

4570 S HIGLEY RD | GILBERT, AZ

SINGLE-TENANT NNN INVESTMENT FOR SALE

INVESTMENT PROPERTIES
NATIONAL NET LEASE PROPERTY GROUP

CBRE



ACTUAL SITE

OFFERING MEMORANDUM



THE NET LEASE PROPERTY GROUP PHOENIX

JOSEPH R. COMPAGNO

Senior Vice President - Sales
CBRE | Investment Properties
+1 602 735 1733
joe.compagno@cbre.com

BENJAMIN FARTHING

Associate - Sales
CBRE | Investment Properties
+1 602 735 5541
benjamin.farthling@cbre.com

JARED DAVIS

Associate - Sales
CBRE | Investment Properties
+1 602 735 1941
jared.davis@cbre.com

FOR ALL OF OUR AVAILABLE LISTINGS,
PLEASE VISIT: WWW.CBRE.US/NLPGPHOENIX

© 2020 CBRE, Inc. All Rights Reserved.





Table of Contents

01 INVESTMENT OVERVIEW

Investment Highlights

Pricing Summary

Return Schedule

Lease Summary

Demographics

PROPERTY OVERVIEW 02

Tenant Overview

Higley Pavilion Site Plan

Regional Map

Aerial

03 MARKET OVERVIEW

Gilbert

Neighboring Amenities & Retailers

Metropolitan Phoenix

CONFIDENTIALITY AGREEMENT 04

2575 East Camelback Road, Suite 500
Phoenix, Arizona 85016
www.cbre.us/phoenix

Investment Overview

INVESTMENT HIGHLIGHTS

- » Single-tenant Goodwill investment opportunity, offering a 15-year lease with ±10.5 years remaining.
- » Attractive 10% rental increases every five years in the initial term and throughout the two (2), five-year options.
- » Goodwill of Central Arizona was founded in 1947 and is one of the oldest and largest non-profit organizations in the state.
- » Goodwill of Central Arizona operates ±108 retail stores in the Phoenix-metro area, including Prescott and Yuma.
- » Exceptional demographics in a five-mile radius, with a 2010-2020 annual population growth rate of 3.76% and 2020 average household income of \$127,834 (Source: Esri).
- » Nearby national retailers include Lowe's Home Improvement, Chase Bank, Starbucks, Verizon Wireless, and more.

PRICING SUMMARY

LIST PRICE
\$6,637,000

CAP RATE
6.00%

ADDRESS	4570 South Higley Road Gilbert, Arizona 85297
ANNUAL RENT (FEB 12, 2021)*	\$398,200
YEAR BUILT	2016
RENTABLE SF	±22,008
PARCEL SIZE	±107,370 (±2.46 ACRES)
PARCEL NUMBER	304-70-981
NLPG PHOENIX TEAM WEBSITE	www.cbre.us/nlpgphoenix

Note: Seller to credit Buyer rent differential at the Close of Escrow.



ACTUAL SITE PHOTOS



You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.

LEASE SUMMARY

TENANT'S NAME	Goodwill	INITIAL LEASE TERM	15 Years
LEASE GUARANTOR	Goodwill of Central and Northern Arizona, an Arizona non-profit corporation	LEASE TERM REMAINING	10.5 Years
LEASE TYPE	Triple-Net (NNN)	RENT INCREASES	10% Every Five Years
LEASE COMMENCEMENT	12/31/2014	OPTIONS TO RENEW	Two (2), Five (5) Year
RENT COMMENCEMENT	02/12/2016	RIGHT OF FIRST REFUSAL	15 Days
LEASE EXPIRATION	02/28/2031		

Note: Landlord shall pay property taxes, maintain landlord insurance, common area and operating expenses. Tenant pays these expenses as additional rent, including a 15% management fee of operating expenses (excluding taxes, insurance and capital improvements). Capital replacement of roof, structure, exterior utilities, are subject to the language in paragraph 3.1.1(v) of the lease, and can potentially be amortized back to the tenant over the course of the lease. Please review the lease in due diligence for further details.

RETURN SCHEDULE 10% Every Five Years

YEARS	MONTHLY RENT	ANNUAL RENT	CAP RATE RETURN
2/12/2016-2/11/2021	\$30,166.67	\$362,000.00	N/A
2/12/2021-2/11/2026	\$33,183.33	\$398,200.00	6.00%
2/12/2026-2/28/2031	\$36,501.67	\$438,020.00	6.60%
3/1/2031-2/28/2036	\$40,151.83	\$481,822.00	7.26%
3/1/2036-2/28/2041	Fair Market Rent	Fair Market Rent	Fair Market Rent

*Initial Term is highlighted, the property is priced on 02/12/21 rent.

DEMOGRAPHICS

	3 MILE RADIUS	5 MILE RADIUS	10 MILE RADIUS
2020 POPULATION	90,147	213,400	781,401
2025 POPULATION	102,786	241,913	859,429
GROWTH 2020-2025	2.66%	2.54%	1.92%
2020 AVERAGE HOUSEHOLD INCOME	\$127,568	\$127,834	\$106,839
2020 EMPLOYEES	12,777	43,310	193,160
2020 MEDIAN AGE	32.7	32.9	35.0

(Source: Esri)

Property Overview

TENANT OVERVIEW

Goodwill Industries International is funded by a massive network of retail thrift stores. Founded in 1902 and headquartered in Rockville, Maryland, Goodwill has a revenue of \$6.1 Billion (2019) and is #14 on Forbes magazine list of The 100 Largest U.S. Charities. (Source: Forbes.com) Goodwill serves as a major traffic generator for other retailers in the immediate area.

Goodwill of Central Arizona and Northern Arizona, founded in 1947, is one of the oldest and largest non-profit organizations in the state, and a nationally recognized leader in the human services field.

Goodwill operates approximately 108 stores in central and northern Arizona, one clearance center, and ±14 career centers. Purchases and donations to Goodwill support job preparation and employment programs that serve thousands of Arizonans every year.

In 2018, Goodwill's hiring events, training programs, placement services and career centers helped over 63,000 people become better prepared for employment. They connected more than 1,000 veterans to resources and Arizona Jobs, raised more than \$125,000 for five local nonprofits, gave back more than \$236,000 to schools, youth sports, and other community groups, and diverted nearly 200 million pounds of materials from going directly into landfills.



goodwillaz.com

ACTUAL SITE



GOODWILL ARIZONA AWARDS & ACCOLADES

- » Social Enterprise Award by *Arizona Business Magazine*
- » "Best Places to Work," large company category
- » "Most Admired Company" award winner from *AZ Magazine*
- » "Top 25 Workplaces for Women"
- » #1 for "Best Non-Boutique Thrift Shop" in *Phoenix New Times*
- » "Arizona Most Admired Companies" Award from *Arizona Business Magazine* and *Best Companies AZ*
- » Environmental Stewardship Award from *Keep Arizona Beautiful*
- » Volunteer Program of the Year award from *Goodwill Industries International*
- » Winner of *Arizona Business Magazine's* "Industry Leaders of Arizona" Award in the retail category
- » Greater Phoenix Chamber of Commerce "Impact Awards" Winner
- » AZCentral's Critic's Pick: "Best Thrift Store"
- » Winner of the 2019 Arizona Recycling Coalition Awards for "Recycling Excellence" in the non-profit category

Source: goodwillaz.org and goodwill.com



HIGLEY PAVILION SITE PLAN

REGIONAL MAP





NOT TO SCALE
 *SOURCE: ADOT, 2019

AERIAL

Market Overview

GILBERT



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 271,521 in 2020. Many recent accolades, including being named the 'Best City for Business in Arizona' by the *Arizona Chamber of Commerce and Industry*, 2019 and the 'Best Place to Raise a Family in Arizona' by *WalletHub*, 2017, 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.

TOP EMPLOYERS

Employer	Number of Employees
Banner Health	±1,630
Go Daddy Software Inc	±1370
Town of Gilbert	±1,160
Fry's Food Stores	±1,150
Deloitte	±1,000

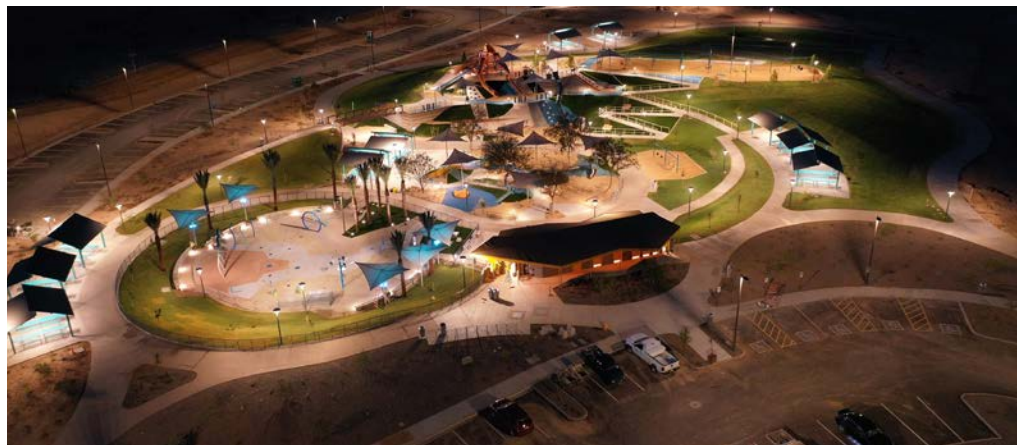
Source: azmag.gov

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 44% of Gilbert residents hold a bachelor's degree or higher and the average household income is \$119,344 (Source: Esri).

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 with 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 over 300,000. 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 as being clean, safe and vibrant.

(Source: gilbertaz.gov)



NEIGHBORING AMENITIES & RETAILERS



Market Overview

METROPOLITAN PHOENIX

The Phoenix-Mesa-Scottsdale MSA is comprised of two counties, located in the south-central portion of Arizona. The Phoenix Metro area, Maricopa and Pima Counties, is the second largest MSA by land mass, second only to Riverside-San Bernardino, and has the second lowest population density per square mile of the top 25 MSAs in the U.S.; second again to only Riverside-San Bernardino. Maricopa County itself is over 9,000 square miles, roughly the size of New Hampshire.

ECONOMY

Phoenix plays a prominent role in the economy of the Southwestern region of the country, serving as a financial, communications, and transportation hub. Phoenix's economy is moving beyond its traditional reliance on single-family construction and retirees. It has become a magnet for the relocation of manufacturing and professional services firms. As a result, the surge of new residents is providing a boost to jobs in the retail, hospitality, construction, and healthcare sectors.

The tech sector in the MSA, referred to as the 'Silicon Desert' employs roughly 5 percent of the workforce. Phoenix is actively peeling away tech firms from the West Coast cities due to the significantly lower costs of living and

doing business, and the quality of life perks that go along with it. These low costs have also incentivized financial and business services firms to open back-office operations in the MSA. Along with a preferable environment to incentivize corporate expansion, Phoenix boasts a strong knowledge base from its university system.

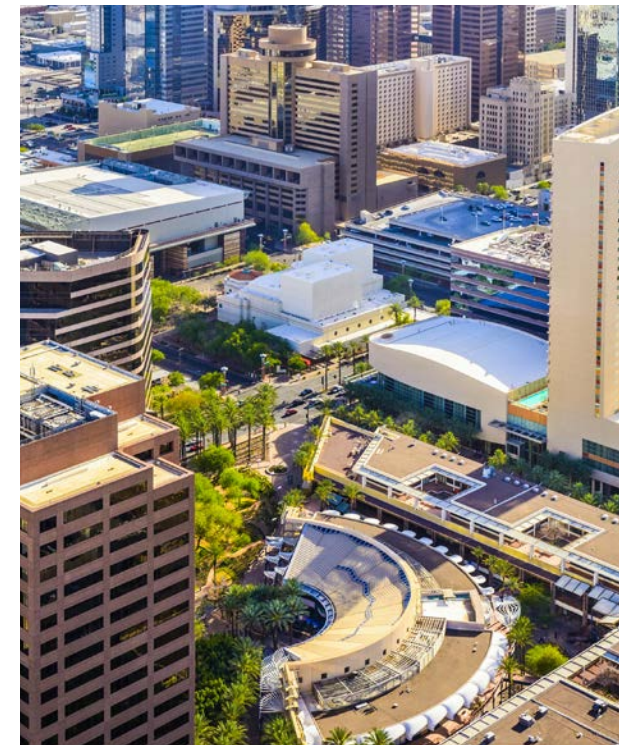
Phoenix Metro has more than 300,000 students attending one of their universities at any time – $\pm 6.4\%$ of the total population in the MSA. Arizona State University, the largest university campus in the MSA was named the 'Most Innovative School in America' five years in a row by U.S. News & World Report. Phoenix is also home to Maricopa Community Colleges, one of the largest community college systems in the U.S. A majority of students in the university system wish to stay in Arizona as the tech sector expands and high-paying jobs await them in the local workforce.

GROWTH

At the turn of the century, Phoenix was one of the fastest growing MSAs in the nation, fueled by housing and construction, then the great recession hit and almost knocked the "Valley of the Sun" out of its economic groove for good. But this region rose from the ashes, now

boasting a more diversified economy with some of the strongest economic and population growth in the U.S. The U.S. Census indicates that Phoenix ranked 2nd out of the top 10 MSAs for numeric population growth in 2017-2018 (Source: census.gov).

Moody's Analytics estimates a current job growth rate of ± 2.4 percent, resulting in just under 100,000 jobs added through year-end 2018. The low cost of doing business in Phoenix is not likely to change soon, which should continue to spur growth in the MSA.



Source: Crexi.com

AFFILIATED BUSINESS DISCLOSURE

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require

to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

CBRE and the CBRE logo are service marks of CBRE, Inc. All other marks displayed on this document are the property of their respective owners, and the use of such logos does not imply any affiliation with or endorsement of CBRE.

Photos herein are the property of their respective owners. Use of these images without the express written consent of the owner is prohibited.

Confidentiality Agreement

CBRE



ACTUAL SITE

WWW.CBRE.US/NLPGPHOENIX

JOSEPH R. COMPAGNO

Senior Vice President - Sales
CBRE | Investment Properties
+1 602 735 1733
joe.compagno@cbre.com

BENJAMIN FARTHING

Associate - Sales
CBRE | Investment Properties
+1 602 735 5541
benjamin.farthing@cbre.com

JARED DAVIS

Associate - Sales
CBRE | Investment Properties
+1 602 735 1941
jared.davis@cbre.com