

HIGLEY PARK COMMONS

OFFERING MEMORANDUM

NNN Medical/Retail Investment
Opportunity at Higley Park Commons
1459 South Higley Road
Gilbert, AZ 85296



CONFIDENTIALITY AGREEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the ±10,098 square foot "100% occupied property located at 1459 S. Higley Road, Gilbert, AZ (Property). Colliers International, as agent ("Owner's Agent") for N. Dennis Berg Revocable Living Trust, has prepared this document. This Offering Memorandum may not be all-inclusive or contain all of the information a purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by prospective purchasers in the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner. Neither Owner, nor their officers, employees, or 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, form their own conclusions without reliance upon the material contained herein, and conduct their own due diligence.

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

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence;
3. All photographs and graphic elements are property of the Owner and use without Owner's expressed written permission is prohibited; and
4. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or

manner detrimental to the interest of the Owner.

Owner expressly reserves the right, at their sole discretion, to reject any and all expressions of interest or offers by prospective purchasers of the Property, and to terminate discussions with any person or entity reviewing these documents or making an offer to purchase the Property unless and until a written agreement has been fully executed and delivered.

If you wish not to pursue negotiations regarding the Property, or you discontinue such negotiations, then you agree to destroy all materials relating to this Property, including this Offering Memorandum, and to certify to Owner that you have done so.

A prospective purchaser's sole and exclusive rights with respect to a prospective purchase of the Property, or information provided herein or in connection with 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 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.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there will be no change in the state of affairs of the Property since the preparation of this Offering Memorandum by Owner and Owner's Agent.

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INVESTMENT OPPORTUNITY



Colliers International has been retained by the owner on an exclusive basis to market this freestanding retail/medical office building on a frontage pad within the Higley Park Commons business Park at 1459 S. Higley Road, Gilbert, Arizona. This investment opportunity features a highly visible, fully occupied three-tenant building, comprised of approximately 10,098 square feet with an approximately 5/1,000 parking ratio. This 100% occupied property offers desirable long-term leased, seasoned tenants, including: Affiliated dermatology, Niki's Place Veterinarian and Snap Fitness. Affiliated Dermatology occupies 4,210 square feet, Niki's Place occupies 2,888 square feet and Snap Fitness occupies 3,000 square feet. Affiliated Dermatology has four years remaining on their five-year lease, Niki's place has five years remaining on their six-year lease, and Snap Fitness has four years remaining on the new lease renewal. All leases have attractive 3% annual increases and are triple net excluding structural elements and exterior main plumbing lines.

The property is situated within the desirable Higley Park Commons Business Park, one of the City of Gilbert's premier business parks just off the Loop 202 SanTan Freeway. Higley Road is a prominent north/south commuter corridor which features approximately 28,000 vehicles per day. The City of Gilbert is ranked as the 52nd fastest growing U.S. cities and leads Arizona in population and income growth. Gilbert has grown at an extremely high rate, increasing population from only 5,717 in 1980 to over 247,000 population estimate for 2017. The median age is 33.6 and 71% of the population are under the age of 45. Gilbert provides an abundant pipeline of workers to support the growth of business and industry. 72.6% of Gilbert's psychographic make-up consists of up and coming families with a median household income of \$105,000. The property is positioned perfectly in a high growth corridor of the City of Gilbert with proximity to major employers.

INVESTMENT HIGHLIGHTS:

- 100% leased with profitable tenants including: Affiliated Dermatology, Niki's Place Veterinarian, and Snap Fitness.
- Rare triple net (NNN) medical/retail investment opportunity in Gilbert, Arizona.
- Strategically located next to Loop 202 SanTan Freeway, the prestigious shops at SanTan Village: www.shopsantanvillage.com and across the street from the remarkable Agritopia Epicenter (under construction) featuring 287 luxury apartments with 55,000 SF of high-end specialty retail shops: www.epicenteratagritopia.com
- No tenant rollover until 2022
- Below market lease rates
- 243,983 residents live within five miles of the subject property
- Affluent trade area with an average household income in excess of \$95,000 within a five mile radius of the property.
- Located on a high visibility frontage arterial street with excellent access from the Loop 202 SanTan Freeway.
- Within five minutes to Phoenix-Mesa Gateway Airport and just 17 miles to Sky Harbor International Airport.
- Award-winning community: #1 City for working parents (WalletHub), #2 Safest City in U.S. (Law Street Media), #3 Best City to find a job (WalletHub), #4 Best Community for Hispanic entrepreneurs (WalletHub), #5 Best Food Neighborhood in metro Phoenix (Phoenix New Times), #8 8-Time Playful City in USA Honoree (KaBoom), #9 Best City for families (WalletHub).

THIS PROPERTY REPRESENTS AN EXCELLENT OPPORTUNITY FOR AN INVESTOR TO ACQUIRE A FULLY OCCUPIED FREESTANDING MEDICAL/RETAIL BUILDING IN A DYNAMIC AREA.



ASSET PROFILE

1459 S.
HIGLEY ROAD

STATE FARM



LOCATION	1459 S. Higley Road Gilbert, AZ 85296
BUILDING SIZE	±10,098 square feet
OCCUPANCY	100%
YEAR BUILT	2007
LEASE TYPE	Triple Net (NNN)
DESCRIPTION	One freestanding medical/retail building
FLOORS	Single story
PARKING	±51 spaces (5/1,000) plus four covered spaces
COUNTY	Maricopa
ZONING	C-City of Gilbert (office-retail users)

PRICING SUMMARY	
LIST PRICE	\$2,921,000
CAP RATE	6.92%
NOI	\$201,990

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
2017 POPULATION	16,719	100,445	243,983
2022 POPULATION	19,500	112,963	269,605
GROWTH 2017-2022	8.22%	2.37%	2.02%
2017 BUSINESSES	170	1,996	6,195
2017 EMPLOYEES	1,176	22,032	63,854
2017 MEDIAN AGE	29.6	30.5	32.5
2017 AVG. HOUSEHOLD INCOME	\$93,413	\$100,883	\$94,408
2017 AVG. HOME VALUE	\$244,464	\$320,881	\$312,822

TENANT SUMMARIES



Affiliated Dermatology is a full service dermatology group offering services in general dermatology, skin cancer detection and treatment and Mohs Surgery, aesthetics and allergy. Affiliated Dermatology has five valley-wide locations and today is one of the largest dermatology practices in the state of Arizona. Affiliated cares for more than 3,500 patients per month and has 17 physicians, five of which are Mohs micrographic surgeons and another four are fellowship-trained dermatopathologists and over 100 employees. Check out Affiliated Dermatology at: www.affderm.com.



Niki's place is a well-known veterinary specialist, specializing in neutering and spade of dogs and cats along with vaccines. The owners, Mike and Kim Elliot have been in business in Gilbert for over 15 years and at the subject property for over six years. Niki's Place is the place for affordable, high quality, spays, neuters, vaccinations, dentals, blood tests and more. Visit Niki's Place at: www.nikisplace.com.



Snap Fitness is a privately owned and operated health and fitness club with over 2,000 locations and are open 24/7 in 48 of the United States, Canada, Mexico, India, United Kingdom, New Zealand and Australia.

Snap Fitness has been operating out of this location for six years and recently completed some interim upgrades. This Snap Fitness franchise was just purchased by the new Franchisee, Hahnstandifer, LLC dba Snap Fitness. The new owners also personally guaranty the lease that commenced on September 1, 2017 and expires December 31, 2021. The lease has 3% annual increases on each anniversary date of the lease. The new owners are not only updating the gym but are introducing new concepts of personal training, nutrition and media marketing for vendors wishing to advertise in their club. The principals are experienced in personal training, fitness and nutrition. Check out Snap Fitness at: www.snapfitness.com.

FINANCIAL SUMMARY

REVENUES

Scheduled Base Rent

In-Place NOI Jan-18 to Dec-18

\$201,990.00

Operating Expense Reimbursement

\$51,810

EFFECTIVE GROSS REVENUE

\$253,800

EXPENSES

"Association Fees/Common
Area Maintenance & Insurance"

\$29,335.00

Real Estate Taxes

\$17,520.00

2% Privilege Rental Tax

\$4,955.00

TOTAL EXPENSES

\$51,810.00

NET OPERATING INCOME

\$201,990

Cap Rate

6.92%

PRICE

\$2,921,000.00

PRICE PER SQUARE FOOT

\$289.27

Square Footage

±10,098





 **SNAP** FITNESS 24/7

Affiliated
Dermatology

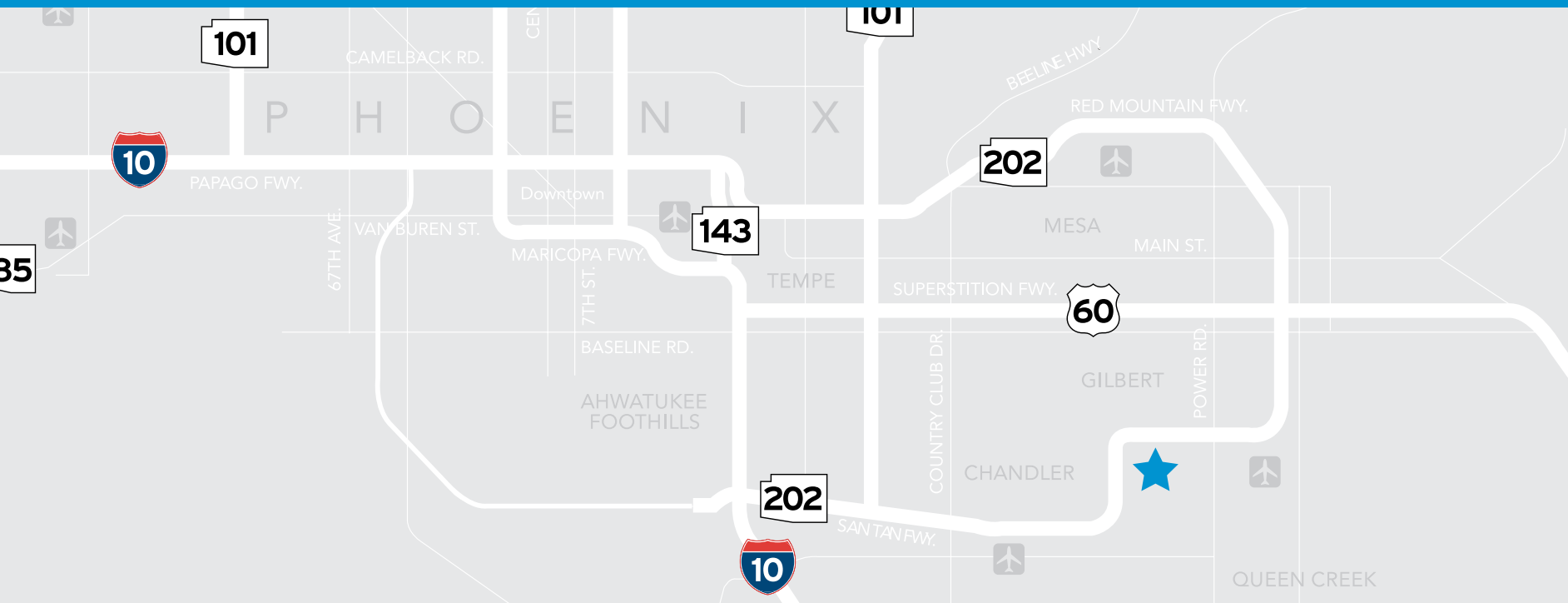
RENT ROLL

Tenant	Suite	SF	%	LEASE DATES		BASE RENT SCHEDULE		
				Start	End	Begin	Annual	PSF
Affiliated Dermatology	106	4,210	41.69%	Aug 2017	Nov 2021	Dec 2017	\$75,780	\$18.00
						Dec 2018	\$77,885	\$18.50
						Dec 2019	\$79,990	\$19.00
						Dec 2020	\$82,095	\$19.50
Niki's Place	104	2,888	28.60%	Dec 2008	Dec 2022	Jan 2018	\$67,406	\$23.34
						Jan 2019	\$69,428	\$24.04
						Jan 2020	\$71,507	\$24.76
						Jan 2021	\$73,644	\$25.50
Snap Fitness	102	3,000	29.71%	Sept 2017	Dec 2021	Jan 2022	\$75,808	\$26.27
						Jan 2018	\$51,300	\$18.90
						Jan 2019	\$58,410	\$19.47
						Jan 2020	\$60,150	\$20.05
						Jan 2021	\$61,950	\$20.65









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AERIALS



DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	16,163	97,248	236,981
MEDIAN AGE	29.6	30.5	32.5
MEDIAN AGE (M)	28.1	30.1	31.4
MEDIAN AGE (F)	29.5	30	32.1
TOTAL HOUSEHOLDS	5,468	31,146	78,187
# OF PERSONS PER HH	3.1	3.2	3.0
AVG. HH INCOME	\$93,413	\$100,883	\$94,408
2017 AVG. HOME VALUE	\$293,397	\$386,492	\$368,843

SALES COMPARABLES



SUBJECT PROPERTY

GILBERT, AZ

PRICE: \$2,921,000 CAP RATE: 6.88%
PRICE/SF: \$289.27 YEAR BUILT: 2004



1

THE SHOPPES AT COPPER POINT

3570 S VAL VISTA DR | GILBERT, AZ

PRICE: \$6,350,000 YEAR BUILT: 2007
PRICE/SF: \$420.92 SOLD: 09/01/17
CAP RATE: 6.23%



2

1155 W OCOTILLO RD - SHOPS B

CHANDLER, AZ

PRICE: \$6,000,000 YEAR BUILT: 2016
PRICE/SF: \$538.50 SOLD: 05/15/17
CAP RATE: 6.10%



3

SURPRISE VILLAGE MARKETPLACE

16581 W BELL RD | SURPRISE, AZ

PRICE: \$4,500,000 YEAR BUILT: 2008
PRICE/SF: \$380.87 SOLD: 03/30/17
CAP RATE: 6.58%



4

HIGLEY MARKETPLACE

1660 N HIGLEY RD | GILBERT, AZ

PRICE: \$2,907,425 YEAR BUILT: 2007
PRICE/SF: \$387.66 SOLD: 10/26/17
CAP RATE: 4.00%



5

NEXTCARE URGENT CARE

6343 S. HIGLEY RD | GILBERT, AZ

PRICE: \$6,000,000 YEAR BUILT: 2016
PRICE/SF: \$538.50 SOLD: 05/15/17
CAP RATE: 6.10%

17

SALES COMPARABLES



6

4050 S ALMA SCHOOL RD - SHOPS A

CHANDLER, AZ

PRICE: \$2,050,000 YEAR BUILT: 2016
 PRICE/SF: \$543.05 SOLD: 05/22/17
 CAP RATE: 6.52%



7

UNIT 209 - PHASE II BLDG A

7 1255 W RIO SALADO PKY | TEMPE, AZ

PRICE: \$1,510,320 YEAR BUILT: 2008
 PRICE/SF: \$293.55 SOLD: 06/01/2017
 CAP RATE: N/A



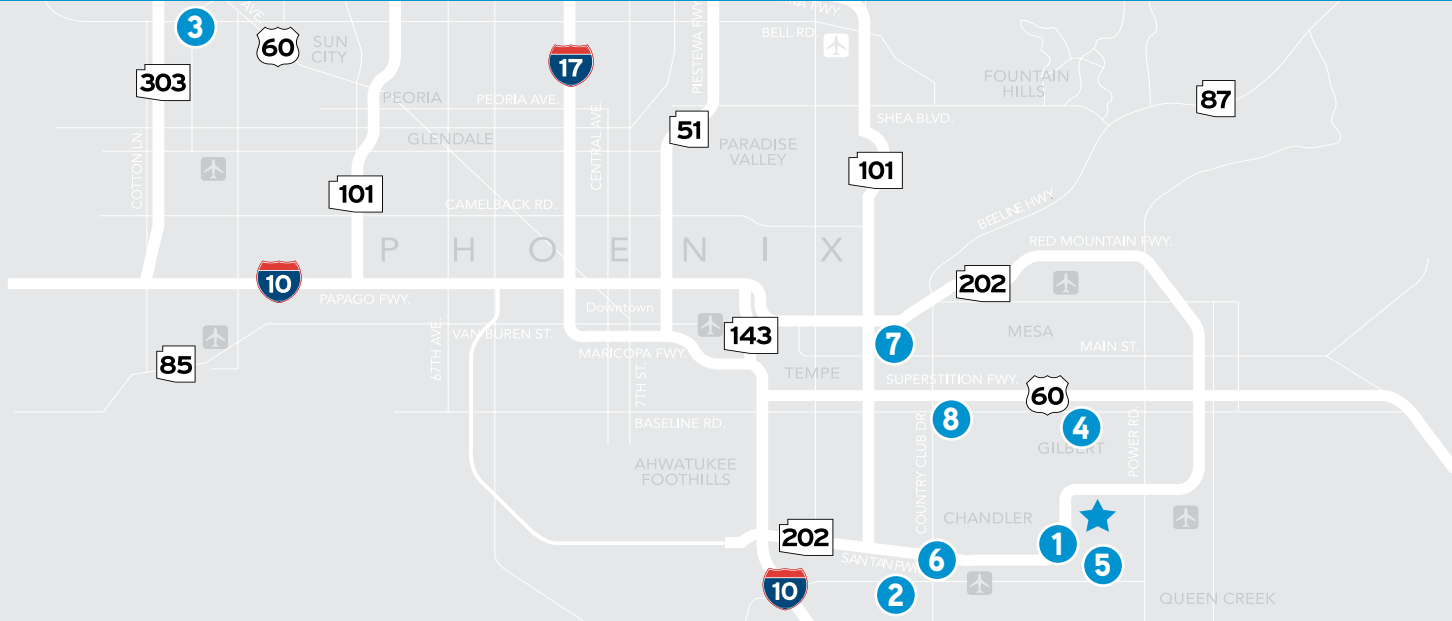
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UNIT 126-138 - BLDG 3N

2045 S VINEYARD | MESA, AZ

PRICE: \$1,490,000 YEAR BUILT: 2008
 PRICE/SF: \$282.63 SOLD: 12/04/17
 CAP RATE: 6.28%





PROPERTY	PRICE	PRICE/SF	CAP RATE	YEAR BUILT	SOLD DATE
SUBJECT PROPERTY: HIGLEY PARK COMMONS	\$2,921,000	\$289.00	6.88%	2007	On Market
1. SHOPPES AT COPPER POINT	\$6,350,000	\$420.92	6.23%	2007	09/01/2017
2. 1155 W. OCOTILLO	\$6,000,000	\$538.50	6.10%	2016	05/15/2017
3. SURPRISE VILLAGE MARKETPLACE	\$4,500,000	\$380.87	6.58%	2008	03/30/2017
4. HIGLEY MARKETPLACE	\$2,907,000	\$387.66	4.00%	2017	05/02/2017
5. NEXT CARE URGENT CARE	\$2,853,000	\$634.00	6.00%	2017	05/02/2017
6. 4050 S. ALMA SCHOOL RD	\$2,050,000	\$543.00	6.52%	2008	05/22/2017
7. 1255 W. RIO SALADO PARKWAY	\$1,510,320	\$293.55	N/A	2008	06/01/2017
8. 2045 S. VINEYARD	\$1,490,000	\$282.63	6.28%	2008	12/04/2017
AVERAGES		\$435.14	5.97%	2011	

GILBERT & VICINITY OVERVIEW





EMPLOYER	ACTIVITY	EMPLOYEES
GILBERT UNIFIED SCHOOL DISTRICT	Government	3,657
BANNER HEALTH	HealthCare	2,811
WALMART/SAM'S CLUB	Retail	1,398
GODADDY SOFTWARE, INC.	Tech	1,346
DIGNITY HEALTH	HealthCare	1,093
B H DRYWALL STUCCO PAINTING	Construction	997
FRY'S FOOD STORES	Retail	998
HIGLEY UNIFIED SCHOOL DISTRICT	Government	848
HUNTER CONTRACTING CO	Construction	650
TOPGOLF USA	Entertainment	485

Once known as the “Hay Shipping Capital of the World”, Gilbert, Arizona has evolved into one of the fastest growing communities and the largest town in the United States. Encompassing ±72.6 square miles, just southeast of Phoenix, Gilbert has transformed from an agricultural community to a thriving and economically-diverse suburban community.

Incorporated in 1920, Gilbert owes its beginnings to William “Bobby” Gilbert who provided land to the Arizona Eastern Railway in 1902 to construct a rail line between Phoenix and Florence, Arizona.

During the last three decades, Gilbert has seen tremendous growth, increasing in population from 5,717 in 1980 to more than 247,542 in 2016. Many recent accolades, including being named the 2nd Safest City and the 22nd Best Place to Live in the country, explain why so many want to live and do business in Gilbert.

The iconic water tower stands tall in downtown Gilbert in an area that once housed little more than the post office. Today, you will find the downtown bustling with shops, restaurants, a theater and so much more.

Gilbert boasts a nationally ranked K-12 education system including public schools, unique magnet and charter schools, with an average graduation rate of 90%. Over 40% of Gilbert residents hold a bachelor’s degree or higher and the average household income is \$98,458.

Gilbert’s booming housing industry is coupled with booming business. With a targeted focus in the science, technology, engineering and math industries, Gilbert is home to many companies that focuses in advanced manufacturing, aerospace and defense, bio-technology, clean technology and renewable energy.

As Gilbert approaches build-out over the next decade, the estimated population is expected to reach 330,000. With a continued focus on building the latest satellites, conducting cancer research and producing algae technology, Gilbert will continue to grow and thrive and uphold its reputation. (Source: gilbertaz.gov)



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