



★ CREDIT TENANT | LONG-TERM NNN LEASE ★



Listed in Conjunction with TX Real Estate Broker

**DZ Net Lease Realty, LLC TX RE Lic. 9002851**

**Long-Term NNN Leased CVS Pharmacy**

3027 Nacogdoches Rd, San Antonio, TX 78217

## FINANCIAL HIGHLIGHTS

### Triple-Net (NNN) Lease with no Landlord Maintenance Responsibilities

CVS is operating under a Triple-Net (NNN) lease under which the tenant is responsible for the payment of taxes, insurance and the maintenance and repair of the building (including the roof) and parking lot.

### Long Term History with Brand New 15-Year Extension – No Rent Holiday

CVS has been at this location since 1999, and recently extended the lease 15 years with no rent holiday, illustrating their long-term success with and commitment to the site.

### Rare Fixed Rental Increases in Base Term and All Option Periods

This lease features rare fixed rental increases every 5 years during the remaining base term and options, providing the landlord with positive rent growth in the firm term of the lease and a rare hedge against ordinary inflation.



### High Volume Store with Low Rent in a Major US City

Reported sales at this location have recently been as high as \$1.1 million in a single month, making this a very high-volume CVS location. The total rent is also comparatively low at this location at \$288k+, whereas other CVS locations in major metropolitan areas often have rents of \$400-500k+.

### Corporate Lease with Leading National Pharmacy Company

The lease is with CVS Pharmacy, Inc., a leading national retail pharmacy company with more than 9,800 locations in the United States, housing more than 1,100 walk-in medical clinics.

### CVS-Aetna Merger Officially Closes

The proposed merger between CVS Health and Aetna Inc. officially closed in November 2018. 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.





Property Image

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### **Infill San Antonio Demographics - 7th Largest City in the U.S.**

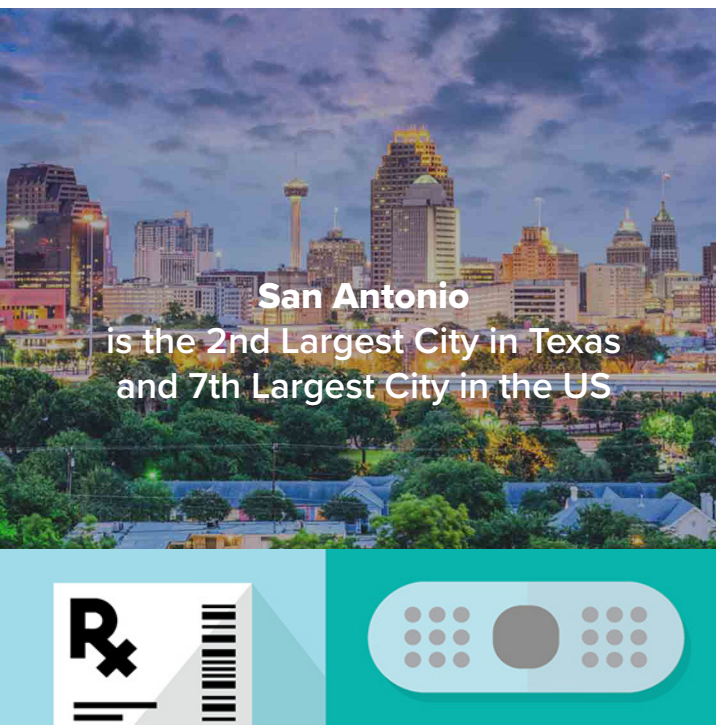
The City of San Antonio is the 2nd largest city in the state of Texas, with more than 1.5 million residents and more than 2.4 million residents in the MSA. This property is located in a dense section of the city and serves the more than 279,000 residents who live within 5 miles of the property, and with an average household income of more than \$77,000.

### **Blocks from Two Large Schools and San Antonio International Airport**

This property is located blocks away from Douglas MacArthur High School and Oak Grove Elementary, two major schools with thousands of students. Also located nearby is San Antonio International Airport, the major airport in the metropolitan area which served a record 9 million passengers in 2017, making it one of the busiest airports in the state of Texas.

### **Fastest Growing City Nationwide in an Income Tax-Free State**

In 2018, San Antonio ranked top in the nation for population growth according to the U.S. Census Bureau. By 2023, the population within three miles of the property is expected to rise by nearly 8.5%.



## **Real Estate Highlights**



### **Low Rent in a Dense Market with a High Barrier to Entry**

This property is located in a dense urban market under-served by retail and with a very low overall market vacancy of approximately 4%. Rents for similar retail spaces have been consistently rising, and this CVS is paying a relatively low rent amount for a CVS in a major metropolitan area.

### **Signalized Corner with Substantial Traffic Counts**

This property benefits from its strategic location at the signalized intersection of Nacogdoches Road and McArthur View, a major intersection and retail area. Nacogdoches road is a substantial East / West thoroughfare in this area and experiences traffic counts in excess of 28,000 vehicles per day.

### **Large Lot with Drive Through Location**

This property features a 1.37 acre lot with a drive through lane and window, allowing pharmacy customers to pick up prescriptions on-the-go and giving this CVS a competitive advantage over the other pharmacy competitors in the market as the only drive through pharmacy in the trade area.

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## FINANCIAL SUMMARY

Purchase Price	\$5,605,000
Cap Rate	5.15%
Net Operating Income	\$288,680.04
Price / SF	\$500.45
Rent / SF	\$25.78

## LEASE SUMMARY

Lease Type	Triple-Net (NNN)
Lease Commencement	April 30, 1999
Term Remaining	16 Years
Increases	Every 5 Years, Fixed
Options	Four, Five-Year Options

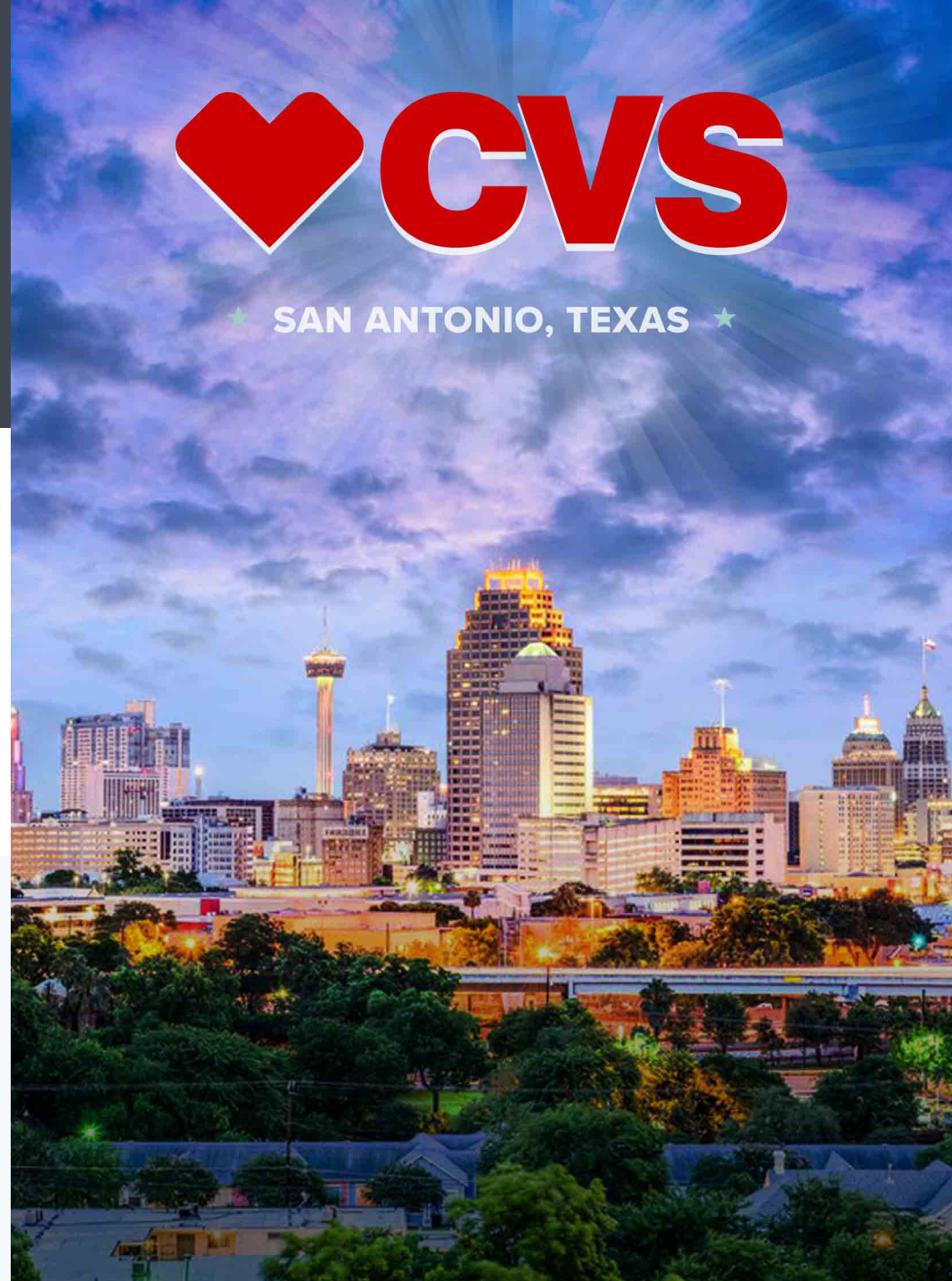
## RESPONSIBILITIES

Real Estate Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Repairs & Maintenance	Tenant Responsibility
Roof & Structure	Tenant Responsibility
Tenant Right of First Refusal	None

## Financial Summary



★ SAN ANTONIO, TEXAS ★



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Financial Summary

RENT SCHEDULE

Period	Term	Annual Rent
12/01/2019 - 11/30/2024	Base Term	\$288,680.04
12/01/2024 - 11/30/2029	Base Term	\$294,140.04
12/01/2029 - 11/30/2034	Base Term	\$299,600.04
12/01/2034 - 11/30/2039	Option 1	\$305,096.76
12/01/2039 - 11/30/2044	Option 2	\$310,551.00
12/01/2044 - 11/30/2049	Option 3	\$316,005.00
12/01/2049 - 11/30/2054	Option 4	\$321,459.00

VITAL DATA

GLA	11,200 SF	Signalized Hard Corner
Lot Size	1.37 AC	with Drive Thru
Year Built	2000	

LOCATION DATA

TENANT

Tenant Trade Name	CVS Pharmacy
Lease Guarantor	CVS Pharmacy, Inc.
Parent Company	CVS Health Corporation (S&P: BBB)
Years in Business	55+ Years
Number of Locations	9,800

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## ABOUT THE BRAND

CVS Health is a pharmacy innovation company helping people on their path to better health. Through its more than 9,800 retail locations, more than 1,100 walk-in medical clinics, a leading pharmacy benefits manager with more than 94 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, expanding specialty pharmacy services, and a leading stand-alone Medicare Part D prescription drug plan, the company enables people, businesses and communities to manage health in more affordable and effective ways. This unique integrated model increases access to quality care, delivers better health outcomes and lowers overall health care costs.

**9,800+**

Retail Locations

**\$74+ Billion**

Market Cap

**\$184+ Billion**

2017 Annual Revenue



## RECENT NEWS

### January 2019

CVS Health was named one of the “World’s Most Admired Companies” by FORTUNE Magazine for the fifth consecutive year.

### January 2019

CVS Health announced \$100 million community commitment following the acquisition of Aetna, supporting local access to affordable quality care in more underserved and underinsured communities.

### November 2018

CVS Health (NYSE: CVS) announces that it has officially closed its merger with Aetna Inc. for a total of \$70 billion.

About the Brand

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## WHAT MAKES SAN ANTONIO UNIQUE?

### San Antonio is the 7th largest city in the U.S.

Behind cities like New York and Los Angeles, San Antonio comes in 7th as the most populated city in the nation. It's the 2nd most populated in Texas behind Houston, with about 1.4 million people.

### San Antonio is the most visited city in Texas

With attractions like Six Flags Fiesta, The River walk, and the historic Alamo site, it's no surprise that San Antonio is the most visited city in Texas. It's actually the 17th most visited city in the nation.

### San Antonio Spurs

The Spurs are the only professional team in the city. The NBA team brought four championships to the Alamo city.



**South Texas Medical Center**  
900-acre campus

### South Texas Medical Center

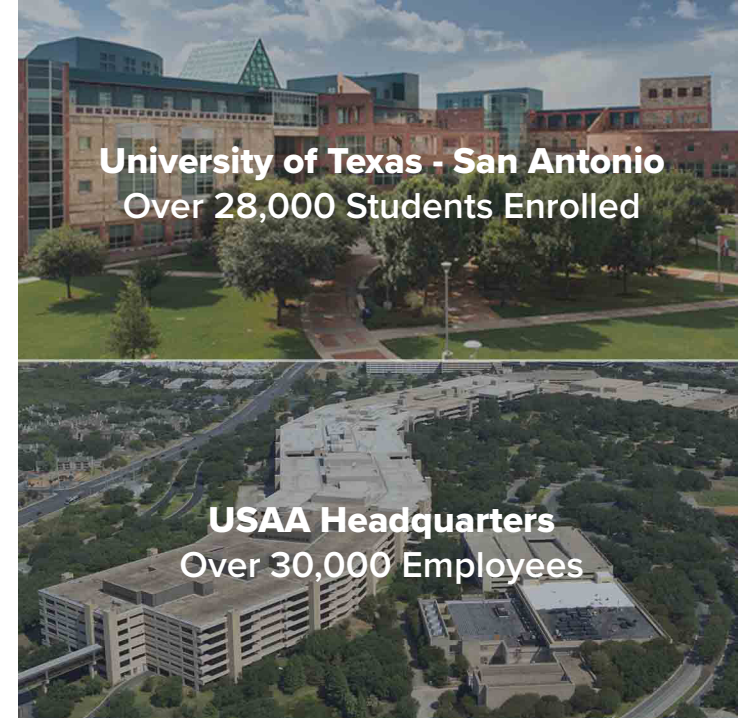
Founded in 1944, the South Texas Medical Center comprises a 900-acre campus servicing thousands of patients annually.

### University of Texas – San Antonio

UTSA is the fourth largest public university in Texas with over 28,000 students enrolled.

### USAA Headquarters

The United Services Automobile Association, located only ten miles from the subject property, is a Fortune 500 company with over 30,000 employees.



**University of Texas - San Antonio**  
Over 28,000 Students Enrolled

**USAA Headquarters**  
Over 30,000 Employees



# SAN ANTONIO LANDMARKS

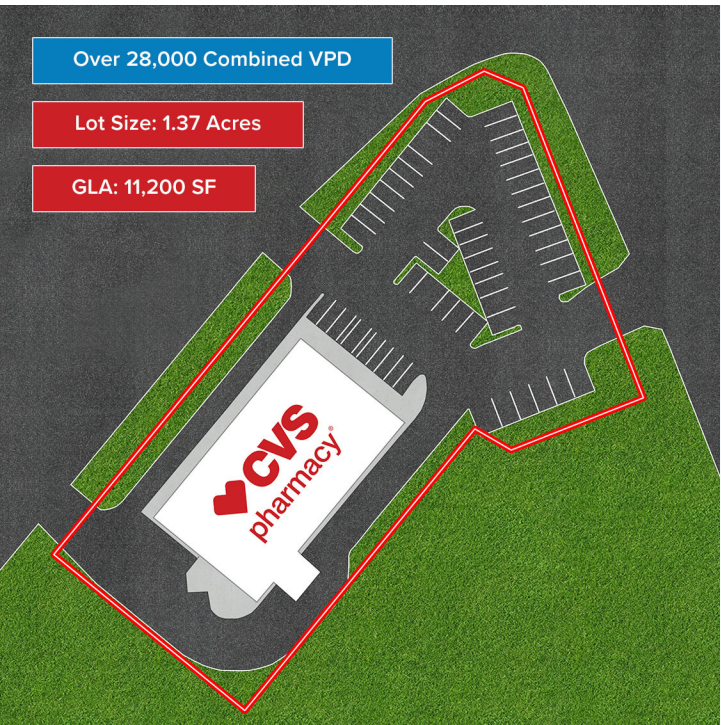
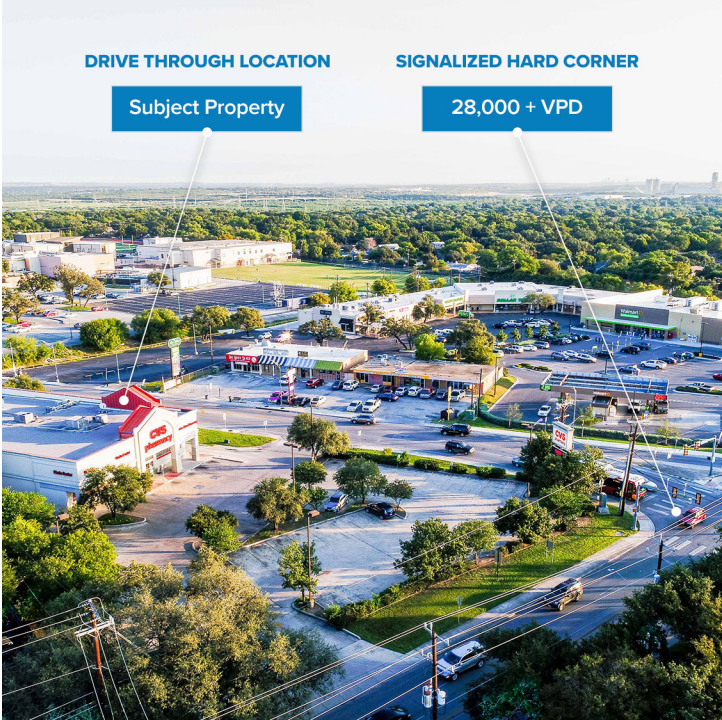


1. San Antonio Airport
2. Six Flags Fiesta Texas
3. University of Texas, San Antonio
4. SeaWorld Aquatica Waterpark
5. San Antonio Aquarium
6. Lackland Air Force Base
7. AT&T Center
8. Mission Concepcion
9. San Antonio Museum of Art
10. The Alamo
11. The River Walk
12. Tower of the Americas
13. Alamodome



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POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	11,374	99,899	302,138
2018 Estimate	10,563	92,107	279,160
2010 Census	9,764	80,914	249,011
Growth 2018 - 2023	7.68%	8.46%	8.23%
Growth 2010 - 2018	8.18%	13.83%	12.11%



HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	4,831	43,614	122,400
2018 Estimate	4,504	40,333	113,471
2010 Census	4,219	35,780	102,423
Growth 2018 - 2023	7.26%	8.13%	7.87%
Growth 2010 - 2018	6.76%	12.72%	10.79%
2018 Avg HH Income	\$72,377	\$72,707	\$77,094
2018 Med HH Income	\$56,422	\$52,302	\$54,848



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The value of the property to any Buyer depends on numerous factors that must be evaluated by Buyer and Buyer's legal, tax, construction and financial advisors. Buyer and Buyer's advisors should conduct a thorough, independent investigation of the property to determine its suitability for Buyer's intended usage. This investment, as with all real estate investments, carries a substantial risk. As such, Buyer and Buyer's legal and financial advisors are strongly advised to request and review all legal and financial documentations related to the property and tenants.

A tenant's past performance is not a guarantee of future performance. The lease rate stated for some properties may be based on a tenant's projected sales with little or no record of actual performance or comparable rents for the area in question. Returns are in no way guaranteed. Tenants may fail to pay the rent or property taxes or any other tenant obligations under the terms of the lease. Regardless of tenant's history of performance, and/or any lease guarantors and/or guarantees, Buyer is responsible for conducting Buyer's own investigation of all matters related to any and all tenants and lease agreements. Broker is not, in any way, responsible for the performance of any tenant or for any breach or default by any tenant of any terms of any lease agreement related to the property. Further, Buyer is responsible for conducting Buyer's own independent investigation of all matters related to the value of the property, including, but not limited to, the value of any long term leases. Buyer must carefully evaluate the possibility of tenants vacating the property or breaching their leases and the likelihood and financial impact of being required to find a replacement tenant if the current tenant should default and/or abandon the property. Buyer must also evaluate Buyer's legal ability to make alternate use of the property in the event of a tenant abandonment of the property.

## **CONFIDENTIALITY**

This Marketing Brochure and the information contained within, is propriety and strictly confidential. It is intended to be used only by the party receiving it from Broker. It should not be made available to any other person or entity without the express written consent of Broker.

## **RELEASE**

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**LEAD AGENT:**

**Mike James**

Executive Chairman

**(424) 325-2601**

Mike@JamesCapitalAdvisors.com

CA RE Lic. 01869890

**MAIN CONTACT:**

**Reed Melillo**

Senior Director, Net Lease

**(424) 325-2606**

Reed@JamesCapitalAdvisors.com

CA RE Lic. 01984199

**LISTED IN CONJUNCTION WITH:**

**DZ Net Lease Realty, LLC**

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**Contact Information**

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## Information About Brokerage Services

*Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.*

### TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

### A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

### A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

**AS AGENT FOR OWNER (SELLER/LANDLORD):** The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

**AS AGENT FOR BUYER/TENANT:** The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

**AS AGENT FOR BOTH - INTERMEDIARY:** To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

**AS SUBAGENT:** A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

### TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

**LICENSE HOLDER CONTACT INFORMATION:** This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>DZ Net Lease Realty, LLC</u>	<u>9002851</u>	<u>david@dznetlease.com</u>	<u>702.304.9900</u>
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<u>David B Zacharia</u>	<u>634656</u>	<u>david@dznetlease.com</u>	<u>702.304.9900</u>
Designated Broker of Firm	License No.	Email	Phone
<u></u>	<u></u>	<u></u>	<u></u>
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
<u></u>	<u></u>	<u></u>	<u></u>
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

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Date