

Walgreens Hartsville, SC (Florence MSA) - Absolute Net Lease | Increased Store Sales

901 S 5th St, Hartsville, SC 29550 (Photo Is Of The Actual Location)



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Activity ID #ZAD0360035

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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.

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WALGREENS HARTSVILLE, SC (FLORENCE MSA) - ABSOLUTE NET LEASE | INCREASED STORE SALES

901 S 5th St, Hartsville, SC 29550

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to exclusively present for sale an absolute net leased Walgreens pharmacy. This corporately guaranteed (S&P BBB/Stable) investment property is located in Hartsville, SC, Darlington County, within the Florence MSA. The subject investment property has a solid sales track record with increasing performance with an estimated 4.8% rent to sales ratio and 11.3 years remaining on the base lease term.

Walgreens Hartsville is located at the signalized corner of 901 South 5th Street (US Highway 15 Business) (14,000 VPD) and East Washington Street (4,800 VPD). The nearest Walgreens pharmacy is located approximately 14.6 miles (19 minute drive) in Darlington, SC.

Situated in the primary retail trade area of Hartsville which serves the cities of Northwest Darlington, Mcbee, Patrick, Bishopville, and Society Hill, Walgreens Hartsville is in close proximity to the Walmart anchored Hartsville Crossing and next to the Hartsville Mall Shopping Center which features Belk, Roses Discount Store, and Lowe's, and is across from Piggly Wiggly. In the immediate area is a former Rite Aid pharmacy that was part of the Walgreens acquisition (1,932 locations) from Rite Aid in 2018. The former Rite Aid store's prescriptions were transferred to this Walgreens pharmacy in 2019.

The subject 14,450 square foot investment property is situated on a large, 1.40+/- acre parcel and includes a drive-thru, and has three points of ingress and egress. Walgreens Hartsville is open from 8am-10pm and offers a drive-thru pick up service, grocery, and Beer and Wine in addition to their traditional front-end retail offerings.

INVESTMENT HIGHLIGHTS

- Solid Store Sales Track Record with Increased performance: 4.8% estimated rent to sales ratio in 2021.
- Walgreens acquired the Rite-Aid store across the street that Walgreens closed and transferred prescriptions to the subject property in 2019.
- 11.3 years remaining base lease term.
- Growing prescription volume before, during, and through the pandemic.
- Long term lease, ideal for 1031 Exchange Buyers and passive income investors who seek the safety of a credit tenant asset.
- Lease is corporately guaranteed by Walgreen Co. which is one of the nation's dominant pharmacy chains and 16th ranked company in the Fortune 500 with an S&P credit rating of BBB/Stable.

OFFERING SUMMARY



List Price
\$5,065,200



Cap Rate
5.75%



Price/SF
\$350.53

FINANCIAL

List Price	\$5,065,200
Down Payment	100% / \$5,065,200
NOI	\$291,249
Cap Rate	5.75%
Price/SF	\$350.53
Rent/SF	\$20.16

OPERATIONAL

Lease Type	Absolute Net
Guarantor	Walgreen Co., S&P BBB / Stable
Lease Expiration	10/31/2033
Rentable SF	14,450 +/- SF
Lot Size	1.4 +/- Acres
Occupancy	100%
Year Built	2008

~80k

*Pharmacists
and pharmacy
technicians
across 9k
locations*

51%

*of retail pharmacy
customers used
health and
wellness services*

THE OFFERING	
Price	\$5,065,200
Capitalization Rate	5.75%
Price/SF	\$350.53

PROPERTY DESCRIPTION	
Year Built / Renovated	2008
Gross Leasable Area	14,450 SF
Type of Ownership	Fee Simple
Lot Size	1.40 Acres

LEASE SUMMARY	
Tenant	Walgreens
Rent Increases	None
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	10/27/2008
Lease Expiration	10/31/2033
Renewal Options	50, 1 year options
Term Remaining on Lease (Yrs)	11 Years
Landlord Responsibility	None
Tenant Responsibility	All

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$291,249	\$24,271	\$20.16	5.75%
Options 1-50	\$291,249	\$24,271	\$20.16	5.75%

Reimagining retail through health and wellness leadership accelerated by mass personalization



Be the first choice for **health and wellness solutions**

- Fueled by integrated health, pharmacy and retail **personalization and digitalization** at every step in the journey
- Empowering **chronic customers** in their health and well being journey through a **trusted wellbeing offering** supported by expert advice and **patient-centric pharmacy**
- Providing **convenience and competitive offers** how and where our customers value it most

TENANT HIGHLIGHTS

- Walgreen Co. Credit Rating: S&P BBB/Stable
- FY 2021 USA Retail Pharmacy Segment Sales: \$112.2 Billion
- Components of Segment Sales in 2021: 76% Pharmacy / 24% Retail (Front-End)
- Generated \$90.3 billion in prescription revenues in 2021
- Walgreens has the #2 position / 18% market share of an estimated \$500.9 Billion Total U.S. pharmacy prescription revenue market. (Includes USA Retail Pharmacy & AllianceRx Walgreens Prime, excluding Covid-19 vaccinations).
- 1.21 Billion 30-day equivalent prescriptions filled in 2021 (includes vaccinations, including Covid-19 vaccines)
- FY 2021 Comparable Store Sales: +5.1% and Comparable Pharmacy Sales: +6.7%

TENANT SUMMARY

Company:	Walgreen Co.
Founded:	1901
Locations:	8,965, includes USA (50 states & D.C.), Virgin Islands, & Puerto Rico as of Aug. 31, 2021
Total Revenue:	\$132.509 Billion in FY 2021 period ending Aug. 31, 2021
Net Income:	\$2.542 Billion
Market Capitalization:	\$41.541 Billion as of March 9, 2022
EBITDA:	\$9.269 Billion TTM / Gross Margin 21.2% (Percent to Sales)
Headquarters:	108 Wilmot Road, Deerfield, IL 60015 USA
Website:	www.walgreens.com

TENANT OVERVIEW

Walgreens Boots Alliance, Inc. operates as a pharmacy-led health and beauty retail company. In fiscal year ended August 31, 2021, the Company eliminated the Pharmaceutical Wholesale segment and aligned into two reportable segments: United States and International. The United States segment sells prescription drugs and an assortment of retail products, including health, wellness, beauty, personal care, consumable, and general merchandise products through its retail drugstores. It also provides central specialty pharmacy services and mail services. As of August 31, 2021, this segment operated 8,965 retail stores under the Walgreens and Duane Reade brands in the United States; and five specialty pharmacies. The International segment sells prescription drugs; and health and wellness, beauty, personal care, and other consumer products through its pharmacy-led health and beauty retail stores and optical practices, as well as through boots.com and an integrated mobile application. It also engages in pharmaceutical wholesaling and distribution business in Germany. As of August 31, 2021, this segment operated 4,031 retail stores under the Boots, Benavides, and Ahumada in the United Kingdom, Thailand, Norway, the Republic of Ireland, the Netherlands, Mexico, and Chile; and 548 optical practices, including 160 on a franchise basis. Walgreens Boots Alliance, Inc. was founded in 1901 and is based in Deerfield, Illinois. Sources: Walgreens 10-K SEC Report, Yahoo Finance, and DCI.

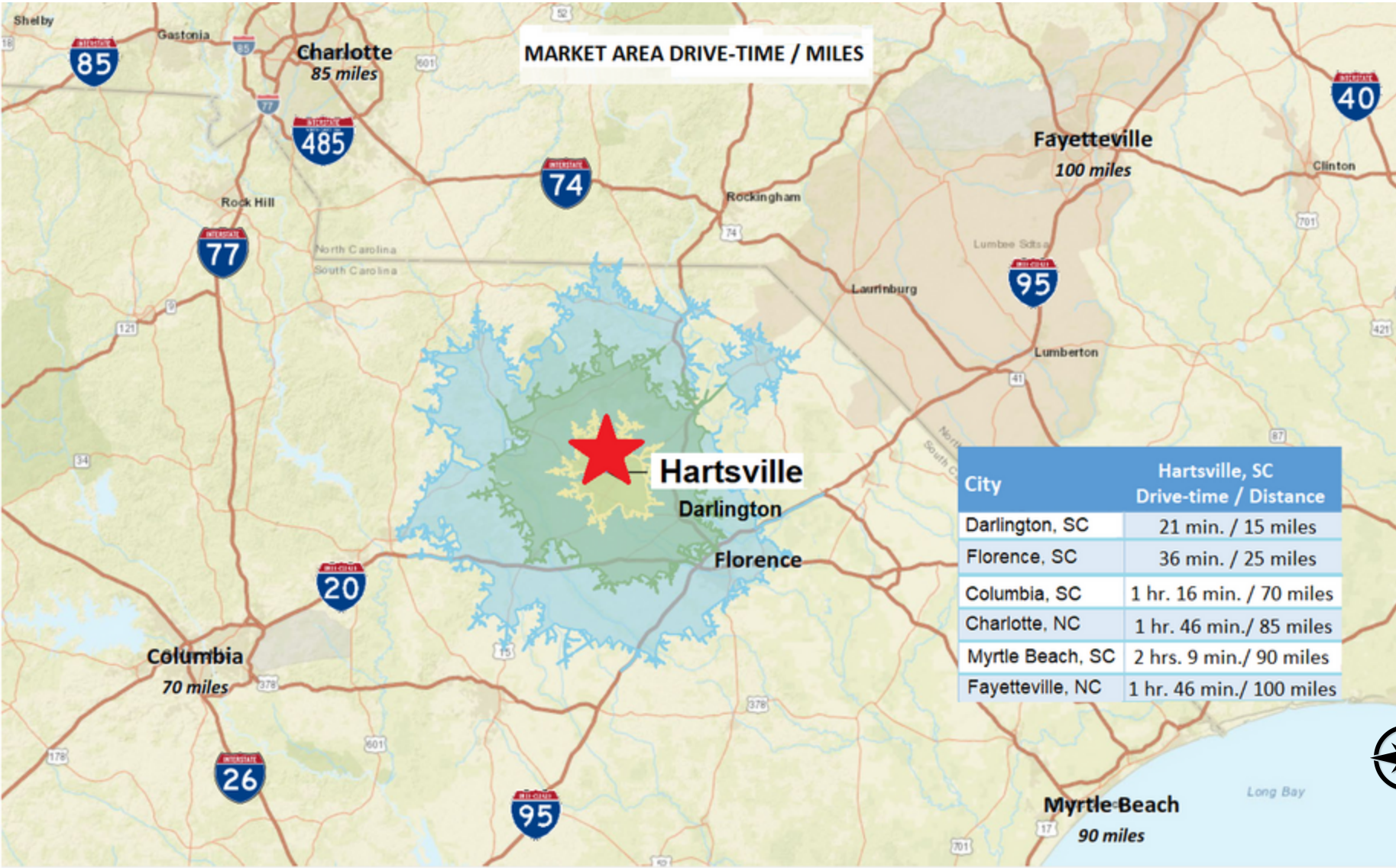


Growing beyond core pharmacy dispensing and expanding healthcare services

**Fundamental
shift over
last 18 months**

**Short term:
vaccination and
testing hub**

**Longer-term:
additional
services through
healthcare
strategy**

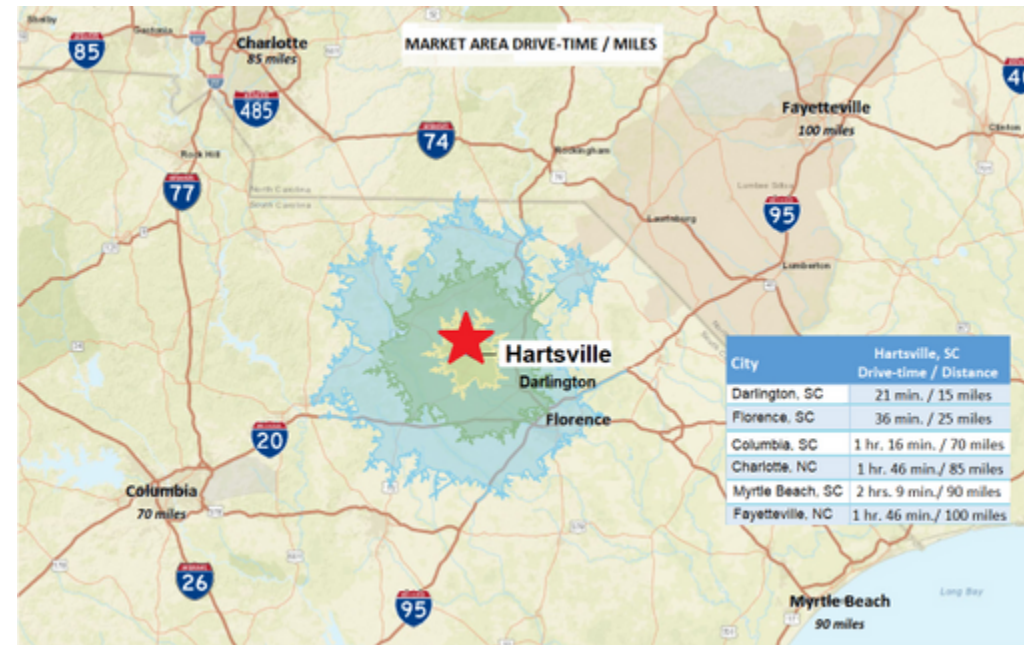






DEMOGRAPHICS / EDUCATION / EMPLOYMENT	5-MILE	10-MILE	20-MILE
Population	21,915	39,675	134,349
Average Household Income	\$62,615	\$60,527	\$65,083
Population Growth	0.74%	0.96%	1.57%
CITY / COUNTY / MSA-METRO	City of Hartsville	Darlington County	Florence Metro
Population	7,694	67,572	206,109
Median Age	37.0	41.2	39.6
Households	3,186	26,861	78,953
Educational Attainment: Associate Degree+	39.6%	26.2%	29.8%
Labor Force / Employment: 2018-21	3,006	30,803	97,326
Residents, 2018	2,473	26,757	86,122
DRIVE-TIME (Minutes) DEMOGRAPHICS	15-Min. Drive	30-Min. Drive	45-Min. Drive
Population	26,229	76,392	221,885
Median Age	41.0	41.0	40.6
Households	10,200	21,006	86,510
Educational Attainment: Associate Degree+	33.6%	26.0%	29.3%
Labor Force / Employment: 2018-21	11,350	33,428	101,508
Residents, 2018	10,463	30,566	93,946

Sources: U.S. Census 5-Year Averages, ERSI, and 2021 Experian



Walgreens Hartsville, SC (Florence MSA) - Absolute Net Lease | Increased Store Sales // DEMOGRAPHICS

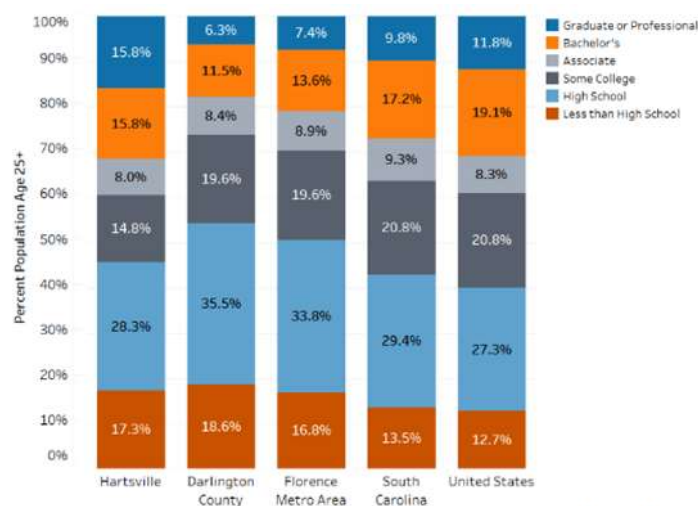


POPULATION	5 Miles	10 Miles	20 Miles
2026 Projection	22,798	39,830	130,905
2021 Estimate	22,627	39,450	128,911
2010 Census	23,082	40,108	130,551
2000 Census	22,697	39,235	124,355
HOUSEHOLD INCOME			
Average	\$62,875	\$60,635	\$65,063
Median	\$43,751	\$42,929	\$45,683
Per Capita	\$24,598	\$23,659	\$25,536
HOUSEHOLDS			
2026 Projection	8,817	15,419	51,048
2021 Estimate	8,713	15,188	49,960
2010 Census	8,909	15,461	50,296
2000 Census	8,774	14,987	47,219
HOUSING			
Median Home Value	\$121,977	\$109,651	\$119,458
EMPLOYMENT			
2021 Daytime Population	23,692	35,400	126,979
2021 Unemployment	6.61%	5.89%	4.74%
Average Time Traveled (Minutes)	22	24	24
EDUCATIONAL ATTAINMENT			
High School Graduate (12)	33.31%	36.22%	34.64%
Some College (13-15)	18.18%	18.47%	19.42%
Associate Degree Only	8.85%	9.00%	8.52%
Bachelor's Degree Only	15.88%	13.35%	13.62%
Graduate Degree	8.07%	6.12%	7.49%

Secondary – Higher Education

Hartsville is home to Coker College and a branch of Florence Darlington Technical College. Coker University, a private, baccalaureate-granting institution, is also located in Hartsville. Coker University offers a four-year program that emphasizes a practical application of the liberal arts, as well as hands-on and discussion-based learning within and beyond the classroom. In its 2016 rankings, *U.S. News & World Report* ranked Coker as the 20th Best College in the South, and the 15th Best College for Veterans. The Princeton Review, for the 11th consecutive year, named Coker a "Best College in the Southeast" in 2016.

Florence–Darlington Technical College, based in nearby Florence, South Carolina, maintains a satellite campus in Hartsville. It is also the home of the South Carolina Governor's School for Science and Mathematics, a public boarding high school.



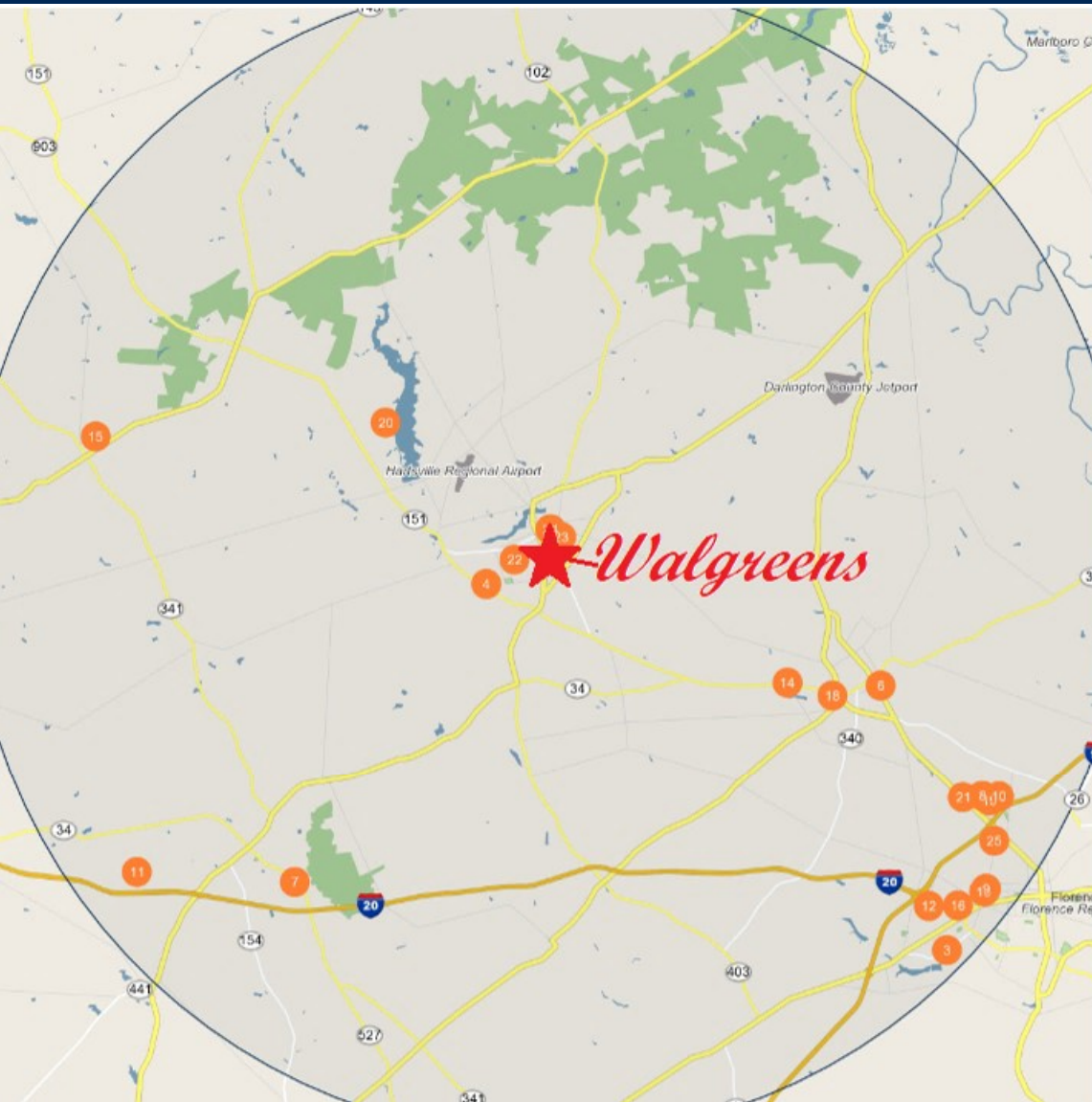
40%
of Hartsville's Residents have
gained degrees from Associate
to Doctorate-level.

Coker University is located in the heart of Hartsville with 15 acres of historic, Georgian-style buildings. Coker has approximately 1,300 students enrolled and 67 full-time faculty. Coker granted nearly 300 degrees in 2017.

Florence-Darlington Technical College has a campus in Hartsville offering allied health and EMT labs as well as other training resources for the community.

Source: U.S. Census Bureau

Walgreens Hartsville, SC (Florence MSA) - Absolute Net Lease | Increased Store Sales // MAJOR EMPLOYERS



Major Employers

Employees

1	Sonoco Products Company-Sonoco	2,000
2	Sonoco Plastics Inc-Sonoco	1,150
3	Pioneer Credit Recovery Inc	634
4	Hartsville LLC-Carolina Pnes Regional Med Ctr	625
5	Auxiliary Crlina Pnes Rgnal Med-CAROLINA GIFT	600
6	Fort James Corporation-Dixie Products	535
7	South Crlina Dept of Crrctons-Lee Correctional Institution	500
8	SC Dept Natural Resources-Law Enforcement District 8 Off	500
9	South Crolina Dept Mental Hlth-Pee Dee Reg Ctr Mntal Rtrdtion	500
10	Southland Container Corp-Concept Packaging Group	486
11	Crown Hlth Care Ldry Svcs LLC	471
12	GE Medical Systems Information-GE	430
13	United States Postal Service-US Post Office	380
14	Nurses On Call Inc-Nurses On Call	306
15	Ahlstrom-Munksjo Nonwovens LLC	300
16	Lowes Home Centers LLC-Lowes	300
17	GE Healthcare Mfg LLC	300
18	Cox Automotive Inc-Clantons Auto Auction	290
19	Prime Rate Pmium Fin Corp Inc	278
20	Talley Metals Technology Inc	270
21	Florence-Darlington Tech Coll-F D T C	250
22	South Crolina Dept Mental Hlth-Thad E Saleeby Dev Center	242
23	Pfc Inc-Stingray Boat	237
24	Sonoco Prtective Solutions Inc	224
25	Simonds International LLC-Iks Florence	200

Businesses and Employment:

Supporting the economic base in Hartsville, area businesses include: Sonoco, Novalex, Coker University, Hartsville HMA, Stingray Boats, Duke Energy, Carpenter Technology, Lifepoint Health, Hog Slat, Hilex Poly, Life Builders, RBC Bearings, RTS Packaging, Credit Central. An overview of area employers and employment follows:

Hartsville and Darlington County Employers:

Company	Industry	Estimated Employment
SONOCO Products	HQ, packaging & solutions	2,000
Darlington School District	Public education	1,468
Duke Energy Robinson Plant	Nuclear power plant	830
Carolinas Pines Regional Medical Center	Health care	625
Nucor Steel	Steel mfg.	505
Stingray Boats	Hq, boatbuilder	475
Darlington County	Local government	351
Coker University	Higher education	170
RBC Bearings	Industrial & aerospace bearings	127
Novolex	HQ, packaging & solutions	100
Anderson Brass Company	Brass valve & manifold manufacturing	85
JBE Incorporated	Supply chain management	70
Integrated Systems	Manufacturing systems & robotics	20





photo
at Wal-Mart
same day delivery
\$100-\$150

6 groceries cookies 7

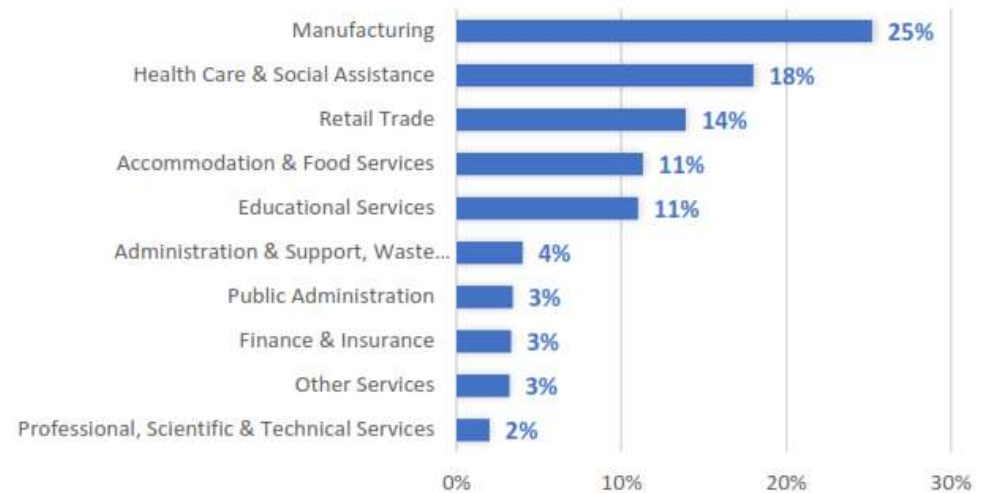


eat well

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Hartsville Employment by Sector Top 10 Employment Sectors

Industry Sector	% Total Employment
Manufacturing	25%
Health Care & Social Assistance	18%
Retail Trade	14%
Accommodation & Food Services	11%
Educational Services	11%
Administration & Support, Waste Management & Remediation	4%
Public Administration	3%
Finance & Insurance	3%
Other Services	3%
Professional, Scientific & Technical Services	2%



Source: US Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), Journey to Work, 2015 data



SONOCO, manufacturer of packaging and a packaging solutions leader, opened its Innovative Packaging Solutions Studio at their headquarters in Hartsville, SC in 2016.

Walgreens Hartsville, SC is located just minutes away from two renowned motorsports complexes:

Darlington Dragway and the famous NASCAR circuited Darlington Raceway.

*"With capacity of 47,000 raceway fans, since 1960 Darlington Raceway has hosted annually two races in NASCAR's top division. Darlington's **unique shape, coarse racing surface, and preferred racing line that runs dangerously close to the racetrack's retaining wall** make it one of the most challenging tracks on the circuit. The track is nicknamed Too Tough To Tame".*

In 2022 Darlington Raceway will host two full NASCAR Cup Series weekends of races:

The Goodyear 400 May 6th, 7th and 8th and the Cookout Southern 500 Sept. 2nd, 3rd, and 4th



↓ Darlington Dragway in Hartsville is one of the country's premier drag racing facilities. ↓





A photograph of a Walgreens pharmacy building with a blue overlay. The building is a single-story structure with large windows and a red Walgreens sign. A white car is parked in the foreground on the left, and a white pickup truck is parked on the right. The sky is clear and blue.

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