

NNN Walgreens - 16 Years Remain Jasper, Indiana



Representative store photo



Exclusive Offering By:

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Offering Memorandum

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Jasper, Indiana

The Property - Investment Summary

Property	NNN Walgreens
Lease Guarantor	Walgreen Co., an Illinois Corporation
Property Address	3626 N Newton Street Jasper, Indiana 47546
Closest Major MSA	Louisville, KY
Store Size	14,550 square feet
Lease Type	NNN - Tenant responsible for all repairs and maintenance including roof, structure, and parking lot
Fee Type	100% Fee-Simple Land and Building
Rent Commencement Date	January 1, 2007
Guaranteed Term Remaining	16 Years. Base Term Expires December 31, 2031
Rent Increases	INITIAL TERM AND OPTIONS - See Rent Roll
Next Rental Increase	January 1, 2017
Renewal Options	Nine Five-Year Options
Current Base Rent	\$286,000
Rent Per Square Foot	\$19.65
Current NOI	\$286,000
Capitalization Rate Year 2	5.4%
16 Year Blended Cap Rate	5.48%
Pricing	\$5,448,000

Representative store photo



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The Property - Property Description

Investment Highlights

- NNN Walgreens (NASDAQ: WBA) Long-Term Lease
- RARE Rental Increases During Initial Term and Options
- Corporate Guaranty: Walgreen Co. (S&P BBB, stable)
- Approximately 16 Years of Guaranteed Base Term Remain
- Building Lease - Depreciable Asset
- Total Estimated Annual Store Sales Exceed \$8 Million
- Current Rent Under \$20 Per Square Foot

Property Description

For sale to qualified investors is an opportunity to own a fee-simple (land and building) NNN Walgreens located in Jasper, Indiana. The lease is absolute triple-net with no landlord obligations, and is corporately signed by Walgreen Co. This lease offers a rare and exceptional quality not often seen from Walgreens; beginning in January 2017, the lease has rental increases every five years during the initial term and options. Unlike the majority of Walgreens leases throughout the country, this lease will allow the investor to increase their yield throughout the entire lease term. Walgreens commenced rent in January of 2007, and has approximately 16 years of guaranteed lease term remaining prior to entering option periods. Additionally, according to the unit's sale tax receipts as compiled by Salesgenie, total annual store volume exceeds \$8 Million, making it the top drugstore in Jasper. The property is located on heavily-trafficked Newton Street in the retail center of Jasper, and is surrounded by other national retailers including Walmart, Home Depot, Sears, Staples, Pet Sense, Shoe Show, Save-a-lot, Fifth Third Bank, Verizon, McDonald's, Applebee's, Arby's, Denny's, Taco Bell, Wendy's, and others.

Jasper, Indiana

Jasper is a city in Dubois County, Indiana, located along the Patoka River. Jasper is the principal city of the Jasper Micropolitan Statistical Area, a trade area that covers Dubois and Pike counties and has a combined population of over 55,000 residents. Jasper has been the county seat of Dubois County since 1830. Jasper has often been called the "Wood Capital of the World", boasting a large number of furniture companies, including Kimball International and Masterbrand Cabinets. Jasper is also home to the Southern Indiana Education Center (SIEC), Jasper Engines & Transmissions (largest re-manufacturer in the market), and a satellite campus of Vincennes University, which combined have over 7,500 employees in the area.



- Jasper was previously ranked in the top 25 in Norman Crampton's book *100 Best Small Towns in America*.
- In 2005, Jasper was ranked in the ten best places to live in the U.S. by *Relocate America*.
- In 2014, movoto.com ranked Jasper fifth on their "10 Best Cities to Live in Indiana" list.
- A 2014 report by safewise.com placed Jasper 8th on the "50 Safest Cities in Indiana" rankings.

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The Property - Property Photos



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Jasper, Indiana

Performance & Tenancy - Rent Roll

Tenant Name	Square		Lease Term		Rental Rates			Recovery	
	Feet	Pro-rata	Begin	End	Begin	Annually	Monthly	Type	Comments/Options
Walgreen Company	14,550	100%	Jan-2007	Dec-2031	Current	\$285,099.96	\$23,833.33	NNN	Tenant is leasing the property on a triple-net basis and pays all expenses directly.
					Jan-2017	\$294,099.96	\$24,508.33		
					Jan-2022	\$298,224.96	\$24,852.08		
					Jan-2027	\$302,556.00	\$25,213.00		
					Options:				
					Jan-2032	\$307,104.00	\$25,592.00		
					Jan-2037	\$311,868.24	\$25,989.02		
					Jan-2042	\$316,893.00	\$26,407.75		
					Jan-2047	\$322,158.00	\$26,846.50		
					Jan-2052	\$327,684.96	\$27,307.08		
					Jan-2057	\$333,489.96	\$27,790.83		
					Jan-2062	\$339,584.04	\$28,298.67		
					Jan-2067	\$345,983.04	\$28,831.92		
					Jan-2072	\$352,703.04	\$29,391.92		
					Jan-2077	\$359,757.96	\$29,979.83		



The Walgreen Company (NASDAQ: WBA) is the largest retail drugstore chain in the United States. As of May 31, 2014, the company operated 8,217 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The company 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 provides access to consumer goods and services, plus pharmacy, photo studio, health and wellness services in the United States through its retail drugstores, Walgreens Health Services division, and Walgreens Health and Wellness division. Walgreens also runs several online stores, including Beauty.com, Drugstore.com and VisionDirect.com. According to the Walgreens.com, as of 2015 they employed 251,000 people and in 2014 had company sales of \$76.4 billion.

NNN Walgreens - 16 Years Remain

Jasper, Indiana

Market Overview - Market Aerial



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Jasper, Indiana

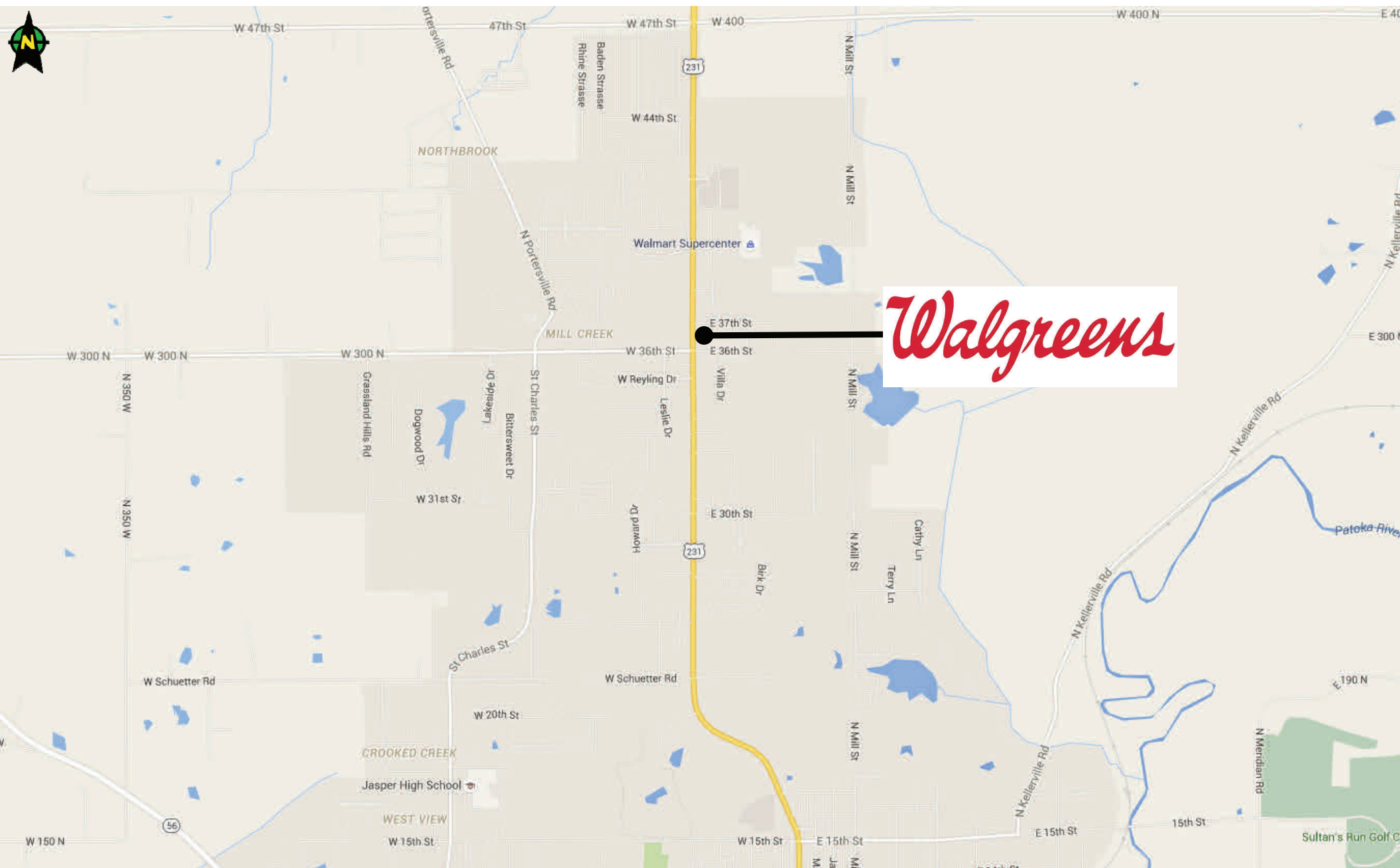
Market Overview - Regional Map



NNN Walgreens - 16 Years Remain

Jasper, Indiana

Market Overview - Local Map



NNN Walgreens - 16 Years Remain

Jasper, Indiana

Market Overview - Demographics

3626 North Newton Street		3 Miles	5 Miles	7 Miles	10 Miles
Jasper, Indiana					
POPULATION	2015 Estimated Population	13,172	19,466	21,639	33,679
	2020 Projected Population	13,584	19,996	22,209	34,509
	2010 Census Population	12,974	19,307	21,470	33,470
	2000 Census Population	12,069	17,788	19,856	31,384
	Projected Annual Growth 2015 to 2020	0.6%	0.5%	0.5%	0.5%
	Historical Annual Growth 2000 to 2015	0.6%	0.6%	0.6%	0.5%
HOUSEHOLDS	2015 Estimated Households	5,494	7,913	8,754	13,469
	2020 Projected Households	5,707	8,188	9,049	13,886
	2010 Census Households	5,249	7,613	8,428	13,006
	2000 Census Households	4,777	6,863	7,623	11,928
	Projected Annual Growth 2015 to 2020	0.8%	0.7%	0.7%	0.6%
	Historical Annual Growth 2000 to 2015	1.0%	1.0%	1.0%	0.9%
AGE	2015 Est. Population Under 10 Years	12.7%	12.6%	12.6%	12.8%
	2015 Est. Population 10 to 19 Years	12.6%	13.3%	13.4%	13.8%
	2015 Est. Population 20 to 29 Years	12.5%	11.7%	11.6%	11.4%
	2015 Est. Population 30 to 44 Years	17.0%	17.1%	17.2%	17.6%
	2015 Est. Population 45 to 59 Years	20.9%	21.8%	22.1%	21.7%
	2015 Est. Population 60 to 74 Years	15.4%	15.3%	15.4%	15.1%
	2015 Est. Population 75 Years or Over	8.9%	8.1%	7.8%	7.5%
	2015 Est. Median Age	40.0	40.2	40.3	39.4
INCOME	2015 Est. HH Income \$200,000 or More	2.5%	3.1%	2.9%	2.2%
	2015 Est. HH Income \$150,000 to \$199,999	3.9%	4.5%	4.5%	3.5%
	2015 Est. HH Income \$100,000 to \$149,999	7.1%	9.4%	9.9%	10.3%
	2015 Est. HH Income \$75,000 to \$99,999	12.3%	14.0%	14.3%	14.5%
	2015 Est. HH Income \$50,000 to \$74,999	26.3%	25.2%	25.2%	24.3%
	2015 Est. HH Income \$35,000 to \$49,999	15.4%	14.7%	14.5%	14.5%
	2015 Est. HH Income \$25,000 to \$34,999	14.8%	12.8%	12.3%	11.4%
	2015 Est. HH Income \$15,000 to \$24,999	9.8%	8.3%	8.3%	10.1%
	2015 Est. HH Income Under \$15,000	7.8%	8.1%	8.1%	9.2%
	2015 Est. Average Household Income	\$65,666	\$69,494	\$69,469	\$65,437
	2015 Est. Median Household Income	\$50,917	\$55,040	\$55,711	\$53,548
	2015 Est. Per Capita Income	\$27,613	\$28,495	\$28,327	\$26,334

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Jasper, Indiana			3 Miles	5 Miles	7 Miles	10 Miles
EDUCATION (Adults 25 or Older)	2015 Est. Adult Population (25 Years or Over)		10,645	15,712	17,480	27,325
	2015 Est. Elementary (Grade Level 0 to 8)		10.1%	9.3%	9.2%	10.9%
	2015 Est. Some High School (Grade Level 9 to 11)		10.7%	10.7%	10.8%	12.5%
	2015 Est. High School Graduate		31.7%	32.0%	32.3%	32.4%
	2015 Est. Some College		15.4%	14.6%	14.5%	14.1%
	2015 Est. Associate Degree Only		9.2%	9.2%	9.2%	8.8%
	2015 Est. Bachelor Degree Only		12.0%	12.1%	11.9%	10.4%
	2015 Est. Graduate Degree		10.8%	12.1%	12.2%	10.9%
HOUSING	2015 Est. Total Housing Units		5,727	8,285	9,204	14,148
	2015 Est. Owner-Occupied		65.2%	68.5%	69.6%	71.0%
	2015 Est. Renter-Occupied		30.7%	27.0%	25.5%	24.2%
	2015 Est. Vacant Housing		4.1%	4.5%	4.9%	4.8%
HOMES BUILT BY YEAR	2010 Homes Built 2005 or later		5.9%	6.3%	6.3%	5.1%
	2010 Homes Built 2000 to 2004		7.7%	8.3%	8.3%	8.0%
	2010 Homes Built 1990 to 1999		15.9%	16.9%	16.9%	16.0%
	2010 Homes Built 1980 to 1989		13.1%	13.4%	13.6%	13.0%
	2010 Homes Built 1970 to 1979		13.6%	13.8%	14.0%	14.7%
	2010 Homes Built 1960 to 1969		11.4%	11.0%	10.7%	9.9%
	2010 Homes Built 1950 to 1959		11.1%	10.5%	10.6%	10.8%
	2010 Homes Built Before 1949		21.3%	19.8%	19.7%	22.5%
HOME VALUES	2010 Home Value \$1,000,000 or More		0.1%	0.1%	0.1%	0.1%
	2010 Home Value \$500,000 to \$999,999		3.2%	2.9%	2.9%	2.5%
	2010 Home Value \$400,000 to \$499,999		1.6%	1.9%	1.9%	1.5%
	2010 Home Value \$300,000 to \$399,999		5.7%	6.6%	6.6%	5.3%
	2010 Home Value \$200,000 to \$299,999		10.4%	13.7%	14.1%	13.7%
	2010 Home Value \$150,000 to \$199,999		16.6%	17.9%	18.2%	17.0%
	2010 Home Value \$100,000 to \$149,999		29.1%	27.1%	26.5%	25.4%
	2010 Home Value \$50,000 to \$99,999		28.1%	24.0%	23.5%	26.6%
	2010 Home Value \$25,000 to \$49,999		1.1%	1.8%	1.9%	3.2%
	2010 Home Value Under \$25,000		4.1%	4.0%	4.3%	4.8%
	2010 Median Home Value		\$132,358	\$141,811	\$141,969	\$132,607
2010 Median Rent		\$512	\$512	\$507	\$499	

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Market Overview - Demographics

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Jasper, Indiana

		3 Miles	5 Miles	7 Miles	10 Miles
LABOR FORCE	2015 Est. Labor Population Age 16 Years or Over	10,469	15,411	17,133	26,495
	2015 Est. Civilian Employed	65.3%	67.1%	67.3%	66.4%
	2015 Est. Civilian Unemployed	2.1%	1.8%	1.8%	2.2%
	2015 Est. in Armed Forces	-	0.1%	-	0.1%
	2015 Est. not in Labor Force	32.7%	31.1%	30.8%	31.3%
	2015 Labor Force Males	48.3%	48.9%	49.2%	49.3%
	2015 Labor Force Females	51.7%	51.1%	50.8%	50.7%
OCCUPATION	2010 Occupation: Population Age 16 Years or Over	5,890	9,271	10,448	16,217
	2010 Mgmt, Business, & Financial Operations	15.4%	15.5%	15.1%	13.1%
	2010 Professional, Related	15.0%	17.9%	17.7%	15.9%
	2010 Service	15.6%	14.2%	14.3%	15.1%
	2010 Sales, Office	24.9%	24.8%	24.8%	23.3%
	2010 Farming, Fishing, Forestry	0.2%	0.2%	0.4%	1.3%
	2010 Construction, Extraction, Maintenance	5.7%	6.2%	6.5%	6.9%
	2010 Production, Transport, Material Moving	23.3%	21.1%	21.3%	24.5%
	2010 White Collar Workers	55.3%	58.2%	57.5%	52.3%
2010 Blue Collar Workers	44.7%	41.8%	42.5%	47.7%	
TRAVEL TIME	2010 Travel to Work in 14 Minutes or Less	60.6%	57.7%	55.8%	49.1%
	2010 Travel to Work in 15 to 29 Minutes	23.6%	26.7%	28.4%	31.9%
	2010 Travel to Work in 30 to 59 Minutes	9.8%	10.3%	10.7%	13.8%
	2010 Travel to Work in 60 Minutes or More	6.0%	5.3%	5.1%	5.1%
	2010 Average Travel Time to Work	12.5	13.1	13.5	15.1
CONSUMER EXPENDITURE	2015 Est. Total Household Expenditure	\$288 M	\$432 M	\$478 M	\$706 M
	2015 Est. Apparel	\$10.0 M	\$15.1 M	\$16.6 M	\$24.5 M
	2015 Est. Contributions, Gifts	\$18.7 M	\$28.4 M	\$31.4 M	\$45.3 M
	2015 Est. Education, Reading	\$10.1 M	\$15.6 M	\$17.2 M	\$25.0 M
	2015 Est. Entertainment	\$16.0 M	\$24.1 M	\$26.7 M	\$39.4 M
	2015 Est. Food, Beverages, Tobacco	\$44.9 M	\$66.9 M	\$74.1 M	\$110 M
	2015 Est. Furnishings, Equipment	\$9.66 M	\$14.7 M	\$16.2 M	\$23.9 M
	2015 Est. Health Care, Insurance	\$25.9 M	\$38.5 M	\$42.6 M	\$63.2 M
	2015 Est. Household Operations, Shelter, Utilities	\$89.3 M	\$134 M	\$148 M	\$218 M
	2015 Est. Miscellaneous Expenses	\$4.31 M	\$6.43 M	\$7.11 M	\$10.5 M
	2015 Est. Personal Care	\$3.74 M	\$5.61 M	\$6.21 M	\$9.17 M
2015 Est. Transportation	\$55.7 M	\$83.3 M	\$92.3 M	\$137 M	