



## EXCLUSIVELY LISTED INVESTMENT OFFERING

### TEXAS INVESTMENT OPPORTUNITY



4313 ANDREWS HIGHWAY | MIDLAND, TX 79703

*Walgreens*



*Presented By:*

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## 4313 ANDREWS HIGHWAY MIDLAND, TX 79703

**Year Built:** 2010

**Lot Size:** 66,516 Square Feet

**Building Size:** 14,850 Square Feet

## Investment Highlights

### STABLE INCOME

Rental income guaranteed by Walgreens parent corporate (S&P BBB) investment grade Fortune 500 Company with over 8,000 locations.

### ABSOLUTE NET LEASE

Drive-thru pharmacy with 17.5 years of primary lease term remaining on an absolute net lease with no landlord responsibilities whatsoever.

### STRONG SALES

The subject property has strong reported sales of over \$4,000,000 as of January 31, 2017.

### HIGHLY TRAFFICKED SIGNALIZED CORNER LOCATION

This Walgreens is near the signalized southeast corner of Andrews Highway and Midland Drive with traffic count exceeding 50,000 vehicles per day and less than a mile from Highway 250 with over 80,000 vehicles per day.

### HIGH INCOME AREA

Average Household Income within a 3-mile radius is over \$106,067 along with population counts of over 90,000 residents.

### MIDLAND MEMORIAL HOSPITAL

Subject property is located across the street from the Midland Memorial Hospital, a general medical and surgical hospital with 257 beds that has had over 62,000 patients through its emergency room and a number of medical clinics and health service related industries.

### SPORTING COMPLEX

Less than a two miles away is the Grande Communications Stadium with 15,000 seats and the Security Bank Ballpark with 5,000 seats at the Scharbauer Sports Complex. This complex houses the Midland-Odessa FC franchise in soccer's Premier Development League and the Midland RockHounds Minor League Baseball team.

### SURROUNDING RETAIL

The subject property is located less than 2 miles from Midland Park Mall (615,000 retail square feet) anchored by Dillard's, JCPenney, Ulta, Old Navy, Bealls, Charlotte Russe and Coach.

### STRATEGIC CORNER

Directly across the street from the subject property is located a CVS, making this a strategic corner for both CVS and Walgreens.





## Lease Overview

**Tenant:**  
**WALGREENS** (NYSE: WAG)

**Landlord Income:**  
**CORPORATE GUARANTEE**

**Credit Rating:**  
**INVESTMENT GRADE, BBB (S&P)**

**Lease Type:**  
**ABSOLUTE TRIPLE NET**

No landlord responsibilities whatsoever.

**Lease Term:**  
**17.5 YEARS REMAINING WITH 50 YEARS IN  
OPTIONS TO FOLLOW**

**Lease Commencement:**  
**JANUARY 2, 2010**

**Next Option Begins:**  
**FEBRUARY 1, 2035**

## Location Overview

**M**idland is the principal city of the Midland, TX MSA and is the midway point between Fort Worth and El Paso on the Texas and Pacific Railroad. Midland is the administrative and management headquarters for the oil and gas industry of the Permian Basin which is the largest oil producing area in Texas and home to Chevron's Mid-Continent Headquarters campus. The city has a significant role in the nation's energy industry. Midland is located approximately 300 miles southwest of Fort Worth and 300 miles east of El Paso.

## Pricing

**Price: \$8,191,000**

**CAP: 5.50% CAP**

**Price Per SF: \$552.02**

**Monthly Income: \$37,545.93**

**Annual Income: \$450,549.96**

## Building

**Building Square Footage: 14,820**

**Land Square Footage: 66,516**

**Rent/Square Foot: \$30.40**

**Year Built: 2010**

## MIDLAND, TX





## Area Description



### AREA DESCRIPTION

Within 3.5 miles of the subject property there is a strong employment market with large corporation headquarters, national retail tenants and area amenities such as:

**MIDLAND MEMORIAL HOSPITAL** (across the street) - Midland Memorial Hospital is a general medical and surgical hospital with 257 beds, 187 Doctors and 316 Nurses. Midland Memorial Hospital is the only not-for-profit hospital in Midland County. In May 2009, Midland County residents approved a \$115 million bond to build a new patient tower, which was combined with another \$62.6 million in private donation and grants. Minor League Baseball team.

**SPORTING COMPLEX** (2.6 miles southwest) - Approximately 2.6 three miles southwest is the Grande Communications Stadium with 15,000 seats and the Security Bank Ballpark with 5,000 seats at the Scharbauer Sports Complex. This sports complex houses the Midland-Odessa FC franchise in soccer's Premier Development League and the Midland RockHounds.

**MIDLAND COLLEGE** (3.7 miles northeast) - Midland College is a 704,752 square foot independent junior college on 224 acres with an enrollment of about 5,000 students.

**CHEVRON MID-CONTINENT HEADQUARTERS** (2.4 miles west) This newly built 617,800 square foot, \$100 million dollar complex employs over 500 employees to focus on the Permian Basin which is the largest oil producing area in Texas. Chevron Corporation is an American multinational energy corporation.

**CONOCOPHILLIPS** (3.3 miles northeast) - This 88,148 square foot office employs roughly 300 employees. ConocoPhillips is the world's largest independent exploration and production company, based on proved reserves and production of liquids and natural gas. There are over 13,300 people who work for ConocoPhillips across 17 countries.

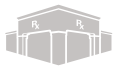




## Property Photos







## Property Photos



## **Walgreens** Company Summary\*

### **Tenant History**

Walgreens, headquartered in Deerfield, IL, is the largest drug retailing chain in the United States with more than 8,175 stores in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Walgreens built out its national platform through its corporate real estate department heavily during the 1990's continuing through the mid 2000's. By 2012, Walgreens had opened its 8,000th store and later that year the company made a bold move by purchasing a 45% interest in Alliance Boots, a leading international pharmacy-led health and beauty group. Two years later, Walgreens exercised its option to purchase the remaining 55% of the Switzerland based Alliance Boots to merge and create a new holding company named Walgreens Boots Alliance (NASDAQ: WBA).

This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years. Today, Walgreens is part of the Retail Pharmacy USA division of Walgreens Boots Alliance. The company sells prescription and non-prescription drugs and general merchandise including household products, convenience and fresh foods, personal care, beauty care, photo finishing, as well as home medical equipment, contact lenses, vitamins, supplements and other health and wellness solutions. Walgreens also provides specialty pharmacy services for managing complex and chronic health conditions. In addition to these in-store offerings, the company operates digital businesses that include Walgreens.com, Drugstore.com, Beauty.com, SkinStore.com, and VisionDirect.com.

*\*Walgreens company information received from Walgreens investor relations.*

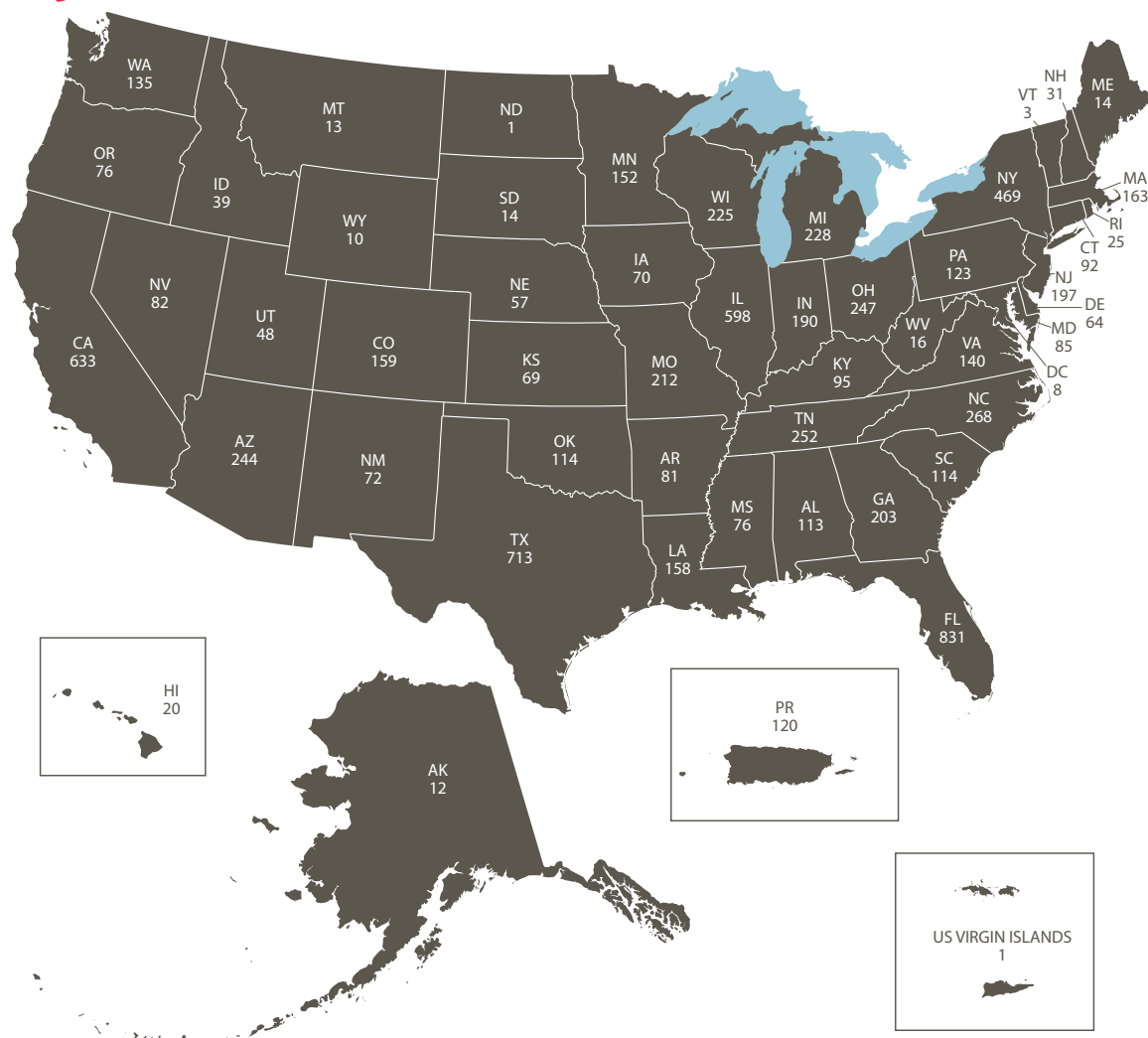
| <b>TENANT PROFILE</b>           |                                |
|---------------------------------|--------------------------------|
| <b>Guarantor:</b>               | Walgreens Boots Alliance, Inc. |
| <b>Ownership:</b>               | Public                         |
| <b>Stock Symbol (NASDAQ):</b>   | WBA                            |
| <b>Credit Rating (S&amp;P):</b> | BBB                            |
| <b>Business:</b>                | Retail Pharmacy                |
| <b>Locations:</b>               | 8,175                          |
| <b>Annual Revenue:</b>          | \$117.35 Billion               |
| <b>Net Worth:</b>               | \$29.88 Billion                |
| <b>Headquarters:</b>            | Deerfield, IL                  |
| <b>Website:</b>                 | www.walgreens.com              |



On Oct 27, 2015, Walgreens Boots Alliance entered into a merger agreement with Rite Aid Corporation (NYSE: RAD). The transaction is expected to close sometime in mid-2017, but is subject to Rite Aid stockholder approval, regulatory approvals and other customary closing conditions.



## *Walgreens* Locations by State



|               |     |               |     |                |     |                |     |                   |     |
|---------------|-----|---------------|-----|----------------|-----|----------------|-----|-------------------|-----|
| Alabama       | 113 | Idaho         | 39  | Mississippi    | 76  | Oklahoma       | 114 | West Virginia     | 16  |
| Alaska        | 12  | Illinois      | 598 | Missouri       | 212 | Oregon         | 76  | Wisconsin         | 225 |
| Arizona       | 244 | Indiana       | 190 | Montana        | 13  | Pennsylvania   | 123 | Wyoming           | 10  |
| Arkansas      | 81  | Iowa          | 70  | Nebraska       | 57  | Rhode Island   | 25  | Puerto Rico       | 120 |
| California    | 633 | Kansas        | 69  | Nevada         | 82  | South Carolina | 114 | US Virgin Islands | 1   |
| Colorado      | 159 | Kentucky      | 95  | New Hampshire  | 31  | South Dakota   | 14  |                   |     |
| Connecticut   | 92  | Louisiana     | 158 | New Jersey     | 197 | Tennessee      | 252 |                   |     |
| Delaware      | 64  | Maine         | 14  | New Mexico     | 72  | Texas          | 713 |                   |     |
| Washington DC | 8   | Maryland      | 85  | New York       | 469 | Utah           | 48  |                   |     |
| Florida       | 831 | Massachusetts | 163 | North Carolina | 268 | Vermont        | 3   |                   |     |
| Georgia       | 203 | Michigan      | 228 | North Dakota   | 1   | Virginia       | 140 |                   |     |
| Hawaii        | 20  | Minnesota     | 152 | Ohio           | 247 | Washington     | 135 |                   |     |

\*Nationwide locations as of August 31, 2016

Note: Walgreens also operates specialty and institutional pharmacies. Walgreens Take Care Health Systems subsidiary manages more than 400 Healthcare Clinics at select Walgreens drugstores.

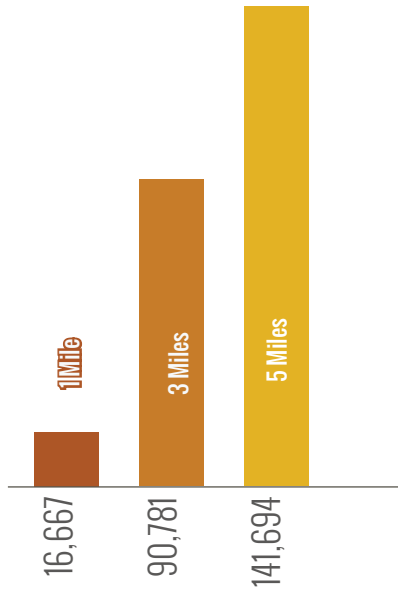
**Total 8,175\***



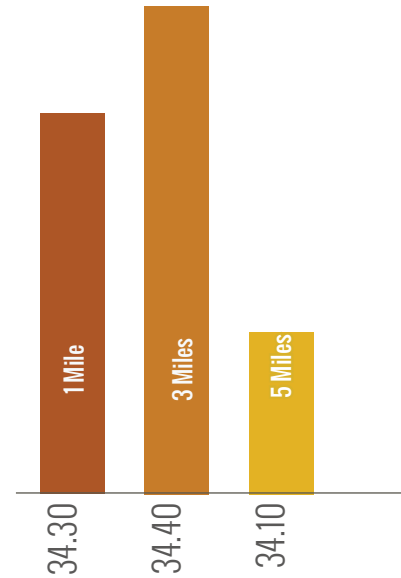


## Demographic Snapshot | 2017

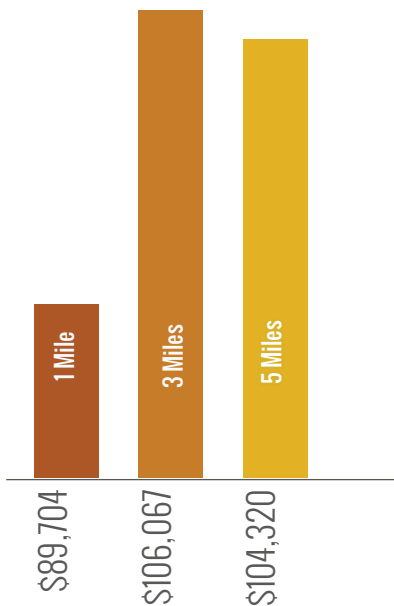
### Total Population



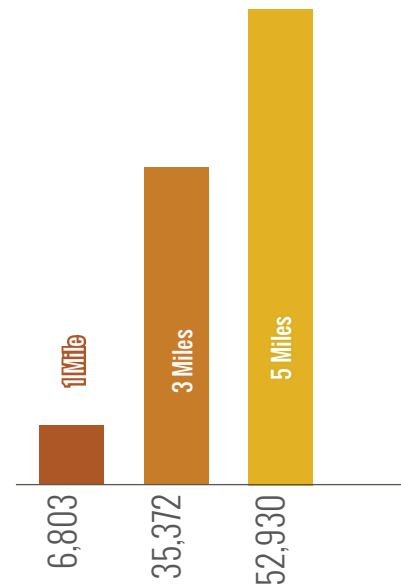
### Average Age



### Average Household Inc



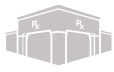
### Total Households



Disclaimer: This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, distances, lot size, store opening dates, demographic information, aerial information, tenant information & store operating information are approximate.

Buyer and their representatives understands that Walgreens tenant information was gathered by sources deemed to be reliable including Walgreens public quarterly and annual reports. Demographic information was provided by Nielsen Information Systems.

By accepting this package, buyer and their representatives must verify the information and bears all risk for any inaccuracies. © 2017 Pharma Property Group.



## Investment Property Recap



**4313 ANDREWS HIGHWAY  
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**Year Built:** 2010  
**Total Lot Size:** 66,516 Square Feet  
**Total Building Size:** 14,820 Square Feet

## Pricing

**Price:**  
**\$8,191,000**

**Cap Rate:**  
**5.50%**

**Total Monthly Income:**  
**\$37,545.83**

**Total Annual Income:**  
**\$450,549.96**

## Lease Overview

**Tenant:**  
*Walgreens (NYSE: WAG)*

**Landlord Income:**  
*Corporate Guarantee*

**Credit Rating:**  
*Investment Grade, BBB (S&P)*

**Lease Type:**  
*Absolute Triple NET Lease*  
**No landlord responsibilities whatsoever.**

**Lease Term:**  
*17.5 years months remaining with  
50 years options to follow*

**Next Option Begins:**  
*February 1, 2035*





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