



CVS | CHESTERFIELD, MICHIGAN

47011 GRATIOT AVENUE | CHESTERFIELD, MI 48051

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INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present this exclusive listing of a long term, established CVS Health Corporation property located Chesterfield, Michigan, an important gateway to the Anchor Bay Harbor in the Detroit metropolitan area. The property is located on a hard, signalized corner on a busy retail corridor, leading to the major north-south Interstate Highway 94.

The 10,990 square foot building is situated on a 2.14 acre oversized lot, providing ample parking in addition to the established retail center parking areas. Although the lease is double net in structure, it comes with minimal landlord responsibilities.

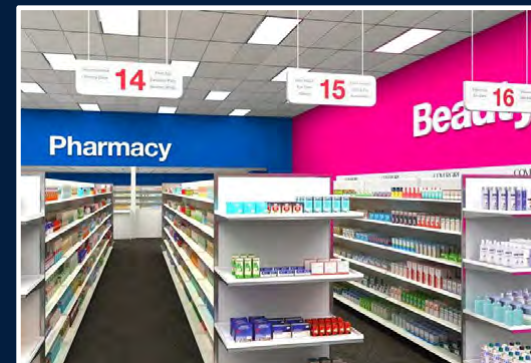
CVS HEALTH

CVS Health Corporation has established a solid revenue base at this location for over seventeen years. CVS Health Corp. is a leading pharmacy benefits manager with nearly 90 million plan members as well as the nation's largest drugstore chain. It runs more than 9,700 retail and specialty drugstores under the CVS, Navarro, and Longs Drug banners.



INVESTMENT HIGHLIGHTS

- LONG-TERM, ESTABLISHED CVS PHARMACY LOCATION
- CHESTERFIELD IS PART OF THE DETROIT, MICHIGAN MSA
- HARD CORNER, SIGNALIZED INTERSECTION
- BUSY TRAFFIC CORRIDOR LEADING TO ANCHOR BAY HARBOR
- CLOSE PROXIMITY TO MAJOR INTERSTATE 94
- AMPLE PARKING IN ESTABLISHED RETAIL CENTER
- BUILDING SITUATED ON OVERSIZED 2.14 ACRE PARCEL
- LOW RENT PER SQUARE FOOT



CVS Health Corporation

CVS Health Corp. is a leading pharmacy benefits manager with nearly 90 million plan members as well as the nation's largest drugstore chain (pipping Walgreens). It runs more than 9,700 retail and specialty drugstores under the CVS, Navarro, and Longs Drug banners. In addition to its stand alone pharmacy operations, the company operates CVS locations inside Target stores, and runs a prescription management company, Caremark Pharmacy Services. The company also offers specialty pharma-infusion services business, as well as walk-in health services through its retail network of MinuteClinics that are located in around 1,000 CVS stores. In late 2017 CVS agreed to acquire health insurer Aetna in a \$70 billion megadeal.



General Information	
Address	1 CVS Dr , Woonsocket, Rhode Island, 02895, United States
Phone	(401)765-1500
Website	www.cvs.com

Store Base	
Store Count	10,081
TTM Sales	\$185,944,000,000

Financial Markets	
Stock Ticker	CVS
Current Price	\$65.78 as of 6/28/18
52 Week High/Low	\$84.00 / \$60.14

Key Personnel	
Chief Financial Officer & Executive Vice President	David Denton
Executive Vice President	Per Lofberg
President & Chief Executive Officer	Larry Merlo
Chairman	David Dorman

CREDIT RATING: B2

Credit Rating Chart Comparison [CreditIntell](#) | [F&Dreports](#)

ⓘ Please note that our rating model is our own proprietary model and is not meant to align with other rating agency models. This comparison was compiled purely for informational purposes based on a representative sampling of ratings on various retailers.

RATING	CREDIT QUALITY	EST. S&P
A1	Excellent	AAA
A2	Excellent	AA (+/-)
B1	Good	A (+/-)
B2	Good	BBB (+/-)
C1	Satisfactory	BB(+/-)
C2	Satisfactory	B+
D1	Below Satisfactory	B
D2	Below Satisfactory	B-
E1	Poor	CCC+/CCC
E2	Poor	CC
F1	Critical	C
F2	Critical	D

DETROIT OVERVIEW

The Detroit metro is located in the southeastern portion of Michigan along the Detroit River, which connects Lake St. Clair and Lake Erie. Across the Detroit River lies the city of Windsor, Ontario, which provides access to the Canadian market. The metro is a nearly 4,000-square-mile region composed of six counties: Wayne, Macomb, Lapeer, Oakland, St. Clair and Livingston. More than 4.3 million residents reside in the area and after years of declining population, the metro is adding residents again as employers and development expand. Wayne is the most populated county, followed by Oakland County. Detroit is the largest city with nearly 700,000 residents.

METRO HIGHLIGHTS



EMPLOYMENT GROWTH

Job creation will remain strong, building on the 178,300 jobs added in the past five years. The largest gains are expected in construction and office-using sectors.



AUTO DESIGN AND MANUFACTURING

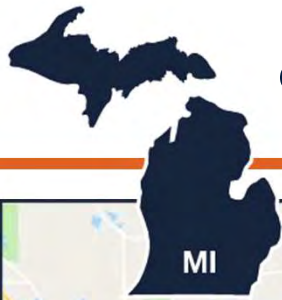
The metro is home to the Big Three as well as two-thirds of the world's automotive research and development firms.



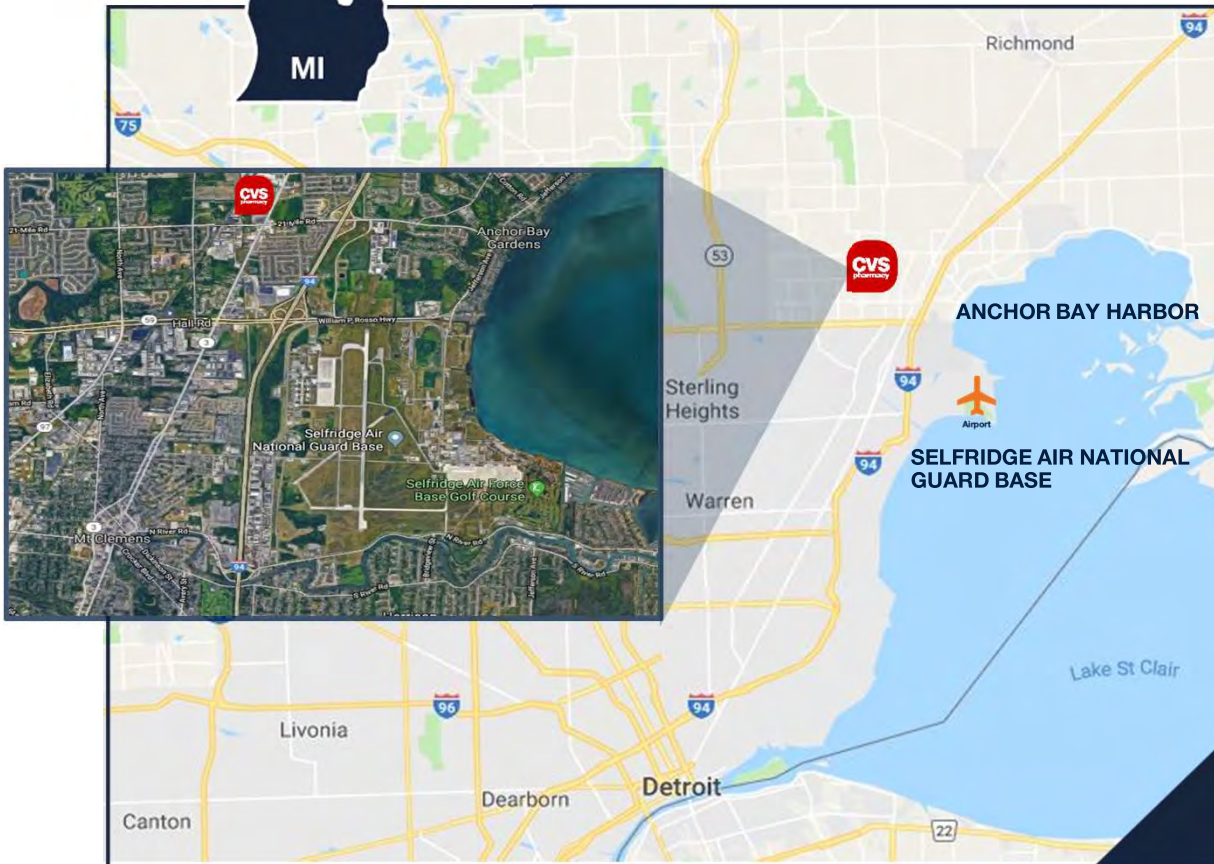
DIVERSIFYING ECONOMY

Increased entrepreneurial activity has created a knowledge-based economy, diversifying beyond manufacturing and the auto industry.





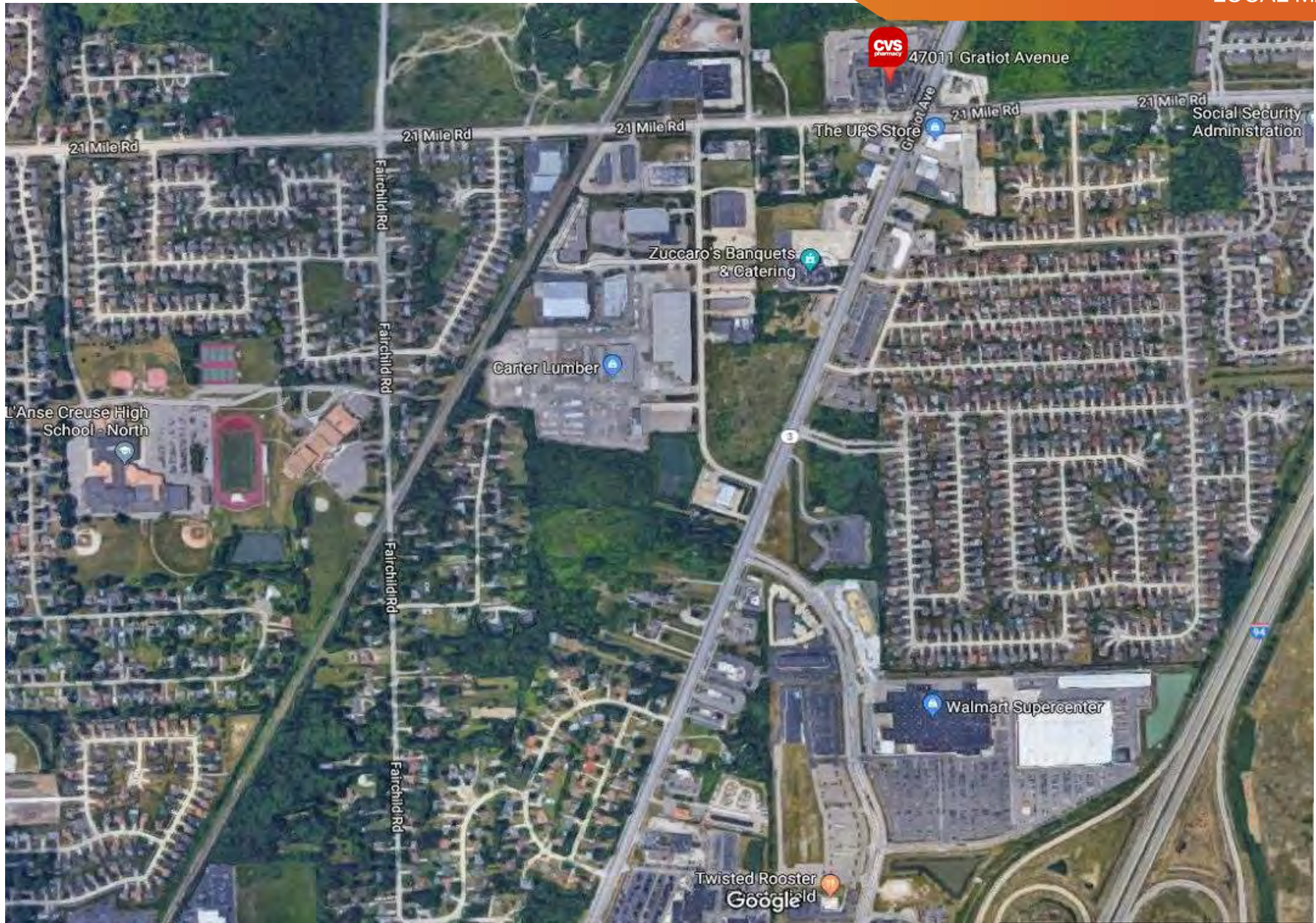
CHESTERFIELD, MICHIGAN – GATEWAY TO ANCHOR BAY
47011 Gratiot Avenue, Chesterfield, MI 48051



Chesterfield Charter Township is a charter township of Macomb County in the U.S. state of Michigan and is part of the Metro Detroit area. Originally established as a general law township in 1842, we became a Charter Township in 1989 to better serve the residents in our rapidly growing community. Located in the Northeast quadrant of Macomb County, Michigan we are approximately 30 miles north of Downtown Detroit. Chesterfield’s land mass consists of a little more than 26 square miles and the entire eastern boundary is along Anchor Bay in northern Lake St. Clair. Chesterfield Township is home to Lionel, LLC maker of Lionel Trains. In 2002 they moved their manufacturing out of the United States to China, however Chesterfield continues to the location of their corporate offices, and non-manufacturing support functions.

CLOSE PROXIMITY TO:





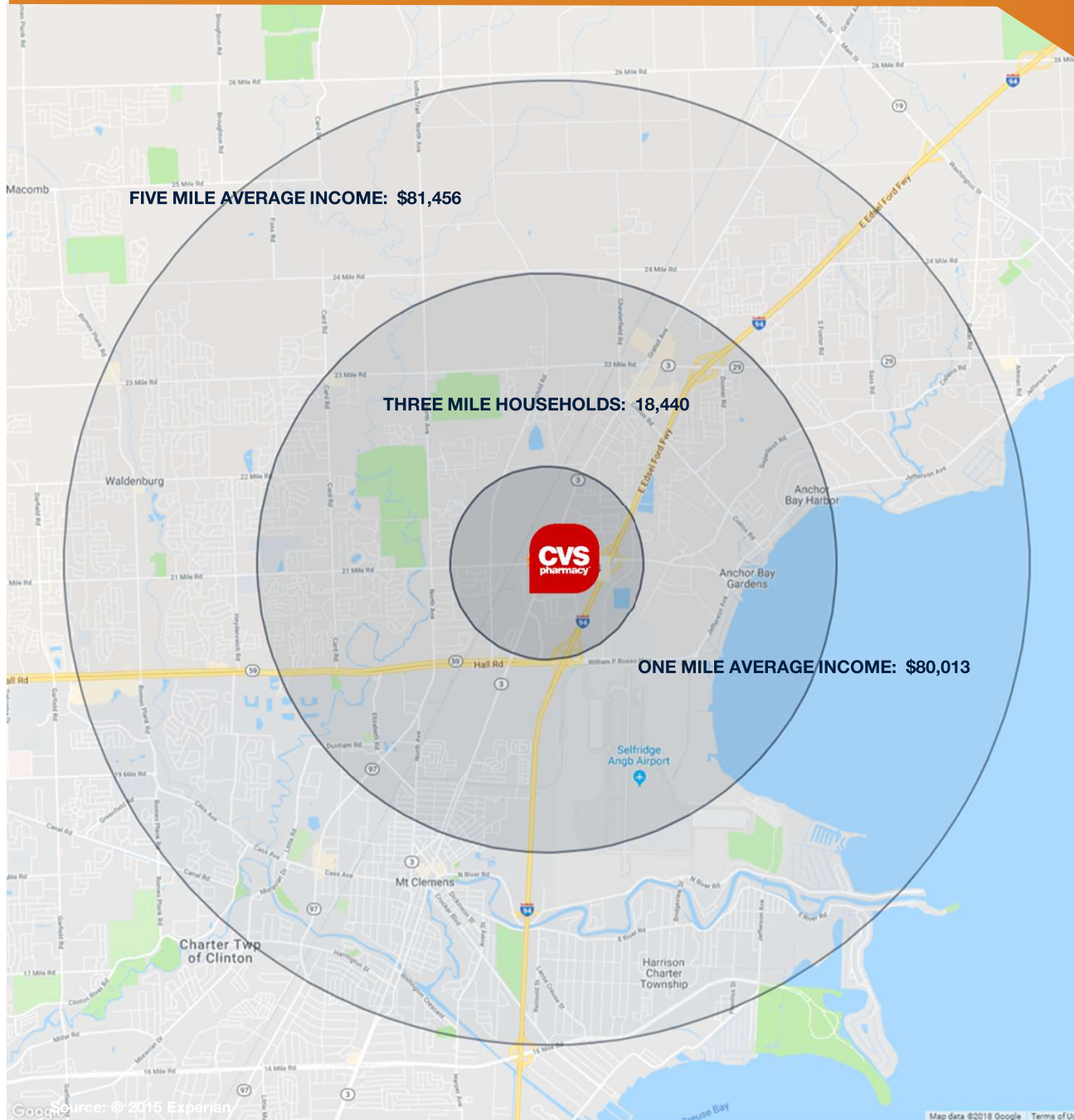




DEMOGRAPHICS



CREATED ON JUNE 28, 2018



POPULATION

	1 Miles	3 Miles	5 Miles
2022 Projection	5,495	51,477	158,712
2017 Estimate	5,472	47,869	145,444
2010 Census	5,201	44,982	138,058
2000 Census	4,896	39,686	115,198

INCOME

	1 Miles	3 Miles	5 Miles
Average	\$80,013	\$77,389	\$81,456
Median	\$75,959	\$67,993	\$68,489
Per Capita	\$28,002	\$27,795	\$30,469

HOUSEHOLDS

	1 Miles	3 Miles	5 Miles
2022 Projection	1,947	18,440	59,005
2017 Estimate	1,914	17,160	54,089
2010 Census	1,816	16,142	51,378
2000 Census	1,680	14,074	42,902

HOUSING

	1 Miles	3 Miles	5 Miles
2017	\$175,996	\$174,716	\$186,643

EMPLOYMENT

	1 Miles	3 Miles	5 Miles
2017 Daytime Population	5,277	46,072	119,235
2017 Unemployment	3.96%	5.81%	5.38%
2017 Median Time Traveled	30	31	32

RACE & ETHNICITY

	1 Miles	3 Miles	5 Miles
White	88.99%	80.18%	81.51%
Native American	0.04%	0.05%	0.05%
African American	7.06%	12.93%	12.24%
Asian/Pacific Islander	1.58%	2.47%	2.50%

PROPERTY SUMMARY

THE OFFERING	
Property	CVS Pharmacy
Property Address	47011 Gratiot Avenue Chesterfield, Michigan 48051
Price	\$2,867,027
Capitalization Rate	7.40%
Price/SF	\$260.88

PROPERTY DESCRIPTION	
Year Built / Renovated	1999
Gross Leasable Area	10,990 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	2.25 Acres

LEASE SUMMARY	
Property Subtype	Net Leased Drug Store
Tenant	CVS Pharmacy
Rent Increases	Yes
Guarantor	Corporate Guarantee
Lease Type	NN
Lease Commencement	09/16/2000
Lease Expiration	09/17/2020
Lease Term	20
Term Remaining on Lease (Years)	2.2
Renewal Options	Four 5-Year Options
Landlord Responsibility	Roof & Structure
Tenant Responsibility	Taxes, Insurance, Maintenance
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME	
Net Operating Income	\$212,160

RENT SCHEDULE				
YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Current	\$212,160	\$17,680	\$19.30	7.40%
Year 20	\$212,160	\$17,680	\$19.30	7.40%
Option 1: 2020	\$217,600	\$18,133	\$19.80	7.59%
Option 2: 2025	\$223,040	\$18,587	\$20.29	7.78%
Option 3: 2030	\$228,480	\$19,040	\$20.79	7.97%
Option 4: 2035	\$233,920	\$19,493	\$21.28	8.16%

FINANCING OPTION

New Acquisition Financing	\$2,006,919
Loan To Value	70.00%
Interest Rate	5.00%
Amortization Period	25 Years
Loan Constant	7.02%
Annual Debt Service Payment	\$140,787
Year 1 Debt Service Coverage	1.51
Year 1 Debt Yield	10.57%
Year 1 Net Cash Flow After Debt Service	\$71,373

NOTES

THE MARCUS & MILLICHAP ADVANTAGE

Marcus & Millichap tailors our investment strategies to meet the unique needs and goals of each client. To best serve our clients and to maximize value, we combine our collaborative culture with the world's most advanced technology to create the industry's most powerful proprietary marketing system.



Largest commercial real estate brokerage firm in the country, with specialization in all major property types and more than 1,819 professionals collaborating at every stage

Access to the industry's largest inventory of quality investment opportunities

Superior capital market expertise, precisely managed financing, and unparalleled access to the most competitive rates, terms, and capital sources through MMCC

Prominent capital market relationships with commercial banks, secured lenders, debt and equity funds, life insurance companies, private and public funds, etc.

Provides clients with the latest local and national market trends based on real-time data to create optimal positioning, pricing, and marketing strategies

Industry's most in-depth understanding of a variety of property types in numerous local and national markets, with over 1,000 research products produced annually

Comprehensive advisory and consulting services to give you buy-sell-hold decisions based on real-time market knowledge and research

Maximizes value for our clients in each transaction and shapes long-term portfolio strategies



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Overview

The Kinson | Russo, Net Lease Group, was formed by Doug Kinson, Joe Russo and staff and is committed to utilizing their combined 45 years of investment sales and development experience for the creation and preservation of wealth for their clients.

Douglas T. Kinson, Director

Doug Kinson is an experienced real estate executive with over 20 years of experience in brokerage, development, sales and leasing. Throughout his career, Doug has worked with owners and investors looking to maximize their returns through the application of proven real estate strategies. He has recently closed a variety of net lease transactions on behalf of both buyers and sellers that include Walgreens, Taco Bell, Burger King, Captain D's, Wells Fargo, and Starbucks.

Doug's focus at Marcus & Millichap is exclusively on assisting owners, investors and developers with net lease investments throughout the State of Florida and across the U.S. Prior to joining Marcus & Millichap, Doug served as Director of Net Lease Investments at Calkain Companies and Atlantic Retail Properties, where he successfully negotiated net lease transactions on behalf of his national clients. Doug is a graduate of the University of Wisconsin with both a Master's in Business Administration and Bachelor of Science degrees.

Joseph F. Russo, Director

Joe Russo is a Florida real estate professional with over 25 years of experience as a broker, developer, retailer and investor in commercial retail projects and NNN single tenant properties. Joe has closed deals involving more than 3 million square feet of retail projects, including life style/town centers, neighborhood community centers and NNN single tenant projects, having an aggregate value of \$275 million.

Joe prides himself on his collaborative approach and team building with other agents within and outside of the Marcus & Millichap platform in order to accomplish his clients' goals to create and preserve wealth. With degrees from the University of Texas (B.B.A., with honors) and the University of Houston College of Law (J.D.) and with his diverse investment sales and development background, Joe brings to Marcus & Millichap a wide range of vision, capabilities and expertise to service clients.

THE KINSON | RUSSO TEAM



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DIRECTOR, NET LEASED PROPERTIES GROUP



JOSEPH F. RUSSO
DIRECTOR, NET LEASED PROPERTIES GROUP



Andrew Jaworski
AGENT ASSOCIATE



Dillion Wilson
AGENT ASSISTANT



Garrett Fierstein
MARCUS & MILLICHAP CAPITAL CORPORATION
DIRECTOR, DEBT & STRUCTURED FINANCING



Ocea Huggins
OFFICE MANAGER

MARCUS & MILLICHAP MARKETING TEAM

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