



# NNN WALGREENS - NEWEST SMALL-FORMAT PROTOTYPE

3059 HALF AVENUE, ST. PAUL, VIRGINIA



REPRESENTATIVE PHOTO



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PRESENTED BY  **GOODMAN INVESTMENT GROUP**



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<b>PROPERTY</b>	Walgreens
<b>LEASE GUARANTOR</b>	Walgreen Co. (Nasdaq: WBA)
<b>GUARANTOR RATING</b>	Investment Grade - S&P: BBB
<b>ADDRESS</b>	3059 Half Avenue, St. Paul, Virginia 24283
<b>LOCATION TYPE</b>	Newest Freestanding Drive-Thru Prototype
<b>RELOCATION STORE</b>	YES - Relocation From In-Line to Freestanding
<b>LEASE TYPE</b>	Corporate NNN Lease
<b>MARKET</b>	St. Paul - Wise County
<b>BUILDING SIZE</b>	2,500 Square Feet
<b>LAND SIZE</b>	0.697 Acres
<b>RENT COMMENCEMENT</b>	January 26, 2023
<b>LEASE EXPIRATION</b>	January 31, 2033
<b>NET OPERATING INCOME</b>	\$110,574.96
<b>CAP RATE</b>	6.75%
<b>PRICE</b>	\$1,638,000





## St. Paul

-A MOVING RIVER EXPERIENCE-



### ST. PAUL, VIRGINIA

St. Paul is located in western Virginia within roughly one hour of Knoxville, Greensboro, and Charlotte. The town is situated in both Russel and Wise counties and is home to the Virginia City Hybrid Energy Center which provides power to over 150,000 homes throughout the area. Located in the Blue Ridge Highlands, residents and tourists alike enjoy the area's natural beauty and close proximity to the Great Smokey Mountains National Park. Also located in St. Paul is Virginia's newest State Park, Clinch River State Park, which is dubbed as a "string of pearls" along the most biodiverse waterway in our hemisphere. The entire area is widely-known for its plentiful outdoor recreation opportunities, a vibrant music and artisan scene, and abundant southern hospitality.



### INVESTMENT HIGHLIGHTS

- Corporate Lease with Walgreen Co. (Nasdaq: WBA)
- Relocation from In-Line Store to Freestanding
- Credit-Rated Tenant (S&P: BBB)
- 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
- Centrally Located with Freeway Visibility and Access
- Highest Cap Rate Offered for a Small-Prototype Walgreens on the Market

### PROPERTY DESCRIPTION

For sale to qualified investors is the fee simple interest in a brand-new corporate lease with Walgreen Co. in St. Paul, Virginia. The new building was completed in January 2023 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. Walgreens has operated a full-size store in St. Paul 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.





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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%	1-26-2023	1-31-2033	1-26-2023	\$110,574.96	NNN
					<b>OPTIONS</b>		
					2-1-2033	\$116,103.96	
					2-1-2038	\$121,908.96	
					2-1-2043	\$128,004.00	
2-1-2048	\$134,405.04						

## 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.







## 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."







JOHNNIE RAMEY DR

DOLLAR GENERAL

ROSES ABC

WISE ST

SITE  
**Walgreens**

Miners Exchange Bank

GAS 'N GO

FOOD CITY

HALF AVE

Advance Auto Parts



HUDDLE HOUSE

TACO BELL

HMG  
HOLSTON MEDICAL GROUP

Hardee's

M  
MARATHON

Steph & Andy's PIZZA PLUS

7,900 VPD (22)

BULL RUN RD



BUSH PL

INDUSTRIAL PARK RD





**DOLLAR GENERAL**

**SITE**  
*Walgreens*

*Roses* **VABC**

**HALF AVE**

**Advance  
Auto Parts**

**0.697 ACRES**

**HUDDLE  
HOUSE**

**TACO  
BELL**

**HMG**  
HOLSTON MEDICAL GROUP

**JOHNNIE RAMEY DR**

**7,900 VPD (22)**

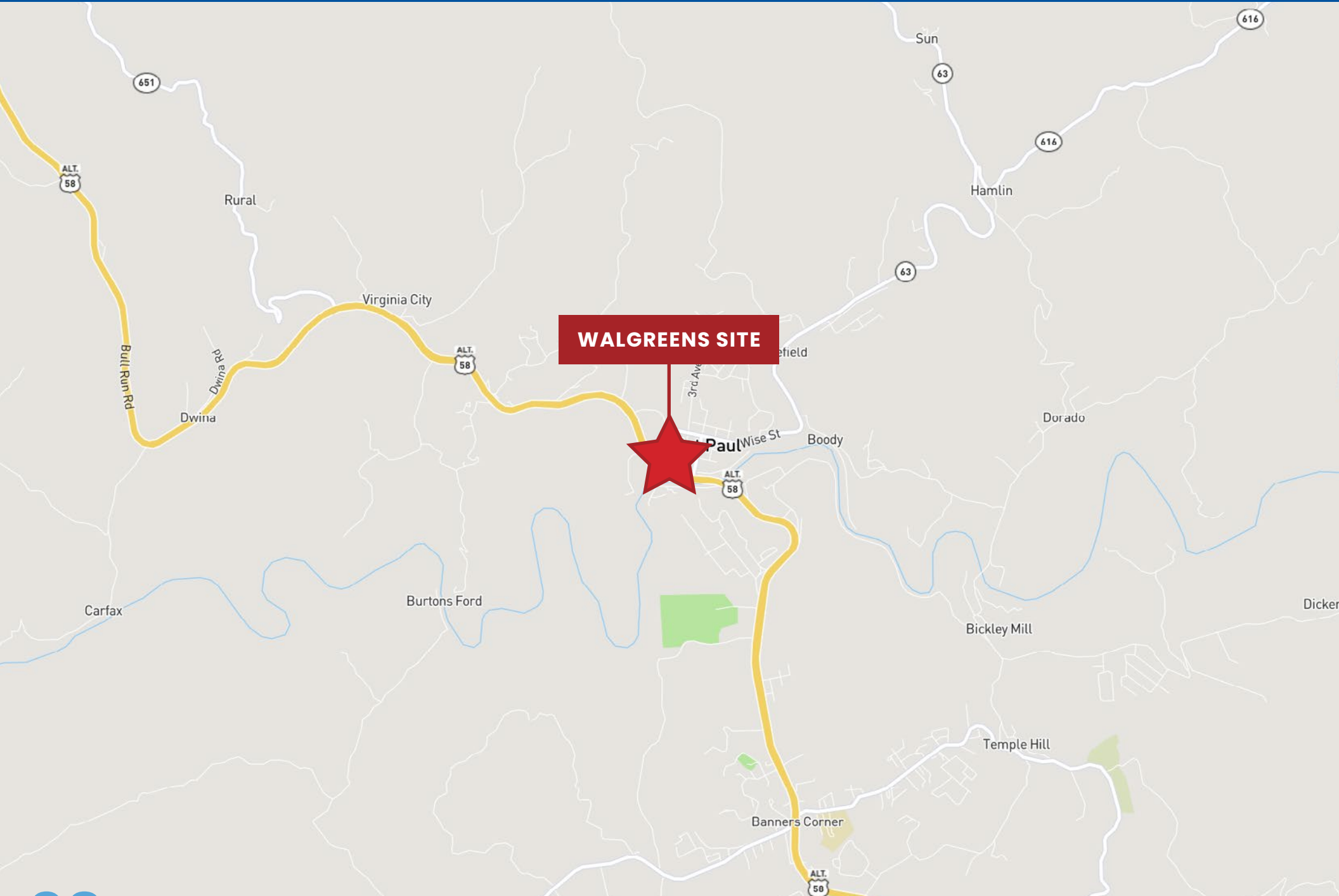
**BULL RUN RD**





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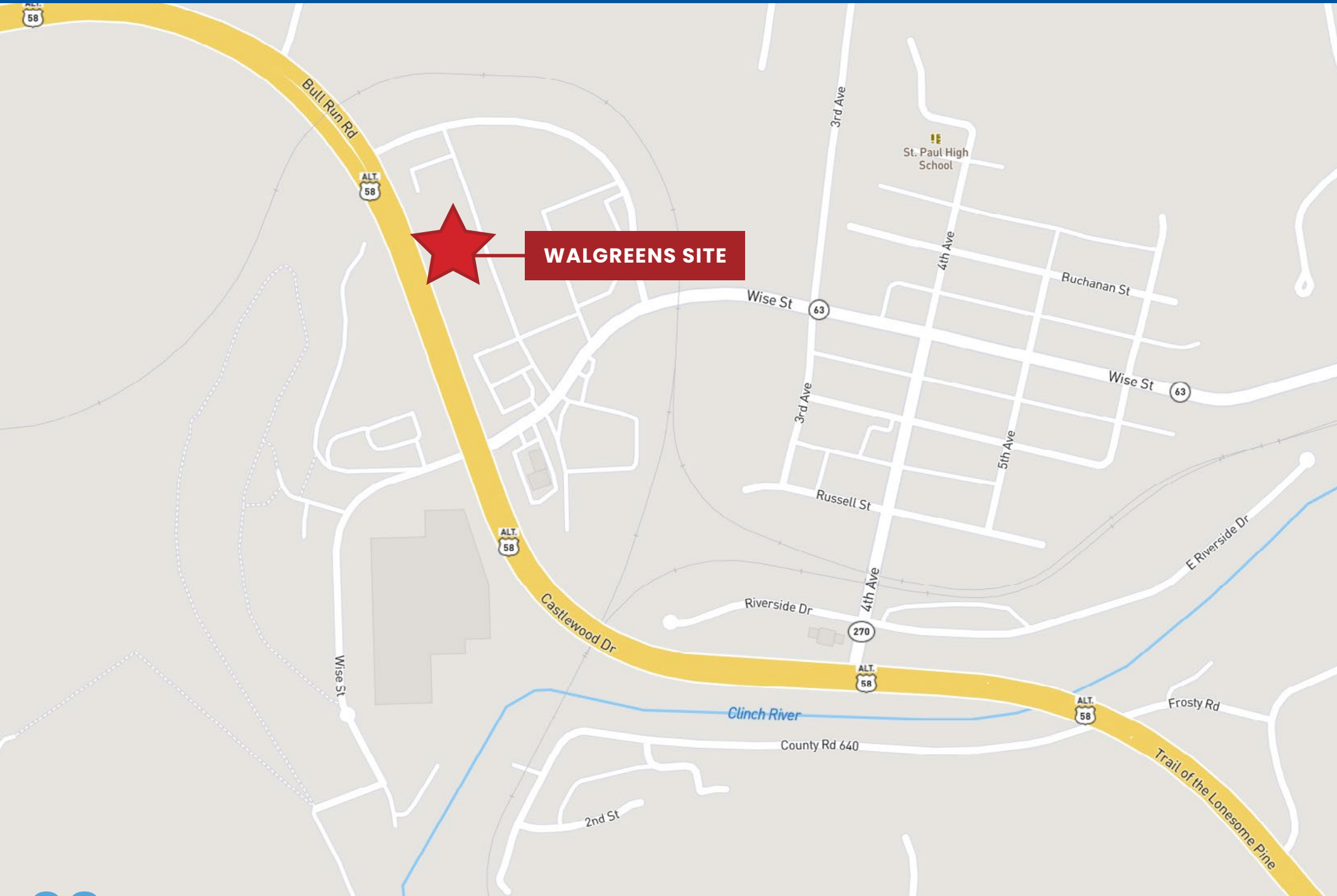
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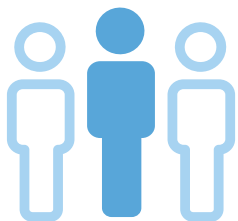
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## 15 MINUTE DRIVE TIME RADIUS DEMOGRAPHICS



**9,665**

Population



**44**

Median Age



**2.39**

Average Household Size



**AVERAGE**

**HOUSEHOLD INCOME**

**\$49,559**

10 Minute Radius

**\$48,374**

15 Minute Radius

**\$48,632**

20 Minute Radius



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	10 MINUTES	15 MINUTES	20 MINUTES
<b>POPULATION</b>			
Current Year Estimated Population	4,535	9,665	17,516
5 Year Projected Population	4,556	9,716	17,614
2010 Census Population	4,771	10,096	17,577
2000 Census Population	4,929	10,176	17,802
<b>HOUSEHOLDS</b>			
Current Year Estimated Households	1,919	3,988	7,223
5 Year Projected Households	1,929	4,009	7,266
2010 Census Households	2,028	4,171	7,247
2000 Census Households	2,016	4,060	7,333
<b>AGE</b>			
Est. Population Under 10 Years	11.0%	11.1%	11.0%
Est. Population 10-19	10.8%	11.1%	11.3%
Est. Population 20-30	11.7%	11.9%	12.3%
Est. Population 30-44	16.5%	16.5%	16.7%
Est. Population 45-59	19.6%	19.8%	19.8%
Est. Population 60-74	21.4%	20.7%	20.3%
Est. Population 75 Years or Over	9.1%	8.8%	8.6%
<b>INCOME</b>			
Est. HH Inc \$200,000 or more	0.6%	0.5%	0.6%
Est. HH Inc \$150,000 to \$199,999	1.2%	1.1%	1.0%
Est. HH Inc \$100,000 to \$149,999	8.4%	7.5%	7.2%
Est. HH Inc \$75,000 to \$99,999	11.5%	10.5%	10.7%
Est. HH Inc \$50,000 to 74,999	19.4%	19.4%	19.5%
Est. HH Inc \$35,000 to \$49,999	11.8%	13.7%	14.5%
Est. HH Inc \$25,000 to \$34,999	10.6%	12.0%	11.7%
Est. HH Inc \$15,000 to \$24,999	15.1%	14.4%	13.5%
Est. HH Inc Under \$15,000	21.2%	21.0%	21.3%
Est. Average Household Income	\$49,559	\$48,374	\$48,632
Est. Median Household Income	\$38,943	\$37,967	\$38,865
Est. Per Capita Income	\$20,974	\$19,957	\$20,055

