

20801 NORTH 21ST AVENUE

PHOENIX, AZ

Single Tenant Industrial Net Lease
Investment Opportunity



OFFERING MEMORANDUM

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ASSOCIATES**
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EXECUTIVE SUMMARY





Lee & Associates Arizona Commercial Real Estate Services Company (“Exclusive Broker”) has been retained as the exclusive advisors on the sale of a freestanding industrial building at 20801 N. 21st Avenue.

The Property is strategically located in the heart of the Deer Valley Submarket in North Phoenix. The Site has excellent access to both Interstate 17 and Loop 101 via Rose Garden Lane and 19th Avenue. Located on .78 acres, this ±12,120 SF property is 100% leased to a single tenant, Logical Systems, Inc. Based in Memphis, TN, Logical Systems, Inc. services major electrical and controls manufacturers in Arizona. The property is located in close proximity to Taiwan Semiconductor Manufacturing Company (TSMC).

The Deer Valley Submarket boasts some of the tightest vacancy rates in the Metro Phoenix. Submarket-wide vacancy is ±2.9% and vacancy for a single tenant building is 1.1%.



PROPERTY HIGHLIGHTS

-  Attractive single tenant industrial property in the heart of the Deer Valley Submarket
-  Ownership has completed several major capital projects including roof, insulation, interior/exterior renovation
-  100% NNN leased with zero landlord responsibilities
-  Building is located approximately 7 miles from the TSMC fabrication plant



OFFERING SUMMARY

OFFERING PRICE:

\$3,350,000

CAP RATE:

5.64%

NOI:

\$189,072

DEAL POINTS:

4.00% annual rent bumps with
Fair Market Rent Renewal Option

LEASE EXPIRATION:

10/15/27

PRICE PER SQUARE FOOT:

\$276.40/SF

OCCUPANCY:

100%

NUMBER OF TENANTS:

ONE (1)

TOTAL SQUARE FOOTAGE:

± 12,120 SF



Secured yard with rolling gate



Multiple Grade Level Loading Doors



Extremely limited competitive product



Northwest Submarket Overall Vacancy (2.9%)
Freestanding Building Vacancy (1.1%)*



Access to Interstate 17, Loop 202, and major
arterials in North Phoenix

**CBRE Q123 report*

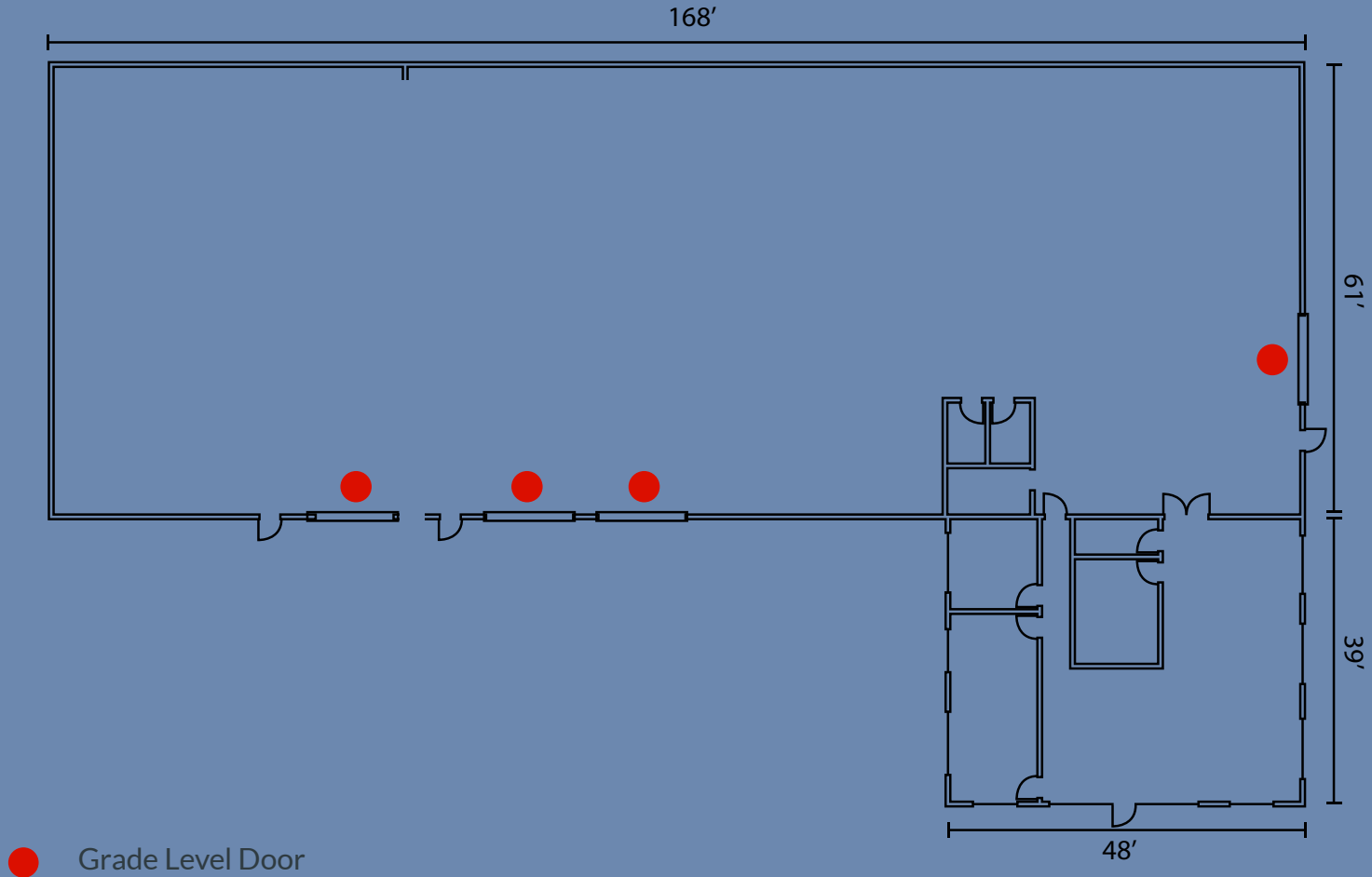


PROPERTY OVERVIEW

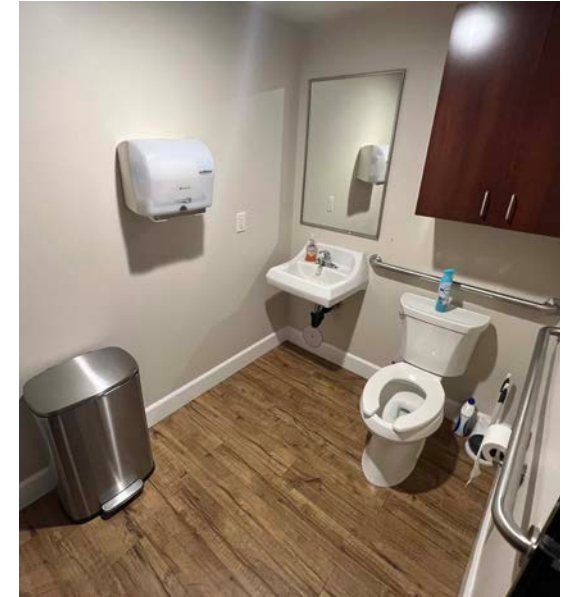
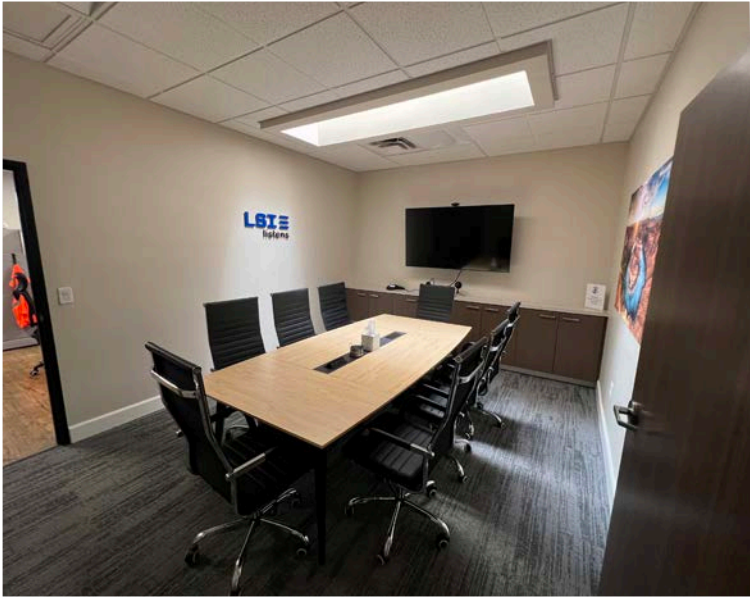
Property Address	20801 North 21st Avenue, Phoenix, AZ 85027
Property Type	Single-tenant industrial building with secured yard space
Total Building Size	± 12,120 square feet
Land Size	±0.78 Acres (±33,915 square feet) per Maricopa County Assessor
Year Built	1995
Zoning	CP/GCP, City of Phoenix
Freeway Access	Interstate 17 (1 mile) and Loop 202
Loading	Four (4) Grade Level Doors

Clear Height	±18'	
Parcel Number	209-18-400	
2022 Assessed Property Tax	\$18,587.14	
Property Rights	Fee Simple	
Airport Access	Sky Harbor International Airport (16 miles) Deer Valley Airport (1 mile) Glen Harbor (15 miles)	
Recent Capital Improvements	2018	Interior Office Renovation
	2021	New Roof (Under Warranty)
	2022	Warehouse Roof Insulation Repair/Replace Access Doors Paint and Flooring in Office Space Repair/Replace Sinks and Toilets Repair/Replace HVAC and EVAP Systems LED Lighting

SITE PLAN



PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY AERIAL



LOOP 101 AND I-17 PROXIMITY



101

INTERSTATE
17

DEER VALLEY CENTER PROFILE

Employment by Industry

Workforce	10 Min. Drive	20 Min. Drive	30 Min. Drive
	Job #	Job #	Job #
Accommodation and Food Service	3,857	27,034	80,064
Administrative, Support, Waste Management and Remediation Services	5,950	30,441	119,524
Agriculture, Forestry, Fishing and Hunting	171	1,081	3,485
Arts, Education, and Recreation	1,383	5,802	21,694
Construction	10,701	28,031	83,060
Educational Services	2,148	15,489	36,230
Finance and Insurance	5,691	32,972	114,727
Government	4,100	32,431	79,214
Health Care and Social Assistance	5,247	64,917	174,443
Information	764	3,020	25,307
Management of Companies and Enterprises	22,521	22,956	27,879
Manufacturing	6,492	14,361	47,564
Mining, Quarrying, and Oil and Gas Extraction	58	586	3,062
Other Service (except Public Administration)	2,876	20,736	65,201
Professional, Scientific, and Technical Services	5,925	25,655	101,124
Real Estate and Rental and Leasing	1,730	21,137	72,864
Retail Trade	11,187	44,800	122,599
Transportation and Warehousing	8,046	15,512	67,904
Unclassified Industry	35	75	428
Utilities	326	764	2,679
Wholesale Trade	3,792	8,924	36,593
Total	103,000	416,724	1,285,646

*Per City of Phoenix

Deer Valley is home to over 1,274 employers including American Express, Honeywell, HonorHealth, Cox Communications, TSMC and many more. It boasts a large, diversified pool of over 416K workers within a 20 minute commute. Since 2014, Deer Valley has seen a 11% growth in jobs within a 10 minute commute with the largest growth in the finance and insurance industry. In 2025, the area will boast over 72K jobs with the largest growth in Finance and Insurance within a 10 minute commute.

Sites and Buildings

The Deer Valley employment center boasts about 5.6 million square feet of office space, 2.6 million square feet of flex space, and over 11.7 million square feet of industrial space. The central portion of the Deer Valley employment center consists predominately of industrial space.

The remaining area includes a mix of land uses, with the majority of the office inventory located at the confluence of Interstate 17 and the Loop 101 freeway and continuing north along the east side of Interstate 17. In addition, there are numerous retail and entertainment outlets and a regional hospital to serve both residents and employers in the area.

The map to the right highlights the type of community real estate in the Deer Valley area. Our team can provide more detail, custom information based on your requirements. *Source: Costar 2020*

Infrastructure

The Deer Valley area is strategically located at the intersection of Interstate 17, which connects Deer Valley to downtown, and the Loop 101 freeway, which provides easy access to the East and West Valley suburbs.

Phoenix Deer Valley Airport, the busiest general aviation airport in the U.S., has a complete range of services, maintenance and flight training.

Employers in the Deer Valley area enjoy a modern, reliable telecommunications infrastructure that is supported by multiple providers. Advanced fiber optic networks offer T-1 (DS1) and T-3 (DS3) lines, self-healing fiber ring architecture, and high-speed data communications. Local exchange carriers in the Deer Valley area include CenturyLink and Cox Communications.

Arizona Public Service (APS) is the regional electric provider in the Deer Valley employment center. Three-phase power is available throughout the area. For businesses requiring additional reliability, APS can make available an advanced network system that provides redundant feeds from various substations.



STRONG LOCAL ECONOMY

Arizona Ranks Top 5 States for Economic Momentum

Prior to the COVID 19 pandemic, the latest economic report by State Policy Reports ranked Arizona fourth best in the nation for economic momentum. The report ranks states' economic momentum based on growth in personal income, employment, and population. Arizona ranked in the top five for all three categories. The Arizona economy is on a roll with over 300,000 jobs added since 2015, rising paychecks, and the strongest manufacturing growth in 30 years. Arizona has a talented workforce, strong leaders, innovative entrepreneurs, and business-friendly policies that continue to drive Arizona's economic momentum. The national average for economic momentum in the report is set at zero, and only 17 states-- including Arizona -- exceed the average. According to the report, Arizona is ranked:

- No. 6 in Economic Momentum
- No. 3 in Personal Income Growth
- No. 5 in Job Growth
- No. 4 in Population Growth

The state's tech sector is growing at a rate 40 percent faster than the U.S. overall, according to a new report released by the Arizona Technology Council. Since the start of 2019, Arizona has added 92,600 technology jobs. Tech jobs in Arizona have seen a 5.1 percent wage growth, with an average annual salary of over \$80,000.



LOCATION & MARKET

Phoenix is the fifth largest city in the United States and anchors the nation's 11th largest metropolitan area, with 4.9 million residents. Greater Phoenix encompasses 2,000 square miles and more than 20 incorporated cities, including Glendale, Scottsdale, Tempe, and Mesa, and is the financial, commercial, cultural, entertainment, and government center of Arizona.

AREA DEMOGRAPHICS

	1-Mile	3-Mile	5-Mile
2010 Total Population:	19,637	160,526	392,909
2022 Total Population:	24,748	190,946	485,304
2027 Population Projection:	27,920	214,016	546,305
Annual Growth 2010-2022:	2.2%	1.6%	2.0%
Annual Growth 2022-2027:	2.6%	2.4%	2.5%
Median Age:	36.8	36.8	36.8
Median Home Value.:	\$292,070	\$254,657	\$249,416
Avg Household Income:	\$68,700	\$71,414	\$71,502

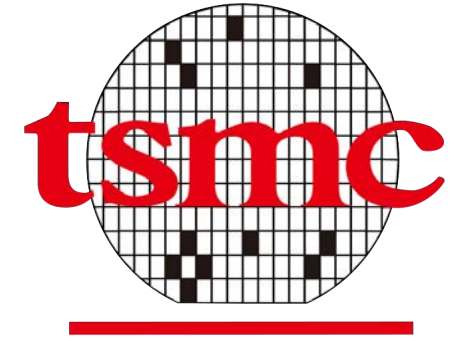
101

19TH AVENUE

**PLANNED 438 UNIT
MULTI-FAMILY RESIDENTIAL**

21ST AVENUE

THE TSMC IMPACT



In December of 2022, Taiwan Semiconductor Manufacturing (TSMC) announced an investment of \$40 Billion (original investment of \$12 Billion), one of the largest foreign investments in U.S. history and the biggest in the state of Arizona.

TSMC will be manufacturing the most advanced chips in the world, which are used in everything from computers, to cars, to healthcare devices. Phase I of the project will be operational in 2024 and Phase II will be operational in 2026. At full buildout, the ±1,000 acre campus has the capacity to support a total of six factories/phases.

A supply chain full of vendors involved in design, production, testing, packaging, integration and consumption has brought and will continue to bring, a slew of companies to the Phoenix Market. Per the Greater Phoenix Economic Council, since May 2020 (TSMC/Arizona Announcement), more than 75 semiconductor related operations have moved to Arizona, representing over \$12.4 Billion of additional investments.



TOP 10 ARIZONA EMPLOYERS



Banner Health

A healthcare organization with over 50,000 employees



Intel Corporation

A technology company with over 12,000 employees



Walmart

A retail company with over 35,000 employees



Wells Fargo

A financial services company with over 12,000 employees



Honeywell Aerospace

An aerospace and defense company with over 10,000 employees



Raytheon Technologies

A defense and cybersecurity company with over 10,000 employees



Maricopa County

A government agency with over 10,000 employees



State of Arizona

A government agency with over 33,000 employees



City of Phoenix

City of Phoenix

A government agency with over 14,000 employees



Arizona State University

A public research university with over 26,000 employees



PHOENIX METRO OVERVIEW

The Phoenix MSA is the fifth-largest metropolitan area in the country and encompasses Maricopa County, the most populous county in Arizona.

The Phoenix Metro area includes over 4.9 million residents and covers an area of approximately 14,600 square miles. It is a hub for business, transportation, and tourism, with numerous attractions and amenities. Some of the top attractions in the area include:

- Desert Botanical Garden: A 140-acre botanical garden featuring over 50,000 plants from desert climates around the world.
- Phoenix Zoo: One of the largest non-profit zoos in the country, with over 3,000 animals from 400 different species.
- Taliesin West: The winter home and school of architect Frank Lloyd Wright, now a National Historic Landmark.
- Camelback Mountain: A popular hiking destination with stunning views of the city and surrounding landscape.
- Heard Museum: A museum dedicated to the history and culture of Native American art and artifacts.

The Phoenix Metro area is also home to numerous colleges and universities, including Arizona State University, the largest public university in the country by enrollment. The region is served by the Phoenix Sky Harbor International Airport, one of the busiest airports in the country.

Overall, the Phoenix Metro area offers a diverse and vibrant mix of cultural, recreational, and economic opportunities, making it a desirable place to live, work, and visit.



CITY OF PHOENIX

The City of Phoenix is the capital and largest city in the state of Arizona, located in the southwestern region of the United States. It was founded in 1867 as an agricultural community near the Salt River, and was named after the mythological bird that rose from the ashes, symbolizing its ability to rebuild and rise from the ruins of its former self.

The area that is now Phoenix has a long and rich history, dating back over 1,000 years to when the Hohokam people lived in the area. The Hohokam developed a sophisticated irrigation system that allowed them to grow crops in the arid desert environment. They also built large ceremonial centers, ball courts, and other structures that are still visible today.

In the 19th century, the area was settled by American pioneers who were attracted to the fertile land and abundant water resources. The town of Phoenix was established in 1868, and by the early 20th century it had become a major agricultural center, producing cotton, citrus fruits, and other crops.

The city experienced rapid growth in the post-World War II era, fueled by an influx of new residents and the development of new industries. Today, Phoenix is a thriving metropolitan area with a population of over 1.6 million people, and it is known for its diverse economy, world-class museums and cultural institutions, and stunning natural scenery.

- Best Places to Live - U.S. News & World Report named Phoenix as one of the top 50 Best Places to Live in the United States in 2021.
- Fastest Growing Cities - According to the U.S. Census Bureau, Phoenix was one of the fastest-growing cities in the United States in the past decade, with a population increase of 11.2% between 2010 and 2020.
- Best City for Millennials - In 2020, Phoenix was named the Best City for Millennials by Money Magazine. This recognition was based on factors such as job opportunities, affordability, and quality of life.
- Most Sustainable City - Phoenix has been recognized as one of the most sustainable cities in the United States by various organizations, including the Green Building Council and the National Renewable Energy Laboratory.

- Top City for Small Business - Phoenix has been named one of the top cities in the United States for small business by various publications, including Entrepreneur and Forbes.
- Top Destination for Meetings and Conventions - Phoenix is a popular destination for meetings and conventions, and has been named one of the top 10 meeting destinations in the United States by Cvent, a leading event management technology company.
- Best City for Relocation - According to a 2021 report by Move.org, Phoenix is one of the top 10 best cities for relocation in the United States. This recognition was based on factors such as job opportunities, affordability, and quality of life.





LOGICAL SYSTEMS IS A GLOBAL SYSTEMS INTEGRATOR.

Logical Systems has been in continuous operation since 1985 with core competencies in process & piping, mechanical, electrical, information, and automation & controls systems.

LSI is a growing multi-service engineering company, employing over 200 skilled individuals worldwide, with offices in Memphis and Jackson, TN, Rossville, GA, Golden, CO, Murray, KY, Phoenix, AZ, Toronto, Ontario, Guangzhou, China, and Taipei, Taiwan.

TENANT SUMMARY

EXPERIENCE AND CAPABILITIES - We have gained a highly-respected position in the controls engineering and systems integration arena by providing great service to our customers and staying at the forefront of the technology curve.

Our in-depth experience implementing technically-advanced systems/solutions has helped us become one of the largest and most respected systems integrators in the country.

As a natural extension of our electrical and controls expertise, our customers have encouraged us to expand our capabilities to provide project management, process and mechanical engineering, construction management, and, in select cases, full-service EPC for a number of our clients. These added capabilities are now a major component of our service offerings.

LSI's business continues to grow because of our ability to deliver services with our goal to exceed the expectations of our customers.

By understanding that we are only as good as our last project, our relationship-based client approach drives the team to meet the successful project metrics of cost, quality, and schedule. LSI prides itself in becoming an extension of our clients' engineering staff by learning and understanding their processes and business drivers.

Many of our employees come to us directly from the manufacturing environment with the know-how to help improve efficiency and reliability. This is demonstrated by the fact that after 35 years in the business, our first customer remains a major customer today.

OVERVIEW - Since 1985, LSI's mission has been to meet or exceed our customers' expectations by delivering professional services while establishing long-term relationships with both our customers and employees.

In fact, our first customer from 1985 is still a customer today because our company culture is centered on acting in our customers' best long-term interests. We view success in how well we help our manufacturing customers improve reliability, processes, and efficiencies as we provide excellence in technical services.

Many of our employees have experience working as plant engineers on the owner's side. This provides a unique understanding of operational, production, and maintenance needs. In our project execution methodology, we focus on the importance of timely, cost-effective solutions built on safety in design, reliability, maintainability, constructibility, and operational efficiency. The secure and applicable use of information technology tools has enabled us to improve the speed of delivery and quality to our customers.

In keeping with developments in technology, LSI utilizes state-of-the-art design and communications systems for engineering, project controls, estimating tools, and project methodologies.

We continually invest in the training and development of our employees. Our people must have the right skills and training to provide improvements to our own systems and the best services to our customers.

GUIDING PRINCIPLES - We believe in excellence - We strive for excellence in everything we do, in each employee, and in each project we deliver. We all want to be a part of something special.

We believe in the best service to the customer - We strive to always do what is in the best interest of the customer and our long term relationship with our customers.

We believe in the team approach - We support each other's goals and objectives for the company, spend energy in developing our team, and are united in what we convey to colleagues and customers.

We believe that Logical Systems should be the best place to work - We are ethical in our dealings with employees and with those outside the company. We manage business for a stable workforce. We continue to fairly and competitively compensate our employees. We do not micro-manage, and management knows each employee well enough to support their development needs.

RENT ROLL

Suite Number	Tenant	RSF	Percent (%) of Total Project	Lease Commencement	Lease Expiration	Annual Base Rent	Monthly Rent	Rent/SF	Increase Date	Rent Increase Amount/ Month	Comments
N/A	Logical Systems	12,120	100%	9/15/22	10/15/27	*\$189,072	*\$15,756	*\$1.30/SF NNN	10/15/24 10/15/25 10/15/26	4%	One (1) five (5) year option to renew at fair market rate Security Deposit: \$18,432.29
TOTAL RENTABLE SQUARE FEET		12,120			Base Rent	*\$189,072	*\$15,756	*\$1.30/SF NNN			
TOTAL OCCUPIED SQUARE FEET		12,120	100%			Annual	Monthly				
TOTAL AVAILABLE SQUARE FEET		0	0%								

*Economics based on 10/15/23 rental increase

Lease Expiration Schedule		
Year	Square Feet	SF %
2027	12,120	100%

CONFIDENTIALITY & DISCLAIMER

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum has been prepared by Lee & Associates and contains information pertaining to the business operations and affairs of the property located at 20801 N. 21st Avenue (the "Property"). This 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 Owner. The material is based in part upon information supplied by the Owner and in part upon financial information obtained by sources it deems reliable. References to age, square footage and land size have been provided to agent or made available through public sources. Prospective purchasers shall have the opportunity to confirm the accuracy of information referenced herein. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum you agree and understand that the Offering Memorandum and its contents are confidential, you will hold it and treat it in the strictest of confidence and 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 Owner.

Owner and Lee & Associates 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 20801 N. 21st Avenue 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 Lee & Associates 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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