

Inpatient Healthcare Facility - New 5-Year Lease

2932 N 14TH STREET, PHOENIX, AZ 85014



OFFERING MEMORANDUM



Julie Johnson, CCIM

Executive Vice President
+1 602 684 8558
julie.johnson@colliers.com

Andie Edmonds, CCIM

Senior Vice President
+1 541 306 0042
andie.edmonds@colliers.com

Colliers

2390 E Camelback Rd, Ste 100
Phoenix, AZ 85016
+1 602 222 5000
colliers.com.arizona

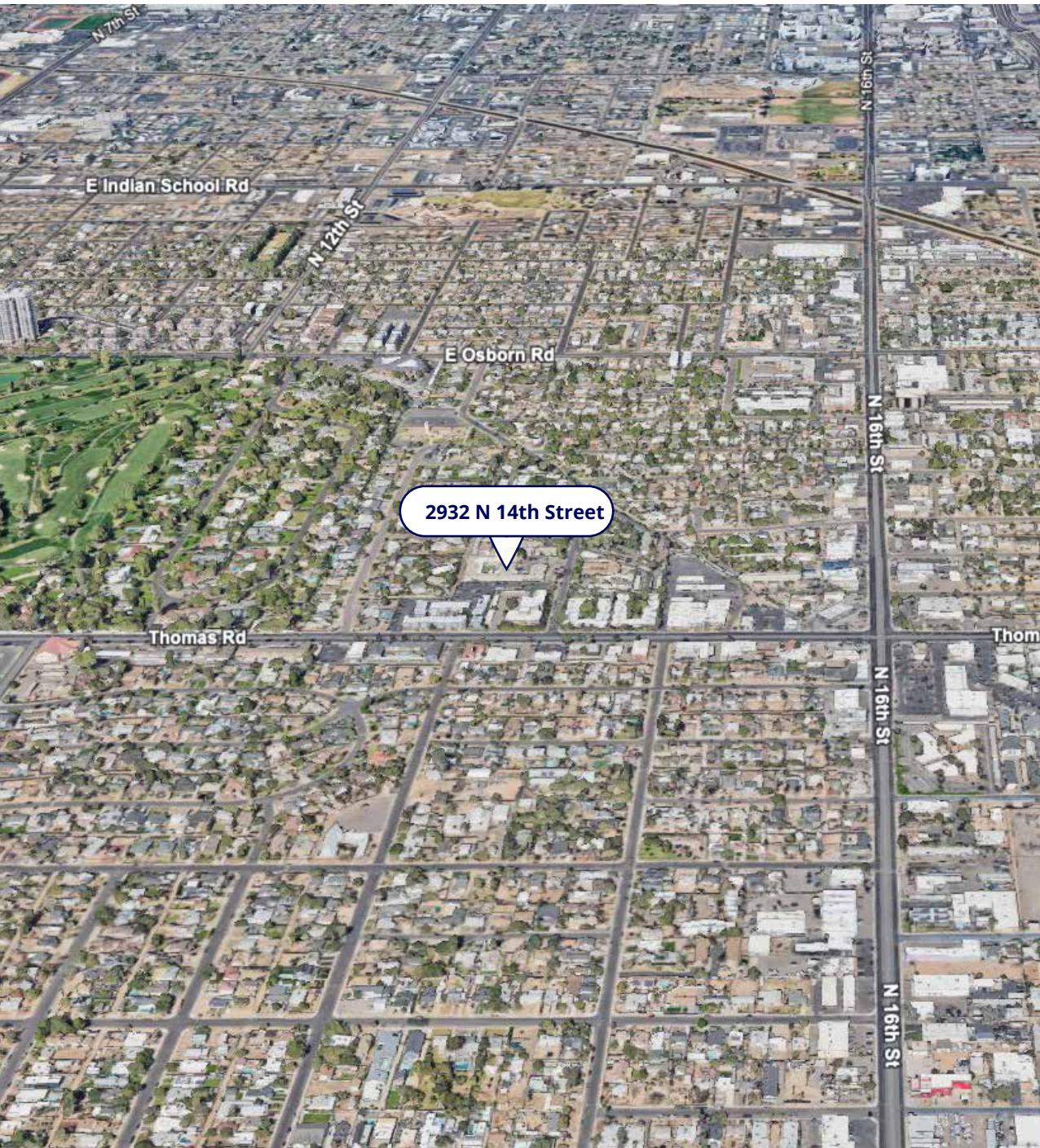


Table of Contents

04	Executive Summary
05	Location Overview
10	Property Details
16	Financials
19	Sale Comps



Confidentiality Agreement

This Offering Memorandum contains select information pertaining to the business and affairs of the property located at 2932 N 14th Street, Phoenix, AZ, (Property). Colliers, as agent, has prepared this document. This Offering Memorandum may not be all-inclusive or contain all of the information a purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by prospective purchasers in 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. Neither Owner, nor their officers, employees, or agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its content and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections, 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:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence;
3. All photographs and graphic elements are property of the Owner and use without Owner's expressed written permission is prohibited; and
4. 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 expressly reserves the right, at their sole discretion, to reject any and all expressions of interest or offers by prospective purchasers of the Property, and to terminate discussions with any person or entity reviewing these documents or making an offer to purchase the Property unless and until a written agreement has been fully executed and delivered.

If you wish not to pursue negotiations regarding the Property, or you discontinue such negotiations, then you agree to destroy all materials relating to this Property, including this Offering Memorandum, and to certify to Owner that you have done so.

A prospective purchaser's sole and exclusive rights with respect to a prospective purchase of the Property, or information provided herein or in connection with 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 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.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there will be no change in the state of affairs of the Property since the preparation of this Offering Memorandum by Owner and Owner's Agent.

Executive Summary

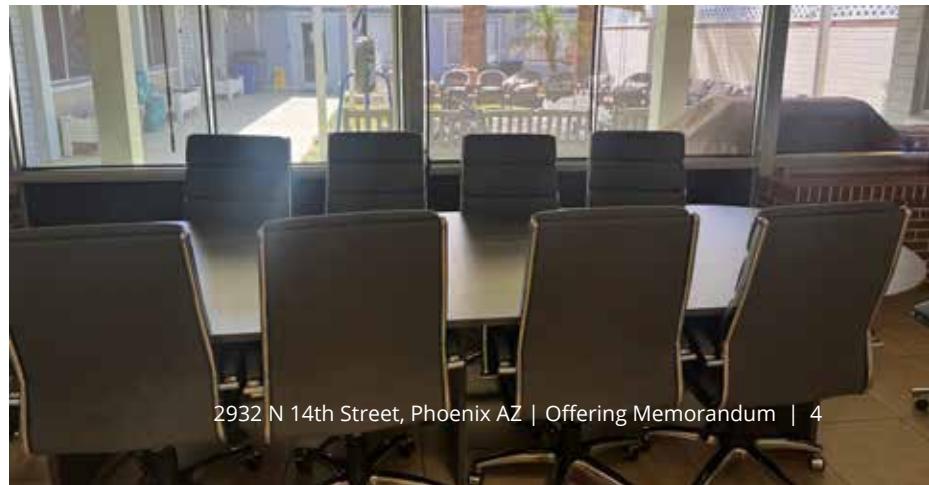
This offering presents a rare opportunity to acquire a stabilized investment at a **8.61% cap rate**, backed by a five-year lease with a well-established nonprofit tenant. The 501(c) (3) organization, founded in 2003, provides transitional housing services and brings a strong community presence to the property. The facility is purpose-built with private and group rooms, commercial kitchen and dining, recreational areas, and laundry facilities, supporting long-term healthcare or housing uses. Located in Midtown Phoenix, the property benefits from excellent access to SR-51 and I-10 and is surrounded by a robust network of medical and professional services.



Asking Price
\$6,150,000

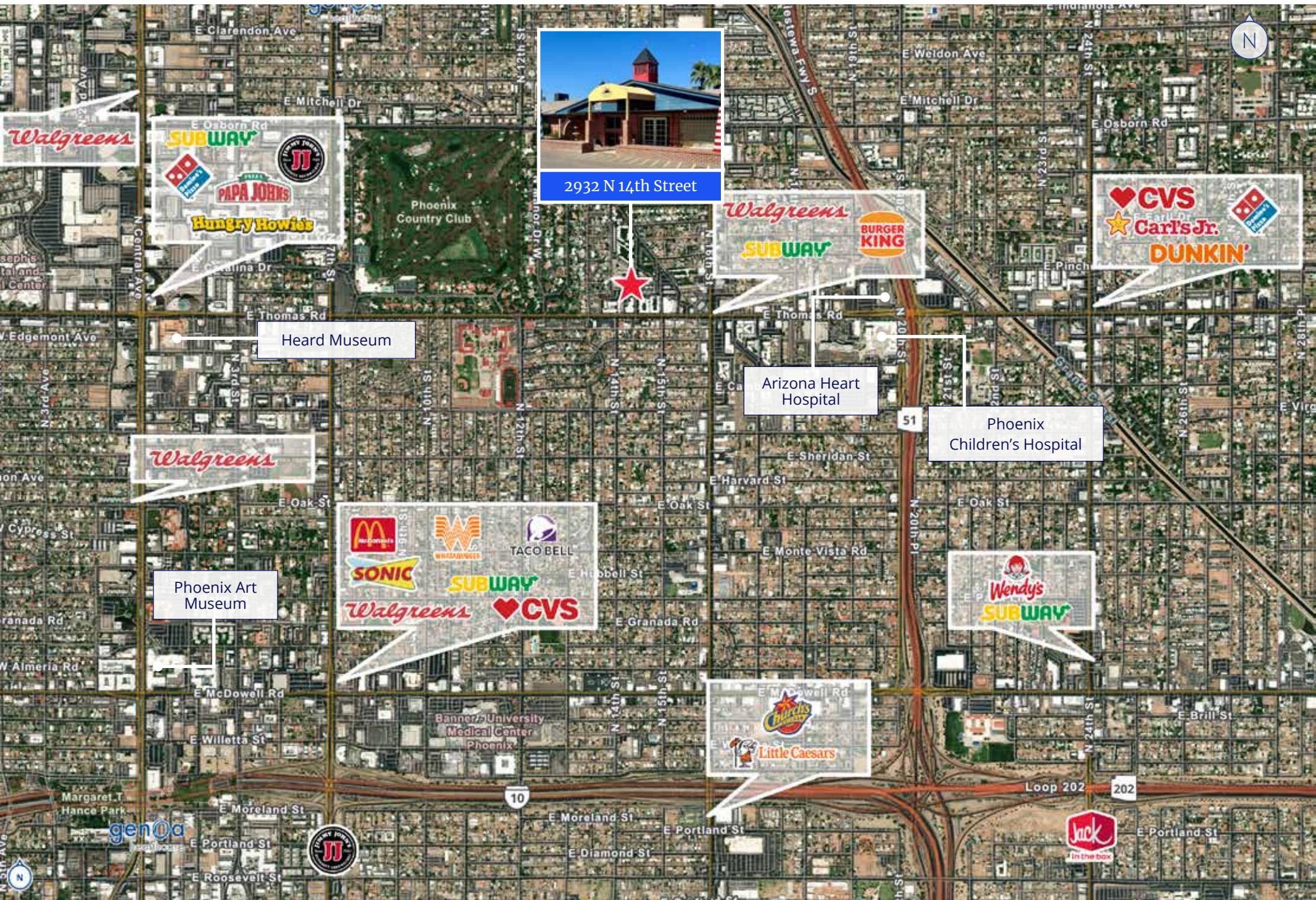


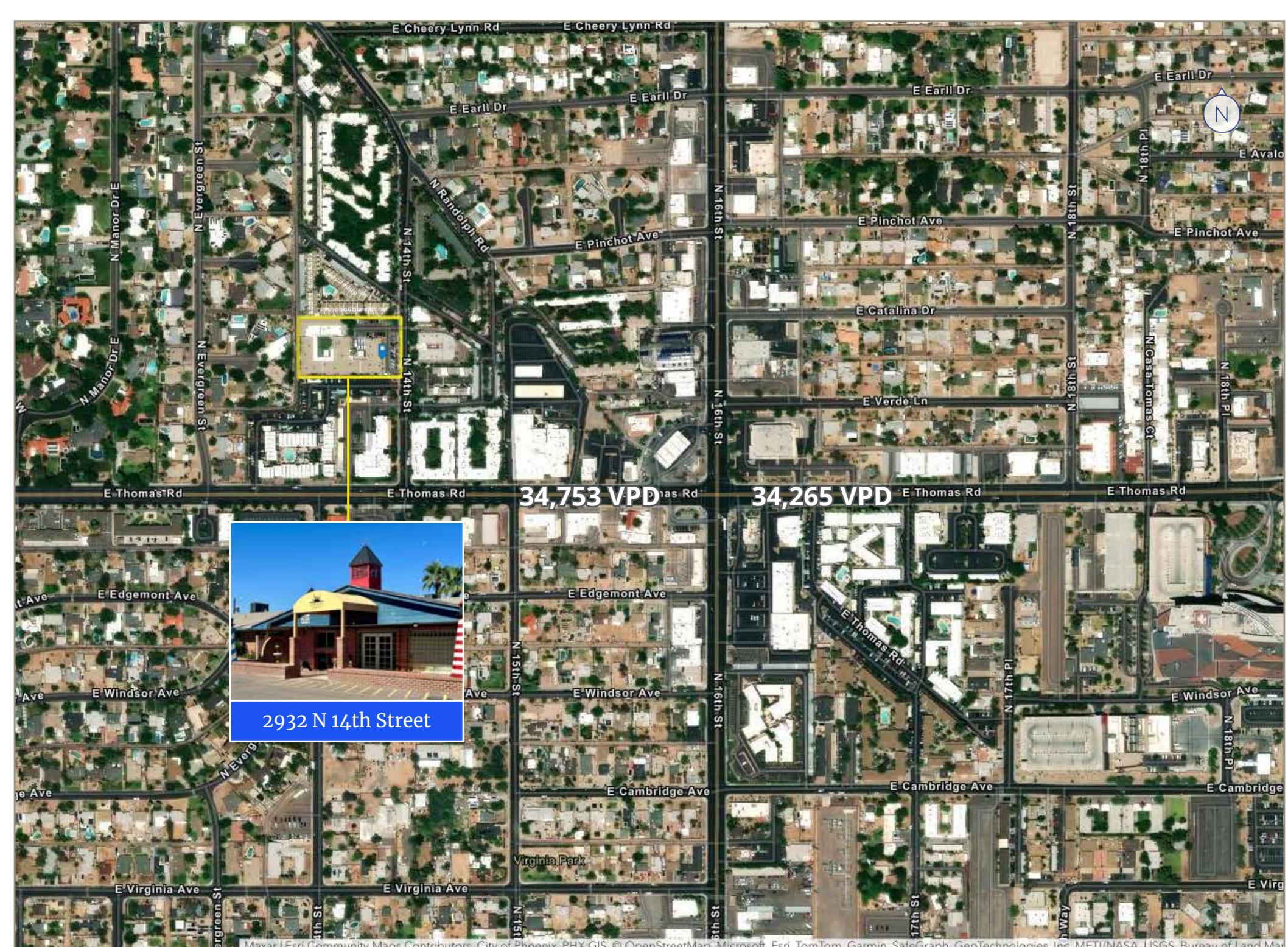
Building SF
±31,181 SF



Location







DEMOGRAPHIC SUMMARY

20 MINUTE DRIVE TIME

KEY FACTS

982,095

Population



34.2

Median Age

\$58,470

Median Disposable Income

400,302

Households

BUSINESS



46,150

Total Businesses



706,410

Total Employees

HOUSING STATS



\$467,298

Median Home Value



\$1,150

Median Contract Rent



\$10,663

Average Spent on Mortgage & Basics

EDUCATION

14%

No High School Diploma



22%

High School Graduate

26%

Some College



38%

Bachelor's/Grad/Prof Degree

INCOME



\$72,941

Median Household Income



\$42,351

Per Capita Income



\$99,847

Median Net Worth

EMPLOYMENT



66%

White Collar



19%

Blue Collar



15%

Services



4.1%

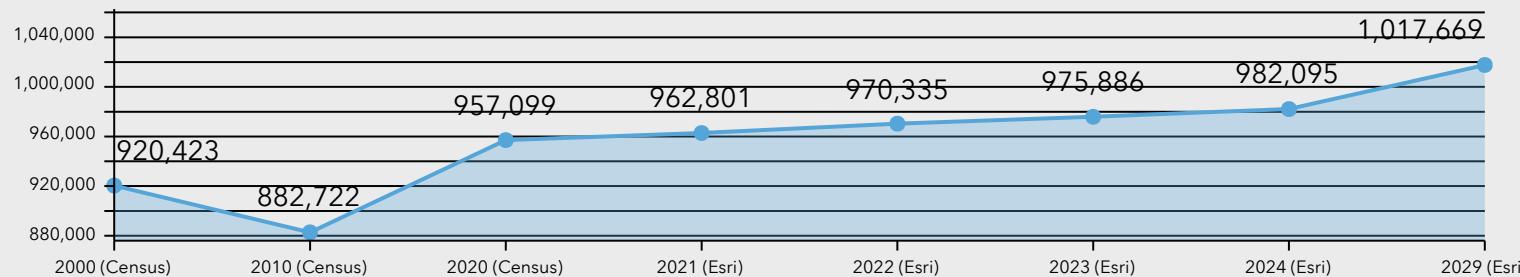
Unemployment Rate

Community Change Snapshot

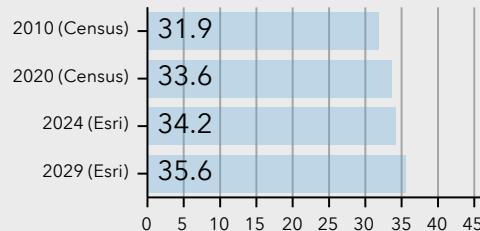
2932 North 14th Street, Phoenix, Arizona, 85014

Drive time of 20 minutes

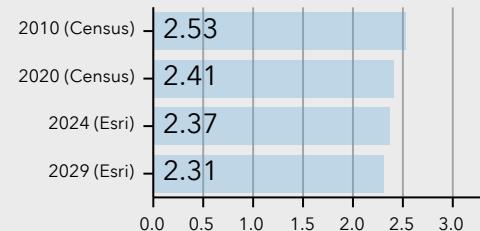
Total Population



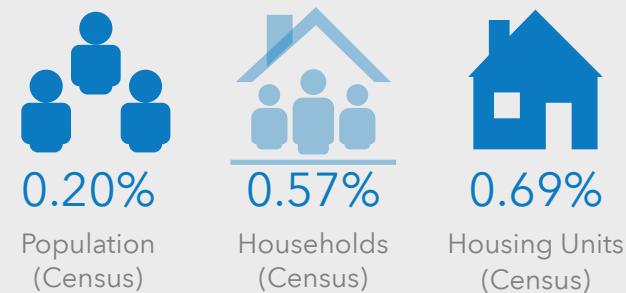
Median Age



Average Household Size



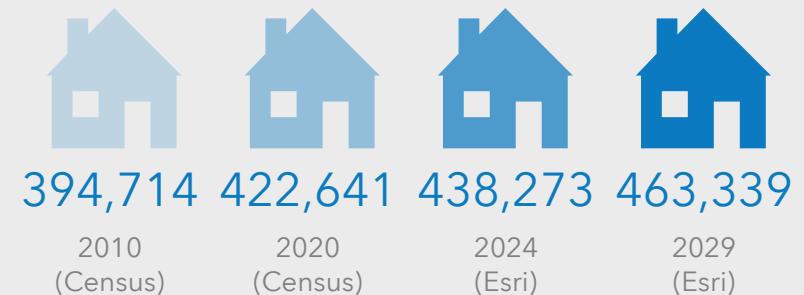
2000-2020 Compound Annual Growth Rate



Owner vs Renter Occupied Units



Total Housing Units: Past, Present, Future



Property Details



Property Details

Building SF **±31,181 SF**

Year Built/Renovated **1964/2007**

Acreage **1.50 (65,340 SF)**

Zoning **R-3, M-H, City of Phoenix**

Parking **29 spaces (0.93/1,000 SF)**



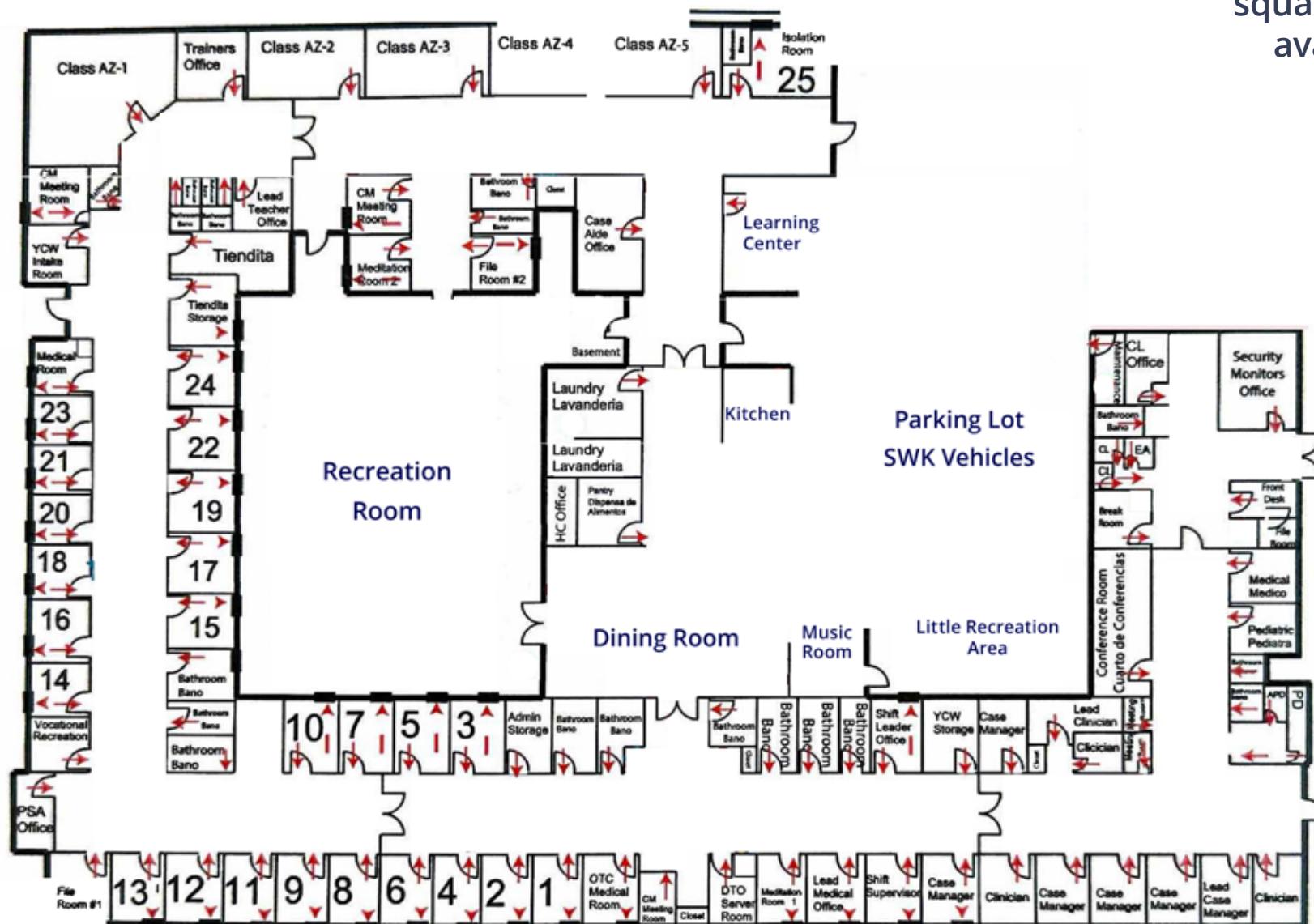
Highlights

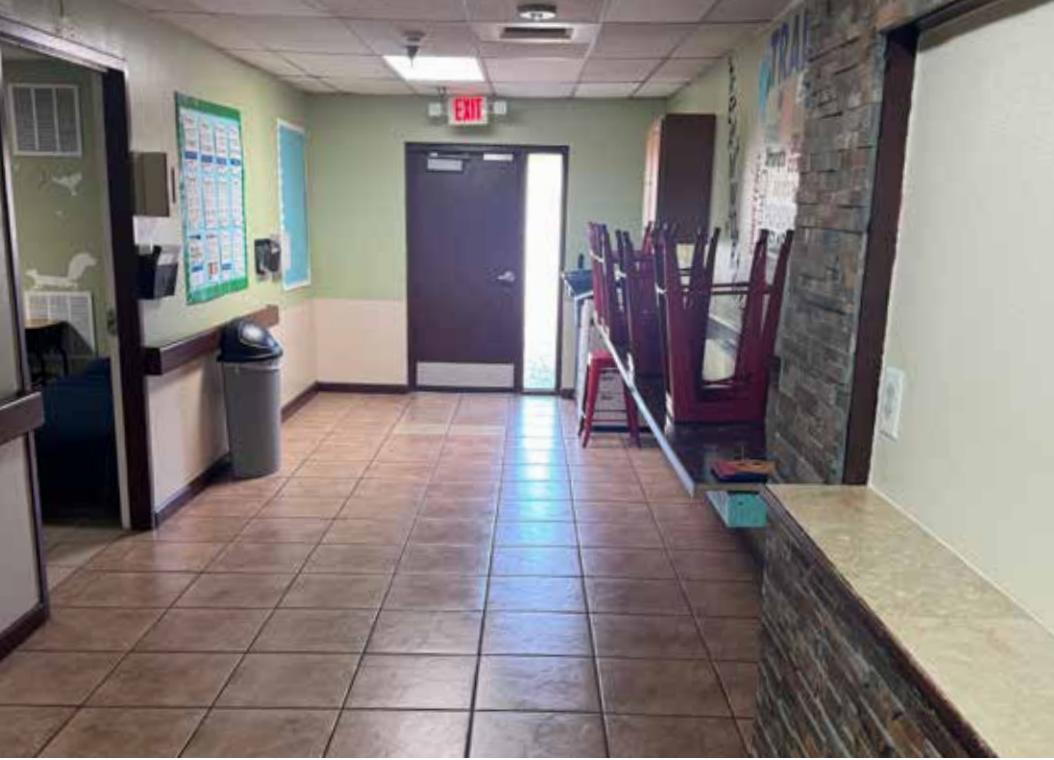
- **Attractive 8.61% Cap Rate** – First-year NOI of \$529,577 under a new five-year lease.
- **Stabilized Income Stream** – Leased to a mission-driven 501(c)(3) nonprofit established in 2003.
- **Proven Operator** – Tenant has over 20 years of experience providing transitional housing services.
- **Purpose-Built Facility** – 55 standard rooms or inpatient rooms, 8 larger rooms, 20 shared bathrooms, commercial kitchen and dining, recreational areas, and laundry.
- **Below Replacement Cost** – Opportunity to acquire a stabilized asset at a significant discount to replacement value.
- **Versatile Design** – Well-suited for healthcare, behavioral health, senior housing or community housing uses.
- **Strategic Location** – Midtown Phoenix with quick access to Hwy 51 (0.8 miles) and I-10 (1.7 miles).
- **Healthcare Cluster** – Surrounded by pharmacies, urgent care centers, and medical clinics.

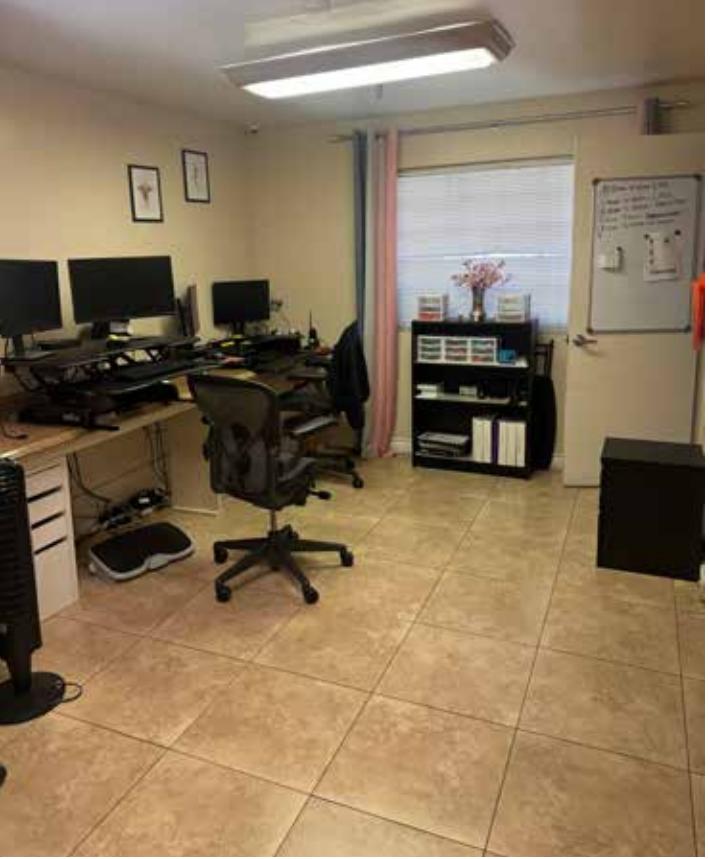
Floor Plan

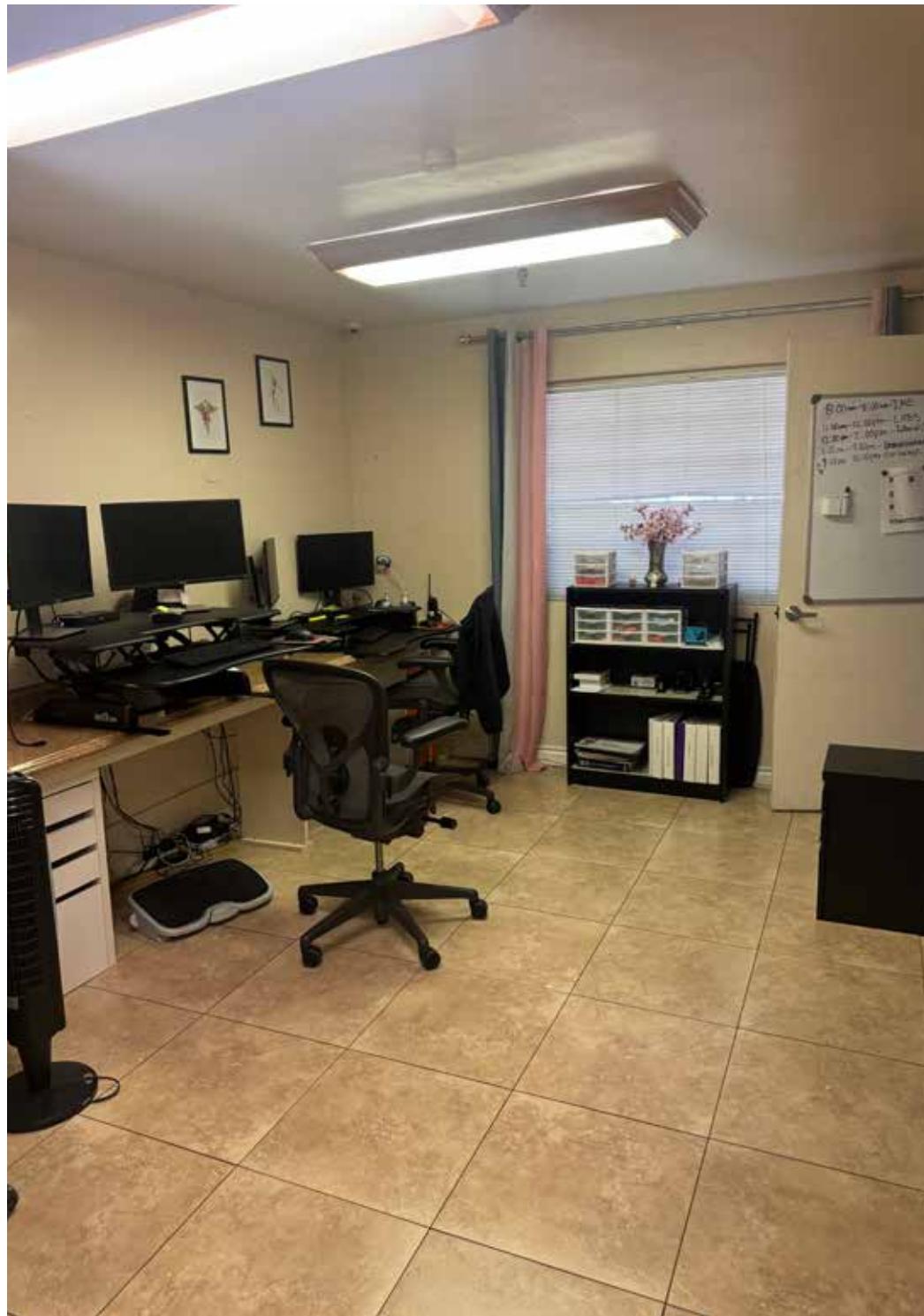
±31,181

square feet
available









Financials



Cash Flow



2932 N 14th St., Phoenix, AZ 85014											
End of Period	1	2	3	4	5	6	7	8	9	10	11
Annual Gross Rent	573,252	590,450	608,163	626,408	645,200	664,556	684,493	705,028	726,178	747,964	770,403
Vacancy & Credit Losses	-	-	-	-	-	-	-	-	-	-	-
Effective Rental Income	573,252	590,450	608,163	626,408	645,200	664,556	684,493	705,028	726,178	747,964	770,403
Other Income	-	-	-	-	-	-	-	-	-	-	-
Gross Operating Income	573,252	590,450	608,163	626,408	645,200	664,556	684,493	705,028	726,178	747,964	770,403
Total Operating Expenses	(43,675)	(44,985)	(46,335)	(47,725)	(49,157)	(50,631)	(52,150)	(53,715)	(55,326)	(56,986)	(58,696)
NET OPERATING INCOME	\$ 529,577	\$ 545,464	\$ 561,828	\$ 578,683	\$ 596,044	\$ 613,925	\$ 632,343	\$ 651,313	\$ 670,852	\$ 690,978	\$ 711,707
Mortgage Interest	(299,264)	(294,503)	(289,398)	(283,924)	(278,054)	(271,760)	(265,010)	(257,773)	(250,013)	(241,692)	
Cost Recovery-Improv.	(128,440)	(134,033)	(134,033)	(134,033)	(134,033)	(134,033)	(134,033)	(134,033)	(134,033)	(128,440)	
Loan Cost Amoritzation	(2,153)	(2,153)	(2,153)	(2,153)	(2,153)	(2,153)	(2,153)	(2,153)	(2,153)	(2,153)	
TAXABLE INCOME	\$ 99,721	\$ 114,776	\$ 136,245	\$ 158,574	\$ 181,804	\$ 205,980	\$ 231,147	\$ 257,354	\$ 284,654	\$ 318,694	
Net Operating Income	529,577	545,464	561,828	578,683	596,044	613,925	632,343	651,313	670,852	690,978	
Annual Debt Service	(365,122)	(365,122)	(365,122)	(365,122)	(365,122)	(365,122)	(365,122)	(365,122)	(365,122)	(365,122)	
Capital Reserves @ 3%	(17,198)	(17,713)	(18,245)	(18,792)	(19,356)	(19,937)	(20,535)	(21,151)	(21,785)	(22,439)	
CASH FLOW BEFORE TAXES	\$ 147,257	\$ 162,629	\$ 178,461	\$ 194,769	\$ 211,565	\$ 228,866	\$ 246,686	\$ 265,040	\$ 283,945	\$ 303,417	

P u r c h a s e A n a l y s i s

Property Data

SQUARE FOOTAGE	31,181
ACQUISITION CAP RATE	8.61%
ACQUISITION PRICE	6,150,000
ACQUISITION COSTS @0.35%	21,525
TOTAL ACQUISITION BASIS	6,171,525
LOAN COSTS	21,525
INITIAL INVESTMENT	1,888,050

Financing Assumptions

BASE RENT (YEAR 1)	\$573,252
ANNUAL BASE RENT INCREASE	3.00%
ESTIMATED ANNUAL EXPENSE INCREASE	3.00%
INITIAL TERM EXPIRATION	11/30/2030

In-Place Lease

LOAN AMOUNT	(4,305,000)
MAX LOAN TO VALUE RATIO	70.00%
DSC RATIO	1.45
INTEREST RATE	7.00%
AMORTIZATION PERIOD (YRS)	25
LOAN TERM (YRS)	10
PAYMENTS PER YEAR	12
MONTHLY PAYMENT	(30,427)
ANNUAL DEBT SERVICE	(365,122)
LOAN COSTS	0.50%

EOY	Before Tax Income
0	(1,888,050)
1	147,257
2	162,629
3	178,461
4	194,769
5	211,565
6	228,866
7	246,686
8	265,040
9	283,945
10	5,369,772
	IRR = 17.81%
	NPV @ 7.00% = \$2,038,577
	Year 1 Cash-on-Cash Return = 7.80%

Investment Performance



Sale Comparables

Sale Comparables

1



9430 N 11th Avenue, Phoenix, AZ 85021 - *Hatcher Square*

Sale Price:	\$2,650,000	Year Built:	2015	GBA:	15,120 sf
Price/SF:	\$175.26	Parcel Number:	158-33-134	Sale Date:	4/30/24

2



2202 E Roosevelt Street, Phoenix, AZ - *44 Unit Recovery Program Complex*

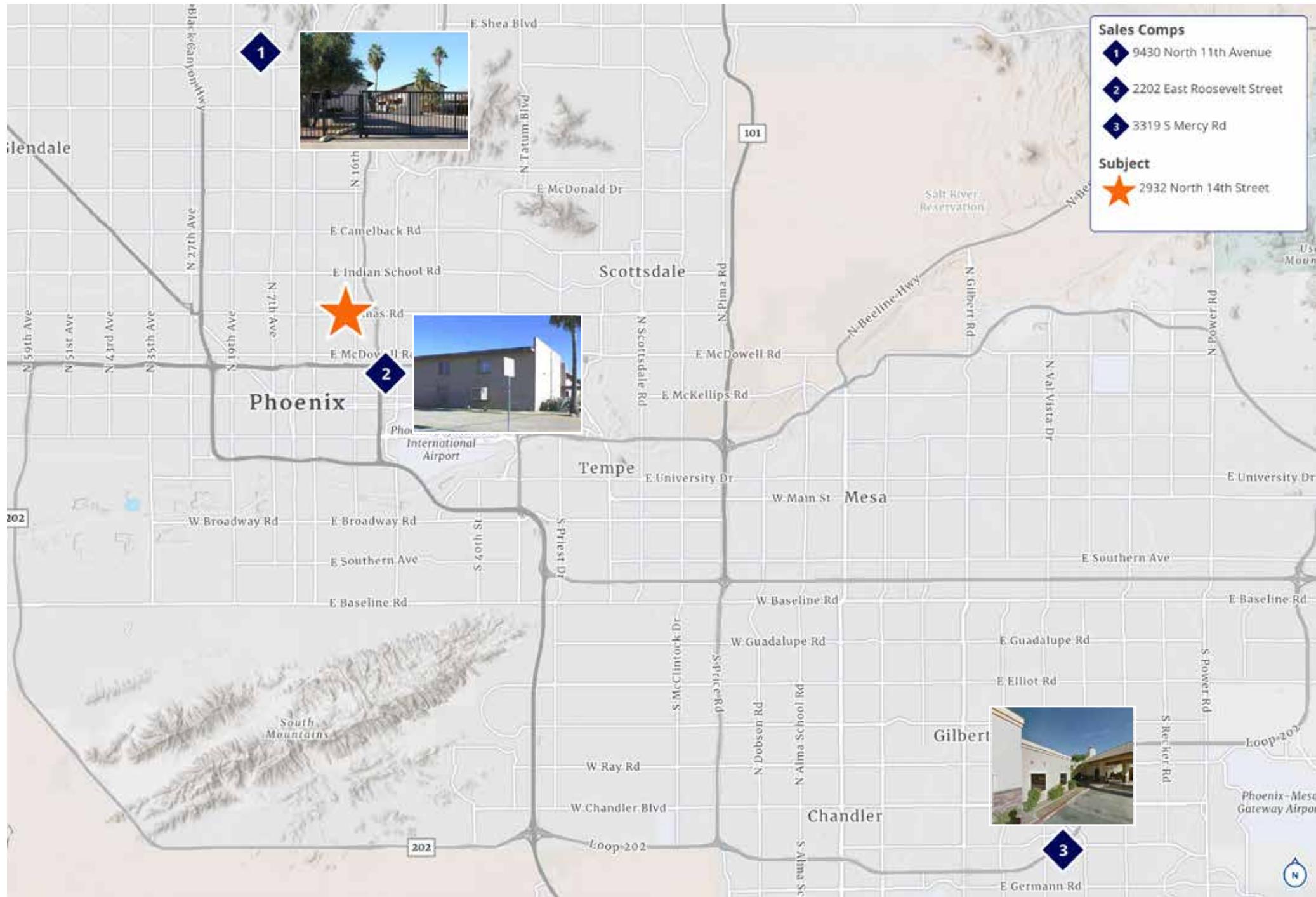
Sale Price:	\$3,500,000	Year Built:	1965	GBA:	24,126 sf
Price/SF:	\$145.07	Parcel Number:	116-04-102C	Sale Date:	5/9/25

3



3319 S Mercy Road, Gilbert, AZ - *Wellsprings Therapy Center of Gilbert*

Sale Price:	\$3,500,000	Year Built:	2011	GBA:	27,766 sf
Price/SF:	\$126.05	Parcel Number:	304-53-363	Sale Date:	5/31/24





For more information, contact:

Julie Johnson, CCIM

Executive Vice President
+1 602 684 8558
julie.johnson@colliers.com

Andie Edmonds, CCIM

Senior Vice President
+1 541 306 0042
andie.edmonds@colliers.com

2390 E Camelback Rd Ste 100
Phoenix, AZ 85016
+1 602 222 5000
colliers.com/arizona



Accelerating success.