

# \$300,000 Fee to Buyer's Broker



*Walgreens*

 SOUTHBOROUGH, MA

**\$6,785,000**

**7.00% CAP**



Watch Drone Footage

## 9+ Year NNN Walgreens in Greater Boston Area

- Absolute Net Lease - zero landlord responsibilities
- Located 27 miles west of Boston
- Affluent area: \$173,654 Ave HH income within 1 mile
- Adjacent to Boston Surgical Group
- Strong store sales over \$3.2M
- Full Walgreens corporate guaranty



**DRUGSTORE PROPERTY  
ADVISORS**  
*Experts in Walgreens and CVS Investments*

**John Giordani**  
Founder, CEO



**866-934-7937**



**listings@drugstorepropertyadvisors.com**

# INVESTMENT SUMMARY

78 TURNPIKE RD | SOUTHBOROUGH, MA, 01772

WALGREENS #10318

 **\$6,785,000**  
PRICE

 **7.00%**  
CAP RATE

 **\$475,000**  
ANNUAL RENT

 **9.3**  
YRS. GUARANTEED

This is an excellent opportunity for an investor to acquire a freestanding NNN Walgreens in the Greater Boston area. Southborough, MA is an affluent city (avg HH income is \$173,654 within one mile of the store) situated 27 miles from Boston. Walgreens has operated at this location since 2008, and currently boasts strong reported sales figures over \$3M. The Property is situated at the hard, signalized corner of Turnpike Rd (Route 9) and Oak Hill Rd adjacent to the Boston Surgical Group.



# PROPERTY OVERVIEW



## PROPERTY DETAILS

<b>Address:</b>	78 Turnpike Rd
<b>Year Built:</b>	2008
<b>Building Size:</b>	13,860 Square Feet
<b>Lot Size:</b>	1.87 Acres
<b>Tenant:</b>	Walgreens



## LEASE SUMMARY

<b>Lease Type:</b>	NNN
<b>Landlord Responsibilities:</b>	None
<b>Rent Start Date:</b>	1/17/2008
<b>Firm Term End Date:</b>	1/31/2033
<b>Termination Options:</b>	As of 10/31/2033, Tenant has 50 1-year options to renew



# DEMOGRAPHICS



## POPULATION

1 Mile	3 Mile	5 Mile
<b>1,931</b>	<b>24,027</b>	<b>108,003</b>



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
<b>\$173,654</b>	<b>\$159,565</b>	<b>\$131,932</b>



**BOSE**  
CORPORATE CAMPUS

DOWNTOWN  
BOSTON

FRAMINGHAM  
COUNTRY CLUB

**Sheraton**

Residence  
Inn  
Marriott

**FedEx**  
Ship Center

**U-HAUL**

6  
DUNKIN'  
bp

**Wendy's**  
Speedway

**Domino's**

OWEN O'LEARY'S

**PGA SWING DOCTOR**

KALLANDER  
FIELD  
AIRPORT

UNITED STATES  
POSTAL SERVICE


**Mobil**

CENTRAL ST

OAK HILL RD

SUBJECT PROPERTY  
*Walgreens*

TURNPIKE RD

 BOSTON WORCESTER TURNPIKE  
(37,124 AADT)

9

**John Giordani**  
Founder, CEO

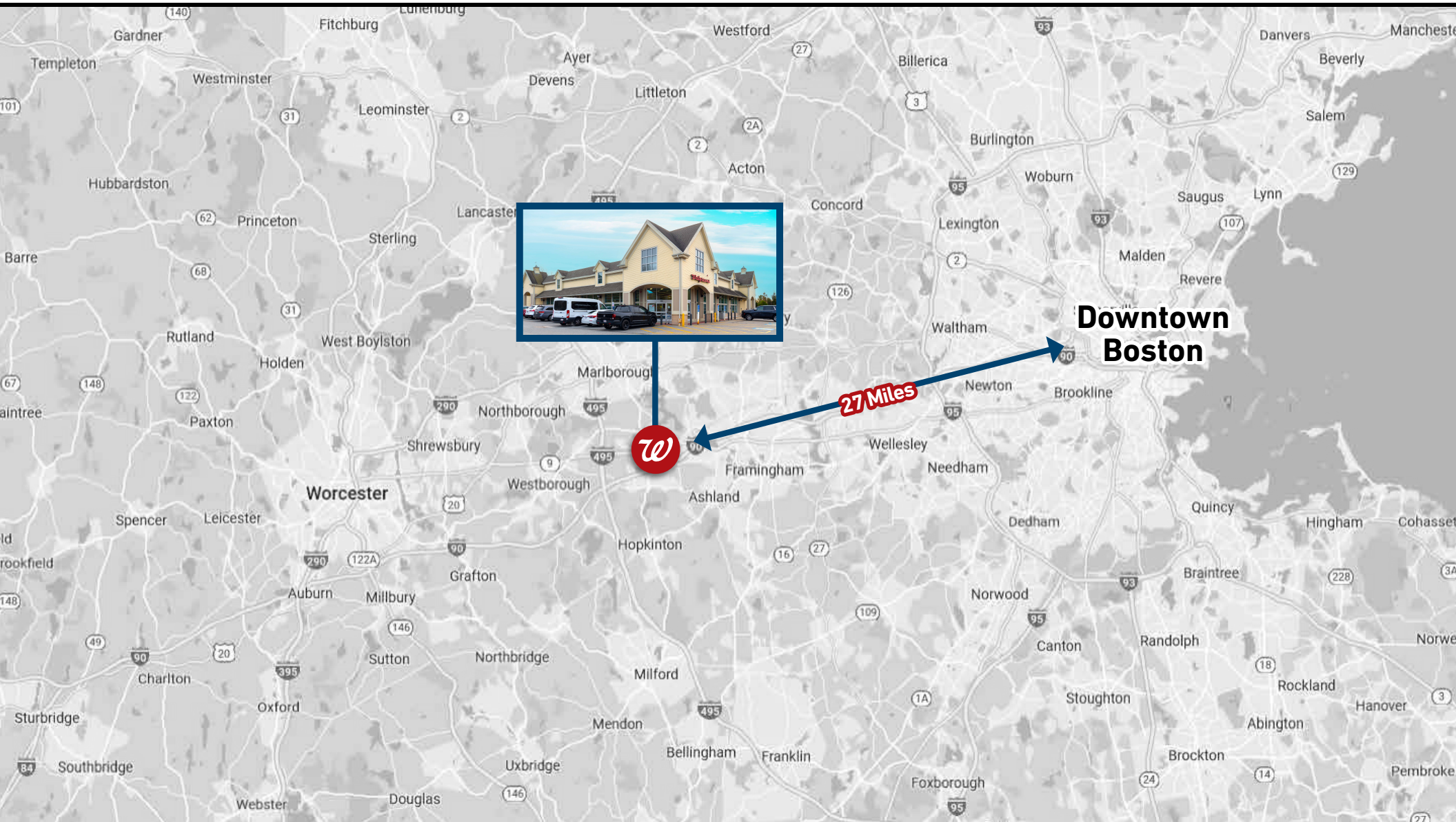
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# REGIONAL OVERVIEW



# SOUTHBOROUGH OVERVIEW



Photo by: @stasideepglam on Unsplash



Photo by: Magicpiano, CC BY-SA 4.0, Via Wikimedia Commons



Overall Niche Grade

How are grades calculated?  
Data Sources

- |                             |                            |
|-----------------------------|----------------------------|
| <b>A+</b> Public Schools    | <b>B</b> Crime & Safety    |
| <b>B+</b> Housing           | <b>B</b> Nightlife         |
| <b>A+</b> Good for Families | <b>B</b> Diversity         |
| <b>A-</b> Jobs              | <b>C+</b> Weather          |
| <b>B-</b> Cost of Living    | <b>A-</b> Health & Fitness |
| <b>A</b> Outdoor Activities | <b>B</b> Commute           |



Southborough is situated 27 miles west of Boston, MA, and 15 miles east of Worcester, MA.



Southborough is ranked the #5 Best Places to Raise a Family by Niche in Worcester county.



Subject location is located in an affluent city with lots of restaurants, coffee shops and parks.

# ABOUT WALGREENS BOOTS ALLIANCE



Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates 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 415,000\* 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 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.

Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

\*As of 31 August 2018, using publicly available information for AmerisourceBergen.

\*\*For 12 months ending 31 August 2018, using publicly available information for AmerisourceBergen.





# WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2017	2018	2019	2020	2021
<b>Sales/Revenue</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>	<b>139.54B</b>	<b>132.51B</b>
Sales Growth	-	11.27%	4.05%	-10.87%	8.63%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>	<b>97.69B</b>	<b>106.37B</b>
COGS Growth	-	13.02%	6.16%	-10.24%	8.88%
COGS excluding D&A	89.05B	100.75B	106.79B	95.91B	104.44B
Depreciation & Amortization Expense	1.65B	1.77B	2.04B	1.78B	1.92B
Depreciation	1.27B	1.28B	1.49B	1.4B	1.4B
Amortization of Intangibles	385M	493M	552M	384M	523M
<b>Gross Income</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>	<b>24.29B</b>	<b>26.14B</b>
Gross Income Growth	-	5.50%	-3.39%	-13.36%	7.62%
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>SG&amp;A Expense</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>	<b>20.55B</b>	<b>22.13B</b>
SGA Growth	-	7.70%	0.12%	-10.33%	7.70%
Research & Development	-	-	-	-	-
Other SG&A	21.25B	22.88B	22.91B	20.55B	22.13B
Other Operating Expense	-	-	-	-	-
Unusual Expense	886M	188M	311M	3.1B	959M
EBIT after Unusual Expense	5.37B	(188M)	4.82B	(3.1B)	3.06B
Non Operating Income/Expense	37M	450M	251M	66M	566M
Equity in Affiliates (Pretax)	135M	191M	164M	341M	(1.14B)
<b>Interest Expense</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>	<b>613M</b>	<b>491M</b>
Interest Expense Growth	-	-11.11%	14.29%	-12.93%	-19.90%
Gross Interest Expense	693M	616M	704M	613M	491M
<b>Pretax Income</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>	<b>446M</b>	<b>2B</b>
Pretax Income Growth	-	23.12%	-24.23%	-90.15%	347.31%
Income Tax	760M	998M	588M	339M	667M
Income Tax - Current Domestic	804M	969M	247M	233M	194M
Income Tax - Current Foreign	390M	353M	241M	135M	234M
Income Tax - Deferred Domestic	(330M)	(266M)	155M	(81M)	(56M)
Income Tax - Deferred Foreign	(104M)	(58M)	(55M)	52M	295M
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	8M	54M	23M	31M	627M
Consolidated Net Income	4.1B	5.03B	3.96B	138M	1.96B
Minority Interest Expense	23M	7M	(20M)	(42M)	(39M)
<b>Net Income</b>	<b>4.08B</b>	<b>5.02B</b>	<b>3.98B</b>	<b>180M</b>	<b>1.99B</b>



# WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



Walgreens Boots Alliance

THE FIRST GLOBAL PHARMACY-LED, HEALTH  
WELLBEING ENTERPRISE IN THE WORLD

*Walgreens*

A leading drugstore  
chain in the USA



The largest retail  
pharmacy chain in  
Europe

Alliance ™  
Healthcare

A leading global  
pharmaceutical  
wholesaler and  
distributor

# WALGREENS BOOTS ALLIANCE – RETAIL PHARMACY USA DIVISION

Our Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form one of the largest drugstore chains in the U.S., operating 8,100\* drugstores in 50\* states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2017, approximately 76 percent of the population of the U.S. lives within five miles of a Walgreens or Duane Reade.

We sell prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. We offer our products and services through drugstores, as well as through mail, telephone and online. We also provide specialty pharmacy and respiratory services, and operate retail clinics.

Our services help improve health outcomes for patients and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our stores sell branded and own brand general merchandise. In addition, Walgreens has approximately 400 in-store clinic locations throughout the U.S., some of which are operated by the Company and some of which are operated by health system partners.

Prescription drugs account for 69 percent† of sales, while retail products are 31 percent.

Overall, we filled approximately 764 million† prescriptions in fiscal 2017. Adjusted to 30-day equivalents, we filled approximately 990 million prescriptions in fiscal 2017. Third party sales, where reimbursement is received from managed care organizations, government and private insurance, were approximately 98 percent† of prescription sales.

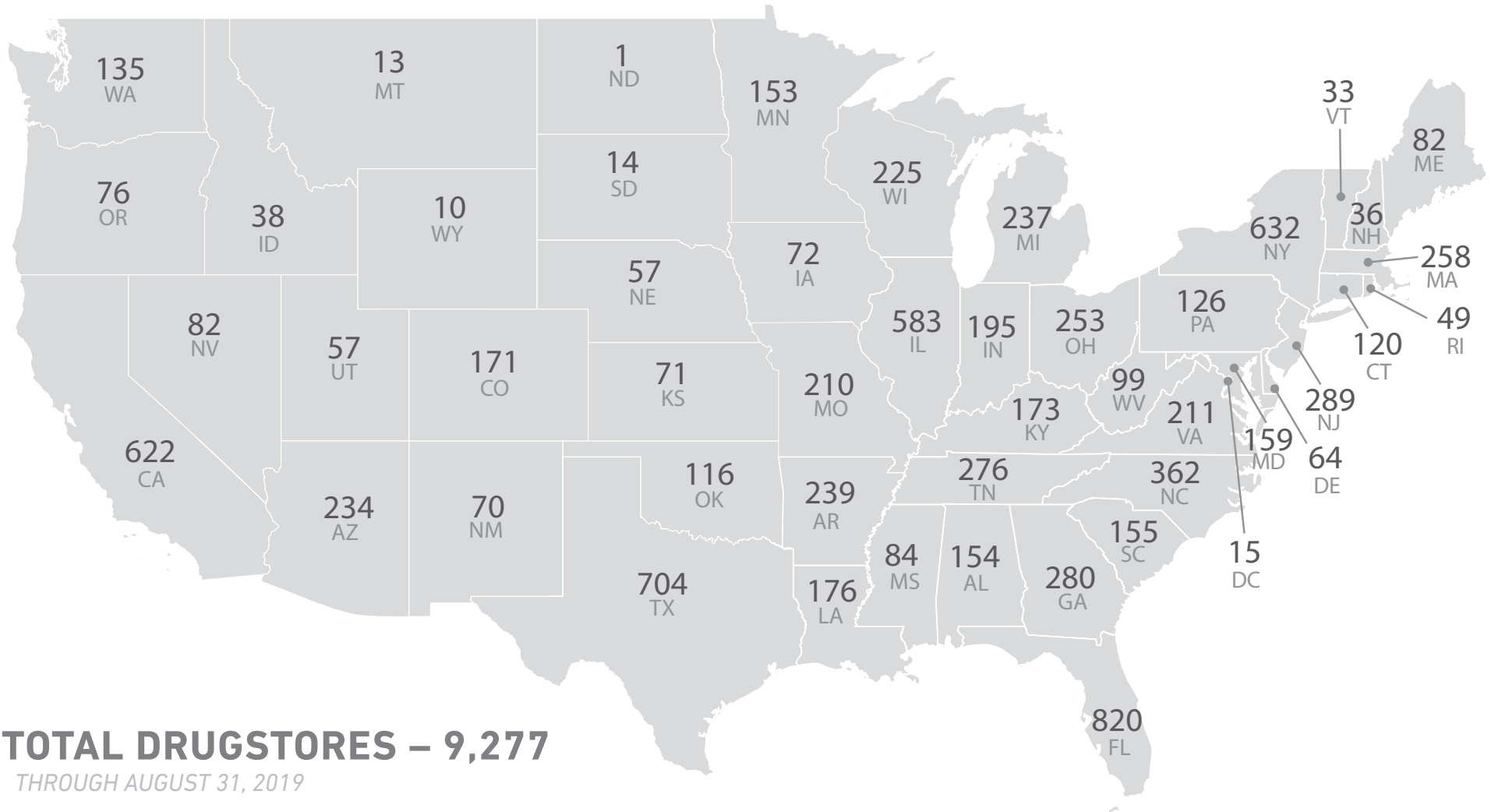
We utilize our extensive retail network as a channel to provide affordable quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

We have more than 78,000\* healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals. Through them we expect to continue to play a growing role in government and employer efforts to control escalating healthcare costs.

Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards card. Customers have the ability to instantly redeem rewards at our stores or through Walgreens.com. We had 88 million Balance® Rewards active members as of August 2017.

The Division's strategy is designed to further transform our traditional drugstore by offering ultimate convenience, driving the best customer loyalty and delivering extraordinary customer and patient care. We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

# WALGREENS DRUGSTORES NATIONWIDE BY STATE



**TOTAL DRUGSTORES – 9,277**

THROUGH AUGUST 31, 2019

Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

Note: Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

# DEMOGRAPHICS

	1 mile	3 miles	5 miles
<b>Population</b>			
2010 Population	1,931	24,027	108,003
2023 Population	2,050	27,091	117,994
2028 Population Projection	2,111	27,717	119,184
Annual Growth 2010-2023	0.5%	1.0%	0.7%
Annual Growth 2023-2028	0.6%	0.5%	0.2%
<b>Households</b>			
2010 Households	<b>736</b>	<b>9,124</b>	<b>41,335</b>
2023 Households	775	10,312	45,304
2028 Household Projection	799	10,545	45,761
Annual Growth 2010-2023	0.7%	1.1%	0.9%
Annual Growth 2023-2028	0.6%	0.5%	0.2%
Avg Household Size	2.60	2.60	2.50
Avg Household Vehicles	2.00	2.00	2.00
<b>Housing</b>			
Median Home Value	\$668,750	\$670,495	\$477,809
Median Year Built	1976	1977	1971
Owner Occupied Households	644	7,716	28,599
Renter Occupied Households	155	2,829	17,162
<b>Household Income</b>			
< \$25,000	<b>37</b>	<b>758</b>	<b>4,423</b>
\$25,000 - 50,000	64	1,118	6,193
\$50,000 - 75,000	55	909	6,644
\$75,000 - 100,000	72	1,047	4,748
\$100,000 - 125,000	101	1,167	4,734
\$125,000 - 150,000	74	802	3,725
\$150,000 - 200,000	111	1,424	5,894
\$200,000+	262	3,087	8,942
Avg Household Income	\$173,654	\$159,565	\$131,932
Median Household Income	\$144,932	\$129,894	\$103,398
<b>Occupancy</b>			
Age 15+	1,766	22,873	98,787
Age 20+	1,622	21,009	91,307
Age 55+	784	8,990	35,862
Age 65+	436	4,964	19,743
Median Age	45.80	41.80	40.10
Avg Age	43.10	41.10	40.20
Median Age, Male	43.90	40.60	39.40
Avg Age, Male	42.10	40.30	39.40
Median Age, Female	47.50	43.00	41.00
Avg Age, Female	44.00	41.90	40.90



# Experts in Walgreens & CVS Investments

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Founder, CEO

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