

OFFERING MEMORANDUM

DEER VALLEY PLAZA II

1732-1764 W BELL ROAD | PHOENIX



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AFFILIATED BUSINESS DISCLOSURE

Newmark Knight Frank (the "Agent") has been engaged as the exclusive sales representative for the sale of 1732-1764 W Bell Road, Phoenix, AZ (the "Property") by 'Ownership' (the "Seller").

This Memorandum does not constitute a representation that the business or affairs of the Property or Seller since the date of preparation (7/8/2021) of this Memorandum have remained the same. Analysis and verification of the information contained in this Memorandum are solely the responsibility of the prospective purchaser.

Additional information and an opportunity to inspect the Property will be made available upon written request of interested and qualified prospective purchasers. Seller and Agent each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property, and/or terminate discussions with any party at any time with or without notice. Seller reserves the right to change the timing and procedures for the Offering process at any time in Seller's sole discretion. Seller shall have no legal commitment or obligations to any party reviewing this Memorandum, or making an offer to purchase the Property, unless and until such offer is approved by Seller, and a written agreement for the purchase of the Property has been fully executed and delivered by Seller and the Purchaser thereunder.

This Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting this Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not forward, photocopy or duplicate it, that you will not disclose this Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make a proposal and from whom you have obtained an agreement of confidentiality) without the prior written authorization of Seller or Agent, and that you will not use this Memorandum or any of the contents in any fashion or manner detrimental to the interest of Seller or Agent.

EXECUTIVE SUMMARY

01



THE OFFERING

Newmark Knight Frank (NKF) Capital Markets, as exclusive advisor, is pleased to present the opportunity to acquire Deer Valley Plaza II at 1732-1764 W Bell Road (the Property), a 24,615 square foot retail center in Phoenix, Arizona.

Built in 1975, Deer Valley Plaza II is comprised of two separate commercial buildings on a single parcel of approximately 2.65 acres of land. Home to tenants such as Pork on a Fork, Sun Valley Family Care, and Cadillac Chiropractic, half of the tenants have been at the center for over ten years. The property is located at the intersection of Bell Road and 18th Avenue, which sees over 54,000 vehicles per day. In addition, the asset is located near other shopping centers and national retailers, with easy access to both the Loop 101 and I-17 Freeways.

Deer Valley Plaza II offers an investor the rare opportunity to acquire an asset with long term tenants at under \$100 per square foot in a dense neighborhood of North Phoenix.



PROPERTY SUMMARY

DEER VALLEY PLAZA II

1732-1764 W Bell Road
Phoenix, AZ 85023

24,615 SF

Total Building Area

1975

Year Built/Remodeled

C-2

Zoning

2.65 acres

Lot Size

208-08-017A

Parcel Number

100%

Occupancy

OFFERING SUMMARY

OFFERING PRICE **\$2,450,000**

PRICE PER SF **\$99.53**

CAP RATE **7.53%**

NOI **\$184,517**



NEARBY RETAILERS



PROPERTY DESCRIPTION

02

INVESTMENT HIGHLIGHTS



WELL BELOW REPLACEMENT COST AT \$99 PSF



LONG TERM TENANTS: AVERAGE 11 YEARS AT PROPERTY



AVERAGE GROSS RENT OF \$11.36 PER FOOT LEAVES ROOM FOR RENT GROWTH



SURROUNDING NATIONAL TENANT MIX



DENSE NORTH PHOENIX LOCATION



LARGE SINGLE PARCEL AT 2.65 ACRES



QUICK ACCESS TO I-17 & LOOP 101 FREEWAYS



OVER 54,000 VEHICLES PER DAY



TIDES AT DEER VALLEY
436 UNITS

BELL COVE APARTMENTS
256 UNITS

DEER VALLEY PLAZA II
1744 W BELL ROAD | PHOENIX

19TH AVE. - 22,464 VPD

BELL RD. - 34,263 VPD



DEER VALLEY PLAZA II
1744 W BELL ROAD | PHOENIX

SHIRDI SAIBABA TEMPLE
ARIZONA - Hindu Temple
RECENTLY BUILT

BELL RD. - 34,263 VPD

19TH AVE. - 22,464 VPD

Sunbelt Holdings, ±82 Acres
±1M SF Mixed-use Campus
±162,300 SF Industrial
±257,850 SF Flex-Office
±357,920 SF Corporate Office
Hotel and Retail PADs

**PROPOSED BELL 17
BUSINESS PARK**

PAD A PAD B
RETAIL

**CORPORATE
OFFICE
BUILDINGS**

5
4
**FLEX
OFFICE
BUILDINGS**
7

**GENERAL
INDUSTRIAL
BUILDINGS**

CRUNCH FITNESS
DOLLAR TREE
Aaron's

ACE CASH EXPRESS

KOHL'S

TOYOTA

ESSENTIAL
EYEGLASS WORLD
cricket
LA Insurance

Jack
in the box

CASH!N

TITLEMAX

DISCOUNT
TIRE

BIG 5
SPORTING GOODS

Chevron

O'Reilly
LIFEWELL
McDonald's

CHASE

QT

VICTORY
INN & SUITES
150 room
hotel

Magnum
CAR WASH
BURGER KING

SAM'S
CLUB

Just Paradise

SITE PLAN



SUITE	TENANT	SF
1732	Pork on a Fork	4,550
1734	Rose's Catering	1,400
1736	Cadillac Chiropractic	1,400
1740	Deer Valley Apostolic Church	2,637
1744	Amici Catering	906
1746/1748	The Cleaning Solutions	1,346
1750	Internet Ticket Sales	1,176
1752	Love Ink Tattoo	1,400
1756	American Green Paw Puddy	4,200
1760	Progressive Pet	1,400
1762	Sun Valley Family Care	1,400
1764	Pork on a Fork	2,800

FINANCIAL ANALYSIS

03

NOI ANALYSIS

SUMMARY	CURRENT
List Price:	\$2,450,000
Current CAP Rate:	7.53%
Occupancy:	100%
Rentable Square Feet:	24,615
Price per Square Foot:	\$99.53

FINANCING - Example New Loan	Actual
Loan Amount	\$1,592,500
Loan to Value	65%
Interest Rate	4.00%
Amortization	25
Term	10 Years
Monthly P & I Payments	\$8,406
Loan Constant	6.33%
Debt Yield	11.59%
DCR	1.83

ANNUALIZED OPERATING DATA	ACTUAL	PSF
GROSS REVENUE		
Base Rental Revenue (Oct '21 to Sep'22)	\$280,798	\$11.41
Total Gross Revenue	\$280,798	\$11.41
Credit Loss / Vacancy Reserve	\$(8,424)	
Effective Gross Revenue	\$272,374	\$11.07
EXPENSES (2020)		
Repairs	\$4,179	\$0.17
Water	\$5,301	\$0.22
Electric	\$9,245	\$0.38
Trash	\$6,743	\$0.27
Lot Sweeping	\$1,200	\$0.05
Insurance	\$7,775	\$0.32
Property Taxes	\$31,217	\$1.27
Mgmt Fee	\$9,828	\$0.40
Maintenance	\$5,630	\$0.23
Rent Tax (based on year one rent)	\$6,739	\$0.27
Total Operating Expenses	\$(87,857)	\$(3.57)
Net Operating Income	\$184,517	\$7.50
Debt Service (example)	\$(100,870)	
Pre Tax Cash Flow	9.75%	\$83,648
Plus Principal Reduction:		\$37,859
Total Return	14.17%	\$121,506

RENT ROLL

SUITE	TENANT NAME	SF	% OF SPACE	MONTHLY RENT	ANNUAL RENT	RENT PER SF	TYPE OF LEASE	LEASE BEGIN	LEASE END	YEARS AT PROPERTY	COMMENTS
1732	Pork on a Fork	4,550	18.5%	\$3,650.18	\$43,802	\$9.63	Gross	7/1/14	6/30/22	7	Barbecue restaurant w/multiple valley locations. This space serves as a back-house kitchen for their catering services. https://www.porkonafork.com
1734	Rose's Catering	1,400	5.7%	\$1,543.00	\$18,516	\$13.23	Gross	11/1/04	MTM	17	Catering company for corporate businesses, weddings, and schools. https://rosescatering.com/
1736	Cadillac Chiropractic	1,400	5.7%	\$1,190.00	\$14,280	\$10.20	Gross	5/1/86	MTM	35	Well-established chiropractor that has been at this location for over 30 years.
1740	Deer Valley Apostolic Church	2,637	10.7%	\$2,675.00	\$32,100	\$12.17	Gross	2/1/11	MTM	11	Initially started in a smaller space in 2011, and then expanded into their current space.
1744	Amici Catering	906	3.7%	\$977.00	\$11,724	\$12.94	Gross	1/1/08	MTM	14	Corporate and wedding catering company. https://amici.catering/
1746/1748	The Cleaning Solutions	1,346	5.5%	\$1,262.00	\$15,144	\$11.25	Gross	5/1/04	MTM	17	Cleaning company offering maid service, janitorial, remodels, move in/move outs, construction cleanup. https://www.tcs-clean.com/about_us
1750	Internet Ticket Sales	1,176	4.8%	\$1,000.00	\$12,000	\$10.20	Gross	12/1/20	12/1/21	1	Tenant has a one year option to renew.
1752	Love Ink Tattoo	1,400	5.7%	\$1,200.00	\$14,400	\$10.29	Gross	4/1/20	3/31/23	1	
1756	American Green Paw Puddy	4,200	17.1%	\$4,322.00	\$51,864	\$12.35	Gross	8/1/17	7/31/22	4	CBD company specializing in pet products. https://americangreencbd.com/
1760	Progressive Pet	1,400	5.7%	\$1,000.00	\$12,000	\$8.57	Gross	11/1/20	10/31/21	1	One, one year option at \$1,150. Paid one year of rent in advance. Specializes in wholesale pet food w/mostly online sales. This space serves as more of back-office/storage. Tenant plans to exercise renewal option.
1762	Sun Valley Family Care	1,400	5.7%	\$1,440.00	\$17,280	\$12.34	Gross	7/1/98	MTM	23	Local family practice office in business for over 20 years.
1764	Pork on a Fork	2,800	11.4%	\$2,800.00	\$33,600	\$12.00	Gross	12/1/20	11/31/25	1	Pork on a Fork expansion space. \$1,200 annual inc. every December.

TOTAL **24,615** **100%** **\$23,059** **\$276,710** **\$11.26**

OCCUPIED **24,615** **100%**

AVAILABLE **0** **0%**

RENT ROLL PROJECTION

Suite	Tenant	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Total
1732	Pork on a Fork*	\$3,650.18	\$3,650.18	\$3,650.18	\$3,650.18	\$3,650.18	\$3,650.18	\$3,650.18	\$3,650.18	\$3,650.18	\$3,796.18	\$3,796.18	\$3,796.18	\$44,240
1734	Rose's Catering	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$1,543.00	\$18,516
1736	Cadillac Chiropractic	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$1,190.00	\$14,280
1740	Deer Valley Apostolic Church	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$2,675.00	\$32,100
1744	Amici Catering	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$977.00	\$11,724
1746/1748	The Cleaning Solutions	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$1,262.00	\$15,144
1750	Internet Ticket Sales	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$12,000
1752	Love Ink Tattoo	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$14,400
1756	American Green	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$4,322.00	\$51,864
1760	Progressive Pet	\$1,000.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00	\$13,650
1762	Sun Valley Family Care	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$1,440.00	\$17,280
1764	Pork on a Fork	\$2,800.00	\$2,800.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$35,600

TOTAL \$280,798

*Assumes 4% Increase upon renewal in July 2022

AREA OVERVIEW

04



3 MILE RADIUS | AT-A-GLANCE

150,284

Residents

36.4

Median Age

61,040

Households

\$75,984

Average Income

AREA OVERVIEW: PHOENIX, ARIZONA

The North Phoenix submarket is characterized by a high-density, residential population immediately surrounded by high-quality, national employers. Nearly 340,000 people and 92,000 jobs are housed within the 79 square-mile area. Employment is disproportionately concentrated in financial services, health care and national retailer corporate centers, the largest of which include Discover Financial Services, USAA, American Express, Chubb Insurance, UnitedHealth Group, HonorHealth, Triwest Healthcare, PetSmart and Ping.

While Tempe and the Southeast Valley have received an overwhelming amount of news coverage and speculative development, North Phoenix represents an undervalued submarket benefiting from equivalent nation-leading population and employment growth. Current major developments in the area include the 780,000 square-foot Bell17 Business Park at Bell Road and 19th Avenue, 1.8 million square-foot Nationwide Insurance regional headquarters at Cavasson, 147,000 square-foot addition to USAA's Norterra regional hub and American Express' 300,000 square-foot addition to their 90-acre campus. In total, these Fortune 500 companies have publicly committed to adding over 6,200 new, high-paying positions to the submarket.

In addition, this unique trade area is readily connected to other major employment and entertainment hubs, such as Downtown Phoenix, Scottsdale and Glendale, via the I-17 and SR-101, allowing residents to enjoy Arizona Coyotes hockey and Arizona Cardinals football games at Westgate Entertainment District in Glendale as easily as the Arizona Diamondbacks and Phoenix Suns in Downtown Phoenix.



ARIZONA
101

Phoenix
Memorial Park
& Mortuary

AMERICAN
EXPRESS

HONORHEALTH
Deer Valley
Medical Center

Walmart
Neighborhood Market

TARGET
AMC
THEATRES
Kirklands
Michaels
PET SMART

COSTCO
WHOLESALE

Goodwill
DOLLAR TREE

True Value
MEGA FURNITURE
99¢ ONLY

DEER VALLEY PLAZA II
1744 W BELL ROAD | PHOENIX

Goodwill
WinCo
FOODS
PET SMART

ROSS
DRESS FOR LESS
BEALLS
BIG LOTS!

SAFEWAY
planet fitness

Bashas'

DOLLAR TREE

SAFEWAY

KOHL'S

Goodwill
WinCo
FOODS
PET SMART

ROSS
DRESS FOR LESS
BEALLS
BIG LOTS!

SAFEWAY
planet fitness

Bashas'

frys

Bellaire
Golf Club

Bell Road

17

BIG 5
SPORTS & GADGETS

frys

savers

frys

Smart & Final
outside

sam's club
Walmart

Greenway Parkway

TARGET
SPROUTS
FARMERS MARKET
LA FITNESS
Tuesday Morning

Marshalls
HOBBY LOBBY

Greenway Road

Phoenix
Mountains
Preserve

frys
ROSS
DRESS FOR LESS
DOLLAR TREE

THE
HOME
DEPOSIT

THE
SALVATION
ARMY

Cave Creek
Golf Course

Moon Valley
Country Club

SAFEWAY

Thunderbird Road

35th Avenue

19th Avenue

VASA
Goodwill

BIG LOTS!

LOWE'S
BEST BUY
frys

Goodwill
DOLLAR TREE

DEER VALLEY PLAZA II | 1732-1764 W BELL ROAD | PHOENIX 17

Deer Valley
Mountain
Golf Club

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