



EXCLUSIVELY LISTED INVESTMENT OFFERING  
WALGREENS INVESTMENT OPPORTUNITY



5999 SUMMIT BRIDGE ROAD | TOWNSEND, DE 19734

*Walgreens*



Exclusively Listed By

**NICHOLAS W. PRICE**  
VICE PRESIDENT

**JASON S. PONGSRIKUL**  
MANAGING PRINCIPAL

## Property Overview



**5999 SUMMIT BRIDGE ROAD  
TOWNSEND, DE 19734**

**Year Built:** 2007

**Lot Size:** 74,052 Square Feet

**Building Size:** 9,999 Square Feet

## Investment Highlights

### STABLE INCOME

Rental income guaranteed by Walgreens parent corporate (S&P BBB) investment grade Fortune 500 company with approximately 8,173 drugstore locations nationwide.

### RENT INCREASES EVERY FIVE YEARS

Lease has approximately ten (10) years of primary lease term remaining and four (5 year) options with increases. Rare 4% rent increases during initial term. Lease allows for 12% increase in rent during the options.

### SIGNALIZED CORNER LOCATION

Drive-thru pharmacy located on signalized northeast corner of Summit Bridge Road and Pine Tree Road.

### DOUBLE NET LEASE

Double net lease with landlord responsibilities for roof and exterior structure.

### SURROUNDING DRUGSTORES

There are two Walgreens within a five-mile radius, they are 3.69 miles north and 4.24 miles northwest. There is only one CVS pharmacy within a five mile radius and it is located 3.77 miles north. There is one Rite Aid within a five mile radius and it is located 4.5 miles north of subject property.

### AFFLUENT DEMOGRAPHICS

Median household income in a one mile radius is \$99,718, in a three mile radius is \$92,874 and \$82,493 in a five mile radius.

### PHILADELPHIA-CAMDEN-WILMINGTON MSA

Townsend is in the county of New Castle, which is included in the Philadelphia-Camden-Wilmington Metropolitan Statistical Area (MSA). This MSA has a population of over six million residents and is ranked sixth-largest metropolitan area in the United States.





## Property Overview



## Lease Overview

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

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

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

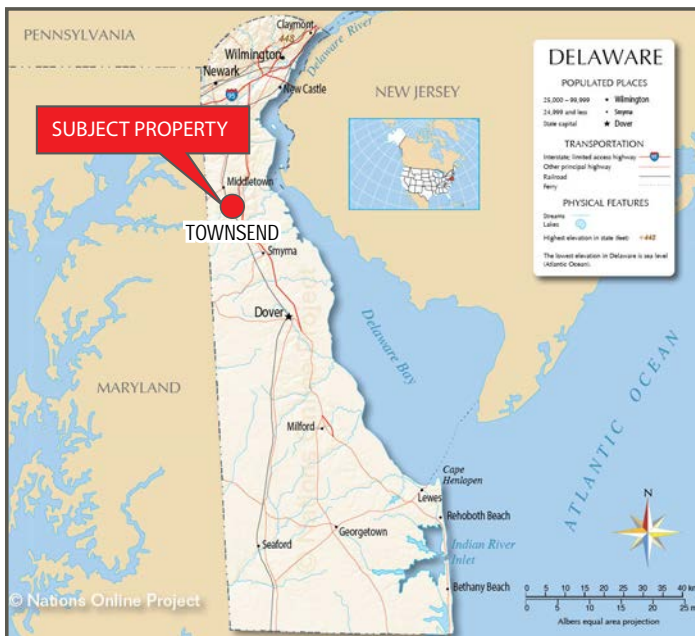
**Lease Type:**  
**DOUBLE NET**  
Landlord is responsible for roof and structure.

**Lease Term:**  
**10 YEARS REMAINING WITH  
FOUR 5-YEAR OPTIONS TO FOLLOW**

**Lease Term Commencement:**  
**AUGUST 1, 2007**

**Next Option Begins:**  
**AUGUST 1, 2027**

## TOWNSEND, DELAWARE



## Pricing

**Price: \$4,332.900**

**CAP: 6.00%**

**Monthly Income: \$21,664.50**

**Annual Income: \$259,974**

## Building

**Building Square Footage: 9,999**

**Land Square Footage: 74,052**

**Rent/Square Foot: \$26.00**

**Year Built: 2007**

## Rent Schedule

TERM	DATES	YEARS	RENT
Current Rent	8/1/2016 - 7/31/2019	10-12	\$259,974.00
1st Increase	8/1/2019 - 7/31/2022	13-15	\$269,973.00
2nd Increase	8/1/2022 - 7/31/2025	16-18	\$279,972.00
3rd Increase	8/1/2025 - 7/31/2027	19-20	\$289,971.00
1st Option	8/1/2027 - 7/31/2032	21-25	\$324,767.52
2nd Option	8/1/2032 - 7/31/2037	26-30	\$363,739.62
3rd Option	8/1/2037 - 7/31/2042	31-35	\$407,388.37
4th Option	8/1/2042 - 7/31/2047	36-40	\$456,274.98

## Location Overview

**T**ownsend is a town in New Castle County, in the state of Delaware, United States. The population was 2,049 at the 2010 census, an increase of 492.2% from 2000. New Castle County is included in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area with a population of over 6 million residents and constitutes the sixth-largest metropolitan area in the United States.





## Property Photos



**SOUTH SIDE OF BUILDING WITH ENTRANCE TOWARDS INTERSECTION**



**NORTH SIDE OF BUILDING WITH DRIVE-THRU BACK ACCESS**



## *Walgreens* Company Summary\*

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### **Tenant History**

Walgreens is the largest drug retailing chain in the United States and has grown primarily through organic growth versus how its largest competitor, CVS, has grown through chain acquisitions. Walgreens built out its national platform through its corporate real estate department heavily during the 90's continuing through around 2008. By 2007, Walgreens had opened its 6,000th store and by 2009 they became the only national pharmacy to operate in 50 states including Puerto Rico.

In 2012, Walgreens made a bold move by purchasing a 45% interest in Alliance Boots and subsequently in 2014 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. After the initial acquisition in 2012, Walgreens credit rating was lowered from A down to BBB due to debt it incurred during the purchase; however, Walgreens remains investment grade and property values have not been adversely affected by the lower credit rating. Walgreens stock price has actually more than doubled since its acquisition of Alliance Boots.

### **Notable Acquisitions**

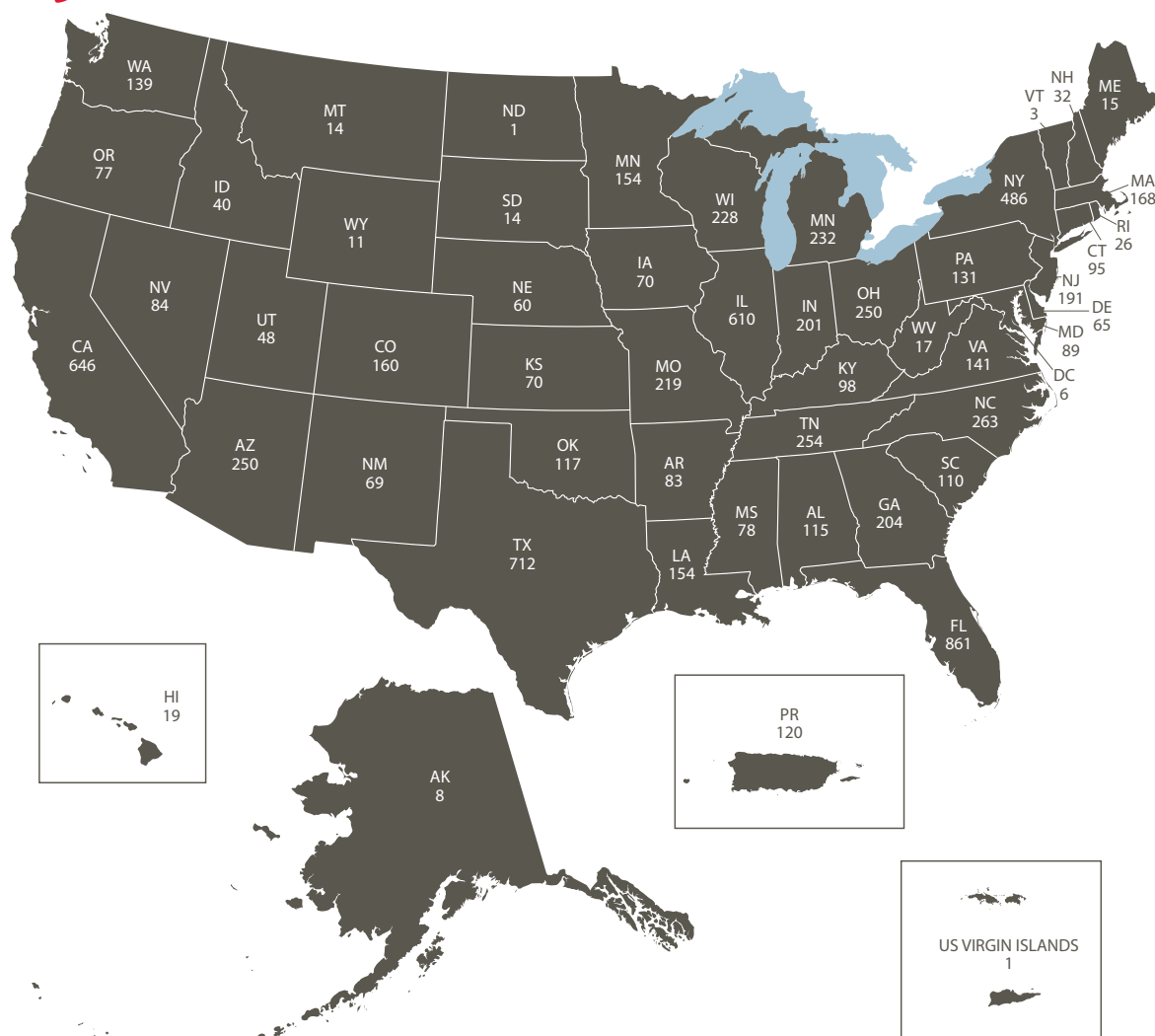
In 2010, Walgreens announced its largest acquisition ever of Duane Reade for \$1.075 billion and established an irreplaceable footprint in the New York metropolitan area. In 2011, Walgreens made a move to purchase Drugstore.com to establish an online presence.

In 2012, Walgreens purchased a mid-south drugstore chain operating under USA Drug, Super D Drug, Mays Drug, Med-X and Drug Warehouse banners which had 144 locations collectively throughout Arkansas, Kansas, Mississippi, Missouri, New Jersey, Oklahoma and Tennessee.

Walgreens most recent acquisition was in September 2013 for Kerr Drug's who operated 76 drugstores throughout North Carolina.

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

## Walgreens Locations by State



Alabama	113	Idaho	39	Mississippi	77	Oklahoma	116	West Virginia	16
Alaska	12	Illinois	593	Missouri	215	Oregon	77	Wisconsin	225
Arizona	244	Indiana	196	Montana	13	Pennsylvania	123	Wyoming	10
Arkansas	81	Iowa	70	Nebraska	57	Rhode Island	25	Puerto Rico	121
California	629	Kansas	69	Nevada	84	South Carolina	113	US Virgin Islands	1
Colorado	158	Kentucky	93	New Hampshire	31	South Dakota	14		
Connecticut	92	Louisiana	157	New Jersey	191	Tennessee	253		
Delaware	64	Maine	14	New Mexico	72	Texas	715		
Washington DC	7	Maryland	85	New York	470	Utah	47		
Florida	840	Massachusetts	163	North Carolina	263	Vermont	3		
Georgia	203	Michigan	225	North Dakota	1	Virginia	141		
Hawaii	20	Minnesota	152	Ohio	246	Washington	134		

*\*Nationwide locations as of August 31, 2015*

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

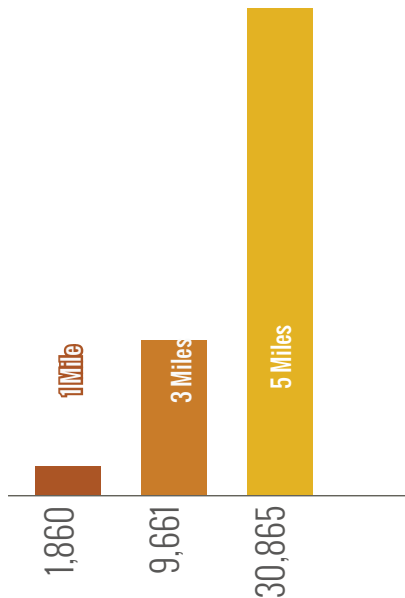
**Total** **8,173\***



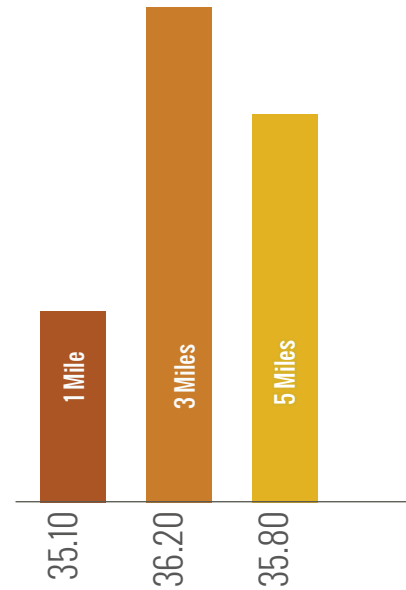


## Demographic Snapshot

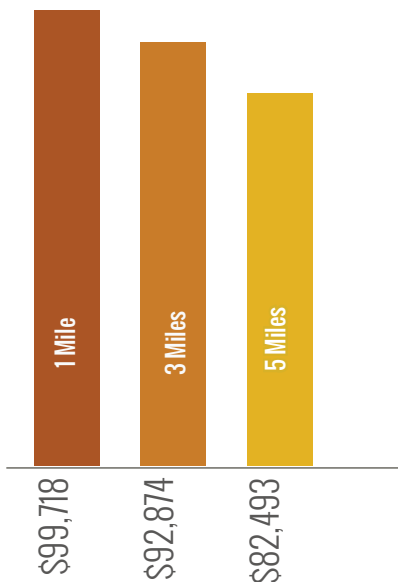
2015 Total Population



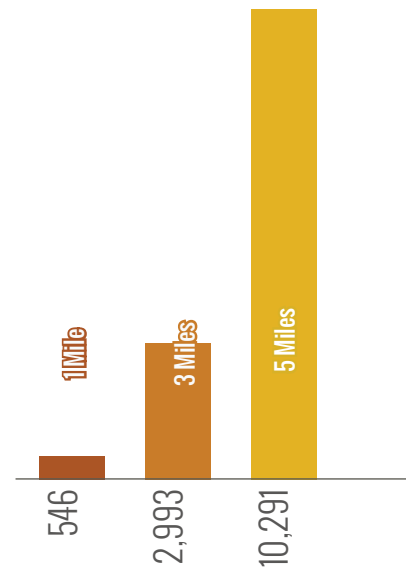
Average Age



Median Household Inc



2015 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. © 2016 Pharma Property Group.*





## Investment Property Recap



**5999 SUMMIT BRIDGE ROAD  
TOWNSEND, DE 19734**

**Year Built:** 2007  
**Total Lot Size:** 74,052 Square Feet  
**Total Building Size:** 9,999 Square Feet

## Lease Overview

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

**Landlord Income:**  
*Corporate Guarantee*

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

**Lease Type:**  
*Double NET Lease*  
**Landlord responsible for roof and structure.**

**Lease Term:**  
*10 years remaining with  
4 (5 year) options to follow*

**Next Option Begins:**  
*August 1, 2027*

## Pricing

**Price:**  
**\$4,332.900**

**Cap Rate:**  
**6.0%**

**Total Monthly Income:**  
**\$21,664.50**

**Total Annual Income:**  
**\$259,974**



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