



CVS Pharmacy

Victorville, CA

Long-Term Absolute NNN Lease

Corporate CVS Guarantee

Strategic Location

Near Kaiser Permanente's High Desert Medical



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1

Investment Overview

ICEBERG NET LEASE



ADDRESS

14426 Palmdale Road
Victorville, CA 92393

OFFER PRICE

\$8,612,017

CAP RATE

6%

LEASE TYPE

Absolute NNN

NET OPERATING INCOME

\$516,721

GROSS LEASABLE AREA

13,014 SF

LOT SIZE

1.61 Acres

Investment Highlights

- **Long-Term Lease Assurance**

CVS upholds a 25-year lease through January 2037 with over 12 years remaining, featuring fair market value rental adjustments for sustained competitive returns.

- **Effortless Ownership**

Absolute NNN lease commits CVS to cover all property expenses, ensuring a maintenance-free investment.

- **Robust Tenant Credentials**

CVS, a top-tier health service retailer, trades on the NYSE (CVS) and boasts a BBB credit rating from Standard & Poor's, with revenues surpassing \$266 billion in 2020.

- **Prime Location**

Positioned at a busy, signalized intersection with daily traffic exceeding 43,700 vehicles, near Kaiser Permanente's High Desert Medical Offices and directly opposite the 97,000 sq ft El Evado Plaza, amplifying consumer accessibility and draw.

- **Strong Market Demographics**

The vicinity supports a dense population base with over 89,000 residents within three miles and 176,000 within five miles, fostering robust consumer traffic.



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Lease Summary



PRICE

\$8,612,017

|

CAP RATE

6%

|

YEAR BUILT

2010

PERIOD	ANNUAL BASE RENT	MONTHLY BASE RENT
10/1/2024 - 1/31/2037	\$516,721	\$43,060
Option 1 (5 Years)	\$516,721	\$43,060
Option 2 (5 Years)	\$516,721	\$43,060
Option 3-10 (5 Years)	Fair Market Value	Fair Market Value

LEASE SUMMARY	
Tenant	CVS Pharmacy
Guarantor	Corporate Guarantee
Lease Type	Absolute NNN
Rent Commencement	2/25/2011
Lease Expiration	1/31/2037
Rent Increases	FMV in Options 3-10
Renewal Options	Ten 5-Year Options
Roof & Structure	Tenant Responsibility
Ownership Type	Fee Simple





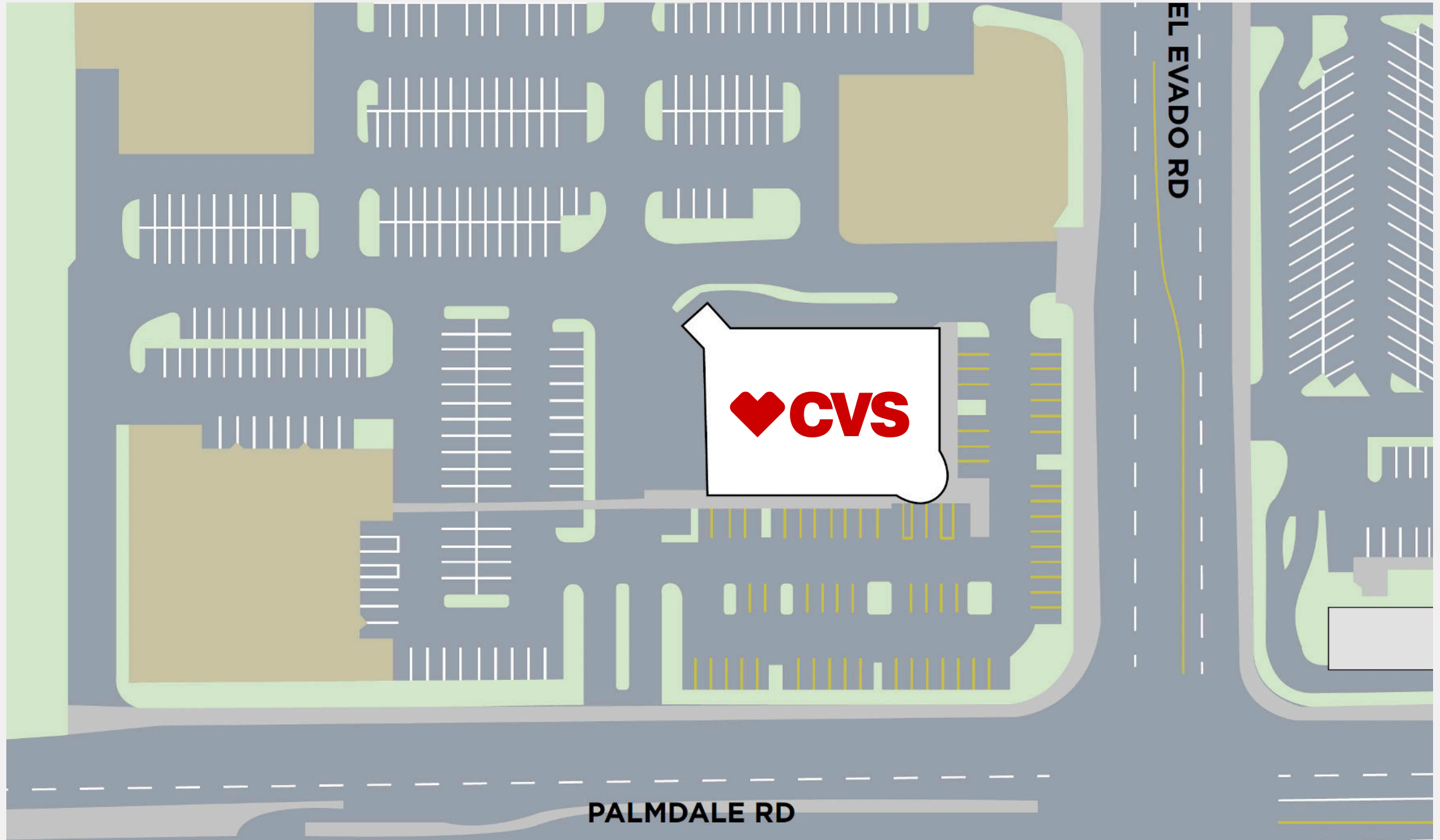
3

Aerials & Property Photos & Site Plan











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Tenant Overview



CVS Pharmacy

CVS Health Corporation (NYSE: CVS; S&P: BBB) is a premier diversified health solutions enterprise that seamlessly integrates offerings across the full spectrum of pharmacy care. As of the first quarter of 2023, CVS Health is esteemed as the sixth-largest company on the Fortune 500 list, boasting an impressive \$330.9 billion in trailing twelve-month (TTM) total revenues. With total assets amounting to \$239.3 billion and a net worth of \$71.6 billion, CVS Health exemplifies financial robustness and market leadership.

Strategic Business Segments

CVS Health operates under four pivotal segments:

Retail/LTC (Long-Term Care): This segment is a cornerstone of CVS's operations, selling prescription drugs alongside a diverse range of merchandise such as over-the-counter drugs, beauty and personal care products, convenience foods, and more. In 2022, this segment filled approximately 1.6 billion prescriptions, accounting for 26.8% of total U.S. retail pharmacy prescriptions. Noteworthy is its expansion via the acquisition of Target Corporation pharmacies in December 2015, enhancing its market footprint.

Pharmacy Services: This segment facilitates comprehensive pharmacy care benefits, underscoring CVS's integral role in healthcare delivery.

Health Care Benefits: Bolstered by the strategic acquisition of Aetna Inc. in November 2018 for an approximate total transaction value of \$78 billion, this segment significantly advances CVS's mission to innovate the consumer healthcare experience.

Corporate / Other: Encompasses CVS's additional business operations and initiatives outside the core groups.

Innovative Care Delivery

CVS Health also pioneers in accessible healthcare through its nearly ubiquitous MinuteClinic retail medical clinics, mostly situated within CVS Pharmacy or Target stores. These clinics, staffed by board-certified nurse practitioners and physician assistants, follow nationally recognized medical protocols to offer diagnostics, chronic condition monitoring, vaccinations, and more, all without the need for an appointment.



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Market Overview



Inland Empire, home to 4,601,000 – up 22,56% since 2010

- Lowest industrial vacancy rate in the US (0.8%), ahead of Los Angeles (2.1%)
- 78% population growth over the last 30 years, twice the rate of California as a whole
- Biggest gain in households from migration nationwide in 2020
- Tied with Phoenix metropolitan area
- San Manuel amphitheatre – largest outdoor amphitheatre in the U.S.

\$76,409

Average household income

\$556,842

Average home value

190M+

Gross domestic product (gdp)

28M

Annual visitors in Ontario mills outlet/mall





#1

San Bernardino County is the largest geographic county in the U.S.

Stater Bros Markets distribution center - largest in U.S.

First zero-emission, hydrogen-powered train in U.S. in 2024

#3

In U.S. major markets for industrial deals (connectcre.com)

In U.S. most industrial space under construction (globest.com)

#9

Ontario international airport is one of the busiest cargo airports in the U.S.

4.7M

Inland Empire 2022 metro population

27,000+

Square miles - includes riverside-San Bernardino-Ontario metro area

13

Major cities included in the Inland Empire

13th

Most populous metro in U.S.

AVERAGE INCOME

\$70,827

POPULATION

176,027

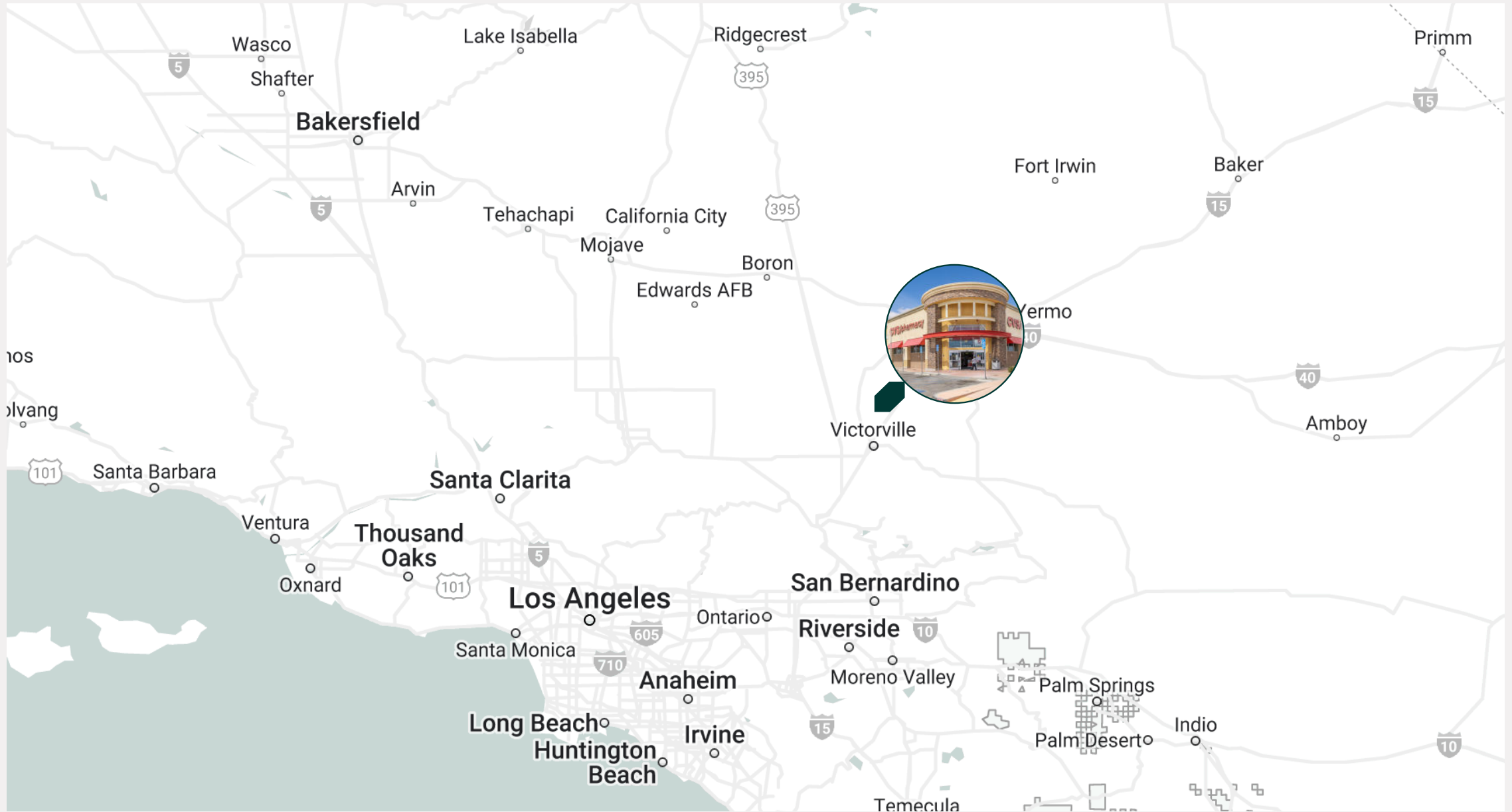
Within a 5-mile radius of the property

2020 Demographics

POPULATION	1 MILE	3 MILES	5 MILES	7 MILES
Total Population	11,170	89,129	176,027	245,185
Median Age	29.0	30.9	31.5	32.3
HOUSING				
Total Housing Units	3,726	28,452	54,470	77,551
Occupied Housing Units	92.0%	93.1%	92.8%	93.0%
Vacant Housing Units	8.0%	7.0%	7.2%	7.0%
INCOME				
Income \$0 - \$49,999	57.8%	46.5%	45.6%	44.7%
Income \$50,000 - \$99,999	29.0%	33.8%	34.0%	33.4%
Income \$100,000 +	13.2%	19.7%	20.4%	21.7%
Average Household Income	\$59,035	\$69,019	\$70,827	\$73,215

2025 Projected Demographics

POPULATION	1 MILE	3 MILES	5 MILES	7 MILES
Total Population	11,532	91,165	181,583	252,625
Median Age	29.8	31.9	32.5	33.3
HOUSING				
Total Housing Units	3,819	29,059	56,325	80,140
Occupied Housing Units	92.0%	93.0%	92.8%	93.1%
Vacant Housing Units	8.0%	7.0%	7.2%	6.9%
INCOME				
Income \$0 - \$49,999	53.2%	41.4%	40.4%	39.7%
Income \$50,000 - \$99,999	28.9%	33.0%	33.2%	32.5%
Income \$100,000 +	17.8%	25.5%	26.4%	27.8%
Average Household Income	\$67,668	\$78,651	\$80,873	\$83,283



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