

CVS PHARMACY

11600 Shadow Creek Pkwy, Pearland, TX 77584

LEASEHOLD



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This is a confidential Offering Memorandum (the “Offering Memorandum”) intended solely for your limited use and benefit in determining whether you desire to express further interest in purchasing the “Property”.

This Offering Memorandum has been prepared by Net Leased Advisors (“Out-of-State Broker”) on behalf of the owner of the Property (the “Owner”) and has been reviewed by representatives of the Owner. It contains select information pertaining to the Property and does not purport to be an all-inclusive representation of the state of affairs of the Property, or to contain all the information, which prospective investors may require. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and Broker. The information contained herein was obtained from third parties, and it has not been independently verified by Broker. Prospective investors should have the experts of their choice inspect the Property and verify all information. Broker is not qualified to act as or select experts with respect to legal, tax, environmental, building construction, soils-drainage or other such matters. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. Neither the Owner nor Broker, nor any of their respective directors, officers, affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy of completeness of this Offering Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Offering Memorandum or use of its contents.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers on the subject Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Offering Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer on the Property unless and until written agreement(s) for the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.



By receipt of this Offering Memorandum, you agree that this Offering Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Offering Memorandum or any of its contents to any other entity without prior written authorization of the Owner or Broker. You also agree that you will not use this Offering Memorandum or any of its contents in any manner detrimental to the interest of the Owner or Broker.

Broker reserves the right to submit the Property to additional clients on terms that may or may not be identical to the terms contained herein. By receipt of this Offering Memorandum, you acknowledge that competing interests may develop in connection with offers on the Property, and waive any conflict of interest that might arise as a result thereof. In such case, Broker expressly disclaims any obligation to advance the interest of any client at the expense of any other client who may receive this Offering Memorandum. Dealings with each client shall remain strictly confidential and in no case will Broker disclose the terms of any actual or potential offer to any competing client.



Exclusively Presented by:

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INVESTMENT HIGHLIGHTS



INVESTMENT HIGHLIGHTS

LONG TERM LEASE

CVS has 9 years remaining on the Primary Term of the Lease with (6) 5-Year Renewal Options.

ABSOLUTE NET LEASE

No Landlord Responsibilities.

ADJACENT TO HOSPITAL

The property is adjacent to HCA Houston Healthcare Hospital, a Level 4 trauma center specializing in breast cancer and cardiology with 97 staffed beds and \$660M in patient revenue.

DENSE RETAIL MARKET LOCATION

The property is part of the Shadow Creek Ranch Development and located across the street from numerous national credit tenants including Chick-fil-A, Taco Bell, Dollar Tree, Hilton Garden Inn, Kroger, Sherwin Williams, UPS Store, Sonic, Wendy's and more.

STRONG TRAFFIC COUNTS

The property is strategically located on a corner plot at the signalized intersection of Shadow Creek Pkwy (35,524 VPD) and Kirby Drive.

NO STATE INCOME TAX & MSA

Texas is an income tax-free state. The Houston MSA is home to 23 Fortune 500 companies and boasts the 4th largest GDP of any metro area in the United States.

CORPORATE GUARANTEE

The lease is corporately guaranteed by CVS Corporation.



TENANT:	CVS PHARMACY
ADDRESS:	11600 Shadow Creek Pkwy Pearland, TX 77584
STORE #:	7120
YEAR BUILT:	2005
APPROX. SQUARE FOOTAGE:	13,092
TOTAL LAND AREA:	1.517 AC
BUILDING TYPE:	Free Standing
TRAFFIC COUNTS:	56,514 VPD

*Seller will credit \$626,693 to Buyer at closing for 3-Year rent holiday. This produces a 7.75% yield on day one.


PRICE
\$3,322,151


CAP RATE
6.29%


NOI
\$208,898


DAY 1 YIELD
7.75% *



LEASE ABSTRACT





LEASE & PROPERTY OVERVIEW

Tenant:	CVS Pharmacy
Ownership Type:	Leasehold – (Ground owned separately and not offered for sale)
Store Number:	7120
Term Remaining:	9 Years
Annual Rent:	\$208,897.68
Rent Increases:	None
Renewal Options:	(6) 5-Year
Renewal Option Rent:	\$188,007.96/Year (Fixed)
Landlord Responsibilities:	None (Absolute Net)
Lease Expiration Date:	January 30, 2031
ROFR:	No
Ground Rent Paid Directly by CVS to Ground Owner:	\$170,000/Year – (6) 5-Year Renewal Options with 5.00% Rental Increases
24-Hour Store:	No
Drive-Thru:	Yes
Minute Clinic:	No
Store Sales:	Not Reported



PROPERTY PHOTOS

PHOTOS



PHOTOS



PHOTOS



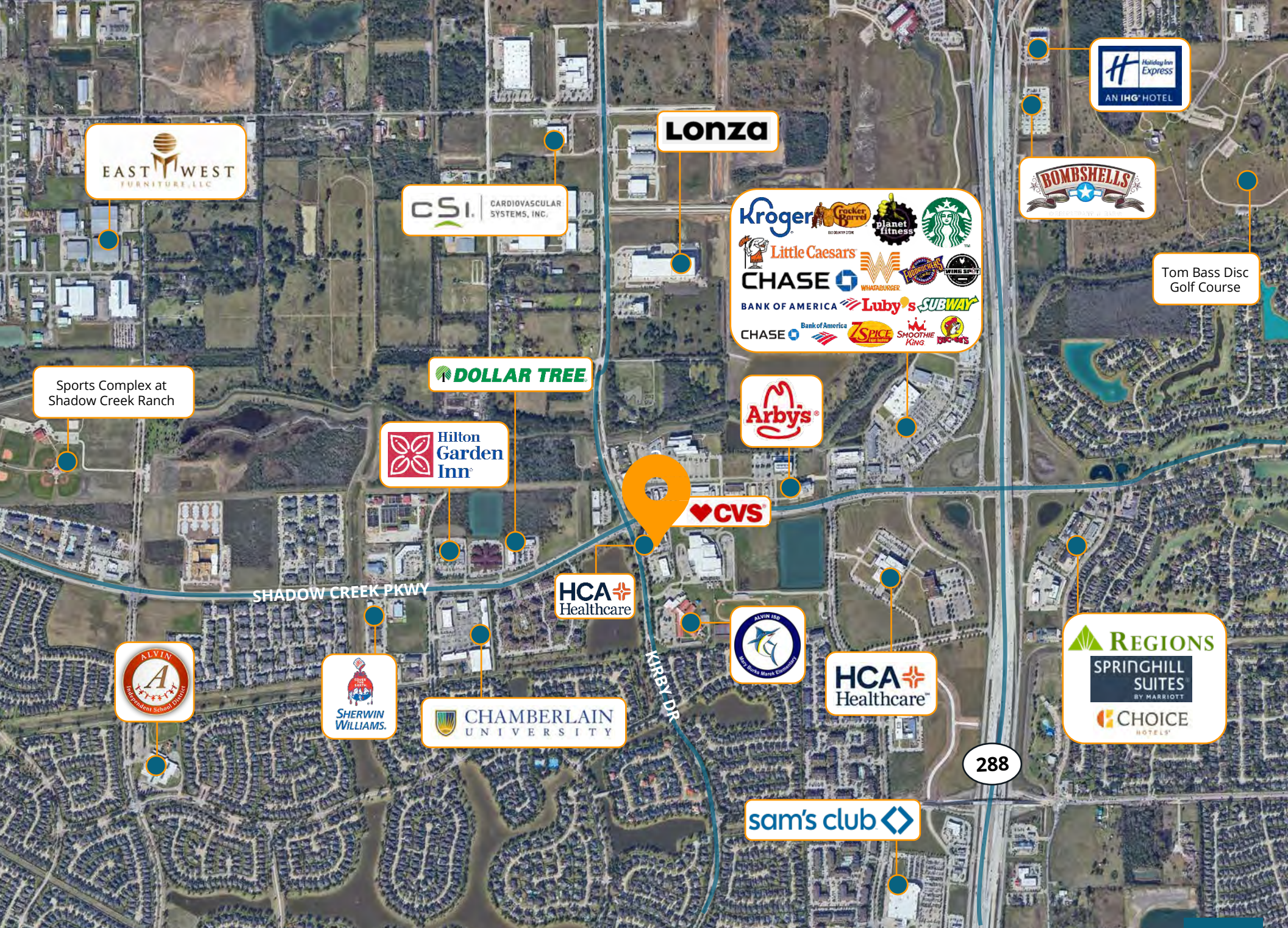
PHOTOS





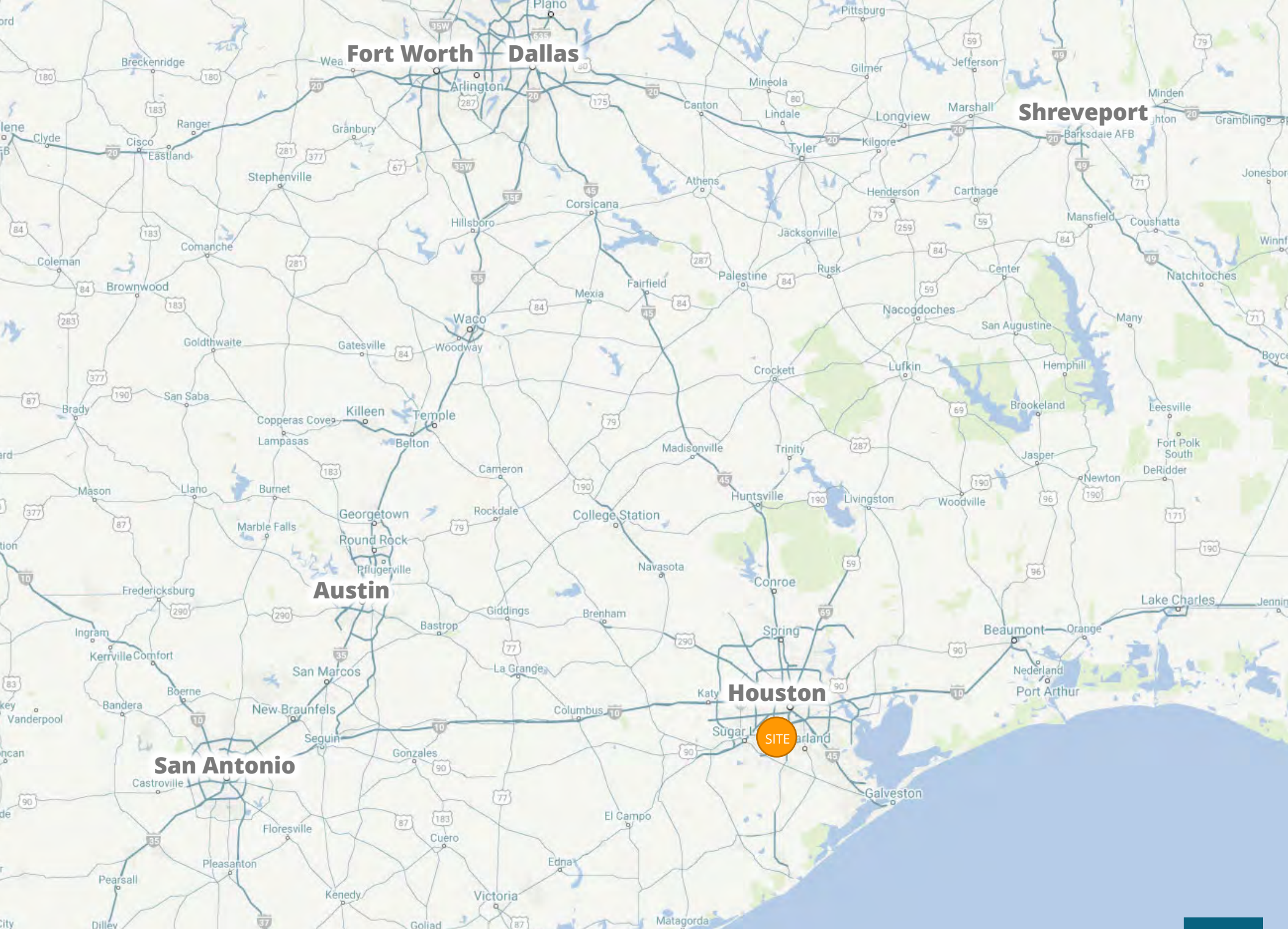
AERIALS





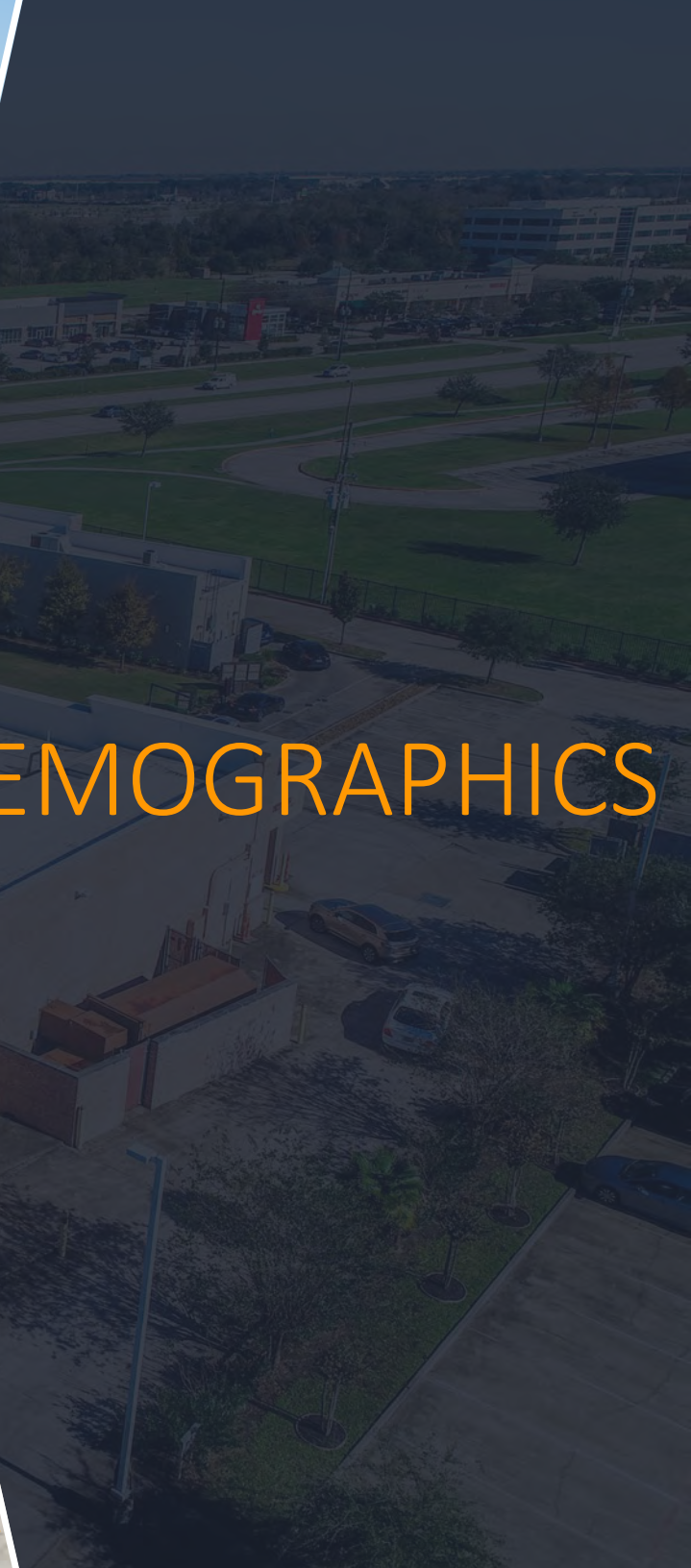


MAPS





DEMOGRAPHICS



DEMOGRAPHIC SUMMARY



202,545
POPULATION



33.7 MEDIAN
AGE



3.1 AVG.
HOUSEHOLD
SIZE

\$99,985

Avg Household Income



22%
High School
Graduate



28%
Some
College



37%
Bachelo/Grad
/ Prof
Degree

BUSINESS

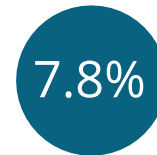


4,119
TOTAL BUSINESSES

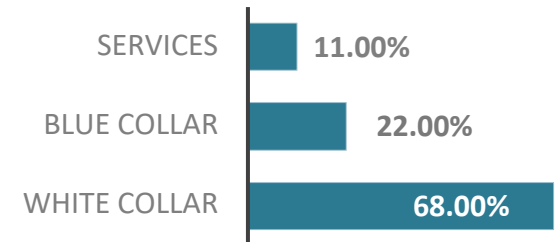


38,344
TOTAL EMPLOYEES

EMPLOYMENT



7.8%
UNEMPLOYMENT
RATE



INCOME



\$77,912
Median Household
Income



\$32,411
Per Capita
Income



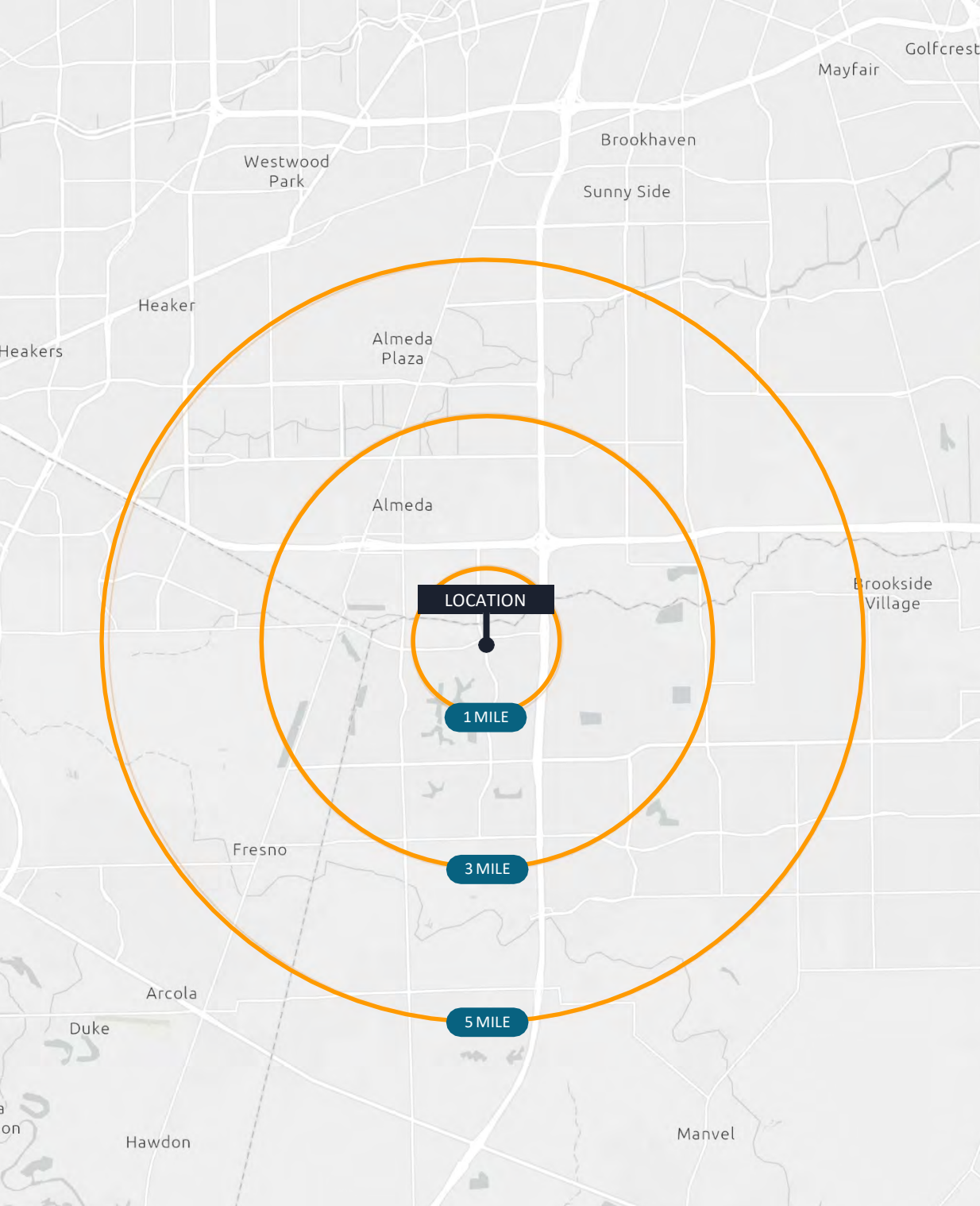
\$185,173
Median
Net Worth

Households by Income

The largest group: \$100,000 - \$149,999 (21.2%)

The smallest group: \$200,000+ (5.1%)

Indicator	Value	Difference
<\$15,000	5.6%	+0.7%
\$25,000 - \$34,999	7.8%	+1.4%
\$50,000 - \$74,999	17.3%	-0.3%
\$100,000 - \$149,999	18.3%	-2.2%



DEMOGRAPHICS

2021 SUMMARY	1-MILE	3-MILE	5-MILE
Population	7,550	78,165	202,545
Households	2,711	26,838	65,626
Families	2,115	20,343	50,371
Avg HH Size	2.78	2.91	3.08
Owner Occupied Housing Units	1,812	20,249	49,059
Renter Occupied Housing Units	899	6,589	16,567
Median Age	34.7	34.3	33.7
Median Household Income	\$114,911	\$101,071	\$77,912
Avg HH Income	\$140,457	\$124,456	\$99,985

2026 SUMMARY	1-MILE	3-MILE	5-MILE
Population	8,920	87,805	222,762
Households	3,208	30,105	72,221
Families	2,495	22,771	55,272
Avg HH Size	2.77	2.91	3.08
Owner Occupied Housing Units	2,185	22,953	54,437
Renter Occupied Housing Units	1,023	7,152	17,784
Median Age	32.3	33.5	33.8
Median Household Income	\$118,165	\$106,185	\$82,908
Avg HH Income	\$151,236	\$135,291	\$109,465



TENANT PROFILE

TENANT OVERVIEW

TENANT PROFILE	
Company	CVS Pharmacy
Founded	May 8, 1963
Stock Symbol	CVS
Credit Rating	BBB
Headquarters	Woonsocket, RI
Website	www.cvs.com
OPERATION	
Full-time Employees	213,000
Locations	9,967
ANNUAL FIGURES	
Total Revenue	\$267.91 Billion (2020)
Net Income	\$7.18 Billion (2020)



CVS Pharmacy is currently the largest pharmacy chain in the United States by number of locations (over 9,600 as of 2016) and total prescription revenue. As the retail pharmacy division of CVS Health, it ranks as the 7th largest U.S. corporation according to Fortune 500 in 2016. CVS Pharmacy's leading competitor Walgreens Boots Alliance ranked 37th. CVS Pharmacy is currently the largest pharmacy chain in the United States by number of locations (over 9,600 as of 2016) and total prescription revenue. As the retail pharmacy division of CVS Health, it ranks as the 7th largest U.S. corporation according to Fortune 500 in 2016. CVS Pharmacy's leading competitor Walgreens Boots Alliance ranked 37th.

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 MinuteClinic medical clinics as well as their Diabetes Care Centers. Most of these clinics are located within CVS stores. 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 MinuteClinic medical clinics as well as their Diabetes Care Centers. Most of these clinics are located within CVS stores.



COMPANY OVERVIEW





MATT RAGLAND

Principal



KYLE DARLING

Principal



JOHN STEVENS

Senior Associate



WALTER MONTAGUE

Senior Associate

Investment Sales

Our primary focus continues to be on the sale of single-tenant net lease investment properties. We work with all types of single-tenant assets with a particular emphasis on the retail sector.

Advisory

We advise and assist our clients by structuring detailed analysis to support buy, hold, and sell decisions and formulate real estate investment plans.

Valuation

Our comprehensive market knowledge and national platform enable us to provide up-to-date pricing and forecasting trends in real-time.

Marketing

Our marketing campaigns are uniquely tailored to the specific needs of each of our clients. NLA marketing packages are straightforward, content-rich, and attractive, incorporating the best features of top packages in the national market.

Negotiations

We are committed to getting the absolute best pricing for our clients and will fight for their investment goals at every turn.

Research

Our research department provides comprehensive coverage of the entire national single-tenant retail market. No single-tenant retail asset is outside of our reach.

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