

1277 M-89, Plainwell, MI 49080

Walgreens



Representative Photo

WALGREENS

11 Years Remaining on NNN Lease
Plainwell, MI

Marcus & Millichap

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Representative Photo

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1277 M-89
Plainwell, MI 49080

Price	\$5,400,000
Gross Leaseable Area (GLA)	14,900 SF
Price/ SF	\$362.42
Cap Rate	6.00%
Net Operating Income	\$324,000
Year Built	2003
Lot Size	~2.11 Acres
Type of Ownership	Fee Simple

Lease Summary

Lease Type	Absolute Net
Roof & Structure	Tenant Responsible
Lease Term	25 Years
Rent Commencement	August 1, 2003
Lease Expiration	July 31, 2028
Term Remaining	11+ Years
Increases	Flat
Options	Ten, Five-Year
Option to Terminate	None
Option to Purchase	None
Right of First Refusal	Yes, 30-Day Notice

Rent Schedule

Term	Annual Rent	Monthly Rent
Present to 7/31/2028:	\$324,000	\$27,000.00
<i>Option I:</i>	\$324,000	\$27,000.00
<i>Option II:</i>	\$324,000	\$27,000.00
<i>Options III:</i>	\$324,000	\$27,000.00
<i>Options IV:</i>	\$324,000	\$27,000.00
<i>Options V:</i>	\$324,000	\$27,000.00
<i>Options VI:</i>	\$324,000	\$27,000.00
<i>Options VII:</i>	\$324,000	\$27,000.00
<i>Options VIII:</i>	\$324,000	\$27,000.00
<i>Options IX:</i>	\$324,000	\$27,000.00
<i>Options X:</i>	\$324,000	\$27,000.00
NET OPERATING INCOME		\$324,000
TOTAL RETURN		6.00% / \$5,400,000



Walgreens Boots Alliance, Inc.

Walgreens Boots Alliance, Inc. is an American holding company headquartered in Deerfield, Illinois that owns Walgreens, Boots and a number of pharmaceutical manufacturing, wholesale and distribution companies. The company was formed on December 31, 2014 after Walgreens purchased the 55% stake in Switzerland-based Alliance Boots that it did not already own. Walgreens had previously purchased 45% of the company in 2012 with an option to purchase the remaining shares within three years. Under the terms of the merger, the new company was organized into three divisions: Retail Pharmacy USA (Walgreens), Retail Pharmacy International (Boots), and Pharmaceutical Wholesale, incorporating Alliance Healthcare.

The new holding company began trading on the NASDAQ on December 31, 2014. The combined business has operations in over 25 countries. Walgreens had formerly operated solely within the United States and its territories, while Alliance Boots operated a more international business. IN April 2015, Walgreens Boots Alliance published their first post-merger update, reporting an overall rise in sales of 35%, to \$26.6 billion, and a 33% rise in profits compared with last year.

Walgreens

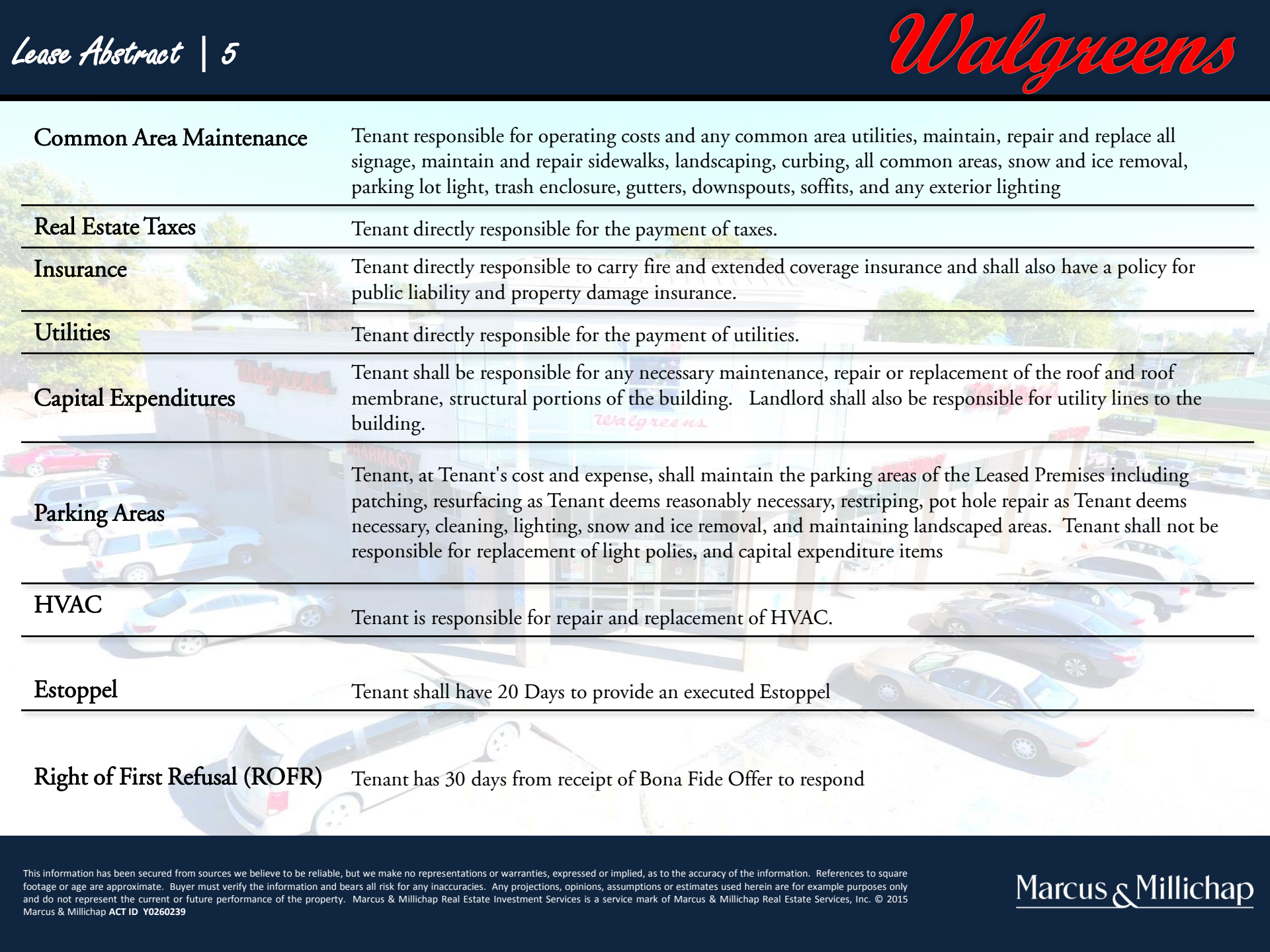
Walgreens Boots Alliance, Inc., together with its subsidiaries, operates a network of drugstores in the United States. It provides consumer goods and services, pharmacy and health and wellness services throughout drugstores, as well as through mail, and by telephone and online. The company sells prescription and non-prescription drug; and general merchandise, including convenience and fresh foods, household items, personal care and photofinishing and candy, and beauty care. It also provides specialty pharmacy services for managing complex and chronic health conditions; customers infusion therapy services consisting of administration of intravenous medications for cancer treatments, chronic pain, heart failure and other infections and disorders; and clinical services. In addition, the company manages 400 in-store convenient care clinics (Healthcare Clinics).

Headquarters	Deerfield, Illinois
Stock Symbol	NASDAQ: WBA
Revenue	\$103.4 Billion (FYE 2015)
Net Income	\$4.2 Billion (FYE 2015)
Net Worth	\$30.8 Billion (FYE 2015)
Credit Rating	BBB (Standard & Poor's)
Locations	8,230 (12/2015)
Employees	370,000
Website	www.walgreensbootsalliance.com



Walgreens Boots Alliance

Square Footage	14,634 SF
Rent Commencement	2001
Lease Expiration	2021
Options	Eight, Five-Year
Reported Sales	None



Common Area Maintenance	Tenant responsible for operating costs and any common area utilities, maintain, repair and replace all signage, maintain and repair sidewalks, landscaping, curbing, all common areas, snow and ice removal, parking lot light, trash enclosure, gutters, downspouts, soffits, and any exterior lighting
Real Estate Taxes	Tenant directly responsible for the payment of taxes.
Insurance	Tenant directly responsible to carry fire and extended coverage insurance and shall also have a policy for public liability and property damage insurance.
Utilities	Tenant directly responsible for the payment of utilities.
Capital Expenditures	Tenant shall be responsible for any necessary maintenance, repair or replacement of the roof and roof membrane, structural portions of the building. Landlord shall also be responsible for utility lines to the building.
Parking Areas	Tenant, at Tenant's cost and expense, shall maintain the parking areas of the Leased Premises including patching, resurfacing as Tenant deems reasonably necessary, restriping, pot hole repair as Tenant deems necessary, cleaning, lighting, snow and ice removal, and maintaining landscaped areas. Tenant shall not be responsible for replacement of light polies, and capital expenditure items
HVAC	Tenant is responsible for repair and replacement of HVAC.
Estoppel	Tenant shall have 20 Days to provide an executed Estoppel
Right of First Refusal (ROFR)	Tenant has 30 days from receipt of Bona Fide Offer to respond

Investment Highlights

- 11+ Years Remaining on Walgreens Corporate Absolute Net Lease (S&P: “BBB” Credit Rating)
- Drive-Thru Location | Liquor License
- Adjacent to Wal-Mart Supercenter, Home Depot & Meijer
- Excellent Exposure along Michigan Highway 89 | Plainwell’s Main Thoroughfare
- Surrounded by National Retailers: Applebee’s, McDonald’s, Taco Bell, Culver’s, Walgreens, Arby’s, KFC, Burger King, and Pizza Hut
- Minimal Drugstore Competition
- 15 Minutes from the 3rd Largest CSA in the State of Michigan

Marcus & Millichap is pleased to exclusively present this single-tenant, 14,900 square foot Walgreens Pharmacy located in Plainwell, Michigan. This absolute net lease requires zero responsibility from the Landlord as Walgreens pays all expenses associated with the property including the roof, structure, and replacement of the parking lot. The lease is guaranteed by Walgreen Co., the nation's largest drugstore chain that ranks #19 in the Fortune 500 (2016) with a current annual rent of \$324,000.00. Walgreens has ten, five-year options to renew at the same rent.

This highly visible Walgreens is located on the main thoroughfare (Michigan Highway 89) just off the Exit for US Highway 131. The store is strategically positioned adjacent to Wal-Mart Supercenter, Home Depot, and Meijer. There are several other national retailers surrounding the property including McDonald’s, Applebee’s, Taco Bell, Culver’s, Walgreens, Arby’s, KFC, Burger King, Pizza Hut, Subway, AutoZone, Dollar General, and Goodwill. Walgreens benefits from limited drug-store competition in the area.

This store is located within close proximity to the Plainwell Municipal Airport and is immediately accessible via US Highway 131 and MI-89. Plainwell is 15 minutes outside of the Kalamazoo-Battle Creek-Portage Combined Statistical Area (CSA), which is the 3rd largest CSA in Michigan and the 151st largest in the United States. Plainwell is in close proximity to several large Michigan markets including Kalamazoo, Battle Creek, Lansing, and Grand Rapids. Though the name sounds somewhat common, there are no other communities named Plainwell anywhere in the United States.



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Population

In 2016, the population in your selected geography is 20,410. The population has changed by 7.38% since 2000. It is estimated that the population in your area will be 20,988.00 five years from now, which represents a change of 2.83% from the current year. The current population is 48.60% male and 51.40% female. The median age of the population in your area is 41.08, compare this to the US average which is 37.68. The population density in your area is 259.33 people per square mile.



Households

There are currently 7,988 households in your selected geography. The number of households has changed by 11.92% since 2000. It is estimated that the number of households in your area will be 8,281 five years from now, which represents a change of 3.67% from the current year. The average household size in your area is 2.51 persons.



Income

In 2016, the median household income for your selected geography is \$53,769, compare this to the US average which is currently \$54,505. The median household income for your area has changed by 21.86% since 2000. It is estimated that the median household income in your area will be \$63,673 five years from now, which represents a change of 18.42% from the current year.

The current year per capita income in your area is \$24,735, compare this to the US average, which is \$29,962. The current year average household income in your area is \$62,858, compare this to the US average which is \$78,425.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 95.27% White, 0.83% Black, 0.01% Native American and 0.57% Asian/Pacific Islander. Compare these to US averages which are: 70.77% White, 12.80% Black, 0.19% Native American and 5.36% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 2.66% of the current year population in your selected area. Compare this to the US average of 17.65%.



Employment

In 2016, there are 7,054 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 49.31% of employees are employed in white-collar occupations in this geography, and 50.42% are employed in blue-collar occupations. In 2016, unemployment in this area is 5.22%. In 2000, the average time traveled to work was 25.00 minutes.

Demographic data © 2012 by Experian/Applied Geographic Solutions.

POPULATION	5 Miles	10 Miles	15 Miles
■ 2021 Projection			
Total Population	20,988	56,922	234,499
■ 2016 Estimate			
Total Population	20,410	54,993	227,503
■ 2010 Census			
Total Population	20,080	53,814	221,378
■ 2000 Census			
Total Population	19,008	50,700	213,841
■ Current Daytime Population			
2016 Estimate	19,373	44,710	244,103
HOUSEHOLDS	5 Miles	10 Miles	15 Miles
■ 2021 Projection			
Total Households	8,281	22,288	94,850
■ 2016 Estimate			
Total Households	7,988	21,345	91,322
Average (Mean) Household Size	2.51	2.53	2.39
■ 2010 Census			
Total Households	7,836	20,866	88,768
■ 2000 Census			
Total Households	7,137	19,022	83,087
■ Occupied Units			
2021 Projection	8,281	22,288	94,850
2016 Estimate	8,359	22,740	99,439
HOUSEHOLDS BY INCOME	5 Miles	10 Miles	15 Miles
■ 2016 Estimate			
\$150,000 or More	2.99%	4.50%	4.32%
\$100,000 - \$149,000	11.99%	12.72%	10.01%
\$75,000 - \$99,999	14.95%	15.19%	11.43%
\$50,000 - \$74,999	23.30%	22.80%	19.11%
\$35,000 - \$49,999	14.35%	14.02%	13.60%
Under \$35,000	31.93%	29.84%	40.53%
Average Household Income	\$62,858	\$68,735	\$61,801
Median Household Income	\$53,769	\$56,346	\$44,810
Per Capita Income	\$24,735	\$26,864	\$25,345

HOUSEHOLDS BY EXPENDITURE	5 Miles	10 Miles	15 Miles
Total Average Household Retail Expenditure	\$61,354	\$63,061	\$56,446
■ Consumer Expenditure Top 10 Categories			
Housing	\$15,999	\$16,437	\$15,020
Transportation	\$12,389	\$12,719	\$11,356
Shelter	\$8,894	\$9,145	\$8,474
Food	\$6,581	\$6,717	\$6,215
Personal Insurance and Pensions	\$5,115	\$5,373	\$4,578
Health Care	\$3,955	\$4,116	\$3,521
Utilities	\$3,854	\$3,947	\$3,571
Entertainment	\$2,402	\$2,503	\$2,189
Cash Contributions	\$1,810	\$1,903	\$1,567
Household Furnishings and Equipment	\$1,517	\$1,581	\$1,375
POPULATION PROFILE	5 Miles	10 Miles	15 Miles
■ Population By Age			
2016 Estimate Total Population	20,410	54,993	227,503
Under 20	26.31%	25.56%	25.35%
20 to 34 Years	16.69%	17.16%	26.25%
35 to 39 Years	5.69%	5.60%	5.52%
40 to 49 Years	12.83%	12.83%	11.04%
50 to 64 Years	21.70%	22.57%	18.27%
Age 65+	16.76%	16.26%	13.58%
Median Age	41.08	41.37	33.68
■ Population 25+ by Education Level			
2016 Estimate Population Age 25+	13,906	37,509	139,568
Elementary (0-8)	1.48%	1.38%	1.65%
Some High School (9-11)	5.98%	5.91%	6.13%
High School Graduate (12)	39.51%	35.66%	29.03%
Some College (13-15)	23.50%	23.79%	24.51%
Associate Degree Only	9.34%	8.61%	8.69%
Bachelors Degree Only	13.43%	15.94%	18.01%
Graduate Degree	5.93%	7.78%	11.11%

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