



## **Kunofsky, Ventura, Wachtler and Stewart of Marcus & Millichap broker sale of 21,000 s/f Walgreens**

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Marcus & Millichap Real Estate Investment Services has completed the sale of Trophy NYC Walgreens, a 21,000 s/f net-leased property located., according to J.D. Parker, vice president and regional manager of the firm's Manhattan office. The property sold for \$7.5 million.

Glen Kunofsky, executive vice president investments, and James Ventura, an investment specialist in Marcus & Millichap's Manhattan office, had the exclusive listing to market the property on behalf of the seller, a limited liability company. The buyer, a limited liability company, was secured and represented by Kunofsky, Russell Wachtler and John Stewart, investment specialists in Marcus & Millichap's Manhattan office.

The Walgreens located at 1281 Fulton St., has 60 ft. of frontage on a main retail thoroughfare and extends fully north to Macon St., allowing for access to the rear of the building. This investment opportunity highlighted a rare lease structure for Walgreens, in which it encompasses rental increases every five years. The subject 20-year lease, guaranteed by Walgreens Corp., also includes four, five-year option periods versus the typical one-year option periods.

This trophy NYC Walgreens traded at a 5.04% capitalization rate. The seller required a year-end closing and the buyer, in a 1031 exchange, had closed on its down-leg property just 14 days prior to seeing the property.

"The demand for net-leased investment properties in Manhattan and the boroughs are stronger than ever. Although the cap rate reflects a record for a Walgreens transaction, I am confident this property would have sold in the mid-high 4's (cap rate) if the construction was completed and the Walgreens was open for business," said Ventura.

"The real estate fundamentals of this asset provided the purchaser with a level of comfort that was not achievable when considering drug store properties elsewhere," added Wachtler.

With more than 1,000 investment professionals in offices nationwide, Marcus & Millichap Real Estate Investment Services is the largest firm specializing in commercial real estate investment services in the nation. Marcus & Millichap closed 5,085 transactions in 2011, the highest of any commercial real estate brokerage firm. Founded in 1971, the firm has perfected a powerful system for marketing properties that combines product specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology and relationships with the largest pool of qualified investors nationally.

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