

CVS PHARMACY

EXCLUSIVE NET-LEASE OFFERING



Representative Photo

OFFERING MEMORANDUM



1657 Route 12 – Gales Ferry, CT 06335

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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

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CVS
pharmacy®

DRIVE-THRU
PHARMACY
→



Investment Highlights

PRICE: \$4,627,673 | CAP: 5.50% | RENT: \$254,522

About the Investment

- ✓ Long-Term, 25-Year Absolute Triple-Net (NNN) Lease With Over 18 Years Remaining
- ✓ Ten (10), Five (5) Year Tenant Renewal Options
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Affluent Suburban Community | Over \$115,000 Average Household Income In A One Mile Radius
- ✓ Many National Retailers Surrounding Site | McDonald's, Dunkin' Donuts, Subway, Shell, Dollar Tree, Job Lot, Putnam Bank and Many More
- ✓ Strong Academic Presence | Within Five Miles from Gales Ferry School, Juliet Long School, Ledyard Middle School, Ledyard High School, St. Bernard School, and Palmer School | Over 3,500 Students Enrolled
- ✓ Strong Traffic Counts | About 15,000 Vehicles Per Day on Route 12
- ✓ Less Than A Mile From the Thames River | A Short River and Tidal Estuary in the State of Connecticut | Yale-Harvard Boat Race is Held Here Annually
- ✓ Positive Real Estate Fundamentals | Within Fifty Miles of New Haven, CT

About the Tenant / Brand

- ✓ CVS Pharmacy is One of the Nation's Largest Retail Pharmacy Chains, With Almost 10,000 Stores Located in 42 states, the District of Columbia, and Puerto Rico
- ✓ CVS Generates Over 68 Percent of its Revenue from the Pharmacy Business
- ✓ CVS Pharmacy Fills More Than One of Every Seven Retail Prescriptions in America and One of Every Five in Their Own Markets
- ✓ Their ExtraCare Program Boasts Over 70 Million Cardholders, Making it the Largest Retail Loyalty Program in the Country



Representative Photo



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Financial Analysis

PRICE: \$4,627,673 | CAP: 5.50% | RENT: \$254,522

PROPERTY DESCRIPTION

Property	CVS Pharmacy
Property Address	1657 Route 12
City, State, ZIP	Gales Ferry, CT, 06335
Building Size (Square Feet)	13,604
Lot Size	+/- 1.90 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$4,627,673
CAP Rate	5.50%
Annual Rent	\$254,522
Rent Per Square Foot	\$18.71

LEASE SUMMARY

Property Type	Net-Leased Drug Store
Tenant	CVS Pharmacy
Original Lease Term	25 Years
Lease Commencement	December 14, 2012
Lease Expiration	January 31, 2038
Lease Term Remaining	18.5 Years
Lease Type	Triple-Net (NNN)
Options to Renew	Ten (10), Five (5) Year Options

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year(s) 1 - 25	\$254,522	\$21,210	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a CVS Pharmacy located at 1657 Route 12 in Gales Ferry, Connecticut. The site constructed in 2012, consists of roughly 13,604 rentable square feet of building space on estimated 1.90-acre parcel of land.

CVS Pharmacy is subject to a 25-year triple-net (NNN) lease, which commenced on December 14, 2012. The annual rent is \$254,522. There are ten (10), five (5)-year tenant renewal options.



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Tenant Overview

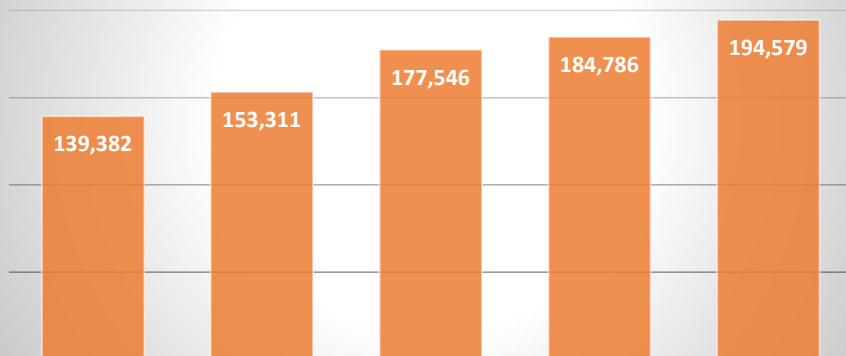


CVS's company name remains synonymous with nearly 10,000 retail locations that operate across the United States. CVS Caremark makes CVS the nation's largest pharmacy benefits manager and the leader in retail clinics, specialty pharmacy, and infusion. With its recent acquisition of Aetna, CVS Health operates as one of the nation's premier health benefits companies. These businesses, working together as an enterprise, create a uniquely powerful platform that will open a new front door to health care and reshape the consumer experience. Three strategic imperatives guide CVS's transformation efforts: be local, make health care simple, and improve health. CVS Health offers more consumer touchpoints than any other health care company, which enables them to offer care where, when, and how patients need it – in the community, in the home, or even in the palm of their hand through digital services.



Representative Photo

Net Revenue Growth (In Millions)



FULL YEAR 2014 FULL YEAR 2015 FULL YEAR 2016 FULL YEAR 2017 FULL YEAR 2018

CVS Health Corporation, together with its subsidiaries (collectively, "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 approximately 1,100 walk-in medical clinics, a leading pharmacy benefits manager with approximately 92 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 38 million people through traditional, voluntary and consumer-directed health insurance products and related services, including rapidly expanding Medicare Advantage offerings. The Company believes its innovative health care model increases access to quality care, delivers better health outcomes and lowers overall health care costs.



Surrounding Area

Property Address: 1657 Route 12 – Gales Ferry, CT 06335



Putnam Bank
TOGETHER WE MAKE A DIFFERENCE

McDonald's



THAMES RIVER

ROUTE-12



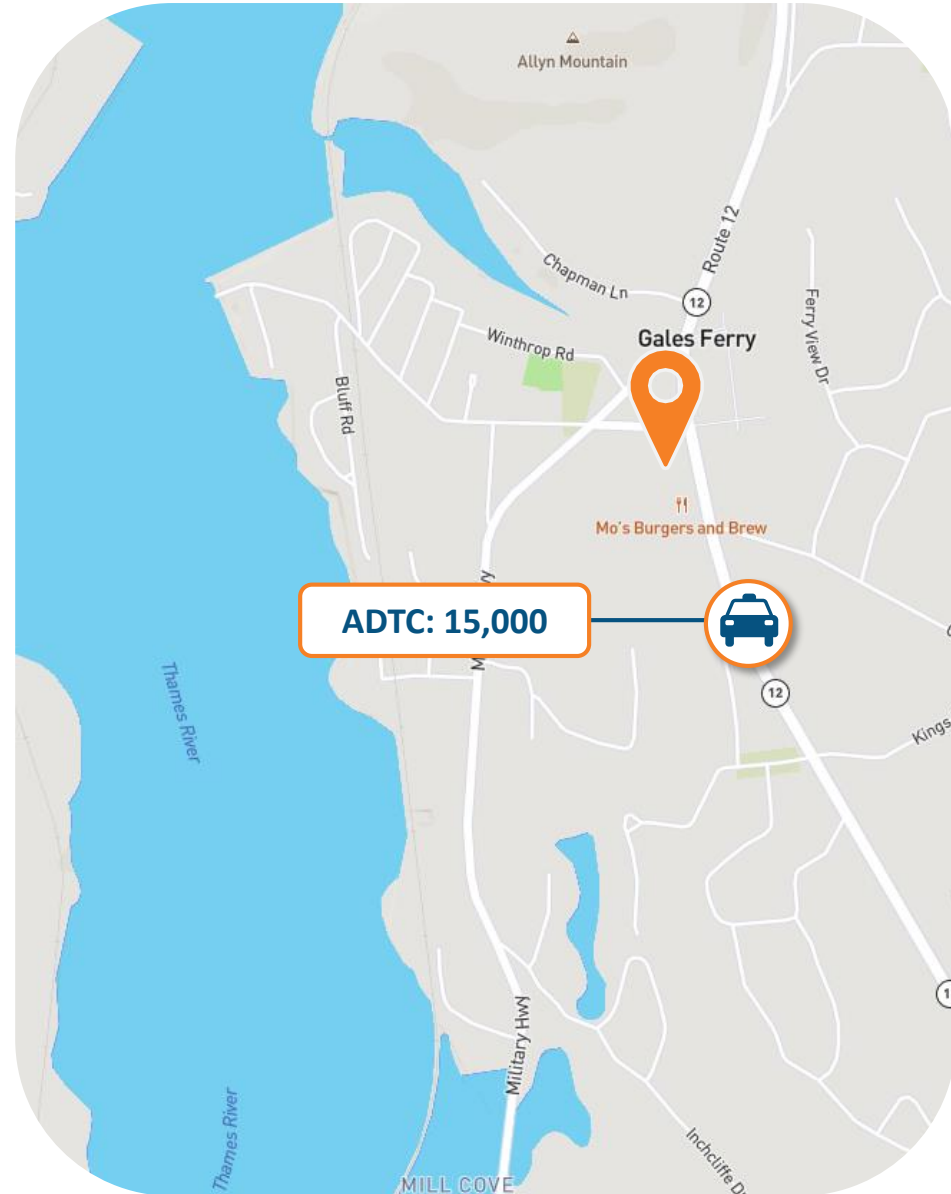
Location Overview

Property Address: 1657 Route 12 – Gales Ferry, CT 06335

The subject investment property is situated on 1657 Route 12, which boasts average daily traffic counts of about 15,000 vehicles. There are more than 16,7000 individuals residing within a three-mile radius of the property and more than 52,000 individuals within a five-mile radius.

The CVS Pharmacy property benefits from being well-positioned in an affluent Connecticut town, with an average household income of over \$115,000 in a one-mile radius. The nearby area consists of many national and local tenants, including: McDonald's, Dunkin' Donuts, Subway, Shell, Dollar Tree, Job Lot, Putnam Bank, and many more. This CVS Pharmacy also benefits from being situated within a five-mile radius of several academic institutions. The most notable are Gales Ferry School, Juliet Long School, Ledyard Middle School, Ledyard High School, St. Bernard School, and Palmer School, which have a combined total enrollment exceeding 3,500 students. Additionally, the subject property is located on the way to Groton-London Airport, which is only 6 miles away and has 100 flight operations daily.

Gales Ferry is a village in the town of Ledyard, Connecticut, United States. It is located along the eastern bank of the Thames River. Gales Ferry is about 50 miles outside of New Haven, Connecticut. North Haven is a town in New Haven County, Connecticut on the outskirts of New Haven, Connecticut. North Haven is home of the Quinnipiac University School of Health Sciences, the School of Nursing, School of Law, School of Education, and School of Medicine located along Bassett Road. Quinnipiac University has a total enrollment of 9,000 students. North Haven is also located in close proximity to Sleeping Giant State Park and less than 10 miles from downtown New Haven and Yale University. In July of 2007, Money magazine ranked North Haven as the eighty-sixth "best place to live" in the United States. North Haven has a growing commercial, retailing and manufacturing base which employs nearly 13,000 people. There are more than 75 manufacturing and commercial firms in North Haven, 40 of which are assessed at over \$1,000,000. The economy of North Haven is also based on education. Besides Quinnipiac University, the city is also home to a branch of Gateway Community College and located in close proximity to Yale University and other New Haven-based colleges.

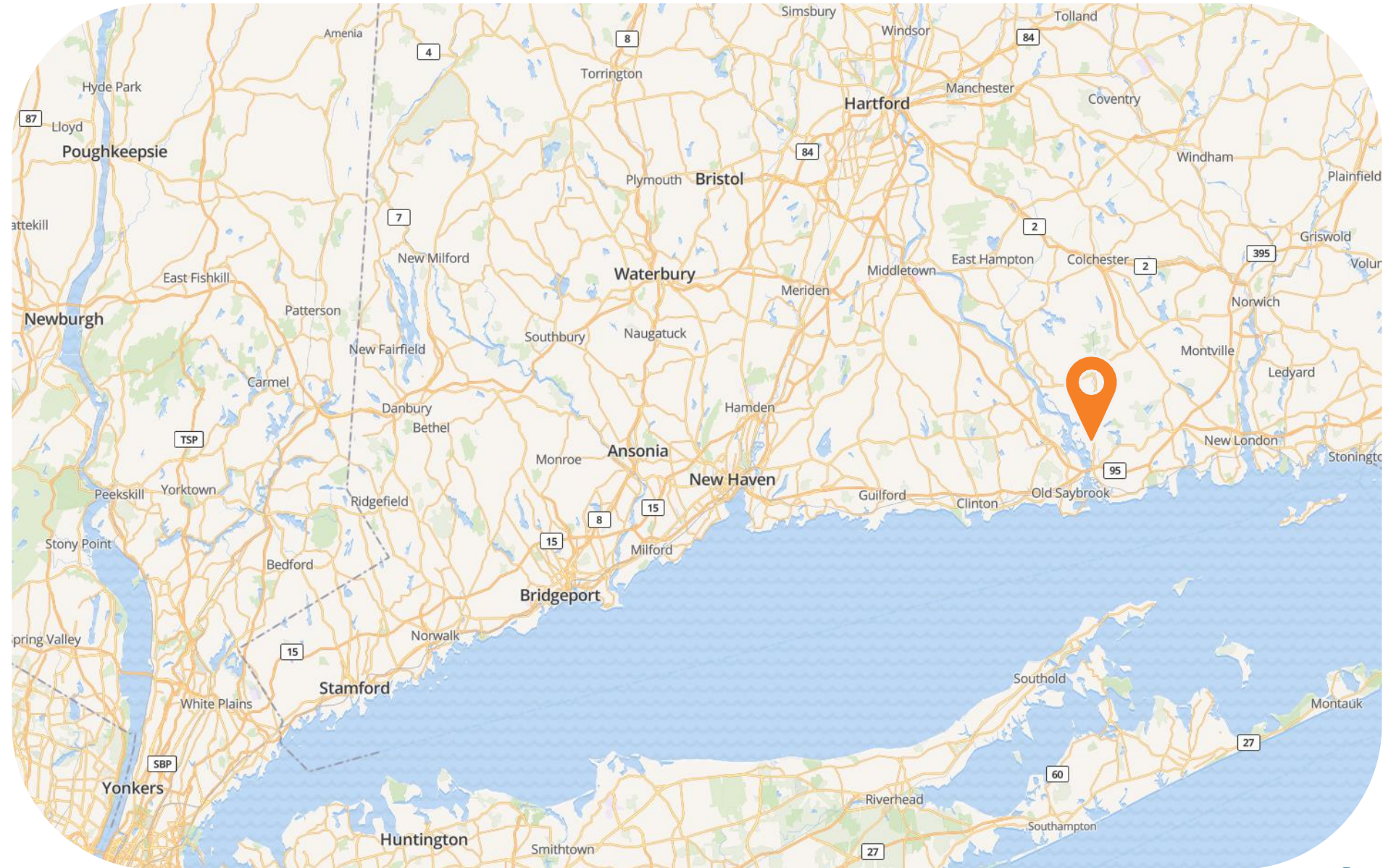




Local Map



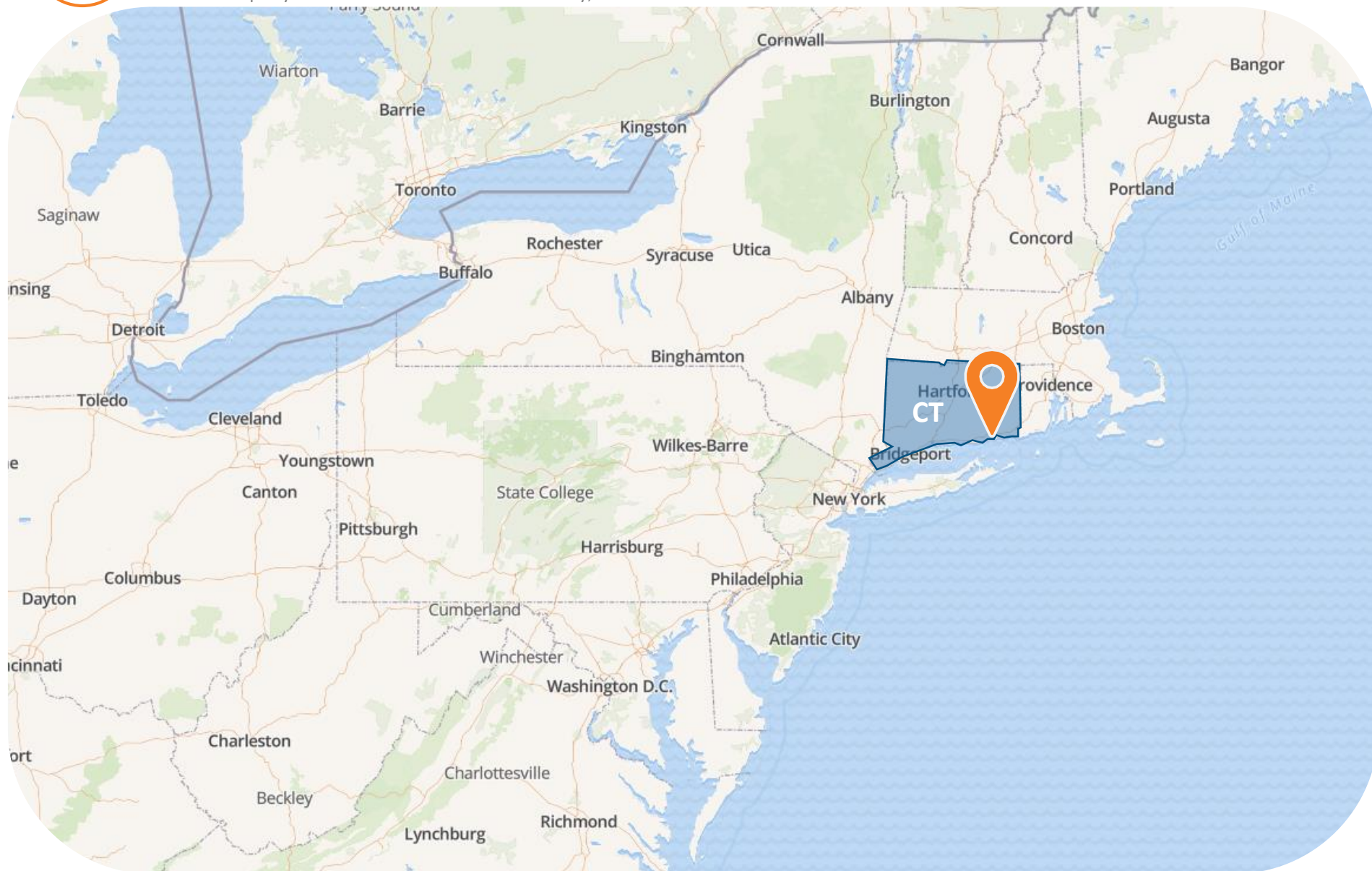
Property Address: 1657 Route 12 – Gales Ferry, CT 06335





Regional Map

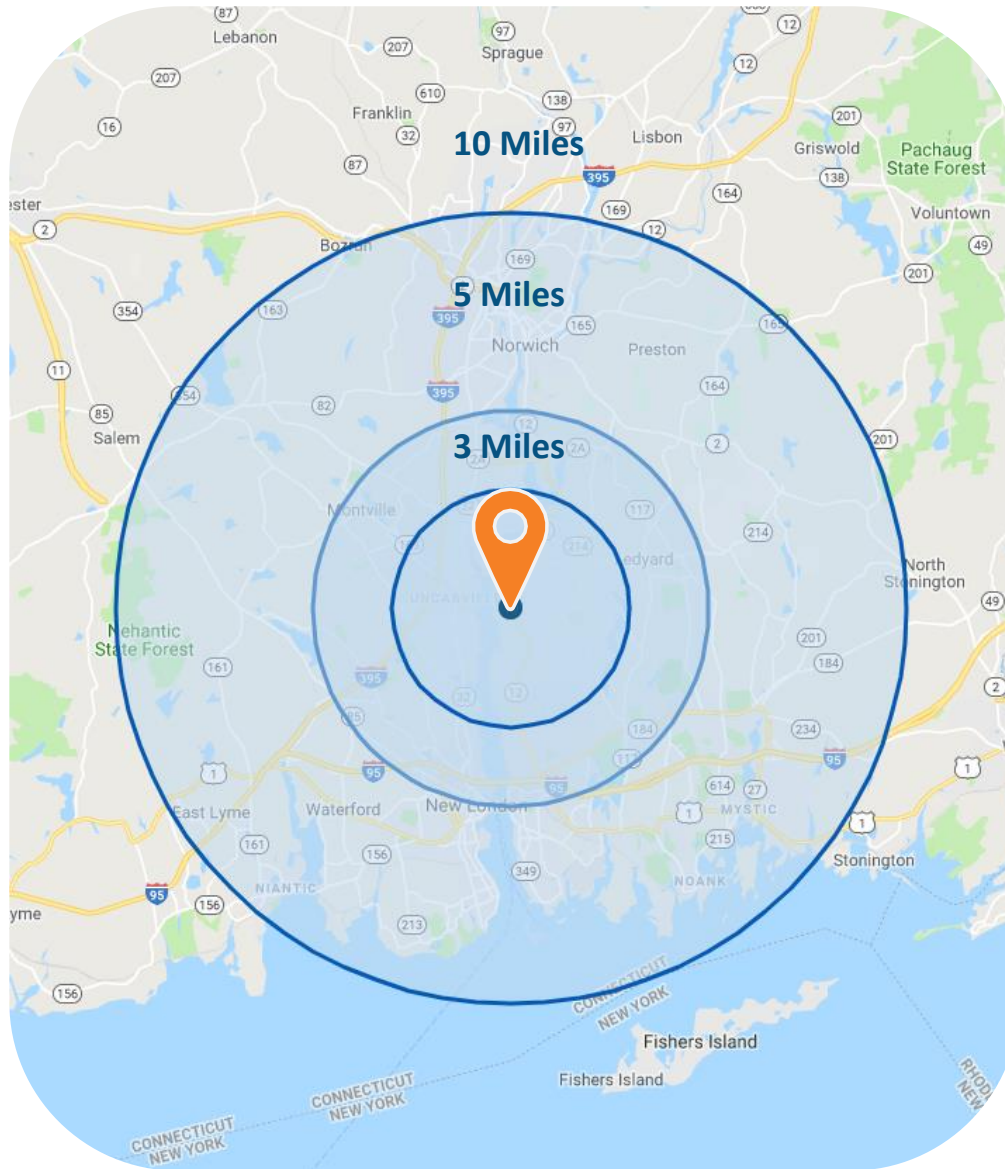
Property Address: 1657 Route 12 – Gales Ferry, CT 06335





Demographics

Property Address: 1657 Route 12 – Gales Ferry, CT 06335



	3 Mile	5 Miles	10 Miles
POPULATION			
2023 Projection	17,002	52,458	191,650
2018 Estimate	16,727	52,156	187,248
2010 Census	17,292	53,353	188,647
2000 Census	17,146	53,300	179,032
INCOME			
Average	\$100,891	\$88,897	\$91,105
Median	\$79,945	\$69,449	\$66,537
Per Capita	\$35,481	\$32,349	\$36,449
HOUSEHOLDS			
2023 Projection	5,684	18,491	76,199
2018 Estimate	5,486	18,132	73,677
2010 Census	5,555	18,311	73,755
2000 Census	5,583	18,130	69,257
HOUSING			
2018	\$245,885	\$243,509	\$251,963
EMPLOYMENT			
2018 Daytime Population	16,055	69,435	216,206
2018 Unemployment	5.70%	5.58%	5.27%
2018 Median Time Traveled	21	21	23
RACE & ETHNICITY			
White	78.21%	74.22%	74.60%
Native American	0.06%	0.08%	0.10%
African American	7.80%	8.17%	8.39%
Asian/Pacific Islander	3.62%	5.57%	5.64%



Market Overview

City: Fort Worth | County: New London | State: Texas

New Haven, Connecticut



New Haven is a coastal city in the U.S. state of Connecticut. The city is located along the New Haven Harbor on the northern shore of Long Island Sound in New Haven County, Connecticut, and is part of the New York metropolitan area. New Haven is the second-largest city in Connecticut behind Bridgeport but serves as the principal municipality of Greater New Haven. New Haven was the first planned city in America and was founded in 1638 by English Puritans. The central common block is the New Haven Green, a 16-acre square, and the center of Downtown New Haven. The Green is now a National Historic Landmark and the “Nine Square Plan” is recognized by the American Planning Association as a National Planning Landmark. The city is also home to Yale University. As New Haven’s biggest taxpayer and employer, Yale serves as an integral part of the city’s economy. Health care (hospitals and biotechnology), professional services (legal, architectural, marketing and engineering), financial services, and retail trade also contribute to the city’s economic activity. New Haven has shifted from a manufacturing-based economy, to an education and health care-based economy, largely because of the presence of Yale and Quinnipiac University. Some of the city’s largest employers include Southern Connecticut State University, Assa Abloy lock manufacturing, the Knights of Columbus headquarters, Higher One, Alexion Pharmaceuticals, Covidien and United Illuminating.

Major Employers

Employer	Estimated # of Employees
Mohegan Holding Company LLC	8,872
Mohegan ComI Ventures PA LLC	883
Mohegan Ventures Wisconsin LLC	883
Francesca’s Holdings Corp	798
Connecticut College	758
Mohegan Ventures-Northwest LLC	588
Town of Montville	518
US Naval Hospital	500
Verizon Business	450
Mohegan Tribe The	400
Navy Exchange Service Command	400



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