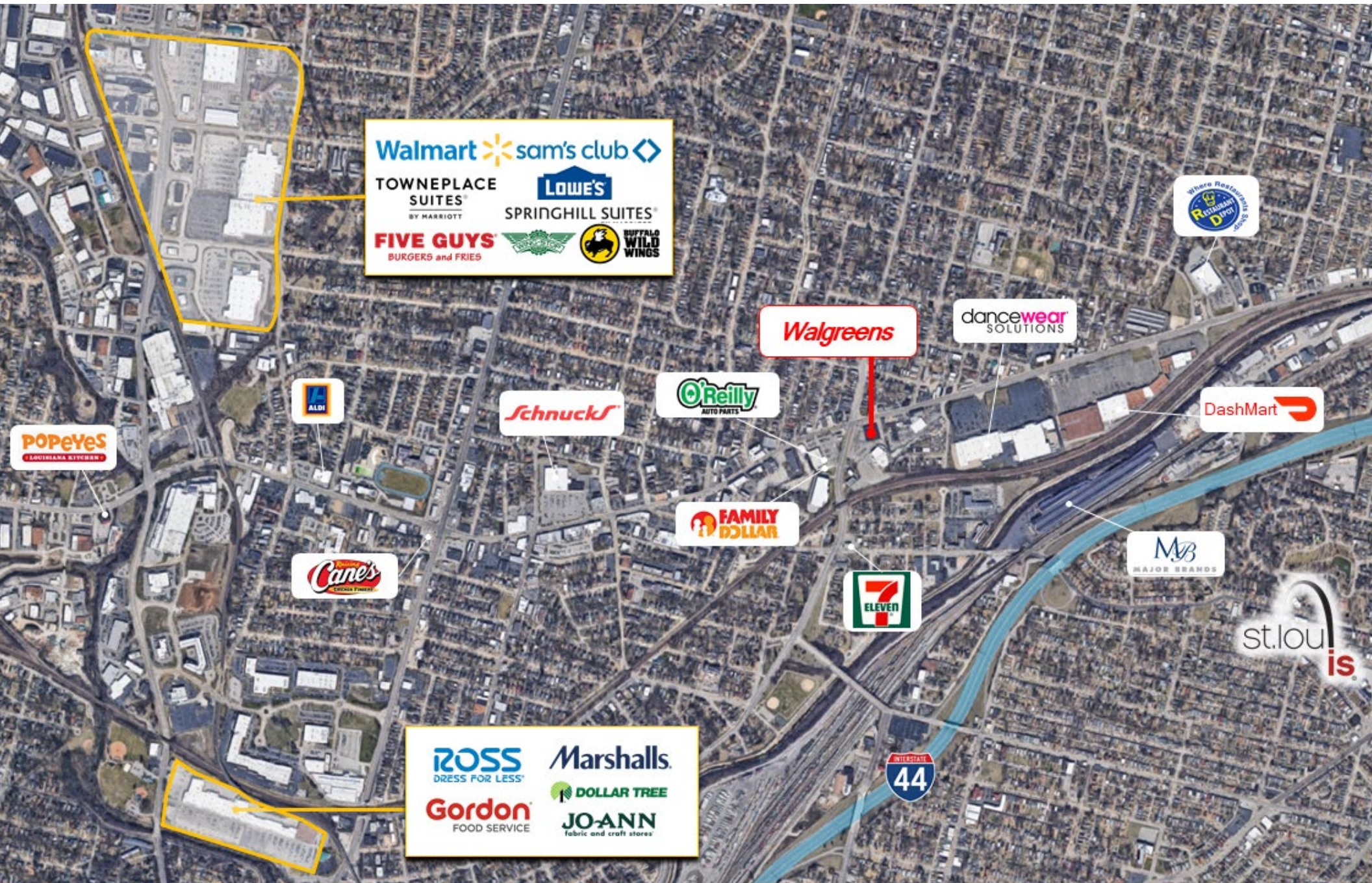


# AERIAL OVERVIEW



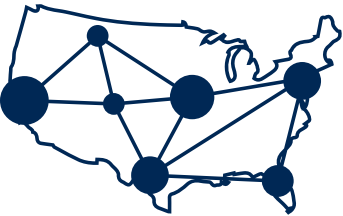


# AERIAL OVERVIEW





# DEMOGRAPHICS<sup>1</sup>



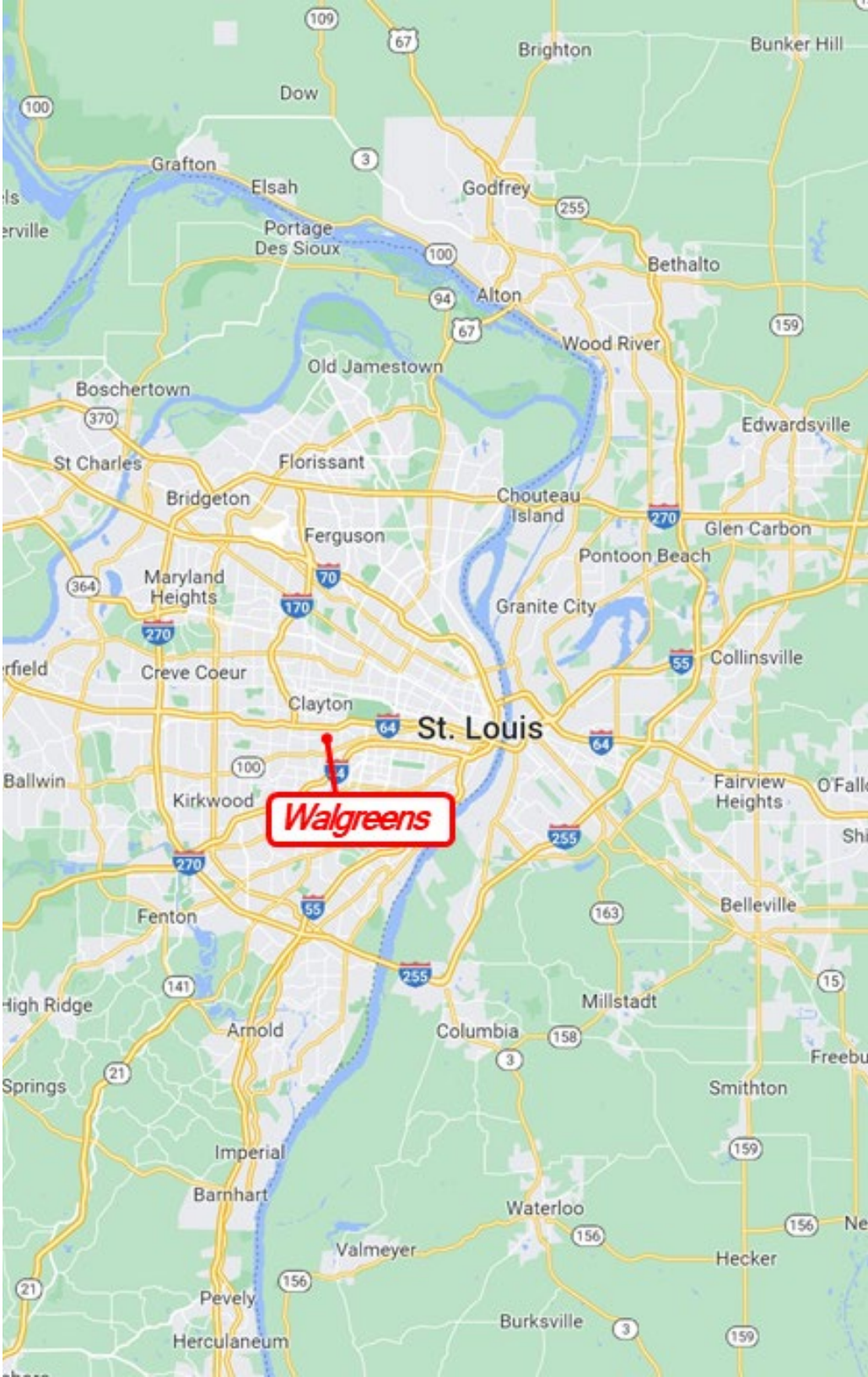
## HOUSEHOLD INCOME

YEAR 2021	1 MILE	3 MILES	5 MILES
AVERAGE	\$70,591	\$96,401	\$88,364
MEDIAN	\$54,223	\$63,139	\$56,174

## POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2026 Projection Total Population	16,414	135,191	381,058
2021 Census Total Population	16,615	136,285	384,912
2010 Census Total Population	17,158	139,319	396,589

Sources: Marcus & Millichap Research Services, CoStar





# WALGREENS PHARMACY

## ST. LOUIS, MISSOURI

EXCLUSIVELY LISTED BY

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