

# \$200,000 Fee to Buyer's Broker



## 13+ Years - Rent Bumps - Ground Lease

- Long Term Absolute Net Lease - Zero Landlord Responsibilities
- Affluent Area: HH Incomes of **\$155k** Within in One Mile
- Preferred 5-Year Option Structure
- 10% Rent Bumps, Every 10 Years in Options
- Strong Retail Area - Shadow Anchored by Lowes & Target
- Full Walgreens Corporate Guaranty

**Walgreens**

📍 COLORADO SPRINGS, CO

**\$5,000,000**

**4.50% CAP**

📞 (888) 258-7605  
✉️ [Listings@deerfieldteam.com](mailto:Listings@deerfieldteam.com)

John Giordani  
Art Griffith



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The Drugstore Experts



# INVESTMENT SUMMARY

4470 ROYAL PINE DR | COLORADO SPGS, CO 80920 WALGREENS #11477

**\$5,000,000**

**PRICE**

**4.50%**

**CAP**

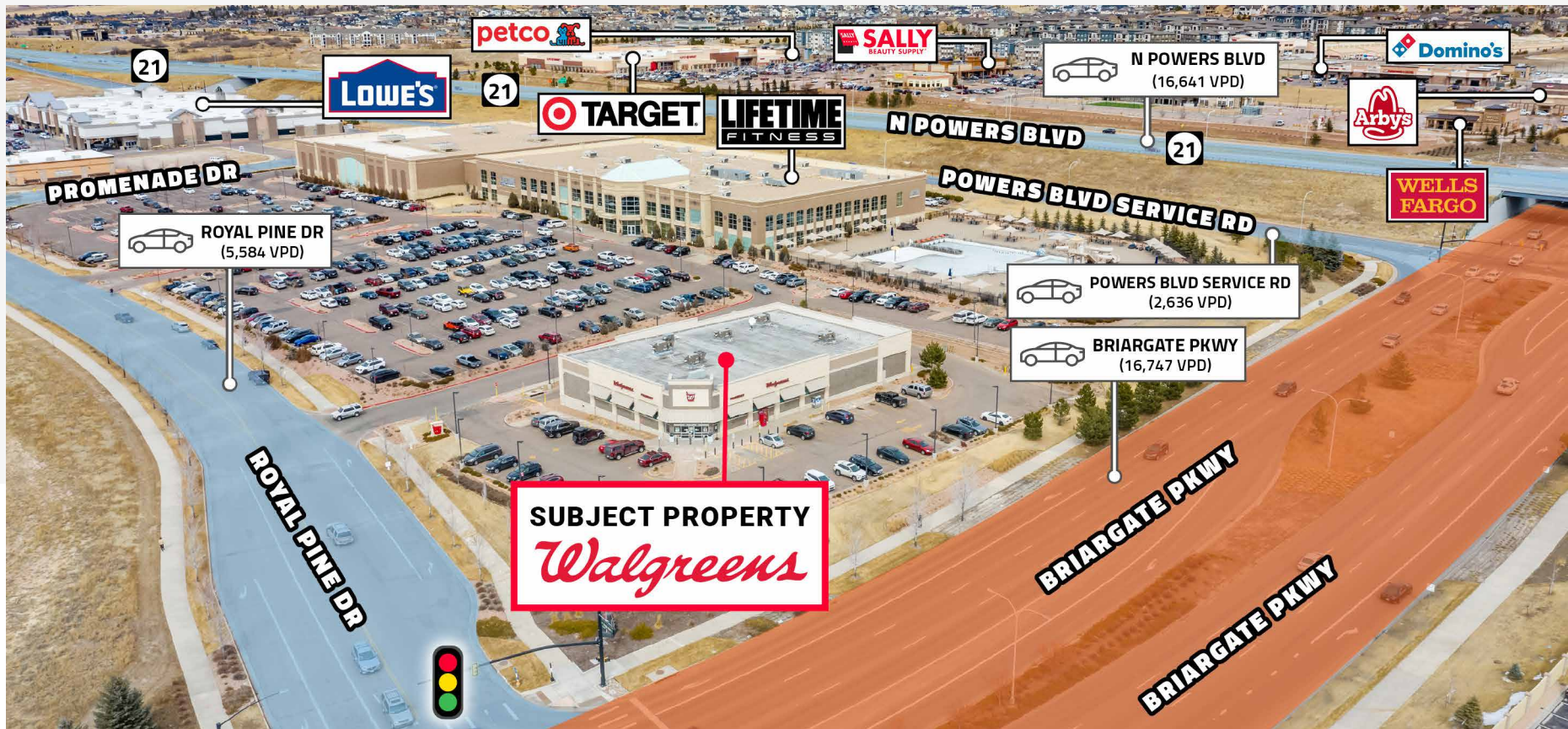
**\$225,000**

**ANNUAL RENT**

**13.7**

**YRS. GUARANTEED**

This is a rare opportunity to purchase a Walgreens store that has it all. The offering is a Ground Lease, whereby the dirt and Lease are for sale, but not the building. This is a true trophy location, with the demographics and trade area to back it up. A Buyer will enjoy the preferred five year option structure, zero Landlord responsibilities, 10% rent bumps in the option periods (every 10 years) and a full Walgreens Guaranty. This investment makes an ideal 1031 exchange and won't last long.



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# PROPERTY OVERVIEW



## PROPERTY DETAILS

**Address:** 4470 Royal Pine Dr  
**Year Built:** 2010  
**Lot Size:** 1.77  
**Tenant:** Walgreens



## LEASE SUMMARY

**Lease Type:** NNN  
**Landlord Responsibilities:** None  
**Rent Start Date:** 11/10/2010  
**Lease End Date:** 11/30/2035  
**Termination Options:** 10 x 5 year  
**Rent Increases:** 10% every 10 years after the initial lease term ends on 11/30/2035



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# DEMOGRAPHICS



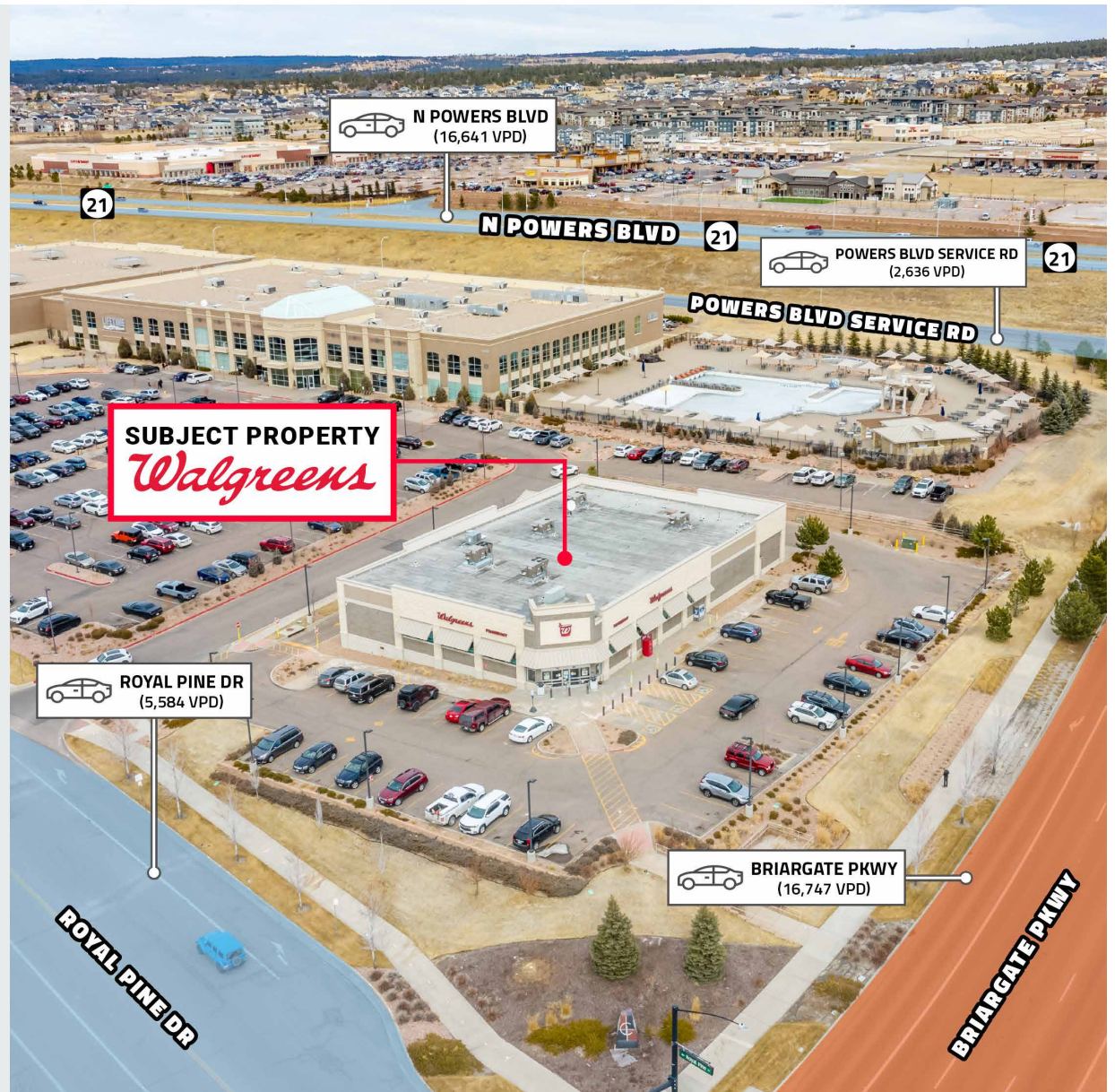
## POPULATION

1 Mile	3 Mile	5 Mile
9,822	76,267	177,977



## AVERAGE HOUSEHOLD INCOME

1 Mile	3 Mile	5 Mile
\$155,801	\$129,301	\$115,674



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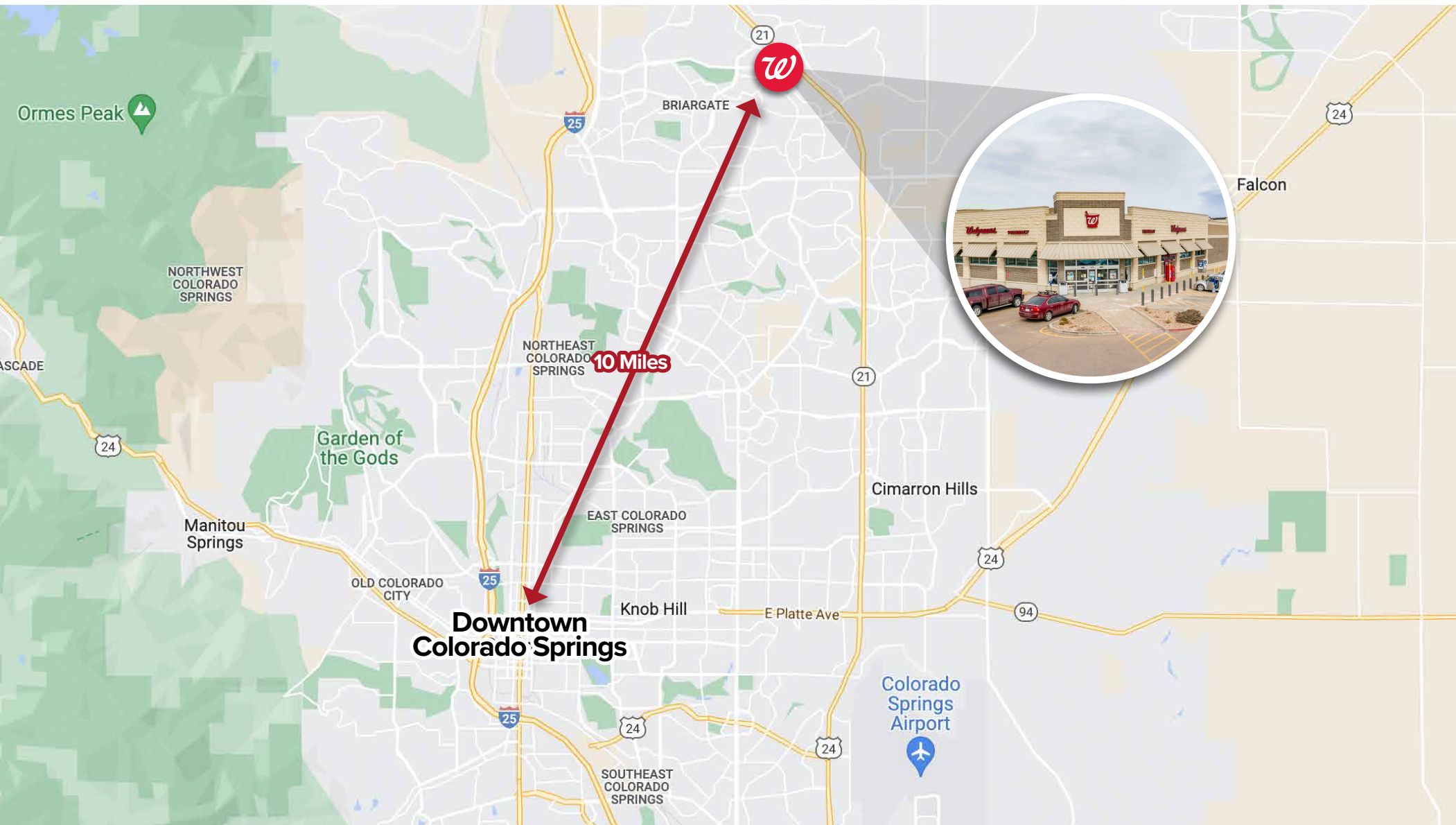
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# REGIONAL OVERVIEW



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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.



# WALGREENS INCOME STATEMENTS TRAILING 5 YEARS

Fiscal year is Sept. – Aug. (All values USD millions)	2016	2017	2018	2019	2020
<b>Sales/Revenue</b>	<b>117.35B</b>	<b>118.21B</b>	<b>131.54B</b>	<b>136.87B</b>	<b>139.54B</b>
Sales Growth	13.44%	0.74%	11.27%	4.05%	1.95%
<b>Cost of Goods Sold (COGS) Incl, D&amp;A</b>	<b>89.2B</b>	<b>90.71B</b>	<b>102.52B</b>	<b>108.83B</b>	<b>113.45B</b>
COGS excluding D&A	87.48B	89.05B	100.75B	106.79B	111.52B
Depreciation & Amortization Expense	1.72B	1.65B	1.77B	2.04B	1.92B
Depreciation	1.32B	1.27B	1.28B	1.49B	1.47B
Amortization of Intangibles	396M	385M	493M	552M	461M
<b>Gross Income</b>	<b>28.16B</b>	<b>27.51B</b>	<b>29.02B</b>	<b>28.04B</b>	<b>26.09B</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>SG&amp;A Expense</b>	<b>21.79B</b>	<b>21.25B</b>	<b>22.88B</b>	<b>22.91B</b>	<b>22.34B</b>
Research & Development	-	-	-	-	-
Other SG&A	21.79B	21.25B	22.88B	22.91B	22.34B
Other Operating Expense	-	-	-	-	-
Unusual Expense	963M	886M	188M	311M	2.85M
EBIT after Unusual Expense	5.41B	5.37B	(188M)	4.82B	897M
Non Operating Income/Expense	297M	37M	450M	251M	145M
Non-Operating Interest Income	-	-	-	-	-
Equity in Affiliates (Pretax)	37M	135M	191M	164M	341M
<b>Interest Expense</b>	<b>596M</b>	<b>693M</b>	<b>616M</b>	<b>704M</b>	<b>639M</b>
Gross Interest Expense	596M	693M	616M	704M	639M
Interest Capitalized	-	-	-	-	-
<b>Pretax Income</b>	<b>5.14B</b>	<b>4.85B</b>	<b>5.98B</b>	<b>4.53B</b>	<b>743M</b>
Income Tax	997M	760M	998M	588M	360M
Income Tax - Current Domestic	1.06B	804M	969M	247M	199M
Income Tax - Current Foreign	371M	390M	353M	241M	204M
Income Tax - Deferred Domestic	(177M)	(330M)	(266M)	155M	(81M)
Income Tax - Deferred Foreign	(252M)	(104M)	(58M)	(55M)	38M
Income Tax Credits	-	-	-	-	-
Equity In Affiliates	44M	8M	54M	23M	41M
Other After Tax Income (Expense)	-	-	-	-	-
Consolidated Net Income	4.19B	4.1B	5.03B	3.96B	424M
Minority Interest Expense	18M	23M	7M	(20M)	(32M)





# WALGREENS BOOTS ALLIANCE – SEGMENT STRUCTURE





## 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.

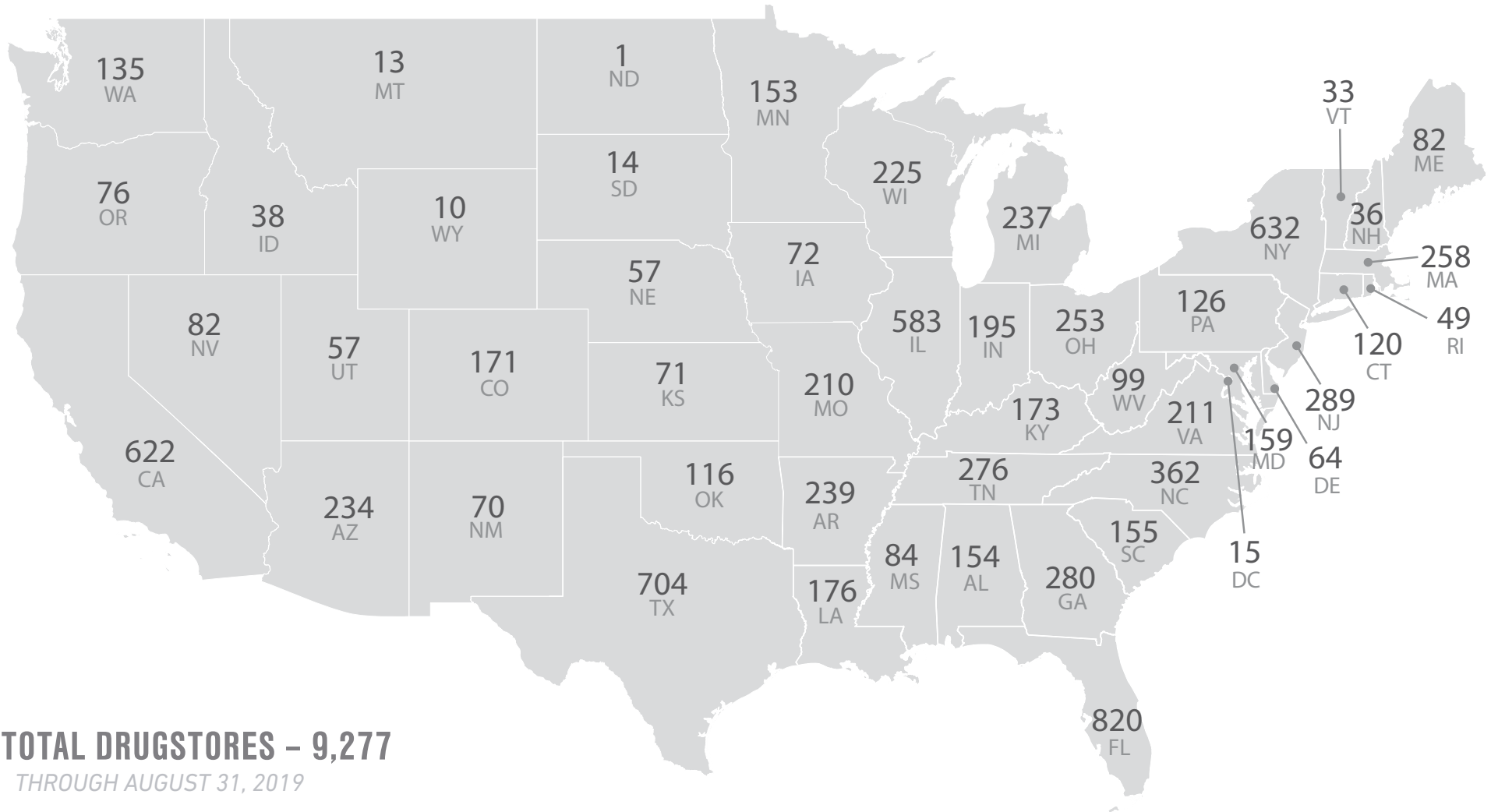
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# WALGREENS DRUGSTORES NATIONWIDE BY STATE



**TOTAL DRUGSTORES – 9,277**

THROUGH AUGUST 31, 2019

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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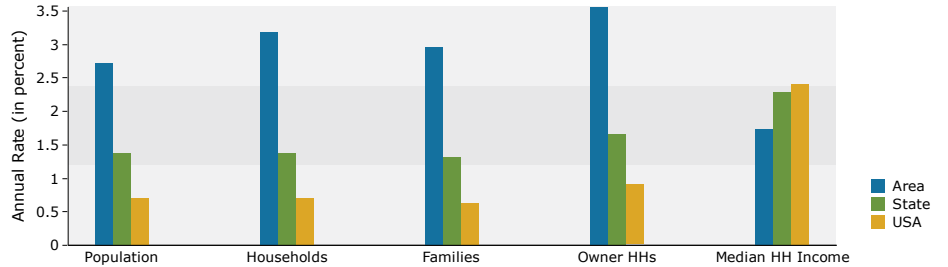


# 1-Mile DEMOGRAPHICS

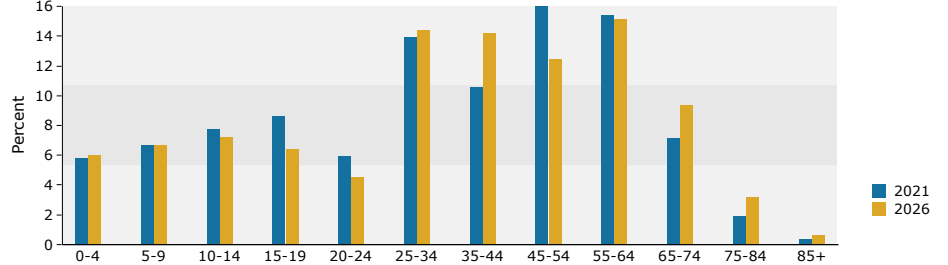
Summary	Census 2010	2021	2026			
Population	8,504	9,822	11,233			
Households	2,706	3,209	3,753			
Families	2,371	2,770	3,205			
Average Household Size	3.14	3.06	2.99			
Owner Occupied Housing Units	2,261	2,581	3,074			
Renter Occupied Housing Units	445	627	679			
Median Age	35.6	36.3	37.8			
Trends: 2021-2026 Annual Rate	Area	State	National			
Population	2.72%	1.37%	0.71%			
Households	3.18%	1.38%	0.71%			
Families	2.96%	1.32%	0.64%			
Owner HHs	3.56%	1.66%	0.91%			
Median Household Income	1.73%	2.29%	2.41%			
Households by Income	Number	Percent	Number	Percent		
<\$15,000	47	1.5%	50	1.3%		
\$15,000 - \$24,999	47	1.5%	38	1.0%		
\$25,000 - \$34,999	70	2.2%	59	1.6%		
\$35,000 - \$49,999	101	3.1%	95	2.5%		
\$50,000 - \$74,999	293	9.1%	335	8.9%		
\$75,000 - \$99,999	503	15.7%	537	14.3%		
\$100,000 - \$149,999	854	26.6%	928	24.7%		
\$150,000 - \$199,999	620	19.3%	796	21.2%		
\$200,000+	674	21.0%	915	24.4%		
Median Household Income	\$126,288		\$137,585			
Average Household Income	\$155,801		\$172,377			
Per Capita Income	\$48,549		\$54,058			
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	530	6.2%	565	5.8%	679	6.0%
5 - 9	874	10.3%	663	6.7%	752	6.7%
10 - 14	995	11.7%	757	7.7%	809	7.2%
15 - 19	857	10.1%	844	8.6%	724	6.4%
20 - 24	317	3.7%	579	5.9%	500	4.5%
25 - 34	600	7.1%	1,367	13.9%	1,620	14.4%
35 - 44	1,552	18.2%	1,043	10.6%	1,593	14.2%
45 - 54	1,654	19.4%	1,573	16.0%	1,387	12.4%
55 - 64	791	9.3%	1,512	15.4%	1,694	15.1%
65 - 74	231	2.7%	693	7.1%	1,052	9.4%
75 - 84	82	1.0%	186	1.9%	357	3.2%
85+	23	0.3%	41	0.4%	63	0.6%
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	7,328	86.2%	8,281	84.3%	9,349	83.2%
Black Alone	228	2.7%	283	2.9%	336	3.0%
American Indian Alone	37	0.4%	48	0.5%	56	0.5%
Asian Alone	465	5.5%	594	6.0%	719	6.4%
Pacific Islander Alone	6	0.1%	7	0.1%	10	0.1%
Some Other Race Alone	143	1.7%	202	2.1%	250	2.2%
Two or More Races	296	3.5%	406	4.1%	513	4.6%
Hispanic Origin (Any Race)	681	8.0%	1,006	10.2%	1,304	11.6%

Notes: Totals are expressed in current dollars

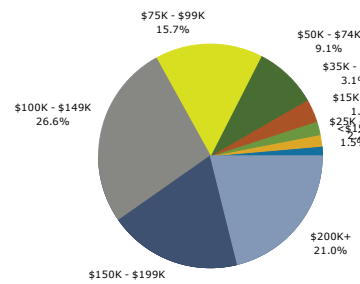
Trends 2021-2026



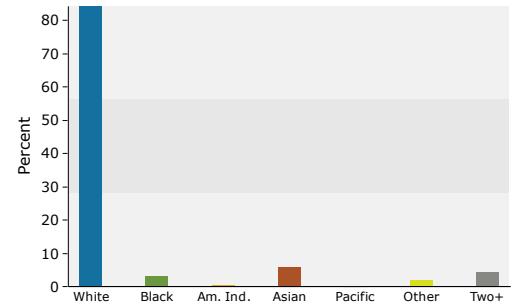
Population by Age



2021 Household Income



2021 Population by Race



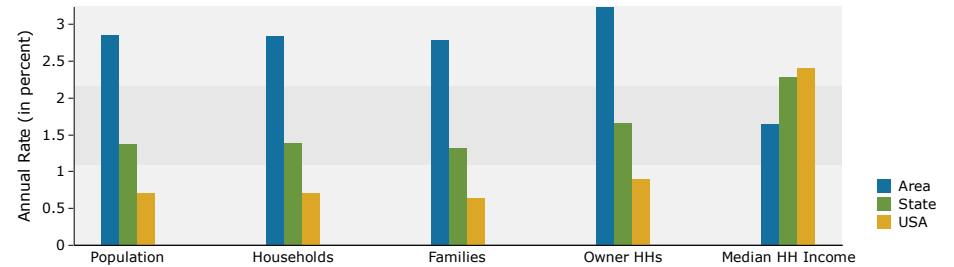
2021 Percent Hispanic Origin: 10.2%

# 3-Mile DEMOGRAPHICS

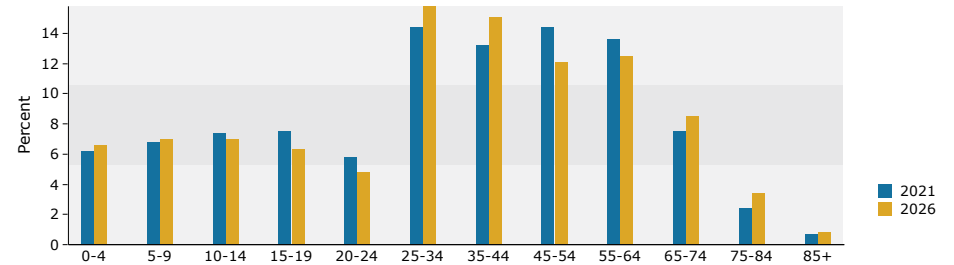
Summary	Census 2010		2021		2026		
Population	55,514		76,267		87,836		
Households	19,269		26,434		30,427		
Families	15,151		20,571		23,601		
Average Household Size	2.88		2.89		2.89		
Owner Occupied Housing Units	14,484		19,861		23,297		
Renter Occupied Housing Units	4,785		6,573		7,130		
Median Age	35.0		36.3		36.5		
Trends: 2021-2026 Annual Rate	Area		State		National		
Population	2.86%		1.37%		0.71%		
Households	2.85%		1.38%		0.71%		
Families	2.79%		1.32%		0.64%		
Owner HHs	3.24%		1.66%		0.91%		
Median Household Income	1.65%		2.29%		2.41%		
Households by Income			2021		2026		
			Number	Percent	Number	Percent	
	<\$15,000		782	3.0%	736	2.4%	
	\$15,000 - \$24,999		632	2.4%	503	1.7%	
	\$25,000 - \$34,999		1,027	3.9%	879	2.9%	
	\$35,000 - \$49,999		1,721	6.5%	1,624	5.3%	
	\$50,000 - \$74,999		3,768	14.3%	4,074	13.4%	
	\$75,000 - \$99,999		4,474	16.9%	4,813	15.8%	
	\$100,000 - \$149,999		6,386	24.2%	7,255	23.8%	
	\$150,000 - \$199,999		3,673	13.9%	4,998	16.4%	
	\$200,000+		3,972	15.0%	5,545	18.2%	
Median Household Income		\$104,069		\$112,919			
Average Household Income		\$129,301		\$146,448			
Per Capita Income		\$44,796		\$50,712			
		Census 2010		2021		2026	
Population by Age	Number	Percent	Number	Percent	Number	Percent	
0 - 4	3,627	6.5%	4,723	6.2%	5,798	6.6%	
5 - 9	4,884	8.8%	5,188	6.8%	6,113	7.0%	
10 - 14	5,452	9.8%	5,671	7.4%	6,167	7.0%	
15 - 19	4,911	8.8%	5,719	7.5%	5,529	6.3%	
20 - 24	2,700	4.9%	4,457	5.8%	4,218	4.8%	
25 - 34	6,155	11.1%	11,002	14.4%	13,910	15.8%	
35 - 44	9,068	16.3%	10,077	13.2%	13,290	15.1%	
45 - 54	9,809	17.7%	10,982	14.4%	10,623	12.1%	
55 - 64	5,616	10.1%	10,393	13.6%	11,018	12.5%	
65 - 74	2,049	3.7%	5,694	7.5%	7,478	8.5%	
75 - 84	986	1.8%	1,846	2.4%	3,018	3.4%	
85+	259	0.5%	516	0.7%	672	0.8%	
		Census 2010		2021		2026	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent	
White Alone	47,396	85.4%	63,576	83.4%	72,265	82.3%	
Black Alone	1,795	3.2%	2,617	3.4%	3,088	3.5%	
American Indian Alone	345	0.6%	491	0.6%	568	0.6%	
Asian Alone	2,423	4.4%	3,866	5.1%	4,792	5.5%	
Pacific Islander Alone	96	0.2%	142	0.2%	178	0.2%	
Some Other Race Alone	1,154	2.1%	1,923	2.5%	2,374	2.7%	
Two or More Races	2,305	4.2%	3,651	4.8%	4,570	5.2%	
Hispanic Origin (Any Race)	5,043	9.1%	8,656	11.3%	11,199	12.7%	

\* Median Income is expressed in current dollars

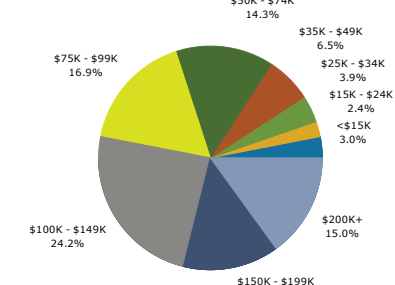
Trends 2021-2026



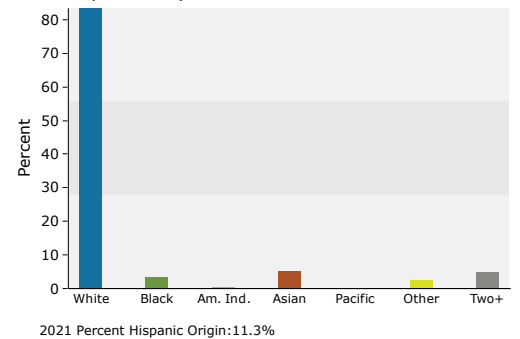
Population by Age



2021 Household Income



2021 Population by Race



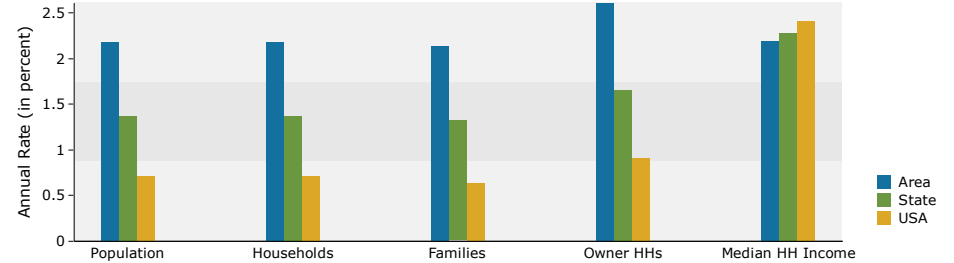


# 5-Mile DEMOGRAPHICS

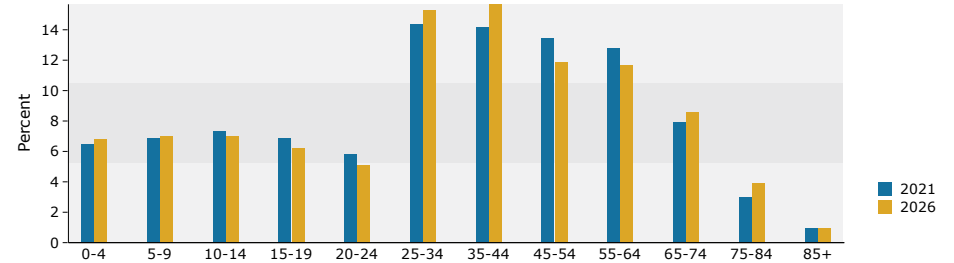
Summary		Census 2010	2021	2026
Population		133,955	177,977	198,377
Households		49,074	64,835	72,263
Families		36,331	47,603	52,913
Average Household Size		2.73	2.74	2.74
Owner Occupied Housing Units		34,776	46,640	53,051
Renter Occupied Housing Units		14,298	18,195	19,212
Median Age		34.2	36.5	36.6
Trends: 2021-2026 Annual Rate		Area	State	National
Population		2.19%	1.37%	0.71%
Households		2.19%	1.38%	0.71%
Families		2.14%	1.32%	0.64%
Owner HHs		2.61%	1.66%	0.91%
Median Household Income		2.20%	2.29%	2.41%
Households by Income		2021	2026	
		Number	Percent	Number
<\$15,000		2,615	4.0%	2,345
\$15,000 - \$24,999		2,147	3.3%	1,768
\$25,000 - \$34,999		3,093	4.8%	2,545
\$35,000 - \$49,999		5,040	7.8%	4,648
\$50,000 - \$74,999		11,321	17.5%	11,705
\$75,000 - \$99,999		11,233	17.3%	11,999
\$100,000 - \$149,999		14,017	21.6%	16,310
\$150,000 - \$199,999		7,762	12.0%	10,663
\$200,000+		7,607	11.7%	10,281
Median Household Income		\$91,645		\$102,176
Average Household Income		\$115,674		\$131,795
Per Capita Income		\$41,976		\$47,820
Population by Age		Census 2010	2021	2026
		Number	Percent	Number
0 - 4		9,519	7.1%	11,484
5 - 9		10,989	8.2%	12,308
10 - 14		11,409	8.5%	12,968
15 - 19		10,381	7.7%	12,281
20 - 24		7,857	5.9%	10,306
25 - 34		18,209	13.6%	25,694
35 - 44		20,255	15.1%	25,198
45 - 54		21,252	15.9%	23,897
55 - 64		13,930	10.4%	22,854
65 - 74		6,243	4.7%	14,080
75 - 84		2,998	2.2%	5,336
85+		913	0.7%	1,571
Race and Ethnicity		Census 2010	2021	2026
		Number	Percent	Number
White Alone		111,999	83.6%	145,445
Black Alone		5,632	4.2%	7,670
American Indian Alone		970	0.7%	1,321
Asian Alone		5,101	3.8%	7,786
Pacific Islander Alone		310	0.2%	417
Some Other Race Alone		3,755	2.8%	5,914
Two or More Races		6,188	4.6%	9,423
Hispanic Origin (Any Race)		14,347	10.7%	23,147

\* Make: Taxes is expressed in current dollars

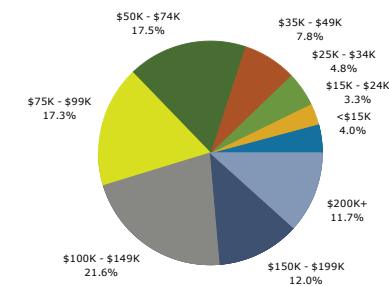
Trends 2021-2026



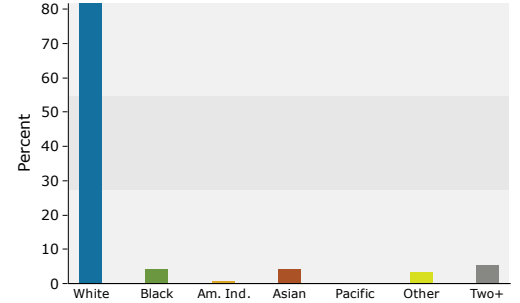
Population by Age



2021 Household Income



2021 Population by Race



2021 Percent Hispanic Origin:13.0%

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