



NEW 13 YEAR ABSOLUTE NNN LEASE | RARE 5% RENT INCREASES EVERY 5 YEARS  
**WALGREENS PHARMACY**  
**TACOMA, WASHINGTON**

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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**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.

## 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.

## 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.

## 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.

## SYNERGISTIC RETAIL LOCATION WITH EXCELLENT TRAFFIC COUNTS

The subject property is situated near the 4-way signalized corner of Pacific Avenue South (40,095 VPD) and Military Road South (17,326 VPD). It is adjacent to an Albertson's grocery store and across the street from Home Depot. The property has excellent access and visibility from both Pacific Avenue South and Military Road South. There are an abundance of national retailers, recreational facilities, schools, and residential neighborhoods surrounding the subject. The property is across the street from the Lake Spanaway Golf Course and just north is the Sprinker Recreation Center. National retailers in the immediate trade area include The Home Depot, Safeway, Starbucks, US Bank, Tractor Supply, O'Reilly Auto Parts, Dollar Tree, Papa John's, Popeye's, Firestone Complete Auto Care, Arby's, Wells Fargo, McDonald's, and many more.



(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](http://www.walgreensbootsalliance.com)

# OFFERING HIGHLIGHTS<sup>1</sup>

## WALGREENS

15225 PACIFIC AVENUE S  
TACOMA, WASHINGTON 98444

Net Operating Income \$378,000

Lease Type Absolute NNN

Lease Term 13 Years

Lease Commencement 2/1/2022

Lease Expiration Date 2/28/2035

Year Built 2000<sup>1</sup>

Rentable Area 15,120 SF<sup>1</sup>

Lot Size 1.28 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>

For questions on financing contact:

Chris Marks

Marcus & Millichap Capital Corporation

212.430.5173 direct

[cmarks@marcusmillichap.com](mailto:cmarks@marcusmillichap.com)

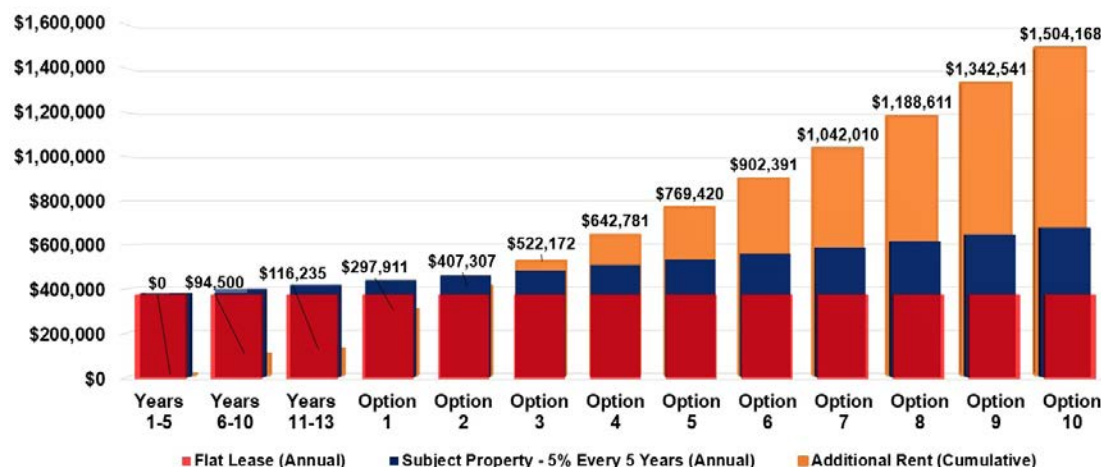
### OFFERING PRICE

# \$8,400,000

### CAP RATE

# 4.50%

### ADDITIONAL RENT COMPARISON SUBJECT PROPERTY VS. HISTORICAL FLAT LEASE<sup>3</sup> 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

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# TENANT OVERVIEW<sup>1</sup>



Walgreens Boots Alliance

## 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

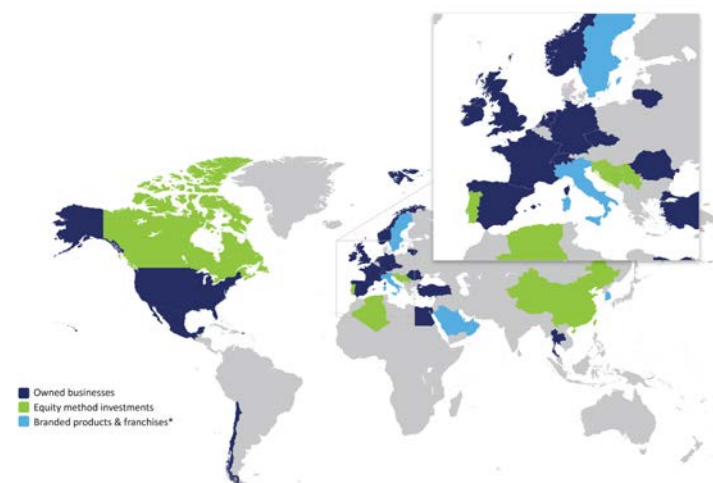
United States  
International



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)

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# LOCATION OVERVIEW

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# LOCATION OVERVIEW<sup>1</sup>



**ADJACENT TO  
AN ALBERTSONS  
GROCERY STORE**

**EXCELLENT VISIBILITY  
ALONG PACIFIC AVE S  
WITH 40,095 VPD**

**ACROSS FROM  
LAKE SPANAWAY  
GOLF COURSE AND THE  
SPRINKER RECREATION  
CENTER**

**164,273 5-MILE POP  
WITH AVG. HHI OF  
\$86,814 IN A 3-MILE**

## SEATTLE-TACOMA-BELLEVUE MSA WITH OVER 4M RESIDENTS

Tacoma is the county seat of Pierce County and part of the Seattle-Tacoma-Bellevue MSA with more than 4,000,000 residents as of 2020. Tacoma is the third largest city in the state of Washington. The city is home to several international companies including True Blue Inc. (labor agency), Simpson (lumber), Roman Meal (food industry) and Brown & Haley (food industry). Tacoma is also home to the Joint Base Lewis-McChord, a U.S. military installation for the United States Army and Air Force. The facility serves as a training and mobilization center for all services and is the only Army projection base west of the Rocky Mountains. The military base is the largest employer in the region with 54,000 employees. Other top employers in the region include MultiCare Health System (8,264 employee), CHI Franciscan Health (5,682 employees) and Safeway-Albertsons (2,153 employees).

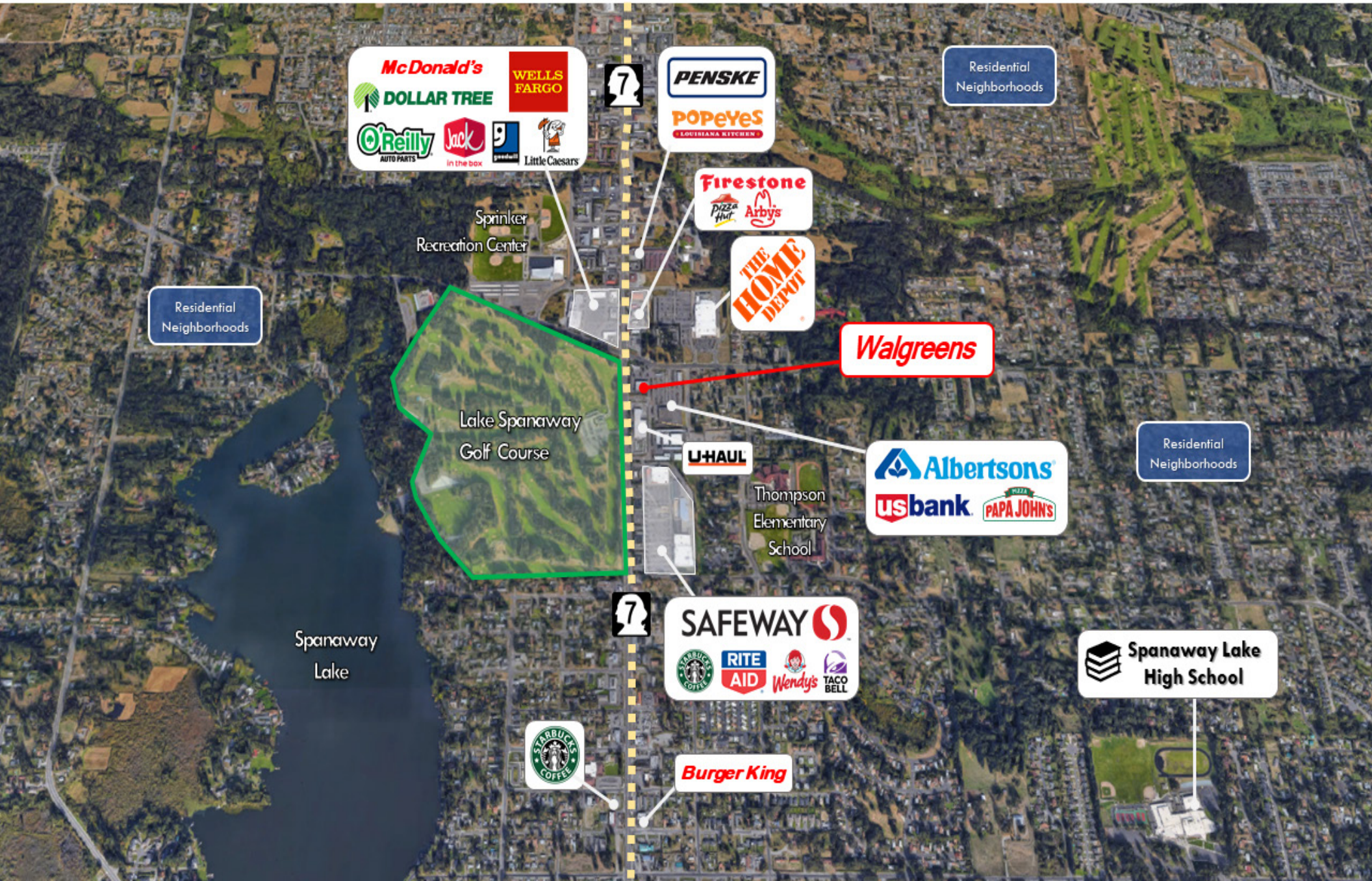
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# AERIAL OVERVIEW



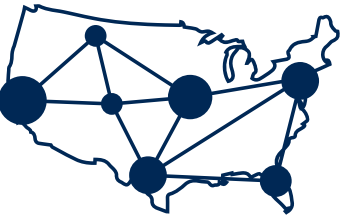


# AERIAL OVERVIEW





# DEMOGRAPHICS<sup>1</sup>



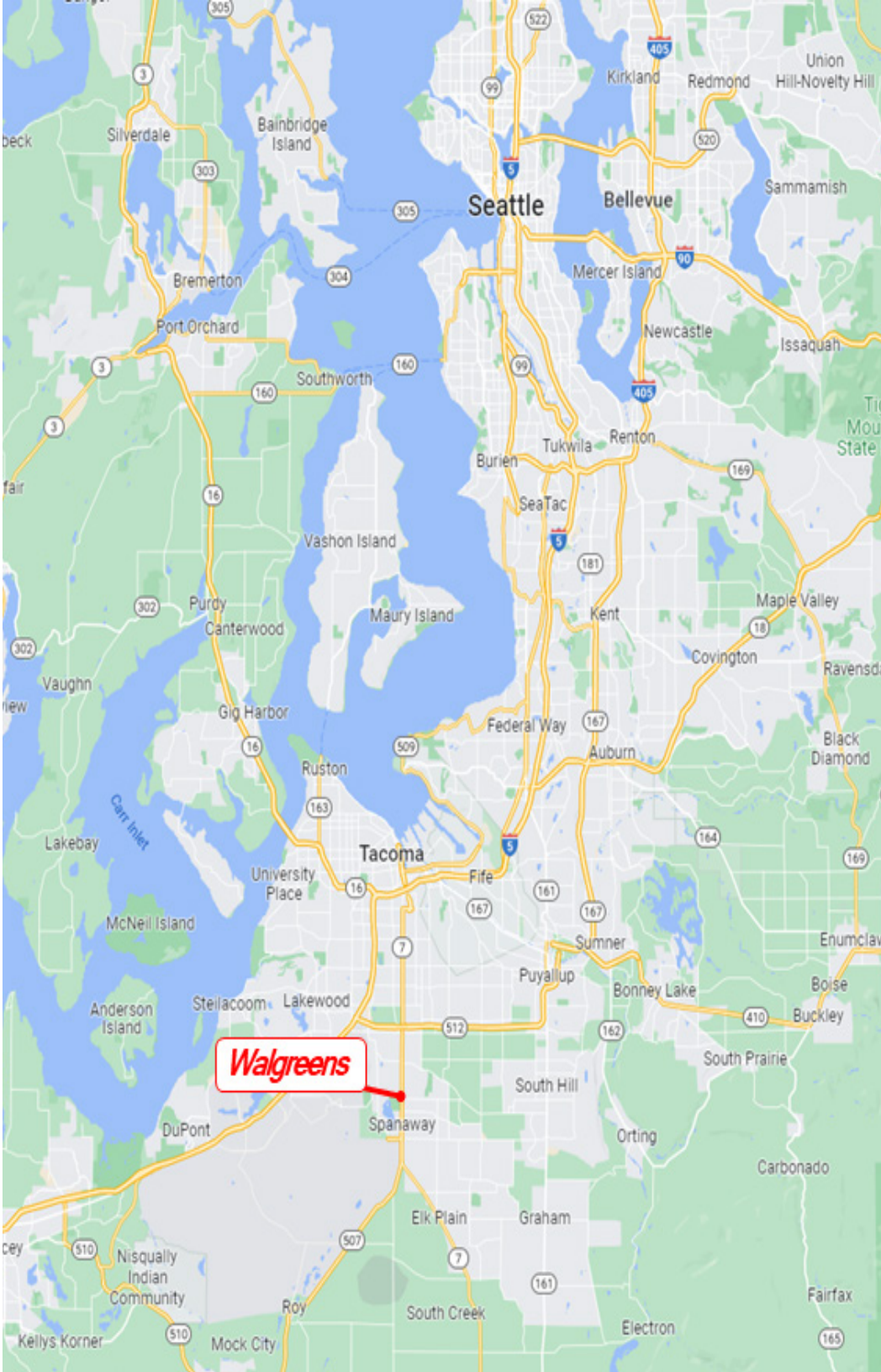
## HOUSEHOLD INCOME

YEAR 2021	1 MILE	3 MILES	5 MILES
AVERAGE	\$76,282	\$86,814	\$80,213
MEDIAN	\$61,387	\$72,606	\$64,911

## POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2026 Projection Total Population	8,796	70,636	173,617
2021 Census Total Population	8,561	66,954	164,273
2010 Census Total Population	7,946	58,408	142,945

Sources: Marcus & Millichap Research Services, CoStar







# WALGREENS PHARMACY

## TACOMA, WASHINGTON

EXCLUSIVELY LISTED BY

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