

# \$150,000 Fee to Buyer's Broker



**Walgreens**

**PORTSMOUTH, VA**

**\$5,245,000**

**7.00% CAP**



**Watch Drone Footage**

## 11+ Year NNN Walgreens in Portsmouth, VA

- Absolute Net Lease - zero landlord responsibilities
- Strong store sales over \$2.9M
- Preferred 5-year option structure
- 15 miles from Norfolk International Airport
- Recent lease extension
- Freestanding building with drive-thru
- 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

WALGREENS #7116

5917 HIGH ST W | PORTSMOUTH, VA 23703

 **\$5,245,000**  
PRICE

 **7.00%**  
CAP RATE

 **\$367,178**  
ANNUAL RENT

 **11.4**  
YRS. GUARANTEED

This is an excellent opportunity for an investor to acquire a freestanding NNN Walgreens in the historic city of Portsmouth, VA, just 15 miles from Norfolk International Airport. Walgreens has operated at this location since 2004, and recently extended the lease, demonstrating their commitment to the location and the strength of the store (reported store sales figures are over \$2.9M). The prototypical Walgreens, with drive-thru, is situated at the signalized corner of High Street W (Hwy 17) and Tyre Neck Rd. with neighboring retailers including: AutoZone, Starbucks, Aldi, Great Clips, Hardee's and many more.



# PROPERTY OVERVIEW



## PROPERTY DETAILS

<b>Address:</b>	5917 High St W
<b>Year Built:</b>	2004
<b>Building Size:</b>	14,490 Square Feet
<b>Lot Size:</b>	1.76 Acres
<b>Tenant:</b>	Walgreens



## LEASE SUMMARY

<b>Lease Type:</b>	NNN
<b>Landlord Responsibilities:</b>	None
<b>Rent Start Date:</b>	7/1/2004
<b>Firm Term End Date:</b>	6/30/2035
<b>Termination Options:</b>	As of 6/30/2035, Tenant has 10 5-year options to renew



# DEMOGRAPHICS



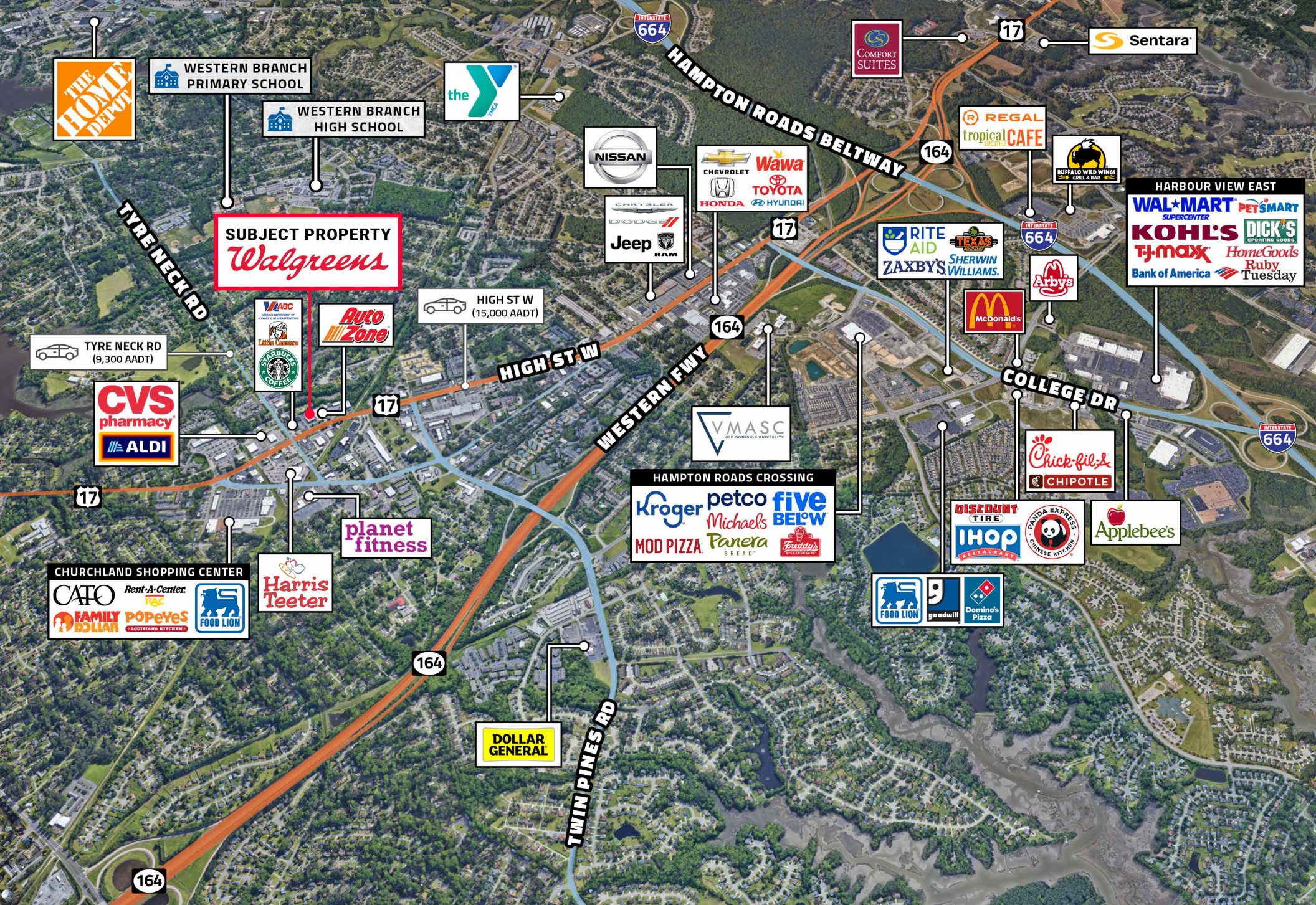
## POPULATION

1 Mile	3 Mile	5 Mile
11,628	67,748	141,694



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$78,149	\$90,702	\$85,991



**SUBJECT PROPERTY**  
*Walgreens*

WESTERN BRANCH  
 PRIMARY SCHOOL

WESTERN BRANCH  
 HIGH SCHOOL

HIGH ST W  
 (15,000 AADT)

TYRE NECK RD  
 (9,300 AADT)

HAMPTON ROADS CROSSING  
 Kroger petco five BELOW  
 MOD PIZZA Michaels Panera Freddy's

HARBOUR VIEW EAST  
 WAL-MART PET SMART  
 SUPERCENTER KOHL'S DICK'S  
 T.J. MAXX HomeGoods  
 Bank of America Ruby Tuesday

CHURCHLAND SHOPPING CENTER  
 CATO Rent-A-Center. RAC  
 FAMILY POPESYES FOOD LION

planet  
 fitness

Harris  
 Teeter

DOLLAR  
 GENERAL

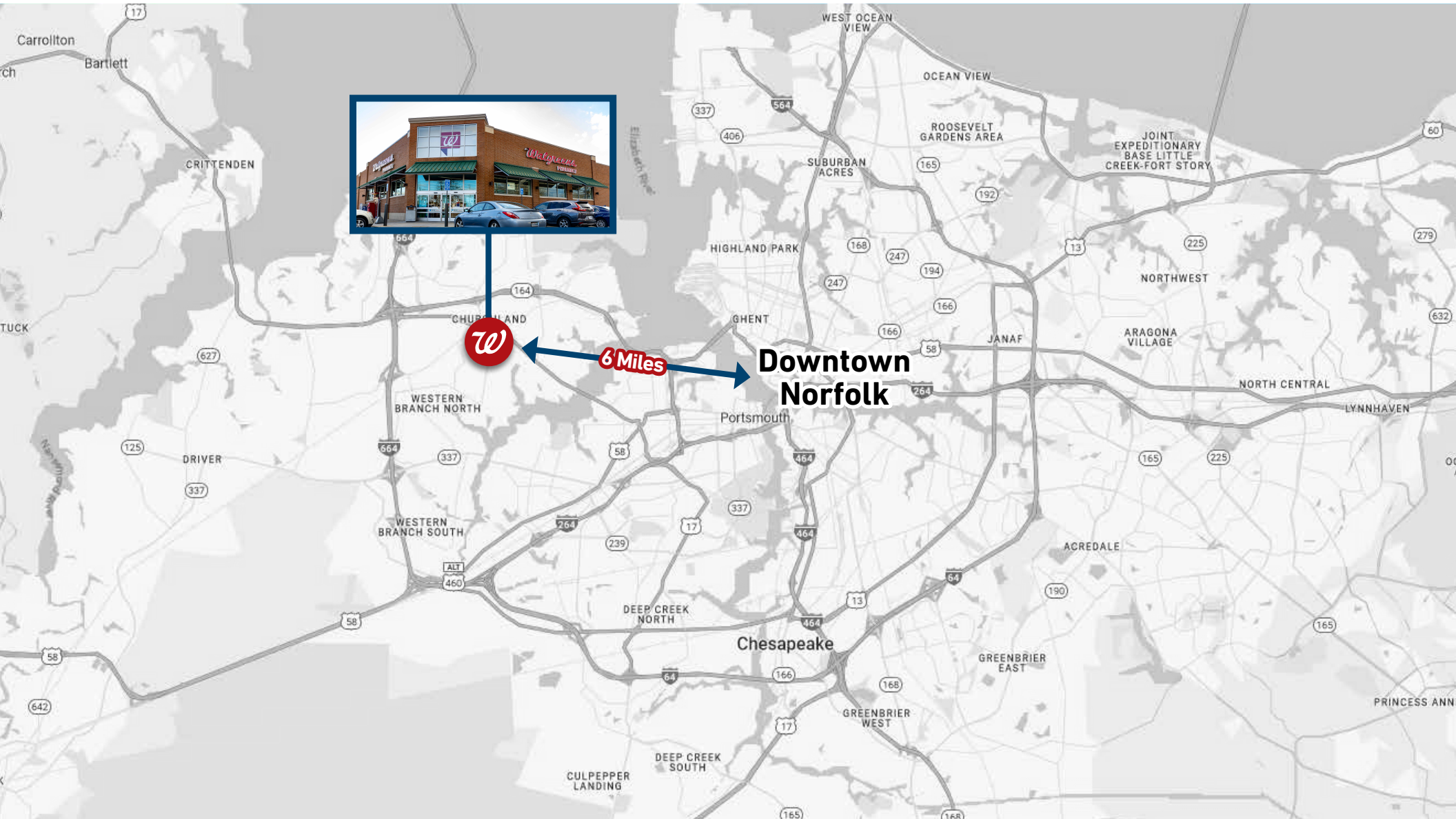
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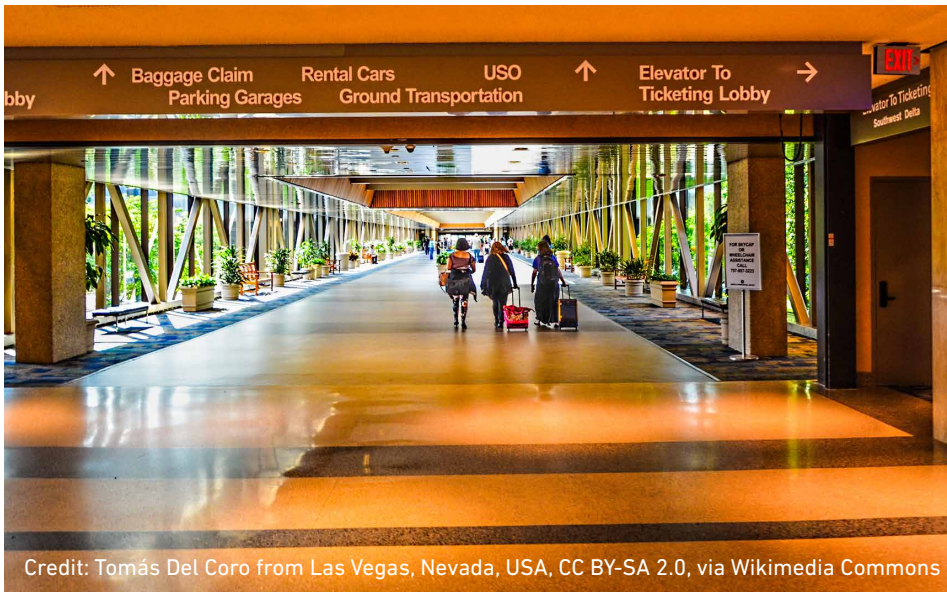


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# REGIONAL OVERVIEW



# PORTSMOUTH, VA OVERVIEW



Portsmouth boasts the world's deepest natural harbor and 13 miles of shoreline.



The Olde Town Historic District of Portsmouth has the largest collection of period homes between Charleston, SC and Alexandria, VA.



Subject location is 15 miles from Norfolk International Airport.

# 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.

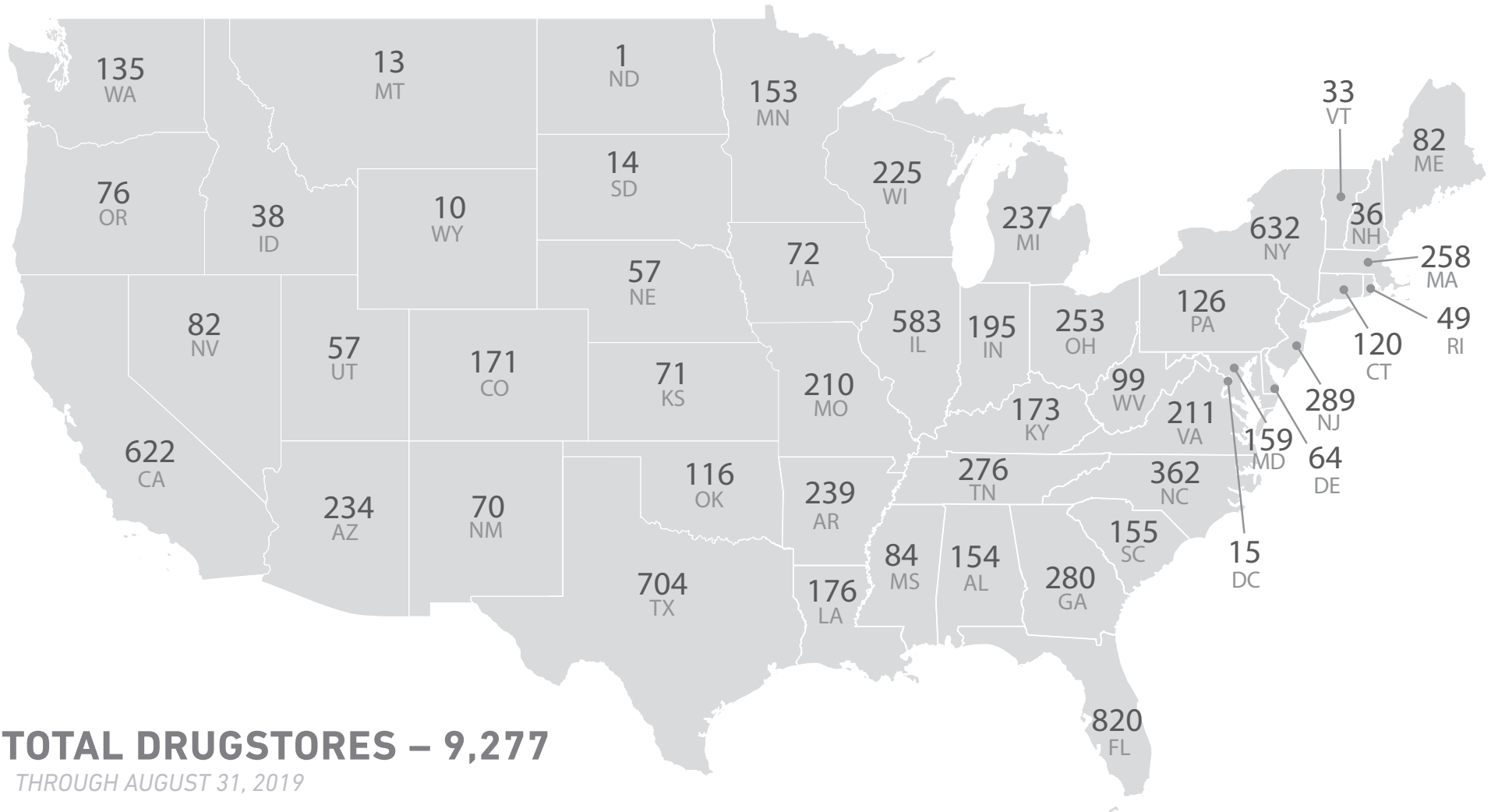
We utilize our extensive retail network as a channel to provide affordable quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

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	11,417	62,622	130,301
2023 Population	11,628	67,748	141,694
2028 Population Projection	11,881	69,978	146,354
Annual Growth 2010-2023	0.1%	0.6%	0.7%
Annual Growth 2023-2028	0.4%	0.7%	0.7%
<b>Households</b>			
2010 Households	4,620	23,769	46,577
2023 Households	4,717	25,821	51,105
2028 Household Projection	4,828	26,717	52,980
Annual Growth 2010-2023	0.4%	1.1%	1.2%
Annual Growth 2023-2028	0.5%	0.7%	0.7%
<b>Housing</b>			
Median Home Value	\$247,791	\$241,342	\$233,442
Median Year Built	1975	1982	1978
Owner Occupied Households	2,702	19,554	36,397
Renter Occupied Households	2,126	7,163	16,583
<b>Household Income</b>			
< \$25,000	925	3,456	8,784
\$25,000 - 50,000	1,001	4,632	9,597
\$50,000 - 75,000	881	4,765	9,166
\$75,000 - 100,000	640	4,699	8,531
\$100,000 - 125,000	509	2,734	5,080
\$125,000 - 150,000	309	2,298	3,806
\$150,000 - 200,000	250	1,641	3,024
\$200,000+	201	1,597	3,115
Avg Household Income	\$78,149	\$90,702	\$85,991
Median Household Income	\$59,557	\$75,309	\$68,730
<b>Housing Value</b>			
< \$100,000	51	949	2,255
\$100,000 - 200,000	667	5,254	11,235
\$200,000 - 300,000	1,268	7,797	12,067
\$300,000 - 400,000	510	2,642	4,845
\$400,000 - 500,000	71	908	2,287
\$500,000 - 1,000,000	81	1,247	2,203
\$1,000,000+	0	56	159



# Experts in Walgreens & CVS Investments

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