

SHERWIN-WILLIAMS

NEW 10 YR LEASE WITH 10% INCREASES

40767 NORTH IRONWOOD DRIVE, SAN TAN VALLEY (PHOENIX MSA), ARIZONA

- » Phoenix's East Valley is Experiencing Explosive Growth - Population and Households to Increase 20% by 2027 within Five Miles of the Subject Property



REPRESENTATIVE PHOTO

OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

40767 North Ironwood Drive, San Tan Valley, AZ 85140

FINANCIAL SUMMARY

Price	\$3,830,000
Cap Rate	4.70%
Building Size	4,281 SF
Net Cash Flow	4.70% \$180,000
Year Built	2023
Lot Size	0.76 Acres

LEASE SUMMARY

Lease Type	Double-Net (NN) Lease
Tenant	Sherwin-Williams
Guarantor	Corporate
Roof & Structure	Landlord Responsible
Est. Lease Commencement Date	April 2023
Est. Lease Expiration Date	April 2033
Lease Term	10 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options
Right of First Refusal	None

ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
1 - 5	\$180,000.00	4.70%
6 - 10	\$198,000.00	5.17%
Renewal Options	Annual Rent	Cap Rate
Option 1 (Years 11 - 15)	\$217,800.00	5.69%
Option 2 (Years 16 - 20)	\$239,580.00	6.26%
Option 3 (Years 21 - 25)	\$263,538.00	6.88%
Option 4 (Years 26 - 30)	\$289,891.80	7.57%

Base Rent	\$180,000
Net Operating Income	\$180,000
Total Return	4.70% \$180,000



**SHERWIN
WILLIAMS®**



NEW RESORT-STYLE
55+ COMMUNITY
COMING SOON



33,000 CPD
IRONWOOD ROAD



24,500 CPD
E OCOTILLO ROAD





33,000 CPD
IRONWOOD ROAD

BIG TIRES



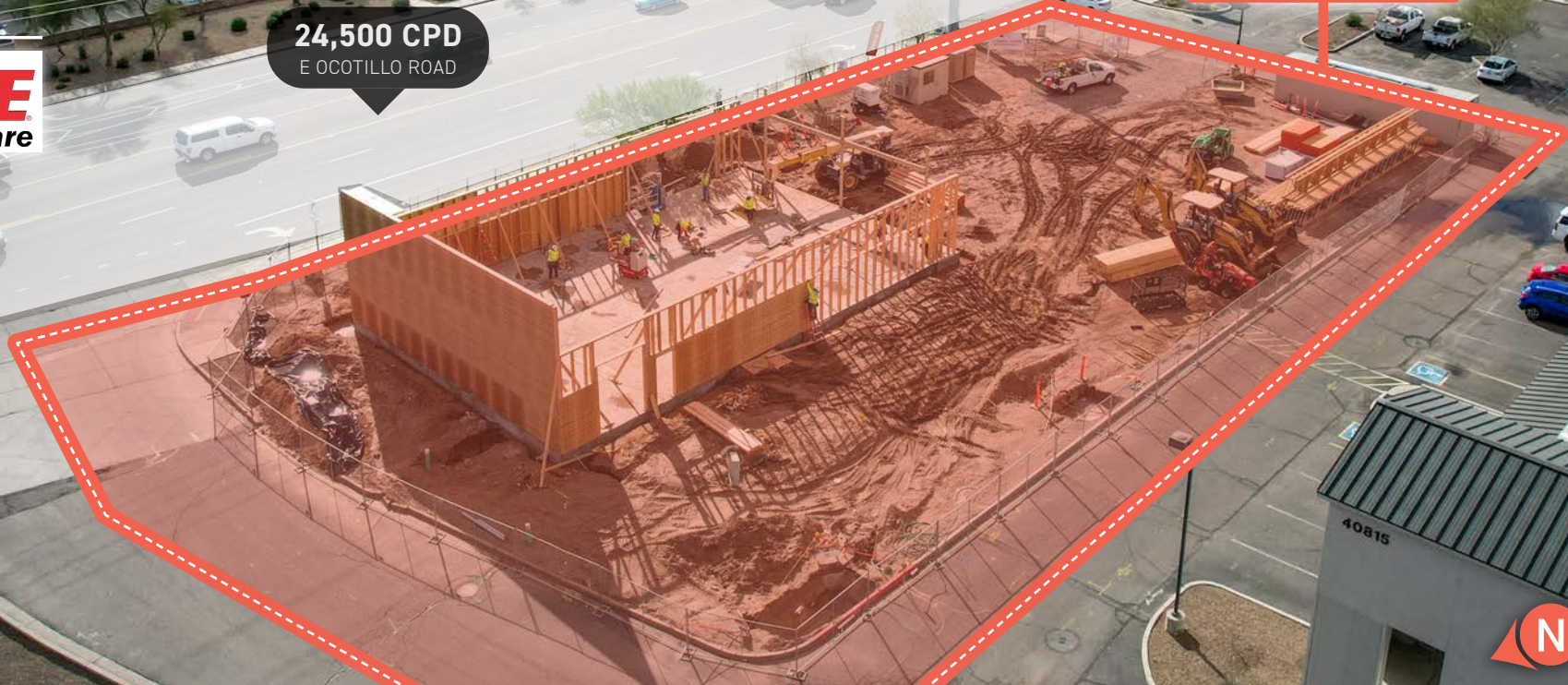
Walgreens



McDonald's



24,500 CPD
E OCOTILLO ROAD



Property Description



INVESTMENT HIGHLIGHTS

- » **Brand New 10-Year Corporate Lease with Sherwin-Williams (NASDAQ: SHW)**
- » **New High-Quality 2023 Construction**
- » **Rare 10 Percent Rental Increases Every Five Years**
- » **Located in a Newly-Developed Retail Corridor - Tenants Include LA Fitness, Safeway, Starbucks, Goodwill, Taco Bell, McDonald's, and Chipotle**
- » **Situated within a Rapidly Growing Trade Area - Population and Households are Projected to Increase Over 20 Percent within a Five-Mile Radius of the Subject Property by 2027**
- » **106,873 Residents within a Five-Mile Radius - Phoenix MSA**
- » **Signalized Location Along East Ocotillo Road, Visible to 24,500 Cars per Day with Over 57,500 Cars per Day at the Corner of East Ocotillo Road and Ironwood Road**
- » **Across from a New 200-Unit Resort-Style 55+ Active Adult Community Under Construction and a New Multifamily and Single-Family Housing Community in Development**
- » **Average Household Income Exceeds \$102,000 within a Five-Mile Radius**



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2027 Projection	17,140	68,063	128,381
2022 Estimate	14,666	56,490	106,873
Growth 2022 - 2027	16.87%	20.49%	20.13%

Households

2027 Projection	5,196	20,376	39,036
2022 Estimate	4,478	17,022	32,583
Growth 2022 - 2027	16.03%	19.70%	19.80%

Income

2022 Est. Average Household Income	\$92,568	\$98,508	\$102,907
2022 Est. Median Household Income	\$75,058	\$77,476	\$81,309

Tenant Overview



Cleveland, Ohio

Headquarters

NASDAQ: SHW

Stock Symbol

4,770+

Locations

1866

Founded

sherwin-williams.com

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

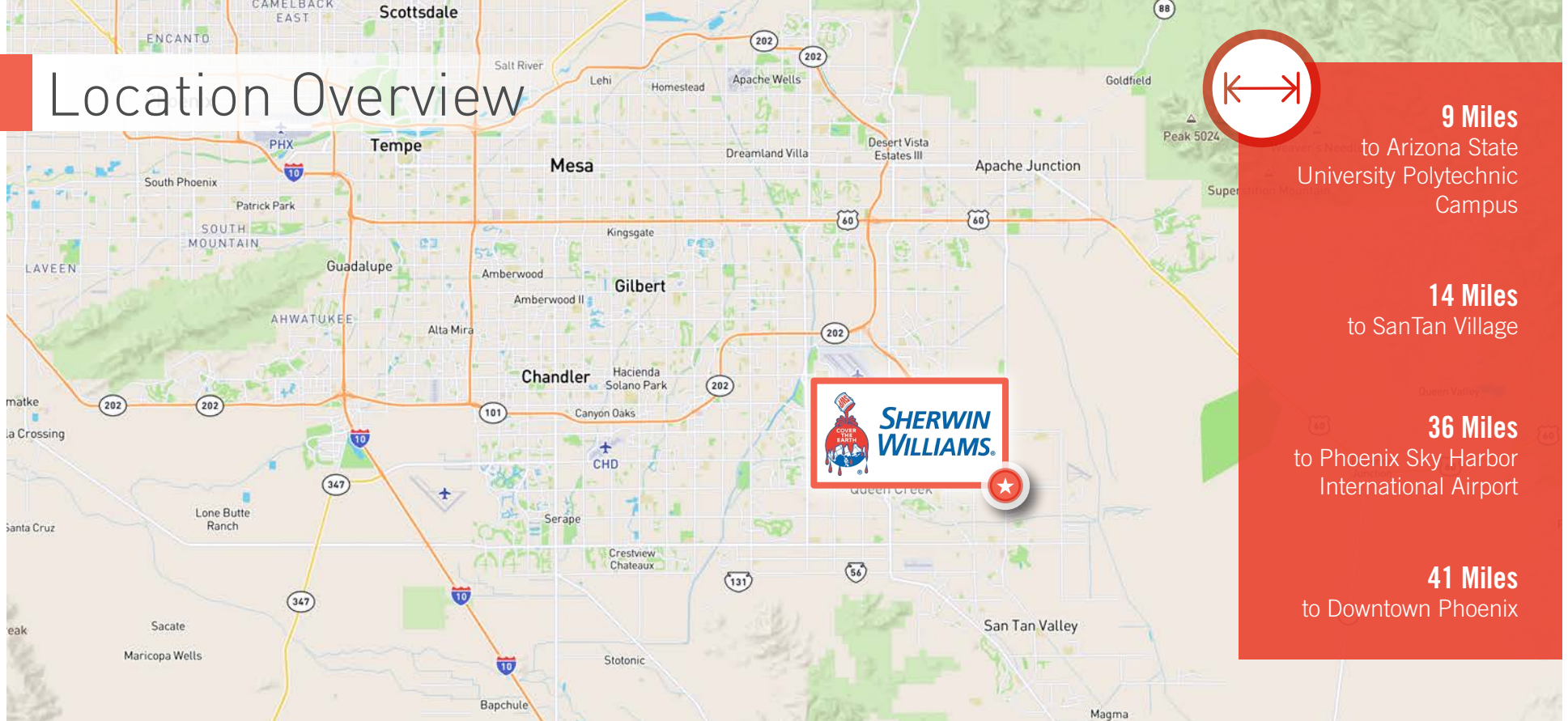
Sherwin-Williams®, Dutch Boy®, HGTV HOME® by Sherwin-Williams, Krylon®, Minwax®, Thompson's® Water Seal® and many more. With global headquarters in Cleveland, Ohio, Sherwin-Williams® branded products are sold exclusively through more than 4,770 company operated stores and facilities, while the Company's other brands are sold through leading mass merchandisers, home centers, independent paint dealers, hardware stores, automotive retailers and industrial distributors.

Construction Photos

as of 12/12/2022



Location Overview



San Tan Valley is located in the Phoenix metropolitan area's southeastern suburbs. The community derives its name from the nearby San Tan Mountains. The area consists largely of master planned communities, such as Johnson Ranch, Ironwood Crossing, Pecan Creek, Morning Sun Farms, Sun Tan Heights, Skyline Ranch, Copper Basin and Circle Cross Ranch. Today, nearly 100,000 people call San Tan Valley home, up from 81,000 residents only 10 years prior.

San Tan Valley is one of the Phoenix region's fastest-growing communities. SmartAsset ranked the community #49 in their list of Top 100 Boomtowns in America for 2022. San Tan Valley is home to a booming retail industry, with both big-box and local retailers flocking to the community. New retailers in the area include Chipotle, Black Rock Coffee, and The Home Depot.

The Phoenix metro consists of Maricopa and Pinal counties, and includes more than 30 incorporated and more than 30 unincorporated towns and cities. As of 2020, Metro Phoenix had 4.8 million residents, making it the nation's 11th-largest metropolitan area. The largest city is Phoenix, which encompasses about 520 square miles and boasts a population of more than 1.6 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 six Fortune 500 headquarters, including Freeport-McMoRan, Republic Services, Insight Enterprises, Avnet, Magellan Health, and PetSmart. Construction, high-tech manufacturing, healthcare and tourism dominate the Phoenix economy. Phoenix was the fastest growing large city in the US between 2010 and 2020 as it added over 163,000 residents.

[exclusively listed by]

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