

SINGLE-TENANT NET LEASE
WALGREENS

2955 18TH AVENUE, ROCK ISLAND, IL

CBRE

NATIONAL
RETAIL
INVESTMENT
GROUP



REPRESENTATIVE PHOTO

SINGLE-TENANT INVESTMENT PROPERTY



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CBRE

FOR MORE INFORMATION, CONTACT:

MICHAEL KAIDER

NNN Specialist

First Vice President

+1 630 573 7015

michael.kaider@cbre.com

GEOFFREY D. HARRIS

Debt and Structured Finance

+1 602 735 5615

geoffrey.harris@cbre.com

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EXECUTIVE SUMMARY

CBRE has exclusively listed this single tenant net leased Walgreens located in Rock Island, Illinois. The building is approximately 13,905 rentable square feet on approximately 1.45 acres of land in the heart of downtown Rock Island, Illinois. The current lease term expires on March 31, 2033 giving an investor approximately 18 years of primary term remaining. Walgreens has been at this location since 1997 and recently extended their lease an additional 15 years in return for a small rent reduction. The below market rent and very strong sales at this location make this a very healthy store within the Walgreens chain.

This asset is encumbered by an existing loan with the following terms: \$3,500,000 I/O at 5.9% and a maturity date of August 1, 2017. Seller will pay up to \$25,000 in Buyer's assumption costs.

Walgreens was founded in 1901 and is publicly traded on the New York Stock Exchange with stock symbol "WAG". Walgreens has an investment grade credit rating of "BBB." Walgreens has approximately 8,200 locations across the world and is one of the largest 220 publicly traded companies in the world according to Forbes.

This signalized hard corner location sits in the heart of downtown Rock Island, Illinois. The City of Rock Island is a full-service community located on the Mississippi River, approximately 175 miles west of Chicago. Rock Island is a major city in what is known as the Quad Cities, a region with a population approaching 400,000 that encompasses Rock Island, Moline, East Moline and Davenport, Iowa.

INVESTMENT SUMMARY

Offering price	\$4,600,000
NOI Present - 7/31/2017	\$316,900*
NOI 7/31/2017 - 3/31/2033	\$263,400
Offering cap rate	6.9% on in-place rent 5.7% on future rent
Lease type	NN
Parcel size	±1.45 Acres
Building size	13,905 SF
Tenant	Walgreen Co.
Lease expiration	March 31, 2033
Tenant Responsibilities	Parking lot and landscape repair and maintenance. HVAC repair, maintenance and replacement.
Landlord Responsibilities	Roof repair and replacement. Parking lot replacement.
Percentage rent	Yes

* Landlord and Tenant negotiated a rent reduction from \$22.79 psf to \$18.94 psf commencing on August 1, 2017.

INVESTMENT HIGHLIGHTS

- **Long Term Corporate Lease:** This is long term corporate lease with 18 years of term remaining. Walgreens has a “BBB” rating from Standard & Poor’s. For fiscal year 2014 Walgreens Co. had reported over 76 billion dollars in sales and 82,000 locations across the globe.
- **Long Term Commitment to the Site:** Walgreens has been at this location since 1997 and recently executed a 15 year extension to remain at the site. This shows a very strong commitment to this dense urban location.
- **Strong Sales:** This proven hard corner location reports very strong sales numbers. Contact sales representative for more information.
- **Strong Health Ratio:** Walgreens executed a 15 year extension and set the rent at \$18.94/psf which is below market for the area and well below market for Walgreens nationally. Taking into account the very strong sales history at this store, the health ratio is very strong at this location.
- **Dense Demographics:** The Property is strategically located in a densely populated area that is home to approximately 160,000 people within a 5 mile radius.
- **Barriers to Entry:** Given the dense urban location, the barriers to entry are very high and hence the possibility of a relocation at the end of the lease term very remote.



THE TENANT

Walgreens

Walgreens was founded in Chicago, Illinois, in 1901 by Charles R. Walgreen. Walgreens' parent company, The Walgreens Company, is headquartered in the Chicago suburb of Deerfield, Illinois. Walgreens is the largest drugstore retailer in the United States. As of May 31, 2014, the company operated 8,217 Walgreens stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Walgreens provides access to consumer goods and services, plus pharmacy, photo studio, health and wellness services through its retail drugstores, Walgreens Health Services division and Walgreens Health and Wellness division. Walgreens also runs several online stores, such as www.beauty.com, www.drugstore.com and www.visiondirect.com. In 2014, Walgreens acquired the British drugstore chain Boots.



RANKINGS AND RATINGS

- Fortune magazine World's Most Admired Companies (published March 2013)
- Fortune magazine 500 Largest U.S.-Based Companies (published May 2013) - Walgreens ranked 37th overall in revenue.
- Fortune magazine Global 500 Largest Companies (published July 2013) - Walgreens ranked 120th overall in revenue.
- Forbes Global 2000 (published April 2012) - Walgreens ranked 220th on this list of the 2000 largest public companies worldwide.
- Fast Company magazine "Fast 50" issue (published February 2013) - Walgreens ranked as the 7th most innovative health care company for its leadership in redefining the role of pharmacy.
- DiversityBusiness.com Top 50 Organizations for Multicultural Business Opportunities (published January 16, 2012) - Walgreens ranked 38th overall among the top 50 corporate and organizational buyers of diversity products and services throughout the U.S., according to the more one million diversity business owners participating in the survey.
- Careers & the Disabled magazine Top 50 Employers (published Winter 2010/2011) - Walgreens ranked 12th in the readers survey of employers they believe provide the most positive working environment.

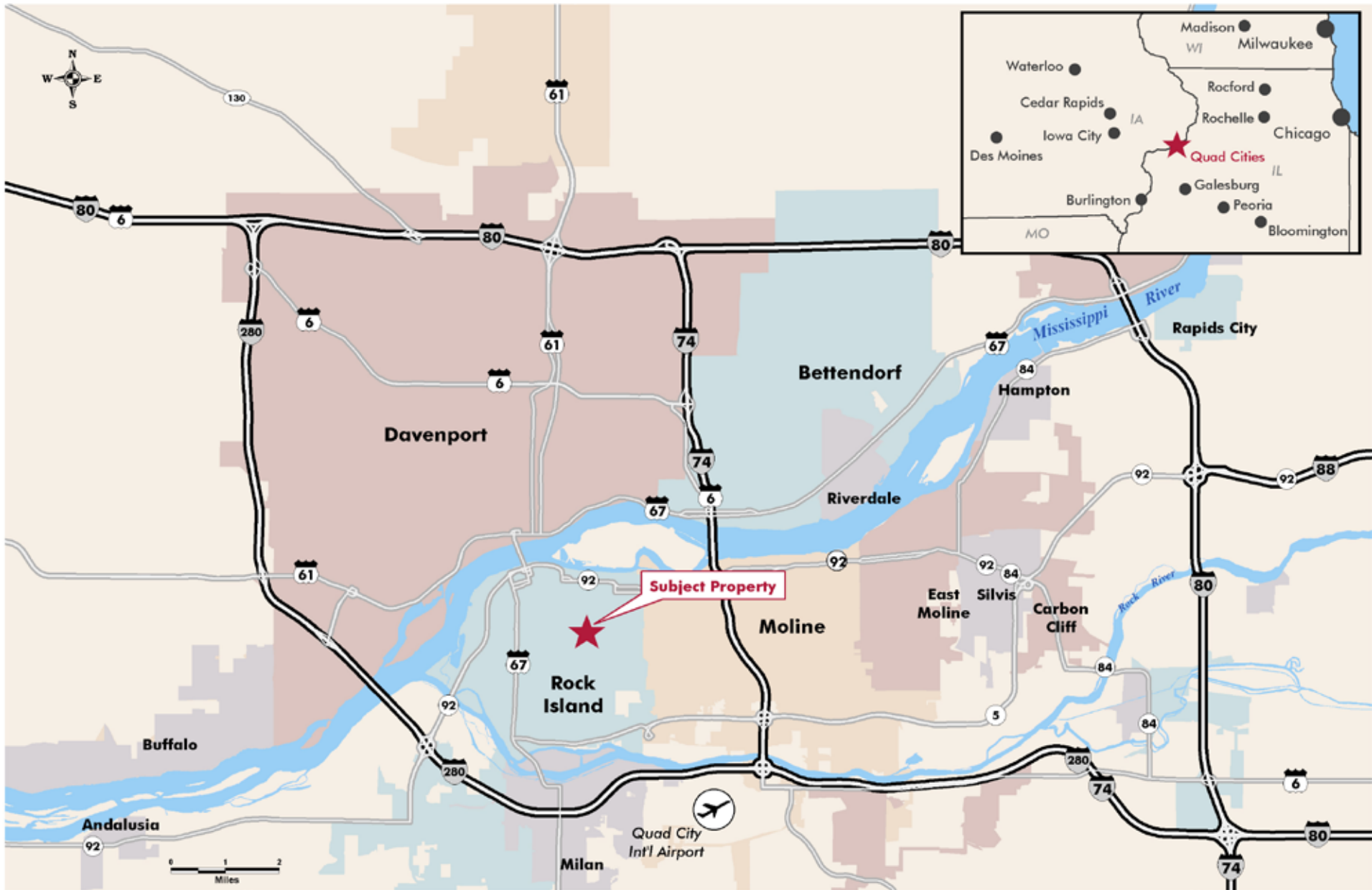
AERIAL VIEW



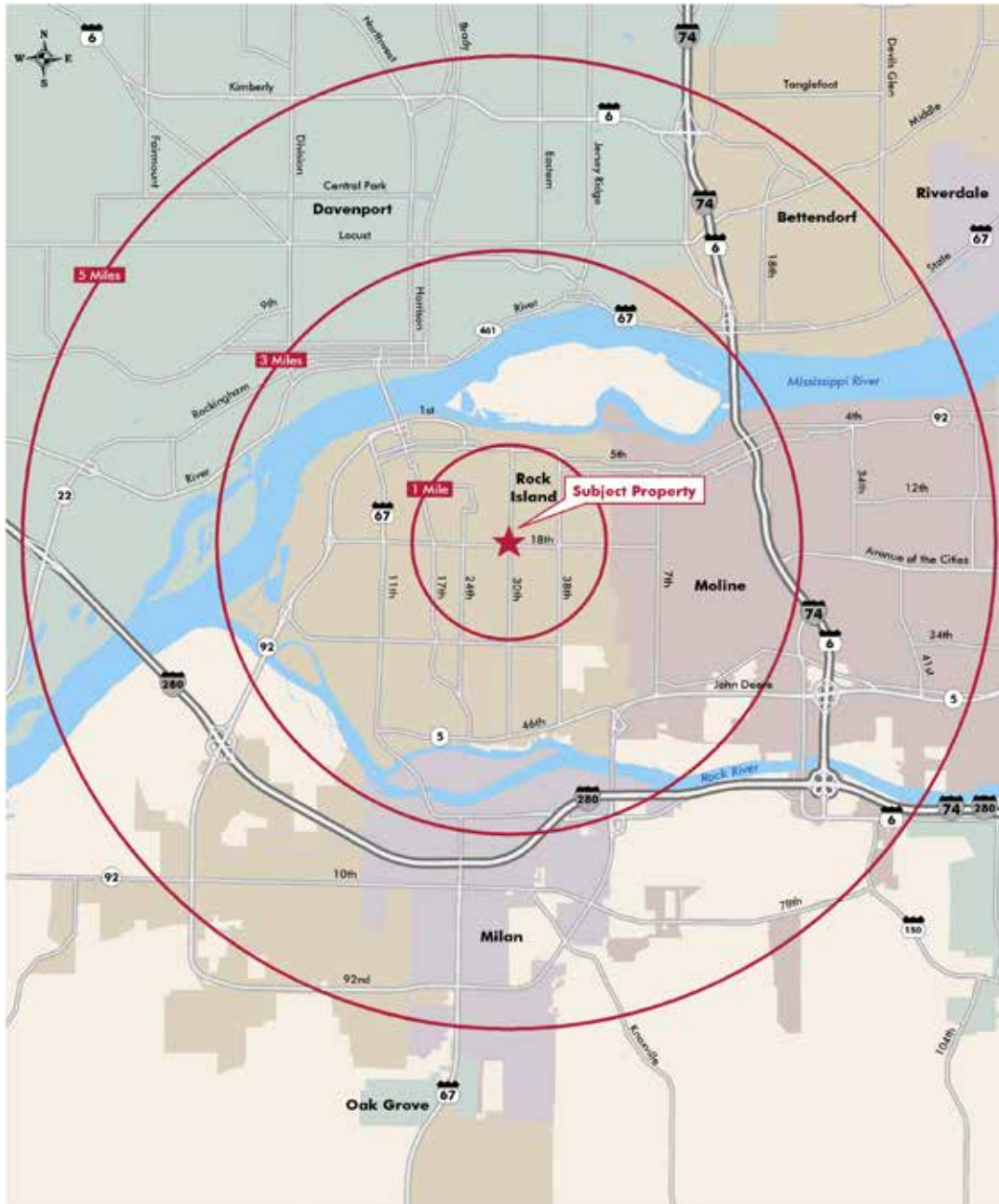
LEASE ABSTRACT

Tenant	Walgreens		
Corporate Guarantee	Walgreen Co.		
Building Size	13,905 SF		
Lease Expiration	March 31, 2033		
Lease Extensions	Four (4) - Five (5) year options		
Annual Base Rent	Present - July 31, 2017	\$316,900 (Annual)	\$22.79 (PSF)
	August 1, 2017 - March 31, 2033	\$263,400 (Annual)	\$18.94 (PSF)
Percentage Rent	2.0% of the Gross Sales except for food and prescriptions and 0.5% of Food and Prescription items after total annual fixed rent costs.		
Landlord Responsibilities	Parking lot replacement. Roof repair and replacement.		
Tenant Responsibilities	Parking lot and landscape repair and maintenance. HVAC repair, maintenance and replacement.		
Sales Reporting	Within 45 days after each lease year Tenant shall report Gross Sales for such lease year to the Landlord.		
Right of First Refusal	Tenant has the right of first refusal on any and all Bona Fide Offers to purchase the Premises		
Termination Options	Tenant has the right to terminate the lease every five years starting on March 31, 2033 and repeating throughout the remainder of the option terms.		

REGIONAL MAP



LOCATOR MAP



Flood Zone: According to FEMA Community Map Panel 17161C0310F dated April 5, 2010, the property is located in Flood Zone X, an area of minimal flooding, usually depicted as above the 500-year flood level.

THE MARKET: AREA RETAILERS



THE MARKET: ROCK ISLAND, IL

The “Quad Cities” is a region of four counties in northwest Illinois and southeastern Iowa that spans the Mississippi. The area is located at the confluence of the Rock and Mississippi rivers, approximately 140 miles west of Chicago, and is the largest metropolitan area along the Mississippi River between Minneapolis–Saint Paul and St. Louis. Interstate 80 crosses the Mississippi River here. The urban core consists of five principal cities: Davenport and Bettendorf in Iowa, and Rock Island, Moline, and East Moline in Illinois. These cities are the center of the Quad Cities Metropolitan Area, which, has a current population of approximately 385,400.

Rock Island is located along the Mississippi River in northwestern Illinois. It is the county seat of Rock Island County and has a current population of approximately 38,600. The city is home to Rock Island Arsenal, the largest government-owned weapons manufacturing arsenal in the US, which employs 6,000 people. Rock Island is also the home to Augustana College.

Rock Island is known for its strong historic neighborhoods, and its exciting new neighborhoods. The city is surrounded by two great rivers, the Mississippi and the Rock River. These rivers support many leisure activities in the area and have beautiful scenic views. Downtown Rock Island, or “The District” is known for its festivals. The season starts with the Quad Cities Criterium bicycle races on Memorial Day. June brings Gumbo Ya Ya-Mardi Gras in The District, featuring Cajun and zydeco music and New Orleans style food. August features Ya Maka My Weekend with reggae music and Jamaican food. During Labor Day weekend, America’s largest go-kart street race, the Rock Island Grand Prix, provides fast-paced professional go-kart races. The Irish folk festival is also in September. A children’s costume contest and scavenger hunt is featured during Fright Night. Twice per year, Gallery Hop! showcases the arts in galleries, studios, restaurants, and shops.

3-Mile Demographics



Population
70,792



Households
29,275 - Average value \$135,757



Average HH Income
\$55,405

Rock Island received the prestigious City Livability Award - along with Davenport, Iowa in the Quad Cities - by the U.S. Conference of Mayors (2007). Movoto Real Estate, a national real estate company, put Rock Island behind only Evanston and Woodstock and ahead of Chicago in its list of the state’s 10 most exciting cities (2014).

DEMOGRAPHICS

2955 18th Avenue • Rock Island, IL		1 Mile	3 Miles	5 Miles
POPULATION	2015 Estimated Population	16,333	70,792	160,742
	2020 Projected Population	16,035	70,633	161,618
	2010 Census Population	16,728	71,223	160,552
	2000 Census Population	17,128	72,916	164,354
	Growth 2010-2015	-2.36%	-0.60%	0.12%
	Growth 2015-2020	-1.82%	-0.22%	0.54%
	2015 Estimated Median Age	35.70	36.96	37.74
	2015 Estimated Average Age	38.50	38.80	39.25
HOUSEHOLDS	2015 Estimated Households	6,421	29,275	67,939
	2020 Projected Households	6,309	29,444	68,867
	2010 Census Households	6,561	29,117	67,026
	2000 Census Households	6,847	29,793	67,926
	Growth 2010-2015	-2.14%	0.54%	1.36%
	Growth 2015-2020	-1.73%	0.58%	1.37%
	2015 Est. Average Household Size	2.24	2.29	2.28
INCOME	2015 Est. Median HH Income	\$47,790	\$41,459	\$46,058
	2020 Projected Median HH Income	\$51,206	\$44,498	\$50,338
	2000 Census Median HH Income	\$37,671	\$32,996	\$36,444
	2015 Est. Average HH Income	\$59,536	\$55,405	\$61,069
	2015 Est. Per Capita Income	\$23,404	\$22,912	\$25,812
HOUSING	2015 Estimated Housing Units	7,059	32,813	74,006
	2015 Estimated Occupied Units	6,421	29,275	67,939
	2015 Estimated Vacant Units	639	3,538	6,066
	2015 Est. Owner Occupied Units	4,409	17,298	44,025
	2015 Est. Renter Occupied Units	2,011	11,977	23,915
	2015 Est. Median Housing Value	\$106,496	\$107,488	\$119,595
	2015 Estimated Average Housing Value	\$128,696	\$135,757	\$144,711

Source: CBRE Mapping Center / Claritas

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This Memorandum contains selected information pertaining to

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A. Listing Agent through George Good, Bob Mahoney, Rich Frolik, Christian Williams, Derrick Almasy and Mike Kaider are acting as Agent(s) of the Seller of the Property, and

B. Any information given by Prospective Purchaser to Listing Agent may be disclosed to the Seller.

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FOR MORE INFORMATION, CONTACT:

MICHAEL KAIDER

NNN Specialist

First Vice President

+1 630 573 7015

michael.kaider@cbre.com

GEOFFREY D. HARRIS

Debt and Structured Finance

+1 602 735 5615

geoffrey.harris@cbre.com

