

# SINGLE-TENANT CORPORATE WALGREENS

**LONG TERM ABSOLUTE NNN LEASE WITH 16+ YEARS REMAINING**

# Walgreens

ACTUAL PROPERTY SHOWN

*801 Mebane Oaks Road, Mebane, NC 27302*



 **CLICK TO WATCH VIDEO**



**PEGASUS**  
INVESTMENTS



The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Pegasus Investments and should not be made available to any other person or entity without the written consent of Pegasus Investments. This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Pegasus Investments has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition of the business prospects of any tenants, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Pegasus Investments has not verified, and will not verify, any of the information contained herein, nor has Pegasus Investments conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Some or all of the photographs contained within may have been altered from their original format. All potential buyers must take appropriate measures to verify all of the information set forth herein.

**– Lead Advisors –**

**Brian Wolfman**

Senior Associate  
P (310) 691-1350 x107

[bwolfman@pegasusinvestments.com](mailto:bwolfman@pegasusinvestments.com)

*BRE License 01912819*

**Kevin D. Shelburn**

Senior Vice President  
P (310) 691-1350 x105

[kshelburn@pegasusinvestments.com](mailto:kshelburn@pegasusinvestments.com)

*BRE License 01861409*

**David B. Chasin**

Managing Director  
P (310) 691-1350 x101

[david@pegasusinvestments.com](mailto:david@pegasusinvestments.com)

*BRE License 01513027*

# AERIAL VIEW

**CENTRALLY LOCATED BETWEEN  
3 MAJOR UNIVERSITIES**

	THE UNIVERSITY of NORTH CAROLINA at CHAPEL HILL	21 miles
	Duke UNIVERSITY	21 miles
	WAKE FOREST UNIVERSITY	60 miles

**South Mebane  
Elementary School**

**Arrowhead Manor**  
246 Homes

**Walgreens**

**WELLS  
FARGO**

**CVS**

23,000 CPD

**Arrowhead Villas**

**SHERWIN  
WILLIAMS**

**Carden Place**  
240 Units

**MATTRESS  
FIRM**

<b>Tanger Outlets</b>		
	<b>OFF 5TH</b>	
<b>J.CREW FACTORY</b>		
		

**CONE HEALTH**  
The Network for Exceptional Care

**Keystone**  
at Mebane Oaks  
RESORT STYLE LIVING

330 Units

**Lowe's  
foods**

**Advance  
Auto Parts**

**AutoZone**

**McDonald's**

**Bojangles**  
Meat, Chicken & Biscuits

**5  
Speedway**

**Shell**

**verizon**

**INTERSTATE  
85**

**Mebane Oaks Rd. (~11,000 CPD)**

**New Millennium  
Fitness**

**SHEETZ**  
GREEN FOOD  
MADE BY PREGAR

**INTERSTATE  
85**  
86,798 CPD

**AT&T**

**Starbucks**

**MATTRESS  
FIRM**

**MURPHY  
USA**

**Wendy's**

**TACO  
BELL**

**Arby's**

**ZAXBY'S**

**Walmart**  
Save money. Live better.

**Sprint**

**SALLY  
BEAUTY SUPPLY**

**DOLLAR TREE**

**NEAREST RITE AID:  
6+ MILES WEST OF SUBJECT**

# Walgreens

**RAPID POPULATION GROWTH – 24% SINCE 2010**  
**30 MINUTES TO THE FAMED RESEARCH TRIANGLE**



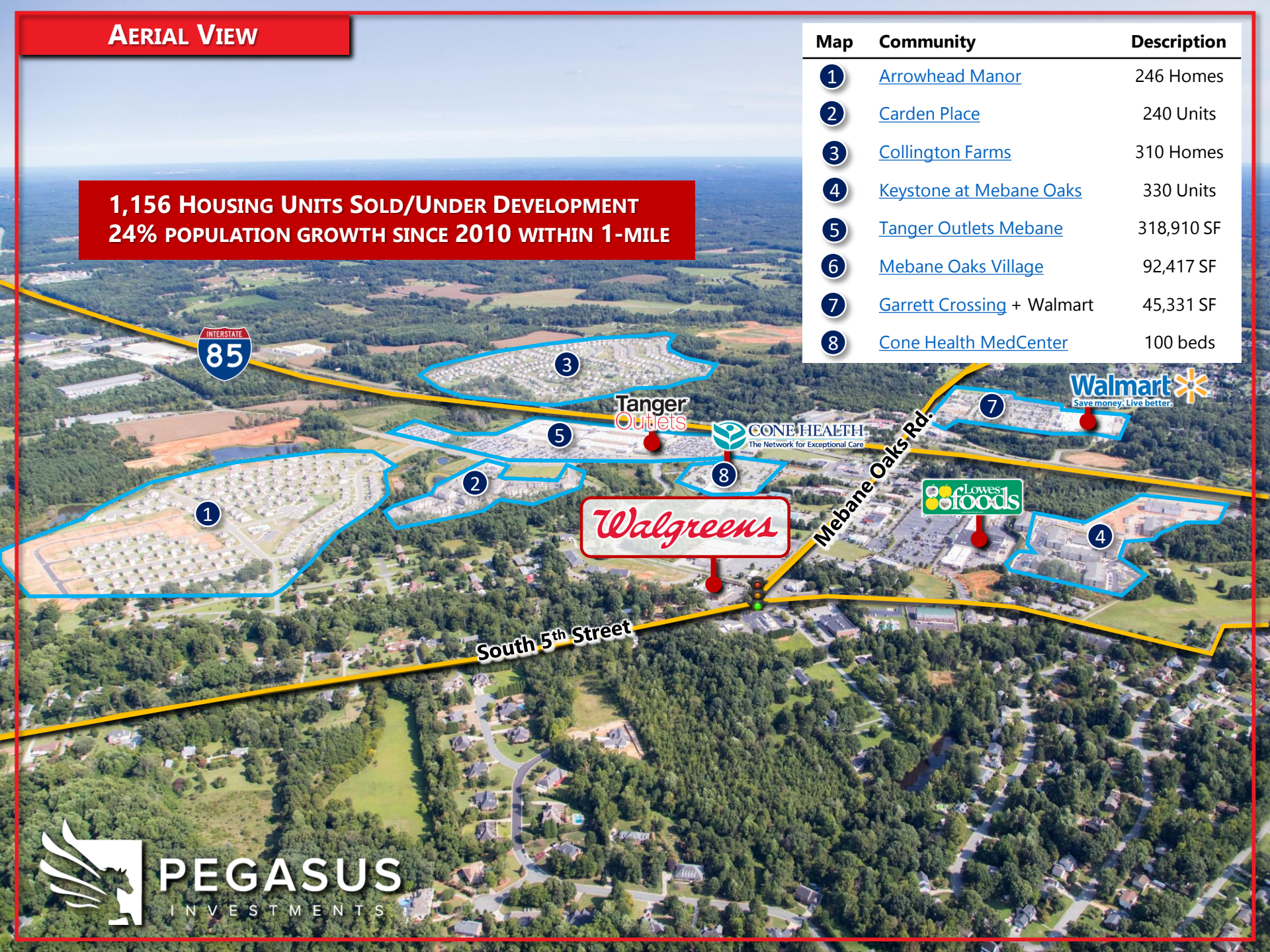
**PEGASUS**  
INVESTMENTS

**ACTUAL PROPERTY SHOWN**

# AERIAL VIEW

**1,156 HOUSING UNITS SOLD/UNDER DEVELOPMENT**  
**24% POPULATION GROWTH SINCE 2010 WITHIN 1-MILE**

Map	Community	Description
1	<a href="#">Arrowhead Manor</a>	246 Homes
2	<a href="#">Carden Place</a>	240 Units
3	<a href="#">Collington Farms</a>	310 Homes
4	<a href="#">Keystone at Mebane Oaks</a>	330 Units
5	<a href="#">Tanger Outlets Mebane</a>	318,910 SF
6	<a href="#">Mebane Oaks Village</a>	92,417 SF
7	<a href="#">Garrett Crossing + Walmart</a>	45,331 SF
8	<a href="#">Cone Health MedCenter</a>	100 beds



## EXECUTIVE SUMMARY

<b>Purchase Price:</b>	\$5,950,000
<b>Cap Rate:</b>	5.75%
<b>Net Operating Income:</b>	\$342,000/yr. (NNN)
<b>Firm Term Expiration:</b>	1/31/2034
<b>Firm Term Remaining:</b>	16.5 years
<b>Lease Structure:</b>	100% Absolute NNN
<b>Options:</b>	Lease expires in 2084. Tenant may terminate after 2034 with 12 months notice to landlord.
<b>Building Size:</b>	13,650 SF
<b>Lot Size:</b>	1.62 acres
<b>Year Built:</b>	2009
<b>Address:</b>	801 Mebane Oaks Rd. Mebane, NC 27302

[ [Google Maps](#) ]

**Opportunity:** Pegasus Investments, as exclusive investment sale advisor to Seller, is pleased to offer a single tenant absolute triple net leased corporate Walgreens (NYSE: WBA) store located in Mebane, North Carolina (the "Property"). Prominently situated at the signalized intersection of Mebane Oaks Rd. & S. 5<sup>th</sup> St., the Property sits on a 1.62 Acre lot and features a drive-thru pharmacy window. The Property is nearby the Tanger Outlets, a super regional draw and is surrounded by numerous best in class national retailers.

The Walgreens corporate backed 25 year firm term lease commenced in 2009 and is 100% absolute triple net requiring the tenant to be responsible for all aspects of maintenance and payment of insurance and real estate property taxes.

Mebane is located in 30 Minutes West of the booming Raleigh-Durham Research Triangle, one of the fastest growing regions in the U.S. Mebane is experiencing its own population growth evidenced by the 1,126 new homes and apartment units within a 1.5 mile radius from the subject property and a 24% population growth since 2010.

CLICK TO WATCH VIDEO →



**PEGASUS**  
INVESTMENTS

## Investment Highlights

- **100% Absolute NNN lease.** The Property is operating under an absolute triple net lease with zero landlord responsibilities. The tenant pays all maintenance, taxes and insurance directly allowing for the most passive form of ownership and peace of mind that all responsibilities are placed on the tenant.
- **Long Lease Term Remaining.** Walgreens signed a 25-year lease in 2009 providing 16+ years of firm lease term remaining.
- **S&P Investment Grade Rated Credit.** Walgreens Boots Alliance, Inc. is the world's largest pharmacy chain (~\$84.4B market cap), considered to be one of the most stable and widely recognized companies globally.
- **Protected from Rite Aid Acquisition.** Many Walgreens currently being offered for sale are located in markets where Rite Aid is present and thus pose a greater risk. The subject property is protected from potential closures relating to the sale given that the nearest Rite Aid is 6 ½ miles to the West.
- **Industry Poised for Significant Growth.** With nearly 75 million baby boomers expected to continue to increase spending on prescription medication and health care, Walgreens is positioned well to benefit from this generational demographic movement.
- **Enhanced Purchasing Power.** Following the Rite Aid acquisition, Walgreens will have tremendous pricing advantages over CVS.

## INVESTMENT HIGHLIGHTS

- 100% Absolute NNN Lease
- 16+ Year Term Remaining
- Investment Grade Credit
- Industry Poised for Growth
- Outpositions CVS in market
- Attractive Yield vs. Comps
- Completely Management Free
- Year over Year Sales Growth
- Large Lot and Hard Corner
- Over 8,000 Walgreens Stores
- #19 on Fortune 500



## Location Highlights

- **30 Mins from the Research Triangle Park.** One of the largest research parks in the world, RTP is also considered one of the most prominent high-tech R&D parks in the US. It covers 22.5M SF and is home to over 200 companies and employs 60,000+ workers/contractors.
- **Population Boom in Mebane.** The population of Mebane has increased by 24.5% between 2010-2017 making it the 8<sup>th</sup> fastest growing small city in the country (defined as having population of less than 100,000).
- **1-Mile Population Growth.** The subject property is estimated to experience another 6.65% growth over the next 3-5 years with growing HH Incomes exceeding \$70K.
- **Tremendous Residential Growth.** There are over 1,156 single family homes or apartment units that have been recently completed or and under development within minutes of the subject property.
- **Surrounded by Major Universities.** The property is located less than 30 minutes from Duke University and the University of North Carolina at Chapel Hill. Wake Forest University is located about 1 hour to the west. The combined student population is over 50,000.
- **Hard Corner Signalized Intersection.** The subject property is located at the intersection of Mebane Oaks Rd. & S. 5<sup>th</sup> Street. The property benefits from multiple points of access.

## LOCATION HIGHLIGHTS

- **Signalized Intersection**
- **24.5% Population Increase**
- **1,156 New Homes & Apartments**
- **30 Minutes to Research Triangle**
- **Multiple points of access**
- **20 Minutes from UNC & Duke**
- **High Growth Suburb**
- **Dual Pylon Signs**
- **Adjacent to Tanger Outlets**
- **35 Minutes to RDU Airport**
- **Nearest Rite Aid is 6 ½ Miles**





**BIRD'S EYE AERIAL**

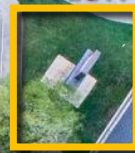
Mebane Oaks Rd.

*Walgreens*

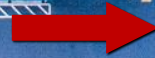
S. 5th St.

**PYLON**

**PYLON**



**DRIVE-THRU**



**PEGASUS**  
INVESTMENTS

ACTUAL PROPERTY

Walgreens



WALGREENS OUT POSITIONS ONLY COMPETITOR IN THE MARKET



**SURROUNDING RETAIL**



**Tanger Outlets**



# ABOUT MEBANE, NC

**~2,000 NEW HOMES AND APARTMENTS UNDER CONSTRUCTION OR APPROVED BY CITY PLANNING DEPARTMENT**

**30 MI TO GREENSBORO**

*Walgreens*

**NEW SINGLE FAMILY SUBDIVISION**

**30 MI TO RESEARCH TRIANGLE PARK**

Tanger Outlets  
Oakley POLO RALPH LAUREN FACTORY STORE  
Coach NEW YORK MICHAEL MICHAEL KORS  
J.CREW FACTORY NikeFactoryStore Brooks Brothers

Mebane is a city located mostly in Alamance County, North Carolina and partly in Orange Country, North Carolina. The town was named for Alexander Mebane, an American Revolutionary War general and member of U.S. Congress. It was incorporated as a city in North Carolina in 1987 and is one of the fastest growing municipalities in North Carolina today. Mebane straddles the Research Triangle and Piedmont Triad Regions of North Carolina. Mebane is 20 minutes from University of North Carolina and Duke University, two of the nations most prestigious schools.

Mebane has finalized its Land Development Plan, called "Mebane by Design," which focuses on the explosive growth that the city expects over the next two decades. The population has more than tripled from 2000-2017 and estimates project nearly double population growth in the next 15 years. The city study notes that, right now 679 single-family homes have been approved for development, along with 1,286 apartments that are currently being built or on the drawing board. Not only has the city been dealing with an explosion of growth, it has also seen a surge in commercial and industrial growth. The city plan incorporates plans for additional infrastructure regarding transposition, trails, greenways, sidewalks, parks and recreation and economic development.

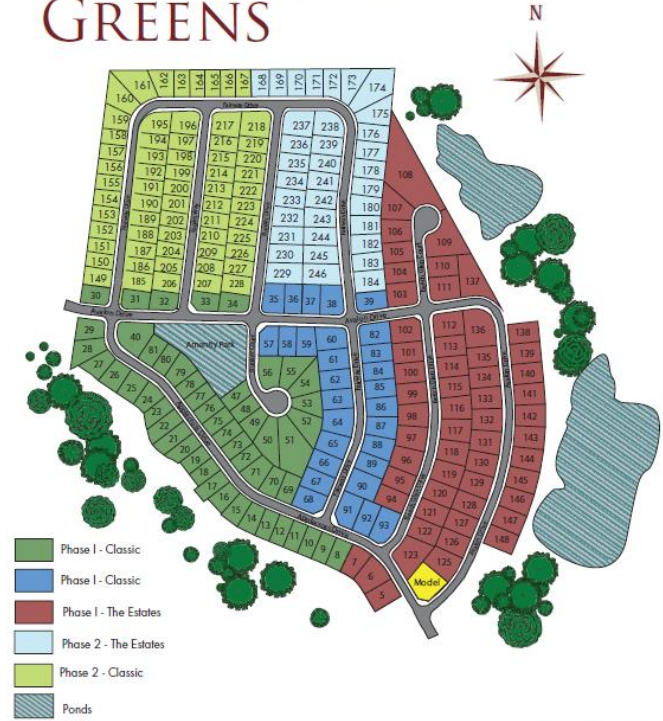
## RESIDENTIAL GROWTH

Mebane recently finalized its Land Development Plan, called "Mebane by Design", which focuses on the explosive growth the city expects over the next two decades. The population has nearly tripled from 2000-2017 and estimates project strong continued growth through 2035. The study estimates that the land within the city limits can accommodate an additional 15,000 people, so the city would have to increase capacity in order to accommodate more people or would have to increase the city limits. The study also notes that right now, 679 single family homes have recently been approved, along with 1,286 apartments either being built or on the drawing board. "Not only has the city been dealing with an explosion of residential growth, it has also seen a surge in commercial and industrial growth" the plan says.

The new plan incorporates recommendation from other plans that the city has completed regarding transportation, trails, greenways, sidewalks, parks and recreation and economic development. Downtown is also growing and the report recommends a focus on higher density development, and extending mixed-use development beyond the existing central business district that would contain a mix of stores, restaurants, old industrial, institutional and residential uses. The plan calls for increased public transportation and the utilization of trolleys, commuter buses and ride-sharing programs.

<http://www.thetimesnews.com/news/20170214/growing-mebane-looks-ahead>

## ARROWHEAD GREENS



Right Where You Want to Be -  
**DAN RYAN BUILDERS**  
 Better Value. Better Living.™

This site plan is for illustrative purposes only. Actual layout and true locations vary upon completion and are subject to change without notice.



A photograph of a Walgreens store building. The large, red, cursive 'Walgreens' logo is mounted on the light-colored stone or concrete facade. Below the main logo, there are green awnings over the entrance. To the right, a smaller red 'PHARMACY' sign is visible. The sky is clear and blue.

Since opening its first store in 1901, the **Walgreen Company** has grown into the nation's largest drugstore chain. The company is publicly traded on the NASDAQ (WBA) with a market capitalization in excess of \$86.9 billion. In addition to their dedication to customer service, a large part of their generational success is owed to their stores' superior real estate. They seek out the best corners in America.

In 2014 the company merged with Alliance Boots, creating the world's largest retail pharmacy, health and daily living destination in the USA and Europe. **Walgreens Boots Alliance, Inc.** employs over 370,000 people, has over 12,800 stores in 11 countries, is the largest global pharmaceutical wholesale and distribution network and is the world's largest purchaser of prescription drugs and many other health and wellbeing products. Both Walgreen Co. and Walgreens Boots Alliance, Inc. are investment grade, with Standard & Poor's ratings of BBB.

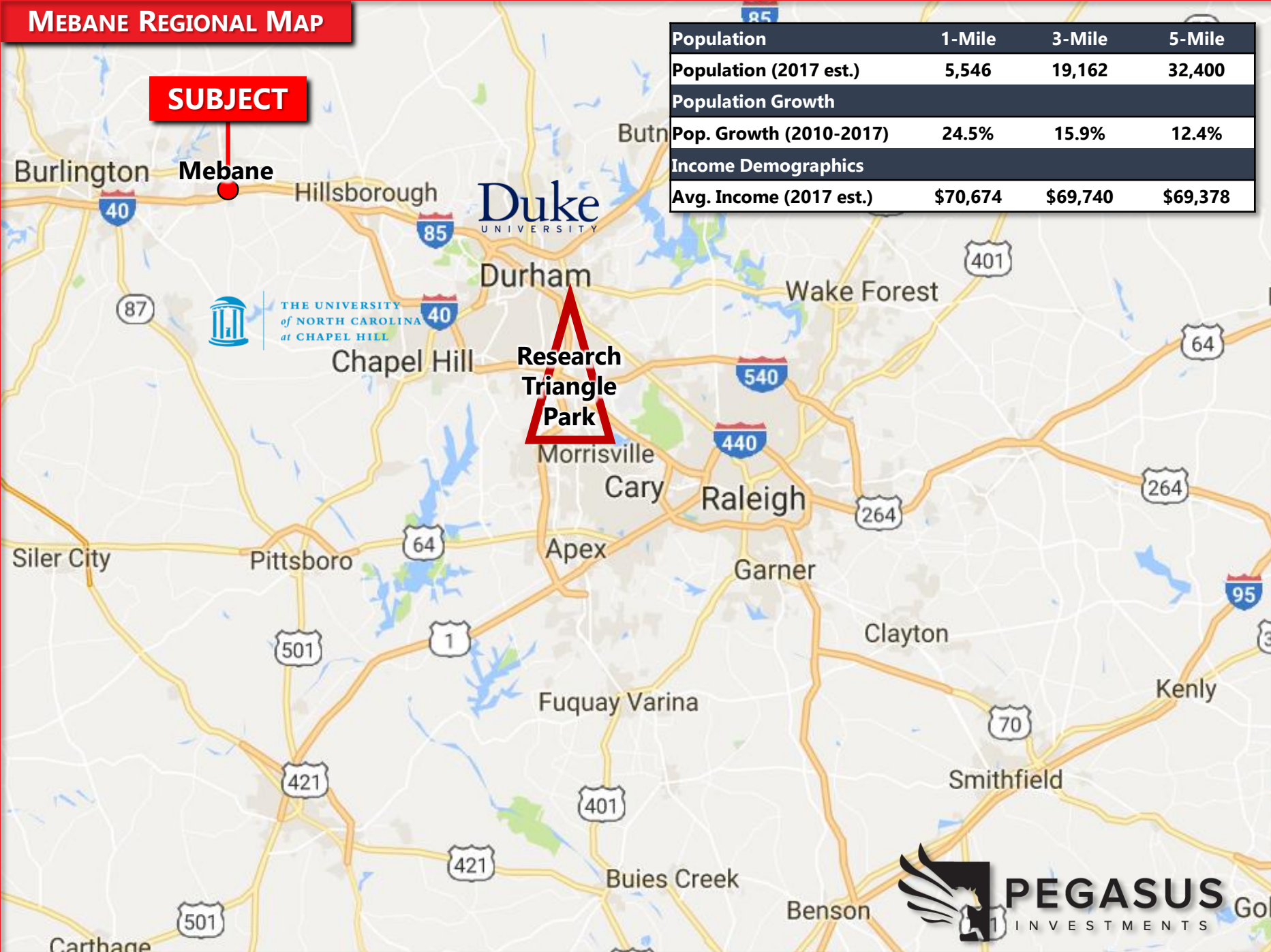
On June 29, 2017, Walgreens announced that it would acquire 1,932 Rite Aid stores in a transaction valued at \$4.4 billion. Walgreens CEO Stefano Pessina told analysts and investors is "more attractive than the transaction it replaces." Notably, Walgreens won't assume any debt from Rite Aid in this deal.

<https://www.walgreens.com/topic/about/company.jsp>

AT THE CORNER OF **HAPPY & HEALTHY**<sup>®</sup>

# MEBANE REGIONAL MAP

**SUBJECT**



Population	1-Mile	3-Mile	5-Mile
Population (2017 est.)	5,546	19,162	32,400
Population Growth			
Pop. Growth (2010-2017)	24.5%	15.9%	12.4%
Income Demographics			
Avg. Income (2017 est.)	\$70,674	\$69,740	\$69,378



## About Pegasus Investments

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, CA. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 28 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors.

### David Chasin

Managing Director

P (310) 691-1350 x101

[david@pegasusinvestments.com](mailto:david@pegasusinvestments.com)

### Trevor Nelson

Managing Director

P (310) 691-1350 x104

[tnelson@pegasusinvestments.com](mailto:tnelson@pegasusinvestments.com)

### Kevin Shelburn

Senior Vice President

P (310) 691-1350 x105

[kshelburn@pegasusinvestments.com](mailto:kshelburn@pegasusinvestments.com)

### Daylin Ackerman

Associate

P (310) 691-1350 x114

[dackerman@pegasusinvestments.com](mailto:dackerman@pegasusinvestments.com)

### Katherine Weaver

Associate

P (310) 691-1350 x115

[kweaver@pegasusinvestments.com](mailto:kweaver@pegasusinvestments.com)

### Aaron Aszkenazy

Associate Vice President

P (310) 691-1350 x103

[aaron@pegasusinvestments.com](mailto:aaron@pegasusinvestments.com)

### Brad Kritzer

Executive Vice President

P (310) 691-1350 x106

[bkritzer@pegasusinvestments.com](mailto:bkritzer@pegasusinvestments.com)

### Ken Chasin

Founder

P (310) 691-1350 x100

[ken@pegasusinvestments.com](mailto:ken@pegasusinvestments.com)

### Brian Wolfman

Senior Associate

P (310) 691-1350 x107

[bwolfman@pegasusInvestments.com](mailto:bwolfman@pegasusInvestments.com)

### Michael Spector

Associate

P (310) 691-1350 x109

[mspector@pegasusinvestments.com](mailto:mspector@pegasusinvestments.com)

### Tony Veiller

Senior Analyst

P (310) 691-1350 x113

[tveiller@pegasusinvestments.com](mailto:tveiller@pegasusinvestments.com)

### Talia Tonti

Office Manager

P (310) 691-1350 x108

[ttonti@pegasusinvestments.com](mailto:ttonti@pegasusinvestments.com)



### Pegasus Investments

1901 Avenue of the Stars, Suite 630  
Los Angeles, CA 90067

[www.pegasusinvestments.com](http://www.pegasusinvestments.com)

(310) 691-1350

DRE# 00776468

### Pegasus Capital Markets:

#### Chad Buelow

Managing Director

DRE Lic# 01854509

P (310) 691-1350 x111

[cbuelow@pegasuscre.com](mailto:cbuelow@pegasuscre.com)

#### Tyler Johnson

Analyst

DRE Lic# 01947197

P (310) 691-1350 x112

[tjohnson@pegasuscre.com](mailto:tjohnson@pegasuscre.com)