



OFFERING MEMORANDUM

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

3621 Fern Valley Rd, Louisville, KY 40219

Marcus & Millichap



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10,000 SF  
Activity ID #ZAG0540017

Marcus & Millichap

3621 FERN VALLEY RD

EXCLUSIVELY  
LISTED BY

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KS #SP00236311

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3621 FERN VALLEY RD

# BROKER OF RECORD

**FITZGERALD, GRANT**

Kentucky  
(502) 329-5900  
License: 286261

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..... SECTION 1 .....

# 01



## EXECUTIVE SUMMARY

Offering Summary  
Investment Highlights  
Regional Map  
Tenant Profiles  
facility information & Wall Street Chatter

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# OFFERING SUMMARY

3621 FERN VALLEY RD



Listing Price  
**\$6,449,715.5**



Cap Rate  
**8.00%**



Price/SF  
**\$255.19**

Listing Price	\$6,449,715.5
NOI	\$515,977
Cap Rate	8.00%
Price/SF	\$255.19
<i>Parking Lot NNN Lease (included in NOI)</i>	\$68,400

## OPERATIONAL

Lease Type	Modified Gross w/ Exp. Stops
Guarantor	Corporate Guarantee
Lease Commencement	09/01/2018
Lease Expiration	04/30/2029
Term Remaining on Lease (Yrs)	3.25
Renewal Options	2x5 Year Options
Rent Increases	2.5% Annual Increases
Gross SF	25,274 SF
Lot Size	4.28 Acres
Year Built / Renovated	1977 / 2018



# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

3621 Fern Valley Rd, Louisville, KY 40219

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present a **mission-critical pharmacy script validation, call center, and training facility** leased to Chewy, Inc. (NYSE: CHWY) under a corporate-guaranteed lease with approximately 3.25 years remaining on the initial term and two five-year renewal options. The lease features 2.5% annual rent escalations and a modified gross structure with utility pass-throughs and expense reimbursements above the 2019 base year.

Located at 3621 Fern Valley Rd, Louisville, KY, this facility serves as **Chevy's national intake and clinical validation hub. It processes almost all physical hard-copy prescriptions mailed by pet owners** (excluding gabapentin), performing required clinical outreach and VCPR verification as the regulatory gatekeeper before orders proceed to fulfillment. This critical first step supports Chevy's highest-margin compounded pharmaceuticals segment, a key driver of its projected \$12.3 billion FY2025 revenue.

**Wall Street Analyst Outlook:** Analysts remain overwhelmingly bullish on Chewy, frequently citing high-margin pharmaceuticals and healthcare services as the core driver of expected outperformance. Morgan Stanley named Chewy a "Top Pick" (Summer 2025), highlighting healthcare expansion as a "structural accelerant" with a bull-case target implying up to 70% upside. J.P. Morgan maintained an "Overweight" rating, noting the strategic shift toward higher-margin healthcare revenue. Bank of America reiterated its "Buy" rating, emphasizing the \$40 billion pet healthcare market as a major long-term catalyst.

Located near Interstate 65 (200,000 vehicles daily) and a signalized intersection (52,000 vehicles daily) in a densely populated trade area, the property benefits from strong regional access and logistics fundamentals.

## INVESTMENT HIGHLIGHTS

Mission-critical single-tenant office leased to Chewy, Inc. (NYSE: CHWY) - national script validation, intake, and training hub for pharmacy operations.

Corporate-guaranteed lease with ~3.25 years remaining on initial term, two 5-year renewal options, and 2.5% annual rent escalations.

Modified gross structure with utilities pass-through and expense reimbursements above 2019 base year, providing predictable landlord cash flow.

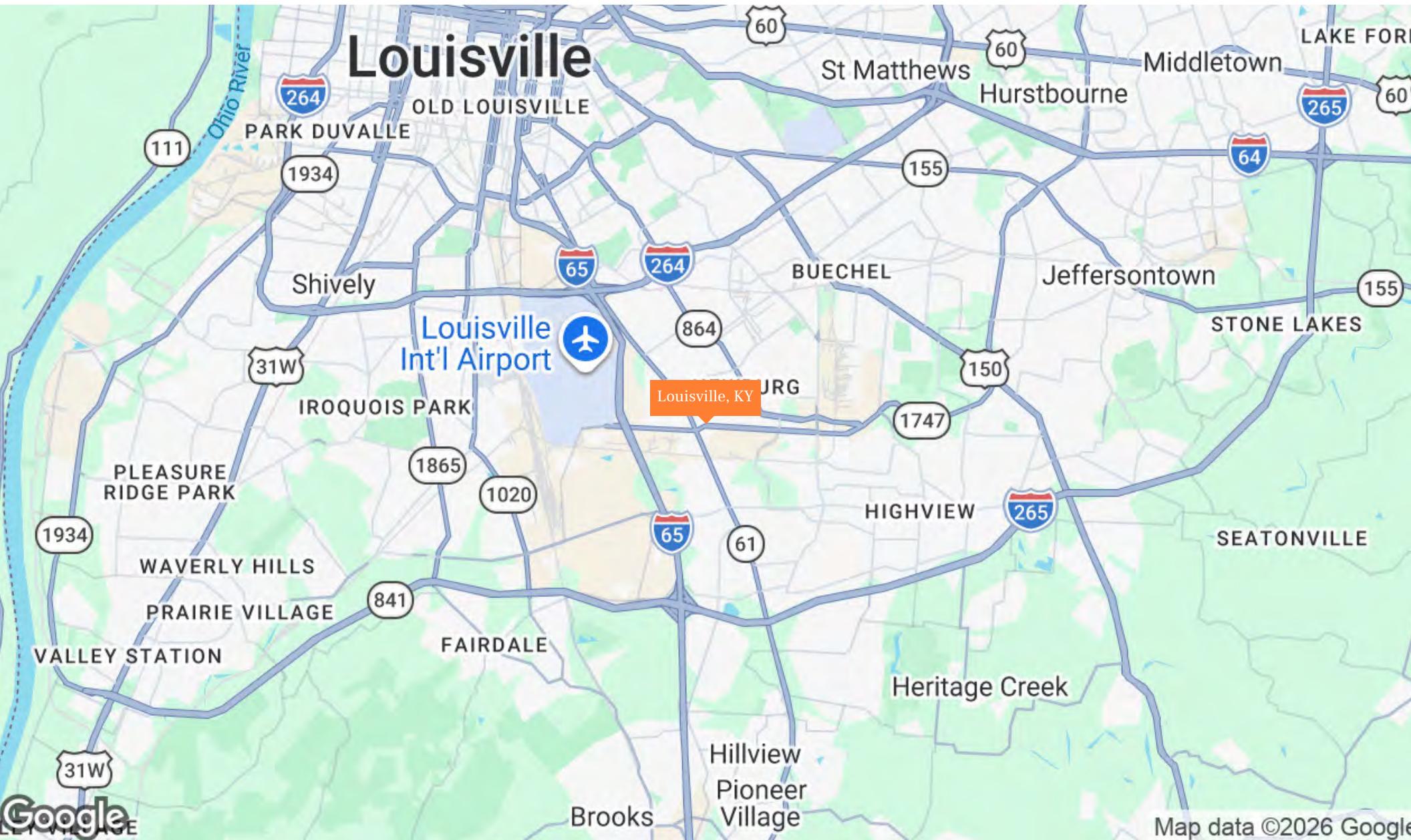
Processes nearly all hard-copy mailed prescriptions (excluding gabapentin) - performs clinical outreach and VCPR verification as regulatory gatekeeper for highest-margin compounded pharmaceuticals.

Supports Chevy's high-margin healthcare segment, key driver of \$12.3B FY2025 revenue; Wall Street bullish (Morgan Stanley Top Pick 70% upside, J.P. Morgan Overweight, BofA Buy on \$40B pet RX catalyst)

Strong location near I-65 (200,000 VPD) and signalized intersection (52,000 VPD) in dense trade area with excellent regional access and logistics fundamentals.

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

REGIONAL MAP



Map data ©2026 Google



## UNIVERSITY OF LOUISVILLE

24,000+ Students



## CHURCHILL DOWNS



Kentucky Derby

## LOUISVILLE MUHAMMAD ALI INTERNATIONAL AIRPORT



## UPS WORLDPORT

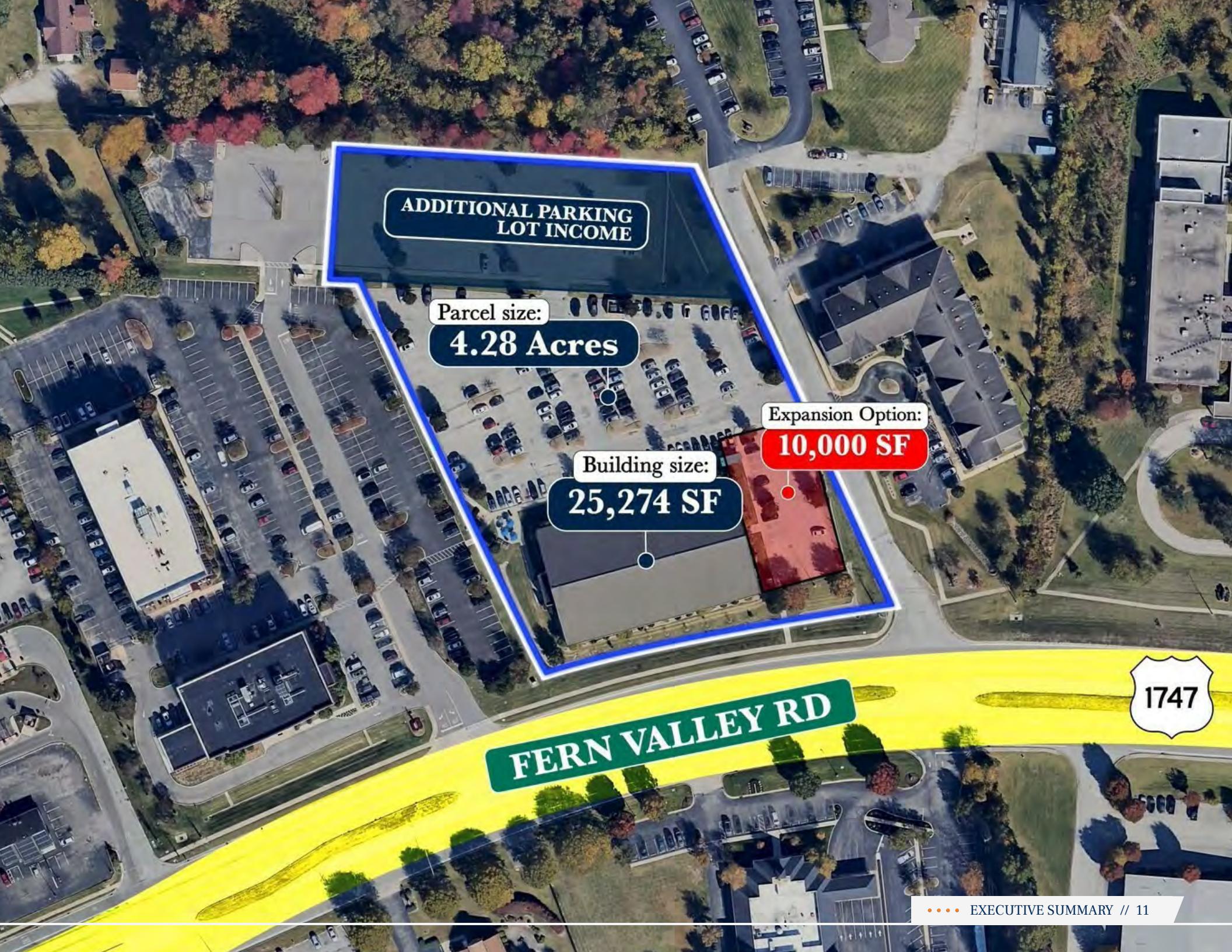
400,000+ packages per hour



## CHEWY INC. (NYSE: CHWY)

3621 Fern Valley Rd., Louisville, KY 40219





ADDITIONAL PARKING  
LOT INCOME

Parcel size:  
**4.28 Acres**

Building size:  
**25,274 SF**

Expansion Option:  
**10,000 SF**

**FERN VALLEY RD**

1747

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## TENANT PROFILES



### TENANT HIGHLIGHTS

- Nation's Leading Online Pet Retailer:** Chewy serves over 20 million customers and is the largest pure-play e-commerce platform for pet food, supplies, and medications
- Publicly Traded with Strong Financials:** Projected FY2025 revenue of \$12.3-\$12.45 billion and a ~\$16 billion market cap, with gross margins of 29.6%.
- Revenue Model:** Over 80% of sales come from autoship subscriptions, reinforcing customer retention and revenue predictability
- PCAB-Accredited Compounding Pharmacy:** Chewy's veterinary compounding operations meet the highest national standards—an elite credential held by few competitors
- Mission-critical Chewy RX hub** at 3621 Fern Valley Rd: national script validation center with generator tie-ins, and on-site pharmacist oversight for compliance and high-margin compounding.

### TENANT OVERVIEW

Company:	Chewy Inc. (NYSE: CHWY)
Founded:	2011
Total Revenue:	\$12.3 billion (projected FY2025)
Subject Location:	National Script Validation & Training Center
Pharmacy Margins:	Highest Product Category
Headquarters:	Plantation, Florida
Website:	<a href="http://www.chewy.com">www.chewy.com</a>

### ABOUT

Chewy, Inc. (NYSE: CHWY) is the nation's leading online destination for pet products, serving over **20 million active customers** with a full suite of food, toys, healthcare, and pharmacy offerings. Founded in 2011 and publicly traded since 2019, Chewy has consistently expanded its capabilities beyond e-commerce into pet healthcare as a vertically integrated platform within the \$140+ billion U.S. pet market.

**Chewy operates the #1 pet pharmacy in the U.S.**, offering prescription and compounded veterinary medications tailored to individual pet needs. Its pharmacies are licensed in multiple states, including the subject property, where the company's RX script validation operations are centralized. This facility performs required clinical outreach and VCPR verification as the regulatory gatekeeper before orders proceed to fulfillment.

With growing capabilities in telehealth, autoship fulfillment, and a fully integrated supply chain, Chewy has created a sticky, end-to-end ecosystem for pet care. These services drive operational scale, deepen customer loyalty, and provide a distinct moat around its business. **As of FY2025, Chewy projects revenue exceeding \$12.3 billion**, with its veterinary pharmacy and healthcare services contributing a fast-growing share of overall performance.

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## FACILITY INFORMATION & WALL STREET CHATTER

### SUBJECT PROPERTY INFORMATION

Core Function	National intake and clinical validation center. Processes nearly all mailed hard-copy prescriptions (except gabapentin). Conducts clinical outreach, VCPR verification, and compliance checks before orders reach compounding labs.
Daily Pharmacist Oversight	Kentucky Board of Pharmacy (201 KAR 2:480) mandates on-site licensed pharmacists daily for final verifications and technician supervision.
Dedicated Training	Specialized rooms deliver 3-4 week paid programs for new pharmacy staff on VCPR rules, hard-copy script processing, and FDA GFI 256 verification for compounded drugs.
Workforce	300 high-wage positions (Tier I/II Pharmacy Technicians + licensed Pharmacists) boosting Louisville's professional job market.
Strategic Role	Centralizes validation and training to ensure compliant, ready-to-fill pipeline for Chewy's high-margin compounded pharmaceuticals.

### WALL STREET ANALYST OUTLOOK

Morgan Stanley	Named Chewy a ' <b>Top Pick</b> ' for its e-commerce coverage in Summer 2025, with analysts highlighting healthcare expansion as a "structural accelerant" for growth and projecting the segment could drive shares up to 70% in their bull case.
J.P. Morgan	Maintained an ' <b>Overweight</b> ' rating in 2025, noting that efforts in healthcare were strategically shifting the company's product mix toward higher-margin revenue streams.
Bank of America	Maintained its ' <b>Buy</b> ' rating, citing the lucrative \$40 billion pet healthcare market as a major catalyst for growth.
<b>Summary of Outlook:</b>	The market views Chewy's healthcare segment as a major growth engine. The company's focus on this area supports reliable, high-margin revenue streams that drive positive analyst ratings and recent target upgrades.

..... SECTION 2 .....

02



## FINANCIAL ANALYSIS

Rent Roll  
Operating Statement  
NOTES  
PRICING DETAIL

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# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## RENT ROLL

TENANT NAME	SQUARE FEET	BLDG SHARE	LEASE DATES		Annual		CHANGES ON	CHANGES TO	LEASE TYPE	EXPENSE REIMBURSEM	RENEWAL OPTIONS AND OPTION YEAI RENTAL INFORMATI	
			COMM.	EXP.	RENT PER SQ. FT.	TOTAL RENT PER MONTH						
Chevy Inc.	25,274	100.0%	11/1/26	4/30/29	\$21.45	\$45,186	\$542,237	Jan-2026	\$555,792	MG w/ Exp. St	\$51,758	2x5 Year Options: FMV
Total	25,274				\$21.45	\$45,186	\$542,237				\$51,758	
Occupied GLA: 100.00%												

Notes:

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## OPERATING STATEMENT

INCOME	Year 1	PER SF	Year 2	PER SF	NOTES
Scheduled Base Rental Income	542,237	21.45	555,792	21.99	
Expense Reimbursement Income					
Exp. Stop Reimbursement	51,758	2.05	53,052	2.10	
Total Reimbursement Income	\$51,758	35.3%	\$53,052	35.3%	\$2.10
Parking Lot	68,400	2.71	64,800	2.56	
Effective Gross Revenue	\$662,395	\$26.21	\$673,644	\$26.65	
OPERATING EXPENSES	Year 1	PER SF	Year 2	PER SF	NOTES
Common Area Maintenance (CAM) (includes mgmt)	107,417	4.25	110,102	4.36	
Insurance	10,052	0.40	10,303	0.41	
Real Estate Taxes	28,949	1.15	29,673	1.17	
Total Expenses	\$146,418	\$5.79	\$150,078	\$5.94	
Expenses as % of EGR	22.1%		22.3%		
Net Operating Income	\$515,977	\$20.42	\$523,566	\$20.72	

Notes and assumptions to the above analysis are on the following page.

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## NOTES

### NOTES

#### NOTES TO OPERATING STATEMENT

- [1] 1. Tenant pays increases over Base Year 2019 ( \$94,660), for Tax, Insurance & CAM expenses (includes mgmt). Controllable
- [2]
- [3] 2. Tenant pays Parking Rent of \$5,700 per month
- [4]
- [5] 3. Tenant has lease option to expand premises by 10k SF
- [6]
- [7] 4. Tenant Added: Cummins 1000kW Diesel generator Three-Phase power at 277/480v (approximate value = \$400,000)

[8] ~~RX Script Validaiton is the critical first step in the pet pharmacy compounding process. This phase ensures that the request meets both federal and state legal requirements before any medication is physically mixed

[9] ~~RX Script Validaiton is regulated by Kentucky Board of Pharmacy and the FDA

[10]

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## PRICING DETAIL

### PRICING DETAILS

SUMMARY		
Price	\$6,449,716	
Down Payment	\$2,257,401	35%
Number of Suites	1	
Price Per SqFt	\$255.19	
Gross Leasable Area (GLA)	25,274 SF	
Lot Size	4.28 Acres	
Year Built/Renovated	1975/2018	
Occupancy	100.00%	

RETURNS	Year 1	Year 2
CAP Rate	8.00%	8.12%
Cash-on-Cash	8.16%	8.49%
Debt Coverage Ratio	1.55	1.58

Financing	1st Loan
Loan Amount	\$4,192,315
Loan Type	New
Interest Rate	6.25%
Amortization	25 Years
Year Due	2030

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

### OPERATING DATA

INCOME	Year 1	Year 2
Scheduled Base Rental Income	\$542,237	\$555,792
Total Reimbursement Income	9.5%	\$51,758
Other Income		\$68,400
Potential Gross Revenue		\$662,395
General Vacancy		\$0
Effective Gross Revenue		\$662,395
Less: Operating Expenses	22.1%	(\$146,418)
Net Operating Income		\$515,977
Cash Flow		\$515,977
Debt Service		(\$331,865)
Net Cash Flow After Debt Service	8.16%	\$184,112
Principal Reduction		\$71,881
Total Return	11.34%	\$255,993
	11.88%	\$268,205

OPERATING EXPENSES	Year 1	Year 2
CAM (includes mgmt)	\$107,417	\$110,102
Insurance	\$10,052	\$10,303
Real Estate Taxes	\$28,949	\$29,673
Total Expenses	\$146,418	\$150,078
Expenses/SF	\$5.79	\$5.94





..... SECTION 3 .....

# 03



## MARKET OVERVIEW

Market Overview  
Demographics

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# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## MARKET OVERVIEW

### LOUISVILLE

Home to the famous Kentucky Derby, the Louisville metro is composed of Indiana's Harrison, Washington, Clark, Floyd and Scott counties, as well as Kentucky's Jefferson, Spencer, Oldham, Trimble, Shelby, Bullitt and Henry counties. Louisville, Kentucky is the region's most populous city, with more than 387,000 citizens, followed by Jeffersonville, Indiana, which has 51,000 residents. The Ohio River cuts through the region and was an important player in the area's development.



\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

#### METRO HIGHLIGHTS



##### CENTRALIZED LOCATION

Approximately 60 percent of United States cities are within a one-day drive of the metro, providing access to large economic centers.



##### MAJOR DISTRIBUTION CENTER

Louisville's strategic geographic placement has made it a hub for logistics and distribution industries.



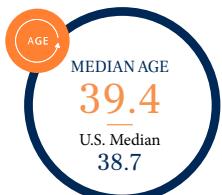
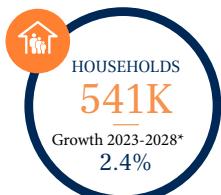
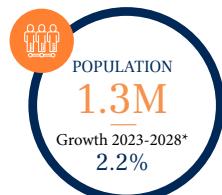
##### THE DERBY

Every May, attention is focused on Louisville when it hosts the Kentucky Derby — the most acclaimed horse racing event in the world.

#### ECONOMY

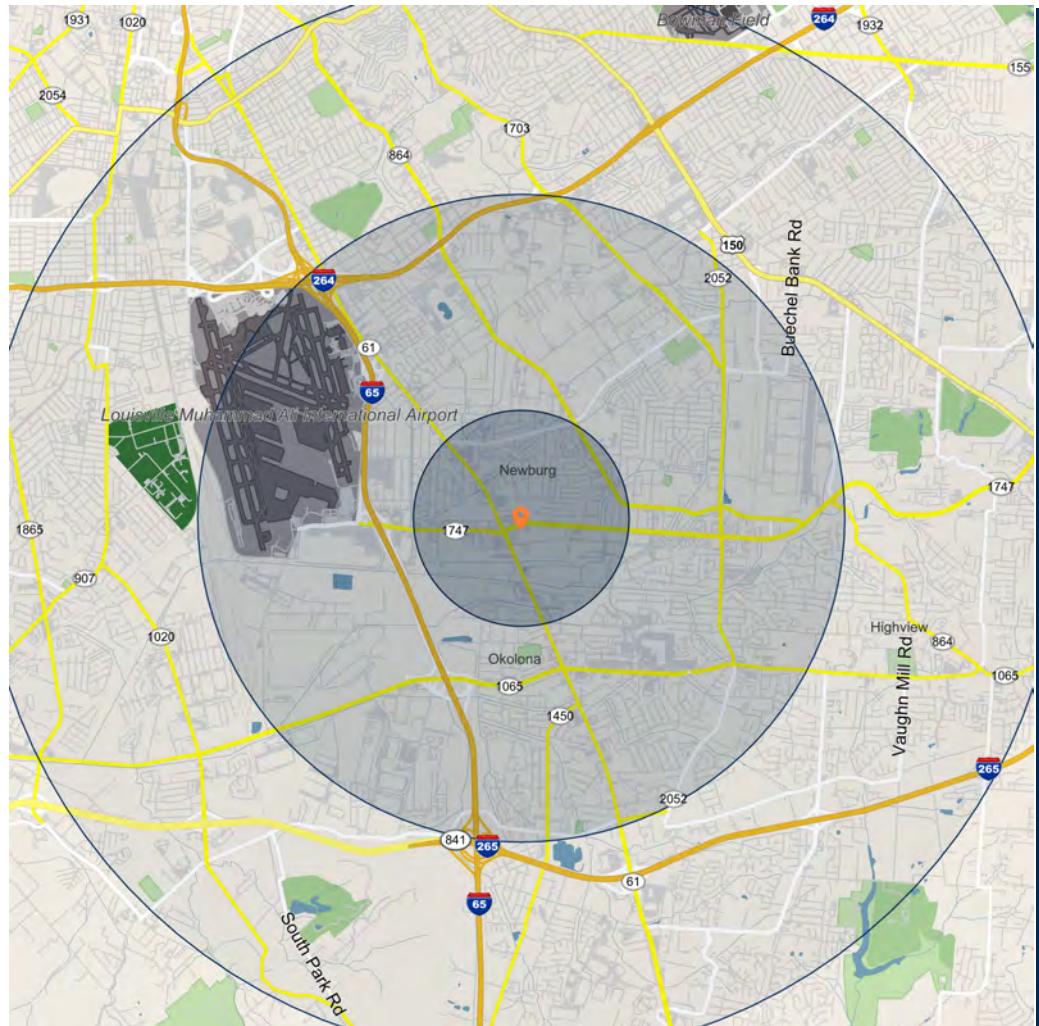
- Although the region's economy has been historically dominated by the shipping and rail industries, contemporary Louisville boasts a well-diversified economy that is focused on advanced manufacturing, logistics, life sciences and health care, as well as other industry sectors.
- The UPS Worldport global air freight hub at Louisville International Airport makes the region an important player in global shipping and logistics.
- The metro is headquarters to Humana, a Fortune 500 company. Additional major employers include UPS, Ford Motor Co., Norton Healthcare, Kroger Co. and the University of Louisville.

#### DEMOGRAPHICS



# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

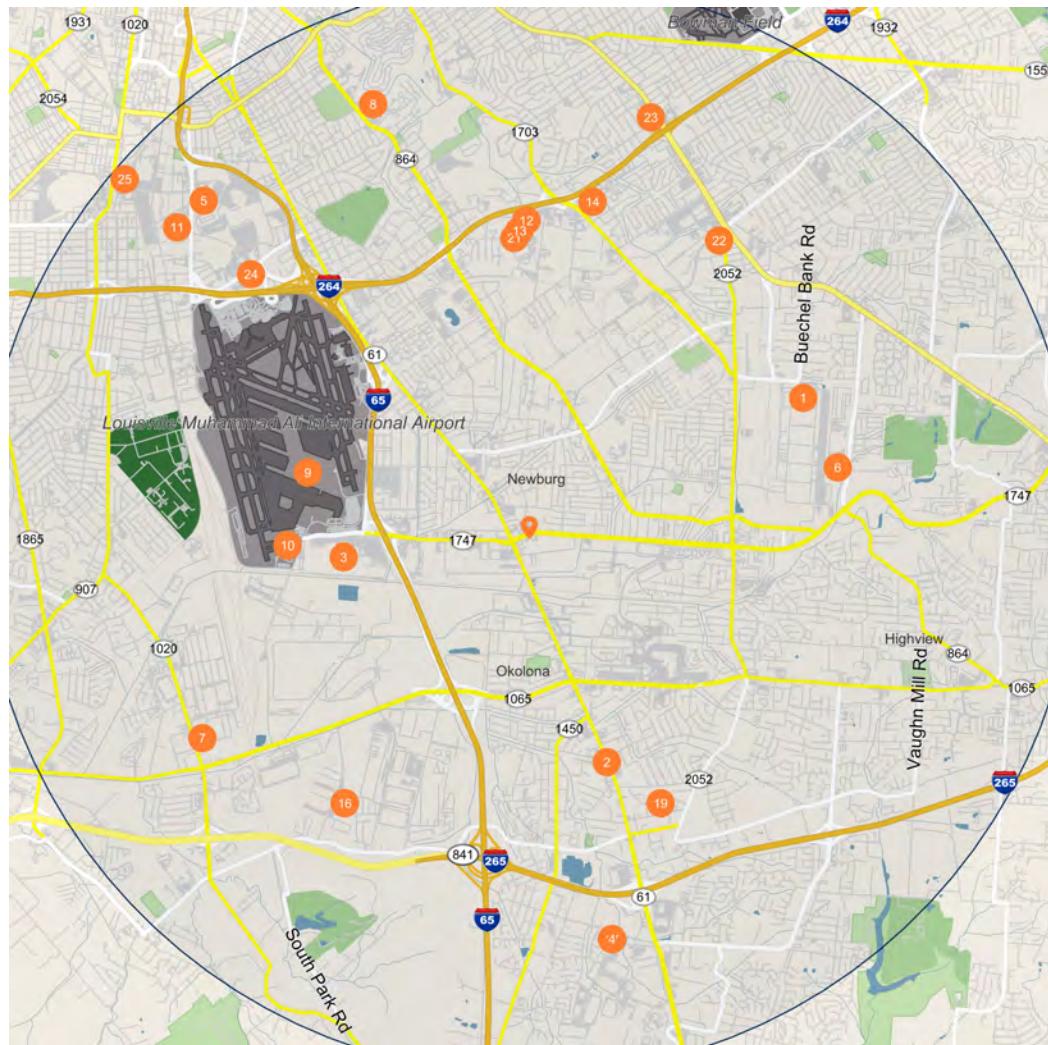
## DEMOGRAPHICS



	1 Mile	3 Miles	5 Miles
<b>POPULATION</b>			
2029 Projection	10,549	59,929	210,038
2024 Estimate	10,551	59,834	210,117
2020 Census	10,724	60,595	214,147
2010 Census	10,493	57,352	204,741
<b>HOUSEHOLD INCOME</b>			
Average	\$56,010	\$67,268	\$79,607
Median	\$43,864	\$54,395	\$65,734
Per Capita	\$22,915	\$27,528	\$33,856
<b>HOUSEHOLDS</b>			
2029 Projection	4,346	24,743	89,799
2024 Estimate	4,321	24,575	89,399
2020 Census	4,288	24,345	88,856
2010 Census	4,164	23,285	85,437
<b>HOUSING</b>			
Median Home Value	\$141,352	\$153,374	\$189,016
<b>EMPLOYMENT</b>			
2024 Daytime Population	9,409	128,690	257,634
2024 Unemployment	2.56%	2.66%	2.37%
Average Time Traveled (Minutes)	20	22	23
<b>EDUCATIONAL ATTAINMENT</b>			
High School Graduate (12)	1.98%	2.51%	2.50%
Some College (13-15)	46.01%	43.34%	37.15%
Associate Degree Only	13.07%	14.69%	15.22%
Bachelor's Degree Only	10.05%	10.16%	8.48%
Graduate Degree	15.71%	18.87%	27.70%

# CHEWY INC. | NATIONAL RX SCRIPT VALIDATION & TRAINING CENTER

## DEMOGRAPHICS



### Major Employers

	Employees
1 Haier US Appl Solutions Inc-GE Appliances A Haier Company	6,000
2 Jefferson County Board Educatin-Southern High Magnet Academy	4,583
3 Ford Motor Company-Ford	3,824
4 Jewish Hosp Healthcare Svcs Inc-Vna Home Infusion	2,678
5 Jefferson County Pub Schl Dst-Jefferson Cnty Pub Schl Accnts	1,600
6 Owens & Minor Distribution Inc-Integra Lifesciences	1,304
7 United Parcel Service Inc-UPS	1,287
8 Norton Audubon Hospital	1,242
9 United Parcel Service Inc-UPS	1,107
10 United Parcel Service Inc-UPS	1,010
11 Budco Group Inc-George E Fern Company	1,003
12 Kentucky Fried Chicken Corp-KFC	1,000
13 KFC Corporation-KFC	950
14 Community Medical Assoc Inc	949
15 UPS Customhouse Brokerage Inc-UPS	735
16 United Parcel Service Inc-UPS	692
17 Firstsource Solutions USA Inc	687
18 Yum Brands Inc-YUM	685
19 Fc-Gen Acquisition Inc-Regency Care Rhabilitation Ctr	682
20 United Parcel Service Inc-UPS	635
21 United States Postal Service-US Post Office	573
22 Belflex Staffing Network LLC	571
23 Blue Rose Spirits LLC-Party Mart Outlet Store	561
24 Al J Schneider Company-Crowne Plaza Hotel	545
25 Daikin Applied Americas Inc-AAF International	500

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