



NEW SMALL-FORMAT WALGREENS – NEAR REGIONAL HOSPITAL

GALAX, VIRGINIA



REPRESENTATIVE PHOTO



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Walgreens NEW SMALL-FORMAT WALGREENS – NEAR REGIONAL HOSPITAL GALAX, VIRGINIA



REPRESENTATIVE PHOTO

PROPERTY	Walgreens
LEASE GUARANTOR	Walgreen Co. (Nasdaq: WBA)
GUARANTOR RATING	Investment Grade - S&P: BBB
ADDRESS	510 East Stuart Street, Galax, Virginia 24333
NEAREST HOSPITAL	Twin County Regional Healthcare (900' West)
LOCATION TYPE	Newest Freestanding Drive-Thru Prototype
LEASE TYPE	Corporate NNN Lease
MARKET	Galax - Grayson County
BUILDING SIZE	2,500 Square Feet
LAND SIZE	0.84 Acres
RENT COMMENCEMENT	Under Construction - Projected April 1, 2023
LEASE EXPIRATION	Projected March 31, 2033
NET OPERATING INCOME	\$118,500
CAP RATE	5.75%
PRICE	\$2,061,000

INVESTMENT HIGHLIGHTS

- Corporate Lease with Walgreen Co. (Nasdaq: WBA)
- Brand New Building with Newest 2,500 SF Drive Thru Prototype
- Walking Distance to Twin County Regional Hospital (Only Hospital in 16 Miles)
- Relocation from Tenured Store Across the Street
- Credit-Rated Tenant (S&P: BBB)
- NNN Lease - Passive Investment Ideal for 1031 Exchange
- 10 Year Initial Lease Term with No Termination Right
- Centrally Located in Regional Market with over 16,000 People

PROPERTY DESCRIPTION

For sale to qualified investors is the fee simple interest in a brand-new corporate lease with Walgreen Co. in Galax, Virginia. The new building is projected to be turned over to Walgreens in early March for a late March 2023 store opening, which will provide the investor with 10 full years of guaranteed lease term plus options. The building is the newest small-format drive-thru prototype for the company and is located within walking distance to Twin County Regional Healthcare's Galax Hospital (<https://www.tcrh.org/>). The modern store design allows Walgreens to cater to their main customers while selling only their highest margin items and focus on primarily on prescriptions and over-the-counter medication. The lease is triple net and features a firm, corporately-guaranteed 10-year initial lease term. Walgreens has operated a full-size store in Galax for many years and chose this site as the relocation of that store and transition to the company's newest prototype. From a long-term investment perspective this asset "checks all of the boxes" with a modern, small drive-thru format, hand's-off corporate lease, and relocation of an already-successful store in the market.



GALAX, VIRGINIA

Galax is a city in southwestern Virginia. As of the 2020 census, the population of Galax itself was 6,720, and in the trade area zip code of 24333 nearly 17,000. The Bureau of Economic Analysis combines the city of Galax with neighboring Carroll County for statistical purposes. Galax is known as the center of the Twin Counties, Grayson and Carroll. The city is the gateway to the Blue Ridge Mountains and is a city rich with tradition, shopping, recreation and scenic beauty. A visit to Galax offers everything from quaint downtown shops to hiking and Old Time Bluegrass Music festivals. It is also home to the largest Old Time Bluegrass Fiddler's Convention as well as the New River Trail. Twin County Regional Healthcare (TCRH) is located in Galax. TCRH is a 141-bed facility that includes acute care, ambulatory care and emergency services. TCRH is considered a rural hospital that serves a large Medicare population as well as a total population of approximately 60,000.



REPRESENTATIVE PHOTO



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TENANT NAME	SQUARE FEET	PRO-RATA	LEASE TERM		RENTAL RATES		RECOVERY TYPE
			BEGIN	END	BEGIN	ANNUALLY	
Walgreen Co.	2,500	100%	Est. 4-1-2023	Est. 3-31-2033	Est. 4-1-2023	\$118,500.00	NNN
					OPTIONS		
					4-1-2033	\$124,425.00	
					4-1-2038	\$130,646.28	
					4-1-2043	\$137,178.60	
4-1-2048	\$144,037.44						

COMMENTS/OPTIONS

Triple-net lease. Tenant shall maintain, repair, and replace all parts of the Premises excepting only the first year after lease commencement during the period of Landlord’s contractor warranty. Tenant has a 15 day right of first refusal to purchase.

Options: Four 5-year options to be exercised no less than 180 days prior to expiration of the current term.



The Walgreen Company (NASDAQ: WBA) is the largest retail drugstore chain in the United States. The company currently operates over 9,100 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. In early 2018, Walgreens began its acquisition of 1,932 Rite Aid stores primarily along the Eastern and Mid-Atlantic states. During the first few months of the acquisitions the pharmacy operations turned over to Walgreens, and in the last phase into 2019 stores were completely converted to Walgreens. 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 2020 they employ over 230,000 people and in 2019 had company sales of \$136.9 billion.



Walgreens Then and Now...

- 1901** Charles R. Walgreen Sr. purchased the Chicago drugstore where he had worked as a pharmacist - and that started the Walgreen chain.
- 1916** Nine stores became incorporated as Walgreen Co.
- 1922** Walgreens invented the malted milkshake. Customers stood three and four deep around the soda fountain to buy the "double-rich chocolate malted milk."
- 1926** The 100th store opened in Chicago.
- 1927** Walgreen Co. stock went public.
- 1950** Walgreens began to build self-service instead of clerk service stores in the Midwest. By 1953, Walgreens was the largest self-service retailer in the country.
- 1975** Walgreens reached \$1 billion in sales.
- 1984** Walgreens opened its 1,000th store, at 1200 N. Dearborn in Chicago.
- 1991** Walgreens opened its first drugstore with a drive-thru pharmacy.
- 1999** Walgreens.com launched a comprehensive online pharmacy, offering customers a convenient and secure way to take care of many pharmaceutical and healthcare needs online.
- 2009** Walgreens opened its first store in Alaska, marking its presence in all 50 states. The company celebrated the opening of its 7,000th store nationwide with a grand opening in Brooklyn, N.Y.
- 2010** Walgreens completed its acquisition of the Duane Reade drugstore chain in New York.
- 2014** Walgreens took its products and services to the four corners of the world with the completion of its merger with Alliance Boots, a leading international pharmacy-led health and beauty group.
- 2017** The FTC approves an agreement for Walgreens Boots Alliance to purchase 1,932 stores from Rite Aid for \$4.38 billion total.
- 2020** Walgreens begins to relocate select stores with expiring leases to their newest 2,000 - 2,500 SF drive-thru prototype.
- 2022** Walgreens reports higher-than-expected 4th quarter sales ending August 31, 2022 of \$32.45 billion and raises guidance for 2023.



VIRGINIA REGIONAL HIGHLIGHTS

- Virginia state is famous for the Pentagon, oysters, the Appalachian Trail, and for its important place in early US history.
- According to US News and World Reports, 47.6% of Virginians are college educated, ranking it amongst the top states in the nation.
- Virginia is bordered by Maryland and Washington D.C., the Atlantic Ocean, North Carolina, Tennessee, Kentucky and West Virginia.
- Virginia is the 12th most populous state, with 8.6 million residents.
- Richmond is the capital city of Virginia with an area population of 1.26 million people, making it the 45th largest metropolitan area in the country.
- The largest city in Virginia by population is Virginia Beach. It is the country's 42nd largest city (population 457,000) and 34th largest metropolitan area (1.44 million).
- Virginia was named after Queen Elizabeth I, who never got married, hence she was famously called the "Virgin Queen".
- The state was given the nickname "Old Dominion", which refers to the fact that Virginia was the first and oldest of the overseas dominions of England.
- The tourism slogan for Virginia, "Virginia is for Lovers", has been used since 1969. It has been called "one of the most iconic and campaigns of the last 50 years."



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SITE

Walgreens

TWIN COUNTY GASTROENTEROLOGY



TWIN COUNTY Regional Hospital
141 BED HOSPITAL
SERVING 60,000 PEOPLE

SORIN MEDICAL

HOPE MEDICAL CLINIC

Wendy's SUBWAY

Aaron's
Galax
Gymnastics

CVS pharmacy

POWER UP

BREWING CREEK BOTTOM COMPANY

SS TIRE

GRANTS IGA SUPERMARKETS

ROSES

Lendmark Financial Services

Advance Auto Parts

17,812 VPO (22)

BLUE RIDGE BOWLING

Auto Zone
Carter Bank & Trust

Speedway

GALAX HEALTH AND REHAB

INSIGHT CAREER SOLUTIONS

Solutions
Property Management

LOWE'S
Walmart
HOBBY LOBBY **BIG LOTS!**
TRACTOR SUPPLY CO.
FOOD CITY

TWIN COUNTY Physician Practices

AMERICAN MIRROR

enterprise

MAURICE VAUGHAN

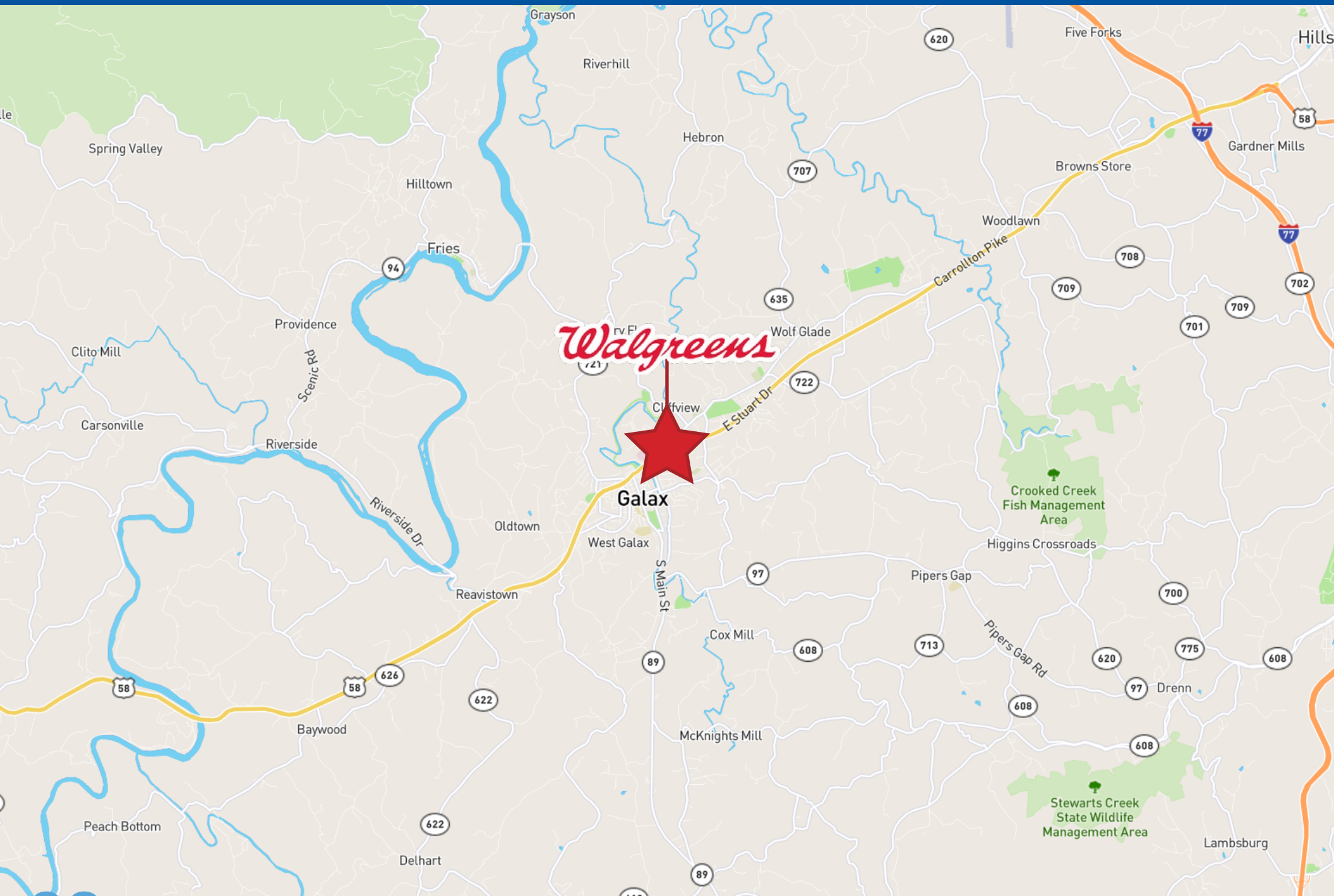
National Bank

AMOCO

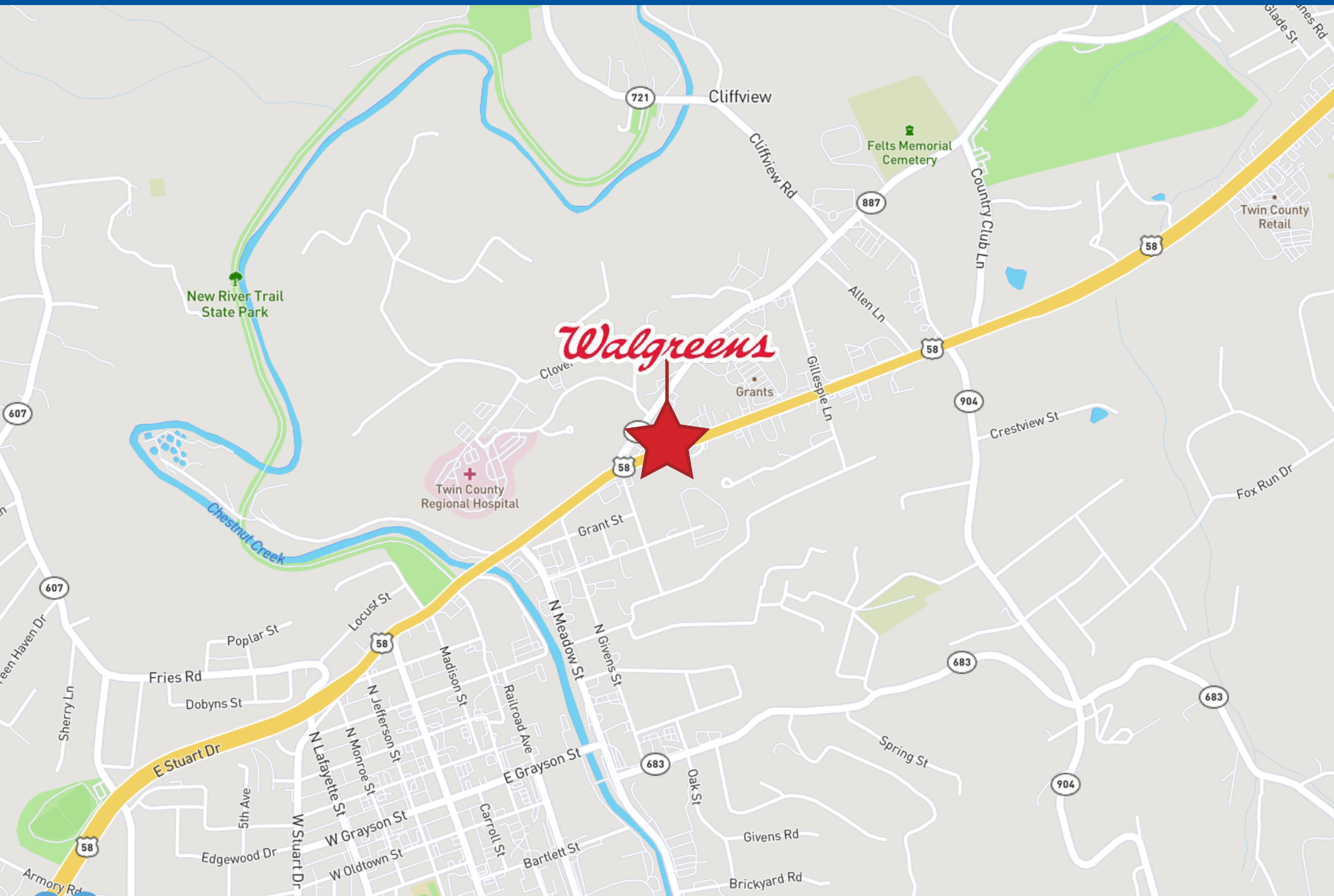
13,854 VPO (22)

CARQUEST AUTO PARTS

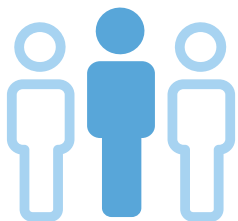
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15 MINUTE RADIUS DEMOGRAPHICS



18,908

Population



45

Median Age



2.3

Average Household Size



AVERAGE

HOUSEHOLD INCOME

\$62,005

10 Minute Radius

\$61,838

15 Minute Radius

\$61,544

20 Minute Radius

	5 MIN	10 MIN	15 MIN	20 MIN
POPULATION				
Current Year Estimated Population	5,611	11,944	18,908	29,091
5 Year Projected Population	5,802	12,131	19,057	29,211
2010 Census Population	5,782	12,097	19,096	29,498
2000 Census Population	5,523	11,700	18,626	29,322
HOUSEHOLDS				
Current Year Estimated Households	2,274	5,066	7,982	12,463
5 Year Projected Households	2,350	5,141	8,042	12,512
2010 Census Households	2,330	5,131	8,035	12,607
2000 Census Households	2,349	5,038	7,906	12,299
AGE				
Est. Population Under 10 Years	10.9%	10.6%	10.5%	10.5%
Est. Population 10-19	12.0%	11.5%	11.4%	11.3%
Est. Population 20-30	12.6%	12.3%	12.2%	12.2%
Est. Population 30-44	17.1%	16.3%	16.1%	15.8%
Est. Population 45-59	18.0%	18.9%	19.2%	19.3%
Est. Population 60-74	18.6%	19.7%	20.1%	20.3%
Est. Population 75 Years or Over	11.0%	10.7%	10.6%	10.6%
INCOME				
Est. HH Inc \$200,000 or more	5.6%	4.1%	3.0%	2.4%
Est. HH Inc \$150,000 to \$199,999	3.5%	2.5%	2.4%	2.3%
Est. HH Inc \$100,000 to \$149,999	7.0%	8.3%	9.0%	9.8%
Est. HH Inc \$75,000 to \$99,999	8.9%	9.7%	10.5%	11.1%
Est. HH Inc \$50,000 to 74,999	13.7%	17.7%	19.6%	19.3%
Est. HH Inc \$35,000 to \$49,999	19.7%	18.1%	18.1%	17.6%
Est. HH Inc \$25,000 to \$34,999	12.6%	12.4%	12.3%	11.9%
Est. HH Inc \$15,000 to \$24,999	14.5%	13.7%	12.9%	13.3%
Est. HH Inc Under \$15,000	14.6%	13.6%	12.2%	12.3%
Est. Average Household Income	\$63,735	\$62,005	\$61,838	\$61,544
Est. Median Household Income	\$41,602	\$42,956	\$44,990	\$45,265
Est. Per Capita Income	\$25,830	\$26,302	\$26,105	\$26,367