

# CVS PHARMACY

EXCLUSIVE NET-LEASE OFFERING



# OFFERING MEMORANDUM



7001 Wyoming Springs Drive  
Round Rock, TX 78681

# Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease,

including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

## CONFIDENTIALITY AND DISCLAIMER

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## NON-ENDORSEMENT NOTICE

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M&M, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of M&M, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)





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# Investment Highlights

PRICE: \$9,788,379 | CAP: 4.75% | RENT: \$464,948

## About the Investment

- ✓ Absolute Triple-Net (NNN) Lease with Over 13 Years of Term Remaining
- ✓ Over 208,831 People Live Within Five Miles of the Property | Forecasted Population Growth Over the Next Five Years in a 1, 3, 5, and 10-Mile Radii
- ✓ Investment Grade Credit: CVS Corporate (S&P: BBB)

## About the Location

- ✓ Dense Retail Corridor | LA Fitness, HEB, Chase Bank, Firestone, Starbucks, Dairy Queen, Chipotle, 7-Eleven
- ✓ Affluent Suburban Community | Average Income Within a One-Mile Radius Exceeds \$137,400
- ✓ Four Miles to Worldwide Headquarters for Dell | Second-Largest Employer in the Area with Over 3,200 Employees
- ✓ Strong Traffic Counts Along Wyoming Springs Drive and Interstate-35 | Over 42,000 and 198,000 Vehicles Per Day, Respectively
- ✓ Large Academic Presence | Round Rock High School | Total Enrollment Exceeds 3,600 Students | Located Within 1.5 Mile Radius
- ✓ One Half Mile from St. David's Round Rock Medical Center | 170+ Bed Medical Facility
- ✓ Less than 20 Miles from Downtown Austin | Capital of Texas and 11th-Most Populous State in the United States
- ✓ Texas | Income Tax Free State

## About the Tenant / Brand

- ✓ CVS Pharmacy is the Largest Pharmacy Chain in the United States with Over 9,900 and has the Highest Prescription Revenue
- ✓ CVS Pharmacy Also Provides Healthcare Services Through its More Than 1,100 MinuteClinic Medical Clinics as well as Their Diabetes Care Centers
- ✓ CVS had 2018 Revenues of More Than \$194 Billion
- ✓ CVS Pharmacy Fills More Than 1.9 Billion Prescriptions Every Year





# Financial Analysis

PRICE: \$9,788,379 | CAP: 4.75% | RENT: \$464,948

## PROPERTY DESCRIPTION

Property	CVS Pharmacy
Property Address	7001 Wyoming Springs Drive
City, State, ZIP	Round Rock, TX 78681
Year Built / Renovated	2011
Building Size	12,024
Lot Size	+/- 1.57 Acres
Type of Ownership	Triple-Net (NNN)

## THE OFFERING

Purchase Price	\$9,788,379
CAP Rate	4.75%
Annual Rent	\$464,948

## LEASE SUMMARY

Property Type	Net-Leased Drug Store
Tenant	CVS
Guarantor	CVS Corporate
Original Lease Term	25 Years
Lease Commencement	December 21 <sup>st</sup> , 2011
Lease Expiration	January 31 <sup>st</sup> , 2037
Lease Term Remaining	15.4 Years
Lease Type	Triple-Net (NNN)
Options to Renew	Ten (10), Five (5)-Year Options

## RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Current – Jan 2022	\$464,948	\$38,746	-
Feb 2022 – Jan 2023	\$464,948	\$38,746	-
Feb 2023 – Jan 2024	\$464,948	\$38,746	-
Feb 2024 – Jan 2025	\$464,948	\$38,746	-
Feb 2025 – Jan 2026	\$464,948	\$38,746	-
Feb 2026 – Jan 2027	\$464,948	\$38,746	-
Feb 2027 – Jan 2028	\$464,948	\$38,746	-
Feb 2028 – Jan 2029	\$464,948	\$38,746	-
Feb 2029 – Jan 2030	\$464,948	\$38,746	-
Feb 2030 – Jan 2031	\$464,948	\$38,746	-
Feb 2031 – Jan 2032	\$464,948	\$38,746	-
Feb 2032 – Jan 2033	\$464,948	\$38,746	-
Feb 2034 – Jan 2035	Final Three Years of Lease is a Free Rent Period for CVS		
Feb 2035 – Jan 2036			
Feb 2036 – Jan 2037			

Ten, Five Year Renewal Option Periods

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for an CVS located at 7001 Wyoming Springs Drive in Round Rock, TX. The site consists of roughly 12,024 rentable square feet of building space on estimated 1.57-acre parcel of land. CVS has over 15 years remaining on a 25-year true triple-net (NNN) lease.



# Concept Overview



CVS Pharmacy is a subsidiary of the American retail and Health care company CVS Health, headquartered in Woonsocket, Rhode Island. It was also known as, and originally named the Consumer Value Store and was founded in Lowell, Massachusetts, in 1963. The chain was owned by its original holding company Melville Corporation since its inception until its current parent company CVS Health was spun off into its own company in 1996. CVS Pharmacy is currently the largest pharmacy chain in the United States by number of locations (over 9,900 as of 2019) and total prescription revenue. As the retail pharmacy division of CVS Health, it ranks as the 5th largest U.S. corporation according to Fortune 500 in 2020 with revenues of more than \$256 billion. CVS/pharmacy's leading competitor Walgreens Boots Alliance is ranked 37th.

CVS sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS/pharmacy and Long Drugs retail stores and online through CVS.com. It also provides healthcare services through its more than 1,100 MinuteClinic medical clinics as well as their Diabetes Care Centers. Most of these clinics are located within CVS stores.

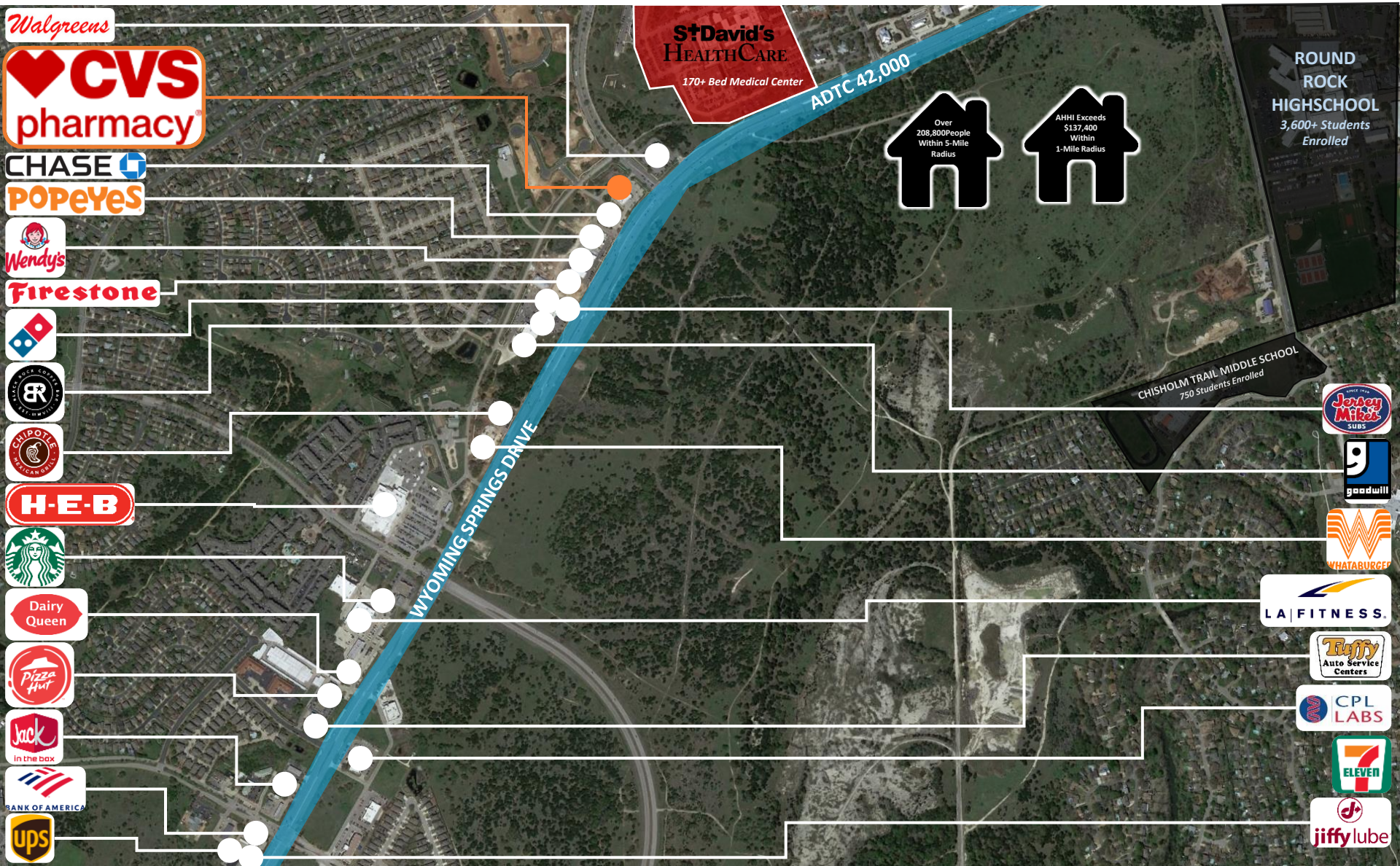


MinuteClinics are staffed by nurse practitioners and physician assistants who specialize in family health care, and are trained to diagnose, treat, and write prescriptions for minor acute illnesses such as strep throat and ear, eye, sinus, bladder, skin, and lung infections. Vaccinations, such as influenza, tetanus-pertussis, pneumovax, and Hepatitis A & B are available at all locations.





# Surrounding Area





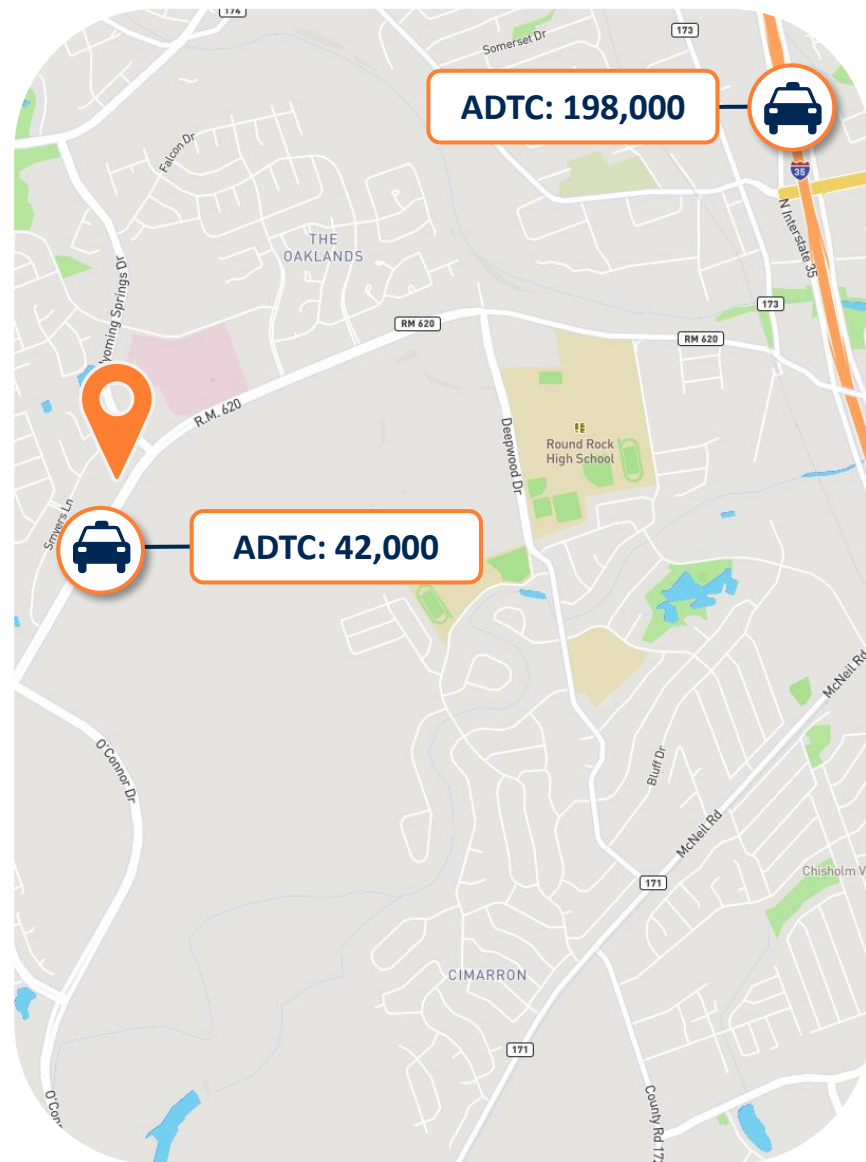


# Location Overview

The subject investment property is situated on Wyoming Springs Drive, experiences an average daily traffic count exceeding 42,000 vehicles per day, respectively. Intersecting with Wyoming Springs Drive, is Interstate-35, which brings in an additional 198,000 vehicles to the immediate area daily. There are more than 249,520 individuals residing within a five-mile radius of the subject property and more than 704,320 individuals within a 10-mile radius. The subject property is located in a very affluent community, with an average income of \$96,914 within a five-mile radius and \$99,223 within a 10-mile radius.

The subject property benefits from being well-positioned in a dense urban infill consisting of national and local tenants, academic institutions and medical facilities all within close proximity of this property. Major national tenants in the area include: LA Fitness, HEB, Chase Bank, Firestone, Starbucks, Dairy Queen, Chipotle, 7-Eleven, in addition to many others. Furthermore, the subject CVS benefits from its proximity to several academic institutions. The most notable is Round Rock High School, which has a total enrollment exceeding 3,600 students and is located within a one and one half mile radius. The subject property is four miles from the international headquarters for Dell Technologies, the second-largest employer in the area with over 3,200 employees. Additionally, the subject CVS is located only six miles from Round Rocks Premium Outlets. This is a 430,000-square-foot shopping mall that is located on 200 acres and is home to more than 110 stores. St. David's Round Rock Medical Center, a 170+ bed medical facility, is just one half a mile north from the subject property.

Round Rock is located in Williamson County and is a part of the Greater Austin, Texas metropolitan area. Located about 20 miles north of downtown Austin, Round Rock shares a common border with Austin at Texas State Highway 45. In August 2008, Money Magazine named Round Rock as the seventh-best American small city to live in and was the only city in Texas to make the Top 10. Round Rock is also one of the fastest growing cities in the nation, and one of the best-managed cities in Texas. The city has maintained high quality of life while becoming a major center for economic growth in Central Texas, with industry clusters in clean energy, advanced manufacturing, life sciences and computer/software development. Round Rock has a very strong public education system, with the Round Rock independent School District ranking among the best in the state.







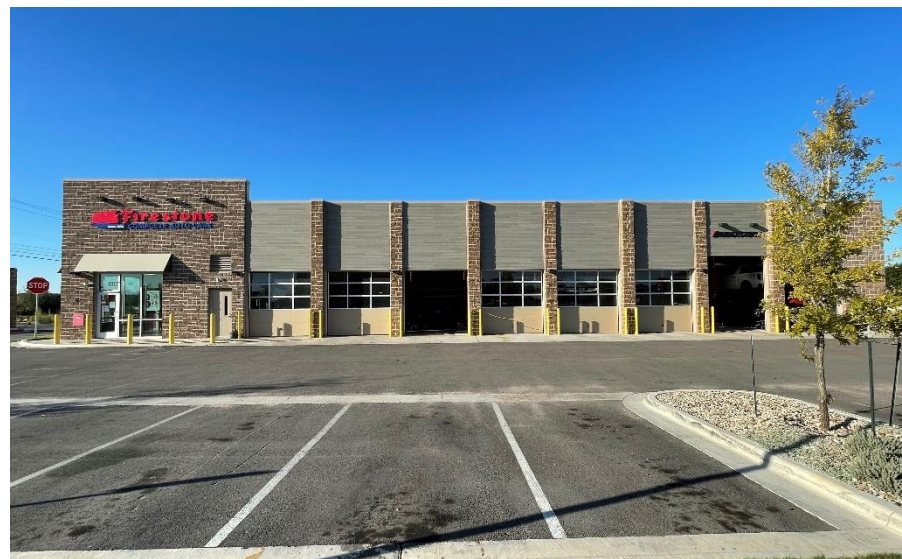
# Property Photos







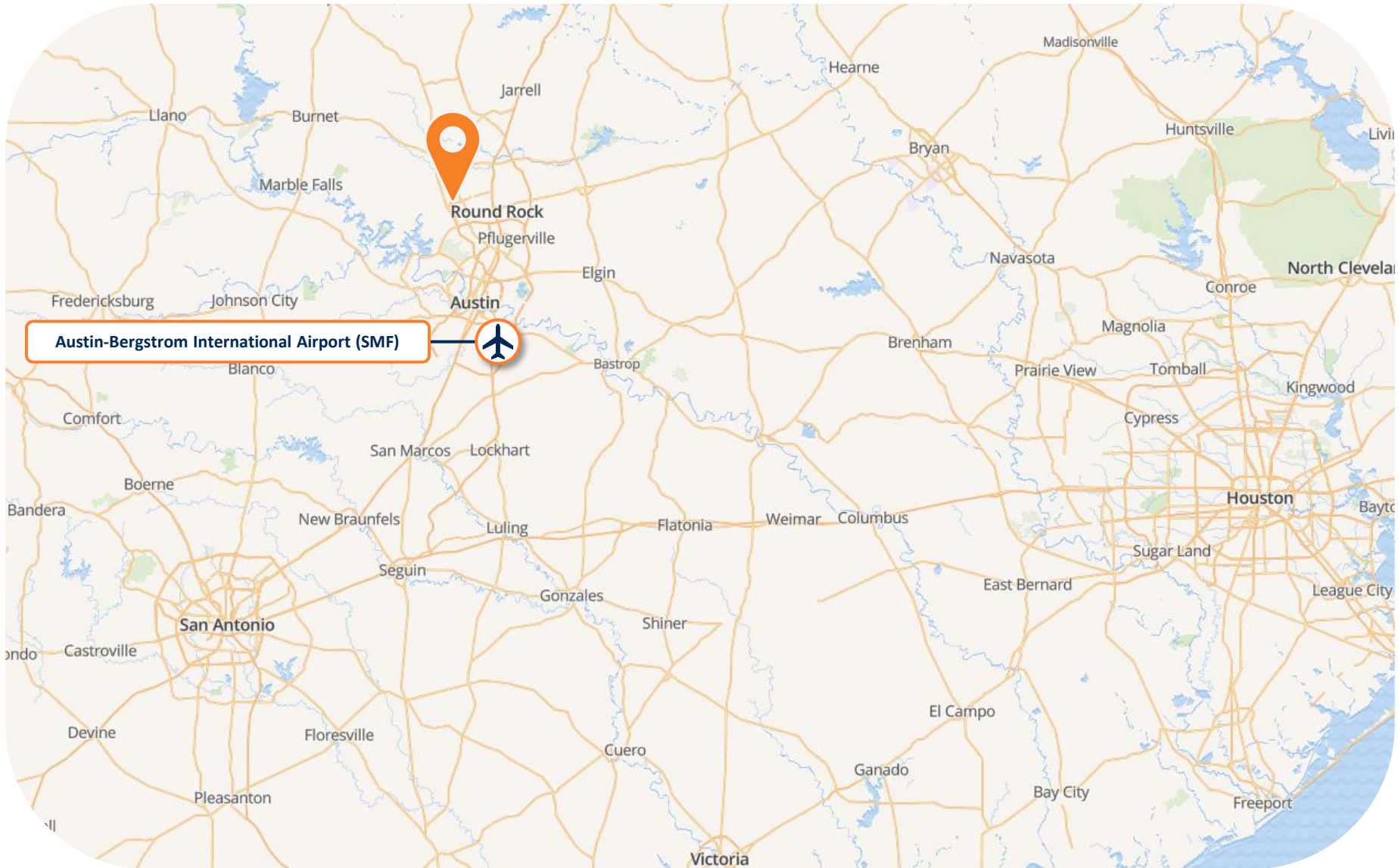
# Surrounding Area Photos







# Local Map





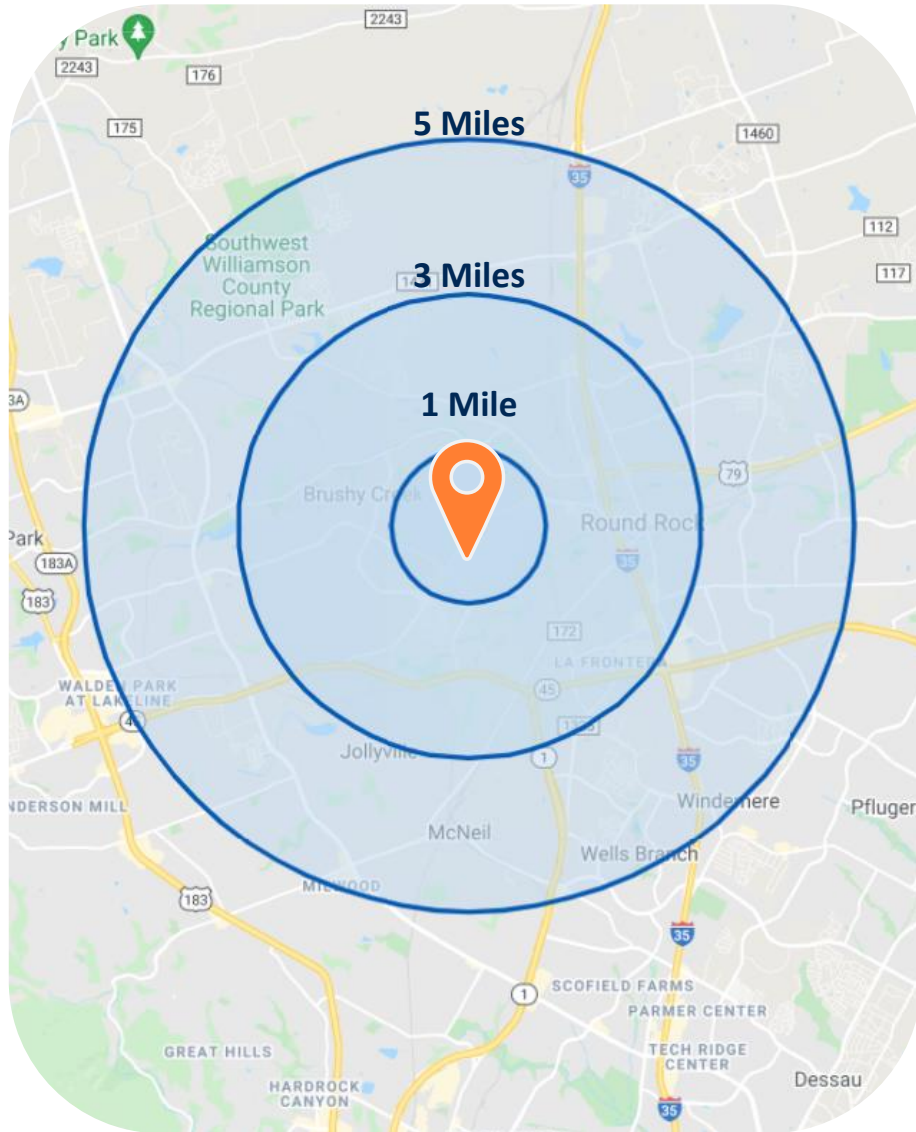
# Regional Map







# Demographics



	1 Mile	3 Miles	5 Miles
<b>POPULATION TRENDS</b>			
2010 Population	9,759	67,665	166,590
2021 Population	9,521	77,370	208,831
2026 Population Projection	10,650	87,888	237,728
Growth 2020 – 2026	2.40%	2.70%	2.80%
<b>POPULATION BY RACE (2021)</b>			
White	6,836	57,270	150,926
Black	407	5,518	20,289
American Indian/Alaskan Native	61	730	1,805
Asian	1,951	11,451	28,491
Hawaiian & Pacific Islander	10	131	400
Two or More Races	257	2,270	6,920
Hispanic Origin	1,383	19,902	54,973
<b>HOUSEHOLD TRENDS</b>			
2010 Households	3,265	23,438	62,041
2021 Households	3,116	26,874	77,501
2026 Household Projection	3,451	30,336	87,593
Growth 2020 - 2026	2.20%	2.60%	2.60%
<b>AVERAGE HOUSEHOLD INCOME (2021)</b>	\$137,455	\$124,128	\$110,867
<b>MEDIAN HOUSEHOLD INCOME (2021)</b>	\$119,148	\$100,595	\$88,969
<b>HOUSEHOLDS BY HOUSEHOLD INCOME (2021)</b>			
<\$25,000	\$124	\$2,106	\$5,962
\$25,000 - \$50,000	\$224	\$3,679	\$12,149
\$50,000 - \$75,000	\$512	\$4,461	\$14,734
\$75,000 - \$100,000	\$338	\$3,107	\$10,566
\$100,000 - \$125,000	\$470	\$3,509	\$9,638
\$125,000 - \$150,000	\$301	\$2,124	\$6,679
\$150,000 - \$200,000	\$704	\$3,853	\$9,763
\$200,000+	\$443	\$4,034	\$8,007



# Market Overview

*Austin, TX*



**Austin** is the capital of Texas and the seat of Travis County, with portions extending into Hays and Williamson counties. It is the 11th-most populous city in the United States and the fourth-most populous city in Texas. It is also the fastest growing large city in the United States, the second-most populous state capital, and the southernmost state capital in the contiguous United States. The city is the cultural and economic center of the Austin-Round Rock metropolitan statistical area. U.S. News & World Report named Austin the #1 place to live in the United States for 2017 and 2018. In 2016, Forbes ranked Austin #1 on its “Cities of the Future” list, then in 2017 placed the city at that same position on its list for the “Next Biggest boom Town in the U.S.” Also, in 2017, Forbes awarded the South River City neighborhood of Austin its #2 ranking for “Best Cities and Neighborhoods for Millennials”. WalletHub named Austin the #6 best place in the country to live for 2017. The FBI ranked Austin as the #2 safest major city in the U.S. for 2012.

A number of fortune 500 companies have headquarters or regional offices in Austin including, 3M, Amazon.com, Apple Inc., Cisco, eBay, General Motors, Google, IBM, Intel, Oracle Corporation, PayPal, Texas Instruments, and Whole Foods market. The city’s official slogan promotes Austin as “The Live Music Capital of the World”, a reference to the city’s many musicians and live music venues, as well as the long-running PBS TV concert series Austin City Limits. Austin is also home to the University of Texas at Austin, the flagship institution of the University of Texas System with over 38,000 undergraduate students and 12,000 graduate students. UT has the highest-ranked business, engineering, and law programs of any university in the state of Texas.



# Information About Brokerage Services



## Information About Brokerage Services

*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.

<b>Marcus &amp; Millichap</b>	<b>9002994</b>		<b>972.755.5200</b>
Licensed Broker / Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
<b>Tim Speck</b>	<b>432723</b>	<b>Tim.Speck@marcusmillichap.com</b>	<b>972.755.5200</b>
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

Regulated by the Texas Real Estate Commission

Information available at [www.trec.texas.gov](http://www.trec.texas.gov)

IABS 1-0



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## Marcus & Millichap

### EXCLUSIVE NET-LEASE OFFERING



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