



# INDUSTRIAL SALE LEASEBACK

1330 W HARWELL RD | GILBERT, AZ 85233

OFFERING MEMORANDUM



## EXCLUSIVE LISTING AGENTS:

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# INVESTMENT SUMMARY



## INVESTMENT OVERVIEW

Matthews Real Estate Investment Services™ is pleased to offer the opportunity to acquire a single tenant industrial sale-leaseback in a rare dense Gilbert in-fill area. This asset will be leased by Gilbert Precision Machine, a machine shop that has been supporting and servicing various local and national companies over the last 25 years.

Gilbert Precision Machine has occupied the asset since 2000 and will be executing a 3-year absolute net sale-leaseback upon close of escrow.

This location is used by Gilbert Precision Machine for their office, outside storage, warehousing, and manufacturing. Strategically located, the property is located in the heart of the East Valley and Gilbert, less than 18 minutes from Sky Harbor International Airport, and close to the surrounding major highways including Loop 202 and Loop 101. In addition, one of the country's most populous universities, Arizona State University, is just a 15-minute drive from the asset.

This offering presents the opportunity to own a scarce product type in a submarket with high barriers to entry as well as a stabilized local tenant with a passive ownership structure.

\*Warehouse is both AC and Swamp cooled; Office is AC only



### PRICE

\$1,400,000



### YEAR BUILT

2000



### PRICE PER SF

\$166



### RBA

±8,429 SF



### PARKING SPACES

18



### POWER

1,200 AMPS,  
120/208V



### ZONING

LI



### LOT SIZE

±0.66 AC





## INVESTMENT HIGHLIGHTS

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- **Single Tenant Industrial Sale Leaseback** – Strong Local Tenant who has been in operation for over 25 years, with desirable lease fundamentals
- **Ideal Exchange Investment** – Absolute Net Lease structure provides a very passive investment vehicle for both local and out of town investors
- **Scarce Product Type** – Located in a dense and populated submarket with high barrier to entry, low vacancy, and rising lease rates
- **Inflation Protected Lease Structure** – Lease Features Annual Rental Increases throughout base term to hedge against inflation



## LOCATION HIGHLIGHTS

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- **Top Submarket (Chandler N/Gilbert)** – Gilbert, an accessible and sought-after industrial submarket in the Phoenix MSA that has attracted significant demand from national tenants and investors due to it's proximity to an expansive workforce, a wealth of amenities and many of the nation's most influential companies.
- **Robust Demographics** – Local demographics feature a population base of over 435,824 in a 5-mile radius, which is expected to grow 1% a year over the next 5 years and includes an affluent and educated population with an average household income of over \$77,063.
- **Ease of Access** – Located right off the US 60 freeway, which strategically locates the property in the heart of the East Valley. In addition, the property is near the Interstate 10, Arizona State University, and Phoenix Sky Harbor International Airport



## TENANT HIGHLIGHTS

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- **E-Commerce Resistant Tenant** – Highly sought-after investments for their insulation from e-commerce



RENT ROLL

	SF	ANNUAL RENT PSF	TERM	LEASE TYPE	ANNUAL RENT BUMPS	YEAR 1 NOI	YEAR 2 NOI	YEAR 3 NOI
Gilbert Precision Machine	8,429	\$10.20	3 Years	Absolute Net	3%	\$85,975.80	\$88,555.07	\$91,211.72
Cap Rate						6.14%	6.33%	6.52%

NOTE

Any Extension Options shall reset to the greater of:  
A) the rent in place for the period immediately preceding lease expiration or  
B) Based on National CPI









A photograph of a modern industrial building with a grey stone facade and horizontal silver bands. The building is partially covered by large green trees. A sign on the upper left side of the building reads "GILBERT PRECISION MACHINE". In the foreground, there is a low stone wall and some landscaping with green plants and mulch. A dark grey pickup truck is partially visible on the right side of the image.

GILBERT  
PRECISION  
MACHINE

# TENANT SUMMARY



## GILBERT PRECISION MACHINE

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Gilbert Precision Machine has built a solid reputation since 1986, both locally and nationally, by manufacturing components for all types of industries. The Company has completed a wide variety of national and international projects ranging from the automotive, semiconductor, aerospace, and energy and mining sectors for almost 30 years.

## THE KNOWLEDGEABLE AND EXPERIENCED STAFF PROVIDES THE FOLLOWING SERVICES:

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- CNC Lathe Turning
- CNC Milling
- Plunge EDM
- Close Tolerance Grinding
- Component Assembly
- Value Add Purchasing Options
- Production Status Reports
- Component Inspection Data
- Inventory Management







± 214,000 VPD



E. BASELINE RD  
± 38,000 VPD

**ARIZONA REPUBLIC**  
DISTRIBUTION WAREHOUSE

SUBJECT  
PROPERTY

N. HOBSON ST





AMERICAN AUTO RECYCLING

COSTCO  
WHOLESALE  
WinCo  
FOODS

UPERLITE  
BLOCK  
an Oldcastle company

Walmart  
Supercenter

EMPIRE CAT

FleetPride  
TRUCK & TRAILER PARTS

United  
Rentals

THE  
HOME  
DEPOT

PHOENIX  
± 13 MILES AWAY

TEMPE  
± 6 MILES AWAY

60

± 214,000 VPD

MARICOPA  
CITY SERVICES

enterprise

QT

Mesa  
CITY ELECTRIC SUPPLY

ATAS International, Inc.  
Sustainable Building Envelope Technology

H.P.I.

PHOENIX  
SAN MAN

Bromley's  
Corvettes

POWER ELECTRONICS

ARIZONA REPUBLIC  
DISTRIBUTION WAREHOUSE

E. BASELINE RD  
± 38,000 VPD

SUBJECT  
PROPERTY

N. HOBSON ST



An aerial night photograph of a city skyline, likely downtown Los Angeles, showing numerous illuminated skyscrapers and a dense urban grid. A prominent skyscraper in the center features a 'CHASE' logo. The image is overlaid with a semi-transparent black box in the bottom-left corner containing the text 'AREA OVERVIEW'.

# AREA OVERVIEW



## GILBERT, AZ

Gilbert is a town in Maricopa County, Arizona located southeast of Phoenix, within the Phoenix metropolitan area. Gilbert is currently the most populous incorporated town in the United States and has made a rapid transformation from an agriculture-based community to an economically diverse suburban center. The city boasts one of the highest median incomes in the state of Arizona at \$85,187.

Gilbert may be a large town, but its friendly atmosphere and unique amenities are a continual draw for visitors. Situated only 17 miles southeast of Phoenix, Gilbert offers easy access and a quick commute to two airports.

With attractive demographics, award-winning amenities, strategically identified business incentives, and high-profile developments, Gilbert offers immediate, attainable economic opportunities for industry-leading companies. Gilbert's current population estimate of 266,971 doubled every five years from 1980-2000. By 2030, Gilbert is expected to be fully built out, with an anticipated population of over 300,000. While Gilbert is growing to be one of the largest municipalities in Arizona, the community remains youthful and vibrant. With a median age of 33.8 and 67.6 percent of the population under the age of 45, Gilbert provides an abundant pipeline of talent to support the growth of business and industry.



### MESA

Drive Time: Approximately 15 minutes  
Directions: From Mesa, head South on AZ State Route 87, then continue East on U.S. Route 60

### PHOENIX

Drive Time: Approximately 30 minutes  
Directions: From Phoenix, head East on I-10

### SCOTTSDALE

Drive Time: Approximately 30 minutes  
Directions: From Scottsdale, head South on AZ State Route 101

## QUICK FACTS



**#1**

City for Working Parents



**#3**

Best City to Find a Job in the U.S.



**#12**

Fastest Growing Community in the U.S.



**#2**

Safest City in the U.S.



**#9**

Best City for Families



**#22**

Best Place to Live in the U.S.





## PHOENIX METROPOLITAN AREA

The Phoenix Metropolitan Area – often referred to as the Valley of the Sun, the Salt River Valley, or Phoenix Metro – is a metropolitan area, centered on the city of Phoenix, that 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 elevation is 1,117 feet, and the city's horizon is defined by three distinct mountains: South Mountain, Camelback Mountain and Piestewa Peak.



**4.95 MILLION**  
2020 ESTIMATED  
POPULATION



**\$227.74 BILLION**  
GROSS METRO  
PRODUCT



**3.2%**  
EMPLOYMENT  
GROWTH



### POPULATION

	2021 ESTIMATE	2026 PROJECTION
<b>1-MILE</b>	6,445	6,864 (1.3% ↑)
<b>3-MILE</b>	158,856	168,556 (1.2% ↑)
<b>5-MILE</b>	435,519	461,918 (1.2% ↑)



### HOUSEHOLD

	2021 ESTIMATE	2026 PROJECTION
<b>1-MILE</b>	2,135	2,279 (1.3% ↑)
<b>3-MILE</b>	55,571	58,949 (1.2% ↑)
<b>5-MILE</b>	160,280	170,071 (1.2% ↑)



### AVG INCOME

	2021 ESTIMATE
<b>1-MILE</b>	\$101,859
<b>3-MILE</b>	\$75,278
<b>5-MILE</b>	\$80,170



\*SUBJECT PROPERTY DEMOGRAPHICS



## INDUSTRIAL TRENDS

Robust population and job growth in the Valley of the Sun have bolstered a rapidly growing consumer base in the region, which has generated industrial demand.

Last-mile delivery operators and logistics companies have seen an increase in demand due to the rise in online orders. Amazon signed several leases since the start of the year for both small (under 200,000 SF) and extensive distribution centers.

**Approximately 35 million consumers can be reached within a single day's truck ride from metro Phoenix**, fueling demand for industrial space among companies in the e-commerce, logistics, and construction industries. Phoenix has also become one of the most active data center markets in the country, not only because of the vast consumer base but also due to Arizona's tax incentive for data center development, a robust and growing power grid, and limited occurrence of natural disasters.

With relatively few barriers to development, a flourishing local economy, and favorable demographics, **new industrial supply has consistently poured into the market**. Much of the new supply is speculative and is primarily tailored to the logistics segment. Even with elevated levels of construction, strong demand has maintained a vacancy rate well below the market's historical average.

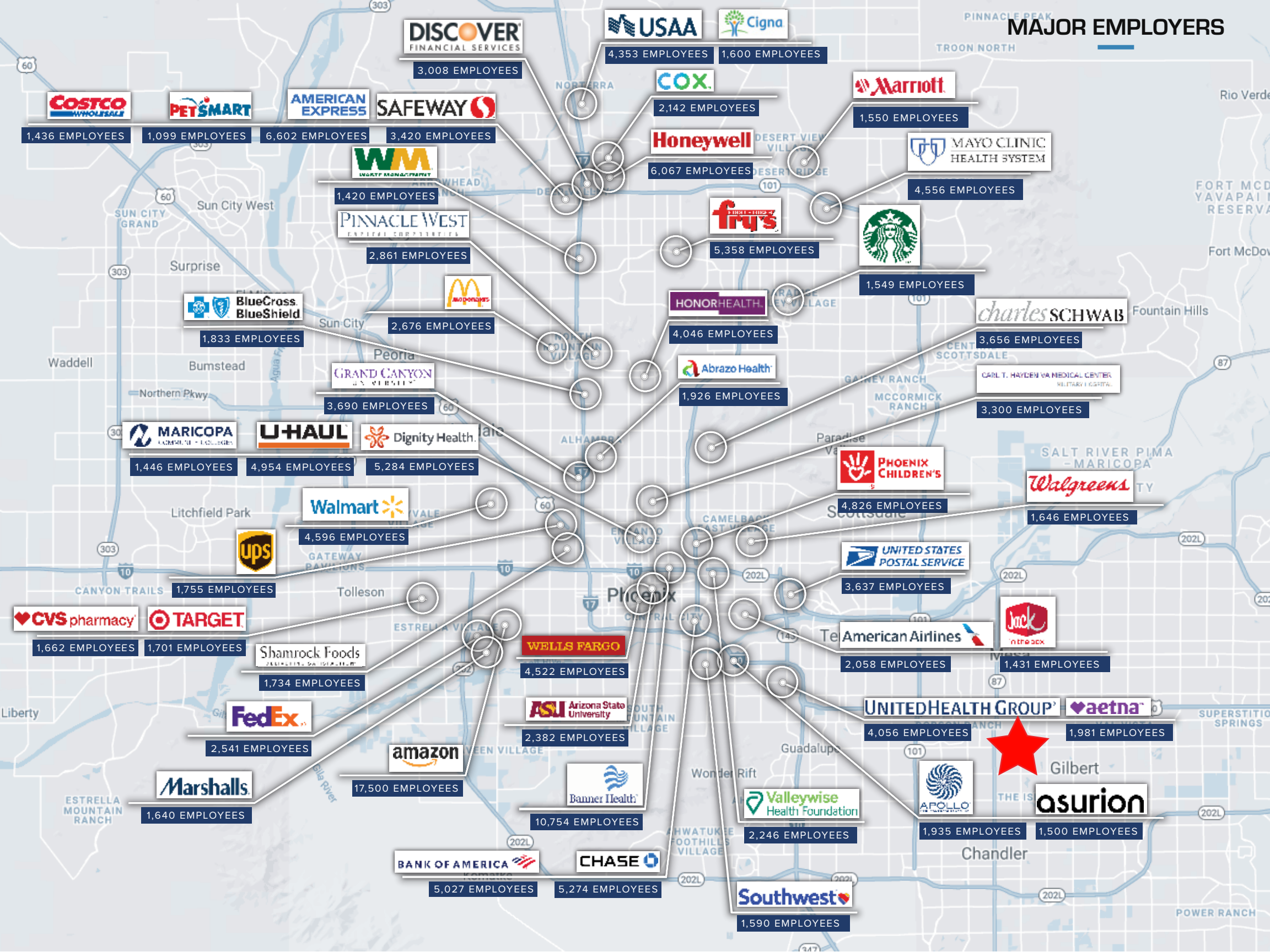
Many companies established industrial operations in Phoenix because of the low cost of doing business and proximity to major regional markets, particularly in California. **The average industrial rent in Phoenix is near the national average but is roughly 35%-40% below average rents in Los Angeles and Orange County.**

SOURCE: Costar

COMPONENTS BROKEN DOWN	
VACANCY	In recent years, e-commerce, third-party logistics, pharmaceuticals, food and beverage, data center operators, and advanced manufacturing firms have stimulated demand. <b>20Q2 marked the third-highest level of net absorption in the market's history</b> . Leasing activity has been strongest in the West Valley, including Tolleson, Goodyear, and Glendale. Tenants benefit from proximity to Interstate 10, which provides access to California within a one-day truck haul. Affordability of land, a vast labor pool, and new supply are also contributing factors that are fueling demand for space. Meanwhile, advanced manufacturers and last-mile operators are willing to pay a premium in high-growth areas in the East Valley, where they can draw from a strong talent pool in Tempe and Chandler.
CONSTRUCTION	Industrial construction has continued nearly uninterrupted. <b>About 11.8 million SF is underway, which accounts for 3.2% of the market's existing inventory. That ranks Phoenix among the top 10 industrial markets for construction.</b>  Developers have also been active in parts of the Southeast Valley, especially by the Phoenix-Mesa Gateway Airport and south of the Loop 202 near Chandler Airport. About 2 million SF is underway in this area. Robust household formation, high-skilled labor, and quality infrastructure in the area continue to draw last-mile operators, advanced manufacturing, and data center users.
SALES	Phoenix industrial investment reached a record high in 2019, topping \$3.3 billion, and sales velocity carried into the first few months of 2020.



PINNACLE PEAK  
MAJ  
TROON NORTH





## QUALITY OF LIFE

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.



**10TH IN U.S. FOR BEST ECONOMIC OUTLOOK,**  
*THE AMERICAN LEGISLATIVE EXCHANGE COUNCIL, 2020*



**20TH FASTEST GROWING METRO IN U.S.,**  
*U.S. NEWS, 2020*



**RANKED 26TH BEST PLACE TO LIVE IN U.S.,**  
*U.S. NEWS, 2020*



PHOENIX SUNS (NBA)



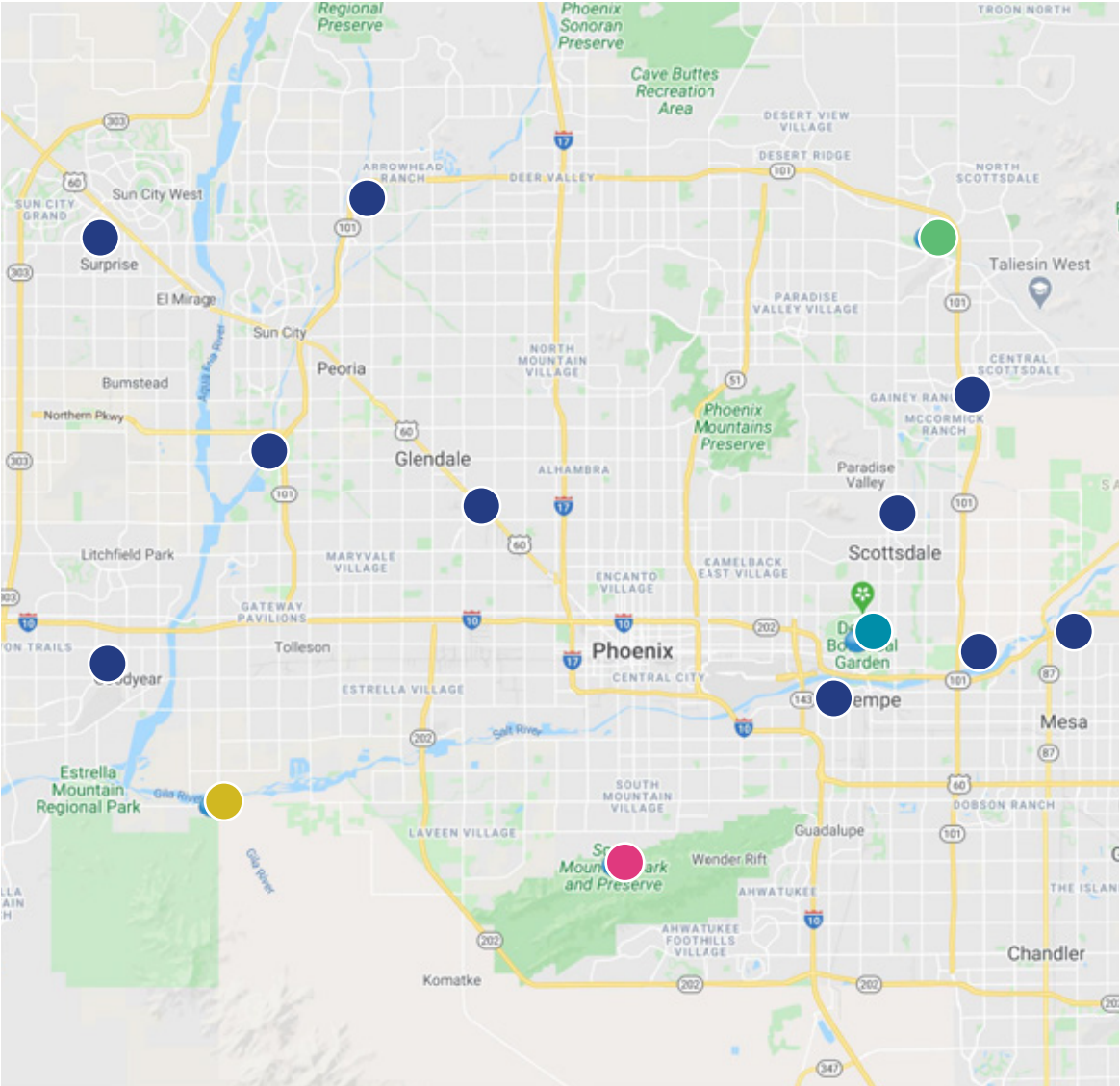
ARIZONA CARDINALS (NFL)



ARIZONA DIAMONDBACKS (MLB)



# TOURISM AND ATTRACTIONS



VISITOR SPENDING

\$25.6B

Estimated Direct Spending

TAX REVENUE

\$3.78B

State and Local Tax Revenue

EMPLOYMENT

194,000

Total Generated Jobs

## SOUTH MOUNTAIN PARK AND RESERVE

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

Phoenix Raceway is a 1-mile, low-banked tri-oval race track located in Avondale, Arizona, near Phoenix. The motorsport track opened in 1964 and currently hosts two 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.

## WASTE MANAGEMENT PHOENIX OPEN

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 2018 tournament and its fans at over \$390 million, one of the largest financial impacts of any golf event in the nation.

## CACTUS LEAGUE SPRING TRAINING

In Major League Baseball (MLB), spring training is a series of practices and exhibition games preceding the start of the regular season. Spring training has always attracted fan attention, drawing crowds who travel to the warm climate of Arizona and watch their favorite teams play. The 2018 Cactus League season generated an estimated economic impact of \$644.2 million and generated \$373 million for Arizona’s Gross Domestic Product.

## PHOENIX ZOO

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. 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 800+ accredited undergraduate and graduate degree programs and 270+ minors and certificates — and that number is growing this fall.

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.



**\$4B**

University Generated  
Economic Impact



**#3**

In the U.S. For Interdisciplinary  
Science Research





## CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **1330 W Harwell Road, Gilbert, AZ 85233** (“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. 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 detrimental to the interest of the Seller.

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 corporation’s logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

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 Seller 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 this Offering Memorandum.



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**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES