

# EXCLUSIVE INVESTMENT SUMMARY

LONG TERM CVS PHARMACY WITH DRIVE THRU | AFFLUENT BIRMINGHAM SUBURB | HOMEWOOD, AL



OFFERING MEMORANDUM

HFF®



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Financing

Holliday Fenoglio Fowler, L.P. (“HFF”) a licensed Alabama real estate broker.

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Additional information and an opportunity to inspect the property will be made available upon written request to interested and qualified prospective investors.

Owner and HFF each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligations to any recipient reviewing this Offering Memorandum or making an offer to purchase the property unless and until such offer is approved by Owner, a written agreement for the purchase of the property has been fully executed, delivered and approved by Owner and its legal counsel, and any obligations set by Owner thereunder have been satisfied or waived.

The recipient (“Recipient”) agrees that (a) the Offering Memorandum and its contents are confidential information, except for such information contained in the Offering Memorandum, which is a matter of public record, or is provided from sources available to the public (b) the Recipient, the Recipient’s employees, agents and consultants (collectively, the “need to know parties”) will hold and treat it in the strictest of confidence, and the Recipient and the need to know parties will not, directly or indirectly, disclose or permit anyone else to disclose its contents to any other person, firm, or entity without the prior written authorization of HFF and the Owner, and (c) the Recipient and the need to know parties will not use or permit to be used this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner or HFF or for any purpose other than use in considering whether to purchase the property. The Recipient and the need to know parties agree to keep this Offering Memorandum and all confidential information contained herein permanently confidential and further agree to use this Offering Memorandum for the purpose set forth above. If the Recipient has no interest in the property, or if in the future the Recipient or owner discontinue such negotiations, the Recipient will return this Offering Memorandum to HFF.

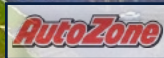


# INVESTMENT SUMMARY

CVS PHARMACY • 418 WEST VALLEY AVE • HOMEWOOD, AL



BBVA Compass





## INVESTMENT SUMMARY

**Holliday Fenoglio Fowler, L.P. ("HFF") Net Lease Advisory** is pleased to exclusively offer a premier net lease opportunity to acquire a **CVS Pharmacy** (the "Property") with approximately 16 years of remaining lease term located in Homewood, Alabama. The Property is situated on the main retail corridor in the area at the intersection of Valley Ave and Green Spring Highway with exposure to over 58,000 VPD. CVS has been at this location since 1999 and recently signed a lease extension showing a long term commitment to the site. CVS is the largest healthcare provider in the U.S. with more than 250,000 employees and over 9,700 stores. CVS Pharmacy serves over 5 million customers a day and has a market cap of over \$74 billion. CVS sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS Pharmacy and Longs Drugs retail stores and online through CVS.com. It also provides healthcare services through its more than 1,100 Minute Clinic medical clinics as well as their Diabetes Care Centers.



**CVS**  
pharmacy

**\$4,794,764**

ASKING PRICE

**5.50%**

CAP RATE

**\$263,712**

NOI

**16 Years**

REMAINING LEASE TERM



# INVESTMENT HIGHLIGHTS



Corporate long term CVS Pharmacy with over 18 years of operating history at this location



The location benefits from a population of over 187,984 people within a 5-mile radius and an average household income of \$77,440



CVS Pharmacy is an Investment Grade Tenant and the largest Pharmacy Chain by market share in the US in 2017



The Property is situated at the fully signalized intersection of Valley Ave and Green Springs Highway with exposure to over 58,000 VPD



Homewood is a thriving suburb and is approximately 4.5 miles from Birmingham

**CVS**  
pharmacy



The property is located approximately 2.5 miles from the University of Alabama Birmingham

4.5 MILES TO BIRMINGHAM





# TENANT OVERVIEW

CVS PHARMACY • 418 WEST VALLEY AVE • HOMEWOOD, AL





CVS is the largest healthcare provider in the U.S. with more than 250,000 employees and over 9,700 stores. CVS Pharmacy serves over 5 million customers a day and has a market cap of over \$74 billion. CVS sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS Pharmacy and Longs Drugs retail stores and online through CVS.com. It also provides healthcare services through its more than 1,100 Minute Clinic medical clinics as well as their Diabetes Care Centers. Most of these clinics are located within CVS stores. The Minute Clinic boasts 34,000,000 patient visits annually and records \$40 billion in specialty drug revenue. CVS operates through the following segments: Pharmacy Services, Retail or Long Term Care, and Corporate. The company was founded by Stanley P. Goldstein and Ralph Hoagland in 1963 and is headquartered in Woonsocket, RI.

In December CVS Health announced that its merger with Aetna. Aetna is one of the nation's leading diversified health care benefits companies. This transaction fills an unmet need in the current health care system and presents a unique opportunity to redefine access to high-quality care in lower cost, local settings whether in the community, at home, or through digital tools. "This is the next step in our journey, positioning the combined company to dramatically further empower consumers. Together with CVS Health, we will better understand our members' health goals, guide them through the health care system and help them achieve their best health," said Mark T. Bertolini, Aetna chairman and CEO.

Together, CVS Health and Aetna will be a trusted community partner who will help consumers better manage the cost of the health care they need. The combined company will also be well positioned to more effectively meet the health needs of many more people.

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

#### CORPORATE OVERVIEW

Headquarters	Woonsocket, RI
Ticker	CVS (NYSE)

## Baa1

MOODY'S CREDIT RATING

## 9,700

LOCATIONS IN THE UNITED STATES

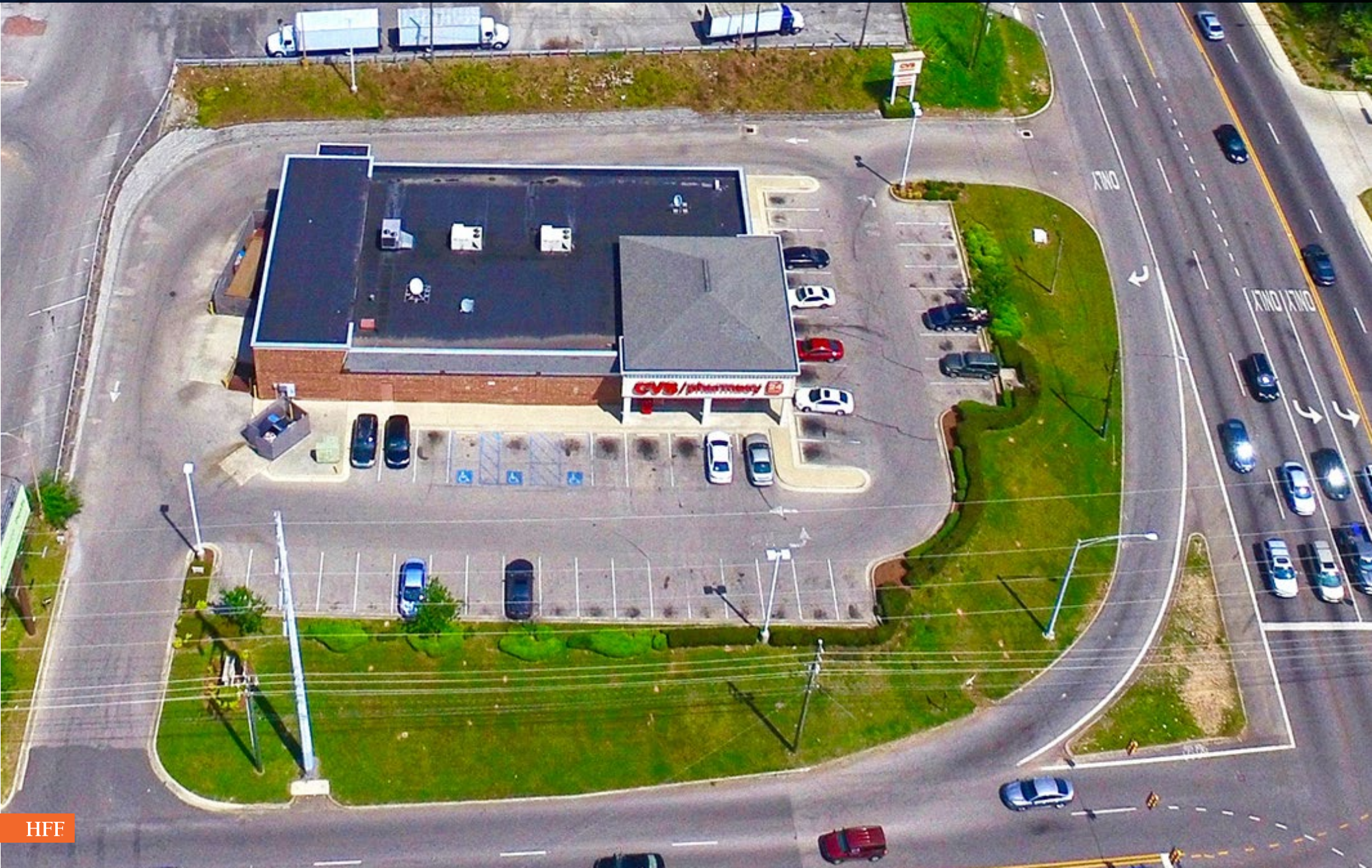
## \$77.55 BILLION

MARKET CAP AS OF 9/2018



# FINANCIAL ANALYSIS

CVS PHARMACY • 418 WEST VALLEY AVE • HOMEWOOD, AL





# LEASE ABSTRACT

## LEASE DETAIL

<b>Address</b>	418 West Valley Ave Homewood, AL
<b>Tenant</b>	CVS Pharmacy
<b>Guarantor</b>	CVS Health Corporation
<b>Lot Area</b>	1.10 Acres
<b>Size</b>	10,125 SF
<b>Year Built</b>	1999
<b>Annual Rent</b>	\$263,712
<b>Lease Type</b>	NN
<b>Lease Commencement</b>	7/22/1998
<b>Lease Expiration</b>	1/31/2035
<b>Remaining Lease Term</b>	16 Years
<b>Remaining Options</b>	Four (4) Five (5) Year Options

## RENT SCHEDULE

Description	Dates	Annual Rent	Rent Increase
<b>Base Term - Years 1 -17</b>	1/1/2018- 1/31/2035	\$263,712	-
<b>First Option - Years 18- 22</b>	2/1/2035- 1/31/2040	\$279,535	6.00%
<b>Second Option - Years 23 - 27</b>	2/1/2040- 1/31/2045	\$296,307	6.00%
<b>Third Option - Years 28 - 32</b>	2/1/2045- 1/31/2050	\$314,085	6.00%
<b>Fourth Option - Years 33 - 37</b>	2/1/2050- 1/31/2055	\$332,930	6.00%

## TENANT RESPONSIBILITY DETAIL

<b>Maintenance and Repairs</b>	Tenant shall maintain, repair, and replace, as necessary: the building interior; including the fixtures and equipment therein; HVAC equipment; broken glass; and the nonstructural portions of any storefront.
<b>Insurance</b>	Tenant shall pay to landlord the cost of the insurance required to be maintained during the term. At tenants election, Landlord shall obtain all of the insurance from an insurer designated by Tenant. If tenant shall make this designation, then, Tenant shall pay such insurer directly.
<b>Taxes</b>	Tenant shall reimburse Landlord for all taxes for the demised premises.
<b>Utilities</b>	Tenant shall pay for all utilities consumed by it in the Premises.
<b>Parking and Exterior Area Maintenance</b>	Tenant shall pay landlord for the maintenance costs incurred by landlord. Tenant shall not pay landlord for any capital expenditures or capital improvements such as replacing or repaving the parking areas, except as follows: if, after obtaining Tenant's consent to do so, Landlord shall repave or replace the parking area, then Tenant agrees to pay the amortization costs thereof, over the useful life.
<b>Admin Fee</b>	Tenant shall pay a 5% administrative fee on all Parking and Exterior Area Maintenance charges.

## LANDLORD RESPONSIBILITY DETAIL

<b>Maintenance and Repairs</b>	Landlord shall maintain including painting, repair, and replace as necessary each of the exterior portions and structural portions of the building including without limitation: the roof and roof supports, flashings, gutters, downspouts, footings, foundations, structural supports, columns, exterior walls, bearing walls, retaining walls, floor slab, and loading docks, plumbing, pipes, tubes and all other conduits and utility lines leading to and from the building.
<b>Parking and Exterior Area Maintenance</b>	Landlord shall perform the following, repairing, resurfacing, repaving, re-striping, and resealing of the parking areas; repair all curbing, sidewalks, and directional markers; removal of snow and ice; landscaping; and provision of adequate lighting.



# MARKET OVERVIEW

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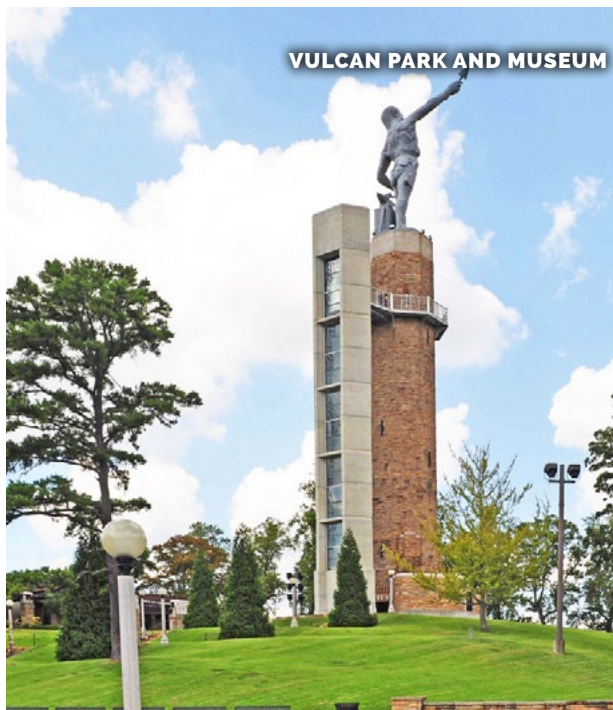
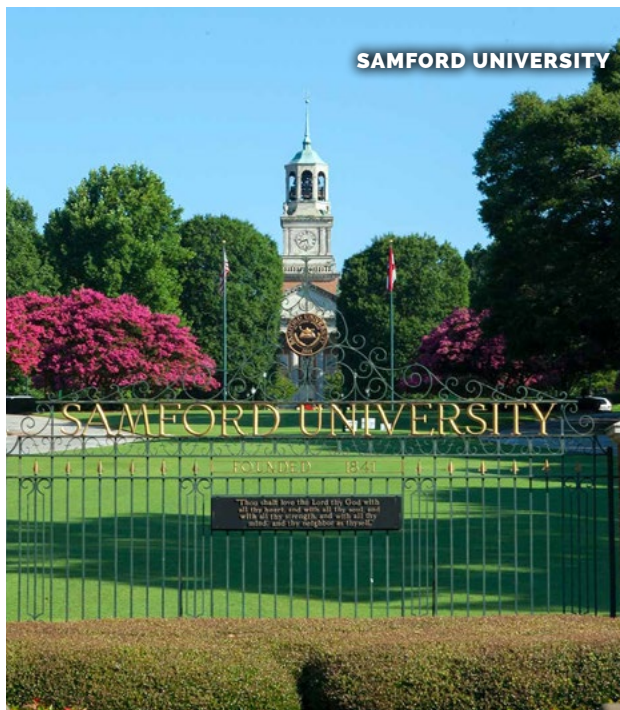


# HOMWOOD OVERVIEW

Homewood is a city in Southeastern Jefferson County, Alabama, United States. It is a suburb of Birmingham with a population of 25,476, 10,972 households and 5,760 families residing in the city. With a median age of 29.9, Homewood is home to many professionals and young families. Over the past year median household income grew from \$61,626 to \$66,573 representing an 8.03% increase. Samford University, a private institution with 1,462 graduates is located in Homewood, these students help drive the economy and maintain a competitive employment pool.

The economy of Homewood, AL employs 13,865 people and specializes in Finance & Insurance, Educational services, and Tech Services. Homewood is less than 5 miles from Alabama's most happening city, Birmingham, AL. This makes Homewood a favorable suburb due to the proximity of employment opportunities. Homewood is also home to many tourist attractions such as the Birmingham zoo, Birmingham Botanical Gardens, and the Vulcan Park and Museum.

Downtown Birmingham's new Railroad Park has become a symbol to many of the potential rebirth. The 19-acre greenspace in downtown Birmingham celebrates the industrial and artistic heritage the city has to offer with weekly concerts and other free venues. Birmingham is also home to a fortune 500 company, Regions Financial Corporation and a short drive to Mercedes-Benz auto assembly plant, employing over 3,800 residents. The growing magic city presents plentiful amounts of growth for the millennial generation and the rest to come.





# TRADE AREA DEMOGRAPHICS

## POPULATION

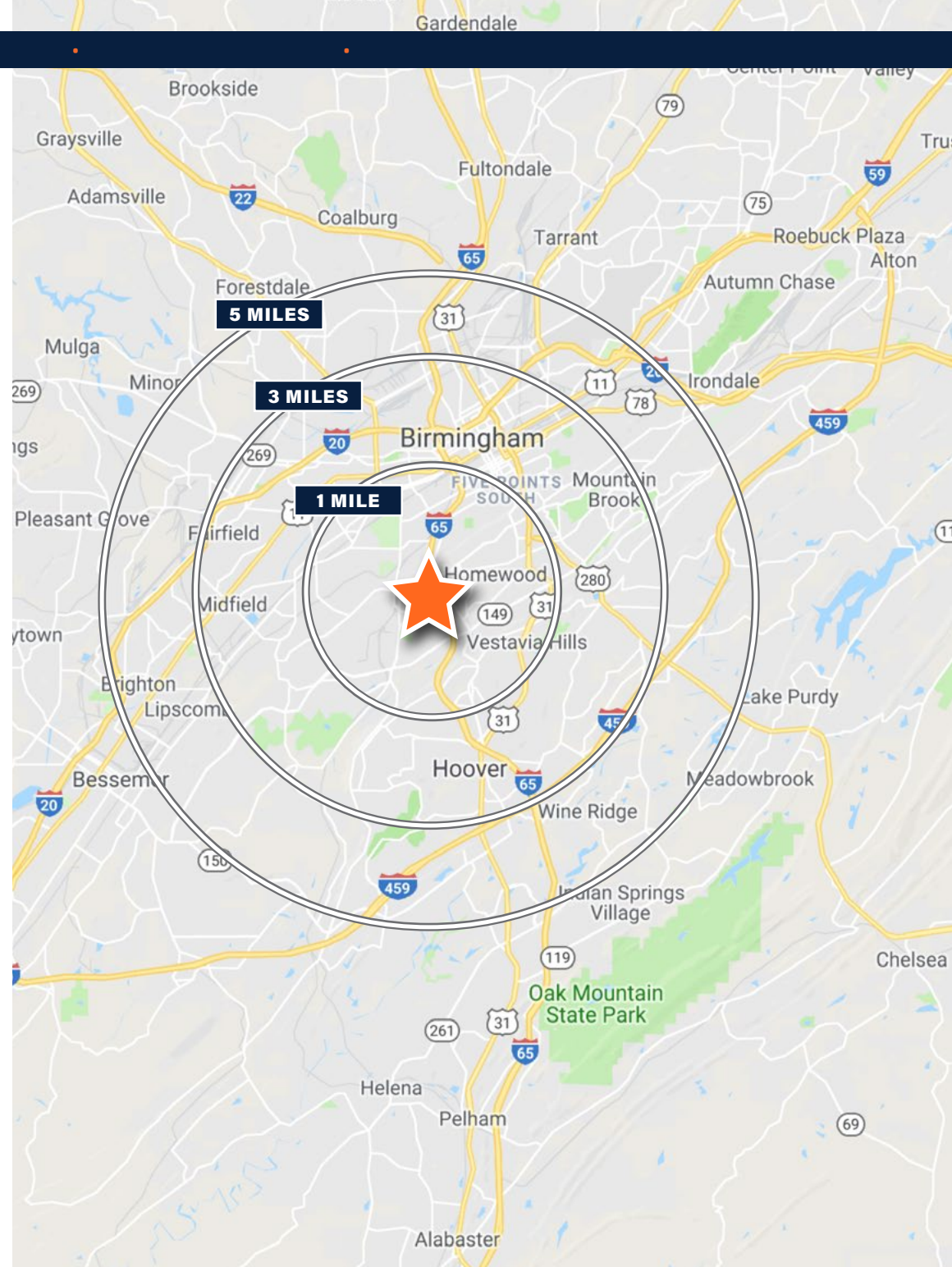
	1 MILE	3 MILES	5 MILES
2010 Census	13,559	78,782	187,984
2018 Estimate	14,008	77,692	185,470
2023 Projection	14,288	77,769	185,543

## POPULATION GROWTH

	1 MILE	3 MILES	5 MILES
Historical Growth: 2010 to 2018	3.31%	-1.38%	-1.34%
Projected Growth: 2018 to 2023	2.00%	0.10%	0.04%

## HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
2010 Census	6,170	33,845	79,254
2018 Estimate	6,264	33,423	78,595
2023 Projection	6,349	33,474	78,794
Historical Growth: 2010 to 2018	1.52%	-1.25%	-0.83%
Projected Growth: 2018 to 2023	1.36%	0.15%	0.25%
2018 Est. Average Household Income	\$65,897	\$70,888	\$77,440
2018 Est. Median Household Income	\$43,624	\$43,248	\$45,704







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Financing

ATLANTA | AUSTIN | BOSTON | CAROLINAS | CHICAGO | DALLAS | DENVER | HOUSTON | INDIANAPOLIS  
LOS ANGELES | LAS VEGAS | MIAMI | NEW JERSEY | NEW YORK CITY | ORANGE COUNTY | ORLANDO | PHILADELPHIA  
PHOENIX | PITTSBURGH | PORTLAND | SAN DIEGO | SAN FRANCISCO | SEATTLE | TAMPA | WASHINGTON, D.C. | LONDON