



*Achieve  
Ambitions*



Confidential Offering Memorandum

7207 Rockbridge Rd SW  
Stone Mountain, GA 30087





A photograph of a CVS/pharmacy storefront. The building is a single-story structure with a white facade and a grey roof. The 'CVS/pharmacy' logo is prominently displayed in large, red, three-dimensional letters on the front facade. The address '7207' is visible above the entrance. The entrance features a set of white columns. To the right of the entrance, there are red vending machines. The building is surrounded by trees and a clear blue sky. A white diagonal graphic element is overlaid on the left side of the image, containing the 'Contents' section.

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# Summary

## Investment Summary

CVS – Stone Mountain, GA



# The Offering

JLL is pleased to offer for sale the fee-simple interest in a CVS (the “Property”, or “Asset”) located in Stone Mountain, Georgia.

Situated on the signalized intersection of Rockbridge Road and Deshon Road, this CVS benefits from the dense and affluent population of Stone Mountain. With three years remaining on their double net lease and an option period remaining, CVS will seek to continue operations at this location, as it is the only national brand pharmacy within three miles of the Property. Additionally, the Property is proximate to Georgia’s most visited attraction, Stone Mountain Park, drawing over 4 million visitors annually. This offering represents the opportunity to acquire a short-term investment with upside potential through lease renegotiation and strong residual value in the underlying real estate.

## INVESTMENT HIGHLIGHTS

- **Short-Term Investment with Upside Potential:** CVS has three years remaining on their double net lease with one option period remaining, allowing investors to capitalize on arbitrage through lease renegotiation.
- **Continued Renewals Anticipated:** CVS has renewed their original lease twice, once in 2011 and once in 2016; their commitment to this location is expected to continue due to the outstanding market share and optimal positioning within this prime retail corridor.
- **Guaranteed Cash Flows:** The lease is guaranteed by CVS Center, Inc., providing security in the stream of cash flows.
- **Proximity to Stone Mountain Park:** the Property is located just a few miles away from Stone Mountain Park, Georgia’s most visited attraction. With over 4 million visitors annually, the Property benefits from increased traffic to the region.
- **Outstanding Market Share:** This CVS is the only freestanding pharmacy within three miles of the subject Property. This indicates CVS will desire to continue operations at this location to maintain their strong market share in this region.
- **Surrounded by Other National Brand Retailers:** Surrounding the Property, national brands such as Publix, McDonald’s, Sherwin-Williams, Pizza Hut, PNC Bank, Zaxby’s, AutoZone and others demonstrate the strength of this location.

## PROPERTY SUMMARY

Address	7207 Rockbridge Rd SW, Stone Mountain, GA 30087
Price	\$3,150,000
NOI	\$223,154
Cap Rate	7.08%
Lease Type	NN (Roof, Structure & Parking)
Square Footage	10,125 SF
Site Size	1.24 Acres +/-
Year Built	1996
Tenant	Stone Mountain CVS, Inc
Guarantor	CVS Center, Inc
Owner Interest	Fee-Simple
Remaining Term	3.0 Years (Expiration – 1/31/2022)
Rental Increases	8% every 5 years



# Property

The Property is well positioned on the signalized intersection of Rockbridge Road Southwest and South Deshon Road, seeing over 29,000 vehicles passing daily. The intersection is host to all retail tenants for the dense surrounding neighborhoods, and provides a single destination for grocery, auto repair, fast-food, discount retail, family dining, and banking. The CVS is positioned optimally to continue to provide pharmacy services to the affluent population surrounding the Asset and will continue to seek occupancy at this location.

## BUILDING AND LEASE SPECIFICATIONS

Address	7207 Rockbridge Rd SW, Stone Mountain, GA 30087
Year Built	1996
Ownership Interest	Fee-simple
Parcel Size	1.24 acres
Parking Spaces	+/- 58 spaces
Property Type	Freestanding Retail (Pharmacy with Drive-Thru)
Property Size	10,125 square feet
Tenant (Guarantor)	STONE MOUNTAIN CVS, INC (CVS Center, Inc)
Lease Type	NN (Roof, Structure & Minimal Maintenance)
Lease Expiration	1/31/2022
Lease Term Remaining	3.0 years (as of 2/1/2019)
Renewal Options	1, 5-year option remaining
Net Operating Income (PSF)	\$223,154 (\$22.04)
Rental Increases	8% every 5 years







# Location

Location Overview  
CVS – Stone Mountain, GA



# Location

## Stone Mountain, GA

Stone Mountain, Georgia is a suburb of Atlanta located approximately 13 miles east of downtown. Accessibility to downtown is provided by GA-10 and U.S. Route 78, both of which connect to Interstate 285 providing access to north and south portions of the MSA. The city is on the eastern part of DeKalb County with over 6,300 residents and hosts Georgia's most visited attraction, Stone Mountain Park.

Stone Mountain Park is located on 3,200 acres of land surrounding the 825 foot mountain and includes various attractions such as the hiking trails, a summit gondola ride, museums, a petting zoo and other family activities. The park draws more than 4 million annual visitors and includes several lodging and dining accommodations for guests.



### Demographic Information

	1-Mile	3-Mile	5-Mile
<b>Population</b>			
2018 Population	6,857	46,824	142,756
2018 Number of Households	2,384	16,174	49,803
2023 Proj. Population	7,062	48,367	149,896
2023 Proj. Households	2,456	16,711	52,279
2018-2023 Annual Growth	0.59%	0.65%	0.98%
2018-2023 Total Growth	2.99%	3.30%	5.00%
<b>Income</b>			
Average HH Income	\$89,252	\$89,474	\$81,737
Median HH Income	\$76,438	\$73,743	\$63,867
Less than \$35,000	16.3%	19.1%	23.6%
\$35,000 - \$49,999	13.9%	12.4%	13.4%
\$50,000 - \$74,999	18.4%	19.2%	20.3%
\$75,000 - \$99,999	17.4%	17.3%	16.7%
More than \$100,000	34.0%	32.1%	26.2%

### Location Highlights

- The Property is located on the signalized intersection of Rockbridge Road SW and North Deshon Road, seeing over 29,510 vehicles passing daily.
- The Asset is positioned within a strategic retail center with a Publix anchored shopping center, several QSR concepts, an AutoZone Auto Parts, and other various local and national tenants intended to provide a central retail location to provide for the extensive residential population in Stone Mountain.
- The CVS is positioned in an affluent area with over 46,000 residents boasting an average household income over \$89,000 within a three-mile radius of the Property.
- The Property will benefit from local schools like Wynbrooke Elementary School (0.4 miles), Stephenson Middle School (1.0 miles), and Stephenson High School (1.4 miles).



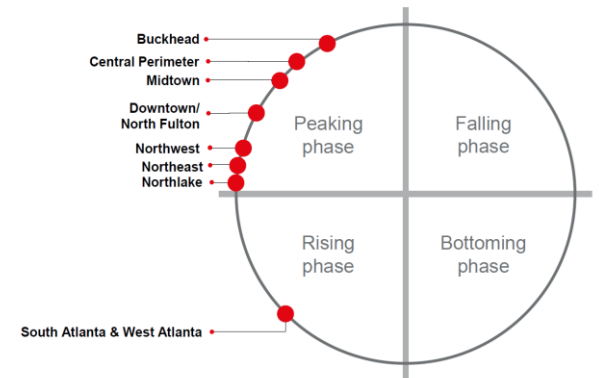
# Market

## The Atlanta metro area

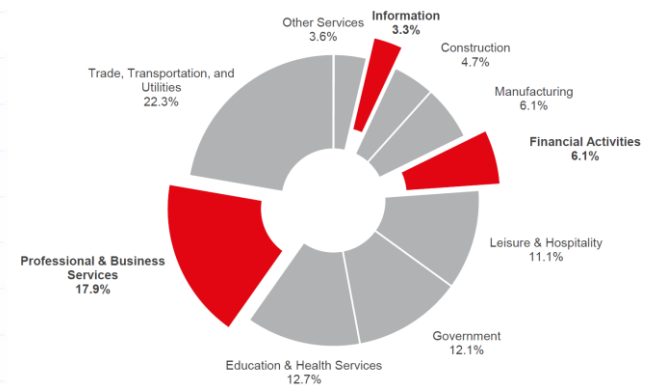
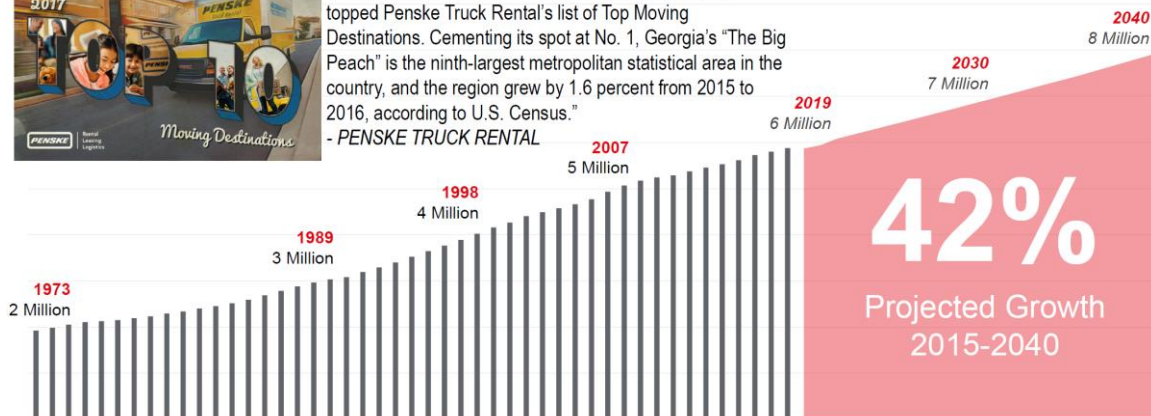


With its central location, expanding population, and diverse economic base, Atlanta is the long-established business and population center of the southeastern United States. Atlanta boasts its spot as one of the nation's leaders in both employment and population growth. This dynamic economic base provides the foundation for the region's sustained success.

Atlanta continues to attract both employers and job seekers alike. In fact, the state of Georgia, and the Atlanta area in particular, has successfully attracted over 250 recent major corporate relocations. These relocations are projected to produce over 30,000 new jobs. Furthermore, Metropolitan Atlanta has created almost 350,000 jobs since 2011 (67,800 in 2016 alone), and is currently adding an average of 88,000 new jobs a year. A recent PNC report substantiates this trend and paints a bullish picture on Atlanta's job growth and economic prospects during 2018, stating that a broad array of potent growth drivers will enable the Atlanta economy to continue as a top performer in 2018 and beyond. Technical and professional services will continue to be key employment generators. The rebound in these industries will drive above-average income growth.



"For the eighth consecutive year, Atlanta, Georgia, has topped Penske Truck Rental's list of Top Moving Destinations. Cementing its spot at No. 1, Georgia's "The Big Peach" is the ninth-largest metropolitan statistical area in the country, and the region grew by 1.6 percent from 2015 to 2016, according to U.S. Census."  
- PENSKE TRUCK RENTAL





## Local Retail Aerial





# Tenant

## Tenant Overview

CVS – Stone Mountain, GA





# The Tenant

## CVS Caremark Corporation

### GUARANTEED CASH FLOWS

- The lease has 3.0 years remaining and is guaranteed by CVS Center, Inc. – a subsidiary of the second largest retail pharmacy in the world, controlling nearly 30% of market share.
- CVS operates over 9,800 stores, 1,100 walk-in clinics, and employs over 240,000 people across the globe.

### CORPORATE STRATEGY

- CVS now offers one and two-day delivery options, adding to their same-day delivery provided in a growing number of cities, in an effort to combat Amazon from taking market share in the retail pharmaceutical industry. However, studies suggest that consumers prefer the reliability and routine of purchasing drugs in-store from a pharmacist with whom they are comfortable. Furthermore, studies show that delivery is only reliable for those with long-term, chronic diseases, as those with short term illness such as a sinus infection or the flu would prefer not to wait for online delivery.

### MERGER WITH AETNA

- Announced in December 2017, CVS is undergoing a \$69 billion merger with Aetna to assemble an unmatched giant in the healthcare industry. With about \$245 billion in combined revenue, the merger will redefine the way individuals access health care services in retail/pharmacy locations.



## A pharmacy innovation company



### Tenant Overview

Company:	CVS Health Corp
Year Founded:	1963
Headquarters:	Woonsocket, RI
Ownership Type:	Public (NASDAQ: CVS)
Stock Index Membership:	Nasdaq Component
Sector:	Drug Stores
Locations:	9,800+
Number of Employees:	246,000+
Credit Rating (S&P):	'BBB / Stable'
Annual Revenue (12/31/2017):	\$184.77 Billion
Market Capitalization (7/9/2018):	\$68.77 Billion
Total Assets (12/31/2017):	\$95.13 Billion
Total Debt (12/31/2017):	\$22.18 Billion
Website:	cvshealth.com



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