

SHERWIN-WILLIAMS

3175 EAST BELL ROAD, PHOENIX, ARIZONA



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM

Marcus & Millichap

PHOENIX
DEER VALLEY
AIRPORT

DESERT RIDGE MARKETPLACE



101



51



The information in this package has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Any projections, opinions, assumptions or estimates used herein are for example purposes only and do not represent the current or future performance of the property. Marcus & Millichap Real Estate Investment Services is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2021 Marcus Millichap

Executive Summary

3175 East Bell Road, Phoenix, AZ 85032

FINANCIAL SUMMARY

Price	\$3,520,000
Cap Rate	4.50%
Building Size	+/- 4,400 SF
Net Cash Flow	4.50% \$158,400
Year Built	2021
Lot Size	TBD

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease*
Tenant	Sherwin-Williams
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	September 1, 2021
Est. Lease Expiration Date	August 31, 2031
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

*Landlord can charge 10% Admin Fee on CAM charges.

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$158,400.00	4.50%
6 - 10	\$174,240.00	4.95%
Options	Annual Rent	Cap Rate
Option 1	\$191,664.00	5.45%
Option 2	\$210,830.40	5.99%
Option 3	\$231,913.44	6.59%
Option 4	\$255,104.78	7.25%

Base Rent	\$158,400
Net Operating Income	\$158,400
Total Return	4.50% \$158,400



Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Corporate Lease with Sherwin-Williams**
- » 10% Rental Increases Every 5 Years
- » **285,030 Residents within a 5-Mile Radius - Dense Phoenix Infill**
- » High-Quality 2021 Construction
- » Adjacent to New Construction - Sherwin-Williams and Bikini Beans
- » **Hard Corner Location at the Intersection of West Bell Road and North 32nd Street (65,000+ Cars/Day)**
- » Surrounded by National Retailers - Fry's Marketplace, Harkins Theaters, Denny's, Esporta Fitness, Dollar Tree, Harbor Freight Tools, and More
- » **Average Household Income Exceeds \$100,000 within 5 Miles of Subject Property**
- » Less Than 1 Mile Off the SR-51 Freeway, a Major Phoenix Connector
- » **Down the Road from Paradise Valley Community College (7,300 Students)**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2025 Projection	21,518	140,592	291,010
2020 Estimate	21,235	138,997	285,030
Growth 2020 – 2025	1.33%	1.15%	2.10%

Households

2025 Projection	7,853	59,004	124,457
2020 Estimate	7,709	57,704	120,492
Growth 2020 – 2025	1.87%	2.25%	3.29%

Income

2020 Est. Average Household Income	\$56,533	\$83,574	\$100,530
2020 Est. Median Household Income	\$43,558	\$63,243	\$70,967
2020 Est. Per Capita Income	\$20,607	\$34,785	\$42,595



**SHERWIN
WILLIAMS®**

Tenant Overview



Cleveland, Ohio

NASDAQ: SHW

4,620+

1866

sherwin-williams.com

Headquarters

Stock Symbol

Locations

Founded

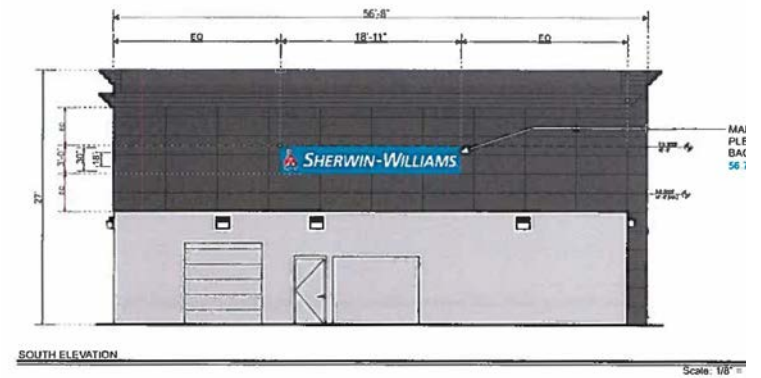
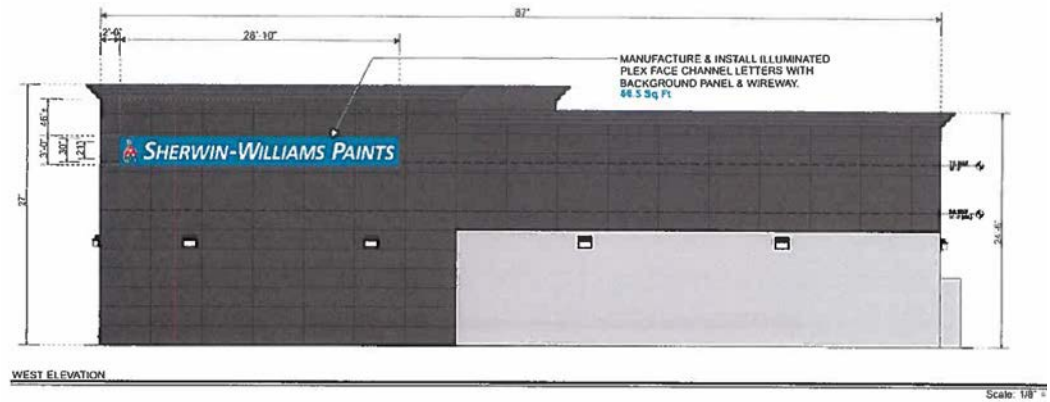
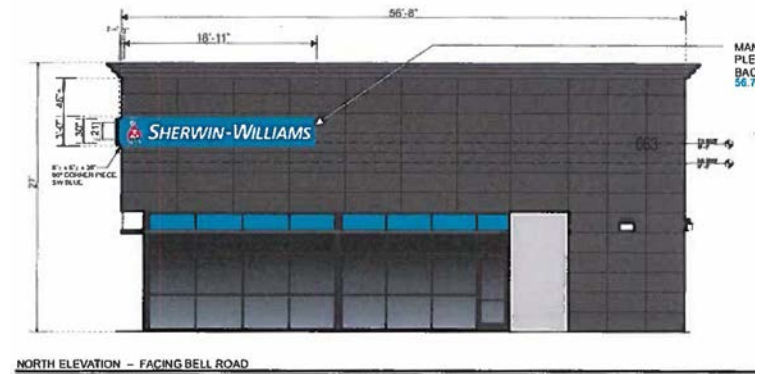
Website

The Sherwin-Williams Company was founded by Henry Sherwin and Edward Williams in 1866. A Fortune 500 company in the general building materials industry, Sherwin-Williams is a global leader in the manufacture, development, distribution and sale of paint, coatings and related products to professional, industrial, commercial and retail customers primarily in North and South America and Europe.

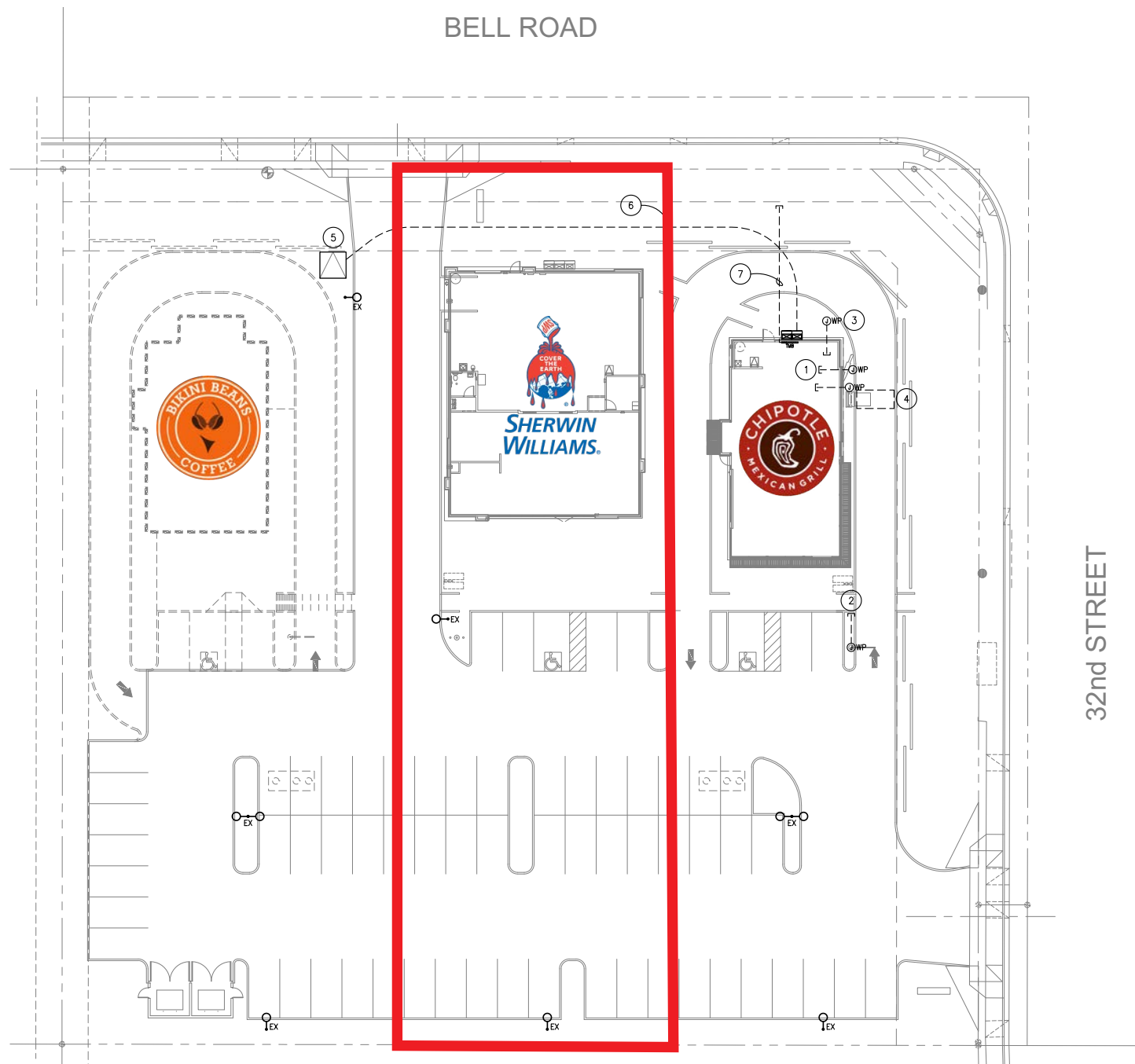
The Company manufactures products under well-known brands such as

Sherwin-Williams®, Dutch Boy®, HGTV HOME® by Sherwin-Williams, Krylon®, Minwax®, Thompson's® Water Seal® and many more. With global headquarters in Cleveland, Ohio, Sherwin-Williams® branded products are sold exclusively through more than 4,620 company operated stores and facilities, while the Company's other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors.

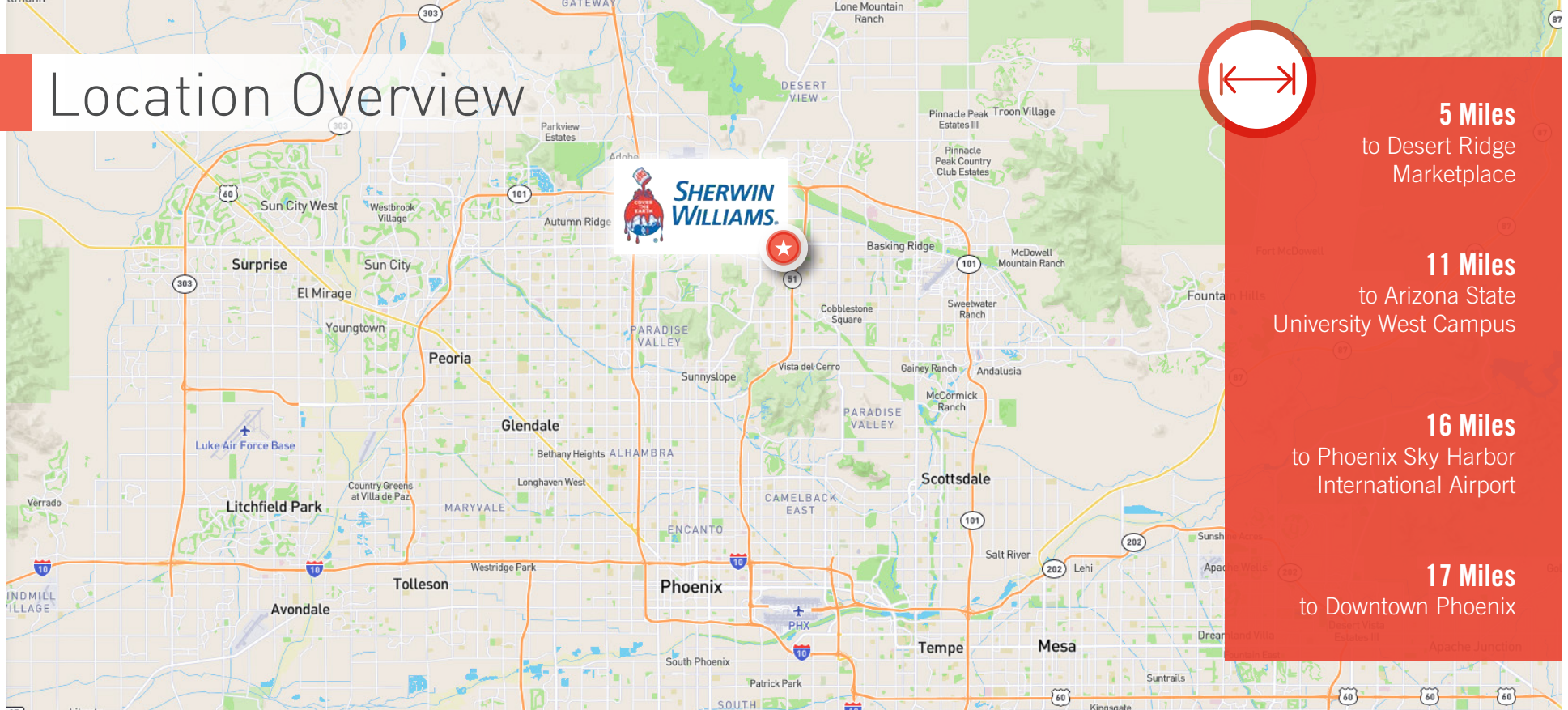
Building Elevations



Site Plan



Location Overview



The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 30 incorporated and more than 30 unincorporated towns and cities. Since 2000, the population in the metro increased by more than 38 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.

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. Phoenix claims five Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet and PetSmart. Construction, high-tech 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. The strengthening economy has drawn job seekers to the area, boosting the housing market. 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.

[exclusively listed by]

Chris N. Lind

Senior Vice President

602 687 6780

chris.lind@marcusmillichap.com

Mark J. Ruble

Executive Managing Director

602 687 6766

mruble@marcusmillichap.com

Jamie A. Medress

Executive Managing Director

602 687 6778

jmedress@marcusmillichap.com

Offices Nationwide

www.marcusmillichap.com**NET LEASED DISCLAIMER**

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs. Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or

entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Marcus & Millichap