



INVESTMENT OVERVIEW

Marcus and Millichap is pleased to present this 24-hour CVS/pharmacy located in Saugus, Massachusetts, only 13 miles north of Boston. This CVS is equipped with a drive-thru, and has 16 years remaining on a double net (NN) lease. Landlord's responsibility is limited to the roof and structure. This asset has six, five-year renewal options with a 10 percent rent increase in the first renewal option and 5 percent increases in the remaining options. The lease is guaranteed by CVS Corp, who registered more than \$177-billion in revenue and recorded a net worth of more than \$36-billion in 2016. CVS Health ranked number seven on the 2017 Fortune 500 list.

This highly visible CVS is located along Broadway, a major thoroughfare with traffic counts that exceed 108,000 vehicles per day. The asset is located three miles from Melrose-Wakefield Hospital, which was home to the world's first cochlear implant. This 250-bed facility had 50,986 emergency room visits; 10,781 admissions; and physicians performed 1,359 inpatient surgeries and 3,967 outpatient surgeries in 2016.

Broadway features more than 1.6-million square feet of retail space, anchored by national tenants such as HomeGoods, Walmart, Home Depot, Stop & Shop, and Dick's Sporting Goods. Saugus boasts strong demographics. There are more than 110,000 residents with an average household income greater than \$97,000 in the three-mile radius.

The Broadway corridor is a growing market with several major development projects. The \$90-million Avalon Saugus development will feature 280 residential units and 24,000 square feet of ground floor retail. The \$23-million Essex Landing project will feature a 280-room hotel and 265 residential units. Also within three miles of this asset is the Collins Place mixed-use development, which is a \$250-million project featuring two hotels, three apartment buildings, and two restaurants.

Additional Tenants in the vicinity include: Bank of America, Hooters, Buffalo Wild Wings, Taco Bell, KFC, Rite Aid, Walgreens, Bed, Bath, & Beyond, and many more.



- CVS/pharmacy in Saugus, Massachusetts | 24-Hour Location | 13 Miles North of Boston
- More Than 16 Years Remaining on a Double-Net (NN) Lease | Six, Five-Year Renewal Options With Rent Increases
- Corporate Guaranty | New York Stock Exchange (NYSE): CVS | Standard & Poor (S&P): BBB+ | Number Seven in Fortune 500 (2017)
- Ideally Located Three Miles East of Melrose-Wakefield Hospital | 250-Bed Facility With More Than 10,000 Admissions Annually
- Highly Visible Location Along Broadway | Major Thoroughfare in Saugus | More Than 108,000 Vehicles Per Day
- Dense Retail Corridor | More Than 1.6-Million Square Feet of Retail | Anchored By Strong National Tenants | HomeGoods, Walmart, Home Depot, Stop & Shop, and Dick's Sporting Goods
- Strong Demographics | More Than 110,000 Residents With an Average Household Income Greater Than \$97,000 in Three Miles
- Booming Submarket | Major Redevelopment Projects Along Broadway | More Than \$300-Million in Active Permits Calling for More Than 540 Residential Units, Ground Floor Retail, Restaurants, and a 280-Room Hotel
- Additional Tenants in the Vicinity Include: Bank of America, Hooters, Buffalo Wild Wings, Taco Bell, KFC, Rite Aid, Walgreens, Bed, Bath, & Beyond, and many more.

FINANCIAL OVERVIEW

PRICE	\$11,600,000
CAP RATE	5.43%
NOI	\$629,391
DEBT SERVICE	\$326,648
NET CASH FLOW AFTER DEBT SERVICE	\$302,743
CASH ON CASH RETURN	8.27%
PRICE PER SQUARE FOOT	\$899.22
RENT PER SQUARE FOOT	\$48.79
YEAR BUILT	2008
APPROXIMATE LOT SIZE	1.27 Acres
GROSS LEASEABLE AREA	12,900
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	Corporate Guaranty
LEASE TYPE	Double Net
ROOF AND STRUCTURE	Landlord Responsible



LEASE SUMMARY

LEASE COMMENCEMENT DATE	8/4/2008
LEASE EXPIRATION DATE	8/3/2033
LEASE TERM	25 Years
TERM REMAINING	16 Years
INCREASES	5 Percent-10 Percent in Options*
OPTIONS TO RENEW	Six, Five-Year Options
OPTIONS TO TERMINATE	None
OPTIONS TO PURCHASE	None
FIRST RIGHT OF REFUSAL	None

*10 Percent in first options, 5 Percent in Options Two Through Six

ASSUMABLE LOAN	
LOAN BALANCE	\$7,940,000
MATURITY DATE	2/5/2024
AMORTIZATION	Interest Only
INTEREST RATE	4.11%
PREPAYMENT PENALTY	Defeasance
DOWN PAYMENT/EQUITY REQUIRED (32%)	\$3,660,000



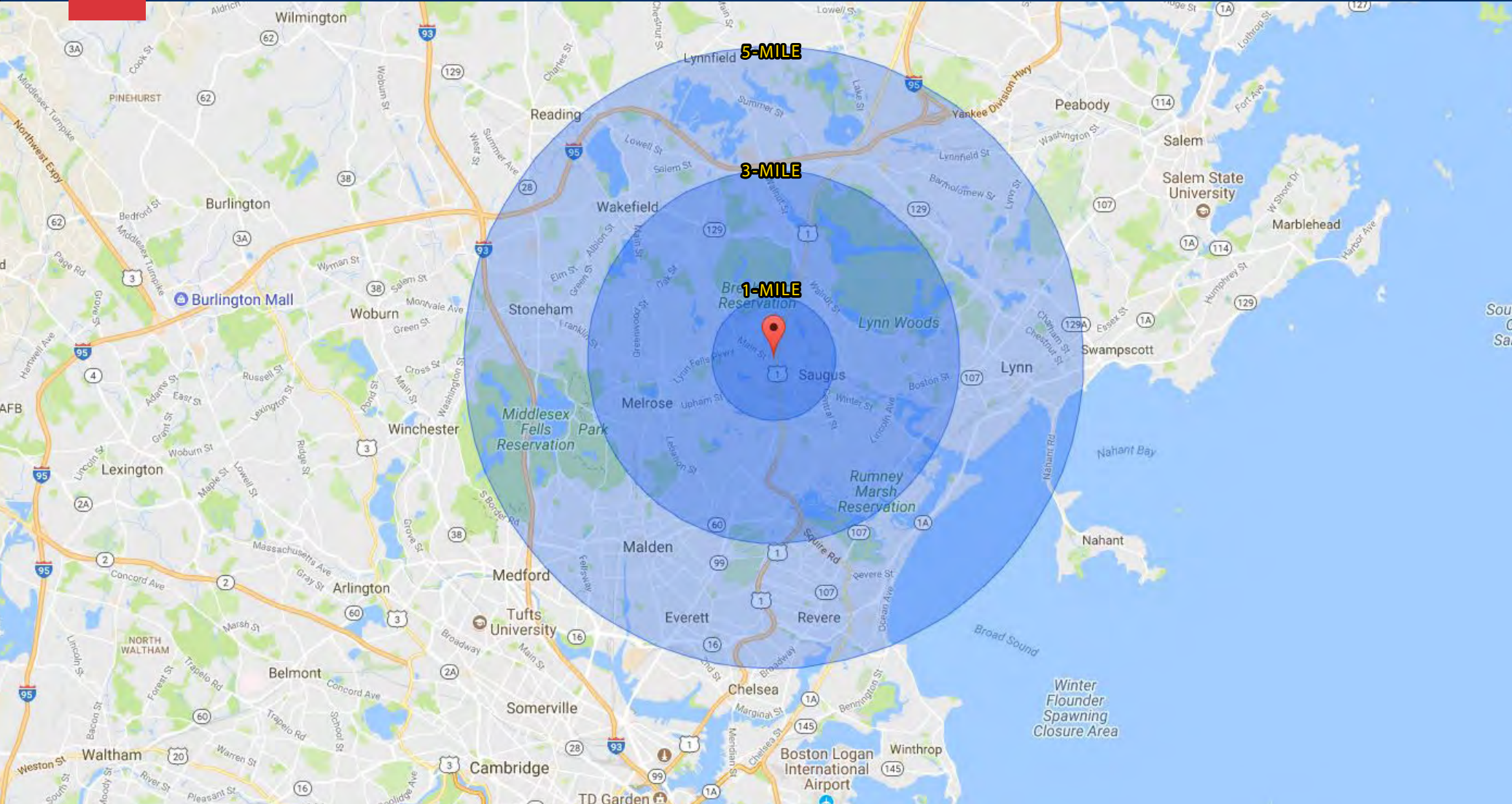
TENANT OVERVIEW - CVS/PHARMACY

CVS Health Corporation, together with its subsidiaries, is a pharmacy innovation company helping people on their path to better health. At the forefront of a changing health care landscape, the Company has an unmatched suite of capabilities and the expertise needed to drive innovations that will help shape the future of health care.

CVS is currently the only integrated pharmacy health care company with the ability to impact consumers, payors, and providers with innovative, channel-agnostic solutions. They have a deep understanding of their diverse needs through their unique integrated model, and are bringing them innovative solutions that help increase access to quality care, deliver better health outcomes and lower overall health care costs.

Through nearly 9,700 retail locations, more than 1,100 walk-in health care clinics, a leading pharmacy benefits manager with nearly 90 million plan members, a dedicated senior pharmacy care business serving more than one million patients per year, expanding specialty pharmacy services and a leading stand-alone Medicare Part D prescription drug plan, CVS enables people, businesses, and communities to manage health in more affordable, effective ways. They are delivering break-through products and services, from advising patients on their medications at their CVS Pharmacy locations, to introducing unique programs to help control costs for their clients at CVS Caremark, to innovating how care is delivered to their patients with complex conditions through CVS Specialty, to improving pharmacy care for the senior community through Omnicare, or by expanding access to high-quality, low-cost care at CVS MinuteClinic.

TENANT PROFILE	
TENANT TRADE NAME	CVS Health
OWNERSHIP	Public
TENANT	Corporate Store
LEASE GUARANTOR	Corporate Guarantee
NUMBER OF LOCATIONS	9,700+
SALES VOLUME	\$177.5 Billion (2016)
NET WORTH	\$36.8 Billion (2016)
CREDIT RATING	BBB+
RATING AGENCY	Standard & Poor (S&P)
RANK	Number 7 in Fortune 500 (June 2017)



	1-Mile	3-Mile	5-Mile
POPULATION			
2000 Population	6,040	100,985	238,066
2010 Population	6,047	111,527	277,027
2017 Population	6,720	115,544	285,221
2022 Population	6,837	116,093	286,245

	1-Mile	3-Mile	5-Mile
HOUSEHOLDS			
2000 Households	1,858	29,674	71,380
2010 Households	1,976	35,719	87,677
2017 Households	2,203	36,950	90,097
2022 Households	2,243	37,113	90,389

	1-Mile	3-Mile	5-Mile
HOUSEHOLD (HH) INCOMES			
2017 Average HH Income	\$71,650	\$59,190	\$57,474
2017 Median HH Income	\$57,477	\$45,419	\$45,552
2017 Per Capita Income	\$23,489	\$18,928	\$18,155

ABOUT SAUGUS

The Town of Saugus, Massachusetts, is a family-friendly, historic neighborhood town located along the North Shore, 13 miles north of Boston. Settled in 1629, Saugus was officially incorporated in 1815. The Saugus Iron Works Site, in operation from 1646-1668, was the first integrated iron works in North America, and is now a National Historic Site. The Saugus Iron Works is located along the Saugus River, an environmental habitat for many species of fish as well as a home for the largest lobster fishing fleet in Massachusetts.

Saugus is home to historic sites, top-tier public services, and a thriving business community. Strong community support, a forward-thinking approach to town government, rich recreational opportunities, affordable choices, and easy access to all the amenities that Boston has to offer – all contribute to making Saugus a town, where businesses flourish and families make their home.

Saugus has been well endowed by nature with its incredible parks, camping grounds and river. The Breakheart Reservation State Park is an excellent place to go fishing, swimming, hiking and biking. One should also visit the Saugus Iron Works National Historic Site where one can see the reconstructed blast furnace, rolling mill, forge and also a restored 17th century building.



MAJOR DEVELOPMENTS UNDERWAY



AVALON SAUGUS

(\$90 M)

Will Feature 280 Residential Units and 24,000 Square Feet of Ground Floor Retail.



ESSEX LANDING

(\$23 M)

Project will Feature a 280-Room Hotel and 265-Residential Units.



COLLINS PLACE

Mixed-Use Development, Which is a \$250 Million Project Featuring Two Hotels, Three Apartment Buildings, and Two Restaurants



CVS/PHARMACY

CVS

SAUGUS, MA

1075 BROADWAY | SAUGUS, MASSACHUSETTS | 01906

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