

CVS

5801 Brooklyn Blvd, Brooklyn Center, MN 55429



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Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success.

Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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SECTION 1

Executive Summary

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

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OFFERING SUMMARY

		
Listing Price	Cap Rate	Price/SF
\$6,413,054	5.50%	\$492.81

FINANCIAL

Listing Price	\$6,840,154
NOI	\$352,718
Cap Rate	5.50%
Price/SF	\$492.81

OPERATIONAL

Lease Type	Absolute Net
Guarantor	Corporate Guarantee
Lease Expiration	12/30/2031
Rentable SF	13,013 SF
Lot Size	1.53 Acres
Year Built	2005



CVS/PHARMACY

5801 Brooklyn Blvd, Brooklyn Center, MN 55429

INVESTMENT HIGHLIGHTS

Marcus & Millichap is pleased to present the exclusive listing for a CVS Pharmacy located in Brooklyn Center, Minnesota. The property consists of roughly 13,013 rentable square feet of building space on an estimated 1.53 acre parcel of land. The property features a convenient drive-through lane and is open for business 24/7 to accommodate the large amount of traffic the site experiences. Additionally, this location operates a MinuteClinic.

Tenant is on an Absolute NNN lease providing the owner a true passive income stream with no landlord responsibilities. The lease expires on January 31, 2032 with 10, five year option periods. The first two years of the option period are priced at 101% of Fair Market Value "(FMV)" and the remaining three years of the first option period and the subsequent options will be 100% of the FMV at a fixed rate.

The final three years of the initial lease (January 1, 2029 to January 31, 2032) is a free rent period for CVS. The Seller will credit Buyer at closing for this period of time.

LOCATION HIGHLIGHTS

- This property is situated on the hard corner of Brooklyn Blvd (26,000 VPD) and Bass Lake Rd. (10,700 VPD). In close proximity to this site is the intersection of Hwy 100 (60,000 VPD) and Hwy 94 (113,000 VPD).
- The subject property benefits from being well-positioned in a dense retail area consisting of national and local tenants, and is adjacent to the national grocer, Cub Foods. Additional major national tenants in the area include, Burger King, Chipotle Mexican Grill, Wells Fargo Bank, Jimmy Johns, Pizza Hut, Holiday Stationstores, McDonalds, Starbucks, LA Fitness, Walmart, Five Below and TJ Maxx.
- The city of Brooklyn Center is a first-ring suburban city in Hennepin County, Minnesota. Hennepin County has the highest population density in the Twin Cities Metro with over 1.2 million people, and a population of 120,000 plus people within a 3 mile radius.

SECTION 2

Property Information

TENANT PROFILES

RETAILER MAP

RETAILER MAP

Marcus & Millichap



TENANT HIGHLIGHTS

- Investment Grade Credit tenant: CVS Corporate (S&P: BBB).
- Operates a drive through, MinuteClinic, and is open 24/7.
- Absolute Triple Net (NNN) Lease with 10 years of term remaining.
- Conveniently located in a first ring suburb of Minneapolis, MN.
- High visibility and ease of access.

TENANT OVERVIEW

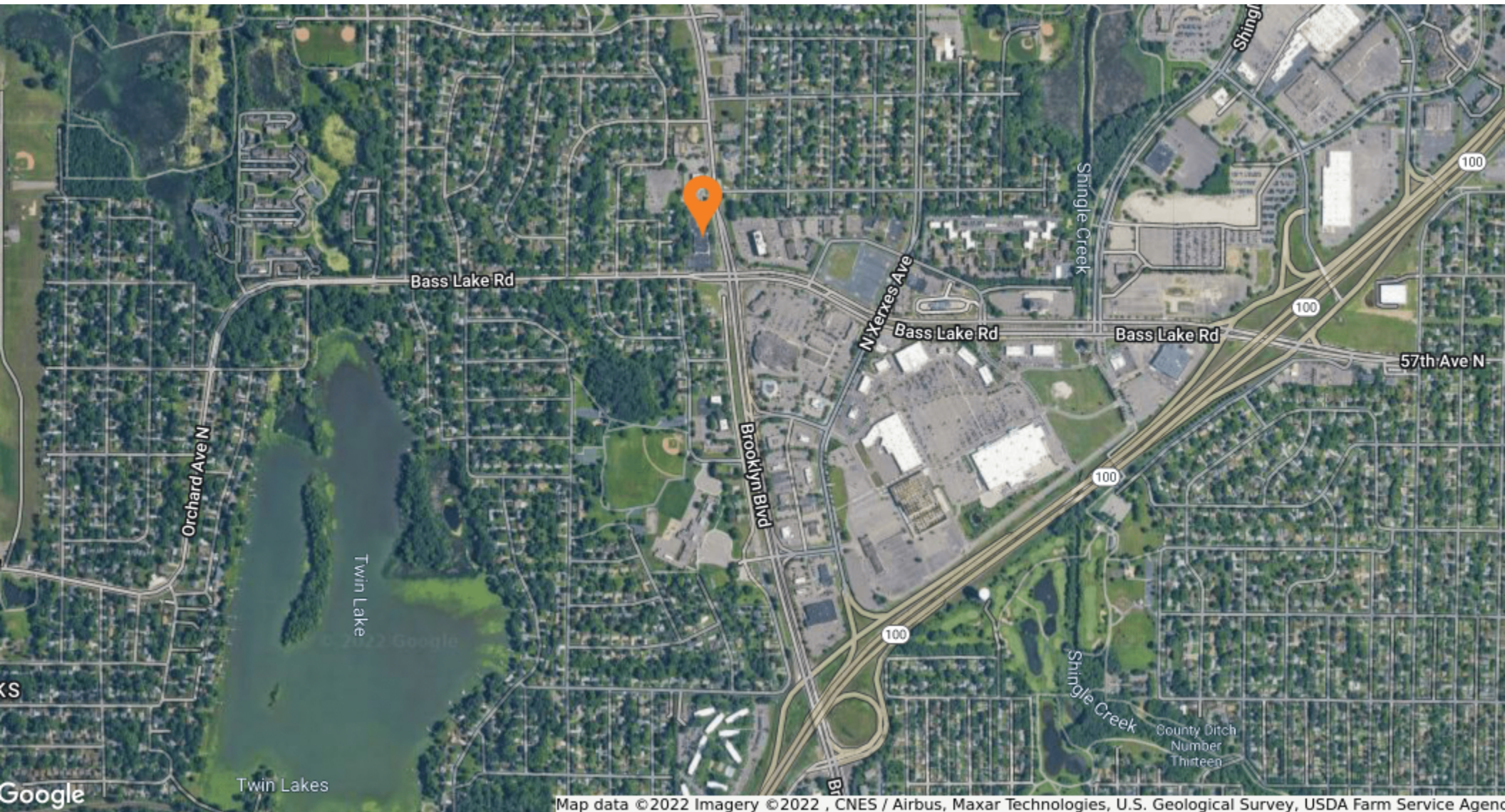
Company:	- CVS Pharmacy subsidiary of CVS Health
Founded:	- 1963
Locations:	- Nationwide
Total Revenue:	- \$256 Billion +
Headquarters:	- Lowell, Massachusetts

TENANT SUMMARY

CVS Pharmacy is the 5th largest U.S. corporation according to Fortune 500 in 2020. 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 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. 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 a litany of acute illnesses.



RETAILER MAP // CVS



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SECTION 3

Financial Analysis

FINANCIAL DETAILS

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FINANCIAL DETAILS // CVS

THE OFFERING	
Price	\$6,413,054
Capitalization Rate	5.50%
Price/SF	\$492.82

PROPERTY DESCRIPTION	
Year Built / Renovated	2005
Gross Leasable Area	13,013 SF
Type of Ownership	Triple-Net (NNN)
Lot Size	1.53 Acres

LEASE SUMMARY	
Tenant	CVS
Rent Increases	None
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Expiration	1/31/2032
Initial Lease Term	25 Years
Renewal Options	10, Five-Year Renewals
Term Remaining on Lease (Yrs)	10 Years
Landlord Responsibility	Zero
Tenant Responsibility	All Expenses

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
1/1/2022-12/31/2022	\$352,718	\$29,393	\$27.11	5.50%
1/1/2023-12/31/2023	\$352,718	\$29,393	\$27.11	5.50%
1/1/2024-12/31/2024	\$352,718	\$29,393	\$27.11	5.50%
1/1/2025-12/31/2025	\$352,718	\$29,393	\$27.11	5.50%
1/1/2026-12/31/2026	\$352,718	\$29,393	\$27.11	5.50%
1/1/2027-12/31/2027	\$352,718	\$29,393	\$27.11	5.50%
1/1/2028-12/31/2028	\$352,718	\$29,393	\$27.11	5.50%
1/1/2029-1/31/2032	Rent Holiday	Credit at close		
Ten, Five Year Renewal Option Periods				

SECTION 4

Market Overview

MARKET OVERVIEW

MARKET OVERVIEW RETAIL

DEMOGRAPHICS

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MINNEAPOLIS-ST. PAUL

The Minneapolis-St. Paul metro is a hub for corporate headquarters, consisting of 16 counties in the southeastern portion of central Minnesota and western Wisconsin. The metro has a population of more than 3.6 million people and covers 6,364 square miles. Nearly 1,000 of Minnesota's 10,000 lakes are located within the metro, along with the Mississippi, Minnesota and St. Croix rivers. The Twin Cities of Minneapolis and St. Paul straddle the Mississippi River and encompass the seven core counties of the region. The most populous is Hennepin County with almost 1.3 million residents. Minneapolis is the city with the most residents in the state at almost 413,000 citizens, followed by St. Paul, the capital city, which has approximately 302,000 people.

METRO HIGHLIGHTS



DIVERSE ECONOMIC BASE

The metro's economy includes food production and delivery, information technology, biomedical technology, retail, finance, and logistics.



ATTRACTIVE BUSINESS ENVIRONMENT

Companies are drawn to the region's high quality of living, skilled and growing labor force, as well as the strong work ethic.



ABUNDANCE OF HIGHER EDUCATION

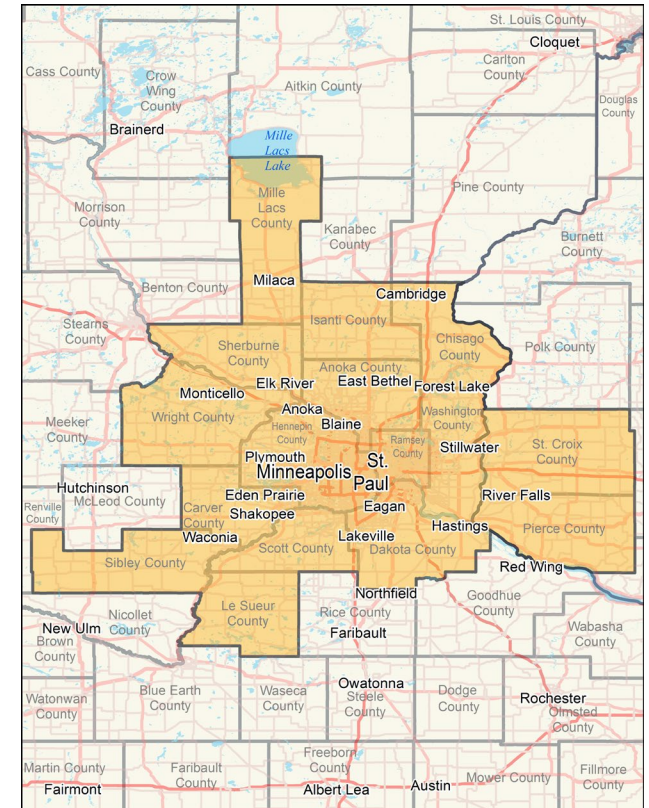
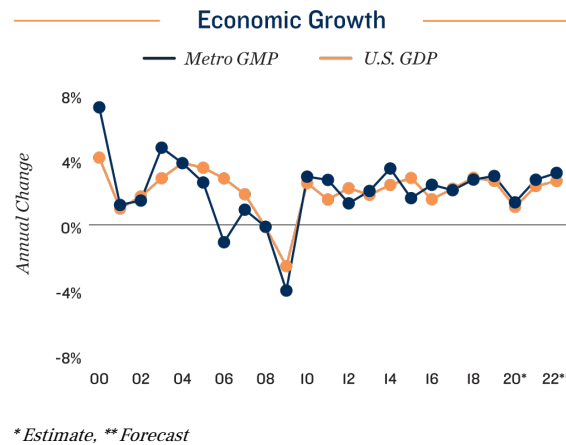
More than 20 colleges and universities are located throughout the metro, producing a highly educated pool of workers.



ECONOMY

- The metro's diverse economic base includes 15 Fortune 500 companies such as Target Corp., UnitedHealth Group, Best Buy, 3M Co., U.S. Bancorp and General Mills.
- A strong manufacturing sector encompasses both traditional and high-tech manufacturing.
- Medical institutions including the University of Minnesota and the Mayo Clinic underpin a growing biomedical research and development sector.
- Minneapolis, with its strong financial base, houses the Ninth Federal Reserve District, which services Minnesota, the Dakotas, Montana, and portions of Michigan and Wisconsin.

MAJOR AREA EMPLOYERS
Target Corp.
University of Minnesota
Allina Health
Fairview Health Services
CentraCare Health System
Wells Fargo
3M Co.
United Health Group, Inc.
HealthPartners
U.S. Bancorp



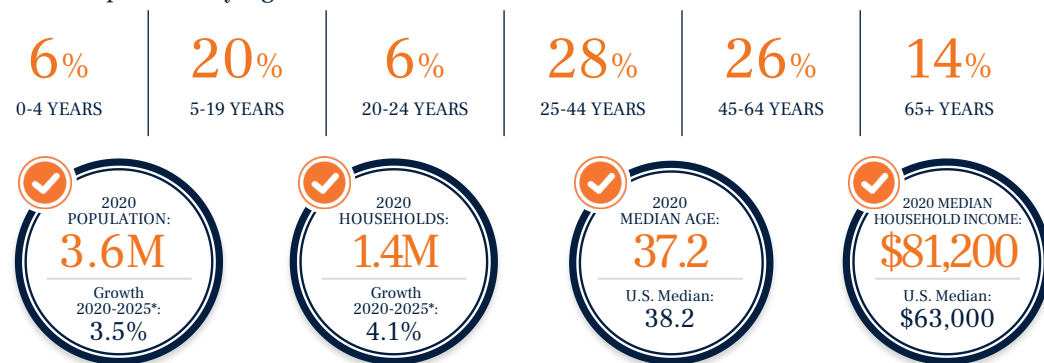
SHARE OF 2020 TOTAL EMPLOYMENT



DEMOGRAPHICS

- The metro is expected to add nearly 130,000 people through 2025, resulting in the formation of approximately 59,400 households and generating demand for housing.
- Incomes above the national average contribute to a homeownership rate of 70 percent, compared with 64 percent for the U.S. The median home price in the metro is roughly \$16,000 higher than the national average.
- Roughly 41 percent of the population older than 25 holds a bachelor's degree, and 14 percent of those residents also have obtained a graduate or professional degree.

2020 Population by Age



QUALITY OF LIFE

The growing urban region is home to six professional sports teams: the Minnesota Vikings, the Minnesota Twins, the Minnesota Timberwolves, the Minnesota Lynx, the Minnesota Wild and the Minnesota United. College sports are enjoyed at the University of Minnesota Twin Cities campus. The area is noted for the vast array of cultural amenities that contribute to a high quality of life including orchestras, art museums and gardens. With more than 100 theater venues, the region is the third-largest theater market in the country. Strong arts education is supported by the Minneapolis College of Arts and Design, the Children's Theatre Company, MacPhail Center for the Arts and the Perpich Center for Arts.

* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

SPORTS



EDUCATION



ARTS & ENTERTAINMENT



MINNEAPOLIS-ST. PAUL METRO AREA

Retail 2021 Outlook

Employment:

+6.1%  **113,000**
***JOBS**
will be created*

Construction

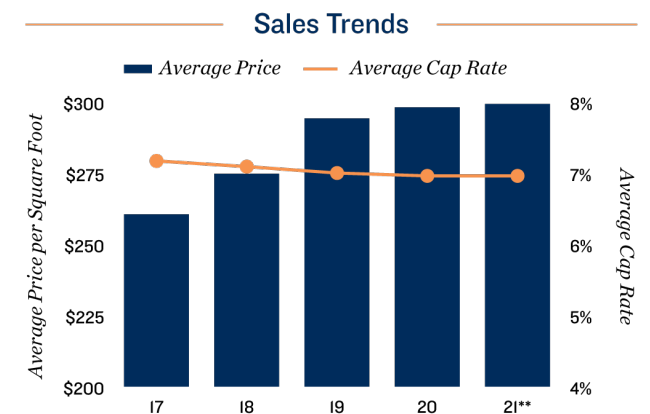
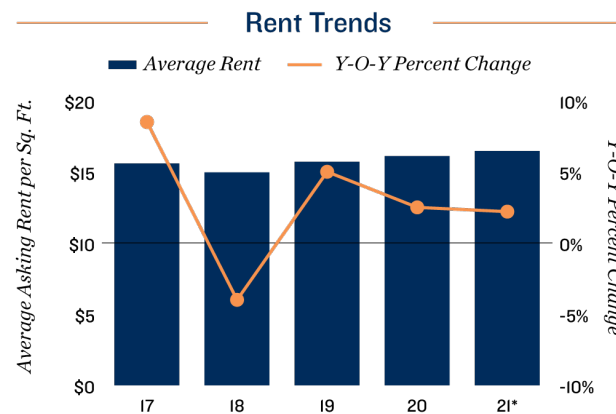
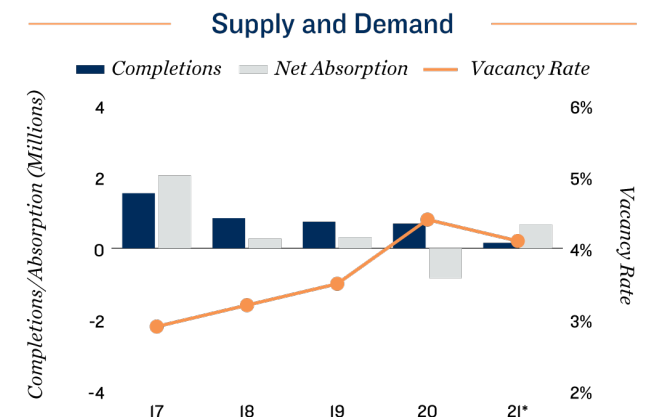
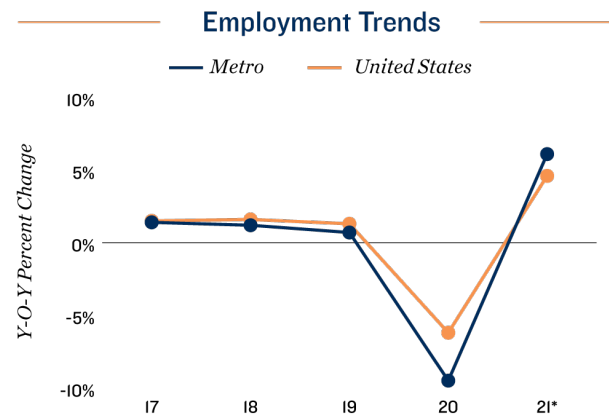
0.1%  **150,000**
***UNITS**
will be completed*

Vacancy

4.1%  **30**
***BASIS POINT**
decrease in vacancy*

Rents

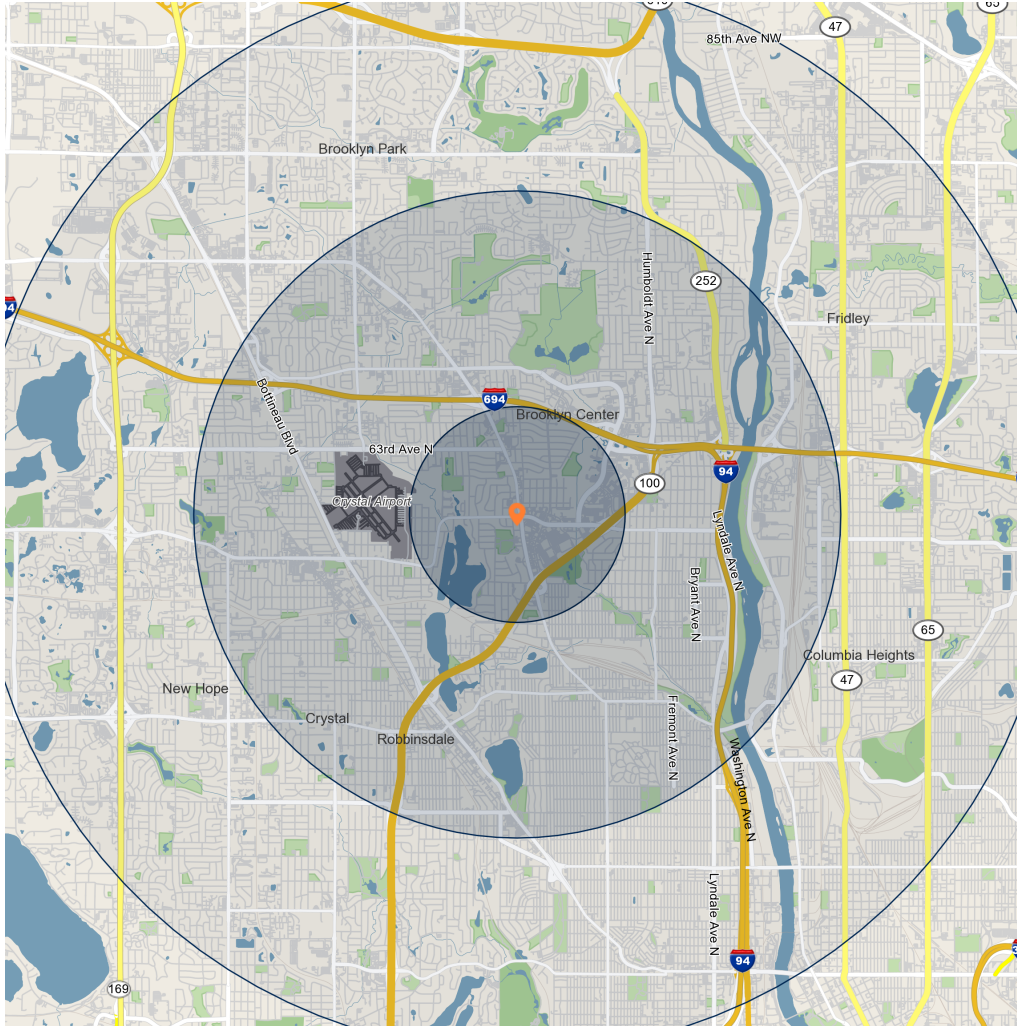
\$16.47  **2.2%**
***per sq. ft.**
INCREASE
in asking rent*



* Forecast; ** Through 2Q

Sources: BLS; CoStar Group, Inc.; Real Capital Analytics

DEMOGRAPHICS // CVS



POPULATION

	1 Mile	3 Miles	5 Miles
2026 Projection	11,804	119,900	309,491
2021 Estimate	11,659	119,337	306,328
2010 Census	10,934	114,045	289,958
2000 Census	10,981	113,992	295,215

HOUSEHOLD INCOME

Average	\$72,981	\$72,859	\$82,266
Median	\$57,014	\$58,043	\$63,884
Per Capita	\$26,030	\$28,109	\$31,873

HOUSEHOLDS

2026 Projection	4,200	46,219	120,005
2021 Estimate	4,150	45,829	118,189
2010 Census	3,894	43,482	110,930
2000 Census	4,320	45,199	114,021

HOUSING

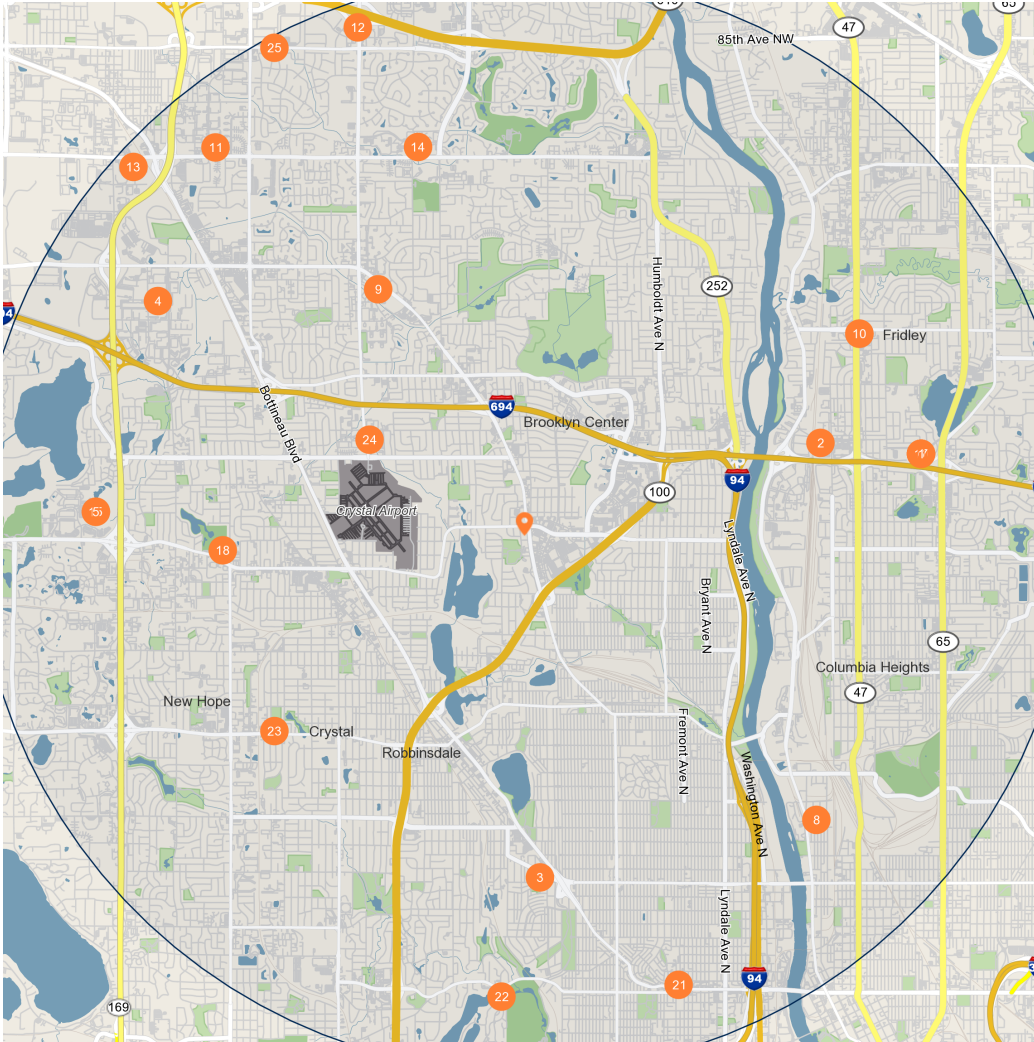
Median Home Value	\$177,837	\$178,783	\$198,187
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EMPLOYMENT

2021 Daytime Population	8,939	95,537	284,132
2021 Unemployment	4.24%	5.18%	5.62%
Average Time Traveled (Minutes)	26	26	26

EDUCATIONAL ATTAINMENT

High School Graduate (12)	28.86%	28.25%	26.04%
Some College (13-15)	23.65%	23.71%	22.69%
Associate Degree Only	11.58%	10.83%	10.44%
Bachelor's Degree Only	16.51%	19.08%	21.75%
Graduate Degree	4.11%	6.21%	8.58%



Major Employers

Employees

1	Medtronic Inc-Medtronic	4,300
2	Goodwill Industries Inc	3,557
3	North Memorial Health Care-North Memorial Medical Center	3,300
4	Wilsons Leather Experts Inc	2,998
5	Smiths Medical Md Inc	2,580
6	Medtronic Usa Inc	2,500
7	Medtronic World Trade Corp	2,500
8	Catholic Eldrcare Cmnty Fndtio-Rivervillage North	1,501
9	Bowlero Corp	774
10	Benedictine Health System	727
11	Medical Arts Press Inc	658
12	Hy-Vee Inc-Hy-Vee Food Store 1040	609
13	Caterpillar Paving Pdts Inc-Caterpillar	600
14	United States Postal Service-US Post Office	595
15	Smiths Medical Asd Inc	576
16	Cummins Power Generation Inc-Cummins	557
17	Medtronic Latin America Inc-Medtronic	549
18	St Therese Home Inc	525
19	St Therese Home Inc-Oxbow Lake Care Center	525
20	Covidien Holding Inc-Covidien Healthcare	504
21	Minneapolis Public School Dst-Minneapolis Public Schools	490
22	Courage Center	450
23	Holiday Companies	438
24	Lake Region Medical Inc-Accellent Cardiology	400
25	Target Stores Inc-Target	400



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