

6635-37  
**Belair Road**

Baltimore, Maryland

Exclusive Net Lease  
Investment Offering



**AVISON  
YOUNG**

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CVS/pharmacy



# Executive Summary

The Net Leased Investment Sales Team at Avison Young has been exclusively retained to arrange for the sale of a net leased CVS Pharmacy located in Baltimore, Maryland ("The Property"). CVS Pharmacy is subject to a recently extended 11-year net lease with three 5-year renewal option periods featuring 10% rental escalations. CVS Pharmacy occupies the end space in the Overlea Shopping Center, a 37,090 square foot center, providing CVS immediate proximity to consumers. As a result, this location reports very strong sales, and a low rent-to-sales ratio. In addition to superior demographics and the security of an investment grade tenant, The Property offers significantly below market rents allowing a buyer to benefit from long-term upside.

The Property is located in North-Eastern Baltimore and is highly visible from Belair Road, a local retail thoroughfare which experiences traffic counts of 21,262 VPD. Additionally, The Property sits less than one-tenth of a mile from the intersection of Belair Road and Kenwood Avenue (32,710 VPD). There are three means of ingress/egress from The Property, two on Belair Road and one on Kenwood Avenue. Belair Road offers extensive retail services to a primarily residential area, allowing CVS Pharmacy direct access to a deep customer base. Local demographics indicate dense population with 162,344 people within a 3-mile radius and ample income with an average of \$68,099 annually per household. The Property offers investors the opportunity to capitalize on the very rare combination of the security of a corporate lease guaranteed by an investment grade tenant and long-term value add potential through significantly below market rents.

## Investment Highlights

- Investment grade credit at a low price point
- Corporate guarantee (S&P: BBB) provides security and easy access to financing
- Recent lease extension shows commitment to the location
- Very strong store sales and low rent-to-sales ratio
- Value-add potential through significantly below-market rents
- Excellent visibility and convenient access along a busy retail thoroughfare
- Access to a deep consumer pool in a residential area supported by very strong demographics and traffic counts
- 10% rental escalations
- Over 162,300 people residing within a three-mile radius earning an average household income of roughly \$68,100 per year

# Property & Tenant Overview

## The Offering

Purchase Price	\$1,770,000
CAP Rate	6.00%
Rent	\$106,000*
Rental Escalations	10% in Each Option
Price / Square Foot	\$125.44
Rent / Square Foot	\$7.51

## Lease Summary

Tenant	CVS Pharmacy
Guarantor	Corporate (S&P: BBB)
Remaining Lease Term	11 Years
Lease Commencement Date	March 26, 1995
Lease Expiration Date	March 31, 2030
Renewal Options	Three Five-Year
Lease Type	NN
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Common Area	Tenant Responsibility (Pro-Rata Share)**
Roof & Structure	Landlord Responsibility
HVAC	Tenant Responsibility
Parking Lot	Tenant Responsibility
Utilities	Tenant Responsibility

## Property Description

Parcel	26-23-5708-002A
Building Size	14,110 SF
Lot Size	0.48 Acres   20,909 SF
Year Built / Renovated	1938/2004
Construction	Masonry
Type of Ownership	Fee Simple



## Rent Roll

Income	\$/SF	Annual Income
Base Rent:	\$7.51	\$106,000
Expense Recoveries*		\$42,617
<b>Effective Gross Income:</b>		<b>\$148,617</b>

Expenses	AY Metrics	\$/SF	Total
RE Taxes	2018 Actual	\$1.35	\$19,069
Common Area Maint.**	AY Metric - PSF	\$1.50	\$21,165
Insurance	2019 Actual	\$0.17	\$2,383
<b>Total</b>		<b>\$3.02</b>	<b>\$42,617</b>

Effective Gross Income	\$148,617
<b>Less Expenses</b>	<b>(\$42,617)</b>
<b>Net Operating Income</b>	<b>\$106,000</b>

\* Tenants Pay Utilities Directly and is responsible for Taxes, CAM and Insurance. Landlord is responsible for Management & Administrative Fees

\*\* Tenant is responsible for Pro-Rata Share (38.04%) of the Overlea Shopping Center Common Area expenses.

\* Tenant pays a percentage rent for each lease year if 2% of annual Gross Receipts (as defined in Lease) exceeds the sum of the Fixed Rent paid during the same term.

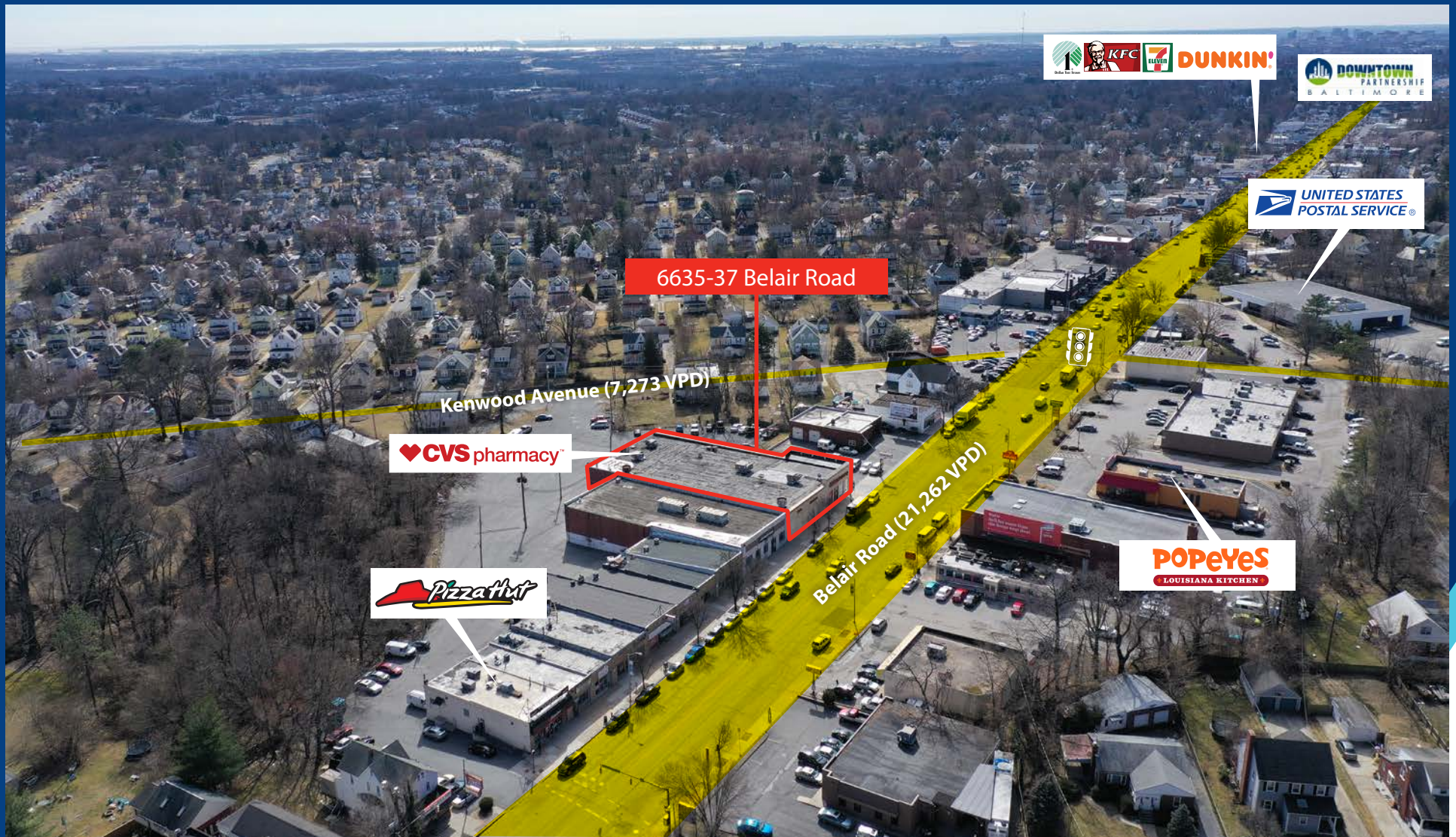
\*\* Tenant is responsible for 38.04% of the Overlea Shopping Center (37,090 SF) Common Area expenses.

# Property Photos





# Aerial/Surrounding Area Photos









## Additional Aerial Photos









# Site Plan

6635-37 Belair Road  
♥ **CVS** pharmacy™







## CVS Pharmacy

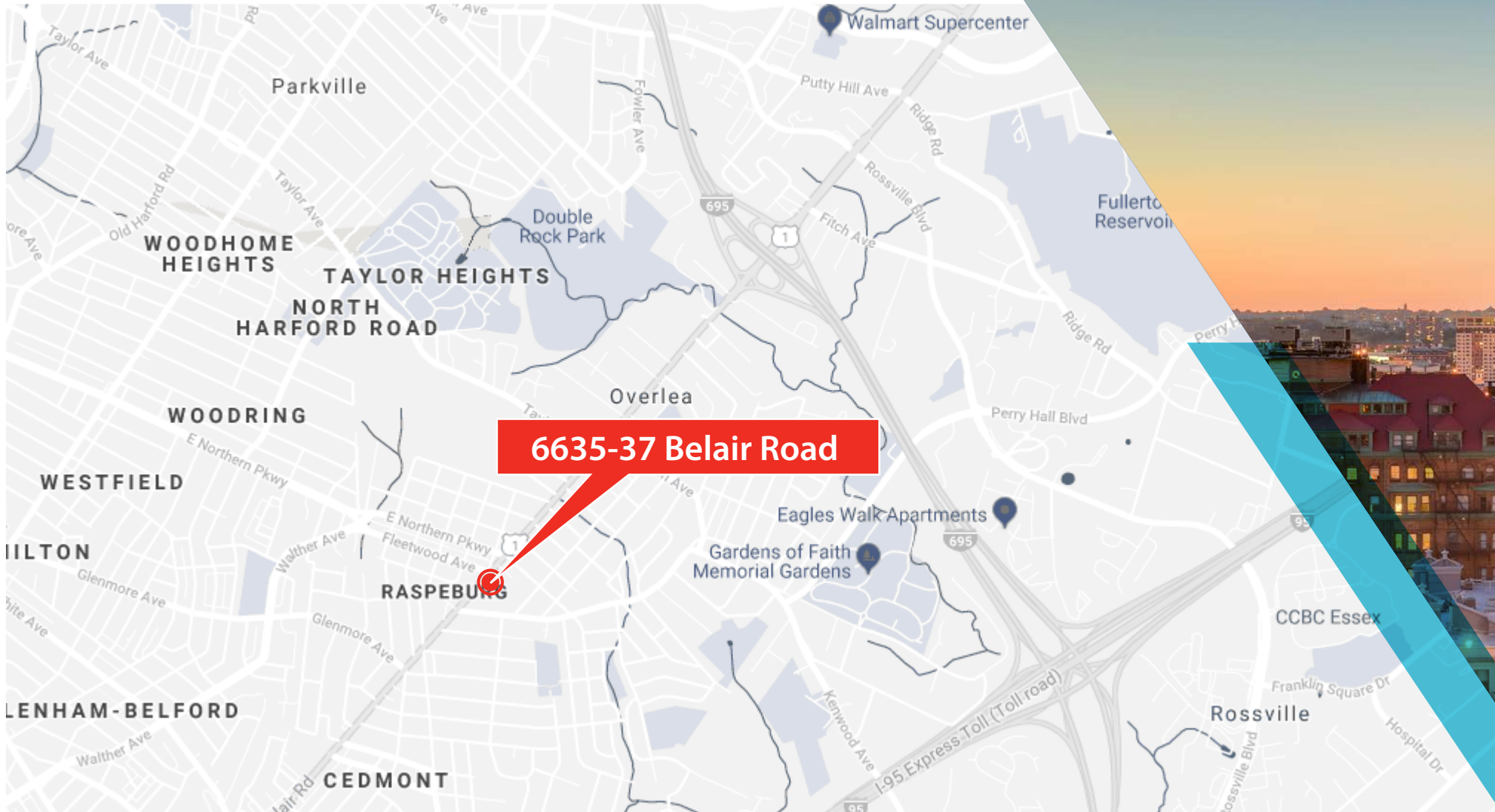
CVS Pharmacy (cvs.com) is a subsidiary of the American retail and health care company CVS Health, headquartered in Woonsocket, Rhode Island. CVS Pharmacy sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS Pharmacy and Longs Drugs retail stores and online through CVS.com.

## CVS Health

CVS Health is the nation's premier health innovation company helping people on their path to better health. Whether in one of its pharmacies or through its health services and plans, CVS Health is pioneering a bold new approach to total health by making quality care more affordable, accessible, simple and seamless. CVS Health is community-based and locally focused, engaging consumers with the care they need when and where they need it. The Company has more than 9,800 retail locations, approximately 1,100 walk-in medical clinics, a leading pharmacy benefits manager with approximately 93 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. CVS Health also serves an estimated 39 million people through traditional, voluntary and consumer-directed health insurance products and related services, including a rapidly expanding Medicare Advantage offering. This innovative health care model increases access to quality care, delivers better health outcomes and lowers overall health care costs. (cvshealth.com)



# Local Map





# Demographics



Population	1-Mile		3-Mile		5-Mile	
2018 Estimate	19,064		162,344		442,267	
2023 Projection	18,889		161,139		440,105	
2010 Census	19,052		163,145		440,509	
Average Age	41.20		38.80		37.20	
Households	1-Mile		3-Mile		5-Mile	
2018 Estimate	7,496		64,826		170,085	
2023 Projection	7,386		64,031		168,529	
2010 Census	7,573		65,884		171,184	
Owner Occupied	5,788	77.21%	39,401	60.78%	102,548	60.29%
Renter Occupied	1,708	22.79%	25,425	39.22%	67,537	39.71%
2018 Median Household Income	\$61,440		\$55,335		\$54,444	
2018 Average Household Income	\$72,662		\$68,099		\$71,682	



# Market Overview

## Baltimore, Maryland

Baltimore, as of 2017, holds a population of 611,648 residents and the Baltimore Metropolitan Area holds just over 2.8 million people making it the 20th largest metropolitan market in the country. It currently ranks ninth in downtown population, 12th in downtown employment, and is benefiting from explosive population growth by way of educated, younger residents relocating to downtown. The largest employers in the area include prolific companies such as Johns Hopkins Hospital, Under Armour and BRT Laboratories. Multiple colleges and universities call Baltimore home as well, including Johns Hopkins University, Loyola University Maryland and Baltimore International College. These universities contribute to the growing population of young professionals in downtown Baltimore.

Located 40 miles northeast of Washington D.C. in the Mid-Atlantic Region, Baltimore offers access by railway, air and port and is the second largest port in the Mid-Atlantic. Baltimore is ranked ninth for total dollar value of cargo and 13th for cargo tonnage across all United States Ports. The Port serves as a bedrock of the local economy generating \$3 billion in annual wages through 14,630 direct jobs. Multiple high-profile sports teams and venues also contribute to the growing economy. Camden Yards and M&T Bank Stadium host the Baltimore Orioles and the Baltimore Ravens offering economic stimulus, recreational opportunities and a sense of community to the residents of the surrounding Metropolitan area.









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