



# FOR SALE

Behavioral Health Property  
and Business

2047 WEST KEIM DRIVE, PHOENIX, AZ 85015

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 **Kidder  
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MARKET OVERVIEW

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# 01

# INVESTMENT SUMMARY

THE OFFERING

RESIDENTIAL BEHAVIORAL HEALTH FACILITIES INVESTMENTS

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

LOCATION OVERVIEW

# INVESTMENT SUMMARY

Kidder Mathews is excited to offer this real estate and business investment opportunity situated in the vibrant central Phoenix market.

## THE OFFERING

This property underwent a comprehensive and complete renovation in the 2017 and 2018. This renovation featured 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.

This property is licensed for residential behavioral health facility, along with well-designed and spacious floor plans, oversized closets, ceiling fans, and handicap accessible bathrooms, Dining Room and Living room. Distinctive and attractively designed backyards provide residents a quiet, serene, and safe place to relax and or enjoy recreational activities as they transition through their counseling services.

Both properties are 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 major transportation routes.

Benefiting from the recent housing renovations to the building, common areas and yards, and increased market demand for behavioral health services, this residential transitional housing facility is a great cash-flowing investments with stabilized occupancy. Average 70%± occupancy over the years, this properties offers any investor further profit upside potential as the property becomes closer to 100% occupancy.

## PRICING OVERVIEW

Asking Price	\$1,750,000
Price Per Bed	\$175,000
Gross Income	\$838,790
Net Income	\$411,640
Proforma Occupancy Percentage 12 months	90% (9 of 10 beds rented)
Cap Rate	23.52%

# \$1,750,000

SALE PRICE



# REASONS WHY RESIDENTIAL BEHAVIORAL HEALTH FACILITIES ARE CONSIDERED GOOD INVESTMENTS

## GROWING DEMAND

There is a growing 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. This can create an opportunity for investors to meet the unmet needs of individuals seeking specialized care..

## REIMBURSEMENT OPPORTUNITIES

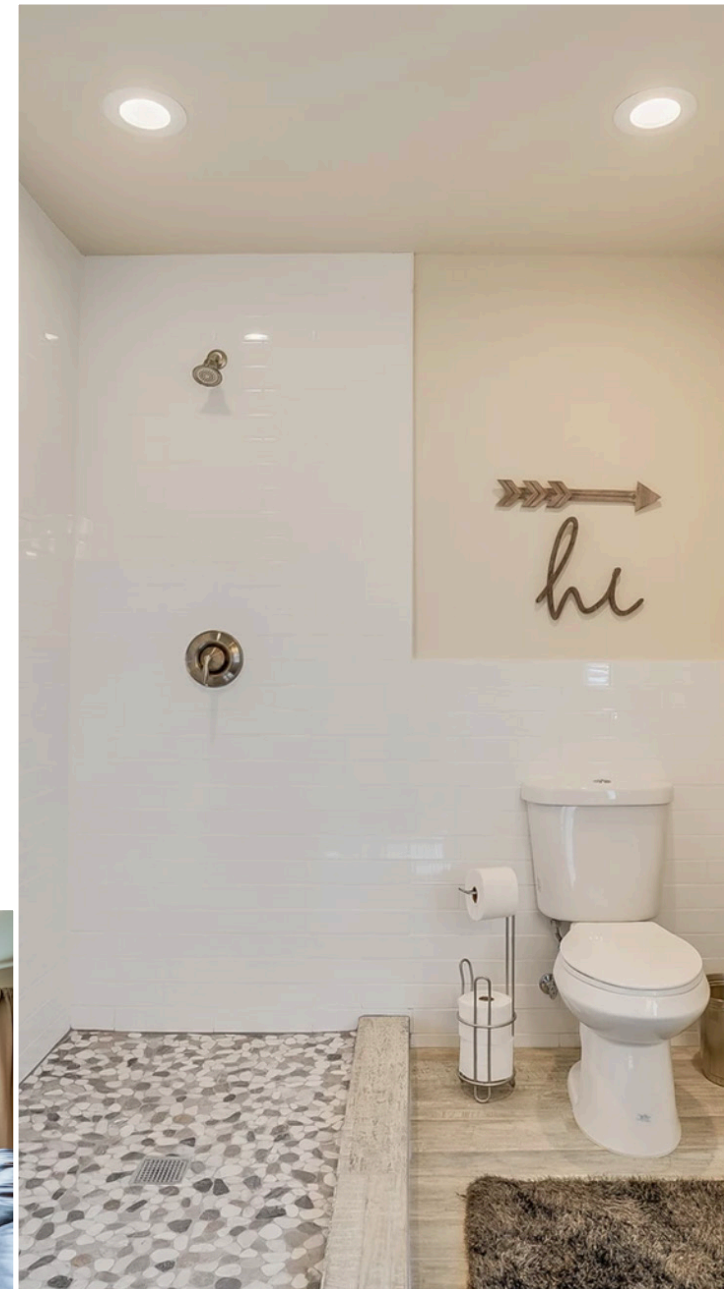
Residential behavioral health facilities often receive reimbursement for services rendered through health insurance providers, government programs, or private pay. These 2 residential facilities receive reimbursement income via AHCCCS program and provide a reliable income source for the facility.

## 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 in Phoenix, Arizona:

#### Services 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 the facility's programs. Some 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 to eligible low-income individuals and families. AHCCCS covers a comprehensive array of behavioral health services, including inpatient and residential treatment, outpatient therapy, medication management, case management, crisis intervention, and more. These services aim to support individuals with mental health or substance use disorders.

For residential behavioral health facilities in Arizona, AHCCCS plays a crucial role in funding and reimbursing services provided 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.

# LOCATION OVERVIEW

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.

485,248

POPULATION  
(WITHIN 5 MILES)

181,802

HOUSEHOLDS  
(WITHIN 5 MILES)

\$71,552

AVG HH INCOME  
(WITHIN 5 MILES)

239,279

DAYTIME EMPLOYMENT  
(WITHIN 5 MILES)







17

GLENDALE AVE

WASHINGTON PARK

2047 W KEIM DR

BETHANY HOME RD

CHRISTOWN SHOPPING

UPTOWN PLAZA

GRAND CANYON UNIVERSITY

CAMELBACK RD

CIELITO PARK

BROPHY AND XAVIER COLLEGE PREPARATORY

STEELE INDIAN SCHOOL PARK

Walmart	HARBOR FREIGHT TOOLS
Denny's	SALLY BEAUTY
SONIC	BARBERS PIZZERIA

Walmart	TARGET	ROSS DRESS FOR LESS
JCPenney	PETSMART	Harkins THEATRES
Bath & Body Works	BIG 5 SPORTING GOODS	Foot Locker
ULTA	Olive Garden	Walgreens

Applebee's	Green Leaf	Levi's
west elm	Blue Bunch	SHAKE SHACK
FLOWER CHILD	zookz	CHIPOTE

El Super	BoSa DONUTS
Wendy's	POPEYES

Fry's Marketplace	LAIFITNESS
McDonald's	Starbucks
SALLY BEAUTY	One Stop Nutrition

SAFEWAY	FEI WEI	sauce
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# AERIAL NORTH



WASHINGTON PARK

PHOENIX TENNIS CENTER

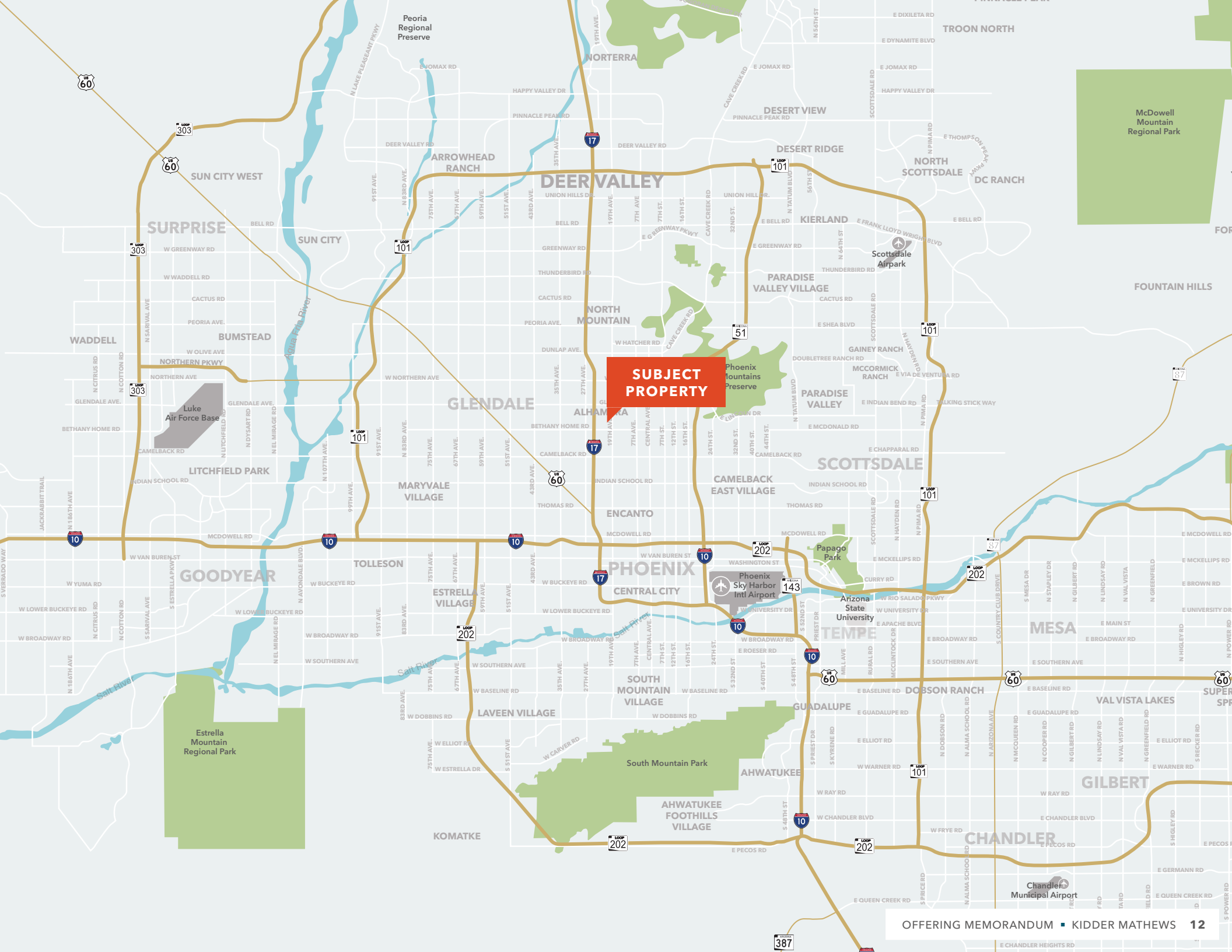
**SUBJECT  
PROPERTY**



BETHANY HOME ROAD

# AERIAL SOUTH





**SUBJECT PROPERTY**



# 02

# PROPERTY DESCRIPTION

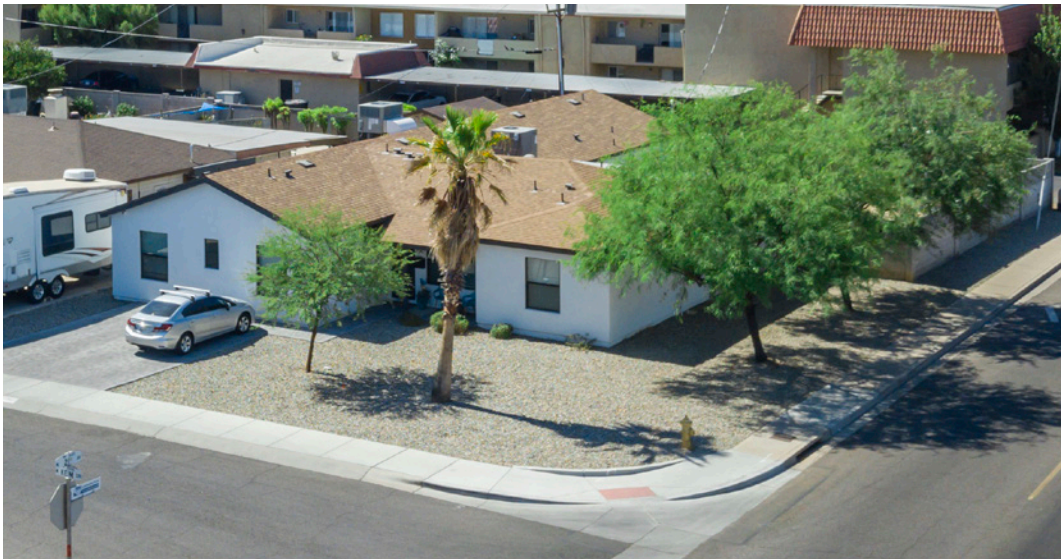
PROPERTY SUMMARY

AMENITIES

FLOOR PLANS

MAPS & AERIALS

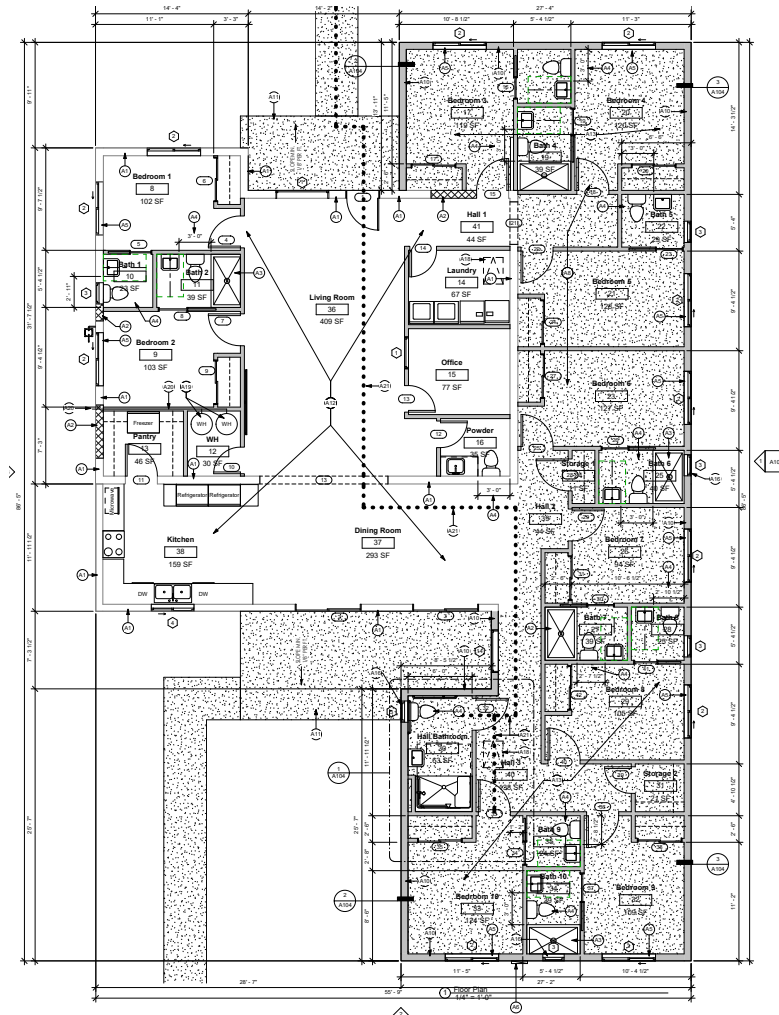
# 2047 WEST KEIM DRIVE



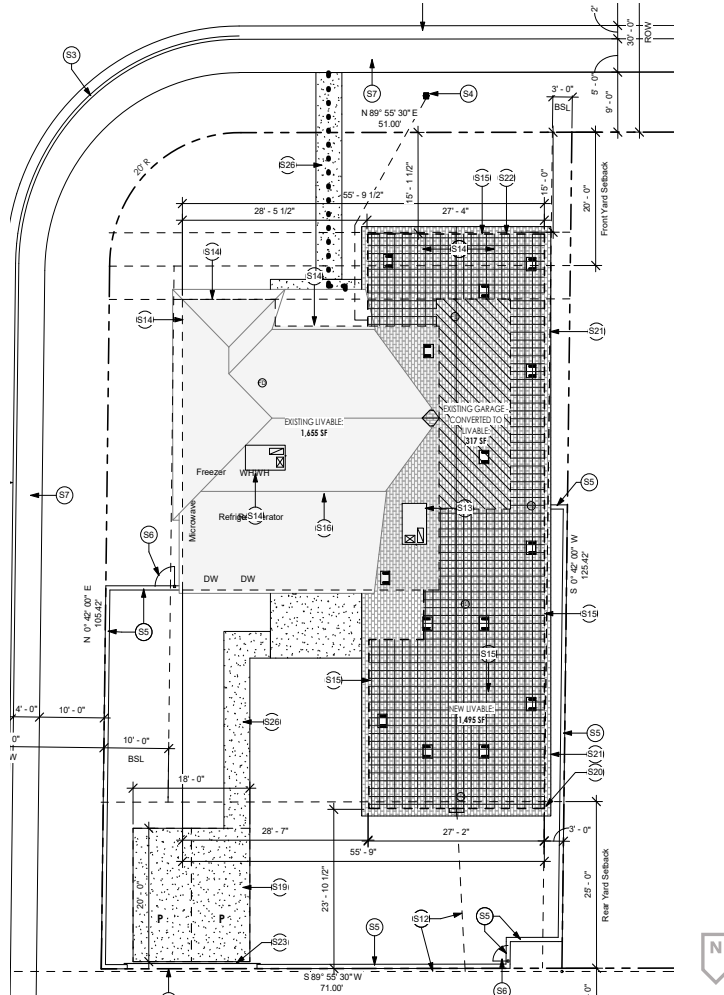
## PROPERTY SUMMARY

Sale Price	<b>\$1,750,000</b>
	<i>(Pricing includes the real estate, operating business and income, ADHS license, AHCCCS provider license and management agreement)</i>
Location	<b>Phoenix, AZ 85015</b>
Property Size	<b>3,467 SqFt</b>
Lot Size	<b>8,795 SqFt</b>
Parcel No.	<b>156-13-060</b>
Year Built	<b>1951</b>
Year Renovated	<b>2017</b>
Type of Construction	<b>Wood Frame</b>
No. of Buildings	<b>Main house plus detached Casita</b>
No. of Bedrooms	<b>Ten (10)</b>
No. of Licensed Beds	<b>Ten (10)</b>
Zoning	<b>R1-6, Single Family</b>
Facility Type	<b>Behavioral Health Residential Facility</b>
Facility ID / License	<b>BH5795</b>

# FLOOR PLAN



# SITE PLAN



**10** bedrooms/licenses

**11** BATHROOMS

**KITCHEN**

**DINING** room

**OFFICE**

**LAUNDRY** room

**LIVING** room

**PANTRY & storage**

**SECURED** backyard







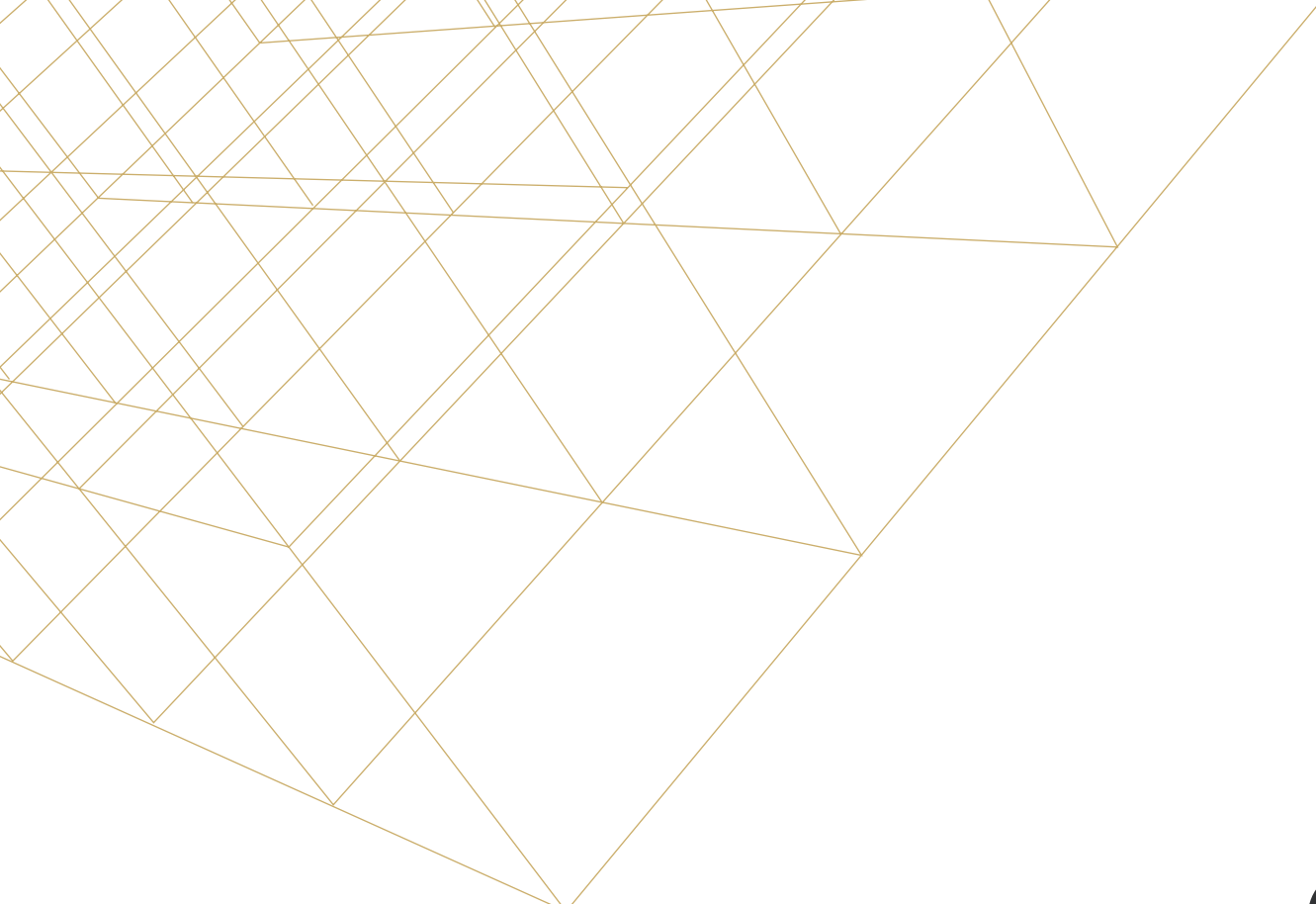
# 03

# FINANCIALS

ACTUAL & PROFORMA

# INCOME AND EXPENSE SUMMARY ACTUALS AND PROFORMA

	Actual 2023 Calendar Year		Proforma 2024 Budget	
		Per Bed Cost		Per Bed Cost
<b>INCOME</b>				
Residential Income	\$652,393	\$93,199	\$931,989	\$93,199
	included Above	-	-\$93,198.94	10.00%
(Average actual Occupancy 70%) Total	\$652,393	\$65,239	Proforma Occupancy (90%) \$838,790	\$23,965
<b>EXPENSES</b>				
<b>Departmental Expenses</b>				
Residential Med Care Practitioners	-\$228,123	-\$22,812	-\$230,000	-\$23,000
Staff Manager	-\$26,000	-\$2,600	-\$26,000	-\$2,600
Facility Manager	-\$60,000	-\$6,000	-\$60,000	-\$6,000
Advertising & Marketing	-\$11,578	-\$1,158	-\$12,000	-\$1,200
General Admin. & Licensing	-\$11,968	-\$1,197	-\$12,000	-\$1,200
Resident Supplies & Events	-\$10,431	-\$1,043	-\$10,500	-\$1,050
Ground Transportation	-\$8,834	-\$883	-\$9,000	-\$900
Food & Meal Costs	-\$17,705	-\$1,771	-\$18,000	-\$1,800
Repairs & Maintenance	-\$10,479	-\$1,048	-\$12,000	-\$1,200
Security Expense	-\$10,116	-\$1,012	-\$10,200	-\$1,020
Accounting	-\$3,135	-\$314	-\$3,500	-\$350
<b>Total Department Expenses</b>	<b>-\$398,369</b>	<b>-\$39,837</b>	<b>-\$403,200</b>	<b>-\$40,320</b>
<b>Non-Departmental Expenses</b>				
Utilities	-\$5,245	-\$525	-\$5,500	-\$550
Telephone / Internet	-\$1,308	-\$131	-\$1,350	-\$135
Insurance (General & Liability)	-\$13,452	-\$1,345	-\$13,600	-\$1,360
Real Estate Taxes	-\$3,493	-\$349	-\$3,500	350
<b>Non-Departmental Operating Expenses</b>	<b>-\$23,498</b>	<b>-\$2,350</b>	<b>-\$23,950</b>	<b>-\$2,395</b>
<b>Total Operating Expenses</b>	<b>-\$421,868</b>	<b>-\$42,187</b>	<b>-\$427,150</b>	<b>-\$42,715</b>
<b>Expense Ratio</b>	<b>-35.34%</b>		<b>-50.92%</b>	
<b>Net Operating Income</b>	<b>\$230,525</b>	<b>\$23,052</b>	<b>\$411,640</b>	<b>\$23,052</b>
In-place NOI:	\$230,525		Pro Forma NOI:	\$411,640
Sales Price:	\$1,750,000		Sales Price:	\$1,750,000
Cap Rate:	13.17%		Cap Rate:	23.52%



# 04

# MARKET OVERVIEW

**PHOENIX METRO**

**EDUCATION**

**EMPLOYMENT**

**ECONOMY**

**TRANSPORTATION**

**DEMOGRAPHICS**

# MARKET OVERVIEW

## PHOENIX METRO

The region is expected to grow to 6.9 million in the next 20 years. A skilled workforce, affordable cost of living, plentiful job opportunities, and a favorable climate have drawn major tech, finance, and manufacturing companies to the Valley of the Sun driving strong, sustained job growth. Risk & Insurance Magazine has ranked Phoenix the second safest metro in the nation for avoiding losses from natural catastrophes. Part of the Sun Corridor, Phoenix is expected to see a large portion of the \$25 trillion of investment in the U.S. by 2030, one of only 10 Megapolitans referenced by CNN Money. TNS ranked Maricopa County as the fourth wealthiest county in America.

### 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.

## EMPLOYMENT

Seventh is surrounded by a number of significant employment hubs. The Mid-Town and Camelback Corridors contain significant concentrations of white collar, medical, and blue-collar employment as well as a vibrant service industry employing

workers in retail, commercial, and industrial commerce. A few notable employers in the area include LBA Realty, Shamrock Foods, VA Medical Center, Veterans Memorial Coliseum, Phoenix Baptist Hospital, Kitchell Construction, Grand Canyon University, and Phoenix College.

The abundance of convenient transportation from the community via Metro Phoenix Light Rail and City of Phoenix Bus lines affords efficient travel for Seventh residents.

Phoenix is a \$228 billion marketplace with international access to aerospace, high technology, bioscience, advanced business services, and sustainable technologies.



**FIVE**

**GREATER PHOENIX IS HOME TO 5 PROFESSIONAL SPORTS TEAMS**

**#4**

**PHOENIX IS RANKED FOURTH FOR MOST DESIRABLE CITIES**

**26.3**

**AVERAGE COMMUTE TIME FOR RESIDENTS**

**300**

**DAYS OF SUNSHINE PER YEAR**

Due to the region's high-tech base, university-driven research clusters are emerging. Some of the industries represented are clean technology, information and communications technology, education technology, and health IT as well as personalized medicine. Another burgeoning industry in Arizona is solar. With 300 plus days of sunshine a year, Phoenix is literally a hot spot for solar farms and industries.

**GREATER PHOENIX EMPLOYMENT RATE**

Thanks to strong population growth and the vibrant Phoenix economy, The MSA fully recovered all jobs lost to the pandemic by May of last year and ended 2021 with 129,000 more jobs than before the pandemic began. As of December, 2021, the Phoenix unemployment rate was 2.4%, 150 basis points better than the U.S. national average of 3.9%. According to a recent report from the Arizona Office of Economic Opportunity, Arizona will add over 700,000 jobs through 2030, for an annualized growth rate of 2.2%, compared to the projected 0.7% growth rate for the U.S. Historically, the Phoenix MSA accounts for nearly 75% of Arizona's total employment.

**GROSS METRO PRODUCT**

Seventy percent of Arizona's Gross

Domestic Product is from the Greater Phoenix region. Currently at \$272 billion, Greater Phoenix is ranked 16th in the nation.

**VISITOR SPENDING**

Arizona is one of the top U.S. destinations in the winter due to its mild winters and warm springs. Phoenix boasted over \$30 million per day in visitor spending, attracting over 16 million visitors a year.

**EXPORTS**

Arizona is the 19th largest export-generating state in the United States. Two major product groups account for 44% of all Arizona exports: computers and electronic components and transportation equipment. Some of the more notable exporting companies include Motorola, Intel, Honeywell, IBM and Texas Instruments. In 2019 Arizona had exports totaling \$24.7 billion.

Exports are a steady bright spot for Arizona. Top export markets for Arizona are Mexico at 33.2 percent or \$8.2 billion of all exports, Canada at 8.7%, and the United Kingdom and China at 4% each, just these four countries accounted for 50% of Arizona's total exports in 2019.

**HOUSING**

The median home price in Phoenix is \$410K, up 53% from the peak value realized in June 2006. Home

prices increased more in Phoenix in the past year than in any other major U.S. metro area, according to data released by CoreLogic Case-Shiller. The 20-city home price index showed the average Phoenix home price for August at 32.5% higher than it was a year earlier. Zillow predicts they will rise 20% throughout 2022.

**MEDIAN HOUSEHOLD INCOME LEVELS**

Arizona's median household income rose by 15.2% over the latest three-year recording period, according to new data from the U.S. Census Bureau. Specifically, in the latest three-year reporting period, Arizona's median household income increased from \$56,818 to \$66,625, a difference of more than \$9,800. Arizona is fifth in the nation for the dollar amount increase and fourth for percent increase.

**CLIMATE**

Phoenix, typically referred to as The Valley of the Sun, has 300 sunny days a year and an average temperature of 103 degrees in the summer months and 70 degrees in the winter months. Average annual rainfall is 7 inches. Monsoon season runs from June 15th to September 30 and this is the time of year when Phoenix sees the majority of its rainfall. With the low humidity and dry heat the high temperatures are livable.

**TOP PHOENIX METRO COMPANIES**



# DEMOGRAPHICS

## POPULATION

	1 Miles	3 Miles	5 Miles
Population 2024	26,773	215,013	482,121
Projected Population 2029	26,717	216,591	486,068
Median Age	33.0	33.1	33.8
Employees	6,542	62,878	230,006
Total Household Expenditure	\$662.45 M	\$5.57 B	\$12.91 B

## HOUSEHOLD

	1 Miles	3 Miles	5 Miles
Households 2024	10,452	81,775	189,380
Projected Households 2029	10,489	83,489	193,488
Median HH Income	\$63,269	\$73,982	\$74,036
Average HH Income	\$86,400	\$99,180	\$99,642
Average HH Size	3.3	3.4	3.4

## HOUSING

	3 Miles	5 Miles	10 Miles
Median Home Value	\$378,634	\$461,185	\$447,283
Median Age of Homes	49 years	48.7 years	47.4 years
Owner Occupied	3,837	34,214	81,745
Renter Occupied	6,614	47,562	107,635

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REPRESENTED BY**

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