



OFFERING MEMORANDUM

CVS PHARMACY (ZERO CASH FLOW)

Bethany Beach, Delaware

LEASEHOLD INTEREST

AFFLUENT DEMOGRAPHICS

100% DEPRECIATION

ABSOLUTE NET LEASE



OFFERED EXCLUSIVELY BY

INVESTMENT SALES

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THE OFFERING

Northmarq is pleased to offer for sale to qualified investors the opportunity to acquire the leasehold interest in a single-tenant CVS Pharmacy location in Bethany Beach, Delaware (the "Property"). CVS Pharmacy is operating under a 25-year base lease term that expires on October 31, 2035, with two 5-year fixed rate renewal options, and three 5-year FMV renewal options. The absolute net lease structure provides for a passive, secure investment with no responsibilities for the Landlord.

The Property consists of a one-story, +/-13,300-square-foot CVS Pharmacy situated on +/-1.26 acres that was built-to-suit in 2010 to the Tenant's specifications. It is situated between S. Pennsylvania Avenue and Delaware Route 1 (Coastal Highway), the main north-south road in Bethany Beach, and features multiple ingress/egress points on both roads. The Property is adjacent to the Sea Colony Community which consists of more than 2,200 condominiums, townhomes and private single-family homes. Bethany Beach is a coastal town popular with tourists, and is known for its wide, boardwalk-backed beach, calm waters, and quaint atmosphere. Located immediately north of town is Delaware Seashore State Park, a barrier island with miles of beaches between Rehoboth and Indian River bays and the Atlantic Ocean, and just a few miles south is Fenwick Island State Park which offers three miles of ocean beaches along with access to the Little Assawoman Bay.

The lease is guaranteed by CVS Health Corp. (NYSE: CVS). As of December 31, 2024, CVS operated more than 9,000 locations in the U.S. and employed approximately 300,000 employees across all 50 states, Washington D.C., and Puerto Rico, generating over \$372 billion in total revenue. The company is listed in Forbes Magazine as one of the world's most valuable brands and ranks number 6 on the Fortune 500 list. CVS Health has an investment grade credit rating by all major rating agencies, including a BBB rating with a stable outlook from Standard & Poor's Rating Services.

\$1,585,915

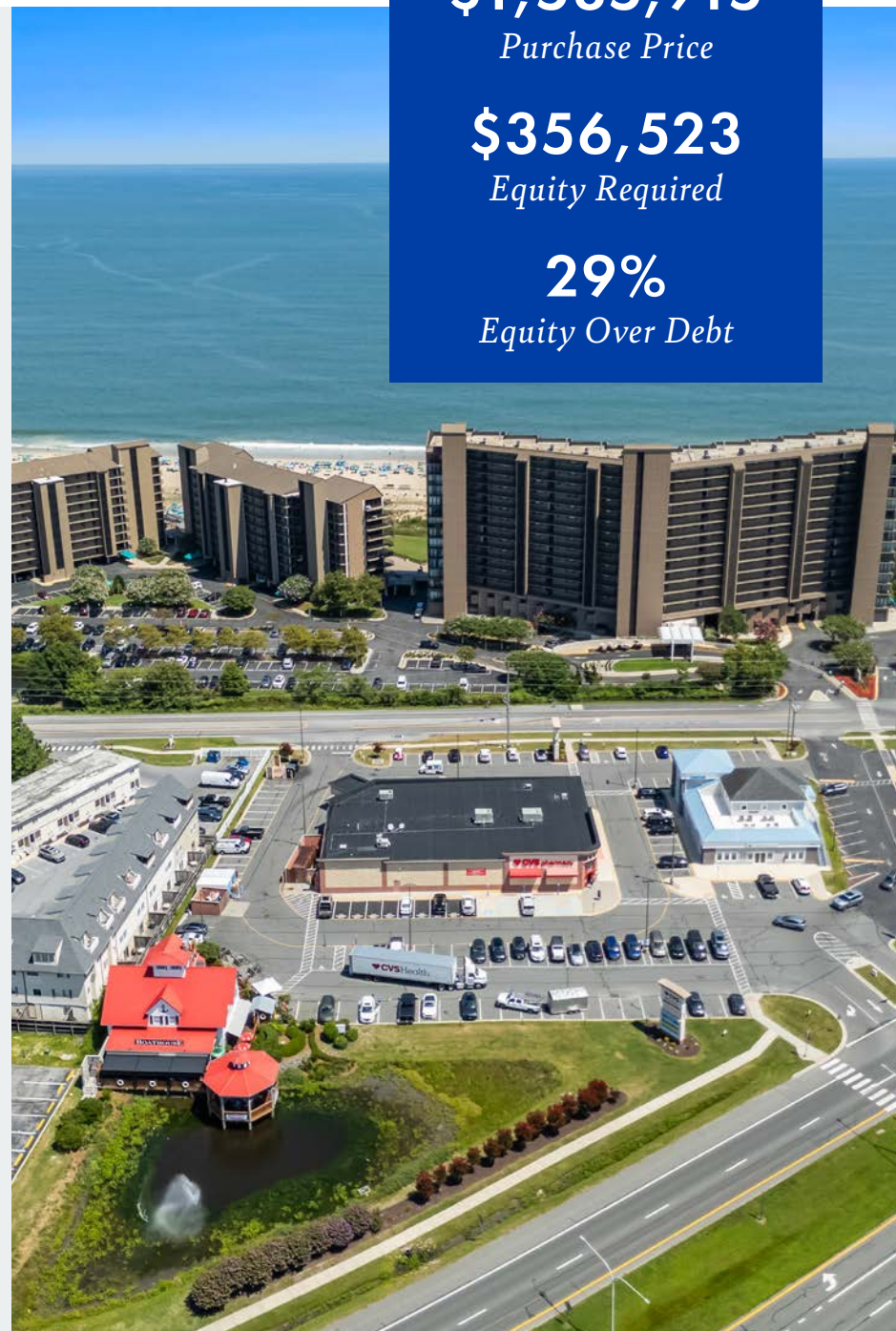
Purchase Price

\$356,523

Equity Required

29%

Equity Over Debt





Dominant Pharmacy Brand
8x Value of Walgreens



Absolute NNN Lease
No Landlord Responsibilities



5-Mile Demographics
\$124K+ AHHI & 24K Residents



Strategic Location
33K VPD in Tourist Community



100% Depreciation
Leasehold Position

INVESTMENT HIGHLIGHTS

Dominant Retail Pharmacy Brand – CVS Pharmacy is the dominant retail pharmacy with a 27% share of the prescription drug market in the U.S. in 2024, and 34% of the pharmacy benefit manager (PBM) market. The company also has a market capitalization of \$80 billion which is 8x the value of Walgreens. CVS stands alone as the preeminent brand within the pharmacy industry, distancing itself from all other competitors both as an organization and as a net lease tenant.

Investment Grade Guaranty – CVS Health Corporation (NYSE: CVS) is the largest pharmacy health care provider in the U.S. with more than 9,000 locations. The company reported FY2024 revenue of \$372B+ and currently holds an investment grade rating of BBB/Stable from Standard and Poor's.

Strategic Location – The Property is located between S. Pennsylvania Avenue and Delaware Route 1 (Coastal Highway), the main north-south road in Bethany Beach, with visibility to over 33,000 VPD and multiple ingress/egress points on both roads. Adjacent to the Property is the Sea Colony Community with more than 2,200 condominiums, townhomes and private single-family homes, a premier racquet sports center, multiple pools, and a private beach. In addition, the Property is surrounded by numerous hotels and retailers.

Minimal Competition – The Property benefits from minimal competition as the only national retail pharmacy located in Bethany Beach.

Absolute Net Lease – The absolute net lease structure provides a passive ownership for a prospective investor with no Landlord responsibilities.

Affluent Demographics – There are nearly 24,000 residents with an average household income in excess of \$124,000 within a 5-mile radius of the Property.

Drive-Thru Pharmacy – The Property features a drive-thru, proving to be a significant advantage over other CVS and pharmacy stores without the same attribute.

Zero Cash Flow Structure with Paydown/Readvance – The Property features non-recourse, zero cash flow structured financing that is readily assumable. The structure is ideal for tax-deferred 1031/1033 exchange buyers or non-exchange buyers seeking passive losses that may be used to offset income from other real estate investments. The paydown/readvance feature is available, allowing a 1031 buyer to exactly match the debt and equity requirements of the exchange.

100% Depreciation Benefits – The leasehold position enables the investor to realize full depreciation of the investment.

LEASE ABSTRACT

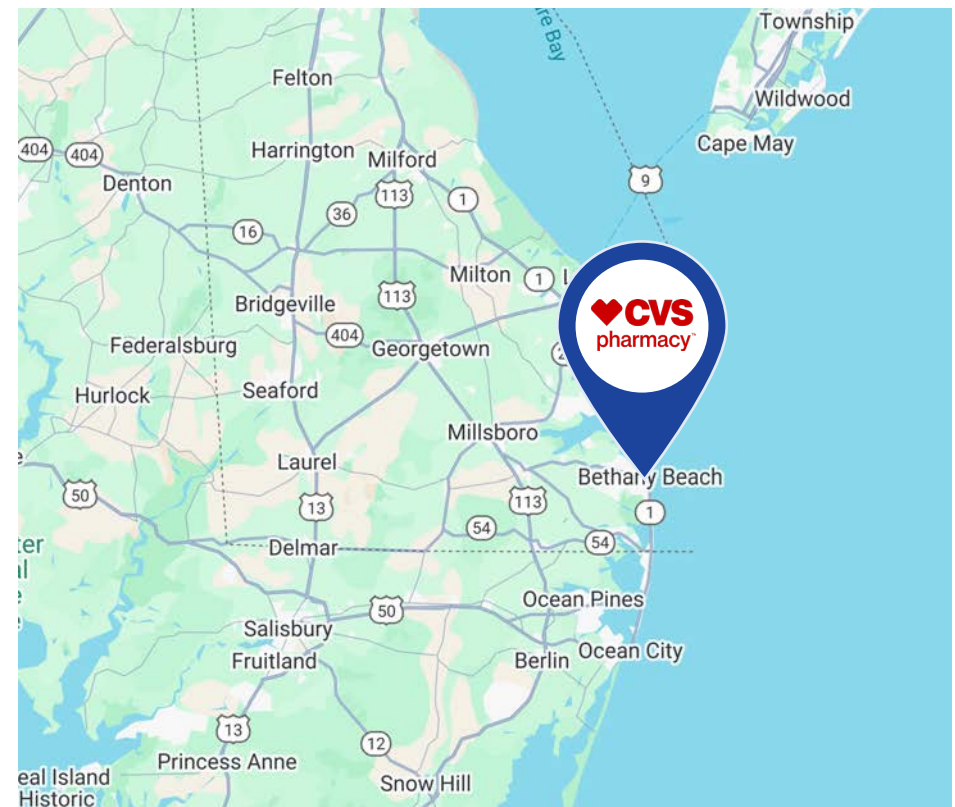
39820 HICKMAN PLAZA ROAD, BETHANY BEACH, DE	
Tenant/Guarantor	CVS Health Corporation
Ownership Interest	Leasehold
Store Number	4710
Building Size	+/-13,300 SF
Year Built	2010
Land Area	1.26 acres
Current Term Expiration	October 31, 2035
Term Remaining	9.7 years
Current Annual Rent	\$232,385 (\$17.47/SF)
Fixed Rate Renewal Rent	\$209,146 (\$15.73/SF)
Renewal Options	One (1) Fixed Rate Renewal Option at five (5) years and three (3) months; One (1) Fixed Rate Renewal Option at five (5) years; Three (3) FMV Renewal Options at five (5) years each
Lease Type	Absolute NNN
Store Features	Drive-thru
Rent Holiday	Tenant has a rent holiday in the final 36 months of the Primary Term

GROUND LEASE TERMS

Primary Term	25 years
Primary Term Expiration	January 31, 2036
Term Remaining	9.9 years
Annual Rent	\$325,000 - Paid directly by CVS to ground owner
Renewal Options	Five (5) Renewal Options at five (5) years each
Option Rent Increases	10% at the beginning of each option
Lease Type	Absolute NNN

LOAN ABSTRACT

First Mortgage Loan Balance	\$1,229,391 as of 4/1/26
Interest Rate	6.83%
Loan Maturity Date	October 10, 2032
Term/Amortization	22 years
Annual Debt Service	\$232,385
Balloon Balance	\$0
Recourse	Financing is non-recourse to the borrower
Paydown Readvance	Available



TENANT OVERVIEW

CVS Health Corporation (NYSE: CVS) is a leading health solutions company, reaching people and improving the health of communities across America through a local presence, digital channels and over 300,000 dedicated colleagues – including more than 40,000 physicians, pharmacists, nurses and nurse practitioners. Whether it’s managing chronic diseases, staying compliant with medications or accessing affordable health and wellness services in the most convenient ways, CVS Health helps people navigate the healthcare system by improving access, lowering costs and being a trusted partner for every meaningful moment of health.

The Company has 9,000 retail locations, approximately 1,000 walk-in medical clinics, a leading pharmacy benefits manager, a dedicated senior pharmacy care business, and expanding specialty pharmacy. CVS Health also serves millions of people through traditional, voluntary and consumer-directed health insurance products, including rapidly expanding Medicare Advantage offerings and a leading standalone Medicare Part D prescription drug plan.

In 2023, CVS Pharmacy announced CVS CostVantage, a new approach that will define the drug cost and related reimbursement with contracted pharmacy benefit managers (PBMs) and payors, using a transparent formula built on the cost of the drug, a set markup, and a fee that reflects the care and value of services. Also in 2023, CVS Caremark introduced TrueCost, a model innovation that offers client pricing reflecting the true net cost of prescription drugs, with visibility into fees. Both plans are expected to launch in 2025. These changes will help ensure CVS Pharmacy locations continue to be a critical touchpoint for consumers to access affordable healthcare in their communities.

85% of the U.S. Population Lives Within 10 Miles of a CVS Location

9K CVS PHARMACY LOCATIONS	#6 ON FORTUNE 500 LIST	300K COLLEAGUES IN 50 STATES
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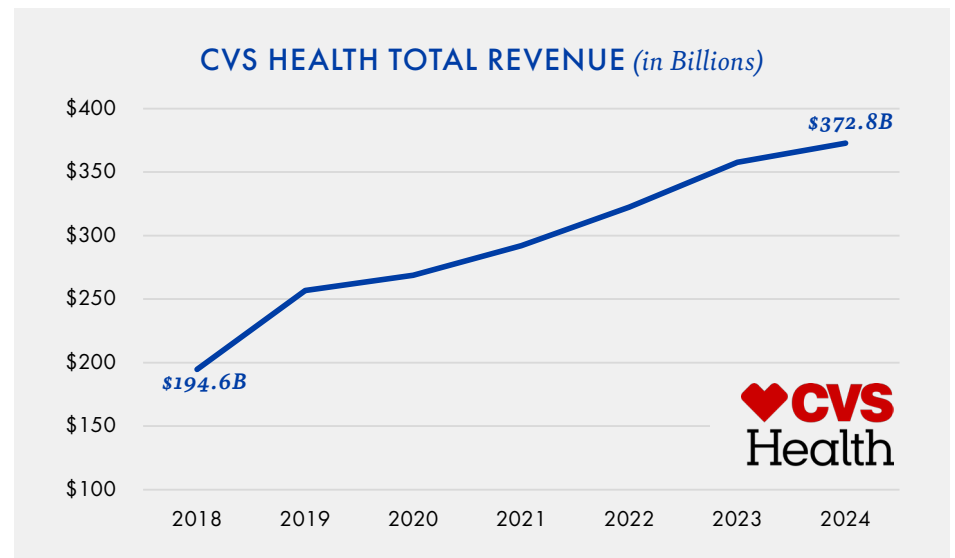
CVS HEALTH CORPORATION

**as of 12/31/24*

No. of Locations	9,000
Credit Rating	BBB/Stable (S&P)
Stock Symbol	NYSE: CVS
Total Revenue	\$372.8 Billion (Roughly 39% Increase Since 2020)
Net Worth	\$75.6 Billion
Headquarters	Woonsocket, RI
Website/Source	www.cvshealth.com

In the News: CVS Stock is Rising. A Wall Street Upgrade Helps Keep the Momentum Going.

Aug 14, 2025 - Analysts at Baird upgraded the stock to Outperform from Neutral ... the company has been an unexpected stock market darling in 2025. [Read More >>](#)



LOCATION OVERVIEW

Bethany Beach is a small coastal town in Sussex County, Delaware known for its wide, boardwalk-backed beach, calm waters, and quaint, homey atmosphere. Contributing to Bethany Beach's reputation as a "quiet" resort destination is the presence of Delaware Seashore State Park immediately to the north of the town, a barrier island with miles of beaches between Rehoboth and Indian River bays and the Atlantic Ocean. Just a few miles to the south, Fenwick Island State Park offers three miles of ocean beaches along with access to the Little Assawoman Bay.

Bethany Beach is home to an array of activities, including the Bethany Boardwalk with shopping and dining options; Big Chill Beach Club; Bethany Surf Shop; Coastal Kayak for kayaking tours or paddleboard rentals; and Freeman Arts Pavilion, showcasing open-air music, dance and theater.

The main north-south road in Bethany Beach is Delaware Route 1 (Coastal Highway), which runs right by the subject property. This route runs north along the coast through Delaware Seashore State Park, crossing the Indian River Inlet toward Rehoboth Beach, and south along the coast toward Ocean City, Maryland. The main east-west road in Bethany Beach is Delaware Route 26 (Garfield Parkway), which provides access from inland towns to the west such as Ocean View, Millville, and Dagsboro.



The Delaware tourism industry is the 4th largest private employer in the state, accounting for 55,240 jobs and contributing roughly \$4.7 billion to the state's GDP.

SEA COLONY COMMUNITY

Consisting of more than 2,200 condominiums, townhomes and private single family homes, the Sea Colony community in Bethany Beach, Delaware offers an unparalleled array of amenities. Lush landscaping, biking trails, playgrounds, picnic areas and family events make it an oasis of tranquility. In addition to being located right on the beach, Sea Colony is also just minutes to championship golf, tax-free shopping, water sports, family amusement, and so much more.

Known as "The Premier Beach and Racquet Sports Community," the Sea Colony Racquet Sports Center is the hub of tennis and pickleball at the beach. Recognized as a USTA Middle States Premier Provider, Sea Colony is celebrated as one of the global top 10 Tennis and Pickleball Communities by Tennis Resorts Online. Accolades include being a Gold Medal Tennis Community, the #1 Pickleball Resort, #2 for Best Tennis Staff, #3 for Best Tennis Programming, #3 for Best Resort Junior Tennis Programs, and #3 in Tennis Camps.



SURROUNDING AREA



IMMEDIATE AREA



DEMOGRAPHICS



\$124,187
5-MILE AVG HH INCOME



23,865
5-MILE POPULATION



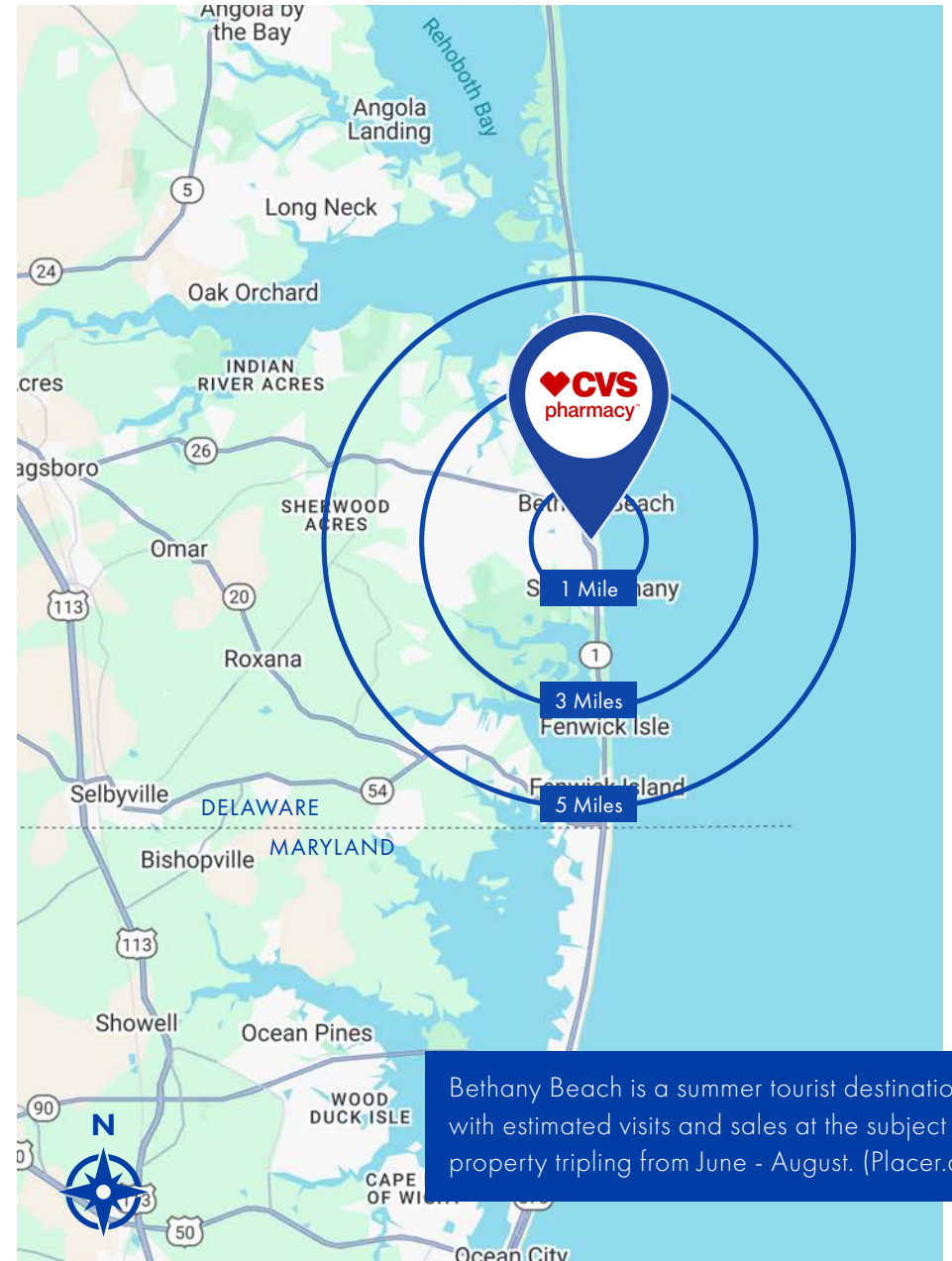
Population	1 Mile	3 Miles	5 Miles
2025 Population	1,533	8,745	23,865
2030 Population	1,639	9,622	26,312
2025-2030 Annual Growth	1.35%	1.93%	1.97%



Households	1 Mile	3 Miles	5 Miles
2025 Households	782	4,425	12,043
2030 Households	841	4,896	13,363
2025-2030 Annual Growth	1.47%	2.04%	2.10%



Household Income	1 Mile	3 Miles	5 Miles
2025 Average HH Income	\$155,489	\$124,951	\$124,187
2025 Median HH Income	\$102,846	\$84,834	\$84,334



Source: Esri

SUBJECT PROPERTY PHOTOS



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