

# WALGREENS

15005 IN-23 - **GRANGER, INDIANA 46530**

*offering memorandum*



**Actual Property**

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**Marcus & Millichap**  
Real Estate Investment Services



# Financial Overview

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## Offering Summary

PRICE	\$5,200,000
CAP RATE	6.25%
NOI	\$325,000
PRICE PER SQUARE FOOT	\$358.87
RENT PER SQUARE FOOT	\$22.43
YEAR BUILT	2003
GROSS LEASEABLE AREA	14,490
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Corporate Guaranty
LEASE TYPE	Absolute Net
ROOF AND STRUCTURE	Tenant Responsible
LEASE COMMENCEMENT DATE	1/1/2003
LEASE EXPIRATION DATE	12/31/2027
LEASE TERM	25 Years
TERM REMAINING	10+ Years
INCREASES	Flat
OPTIONS TO RENEW	10, Five-Year Options
OPTIONS TO PURCHASE	None
FIRST RIGHT OF REFUSAL	Yes



**Actual Property**

# Investment Overview

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Marcus & Millichap is pleased to present this 14,490-square foot Walgreens in Granger, Indiana, located seven miles northeast of South Bend and five miles from the University of Notre Dame. Walgreens is operating under an absolute net lease with zero landlord responsibilities. The lease has more than 10 years remaining along with 10, five-year renewal options. The lease is backed by a corporate guaranty from Walgreen Company, which was ranked number 19 on the Fortune 500 list as of June 2016. The company registered \$117.3 billion across more than 8,200 locations in 2016.

This asset is located on the signalized, hard corner intersection of Edwardsburg Highway/Indiana-23 and Fir Road, which sees more than 19,000 vehicles per day. The asset benefits from being located in dense retail trade region. There is more than 3.6-million square feet of retail within the two-mile radius. Also in the two-mile radius is the GrandView, a new \$100-million development featuring more than 200 residential units, as well as planned office, medical, retail, and restaurant space. This Walgreens is less than five miles from the historic, University of Notre Dame, boasting an enrollment of more than 12,000 students and is the biggest attraction and employer in South Bend. The Saint Joseph Medical Center, a 254-bed hospital, is located two and a half miles south of subject property. This asset also benefits from strong demographics. Since 2010 the population has grown 4 percent, and the average household income in the three-mile radius is more than \$97,000.

Additional Retailers in the Trade Region Include: Martin's Super Market, Starbucks, Costco, Menards, Target, Marshalls, Michael's, JCPenny, Macy's, Sear's, Kay Jewelers, Coach, Sam's Club, Home Depot, Sky Zone Trampoline Park, Hobby Lobby, Burlington Coat Factory, and more.

Additional tenants in the vicinity include: Salsarita's, Walgreens, AT&T, Supercuts, Firehouse Subs, and American Family Care.

• **Single Tenant Net Lease Walgreens in Granger, Indiana | Seven Miles Northeast of South Bend | Less Than Five Miles from University of Notre Dame | More Than 12,000 Students**

• **Closest Rite Aid is More than Nine Miles Away**

• **Absolute Net Lease with More Than 10 Years Remaining | Zero Landlord Responsibilities**

• **Corporate Guaranty | New York Stock Exchange (NYSE): WBA | Number 19 on Fortune 500 (June 2016) | Standard & Poor (S&P): BBB**

• **Signalized, Hard Corner Intersection | More Than 19,000 Vehicles Per Day**

• **More Than 3.6-Million Square Feet of Retail in Two Miles of this Asset**

• **Asset is Located Two and a Half Miles from St. Joseph Regional Medical Center | 254-Bed Facility**

• **Less Than Two Miles from GrandView | \$100-Million Development | More Than 200 Residential Units | Office, Medical, Retail, and Restaurant Usage Planned**

• **Additional Retailers in the Trade Region Include: Martin's Super Market, Starbucks, Costco, Menards, Target, Marshalls, Michael's, JCPenny, Macy's, Sear's, Kay Jewelers, Coach, Sam's Club, Home Depot, Sky Zone Trampoline Park, Hobby Lobby, Burlington Coat Factory, and More.**



# Tenant Overview - Walgreens

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Founded in 1901, Walgreens Boots Alliance, Incorporated is the nation's largest drugstore chain. Charles R. Walgreen built the chain from a single drugstore where he created his own drug products. By 1919 there were 20 stores, and in 1927 the Company went public. Three years later, the store count was well over 500. Today, Walgreen operates over 8,200 stores in all 50 states, DC, Puerto Rico and the United States Virgin Islands. More than 400 of its stores offer medical services through its Healthcare Clinics. Additionally, the Company operates digital businesses that include Walgreens.com, drugstore.com, Beauty.com, SkinStore.com and VisionDirect.com.

In December 2014, Walgreen acquired the remaining 55 percent of European retailer and wholesaler Alliance Boots, and reorganized under a holding company called Walgreens Boots Alliance, Incorporated, headquartered in Chicago. The Walgreen chain now constitutes the Retail Pharmacy United States of America Division of Walgreens Boots Alliance, Incorporated.

In October 2015, Walgreens Boots Alliance announced an agreement to acquire all outstanding shares of Rite Aid for \$9.00 per share in cash, for a total enterprise value of about \$17.20 billion, including acquired net debt. The transaction is expected to close in the second half of 2017. Upon completion of the merger, Rite Aid will be a wholly owned subsidiary of Walgreens Boots Alliance, and is expected to initially operate under its existing brand name. Working together, decisions will be made over time regarding the integration of the two companies. Once the acquisition closes, Walgreens Boots Alliance plans to further transform Rite Aid's stores to better meet consumer needs.

TENANT PROFILE	
TENANT TRADE NAME	Walgreen Co.
OWNERSHIP	Public
TENANT	Corporate Store
LEASE GUARANTOR	Corporate Guarantee
NUMBER OF LOCATIONS	8,200+
HEADQUARTERED	Deerfield, IL
WEB SITE	www.walgreens.com
SALES VOLUME	\$117.3 Billion (2016)
NET WORTH	\$30.2 Billion (2016)
STOCK SYMBOL	WBA
BOARD	New York Stock Exchange (NYSE)
CREDIT RATING	BBB
RATING AGENCY	Standard & Poor (S&P)
RANK	Number 19 in Fortune 500 (June 2016)



Actual Property



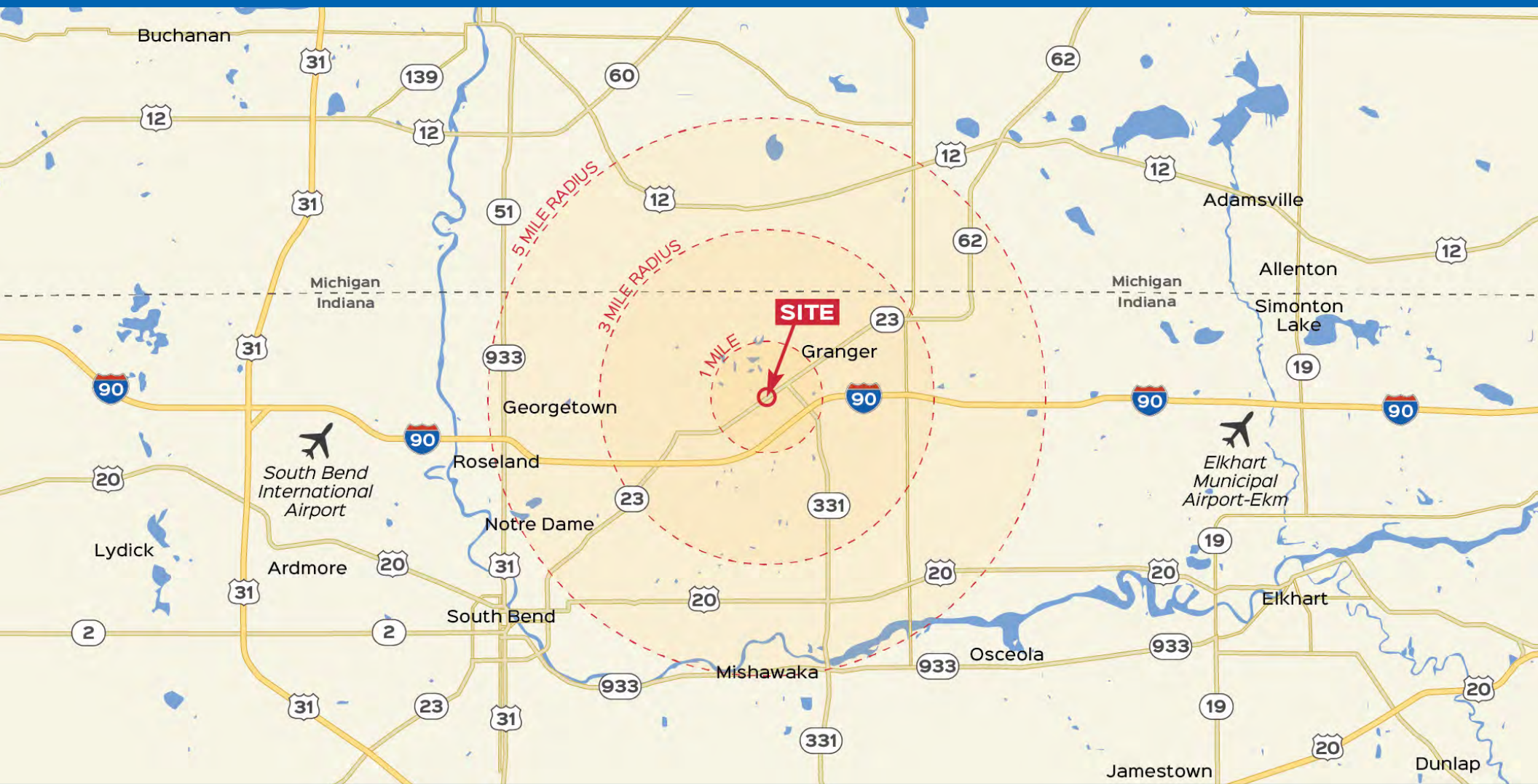
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# Area Overview & Demographics

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	1-Mile	3-Mile	5-Mile
<b>Population</b>			
2000 Population	3,819	29,908	93,263
2010 Population	4,799	32,791	96,456
2017 Population	4,996	34,099	98,420
2022 Population	5,079	34,650	99,606

	1-Mile	3-Mile	5-Mile
<b>Households</b>			
2000 Households	1,259	11,048	35,385
2010 Households	1,644	12,658	37,821
2017 Households	1,745	13,281	38,684
2022 Households	1,781	13,525	39,188

	1-Mile	3-Mile	5-Mile
<b>Household (HH) Incomes</b>			
2017 Average HH Income	\$115,644	\$97,643	\$74,354
2017 Median HH Income	\$88,546	\$74,000	\$54,931
2017 Per Capita Income	\$40,392	38,030	\$29,225

# Market Overview - Granger, Indiana

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Granger is an unincorporated community in Saint Joseph County Indiana. Granger was founded in 1883, and is named after the Grangers Fraternal Organization. The Granger post office has been in operation since 1875. Granger has a total area of 26.2 square miles, and eight miles stretch along the Michigan-Indiana border. Penn-Harris-Madison School Corporation and the South Bend Community School Corporation maintain the public schools in the area. Granger is part of the South Bend-Mishawaka, IN-MI, Metropolitan Statistical Area as well as the larger Michiana region.

South Bend is home to the University of Notre Dame. Established in 1842 by the Reverend Edward Sorin, C.S.C. and six Catholic brothers, the University has since been an intrinsic part of the city with a great effect on its culture and economy. As the largest employer in the city, Notre Dame is estimated to be responsible for one out of every 10 dollars circulated in the Saint Joseph County area. In addition, the University is one of the most visited attractions in the state of Indiana, drawing nearly 700,000 visitors annually. South Bend is also home to some other institutes of higher learning, including: Saint Mary's College, Ivy Tech Community College of Indiana North Central, Indiana University South Bend, Holy Cross College of Indiana, and Indiana Christian University.

# Walgreens

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**Broker of Record**

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