



Pacific Northwest Walgreens - NNN

Affluent Area with Household Incomes over \$120k

- Absolute Net Lease - Zero Landlord Responsibilities
- Preferred Five Year Option Structure
- Hard Corner Location With Drive-Thru
- Full Walgreens Corporate Guaranty
- Strong Demographics - Rare Blend of Density & High Incomes

Walgreens

📍 SHERWOOD, OR

\$8,247,402

4.85% CAP

📞 (888) 434-9701
✉️ loopnet@deerfieldteam.com

John Giordani
Art Griffith



DeerfieldPartners
The Drugstore Experts

INVESTMENT SUMMARY

21065 SW PACIFIC HWY | SHERWOOD, OR 97140

WALGREENS #7665

\$8,247,402

4.85%

\$399,999

11.7

This is rare opportunity to purchase a strong Walgreens in the Pacific Northwest. This store features excellent demographics, with the unusual blend of high incomes and density, strong store sales, the preferred five year option structure, a recent Lease extension demonstrating long term commitment to the location, and just under 12 years on the primary term. This store is located at the ideal junction of SW Edy Road and Pacific Highway (99W) the main arterial for this trade area, with traffic counts nearing 40,000 cars a day. The corner is anchored by Kohls, McDonald's, Key Bank, Chevron and Providence Immediate Care and Medical Plaza. The offering is rounded out by a full Walgreens Guaranty, making this is an ideal 1031 acquisition or new purchase for a savvy investor wanting a Walgreens that has it all.



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Art Griffith

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PROPERTY OVERVIEW



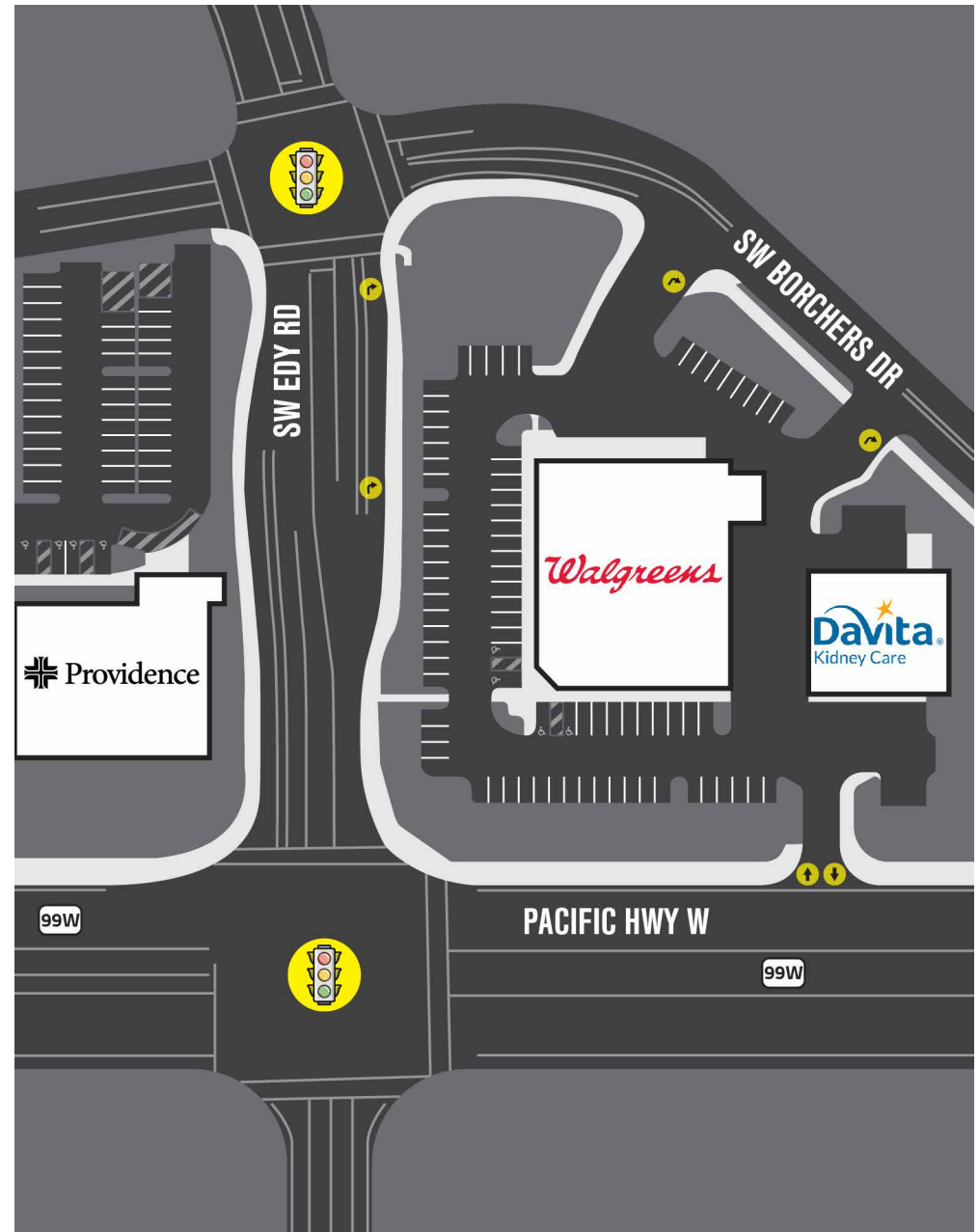
PROPERTY DETAILS

Address: 21065 SW Pacific Hwy
Year Built: 2003
Building Size: 14,502 Square Feet
Lot Size: 1.76 Acres
Tenant: Walgreens



LEASE SUMMARY

Lease Type: NNN
Landlord Responsibilities: None
Rent Start Date: 2/22/2004
Firm Term End Date: 2/28/2034
Termination Options: 10 x 5 year



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DEMOGRAPHICS



POPULATION

1 Mile	3 Mile	5 Mile
10,754	33,340	115,662



AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$120,602	\$128,152	\$119,973



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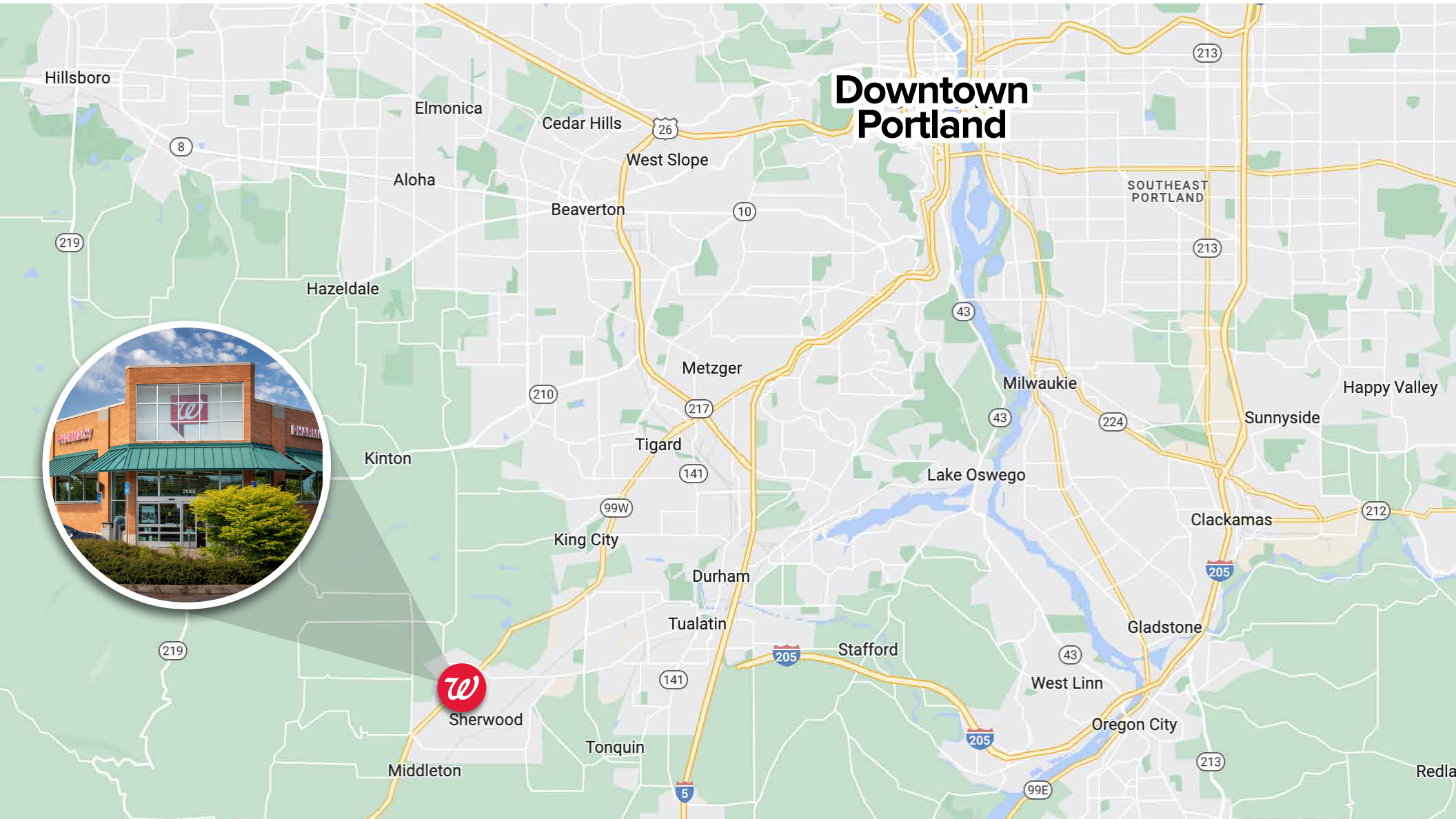


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REGIONAL OVERVIEW



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Art Griffith

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loopnet@deerfieldteam.com

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ABOUT WALGREENS BOOTS ALLIANCE



Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25* countries and employ more than 415,000* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 18,500* stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390* distribution centers delivering to more than 230,000** pharmacies, doctors, health centers and hospitals each year in more than 20* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

*As of 31 August 2018, using publicly available information for AmerisourceBergen.

**For 12 months ending 31 August 2018, using publicly available information for AmerisourceBergen.



WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2017	2018	2019	2020	2021
Sales/Revenue	118.21B	131.54B	136.87B	139.54B	132.51B
Sales Growth	-	11.27%	4.05%	-10.87%	8.63%
Cost of Goods Sold (COGS) Incl, D&A	90.71B	102.52B	108.83B	97.69B	106.37B
COGS Growth	-	13.02%	6.16%	-10.24%	8.88%
COGS excluding D&A	89.05B	100.75B	106.79B	95.91B	104.44B
Depreciation & Amortization Expense	1.65B	1.77B	2.04B	1.78B	1.92B
Depreciation	1.27B	1.28B	1.49B	1.4B	1.4B
Amortization of Intangibles	385M	493M	552M	384M	523M
Gross Income	27.51B	29.02B	28.04B	24.29B	26.14B
Gross Income Growth	-	5.50%	-3.39%	-13.36%	7.62%
	2017	2018	2019	2020	2021
SG&A Expense	21.25B	22.88B	22.91B	20.55B	22.13B
SGA Growth	-	7.70%	0.12%	-10.33%	7.70%
Research & Development	-	-	-	-	-
Other SG&A	21.25B	22.88B	22.91B	20.55B	22.13B
Other Operating Expense	-	-	-	-	-
Unusual Expense	886M	188M	311M	3.1B	959M
EBIT after Unusual Expense	5.37B	(188M)	4.82B	(3.1B)	3.06B
Non Operating Income/Expense	37M	450M	251M	66M	566M
Equity in Affiliates (Pretax)	135M	191M	164M	341M	(1.14B)
Interest Expense	693M	616M	704M	613M	491M
Interest Expense Growth	-	-11.11%	14.29%	-12.93%	-19.90%
Gross Interest Expense	693M	616M	704M	613M	491M
Pretax Income	4.85B	5.98B	4.53B	446M	2B
Pretax Income Growth	-	23.12%	-24.23%	-90.15%	347.31%
Income Tax	760M	998M	588M	339M	667M
Income Tax – Current Domestic	804M	969M	247M	233M	194M
Income Tax – Current Foreign	390M	353M	241M	135M	234M
Income Tax – Deferred Domestic	(330M)	(266M)	155M	(81M)	(56M)
Income Tax – Deferred Foreign	(104M)	(58M)	(55M)	52M	295M
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	8M	54M	23M	31M	627M
Consolidated Net Income	4.1B	5.03B	3.96B	138M	1.96B
Minority Interest Expense	23M	7M	(20M)	(42M)	(39M)
Net Income	4.08B	5.02B	3.98B	180M	1.99B



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WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



WALGREENS BOOTS ALLIANCE – RETAIL PHARMACY USA DIVISION

Our Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form one of the largest drugstore chains in the U.S., operating 8,100* drugstores in 50* states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2017, approximately 76 percent of the population of the U.S. lives within five miles of a Walgreens or Duane Reade.

We sell prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. We offer our products and services through drugstores, as well as through mail, telephone and online. We also provide specialty pharmacy and respiratory services, and operate retail clinics.

Our services help improve health outcomes for patients and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our stores sell branded and own brand general merchandise. In addition, Walgreens has approximately 400 in-store clinic locations throughout the U.S., some of which are operated by the Company and some of which are operated by health system partners.

Prescription drugs account for 69 percent† of sales, while retail products are 31 percent.

Overall, we filled approximately 764 million† prescriptions in fiscal 2017. Adjusted to 30-day equivalents, we filled approximately 990 million prescriptions in fiscal 2017. Third party sales, where reimbursement is received from managed care organizations, government and private insurance, were approximately 98 percent† of prescription sales.

We utilize our extensive retail network as a channel to provide affordable

quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.


We have more than 78,000* healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals. Through them we expect to continue to play a growing role in government and employer efforts to control escalating healthcare costs.

Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards card. Customers have the ability to instantly redeem rewards at our stores or through Walgreens.com. We had 88 million Balance® Rewards active members as of August 2017.

The Division's strategy is designed to further transform our traditional drugstore by offering ultimate convenience, driving the best customer loyalty and delivering extraordinary customer and patient care.

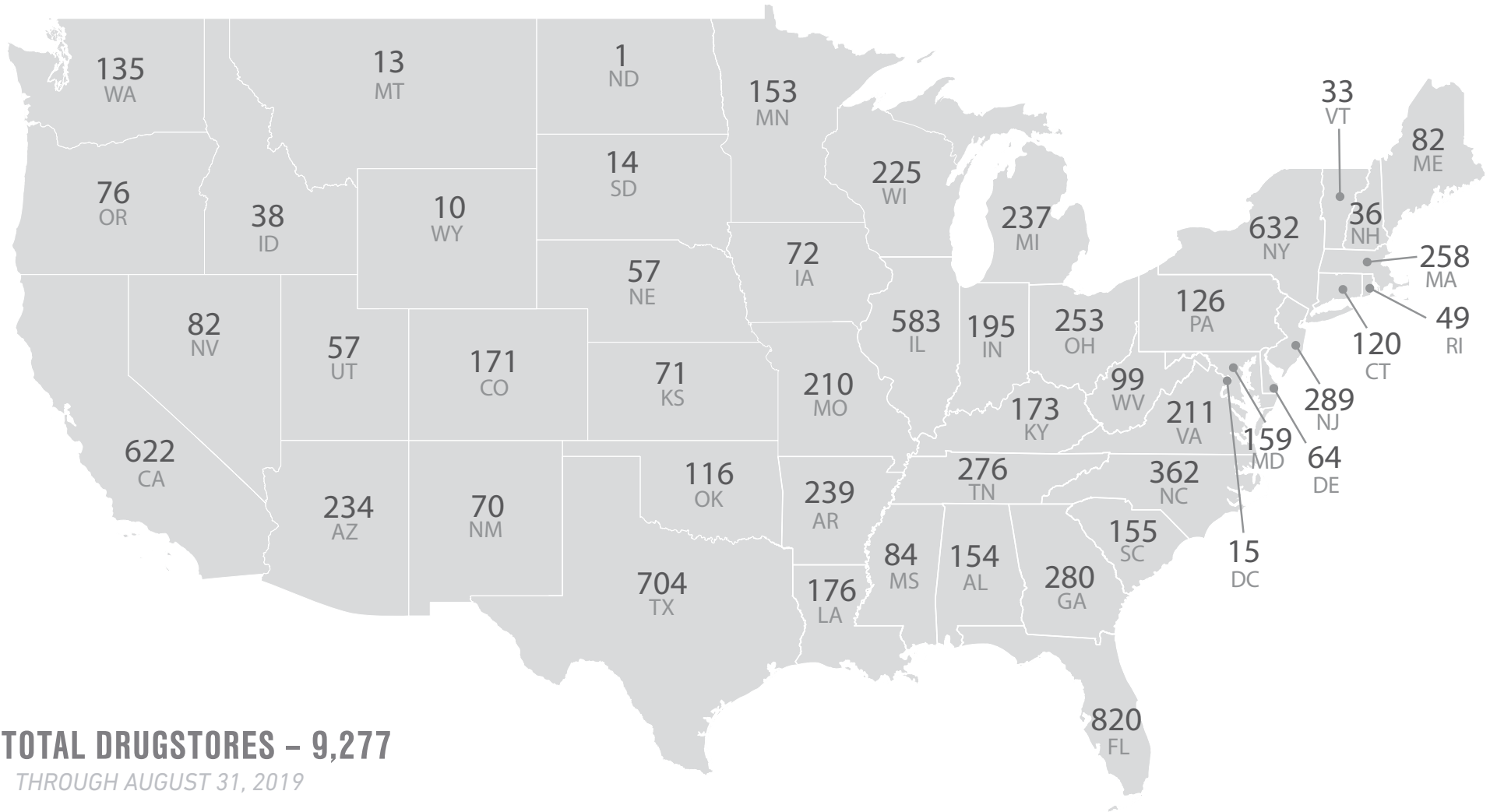
We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

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WALGREENS DRUGSTORES NATIONWIDE BY STATE



TOTAL DRUGSTORES – 9,277

THROUGH AUGUST 31, 2019

Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

Note: Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

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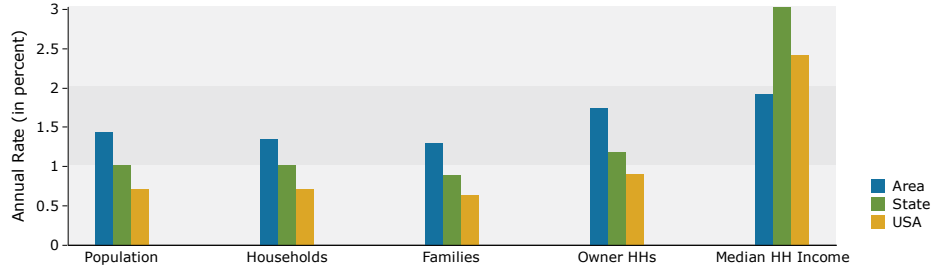
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1-Mile DEMOGRAPHICS

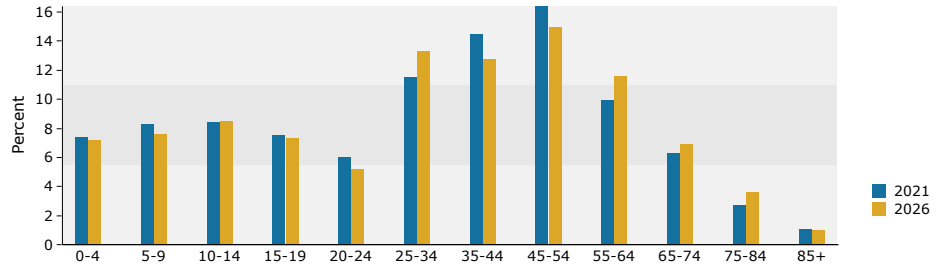
Summary		Census 2010		2021		2026	
Population		9,107		10,754		11,549	
Households		3,327		3,854		4,121	
Families		2,364		2,714		2,897	
Average Household Size		2.74		2.79		2.80	
Owner Occupied Housing Units		2,193		2,605		2,840	
Renter Occupied Housing Units		1,134		1,249		1,281	
Median Age		34.0		35.7		35.7	
Trends: 2021-2026 Annual Rate		Area		State		National	
Population		1.44%		1.02%		0.71%	
Households		1.35%		1.02%		0.71%	
Families		1.31%		0.90%		0.64%	
Owner HHs		1.74%		1.18%		0.91%	
Median Household Income		1.92%		3.03%		2.41%	
Households by Income				2021		2026	
				Number	Percent	Number	Percent
<\$15,000				204	5.3%	157	3.8%
\$15,000 - \$24,999				158	4.1%	109	2.6%
\$25,000 - \$34,999				173	4.5%	117	2.8%
\$35,000 - \$49,999				218	5.7%	212	5.1%
\$50,000 - \$74,999				669	17.4%	692	16.8%
\$75,000 - \$99,999				435	11.3%	401	9.7%
\$100,000 - \$149,999				958	24.9%	1,063	25.8%
\$150,000 - \$199,999				520	13.5%	721	17.5%
\$200,000+				518	13.4%	648	15.7%
Median Household Income				\$102,222		\$112,427	
Average Household Income				\$120,602		\$138,029	
Per Capita Income				\$43,618		\$49,677	
		Census 2010		2021		2026	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		803	8.8%	797	7.4%	830	7.2%
5 - 9		878	9.6%	891	8.3%	882	7.6%
10 - 14		857	9.4%	907	8.4%	979	8.5%
15 - 19		532	5.8%	803	7.5%	848	7.3%
20 - 24		359	3.9%	648	6.0%	601	5.2%
25 - 34		1,271	14.0%	1,233	11.5%	1,534	13.3%
35 - 44		1,807	19.8%	1,562	14.5%	1,468	12.7%
45 - 54		1,090	12.0%	1,763	16.4%	1,733	15.0%
55 - 64		721	7.9%	1,060	9.9%	1,343	11.6%
65 - 74		403	4.4%	675	6.3%	798	6.9%
75 - 84		232	2.5%	295	2.7%	411	3.6%
85+		154	1.7%	119	1.1%	121	1.0%
		Census 2010		2021		2026	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		7,927	87.0%	8,923	83.0%	9,314	80.6%
Black Alone		83	0.9%	132	1.2%	167	1.4%
American Indian Alone		51	0.6%	58	0.5%	63	0.5%
Asian Alone		366	4.0%	642	6.0%	816	7.1%
Pacific Islander Alone		28	0.3%	35	0.3%	41	0.4%
Some Other Race Alone		303	3.3%	427	4.0%	500	4.3%
Two or More Races		350	3.8%	537	5.0%	648	5.6%
Hispanic Origin (Any Race)		745	8.2%	1,039	9.7%	1,223	10.6%

Map: Trends is expressed in percent dollars

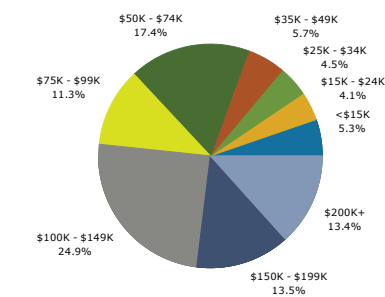
Trends 2021-2026



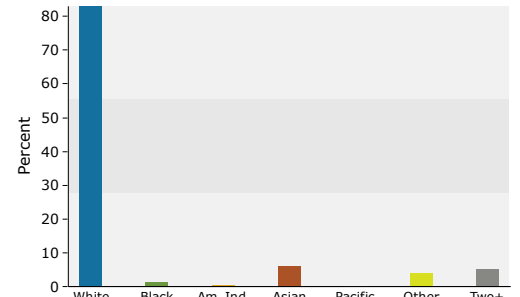
Population by Age



2021 Household Income



2021 Population by Race



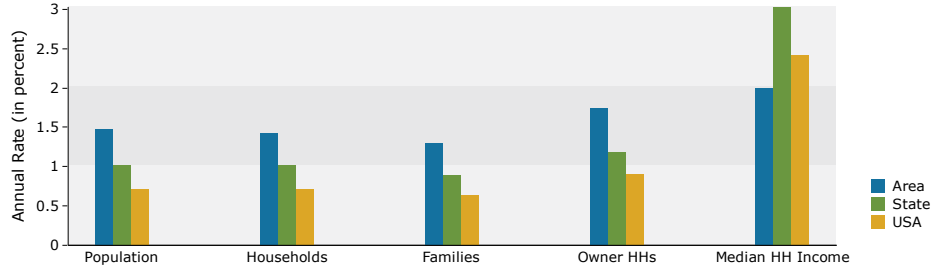
2021 Percent Hispanic Origin: 9.7%

3-Mile DEMOGRAPHICS

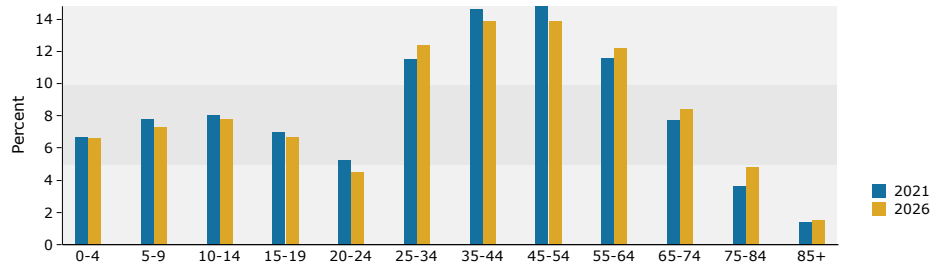
Summary	Census 2010		2021		2026	
Population	28,571		33,340		35,860	
Households	10,399		11,957		12,837	
Families	7,780		8,760		9,348	
Average Household Size	2.74		2.78		2.79	
Owner Occupied Housing Units	7,720		8,970		9,779	
Renter Occupied Housing Units	2,679		2,987		3,057	
Median Age	35.9		37.6		38.4	
Trends: 2021-2026 Annual Rate	Area		State		National	
Population	1.47%		1.02%		0.71%	
Households	1.43%		1.02%		0.71%	
Families	1.31%		0.90%		0.64%	
Owner HHs	1.74%		1.18%		0.91%	
Median Household Income	2.00%		3.03%		2.41%	
Households by Income			2021			2026
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	577	4.8%	464	3.6%		
\$15,000 - \$24,999	377	3.2%	271	2.1%		
\$25,000 - \$34,999	576	4.8%	435	3.4%		
\$35,000 - \$49,999	773	6.5%	682	5.3%		
\$50,000 - \$74,999	1,897	15.9%	1,927	15.0%		
\$75,000 - \$99,999	1,465	12.3%	1,491	11.6%		
\$100,000 - \$149,999	2,628	22.0%	2,913	22.7%		
\$150,000 - \$199,999	1,784	14.9%	2,321	18.1%		
\$200,000+	1,881	15.7%	2,332	18.2%		
Median Household Income	\$103,914		\$114,711			
Average Household Income	\$128,152		\$145,354			
Per Capita Income	\$45,583		\$51,585			
Census 2010						
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	2,207	7.7%	2,238	6.7%	2,352	6.6%
5 - 9	2,608	9.1%	2,596	7.8%	2,623	7.3%
10 - 14	2,611	9.1%	2,663	8.0%	2,804	7.8%
15 - 19	1,881	6.6%	2,337	7.0%	2,418	6.7%
20 - 24	1,089	3.8%	1,746	5.2%	1,614	4.5%
25 - 34	3,397	11.9%	3,836	11.5%	4,434	12.4%
35 - 44	5,221	18.3%	4,868	14.6%	4,990	13.9%
45 - 54	4,094	14.3%	4,945	14.8%	4,990	13.9%
55 - 64	2,807	9.8%	3,878	11.6%	4,380	12.2%
65 - 74	1,457	5.1%	2,564	7.7%	2,997	8.4%
75 - 84	793	2.8%	1,199	3.6%	1,713	4.8%
85+	407	1.4%	470	1.4%	546	1.5%
Census 2010						
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	24,874	87.1%	27,548	82.6%	28,755	80.2%
Black Alone	313	1.1%	528	1.6%	673	1.9%
American Indian Alone	138	0.5%	162	0.5%	180	0.5%
Asian Alone	1,176	4.1%	2,095	6.3%	2,677	7.5%
Pacific Islander Alone	97	0.3%	122	0.4%	141	0.4%
Some Other Race Alone	897	3.1%	1,264	3.8%	1,484	4.1%
Two or More Races	1,076	3.8%	1,621	4.9%	1,951	5.4%
Hispanic Origin (Any Race)	2,305	8.1%	3,230	9.7%	3,820	10.7%

Notes: Totals may not equal 100% due to rounding.

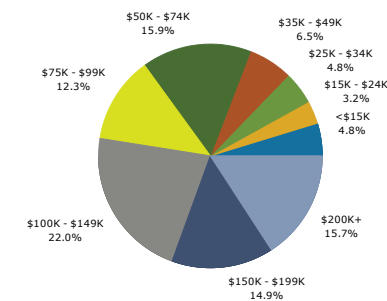
Trends 2021-2026



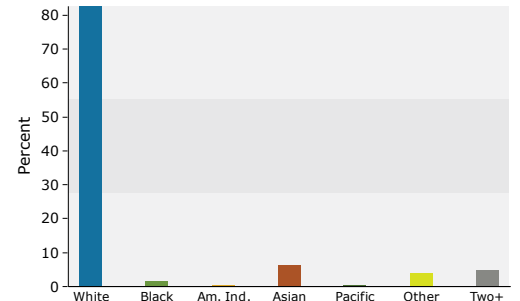
Population by Age



2021 Household Income



2021 Population by Race



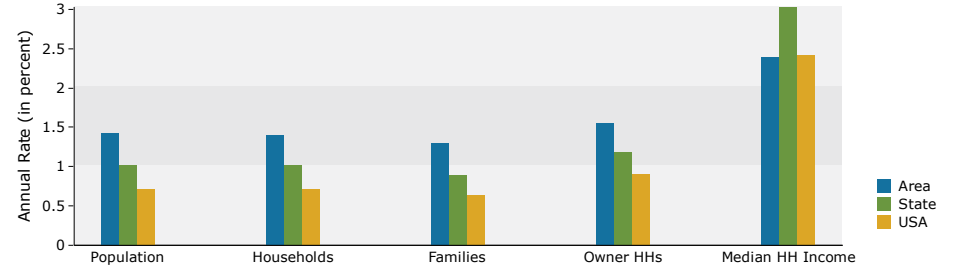
2021 Percent Hispanic Origin: 9.7%

5-Mile DEMOGRAPHICS

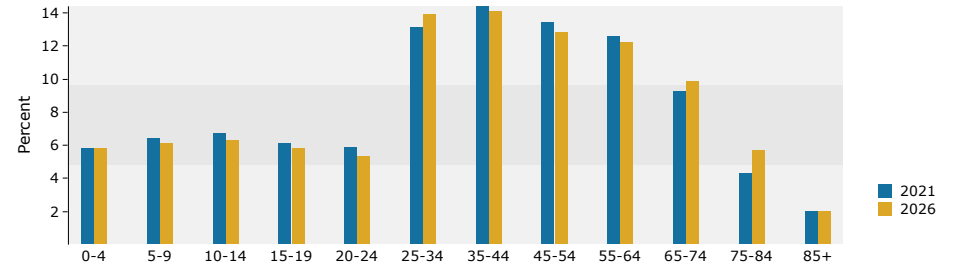
Summary	Census 2010		2021		2026	
Population	99,123		115,662		124,163	
Households	37,944		43,848		46,996	
Families	25,835		29,373		31,343	
Average Household Size	2.57		2.60		2.60	
Owner Occupied Housing Units	25,543		30,325		32,772	
Renter Occupied Housing Units	12,401		13,522		14,224	
Median Age	37.2		39.0		39.7	
Trends: 2021-2026 Annual Rate	Area		State		National	
Population	1.43%		1.02%		0.71%	
Households	1.40%		1.02%		0.71%	
Families	1.31%		0.90%		0.64%	
Owner HHs	1.56%		1.18%		0.91%	
Median Household Income	2.39%		3.03%		2.41%	
Households by Income			2021		2026	
			Number	Percent	Number	Percent
	<\$15,000		2,796	6.4%	2,410	5.1%
	\$15,000 - \$24,999		1,891	4.3%	1,567	3.3%
	\$25,000 - \$34,999		2,513	5.7%	2,167	4.6%
	\$35,000 - \$49,999		3,350	7.6%	2,909	6.2%
	\$50,000 - \$74,999		6,729	15.3%	6,598	14.0%
	\$75,000 - \$99,999		5,472	12.5%	5,677	12.1%
	\$100,000 - \$149,999		8,916	20.3%	10,261	21.8%
	\$150,000 - \$199,999		6,075	13.9%	7,903	16.8%
\$200,000+		6,106	13.9%	7,505	16.0%	
Median Household Income			\$95,317		\$107,271	
Average Household Income			\$119,973		\$136,048	
Per Capita Income			\$45,699		\$51,712	
	Census 2010		2021		2026	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	6,560	6.6%	6,751	5.8%	7,226	5.8%
5 - 9	7,335	7.4%	7,411	6.4%	7,631	6.1%
10 - 14	7,555	7.6%	7,721	6.7%	7,868	6.3%
15 - 19	6,363	6.4%	7,101	6.1%	7,182	5.8%
20 - 24	4,935	5.0%	6,791	5.9%	6,521	5.3%
25 - 34	13,356	13.5%	15,184	13.1%	17,308	13.9%
35 - 44	15,833	16.0%	16,701	14.4%	17,487	14.1%
45 - 54	14,809	14.9%	15,469	13.4%	15,877	12.8%
55 - 64	11,347	11.4%	14,630	12.6%	15,164	12.2%
65 - 74	5,747	5.8%	10,701	9.3%	12,344	9.9%
75 - 84	3,454	3.5%	4,932	4.3%	7,022	5.7%
85+	1,829	1.8%	2,269	2.0%	2,532	2.0%
	Census 2010		2021		2026	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	82,383	83.1%	90,335	78.1%	93,561	75.4%
Black Alone	1,398	1.4%	2,237	1.9%	2,786	2.2%
American Indian Alone	623	0.6%	720	0.6%	775	0.6%
Asian Alone	6,030	6.1%	10,372	9.0%	13,080	10.5%
Pacific Islander Alone	515	0.5%	625	0.5%	709	0.6%
Some Other Race Alone	4,364	4.4%	5,722	4.9%	6,511	5.2%
Two or More Races	3,811	3.8%	5,652	4.9%	6,741	5.4%
Hispanic Origin (Any Race)	9,915	10.0%	13,155	11.4%	15,190	12.2%

Notes: Totals may not equal 100% due to rounding.

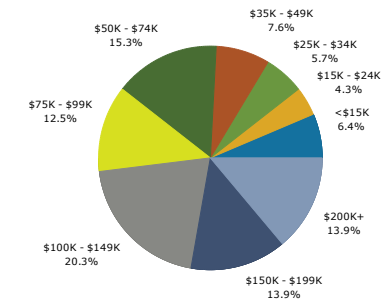
Trends 2021-2026



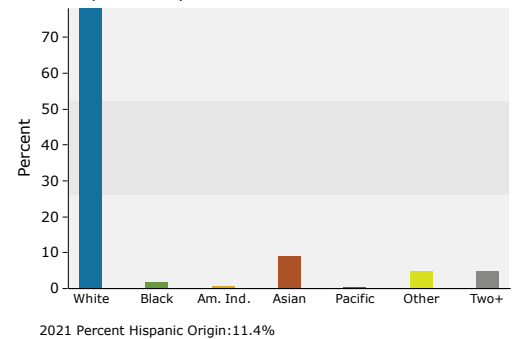
Population by Age



2021 Household Income



2021 Population by Race



John Giordani

Partner

loopnet@deerfieldteam.com

888-434-9701

Arthur Griffith

Partner

loopnet@deerfieldteam.com

888-434-9701

Deerfield Partners

201 Mission Street

12th Floor

San Francisco, CA 94105

deerfieldteam.com

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All information provided is deemed reliable, but is not guaranteed and should be independently verified.