



402 SOUTH MAIN STREET
ROLESVILLE, NC
(RALEIGH-CARY-DURHAM MSA)

Rapid Development Area | Rare Base Term Rent Increase



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Marcus & Millichap

PAPPAS CARDONE
NET LEASE GROUP



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Executive Summary

CVS/pharmacy

402 South Main Street | Rolesville | NC

Offering Price

\$5,200,000

Cap Rate **5.93%**

Net Operating Income **\$308,490**

Gross Leaseable Area **+/- 13,824 SF**

Lot Size **1.74 Acres**

Year Built **2005**

Guarantor **Corporate**



Lease Summary

| | | | |
|--------------------|-----------------------|----------------------|--|
| Lease Type | Absolute Net (NNN) | Original Lease Term | 25 Years |
| Roof/Structure | Tenant Responsibility | Remaining Lease Term | 12+ Years |
| Lease Commencement | 4/13/2011 | Renewal Options | 5, 5-Year |
| Lease Expiration | 1/31/2037 | Rent Increases | \$0.50 PSF on 4/13/2031 and In Each Option |

Rent Schedule

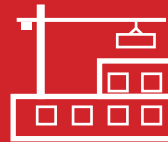
| Rent Period | Annual Rent | Rent Increase | Cap Rate |
|-----------------------|-------------|---------------|----------|
| Current | \$308,490 | - | 5.93% |
| 4/13/2031 - 1/31/2037 | \$315,402 | \$6,912 | 6.07% |
| Option 1 | \$322,314 | \$6,912 | 6.20% |
| Option 2 | \$329,226 | \$6,912 | 6.33% |
| Option 3 | \$336,138 | \$6,912 | 6.46% |
| Option 4 | \$343,050 | \$6,912 | 6.60% |
| Option 5 | \$349,962 | \$6,912 | 6.73% |

Investment Highlights



NNN CVS/pharmacy with No Landlord Responsibilities

CVS/pharmacy Located at the Highly Trafficked Signalized Intersection of S Main Street (15,000 Vehicles Per Day (VPD)) and Rogers Road (9,000 VPD) in Rolesville, NC in the Raleigh-Durham-Cary MSA



Rapid Growth/Development Area in the Greater Research Triangle

Located in Rolesville, NC, the Fastest Growing Town in North Carolina with Populations Over 5,000 According to the 2020 US Census with Over 2,400 Homes/Apartments Currently Under Development



Explosive Historical and Projected Population Growth

Rolesville Grew More Than 150 Percent Between 2010 and 2020 According to the US Census with Population Growth Projected at Nearly 12 Percent Within a 3-Mile Radius of This CVS Between 2023 and 2028



Strong Surrounding Retail Synergies

Surrounded by a Host of the Nation's Most Successful Retailers Including Food Lion, McDonald's, Auto-Zone, Dollar General, and Sonic Along with with Publix, 7-Eleven, and Bojangles Under Construction



Long Term Lease/Rare Rent Increase Offering Max Security

CVS/pharmacy's Lease Base Term Currently Featuring Over 12 Years and Several 5-Year Tenant Extension Options Along with a Rare Base Term Rent Increase Providing an Ideal 1031 Investment



Investment Grade Credit / Fortune 500 Company

Lease Corporately Guaranteed by CVS Health, the 6th Ranked Company in the Fortune 500 with an S&P Credit Rating of BBB and Over \$322 Billion in Total Revenue (2022)

Development Map



Pearce Farm - Under Construction
559 Single Family Homes



Master Townes - Under Construction
47 New Single Family Homes



Cobblestone - Under Construction
178 Apartments + 50k SF Commercial
\$55MM Investment



Scarboro Apartments - In Review
240 Apartments + 20k SF Commercial



SUBJECT PROPERTY



Parker Ridge - Under Construction
+/- 276 Single Family Homes



Under Construction



Wallbrook - Under Construction
140 Homes + 265k SF Commercial
\$120MM Investment / Publix Anchored



Under Construction



The Point - Under Construction
950+ Single Family Homes



Under Construction



Under Construction
53 Townhomes

Aerial Image



Parker Ridge - Under Construction
+/- 276 Single Family Homes



Wallbrook - Under Construction
140 Homes + 265k SF Commercial
\$120MM Investment / Publix Anchored



Exxon

DOLLAR GENERAL

Auto Zone

Hardee's

South Main Street 15,000 VPD

Rogers Road 9,000 VPD



Rolesville Elementary
+/- 530 Students
Directly Across Street

Four-Way Signalized
Intersection Provides
Maximum Site Visibility

CVS pharmacy

SUBJECT PROPERTY

Building Images



Parcel Map



Rogers Road 9,000 VPD

South Main Street 15,000 VPD

Research Triangle Map



Duke University
Enrollment - 17,000+ Students

 **CVS pharmacy™**

SUBJECT PROPERTY

Fourth Fastest Growing Economy in the US
Per UNC Keenan-Flagler Business School
Gross Domestic Product \$199 Billion (2023)

25 Minute Drive to Downtown Raleigh



UNC at Chapel Hill
Enrollment - 30,000+ Students

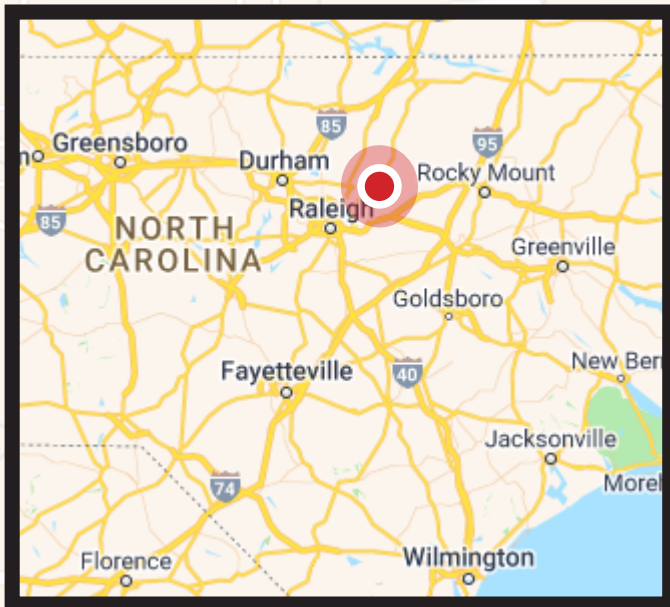


NC State University
Enrollment - 34,000+ Students

Regional Map

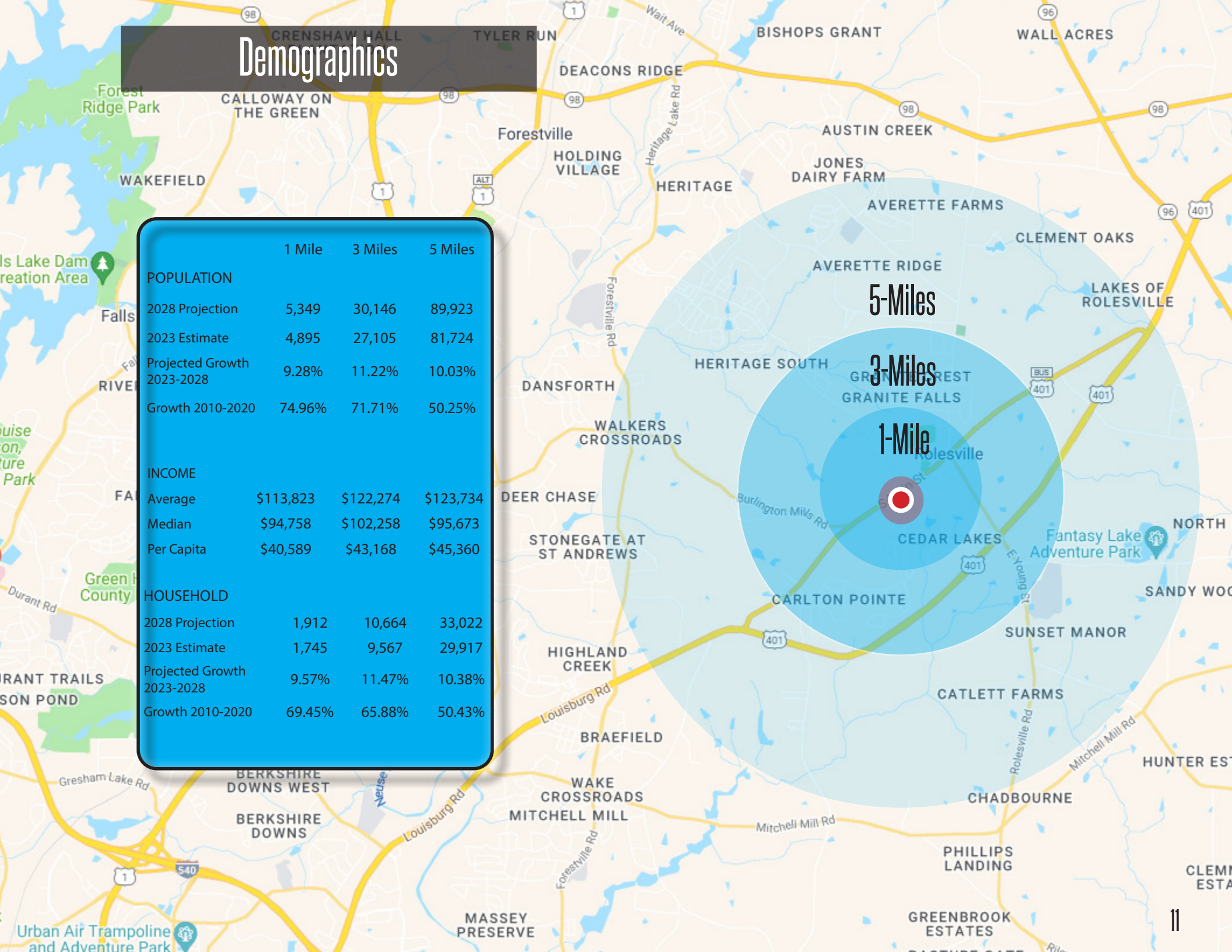
Laster Orthodontics

Subject Property



Demographics

| | 1 Mile | 3 Miles | 5 Miles |
|----------------------------|-----------|-----------|-----------|
| POPULATION | | | |
| 2028 Projection | 5,349 | 30,146 | 89,923 |
| 2023 Estimate | 4,895 | 27,105 | 81,724 |
| Projected Growth 2023-2028 | 9.28% | 11.22% | 10.03% |
| Growth 2010-2020 | 74.96% | 71.71% | 50.25% |
| INCOME | | | |
| Average | \$113,823 | \$122,274 | \$123,734 |
| Median | \$94,758 | \$102,258 | \$95,673 |
| Per Capita | \$40,589 | \$43,168 | \$45,360 |
| HOUSEHOLD | | | |
| 2028 Projection | 1,912 | 10,664 | 33,022 |
| 2023 Estimate | 1,745 | 9,567 | 29,917 |
| Projected Growth 2023-2028 | 9.57% | 11.47% | 10.38% |
| Growth 2010-2020 | 69.45% | 65.88% | 50.43% |



Tenant Overview



For many, CVS Health remains synonymous with the nearly 10,000 retail locations it operates across the United States. However, the company is much more than that. CVS Caremark makes CVS Health the nation's largest pharmacy benefits manager, and CVS Health is also the leader in retail clinics, specialty pharmacy, and infusion. With its recent acquisition of Aetna, CVS health also now operates one of the nation's premier health benefits companies, as well. Three strategic imperatives guide CVS Health's transformative efforts: be local, make health care simple, and improve health.

For more information, visit www.cvs.com.

Financial Highlights

| (in millions, except per share figures) | 2023 | 2022 | % change |
|---|---------|---------|----------|
| Total Revenues | \$358.0 | \$322.5 | 11.0% |
| Operating Income | \$13.7 | \$7.74 | 77.0% |
| Net Income (loss) | \$8.36 | \$4.16 | 100.96% |
| Diluted EPS from Continuing Ops. | 6.47 | 3.14 | 106.05% |
| Cash Flows from Ops. | \$13.4 | \$16.2 | -17.3% |
| Stock Price at Year-End | \$80.91 | \$91.72 | -11.7% |
| Market Cap at Year-End | \$102.5 | \$122.4 | -16.3% |

Tenant Industry | CVS/Pharmacy Pharmacy

Parent Public/Private | CVS Health Public

Fortune 500 Rank | #6
Credit Rating | BBB (S&P)

Location Overview



Over the past two decades, Rolesville has consistently ranked as one of the most rapidly growing towns in North Carolina. The momentum of this thriving town just 17 miles from Downtown Raleigh and within the greater Research Triangle shows no signs of slowing with over 2,400 apartments/single family homes and 300,000 square feet of commercial space under construction. According to 2020 U.S. Census data, Rolesville was the fastest growing town in the entire state among municipalities with populations of 5,000 or more, growing 150 percent from 2010 to 2020.

Town leaders are embracing the growth. Current Rolesvilles developments include:

- *Wallbrook: 78-acre mixed-use development anchored by a 30,000 SF Publix and featuring 140 homes and 265,000 SF of commercial space representing an estimated \$120 million investment
- *Cobblestone Village: Positioned on the north end of Main Street including 178 apartments, 50,000 SF of retail space, and a new municipal building representing an estimated \$55 million investment
- *Pearce Farm: 223-Acre residential development to feature over 500 single family detached and attached homes

Rolesville possesses a host of competitive advantages making this one of the best towns in the entire country in which to invest:

- *Connection to the Capital: 15 Miles from Raleigh (easy access to I-540 and I-440)
- *Ranked #1 safest city in North Carolina by SafeWise 2023
- *30 minutes from RDU International Airport and Research Triangle Park
- *Roughly 67 percent of residents have a Bachelor's degree or higher
- *Affluent population with an average household income exceeding \$145,000
- *Near three major universities: Duke, NC State, and UNC at Chapel Hill

Wallbrook: \$120MM Development Under Construction



150% Population Growth
From 2010 - 2020 (U.S. Census)



Safest City in NC
Per SafeWise 2023 Rankings



Top 10 Boomtown in US
Per Realtor Magazine

Location Overview



Raleigh, NC - The Capital of North Carolina

The City of Raleigh is the second largest city in North Carolina with a population of 472,540. Raleigh is one of the fastest growing cities in the country and is the 41st most populous city in the United States. Raleigh and the surrounding region continue to experience growth in population and commercial activity. Raleigh is both the county seat of Wake County, the largest county in North Carolina, and the capital of the state. Driven by a strong economy and an outstanding quality of life, Raleigh is consistently ranked among the nation's best places to live and to operate a business.

Raleigh's economy remains financially strong and continues to draw new people to the area. This is in large part due to the diverse business environment; six public and private institutions of higher education, including North Carolina State University, the largest university in North Carolina; and outstanding health care facilities. Raleigh has a significant concentration of businesses that have been relatively resistant to broader economic conditions, including principal executive, judicial and regulatory offices of State government; education; and life sciences.

Raleigh continues to be recognized as a City of innovation with access to a strong pipeline of talent largely due to the number of universities and colleges located in and around the City. The City also thrives in economic vitality measures such as job creation and wage growth. The local economy and surrounding region display positive economic trends which indicate that Raleigh remains well positioned for the future. In addition, North Carolina's economy continually ranks as one of the best in the country. Raleigh is widely recognized by independent sources as one of the nation's most attractive metropolitan areas.



Top 25 Growth City
Per US News & World Report (23')



#2 Best Performing City
in the US (Milken Institute, 24')



#5 City for Job Seekers
in the US (Indeed, 23')

Why Invest in North Carolina?



NORTH CAROLINA

GROW WITH US

Largest manufacturing workforce in the Southeast. Lowest corporate income tax in the nation. Mid-Atlantic location with access to millions of customers. It's no wonder North Carolina is where businesses thrive.

North Carolina's diverse array of industries - from food processing to automotive to pharmaceuticals - is one reason why leading corporations operate major facilities here. Home to more than 10.8 million residents, our state is the ninth largest in population and ranks third for highest net migration rate in the United States. Ranked among the top 10

states for lowest tax burden on businesses by the Tax Foundation, more businesses and individuals are becoming a part of our community each and every day.

North Carolina's key advantages include a robust manufacturing sector, world-class workforce, business-friendly environment, outstanding transportation network, and state incentives that may help offset the cost of setting up here. Grow with us. Consider North Carolina for your next location or expansion decision.

NORTH CAROLINA'S ADVANTAGE

10.8M+ STATE POPULATION

Largely fueled by domestic in-migration, North Carolina has one of the fastest growing populations in the US, supplying a steady pipeline of talent for businesses. Our thriving economy, pleasant climate, and low cost of living are just some reasons why people are flocking to North Carolina.

320K+ PROFESSIONAL WORKFORCE

Professional, scientific, and technical services are one of North Carolina's largest industry subsectors. The subsector has grown 27% in the past five years, one of the highest growth rates in the United States.

150M+ CUSTOMERS

North Carolina's Mid-Atlantic Location and superb transportation network provide access to over 150 million potential customers within 11 hours or a day's drive. The state's two sea ports and two Class 1 rail carriers provide access to millions more customers in the US and beyond.

474K+ MANUFACTURING WORKERS

North Carolina has the largest manufacturing workforce in the Southeastern United States. In the last ten years, the state's manufacturing workforce has grown by seven percent.

GO BIG SPEND LESS

LOW BUILDING COST

Average constructoin costs in North Carolina's Metropolitan areas are up to 17% below the national average.

AAA BOND RATING

North Carolina is one of the only for states to earn Standard & Poor's highest rating for over 57 consecutive years.

LOW UTILITY COSTS

Industrial electricity costs are 30% below the national average and water rates are the third-lowest in the nation.

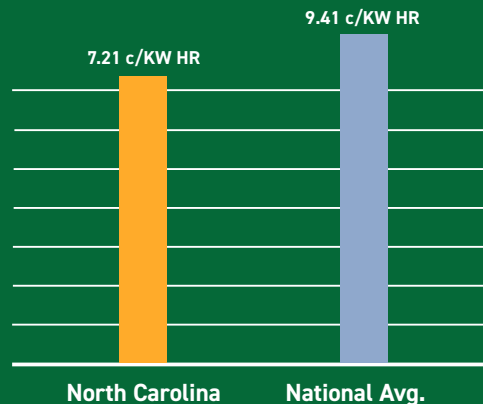
RIGHT-TO-WORK STATE

North Carolina is one of 26 right-to-work states that see lower unionization rates than states without right-to-work laws, adding value to both employees and employers.



LOW ELECTRICITY COSTS

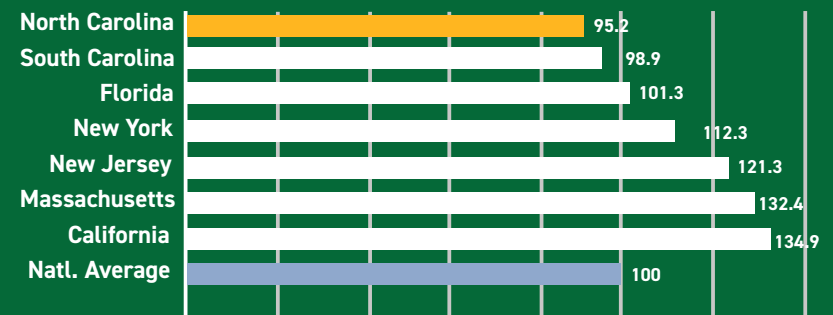
North Carolina's industrial electricity costs are about 22.6% below the national average.



Source: US Energy Information Administration

LOW COST OF LIVING

The cost of living in North Carolina's Metropolitan Areas is well below the national average and that of other highly populated states.



Source: C2ER 2023 State Cost of Living Index

2.5% CORPORATE INCOME TAX

North Carolina has the lowest rate among the 44 states that levy this tax. North Carolina also uses single sales factor apportionment. Starting in 2025, the rate will drop to 2.25% and decrease gradually until it reaches 0% in 2030.

4.75% STATE SALES & USE TAX

Counties levy an additional 2-2.75%. Sales tax exemptions are available for manufacturers, large fulfillment centers, and data centers.

4.5% PERSONAL INCOME TAX

The standard deduction is \$12,750 for single taxpayers and married couples filing separately, \$25,500 for married couples, and \$19,125 for heads of households. Tax reforms decreased the rate to 4.75% for tax year 2023 and will continue to gradually decrease the rate until it reaches 3.99% in 2026.

NONE STATE PROPERTY TAX

There is no state-level property tax. Real and personal property taxes vary by local government.

North Carolina offers companies a broad spectrum of site selection choices, with suitable, cost effective sites for operations ranging from high end office R&D to largescale manufacturing. In 2023 alone, companies announced nearly \$5 billion in capital investment and over 10,000 new jobs in North Carolina.



INCENTIVES

Targeted performance-based incentive programs complement North Carolina's competitive cost structure. The Economic Development Partnership of North Carolina (EDPNC), along with the North Carolina Department of Commerce, helps companies navigate the incentive process.

JOB DEVELOPMENT INVESTMENT GRANT
JDIG is a performance-based, discretionary incentive program that provides cash grants to new and expanding businesses to help offset the cost of locating or expanding a facility in North Carolina. Companies can qualify for a JDIG based on the project location, number of jobs, and average wage. The grant amount is based on a percentage of the personal income tax withholdings associated with the new jobs.

ONE NORTH CAROLINA FUND
OneNC is a discretionary cash-grant program that allows the governor to respond quickly to competitive job creation projects. Awards are based on the number of jobs, level of investment, project location, economic impact, and importance of the project to the region. Awards may be used in new or existing buildings for installation or purchase of equipment, structural repairs, and/or renovations, and construction and/or improvements to utility lines.

BUILDING INFRASTRUCTURE & TRANSPORTATION PROGRAMS
North Carolina offers a number of programs to fund public infrastructure development, including the Community Development Block Grant Economic Development Program, Utility Account, Rural Division Economic Infrastructure Program, North Carolina Department of Transportation's (NCDOT) Rail Industrial Access Program, North Carolina Railroad Company's NCRRI Invests Program, and the North Carolina Department of Commerce's Joint Economic Development Program with the NCDOT.

OTHER INCENTIVE PROGRAMS
North Carolina has numerous additional incentive programs available to qualifying businesses.

UNMATCHED BUSINESS CLIMATE



WE CHOSE NORTH CAROLINA FOR SEVERAL REASONS, INCLUDING ITS EXTENSIVE AND WELL-MAINTAINED INFRASTRUCTURE, FOUR INTERNATIONAL AIRPORTS AND TWO SEA-PORTS, ITS CONSISTENT RANKING AS ONE OF THE TOP STATES TO DO BUSINESS, ITS WORLD-CLASS EDUCATION SYSTEM AND, IMPORTANTLY, ITS OUTSTANDING AND DIVERSE WORKFORCE.

CHRISTOPHER P. REYNOLDS,
EXECUTIVE VICE PRESIDENT,
CORPORATE RESOURCES,
TOYOTA MOTOR NORTH AMERICA



#1

AMERICA'S TOP STATE
FOR BUSINESS

- CNBC (2022 & 2023)

#1

WORKFORCE IN
THE NATION

- CNBC (2023)

#1

LARGEST MANUFACTURING
WORKFORCE IN THE SOUTHEAST

- LIGHTCAST (2024)

#2

BEST STATE FOR
MANUFACTURING

- SITE SELECTION GROUP (2023)

#2

BEST BUSINESS
CLIMATE

- SITE SELECTION MAGAZINE (2023)

#3

FASTEST-GROWING
STATE

- US CENSUS (2023)

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