

CVS/pharmacy®

LOS ANGELES . CALIFORNIA





01 | INVESTMENT SUMMARY

02 | TENANT OVERVIEW

03 | MARKET OVERVIEW

CVS/pharmacy®

2001 PACIFIC COAST HIGHWAY
LOS ANGELES (LOMITA), CA 90717



BRANDON PRICE

Capital Markets
858 558 5673
brandon.price@cushwake.com

BLAKE TAGMYER

Director
858 558 5670
blake.tagmyer@cushwake.com

KARI FISKE

Brokerage Coordinator
858 334 4032
kari.fiske@cushwake.com

ROSHELLE BULDA

Senior Marketing Specialist
858 558 5611
roschelle.bulda@cushwake.com

01 INVESTMENT OFFERING

THE SUBJECT PROPERTY IS A 14,884 SQUARE FOOT CVS LOCATED IN THE **LOS ANGELES COMMUNITY OF LOMITA, CALIFORNIA**. CVS EXECUTED A 20 YEAR LEASE IN 2000 WITH FOUR 5-YEAR RENEWAL OPTIONS. THE LEASE IS STRUCTURE WITH **10% RENT INCREASES** BETWEEN OF THE OPTION PERIODS.

The lease has limited landlord responsibilities with the Tenant responsible for all repairs and maintenance of the non-structural portions of the property including the roof. CVS, which is publicly traded on the New York Stock Exchange under the ticker symbol "CVS", has a current **BBB credit rating by Standard & Poor's** and reported annual revenues in excess of \$193 billion in 2018.

Located at the intersection of **Pacific Coast Highway and Eshelman Avenue**, the subject property features excellent exposure along the area's main traffic and retail corridor with **daily traffic counts in excess of 61,000 vehicles**. CVS is approximately one mile from Rolling Hills Plaza, a 500,000 square foot mixed-use hub of shopping and entertainment for the South Bay. This densely populated area is home to over 198,000 residents within a three mile radius and over **450,000 residents within a five mile radius**.

The property is **located at the foot of the Palos Verdes Peninsula**, drawing from the affluent communities of Rancho Palos Verdes, Rolling Hills and Palos Verdes Estate as well as Redondo Beach and the Hollywood Riviera. **Average household income in excess of \$112,000** within a five mile radius.





PALOS VERDES
ESTATES

ROLLING HILLS
ESTATES

RANCHO
PALOS VERDES

REDONDO
BEACH

Walmart
NORDSTROM
BARNES & NOBLE
BOOKSELLERS
www.bn.com
TARGET

AIRPORT PLAZA
SHOPPING CENTER
KOHLS
PartyCity
THE DISCOUNT PARTY SUPER STORE
Smart&Final
Bank of America
goodwill
Panera
BREAD

PACIFIC
COAST HWY
< 61,000 VPD>

TORRANCE
MEMORIAL
MEDICAL CENTER

ROLLING HILLS PLAZA - 500,000 SF
24 FITNESS
WHOLE FOODS
ISLANDS
fine burgers & drinks
BED BATH & BEYOND
TRADER JOE'S
amc THEATRES
BevMo!
Tillys
CHASE
Nike
Starbucks
Rubio's
FRESH MEXICAN GRILL
california PIZZA KITCHEN

ROLLING HILLS
COUNTRY CLUB

ZAMPERINI
FIELD AIRPORT

LOWE'S
COSTCO
WHOLESALE
THE HOME DEPOT
Sam's CLUB
Jamba Juice
IHOP
RESTAURANT
VONS

WELLS
FARGO

Sizzler

99c ONLY
STORES
BIG
LOTS!

Little Caesars

CVS/pharmacy

KFC

Starbucks

MARYMOUNT
CALIFORNIA
UNIVERSITY
SAN PEDRO
CAMPUS

SUBWAY

Domino's

SALLY
BEAUTY SUPPLY

Carl's Jr.

Pizza
Hut

McDonald's

PACIFIC
COAST HWY
< 61,000 VPD>

PANDA EXPRESS
CHINESE KITCHEN

Starbucks

NARBONNE
HIGH SCHOOL

INVESTMENT HIGHLIGHTS

10% RENT INCREASES

Lease provides for 10% rent increases between each of the four 5-year renewal options

BBB CREDIT RATING BY STANDARD & POOR'S

Publicly traded on the NYSE and reported annual revenues in excess of \$193 billion in 2018

LOCATED IN THE HEART OF THE LOS ANGELES MSA

Property is ideally positioned at the foot of the Palos Verdes Peninsula

HARD CORNER LOCATION ON PACIFIC COAST HIGHWAY

Ideally positioned along the area's main retail and traffic thoroughfare (61,000 vpd)

DENSELY POPULATED AREA

Over 198,000 residents within a 3-mile radius and over 450,000 residents within a 5-mile radius

AFFLUENT AREA DRAWING FROM RANCHO PALOS VERDES, ROLLING HILLS AND REDONDO BEACH

Average household income within a 5-mile radius exceeds \$112,000

453,000+
POPULATION
(WITHIN 5 MILES)



FINANCIAL HIGHLIGHTS



YEAR BUILT
2000



OWNERSHIP TYPE
FEE SIMPLE



BUILDING SIZE
14,884 SQUARE FEET



LOT SIZE
1.27 +/- ACRES



BASE LISTING PRICE

\$8,215,683



CAP RATE

5.25%

INCOME & EXPENSES

ANNUAL RENT \$432,823.38

LANDLORD'S LIABILITY INSURANCE \$1,500

NET OPERATING INCOME **\$431,323.38**

LEASE TYPE
NNN *

LEASE GUARANTOR
GARFIELD BEACH CVS, LLC

LEASE COMMENCEMENT
SEPT 2000

LEASE EXPIRATION
SEPT 2020

RENEWAL OPTIONS
FOUR 5-YEAR OPTIONS

RENT INCREASES
10% BETWEEN OPTIONS

* Landlord responsible for repair and maintenance of structural components of the building. Tenant responsible for roof membrane and all non-structural elements of the roof.

CVS/pharmacy[®]

2001 Pacific Coast Highway
LOS ANGELES (LOMITA) . CALIFORNIA

RENT SCHEDULE

PERIOD	ANNUAL BASE RENT	MONTHLY BASE RENT
CURRENT - SEPT 2020	\$432,823.38	\$36,068.62
OPTION 1 (5 YEARS)	\$476,105.72	\$39,675.48
OPTION 2 (5 YEARS)	\$523,716.29	\$43,643.02
OPTION 3 (5 YEARS)	\$576,087.92	\$48,007.33
OPTION 4 (5 YEARS)	\$633,696.71	\$52,808.06

02

TENANT SUMMARY

OWNERSHIP

Public

TICKER SYMBOL

CVS (NYSE)

CREDIT RATING

BBB (Standard & Poors)

OF EMPLOYEES

295,000

\$71.18 BILLION
MARKET CAP *

\$209.62 BILLION
REVENUE *

* As of March 2019





TENANT OVERVIEW



CVS HEALTH CORPORATION, TOGETHER WITH ITS SUBSIDIARIES, PROVIDES INTEGRATED PHARMACY HEALTH CARE SERVICES.

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.



Exemplifying the organizations commitment to leading the transformation of health care, CVS Health recently completed their acquisition of Aetna, establishing the company as the nation's premier health innovation company. The acquisition will transform the consumer health experience and build healthier community through a new innovative health care model that is local, cost efficient and consumer centric. The combined company will connect consumers with the powerful health resources of CVS Health in communities across the country and Aetna's network of providers to help remove barriers to high quality care and build lasting relationships with consumers, making it easier for consumers to access the information, resources and services they need to achieve their best health.

CVS Health Corporation was founded in 1892 and is headquartered in Woonsocket, Rhode Island. To find more information regarding how CVS Health is shaping the future of health visit: www.cvshealth.com.

03

MARKET OVERVIEW





SOUTH BAY LOS ANGELES

THE SOUTH BAY IS A REGION OF THE LOS ANGELES METROPOLITAN AREA, LOCATED IN THE SOUTHWEST CORNER OF LOS ANGELES COUNTY.

The name stems from its geographic location stretching along the southern shore of Santa Monica Bay. The South Bay contains fifteen cities plus portions of the City of Los Angeles and unincorporated portions of the county. The area is bounded by the Pacific Ocean on the south and west and generally by the City of Los Angeles on the north and east. The region is bordered on the north by LAX, on the northeast by the South Los Angeles region, on the east by the Gateway Cities, and on the southeast by Long Beach.

The South Bay is one of the most culturally, economically, and ethnically diverse areas in the United States. El Segundo, Hermosa Beach, Redondo Beach and Torrance have a mixture of middle-to-upper class residents, while The Palos Verdes Peninsula and Manhattan Beach are two of the wealthiest communities, with some of the most expensive real estate in the United States.

The Port of Los Angeles, sprawling across the shorelines of San Pedro and Wilmington, is the busiest in the United States. When combined with the Port of Long Beach, it is the fifth-busiest in the world. Additionally, the South Bay is the traditional home of Southern California's aerospace industry with major companies employing thousands of highly skilled, high-wage engineers at companies like Northrop Grumman, Alcoa Fastening Systems, Boeing, Lockheed Martin, Raytheon and Space X. With over 40 million SF of office space and 150 million SF of industrial, the South Bay is home to major corporate tenants such as Mattel, Honda, Exxon, DirecTV, and Tesla.

The South Bay is a launching point for many ferries to Catalina Island, and has drawn visitors and residents alike to the vast array of landscape and lifestyles that make up the region. From laid-back beach towns to some of the nation's wealthiest neighborhoods, from scenic hilly peninsulas with seaside cliffs, to suburbs, wetlands, and industrial zones, the South Bay is a diverse, proven in-fill location with thousands of residents driving the local economy forward.



LOMITA CALIFORNIA

LOMITA IS A CITY IN LOS ANGELES COUNTY, CALIFORNIA.

Lomita is located at the foot of the Palos Verdes Peninsula, drawing from the affluent communities of Rancho Palos Verdes, Rolling Hills and Palos Verdes Estate as well as Redondo Beach and the Hollywood Riviera. The area benefits from it's close proximity to the greater Los Angeles area.

The Pacific Coast Highway cuts through the city, providing residents with ample access to large retail establishments, restaurants, and services. A small town vibe in one of the country's most populated counties, Lomita is just 17.5 miles to Los Angeles International Airport, and is part of the greater South Bay region, which is home to the Harbor Area of Los Angeles, an industrial section along with adjacent Long Beach, makes up the busiest shipping port along the Pacific Coast.

Lomita is a growing city as it provides the opportunity for young professionals and families to live in a quiet, suburban enclave with convenient access to major employers and educational institutions, while benefiting from the areas high incomes.






198,000+
POPULATION
(WITHIN 3 MILES)

\$107,379
AVG HOUSEHOLD INCOME
(WITHIN 3 MILES)








2018 DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
 POPULATION			
Total Population	32,447	198,700	453,663
Median Age	39.1	40.4	40.9
 HOUSING			
Total Housing Units	12,397	69,509	162,604
Occupied Housing Units	98.2%	98.0%	97.8%
Vacant Housing Units	1.9%	2.0%	2.3%
 INCOME			
Avg Household Income	\$87,969	\$107,379	\$112,602

2023 PROJECTED DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
 POPULATION			
Total Population	32,772	201,367	458,715
Median Age	40.0	41.3	41.7
 HOUSING			
Total Housing Units	12,595	70,877	165,799
Occupied Housing Units	98.4%	98.3%	97.9%
Vacant Housing Units	1.6%	1.7%	2.1%
 INCOME			
Avg Household Income	\$101,297	\$122,821	\$128,551



\$112,602
AVERAGE INCOME
(WITHIN 5 MILES)



453,663
POPULATION
(WITHIN 5 MILES)

*Report counts include D&B business location records that have a valid telephone, known SIC code and D&B ratings well as exclude cottage industries (businesses that operate from a residence). © 2017 Easy Analytic Software, Inc. (EASI®) All Rights Reserved, Alteryx, Inc. © 2017 Experian Information Solutions, Inc. All Rights Reserved, Alteryx, Inc. © 2017 Experian Marketing Solutions, Inc. All Rights Reserved, Alteryx, Inc.

STATEMENT OF CONFIDENTIALITY + CONDITIONS

This Offering Memorandum is confidential and is furnished to prospective purchasers of the Property described herein subject to the terms of the Confidentiality Agreement previously provided to and executed by such prospective purchasers. This Memorandum is intended solely to assist prospective purchasers in their evaluation of the Property and their consideration of whether to purchase the Property. It is not to be used for any other purpose or made available to any other person without the prior written consent of the Seller of the Property.

This Memorandum was prepared on the basis of information available to the Seller and to Cushman & Wakefield, Inc., the Seller's exclusive agent in connection with the sale of the Property. It contains pertinent information about the Property and the surrounding area but it does not contain all the information necessary for a complete evaluation of the Property. The projected cash flow and other financial information contained herein are for reference only.

Although the information contained in this Memorandum is believed to be accurate and reliable, neither the Seller nor its exclusive agent guarantees its accuracy or completeness. Because of the foregoing and because the Property will be sold on an "as is" basis, prospective purchasers should make their own independent assessments, investigations, and projections regarding the Property. Although additional material, which may include engineering, environmental, or other reports, may be provided to certain prospective purchasers as appropriate, such parties should confer with their own engineering and environmental experts, counsel, accountants and other advisors.

The Seller expressly reserves the right, in its sole discretion, to reject any offer to purchase the Property or to terminate any negotiations with any party at any time, with or without notice. The Seller shall have no legal commitment or obligation to any prospective purchaser unless and until a written Purchase and Sale Agreement has been fully executed and delivered and any and all conditions to the Seller's obligations thereunder have been fully satisfied or waived.

The Seller is responsible for any commission due its agent in connection with a sale of the Property. The Seller shall not be responsible for any commission claimed by any other agent or broker in connection with a sale of the Property. No other party, including the Seller's exclusive agent, is authorized to make any representation or agreement on behalf of the Seller. This Memorandum remains the property of the Seller and its exclusive agent and may be used only by parties approved by the Seller and its exclusive agent. No portion of this Memorandum may be copied or otherwise reproduced or disclosed to anyone except as provided herein and as permitted by the express terms of the Confidentiality Agreement.



**BRANDON PRICE**

Capital Markets
858 558 5673
brandon.price@cushwake.com
License No. 01822998

KARI FISKE

Brokerage Coordinator
858 334 4032
kari.fiske@cushwake.com

BLAKE TAGMYER

Director
858 558 5670
blake.tagmyer@cushwake.com
License No. 01329963

ROSHELLE BULDA

Senior Marketing Specialist
858 558 5611
roschelle.bulda@cushwake.com