

Walgreens

1995 W Highway 89A | Sedona, AZ 86336

Retail Investment Opportunity | Offering Memorandum

MATTHEWS™

Only Walgreens Location in Sedona

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Exclusively Listed By

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Walgreens | Sedona, AZ

Property Overview



01

Property Overview

1995 W Highway 89A

Sedona, AZ 86336

1998

Year Built

±2.00

Lot Size (AC)

±17,505

Total Rentable SF

Investment Highlights

- **ONLY WALGREENS IN SEDONA** — The property is the only Walgreens in Sedona, providing a differentiated position within a highly supply-constrained market serving both the local population and millions of annual visitors.
- **RARE RENTAL ESCALATIONS** — Walgreens benefits from rare 5% rental increases every five years, providing contractual income growth and a meaningful hedge against inflation compared with the typical flat-rent structure found across much of Walgreens' real estate portfolio.
- **EXCLUSIVE LABCORP LOCATION** — This Walgreens features Sedona's only Labcorp patient service center, further establishing the property as a key healthcare destination. The on-site Labcorp generates additional needs-based customer traffic beyond traditional pharmacy and retail visits while providing a differentiated healthcare amenity to the surrounding community.
- **RECENT 15-YEAR LEASE EXTENSION** — In 2020, Walgreens demonstrated its long-term commitment to the location by executing a new 15-year lease extension, providing investors with long-term lease security and reinforcing the importance of the location within Walgreens' store network.



Property Overview

Location Highlights

- **WORLD-RENOWNED TOURISM DESTINATION** — Sedona is one of Arizona's premier tourism destinations, attracting an estimated 3—4 million visitors annually to its iconic red-rock landscape, resorts, galleries, restaurants, and outdoor recreation. Tourism represents an approximately \$1 billion industry and generates roughly 77% of the City's sales and bed-tax revenues, creating a substantial visitor-driven consumer base that extends far beyond Sedona's permanent population.
- **SUPPLY-CONSTRAINED MARKET** — Sedona is an exceptionally supply-constrained real estate market, creating significant barriers to new competitive development. Approximately 49% of land within the City limits is National Forest, while 82% of the remaining land is already developed. Limited buildable land, combined with stringent development standards intended to preserve Sedona's natural character, significantly restricts new retail supply and enhances the scarcity value of existing commercial properties.
- **AFFLUENT CONSUMER BASE** — Average household income exceeds \$108,000 within a 1-mile radius, providing an affluent local consumer base that, combined with Sedona's substantial visitor spending, supports strong purchasing power and durable retail demand.
- **ESTABLISHED WEST SEDONA RETAIL CORRIDOR** — The property is strategically positioned along State Route 89A within West Sedona's primary retail and commercial corridor, surrounded by a concentration of national and regional retailers including Whole Foods Market, Safeway, Natural Grocers, and Bashas'. The established corridor serves as a primary destination for everyday shopping and services for Sedona residents while also capturing significant demand from the millions of visitors drawn to the market annually.



Property Photos



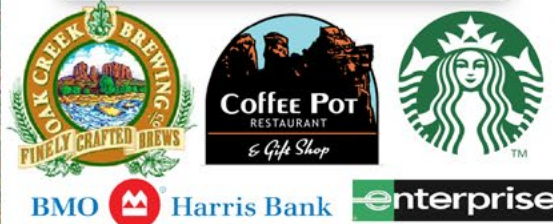
Sedona Market Map



Sedona Safeway Plaza



West Sedona Shopping Mall



Sedona Village Shopping Center



THE WILDE The Wilde Resort & Spa
RESORT AND SPA ±105 Rooms | ±300 Guests daily



Subject Property

Sunset Dr ±27,000 VPD

89A ±30,329 VPD

Harkins
THEATRES



SEDONA
COFFEE HOUSE



Villas of Sedona, a VRI Resort
±40 Units | ±100 Guests daily

Site Plan



Walgreens | Sedona, AZ

Financial Overview



Financial Summary

\$5,645,738

List Price

\$409,316

NOI

7.25%

Cap Rate

±2.00 AC

Lot Size

Investment Summary

Tenant	Walgreens
Parcel Number	408-26-031C
Store Number	#4065
Type of Ownership	Fee Simple
Lease Guarantor	Walgreens Corporate
Lease Type	Absolute NNN
Roof and Structure	Tenant's Responsibility
Rent Increases	5% Every 5 Years
Extended Lease Term	15 Years
Lease Extension Date	4/28/20
Lease Expiration Date	4/30/35
Term Remaining	±8.6 Years
Options	Twelve, 5-Year Options



Financial Summary

Annualized Operating Data

Term	Dates	Lease Years	Annual Rent	Increase %	Monthly Rent	Cap Rate
Current Extended Term	05/01/2025 - 04/30/2030	27 - 32	\$409,316.29	5.00%	\$34,109.69	7.25%
Current Extended Term	05/01/2030 - 04/30/2035	32 - 37	\$429,782.11	5.00%	\$35,815.18	7.61%
Option 1	05/01/2035 - 04/30/2040	37 - 42	\$451,271.21	5.00%	\$37,605.93	7.99%
Option 2	05/01/2040 - 04/30/2045	42 - 47	\$473,834.77	5.00%	\$39,486.23	8.39%
Option 3	05/01/2045 - 04/30/2050	47 - 52	\$497,526.51	5.00%	\$41,460.54	8.81%
Option 4	05/01/2050 - 04/30/2055	52 - 57	\$522,402.84	5.00%	\$43,533.57	9.25%
Option 5	05/01/2055 - 04/30/2060	57 - 62	\$548,522.98	5.00%	\$45,710.25	9.72%
Option 6	05/01/2060 - 04/30/2065	62 - 67	\$575,949.13	5.00%	\$47,995.76	10.20%
Option 7	05/01/2065 - 04/30/2070	67 - 72	\$604,746.58	5.00%	\$50,395.55	10.71%
Option 8	05/01/2070 - 04/30/2075	72 - 77	\$634,983.91	5.00%	\$52,915.33	11.25%
Option 9	05/01/2075 - 04/30/2080	77 - 82	\$666,733.11	5.00%	\$55,561.09	11.81%
Option 10	05/01/2080 - 04/30/2085	82 - 87	\$700,069.76	5.00%	\$58,339.15	12.40%
Option 11	05/01/2085 - 04/30/2090	87 - 92	\$735,073.25	5.00%	\$61,256.10	13.02%
Option 12	05/01/2090 - 04/30/2095	92 - 97	\$771,826.91	5.00%	\$64,318.91	13.67%

Tenant Overview



Tenant Overview

Walgreens is one of the nation's largest pharmacy and retail chains, serving communities across the United States for more than 120 years. Founded in 1901, the company has established itself as a leading healthcare destination by offering prescription services, immunizations, health screenings, and a broad assortment of retail products. With approximately 8,000 locations nationwide, Walgreens combines a vast national footprint with convenient neighborhood access, making it a trusted provider of pharmacy and everyday healthcare services. Its continued investment in digital health, omnichannel pharmacy services, and patient care initiatives has helped reinforce its position as a leading retail pharmacy operator in markets across the country.



Year Founded
1901

Headquarters
Deerfield, IL

Store Count
8,000+

Employees
200,000+

Website
walgreens.com

Walgreens | Sedona, AZ

Market Overview

03



SEDONA, AZ

Annual Visitors
3M+

Tourism-Generated Wages
\$240 M+

2025 Hotel Revenue
\$197.5 M



Market Overview

Sedona, Arizona is a highly recognized Northern Arizona destination known for its dramatic red rock landscape, outdoor recreation, and strong tourism-driven economy. The city attracts visitors throughout the year for hiking, wellness, sightseeing, dining, shopping, and cultural experiences, supporting steady activity across the local commercial market.

Sedona's retail market benefits significantly from its combination of local residents, regional visitors, and a substantial tourism base. Established commercial corridors feature a diverse mix of retail centers, restaurants, boutiques, art galleries, specialty shops, grocery stores, and everyday services. High visitor activity generates additional consumer spending and supports retail demand beyond what would typically be expected from the city's permanent population.

Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	11,694	13,199	22,367
Five-Year Projection	12,335	13,994	23,889
2020 Census	9,998	1,010	18,016
Annual Growth 2020-2025	1.1%	1.2%	1.4%
Annual Growth 2025-2030	3.4%	4.0%	4.8%
Households	3-Mile	5-Mile	10-Mile
Current Year Estimate	5,933	6,697	11,495
Five-Year Projection	6,242	7,086	12,263
2020 Census	5,162	5,672	9,380
Annual Growth 2020-2025	1.0%	1.2%	1.3%
Annual Growth 2025-2030	1.1%	1.4%	1.3%
Income	3-Mile	5-Mile	10-Mile
Avg Household Income	\$105,700	\$106,590	\$106,845

Nearby Attractions

Sedona Airport

Sedona Airport serves as an important aviation gateway for Sedona and the surrounding Verde Valley. Located atop Airport Mesa, the airport accommodates general aviation, private aircraft, charter operations, and scenic flights while providing convenient access to the Sedona area. Its elevated location near the city center makes it particularly accessible for private and recreational travelers, while scenic air tours offer another way for visitors to experience Sedona's renowned red rock landscape. The airport complements the region's tourism infrastructure and supports Sedona's position as a premier Arizona travel destination.

Jeep Tours

Sedona's iconic Jeep tours are one of the area's most recognizable tourism experiences, offering guided off-road excursions through the region's red rock landscapes, canyons, and desert terrain. These tours attract visitors seeking outdoor recreation and provide access to scenic areas surrounding Sedona that showcase the region's distinctive geology and natural beauty.



Tourism Economic Impact
\$1 Billion+ Annually

Tourism Supported Jobs
10,000+



Disclaimer & Confidentiality Agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **1995 W Highway 89A | Sedona, AZ 86336** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™ or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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