



# CVS PHARMACY

## Zero Cash Flow Investment

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1357 LAKEWOOD RD.  
TOMS RIVER, NJ 08753  
OCEAN COUNTY

NEWLY BUILT ±13,086 SF CVS PHARMACY

**sand capital**

# sand capital

OFFERED EXCLUSIVELY BY

**JAY D. STEIN**

PRESIDENT

E: [jdstein@sandcapital.net](mailto:jdstein@sandcapital.net)

**ANDREW LAU**

DIRECTOR

E: [alau@sandcapital.net](mailto:alau@sandcapital.net)

**MATT STURCKEN**

SENIOR ACQUISITIONS MANAGER

E: [msturcken@sandcapital.net](mailto:msturcken@sandcapital.net)

**JUSTIN ELLER**

SENIOR PORTFOLIO MANAGER

E: [jeller@sandcapital.net](mailto:jeller@sandcapital.net)

**SAND CAPITAL**

5725 N. Scottsdale Rd., Suite C-195

Scottsdale, AZ 85250

P: 480.949.9011

[sandcapital.net](http://sandcapital.net)

Sand Capital | Offering Memorandum | CVS Pharmacy

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## PURCHASE PRICE

\$8,900,000

## CURRENT DEBT AMOUNT

\$5,417,046 (SEPTEMBER 2024)

## ESTIMATED EQUITY

## REQUIREMENT

\$3,482,954

- 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** - 19-year lease with 10 five-year extensions
- **Recent Construction** - 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>	1357 Lakewood Rd., Toms River, NJ 08753
<b>STORE NUMBER</b>	10608
<b>LAND OWNERSHIP</b>	Fee
<b>PROPERTY TYPE</b>	Free-Standing Retail
<b>LAND</b>	1.501 Acres
<b>BUILDING SIZE</b>	13,086 SF
<b>YEAR BUILT</b>	2017
<b>ANNUAL RENT</b>	\$473,750
<b>LEASE COMMENCEMENT</b>	September 27, 2017
<b>LEASE EXPIRATION</b>	January 31, 2043

<b>LEASE TERM REMAINING</b>	Approximately 19 years
<b>PRIMARY LEASE TERM</b>	25 years
<b>OPTIONS</b>	10 five-year: 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 &amp; PARKING LOT</b>	Tenant Responsibility
<b>TAXES</b>	Tenant Responsibility
<b>INSURANCE</b>	Tenant Responsibility

# LOCATION



# MARKET & DEMOGRAPHICS

## TOMS RIVER, NJ

1 MILE      3 MILES      5 MILES

### POPULATION

	1 MILE	3 MILES	5 MILES
2024	5,478	51,968	176,792
2029	5,437	52,498	179,460

### HOUSEHOLDS

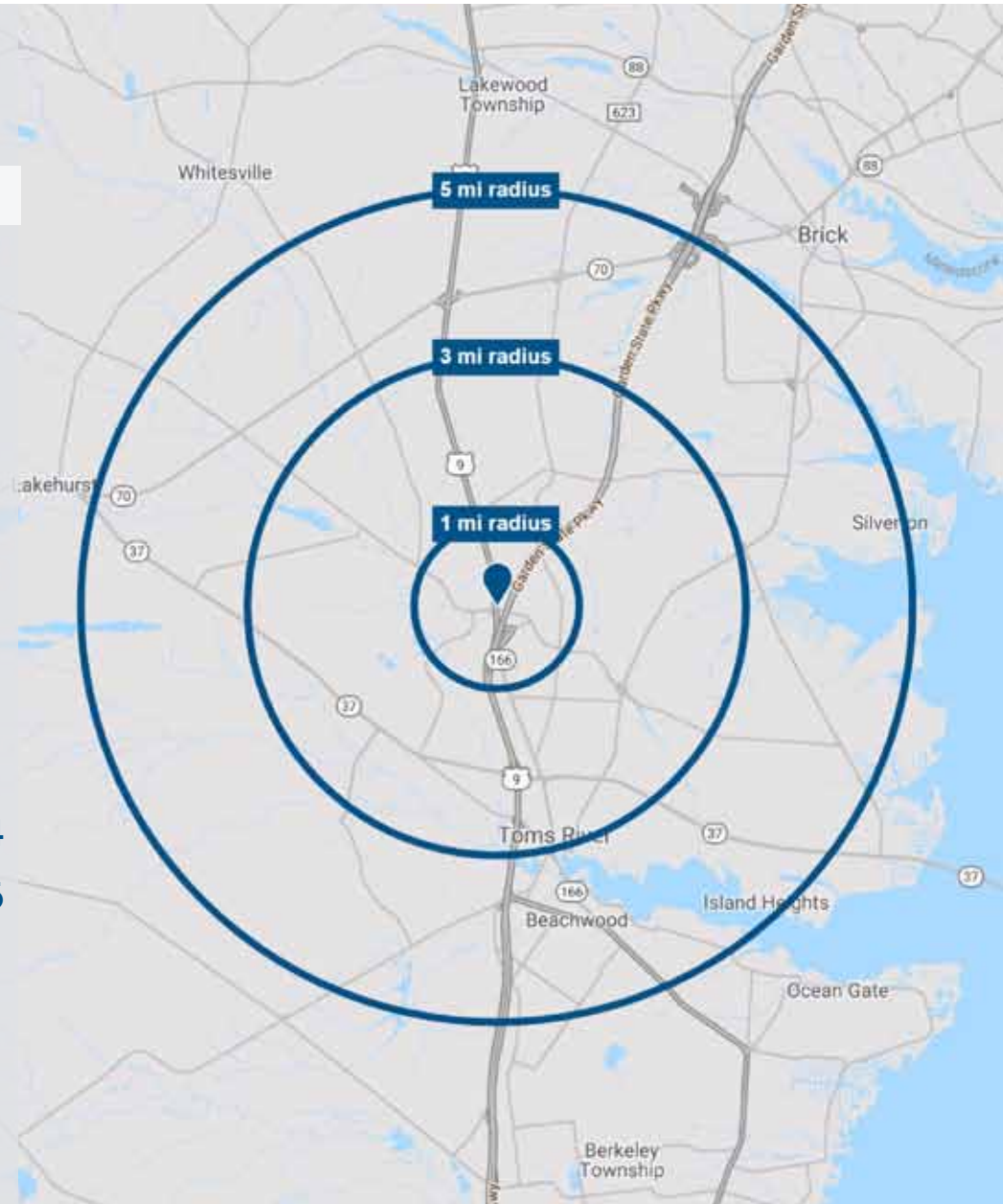
	1 MILE	3 MILES	5 MILES
2024	2,119	20,252	72,911
2029	1,997	19,521	70,572

### AVERAGE HOUSEHOLD INCOME

	1 MILE	3 MILES	5 MILES
2024	\$158,228	\$164,422	\$149,914
2029	\$178,480	\$180,642	\$163,966

### DAYTIME POPULATION

	1 MILE	3 MILES	5 MILES
2024	2,428	40,004	137,943





CVS HEALTH CORPORATION	
NUMBER OF LOCATIONS	9,395
CREDIT RATING	BBB/Stable (S&P)
STOCK SYMBOL	NYSE: CVS
TOTAL REVENUE	\$357.78 Billion
MARKET CAP	\$101.61 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, 2023, it operated 9,395 retail drugstores and 1,204 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, 2023, CVS Health Corporation reported total revenue of \$357.78 billion, net income of \$8.34 billion, and a market cap of \$101.61 billion. CVS currently holds a Standard & Poor's credit rating of BBB/Stable.

# TENANT OVERVIEW



# LOAN ABSTRACT

<b>ORIGINAL LOAN BALANCE</b>	\$6,988,975
<b>CURRENT LOAN BALANCE</b>	\$5,417,046 as of September 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>	Approximately 16 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>	\$8,900,000
<b>CURRENT EQUITY REQUIREMENT</b>	\$3,482,954

## PAYDOWN/READVANCE

### Paydown Readvance Example (All Equity Trade)

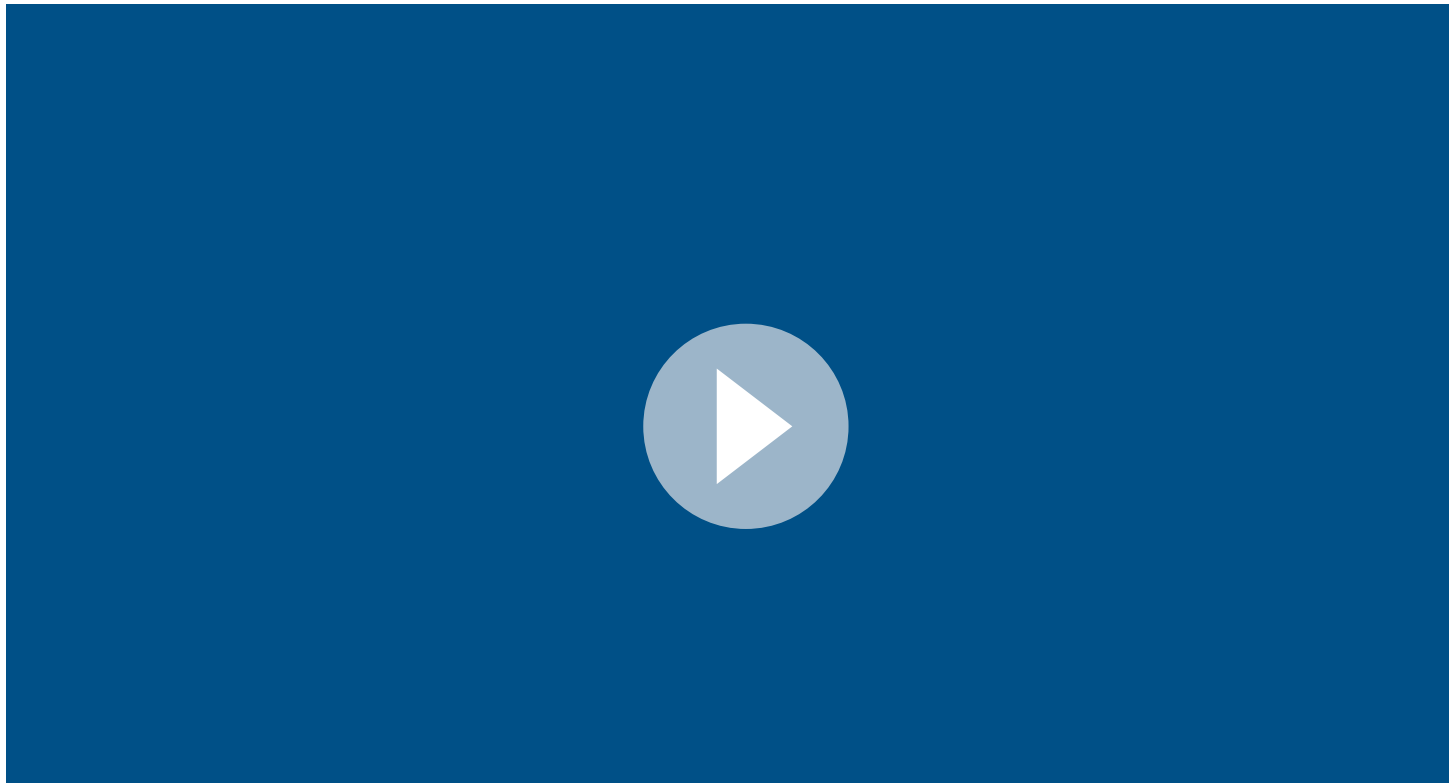
- Sale Proceeds to place in 1031 - \$8,900,000
- Purchase Toms River CVS - \$8,900,000
- Equity Requirement - \$3,482,954
- Loan Balance - \$5,417,046
- Buyer PDRA Costs/Fees - \$260,000
- **Equity Pulled out of Exchange Tax-Free - \$5,157,046**

**Buyer has completed exchange, owns a recently constructed CVS which is rapidly building equity, and pulled out over \$5MM in equity tax-deferred!**



# PURCHASING A ZERO

ZERO CASH FLOW  
PURCHASE VS. CASH PURCHASES



[CLICK HERE TO VIEW ZERO CASH FLOW INVESTMENTS](#)

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

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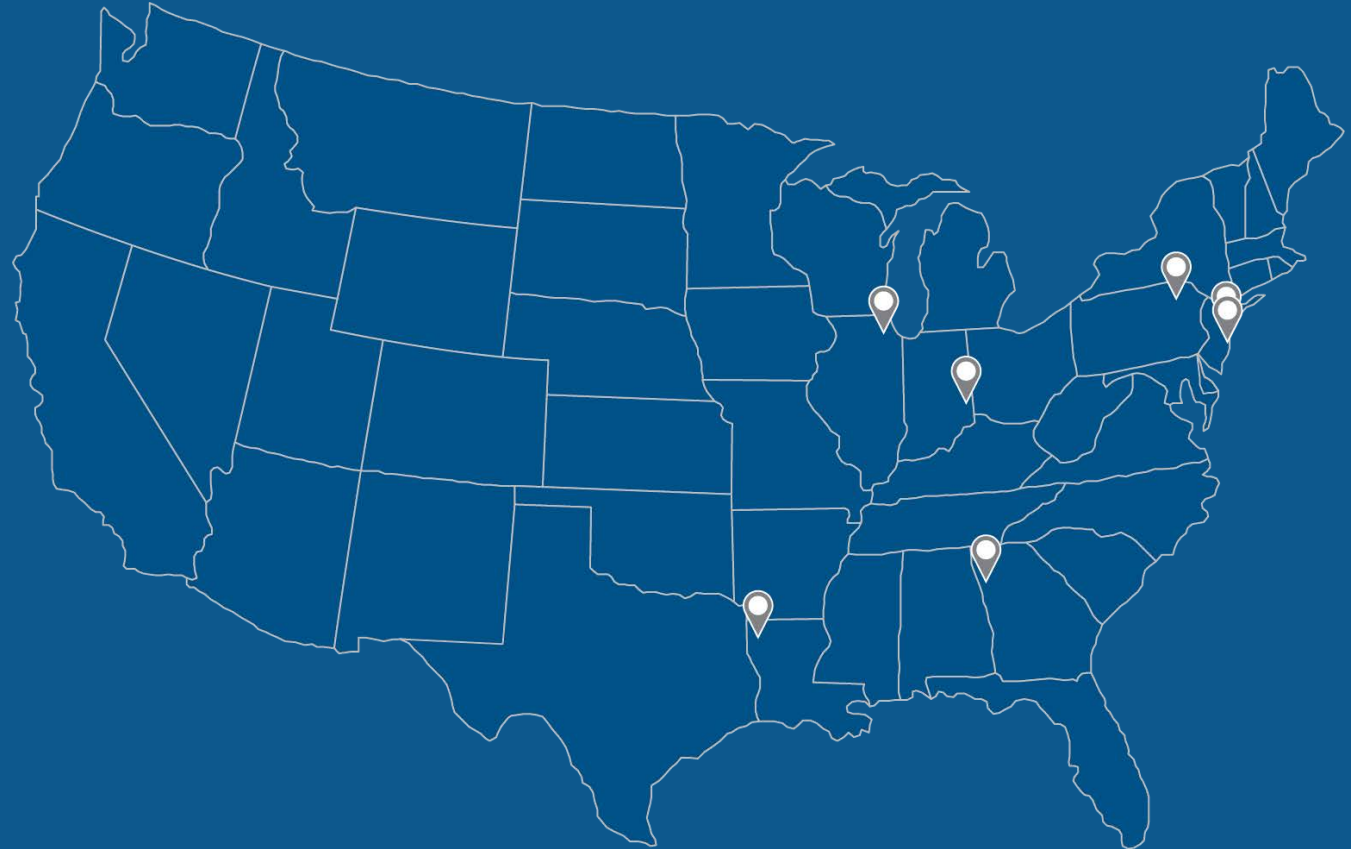
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CVS ZERO CASH FLOW AVAILABLE PROPERTIES LOCATIONS

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