

# SINGLE TENANT ABSOLUTE NNN

Zero Cash Flow Leasehold Investment Opportunity



W/ Drive-Thru Pharmacy  
(S&P: BBB | NYSE: CVS)



496 County Rd 111 Building C | Manorville, New York

## NEW YORK CITY MSA

ACTUAL SITE





## EXCLUSIVELY MARKETED BY



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PROPERTY PHOTO







SRS National Net Lease Group is pleased to offer the opportunity to acquire the leasehold interest (building ownership) in an absolute NNN, zero cash flow, CVS Pharmacy investment property located in Manorville, NY. The asset is corporate guaranteed by investment grade CVS Health Corporation (S&P: BBB) and is CTL-financed by a non-recourse loan, providing an investor with a minimal risk asset that provides extensive long term capital gains. The tenant, CVS Pharmacy, Inc., has approximately 15 years remaining in their initial term with 4 (5-year) options to extend. The lease is corporate guaranteed by CVS Health Corporation (S&P: BBB) and is absolute NNN with zero landlord responsibilities, making it an ideal, management-free investment opportunity for a passive investor. CVS is the largest pharmacy chain in the United States with more than 10,000 stores across 49 states, the District of Columbia, and Puerto Rico. The ground lease has approximately 35 years remaining and CVS is fully responsible for the ground rent, minimizing slippage for the next investor.

CVS Pharmacy is strategically located along County Road, a major commuter and retail thoroughfare averaging 22,400 vehicles passing by daily. The building is equipped with a drive-thru pharmacy, providing ease and convenience for customers. The site benefits from nearby direct on/off ramp access to Interstate 495 (34,600 VPD), a primary route for travelers going to/from Long Island and New York City / Manhattan. Further, the property is within walking distance to Manorville Towne Center, a 74,000 SF shopping center anchored by King Kullen Supermarket. Grocery anchored centers significantly increase consumer draw and promote crossover store exposure for CVS. Additionally, the King Kullen is the only grocery store within a 4-mile radius further increasing consumer draw to the immediate trade area. Moreover, the subject property is nearby to Silver Ponds (391 units), a gated lifestyle housing community providing CVS a direct residential consumer base to draw from. The 5-mile trade area is supported by more than 42,000 residents and 15,600 daytime employees with an affluent average household income of \$134,662.



# PROPERTY PHOTOS





# OFFERING SUMMARY



## OFFERING

Pricing	\$2,700,000	
Down Payment	\$517,828	24% Equity Over Debt
Loan Balance - Jan 2022	\$2,182,172	
Net Operating Income	\$254,535	
Cap Rate	9.43%	
Guaranty	CVS Health Corporation (S&P: BBB)	
Tenant	CVS Albany, L.L.C.	
Lease Type	Absolute NNN	
Landlord Responsibilities	None	
Sales Reporting	No	

## PROPERTY SPECIFICATIONS

Rentable Area	15,000 SF (est)
Land Area	0.29 Acres
Property Address	496 County Road 111 Building C Manorville, New York 11949
Year Built	2011
Parcel Number	0200-462.20-01.00-003.000
Ownership	Leasehold (Building Ownership)

## Investment Grade Tenant | Passive Ownership

- CVS is the largest pharmacy chain in the United States with more than 10,000 stores across 49 states, the District of Columbia, and Puerto Rico
- Corporate guaranteed by CVS Health Corporation (S&P: BBB)
- Approximately 15 years remaining in their initial term
- Absolute net lease structure - zero landlord responsibilities

## Building Ownership | 100% Depreciable Asset

- CVS is 100% responsible for the ground rent throughout the term
- Approximately 35 years remaining in the ground lease
- 100% depreciable asset due to leasehold ownership

## Ideal 1031 Exchange | Long-Term Trust Planning

- CVS is encumbered by non-recourse, zero cash flow financing, which provides significant equity growth and preservation for a passive investor
- The minimum required equity to purchase the property is ideal for trust planning and DST partnerships due to significant value creation through the debt structure, passive ownership, and ability to create tax losses for other income producing assets
- Loan features a Substitute Collateral Right, allowing an owner to extract equity
- Qualifies for fee simple 1031 tax deferred exchange with approximately 35 years total remaining on the ground lease.
- Rent to down payment ratio is at 49%

## Quick Access to Interstate 495 (34,600) |

### Drive-Thru Equipped | Nearby Grocery Anchored Center

- Site benefits from nearby direct on/off ramp access to Interstate 495 (34,600 VPD), a primary route for travelers going to/from Long Island and New York City / Manhattan
- Within walking distance to Manorville Towne Center, a 74,000 SF shopping center anchored by King Kullen Supermarket
- Grocery anchored centers significantly increase consumer draw and promote crossover store exposure for CVS
- King Kullen is the only grocery store within a 4-mile radius further increasing consumer draw consumer draw to the immediate trade area

## Direct Residential Consumer Base | Six Figure Incomes | Strong Demographics in 5-Mile Trade Area

- Nearby to Silver Ponds (391 units), a gated lifestyle housing community providing CVS a direct residential consumer base to draw from
- More than 42,000 residents and 15,600 daytime employees support the trade area
- Features an affluent average household income of \$134,662



# PROPERTY OVERVIEW



## Location



Manorville, New York  
Suffolk County  
New York-Newark-Jersey City MSA

## Parking



Reciprocal parking with rest of center.

## Access



County Rd 111/Eastport Manor Road: 1 Access Point

## Parcel



Parcel Number: 0200-462.20-01.00-003.000  
Acres: 0.29  
Square Feet: 12,820 SF

## Traffic Counts



County Road 111/Eastport Manor Rd:  
22,400 Vehicles Per Day  
Chapman Boulevard:  
5,300 Vehicles Per Day  
Long Island Expressway/Interstate 495:  
34,600 Vehicles Per Day

## Construction



Year Built: 2011

## Improvements



There is approximately 15,000 SF  
of existing building area

## Zoning



Commercial





2021 POPULATION	
1 Mile	2,200
3 Miles	12,837
5 Miles	42,067
2021 AVERAGE HOUSEHOLD INCOME	
1 Mile	\$130,911
3 Miles	\$136,824
5 Miles	\$134,662
2021 TOTAL EMPLOYEES	
1 Mile	395
3 Miles	2,370
5 Miles	15,608







## PROPERTY PHOTO





## LOCATION MAP



### 2021 POPULATION

1 Mile	2,200
3 Miles	12,837
5 Miles	42,067

### 2021 AVERAGE HOUSEHOLD INCOME

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## MANORVILLE, NEW YORK

Manorville, New York, in Suffolk county, is 23 miles east of Brentwood, New York and 62 miles east of New York City, New York. The town is conveniently located inside the Nassau - Suffolk metropolitan area. The Manorville CDP had a population of 14,198 as of July 1, 2021.

The largest industries in Manorville, NY are Educational Services, Health Care & Social Assistance, and Retail Trade, and the highest paying industries are Professional, Scientific, & Technical Services, Finance & Insurance, and Public Administration.

Manorville and nearby attractions include the Animal Farm Petting Zoo, Wildwood State Park, BNL Science Museum, Smith Point Park Beach, Atlantis Marine World Aquarium, and Splish Splash Water Park.

Opportunities for higher education are provided by SUNY at Stony Brook, Suffolk County Community College- Ammerman Campus and the University of New Haven. Air transportation is available from Long Island Mac Arthur Airport.





### NEW YORK, NEW YORK

New York City, often called simply New York and abbreviated as NYC, is the most populous city in the United States. With an estimated 2019 population of 8,336,817 distributed over about 302.6 square miles, New York City is also the most densely populated major city in the United States. Located at the southern tip of the U.S. state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass. With almost 20 million people in its metropolitan statistical area and approximately 23 million in its combined statistical area, it is one of the world's most populous megacities. New York City has been described as the cultural, financial, and media capital of the world, significantly influencing commerce, entertainment, research, technology, education, politics, tourism, art, fashion, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy.

Situated on one of the world's largest natural harbors, New York City is composed of five boroughs, each of which is a county of the State of New York. The five boroughs—Brooklyn, Queens, Manhattan, the Bronx, and Staten Island—were consolidated into a single city in 1898. The city and its metropolitan area constitute the premier gateway for legal immigration to the United States. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world. New York is home to more than 3.2 million residents born outside the United States, the largest foreign-born population of any city in the world as of 2016. As of 2019, the New York metropolitan area is estimated to produce a gross metropolitan product (GMP) of \$2.0 trillion. If the New York metropolitan area were a sovereign state, it would have the eighth-largest economy in the world. New York is home to the highest number of billionaires of any city in the world.



# AREA DEMOGRAPHICS



	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>			
2021 Estimated Population	2,200	12,837	42,067
2026 Projected Population	2,185	12,620	41,650
2010 Census Population	2,165	12,872	41,479
<b>HOUSEHOLDS &amp; GROWTH</b>			
2021 Estimated Households	874	4,604	14,485
2026 Projected Households	866	4,540	14,358
2010 Census Households	859	4,613	14,222
<b>RACE &amp; ETHNICITY</b>			
2021 Estimated White	94.71%	93.48%	89.58%
2021 Estimated Black or African American	1.68%	2.26%	5.09%
2021 Estimated Asian or Pacific Islander	2.14%	2.22%	2.10%
2021 Estimated American Indian or Native Alaskan	0.18%	0.21%	0.37%
2021 Estimated Other Races	0.59%	1.84%	3.82%
2021 Estimated Hispanic	6.36%	9.79%	14.78%
<b>INCOME</b>			
2021 Estimated Average Household Income	\$130,911	\$136,824	\$134,662
2021 Estimated Median Household Income	\$103,962	\$109,246	\$103,895
2021 Estimated Per Capita Income	\$51,030	\$48,888	\$46,580
<b>BUSINESSES &amp; EMPLOYEES</b>			
2021 Estimated Total Businesses	63	233	1,366
2021 Estimated Total Employees	395	2,370	15,608





# RENT ROLL



## BUILDING RENT ROLL

LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
CVS Albany, L.L.C. (Corporate)	12,820	Dec 2011	Jan 2037	Current	-	\$21,211	\$1.41	\$254,535	\$16.97	Absolute NNN	4 (5-Year) Opt 1 & 2: \$229,082 / Yr Opt 3: 101% of FMV Opt 4: 100% of FMV
	(est)										

- 1) Tenant is not responsible for base rent during the last three years of the lease starting February 2034, but they will still be responsible for all costs associated with the property during this period.  
 2) Tenant pays ground rent directly to land owner during the initial term and options if exercised.

## GROUND RENT ROLL

LEASE TERM						RENTAL RATES					
TENANT NAME	SQUARE FEET	LEASE START	LEASE END	BEGIN	INCREASE	MONTHLY	PSF	ANNUALLY	PSF	RECOVERY TYPE	OPTIONS
Ground Rent	12,820	Dec 2011	Jan 2037	Current	-	\$26,042	\$1.74	\$312,500	\$20.83	Absolute NNN	4 (5-Year) Opt 1: \$335,938 / Yr Opt 2: \$361,133 / Yr Opt 3: \$388,218 / Yr Opt 4: \$417,334 / Yr
	(est)										

- 1) Ground Lessee has a right of first refusal and must respond within 20 days.



# PRICING SUMMARY



PRICING SUMMARY		
Price	\$2,700,000	
Down Payment	\$517,828	24% of Equity Over Debt
Loan Balance	\$2,182,172	Jan 2022
Net Operating Income	\$254,535	
Cap Rate	9.43%	
Year 1 Estimated Bonus Depreciation*	\$810,000	
<p>*Year 1 Estimated Bonus Depreciation is equal to 30% of building improvement value. Building improvement value is equal to 100% of purchase price.</p>		

COST SEGREGATION ANALYSIS	DEPRECIABLE AMT	% ALLOCATION	YRS
5 Yr	\$324,000	12%	1
15 Yr	\$486,000	18%	1
39 Yr	\$48,462	70%	39
Total Yr 1 Depreciation	\$858,462	100%	

Depreciation assumes full basis with accelerated bonus. Cost segregation is an estimate - we are not tax advisors. We recommend that you discuss and confirm with a tax attorney.

LOAN SUMMARY	
Loan Date	12/21/2011
First Principal Payment	2/10/2012
Maturity	1/10/2034
Amortization	22 Years
Original Balance	\$3,125,241
Outstanding Loan Balance - Jan 2022	\$2,182,172
Interest Rate	5.926%
Balloon Payment	\$0
Prepayment Penalty - Jan 2022	\$635,730
Recourse	Non-Recourse



# LOAN AMORTIZATION SCHEDULE



YEAR	YEAR ENDING	INCOME	LOAN		
			PRINCIPAL PAYMENT	INTEREST PAYMENT	ENDING BALANCE
0	1/10/2022				\$2,182,172
1	1/10/2023	\$254,535	\$128,678	\$125,858	\$2,053,495
2	1/10/2024	\$254,535	\$136,514	\$118,022	\$1,916,981
3	1/10/2025	\$254,535	\$144,827	\$109,709	\$1,772,154
4	1/10/2026	\$254,535	\$153,646	\$100,889	\$1,618,508
5	1/10/2027	\$254,535	\$163,003	\$91,533	\$1,455,506
6	1/10/2028	\$254,535	\$172,929	\$81,607	\$1,282,577
7	1/10/2029	\$254,535	\$183,460	\$71,076	\$1,099,117
8	1/10/2030	\$254,535	\$194,632	\$59,904	\$904,486
9	1/10/2031	\$254,535	\$206,484	\$48,051	\$698,002
10	1/10/2032	\$254,535	\$219,058	\$35,477	\$478,944
11	1/10/2033	\$254,535	\$232,398	\$22,137	\$246,546
12	1/10/2034	\$254,535	\$246,546	\$7,990	\$0
13	1/10/2035	\$0	\$0	\$0	\$0
14	1/10/2036	\$0	\$0	\$0	\$0
15 - Exit	1/10/2037	\$0	\$0	\$0	\$0

1. Tenant has rent holiday from Feb 2034 to January 2037.



# BRAND PROFILE



## CVS PHARMACY

**cvsw.com**

**Company Type:** Subsidiary

**Locations:** 10,000+

**Parent:** CVS Health

**2020 Employees:** 213,000

**2020 Revenue:** \$268.71 Billion

**2020 Net Income:** \$7.18 Billion

**2020 Assets:** \$230.72 Billion

**2020 Equity:** \$69.39 Billion

**Credit Rating: S&P:** BBB

CVS Pharmacy, the retail division of CVS Health (NYSE: CVS), is America's leading retail pharmacy with nearly 10,000 locations, including over 1,700 pharmacies inside of Target and Schnucks grocery stores. It is the first national pharmacy to end the sale of tobacco and the first pharmacy in the nation to receive the Community Pharmacy accreditation from URAC, the leading health care accreditation organization that establishes quality standards for the health care industry. The company was incorporated in 1969 and is based in Woonsocket, Rhode Island.





# SRS

NATIONAL  
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exclusively dedicated  
to retail

1.7K+

RETAIL  
TRANSACTIONS  
company-wide  
in 2020

500+

NET LEASE  
PROPERTIES SOLD  
in 2020

\$1.9B

NET LEASE  
TRANSACTION VALUE  
in 2020

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