

# WALGREENS PETOSKEY, MI



*Walgreens*

**6.65% CAP / \$6,315,789**  
**HIGH PERFORMING STORE**  
**ADJACENT TO MCLAREN NORTHERN HOSPITAL**

\*REPRESENTATIVE PHOTO



# THE OFFERING

**PRICE:**  
**\$6,315,789.47**

**CAP RATE:**  
**6.65%**

Mid-America Real Estate-Michigan, Inc. is pleased to offer the Walgreens property at 710 Spring Street in Petoskey, Michigan. This 13,905-square-foot retail building sits on a 1.57-acre parcel in the scenic lake shore community of Petoskey. Walgreens has occupied this prime location for over 20 years and recently extended their commitment by waiving the 2025 termination option. This asset presents an exceptional opportunity for potential buyers to acquire a property with a strong, credit-rated tenant in a highly desirable market. Strategically positioned at the highest-profile signalized hard corner in Petoskey, the site benefits from excellent visibility and accessibility. It is located near key local landmarks, including McLaren Northern Michigan Hospital, Odawa Casino, and Petoskey's historic downtown Gaslight District.

- High performing store
- Prime corner location at signalized intersection
- Adjacent to McLaren Northern Michigan Hospital (202 beds)
- 25 years of operation at this site
- Exposed to nearly 40,300 vpd



Property Summary	
Address	710 Spring Street   Petoskey, MI
Total Building Size (SF)	13,905 SF
Lot Size (AC)	1.57 AC
Lease Type	NNN
Year Built	1999

Offering Summary	
Offering Price	\$6,315,789.47
Offering Cap Rate	6.65%
Term	5.5 + years
Options	Six - Five Year Options

Demographics			
	5 Mile	10 Mile	20 Mile
2024 Population	15,627	30,188	66,147
2024 Total Households	7,111	13,330	29,012
2024 Avg. Household Income	\$116,597	\$117,866	\$106,884



# KEY FEATURES



## CLOSE PROXIMITY TO MCLAREN NORTHERN MICHIGAN HOSPITAL

Walgreens is strategically located less than half a mile south of McLaren Northern Michigan Hospital, a leading regional healthcare provider with 202 beds. Serving 22 counties across northern lower Michigan and parts of the eastern Upper Peninsula, the hospital employs over 950 staff and is supported by more than 230 physicians specializing in areas such as cardiology, oncology, emergency care, and neurosciences. McLaren Northern Michigan generates approximately \$650 million annually in revenue and has earned numerous national recognitions, including being named one of the nation's Top 50 Cardiovascular Hospitals for six consecutive years by PINC AI™ and Fortune. The hospital also consistently receives top marks for quality and safety from the Centers for Medicare and Medicaid Services (CMS), further solidifying its status as a premier medical facility in Northern Michigan.



## LONG-TERM HISTORY AT SITE WITH RECENT EXTENSION AND STRONG REPORTED SALES

Walgreens has resided at this site for 25 years and recently waived two consecutive termination options, showing a strong commitment to the site. Additionally, there is a substantial 15.87% rental increase in 2030. This store has continued to generate strong store sales year in and year out and is vital to the area.



## LONG-TERM LEASE WITH AN INVESTMENT GRADE COMPANY

Walgreens Boots Alliance, a global leader in pharmacy and retail, reported impressive revenue growth of 6.2% for the fiscal year ending August 31, 2024, reaching \$147.7 billion. This growth underscores the company's strong market presence and strategic adaptability in a dynamic industry. As one of the most trusted names in the sector, Walgreens Boots Alliance demonstrates financial stability and a commitment to maintaining its position as a trusted partner in healthcare and retail.



## STABLE ECONOMIC REGION

Petoskey serves as the economic, retail, government, education and medical center for the central north region of Michigan. The town of Petoskey has a strong and vibrant local economy with major industries including: healthcare, government, tourism, education and retail. Petoskey has the third highest retail sales per capita in the state of Michigan due to Petoskey's historic downtown gaslight district that generates over \$122 million dollars in annual retail sales. The largest employers in Petoskey are McLaren Northern Michigan Hospital, Odawa Casino and North Central Michigan College. The combination of McLaren Northern Michigan Hospital and North Central Michigan College provides stable employment during economic downturns.



## ATTRACTIVE RETAIL LOCATION IN VACATION DESTINATION

The town of Petoskey is a picturesque four seasons resort community located on the shores of Lake Michigan, in the northern region of Michigan's lower peninsula. The area is best known for its scenic parks that have endless recreational activities, attractive lakefront homes, walkable neighborhoods and a historic downtown gaslight district that features over 170 unique retail shops and restaurants. These attractions have made Petoskey a popular vacation destination amongst families across the Midwest. The area is also home to numerous summer vacation homes for many wealthy families and celebrities.



## SURROUNDED BY MAJOR RETAILERS

The site is located along the primary retail corridor of Spring Street / U.S Hwy 131. The trade area is home to countless national retailers including Walmart, Meijer, Lowe's, The Home Depot, Marshalls, Hobby Lobby and Office Max.



## SIGNALIZED CORNER, EXCELLENT TRAFFIC & ACCESS

The subject offering is located at the signalized intersection of Spring Street (25,400 VPD) and Charlevoix Avenue (14,900 VPD), which are the two main thoroughfares in Petoskey. The site is also less than half a mile south from McLaren Northern Michigan Hospital and just west of downtown Petoskey, which provides a stable customer base for retailers in this location. Furthermore, customers have easy access to the subject offering from multiple points of entry from Charlevoix Avenue and Spring Street. This helps regulate traffic flow thereby creating many opportunities for customers to turn in and visit the subject offering.



# NORTH FACING SITE OVERVIEW



NORTH



# NORTHWEST FACING SITE OVERVIEW



# AERIAL



@Google, Accessed on 03/20/2024

# SITE AERIAL





# LOCATION & MARKET

Petoskey, MI, is a vibrant year-round resort town renowned for its natural beauty and historic charm. Located along the shores of Little Traverse Bay in northern Michigan, the community is a hub for outdoor recreation, cultural activities, and retail. The historic Gaslight District, a centerpiece of Petoskey’s charm, features over 170 unique shops, restaurants, and galleries, complemented by stunning bay views and classic gas-lit streets. Nearby attractions include Petoskey State Park, the Little Traverse Wheelway (a 26-mile scenic trail), and the iconic Tunnel of Trees, a celebrated route especially popular in autumn. The town serves as a regional center for healthcare, education, and tourism.

Key institutions include:

- McLaren Northern Michigan Hospital: A leading healthcare provider in northern Michigan, the hospital has 202 beds and employs over 2,000 staff. It serves 22 counties in the region and is part of the \$6 billion McLaren Health system.
- North Central Michigan College (NCMC): Enrolling approximately 2,600 students annually, this institution strengthens workforce development in the area and supports the local economy.
- Odawa Casino Resort: This \$140 million facility employs over 500 people, attracting visitors from across the Midwest and bolstering the regional tourism sector.
- Petoskey offers an exceptional quality of life, consistently ranked among the best small towns in America and a top place to retire. The community’s excellent schools, recreational amenities, and proximity to natural and cultural attractions make it a desirable destination for families, retirees, and tourists alike.

This version emphasizes Petoskey’s appeal as a well-rounded community with strong economic drivers and lifestyle benefits. Let me know if you’d like to refine it further!

DEMOGRAPHICS			
DISTANCE FROM SUBJECT:	5 MILE	10 MILES	20 MILES
2024 Population	15,627	30,188	66,147
Forecasted 2029 Population	15,634	30,273	66,087
% Change 2024 to 2029	0.01%	0.06%	-0.02%
2024 Households	7,111	13,330	29,012
Forecasted 2029 Households	7,231	13,623	29,621
2024 Median Home Value	\$327,882	\$316,064	\$284,930
2024 Daytime Demographics	23,612	34,093	66,515
2024 Average Household Income	\$116,597	\$117,866	\$106,884
2024 Median Household Income	\$76,235	\$78,898	\$74,581
2024 Per Capita Income	\$59,033	\$51,730	\$46,945
2024 Median Age	46.7	47.9	48.5

2024 ANNUAL CONSUMER SPENDING <i>within 5 miles</i>	
Annual Budget Expenditures	\$723,232,711
Retail Goods	\$238,767,309
Food	\$81,476,953
Entertainment/Recreation	\$30,317,272
Apparel & Services	\$17,030,806
Personal Care Products & Services	\$7,299,297





# TENANT OVERVIEW - WALGREENS



Founded in 1901 as a single drugstore in Chicago, Walgreens has grown into one of the largest pharmacy chains in the United States, second only to CVS. Known for its history of innovation, Walgreens introduced self-service retail in the 1950s and today offers a top-rated mobile app. The company focuses on prescription medications, health and wellness products, photo services, and general merchandise.

In 2014, Walgreens merged with European-based Alliance Boots to form Walgreens Boots Alliance, Inc. (WBA), the first global pharmacy-led health and well-being enterprise. Prescription drugs account for approximately 70% of U.S. sales, with the rest from retail items. Many Walgreens locations also feature drive-through pharmacies, one-hour photo processing, and in-store clinics operated by Walgreens or healthcare partners, enhancing access to care and convenience.

## Tenant Profile

Parent Company	Walgreens Boots Alliance, Inc.
Founded	1901
Headquarters	Deerfield, IL
Type / Stock Symbol	Public / WBA
Number of Employees	312,000
Number of Stores (2024)	8,500
Market Cap (Nov. 2024)	\$7.62 Billion
Revenue <small>(fiscal year ending August 31, 2024)</small>	\$147.66 Billion





# LEASE ABSTRACT

<b>Tenant</b>	Walgreens
<b>Address</b>	710 Spring Street   Petoskey, MI
<b>Building Size (SF)</b>	13,905 SF
<b>Lot Size (Acres)</b>	1.57 AC
<b>Percent Rent</b>	If the sum of 2% of Gross Sales (excluding prescriptions and food items) + 0.5% gross sales of prescription items + 0.5% gross sales of food items exceeds the total base rent then excess amount is paid as percentage rent.
<b>Lease Expiration</b>	04/30/2030
<b>Lease Term Remaining</b>	5.5+ years
<b>Annual Base Rent</b>	\$420,000
<b>NOI</b>	\$420,000
<b>Renewal Options</b>	Six 5-year options
<b>Option Increase</b>	15.875%
<b>Option Notice</b>	Written notice 6 months prior to expiration
<b>Lease Type</b>	NNN
<b>Landlord Responsibilities</b>	All exterior and structural portions of the building, roof, utility lines and parking lot replacement.
<b>Taxes</b>	Tenant pays directly
<b>Insurance</b>	Tenant pays directly
<b>Utilities</b>	Tenant pays directly
<b>Tenant Maintenance</b>	Repair and maintenance of the parking lot, interior of building, HVAC, equipment and plate glass
<b>Ownership Interest</b>	Fee Simple
<b>ROFR</b>	Tenant has the right to purchase the property within 20 days of receiving Bona Fide Offer.

## FINANCIAL SUMMARY

Dates	Annual Rent	Monthly Rent	Increase
Current Term - 4/30/2030	\$420,000	\$35,000	-
05/01/2030 - 04/30/2060*	\$486,675	\$40,556	15.875%
<b>*Options</b>	Walgreens has the option to terminate the lease on 04/30/2030, 04/30/2035, 04/30/2040, 04/30/2045, 04/30/2050, and 04/30/2055		

## PRICING

Price	Cap Rate
\$6,315,789.47	6.65%



\*REPRESENTATIVE PHOTO



# CONDITIONS OF OFFERING

## OFFERING MEMORANDUM AND LEGAL LIABILITY

The Offering Memorandum (“The Memorandum”) is intended solely for the limited use of the Potential Purchaser in considering whether to pursue negotiations to acquire the Walgreens in Petoskey, Michigan (“The Property”). The Memorandum, prepared by Mid-America Real Estate - Michigan, Inc. (hereinafter collectively referred to as “MAREM”), contains information pertaining to the operation of The Property and does not purport to be all inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum is being delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon MAREM, The Owner or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREM and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREM or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREM and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum’s contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREM; that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum’s contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum’s contents in any fashion or manner detrimental to the interest of The Owner or MAREM or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREM is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing brokers or property management staff of The Property in connection with its review of The Property without prior written approval of The Owner. Any and all questions related to The Memorandum or The Property must be directed to MAREM. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum to the appropriate representative of MAREM.

## REPRESENTATION

The Potential Purchaser understands and agrees that MAREM is not representing The Potential Purchaser in this Proposed Sale. MAREM is only representing The Owner in this Proposed Sale.

## AMERICANS WITH DISABILITIES ACT

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREM is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREM can determine which attorneys or design professionals have the appropriate expertise in this area.

## HAZARDOUS MATERIALS DISCLOSURE

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREM has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters

## COOPERATING BROKER POLICY

Neither The Owner nor MAREM will pay a brokerage fee to, or share a brokerage commission with The Potential Purchaser, or a related and/or affiliated party to such purchaser, attempting to act as a cooperating broker. In addition, neither The Owner nor MAREM will pay a brokerage fee to, or share a brokerage commission with, a cooperating broker representing The Potential Purchaser. However, notwithstanding the issue of commission, The Potential Purchaser may retain the brokerage representative of its choice. All cooperating broker inquiries should be directed to the appropriate MAREM representative.

## REMEDIES

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/ or MAREM shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREM from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREM is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREM prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREM’s reasonable attorneys’ fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

For further information contact owner's exclusive representatives.

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