

Single Tenant NNN Investment Offering | St. Charles, IL



Representative Photo



STATEMENT OF CONFIDENTIALITY & DISCLAIMER

Faris Lee Investments ("FLI") has been engaged as the exclusive financial advisor to the Seller in connection with Seller's solicitation of offers for the purchase of the property known as CVS, City of St. Charles, County of Kane, State of Illinois. Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

No representation or warranty, expressed or implied, is made by the Seller, FLI, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence, including engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property site or used in the construction or maintenance of the building at the Property site.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or FLI or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from FLI or Seller or their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents as legal, tax, or other advice. Prior to submitting an offer, prospective purchasers should consult with their own legal counsel and personal and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.

The information contained herein has been carefully compiled from sources we consider reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date. The proforma revenues and expenses set forth in this brochure do not constitute a representation, warranty, or guaranty of any of the numbers set forth herein or of any economic value attributable to the property or income that may be derived therefrom. Independent estimates of proforma revenues and expenses should be developed before any decision is made on whether to invest in the property.

CVS PHARMACY (ABSOLUTE NNN GROUND LEASE)

1500 LINCOLN HIGHWAY, ST. CHARLES, IL 60174

EXCLUSIVE BROKERS:

Matthew Mousavi
Senior Managing Director
mmousavi@farislee.com
(949) 221-1817
R.E. License No. 01732226

Patrick R. Luther, CCIM
Managing Director
pluther@farislee.com
(949) 221-1834
R.E. License No. 01209944

Joseph Chichester
Director, Trading Desk
jchichester@farislee.com
(949) 221-1813
R.E. License No. 01915138



18301 Von Karman Avenue, Suite 800
Irvine, CA 92612
Phone: (949) 221-1800
Fax: (949) 221-1830
www.farislee.com

Listed in cooperation with IL licensed broker: Joshua Joseph
IL Broker #481.011744

INVESTMENT SUMMARY

PRICING

Pricing:	\$4,750,000
NOI:	\$190,000
Cap Rate:	4.00%

PROPERTY SPECIFICATIONS

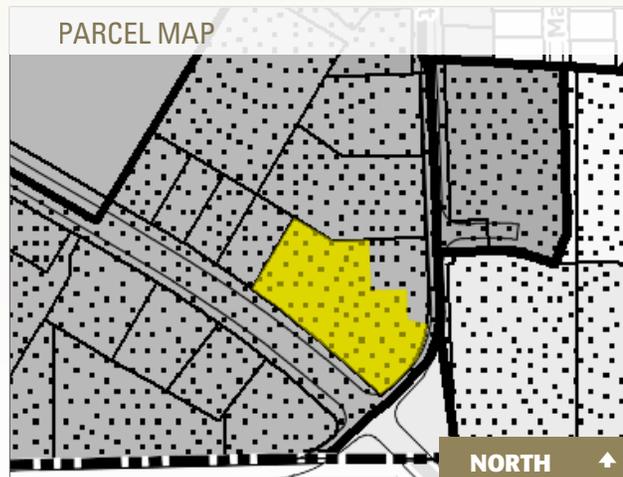
Rentable Area:	13,225 SF
SF Land Area:	2.17 Acres
Property Address:	1500 Lincoln Highway St. Charles, IL 60174
Year Built:	2016
Parcel Number:	0933329054
Ownership:	Leased Fee (Land Ownership)
Guaranty:	Corporate
Tenant:	Highland Park CVS, LLC (dba: CVS Pharmacy)
Credit Rating:	S&P BBB+

INVESTMENT SUMMARY

Faris Lee Investments is pleased to offer for sale the leased fee interest (land ownership) in a corporate guaranteed, freestanding, single tenant, absolute NNN ground leased, CVS Pharmacy with a drive-thru, located in St. Charles, IL. The tenant, CVS Pharmacy (S&P BBB+), has recently executed a brand new 25-year lease, demonstrating long-term commitment to the trade area. The lease features a rare 10% increase during the initial term and 7.50% increases at the beginning of each 5 (5-year) option period, which generates steady NOI growth and hedges against inflation.

LOCATION SUMMARY

The subject property is strategically located at the signalized, hard corner intersection of Lincoln Highway/ State Highway 38 and S. 14th Street (27,500 combined vehicle per day). The subject property is also close to State Highway 64 which is a major east-west corridor with many national tenants creating strong tenant synergy and crossover foot traffic. In addition, the property is located within close proximity to Geneva Commons (437,546 SF), with national/credit tenants including: Forever 21, GAP, Dick's Sporting Goods & H&M. Other nearby national tenants include: Lowe's, Costco, Jo-Ann, DSW & the Fresh Market. Additionally, the property is located in a dense in-fill trade area with more than 104,000 permanent residents and more than 67,500 daytime employees in a 5-mile radius of the subject property. The trade area is also extremely affluent, with an average household income higher than \$101,000 within a 1-mile radius of the subject property.



INVESTMENT HIGHLIGHTS

- » Corporate guaranty by strong national tenant - CVS Pharmacy (NYSE: CVS)
- » Tenant credit rating: S&P BBB+
- » Absolute NNN 25-year corporate ground lease (zero landlord responsibilities)
- » Rare 10% rent increase in initial term and 7.50% increases at the beginning of each 5 (5-year) option period
- » Drive-thru building
- » Dense in-fill trade area with more than 104,000 permanent residents in a 5-mile radius
- » Brand new high quality 2016 construction
- » Extremely affluent trade area with an average household income of more than \$101,000 within a 1-mile radius
- » Large monument signage with excellent street frontage and visibility on main thoroughfare
- » Located at signalized, hard corner intersection of Lincoln Highway and S. 14th St. (27,500 combined vehicles per day)

AERIAL VIEW



Demographics	1 Mile	3 Mile	5 Mile
2015 Estimated Population	11,546	55,830	104,462
2015 Average Household Income	\$101,523	\$113,615	\$123,485
2015 Estimated Total Employees	4,698	44,712	67,597



LOCATION MAP



AERIAL VIEW



NORTH

DEMOGRAPHICS

DESCRIPTION (WWW.REGIS.COM)

	1 MILE	3 MILE	5 MILE	
POPULATION	2015 Estimated Population	11,546	55,830	104,462
	2020 Projected Population	11,598	56,190	105,048
	2010 Census Population	11,590	56,129	104,702
	2000 Census Population	10,255	49,803	87,336
	Projected Annual Growth 2015 to 2020	0.1%	0.1%	0.1%
	Historical Annual Growth 2000 to 2015	0.8%	0.8%	1.3%
	2015 Median Age	40.4	41.1	40.9
HOUSEHOLDS	2015 Estimated Households	4,471	21,470	38,910
	2020 Projected Households	4,629	22,268	40,316
	2010 Census Households	4,329	20,795	37,527
	2000 Census Households	3,744	17,986	30,625
	Projected Annual Growth 2015 to 2020	0.7%	0.7%	0.7%
	Historical Annual Growth 2000 to 2015	1.3%	1.3%	1.8%
RACE AND ETHNICITY	2015 Estimated White	88.7%	90.6%	90.7%
	2015 Estimated Black or African American	2.5%	1.9%	1.9%
	2015 Estimated Asian or Pacific Islander	3.3%	3.1%	3.4%
	2015 Estimated American Indian or Native Alaskan	0.2%	0.1%	0.2%
	2015 Estimated Other Races	5.4%	4.3%	3.8%
	2015 Estimated Hispanic	9.9%	8.6%	7.5%
INCOME	2015 Estimated Average Household Income	\$101,523	\$113,615	\$123,485
	2015 Estimated Median Household Income	\$84,351	\$94,184	\$101,507
	2015 Estimated Per Capita Income	\$39,805	\$44,004	\$46,174
BUSINESS	2015 Estimated Total Businesses	455	3,906	5,904
	2015 Estimated Total Employees	4,698	44,712	67,597
	2015 Estimated Employee Population per Business	10.3	11.4	11.4
	2015 Estimated Residential Population per Business	25.4	14.3	17.7

SITE PLAN



RENT ROLL

Tenant	Size (SF)	Current Monthly Rent	Monthly Rent \$/SF	Current Annual Rent	Annual Rent \$/SF	Rental Increases						CAM Recovery Type	Lease Start	Lease Expires	Lease Options
						Increase Date	Increase	Monthly Rent	Monthly \$/SF	Annual Rent	Annual \$/SF				
CVS <i>(Highland Park CVS, LLC)</i>	13,225	\$15,833	\$1.20	\$190,000	\$14.37	Year 11	10%	\$17,417	\$1.32	\$209,000	\$15.80	Absolute NNN Ground Lease	TBD	25 Years	5 (5-Year) Option 1: \$224,675/Yr Option 2: \$241,526/Yr Option 3: \$259,640/Yr Option 4: \$279,113/Yr Option 5: \$300,047/Yr

TENANT SYNOPSIS



CVS

CVS/pharmacy, the retail division of CVS Health Corp. (formerly CVS Caremark), is America's leading retail pharmacy with more than 7,600 CVS/pharmacy and Longs Drug stores. CVS/pharmacy sells a wide assortment of general merchandise, including over-the-counter drugs, beauty products and cosmetics, photo finishing, seasonal merchandise, greeting cards and convenience items. CVS/pharmacy store brands offer customers trusted and high-quality alternatives to national brands. Many are innovative first-to-market products that fill a gap in the national brands' offerings and meet customers' specific needs and wants, whether in the form of inexpensive but comparable product options, or items with innovative ingredients or packaging that provide specific consumer benefits.

Company Type: Subsidiary

CVS HEALTH

CVS Health is the largest pharmacy health care provider in the U.S and is a pharmacy innovation company helping people on their path to better health. Through their 7,800 retail pharmacies, more than 900 walk-in medical clinics, a leading pharmacy benefits manager with more than 65 million plan members, and expanding specialty pharmacy services, it enables people, businesses and communities to manage health in more affordable, effective ways. This unique integrated model increases access to quality care, delivers better health outcomes, and lowers overall health care costs.

Company Type: Public (NYSE: CVS)

S&P Ranking: BBB+

Fiscal Year End: December

Website: www.cvshealth.com

2014 Employees: 297,800

2014 Revenue: \$139.37 Billion

2014 Net Income: \$4.64 Billion

2014 Assets: \$74.25 Billion

2014 Equity: \$37.96 Billion



TRANSACTION SUMMARY

Financial Information

Price: \$4,750,000

Lease Type: Absolute NNN Ground Lease

Tenant is responsible for taxes, insurance, CAM, roof and structure. Landlord has zero responsibilities.

Property Specifications

Rentable Area: 13,225 SF

Land Area: 2.17 Acres

Year Built: 2016

Address: 1500 Lincoln Hwy
St. Charles, IL 60174

APN: 09-33-329-054

Guaranty: Corporate

Tenant: Highland Park CVS, LLC. (dba: CVS Pharmacy)

Credit Rating: S&P BBB+

Ownership: Ground Lease (Land Only)

Estimated Operating Information

	In-Place
Gross Potential Rent	\$190,000
Plus Recapture	NNN
Effective Gross Income	\$190,000
Less Expenses	(NNN)
Net Operating Income	\$190,000

Cap Rate: 4.00%



Representative Photo



Faris • Lee
INVESTMENTS

www.farislee.com