

OFFERING MEMORANDUM

Brand New 2019 Construction | San Antonio, Texas



Located Along
the Booming
I-35 Corridor

Actual Location

 STREAM CAPITAL PARTNERS

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DISCLAIMER

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**5334 FM1103
SCHERTZ, TX 78108**

TRANSACTION SUMMARY

Purchase Price:	\$7,708,920
Cap Rate:	5.00%
Annual Rent:	\$385,446

Lease Specifications

Tenant:	CVS Pharmacy
Lease Type:	Absolute NNN
Landlord Responsibilities:	None
Initial Lease Term:	25 years
Lease Commencement:	Spring 2019
Lease Expiration:	2044
Rental Increases:	In options
Options to Renew:	Five, 5-year options

Property Specifications

Building Size:	14,698 SF
Year Built:	2019
Land Size:	2.249 AC
Parking:	58 spaces

Rent Schedule

Initial Term:	\$385,446.00
First Renewal Period:	\$404,718.30
Second Renewal Period:	\$424,954.22
Third Renewal Period:	\$446,201.93
Fourth Renewal Period:	\$468,512.02
Fifth Renewal Period:	\$491,937.62



5334 FM1103
SCHERTZ, TX 78108





INVESTMENT HIGHLIGHTS

- High incomes: Over \$130,000 within 3 miles
- Tax-free state
- 25% population growth from 2010-2017
- Rare long-term | 25-year primary term
- 5% rent increases in options
- CVS Pharmacy: Absolute NNN Lease
- Zero landlord obligations
- S&P Rated BBB+ Credit
- Investment Grade - NYSE: CVS
- Located along the booming I-35 Corridor

PROPERTY HIGHLIGHTS:

5334 FM1103, Schertz, Texas
ADDRESS

Absolute NNN Lease
INVESTMENT TYPE

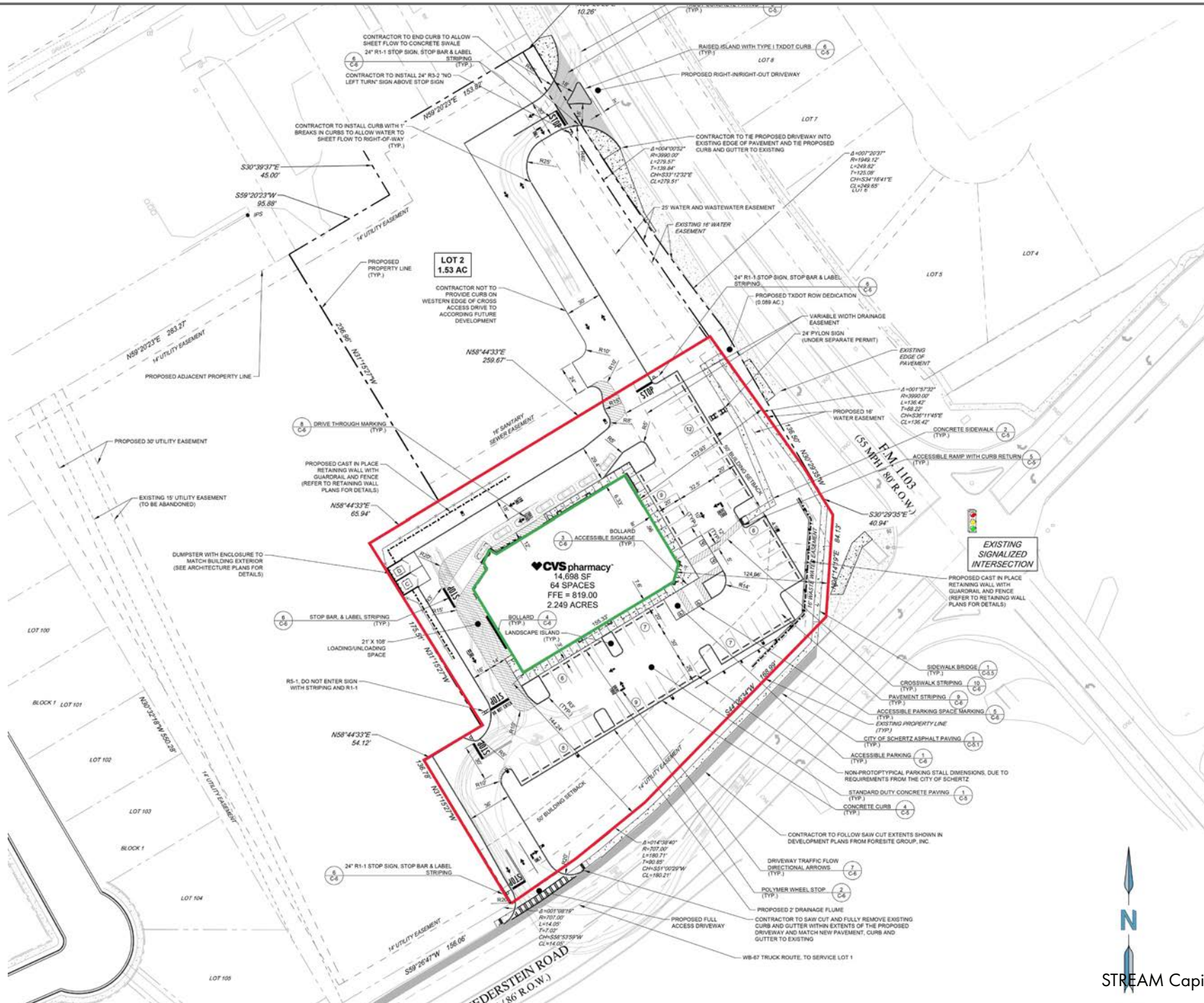
14,698 Square Feet
TOTAL SIZE

Approx. 2.249 Acres
LAND SIZE

2019
YEAR BUILT



SITE PLAN



AERIAL MAP



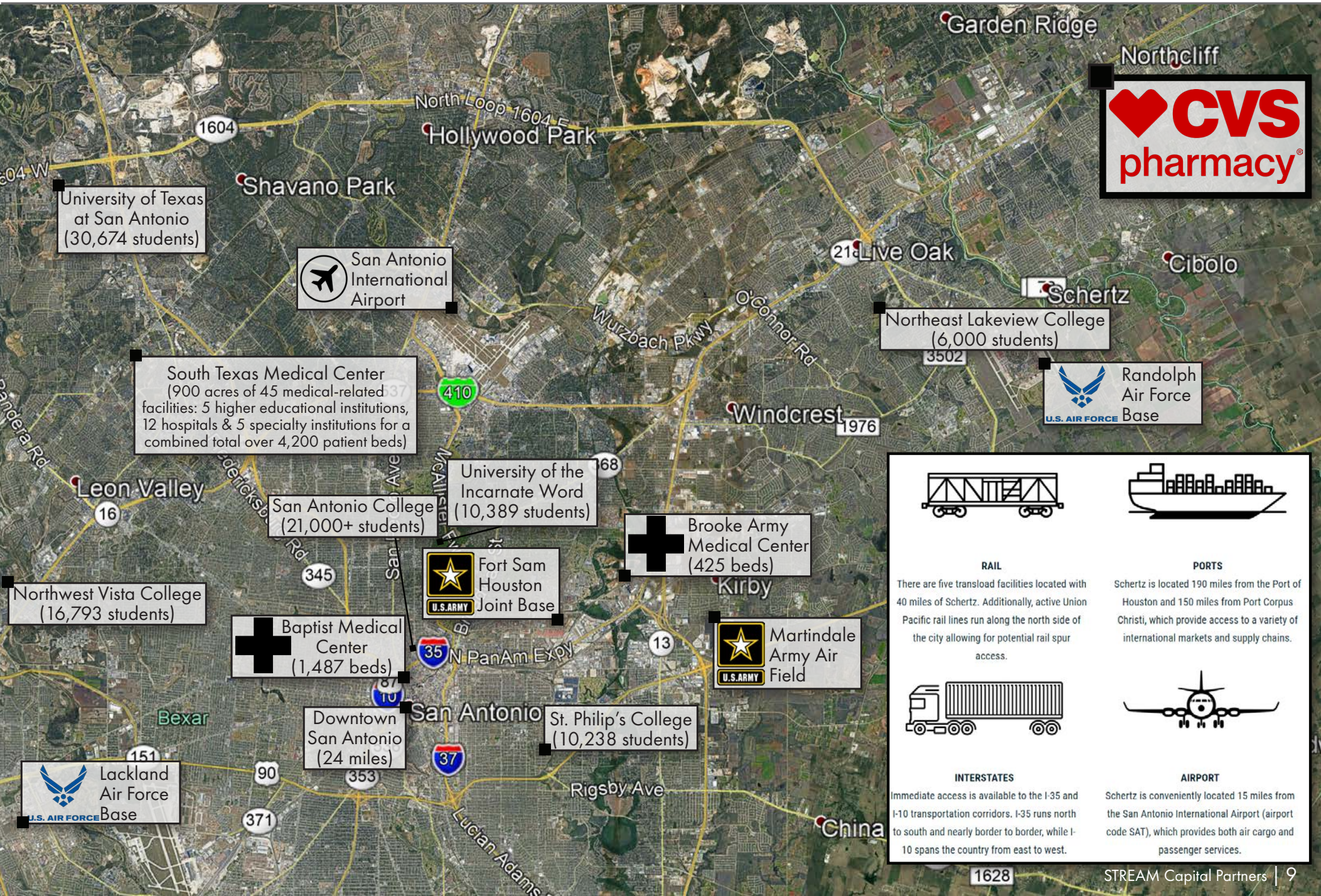
AERIAL MAP



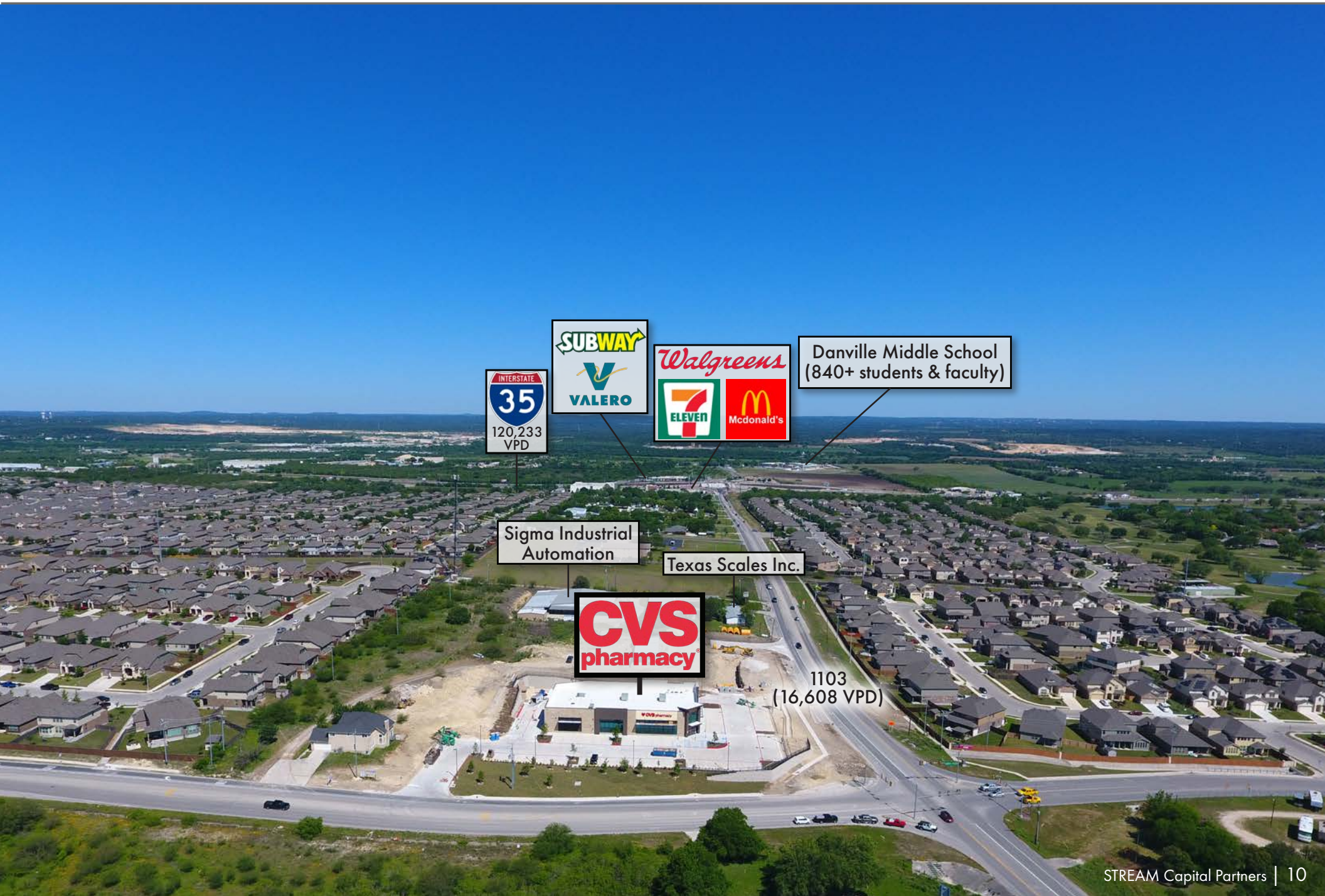
10,448
Households within
3 miles of Property

26,028
Households within
5 miles of Property

METROPOLITAN MAP



AERIAL VIEW



INTERSTATE
35
120,233
VPD



Danville Middle School
(840+ students & faculty)

Sigma Industrial
Automation

Texas Scales Inc.



1103
(16,608 VPD)

MARKET OVERVIEW | Schertz, Texas

The Subject CVS is located in Schertz, Texas, the third-largest city in the Greater San Antonio area and the largest city of the Randolph Metrocom, which consists of cities surrounding the Randolph Air Force Base. The Randolph Metrocom, comprised of multiple towns in Comal, Bexar, and Guadalupe counties have a combined total of 355,000 residents and is growing rapidly.

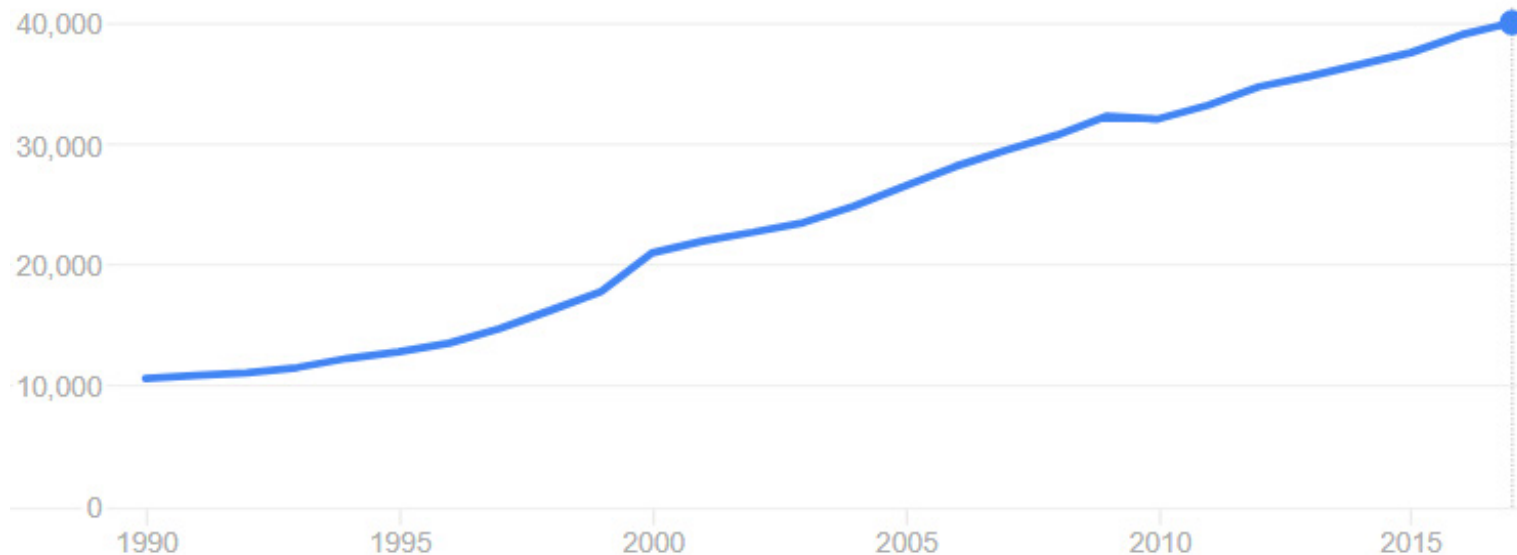
The City of Schertz, Texas is the suburban center in the San Antonio – New Braunfels Metropolitan Statistical Area. Schertz is situated within three counties and is considered to be San Antonio's premier suburb. Ideally located on Interstate 35 and Interstate 10, the City of Schertz has emerged as a leader for industrial development within the San Antonio and Austin region. Schertz' current growth and economic prosperity can be attributed to its diverse economic base and pro-business climate. Schertz' location between San Antonio and New Braunfels has an available, highly-skilled labor force of 1.2 million.

Since the 1990s, Schertz has experienced substantial growth in population. From 2010 to 2017, the city's population rose by 25 percent. Today Schertz' economy is diverse, featuring a mix of retail businesses, healthcare, manufacturing, corporate/regional offices, and data centers including five Fortune® 100 companies.

Schertz's Largest Employers include: Amazon.com, Sysco Central Texas, Brandt Engineering, Visionworks, National Republic Beverage Company, HEB Grocery Co, Wal-Mart Stores, Federal Express Ground, Lowe's, and Caterpillar.



The City of Schertz Population Growth



Schertz, Texas' population growth since 1990

Source: Schertz Economic Development Corporation

MARKET OVERVIEW | San Antonio, Texas

The Subject CVS is located in the Greater San Antonio area. The City of San Antonio is the seventh-most populous city in the United States, and the second-most populous city in both Texas and the Southern United States, with more than 1.5 million residents. It was the fastest growing of the top 10 largest cities in the United States from 2000 to 2010. The city is located in the American Southwest, the south-central part of Texas, and the southwestern corner of an urban region known as the Texas Triangle. It is about 75 miles to the southwest of its neighboring city, Austin, the state capital. The city is also about 190 miles west of Houston and about 250 miles south of the Dallas/Fort Worth area.

The city is home to one of the largest concentrations of military bases in the U.S., and has been nicknamed “Military City, USA.” The city is home to several active military installations: Lackland Air Force Base, Brooke Army Medical Center, Randolph Air Force Base, and Fort Sam Houston. The defense industry in San Antonio employs over 89,000 and provides a \$5.25 billion impact to the city’s economy.

San Antonio has a diversified economy with an approximately \$96.8 billion metropolitan GDP, ranking 4th among Texas metropolitan areas and 38th in the United States. San Antonio’s economy is focused primarily within military, health care, government civil service, financial services, oil and gas and tourism sectors. Within the past twenty years, San Antonio has become a significant location for American-based call centers and has added a significant manufacturing sector centered around automobiles. Also, San Antonio is experiencing solid economic growth in 21st century industries such as bioscience and healthcare, aerospace, IT and cybersecurity and green technologies.

Over thirty million tourists visit the city and its attractions every year, contributing substantially to the city’s economy, primarily due to The Alamo and Riverwalk. Tourism employs 94,000 citizens and makes an economic impact of over \$10.7 billion in the local economy. San Antonio is home to six Fortune 500 companies and the South Texas Medical Center, the only medical research and care provider in the South Texas region.



MARKET OVERVIEW | Major Regional Employers

Company	# Local Employees				
Lackland Air Force Base	37,000	Baptist Health System	6,383	Rackspace	3,540
H-E-B	20,000	Wells Fargo	5,073	CPS Energy	3,125
USAA	18,305	JP Morgan Chase	5,000	Six Flags Fiesta	3,000
Randolph Air Force Base	11,000	Andeavor	5,000	Toyota Motor Manufacturing	2,834
Methodist Healthcare System	9,620	Bill Miller BBQ	4,500	CitiBank	2,600
City of San Antonio	9,145	AT&T Phone	4,300	Southwest Research Institute	2,574

Corporate Headquarters in San Antonio Area

Corporate Headquarters	# Employees
H-E-B	20,000
USAA	17,000
Cullen / Frost Bankers	3,982
Bill Miller Bar-B-Q	3,540
Rackspace	3,300
CPS Energy	3,022
Toyota Motor Manufacturing	2,900
Clear Channel Communications	2,800
Southwest Research	2,715
Valero Energy	1,653
Harland Clarke	1,500
Kinetic Concepts	1,400
Tesoro Oil	1,300
Visionworks	1,200
Security Service Federal Credit Union	1,200
SWBC	1,200
NuStar Energy	550



SCHERTZ, TX DEMOGRAPHICS

POPULATION ESTIMATE

1-MILE

5,199

3-MILE

31,663

5-MILE

73,979

ESTIMATED AVERAGE HOUSEHOLD INCOME

1-MILE

\$126,452

3-MILE

\$133,349

5-MILE

\$119,916

TENANT SUMMARY

CVS Health, (www.cvshealth.com), 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 nearly 90 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.

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.

2017 Year in Review

- \$184.8B in Net Revenue (a 4.10% increase)
- \$6.45 (in Dollars) in Diluted EPS in Continuing Operations
- \$2.00 (in Dollars per Common Share) in Annual Cash Dividends



1,100+

MinuteClinic locations
in 33 states and the
District of Columbia



246K

employees in all 50
states, the District of
Columbia, Puerto
Rico and Brazil



9,800+

retail locations in 49
states, the District of
Columbia, Puerto
Rico and Brazil



2.5B

prescriptions
managed or filled



75

major health system
affiliations



5M

customers served by
CVS Pharmacy each
day



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