



## WALGREENS | NNN LEASE

176 East 13800 South  
Draper, Utah 84020



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this single tenant property.



EXCLUSIVELY LISTED BY

ANDREW KNUDSEN

First Vice President Investments

[andrew.knudsen@marcusmillichap.com](mailto:andrew.knudsen@marcusmillichap.com)

Office: 801.736.2648 | License: UT 9115765-SA00

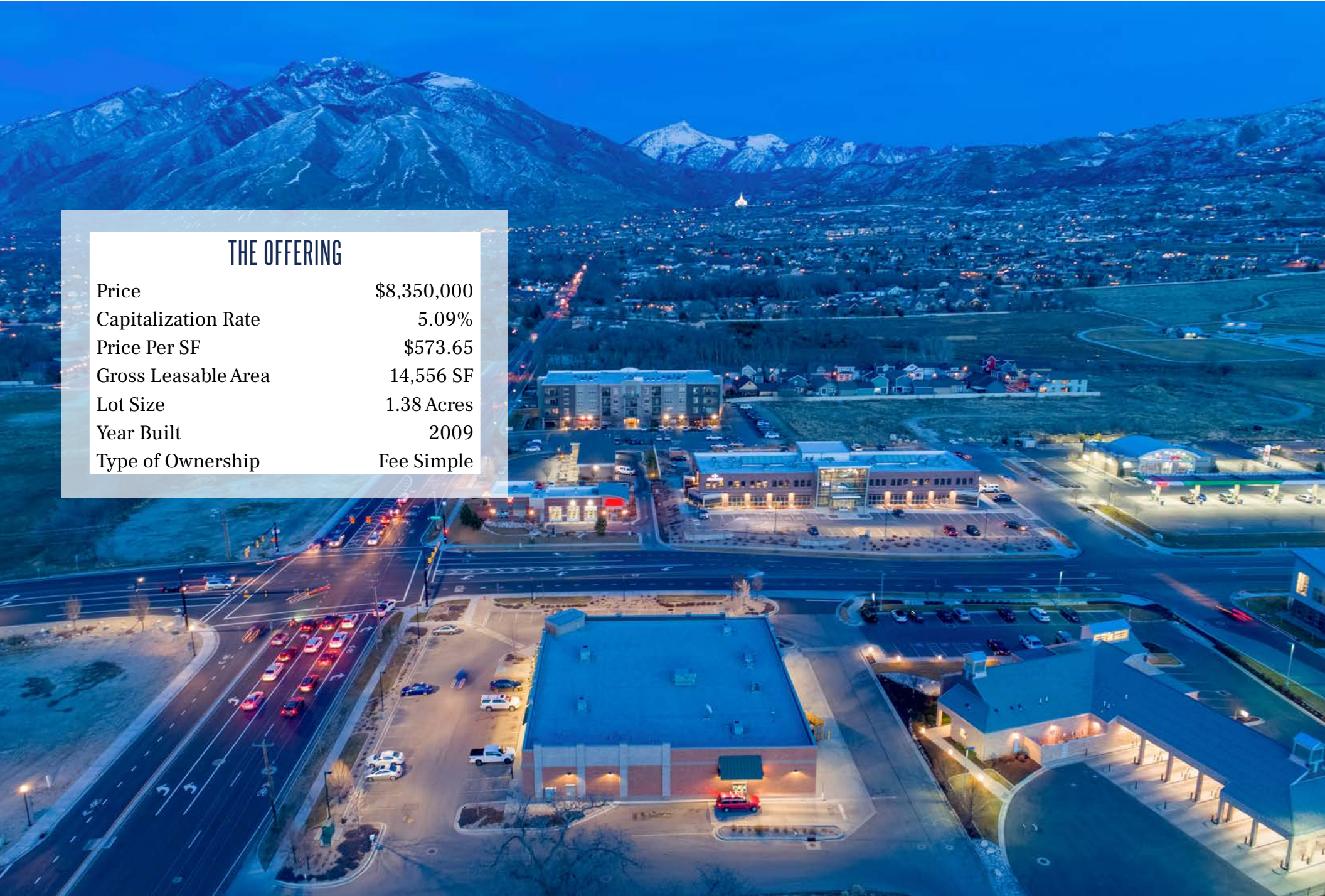
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# EXECUTIVE SUMMARY

## THE OFFERING

Price	\$8,350,000
Capitalization Rate	5.09%
Price Per SF	\$573.65
Gross Leasable Area	14,556 SF
Lot Size	1.38 Acres
Year Built	2009
Type of Ownership	Fee Simple





# EXECUTIVE SUMMARY



## INVESTMENT HIGHLIGHTS

- Absolute Net Leased Walgreens | Long Term Lease
- Incredible Highway Intersection Frontage | Near to Pluralsight Campus
- 12 Years Remaining on Absolute Net Lease | Plus Options to Extend
- BBB+ Credit Rating | National Credit Tenant | (NYSE: WBA)
- Freestanding Drug Store Building with Drive-Thru | Dynamic Location



# EXECUTIVE SUMMARY



## PROPERTY SUMMARY

Marcus & Millichap is pleased to bring to market this Absolute Net Leased Investment in the growing Salt Lake City MSA. The current lease term extends until 2034, with additional options to renew until 2084. This Walgreens store was constructed in 2009 and pays \$425,000 in annual rent.

Salt Lake City is the capital and most populous city of the U.S. state of Utah, as well as the seat of Salt Lake County, the most populous county in Utah. With a population of 199,723 in 2020, the city is the core of the Salt Lake City metropolitan area, which has a population of 1,257,936 (as of the 2020 census). Salt Lake City is further situated within a larger metropolis known as the Salt Lake City–Ogden–Provo Combined Statistical Area, a corridor of contiguous urban and suburban development stretched along a 120-mile segment of the Wasatch Front, comprising a population of 2,606,548 (as of 2018 estimates), making it the 22nd largest in the nation.

Salt Lake City is home to two Fortune 1000 companies, Zions Bancorporation and Questar Corporation. Other notable firms headquartered in the city include AlphaGraphics, AlSCO, Sinclair Oil Corporation, Smith's Food and Drug (owned by national grocer Kroger), MonaVie, Myriad Genetics, Creminelli Fine Meats and Vehix.com. Notable firms based in nearby cities within the metropolitan area include Arctic Circle Restaurants, FranklinCovey, and Overstock.com. Metropolitan Salt Lake was also once the headquarters of American Stores, the Skaggs Companies, and ZCMI, one of the first department stores; it is now owned by Macy's, Inc. Former ZCMI stores now operate under the Macy's label. High-tech firms with a large presence in the suburbs include Adobe, ColcaSac, eBay, Unisys, Siebel, Micron, L-3 Communications, Telarus, and 3M. Goldman Sachs has its second-largest presence in Salt Lake City. It is categorized as a "Gamma-" global city, according to the Globalization and World Cities Research Network.

# FINANCIALS

## OPERATING INCOME

<b>Year 1 Net Operating Income</b>	\$425,000
<b>Rent/SF</b>	\$29.20 /SF
<b>Gross Leasable Area</b>	14,556 SF

## RENT SCHEDULE

<b>Year</b>	<b>Annual Rent</b>	<b>Monthly Rent</b>	<b>Rent/SF</b>	<b>Cap Rate</b>
Current	\$425,000	\$35,417	\$29.20	5.09%
Years 1 - 75	\$425,000	\$35,417	\$29.20	5.09%



## LEASE SUMMARY

<b>Tenant</b>	Walgreens (WBA)
<b>Rent Increases</b>	N/A
<b>Guarantor</b>	Corporate Guarantee
<b>Lease Type</b>	Absolute Net
<b>Lease Commencement</b>	7/20/2009
<b>Lease Expiration</b>	7/31/2034
<b>Renewal Options</b>	12 Month Termination Options
<b>Term Remaining on Lease</b>	12 Years
<b>Landlord Responsibility</b>	None
<b>Tenant Responsibility</b>	Absolute Net

## FINANCING

<b>Acquisition Financing - Assumed Loan*</b>	\$3,906,313
<b>Loan To Value</b>	46.78%
<b>Interest Rate</b>	3.25%
<b>Amortization Period</b>	30
<b>Loan Maturity Date</b>	5/01/2031
<b>Loan Constant</b>	5.22%
<b>Annual Debt Service Payment</b>	(\$208,899)
<b>Debt Service Coverage</b>	2.03
<b>Debt Yield</b>	10.88%
<b>Net Cash Flow After Debt Service</b>	\$216,101

\*Current loan must be assumed



# REGIONAL MAP



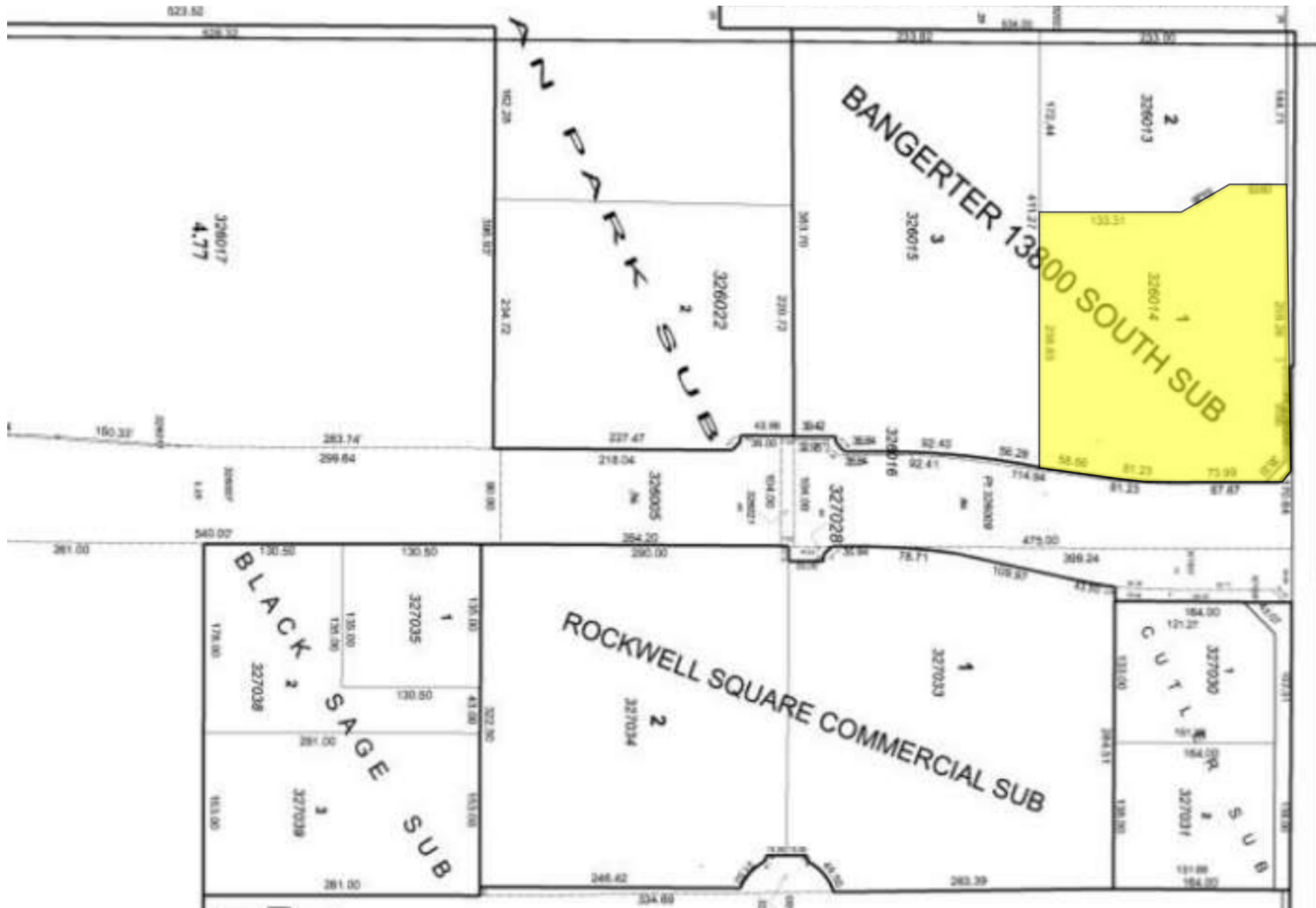


# RETAIL MAP





## PARCEL MAP





# DEMOGRAPHICS

## SALT LAKE CITY

Centrally located among the major Western U.S. markets, Salt Lake City is known as the Crossroads of the West. The metro consists of Salt Lake and Tooele counties. It is situated in the Great Salt Lake Valley in northern Utah. The region is hemmed in by the Great Salt Lake to the northwest, the Wasatch Mountain Range to the east and the Oquirrh Mountains to the west. The metro houses 1.3 million people. Salt Lake City is the largest city, with approximately 201,700 residents. The highest percentage of population growth continues to occur in the suburban areas such as South and West Jordan. The Salt Lake City, Provo-Orem and Ogden-Clearfield metros together comprise the Wasatch Front. In recent years, more tech firms have moved to the region, providing higher-paying employment opportunities.

### METRO HIGHLIGHTS



#### EMPLOYMENT GROWTH

Skilled trade and educated workers, attractive outdoor recreation opportunities and low overhead costs lure employers to the region.



#### EXPANDING HOUSEHOLD INCOMES

The growing tech sector is helping to boost discretionary spending. The metro's median household income is more than \$10,000 above the national median.



#### MAJOR INSTITUTIONS

The Salt Lake City economy benefits from its status as the capital of Utah and the headquarters of the Church of Jesus Christ of Latter-day Saints.



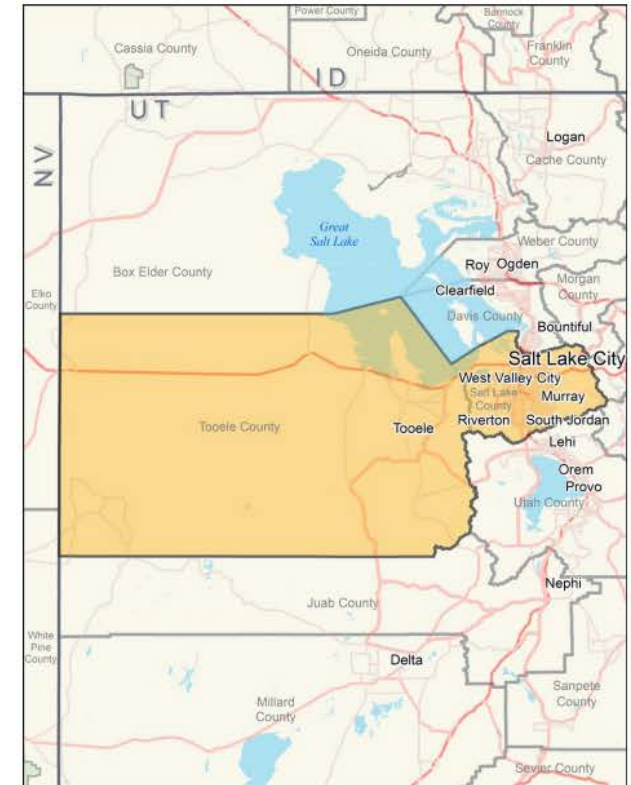


# DEMOGRAPHICS

## ECONOMY

- A stable base of government entities is located in the metro, while growing companies in the private sector include technology leaders eBay and Oracle Corp.
- Various companies have located data centers in the metro, including Twitter Inc., Goldman Sachs and the National Security Agency.
- Although slowed by the pandemic, tourism is typically a major employment generator. The metro is home to several world-class ski resorts, including Brighton, Park City, Alta and Snowbird. The Salt Palace Convention Center and the Vivint Smart Home Arena host numerous conventions and trade shows.

MAJOR AREA EMPLOYERS
Intermountain Health Care
University Health Care
University of Utah
Discover Projects, Inc.
L3 Communications Corp.
Zions Bancorporation
ARUP Laboratories
C.R. England, Inc.
Delta Airlines
SkyWest Airways



## SHARE OF 2020 TOTAL EMPLOYMENT



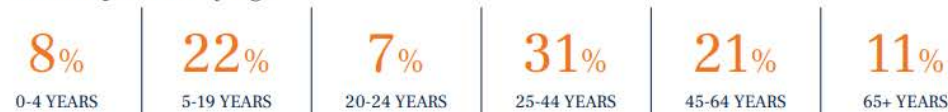


# DEMOGRAPHICS

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- The metro is expected to add nearly 101,700 people through 2025, resulting in the formation of roughly 36,200 households.
- Median incomes above the national average allow 67 percent of households to afford to own a home, compared with the national rate of 64 percent.
- Roughly 33 percent of people age 25 and older hold bachelor's degrees; of those residents, 12 percent also have obtained a graduate or professional degree.

### 2020 Population by Age



## QUALITY OF LIFE

The Wasatch Range provides a multitude of year-round recreational opportunities, including ski resorts and more than a dozen national parks and monuments. Cultural venues include Abravanel Hall, the Rose Wagner Performing Arts Center, Hale Centre Theatre and the Off Broadway Theatre. Salt Lake City's major educational institution is the University of Utah, which also contains a medical school. The university is known for its technology transfer program that moves state-of-the-art research into useful applications in the business world. There are 10 other colleges and universities in the metro. In addition, two other major educational institutions are located just outside of Salt Lake City: Brigham Young University in Provo and Utah State University in Logan.

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

## SPORTS



## EDUCATION



## ARTS & ENTERTAINMENT







EXCLUSIVELY LISTED BY

ANDREW KNUDSEN

First Vice President Investments

[andrew.knudsen@marcusmillichap.com](mailto:andrew.knudsen@marcusmillichap.com)

Office: 801.736.2648 | License: UT 9115765-SA00

Marcus & Millichap