



**CVS**  
pharmacy®

\*ACTUAL SITE PHOTOS



OFFERING  
MEMORANDUM

## CVS/PHARMACY

### NET LEASED OFFERING

5501 BRAINERD RD CHATTANOOGA, TN 37411

OFFERING MEMORANDUM  
**PRESENTED BY:**

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# INVESTMENT OVERVIEW



This is a rare CVS/pharmacy absolute net leased offering in Chattanooga, Tennessee. The lease calls for minimal landlord obligations, with the landlord being responsible for the roof and structure only. The lease was extended 25 years in January of 2013 and expires at the end of January of 2039. The roof was replaced in 2018 with a 20-year transferable warranty. The asset is well situated on a major commercial thoroughfare with neighboring national retail tenants including Arby's, Krystal and Applebee's, and is strategically located less than a mile from Parkridge East Hospital (128 bed hospital).

## INVESTMENT HIGHLIGHTS

**LONG TERM 18+ YEARS REMAIN ON A CORPORATE GUARANTEED LEASE**

**MINIMAL LANDLORD OBLIGATIONS (ROOF & STRUCTURE)**

**S&P RATED BBB CREDIT INVESTMENT GRADE**

**WELL SITUATED ON A MAJOR COMMERCIAL THOROUGHFARE**

**BRAND NEW ROOF WENT ON IN 2018 WITH A TRANSFERABLE 20 YEAR WARRANTY**

**128-BED HOSPITAL LESS THAN A MILE AWAY**

## OFFERING SPECIFICATIONS

**PRICE** \$3,961,905

**CAP RATE** 5.25%

**NET OPERATING INCOME** \$208,000

**SQUARE FOOTAGE** 12,418

**LOT SIZE** 1.03 AC

**YEAR BUILT** 1997

# FINANCIAL SUMMARY

## CVS/PHARMACY • NET LEASED OFFERING

5501 BRAINERD RD CHATTANOOGA, TN 37411

**\$3,961,905 • 5.25%**

### SUMMARY

TENANT NAME	CVS/Caremark
SQUARE FOOTAGE	12,418
LEASE BEGINS	1/30/2013
LEASE ENDS	1/31/2039
ANNUAL RENT	\$208,000
OPTIONS	Five, 5-Year
INCREASES	10% Increases in options 1 & 2 and FMV for options 3-5

### OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
CURRENT	\$208,000.00	5.25%

# LEASE ABSTRACT

## BASIC TERMS

TENANT	CVS/Caremark
GUARANTOR	CVS/Caremark
BUILDING SIZE	12,418 SF
LOT SIZE	1.03 AC
ADDRESS	5518 Brainerd Rd. Chattanooga, TN
LEASE START	1/30/2013
LEASE END	1/31/2039
RENEWAL OPTIONS	Five, 5-Year
INCREASES	10% Increases in options 1 & 2 and FMV for options 3-5

## OBLIGATIONS

LANDLORD OBLIGATIONS	Roof and Structure
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# TENANT OVERVIEW



## CVS/PHARMACY

CVS Caremark Corporation (NYSE: CVS) is an integrated pharmacy services provider, combining a pharmaceutical service company with a U.S. pharmacy chain. CVS Caremark provides pharmacy services through its over 9,700 CVS/Pharmacy stores its pharmacy benefit management, mail order and specialty pharmacy division, (Caremark Pharmacy Services), its retail-based health clinic subsidiary (MinuteClinic) and its online pharmacy (CVS.com). CVS Caremark Corporation is chartered in Delaware and is headquartered in Woonsocket, Rhode Island. The pharmacy services business is headquartered in Nashville, Tennessee. As the retail pharmacy division of CVS Health, it ranks as the 7th largest U.S. corporation according to Fortune 500 in 2016.

CVS Caremark has two operating segments: CVS/Pharmacy and Caremark Pharmacy Services. CVS Pharmacy same store prescription volumes rose by 3.6 percent in 2016, with same store pharmacy sales up 3.2 percent. With front store same store sales declining by 1.5 percent, total same store sales increased by 1.9 percent. CVS Pharmacy locations now fill more than 1 billion prescriptions annually and have captured a 23.8 percent share of U.S. retail prescriptions. Size, scale, and expertise matter in health care.



**PUBLICLY TRADED**  
NYSE: CVS



**9,700+** LOCATIONS



**80,000+** EMPLOYEES

CVS experienced strong organic prescription growth across the enterprise in 2016, augmented by the Omnicare and Target acquisitions. Nearly 1,700 pharmacies expanded their retail footprint by more than 20 percent. It also gave CVS a presence in new regions such as Seattle, Denver, Portland, and Salt Lake City. They have successfully completed the integration and are now focused on converting more of Target's 30 million weekly guests into CVS Pharmacy customers.



# PROPERTY PHOTOS

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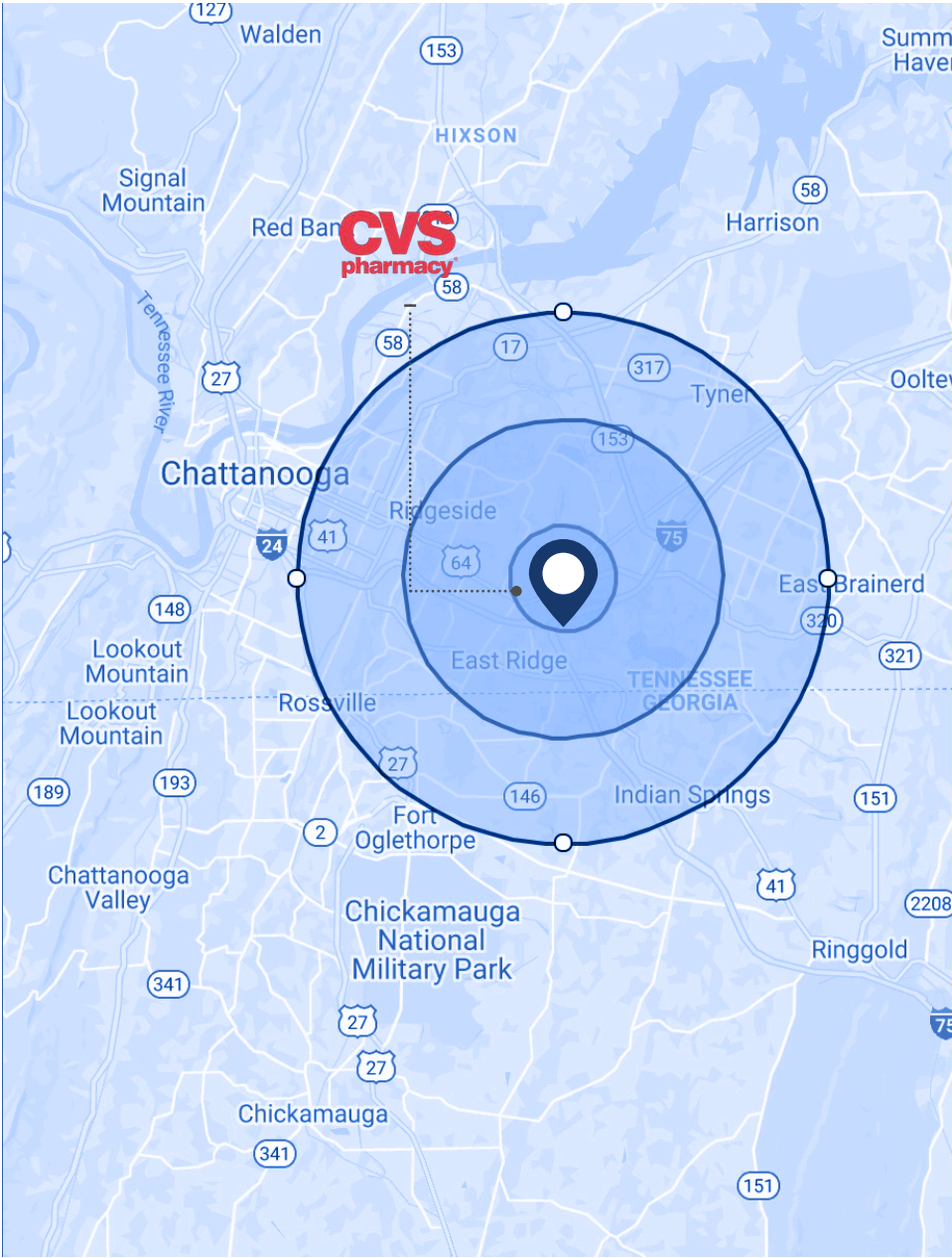


# LOCATION AERIAL





# REGIONAL OVERVIEW





# DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
<b>TOTAL POPULATION</b>	<b>55,169</b>	<b>144,700</b>	<b>340,788</b>
<b>TOTAL HOUSEHOLDS</b>	<b>23,979</b>	<b>59,784</b>	<b>139,349</b>
<b>AVERAGE HOUSEHOLD INCOME</b>	<b>\$61,757</b>	<b>\$59,485</b>	<b>\$70,578</b>
<b>AVERAGE AGE</b>	<b>40.20</b>	<b>39.20</b>	<b>39.60</b>

# AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	55,169	144,700	340,788
TOTAL HOUSEHOLDS	23,979	59,784	139,349
PERSONS PER HOUSEHOLD	2.30	2.30	2.40
AVERAGE HOUSEHOLD INCOME	\$61,757	\$59,485	\$70,578
AVERAGE HOUSE VALUE	\$133,342	\$136,719	\$160,883
AVERAGE AGE	40.20	39.20	39.60
WHITE	36,879	93,129	251,682
BLACK	15,627	43,525	72,221
AM. INDIAN & ALASKAN	363	1,239	1,980
ASIAN	1,022	3,153	7,368
HAWAIIAN & PACIFIC ISLAND	122	434	626
OTHER	1,156	3,219	6,911

## CHATTANOOGA, TENNESSEE

Chattanooga is a city in and the county seat of Hamilton County, Tennessee, along the Tennessee River bordering Georgia. With an estimated population of 182,799 in 2019, it is the fourth-largest city in Tennessee and one of the two principal cities of East Tennessee, along with Knoxville. Served by multiple railroads and Interstate highways, Chattanooga is a transit hub. Chattanooga lies 118 miles northwest of Atlanta, Georgia, 112 miles southwest of Knoxville, Tennessee, 134 miles southeast of Nashville, Tennessee, 102 miles (164 km) east-northeast of Huntsville, Alabama, and 147 miles northeast of Birmingham, Alabama.

The Chattanooga metropolitan statistical area is the fourth largest in Tennessee and the city of Chattanooga anchors a three-state area that includes Southeast Tennessee, Northwest Georgia, and Northeast Alabama. Major industry driving the economy includes automotive, advanced manufacturing, food and beverage production, healthcare, insurance, tourism, and back office and corporate headquarters.

The city, with a downtown elevation of about 680 feet, is at the transition between the ridge-and-valley portion of the Appalachian Mountains and the Cumberland Plateau. Its official nickname is “Scenic City”, alluding to the surrounding by mountains and ridges. Unofficial nicknames include “River City”, “Chatt”, “Nooga”, “Chattown”, and “Gig City”, the latter a reference to Chattanooga’s claims that it haas the fastest internet service in the Western Hemisphere.

Chattanooga is internationally known for the 1941 song “Chattanooga Choo Choo” by Glenn Miller and his orchestra. Chattanooga is home to the University of Tennessee at Chattanooga (UTC) and Chattanooga State Community College.





**CHATTANOOGA, TN**



**The Kase Group**

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