

SINGLE TENANT ABSOLUTE NNN

Investment Opportunity



7402 West Fairview Avenue

BOISE IDAHO

ACTUAL SITE

NASelect

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OFFERING SUMMARY



PROPERTY SPECIFICATIONS

Rentable Area	12,900 SF
Land Area	1.41 Acres
Property Address	7402 West Fairview Avenue Boise, Idaho 83704
Year Built	2018
Parcel Number	R9322400720
Ownership	Fee Simple (Land & Building Ownership)
24-Hour Location?	No
Minute Clinic?	No

DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
2020 Estimated Population	15,635	111,680	241,623
2020 Average Household Income	\$59,820	\$68,921	\$80,238
2020 Estimated Total Employees	16,178	76,314	174,514

TRAFFIC COUNTS

W. Fairview Avenue & N. Cole Road

50,200 VPD



Investment Grade Tenant | Absolute NNN | Long Term Lease

- CVS Health Corporation guaranteed lease (S&P: BBB)
- The lease is absolute net lease structure with 24 years remaining and 10 (5-year) options to extend

Ideal 1031 Exchange | Long-Term Trust Planning

- The property is encumbered by non-recourse, zero cash flow financing, which provides significant equity growth and preservation for a passive investor
- The current loan on the property includes a pay-down / readvance feature allowing an exchange buyer to pull 99% of the outstanding loan balance in cash from the exchange
- The minimal required equity to purchase the property is ideal for private and family office trust planning due to the significant value creation through the debt structure, passive ownership, and ability to create tax losses for other income producing assets

Excellent Visibility & Street Frontage | Drive-Thru Equipped | Demographics In 5-Mile Trade Area

- The property is located at the signalized, hard corner intersection of W. Fairfiew Ave., and N Cole Rd., averaging 50,200 combined vehicles passing by daily
- Site is complete with a pylon or monument sign, increasing visibility
- Building is equipped with a drive-thru pharmacy, providing ease and convenience for consumers
- Nearly 242,000 residents with a healthy average household income of \$80,000 support the trade area



RENT ROLL | LOAN & LEASE OVERVIEW



LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
CVS Pharmacy, Inc.	12,900	10/17/2019	1/31/2045	Current	-	\$31,166	\$2.42	\$373,988	\$28.99	Absolute NNN	10 (5-Year)
(Corporate Guaranty)											Opt. 1 & 2: \$336,589/Yr
											Opt. 3-10: FMV ^(a)

^(a) The first 2 years of options 3-10 shall have a rent amount equal to 101% of FMV. Years 3-5 of options 3-10 shall have a rent amount equal to 100% of FMV.

LOAN ABSTRACT		
Loan Date	11/10/2019	1 Month Interest Only
First Principal Payment	12/10/2019	
Maturity	11/10/2041	
Term	22 Years	
Outstanding Loan Balance (2/10/2021)	\$5,334,000	
Interest Rate	3.86%	
Balloon Payment	\$0	Fully Amortizing
Repayment	Monthly Principal and Interest Payments	

LEASE ABSTRACT		
Tenant	CVS	
Guaranty	CVS Health Corporation	NYSE: CVS S&P: BBB
Lease Type	Absolute NNN	Zero Cash Flow
Lease Commencement Date	10/17/2019	
Lease Expiration Date	1/31/2045	24 Years Remaining
Options	2 (5-Year); 8 (5-Year)	Fixed; Fair Market Value
Rent Holiday	3 Years (end of initial term)	
Right of First Refusal	20-day; only valid in Options	

CASH FLOW



YEAR	YEAR ENDING	LOAN PAYMENT	LOAN			CASH FLOW
			PRINCIPAL PAYMENT	INTEREST PAYMENT	ENDING BALANCE	
0	2/10/2021				\$5,333,880	(\$1,227,000)
1	2/10/2022	\$373,988	\$1,099,243	(\$725,255)	\$4,234,637	\$0
2	2/10/2023	\$373,988	\$145,860	\$228,128	\$4,088,777	\$0
3	2/10/2024	\$373,988	\$151,590	\$222,398	\$3,937,187	\$0
4	2/10/2025	\$373,988	\$157,546	\$216,442	\$3,779,640	\$0
5	2/10/2026	\$373,988	\$163,737	\$210,251	\$3,615,904	\$0
6	2/10/2027	\$373,988	\$170,170	\$203,818	\$3,445,734	\$0
7	2/10/2028	\$373,988	\$176,856	\$197,132	\$3,268,878	\$0
8	2/10/2029	\$373,988	\$183,804	\$190,184	\$3,085,073	\$0
9	2/10/2030	\$373,988	\$191,026	\$182,962	\$2,894,047	\$0
10	2/10/2031	\$373,988	\$198,532	\$175,456	\$2,695,516	\$0
11	2/10/2032	\$373,988	\$206,332	\$167,656	\$2,489,184	\$0
12	2/10/2033	\$373,988	\$214,439	\$159,549	\$2,274,745	\$0
13	2/10/2034	\$373,988	\$222,864	\$151,124	\$2,051,880	\$0
14	2/10/2035	\$373,988	\$231,621	\$142,367	\$1,820,260	\$0
15	2/10/2036	\$373,988	\$240,721	\$133,267	\$1,579,539	\$0
16	2/10/2037	\$373,988	\$250,179	\$123,809	\$1,329,359	\$0
17	2/10/2038	\$373,988	\$260,009	\$113,979	\$1,069,351	\$0
18	2/10/2039	\$373,988	\$270,225	\$103,763	\$799,126	\$0
19	2/10/2040	\$373,988	\$280,842	\$93,146	\$518,285	\$0
20	2/10/2041	\$373,988	\$291,876	\$82,112	\$226,409	\$0
21*	2/10/2042	\$280,491	\$226,409	\$54,082	\$0	\$0
22	2/10/2043	\$0	\$0	\$0	\$0	\$0
23	2/10/2044	\$0	\$0	\$0	\$0	\$0
Exit - 24	2/10/2045	\$0	\$0	\$0	\$0	\$5,385,000
			Profit			\$4,158,000
			Multiple			3.39

Note: *Year 21 is partial income due to tenant having a rent holiday from November 2041 to January 2045.

PRICING SUMMARY

Price	\$6,561,000	23% of Equity Over Debt
Down Payment	\$1,227,000	19% Down Payment
Loan Balance	\$5,334,000	2/10/2021
Net Operating Income	\$373,988	\$28.99 PSF
Cap Rate	5.70%	
Est. Accelerated Depreciation (15 Yrs or Less)*	\$1,574,640	

⁽¹⁾ Estimated Accelerated Depreciation is equal to 30% of building improvements, may be accelerated in the 1st year. Depreciation assumes full basis. Cost Segregation analysis provided by Bedford - consult your local tax advisor for more details.

EXIT ANALYSIS

Exit NOI*	\$336,589
Exit Price	\$5,385,000
Exit Cap Rate	6.25%
Balloon Balance	\$0
XIRR	6.35%
Multiple	3.39

*Exit NOI is based on 1st option rent.





CVS PHARMACY

cvsw.com

Company Type: Subsidiary

Locations: 9,900+

Parent: CVS Health

2019 Employees: 290,000

2019 Revenue: \$256.78 Billion

2019 Net Income: \$6.63 Billion

2019 Assets: \$222.45 Billion

2019 Equity: \$63.86 Billion

Credit Rating: S&P: BBB

CVS Pharmacy, the retail division of CVS Health (NYSE: CVS), is America's leading retail pharmacy with over 9,900+ locations. It is the first national pharmacy to end the sale of tobacco and the first pharmacy in the nation to receive the Community Pharmacy accreditation from URAC, the leading health care accreditation organization that establishes quality standards for the health care industry. The company was incorporated in 1969 and is based in Woonsocket, Rhode Island.

With the onset of Covid-19 in 2020, CVS has become an integral part in the distribution of vaccines throughout 2021. According to Webmd, the company plans to vaccinate between 20-25 million people every month as needed in 2021. The company has performed well throughout the pandemic, seeing approximately 33% in growth of their stock price since March 2020.*

**As of 1/6/2021. Source: Webmd.com; Yahoo! Finance*



NAI Select

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

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