

# NEW PHARMACY FOCUSED PROTOTYPE

Investment Opportunity

*Walgreens*

W/Drive-Thru Pharmacy  
(Nasdaq: WBA | S&P: BBB)

Brand New Construction | “Cooper” Prototype | Store Opening March 23, 2023



1149 US-11W | Bean Station, Tennessee

**KNOXVILLE** MSA

REPRESENTATIVE PHOTO

 **SRS** | NATIONAL  
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GROUP



**EXCLUSIVELY MARKETING BY**



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## OFFERING SUMMARY



## OFFERING

Pricing	\$2,093,000
Net Operating Income	\$104,640
Cap Rate	5.00%

## PROPERTY SPECIFICATIONS

Property Address	1149 US-11W Bean Station, Tennessee 37708
Rentable Area	2,505 SF
Land Area	1.39 AC
Year Built	2023
Tenant	Walgreens Co.
Lease Signature	Corporate (S&P: BBB)
Lease Type	Absolute NNN
Landlord Responsibilities	None
Lease Term	10 Years
Increases	Option 1: 10% Options 2-4: 7.50%
Options	4 (5-Year)
Rent Commencement	March 23, 2023
Lease Expiration	March 31, 2033





Tenant Name	Square Feet	LEASE TERM		RENTAL RATES				
		Lease Start	Lease End	Begin	Increase	Monthly	Annually	Options
Walgreens	2,505	March 2023	March 2033	Year 1	-	\$8,720	\$104,640	4 (5-Year)
(Corporate Signed)				Year 11	10%	\$9,592	\$115,104	

7.50% Increases Beg. of Each Option Thereafter

## Brand New 10-Year Lease | Scheduled Rental Increases | Investment Grade Tenant (S&P: BBB)

- The tenant recently signed a brand new 10-year lease with 4 (5-year) option periods, demonstrating their long-term commitment to the site
- The lease features a 10% increase starting year 11 (option 1) and 7.50% percent increases for the remainder of the options, growing NOI and hedging against inflation
- The lease is signed by the corporate entity (Nasdaq: WBA | S&P: BBB)

## Absolute NNN | Fee Simple Ownership | Zero Landlord Responsibilities | No State Income Tax

- Tenant pays for CAM, taxes, insurance and maintains all aspects of the premises
- No landlord responsibilities
- Ideal, management-free investment for a passive investor in a state with no state income tax

## Local Demographics In 5-mile Trade Area

- More than 9,000 residents and 1,500 employees support the trade area
- \$65,242 average household income

## Brand New Construction | New “Cooper” Concept Prototype | Drive-Thru Equipped

- Brand new construction featuring high quality materials, distinct Walgreens design elements, and high-level finishes
- Opportunity to purchase one of Walgreens’ brand new “Cooper” prototypes, a store that will have a health and wellness focus in the location’s front end (see page 13 for more)
- Equipped with a drive-thru pharmacy, providing ease & convenience for customers
- Store will offer a full pharmacy and limited front-end offering, which will include FedEx and ship-to-store services
- Will focus on filling prescriptions and will not have an attached grocery store

## Fronting US-11W | Adjacent to Clinchview Golf & Country Club | US-25E - On/Off Ramp Access | Excellent Visibility & Access

- The asset is strategically fronting US-11W (13,100 VPD)
- The site is adjacent to the Clinchview Golf & Country Club, providing a direct consumer base from which to draw
- Located 1 mile from US-25E (16,800 VPD), allowing direct on/off ramp access for travelers
- The asset has excellent visibility via street frontage and multiple points of ingress/egress

## PROPERTY OVERVIEW



### LOCATION



Bean Station, Tennessee  
Grainger & Hawkins County  
Knoxville MSA

### ACCESS



Lee Highway/State Highway 1/U.S. Highway 11W:  
1 Access Point

### TRAFFIC COUNTS



Lee Highway/State Highway 1/U.S. Highway 11W:  
13,100 VPD

### IMPROVEMENTS



There is approximately 2,505 SF of existing building area

### PARKING



There are approximately 16 parking spaces on the owned parcel.  
The parking ratio is approximately 6.38 stalls per 1,000 SF of leasable area.

### PARCEL



Parcel Number: 024.062.00  
Acres: 1.39  
Square Feet: 60,548

### CONSTRUCTION



Year Built: 2023  
Est. Opening: March 2023

### ZONING



Commercial

# LOCATION MAP

The map displays the state of Tennessee with major highways and cities. A red box labeled "Walgreens" is positioned in the center. Two red arrows point from this box to two locations: Knoxville and Morristown. Knoxville is marked with a blue box indicating a travel time of 55 minutes and a distance of 60 miles. Morristown is marked with a blue box indicating a travel time of 16 minutes and a distance of 10 miles. The map also shows the border with Virginia to the north and the Great Smoky Mountains National Park to the south.

2022 Estimated Population	
1 Mile	1,446
3 Miles	5,452
5 Miles	9,039

2022 Average Household Income	
1 Mile	\$67,528
3 Miles	\$67,528
5 Miles	\$65,242

2022 Estimated Total Employees	
1 Mile	476
3 Miles	988
5 Miles	1,511

# LOCATION MAP

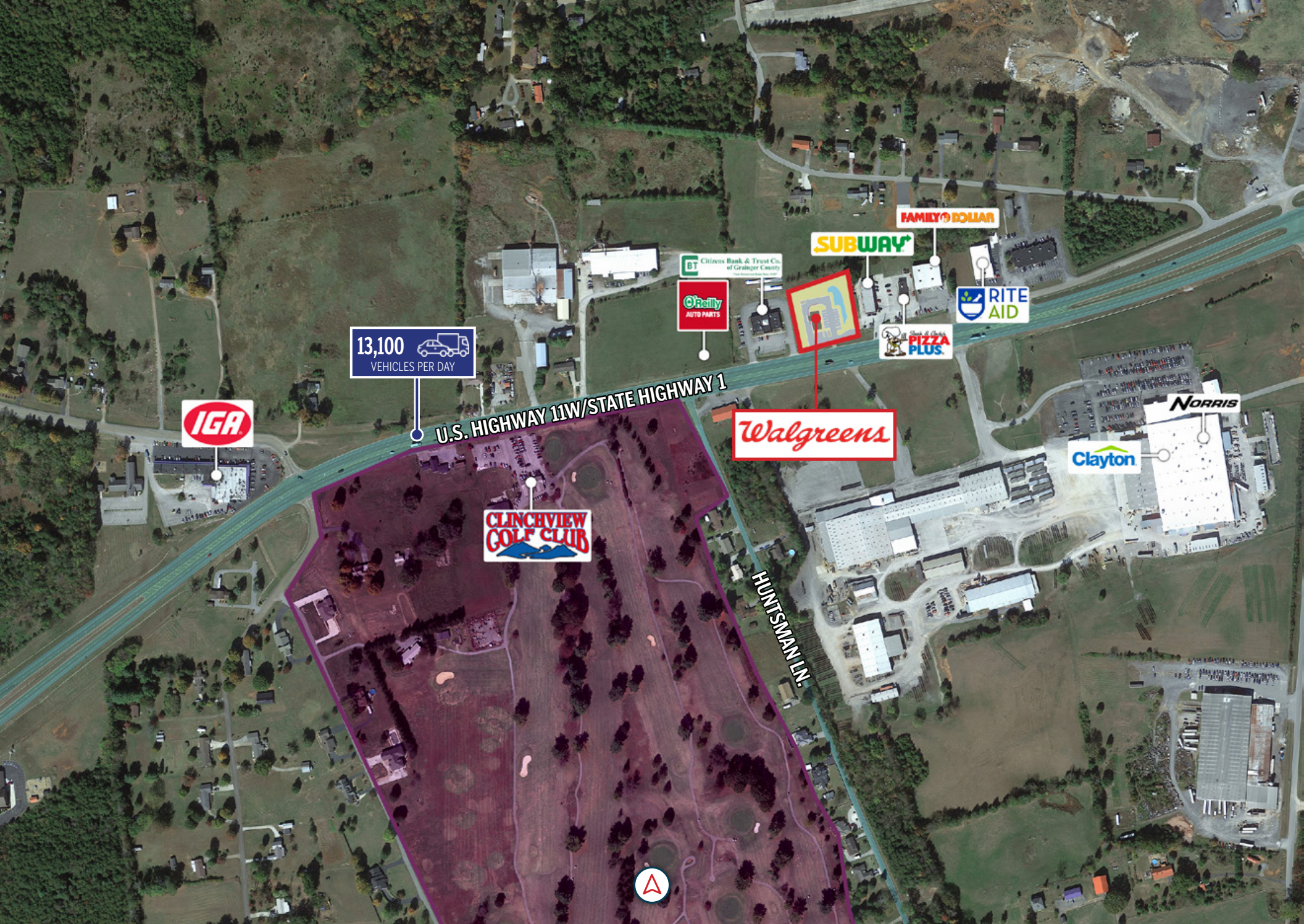
The map displays the state of Tennessee with major cities and highways. A red box labeled "Walgreens" is positioned between Knoxville and Morristown. Two red arrows point from this box to callout boxes for each city. The Knoxville callout box indicates a travel time of 55 minutes and a distance of 60 miles. The Morristown callout box indicates a travel time of 16 minutes and a distance of 10 miles. A table in the bottom right corner provides demographic data for the areas around these cities.

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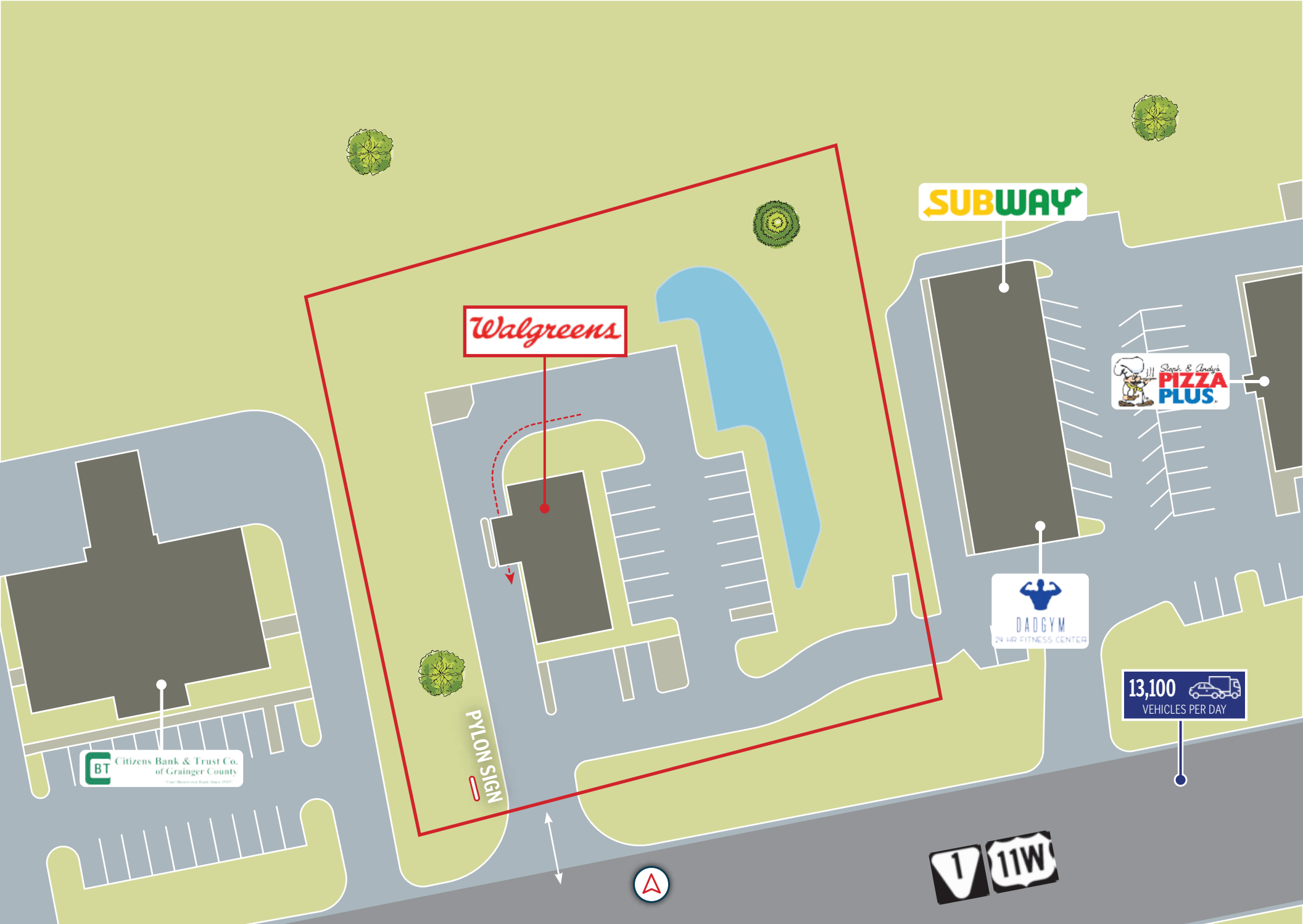














## AREA DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
<b>Population</b>			
2022 Estimated Population	1,446	5,452	9,039
2027 Projected Population	1,456	5,552	9,274
Projected Annual Growth 2022 to 2027	0.14%	0.36%	0.51%
2022 Median Age	44.8	45.8	46.4
<b>Households &amp; Growth</b>			
2022 Estimated Households	600	2,308	3,924
2027 Projected Households	608	2,358	4,044
Projected Annual Growth 2022 to 2027	0.27%	0.43%	0.60%
<b>Race &amp; Ethnicity</b>			
2022 Estimated White	95.34%	95.40%	95.14%
2022 Estimated Black or African American	0.35%	0.44%	0.59%
2022 Estimated Asian or Pacific Islander	0.14%	0.13%	0.21%
2022 Estimated American Indian or Native Alaskan	0.14%	0.17%	0.20%
2022 Estimated Other Races	0.83%	0.79%	0.92%
2022 Estimated Hispanic	2.14%	1.94%	2.33%
<b>Income</b>			
2022 Estimated Average Household Income	\$67,528	\$61,810	\$65,242
2022 Estimated Median Household Income	\$50,099	\$45,511	\$47,351
<b>Businesses &amp; Employees</b>			
2022 Estimated Total Businesses	50	110	170
2022 Estimated Total Employees	476	988	1,511







## WALGREENS

**walgreens.com**

**Company Type:** Subsidiary

**Parent:** Walgreens Boots Alliance

**2022 Employees:** 200,000

**2022 Revenue:** \$132.70 Billion

**2022 Net Income:** \$4.34 Billion

**2022 Assets:** \$90.12 Billion

**2022 Equity:** \$25.25 Billion

**Credit Rating: S&P:** BBB

Walgreens ([www.walgreens.com](http://www.walgreens.com)) is included in the United States segment of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), an integrated healthcare, pharmacy and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities. As America's most loved pharmacy, health and beauty company, Walgreens purpose is to champion the health and well-being of every community in America. Operating nearly 9,000 retail locations across America, Puerto Rico and the U.S. Virgin Islands, Walgreens is proud to be a neighborhood health destination serving approximately 9 million customers each day. Walgreens pharmacists play a critical role in the U.S. healthcare system by providing a wide range of pharmacy and healthcare services. To best meet the needs of customers and patients, Walgreens offers a true omnichannel experience, with fully integrated physical and digital platforms supported by the latest technology to deliver high-quality products and services in local communities nationwide.



### WALGREENS “COOPER” STORE FORMAT

The Cooper is a reference to BMW's Mini Cooper.

Small-format pharmacies are about a quarter of the size of the Walgreens' typical store, which average about 13,500 square feet. Walgreens small-format pharmacy was inspired in part by Walgreens stores near health care systems that are smaller in size and cater to customers picking up medication after getting discharged from the hospital. The stores have a more open concept and get daily deliveries, so they have less stock in the back.

#### Pharmacy focus

The stores focus on the pharmacist and customer relationship. Walgreens sees the smaller stores as a place where customers can have more one-on-one conversations with pharmacists. Along with filling prescriptions, the pharmacies also offer vaccinations like the flu shot. A place where more people can have one-on-one conversations with pharmacists, particularly those taking multiple medications or with complex and chronic conditions.

#### Drive-thru option

Like many other Walgreens stores in the U.S., the majority of the small-format pharmacies have a drive-thru where customers can zip through and pick up items instead of parking and coming inside. That option has gained popularity during recent years.



“These stores are really intended to provide a high-touch experience, and even a convenient experience, to our patients in a different capacity than potentially a very busy 24-hour location where people are coming in and out.”

**RINA SHAH**  
PHARMACY OPERATIONS VP







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