



CVS PHARMACY

204 GREAT EAST NECK ROAD | WEST BABYLON, NY

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TABLE OF CONTENTS



03

TENANT OVERVIEW

05

FINANCIAL ANALYSIS

Property Highlights

Financial Overviews

NOI Breakdown

Investment Overview

11

PROPERTY SUMMARY

Property Photos

Aerial Map

Location Overview

Local/Regional Map

Demographics

TENANT OVERVIEW

CVS | WEST BABYLON, NY





CVS Pharmacy is an American pharmacy retailer and currently stands as the second largest pharmacy chain, after Walgreens. As the retail pharmacy division of CVS Health, it ranks as the 7th largest company in the world according to Fortune 500 in 2017.

As of Dec 30, 2017, CVS operated 9,803 retail drugstores (of which 7,971 were the company's stores that operated a pharmacy and 1,679 were pharmacies located within Target stores) located in 49 states, the District of Columbia, Puerto Rico and Brazil, and 1,134 retail medical clinics, as well as CVS.com, Navarro.com and Onofre.com.br.

CVS Health is chartered in Delaware, and is headquartered in Woonsocket, Rhode Island, where its four business units are also headquartered. The company has an S&P rating of BBB+ which is investment grade.



CVS CORPORATE OVERVIEW

TENANT TRADE NAME: CVS Pharmacy

TENANT OWNERSHIP STATUS: Public

BOARD/SYMBOL: NYSE: CVS

LOCATIONS: -/+ 9,803

CREDIT RATING: BBB+

AGENCY: Standard & Poor's

CORPORATE HEADQUARTERS: Woonsocket, RI

FINANCIAL OVERVIEW

CVS | WEST BABYLON, NY

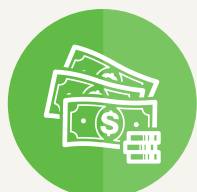




LIST PRICE
\$2,000,000



CAP RATE
4.90%



TOTAL NOI
\$98,149

PROPERTY HIGHLIGHTS

LONG TERM OCCUPANCY

Long term occupancy at this location since 2000 with a new 20 year lease extension showing commitment to the site

STRONG SALES

Strong store sales with \$12.9M in 2016 and \$11.6M in 2015

DENSELY POPULATED AREA

Densely populated area with 15,591 people in the 1 mile ring, 128,971 people in the 3 mile and 259,775 people in the 5 mile ring

DRIVE-THRU LOCATION

This property features a drive-thru window adding a level of ease and convenience for their customers

AFFLUENT DEMOGRAPHICS

Affluent demographics - AHI over \$105,000 in the 1, 3 and 5 mile rings

RENTAL INCREASES

3% rental increases in year 10, 15 and option period

SIGNALIZED CORNER LOCATION

Situated at the signalized corner of Great East Neck Rd and Railroad Ave with traffic counts over 15,000 V.P.D.

LEASEHOLD STRUCTURE

Leasehold investments are 100% depreciable offering superior tax shelter and better yield in comparison to fee simple investments

CORPORATELY GUARANTEED

Corporately guaranteed lease by CVS - Rated BBB+ by Standard & Poor's



FINANCIAL
OVERVIEW

PRICE: **\$2,000,000**

CAP RATE: **4.90%**

BUILDING SQUARE FOOTAGE: 10,125

PARCEL SIZE: 1.38 Acres

TYPE OF OWNERSHIP: Leasehold

TENANT: Corporate Store

LEASE GUARANTOR: Corporate Guarantee

LEASE TYPE: NNN*

INITIAL LEASE TERM: 38 Years Total
(20 Year Lease Extension)

LEASE COMMENCEMENT: 6/5/2000

LEASE EXPIRATION DATE: 1/31/2038

ROOF AND STRUCTURE: Landlord Responsible

TERM REMAINING ON LEASE: 20 Years

INCREASES: 3% in Years 10,15 and Option Period

OPTIONS: 1x5 Years

PROPERTY ADDRESS:

204 GREAT EAST NECK ROAD | WEST BABYLON, NY

ANNUALIZED OPERATING DATA		
RENT INCREASES	ANNUAL	MONTHLY
2/1/2018 - 1/31/2028	\$371,907.00	\$30,992.25
2/1/2028 - 1/31/2033	\$383,040.84	\$31,920.07
2/1/2033 - 1/31/2038	\$394,531.68	\$32,877.64
OPTION 1	\$406,367.16	\$33,863.93
TOTAL ANNUAL RENT	\$371,907.00	
GROUND LEASE RENT	(\$273,758.00)	
NET OPERATING INCOME: \$98,149.00		

*Repairs & Maintenance - Landlord: building, roof & structure replacement. Landlord pays repair and maintenance expenses and is reimbured through CAM.

BLENDED CAP RATE OVER A 5 AND 10 YEAR HOLD PERIOD		
LEASE TERM	AVERAGE NOI	AVERAGE CAP RATE
5 YEAR HOLD PERIOD	\$141,950.20	7.10%
10 YEAR HOLD PERIOD	\$169,873.45	8.49%

MASTER GROUND LEASE

INITIAL LEASE TERM:	20 Years
LEASE COMMENCEMENT:	2/1/2000
LEASE EXPIRATION DATE:	1/31/2020
TERM REMAINING:	2 Years
RENEWAL OPTIONS:	5x5 Years
INCREASES:	40% Decrease in 2021 15% Every 5 Years Thereafter



RENT INCREASES	ANNUAL	MONTHLY
2/1/2018 - 1/31/2019	\$273,758.00	\$22,813.17
2/1/2019 - 1/31/2020	\$273,758.00	\$22,813.17
2/1/2020 - 1/31/2021	\$273,758.00	\$22,813.17
2/1/2021 - 1/31/2022	\$164,255.00	\$13,687.92
2/1/2022 - 1/31/2023	\$164,255.00	\$13,687.92
2/1/2023 - 1/31/2024	\$164,255.00	\$13,687.92
2/1/2024 - 1/31/2025	\$164,255.00	\$13,687.92
2/1/2025 - 1/31/2026	\$164,255.00	\$13,687.92
2/1/2026 - 1/31/2027	\$188,893.25	\$15,741.10
2/1/2027 - 1/21/2028	\$188,893.25	\$15,741.10
2/1/2028 - 1/31/2029	\$188,893.25	\$15,741.10
2/1/2029 - 1/31/2030	\$188,893.25	\$15,741.10
2/1/2030 - 1/31/2031	\$188,893.25	\$15,741.10
2/1/2031 - 1/31/2032	\$217,227.24	\$18,102.27
2/1/2032 - 1/31/2033	\$217,227.24	\$18,102.27
2/1/2033 - 1/31/2034	\$217,227.24	\$18,102.27
2/1/2034 - 1/31/2035	\$217,227.24	\$18,102.27
2/1/2035 - 1/31/2036	\$217,227.24	\$18,102.27
2/1/2036 - 1/31/2037	\$249,811.32	\$20,817.61
2/1/2037 - 1/31/2038	\$249,811.32	\$20,817.61
2019 GROUND LEASE RENT	\$273,758.00	



NOI BREAKDOWN OVER LEASE TERM

YEAR	DATE	ANNUAL RENT	GROUND RENT	NOI
1	2/1/2018 - 1/31/2019	\$371,907.00	\$273,758.00	\$98,149.00
2	2/1/2019 - 1/31/2020	\$371,907.00	\$273,758.00	\$98,149.00
3	2/1/2020 - 1/31/2021	\$371,907.00	\$273,758.00	\$98,149.00
4	2/1/2021 - 1/31/2022	\$371,907.00	\$164,255.00	\$207,652.00
5	2/1/2022 - 1/31/2023	\$371,907.00	\$164,255.00	\$207,652.00
6	2/1/2023 - 1/31/2024	\$371,907.00	\$164,255.00	\$207,652.00
7	2/1/2024 - 1/31/2025	\$371,907.00	\$164,255.00	\$207,652.00
8	2/1/2025 - 1/31/2026	\$371,907.00	\$164,255.00	\$207,652.00
9	2/1/2026 - 1/31/2027	\$371,907.00	\$188,893.25	\$183,013.75
10	2/1/2027 - 1/21/2028	\$371,907.00	\$188,893.25	\$183,013.75
11	2/1/2028 - 1/31/2029	\$383,040.84	\$188,893.25	\$194,147.59
12	2/1/2029 - 1/31/2030	\$383,040.84	\$188,893.25	\$194,147.59
13	2/1/2030 - 1/31/2031	\$383,040.84	\$188,893.25	\$194,147.59
14	2/1/2031 - 1/31/2032	\$383,040.84	\$217,227.24	\$165,813.60
15	2/1/2032 - 1/31/2033	\$383,040.84	\$217,227.24	\$165,813.60
16	2/1/2033 - 1/31/2034	\$394,531.68	\$217,227.24	\$177,304.44
17	2/1/2034 - 1/31/2035	\$394,531.68	\$217,227.24	\$177,304.44
18	2/1/2035 - 1/31/2036	\$394,531.68	\$217,227.24	\$177,304.44
19	2/1/2036 - 1/31/2037	\$394,531.68	\$249,811.32	\$144,720.36
20	2/1/2037 - 1/31/2038	\$394,531.68	\$249,811.32	\$144,720.36

INVESTMENT OVERVIEW

CBRE is pleased to exclusively present for sale this leasehold interest CVS located in West Babylon, New York. CVS has been successfully operating at this site since 2000 and recently extended its lease 20 years showing commitment to the site. This is a triple net lease with minimal landlord responsibilities, and rental increases in years 10 and 15 of the base term. There is also one, five year option to renew the lease with a rental increase. The master ground lease which commenced in February 2000 has 2 years remaining on its current term with five, five year options to renew. The master ground lease also has a 40% rent decrease in 2021 and 15% increases every 5 years thereafter. CVS has strong sales at this location with sales of \$12.9 million in 2016 and \$11.6 million in 2015. The lease is corporately guaranteed by CVS, an investment grade credit tenant rated BBB+ by Standard & Poor's.

CVS sits on a large 1.38 acre parcel at the corner of Great East Neck Road and Railroad Ave with combined traffic counts over 24,000 vehicles per day. with traffic counts of The site has excellent access and viability with two points of ingress/egress. This is a densely populated area with 15,591 people within 1 mile, 128,971 people within 3 miles and 259,775 people within 5 miles. CVS is in a walkable location as it sits on the edge of numerous neighborhoods, making it a go to convenience store for the residents nearby. The area also boasts affluent demographics with the average household income in the 1 mile ring over \$105,000 in the 1, 3 and 5 mile rings.

PROPERTY SUMMARY

CVS | WEST BABYLON, NY







INDUSTRIAL

CVS

JO-ANN fabric and craft stores' BED BATH & BEYOND

Marshalls.

OLD NAVY

five BELOW

Panera BREAD

carter's' GNC LIVE WELL

ALDI

RITE AID

LA FITNESS

GREAT SOUTH BAY SHOPPING CENTER

petco

Wendy's

PET SMART

Bank of America

BIG LOTS!

STARBUCKS

BEST MARKET YOUR NEIGHBORHOOD'S FIRST CHOICE!

7 ELEVEN

Firestone

Kmart

BURGER KING

AutoZone

7 ELEVEN

RAILROAD AVE - 9,100 V.P.D.

GREAT EAST NECK RD - 15,065 V.P.D.

MONTAUK HWY - 24,593 V.P.D.

LOCATION OVERVIEW



CVS is situated at the corner of Great East Neck Road and Railroad Ave with combined traffic counts over 24,000 vehicles per day. The site has excellent access and visibility with two points of ingress/egress. The property sits on 1.38 acres less than 1 mile from the major shopping area of West Babylon. Surrounding major retailers include Stop and Shop, KMart, Bed Bath and Beyond, ALDI, PetSmart, Marshall's, and Joann Crafts and Fabrics to name a few. This is a densely populated area in the highly sought after New York MSA with over 15,000 people within 1 mile, over 128,000 people within 3 miles and over 259,000 people within 5 miles. This area also boasts affluent demographics with the average household income over \$105,000 in the 1, 3 and 5 mile rings. West Babylon is located in Suffolk County, New York, just 15 miles from Long Island and 45 miles from Manhattan.



LOCAL MAP



REGIONAL MAP



SUBJECT AREA DEMOGRAPHICS



POPULATION

	1 MILE	3 MILES	5 MILES
2010 POPULATION	15,755	129,118	257,536
2017 POPULATION	15,591	128,971	259,775
PROJECTED POPULATION (2022)	15,629	129,859	262,675
HISTORICAL ANNUAL GROWTH			
2010-2017	-0.14%	-0.02%	0.12%
PROJECTED ANNUAL GROWTH			
2017-2022	0.05%	0.14%	0.22%

HISTORICAL ANNUAL GROWTH

PROJECTED ANNUAL GROWTH

HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
2010 HOUSEHOLDS	5,647	43,929	85,716
2017 HOUSEHOLDS	5,556	43,612	85,960
PROJECTED HOUSEHOLDS (2022)	5,547	43,766	86,663
HISTORICAL ANNUAL GROWTH			
2010-2017	-0.22%	-0.10%	0.04%
PROJECTED ANNUAL GROWTH			
2017-2022	-0.03%	0.07%	0.16%

HISTORICAL ANNUAL GROWTH

PROJECTED ANNUAL GROWTH

HOUSEHOLD INCOME

	1 MILE	3 MILES	5 MILES
2017 AVERAGE	\$109,244	\$111,976	\$110,082
2017 MEDIAN	\$84,430	\$92,633	\$88,647

POPULATION BY RACE

	1 MILE	3 MILES	5 MILES
WHITE POPULATION	87.6%	83.1%	71.6%
AFRICAN AMERICAN POPULATION	3.6%	5.9%	15.2%
ASIAN POPULATION	3.3%	3.0%	3.3%
PACIFIC ISLANDER POPULATION	0.2%	0.2%	0.3%
AMERICAN INDIAN AND ALASKA NATIVE	0.0%	0.0%	0.0%
OTHER RACE POPULATION	3.0%	5.2%	6.6%
TWO OR MORE RACES POPULATION	2.3%	2.6%	3.0%

HISPANIC OR LATINO POPULATION BY ORIGIN

	1 MILE	3 MILES	5 MILES
HISPANIC OR LATINO	11.8%	16.6%	19.1%
WHITE NON-HISPANIC	79.8%	73.4%	61.2%

2017 AGE BY GENDER

	1 MILE	3 MILES	5 MILES
MEDIAN AGE			
MALE/FEMALE	41.8/45.6	40.4/43.0	39.4/42.5

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