

# SUNDANCE BUSINESS CENTER

23374 W YUMA ROAD :: BUCKEYE, AZ 85326



# CBRE

Capital Markets | Investment Properties

**MULTI-TENANT MEDICAL OFFICE OFFERING**



PET SMART

BEALLS Outlet

LOWE'S

Backer Barrel  
Old Country Store

Peter Piper

El Pollo Loco

CHIPOTLE  
MEXICAN GRILL

ESLIE'S SWIMMING POOL SUPPLIES

WALMART

Sleep America

DISCOUNT TIRE

Denny's

VANGUARD HEALTH

K

McDonald's

DUNKIN' DONUTS

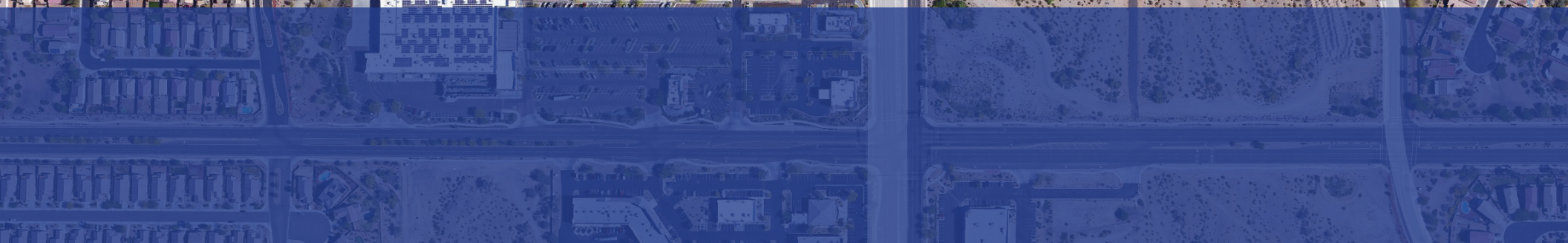
Bank of America

goodwill

Wendy's

SUNDANCE BUSINESS CENTER

SUNDANCE PARKWAY





# TABLE OF CONTENTS

## EXECUTIVE SUMMARY..... 5

- Investment Opportunity
- Asset Profile
- Tenant Snapshot
- Financial Summary
- Investment Highlights
- Demographics
- Traffic Counts

## PROPERTY OVERVIEW ..... 11

- Location Overview
- Parcel Description
- Site Plan
- Tenant Profiles
- Property Photos
- Aerials

## FINANCIAL ANALYSIS ..... 23

- Valuation
- Rent Roll
- Competitive Properties

## MARKET OVERVIEW ..... 39

- Phoenix Metropolitan Statistical Area (MSA)
- Phoenix Metro Retail Market

### EXCLUSIVELY MARKETED BY:

**ANDREW FOSBERG**  
 Vice President  
 +1 602 735 1723  
 andrew.fosberg@cbre.com

**CHRIS ACKEL**  
 Senior Associate  
 +1 602 735 5254  
 chris.ackel@cbre.com

# EXECUTIVE SUMMARY

## INVESTMENT OPPORTUNITY

CBRE has been retained as the exclusive advisor for the sale of a multi-tenant medical office building located in the Sundance Business Center, at 23374 W Yuma Road in Buckeye, AZ ("The Opportunity"). The Opportunity features a  $\pm 7,056$  SF single-story building leased to three medical tenants, specializing in Pediatrics, Pediatric Dentistry, and Orthopedic Physical Therapy. Each lease is NNN and offers annual rental increases.

Sundance Business Center is located two blocks South of Interstate 10 and just East of the NEC Yuma Road and Watson Road, Buckeye's most prominent intersection, occupied by Walmart, Lowe's, Fry's Food & Drug and Walgreens. There are two vacant pads (not included in the Offering) adjacent to the subject building, which will feature a  $\pm 10,000$  SF and  $\pm 7,056$  SF building.

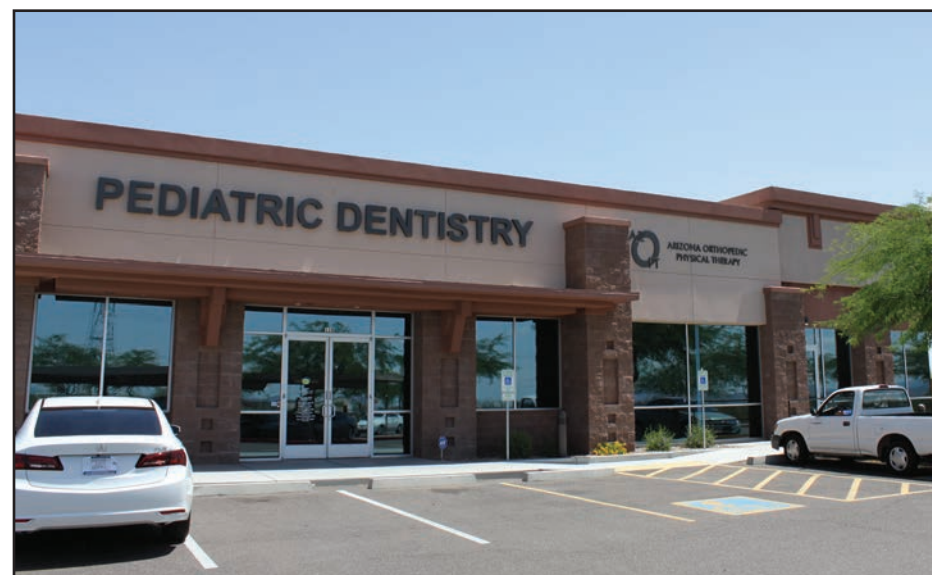
The Opportunity provides an investor with the opportunity to purchase a well-located medical office building leased to stable tenants at an attractive 7% capitalization rate, which will grow based upon the structured rental increases in the leases.

## FINANCIAL SUMMARY

<b>PRICE</b>	<b>\$1,842,000</b>
<b>NET OPERATING INCOME</b>	\$128,923
<b>CAP RATE</b>	7.00%
<b>PRICE PSF</b>	\$261

## ASSET PROFILE

<b>NAME</b>	<b>SUNDANCE BUSINESS CENTER</b>
<b>ADDRESS</b>	23374 W Yuma Road Buckeye, Arizona 85326
<b>MAJOR CROSSROADS</b>	W Yuma Road and S Sundance Parkway
<b>CLASSIFICATION</b>	Office
<b>IMPROVEMENT SIZE</b>	$\pm 7,056$ SF
<b>OCCUPANCY</b>	100%
<b>PARCEL NUMBER</b>	504-20-895
<b>ZONING</b>	PAD
<b>YEAR BUILT</b>	2011
<b>PARKING STALL COUNT</b>	4.55/1,000



# EXECUTIVE SUMMARY

## INVESTMENT HIGHLIGHTS

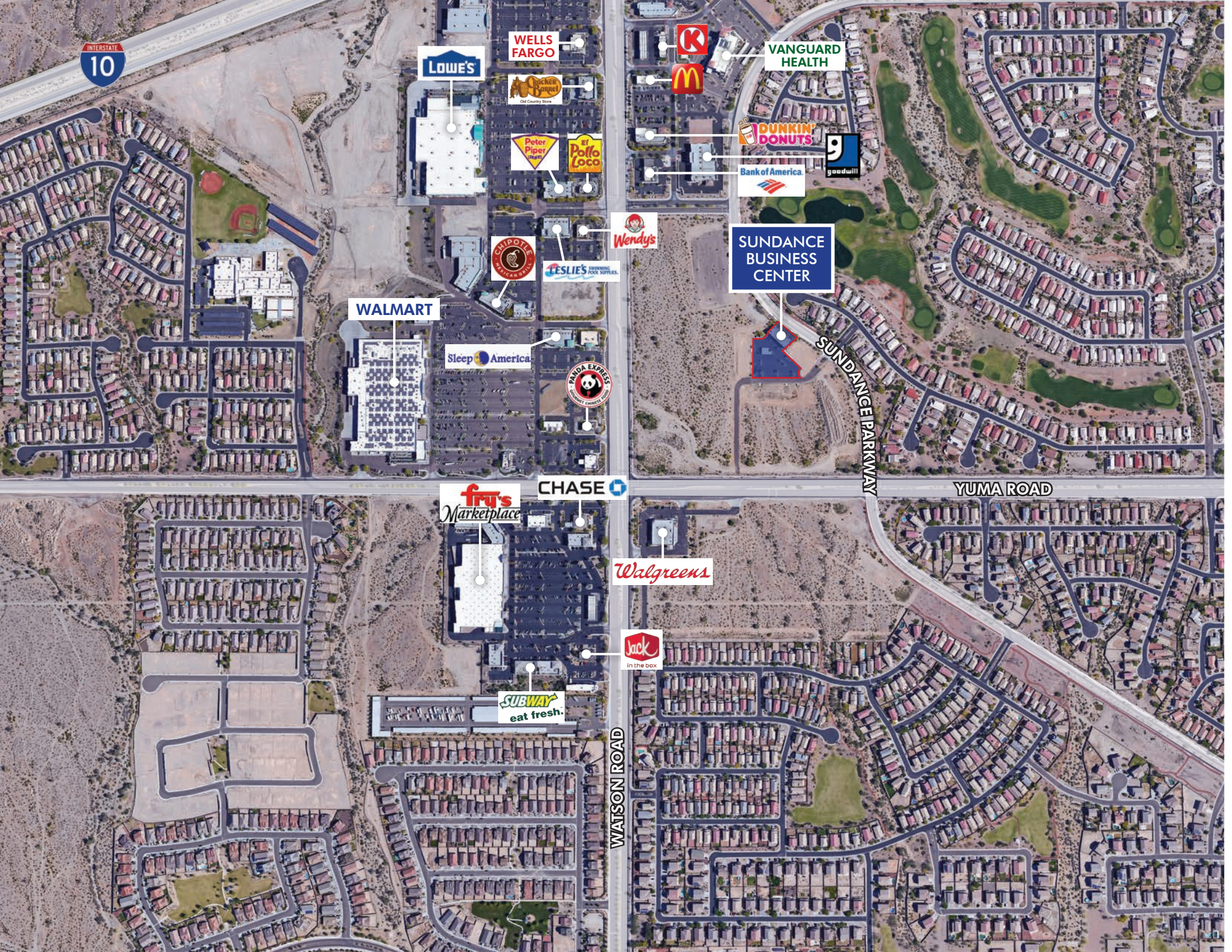
- Attractive three tenant Medical Office Investment with excellent tenants ranging from  $\pm 2,000$  SF to  $\pm 2,500$  SF.
- Located in the Heart of Buckeye, 2 blocks south of Interstate 10 and surrounded by major retailers, including Walmart and Fry's Food & Drug.
- Diverse mix of tenants which includes Pediatrics, Pediatric Dentistry and Orthopedic Physical Therapy.
- All three Tenants have \$0.50/SF annual increases structured into their leases.
- Attractive 2011 glass, masonry and stucco construction.
- Association to govern shared parking/landscaping with 2 other buildings.

## DEMOGRAPHICS

	1 Mile Radius	3 Mile Radius	5 Mile Radius
<b>2015 POPULATION</b>	9,311	29,213	51,924
<b>2020 POPULATION</b>	10,699	33,706	59,475
<b>GROWTH 2015-2020</b>	14.9%	15.4%	14.5%
<b>2015 AVERAGE HOUSEHOLD INCOME</b>	\$64,525	\$69,431	\$68,569
<b>2015 AVERAGE HOME VALUE</b>	\$178,185	\$182,926	\$188,515
<b>2015 AVERAGE AGE</b>	34.8	32.0	32.3

## TENANT PROFILES

TENANT	# OF LOCATIONS	WEBSITE	SUMMARY
<b>BUCKEYE PEDIATRICS</b>	1	buckeyepeds.com	Buckeye Pediatrics' services include wellness visits, prenatal consultation, acute care, minor laceration repairs, fracture care, chronic illnesses management, sports physicals, developmental screenings, behavioral consultations, immunizations, adolescent gynecology and birth control counseling. Buckeye Pediatrics serves the rural community of Buckeye.
<b>BUCKEYE PEDIATRIC DENTISTRY</b>	1	buckeyepedo.com	Buckeye Pediatric Dentistry is a dental home, creating ongoing relationships between the dentists and the patients, inclusive of all aspects of oral health care delivered in a comprehensive, continuously accessible, coordinated, and family-centered way. Their services include dental exams, routine cleanings, sealants, white fillings, extractions, space maintainers, crows, IV sedation nitrous and oral conscious sedation.
<b>ARIZONA ORTHOPEDIC PHYSICAL THERAPY</b>	2	azopt.net	Arizona Orthopedic Physical Therapy (AZOPT) was established in 2007 in Goodyear and opened their Buckeye location in 2014. They provide quality, personalized care by passionate and enthusiastic therapists with a goal of helping people function at their best.



INTERSTATE  
10

LOWE'S

WELLS  
FARGO

K

VANGUARD  
HEALTH

McDonald's

Old Country Store

Peter Piper

El Pollo Loco

DUNKIN'  
DONUTS

goodwill

Bank of America

CHIPOTLE  
MEXICAN GRILL

Wendy's

SUNDANCE  
BUSINESS  
CENTER

WALMART

Sleep America

LESLIE'S SWIMMING POOL SUPPLIES

PRADA EXPRESS

CHASE

SUNDANCE PARKWAY

YUMA ROAD

FRY'S  
Marketplace

Walgreens

Jack  
in the box

SUBWAY  
eat fresh.

WATSON ROAD



SUNDANCE  
BUSINESS  
CENTER

FUTURE  
±10,000 SF  
BUILDING

FUTURE  
±7,000 SF  
BUILDING

# FINANCIALS

## VALUATION

	In-Place NOI
<b>REVENUES</b>	
Scheduled Base Rent	\$138,244
Operating Expense Reimbursement	\$48,170
<b>POTENTIAL GROSS REVENUE</b>	<b>\$186,414</b>
<b>VACANCY LOSS (5%)</b>	<b>\$ (9,321)</b>
<b>EFFECTIVE GROSS REVENUE</b>	<b>\$177,093</b>
<b>EXPENSES</b>	
Common Area Maintenance Charges	
Building Maintenance/Supplies	\$3,000
HVAC R&M	\$1,500
Electrical R&M	\$900
Roof R&M	\$500
Fire/Life/Safety	\$720
Window Cleaning	\$150
Lighting R&M	\$500
Trash Disposal	\$1,000
Landscaping	\$4,250
Pest Control	\$100
Utilities	\$5,100
Management Fee	\$7,320
Administrative	\$250
Property Taxes	\$21,000
Insurance	\$1,880
<b>TOTAL EXPENSES</b>	<b>\$ (48,170)</b>
<b>NET OPERATING INCOME</b>	<b>\$128,923</b>
Cap Rate	7.00%
<b>PRICE</b>	<b>\$1,842,000</b>



# FINANCIALS

## RENT ROLL

Unit	Tenant	SF	%	Lease Start	Lease End	Rent Schedule	Annual Rent	Rent/SF	Op Ex Reimbursements	NNN's PSF
100	Buckeye Pediatrics, LLC	2,500	35.43%	3/1/2011	5/30/2018	7/1/15 - 6/30/16	\$55,000.00	\$22.00	\$17,067.00	\$6.83
						7/1/2016 - 6/30/17	\$56,250.00	\$22.50		
						7/1/2017 - 6/30/18	\$57,500.00	\$23.00		
103	Ivy 2 Dental, PLLC DBA Buckeye Pediatric Dentistry	2,084	29.54%	10/10/2011	9/30/2018	1/1/15 - 12/31/15	\$37,512.00	\$18.00	\$14,229.00	\$6.83
						1/1/16 - 12/31/16	\$38,554.00	\$18.50		
						1/1/17 - 12/31/17	\$39,596.00	\$19.00		
						1/1/18 - 12/31/18	\$40,638.00	\$19.50		
104	AZ Orthopedic Physical Therapy	2,472	35.03%	4/1/2014	8/31/2020	12/1/14 - 3/31/16	\$45,732.00	\$18.50	\$16,874.00	\$6.83
						4/1/16 - 3/31/17	\$46,968.00	\$19.00		
						4/1/17 - 4/1/18	\$48,204.00	\$19.50		
						4/1/18 - 3/31/19	\$49,440.00	\$20.00		
						4/1/19 - 3/31/20	\$50,676.00	\$20.50		
						4/1/20 - 3/31/21	\$51,912.00	\$21.00		
Occupied		<b>7,056</b>	100%		<b>Total Rent:</b>	<b>\$138,244.00</b>		<b>\$48,170.00</b>		
Vacant		-	0%							
Total		<b>7,056</b>								



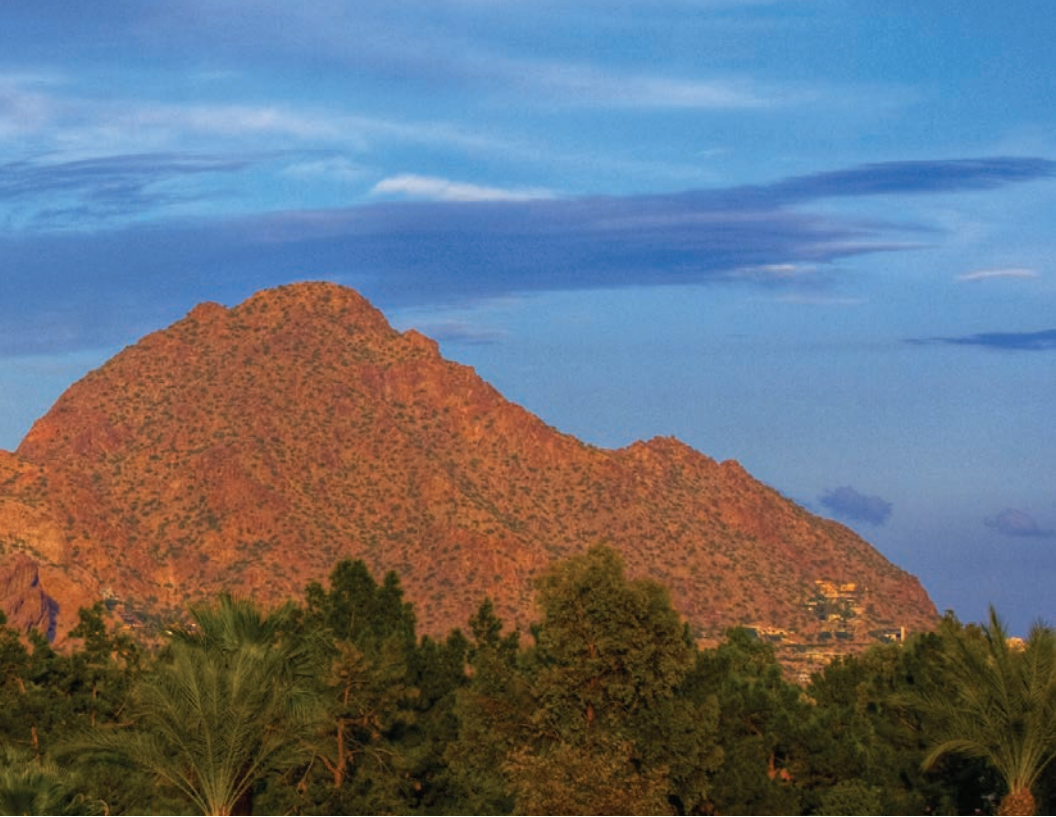
## TOWN OF BUCKEYE

Buckeye was co-founded by the Clanton Clan, a family who enjoyed something of a tradition of settling places. Thomas Newt “TN” Clanton left for Arizona in 1877, leading a party of six men, three women and ten children from Creston, Iowa. The Clanton’s hailed from Madison County, Iowa, which was settled by TN’s father, Isaac, who is buried there. TN, who was actually born in Buchanan County, Missouri, wanted to settle his own town out West primarily for his health. It turned out to be a good move for him—he lived in Arizona for 49 years before his death at age 82.

Development in what would become Buckeye Valley received its first great boost with the construction of the Buckeye Canal. In May 1885, Malie M. Jackson and his partners J.L. Spain and Henry Mitchell laid out the canal, which was named Buckeye in honor of Jackson’s native state of Ohio. Later that year, M.E. Clanton, TN’s brother, and others organized the Buckeye Canal Company and paid Jackson and his partners \$300. TN built the first 5 miles of the canal, which was completed in 1886.

After first living in Big Bug and Phoenix, Clanton and his family moved to the Buckeye area in 1887. In March 1888, the Buckeye Post Office was established with TN’s daughter, Cora Jane Clanton, as postmaster. The post office was named for the Buckeye Canal. In September 1888, TN Clanton and OL Mahoney filed a plat for a Town they named Sidney. However, because the post office was called Buckeye, the residents continued to refer to the Sidney area as Buckeye. So in 1910, Sidney was replatted as Buckeye.

Advances in transportation put Buckeye on the map. In 1910, the Arizona Eastern Railroad came to Buckeye; the first automobile in 1911; a steam rail line connecting it to Phoenix by 1912; and a state highway by 1915. The coming of the railroad was so significant that the business district was moved to accommodate the location of the railroad station. Buckeye boomed as a result. By 1912, major buildings were constructed, and the business community had expanded. When Buckeye was incorporated in 1929, it included 440 acres.



The City of Buckeye is Arizona's largest city by land area with more than 600 square miles of municipal planning area. Projections show Buckeye will grow from 57,500 to 313,500 by 2040. Not only is Buckeye the largest city in Arizona, but also the newest. After 126 years of being called the Town of Buckeye, voters changed our name to the City of Buckeye in 2014. With a new status and room to grow, Buckeye has quickly become a hub for new business and economic development projects.

#### TOWN OF BUCKEYE DEMOS

<b>2015 ESTIMATED POPULATION</b>	60,846
<b>2020 PROJECTED POPULATION</b>	68,929
<b>GROWTH 2010-2015</b>	19.5%
<b>GROWTH 2015-2020</b>	13.3%
<b>2015 ESTIMATED AVERAGE AGE</b>	33.5
<b>2015 EST. AVERAGE HOUSEHOLD INCOME</b>	\$51,912
<b>2015 EST. AVERAGE HOME VALUE</b>	\$194,421

Source: Claritas



## PHOENIX MSA

Phoenix is the sixth most populous city and is the most populous state capital in the entire United States. Incorporated in 1818, it is the largest city in Arizona and makes up the greatest portion of the Phoenix Metropolitan Statistical Area (MSA). The Phoenix MSA is home to approximately 4.5 million residents and is consistently recognized in the National Top 10 for both employment and population growth. The City's famous climate and ideal geography are two of Phoenix's several economic and lifestyle advantages.

The Phoenix MSA boasts approximately 330 days of sunshine per year and an average annual temperature of 76 degrees. Arizona's largest industry, Sports and Tourism, draws over 10 million visitors annually. There are endless hiking, biking and horseback riding trails, including the Grand Canyon, as well as infinite resorts, restaurants, sporting events, museums, theaters and spas.

Phoenix hosts the highest-attended PGA tour tournament, The Waste Management Open, as well as MLB's Cactus League Spring Training Season and the Tostitos Fiesta Bowl (NCAA College Football). Phoenix will also host the 2015 NFL Super Bowl. Phoenix is only one of six cities nationwide with a professional franchise in each of the nation's four major sports.

The dry climate and lack of natural disasters have also made Phoenix an ideal location for the tech and bio-science industries. Companies such as Intel, TGEN, Boeing, and Apple continue to locate, operate, store, research and develop in Phoenix. Phoenix is headquarters to four Fortune-500 Companies – Avnet, PetsMart, Freeport McMoran and Republic Services.

Phoenix also has two highly-ranked State Universities – Arizona State University and University of Arizona (main campus in Tucson, AZ) – both of which are leaders in STEM-focused education and innovation. Arizona State University recently aligned with the award-winning Thunderbird School of Global Management, a top Business Management Master's Program.

The Phoenix MSA is the central location of the Interstate-10 Southwest Shipping Corridor that begins in Southern California and services Utah, Colorado, West Texas and Mexico. Over 50 shipping companies utilize the corridor daily to transport hundreds of millions of dollars' worth of freight to more than 20 markets, including Arizona's own lucrative farming and ranching exports.



Also as a result of its favorable geography, Arizona has been designated a Foreign Business/Trade Zone by dozens of international countries. Mexico — which is both Arizona’s AND the U.S.’s largest trading partner — has stabilized its banking system and currency and quickly moving up the Global Economic Chain. Arizona’s GDP grew over 4% from 2012 to 2014 and is projected to experience accelerated growth based on the rapidly-increasing influx of International interest in U.S. real property and companies.

#### TOP TEN PRIVATE EMPLOYERS

- Walmart
- Banner Health Systems
- Wells Fargo
- Bank of America
- Raytheon
- Apollo Group
- JP Morgan Chase
- Intel Corp.
- US Airways
- American Express

#### PHOENIX METRO DEMOS

<b>2015 ESTIMATED POPULATION</b>	4,475,400
<b>2020 PROJECTED POPULATION</b>	5,100,000
<b>GROWTH 2010-2015</b>	6.3%
<b>GROWTH 2015-20</b>	10%
<b>2015 ESTIMATED AVERAGE AGE</b>	32
<b>2015 EST. AVERAGE HOUSEHOLD INCOME</b>	\$44,750
<b>2015 EST. AVERAGE HOME VALUE</b>	\$175,000

Source: Claritas



## PHOENIX METRO OFFICE MARKET

The metropolitan Phoenix office market continues to accelerate in its recovery moving into the first quarter of 2015. At this point in the cycle, healthy underlying economic fundamentals are beginning to pay dividends for commercial property markets. In the local office market, this momentum is reflected in sustained, albeit incremental, quarterly direct average asking rate appreciation, declining vacancy rates and significant net absorption gains across the market.

The vacancy rate for the metropolitan Phoenix office market ended Q1 2015 at 20.6%; this is a 40-basis-point (bps) decrease in overall market vacancy from the previous quarter and a 150 bps decrease from the overall market vacancy rate

of 22.1% reported at the end of Q1 2014. Concurrently, average asking lease rates for the overall market continue to rise. The full service, average asking lease rate for existing product in metropolitan Phoenix ended Q1 2015 at \$21.74 per sq. ft., compared to \$21.49 per sq. ft. in the previous quarter and \$20.91 per sq. ft. at the end of Q1 2014. This is the 8th consecutive quarter in which asking lease rates have increased, after twelve consecutive quarters that saw rental rate decreases that began in Q1 2010.

CBRE Econometric Advisors forecasts that in the next five years, 67,900 office-using jobs will be added to the local employment base. By comparison, 47,800

 **Vacancy**  
20.60%

 **Rental Rate**  
\$21.74 Per Sq. Ft.

 **Net Absorption**  
477,901 Sq. Ft.

 **Under Construction**  
4,001,729 Sq. Ft.

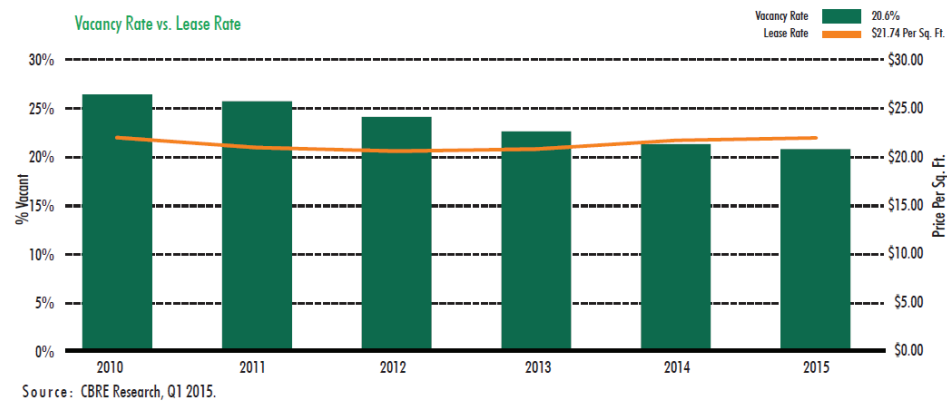
 **Deliveries**  
48,081 Sq. Ft.

\*Directional arrows based on change from the previous quarter. Data reflects market totals.



office-using jobs have been added in metropolitan Phoenix since the fourth quarter of 2009; the low point for the local employment market. Importantly, many office-using jobs that have been added in the current recovery replaced jobs lost during the downturn and therefore did not generate significant net absorption gains via tenant expansion. Looking at the upcoming five year, as metropolitan Phoenix office-using employment enters an expansionary phase, CBRE Econometric Advisors projects that vacancy rates for the overall market will decline 38% from their current level and average asking rates will increase 34% between Q4 2014 and the end of 2019.

Overall, the metropolitan Phoenix office market continues to benefit from sustained tenant demand that far outstrips supply. This dynamic has and will continue to result in owners of Class A and well positioned Class B product increasing asking rates and reducing tenant concessions. Furthermore, a limited supply of available product will continue to exert upward pressure on rents.







# CONFIDENTIALITY AGREEMENT

© 2015 CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the “Property”) may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the “Owner”), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation

shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.



## EXCLUSIVELY MARKETED BY:

### ANDREW FOSBERG

Vice President

+1 602 735 1723

[andrew.fosberg@cbre.com](mailto:andrew.fosberg@cbre.com)

### CHRIS ACKEL

Senior Associate

+1 602 735 5254

[chris.ackel@cbre.com](mailto:chris.ackel@cbre.com)

© 2015 CBRE, Inc. This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. CBRE and the CBRE logo are service marks of CBRE, Inc. and/or its affiliated or related companies in the United States and other countries. All other marks displayed on this document are the property of their respective owners.

# CBRE