

**CVS**  
pharmacy®



\*ACTUAL SITE PHOTOS



OFFERING  
MEMORANDUM

**CVS/PHARMACY**  
ABSOLUTE NNN LEASED OFFERING

2037 STATE ST, SCHENECTADY, NY 12304



OFFERING MEMORANDUM  
**PRESENTED BY:**

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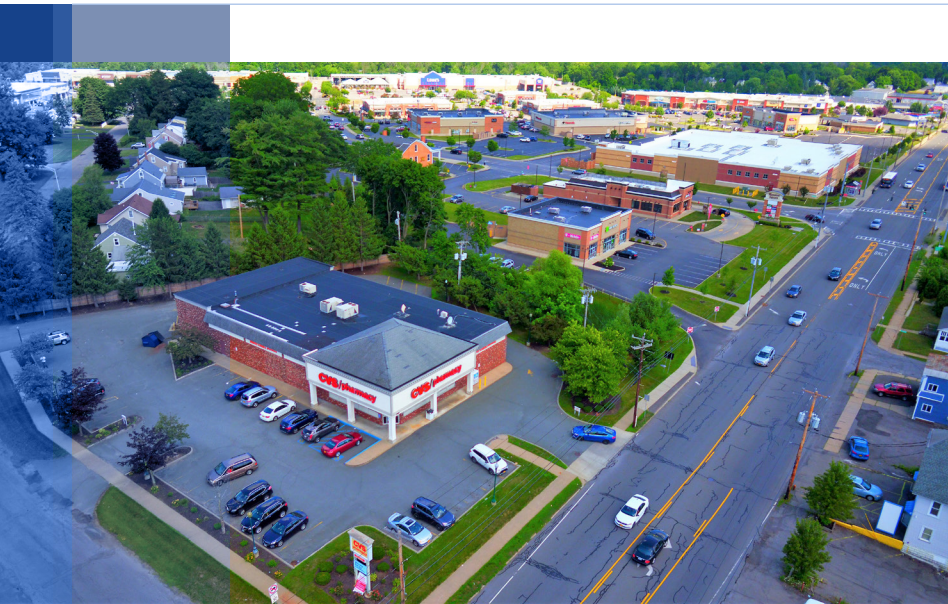
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# INVESTMENT OVERVIEW



This is a rare CVS/pharmacy absolute net leased offering in Schenectady, New York. The lease calls for zero landlord obligations with two, 5-year options with substantial increases in rent at each option. The asset is well situated on a major commercial thoroughfare and has excellent access and visibility. This CVS/pharmacy has a drive-thru pharmacy and experiences a high volume of traffic with 15,987 VPD along State Street. This site is next to Lowe's, Target, and Marshall's anchored Mohawk Commons shopping mall. Other neighboring tenants include Ulta Beauty, Party City, Bed Bath & Beyond, Chipotle, Wendy's, and more.

## INVESTMENT HIGHLIGHTS

CVS/PHARMACY ABSOLUTE NNN LEASE

ZERO LANDLORD OBLIGATIONS

100% FEE SIMPLE INTEREST

S&P RATED BBB CREDIT INVESTMENT GRADE

LOCATED ON A MAJOR COMMERCIAL THOROUGHFARE

DRIVE-THRU PHARMACY

HEAVILY TRAFFICKED LOCATION

## OFFERING SPECIFICATIONS

PRICE \$3,791,160

CAP RATE 5.00%

NET OPERATING INCOME \$189,558

SQUARE FOOTAGE 10,125

MARKET ALBANY



# FINANCIAL SUMMARY

## CVS/PHARMACY • ABSOLUTE NNN LEASE OFFERING

2037 STATE ST, SCHENECTADY, NY 12304

**\$3,791,160 • 5.00% CAP**

### SUMMARY

TENANT NAME	CVS Health
SQUARE FOOTAGE	10,125
LEASE ENDS	1/31/2039
CURRENT RENT	\$189,558
OPTIONS	Two, 5-year options
INCREASES	At Options

### OFFERING SUMMARY

	NET OPERATING INCOME	CAP RATE
CURRENT	\$189,558	5.00%
OPTION 1	\$299,801	7.91%
OPTION 2	\$323,798	8.54%

# 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





# LOCATION AERIAL





# LOCATION AERIAL



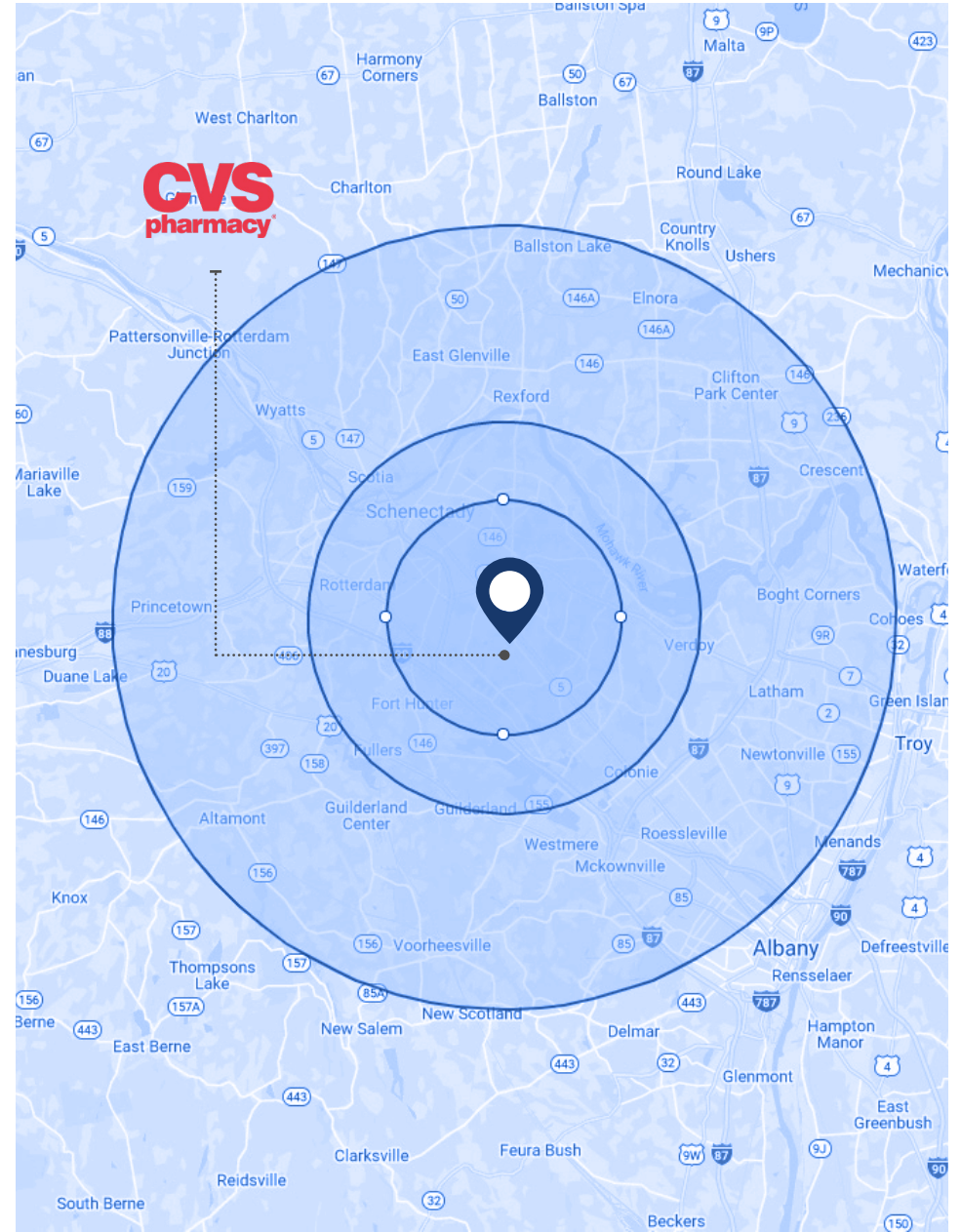


# LOCATION AERIAL





# REGIONAL OVERVIEW



# DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
<b>TOTAL POPULATION</b>	<b>73,022</b>	<b>147,736</b>	<b>386,289</b>
<b>TOTAL HOUSEHOLDS</b>	<b>29,216</b>	<b>59,479</b>	<b>156,662</b>
<b>AVERAGE HOUSEHOLD INCOME</b>	<b>\$86,647</b>	<b>\$84,526</b>	<b>\$92,190</b>
<b>AVERAGE AGE</b>	<b>40.00</b>	<b>39.80</b>	<b>40.20</b>



# AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	73,022	147,736	386,289
TOTAL HOUSEHOLDS	29,216	59,479	156,662
PERSONS PER HOUSEHOLD	2.50	2.40	2.30
AVERAGE HOUSEHOLD INCOME	\$86,647	\$84,526	\$92,190
AVERAGE HOUSE VALUE	\$178,925	\$185,161	\$223,287
AVERAGE AGE	40.00	39.80	40.20
WHITE	52,947	110,681	307,773
BLACK	11,168	20,639	38,086
AM. INDIAN & ALASKAN	628	1,071	1,658
ASIAN	4,730	9,127	26,606
HAWAIIAN & PACIFIC ISLAND	182	334	483
OTHER	3,366	5,885	11,683

## SCHENECTADY, NEW YORK

Schenectady is a city in Schenectady County, New York, United States, of which it is the county seat. As of the 2010 census, the city had a population of 66,135. The name “Schenectady” is derived from the Mohawk word skahnéhtati, meaning “beyond the pines”. Schenectady was founded on the south side of the Mohawk River by Dutch colonists in the 17th century, many of whom were from the Albany area. The Dutch transferred the name “Skahnéhtati” which is in reality the Mohawk name for Albany, New York.

## ALBANY, NEW YORK

Continued growth in healthcare and education services, along with a bump in professional and business services, is expected to drive the unemployment rate down over the next few years.

According to the Capital Region Economic Development Council, unemployment has declined since reaching 7% in 2011. The area hopes to move away from relying on public sector employment for security, and private sector employment has increased by 6% since 2011, while government jobs have dropped by almost 1%. This is due in large part to the metro receiving nearly \$30 million from the state in the past 10 years. Part of an attempt to create a “Tech Valley” in upstate New York, the money was used to provide tax breaks for tech companies and to help fund and encourage startups. The program has had some success: Last year U.S. News and World Report ranked Albany third in the nation for finding a job in technology. Companies like FirstLight Fiber and Advanced Micro Devices are expanding and gaining the respect and interest of companies and investors from Silicon Valley. The metro is also becoming a hot spot for clean energy development, and the area has produced noteworthy levels of patents in the wind and solar sectors.



**SCHENECTADY, NEW YORK**



**The Kase Group**

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