



Downtown
Sacramento

Hilton

CITY OF
WEST
SACRAMENTO

SACRAMENTO
CITY COLLEGE
EST. 1916

Arthur F. Turner
Library

Regional Tenants

Economy
INN

LA·BOU

Walgreens

CHASE
O'Reilly
AUTO PARTS

Auto
Zone

Jefferson Blvd - 19,025 VPD

CAPITAL
GAS MART

ACTUAL LOCATION

NEW 13 YEAR ABSOLUTE NNN LEASE | RARE 5% RENT INCREASES EVERY 5 YEARS
WALGREENS PHARMACY
WEST SACRAMENTO, CALIFORNIA

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.

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INVESTMENT OVERVIEW

WALGREENS PHARMACY

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

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INVESTMENT OVERVIEW¹

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.

DENSE INFILL LOCATION NEAR DOWNTOWN SACRAMENTO

The subject property is situated at the 4-way signalized corner of Jefferson Boulevard and W. Capitol Avenue near Downtown Sacramento. The store benefits from a drive-through pick-up window to deliver prescription and non-prescription drugs along with many other essential retail items during the COVID-19 pandemic. Walgreens has a 21-year operational history at this location.

INVESTMENT GRADE TENANT²

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 PANDEMIC³

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) Sources: www.walgreensbootsalliance.com, www.cityofsacramento.org, www.selectsacramento.com

OFFERING HIGHLIGHTS¹

WALGREENS

1351 W. CAPITOL AVE
WEST SACRAMENTO, CA 95691

Net Operating Income \$328,725

Lease Type Absolute NNN

Lease Term 13 Years

Lease Commencement 2/1/2022

Lease Expiration Date 2/28/2035

Year Built 2001¹

Rentable Area 13,149 SF¹

Lot Size 1.74 Acres¹

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 OPTIONS²

For questions on financing contact:

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212.430.5173 direct
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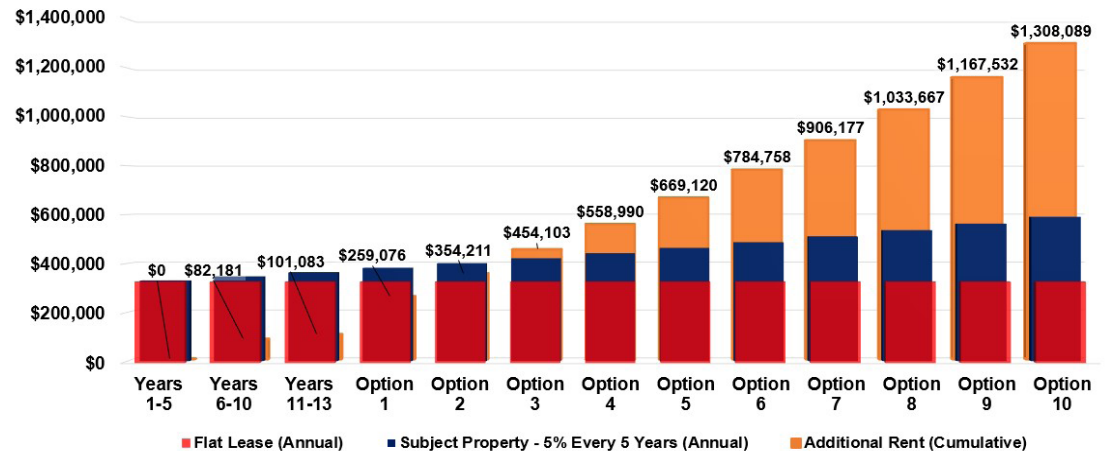
OFFERING PRICE

\$7,305,000

CAP RATE

4.50%

ADDITIONAL RENT COMPARISON SUBJECT PROPERTY VS. HISTORICAL FLAT LEASE³ CUMULATIVE ADDITIONAL RENT OVER COMPARABLE LEASE AND OPTION PERIODS



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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

WALGREENS PHARMACY

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

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TENANT OVERVIEW¹



WALGREENS BOOTS ALLIANCE, INC.¹

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.

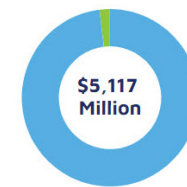
COMPANY HIGHLIGHTS¹

- ▣ \$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 HIGHLIGHTS¹

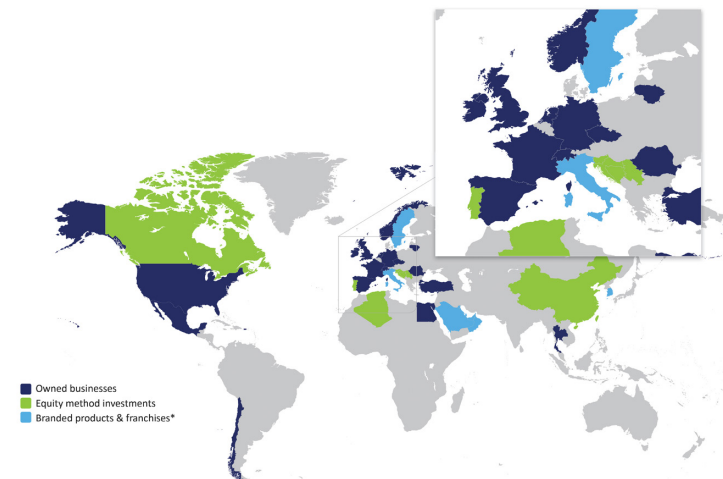


FY21 Sales
● United States
● International



FY21 Adjusted Operating Income*
● United States
● International

A GLOBAL PRESENCE¹



*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

WALGREENS PHARMACY

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

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LOCATION OVERVIEW¹



**WELL-ESTABLISHED
DRIVE-THRU
LOCATION WITH
21-YEARS OF
OPERATIONAL
HISTORY**

**HARD CORNER
LOCATION WITH
AVERAGE DAILY
TRAFFIC COUNTS
OF 20,119 VPD**

**SACRAMENTO MSA
WITH OVER
2.6 MILLION
RESIDENTS**

SURROUNDED BY NATIONAL RETAILERS IN A DENSE RETAIL CORRIDOR

Located minutes away from Old Town Sacramento, the River Cats Stadium, Raley's, U.S. Bank, Sacramento City Hall, Rite Aid, Chase Bank, O'Reilly Auto Parts, AutoZone Auto Parts, Home Depot, IKEA and the Golden1 Center Sports Facility.

HARD-CORNER LOCATION WITH EXCELLENT VISIBILITY

The property is located at a 4-way signalized hard corner with excellent street frontage along W. Capitol Avenue and Jefferson Boulevard with average daily traffic counts of 20,119 VPD.

THRIVING METROPOLITAN AREA

The city of Sacramento has a healthy reputation of being the perfect blend of a West Coast think tank, a year-round playground for outdoor enthusiasts, a transportation hub and a magnet for a highly-skilled labor pool. Serving a population of over 500,000 residents and nearly 2.6 million people in the region, Sacramento is not only California's state capitol, it is also the 5th largest world economy. Dating back to California's Gold Rush and pressing forward with cutting-edge technology, the area has quickly become synonymous with high-tech, high-class and high-impact. As the capital and 6th-most populous city in California, Sacramento is the state's political center and think tank. The capital has a major educational core, home to University of California at Davis, University of the Pacific, Sacramento State University and others, a notable financial center of the West Coast and a well known area in the healthcare industry as the seat of Sutter Health, UC Davis Medical Center, and UC Davis School of Medicine. Topping the list of the fastest growing major cities in the state, Sacramento is also one of California's oldest wine-producing regions and known as the metaphorical "intellectual front door to the Silicon Valley".



AERIAL OVERVIEW



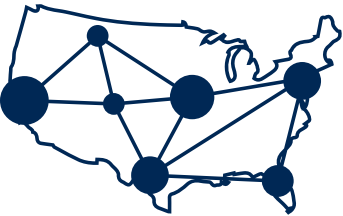
AERIAL OVERVIEW



AERIAL OVERVIEW



DEMOGRAPHICS¹



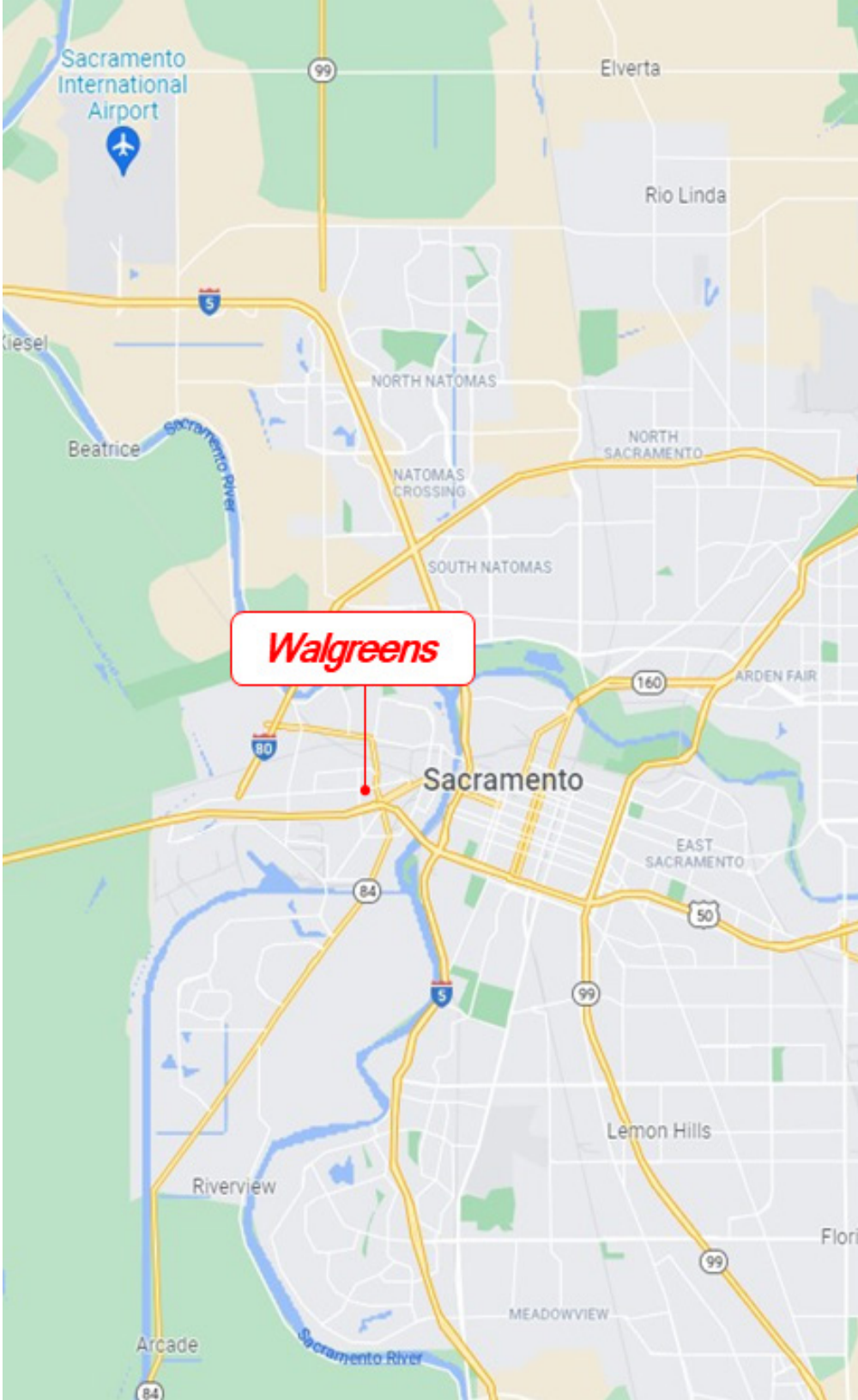
HOUSEHOLD INCOME

YEAR 2021	1 MILE	3 MILES	5 MILES
AVERAGE	\$56,247	\$88,127	\$93,579
MEDIAN	\$42,991	\$59,768	\$66,111

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2026 Projection Total Population	18,443	113,065	275,641
2021 Census Total Population	17,717	108,500	266,813
2010 Census Total Population	15,859	96,765	241,104

Sources: Marcus & Millichap Research Services, CoStar





Downtown
Sacramento

Walgreens

W Capitol Avenue - 20,119 VPD

Jefferson Blvd - 19,025 VPD

Arthur F.
Turner Library

Regional
Tenants

WALGREENS PHARMACY

WEST SACRAMENTO, CALIFORNIA

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