

Pharma Property Group Completes 1031 Drugstore Exchange

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"Pharma Property Group recently completed a 1031 drugstore exchange from a CVS to a Walgreens property. The owner decided to perform the exchange and move their funds into a more infill market that provided better real estate fundamentals and higher replacement rents should Walgreens ever decide to vacate the property," stated Jason Pongsrikul, Managing Broker of Pharma Property Group.

"We are seeing a number of 1031 exchange buyers pursue Walgreens properties because of the healthy spread between CAP rates and interest rates. Drugstore exchange buyers can achieve over a 200 basis point spread for mid-term leased drugstores with 8 to 13 years of lease term. Compared to other investment grade net leased product, drugstores are providing great returns for 1031 exchange buyers," continued Mr. Pongsrikul.

"Many exchange buyers are still very confident in the drugstore brick-and-mortar model and are realizing that they just need to be prudent at analyzing the store level profitability when investing. Drugstore exchange buyers must also be knowledgeable on the local rent levels to make sure when the lease options come due that they are fully aware of the downside risk," stated Mr. Pongsrikul.

Pharma Property Group's drugstore specialization gives them a unique perspective when underwriting and sourcing drugstore replacement properties for 1031 exchange buyers. Pharma Property Group (PPG) has over \$1 Billion in closing transaction experience and specializes in providing commercial real estate services to landlords who own properties occupied by Walgreens, CVS and Rite Aid.

Pharma Property Group is one of the top brokerage firms in the country in drugstore property closing volume and has an unparalleled drugstore marketing platform providing access to the largest pool of drugstore landlords in the nation. Those interested can learn more at www.pharmapropertygroup.com.

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Based in San Diego, California, Pharma Property Group (www.pharmapropertygroup.com) was founded in 2012 by Jason Stuart Pongsrikul who has closed over \$1 Billion in net leased commercial properties throughout the country during the last decade.

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