

charles SCHWAB

3031 WEST FRYE ROAD, CHANDLER, ARIZONA

- » Extremely Rare, Legacy Opportunity
- » True Investment Grade Credit: Prime/AAA/A+ Rating
- » Charles Schwab Market Cap > \$54 Billion
- » Brand New, 12-Year NNN Corporate Lease
- » Freestanding, Single-Tenant Property (Fee Simple)
- » Marquee Building - New Construction Relocation
- » Intersection of Loop 101 & 202 Freeways
- » Hard Corner
- » Entrance to Nordstrom-Anchored Super Regional Luxury Mall, Chandler Fashion Center
- » Entrance to \$250 Million Chandler Viridian Mixed-Use Development by HINES

CLICK TO
VIEW AERIAL
TOUR



OFFERING MEMORANDUM

PRIMEGATE Chandler Viridian @ Fashion Center

Marcus & Millichap

Tenant Overview



Top 50 “World’s Most Admired Companies”
- 2019 FORTUNE



#289



#1 Overall “Best Online Brokers” - 2018 Investor’s Business Daily



“Highest in Investor Satisfaction with Full Service Brokerage Firms, Three Years in a Row” - J.D. Power



Charles Schwab & Co., Inc. (NYSE: SCHW) is an iconic wealth management and financial services firm. Charles Schwab & Co. has a market cap of over \$54 billion, is a Fortune 500 company, is one of the Top 50 of the World’s Most Admired Companies, and is recognized as one of Arizona’s Most Admired Companies.

Over the years, Charles Schwab has grown from a small discount

brokerage to a leading investment services firm with more total assets than any publicly traded investment services firm in the U.S., the #1 custodian for independent advisors, and a leader in asset management and retirement planning. The Company has 12.1 million active brokerage accounts, 1.4 million banking accounts, 1.7 million corporate retirement plan participants, and \$3.72 trillion in total client assets.

Tenant Overview



Total client assets*
\$3.77 Trillion



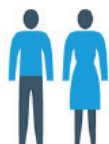
Active brokerage accounts*
12.1 Million



Corporate retirement
plan participants*
1.7 Million



Banking accounts*
1.4 Million



RIAs served*
7,500



Total employees**
19,800



Capital expenditures**
\$190 Million



Total expenses**
\$1.47 Billion



All proprietary mutu-
al funds and ETFs**
\$450.2 Billion



Market capitalization
\$53.84 Billion

* As of September 30, 2019. Updated on a monthly basis.

** As of September 30, 2019

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SCHWAB

NYSE: SCHW
Charles Schwab Corporation

Price	\$41.21
52wk Range	\$34.58-\$49.24
Mkt Cap	\$53.84B
Average Volume	\$3,030,681



Investment Highlights

- » **Single-Tenant, Freestanding Building**
- » **Brand New, 12-Year NNN Lease**
- » **2% Annual Rental Increases**
- » **New Charles Schwab Marquee Design**
- » **Relocation & Expansion of Existing Operations**
- » **Hard Corner, Super Regional Location**
- » Entrance to Chandler Fashion Center and Brand New \$250,000,000 Mixed-Use, Class-A Development by HINES
- » Dedicated, Direct Access Off Loop 101/Price Road
- » **Average Household Income Exceeds \$99K in 3-Mile Radius**
- » **249,718 Residents in Growing Chandler Trade Area - Phoenix MSA**
- » Multiple Access Points with Efficient Traffic Flow
- » Adjacent to Target-Anchored Power Center and Costco
- » Directly Serves the Silicon Desert/Price Road Corridor, Dignity Regional Hospital, Bank of America Campus, Intel, Wells Fargo Campus and More
- » **Strong Daytime Population - 276,800+ Employees in 5-Mile Radius**
- » 7,000+ Hotel Rooms in Trade Area
- » 1,900+ Apartment Units in Immediate Area



Executive Summary

FINANCIAL SUMMARY

Price	\$8,373,000
Down Payment	100% \$8,373,000
Cap Rate	4.0%
Building SF	7,442
Net Cash Flow	4.0% \$334,890
Year Built	2019

LEASE SUMMARY

Property Type	Freestanding, Single-Tenant Property
Lease Type	Triple-Net (NNN) Lease
Tenant	Charles Schwab & Co., Inc.
Roof & Structure	Tenant Responsible to Reimburse
Lease Commencement Date	December 8, 2019
Lease Expiration Date	December 31, 2031
Lease Term	12 Years
Rental Increases	2% Annually
Renewal Options	1, 5 Year Option & 1, 3 Year Option

Total Return **4.0% \$334,890**

Avg. Cap Rate Over 1st Term **4.47%**

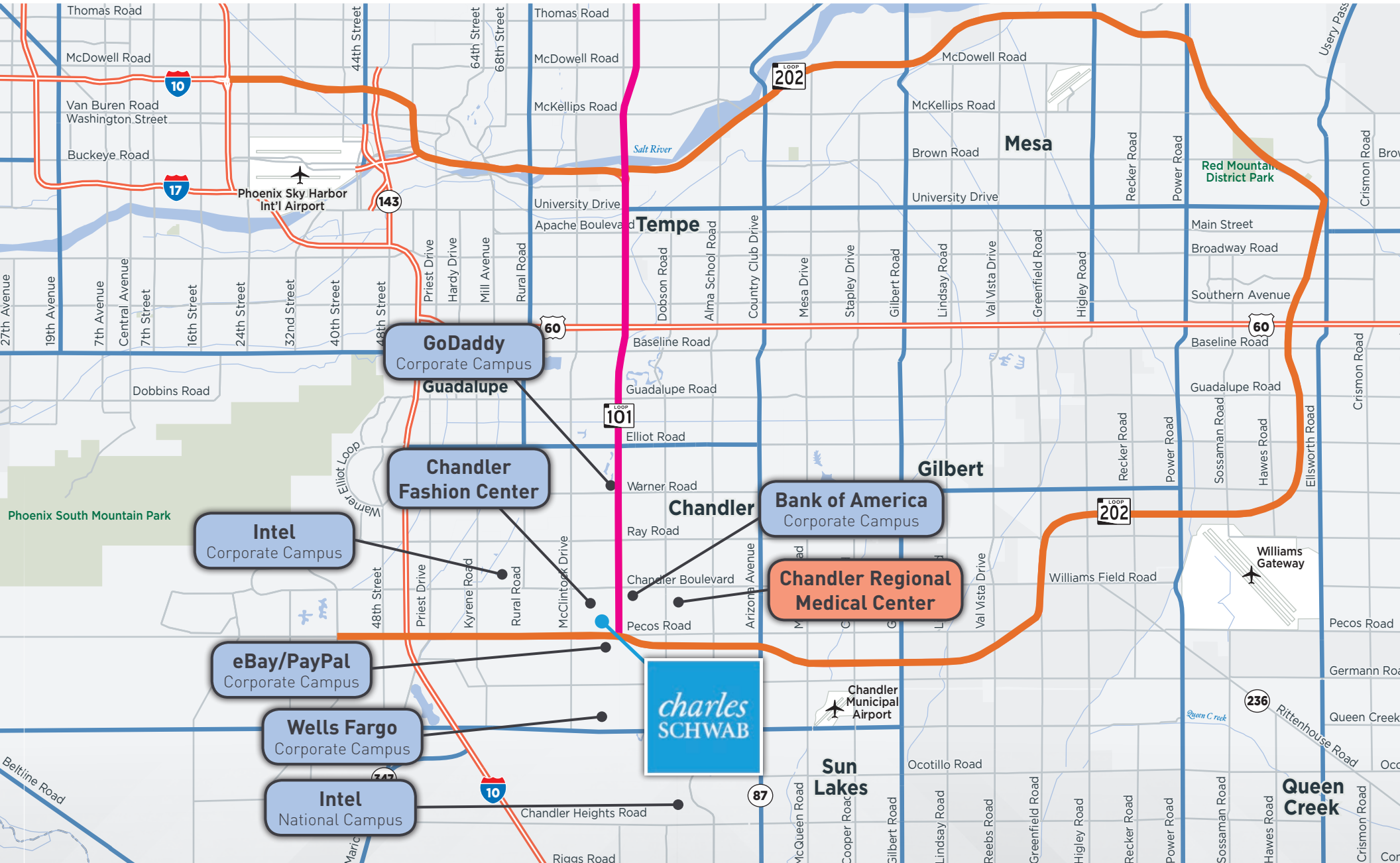
Avg. Cap Rate Ove 1st Term & Options **4.86%**

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Year 1	\$334,890.00	4.00%
Year 2	\$341,587.80	4.08%
Year 3	\$348,419.52	4.16%
Year 4	\$355,387.92	4.24%
Year 5	\$362,495.76	4.33%
Year 6	\$369,745.68	4.42%
Year 7	\$377,145.60	4.50%
Year 8	\$384,683.40	4.59%
Year 9	\$392,376.96	4.69%
Year 10	\$400,224.60	4.78%
Year 11	\$408,229.08	4.88%
Year 12	\$416,393.64	4.97%

Options	Annual Rent	Cap Rate
OPTION 1		
Year 13	\$424,721.52	5.07%
Year 14	\$433,215.96	5.17%
Year 15	\$441,880.20	5.28%
Year 16	\$450,717.84	5.38%
Year 17	\$459,732.24	5.49%
OPTION 2		
Year 18	\$468,926.88	5.60%
Year 19	\$478,305.36	5.71%
Year 20	\$487,871.52	5.83%

Regional Map



Aerial Photo



Harkins
THEATRES
20 SCREENS
CINE-1 LUX
EXPERIENCE

california
PIZZA KITCHEN
P.F. CHANG'S
BJ's The Cheesecake
Factory
RESTAURANT
BREWHOUSE

CHANDLER
FASHION CENTER
NORDSTROM
H&M LUSH
Disney STORE lululemon athletica
POTTERY BARN ANTHROPOLOGIE
SEPHORA LUCKY BRAND
ATHLETA free people

The Offices At
CHANDLER VIRIDIAN
250,000 SF

Panera
BREAD

Chirsky Lion
RESTAURANT & GRILL

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- » 7,000+ HOTEL ROOMS IN TRADE AREA
- » 1,900+ CAPTURED APT UNITS
- » 249,700 RESIDENTS IN TRADE AREA
- » 276,800 DAYTIME EMPLOYEES IN
TRADE AREA

123,000 CPD

LOOP
101


avant
AT FASHION CENTER
335
RESIDENCES


COSTCO
WHOLESALE

The Offices At 
CHANDLER VIRIDIAN
250,000 SF


Panera
BREAD


the
SICILIAN
BUTCHER


Thirsty Lion
GASTRO PUB & GRILL


CAMBRIA

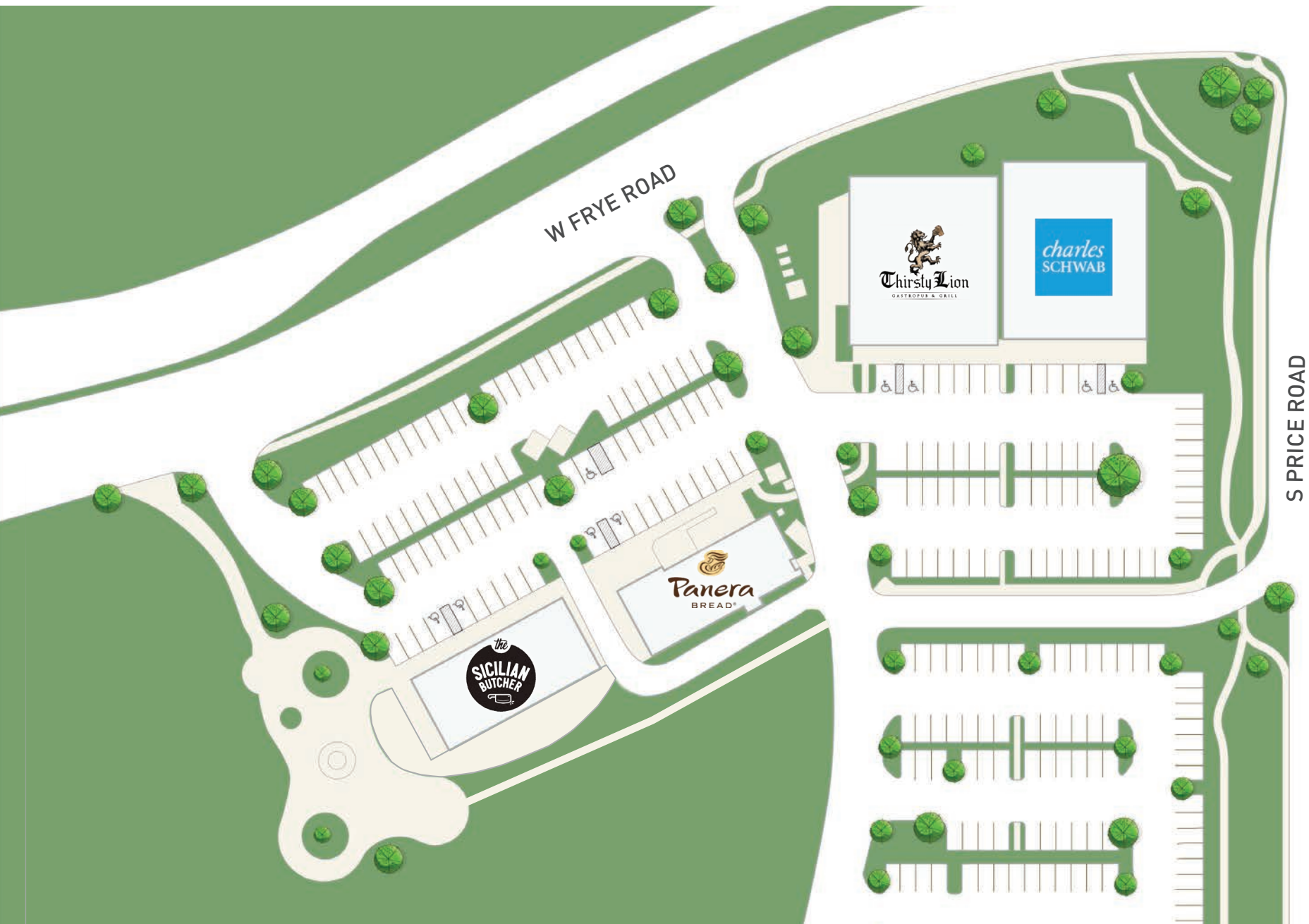

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CHANDLER VIRIDIAN

Chandler Viridian Master Site Plan



PRIMEGATE Site Plan



Property Photos



Chandler Viridian

Chandler Viridian is a premier \$250M, mixed-use development integrating a 250,000-square-foot Class A office, 135-room business class hotel, 350-unit luxury apartment units, and PRIMEGATE'S 24,000 square feet of retail and restaurants all located at the intersection of Loop 101 and San Tan Loop 202 in Chandler, AZ.

This project is the first truly mixed-use development in Chandler with all components being linked together with extensive pedestrian esplanades and jogging paths. Chandler Viridian uses its ±26 acre footprint for maximum efficiency and the ability to create a unique office environment. The project features mixed use amenities with a convenient on site Cambria hotel, Avant Alliance Residential and on site retail and restaurant options, located in the heart of the Chandler labor pool. It is integrated with Chandler Fashion Center and flanked by both the Super Target-anchored Chandler Festival power center and the Chandler Costco adjacent to the west and southwest respectively.

Chandler Fashion Center is the Southeast Valley's premier shopping destination with an upscale collection of more than 185 stores including Nordstrom, Apple, Macy's, Lululemon Athletica, Sephora, H&M, Coach, and Michael Kors.

PRIMEGATE

PRIMEGATE is the capstone element of Chandler Viridian and spans 24,000-square-feet of restaurant and retail space with excellent visibility from both Loop 101 and W Frye Road. PRIMEGATE is made up of Charles Schwab, Thirsty Lion, The Sicilian Butcher, and Panera.

CAMBRIA HOTEL

Chandler's 138-room, business class, Cambria Hotel serves the communities of Phoenix and Chandler. It is ideally located in Chandler Viridian/Fashion Center and is walking distance to over 185 shopping, dining, and entertainment options.

THE OFFICES AT CHANDLER VIRIDIAN

The Offices at Chandler Viridian is a 250,000-square foot Class-A, LEED designed 6-story office building. The building will have a large, open floorplan with 10-foot tall ceilings, a lounge and a large courtyard. Co-working company Workuity recently leased out 19,787-square feet of office space.

AVANT AT FASHION CENTER

Avant at Fashion Center is an on-site 330-unit luxury apartment complex linked to PRIMEGATE via covered pedestrian esplanade. All units are equipped with smart home technology, gourmet kitchens, modern designs and finishes, and more.



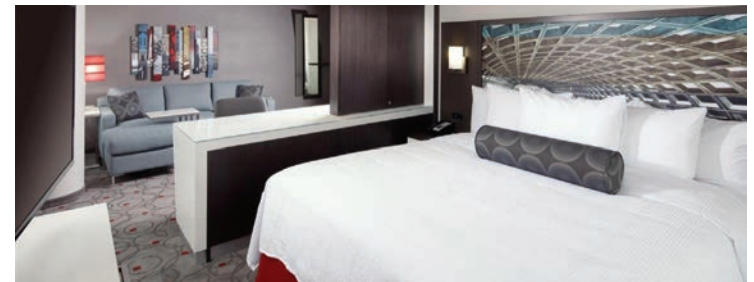
On-Site Mixed Use Amenities

avant
AT FASHION CENTER
335 APARTMENT
HOMES



Hines
LEED DESIGN CLASS-A
250,000 SF OFFICE

CAMBRIA
hotels & suites
135-KEY LIMITED SERVICE,
UPSCALE HOTEL



NORDSTROM
H&M
LUSH
FRESH HANDMADE COSMETICS
Disney
STORE
lululemon
athletica
ANTHROPOLOGIE
LUCKY BRAND
EST. 1990
POTTERY
BARN
ATHLETA
macy's
free people
SEPHORA
Dillard's



**MAJOR
ANCHORS**

Property Description



DEMOGRAPHICS

3-miles

5-miles

Population

2023 Projection	105,127	261,092
2018 Estimate	100,748	249,718
Growth 2018 – 2023	4.35%	4.55%

Households

2023 Projection	42,670	103,511
2018 Estimate	39,779	96,804
Growth 2018 – 2023	7.27%	6.93%

Income

2018 Est. Average Household Income	\$99,021	\$98,172
2018 Est. Median Household Income	\$77,058	\$73,889
2018 Est. Per Capita Income	\$39,139	\$38,095

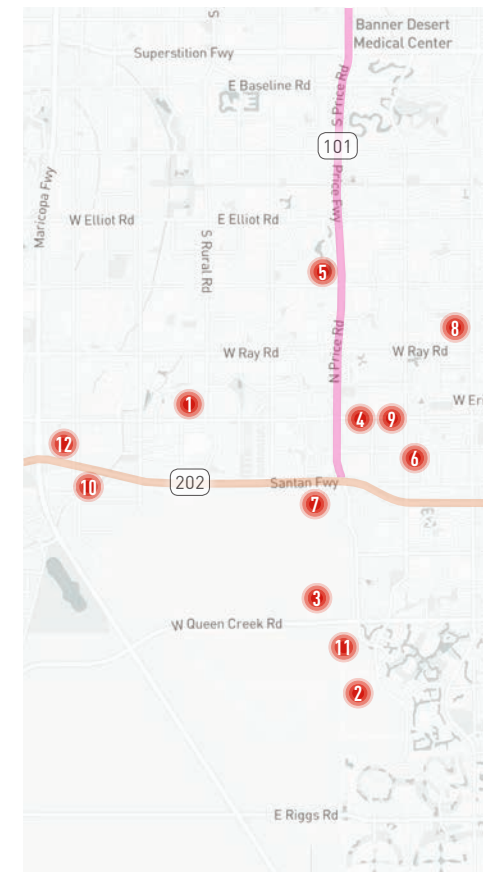


MAJOR EMPLOYERS

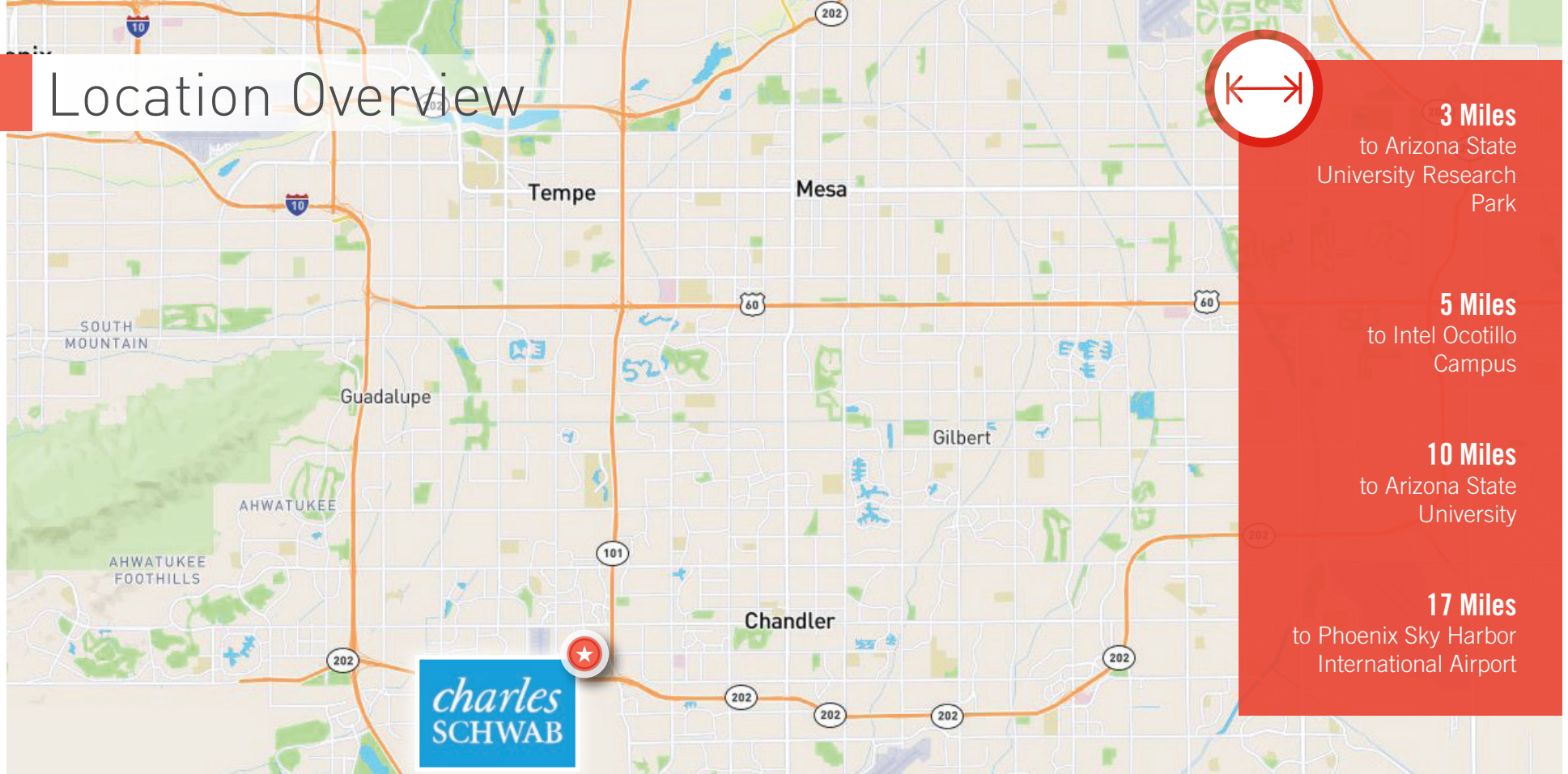
Company

Number of Employees

1 Intel (Corporate Campus)	11,000
2 Intel (National Campus)	
3 Wells Fargo Corporate Campus	4,500
4 Bank of America Corporate Campus	3,800
5 GoDaddy	3,000
6 Chandler Regional Medical Center	2,100
7 PayPal	2,000
8 NXP Semiconductor	1,700
9 Microchip Technology	1,625
10 Verizon Wireless Campus	1,550
11 Orbital Sciences	1,200
12 Bashas'	1,100



Location Overview



Chandler, Arizona is one of the most affluent suburbs of Phoenix and embodies an active lifestyle with easy access to outdoor recreation with endless family-fun, award-winning events, world-class golf facilities, and a vibrant downtown. Visitors and residents enjoy the diverse community with its vibrant restaurants of every cuisine, premier shopping, arts and culture and a wide range of things to do all year-round.

In recent years, Chandler's borders have been expanded and the population has boomed from 30,000 in 1980 to more than 240,000 today. The economic base of Chandler has been diversified. While agriculture is still somewhat of a vital element, Chandler now enjoys a strong manufacturing and electronics sector.

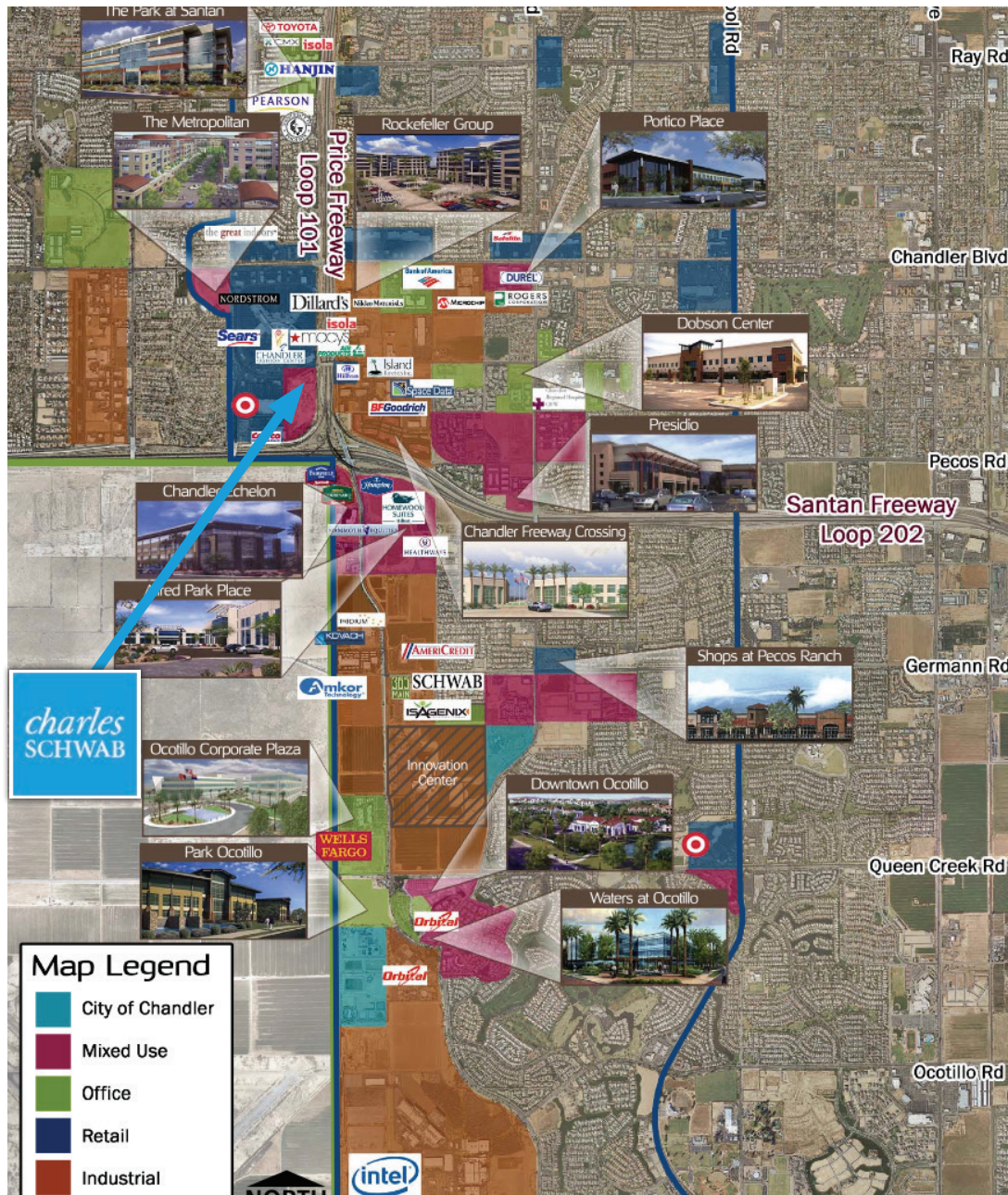
Motorola and Intel combined have five plants in Chandler, including Motorola's Iridium and Intel's Pentium III chip facilities. Other high tech industries are Rogers, Avnet, AMKOR, SpeedFam, Orbital Sciences and Microchip Technology. Over 75

percent of Chandler's 30,000 manufacturing employees are in high tech fields; the national average is 15 percent.

The Price Corridor is the foremost example of how strategic investment in infrastructure and long-term planning can positively shape a community. High capacity utilities, preserved employment sites, well placed parks and numerous residential options make the area appealing to companies and individuals alike. Price Corridor's commercial real estate mix includes Class "A" office, executive office suites, light industrial parks, mixed-use projects and corporate and technology campus settings.

This high-technology center along with friendly neighborhoods, excellent schools and a thriving shopping and dining scene, has made the Price Corridor a powerful magnet for both talent and notable industry leaders.

Trade Area Aerial Photo



Phoenix MSA

METRO

The Phoenix metro consists of Maricopa and Pinal counties, and includes over 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 36 percent. The largest city is Phoenix, which encompasses about 520 square miles, is the capital city and boasts a population of more than 1.5 million. The Phoenix metro is 115 miles from Tucson, 350 miles from San Diego, 370 miles from Los Angeles, and 1,060 miles from Dallas.

EMPLOYERS

Phoenix has evolved from a tourism- and resource-based market to a major center of high-tech manufacturing and a regional base for customer service, distribution and professional services. While the metro has its share of large employers, small employers provide the majority of jobs. The resulting diversification reduces workforce volatility and encourages innovation.

The trade, transportation and utilities sector claims the largest share of employees at 19 percent. Sky Harbor Airport accounts for a large portion of these workers as American Airlines has a local hub. The professional and business services sector employs 17 percent of the metro's workforce.

Education and healthcare also have major presences in the Valley, with 15 percent of jobs. Phoenix is home to Banner Health, one of the largest nonprofit healthcare systems in the country, with 30 hospitals; half are in the Phoenix metro.

In addition, the Mayo Clinic has a medical research center in Scottsdale. Education employers include Arizona State University and Apollo Group, a for-profit

education company.

With the state capital located in Phoenix and Luke Air Force Base in the West Valley, 12 percent of employment is in government. Employment in this sector will increase 1.5 percent annually over the coming five years.

ECONOMY

As one of the primary beneficiaries of the massive shift in the U.S. population from north to south, the Phoenix metro has had little difficulty finding workers; the challenge, though, is attracting high-paying jobs. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, hightech manufacturing, healthcare and tourism dominate the Phoenix economy. The local economy has strengthened since the recession, with retail sales projected above 8 percent this year and hotel occupancy levels rising.

High-tech manufacturing has been a powerful driver in the local economy for two decades. The region's relatively low cost of doing business has encouraged several manufacturers to remain and expand in the area, while luring others.

Healthcare is also a critical industry to the Phoenix economy, with around 20 hospitals and the UA medical school located in the metro. Also, the Mayo Clinic has added a new cancer center. The strengthening economy is drawing job seekers to the area, boosting the housing market.

QUALITY OF LIFE

Phoenix offers a lower cost of living than other metros

its size, a moderate climate, and a wide variety of recreational and cultural activities.

The Phoenix region boasts almost 300 days of sunshine annually, low humidity and mild winters. In addition to hiking, camping and boating, sports enthusiasts can enjoy one of the most complete lineups of major-league teams found in any city, including teams in all four major sports. The Cactus League holds spring training baseball throughout the Valley, and the area has numerous golf courses and tennis courts.

Phoenix is home to the world-famous Heard Museum, Frank Lloyd Wright's Taliesin West, the Phoenix Art Museum and the Musical Instrument Museum, in addition to many other museums. Music venues include Phoenix Symphony Hall, which houses the Phoenix Symphony and Arizona Opera; the Orpheum Theatre; and the Herberger Theatre Center. For those who enjoy being outdoors, the Phoenix Zoo and Desert Botanical Gardens are not far from the city center.

The Valley offers many institutions of higher learning, including Arizona State University, the University of Phoenix, Thunderbird School of Global Management, and other private universities and community colleges.

MARKET HIGHLIGHTS

- » **EMPLOYMENT GROWTH** - Job increases will average more than 2.7 percent annually over the next 5 years.
- » **LARGE HIGH-TECH MANUFACTURING BASE** - Intel Corp., Motorola Inc., Honeywell and others have large Phoenix operations.
- » **ACTIVE TOURISM INDUSTRY** - Warm winters and amenities including golf courses and resorts attract vacationers.

[exclusively listed by]

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