



# CVS PHARMACY

118 Northampton St • Easthampton, MA 01027

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CVS PHARMACY  
Easthampton, MA  
ACT ID ZAA0560172

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# FINANCIAL ANALYSIS



## PROPERTY SUMMARY

## THE OFFERING

Property	CVS
Property Address	110 Northampton Street Easthampton, MA 01027
Price	\$5,462,420
Capitalization Rate	5.75%
Price/SF	\$622.50

## PROPERTY DESCRIPTION

Year Built / Renovated	1996/2012
Gross Leasable Area	8,775 SF
Zoning	HB
Type of Ownership	Fee Simple
Lot Size	1.54 Acres

## LEASE SUMMARY

Property Subtype	Net Leased Drug Store
Tenant	CVS Pharmacy
Rent Increases	Yes
Guarantor	Corporate Guarantee
Lease Type	NNN
Lease Commencement	June 19, 1995
Lease Expiration	January 31, 2033
Lease Term	38
Term Remaining on Lease (Years)	13.6
Renewal Options	Two Five - Year Options
Landlord Responsibility	Roof and Structure
Tenant Responsibility	Taxes, Insurance, CAM
Right of First Refusal/Offer	N/A



118 Northampton St, Easthampton, MA 01027

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$314,089	\$26,174	\$35.79	5.75%
2/1/23 - 1/31/28	\$327,000	\$27,250	\$37.26	5.99%
2/1/28 - 1/31/33	\$342,000	\$28,500	\$38.97	6.26%
Opt: 2/1/33 - 1/31/38	\$362,520	\$30,210	\$41.31	6.64%
Opt: 2/1/38 - 1/31/43	\$384,271	\$32,023	\$43.79	7.03%



## LEASE SUMMARY

Tenant:	CVS
Guarantor:	Corporate Guarantee
Credit Rating:	BBB
Rent Commencement:	June 19, 1995
Initial Lease Term	38 Years

2/1/33 - 1/31/38 \$362,520  
2/1/38 - 1/31/43 \$384,271.20

Options:

Lease Type:	NNN
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Base Rent: \$35.79/SF  
\$2.98/SF/Month  
\$314,089 Annual Rent

Rent Increases:	Yes
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# INVESTMENT OVERVIEW





## INVESTMENT OVERVIEW

The subject property is a CVS Pharmacy with 13.5 years remaining on the lease and includes two 5-year options with very rare increases throughout the entire term. The property is situated on 1.54 acres along Northampton Street (MA Route 10), the primary route through town. The tenant is backed by an investment grade credit with a corporate guarantee (S&P Credit Rating: BBB+). Average sales for this CVS far exceed the national average. CVS has been in business in this location for more than 20 years.

The lease is triple net with the tenant responsible for taxes, insurance and maintenance (including roof maintenance), and the landlord is responsible for repairing and/or replacing portions of the roof and structure. The base term of the lease was 20 years, and the tenant extended the lease early by 10 years bringing the current term to 2033. The lease includes an average of five percent rent increase every five years including options.

Easthampton is located in Hampshire county, which is home to the “five colleges” which includes UMass Amherst (12 miles, 28,635 students), Amherst College (11 miles, 1849 students), Hampshire College (11 miles, 1191 students), Mount Holyoke College (11 miles, 2208 students) and Smith College (3.4 miles, 2450 students). There are three major hospitals in the surrounding area Northampton State Hospital (3.4 miles), Cooley Dickinson Hospital (4.8 miles) and Providence Place Hospital (7 miles). Easthampton is located just off Interstate 91, 15 miles north of Springfield, 85 miles southeast of Albany, 100 miles west of Boston, and 155 miles north of NYC.

Other retailers in the market include McDonalds, Burger King, Subway, Dunkin Donuts, Cumberland Farms, Family Dollar, Advance Auto Parts, Bank of America, Florence Bank, and others.

## INVESTMENT HIGHLIGHTS

- Early 10 Year Lease Extension | Currently 13.5 Years Remaining on Lease
- Investment Grade Credit (S&P “BBB+” Rating) with a Corporate Guarantee
- Five Colleges within 12 miles | Total Student Population of 36,000+
- Well Above Average Store Sales | 20 Year Operating History
- 3 Major Hospitals | 55,000 Population Located within Trade Area





S&amp;P CREDIT RATING: BBB+

## General Information

Address	1 CVS Dr , Woonsocket, Rhode Island, 02895, United States
Phone	(401)765-1500
Website	www.cvs.com

## Key Personnel

Executive Vice President & President	Karen Lynch
President & Executive Vice President	Kevin Hourican
Chief Financial Officer & Executive Vice President	Eva Boratto
Chief Operating Officer & Executive Vice President	Jon Roberts

## Store Base

Store Count	10,077
TTM Sales	\$210,482,000,000

## Financial Markets

Stock Ticker	CVS
Current Price	\$55.51 as of 7/22/19
52 Week High/Low	\$82.15 / \$51.72

CVS Health Corp. is a leading pharmacy benefits manager with nearly 90 million plan members as well as the nation's largest drugstore chain (topping Walgreens). It runs more than 9,700 retail and specialty drugstores under the CVS, Navarro, and Longs Drug banners. In addition to its standalone pharmacy operations, the company operates CVS locations inside Target stores, and runs a prescription management company, Caremark Pharmacy Services. The company also offers walk-in health services through its retail network of MinuteClinics that are located in around 1,000 CVS stores. In late 2018 CVS acquired health insurer Aetna in a \$70 billion megadeal.

Fiscal Year Ended December 31, 2018

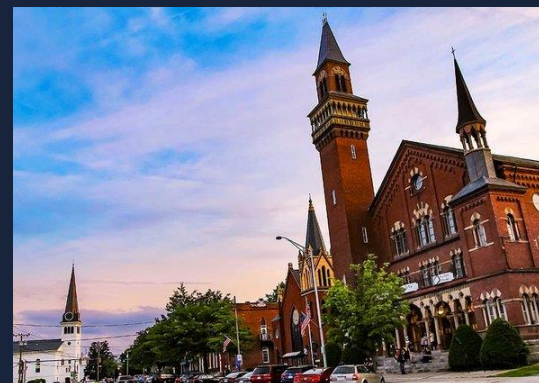
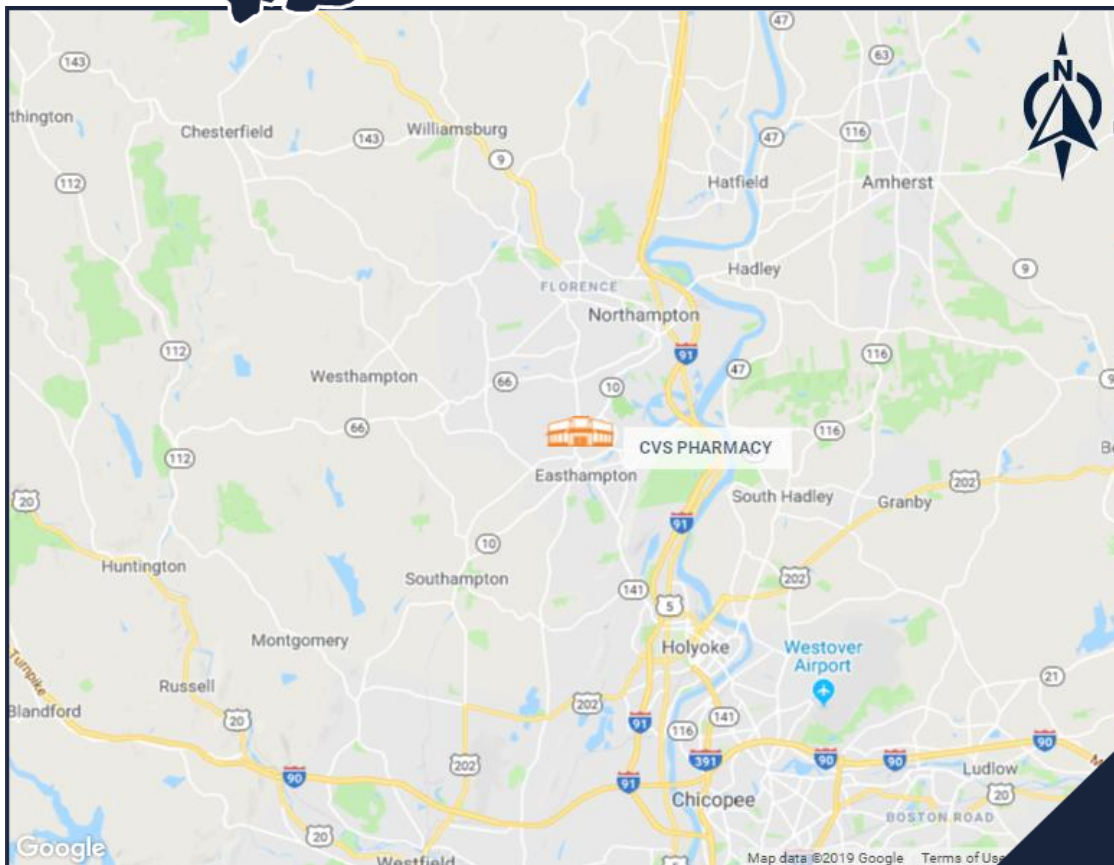
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MA



118 Northampton St, Easthampton, MA 01027



CLOSE PROXIMITY TO:



Hospital



Major Highway



Schools



Airport









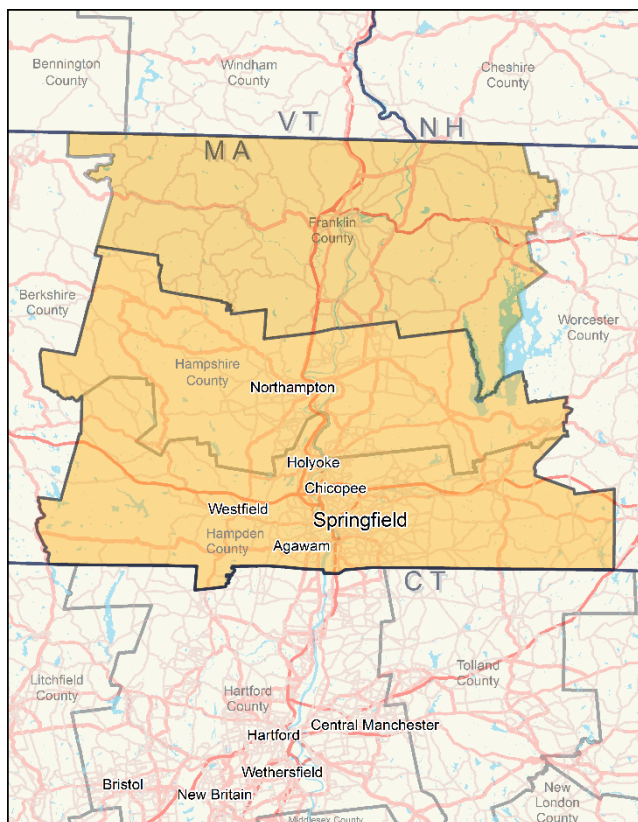
# MARKET OVERVIEW





## SPRINGFIELD, MA OVERVIEW

Boosted by a broad range of manufacturing and medical services, the Springfield metro supports a population of roughly 629,000 people over an area that includes Franklin, Hampden and Hampshire counties. Lying approximately 90 miles west of Boston and with numerous colleges and universities nearby, the metro provides employers with a skilled labor force, attracting companies to the region.



### METRO HIGHLIGHTS



#### KNOWLEDGE CORRIDOR

The nearly 24-mile stretch between Springfield and Hartford is known as the Knowledge Corridor. It contains nearly 30 universities.



#### MANUFACTURING HUB

Top metro employers Smith and Wesson and General Dynamics have major bases of operations in the area, providing numerous high-paying jobs.



#### LARGE INSURANCE PRESENCE

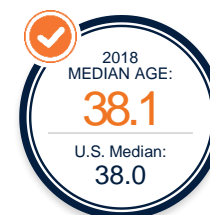
Massachusetts' largest company, MassMutual, is based in Springfield. The company underpins a growing insurance base.



### ECONOMY

- One of the biggest employers in the state, Baystate Health is a not-for-profit integrated healthcare employer with more than 8,000 workers in the metro.
- Big Y Foods, operating more than 70 supermarkets in Massachusetts and Connecticut, is one of the largest private companies in the nation, employing more than 12,000 people companywide.
- Featuring the Pioneer Valley and its concentration of retail, manufacturing, entertainment, banking and medical groups, the region supports a broad range of industries.
- A division of defense contractor General Dynamics provides well-paid positions. The division is in charge of research and development of advanced weapon systems.

### DEMOGRAPHICS



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau



### Population

In 2018, the population in your selected geography is 3,960. The population has changed by -3.20% since 2000. It is estimated that the population in your area will be 3,945.00 five years from now, which represents a change of -0.38% from the current year. The current population is 47.57% male and 52.43% female. The median age of the population in your area is 39.34, compare this to the US average which is 37.95. The population density in your area is 1,257.87 people per square mile.



### Households

There are currently 1,949 households in your selected geography. The number of households has changed by 1.25% since 2000. It is estimated that the number of households in your area will be 1,973 five years from now, which represents a change of 1.23% from the current year. The average household size in your area is 2.03 persons.



### Income

In 2018, the median household income for your selected geography is \$44,960, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 20.98% since 2000. It is estimated that the median household income in your area will be \$51,944 five years from now, which represents a change of 15.53% from the current year.

The current year per capita income in your area is \$33,708, compare this to the US average, which is \$32,356. The current year average household income in your area is \$68,352, compare this to the US average which is \$84,609.



### Race and Ethnicity

The current year racial makeup of your selected area is as follows: 89.88% White, 1.92% Black, 0.05% Native American and 3.39% 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.

People of Hispanic origin make up 7.06% of the current year population in your selected area. Compare this to the US average of 18.01%.



### Housing

The median housing value in your area was \$248,266 in 2018, compare this to the US average of \$201,842. In 2000, there were 784 owner occupied housing units in your area and there were 1,141 renter occupied housing units in your area. The median rent at the time was \$503.



### Employment

In 2018, there are 2,786 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 52.84% of employees are employed in white-collar occupations in this geography, and 47.61% are employed in blue-collar occupations. In 2018, unemployment in this area is 3.57%. In 2000, the average time traveled to work was 25.00 minutes.



Created on July 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	3,945	22,672	56,260
■ 2018 Estimate			
Total Population	3,960	22,156	55,444
■ 2010 Census			
Total Population	3,924	21,746	54,343
■ 2000 Census			
Total Population	4,091	21,275	54,561
■ Current Daytime Population			
2018 Estimate	4,834	18,088	56,832
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	1,973	9,995	24,124
■ 2018 Estimate			
Total Households	1,949	9,664	23,629
Average (Mean) Household Size	2.03	2.22	2.19
■ 2010 Census			
Total Households	1,939	9,509	23,203
■ 2000 Census			
Total Households	1,925	8,930	22,566
■ Occupied Units			
2023 Projection	1,973	9,995	24,124
2018 Estimate	2,072	10,054	24,661
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	6.32%	10.46%	11.69%
\$100,000 - \$149,000	12.25%	14.98%	15.83%
\$75,000 - \$99,999	13.07%	14.42%	13.50%
\$50,000 - \$74,999	14.36%	15.17%	15.83%
\$35,000 - \$49,999	15.91%	12.36%	12.34%
Under \$35,000	38.10%	32.62%	30.79%
Average Household Income	\$68,352	\$80,631	\$84,454
Median Household Income	\$44,960	\$57,811	\$60,496
Per Capita Income	\$33,708	\$35,660	\$36,984

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$65,158	\$73,940	\$75,208
■ Consumer Expenditure Top 10 Categories			
Housing	\$20,328	\$23,047	\$23,405
Shelter	\$12,789	\$14,418	\$14,647
Transportation	\$10,508	\$11,641	\$12,025
Food	\$5,463	\$6,381	\$6,530
Personal Insurance and Pensions	\$5,346	\$6,571	\$6,783
Utilities	\$3,700	\$4,248	\$4,303
Health Care	\$3,694	\$4,479	\$4,562
Entertainment	\$2,314	\$2,834	\$2,884
Cash Contributions	\$1,830	\$1,889	\$1,810
Household Operations	\$1,781	\$2,020	\$2,038
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	3,960	22,156	55,444
Under 20	17.46%	18.97%	19.54%
20 to 34 Years	25.28%	20.50%	22.13%
35 to 39 Years	8.25%	6.40%	6.08%
40 to 49 Years	12.66%	12.71%	11.82%
50 to 64 Years	20.77%	23.73%	22.54%
Age 65+	15.57%	17.68%	17.89%
Median Age	39.34	43.64	42.07
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	2,945	16,217	39,406
Elementary (0-8)	2.54%	1.87%	1.50%
Some High School (9-11)	5.92%	4.67%	4.12%
High School Graduate (12)	27.63%	25.63%	21.81%
Some College (13-15)	18.12%	18.04%	17.01%
Associate Degree Only	9.32%	10.00%	9.31%
Bachelors Degree Only	19.55%	19.59%	22.59%
Graduate Degree	15.62%	19.27%	22.75%

Source: © 2018 Experian



# RICHARD DRINKWATER

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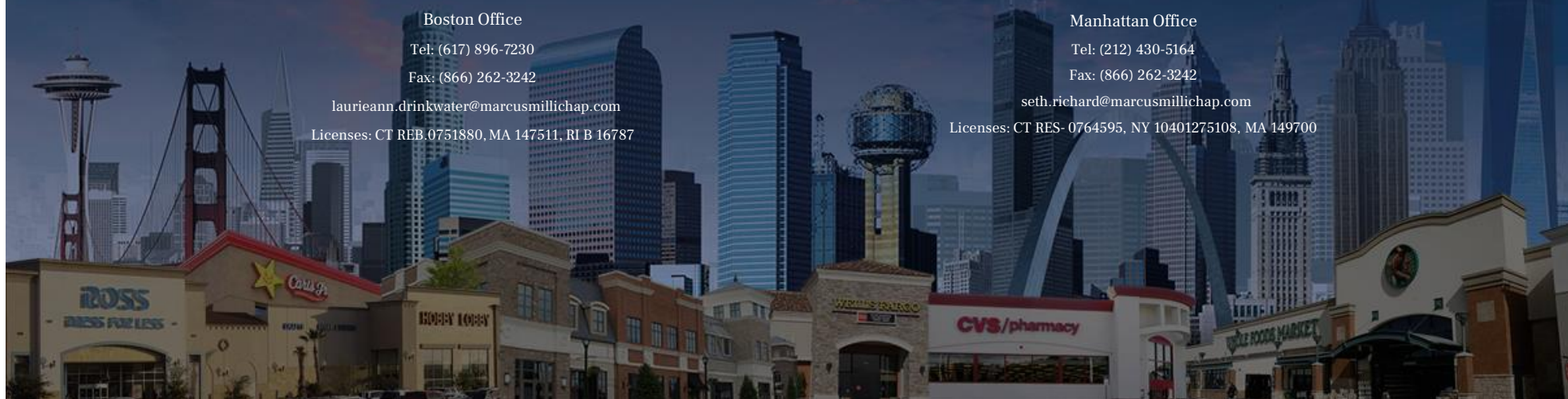
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