

OFFERING MEMORANDUM CVS/pharmacy & Best Buy Liquors + Development Parcel

14 Route 36 | Hazlet, NJ

Existing Building (.85 AC)

Development Parcel (.73 AC)

36

Presented by

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Marcus & Millichap
CAFIERO SGAMBATI TEAM

INVESTMENT HIGHLIGHTS

- 100% Occupied Two-Tenant Retail – CVS/Pharmacy and Best Buy Liquors
- CVS (S&P BBB+) just extended their lease for 20 years
- CVS has extremely rare rent increases after year 10 (8.7%) and year 16 (8.0%) of their lease
- Excellent store sales for CVS
- CVS is planning a store remodel for mid 2019 including remerchandising the store, new paint, carpet, improved lighting, new graphics, and upgrading the exterior signing package
- Hard Corner Intersection on Route 36 - Over 29,000 cars per day
- Upside in developing additional parcel of land
- Easy access to Jersey Shore and the Garden State Parkway
- Over \$113K Average Household Income Within 3 Miles



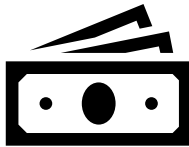
PRICE

\$4,582,550



CAP RATE

6.00%



NOI

\$274,953



PRICE/SF

\$324.73



1960/1985
Year Built/Renovated



45
Spaces



29,569 ADT
Route 36

The Offering

Property Address	14 Route 36 Hazlet, NJ 07730
Type of Ownership	Fee Simple
Lease Types	NN & Gross

Property Description

Rentable Square Feet	14,112 SF
Parcel Size	1.58 AC Total (.85 for CVS/BB & .73 for Adjacent Lot)
Block	149
Lot	1
Year Built/Renovated	1960/1985
Number of Stories	1
Parking	45 Spaces
Parking Ratio	3.30/1,000
Traffic Count	29,569 Vehicles/Day



CVS Health Corporation operates one of the largest drug store chains and pharmacy benefit managers in the U.S., based on revenues, net income, and store count. CVS's pharmacy services segment provides a full range of pharmacy benefit management (PBM) services including the operation of mail order pharmacies, specialty pharmacies, Medicare Part D services, formulary management and discounted drug purchase agreements. This business generated about \$120 billion of sales in 2016, or 68% of total company sales (excluding intersegment eliminations). The company's specialty pharmacy business operates 23 retail specialty pharmacy stores, 13 specialty mail order pharmacies, and four mail service pharmacies.

CVS is also the largest operator of retail health care clinics in the U.S. As of December 2016, it operated 1,139 retail health care clinics in 33 states under the MinuteClinic name. The clinics diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions, and deliver vaccinations. The company opened 7 new clinics in 2016 after acquiring 79 clinics from Target in December 2015.

In December 2017, CVS Health Corp. announced it will be purchasing health insurer Aetna Inc. promising to create an integrated healthcare company whose pharmacy locations could be hubs for medical services while better managing patients. The \$70 billion sale became official on November 2018.



SURROUNDING RETAIL





RENT ROLL



Tenant Name	Unit #	GLA (SF)	% of GLA	Lease Start	Lease Exp.	Annual Rent	Rent/SF	Rent Schedule	Increases to	Expense Reimb.	Options	Lease Type
CVS Pharmacy	200	9,612	68.11%	-	8/31/2037	\$220,524	\$22.94	(9/1/2027-8/31/2032) (9/1/2032-8/31/2037) 1st Option: (9/1/2037-8/31/2042) 2nd Option: (9/1/2042-8/31/2047)	\$239,700 \$258,876 \$278,052 \$297,228	\$74,241	2 - 5 Yr.	NN
Best Buy liquors	202	4,500	31.89%	-	12/31/2023	\$96,000	\$21.33	-	-	-	-	Gross
TOTAL		14,112	100%			\$316,524				\$74,241		

THE OFFERING

Price	\$4,582,550
Cap Rate	6.00%
Price/SF	\$324.73

OPERATING EXPENSES

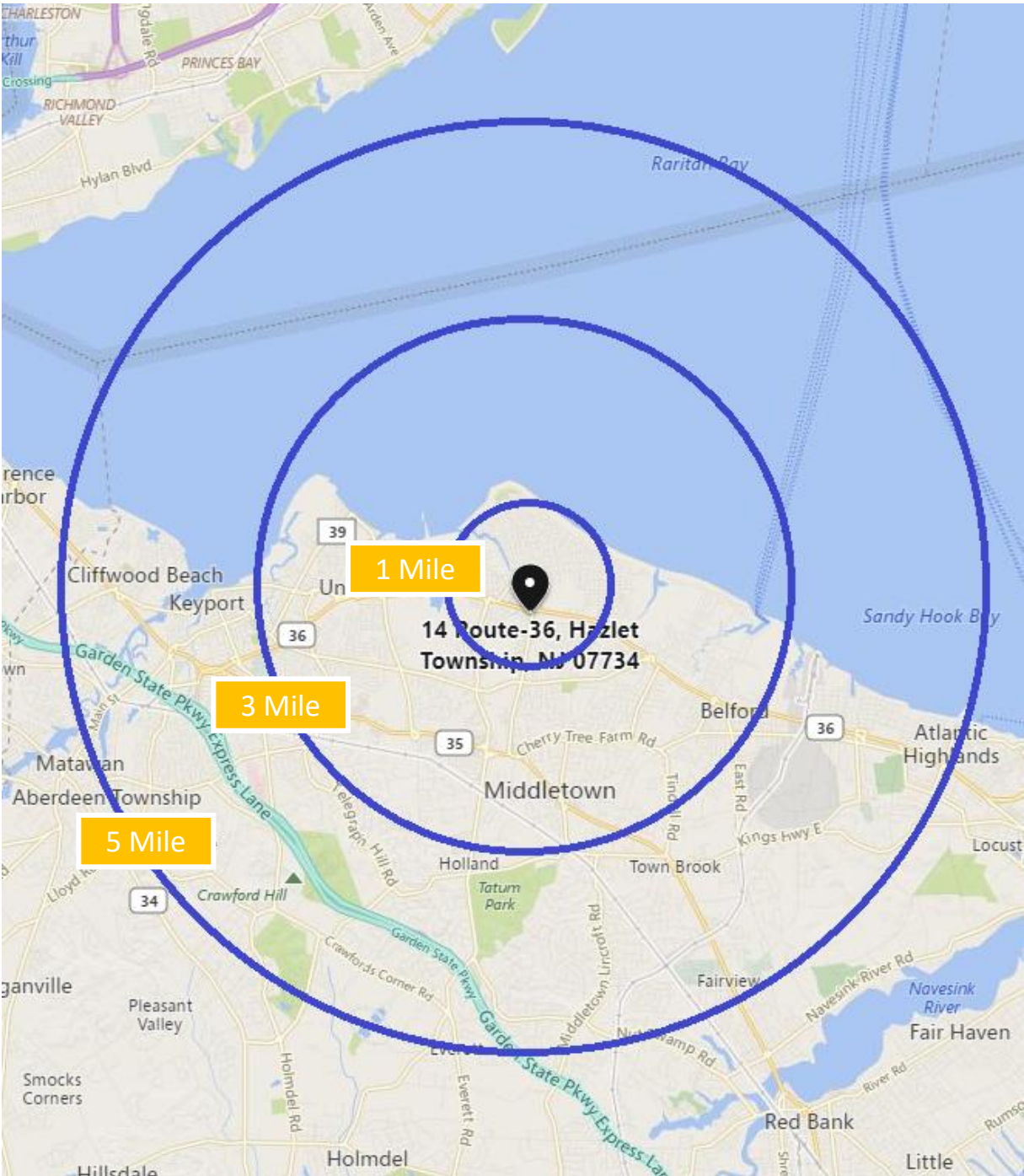
Property Taxes	\$48,279
PAD taxes	\$13,080
Insurance	\$21,737
Landscaping	\$1,500
Parking Lot R&M	\$3,000
Parking Lot Sweeping	\$5,565
Snow Removal	\$12,825
Gas	\$4,180
Electric- Outdoor	\$900
Water & Sewer	\$2,196
R&M Building	\$1,000
R&M Other	\$1,550
Total Expenses	\$115,812

INCOME

Potential Annual Base Rent	\$316,524
Expenses Reimbursements	\$74,241
Potential Gross Income	\$390,765
Less Expenses	\$115,812
Current NOI	\$274,953



DEMOGRAPHICS



Daytime Population
47,306
3 Mile Radius



Average HH Income
\$113,926
3 Mile Radius

POPULATION

1 Mile	3 Miles	5 Miles
16,605	63,344	111,063

HOUSEHOLD

1 Mile	3 Miles	5 Miles
5,949	22,534	39,907

AVERAGE HH INCOME

1 Mile	3 Miles	5 Miles
\$90,005	\$113,926	\$123,451



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PRESENTED BY

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