

OFFERING
MEMORANDUM



SUBJECT PROPERTY

Walgreens
Only National Drug Store in the City
Rent Increases in Renewal Options | Absolute NNN

419 W. BROAD ST., ST. PAULS, NC 28384

Marcus & Millichap

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Marcus & Millichap

SUBJECT PROPERTY

WALGREENS

419 W. Broad St.
St. Pauls, NC 28384

Marcus & Millichap is pleased to offer for sale a 10,230-square-foot Walgreens (the Property) located in St. Pauls, NC, in which the tenant has just under three years remaining on their long-term absolute net lease. There are four, five-year renewal options featuring rare five-percent rent increases at the beginning of each option to offset inflation. Located just 20 miles south of Fayetteville, NC, the Property sits at the hard signalized corner of West Broad Street and South Fifth Street, with visibility to over 10,500 vehicles per day. Surrounding retailers include Hardee's, BP, AutoZone Auto Parts, Pizza Hut, Piggly Wiggly, NAPA Auto Parts, Domino's Pizza, Subway, Dollar General, McDonald's, Walmart, Burger King and numerous others.

INVESTMENT HIGHLIGHTS

Only National Drug Store in the City and Within a 15-Mile Radius

.....
Absolute NNN Lease — Zero Landlord Responsibilities

.....
Rare Rent Increases in Each of the Four, Five-Year Renewal Options

.....
Over \$8 Million in Reported Sales in 2022, up 6.30% from 2021

.....
Hard Signalized Corner of West Broad Street and South Fifth Street — 10,500+ VPD

.....
Prime Retail Corridor — Hardee's, Advance Auto Parts, Pizza Hut, Piggly Wiggly, McDonald's, Walmart, Subway, Dollar General and More

OFFERING SUMMARY

WALGREENS — LEASE ABSTRACT

Total Price
\$3,665,000

Cap Rate	7.00%
Tenant	Walgreens
Guarantor	Corporate
Property Address	419 W. Broad St., St. Pauls, NC 28384
Building Size (SF)	10,230 SF
Parcel Size (Acres)	1.03 Acres
Year Built	1999
Lease Structure	Absolute NNN
Rent Commencement Date	7/1/2005
Current Term Expiration Date	6/30/2025
Remaining Lease Term (Years)	2.5 Years
Annual Base Rent PSF	\$256,555 \$25.08 PSF
Rental Increases	5% Increases in Beginning of Each Renewal Option
Renewal Options	Four, Five-Year Renewal Options
ROFR/ROFO	None
Landlord Responsibilities	None

ASSUMABLE LOAN

Outstanding Loan Balance*	\$2,412,146
Expiration	1/1/2026
Fixed Interest Rate	2.75%
Amortization	25 Years

*As of 2/1/2023

RENT SCHEDULE

Lease Year	Lease Dates	Annual Rent	Monthly Rent	PSF	% Increases
Years 16 - 20	7/1/2020 - 6/30/2025	\$256,555	\$21,380	\$25.08	
First Renewal Option	7/1/2025 - 6/30/2030	\$269,383	\$22,449	\$26.33	5.00%
Second Renewal Option	7/1/2030 - 6/30/2035	\$282,852	\$23,571	\$27.65	5.00%
Third Renewal Option	7/1/2035 - 6/30/2040	\$296,995	\$24,750	\$29.03	5.00%
Fourth Renewal Option	7/1/2040 - 6/30/2045	\$311,844	\$25,987	\$30.48	5.00%

SELLER'S EXCHANGE: It's the intent of Seller to utilize the subject property to effectuate a like-kind Tax Deferred Exchange under Code Section 1031 of the Internal Revenue Codes. Buyer shall agree to cooperate with Seller at no costs to Buyer.



WEST BROAD STREET — 10,500+ VPD

OFFERING SUMMARY

AERIAL AND SURROUNDING RETAIL // Walgreens

Demographics | 5-Mile Radius

2022 Population	9,919
2022 Avg. Household Income	\$47,706
2022 Median Age	37.1
2022 Households	3,664



TENANT OVERVIEW // *Walgreens*



78% OF U.S. POPULATION LIVES WITHIN FIVE MILES OF A WALGREENS

Making Walgreens a Household Name for Most Americans

10 MILLION CUSTOMERS SERVED EVERY DAY

Customers Include In-Person and Online Customers

WALGREENS FILLED 819.6 MILLION PRESCRIPTIONS IN 2022

Including Immunizations on a 30-Day Adjusted Basis in Fiscal 2022

MANAGES OVER 400 HEALTH CARE CLINICS AND PROVIDER PRACTICE LOCATIONS IN U.S.

With Plans to Open Hundreds of Additional Clinics in Upcoming Years

PUBLICLY TRADED ON THE NYSE UNDER TICKER SYMBOL WBA

Walgreens and Alliance Boots Merged in 2014, Making WBA Largest Purchaser of Health Products

WALGREENS.COM

Founded in 1901, Walgreens is a global leader in pharmacy-led health and well-being retail. Walgreens is a subsidiary of Walgreens Boots Alliance Inc. and operates just under 9,000 stores throughout the U.S., the U.S. Virgin Islands and Puerto Rico. A typical Walgreens store carries over 18,000 items in its wide range of consumer goods and provides pharmacy, photo printing, health and wellness services to its customers. The company has over 85,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other healthcare-related professionals working at their locations. Walgreens also sees a total of 10 million customers daily, and an average of 68 million people visit Walgreens websites each month. According to the Washington Post, the company is planning to open hundreds of primary-care clinics in the coming years as it continues to expand into medical care.

COMPANY OVERVIEW



**Headquartered in
Deerfield, IL**



**Annual Net Sales
in 2021: \$132.51
Billion**



Year Founded: 1901



**Over 85,000
Healthcare
Service Providers**



**Number of Employees:
225,000+**



**Number of Stores:
8,886 Globally**

ST. PAULS, NC // *Walgreens*

Located in southeastern North Carolina in Robeson County, St. Pauls is nicknamed “The Little Town with the Big Heart” due to its quaint size of just over 2,000 residents, but it also is known for its access to many major carrier routes across North America. The town is conveniently located at the intersections of Interstate 95, U.S. Highway 301 and state Highway 20, and it is also near state Highway 87. Additionally, it is only 50 miles south of Interstate 40 and 68 miles north of Interstate 20. Fayetteville, NC, is located just 15 miles north and is home to Fort Bragg, the 82nd Airborne and the Special Forces Command. Other major North Carolina cities nearby include Lumberton, Raleigh and Charlotte. St. Pauls attractions include sites along the historic Lumber River; the golf headquarters of the southeast at Pinehurst, NC; the Airborne & Special Operations Museum in Fayetteville, NC; and the beaches of Myrtle Beach, SC, which are only an hour-and-a-half drive from the town.

ROBESON COUNTY LOCATION HIGHLIGHTS

- Champion Home Builders, Inc. has selected Pembroke, NC, as the location of a manufactured housing production facility. The company plans to invest up to \$13.2 million at the location and employ about **385 facility workers** throughout Robeson County.
- BIOPHIL Natural Fibers, a manufacturer of organic raw materials, will invest over **\$10.9 million into a new, 90,829-square-foot** processing facility in Lumberton, NC, which will create 41 new jobs in Robeson County.
- Asbury Graphite of North Carolina will create 22 new jobs in Robeson County through its **\$16.9 million capacity expansion project** at its Lumberton operation. The company provides steel products, including graphene, to the automotive, steel and other industries for various applications.
- Atlantic Building Components & Services, Inc., a manufacturer of wood trusses and building components for the construction industry, will invest **\$6 million in a new manufacturing facility** in Fairmont, NC. The project will create 105 jobs for Robeson County.



A photograph of a Walgreens Pharmacy building with a red awning and a red car parked in front. The image is split vertically by a dark blue overlay containing text.

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