



 **CVS** pharmacy®

Offering Memorandum

7900 Central Avenue SW | Albuquerque, NM 87121

MATTHEWS™
REAL ESTATE INVESTMENT SERVICES

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SECTION 1

INVESTMENT HIGHLIGHTS

INVESTMENT HIGHLIGHTS

- **Low Rent per Square Foot:** Many of 20-year extension CVS deals have rents of around \$20/SF or below, which means that in recent years, corporate has been comfortable at those rental rates. At this location, CVS is only paying \$12/SF, making it a very attractive occupancy cost with respect to their recent standards.
- **Absolute NNN Ground Lease:** The tenant is responsible for all maintenance to the subject property and all payments of taxes and insurance, offering investors a passive bond-like investment.
- **Ideal 1031 Exchange Candidate:** There are approximately 13 years of primary term remaining with multiple options to renew the lease until 2079.
- **Signalized Corner:** Subject property is positioned on the corners of Unser Blvd (State Road 345) and Central Ave Sw (Highway 66) with multiple points of ingress and egress and an average daily car count of 36,000+.
- **Drive-Thru Location:** The location has a drive-thru delivering to the customer-base accessibility and convenience to pick up their prescriptions.
- **Major MSA:** Albuquerque is one of the largest MSA's in the country with a population of nearly 1,000,000.
- **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 drug store chain in the US with 9,900+ retail store locations and approximately 310,000 employees. CVS Health continues 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 leads the charge in vaccination efforts throughout the pandemic, and now has over 4,800 COVID-19 testing sites across the country.



SECTION 2

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW



\$3,684,000

LIST PRICE



\$175,000

NOI



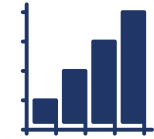
4.75%

CAP RATE



±13 YEARS

**TERM
REMAINING**



GROUND

LEASE TYPE

TENANT SUMMARY

Tenant Name	CVS
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	Ground
Roof, Structure, and Parking Lot	Tenant Responsible
Term Remaining	±13 Years
Lease Commencement Date	11/23/09
Lease Expiration Date	1/31/35
Options	Eight, 5-Year
GLA (SF)	±14,287
Lot Size (AC)	±1.95
Year Built	2009
ROFR	Yes

ANNUALIZED OPERATING DATA

TERM	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
Current	\$14,583	\$175,000	\$12.32	4.75%
Option 1	\$15,313	\$183,750	\$12.86	4.99%
Option 2	\$16,078	\$192,938	\$13.50	5.24%
Option 3	\$16,882	\$202,584	\$14.18	5.50%
Option 4	\$17,726	\$212,714	\$14.89	5.77%
Option 5	\$18,612	\$223,349	\$15.63	6.06%
Option 6	\$19,543	\$234,517	\$16.41	6.37%
Option 7	\$20,520	\$246,243	\$17.24	6.68%
Option 8	\$21,546	\$258,555	\$18.10	7.02%



SECTION 3

AREA OVERVIEW



ALBUQUERQUE, NM

Albuquerque lies at the center of the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions along the Rio Grande. The city is home to several attendant contracting companies, Sandia National Laboratories and Kirtland Air Force Base. It is also home to the University of New Mexico, National American University, Trinity Southwest University, and the Central New Mexico Community College. Albuquerque contains a variety of museums, galleries, shops and other points of interest. Some of these include the Albuquerque Biological Park, Museum of Natural History and Science, and Old Town Albuquerque. The Sandia and Manzano Mountains to the east offer trails, open spaces, rock climbing and several other outdoor activities along with the city's many parks.

ECONOMY

Albuquerque lies at the center of the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions along the Rio Grande. Larger institutions whose employees contribute to the population are numerous and include Sandia National Laboratories, Kirtland Air Force Base, and the attendant contracting companies which bring highly educated workers to a somewhat isolated region. Intel operates a large semiconductor factory or "fab" in suburban Rio Rancho, in neighboring Sandoval County, with its attendant large capital investment. Northrop Grumman is located along I-25 in northeast Albuquerque, and Tempur-Pedic is located on the West Mesa next to I-40.

The solar energy and architectural-design innovator Steve Baer located his company, Zomeworks, to the region in the late 1960s; and Los Alamos National Laboratory, Sandia, and Lawrence Livermore National Laboratory cooperate here in an enterprise that began with the Manhattan Project. In January 2007, Tempur-Pedic opened an 800,000-square-foot mattress factory in northwest Albuquerque.

The city was rated seventh among America's Engineering Capitals in 2014 by Forbes magazine. Albuquerque ranked among the Top 10 Best Cities to Live by U.S. News & World Report in 2009 and was recognized as the fourth best place to live for families by the TLC network. It was ranked among the Top Best Cities for Jobs in 2007 and among the Top 50 Best Places to Live and Play by National Geographic Adventure magazine.



98TH ST. MARKETPLACE

SHOPPING CENTER



CENTRAL AVE SW
± 13,000 VPD



NUEVO ATRISCO
APARTMENT BUILDING

UNSER BLVD
± 23,000 VPD



345

UNSER BLVD
± 23,000 VPD

NUEVO ATRISCO
APARTMENT BUILDING

66

CENTRAL AVE SW
± 13,000 VPD



MAJOR EMPLOYERS



**SUBJECT
PROPERTY**

PROPERTY DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
2026 Projection	14,219	113,457	197,322
2021 Estimate	14,124	111,492	193,747
2010 Census	14,127	106,735	184,337

HOUSEHOLDS

	1-Mile	3-Mile	5-Mile
2026 Projection	4,910	39,312	74,496
2021 Estimate	4,745	37,505	71,066
2010 Census	4,577	34,638	65,008

HH INCOME

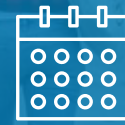
	1-Mile	3-Mile	5-Mile
Avg. Household Income	\$61,498	\$67,722	\$67,770



±25,441
OF STUDENTS



±6,899
STAFF



1889
ESTABLISHED



\$442.5M
ENDOWMENT

UNIVERSITY OF NEW MEXICO

The University of New Mexico is a large, public research university in Albuquerque, New Mexico. It is New Mexico's flagship research institution, and one of the state's largest employers. UNM's multi-ethnic campus offers a unique blend of culture and academics. Students can choose from 215 degree and certificate programs, including 94 baccalaureate degrees. Business, psychology and education are the most popular areas. The Pueblo Revival architectural style that echoes nearby Native American villages can be seen on several campus buildings. Its scenic environment is close to magnificent mesas, the historic Rio Grande and Sandia Mountains.

UNM has a vibrant student life community, with more than 400 student organizations, and more than 25 Greek societies are available on campus. UNM is the first university in the country to launch a Signature School Program with the Central Intelligence Agency; enabling students to interact with analysts and learn how to join the CIA once they graduate. The UNM Formula SAE team is ranked as fifth best out of 125 in the United States and 18th best out of 500 in the world. The New Mexico Lobos' 22 varsity sports compete in NCAA Division I in the Mountain West Conference (MW).



SECTION 4

TENANT OVERVIEW

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. [Click here to read about how CVS Pharmacy is providing exceptional service to its customers and employees throughout COVID-19.](#)



9,967+

Locations



\$110B

Market Value



BBB

Credit Rating



\$268B

Annual Revenue

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **CVS Pharmacy** (“Property”) located at **7900 Central Avenue SW, Albuquerque, NM 87121**. The 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 and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, 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.

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.



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