

CVS - MCALLEN, TX



CVS & WALGREENS PORTFOLIO

WALGREENS - DUNKIRK, NY



CVS - NEWPORT NEWS, VA



OFFERING MEMORANDUM



CVS & WALGREENS PORTFOLIO
OFFERING MEMORANDUM

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TENANT OVERVIEW



EXECUTIVE OVERVIEW

OFFERING SUMMARY

The portfolio offers best in class credit tenants on long-term leases. Walgreens and CVS are both fortune 100 companies, with a combine market cap over \$180 billion, and investment grade credit. The properties have an average weighted lease term of more than 12 years with each property having more than 10+ years on the lease. The CVS properties offer rent increases throughout the base term and the option period, extremely rare in the credit-tenant drug store space. The properties are under bondable like leases which provide a passive income stream, which through available financing can achieve nearly a double digit return. Each property is located on a strong-signalized corner.



LEASE & TENANT HIGHLIGHTS

BEST IN CLASS TENANTS: Walgreens and CVS are considered best in class tenants, with Walgreens ranked number 16 and CVS ranked number 4 on the Fortune 500 list. Walgreens and CVS have a combined market cap of more than \$180 billion and nearly 20,000 locations combined. Currently they are the top two ranked pharmacy companies in the world and both Walgreens and CVS have investment grade credit ratings by Standard and Poor's.

LONG-TERM CORPORATE LEASES: The properties have a weighted average lease term in excess of 12 years, with each location having more than 10 years on the lease. The properties have been operating at these locations for more than a decade with options to continue operations for the next 50 years. The lease are corporately guaranteed by the respective tenants.

ESSENTIAL RETAILER: Amidst the global pandemic, Walgreens and CVS were deemed essential retailers and have continued to provide valuable goods and services throughout the pandemic. These retailers continued to not only remain open but timely pay rent throughout. Currently, Walgreens and CVS offer Covid-19 vaccines and test kits to customers.

BONDABLE-LIKE LEASE: These properties operate under an absolute NNN lease, providing an extremely passive ownership to investors. In addition to paying rent, they also cover insurance, real estate taxes, and common area maintenance, repairs, and replacements.

RARE RENT INCREASES: Unlike many other drug store offerings, both CVS properties offer 3% rent increases throughout the base term and the option period. The next rental increases will occur in the next ± 3 years which increases the cap rate to 5.37% and in 8 years, the cap rate is nearly 5.50%.

STRONG SIGNALIZED INTERSECTIONS: Each property is located on a strong signalized intersection in their respective markets. The Walgreens property is the only Walgreens located in the city of Dunkirk and there is no other Walgreens located within 15 miles of the subject property. The McAllen property sits in front of a Walmart Neighborhood Market and a brand new multifamily development; according to Placer, it is the top CVS for foot traffic within a 5-mile radius. The Newport News site located on one of the main thoroughfares in the city across from a grocer-anchored center; according to Placer, it is the top CVS for foot traffic within a 5-mile radius and a top ranked store nationally.



CVS - MCALLEN, TX



CVS - NEWPORT NEWS, VA



WALGREENS - DUNKIRK, NY



PORTFOLIO SUMMARY



\$22,080,813
PORTFOLIO PRICE



5.25%
CAP RATE



\$1,159,243
NOI



NNN
LEASE TYPE



±12.5 YEARS
AVG LEASE TERM



CVS & WALGREENS
TENANTS

PORTFOLIO SUMMARY | NOT AVAILABLE INDIVIDUALLY

TENANT	ADDRESS	YEAR BUILT	SIZE (SF)	ANNUAL NOI	CAP RATE	OFFERING PRICE	LEASE EXPIRATION	LEASE TYPE	OPTION PERIODS
CVS	13000 Warwick Blvd, Newport News, VA	2009	13,259	\$452,754	5.25%	\$8,623,886	1/31/2035	NNN	(10) - 5 Year Options
CVS	5600 North 23rd Street, McAllen, TX	2009	13,204	\$401,489	5.25%	\$7,647,410	1/31/2035	NNN	(10) - 5 Year Options
Walgreens	327 Main Street, Dunkirk, NY	2008	13,650	\$305,000	5.25%	\$5,809,518	7/1/2033	NNN	(10) - 5 Year Options
Total			40,113	\$1,159,243	5.25%	\$22,080,813			



OVERVIEW

CVS - 1300 WARWICK BLVD, NEWPORT NEWS, VA

13000 WARWICK BLVD, NEWPORT NEWS, VA 23602

INVESTMENT SUMMARY

List Price	\$8,623,886
NOI	\$452,754
Cap Rate	5.25%
Year Built	2009
GLA of Building	13,259
Lot Size	1.27 AC

LEASE ABSTRACT

Tenant Trade Name	CVS Pharmacy
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Original Lease Term	25 years
Lease Commencement Date	August 13, 2009
Lease Expiration Date	January 31, 2035
Term Remaining on Lease	13 years
Increases	3% every 5 years; FMV
Roof and HVAC	Tenant responsibility
Options	(10) - 5 year options

ANNUALIZED OPERATING DATA

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	CAP RATE
Year 2009-2025	\$452,754	\$37,729	5.25%
Year 2025-2030	\$466,336	\$38,861	5.41%
Year 2030-2035	\$480,326	\$40,027	5.57%
Option 1	\$494,736	\$41,228	5.74%
Option 2	\$509,578	\$42,465	5.91%
Option 3-10	FMV	FMV	







NEWPORT NEWS, VA

Situated on the northern banks of the James River, across the Hampton Roads Harbor from Norfolk, Newport News has been shaped by the water that surrounds it. Some of the major attractions in Newport News include access to beaches, ships, and one of the largest maritime museums in the world. Located on the southwestern portion of the Virginia Peninsula, Newport News reveres outdoor recreation. The popular Noland Trail offers scenic views of Lake Maury and Newport News Park is the second largest city park in the United States. Swimming is a popular pastime at Huntington Park Beach as well as golfing at the Newport News Golf Club at Deer Run and the Kiln Creek Golf Club and Resort. Locals also delight in close proximity to Busch Gardens Williamsburg.

Artistic amenities abound in Newport News. Peninsula Fine Arts Center displays rotating exhibits in addition to offering an assortment of art classes to the public. Sculptures are strewn throughout the city and museums are plentiful. The Mariners' Museum, Virginia Living Museum, U.S. Army Transportation Museum, and Virginia War Museum all provide unique educational experiences in Newport News.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	11,654	78,086	156,278
2021 Estimate	11,666	78,209	156,870
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	4,741	31,103	60,444
2021 Estimate	4,745	31,145	60,710
INCOME (2018 EST)	1-MILE	3-MILE	5-MILE
Average Household Income	\$70,619	\$77,479	\$81,729



OVERVIEW

CVS - 5600 N 23RD STREET, MCALLEN, TX

5600 N 23RD ST, MCALLEN, TX 78504

INVESTMENT SUMMARY

List Price	\$7,647,410
NOI	\$401,489
Cap Rate	5.25%
Year Built	2009
GLA of Building	13,204
Lot Size	1.85 acres

LEASE ABSTRACT

Tenant Trade Name	CVS Pharmacy
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Original Lease Term	25 years
Lease Commencement Date	August 13, 2009
Lease Expiration Date	January 31, 2035
Term Remaining on Lease	13 years
Increases	3% every 5 years; FMV
Roof and HVAC	Tenant responsibility
Options	(10) - 5 year options

ANNUALIZED OPERATING DATA

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	CAP RATE
Year 2009-2025	\$401,489	\$33,457	5.25%
Year 2025-2030	\$413,533	\$34,461	5.41%
Year 2030-2035	\$425,939	\$35,495	5.57%
Option 1	\$438,718	\$36,560	5.74%
Option 2	\$451,879	\$37,657	5.91%
Option 3-10	FMV	FMV	





THE DOVE'S NEST
NEW 2020 CONSTRUCTION WITH 122 UNITS



DOVE AVE.
± 21,000 VPD

N. 23RD ST.
± 26,000 VPD



ULTIMATE KWIK LUBE
AUTO REPAIR SHOP



MCALLEN, TX

McAllen is a larger medium-sized city located in the state of Texas. With a population of 142,210 people and 23 constituent neighborhoods, McAllen is the 20th largest community in Texas. Unlike some cities, McAllen isn't mainly white- or blue-collar. Instead, the most prevalent occupations for people in McAllen are a mix of both white- and blue-collar jobs. Overall, McAllen is a city of professionals, sales and office workers, and service providers. There are especially a lot of people living in McAllen who work in sales jobs (13.24%), office and administrative support (11.55%), and teaching (10.37%).

Downtown is home to world-class dining and vibrant nightlife, particularly around the 17th street entertainment district. The arts and culture scene thrives all over town, with museums and performing arts venues of all sizes. The McAllen Creative Incubator works hard to make sure the stream of artists doesn't slow down any time soon. Many schools in the area score very highly, making apartments in McAllen a strong choice for families. South Texas College sits right in the center of the city, and the University of Texas Rio Grande Valley campus is just to the northeast of the city limits.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	15,105	100,069	242,426
2021 Estimate	15,072	97,150	234,092
Growth 2021-2026	0%	0.6%	0.7%
Growth 2010 - 2021	-0.5%	1.1%	1.5%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	4,710	31,896	75,196
2021 Estimate	4,721	31,046	72,780
Growth 2021-2026	0%	0.5%	0.7%
Growth 2010 - 2021	0.4%	1.4%	1.8%
INCOME (2018 EST)	1-MILE	3-MILE	5-MILE
Average Household Income	\$81,806	\$80,551	\$74,284



OVERVIEW

WALGREENS - 327 MAIN ST, DUNKIRK, NY

327 MAIN ST, DUNKIRK, NY 14048

INVESTMENT SUMMARY

List Price	\$5,809,518
NOI	\$305,000
Cap Rate	5.25%
Year Built	2008
GLA of Building	13,650
Lot Size	1.2 AC

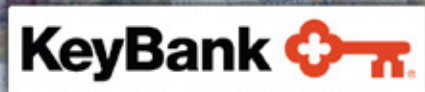
LEASE ABSTRACT

Tenant Trade Name	Walgreens
Type of Ownership	Fee Simple
Lease Guarantor	Corporate
Lease Type	Absolute NNN
Original Lease Term	25 years
Lease Commencement Date	March 1, 2009
Lease Expiration Date	July 1, 2033
Term Remaining on Lease	11.6 years
Increases	Flat
Roof and HVAC	Tenant responsibility
Options	(10) - 5 year options

ANNUALIZED OPERATING DATA

LEASE YEAR	ANNUAL RENT	MONTHLY RENT	CAP RATE
Current Year	\$305,000	\$25,417	5.25%
Options 1-10	\$305,000	\$25,417	5.25%





E. 4TH ST.
± 2,000 VPD



MAIN ST.
± 7,000 VPD



DUNKIRK, NY

Dunkirk is a somewhat small city located in the state of New York. With a population of 12,743 people and five constituent neighborhoods, Dunkirk is the 151st largest community in New York. Much of the housing stock in Dunkirk was built prior to World War II, making it one of the older and more historic cities in the country.

Unlike some cities where white-collar or blue-collar occupations dominate the local economy, Dunkirk is neither predominantly one nor the other. Instead, it has a mixed workforce of both white- and blue-collar jobs. Overall, Dunkirk is a city of service providers, sales and office workers, and professionals. There are especially a lot of people living in Dunkirk who work in office and administrative support (10.16%), food service (7.83%), and sales jobs (7.66%).

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	9,578	19,577	25,576
2021 Estimate	9,755	19,929	26,084
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	4,047	7,460	9,927
2021 Estimate	4,125	7,603	10,140
INCOME (2018 EST)	1-MILE	3-MILE	5-MILE
Average Household Income	\$48,883	\$60,031	\$65,941

**LOCATIONS**

9,277+

MARKET CAP

\$45B

STOCK PRICE

\$53.94

2021 REVENUE

\$132.5B

CREDIT RATING

S&P BBB

TENANT OVERVIEW

Walgreen Company is an American company that operates the second-largest pharmacy store chain in the United States behind CVS Health. It specializes in filling prescriptions, health and wellness products, health information, and photo services. It was founded in Chicago, Illinois, in 1901, and is headquartered in the Chicago suburb of Deerfield, Illinois. On December 31, 2014, Walgreens and Switzerland-based Alliance Boots merged to form a new holding company, Walgreens Boots Alliance Inc. - an integrated pharmacy, healthcare and retail leader serving millions of customers and patients every day, with a 170-year heritage of caring for communities. Walgreens became a subsidiary of the new company, which retained its Deerfield headquarters and trades on the Nasdaq under the symbol WBA. WBA has more than 315,000 team members and a presence in nine countries through its portfolio of consumer brands: Walgreens, Boots, Duane Reade, the No7 Beauty Company, Benavides in Mexico and Ahumada in Chile. Walgreens provides solutions for payers and health systems, resources for healthcare professionals, and has a Walgreens center for health & wellbeing research.

The company is proud of its contributions to healthy communities, a healthy planet, an inclusive workplace and a sustainable marketplace. WBA has been recognized for its commitment to operating sustainably: it is an index component of the Dow Jones Sustainability Indices (DJSI) and was named to the 100 Best Corporate Citizens 2021.

**LOCATIONS**

9,900+

MARKET CAP

\$138.8B

STOCK PRICE

\$104.92

2021 REVENUE

\$268.7B

CREDIT RATING

S&P BBB

TENANT OVERVIEW

CVS Pharmacy, Inc. is an American retail corporation. A subsidiary of CVS Health, it is headquartered in Woonsocket, Rhode Island. 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 Longs Drugs retail stores and online through CVS.com. It also provides healthcare services through its more than 1,100 Minute Clinic medical clinics as well as their Diabetes Care Centers. Most of these clinics are located within or outside CVS stores. Its parent company, CVS Health, is ranked 4th on the Fortune 500 list and 7th on the Fortune Global 500 list.

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **CVS & Walgreens** (“Property”). 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.

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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.

CVS - MCALLEN, TX

CVS - NEWPORT NEWS, VA

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OFFERING MEMORANDUM



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WALGREENS - DUNKIRK, NY

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