



NNN WALGREENS - NEWEST SMALL-FORMAT PROTOTYPE

13415 PENNSYLVANIA AVENUE, HAGERSTOWN, MARYLAND



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PRESENTED BY  **GOODMAN**
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PROPERTY	Walgreens
LEASE GUARANTOR	Walgreen Co. (Nasdaq: WBA)
GUARANTOR RATING	Investment Grade – S&P: BBB
ADDRESS	13415 Pennsylvania Avenue, Hagerstown, MD 21742
LOCATION TYPE	Newest Freestanding Drive-Thru Prototype
LEASE TYPE	Corporate NNN Lease
MARKET	Hagerstown Metropolitan Area
POPULATION	269,140
BUILDING SIZE	2,502 Square Feet
LAND SIZE	0.69 Acres
RENT COMMENCEMENT	July 28, 2022
LEASE EXPIRATION	July 31, 2032
NET OPERATING INCOME	\$119,235
CAP RATE	5.25%
PRICE	\$2,271,000

INVESTMENT HIGHLIGHTS

- Corporate Lease with Walgreen Co. (Nasdaq: WBA)
- Credit-Rated Tenant (S&P: BBB)
- Relocation Store: Moved From Longstanding Inline Location Across the Street
- Brand New Building with Newest 2,500 SF Drive-Thru Prototype
- NNN Lease - Passive Investment Ideal for 1031 Exchange
- 10 Year Initial Lease Term with No Termination Right
- Located in Thriving Business Hub Surrounded by Daytime Employees
- Exceptional Demographics - Located just 30 Miles From Washington D.C.

PROPERTY DESCRIPTION

For sale to qualified investors is the fee simple interest in a brand-new corporate lease with Walgreen Co. in Hagerstown, Maryland. The new building was completed in June 2022 and is the newest small-format drive-thru prototype for the company. This modern store design allows Walgreens to cater to their main customers while selling only their highest margin items and focus primarily on prescriptions and over-the-counter medication. The lease is triple net and features a firm, corporately-guaranteed 10-year initial lease term with options. The property is located less than one block from Volvo's Diesel Engine manufacturing facility with over 1,500 on-site employees. Just north is the Hagerstown Regional Airport, which serves metro population of over 250,000 people. A commerce and transportation hub in its own right, Hagerstown is only 30 miles from greater Washington D.C., which provides daily exchange of workforce and commerce between the two cities. 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, heavy daytime employees surrounded by a growing economy, and synergy with Washington D.C.



HAGERSTOWN, MARYLAND

Greater Hagerstown is the fastest-growing city in Maryland and is the county seat of Washington County. The population was 269,140 as of 2020 and ranks as Maryland's sixth-largest incorporated city and is the largest city in the Panhandle. Hagerstown anchors the Hagerstown metropolitan area, which lies just 30 miles northwest of the Washington-Baltimore CSA in the heart of the Great Appalachian Valley. Hagerstown is a center of transit and commerce. Interstates 81 and 70, CSX, Norfolk Southern, and the Winchester and Western railroads, and Hagerstown Regional Airport form an extensive transportation network for the city. Hagerstown is also the chief commercial and industrial hub for a greater Tri-State Area that includes much of Western Maryland as well as significant portions of South-Central Pennsylvania and the Eastern Panhandle of West Virginia. Hagerstown has often been referred to as, and is nicknamed, the Hub City.



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TENANT NAME	SQUARE FEET	PRO-RATA	LEASE TERM		RENTAL RATES		RECOVERY TYPE
			BEGIN	END	BEGIN	ANNUALLY	
Walgreen Co.	2,502	100%	7-28-2022	7-31-2032	7-28-2022	\$119,235	NNN
					OPTIONS		
					8-1-2032	\$125,196.96	
					8-1-2037	\$131,457.00	
					8-1-2042	\$138,029.04	
					8-1-2047	\$144,930.96	

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.



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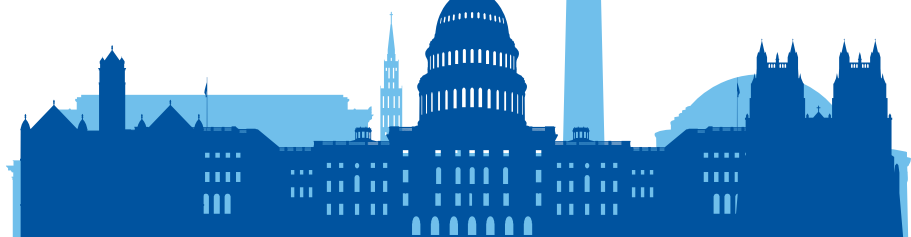
The Walgreen Company (NASDAQ: WBA) is the largest retail drugstore chain in the United States. The company currently operates over 9,100 stores in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. The company was founded in Chicago, Illinois, in 1901. The Walgreens headquarters 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.

WASHINGTON DC FUN FACTS



DC Metro is the
2ND BUSIEST
subway system
in the United States



The region is
projected to see
20 MILLION
domestic visitors
in 2022

In 2021, travelers to
the region spent



in the city, which
supported nearly



At least 26 new hotels or renovations
are in the pipeline, which will add about

**5,900 NEW
OR IMPROVED
ROOMS**



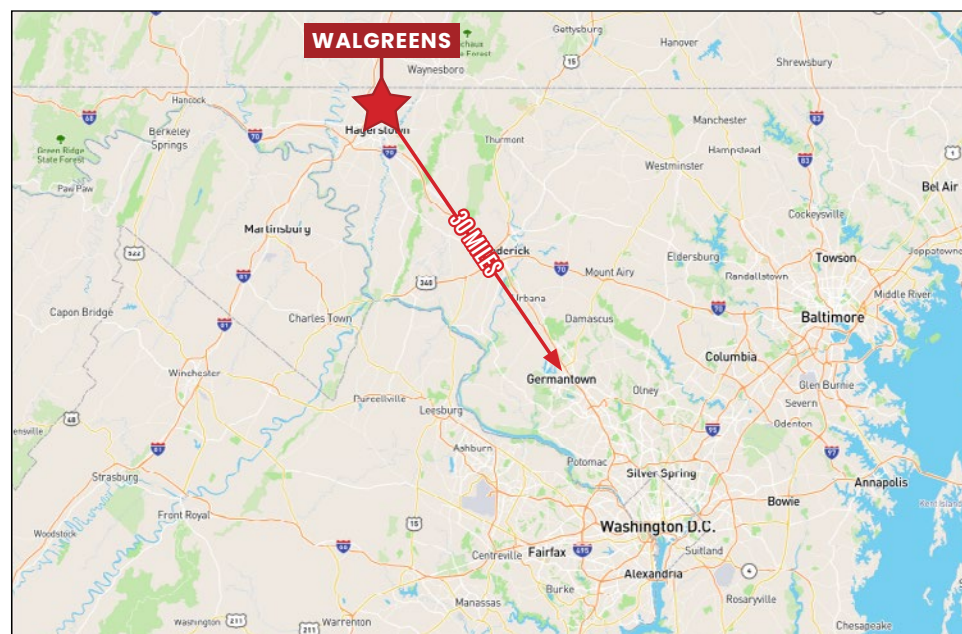
This year there are
19 CITYWIDE CONVENTIONS



bringing an
estimated 394,000
total room nights and
more than
\$265 MILLION

TOP EMPLOYERS

COMPANY	# OF EMPLOYEES
Medstar Health	17,400
Marriott International Inc.	16,700
INOVA Health	16,000
Booz Allen Hamilton	15,200
University of Maryland	14,000
Giant Food	10,000
Deloitte	9,500
CSRA Inc.	9,000
Leidos Holdings Inc.	9,000
Verizon Communications	8,000





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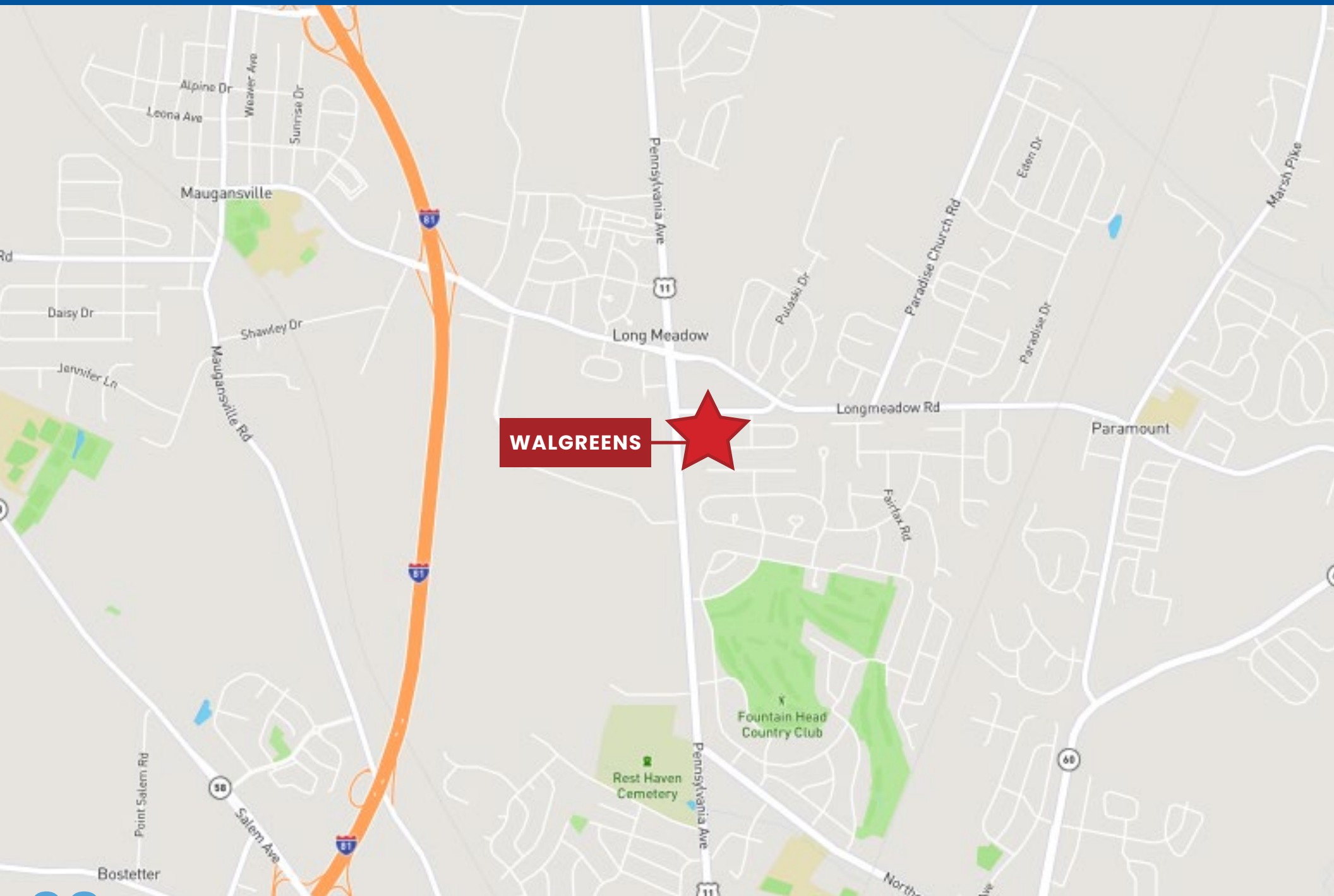






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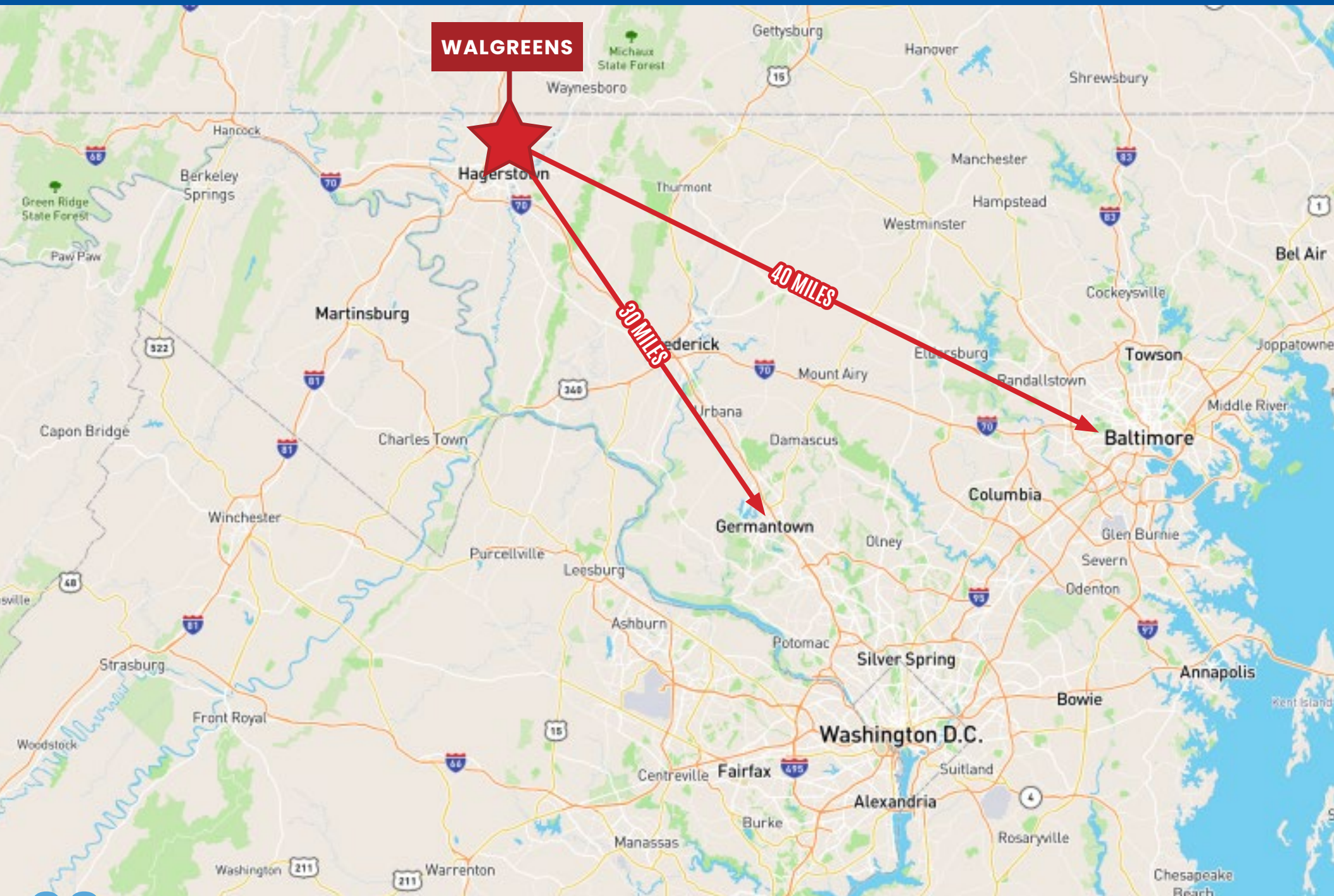
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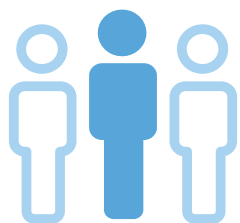


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5 MILE RADIUS DEMOGRAPHICS



78,577

Population



40

Median Age



2.45

Average
Household Size



AVERAGE HOUSEHOLD INCOME

\$97,674

1 Mile Radius

\$73,486

3 Mile Radius

\$71,761

5 Mile Radius



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	1 MILE	3 MILE	5 MILE	7 MILE
POPULATION				
Current Year Estimated Population	3,817	45,556	78,577	108,906
5 Year Projected Population	4,108	48,378	82,985	114,559
2010 Census Population	3,474	41,195	73,077	102,598
2000 Census Population	3,116	36,322	64,933	90,073
HOUSEHOLDS				
Current Year Estimated Households	1,535	18,257	31,540	43,606
5 Year Projected Households	1,653	19,378	33,324	45,887
2010 Census Households	1,412	16,605	29,351	41,106
2000 Census Households	1,096	15,080	26,655	36,469
AGE (2020)				
Est. Population Under 10 Years	10.0%	12.7%	12.6%	12.2%
Est. Population 10-19	12.6%	13.6%	13.4%	13.2%
Est. Population 20-30	13.3%	12.4%	12.3%	12.5%
Est. Population 30-44	14.5%	18.4%	18.4%	17.7%
Est. Population 45-59	20.4%	19.1%	18.9%	19.5%
Est. Population 60-74	20.3%	17.0%	16.8%	17.1%
Est. Population 75 Years or Over	8.8%	6.8%	7.5%	7.7%
INCOME (2020)				
Est. HH Inc \$200,000 or more	7.5%	3.2%	3.0%	3.6%
Est. HH Inc \$150,000 to \$199,999	10.1%	6.0%	5.5%	6.7%
Est. HH Inc \$100,000 to \$149,999	16.4%	12.6%	13.5%	14.7%
Est. HH Inc \$75,000 to \$99,999	15.7%	13.6%	13.1%	13.3%
Est. HH Inc \$50,000 to \$74,999	21.3%	18.7%	18.4%	18.0%
Est. HH Inc \$35,000 to \$49,999	12.3%	14.7%	14.9%	14.6%
Est. HH Inc \$25,000 to \$34,999	5.2%	9.1%	8.8%	8.7%
Est. HH Inc \$15,000 to \$24,999	6.3%	10.6%	11.3%	10.6%
Est. HH Inc Under \$15,000	5.2%	11.5%	11.4%	9.8%
Est. Average Household Income	\$97,674	\$73,486	\$71,761	\$76,538
Est. Median Household Income	\$74,628	\$55,239	\$54,419	\$58,181
Est. Per Capita Income	\$39,281	\$29,451	\$28,804	\$30,646