



WALGREENS (Chicago MSA)
1000 Lakeside Drive
Bannockburn, IL 60015

TABLE OF CONTENTS

I. Executive Summary

Disclaimer Statement

Executive Summary

Investment Highlights

Property Overview

Renovation Highlights (2012)

II. Site Overview

Photographs

Aerials

Site Plan

Map

Corporate Map

Surrounding Corporate Headquarters

III. Market Overview

Market Statistics

Lease Comparables

IV. Tenant Overview

Tenant Overview

Demographic Comparison Report

Market Overview



**DISCLAIMER
STATEMENT:**

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 The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

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. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

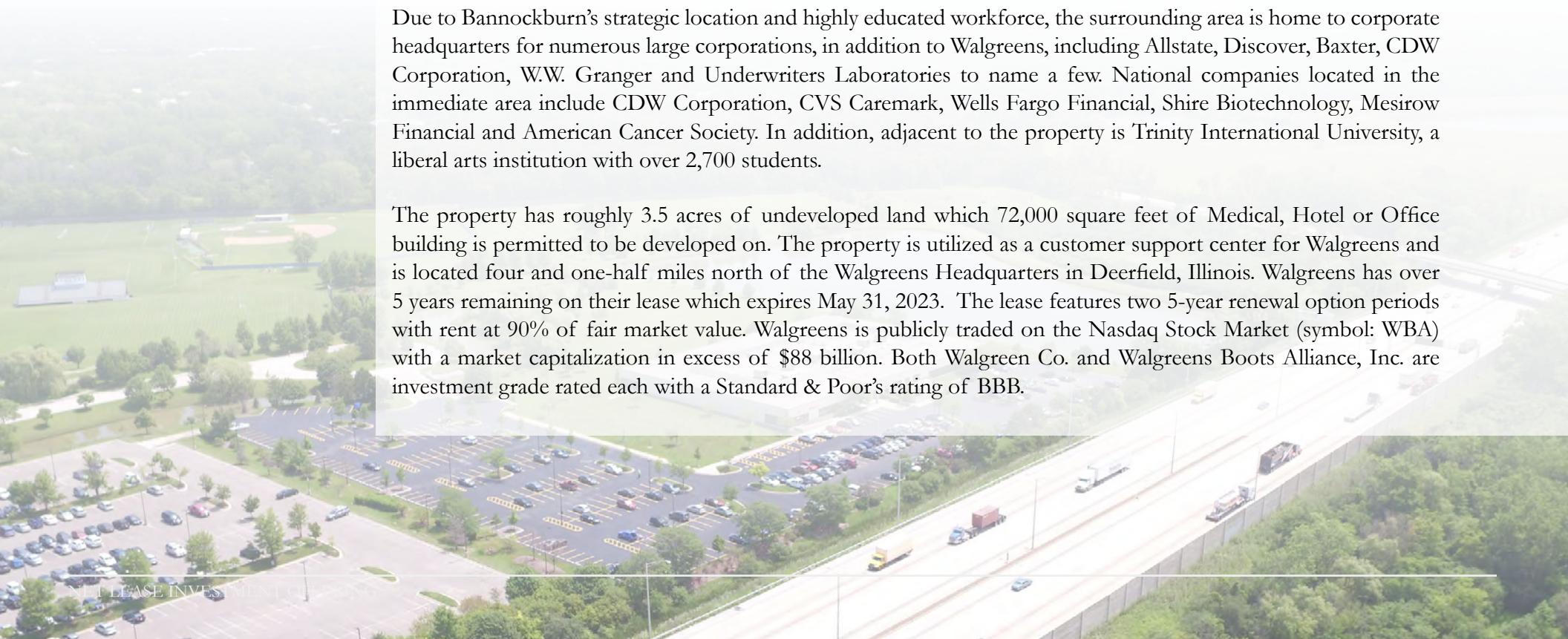
**EXECUTIVE
SUMMARY:**

The Boulder Group is pleased to exclusively market for sale a single tenant Walgreens office property within the Chicago MSA in Bannockburn, Illinois. The property is located four and one-half miles north of Walgreens Headquarters in a prominent office market with frontage along Interstate 94. The property serves as a customer support center for Walgreens. Walgreens has more than 5 years remaining on their lease that features two 5-year renewal option periods and the potential for development or expansion on the adjacent land parcel. Walgreens is the largest drug retailing chain in the United States with more than 8,175 pharmacy locations in the United States.

The 56,745 square foot office building sits on a 10 acre parcel in one of the most affluent neighborhoods in Illinois. The property has frontage along Interstate 94 which experiences traffic counts of 136,000 vehicles per day. The property is 20 miles from O'Hare International Airport, 30 miles from downtown Chicago and 60 miles from downtown Milwaukee. There are approximately 41,420 people living within a three mile radius of the property earning an average household income of \$211,880 per year.

Due to Bannockburn's strategic location and highly educated workforce, the surrounding area is home to corporate headquarters for numerous large corporations, in addition to Walgreens, including Allstate, Discover, Baxter, CDW Corporation, W.W. Granger and Underwriters Laboratories to name a few. National companies located in the immediate area include CDW Corporation, CVS Caremark, Wells Fargo Financial, Shire Biotechnology, Mesirow Financial and American Cancer Society. In addition, adjacent to the property is Trinity International University, a liberal arts institution with over 2,700 students.

The property has roughly 3.5 acres of undeveloped land which 72,000 square feet of Medical, Hotel or Office building is permitted to be developed on. The property is utilized as a customer support center for Walgreens and is located four and one-half miles north of the Walgreens Headquarters in Deerfield, Illinois. Walgreens has over 5 years remaining on their lease which expires May 31, 2023. The lease features two 5-year renewal option periods with rent at 90% of fair market value. Walgreens is publicly traded on the Nasdaq Stock Market (symbol: WBA) with a market capitalization in excess of \$88 billion. Both Walgreen Co. and Walgreens Boots Alliance, Inc. are investment grade rated each with a Standard & Poor's rating of BBB.



**INVESTMENT
HIGHLIGHTS:****Fortune 500 Tenant near Corporate Headquarters**

- Located 4.5 miles from Walgreens Headquarters
- Walgreens is the largest drug retailing chain in the United States
- Investment grade tenant (S&P: BBB)
- More than 8,175 pharmacy locations

Strategic Location in Chicago's Affluent Northshore

- Located within the Chicago MSA
- Bannockburn is an affluent suburb of Chicago
- Average household incomes within a three mile radius in excess of \$211,800 per year
- Over 151,190 people living within a five mile radius of the property
- Frontage along Interstate 94 with traffic counts of 136,000 vehicles per day
- Surrounding area is home to corporate headquarters for large corporations including Allstate, Discover, Baxter, CDW Corporation, W.W. Granger and Underwriters Laboratories

Lease Structure

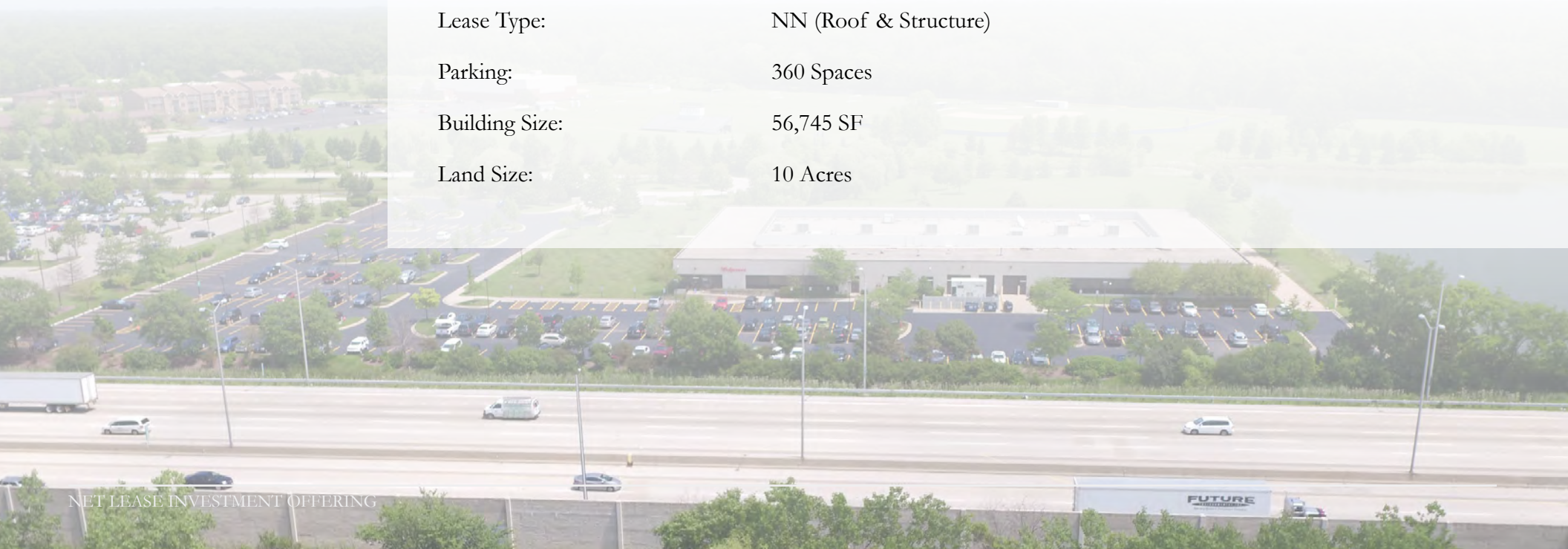
- Over 5 years remaining on 11 year lease
- Two 5-year renewal option periods at 90% of FMV
- Significantly below market rent (\$12.55 per square foot)

Premium Office Building with Potential for Development or Expansion

- Facility is used as a customer support center
- Building was renovated in 2012
- 10 acres of land
- Expansion/ Development Potential
- 3.5 acres of undeveloped land which 72,000 square feet of Medical, Hotel or Office building is permitted to be developed on

**PROPERTY
OVERVIEW:**

Price:	\$12,278,448
Cap Rate:	5.80%
Net Operating Income:	\$712,150
Renewal Options:	Two 5-Year
Lease Commencement Date:	January 17, 2012
Lease Expiration Date:	May 31, 2023
Tenant:	Walgreens
Standard & Poor's Rating:	BBB
Year Built / Renovated:	1997 / 2012
Lease Type:	NN (Roof & Structure)
Parking:	360 Spaces
Building Size:	56,745 SF
Land Size:	10 Acres



RENOVATION HIGHLIGHTS 2012:

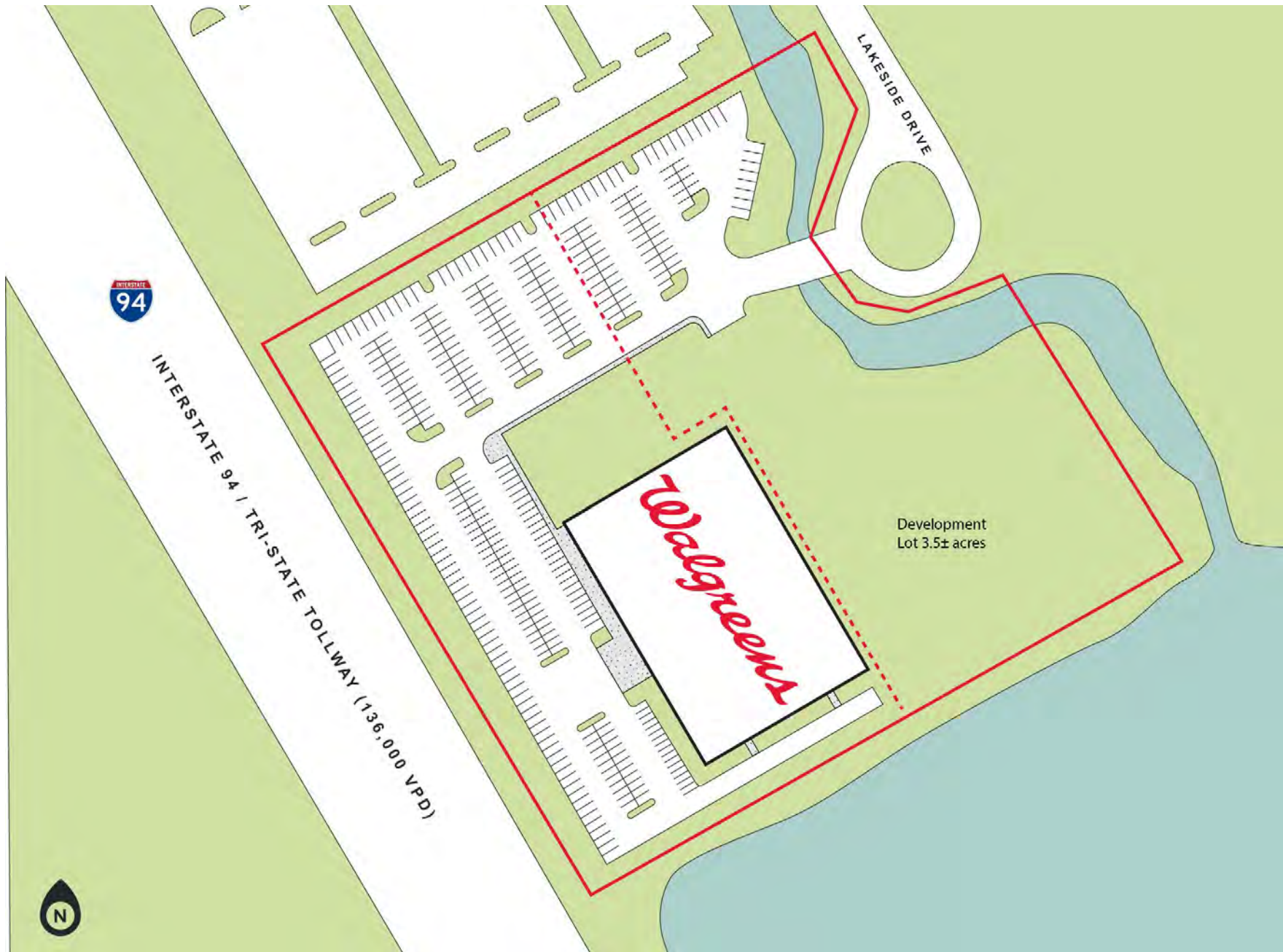
In 2012, the property underwent a top to bottom renovation. The property serves as a critical location for Walgreens and therefore received top of the line improvements across the board. The Investments exceeded \$1.25 million with tenant and owner collaborating on the project both financially and physically. Below find a list of items done.

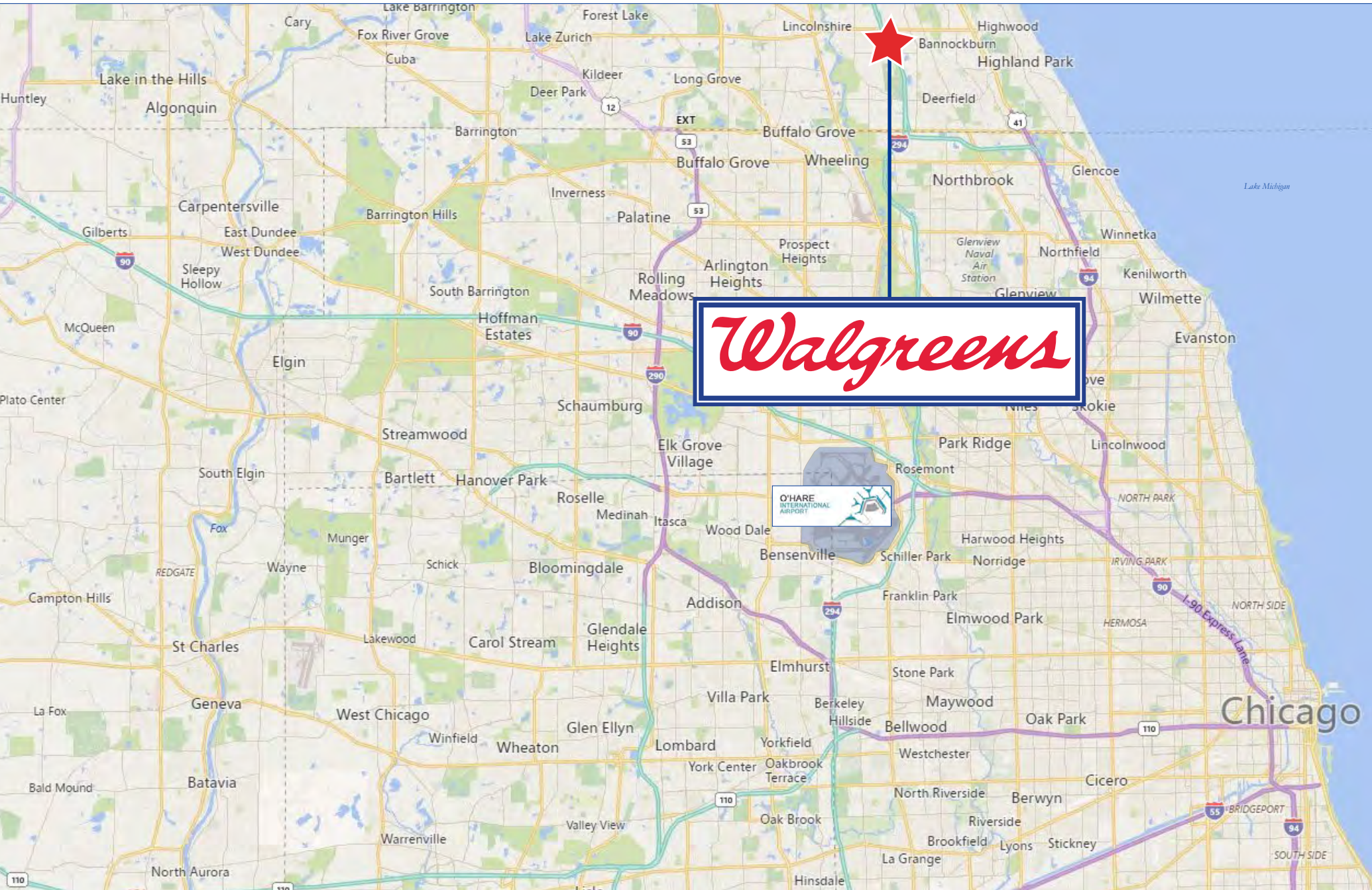
- New Fiber Optic Cable Line run, creating two separate providers and location access points
- New IT infrastructure including computer systems and associated components
- 7-New Trane HVAC units (2-10ton, 2-7.5ton, 1-16ton, 1-20ton, 1-5ton)
- Existing York HVAC units, upgraded and integrated into new units
- New ducting and existing duct work re-sealed and insulated throughout the building
- New 750KW generator, located on new concrete pad; fencing and landscape to screen
- New electric distribution panels and transformers for 24/7 functionality
- New fire alarm system
- Expanded fire sprinkler system
- All new flooring throughout the building
- New cafeteria and kitchen facilities
- Plumbing upgrades throughout the building
- All office space and conference rooms fully renovated; new labs, training rooms and conference rooms added
- Reconfigured and refurbished loading bay
- New landscaping around parking and building with special screening and conservation protection
- Parking lot:
Asphalt excavated and replaced, new curbs and gutters and lot marking which included increasing capacity to 360 cars and ADA compliant parking
- New and enhanced energy efficient lighting installed

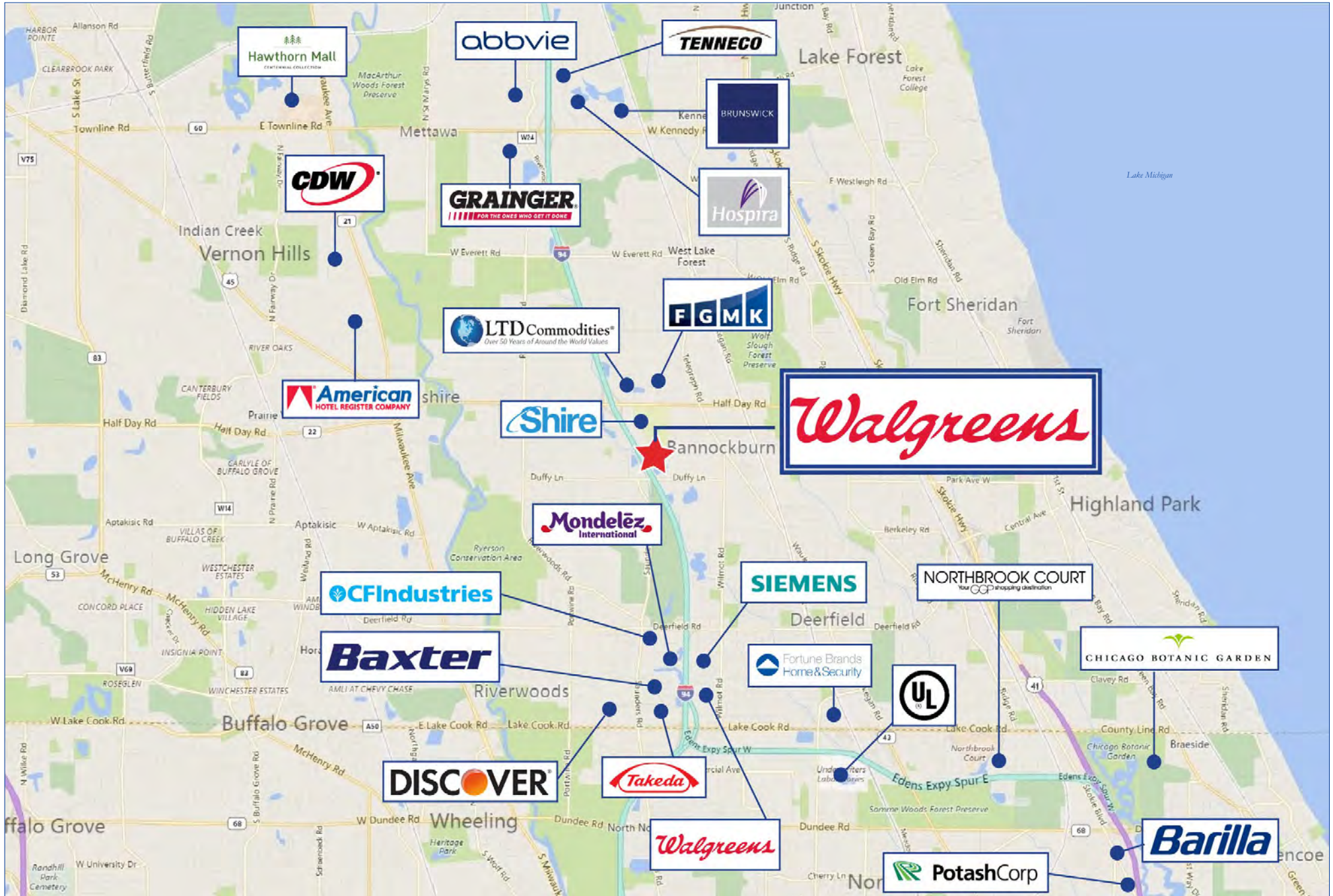














Allstate



Astellas Pharma



Crate & Barrel



Discover



Takeda Pharmaceuticals




Walgreens

MARKET STATISTICS:

Office Market Statistics (Mid-Year 2017)		
	"North Submarket"	Chicago Total
Number of Buildings:	1,664	13,745
Total Rentable Area:	59,235,391 SF	471,808,301 SF
Vacancy Percentage:	14.90%	13.50%
YTD Deliveries:	0 SF	2,156,327 SF
Under Construction:	10,000 SF	4,345,206 SF
Quoted Rates:	\$19.78	\$23.34

LEASE COMPARABLES:

	Address	City	State	Tenant	Lease Start Date	Lease Term	Leased Space	Rent PSF
	150 S Saunders Road	Lake Forest	IL	Horizon Pharma, Inc.	January 2016	8 Years	133,218 SF	\$14.08
	1200 Lakeside Drive	Bannockburn	IL	Baxalta, Inc.	January 2016	12 Years	76,446 SF	\$19.72
	510 Lake Cook Road	Deerfield	IL	Surgical Care Affiliates	June 2016	10 Years	28,410 SF	\$20.75

**TENANT
OVERVIEW:**

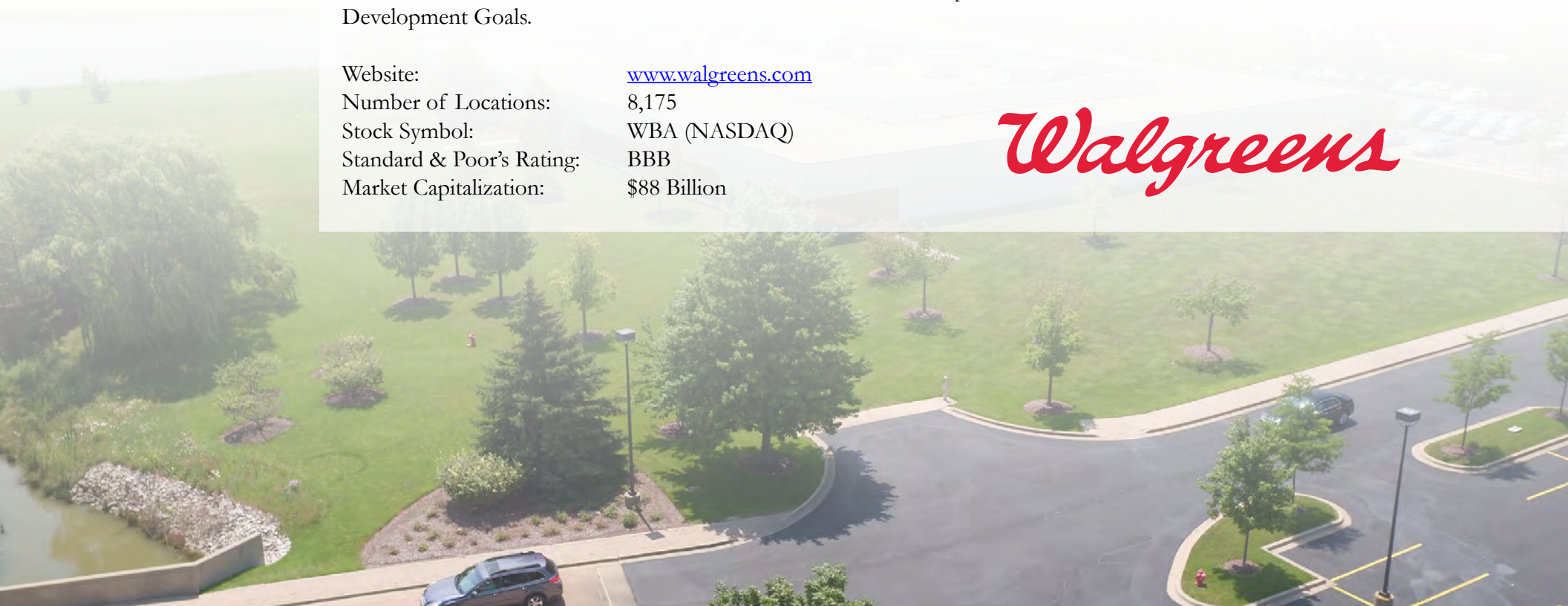
Walgreens

Walgreens Boots Alliance, Inc. operates as a pharmacy-led health and wellbeing company. The company operates through three segments: Retail Pharmacy USA, Retail Pharmacy International, and Pharmaceutical Wholesale. The Retail Pharmacy USA segment sells prescription drugs and an assortment of general merchandise, including non-prescription drugs, beauty products, photo finishing, seasonal merchandise, greeting cards, and convenience foods through its retail drugstores and convenient care clinics. It also provides specialty pharmacy services; and manages in-store clinics under the brand Healthcare Clinic. As of January 31, 2017, this segment operated 8,175 retail stores under the Walgreens and Duane Reade brands in the United States; and 7 specialty pharmacy locations, as well as managed approximately 400 Healthcare Clinics. Walgreens Boots Alliance, Inc. was founded in 1901 and is based in Deerfield, Illinois.

The Walgreen Company is the largest drug retailing chain in the United States. The company is publicly traded on the NASDAQ (Symbol: WBA) with a market capitalization in excess of \$88 billion. Both Walgreen Co. and Walgreens Boots Alliance, Inc. are investment grade rated each with a Standard & Poor's rating of BBB. In October 2016 Walgreens Boots Alliance received the United Nations Foundation Global Leadership Award for its commitment to the UN's Sustainable Development Goals.

Website:	www.walgreens.com
Number of Locations:	8,175
Stock Symbol:	WBA (NASDAQ)
Standard & Poor's Rating:	BBB
Market Capitalization:	\$88 Billion

Walgreens



**DEMOGRAPHIC
REPORT:**

Population	3-Mile	5-Mile	7-Mile
Total Population	41,416	151,193	298,953
Total Households	15,323	56,497	113,821

Income	3-Mile	5-Mile	7-Mile
Median Household Income	\$151,837	\$108,945	\$102,318
Average Household Income	\$211,881	\$163,661	\$149,974



**MARKET
OVERVIEW:**

Bannockburn, Illinois

Bannockburn is a village in Lake County, Illinois with a population of approximately 1,585 people. Part of the Chicago area's North Shore region, Bannockburn has very high real-estate values; the average value for a home in Bannockburn is over \$1,200,000.

Bannockburn was founded by Scottish real estate developer William Aitken, who planned a community of "country estates" on 110 acres in inland Lake County. Named for the Scottish village of Bannockburn, the village began construction in 1924 and was incorporated in 1929.

Over the years more land was acquired and today the Village encompasses 1,318 acres located approximately 30 miles north of Chicago, and 4 miles west of Lake Michigan. In the late 1960s, Bannockburn's citizens approved the construction of the first of several business parks along the village's northern edge. It created its first commercial zone in 1984 along Illinois Route 22. The original intent of William Aitken—to create a residential community with homes on large tracts of land within a rural atmosphere comprising natural landscapes and open spaces—is preserved to this day, due to the commitment of the residents of the Village of Bannockburn, past and present.

www.bannockburn.org



Village of
BANNOCKBURN

**MARKET
OVERVIEW:**



Chicago, Illinois

Chicago is the most populous city in the Midwestern United States and the third most populous city in the United States with 2,700,000 residents. Chicago is the county seat of Cook County, the second largest county in the United States. The Chicago MSA is the third most populated metropolitan area in the United States with 9,580,567 residents. The MSA covers over 1,300 square miles and six counties. Chicago has many nicknames, the best-known being the Windy City.

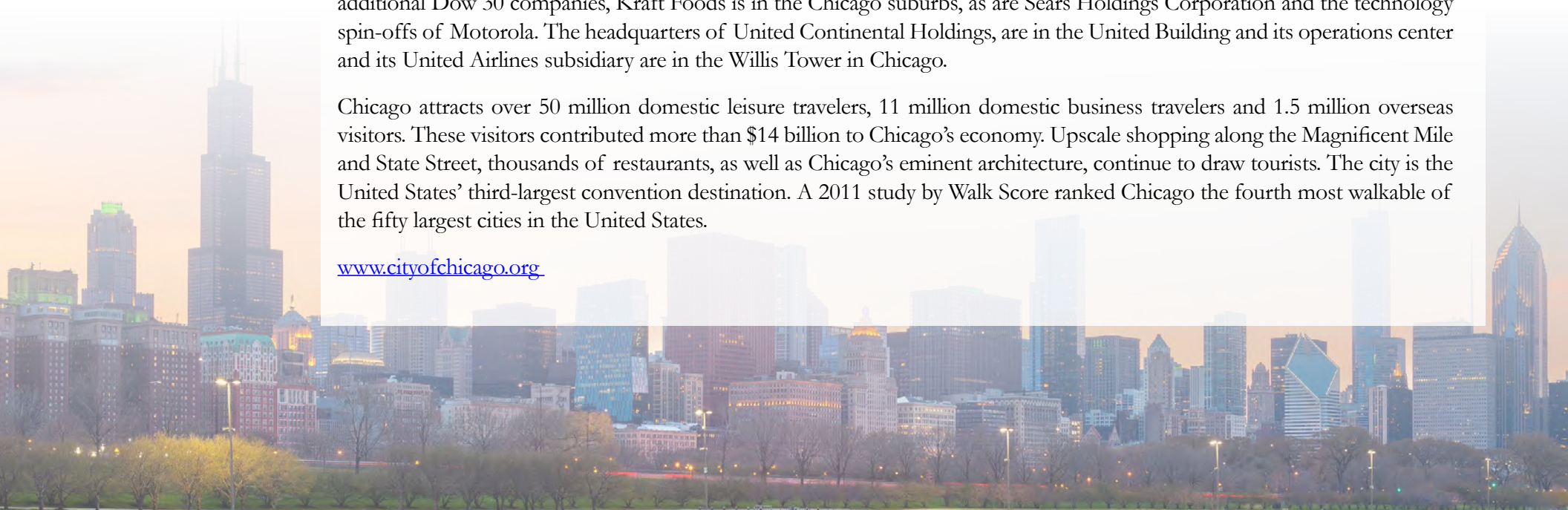
The Chicago metropolitan area is home to the corporate headquarters of 66 Fortune 1000 companies, including Boeing, McDonald's, Motorola, Discover Financial Services and United Airlines. Chicago is a major hub for industry, telecommunications and infrastructure and O'Hare International Airport is the second busiest airport in the world in terms of traffic movement.

The metro is a major financial center in North America, and is home to the largest futures exchange in the United States, the CME Group. Chicago is third in the world on the Global Financial Centers Index which ranks the competitiveness of financial centers based on people, business environment, market access, infrastructure and general competitiveness. As of 2016, Chicago had the third largest gross metropolitan product in the United States at \$640 billion.

The city of Chicago also hosts 12 Fortune Global 500 companies and 17 Financial Times 500 companies. The city claims two Dow 30 company: aerospace giant Boeing, which moved its headquarters from Seattle to the Chicago Loop in 2001 and McDonald's, who's in the process of moving there headquarters from the Chicago suburbs to the Chicago West Loop. One additional Dow 30 companies, Kraft Foods is in the Chicago suburbs, as are Sears Holdings Corporation and the technology spin-offs of Motorola. The headquarters of United Continental Holdings, are in the United Building and its operations center and its United Airlines subsidiary are in the Willis Tower in Chicago.

Chicago attracts over 50 million domestic leisure travelers, 11 million domestic business travelers and 1.5 million overseas visitors. These visitors contributed more than \$14 billion to Chicago's economy. Upscale shopping along the Magnificent Mile and State Street, thousands of restaurants, as well as Chicago's eminent architecture, continue to draw tourists. The city is the United States' third-largest convention destination. A 2011 study by Walk Score ranked Chicago the fourth most walkable of the fifty largest cities in the United States.

www.cityofchicago.org





Randy Blankstein
President
847.562.0003
randy@bouldergrgroup.com

Jimmy Goodman
Partner
847.562.8500
jimmy@bouldergrgroup.com

666 Dundee Road, Suite 1801
Northbrook, IL 60062

www.bouldergrgroup.com

THE Boulder 
GROUP