

Walgreens

Walgreens (Net Lease Investment)

Oakland, MD

Home of Deep Creek Lake and Wisp Ski Resort



Your Source
For Investment Real Estate™

Exclusively offered by

Calkain Realty Advisors

A division of Calkain Companies, Inc.

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Financial Summary

N. 3 Rd St. • Oakland, Maryland

Summary

Price	\$5,810,606
Cap Rate	6.60%
Net Operating Income (NOI)*	\$383,500
Building Area	14,820 +/- sf
Land Area	1.47 +/- acres
S&P Rating	A+ stable

Tenant Summary

Tenant Name	Walgreens
Guarantor	Walgreen Co.
Rating	S&P Rated A+
Website	www.walgreens.com
Lease Type	NNN
Landlord Responsibilities	None
Year Built	2009
Lease Term	25 years
Lease Commencement Date	May 2009
Lease Expiration Date	May 2034
Increases	Flat
Options	50 years of options

* Percentage Rent - The lease provides percentage rent payments of 2% of the total gross sales (excluding food and prescription sales) plus 0.5% of all food and prescription sales that exceed lease rent.



Oakland Maryland

- Oakland is the county seat and the most populous city in Garrett County Maryland. The city is part of the Pittsburgh DMA, and is situated in the west middle of the county.
- 2+ million visitors per year are drawn from Maryland and the Washington DC Metro area to take in some of the region's best skiing and summer activities at bordering Deep Creek Lake and Wisp Ski Resort. The area includes an increasing luxury vacation/2nd home population.
- Daily traffic counts total 21,000 along the main artery of route 219 where the subject property is located.
- Oakland was incorporated in 1862.

Investment Highlights

Walgreens

- Walgreens is one of the fastest growing retailers in the United States and led the chain drugstore industry in retail sales and profits last year.
- Walgreens opened 561 net new stores for a total of 6,443 Walgreens in 48 states and Puerto Rico. New store openings for 2009 are slated at 495.
- Walgreens filled 617 million prescriptions – 16.7 percent of the U.S. retail market. Pharmacy is nearly two-thirds of the company's sales revenues.
- Walgreens drugstores serve 5 million customers daily and average \$8.9 million in annual sales per store. That's \$797 per square foot, among the highest in the drugstore industry.
- Walgreens has 240,000 employees and added approximately 31,000 jobs in fiscal 2008.
- This is the 32nd consecutive year they've raised their quarterly dividend, which Walgreens have paid in every quarter since 1933.
- On August 31, 1997, 100 shares of Walgreens stock sold for \$2,694. Ten years later, on August 31, 2007, those 100 shares, having split once, were 200 shares worth \$9,014.
- Walgreens has been listed on Fortune magazine's Most Admired Companies in America list for the last 14 consecutive years, and is ranked 44th on the Fortune 500 list of the largest U.S.-based companies.
- 80% of Walgreens stores have drive-thru pharmacies.
- Walgreens was one of 21 companies profiled in Fast Company magazine for its success in driving environmental quality, social equality and the health and wealth of customers and employees.

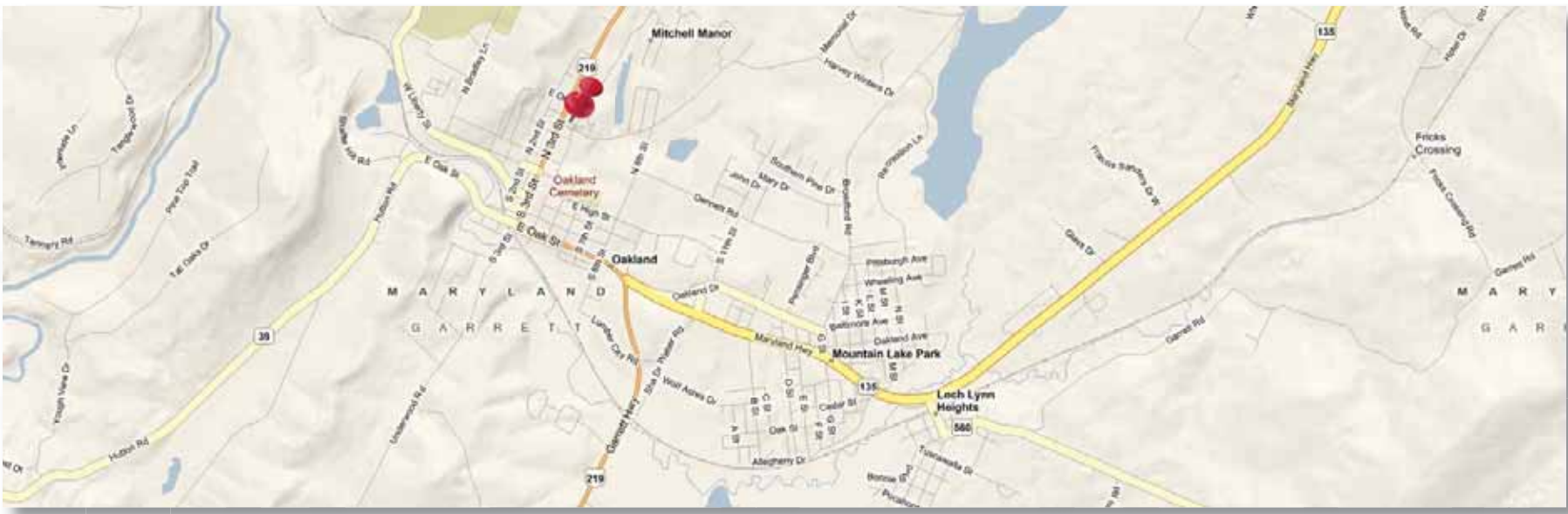
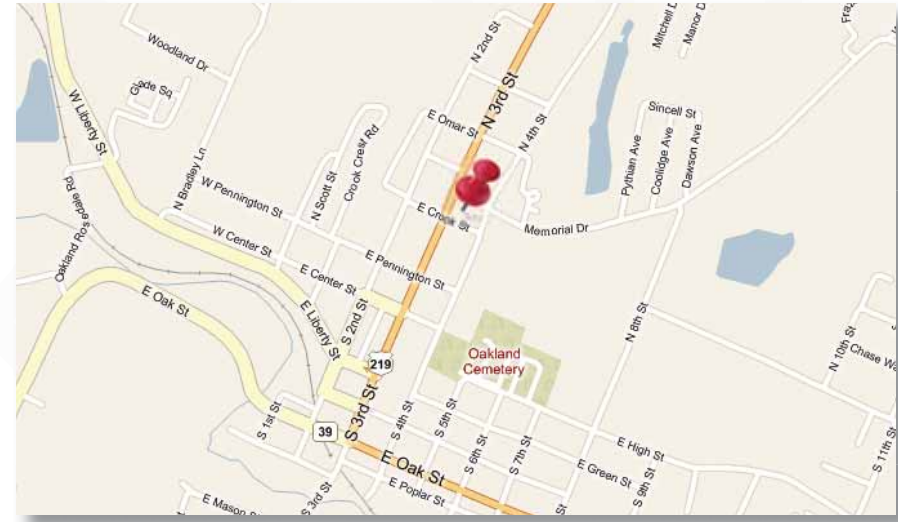


Typical Construction

- Walgreens.com was ranked the leading online drugstore by HealthRatings.org, a joint project between Consumer Reports and the Health Improvement Institute
- Walgreens provides state-of-the-art computerized network linking all pharmacies coast to coast.
- Walgreens has posted 34 consecutive years of record sales and record earnings.

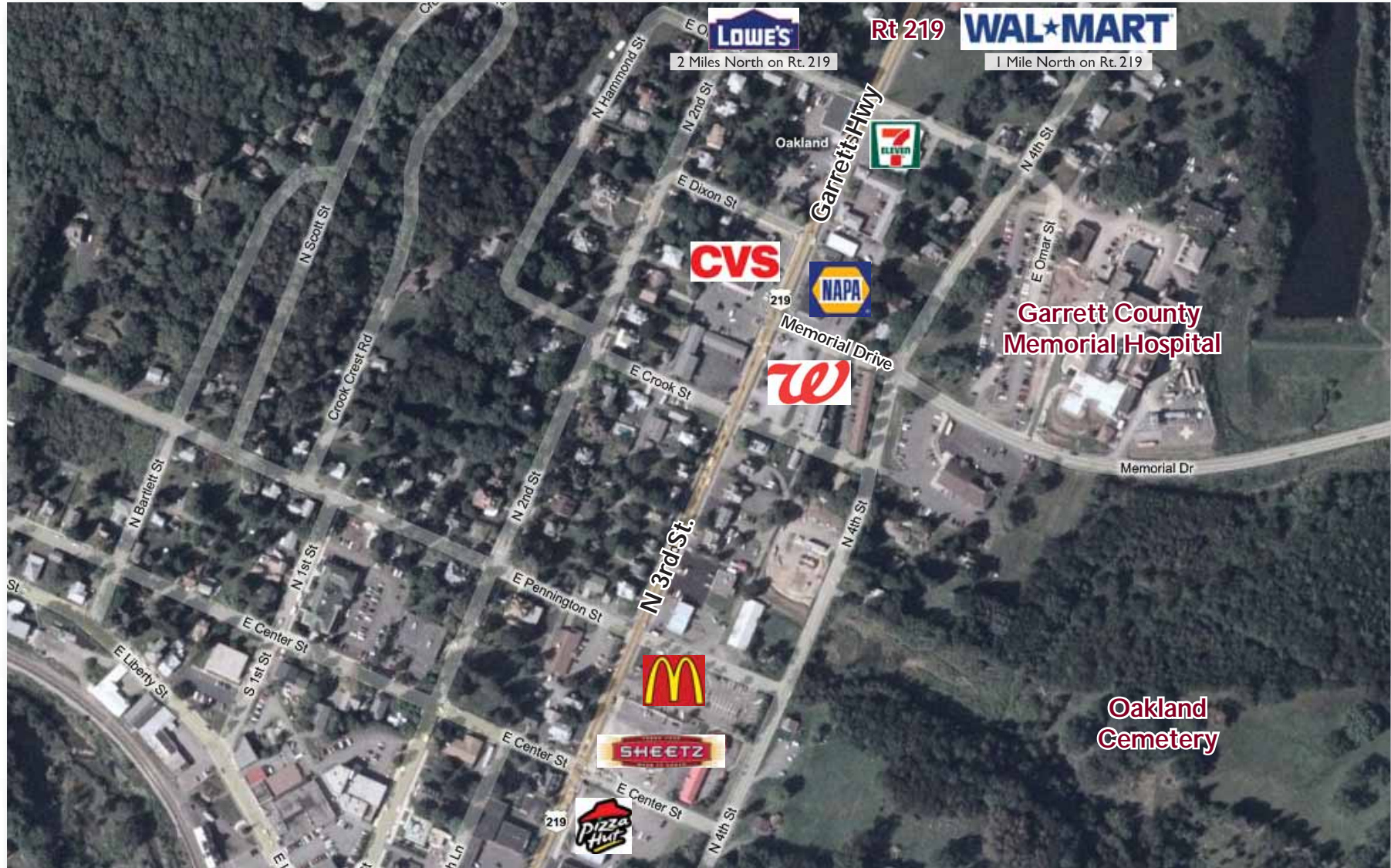
Location Overview:

N. 3 Rd St. • Oakland, Maryland



Location Overview:

N. 3 Rd St. • Oakland, Maryland



Demographic Analysis:

N. 3 Rd St. • Oakland, Maryland

Radius 5 mile 10 mile 15 mile

2008 Population

Total Population	10,252	20,652	31,179
Male Population	48.1%	49.3%	49.6%
Female Population	51.9%	50.7%	50.4%
Median Age	40.7	42.2	42.7

2008 Income

Median HH Income	\$34,911	\$36,198	\$35,757
Per Capita Income	\$18,288	\$19,766	\$19,831
Average HH Income	\$44,319	\$48,026	\$48,073

2008 Households

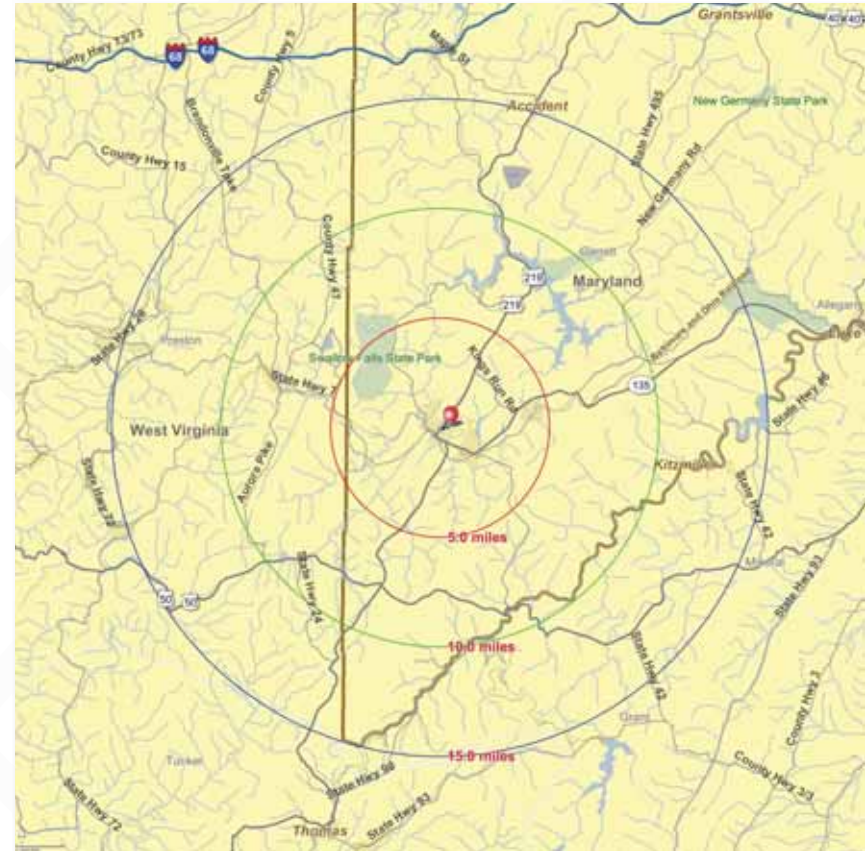
Total Households	4,047	8,351	12,589
Average Household Size	2.43	2.41	2.43
1990-2000 Annual Rate	1.05%	1.1%	0.96%

2008 Housing

Owner Occupied Housing Units	62.6%	50.7%	53.7%
Renter Occupied Housing Units	23.2%	13.9%	13.1%
Vacant Housing Units	14.2%	35.4%	33.2%

Population

1990 Population	9,919	19,556	29,467
2000 Population	10,383	20,212	30,184
2008 Population	10,252	20,652	31,179
2013 Population	10,268	20,943	31,774
1990-2000 Annual Rate	0.46%	0.33%	0.24%
2000-2008 Annual Rate	-0.15%	0.26%	0.39%
2008-2013 Annual Rate	0.03%	0.28%	0.38%



In the identified market area, the current year population is 31,179. In 2000, the Census count in the market area was 30,184. The rate of change since 2000 was 0.39 percent annually. The five-year projection for the population in the market area is 31,774, representing a change of 0.38 percent annually from 2008 to 2013. Currently, the population is 49.6 percent male and 50.4 percent female.

Demographic Analysis

Households

1990 Households	3,604	7,098	10,696
2000 Households	3,999	7,916	11,766
2008 Households	4,047	8,351	12,589
2013 Households	4,095	8,572	12,991
1990-2000 Annual Rate	1.05%	1.1%	0.96%
2000-2008 Annual Rate	0.14%	0.65%	0.82%
2008-2013 Annual Rate	0.24%	0.52%	0.63%

The household count in this market area has changed from 11,766 in 2000 to 12,589 in the current year, a change of 0.82 percent annually. The five-year projection of households is 12,991, a change of 0.63 percent annually from the current year total. Average household size is currently 2.43, compared to 2.51 in the year 2000. The number of families in the current year is 8,788 in the market area.

Median Household Income

1990 Median HH Income	\$22,424	\$22,080	\$21,551
2000 Median HH Income	\$28,899	\$30,407	\$30,040
2008 Median HH Income	\$34,911	\$36,198	\$35,757
2013 Median HH Income	\$37,145	\$38,885	\$38,625
1990-2000 Annual Rate	2.57%	3.25%	3.38%
2000-2008 Annual Rate	2.32%	2.14%	2.13%
2008-2013 Annual Rate	1.25%	1.44%	1.55%

Per Capita Income

1990 Per Capita Income	\$10,582	\$10,372	\$10,134
2000 Per Capita Income	\$14,630	\$15,743	\$15,725
2008 Per Capita Income	\$18,288	\$19,766	\$19,831
2013 Per Capita Income	\$20,664	\$22,447	\$22,584
1990-2000 Annual Rate	3.29%	4.26%	4.49%
2000-2008 Annual Rate	2.74%	2.8%	2.85%
2008-2013 Annual Rate	2.47%	2.58%	2.63%

Average Household Income

1990 Average Household Income	\$28,507	\$28,317	\$27,322
2000 Average Household Income	\$37,031	\$39,606	\$39,311
2008 Average HH Income	\$44,319	\$48,026	\$48,073
2013 Average HH Income	\$49,554	\$53,943	\$54,089
1990-2000 Annual Rate	2.65%	3.41%	3.71%
2000-2008 Annual Rate	2.2%	2.36%	2.47%
2008-2013 Annual Rate	2.26%	2.35%	2.39%

Households by Income

Current median household income is \$35,757 in the market area, compared to \$53,154 for all U.S. households. Median household income is projected to be \$38,625 in five years. In 2000, median household income was \$30,040, compared to \$21,551 in 1990.

Current average household income is \$48,073 in this market area, compared to \$73,126 for all U.S. households. Average household income is projected to be \$54,089 in five years. In 2000, average household income was \$39,311, compared to \$27,322 in 1990.

Current per capita income is \$19,831 in the market area, compared to the U.S. per capita income of \$27,916. The per capita income is projected to be \$22,584 in five years. In 2000, the per capita income was \$15,725, compared to \$10,134 in 1990.