

FOR SALE LEASEBACK INVESTMENT
59,704 SF INDUSTRIAL BUILDING
3820 NORTH 38TH AVENUE
PHOENIX, ARIZONA



AVAILABLE FOR SALE/LEASEBACK

FOR SALE: \$8,995,000 (\$150/SF)

FEATURES:

- Three Masonry Buildings totaling 59,704 SF
- Five Parcels of Land totaling 3.54 Acres
- A-2 City of Phoenix Industrial Zoning
- 2,500 SF Air Conditioned Office Area
- 3,400 Amp 120/240, 3-Phase Electrical Service (Multiple 277/480v Step-Up Transformers for Large Equipment)
- SRP electricity
- City of Phoenix Water/Trash Services
- 10 to 16 feet clear heights in warehouse/production areas
- Concrete Truckwell - Front and Back Buildings
- Fully Fenced Yard Area
- \$53,179 (.08 SF) Property Taxes 2024
- 45,000 SF Vacant Land for future Expansion
- Estimated Annual Net Operating Income: \$534,000
- \$44,500 (.75 NNN) per month rental, plus rental tax
- Five year lease with 3% annual escalations per year
- 3 Five year options to extend the lease
- Capitalization Rate: 6%

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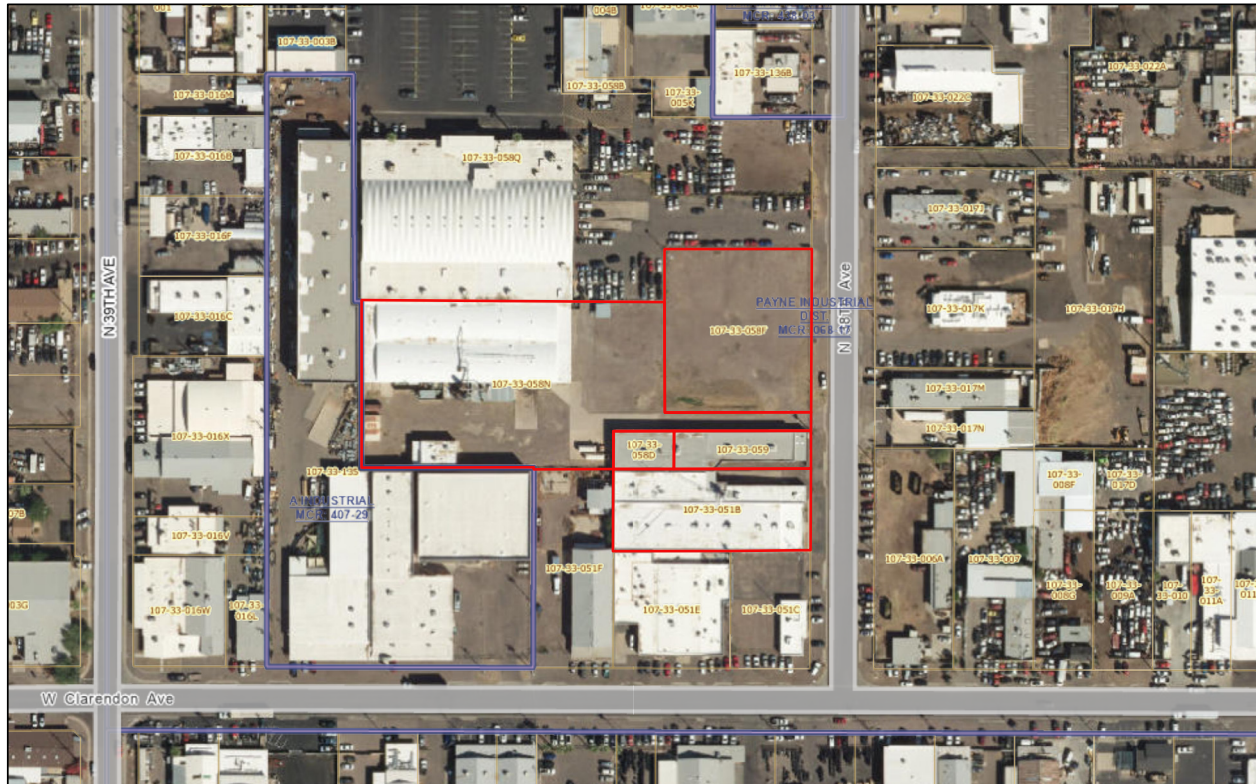
PROPERTY SUMMARY

The property consists of three masonry buildings that have been extensively remodeled and refurbished by the owner in the past year. Front building of 31,832 SF used for office space and warehouse area, constructed in 1976 and is not fire sprinklered. Rear 26,183 SF building is used for manufacturing; constructed in 1956. This building has received extensive structural renovations and upgraded fire sprinklers and a new electrical service installed in 1993/4 for the large commercial printing operation that occupied this space. Additional 1,689 SF freestanding building used for storage of precision manufacturing equipment.



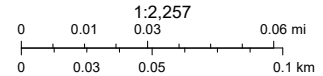
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June 11, 2024

Override 1



Maricopa County GIO, Maricopa County Assessor's Office

COMMENTS:

The tenant that occupies the entire property is an Arizona Limited Liability Company that has been operating for more than 20 years. The company is a manufacturer of cast polymer concrete products along with ceramic lighting and assorted foam packaging supplies for major aerospace corporations.

The company is proposing to sign an AIR Standard NNN Lease Agreement at close of escrow and will leaseback the entire premises for a five year initial term starting at \$44,500 (.75 SF) per month NNN, plus rental tax, property tax and all CAM charges with annual 3% lease escalations. The tenant will require a second five year option to extend the lease starting at \$51,500 per month plus 3% annual escalations. After the first 10 years, the tenant would require two five year lease extensions at fair market value. The tenant occupied their previous location nearby for over 20 years, during the current location's renovations they spent approximately \$750,000 in property improvements and installed precision manufacturing equipment into the back building. This equipment consists of large molds for product casting, automated sandblasting, automated conveyors moving the casting molds and foam injection machines for packaging products. It would all be difficult and expensive to relocate. The lease agreement will not have a Personal Guarantee of the corporate officers. The property is located in the well established West Central industrial area just south of Indian School Road about 3 miles west of Interstate 17 and three miles north of Interstate 10.

Because of the City of Phoenix A-1 and A-2 unrestricted zoning and convenient freeway access nearby, this versatile submarket has always been popular and there are virtually no industrial buildings for sale or lease in this region.

The property taxes of this property are only \$54,968 (.08 SF) which is very affordable which also makes this submarket very attractive to local business. Because of the ongoing manufacturing operations this property will be shown to well qualified prospects by advance appointment only, and additional information about the tenant will be made available.

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Proposed Tenant Leaseback - AIR Standard NNN Lease

Year	Monthly NNN	Annual NOI	Cap Rate
1	44,500	534,000	5.93%
2	45,835	550,020	6.11%
3	47,210	566,520	6.30%
4	48,626	583,512	6.48%
5	50,085	601,020	6.68%

First 5 Year Tenant Option

Year	Monthly NNN	Annual NOI	Cap Rate
6	51,587	619,044	6.88%
7	53,135	637,620	7.08%
8	54,729	656,748	7.30%
9	56,371	676,452	7.52%
10	58,062	696,744	7.74%

Second 5 Year Tenant Option

Fair Market Value

Third 5 Year Tenant Option

Fair Market Value

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