

SALEM PARTNERS SELLS HONOLULU FLAGSHIP WALGREENS FOR \$42.25 MILLION

HONOLULU, HI – AUGUST 10, 2017 – Salem Partners, through one of its affiliated entities, has sold a Walgreens flagship store located at 1500 Kapiolani Boulevard in Honolulu for \$42.25 million, one of the highest sales prices for a store in Walgreens' history. The buyer is a Korean investment firm based in Los Angeles.

Salem Partners, based in Los Angeles, is currently pursuing entitlements to redevelop the 1500 Kapiolani site adjacent to Walgreens across from Ala Moana Center. Walgreens will continue to occupy the 36,058 square foot freestanding building under a long-term lease.

“Walgreens is a great company and we are pleased it will continue to be our neighbor as part of a new hotel/condominium project we are proposing for the adjacent site,” said James Ratkovich of Salem Partners. “We are moving forward with the city and county planning department on an architecturally stunning project that will redefine the city’s skyline.”

“We are committed to continuing our momentum to re-establish Honolulu’s Ala Moana district as a top-tier destination,” emphasized William Witte of Salem Partners. Both of Salem Partners’ Kapiolani Boulevard sites were previously occupied by distressed properties. “We recognize the transformative power of the new transit system for the area,” Witte noted.

Salem Partners has embraced the city's newly-adopted Interim Transit-Oriented Development (TOD) ordinance with two new projects. In addition to its proposed redevelopment at 1500 Kapiolani, Salem's nearby project at 1695 Kapiolani Boulevard, Mana'olana Place, will bring the Mandarin Oriental Hotel back to Honolulu in a 36-story mixed-use tower with extensive gardens and public plazas. Both projects include features which will enliven the streetscape in the heart of the Ala Moana District, home to the Hawaii Convention Center, Ala Moana Beach Park, and Ala Moana Center, the world's largest open-air shopping destination.

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About Salem Partners

Founded in 1997, Salem Partners comprises three platforms: investment banking, real estate development, and wealth management. Salem's investment bankers have completed billions of dollars of transactions in various industries. The wealth management division provides customized investment and family office services to clients who prize top-flight expertise combined with in-depth relationships. Real estate development is headed by industry veterans experienced in all segments of the built environment.

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