



## **CVS Pharmacy**

**2089 Salem Rd, Virginia Beach, VA 23456**

**For Sale as Zero Cash Flow at 22.5% Equity over the Debt or Free and Clear at a 5.25 cap**



**Phone: 212.686.0072**

**Fax: 212.686.0078**

**[rob@exp1031.com](mailto:rob@exp1031.com)**

**[www.exp1031.com](http://www.exp1031.com)**

- 20 years of lease term remaining
- Debt self liquidates in 17 years
- Equity required to assume existing debt is \$806,002
- Existing Debt is \$3,582,229 as of September 1<sup>st</sup>, 2019
- Zero Cash Flow price \$4,388,321
- Equity over the Debt is 22.5%
- Free and Clear Price is \$5,980,952
- Free and Clear Cap Rate is 5.25%
- Seller will escrow the NPV of three-year rent holiday and defease the loan if sold free and clear

This information has been obtained from sources deemed reliable, however EXP Realty Advisors does not guarantee, warranty or represent its accuracy. It is the Purchaser's responsibility to independently confirm the accuracy and completeness of the information contained herein.

**INVESTMENT OVERVIEW:**

EXP Realty Advisors exclusively presents for sale a fee simple CVS in Virginia Beach offered as a zero cash flow property for 22.5% equity over the debt or alternatively free and clear of debt at a 5.25 cap rate. There are 20 years of remaining lease term on a 25-year absolute bond net lease. The property has a fully amortizing 22-year loan in place which self liquidates on 1/10/2036. If the buyer wants to acquire the property without debt the seller will defease the loan and credit the buyer the net present value of the three-year rent holiday (years 23, 24 & 25) discounted at an 5.25% discount rate.

The property is in Virginia Beach, VA with a population of 91,950 within 5 miles and an average household income of \$89,423. The zero cash flow structure includes paydown re-advance whereby an investor can pay the debt down pre-closing and then re-advance the debt to its previous level post closing. This is helpful for 1031 exchanges where the buyer has all or mostly cash and little to no debt. A summary of the lease and loan is below as well as pricing with and without the assumption of the debt:

<b>Lease Summary</b>	
Annual NNN rent years 1 to 22	314,000
Annual NNN rent years 23 to 25	0
Lease Commencement	12/1/2013
Lease Expiration	1/31/2039
Options	10 5-yr options

<b>Loan Summary</b>		
Original Balance	4,293,486	2/10/2014
Ending Balance	-	1/10/2036
Interest Rate	4.70%	
Term (self liquidating loan)	22	Years
Loan Balance as of September 1, 2019	3,582,229	

<b>Free &amp; Clear Price (seller pays to defease the loan)</b>	\$ 5,980,952
Free & Clear Cap Rate	5.25%
Credit to Buyer for 3-Year Rent Holiday (NPV at an 5.25% Discount Rate)	\$ (356,994)
Net Price to Buyer	\$ 5,623,958
Day One Yield	5.6%

<b>Price if Loan is Assumed</b>	4,388,231
Loan Balance as of September 1, 2019	3,582,229
Equity Required to Assume the Loan	806,002
Equity over the Debt	22.50%
Cash Flow	0
Amortization Sept 1, 2019 to Aug 31, 2020	135,644
Amortized Yield Year One (Equity / Amortization)	16.83%



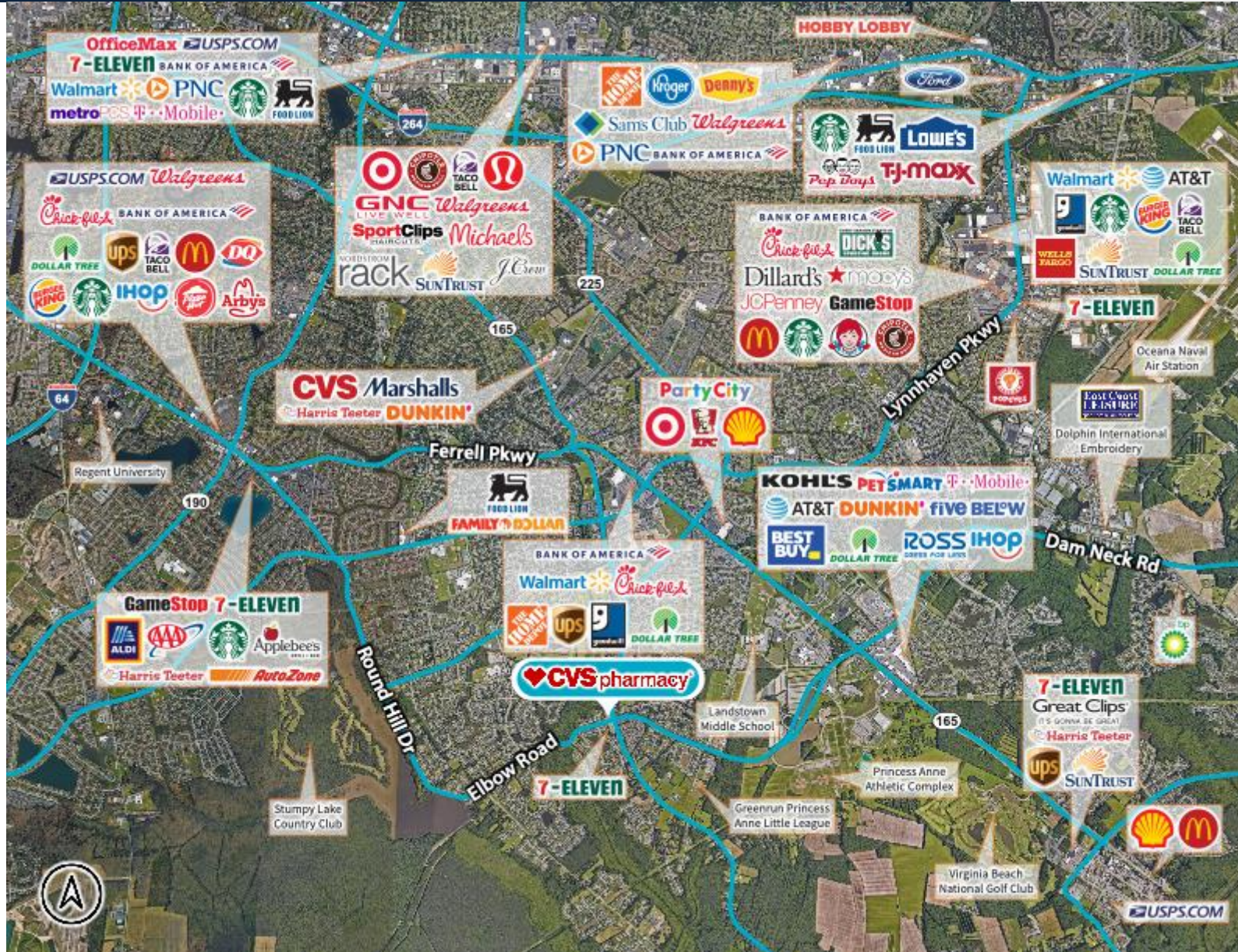


Virginia Beach, is the most populace city in Virginia and has a strong economic base made up of corporate head quarters, tourism, and the largest Naval base in the world, home to the Atlantic Naval Command.

Virginia Beach is composed of a variety of industries, including national and international corporate headquarters, advanced manufacturers, defense contractors and locally-owned businesses. The city's location and business climate have made it a hub of international commerce, as nearly 200 foreign firms have established a presence, an office location or their North American headquarters in Hampton Roads. Twenty internationally-based firms have their U.S. or North American headquarters in Virginia Beach, including companies like STIHL, Busch, IMS Gear, and Sanjo Corte Fino. Other major companies headquartered in Virginia Beach include Amerigroup, the Christian Broadcasting Network and Operation Blessing International. Other major employers include GEICO, VT and Navy Exchange Service Command. Virginia Beach was ranked at number 45 on Forbes list of best places for business and careers.

The city, a coastal city in southeastern Virginia, lies where the Chesapeake Bay meets the Atlantic Ocean. A 3-mile boardwalk stretches along its beach-lined oceanfront. It's a resort city with miles of beaches and hundreds of hotels, motels, and restaurants along its oceanfront. Every year the city hosts the East Coast Surfing Championships as well as the North American Sand Soccer Championship, a beach soccer tournament. It is also home to several state parks, several long-protected beach areas, three military bases, a number of large corporations, and Regent University's International headquarters. The largest Navy base in the world is located nearby and serves as Atlantic Fleet Command with 6 battle groups each lead by a modern nuclear aircraft carrier.





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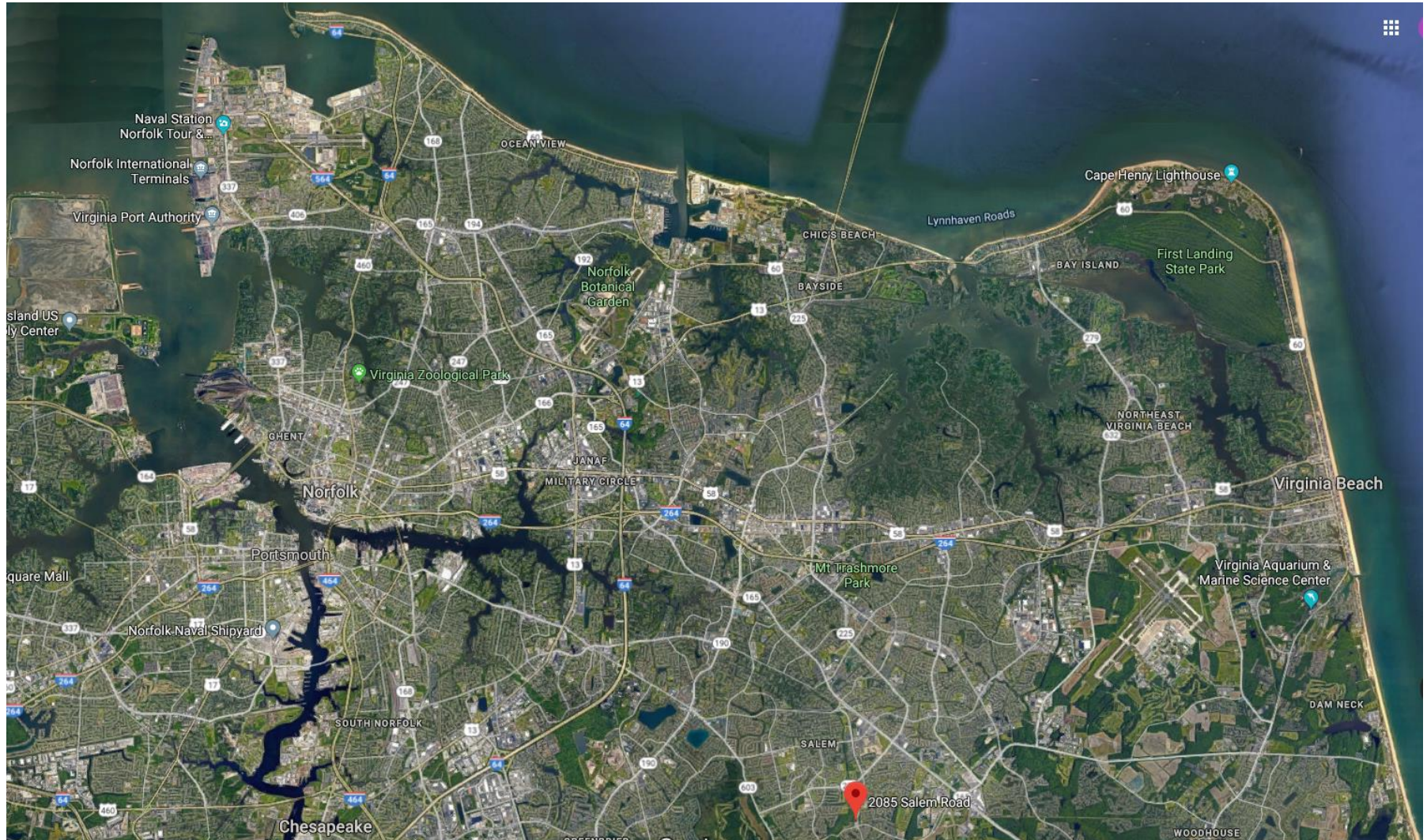




9 Flattops at Norfolk naval base, December 20, 2012 : From bottom to top, front to back: Aircraft carrier [DWIGHT D. EISENHOWER \(CVN 69\)](#) Aircraft carrier [GEORGE H. W. BUSH \(CVN 77\)](#) Aircraft carrier [ENTERPRISE \(CVN 65\)](#) Amphibious assault ship BATAAN (LHD 5) Aircraft carrier [ABRAHAM LINCOLN \(CVN 72\)](#) Aircraft carrier [HARRY S TRUMAN \(CVN 75\)](#) Amphibious assault ship WASP (LHD 1) Amphibious assault ship KEARSARGE (LHD 3) Amphibious landing platform dock NEW YORK (LPD 21) A T-AKE dry cargo ammunition ship Amphibious assault ship IWO JIMA (LHD 7) and various cruisers, destroyers, frigates and submarines of the U.S. Atlantic Fleet.















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[RETAIL MAP CLOSE](#)



## **Property Details:**

BUILDING Type: Retail

Subtype: Drug Store

Tenancy: Single

Year Built: 2013

GLA: 12,685 SF

Construction: Masonry

Land Area: 2.11 AC

Zoning: B2 Parcel 1474-88-9003

EXPENSES PER SF Taxes: \$0.26 (2012)

KEY TENANTS CVS # 10018

20,685 SF

AMENITIES Drive Thru, Pylon Sign, Signage

Traffic Volume: 14,356 on Salem Rd & Elbow Rd (2018) 13,836 on Salem Rd & Ware

Neck Dr (2018) Frontage: 208' on Elbow Rd 260' on Salem Rd

TRANSPORTATION Parking: 53 free Surface Spaces are available; Ratio of 4.18/1,000 sf

Airport: 25-minute drive to Norfolk International Airport









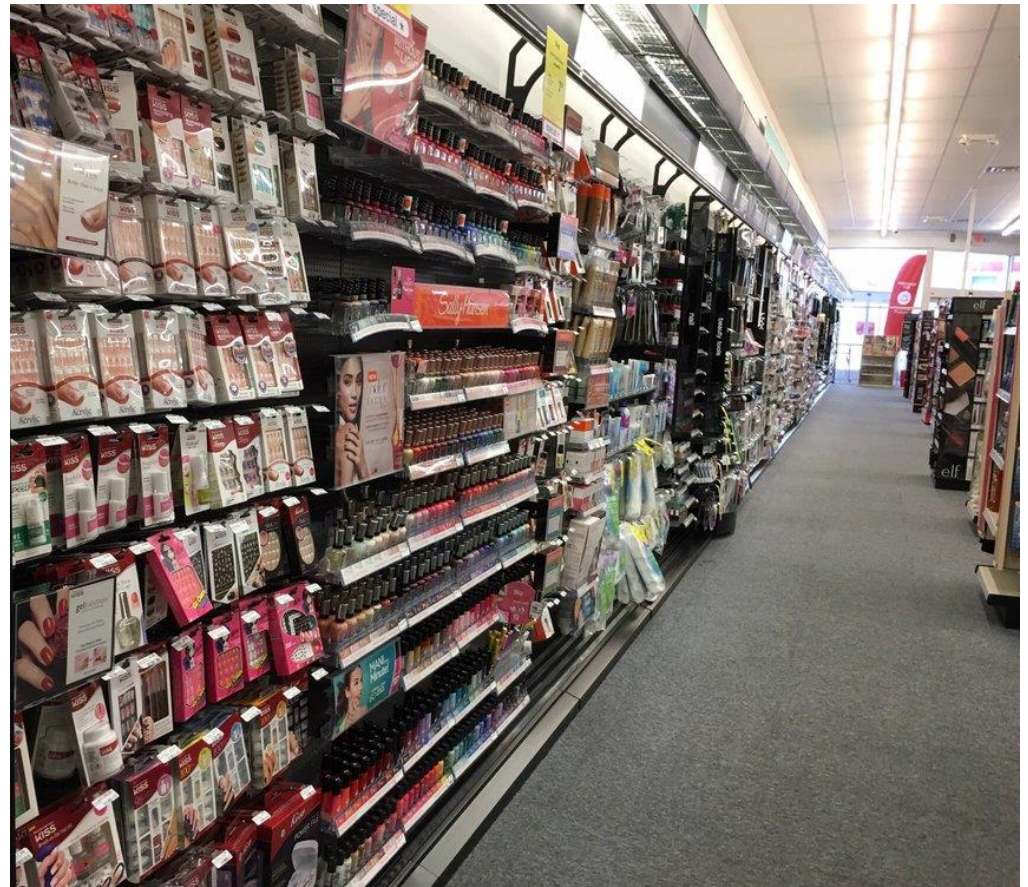








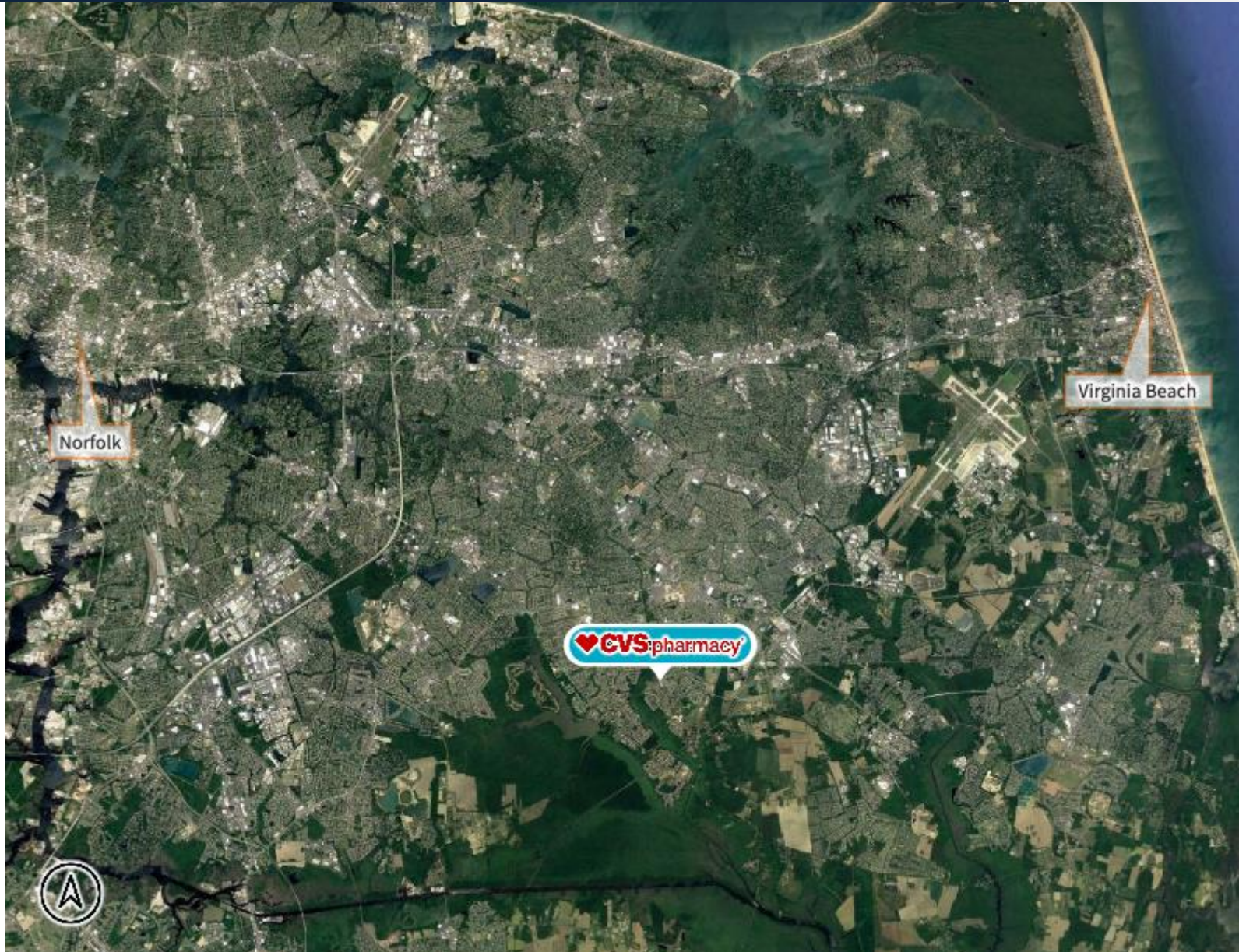






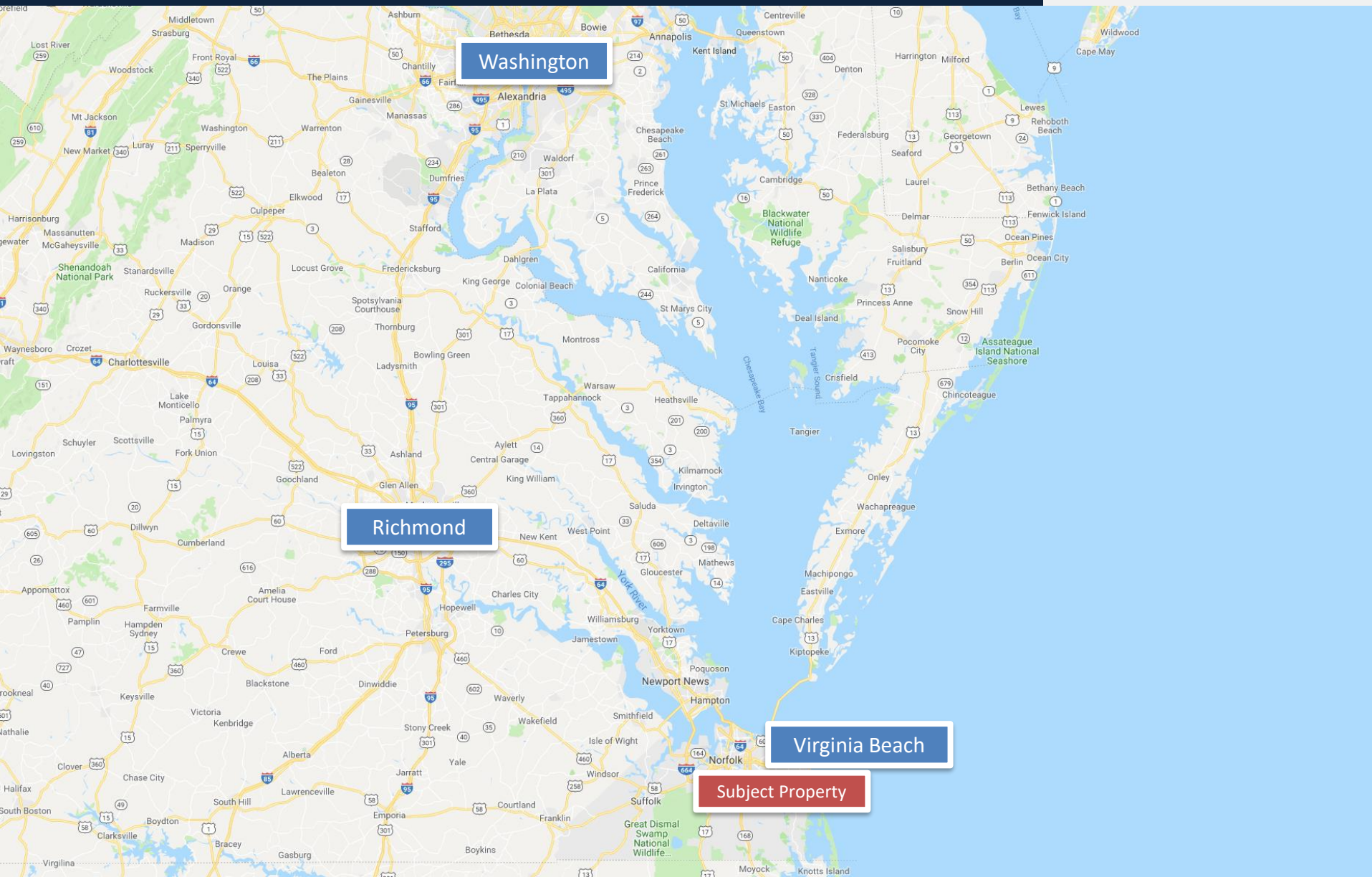








# CVS Pharmacy – Virginia Beach, VA Map



Washington

Richmond

Virginia Beach

Subject Property

<b>2018 Summary</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
Population	13,506	91,950	219,634
Households	4,410	31,023	77,846
Families	3,651	23,940	57,271
Average Household Size	3.06	2.93	2.79
Owner Occupied Housing Units	3,696	21,758	52,332
Renter Occupied Housing Units	714	9,265	25,513
Median Age	36.4	34.8	36.0
Median Household Income	\$91,598	\$77,117	\$73,946
Average Household Income	\$103,496	\$89,423	\$87,048
<b>2023 Summary</b>	<b>1 Mile</b>	<b>3 Miles</b>	<b>5 Miles</b>
Population	13,857	94,765	227,655
Households	4,517	31,952	80,669
Families	3,729	24,581	59,072
Average Household Size	3.07	2.94	2.79
Owner Occupied Housing Units	3,833	22,715	54,805
Renter Occupied Housing Units	684	9,237	25,864
Median Age	38.5	36.2	37.4
Median Household Income	\$100,746	\$83,487	\$80,728
Average Household Income	\$117,509	\$102,017	\$99,618

**Contact Us**

**EXP Realty Advisors**

52 Vanderbilt Ave  
Suite #2014  
New York, NY 10017  
[www.exp1031.com](http://www.exp1031.com)

**Our Team**

**Robert P. James**

President  
Phone: 212-686-0072  
Email: [rob@exp1031.com](mailto:rob@exp1031.com)

**Daniel de Sa'**

Director of Sales  
Phone: (212) 972-3947  
E-mail: [dan@exp1031.com](mailto:dan@exp1031.com)