



# CVS PHARMACY

*Absolute NNN Lease Offering*

*18591 N 59th Avenue, Glendale, AZ 85308 (Phoenix MSA)*







## INVESTMENT CONTACTS

### BRIAN PFOHL

Executive Vice President  
+1 404 504 7893  
brian.pfohl@cbre.com

### CHRIS BOSWORTH

Vice Chairman  
+1 404 923 1486  
chris.bosworth@cbre.com

### THOMAS CARR

Associate Vice President  
+1 404 812 5101  
thomas.carr@cbre.com

### JORDAN ESPY

Investment Sales Analyst  
+1 404 812 5026  
jordan.espy@cbre.com

### KAITLYN WOLF

Client Services Specialist  
+1 404 812 5299  
kaitlyn.wolf@cbre.com

### JOE COMPAGNO

CBRE AZ Licensee  
joe.compagno@cbre.com

The CBRE logo, consisting of the letters "CBRE" in a bold, white, sans-serif font.

### Affiliated Business Disclosure

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the "Property"), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates' interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms' length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

### Confidentiality Agreement

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property ("Owner") or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

### Disclaimer

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented "as is" without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

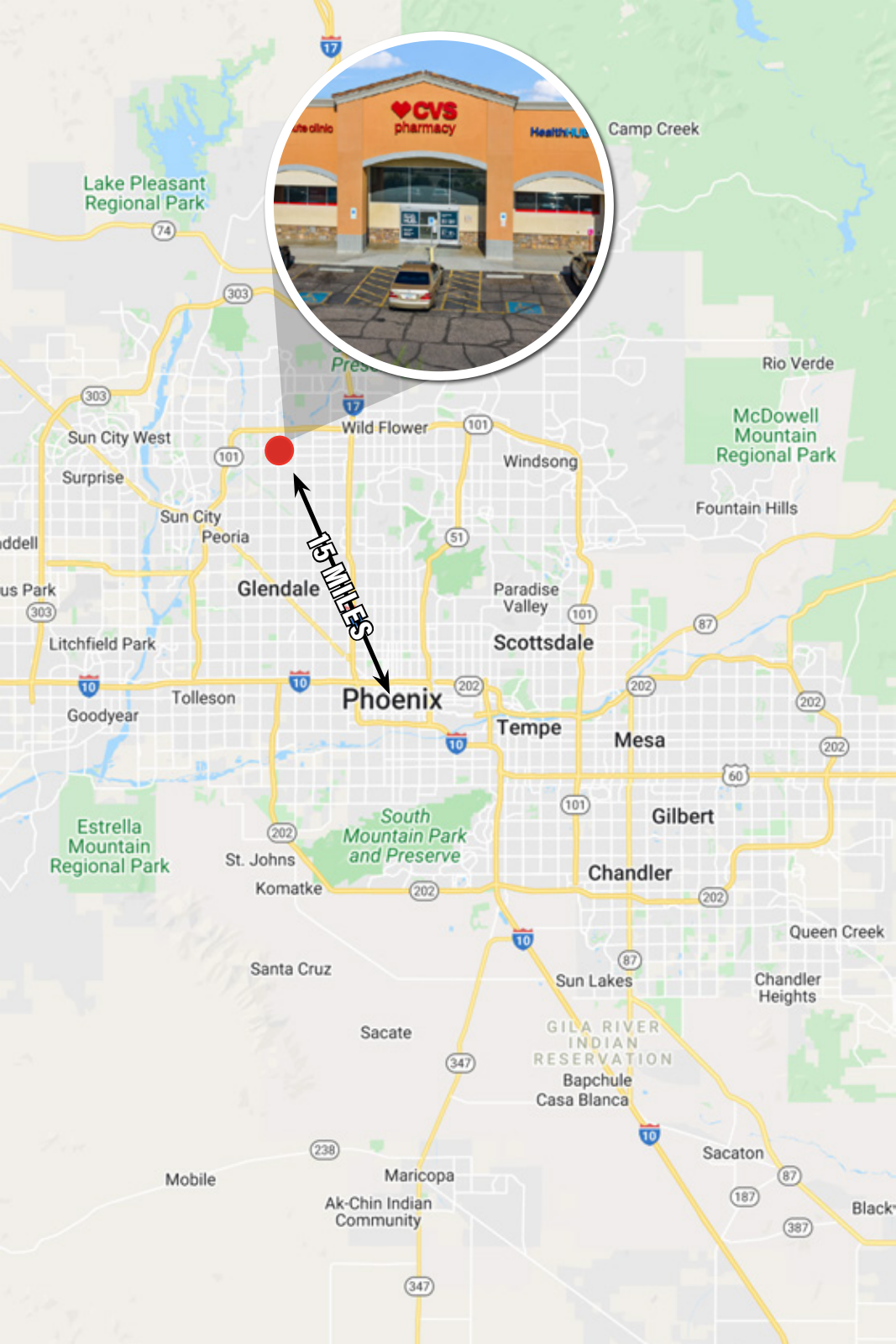
The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

### Copyright Notice

© 2022 CBRE, Inc. All Rights Reserved.

CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE. Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.





## TABLE OF CONTENTS

Property Description	4
Investment Highlights	5
Aerials	6
Trade Area	8
Lease Summary	9
Tenant Overview	10
Area Overview	11
MSA Overview	12



## PROPERTY DESCRIPTION



NOI

**\$288,000**



CAP RATE

**4.25%**



PRICE

**\$6,776,471**

### PROPERTY SUMMARY

ADDRESS:	18591 N 59th Avenue, Glendale, AZ 85308
TENANT:	German Dobson CVS, LLC
GUARANTOR:	CVS Health Corporation
LEASE STRUCTURE:	Absolute NNN
BUILDING SIZE:	14,258 SF
PARCEL SIZE:	1.626 Acres
PARKING:	55 Spaces
YEAR BUILT:	2003

### DEMOGRAPHICS

	1 mile radius	3 mile radius	5 mile radius
POPULATION:	12,121	104,890	313,488
AVERAGE HOUSEHOLD INCOME:	\$100,386	\$99,707	\$94,417

CVS Glendale, AZ



# INVESTMENT HIGHLIGHTS



## LARGEST PHARMACY HEALTH CARE PROVIDER

As the leader of a network of approximately 66,000 retail pharmacies, CVS Health Corporation (NYSE: CVS; S&P: BBB) is the largest pharmacy health care provider in the United States, boasting integrated offerings across the entire spectrum of pharmacy care. In 2021, the company was ranked 4th in the Fortune 500 and produced annual total revenues of \$292.1 billion and total assets of nearly \$233 billion as of December 31, 2021.



## RECENTLY EXTENDED ABSOLUTE NNN LEASE WITH CORPORATE GUARANTY

The original absolute NNN lease was scheduled to expire in 2023, but CVS recently agreed to extend the lease to 2042 and provide a corporate guaranty from CVS Health Corporation showing their strong commitment to this location. Currently, the lease has  $\pm 20$  years of primary term remaining with three 5-year renewal options. Each renewal option includes a  $\pm 10\%$  rent increase.



## 24-HOUR STORE WITH CVS MINUTE CLINIC & HEALTH HUB

This 24-hour CVS location features a MinuteClinic, offering flu shots, COVID-19 rapid testing, and COVID-19 vaccines along with its standard pharmacy services. The store also serves as a HealthHUB Store, which is staffed with a team of professionals that offer a wide-range of healthcare services and an expanded variety of wellness and health products. CVS HealthHUB stores offer the same products in the aisles, but provide additional preventive screenings, routine care and fitness classes akin to what a patient would find in a community health clinic. Customers can get care for sleep apnea, do annual diabetic exams and monitor other chronic conditions like high blood pressure and high cholesterol.



## TOP PERFORMING STORE

According to Placer.ai, this CVS location ranks among the top 10% CVS of stores in Arizona and in the top 20% of all CVS stores across the US over the last 12 months.



## IDEAL LOCATION

Located on a hard corner site at the signalized intersection of North 59th Avenue and West Union Hills Drive (Combined Traffic Count: 68,915 VPD) as an outparcel to a shopping center occupied by a recently constructed Salad & Go, Starbucks, Copper State Credit Union, Vitalant, NextCare Urgent Care and Rosati's Pizza among other. A Foothills Park and a shopping center occupied by Chase Bank and a myriad of medical users is also located at the immediate intersection.



## DENSELY DEVELOPED TRADE AREA

There is over 8.6 MSF of retail, 3.1 MSF of office and 8,896 multifamily units within a 3-mile radius of the subject property. The property is also within 1-mile of the following: Abrazo Arrowhead Hospital (270 beds), Midwestern University (a healthcare focused university with 3,900 students), Honeywell's Aerospace campus (800 employees), Home Depot, Petco, WinCo Foods, Walmart Supercenter, Floor & Décor, Sprouts Farmers Market, and Bowlero – among many others.



## SUBSTANTIAL BUILT-IN CUSTOMER BASE

CVS is positioned within a dense residential area and is within 1 mile of over 4,100 households, placing a substantial built-in customer base within walking distance of the site.



## DYNAMIC DEMOGRAPHICS

CVS benefits from dynamic demographics with a population of 104,890 and an average household income of \$99,707 within a 3-mile radius.



## PHOENIX MSA ADVANTAGE

As the capital and economic hub of Arizona, Phoenix (MSA Population: 5.1 Million) is home to more than two-thirds of Arizona's population. The city's economy is based on technology, military, real estate, manufacturing, healthcare, and retail. Due to the area's unique desert landscape and mild winters, Phoenix benefits greatly from seasonal tourism and recreation, especially in the golfing industry. The 6th largest and 14th most populous state, Arizona is most well-known for its top attractions, which include the Sonoran Desert, the Grand Canyon National Park, the Sedona/Verde Valley, and many other parks and monuments.



# AERIAL





# AERIAL





## TOP PERFORMING CVS STORE WITH EXPANSIVE TRADE AREA



**TOP 7%**

OF CVS STORES WITHIN A 15-MILE RADIUS



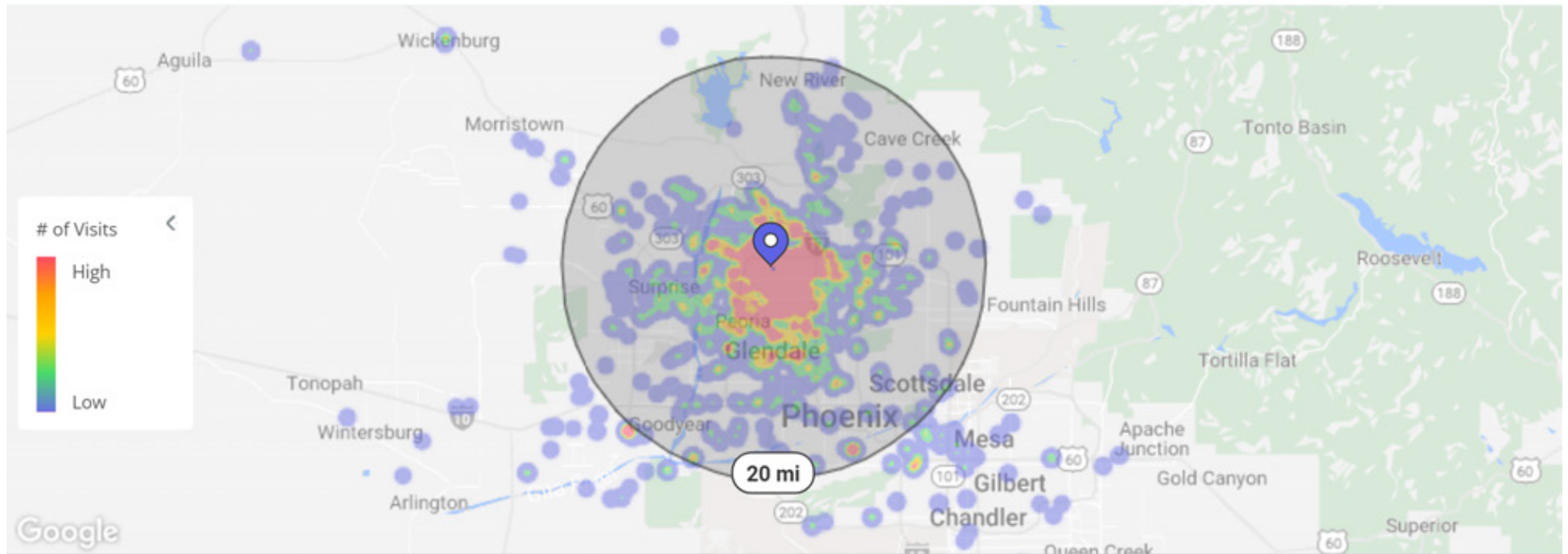
**TOP 8%**

OF CVS STORES IN THE STATE OF ARIZONA



**TOP 18%**

OF CVS STORES ACROSS THE U.S.



Mar 1st, 2021 - Feb 28th, 2022

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))





# LEASE SUMMARY

<b>TENANT:</b>	German Dobson CVS, LLC
<b>GUARANTOR:</b>	CVS Health Corporation
<b>LEASE EXPIRATION:</b>	March 17, 2042
<b>TERM REMAINING:</b>	±20 years
<b>LEASE TYPE:</b>	Absolute NNN
<b>CURRENT RENT:</b>	\$288,000
<b>RENT ESCALATIONS:</b>	Flat during initial term
<b>RENEWAL OPTIONS:</b>	Three 5-year options
<b>OPTION RENT:</b>	Option 1: \$316,800 Option 2: \$347,600 Option 3: \$382,360
<b>OPTION RENT INCREASES:</b>	±10% in each renewal option
<b>TAXES:</b>	Landlord shall promptly deliver to Tenant, upon receipt, all real estate tax bills for the Leased Premises. Tenant shall pay such tax bills directly to the taxing authority.
<b>INSURANCE:</b>	Tenant shall procure and continue in force, commercial general liability insurance against damages occurring in the Leased Premises during the term or any extensions of this Lease. Such insurance shall be in an amount not less than \$3 million general aggregate for bodily injury and property damage.  Tenant shall maintain Causes of Loss-Special Form insurance for the building situated on the Leased Premises for at least 100% of its reasonable replacement value.
<b>REPAIRS &amp; MAINTENANCE:</b>	Tenant will keep the Leased Premises in good order and repair. Tenants obligation shall include, without limitation, maintaining in good operating condition (including making all necessary repairs and replacements to accomplish the same) the interior, exterior, rood and structural members of the building on the leased Premises, all HVAC and other mechanical equipment and systems, sprinkler systems, and any water plumbing, sanitary sewer, storm water, gas, cable, telephone or electrical lines or conduits in or on the Leased Premises, and making all repairs required due to fire, casualty, or the elements. All sidewalks, service drives, parking aisles, driveways, streets, parking area and water drainage shall also be maintained by Tenant, at its sole cost and expense.





## TENANT OVERVIEW



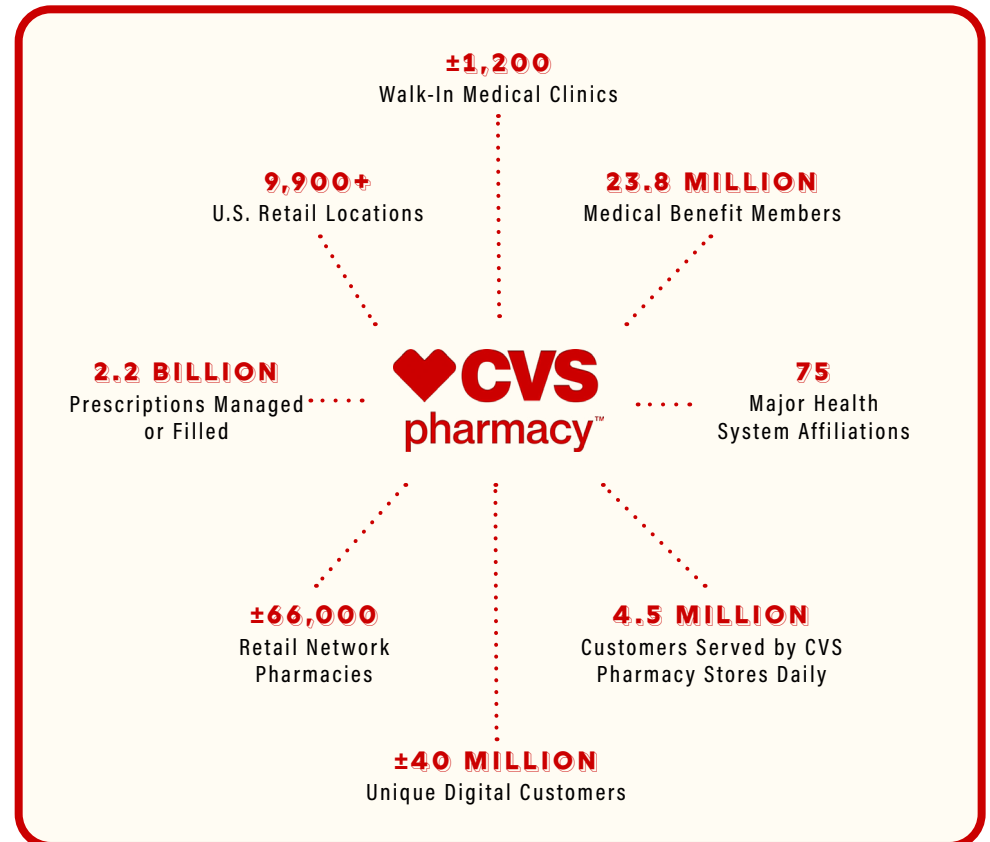
As the leader of a network of approximately 66,000 retail pharmacies, CVS Health Corporation (NYSE: CVS; S&P: BBB) is the largest pharmacy health care provider in the United States, boasting integrated offerings across the entire spectrum of pharmacy care. CVS is a market leader in the following sectors: Mail Order Pharmacy, Retail Pharmacy, Specialty Pharmacy, Retail Medical Clinics, Medical Part D Prescription Drug Plans and Pharmacy Benefits Manager (PBM).

CVS has approximately 300,000 employees in 49 states, the District of Columbia, Puerto Rico, Brazil and operated more than 9,900 retail stores, 1,200 MinuteClinics, as well as the online retail pharmacy websites CVS.com, Navarro.com™, and Onofre.com.br. The CVS Health Corporation umbrella has four segments: Retail/LTC, Pharmacy Services, Health Care Benefits, and Corporate/Other. In 2021, the company was ranked 4th in the Fortune 500 and produced annual total revenues of \$292.1 billion and total assets of nearly \$233 billion as of December 31, 2021.

The Retail/LTC Segment sells prescription drugs and a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, personal care products, convenience foods, photo finishing, seasonal merchandise and greeting cards. With the recent acquisition of Omnicare, the Retail/LTC Segment now includes LTC operations, which entails providing the distribution of pharmaceuticals, related pharmacy consulting and other ancillary services to chronic care facilities and other care settings as well as commercialization services, which are provided under the name RxCrossroads. CVS added approximately 1,670 pharmacies in December 2015 through the acquisition of the pharmacies of Target Corporation. The stores within Target sell only prescription drugs and over-the-counter drugs (required to remain behind the pharmacy counter). The Retail/LTC Segment also operates retail medical clinics under the MinuteClinic name (nearly all of which are located within a CVS Pharmacy or Target). MinuteClinics utilize nationally-recognized medical protocols to diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions and deliver vaccinations. The clinics are staffed by board-certified nurse practitioners and physician assistants who provide access to affordable care without appointment.

On November 28, 2018, CVS Health acquired Aetna Inc. to enhance the consumer health care experience for a combination of cash and CVS Health stock. Including the assumption of Aetna's debt, the total value of the transaction was approximately \$78 billion.

CVS Glendale, AZ





## AREA OVERVIEW

### GLENDALE, AZ

Part of the Phoenix MSA (Population: 5.1 million), Glendale is a bedroom community less than 10 miles northwest of Downtown Phoenix. Famously referred to as "Arizona's Antique Capital," Historic Downtown Glendale features myriad antique and vintage shops, restaurants, and businesses, and has been named one of America's ten best places to shop by USA Today and Sunset Magazine. Additional shopping districts such as the Arrowhead Towne Center (one of the largest malls in the region), the Westgate Entertainment District, and the Tanger Outlets also lie within the area. A regional hub for sporting events, Glendale is home to the both the Arizona Coyotes ice hockey team and the University of Phoenix Stadium, which hosts the Arizona Cardinals NFL team and was the site of the 2017 NCAA Final Four games. Camelback Ranch Glendale is also the Spring Training home for the Los Angeles Dodgers and the Chicago White Sox. Additional attractions such as the Glendale Jazz and Blues Festival, the Glendale Folk and Heritage Festival, and the Deer Valley Rock Art Center draw visitors from all over to the area. Retail shops and entertainment, which generate a great deal of tourism, combine with hotels, restaurants, and industry to fuel Glendale's healthy economy.





## MSA OVERVIEW

### PHOENIX, AZ

As the capital and economic hub of Arizona, Phoenix (MSA Population: 5.1 million) is home to more than two-thirds of Arizona's population. The city's economy is based on technology, military, real estate, manufacturing, healthcare, and retail. Due to the area's unique desert landscape and mild winters, Phoenix benefits greatly from seasonal tourism and recreation, especially in the golfing industry. The 6th largest and 14th most populous state, Arizona is most well-known for its top attractions, which include the Sonoran Desert, the Grand Canyon National Park, the Sedona/Verde Valley, and many other parks and monuments.

Also known as the Valley of the Sun, the Greater Phoenix MSA is the 10th largest metropolitan area in the United States and is ranked among the top in the nation for economic growth. Comprising more than 20 communities, it is also the fastest growing major metropolitan areas, having gained more than 1.8 million residents since 2000. The Phoenix MSA has historically performed at the center of the state's economy. As of 2021, several Fortune 500 and 100 companies are based in Phoenix, including Avnet (#106), Freeport-McMoRan (#215), Republic Services (#297), Magellan Health (#390), Sprouts Farmers Market (#437), ON Semiconductor (#509), Knight-Swift Transportation Holdings (#551), and Pinnacle West Capital (#657). The technology and service industries account for approximately three-fourths of total employment in the region.

#### Sonoran Desert

The Sonoran Desert, which spans across the majority of Southern Arizona, is one of the largest and most diverse desert ecosystems in the United States. This desert is home to large cities, small towns, and hundreds of native animal and plant species.

#### Grand Canyon

Attracting five million visitors each year, the Grand Canyon is one of the most popular tourist destinations in the United States. The Canyon itself stretches 277 miles from end-to-end, while its rocky walls descend more than a mile to the Canyon's floor. Visitors from all over come to marvel at the natural wonder, hike its trails, and go white water rafting on the Colorado River, which traces a course Southwest through the Canyon floor.

CVS Glendale, AZ

## PHOENIX MSA



**MSA POPULATION:  
5.1 MILLION**



**10<sup>TH</sup> LARGEST MSA IN THE NATION BY  
POPULATION**



**8 FORTUNE 500 & FORTUNE 1000 COMPANIES  
HEADQUARTERED IN PHOENIX, AZ**



**HUB FOR NATION'S  
TECHNOLOGY & SERVICE INDUSTRY**





 minute clinic



HealthHUB

## INVESTMENT CONTACTS

### BRIAN PFOHL

Executive Vice President  
+1 404 504 7893  
brian.pfohl@cbre.com

### CHRIS BOSWORTH

Vice Chairman  
+1 404 923 1486  
chris.bosworth@cbre.com

### THOMAS CARR

Associate Vice President  
+1 404 812 5101  
thomas.carr@cbre.com

### JORDAN ESPY

Investment Sales Analyst  
+1 404 812 5026  
jordan.espy@cbre.com

### KAITLYN WOLF

Client Services Specialist  
+1 404 812 5299  
kaitlyn.wolf@cbre.com

### JOE COMPAGNO

CBRE AZ Licensee  
joe.compagno@cbre.com