

# *CVS PHARMACY (GROUND LEASE)*



Marcus & Millichap

OFFERING MEMORANDUM  
Exclusive Net-Lease Offering



500 Washington Street,  
Weymouth, MA 02188

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Representative Photo



# Investment Highlights

PRICE: \$12,917,710 | CAP: 5.25% | RENT: \$678,180

## About the Investment

- ✓ CVS Recently Exercised Their First of Seven, Five Year Tenant Renewal Options
- ✓ CVS Corporate Guaranty | Investment Grade Credit | “BBB” S&P Credit Rating
- ✓ Three Percent Rent Increases at the Start of Each of the Remaining Six, Five-Year Tenant Renewal Options
- ✓ Long Term Occupancy | The Tenant Has Been at This Location For Over 20 Years
- ✓ This Site Contains a Drive Thru and is Located at a Signalized Intersection with Three Points of Ingress/Egress

## About the Location

- ✓ Located in an Urban Infill Residential and Retail Corridor | BJ’s Wholesale, Walmart, Stop & Shop, Shaw’s, Dollar Tree, Mavis, McDonald’s, Ocean State Job Lot, Dunkin Donuts, Valvoline, and Many More
- ✓ Strong Demographics | Over 92,000 Residents within a Three-Mile Radius of the Property
- ✓ Affluent Suburban Community | Average Household Income Exceeds \$113,000 Within a Five-Mile Radius
- ✓ Features High Visibility and Ease of Access | Freestanding Property Adjacent to a Signalized Intersection with Great Frontage Along Washington Street
- ✓ Strong Traffic Counts | Washington Street, Main Street and Route 3 | Average 29,000, 28,000 and 133,000 Vehicles Per Day, Respectively

## About the Tenant / Brand

- ✓ CVS Pharmacy is the Largest Pharmacy Chain in the United States with Over 9,900 and has the Highest Prescription Revenue
- ✓ CVS Pharmacy Also Provides Healthcare Services Through its More Than 1,100 MinuteClinic Medical Clinics as well as Their Diabetes Care Centers
- ✓ CVS had 2020 Revenues of More Than \$256 Billion
- ✓ CVS Pharmacy Fills More Than 1.9 Billion Prescriptions Every Year







# Financial Analysis

PRICE: \$12,917,710 | CAP: 5.25% | RENT: \$678,180

## Property Description

Property	CVS/pharmacy
Property Address	500 Washington Street
City, State, ZIP	Weymouth, MA 02188
Building Size	12,125
Lot Size	+/- 3.20 Acres
Type of Ownership	Ground Lease

## The Offering

Purchase Price	\$12,917,710
CAP Rate	5.25%
Annual Rent	\$678,179.76

## Lease Summary

Property Type	Net-Leased Pharmacy
Guarantor	CVS Corporation
Original Lease Term	22.75 Years
Lease Commencement	March 8, 2000
Lease Expiration	January 31, 2028
Lease Term Remaining	6+ Years
Lease Type	Triple-Net (NNN) Ground Lease
Rental Increases	3% Every Five (5)-Years
Options to Renew	Six (6), Five (5) Year Option Periods

## Rent Schedule

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
2/1/18-1/31/23	\$658,427.04	\$54,868.92	
2/1/23-1/31/28	\$678,179.76*	\$56,514.98	6%
2/1/28-1/31/33	\$698,525.28	\$58,210.44	3%
2/1/33-1/31/38	\$719,481.00	\$59,956.75	3%
2/1/38-1/31/43	\$741,065.40	\$61,755.45	3%
2/1/43-1/31/48	\$763,297.44	\$63,608.12	3%
2/1/48-1/31/53	\$786,196.32	\$65,516.36	3%
2/1/53-1/31/58	\$809,782.20	\$67,481.85	3%

## INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for the CVS pharmacy located at 500 Washington St, Weymouth, MA 02188. The property consists of roughly 12,125 rentable square feet of building space on an estimated 3.20-acre parcel of land with a drive thru.

This has been a CVS since 2000 when it was originally constructed. The tenant is subject to a 23-year triple net ground lease that is scheduled to expire on January 31, 2023. The tenant recently notified the landlord that they exercised their first option period. The rent will be \$678,180 effective February 1, 2023, and will continue to increase by 3% every 5 years throughout the remaining six, five-year tenant renewal options.

\*Seller shall credit the buyer the difference in rent from Closing until February 1, 2023.



# Tenant Overview



CVS Pharmacy is a subsidiary of the American retail and Health care company CVS Health, headquartered in Woonsocket, Rhode Island. It was also known as, and originally named the Consumer Value Store and was founded in Lowell, Massachusetts, in 1963. The chain was owned by its original holding company Melville Corporation since its inception until its current parent company CVS Health was spun off into its own company in 1996. CVS Pharmacy is currently the largest pharmacy chain in the United States by number of locations (over 9,900 as of 2019) and total prescription revenue. As the retail pharmacy division of CVS Health, it ranks as the 5th largest U.S. corporation according to Fortune 500 in 2020 with revenues of more than \$256 billion. CVS/pharmacy's leading competitor Walgreens Boots Alliance is 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 Long 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.



MinuteClinics are staffed by nurse practitioners and physician assistants who specialize in family health care, and are trained to diagnose, treat, and write prescriptions for minor acute illnesses such as strep throat and ear, eye, sinus, bladder, skin, and lung infections. Vaccinations, such as influenza, tetanus-pertussis, pneumovax, and Hepatitis A & B are available at all locations.





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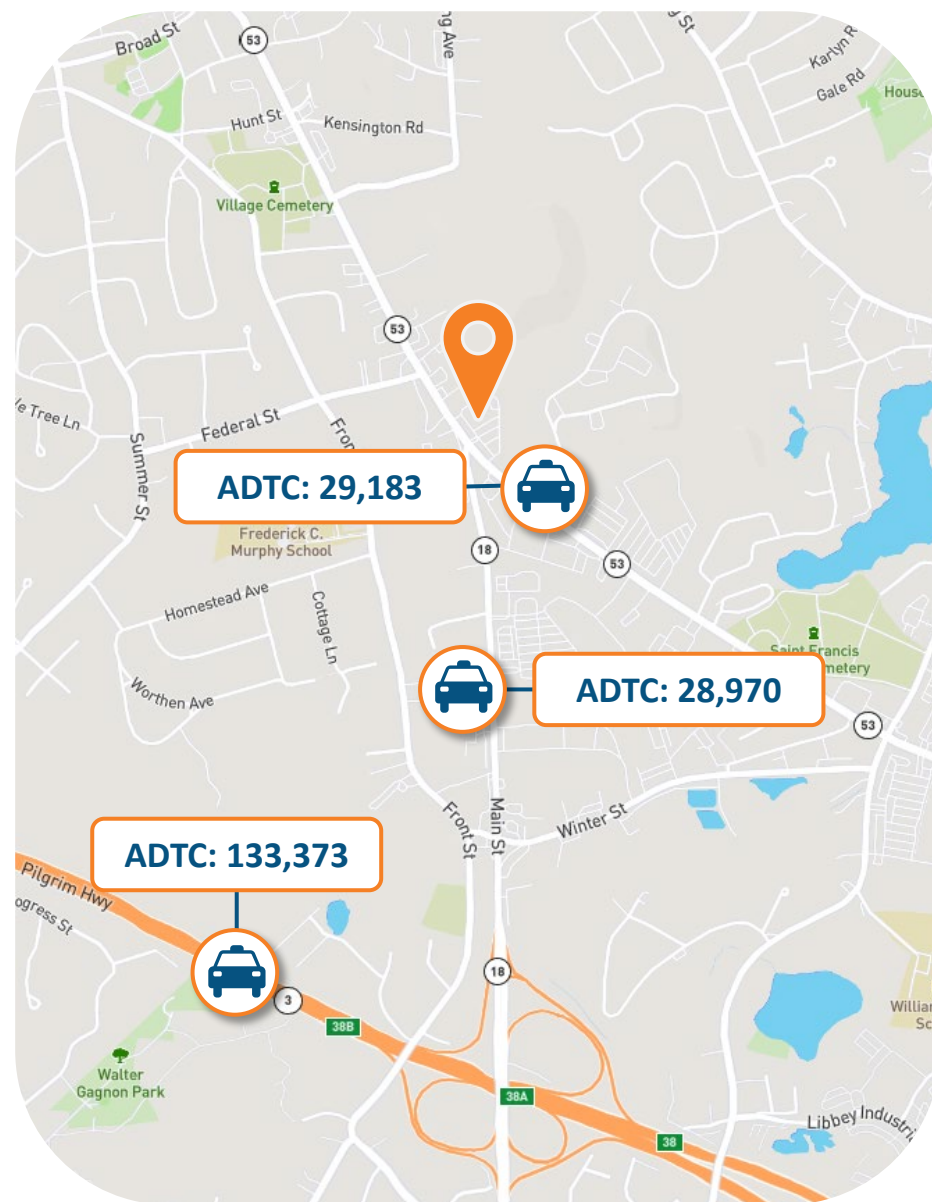
# Location Overview

Property Address: 500 Washington Street, Weymouth, MA 02188

This CVS pharmacy investment property is located at 500 Washington Street in Weymouth, MA. Washington Street boasts average daily traffic counts exceeding 29,000 vehicles. Main Street, which intersects with Washington Street, attracts an additional 28,000 vehicles into the immediate area daily. The subject property is also near Route 3, which brings an additional 133,000 vehicles per day by this property. The subject property benefits from being in a heavily populated area. There are more than 92,000 individuals within a five-mile radius of the property and 727,000 individuals within a ten-mile radius of the property. The average household income within a five-mile radius exceeds \$113,000.

The subject property benefits from being well-positioned in a densely tenanted retail corridor. Major national tenants include: BJ's Wholesale, Walmart, Stop & Show, Shaw's, McDonald's, Walgreens, Ocean State Job Lot, Advanced Auto, AutoZone, Dollar Tree, Mavis, a few Dunkin Donuts, Valvoline and many more. The subject property benefits from its close proximity to several academic institutions. Including Frederick C Murphy Elementary School and William Seach Elementary School, which collectively serve over 500 students from the area. This CVS pharmacy is less than 20 miles from Boston proper.

Weymouth is the second oldest township in the Commonwealth, dating back to 1622 when it was founded as the Wessagusset colony. Renamed Weymouth in 1635, the Town was boosted in that year by the arrival of 100 settlers from its namesake in England. For almost 200 years the Town was a fishing and agricultural community, evolving into a manufacturing hub for shoes in the late 19th century. Remnants of every era, from colonization to suburbanization, are evident in the very shape of the community. Today Weymouth is a mature, strongly residential suburb located just south of Boston with close proximity to the crossroads of Route I-93 (128) and Route 3. The community is nicely situated for easy access to Cape Cod and the Greater Boston area. Three MBTA commuter rail stations provide quick transportation into the city. For many years, business development has been strong along Weymouth's highways and local arterials. Its thoroughfares feature an assortment of restaurants, retail outlets, and small shopping plazas, while its village centers are home to an eclectic mix of local stores. A large office park is located just minutes from Route 3, along Libbey Industrial Parkway.







# Property Photo

Property Address: 500 Washington Street, Weymouth, MA 02188







# Surrounding Area Photos

Property Address: 500 Washington Street, Weymouth, MA 02188

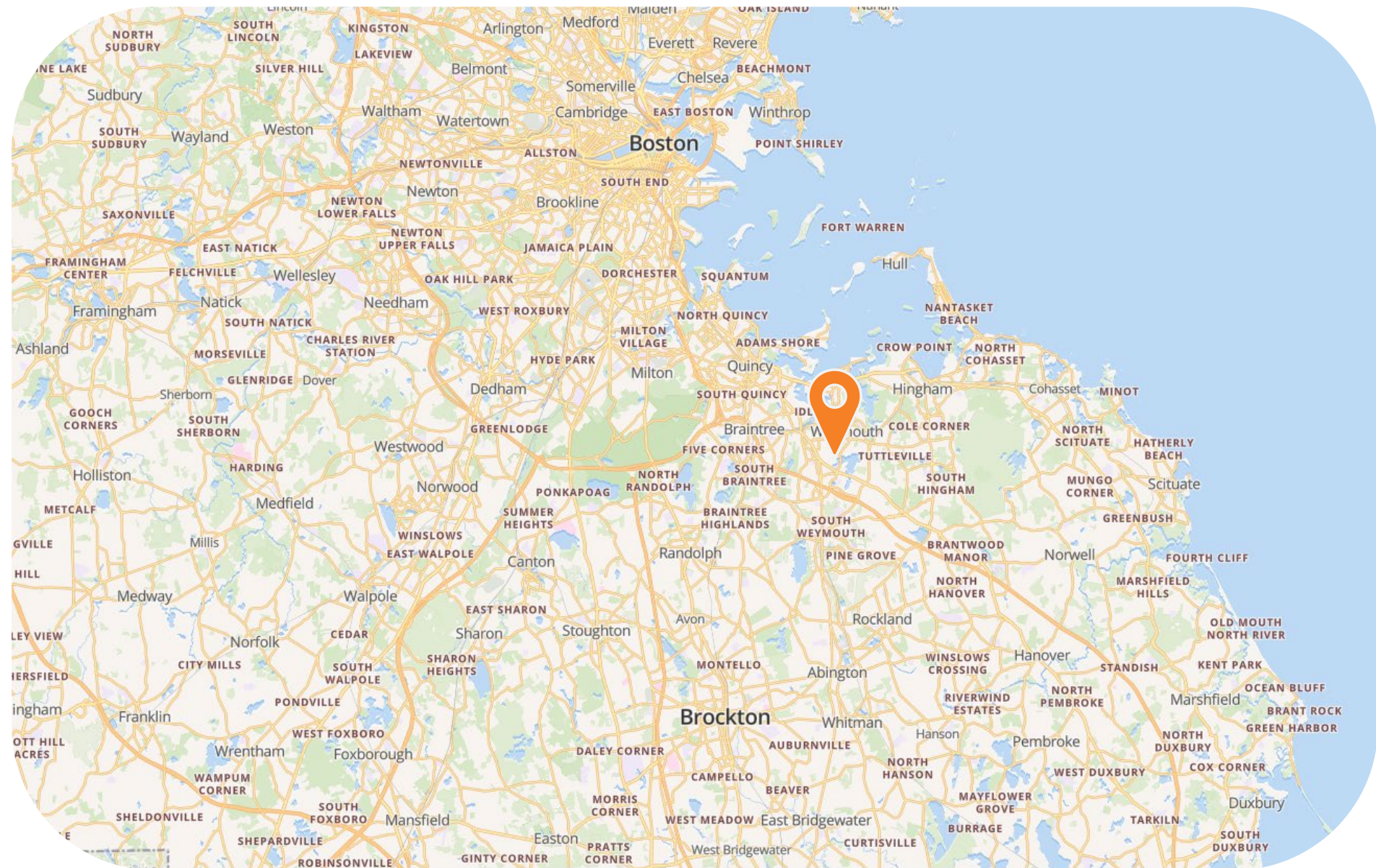






# Local Map

Property Address: 500 Washington Street, Weymouth, MA 02188

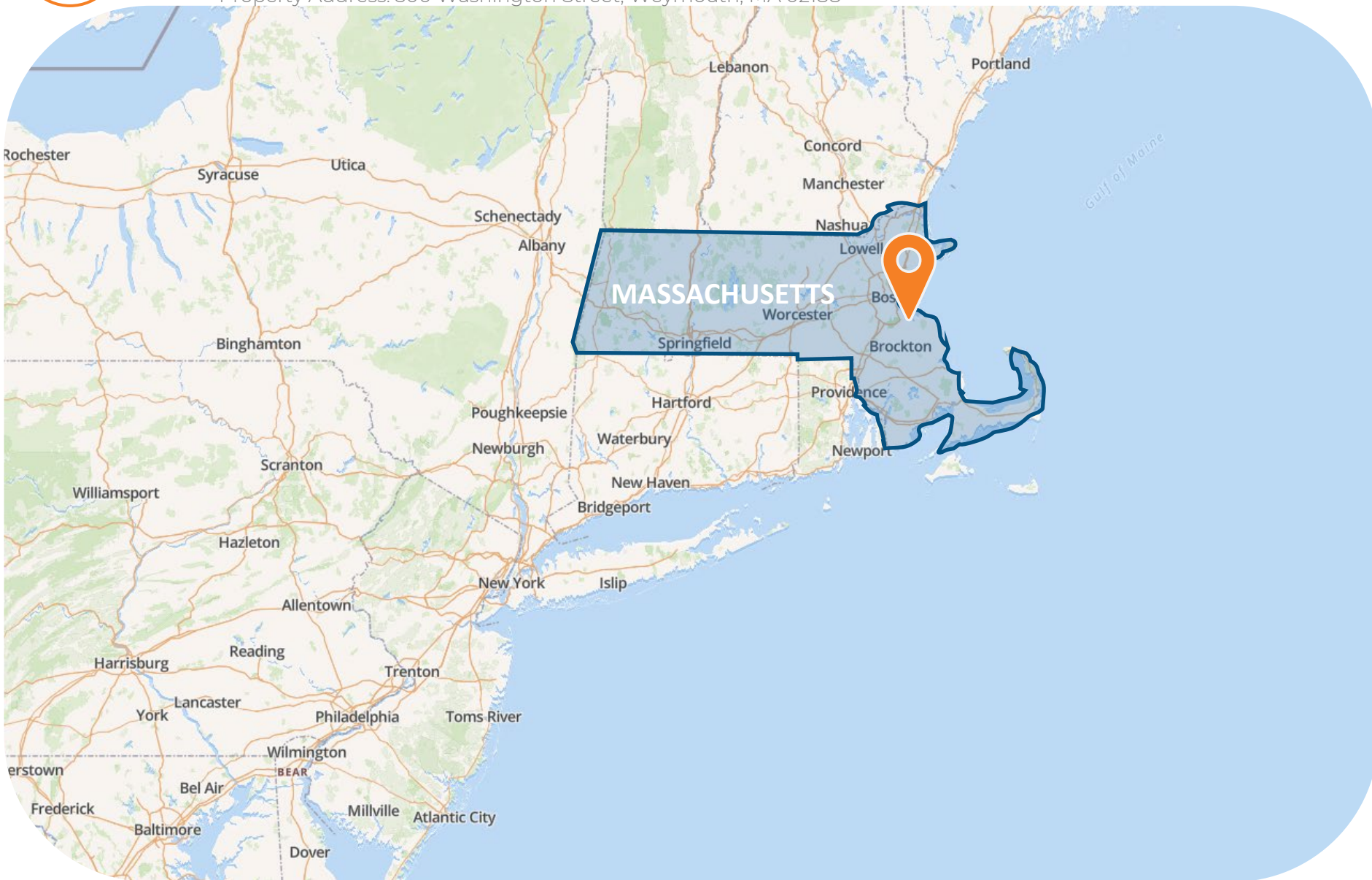






# Regional Map

Property Address: 500 Washington Street, Weymouth, MA 02188

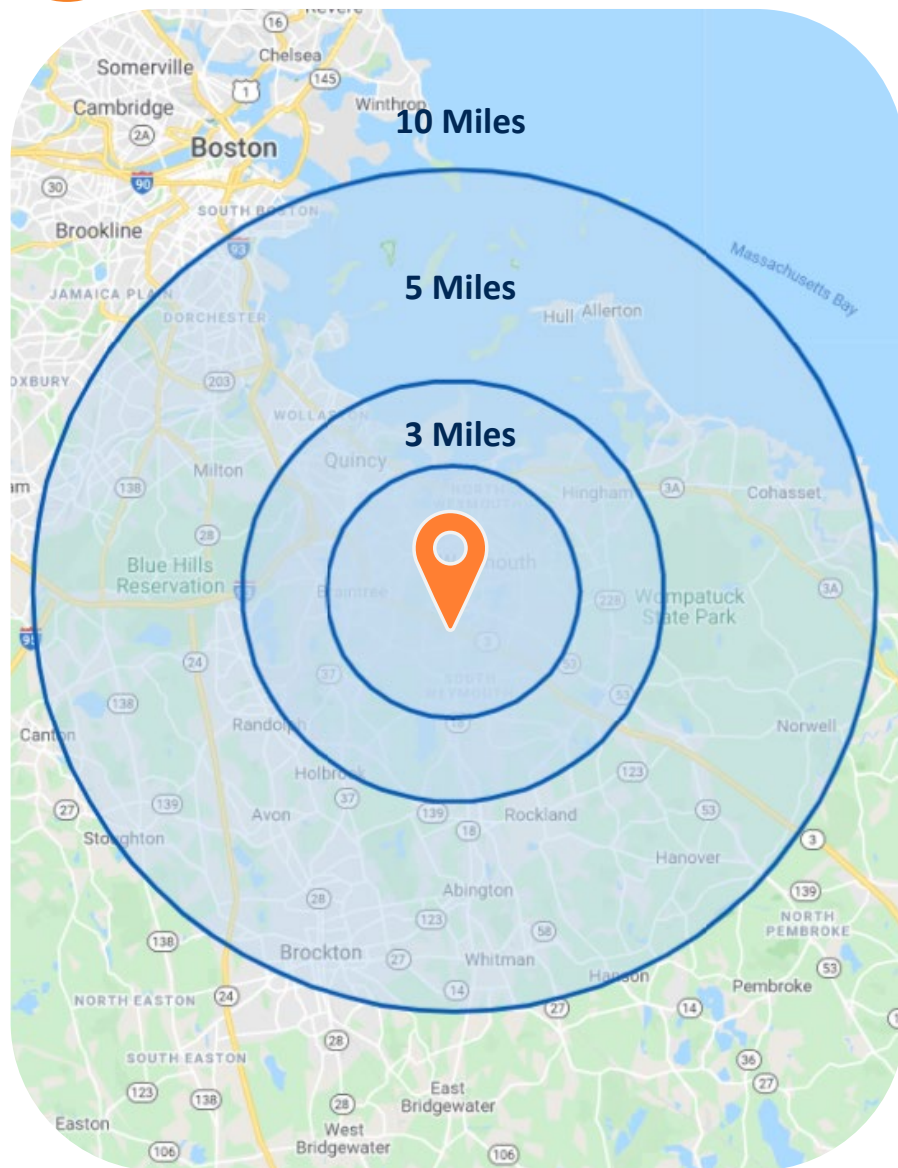






# Demographics

Property Address: 500 Washington Street, Weymouth, MA 02188



	1 Miles	3 Miles	5 Miles	10 Miles
<b>POPULATION TRENDS</b>				
2010 Population	11,247	88,964	179,701	686,873
2021 Population	11,457	92,171	191,021	727,077
2026 Population Projection	11,612	93,716	195,156	740,386
Annual Growth 2010-2021	0.20%	0.30%	0.60%	0.50%
Annual Growth 2021-2026	0.30%	0.30%	0.40%	0.40%
<b>POPULATION BY RACE (2021)</b>				
White	9,693	75,659	149,083	435,207
Black	755	5,053	13,139	199,312
American Indian/Alaskan Native	21	240	476	3,442
Asian	638	9,191	24,208	65,964
Hawaiian & Pacific Islander	3	74	119	1,000
Two or More Races	335	1,954	3,995	22,152
Hispanic Origin	493	3,909	8,896	77,172
<b>HOUSEHOLD TRENDS</b>				
2010 Households	4,687	36,967	74,647	264,054
2021 Households	4,803	38,429	79,224	277,843
2026 Household Projection	4,873	39,095	80,909	282,723
Annual Growth 2010-2021	0.00%	0.20%	0.40%	0.40%
Annual Growth 2021-2026	0.30%	0.30%	0.40%	0.40%
<b>Avg Household Income</b>	<b>\$98,274</b>	<b>\$111,158</b>	<b>\$113,773</b>	<b>\$109,434</b>
<b>Median Household Income</b>	<b>\$77,096</b>	<b>\$88,827</b>	<b>\$89,516</b>	<b>\$83,979</b>
<b>HOUSEHOLDS BY HOUSEHOLD INCOME (2021)</b>				
< \$25,000	854	5,673	12,019	48,776
\$25,000 - 50,000	721	5,545	11,194	39,169
\$50,000 - 75,000	773	5,247	10,726	39,072
\$75,000 - 100,000	638	4,970	9,770	33,143
\$100,000 - 125,000	485	4,185	8,871	29,340
\$125,000 - 150,000	406	3,661	6,932	22,022
\$150,000 - 200,000	512	4,387	8,659	29,214
\$200,000+	414	4,760	11,053	37,106



# Market Overview

City: Boston | County: Suffolk | State: Massachusetts



**Boston** officially the City of Boston, is the capital and most populous city of the Commonwealth of Massachusetts in the United States and 24th-most populous city in the country. The city proper covers 48.4 square miles. with a population of 675,647 in 2020,[2] also making it the most populous city in New England. It is the seat of Suffolk County (although the county government was disbanded on July 1, 1999). The city is the economic and cultural anchor of a substantially larger metropolitan area known as Greater Boston, a metropolitan statistical area home to a census-estimated 4.8 million people in 2016 and ranking as the tenth-largest MSA in the country.

Boston is one of the oldest municipalities in the United States, founded on the Shawmut Peninsula in 1630 by Puritan settlers from the English town of the same name. It was the scene of several key events of the American Revolution, such as the Boston Massacre, the Boston Tea Party, the Battle of Bunker Hill and the siege of Boston. Upon American independence from Great Britain, the city continued to be an important port and manufacturing hub as well as a center for education and culture. The city has expanded beyond the original peninsula through land reclamation and municipal annexation. Its rich history attracts many tourists, with Faneuil Hall alone drawing more than 20 million visitors per year. Boston's many firsts include the United States' first public park (Boston Common, 1634), first public or state school (Boston Latin School, 1635) and first subway system (Tremont Street subway, 1897).

A global city, Boston is placed among the top 30 most economically powerful cities in the world. Encompassing \$363 billion, the Greater Boston metropolitan area has the sixth-largest economy in the country and 12th-largest in the world.

Boston's colleges and universities exert a significant impact on the regional economy. Boston attracts more than 350,000 college students from around the world, who contribute more than US\$4.8 billion annually to the city's economy. The area's schools are major employers and attract industries to the city and surrounding region. The city is home to a number of technology companies and is a hub for biotechnology, with the Milken Institute rating Boston as the top life sciences cluster in the country. Boston receives the highest absolute amount of annual funding from the National Institutes of Health of all cities in the United States.

The city is considered highly innovative for a variety of reasons, including the presence of academia, access to venture capital, and the presence of many high-tech companies. The Route 128 corridor and Greater Boston continue to be a major center for venture capital investment, and high technology remains an important sector.



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## EXCLUSIVE NET-LEASE OFFERING



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