



Walgreens - Strong Sales
5020 West Main Street | Kalamazoo, MI

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By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

Table of Contents

Executive Summary	3
Investment Highlights	4
Investment Overview	5
Site Plan	7
Market Overview	8
Location Overview	9
Location Maps	10
Demographics	13
Sale Comparables	14
Financials	18
Tenant Overview	19
Lease Abstract	20
Year One Cash Flow Estimates	21



Executive Summary
CBRE

INVESTMENT HIGHLIGHTS

Strong Store Sales

This location has reported strong sales which are increasing annually! Please contact Bill O'Connor for more information.

Asking Price.....\$6,055,000
CAP Rate.....5.50%
Price Per Square Foot.....\$446.04

Corporate Guaranty, Investment Grade Tenant

Walgreens carries a Standard and Poor's credit rating of BBB / Stable.

Long Term, Stable Investment

Walgreens has 12.75 years remaining on their current 25 year lease.

Zero Landlord Responsibilities

Walgreens is on an absolute NNN, bondable lease in which they are responsible for procuring and paying for all operating expenses as well as repairs and replacement to the roof and structure.

Trophy Location, Main Retail Corridor

This property sits as an outparcel to a 398,835 square foot shopping center and is surrounded by many regional and national tenants including Target, Starbucks, Kohl's, Lowe's and more. It enjoys traffic counts of 32,000+ along West Main Street.

24-Hour Store with Drive Thru

This is a 24-hour store featuring one drive thru lane.

Located Just Three Miles from WMU

The subject property is located within three miles of Western Michigan University's main campus, a public university with an enrollment of over 24,000 students.



THE OFFERING

CBRE, Inc. has been retained by current ownership as the exclusive marketing advisor for the disposition of the Walgreens (the "Property") located at 5020 West Main Street in Kalamazoo (Oshtemo Township), Michigan 49009.

INVESTMENT OVERVIEW

The property is a freestanding, 24-Hour Walgreens Drug Store and is equipped with a drive-thru. This store has reported strong sales which are increasing annually, contact Bill O'Connor for more information. Walgreens is a Standard & Poor's BBB rated company. This Walgreens property is on a 75 year lease expiring February 28, 2078. The lease calls for a termination option every five years starting in year 25; March 1, 2028 (12.75 years of firm lease term remaining). If Walgreens does not exercise their termination option in March, 2028, they will continue their lease at the same terms and rental rate. The tenant is responsible for procuring and paying for all operating expenses as well as repair and replacement of the roof and structure.



This is a true NNN opportunity perfect for investors in a 1031 exchange looking for a low risk, low maintenance property.

Walgreen Company, founded in Chicago, Illinois in 1901, operates retail drugstore chains that are engaged in the retail sale of prescription and non-prescription drugs and general merchandise. Walgreens is the largest drug retailing chain in the United States. As of May 2014, the company operated over 8,200 stores in all 50 states as well as the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

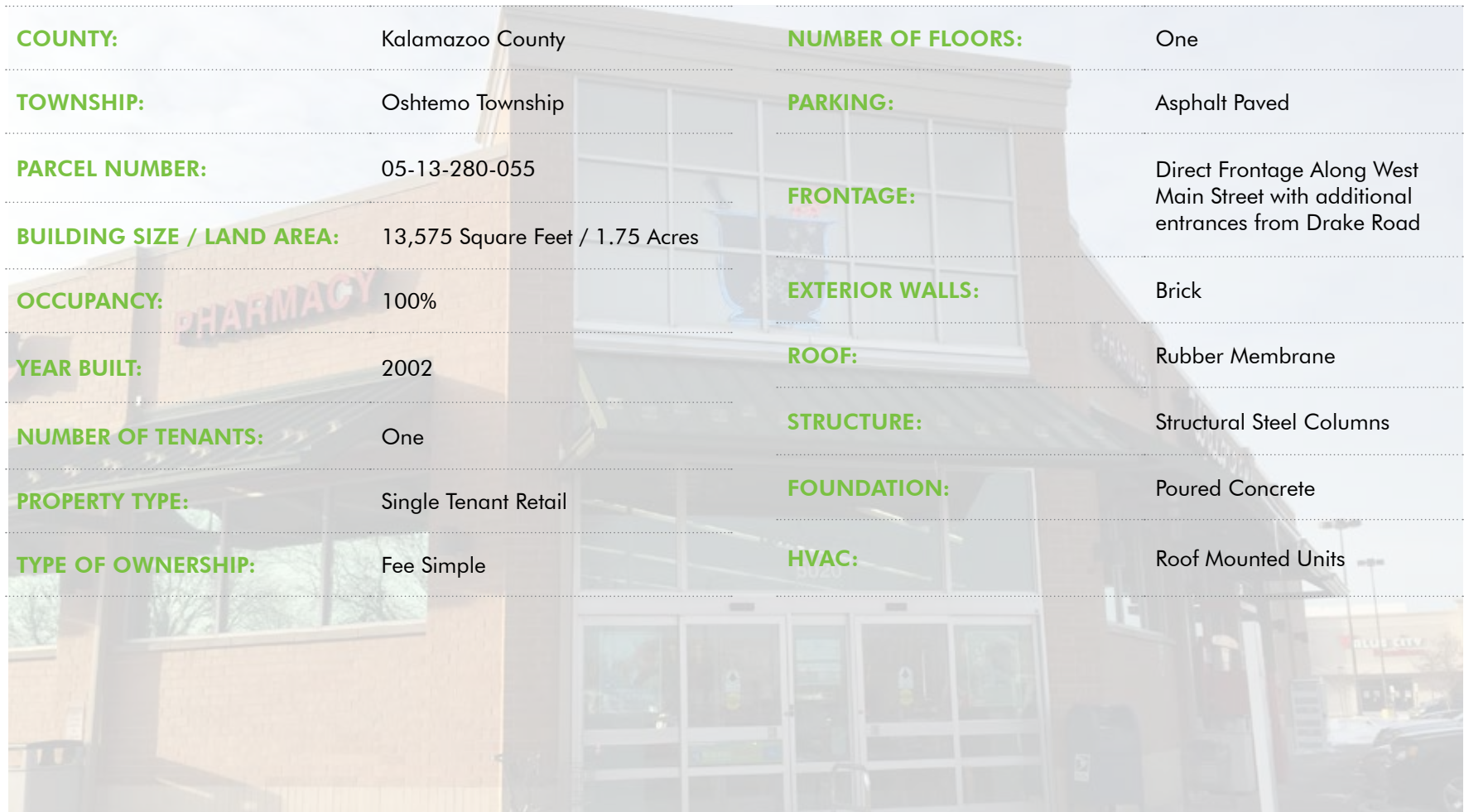
Kalamazoo sits approximately 150 miles east of Chicago, IL and just 140 miles west of Detroit, MI. The property is in an excellent location, as this is a major retail corridor for Kalamazoo. Walgreens is on the north side of West Main Street, just west of Drake Road. It is in a high retail area and sits as an outparcel to Maple Hill Shopping Center, consisting of 398,835 square feet. Just north of the subject property are The Centre Apartments, a 232 unit student housing complex.



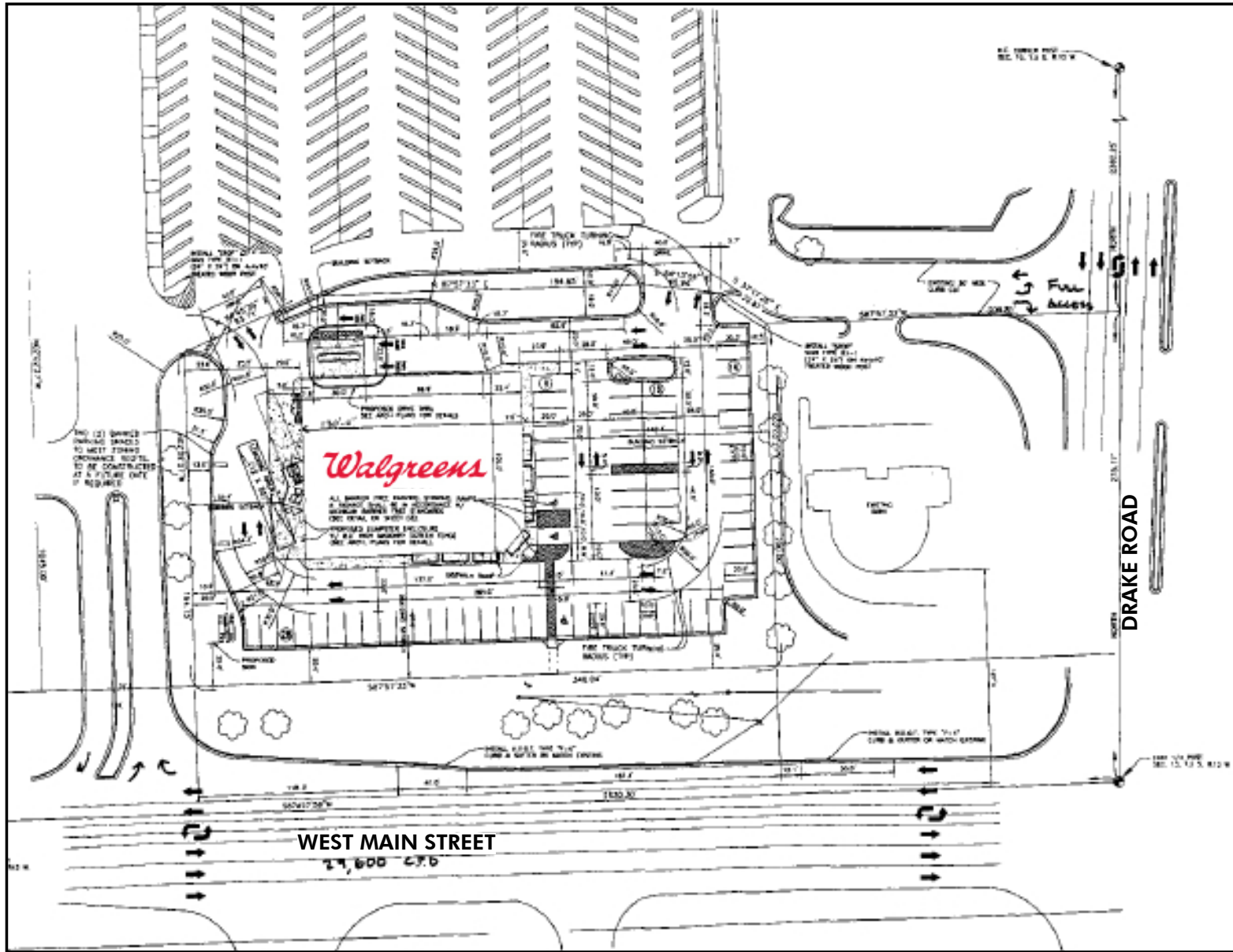
Walgreens | 5020 West Main Street | Kalamazoo, Michigan 49009

Asking Price.....\$6,055,000
 CAP Rate.....5.50%
 Price Per Square Foot.....\$446.04

COUNTY:	Kalamazoo County	NUMBER OF FLOORS:	One
TOWNSHIP:	Oshtemo Township	PARKING:	Asphalt Paved
PARCEL NUMBER:	05-13-280-055	FRONTAGE:	Direct Frontage Along West Main Street with additional entrances from Drake Road
BUILDING SIZE / LAND AREA:	13,575 Square Feet / 1.75 Acres	EXTERIOR WALLS:	Brick
OCCUPANCY:	100%	ROOF:	Rubber Membrane
YEAR BUILT:	2002	STRUCTURE:	Structural Steel Columns
NUMBER OF TENANTS:	One	FOUNDATION:	Poured Concrete
PROPERTY TYPE:	Single Tenant Retail	HVAC:	Roof Mounted Units
TYPE OF OWNERSHIP:	Fee Simple		



SITE PLAN





Market Overview
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LOCATION OVERVIEW

Kalamazoo, Michigan

Kalamazoo is located in southwestern Michigan. It is the county seat of Kalamazoo County and has a growing population of over 75,000 residents. Kalamazoo, MI is just 150 miles east of Chicago, IL and 140 miles west of Detroit, MI. Kalamazoo is home to Western Michigan University, a public university with current enrollment of approximately 24,000, Kalamazoo College, a liberal arts school with current enrollment of approximately 1,500, as well as Kalamazoo Valley Community College with a current enrollment of approximately 11,000. Western Michigan University is a nationally recognized research institution that has benefited from the local presence of Pfizer, Eaton Corporation and Stryker Corporation. This has enabled the school to offer strong programs in its College of Engineering and Applied Sciences, Haworth College of Business, as well as created the demand for the brand new Homer Stryker M.D. School of Medicine (opened 2015).

Area Overview

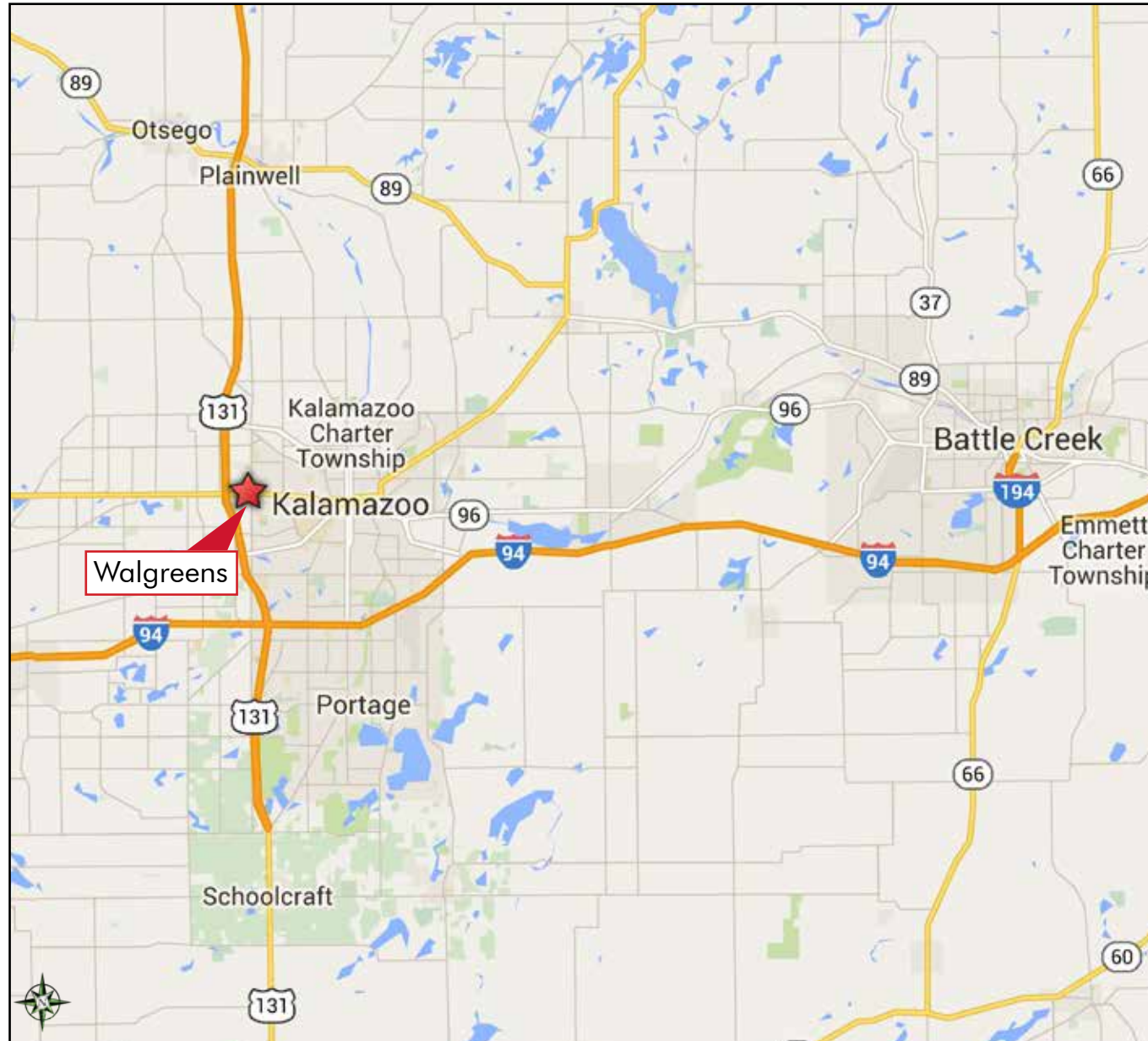
Walgreens is on the north side of West Main Street, just west of Drake Road. It is in a high retail area and sits as an outparcel to Maple Hill Shopping Center, consisting of 398,835 square feet, anchored by Hobby Lobby, Target, Value City Furniture and Marshalls. Maple Hill Shopping Center also features tenants such as PetSmart, DSW, Pier 1 imports, Dollar Tree, Office Max, GNC and more. Additional outparcels include Dunham's, Applebee's, Starbucks, McDonald's and more. Just north of the subject property are The Centre Apartments, a 232 unit student housing complex. Additionally, across West Main Street is a 141,356 square foot Lowe's, a 95,875 square foot Kohl's, as well as many other regional and national tenants. As illustrated, this area has an abundance of retail and is the ideal location for this Walgreens property.



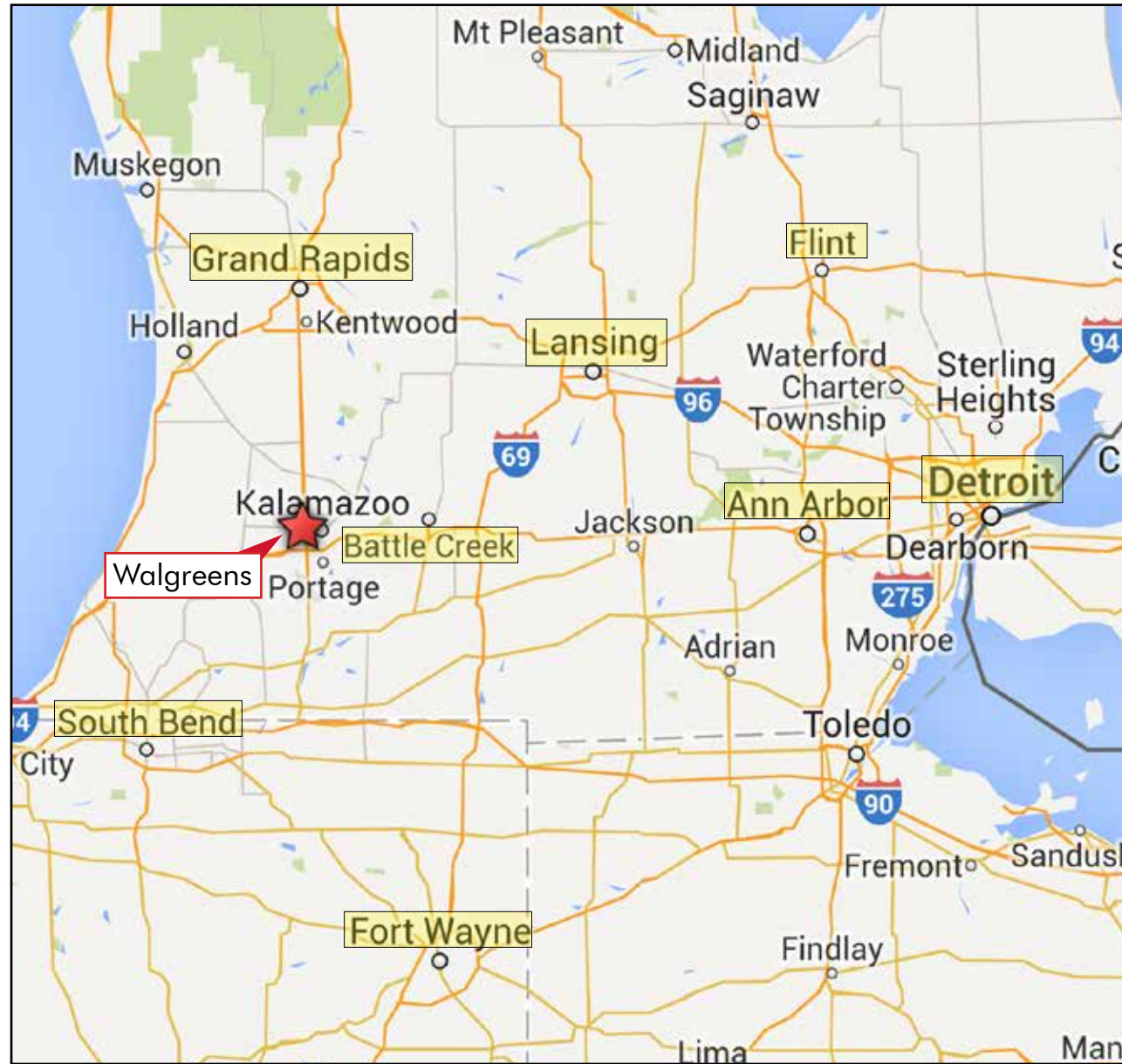
LOCATION MAP



LOCATION MAP



LOCATION MAP



DEMOGRAPHICS

	5020 W Main St 1 mile radius	5020 W Main St 3 mile radius	5020 W Main St 5 mile radius	
POPULATION	2015 Estimated Population	8,342	61,804	117,363
	2020 Projected Population	8,540	63,637	120,235
	2010 Census Population	8,088	59,541	113,802
	2000 Census Population	7,791	56,436	111,172
	Growth 2010-2015	3.14%	3.80%	3.13%
	Growth 2015-2020	2.37%	2.97%	2.45%
	2015 Estimated Median Age	30.83	25.67	29.01
2015 Estimated Average Age	39.37	33.94	35.44	
HOUSEHOLDS	2015 Estimated Households	4,190	25,300	48,252
	2020 Projected Households	4,304	26,112	49,671
	2010 Census Households	4,038	24,324	46,488
	2000 Census Households	3,956	22,150	44,022
	Growth 2010-2015	3.75%	4.01%	3.80%
	Growth 2015-2020	2.72%	3.21%	2.94%
	2015 Est. Average Household Size	1.93	2.20	2.29
INCOME	2015 Est. Median Household Income	\$30,063	\$31,326	\$34,268
	2020 Prj. Median Household Income	\$30,876	\$32,563	\$35,388
	2000 Cen. Median Household Income	\$30,599	\$32,699	\$35,284
	2015 Est. Average Household Income	\$44,764	\$48,010	\$51,916
	2015 Estimated Per Capita Income	\$22,483	\$19,654	\$21,344
HOUSING	2015 Estimated Housing Units	4,692	27,782	53,272
	2015 Estimated Occupied Units	4,190	25,300	48,252
	2015 Estimated Vacant Units	502	2,482	5,020
	2015 Est. Owner Occupied Units	1,197	10,613	24,089
	2015 Est. Renter Occupied Units	2,993	14,687	24,164
	2015 Est. Median Housing Value	\$137,149	\$135,766	\$125,428
	2015 Est. Average Housing Value	\$153,344	\$158,900	\$153,773



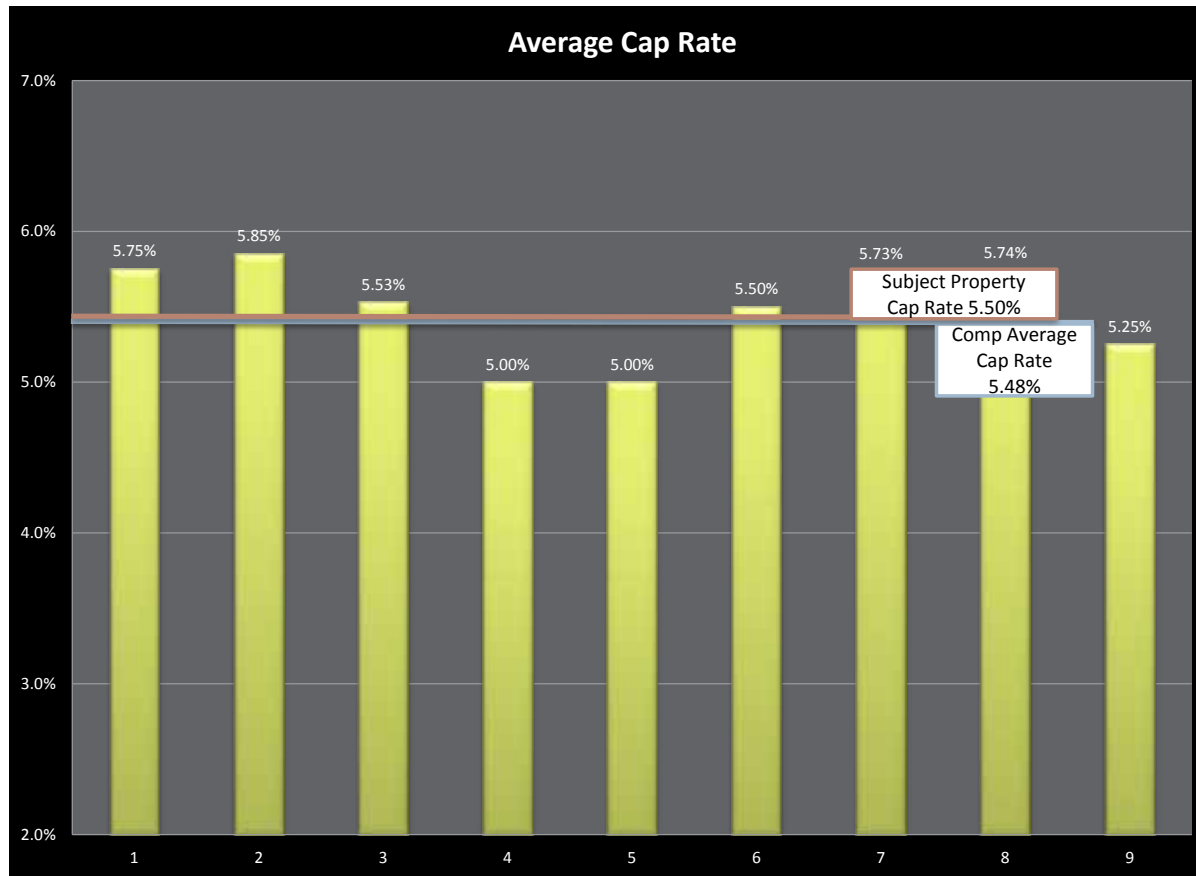
Sale Comparables

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SALES COMPARABLES

	Building Name Address	Year Built	Building Size (SF)	Sale Date	Sales Price	Price/SF	Occupancy at Sale	Cap Rate	Term Remaining	Comments
★	Walgreens Kalamazoo (S&P BBB) 5020 West Main Street Kalamazoo, MI	2002	13,575		\$6,055,000	\$446	100%	5.50%	12.75	Walgreen's is on an initial 75 year lease with termination options every five years commencing February, 2028 , with 12.75 years remaining on the current term.
1	Walgreens 1106 Clearlake Road Cocoa, FL	1998	15,120	On Market	\$5,452,000	\$361	100%	5.75%	13.00	Walgreens has recommitted to this location by signing and early lease extension with just over 13 years remaining and has a brand new room with 20 year warranty. This site has a drive-thru and is on a NN lease guaranteed by Walgreens Company.
2	Walgreens 16741 Canal Road Clinton Township, MI	2000	15,120	12/12/2015	\$6,151,385	\$407	100%	5.85%	15.00	This property was part of a sale/leaseback transaction in which Walgreens signed a 15-year absolute net lease. The lease is for 15 years with twelve, five-year options. The base rent includes 5% rental increases every five years and each option includes a 5% rental increase.
3	Walgreens 207 N Fayetteville Asheboro, NC	2005	14,452	11/26/2014	\$6,015,000	\$416	100%	5.53%	15.00	This lease with Walgreens was a true absolute NNN lease. This was an initial 25 year lease through 2030. At the time of sale, the lease had 15 years remaining.
4	Walgreens 176 E 13800 S Draper, UT	2009	14,820	On Market	\$8,500,000	\$574	100%	5.00%	20.00	This Walgreens property is located just 20 minutes south of Salt Lake City. It currently has just under 20 years of lease term remaining on a NNN lease with zero landlord responsibilities.
5	Walgreens 1606 Barnum Ave Stratford, CT	1995	14,000	On Market	\$6,273,000	\$448	100%	5.00%	20.00	Walgreens just committed for an additional 20 years, after already operating at this location for the past 20 years. This property is on a true NNN lease with zero landlord responsibilities.
6	Walgreens 18470 SW Farmington Rd Beaverton, OR	2014	14,550	10/21/2014	\$8,557,223	\$588	100%	5.50%	25.00	This was a newly constructed Walgreens property with 25 years on their primary lease term. This lease was guaranteed by Walgreens corporate.
7	Walgreens 8364 Byron Center Ave Byron Center, MI	2005	14,426	9/19/2014	\$4,425,000	\$307	100%	5.73%	18.00	Walgreens signed a new 20-year lease with 11, five-year renewal options, in September of 2012.
8	Walgreens 1417 E Pass Road Gulfport, MS	2014	14,490	9/8/2014	\$7,030,357	\$485	100%	5.74%	18.00	This Walgreens property is on a 75 year lease which commenced July 29, 2013. Walgreens has the right to terminate after the 20th year and every five years thereafter. They currently have 18 years remaining until their first termination option.
9	Walgreens 3601 Davis Drive Morrisville, NC	2007	14,820	7/31/2014	\$7,810,000	\$527	100%	5.25%	20.00	This NNN Walgreens sold with 20 years remaining on their lease.
Comparable Averages						\$457	100%	5.48%	18.22	

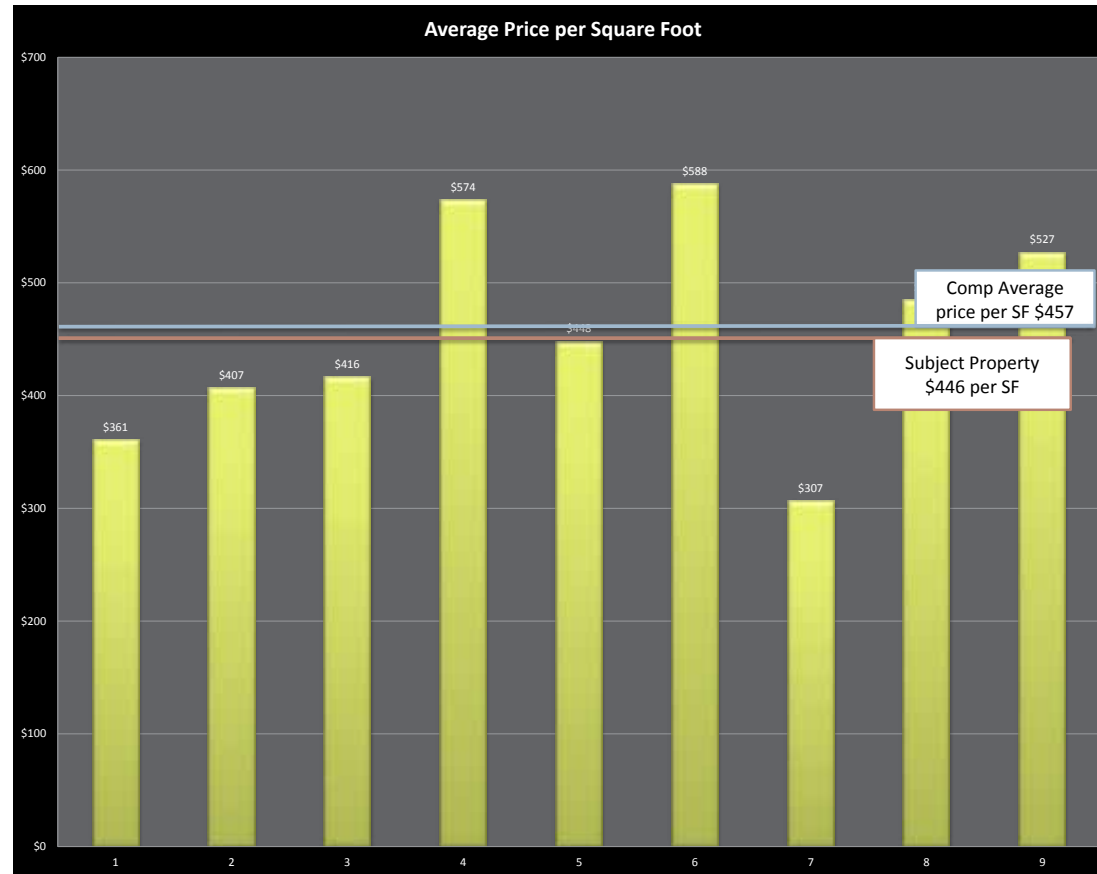
SALES COMPARABLES



CAP RATE ANALYSIS

The average cap rate for the comparable pharmacy sales is 5.48%; therefore, the subject property, at an asking cap rate of 5.50%, is priced more competitively than the market average.

SALES COMPARABLES



PRICE PER SQUARE FOOT ANALYSIS

The average price for the sale comparables is \$457 per square foot; therefore, the subject property, at an asking price of \$446 per square foot, is priced more competitively than the market on a price per square foot basis.



Financials

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TENANT OVERVIEW

Walgreen Company, founded in Chicago, Illinois in 1901, operates retail drugstore chains that are engaged in the retail sale of prescription and non-prescription drugs and general merchandise. Walgreens is the largest drug retailing chain in the United States. As of May 2014, the company operated over 8,200 stores in all 50 states as well as the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The company's revenue has been trending upward with revenue reported at over \$76.39 billion in 2014.



TENANT INFORMATION

TENANT TRADE NAME:	Walgreens
TENANT OWNERSHIP:	Public
CREDIT RATING:	BBB according to Standard & Poor's
STOCK SYMBOL:	WBA (Nasdaq)
REVENUE:	\$76.392 billion (2014, trending upward)
NUMBER OF LOCATIONS:	8,217+ stores in 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands
HEADQUARTERS:	Deerfield, Illinois

FINANCIALS - LEASE ABSTRACT

	CAP RATE	PRICE PER SQUARE FOOT
ASKING PRICE \$6,055,000	5.50%	\$446.04

TENANT:	Walgreens
GUARANTOR:	Walgreen Co.
LEASE TYPE:	NNN
COMMENCEMENT DATE:	3/1/2003
EXPIRATION DATE:	2/28/2078 with first option to terminate on 2/28/2028 (12.75 years remaining)
LEASE TERM:	75 years with option to terminate in year 25 and every five years thereafter
CURRENT RENT:	\$333,000 Annual / \$24.53 PSF
RENT ESCALATIONS:	None
RENEWAL OPTIONS:	None
RIGHT OF FIRST REFUSAL:	In the event the Landlord shall receive a Bona Fide Offer to Purchase the Leased Premises at any time, Landlord shall notify Tenant. Tenant has 15 days to review offer and respond. Tenant's election not to exercise its right of first refusal shall not prejudice Tenant's rights hereunder as to any further Bona Fide Offer.

TERMINATION OPTION:

Tenant shall have the right and option, at Tenant's election, to terminate the Lease effective as of the last day of the 300th full calendar month of the Term, as well as the 360th, and every 5 years thereafter. If Tenant shall elect to exercise such option, Tenant shall send notice thereof to Landlord at least 6 months prior to the date this Lease shall so terminate.

PARKING AREA:

Tenant, at Tenant's cost and expense, shall maintain the Parking Areas of the Leased Premises. However, and without limitation, Tenant shall have no obligation to perform nor pay any costs in connection with the following: (i) any damages caused by the acts or omissions of Landlord; and (ii) any defects in the construction of the leased premises by Landlord.

UTILITIES:

Tenant shall pay when due all bills for water, sewer rents, sewer charges, heat, gas, and electricity used in the Building or on the Leased Premises. Landlord shall furnish to the Building and to the Leased Premises at all times sufficient gas and water service lines, sewer lines, and sewer connections.

REPAIRS:

Tenant, at tenant's sole cost and expense, shall maintain the leased premises and make all necessary repairs and replacements, whether interior or exterior, to all parts of the same during the term of the lease.

REAL ESTATE TAXES:

Tenant shall pay when due and before delinquency, the ad valorem, real estate taxes. Landlord shall change the mailing address to go directly to the Tenant. Tax Bill is to be mailed directly to the Tenant.

FINANCIALS

Walgreens Kalamazoo (S&P BBB)					
Year One Cash Flow Estimates					
Assumes an All Cash Transaction					
Price				\$6,055,000	
Financing				All Cash Transaction	
Rentable Square Feet				13,575	
Price per Square Foot				\$446.04	
CAP Rate				5.50%	
Income				6/2015 - 5/2016	Per Month Per SF
Base Rent					
Walgreens (S&P Rated BBB)					
3/2003 - 2/2028					
12.75 Years Remain	100%	13,575 SF		\$333,000	\$27,750 \$24.53
Total Base Rent				\$333,000	\$27,750 \$24.53
Scheduled Base Rental Revenue				\$333,000	\$27,750 \$24.53
Expense Reimbursement Revenue					
Common Area Maintenance - Tenant Procures and Pays Direct				\$0	\$0 \$0.00
Real Estate Taxes - Tenant Procures and Pays Direct				\$0	\$0 \$0.00
Insurance - Tenant Procures and Pays Direct				\$0	\$0 \$0.00
Total Expense Reimbursement Revenue				\$0	\$0 \$0.00
Gross Potential Income				\$333,000	\$27,750 \$24.53
Vacancy/Collection Allowance		0.0%		\$0	\$0 \$0.00
Effective Gross Income				\$333,000	\$27,750 \$24.53
Operating Expense Estimates					
Common Area Maintenance - Tenant Procures and Pays Direct				\$0	\$0 \$0.00
Real Estate Taxes - Assumes the Tenant Procures and Pays Direct				\$0	\$0 \$0.00
Insurance - Tenant Procures and Pays Direct				\$0	\$0 \$0.00
Total Common Area Expenses (Estimates)				\$0	\$0 \$0.00
Management Fee	0.0%			\$0	\$0 \$0.00
Replacement Reserve	\$0.00			\$0	\$0 \$0.00
Total Expenses				\$0	\$0 \$0.00
Net Operating Income				\$333,000	\$27,750 \$24.53



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This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.