



12+ Year NNN Walgreens - Strong Store - Recent Lease Extension

- Absolute Net Lease - Zero Landlord Responsibilities
- Strong Store - Reported Sales Over \$3mm
- Preferred Five Year Option Structure
- Hard Corner Location With Drive-Thru
- Full Walgreens Corporate Guaranty

Walgreens

📍 REDMOND, OR

\$7,422,680

4.85% CAP

📞 (888) 434-9701
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John Giordani
Art Griffith



DeerfieldPartners
The Drugstore Experts

INVESTMENT SUMMARY

1450 S HIGHWAY 97 | REDMOND, OR 97756

WALGREENS #7971

\$7,422,680

PRICE

4.85%

CAP

\$360,000

ANNUAL RENT

12.5

YRS. REMAINING

This is an excellent opportunity for an investor to acquire a Walgreens property in one of the hottest areas on the whole West Coast. Central Oregon is anchored by the award winning towns of Bend and Redmond with the entire area experiencing an almost unbelievable amount of growth. Central Oregon provides a unique mix of recreational and lifestyle amenities and has become arguably the number one destination for anyone West of Denver, relocating out of urban areas in the post COVID world. This successful freestanding Walgreens store is strategically located in one of the highest profile corridors in the region. With a full Walgreens Guaranty, the preferred five year options structure - this asset makes an ideal 1031 for any savvy investor.



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OUTSTANDING LOCATION IN THE WALGREENS CHAIN

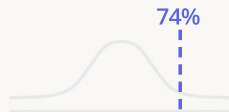
- #2 Walgreens in Redmond
- #19 Walgreens in entire state of Oregon
- Top 26% of all 7,000+ Walgreens stores in the nation

Ranking Overview - Chain

● Walgreens / S Highway 97

United States

1,975 / 7,674



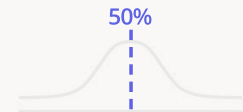
Oregon

19 / 69



Local (15 mi)

2 / 2



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PROPERTY OVERVIEW



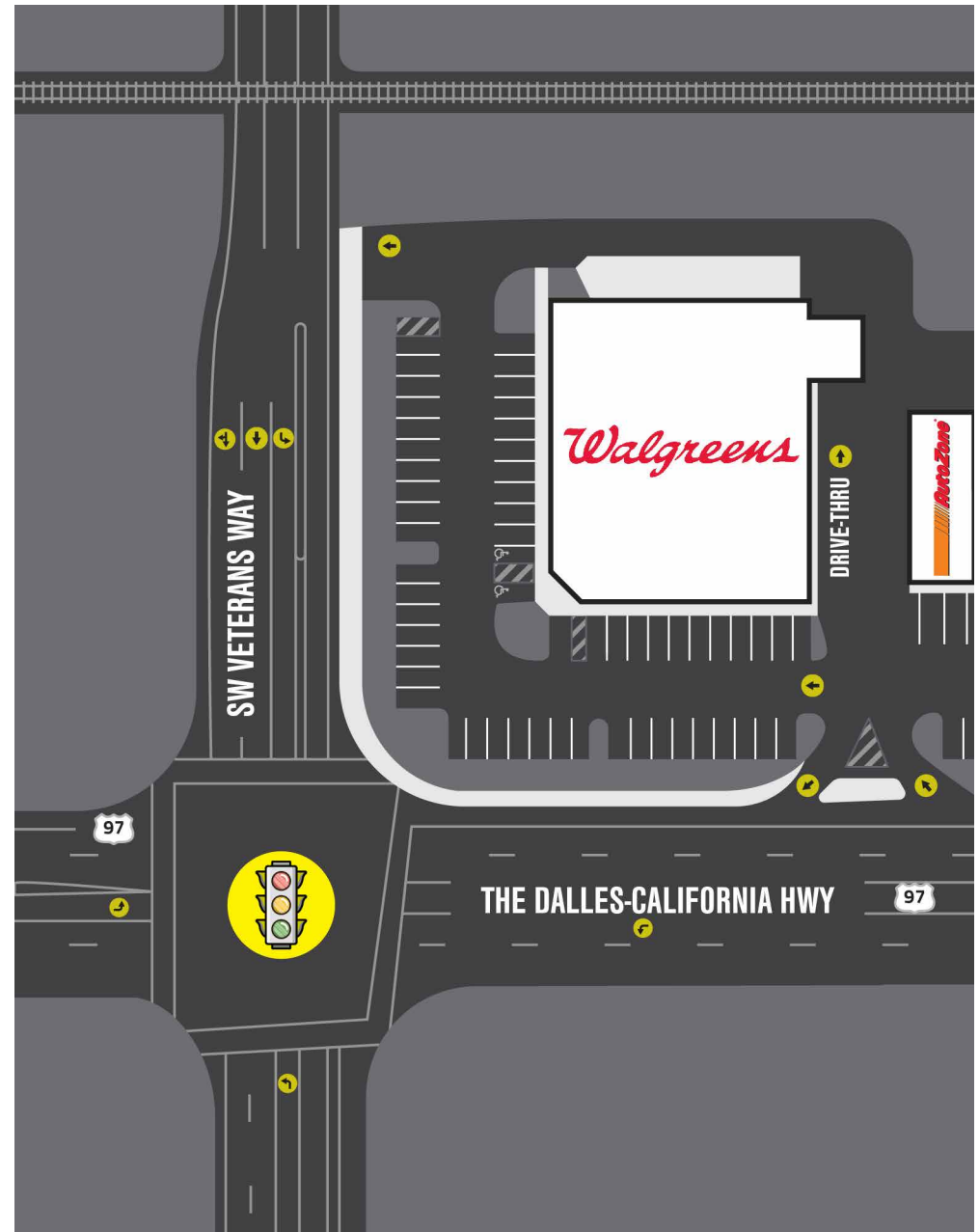
PROPERTY DETAILS

Address: 1450 S Highway 97
Year Built: 2004
Building Size: 14,479 Square Feet
Lot Size: 1.25 Acres
Tenant: Walgreens



LEASE SUMMARY

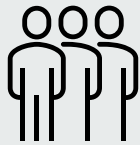
Lease Type: NNN
Landlord Responsibilities: None
Rent Start Date: 10/2/2004
Firm Term End Date: 10/31/2034
Termination Options: 10 x 5 year



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DEMOGRAPHICS



POPULATION

1 Mile	3 Mile	5 Mile
5,383	33,988	39,383



AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$58,224	\$73,961	\$77,461



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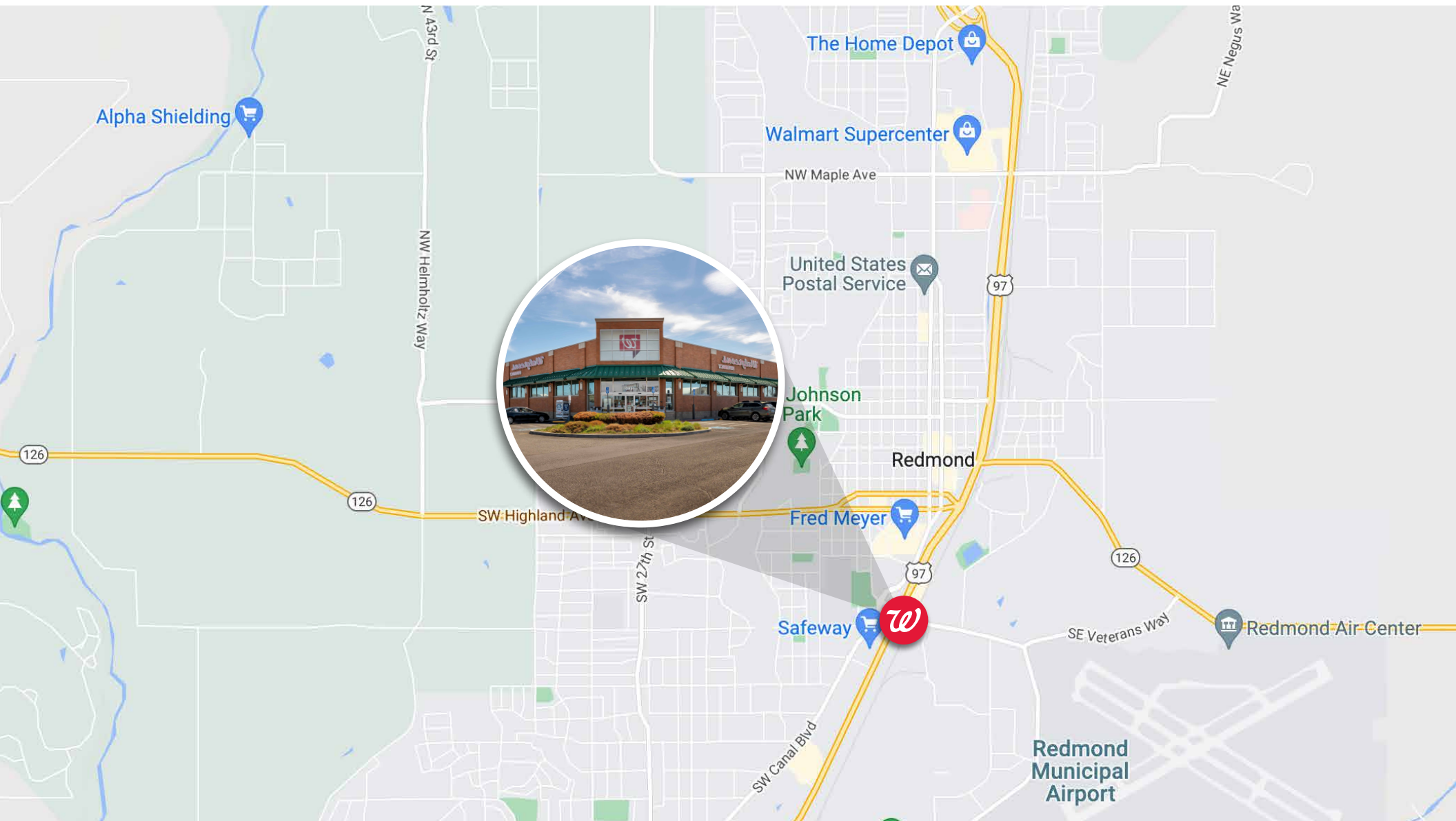


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REGIONAL OVERVIEW



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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.

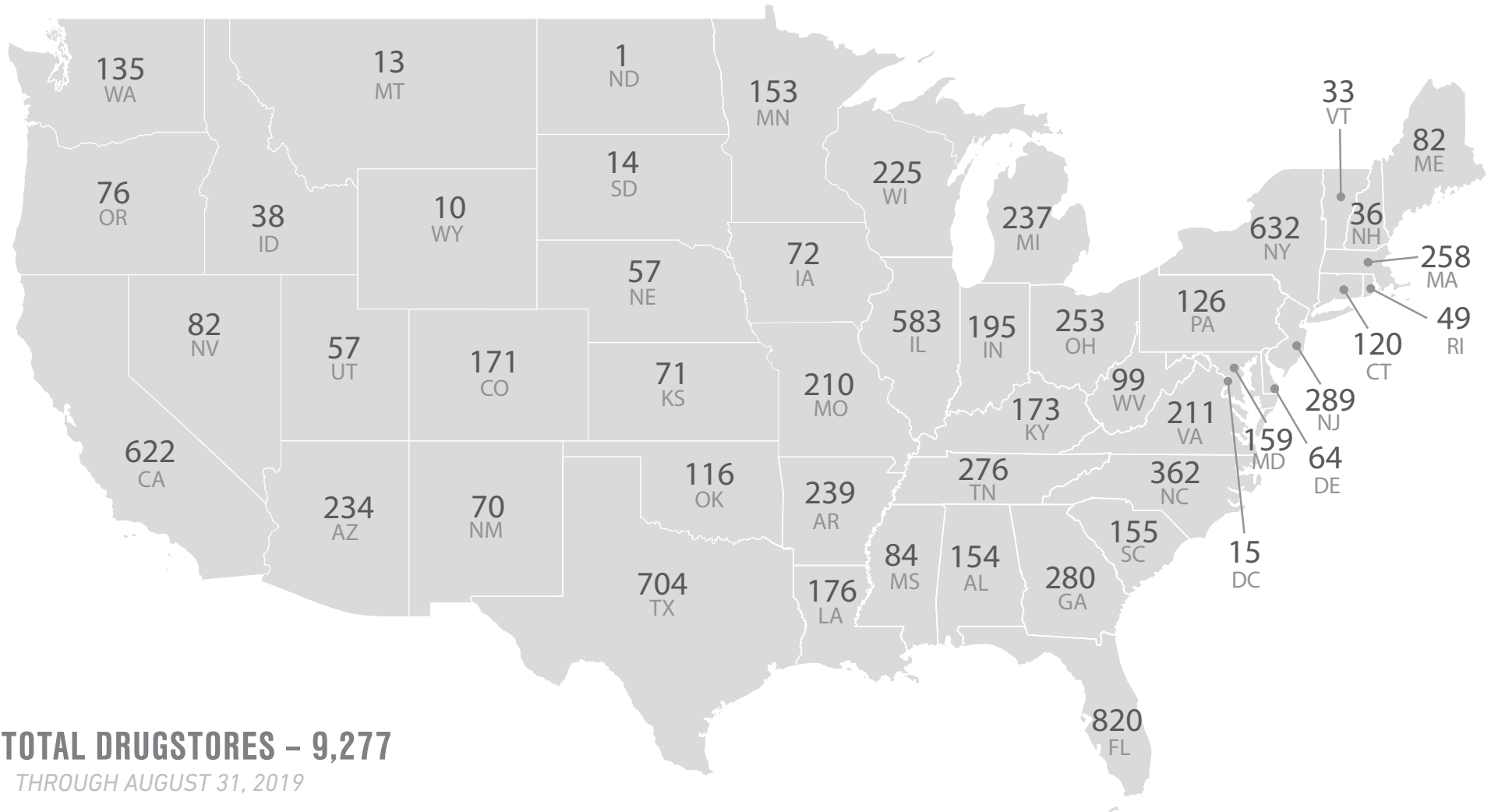
We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

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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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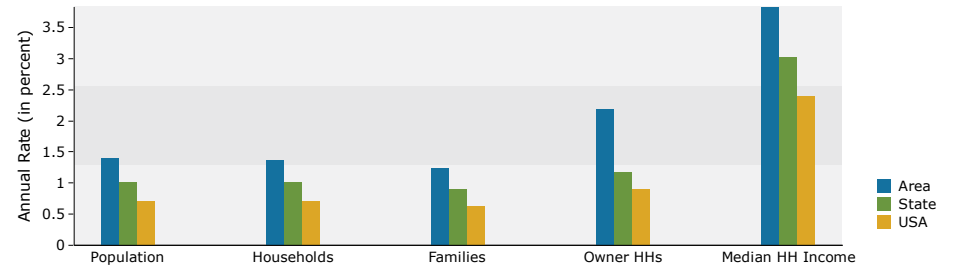
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1-Mile DEMOGRAPHICS

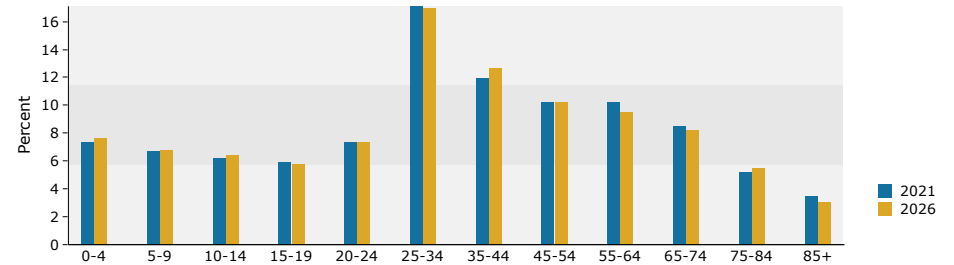
Summary		Census 2010		2021		2026	
Population		4,591		5,383		5,771	
Households		1,890		2,213		2,370	
Families		1,144		1,303		1,386	
Average Household Size		2.37		2.38		2.38	
Owner Occupied Housing Units		745		1,058		1,179	
Renter Occupied Housing Units		1,145		1,155		1,192	
Median Age		34.4		34.7		34.5	
Trends: 2021-2026 Annual Rate		Area		State		National	
Population		1.40%		1.02%		0.71%	
Households		1.38%		1.02%		0.71%	
Families		1.24%		0.90%		0.64%	
Owner HHs		2.19%		1.18%		0.91%	
Median Household Income		3.83%		3.03%		2.41%	
Households by Income				2021		2026	
				Number	Percent	Number	Percent
<\$15,000				355	16.0%	330	13.9%
\$15,000 - \$24,999				210	9.5%	196	8.3%
\$25,000 - \$34,999				388	17.5%	365	15.4%
\$35,000 - \$49,999				224	10.1%	206	8.7%
\$50,000 - \$74,999				407	18.4%	433	18.3%
\$75,000 - \$99,999				297	13.4%	365	15.4%
\$100,000 - \$149,999				171	7.7%	232	9.8%
\$150,000 - \$199,999				149	6.7%	224	9.5%
\$200,000+				14	0.6%	19	0.8%
Median Household Income				\$44,422		\$53,618	
Average Household Income				\$58,224		\$68,201	
Per Capita Income				\$23,444		\$27,433	
		Census 2010		2021		2026	
Population by Age		Number	Percent	Number	Percent	Number	Percent
0 - 4		362	7.9%	392	7.3%	436	7.6%
5 - 9		320	7.0%	363	6.7%	391	6.8%
10 - 14		291	6.3%	332	6.2%	367	6.4%
15 - 19		319	6.9%	319	5.9%	336	5.8%
20 - 24		367	8.0%	392	7.3%	424	7.3%
25 - 34		672	14.6%	920	17.1%	983	17.0%
35 - 44		581	12.7%	641	11.9%	729	12.6%
45 - 54		556	12.1%	548	10.2%	591	10.2%
55 - 64		459	10.0%	550	10.2%	549	9.5%
65 - 74		271	5.9%	455	8.5%	475	8.2%
75 - 84		222	4.8%	282	5.2%	315	5.5%
85+		171	3.7%	189	3.5%	173	3.0%
		Census 2010		2021		2026	
Race and Ethnicity		Number	Percent	Number	Percent	Number	Percent
White Alone		4,038	87.9%	4,612	85.7%	4,873	84.4%
Black Alone		14	0.3%	25	0.5%	32	0.6%
American Indian Alone		74	1.6%	79	1.5%	82	1.4%
Asian Alone		30	0.7%	50	0.9%	61	1.1%
Pacific Islander Alone		7	0.2%	8	0.1%	10	0.2%
Some Other Race Alone		292	6.4%	403	7.5%	465	8.1%
Two or More Races		137	3.0%	205	3.8%	248	4.3%
Hispanic Origin (Any Race)		623	13.6%	852	15.8%	1,005	17.4%

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

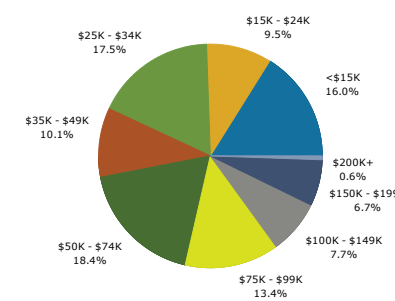
Trends 2021-2026



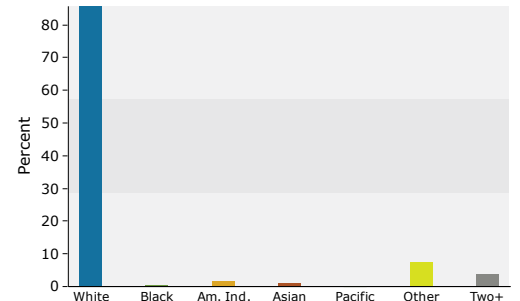
Population by Age



2021 Household Income



2021 Population by Race



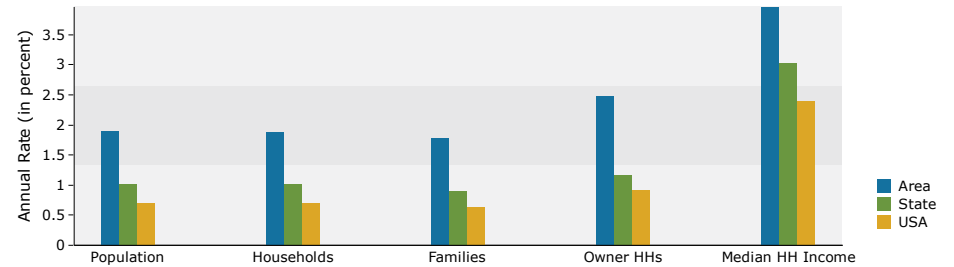
2021 Percent Hispanic Origin: 15.8%

3-Mile DEMOGRAPHICS

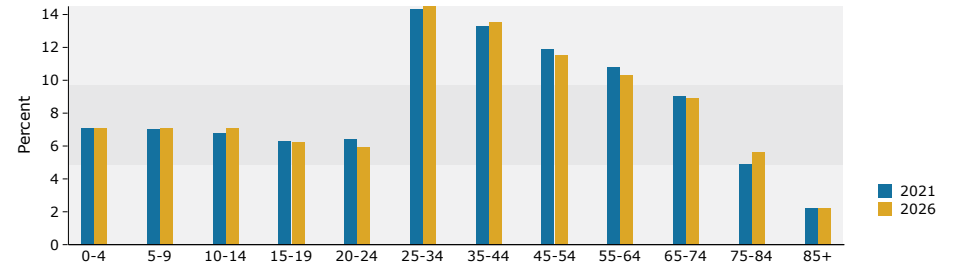
Summary	Census 2010	2021	2026			
Population	26,766	33,988	37,342			
Households	10,179	12,863	14,123			
Families	6,946	8,617	9,412			
Average Household Size	2.60	2.62	2.62			
Owner Occupied Housing Units	5,817	8,433	9,534			
Renter Occupied Housing Units	4,362	4,430	4,588			
Median Age	34.8	36.6	36.4			
Trends: 2021-2026 Annual Rate	Area	State	National			
Population	1.90%	1.02%	0.71%			
Households	1.89%	1.02%	0.71%			
Families	1.78%	0.90%	0.64%			
Owner HHs	2.48%	1.18%	0.91%			
Median Household Income	3.96%	3.03%	2.41%			
Households by Income	Number	Percent	Number	Percent		
	<\$15,000	1,248	9.7%	1,152	8.2%	
	\$15,000 - \$24,999	810	6.3%	713	5.0%	
	\$25,000 - \$34,999	1,179	9.2%	1,023	7.2%	
	\$35,000 - \$49,999	1,760	13.7%	1,482	10.5%	
	\$50,000 - \$74,999	2,269	17.6%	2,348	16.6%	
	\$75,000 - \$99,999	2,331	18.1%	2,811	19.9%	
	\$100,000 - \$149,999	2,427	18.9%	3,353	23.7%	
	\$150,000 - \$199,999	540	4.2%	824	5.8%	
	\$200,000+	299	2.3%	416	2.9%	
Median Household Income	\$63,555		\$77,174			
Average Household Income	\$73,961		\$86,128			
Per Capita Income	\$28,107		\$32,707			
Census 2010		2021	2026			
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	2,083	7.8%	2,400	7.1%	2,657	7.1%
5 - 9	2,041	7.6%	2,394	7.0%	2,652	7.1%
10 - 14	2,008	7.5%	2,308	6.8%	2,667	7.1%
15 - 19	1,793	6.7%	2,134	6.3%	2,333	6.2%
20 - 24	1,644	6.1%	2,163	6.4%	2,211	5.9%
25 - 34	3,872	14.5%	4,857	14.3%	5,430	14.5%
35 - 44	3,667	13.7%	4,533	13.3%	5,023	13.5%
45 - 54	3,309	12.4%	4,035	11.9%	4,289	11.5%
55 - 64	2,808	10.5%	3,671	10.8%	3,852	10.3%
65 - 74	1,836	6.9%	3,064	9.0%	3,314	8.9%
75 - 84	1,140	4.3%	1,673	4.9%	2,096	5.6%
85+	566	2.1%	754	2.2%	819	2.2%
Census 2010		2021	2026			
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	23,905	89.3%	29,693	87.4%	32,191	86.2%
Black Alone	99	0.4%	204	0.6%	272	0.7%
American Indian Alone	339	1.3%	393	1.2%	426	1.1%
Asian Alone	197	0.7%	355	1.0%	453	1.2%
Pacific Islander Alone	51	0.2%	68	0.2%	80	0.2%
Some Other Race Alone	1,389	5.2%	2,007	5.9%	2,348	6.3%
Two or More Races	786	2.9%	1,269	3.7%	1,572	4.2%
Hispanic Origin (Any Race)	3,203	12.0%	4,643	13.7%	5,602	15.0%

Notes: Totals are expressed in current dollars

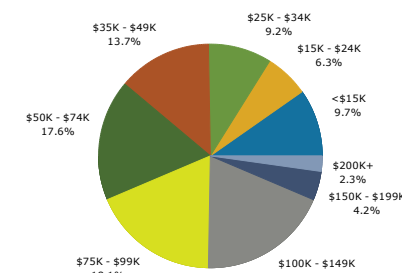
Trends 2021-2026



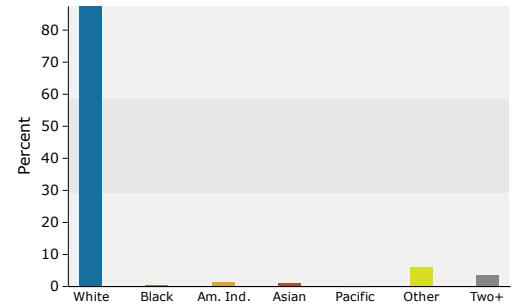
Population by Age



2021 Household Income



2021 Population by Race



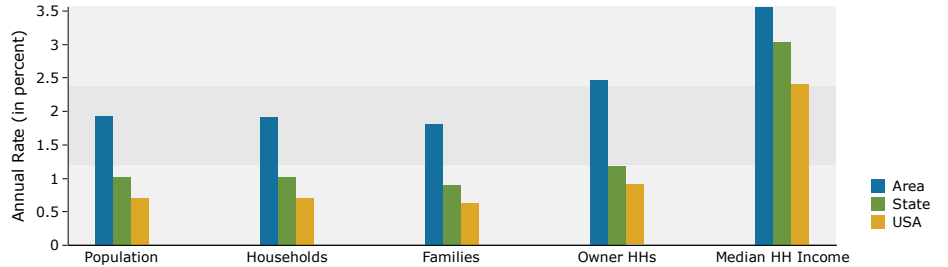
2021 Percent Hispanic Origin:13.7%

5-Mile DEMOGRAPHICS

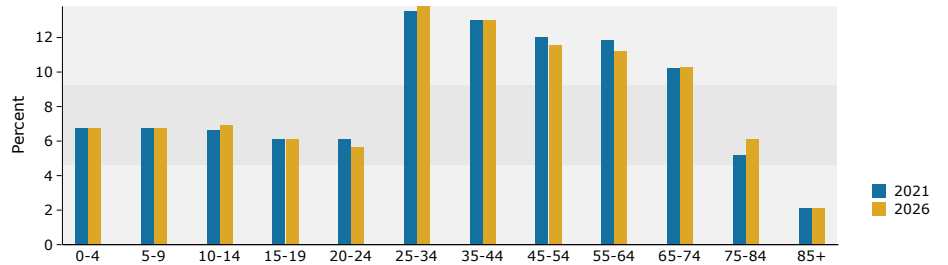
Summary		Census 2010		2021		2026	
Population		31,237		39,383		43,324	
Households		12,030		15,076		16,578	
Families		8,350		10,272		11,240	
Average Household Size		2.57		2.59		2.59	
Owner Occupied Housing Units		7,268		10,285		11,617	
Renter Occupied Housing Units		4,762		4,791		4,961	
Median Age		36.4		38.2		38.2	
Trends: 2021-2026 Annual Rate		Area		State		National	
Population		1.93%		1.02%		0.71%	
Households		1.92%		1.02%		0.71%	
Families		1.82%		0.90%		0.64%	
Owner HHs		2.47%		1.18%		0.91%	
Median Household Income		3.56%		3.03%		2.41%	
Households by Income				2021		2026	
				Number	Percent	Number	Percent
<\$15,000				1,396	9.3%	1,278	7.7%
\$15,000 - \$24,999				920	6.1%	796	4.8%
\$25,000 - \$34,999				1,295	8.6%	1,108	6.7%
\$35,000 - \$49,999				2,004	13.3%	1,675	10.1%
\$50,000 - \$74,999				2,621	17.4%	2,712	16.4%
\$75,000 - \$99,999				2,711	18.0%	3,269	19.7%
\$100,000 - \$149,999				2,952	19.6%	4,031	24.3%
\$150,000 - \$199,999				741	4.9%	1,116	6.7%
\$200,000+				435	2.9%	594	3.6%
Median Household Income				\$66,417		\$79,098	
Average Household Income				\$77,461		\$90,164	
Per Capita Income				\$29,629		\$34,470	
Population by Age		Census 2010		2021		2026	
		Number	Percent	Number	Percent	Number	Percent
0 - 4		2,296	7.4%	2,620	6.7%	2,903	6.7%
5 - 9		2,291	7.3%	2,640	6.7%	2,923	6.7%
10 - 14		2,305	7.4%	2,613	6.6%	2,991	6.9%
15 - 19		2,066	6.6%	2,409	6.1%	2,627	6.1%
20 - 24		1,802	5.8%	2,395	6.1%	2,423	5.6%
25 - 34		4,270	13.7%	5,304	13.5%	5,960	13.8%
35 - 44		4,205	13.5%	5,102	13.0%	5,645	13.0%
45 - 54		3,996	12.8%	4,731	12.0%	5,003	11.5%
55 - 64		3,604	11.5%	4,666	11.8%	4,853	11.2%
65 - 74		2,399	7.7%	4,022	10.2%	4,443	10.3%
75 - 84		1,372	4.4%	2,035	5.2%	2,623	6.1%
85+		632	2.0%	845	2.1%	931	2.1%
Race and Ethnicity		Census 2010		2021		2026	
		Number	Percent	Number	Percent	Number	Percent
White Alone		28,111	90.0%	34,697	88.1%	37,687	87.0%
Black Alone		117	0.4%	237	0.6%	319	0.7%
American Indian Alone		368	1.2%	425	1.1%	461	1.1%
Asian Alone		227	0.7%	406	1.0%	520	1.2%
Pacific Islander Alone		57	0.2%	75	0.2%	89	0.2%
Some Other Race Alone		1,486	4.8%	2,142	5.4%	2,510	5.8%
Two or More Races		871	2.8%	1,400	3.6%	1,739	4.0%
Hispanic Origin (Any Race)		3,451	11.0%	4,983	12.7%	6,019	13.9%

- *Note: Totals are expressed in nearest dollars

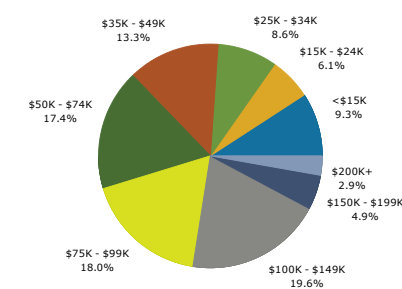
Trends 2021-2026



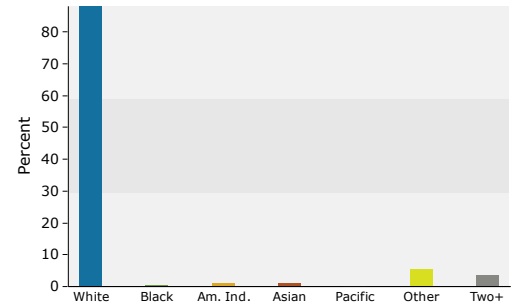
Population by Age



2021 Household Income



2021 Population by Race



2021 Percent Hispanic Origin:12.7%

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