



THE JONNA GROUP
MARCUS & MILLICHAP

CVS PHARMACY

31010 John R Road • Madison Heights, MI 48071



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CVS PHARMACY
Madison Heights, MI
ACT ID Z0290475

Marcus & Millichap

EXECUTIVE SUMMARY

OFFERING SUMMARY

Price	\$2,880,000
Net Operating Income	\$180,000
Capitalization Rate – Current	6.25%*
Price / SF	\$264.70
Rent / SF	\$16.54
Lease Type	NNN Ground Lease
Gross Leasable Area	10,880 SF
Year Built / Renovated	2004
Lot Size	1.31 acre(s)

FINANCING

Down Payment	All Cash*
Net Cash Flow	6.25% / \$180,000
Cash on Cash Return	6.25%

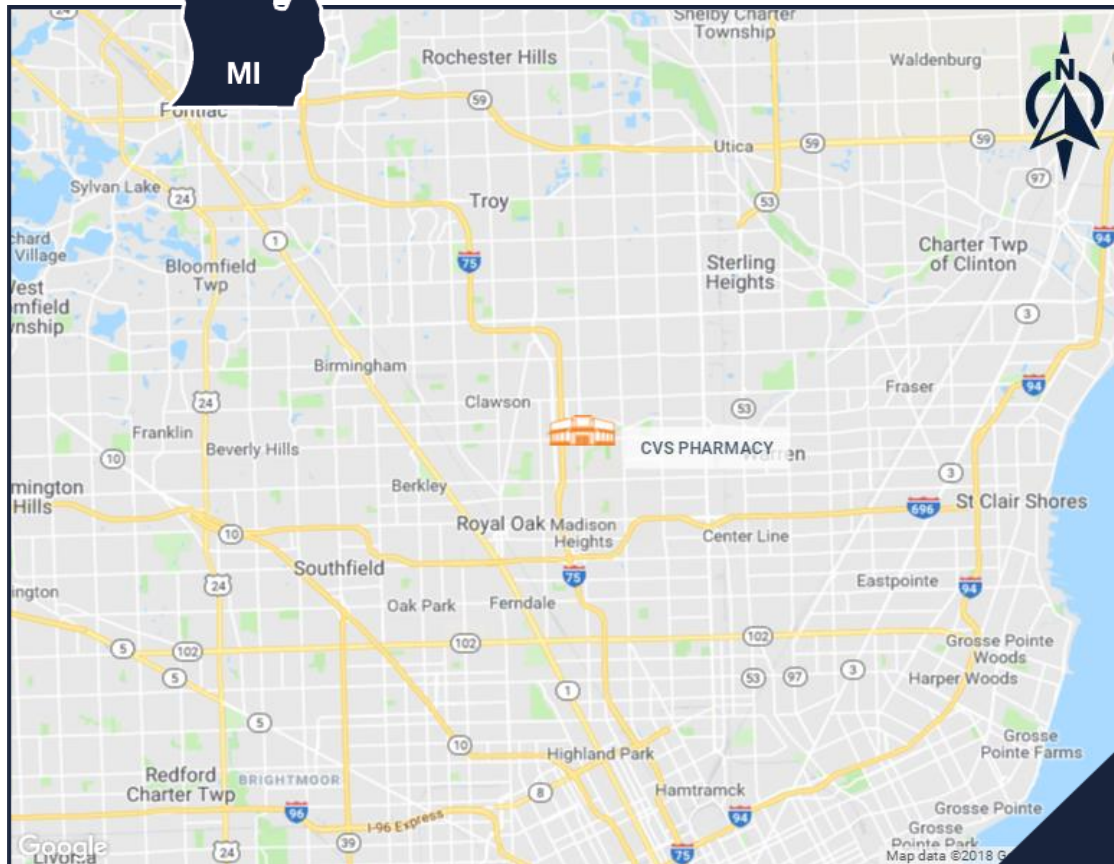
**Rent Increase 6/1/2019 Reflects 6.60% CAP*

**See Agent for Attractive Financing Options*



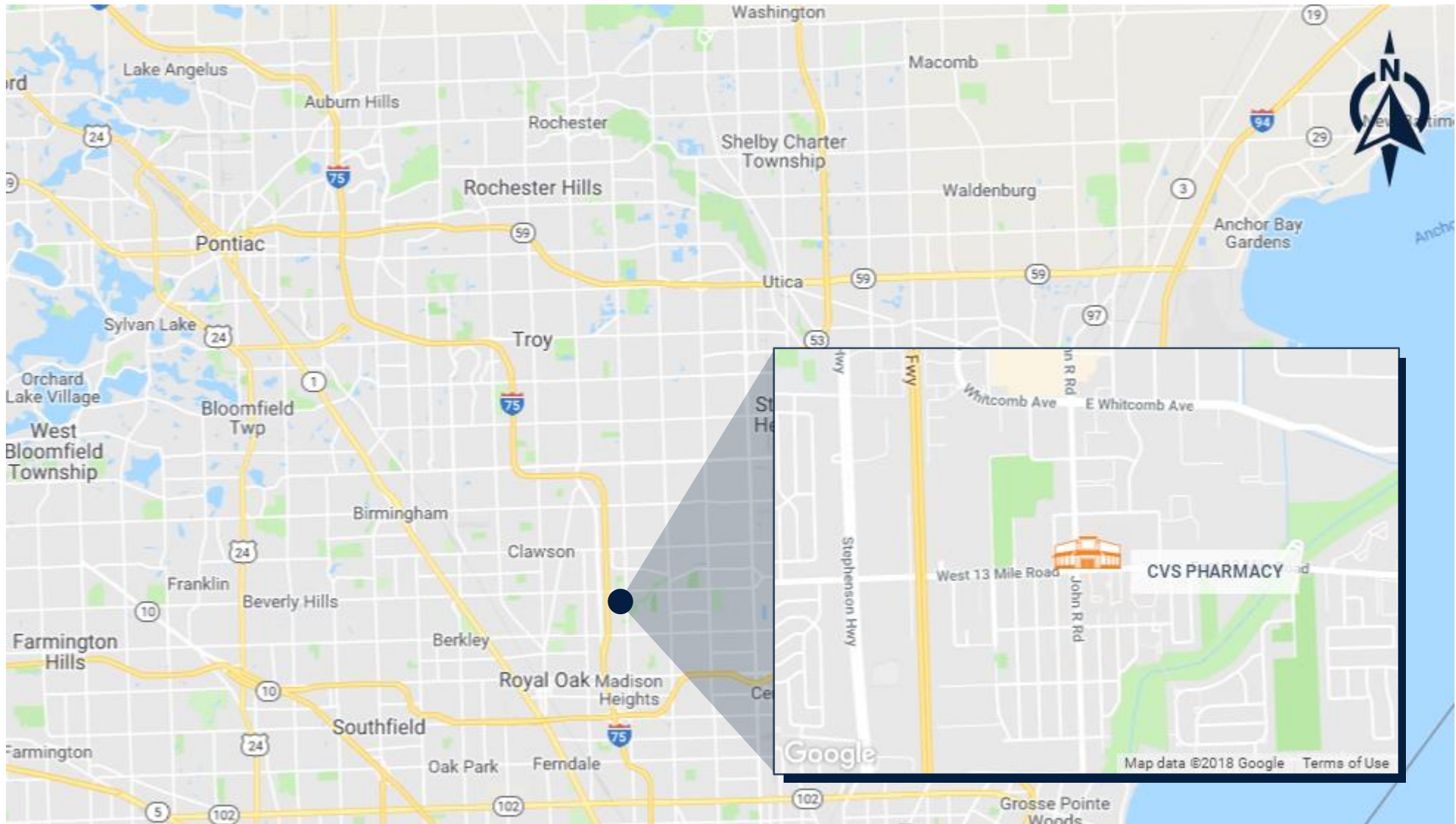


31010 John R Road, Madison Heights, MI 48071



TownMapUSA.com

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PROPERTY SUMMARY

THE OFFERING	
Property	CVS Pharmacy
Property Address	31010 John R Road Madison Heights, Michigan 48071
Price	\$2,880,000
Capitalization Rate	6.25%
Price/SF	\$264.70

PROPERTY DESCRIPTION	
Year Built / Renovated	2004
Gross Leasable Area	10,880 SF
Zoning	B-1 LOC
Type of Ownership	Fee Simple
Lot Size	1.31 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	CVS Pharmacy
Rent Increases	In Base & Option Periods
Guarantor	Corporate Guarantee
Lease Type	NNN Ground Lease
Lease Commencement	6/1/2004
Lease Expiration	1/31/2025
Lease Term	20
Term Remaining on Lease (Years)	6.0
Renewal Options	(6) 5-Year Options
Landlord Responsibility	None
Tenant Responsibility	Absolute NNN

ANNUALIZED OPERATING INFORMATION	
INCOME	
Net Operating Income	\$180,000

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$180,000	\$15,000	\$16.54	6.25%
6/1/2019	\$190,000	\$15,833	\$17.46	6.60%
Option 1	\$200,000	\$16,667	\$18.38	6.94%
Option 2	\$210,000	\$17,500	\$19.30	7.30%
Option 3	\$220,000	\$18,333	\$20.22	7.63%
Option 4	\$230,000	\$19,167	\$21.14	7.99%
Option 5	\$240,000	\$20,000	\$22.06	8.33%
Option 6	\$250,000	\$20,833	\$22.98	8.68%



INVESTMENT OVERVIEW

OFFERING SUMMARY

The Jonna Group of Marcus & Millichap is pleased to present the exclusive listing for a NNN ground lease fee-simple CVS Pharmacy located in Madison Heights, Michigan. The investment has 6 years remaining in the base term that includes rare (6) 5-year options with increases. The subject property benefits from being on a hard signalized corner, in a prime retail trade zone and is an ideal out lot to a 134,000-square foot Sam's Club that is consistently busy.

The CVS asset is strategically located off the busy corner of E 13 Mile Road and John R Road that sees over 60,000 vehicles traveling per day. The subject property is located within a dense residential area of Madison Heights that consists of over 136,000 households in a 5-mile radius and a heavily populated area that consists of over 320,000 people in a 5-mile radius. Retailers in the immediate vicinity include: Sam's Club, Costco, Meijer, Target, Kroger, Lowe's, JoAnn Fabrics, Best Buy, AMC Theater, AutoZone, FedEx and many more. The subject site is located minutes from Oakland Mall, an enclosed 1,500,000-square foot super regional mall located in the city of Troy, Michigan. Oakland Mall features approximately 120 stores including Macy's, JCPenney, At Home, Champs Sports, Dick's Sporting Goods, Finish Line, Express, Forever 21, Rue 21, Starbucks, Panda Express, Logan's Roadhouse, Field & Stream and much more.

Madison Heights is located in Oakland County, Michigan, one of the 10 highest income counties in the United States with populations of over one million people. Madison Heights is part of Oakland County's Automation Alley, and consists of over 1,300 commercial and industrial businesses and services. Notable major employers include St. John Oakland Hospital, UPS, Henkel Surface Technologies, Meijer, Madison & Lamphere School Districts, ADT Security, Costco, and Weldmation, Inc. The city has 23 shopping centers, 11 hotels, more than 860,000-square feet of office space, and seven industrial parks that include 10,000,000-square feet.

INVESTMENT HIGHLIGHTS

- NNN Ground Lease | 6 Years Remaining | Rare Sam's Club Out Lot | Within Opportunity Zone
- No Landlord Responsibilities | (6) 5-Year Options w/ Increases
- Immediate Rent Bump on 6/1/2019 | Reflects 6.60% CAP
- Well Below Market Rents | Only \$16.54/PSF | Situated on 1.31-Acre Lot
- Hard Signalized Corner | Two Modes of Ingress/Egress
- High Traffic Counts | Over 50,000 Vehicles Per Day at Intersection
- Superb Demographics | Over 320,000 People in 5-Miles | 136,000 Households in 5-Miles
- Minutes from Oakland Mall | 1.5M SF Regional Mall | Macy's, At Home, Dick's Sporting Goods, Field & Stream, Etc.
- Convenient Access to Interstate 75 | Over 187,000 Vehicles Traveling Per Day
- Retailers in the Immediate Vicinity Include: Sam's Club, Costco, Meijer, Target, Kroger, Lowe's, JoAnn Fabrics, Best Buy, AMC Theater, AutoZone, FedEx, Chipotle, McDonald's, Planet Fitness and many more.

DETROIT OVERVIEW

The Detroit metro is located in the southeastern portion of Michigan along the Detroit River, which connects Lake St. Clair and Lake Erie. Across the Detroit River lies the city of Windsor, Ontario, which provides access to the Canadian market. The metro is a nearly 4,000-square-mile region composed of six counties: Wayne, Macomb, Lapeer, Oakland, St. Clair and Livingston. More than 4.3 million residents reside in the area and after years of declining population, the metro is adding residents again as employers and development expand. Wayne is the most populated county, followed by Oakland County. Detroit is the largest city with nearly 700,000 residents.

METRO HIGHLIGHTS



EMPLOYMENT GROWTH

Job creation will remain strong, building on the 178,300 jobs added in the past five years. The largest gains are expected in construction and office-using sectors.



AUTO DESIGN AND MANUFACTURING

The metro is home to the Big Three as well as two-thirds of the world's automotive research and development firms.



DIVERSIFYING ECONOMY

Increased entrepreneurial activity has created a knowledge-based economy, diversifying beyond manufacturing and the auto industry.



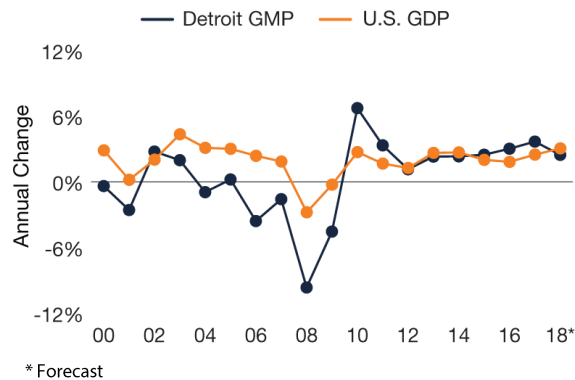
ECONOMY

- Multiple Fortune 500 corporations are based in the metro, many of which are in the auto industry, such as General Motors Corp., Ford Motor Co. and FCA US LLC. Other companies include Autoliv, BorgWarner, DTE Energy, Ally Financial and Kelly Services.
- A growing knowledge-based economy is supplementing the manufacturing and automotive industries. The New Economy Initiative for Southeast Michigan provides support and networking for entrepreneurial activity.
- The economy is diversifying into the healthcare and technology sectors, attracting companies to the area. Tech companies work alongside the auto industry.

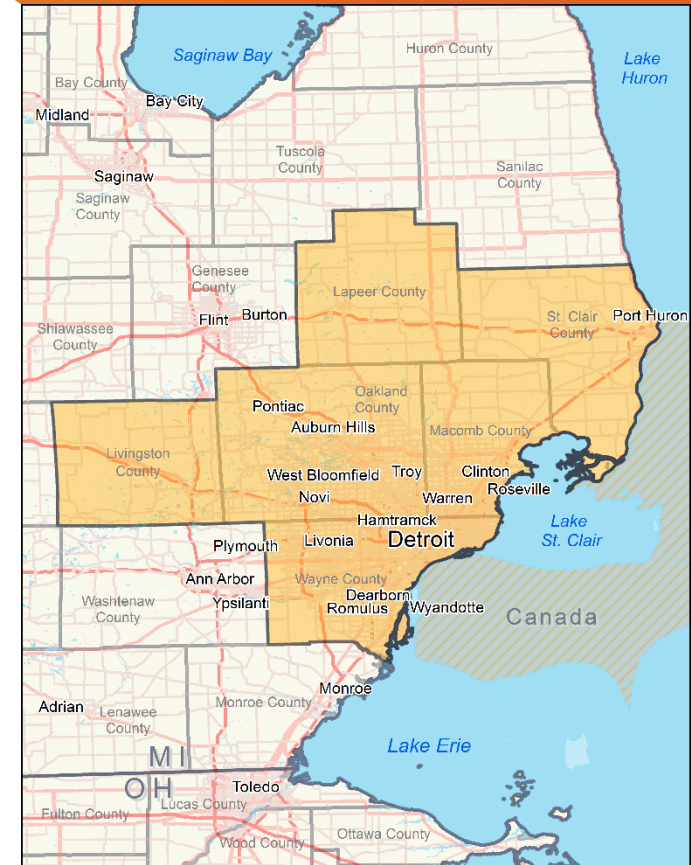
MAJOR AREA EMPLOYERS

General Motors Corp.
Rock Ventures
FCA US LLC
DTE Energy
Beaumont Health
Henry Ford Health System
St. John Providence Health System
Ford Motor Co.
Detroit Medical Center
Wayne State University

Economic Growth



MARKET OVERVIEW



SHARE OF 2017 TOTAL EMPLOYMENT





DEMOGRAPHICS

- The metro is expected to add nearly 50,600 people through 2022, resulting in the formation of roughly 37,600 households and generating demand for housing.
- Relatively affordable home prices produce a homeownership rate of 69 percent, which is above the national rate of 64 percent.
- Almost 29 percent of residents age 25 and older are bachelor's degree holders and 11 percent also have earned a graduate or professional degree.

2017 Population by Age



QUALITY OF LIFE

The Detroit region, birthplace of Motown and the mass-production automobile industry, offers all the benefits of living close to the Great Lakes but at a moderate cost. Revitalization has included sports facilities such as Comerica Park for the Tigers, Ford Field for the Lions, and a new hockey arena for the Red Wings. Additionally, new entertainment and retail venues are reshaping downtown Detroit. For culture buffs, the region is home of the Detroit Institute of Arts, the Detroit Historical Museum and the Michigan Science Center. Meanwhile, several universities and colleges are located nearby, including the University of Michigan, Wayne State University, University of Detroit Mercy and Lewis College of Business.

* Forecast

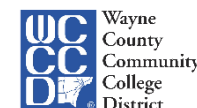
Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



SPORTS



EDUCATION



ARTS & ENTERTAINMENT



Created on June 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	11,330	122,249	320,611
■ 2017 Estimate			
Total Population	11,138	121,526	320,197
■ 2010 Census			
Total Population	10,869	117,615	310,670
■ 2000 Census			
Total Population	10,705	121,129	319,489
■ Current Daytime Population			
2017 Estimate	20,965	127,135	367,720
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	4,900	53,574	137,401
■ 2017 Estimate			
Total Households	4,797	52,877	136,088
Average (Mean) Household Size	2.28	2.28	2.34
■ 2010 Census			
Total Households	4,677	51,059	131,718
■ 2000 Census			
Total Households	4,742	52,396	134,821
■ Occupied Units			
2022 Projection	4,900	53,574	137,401
2017 Estimate	4,970	55,223	143,512
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$150,000 or More	7.53%	6.99%	8.95%
\$100,000 - \$149,000	10.83%	15.05%	15.44%
\$75,000 - \$99,999	11.96%	14.60%	14.81%
\$50,000 - \$74,999	15.31%	18.92%	18.64%
\$35,000 - \$49,999	11.72%	13.67%	13.18%
Under \$35,000	42.64%	30.78%	28.98%
Average Household Income	\$66,831	\$72,233	\$78,163
Median Household Income	\$43,332	\$56,758	\$59,970
Per Capita Income	\$28,976	\$31,503	\$33,274

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$57,022	\$65,573	\$67,984
■ Consumer Expenditure Top 10 Categories			
Housing	\$14,396	\$16,373	\$16,837
Transportation	\$12,027	\$13,562	\$14,208
Shelter	\$8,014	\$9,084	\$9,341
Food	\$6,457	\$7,322	\$7,627
Personal Insurance and Pensions	\$4,543	\$5,544	\$5,924
Health Care	\$3,465	\$4,125	\$4,211
Utilities	\$3,324	\$3,767	\$3,885
Entertainment	\$2,904	\$3,323	\$3,465
Apparel	\$1,440	\$1,723	\$1,787
Household Furnishings and Equipment	\$1,436	\$1,626	\$1,691
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	11,138	121,526	320,197
Under 20	20.50%	20.66%	21.79%
20 to 34 Years	25.98%	23.22%	22.45%
35 to 39 Years	6.59%	7.23%	7.26%
40 to 49 Years	12.86%	12.87%	13.41%
50 to 64 Years	18.60%	19.57%	20.15%
Age 65+	15.44%	16.44%	14.94%
Median Age	37.56	39.19	38.93
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	8,020	89,216	231,386
Elementary (0-8)	2.90%	2.73%	2.45%
Some High School (9-11)	6.52%	6.81%	6.31%
High School Graduate (12)	28.99%	26.23%	24.60%
Some College (13-15)	19.65%	21.33%	21.27%
Associate Degree Only	10.42%	9.10%	8.05%
Bachelors Degree Only	19.22%	20.38%	21.70%
Graduate Degree	10.48%	11.53%	13.84%

Source: © 2017 Experian



Population

In 2017, the population in your selected geography is 320,197. The population has changed by 0.22% since 2000. It is estimated that the population in your area will be 320,611.00 five years from now, which represents a change of 0.13% from the current year. The current population is 49.08% male and 50.92% female. The median age of the population in your area is 38.93, compare this to the US average which is 37.83. The population density in your area is 4,068.44 people per square mile.



Households

There are currently 136,088 households in your selected geography. The number of households has changed by 0.94% since 2000. It is estimated that the number of households in your area will be 137,401 five years from now, which represents a change of 0.96% from the current year. The average household size in your area is 2.34 persons.



Income

In 2017, the median household income for your selected geography is \$59,970, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 15.82% since 2000. It is estimated that the median household income in your area will be \$69,775 five years from now, which represents a change of 16.35% from the current year.

The current year per capita income in your area is \$33,274, compare this to the US average, which is \$30,982. The current year average household income in your area is \$78,163, compare this to the US average which is \$81,217.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 78.49% White, 9.00% Black, 0.04% Native American and 8.73% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 2.38% of the current year population in your selected area. Compare this to the US average of 17.88%.



Housing

The median housing value in your area was \$149,095 in 2017, compare this to the US average of \$193,953. In 2000, there were 99,908 owner occupied housing units in your area and there were 34,913 renter occupied housing units in your area. The median rent at the time was \$599.



Employment

In 2017, there are 244,008 employees in your selected area, this is also 66.80% known as the daytime population. The 2000 Census revealed that % of employees are employed in white-collar occupations in this geography, and 33.26% are employed in blue-collar occupations. In 2017, unemployment in this area is 5.19%. In 2000, the average time traveled to work was 25.00 minutes.



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