



\* ACTUAL SITE PHOTOS



OFFERING  
MEMORANDUM

## CVS/PHARMACY

### ABSOLUTE NNN LEASED OFFERING

241 MOHAWK AVE, SCOTIA , NY 12302 (SCHENECTADY)

OFFERING MEMORANDUM  
**PRESENTED BY:**

**JACOB ABUSHARKH**  
MANAGING PRINCIPAL

PHONE 415.269.2474  
EMAIL [jacob@thekasegroup.com](mailto:jacob@thekasegroup.com)  
DRE #01385529

**KASE ABUSHARKH**  
FOUNDING PRINCIPAL

PHONE 925.348.1844  
EMAIL [kase@thekasegroup.com](mailto:kase@thekasegroup.com)  
TX LICENSE #708586



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# INVESTMENT OVERVIEW



## OFFERING SPECIFICATIONS

PRICE	\$8,925,000
CAP RATE	4.75%
AVERAGE CAP RATE*	4.84%
NET OPERATING INCOME	\$423,450
AVERAGE RENT*	\$432,262
SQUARE FOOTAGE	11,945
LOT SIZE	1.2 AC +/-
YEAR BUILT	2018

*\*AVERAGE FOR THE INITIAL LEASE TERM*

## INVESTMENT HIGHLIGHTS

CVS/PHARMACY 25 YEAR ABSOLUTE NNN LEASE WITH 22+ YEARS REMAINING

ZERO LANDLORD OBLIGATIONS

100% FEE SIMPLE INTEREST

NEW HIGH QUALITY 2018 CONSTRUCTION

TEARDOWN AND REBUILD OF OLDER STORE - PREVIOUS STORE WAS DOING NEARLY \$11 MILLION IN SALES

NO KICK-OUTS - NO RENT HOLIDAYS

SCHEDULED INCREASES IN RENT

CVS HEALTH CORPORATE LEASE - NYSE: CVS - S&P RATED BBB INVESTMENT GRADE CREDIT

LOCATED ON A MAJOR COMMERCIAL THOROUGHFARE AT SIGNALIZED INTERSECTION

PROPERTY INCLUDES A DRIVE-THRU PHARMACY



# INVESTMENT OVERVIEW

## CVS/PHARMACY • ABSOLUTE NNN LEASE OFFERING

241 MOHAWK AVE, SCOTIA, NY 12302

**\$8,925,000 • 4.75% ACTUAL CAP • 4.84% AVERAGE CAP**



This is a rare CVS/pharmacy absolute NNN leased offering in Scotia, New York. The original 25 year lease has 22+ years remaining and calls for zero landlord obligations. There are scheduled increases in rent after 10 years, 20 years, and every 5 years thereafter. Beyond the initial term, there are four 5 year renewal options followed by one 3 year renewal option. The lease is guaranteed by CVS Health. Scotia is a village adjacent to Schenectady, NY and part of the Albany MSA in Upstate New York. The asset is well situated on a major commercial thoroughfare and has excellent access and visibility at a signalized intersection. There is a drive through and ingress and egress from both Mohawk Avenue and Glen Avenue to the rear of the lot. The site has served as a pharmacy since the mid-1990's. Originally a Brooks Pharmacy that was taken over by CVS, this is a complete teardown and rebuild of the older, functionally obsolete building. The old building had no drive-thru and no stockroom. It was poorly lit and had deferred maintenance yet was doing nearly \$11 Million in annual sales. The new building was completed in 2018 along with the acquisition and assemblage of several additional lots to create ample parking and make way for the drive-thru. There are no kick-outs and no rent holidays.

# FINANCIAL SUMMARY

## CVS/PHARMACY • ABSOLUTE NNN LEASE OFFERING

241 MOHAWK AVE, SCOTIA, NY 12302

**\$8,925,000 • 4.75% CAP**

### OFFERING SUMMARY

TENANT NAME	CVS Health
SQUARE FOOTAGE	11,945
LEASE BEGINS	05/01/2018
LEASE ENDS	04/30/2043
ANNUAL RENT	\$423,450
INCREASES	Rent increases after 10 years, after 20 years, and every 5 years thereafter including in the options
OPTIONS	Four, 5-year options followed by One, 3-year option

### OPERATING SUMMARY

	NET OPERATING INCOME	CAP RATE
2020-2027	\$423,450	4.75%
2028-2037	\$433,024	4.85%
2038-2042	\$443,075	4.96%
OPTION 1	\$468,405	5.25%
OPTION 2	\$496,772	5.57%
OPTION 3	\$528,545	5.92%
OPTION 4	\$564,132	6.32%
OPTION 5	\$603,988	6.77%



# TENANT OVERVIEW

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## CVS/PHARMACY

CVS Health (previously CVS Corporation or CVS Caremark Corporation) is an American healthcare company that owns CVS Pharmacy, a retail pharmacy chain, CVS Caremark, a pharmacy benefits manager, Aetna, a health insurance provider, among many other brands. The company's headquarter is in Woonsocket, Rhode Island.

Consumer Value Stores (CVS) was founded in 1963 by three partners: brothers Stanley and Sidney Goldstein and Ralph Hoagland, who grew the venture from a parent company, Mark Steven, Inc., that helped retailers manage their health and beauty aid product lines. The business began as a chain of health and beauty aid stores, but within several years, pharmacies were added. To facilitate growth and expansion, the company joined the Melville Corporation, which managed a string of retail businesses. Following a period of growth in the 1980s and 1990s, CVS Corporation spun off from Melville in 1996, becoming a standalone company trading on the New York Stock Exchange as CVS.

It later completed a merger with the pharmacy benefit management company Caremark Rx in 2007, and was renamed CVS Caremark Corporation. The company was renamed CVS Health in 2014, following its decision to remove tobacco products from CVS Pharmacy store shelves. CVS Health's assets include CVS Pharmacy, CVS Caremark, CVS Specialty, and the retail clinic MinuteClinic.

In 2019, it ranked eighth on the Fortune 500 and 19th on the Fortune Global 500 list with \$194.58 billion in annual revenue. In December 2017, CVS agreed to acquire Aetna for \$69 billion and completed the acquisition in November 2018.



**PUBLICLY TRADED**  
NYSE: CVS



**9,700+** LOCATIONS



**80,000+** EMPLOYEES



# PROPERTY PHOTOS





# LOCATION AERIAL



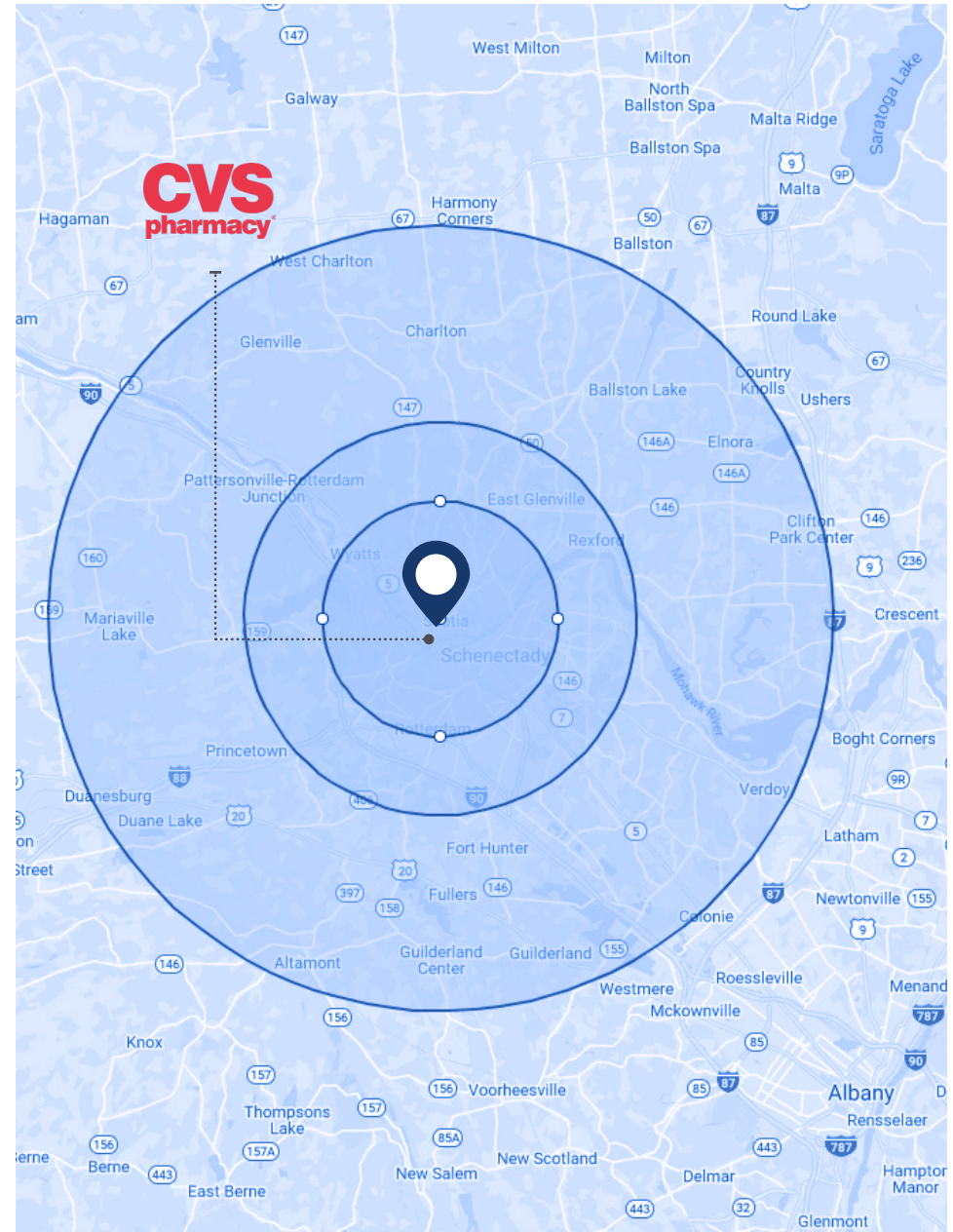


# LOCATION AERIAL





# REGIONAL OVERVIEW



# DEMOGRAPHICS



	3 MILES	5 MILES	10 MILES
<b>TOTAL POPULATION</b>	<b>73,889</b>	<b>133,734</b>	<b>240,165</b>
<b>TOTAL HOUSEHOLDS</b>	<b>29,892</b>	<b>54,674</b>	<b>96,188</b>
<b>AVERAGE HOUSEHOLD INCOME</b>	<b>\$59,630</b>	<b>\$72,288</b>	<b>\$90,468</b>
<b>AVERAGE AGE</b>	<b>37.80</b>	<b>39.50</b>	<b>40.70</b>



# AREA OVERVIEW

DEMOGRAPHICS	3 MILES	5 MILES	10 MILES
TOTAL POPULATION	73,889	133,734	240,165
TOTAL HOUSEHOLDS	29,892	54,674	96,188
PERSONS PER HOUSEHOLD	2.30	2.30	2.40
AVERAGE HOUSEHOLD INCOME	\$59,630	\$72,288	\$90,468
AVERAGE HOUSE VALUE	\$132,840	\$159,225	\$212,050
AVERAGE AGE	37.80	39.50	40.70
WHITE	52,172	102,484	195,691
BLACK	14,081	18,022	21,853
AM. INDIAN & ALASKAN	762	1,022	1,196
ASIAN	3,107	6,591	13,886
HAWAIIAN & PACIFIC ISLAND	213	311	347
OTHER	3,554	5,304	7,192

## SCOTIA, NEW YORK

Scotia is a village in Schenectady County, New York, United States, incorporated in 1904. The population was 7,729 at the 2010 census. Scotia is part of the town of Glenville, and is connected with the city of Schenectady by the Western Gateway Bridge over the Mohawk River.

## 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.



**SCOTIA, NEW YORK**



**The Kase Group**

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EMAIL [kase@thekasegroup.com](mailto:kase@thekasegroup.com)

TX LIC. #708586

**JACOB ABUSHARKH**

MANAGING PRINCIPAL

PHONE 415.269.2474

EMAIL [jacob@thekasegroup.com](mailto:jacob@thekasegroup.com)

DRE #01385529