

Walgreens

15840 W TWELVE MILE RD | SOUTHFIELD, MI 48076



ANTICIPATED COMPLETION: SUMMER 2023



INTERACTIVE
OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY:

CHRISTIAN BECKER

Associate
DIRECT +1 (512) 430-4466
MOBILE +1 (737) 320-7718
christian.becker@matthews.com
License No. 794055 (TX)

CONRAD SARREAL

Vice President & Associate Director
DIRECT +1 (214) 692-2847
MOBILE +1 (626) 230-1006
conrad.sarreal@matthews.com
License No. 01982875 (CA)

BROKER OF RECORD

Kyle Matthews
License No. 6505432273 (MI)



TABLE OF CONTENTS



15840 W TWELVE MILE RD | SOUTHFIELD, MI 48076

INTERACTIVE OFFERING MEMORANDUM

EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS



DETROIT-WARREN-DEARBORN MSA – Detroit is the largest city in Michigan and a top 15 MSA in the nation. Southfield is an affluent inner-ring Detroit suburb that is home to many of the downtown Detroit commuters, and holds Southfield Town Center, a true city within a city that offers unmatched amenities for both tenants and visitors.



EXCELLENT REAL ESTATE FUNDAMENTALS – The smaller format “Cooper” model stores are Walgreens Newest Healthcare Vision with the program being expanded by 150% in 2023. These locations are geared toward personalized care and health & wellness with pharmacists playing a central role in providing patients a “high-touch experience.”



BRAND NEW CONSTRUCTION – With anticipated delivery Summer 2023, this location is a Brand New Built-To-Suit smaller format construction Walgreens constructed with high quality materials.



RELOCATION SITE – This site is an immediate relocation from less than a quarter mile away, supporting an already established customer base and attesting to the quality of the tenant’s location. The thoroughfare the site is located on generates over 30,000 Vehicles Per Day.



MAJOR HOSPITAL NEARBY – Beaumont Hospital, Royal Oak, a 1,131 bed facility, provides tertiary care and healthcare services to the Royal Oak region and Metro Detroit and is located less than 1 mile Northeast, further increasing the potential for sales and profitability.



AFFLUENT COMMUNITY – This Walgreens serves the affluent Southfield, MI community. The average household income within the 5-mile radius exceeds \$113,000.



ST. ANNE’S ASSISTED LIVING – Located adjacent to this Walgreens, St. Anne’s Mead Assisted Living, Memory Care, and Extended Care is a state-of-the-art therapeutic memory care home that provides residents with the highest level of care.



CRITICAL DRIVE-THRU LANE – Drive-thru lanes proved to be critical for retailers through the pandemic, and as total sales volume for restaurants, pharmacy, and bank properties last year hit a record \$12 Billion, the interest in drive-through real estate has exploded.



ABSOLUTE NNN – This lease offers zero landlord responsibilities ideal for an investor looking for an extremely passive and secure investment.



INVESTMENT GRADE CREDIT TENANT – Rent is guaranteed by Walgreens Corporate, a Fortune 500 company boasting an S&P credit rating of BBB and a ± \$31 billion market cap.



PANDEMIC PROOF / ESSENTIAL RETAILER – As an essential retailer, Walgreens has been working to ensure the safety and well-being of patients, customers, and colleagues. The global, pharmacy-led health care company continues to prove its resilience through the Covid-19 Pandemic and economic downturn.

Beaumont

HOSPITAL, ROYAL OAK

±1.8 MILES AWAY

- ±1,101 Beds
- Operating since 1955
- Ranked #2 hospital in MI
- One of the best in the nation with 10 nationally ranked & 1 high performing specialties
- Major academic and referral center
 - Level I adult trauma
 - Level II pediatric trauma
- Clinical partner of the Oakland University William Beaumont School of Medicine
- More than 1,400 Beaumont doctors on faculty



W 12 MILE RD ± 30,000 VPD

FINANCIAL OVERVIEW



\$5,743,478
LIST PRICE



\$330,250
NOI



5.75%
CAP RATE

PROPERTY SUMMARY

Property Street	15840 W Twelve Mile Rd
City, State, Zip	Southfield, MI 48076
GLA	±9,400 SF
Year Built	2023
Lot Size	±1.16 AC

FINANCIAL OVERVIEW

LEASE SUMMARY

Tenant	Walgreens
Parcel Number	76-24-12-478-038
Store Number	#21364
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant's Responsibility
Original Lease Term	12 Years
Lease Commencement Date	Anticipated Commencement - August 2023
Lease Expiration Date	Est. 8/31/2035
Term Remaining on Lease	±12 Years
Rental Escalations	5% in Each Option
Options	6, (5) Year Options

ANNUALIZED OPERATING DATA

TERM	LEASE YEARS	ANNUAL RENT	MONTHLY RENT	CAP RATE
Current	8/15/2023 - 8/31/2035	\$27,520.83	\$330,249.96	5.75%
Option 1	9/01/2035 - 8/31/2040	\$28,896.87	\$346,762.46	6.04%
Option 2	9/01/2040 - 8/31/2045	\$30,341.72	\$364,100.58	6.34%
Option 3	9/01/2045 - 8/31/2050	\$31,858.80	\$382,305.61	6.66%
Option 4	9/01/2050 - 8/31/2055	\$33,451.74	\$401,420.89	6.99%
Option 5	9/01/2055 - 8/31/2060	\$35,124.33	\$421,491.93	7.34%
Option 6	9/01/2060 - 8/31/2065	\$36,880.54	\$442,566.53	7.71%

FOR FINANCING OPTIONS REACH OUT TO:

GREGORY KAVOKLIS
gregory.kavoklis@matthews.com
(818) 206-5835



SOUTHFIELD TOWN CENTER
BUSINESS PARK



PISTON GROUP



DONER AIAG
Automotive Industry Action Group



CIENA HEALTHCARE



INNOVATIVE
CLIENT CONNECTIONS



FAIRWAY
INDEPENDENT MORTGAGE CORPORATION
1044523209

SOUTHFIELD PLAZA
SHOPPING CENTER



BIG LOTS!



Burlington



Party City



planet fitness



Bath & Body Works



GNC
LIVE WELL



BOSTON MARKET




Beaumont Health



VESCO OIL CORPORATION

TARGOSZ & WALKER
TARGOSZ & WALKER LEGAL GROUP, PLLC



ST. ANNE'S MEAD
Assisted Living. Nursing Care.



Kadima
Mental Health Services
Moving Forward. Changing Lives.



Painless-Chiropractor.com
Chiropractic... like you've never imagined.

LAW OFFICES
B&A
BETTER GET BLUM

ABBORE HEALTHCARE SERVICES INC

W 12 MILE RD ± 30,000 VPD



SUBJECT PROPERTY

BABY GENIUS LEARNING CENTER



IXL
Learning Center



DETROIT
+ 18 MILES AWAY

GREENFIELD RD ± 60,000 VPD

ABBORE HEALTHCARE SERVICES INC

LAW OFFICES
B&A
BETTER GET BLUM

LINCOLN SHOPPING CENTER



Painless-Chiropractor.com
Chiropractic... like you've never imagined.

Kadima
Mental Health Services
Moving Forward, Changing Lives.

FOR A CLEANER ENVIRONMENT
VESCO OIL CORPORATION

W 12 MILE RD ± 30,000 VPD

IXL
Learning Center

BABY GENIUS LEARNING CENTER

STUDIO *Lush*



SUBJECT PROPERTY



TARGOSZ & WALKER
TARGOSZ & WALKER LEGAL GROUP, PLLC

TENANT OVERVIEW



COMPANY NAME

Walgreens

OWNERSHIP

Public

YEAR FOUNDED

1901

INDUSTRY

Drug Store

HEADQUARTERS

Deerfield, IL

NO. OF EMPLOYEES

±315,000

Walgreens

TENANT OVERVIEW

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. On December 31, 2014, Walgreens and Switzerland-based Alliance Boots merged to form a new holding company, Walgreens Boots Alliance Inc.-an integrated pharmacy, healthcare and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities. Walgreens became a subsidiary of the new company, which retained its Deerfield headquarters and trades on the Nasdaq under the symbol WBA. WBA has more than 315,000 team members and a presence in nine countries through its portfolio of consumer brands: Walgreens, Boots, Duane Reade, the No7 Beauty Company, Benavides in Mexico and Ahumada in Chile. Walgreens provides solutions for payers and health systems, resources for healthcare professionals, and has a Walgreens center for health & wellbeing research.

WALGREENS HEALTH FOCUS

Walgreens' overall value proposition differentiates it from competitors in valuable ways. Specifically, a focus on health gives Walgreens a competitive advantage over other pharmacies. By putting health at the forefront of all aspect of the business and reducing customers' shopping time, Walgreens has achieved placement in a league of its own as competition aims their focus on things such as convenience, design, or low prices.

AREA OVERVIEW



SOUTHFIELD, MI

Located in Oakland County, Southfield, Michigan, is a vibrant and busy city. Due to its ideal position just a few miles north of downtown Detroit, Southfield provides a distinctive fusion of suburban charm with metropolitan accessibility. With a population of about 73,000, the city has a diversified population that adds to its energetic atmosphere.

The financial, healthcare, automotive, and technology sectors are all well-represented in Southfield's dynamic and diverse economy. With multiple company offices and office buildings, it functions as a significant business hub. The "Golden Triangle" of business skyscrapers, which includes the well-known Southfield Town Center, is a well-known feature of the city. Significantly present in Southfield are well-known companies including Blue Cross Blue Shield of Michigan, Denso, and Lear Corporation.

There are many parks and recreational spaces throughout the city, allowing residents to relax and engage in outdoor activities. For those who enjoy the outdoors, Beverly Hills Park and Carpenter Lake Nature Preserve are popular destinations. The dining scene in Southfield is diversified, with a number of restaurants serving a variety of cuisines.

Southfield is an excellent location for exploring the attractions and amenities of the broader metropolitan area because of its proximity to Detroit. In Detroit, famous locations such as top-notch museums, sports arenas, entertainment areas, and others are easily accessible to tourists.

DEMOGRAPHICS

POPULATION	1 MILE	3 MILE	5 MILE
2028 Projection	9,995	103,638	284,772
2023 Estimate	10,060	103,618	284,236
2020 Census	10,155	104,153	285,452
Growth 2010-2023	0.68%	3.86%	3.87%
HOUSEHOLD	1 MILE	3 MILE	5 MILE
2028 Projection	4,239	44,828	126,638
2023 Estimate	4,238	44,659	125,655
2020 Census	4,238	44,659	125,655
Growth 2010-2023	5.54%	4.70%	5.51%
INCOME	1 MILE	3 MILE	5 MILE
Avg Household Income	\$107,822	\$113,482	\$113,987

DETROIT, MI

Detroit is the largest and most populous city in the U.S. state of Michigan, the largest city on the United States–Canada border, and the seat of Wayne County. The city of Detroit has a population of 639,111, making it the 27th-most populous city in the United States. The metropolitan area, known as Metro Detroit, is home to over 4.3 million people, making it the second largest in the Midwest after the Chicago metropolitan area. Regarded as a major cultural center, Detroit is known for its contributions to music and as a repository for art, architecture, and design. The City of Detroit anchors the third-largest regional economy in the Midwest, behind Chicago and Minneapolis–Saint Paul, and the 17th largest in the United States. Detroit is best known as the center of the U.S. automobile industry, and the “Big Three” auto manufacturers General Motors, Ford, and Chrysler are all headquartered in Metro Detroit. Detroit is the commercial capital of Michigan and a major economic and industrial center of the nation.





ECONOMY

While Detroit is the world's epicenter of mobility and advanced transportation solutions, today's Detroit is so much more than just Motor City. With a diverse offering of competitive advantages, Detroit is a smart choice for businesses looking to expand, relocate, and invest. The city is home to major companies in the financial, technology, education, and healthcare sectors.

Detroit offers a suite of incentive programs designed to help businesses thrive with a talented workforce, innovative educational institutions, successful private/public partnerships attracting international attention, and affordable, unique real estate.

Within Detroit beats the heart of a major metropolitan city featuring a thriving downtown district and vibrant neighborhood communities. Detroit has world-class hospital systems and rich history of art, theater, music, and culture.



DETROIT LION, DETROIT TIGERS,
DETROIT PISTONS, DETROIT
RED WINGS



WAYNE STATE UNIVERSITY,
UNIVERSITY OF DETROIT MERCY

EMPLOYERS

EMPLOYEES

Rocket Companies	15,250
Henry Ford Health System	9,903
City of Detroit	9,094
Detroit Medical Center	7,839
Detroit Public Schools Community District	7,060
Stellantis NV	6,997
U.S. Government	6,352

TOURISM

Tourism in Detroit, Michigan is a significant factor in the region's culture and economy, comprising nine percent of the area's two million jobs. About 15.9 million people visit Metro Detroit annually, spending an estimated \$4.8 billion. Detroit is one of the largest American cities and metropolitan regions to offer casino resort hotels. Leading multiday events throughout Metro Detroit attract super-sized crowds of hundreds of thousands to over three million people. More than fifteen million people cross the highly traveled nexus of the Ambassador Bridge and the Detroit-Windsor Tunnel annually. Detroit is at the center of an emerging Great Lakes Megalopolis. An estimated 46 million people live within a 300-mile radius of Metro Detroit.

Detroit's unique culture, distinctive architecture, and revitalization efforts in the 21st century have given Detroit increased prominence as a tourist destination in recent years.

ATTRACTIONS

FORD FIELD

Located in downtown Detroit, Ford Field is the home of the NFL Detroit Lions. The football stadium has a seating capacity of approximately 65,000 people but is expandable with up to 70,000 seats for football fans and up to 80,000 seats for basketball fans.

- Average attendance: 51,522 (Statista, 2021)

COMERICA PARK

Located in downtown Detroit, Comerica Park is the home of the MLB Detroit Tigers. The ballpark has a seating capacity of over 41,000 people.

- Average attendance: 19,694 (Baseball America, 2022)

LITTLE CAESARS ARENA

Located in Midtown Detroit, Little Caesars Arena is a mixed-use arena. It is the home of the NBA Detroit Pistons and the NHL Detroit Red Wings. The arena has a seating capacity of around 20,000 people for sporting events and around 22,000 people for concerts.

- Average attendance of Detroit Pistons: 17,961 (ESPN, 2022)
- Average attendance of Detroit Red Wings : 16,984 (Statista, 2022)



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **15840 W Twelve Mile Rd, Southfield, MI 48076** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer: There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.



15840 W TWELVE MILE RD | SOUTHFIELD, MI 48076

INTERACTIVE OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY:

CONRAD SARREAL

Vice President & Associate Director
DIRECT +1 (214) 692-2847
MOBILE +1 (626) 230-1006
conrad.sarreal@matthews.com
License No. 01982875 (CA)

BROKER OF RECORD

Kyle Matthews
License No. 6505432273 (MI)