



14+ Year NNN Walgreens

- Extremely Strong Store Sales
- Affluent Area: Incomes of \$146k+
- Relocation Store/Strategic Location for Walgreens
- Preferred 5-Year Option Structure
- NNN Walgreens
- Rent Guaranteed by Walgreens Corporate

Walgreens

📍 MINNEAPOLIS, MN

\$8,200,000

5.50% CAP

📞 (888) 258-7605

✉️ Listings@deerfieldteam.com

John Giordani

Art Griffith



DeerfieldPartners

The Drugstore Experts

INVESTMENT SUMMARY

5428 LYNDALE AVE S | MINNEAPOLIS, MN 55419 WALGREENS # 16057

\$8,200,000

PRICE

5.50%

CAP

\$451,000

ANNUAL RENT

14+

YRS. GUARANTEED

This is a rare opportunity for an investor to own a long term, NNN freestanding Walgreens with extremely strong store sales. Located in an affluent area of Southwest Minneapolis, this store was relocated to be strategically situated along Lyndale Avenue – a 12-minute drive from MSP International Airport and downtown Minneapolis. Neighboring businesses including SportClips, Title Boxing Club, AutoZone, BP, Starbucks, F45 Training and Enterprise Rent-A-Car along with the Mt Olivet Nursing Home, Kenny Elementary School, and Anthony Middle School.

DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population	19,638	164,075	409,277
Avg. HH Inc.	\$145,689	\$118,185	\$102,383



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PROPERTY OVERVIEW



PROPERTY DETAILS

Address: 5428 Lyndale Ave S
Year Built: 2014
Building Size: 13,815 first floor; 2,900 basement
Lot Size: 0.88 Acres
Tenant: Walgreens



LEASE SUMMARY

Lease Type: NNN
Lease Start Date: 10/27/2014
Lease End Date: 10/31/2034
Termination Options: 12 months notice to terminate, before the option date. 11 x 5 yr rights of cancellation, after initial firm term of 25 years.



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DOWNTOWN
MINNEAPOLIS

SUBJECT PROPERTY
Walgreens



Blue Cross
Animal Hospital



ANYTIME
FITNESS
SUBWAY



SPICE YOUR LIFE
Mac's

W 54TH ST



Auto
Zone

CALIBER
COLLISION

SportClips
HAIRCUTS

LYNDALE AVE S

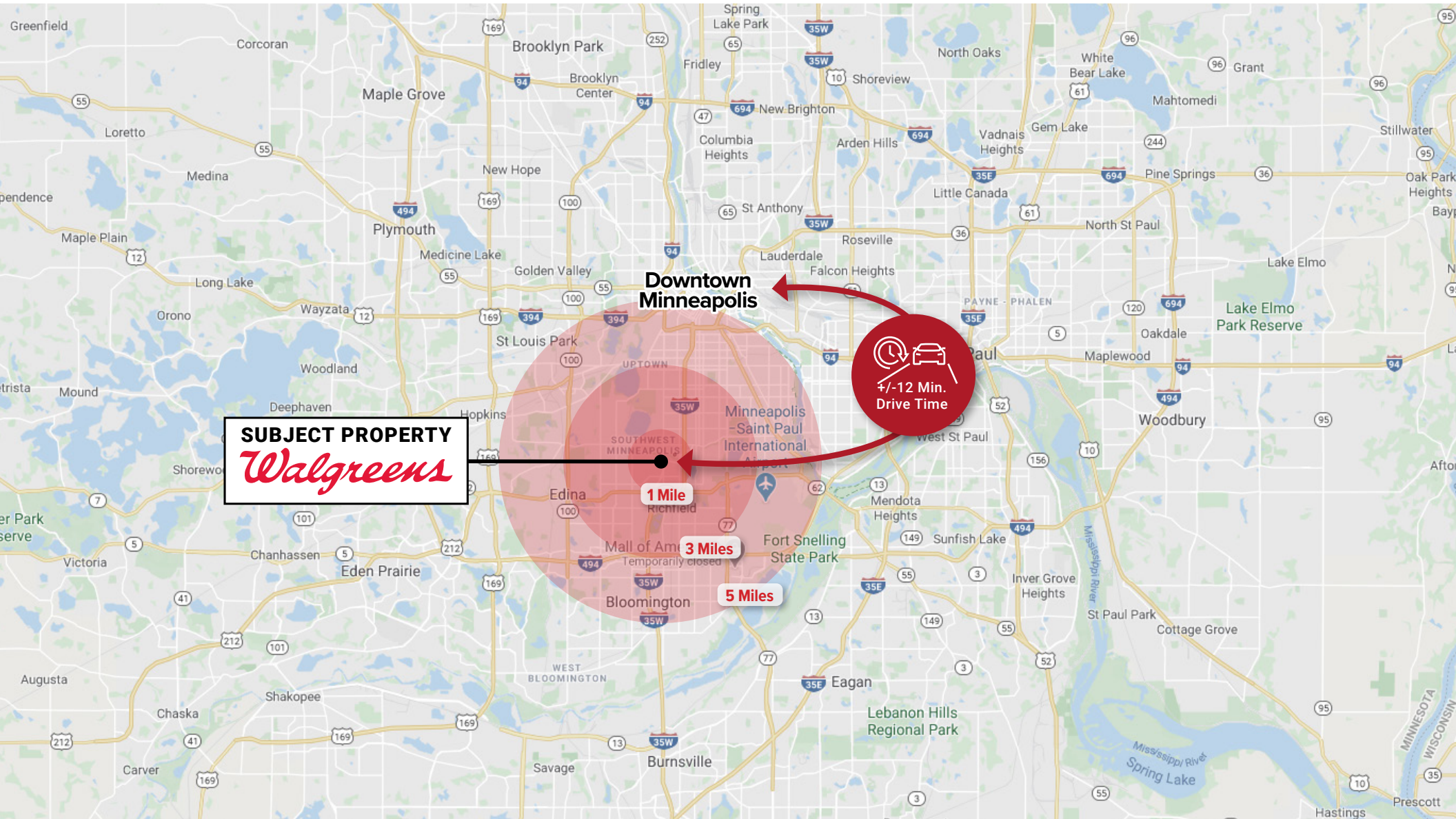
CALIBER
COLLISION

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REGIONAL OVERVIEW



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ABOUT WALGREENS BOOTS ALLIANCE



Walgreens Boots Alliance (NASDAQ: WBA) is the first global pharmacy-led, health and wellbeing enterprise. The Company's heritage of trusted healthcare services through community pharmacy care and pharmaceutical wholesaling dates back more than 100 years.

Walgreens Boots Alliance is the largest retail pharmacy, health and daily living destination across the U.S. and Europe. Walgreens Boots Alliance and the companies in which it has equity method investments together have a presence in more than 25* countries and employ more than 415,000* people. The Company is a global leader in pharmacy-led, health and wellbeing retail and, together with the companies in which it has equity method investments, has more than 18,500* stores in 11* countries as well as one of the largest global pharmaceutical wholesale and distribution networks, with more than 390* distribution centers delivering to more than 230,000** pharmacies, doctors, health centers and hospitals each year in more than 20* countries. In addition, Walgreens Boots Alliance is one of the world's largest purchasers of prescription drugs and many other health and wellbeing products. The Company's size, scale, and expertise will help us to expand the supply of, and address the rising cost of, prescription drugs in the U.S. and worldwide.



Walgreens Boots Alliance is included in Fortune magazine's 2018 list of the World's Most Admired Companies. This is the 25th consecutive year that Walgreens Boots Alliance or its predecessor company, Walgreen Co., has been named to the list.

*As of 31 August 2018, using publicly available information for AmerisourceBergen.

**For 12 months ending 31 August 2018, using publicly available information for AmerisourceBergen.



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WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2015	2016	2017	2018	2019
Sales/Revenue	103.44B	117.35B	118.21B	131.54B	136.87B
Sales Growth	35.41%	13.44%	0.74%	11.27%	4.05%
Cost of Goods Sold (COGS) Incl, D&A	78.26B	89.2B	90.71B	102.52B	108.83B
COGS excluding D&A	76.52B	87.48B	89.05B	100.75B	106.79B
Depreciation & Amortization Expense	1.74B	1.72B	1.65B	1.77B	2.04B
Depreciation	1.26B	1.32B	1.27B	1.28B	1.49B
Amortization of Intangibles	480M	396M	385M	493M	552M
Gross Income	25.18B	28.16B	27.51B	29.02B	28.04B
	2015	2016	2017	2018	2019
SG&A Expense	20.26B	21.79B	21.25B	22.88B	22.91B
Research & Development	-	-	-	-	-
Other SG&A	20.26B	21.79B	21.25B	22.88B	22.91B
Other Operating Expense	-	-	-	-	-
Unusual Expense	(663M)	963M	886M	188M	311M
EBIT after Unusual Expense	5.58B	5.41B	5.37B	(188M)	4.82B
Non Operating Income/Expense	20M	297M	37M	450M	251M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	315M	37M	135M	191M	164M
Interest Expense	608M	596M	693M	616M	704M
Gross Interest Expense	609M	596M	693M	616M	704M
Interest Capitalized	1M	-	-	-	-
Pretax Income	5.31B	5.14B	4.85B	5.98B	4.53B
Income Tax	1.06B	997M	760M	998M	588M
Income Tax - Current Domestic	967M	1.06B	804M	969M	247M
Income Tax - Current Foreign	128M	371M	390M	353M	241M
Income Tax - Deferred Domestic	(39M)	(177M)	(330M)	(266M)	155M
Income Tax - Deferred Foreign	-	(252M)	(104M)	(58M)	(55M)
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	24M	44M	8M	54M	23M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.28B	4.19B	4.1B	5.03B	3.96B
Minority Interest Expense	59M	18M	23M	7M	(20M)



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WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE



Walgreens Boots Alliance

THE FIRST GLOBAL PHARMACY-LED, HEALTH
WELLBEING ENTERPRISE IN THE WORLD



Walgreens

A Leading drugstore chain in
the USA



The largest retail pharmacy
chain in Europe



Alliance ™
Healthcare

A leading global
pharmaceutical wholesaler
and distributor

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WALGREENS BOOTS ALLIANCE – RETAIL PHARMACY USA DIVISION

Our Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form one of the largest drugstore chains in the U.S., operating 8,100* drugstores in 50* states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. As of August 2017, approximately 76 percent of the population of the U.S. lives within five miles of a Walgreens or Duane Reade.

We sell prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. We offer our products and services through drugstores, as well as through mail, telephone and online. We also provide specialty pharmacy and respiratory services, and operate retail clinics.

Our services help improve health outcomes for patients and manage costs for payers including employers, managed care organizations, health systems, pharmacy benefit managers and the public sector. Our stores sell branded and own brand general merchandise. In addition, Walgreens has approximately 400 in-store clinic locations throughout the U.S., some of which are operated by the Company and some of which are operated by health system partners.

Prescription drugs account for 69 percent† of sales, while retail products are 31 percent.

Overall, we filled approximately 764 million† prescriptions in fiscal 2017. Adjusted to 30-day equivalents, we filled approximately 990 million prescriptions in fiscal 2017. Third party sales, where reimbursement is received from managed care organizations, government and private insurance, were approximately 98 percent† of prescription sales.

We utilize our extensive retail network as a channel to provide affordable

quality health and wellness services to our customers and patients, as illustrated by our ability to play a significant role in providing flu vaccines and other immunizations.

We have more than 78,000* healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners and other health related professionals. Through them we expect to continue to play a growing role in government and employer efforts to control escalating healthcare costs.

Our loyalty program, Balance® Rewards, is designed to reward our most valuable customers and encourage shopping in stores and online and allows customers the opportunity to earn points for purchasing select merchandise in addition to receiving special pricing on select products when shopping with a rewards card. Customers have the ability to instantly redeem rewards at our stores or through Walgreens.com. We had 88 million Balance® Rewards active members as of August 2017.

The Division's strategy is designed to further transform our traditional drugstore by offering ultimate convenience, driving the best customer loyalty and delivering extraordinary customer and patient care.

We seek to expand our product and service offerings across new channels and markets where, in addition to our stores, customers and patients can utilize our health system pharmacies, Walgreens.com, mobile applications and social media sites.

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WALGREENS DRUGSTORES NATIONWIDE BY STATE

TOTAL DRUGSTORES – 9,277



THROUGH AUGUST 31, 2019

Alabama	154	Maryland	159	Pennsylvania	126
Alaska	12	Massachusetts	258	Rhode Island	49
Arkansas	239	Michigan	237	South Carolina	155
California	622	Minnesota	153	South Dakota	14
Colorado	171	Mississippi	84	Tennessee	276
Connecticut	120	Missouri	210	Texas	704
Delaware	64	Montana	13	Utah	57
Florida	820	Nebraska	57	Vermont	33
Georgia	280	Nevada	82	Virginia	211
Hawaii	19	New Hampshire	36	Washington	135
Idaho	38	New Jersey	289	West Virginia	99
Illinois	583	New Mexico	70	Wisconsin	225
Indiana	195	New York	632	Wyoming	10
Iowa	72	North Carolina	362	Puerto Rico	108
Kansas	71	North Dakota	1	Washington D.C.	15
Kentucky	173	Ohio	253	U.S. Virgin Islands	1
Louisiana	176	Oklahoma	116	TOTAL	9,277
Maine	82	Oregon	76		

Includes all 50 states, the District of Columbia, Puerto Rico and U.S. Virgin Islands

Note: Approximately 400 Walgreens stores offer Healthcare Clinic or other provider retail clinic services.

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1-Mile DEMOGRAPHICS

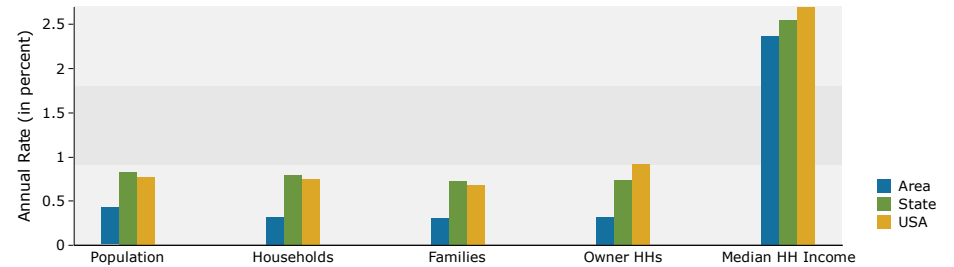
Summary	Census 2010	2019	2024
Population	18,923	19,638	20,059
Households	7,691	7,850	7,976
Families	4,797	4,870	4,946
Average Household Size	2.42	2.46	2.47
Owner Occupied Housing Units	5,747	5,839	5,932
Renter Occupied Housing Units	1,944	2,011	2,044
Median Age	38.4	40.1	40.3
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	0.43%	0.83%	0.77%
Households	0.32%	0.80%	0.75%
Families	0.31%	0.73%	0.68%
Owner HHS	0.32%	0.74%	0.92%
Median Household Income	2.37%	2.55%	2.70%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	348	4.4%	254	3.2%
\$15,000 - \$24,999	428	5.5%	340	4.3%
\$25,000 - \$34,999	351	4.5%	295	3.7%
\$35,000 - \$49,999	553	7.0%	475	6.0%
\$50,000 - \$74,999	865	11.0%	808	10.1%
\$75,000 - \$99,999	888	11.3%	826	10.4%
\$100,000 - \$149,999	1,598	20.4%	1,646	20.6%
\$150,000 - \$199,999	1,274	16.2%	1,606	20.1%
\$200,000+	1,546	19.7%	1,726	21.6%
Median Household Income	\$111,265		\$125,101	
Average Household Income	\$145,689		\$162,863	
Per Capita Income	\$58,600		\$65,146	

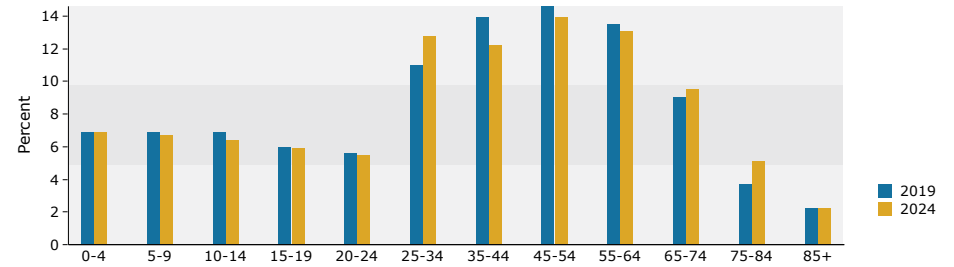
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,513	8.0%	1,348	6.9%	1,378	6.9%
5 - 9	1,366	7.2%	1,348	6.9%	1,335	6.7%
10 - 14	1,173	6.2%	1,352	6.9%	1,275	6.4%
15 - 19	966	5.1%	1,169	6.0%	1,186	5.9%
20 - 24	752	4.0%	1,092	5.6%	1,094	5.5%
25 - 34	2,698	14.3%	2,163	11.0%	2,565	12.8%
35 - 44	3,017	15.9%	2,722	13.9%	2,443	12.2%
45 - 54	2,975	15.7%	2,866	14.6%	2,782	13.9%
55 - 64	2,441	12.9%	2,650	13.5%	2,635	13.1%
65 - 74	1,047	5.5%	1,769	9.0%	1,912	9.5%
75 - 84	568	3.0%	735	3.7%	1,017	5.1%
85+	407	2.2%	426	2.2%	437	2.2%

Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	15,656	82.7%	15,594	79.4%	15,466	77.1%
Black Alone	1,603	8.5%	2,017	10.3%	2,301	11.5%
American Indian Alone	118	0.6%	110	0.6%	110	0.5%
Asian Alone	474	2.5%	654	3.3%	777	3.9%
Pacific Islander Alone	10	0.1%	12	0.1%	12	0.1%
Some Other Race Alone	404	2.1%	451	2.3%	500	2.5%
Two or More Races	658	3.5%	801	4.1%	895	4.5%
Hispanic Origin (Any Race)	914	4.8%	1,029	5.2%	1,146	5.7%

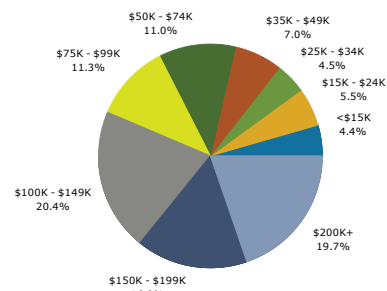
Trends 2019-2024



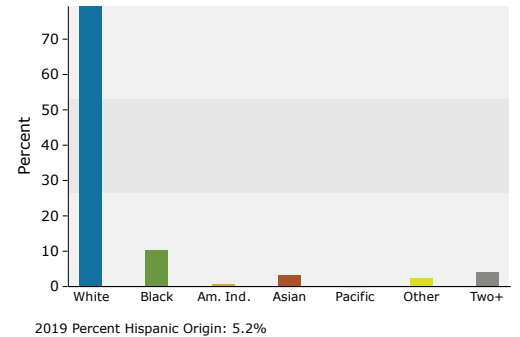
Population by Age



2019 Household Income



2019 Population by Race



3-Mile DEMOGRAPHICS

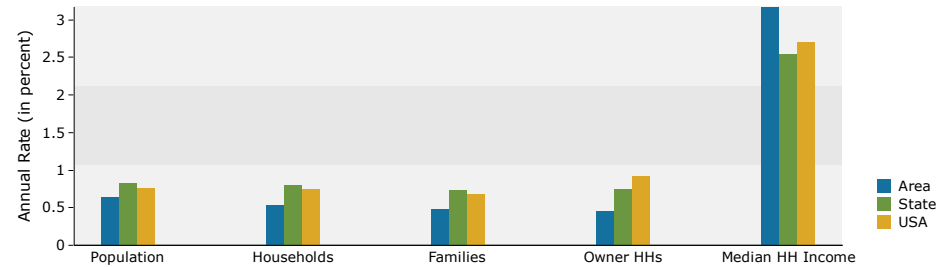
Summary	Census 2010	2019	2024
Population	155,024	164,075	169,363
Households	66,105	68,991	70,862
Families	36,347	37,462	38,375
Average Household Size	2.32	2.35	2.37
Owner Occupied Housing Units	45,119	46,252	47,327
Renter Occupied Housing Units	20,986	22,739	23,534
Median Age	36.5	38.6	39.5
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	0.64%	0.83%	0.77%
Households	0.54%	0.80%	0.75%
Families	0.48%	0.73%	0.68%
Owner HHS	0.46%	0.74%	0.92%
Median Household Income	3.17%	2.55%	2.70%

Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	3,672	5.3%	2,734	3.9%
\$15,000 - \$24,999	4,095	5.9%	3,253	4.6%
\$25,000 - \$34,999	4,474	6.5%	3,856	5.4%
\$35,000 - \$49,999	7,239	10.5%	6,347	9.0%
\$50,000 - \$74,999	11,282	16.4%	10,908	15.4%
\$75,000 - \$99,999	9,055	13.1%	8,957	12.6%
\$100,000 - \$149,999	13,056	18.9%	14,768	20.8%
\$150,000 - \$199,999	6,930	10.0%	9,355	13.2%
\$200,000+	9,188	13.3%	10,684	15.1%
Median Household Income	\$83,668		\$97,792	
Average Household Income	\$118,185		\$134,333	
Per Capita Income	\$49,623		\$56,134	

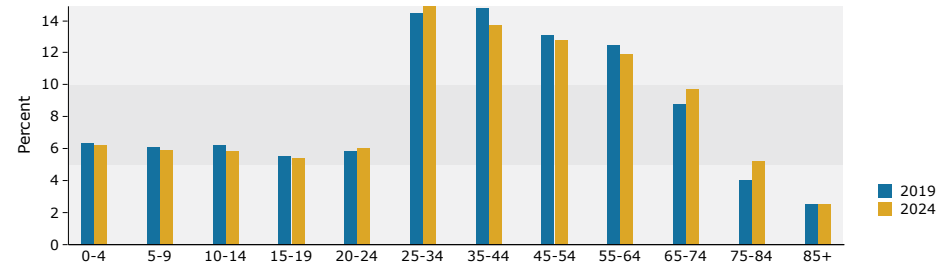
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	11,201	7.2%	10,263	6.3%	10,482	6.2%
5 - 9	9,880	6.4%	10,063	6.1%	10,056	5.9%
10 - 14	8,585	5.5%	10,152	6.2%	9,862	5.8%
15 - 19	7,564	4.9%	8,950	5.5%	9,215	5.4%
20 - 24	8,459	5.5%	9,519	5.8%	10,087	6.0%
25 - 34	28,279	18.2%	23,844	14.5%	25,214	14.9%
35 - 44	23,541	15.2%	24,245	14.8%	23,136	13.7%
45 - 54	22,164	14.3%	21,495	13.1%	21,743	12.8%
55 - 64	17,993	11.6%	20,511	12.5%	20,098	11.9%
65 - 74	8,236	5.3%	14,361	8.8%	16,361	9.7%
75 - 84	5,583	3.6%	6,545	4.0%	8,864	5.2%
85+	3,539	2.3%	4,127	2.5%	4,245	2.5%

Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	119,121	76.8%	119,450	72.8%	118,766	70.1%
Black Alone	14,151	9.1%	18,257	11.1%	20,953	12.4%
American Indian Alone	1,498	1.0%	1,426	0.9%	1,404	0.8%
Asian Alone	5,726	3.7%	7,900	4.8%	9,299	5.5%
Pacific Islander Alone	77	0.0%	93	0.1%	96	0.1%
Some Other Race Alone	8,882	5.7%	10,170	6.2%	11,292	6.7%
Two or More Races	5,569	3.6%	6,779	4.1%	7,553	4.5%
Hispanic Origin (Any Race)	15,967	10.3%	18,205	11.1%	20,194	11.9%

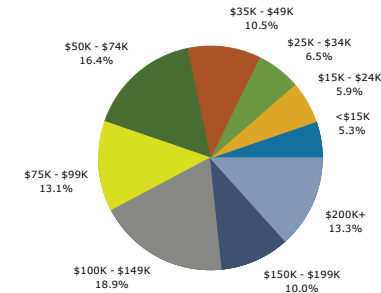
Trends 2019-2024



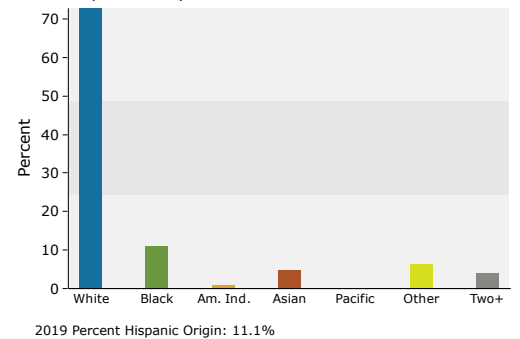
Population by Age



2019 Household Income



2019 Population by Race



5-Mile DEMOGRAPHICS

Summary	Census 2010	2019	2024
Population	379,813	409,277	426,334
Households	169,657	181,274	188,462
Families	81,785	86,087	89,008
Average Household Size	2.19	2.21	2.21
Owner Occupied Housing Units	94,190	97,284	100,041
Renter Occupied Housing Units	75,467	83,990	88,422
Median Age	34.9	37.0	37.7
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	0.82%	0.83%	0.77%
Households	0.78%	0.80%	0.75%
Families	0.67%	0.73%	0.68%
Owner HHS	0.56%	0.74%	0.92%
Median Household Income	3.20%	2.55%	2.70%

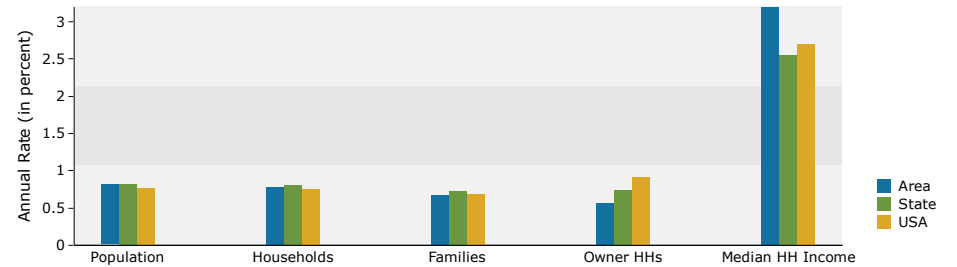
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	16,669	9.2%	13,046	6.9%
\$15,000 - \$24,999	13,450	7.4%	11,440	6.1%
\$25,000 - \$34,999	14,101	7.8%	12,731	6.8%
\$35,000 - \$49,999	21,361	11.8%	19,591	10.4%
\$50,000 - \$74,999	30,185	16.7%	30,349	16.1%
\$75,000 - \$99,999	22,662	12.5%	23,406	12.4%
\$100,000 - \$149,999	29,051	16.0%	34,480	18.3%
\$150,000 - \$199,999	14,750	8.1%	20,703	11.0%
\$200,000+	19,045	10.5%	22,716	12.1%

Median Household Income	\$69,364	\$81,187
Average Household Income	\$102,383	\$117,633
Per Capita Income	\$45,386	\$52,029

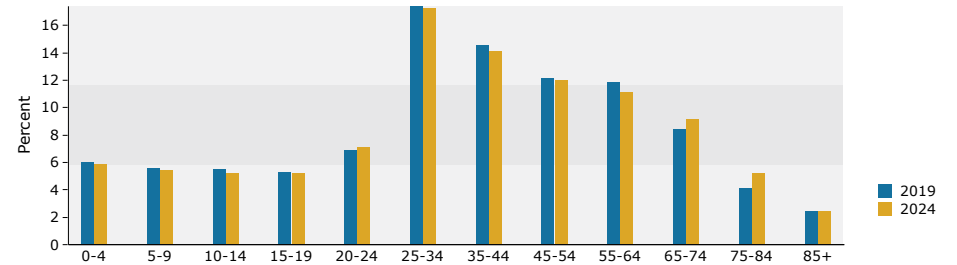
Population by Age	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	25,940	6.8%	24,406	6.0%	25,313	5.9%
5 - 9	22,045	5.8%	23,119	5.6%	23,152	5.4%
10 - 14	18,977	5.0%	22,708	5.5%	22,264	5.2%
15 - 19	18,692	4.9%	21,559	5.3%	22,304	5.2%
20 - 24	28,591	7.5%	28,328	6.9%	30,412	7.1%
25 - 34	76,463	20.1%	71,296	17.4%	73,370	17.2%
35 - 44	53,397	14.1%	59,297	14.5%	59,928	14.1%
45 - 54	51,165	13.5%	49,636	12.1%	50,978	12.0%
55 - 64	41,534	10.9%	48,114	11.8%	47,247	11.1%
65 - 74	20,701	5.5%	34,197	8.4%	39,225	9.2%
75 - 84	14,354	3.8%	16,942	4.1%	21,974	5.2%
85+	7,951	2.1%	9,675	2.4%	10,168	2.4%

Race and Ethnicity	Census 2010		2019		2024	
	Number	Percent	Number	Percent	Number	Percent
White Alone	274,478	72.3%	279,120	68.2%	279,182	65.5%
Black Alone	46,062	12.1%	58,623	14.3%	66,805	15.7%
American Indian Alone	6,045	1.6%	5,661	1.4%	5,523	1.3%
Asian Alone	15,717	4.1%	21,843	5.3%	25,849	6.1%
Pacific Islander Alone	192	0.1%	241	0.1%	256	0.1%
Some Other Race Alone	23,215	6.1%	26,573	6.5%	29,518	6.9%
Two or More Races	14,104	3.7%	17,217	4.2%	19,200	4.5%
Hispanic Origin (Any Race)	42,121	11.1%	48,016	11.7%	53,231	12.5%

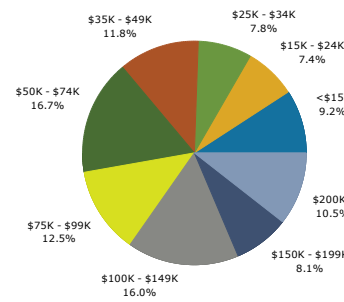
Trends 2019-2024



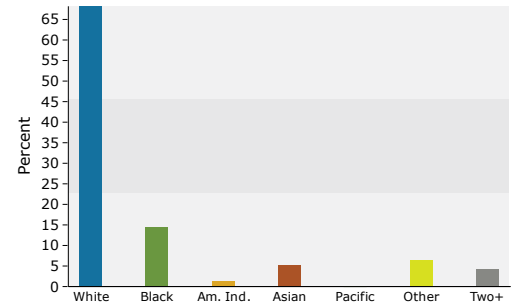
Population by Age



2019 Household Income



2019 Population by Race



2019 Percent Hispanic Origin: 11.7%

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