



*Achieve
Ambitions*



Walgreens - Absolute NNN - Phoenix MSA

9009 N. 67th Avenue, Glendale, AZ

Confidential Offering Memorandum

Walgreens

NNN Walgreens / High-Growth Phoenix MSA

Walgreens

INVESTMENT HIGHLIGHTS

PHOENIX MSA IS THE FASTEST GROWING LARGE U.S. METRO

NATIONAL INVESTMENT-GRADE PHARMACY TENANT

6-YEAR ABSOLUTE NET LEASE STRUCTURE

20-YEAR SITE OPERATING HISTORY
STRONG UNIT PERFORMANCE

SIGNALIZED INTERSECTION WITH
OVER 50,000 VPD

OVER 424,000 RESIDENTS WITHIN A
5-MILE RADIUS

GLENDALE IS THE 6TH LARGEST
CITY IN ARIZONA

THE OFFERING

JLL is pleased to exclusively offer the opportunity to acquire a fee simple, Absolute NNN-leased Walgreens (the “Property” or the “Asset”) in Glendale, AZ in the Phoenix MSA. The Property is ideally positioned on a 2.19-acre parcel at the signalized intersection of N 67th Avenue and Olive Avenue, seeing over 50,000 VPD. Walgreens, an investment-grade tenant (S&P: ‘BBB/Stable’), has occupied the Property since 2001 with multiple lease renewals, indicating a commitment to the site. The Tenant has 6 years remaining on the primary term of the lease and remains open as an essential retailer, heavily relied on within the Glendale community. This offering presents the rare opportunity for an investor to acquire a well-positioned Walgreens in the fastest-growing large MSA in the United States, with a recent lease extension of 5 years, and dense surrounding demographics in Glendale, AZ.

ABSOLUTE NET LEASE STRUCTURE WITH INVESTMENT-GRADE TENANCY

- The Property features a recent lease extension, with **6 years of lease term** remaining in the primary term.
- **20-year historical occupancy** at the location paired with a newly cast 5-year lease extension suggests strong tenant commitment to the site. **Sales are up 23% year-over-year** March-June
- **Zero landlord responsibilities** permits investors a passive income stream featuring **investment-grade tenancy** from an **essential retailer**.

FASTEST GROWING LARGE U.S. METRO

- Phoenix’s population increased 2.0% year-over-year and ranked **#1 for largest increase for top-20 metro areas**.
- The **Phoenix MSA’s** population **grow an additional 42% over the next 15 years**.
- Glendale is located **9 miles from the CBD** with over **424,000 residents within a 5-mile radius**.

STRONG TRAFFIC COUNTS WITH IMMEDIATE PROXIMITY TO A MAJOR HIGHWAY

- The intersection sees over **50,000 VPD** and offers exceptional exposure at a signalized intersection with a drive-thru
- Located less than 1-mile to the major northwest arterial highway in Phoenix (US-60) which sees over 40,000 VPD.

Investment Summary

Address	9009 N. 67th Avenue, Glendale, AZ
Price	\$4,052,602
Cap Rate	6.65%
Year 1 Rent	\$269,504
Remaining Lease Term	6 Years
Building Area	15,120 SF
Site Size	2.19 Acres
Year Built	2001
Ownership Interest	Fee-Simple
Lease Type	Absolute NNN

LEASE ABSTRACT & SITE PLAN

Walgreens - Lease Abstract

Tenant	Walgreens
Location	9009 N. 67th Avenue, Glendale, AZ
Site Area	2.19 Acres
NOI	\$269,504
Building Size	15,120 SF
Lease Structure	Absolute NNN
Lease Term Remaining	6 Years
Lease Expiration	6/30/2026
Escalations	Flat
Options to Renew	7, 5-year options
Year Built	2001
Drive-Thru	Yes
Alcohol Sales	Yes



*6.5% Projected 5-year Population Growth
424,000 Residents - 5-mile radius*



Walgreens

Tenant Overview

Founded in 1901, Walgreens Boots Alliance (“Walgreens”) is the global leader in pharmacy-led health and wellbeing retail. Walgreens operates more than 13,800 stores in the 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. With a typical store carrying over 18,000 items, Walgreens’ stores offer a wide range of consumer goods in addition to its pharmacy, health and wellness services.

Bolstering Walgreens’ impressive six million daily customers, an average of 68 million people visit Walgreens’ websites (walgreens.com and drugstore.com) monthly. The company has more than 85,000 healthcare service providers, including pharmacists, pharmacy technicians, nurse practitioners, and other health-related professionals. During FY 2019, Walgreens filled over 1.1 billion prescriptions (including immunizations) on a 30-day adjusted basis.

Tenant Overview

Company:	Walgreens Boots Alliance
Year Founded:	1901
Headquarters:	Deerfield, IL
Ownership Type:	Public (NASDAQ: WBA)
Sector:	Retail Pharmacies
Locations:	13,800
Number of Employees:	385,000
Credit Rating (Moody’s/S&P):	‘Baa2 / Stable’ & ‘BBB / Stable’
Annual Revenue (FY 2019):	\$136.8 Billion
Gross Profit (FY 2019):	\$30.1 Billion
Total Assets (FY 2019):	\$67.50 Billion

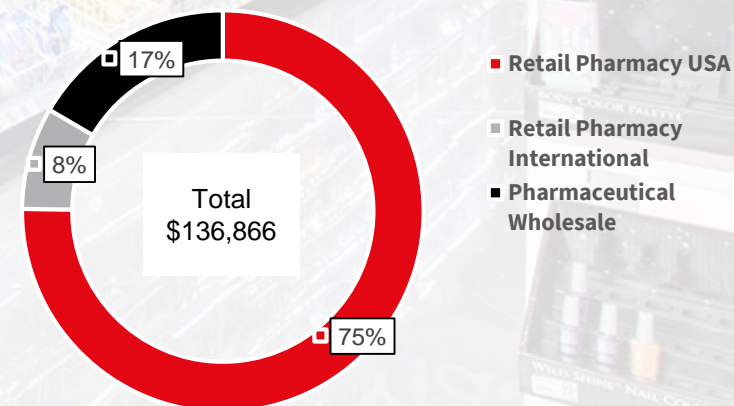


- **Well-known and respected brand:** Walgreens Boots Alliance is the largest retail pharmacy, health, and daily living destination in the U.S and Europe
- **Investment-grade credit ratings** from Moody's and S&P (both WBA and Walgreen Co.)
- **Positive brick-and-mortar fundamentals**, with 25 of the 26 prior quarters (through 2Q20) showing positive same-story pharmacy sales growth
- **Long-term strategic plan** in place to address potential retail pharmacy headwinds:
 - Accelerated digitization of the company
 - Accelerated focus on key partnerships
 - Renewed focus on operational excellence and store optimization
- **Transformational Cost Management Program** expected to drive over \$1.8 billion in savings
- **Favorable macro landscape** in the drugstore industry
 - Aging U.S. population will increase long-term use of prescription drugs
 - Demand for prescription drug medication is mostly resilient to recession
 - Consumer preference shifting away from mail order to physical drugstores
 - High barriers to entry for new entrants given scale necessary to compete on price
 - Estimated 80% of U.S. population lives within 5-mile radius of a Walgreens or other large drug store
- **\$650 million in expected contribution from Rite Aid synergies** through optimization of store footprint and store integration/rebranding
- **Swift capitalization on consumer demand** in recently announcing that CBD products will be sold at over 1,500 locations

Walgreens Response to COVID-19

- YTD Sales up +2.9% vs. 2019; Suburban locations sales +8%; Digital sales up +23% in Fiscal Q3
- Ensuring availability of critical products and expanding the use of drive-thru for certain health, cleaning and grocery items
- Focus on home delivery – extending home delivery & drive-thru local convenience to over 7,300 locations
- Building a PPE offering to meet customer demands
- Partnering with U.S. government to provide drive-thru testing
- More convenient access to key essential items
- Creating neighborhood health destinations by partnering with Village Medical to provide primary care with over 700 doctor offices to open in next 5 years

FY19 Sales (millions)



Glendale, AZ

The city of Glendale is a vibrant and welcoming metropolitan city with extraordinary opportunities for its residents to prosper, and connect, which has led to a **population growth rate more than double the national average**.

Incorporated in 1910, Glendale is home to both historic attractions like Sahuaro Ranch Park and **state of the art entertainment facilities** like State Farm Stadium, the home of the NFL's Arizona Cardinals and home to three Super Bowls, including upcoming in 2023.

The city is home to natural preserves such as Thunderbird Conservation Park and **high-tech manufacturers like Conair and Honeywell Aerospace**. The city can also boasts medical school Midwestern University, the only veterinary school in the state of Arizona, and Luke Air Force Base, the training home for new F-35 pilots.

The Westgate Entertainment District is **Arizona's premier entertainment destination** offering a vibrant outdoor setting with unique water features and an interactive shopping, dining and entertainment experience. Nearby, the city's Gila River Arena hosts the **NHL's Arizona Coyotes** as well as numerous concerts and other events throughout the year. In total, there is over **\$5 billion worth of consumer expenditure** that goes on annually within Glendale's city limits.

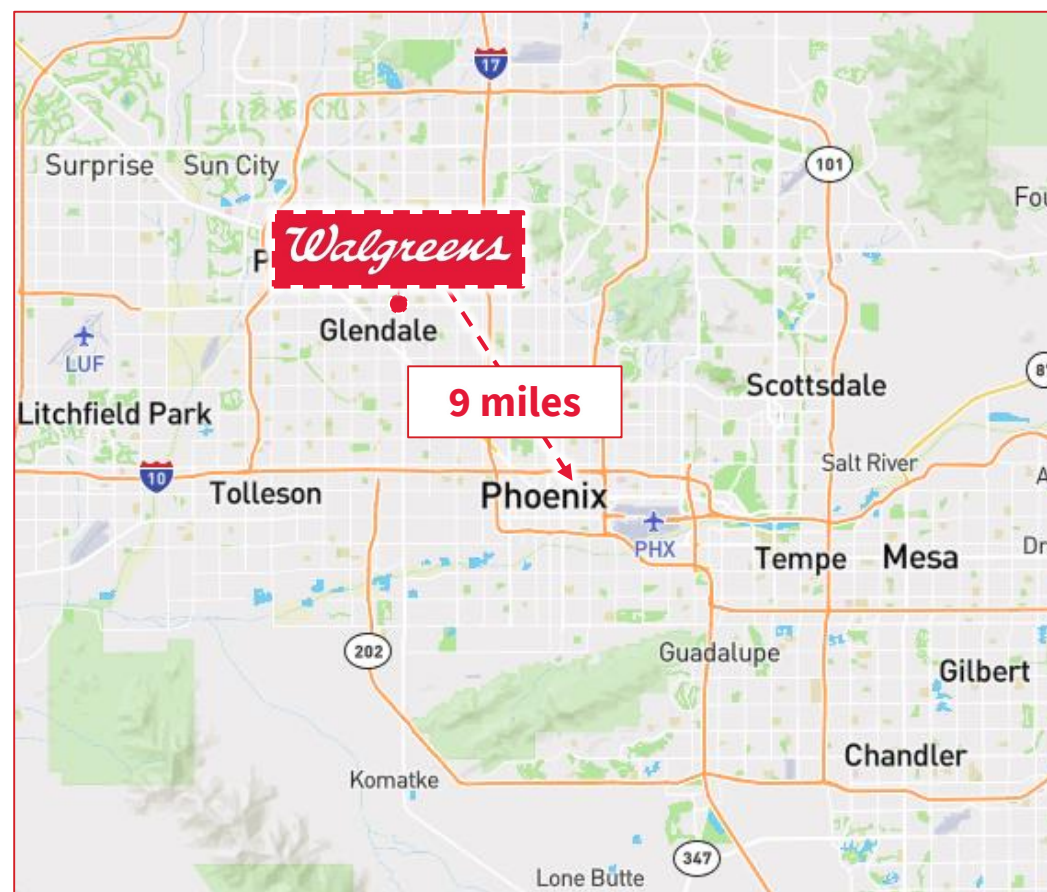
Home to a population of over 225,000 people, and more than **424,000 within a 5-mile radius**, Glendale is the **sixth largest city in Arizona** and provides its residents the amenities of a metropolis while maintaining a suburban living environment.

The city is only **nine miles northwest of the Phoenix CBD**, providing its residents substantial employment opportunities and additional metropolitan benefits.

Glendale is well-supported by a **rapidly growing healthcare sector**, generating over 6,000 jobs to the residents of Glendale. **1.9 Million people live within a 30-minute commute to the City's geo hub** - The Greater Glendale Westgate Sports & Entertainment District. Employers are able to successfully and consistently attract **top-quality workforce** in the numbers they need. Optimal location and proximity of abundant workforce eliminates like-employer competition for skilled workers.

Local Demographic Snapshot

	1-Mile	3-Mile	5-Mile
Total Population	20,829	161,939	424,095
Total Households	8,144	54,638	145,897
Average HH Income	\$52,283	\$68,135	\$66,688
5-Year Growth	6.52%	5.51%	5.67%



Over 50,000 Vehicles Per Day at the Intersection



Phoenix, AZ

Known as “The Valley of the Sun,” Greater Phoenix area sees more sunshine than any other metro area in the country. Phoenix is the sixth largest city in the United States and consistently outpaces the United States population growth rate. Phoenix is well known for its warm climate, beautiful setting, great cultural and recreational amenities and low cost of living.

Phoenix is the best place to get a sampling of all the state has to offer. Its downtown area may be characterized by sleek, ultramodern office buildings, but the city center is not all about work. Phoenix also contains ample opportunities to play. Recently built sports stadiums, along with updated arts and shopping districts fringe downtown, as do some of the area's finest eateries.

Over the last 35 years, the population of Metro Phoenix has nearly tripled, growing from 1.6 million people in 1980, to approximately 4.7 million residents today. The population is projected to grow more than 42% over the next 13 years, surpassing 6.5 million residents by 2030.

Phoenix Population Growth

42% Phoenix is projected to grow more than 42% over the next 15 years.

Job Growth

#2 State with the fastest job growth - Kiplinger

Top 10 Busiest Airport

43 million+ passengers passed through Phoenix Sky Harbor International Airport in 2019

Economy

4.9%
corporate
income tax rate

2.2% projected job growth in 2020
(compared to U.S. annual project growth of 0.8%) –
Moody's

+30%
of population holds
bachelor degrees or
higher

Center for Higher Education

300K+ students in Metro Phoenix, lead by
Arizona State University

4.7 million

Residents call Phoenix metro home. It has tripled in size over the last 35 years.

300+

Phoenix enjoys over 300 days of sunshine per year

5 Teams

5 Professional sports teams call Phoenix home: Cardinals (NFL), Diamondbacks (MLB), Suns (NBA), Coyotes (NHL) Mercury (WNBA)

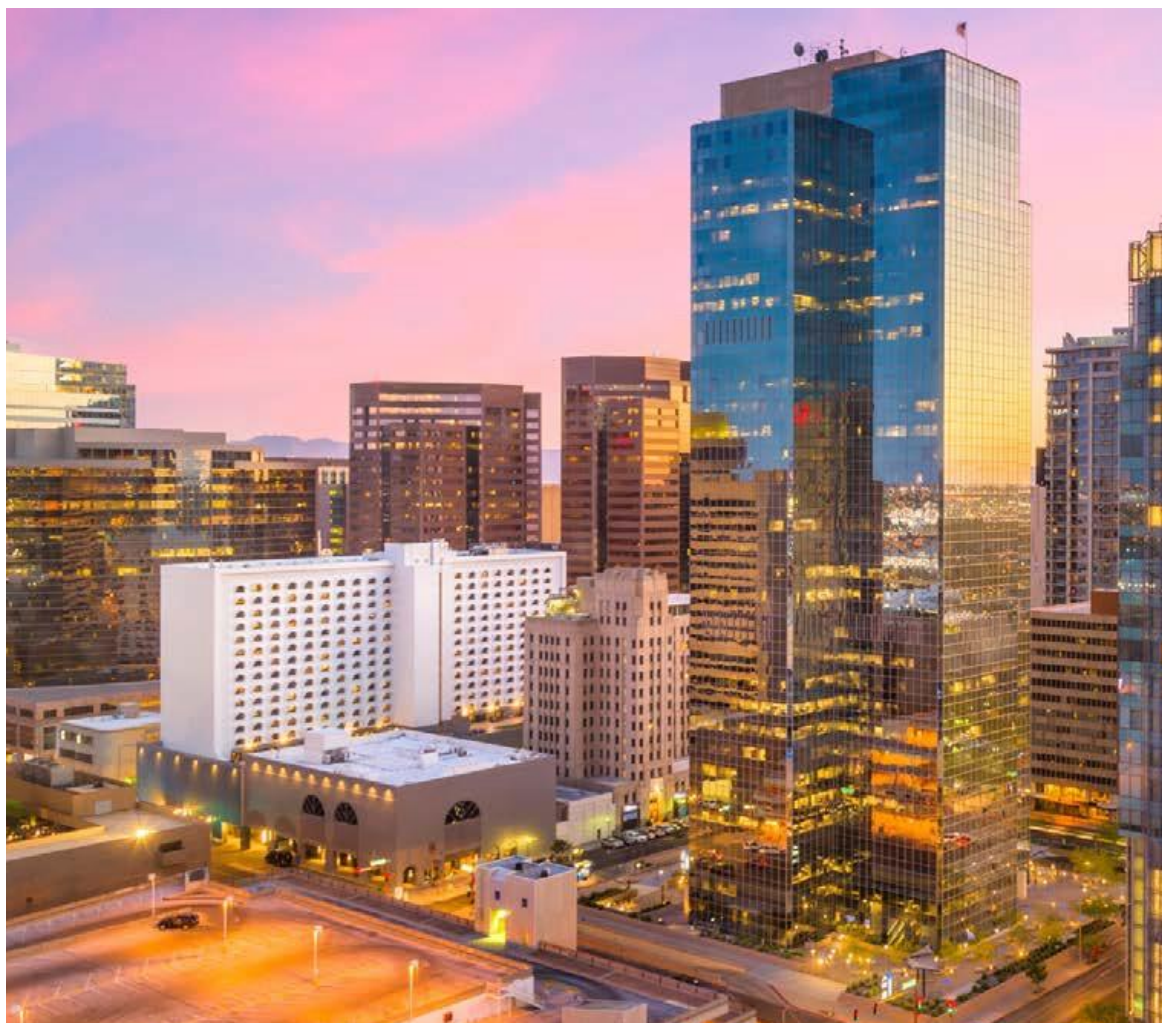
75°

Phoenix has an average year-round temperature of 75°

#1

Arizona State University – Tempe is ranked the “Most Innovative School in America” – US News

Phoenix, AZ

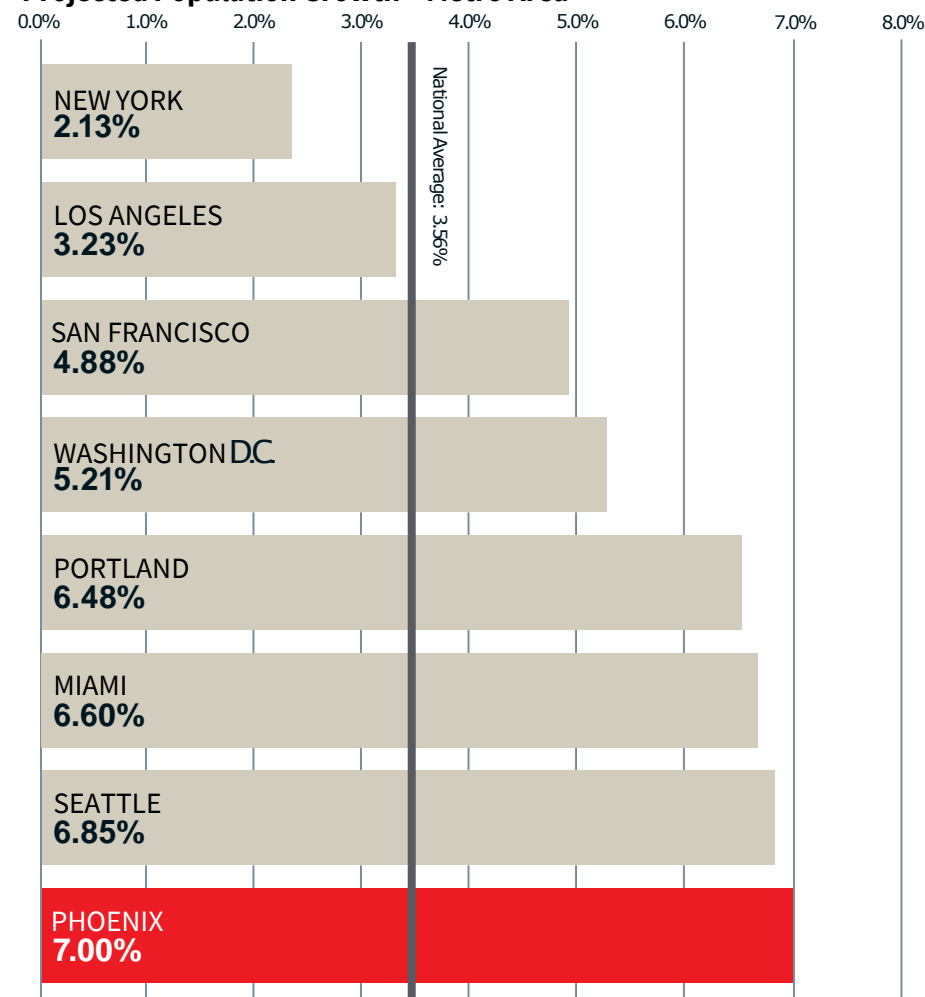


Phoenix consistently ranks as one of the top metro areas for population growth. Phoenix's ability to attract individuals from all over the world has triggered a boom in population that has fueled a robust economy supported by a diverse set of industries. Per the 2019 U.S. Census Bureau report, Phoenix's population increased 2.0% year-over-year (July 2018) and ranked #1 for largest increase for top-20 metro areas.



Market Leading Population Growth

Projected Population Growth – Metro Area



Source: Claritas, Projections 2019 - 2024

PROPERTY PHOTOGRAPHY



Contacts

Alex Sharrin

+1 312.228.3197

alex.sharrin@am.jll.com

Alex Geanakos

+1 312.228.3866

alex.geanakos@am.jll.com

Patrick Dempsey

+1 642.648.8709

patrick.dempsey@am.jll.com

Financing Contacts

Brandon Chavoya

+1 469.232.1967

brandon.chavoya@am.jll.com

Michael George

+1 469.232.1906

michael.george@am.jll.com



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