



4106 FORT HENRY DRIVE
Kingsport, TN 37663

**Retail
Investment Opportunity**
Offering Memorandum



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EXCLUSIVELY LISTED BY



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PROPERTY OVERVIEW

CVS

4106 Fort Henry Drive, Kingsport, TN 37663



INVESTMENT HIGHLIGHTS

Property Highlights

- **Strong Foot Traffic Ranking** – This location ranks in the 81st percentile for foot traffic statewide (top 24 of 121 Tennessee stores) and is the #2 most visited CVS in Kingsport, demonstrating strong in-store performance and long-term operational relevance.
- **Long-Term Lease Extension** – CVS has operated at this site since 2000 and reaffirmed its commitment with a 20-year lease extension in 2017, highlighting confidence in the location's performance.
- **Rental Escalations** – The lease includes 3% rent increases every five years during option periods, providing consistent income growth and a built-in hedge against inflation.
- **Integrated Healthcare Location** – Strategically located within a healthcare-focused trade area, directly across from Brookdale Colonial Heights (60 beds) and approximately 1.5 miles from Brookdale Rock Springs (70 beds), supporting steady prescription demand driven by nearby senior populations.
- **Income Tax-Free State** – Tennessee is one of only nine states with no state income tax, offering a favorable investment environment and enhanced after-tax returns.
- **High-Visibility Location** – Positioned at a signalized intersection with exposure to over $\pm 31,000$ vehicles per day, the property benefits from strong visibility and consistent consumer traffic.
- **Long-Term Lease** – Approximately 11 years remain on the base lease term, in addition to multiple renewal options, ensuring predictable and durable cash flow.
- **Investment-Grade Credit Tenant** – The lease is guaranteed by CVS Health Corporation, a Fortune 500 company ranked #6, with an S&P credit rating of BBB and an approximate \$96 billion market capitalization, providing strong credit backing and defensive stability.



NATIONAL

70TH
Percentile Rank
(2,353/7859 Locations)

STATE

81ST
Percentile Rank
(24/121 Locations)

CITY

75TH
Percentile Rank
(2/4 Locations)

The CVS Pharmacy is a highly productive, convenience-driven retail anchor that ranks strongly across national, state, and local benchmarks for consumer traffic and performance. Positioned within the ~70th percentile nationally, 81st percentile within Tennessee, and approximately the 75th percentile locally, this location demonstrates above-average consumer pull and consistent visitation patterns. As a leading provider of pharmacy services, health essentials, and daily-needs retail, CVS generates steady, repeat trips driven by prescriptions, wellness visits, and convenience shopping. With over 21,500 annual visits and a top-tier ranking among CVS locations in the region, the site benefits from reliable foot traffic and a strong base of habitual customers. Strategically positioned along a primary retail corridor in Kingsport, the property offers excellent visibility and accessibility, capturing both destination-oriented pharmacy visits and convenient drive-by traffic.





ingles

McDonald's **TACO BELL**

Super 8

U-HAUL

Raffaello's

Tri-Cities Christian Academy
±450 Students

DOLLAR GENERAL

WASH N' ROLL

Brookdale Colonial Heights
±60 Beds

Hardee's

6

Citizens

DUNKIN'

Pal's
GOLDEN SERVICE

MARATHON

verizon **SUBWAY** **Little Caesars**

FAIRWAY HOME
MORTGAGE

REGIONS

Advance Auto Parts

Fort Henry ±25,600 VPD

CVS pharmacy
Subject Property

Brookdale Rock Springs
±60 Beds

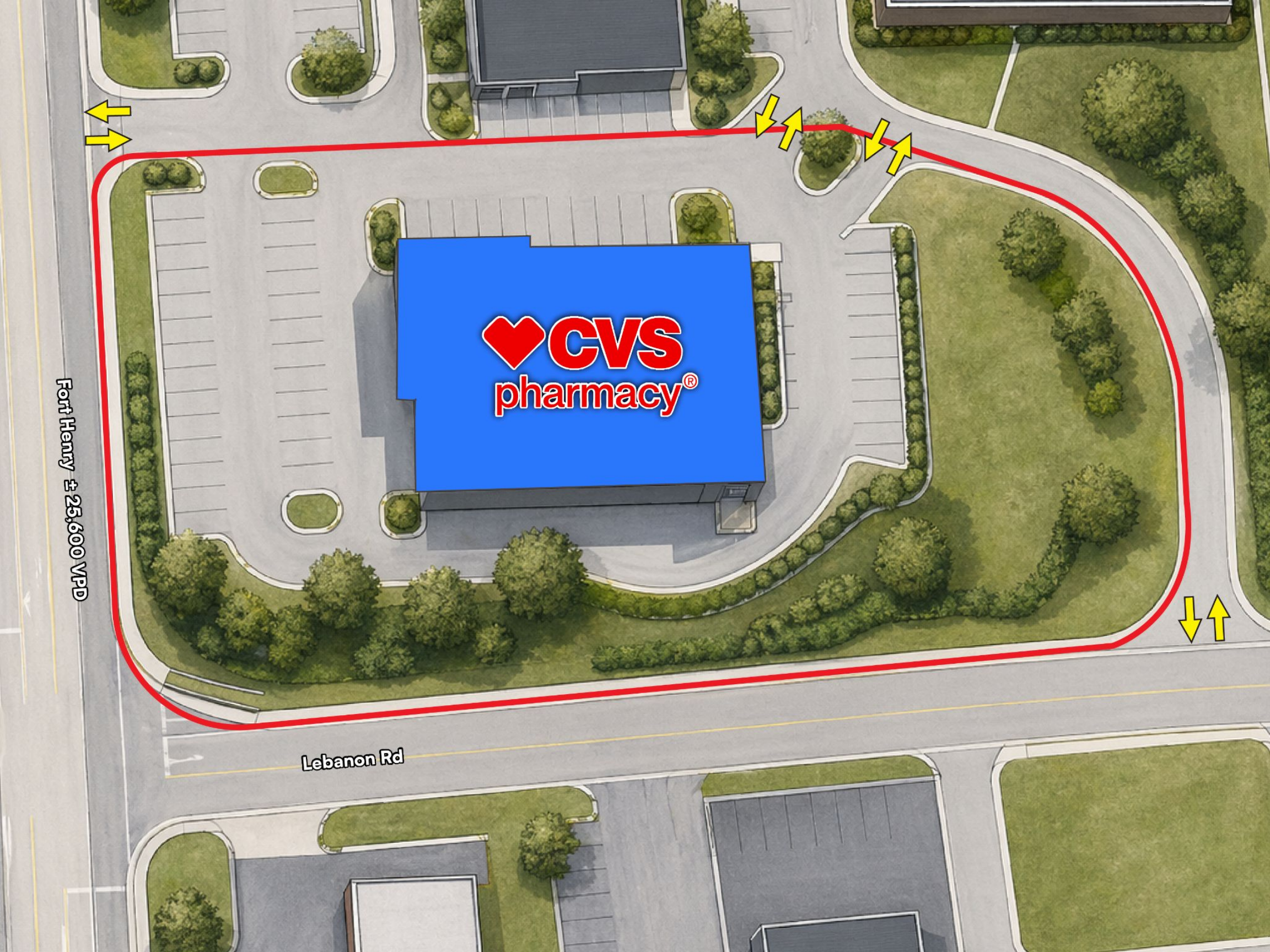


Lebanon Rd

 **CVS**
pharmacy®

Fort Henry ± 25,600 VPD

Lebanon Rd



4106 Fort Henry Drive
Kingsport, TN 37663

±10,880 SF

GLA

2001

Year Built

±25,600

Vehicles Per Day "Fort Henry"

NN

Lease Type

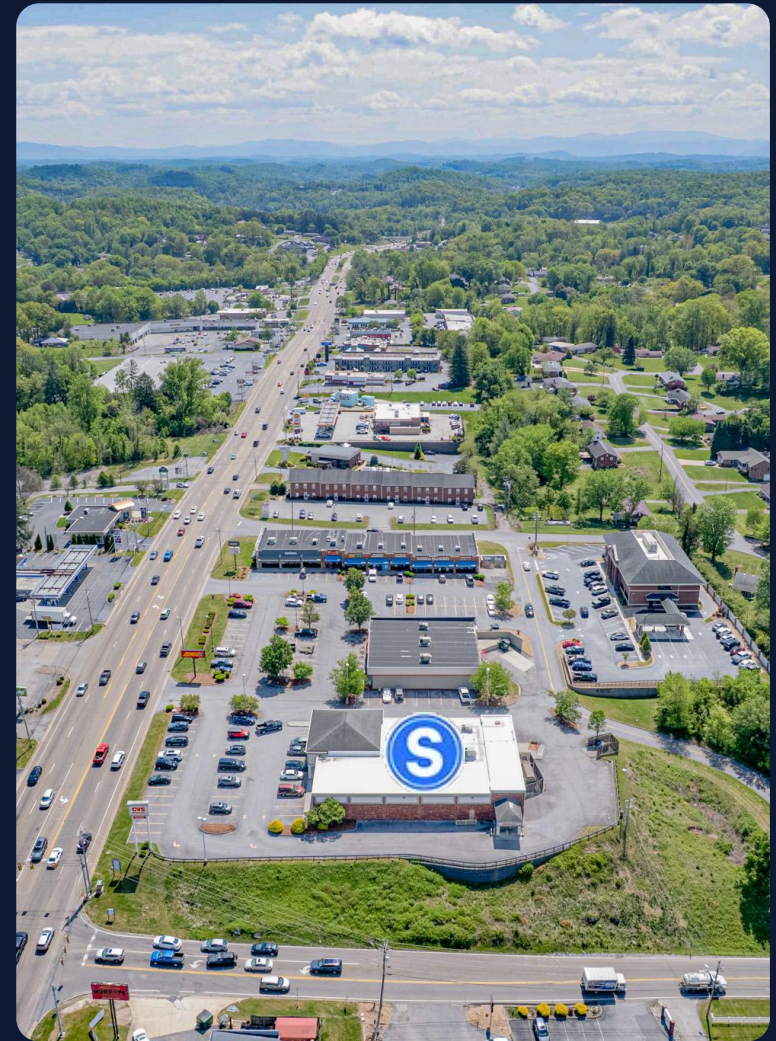
\$249.25

Price Per SF



Fort Henry ±25,600 VPD

PROPERTY PHOTOS



FINANCIAL OVERVIEW

CVS

4106 Fort Henry Drive, Kingsport, TN 37663



FINANCIAL SUMMARY

\$2,711,848

List Price

7.25%

Cap Rate

\$249.25

Price Per SF

±1.93 AC

Lot Size

Property Details

Tenant	CVS Pharmacy
Parcel Number	092J B 00900
Store Number	#5664-02
Type of Ownership	Fee Simple
Lease Guarantor	CVS Corporation
Lease Type	NN
Roof and Structure	Landlord's Responsibility
Lease Expiration Date	1/31/2037
Term Remaining	±10.8 years
Rental Escalations	3% In Each Option
Remaining Options	Six, 5-Year Options

Annualized Operating Data

Term	Dates	Annual Rent	Monthly Rent
Current Term	01/01/2018 - 01/31/2037	\$196,608.96	\$16,384.08
Option 1	02/01/2037 - 01/31/2042	\$202,476.96	\$16,873.08
Option 2	02/01/2042 - 01/31/2047	\$208,569.96	\$17,380.83
Option 3	02/01/2047 - 01/31/2052	\$214,879.92	\$17,906.66
Option 4	02/01/2052 - 01/31/2057	\$221,298.96	\$18,441.58
Option 5	02/01/2057 - 01/31/2062	\$227,935.92	\$18,994.66
Option 6	02/01/2062 - 01/31/2067	\$234,789.96	\$19,565.83

Financing Inquiries

For financing options reach out to:

Leighton Barchi
(646) 298-3395
leighton.barchi@matthews.com

TENANT OVERVIEW

Year Founded
1963

Headquarters
Woonsocket, RI

Ownership Status
Public

Employees
300,000+

Locations
9,135+

Credit Rating
BBB (Investment Grade)

Annual Revenue
\$373 Billion



Tenant Overview

As America's leading health solutions company, they deliver care like no one else can. And they do it all with heart, every day. A purpose-driven company, they're making healthier happen together with millions of patients, members and customers. CVS reaches more people and do more to improve the health of their communities thanks to their local presence, digital channels and dedicated colleagues. They're taking on many of the country's most pressing health care issues, working to deliver the accessible, affordable, human-centered care that Americans want and need.

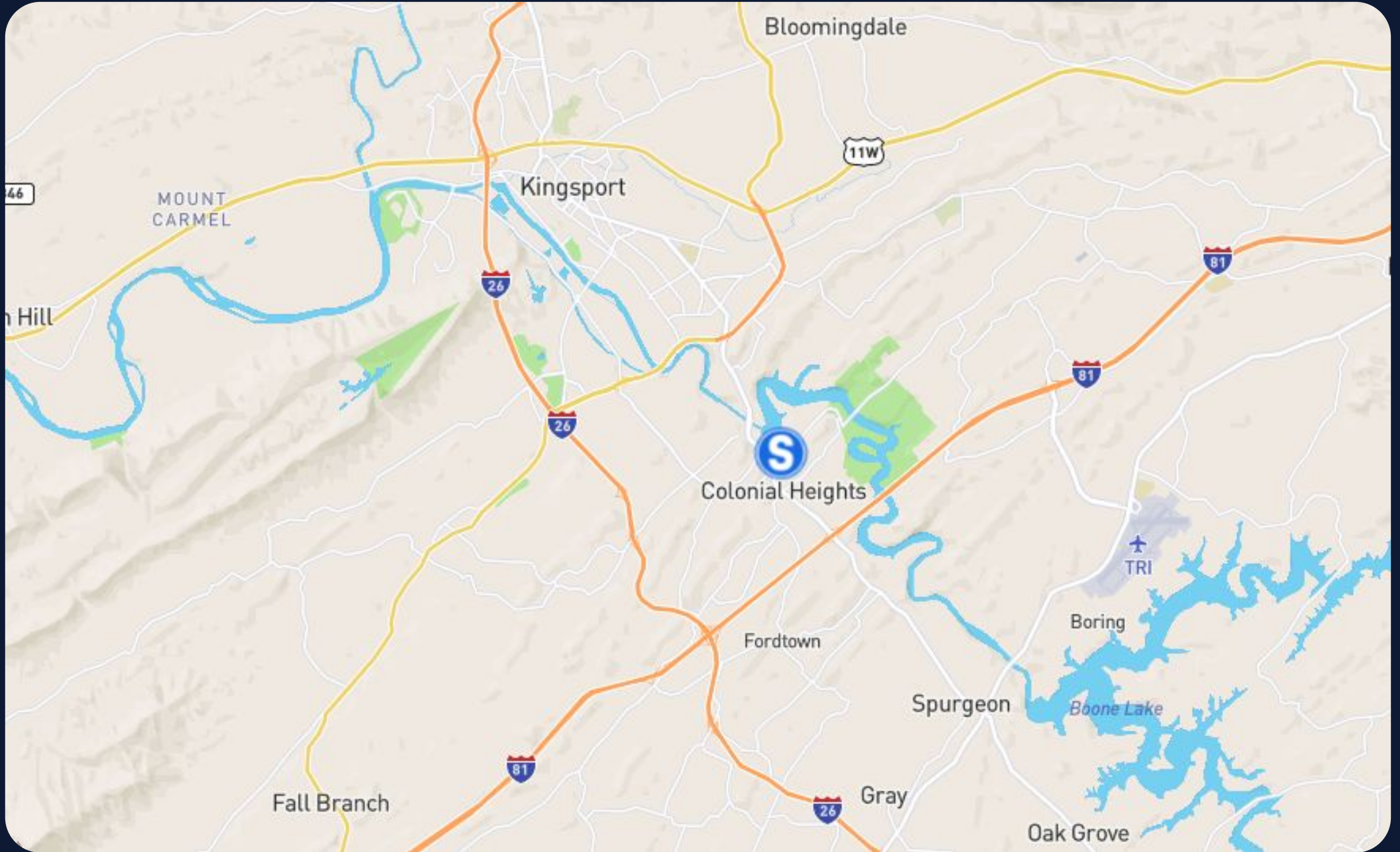
Why Invest in CVS?

- **Integrated Healthcare Model:** CVS Health's vertically integrated platform—including retail pharmacy, health insurance (Aetna), and pharmacy benefit management (Caremark)—positions the company to capture value across the healthcare continuum, enhancing cross-segment synergies and consumer retention.
- **Extensive Retail Footprint:** With over 9,135 locations nationwide, CVS maintains a dominant retail presence that supports high brand visibility, localized healthcare access, and convenience-driven consumer engagement, even as it strategically optimizes its portfolio.
- **Investment-Grade Credit Profile:** Despite industry headwinds, CVS retains a solid investment-grade rating (BBB by both S&P and Fitch), with access to capital markets and prudent balance sheet management, including recent hybrid bond issuance to strengthen credit metrics.
- **Resilient Financial Performance & Dividend Yield:** CVS has consistently outperformed earnings expectations in 2025, with upward EPS guidance revisions and a robust ~4% dividend yield—highlighting strong cash flow generation and shareholder return orientation.

MARKET OVERVIEW

CVS

4106 Fort Henry Drive, Kingsport, TN 37663



KINGSPORT, TN

Local Market Overview

Kingsport, Tennessee is a steadily expanding economic center within the Tri-Cities region, supported by a balanced mix of manufacturing, healthcare, education, and logistics. The city benefits from long-term corporate presence, including advanced manufacturing operations and regional medical facilities that draw a consistent workforce. Its transportation network—anchored by access to I-26, the I-81 corridor, and regional air service—provides strong connectivity for business operations and daily commuting. These factors have contributed to a stable population base and reliable market activity.

Ongoing public and private investment continues to strengthen Kingsport’s commercial landscape. The city has prioritized redevelopment, infrastructure upgrades, and strategic planning to support long-term economic performance. Employers are supported by workforce training programs tied to regional colleges and technical institutions, adding depth to the labor pool. With steady job creation, a growing service sector, and disciplined community planning, Kingsport maintains strong fundamentals that position it as a durable and appealing market for commercial investment.



Population	1-Mile	3-Mile	5-Mile
Current Year Estimate	3,761	19,483	52,588

Households	1-Mile	3-Mile	5-Mile
Current Year Estimate	1,621	8,330	22,971

Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$93,274	\$97,506	\$90,405

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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **4106 Fort Henry Drive, Kingsport, TN, 37663** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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