



CVS Pharmacy

9292 Westheimer Road | Houston, TX 77063

Offering Memorandum



Accelerating success.

Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney's fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney's fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker's fees or finder's fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller's obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.

CVS Pharmacy

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Exclusive Investment Advisory Team

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Investment Overview

The Ficke Team of Colliers is pleased to present to qualified investors the opportunity to acquire the fee simple interest of the investment property located at 9292 Westheimer Rd, Houston, Texas ("Subject Property"). The subject property is a single tenant retail asset consisting of a 13,813 square-foot building that sits on approximately 1.707 acres.

The subject property is a build-to-suit for CVS Pharmacy that was originally constructed in 2002. There is approximately 1 year remaining on the base lease term. The lease features zero landlord responsibilities, and rental escalations in each of the four 5-year options, allowing investors superior risk adjusted yields.

The subject property is 100% leased to CVS Health Corporation (NYSE: CVS) which is currently ranked #4 on the Fortune 500 and is the parent company to the nation's largest pharmacy chain, CVS Pharmacy. CVS sells prescription drugs and a wide variety of general merchandise, including over-the-counter drugs, beauty products and cosmetics, film and photo finishing services, seasonal merchandise, greeting cards, and convenience foods. CVS Pharmacy also provides healthcare services through it more than 1,100 MinuteClinic medical clinics. CVS boasted revenues of \$76.6B in 2021 showcasing a 10.1% increase from 2020.

CVS is strategically located in a dense retail corridor on the west side of Houston, Texas. CVS benefits from proximity to national retailers and restaurants such as Starbucks, Aldi, Target, Goodwill, The Home Depot, Krispy Kreme, McDonalds, LA Fitness, and many others. CVS is less than 2.5 miles from the Sam Houston Tollway, and less than 1.5 miles from the Westpark Tollway. This highly trafficked area of Houston has proved to be a strong location for CVS and provides investors a strong infill location in one of the hottest markets in the country.

Investment Highlights



Absolute NNN Lease



Upcoming Rent Increase in 2023



Houston MSA



Dense Infill Location (222,900 residents in a 3-mile radius)



Hard Signalized Corner



Investment Grade Tenant



Drive Thru Pharmacy

Aerial Overview

CVS Pharmacy

Downtown Houston

9292 Westheimer Rd.



Westheimer Road



N

Location Overview

CVS Pharmacy

Houston
Texas

9292 Westheimer Rd.



The Museum of Fine Arts, Houston



Property & Tenant Overview

CVS Pharmacy

Property Summary

Property Name	CVS Pharmacy
Address	9292 Westheimer Road Houston, TX 77063
Rentable SF	13,813
Property Type	Retail
Occupancy	100%
Tenancy	Single
Year Built	2002
Lot Size	1.707 AC

Tenant Overview

No. of Locations	9,803
Ownership	Public
Tenant	CVS Health Corporation (CVS)
Revenue	\$290.3 B
Credit Rating	BBB
Website	cvs.com
Headquartered	Woonsocket, RI
Founded	1963



Financials Lease Overview & Rent Schedule

CVS Pharmacy



Lease Overview	
Tenant Name	CVS Pharmacy
Occupied Area (SF) ¹	13,813
Rent/SF	\$34.47
Lease Commencement Date	November 15, 2002
Rent Commencement Date	April 22, 2003
Lease Expiration Date	April 21, 2023

Term Remaining on Lease (Years)	1.00
Lease Type	Absolute NNN
Escalations	Yes - In Options
Landlord Responsibilities	None
Lease Term	20
Options to Renew	Four(4) five(5)-year Options
Right of First Refusal	N/A

CVS Pharmacy						
Period	Year	Annual Rent	Monthly Rent	Rent/SF	Rent Increase	Pro Forma Cap Rate
Current (Years 1-20)	4/22/2003 - 4/21/2023	\$476,112	\$39,676.00	\$34.47		
Option 1	4/22/2023 - 4/21/2028	\$483,024	\$40,252.00	\$34.97	1.45%	6.71%
Option 2	4/22/2028 - 4/21/2033	\$489,924	\$40,827.00	\$35.47	1.43%	6.80%
Option 3	4/22/2033 - 4/21/2038	\$496,836	\$41,403.00	\$35.97	1.41%	6.90%
Option 4	4/22/2038 - 4/21/2043	\$503,748	\$41,979.00	\$36.47	1.39%	7.00%
					Average	6.85%



Houston, TX Demographics



Current Metro-Area Population

6.6M+

Houston Overview | 5 Mile Radius



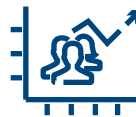
Population

In the identified area, the current year population is 435,762. In 2010, the Census count in the area was 376,073. The rate of change since 2010 was 1.32% annually. The five-year projection for the population in the area is 476,305 representing a change of 1.80% annually from 2021 to 2026. Currently, the population is 52.1% male and 47.9% female.



Households

The household count in this area has changed from 147,021 in 2010 to 178,182 in the current year, a change of 1.72% annually. The five-year projection of households is 198,123, a change of 2.14% annually from the current year total. Average household size is currently 2.29, compared to 2.38 in the year 2010. The number of families in the current year is 85,974 in the specified area.



Households by income (Average)

Current average household income is \$106,045 in this area, compared to \$92,435 for all U.S. households. Average household income is projected to be \$117,993 in five years, compared to \$103,679 for all U.S. households.



Housing

Currently, 34.9% of the 204,738 housing units in the area are owner occupied; 52.2% renter occupied; and 13.0% are vacant. 57.3% of the housing units in the US are owner occupied; 31.2% are renter occupied; and 11.5% are vacant. In 2010, there were 170,923 housing units in the area - 38.0% owner occupied, 48.0% renter occupied, and 14.0% vacant. The annual rate of change in housing units since 2010 is 8.35%. Median home value in the area is \$354,122, compared to a median home value of \$264,021 for the U.S. In five years, median value is projected to change by 2.01% annually to \$391,203.

Source: ESRI



Houston, TX

Overview

As the fifth most populous metro area in the U.S., Houston houses nearly 6.9 million people in southeastern Texas. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller. The Gulf of Mexico, which borders the metro to the southeast, provides access to markets around the world via the Port of Houston, making it a prime location for exports. Local industries have diversified from oil to technology and healthcare. Many companies provide goods and services for the large population growth, which has sprawled, primarily to the north and west. The city of Houston is the largest in the metro with 2.3 million residents.



Corporate Growth

Houston will remain a top destination for corporate relocations due to its business-friendly environment. Twenty Fortune 500 companies are headquartered in the metro.



Higher Education

Over 40 post-secondary educational institutions are located in the metro. Nearly 30 percent of residents have attained a bachelor's degree, with 11 percent also holding a graduate or professional degree.



Lower Cost of Living, Doing Business

Houston has a lower cost of living than many major metros, no state income tax and a median home price below the national level.



Pricing Details

Purchase Price:
\$7,200,000 (\$521.25/sf)

CAP Rate:
6.61%

Net Operating Income
(NOI):
\$476,112

Please contact our Investment
Sales Team for questions or more
information.



Offering Instructions

Offers should be submitted via email to:

Geoff.Ficke@colliers.com , Zack.Ficke@colliers.com & Jack.France@colliers.com

Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

Property Tours

By Appointment Only

Form of PSA

TBD

Title & Escrow

TBD

Information About Brokerage Services

The Shops at Princeton



INFORMATION ABOUT BROKERAGE SERVICES

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Geoff Ficke	593051	geoff.ficke@colliers.com	972-759-7814
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Thank you.



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