



Offering Memorandum

O'FALLON, IL

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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SECTION 1

INVESTMENT HIGHLIGHTS

LEASE & TENANT HIGHLIGHTS

Recent 20-Year Extensions

After operating at these locations for close to 20 years, CVS agreed to 20-year extensions out to 2038, demonstrating undoubted commitment to these locations.

Absolute NNN Lease

These absolute triple-net (NNN) leases require zero landlord responsibilities, with all maintenance, taxes, and insurance assigned to the tenant, making this an ideal investment for investors who seek a truly passive investment.

Strong Corporate Guaranty

CVS Health Corporation who boasts BBB investment grade credit by S&P and has a market valuation of \$114 Billion guarantees the lease. Other retailers with similar credit include Kroger, Circle K, Dollar General, AutoZone, and Fedex to name a few. CVS Health is the largest drug store chain in the US with 9,900+ retail store locations and approximately 310,000 employees. They continue to gain market share of retail prescriptions filled, growing from 23% in 2015 to 35% in 2020.

Pandemic Resistant

Not only was CVS one of the few retailers allowed to remain open as an essential business but they also lead the charge in vaccination efforts throughout the pandemic, and now has over 4,800 COVID-19 testing sites across the country.

Industry Innovator

CVS provides healthcare services via its 1,100+ MinuteClinic and HealthHUB locations, where you can seek attention from medical providers for chronic illnesses, mental health, and common illnesses, to include immunizations.

LOCATION HIGHLIGHTS

Interstate and Highway Accessible

Subject property is located on Highway 50 which services an average of 15,000+ cars per day and more importantly is a major exit from Interstate 64 which services an average of 56,000+ cars per day connecting Kansas City, St. Louis, and Louisville KY.

Linked to St. Louis MSA

Although it's across the state line, O'Fallon is attached to the St. Louis MSA via the I-64, allowing residents to travel to Downtown St. Louis in 20-minutes or less.

HEALTHCARE TRACK RECORD

Our healthcare division continues to be a leader in executing portfolio strategies and healthcare asset sales for the largest owners and operators.

305+

**TOTAL
TRANSACTIONS**

\$610M+

**SALES
VOLUME**





SECTION 2

FINANCIAL OVERVIEW

753 W US Hwy 50, O'Fallon, IL 62269



\$4,330,000

LIST PRICE



\$210,000

NOI



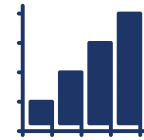
4.85%

CAP RATE



±16.5 YEARS

**TERM
REMAINING**



ABSOLUTE NNN

LEASE TYPE

TENANT SUMMARY

Tenant Name	CVS
Type of Ownership	Fee Simple
Lessee Entity	Corporate
Lease Type	Absolute NNN
Roof, Structure, and Parking Lot	Tenant Responsible
Term Remaining	±16.5 Years
Lease Commencement Date	11/1/18
Lease Expiration Date	10/31/38
Increases	5% In Options
Options	Nine, 5-Year
GLA (SF)	±10,109
Lot Size	±1.97 Acres
Year Built	2000
ROFR	Yes - 20 Days

ANNUALIZED OPERATING DATA

TERM	MONTHLY RENT	ANNUAL RENT	RENT PSF	CAP RATE
Current	\$17,500	\$210,000	\$20.77	4.85%
Option 1	\$18,375	\$220,500	\$21.80	5.09%
Option 2	\$19,294	\$231,525	\$22.89	5.61%
Option 3	\$20,258	\$243,101	\$24.04	5.90%
Option 4	\$21,271	\$255,256	\$25.24	6.19%
Option 5	\$22,335	\$268,019	\$26.50	6.50%
Option 6	\$23,452	\$281,420	\$27.83	6.82%
Option 7	\$24,624	\$295,491	\$29.22	6.68%
Option 8	\$25,855	\$310,266	\$30.68	7.17%
Option 9	\$27,148	\$325,779	\$32.21	7.52%

ASSUMABLE FINANCING

Loan Origination Date	8/26/2019
Current Balance	\$2,496,574
LTV at List Price	58%
Initial Amortization Schedule	25 Years
Interest Rate	3.43%
Maturity Date	8/26/2029
Loan Payment	\$13,380.33



SECTION 3

AREA OVERVIEW



**753 W US HWY 50
POPULATION**

	1-Mile	3-Mile	5-Mile
2026 Projection	6,166	45,021	86,290
2021 Estimate	6,158	44,796	86,423
2010 Census	6,008	42,873	85,564

HOUSEHOLDS

	1-Mile	3-Mile	5-Mile
2026 Projection	2,687	17,606	34,083
2021 Estimate	2,677	17,502	34,137
2010 Census	2,585	16,678	33,819

HOUSEHOLD INCOME

	1-Mile	3-Mile	5-Mile
Avg. Household Income	\$87,598	\$109,197	\$101,663

O’FALLON, IL

O’Fallon is a city in St. Clair County, Illinois. Home to more than 32,000 residents, the city is the second-largest city in the Metro East region and Southern Illinois. It sits 7 miles north of Scott Air Force Base and 18 miles east of Downtown St. Louis. O’Fallon is part of the St. Louis Metropolitan Statistical Area. O’Fallon’s history of trade and industry and its solid foundation for continued growth and prosperity make it one of the area’s most popular communities in which to live and work. Some outdoor attractions in the city include O’Fallon Family Sports Park, Rock Springs Rotary Park, and O’Fallon Community Park. Today, O’Fallon is known as one of the fastest-growing communities in the Metropolitan St. Louis area.



Hilton

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HOME FURNISHINGS



N GREEN MT RD
± 12,000 VPD



CVS
pharmacy



W HWY 50
± 15,000 VPD



SAINT LOUIS, MO

Referred to as the Gateway City since its establishment, St. Louis enjoys an ideal location along the western bank of the Mississippi River with access to transportation routes in all directions. It continues to be an important center of commerce and culture for the Mississippi River Basin and a major U.S. port in the State of Missouri.

As the largest metropolitan area in Missouri, Greater St. Louis has a strong presence of Fortune 500 company headquarters with a total of nine companies, including Express Scripts, Emerson Electric, Monsanto, Reinsurance Group of America, Ameren, Charter Communications, Peabody Energy, Graybar Electric, And Centene. Other major corporations based in the area are Boeing Defense, Panera, Energizer, Purina, and Anheuser-Busch, to name a few. Greater St. Louis' economy relies on service, manufacturing, trade, transportation of goods, and tourism.



LOCAL ECONOMY

There have been consistent moves towards urban revitalization in the city, specifically through the restoration of Union Station and in the Washington Avenue Historic District. New residential facilities and reclaimed warehouse lofts anchored by new sports venues have appeared in the St. Louis downtown area as well. Similar restorations are underway in other neighborhoods throughout the city.

Programs such as Arch Grants, a nonprofit organization that accelerates economic development by providing \$50,000 equity-free grants and pro bono support services to early-stage businesses in St. Louis are attracting new startups to the region. Through these aggressive efforts, the city hopes to inspire the next generation of employers, civic leaders, and philanthropists. The city's potential to become the next major tech hub is becoming more evident as it has been recognized by several tech companies.

HOME TO SEVERAL FORTUNE 500 COMPANIES



EXPRESS SCRIPTS





ST. LOUIS

21 MILES

**SUBJECT
PROPERTY**

**CALIBER
COLLISION**

at home
The Home Décor Superstore

Casey's

Hardee's

PET SMART **Academy**
Aaron's **Rainbow**
Do it Best **Walmart**
THE HOME DEPOT **ALDI** **Starbucks** **Jack in the box**

O'Reilly **CIRCLE K**
AUTO PARTS **ihop**
BANK OF AMERICA

W HWY 50
± 23,000 VPD

**HSHS
St. Elizabeth's
Hospital**

**extended
STAY
AMERICA**

LAQUINTA
INNS & SUITES

**CARROLLTON
BANK**

N GREEN MT RD
± 12,000 VPD

**CVS
pharmacy**

**MOTOR
HARLEY-DAVIDSON
CYCLES**

W HWY 50
± 15,000 VPD

SONIC



SECTION 4

TENANT OVERVIEW

TENANT PROFILE

COMPANY NAME

CVS Health Corporation

OWNERSHIP

Public

WEBSITE

www.cvs.com

INDUSTRY

Drug Store

HEADQUARTERS

Woonsocket, Rhode Island



CVS PHARMACY

CVS Health Corporation, together with its subsidiaries, provides integrated pharmacy health care services. It operates through Pharmacy Services and Retail/LTC segments. The Pharmacy Services segment offers pharmacy benefit management solutions, such as plan design and administration, formulary management, Medicare Part D services, mail order, and specialty pharmacy services, retail pharmacy network management services, prescription management systems, clinical services, disease management programs, and medical pharmacy management services.

The Retail/LTC segment sells prescription drugs, over-the-counter drugs, beauty products, and cosmetics, personal care products, convenience foods, seasonal merchandise, and greeting cards, as well as provides photo finishing services. The company was formerly known as CVS Caremark Corporation and changed its name to CVS Health Corporation in September 2014. Hook-SuperRx, LLC operates as a subsidiary of CVS Health Corporation and retails drugs in the United States. It is based in Indianapolis, Indiana, and does business as CVS Pharmacy. [Click here to read about how CVS Pharmacy is providing exceptional service to its customers and employees throughout COVID-19.](#)



9,967+

Locations



\$110B

Market Value



BBB

Credit Rating



\$268B

Annual Revenue

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **CVS in 753 W US Hwy 50, O'Fallon, IL 62269** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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