



701 HOBBS HIGHWAY | SEMINOLE, TX

REPRESENTATIVE PHOTO

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REAL ESTATE INVESTMENT SERVICES



REPRESENTATIVE PHOTO



CVS PHARMACY

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REPRESENTATIVE PHOTO

INVESTMENT HIGHLIGHTS

Lease Highlights

- **Modified NNN:** Tenant reimburses all taxes and insurance while also being responsible for roof. Landlord is only responsible for the structure.
- **Low Rent PSF:** CVS is accustomed to paying \$18/SF on their traditional stores; however, on this store, they're only paying ~\$7/SF.

Location Highlights

- **Proven Market:** The subject property had been a locally owned and operated pharmacy for the last 25+ years prior to CVS's acquisition in 2018.
- **Robust Population Growth:** Over the last decade, Seminole's population has grown by an astounding 25%+. However, since Seminole is the largest market in a 25-mile radius, it attracts many locals living in smaller surrounding communities.
- **Across the Highway from Hospital:** Seminole Hospital District which offers surgery, labor and delivery, family medicine clinics, in-house laboratory services and long-term care facilities, is across Hobbs Highway from the subject property.

Tenant Highlights

- **Strong Corporate Guaranty:** CVS Health Corporation who boasts BBB investment grade credit by S&P and has a market valuation of \$114 Billion guarantees the lease. Other retailers with similar credit include Kroger, Circle K, Dollar General, AutoZone, and Fedex to name a few. CVS Health is the largest drugstore chain in the US with 9,900+ retail store locations and approximately 310,000 employees. They continue to gain market share of retail prescriptions filled, growing from 23% in 2015 to 35% in 2020.
- **Pandemic Resistant:** Not only was CVS one of the few retailers allowed to remain open as an essential business but they also lead the charge in vaccination efforts throughout the pandemic, and now has over 4,800 COVID-19 testing sites across the country.



FINANCIAL OVERVIEW



\$342,857
LIST PRICE



\$24,000
NOI



7.00%
CAP RATE

TENANT SUMMARY

Tenant Name	CVS
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	NNN
Roof	Tenant Responsible
Structure	Landlord responsible
Term Remaining	±1.7 Years
Original Lease Term	5 Years
Rent Commencement	7/1/18
Lease Expiration Date	7/31/23
Increases	5% Every Option
Options	Four, 5-Year Options
Termination Clause	180-Day Notice

BUILDING INFO

Address	701 Hobbs Highway, Seminole, TX 79360
Year Built	2006
GLA of Building	± 3,407 SF
Lot Size	± 0.12 ACRES

ANNUALIZED OPERATING DATA

Lease Commence	Monthly Rent	Annual Rent	Rent PSF	CAP
Current - 7/31/23	\$2,000	\$24,000	\$7.04	7.00%
Option 1 - 8/1/23 - 7/31/28	\$2,100	\$25,200	\$7.40	7.35%
Option 2 - 8/1/28 - 7/31/33	\$2,205	\$26,460	\$7.77	7.72%
Option 3 - 8/1/33 - 7/31/38	\$2,315	\$27,783	\$8.15	8.10%
Option 4 - 8/1/38 - 7/31/43	\$2,431	\$29,172	\$8.56	8.51%

TENANT PROFILE

COMPANY NAME

CVS Health Corporation

OWNERSHIP

Public

WEBSITE

www.cvs.com

INDUSTRY

Drug Store

HEADQUARTERS

Woonsocket, Rhode Island



CVS PHARMACY

CVS Health Corporation, together with its subsidiaries, provides integrated pharmacy health care services. It operates through Pharmacy Services and Retail/LTC segments. The Pharmacy Services segment offers pharmacy benefit management solutions, such as plan design and administration, formulary management, Medicare Part D services, mail order, and specialty pharmacy services, retail pharmacy network management services, prescription management systems, clinical services, disease management programs, and medical pharmacy management services.

The Retail/LTC segment sells prescription drugs, over-the-counter drugs, beauty products, and cosmetics, personal care products, convenience foods, seasonal merchandise, and greeting cards, as well as provides photo finishing services. The company was formerly known as CVS Caremark Corporation and changed its name to CVS Health Corporation in September 2014. Hook-SuperRx, LLC operates as a subsidiary of CVS Health Corporation and retails drugs in the United States. It is based in Indianapolis, Indiana, and does business as CVS Pharmacy.



9,967+

Locations



\$110

B
Market Value



BBB

Credit Rating



\$268B

Annual Revenue

AREA OVERVIEW

SEMINOLE, TX

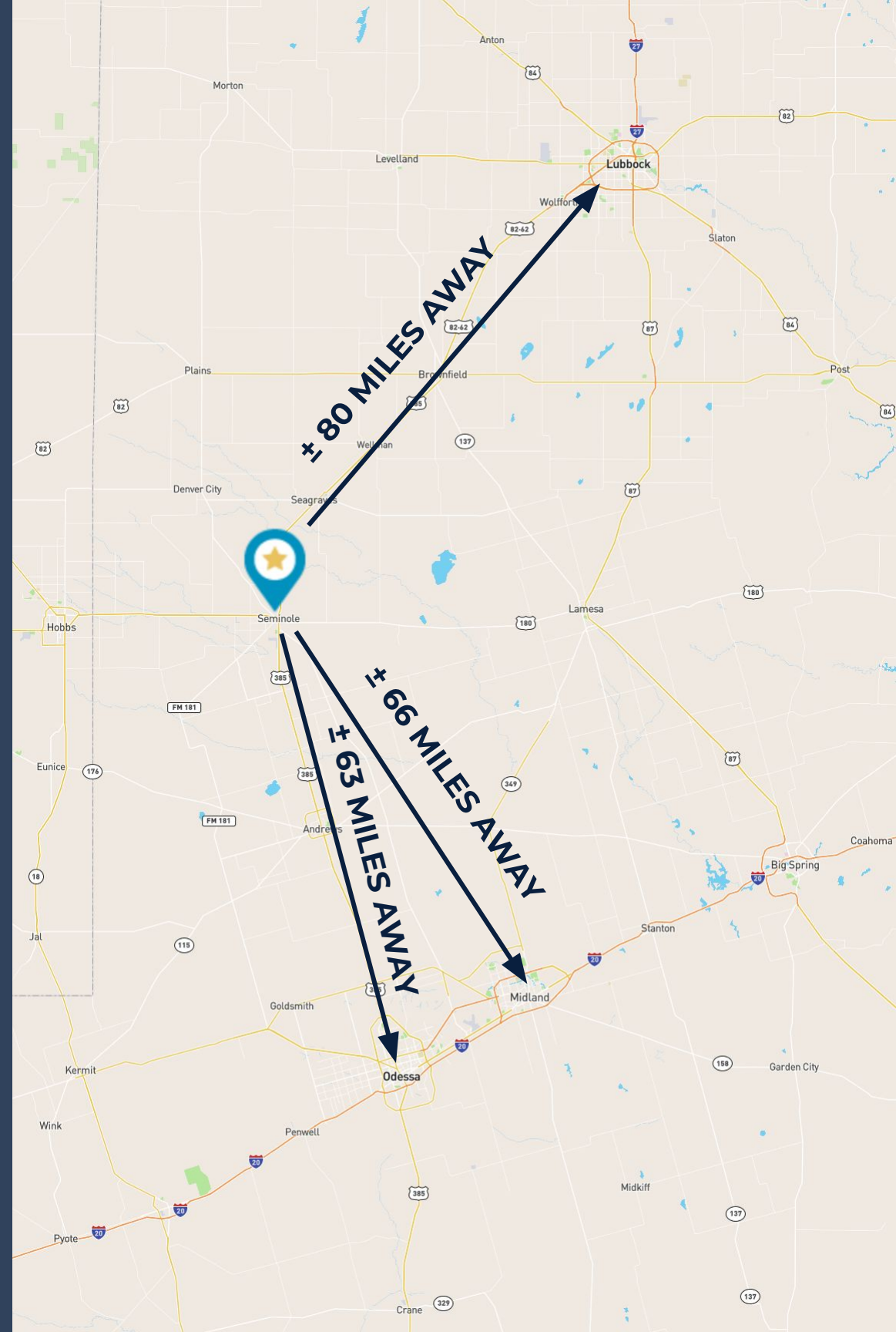
Seminole is a city in and the county seat of Gaines County Texas. The land for Seminole was donated by non-resident landowners to become the county seat for Gaines County. You'll enjoy a true West Texas atmosphere with several unique options for shopping and dining. There are a lot of activities to keep the kids busy year-round, not only within the school system but in the city and county as well. That's not to say adults are left out, since there are plenty of civic clubs and recreational facilities to please everyone. For the whole family, there are activities planned throughout the year that whet the appetite. In January, the annual Gaines County Junior Livestock Show spotlights the talents of 4-H and FFA youth. The annual Seminole Drifters Riding Club Rodeo is held in June, along with the annual Gaines County Pro-Am Golf Tournament In September, the Chamber hosts the annual Ag and Oil Appreciation Day to salute Gaines County for being the top cotton producer, top peanut producer and top oil producer.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
Five Year Projection	8,012	13,179	17,239
Current Year Estimate	6,709	10,986	14,343
2010 Census	5,435	8,833	11,466
Growth Current Year-Five Year	19.42%	19.96%	20.19%
Growth 2010-Current Year	23.44%	24.37%	25.09%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
Five Year Projection	2,100	3,217	4,106
Current Year Estimate	2,004	3,059	3,900
2010 Census	1,886	2,870	3,641
Growth Current Year-Five Year	4.81%	5.15%	5.29%
Growth 2010-Current Year	6.23%	6.60%	7.10%

INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$73,603	\$79,027	\$84,863



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **CVS Pharmacy** located at **701 Hobbs Hwy. Seminole, TX** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner Seller and in part upon financial information obtained from sources the Owner it deems reliable. Owner, nor their officers, employees, or real estate agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its contents, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein. and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum. Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date



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