

Walgreens

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM

Walgreens

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As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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The Walgreens logo is written in a red, cursive script font.

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The image shows the Walgreens logo in a red, cursive font. It is positioned at the bottom of a white rectangular box that contains the table of contents. The background of the entire page is a photograph of a Walgreens pharmacy building with a large red 'W' logo on its facade and a drive-thru pharmacy sign in the foreground.



Investment Highlights

PRICE: \$9,836,364 | CAP: 5.50% | RENT: \$541,000



About the Investment

- ✓ Long-Term, 75-Year Absolute Triple Net (NNN) Lease With 17+ Years Remaining of Base Term
- ✓ Corporate Location, Corporate Guarantee | Built in 2010
- ✓ Rental Increases Every Five Years Beginning in Year 26

About the Location

- ✓ Dense Retail Corridor | TJ Maxx, Rite Aid, CVS, Taco Bell, Burger King, McDonald's and Chipotle
- ✓ Robust Demographics | Population Exceeds 81.600 Individuals Within a 5-Mile Radius
- ✓ Compelling Location Fundamentals | Within 25 miles of Pittsburgh International Airport | Serves Over 9,000,000 Passengers Annually
- ✓ Strong Academic Presence | Less Than Twenty Miles from Carnegie Mellon University and University of Pittsburgh | Over 40,000 Students Enrolled
- ✓ Strong Traffic Counts | Washington Rd and East McMurray Rd | 27,481 and 14,773 Vehicles Per Day Respectively

About the Tenant / Brand

- ✓ Walgreens is One of the Nation's Largest Leading Drugstore Chains
- ✓ 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 Also Manages More Than 400 Healthcare Clinics and Provider Practice Locations Around the Country.
- ✓ Publicly Traded on the NYSE Under the Ticker Symbol 'WBA'
- ✓ BBB Credit Guaranty



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$9,836,364 | CAP: 5.50% | RENT: \$541,000



Property Description

Property	Walgreens
Property Address	100 East McMurray Road
City, State, ZIP	Canonsburg, PA 15317
Year Built	2010
Building Size	14,640
Lot Size	+/- 1.40 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$9,836,364
CAP Rate	5.50%
Annual Rent	\$541,000

Lease Summary

Property Type	Net Leased Drug Store
Tenant / Guarantor	Corporate
Ownership Type	Public
Original Lease Term	75 Years
Lease Commencement	1/1/2010
Lease Expiration	12/31/2085
Lease Term Remaining	17+ Years on Base Term
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Increases	~1.75% Increases Every Five Years Beginning Year 26
Options to Terminate	Tenant Must Give 12 Months Notice for Termination In Year 26

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent
Year 8	\$541,000	\$45,083
Year 9	\$541,000	\$45,083
Year 10	\$541,000	\$45,083
Year 11	\$541,000	\$45,083
Year 12	\$541,000	\$45,083
Year 13	\$541,000	\$45,083
Year 14	\$541,000	\$45,083
Year 15	\$541,000	\$45,083
Year 16	\$541,000	\$45,083
Year 17	\$541,000	\$45,083
Year 18	\$541,000	\$45,083
Year 19	\$541,000	\$45,083
Year 20	\$541,000	\$45,083
Year 21	\$541,000	\$45,083
Year 22	\$541,000	\$45,083
Year 23	\$541,000	\$45,083
Year 24	\$541,000	\$45,083
Year 25	\$541,000	\$45,083

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Walgreens located at 100 East McMurray Road in in Canonsburg, Pennsylvania. The site constructed in 2010, consists of roughly 14,640 rentable square feet of building space and sits on an approximately 1.40 acre parcel of land.

Walgreens is subject to a 75-year triple-net (NNN) lease, which commenced on January 1, 2010. The current annual rent is \$541,000. There are increases every five years beginning in year 26 of the lease.



Tenant Overview



CREDIT RATING: B1

General Information

Address	200 Wilmot Road, Deerfield, IL 60015
Phone	(908) 372-0466
Website	www.walgreens.com

Company Financial Highlights

Store Count (as of 8/31/2017)	8,100
TTM Sales	\$124,028,000,000
Stock Ticker	WBA
Average Store Size	13,900 Square Feet



Walgreens Boots Alliance (Nasdaq: WBA) is the first global pharmacy-led, health and wellbeing enterprise. 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.

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 385,000* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 13,200* 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 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, Botanics, Liz Earle and Soap & Glory.

In October 2016 Walgreens Boots Alliance received the United Nations Foundation Global Leadership Award for its commitment to the UN's Sustainable Development Goals. The company also ranks No. 1 in the Food and Drug Stores industry of Fortune magazine's 2017 list of the World's Most Admired Companies.

More company information is available at www.walgreensbootsalliance.com

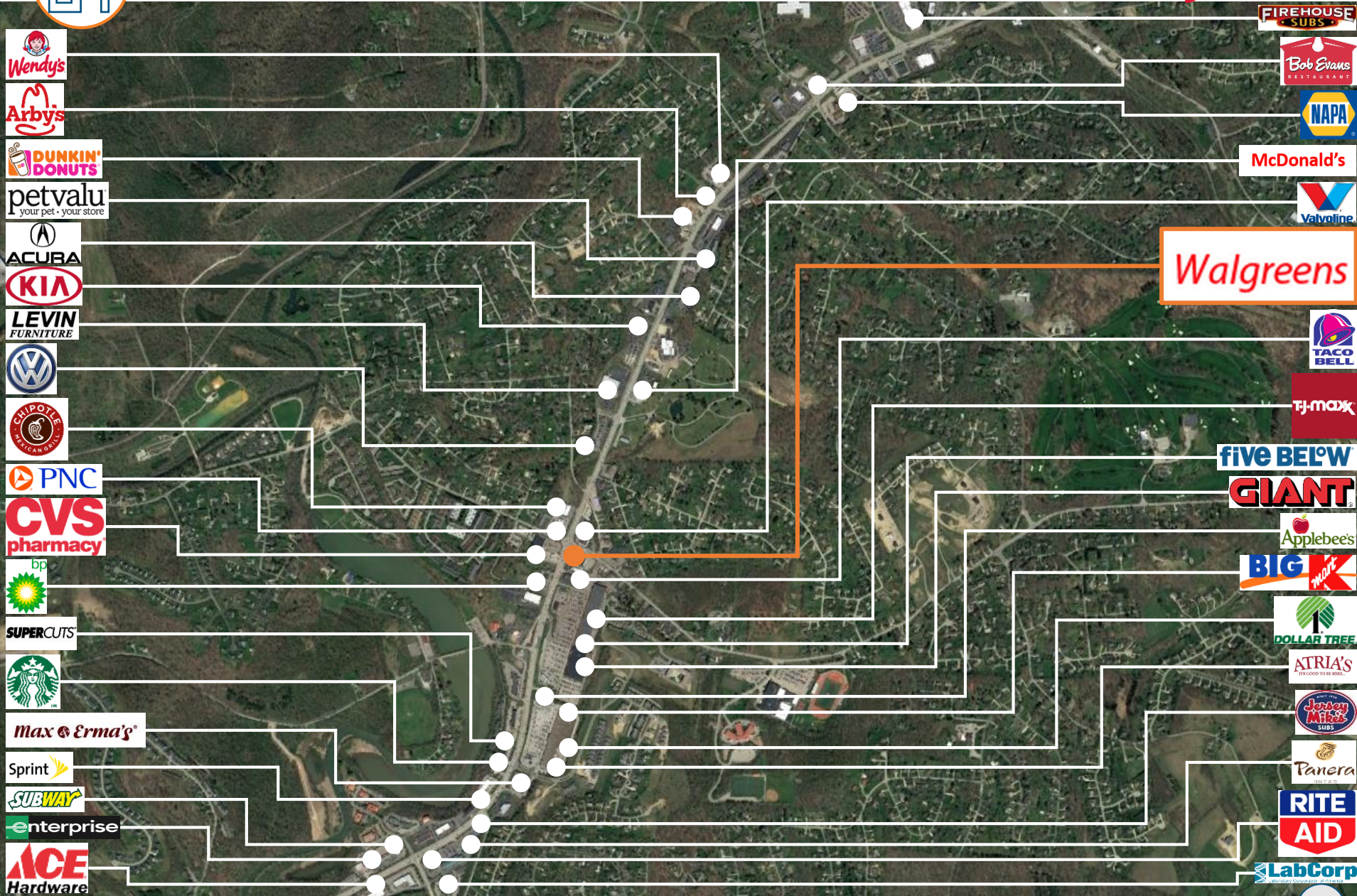
* As of 31 August 2017, using publicly available information for AmerisourceBergen.

**For 12 months ending 31 August 2017, using publicly available information for AmerisourceBergen.



Surrounding Area

Walgreens





Location Overview

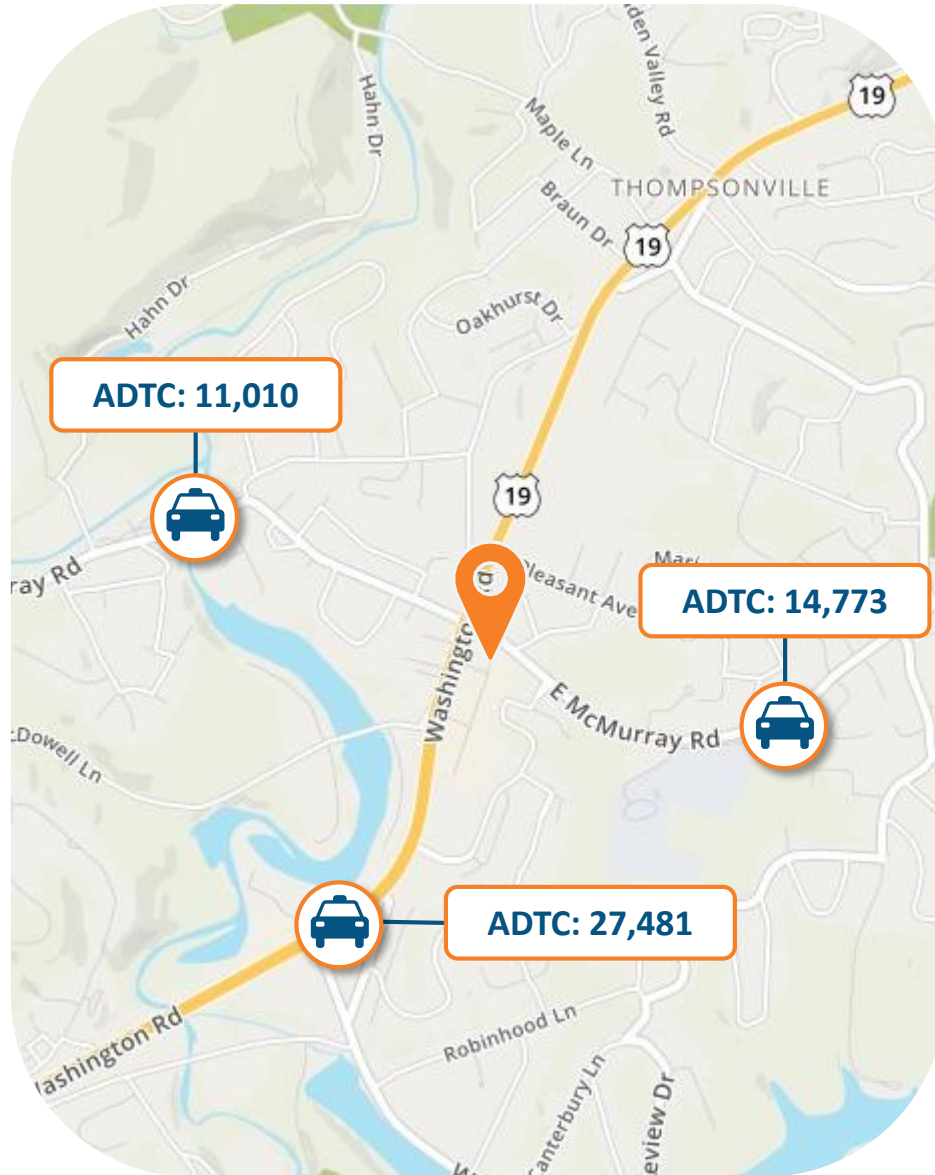
Property Address: 100 E McMurray Rd– Canonsburg, PA 15317



The subject investment property is situated on the hard signalized corner at the intersection of East McMurray Road and Washington Road. Daily Traffic counts for East McMurray and Washington Road exceed 14,000 and 27,000 vehicles respectively. There are more than 28,300 individuals residing within a three-mile radius of the property and more than 81,600 individuals within a five-mile radius. Canonsburg is a borough in Washington County, Pennsylvania, 18 miles southwest of Pittsburgh. The city was laid out by Colonel John Canon in 1789 and incorporated in 1802. Interstate 79 and Route 19 pass through the town, as do several railroad lines. The active railroad system in Canonsburg is now The Pittsburgh and Ohio Central Railroad.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers, and country clubs all within close proximity of this property. Major national tenants include: TJ Maxx, Valvoline Instant Oil Change, CVS, Burger King, Applebee’s, Taco Bell, McDonald’s and Starbucks. Canonsburg Hospital, a general medical, surgical and teaching facility with 24-hour emergency room, admitting over 4,000 patients and 21,000 emergency visitors annually, is located less than five miles from the subject property. Pittsburgh International Airport (PIT), the first US airport to be named Airport of the Year in 2017, serves over 9,000,000 passengers annually and is located less than 25 miles from this Walgreens.

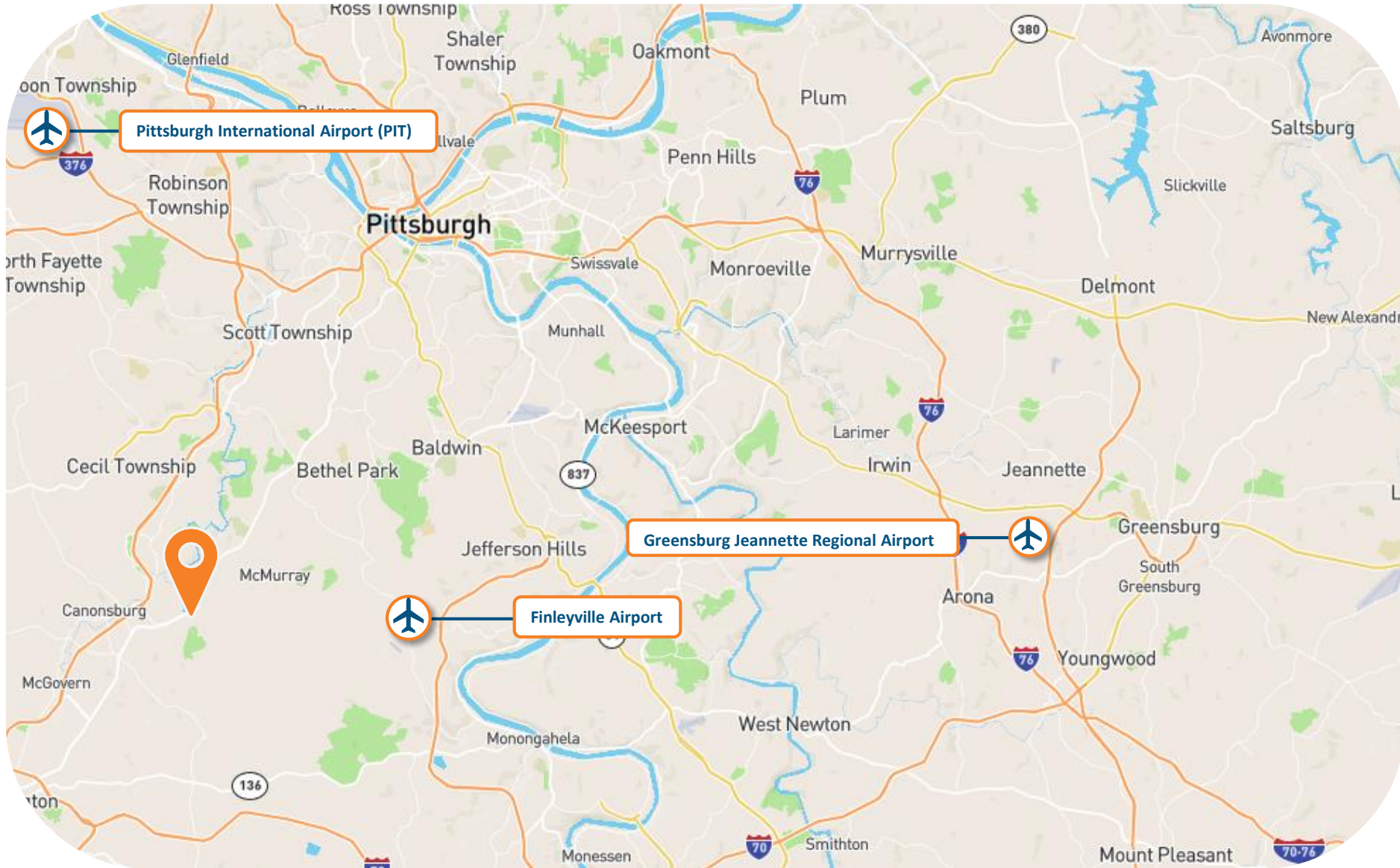
Canonsburg is home to an annual Oktoberfest and the second-largest Fourth of July parade in the state of Pennsylvania, second only to Philadelphia. 50,000 to 60,000 people usually attend the parade and it starts on Morganza Road and runs down the length of Pike Street, heading westward, for approximately 1.5 miles. Canonsburg is on the rise, seeing consistent population growth since 2000.





Local Map

Property Address: 100 E McMurray Rd – Canonsburg, PA 15317

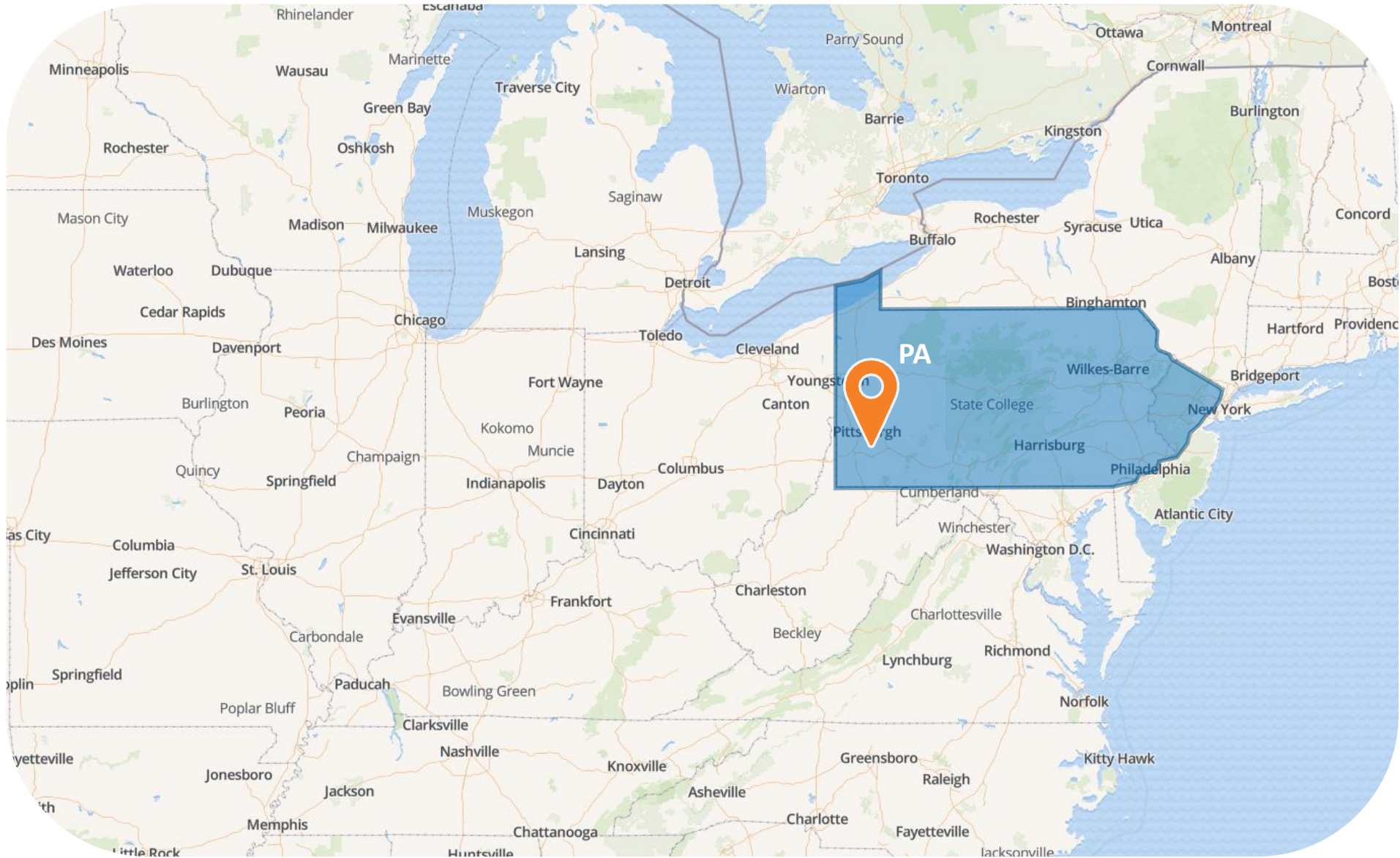




Regional Map



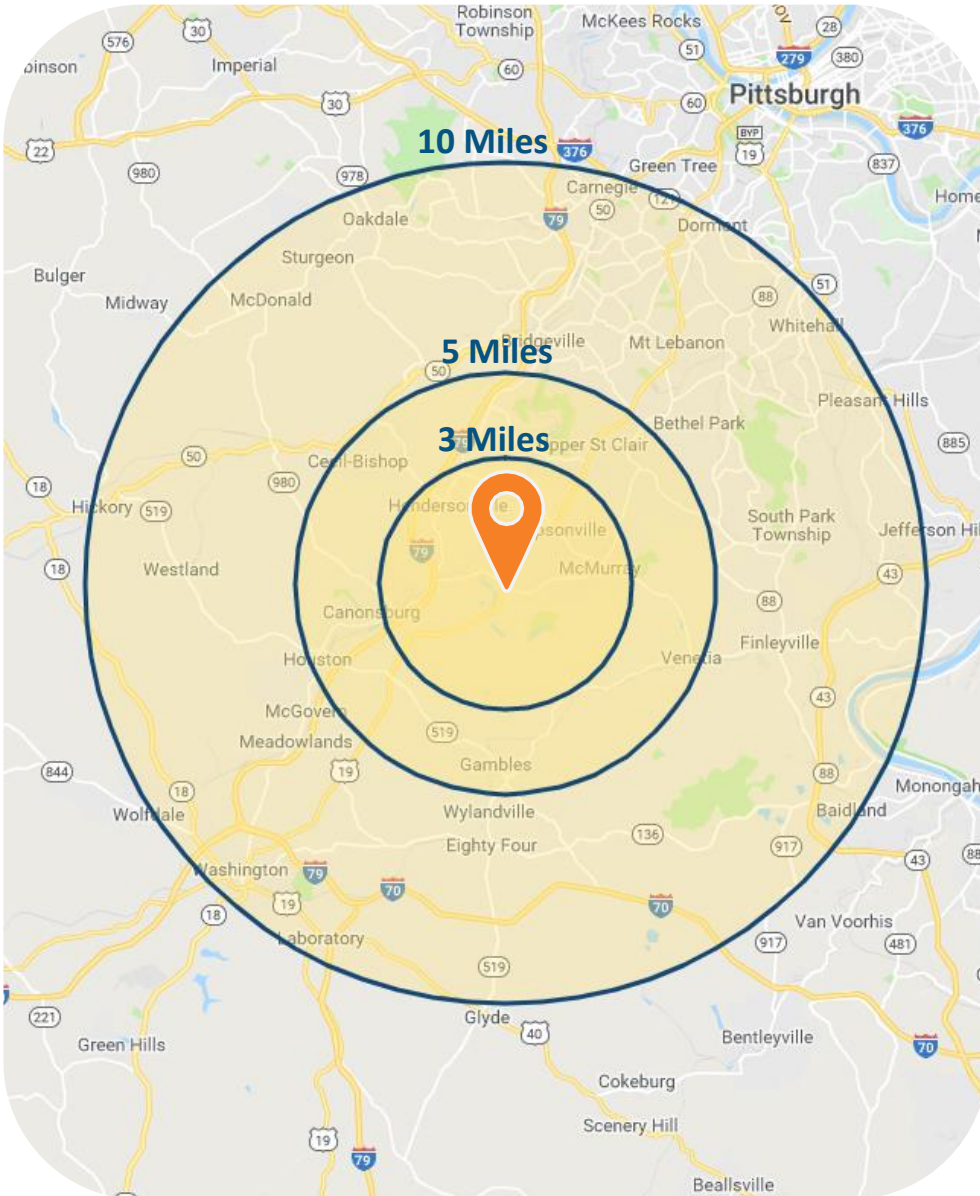
Property Address: 100 E McMurray Rd – Canonsburg, PA 15317





Demographics

Property Address: 100 East McMurray Rd – Canonsburg, PA 15317



POPULATION

	3 Mile	5 Miles	10 Miles
2022 Projection	30,160	86,435	327,828
2017 Estimate	28,376	81,681	319,166
2010 Census	27,520	79,768	315,147
2000 Census	23,465	71,508	306,074

INCOME

	3 Mile	5 Miles	10 Miles
Average	\$118,070	\$111,870	\$93,025
Median	\$85,433	\$80,371	\$66,975
Per Capita	\$47,270	\$44,325	\$39,361

HOUSEHOLDS

	3 Mile	5 Miles	10 Miles
2022 Projection	12,142	34,368	139,191
2017 Estimate	11,318	32,270	134,394
2010 Census	10,903	31,468	132,752
2000 Census	8,974	26,902	123,979

HOUSING

	3 Mile	5 Miles	10 Miles
2017	\$245,989	\$223,136	\$174,583

EMPLOYMENT

	3 Mile	5 Miles	10 Miles
2017 Daytime Population	31,749	75,909	300,137
2017 Unemployment	4.07%	4.05%	4.37%
2017 Median Time Traveled	29	30	29

RACE & ETHNICITY

	3 Mile	5 Miles	10 Miles
White	93.44%	92.66%	91.93%
Native American	0.03%	0.01%	0.03%
African American	1.88%	2.01%	2.75%
Asian/Pacific Islander	2.56%	3.26%	3.18%



Market Overview

City: Hillside | County: Union | State: New Jersey

Pittsburgh, Pennsylvania

Canonsburg is a city located less than 25 miles from the bustling city of Pittsburgh, home to 68 colleges and universities including research and development leaders Carnegie Mellon University and University of Pittsburgh. University related start-up companies are abundant, offering many benefits to the local economy. Nationally recognized companies such as Google, Apple, Bosch, Disney, Uber, Intel, and IBM are amongst the 1,600 technology firms that operate in Pittsburgh. The city features 30 skyscrapers, a pre-revolutionary fortification and major sports teams from the NBA, NHL, and MLB. Aside from steel, Pittsburgh has led in aluminum, glass, shipbuilding, petroleum, computing, autos, and electronics. Employment growth is driven by trade services as well the strong education and healthcare industries.

The Pittsburgh metro rests at the foothills of the Allegheny Mountains, in the southeast corner of Pennsylvania, outside the congested East Coast corridor. The MSA covers 5,300 square miles of rolling, often hilly, terrain. The city of Pittsburgh is located where the Allegheny and Monongahela rivers join together to form the Ohio River.

Major Employers

Employer	Estimated # of Employees
PNC	2,351
Upmc Health System	2,010
St. Clair Mem Hosp Foundation	2,008
Cnx Coal Resources LP	1,600
Washington Physician Svcs Org	1,600
St Clair Hospital	1,516
St Clair Health Corporation	1,500
WASHINGTON HOSPITAL SCHOOL OF	1,478
Washington Health Care Svcs	1,404
Consol PA Coal Co LLC	1,200
Giant Eagle	1,098

Walgreens

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