



1514 WEST BETHANY HOME ROAD, PHOENIX ARIZONA

10 Bed Home for Sale

IDEALLY SUITED FOR

Group Home

Residential Behavioral Health

Assisted Living

Transitional Housing



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Mathews

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*Exclusively
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INVESTMENT SUMMARY

FOR SALE \$995,000

Kidder Mathews is excited to offer this portfolio investment opportunity situated in the vibrant central Phoenix market.

The property underwent a comprehensive renovation in 2017. Featuring an updated exterior and interior paint scheme, beautifully landscaped common areas, oversized functional laundry accommodations, additional bedrooms with closets, upgraded modern kitchen with stainless steel appliances and white cabinets, modern interior finishes including vinyl wood planked flooring, modern and comfortable soft couches and chairs, long lasting countertops, updated fixtures and cabinet hardware, along with new bathroom vanities and freshly installed shower and tile.

The property is well-designed with spacious floor plan, oversized closets, ceiling fans, handicap accessible bathrooms, dining room and living room. Distinctive and attractively designed backyard provide residents a quiet, serene, and safe place to relax and enjoy

recreational activities as they transition through their counseling.

Well located in central Phoenix with direct access to public transportation, nearby services and shopping center, educational opportunities, healthcare and hospital facilities, and excellent access to interstate 17, connecting to major transportation routes.

Benefiting from the recent housing renovations to the property, common areas and yards, and market demand for behavioral health services, this residential transitional housing facility offers the potential for great cash-flowing investment with consistent stabilized occupancy.



PRICE	\$995,000
PRICE PER BED	\$99,500
PRO FORMA GROSS INCOME	\$753,999
PRO FORMA NET INCOME	\$374,562
PRO FORMA CAP RATE	37.46%



Reasons why residential behavioral health homes are considered good investments.

GROWING DEMAND

There is unmet demand for behavioral health services as mental health awareness increases and more people seek treatment. The prevalence of mental health disorders and substance abuse issues underscores the need for residential facilities to provide intensive care and support.

LONG-TERM STABILITY

The need for behavioral health services is generally considered a long-term and ongoing requirement. This stability can be attractive to investors, as it provides a consistent demand for services and the potential for a steady revenue stream.

LIMITED COMPETITION

There are a limited number of residential behavioral health facilities that are licensed, leading to less competition and substantial demand. This can create an opportunity for investors to meet the unmet needs of individuals seeking specialized care.

REIMBURSEMENT OPPORTUNITIES

Residential behavioral health facilities often receive reimbursement for services rendered through health insurance providers, government programs, or private pay. This residential property previously received reimbursement income via AHCCCS program as a Behavioral Health Residential Facility and provided

a reliable income source for the facility.

FAVORABLE REGULATORY ENVIRONMENT

Many governments recognize the importance of behavioral health services and have regulations and policies in place to support their establishment and operation. This supportive regulatory environment provides stability and confidence for investors.

POTENTIAL FOR EXPANSION

Depending on the location and demand, there may be opportunities for expansion or the development of additional facilities. As the need for behavioral health services grows, expanding the facility's capacity or establishing new facilities in nearby areas can increase the potential for investment returns.

BEHAVIORAL HEALTH RESIDENTIAL

PHOENIX, ARIZONA

Behavioral health residential facilities in Phoenix, Arizona are dedicated facilities that provide specialized care and treatment for individuals with mental health or substance abuse issues. These facilities are designed to offer a structured and supportive environment for individuals who require more intensive care than what can be provided through outpatient services. Here are some key points about behavioral health residential facilities:

Service Offered

These facilities typically offer a range of services, including psychiatric evaluation, individual and group therapy, medication management, addiction counseling, and life skills training. The specific services may vary depending on the facility and the needs of the individuals.

Types of Facilities

Behavioral health residential facilities can include various types, such as psychiatric hospitals, residential treatment centers, halfway houses, and sober living homes. Each type of facility caters to different levels of care and specific populations.

Treatment Duration

The duration of treatment in behavioral health residential facilities can vary depending on the individual's needs and facility's programs. Individuals may stay for a few weeks, while others may require longer-term treatment spanning several months.

Staffing and Expertise

These facilities typically have a multidisciplinary team of professionals, including psychiatrists, psychologists, therapists, nurses, and support staff. The staff members are trained to address the specific needs of individuals with mental health or substance abuse challenges.

Individualized Treatment Plans

Behavioral health residential facilities develop individualized treatment plans for each resident based on their diagnosis, history, and goals. The treatment plan may include a combination of therapy modalities, medication management, and holistic approaches.

Transition and Aftercare

Many behavioral health residential facilities in Phoenix focus on helping individuals transition back into the community after their stay. They may offer aftercare services, such as outpatient therapy, support groups, and referrals to community resources to ensure continued recovery and well-being.

Important to Note

Specific details, services, and regulations may vary among different behavioral health residential facilities in Phoenix, Arizona. It's recommended to research and contact individual facilities directly for more accurate and up-to-date information about their programs, admission criteria, and availability.



ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

AHCCCS BEHAVIORAL HEALTH SERVICES

AHCCCS provides healthcare coverage for eligible low-income individuals and families, including behavioral health services such as inpatient and residential treatment, outpatient therapy, medication management, case management, and crisis intervention. In Arizona, AHCCCS helps fund and reimburse residential behavioral health facilities for services to Medicaid beneficiaries.

CONTRACTED MANAGED CARE ORGANIZATIONS

AHCCCS contracts with managed care organizations (MCOs) to administer healthcare services for Medicaid beneficiaries. The MCOs are responsible for managing the network of providers, including residential behavioral health facilities, and processing claims for reimbursement.

PROVIDER ENROLLMENT AND CREDENTIALING

Residential behavioral health facilities interested in becoming AHCCCS providers must go through a provider enrollment and credentialing process. This process ensures that facilities meet specific standards and qualifications to deliver services to AHCCCS members.

REIMBURSEMENT

AHCCCS reimburses residential behavioral health facilities for eligible services provided to Medicaid beneficiaries based on a fee-for-service or a capitated payment model, depending on the type of service and the MCO contract. Reimbursement rates and requirements are determined through negotiations between AHCCCS and the contracted MCOs.

UTILIZATION MANAGEMENT

AHCCCS and the contracted MCOs implement utilization management strategies to ensure appropriate and cost-effective use of services. Prior authorization and utilization review processes may be in place to evaluate the medical necessity and appropriateness of residential treatment services.

INTEGRATION WITH BEHAVIORAL HEALTH SYSTEM

AHCCCS promotes the integration of physical and behavioral health services to ensure holistic care for individuals. This approach emphasizes the coordination and collaboration between residential behavioral health facilities, primary care providers, and other healthcare providers to address the comprehensive needs of Medicaid beneficiaries.

PREMIER OFFERING IN CENTRAL PHOENIX

This Central Phoenix area is known for its convenience and accessibility to numerous shopping centers, grocery stores, educational opportunities, healthcare facilities, transit options and restaurants.

The neighborhood location features a mix of single-family homes, apartments, townhouses, outdoor activities, and parks.

Residents can easily access attractions for cultural experiences and entertainment as well as a large concentration of employment opportunities, attracting professionals looking for job prospects and career advancement. Its central location and convenient access to amenities make it an appealing choice for individuals and families.

DESIRABLE CENTRAL PHOENIX LOCATION

Central Phoenix is the heart of the city and offers a variety of cultural and entertainment venues, including museums, theaters, sports arenas, and music venues. Just minutes away is Grand Canyon University and Banner - University Medical Center Phoenix

EXCELLENT ACCESS TO TRANSPORTATION

The location is well-connected to transportation routes, including major roads such as Interstate 17 and State Route 51. Public transportation options, such as bus routes, serve the area, providing access to other parts of Phoenix.



INVESTMENT SUMMARY



WASHINGTON PARK

SUBJECT PROPERTY



GRAND CANYON UNIVERSITY

CHRISTOWN SHOPPING

UPTOWN PLAZA

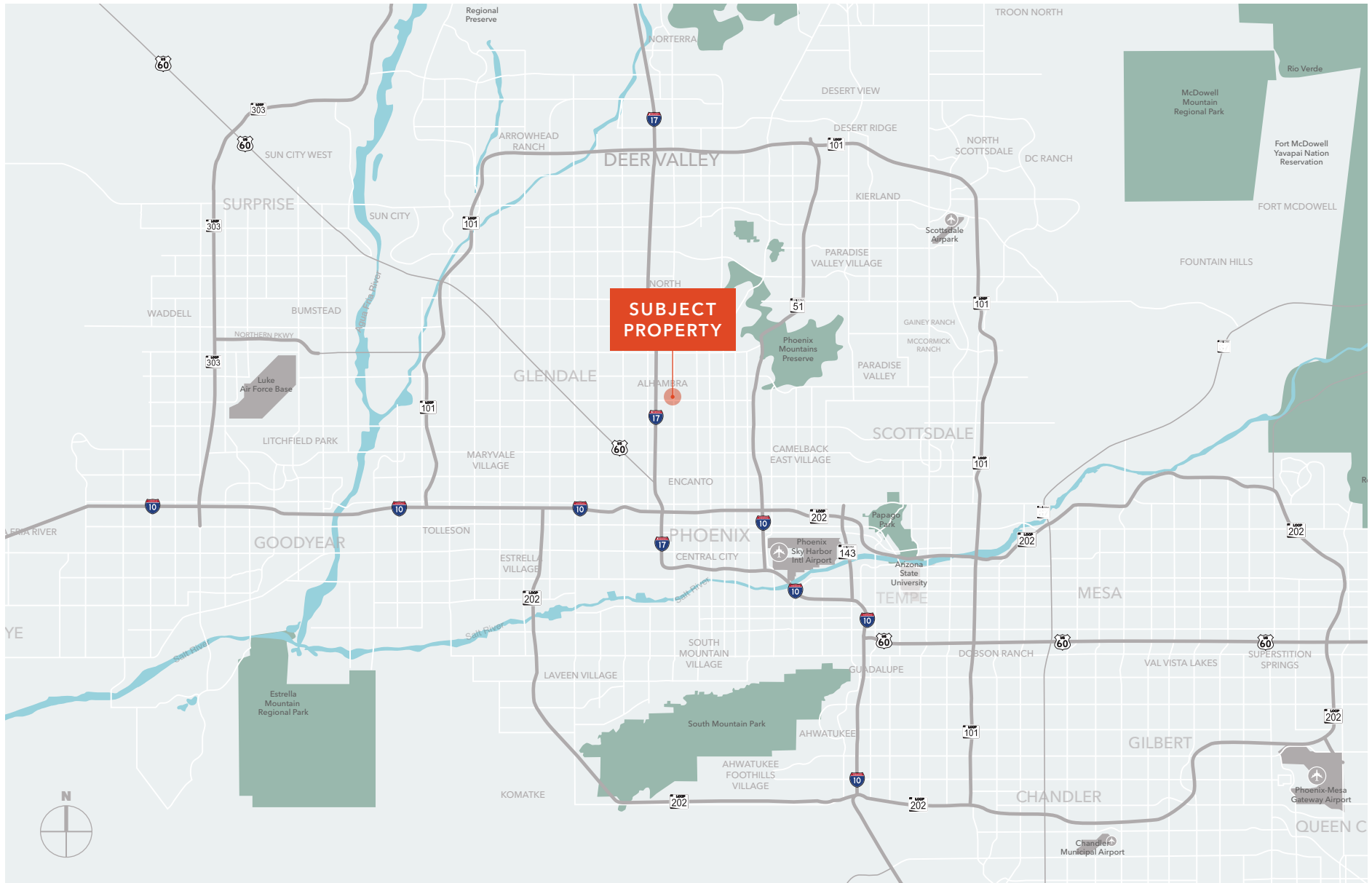
CIELITO PARK

BROPHY AND XAVIER COLLEGE PREPARATORY

STEELE INDIAN SCHOOL PARK

KIDDER MATHEWS

LOCATION OVERVIEW



LOCATION OVERVIEW





PROPERTY DESCRIPTION

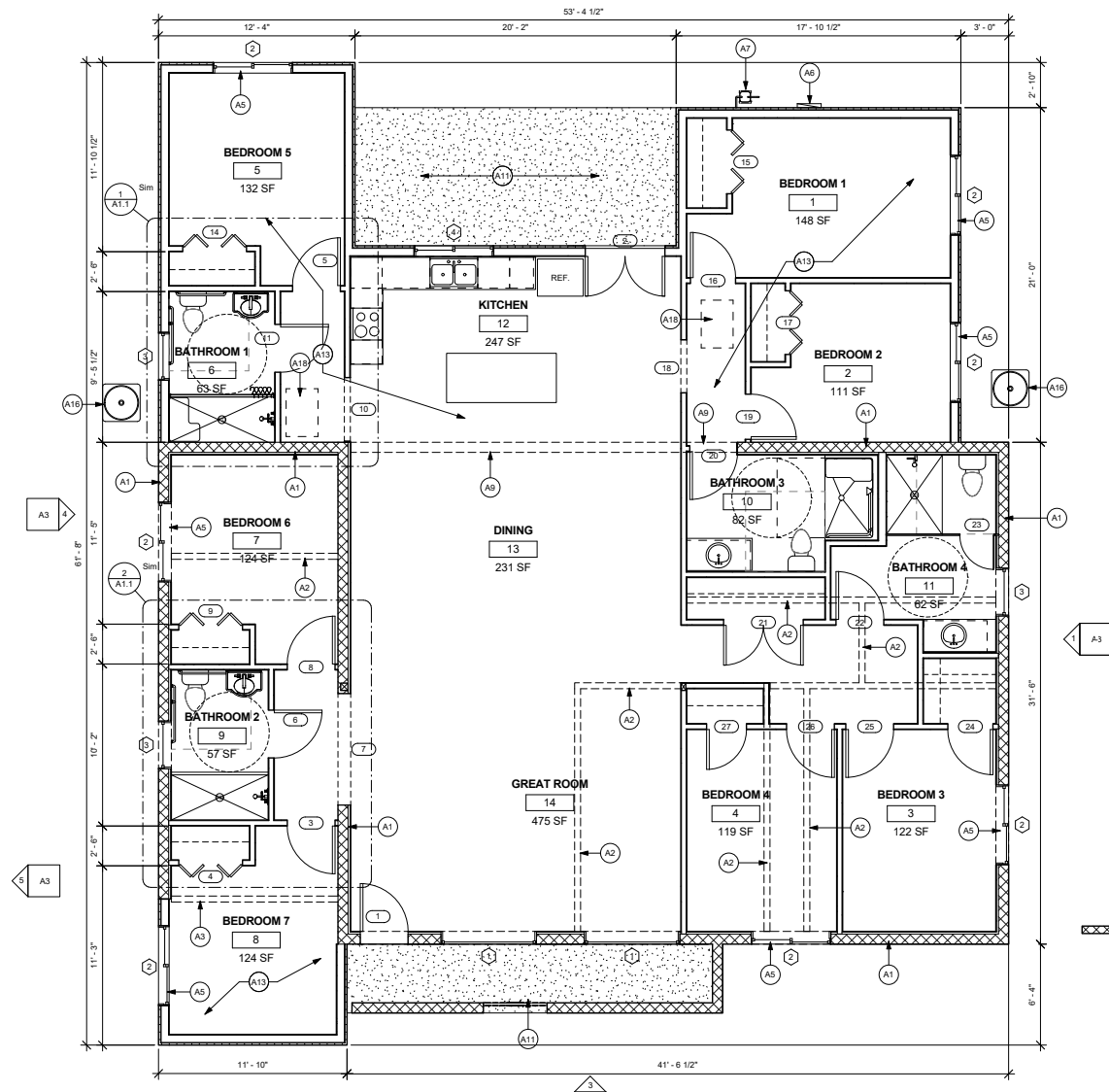
Section 02

PROPERTY INFORMATION

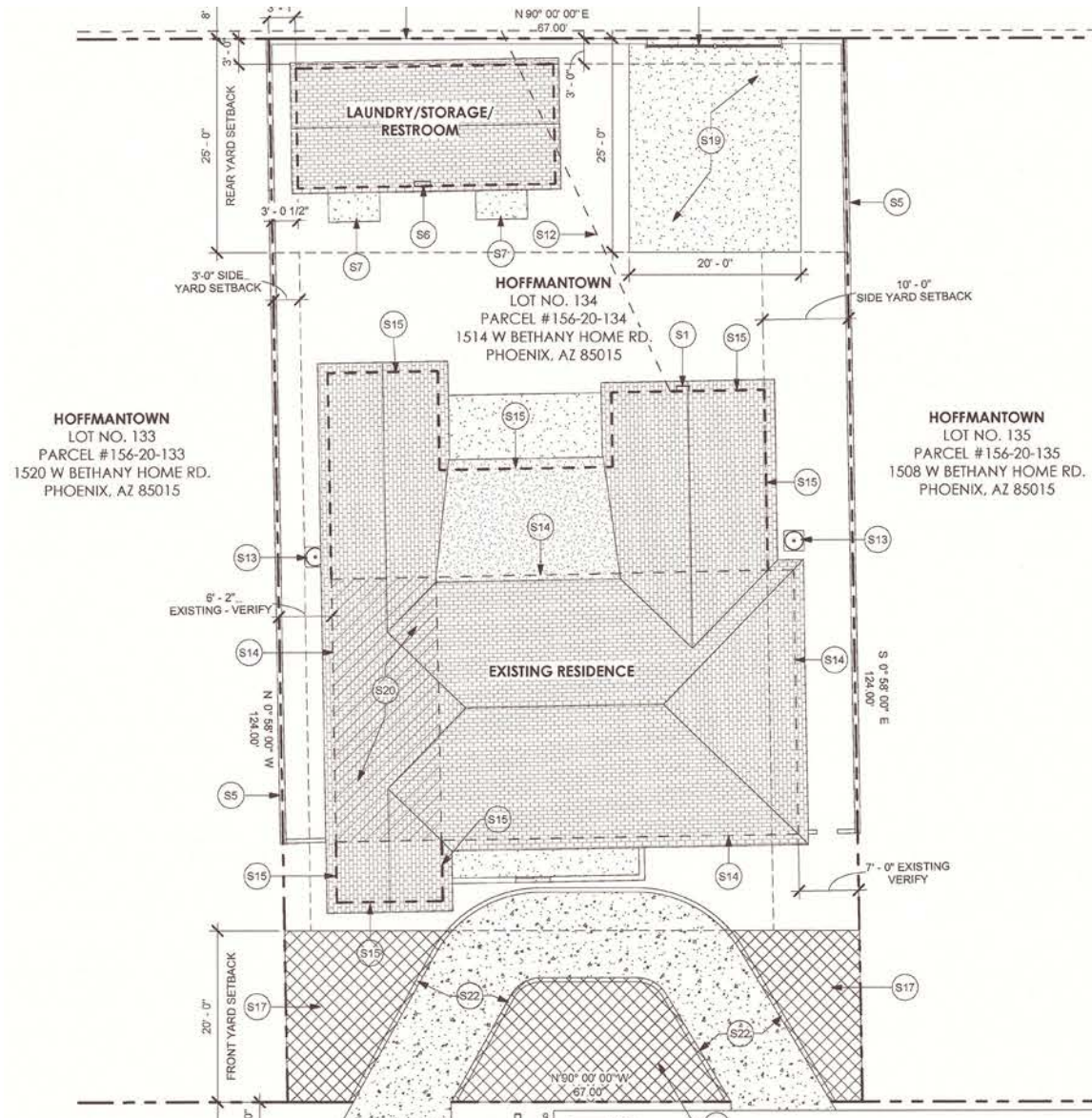
LOCATION	Phoenix, AZ 85015
PROPERTY SIZE	±3,097 SF
LOT SIZE	±8,481 SF
PARCEL NO.	156-20-134
YEAR BUILT/RENOVATED	1951/2018
TYPE OF CONTRUCTION	Wood Frame
NO. OF BUILDINGS	Main house plus detached Casita
NO. OF BEDROOMS	Seven (7)
NO. OF LICENSED BEDS	Ten (10)
ZONING	R1-6, Single Family
PREVIOUS FACILITY TYPE	Behavioral Health Residential Facility
POSSIBLE USES	Assistant Living, Behavioral Health, Transitional Housing, Foster Care



FLOOR PLAN



SITE PLAN



PROPERTY DESCRIPTION





FINANCIALS

Section 03

Behavioral Health Residential Facility

INCOME AND EXPENSE SUMMARY ACTUALS AND PROFORMA

	Actual 2023 Calendar Year	Per Bed Cost		Proforma Budget	Per Bed Cost
INCOME					
Residential Income	\$586,444	\$83,778		*\$837,777	\$83,778
(Average actual Occupancy 70%)	Included above	-		-\$83,777.66	10.00%
Total	\$586,444	\$58,544		\$753,999	\$21,543
EXPENSES					
Departmental Expenses					
Residential Med Care Practitioners	-\$202,189	-\$20,219		-\$205,000	-\$20,219
	-\$26,000	-\$2,600		-\$26,000	-\$2,600
Facility Manager	-\$60,000	-\$6,000		-\$60,000	-\$6,000
Advertising & Marketing	-\$5,221	-\$522		-\$6,000	-\$600
General Admin. & Licensing	-\$7,686	-\$769		-\$5,000	-\$800
Resident Supplies & Events	\$0	\$0		-\$5,000	-\$500
Ground Transportation	-\$10,649	-\$1,065		-\$11,000	-\$1,100
Food & Meal Costs	-\$12,753	-\$1,275		-\$14,000	-\$1,400
Repairs & Maintenance	-\$13,641	-\$1,364		-\$10,000	-\$1,000
Security Expense	-\$9,442	-\$944		-\$9,500	-\$950
Accounting	-\$3,060	-\$306		-\$3,500	-\$350
Total Department Expenses	-\$350,641	-\$35,064		-\$358,000	-\$35,800
Non-Departmental Expenses					
Utilities	-\$5,931	-\$593		-\$6,000	-\$600
Telephone / Internet	-\$0	-\$0		-\$1,200	-\$120
Insurance (General & Liability)	-\$10,915	-\$1,091		-\$11,500	-\$1,150
Real Estate Taxes	\$0	\$0		-\$2,737	-\$274
Non-Departmental Operating Expenses	-\$16,846	-\$1,685		-\$21,437	-\$2,144
Total Operating Expenses	-\$367,487	-\$36,749		-\$379,437	-\$37,944
Expense Ratio	-37.34%			-49.68%	
Net Operating Income	\$218,956	\$21,896		\$374,562	\$10,702
In-place NOI:	\$218,956		Proforma NOI:	\$374,562	
Sales Price:	\$1,100,000		Sales Price:	\$995,000	
Cap Rate:	19.91%		Cap Rate:	37.64%	

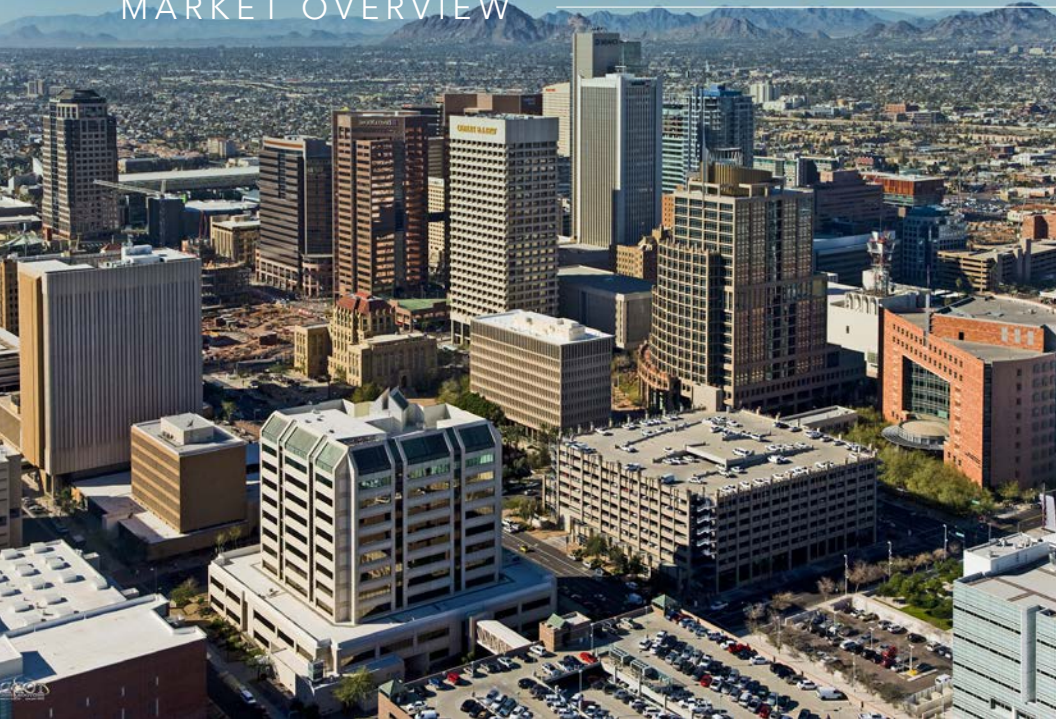
*AHCCCS Reimbursement Procedure Code H0018 = \$228.93 per bed / per day as of October 1, 2025 for BH Residential Short Term



MARKET OVERVIEW

Section 04

MARKET OVERVIEW



The Greater Phoenix Metropolitan Area is the primary business core for Arizona and is comprised of 23 different communities that cooperate as one large metropolis.

With a population of more than 4.9 million residents, Phoenix is the 10th largest metropolitan area in the United States. Phoenix's business friendly environment has made it one of the fastest growing metropolitan regions in the nation. It is no surprise that Phoenix is experiencing rapid growth across all sectors when considering the temperate climate, excellent infrastructure, business friendly environment, and world-renowned destinations.

LEADING POPULATION

The Phoenix Metro Area has seen sustained population growth over the last several decades that has consistently exceeded the national average. The population grew by 75,000 residents in 2020, making it one of the fastest growing metro areas in the nation, and is one of the few that is expected to continue this trend of sustained growth for the next two decades.

EMPLOYMENT AND LABOR POOL

Phoenix Metro and its 23 different communities are home to over 65% of the Arizona's residents, and home to a majority of the higher paying jobs. Currently, the unemployment rate sits at 6.7%, and employment is forecasted to grow at an annual rate exceeding 3.0% through 2021. This growth is partly attributed to the strong labor pool within the



5TH

LARGEST CITY IN
THE US

300+

DAYS OF SUNSHINE
ANNUALLY

325+

GOLF COURSES

Phoenix MSA, which is the seventh youngest in the nation. The labor pool is further supported by several nationally ranked universities, including: Arizona State University, University of Arizona, and Maricopa Community College system. Combined, over 490,000 students are enrolled in both undergraduate and graduate programs and 29% of the population holds a Bachelor's degree or higher.

Phoenix boasts a modern infrastructure with access to major markets across the US.

BUSINESS FRIENDLY ENVIRONMENT

Businesses look favorably on the Phoenix Metropolitan Area and its pro-business stance. Arizona is a right-to-work state with minimal unionization. Phoenix also features an advantageous business environment with minimal regulation, low business costs, and no corporate franchise tax. In addition to its talented labor pool and temperate climate, Arizona features aggressive tax credits and incentive programs for businesses looking to relocate or expand in Arizona.

One of the main drivers of the Phoenix Metro growth is the excellent transportation infrastructure that connects its businesses and residents. Sky Harbor International Airport is the ninth busiest airport in the United States with over 45 million passengers a year. Phoenix - Mesa Gateway Airport acts as a reliever airport in the east valley. The freeway and interstate infrastructure allows quick access to all parts of the metro and adjacent states. The addition of the Metro

Light Rail has added an urban density of the core of Phoenix. The Metro Light Rail connects the major metropolitan cores and spans over 66 miles and currently has a ridership that exceeds 49,000 people a week. Businesses locating to Deer Valley will find all modes of travel easily accessible.

AIRPORTS

Phoenix Sky Harbor International Airport (within 20 miles), one of the nation's 10 busiest airports, is served by 16 carriers and offers non-stop service to more than 80 domestic destinations and 20 international destinations. More than 120,000 passengers arrive and depart on 1,200 aircraft in a typical day. Phoenix Sky Harbor International Airport is the main airport serving the Greater Phoenix region, and is situated less than 10 minutes from Downtown Phoenix.

HIGHWAYS

Phoenix has a strong ground transportation network with many freeway/highway systems, including Interstate 10, Interstate 17, and U.S. routes 60. State routes 51 and 143, Loop 101 and Loop 202 connect greater Phoenix communities and tie them to the interstate system.

RAIL

Valley Metro Rail - The high-capacity transit system currently includes 26 miles of light rail, serving the cities of Phoenix, Tempe, and Mesa. In the years since it opened in 2008, the system has undergone expansions including the Northwest Phase I extension, located on the southwest corner of 19th Ave and Dunlap. Further extension (Northwest Phase II) will eventually expand light rail service west across I-17 to Metrocenter Mall. It is scheduled to open in 2023.

BUSINESS IN PHOENIX

- Greater Phoenix Represents 76% of the state economy

Phoenix is a flourishing community with a young, skilled workforce ready to take on innovative jobs.

- Third largest labor pool in the west
- Low-cost operating environment
- Highly skilled, low-cost workforce
- Dependable infrastructure and access to major markets
- Virtually no natural disasters

DEMOGRAPHICS

POPULATION

	1 Mile	3 Miles	5 Miles
2022 TOTAL	22,283	207,720	466,195
2027 PROJECTION	22,354	204,586	459,858
2020 CENSUS	20,848	198,519	449,599
PROJECTED GROWTH 2022 - 2027	71	-3,134	-6,337
AVERAGE AGE	35.7	34.0	34.3

EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
2022 AVERAGE HH INCOME	\$75,040	\$77,753	\$76,951
TOTAL BUSINESSES	797	10,146	27,904
TOTAL EMPLOYEES	6,125	77,517	239,077

EDUCATION

	1 Mile	3 Miles	5 Miles
SOME HIGH SCHOOL	5.4%	7.6%	8.1%
HIGH SCHOOL DIPLOMA	22.8%	21.5%	23.1%
SOME COLLEGE	21.8%	20.3%	20.4%
ASSOCIATE	9.2%	7.4%	7.4%
BACHELOR'S	21.6%	21.4%	19.4%
GRADUATE	12.8%	13.8%	12.9%

HOUSEHOLDS

9,300
1 MILE

84,588
3 MILES

190,323
5 MILES

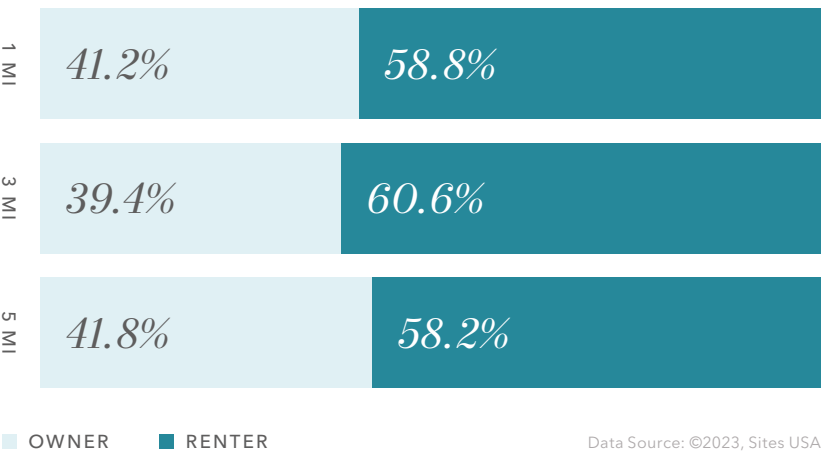
2027 PROJECTED GROWTH

0.3%
1 MILE

0.2%
3 MILES

0.3%
5 MILES

OWNER VS. RENTER OCCUPIED



Data Source: ©2023, Sites USA

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