

OFFERING MEMORANDUM

CVS/PHARMACY STNL



Actual Subject Photo

NEIGHBORHOOD INFILL, NET LEASED DRUG STORE WITH DRIVE-THRU ON HARD CORNER LOT IN HISTORIC TOURISM MARKET | LOW COMPETITION | 12-YR LEASE

700 North Union Avenue, Roswell, New Mexico 88201

Marcus & Millichap

SUBJECT PROPERTY



± 3,851 SQ. FT. GLA
0.68-ACRE LOT
0.5 MILES NORTH



ROSSELL INDEPENDENT
SCHOOL DISTRICT
10,510 STUDENTS
588 FACULTY AND STAFF



US 380 HIGHWAY
12,097 VPD (2020)

La
Escondida
café



N. UNION AVENUE
7,119 VPD (2020)



\$60,160 AVG. HH INCOME
WITHIN ONE MILE (2020)



**Borders Are Approximate*



N. UNION AVENUE
7,119 VPD (2020)



US 380 HIGHWAY
12,097 VPD (2020)



50,400 POPULATION
WITHIN 5 MILES (2020)



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0.68-ACRE LOT
0.5 MILES NORTH

NEARBY PARKS AND MUSEUMS

- ROSWELL RECREATION & AQUATIC CENTER
- ROSWELL MUSEUM AND ART CENTER
- SPRING RIVER ZOO
- ROSWELL CONVENTION AND CIVIC CENTER
- BOTTOMLESS LAKES STATE PARK
- ANDERSON MUSEUM OF CONTEMPORARY ART
- WALKER AVIATION MUSEUM
- INTERNATIONAL UFO MUSEUM



*Borders Are Approximate



ADDRESS

700 N UNION AVE
ROSWELL, NM 88201



PRICE

\$1,852,000



CAP RATE

5.40%



NOI

\$100,000

Marcus & Millichap

VITAL DATA

Price	\$1,852,000
Cap Rate	5.40%
Gross Leasable Area	± 3,851 Sq. Ft.
Lot Size	± 0.68 Acres

LEASE SUMMARY

Tenant	CVS Pharmacy
Guarantor	Corporate
Lease Type	NN
Landlord Responsibility	Roof and Structure
Lease Expiration	10/31/2033
Term Remaining	12 Years
Options	Five (5), 5-Year
Increases	5% in Options

RENT SCHEDULE - 5% INCREASE IN OPTIONS

TERM	MONTHLY RENT	ANNUAL RENT	RENT/SQ. FT.
2019-2033	\$8,333.33	\$100,000	\$25.96
Option 1	\$8,750.00	\$105,000	\$27.26
Option 2	\$9,187.50	\$110,250	\$28.63
Option 3	\$9,646.87	\$115,762	\$30.06
Option 4	\$10,129.21	\$121,550	\$31.56
Option 5	\$10,635.68	\$127,628	\$33.14

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INVESTMENT HIGHLIGHTS



Subject Property is a Single-Story Building with 3,851-Square Feet of GLA Located on a Hard Corner | Amenities Include Monument Sign, Sheltered Carport Parking, Drive-Thru, Multiple Ingress/Egress



Double Net Lease with a 12-Year Base Term and Roof and Structure Landlord Responsibility | Five-Percent Rental Increases in Options



Tenant CVS Pharmacy (NASDAQ: CVS) Currently Features a Stable Credit Rating of Baa2 (Stable) from Moody's and BBB (Stable) from S&P



Robust Traffic Counts from Union Ave (7,100 VPD) to Nearby Major Arterial U.S. Highway 380 (12,000 VPD) and 4-Lane Union Avenue (8,726 VPD), 2.5 Miles off of 70 Bypass (2,716 VPD) (Source: CoStar, NMDOT, 2020)



Well Established Retail Corridor Includes Nearby National Tenants Albertsons Market, Sonic Drive-In, Wendys, Starbucks, McDonald's, Family Dollar, Dairy Queen, Dunkin', Dollar General and Many More



Lovelace Regional Hospital is Located within Two Miles, with 30 Beds and 250 Employees | Offers Surgical, Birthing and 24/7 Emergency Services



Subject is Less Than Seven Miles from the Roswell International Air Center | Ascent Aviation Services Intends to Build a Wide-Body Hangar, Investing \$18M and Creating as Many as 360 Jobs by 2026



Located Only One Mile from 24-Hour Greyhound Bus Stop, One of 2,400 in North America that see Nearly 16 Million Passengers per Year



One Mile North of Subject, New Mexico Military Institute Offers Two-Year Associate College Degree Programs and Four-Year High School | Seven Miles Away, Eastern New Mexico University Campus offers Four-Year College Degree Programs



Over 30 Parks and Outdoor Recreational Facilities Nearby Include: New Mexico Military Golf Course, Cahoon Park, Enchanted Lands Disc Course and More



Tax-Friendly State; No Estate Tax or Franchise Taxes | Subject is Conveniently Located Just 1.5 Miles from Historic Downtown Corridor



Tourism and Agriculture are Primary Economic Drivers for Roswell, Attracting Over a Quarter Million Visitors Annually



"Three Hours from Everywhere," Roswell is Located Approximately 200 Miles North of El Paso, TX, 200 Miles South of Santa Fe, NM and 200 Miles East of Albuquerque, NM



More than Twenty Hotels, Motels and RV Parks Provide Over 1,000 Rooms to Visitors within Five Miles of the Subject Asset

DEMOGRAPHICS



2020 5-MILE AVERAGE
HOUSEHOLD INCOME
APPROX. \$61,200



2020 5-MILE POPULATION
APPROX. 50,400



2020 5-MILE HOUSEHOLDS
APPROX. 18,700

1 MILES

3 MILES

5 MILES



2020 5-MILE DAYTIME POPULATION
APPROX. 46,100



AREA POPULATION

	1 MILE	3 MILES	5 MILES
2000 Population	7,832	40,086	47,196
2010 Population	7,797	42,778	50,184
2020 Population	7,679	42,789	50,349
2025 Population <i>Projection</i>	7,695	43,503	51,277

AREA HOUSEHOLDS

	1 MILE	3 MILES	5 MILES
2010 Households	2,933	16,033	18,803
2020 Households	2,848	15,903	18,715
2025 Households <i>Projection</i>	2,861	16,227	19,137
2020 Average HH Size	2.5	2.6	2.6

AREA INCOME

	1 MILE	3 MILES	5 MILES
Median HH Income	\$41,519	\$44,127	\$45,317
Per Capita Income	\$23,405	\$22,795	\$23,039
Average HH Income	\$60,160	\$60,431	\$61,165

Source: Marcus & Millichap Analytics, U.S. Census Bureau (2021)



*Borders and Measurements Are Approximate

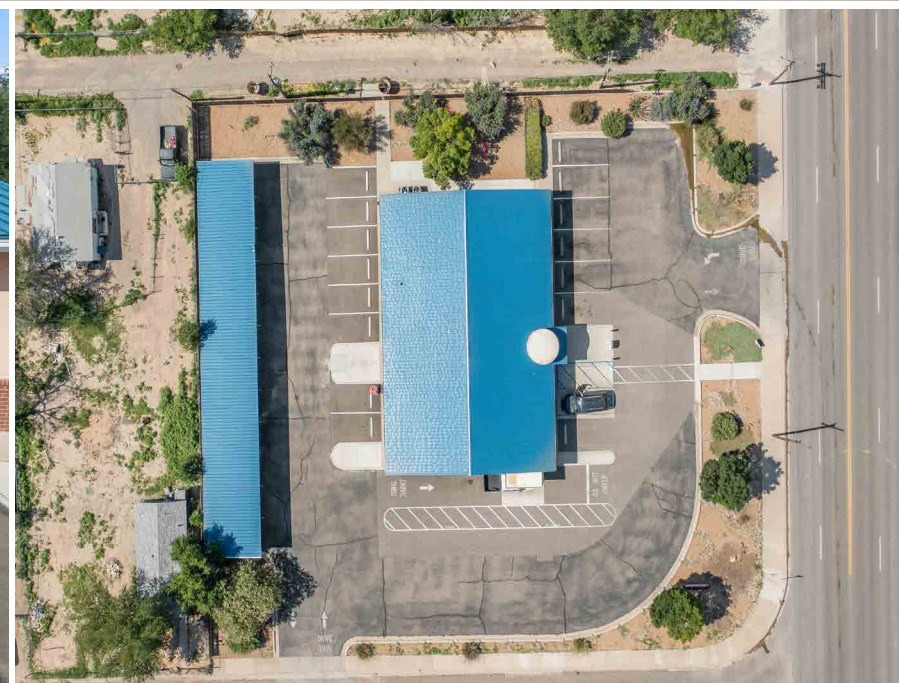
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LIMON NET LEASE GROUP
CVS/Pharmacy | Roswell, New Mexico 6

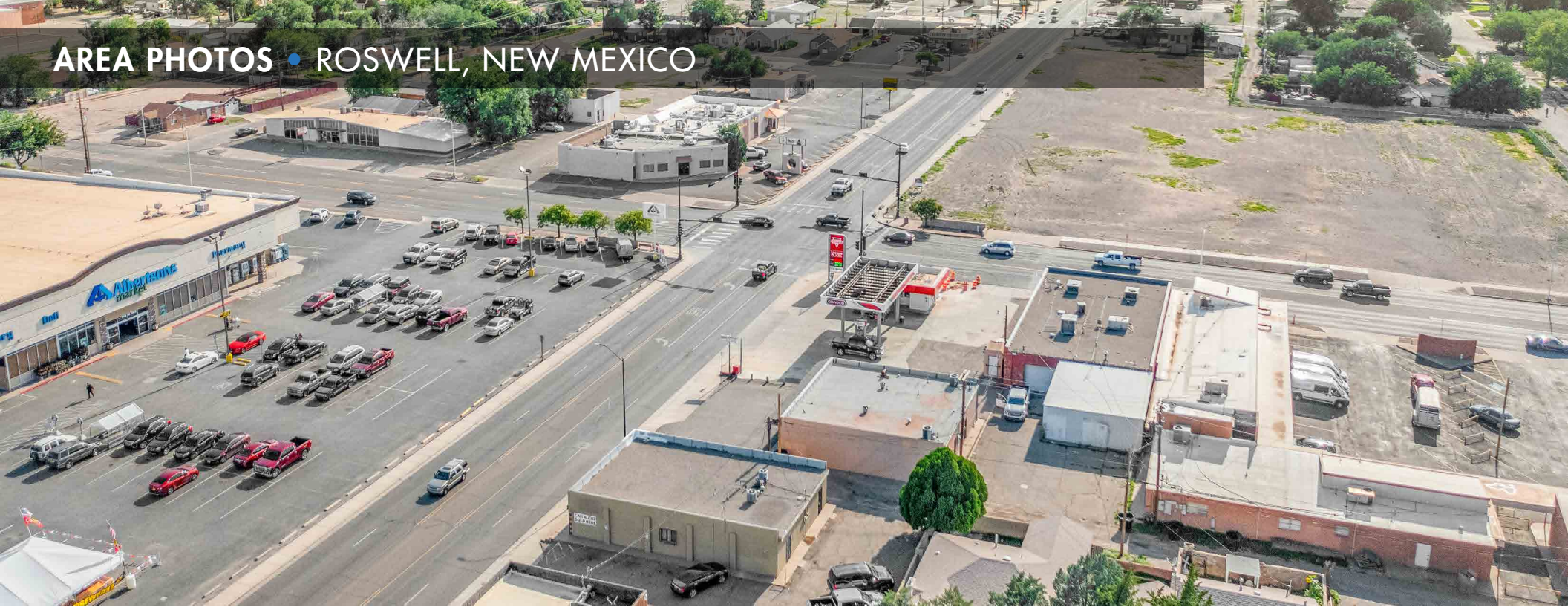
SUBJECT PHOTOS • 700 N UNION AVE, ROSWELL, NM 88201



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AREA PHOTOS • ROSWELL, NEW MEXICO



AREA PHOTOS • ROSWELL, NEW MEXICO



NEARBY HOTELS

- DAYS INN - 62 ROOMS
- FAIRFIELD INN & SUITES - 67 ROOMS
- HOME2 SUITES BY HILTON - 83 ROOMS
- TOWNEPLACE SUITES - 71 ROOMS
- NATIONAL 9 INN - 67 ROOMS
- CLARION INN & SUITES - 124 ROOMS
- BEST WESTERN EL RANCHO - 45 ROOMS
- ROSWELL INN - 42 ROOMS
- CANDLEWOOD SUITES - 87 ROOMS
- BAYMONT INN - 80 ROOMS
- WESTERN INN - 30 ROOMS
- MAYO LODGE MOTEL - 26 ROOMS
- BELMONT MOTEL - 23 ROOMS
- LEISURE INN - 100 ROOMS
- BUDGET INN - 29 ROOMS
- RODEWAY INN - 55 ROOMS
- LA QUINTA - 75 ROOMS

NANCY LOPEZ GOLF COURSE AT SPRING RIVER
27-HOLE INTERNATIONAL CERTIFIED COURSE

SUBJECT PROPERTY



± 3,851 SQ. FT. GLA
0.68-ACRE LOT



LOVELACE REGIONAL HOSPITAL

77,469 SQ. FT • 5.81 ACRES

- NUMBER OF EMPLOYEES: **253**
- LICENSED BEDS: **27**
- INPATIENT ADMISSIONS: **1,690**
- OUTPATIENT VISITS: **30,690**
- EMERGENCY DEPARTMENT VISITS: **10,517**



Average Commute
Time
18.4 Minutes



ROSWELL INTERNATIONAL AIR CENTER
ONE OF THE LARGEST COMMERCIAL AVIATION
INDUSTRIES OF THE SOUTHWEST
10 MILES



*Borders Are Approximate

SITE PLAN • ADDRESS



**Borders Are Approximate*

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TENANT OVERVIEW

CVS PHARMACY CVS HEALTH CORPORATION

CVS Pharmacy is the largest retail pharmacy in the U.S., filling more than one billion prescriptions each year from 9,900 retail stores that are spread throughout 49 states in the U.S., Puerto Rico, and Brazil. Approximately five million customers are served by CVS Pharmacy daily.

CVS Health is currently ranked fifth on the Fortune 500 and thirteenth on the Global 500, reporting approximately \$256 billion in revenue in 2019.

The drug store chain-slash-healthcare juggernaut leapt three spots on this year's Fortune 500—and got a \$62 billion revenue boost—due to its \$69 billion acquisition of Aetna, the insurance giant, in 2018. Though investors haven't entirely sweetened on the deal, CEO Larry Merlo pronounced the integration of the two companies "successful" in February; former Aetna CEO Mark Bertolini, meanwhile, resigned from the CVS board and said the integration was "far from over." As a pharmacy retailer on the pandemic's frontlines, CVS's sales were brisk in the first quarter, but Merlo has warned about the "uncertainties" that surround the long-term performance of the company's multifaceted business in a time of COVID-19.



BY THE NUMBERS

BBB

**CREDIT RATING
(S&P)**

Baa2

**CREDIT RATING
(MOODY'S)**

9,900

**TOTAL RETAIL
LOCATIONS**

20

**DISTRIBUTION
CENTERS**

300K

**TOTAL
EMPLOYEES**

\$268B

**IN COMPANY
REVENUE**

15M+

**COVID TESTS
AT 4800+ SITES**

Sources: CVS.com, Forbes.com

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METRO OVERVIEW



ROSWELL, NEW MEXICO ROSWELL MICROPOLITAN STATISTICAL AREA

ROSWELL is a city located in the High Great Plains of southeastern New Mexico, and the county seat of Chaves county, New Mexico. U.S. Routes 70, 285 and 380 intersect in the city.

Home to the UFO, Roswell's tourism industry is largely based on aerospace engineering, ufology museums, businesses, as well as alien and spacecraft-themed iconography. At the International UFO Museum and Research Center, visits are already up 20% from 2019, which averages around 800 visitors on a normal day. Some of that is because of last year's closures due to COVID-19, but belief in UFOs has skyrocketed in recent years. An annual UFO festival draws up to 20,000 visitors, enthusiasts and researchers across the globe, celebrating it's 25th year in 2021. One of three McDonald's locations in Roswell is in the shape of a flying saucer.

Roswell capitalizes on its pleasant climate as a great place to live, work and retire. The city also relies on New Mexico and Americana related tourism. Local American folk and New Mexico music performances occur near Pioneer Plaza and in parks around the city. The Main Street Roswell District covers 2.15 miles of downtown Roswell.

Roswell is a center for acequia-similar irrigated farming, dairying, and ranching, it also the location of several manufacturing, distribution, and petroleum related facilities. Seven miles away from the subject property is Roswell International Air Center, served by American Airlines, with \$18 million being invested into hangar construction as of 2020. RIAC is home to Millennium Transit Services, New Mexico Rehabilitation Center, a plastic manufacturer, and a candy manufacturer. The Boeing Company uses the airfield for braking performance testing of its aircraft.

FACTS & FIGURES

50K ROSWELL, NM
POPULATION (2020)

65K MICROPOLITAN AREA
POPULATION (2020)

3M RETAIL INVENTORY
SQUARE FOOTAGE

2.0% MARKET ANNUAL
RENT GROWTH

\$14 AVG MARKET RENT/
SQUARE FOOT

1.5 MILES TO HISTORIC
DOWNTOWN

**Numbers as of 2021 Q3 QTD*

*Sources: Marcus & Millichap Analytics, Bureau of Economic Analysis, CoStar,
SeeRoswell.com*

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46,100 +/-

**2020 DAYTIME POPULATION
WITHIN A 5-MILE RADIUS**

SOURCE: MARCUS & MILLICHAP ANALYTICS,
U.S. CENSUS BUREAU



DISTANCE

**200 MILES FROM
SANTA FE, NM**

**200 MILES FROM
ALBUQUERQUE**

**200 MILES FROM
EL PASO, TX**



10 MILES

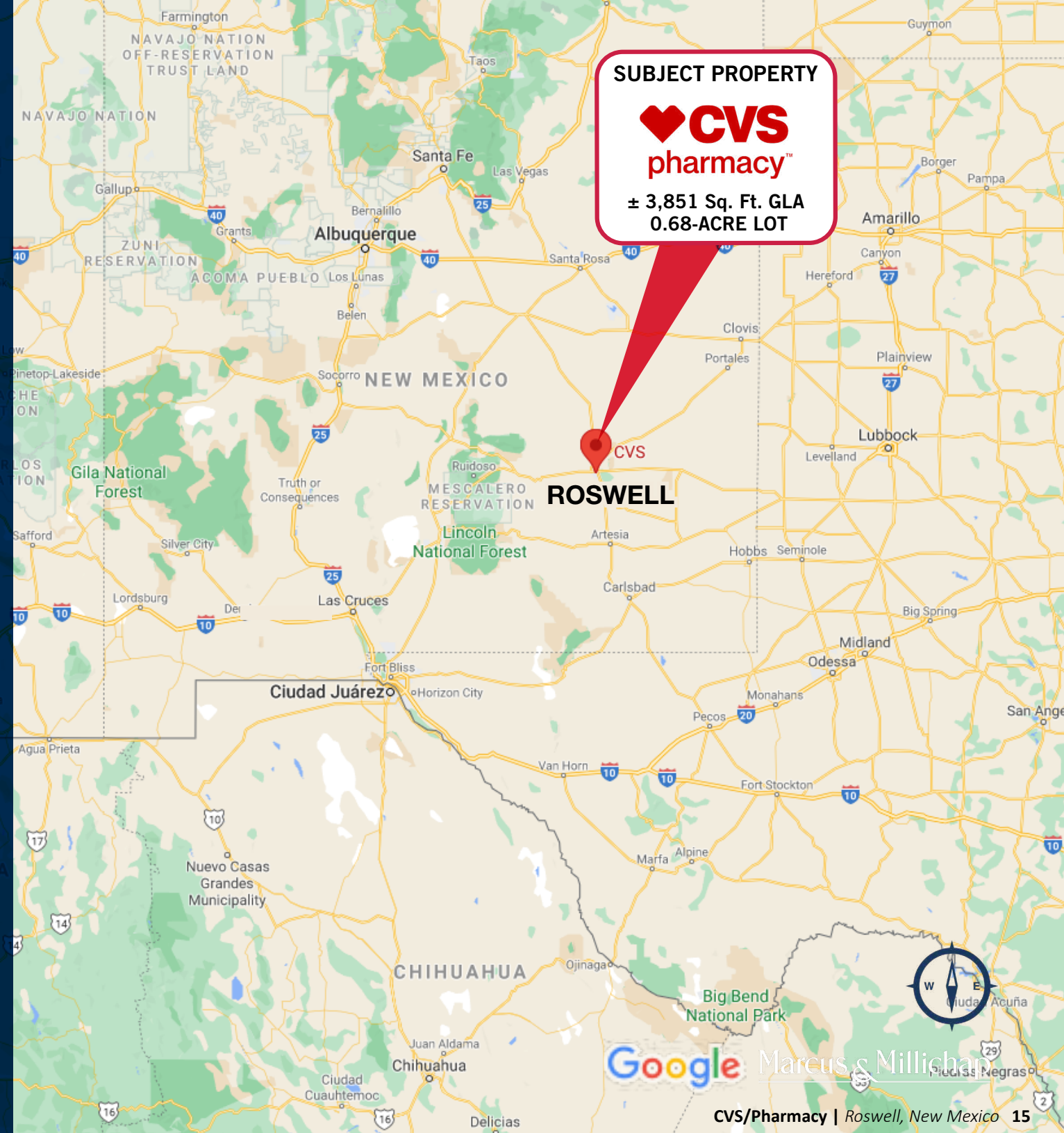
**TO ROSWELL INTERNATIONAL
AIR CENTER**

300+ AIRCRAFT STORED DURING
2020 PANDEMIC LOCKDOWN



2.5 MILES

OFF 70 HIGHWAY BYPASS



SUBJECT PROPERTY



**± 3,851 Sq. Ft. GLA
0.68-ACRE LOT**

ROSWELL



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**NM BROKER OF RECORD
MATTHEW REEVES
LIC.# 19583**

ACTIVITY ID: ZAC0330748

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