



## EXCLUSIVELY LISTED INVESTMENT OFFERING

### ARIZONA INVESTMENT OPPORTUNITY



2024 WEST MAIN STREET | MESA, AZ 85201

*Walgreens*



*Presented By:*

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## 2024 WEST MAIN STREET MESA, AZ 85201

**Year Built:** 2003

**Lot Size:** 56,384 Square Feet

**Building Size:** 14,490 Square Feet

## Investment Highlights

### STABLE INCOME

Rental income guaranteed by Walgreens parent corporate (S&P BBB) investment grade Fortune 500 Company with over 8,000 locations.

### LEASE TERM REMAINING

Drive-thru pharmacy with 12 years of primary lease term remaining on an absolute net lease with no landlord responsibilities whatsoever.

### SURROUNDING DRUGSTORE COMPETITION

The closest Walgreens to the subject property is located 2.5 miles away. There are no Rite Aid stores in the state of Arizona.

### RETAIL CORRIDOR

There is a Safeway anchored center directly across the street to the east along with a Krispy Kreme. Other national retailers within three miles of subject property are Walmart, Home Depot, Bed Bath & Beyond, Party City, Marshalls, Jo-Ann Fabrics, Petco, Sports Authority, LA Fitness, OfficeMax, Dollar Tree, Goodyear Auto, Discount Tire, among others.

### HIGH TRAFFIC COUNTS

The subject property is located at the signalized northwest corner of West Main Street and North Dobson Road with traffic counts over 45,000 vehicles per day.

### DEMOGRAPHICS

The subject property is located in an infill part of the city of Mesa, AZ. Total one mile population is 23,403, in a three mile radius is 145,072 and 365,420 in a five mile radius.

### REGIONAL AREA

Sloan Park, the spring training home of the Chicago Cubs with a 15,000 seating capacity, is located just 2 miles north of the subject property. Arizona State University is 3 miles to the west in Tempe with enrollment of over 82,000 undergraduate and graduate students. Phoenix Sky Harbor International Airport is located 10 miles from subject property with approximately 100,000 boardings per day.



## Lease Overview

**Tenant:**  
**WALGREENS** (NYSE: WAG)

**Landlord Income:**  
**CORPORATE GUARANTEE**

**Credit Rating:**  
**INVESTMENT GRADE, BBB (S&P)**

**Lease Type:**  
**ABSOLUTE TRIPLE NET**

No landlord responsibilities whatsoever.

**Lease Term:**  
**12 YEARS REMAINING WITH 10 (5 YEAR) CANCELLATION RIGHTS TO FOLLOW**

**Lease Commencement:**  
**NOVEMBER 1, 2003**

**Next Cancellation Right Begins:**  
**NOVEMBER 1, 2028**

## Location Overview

**M**esa is a city in Maricopa County and is a suburb located about 20 miles east of Phoenix. Mesa is the third-largest city in Arizona, after Phoenix and Tucson home to 439,041 residents according to the 2020 Census Bureau. Mesa is bordered by Tempe on the west, the Salt River Pima-Maricopa Indian Community on the north, Chandler and Gilbert on the south, and Apache Junction on the east.

## Pricing

**Price: \$5,681,415 (5.65% CAP)**

**Price Per SF: \$369.22**

**Monthly Income: \$26,750**

**Annual Income: \$321,000**

## Building

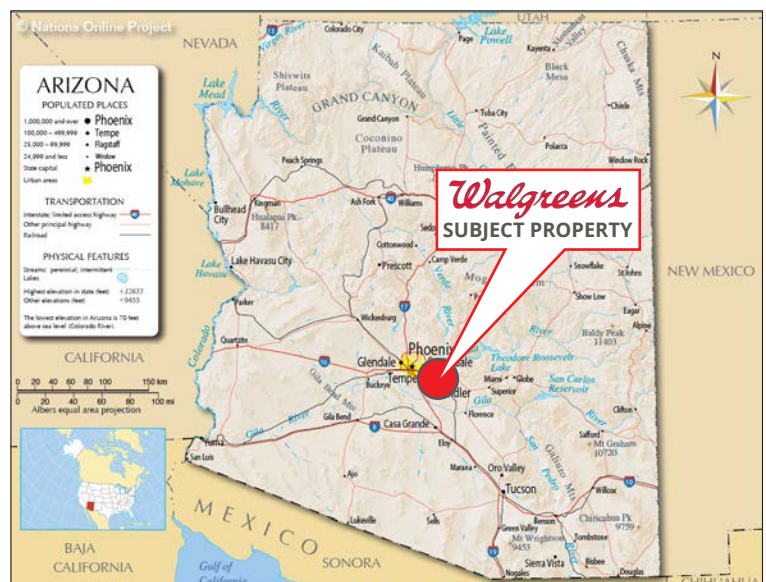
**Building Square Footage: 14,490**

**Land Square Footage: 56,384**

**Rent/Square Foot: \$22.15**

**Year Built: 2003**

## MESA, AZ



## Retail Corridor



### AREA DESCRIPTION

The subject property is located in a heavily settled retail section of Mesa, Arizona. In each of the corners opposite the subject property are shopping centers totalling over 300,000 square feet of retail space with national Safeway, Krispy Kreme, Jack in the Box, Pizza Hut, Goodyear, Chase Bank, and T-Mobile.

Approximately 1.9 miles northeast of the subject property is located Mesa Riverview, an open air center of approximately 1,100,000 square feet of retail space anchored by major national retailers such as Walmart Supercenter, The Home Depot, Office Max, Dollar Tree, Party City, Bed Bath & Beyond, Marshalls, Chick-fil-A, and Panda Express.

Tempe Marketplace nearly 1,300,000 square feet of retail space is another outdoor mall located just 2.8 miles northeast of the subject property. Major national anchor tenants at this center include Target, Starbucks, Nordstrom Rack, Best Buy, Payless ShoeSource, PetSmart, Stein Mart, Cost Plus World Market, Pier 1 Imports, Michaels, Old Navy, Ross Dress For Less, Barnes & Noble, JC Penney, Dave & Busters, Cold Stone Creamery among others.

Blocks from the subject property is the main campus of East Valley Institute of Technology, a 65 acre, 15 building career and technical school offering more than 30 occupational training programs with approximately 3,000 students enrolled.

Approximately three miles west from the subject property lies Arizona State University, the largest public university by enrollment in the us, with approximately 68,064 students attending the Tempe campus as of 2016.



## Property Photos

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# Property Photos



# *Walgreens* Company Summary\*

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## **Tenant History**

Walgreens is the largest drug retailing chain in the United States and has grown primarily through organic growth versus how its largest competitor, CVS, has grown through chain acquisitions. Walgreens built out its national platform through its corporate real estate department heavily during the 1990's continuing through around 2008. By 2007, Walgreens had opened its 6,000th store and by 2009 they became the only national pharmacy to operate in 50 states including Puerto Rico. In 2012, Walgreens made a bold move by purchasing a 45% interest in Alliance Boots and subsequently in 2014 exercised its option to purchase the remaining 55% of the Switzerland based Alliance Boots to merge and create a new holding company named Walgreens Boots Alliance. After the initial acquisition in 2012, Walgreens' credit rating was lowered from A down to BBB due to the debt it incurred during the purchase; however, Walgreens remains investment grade and property values have not been adversely affected by the lower credit rating. Walgreens stock price has actually more than doubled since its acquisition of Alliance Boots.

## **Notable Acquisitions**

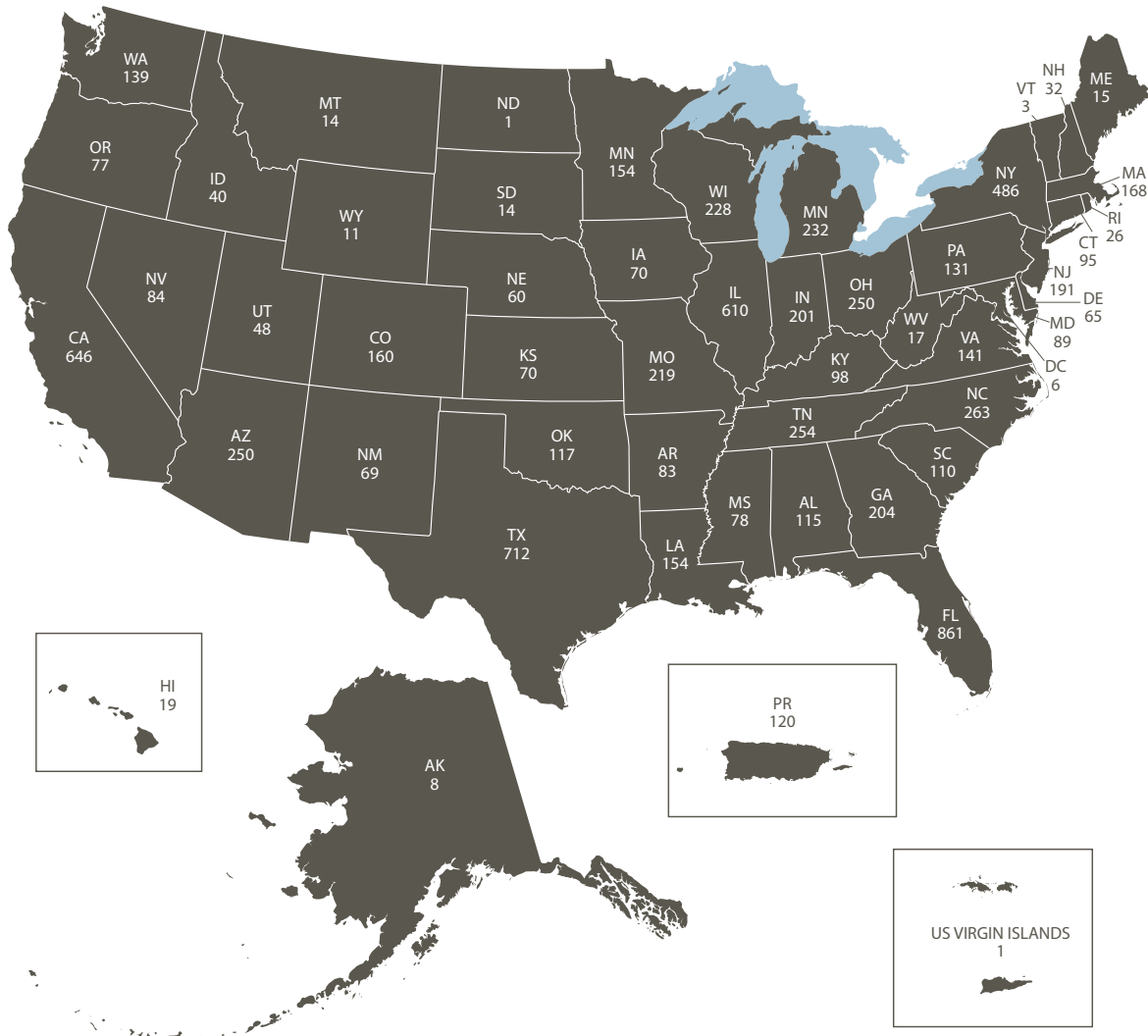
In 2010, Walgreens announced its largest acquisition ever of Duane Reade for \$1.075 billion and established an irreplaceable footprint in the New York metropolitan area. In 2011, Walgreens made a move to purchase Drugstore.com to establish an online presence.

In 2012, Walgreens purchased a mid-south drugstore chain operating under USA Drug, Super D Drug, Mays Drug, Med-X and Drug Warehouse banners which had 144 locations collectively throughout Arkansas, Kansas, Mississippi, Missouri, New Jersey, Oklahoma and Tennessee.

Walgreens most recent acquisition was in September 2013 for Kerr Drug's who operated 76 drugstores throughout North Carolina.

*\*Walgreens company information received from Walgreens investor relations.*

# Walgreens Locations by State



Alabama	113	Idaho	39	Mississippi	77	Oklahoma	116	West Virginia	16
Alaska	12	Illinois	593	Missouri	215	Oregon	77	Wisconsin	225
Arizona	244	Indiana	196	Montana	13	Pennsylvania	123	Wyoming	10
Arkansas	81	Iowa	70	Nebraska	57	Rhode Island	25	Puerto Rico	121
California	629	Kansas	69	Nevada	84	South Carolina	113	US Virgin Islands	1
Colorado	158	Kentucky	93	New Hampshire	31	South Dakota	14		
Connecticut	92	Louisiana	157	New Jersey	191	Tennessee	253		
Delaware	64	Maine	14	New Mexico	72	Texas	715		
Washington DC	7	Maryland	85	New York	470	Utah	47		
Florida	840	Massachusetts	163	North Carolina	263	Vermont	3		
Georgia	203	Michigan	225	North Dakota	1	Virginia	141		
Hawaii	20	Minnesota	152	Ohio	246	Washington	134		

**Total 8,173\***

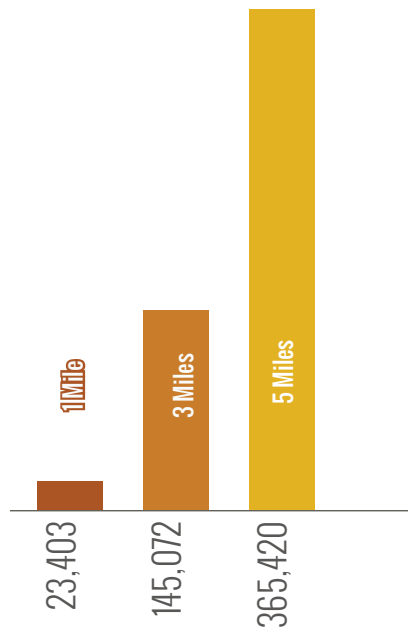
\*Nationwide locations as of August 31, 2015

Note: Walgreens also operates specialty and institutional pharmacies. Walgreens Take Care Health Systems subsidiary manages more than 400 Healthcare Clinics at select Walgreens drugstores.

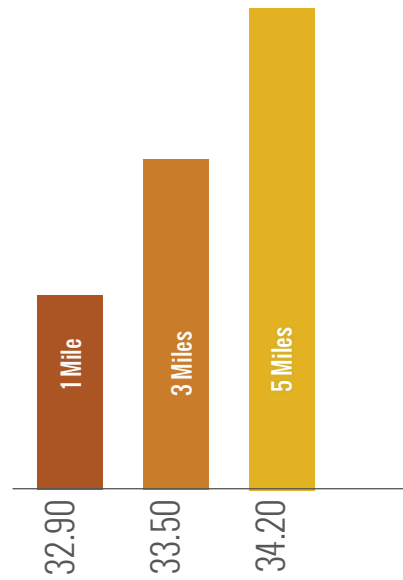


# Demographic Snapshot

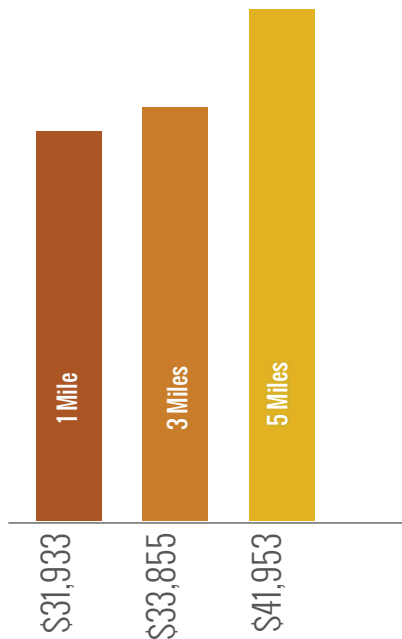
## 2015 Total Population



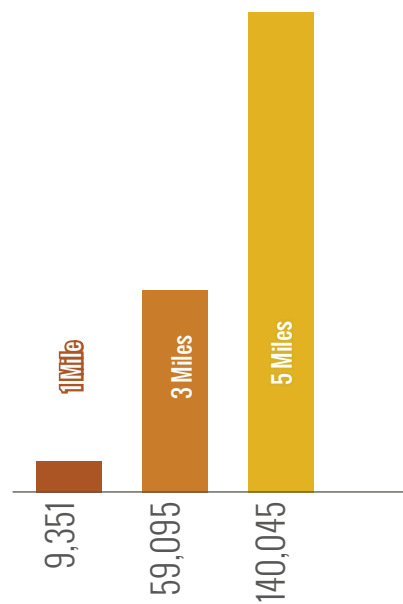
## Average Age



## Median Household Inc



## 2015 Total Households



*Disclaimer: This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, distances, lot size, store opening dates, demographic information, aerial information, tenant information & store operating information are approximate.*

*Buyer and their representatives understands that Walgreens tenant information was gathered by sources deemed to be reliable including Walgreens public quarterly and annual reports. Demographic information was provided by Nielsen Information Systems.*

*By accepting this package, buyer and their representatives must verify the information and bears all risk for any inaccuracies. © 2016 Pharma Property Group.*



## Investment Property Recap



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**Cap Rate:**  
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**Total Annual Income:**  
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## Lease Overview

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**Landlord Income:**  
*Corporate Guarantee*

**Credit Rating:**  
*Investment Grade, BBB (S&P)*

**Lease Type:**  
*Absolute Triple NET Lease*  
**No landlord responsibilities whatsoever.**

**Lease Term:**  
*12 years remaining with*  
*10 (five year) cancellation rights to follow*

**Next Cancellation Right Begins:**  
*November 1, 2028*



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