



20 Year - CVS Pharmacy

7740 N Cortaro Rd • Tucson, AZ 85743

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CVS
Tucson, AZ
ACT ID Z0120477

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Marcus & Millichap

Marcus & Millichap is pleased to present for sale a prime CVS Pharmacy is located in northern Tucson on the southwest corner of Cortaro Rd and Silverbell Road in the town of Marana, Arizona. The subject CVS is comprised of 14,375 square feet of building space and sits on approximately 2.09 acres of land. The CVS has operated at this location for 14 years and just extended to a brand new 20 year absolute triple-net lease including ten, five-year options to extend with 2.50% increases in each option. The current annual rent is \$315,000.

The property is primarily located 25 minutes from Tucson and one mile from the I-10 highway - the only highway connecting Phoenix and Tucson. The CVS is strategically located at the entrance to the Continental Ranch master-planned community with over 30,000 households and an above national average household income of \$92,289 in a one-mile radius.

This is an exceptional investment opportunity for a buyer looking for a long term, corporate guaranteed income from a nationally recognize, investment grade tenant.



INVESTMENT HIGHLIGHTS

- **Zero Landlord Responsibilities** | CVS is operating under an absolute-Net lease under which the tenant is responsible for payment of all taxes, insurance, and the maintenance and repair of the building including the roof, structure, and parking lot.
- **Long Term History w/ Brand New Extension – No Rent Holiday** | CVS has been at this location for 14 years and recently extended the lease to 20 years with no rent holiday, illustrating their long-term success with and commitment to the site.
- **Fixed Rental Increases in All Option Periods** | The lease features ten, five-year options with 2.50% rental increases in each option.
- **Corporate Lease with Leading National Pharmacy Company** | The lease is with CVS Health Corporation, a leading national retail pharmacy and investment grade credit (S&P “BBB” Rating) company with more than 9,800 locations in the United States, housing more than 1,100 walk-in medical clinics.
- **CVS-Aetna Merger Approved** | The proposed merger between CVS Health and healthcare corporate Aetna, Inc was recently approved. The merger is expected to create a healthcare behemoth with \$240 billion in annual revenue and substantial synergies between the 9,800-location pharmacy operation and Aetna’s more than 22 million insurance customers.

LOCATION HIGHLIGHTS

- **Excellent Accessibility** | This property features three points of ingress/egress with drive-through lane and window allowing pharmacy customers to pick up prescriptions on-the-go.
- **Signalized, Hard Corner with Substantial Traffic Counts** | This property benefits from its strategic location on a signalized, hard Corner and experiences combined traffic counts in excess of 30,000 vehicles per day.
- **Primary Arterial Between Two Major Cities** | This property is located 1-mile from the I-10 Hwy, the only highway connecting Phoenix and Tucson, in excess of 85,000 vehicles per day.
- **Vast Neighboring Retail** | This CVS Pharmacy is walking distance to 120 Acres of national retail including Walmart Supercenter, Ross, T.J. Maxx, Kohl’s, Petco, Dollar Tree, In-N-Out, Chili’s, LA Fitness, Starbucks, McDonalds and much more.
- **Above Average, Rapid Growth** | Marana is Arizona’s 5th fastest growing city with about a 25% population growth from 2010 to 2016, averaging 3.75% of annual growth



FOOD STORES
fry's

WELLS
FARGO



The Springs
AT CONTINENTAL RANCH



Hughes
Federal Credit Union

**Auto
Zone**

Firestone



CVS
pharmacy

Cortaro Rd - 10,000 VPD

Silverbell Rd - 26,000 VPD

Continental Ranch Business Park



Continental Ranch 120 Acre Retail Center



Firestone

Auto
Zone

Walgreens

CVS
pharmacy



Silverbell Rd - 26,000 VPD

Cortaro Rd - 10,000 VPD



LEMAN ACADEMY
of EXCELLENCE

100+ Staff | 1,250 Students

SILVERBELL *Springs*

LUXURY APARTMENTS

290 Units | 290,746 Square Feet



Silverbell Rd - 26,000 VPD

Cortaro Rd - 10,000 VPD

20 Year - CVS Pharmacy

OFFERING SUMMARY

THE OFFERING

Property	CVS Pharmacy
Property Address	7740 N Cortaro Rd., Tucson, AZ 85743
Price	\$6,000,000
Net Operating Income	\$315,000
CAP Rate	5.25%
Price/SF	\$417.39

PROPERTY DESCRIPTION

Year Built	2003
Gross Leasable Area	14,375 Square Feet
Ownership	Fee Simple
Lot Size	2.09 Acres

LEASE SUMMARY

Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	Upon COE
Lease Expiration	20 Years from COE
Lease Term	20 Years
Renewal Options	Ten, Five-Year
Rental Increases	2.50% In Options
Landlord Responsibility	None
Tenant Responsibility	All – Taxes, Insurance, CAM, Roof & structure
Right of First Refusal	Yes – In Options

Rent Schedule

Year	Annual Rent	Rent/SF	CAP Rate
Upon COE (20 Years)	\$315,000.00	\$21.91	5.25%
1 st Option	\$322,875.00	\$22.46	5.38%
2 nd Option	\$330,946.88	\$23.02	5.51%
3 rd Option	\$339,220.55	\$23.59	5.65%
4 th Option	\$347,701.06	\$24.18	5.79%
5 th Option	\$356,393.59	\$24.79	5.94%
6 th Option	\$365,303.43	\$25.41	6.08%
7 th Option	\$374,436.01	\$26.04	6.24%
8 th Option	\$383,796.91	\$26.69	6.39%
9 th Option	\$393,391.84	\$27.36	6.55%
10 th Option	\$403,226.63	\$28.05	6.72%





Overview

CVS/pharmacy, the retail division of CVS Health, is America's leading retail pharmacy with more than 7,800 CVS/pharmacy and Longs Drugs stores. CVS/pharmacy is reinventing pharmacy to help people on their path to better health by providing the most accessible and personalized expertise, both in its stores and online at CVS.com.

Their more than 26,000 CVS pharmacists dispense prescriptions and provide services such as flu vaccinations as well as face-to-face patient counseling with respect to adherence to drug therapies, closing gaps in care, and more cost effective therapies. Their integrated pharmacy services model enables us to enhance access to care while helping to lower overall health care costs and improve health outcomes.

CVS/pharmacy sells a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, photo finishing, seasonal merchandise, greeting cards and convenience items.

CVS/pharmacy store brands offer customers trusted and high-quality alternatives to national brands. Many are innovative first-to-market products that fill a gap in the national brands' offerings and meet customers' specific needs and wants, whether in the form of inexpensive but comparable product options, or items with innovative ingredients or packaging that provide specific consumer benefits.

Their loyalty card program, ExtraCare®, is the largest retail savings and rewards program with more than 70 million active member households. ExtraCare is also the vehicle for offering their customers value and a personalized shopping experience.

CVS also provides healthcare services through its MinuteClinic healthcare clinics as well as their Diabetes Care Centers. Most of these clinics are located within CVS stores.

CVS is incorporated in Delaware, and is based in Woonsocket, Rhode Island. It was founded in Lowell, Massachusetts in 1963.

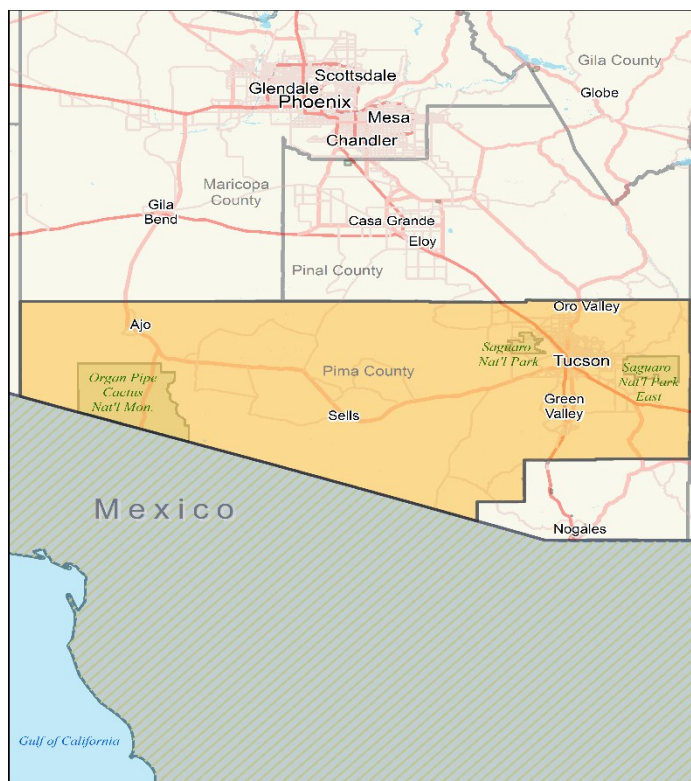
Headquarters	Woonsocket, Rhode Island
Stock Symbol	NYSE: CVS
Founded	1963
Locations	7,600+
Website	www.cvs.com

NYSE: CVS

TUCSON

OVERVIEW

The Tucson metro is situated entirely within Pima County in south-central Arizona and is surrounded by four main mountain ranges. A portion of the county borders Mexico. Tucson is the second-largest metro in Arizona, containing 1 million residents. The city of Tucson accounts for more than half of the population with 534,000 citizens. Metrowide, the addition of over 71,000 people is expected during the next five years, with outlying areas such as Marana projected to grow at a faster clip.



METRO HIGHLIGHTS



AFFORDABLE BUSINESS COSTS

Lower labor, material and utility costs, as well as access to Mexico markets, attract businesses.



LOWER COST OF LIVING

Tucson's home prices are well below other West Coast metros and 61 percent of households to own a home.



GROWING CONCENTRATION OF HIGH-TECH INDUSTRIES

High-tech companies are securing incentives to expand operations in the area.



ECONOMY

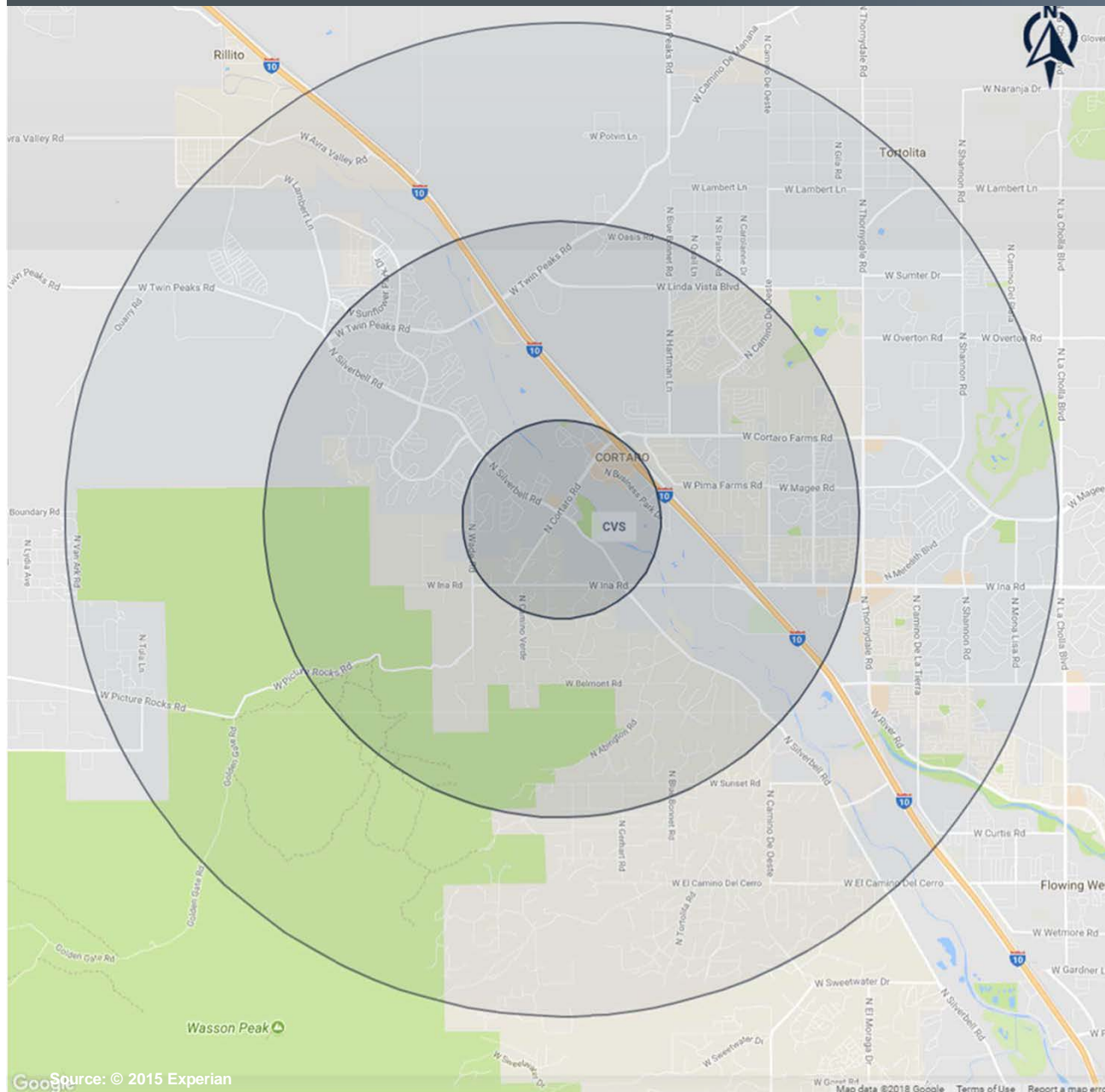
- Tucson has invested in communication systems and utilities as well as expanded its transportation infrastructure to draw new and expanding businesses, including tourism companies.
- The University of Arizona is a significant economic driver in the metro. The UA Tech Park sits on 1,350 acres with more than 2 million square feet of high-tech office, R&D and laboratory facilities.
- Tucson has capitalized on its high-tech cluster program, spawning technology jobs and attracting high-tech companies with a focus on solar, aerospace and defense, bioscience, and information technology.
- Tucson is part of a federal empowerment zone program aimed at directing job creation and offering incentives in expanding areas.

DEMOGRAPHICS



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



CREATED ON MAY 9, 2018

	1 Miles	3 Miles	5 Miles
POPULATION			
2022 Projection	5,275	43,552	88,293
2017 Estimate	4,216	37,817	80,621
2010 Census	4,122	35,933	77,226
2000 Census	2,282	25,160	63,238
INCOME			
Average	\$89,599	\$84,654	\$80,040
Median	\$76,107	\$71,816	\$65,620
Per Capita	\$36,156	\$30,818	\$30,857
HOUSEHOLDS			
2022 Projection	2,153	15,990	34,245
2017 Estimate	1,700	13,752	31,039
2010 Census	1,667	13,113	29,798
2000 Census	890	8,691	23,227
HOUSING			
2017	\$264,399	\$223,661	\$217,873
EMPLOYMENT			
2017 Daytime Population	4,654	26,859	61,625
2017 Unemployment	3.46%	3.63%	3.73%
2017 Median Time Traveled	30	29	28
RACE & ETHNICITY			
White	76.59%	80.87%	81.26%
Native American	0.15%	0.22%	0.16%
African American	2.94%	2.54%	2.40%
Asian/Pacific Islander	7.85%	4.25%	3.68%