

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



HATCHER HEIGHTS

510 E HATCHER RD, PHOENIX, AZ 85020

OFFERING MEMORANDUM



INTERACTIVE
MARKETING PACKAGE

HATCHER HEIGHTS

PHOENIX, AZ 85020

TABLE OF CONTENTS

PROPERTY OVERVIEW..... 03

FINANCIAL OVERVIEW 10

AREA OVERVIEW..... 18

EXCLUSIVELY LISTED BY

BRAD SKENDERIAN  

ASSOCIATE

DIRECT +1 (602) 975-0816

MOBILE +1 (949) 533-5594

brad.skenderian@matthews.com

License No. SA692958000 (AZ)

KYLE INMAN  

SENIOR ASSOCIATE

DIRECT +1 (602) 975-0805

MOBILE +1 (480) 703-8955

kyle.inman@matthews.com

License No. SA691658000 (AZ)

DAVID CAMERON  

SENIOR ASSOCIATE

DIRECT +1 (602) 848-3438

MOBILE +1 (480) 881-3100

david.cameron@matthews.com

License No. 709899000 (AZ)

BROKER OF RECORD

SIMON ASSAF

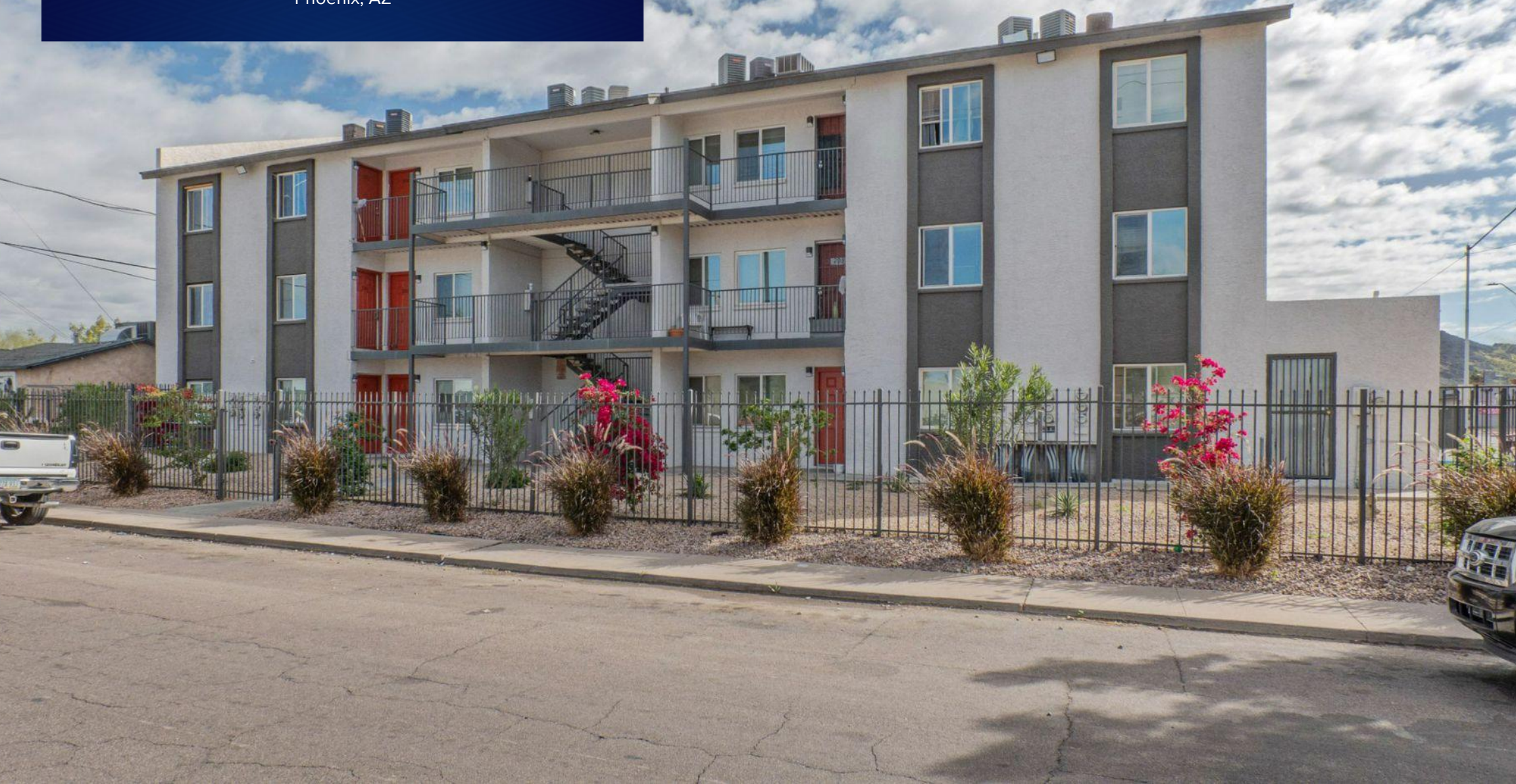
License No. CO701910000 (AZ)



PROPERTY OVERVIEW

Hatcher Heights

Phoenix, AZ



OPPORTUNITY

Hatcher Heights is a 24-unit apartment community, located in the North Mountain Submarket of Phoenix, Arizona. Built in 1985, this property presents the opportunity to acquire a value-add asset that sits in the heart of Sunnyslope, across the street from John C. Lincoln Medical Center and just minutes from prominent demand drivers such as the Phoenix Mountains Preserve, Sunnyslope High School, and a \$1B redevelopment of the Metrocenter Mall. Current ownership has already made various capital improvements such as a new parking lot, replaced HVAC units, painted exterior, added security gate, renovated laundry room and more. Only 2 of the units have received an upgraded renovation package of new appliances and in-unit washer and dryer, further adding to the value add potential of this asset. With a well-balanced unit mix of (12) 1 bedroom, 1 bathroom and (12) 2 bedroom, 1 bathroom units, Hatcher Heights has immediate rental upside and may also be a great candidate for subsidized housing as well, which allows for an estimated rent premium of roughly \$300-\$400 per month.



INVESTMENT HIGHLIGHTS

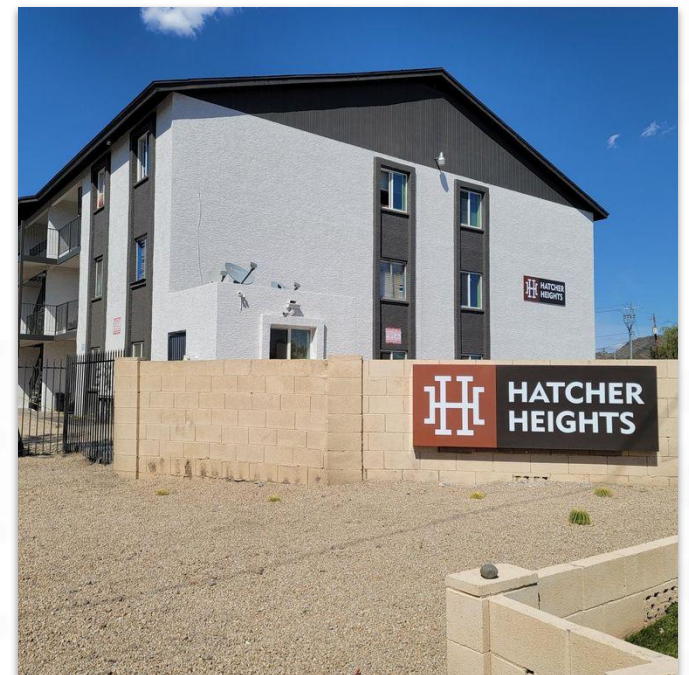
- 24 Units Built in 1985 / Updated 2022-2023
- Unit Mix: (12) 1+1, (12) 1+1
- 19% Market Rent Potential Upside
- Updates Include: New Security Gate, Renovated Laundry Room, New Parking Lot, Replaced HVAC units
- 2 Units Renovated with W/D
- Further Upside Through Subsidized Housing
- North Mountain Submarket



PROPERTY DETAILS

- Number of Stories: 3
- Construction: Block, Stucco Finish
- Electricity: Individually Metered
- Roof: Comp Shingle
- Plumbing: Galvanized
- Replaced 8 HVAC Units

PROPERTY PHOTOS



INTERIOR PHOTOS



AERIAL PHOTO



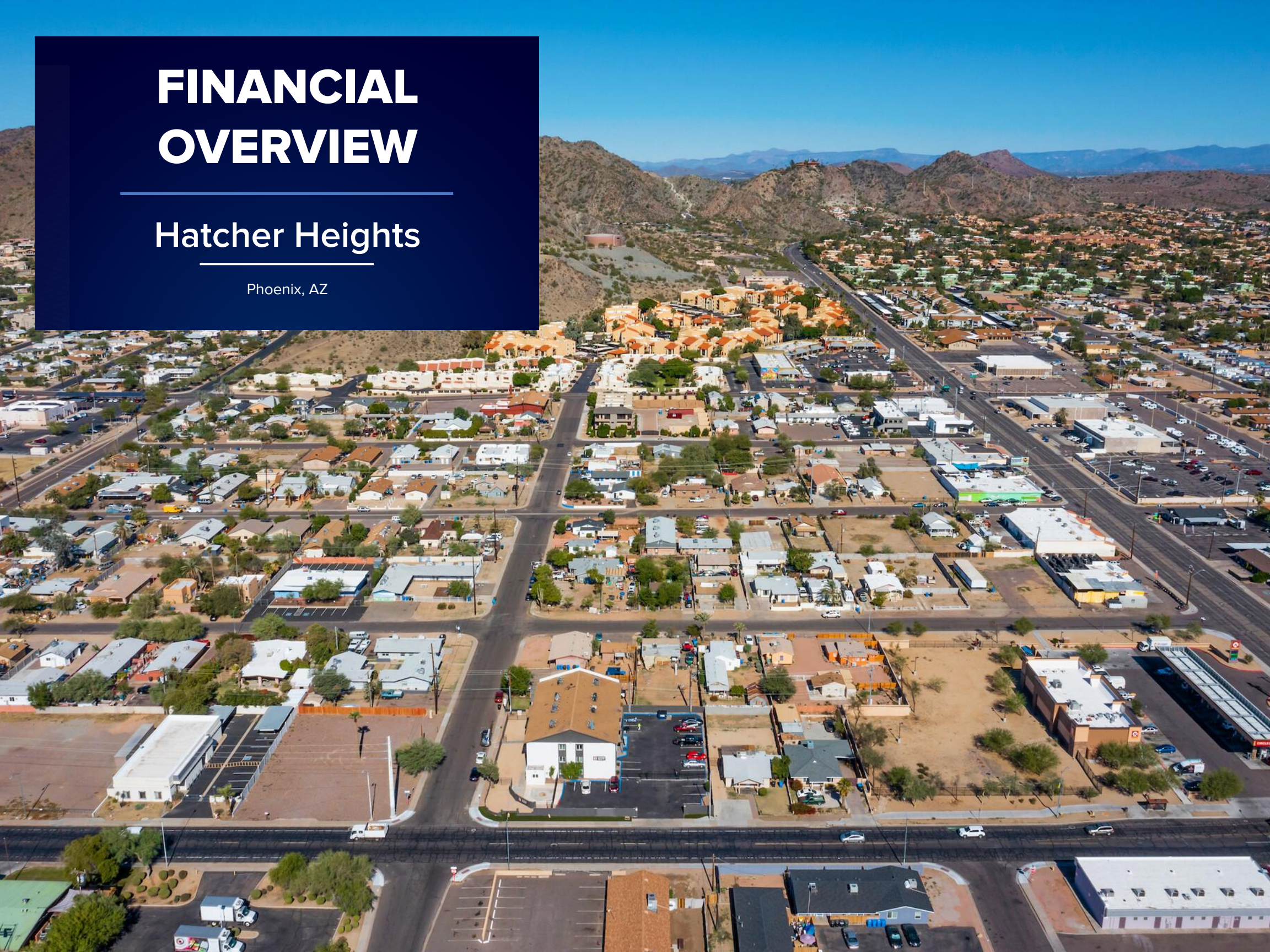
TENANT MAP



FINANCIAL OVERVIEW

Hatcher Heights

Phoenix, AZ



FINANCIAL SUMMARY



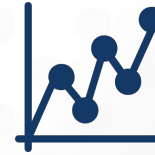
\$3,600,000
LIST PRICE



\$150,000
PRICE PER UNIT



\$250
PRICE PER SF



5.81%
CURRENT CAP RATE



6.60%
PRO FORMA CAP RATE

PROPERTY FACTS

| | |
|-------------------|----------------|
| MSA | Phoenix |
| Submarket | North Mountain |
| Year Built | 1985 |
| Occupancy | 96% |
| Total Units | 24 |
| Net Rentable Area | ±14,364 SF |
| Average Unit Size | ±599 SF |

LOAN TERMS

| | |
|----------------------------------|-------------|
| Loan Amount | \$2,100,000 |
| Loan to Value | 58% |
| Interest Rate | 6.50% |
| Term | 5 |
| Amortization Period | 30 |
| Interest Only (years) | 3 |
| Annual Debt Service (Amortizing) | \$159,281 |

RESIDUAL VALUE

| | |
|----------------|-------------|
| Holding Period | 10 |
| Cap Rate | 6.75% |
| Residual Value | \$5,922,504 |
| Per Unit | \$246,771 |

RENT ANALYSIS

| | |
|------------------------------------|---------|
| Current Market Rent | \$1,083 |
| Current Market Rent PSF | \$1.57 |
| Rent Comp Average Rent | \$1,290 |
| Rent Comp Average Rent PSF | \$1.86 |
| Variance to Rent Comp Average Rent | \$207 |
| Market Rent Potential Upside | 19% |
| Proforma Rent | \$1,175 |
| Proforma Rent PSF | \$1.97 |

INVESTOR PROJECTED RETURNS

| | |
|-------------------------------|----------------|
| Year 1 / Average Cash on Cash | 6.90% / 12.70% |
| Unlevered 10 Yr IRR | 12.35% |
| Levered 10 Yr IRR | 18.1% |
| Equity Multiple | 3.77x |

RENT ROLL

| UNIT # | UNIT TYPE | SIZE (SF) | CURRENT RENT | ANNUAL RENT | MARKET RENT | M - ANNUAL RENT | SECTION 8 PF | PF ANNUAL RENT | RENT PSF | M - RENT PSF | PF RENT PSF |
|----------------|-----------|---------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|---------------|---------------|---------------|
| 510-102 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | | \$2.05 | \$2.79 |
| 510-103 | 1/1.00 | 536 | \$975 | \$11,700 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.82 | \$2.05 | \$2.79 |
| 510-106 | 1/1.00 | 536 | \$1,050 | \$12,600 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.96 | \$2.05 | \$2.79 |
| 510-107 | 1/1.00 | 536 | \$979 | \$11,748 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.83 | \$2.05 | \$2.79 |
| 510-202 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-203 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-206 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-207 | 1/1.00 | 536 | \$975 | \$11,700 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.82 | \$2.05 | \$2.79 |
| 510-302 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-303 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-306 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-307 | 1/1.00 | 536 | \$995 | \$11,940 | \$1,100 | \$13,200 | \$1,495 | \$17,940 | \$1.86 | \$2.05 | \$2.79 |
| 510-101 | 2/1.00 | 661 | \$1,195 | \$14,340 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.81 | \$1.89 | \$2.41 |
| 510-104 | 2/1.00 | 661 | \$1,295 | \$15,540 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.96 | \$1.89 | \$2.41 |
| 510-105 | 2/1.00 | 661 | \$1,295 | \$15,540 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.96 | \$1.89 | \$2.41 |
| 510-108 | 2/1.00 | 661 | \$1,195 | \$14,340 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.81 | \$1.89 | \$2.41 |
| 510-201 | 2/1.00 | 661 | \$1,195 | \$14,340 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.81 | \$1.89 | \$2.41 |
| 510-204 | 2/1.00 | 661 | \$821 | \$9,853 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.24 | \$1.89 | \$2.41 |
| 510-205 | 2/1.00 | 661 | \$1,095 | \$13,140 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.66 | \$1.89 | \$2.41 |
| 510-208 | 2/1.00 | 661 | \$1,295 | \$15,540 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.96 | \$1.89 | \$2.41 |
| 510-301 | 2/1.00 | 661 | \$860 | \$10,323 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.30 | \$1.89 | \$2.41 |
| 510-304 | 2/1.00 | 661 | \$1,195 | \$14,340 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.81 | \$1.89 | \$2.41 |
| 510-305 | 2/1.00 | 661 | \$1,195 | \$14,340 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.81 | \$1.89 | \$2.41 |
| 510-308 | 2/1.00 | 661 | \$1,195 | \$14,340 | \$1,250 | \$15,000 | \$1,595 | \$19,140 | \$1.81 | \$1.89 | \$2.41 |
| Total | 24 | 14,364 | \$25,770 | \$309,244 | \$28,200 | \$338,400 | \$37,080 | \$444,960 | | | |
| Average | | 599 | \$1,074 | \$12,885 | \$1,175 | \$14,100 | \$1,545 | \$18,540 | \$1.53 | \$1.97 | \$2.60 |

INCOME & EXPENSE COMPARISON

| INCOME: | CURRENT | %/\$/UNIT | PROFORMA | %/\$/UNIT | SEC 8 PROFORMA | %/\$/UNIT |
|--|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Scheduled Market Rent | \$309,244 | \$12,885 | \$338,400 | \$14,100 | \$444,960 | \$18,540 |
| Less: Physical Vacancy | (\$11,940) | -3.9% | (\$16,920) | -5.0% | (\$22,248) | -5.0% |
| Less: Concessions/Bad Debt/Other | (\$3,092) | -1.0% | (\$3,384) | -1.0% | (\$4,450) | -1.0% |
| Less: Loss to Lease | - | 0.0% | (\$3,384) | -1.0% | (\$4,450) | -1.0% |
| Net Rental Income | \$294,212 | \$12,259 | \$314,712 | 93.0% | \$413,813 | 93.0% |
| Other Income | \$11,924 | \$497 | \$8,000 | \$333 | \$7,803 | \$325 |
| RUBS | - | - | \$10,800 | \$450 | - | - |
| Total Other Income | \$11,924 | \$497 | \$18,800 | \$333 | \$7,803 | \$325 |
| Effective Gross Income (EGI) | \$306,136 | \$12,756 | \$333,512 | \$13,896 | \$421,616 | \$17,567 |
| Operating Expenses | | | | | | |
| Apartment Prep/Turnover | \$7,810 | \$325 | \$7,800 | \$325 | \$7,800 | \$325 |
| Administrative | \$3,286 | \$137 | \$3,288 | \$137 | \$3,288 | \$137 |
| Marketing | \$1,549 | \$65 | \$1,560 | \$65 | \$1,560 | \$65 |
| Contract Services | \$2,861 | \$119 | \$3,000 | \$125 | \$3,000 | \$125 |
| Repairs & Maintenance | \$21,857 | \$911 | \$13,200 | \$550 | \$12,600 | \$525 |
| Legal | \$2,570 | \$107 | \$2,568 | \$107 | \$2,568 | \$107 |
| Utilities | \$13,444 | \$560 | \$14,400 | \$600 | \$24,000 | \$1,000 |
| Payroll | \$6,760 | \$282 | \$6,768 | \$282 | \$6,768 | \$282 |
| Total Controllable Expenses | \$60,136 | \$2,506 | \$52,584 | \$2,191 | \$61,584 | \$2,566 |
| Management Fee | \$16,784 | 5.48% | \$16,676 | 5.0% | \$21,081 | 5% |
| Insurance | \$12,699 | \$529 | \$14,400 | \$600 | \$14,400 | \$600 |
| Real Estate Taxes | \$7,308 | \$305 | \$7,491 | \$312 | \$7,491 | \$312 |
| Total Non-Controllable Expenses | \$36,791 | \$1,533 | \$38,566 | \$1,607 | \$42,972 | \$1,790 |
| Total Operating Expenses | \$96,927 | \$4,039 | \$91,150 | \$3,798 | \$104,556 | \$4,356 |
| Net Operating Income | \$209,209 | \$8,717 | \$242,362 | \$10,098 | \$317,061 | \$13,211 |
| Replacement Reserves | - | - | \$4,800 | \$200 | \$4,800 | \$200 |
| Net Operating Income After Reserves | \$209,209 | \$8,717 | \$237,562 | \$9,898 | \$312,261 | \$13,011 |
| | | - | | - | | - |
| Cap Rate | 5.81% | - | 6.60% | - | 8.67% | - |
| Expense Ratio (% EGI) | 32% | - | 27% | - | 25% | - |

CASH FLOW PROJECTIONS

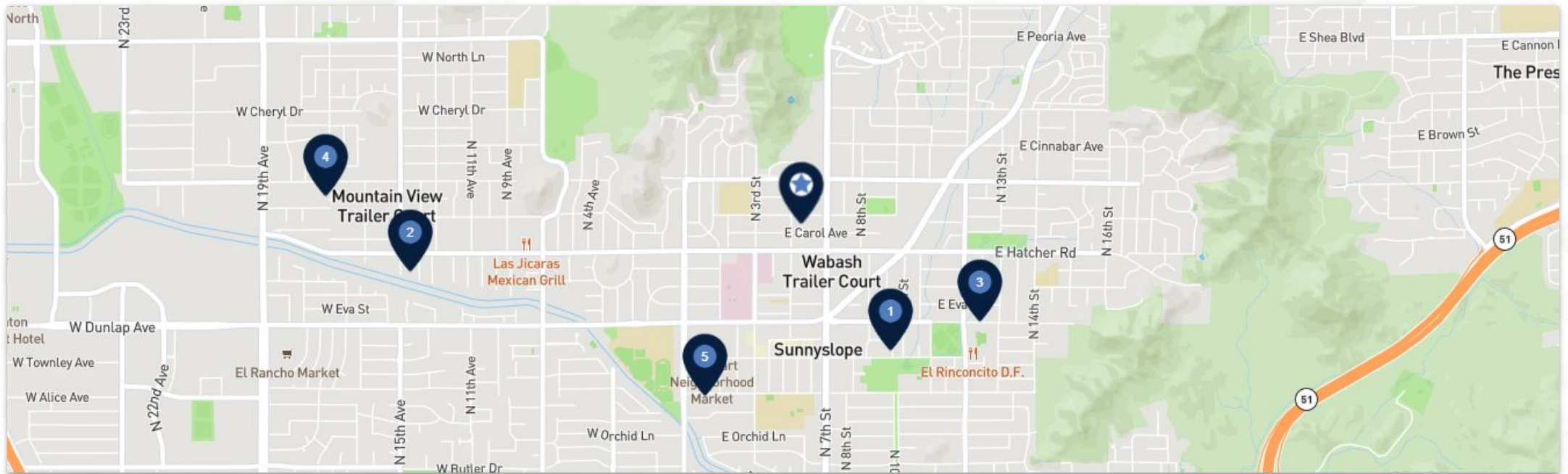
| Unlevered Returns | Total | At Close | MARKET | SEC 8 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--------------------------|---------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Purchase Basis | (\$3,600,000) | (\$3,600,000) | | | | | | | | | | |
| Closing Costs | (\$9,000) | (\$9,000) | - | - | - | - | - | - | - | - | - | - |
| Renovation Cost | \$- | | - | - | - | - | - | - | - | - | - | - |
| Net Operating Income | \$3,431,459 | | 237,562 | 312,261 | 322,391 | 330,609 | 346,321 | 355,140 | 364,180 | 375,684 | 387,543 | 399,769 |
| Gross Disposition Price | \$5,922,504 | | - | - | - | - | - | - | - | - | - | 5,922,504 |
| Selling Costs | (\$236,900) | | - | - | - | - | - | - | - | - | - | (236,900) |
| Unlevered Cash Flows | \$5,508,063 | (\$3,609,000) | \$237,562 | \$312,261 | \$322,391 | \$330,609 | \$346,321 | \$355,140 | \$364,180 | \$375,684 | \$387,543 | \$6,085,373 |

| | |
|--------------------------|--------------------|
| Unlevered IRR | 12.35% |
| Unlevered Profits | \$5,508,063 |
| Equity Multiple | 2.53x |

| Levered Returns | Total | At Close | MARKET | SEC 8 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|------------------------|---------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Total Purchase Price | (\$3,600,000) | (\$3,600,000) | | | | | | | | | | |
| Closing Costs | (\$9,000) | (\$9,000) | | | | | | | | | | |
| Renovation cost | \$- | | - | - | - | - | - | - | - | - | - | - |
| Net Operating Income | \$3,431,459 | | 237,562 | 312,261 | 322,391 | 330,609 | 346,321 | 355,140 | 364,180 | 375,684 | 387,543 | 399,769 |
| Debt Proceeds | \$2,100,000 | 2,100,000 | | | | | | | | | | |
| Debt Service | (\$1,515,467) | | (133,500) | (133,500) | (133,500) | (159,281) | (159,281) | (159,281) | (159,281) | (159,281) | (159,281) | (159,281) |
| Debt Repayment | (\$1,905,839) | - | - | - | - | - | - | - | - | - | - | (1,905,839) |
| Gross Terminal Value | \$5,922,504 | | - | - | - | - | - | - | - | - | - | 5,922,504 |
| Selling Costs | (\$236,900) | | - | - | - | - | - | - | - | - | - | (236,900) |
| Levered Cash Flows | \$4,186,757 | (\$1,509,000) | \$104,062 | \$178,761 | \$188,891 | \$171,328 | \$187,040 | \$195,859 | \$204,899 | \$216,403 | \$228,262 | \$4,020,253 |

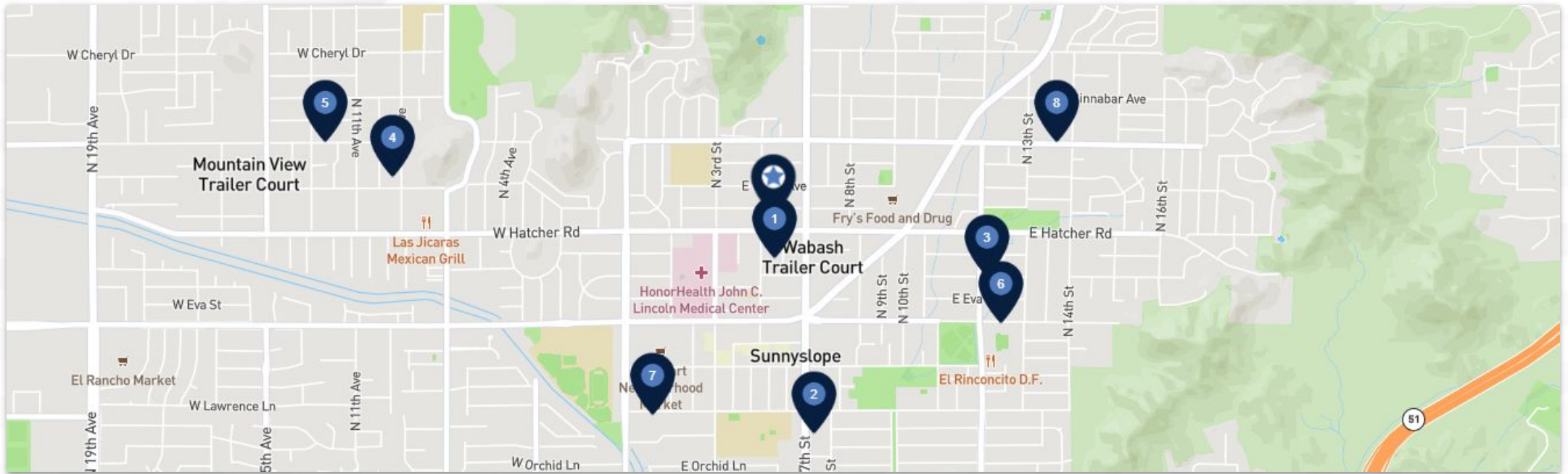
| | |
|------------------------|--------------------|
| Levered IRR | 18.1% |
| Levered Profits | \$4,186,757 |
| Equity Multiple | 3.77x |

| | | | | | | | | | | | | | |
|---------------------|------------|---------------|--|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cash on Cash | AVG | 12.70% | | 6.90% | 11.85% | 12.52% | 11.35% | 12.39% | 12.98% | 13.58% | 14.34% | 15.13% | 15.94% |
| DSCR | | | | 1.78x | 2.34x | 2.41x | 2.08x | 2.17x | 2.23x | 2.29x | 2.36x | 2.43x | 2.51x |



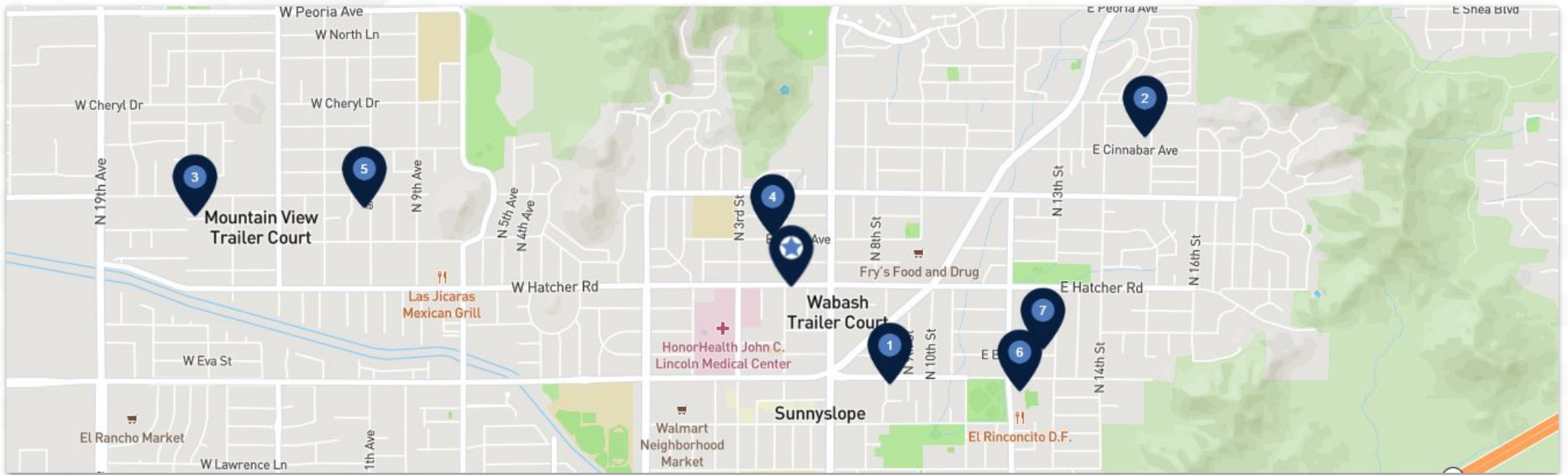
SALES COMPARABLES

| | PROPERTY ADDRESS | PROPERTY NAME | SALE DATE | YEAR BUILT | # UNITS | SALE PRICE | PRICE PER UNIT | PRICE PER SF |
|----------|-------------------------|--------------------------|------------|-------------|-----------|--------------------|------------------|--------------|
| S | 510 E Hatcher Rd | Hatcher Heights | - | 1985 | 24 | \$3,600,000 | \$150,000 | \$250 |
| 1 | 840 E Townley Ave | - | 7/31/2023 | 1981 | 19 | \$3,500,000 | \$184,211 | \$288 |
| 2 | 9844 N 11th Ave | Mountain View Apartments | 12/19/2023 | 1964 | 16 | \$2,500,000 | \$156,250 | \$258 |
| 3 | 1224 E Dunlap Ave | - | 7/28/2023 | 1980 | 8 | \$1,650,000 | \$206,250 | \$255 |
| 4 | 1703 W Mountain View Rd | - | 8/21/2023 | 1982 | 16 | \$2,260,000 | \$141,250 | \$213 |
| 5 | 8801 N 1st St | - | 4/19/2024 | 1971 | 6 | \$1,300,000 | \$216,667 | \$283 |
| | Average | - | - | 1977 | 13 | \$2,242,000 | \$180,925 | \$259 |



RENT COMPARABLES

| | PROPERTY ADDRESS | YEAR BUILT | UNIT MIX | UNIT SIZE | RENT | RENT PSF |
|----------|--------------------------|-------------|------------|------------|----------------|---------------|
| S | 510 E Hatcher Rd | 1986 | 1+1 | 536 | \$953 | \$1.78 |
| | | | 2+1 | 661 | \$1,055 | \$1.60 |
| 1 | 513 E Hatcher Rd | 1972 | 1+1 | 496 | \$1,225 | \$2.47 |
| 2 | 8639 N 7th St | 1959 | 1+1 | 750 | \$1,295 | \$1.73 |
| | | | 2+1 | 925 | \$1,350 | \$1.46 |
| 3 | 9201 N 12th St | 1974 | 1+1 | 550 | \$1,150 | \$2.20 |
| 4 | 9644 N 11th Ave | 1964 | 1+1 | 550 | \$1,200 | \$2.18 |
| 5 | 1212 W Mountain View Rd | 1986 | 2+1 | 700 | \$1,250 | \$1.79 |
| 6 | 1224 E Dunlap Ave | 1980 | 2+1 | 750 | \$1,325 | \$1.77 |
| 7 | 8801 N 1st St | 1971 | 2+1 | 765 | \$1,375 | \$1.80 |
| 8 | 1346 E Mountain View Rd | 1986 | 2+1 | 820 | \$1,400 | \$1.71 |
| | Average | 1972 | - | 706 | \$1,290 | \$1.88 |
| | Average 1 Bedroom | 1967 | 1x1 | 574 | \$1,205 | \$2.14 |
| | Average 2 Bedroom | 1976 | 2x1 | 793 | \$1,347 | \$1.71 |



SECTION 8 RENT COMPARABLES

| | PROPERTY ADDRESS | YEAR BUILT | UNIT MIX | UNIT SIZE | RENT | RENT PSF |
|---|--------------------------|-------------|----------|------------|----------------|---------------|
| 1 | 801 E Dunlap Ave | 1980 | 1x1 | 529 | \$1,760 | \$3.33 |
| 2 | 1452 E Cinnabar | 1980 | 1x1 | 650 | \$1,550 | \$2.38 |
| 3 | 9633 N 17th Ave | 1983 | 1x1 | 650 | \$1,201 | \$1.85 |
| | | | 2x1 | 750 | \$1,351 | \$1.80 |
| 4 | 338 E Vogel Ave | 1962 | 1x1 | 550 | \$1,450 | \$2.64 |
| | | | 2x1 | 650 | \$1,650 | \$2.54 |
| 5 | 9644 N 11th Ave | 1964 | 1x1 | 600 | \$1,625 | \$2.71 |
| | | | 2x1 | 750 | \$2,040 | \$2.72 |
| 6 | 1224 E Dunlap | 1980 | 2x1 | 800 | \$1,695 | \$2.12 |
| 7 | 1233 E Mission Ln | 1955 | 2x1 | 700 | \$1,400 | \$2.00 |
| | Average | 1971 | | 663 | \$1,572 | \$2.41 |
| | Average 1 Bedroom | 1974 | | 596 | \$1,517 | \$2.57 |
| | Average 2 Bedroom | 1969 | | 730 | \$1,627 | \$2.24 |

AREA OVERVIEW

Hatcher Heights

Phoenix, AZ



#58 MOST DIVERSE CITIES IN AMERICA

(Niche, 2022)

#19 BEST PLACE TO RAISE A FAMILY IN PHOENIX AREA

(Niche, 2022)



PHOENIX, AZ

With a population of more than 1.6 million residents, the city of Phoenix is the capital and the most populous city in Arizona. It is also the fifth-most populous city in the nation. The Phoenix Metropolitan Area – often referred to as the Valley of the Sun, the Salt River Valley, or Phoenix Metro – is centered on the city of Phoenix, which includes much of the central part of the U.S. state of Arizona. The United States Office of Management and Budget designates the area as the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA), defining it as Maricopa and Pinal counties. Greater Phoenix encompasses 2,000 square miles and more than 20 incorporated cities, including Glendale, Scottsdale, Tempe, and Mesa. Maricopa County, in which Phoenix is located, covers more than 9,000 square miles. Phoenix’s horizon is defined by three distinct mountains: South Mountain, Camelback Mountain, and Piestewa Peak.

DEMOGRAPHICS

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|-----------------------|--------|---------|---------|
| Current Year Estimate | 19,560 | 176,631 | 442,650 |

| HOUSEHOLDS | 1-MILE | 3-MILE | 5-MILE |
|-----------------------|--------|--------|---------|
| Current Year Estimate | 10,183 | 76,226 | 168,034 |

| INCOME | 1-MILE | 3-MILE | 5-MILE |
|--------------------------|----------|----------|-----------|
| Average Household Income | \$87,149 | \$94,139 | \$100,099 |



MAJOR EMPLOYERS

| EMPLOYERS | EMPLOYEES |
|--------------------------|-----------|
| Banner Health | 45,918 |
| State of Arizona | 41,606 |
| Wal-Mart Stores Inc. | 36,995 |
| Arizona State University | 35,474 |
| Fry's Food Stores | 20,235 |
| City of Phoenix | 16,432 |
| Wells Fargo & Co | 16,300 |
| University of Arizona | 16,021 |
| City of San Diego | 15,403 |
| Kaiser Permanente | 13,648 |

PHOENIX ECONOMY

The Phoenix Metropolitan area has historically been the center of the state's economy. As with the state of Arizona, the area relied on the five C's (copper, cattle, climate, citrus, and cotton) for its economic growth and expansion. After World War II, the area entered the manufacturing industry, which spurred the growth of what would eventually be one of the largest urban areas in the nation. The economy in Phoenix is growing, as 200 new residents each day move to the state as renters search for affordability.

The technology and service industries currently account for almost 77% of total employment in the region. Phoenix also has a significant business sector. It is home to several headquarters of Fortune 1000 companies, which include Avnet, Freeport-McMoRan, Republic Services, Magellan Health, Sports Farmers Market, ON Semiconductor, Knight-Swift Transportation Holdings, and Pinnacle West Capital. According to Forbes, Phoenix has a gross metro product of \$255.9 billion.

Nicknamed the "Valley of the Sun," the Greater Phoenix area sees more sunshine than any other metro area in the country. That in and of itself is enough to entice people to lay down roots, but Arizona's capital also features a desirable combination of a thriving job market, a relatively low cost of living, and plenty of ways to enjoy the nice weather.



TOURISM

At over 16,000 acres, South Mountain Park and Preserve is the largest municipal park in the United States, and one of the largest urban parks in North America and the world. It has been designated as a Phoenix Point of Pride. The 30 trails across the park offer a wide variety of options for hikers and mountain bikers, from novices to the most experienced.

Phoenix Raceway is a 1-mile, low-banked tri-oval racetrack located in Avondale, Arizona, near Phoenix. The motorsport track opened in 1964 and currently hosts the NASCAR race weekends every year generating \$425 million in economic activity annually. Phoenix Raceway has also hosted the CART, IndyCar Series, USAC, and the WeatherTech SportsCar Championship. The raceway is currently owned and operated by NASCAR.

The Phoenix Open is a professional golf tournament on the PGA Tour at the Tournament Players Club (TPC) of Scottsdale, Arizona. The event's relaxed atmosphere, raucous by the standards of professional golf, has earned it the nickname "The Greatest Show on Grass" and made it one of the most popular events on the PGA Tour calendar. Waste Management estimated the total economic impact from the tournament and its fans at over \$400 million, one of the largest financial impacts of any golf event in the nation.

The Phoenix Zoo opened in 1962 and is the largest privately owned, non-profit zoo in the United States. Located in Phoenix, Arizona serves 1.4 million guests annually and operates on 125 acres of land in the Papago Park area of Phoenix. It has been designated as a Phoenix Point of Pride. The zoo has over 3,000 animals on display and contains 2.5 miles of walking trails.



HIGHER EDUCATION - ARIZONA STATE UNIVERSITY

Arizona State University is a public metropolitan research university on five campuses across the Phoenix metropolitan area, and four regional learning centers throughout Arizona. With over 135,000 enrolled students (over 11,000 in its Downtown Phoenix campus), ASU is one of the largest public universities by enrollment in the U.S. Recognized by U.S. News & World Report as the country's most innovative school, Arizona State University is where students and faculty work with NASA to develop, advance, and lead innovations in space exploration.

This is where Nobel laureates and Pulitzer Prize winners teach master learners. This is where nationally-ranked and internationally-ranked programs prepare next-generation innovators to thrive while advancing pioneering research, strategic partnerships, entrepreneurship, and economic development. ASU offers more than 400 accredited undergraduate degree programs and majors and more than 590 graduate degree programs and certificates.

ASU's nationally ranked programs inspire the top-qualified graduates and have positioned the university as a "top tier" recruiting and hiring institution by more than 50 of the country's top corporations, according to professional recruiters and rankings services around the world. ASU graduates more than 20,000 thinkers, innovators, and master learners every year.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **510 E HATCHER RD., PHOENIX, AZ, 85020** (“Property”). The 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 Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate 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 and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services 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.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

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 Matthews Real Estate Investment Services 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 of this Offering Memorandum.

HATCHER HEIGHTS

510 E HATCHER RD., PHOENIX, AZ, 85020

OFFERING MEMORANDUM

EXCLUSIVELY LISTED BY:

BRAD SKENDERIAN

ASSOCIATE

DIRECT +1 (602) 975-0816

MOBILE +1 (949) 533-5594

brad.skenderian@matthews.com

License No. SA692958000(AZ)



KYLE INMAN

SENIOR ASSOCIATE

DIRECT +1 (602) 975-0805

MOBILE +1 (480) 703-8955

kyle.inman@matthews.com

License No. SA691658000 (AZ)



DAVID CAMERON

SENIOR ASSOCIATE

DIRECT +1 (602) 848-3438

MOBILE +1 (480) 881-8100

david.cameron@matthews.com

License No. 709899000 (AZ)



BROKER OF RECORD

SIMON ASSAF

License No. CO701910000 (AZ)