

# CVS/Pharmacy Absolute NNN Lease

1485 S Garey Ave, Pomona, CA 91766

IREA



Actual Photo

# IREA

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# Overview

**Property Type:**

Single Tenant Absolute NNN

**Address:**

1485 S Garey Avenue  
Pomona, CA 91766

**Tenants:**

CVS Pharmacy

**Rentable Area:**

14,840 Sq Ft | Land Area: 1.38 Acres

**Years Remaining:**

10+ Years Left on Base Term w/  
Options

**Built:** 2004







# Highlights

## **Centralized Retail Location/ Signalized Hard Corner**

Strategically located between three major freeway arteries (10, 71, & 60) at signalized corner in Pomona, CA a city located within Los Angeles County.

## **#1 Leading National Pharmacy/ Retailer “Making Headlines”**

CVS Health recently purchased Aetna Inc. (third largest U.S. health care company & highly regarded) in Dec. 2018, in a deal which the New York Times reported would “reshape the American health care industry”.

## **Outstanding National Tenant**

CVS/ Pharmacy (CVS Health) places its emphasis on convenience, service, and accessibility. Every store is renovated, on average, at least once every 5-years. With the combination of CVS’s health industry and retail savvy, CVS/ Pharmacy has never been stronger.


## **Rental Increases & Options**

Rare 10% rent escalations every five-years, next bump scheduled for Jan. 2024. Six 5-year options with 10% rental bumps.

## **Affluent Demographics/ High Traffic Count Location**

The area has a five-mile population of over 399k and an average household income of over \$85k within five-miles.



A photograph of a CVS Pharmacy building with a tiled roof and arched windows. Several tall palm trees are in the foreground and background. A white text box is overlaid on the image. A speed limit sign for 40 is visible on the left. A red sign for CVS is also visible. The sky is clear and blue.

**Absolute NNN  
With 10+ Years  
Remaining &  
Rare 10% Rental  
Escalations Every  
5-years + Option  
Periods.**





Actual Photo

## The Offering

This is a single tenant absolute NNN CVS/ Pharmacy located in the City of Pomona, CA within Los Angeles County. Pomona is 27 miles east of downtown Los Angeles. The property occupies 1.38 acres (60,112 SF) at the signalized corner of W Phillips Blvd. and S Garey Ave. The lease features rare 10% rental escalations every five-years (including options) with the next escalation scheduled for January 2024. Additionally, there are Six five-year options following the base lease, which expires in January 2029 (10+ years remaining). The approximate building square footage is 14,840. The free-standing structure was built in 2004 and includes 63 parking spaces.

The property is strategically located between three major freeway arteries: 10, 71, & 60 FWYS that funnel Southern California residents between Los Angeles and Riverside Counties. Traffic counts are abundant along these arteries with over half a million cars transiting daily. S Garey Ave enjoys 25K CPD while E Phillips Blvd sees over 12k CPD. The specific site location is surrounded by mostly residential area, with CVS/Pharmacy being the only major stand-alone pharmacy in the immediate area. The subject property is located in a dense area with over 399K people living within a five-mile radius of the property. The average household income within a five-mile radius is \$85,414

CVS Health, CVS/ Pharmacy's parent company just merged with Aetna Inc. (third largest U.S. health care company), one of the most highly regarded and innovative healthcare co. in the world. The acquisition was made in Dec. 2018 in a deal which the New York Times reported would "reshape the American health care industry". Suffice to say, the recent acquire is poised to keep CVS Health/ Pharmacy in the driver's seat for the foreseeable future in the pharmacy & retail space.



[www.cvs.com](http://www.cvs.com)

### Tenant Stats

Headquarter	Woonsocket, Rhode Island, U.S.
Ownership	Public
Traded as	CVS (NYSE)
Revenue	\$177.52 billion
Operating Income Net Income	\$9.695 billion
Net Income	\$5.317 billion
Total Assets	\$94.46 billion
Number of Employees	158,000

### Tenant/ Corporate Profile

CVS/ Pharmacy is the largest retail pharmacy in the U.S. CVS Health Corporation (parent company) is a publicly traded company on the New York Stock Exchange and has been in business for more than 50 years with approximately 9,600 retail pharmacies/ CVS Minute Clinics and more than 1,100 walk-in health care clinics. CVS Health's assets include CVS Pharmacy, CVS Caremark, CVS Specialty, and the retail clinic MinuteClinic.

CVS has annual retail sales per square foot totaling more than \$840, compared to the sector average of \$680 for its publicly traded peers. CVS also now boasts a higher credit rating than Walgreens (Moody's and S&P BBB+) and is considered investment grade.

In 2017, CVS Health ranked seventh on the Fortune 500 and 18th on the Fortune Global 500 list with \$177B in annual revenue. In December 2017, CVS Health agreed to acquire Aetna Inc. for \$69 billion.



# Financials

## Financial Indicators

<b>Purchase Price:</b>		<b>\$8,830,000</b>
Down Payment:	100%	\$8,830,000
CAP Rate:		<b>4.50%</b>
Cash on Cash Return:		4.50%

## Annual Rents

## Cap Rate

## Options

\$397,000	1/27/2014	to	1/26/2024	4.50%	
\$436,700	1/27/2024	to	1/27/2029	4.95%	
\$480,370	1/28/2029	to	1/27/2034	5.44%	1
\$528,407	1/28/2034	to	1/27/2039	5.98%	2
\$581,248	1/28/2039	to	1/27/2044	6.58%	3
\$639,372	1/28/2044	to	1/27/2049	7.24%	4
\$703,310	1/28/2049	to	1/27/2054	7.97%	5
\$773,641	1/28/2054	to	1/27/2059	8.76%	6

# Notes

## Property Abstract

Lease Begin:	1/27/04	
Lease Expire:	1/27/29	(10+ Yrs. Remaining)
Approx. Lot Size:	60,112	(1.38 Acres)
Net Square Feet:	14,840	Parking: 63 Spaces
Year Built:	2004	Corner Lot: Yes
Lease Type:	NNN	Free Standing: Yes

## Notes & Highlights

Property to be delivered free of debt.  
 Six 5-year options following base lease.  
 Rare 10% rental escalations every 5-years.  
 Parking Ratio 4.25 Stalls/ 1,000 SF  
 Lease is Absolute NNN (See below)  
 Note: LL obtains liability insurance and  
 CVS reimburses the cost of the insurance\*

\*\$341.00 has been taken out of the NOI for cost of the liability insurance that CVS is not responsible to reimburse

Information deemed reliable, but not guaranteed.



# Highlights

## Investment Highlights

Centralized Retail Location

#1 Leading National Pharmacy/ Retailer

Outstanding National Tenant

Rare 10% Rental Escalations Every 5-Years

Six 5-Year Options w/ 10% Rental Escalations

High Traffic Count Location w/ Excellent Exposure

Dense Location: 399k People/ 5-Mile Radius

Affluent Demographics: \$85,414 Avg. HH Income

Located Within Los Angeles County

Signalized Hard Corner

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