



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

WALGREENS PHARMACY

MOREHEAD CITY, NC

Marcus & Millichap
THE GLASS GROUP

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INVESTMENT OVERVIEW

WALGREENS PHARMACY

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WELL-ESTABLISHED LOCATION

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INVESTMENT OVERVIEW¹

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 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.

\$106,244 AVG HHI (1-MILE) | SURROUNDED BY NATIONAL RETAILERS

The subject property is strategically located at the crossroads of Highway 70 (30,984 VPD) and Highway 24 (21,149 VPD) with great ingress and egress off both roads. Within a 1 mile radius of the property is a Walmart Supercenter, Lowe's Home Improvement, Best Buy, Hobby Lobby and directly across the street is a TJ Maxx anchored shopping center with a ROSS, PetSmart, Bed Bath & Beyond and a DICK'S Sporting Goods including numerous restaurant chains such as Olive Garden, Chick-Fil-A, Arby's and Buffalo Wild Wings.



(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

OFFERING HIGHLIGHTS¹

WALGREENS

5053 HIGHWAY 70 W
MOREHEAD CITY, NC 28557

Net Operating Income	\$326,040
Lease Type	Absolute NNN
Lease Term	13 Years
Lease Commencement	4/27/2022
Lease Expiration Date	4/30/2035
Year Built	2008 ¹
Rentable Area	13,529 SF ¹
Lot Size	2.00 Acres ¹
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 OPTIONS²

For questions on financing and latest terms, please contact:

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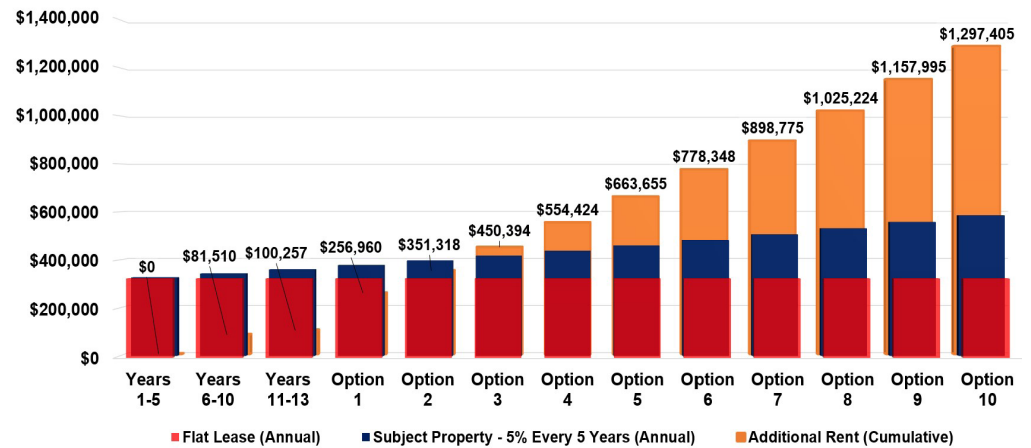
OFFERING PRICE

\$6,864,000

CAP RATE

4.75%

ADDITIONAL RENT COMPARISON SUBJECT PROPERTY VS. HISTORICAL FLAT LEASE³ 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 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 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 HIGHLIGHTS¹

- ▣ \$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 HIGHLIGHTS¹

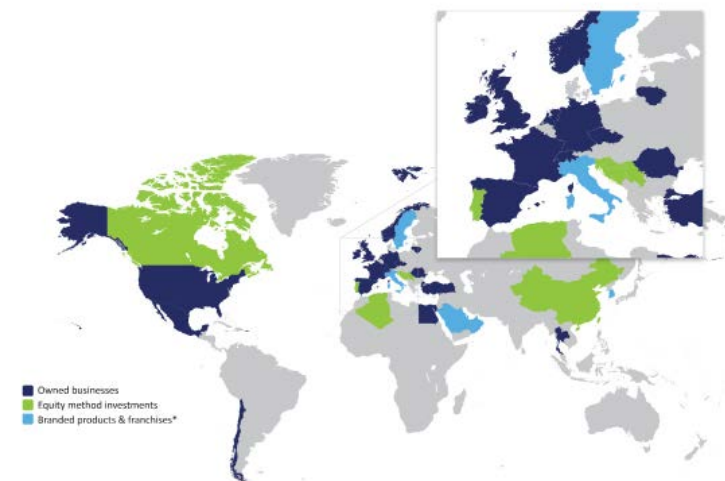


FY21 Sales
● United States
● International



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 OVERVIEW¹



AFFLUENT MOREHEAD CITY LOCATION SURROUNDED BY UPSCALE SCHOOLS AND NEIGHBORHOODS

15 MIN TO MOREHEAD CITY PORT, A 1,000,000 SF FACILITY ON OVER 30 ACRES OF LAND

AVERAGE HH INCOME IS \$106,244 (1-MILE RADIUS)

LOCATED LESS THAN 1-MILE FROM A WALMART SUPERCENTER, LOWE'S & MANY NATIONAL RETAILERS



STRATEGICALLY POSITIONED BETWEEN TWO HIGHWAY CROSSROADS

The immediate trade area surrounding the subject property has an abundance of national retailers, shopping centers and fast food restaurants such as Sonic Drive-In, Wendy's and IHOP. Within a 5-mile radius there are 3 regional shopping centers with national tenants such as Walmart Supercenter, Belk, Best Buy and Harbor Freight. There are also multiple hotels less than a mile from the property like Holiday Inn Express, Hampton Inn & Econo Lodge due to the short distance to the beach and the harbor right off Bogue Sound.

MOREHEAD CITY IS A GROWING CITY AND VACATION DESTINATION

Morehead City is known as a Port City and part of the "Crystal Coast". The Port of Morehead City is less than a 15 minute drive to the subject property creating strong daytime population demographics (20,975 people) and is growing more rapidly than most similarly sized cities at 68% since the last census. The city has also become a popular tourist destination with the Crystal Coast generating \$389 Million in 2021 which was a record breaking year economically. The area's largest trade industries are within Aerospace, Automotive and Biotechnology with such companies as Collins Aerospace, Caterpillar and Merck calling the

Residential Neighborhood



Parcel lines are not exact. Buyer to verify during Due Diligence.

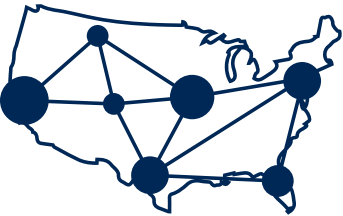
AERIAL OVERVIEW



AERIAL OVERVIEW



DEMOGRAPHICS¹



HOUSEHOLD INCOME

YEAR 2021	1 MILE	3 MILES	5 MILES
AVERAGE	\$106,244	\$87,204	\$83,174
MEDIAN	\$72,708	\$62,921	\$60,348

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2026 Projection Total Population	1,850	11,298	24,968
2021 Census Total Population	1,895	11,089	24,479
2010 Census Total Population	1,888	10,606	23,452

Sources: Marcus & Millichap Research Services, CoStar





WALGREENS PHARMACY

MOREHEAD CITY, NC

EXCLUSIVELY LISTED BY

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