

SINGLE-TENANT MEDICAL OFFICE CONDO INVESTMENT OR OWNER/USER SALE

OFFERING MEMORANDUM

13634 N 93rd Avenue
Suite 200
Peoria, AZ 85381



CONFIDENTIALITY AGREEMENT

This Offering Memorandum contains select information pertaining to the details of the ±2,800 square foot retail property located at 13634 N 93rd Avenue, Suite 200, Peoria, AZ 85381 (Property). Colliers International, as agent (“Owner’s Agent”) for GSTN, LLC, 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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SINGLE-TENANT MEDICAL OFFICE CONDO

INVESTMENT OPPORTUNITY OR OWNER/USER SALE

Colliers International has been retained as exclusive advisor for the disposition of this single-tenant medical office condo investment or owner/user sale opportunity. This ±2,800 square foot medical office condo is located at 13634 N 93rd Avenue, Suite 200 in Peoria, Arizona. The property is currently leased by Dipti Patel, PLLC dba Diegstive Health Clinic through December 31, 2021. The property is located in Peoria, Arizona and the Arrowhead Submarket. This submarket extends as far north as Lake Pleasant, although the majority of office product is clustered near Loop 101 in the Arrowhead area of Glendale and Peoria. The close proximity to elder populations in the Sun City and Surprise areas has made Arrowhead popular with medical tenants as over half of Arrowhead's office stock is medical space. Arrowhead has been a relatively liquid submarket and prices have risen to all-time highs.

Peoria is home to many great amenities including the Peoria Sports Complex, a multi-use sports facility and event venue. This baseball complex consists of the main baseball stadium and 12 practice fields. It is the spring training home to the Seattle Mariners and San Diego Padres. The area surrounding the Peoria Sports Complex is known as P83 Entertainment District which hosts numerous hotels, restaurants, shopping and entertainment. Arrowhead Towne Center is the West Valley's premier shopping destination, featuring over 180 stores for the whole family, with brands like

Apple, Macy's Sephora, Coach, H&M, Disney and Victoria's Secret. The destination offers a selection of restaurants and a food court with over 15 of the most popular fast dining options.

There are numerous hospital systems surrounding the Arrowhead area. The closest to the subject property is Banner Boswell. This hospital has 501 beds including those within Banner Boswell Rehabilitation Center.

Banner Thunderbird is the next closest, just 5 miles east of the subject property. This hospital opened in 1983 as a non-profit and currently has 555 beds and growing. They recently completed a \$290 million expansion project which added numerous amenities as well as an additional 200-bed patient tower. They are now a Level I Adult Trauma Center for patients 15 and older. This designation means they can provide total care for every aspect of injury, greatly reducing the need to transfer patients outside the area for life-saving treatments.

Abrazo Arrowhead Hospital is approximately 6 miles away. It opened in 1988 and has changed ownership a few times over the years. It currently is a 262-bed short term acute care hospital.

EXECUTIVE SUMMARY

LOCATION	13634 N 93rd Avenue, Suite 200 Peoria, AZ 85381
PROPERTY TYPE	Medical Office Condominium
BUILDING SIZE	±18,620 SF
CONDO SIZE	±2,800 SF
PARKING	3 covered, reserved spots convey. Ratio of 5.0/1,000
ZONING	C-2
PARCELS (APN)	200-87-765
OFFERING PRICE	\$725,000 (\$258.93/SF)
INITIAL CAP RATE	7.25%
YEAR 1 NOI	\$52,552.34
HOA FEES	\$8,100/year (2019)* Paid by Tenant in addition to rent HOA Maintains exterior of building, roof, HVAC units and common areas of complex
PROPERTY TAXES	\$7,447.66 (2018)* Paid by Landlord

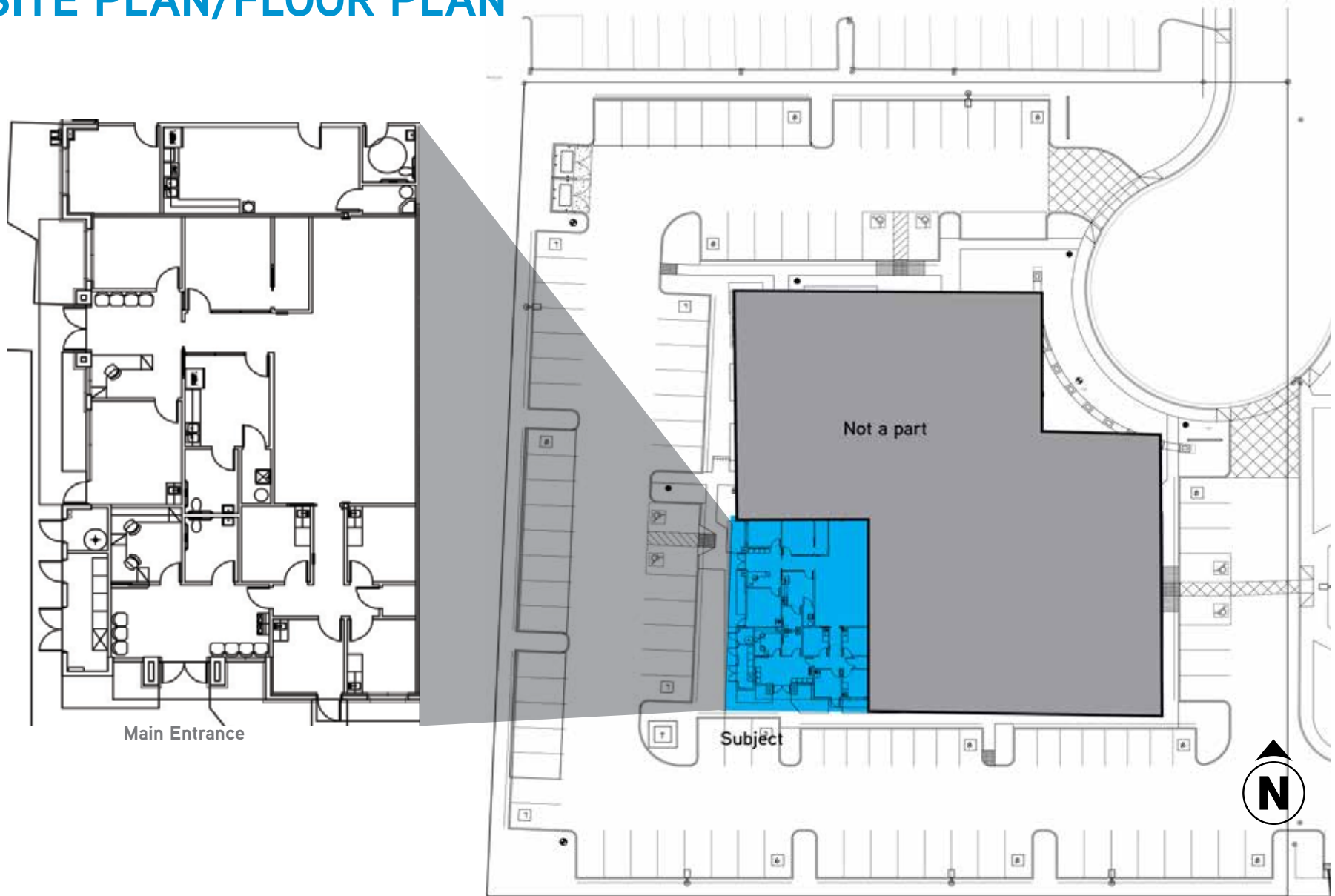


TENANT SUMMARY

PRIMARY TENANT:	Dipti Patel, PLLC, dba Digestive Health Clinic
LEASE COMMENCEMENT:	January 1, 2017
LEASE EXPIRATION:	December 31, 2021
ANNUAL BASE RENT:	\$60,000
ANNUAL ESCALATIONS:	3%
RENT SCHEDULE:	1/1/2019-12/31/2019: \$5,000/month + HOA Fees
	1/1/2020 - 12/31/2020: \$5,150/month + HOA Fees
	1/1/2021 - 12/31/2021: \$5,304.50/month + HOA Fees
RENEWAL OPTIONS:	Tenant does not have a renewal option, so Buyer could occupy property upon lease expiration
TENANT PAID PROPERTY EXPENSES:	HOA fees of \$8,100/year (2019) Utilities and janitorial
LANDLORD PAID PROPERTY EXPENSES:	Landlord pays property taxes, \$7,447.66 (2018)

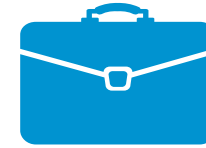


SITE PLAN/FLOOR PLAN





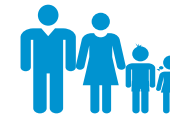
DEMOGRAPHICS (2019)	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	13,584	107,190	285,965
AVERAGE AGE	54.7	49.2	43.2
TOTAL HOUSEHOLDS	7,205	49,241	116,987
# OF BUSINESSES	754	4,247	9,762
# OF EMPLOYEES	5,310	42,137	96,112
AVG. HH INCOME	\$58,010	\$62,230	\$67,223
MEDIAN HH INCOME	\$44,847	\$48,036	\$52,493
AVG. HOME VALUE	\$164,857	\$150,856	\$186,742



42,137
 DAYTIME
 EMPLOYEES
in a 3-mile radius



AVERAGE AGE
49.2
years old



AVERAGE
 HOUSEHOLD
1.8 *family*
members



\$169,493
 MEDIAN
 HOME VALUE
in a 3-mile radius

9

DEMOGRAPHICS

Traffic Counts

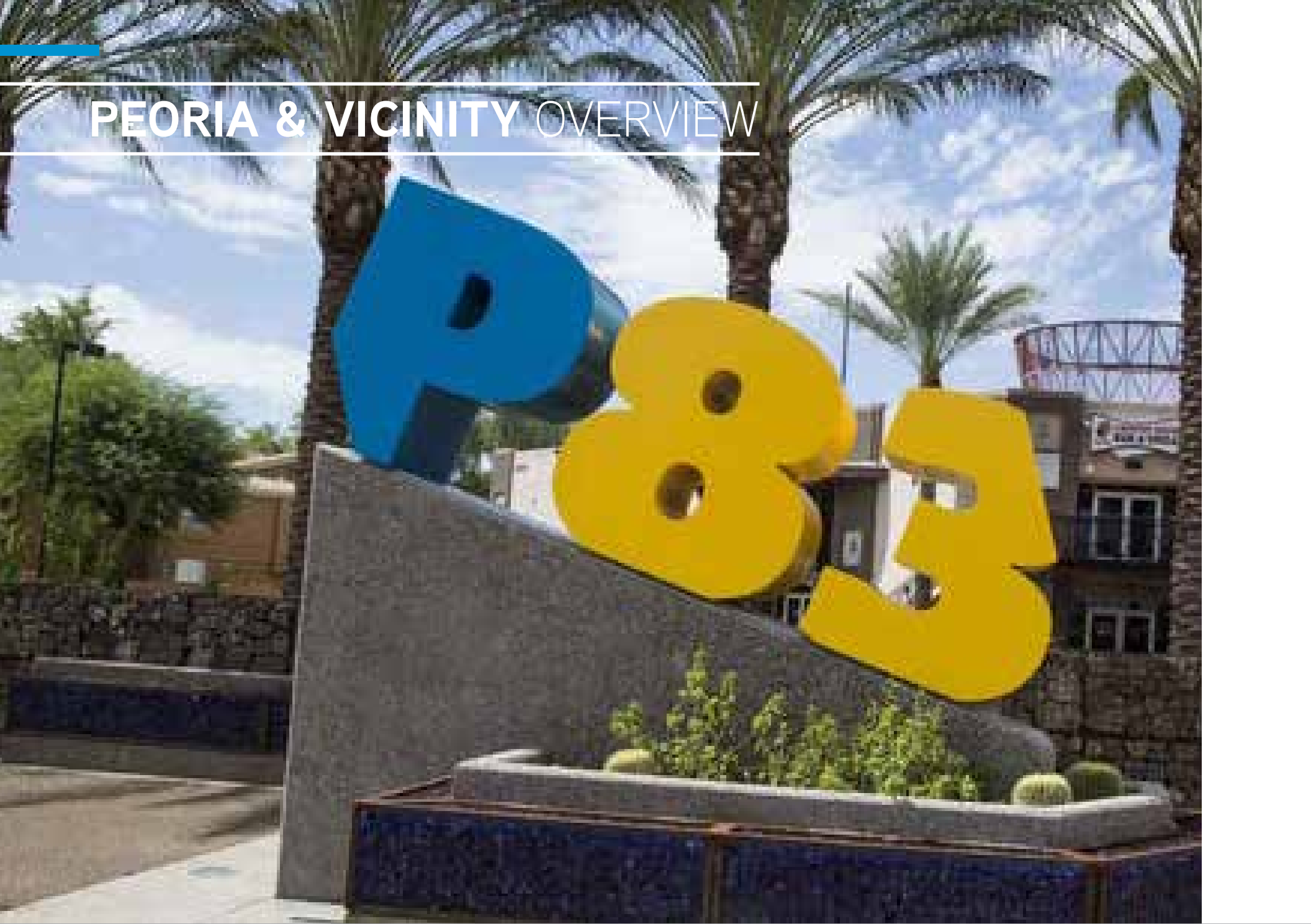
Loop 101 @ Thunderbird	140,765 VPD
Thunderbird @ 93rd Ave	22,265 VPD

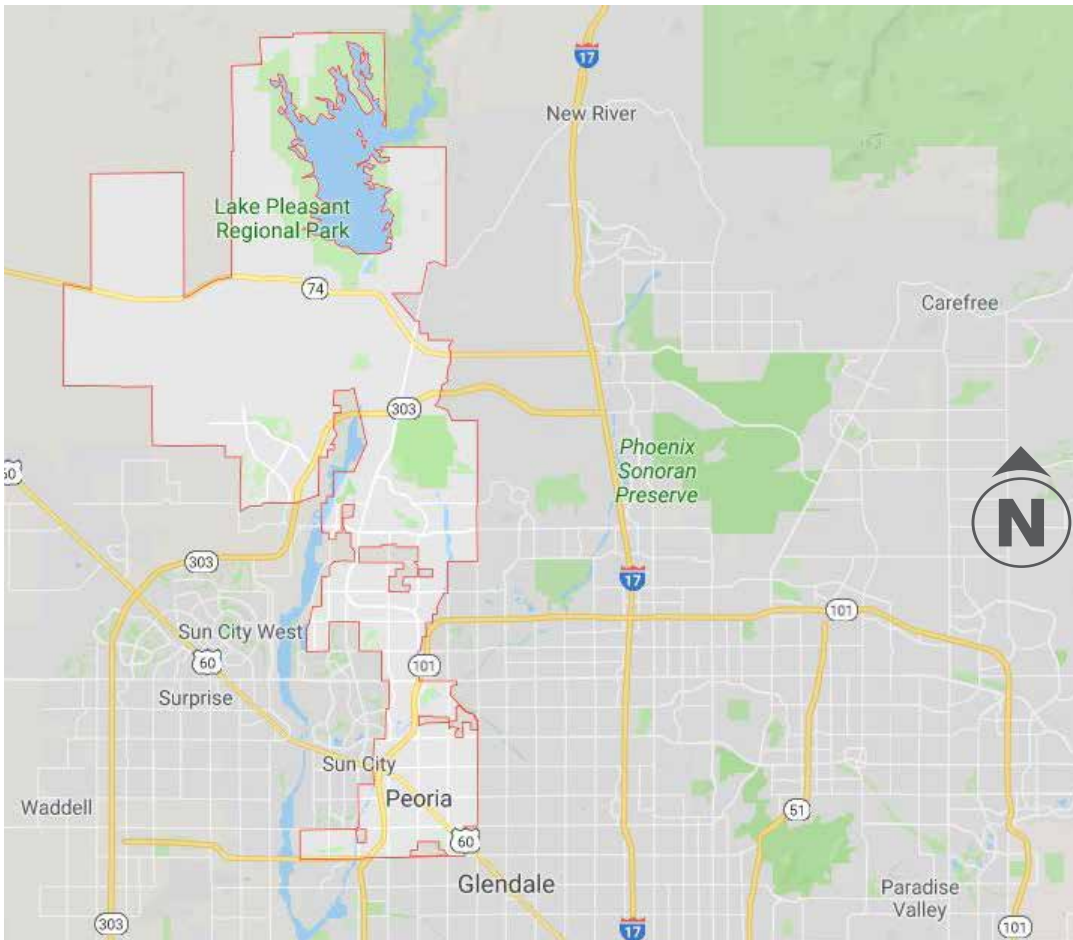




Parcel # 200-87-765

PEORIA & VICINITY OVERVIEW





The city of Peoria sits in the northwest portion of the Phoenix-Glendale metro area. The local population in the city totals a little over 168,000 residents. Peoria is currently the sixth largest city in Arizona for land area, and the ninth largest for population.

Strong demand for medical space in one of Phoenix's oldest communities has led developers to pursue spec projects. In February, the 22,700 SF Arrowhead Orchards delivered fully available for lease. Black Mountain Center, a 25,400 SF development for medical office space, is the biggest project in the pipeline and slated to deliver by the end of 2019. The submarket has also been a beneficiary of the expansion of another local healthcare provider, HonorHealth, in the West Valley. In December 2015, HonorHealth moved into 28,000 SF in a newly

constructed medical office building on Bell Road in Glendale. The company expanded its footprint further in November 2016 by moving into the recently delivered 25,000 SF Lake Pleasant Professional Plaza in Peoria.

Vacancies have steadily compressed over the past several years to 10.1%, significantly down from its recessionary peak of 20.4%. The healthcare sector has been the driver of office demand in the submarket. Medical firms Banner Health, Cigna Health, and HonorHealth have some of the largest footprints in the submarket. Healthcare providers in Arrowhead provide easy access for the high concentration of elder communities in Sun City and Surprise. Most leases in Arrowhead are smaller than 2,500 SF. However, there has been a handful of larger leases within the past few years, further bolstering fundamentals by helping the submarket absorb recent deliveries. The largest of these are Cigna Medical Group, Banner Health, and Honor Health, which took 60,000 SF, 26,000 SF, and 25,000 SF, respectively, in newer buildings. Vacancies are tightest in the 4 & 5 Star segment. This has motivated developers to deliver speculative construction, starting with the 25,000-SF Black Mountain Center, which is slated to deliver in late 2019.

In contrast to the large corporate campuses of the East Valley, office properties in Arrowhead tend to be on the smaller side and just over 85% of office properties are multi-tenant. This inventory mix makes the submarket well suited for local, professional tenants such as physicians, lawyers and accountants. Proximity to elder populations in the Sun City and Surprise areas has made Arrowhead popular with medical tenants as over half of Arrowhead's office stock is medical space.



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