

CVS

789 IN-39 Bypass | Martinsville, IN 46151

OFFERING MEMORANDUM



ACTUAL PROPERTY

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

Exclusively Listed By



ROSS URBAHNS

ASSOCIATE

DIRECT (214) 692-2283

MOBILE (317) 670-0732

ross.urbahns@matthews.com

LIC # 710683 (TX)

CHAD KURZ

SVP & NATIONAL DIRECTOR

DIRECT (214) 692-2827

MOBILE (562) 480-2937

chad.kurz@matthews.com

LIC # 01911198 (CA)

KYLE MATTHEWS

BROKER OF RECORD

LIC # RC51700140 (IN)

Executive Overview



**LIST PRICE**

\$2,922,000

**CAP RATE**

6.35%

**YEAR BUILT**

1998

**LOCATION**

Martinsville, IN

**TERM REMAINING**

± 9.5 Years

Investment Highlights

- » **Top Performing CVS** – CVS is reporting nearly \$10M in revenue annually. CVS is operating at under a 2% rent-to-sales ratio at this store making it an extremely profitable store.
- » **Recent Major Parking Lot Renovation** - At tenant expense in October of 2018, the parking lot underwent the application of major asphalt patching, crack sealant, complete seal coat, and new striping
- » **Strong Rent Increases** - There is a ±15% rent increase in 2028 followed by a ±3% increase in 2033. In addition, CVS has a rare rent increase during the base-term of the lease of 1.36%.
- » **Commitment to Location** – After the initial 20-year lease, CVS signed a new 10-year lease extension in 2017, showing commitment to this location. Currently, there is just under 9.5 years remaining on the guaranteed lease term with 2, 5-year options.
- » **Extremely Cheap Rent** - CVS is currently paying just \$185,464 in rent which is nearly half of what new CVS buildings pay in rent. This is an extremely cheap price point of ±\$3M for a stabilized drug store property.
- » **Prototypical Store Format** - High-quality construction on a major thoroughfare with prominent corner entry and drive-thru. The property was recently painted and a re-slurry was completed on the parking lot.
- » **Great Credit Rating and Guaranty** - CVS is a top 10 fortune 500 company with a market cap more than \$60B. CVS is rated by S&P 500 as BBB which is investment grade.

Financial Overview





Investment Summary

» LIST PRICE	\$2,922,000
» NOI	\$185,463.72
» CAP RATE	6.35%
» GLA	± 12,608 SF
» YEAR BUILT	1998

Annualized Operating Data

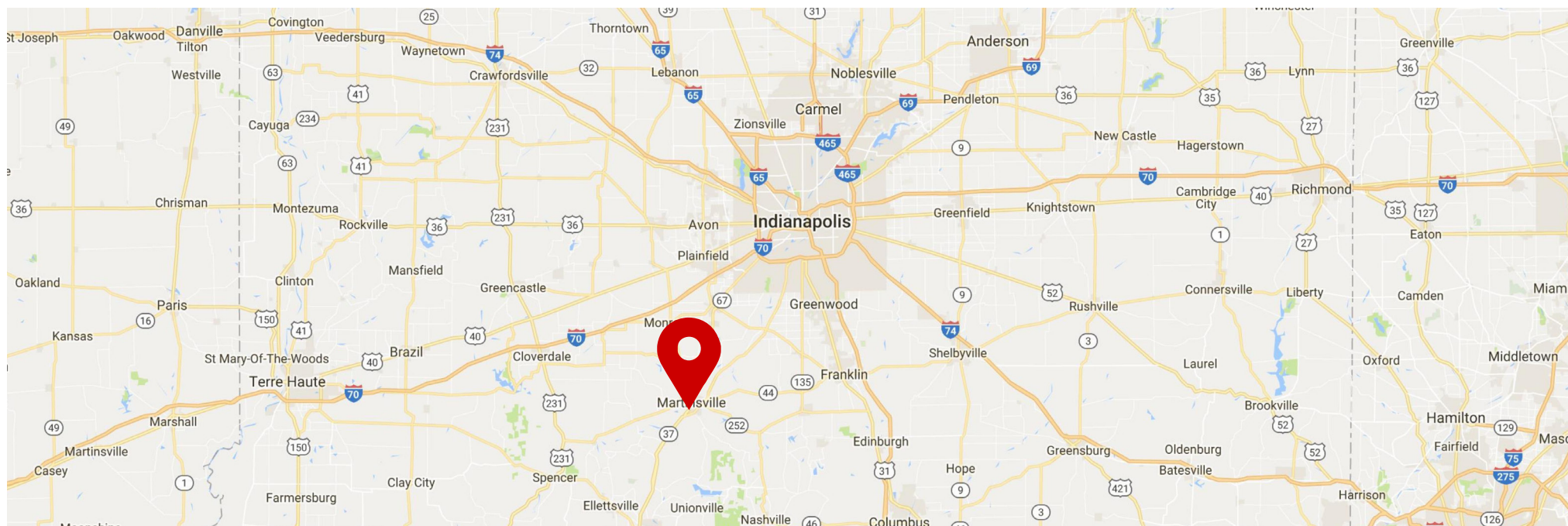
	Monthly Rent	Annual Rent	Cap Rate
Current - 12/31/22	\$15,455.31	\$185,463.72	6.35%
1/1/23 - 12/31/27	\$15,665.44	\$187,985.28	6.43%
1/1/28 - 12/31/32	\$17,934.88	\$215,218.56	7.37%
1/1/33 - 12/31/37	\$18,460.21	\$221,522.52	7.58%

Tenant Summary

Tenant Trade Name	CVS
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	NN
Roof and Structure	Landlord Responsible
Term Remaining on Lease	± 9.5 Years
Original Lease Term	10 Years
Rent Commencement	5/1/2017
Lease Expiration Date	12/31/2027
Options	Two, 5-Year Options

Property Overview





The Offering

PROPERTY NAME **CVS**

Property Address 789 IN-39 Bypass
Martinsville, IN 46151

SITE DESCRIPTION

Number of Stories One

Year Built 1998

GLA ± 12,608 SF

Lot Size 1.49 AC (65,035 SF)

Type of Ownership Fee Simple

Landscaping Professional

Topography Generally Level

Tenant Overview

» Company Name CVS	» Year Founded 1963	» Headquarters Woonsocket, Rhode Island
» Ownership Public	» Industry Drug Store	» S&P Credit Rating BBB+

CVS Health Corporation, together with its subsidiaries, provides integrated pharmacy health care services. It operates through Pharmacy Services and Retail/LTC segments. The Pharmacy Services segment offers pharmacy benefit management solutions, such as plan design and administration, formulary management, Medicare Part D services, mail order and specialty pharmacy services, retail pharmacy network management services, prescription management systems, clinical services, disease management programs, and medical pharmacy management services. The Retail/LTC segment sells prescription drugs, over-the-counter drugs, beauty products and cosmetics, personal care products, convenience foods, seasonal merchandise, and greeting cards, as well as provides photo finishing services. The company was formerly known as CVS Caremark Corporation and changed its name to CVS Health Corporation in September 2014. Hook-SuperRx, LLC operates as a subsidiary of CVS Health Corporation and retails drugs in the United States. It is based in Indianapolis, Indiana and does business as CVS Pharmacy.





Area Overview



Martinsville, IN

Earning the nickname City of Mineral Water for its well-known mineral water sanitariums, Martinsville has been the county seat of Morgan County since its founding in 1822. The name “Martinsville” was given to the community in honor of its surveyor, John Martin. Located in south-central Indiana, immediately southwest of Indianapolis, Martinsville’s 2018 population was 11,828.

Martinsville is a rural area of approximately 404 square miles with 172 people per square mile and is the largest community in Morgan County. The City’s history with mineral water sanitariums dates back to the first one opened in 1888 (Barnard) and the last one (Home Lawn) closing in 1968. Over those years, 12 different sanitariums were in Martinsville.

POPULATION	1 - MILE	3 - MILE	5 - MILE
2010 Census	7,738	14,542	20,035
2018 Estimate	7,621	14,653	20,085
2023 Projection	7,631	14,818	20,255
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2010 Census	3,053	5,629	7,699
2018 Estimate	3,025	5,694	7,790
2023 Projection	3,037	5,768	7,887
INCOME	1 - MILE	3 - MILE	5 - MILE
2018 Est. Average Household Income	\$47,355.57	\$60,629.32	\$68,042.02

Landmarks

Martinsville City Hall

Martinsville City Hall was built in 1917 and is located at 59 South Jefferson Street, just off the downtown square. The structure was home to the fire department, which, at the time, had just purchased its first motorized fire truck. Today, the fire department headquarters is at 160 West Morgan Street, with City Hall home to the Mayor's office, City Council Chambers and the police, building services, and public works departments.

Morgan County Courthouse

Built between 1857-1859 by Perry Magnus Blankenship, the Morgan County Courthouse anchors Martinsville's commercial district and is located in the center of the historic downtown square. Having undergone several renovations since its initial construction, today the Courthouse continues to function as the centerpiece for Morgan County government operations.

The Courthouse Square

The Courthouse Square is one of the most intact historic commercial districts in Indiana. The four sides of the square have a variety of commercial buildings, many dating back to the third quarter of the 19th Century.

Morgan County Public Library

The Carnegie Library in Martinsville was created from the generosity of philanthropist Andrew Carnegie who contributed approximately \$456 million for more than 2,500 libraries throughout the world. In 1905, Carnegie donated \$12,500 for the construction of Martinsville's library. In 1976, it became known as the Morgan County Public Library.

Morgan County Memorial Hospital

Morgan County Memorial Hospital came into existence in 1924. Originally located on Main Street, the 84-bed hospital was relocated in 1958. Now known as IU Health Morgan, in 2015, it successfully transformed to a Hospital Outpatient Department of the Academic Health Center. Health and medical services offered at the hospital range from adult and pediatric care, emergency and urgent care to cancer care, a sleep lab, medical nutrition therapy, diabetes care and much more.



Indianapolis, IN

Indianapolis is the capital and most populated city in Indiana. It is the economic and cultural center of the Indianapolis MSA and is the 34th most populated MSA in the nation. The city covers 368 square miles, making it the 16th largest city in the US. The area is known for its one-of-a-kind culture with six distinct culture districts. Indianapolis stays true to its history and savors its historically significant neighborhoods. These districts include Broad Ripple Village, Canal and White River State Park, Fountain Square, Indiana Ave, Mass Ave, and Wholesale. Whether you are looking for sports, arts, dining, or excitement, Indianapolis has something for everyone.

Economic Developments

As of 2017, the three Fortune 500 companies in the area are Anthem, Inc, Eli Lilly, and Simon Property Group. Biotechnology, life science, and healthcare have played a major role in Indianapolis' economy. The North American headquarters for Roche Diagnostics and Dow AgroSciences are located in the city. Eli Lilly and Company have become the largest private employer in the city with over 11,000 workers.

The city is also home to the second largest FedEx Express hub in the world. Indianapolis' location and extensive highway make the city an important logistics center. Indianapolis International Airport is ranked the sixth busiest U.S. airport by air cargo transport.

The hospitality industry is also an increasingly vital sector for the area. Indianapolis is in its fourth year of record growth, generating \$4.9 billion dollars in the hospitality industry. Convention centers have also brought in profits with the Indiana Convention Center and Lucas Oil Stadium being two of the most popular sites for tourism.





Tourism

Tourism and hospitality is an increasingly vital sector of the Indianapolis economy. The Indiana Convention Center is connected to 12 hotels and 4,700 hotel rooms, the most of any U.S. convention center. Beyond the conventions, there are many other reasons for visitors to visit Indianapolis. The city is home to dozens of annual festivals and events showcasing and celebrating Indianapolis culture. Notable events include the “Month of May” (a series of celebrations leading to the Indianapolis 500), Circle City IN Pride, Indiana Black Expo, Indiana State Fair, and Historic Irvington Halloween Festival.

Indianapolis has a wide variety of museums and galleries which appeal to art lovers, car enthusiasts, sports fans, history buffs and people interested in science and technology. Some of the top-rated attractions in Indianapolis include the White River State Park, the NCAA Hall of Champions, the Soldiers’ and Sailors’ Monument, and the Indiana State Museum.

From the legendary Indianapolis 500 to the Pacers and the Colts, the city offers ample opportunities to view professional and amateur sporting events, take part in athletic events and visit sports museums. At the Indianapolis Motor Speedway and Hall Of Fame Museum, you can tour the famous track or visit the museum dedicated to automobiles and auto racing. Other sporty museums include the NCAA Hall of Champions. To get in on some of the action, visitors can head to SportZone which features six acres of indoor athletic facilities the whole family will enjoy.

Confidentiality Agreement & Disclaimer

This Offering Memorandum contains select information pertaining to the business and affairs of **CVS** located at **789 IN-39 Bypass, Martinsville, IN 46151** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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