



CVS PHARMACY

2435 E INDEPENDENCE AVE | KANSAS CITY, MO 64124



**Kidder
Mathews**

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LOCATION OVERVIEW

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01

INVESTMENT SUMMARY

THE OFFERING

INVESTMENT HIGHLIGHTS

INVESTMENT SUMMARY

THE OFFERING

Kidder Mathews is pleased to offer for sale the fee simple interest in a single-tenant, triple-net investment grade asset, leased to CVS Pharmacy located in Kansas City, MO. The property is listed for \$3,191,414, a 6.70% cap rate on in-place NOI. CVS has successfully operated at this location since 2001. Additionally, this investment has absolutely no landlord responsibilities, and features a drive-thru pharmacy. The property is operating under an absolute NNN lease with just under twelve (12) years, along with two (2), five (5) year options at a fixed rate and eight (8), five (5) year FMV options at 101% of FMV.



\$3,191,414

PRICE

6.70%

CAP RATE



2435 E INDEPENDENCE AVE

\$3,191,414

PRICE

6.70%

CAP RATE

KEY FACTS

Address	2435 E Independence Ave Kansas City, MO 64124
Tenant	CVS/Caremark
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Lease Expiration	January 31, 2032
Term Remaining	±11.9 years
NOI	\$213,824.76
Total SF	14,000 SF
Year Built	2001
Options	Two (2), Five (5) year fixed-rate options, and Eight (8), Five (5) year FMV options at 101% of FMV
Rent Holiday	Last 3 years of initial lease term

RENT SCHEDULE

Lease Years	Annual Rent
11-22	\$213,824.76
23-25	Rent Holiday
1st Renewal Option	Fixed Rate
2nd Renewal Option	Fixed Rate
3-8 Renewal Options	101% of FMV

INVESTMENT HIGHLIGHTS

Corporate Credit

CVS Health Corporation (S&P: BBB+, NYSE: CVS) together with its subsidiaries are one of the largest pharmacy health providers in the United States operating more than 9,700 retail drugstores in the United States, Puerto Rico and Brazil. CVS has the strongest credit profile amongst the three largest drug stores (S&P Ratings for Walgreens and Rite Aid are BBB and B respectively).

Absolute NNN

The Property possesses ideal net lease fundamentals, highlighted by an absolute NNN structure with zero landlord responsibilities.

Long-Term Investment

There are approximately 12 years remaining on the initial 25-year original lease term. CVS has two 5 year options at a Fixed Rate, then eight 5 year options at 101% of FMV, along with a rent holiday for the last three years of the lease.

The rent holiday allows investors to buy at a higher cap rate today, therefore increasing the overall projected return. This high return on the front end enables investors to get their return on investment front loaded.

Nearby National/Credit

Tenants include 7-Eleven, Autozone, Aldi, KFC, O'Reilly Auto Parts, McDonald's and more.

Free & Clear

Property will be delivered free & clear, allowing investors to take advantage of attractive new financing options.





02

LOCATION OVERVIEW

KANSAS CITY, MO

AERIAL MAP

LOCATION OVERVIEW

KANSAS CITY, MO

Kansas City is the largest city in the U.S. state of Missouri. According to the U.S. Census Bureau, the city had an estimated population of 491,918 in 2018, making it the 38th most-populous city in the United States. It is the most populated municipality of the Kansas City metropolitan area, which straddles the Kansas-Missouri state line.

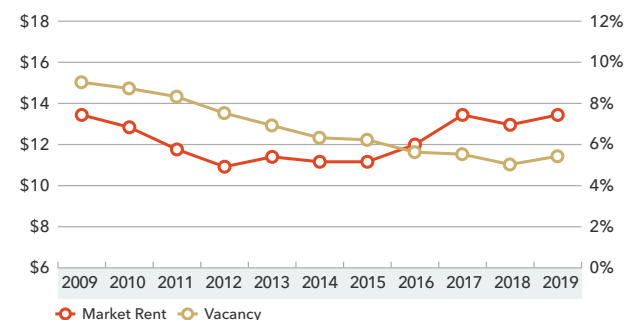
Kansas City has thrived this cycle, with much of that performance supported by its largest job center in Johnson County. The county has also been the primary beneficiary of Kansas's aggressive tax incentives to lure companies, such as AMC Theaters and JPMorgan, across the Missouri border. However, economic growth in Kansas City goes beyond Johnson County. For example, the KC Speedway district in western Wyandotte County could emerge as a major job engine. Over the past decade or so, multiple sporting/entertainment venues and more than 2 million SF of retail space have gone up in that area. With plenty of buildable land, solid highway access, and the same tax advantages as Johnson County, more development could follow. In 2016 was already up over 8% from the census data taken in 2010. Based on the past growth of this city, the population is only expected to continue to grow and will soon hit the next milestone of 400,000 residents.



DEMOGRAPHICS

Population	1-mile	3-mile	5-mile
2019 Estimate	18,286	88,525	198,161
2024 Projections	18,845	94,031	207,530
Avg Daytime Demos	17,259	196,369	362,695
Households	1-mile	3-mile	5-mile
2019 Estimate	6,436	36,204	85,157
2019 Avg HH Income	\$40,820	\$51,925	\$53,253
2024 Avg HH Income	\$48,729	\$63,028	\$63,225
Traffic Counts	ADV		
E Independence Ave	15,568		
N/E Prospect Ave	7,294		

MARKET RENT VS. VACANCY



RETAIL MARKET STATISTICS

3,339
OF BUILDINGS

35.8M SF
TOTAL INVENTORY

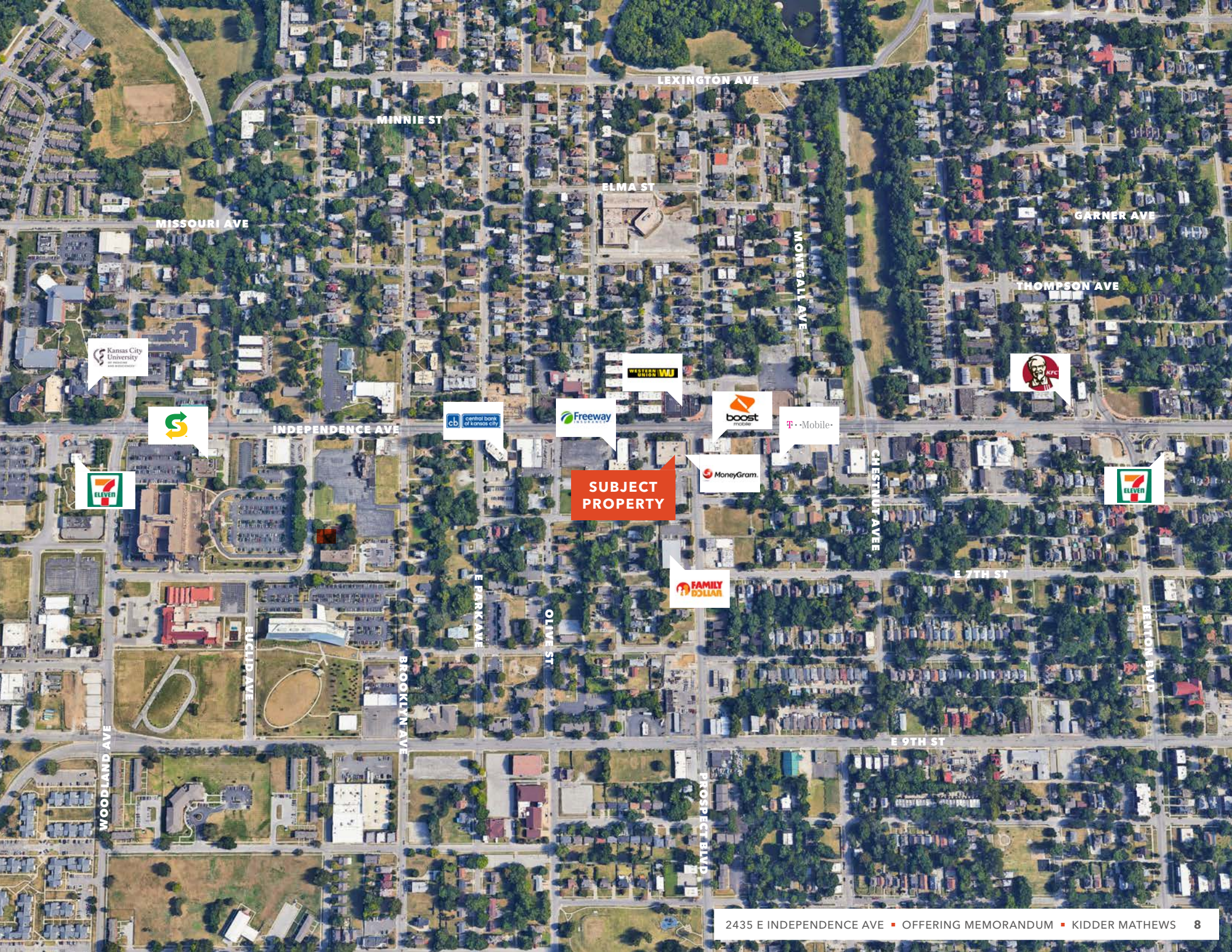
58K SF
YTD NET ABSORP

1.285M SF
NET DELIVERIES (2014-2019)

5.4%
TOTAL VACANCY

\$1.12
YTD NNN RENT OVERALL

\$13.44
YTD NNN RENT ANNUAL



**SUBJECT
PROPERTY**



03

TENANT OVERVIEW

CVS HEALTH

TENANT OVERVIEW

CVS HEALTH

CVS Pharmacy is a publicly traded company on the New York Stock Exchange (Symbol: CVS) with a market capitalization in excess of \$80 billion. CVS is an investment grade rated tenant with a Standard & Poor's rating of BBB. The company has launched assertive growth plans in recent quarters. CVS is currently the only integrated pharmacy healthcare company with the capability to have an influence on consumers, payors, and providers with innovative resolutions. They have a profound outlook 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.

MARKET LEADING TENANT

CVS Health Corporation is engaged in the retail drugstore business. The company operates 9,800+ locations in 49 states, the District of Columbia, Puerto Rico and Brazil. CVS Pharmacy is the nation's drugstore chain and total prescription revenue. CVS is headquartered in Woonsocket, Rhode Island and was founded in 1963.

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.



COMPANY OVERVIEW

CVS HEALTH COMPANY

PARENT COMPANY

CVS

NYSE

BBB / STABLE

CREDIT RATING (S&P)

\$184.7B

TOTAL REVENUE (2017)

203,000

TOTAL EMPLOYEES

WOONSOCKET, RI

HEADQUARTERS

[VIEW WEBSITE](#)

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