



Chandler, AZ / Phoenix MSA



LONG-TERM NNN CVS INVESTMENT OPPORTUNITY
4990 SOUTH ARIZONA AVENUE, CHANDLER, AZ 85248

CBRE

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INVESTMENT SUMMARY

OFFERING PRICE:	\$9,045,000	TOTAL BUILDING AREA:	13,013 SF
CAP RATE:	5.25%	TOTAL LAND AREA:	1.88 acres
NOI (IN-PLACE):	\$474,811	LEASE STRUCTURE:	NNN
LEASE TERM REMAINING:	+/- 14 Years	OWNERSHIP TYPE:	Fee Simple

INVESTMENT HIGHLIGHTS

LONG-TERM NNN LEASE WITH LIMITED LANDLORD RESPONSIBILITIES

- ± 14 years remaining on CVS’ NNN lease
- Ten 5-Year renewal options with 5% rent increases in the first two options
- Possibility to cash flow asset for up to 65 years which provides an attractive long-term investment horizon

PREMIER TENANT WITH CVS CAREMARK GUARANTEE

- CVS is a leading drugstore tenant which has more than 9,900 retail locations making it the largest pharmacy healthcare provider in the United States
- In 2019, CVS had revenue of \$256.8 billion and net income of \$6.6 billion which ranked the company 8th on the Fortune 500 list

EXCELLENT ACCESS AND VISIBILITY

- CVS is ideally positioned with excellent access and visibility at the hard corner intersection of West Chandler Heights Road and South Arizona Avenue (Combined Traffic Count: 37,700 VPD)
- West Chandler Heights Road and South Arizona Avenue are the two main north-south and east-west thoroughfares in the surrounding corridor which draws significant traffic around the site
- Prime retail location surrounded by a dense retail and residential corridor that provides a built-in customer base
- Surrounding retailers include Target, Home Depot, Lowe’s, Staples, PetCo, PetSmart, Big 5 Sporting Goods, Alamo Drafthouse Cinema, Ross Dress for Less, LA Fitness, O’Reilly Auto Parts, Firestone Auto Care, among many others





AFFLUENT PHOENIX MSA DEMOGRAPHICS

- More than 7,857 people in a 1-mile radius with an average household income exceeding \$167,815
- More than 79,348 people in a 3-mile radius with an average household income exceeding \$121,098
- More than 164,049 people in a 5-mile radius with an average household income exceeding \$115,588

IDEAL 1031 EXCHANGE OPPORTUNITY

- “Coupon Clipper” single tenant, net leased investment with corporate guarantee
- Available free and clear of existing debt allowing a new investor to take advantage of current falling 10 -Year Treasury rates
- Ideal 1031 exchange property able to accommodate a quick close

CHANDLER, AZ

Chandler is located 24 miles southeast of Phoenix, and is the fourth largest city in Arizona. The city is one of the fastest growing innovation and technology centers in the nation that fosters a vibrant, diverse, fiscally responsible community with a supportive business climate that attracts talent from around the country.

CVS Corporate Office in Chandler, AZ

Chandler’s corporate-friendly business climate is highlighted by the fact that 30 companies on the Fortune 1000 list have office locations in the city, including CVS Health Corporation. Together, these companies have nearly 35,000 employees in Chandler, which translates to about 30% of citywide employment.

Distance to

Sky Harbor International Airport	23 miles
Phoenix CBD	24 miles



CHANDLER IS ONE OF THE STRONGEST ECONOMIC CENTERS IN THE REGION, STATE AND NATION DUE TO ITS DEMOGRAPHICS AND BUSINESS CLIMATE.



SIZE

Located in the fastest growing county in the U.S. and employers have access to more than 1 million workers within a 30-minute commute.



EDUCATED

43% of Chandler’s adult residents possess a bachelor’s or advanced degree, and 76% have attended college.



CAPABLE

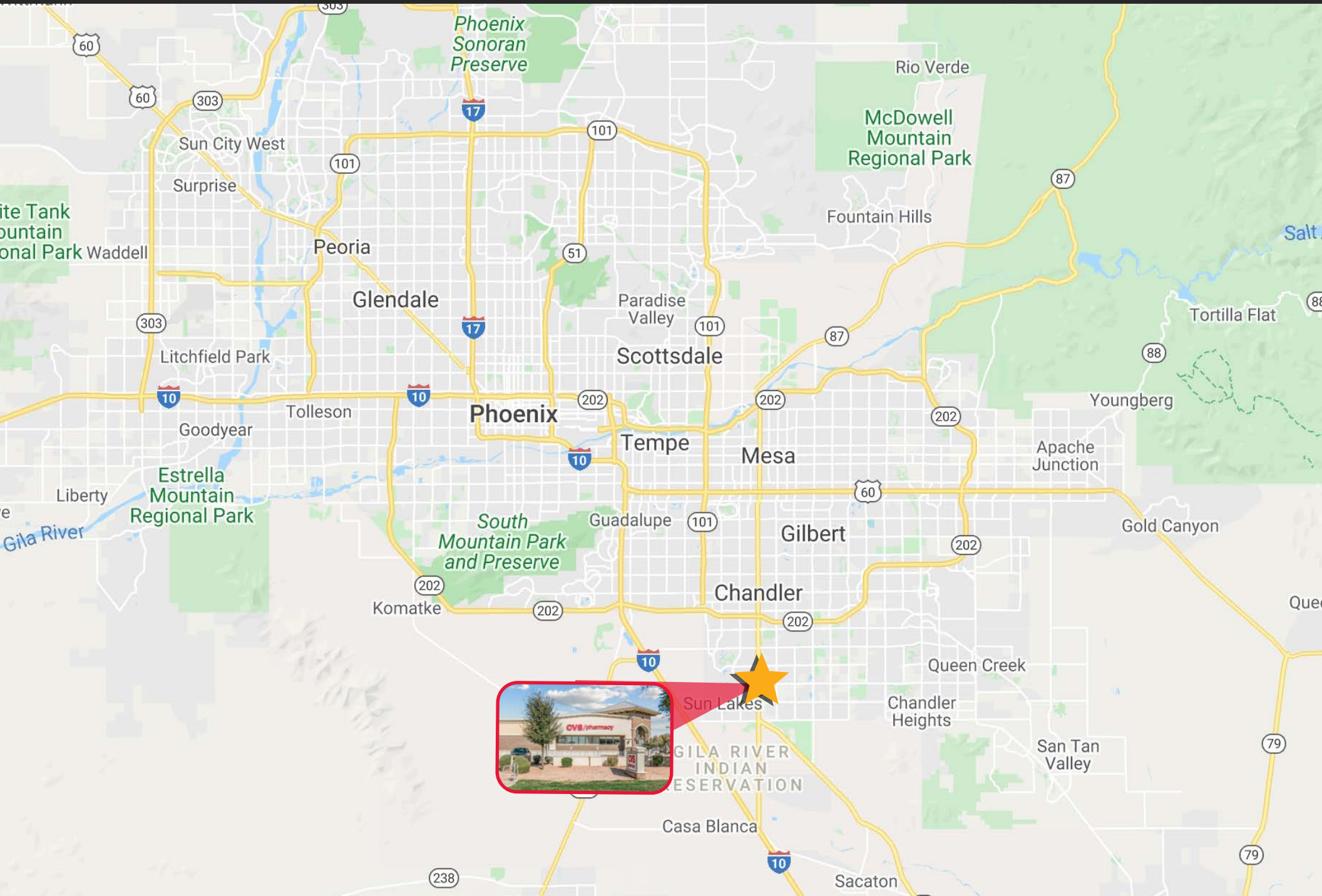
Internationally recognized companies from all industries have found they can depend on Chandler’s skilled Workforce.



DIVERSE

Chandler’s leading employers have a truly global footprint that draws talent of all nationalities and backgrounds.

REGIONAL MAP



PHOENIX MSA

As the capital and economic hub of Arizona, the Phoenix (MSA Population: 4.74 million) is home to more than two-thirds of Arizona’s population. The city’s economy is based on technology, military, real estate, manufacuturing, healthcare, and retail. Due to the area’s unique desert landscape and mild winters, Phoenix benefits greatly from seasonal tourism and recreation, especially in the golfing industry. The 6th largest and 15th most populous state, Arizona is most well-known for its top attractions, which include the Sonoran Desert, the Grand Canyon National Park, the Sedona/Verde Valley, and many other parks and monuments.

Also known as the Valley of the Sun, the Greater Phoenix MSA is the 5th largest metropolitan area in the United States and is ranked 5th in the nation for economic growth. Comprising more than 20 communities, it is also the fastest growing major metropolitan area, having gained more than 1.5 million residents since 2000. The Phoenix MSA has historically performed at the center of the state’s economy. The technology and service industries account for almost 77% of total employment in the region.



PHOENIX AT A GLANCE



Population:
4.7 MILLION



5TH MSA in the nation in
economic growth



Home to **6**
Fortune 500 companies



Hub for Nation’s
Technology & Service
Industry



Location
4990 South Arizona Avenue, Chandler, AZ 85248



County
Maricopa County



Ingress / Egress
The property is accessible via two primary access points: one off West Chandler Heights Road and one off South Arizona Avenue.



Land Area
The parcel consists of approximately 81,849 SF of land area or 1.88 acres



Building Area
The subject property consists of one (1) retail building totaling approximately 13,013 square feet



Parking
There are ±73 spaces provided including 3 handicap designated spaces



Traffic Counts
South Arizona Avenue = 24,000 VPD
West Chandler Heights Road = 13,700 VPD



Year Built
This CVS was constructed in 2008.



of Stories
The building is single story.

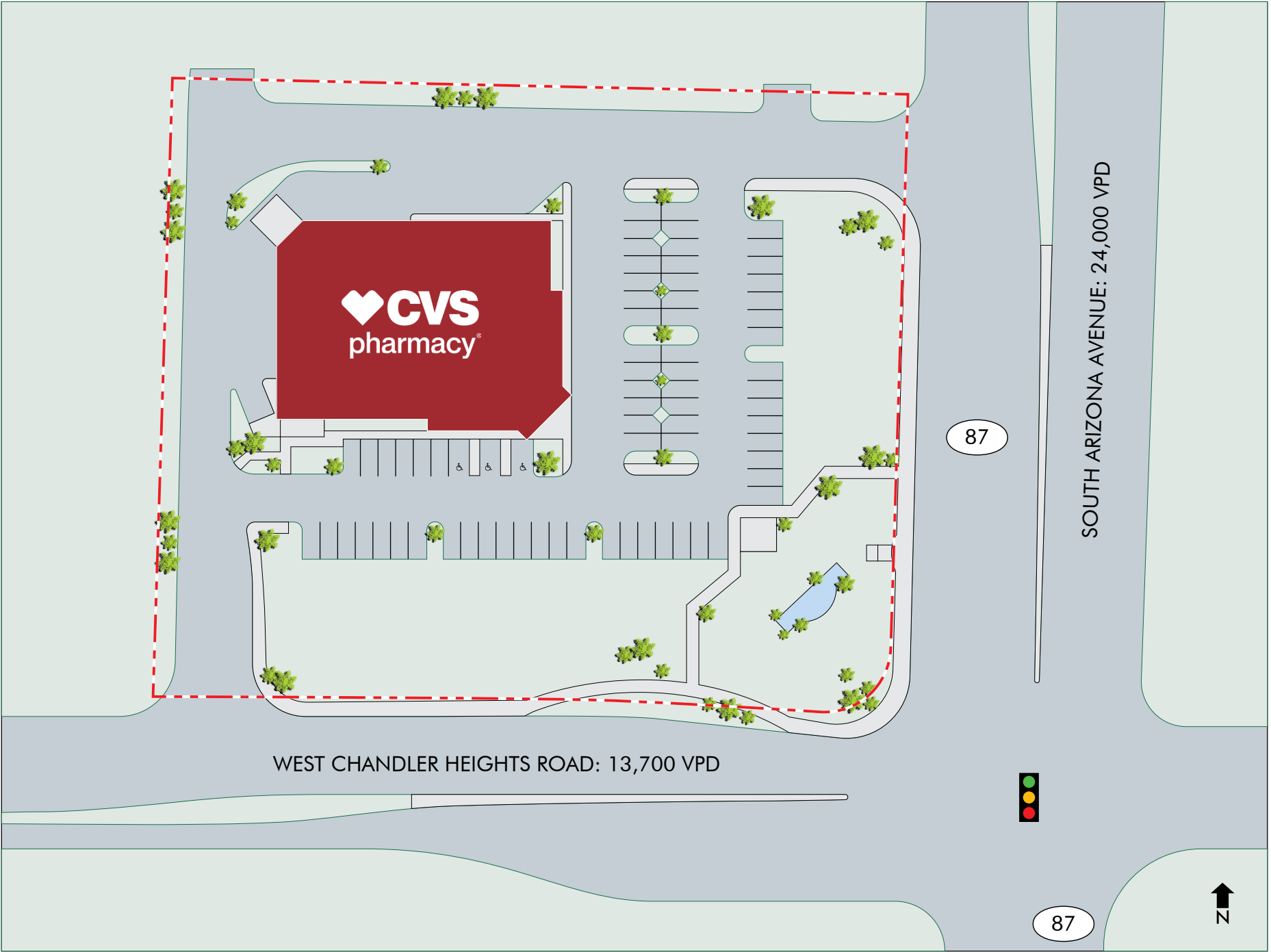


Construction
Reinforced concrete foundation and exterior walls comprised of concrete block.



Zoning
PAD, Commercial and Industrial

SITE PLAN

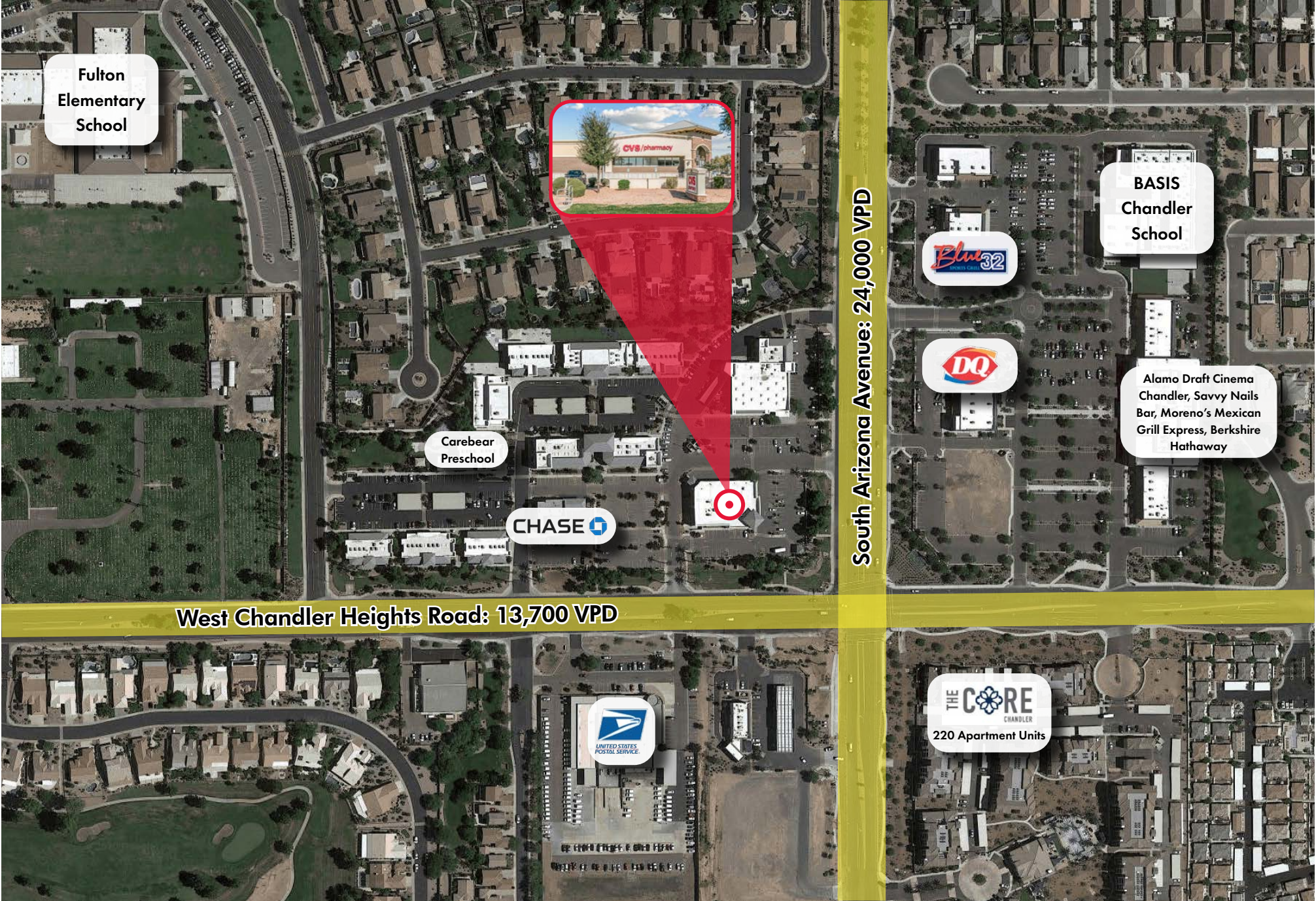


DEMOGRAPHICS

	1 Mile	3 Miles	5 Miles
PLACE OF WORK			
2019 Businesses	267	1,356	3,260
2019 Employees	3,140	14,316	46,589
POPULATION			
2019 Population - Current Year Estimate	7,857	79,348	164,049
2024 Population - Five Year Projection	9,415	88,461	184,564
2010 Population - Census	4,238	65,030	128,904
2000 Population - Census	1,516	30,945	64,388
2010-2019 Annual Population Growth Rate	6.90%	2.17%	2.64%
2019-2024 Annual Population Growth Rate	3.68%	2.20%	2.38%
HOUSEHOLDS			
2019 Households - Current Year Estimate	2,579	30,829	60,773
2024 Households - Five Year Projection	3,052	33,975	67,848
2010 Households - Census	1,460	25,847	48,903
2000 Households - Census	609	13,661	24,807
2010-2019 Annual Household Growth Rate	6.34%	1.92%	2.38%
2019-2024 Annual Household Growth Rate	3.43%	1.96%	2.23%
2019 Average Household Size	3.05	2.57	2.70
HOUSEHOLD INCOME			
2019 Average Household Income	\$167,815	\$121,098	\$115,588
2024 Average Household Income	\$189,637	\$139,068	\$132,979
2019 Median Household Income	\$130,805	\$97,402	\$93,169
2024 Median Household Income	\$149,331	\$107,720	\$104,363
2019 Per Capita Income	\$55,919	\$47,037	\$42,773
2024 Per Capita Income	\$62,219	\$53,406	\$48,832
DAYTIME POPULATION			
2019 Daytime Population	7,906	60,634	140,609
Daytime Workers	3,545	16,834	56,594
Daytime Residents	4,361	43,800	84,015



AERIAL



LEASE ABSTRACT

GUARANTOR:	CVS Caremark Corporation
TENANT:	German Dobson CVS, LLC (dba CVS Pharmacy)
COMMENCEMENT DATE:	July 15, 2009
LEASE EXPIRATION:	January 31, 2035
LEASE TERM REMAINING:	± 14 Years
BASE RENT:	\$474,811 (\$36.49/SF)
INITIAL TERM RENT INCREASES:	Flat
RENEWAL OPTIONS:	Ten 5-Year Options
OPTION PERIOD RENT INCREASES:	Option 1 - Option 2: 5% increase Option 3 - Option 10: 100% of FMV, no less than previous rent
LEASE STRUCTURE:	NNN
TAXES:	Tenant agrees to timely pay all tax authorities for all real estate taxes and assessments levied against the Premises.
INSURANCE:	Tenant, at tenant's sole cost and expense, shall maintain All-Risk insurance for the Building for at least 100% of its reasonable replacement value. Tenant also shall maintain General Liability coverage, including Broad Form Endorsement, on an occurrence basis in combined policy limits of not less than \$2,000,000 per occurrence for bodily injury and for property damage with respect to the Premises. Tenant may carry such All-Risk and General Liability Insurance by way of a Business Owners Policy, or any equivalent thereof, or through blanket insurance covering the Premises and other locations of Tenant and/or of Tenant's affiliates.
MAINTENANCE:	Tenant shall maintain, repair and replace, as necessary, and keep in good condition: the Premises and the Building, including the roof, structure, interior and exterior, and fixtures and equipment therein, parking lot, landscaping, HVAC equipment, broken glass, storefront, and all other aspects of the Premises and Building whatsoever. With respect to the parking and other exterior areas of the Premises, Tenant shall be responsible for: repairing, resurfacing, replacing, re-striping, and resealing, of the parking areas; repair of all curbing, sidewalks and directional markers; removal of snow and ice; landscaping, irrigation of grass and landscaped areas to the extent that an irrigation system exists on the date of this Lease or if installed by Tenant during the term of this Lease; and provision of adequate lighting during all hours of darkness that Tenant shall be open for business.

RENT SCHEDULE

Initial Term	Annual Rent	Monthly Rent
PRESENT – 1/31/2035	\$474,811	\$39,568
Renewal Options	Annual Rent	% Increase
2/1/2035 – 1/31/2040	\$498,551	5% Increase
2/1/2040 – 1/31/2045	\$523,479	5% Increase
OPTION 3 - OPTION 10	100% of FMV, no less than previous rent	



TENANT PROFILE

CVS Pharmacy
WWW.CVS.COM

2019 REVENUE	\$256.8 Billion
LOCATIONS	9,900
EMPLOYEES	± 250,000
HEADQUARTERS	Woonsocket, RI

CVS Health Corporation (NYSE: CVS; S&P: BBB) is the largest pharmacy health care provider in the United States, boasting integrated offerings across the entire spectrum of pharmacy care. CVS is a market leader in the following sectors: Mail Order Pharmacy, Retail Pharmacy, Specialty Pharmacy, Retail Medical Clinics, Medical Part D Prescription Drug Plans and Pharmacy Benefits Manager (PBM). The Retail/LTC Segment sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, personal care products, convenience foods, photo finishing, seasonal merchandise and greeting cards. With the recent acquisition of Omnicare, the Retail/LTC Segment now includes LTC operations, which entails providing the distribution of pharmaceuticals, related pharmacy consulting and other ancillary services to chronic care facilities and other care settings as well as commercialization services, which are provided under the name RxCrossroads. CVS added approximately 1,670 pharmacies in December 2015 through the acquisition of the pharmacies of Target Corporation. The stores within Target sell only prescription drugs and over-the-counter drugs (required to remain behind the pharmacy counter). The Retail/LTC Segment also operates retail medical clinics under the MinuteClinic name (nearly all of which are located within a CVS Pharmacy or Target). MinuteClinics utilize nationally-recognized medical protocols to diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions and deliver vaccinations. The clinics are staffed by board-certified nurse practitioners and physician assistants who provide access to affordable care without appointment.



AS OF 2019, CVS WAS RANKED
#8 ON THE FORTUNE 500 LIST
WITH REVENUE EXCEEDING \$256
BILLION.

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LONG-TERM NNN CVS PHARMACY
SINGLE-TENANT INVESTMENT OPPORTUNITY



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