

# GOODWILL & EOS FITNESS

## TWO TENANT NET LEASE INVESTMENT

CHANDLER, ARIZONA



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Various laws and regulations have been enacted at the federal, state and local levels dealing with the use, storage, handling, removal, transport and disposal of toxic or hazardous wastes and substances. Depending upon past, current and proposed uses of the Property, it may be prudent to retain an environmental expert to conduct a site investigation and/or building inspection. If such substances exist or are contemplated to be used at the Property, special governmental approvals or permits may be required. In addition, the cost of removal and disposal of such materials may be substantial. Consequently, legal counsel and technical experts should be consulted where these substances are or may be present.

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By receipt of this Offering Memorandum, you agree that this Offering Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence, and that you will not disclose this Offering Memorandum or any of its contents to any other entity without the prior written authorization of Ownership nor will you use this Offering Memorandum or any of its contents in any fashion or manner detrimental to the interest of Ownership or Cushman & Wakefield.

The terms and conditions stated in this section will relate to all of the sections of the Offering Memorandum as if stated independently therein. If, after reviewing this Offering Memorandum, you have no further interest in purchasing the Property at this time, kindly return this Offering Memorandum to Cushman & Wakefield at your earliest possible convenience. Photocopying or other duplication is not authorized.

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GOODWILL

Donation Drop Off →

EoS FITNESS

01

PROPERTY SUMMARY  
& OVERVIEW

# PROPERTY DETAILS

<b>ADDRESS</b>	4949 W Ray Rd, Chandler, AZ 85226
<b>OCCUPANCY</b>	100%
<b>TENANCY</b>	Goodwill and EOS Fitness
<b>PARCEL</b>	301-67-966
<b>LAND AREA</b>	±5.70 Acres
<b>BUILDING GLA</b>	±62,071 SF
<b>YEAR RENOVATED</b>	2018

# INVESTMENT HIGHLIGHTS

- 100% leased to two strong credit tenants
- EOS operates 125 locations in 6 states with 51 locations planned to open in the next 3 years
- Diverse, internet-resistant rent roll with a strong tenant mix, featuring a leading discount retailer and an established gym operator
- Goodwill of Northern and Central Arizona has more than 104 stores and donation centers throughout Arizona
- Potential upside in the Goodwill space due to below market rent in place

\*Rent to increase on 11/1/2025. Seller to credit rent difference at COE

# OFFERING TERMS

**PRICE:** \$14,506,762

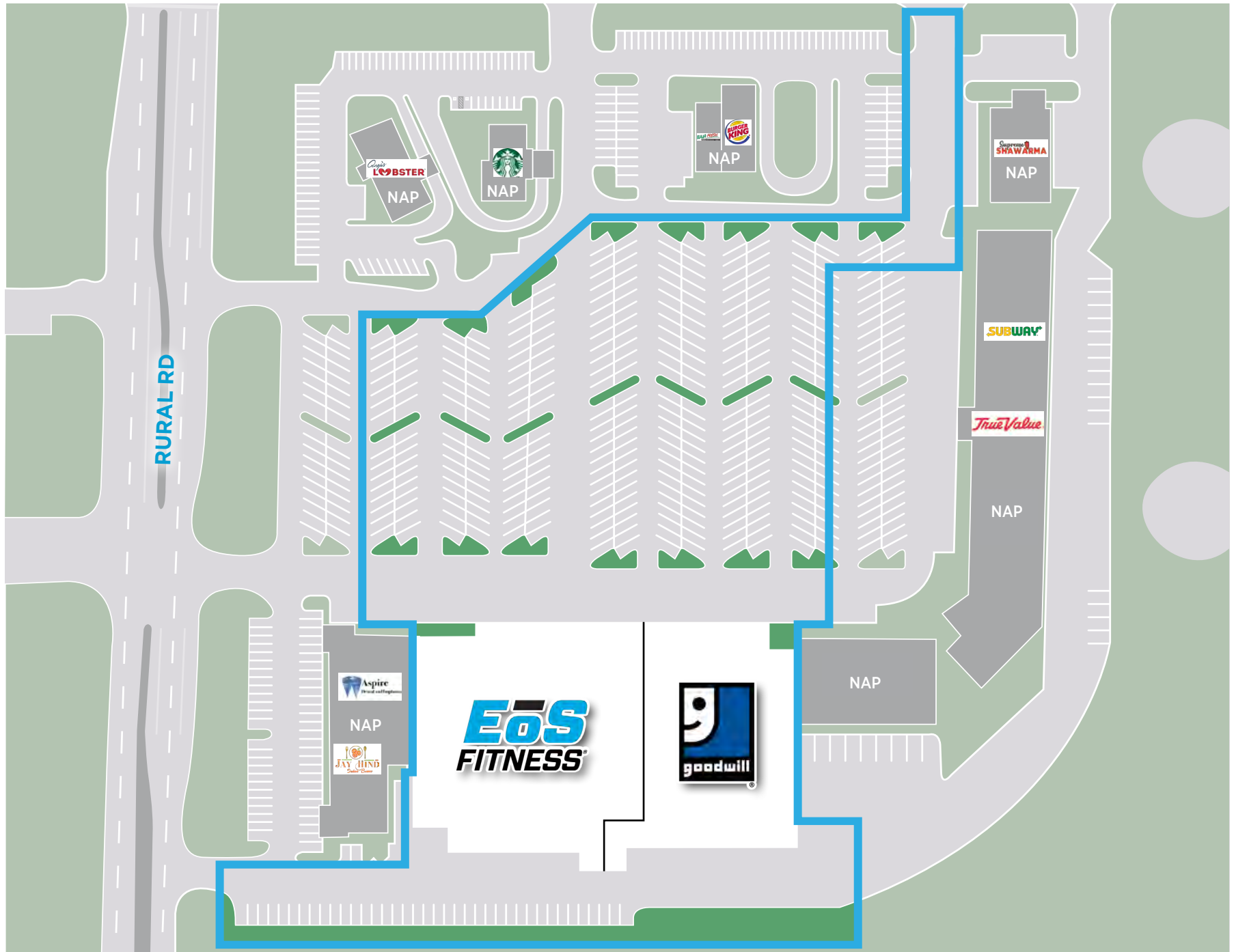
**CAP:** 7.00%

**CURRENT NOI:** \$1,015,473.34\*

# LOCATION HIGHLIGHTS

- Affluent trade area with average household incomes over \$166,000 in a 1-mile radius
- High traffic counts (Rural Road & Ray Road: ±58,073 VPD)
- Strong retail intersection with other national tenants such as Fry's Grocery, Starbucks, Taco Bell, Jack in the Box and more
- ±2.5 miles from 3 major freeways I-10, Loop 202 and Loop 101

# SITE PLAN





**GOODWILL**

Donation Drop Off →

**EoS FITNESS**

**02**

**FINANCIAL  
ANALYSIS**

# RENT ROLL

TENANT	SQUARE FEET	LEASE START	LEASE EXPIRATION	ANNUAL BASE RENT	ANNUAL RENT PER SF	INCREASES	RECOVERY TYPE
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	23,925	8/1/2018 4 Years Remaining	8/31/2028	\$311,025.00	\$13.00	9/1/2028 - \$14 .00	NNN +15% Management Fee with 5% controllable CAM cap
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Notes: Two (2) Five (5)Year Options with \$1 psf increases every 5 years

	38,146	10/1/2020 11 Years Remaining	10/31/2035	\$734,310.50*	\$19.25	11/1/2030 - \$21.18	NNN +12% Admin Fee with 8% controllable CAM cap
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Notes: Three (3) Five (5)Year Options with 10% increases every 5 years

<b>TOTALS</b>	<b>62,071</b>			<b>\$1,045,335.50</b>			
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\* Rent to increase on 11/1/2025. Seller to credit rent difference at COE

# INCOME VALUATION

Income	
Base Rent	\$1,045,335.50
CAM Reimbursements	\$151,715.04
<b>Total Income</b>	<b>\$1,197,050.54</b>

Operating Expenses	
Property Taxes	\$98,484.12
Property Insurance	\$25,771.60
Management Fee	\$28,800.00
Lighting Maint and Repairs	\$900.00
Landscaping	\$12,984.00
Porter	\$3,603.60
Roof Maintenance/Repairs	\$1,740.00
Parking Lot Repairs/Sweeping	\$4,416.00
Pest Control	\$330.00
Bulk Trash Removal	\$1,200.00
Fire System Monitor/Inspec./Repairs	\$3,347.88
<b>Total Expenses</b>	<b>\$181,577.20</b>

<b>NET OPERATING INCOME</b>	<b>\$1,015,473.34</b>
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# FINANCING GUIDANCE

INTEREST RATE TYPE	FIXED	FIXED	FIXED*
LENDER TYPE	Credit Union	LifeCo	Bank
MAX. LTV	60-65%	55-60%	60%
MIN. UW DSCR	1.25x	1.25x	1.25x
MIN. DY	9.5%	10%	9.5%
SPREAD(*1)	n/a	225-250bps	250-275bps
INTEREST RATE	6.25%-6.50%	6.06%-6.31%	6.31-6.56%
BANK ORINATION FEES	25-50bps	0-10bps	25-50bps
INTEREST ONLY	N/A	N/A	N/A
LOAN TERM	10 YEAR (5+5)	5 or 10 years	5 or 10 years
CUSHMAN ORINATION	1%	1%	1%
AMORTIZATION	25-30 Years	25 Years	25 Years
PREPAYMENT	NONE	Yield Maintenance	Stepdown
RECOURSE	Full Recourse	Full Recourse/Partial Recourse	"Full Recourse/ Non-Recourse if add to spread"

\*LifeCo'sto price spread based off 10-year Treasury

\* As of 8/26/2024

# TENANT PROFILES



Goodwill is a renowned nonprofit organization with a mission centered around helping individuals and communities achieve economic independence through education, training, and employment services. Established in 1902 by Reverend Edgar J. Helms in Boston, Massachusetts, Goodwill started as a humble effort to provide for the poor by collecting donated goods, refurbishing them, and reselling them at affordable prices. The revenue from these sales was then used to fund job training and other services for people in need, creating a self-sustaining model that has endured and expanded for more than a century.

Goodwill operates through a network of independently run community-based organizations, each serving specific local needs while adhering to the overarching mission. The core of Goodwill's operations revolves around its retail stores, which are stocked with donated goods from the public. These donations, which include clothing, furniture, electronics, and household items, are sorted, priced, and sold at affordable prices.

Goodwill's impact is far-reaching, providing millions of people with the opportunity to improve their lives through work. The organization operates over 3,000 retail stores across North America, and its programs have helped place hundreds of thousands of people in jobs each year.

The Tenant Goodwill of Central and Northern Arizona an Arizona nonprofit corporation is currently employing more than 4,000 individuals across 104 locations throughout central and northern Arizona, and with annual revenue in excess of \$100 million. They have been an innovator in the retail industry, that has provided education and employment placement services in Arizona for over 65 years.

## WEBSITE

[www.goodwill.org](http://www.goodwill.org)

## # OF LOCATIONS

±3,300

## NORTH AMERICA HIGHLIGHTS

±3,300

Locations in operation



±154

Goodwill Organizations

±122

Years of Operation

## ARIZONA HIGHLIGHTS

±104

Locations in operation



±4,000

Employees

±77

Years of Operation

# TENANT PROFILES



EOS Fitness was established in the early 2000s and has since expanded its presence across the United States, particularly in the Southwest and Western regions. Founded with the mission of making fitness accessible to everyone, EOS Fitness combines state-of-the-art equipment, diverse class offerings, and a welcoming environment to cater to individuals of all fitness levels.

EOS Fitness has strategically expanded its footprint, and now has more than 125 locations and over 1,000,000 members. By focusing on regions where there is a demand for affordable fitness options, the company has been able to grow rapidly. The brand's expansion strategy includes opening new locations in suburban areas and communities where residents might not have easy access to high-quality fitness centers.

Like many businesses, EOS Fitness faced significant challenges during the COVID-19 pandemic. However, the company's ability to quickly adapt by implementing safety protocols, offering virtual fitness options, and maintaining communication with members helped it weather the crisis and continue its growth trajectory. This resilience has further solidified its position in the fitness industry.

Despite its budget-friendly pricing, EOS Fitness offers an extensive range of amenities. These include state-of-the-art cardio and strength equipment, functional training areas, group fitness classes, personal training services, and additional perks like swimming pools, saunas, and Kids' Clubs. This combination of affordability and comprehensive offerings has made EOS Fitness an attractive option for many consumers. The entity on the lease is First Alliance, LLC an Arizona limited liability company. EOS currently operates 34 locations in Arizona with 10 more locations planned to open in the next 3 years.

**WEBSITE** [www.eosfitness.com](http://www.eosfitness.com)

**# OF LOCATIONS** ±125

**±125**

Locations in operation



**±51**

Locations Planned



**6**

States

**±20**

Years of Operation

**±1,000,000**

Members

# LOCATION MAP



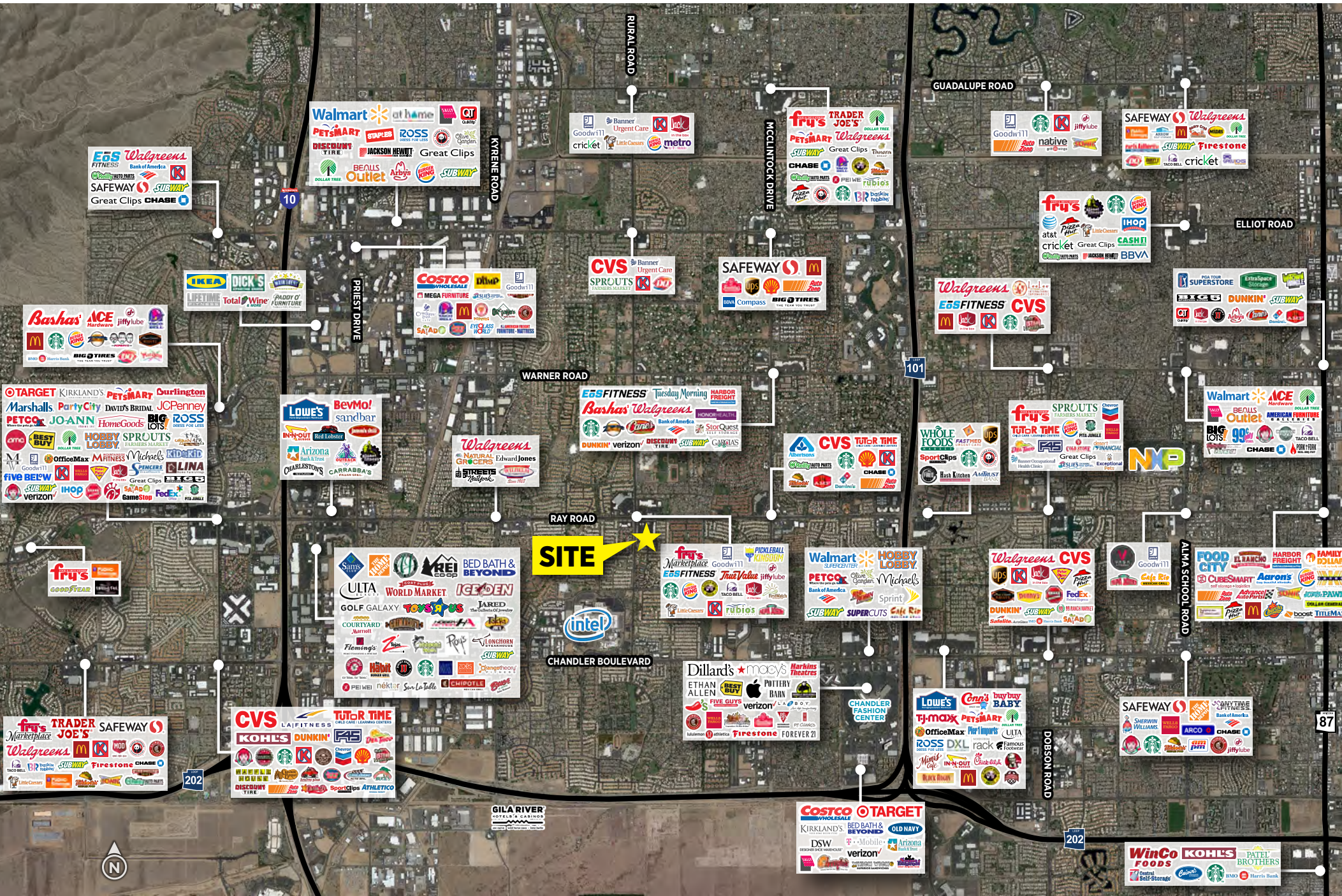
# LOCATION MAP



# LOCATION MAP



# LOCATION MAP



**SITE**



CHANDLER BOULEVARD

RAY ROAD

WARNER ROAD

GUADALUPE ROAD

ELLIOT ROAD

RURAL ROAD

KYRNE ROAD

PRIEST DRIVE

MCCLINTOCK DRIVE

ALMA SCHOOL ROAD

DOBSON ROAD

GILA RIVER  
HOTELS & CASINOS





GOODWILL

Donation Drop Off →

EoS FITNESS

03

MARKET  
OVERVIEW



# DEMOGRAPHICS

## 2024 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
Total Population	13,521	88,072	276,727
Total Households	5,080	36,337	113,222
Average Household Income	\$166,731	\$145,143	\$126,008
Daytime Population	12,382	129,945	309,212
Median Age	41.9	38.8	37.7
Average Home Value	\$572,020	\$568,705	\$534,244

## 2029 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
Total Population	13,567	89,503	280,822
2022-2027 Annual Growth Rate	0.07%	0.32%	0.29%
Total Households	5,184	37,548	116,658
Average Household Income	\$188,607	\$164,226	\$144,758
Average Home Value	\$634,082	\$637,337	\$628,659

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

North on Rural Road	±20,675 VPD
South on Rural Road	±17,055 VPD
West on Ray Road	±28,969 VPD
East on Ray Road	±37,398 VPD



# MARKET OVERVIEW

## Population

Phoenix is the fifth largest city in the United States and anchors the nation's tenth largest metropolitan area, with 5.1 million residents. Greater Phoenix encompasses 14,600 square miles and more than 20 incorporated cities, including Glendale, Scottsdale, Tempe and Mesa. Greater Phoenix is the financial, commercial, cultural, entertainment and government center of Arizona.

Maricopa County, in which Phoenix is located, covers more than 14,600 square miles. Its strategic southwest location has made it a major business and distribution hub for aerospace, high-technology, logistics, financial services, bioscience and sustainable technology companies.

Phoenix is a large desert city. Its elevation is 1,117 feet above sea level. The city's horizon is defined by three distinct mountains: South Mountain, Camelback Mountain and Piestewa Peak. It is known for its warm climate, beautiful setting and great cultural and recreational amenities. The timeless Southwestern backdrop is scattered with resorts and spas infused with Native American tradition. Numerous golf courses stay emerald green all year. Mountain parks are crisscrossed with trails and plentiful sports venues host some of the biggest events in the nation. All together, Phoenix makes for the perfect setting for 16 million leisure visitors each year, which is good for business.

The population of Greater Phoenix is 5.1 million and is expected to grow to nearly 6.4 million in the next 20 years. A relatively young region, Greater Phoenix has a median age of 36.6 – 2.3 years younger than the average age nationwide. The population boasts comparatively high-earnings, with an median household income of over \$75,940.

This is 4.9% above the national median average household income, which stands at \$72,414.

## Employment

The Metro Phoenix employment base has grown rapidly in the past 20 years and currently boasts more than 2 million workers. Projected employment by occupation shows continued strength in the area's professional and technical workforce, with service employment increasing as well. A steady influx of new workers and high graduation levels from the state's largest university, Arizona State University, enrich the quality of labor. Thanks to the variety of universities and technical schools in the area, the pipeline of skilled workers continues to grow.

Metro Phoenix has a diversified base of industries, led by aerospace, high-tech manufacturing, distribution and logistics, financial services and corporate/regional headquarters. Major data processing, credit card and customer service companies are also attracted to Greater Phoenix's telecommunications infrastructure. Phoenix has a predictable climate and low catastrophic risk—no earthquakes, tornadoes or coastal flooding.

Intel, Freescale, Microchip Technology and ON Semiconductor have given Arizona the distinction of being the fourth largest semiconductor manufacturing exporter in the nation.

Phoenix is ranked among the top in the country for its solar and renewable energy sector, and has a rapidly growing healthcare and biomedical industry. With \$1.3 billion in strategic investments over the past 10 years added into its emerging healthcare enterprise and research capabilities, Greater Phoenix is the place for healthcare opportunities.



## Major Phoenix Employers

State of Arizona

Banner Health

Walmart

Frys Food Stores

Wells Fargo

Maricopa County

City of Phoenix

Intel

Arizona State University

Bank of America

State Farm Insurance

U-Haul

Dignity Health

USAA

## Lifestyle & Entertainment

Dependable sunshine and warm temperatures make outdoor activities a way of life in Phoenix. Golf, tennis, hiking, cycling, mountain biking and rock climbing are popular Phoenix activities. Some of Greater Phoenix's most notable outdoor attractions are South Mountain Park and Preserve, Tempe Town Lake, Camelback Mountain, Desert Botanical Garden, the Tournament Players Club (TPC) and the Phoenix Zoo. Phoenix is also a gateway to the Grand Canyon, just a short three and a half hour drive to America's greatest natural wonder.

Live music including classical, blues, local bands and major concerts are easy to come by, and Downtown Phoenix's First Friday Artwalk is a popular event each month with thousands of attendees. Phoenix is chockfull of local galleries, boutiques and studios.

Greater Phoenix annually plays host to the PGA Tour's Waste Management Phoenix Open at the TPC, NASCAR's March and November events at Phoenix International Raceway, the Rock 'n' Roll Arizona Marathon and college football's VRBO Fiesta Bowl and Guaranteed Rate Bowl. Phoenix has played host to the Super Bowl in 2023, 2015 and 2008 at University of State Farm Stadium, the College Football Playoff National Championship Game in 2016 and the 2017 and 2024 NCAA Men's Basketball Final Four. Phoenix has franchises in three major professional sports leagues: Phoenix Suns (NBA), Arizona Diamondbacks (MLB) and Arizona Cardinals (NFL).

With more than 16 million leisure visitors each year, Greater Phoenix is home to more than 500+ hotels with more than 69,000 guest rooms. That total includes more than 40 luxury resorts. Notable resorts include the JW Marriott Desert Ridge Resort and Spa, the Arizona Biltmore, Westin Kierland Resort & Spa, The Phoenician, Royal Palms, Omni Scottsdale Resort & Spa at Montelucia, Four Seasons Resort at Troon North, Hyatt Regency Resort & Spa at Gainey Ranch, Sanctuary Camelback Mountain, The Camby, The Wigwam, W Scottsdale, and the Fairmont Scottsdale Princess.





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