

HOUSTON MSA INVESTMENT OFFERING

CVS/pharmacy®

6900 GRAND MISSION BOULEVARD | RICHMOND, TX 77407



PRESENTED BY:

CHRIS BARRY

Associate

Direct: 619.297.0055 x305

cb@pharmapropertygroup.com

CA DRE Lic. 2018350

JASON STUART PONGSRIKUL

Managing Principal

Direct: 619.297.0055 x302

jp@pharmapropertygroup.com

CA DRE Lic. 01918332

WILLIAM LEE RUSSELL

Broker of Record

Direct: 512.422.1397

williamlrussell@msn.com

TX DRE Lic. 361025

PHARMA PROPERTY GROUP | 5322 Banks Street | San Diego, CA 92110 | 619.297.0055 | www.pharmapropertygroup.com

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Offering Summary

LIST PRICE	\$6,473,454
CAP RATE	5.50%
PRICE PER SQUARE FOOT	\$501.81
TERM REMAINING	14.5 Years
OPTIONS	6 (5 Year)
LEASE TYPE	Absolute Net Lease
ANNUAL RENT (NOI)	\$356,040
RENT INCREASES	5% In the Options
MONTHLY RENT	\$29,670
BUILDING SIZE	±12,900
LOT SIZE	±74,444
YEAR BUILT	2008
PARCEL NUMBER	0451-00-000-0102-901

Investment Highlights

GUARANTEED BY CVS CORPORATE #8 ON FORTUNE 500 LIST

Rental income guaranteed by CVS corporate (S&P BBB+) investment grade Fortune 500 Company with over 9,900 locations as of March 2019.

LONG TERM ABSOLUTE NET LEASE WITH 5% INCREASES

The lease has over fourteen years and one half years (14.5) of primary term remaining before the six (5-year) options to follow on an absolute net lease with no landlord responsibilities whatsoever. This lease allows for 5% rental increases in the options.

AFFLUENT AREA WITH HOUSEHOLD INCOME OF \$114,000 IN A 3-MI RADIUS

The average household income in a three-mile radius is \$114,507, in a five-mile radius it is \$117,520, and it is \$104,641 in a ten-mile radius. Total three-mile population count is 87,311, there are 237,614 residents in a five-mile radius and 947,855 in a ten-mile radius.

PROMINENT TOP 10 HOUSTON MSA LOCATION

As part of the growing Richmond-Rosenberg area, CVS is located just minutes from the entertainment, employment, dining, and shopping options of Houston available via the Grand Parkway, I-10, Beltway 8, and the Energy Corridor. The subject property is also near Westpark Tollway, a major thoroughfare into Downtown Houston with a daily traffic count of over 38,000 vehicles per day.

This CVS is located in the Houston Metropolitan Statistical Area, which is the 5th largest MSA in the United States with approximately 7 million residents. Greater Houston has the 7th highest metropolitan-area gross domestic product in the United States of almost \$500 billion as of 2017.

ROBUST EMPLOYMENT BASE

A major trade center anchored by the Port of Houston, Houston-The Woodlands-Sugar Land has the second-highest trade export value of all MSAs, at over \$84 billion in 2016, accounting for 42% of the total exports of Texas. Metropolitan Houston is home to the headquarters of 21 Fortune 500 companies including Phillips 66, Sysco, Waste Management Inc. and NASA.

LOCATED AT THE ENTRY OF GRAND MISSION MASTER PLANNED COMMUNITY

The subject property is located at the front entrance to Grand Mission, a ±3,000 home master-planned community. A variety of on-site amenities within the community create a close-knit atmosphere among residents and make the community one of the best places to reside in the region. There are several additional new upscale developments and master planned communities in the surrounding area including Cinco Ranch, Grand Lakes, Kelliwood and Firethorne.

LIMITED DRUGSTORE COMPETITION

This is one of only three drugstores serving over 27,000 households within a three mile radius. There are two Walgreens 1.3 miles southwest and 1.9 miles northwest.



CVS Lease Summary

ADDRESS	6900 Grand Mission Boulevard Richmond, TX 77407
TENANT	CVS (NYSE: CVS)
LANDLORD INCOME	Corporate Guarantee
CREDIT RATING	Investment Grade, BBB+ (S&P)
LEASE COMMENCEMENT	October 13, 2008
INITIAL TERM EXPIRATION	January 31, 2034
TERM REMAINING	14.5 Years
OPTIONS	6 (5-year)
LEASE TYPE	Absolute Net Lease
ANNUAL RENT (NOI)	\$356,040
MONTHLY RENT	\$29,670
RENT PER SF	\$27.60
RENT INCREASES	5% In the Options
LANDLORD RESPONSIBILITIES	None
YEAR BUILT	2008
BUILDING SIZE	±12,900
LOT SIZE (SQUARE FEET)	±74,444

Rent Schedule

TERM	DATES	RENT
Current	10/13/2008 - 1/31/2034	\$356,040
Option 1	2/1/2034 - 1/31/2039	\$373,842
Option 2	2/1/2039 - 1/31/2044	\$392,534
Option 3	2/1/2044 - 1/31/2049	\$412,160
Option 4	2/1/2049 - 1/31/2054	\$432,768
Option 5	2/1/2054 - 1/31/2059	\$454,407
Option 6	2/1/2059 - 1/31/2064	\$477,127



Property Photos



Property Aerial



Property Aerial










Location Overview and Demographics

Houston is the most populous city in the state of Texas and the fourth-most populous city in the United States. It is also the largest city in the United States in size (667 square miles) and the county seat of Harris County. Located in Southeast Texas near the Gulf of Mexico, Houston is home of NASA's Johnson Space Center, the location of the Mission Control Center. This city is also home of the Texas Medical Center, the largest concentration of healthcare and research institutions in the country.

- **KATY PEDIATRICS | KELSEY-SEYBOLD CLINIC (2.68 MILES W)** - Opened in 2016, this \$13 million multi-specialty care center offers patients expanded medical and diagnostic testing including radiology, ultrasound, laboratory services, internal medicine and pediatrics.
- **WEST OAKS MALL (5 MILES NE)** - This one level enclosed regional center is a long-standing West Houston destination. Serving the surrounding trade area and suburban communities, with more than 1,100,000 square feet of retail space and 64 tenants.
- **HOUSTON ENERGY CORRIDOR** - The Houston Energy Corridor is a master-planned business district, home to several of the largest international energy companies in the world as well as 300 multi-national, national and local companies. With an educated workforce comprised of more than 94,000 employees, The Energy Corridor is the second largest employment center in the region and one of Houston's premier areas for an active, healthy lifestyle.
- **GEORGE BUSH PARK** - This 7,800 acre park serves as a major attraction and nature reserve with amenities including shooting ranges, soccer fields, ponds and jogging trails.



	Total Population		Average Household Income		Total Households		Average Age		Traffic Counts Vehicles/Day
3 MILE	87,311	3 MILE	\$114,507	3 MILE	27,200	3 MILE	33.30	GRND MISSION	12,989
5 MILES	237,614	5 MILES	\$117,520	5 MILES	76,001	5 MILES	35.00	HARLEM RD	7,234
10 MILES	947,855	10 MILES	\$104,641	10 MILES	320,468	10 MILES	35.10	WESTPARK TOLL	38,479

Disclaimer: This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage, age, distances, lot size, store opening dates, demographic information, aerial information, tenant information & store operating information are approximate. By accepting this package, buyer and their representatives must verify the information and bears all risk for any inaccuracies.





CVS/pharmacy® Company Summary*

Tenant History

CVS pharmacy is the second largest pharmacy retail chain in the United States. CVS is incorporated in Delaware and based in Woonsocket, Rhode Island. CVS was founded in 1963 under the name Consumer Value Store and later changed its name to CVS Corporation in 1996.

During the 1990's the parent company changed its name from Melville Corporation to CVS Corporation and decided to focus entirely on CVS by selling of its non-pharmacy businesses such as Marshalls, Footaction/Footstar, Linens 'n' Things, and Kay-Bee Toys.

CVS used much of their capital from divesting in non-pharmacy businesses to reinvest into the pharmacy sector and have increased their national footprint primarily from acquiring competing pharmacy chains. From 1997 to 2008, CVS had purchased over 4,800 drugstore locations through acquisitions of competing pharmacy chains.

CVS has also made a concerted effort to establish strategic business units by acquiring Nashville based Caremark Rx Inc., a pharmacy benefits manager (PBM), and by acquiring Minneapolis based Minute Clinic which pioneers health clinics in over 600 of CVS stores. Its PBM wing provides \$76 billion in net revenues through services to over 2,000 health plans for corporations, insurance companies, unions and government entities.

Notable Acquisitions

In 1990, CVS acquired the 490 store People Drug which established the company in new mid-Atlantic markets including Washington D.C., Pennsylvania, Maryland and Virginia. In 1997, CVS nearly tripled its 1,400 stores after purchasing the 2,500 store Revco chain thereby adding locations throughout Ohio, mid-Atlantic and the southeast. In 2004, CVS purchased 1,268 Eckerd drugstores throughout Florida, Texas and other southern states.

On January 23rd, 2006 CVS announced that it agreed to acquire the freestanding drugstores of Albertsons and the deal included 700 stores trading under the Osco Drug and Sav-On Drug banners located primarily in the Midwestern and southwestern United States with the concentration of stores in southern California and the Chicago area. CVS last major acquisition was in 2008 when they purchased Longs Drugs which had over 400 stores in California and Hawaii.

In November 28, 2018 CVS completed the acquisition of Aetna. The combined company will connect consumers with the powerful health resources of CVS Health in communities across the country and Aetna's network of providers to help remove barriers to high quality care and build lasting relationships with consumers, making it easier for consumers to access the information, resources and services they need to achieve their best health.

**CVS company information received from CVS investor relations.*

Tenant Profile

GUARANTOR	CVS Pharmacy, Inc.
OWNERSHIP	Public
STOCK SYMBOL (NASDAQ)	CVS
CREDIT RATING (S&P)	BBB+
BUSINESS	Retail Pharmacy
LOCATIONS	9,900 (As of March 2019)
ANNUAL REVENUE	\$195 Billion (2018)
MARKET CAPITALIZATION	\$72.8 Billion (2018)
HEADQUARTERS	Woonsocket, RI
WEBSITE	www.cvshealth.com



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