



FOR SALE

RARE, BELOW REPLACEMENT COST,
SINGLE TENANT NET-LEASED PROPERTY



1005 SUTTON WAY, GRASS VALLEY, CA 95945

- NATIONAL TENANT—ABSOLUTE TRIPLE NET LEASE
- BELOW REPLACEMENT COST @ \$218/S.F.
- FANTASTIC IDENTITY IN SAFEWAY ANCHORED CENTER
- HIGH TRAFFIC LOCATION—40,000 CARS PER DAY*
- STRONG LOCATION CLOSE TO HIGHWAY 49
- HIGHWAY 49 @ BRUNSWICK ROAD

OFFERED AT
\$5,500,000

SHAWN WILLIS

INCOME PROPERTY SERVICES A.G.
1343 Locust Street, Suite 205
Walnut Creek, CA 94596
DRE # 01095619

925.988.0502

Shawn@IPSrealestate.com



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INVESTMENT OFFERING

PRICE \$5,500,000
LEASE TERM 3/1/2021 to 2/28/2026
BUILDING 25,208 ± SQ. FEET

CAP RATE 3.7%
TENANT CVS
LOT 3 Acres +/-

The subject offering consists of a single tenant, free-standing CVS Store in the City of Grass Valley, California. **This store is a top performer for CVS with sales over \$640/s.f.** The property has been occupied by this tenant since 1980 and the tenant is currently in their fifth, 5-year, option. There is one (1) remaining 5-year option after the expiration of the current term. The property was originally constructed in 1980 as a Longs Drug Store. CVS recently remodeled the store interior (2019) and just refreshed the façade.

The subject property is located in a well-developed commercial area of Grass Valley, California close to Highway 49. There are high barriers to entry in Grass Valley. Nearby tenants include Safeway, Wells Fargo, Best Western, Walgreens, Rite Aid, Dollar General, Save Mart, Ace Hardware, Taco Bell, KFC (Kentucky Fried Chicken), Round Table, Burger King as well as a State of California Department of Motor Vehicles.

TENANT OVERVIEW

CVS Health Corp. is a leading pharmacy benefits manager with approximately 105 million plan members as well as the nation's largest drugstore chain. It runs approximately 9,900 retail and specialty drugstores. In addition to its standalone pharmacy operations, the company operates CVS locations inside Target stores and runs a panel of healthcare professionals, Caremark National Pharmacy and Therapeutics Committee. The company also offers walk-in health services through its retail network of MinuteClinics that are located in around 1,100 CVS stores. CVS also serves an estimated 34 million people through traditional, voluntary and consumer-directed health insurance products and related services.

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.

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LEASE SUMMARY

TENANT CVS

ORIGINAL TERM 20 Years

OPTIONS

1. March 1, 2001 through February 28, 2006 (exercised)
2. March 1, 2006 through February 28, 2011 (exercised)
3. March 1, 2011 through February 28, 2016 (exercised)
4. March 1, 2016 through February 28, 2021 (exercised)
5. March 1, 2021 through February 28, 2026 (current term)
6. March 1, 2026 through February 28, 2031 (last option)

LEASE TYPE Absolute Triple-Net (NNN)

RENT Base rent of \$137,559.00 plus percentage rent of 1.25% of sales (\$65,117.62 in 2020), total NOI Rent of \$202,676.62

RENT INCREASES None

EXPENSES Tenant is responsible for Payment of the Property Taxes, Payment of the Property Insurance, and Repair and Maintenance of the Interior and Exterior of the Building and the Land

TENANTS RIGHT TO PURCHASE 60-Day Notice



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INCOME & EXPENSE ANALYSIS

FINANCIAL ANALYSIS AND INVESTMENT SUMMARY

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RENTAL INCOME	APPROX. SQUARE FEET	CURRENT BASE RENTS	BASE RENT/ SQ FT	PLUS PERCENTAGE RENT [1]	TOTAL RENT	TOTAL RENT/ SQ FT	ESTIMATED MARKET RENT	TOTAL RENT/ SQ FT
CVS	25,208	\$11,463.25	\$0.45	\$5,426.39	\$16,890.64	\$0.67	\$31,510.00	\$1.25
TOTALS	25,208				\$16,890.64		\$31,510.00	

INCOME								
MONTHLY RENT					\$16,890.64		\$31,510.00	
ANNUAL RENT					\$202,677		\$378,120	
VACANCY	0.00%				\$0		\$0	
TOTAL RENT					\$202,677		\$378,120	
NNN Recapture [2]					\$0		\$0	
TOTAL INCOME					\$202,677		\$378,120	

ET OPERATING INCOME					\$202,677		\$378,120	
DEBT SERVICE					(\$146,739)		(\$146,739)	
CASH FLOW					\$55,938		\$231,381	
PRINCIPAL PAY-DOWN					\$48,737		\$48,737	
TOTAL RETURN					\$104,675		\$280,118	

CAP RATE				3.7%	6.9%
PRICE PER SQUARE FOOT				\$218.18	\$218.18
CASH ON CASH				1.7%	7.0%
TOTAL PRE-TAX RETURN				3.2%	8.5%
PURCHASE PRICE				\$5,500,000	
DOWN PAYMENT				\$3,300,000	60%
PROPOSED NEW FIRST [3]				\$2,200,000	40%

[1] 2020 Actual Percentage Rent (1.25% of sales)

[2] NNN with no landlord responsibility

[3] 1.4 Debt coverage ratio, 4.5% interest rate, 25 year amortization

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SUBJECT PROPERTY

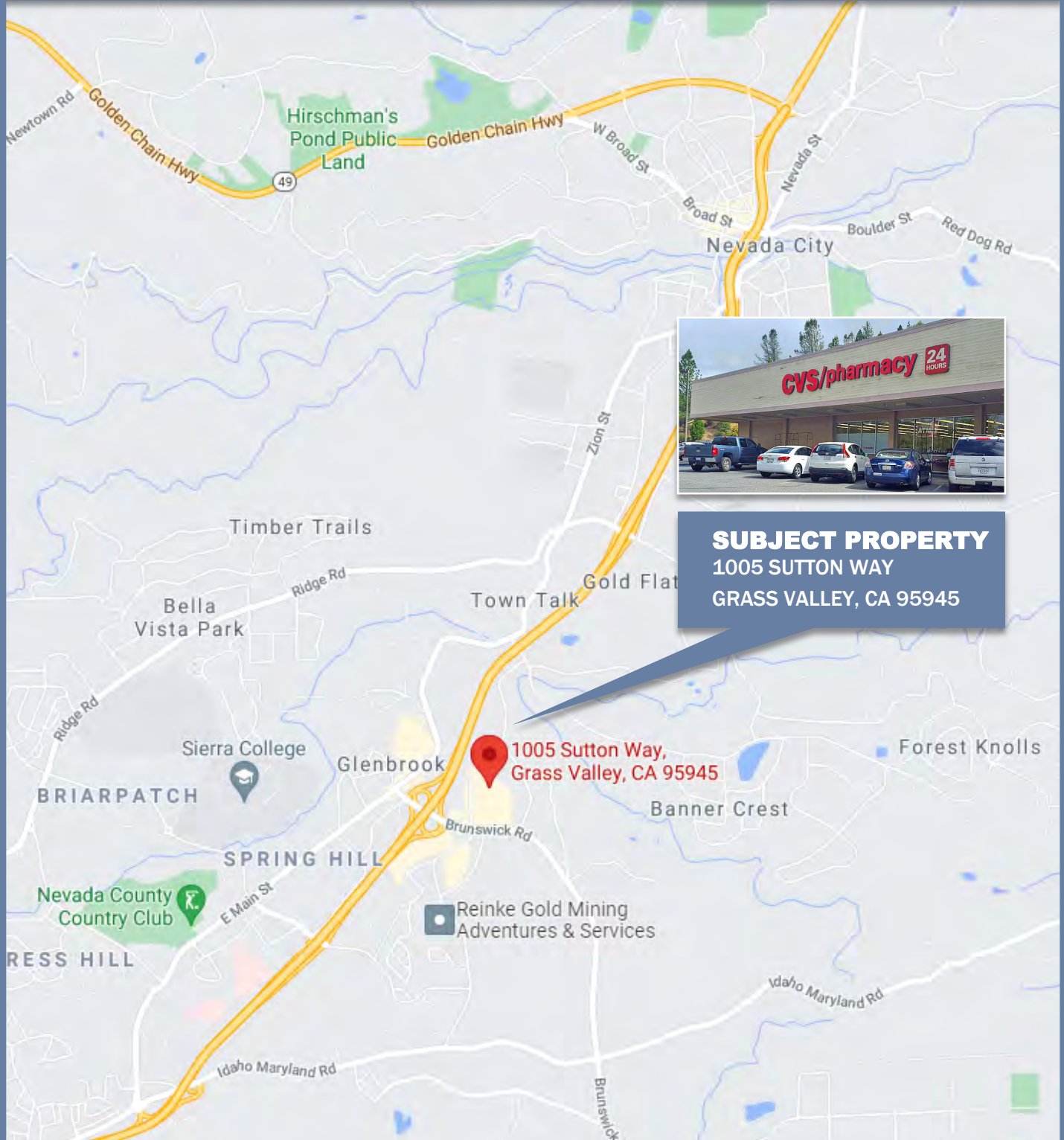


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LOCATION OVERVIEW



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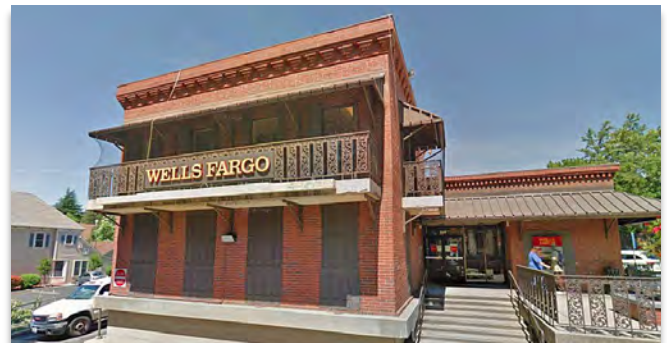
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NEIGHBORING PROPERTIES



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LEASE COMPARABLES



OFFICE MAX
3041 Forni Road
Placerville

Single Tenancy
23,500 square feet / 3.78 acres
Built 1999
Parking 95 spaces
\$1.12/s.f.



PETCO
3454 Palmer Drive
Cameron Park

Single Tenancy
10,200 square feet / 0.91 acres
Built 2013
\$1.31/s.f.



**DOLLAR GENERAL
& BBQ RESTAURANT**
376 Main Street
Chester

Multiple Tenancy
15,786 square feet / 0.86 acres
Built 1988/Renovated 2013
\$1.08/s.f.



RITE AID
990 Pleasant Grove Blvd
Roseville

Single Tenancy
17,272 square feet / 1.80 acres
Built 2009
Pylon Sign/Signage/Drive Thru
\$2.80/s.f.



WALGREENS
840 El Camino Avenue
Sacramento

Single Tenancy
11,383 square feet / 0.98 acres
Built 2009
\$2.76/s.f.



**KELLY-MOORE PAINTS
& BOOT BARN**
10299 E Stockton Blvd
Elk Grove

Multiple Tenancy
14,685 square feet / 1.72 acres
Built 2003
\$1.49/s.f.



DOLLAR GENERAL
5245 Elkhorn Plaza
Sacramento

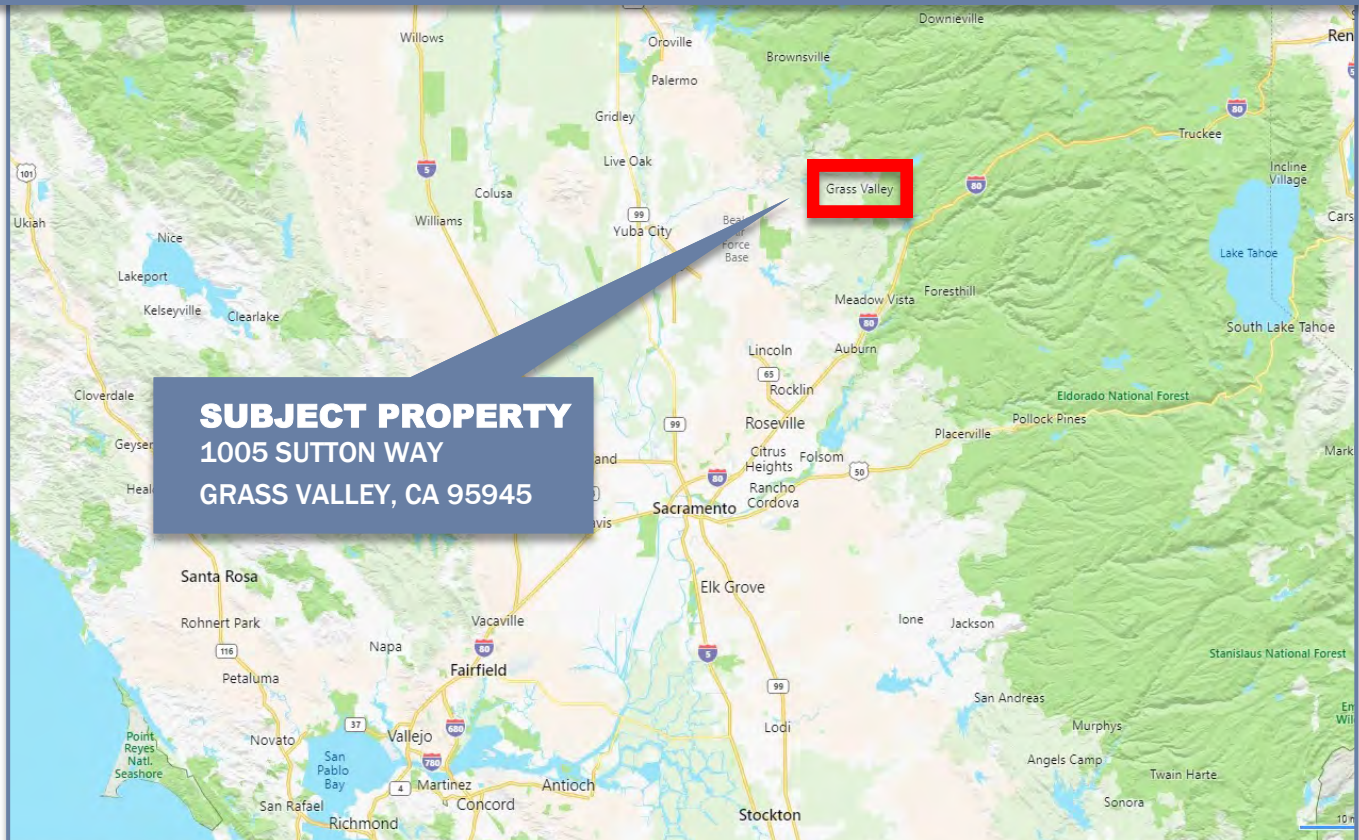
12,500 square feet
NNN
\$0.95/s.f.

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REGIONAL MAP



Nestled in the heart of the Sierra Nevada Foothills, Grass Valley makes a postcard image. The Gold Rush era town offers history, small town charm, big city services and amenities, along with many outdoor spaces to explore. It's close to Tahoe and within reach of the Bay Area.

Their performing arts offers world-class entertainment and music festivals throughout the year and they boast a cutting-edge technology institute and thriving tech industry. Outdoor recreation abounds and includes hiking, biking, swimming, fishing, historical tours, and more. Both Grass Valley and Nevada City have won many "best of" awards for the quality and livability of their towns.

They espouse the "Support Local—Live Local" philosophy, and strive to be good custodians of the region and celebrate what makes them unique as a community.

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PARCEL MAP



SUBJECT PROPERTY

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DEMOGRAPHICS

**1 MILE
RADIUS**

**5 MILE
RADIUS**

**10 MILE
RADIUS**

POPULATION

Total population	3,730	35,535	69,548
Median age	40.6	45	48.1
Median age (Male)	36.3	41.5	46.2
Median age (Female)	45.7	48.8	49.7

HOUSEHOLDS & INCOME

Total households	1,571	15,288	29,739
# of persons per HH	2.4	2.3	2.3
Average HH income	\$54,159	\$63,338	\$69,320
Average house value	N/A	\$557,441	\$491,059

RACE (%)

White	89.8%	91.1%	92.4%
Hispanic	13.5%	9.4%	7.7%
Black	0.8%	0.6%	0.5%
Asian	1.6%	2.1%	1.5%
Hawaiian	0.0%	0.0%	0.3%
American Indian	5.6%	3.6%	2.2%
Other	0.6%	0.8%	1.0%

* Demographic data derived from 2010 U.S. Census