



RICHMOND, VA

EXECUTIVE SUMMARY



17307 Hull Street Rd,
Moseley, VA 23120

ADDRESS



Richmond, VA

MARKET



TOTAL GLA



23+ YEARS

TERM REMAINING



CREDIT RATING



LEASE TYPE

THE OFFERING

Price	\$5,350,000
Cap Rate	5.21%
Cash Required	\$1,482,951
Year Built	2017
Total GLA	9,516
Lot Size	4.398 Acres
Lease Term	25 Years
Lease Expiration	1/31/2043
Increases	See Rent Schedule
Options	Ten; Five-Year Terms (Two; Fixed Rate); (Eight; FMV)
Debt	Assumption of Loan

ANNUALIZED OPERATING DATA

Base Rent	\$278,788
RENTAL INCREASES	
Curent - 10/31/39	\$278,788
11/1/39 - 1/31/43	\$0
OPTION TERMS	
Option 1	\$250,909
Option 2	\$250,909
Options 3-10	FMV

INVESTMENT OVERVIEW

Marcus & Millichap, on behalf of ownership, is pleased to exclusively offer for sale this Zero Cash Flow CVS pharmacy (NYSE:CVS) located in the Richmond suburb of Moseley, Virginia. The Tenant, CVS Health Corporation, has 23 years remaining on a long-term NNN lease. The lease is guaranteed by CVS Health Corporation, who is investment grade, rated “BBB” by Standard & Poor’s. CVS Health Corporation ranks eighth in the Fortune 500 with \$195 billion in revenues, a five percent increase over last year as it closed its \$70 billion acquisition of insurer Aetna. The loan in place must be assumed by a potential purchaser. See page 5 for details.

Constructed in 2017, the property is prominently located along Hull Street Road at its signaled intersection with Baldwin Creek Road (25,600 VPD). CVS Pharmacy has two means of access including an aligning curb cut with neighboring Titan Tire & Auto. The Tenant is surrounded by several new upscale communities as population growth in Richmond has migrated west. CVS is located across Hull Street Road from Magnolia Green, one of the largest master planned communities in Chesterfield County to date. Situated on almost 2,000 acres, Magnolia Green includes a final build-out of 3,550 homes and 472 acres of green space which includes an 18-hole Nicklaus designed gold golf course. The Property is also within two-and-one-half miles (2.5 mi) to the housing communities of Fox Creek, 1,500 single-family homes, and Hampton Park, 749 single-family units. The nearly 5,800 homes provide a strong customer base for the Tenant’s location as further residential development continues in the submarket. The tenant sought to get ahead of this population explosion with the development of this location. The projected population growth is 13 percent in the next five years! Further, there is very limited competition in the submarket with the nearest national drug store more than 4 miles east in Midlothian.

Moseley is an affluent, growing suburb in Chesterfield County located 23 miles southwest of Richmond. This location offers accessibility and proximity to downtown Richmond, major nearby retail centers Stony Point Mall, Short Pump Shopping Center, and Westchester Commons, the regionally and nationally renowned health systems of both HCA/Bon Secours and VCU/MCV, a robust restaurant scene, and convenience to schools and community services. Richmond has seen a surge in its population growth over the past few years due to its increasingly strong reputation as a great place to both live and work. This has helped suburbs in Chesterfield County experience similar growth. Population within three miles of the property has increased 26 percent since 2010 and is estimated to increase by an additional 13 percent in the next five years. Investors will appreciate high Average Household Income levels of \$139,709 within this radius as well.



INVESTMENT HIGHLIGHTS

- 23+ Years Remain on NNN Lease
- Zero Cash Flow Structure; Ideal for 1031 Exchanges and Offers Cash Re-Advance Structure
- Rent Increases in Option Periods
- Affluent and Growing Richmond MSA
Demographics; \$139,709 AHHI; 13% Population Growth by 2023
- Building Features Upgraded Architectural Detail



LOAN ABSTRACT

Original Loan Amount	\$4,112,807
Current Loan Balance as of 11/10/19	\$3,867,049
Interest Rate	3.901%, Fixed Rate
Maturity	October 10, 2039 (a 3-Year Rent Holiday Follows)
Loan Amortization Period	22 Years
Loan Term	22 Years
Collateral	Non-Recourse
Assumption Fee	Dependent Upon Purchase Structure
Prepayment	Defeasance
Price	\$5,350,000
Approximate Cash Down	\$1,482,951

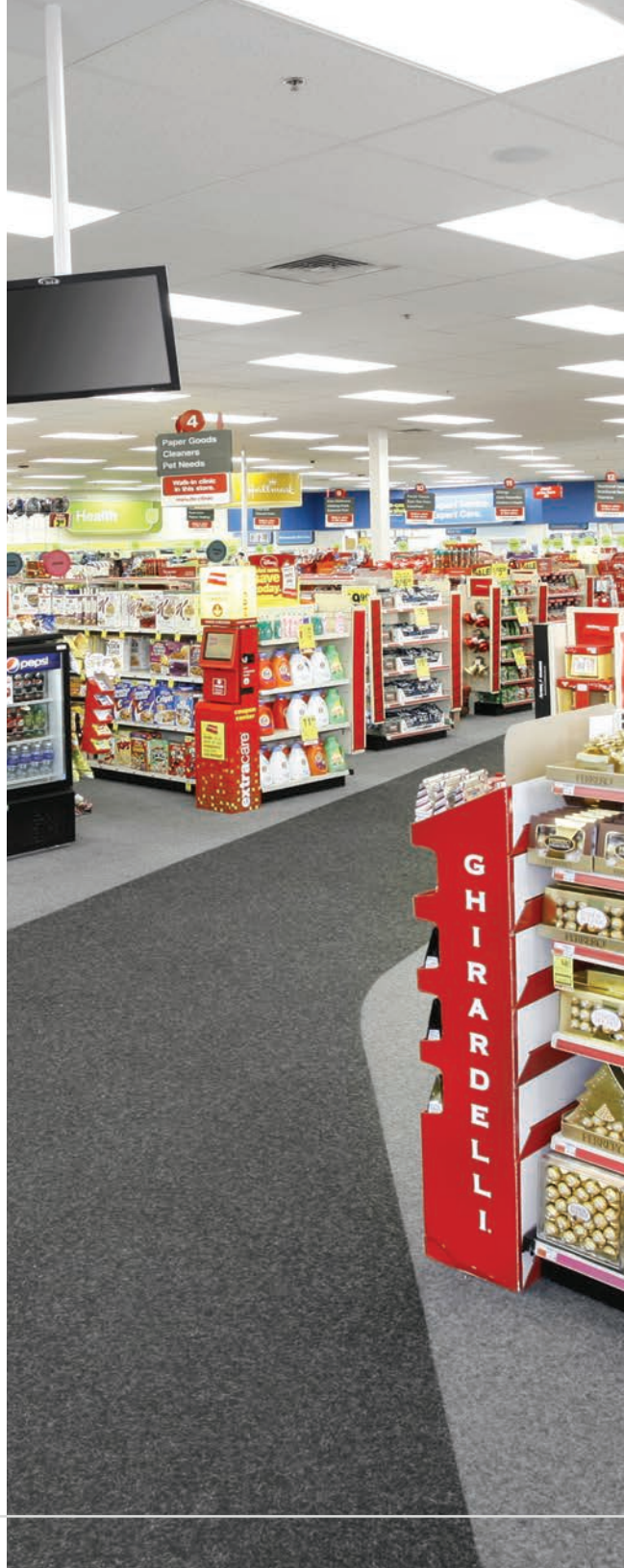
TENANT INFORMATION

CVS Health Corporation, together with its subsidiaries, is a pharmacy innovation company helping people on their path to better health. At the forefront of a changing health care landscape, the Company has an unmatched suite of capabilities and the expertise needed to drive innovations that will help shape the future of health care.

CVS is currently the only integrated pharmacy health care company with the ability to impact consumers, payors, and providers with innovative, channel-agnostic solutions. They have a deep understanding of their diverse needs through their unique integrated model, and are bringing them innovative solutions that help increase access to quality care, deliver better health outcomes and lower overall health care costs.

Through more than 10,100 retail locations, more than 1,100 walk-in health care 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, CVS enables people, businesses, and communities to manage health in more affordable, effective ways.

In December of 2017, CVS announced it would buy Aetna for more than \$69 billion. This acquisition would combine CVS' drugstores and pharmacy benefits manager platform with Aetna's insurance business. This merger brings together two complementary businesses with unique capabilities, the goal being to reshape the consumer health care experience, putting people at the center of health care delivery to ensure they have access to high-quality, more affordable care.



REVENUE
\$194.6 B



HEADQUARTERS
Woonsocket, RI



NO. OF EMPLOYEES
203,000+



NO. OF LOCATIONS
9,800+



YEAR FOUNDED
1963



**STOCK SYMBOL
/CREDIT RATING**
CVS : BBB



REGIONAL MAP

MANQUIN



X12.62%

Within a 5-mile radius, the population is expected to grow by 12.62% over the next 5 years to 47,874

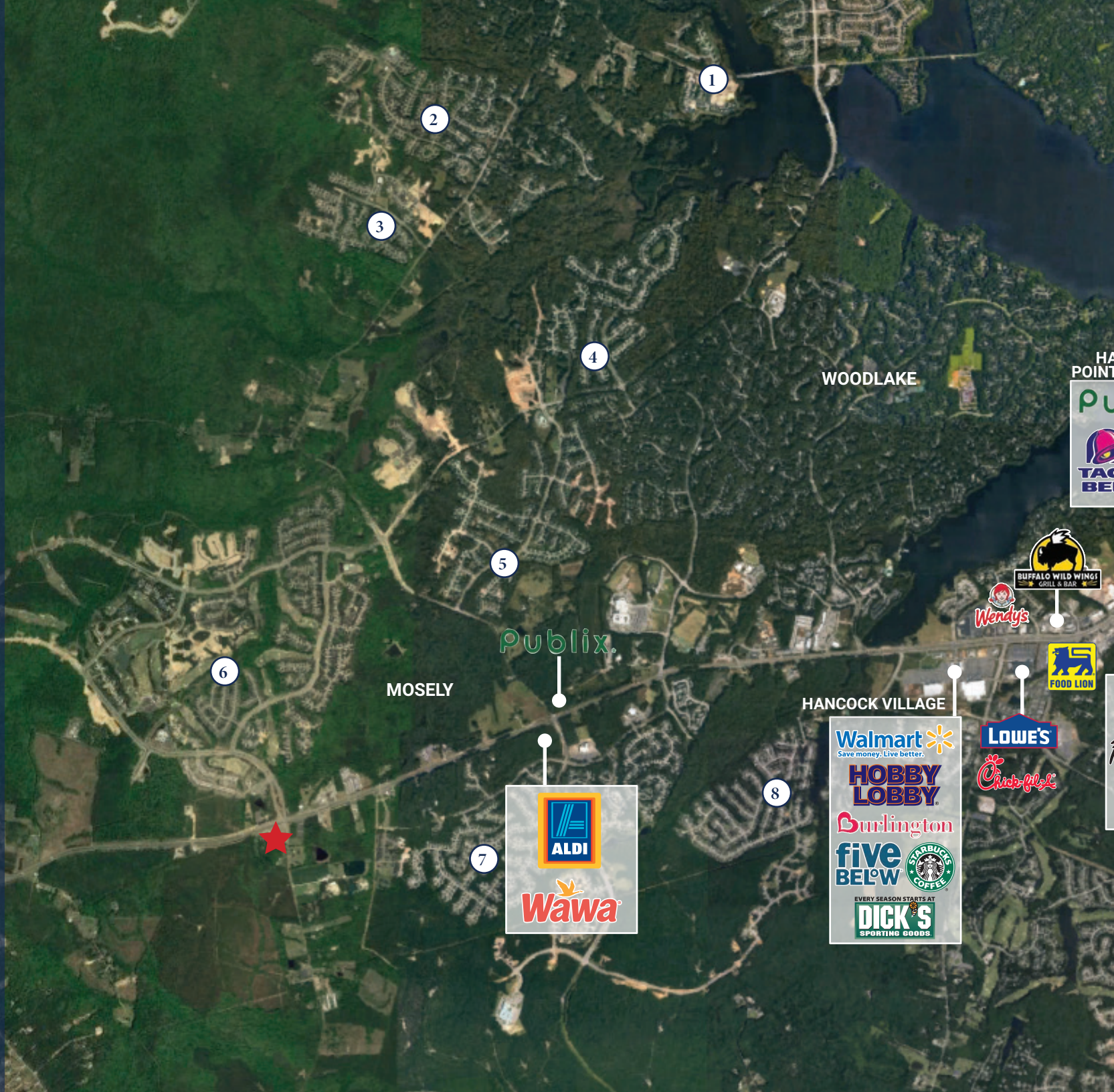
25K^{VPD}

An average of 25,600 vehicles per day drive by Hull Street Road at its signaled intersection with Baldwin Creek Road

:30

Less than 30 minutes to downtown Richmond, VA

A PLAY ON RICHMOND'S GROWTH WEST





HOUSING

MAP #	NAME	ADDRESS	NUMBER OF HOMES
1	Cambria Cove	Cambria Cove Blvd, Matoaca, VA 23112	100+ Homes
2	Summer Lake	17040 Lake Summer Dr, Moseley, VA 23120	~645 Homes, 300 Acres
3	Westerleigh	4606 Cabretta Dr, Moseley, VA 23120	450 Homes, 210-Acres
4	FoxFire	15518 Fox Cove Chesterfield, VA 23120	229 Single-Family Homes
5	Fox Creek	6413 Knotgrass Alley, Moseley, VA 23120	1,500 Homes; 475 Acres
6	Magnolia Green	17301 Memorial Tournament Dr, Moseley, VA	Approved for 3,550 Homes on 2,000 Acres + 472 Acres of Green Space
7	Hampton Park	15736 Hampton Forest Dr, Chesterfield, VA 23832	749 Units
8	The Villas at Ashlake	7551 Ashlake Commons, Chesterfield, VA 23832	55+ Community of 82 Villa-Style Homes

LEASE ABSTRACT

Guarantor	CVS Health Corporation
Rent Commencement Date	9/27/2017
Expiration Date	1/31/2043
Notification Period for Tenant to Exercise Options	6 months
Landlords Obligations	None
Tenant's Obligations	Tenant shall keep, maintain and repair, at its sole cost and expense, the Premises, including, without limitation, the roof, walls, footings, foundations, HVAC, mechanical and electrical equipment and systems in or serving the Premises and structural and nonstructural components and systems of the Premises, parking areas, sidewalks, roadways and landscaping in good repair and appearance, and shall make all repairs and replacements of every kind and nature, whether foreseen or unforeseen, which may be required to be made in order to keep and maintain the Premises in as good repair.
Assignment & Subletting	Tenant shall have the right to assign this Lease, or to sublet the whole or any part of the Premises, for use for any lawful purpose, provided Tenant and Guarantor shall remain liable for the obligations of Tenant hereunder.
First Rights of Refusal	20 days upon any written offer acceptable to Landlord on the precise terms and conditions of the Offer.

DEMOGRAPHIC HIGHLIGHTS



5-MILE POPULATION

42,508



5-MILE AVERAGE HOUSEHOLD INCOME

\$139,249



5-MILE ESTIMATED HOUSEHOLDS

14,168



DEMOGRAPHIC SUMMARY

POPULATION	1 MILE	3 MILES	5 MILES
2023 Projection	1,435	15,749	47,874
2018 Estimate	1,245	13,919	42,508
2010 Census	857	11,028	35,711
2000 Census	413	6,127	25,291
Current Daytime Population	629	8,872	26,222

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<u>Population By Age</u>			
2018 Estimate Total Population	1,245	13,919	42,508
Under 20	34.03%	35.55%	30.09%
20 to 34 Years	12.15%	13.05%	13.93%
35 to 39 Years	6.23%	6.47%	6.73%
40 to 49 Years	17.57%	18.10%	16.23%
50 to 64 Years	19.76%	19.13%	21.46%
Age 65+	10.24%	7.71%	11.56%
Median Age	38.27	36.24	39.49
<u>Population 25+ by Education Level</u>			
2018 Estimate Population Age 25+	754	8,202	27,422
Elementary (0-8)	0.54%	0.34%	0.70%
Some High School (9-11)	3.28%	2.57%	2.43%
High School Graduate (12)	19.53%	16.23%	17.07%
Some College (13-15)	17.50%	16.58%	18.48%
Associate Degree Only	7.51%	6.95%	7.53%
Bachelors Degree Only	32.81%	37.70%	34.14%
Graduate Degree	18.62%	19.47%	19.41%

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2023 Projection	510	5,035	16,015
2018 Estimate	444	4,458	14,168
2010 Census	303	3,574	12,082
2000 Census	160	2,203	8,515

INCOME	1 MILE	3 MILES	5 MILES
<u>2018 Housing Income</u>			
\$150,000 or More	31.13%	26.80%	25.59%
\$100,000 - \$149,000	28.55%	30.36%	30.00%
\$75,000 - \$99,999	17.47%	18.31%	17.72%
\$50,000 - \$74,999	9.94%	11.25%	12.78%
\$35,000 - \$49,999	4.69%	5.25%	6.27%
Under \$35,000	8.22%	8.02%	7.64%
Average Household Income	\$153,799	\$139,709	\$139,249
Median Household Income	\$117,063	\$111,114	\$108,267
Per Capita Income	\$54,895	\$44,752	\$46,415

DEMOGRAPHIC SUMMARY

Geography: 5 Miles



POPULATION

In 2018, the population is 42,508. The population has changed by 68.08% since 2000. It is estimated that the population will be 47,874 five years from now, which represents a change of 12.62% from the current year. The current population is 49.30% male and 50.70% female. The median age of the population is 39.49, compared to the US average which is 37.95. The population density is 540.74 people per square mile.



HOUSEHOLDS

There are currently 14,168 households in your selected geography. The number of households has changed by 66.39% since 2000. It is estimated that the number of households will be 16,015 five years from now, which represents a change of 13.04% from the current year. The average household size is 2.99 persons.



INCOME

In 2018, the median household income is \$108,267, compared to the US average which is currently \$58,754. The median household income has changed by 49.48% since 2000. It is estimated that the median household income will be \$123,301 five years from now, which represents a change of 13.89% from the current year.

The current year per capita income is \$46,415, compared to the US average, which is \$32,356. The current year average household income is \$139,249, compared to the US average which is \$84,609.



RACE AND ETHNICITY

The current year racial makeup is as follows: 82.03% White, 10.61% Black, 0.04% Native American and 3.70% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race and make up 3.53% of the current year population. Compare this to the US average of 18.01%.



HOUSING

The median housing value was \$325,782 in 2018, compared to the US average of \$201,842. In 2000, there were 7,616 owner occupied housing units and there were 899 renter occupied housing units. The median rent at the time was \$766.



EMPLOYMENT

In 2018, there are 7,879 employees, this is also known as the daytime population. The 2000 Census revealed that 76.65% of employees are employed in white-collar occupations, and 23.22% are employed in blue-collar occupations. In 2018, unemployment is 2.06%. In 2000, the average time traveled to work was 32 minutes.

RICHMOND OVERVIEW

Richmond is the capital city of Virginia and consists of the cities of Richmond, Petersburg, and Colonial Heights, as well as the counties of Henrico, Chesterfield, Amelia, Caroline, King William, Sussex, Charles City, Dinwiddie, Hanover, Goochland, New Kent, Powhatan and Prince George. The metro is bordered by the Virginia Beach metro to the east, the Charlottesville metro to the west, and Winchester and Northern Virginia-Washington to the north.

METRO HIGHLIGHTS



COMMERCE CENTER

The area has a well-developed intermodal transportation network that distributes goods throughout the nation.



ROBUST PROFESSIONAL WORKFORCE

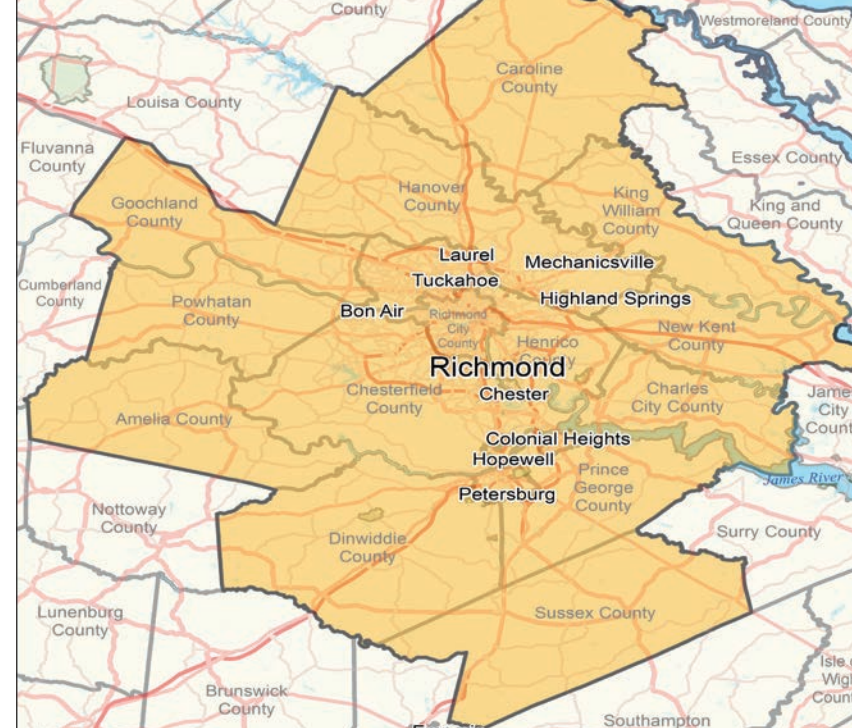
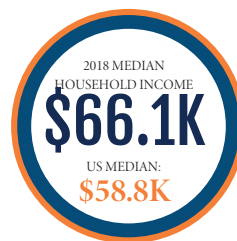
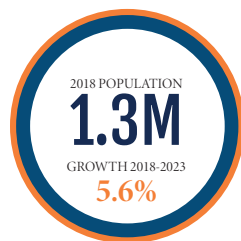
As the state's capital city, the metro is a major player in the government, financial and legal services industries.



EMPLOYMENT GAINS

Over the next five years, area employers are forecast to add nearly 25,000 workers to staffs.

RICHMOND DEMOGRAPHICS



THE RICHMOND ECONOMY

Richmond's strategic location on the James River is historically responsible for the metro's development as a major center of commerce. Today a well-developed intermodal network points back to this legacy, while the economy has diversified to many professional industries.

Nationally recognized banks and financial institutions are located in Richmond. It is home to the Federal Reserve Bank of Richmond, Capital One, SunTrust Banks, Wells Fargo, Bank of America and Markel.

Law and legal services are another major component of the metro's local economy. The city of Richmond is home to five of the largest legal firms in the world, each of which handles cases at the national and international level.

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Marcus & Millichap



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