

Marcus & Millichap
BROWN RETAIL GROUP
SEATTLE | PORTLAND | BOISE

WALGREENS

28817 Military Rd S, Federal Way, WA 98003

**5+ YEAR ABSOLUTE NNN WALGREENS WITH NO PHARMACY
COMPETITION AND STRONG GROCERY SHADOW ANCHORS
LOCATED IN SEATTLE-TACOMA MSA**



ACTUAL PROPERTY PHOTO



THE OFFERING

28817 Military Rd S, Federal Way, WA 98003

Brown Retail Group of Marcus & Millichap has been selected to exclusively market for sale a **5+ Year Absolute NNN Walgreens in Federal Way, WA (Seattle-Tacoma MSA)**.

The property has 5+ years remaining on an absolute NNN lease and six, 5-year renewal options. The lease is corporately guaranteed by Walgreens Boots Alliance, Inc, now owned by Sycamore Partners, which manages over \$11B in committed capital. Walgreens has occupied this location since 2004 (21+ years) and benefits from no pharmacy competition within 2 miles. The property is shadow anchored by a top 10% ranked Safeway grocery store (910,000+ annual visits) and adjacent Valley Harvest International Market (500,000+ annual visits), driving strong and diverse traffic flow. Situated at the signalized intersection of Military Road S and S 288th Street, the property benefits from over 33,000 vehicles per day with excellent visibility and access. The area demographics are robust with approximately 230,000 residents within five miles and average household incomes exceeding \$100,000. The rent increases 13% in 2031 in the next lease renewal option, boosting investor returns to an attractive 9.90% cap rate.

PRICE: \$4,285,000
CAP RATE: 8.75%

500,000+ VISITORS
PER YEAR
VALLEY HARVEST
INTERNATIONAL MARKET

WALGREENS
28817 MILITARY RD S,
FEDERAL WAY, WA 98003

NATIONALLY TOP 10%
RANKED SAFEWAY
SAFEWAY

ACTUAL PROPERTY PHOTO

THE PROPERTY

Price	\$4,285,000
Capitalization Rate	8.75%
Price/SF	\$301
Gross Leasable Area	14,238 SF
Lot Size (Acres)	1.32 Acres
Type of Ownership	Fee Simple
Year Built	2004

LEASE SUMMARY

Tenant	Walgreens
Rent Increases	13% Increase in Option 1
Guarantor	Corporate Guarantee
Lease Type	Absolute Net (NNN)
Lease Commencement	9/5/2004
Lease Expiration	9/30/2031
Renewal Options	6, 5-Year Options
Term Remaining on Lease	5+ Years
Landlord Responsibility	None
Tenant Responsibility	All

RENT SCHEDULE

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/ SF	CAP RATE
Current - 9/30/2031	\$375,000	\$31,250	\$26.34	8.75%
OPTIONS				
Option 1: 10/1/2031 - 9/30/2036	\$425,000	\$35,417	\$29.85	9.92%
Option 2: 10/1/2036 - 9/30/2041	\$425,000	\$35,417	\$29.85	9.92%
Option 3: 10/1/2041 - 9/30/2046	\$425,000	\$35,417	\$29.85	9.92%
Option 4: 10/1/2046 - 9/30/2051	\$425,000	\$35,417	\$29.85	9.92%
Option 5: 10/1/2051 - 9/30/2056	\$425,000	\$35,417	\$29.85	9.92%
Option 6: 10/1/2056 - 9/30/2061	\$425,000	\$35,417	\$29.85	9.92%

WALGREENS



Founded in 1901, Walgreens is one of the nation’s largest and most established drugstore chains, with more than a century-long history of innovation and continuous improvement. From inventing the world’s first chocolate malted milkshake to the creation of one of the most population sophisticated mobile applications in retail shopping today, Walgreens has transformed into a leader within the retail and drug industry. Walgreens, one of the nation’s largest drugstore chains, is the Retail Pharmacy USA Division of Walgreens Boot Alliance, Inc., a global leader in retail and wholesale pharmacy.

Walgreens Boots Alliance is an integrated healthcare, pharmacy, and retail leader serving millions of customers and patients every day. In 2025, Walgreens Boots Alliance was acquired by

Sycamore Partners and taken private, with all existing corporate guarantees remaining in full force and effect. Sycamore Partners manages over \$11B in committed capital through its portfolio of companies. Backed by private equity ownership, the brand continues to leverage its national footprint, operational scale, and trusted consumer presence to remain a dominant force in the retail pharmacy sector. Across the U.S., Europe, and Latin America, Walgreens has become a trusted, global innovator in retail pharmacy with over 8,000 locations and more than 211,000 team members. Walgreens portfolio of consumer brands includes Walgreens, Boots, Duane Reade, the No7 Beauty Company, Benavides, and Ahumada.

<https://www.sycamorepartners.com/home>

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

\$117B

SALES Q3 2025

78%

78% OF AMERICANS LIVE WITHIN 5-MILES FROM A WALGREENS

8,000+ Stores

8,000+ STORES ACROSS ALL 50 STATES

211,000+

NUMBER OF EMPLOYEES



REPRESENTATIVE INTERIOR PHOTO

THE HIGHLIGHTS

5+ YEAR LEASE

Walgreens has more than 5 years of lease term remaining from an early 10-year lease extension signed in 2021, with 6, 5-year renewal options remaining.

ABSOLUTE NNN LEASE WITH ZERO LANDLORD RESPONSIBILITIES

The property is secured by an absolute NNN lease, with Walgreens responsible for all taxes, insurance, and repairs & maintenance (including the roof and structure)—providing investors with long-term, steady, passive income.

STRONG CORPORATE GUARANTEE

The Lease is corporately guaranteed by Walgreens Boots Alliance, Inc., operating approximately 8,000 locations throughout the US and Puerto Rico. In 2025, Walgreens Boots Alliance was acquired by Sycamore Partners and taken private, with all existing corporate guarantees remaining in full force and effect. Sycamore Partners manages over \$11B in committed capital through its portfolio of companies.

SOLID HISTORICAL OCCUPANCY + EARLY LEASE EXTENSION

Walgreens has been at this location since 2004 (21+ years) and signed an early 10-year lease extension in 2021, demonstrating Walgreens long-term commitment to the site and consistent store-level performance.

NO PHARMACY COMPETITION

Walgreens is the only pharmacy within 2 miles in any direction providing a strong customer base and no pharmacy competition in the surrounding neighborhood area.



GROCERY SHADOW ANCHORED BY NATIONALLY TOP 10% RANKED SAFEWAY

The property is located across from a Safeway grocery store ranked in the top 10% of all grocery stores nationwide, receiving over 910,000 customer visits per year (per Placer.ai). Additionally, Valley Harvest International Market, a local international grocery store, is located adjacent to the property, receiving nearly 500,000 customer visits per year (per Placer.ai). Being located by both grocery stores provides strong and diverse continuous traffic flow and visibility for the site.

HIGH-TRAFFIC, SIGNALIZED HARD CORNER LOCATION (33,000+ VPD)

Situated at the signalized intersection of Military Road S and S 288th Street, the Property benefits from over 33,000 vehicles per day, delivering excellent visibility, steady traffic flow, and efficient access.

DENSELY POPULATED SUBMARKET

The Property benefits from approximately 230,000 residents within a five-mile radius with average household incomes exceeding \$100,000, supporting consistent consumer spending and durable demand for neighborhood and service-oriented retail.

ATTRACTIVE 13% RENT INCREASE IN 2031

The rent increases 13% in 2031 in the next lease renewal option, increasing investor returns to an attractive 9.90% cap rate.

INCOME TAX-FREE STATE

Washington State imposes no state personal income tax, enhancing net returns for investors.



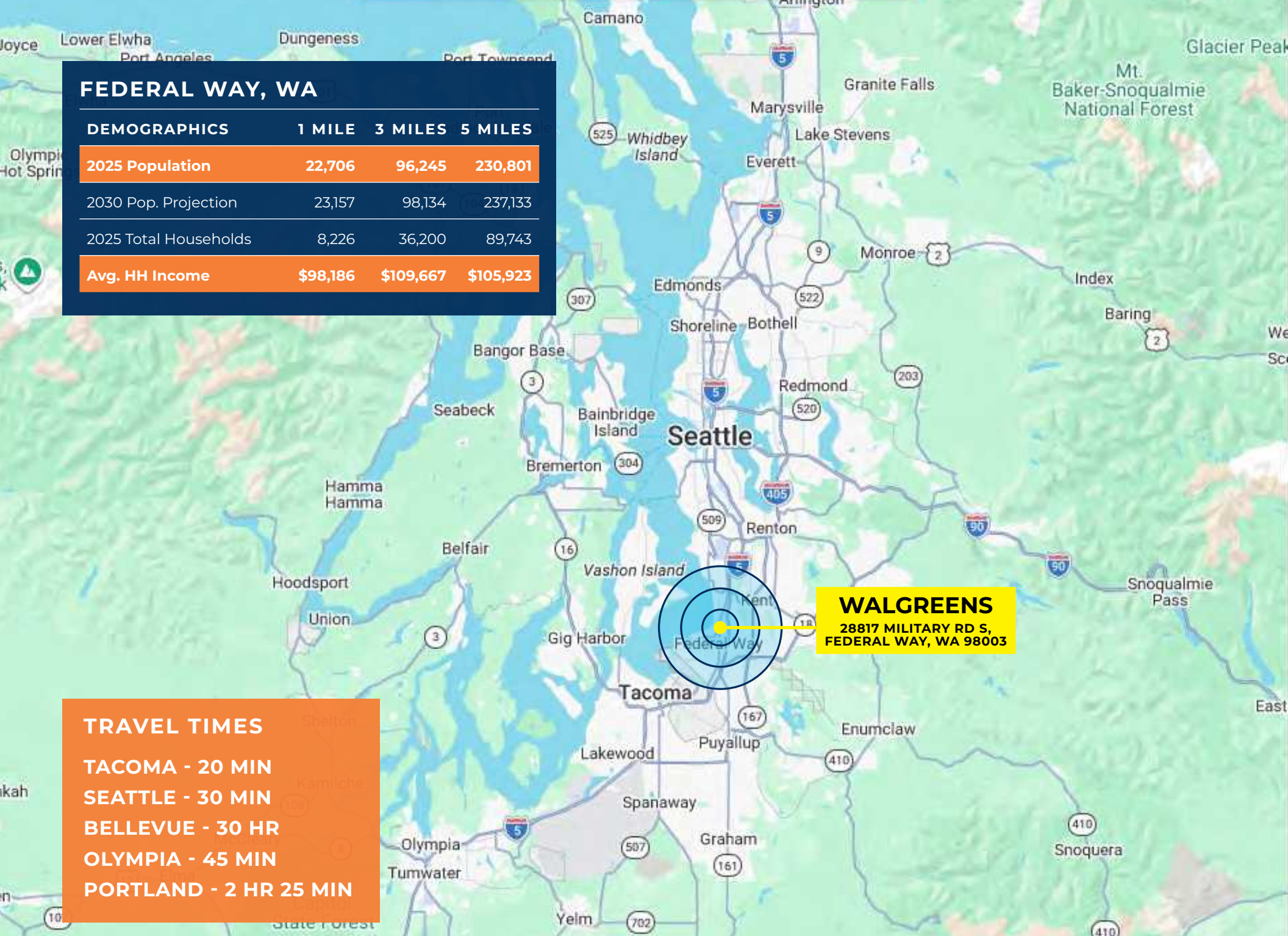
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S 288TH ST (15,000+ VPD)

MILITARY RD (14,000+ VPD)

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2025 Population	22,706	96,245	230,801
2030 Pop. Projection	23,157	98,134	237,133
2025 Total Households	8,226	36,200	89,743
Avg. HH Income	\$98,186	\$109,667	\$105,923

TRAVEL TIMES
TACOMA - 20 MIN
SEATTLE - 30 MIN
BELLEVUE - 30 HR
OLYMPIA - 45 MIN
PORTLAND - 2 HR 25 MIN



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SEATTLE MSA

Known as the Emerald City, Seattle-Tacoma metro is situated approximately halfway between Portland, Oregon, to the south and Vancouver, British Columbia, to the north. The area's strategic location and thriving economy have made it the commercial, cultural, and advanced technology hub of the Pacific Northwest. Seattle has also earned the nickname of Cloud City and Jet City for its significant contributions to the global technology and aerospace industries.

Seattle-Tacoma MSA is a sophisticated urban center favored by shoppers and outdoorsmen alike. Surrounded on all sides by the Cascade Mountains, Mount Rainier and the Puget Sound, the region regularly tops magazine surveys of desirable places to live, work and play, a strong incentive for employers to locate in the area.

FORTUNE 500

COMPANIES HEADQUARTERED IN THE SEATTLE MSA



A ROBUST ECONOMY ANCHORED BY THE WORLD'S LEADING COMPANIES

As a hallmark destination for pioneers, the Seattle-Tacoma MSA attracts and retains both entrepreneurial businesses and individuals. Young, affluent, and highly educated individuals flock to the region for opportunities and as such, the Seattle-Tacoma MSA has emerged as a major global hub for some of the world's leading technological, medical, and life science companies. Seattle's increasingly diverse economic base is also a host to well-established national and international industries including aerospace, transport, and tourism.

ECONOMY

- The region is a leader in the aerospace, e-commerce, cloud storage, and computer software industries with employers that include Microsoft, Boeing and Amazon. These companies provide numerous high-quality jobs.
- Fishing, food processing, shipping, maritime logistics, shipbuilding, and ship repair and maintenance are other vital maritime-related segments of the economy.
- Job growth will outpace U.S. gains through 2025 as employment expands 0.7% annually, compared with 0.3% for the nation.
- Roughly 40,000 of the county's jobs are related to the military and defense industry. Naval Base Kitsap has the largest shipyard on the West Coast.



#1

Washington State Ranked the Best State in America since 2019



#2

In America for Long-Term Fiscal Stability



46.9%

Percentage of the State are College Educated



3.9%

Employment Growth Since 2016 Compared to the National Average of -1.04%

MARCUS & MILLICHAP HEREBY ADVISES ALL PROSPECTIVE PURCHASERS OF NET LEASED PROPERTY AS FOLLOWS

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BROWN RETAIL GROUP

SEATTLE | PORTLAND | BOISE

CLAYTON J. BROWN

Senior Managing Director, Investments
206.826.5787 D
253.569.4338 C
clayton.brown@marcusmillichap.com

