

A PREMIER, HIGHLY VISIBLE CLASS A OFFICE BUILDING
IN THE AFFLUENT NORTH SCOTTSDALE SUBMARKET



RAINTREE

CORPORATE CENTER I

15333 North Pima Road, Scottsdale, AZ

EXECUTIVE SUMMARY
January 2020



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THE OFFERING

Newmark Knight Frank (NKF), as exclusive advisor, is pleased to present the opportunity to acquire the fee-simple interest in Raintree Corporate Center I (the Property), a 149,424-square-foot, Class A office project located in the affluent North Scottsdale submarket in Phoenix, Arizona. Currently 90.8% leased, Raintree Corporate Center I is comprised of one, three-story office building and a four-level parking structure, offering an above-market parking ratio of 5.0/1,000 RSF. The Property's timeless architectural design, stylish upgraded interior finishes and efficient floorplates create an upscale, functional office environment.

The North Scottsdale/Airpark submarket is considered one of the most amenity-rich and accessible locations in the Phoenix MSA. The Property offers immediate access to the AZ State Route 101 Loop Freeway, visibility and signage to over 160,000 cars per day, and proximity to the Scottsdale Airport and major arterial streets, all of which combine to provide unrivaled access to a large, diverse labor pool. Additionally, the submarket benefits from a host of surrounding amenities, including notable restaurants, retail shops, hotels/resorts and is half a mile from the TPC Scottsdale Golf Course.





PROPERTY SUMMARY

15333 N Pima Rd
Scottsdale, AZ

Address

149,424 RSF

Building Size

90.8%

% Leased

5.86 Acres

Land Area

2002/2015–2019

Year Built/Renovated

3

Stories

\$27.52 PSF FSG

Average Rents In Place

5.0/1,000 SF

Overall Parking Ratio

INVESTMENT HIGHLIGHTS

ATTRACTIVE AND SECURE CASH-ON-CASH RETURNS WITH NEAR-TERM UPSIDE

- Currently 90.8% leased with a remaining WALT of nearly 3.5 years, Raintree Corporate Center I provides attractive in-place cash flow with upside potential recognized through below market rents and the lease-up of the remaining 13,686 square feet of vacant space
- Majority of available suites have been built out to a high-standard spec, which will provide for little to no tenant improvement costs upon lease-up
- Diversified tenant roster with no tenant taking up more than 11% of the net rentable area
- Immediate mark-to-market upside opportunity with leases rolling within the first 24 months ranging from 6% to 25% below market upon expiration
- Significant discount to replacement cost (estimated at more than \$375 PSF)

INSTITUTIONALLY MAINTAINED OFFICE WITH UNIQUE FREEWAY ACCESS AND VISIBILITY

- Institutionally owned and managed with just over \$5 million in capital improvements since 2015, inclusive of tenant improvements
- Highly efficient floorplates provide flexibility for large, midsize and smaller tenants with stunning views
- Ideal location on the AZ State Route 101 Loop Freeway with direct access and premier signage visibility to over 160,000 cars per day
- Because of the quality of its design, 2002 construction and recently upgraded common areas, the asset competes at the top of the North Scottsdale/Airpark Class A submarket and offers preferred freeway building signage





\$37,000,000

Asking Price

\$248

Asking Price PSF

\$2,735,000

In-Place NOI

7.5%

Year 1 Cap Rate

90.8%

Occupancy

3.5 Years

Remaining WALT

MAJOR TENANTS

Tenant	SF	% of SF	Industry
 ACADEMY MORTGAGE CORPORATION™	23,783	15.9%	Finance
 Regus	15,743	10.5%	Coworking
 Attainia	10,261	6.9%	Software
 kw KELLERWILLIAMS	10,180	6.8%	Real Estate
 CTS COLYAR TECHNOLOGY SOLUTIONS	9,285	6.2%	Software

RAINTREE



COSTCO
WHOLESALE

Scottsdale Municipal Airport

THE HOME
DEPOT

Scottsdale Shops Retail Center
KOHL'S **BOOT BARN**
IHOP
Chick-fil-A **Panera** BREAD
STARBUCKS

Carl's Jr.
CHARBROILED BURGERS

Walmart
Supercenter

BURGER KING

STUDIO
MOVIE GRILL

DUNKIN'

STARBUCKS

ARRIBA
MEXICAN GRILL

LOOP
101

N Pima Road



N Pima Road

RAINTREE
CORPORATE CENTER I

The Promenade



TRADER JOE'S

NORDSTROM RACK



Scottsdale

Sonora Village



TARGET

TOP-TIER SUBMARKET AND PREFERRED LOCATION IN PHOENIX MSA

- The Property is located within a half mile of the Scottsdale Airport, the second busiest single runway airport in the country
- The Scottsdale Airpark has a diverse and robust employment base and offers a true live-work-play environment to over 59,000 employees and over 3,200 companies
- Within a five-mile radius of Raintree Corporate Center I, there are more than 138,000 residents, with average household income exceeding \$128,000
- North Scottsdale is home to major employers

SCOTTSDALE AIRPORT

#2

Busiest Single Runway Airport in the Country

10,000

Average Number of Passengers Per Year

NORTH SCOTTSDALE TOP EMPLOYERS



4,000

Employees



1,000

Employees



1,500

Employees



500

Employees



500

Employees

POSITIVE OFFICE MARKET FUNDAMENTALS POISED FOR ADDITIONAL GROWTH

CLASS A OFFICE RENTS IN SCOTTSDALE AIRPARK SUBMARKET



168,241 SF

Average Annual Net Absorption
from 2006 to 2019

14.1%

Class A Office Vacancy
-7.4% Since 2015



ONE OF THE BEST AMENITY-RICH LOCATIONS IN THE VALLEY

OVER 50 RESTAURANTS AND RETAIL AMENITIES *Within Two Miles*



THE VALLEY'S BEST RESORT HOTELS *Within a Short Drive*



OTHER AMENITIES

1.5 Miles
from TPC Scottsdale Gold Course
*Home of the world-renowned Waste
Management Phoenix Open*

3,000 SF
On-site Conference Center
Open for tenants to reserve



FINANCIAL SUMMARY

\$37,000,000

Price

\$248

Price PSF

7.5%

Year 1 Cap Rate

\$2,735,000

In-Place NOI

12%+

Year 1 Cash-on-Cash Return

3.5 Years Remaining

Weighted Average Lease Term

\$27.52 PSF FSG

Average In-Place Rent
11.2% Below Market

34%

Below Replacement Cost
Estimated at \$375 PSF

\$5,000,000

Recent Capital Expenditures







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