



NEW Village Medical Concept

Subject Property is 1 of 160 Locations Nationwide that Includes the Village Medical Concept.

WALGREENS with *VillageMD*

3601 West William Cannon Drive
Austin, Texas 78749

- » **Corporate (NASDAQ: WBA) Absolute-Net Lease:** 13 Years Remaining, 5% Increases Every 5 Years Including Each of the Ten, 5 Year Options to Extend the Term.
- » **Attractive Seller Financing:** \$3,750,000 Down Payment (48%); \$4,037,500 (52%); 10 Year Term; 4.0% Interest Only.
- » **Excellent Visibility & Ease of Access:** Walgreens is Heavily Trafficked on West William Cannon Drive (36,863 VPD) and Near South MoPac Expy (70,151 VPD).



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Shops at Arbor Trails



S MoPac Expy (70,151 VPD)



Covington
Middle School
696 Students

Alexan Garza Ranch
370 Units / 4 Stories

W William Cannon Dr (36,863 VPD)



Downtown Austin (8 Miles from Walgreens)

The Park on Brodie Lane
291 Units / 3 Stories

Highlands Hill Country
444 Units / 3 Stories



W William Cannon Dr (36,863 VPD)

Brodie Ln (26,243 VPD)





S MoPac Expy (70,151 VPD)

Firestone



W William Cannon Dr (36,863 VPD)





WALGREENS with VillageMD

Address:	3601 West William Cannon Drive Austin, TX 78749
Price:	\$7,787,500
CAP:	4.00%
NOI:	\$311,500

INVESTMENT SUMMARY

Lease Type:	Absolute-Net
Landlord Responsibility:	None
Building Area:	13,905 SF
Land Area:	2.09 Acres
Year Built / Renovated:	1998 / 2021
Vehicles Per Day:	36,863 (West William Cannon Drive)
5 Mile Radius Population:	273,987



HIGHLIGHTS

- » **Corporate (NASDAQ: WBA) Absolute-Net Lease:** 13 Years Remaining, 5% Increases Every 5 Years Including Each of the Ten, 5 Year Options to Extend the Term.
- » **Attractive Seller Financing:** \$3,750,000 Down Payment (48%); \$4,037,500 (52%); 10 Year Term; 4.0% Interest Only.
- » **New Village Medical Concept:** Subject Property is 1 of 160 Locations Nationwide that Includes the Village Medical Concept. Walgreens Plans to Open More Than 200 Village Medical Practices by the End of 2022.
- » **Excellent Visibility & Ease of Access:** Walgreens is Heavily Trafficked on West William Cannon Drive (36,863 VPD) and Near South MoPac Expressway (70,151 VPD).
- » **Fastest Growing MSA in the Nation:** Austin MSA has Over 2.2M Population with Growth Over 14.5% in the Last 5 Years.
- » **Walking Distance from Schools:** Across the Street from Covington Middle School (696 Students) & Bannockburn Christian Academy & Church.
- » **Nearby National Tenants:** Costco, Whole Foods, Golds Gym, Lifetime Fitness, HEB, CVS, Firestone, Whataburger, Starbucks, P. Terry's Burger Stand, Five Guys, Chuy's Tex Mex, Marshalls, Haverty's, Panera Bread, Taco Bell, Culver's, Wells Fargo, Bank of America, Torchy's Tacos, Firehouse Subs, Taco Cabana, Einstein Bros, 7-Eleven, and Many More National and Local Tenants.

TENANT SUMMARY

Tenant Name:	Walgreens
Guaranty:	Corporate
Type of Ownership:	Fee Simple
Lease Type:	Absolute-Net
Landlord Responsibilities:	None
Rent Commencement:	Sep 1, 2020
Lease Expiration:	Aug 31, 2035
Term Remaining:	13 Years
Increases:	5% Every 5 Years
Options:	Ten, 5 Year
Right of First Refusal:	20 Days
Operating History:	24 Years

ANNUALIZED OPERATING DATA

Base Rent	Annually	Monthly
Sep 1, 2020 - Aug 31, 2025	\$311,500.00	\$25,958.33
Sep 1, 2025 - Aug 31, 2030	\$327,075.00	\$27,256.25
Sep 1, 2030 - Aug 31, 2035	\$343,428.75	\$28,619.06
Sep 1, 2035 - Aug 31, 2040	\$360,600.19	\$30,050.12

CASH FLOW ANALYSIS

Price:	\$7,787,500
CAP Rate:	4.00%
NOI:	\$311,500
Down Payment:	\$3,750,000 (48%)
New Loan:	\$4,037,500 (52%)
Interest Rate:	4.00%
Term:	10 Years
Debt Service:	\$161,500
Net Cash Flow After Debt Service:	\$150,000 (4.00% - Cash on Cash Return)
Principal Reduction:	\$0.00
Total Return:	\$150,000 (4.00% - Cash on Cash Return)

TENANT PROFILE

COMPANY NAME

Walgreens

NUMBER OF STORES

9,560

YEAR FOUNDED

1901

HEADQUARTERS

Deerfield, IL

TRADE NAME

NASDAQ: WBA

NUMBER OF EMPLOYEES

258,500

WEBSITE

www.walgreens.com

Walgreen Company or simply Walgreens is an American company that operates as the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. As of August 31, 2018, the company operated 9,560 stores in all 50 states, the District of Columbia and the US territories of Puerto Rico and the U.S. Virgin Islands. It was founded in Chicago, Illinois, in 1901. The Walgreens headquarters office is in the Chicago suburb of Deerfield, Illinois.

In 2014 the company agreed to purchase the remaining 55% of Switzerland-based Alliance Boots that it did not already own to form a global business. Under the terms of the purchase, the two companies merged to form a new holding company, Walgreens Boots Alliance Inc., on December 31, 2014. Walgreens became a subsidiary of the new company, which retains its Deerfield headquarters and trades on the Nasdaq under the symbol WBA. Walgreens is rated BBB by S&P Investment Grade Credit.

A typical Walgreens store is about 14,500 square feet with 11,000 square feet of sales area. They offer nearly 25,000 items for sale and typically staff between 25 and 30 people per store. On average, one store pulls in \$8.5 million in annual sales. Most stores include a pharmacy, photo lab, cosmetics counter, and a general merchandise area. Select stores in metropolitan Chicago, Florida, Atlanta, Kansas City, Nashville, Las Vegas, and St. Louis now include Walgreens TakeCare Health Clinics where certified (primarily nurse practitioners, and in some states, registered pharmacist) staff diagnose, treat, and prescribe for common illnesses and can also issue vaccinations and physicals in select locations. These clinics are open 7 days a week; including evenings and weekends with no appointments necessary and with acceptance of most major insurance plans. If a patient uses the TakeCare Clinic, their prescription is automatically processed through Walgreens' Intercom Plus Pharmacy System as a waiting prescription, so in most stores, the prescription is ready to be picked up in 15 to 20 minutes.





VILLAGE MEDICAL



Walgreens Boots Alliance (Nasdaq: WBA) and VillageMD announced that WBA has agreed to make an additional investment in VillageMD to advance its strategic position in the delivery of value-based primary care, a \$1 trillion, fast-growing segment of the healthcare system.

The \$5.2 billion investment will accelerate the opening of at least 600 Village Medical at Walgreens primary care practices in more than 30 U.S. markets by 2025 and 1,000 by 2027, with more than half of those practices in medically underserved communities. Walgreens' partnership with VillageMD will lead to a significant increase in access to primary care in underserved urban and rural communities – more than 75 percent of Americans live within five miles of a Walgreens.

The investment increases WBA's ownership stake in VillageMD to 63 percent from 30 percent. VillageMD remains a standalone company, with its own board and management, and the company plans to conduct an IPO in 2022.

Through its partnership with VillageMD, Walgreens is the first national pharmacy chain to offer full-service primary care practices with primary care physicians and pharmacists co-located at its stores all under one roof at a large scale.

Source: <https://news.walgreens.com/press-center/walgreens-boots-alliance-makes-52-billion-investment-in-villagemd-to-deliver-value-based-primary-care-to-communities-across-america.htm>

REGIONAL MAP

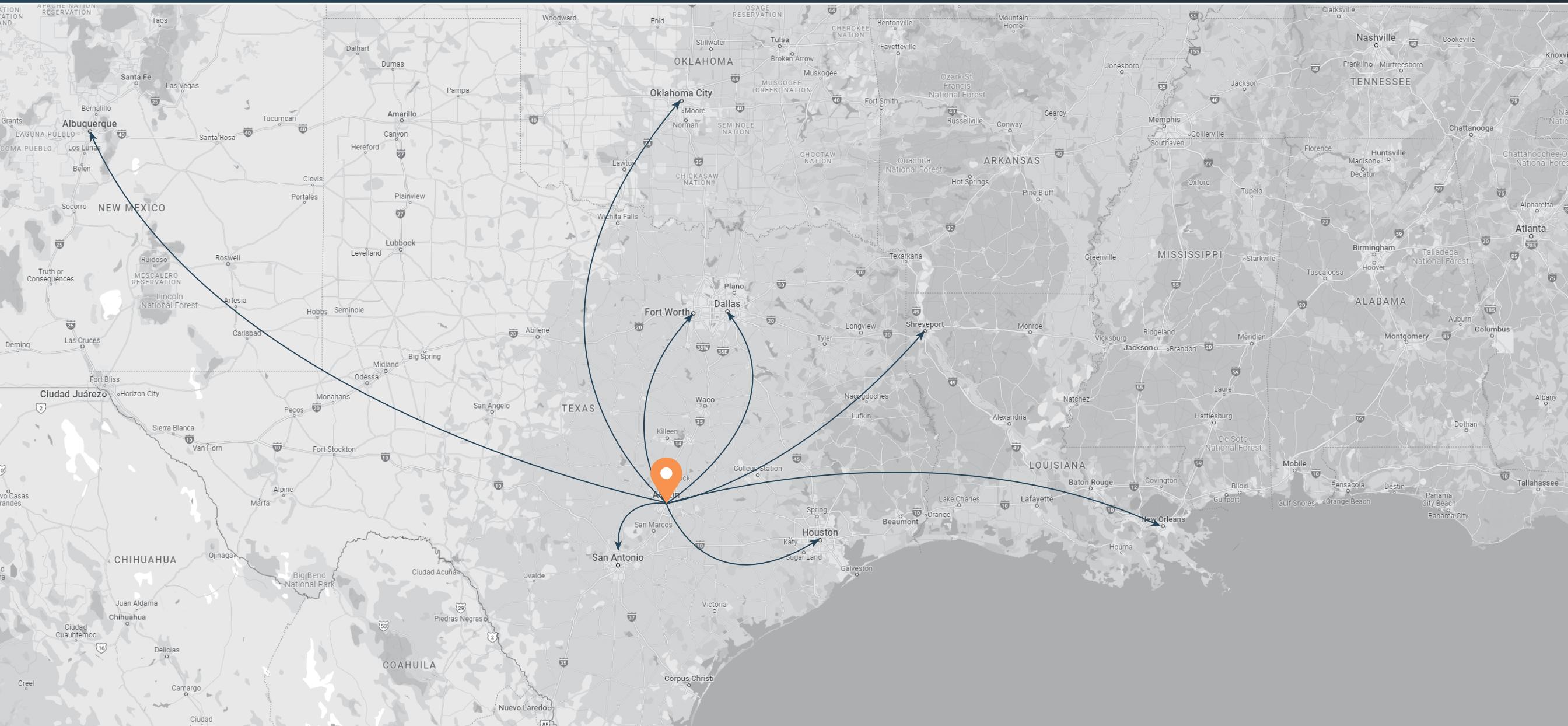
	Subject Property Austin, TX
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80 Miles	San Antonio, TX
162 Miles	Houston, TX

190 Miles	Fort Worth, TX
195 Miles	Dallas, TX

323 Miles	Shreveport, LA
511 Miles	New Orleans, LA

388 Miles	Oklahoma City, OK
696 Miles	Albuquerque, NM





Major Technology Presence

Tech companies are drawn to one of the nation's most educated labor pools, boosting professional and business services growth. Firms with a local presence include Dell, IBM and Oracle.



Employment Growth

The metro recorded average annual job growth of 3.9 percent in the five years prior to 2020, when some positions were shed. Last year, Austin was one of the nation's most resilient job markets, expanding by 8.9 percent.



Strong Population Gains

Future employment opportunities will attract skilled job seekers to the region, boosting the number of residents.

AUSTIN, TEXAS

Known as the home of South by Southwest, the Austin-Round Rock metro covers about 4,225 square miles and consists of five counties in central Texas: Travis, Williamson, Hays, Caldwell and Bastrop. The population of the metro increased significantly in recent decades and now exceeds 2.2 million residents. Travis County holds more than half of the metro's population and is home to Austin —the capital of Texas with a population of 940,700 people. Employment gains in the tech sector have contributed significantly to the metro's recent population and median household income growth. Tesla is currently constructing a massive Gigafactory in the city that is expected to generate at least 5,000 jobs, supporting future relocations and increased demand for housing.

MAJOR EMPLOYERS

Dell Inc.

Advanced Micro Devices

Ascension Seton

IBM Corp.

Apple Inc.

Samsung

Applied Materials

AT&T

University of Texas at Austin

Whole Foods Market

ECONOMY

- » Located within a border state, the metro benefits significantly from international trade agreements with Mexico.
- » The government is a significant driver in the local economy as Austin is the state capital and home to an IRS regional processing center, as well as military bases.
- » The metro is a vibrant technology hub with industries that include semiconductor and related equipment manufacturing, along with computer and software development. High-tech firms with local operations include Facebook, Apple, Dropbox and Amazon.

2021 POPULATION

2.3M
Growth
2021-2026
13.2%

2021 HOUSEHOLDS

874K
Growth
2021-2026
14%

2021 MEDIAN AGE

35.2
U.S. Median:
38.4

2021 MEDIAN HH INCOME

\$82,300
U.S. Median:
\$65,700



DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
Population:	9,030	103,139	273,987
Households:	4,325	45,011	116,392
Household Income:	\$96,535	\$110,052	\$117,548

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This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILICHAP AGENT FOR MORE DETAILS.

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property. By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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