

# OFFERING MEMORANDUM INVESTOR OPPORTUNITY

FOR SALE | \$3,950,000 (\$129.90/SF)  
**401 W Baseline Rd**

Small tenant rent roll with staggered expirations.

VALUE ADD OPPORTUNITY WITH  
GOOD CURRENT RETURN

**7.01%** CAP RATE  
WITH IN-PLACE INCOME

ATTRACTIVE PRICE  
**\$129.90/SF**

UPDATING OF THE BUILDING  
WOULD PRODUCE  
higher rent increases.

THE MERIDIAN | 30,408 SF | TEMPE, AZ 85283

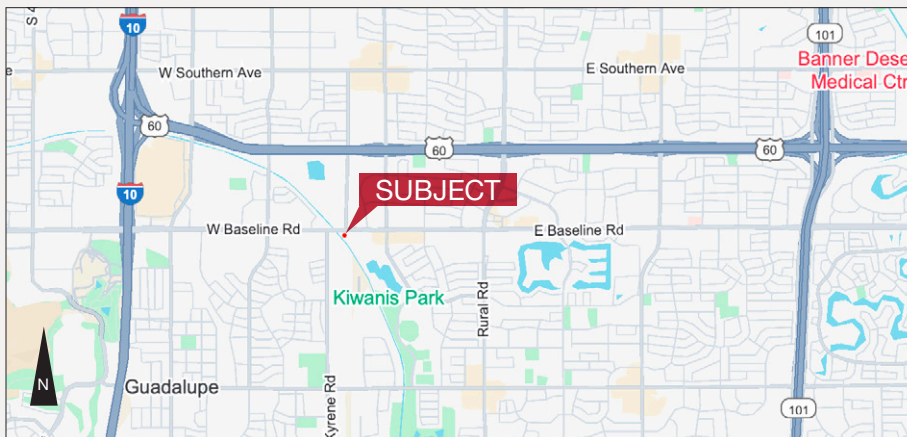
Offered Exclusively by:

**NAI**Horizon

2944 N 44th St, Suite 200, Phoenix, AZ 85018  
602 955 4000 | [naihorizon.com](http://naihorizon.com)



# PROPERTY OVERVIEW



## Offering Summary

<b>Name:</b>	The Meridian
<b>Address:</b>	401 W Baseline Rd, Tempe, AZ 85283
<b>Price:</b>	\$3,975,000 (\$130.72/SF)
<b>Owner/user cost of occupancy:</b>	\$16.13/SF

<b>Building size:</b>	30,408 SF
<b>Parcel:</b>	301-03-018
<b>Land area:</b>	1.35 acres
<b>Parking ratio:</b>	5.0/1,000
<b>Year built:</b>	1986
<b>Elevators:</b>	One
<b>Zoning:</b>	C-G, Tempe

## Building and Area Features

- Excellent visibility with prominent frontage on Baseline Rd a major arterial.
- Easy freeway access with the US-60 freeway located just north of the property, and I-10 just to the west.
- Near Kiwanis Park with numerous recreational amenities.
- Adjacent to Western Canal Path for walking, jogging, or cycling activities.
- Nearby shopping, dining, and hotel facilities
- Excellent parking with 5.0 spaces per 1,000 square feet, and abundant covered parking.

# INVESTMENT OVERVIEW



## Investment Highlights

- **High occupancy:** For the past 8 quarters the property has averaged 90% occupancy.
- **Small tenant rent roll:** The property has 14 tenants, and the average suite size is 1,973 SF, and small tenant demand has been, and continues to be strong.
- **Stable tenancy:** Six of the tenants comprising 62% of the total occupancy have been in the property for 5 years or more.
- **Successful tenants:** In addition, two of the current tenants have expanded one or more times.
- **Repositioning opportunity:** The property has good “bones” but could benefit from some modernization and updating of both the exterior and the interior of the building. Higher rental rate potential in the area will reward the repositioning by achieving much higher rental rates.
- **Below market rents:** The average current rental rate in the property is \$17.12/SF full-service gross, and we believe these rents are below market. (See asking rent study)
  - Short term leases provide opportunity to “mark to market” quickly.
  - Suites are small which is in the sweet spot of the market velocity.
  - Smaller suites can often be leased at premium rental rates.



# FINANCIAL ANALYSIS Proforma

The Meridian | 401 W Baseline Rd, Tempe, AZ 85283

Building Size: 30,408 SF  
Value: \$3,950,000  
NOI: \$277,020  
Price/SF: \$129.90  
Cap Rate: 7.01%

*\*\* In 2024 there were capital expenditures related to replacing some of air handlers in suites due to their aging out, and also some correcting of duct work that was incorrectly installed. This is considered a onetime expense and it was omitted from this analysis. The expenses removed were \$21,000 from HVAC Maintenance and Repair, \$18,245 from General Repairs & Maintenance, and \$1,850 from Management & Misc. A copy of the General Ledger identifying these expenses is available. The majority of the other air handlers in the building have already been replaced, so are deemed to be non-recurring costs.*



*\*\*\*The terms for the proposed financing were provided by Churchill Commercial Capital, and we can introduce you to them to discuss financing alternatives further.*

INCOME:		IN-PLACE
Gross Scheduled Income:		Annually
Income from occupied space:	27,625 SF	\$472,832
Income from currently vacant space:	2,783 SF	\$0
<b>TOTAL POTENTIAL BASE INCOME:</b>		<b>\$472,832</b>
Miscellaneous Income:		
Operating cost recovery:		\$17,488
Parking Income:		\$4,260
Utility recapture:		\$4,800
<b>Effective Gross Income:</b>		<b>\$499,380</b>

**OPERATING EXPENSES:			From 2024 Year End
Less Expenses:	Per Sq Ft	Annual	
Utilities-Electricity:	\$1.59	\$48,400	
Utilities-Water:	\$0.50	\$15,200	
Utilities-Gas:	\$0.19	\$5,750	
Janitorial (Includes day porter):	\$1.22	\$37,100	
HVAC maintenance and repair:	\$0.53	\$16,250	
Landscaping:	\$0.38	\$11,450	
Elevator:	\$0.12	\$3,500	
Parking lot sweeping:	\$0.05	\$1,560	
General repairs & maintenance:	\$0.61	\$18,555	
Management & Misc:	\$0.61	\$18,550	
Insurance:	\$0.35	\$10,680	
Property taxes (Actual 2024):	\$1.16	\$35,365	
<b>TOTAL EXPENSES:</b>	<b>\$7.31</b>	<b>\$222,360</b>	

**NET OPERATING INCOME: \$277,020 #**

***PROSPECTIVE FINANCING:			
Loan to value:	73%	Loan amount:	\$2,900,000
Ammortization period (Yrs):	30	Down payment:	\$1,050,000
Interest rate:	6.50%	Monthly	Annually
<b>Debt service payments:</b>			<b>(\$219,960)</b>

Cash flow: \$57,060  
Cash on cash return rate: 5.43%

# FINANCIAL ANALYSIS Rent Roll

The Meridian | 401 W Baseline Rd, Tempe, AZ 85283

Suite	Tenant Name:	Lease Start Date:	Lease Expiration Date:	Square Footage	Lease Rate/Sq Ft	Current Monthly Base Rent	Annual Base Rent	Escalations **	Lease Type
101	Sai Kiran Undrala	6/1/22	5/31/26	1,132	\$16.44	\$1,551	\$18,615		FSG
102	Navi Technologies	7/1/25	6/30/28	1,312	\$15.50	\$1,695	\$20,336	<b>7/1/25 to 6/30/26 - \$11,695 - \$15.50/SF</b> 7/1/26 to 6/30/27 - \$1,749 - \$16.00/SF 7/1/27 to 6/30/28 - \$1,831 - \$16.75/SF	FSG
103	A F and P CPAS	8/1/14	5/31/26	1,310	\$17.16	\$1,873	\$22,480		FSG
104	JB Taxes & Multi-Services	5/1/23	4/30/26	1,818	\$17.31	\$2,622	\$31,470		FSG
106-107-108	Find Your Shine	5/1/20	6/30/29	4,924	\$17.00	\$6,974	\$83,683	<b>7/1/25 to 6/30/26 - \$6,974 - \$17.00/SF</b> 7/1/26 to 6/30/27 - \$7,183 - \$17.50/SF 7/1/27 to 6/30/28 - \$7,398 - \$18.03/SF 7/1/28 to 6/30/29 - \$7,620 - \$18.57/SF	FSG
109	ACCHM	2/1/21	2/28/26	559	\$16.88	\$786	\$9,435		FSG
200	The Epoch Media Group	9/15/23	10/31/28	1,119	\$17.08	\$1,592	\$19,110	12/1/23 to 11/30/24 \$1,539 - \$16.50/SF <b>12/1/24 to 11/30/25 - \$1,592 - \$17.08/SF</b> 12/1/25 to 11/30/26 - \$1,648 - \$17.68/SF 12/1/26 to 11/30/27 - \$1,706 - \$18.29/SF 12/1/27 to 11/30/28 - \$1,706 - \$18.93/SF	FSG
201-207-208-210	Taproot Therapy	2/1/20	1/31/26	6,415	\$17.54	\$9,376	\$112,517		FSG
203	Law Office of Matthew Schultz, PC	10/1/15	2/28/26	1,032	\$17.31	\$1,488	\$17,859		FSG
205	Jim Barton	1/13/21	12/31/25	1,235	\$18.01	\$1,854	\$22,242		FSG
206	Integrated Medical Evaluations	9/21/15	2/28/26	1,499	\$17.31	\$2,162	\$25,941		FSG
209	Optimal Health & Wellness	1/3/20	7/31/26	2,086	\$17.51	\$3,044	\$36,528	8/1/24 to 7/31/25 - \$2,955 - \$17.00/SF <b>8/1/25 to 7/31/26 - \$3,044 - \$17.51/SF</b>	FSG
105A-105B	Thriving Mind Solutions	2/1/24	6/30/29	2,290	\$16.48	\$3,145	\$37,739	<b>7/1/25 to 6/30/26 - \$3,145 - \$16.48/SF</b> 7/1/26 to 6/30/27 - \$3,239 - \$16.97/SF 7/1/27 to 6/30/28 - \$3,336 - \$17.48/SF 7/1/28 to 6/30/29 - \$3,437 - \$18.01/SF	FSG
204B	Blooming Clematis	10/1/23	9/30/28	894	\$16.64	\$1,240	\$14,876	<b>10/1/24 to 9/30/25 - \$1,240 - \$16.64/SF</b> 10/1/25 to 9/30/26 - \$1,290 - \$17.31/SF 10/1/26 to 9/30/27 - \$1,341 - \$18.00/SF 10/1/27 to 9/30/28 - \$1,395 - \$18.72/SF	FSG
<b>OCCUPIED SQUARE FOOTAGE</b>				<b>27,625</b>	<b>\$17.12</b>	<b>\$39,403</b>	<b>\$472,832</b>		
204A	Available			2,783	\$17.00	\$3,943	\$47,311		FSG
<b>VACANT SQUARE FOOTAGE</b>				<b>2,783</b>		<b>\$3,943</b>	<b>\$47,311</b>		
<b>TOTAL PROJECT</b>				<b>30,408</b>		<b>\$43,345</b>	<b>\$520,143</b>		

\*\* The rental amounts shown for the time periods in bold type are used in this analysis

# FINANCIAL ANALYSIS Lease Expiration by Year

The Meridian | 401 W Baseline Rd, Tempe, AZ 85283

Suite	Tenant Name:	Lease Expiration Date:	Rental Rate at Lease Exp
205	Jim Barton	12/31/25	\$18.01
204 A	Currently vacant		

**TOTAL 2025:**

201-207-208-210	Taproot Therapy	1/31/26	\$17.54
109	ACCHM	2/28/26	\$16.88
203	Law Office of Matthew Schultz, PC	2/28/26	\$17.31
206	Integrated Medical Evaluations	2/28/26	\$17.31
104	JB Taxes & Multi-Services	4/30/26	\$17.31
101	Sai Kiran Undrala	5/31/26	\$16.44
103	A F and P CPAS	5/31/26	\$17.16
209	Optimal Health & Wellness	7/31/26	\$17.51

**TOTAL 2026: \$17.18**

102	Navi Technologies	6/30/28	\$16.75
204B	Blooming Clematis	9/30/28	\$18.72
200	The Epoch Media Group	10/31/28	\$18.93

**TOTAL 2028: \$18.13**

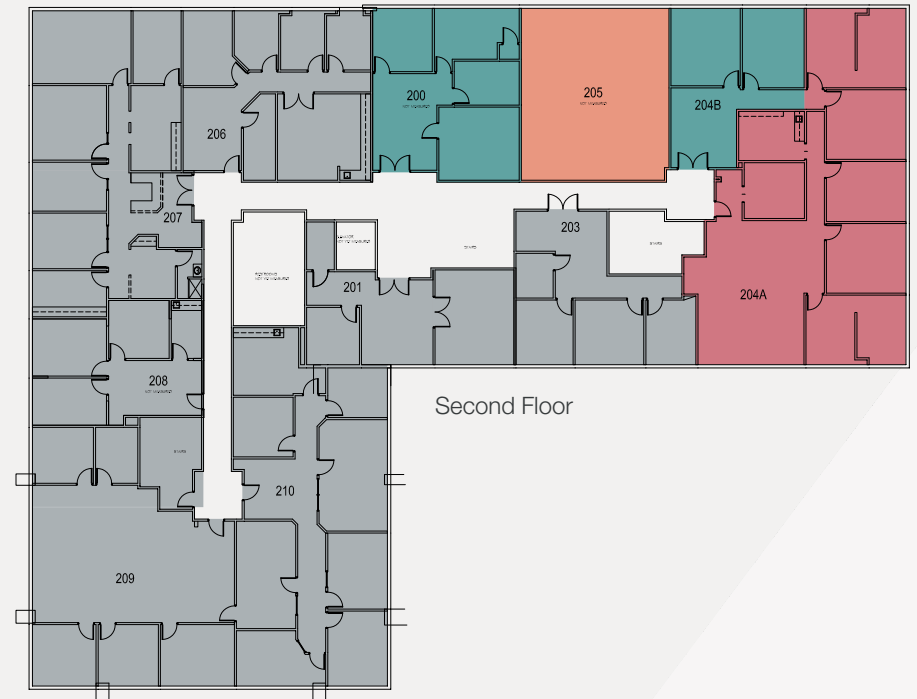
106-107-108	Find Your Shine	6/30/29	\$18.57
105A-105B	Thriving Mind Solutions	6/30/29	\$18.01

**TOTAL 2029: \$18.29**

# FLOOR PLANS



First Floor



Second Floor

## Lease Expirations by Year

Suite	Tenant Name:	Lease Exp Date:	Rental Rate at Lease Exp
205	Jim Barton	12/31/25	\$18.01
204 A	Currently Vacant		-
<b>TOTAL 2025: \$18.01</b>			
201-207-208-210	Taproot Therapy	1/31/26	\$17.54
109	ACCHM	2/28/26	\$16.88
203	Law Office of Matthew Schultz, PC	2/28/26	\$17.31
206	Integrated Medical Evaluations	2/28/26	\$17.31
104	JB Taxes & Multi-Services	4/30/26	\$17.31
101	Sai Kiran Undrala	5/31/26	\$16.44

Suite	Tenant Name:	Lease Exp Date:	Rental Rate at Lease Exp
103	A F and P CPAS	5/31/26	\$17.16
209	Optimal Health & Wellness	7/31/26	\$17.51
<b>TOTAL 2026: \$17.18</b>			
102	Navi Technologies	6/30/28	\$16.75
204B	Blooming Clematis	9/30/28	\$18.72
200	The Epoch Media Group	10/31/28	\$18.93
<b>TOTAL 2028: \$18.13</b>			
106-107-108	Find Your Shine	6/30/29	\$18.57
105A-105B	Thriving Mind Solutions	6/30/29	\$18.01
<b>TOTAL 2029: \$18.29</b>			



# PHOTOS





# OFFICE MARKET OVERVIEW



## Phoenix

### Summary:

The Valley recorded 850,000 SF of positive net absorption since October 2024, driven by steady leasing volume, growing in-person office attendance, and increased renewal activity. As a result, vacancy ticked down to 16.6% as of early 25Q3, making Phoenix one of just 10 major U.S. markets with a year-to-date decline in vacancy.

Supporting the sector's recent stabilization is a near-total lack of supply-side pressure. Just 1.3 million SF of net new office space delivered over the past three years combined, trailing the average annual completion total from 2015 to 2019 by more than 40%.

Many owners have invested in renovations and spec suites to make their buildings more desirable, and to drive rent increases.

Further diminishment of the supply has come from some of Phoenix's older obsolete offices having already been demolished or repurposed for new uses like infill industrial, a trend gaining steam in suburban areas.

### Sales:

Sales activity in the Phoenix office market continued to accelerate in the first half of 2025, building on the recovery that began forming last year. About \$1.6 billion worth of office properties traded hands over the past 12 months, a meaningful increase compared to 2023's decade-low total of about \$1.2 billion.

Private investors and owner/users have driven the rebound in sales activity, with these buyers often focused on upside potential rather than in-place income, seeking quality assets that can be purchased at an attractive basis.

# SUBMARKET OVERVIEW



## Tempe

### Summary:

Tempe is one of the most active and desirable submarkets in the Valley. The area's deep labor pool, impressive amenity base, strong location, and proximity to Arizona State University draw strong attention from office users, particularly technology-related tenants.

The Tempe office submarket recorded positive demand in 2024, a trend that has continued into 2025. Several sizable move-ins drove 390,000 SF of net absorption over the past 12 months and reduced the overall vacancy in the submarket from 24.4% in early 2024 to 21.9% today.

The construction pipeline has quickly thinned with just a handful of non-medical office projects being delivered over the past few years. Moving forward, the lack of supply-side pressure along with the area's stout demand drivers could support a further recovery over the near term.

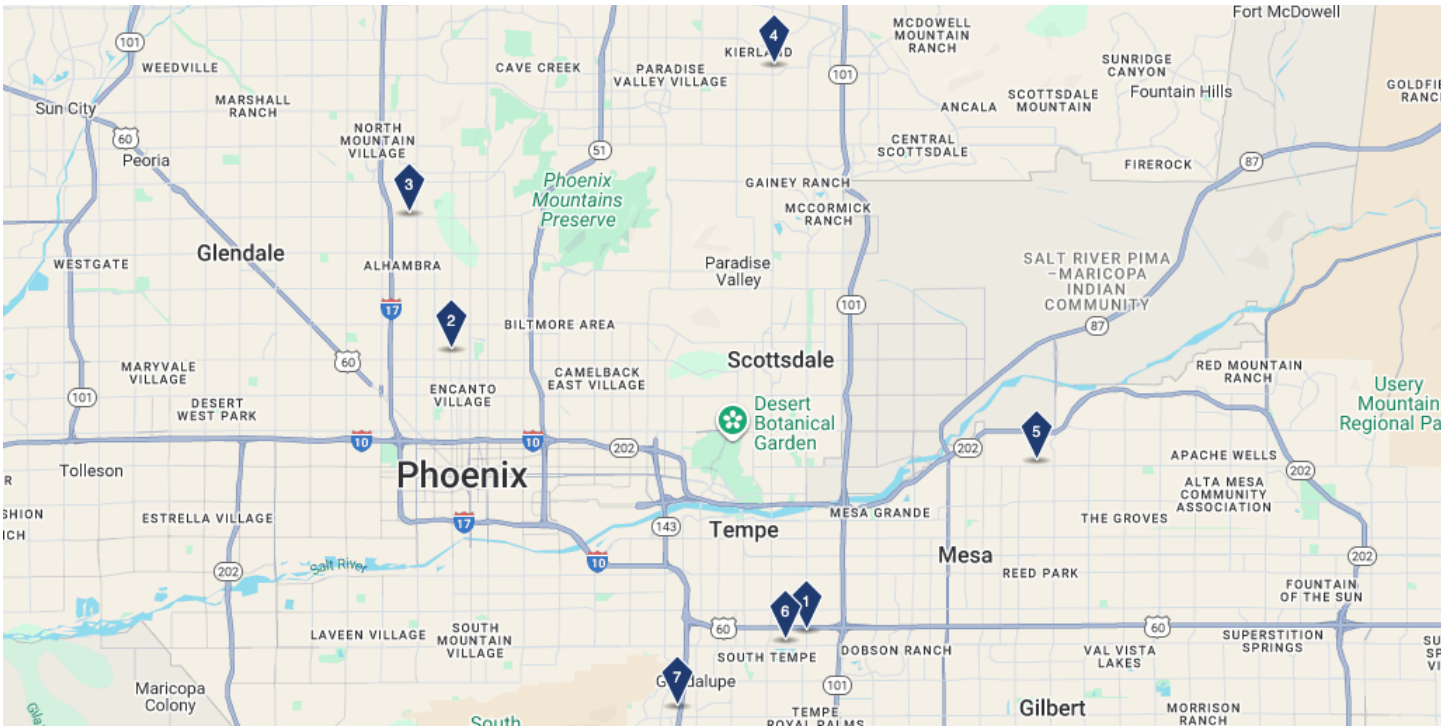
### Sales:

Sales volume is showing signs of acceleration in the Tempe office submarket. Over the past 12 months, about \$74.2 million worth of office assets traded hands, up from less than \$50 million in 2023.

Local private investors and owner/users are the predominant buyers for the smaller properties in the submarket.



# SALES COMPARABLES



## Sale Comparables Summary Statistics

Sale Attributes	Low	Average	Median	High
Sale Price	\$2,325,000	\$4,282,143	\$4,050,000	\$6,175,000
Sale Price Per SF	\$114	\$146	\$141	\$184
Cap Rate	7.5%	7.8%	8.0%	8.0%
Sale Price Per AC	\$1,270,208	\$2,029,452	\$2,197,309	\$4,166,667
Property Attributes	Low	Average	Median	High
Building SF	20,430 SF	29,254 SF	29,806 SF	42,961 SF
Year Built	1982	1991	1987	2001
Stories	1	2	2	3
Typical Floor SF	8,249 SF	17,837 SF	15,063 SF	33,575 SF
% Leased At Sale	50.0%	81.3%	87.7%	100%
Star Rating	★★☆☆☆ 2	★★☆☆☆ 2.6	★★★★☆ 3	★★★★☆ 3

Summary Statistics exclude For Sale and Under Contract listings

# SALES COMPARABLES

1	McClintock Professional Center 4700 S McClintock Dr Tempe, AZ 85282	Office ★★★★☆	1986	23,055 SF	7/7/2025	\$3,525,000 (\$152.90/SF)	8.00% Pro Forma
2	The Agora 4205 N 7th Ave Phoenix, AZ 85013	Office ★★★★☆	1987	24,746 SF (100%)	4/14/2025	\$3,500,000 (\$141.44/SF)	-
3	Northern Business Center 2051 W Northern Ave Phoenix, AZ 85021	Office ★★★★☆	2000	30,205 SF (50.0%)	2/10/2025	\$4,050,000 (\$134.08/SF)	-
4	Scottsdale Executive Square 13951 N Scottsdale Rd Scottsdale, AZ 85254	Office ★★★★☆	1983	29,806 SF	1/31/2025	\$4,900,000 (\$164.40/SF)	8.00% Actual
5	Harris Professional Plaza 1550 E McKellips Rd Mesa, AZ 85203	Office ★★★★☆	2001	33,575 SF	11/12/2024	\$6,175,000 (\$183.92/SF)	-
6	1204 E Baseline Rd Tempe, AZ 85283	Office ★★★★☆	1982/1996	20,430 SF (84.8%)	7/18/2025	\$2,325,000 (\$113.80/SF)	-
7	Freeway Executive Center 10429 S 51st St Phoenix, AZ 85044	Office ★★★★☆ Part of a Portfolio	2001	42,961 SF	8/26/2024	\$5,500,000 (\$128.02/SF)	7.50% Actual

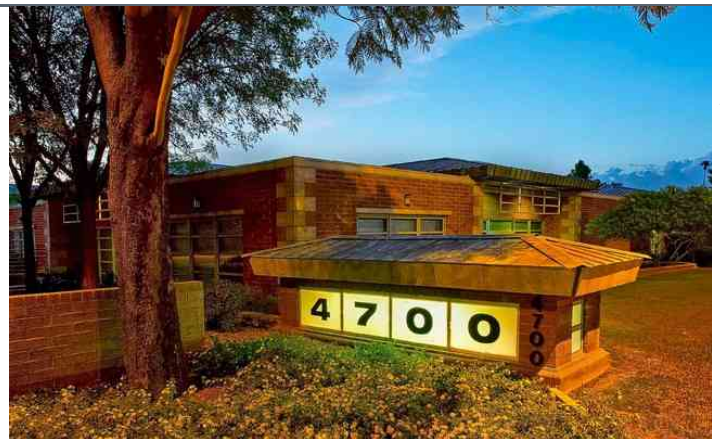
1

**4700 S McClintock Dr - McClintock Professional Center**  
 Tempe, AZ 85282 (Maricopa County) - Tempe Submarket

★★★★★  
 Office

## Sale Summary

Sold	7/7/2025
Sale Price	\$3,525,000 (\$152.90/SF)
RBA	23,055 SF
Price Status	Affidavit
Built	1986
Land Area	1.67 AC/72,745 SF
Pro Forma Cap Rate	8.00%
Sale Comp Status	Research Complete
Sale Comp ID	7232439
Parcel Numbers	133-39-008B





# SALES COMPARABLES

2

## 4205 N 7th Ave - The Agora

Phoenix, AZ 85013 (Maricopa County) - Midtown Submarket

★★★★☆  
Office

### Sale Summary

Sold	4/14/2025
Sale Price	\$3,500,000 (\$141.44/SF)
RBA (% Leased)	24,746 SF (100%)
Price Status	Confirmed
Built	1987
Land Area	0.84 AC/36,590 SF
Sale Comp Status	Research Complete
Sale Comp ID	7128562
Parcel Numbers	155-39-001 +1



3

## 2051 W Northern Ave - Northern Business Center

Phoenix, AZ 85021 (Maricopa County) - Northwest Phoenix Submarket

★★★★☆  
Office

### Sale Summary

Sold	2/10/2025
Sale Price	\$4,050,000 (\$134.08/SF)
RBA (% Leased)	30,205 SF (50.0%)
Price Status	Confirmed
Built	2000
Land Area	1.66 AC/72,310 SF
Sale Comp Status	Research Complete
Sale Comp ID	7049169
Parcel Numbers	157-20-001



4

## 13951 N Scottsdale Rd - Scottsdale Executive Square

Scottsdale, AZ 85254 (Maricopa County) - Scottsdale Airpark Submarket

★★★★☆  
Office

### Sale Summary

Sold	1/31/2025
Sale Price	\$4,900,000 (\$164.40/SF)
RBA	29,806 SF
Price Status	Confirmed
Built	1983
Land Area	2.23 AC/97,139 SF
Actual Cap Rate	8.00%
Sale Comp Status	Research Complete
Sale Comp ID	7041600
Parcel Numbers	215-56-013A



# SALES COMPARABLES

**5** **1550 E McKellips Rd - Harris Professional Plaza**  
Mesa, AZ 85203 (Maricopa County) - Mesa East Submarket

★★★★☆  
Office

## Sale Summary

Sold	11/12/2024
Sale Price	\$6,175,000 (\$183.92/SF)
RBA	33,575 SF
Price Status	Confirmed
Built	2001
Land Area	2.50 AC/108,900 SF
Sale Comp Status	Research Complete
Sale Comp ID	6943104
Parcel Numbers	136-07-031A +1



**6** **1204 E Baseline Rd**  
Tempe, AZ 85283 (Maricopa County) - Tempe Submarket

★★★★☆  
Office

## Sale Summary

Sold	7/18/2025
Sale Price	\$2,325,000 (\$113.80/SF)
RBA (% Leased)	20,430 SF (84.8%)
Price Status	Confirmed
Built/Renovated	1982/1996
Land Area	1.54 AC/67,082 SF
Sale Comp Status	Research Complete
Sale Comp ID	7248966
Parcel Numbers	133-38-003E



**7** **10429 S 51st St - Freeway Executive Center (Part of a 2-Property...)**  
Phoenix, AZ 85044 (Maricopa County) - South Tempe/Ahwatukee Submarket

★★★★☆  
Office

## Sale Summary

Sold	8/26/2024
Sale Price	\$5,500,000 (\$128.02/SF)
RBA (% Leased)	42,961 SF (90.6%)
Price Status	Confirmed
Built	2001
Land Area	4.33 AC/188,615 SF
Actual Cap Rate	7.50%
Sale Comp Status	Research Complete
Sale Comp ID	6828232
Parcel Numbers	301-41-331
Sale Conditions	Bulk/Portfolio Sale



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**401 W Baseline Rd**

Offered Exclusively by:

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**Dylan Whitwer**

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25-04-050

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