



NEW 13 YEAR ABSOLUTE NNN LEASE | RARE 5% RENT INCREASES EVERY 5 YEARS
WALGREENS PHARMACY
VIRGINIA BEACH, VA

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

WALGREENS PHARMACY
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Marcus & Millichap

INVESTMENT OVERVIEW

WALGREENS PHARMACY

NEW 13-YEAR ABSOLUTE NNN LEASE | RARE 5% INCREASES EVERY 5-YEARS
LEASEHOLD INTEREST | AVAILABLE INDIVIDUALLY

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NEW 13-YEAR ABSOLUTE NNN LEASES | LEASEHOLD INTEREST

The subject properties operate under newly-signed 13-year Absolute NNN Leases with no landlord management or maintenance responsibilities whatsoever. The properties offer a rare opportunity for an investor to acquire the subject property improvements under a leasehold interest, which provides a significantly higher return compared to a traditional fee simple absolute NNN lease. Each property is subject to a ground lease (see Offering Highlights page for details).

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 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.

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 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.phoenixchamber.com

OFFERING HIGHLIGHTS¹ | 3965 HOLLAND RD, VIRGINIA BEACH, VA

WALGREENS

3965 HOLLAND RD
VIRGINIA BEACH, VIRGINIA 23452

Net Operating Income	\$156,902
Lease Type	Absolute NNN
Lease Term	13 Years
Lease Base Rent	\$300,750
Leasehold Commencement	2/1/2022
Leasehold Expiration Date	2/28/2035
Leasehold Primary Term Escala-	5% Every Five Years
Leasehold Options	(12) Five-Year Options
Ground Lease Commencement	10/1/1997
Ground Lease Expiration Date	10/31/2058
Ground Lease Years Remaining	37
Ground Lease Expense	\$143,848
Ground Lease Increases	10% IN 2027,2037,2047
Ground Lease Options	None
Year Built	1998 ¹
Rentable Area	12,030 SF ¹
Lot Size	1.51 Acres ¹
Tenant / Guarantor	Walgreens Co.
Right of First Refusal	Yes, Twenty (20) Days
Ownership	Leasehold Interest

OFFERING PRICE

\$2,241,457

CAP RATE

7.00%

DEMOGRAPHICS⁽⁴⁾

	1 MILE	3 MILES	5 MILES
2010 Census Total Population	21,556	138,187	267,221
2021 Census Total Population	21,670	142,692	274,533
2026 Projection Total Population	21,802	145,676	279,187
Median Household Income	\$69,563	\$73,327	\$77,657
Average Household Income	\$81,710	\$87,374	\$95,883



ACTUAL LOCATION

(1) Rentable Area, Lot Size, Guarantor, Lease Terms, Ground 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) 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.

(4) Sources: Marcus & Millichap Research Services, Costar

TENANT OVERVIEW

WALGREENS PHARMACY

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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

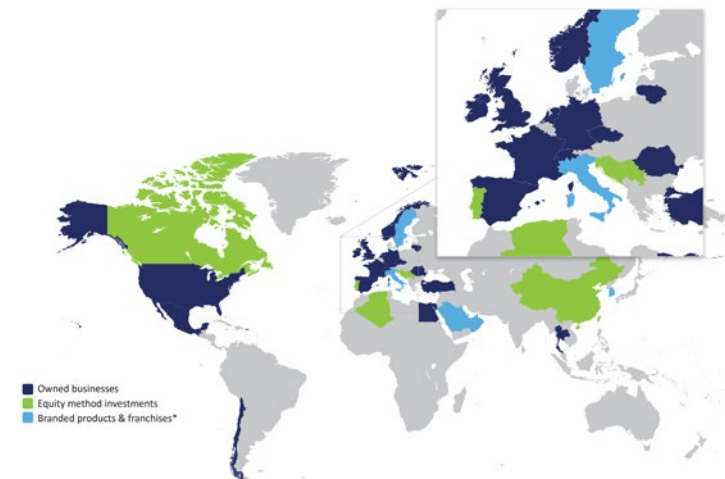


FY21 Sales
● United States
● International



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 & REGIONAL MAP | 3965 HOLLAND RD, VIRGINIA BEACH, VA

ADJACENT TO KROGER MARKETPLACE

4-WAY SIGNALIZED CORNER

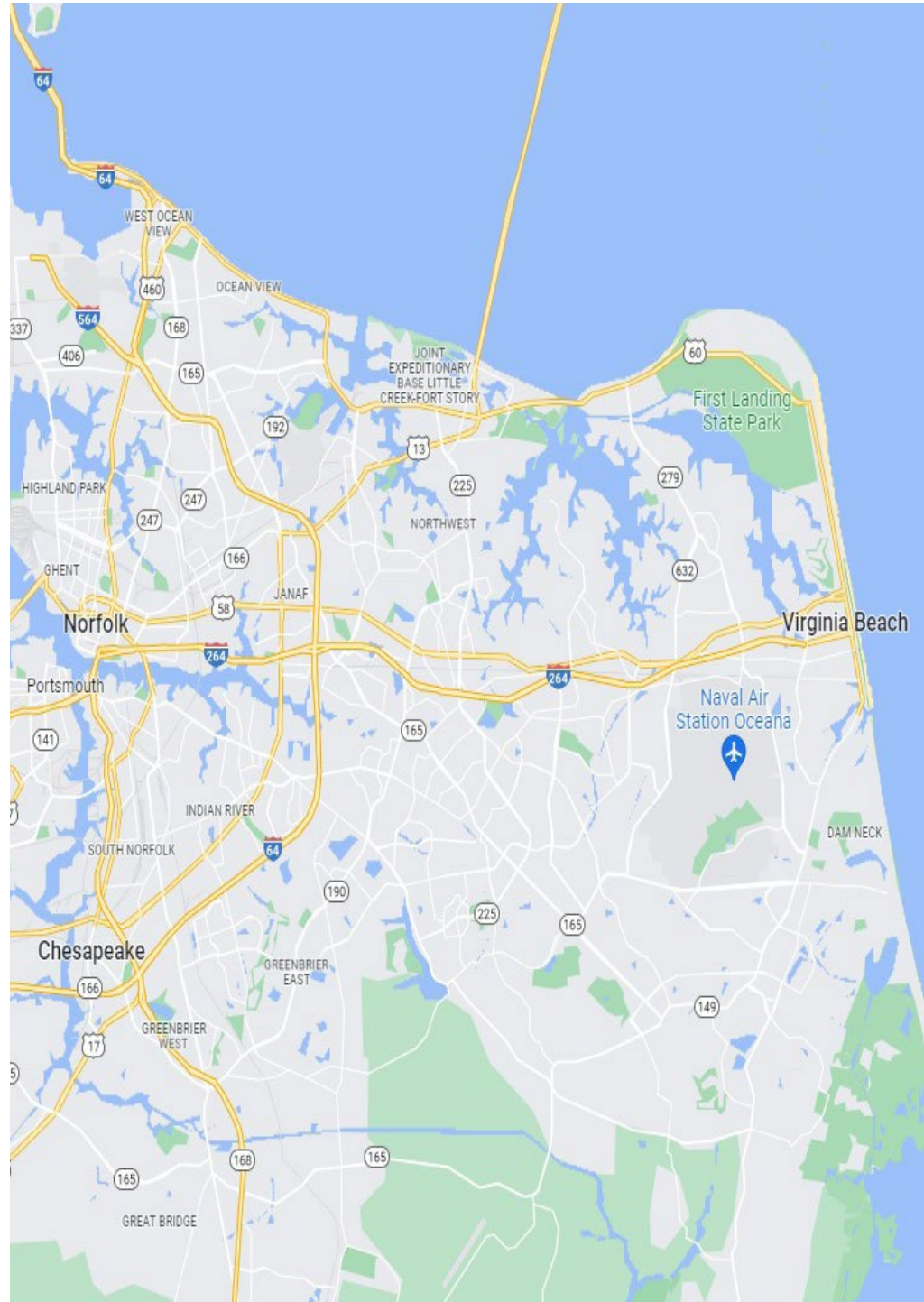
DENSE INFILL LOCATION ALONG MAIN ROAD

RANKED #45 ON FORBES LIST OF BEST PLACES FOR BUSINESS AND CAREERS

Virginia Beach is composed of a variety of industries, including national and international corporate headquarters, advanced manufacturers, defense contractors and locally owned businesses. The City's location and business climate have made it a hub of international commerce, as nearly 200 foreign firms have established a presence, an office location or their North American headquarters in Hampton Roads. Twenty internationally based firms have their U.S. or North American headquarters in Virginia Beach, including companies like Stihl, Busch Vacuum Solutions, IMS Gear and Sanjo Corte Fino. Other major employers include GEICO, VT and Navy Exchange Service Command.

SYNERGISTIC RETAIL LOCATION WITH EXCELLENT TRAFFIC COUNTS

The subject property is situated near the 4-way signalized corner of Holland Road (35,225 VPD) and Windsor Oaks Blvd, adjacent to a Kroger Marketplace grocery store. The property has excellent access and visibility from both Holland Road and Windsor Oaks Blvd. There are an abundance of national retailers, recreational facilities, schools, and residential neighborhoods surrounding the subject. National retailers surrounding the subject property in the immediate area include Burger King, Dunkin', Starbucks, Dairy Queen, Dollar Tree, Kroger Grocer, Sherwin-Williams Paint Store, Discount Tire, and many more.



AERIAL OVERVIEW | 3965 HOLLAND RD, VIRGINIA BEACH, VA



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