



NEW 13 YEAR ABSOLUTE NNN LEASE | RARE 5% RENT INCREASES EVERY 5-YEARS

# WALGREENS PHARMACY

DILLON, SC

Marcus & Millichap  
THE GLASS GROUP



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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

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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.

## 4-WAY SIGNALIZED CORNER WITH EXCELLENT VISIBILITY AND ACCESS

The subject property is located at the 4-way signalized corner of US-301 (16,450 VPD) and Julia Lane (11,616 VPD). National retailers in the surrounding areas include Food Lion, Pizza Hut, Exxon, AutoZone Auto Parts, Dollar General, O'Reilly Auto Parts, Advance Auto Parts, H & R Block, Hibbett Sports, NAPA Auto Parts, Fresenius Kidney Care and many more. Walgreens is situated 2 blocks from McLeod Dillon Hospital & ER (79-beds), the only hospital in the region.



(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

1210 HIGHWAY 301 N  
DILLON, SC 29536

Net Operating Income	\$207,480
Lease Type	Absolute NNN
Lease Term	13 Years
Lease Commencement	4/27/2022
Lease Expiration Date	4/30/2035
Year Built	2006 <sup>1</sup>
Rentable Area	14,850 SF <sup>1</sup>
Lot Size	1.672 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 and latest terms, please contact:

Chris Marks

Marcus & Millichap Capital Corporation

212.430.5173 direct

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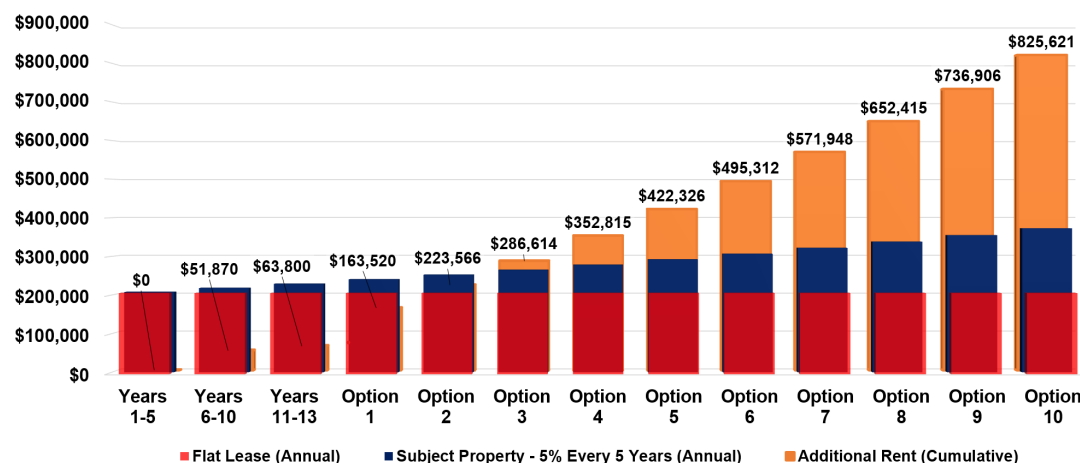
OFFERING PRICE

\$4,028,738

CAP RATE

5.15%

### 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, 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 9 countries and employs more than 315,000 people. The Company has over 13,000 stores within the U.S., Europe, and Latin America 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 8,965 retail stores in the division as of August 31, 2021. 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, 2021, 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.

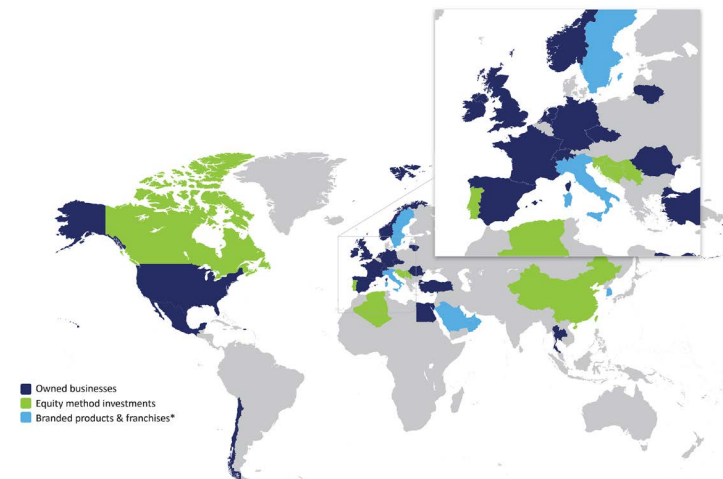
## COMPANY HIGHLIGHTS<sup>1</sup>

- ▣ \$132.5 BILLION IN REVENUE / \$23.8 BILLION NET WORTH (FY 2021)
- ▣ INVESTMENT GRADE TENANT / WALGREENS CO. - RECENTLY AFFIRMED (2021) MOODY'S RATED BAA2 / OUTLOOK STABLE
- ▣ 8,965 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
- ▣ 827.5 MILLION PRESCRIPTIONS, INCLUDING IMMUNIZATIONS, WERE FILLED IN FY 2021
- ▣ 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>



## 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>



**ONLY 2 BLOCKS FROM  
MCLEOD DILLON  
HOSPITAL &  
EMERGENCY CENTER,  
THE ONLY HOSPITAL  
IN THE REGION**

**AVERAGE HOUSEHOLD  
INCOMES OF \$64,947  
WITHIN 1-MILE**

**DILLON COUNTY IS  
LOCATED ALONG I-95,  
THE MAJOR NORTH/  
SOUTH TRADE ROUTE  
BETWEEN MIAMI  
AND MAINE**

## LOCATION AND INFRASTRUCTURE ARE THE CORE OF DILLON

The city of Dillon is the county seat and largest city in Dillon County. Located in eastern South Carolina, Dillon is within a single day's drive of 65% of the US population. Situated along Interstate 95, the major north-south trade route that goes between Miami and Maine, Dillon County has direct access to CSX rail and the Ports of Charleston, Wilmington and Savannah.

## PRIME DISTRIBUTION/MANUFACTURING AREA

Dillon is home to several major companies such as Harbor Freight Tools, Perdue, Franco Manufacturing Company and Wyman Gordon. From Miami to New York, this region is equipped with 600 miles of state and federal highways providing quick and low-cost access to domestic markets and world-class international centers of commerce. Halfway between New York City and Miami at the junction of I-95 and I-20, the area is within a three-hour drive to major cities such as Charlotte, Charleston and Greenville. Over 9 million tons of freight move through the region's vast railroad network each year.





# AERIAL OVERVIEW





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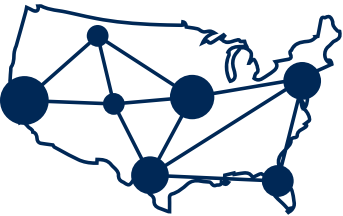


# AERIAL OVERVIEW





# DEMOGRAPHICS<sup>1</sup>



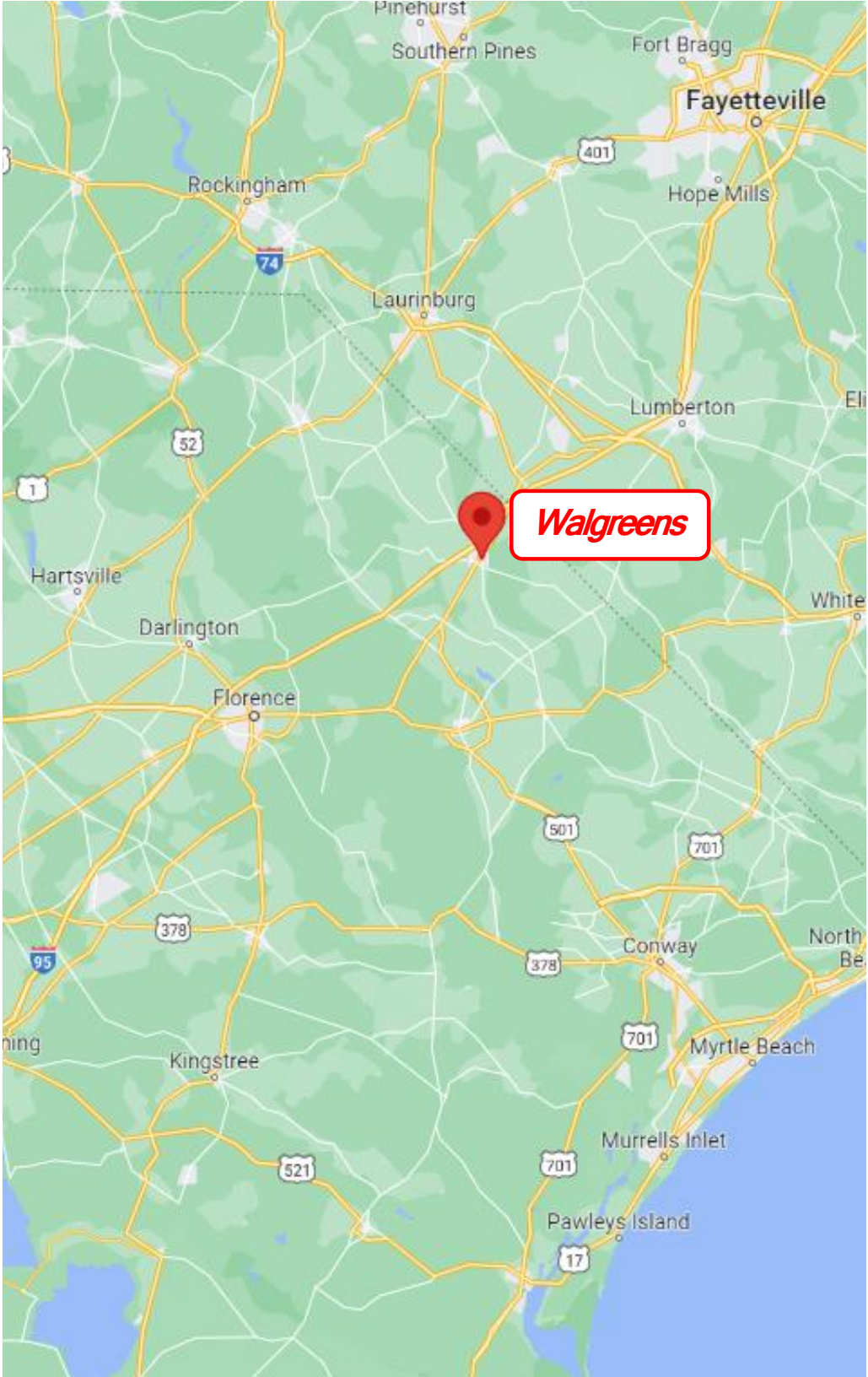
## HOUSEHOLD INCOME

YEAR 2021	1 MILE	3 MILES	5 MILES
AVERAGE	\$64,947	\$49,072	\$48,403
MEDIAN	\$48,388	\$37,493	\$37,834

## POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2026 Projection Total Population	2,758	11,945	16,354
2021 Census Total Population	2,780	12,078	16,469
2010 Census Total Population	2,950	12,869	17,390

Sources: Marcus & Millichap Research Services, CoStar







# WALGREENS PHARMACY

## DILLON, SC

EXCLUSIVELY LISTED BY

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