



CVS PHARMACY

BALTIMORE, MARYLAND

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM



\$1,696,000 | 6.25% CAP RATE

- » Below Market Rent, Long-Term Net Lease to Investment Grade Pharmacy Tenant
 - » Corporate Guaranty - CVS (NYSE: "CVS") Rated "BBB" by S&P
- » End Cap Location with High Visibility
 - » Top-Performing Store with Long History of Tenancy
 - » Strong Sales and Low Rent-to-Sales Ratio
 - » Tenant Recently Extended for 11 Years, Demonstrating a Long-Term Commitment to the Site
- » High-Traffic Location Near Major Retailers
 - » 29,102 AADT at Directly in Front of Property
- » Central Location Near Several Schools, Large Employers, and Extremely Densely Populated Residential Neighborhoods
 - » 145,264 Daytime Employees Within Five Miles
 - » 162,344 Residents Within Three Miles and 442,267 Residents Within Five Miles

ACTUAL SITE



Cushman and Wakefield Inc. LIC. # 00616335

This property is listed in conjunction with Maryland-licensed real estate broker Cushman & Wakefield, Inc.

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DEMOGRAPHIC PROFILE

Cushman & Wakefield (“Broker”) has been retained on an exclusive basis to market the property described herein (“Property”). Broker has been authorized by the Seller of the Property (“Seller”) to prepare and distribute the enclosed information (“Material”) for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

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**YURAS
AICALE
FORSYTH
CROWLE** | Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	6635 Belair Road, Baltimore, Maryland		
PRICE	\$1,696,000		
CAP RATE	6.25% return		
NOI	\$106,000		
TERM	11 years remaining		
RENT COMMENCEMENT	March 26, 1995		
LEASE EXPIRATION	March 31, 2030		
RENTAL INCREASES	10% rental increases in option periods		
	YEAR	RENT	RETURN
	Current-Mar. 2030	\$106,000	6.25%
	Apr. 2030-Mar. 2035 (Option 1)	\$116,600	6.88%
	Apr. 2035-Mar. 2040 (Option 2)	\$128,260	7.56%
Apr. 2040-Mar. 2045 (Option 3)	\$141,086	8.32%	
YEAR RENOVATED	2004		
BUILDING SF	14,110 SF		
PARCEL SIZE	0.48 acres (20,909 SF)		
LEASE TYPE	Net, with tenant responsible for all taxes, insurance, and interior, non-structural (CAM) maintenance		

NET LEASE WITH CORPORATE GUARANTY TO NATIONAL TENANT WITH STRONG FINANCIALS

- » Long-term net lease to investment grade tenant with 10% rental increases in option periods
- » CVS is rated “BBB” by Standard & Poor’s and is ranked eighth on the Fortune 500
- » CVS is largest retailer of prescription drugs in U.S.
- » Record revenue of \$194.6 billion in 2018, representing a 5.3% increase over the previous year
- » CVS and its affiliates operate over 9,900 locations across the United States

TOP-PERFORMING STORE WITH LONG HISTORY OF TENANCY

- » Significantly below-market rent and well below CVS’s national average
- » Long history of tenancy since 1995
- » CVS Pharmacy recently exercised an early extension for 11 years, demonstrating a long-term commitment to the location
- » Very strong store sales and low rent-to-sales ratio

HIGH-TRAFFIC LOCATION IN ROBUST RETAIL CORRIDOR

- » Conveniently located just off of the signalized intersection of Belair Road and Kenwood Avenue, within excellent visibility and access to 29,102 vehicles per day directly in front of the property
- » Endcap location in neighborhood retail center
- » Surrounded by a solid mix of local, regional, and national tenants

CENTRAL LOCATION NEAR SCHOOLS, EMPLOYERS, AND DENSELY POPULATED RESIDENTIAL NEIGHBORHOODS

- » Near a number of schools, including Fullerton Elementary School (631 students), Overlea High School (960 students), Elmwood Elementary School (559 students), and The Maryland School for the Blind (220 students)
- » Close to several of the region’s largest employers, including The Community College of Baltimore County (1,388 employees) and MedStar Franklin Square Medical Center (3,500 employees)
- » 145,264 daytime employees work within five miles of the property
- » 162,344 residents live within a three-mile radius and 442,267 residents live within a five-mile radius of the property, providing an exceptionally large customer base



ACTUAL SITE



MARTIN STATE AIRPORT
(8 miles)

Golden Ring Plaza

GIANT **Marshalls**

Golden Ring Shopping Center

Walmart Supercenter **PETCO** Where the pets go.

Sam's Club **THE HOME DEPOT** **PANDA EXPRESS** **Panera BREAD**

CCBC
The Community College of Baltimore County
(62,248 students and 1,388 employees)

MedStar Franklin Square Medical Center
(348 beds and 3,500 employees)

Overlea High School
(960 students)

Elmwood Elementary School
(559 students)

White Marsh Mall

macy's **sears**
jcpenny **sleep** **number**

CVS
pharmacy

DeNiro's

Pizza Hut

IBBI
Interstate Blood Bank, Inc.

NL NO LIMIT
AUTOMOTIVE STYLING & PERFORMANCE

Belair Road (29,102 AADT)

NEXTCAR

OVERLEA DINER

POPEYES
LOUISIANA KITCHEN

Frank's
PIZZA & PASTA

UNITED STATES POSTAL SERVICE



Walmart
Supercenter

RED WING SHOES

Putty Hill Plaza

GIANT

DUNKIN' DONUTS

DOLLAR TREE

PLAY IT AGAIN SPORTS

INTERSTATE 695 / Interstate 695 (120,000 AADT)

Belair Beltway Plaza

HORIZON CINEMAS



CARRABBA'S ITALIAN GRILL

PIZZA PAPA JOHN'S

Fullerton Elementary School (631 students)

NEXTCAR

Belair Road (29,102 AADT)

DeNiro's

Pizza Hut

IBBI
Meridale Blood Bank, Inc.

Frank's PIZZA & PASTA

POPEYES
LOUISIANA KITCHEN

OVERLEA DINER



CVS pharmacy



POPULATION DENSITY	1 Mile	3 Miles	5 Miles
	19,064	162,344	442,267

The Maryland School for the Blind
(220 students)



Belair Road (29,102 AADT)



SITE PLAN



TENANT SUMMARY



CVS Health Corporation (NYSE: "CVS") is the largest retailer of prescription drugs and the second largest pharmacy benefits manager in the United States. It has over 9,900 retail pharmacies, more than 1,100 walk-in medical clinics, a leading pharmacy benefits manager with approximately 94 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, and continually expanding specialty pharmacy services. Considered a pharmacy innovation company, CVS is helping businesses and communities manage health in more affordable and effective ways. This uniquely integrated model increases access to quality care, delivers better health outcomes, and lowers overall healthcare costs.

On November 28, 2018, CVS Health completed its acquisition of Aetna for approximately \$70 billion. The deal combined the drugstore giant with one of the biggest health insurers in the United States, resulting in Aetna operating as a standalone business within the CVS Health enterprise. Because of the acquisition, CVS Health, through Aetna, now serves an estimated 39 million people through traditional, voluntary, and consumer-directed health insurance products and related services, including a rapidly expanding Medicare Advantage offering and a leading standalone Medicare Part D prescription drug plan.

For the year ending December 31st, 2018, CVS Health Corporation reported a record \$194.6 billion in net revenues, representing a 5.3% increase from the previous year. CVS is rated "BBB" by Standard and Poor's and is ranked eighth on the Fortune 500.

For more information, please visit www.cvs.com.

HEADQUARTERS	Woonsocket, RI	# OF LOCATIONS	9,900+
TICKER	NYSE: "CVS"	REVENUE	\$194.6B

LEASE ABSTRACT

TENANT	Maryland CVS Pharmacy, LLC		
GUARANTOR	CVS Health Corporation		
ADDRESS	6635 Belair Road, Baltimore, Maryland		
RENT COMMENCEMENT	March 26, 1995		
LEASE EXPIRATION	March 31, 2030		
RENEWAL OPTIONS	Three (3) five (5) year options		
RENTAL INCREASES	YEAR Current-Mar. 2030 Apr. 2030-Mar. 2035 (Option 1) Apr. 2035-Mar. 2040 (Option 2) Apr. 2040-Mar. 2045 (Option 3)	RENT \$106,000 \$116,600 \$128,260 \$141,086	RETURN 6.25% 6.88% 7.56% 8.32%
REAL ESTATE TAXES	Tenant shall reimburse Landlord for taxes.		
INSURANCE	Tenant is responsible for insurance.		
COMMON AREA COSTS	Tenant pays its proportionate share of Common Area costs.		
REPAIR & MAINTENANCE	Tenant is responsible for repairing and maintaining the interior, non-structural portions of the Premises.		
MAINTENANCE BY LANDLORD	Landlord is responsible for repairing and maintaining the exterior, structural portions of the Premises.		
RIGHT OF FIRST REFUSAL	None		

* Percentage Rent - 2% annual gross receipts exceeds fixed rent

* Utilities - Tenant Direct

PROPERTY OVERVIEW

LOCATION

The property is conveniently located just off of the signalized intersection of Belair Road and Kenwood Avenue, within excellent visibility and access to 29,102 vehicles per day directly in front of the property. Belair Road is a strong retail corridor, and the property is surrounded by a solid mix of local, regional, and national tenants. Notable retailers in the area include Pizza Hut, Papa John's, Popeyes, Dollar Tree, Carrabba's Italian Grill, and more.

The property is located approximately six miles northeast of downtown Baltimore. A number of schools are located near the property, including Fullerton Elementary School (631 students), Overlea High School (960 students), Elmwood Elementary School (559 students), and The Maryland School for the Blind (220 students). Several of the region's largest employers are located near the property, including The Community College of Baltimore County (1,388 employees) and MedStar Franklin Square Medical Center (3,500 employees). In total, 145,264 daytime employees work within five miles of the property. Additionally, the property is surrounded by extremely densely populated residential neighborhoods; 162,344 residents live within a three-mile radius and 442,267 residents live within a five-mile radius of the property, providing an exceptionally large customer base.

ACCESS

Access from Belair Road and Kenwood Avenue

TRAFFIC COUNTS

Belair Road: 29,102 AADT
Interstate 695: 120,000 AADT

PARKING

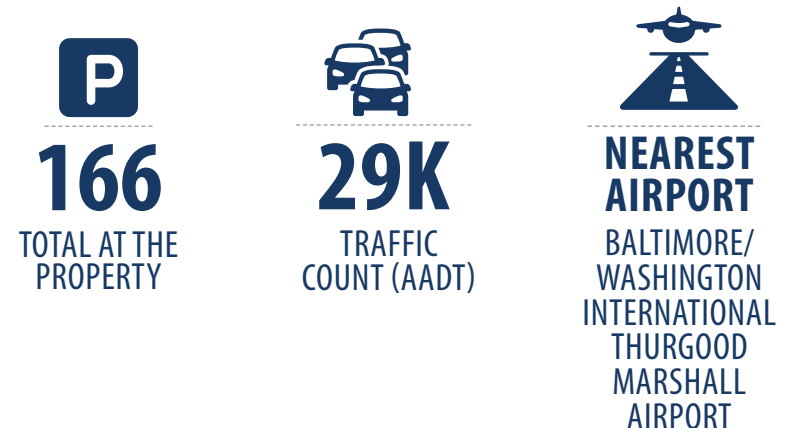
18 parking stalls, including two (2) handicap stalls and non-exclusive access to the rest of parking lot

YEAR RENOVATED

2004

NEAREST AIRPORT

Baltimore/Washington International Thurgood Marshall Airport (BWI)



AREA OVERVIEW

Baltimore is the largest city in Maryland, with a 2018 population of 602,495. Strategically located in the Mid-Atlantic region, and accessible by port, rail, air, and highway, Baltimore is a dynamic urban center fueled by a diverse economy. Among major U.S. metros, Baltimore ranks ninth in downtown population and 12th in downtown employment. The city has experienced rapid growth in the well-educated young-adult population. Baltimore is home to 13 colleges and universities, including internationally recognized Johns Hopkins and University of Maryland Baltimore. Professional sports teams, historic and cultural resources, and major employers in the healthcare, information and cybersecurity, finance and banking, and hospitality and entertainment industries also call the city home. More than 60 federal agencies and research labs are within 30 miles, bringing substantial federal spending and jobs to the city.

Baltimore is the center of the Baltimore–Columbia–Towson Metropolitan Statistical Area (MSA), also known as Central Maryland. As of 2017, the population of the Baltimore metropolitan area was estimated to be approximately 2.8 million, making it the 21st largest metropolitan area in the country. Baltimore is located about 40 miles northeast of Washington, D.C., making it a principal city in the Washington–Baltimore–Arlington, DC–MD–VA–WV–PA Combined Statistical Area (CSA), the fourth-largest CSA in the nation, with an estimated 2018 population of 9,797,063. Consisting of the overlapping labor market region of the cities of Washington, D.C. and Baltimore, Maryland, the CSA includes Central Maryland, Northern Virginia, three counties in the Eastern Panhandle of West Virginia, and one county in South Central Pennsylvania. It is the most educated, highest-income, and fourth largest combined statistical area in the United States.

- » The city of Baltimore accounts for approximately 23% of the Baltimore MSA's total population.
- » The Port of Baltimore is the most centrally located deep water port on the East Coast and one of only two ports on the East Coast that can accommodate the new Post-Panamax ships.
- » The Baltimore MSA has the fifth highest median household income in the United States, at \$73,395 in 2015.

MAJOR EMPLOYERS IN BALTIMORE	# OF EMPLOYEES
JOHNS HOPKINS UNIVERSITY	25,000
JOHNS HOPKINS HOSPITAL & HEALTH SYSTEM	19,340
UNIVERSITY OF MARYLAND MEDICAL SYSTEM	9,830
UNIVERSITY SYSTEM OF MARYLAND	9,111
MEDSTAR HEALTH	6,027
LIFEBRIDGE HEALTH	5,316
MERCY HEALTH SERVICES	4,028
ST. AGNES HEALTHCARE	3,267
EXELON	2,952
KENNEDY KRIEGER INSTITUTE	2,417



DEMOGRAPHIC PROFILE

2018 SUMMARY	1 Mile	3 Miles	5 Miles
Population	19,064	162,344	442,267
Households	7,496	64,826	170,085
Families	4,754	39,320	103,332
Average Household Size	2.52	2.48	2.51
Owner Occupied Housing Units	5,788	39,401	102,548
Renter Occupied Housing Units	1,708	25,425	67,537
Median Age	41.2	38.8	37.2
Average Household Income	\$72,662	\$68,099	\$71,682

2023 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	18,889	161,139	440,105
Households	7,386	64,031	168,529
Families	4,679	38,722	102,094
Average Household Size	2.53	2.49	2.52
Owner Occupied Housing Units	5,766	39,477	103,234
Renter Occupied Housing Units	1,620	24,554	65,295
Median Age	42.1	39.5	38.0
Average Household Income	\$86,111	\$80,656	\$84,457



**POPULATION OF 442,267
WITHIN FIVE MILES**

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