

WALGREENS

EXCLUSIVE NET LEASE OFFERING



OFFERING MEMORANDUM

Walgreens

2955 18th Avenue, Rock Island, IL 61201

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Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease,

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The Walgreens logo is displayed in a red, cursive script font.



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Walgreens



Investment Highlights

PRICE: \$5,268,000 | CAP: 5.00% | RENT: \$263,400

Walgreens

About the Investment

- ✓ Original Long-Term, 60-Year Double-Net (NN) Lease | Approximately 11 Years Remaining
- ✓ Corporate Guarantee | Investment Grade Credit: Walgreens Boots Alliance, Inc. (S&P: BBB)
- ✓ Double Drive-Thru Location
- ✓ Walgreens has been Operating at this Location for Over 21 Years

About the Location

- ✓ Dense Retail Corridor | McDonald's, Dunkin Donuts, Subway, KFC, Taco Bell, Wendy's, Pizza Hut, Domino's, 7-Eleven, CVS, Aldi, Among Numerous Others
- ✓ Robust Demographics | More than 157,000 Individuals Reside within a Five-Mile Radius of the Site
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$72,000 for Homes within One Mile of the Site
- ✓ Heavily Trafficked Area | 14,300+ Vehicles Per Day Travel Directly Past the Site Along 18th Avenue
- ✓ Strong Visibility & Ease of Access | Situated at the Hard, Signalized Intersection of 18th Avenue and 30th Street
- ✓ Nearby Airport Access | Quad City International Airport | Under 4 Miles Away
- ✓ Prominent Academic Presence | Within Two-Mile Radius of Rock Island High School, Augustana College and Alleman College | Total Combined Enrollment Exceeding 4,500 Students

About the Tenant / Brand

- ✓ Walgreens Boots Alliance (**NASDAQ: WBA**) is the Largest Retail Pharmacy, Health and Daily Living Destination Across the United States and Europe with Sales of \$132.5 Billion for Fiscal Year Ended August 31, 2021
- ✓ Walgreens Operates ~13,000 Stores within the United States, Europe and Latin America
- ✓ Walgreens Manages More Than 400 Healthcare Clinics and Provider Practice Locations Around the Country
- ✓ Walgreens has a Presence in 9 Countries and Employs More than 315,000 People





Financial Analysis

PRICE: \$5,268,000 | CAP: 5.00% | RENT: \$263,400

Walgreens

PROPERTY DESCRIPTION

Concept	Walgreens
Street Address	2955 18 th Avenue
City, State ZIP	Rock Island, IL 61201
Building Size Estimated (SF)	13,905
Lot Size Estimated (Acres)	1.45
Type of Ownership	Fee Simple

THE OFFERING

Price	\$5,268,000
CAP Rate	5.00%
Annual Rent	\$263,400
Rent Per SF	\$18.94
Price Per SF	\$379

LEASE SUMMARY

Property Type	Net Leased Drug Store
Tenant / Guarantor	Bond Drug Company of Illinois / Walgreen Co.
Original Lease Term	60 Years
Lease Commencement	March 19, 1998
Lease Expiration	March 31, 2058*
Base Lease Term Remaining	~11 Years
Lease Type	Double Net (NN)
Landlord Responsibilities	Roof and Structure

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
Current - 3/31/2033*	\$263,400	\$21,950	-
4/1/2033 - 3/31/2038*	\$263,400	\$21,950	-
4/1/2038 - 3/31/2043*	\$263,400	\$21,950	-
4/1/2043 - 3/31/2048*	\$263,400	\$21,950	-
4/1/2048 - 3/31/2053*	\$263,400	\$21,950	-
4/1/2053 - 3/31/2058	\$263,400	\$21,950	-

* Tenant has the right to terminate at end of the 35th, 40th, 45th, 50th, and 55th lease years with a six (6) month notice period.

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens located at 2955 18th Avenue in Rock Island, Illinois. The site consists of roughly 13,905 rentable square feet of building space on estimated 1.45-acre parcel of land. This Walgreens is subject to a 60-year double-net (NN) lease, which commenced March 19th, 1998, and has approximately 11 years remaining on the base lease term. The current annual rent is \$263,400.

Walgreens



Concept Overview

Walgreens

CREDIT RATING: BBB

General Information

Headquarters	Deerfield, IL
Employees	315,000+
Website	www.walgreens.com

Company Financial Highlights

Store Count (as of 8/30/2021)	~13,000
2021 Sales	\$132.5 Billion
Stock Ticker	NASDAQ: WBA
Average Store Size	13,500 Square Feet

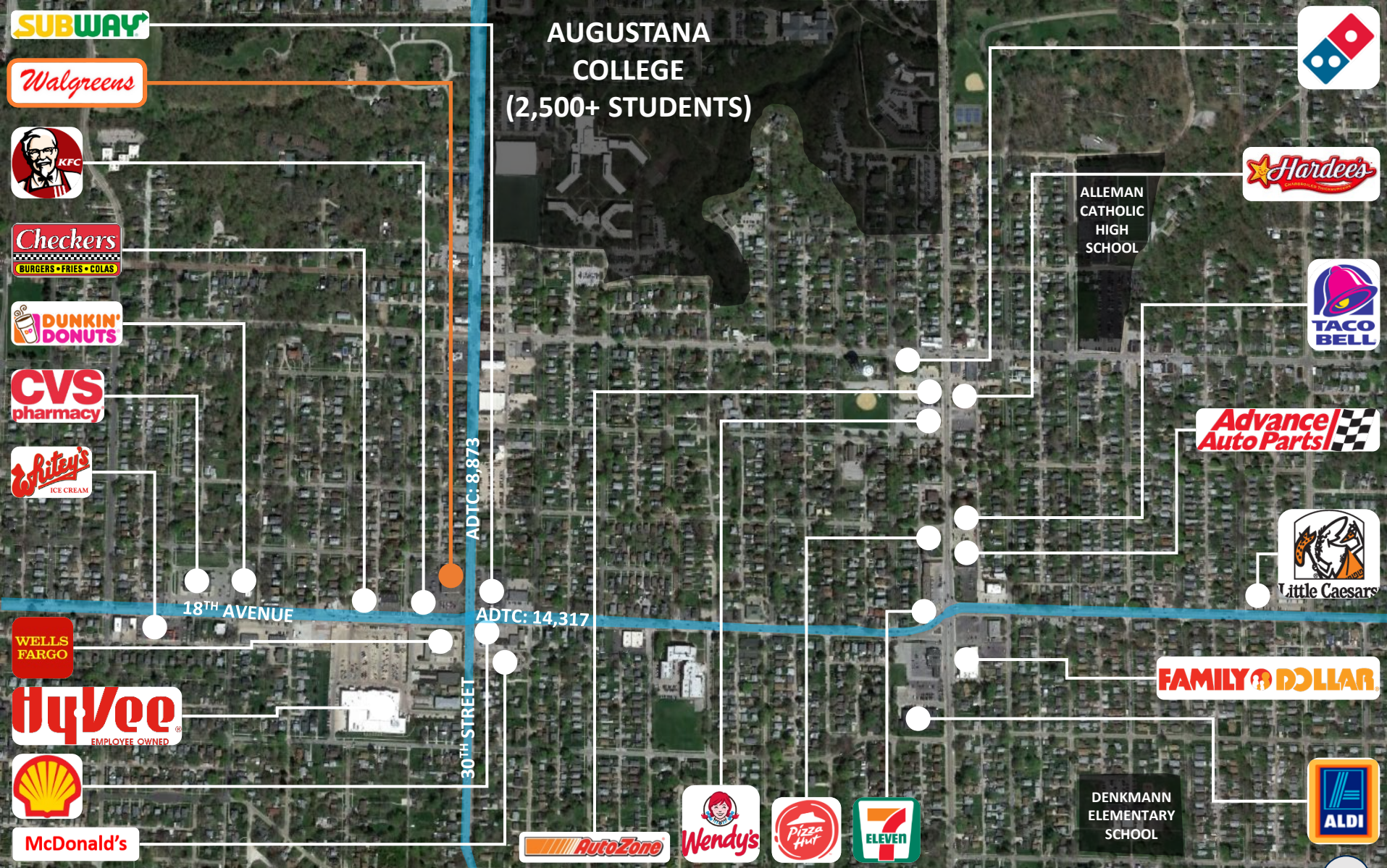
Walgreens Boots Alliance, Inc., a Delaware corporation (“Walgreens Boots Alliance” or the “Company”), is a global leader in retail pharmacy, impacting millions of lives every day through dispensing medicines, and providing accessible high-quality care. With more than 170 years of trusted healthcare heritage and innovation in community pharmacy, the Company is meeting customers’ and patients’ needs through its convenient retail locations, digital platforms and health and beauty products. Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the United States (“U.S.”) and Europe with sales of \$132.5 billion in the fiscal year ended August 31, 2021. Walgreens Boots Alliance has a presence in 9 countries and employs more than 315,000 people. The Company has approximately 13,000 stores within the U.S., Europe and Latin America. In addition, Walgreens Boots Alliance is one of the world’s largest purchasers of prescription drugs and many other health and well-being products. The Company’s size, scale and expertise will help it expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years. The Company provides customers with convenient, omni-channel access through its portfolio of retail and business brands which includes Walgreens, Duane Reade and Boots as well as increasingly global health and beauty product brands, such as No7, NICE!, Soap & Glory, Finest Nutrition, Liz Earle, Botanics, Sleek MakeUP and YourGoodSkin.





Walgreens





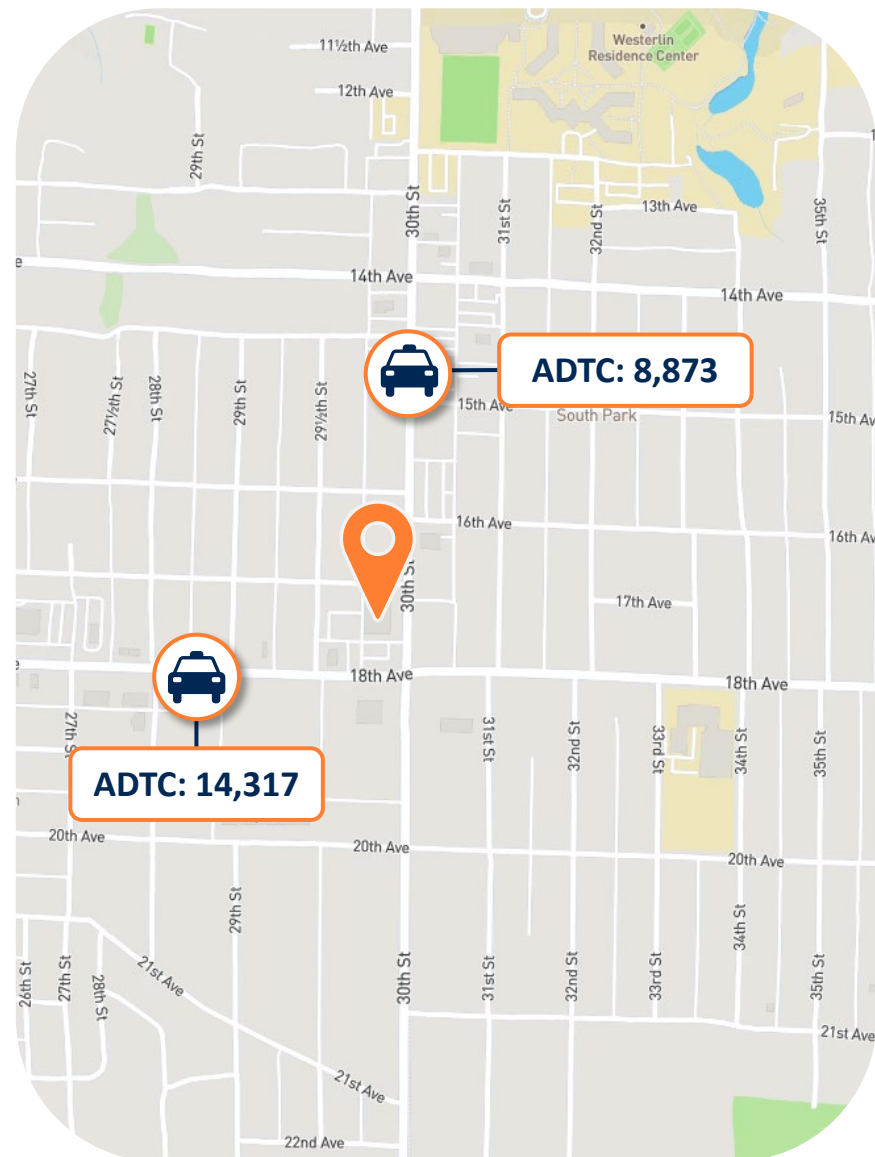
Location Overview

Walgreens

The subject investment property is situated on a hard signalized corner at the intersection of 18th Avenue and 30th Street. 18th Avenue boasts an average daily traffic count of over 14,300 vehicles while Ridge Road brings an additional 8,873 vehicles to the immediate area each day. There are more than 68,000 individuals residing within a three-mile radius of the subject property and more than 157,000 individuals within a five-mile radius. Average household income exceeds \$72,000 for homes within one mile of the subject property.

The subject property is well-positioned along the main retail corridor in Highland, benefiting from its proximity to major local, regional and national tenants, shopping centers, hospitality accommodations and academic institutions, all of which help drive traffic to the site. Major national tenants in the immediate area include: McDonald's, Dunkin Donuts, Subway, KFC, Taco Bell, Wendy's, Pizza Hut, Domino's, 7-Eleven, CVS, Aldi, in addition to many others. Several local staples, such as Kavanaugh's Hilltop Bar & Grill, Radicle Effect Brewwerks, and Mulkey's Restaurant, are also within the immediate area of the subject property. Augustana College, which enrolls over 2,500 students, is also about a half-mile from the subject property. Additionally, the Alleman Catholic High school, which enrolls over 400 students annually, is located just under one mile from the subject property.

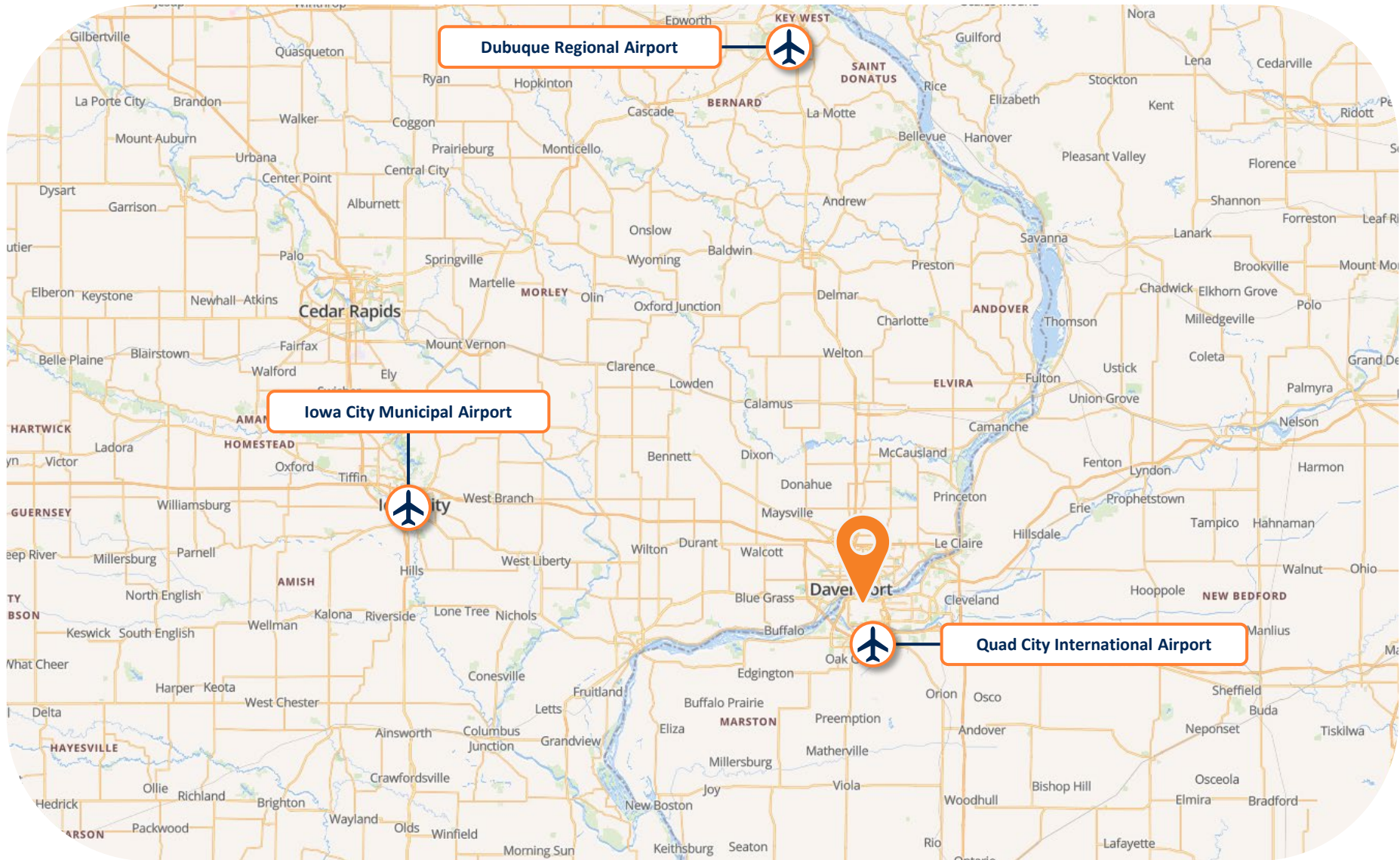
The City of Rock Island is a full-service community located on the Mississippi River, approximately 175 miles west of Chicago. Rock Island is a major city in what is known as the Quad Cities, a region with a population approaching 400,000 that encompasses Rock Island, Moline, and East Moline, Illinois, and Davenport and Bettendorf, Iowa. Rock Island has great neighborhoods where residents feel at home. There's a wide variety of housing available in Rock Island including historic homes, new downtown condos, new construction in the heart of the city, and wooded retreats. Rock Island-Milan School District 41, along with private schools, are innovative and prepare students for life. Rock Island offers plenty of options to play. The District (downtown Rock Island) has art galleries and theatres, nightclubs and coffee shops, and restaurants of all flavors. Golf courses, parks, a casino, botanical center, marina, historic tours, bike paths, and festivals will keep visitors entertained.





Local Map

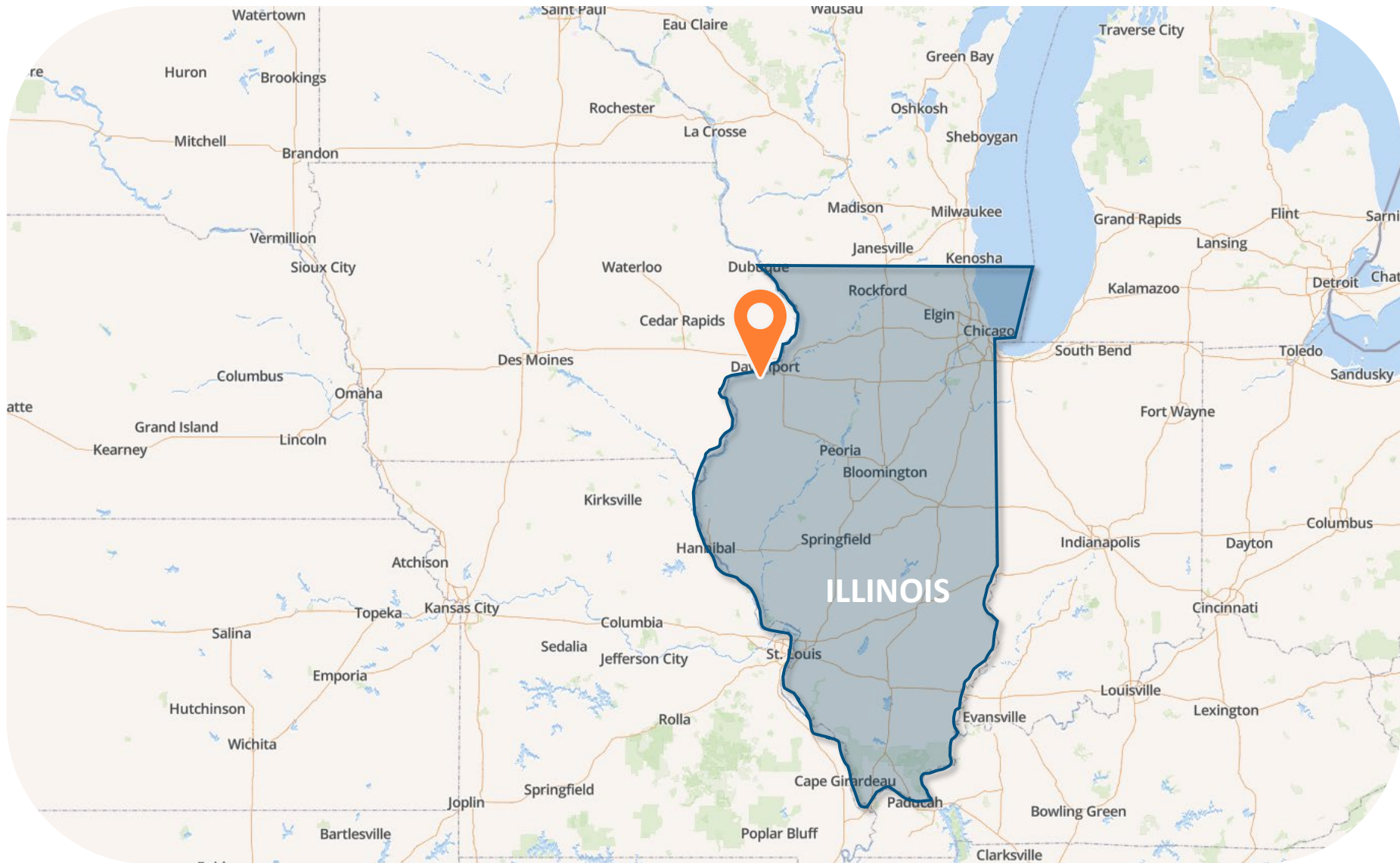
Walgreens





Regional Map

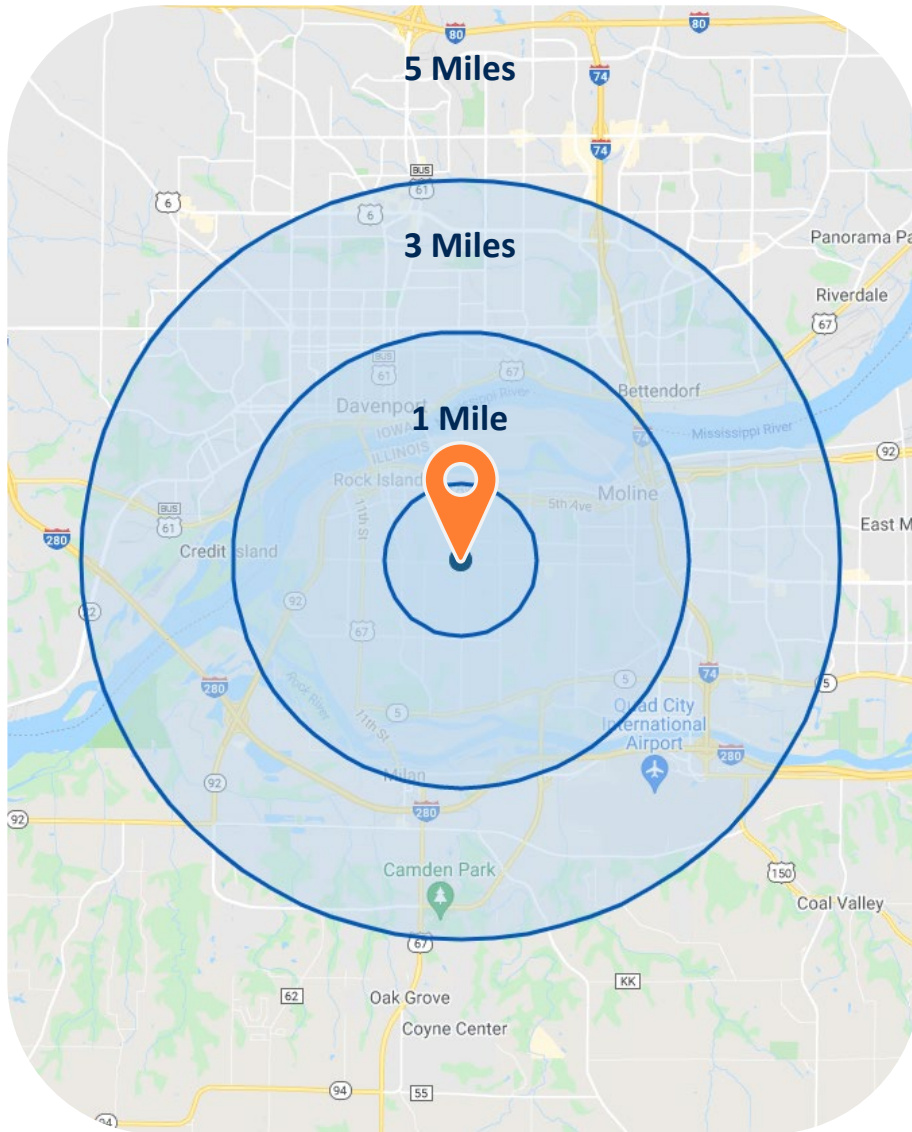
Walgreens





Demographics

Walgreens



	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	16,672	70,981	161,069
2020 Population	15,744	68,463	157,129
2025 Population Projection	15,397	67,359	155,327
HOUSEHOLD TRENDS			
2010 Households	6,594	29,002	67,224
2020 Households	6,134	27,983	65,441
2025 Household Projection	5,978	27,527	64,657
AVERAGE HOUSEHOLD INCOME (2020)	\$72,043	\$67,662	\$70,959
MEDIAN HOUSEHOLD INCOME (2020)	\$60,480	\$49,430	\$54,295
HOUSEHOLDS BY HOUSEHOLD INCOME (2020)			
<\$25,000	1,308	7,638	15,219
\$25,000 - \$50,000	1,370	6,512	15,439
\$50,000 - \$75,000	1,100	4,826	12,320
\$75,000 - \$100,000	765	2,944	7,737
\$100,000 - \$125,000	709	2,534	5,923
\$125,000 - \$150,000	442	1,543	3,787
\$150,000 - \$200,000	310	940	2,540
\$200,000+	131	1,045	2,473

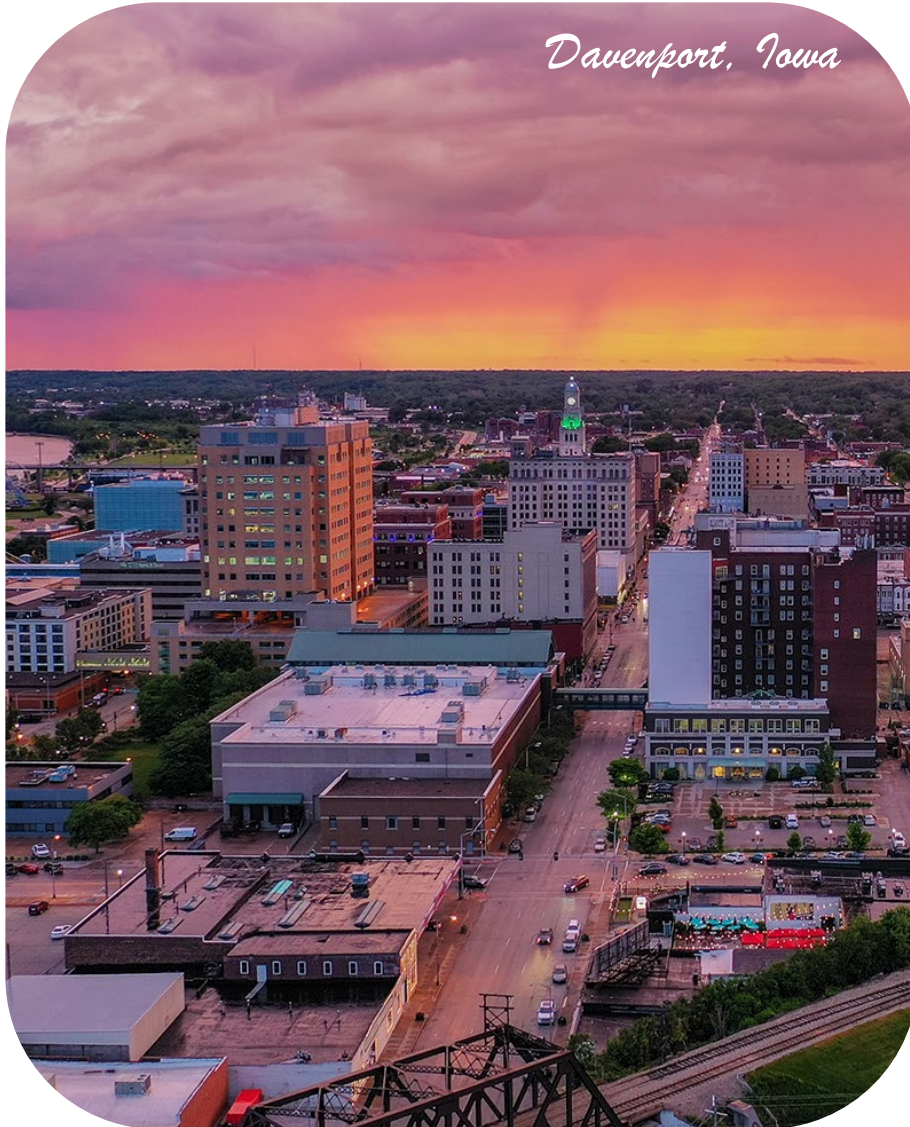
Walgreens



Market Overview

Walgreens

Davenport, Iowa



Davenport is the third most populous city in the U.S. state of Iowa and the county seat of Scott County, Iowa. Davenport is the largest of four cities located in the Quad Cities region, which encompasses Davenport and Bettendorf on the Iowa side of the Mississippi River and Moline and Rock Island on the Illinois side. The city's population is now estimated to be just under 102,000. Davenport is about halfway between Iowa's capital, Des Moines, and Chicago. Three different interstates, 74, 80, and 280, all pass through the city, as well as two major U. S. highways.

Davenport's economy has always been centered around the industrial sector, with most of the city's population working in manufacturing. John Deere is the largest single employer in the Quad cities, with its headquarters in Moline, Illinois, one of the four cities in the region. The fashion department store chain, Von Maur, has their headquarters in Davenport. Lee Enterprises, a national publisher of fifty newspapers, as well as magazines, catalogs, and websites, is also headquartered in Davenport. Some other large employers in the Davenport area include the Genesis Health System and Hy-Vee Grocery.

Davenport is home to four universities: St. Ambrose University, Palmer College of Chiropractic, Kaplan University, and Hamilton Technical College. Palmer college is the first chiropractic school ever founded, and the site of the first chiropractic adjustment in the world. Davenport also features a strong music culture, as the Mississippi Valley Fair, the Mississippi Valley Blues Festival, and the Bix Beiderbecke Memorial Jazz Festival all take place there. The city is also home to the Quad Cities River Bandits, a minor-league baseball team.

Marcus & Millichap

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IL Broker of Record:
Steven Weinstock
Marcus & Millichap
One Mid America Plaza, Ste. 200
Oakbrook Terrace, IL 60181
Tel: (630) 570-2200
License: IN: 471.011175