

## **Hanley Investment Group Sells Five Single-Tenant Walgreens Totaling Over \$34 Million**

*Hanley Investment Group Real Estate Advisors recently negotiated the sale of five single-tenant Walgreens for a total consideration of more than \$34 million. The sales were located in Southern California (Pasadena, Pomona, Orange County, and Riverside) and Oklahoma City, Okla.*

April 26, 2011 (FPRC) -- IRVINE, CALIF. – Hanley Investment Group Real Estate Advisors, one of the most dominant retail investment groups in the western United States and a market leader in the sale of retail properties, announced today that Hanley Investment Group negotiated the sale of five single-tenant Walgreens for a total consideration of more than \$34 million.

“Buyer demand remains consistent for NNN single-tenant investments with Walgreens being the most attractive, primarily due to their strong credit. We expect the demand for NNN single-tenant investments to continue as investors find this type of asset easy to manage while offering protection from rising inflation,” said Edward B. Hanley, president of Hanley Investment Group.

“Our clients that have purchased well-located, good credit NNN single-tenant properties, such as Walgreens, are producing much higher cash flow returns than the alternative investments in today’s marketplace,” said Senior Vice President Patrick Kent with Hanley Investment Group.

In Pasadena, Calif., Kent represented the seller and Hanley Investment Group's Vice President Jeremy S. McChesney represented the buyer in the sale of a single-tenant Walgreens. The 13,961-square-foot freestanding building leased to Walgreens is located at 670 N. Lake Avenue in Pasadena. The building is situated on a 5.50-acre parcel of land and was built in 1980. “The seller required a specific price in order to engage with a buyer, but we were able to obtain an all cash buyer from the Hanley Investment Group database to fulfill the exchange,” Kent noted. The buyer purchased the property all cash and satisfied a 1031 exchange. Both the buyer and seller were private investors.

“The sale of the Pasadena Walgreens represents the lowest cap rate of any single-tenant Walgreens in southern California since 2008,” said McChesney. “Over the last 8-10 months we have seen an increasing demand for this type of stable investment. As uncertainty still looms over other investments, Walgreens continues to remain the gold standard of single-tenant retail properties in the marketplace.”

In Orange County, Calif., Kent and Eric P. Wohl, vice president of Hanley Investment Group, teamed up in the sale of a single-tenant freestanding building leased to Walgreens. The buyer and seller were private investors. The exact location and transaction details could not be disclosed. “The Orange County Walgreens generated an aggressive capitalization rate due to the fact that it was a corporate ground lease with increases,” said Wohl. “To find another property with similar characteristics in today’s market would be extremely difficult.”

In Pomona, Calif., Wohl and Kent also represented the buyer in the sale of a single-tenant Walgreens built in 2003. The single-tenant 13,680-square-foot, freestanding building leased to

Walgreens is located at 495 E. Holt Avenue and is situated on a 1.49-acre parcel of land. The buyer, a private investor, purchased the property all cash, with a 30-day close of escrow. The seller, Evergreen/Holt, was represented by NAI Capital NYC.

According to Kent, "The Pomona Walgreens purchase answers the need of a family partnership to have a strong income stream with minimal management. Additionally, Walgreens' remaining lease term allows the family to pass this investment on to future generations."

In Riverside, Calif., Wohl represented the buyer and McChesney and Hanley Investment Group's Managing Director William B. Asher represented the seller in the sale of a single-tenant Walgreens. The 14,991-square-foot freestanding building leased to Walgreens is located at 6444 Van Buren Boulevard in Riverside. The building is situated on a 1.52-acre parcel of land and was built in 2010. The buyer was RW WG Riverside, LLC of Newport Beach. The seller was Arlington-Van Buren Investment, LLC of Chicago, Ill.

"The sale of the Riverside Walgreens represents one of the lowest cap rates for a single-tenant Walgreens in southern California in the last 9 months," said Asher. "In fact, for the past two years, the Walgreens that have sold in southern California generally traded in the 7 percent cap range. The Riverside sale at a 6.64 percent cap is a positive indicator the market is turning around."

Asher added, "The demand for single-tenant drug stores increased dramatically in the fourth quarter of 2010 and, combined with very attractive financing at up to 75 percent loan-to-value, watch for cap rates to remain in the 6 percent cap range moving forward."

Wohl represented the buyer in the sale of a single-tenant Walgreens in Oklahoma City, Okla. The 14,490-square-foot, freestanding building leased to Walgreens is located at 5901 NW 122nd Street in Oklahoma City. The building is situated on a 1.93-acre parcel of land and was built in 2008. The buyer was RW WG Riverside, LLC of Newport Beach, Calif. The seller, MAC-122, LLC of Oklahoma City, was represented by Gary Gregory and Cathy Jo See of Sperry Van Ness of Oklahoma City and Tony Alanis of Net Leased Real Properties of Encinitas, Calif.

"This property was a perfect fit for the buyer's 1031 exchange due to the excellent hard corner location and Walgreens' excellent credit," said Wohl. "The buyer was able to take advantage of favorable CMBS debt, which made the cash-on-cash return very attractive."

"With continued volatility in investments such as stock and bonds, more investors are looking to high quality commercial real estate," McChesney noted. "A single-tenant investment such as Walgreens provides long-term cash flow, with low risk. As investors continue to look for security, we expect that the demand for these high quality single-tenant investments will remain strong through 2011."

#### About Hanley Investment Group Real Estate Advisors

Built on a solid foundation of performance, integrity and dedication, Hanley Investment Group Real Estate Advisors is a boutique retail investment brokerage firm with a three billion dollar transaction track record that is comprised of innovative specialists delivering unparalleled service and superior results that consistently exceed client expectations. Hanley Investment Group's expertise, commitment and unwavering focus of putting the client's needs first have continued to set the company apart in the industry. Hanley Investment Group works closely with individual investors, developers, and institutional property owners in every facet of the transaction to insure that the highest value is achieved. Clients rely on Hanley Investment Group to be the most knowledgeable

and trusted source for valuation services, market information and retail property acquisitions and dispositions. For more information, visit the Company's website at [www.hanleyinvestment.com](http://www.hanleyinvestment.com) or call (949) 585-7610.

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