

Walgreens

Walgreens
Corporate Guaranty



ACTUAL PHOTO

 12 PARK DRIVE, HORNELL, NY 14843

Marcus & Millichap

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present for sale this Net Leased Rite Aid (now backed by Walgreens as of February 2018) located at 12 Park Drive, Hornell, New York in Steuben County, just an hours drive South of Rochester, New York and just over an hour South East of the City of Buffalo with an average household income exceeding \$58,695, annually. The closest Walgreen's is 23 miles away in Bath, New York.

The subject property consists of 13,813 square feet that is situated on a 1.71-acre-parcel of land with a full service pharmacy drive-thru window and a Wellness Clinic within the store. This Walgreens benefits from the strategic location at the signalized intersection of Maple City Drive and Park Drive.

There are 15 years remaining on the lease, Absolute Net-Lease (NNN) where the landlord has no responsibilities to the property. The offering provides a flat initial term and three five-year options with no rent increases. This Walgreens is an outparcel to Hornell Railroad Center which includes retailers such as Family Dollar, Aaron's, Save a Lot and Tractor Supply Company to name a few.

Walgreens is one of the nations largest leading drugstore chains with over 8,100 stores in 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands, and nearly 235,000 associates. Walgreens also manages more than 400 healthcare clinics and provider practice locations around the country.

INVESTMENT HIGHLIGHTS

- Corporately Guaranteed by Walgreens
- BBB Credit Guaranty
- Over 15 Years Remaining on the Lease
- Closest Walgreens is 23 Miles Away
- Close Proximity to St. James Mercy Hospital
- Wellness Clinic Within the Store



Corporate Guaranty

THE OFFERING

Walgreens / Rite Aid
12 PARK DRIVE,
HORNELL, NEW YORK 14843



PROPERTY DETAILS

Lot Size	74,488 SF (1.71 Acres)
Rentable Square Feet	13,813 SF
Price/SF	\$390.80
Year Built	2004

FINANCIAL OVERVIEW

List Price	\$5,398,064
Down Payment	100% / \$5,398,064
Cap Rate	6.25%
Type of Ownership	Fee Simple

PROPERTY RENT DATA

RENT INCREASES	MONTHLY RENT	ANNUAL RENT
4/29/2019 - 3/31/2034 (Current)	\$28,115	\$337,379
4/01/2034 - 3/31/2039 (Option 1)	\$28,115	\$337,379
4/01/2039 - 3/31/2044 (Option 2)	\$28,115	\$337,379
4/01/2044 - 3/31/2049 (Option 3)	\$28,115	\$337,379
Base Rent (\$24.42 /SF)		\$337,379
Net Operating Income		\$337,379.00
TOTAL ANNUAL RETURN	CAP 6.25%	\$337,379

LEASE ABSTRACT

Tenant Trade Name	Walgreens - Rite Aid Corporate Guaranty
Tenant	Walgreens Co.
Ownership	Public
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Term	15 Years
Lease Commencement Date	04/29/2019
Rent Commencement Date	04/29/2019
Expiration Date of Base Term	03/31/2034
Landlord Responsibility	None
Tenant Responsibility	All
Increases	No Increases
Options	Three Five-Year Options
Term Remaining on Lease	14+ Years
Property Type	Net Leased Drug Store
Right of First Refusal/Offer	Yes

Corporate Guaranty





Walgreens
RITE AID
SUBJECT PROPERTY

Save a lot
food stores
Aaron's
FAMILY DOLLAR

TSC TRACTOR SUPPLY CO

 **CARS PER DAY**
8,530



H&R BLOCK

Best Western



Walgreens

Name	Walgreens
Ownership	Public
Stock Symbol	WBA
Sales Volume	<u>\$120.5 Billion (2017)</u>
Net Worth	<u>\$30.9 Billion</u>
Board	NYSE
Tenant	Corporate Store
Founded	1901
HQ	Deerfield, IL
Number of Locations	8,201+
Web Site	www.walgreens.com

Walgreens, one of the nation's largest drugstore chains, constitutes the Retail Pharmacy USA Division of Walgreens Boots Alliance, Inc. (Nasdaq: WBA), the first global pharmacy-led, health and wellbeing enterprise. More than 8 million customers interact with Walgreens each day in communities across America, using the most convenient, multichannel access to consumer goods and services and trusted, cost-effective pharmacy, health and wellness services and advice. Walgreens operates 8,100 drugstores with a presence in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens digital business includes Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com. Walgreens also manages more than 400 Healthcare Clinics and provider practice locations around the country. Walgreens Boots Alliance reported sales of \$118.21 Billion in fiscal year 2017 and their credit ranking by Standard and Poor's is BBB.

Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise in the world. The company was created through the combination of Walgreens and Alliance Boots in December 2014, bringing together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted health care services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

Regulatory approval was received for a long anticipated deal between Walgreens Boots Alliance and Rite Aid in September of 2017. Walgreens will buy 1,932 Rite Aid stores and three distribution centers for \$4.38 billion.

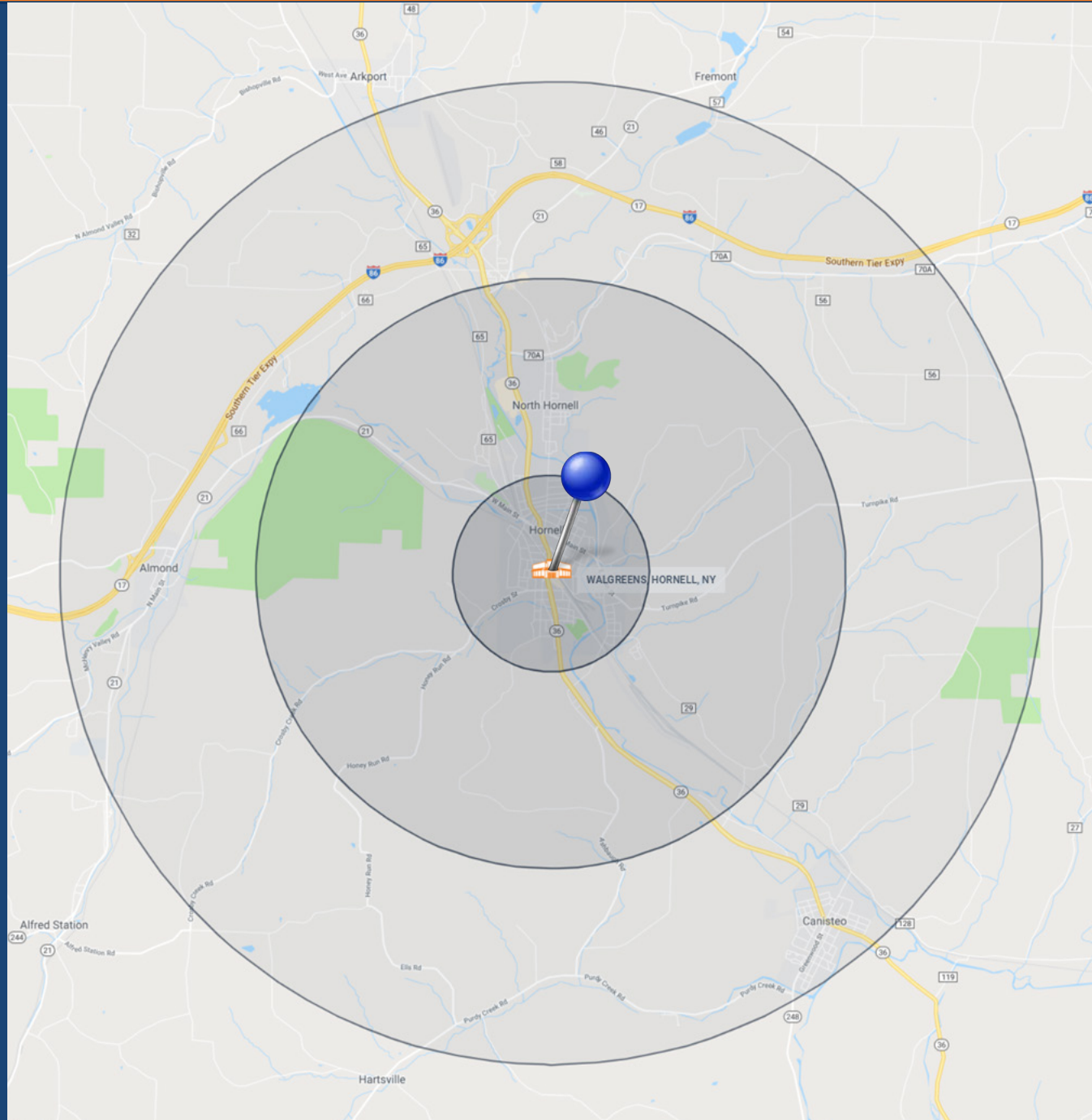
In early March, Rite Aid announced that it has now transferred 1,651 stores to Walgreens Boots Alliance as part of a larger deal with the nation's largest pharmacy chain (WAG). In all, Walgreens is buying 1,932 stores and three distribution centers from Rite Aid for nearly \$4.4 billion in cash. Recently, Rite Aid has already received cash proceeds of \$3.6 billion, which the company continues to use in order to reduce debt. The remaining 2,525 Rite Aid locations, including its EnvisionRx PBM, are being sold to grocery store giant Albertsons in a cash and stock deal announced mid-February that will leave Rite Aid shareholders with ownership of between 28% and 29.6% of the combined company. The transfer of Rite Aids to Walgreens will be completed in the spring of 2018, while the sale of the remaining Rite Aids to Albertsons will be completed in the second half of 2018.

The yet to be named combination of Albertsons and the remaining Rite Aids not sold to Walgreens will trade publicly on the NYSE. The combination of Rite Aid and Albertsons will operate about 4,900 locations, 4,350 pharmacy counters and 320 clinics across 38 states.

“Over the next few months, many Rite Aid locations - especially in the Northeast and Southern parts of the U.S. will be joining the Walgreens family. Taking care of patients, customers and our local communities is our top priority, and we look forward to having the opportunity to continue serving you. As a first step, select Rite Aid locations will transfer to Walgreens ownership over the next few months. When this happens, the pharmacies in these stores will be managed by Walgreens. Over the next approximately 18 months, the majority of these locations will convert to full Walgreens locations with the products, services and great prices found at other Walgreens stores nationwide.”



	1 Miles	3 Miles	5 Miles
POPULATION			
2023 Projection	8,085	10,605	15,584
2018 Estimate	8,221	10,709	15,743
2010 Census	8,302	10,787	15,956
2000 Census	8,721	11,186	16,402
INCOME			
Average	\$51,693	\$56,307	\$58,695
Median	\$39,409	\$41,726	\$44,729
Per Capita	\$21,499	\$23,281	\$24,105
HOUSEHOLDS			
2023 Projection	3,352	4,375	6,400
2018 Estimate	3,375	4,370	6,396
2010 Census	3,458	4,463	6,556
2000 Census	3,493	4,450	6,544
HOUSING			
2018	\$72,478	\$80,081	\$83,450
EMPLOYMENT			
2018 Daytime Population	10,131	11,816	16,470
2018 Unemployment	8.48%	7.77%	7.25%
2018 Median Time Traveled	20	20	21
RACE & ETHNICITY			
White	93.29%	94.09%	95.30%
Native American	0.12%	0.09%	0.06%
African American	2.16%	1.81%	1.34%
Asian/Pacific Islander	0.77%	0.85%	0.75%



GEOGRAPHY: 5 MILE



POPULATION

In 2018, the population in your selected geography is 15,743. The population has changed by -4.02% since 2000. It is estimated that the population in your area will be 15,584.00 five years from now, which represents a change of -1.01% from the current year. The current population is 48.52% male and 51.48% female. The median age of the population in your area is 41.28, compare this to the US average which is 37.95. The population density in your area is 200.03 people per square mile.



HOUSEHOLDS

There are currently 6,396 households in your selected geography. The number of households has changed by -2.26% since 2000. It is estimated that the number of households in your area will be 6,400 five years from now, which represents a change of 0.06% from the current year. The average household size in your area is 2.39 persons.



INCOME

In 2018, the median household income for your selected geography is \$44,729, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 41.35% since 2000. It is estimated that the median household income in your area will be \$52,925 five years from now, which represents a change of 18.32% from the current year.

The current year per capita income in your area is \$24,105, compare this to the US average, which is \$32,356. The current year average household income in your area is \$58,695, compare this to the US average which is \$84,609.



RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 95.30% White, 1.34% Black, 0.06% Native American and 0.75% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 1.86% of the current year population in your selected area. Compare this to the US average of 18.01%.



HOUSING

The median housing value in your area was \$83,450 in 2018, compare this to the US average of \$201,842. In 2000, there were 4,387 owner occupied housing units in your area and there were 2,158 renter occupied housing units in your area. The median rent at the time was \$345.



EMPLOYMENT

In 2018, there are 8,062 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 53.30% of employees are employed in white-collar occupations in this geography, and 46.67% are employed in blue-collar occupations. In 2018, unemployment in this area is 7.25%. In 2000, the average time traveled to work was 21.00 minutes.

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