



Walgreens Portfolio

500 MAXEY ROAD,
HOUSTON, TX 77013

Marcus & Millichap
OVANESS-ROSTAMIAN GROUP



OFFERING SUMMARY

Walgreens

 **Purchase Price: \$4,948,148**

PROPERTY DESCRIPTION

Property Address	500 Maxey Road,
City, State, ZIP	Houston, TX 77013
Total Building Area	12,259 SF
Total Land Area	100,445 SF (± 2.31 Acres)
APN	1232450010001
Year Built	2002

THE OFFERING

Land Price / SF	\$49
Current CAP Rate	6.75%
Price / SF	\$404



LEASE SUMMARY

Property Type	Net Leased Drugstore
Tenant	Walgreens
Lease Commencement	April 14, 2003
Lease Expiration	April 30, 2028
Lease Term Remaining	5.2 Years
Lease Type	Absolute NNN Fee-Simple
Extension Options	10 x 5-Year

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INVESTMENT OVERVIEW/ HIGHLIGHTS

500 MAXEY ROAD, HOUSTON, TX 77013

- Over 5.2 Year Remaining on Absolute NNN Lease with Zero Landlord Responsibilities
- Corporate Guarantee with 10 x 5-Year Options for Maximum Term Through 2078
- Essential Use - Pandemic and Recession Resilient Tenant with Drive Thru, FedEx Onsite and Village Medical Location
- Located on Major Arterial Road and Benefits from 38,265 Vehicles Per Day just North of I-10 with 154,870 Vehicles Per Day
- Strong Area Demographics - 193,447 Population Within 5-Mile Radius with Household Income of \$60,301 Annually
- The Site Benefits from being Approximately 2.1 Miles from the Houston Community College with 48,329 Students and 1.5 Miles from East Houston Hospital (120 Beds)
- Nearby Tenants include McDonalds, USPS, DDs Discounts, Bank of America, Popeyes, Pizza Hut, KFC, Taco Bell, Family Dollar, Subway, Kroger, Domino's

The Ovaness-Rostamian Group of Marcus & Millichap is pleased to present the opportunity to acquire the fee-simple interest in three (3) single-tenant, corporate guaranteed, Walgreens locations in Houston Texas, White Bear Lake, Minnesota, and Cicero New York. All properties are leased to and guaranteed by Walgreens Boots Alliance, an “essential-use” and recession-resilient tenant. Walgreens is considered “investment grade” credit and is publicly traded on the New York Stock Exchange (NYSE: WAG) Moodys Baa2 / S&P BBB. The portfolio has an average lease term of 8+ years remaining on an absolute NNN fee simple basis with zero landlord responsibilities, providing consistent and reliable long-term cash-flow.

This portfolio also provides investors with the unique opportunity to assume an existing loan with 6+ years remaining until the maturity date, with a fixed interest rate of 4.70%, which is well below the current market-average borrowing rate. With the attractive rate and terms on the assumable loan, investors can maximize cashflow without the need for loan origination, making this an ideal opportunity for 1031-exchange buyers with limited closing timelines.

The three Walgreens locations have excellent real estate fundamentals, situated on high-traffic arterial roads with proximity to housing, employment, education, and other attractions. All three Walgreens locations feature FedEx Onsite and drive-through pharmacy windows. The Houston location features Village Medical clinic, offering a suite of additional medical services to the local community.



PRICING

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied as to the accuracy of the information.

PRICING SUMMARY:

Price:	\$4,948,148		
Down Payment:	\$1,731,852	35%	
Current Cap Rate:	6.75%	Current C on C:	5.92%
Year Built/Renovated:	2002		
Total Building Size:	12,259	Zoning:	C
Price Per Square Foot:	\$404	Parking:	70
Lot Size (SF):	100,445	Land Price PSF:	\$49

FINANCIAL SUMMARY:

	<u>Current</u>	
Total Rental Income (GLA):	\$334,000	
Expense Reimbursements:	Tenant	
Total Gross Revenue:	\$334,000	
Operating Expenses:	\$0	0%
Net Operating Income (NOI):	\$334,000	6.75%
First Trust Deed/Mortgage:	\$231,400	
Pre-Tax Cash Flow:	\$102,600	5.92%
Interest Payment:	\$191,903	
Principle Payment:	\$39,496	
Total Return:	\$142,097	8.20%

FINANCING:

	<u>Proposed Financing</u>
Balance:	\$3,216,296
Term:	5
Rate:	6.00%
Amortization:	30
Maturity Date:	2028
Yearly Payment:	\$231,400

ESTIMATED EXPENSES:

Property Tax:	Tenant
Insurance:	Tenant
Maintenance:	Tenant
 Total Expenses:	 \$0
Expenses PSF (GLA):	\$0.00

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TENANT PROFILE



Walgreens

Website	www.walgreens.com
Founded	1901
Headquarters	Chicago, IL
Locations	8,900+
NYSE	WBA
Rating	B2 / BBB
Parent	Walgreens Boots Alliance

Walgreen Company, is an American company that operates the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. It was founded in Chicago, Illinois, in 1901, and is headquartered in the Chicago suburb of Deerfield, Illinois. Walgreens is owned by the Walgreens Boots Alliance, Inc. This parent company is currently the largest retail pharmacy in the US and Europe, with 13,200 stores in over 11 countries.



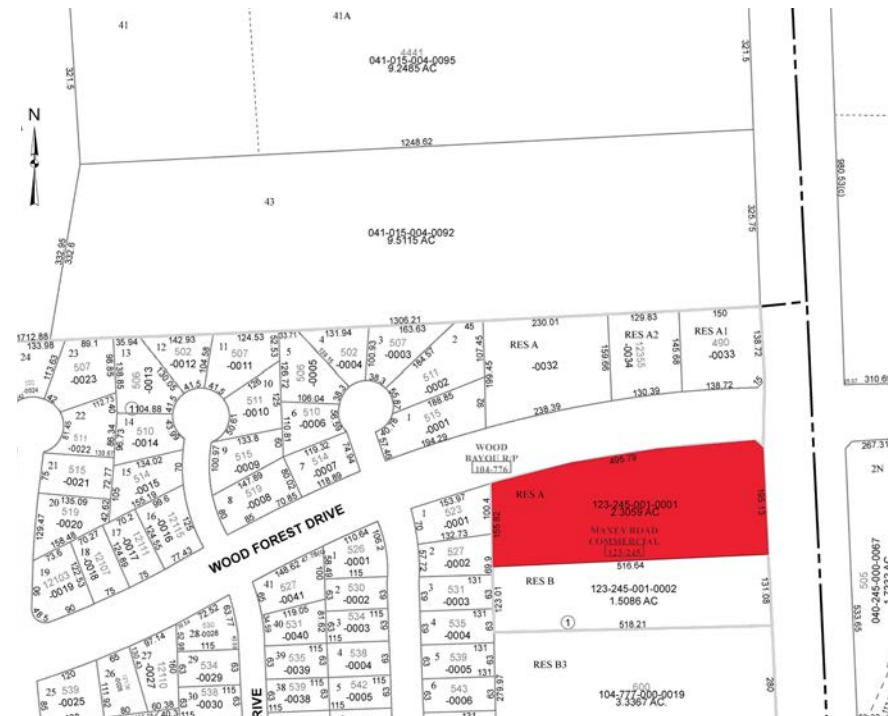
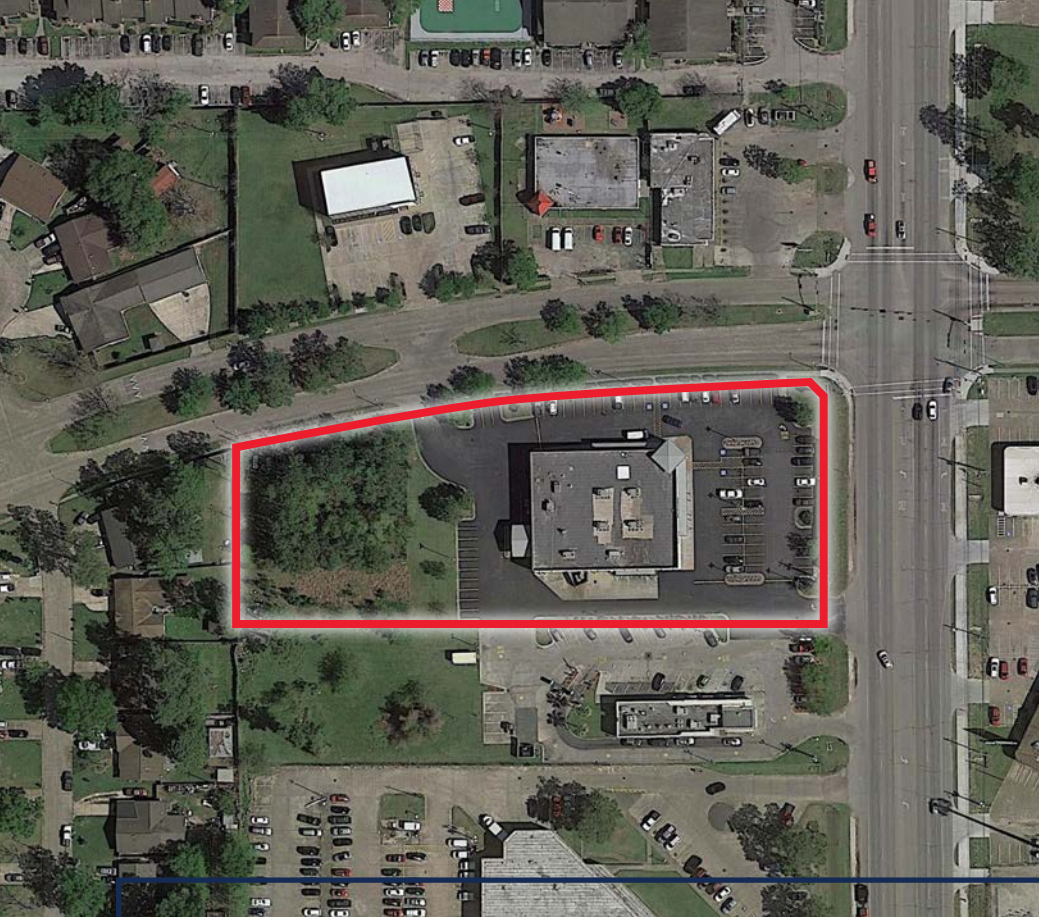
VillageMD is an in-store clinic that offers a wide range of health care services with on-site physicians, operating in approximately 180 Walgreens stores across the United States. In 2020, Walgreens Boots Alliance invested \$5.2 Billion to acquire a 63% stake in VillageMD, announcing that Walgreens would become the first national pharmacy chain to offer full-service doctor offices co-located at its stores, offering value-based and convenient primary care to Walgreens customers. Walgreens announced plans for 200+ Village MD locations by the end of 2022, with 600-700 locations over the next four years.



Walgreens

500 MAXEY ROAD, HOUSTON, TX 77013





APN: 1232450010001

PROPERTY DETAILS

Total Land SF



100,445

Zoning



C

Total Building SF



12,259

Location



Houston, TX

Year Built



2002

Houston, TX

SAN JACINTO
COLLEGE
Your Goals. Your College.
San Jacinto
College
15,751 Students



25,057
CARS PER DAY

Maxey Rd.

SUBJECT
Walgreens



HCC HOUSTON
COMMUNITY COLLEGE
Houston
Community College
48,329 Students

90

Crosby Fwy.



Woodforest Blvd.

38,265
CARS PER DAY



Burger King
McDonald's

154,870
CARS PER DAY



East Fwy.

10



EAST HOUSTON
HOSPITAL & CLINICS
East Houston
Hospital & Clinics
120 Beds



Federal Rd.

Houston, TX



SUBJECT
Walgreens



McDonald's

Maxey Rd.

Woodforest Blvd.

38,265
CARS PER DAY





City Of HOUSTON

ABOUT HOUSTON, TX

As the fifth most populous metro area in the U.S., Houston houses more than 7.1 million people in southeastern Texas. Roughly one third of residents live in the city of Houston. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller. The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for exports. Local industries have diversified from oil to technology and healthcare. Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west.



CORPORATE GROWTH

Houston will remain a top destination for corporate relocations due to its business-friendly environment. More than 20 Fortune 500 companies are headquartered in the metro.



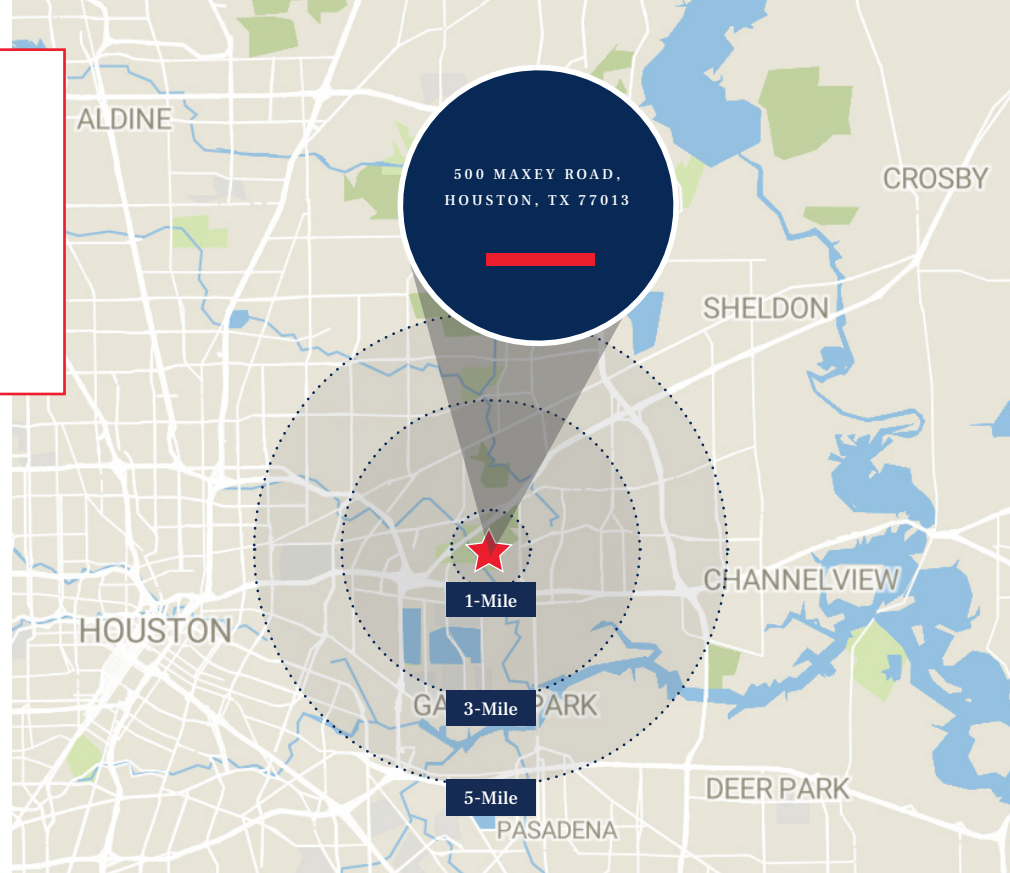
HIGHER EDUCATION

Over 40 post-secondary educational institutions are in the metro. Roughly 32 percent of citizens age 25 and older have a bachelor's degree, with 11 percent also holding a graduate or professional degree.



HIGHER EDUCATION

Houston has a lower cost of living than many major metros, no state income tax and a median home price below the national level.



DEMOGRAPHICS



193,447

Total Population within
5-Mile Radius



58,527

Total Households within
5-Mile Radius

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	15,149	85,115	204,431
2022 Estimate			
Total Population	14,929	83,123	193,447
2010 Census			
Total Population	14,201	78,833	171,664
2000 Census			
Total Population	14,956	78,205	157,044
Daytime Population			
2022 Estimate	9,226	75,268	187,994
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	4,776	26,451	61,984
2022 Estimate			
Total Households	4,657	25,740	58,527
Average (Mean) Household Size	3.1	3.2	3.3
2010 Census			
Total Households	4,340	23,979	51,227
2000 Census			
Total Households	4,461	24,392	47,794
Occupied Units			
2027 Projection	5,840	30,060	68,612
2022 Estimate	5,669	29,141	64,692
HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$150,000 or More	2.7%	4.3%	4.7%
\$100,000-\$149,999	6.9%	9.9%	10.7%
\$75,000-\$99,999	6.9%	9.8%	10.8%
\$50,000-\$74,999	18.7%	21.4%	20.4%
\$35,000-\$49,999	17.5%	16.4%	16.6%
Under \$35,000	47.3%	38.2%	36.8%
Average Household Income	\$48,982	\$58,454	\$60,301
Median Household Income	\$37,109	\$45,526	\$46,624
Per Capita Income	\$15,374	\$18,217	\$18,302

HOUSEHOLDS BY EXPENDITURE	1 Mile	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$82,786	\$95,645	\$97,100
Consumer Expenditure Top 10 Categories			
Housing	\$13,888	\$15,537	\$15,771
Transportation	\$8,669	\$10,254	\$10,429
Food	\$4,891	\$5,282	\$5,314
Personal Insurance and Pensions	\$4,569	\$5,492	\$5,609
Healthcare	\$3,572	\$4,294	\$4,363
Entertainment	\$1,793	\$2,104	\$2,139
Cash Contributions	\$1,097	\$1,409	\$1,422
Apparel	\$797	\$866	\$868
Gifts	\$670	\$836	\$845
Education	\$566	\$712	\$735
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	14,929	83,123	193,447
Under 20	34.0%	32.1%	33.0%
20 to 34 Years	25.5%	23.5%	22.9%
35 to 39 Years	7.8%	7.2%	7.3%
40 to 49 Years	11.2%	12.4%	12.3%
50 to 64 Years	12.6%	15.2%	14.9%
Age 65+	8.9%	9.6%	9.6%
Median Age	29.8	31.4	31.2
Population 25+ by Education Level			
2022 Estimate Population Age 25+	8,826	50,347	115,605
Elementary (0-8)	24.2%	19.7%	18.3%
Some High School (9-11)	14.7%	14.0%	13.6%
High School Graduate (12)	29.9%	31.5%	32.4%
Some College (13-15)	19.1%	19.4%	19.5%
Associate Degree Only	4.1%	6.0%	6.0%
Bachelor's Degree Only	5.6%	6.8%	7.2%
Graduate Degree	2.3%	2.6%	2.9%

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Walgreens
Portfolio

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