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## **OFFERING SUMMARY**

### **LOCATION**

CVS Pharmacy 10 S Lewis Avenue Waukegan, IL (Chicago MSA) 60085



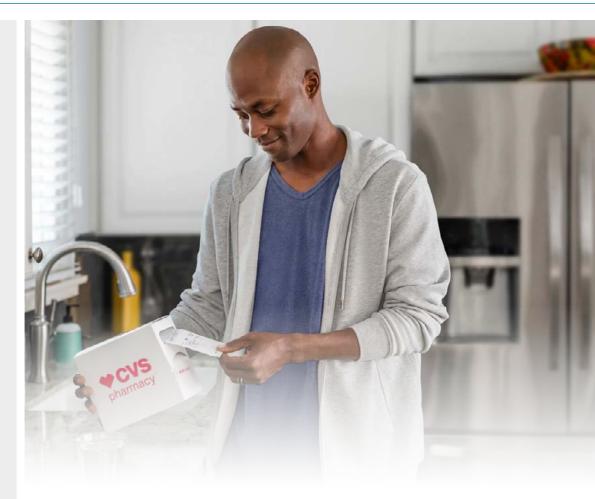
#### **OFFERING SUMMARY**

Price:	\$5,265,000
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Net Operating Income (NOI):	\$302,715
Capitalization Rate:	5.75%
Price per Square Foot:	\$356
Net Rentable Area:	14,800
Year Built:	1999
Lot Size (Acres):	1.27

## LEASE TERMS (1)

Lease Commencement:	12/1/2006
Lease Expiration:	1/31/2032 (2)
Lease Type:	Absolute NNN
Renewal Options:	Ten 5-Year (3)

<sup>(1)</sup> All lease provisions to be independently verified by Buyer during the Due Diligence Period.
(2) Rent Holiday from January 2029 - January 2032. Seller to put full rent credit of \$908,144 into escrow account.



# **♥CVS** pharmacy<sup>™</sup>

**Quick Facts** 

4.5M

CUSTOMERS SERVED BY CVS PHARMACY DAILY

**75** 

MAJOR HEALTH SYSTEM AFFILIATIONS 9.9K +

RETAIL LOCATIONS IN 49 STATES

<sup>(3)</sup> Option 1 rent is fixed at 90% of NOI. In Option 2, Tenant can either (i) extend at the same 90% of NOI (subject to conditions - contact agent for details) or (ii) extend at FMV, per an appraiser (contact agent for details).

<sup>(4)</sup> Tenant has the Right of First Refusal (ROFR) during only the Extension Periods and has 20 days to respond.

# **INVESTMENT HIGHLIGHTS**

- Absolute NNN Corporately Guaranteed CVS Pharmacy (S&P: BBB)
  - Absolute NNN lease with zero landlord responsibilities
  - Over 10 years remaining with ten 5-year options to extend
  - Investment grade credit tenant (S&P: BBB)
  - Drive-thru equipped providing ease and convenience to customers
  - Over 9.900 retail locations in 49 states
  - #4 company on the Fortune 500 list
- Located at Highly Trafficked Signalized Intersection: Situated at the intersection of Washington Street and South Lewis Avenue with a combined 39,400 cars per day
- Large Pylon Signage and Excellent Accessibility: The site has excellent exposure and accessibility from both adjacent roads including a large pylon sign on Lewis Avenue, increasing visibility to drivers passing by





# **INVESTMENT HIGHLIGHTS**

- Close Proximity to Two Hospitals: Less than a half mile from Lake Behavioral Hospital (146 beds), and 2.4 miles from Vista Medical Center East (228 beds)
- Strong Demographics Surrounded by Dense Residential: Over 106,000 residents in a 3-mile radius Closest CVS to downtown Waukegan/Waukegan Harbor and the surrounding neighborhoods
- Nearby National/Credit Tenants: Nearby retailers include The Home Depot, Ross Dress for Less, Lewis Fresh Market, Save-A-Lot, dd's Discounts, and more
- 1.5 Miles from Waukegan Train Station: Just west of the Metra Union Pacific North line that travels to downtown Chicago in 1 hour and 11 minutes
- **Bedroom Community to Chicago:** Waterfront community just north of Chicago allowing residents to easily commute in and out of the city (50 minute drive time)





# SITE PLAN / PARCEL MAP



# **AERIAL OVERVIEW**



# **AERIAL OVERVIEW**



# **AERIAL OVERVIEW**



# **REGIONAL MAP**



## TENANT PROFILE







CVS Pharmacy is the largest pharmacy chain in the United States by both number of locations and revenue. The retail store sells prescription drugs as well as 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. The company also provides healthcare services through its 1,100+ MinuteClinic walk-in medical clinics and its Diabetes Care Centers, both of which are usually located within or right outside of CVS stores. The company also operates an online retail pharmacy website at CVS.com.

Nearly 10,000 community locations make it possible for 85% of the U.S. population to live within 10 miles of a CVS Pharmacy. Each day, 4.5 million customers are served at a CVS, and MinuteClinics see more than 50 million patients annually. CVS Pharmacy is estimated to be responsible for 38% of all retail prescriptions filled in the United States. Throughout the pandemic, CVS has administered over 32 million COVID-19 tests and 34 million vaccines.

Parent company CVS Health is the 4th largest U.S. corporation by revenue on the Fortune 500 list, earning \$268.7 billion in 2020—a 4.6% increase over 2019. Meanwhile, the company's closest competitor (Walgreens) ranked 16th for the same time period. CVS Health boasts 97 straight quarters of dividends paid. The company employs 256,000 people throughout its enterprise and is headquartered in Woonsocket, Rhode Island.

Company Type: Public (NYSE: CVS)

Locations: 9,943

Website: www.cvs.com | www.cvshealth.com

#4
Fortune
500 List
Fortune (2021)

**#/ Global 500 List**Fortune (2021)

#32
World's Most
Admired Companies
Fortune (2021)

## **TENANT PROFILE**





# **TheStreet**

# CVS Health Stock Leaps on Q3 Earnings Beat, 2021 Profit Outlook Boost

By Martin Baccardax | November 3, 2021

CVS Health Corp. (CVS) - Get CVS Health Corporation Report posted stronger-than-expected third quarter earnings Wednesday, and lifted its 2021 profit forecast, as COVID vaccinations powered solid gains in retail and pharmacy sales.

CVS said adjusted earnings for the three months ending in September were pegged at \$1.97 per share, up 18.7% from the same period last year and firmly ahead of the Street consensus forecast of \$1.78 per share. Group revenues, CVS said, rose 10% from last year to \$73.8 billion, again topping analysts' estimates of a \$70.5 billion tally.

Same sore sales were up 9.6% from last year, CVS said, while pharmacy store sales rose 8.8%, both benefiting from the group's administering of 11 million COVID vaccinations and a further 8 million tests over the three month period.

Looking into the final months of the 2021 financial year, CVS lifted its forecast for adjusted earnings, which it now sees in the region of \$7.90 to \$8.00 per share, a 20 cents per share improvement from its prior forecast, with cash flow from operations in the region of \$13 billion to \$13.5 billion.

"We outperformed expectations once again and continue to lead the way in changing how, when and where care is delivered for millions of Americans," said CEO Karen Lynch. "Our services are responsive to evolving consumer needs, from administering millions of COVID-19 tests and vaccines to offering primary care accessible from virtually anywhere, and our touchpoints allow for unmatched impact."



## **AREA OVERVIEW**

## Waukegan, Illinois

- Largest city in Lake County; located within the Chicago MSA in the northeastern corner of Illinois with 4 miles of Lake Michigan shoreline
  - 37 miles north of downtown Chicago; 50 miles south of Milwaukee; 10 miles south of the Wisconsin-Illinois state line
- 10th most populous city in the state with 89,320 residents
- #44 "Best Lake Towns to Live In" Stacker (2020)

#### **ECONOMY**

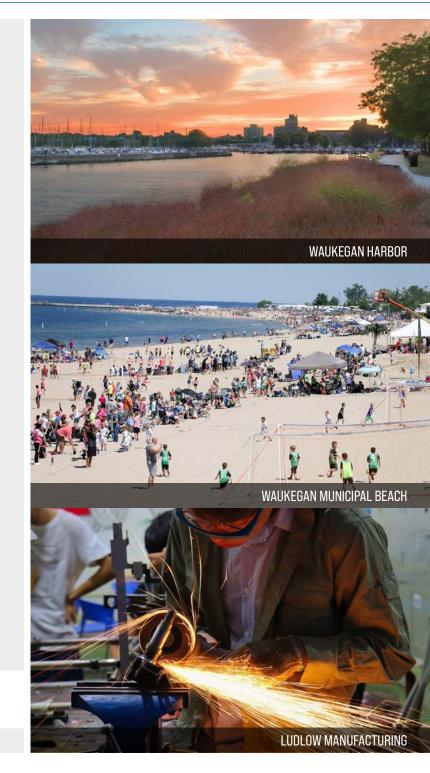
- Top talent, advanced manufacturing innovations, leading-edge technology, reliable infrastructure, affordability, and location are among the many factors driving local economic growth
- Life sciences is the county's largest economic sector with global leaders like Abbott, AbbVie, Astellas Pharma US, Baxter International Inc., and Horizon Therapeutics
  - \$11.9 billion gross regional product generated by the life sciences/biopharma cluster in 2018
- Advanced manufacturing employs 51,000 in Lake County (1 in 7 workers), generating \$35.7 billion in economic output per year and accounting for more than 27% of Lake County's domestic product
  - 2nd largest manufacturing county in the state
- The only deep-water harbor between Chicago's South Side and Milwaukee; \$7 billion annual export revenue
- 46% of county residents have a Bachelor's Degree or higher, 13% higher than the national average
- Largest employers include Lake County (1,718), Southwire Co. (1,500), Medline Industries Inc. (850), Vista Medical Center East (838), Lake Behavioral Hospital (800), and Jewel-Osco (515)

### **DEVELOPMENTS**

- Lakefront/Downtown Redevelopment Plans to bring 4,000 homes and 1 million square feet of retail, hospitality, entertainment, education, and cultural activity to the downtown and lakefront districts
- Casino Project The city is currently reviewing bids for its casino license; Applicant proposals range from \$375-420 million for the project which will include a resort, casino, spa, and other amenities



#44 "Best Lake Towns to Live In" - Stacker (2020)



## **AREA OVERVIEW**

## Chicago MSA

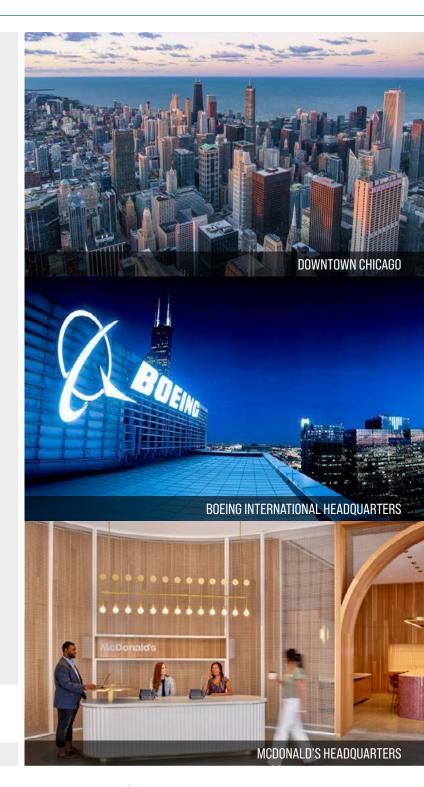
- Home to one of the most iconic city skylines in America, nestled against 26 miles of uninterrupted shoreline of Lake Michigan in northeastern Illinois
- 3rd most populous MSA in the U.S. with 10 million residents
- #1 "Best Big City in the World" Conde Nast Traveler (2017-2021)
- #3 "America's Best Cities" Resonance Consultancy Report (2021)
- #1 "Best Food & Drink City in the World" Time Out (2019)

#### **ECONOMY**

- Strong and stable economic conditions, diverse workforce, business-friendly environment, and quality of life make Chicago a relocation hotspot that will allow the metro area to continue to outperform most parts of the U.S. for decades to come
  - #1 "Top Metro Areas for Corporate Relocations and Investment" Site Selection Magazine (2013-2021)
- The Chicago Loop is the 2nd largest commercial business district in the U.S. behind only Midtown Manhattan
- 4 million employees produced \$709 billion in gross regional product in 2019, one of the highest in the world
- Home to 27 Fortune 500 companies including AbbVie, Boeing, Exelon, Kraft Heinz, and McDonald's
- 400 startups launched annually on average
- Among the world's most diversified and balanced economies, with no industry employing more than 12% of the workforce
  - Manufacturing, printing and publishing, finance and insurance, and food processing are key sectors
  - Tech is the fastest-growing industry sector; one of the largest tech talent pools in the U.S. (344,000)
    - Ranked #4 in U.S. and #13 globally in KPMG's Tech Innovation Hub study (2021)
- 2nd largest securities brokers, dealers, and exchanges cluster in the U.S.
- 3rd largest distribution cluster in the U.S.
- #1 "U.S. City for Venture Capital Returns" Pitchbook (2020)



**Home to 27 Fortune 500 Companies** 



## **AREA OVERVIEW**

#### **DEVELOPMENTS**

- 13 megaprojects are in various stags throughout the c city
  - One Central A 20-year, \$20 billion project with 9 new skyscrapers constructed over the Metra tracks; 4 residential towers with 9,000 residences, 1 hotel tower, and 4 commercial towers
  - **The 78** An approved 62-acre mixed-use plan for 13 million square feet of buildings expected to house 10,000 residential units among other things; estimated project cost of \$7 billion
- **O'Hare International Airport Expansion** An 8-year, \$8.5 billion project adding 35 new gates and 3.1 million square feet of terminal space, a 72% increase
- *Uber Freight Headquarters* A \$200 million investment creating an engineering hub in the Old Post Office; was completed in September 2021

#### **TRANSPORTATION**

- The city is an important component of global distribution with its large port, convergence of 6 Class I railroads, massive airports, and extensive highway system
  - The largest hub and busiest rail freight gateway in the U.S. as 6 of the U.S.'s 7 Class I railroads converge
    - · 25% of all U.S. freight traffic moves through Chicago
  - O'Hare International Airport (ORD) World's 2nd busiest airport by aircraft movements
- Metra (rail service), Amtrak (long distance commuter rail), and Pace (bus service) serve the city efficiently

#### **TOURISM**

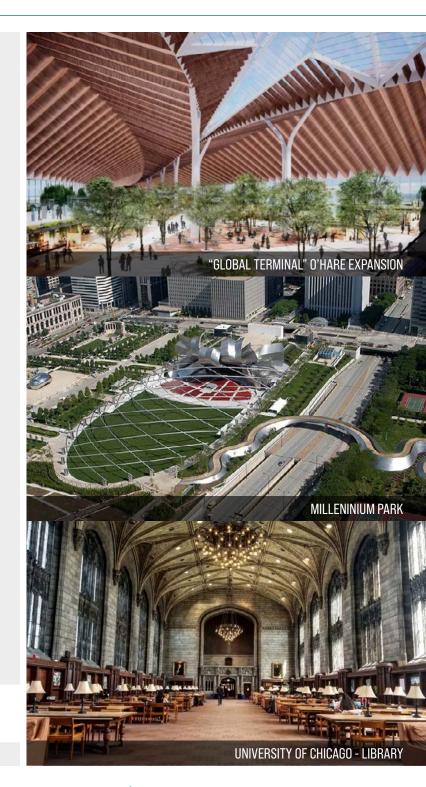
- 58 million visitors in 2019 made the city the 2nd most visited city in the nation
- Ranks 3rd in the U.S. for the number of conventions hosted annually

#### **EDUCATION**

- 600 public schools, 400 private schools, and 30 universities and colleges are located within the city
  - *The University of Chicago* A private university with 6,734 undergraduates and \$8.6 billion endowment
    - #6 "Top National Universities" U.S. News & World Report (2020)



Chicago Transit Authority Named #1 Transit Agency in the U.S.



# **DEMOGRAPHICS**

POPULATION	1-Mile	3-Mile	5-Mile
2025 Projection	23,846	106,626	158,433
2020 Estimate	23,954	106,760	158,721
2010 Census	24,331	107,974	160,976
2000 Census	25,430	109,649	161,653
HOUSEHOLDS			
2025 Projection	6,754	33,072	49,401
2020 Estimate	6,789	33,097	49,271
2010 Census	6,846	33,145	49,159
2000 Census	7,268	34,392	49,488
2020 EST. POPULATION BY SINGLE-CLASSIFICATION RACE			
White Alone	10,238	43,878	77,567
Black or African American Alone	3,272	22,953	29,665
American Indian and Alaska Native Alone	311	1,185	1,460
Asian Alone	699	4,366	9,079
Native Hawaiian and Other Pacific Islander Alone	24	85	159
Some Other Race Alone	8,393	29,508	33,522
Two or More Races	1,034	4,826	7,373
2020 EST. POPULATION BY ETHNICITY (HISPANIC OR LATINO)			
Hispanic or Latino	17,595	60,837	71,453
Not Hispanic or Latino	6,359	45,923	87,268
2020 EST. AVERAGE HOUSEHOLD INCOME	\$58,558	\$65,915	\$82,906

## **WAUKEGAN SNAPSHOT**











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