

**25 years guaranteed!** New Walgreens deals are only 15 years firm



***Walgreens***

**\$12,842,000**

**4.75%  
Cap Rate**

Walgreens Pharmacy #15238

## **Prime New York Metro**

- **Last Walgreens on the market with 25 Years of guaranteed rent**
- Relocation of a successful store that operated inline across the street; sales volumes above average
- **Very affluent community with rare combination of high incomes (\$116,000) and dense population**
- 47,992 cars per day at intersection
- **True NNN lease with no management responsibilities**
- Walgreens corporate, investment grade credit guarantees the rent



**John Giordani**  
**Art Griffith**  
(415) 685-3035  
team@deerfieldteam.com

## Edison, New Jersey



## Investment Summary

Demographic Snapshot		
	Residents	Average Income
1 Mile Radius	18,255	\$111,113
3 Mile Radius	130,091	\$116,151
5 Mile Radius	316,683	\$106,625

**Price** \$12,842,000

**CAP Rate** 4.75%

**Avg. Annual Income** \$610,000

**Years Guaranteed** 25 years

***This is the last opportunity for an investor to acquire a Walgreens drugstore property with 25 years of guaranteed rent. New leases being signed by Walgreens are only firm for 15 years.***

This store is a relocation of an inline store that operated directly across the street. The selling area was tripled in size. This store benefits from no CVS/pharmacy competition in the trade area.

This is a highly affluent market with one of the highest densities of Indian population in the New York metro area. The store opened for business January 29, 2016 to the general public.

Edison, New Jersey was ranked the 28th most-livable small city in the United States by CNN Money Magazine, and second in New Jersey in Money Magazine's "Best Places To Live". Money Magazine also ranked the township 35th out of the top 100 places to live in the United States. In a survey of America's Safest Cities, the township was ranked 23rd, out of 371 cities included nationwide. Edison is also ranked as one of "America's 10 Best Places to Grow Up" by U.S. News & World Report. The rankings focused on low crime, strong schools, green spaces, and abundance of recreational activities.



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Hard Corner Location with High Traffic Volumes



***High traffic corner location sees 47,992 cars per day!***

Wood Avenue running North and South = 30,000 cars per day

Oak Tree Road running East and West = 17,992 cars per day

## Property Details and Lease Summary

**Address** NWC of Wood Avenue and Oak Tree, Edison, NJ

**Year Built** 2015

**Building Size** 13,738 Square Feet (9,433 sq.ft. sales floor; 4,305 sq.ft. basement)

**Lot Size** 0.53 acres

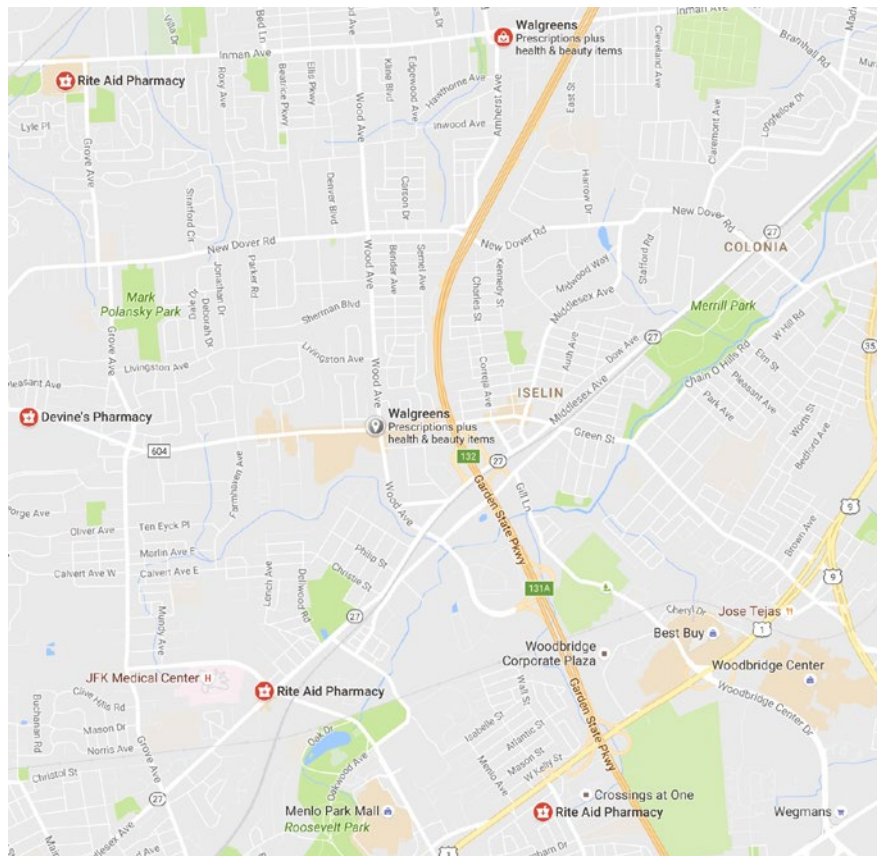
**Tenant** Walgreens (NASDAQ:WBA)

**Rent Start Date** January 18, 2016

**Lease End Date** January 31, 2091

**Options to Terminate** Tenant may terminate every five (5) years, with 6 months notice, after the 300th month (January 31, 2041).

**Well positioned in dense residential with no competition in 1.5 miles**



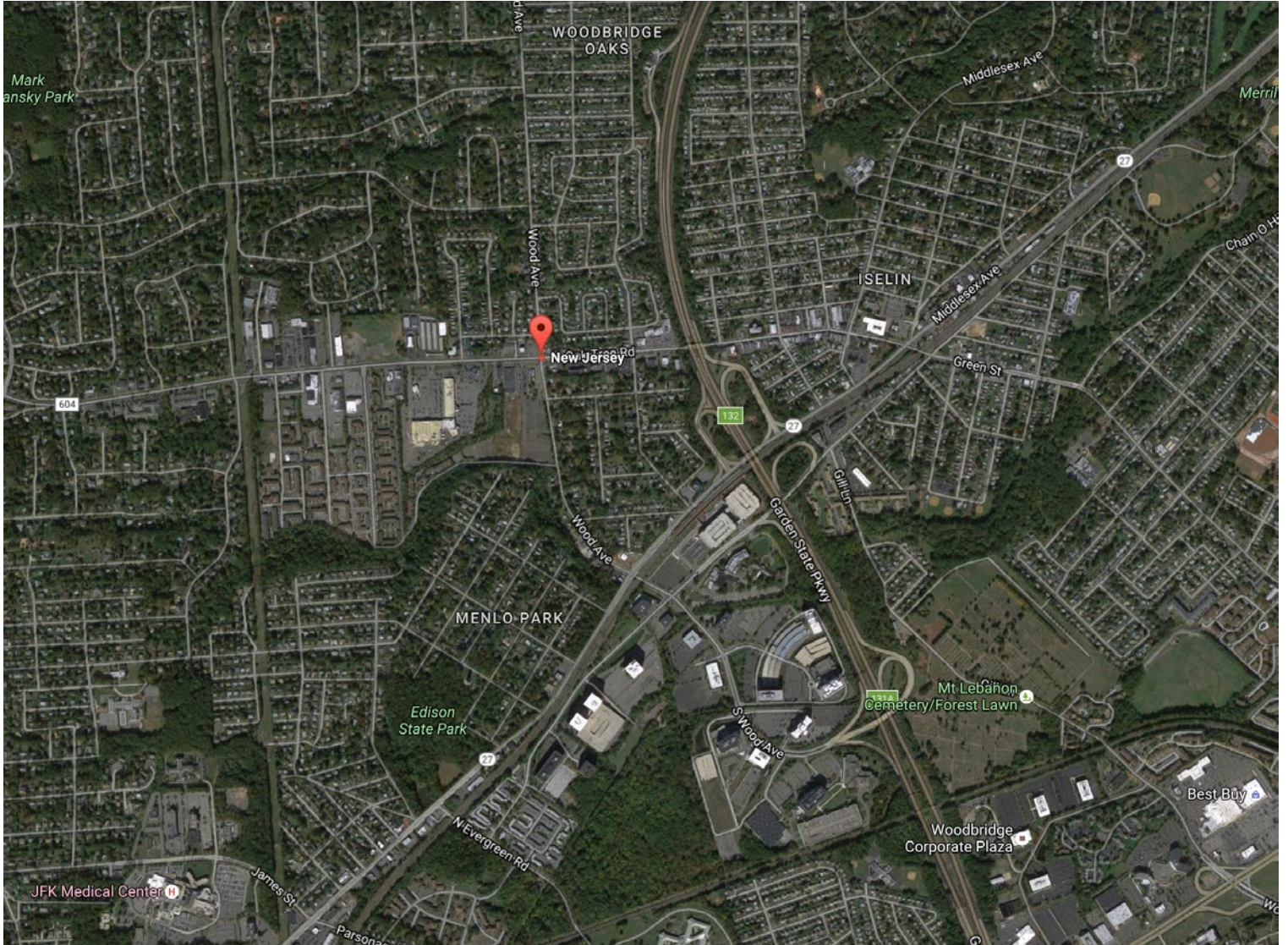


Additional Store Photos

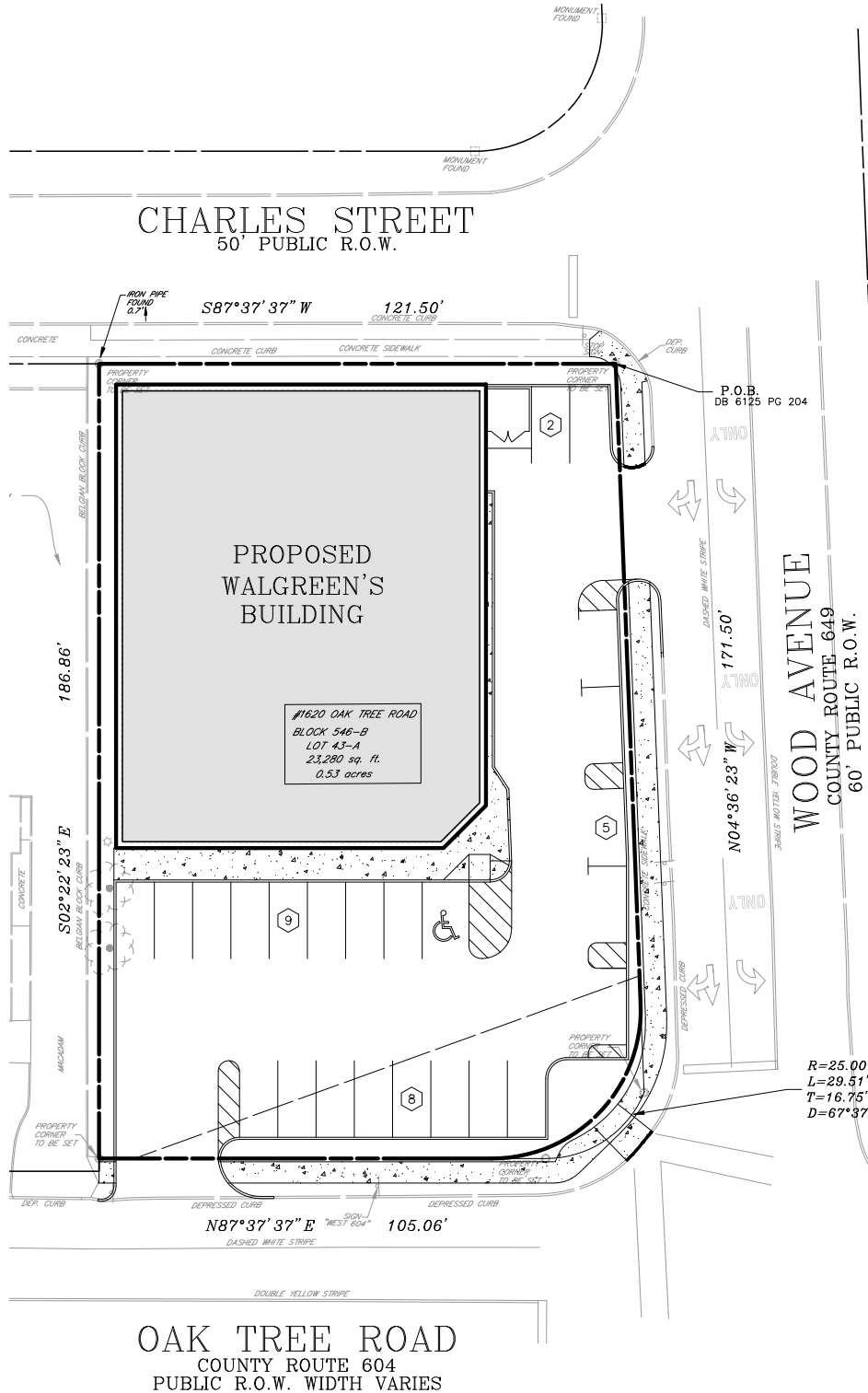




Aerial of Surrounding Area



Site Plan







## About Walgreens Boots Alliance

Walgreens Boots Alliance is the first global pharmacy-led, health and wellbeing enterprise in the world. Our purpose is to help people across the world lead healthier and happier lives.

Walgreens Boots Alliance was created through the combination of Walgreens and Alliance Boots in December 2014. This transaction brought together two leading companies with iconic brands, complementary geographic footprints, shared values and a heritage of trusted healthcare services through pharmaceutical wholesaling and community pharmacy care, dating back more than 100 years.

The Company, with a presence in more than 25 countries, employs over 370,000 people and is the largest retail pharmacy, health and daily living destination in the USA and Europe.

The Company's size, scale, and expertise will help us to expand the supply, and address the rising cost of, prescription drugs in the USA and worldwide.

By leveraging these advantages and opportunities, as well as the full benefit of our best practices and expertise, Walgreens Boots Alliance will be positioned to create substantial incremental efficiency, synergy and growth opportunities.

The creation of Walgreens Boots Alliance provides an opportunity to further accelerate the development of a fully integrated, global platform for the future to provide innovative ways to address health and wellness challenges. Our Company is well positioned to expand customer offerings in existing markets and become the health and wellbeing partner of choice in emerging markets.





## Walgreens Boots Alliance -- Segment Structure



## Walgreens Boots Alliance -- Retail Pharmacy USA Division

The Retail Pharmacy USA Division's principal retail pharmacy brands are Walgreens and Duane Reade. Together, they form the largest drugstore chain in the USA.

This Division operates 8,240 drugstores in 50 states, the District of Columbia, Puerto Rico and the US Virgin Islands. As of August 2014, approximately 76% of the population of the USA lives within five miles of a Walgreens.

The company sells prescription and non-prescription drugs, as well as general merchandise, including household items, convenience and fresh foods, personal care, beauty care, photofinishing and candy. They provide customers with convenient, omni-channel access to consumer goods and services, pharmacy, and health and wellness services in communities across America.

The company's websites, which include Walgreens.com and drugstore.com, receive an average of approximately 60 million visits per month. Integrated with an e-commerce platform, the Walgreens mobile application allows customers to refill prescriptions through scan technology, receive text messages alerting when a refill is due and other front-end functionality, such as photo and shopping features.

Prescription drugs account for 64 percent of sales, while retail products are 36 percent. Overall, WBA filled approximately 699 million prescriptions in 2014.

## 3Q15 Financial Performance – Retail Pharmacy USA

GAAP	\$ million
<b>Total Sales</b>	<b>\$20,425</b>
<b>Gross Profit</b>	<b>\$5,527</b>
<b>SG&amp;A</b>	<b>\$4,494</b>
<b>Operating Income</b>	<b>\$1,033</b>
<b>Operating Margin</b>	<b>5.1%</b>



## Edison, New Jersey



## Walgreens Properties Nationwide

The Company's locations, including drugstores, infusion and respiratory service facilities, specialty pharmacies and mail service facilities at August 31, 2014 and 2013 are listed below.

	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
Alabama	115	113	Louisiana	154	152	Oklahoma	117	121
Alaska	8	7	Maine	15	15	Oregon	77	80
Arizona	250	258	Maryland	89	80	Pennsylvania	131	138
Arkansas	83	78	Massachusetts	168	185	Rhode Island	26	29
California	646	663	Michigan	232	232	South Carolina	110	119
Colorado	160	172	Minnesota	154	164	South Dakota	14	14
Connecticut	95	125	Mississippi	78	79	Tennessee	254	271
Delaware	65	66	Missouri	219	221	Texas	712	729
District of Columbia	6	5	Montana	14	14	Utah	48	45
Florida	861	881	Nebraska	60	62	Vermont	3	4
Georgia	204	208	Nevada	84	92	Virginia	141	149
Hawaii	19	17	New Hampshire	32	36	Washington	139	140
Idaho	40	42	New Jersey	191	215	West Virginia	17	23
Illinois	610	620	New Mexico	69	68	Wisconsin	228	234
Indiana	201	218	New York	486	527	Wyoming	11	11
Iowa	70	72	North Carolina	263	221	Guam	0	1
Kansas	70	72	North Dakota	1	1	Puerto Rico	120	118
Kentucky	98	103	Ohio	250	272	U.S. Virgin Islands	1	0
						TOTAL	8,309	8,582

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Art Griffith

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team@deerfieldteam.com



## Edison, New Jersey



## Income Statements Trailing 5 Years

Fiscal year is September-August. All values USD Millions.						
	2010	2011	2012	2013	2014	5-year trend
<b>+ Sales/Revenue</b>	\$67,420	\$72,184	\$71,633	\$72,217	\$76,392	
<b>+ Cost of Goods Sold (COGS) incl. D&amp;A</b>	48,399	51,692	51,291	51,098	54,823	
COGS excluding D&A	47,369	50,606	50,125	49,815	53,507	
Depreciation & Amortization Expense	1,030	1,086	1,166	1,283	1,316	
Depreciation	848	867	911	894	923	
Amortization of Intangibles	182	219	255	389	393	
Amortization of Deferred Charges	-	0	0	-	-	
<b>+ Gross Income</b>	19,021	20,492	20,342	21,119	21,569	
	2010	2011	2012	2013	2014	5-year trend
<b>+ SG&amp;A Expense</b>	15,208	16,443	16,782	17,325	17,647	
Research & Development	-	0	0	0	0	
Other SG&A	15,208	16,443	16,782	17,325	17,647	
Other Operating Expense	0	0	0	0	0	
Unusual Expense	354	118	117	107	(21)	
Non Operating Income/Expense	0	434	0	29	(847)	
Non-Operating Interest Income	0	0	0	0	0	
Equity in Affiliates (Pretax)	-	-	-	344	617	
<b>+ Interest Expense</b>	86	71	67	165	156	
Gross Interest Expense	98	81	76	172	162	
Interest Capitalized	12	10	9	7	6	
<b>+ Pretax Income</b>	3,373	4,294	3,376	3,895	3,557	
Income Tax	1,282	1,580	1,249	1,445	1,526	
Income Tax - Current Domestic	-	1,448	1,010	1,256	1,316	
Income Tax - Current Foreign	-	-	-	15	35	
Income Tax - Deferred Domestic	-	132	239	172	180	
Income Tax - Deferred Foreign	-	-	-	2	(5)	
Other After Tax Income (Expense)	0	0	0	0	0	
Consolidated Net Income	2,091	2,714	2,127	2,450	2,031	
Minority Interest Expense	0	0	0	0	99	
<b>+ Net Income</b>	2,091	2,714	2,127	2,450	1,932	

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## Demographics - 1 Mile Radius

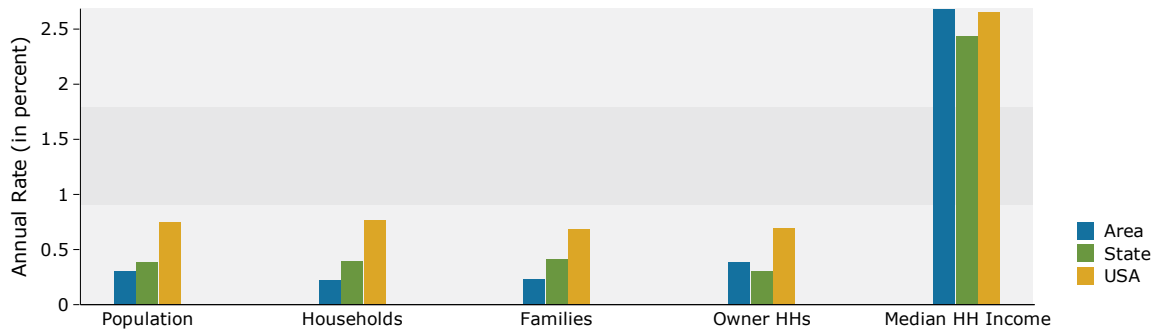


## Demographic and Income Profile

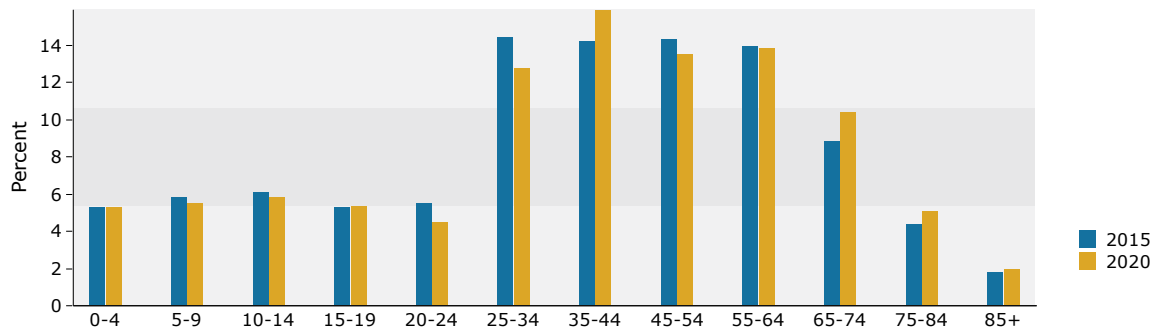
Wood Ave & Oak Tree Rd, Edison, New Jersey, 08820  
Ring: 1 mile radius

Prepared by Esri  
Latitude: 40.57300  
Longitude: -74.33608

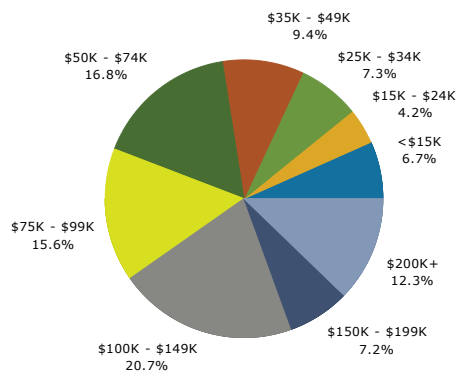
## Trends 2015-2020



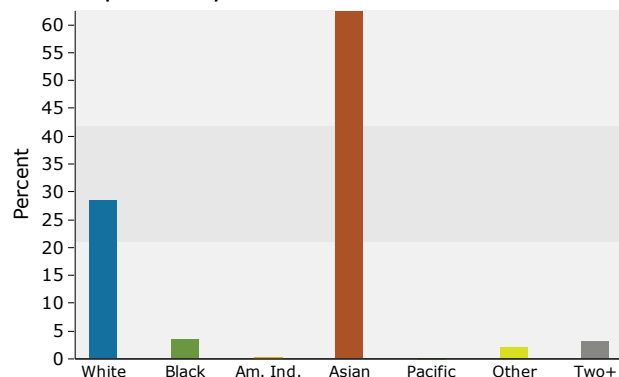
## Population by Age



## 2015 Household Income



## 2015 Population by Race



2015 Percent Hispanic Origin: 5.9%

## Edison, New Jersey



## Demographics - 1 Mile Radius



## Demographic and Income Profile

Wood Ave & Oak Tree Rd, Edison, New Jersey, 08820  
Ring: 1 mile radius

Prepared by Esri  
Latitude: 40.57300  
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Summary	Census 2010		2015		2020			
Population	18,223		18,255		18,539			
Households	5,906		5,878		5,943			
Families	4,840		4,822		4,878			
Average Household Size	3.08		3.10		3.12			
Owner Occupied Housing Units	3,582		3,546		3,615			
Renter Occupied Housing Units	2,324		2,332		2,328			
Median Age	38.9		40.2		41.4			
Trends: 2015 - 2020 Annual Rate	Area		State		National			
Population	0.31%		0.39%		0.75%			
Households	0.22%		0.40%		0.77%			
Families	0.23%		0.42%		0.69%			
Owner HHs	0.39%		0.31%		0.70%			
Median Household Income	2.69%		2.44%		2.66%			
Households by Income			2015		2020			
			Number	Percent	Number	Percent		
<\$15,000			391	6.7%	332	5.6%		
\$15,000 - \$24,999			244	4.2%	172	2.9%		
\$25,000 - \$34,999			427	7.3%	276	4.6%		
\$35,000 - \$49,999			551	9.4%	494	8.3%		
\$50,000 - \$74,999			987	16.8%	970	16.3%		
\$75,000 - \$99,999			917	15.6%	893	15.0%		
\$100,000 - \$149,999			1,214	20.7%	1,473	24.8%		
\$150,000 - \$199,999			423	7.2%	473	8.0%		
\$200,000+			724	12.3%	861	14.5%		
Median Household Income			\$82,532		\$94,225			
Average Household Income			\$111,113		\$128,670			
Per Capita Income			\$35,545		\$40,991			
Population by Age			Census 2010		2015		2020	
			Number	Percent	Number	Percent	Number	Percent
0 - 4			1,037	5.7%	968	5.3%	977	5.3%
5 - 9			1,096	6.0%	1,067	5.8%	1,014	5.5%
10 - 14			1,046	5.7%	1,121	6.1%	1,082	5.8%
15 - 19			1,147	6.3%	971	5.3%	1,010	5.4%
20 - 24			1,098	6.0%	1,010	5.5%	840	4.5%
25 - 34			2,674	14.7%	2,625	14.4%	2,365	12.8%
35 - 44			2,614	14.3%	2,597	14.2%	2,941	15.9%
45 - 54			2,882	15.8%	2,612	14.3%	2,503	13.5%
55 - 64			2,283	12.5%	2,538	13.9%	2,561	13.8%
65 - 74			1,337	7.3%	1,609	8.8%	1,934	10.4%
75 - 84			729	4.0%	811	4.4%	949	5.1%
85+			280	1.5%	327	1.8%	363	2.0%
Race and Ethnicity			Census 2010		2015		2020	
			Number	Percent	Number	Percent	Number	Percent
White Alone			5,865	32.2%	5,207	28.5%	4,588	24.7%
Black Alone			588	3.2%	627	3.4%	651	3.5%
American Indian Alone			43	0.2%	41	0.2%	42	0.2%
Asian Alone			10,829	59.4%	11,411	62.5%	12,233	66.0%
Pacific Islander Alone			1	0.0%	1	0.0%	1	0.0%
Some Other Race Alone			352	1.9%	390	2.1%	427	2.3%
Two or More Races			545	3.0%	577	3.2%	597	3.2%
Hispanic Origin (Any Race)			957	5.3%	1,073	5.9%	1,189	6.4%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

John Giordani  
Art Griffith

(415) 685-3035

team@deerfieldteam.com





## Edison, New Jersey



## Demographics - 3 Mile Radius

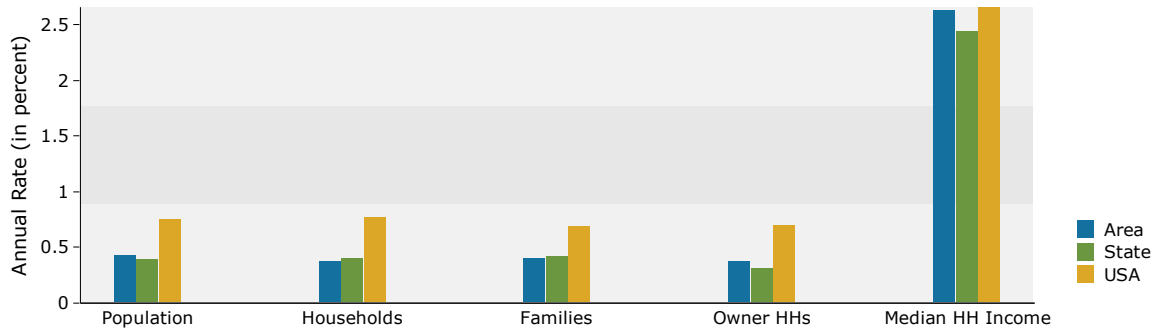


## Demographic and Income Profile

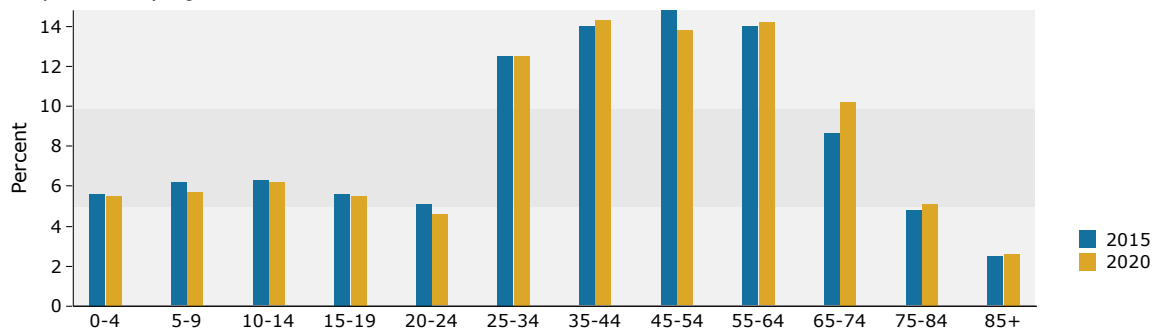
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Ring: 3 mile radius

Prepared by Esri  
Latitude: 40.57300  
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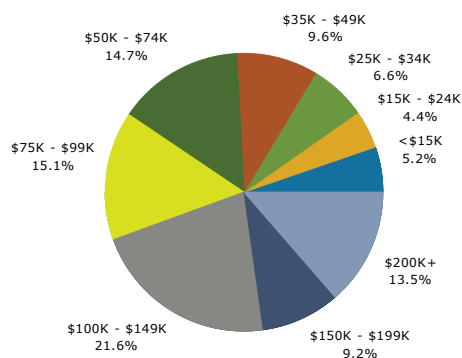
## Trends 2015-2020



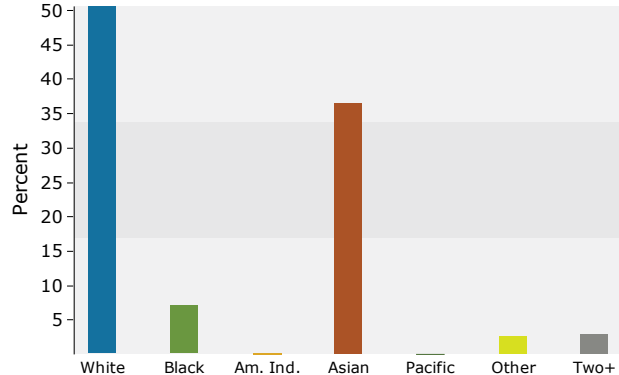
## Population by Age



## 2015 Household Income



## 2015 Population by Race



2015 Percent Hispanic Origin: 9.9%

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team@deerfieldteam.com



## Edison, New Jersey



## Demographics - 3 Mile Radius



## Demographic and Income Profile

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Ring: 3 mile radius

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Summary	Census 2010		2015		2020	
Population	128,739		130,091		132,883	
Households	45,819		46,208		47,096	
Families	34,967		35,308		36,017	
Average Household Size	2.79		2.79		2.80	
Owner Occupied Housing Units	33,124		32,761		33,384	
Renter Occupied Housing Units	12,695		13,447		13,712	
Median Age	40.2		41.2		41.9	
Trends: 2015 - 2020 Annual Rate	Area		State		National	
Population	0.43%		0.39%		0.75%	
Households	0.38%		0.40%		0.77%	
Families	0.40%		0.42%		0.69%	
Owner HHs	0.38%		0.31%		0.70%	
Median Household Income	2.63%		2.44%		2.66%	
Households by Income			2015		2020	
			Number	Percent	Number	Percent
<\$15,000			2,424	5.2%	2,064	4.4%
\$15,000 - \$24,999			2,043	4.4%	1,443	3.1%
\$25,000 - \$34,999			3,054	6.6%	2,008	4.3%
\$35,000 - \$49,999			4,454	9.6%	4,001	8.5%
\$50,000 - \$74,999			6,789	14.7%	6,733	14.3%
\$75,000 - \$99,999			6,964	15.1%	6,849	14.5%
\$100,000 - \$149,999			9,990	21.6%	11,653	24.7%
\$150,000 - \$199,999			4,257	9.2%	5,150	10.9%
\$200,000+			6,234	13.5%	7,195	15.3%
Median Household Income			\$88,828		\$101,161	
Average Household Income			\$116,151		\$132,081	
Per Capita Income			\$41,225		\$46,759	
Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	7,753	6.0%	7,280	5.6%	7,339	5.5%
5 - 9	7,913	6.1%	8,036	6.2%	7,565	5.7%
10 - 14	7,966	6.2%	8,201	6.3%	8,190	6.2%
15 - 19	7,748	6.0%	7,253	5.6%	7,312	5.5%
20 - 24	6,518	5.1%	6,665	5.1%	6,052	4.6%
25 - 34	16,888	13.1%	16,292	12.5%	16,590	12.5%
35 - 44	18,763	14.6%	18,208	14.0%	19,045	14.3%
45 - 54	20,640	16.0%	19,192	14.8%	18,286	13.8%
55 - 64	16,291	12.7%	18,185	14.0%	18,811	14.2%
65 - 74	9,040	7.0%	11,245	8.6%	13,525	10.2%
75 - 84	6,328	4.9%	6,263	4.8%	6,772	5.1%
85+	2,892	2.2%	3,270	2.5%	3,396	2.6%
Race and Ethnicity	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
White Alone	70,413	54.7%	65,890	50.6%	61,789	46.5%
Black Alone	8,420	6.5%	9,211	7.1%	9,896	7.4%
American Indian Alone	286	0.2%	291	0.2%	304	0.2%
Asian Alone	43,334	33.7%	47,449	36.5%	52,674	39.6%
Pacific Islander Alone	38	0.0%	38	0.0%	39	0.0%
Some Other Race Alone	2,923	2.3%	3,451	2.7%	4,027	3.0%
Two or More Races	3,324	2.6%	3,761	2.9%	4,155	3.1%
Hispanic Origin (Any Race)	10,839	8.4%	12,842	9.9%	15,131	11.4%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

John Giordani  
Art Griffith

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## Demographics - 5 Mile Radius

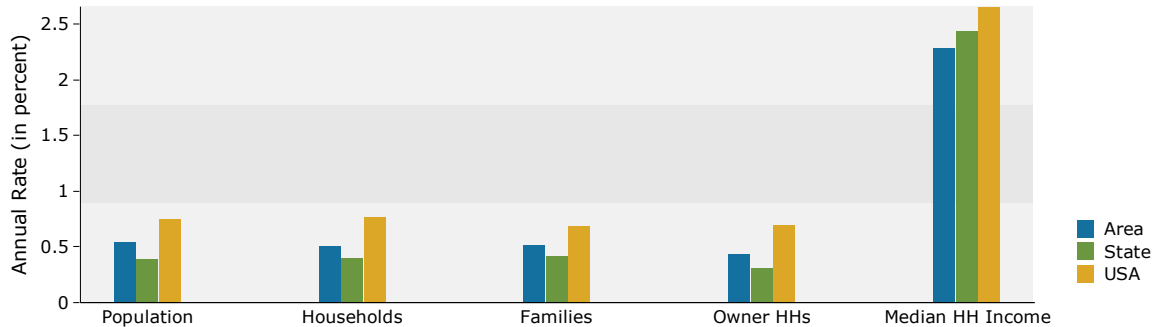


## Demographic and Income Profile

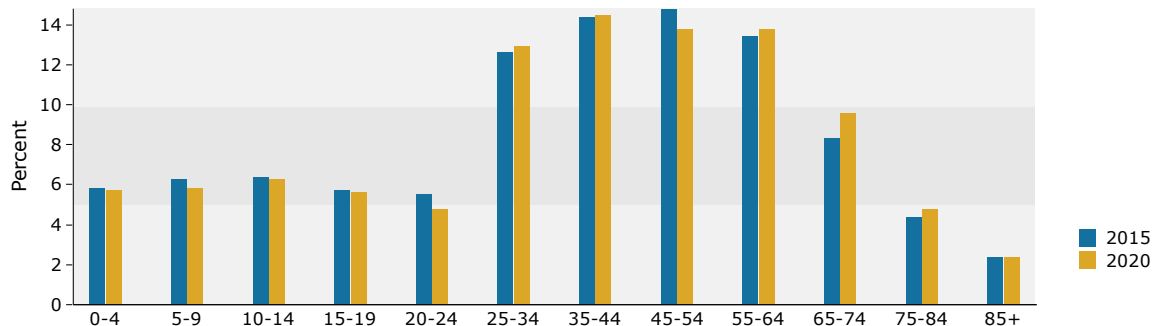
Wood Ave & Oak Tree Rd, Edison, New Jersey, 08820  
Ring: 5 mile radius

Prepared by Esri  
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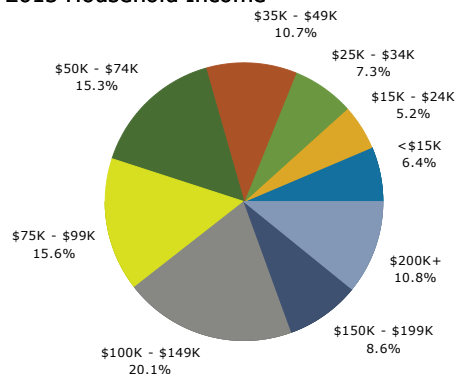
## Trends 2015-2020



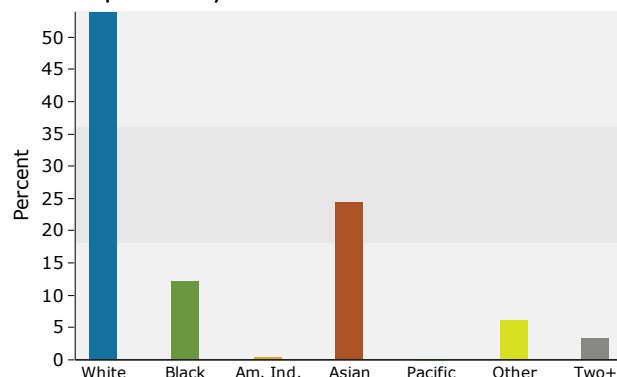
## Population by Age



## 2015 Household Income



## 2015 Population by Race



2015 Percent Hispanic Origin: 18.0%

## Edison, New Jersey



## Demographics - 5 Mile Radius



## Demographic and Income Profile

Wood Ave & Oak Tree Rd, Edison, New Jersey, 08820  
Ring: 5 mile radius

Prepared by Esri  
Latitude: 40.57300  
Longitude: -74.33608

Summary	Census 2010		2015		2020		
Population	309,609		315,638		324,254		
Households	109,474		111,379		114,200		
Families	81,033		82,514		84,655		
Average Household Size	2.78		2.78		2.79		
Owner Occupied Housing Units	76,216		75,408		77,074		
Renter Occupied Housing Units	33,258		35,971		37,126		
Median Age	39.3		40.4		41.1		
Trends: 2015 - 2020 Annual Rate	Area		State		National		
Population	0.54%		0.39%		0.75%		
Households	0.50%		0.40%		0.77%		
Families	0.51%		0.42%		0.69%		
Owner HHs	0.44%		0.31%		0.70%		
Median Household Income	2.28%		2.44%		2.66%		
Households by Income			2015		2020		
			Number	Percent	Number	Percent	
	<\$15,000		7,143	6.4%	6,363	5.6%	
	\$15,000 - \$24,999		5,784	5.2%	4,299	3.8%	
	\$25,000 - \$34,999		8,110	7.3%	5,656	5.0%	
	\$35,000 - \$49,999		11,882	10.7%	10,975	9.6%	
	\$50,000 - \$74,999		17,078	15.3%	17,309	15.2%	
	\$75,000 - \$99,999		17,347	15.6%	17,466	15.3%	
	\$100,000 - \$149,999		22,409	20.1%	26,363	23.1%	
	\$150,000 - \$199,999		9,575	8.6%	11,781	10.3%	
\$200,000+		12,042	10.8%	13,981	12.2%		
Median Household Income			\$81,591		\$91,330		
Average Household Income			\$106,625		\$120,962		
Per Capita Income			\$37,936		\$42,915		
Population by Age	Census 2010		2015		2020		
			Number	Percent	Number	Percent	
	0 - 4	19,233	6.2%	18,240	5.8%	18,492	5.7%
	5 - 9	19,328	6.2%	19,989	6.3%	18,858	5.8%
	10 - 14	19,470	6.3%	20,143	6.4%	20,380	6.3%
	15 - 19	19,201	6.2%	18,120	5.7%	18,099	5.6%
	20 - 24	16,281	5.3%	17,381	5.5%	15,508	4.8%
	25 - 34	41,675	13.5%	39,816	12.6%	41,878	12.9%
	35 - 44	45,939	14.8%	45,335	14.4%	47,011	14.5%
	45 - 54	49,216	15.9%	46,662	14.8%	44,845	13.8%
	55 - 64	37,701	12.2%	42,405	13.4%	44,592	13.8%
	65 - 74	20,737	6.7%	26,056	8.3%	31,249	9.6%
	75 - 84	14,135	4.6%	14,033	4.4%	15,661	4.8%
	85+	6,694	2.2%	7,458	2.4%	7,681	2.4%
	Race and Ethnicity	Census 2010		2015		2020	
			Number	Percent	Number	Percent	
White Alone		178,318	57.6%	170,227	53.9%	163,271	50.4%
Black Alone		35,380	11.4%	38,115	12.1%	40,607	12.5%
American Indian Alone		944	0.3%	999	0.3%	1,078	0.3%
Asian Alone		69,257	22.4%	76,544	24.3%	85,499	26.4%
Pacific Islander Alone		102	0.0%	106	0.0%	111	0.0%
Some Other Race Alone		16,516	5.3%	19,240	6.1%	22,105	6.8%
Two or More Races		9,091	2.9%	10,408	3.3%	11,582	3.6%
Hispanic Origin (Any Race)		48,710	15.7%	56,661	18.0%	65,604	20.2%

**Data Note:** Income is expressed in current dollars.

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

John Giordani  
Art Griffith

(415) 685-3035

team@deerfieldteam.com

