

Programmatic Sale Leaseback

Walgreens

Closing Date: 2019 - Current

Seller & Type: Walgreens - Corporate

Buyer & Type: Multiple – Fund Advisor & Institutional



Asset Summary	
Location(s)	National
Property Type(s)	Retail, Office, Industrial
Sub-Type(s)	Single – Tenant
Portfolio Size	To Date: 23 Transactions 640 Assets
Occupancy	100% Leased

Sale & Lease Summary	
Total Volume to Date	\$3.45 Billion
Cap Rates on NOI	6.12%
Tenant Credit Rating	S&P: “BBB”
Lease Term & Type	15 Years on Average
Lease Type	Absolute NNN
Rent Escalations	5.00% Every 5 Years or Flat

Transaction Notes

Walgreens engaged CBRE in 2019 to analyze its portfolio of owned retail drugstores in order to commence an ongoing, programmatic sale leaseback program seeking to deliver quarterly gains. As part of CBRE’s engagement, CBRE commissioned all new third-party due diligence (Title, Survey, Phase I, Zoning, PCA) on behalf of Walgreens that would be utilized, and habitually paid for, by investors and provide peace of mind to both parties throughout the due diligence and closing process. This peace of mind is essential to Walgreens planning processes. CBRE helped Walgreens to work through more than 50 environmental situations and prepared the properties for successful sales.

By leveraging CBRE’s sale leaseback structuring experience, Walgreens selected properties for disposition and enlisted CBRE to package and market numerous retail portfolios in addition to multiple one-off office and industrial assets, with the objective of maximizing gain. CBRE completed its first broad marketing campaign in 2019 and solicited a record 370 signed confidentiality agreements resulted in 24 bids, 19 of which were portfolio offers. To date, CBRE advised Walgreens on 23 different transactions totaling more than \$3.4 billion in total size.

Following the closing of the third retail portfolio, CBRE structured a 5-quarter programmatic sale leaseback initiative on behalf of Walgreens. The portfolio was to include approximately 250 stores with a total value of over \$1 billion.