



# CVS PHARMACY

## Zero Cash Flow Investment

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2000 S. NAPERVILLE RD.  
WHEATON, IL 60189  
DUPAGE COUNTY  
±13,273-SF CVS PHARMACY

**sand capital**

# sand capital

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## PURCHASE PRICE

\$6,550,000

## CURRENT DEBT AMOUNT

\$4,081,350 (FEBRUARY 2024)

## ESTIMATED EQUITY REQUIREMENT

\$2,468,650

## LOAN TERMS

- 3.901% FIXED
- 22-YEAR FULLY AMORTIZING
- INCLUDES PAYDOWN/READVANCE FEATURE

# INVESTMENT OVERVIEW

## HIGHLIGHTS

- **Triple-Net (NNN)**  
Absolutely zero landlord responsibilities. Tenant responsible for all maintenance and repair, including roof and structure.
- **Strong Credit Tenant**  
CVS has investment-grade credit and strong financials. (CVS Health) S&P: BBB; NYSE: CVS
- **Long-Term Lease**  
25-year lease with 10 five-year extensions
- **New Build**  
The portfolio was built in 2016 and 2017.
- **Zero Cash Flow Financing**  
Assumable self-amortizing financing with below-market fixed 3.901% interest rate.
- **Debt Structure**  
Requires limited equity investment and can generate passive losses that work to offset taxable income from other investments.
- **Paydown/Readvance**  
Structure allows for low equity contributions with high long-term return on initial investment and allows withdrawal of money over and above percentage over the debt.





# LEASE ABSTRACT

<b>GUARANTOR</b>	CVS Health Corporation
<b>ADDRESS</b>	2000 S. Naperville Rd. Wheaton, IL 60189
<b>STORE NUMBER</b>	10677
<b>LAND OWNERSHIP</b>	Fee
<b>PROPERTY TYPE</b>	Freestanding Retail
<b>LAND</b>	1.69 Acres
<b>BUILDING SIZE</b>	13,273 Square Feet
<b>YEAR BUILT</b>	2016
<b>ANNUAL RENT</b>	\$347,249
<b>LEASE COMMENCEMENT</b>	September 1, 2017
<b>LEASE EXPIRATION</b>	January 31, 2043

<b>LEASE TERM REMAINING</b>	Approximately 20 years
<b>PRIMARY LEASE TERM</b>	25 years
<b>OPTIONS</b>	10 five-year extensions: 2 fixed rate at 90% current rent 8 variable rate at fair market value
<b>INCREASES</b>	None
<b>LANDLORD RESPONSIBILITIES</b>	None
<b>UTILITIES</b>	Tenant Responsibility
<b>REPAIR AND/OR MAINTENANCE OF ROOF, STRUCTURE, AND PARKING LOT</b>	Tenant Responsibility
<b>TAXES</b>	Tenant Responsibility
<b>INSURANCE</b>	Tenant Responsibility



# LOCATION





# MARKET DEMOGRAPHICS

## WHEATON, IL

1 MILE    3 MILES    5 MILES

### POPULATION

2023	9,316	79,152	229,064
2028	9,174	78,030	227,248

### HOUSEHOLDS

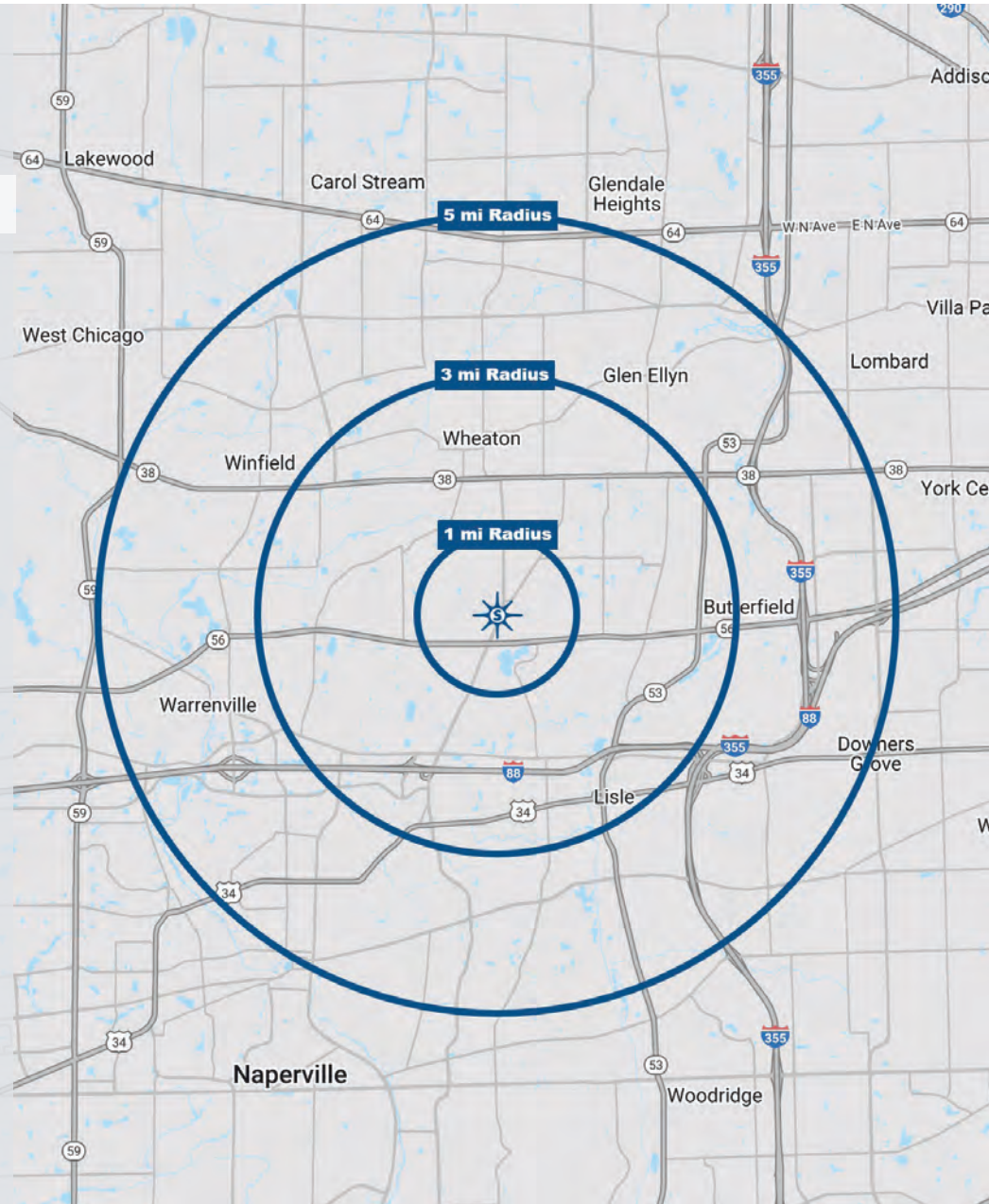
2023	3,674	30,728	90,011
2028	3,638	30,462	89,685

### AVERAGE HOUSEHOLD INCOME

2023	\$202,782	\$169,691	\$171,757
2028	\$225,352	\$186,910	\$188,373

### DAYTIME POPULATION

2023	7,718	81,055	230,522
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CVS HEALTH CORPORATION	
NUMBER OF LOCATIONS	9,967
CREDIT RATING	BBB/Stable (S&P)
STOCK SYMBOL	NYSE: CVS
TOTAL REVENUE	\$292.1 Billion
MARKET CAP	\$136.17 Billion
TENANT BUSINESS	Retail/Pharmacy
HEADQUARTERS	Woonsocket, RI
WEBSITE	cvshealth.com

## CVS HEALTH

**CVS Health Corporation** (NYSE: CVS) operates retail pharmacy and pharmacy benefit management businesses in the United States. The company offers prescription drugs, general merchandise, including over-the-counter drugs, beauty products and cosmetics, seasonal merchandise, greeting cards, convenience foods, and film and photofinishing services.

It sells its products through CVS or CVS Pharmacy retail stores, as well as through online retail website CVS.com. The company also offers pharmacy benefit management services, including mail order pharmacy, specialty pharmacy, plan, design, and administration, formulary management, and claims processing services. As of December 31, 2021, it operated 9,967 retail drugstores and 1,104 health care clinics. The company was formerly known as CVS Caremark Corporation and changed its name to CVS Health Corporation in September 2014. CVS Health Corporation was founded in 1892 and is headquartered in Woonsocket, Rhode Island.

On December 31, 2021, CVS Health Corporation reported total revenue of \$292.1 billion, net income of \$7.89 billion, and a market cap of \$136.17 billion. CVS currently holds a Standard & Poor's credit rating of BBB/Stable.

# TENANT OVERVIEW



# LOAN ABSTRACT

<b>ORIGINAL LOAN BALANCE</b>	\$5,122,779
<b>CURRENT LOAN BALANCE</b>	\$4,081,350 as of February 2024
<b>INTEREST RATE</b>	Fixed at 3.901%
<b>MATURITY</b>	October 10, 2039
<b>LOAN AMORTIZATION</b>	22 year
<b>LOAN TERM</b>	22 years
<b>COLLATERAL</b>	Non-recourse subject to typical carve-outs
<b>ASSUMPTION FEE</b>	Dependent upon purchase structure
<b>PREPAYMENT</b>	Defeasance
<b>PRICE</b>	\$6,550,000
<b>CURRENT EQUITY REQUIREMENT</b>	\$2,468,650

## PAYDOWN/READVANCE

### Paydown/Readvance Example (All Equity Trade)

- Sale Proceeds to Place in 1031 - \$6,550,000
- Purchase Wheaton CVS - \$6,550,000
- Equity Requirement - \$2,468,650
- Loan Balance - \$4,081,350
- Buyer PDRA Costs/Fees - \$64,228
- **Equity Pulled out of Exchange Tax-Free - \$4,017,122**

Buyer has completed exchange, owns a brand-new CVS which is rapidly building equity, and pulled out over \$4MM in equity tax-free!



# PURCHASING A ZERO

ZERO CASH FLOW PURCHASE  
VS. CASH PURCHASE



EXCEPTIONAL OPPORTUNITY TO ACQUIRE NEW CVS ZERO CASH FLOW PROPERTIES  
FROM THE RECENT CVS SALE-LEASEBACK PORTFOLIO

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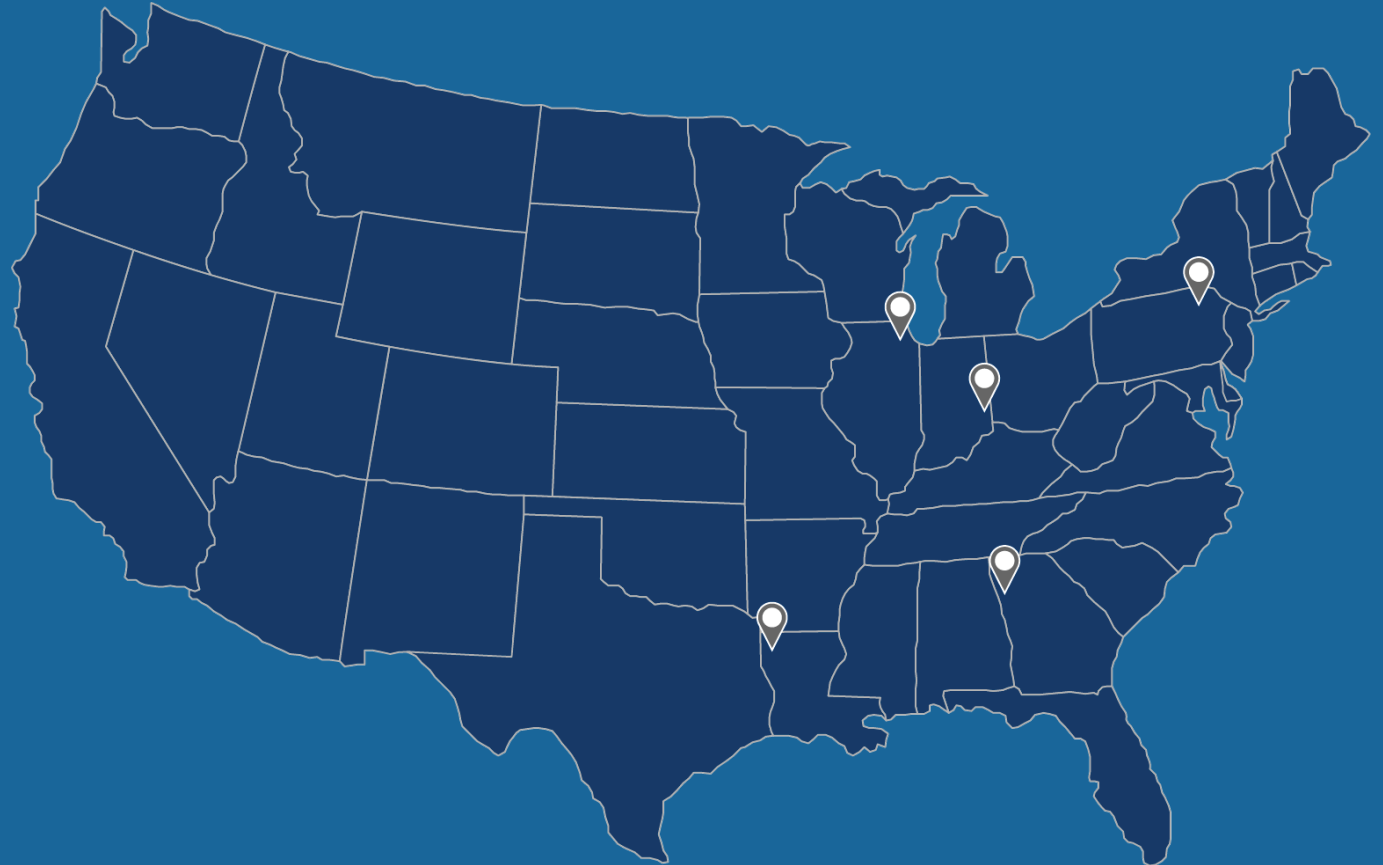
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CVS ZERO CASH FLOW AVAILABLE PROPERTIES LOCATIONS

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