

# CVS/pharmacy®

3601 12TH ST NORTHEAST | WASHINGTON, DC

OFFERING MEMORANDUM



EXCLUSIVELY OFFERED BY:

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NET LEASE INVESTMENTS



# SOUTHWEST VIEW



# CVS/pharmacy®

## EXECUTIVE SUMMARY

TENANT:	<b>CVS Caremark Corporation</b>
LOCATION:	3601 12th St. Northeast Washington, DC 20017
APN:	3927 0812; 3927 0010
BUILDING SIZE:	11,585± square feet
LAND SIZE:	0.52± acres
YEAR BUILT:	1935/1988
LEASE EXPIRATION:	January 31, 2037
REMAINING TERM:	~17 years
OPTIONS:	One (1) four (4) year options
INCREASES:	10% at option
LEASE TYPE:	NN Lease - New Roof to be installed before Close of Escrow

PRICE	CAP	NOI
<b>\$8,291,666</b>	<b>4.8%</b>	<b>\$398,000</b>



*Actual Property*



# INVESTMENT HIGHLIGHTS

## INVESTMENT GRADE CREDIT TENANT

NYSE: CVS - rated BBB by S&P

## LONG-TERM NET LEASE

Approximately 17 years remaining with only 1 four year option

## LONG-TERM VALUE ADD

Additional adjacent lot can be redeveloped or entitled and sold upon lease expiration

## DENSE INFILL DEMOGRAPHICS

29,651 population in 1 mile radius, 379,322 population within 3 mile radius

## STRONG INCOME AREA

Average Household Income is \$120,482 within 5 mile radius

## HIGH GROWTH MARKET

The population has increased by over 18% since 2010

## PROXIMITY TO HIGH TRAFFIC AREAS

- Within .5 miles of Catholic University of America (6,700 enrollment), Brookland Middle School (1,115), St. Anthony Catholic School and Shining Stars Montessori
- 0.2 miles from Brookland Subway Station
- 1.5 miles from Children's National Hospital & Washington DC VA Medical Center
- Located 4 miles from Downtown Washington DC (National Mall, White House, US Capitol, Capitol Hill, etc.)



Actual Property

# ACTUAL SITE



# NORTHWEST VIEW



# TENANT PROFILE

# CVS/pharmacy®

CVS Health Corporation  
(NYSE: CVS)

<b>S&amp;P CREDIT RATING:</b>	BBB
<b>2018 REVENUE (\$BIL):</b>	\$193.91
<b>2018 NET INCOME (\$BIL):</b>	\$58.54
<b># OF LOCATIONS (2018):</b>	9,900+
<b># OF EMPLOYEES (2018):</b>	295,000+

CVS Health Corporation is a pharmaceutical company primarily engaged in the provision of healthcare solutions through its pharmacies and walk-in clinics. CVS Health rated as the 7th largest company in the world according to the latest iteration of the Fortune 500, and CVS Pharmacy is the second largest retail pharmacy by number of locations – it's more than 9,900 stores trails only Walgreens. The company was also ranked by Fortune as the 39th “Most Admired Company” in the world.

The company's retail pharmacy chain, CVS/pharmacy, generates 75% of its revenue from the pharmacy business and also sells over-the-counter drugs, beauty products, cosmetics, seasonal merchandise, greeting cards, convenience foods, photo finishing and health care services. CVS Caremark's Pharmacy Services division provides comprehensive prescription benefit management services to employers, insurance companies, unions, government employee groups, managed care organizations and other sponsors of health benefit plans and individuals.

In December of 2017 CVS agreed to acquire Aetna for \$69 billion in a deal that would combine the drugstore giant with one of the biggest health insurers in the United States with the potential to reshape the nation's health care industry. Together, the companies touch most of the basic health services that people regularly use, providing an opportunity to benefit consumers. CVS reported most recent annual revenue of \$184.7 billion and has approximately 295,000 employees.

[www.cvs.com/](http://www.cvs.com/)



# BUILDING HISTORY



## CVS/pharmacy®

3601 12th Street NE

ORIGINAL USE:	MOVIE THEATER
YEAR BUILT:	1937
ARCHITECT:	JOHN J. ZINK
STYLE:	ART DECO

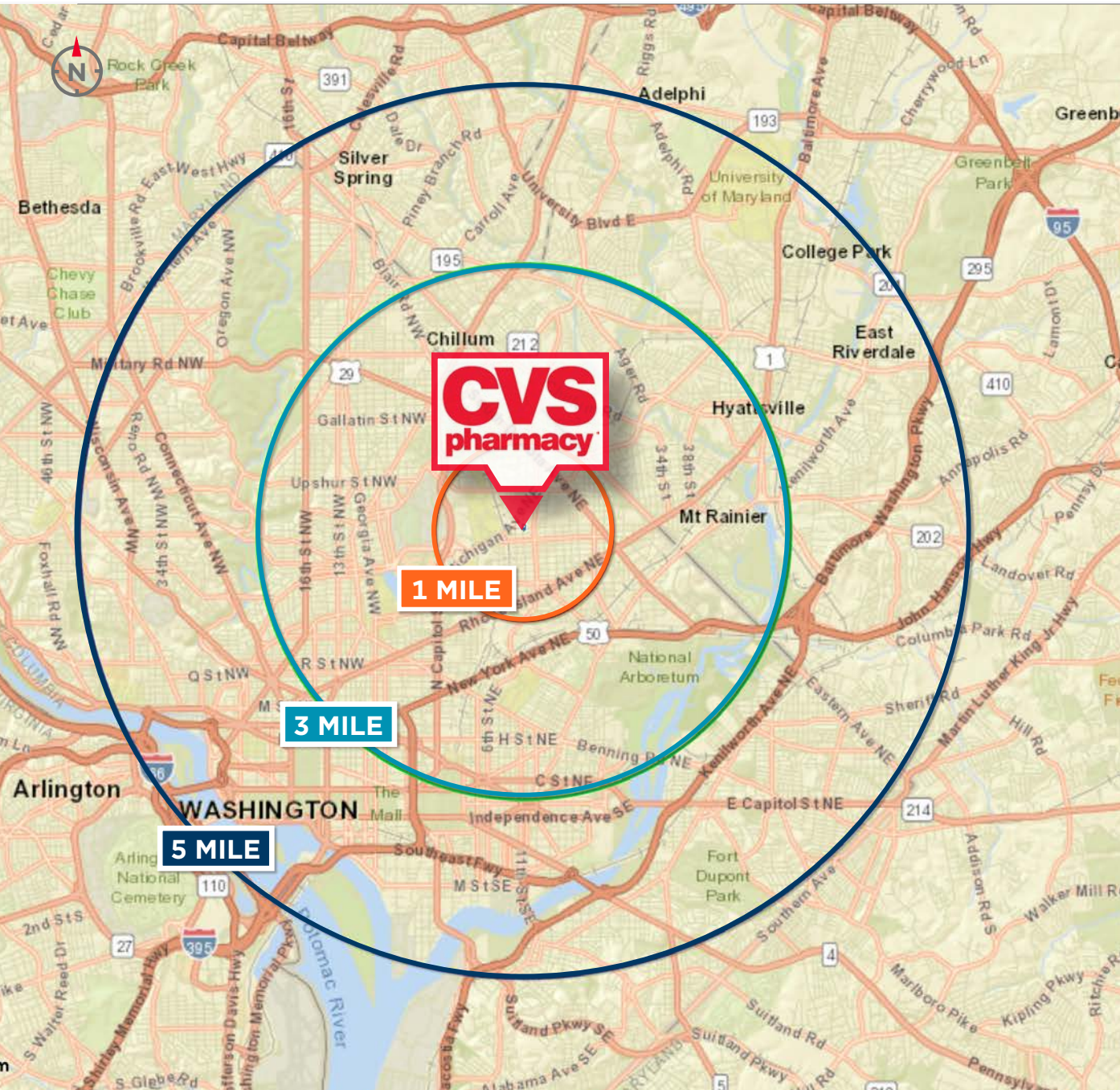
This corner property was originally designed as a movie theater by architect John J. Zink and constructed by Jesse Sherwood in 1937. The two-story structure is in good condition and built of beige brick accented by darker brown brick detailing. These darker bricks are used to create a wonderful entryway as horizontal bands in rounded columns and on the shorter, one-story extension of the entryway. The two-story main structure is accented with the darker brickwork in full height pilasters on the 12th Street side. Particularly lovely are the pink and blue vertical details on the Newton Street side which resemble ribbon candy draping over the roof line and down to the top of which were most likely display windows for the theater. These are now filled in with brown brick.

Art Deco Society of Washington

[adsw.org](http://adsw.org)



# DEMOGRAPHICS - 2019



POPULATION

**379K+**

3 MILE RADIUS



AVERAGE HH INCOME

**\$116K+**

3 MILE RADIUS

POPULATION

1 MILE	3 MILE	5 MILE
29,651	379,322	823,078

AVERAGE HH INCOME

1 MILE	3 MILE	5 MILE
\$97,547	\$116,363	\$120,482

# WASHINGTON, DC

Washington, D.C., formally the District of Columbia and commonly referred to as Washington or D.C., is the capital of the United States. Founded after the American Revolution as the seat of government of the newly independent country, Washington was named after George Washington, the first president of the United States and a Founding Father. As the seat of the United States federal government and several international organizations, Washington is an important global political capital. The city, located on the Potomac River bordering Maryland and Virginia, is one of the most visited cities in the world, with more than 20 million tourists annually.

Washington had an estimated population of 702,455 as of July 2018, making it the 20th most populous city in the United States. Commuters from the surrounding Maryland and Virginia suburbs raise the city's daytime population to more than one million during the workweek. Washington's metropolitan area, the country's sixth largest, had a 2017 estimated population of 6.2 million residents.

Washington is an extraordinary city, one with multiple personalities: a working federal city, an international metropolis, a picturesque tourist destination, an unmatched treasury of the country's history and artifacts, and a cosmopolitan center that retains a neighborly small-town ambience. The role Washington plays as the capital of the United States often overshadows its lively local history and its complex political, economic, and social issues. About half the land in Washington

is owned by the U.S. government, which pays no taxes on it. Several hundred thousand people in the D.C. metropolitan area work for the federal government.

Washington has a growing, diversified economy with an increasing percentage of professional and business service jobs. The District's gross state product in 2018-Q2 was \$141 billion. The Washington Metropolitan Area's gross product was \$435 billion in 2014, making it



*The White House*

# WASHINGTON, DC

the sixth-largest metropolitan economy in the United States. Between 2009 and 2016, GDP per capita in Washington has consistently ranked on the very top among U.S. states. In 2016, at \$160,472, its GDP per capita is almost three times as high as that of Massachusetts, which was ranked second in the nation. As of 2011, the Washington Metropolitan Area had an unemployment rate of 6.2%; the second-lowest rate among the 49 largest metro areas in the nation.

In December 2017, 25% of the employees in Washington, D.C., were employed by a federal governmental agency. This is thought to immunize Washington, D.C., to national economic downturns because the federal government continues operations even during recessions. Many organizations such as law firms, defense contractors, civilian contractors, nonprofit organizations, lobbying firms, trade unions, industry trade groups, and professional associations have their headquarters in or near Washington, D.C., in order to be close to the federal government.

Tourism is Washington's second-largest industry. Approximately 18.9 million visitors contributed an estimated \$4.8 billion to the local economy in 2012. The District also hosts nearly 200 foreign embassies and international organizations such as the World Bank, the International Monetary Fund (IMF), the Organization of American States, the Inter-American Development Bank, and the Pan American Health Organization. In 2008, the foreign

diplomatic corps in Washington employed about 10,000 people and contributed an estimated \$400 million annually to the local economy. In the 2017 Global Financial Centres Index, Washington was ranked as having the 12th most competitive financial center in the world, and fifth most competitive in the United States (after New York City, San Francisco, Chicago, and Boston).



- <https://washington.org/>
- <https://dc.gov/>
- <https://www.britannica.com/place/Washington-DC>
- <https://www.dcchamber.org/>
- <https://www.travelandleisure.com/travel-guide/washington-dc>
- [https://en.wikipedia.org/wiki/Washington,\\_D.C.](https://en.wikipedia.org/wiki/Washington,_D.C.)

# DISCLAIMER

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Cushman & Wakefield has been retained as exclusive advisor to the Seller for the sale of the Capital One parcel (the “Property”), approximately 11,585± square feet on 0.52± acres located at 3601 12th St. Northeast, Washington, DC 20017.

This Offering Memorandum has been prepared by Cushman & Wakefield for use by a limited number of parties and does not purport to provide a necessarily complete summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective investors may need or desire. All projections have been developed by Cushman & Wakefield, the Owner, and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Owner and Cushman & Wakefield, therefore, are subject to variation. No representation is made by Cushman & Wakefield or Owner as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, Owner and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Cushman & Wakefield, Owner, and its employees disclaim any and all liability for representations and warranties, expressed and

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Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective investors.

Owner and Cushman & Wakefield each expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and/or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase of the Property has been fully executed, delivered, and approved by Owner and its legal counsel, and any conditions to Owner’s obligations thereunder have been satisfied or waived. Cushman & Wakefield is not authorized to make any representations or agreements on behalf of Owner.

This Offering Memorandum and the contents, except such information which is a matter

of public record or is provided in sources available to the public (such contents as so limited herein are called the “Contents”), are of a confidential nature. By accepting the package, you agree (i) to hold and treat it in the strictest confidence, (ii) not to photocopy or duplicate it, (iii) not to disclose the package or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Owner or Cushman & Wakefield, (iv) to not use the package or any of the contents in any fashion or manner detrimental to the interest of Owner or Cushman & Wakefield, and (v) to return it to Cushman & Wakefield immediately upon request of Cushman & Wakefield or Owner.

*The information contained herein has been obtained from the owner of the property or from other sources we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it.*

**If you have no further interest in the Property, please return this Investment Offering Memorandum forthwith.**

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