

CVS PHARMACY

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



23743 Jackson Ave
Murrieta, CA 93743

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Investment Highlights

PRICE: \$9,001,920 | CAP: 5.00% | RENT: \$450,096

About the Investment

- ✓ Absolute Triple-Net (NNN) Lease with Over 15 Years of Term Remaining
- ✓ Over 159,760 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 | Walmart, Target, Albertson's, Lowe's, Bed Bath & Beyond, Walgreens, O'Reilly Auto Parts, AutoZone, McDonald's, Burger King, Subway, Carl's Jr., Chipotle, and Many More
- ✓ Strong Academic Presence | Within a Five-Mile Radius of Azusa Pacific University – Murrieta Regional Campus | Total Student Enrollment in Excess of 10,000 Individuals across its 8 Campuses
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$108,500 Within a One-Mile Radius
- ✓ Features High Visibility and Ease of Access | | Strong Traffic Counts | Jackson Avenue and Nutmeg Street | Average 14,400 and 10,400 Vehicles Per Day, Respectively
- ✓ Excellent California Real Estate and Strong Population Growth | Murrieta Experienced a 133.7% Increase in Population Between 2000 and 2010 and is Projected to Continue to Increase Over the Next 5 years

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: \$9,001,920 | CAP: 5.00% | RENT: \$450,096

PROPERTY DESCRIPTION

Property	CVS Pharmacy
Property Address	23743 Jackson Ave
City, State, ZIP	Murietta, CA 92562
Year Built / Renovated	2011
Building Size	11,157
Lot Size	+/- 1.60 Acres
Type of Ownership	Triple-Net (NNN)

THE OFFERING

Purchase Price	\$9,001,920
CAP Rate	5.00%
Annual Rent	\$450,096

LEASE SUMMARY

Property Type	Net-Leased Drug Store
Tenant	CVS
Guarantor	CVS Corporate
Original Lease Term	25 Years
Lease Commencement	December 21 st , 2011
Lease Expiration	January 31 st , 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	\$450,096	\$37,508	-
Feb 2022 – Jan 2023	\$450,096	\$37,508	-
Feb 2023 – Jan 2024	\$450,096	\$37,508	-
Feb 2024 – Jan 2025	\$450,096	\$37,508	-
Feb 2025 – Jan 2026	\$450,096	\$37,508	-
Feb 2026 – Jan 2027	\$450,096	\$37,508	-
Feb 2027 – Jan 2028	\$450,096	\$37,508	-
Feb 2028 – Jan 2029	\$450,096	\$37,508	-
Feb 2029 – Jan 2030	\$450,096	\$37,508	-
Feb 2030 – Jan 2031	\$450,096	\$37,508	-
Feb 2031 – Jan 2032	\$450,096	\$37,508	-
Feb 2032 – Jan 2033	\$450,096	\$37,508	-
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 23743 Jackson Avenue in Murietta, CA. The site consists of roughly 11,157 rentable square feet of building space on estimated 1.60-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.



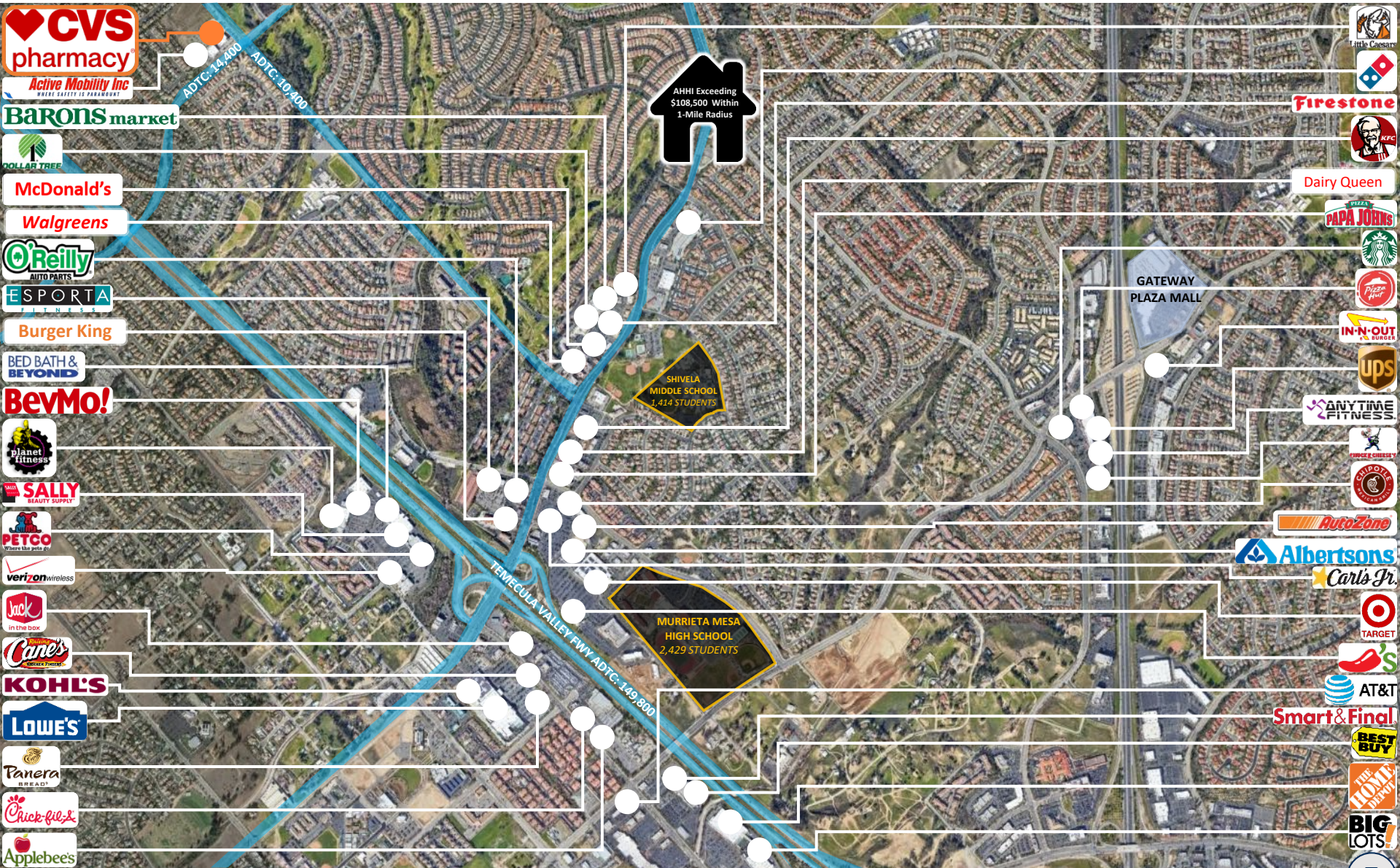
CVS sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods through their CVS/pharmacy and Long Drugs retail stores and online 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



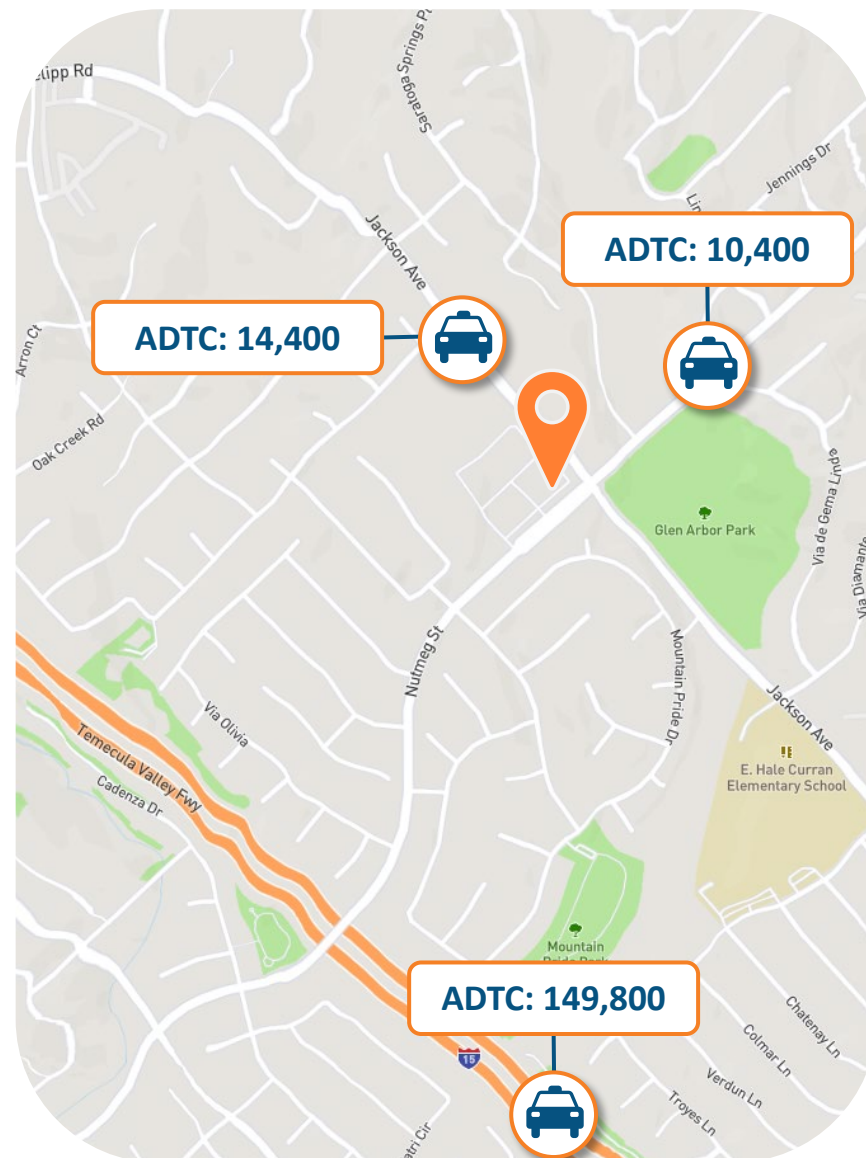


Location Overview

This CVS Pharmacy is located on a hard corner at the intersection of Jackson Avenue and Nutmeg Street which boast average daily traffic counts of 14,400 and 10,400 vehicles, respectively. Nutmeg Street intersects nearby with the Temecula Valley Freeway which brings an additional 149,800 vehicles into the immediate area on average daily. There are more than 87,500 individuals within a three-mile radius of the property and 159,500 individuals within a five-mile radius of the property. Additionally, this CVS property is situated in an affluent suburban community with an average household income of over \$108,500 within a one-mile radius.

The subject property benefits from being well-positioned near a dense retail corridor consisting of national and local tenants, large shopping centers, and academic institutions. Major national tenants in the area include | Target, Albertson's, Bed Bath & Beyond, Walgreens, O'Reilly Auto Parts, AutoZone, McDonald's, Burger King, Subway, Carl's Jr., Chipotle, as well as many others. Additionally, the subject property is ideally located within five miles of Murrieta Town Center and Murrieta Springs Plaza, two of Murrieta's most popular shopping malls. Furthermore, the subject CVS benefits from its proximity to several academic institutions most notable of which is Azusa Pacific University – Murrieta Regional Campus lying just five miles from the subject property. APU is a private evangelical Christian University, with a total enrollment in excess of 10,000 students.

Murrieta is a city in southwestern Riverside County, California, United States. Murrieta experienced a 133.7% population increase between 2000 and 2010, making Murrieta one of the fastest-growing cities in the state. Largely residential in character, Murrieta is typically characterized as a bedroom community. Murrieta is bordered by the city of Temecula to the south, the cities of Menifee and Wildomar to the north, and the unincorporated community of French Valley to the east. Murrieta is located in the center of the Los Angeles-San Diego mega-region. Murrieta is named for Juan Murrieta, a Californio ranchero who founded the town. Golf is a popular leisure activity with the city featuring three golf courses within its limits. Bear Creek Golf & Country Club is located within the gated residential community of Bear Creek. It is a private 18-hole course designed by Jack Nicklaus at which Presidents Ronald Reagan and Gerald Ford have played. The California Oaks Golf Course is located within The Colony, a gated senior residential community and is a public 18-hole course. The Golf Club at Rancho California is an 18-hole golf course designed by Robert Trent Jones, Sr., and is located on the east side of the city.





Property Photos



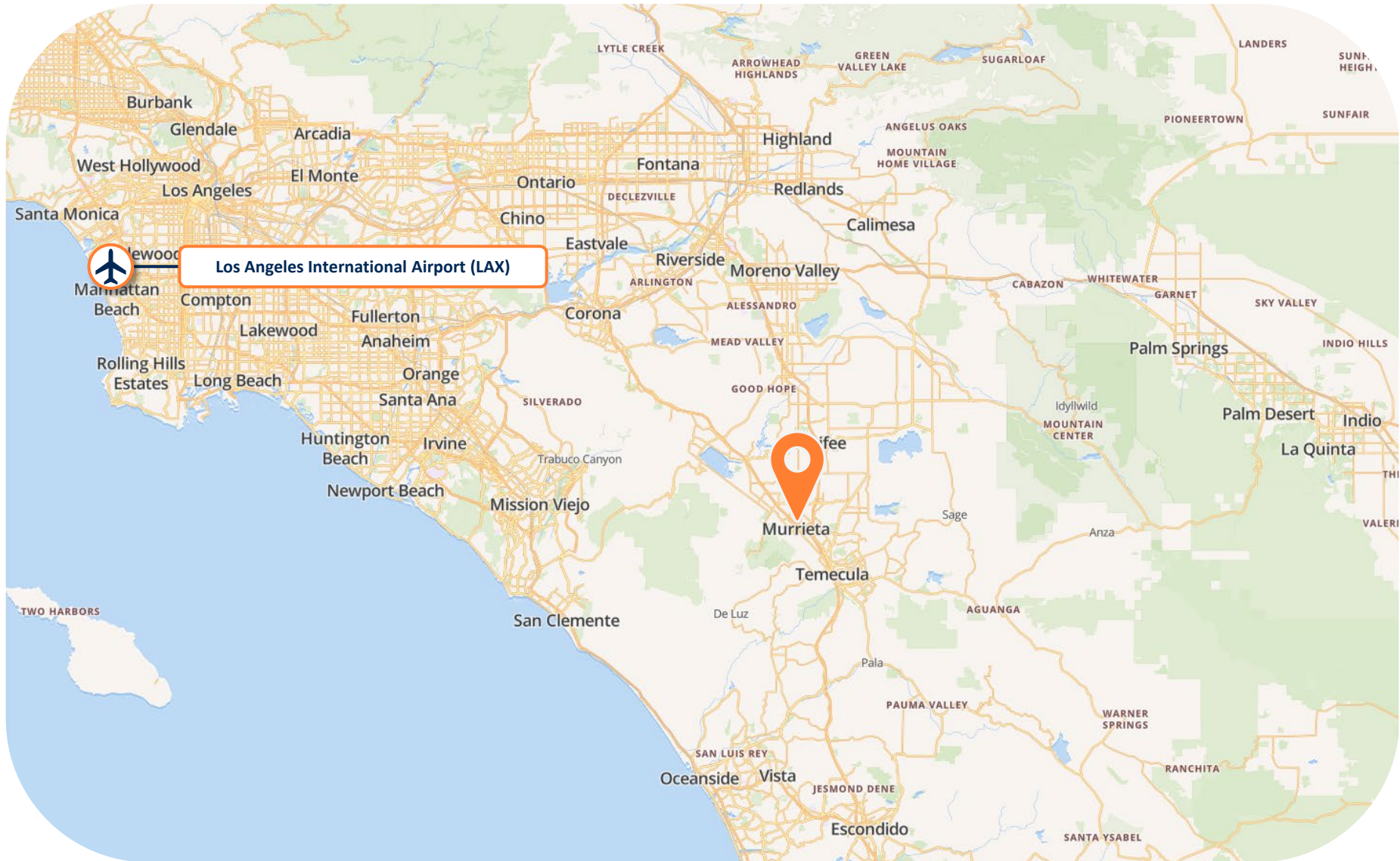


Surrounding Area Photos





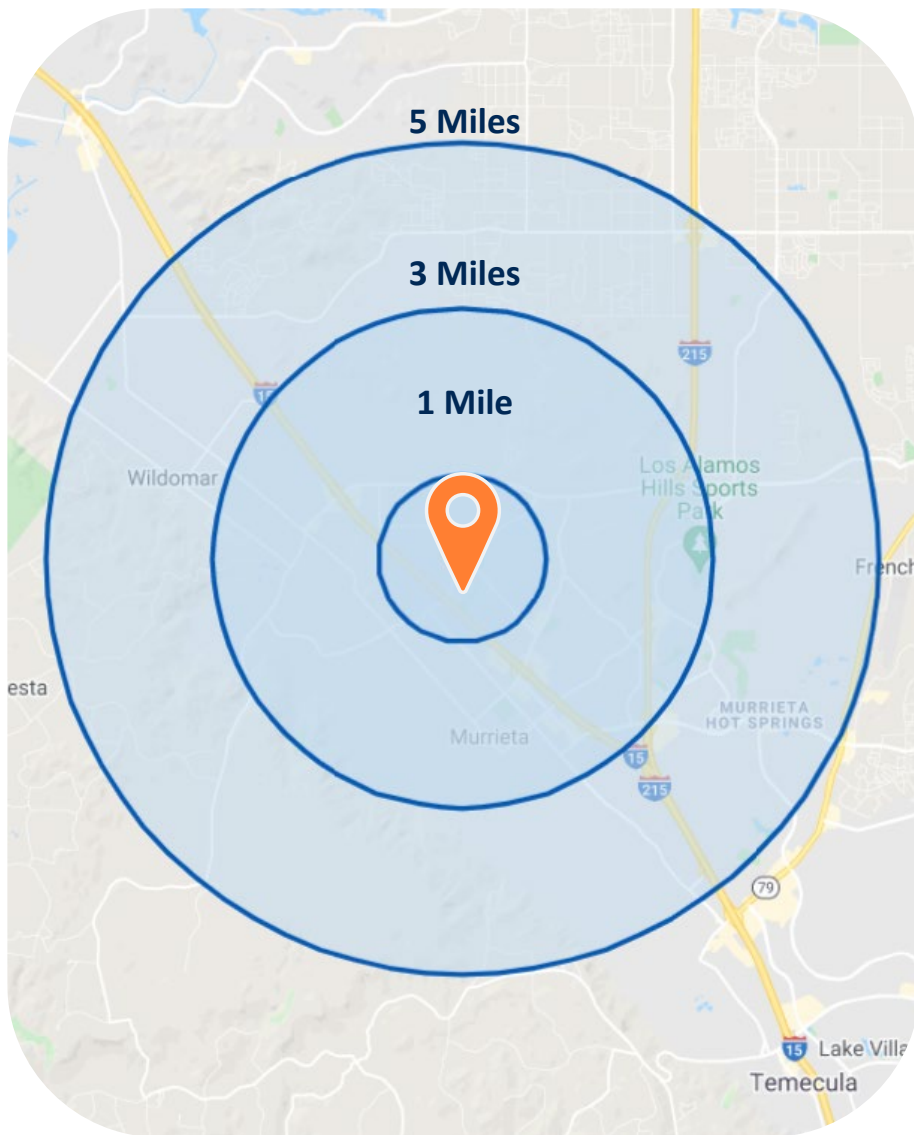
Local Map







Demographics



	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	14,291	76,240	139,035
2021 Population	16,155	87,914	159,762
2026 Population Projection	16,972	92,622	168,236
Growth 2010 – 2021	1.20%	1.40%	1.40%
Growth 2020 – 2026	1.00%	1.10%	1.10%
POPULATION BY RACE (2021)			
White	12,653	68,870	122,282
Black	985	5,063	9,762
American Indian/Alaskan Native	169	1,090	2,283
Asian	1,454	7,977	16,495
Hawaiian & Pacific Islander	103	468	765
Two or More Races	791	4,446	8,175
Hispanic Origin	4,690	27,340	51,740
HOUSEHOLD TRENDS			
2010 Households	4,926	24,543	43,939
2021 Households	5,542	28,130	50,240
2026 Household Projection	5,813	29,583	52,814
Growth 2010 – 2021	0.90%	1.00%	1.00%
Growth 2020 - 2026	1.00%	1.00%	1.00%
AVERAGE HOUSEHOLD INCOME (2021)	\$108,951	\$118,885	\$117,113
MEDIAN HOUSEHOLD INCOME (2021)	\$91,426	\$98,320	\$95,917
HOUSEHOLDS BY HOUSEHOLD INCOME (2021)			
<\$25,000	468	2,305	4,077
\$25,000 - \$50,000	750	3,698	6,680
\$50,000 - \$75,000	1,018	4,194	7,795
\$75,000 - \$100,000	815	4,146	7,849
\$100,000 - \$125,000	704	3,914	7,026
\$125,000 - \$150,000	473	2,469	4,527
\$150,000 - \$200,000	865	3,908	6,092
\$200,000+	450	3,495	6,193



Market Overview

San Diego, CA



San Diego is a city located on the coast of the Pacific Ocean in Southern California, roughly 120 miles south of Los Angeles. The city is the eighth-largest in the United States, and the second-largest in California. It is a part of the San Diego-Tijuana conurbation, the second-largest transborder agglomeration between the U.S. and a bordering country. The city is known for its mild year-round climate, natural deep-water harbor, extensive beaches, long association with the United States Navy, and recent emergence as a healthcare and biotechnology development center. San Diego serves as the seat of San Diego County and is the economic center of the region, as well as the San Diego-Tijuana metropolitan area. San Diego's main economic engines are military and defense-related activities, tourism, international trade, and manufacturing. As a result of the large military presence in the area, as well as the deep-water port, there are several major defense contractors headquartered in the city including: General Atomics, Cubic, and NASSCO. San Diego's commercial port and its location along the United States-Mexico border make international trade an important factor in the city's economy. As a result, the city is authorized by the federal government to operate as a Foreign Trade Zone. The presence of the University of California, San Diego (UCSD), with the affiliated UCSD Medical Center, has helped make the area a center of research in biotechnology. The city is also home to a flourishing cultural scene, with numerous museums, such as the San Diego Museum of Art, the San Diego Museum of Man, and the Museum of Photographic Art. Additionally, the San Diego Symphony at Symphony Towers performs on a regular basis and the San Diego Opera has been ranked as one of the top 10 opera companies in the country.

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