











MEDICAL OFFICE OFFERING
4434 N 12TH STREET, PHOENIX AZ 85014



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INVESTMENT OVERVIEW

4434 N 12TH STREET, PHOENIX, AZ 85014

LIST PRICE:	\$3,750,000
CURRENT LEASE COMMENCEMENT:	November 18th, 2022
CURRENT LEASE MATURITY:	November 17th, 2027
ADDITIONAL LEASE OPTIONS:	Yes, One (1) Additional 5-Year Term
LANDLORD:	12th Street Land Systems LLC
TENANT:	PA Arizona MSO, LLC (Parent is Pediatric Associates)
LEASE STRUCTURE:	NNN
BASE RENT AT COMMENCEMENT:	\$20,058 Per Month
MONTHLY RENT THROUGH 11/17/24:	\$20,659.74
ESCALATIONS:	3% Annually
APN:	155-14-042
SQUARE FEET:	9,887 SF
SITE:	23,800 SF (.54 AC)

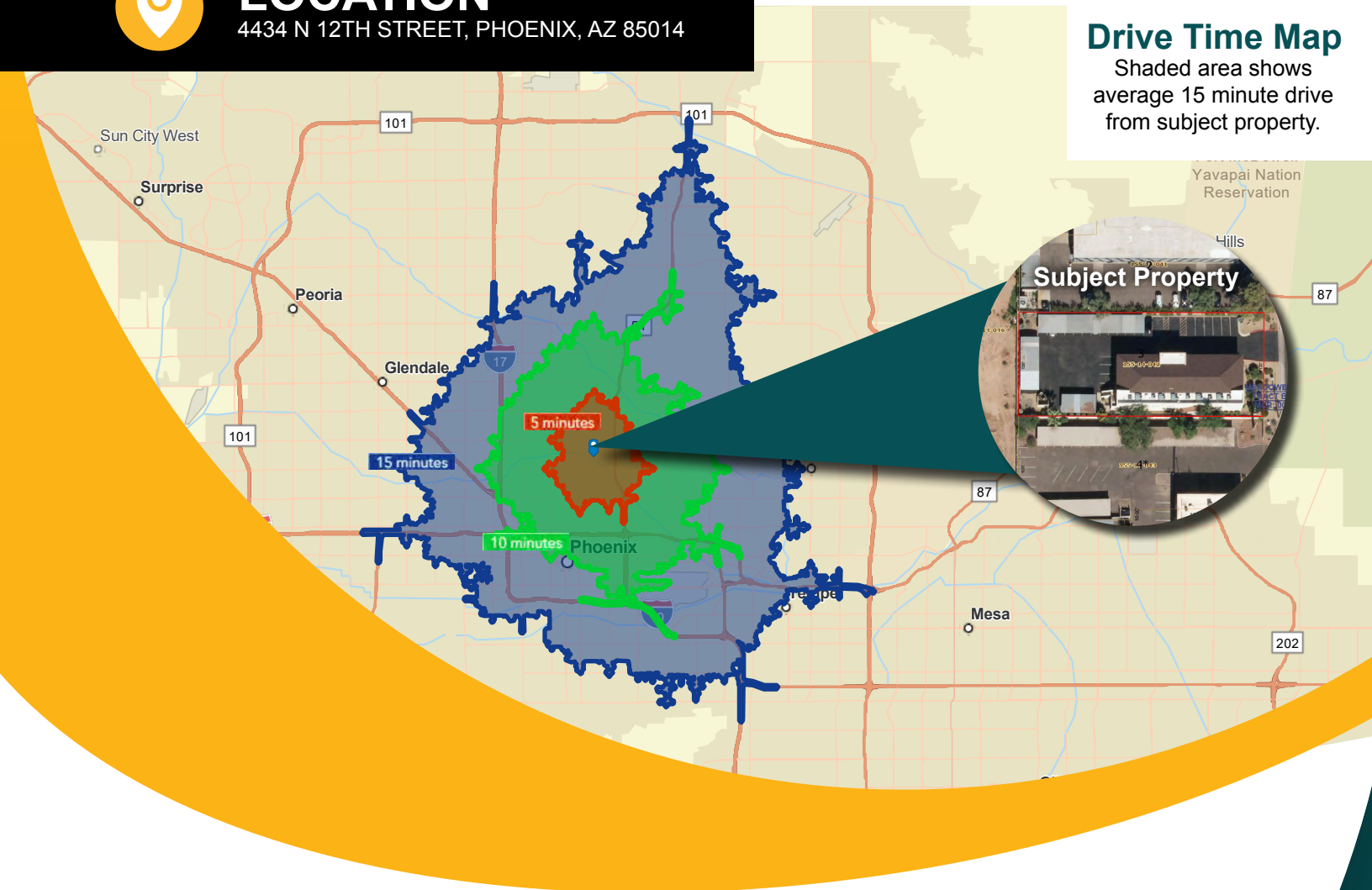


LOCATION

4434 N 12TH STREET, PHOENIX, AZ 85014

Drive Time Map

Shaded area shows average 15 minute drive from subject property.



This two-story Medical Office Building is in the heart of Central Phoenix. Ideally situated within 3.5 miles of St. Joseph's, Banner University and Phoenix Children's Hospitals. The building is 9,887 Square Feet and sits on a 23,800 Square Foot Parcel. The building was built in 1983 and remodeled in 2010 for Pediatric Medicine. The office has 14 exam rooms, 4 private offices, a conference area, a generous nurse's station and reception, Staff Lounge, 5 restrooms and multiple storage areas.





TENANT

4434 N 12TH STREET, PHOENIX, AZ 85014



**PEDIATRIC
ASSOCIATES**

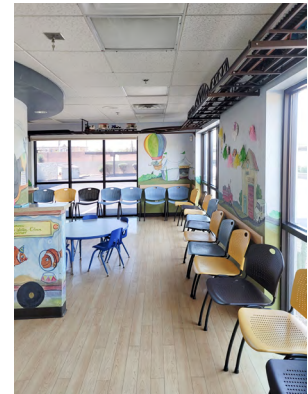
FAMILY OF COMPANIES

The property is home to the most respected pediatric medical practice in Phoenix. Phoenix Pediatrics has been in operation for more than 40 years. The current ownership is "Pediatric Associates" purchased the practice in 2022 and is a family of national brands that specialize in children's healthcare. The collections of brands include 260 nationwide locations, over 1000 clinicians caring for more than 1.5 million active patients. [The Pediatric Associates Family of Companies \(thepafc.com\)](https://thepafc.com)



PHOTO GALLERY

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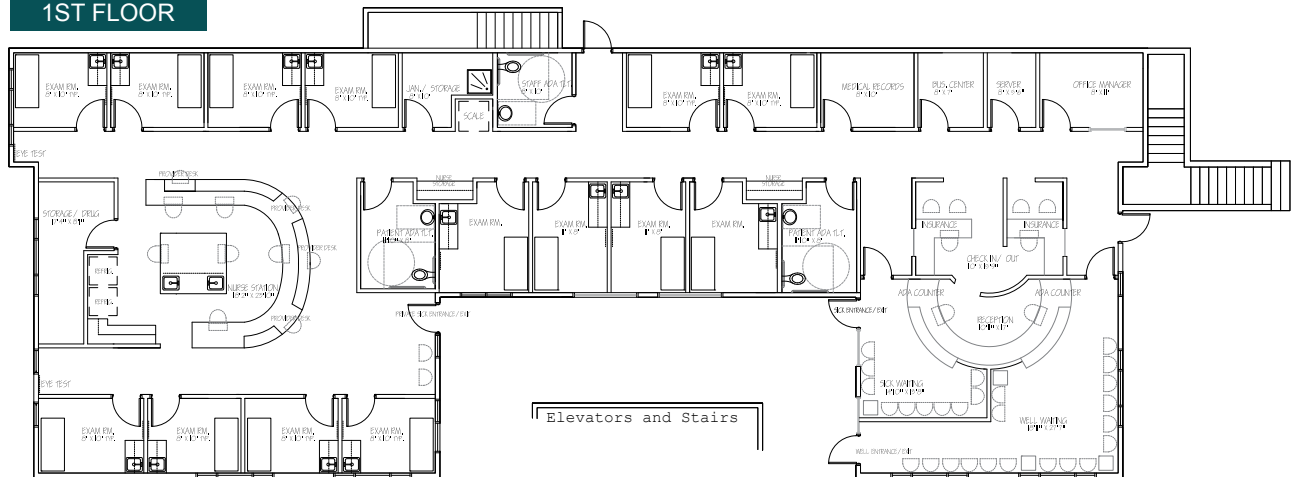




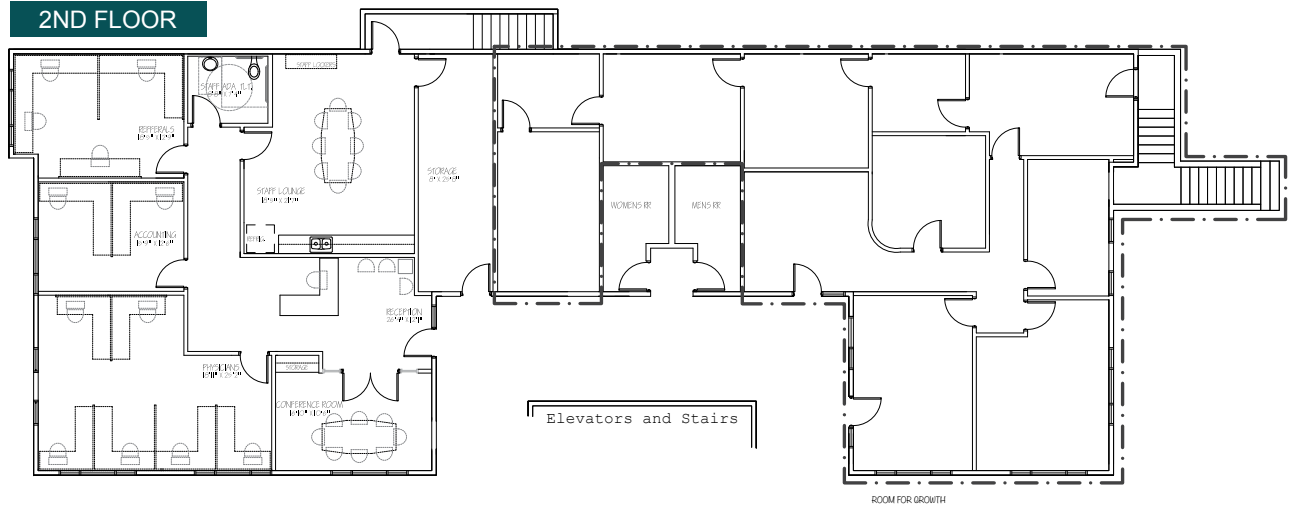
FLOORPLANS

4434 N 12TH STREET, PHOENIX, AZ 85014

1ST FLOOR



2ND FLOOR





LEASE SCHEDULE

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The current lease in place runs through November of 2027.
The practice has an additional 5-year option.

Period	Monthly Rent	Annual Rent	CAP Rate @ \$3,750,000 Sales Price
11/18/22 – 11/17/23	\$20,058.00	\$240,696.00	6.41%
11/18/23 – 11/17/24	\$20,659.74	\$247,916.88	6.61%
11/18/24 – 11/17/25	\$21,279.53	\$255,354.39	6.81%
11/18/25 – 11/17/26	\$21,917.92	\$263,014.99	7.01%
11/18/26 – 11/17/27	\$22,575.46	\$270,905.49	7.22%

Upcoming 12 Month Period	Annual Rent	CAP Rate
07/01/24 – 06/30/25	\$252,565.00	6.74%



ACTUAL 2023 OPERATING STATEMENT ANALYSIS

4434 N 12TH STREET, PHOENIX, AZ 85014

PERIOD ANALYZED - 2023

OPERATING INCOME

2023 Average Monthly Receipts	\$28,184.25
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% Vacancy and Credit Losses	0.00%
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Total Vacancy Loss	-
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Utilities Collected	-
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Gross Monthly Operating Income	\$28,184.25
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MONTHLY OPERATING EXPENSES

Property Management Fees	-
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Repairs and Maintenance	\$1,478.00
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Real Estate Taxes	\$3,200.00
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Utilities	\$2,633.58
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Accounting and Legal	\$266.75
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Misc Other	\$77.00
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Monthly Operating Expenses	\$7,655.33
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NET OPERATING INCOME (NOI)

Total Annual Operating Income	\$338,211.00
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Total Annual Operating Expense	\$91,863.96
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Annually Net Operating Income	\$246,347.04
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CAPITALIZATION RATE AND VALUATION

Asking Price	\$3,750,000.00
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Actual 2023 Capitalization Rate	6.57%
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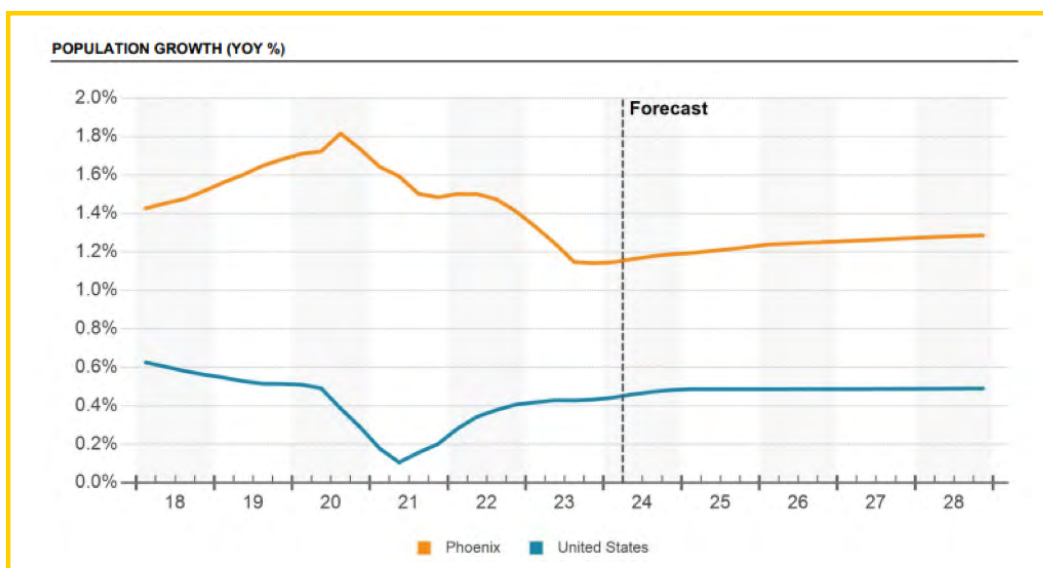


THE PHOENIX MARKET

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Phoenix remains one of the nation's better-performing markets for employment growth, adding 43,200 jobs in 2023. The labor market now has 166,000 more jobs than it did before the pandemic, the sixth-largest gain in the nation. The local economy was highly resilient during the pandemic, thanks to a diversified employment base across a broad range of industries. Metro Phoenix lost about a quarter of a million positions in March and April 2020, but by July 2021, Phoenix fully regained those losses, a full year ahead of the U.S. This marks a stark contrast to its protracted recovery from the global financial crisis, when Phoenix didn't recoup its job losses until well after the broader nation did. The competitive advantage and growth drivers that have historically stimulated growth in the Valley remain strong. Relative affordability and job prospects are attracting people living in dense and expensive cities to Phoenix. Population growth, a diversifying economy, relative affordability, and business-friendly regulation have strengthened the Phoenix value proposition.

These characteristics attracted an average of 175 net new people to the Phoenix metro each day in 2022 and made Maricopa County the fastest-growing county in the country, on an absolute basis. An influx of residents and the market's large educational institutions and colleges are significant contributors to the local talent pool. Metro Phoenix is home to the country's largest public and private universities: Arizona State University (ASU) and Grand Canyon University (GCU). ASU enrollment surpassed 145,000 students in fall 2023, spread across five campuses and including online students. Beyond producing new graduates, the universities collaborate with local employers on research and classroom curricula. Additionally, the strong private public partnership between the local employers and the state's excellent community college system supports the upskilling of talent, strengthening the area's workforce.



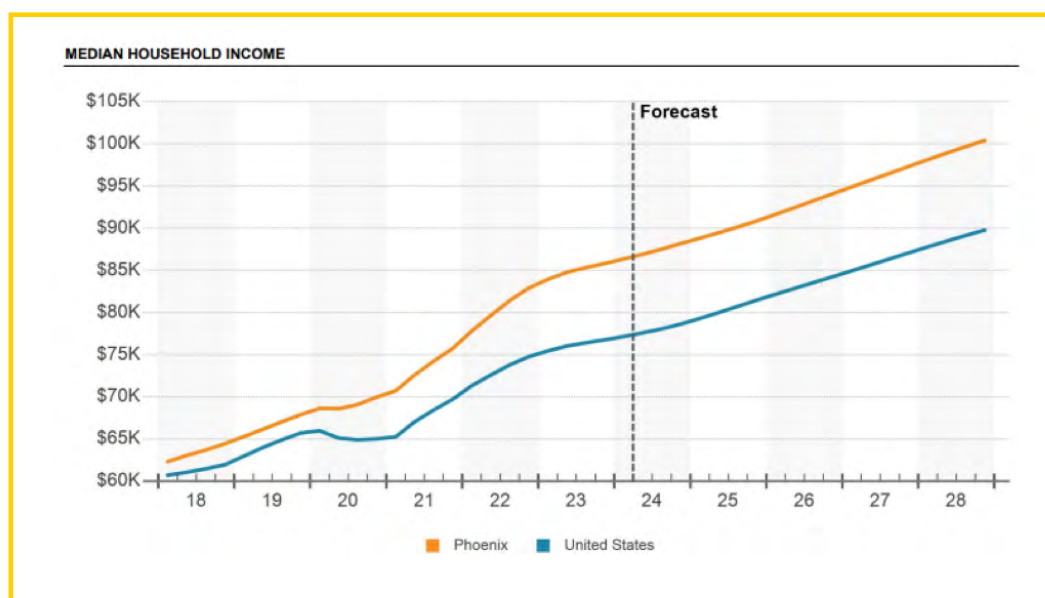


THE PHOENIX MARKET

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Businesses are selecting Phoenix to expand because of the extensive labor pool and favorable regulatory treatment. Numerous employers have announced expansions and relocations since the pandemic. Taiwan Semiconductor Manufacturing Company (TSMC) made national headlines when it confirmed plans to build a second fabrication plant in north Phoenix. The move increases the firm's investment from \$12 billion to \$40 billion, creating 10,000 high-tech jobs. Preliminary estimates from city economic development officials indicate the investment by TSMC could bring up to 45 additional businesses to the Valley that support and supply the plant. For example, Amkor announced plans to build a \$2 billion advanced semiconductor packaging and testing facility near TSMC, bringing 2,000 jobs to the Valley. Additionally, Intel is underway on a \$20 billion expansion at its Chandler campus, where the semiconductor giant is building two new fabs alongside its four existing ones. Microsoft, Google, and Apple have invested in data centers throughout the metro area.

The Office market has had its ups and downs in this age post pandemic. The obvious detriment has been the retreat of general office users to their homes in the age of a remote labor force. The medical office market in metro Phoenix however has been vibrant. Fueled by the residential population growth that continues to outpace much of the country the continued need for people living in the valley is healthcare. The overall economy in Phoenix remains a better performing market in the country.



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For more information consult Designated Broker,

Susan McCall, CCIM

Designated Broker/Owner

Direct 480-452-6731

Susan@CommercialPropertyConnect.com

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Please feel free to reach out with additional questions.



Susan McCall, CCIM

Designated Broker/Owner
Direct 480-452-6731

susan@CommercialPropertyConnect.com



Samantha Borelli

Licensed Broker/Agent Support
Direct 303-478-0633

Sam@CommercialPropertyConnect.com



606 N Stapley Drive Mesa, AZ 85203
Phone (480) 565-7689 | **Fax** (480) 320-4087

www.CommercialPropertyConnect.com