

2nd Floor Retail Implied Cap Rate

Strip CVS at Land Value / Apply 5.50% Cap on Ground-Floor Retail / Solve for the Residual

\$10.3M

CVS PAD AT LAND VALUE

\$21.4M

ADJUSTED PRICE (EX-CVS)

5.50%

GROUND-FLOOR CAP APPLIED

~\$0.1M

RESIDUAL TO 2ND FLOOR

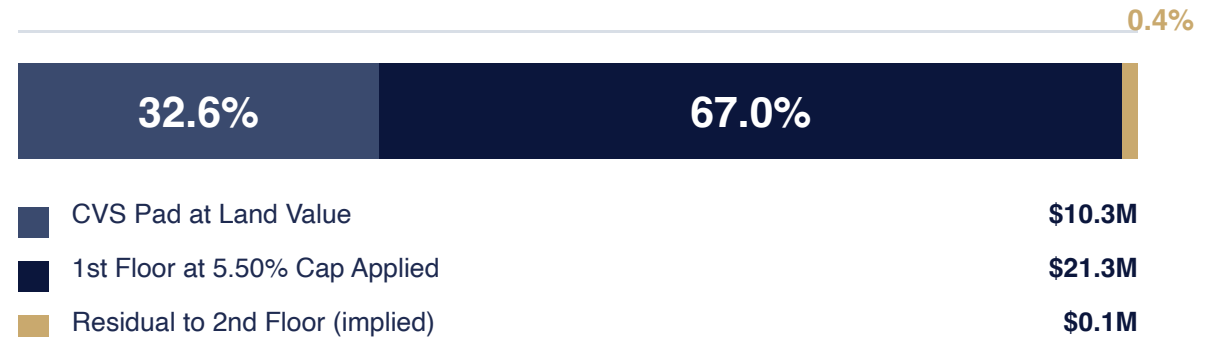
~270%

IMPLIED 2ND FLOOR CAP

BUILD-UP CALCULATION

Purchase Price	\$31,750,000
Less: CVS Pad at Land Value (64,417 SF × \$160.55)	(\$10,341,925)
Adjusted Price (Numerator base)	\$21,408,075
Year 1 Retail NOI (excl. CVS Ground Lease)	\$1,502,280
1st Floor Share of Base Rent (78%)	\$1,170,676
1st Floor Value at 5.50% Cap Applied	\$21,285,013
Residual Value Ascribed to 2nd Floor	\$123,062
2nd Floor NOI Share (22% of retail)	\$331,603
Implied 2nd Floor Cap Rate	~270%

VALUE ATTRIBUTION / \$31.75M PURCHASE PRICE



TAKEAWAY

Under the investor's own framing, the 2nd floor is acquired for essentially zero. CVS land plus a 5.50% cap on ground-floor retail alone supports the \$31.75M price.