



The Medical Plaza at Spectrum Offering Memorandum

3493 S. Mercy Road, Building 15, Gilbert, AZ 85297



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EXECUTIVE SUMMARY

Sale Price: \$1,471,577 (\$339/SF)

Actual Year 1 NOI: \$85,351.50

**NNN Lease Structure
expiring August 31, 2021**

Year 1 Cap Rate of 5.8%

3% Annual Rent increases

**Corporate Guarantee from Banner
Medical Group**

PROPERTY OVERVIEW

Avison Young has been retained as the exclusive representative to sell this ±4,337 SF medical condo leased to Banner Medical Group for their Banner Children's Health Clinic. The property is leased to Banner Medical Group for a 5 year lease commencing September 1, 2016 and with a starting rental rate of \$19.50 NNN and annual 3% rental increases. The lease is an NNN lease and all operating expenses are passed through to the tenant. Spectrum Medical Plaza is exceptionally located across the street from Dignity Mercy Gilbert Medical Center just south of the 202 at Val Vista and Mercy Road in Gilbert, Arizona. This Property has been meticulously maintained both on the exterior and interior. This Property provides an investor with a single tenant NNN investment to a high credit tenant in well located area.

Banner has a Right to Early Terminate the Lease at any time after the thirty-sixth (36th) month. This termination right shall be subject to Tenant providing Landlord with six (6) months' prior written notice. In the event that Tenant exercises its Right to Early Terminate, on the date of Lease Termination Tenant shall pay a termination penalty equal to six (6) months' rent at the rate in effect at the time of termination. A investor/landlord would have a full 12 months of paid rent from notice to re-lease the suite.

INVESTMENT HIGHLIGHTS

PROPERTY OVERVIEW

BUILDING DETAILS

Address:	The Medical Plaza at Spectrum 3493 S. Mercy Road, Building 15 Gilbert, AZ 85297
	Just south of Loop 202 San Tan Freeway off of Val Vista
Building Size:	±4,337 RSF
Year Built:	2006
Parking ratio:	6:1,000 SF
Zoning:	GO (General Commercial) Town of Gilbert
Parcel Numbers:	304-53-276
Occupancy:	100%
In-Place Net Operating Income:	\$85,351.50
Asking Price:	\$1,471,577 (\$339/SF)
Cap Rate:	±5.8%

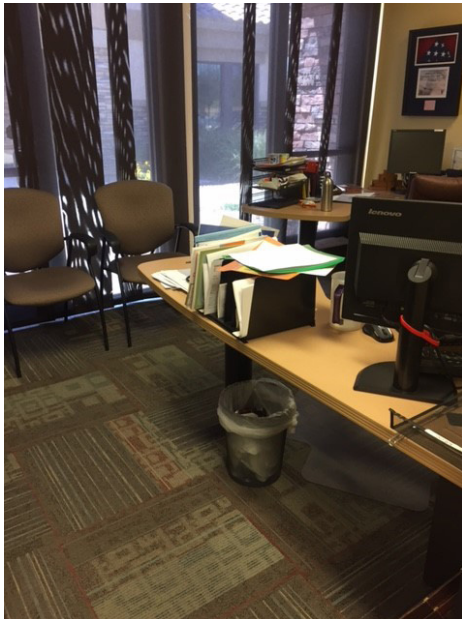
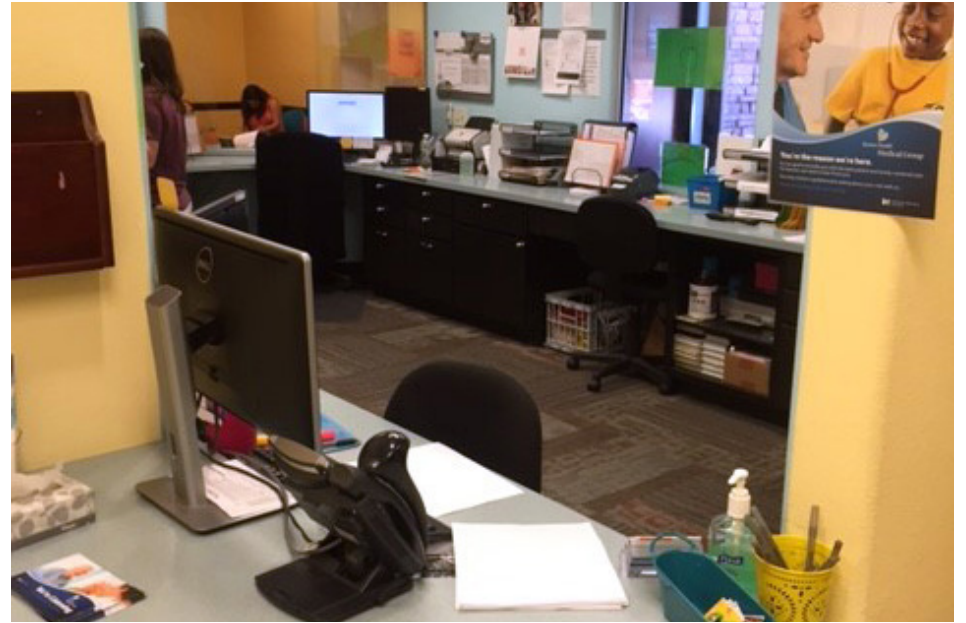
BUILDING AMENITIES

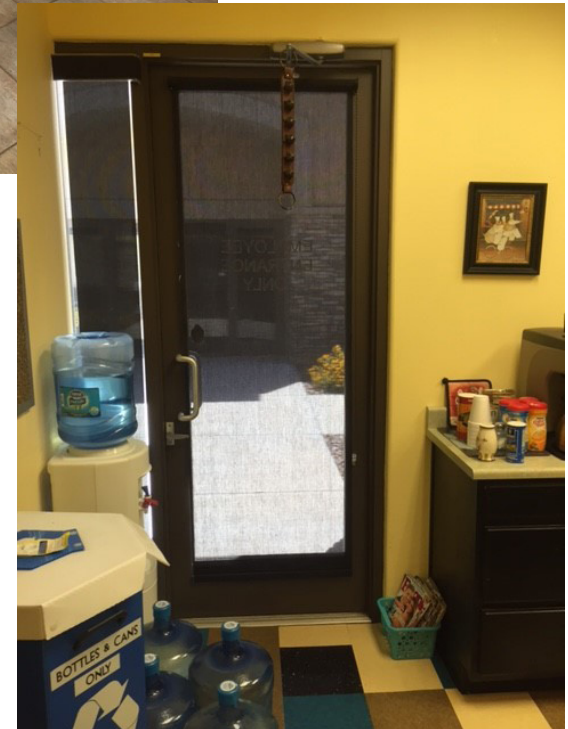
- Easy access for patients, especially handicapped patients
- Ground floor access
- Excellent Parking Ratio of 6:1,000/SF with covered parking for tenants
- Newer 2006 Construction
- Existing tenant improvements are in excellent condition
- Highly visible signage for tenant's branding located directly across the street from Dignity Mercy Gilbert Medical Center
- Separate well patient and sick patient entrances
- Emergency holding area for critically ill children
- Successful practice with well established patient base

PHOTO GALLERY

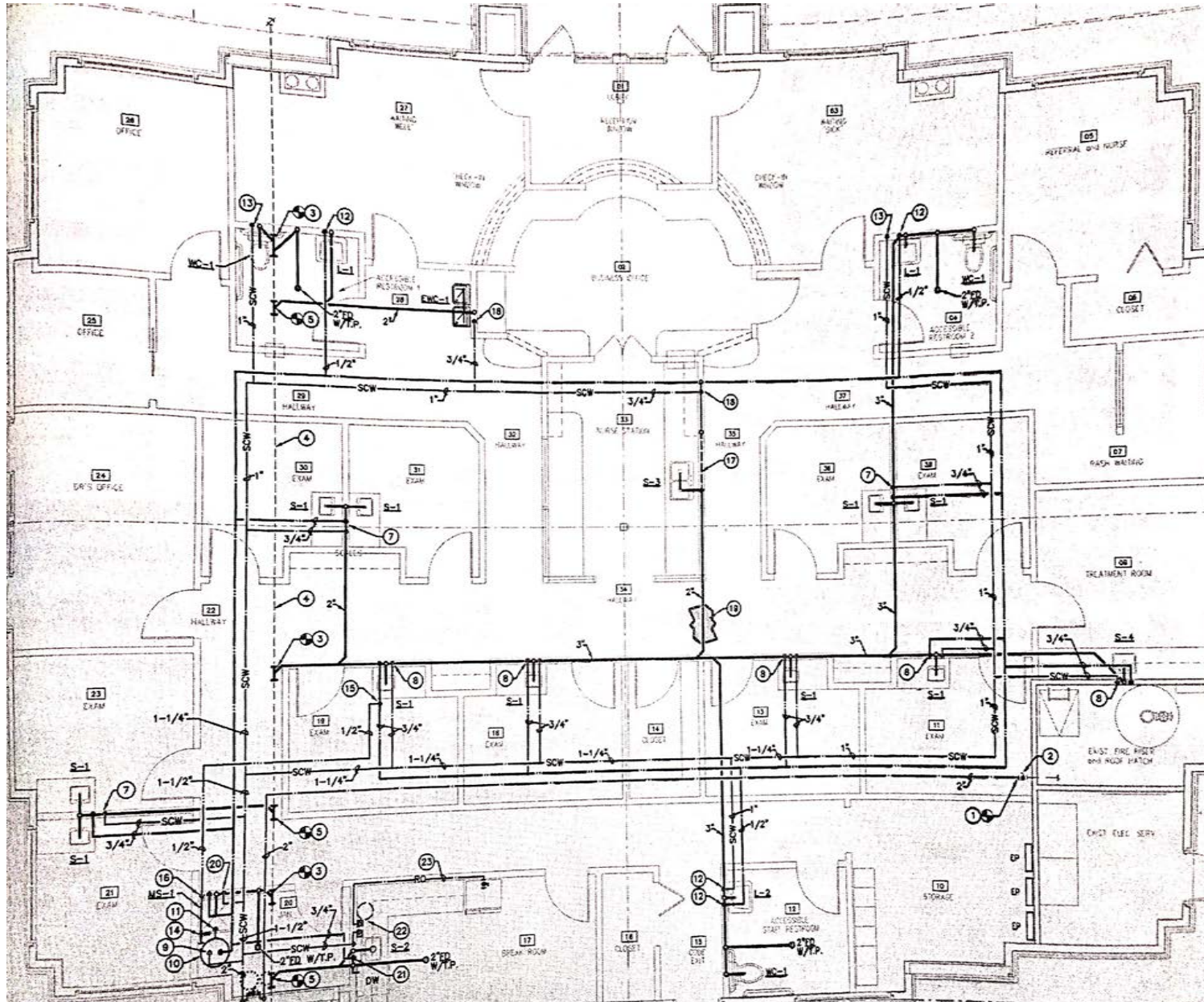


PHOTO GALLERY





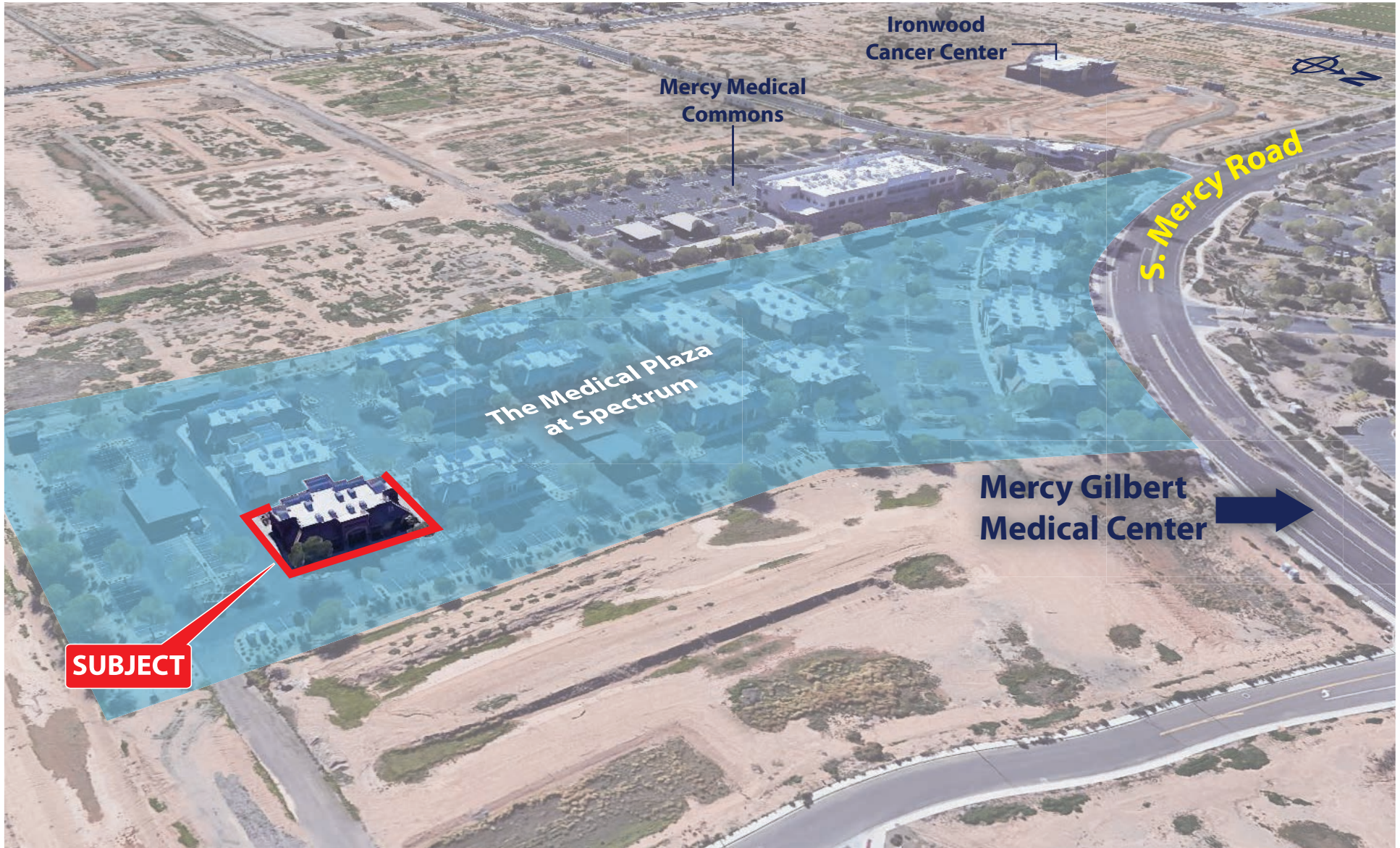
FLOOR PLAN



SITE PLAN



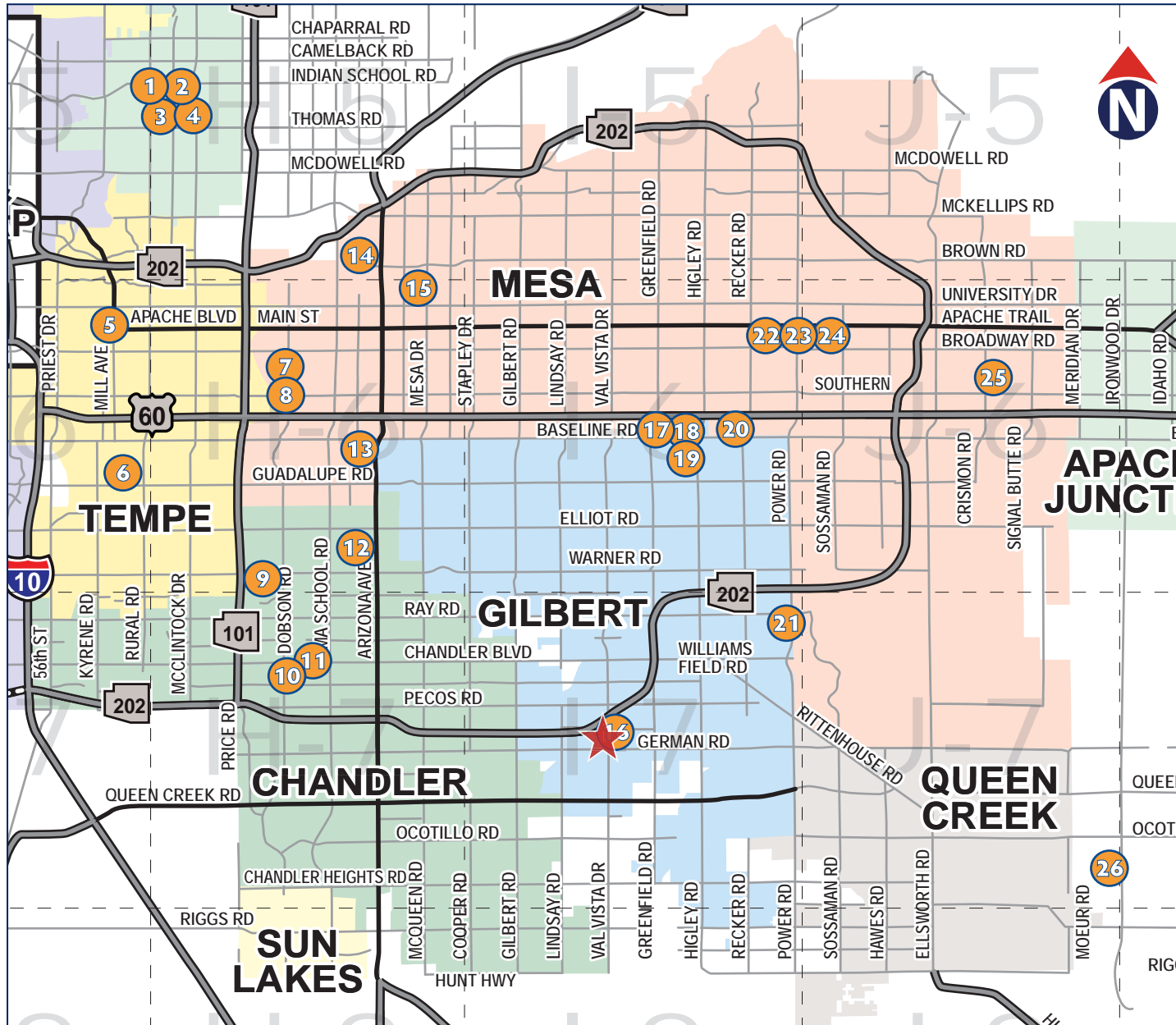
AERIAL



LOCAL MAP



REGIONAL MAP



Subject property is located next to several hospitals

- 1 Scottsdale Healthcare Hospital
- 2 Greenbaum Surgery Center
- 3 HonorHealth Scottsdale Osborn Medical Center
- 4 Select Specialty Hospital Scottsdale
- 5 Tempe St. Luke's Hospital
- 6 Mental Health Tempe
- 7 Banner Desert Medical Center
- 8 Banner Children's - Banner Health Clinic
- 9 Arizona Orthopedic Surgical Hospital
- 10 Barrow Brain and Spine - Chandler
- 11 Dignity Health Chandler Regional Medical Center
- 12 Oasis Behavioral Health Hospital
- 13 Hacienda Children's Hospital
- 14 Desert Vista Behavioral Health Center
- 15 Select Specialty Hospital
- 16 Dignity Health Mercy Gilbert Medical Center
- 17 Banner MD Anderson Cancer Center
- 18 Banner Gateway Medical Center
- 19 Banner Canyon Springs Surgery Center
- 20 HealthSouth East Valley Rehabilitation Hospital
- 21 Gilbert Hospital
- 22 Banner Baywood Medical Center
- 23 Banner Heart Hospital
- 24 Acuity Specialty Hospital
- 25 Mountain Vista Medical Center
- 26 Banner Ironwood Medical Center

ECONOMY AND MARKET

EXECUTIVE SUMMARY

The Town of Gilbert is a suburb of the Phoenix Metropolitan Area and one of the nation's top growth areas and the State's seventh largest municipality, boasting over 247,000 residents and an anticipated population of over 300,000 by 2030. The past two decades have seen explosive growth in Gilbert transforming it from a traditional farming community to an urban center without losing its old world charm.

Gilbert offers residents excellent choices in education, employment, shopping recreation, healthcare and arts and entertainment; and has received such accolades as the 7th Happiest City in America, the #12 Best City for Families in the U.S. and #1 in Arizona, the 2nd Safest City in the United States, Best Place to Live if You're Saving Money, etc.

Gilbert is focused on establishing relationships that will increase foreign investment and enhance policies that promote bi-lateral trade. It is Gilbert's mission to align their economic development efforts with several international alliances such as the Arizona Mexico Commission, Canada Arizona Business Council, Gilbert Sister Cities (with Newtownabbey, Northern Ireland in 1998 and Leshan China in 2002), Greater Phoenix Economic Council, Select USA, United States Export Assistance Center and many others.

The attractive demographics of Gilbert offer award winning amenities and high profile developments. The median age in Gilbert is 32.6 with an average household income of \$98,458 and an average home price of \$321,685.

Close to the property is Mercy Gilbert Medical Center, a 212-bed, acute care, not-for-profit hospital providing healthcare to the East Valley. The medical center employs more than 1,280 employees and has upwards of 760 doctors on staff representing all major specialties, along with 330 volunteers.

The hospital is a member of Dignity Health, one of the largest healthcare systems in the west with 40 hospitals in Arizona, California and Nevada. In 2009, the Baptist Healing Trust announced Mercy Gilbert Center's rank as the number one Healing Hospital in the nation, and for several years, has been ranked one of the "Best Places to Work" by the Nation by Modern Healthcare and the Phoenix Business Journal.



FINANCIAL ANALYSIS

FINANCIALS

Cash Flow			
Year	Rent/SF	Annual NOI	Cap Rate
1	\$19.50	\$85,351.50	5.80%
2	\$20.09	\$87,912.05	5.97%
3	\$20.69	\$90,549.41	6.15%
4	\$21.31	\$93,265.89	6.34%
5	\$21.95	\$96,063.87	6.53%

TENANT PROFILE

BANNER MEDICAL GROUP



Banner Health[®]

At Banner Medical Group (BMG), we're creating a world class medical organization that brings together a leadership team committed to a physician-focused structure, while navigating the challenges of moving from a volume- to value-based health care system.

Our team of physicians, nurse practitioners, physician assistants and advanced practice nurses provide care to millions of patients each year. We're proud to represent more than 65 specialties including:

Family medicine, Internal medicine, Pediatric specialties, Cancer care, Women's health, Behavioral health, Surgery Medical specialties, and Radiology

We promote a dyad (clinical and administrative) leadership model. Our administrative and operations colleagues are equally committed to the success of our physicians and the care of our patients.

Our physician leadership structure provides that physicians report to physicians and have career opportunities beyond their clinical practice. These opportunities include leadership, academic, clinical and operational roles, enabling a physician to actively participate in the clinical and business advancement of Banner Health. The Mercy Gilbert location recently received an award for the highest percentage of patients most likely to refer other patients to our office. This included all of the Banner clinics in the East Region.

BANNER CHILDREN'S BANNER HEALTH CLINIC

The caring and experienced care teams at Banner Children's Banner Health Clinics give parents peace of mind by providing premier, comprehensive care to infants, children and adolescents.

Our providers take a personalized approach to care by taking their time during each visit and educating patients and family members. This commitment to care is matched with an emphasis on advanced medical technology and online tools to streamline appointment scheduling, bill paying and much more.

Because childhood ailments don't always happen during the weekdays, we have after hours care with evening hours Monday-Friday until 8pm, weekend hours Saturday-Sunday until 1pm and availability on most holidays.

Banner Children's Health Clinics offer a full line of services including: Well-child preventive visits, Immunizations, Hearing and vision screenings, Developmental screenings, Asthma management, Acute childhood illnesses and injuries, Teen health, and Obesity.



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