



CVS Store #8141 | Detroit, MI

OFFERING MEMORANDUM

Top 15% of CVS in the country



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Brand Overview



CVS Health Corporate 'Best-in-Class'

CVS Health Corporation (formerly CVS Caremark Corp.) together with its subsidiaries is one of the largest pharmacy health care providers in the United States; with integrated offerings across the entire spectrum of pharmacy care. CVS is unique among the big three retail drugstore chains (Walgreen's, Rite Aid, CVS), in that it operates its own pharmacy benefit management ("PBM"), and is thus, an integrated pharmacy health care provider. CVS's offerings include pharmacy benefit management services; mail order, retail and specialty pharmacy; disease management programs; and retail clinics. CVS operates drugstores throughout the U.S., the District of Columbia, and Puerto Rico. As of December 31, 2014, CVS operated 7,599 retail locations. Its stores sell prescription drugs, as well as other products such as nonprescription medications, health and beauty aids, and cosmetics. The company also operates the nation's largest medical care clinic, with 900 MinuteClinic® health care clinics throughout the country. MinuteClinics® are staffed by nurse practitioners and physician assistants, who utilize nationally recognized protocols to diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions, and deliver vaccinations. CVS expects to grow MinuteClinic® 1,500 locations in more than 35 states by 2017.

Existing retail stores range in size from approximately 5,000 to 25,000 square feet, although most new stores range in size from approximately 8,000 to 13,000 square feet and typically include a drive-thru pharmacy. During 2014, CVS filled approximately 734 million retail prescriptions, or approximately 21% of the U.S. retail pharmacy market. As of December 31, 2014, CVS operated 900 retail health care clinics in 31 states and the District of Columbia under the MinuteClinic® name, the vast majority of which are located within CVS/pharmacy stores. There were 24 million patient visits, nationally.

The quarterly dividend increased by 38 percent in 2013 and the company recently announced another 22 percent increase for 2014, which marks the 11th consecutive year of increases.

CVS is strongly positioned to take full advantage of the upcoming 'Generic Wave' due to its integrated systems with Caremark for pharmacy benefit management ("PBM") for 2015 and beyond.

Investment Overview

Location 6862 Michigan Ave, Detroit, MI 48210

Asking Price \$5,431,579

Cap Rate 4.75%

Annual NOI \$258,000

Option Periods Ten (10) x Five (5) year options
*5% bumps per option

Lease Type Absolute NNN Lease

CVS Health Corporate Guarantee

Year Built 2006

Lease Expires 15 years from COE

Term Remaining 15 years

Debt Status Free & Clear

Building Size 13,013± SF **Lot Size** 1.63 acres

Rent Schedule

Year	Annual Rent
1 - 15	\$258,000
Option 1 (5yrs-5%)	\$270,000
Option 2 (5yrs-5%)	\$283,500
Option 3 (5yrs-5%)	\$297,675
Option 4 (5yrs-5%)	\$312,559
Option 5 (5yrs-5%)	\$328,187
Option 6 (5yrs-5%)	\$344,596
Option 7 (5yrs-5%)	\$361,826
Option 8 (5yrs-5%)	\$379,917
Option 9 (5yrs-5%)	\$398,913
Option 10 (5yrs-5%)	\$418,859

Cap Rate
4.75%

Price
\$5,431,579

Price/sf Bldg.
\$417.40

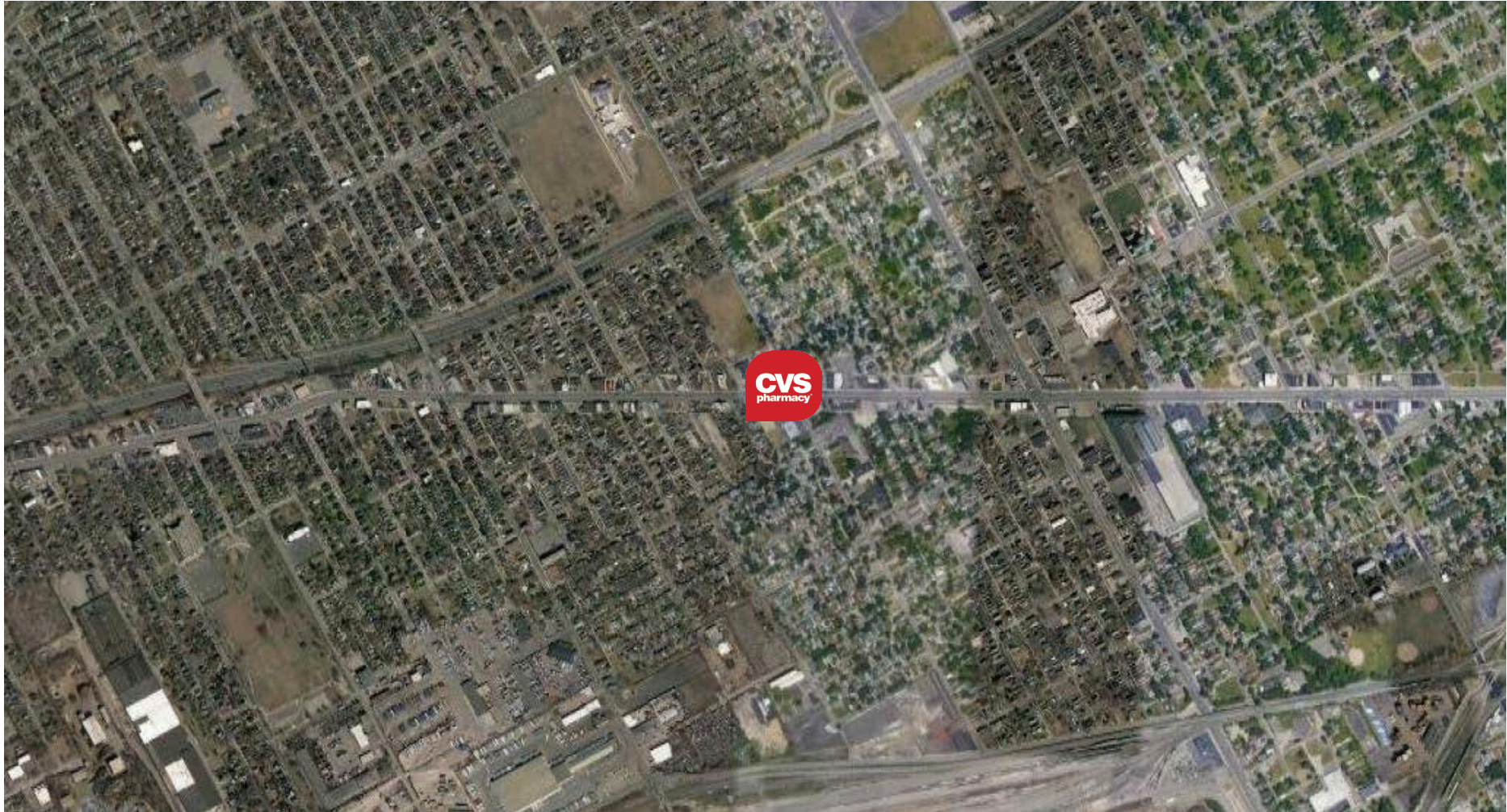
Bird's Eye



Surrounding Retailers

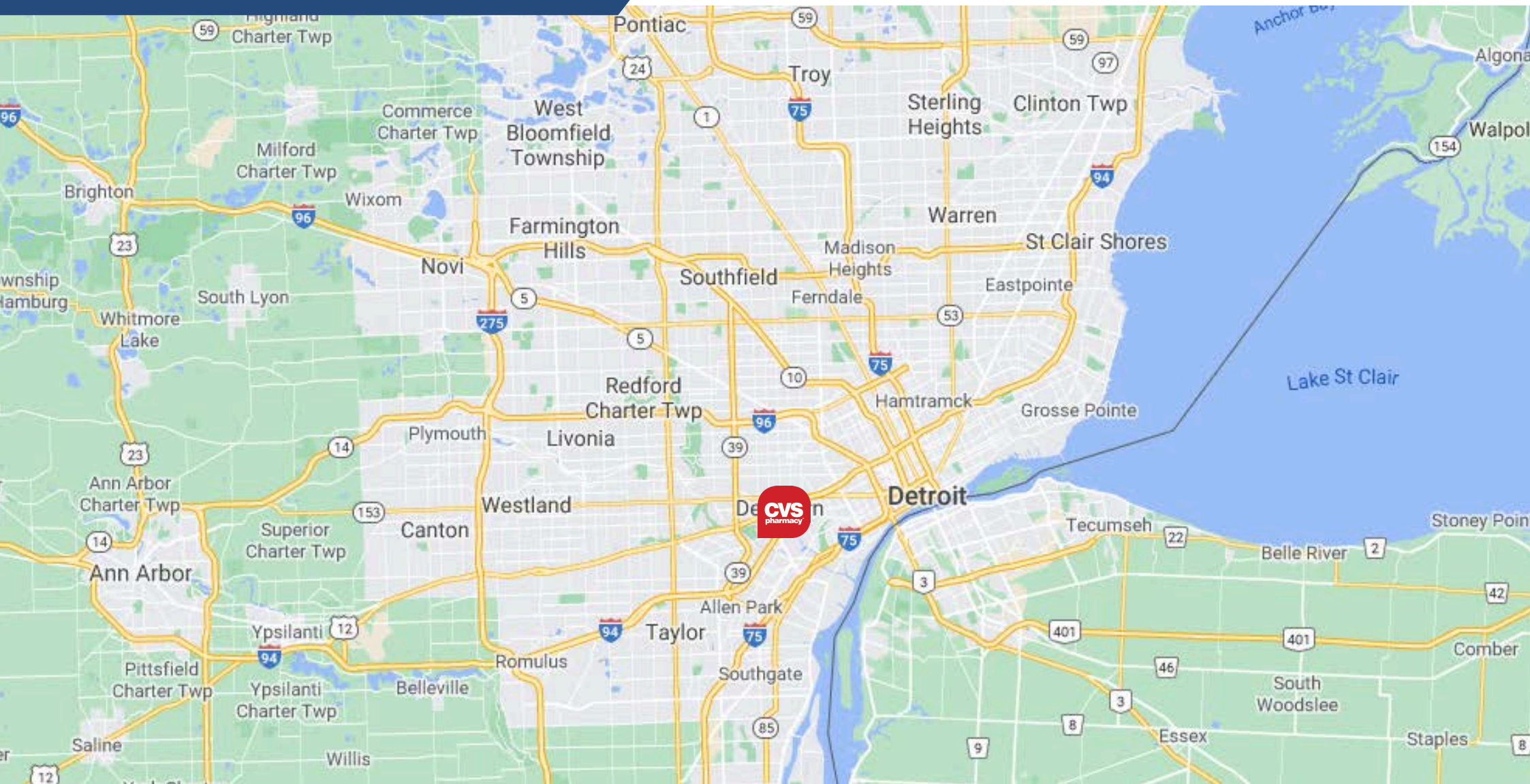


Aerial Map





City Map



Demographics

Population

Total Population
Average Age

1 Mile

3 Mile

5 Mile

13,142

135,869

311,343

28.5

30.3

32.8

Households & Income

Total Households
Average HH Income
Average House Value

4,096

45,702

111,280

\$28,577

\$31,504

\$33,747

\$69,534

\$83,889

\$89,948



City Overview

Detroit is the largest and most populous city in the U.S. state of Michigan and the largest U.S. city on the United States–Canada border. The municipality of Detroit had a 2020 population of 639,111 according to the 2020 census, making it the 27th-most populous city in the United States. The metropolitan area, known as Metro Detroit, is home to 4.3 million people, making it the second-largest in the Midwest after the Chicago metropolitan area, and 14th-largest in the United States. Regarded as a major cultural center, Detroit is known for its contributions to music and as a repository for art, architecture and design, along with its historical automotive background.

Several major corporations are based in the city, including three Fortune 500 companies. The most heavily represented sectors are manufacturing (particularly automotive), finance, technology, and health care. The most significant companies based in Detroit include General Motors, Quicken Loans, Ally Financial, Compuware, Shinola, American Axle, Little Caesars, DTE Energy, Lowe Campbell Ewald, Blue Cross Blue Shield of Michigan, and Rossetti Architects.

The city of Detroit and other public–private partnerships have attempted to catalyze the region's growth by facilitating the building and historical rehabilitation of residential high-rises in the downtown, creating a zone that offers many business tax incentives, creating recreational spaces such as the Detroit RiverWalk, Campus Martius Park, Dequindre Cut Greenway, and Green Alleys in Midtown. The city itself has cleared sections of land while retaining a number of historically significant vacant buildings in order to spur redevelopment.

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