



Offering Memorandum

# WALGREENS

3300 Dekalb Pike  
East Norriton, PA

## EXCLUSIVELY LISTED BY

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## TABLE OF CONTENTS

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03 | EXECUTIVE SUMMARY

04 | FINANCIAL OVERVIEW

08 | PROPERTY OVERVIEW

09 | TENANT OVERVIEW

12 | AREA OVERVIEW



## INVESTMENT HIGHLIGHTS

- **Absolute NNN Lease** – Fee simple ownership with zero landlord responsibilities. Tenant pays for CAM, insurance, utilities, taxes, and maintains all aspects of the premises
- **Long Term Lease with 5-year Option Structure** – Tenant has over 10 years remaining on the base term of the lease with 50 years of options (10x5 year option structure)
- **Medical Spending** – 2018 Annual Consumer Spending in total health care (medical services, prescription drugs, and medical supplies) in the 5-mile radius exceeds \$100 million
- **Strong Demographics** – Over 170,000 residents, with an average household income over \$100,000, in the 5-mile radius. There has been positive population growth in the 5-mile radius over the last 5-years, and project to continue to grow over the next 5-years
- **Philadelphia MSA** – East Norriton is a former farming community 8 miles northwest of Philadelphia’s city limits, consisting of residential, commercial, and industrial areas. Philadelphia is the sixth-most populous U.S. city, with a 2017 census-estimated population of 1,580,863. The Philadelphia area’s many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. Philadelphia is home to five Fortune 1000 companies
- **Nearby Retail Synergy** - National tenants include Walmart, CVS Pharmacy, Chick-fil-A, McDonald’s, IHOP, Burger King, GIANT Food Stores, TD Bank, Pep Boys Auto Parts & Service, Weis Markets, Wells Fargo, Taco Bell, Harbor Freight Tools, PNC Bank, Crunch Fitness, Big Lots, and many more
- **Prototype Store Format on Signalized Intersection** – Double drive-thru store format located on a hard corner intersection with over 33,000 VPD
- **Nationally Recognized Investment Grade Tenant** – Lease is fully guaranteed by Walgreens Co. (S&P’s Rated BBB). The company is ranked #17 on the Fortune 500, for 2017



## OFFERING OVERVIEW



### WALGREENS

3300 Dekalb Pike  
East Norriton, PA 75228

List Price .....	\$7,459,016
List Cap Rate.....	6.10%
Gross Leasable Area .....	± 13,650 SF
Lot Size .....	± 2.09 Acres
GLA .....	± 13,650 SF
Year Built.....	2006

### ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Rent/SF	Cap
Current & Options	\$37,916.67	\$455,000.04	\$33.33	6.10%

### TENANT SUMMARY

Tenant	Walgreens Co.
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant Responsible
Original Lease Term	75 years
Lease Commencement Date	8/1/2004
Lease Expiration Date	7/31/2079
First Option to Terminate	7/31/2029
Tenant's Right to Terminate Lease	At the 300th month, and every 120 months until the lease expiration date
Term Remaining	±10.5 Years

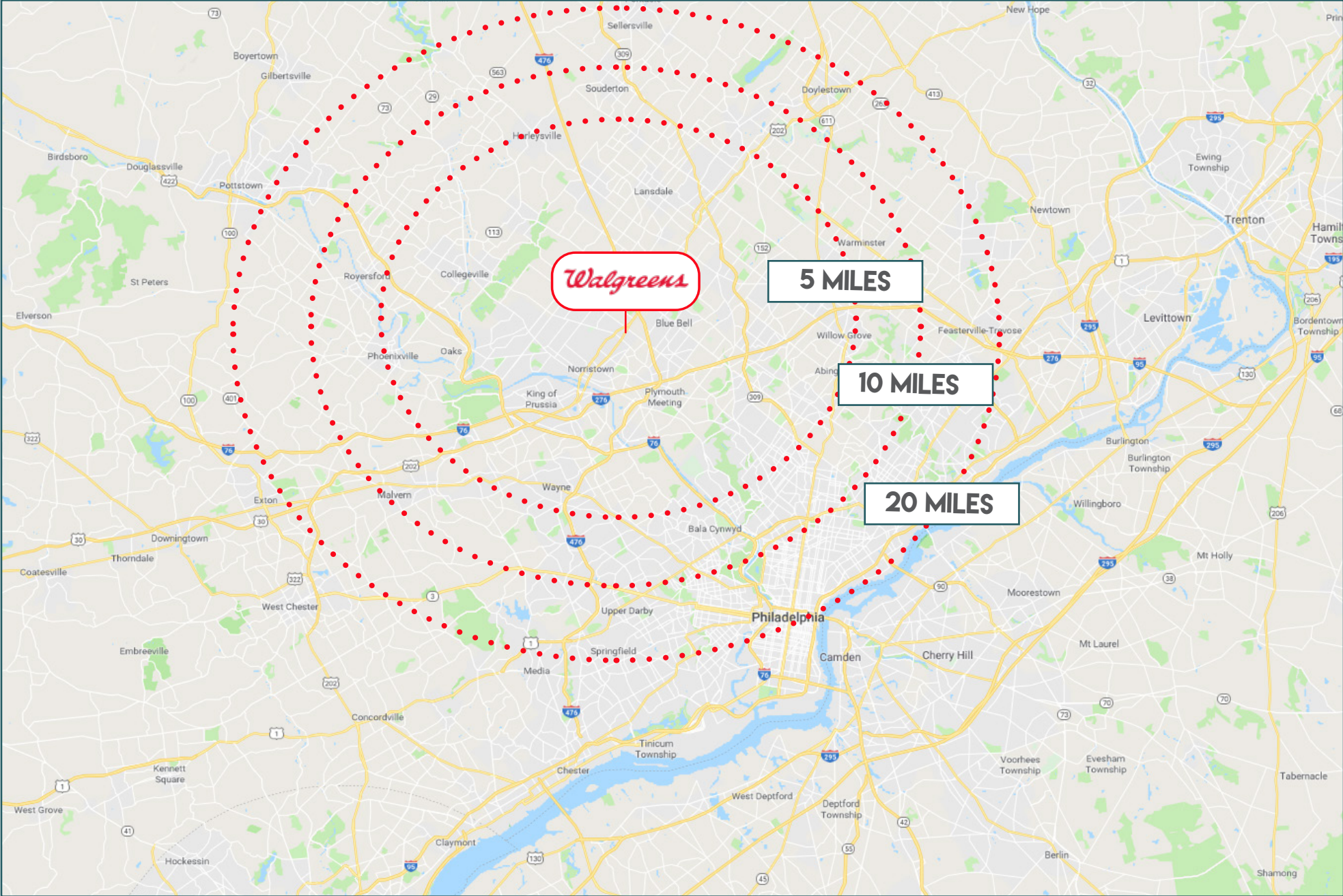


# SURROUNDING TENANTS





# REGIONAL MAP







# PROPERTY OVERVIEW





## TENANT OVERVIEW



» **Company Name**

Walgreens Boot Alliance



» **Year Founded**

1963



» **Headquarters**

Deerfield, IL



» **Ownership**

Public



» **Industry**

Drug Store



» **S&P Credit Rating**

BBB



The nation's #1 drugstore chain, Walgreens, operates close to 8,300 stores in all 50 US states, the District of Columbia, the Virgin Islands and Puerto Rico. Prescription drugs are the focus of the company as they account for close to two-thirds of sales; the rest comes from general merchandise, over-the-counter medications, cosmetics, and groceries. Most locations offer drive-through pharmacies and one-hour photo processing, which separates them from competition. Recently, Walgreen Co. fully acquired Alliance Boots, Europe's leading drug wholesaler, to create Walgreens Boots Alliance, of which it is a subsidiary.

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 their competition aims their focus on things such as convenience, design, or low prices.



## QUICK FACTS

- » Walgreens operates 9,560 locations in 50 U.S. states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands
- » As of August 31, 2018, approximately 78% of the population of the United States lived within five miles of a Walgreens, Duane Reade or acquired Rite Aid retail pharmacy.
- » In the 2018 fiscal year, 72% of the sales at Walgreens stores are Pharmacy ((the sale of prescription drugs) and 28% are Retail (the sale of healthcare and retail products including non-prescription drugs, beauty, toiletries and general merchandise)
- » Walgreens Boots Alliance is included in Fortune magazine's 2019 list of the World's Most Admired Companies and ranked first in the food and drugstore category. This is the 26th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

## ABOUT WALGREENS BOOTS ALLIANCE

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25 countries and employ more than 415,000 people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with its equity method investments, has more than 18,500 stores in 11 countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390 distribution centers delivering to more than 230,000 pharmacies, doctors, health centers and hospitals each year in more than 20 countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.

The company's portfolio of retail and business brands includes Walgreens, Duane Reade, Boots and Alliance Healthcare, as well as increasingly global health and beauty product brands, such as No7, Soap & Glory, Liz Earle, Sleek MakeUP and Botanics.

## WALGREENS BOOTS ALLIANCE FISCAL YEAR 2018 RESULTS

- » Total sales of \$131 billion in the 2018 fiscal year
- » Walgreens Boots Alliance Retail Pharmacy USA had fourth quarter sales of \$25.5 billion, an increase of 14.4 percent over the year-ago quarter. Sales in comparable stores increased 0.3 percent compared with the same quarter a year ago and showed sequential improvement from the third quarter.
- » Pharmacy sales, which accounted for 73.6 percent of the division's sales in the quarter, increased 16.7 percent compared with the year-ago quarter, primarily due to higher prescription volume from the acquisition of Rite Aid stores and from central specialty. Comparable pharmacy sales increased 1.3 percent, reflecting higher volume.



## AREA OVERVIEW



## EAST NORRITON, PA

East Norriton Township has a total land area of 6.1 square miles with a population of 13,590 residents as of the 2010 federal census. It is one of 1,457 Townships of the Second Class in the Commonwealth of Pennsylvania and one of 62 municipalities in Montgomery County. East Norriton Township is bordered by Plymouth Township to the east, by Whitpain Township to the north, Worcester and Lower Providence Townships to the west and West Norriton Township and the Municipality of Norristown to the south. Townships are the oldest political subdivisions of Pennsylvania.

East Norriton is a quiet suburb just 22 miles outside of Philadelphia. The township shows a beautiful natural side of Pennsylvania with great hiking trails and farms that grow local products. More and more local and corporate businesses are popping up in the area making East Norriton one of the top growing Townships in the state.

### DEMOGRAPHICS

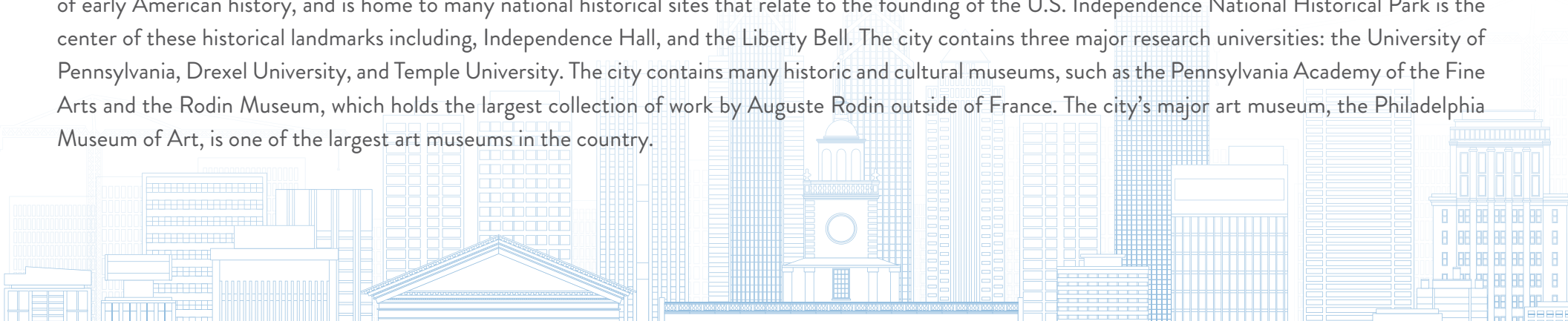
POPULATION	1 - MILE	3 - MILE	5 - MILE
2023 Projection	10,017	75,452	172,083
2018 Estimate	9,889	74,056	169,358
2010 Census	9,646	71,225	163,913
Growth 2019 - 2024	1.29%	1.89%	1.61%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2023 Projection	4,157	29,037	68,251
2018 Estimate	4,101	28,477	67,056
2010 Census	3,992	27,313	64,544
Growth 2019 - 2024	1.37%	1.97%	1.76%
INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average Household Income	\$113,568	\$112,923	\$117,851



## PHILADELPHIA, PA

Philadelphia is the largest city in Pennsylvania, and the sixth-most populous U.S. city, with a 2017 census-estimated population of 1,580,863. Since 1854, the city has been coterminous with Philadelphia County, the most populous county in Pennsylvania and the urban core of the eighth-largest U.S. metropolitan statistical area, with over 6 million residents as of 2017. Philadelphia is also the economic and cultural anchor of the greater Delaware Valley, located along the lower Delaware and Schuylkill Rivers, within the Northeast megalopolis. The Delaware Valley's population of 7.2 million ranks it as the eighth-largest combined statistical area in the United States.

“The City of Brotherly Love,” from the literal meaning of the city’s name in Greek, is a commercial, educational, and cultural center. It was a centerpiece of early American history, and is home to many national historical sites that relate to the founding of the U.S. Independence National Historical Park is the center of these historical landmarks including, Independence Hall, and the Liberty Bell. The city contains three major research universities: the University of Pennsylvania, Drexel University, and Temple University. The city contains many historic and cultural museums, such as the Pennsylvania Academy of the Fine Arts and the Rodin Museum, which holds the largest collection of work by Auguste Rodin outside of France. The city’s major art museum, the Philadelphia Museum of Art, is one of the largest art museums in the country.



## CITY OF FIRSTS

- » The Library Company of Philadelphia (1731)
- » Pennsylvania Hospital (1751)
- » University of Pennsylvania School of Medicine (1765)
- » Very First US National Capital (1774)
- » Board of Brokers (stock exchange) (1790)
- » The Wharton School of the University of Pennsylvania

## EDUCATIONAL AND ECONOMIC HUB

The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. According to the Bureau of Economic Analysis, the Philadelphia area had a gross domestic product of US\$431 billion in 2016, the eighth-largest metropolitan economy in the United States. Philadelphia is the center of economic activity in Pennsylvania and is home to five Fortune 1000 companies. The Philadelphia skyline is expanding, with a market of almost 81,900 commercial properties in 2016, including several nationally prominent skyscrapers. Philadelphia has more outdoor sculptures and murals than any other American city. Fairmount Park, when combined with the adjacent Wissahickon Valley Park in the same watershed, is one of the largest contiguous urban park areas in the United States.

## 2017 TOURISM

Tourism and hospitality are one of the largest industries in the region and important to the vitality of Greater Philadelphia. The growth of the industry depends on all types of visitors — leisure, business, and convention — traveling to Philadelphia. In 2017, this industry generated more than \$11.5 billion in economic impact in the region. The money visitors spend supports local businesses, creates jobs and generates taxes, helping to build quality of life in Philadelphia.



### VISITOR VOLUME

**43.3 million people** from the U.S. visited Greater Philadelphia



### VISITOR SPENDING

**\$7.1 billion** was the amount visitors spent in Greater Philadelphia

## CONFIDENTIALITY DISCLAIMER AND AGREEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Walgreens** located at **3300 Dekalb Pike, East Norriton, PA 19401** (“**Property**”). It has been prepared by Matthews Real Estate Investment Services. This 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 is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

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 detrimental to the interest of the Seller.

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 Seller 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 this Offering Memorandum.

# WALGREENS

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**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

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