

OFFERING MEMORANDUM

FRYS PAD AT TOWNSHIP PLAZA

1851 E. BASELINE ROAD,
GILBERT, AZ 85233

LISTING PRICE: \$2,151,000



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CONTACT US

STEVE JULIUS

Vice President
602.735.5216
steve.julius@cbre.com

JESSE GOLDSMITH

Vice President
602.735.5217
jesse.goldsmith@cbre.com

COURTNEY LUEDEMANN

Client Services Specialist
602.735.5218
courtney.luedemann@cbre.com



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EXECUTIVE SUMMARY





EXECUTIVE SUMMARY

PROPERTY NAME: Fry's Pad at Township Plaza

ADDRESS: 1851 E. Baseline Road,
Gilbert, AZ 85233

OFFERING PRICE: \$2,151,000

PRICE PER SF: \$387.43

OCCUPANCY: 100%

CURRENT NOI: \$142,076

TOTAL SQUARE FEET: ±5,552 SF

PARCEL NUMBER: 310-05-236A

ZONING: C-1

YEAR BUILT: 2004

LOT SIZE: ±0.51 Acres

CURRENT CAP: 6.60%





PROPERTY DESCRIPTION





SITE OVERVIEW

Property Name:	Fry's Pad at Township Plaza
Property Type:	Strip Retail Center
Property Address:	1851 E. Baseline Road, Gilbert, AZ 85233
Parcel Number:	310-05-236A
Total Building Size:	±5,552 SF
Occupancy:	100%
Year Built:	2004
Lot Size:	±22,216 Acres

PROPERTY HIGHLIGHTS

- Pad to Busy Fry's Marketplace (Kroger)
- 100% Leased
- NNN Leases
- Easy To Manage (3 Tenants)
- Two Corporate Leases, One Local
- Stable Asset
- Never a Vacancy since Development

AREA OVERVIEW

The Fry's Pad at Township Plaza is a three-tenant NNN investment in Gilbert (Phoenix), Arizona. It has been 100% occupied to the same businesses since it's development in 2004. It is a free-standing building to a busy Fry's Marketplace- and Ace Hardware-anchored shopping center. Located west of the southwest corner of Baseline Road and Gilbert Road, the building sees 31,500 vehicles on Baseline Road alone. Gilbert Road has another 41,500 vehicles per day, many of which are customers to the Fry's, Ace Hardware, Barro's Pizza, Café Rio, McDonald's and other tenants within the plaza. The anchoring 112,000 SF Fry's Marketplace, reports consistently impressive annual sales, evidencing the success of the center and its surrounding PADS. A few years ago, Fry's added their Fry's Fuel concept to the plaza, which is another sign of the viability of the site.

Within the plaza is Gentle Dental, a corporate lease with InterDent Service Corporation, a multi-unit family dentistry chain, Ace Cash Express, a corporate lease with the successful multi-store financial services firm, and a busy nail salon and spa.

The investment can be purchased with a new loan or all cash. This is an opportunity to buy a stable NNN pad to a busy grocery center without having to accept the low cap rates of single-tenant NNN buildings.



TENANT OVERVIEWS

GENTLE DENTAL

Gentle Dental offers what's important in your search for family dentistry—the personalized care of a neighborhood dentist within a powerful network of dental providers. With more than **180 offices** throughout the U.S., Gentle Dental provides you and your family with an extensive network of neighborhood practitioners. We know how hard it can be to find a Good Dentist, and the Gentle Dental Way promises a caring team of dentists, specialists, and office staff to serve all your dental needs.

<http://www.gentledentalgilbert.com/>

ACE CASH EXPRESS

ACE Cash Express has over 200 locations in 23 states across the United States, (**23 are found in Arizona**). Services include: Payday Loans, Installment Loans, Title Loans, Auto Insurance, Bill Payments, Business Services, Check Cashing, Money Orders, Money Transfers, Prepaid Debit Cards.

<https://www.acecashexpress.com/>

MARGARITA NAILS

Margarita Nails is a successful nail salon and spa that offers professional nail, waxing and facial services by licensed experts.

<http://www.yelp.com/biz/margarita-nails-and-spa-gilbert>

FINANCIAL ANALYSIS





OPERATING INFORMATION

SUMMARY		ACTUAL	
List Price:		\$2,151,000	
Down Payment (example):	35%	\$752,850	
Current CAP:		6.60%	
Rentable Square Feet:		5,552	
Price Per Square Foot:		\$387.43	
Avg Annual Rent PSF (NNN):		\$25.82	
Occupancy:		100%	
ANNUALIZED OPERATING DATA		ACTUAL	PSF
Gross Revenue			
Base Rental Revenue		\$141,936	\$25.56
Reimbursement Revenue		\$40,392	\$7.28
Total Gross Revenue		\$182,328	\$32.84
Expenses			
Real Estate Taxes		(\$12,197)	(\$2.20)
Insurance		(\$991)	(\$0.18)
CAMs/Utilities		(\$17,458)	(\$3.14)
Property Management		(\$5,384)	(\$0.97)
Reserves*		(\$4,300)	(\$0.77)
Total Operating Expenses		(\$40,329)	(\$7.26)
Net Operating Income		\$141,999	\$25.58
Debt Service (example):		(\$93,256)	
Pre Tax Cash Flow	6.47%	\$48,743	
Plus Principal Reduction:		\$30,973	
Total Return:	10.59%	\$79,716	

*Past two years actual expenses have been \$36,000 to \$38,000. Additional expense reflected for reserves.

ANNUAL OPERATING EXPENSES	2014	2015
Day Porter	\$2,400	\$2,300
Power Washing	\$843	\$1,675
Pest Control	\$720	\$665
Debris Control	\$0	\$200
Trash Removal	\$1,625	\$886
General R & M	\$735	\$949
Lighting R & M	\$0	\$330
Roof Repairs	\$1,400	\$650
Fire Contract	\$1,157	\$1,166
Fire R & M	\$95	\$0
Annual Testing	\$455	\$420
Painting	\$0	\$200
Management Fee	\$5,680	\$5,384
Property Tax	\$12,989	\$12,197
Insurance	\$1,098	\$991
Electricity	\$1,222	\$1,267
Water & Sewer	\$1,595	\$1,927
Landscape Contract	\$3,090	\$2,420
Tree Trimming	\$985	\$315
Landscape R & M	\$444	\$611
Water-Irrigations	\$17	\$0
Association Dues	\$1,105	\$1,397
Misc. CAM	\$0	\$80
TOTAL:	\$37,655	\$36,029

FINANCING- Example New Loan

Loan Amount	\$1,398,150
Loan to Value	65%
Interest Rate	4.50%
Amortization	25
Term	5 Years
Monthly P & I Payments	\$7,771
DCR	1.52



RENT ROLL **CURRENT**

SUITE	TENANT NAME	SQUARE FEET	% OF SPACE	MONTHLY RENT	ANNUAL RENT	RENT PER SQ. FT.	TYPE OF LEASE	EST. MONTHLY NNN	EST. ANNUAL NNN	ANNUAL NNN PSF	LEASE BEGIN	LEASE END	NEXT INCREASE DATE	NEXT RENTAL INCREASE	COMMENTS
103	InterDent Service Corp. dba Gentle Dental	3,029	54.6%	\$6,310.42	\$75,725	\$25.00	NNN	\$1,830	\$21,960	\$7.25	8/6/04	1/31/18	None	None	Lease extension just executed Jan of 2016, for two more years.
102	Ace Cash Express, Inc.	1,271	22.9%	\$2,904.59	\$34,855	\$27.42	NNN	\$768	\$9,216	\$7.25	5/7/04	2/28/19	Mar-2016	\$2,904.59	Annual increases each March. (2016 Included)
													Mar-2017	\$3,006.25	
													Mar-2017	\$3,111.47	
101	Margarita Nails	1,252	22.6%	\$2,613.01	\$31,356	\$25.04	NNN	\$768	\$9,216	\$7.36	10/29/04	12/31/19	Jan-2017	\$2,691.40	Annual increases each January (included 3%, Jan-2016)
													Jan-2018	\$2,722.14	
													Jan-2019	\$2,855.30	
	TOTAL	5,552	100%	\$11,828	\$141,936	\$25.82		\$3,366	\$40,392	\$7.29					
	OCCUPIED	5,552	100%												
	AVAILABLE	0	0%												

LOCATION OVERVIEW





PROPERTY AERIAL



TRAFFIC COUNTS: CBRE RESEARCH 2011

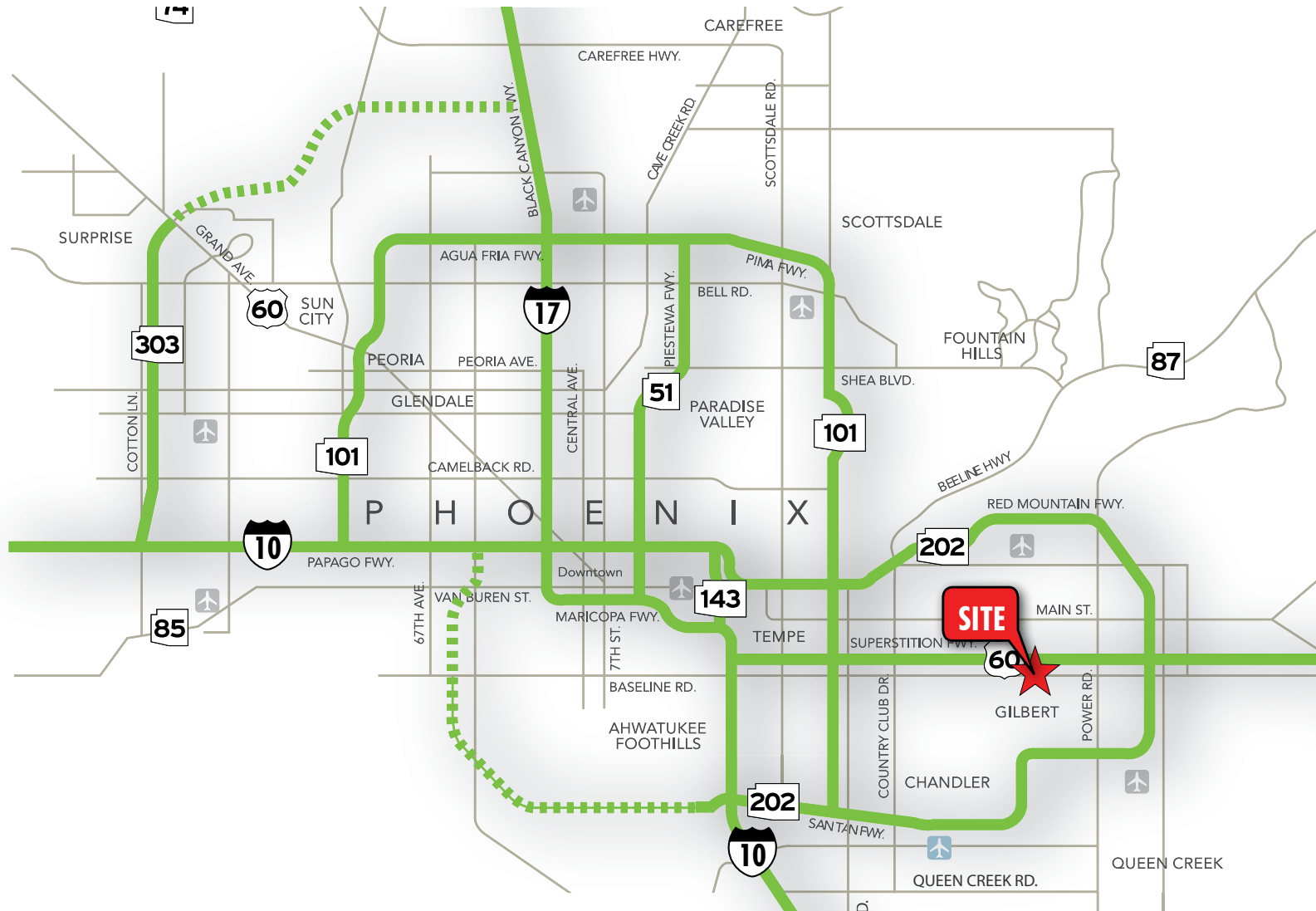


PROPERTY AERIAL





PROPERTY MAP



DEMOGRAPHICS





DEMOGRAPHICS

	1 MILE RADIUS	3 MILE RADIUS	5 MILE RADIUS
POPULATION			
2015 Population	15,976	145,327	389,385
2020 Population	16,382	150,938	406,868
2010 Population	15,833	141,761	376,564
2000 Population	17,003	145,999	370,184
Percent Pop Change: 2010 to 2015	0.9%	2.5%	3.4%
Percent Pop Change: 2015 to 2020	2.5%	3.9%	4.5%
AGE			
2015 Median Age	32	32	34
2015 Average Age	34	34	36
HOUSEHOLDS			
2015 Households	6,020	50,160	144,157
2020 Households	6,291	52,756	151,977
2010 Households	5,758	47,717	136,942
2000 Households	5,863	47,809	130,509
Percent HH Change: 2010 to 2015	4.5%	5.1%	5.3%
Percent HH Change: 2015 to 2020	4.5%	5.2%	5.4%
Average Household Size	2.7	2.9	2.7
INCOME			
2015 Median Household Income	\$52,597	\$50,210	\$49,499
2015 Average Household Income	\$66,742	\$65,806	\$65,179
2015 Per Capita Income	\$25,149	\$22,713	\$24,131
HOUSING UNITS			
2015 Housing Units	6,537	55,641	165,620
Occupied Units	6,020	50,160	144,157
Vacant Housing Units	517	5,481	21,462
2015 Owner-Occupied Housing Units	3,422	30,818	87,498
2015 Renter-Occupied Housing Units	2,598	19,342	56,659
EDUCATION			
2015 Population Age 25 and Over	9,911	89,512	247,906
High School thru Associates	6,450	52,900	150,596
Bachelor's Degree	1,709	14,645	43,707
Graduate Degree	785	7,423	22,031
PLACE OF WORK			
Total Businesses	1,050	7,354	19,278
Daytime Employment (Total Employees)	9,097	60,780	149,589



CONTACT US

STEVE JULIUS

Vice President
602.735.5216
steve.julius@cbre.com

JESSE GOLDSMITH

Vice President
602.735.5217
jesse.goldsmith@cbre.com

COURTNEY LUEDEMANN

Client Services Specialist
602.735.5218
courtney.luedemann@cbre.com