

# Inventory Levels of Drugstores for Sale Soar in 2018 Leading to Increase in Closings in 2019

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Drugstores for sale in 2018 saw an increase in inventory levels especially for Walgreens for sale. In August 2018, there was a large volume of drugstores for sale that came to market as investors were uncertain of how the Walgreens purchase of roughly 1,900 Rite Aid stores would affect their drugstore investments. Many investors also continued to have concerns over pharmacy brick and mortar retail versus Amazon which led to further drugstores for sale on market.

“The large inventory of drugstores for sale in 2018 led to a lot of opportunity for seasoned drugstore net leased investors. When comparing the first half of 2019 to the first half of 2018 drugstores saw a 20% increase in closing volumes. Investors were achieving a 200 basis point spread on CAP rate and interest rates with drugstores for sale that they could not get anywhere else in the market for similar investment-grade corporate guarantees,” explained Jason Stuart Pongsrikul, Managing Principal at Pharma Property Group.

Mr. Pongsrikul continued, “Investors took a step back and realized that the corporate investment grade guarantees of drugstores for sale are very substantial with CVS at \$210 Billion and Walgreens at \$131 Billion in annual revenues. With an oversupply of drugstores for sale, Walgreens saw a 35% increase in closings when comparing the first half of 2019 to first half of 2018. Median CAP rates for CVS properties also dropped 50 basis points during the same period,” stated Mr. Pongsrikul.

Based in San Diego, California, Pharma Property Group ([www.pharmapropertygroup.com](http://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. Pharma Property Group (PPG) 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 a drugstore property closing volume and has an unparalleled drugstore marketing platform providing access to the largest pool of drugstore landlords in the nation.

For those who are interested, they can be reached by phone (858) 860-6591 or by email

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