

# Offering Memorandum

**Medical Office / Surgery Centers**

Portfolio Investment Sale / Leaseback Opportunity



10611 N. Hayden Rd.  
SCOTTSDALE, AZ

[WATCH VIDEO TOUR](#)



1704 E. Boston St.  
GILBERT, AZ

[WATCH VIDEO TOUR](#)



**Prepared By**

**Brian Uretzky**  
617.308.0458  
buretzky@keyser.com

**Chris Koch**  
412.370.3115  
ckoch@keyser.com

**Jonathan Keyser**  
602.909.8081  
jk@keyser.com

# Table of Contents

Executive Summary ..... 3  
About the Tenant ..... 4  
    10611 N. Hayden Rd. - Scottsdale - (2 Condos)..... 5  
    1704 E. Boston St.- Gilbert .....14

**CONFIDENTIALITY & DISCLAIMER**

This Offering Memorandum has been prepared by KEYSER LLC (“Keyser”) and contains information pertaining to the business operations and affairs of the property known as 10611 N. Hayden Rd. and 1704 E. Boston St. (the “Property”). This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Owner. The material is based in part upon information supplied by the Owner and in part upon financial information obtained by sources it deems reliable. References to age, square footage and land size have been provided to agent or made available through public sources. Prospective purchasers shall have the opportunity to confirm the accuracy of information referenced herein. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum you agree and understand that the Offering Memorandum and its contents are confidential, you will hold it and treat it in the strictest of confidence and you will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Owner. Owner and Keyser expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Keyser, or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property. This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



# PROPERTY #1

## Executive Summary



10611 N. Hayden - Suites 102 & 103

**Sale Price: \$6,025,846**

Two Condo suites totaling 6,396 SF, both on a long term lease to a medical /surgery center user. The surgery center consists of 3 operating rooms, exam rooms, pre-op and recovery areas. The tenant has multiple medical offices and surgery centers. The highly desirable property is located at 10611 N Hayden Road in the Scottsdale, AZ market.

# PROPERTY #2



1704 E. Boston St.

**Sale Price: \$3,801,107**

100% leased, single tenant property located at 1704 E Boston Street in Gilbert, AZ. The property is leased to a single medical / surgery center user on a long term NNN lease. The tenant has a strong presence with multiple medical offices and surgery centers. The building is located in the Boston UTAZ Professional Village easily accessible to Gilbert, Chandler, and minutes from Dignity Health Mercy Medical Center.

# About the Tenant

The tenant for the properties focuses on pain relief with 9 locations in the Phoenix Area and is in the midst of national expansion.

The tenant has a unique integrated team approach that combines expertise in various disciplines to develop a treatment plan that works best for each individual patient.

The team includes Board Certified medical doctors specializing in interventional pain and anesthesia, nurse practitioners, physical therapists, and chiropractors. Examples of areas of treatment include back pain, neck pain, sciatica pain, joint pain, knee pain, and neuropathy.





Scottsdale, Arizona

# PROPERTY #1

10611 N. Hayden - Suites 102 & 103

**WATCH VIDEO TOUR**



- Site Description, Financials, Leaseback Details
- Site Photos
- Parking Aerial and Floorplan
- Central Scottsdale Market Overview
- Medical Office in Scottsdale
- Local Demographics
- Neighboring Medical Sites & Local Vehicle Traffic
- Nearby Amenities & Entertainment

# PROPERTY #1

Suites 102 & 103

10611 N Hayden Road, Building D,  
Scottsdale, AZ 85260



APN:	175-30-269, 175-30-270
Building Size:	Building D = 15,327 SF; Suites 102 & 103: 6,396 SF
Parking Ratio:	5.0/1000
Year Built:	1986
Condition:	Good
Zoning:	S-R

## Description And Location Of Property:

The building was constructed in 1986 and is a well maintained masonry building. The subject property is located at the northeast corner of Hayden and Shea in Scottsdale in the Hayden Park Office Complex, a medical condo project. The project includes 16 buildings and the subject property consists of two units: Suites 102 & 103 within building D. The project is located across the street from Scottsdale Country Club in an affluent area just one mile west of the 101, with a full diamond interchange on Shea. The property has ingress and egress on both Hayden and Shea, making it easy to enter the property.



## 10611 N. Hayden Rd.

Long term NNN lease (Over 10 years of term remaining)

6,396 SF

\$61.25 PSF starting Rent (\$32,640 per month)

2% Annual Increases

\$391,680 starting NOI

6.5% Cap Rate

**\$6,025,846 Sale Price**

## NNN Lease Provisions

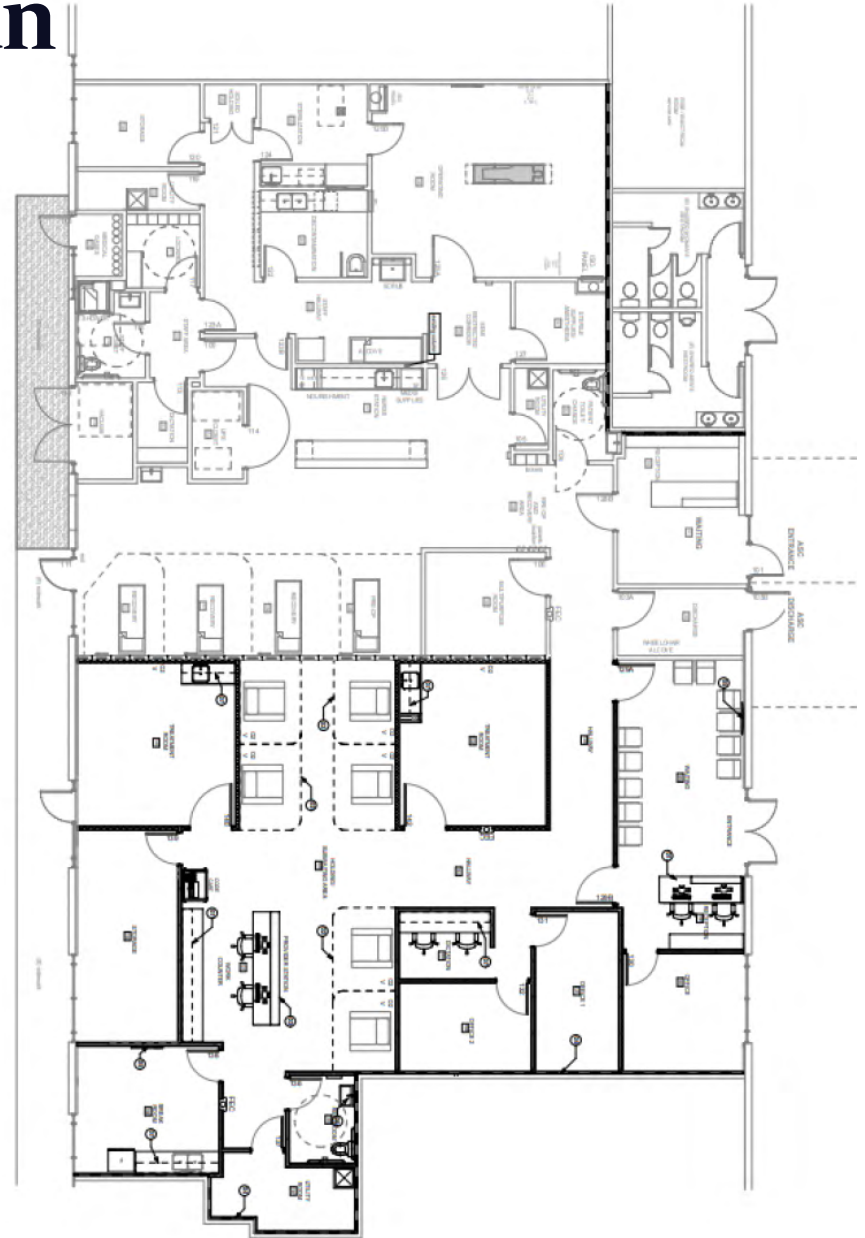
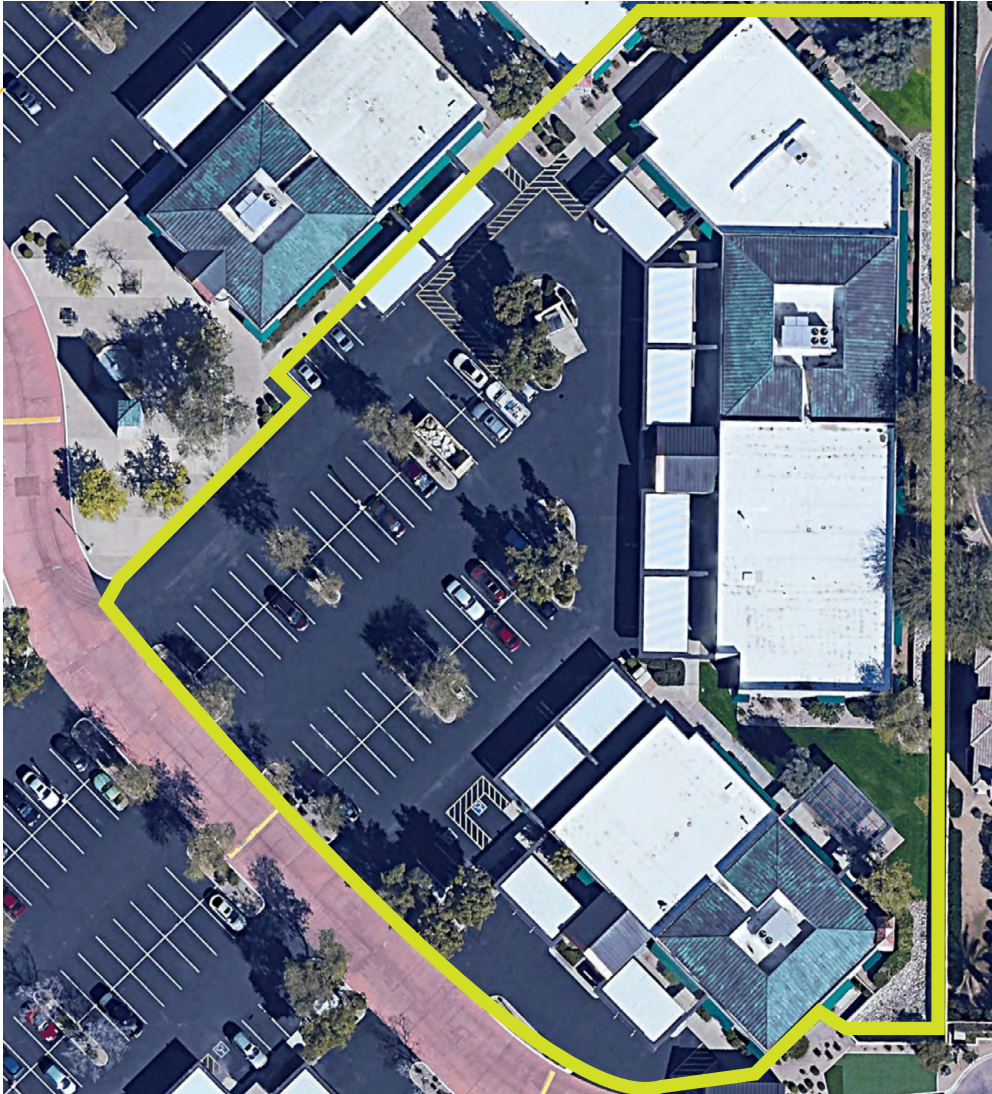
- Tenant bears all costs related to the Tenant's use and occupancy of the Premises
- Tenant is responsible for all maintenance and repairs related to plumbing, HVAC, electrical, ceilings, floors, windows, doors, etc.
- Tenant is responsible for maintaining the premises in a clean and orderly condition including finishes and fixtures

# Site Photos

10611 N. Hayden Rd.



# Parking Aerial & Floorplan







## Central Scottsdale Market Overview

### QUICK FACTS ON CENTRAL SCOTTSDALE

- Median home prices in central Scottsdale range from over \$500,000 in McCormick Ranch to about \$250,000 in SoSco.
- There are not many land parcels left to further develop the area.
- Many of the area's older homes have been renovated, attracting higher household income residents
- Most of the new condo projects are in Old Town and SoSco. Home prices in those areas have been climbing the fastest.
- Investors have purchased many of the foreclosed homes in SoSco, so there are more rentals in this community, which draws Arizona State University students.
- Rents throughout Central Scottsdale are higher than the average for metro Phoenix.

Central Scottsdale combines the area's oldest and newest homes with high-end shopping and restaurants along with some of Scottsdale's best outdoor entertainment sports and classy resorts. McCormick Ranch, which is one of Central Scottsdale's first large developments, is located within Central Scottsdale. There are new condos being built throughout the area, which helps draw in both empty nesters and millennials. The Arizona Canal has been redeveloped into a great spot for both living and going out.





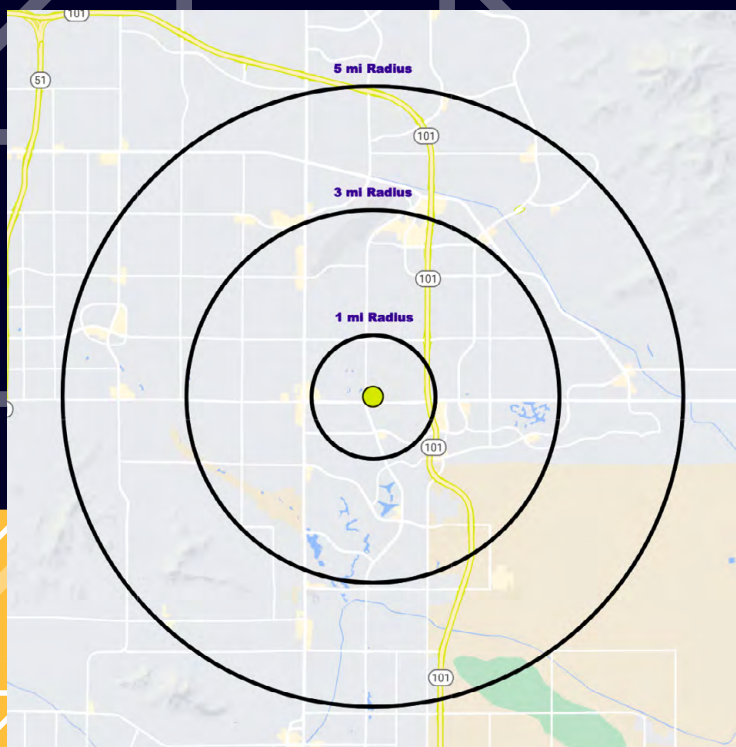
## Medical Office in Scottsdale

The Central Scottsdale submarket boasts an attractive location in an affluent area of the Valley. The Loop 101 provides strong connectivity to the rest of the metro and luxury residential communities like McCormick Ranch support the area's well-educated and highly skilled population base. As a result, investors are attracted to the submarket's office assets and consistently place capital here. Over the past 12 months about \$143 million worth of office properties have traded, in line with the recent five-year average of \$145 million annually.

Private investors, particularly those from out of state, are the primary driver of deal volume, comprising more than 60% of the buyer pool. In February, an individual investor from Illinois paid \$6.3 million (\$284/SF) for a 22,100-SF medical office building in McCormick Ranch. The asset was over 90% leased at the time of sale to a mix of healthcare tenants including Arizona Sports Medicine Center, Abrazo Health, and OrthoArizona, among others.

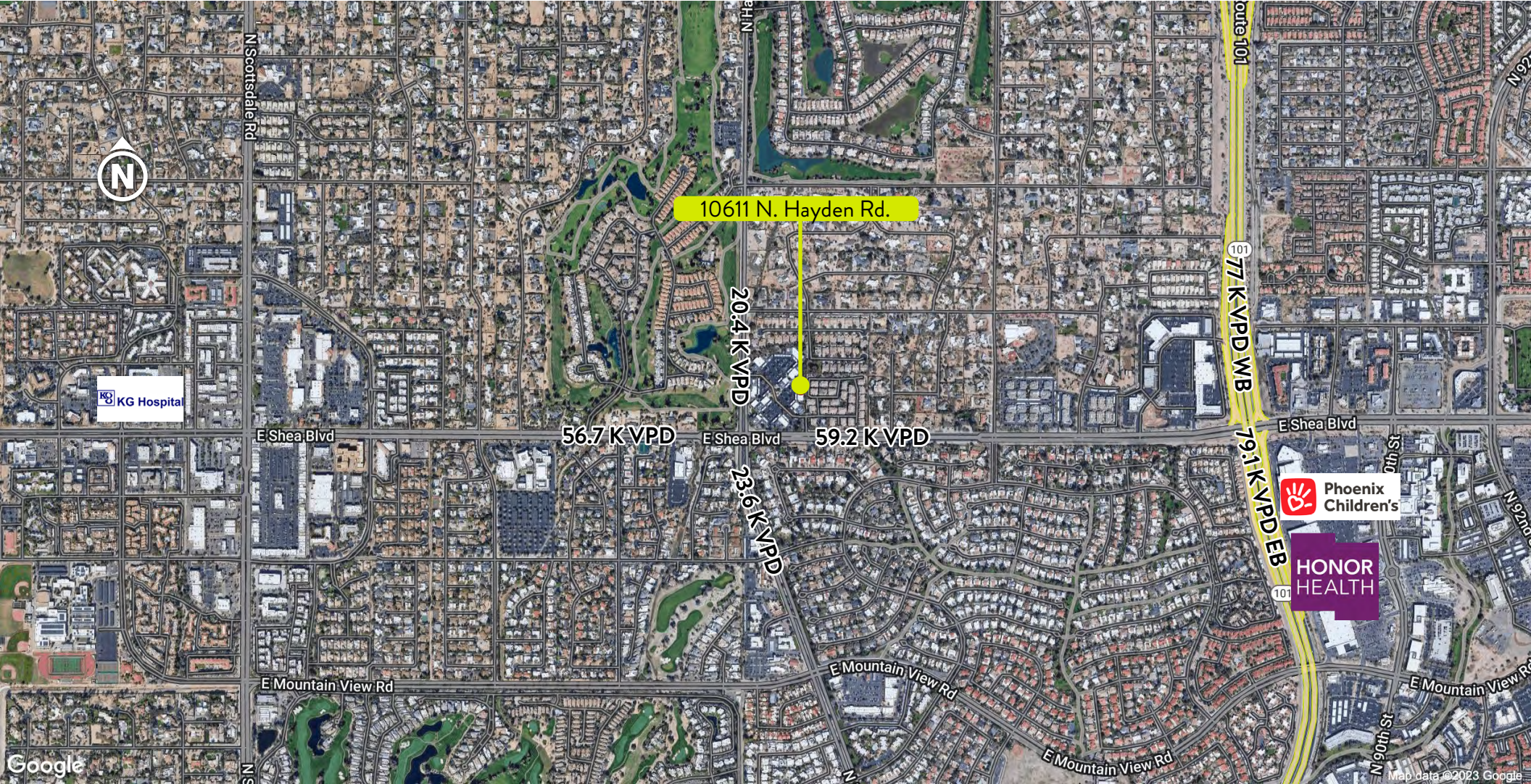


# Local Demographics

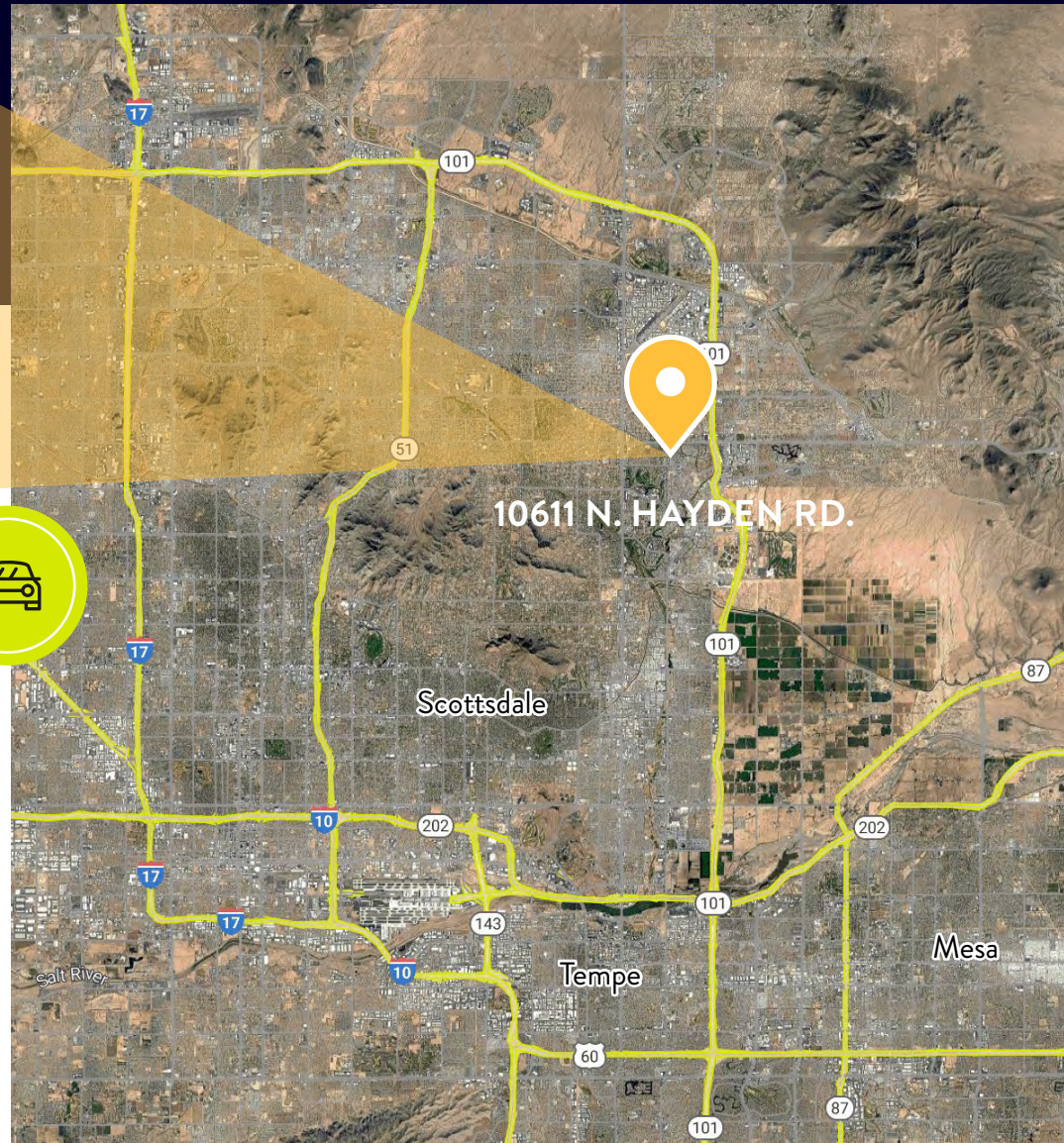
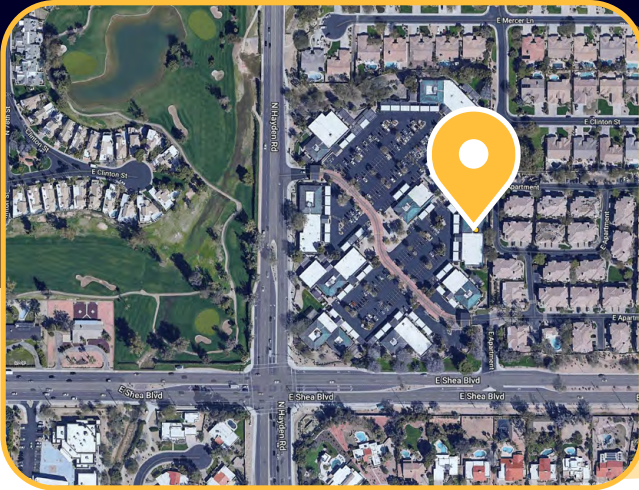


Distance from 10611 N. Hayden Rd.	1 Mile Radius	3 Mile Radius	5 Mile Radius
Estimated Population (2023)	7,258	66,806	176,694
Projected Population (2028)	8,018	72,101	187,553
Historical Annual Growth (2010 to 2020)	1.5%	2.1%	2.7%
Estimated Households (2023)	3,328	31,971	83,025
Estimated Households with Children	22.7%	20.1%	21.7%
Estimated Average Household Income (2023)	\$212,987	\$173,543	\$174,719
Projected Average Household Income (2028)	\$196,269	\$165,550	\$169,084
Estimated Median Household Income (2023)	\$161,654	\$120,635	\$121,885
Total Businesses	913	10,601	21,146
Median Age	50.4	48.6	46.0
Unemployment Rate	1.6%	1.6%	1.4%
<b>Consumer Expenditure</b>			
Total Household Expenditure	\$414.98 M	\$3.4 B	\$8.92 B
Health Care	\$33.16 M   8.0%	\$275.23 M   8.1%	\$719.26 M   8.1%
Personal Care	\$5.54 M   1.3%	\$45.58 M   1.3%	\$119.44 M   1.3%
<b>Education</b>			
Some College or Less	26.5%	31.7%	
Associate Degree Only	6.5%	7.0%	6.8%
Bachelor Degree	35.8%	34.5%	34.1%
Graduate Degree	31.2%	26.8%	26.5%

# Neighboring Medical Sites & Local Vehicle Traffic



50+ Nearby Restaurants Including:



# Nearby Amenities & Entertainment



- Sigler* 3.5 Miles
- WESTWORLD* OF SCOTTSDALE 6 Miles
- MCCARTHY* LAW PLLC 4 Miles
- SCOTTSDALE *Fashion Square* 7 Miles
- JOURNALS* 4.5 Miles
- TOPGOLF* 5 Miles



Gilbert, Arizona

# PROPERTY #2

1704 E. Boston St.

**WATCH VIDEO TOUR**



- Site Description, Financials, Leaseback Details
- Site Photos
- Gilbert Market Overview
- Medical Office in Gilbert
- Local Demographics
- Neighboring Sites & Local Vehicle Traffic
- Nearby Amenities & Entertainment

# PROPERTY TWO

**1704 E Boston Street, Building 8,  
Gilbert, AZ 85295**



<b>APN:</b>	304-46-935, 304-46-936
<b>Building Size:</b>	4,412 SF
<b>Parking Ratio:</b>	6.87/1000
<b>Year Built:</b>	2008
<b>Condition:</b>	Good
<b>Zoning:</b>	MH/R-3

## Description and Location of Property:

The building was constructed in 2008 and is a very well maintained stucco and masonry building. The subject property is located at the northeast corner of E Boston Street and Val Vista in Gilbert in the Boston Professional Village Condominiums. The project includes 15 buildings and the subject property consists of two units, the full Building 8. The project sits in a commercial area with many amenities and is just 3/4 mile west of the 101, with a full diamond interchange at Williams Field Road. The property has four points of ingress and egress on Boston Street and one point of ingress and egress on Val Vista Drive, making it easy to enter and exit the property.



## 1704 E. Boston Bldg 8

Long term NNN lease (9 Plus years of term remaining)

\$56.00 PSF starting Rent (\$20,589 / month)

2% Annual Rent Increases

\$247,072 starting NOI

6.5% Cap Rate

**\$3,801,107 Sale Price**

## NNN Lease Provisions

- Tenant bears all costs related to the Tenant's use and occupancy of the Premises
- Tenant is responsible for all maintenance and repairs related to plumbing, HVAC, electrical, ceilings, floors, windows, doors, etc.
- Tenant is responsible for maintaining the condition of the premises in clean and orderly condition including finishes and fixtures

# Site Photos

1704 E Boston Street







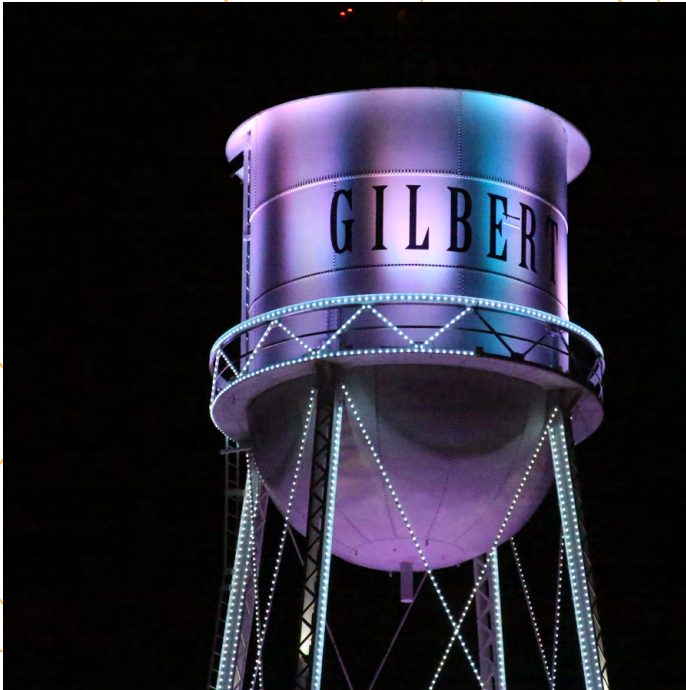
## Gilbert

# Market Overview

Gilbert is a young, affluent community in central Arizona. Gilbert is a relatively new community that has seen tremendous growth during the past two decades. Gilbert was named the #1 Place to Live in Arizona, #1 Best City for Early Retirement, the #1 Safest City for Trick-or-Treating, and the 7th Safest City in the United States, making it extremely attractive for a wide range of residents. Gilbert also boasts the #1 median household income in Arizona.



Sale / Investment Opportunity | 17



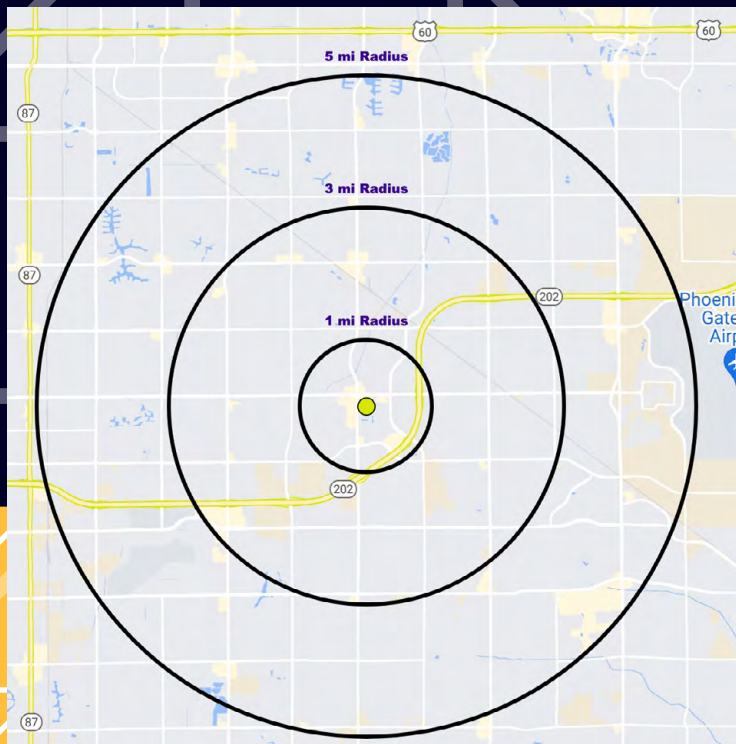
## Medical Office in Gilbert

Office investors have shown a significant appetite for office assets in Gateway Airport/Loop 202, making it one of the most heavily traded office submarkets in the region over the past several years. Annual sales volume has averaged \$47.4 million over the past five years, and the 12-month high in investment volume hit \$108 million over that stretch. In the past 12 months specifically, \$18.1 million worth of assets sold. Market pricing, derived from the estimated price movement of every office property in the submarket, sat at \$240/SF during the second quarter of 2023. That figure is up from this time last year, and the level here is still ahead of pricing across the Phoenix region.

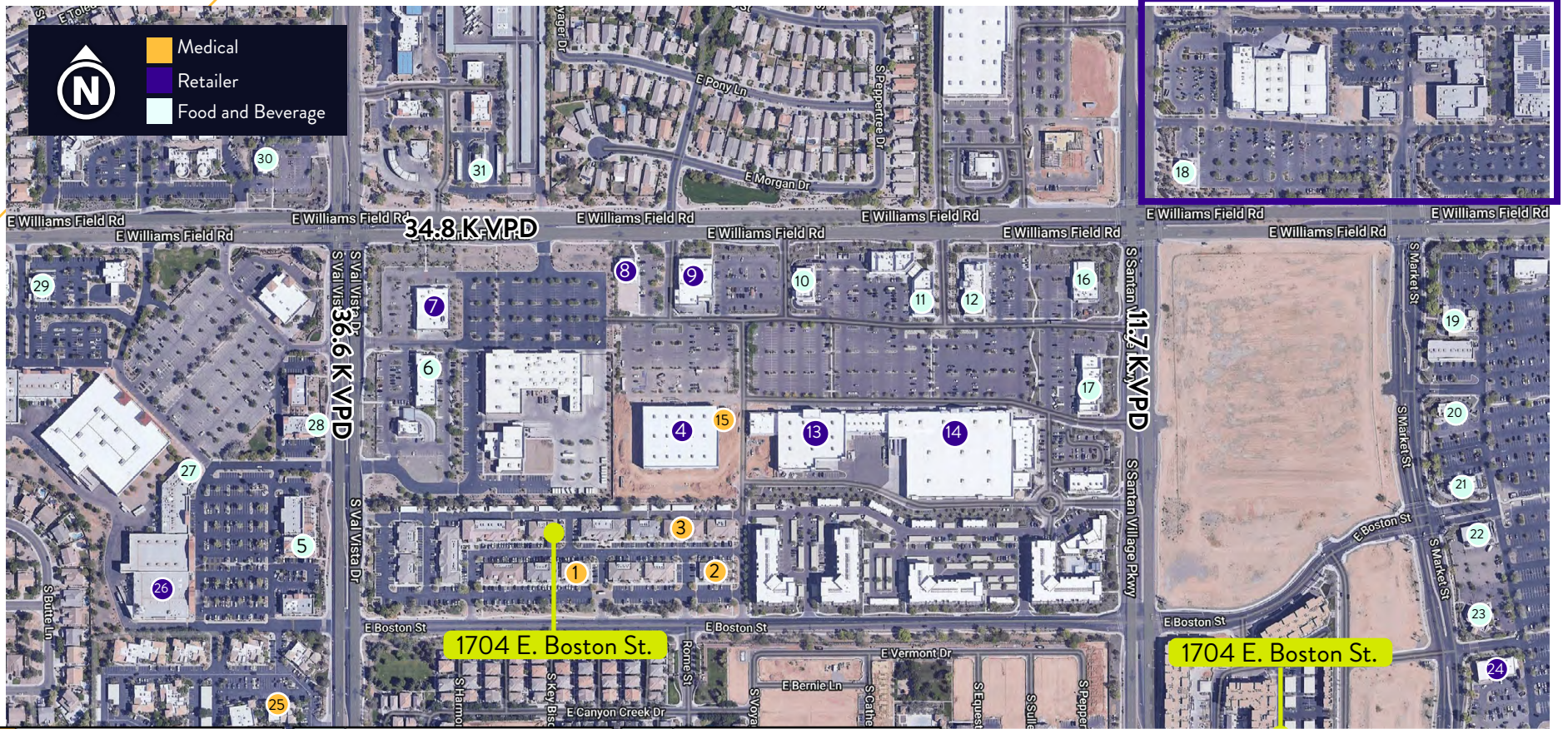
This is the highest cap rate that has been seen in the past five years, and it's still above the metro's average. Medical offices are a highly sought after investment property, because typically they are NNN, high rent properties with less out of pocket for the owner. Additionally, the aging population generates heightened healthcare demand which in turn reduces the risk of low occupancy.



# Local Demographics



Distance from 1704 E Boston St.	1 Mile Radius	3 Mile Radius	5 Mile Radius
Estimated Population (2023)	15,855	115,051	306,056
Projected Population (2028)	20,161	134,094	338,543
Historical Annual Growth (2010 to 2020)	8.4%	9.1%	8.5%
Estimated Households (2023)	5,781	38,311	102,822
Estimated Households with Children	2,387	17,237	45,259
Estimated Average Household Income (2023)	\$158,896	\$152,197	\$151,634
Projected Average Household Income (2028)	\$129,184	\$133,852	\$140,359
Estimated Median Household Income (2023)	\$108,179	\$120,906	\$114,979
Total Businesses	705	4,291	10,712
Median Age	32.0	34.1	34.5
Unemployment Rate	1.6%	1.6%	1.6%
<b>Consumer Expenditure</b>			
Total Household Expenditure	\$576.55 M	\$3.67 B	\$9.82 B
Health Care	\$46.09 M   8.0%	\$294.55 M   8.0%	\$791.26 M   8.1%
Personal Care	\$7.72 M   1.3%	\$49.26 M   1.3%	\$131.7 M   1.3%
<b>Education</b>			
Some College or Less	37.7	41.6%	43.4%
Associate Degree Only	11.9%	10.7%	10.2%
Bachelor Degree	35.0%	31.2%	30.0%
Graduate Degree	15.4%	16.5%	16.4%



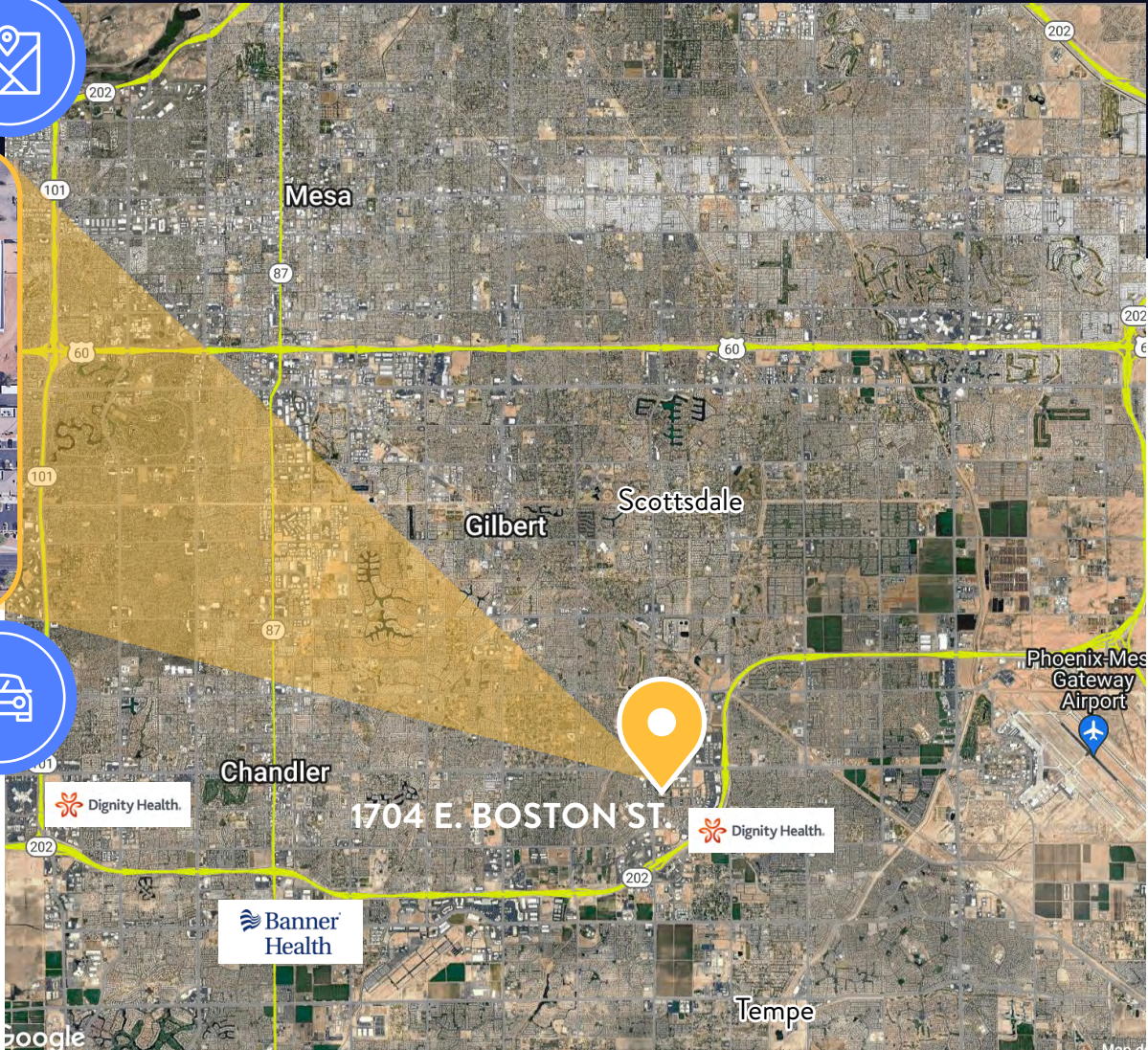
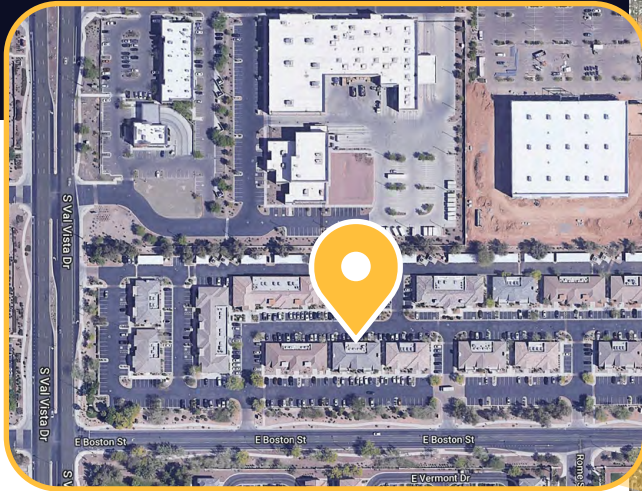
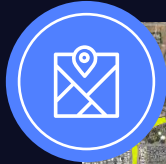
1	Mercy Grace Medical Aesthetics	12	Panera Bread	23	Someburros
2	Phoenix Children's Pediatrics	13	Ashley Furniture	24	Discount Tire
3	Brown Chiropractic & Acupuncture	14	At Home	25	Copper Canyon Dental
4	Urban Air Trampoline Park	15	100% Chiropractic Gilbert	26	Sprouts Farmers Market
5	Higher Grounds Coffee	16	Sandbar Mexican Grill	27	High Tide Seafood Bar & Grill
6	First Watch	17	Another Broken Egg Cafe	28	Ryu Sushi & Teppanyaki
7	Natural Grocers	18	Shake Shack	29	Einstein Bros. Bagels
8	Verizon	19	In N' Out	30	Raising Cane's
9	Trader Joe's	20	Panda Express	31	Sonic
10	Black Rock Coffee Bar	21	Chick-fil-A		
11	Cinnaholic	22	Barro's Pizza		



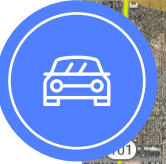
50+ Nearby Restaurants Including:



Conveniently Located;  
1 Mile from Loop 202



# Nearby Amenities & Entertainment



SANTAN VILLAGE

1 Mile



2 Miles



TOPGOLF

2 Miles



4.5 Miles

**For additional information on these outstanding investment opportunities, please contact:**

**Brian Uretzky**  
617.308.0458  
buretzky@keyser.com

**Chris Koch**  
412.370.3115  
ckoch@keyser.com

**Jonathan Keyser**  
602.909.8081  
jk@keyser.com



# Thank You.

Keyser | Commercial Real Estate Advocates™ | Keyser.com

© 2024 Keyser, LLC. All rights reserved. Keyser, LLC has not independently verified the information contained in this document, and makes no guarantee, warranty, or representation, expressed or implied, about the accuracy or completeness of the information. It is your responsibility to independently confirm the accuracy and completeness of the information, and to conduct your own due diligence. You further acknowledge and agree that Keyser LLC is not acting as your fiduciary or agent and owes no duty to you, and it shall not be liable for your use of the information or any errors or omissions. Any projections, opinions, assumptions, or estimates used are for example only and are not intended to guarantee or represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial, and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. Photos herein are the property of their respective owners and use of these images without the express written consent of the owner is prohibited.

