



Absolute NNN | Corporate Guarantee (S&P: BBB) | 10+ Years Remaining



In Association with Scott Reid & ParaSell, Inc. | Irvine, California | A Licensed Iowa Broker #F06134000 | Licensed in AR, CA, CO, CT, DC, FL, GA, HI, ID, IL, IA, IN, KS, KY, ME, MD, MA, MI, MN, MO, MT, NC, ND, NE, NJ, NM, NY, NV, NM, NC, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WY

OFFERING MEMORANDUM
DAVENPORT, IOWA



HANLEY INVESTMENT GROUP
REAL ESTATE ADVISORS



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VA, VT, WA, WI, WY

OFFERING SUMMARY

LOCATION

CVS Pharmacy
1777 North Division Street
Davenport, IA 52804



OFFERING SUMMARY

Price:	\$5,121,000
Net Operating Income (NOI):	\$294,462
Capitalization Rate:	5.75%
Price per Square Foot:	\$322
Net Rentable Area:	15,887
Year Built:	1999
Lot Size (Acres):	1.60

LEASE TERMS (1)

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

(1) 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 \$883,387 into escrow account.

(3) 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).

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



Quick Facts

4.5M

CUSTOMERS SERVED BY
CVS PHARMACY DAILY

75

MAJOR HEALTH
SYSTEM AFFILIATIONS

9.9K+

RETAIL LOCATIONS
IN 49 STATES

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 a 5-Way Highly Trafficked Signalized Intersection:** Situated at the signalized intersection of Division Street, Locust Street, and Hickory Grove Road with 40,500 cars per day



INVESTMENT HIGHLIGHTS




- **Large Pylon Signage and Excellent Accessibility:** The site has excellent exposure and accessibility from both adjacent roads including a large pylon sign on Locust Street, increasing visibility to drivers passing by
- **Close Proximity to Genesis Medical Center:** Less than one mile from Genesis Medical Center, Davenport, West Central Park (200 beds), one of the Genesis Health System hospitals that serves the Quad-Cities area
- **Less Than One Mile from St. Ambrose University (3,600 Students):** Closest CVS to St. Ambrose University, a private Catholic university with 3,600 students, providing a direct consumer base to draw from
- **Healthy Demographics Surrounded by Dense Residential:** Over 84,000 residents in a 3-mile radius – Closest CVS to downtown Davenport and the surrounding neighborhoods
- **Nearby National/Credit Tenants:** Locust Street is a major east/west thoroughfare with nearby retailers including Hy-Vee Grocery Store, ALDI, Save-A-Lot, McDonalds, Taco Bell, Hardees, and more
- **Thriving Quad-Cities Market:**
 - #3 most diversified metro economy in the United States
 - Rock Island Arsenal (3 miles from subject property) is a 946-acre army installation that employs over 6,100 personnel – Known as the largest government-owned weapons manufacturing facility in the United States
 - Home to Deere & Company World Headquarters – Deere & Company is one of the largest employers in the Quad Cities metro employing over 7,200 employees
 - New Amazon Fulfillment Center – Amazon is investing \$250 million in a new 2.9 million SF fulfillment center in Davenport that will employ around 1,000 employees



SITE PLAN / PARCEL MAP



CVS Pharmacy
1777 North Division Street
Davenport, IA 52804

-  SUBJECT PROPERTY
-  NOT A PART
-  PROPERTY PARCEL
- APN: H0005-45A



AERIAL OVERVIEW



AERIAL OVERVIEW



AERIAL OVERVIEW



#3 MOST DIVERSIFIED METRO ECONOMY IN THE U.S.

MISSISSIPPI RIVER

HyVee

FAMILY DOLLAR

Nestlé PURINA
- Major Quad Cities Employer -

ACE Hardware

SMART INTERMEDIATE SCHOOL
- 569 Students -

PUTNAM MUSEUM AND SCIENCE CENTER
- 30,000 VISITORS EACH YEAR -



MISSISSIPPI VALLEY FAIRGROUNDS

WEST HIGH SCHOOL
- 1,605 Students -



HyVee

DIVISION STREET

LOCUST STREET

DEMOGRAPHICS

Population:

1-Mile Radius	16,580
3-Mile Radius	84,004
5-Mile Radius	152,224

Household Income:

1-Mile Radius	\$57,266
3-Mile Radius	\$58,284
5-Mile Radius	\$67,511

SUBJECT PROPERTY

CVS pharmacy

Hardee's

FIREHOUSE SUBS
verizon

DUNKIN' DONUTS

HICKORY GROVE ROAD

40,500 CPD
- INTERSECTION -

Walgreens

Auto Zone

Wendy's

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)

#7
Global
500 List
Fortune (2021)

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



TheStreet

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

By Martin Baccardax | November 3, 2021

CVS lifted its full-year profit outlook following stronger-than-expected third quarter earnings that included \$73.8 billion in total group revenues.

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 store 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.

[CLICK FOR ARTICLE](#)

AREA OVERVIEW

Davenport-Moline-Rock Island MSA

- A vibrant and progressive region on either side of the Mississippi River on the Iowa-Illinois border
- Part of the Quad Cities, a region comprised of Davenport and Bettendorf in southeastern Iowa and Rock Island, Moline, and East Moline in northwestern Illinois
- 384,234 population in the MSA
 - 37 million people are located within a 300-mile range of the city in major markets like Chicago, Minneapolis/St. Paul, Des Moines, Omaha, St. Louis, Kansas City, and Indianapolis
- #29 “America’s Best Small Cities” - Resonance Consultancy (2020)

ECONOMY

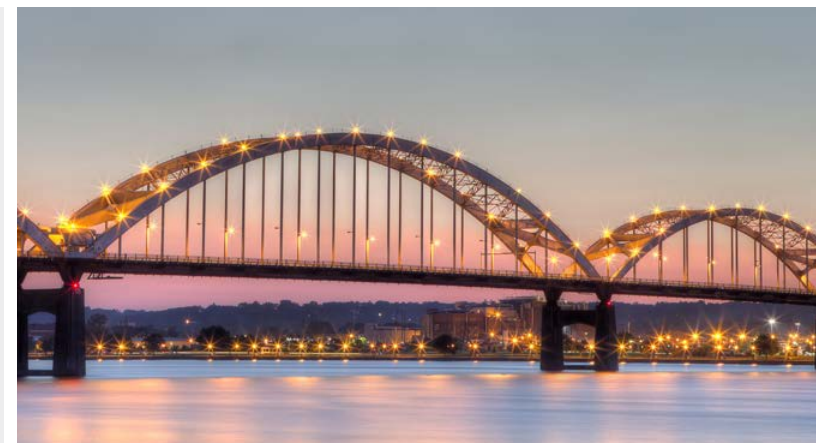
- #3 “Most Diversified Metro Economy in the U.S.” - Livability (2020)
 - Key industries include advanced metals and materials manufacturing, agriculture innovation, logistics, corporate operations and support services, and defense
- Ranked #2 in state (both Iowa and Illinois) by Forbes for cost of doing business; #5 in Midwest; #27 in nation
- Home to Deere & Company; 150 other companies on the Fortune lists have a presence in the region
- **Rock Island Arsenal** - The only active U.S. Army foundry and the largest government-owned weapons manufacturing arsenal; provides manufacturing, logistics, and base support services for the Armed Forces
- #3 “Most Affordable Places to Live” - U.S. News & World Report (2021)
 - Cost of living is 16% below the U.S. average
- The largest area employers include Deere & Company (7,240), Rock Island Arsenal (6,163), Genesis Health System (5,173), Hy-Vee (4,568), UnityPoint Health - Trinity (3,954), and The Hon Company (3,200)

DEVELOPMENTS

- Has seen \$1.5 billion in total capital investment and the creation of 4,500 jobs over the past 5 years
- **Amazon Fulfillment Center** - Construction of a \$250 million facility; expected to bring 1,000 jobs
- **Birchwood South** - Mixed-use development to include single-family homes, townhomes, restaurants, professional service offices, and other retail



#3 “Most Diversified Metro Economy in the U.S.” - Livability (2020)



MISSISSIPPI RIVER



ROCK ISLAND ARSENAL FOUNDRY



DEERE'S HARVESTER WORKS PLANT

DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2025 Projection	16,591	84,385	153,235
2020 Estimate	16,580	84,004	152,224
2010 Census	16,164	81,653	148,654
2000 Census	16,510	80,944	148,012
Growth 2010-2020	2.57%	2.88%	2.40%
Growth 2020-2025	0.07%	0.45%	0.66%
HOUSEHOLDS			
2025 Projection	6,487	34,663	63,010
2020 Estimate	6,415	34,181	62,134
2010 Census	6,244	33,164	60,609
2000 Census	6,352	32,280	59,253
Growth 2010-2020	2.74%	3.07%	2.52%
Growth 2020-2025	1.12%	1.41%	1.41%
2020 EST. POPULATION BY SINGLE-CLASSIFICATION RACE			
White Alone	12,652	60,869	114,229
Black or African American Alone	1,804	12,743	20,307
American Indian and Alaska Native Alone	81	378	563
Asian Alone	534	2,739	4,399
Native Hawaiian and Other Pacific Islander Alone	3	59	107
Some Other Race Alone	681	2,797	5,404
Two or More Races	803	4,287	7,046
2020 EST. POPULATION BY ETHNICITY (HISPANIC OR LATINO)			
Hispanic or Latino	2,269	9,128	16,808
Not Hispanic or Latino	14,311	74,876	135,416
2020 EST. AVERAGE HOUSEHOLD INCOME			
	\$57,266	\$58,284	\$67,511

DAVENPORT SNAPSHOT



152,224

POPULATION [5-Mile]



89,591

DAYTIME POPULATION [5-Mile]



2.88%

POPULATION GROWTH [3-Mile, 2020-2020]



\$67,511

AVERAGE HOUSEHOLD INCOME [5-Mile]



\$132,712

AVERAGE HOME VALUE [5-Mile]



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\$8.4 BILLION
retail sales nationwide



SHARED DATABASE
collaborative proprietary database



GLOBEST. INFLUENCERS
in retail & net lease sales



NATIONWIDE REACH
retail & investors across the U.S.



\$2.8 BILLION IN RETAIL SOLD
over 450 transactions in last 36 mos.