



CAMELBACK WEST



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3601 W. Camelback, Phoenix, AZ

The subject property was built in 1954 according to County records and remodeled in recent years but the date could not be confirmed. The buildings are configured in an "U" shape facing Camelback Road, a major east-west thoroughfare. The property is priced at well below replacement cost at \$64/SF. The cap rate is 6.28 based on the current 61% occupancy, not proforma. There is well over \$1M in immediate upside by leasing the vacant space at conservative rents. The rents are low and average only \$9.34/SF.

Grand Canyon University (GCU) is located just across the street to the northeast. The 179 acre campus is home to 5,800 full-time & 25,300 part-time undergrads and over 17,000 part-time grad students. Total enrollment is about 68,000 including on-line students. Campus amenities include a 7,000 seat arena, a 55,000 sq. ft. fitness and recreation center, renovated Student Union, popular dining options across campus and resort-style swimming pools.

Grand Canyon Education Inc. (Nasdaq: LOPE) is in the midst of \$180 million in construction projects on its GCU campus, but has a total of \$550 million planned over the next four years. In addition to the \$180 million projects on the books for 2016, plans call for spending an additional \$100 million in 2017 for two apartment-style dorms, parking garage, and Division I athletics improvements. In 2018, GCU plans to spend another \$100 million to build three more apartment-style dorms, an additional restaurant and library space. In 2019, the university has budgeted \$85 million to build one apartment-style dorm and a classroom building, and another \$85 million for 2020 for another apartment-style dorm and parking garage.

More information on GCU is on a following page herein. The rapid expansion of this university should have a major positive impact in the surrounding area.

The I-17 freeway is 1.5 miles to the east and the Grand Avenue Expressway is one mile to the west.

Financial Overview

Price:	\$2,825,000
Price Per Foot:	\$63.54
Price Per Foot:	\$20.07 (land only)
Cap Rate:	6.28 (actual)
Occupancy:	61.0%

Property Overview

Building Area:	44,460 sq. ft.
Parcel #:	107-06-054B
Zoning:	C-2, City of Phoenix
Land Area:	140,748 sq. ft. (3.231 acres)
Owned Parking:	131 spaces (288 per 1,000*)
Year Built:	1954 *not incl. rear parking

Demographics (2016)

	1-mile	3-miles	5-miles
Population:	25,099	236,940	577,442
Avg. Household Inc.:	\$37,117	\$39,042	\$47,804
Total Households:	6,943	67,281	190,812
Complete demographics are available upon request.			

Traffic Counts (2013/2015/2016)

North on 35 th Avenue:	27,882 VPD
South on 35 th Avenue:	23,817 VPD
East on Camelback:	37,576 VPD
West on Camelback:	36,874 VPD

This information contained herein has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify this information and bear all risk for inaccuracies.

CAMELBACK WEST W of the SWC 35th Avenue & Camelback (3601 W.), Phoenix, AZ

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PRICE:	\$2,825,000		
DOWN PAYMENT:	\$2,825,000	100.0%	
FINANCING:	All cash		
SQUARE FEET:	44,460	PRICE PER SQ. FT.:	\$63.54
CAP RATE:	6.28	(Based on actual current income)	
ACRES:	3.231		
ZONING:	C-2	# OF PARKING SPACES:	131
YEAR BUILT:	1954	(1 per 339 sq.ft./ 2.9 per 1000)	
PARCEL #:	107-06-054B		

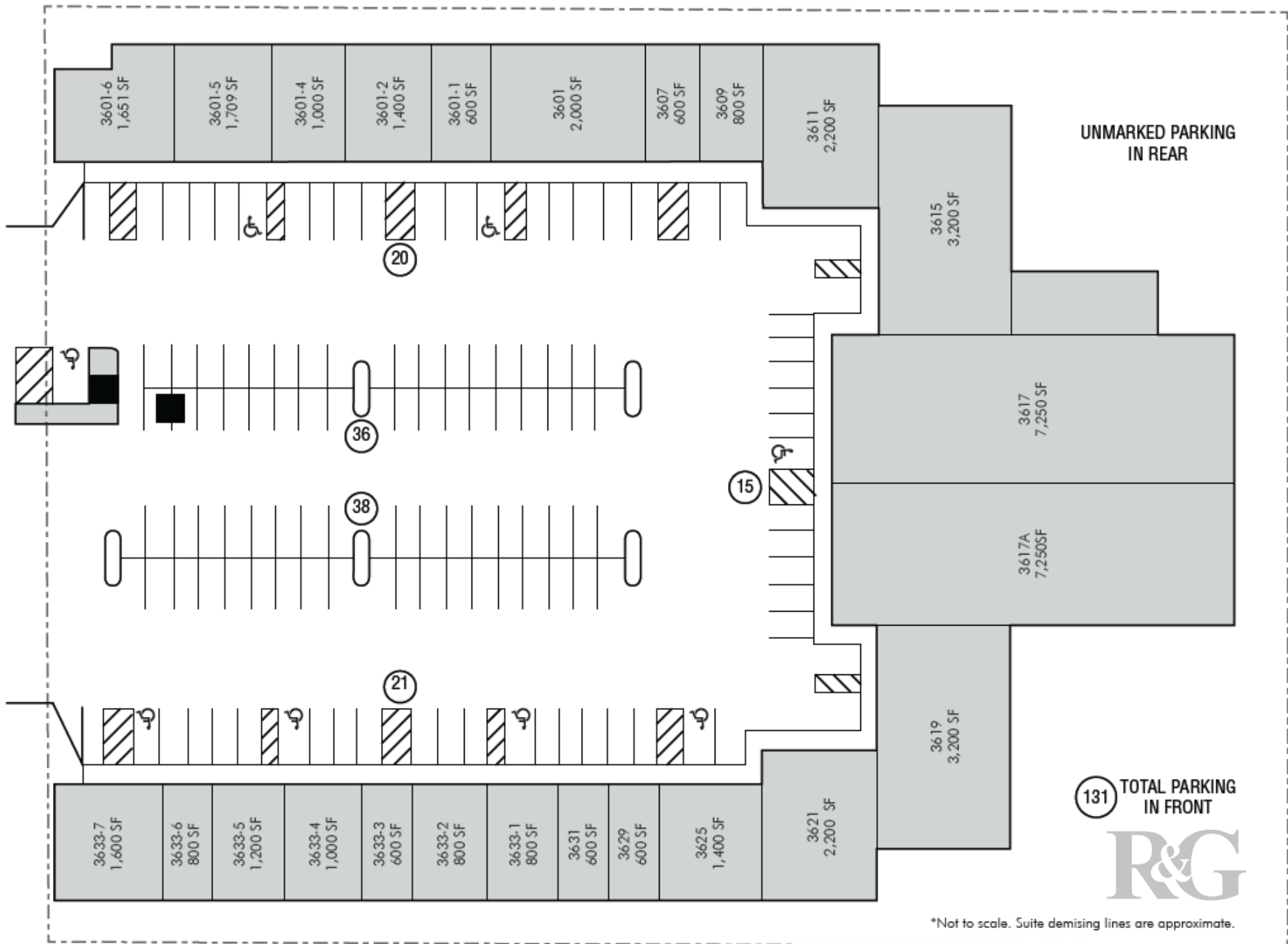
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ANNUALIZED INCOME		ANNUALIZED EXPENSES		\$/ sq.ft.:
BASE RENT:	\$253,241	TAXES: (2016)	\$39,884	\$0.90
	\$0	INSURANCE:	\$12,751	\$0.29
plus REIMBURSED EXPENSES:	\$55,744	CAM:	\$57,230	\$1.29
TOTAL POTENTIAL INCOME:	\$308,985	UTILITIES:	\$4,942	\$0.11
less VACANCY ("0" means "actual"):	\$0 39.0 %	MANAGEMENT:	\$12,359	4.0 %
GROSS OPERATING INCOME:	\$308,985	RESERVE:	\$4,446	
less EXPENSES:	\$131,612		\$0	
NET OPERATING INCOME:	\$177,373		\$0	
less LOAN PAYMENTS:	\$0	TOTAL EXPENSES:	\$131,612	
CASH FLOW:	\$177,373 6.3%	Expenses Per Sq. Ft.:	\$2.96	
plus PRINCIPAL REDUCTION:	\$0			
TOTAL RETURN:	\$177,373 6.3%			

Every tenant has their own water meter and pays for their own water.

The NOI at 95% occupancy increases to \$330,716 assuming conservative rents ranging from \$4.50/sf to \$8.50/sf depending on the suite size.

CAMELBACK RD

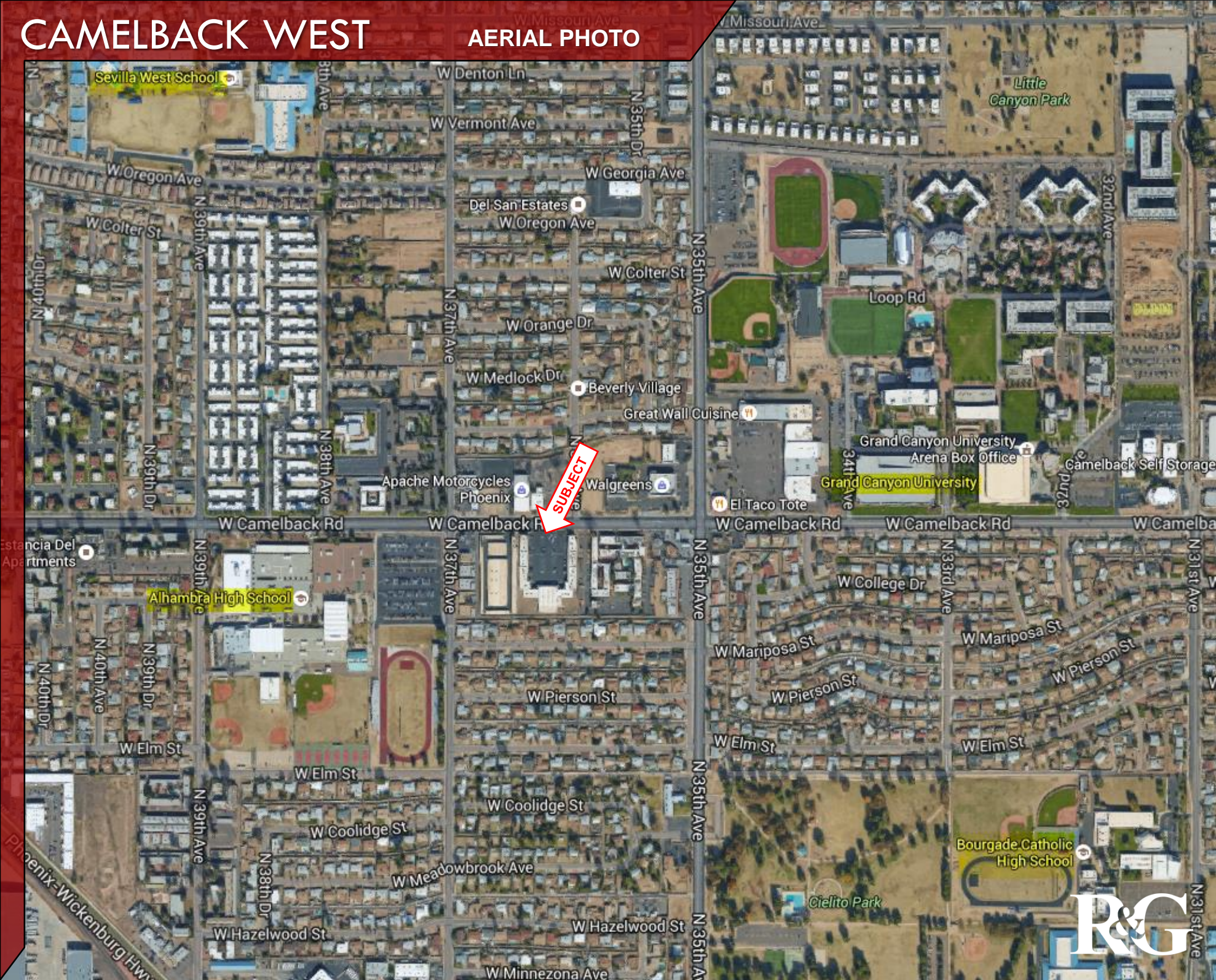


CAMELBACK WEST AERIAL PHOTO



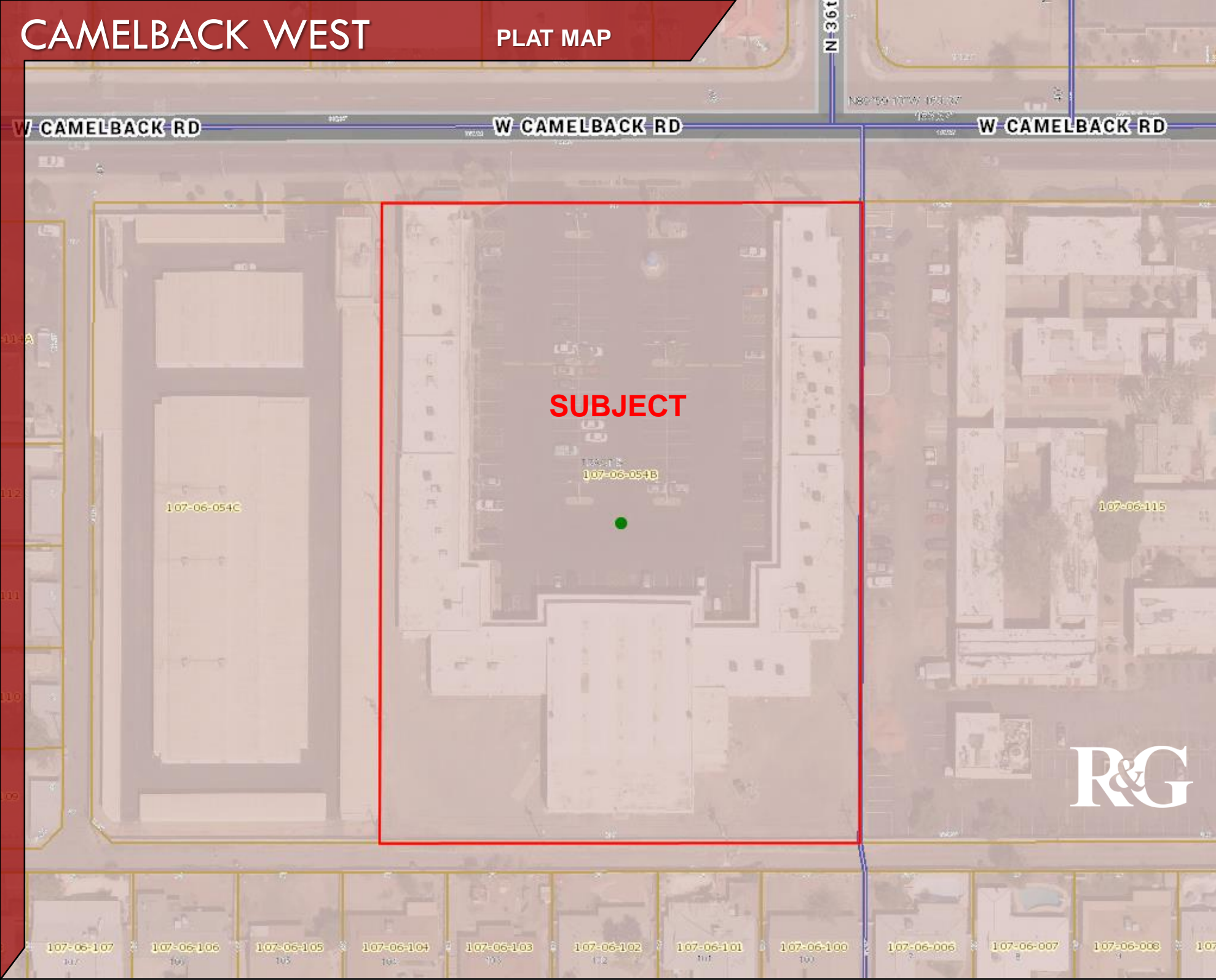
CAMELBACK WEST

AERIAL PHOTO



CAMELBACK WEST

PLAT MAP



SUBJECT

107-06-054B

107-06-054C

107-06-115

R&G

107-06-107

107-06-106

107-06-105

107-06-104

107-06-103

107-06-102

107-06-101

107-06-100

107-06-006

107-06-007

107-06-008

107-06-009

Located caddy corner
from Camelback West



Academics

Grand Canyon University offers bachelor's, master's, and doctoral degrees on its main campus in Phoenix and also online. GCU was recognized as a top-five online school for entrepreneurs by *Fortune*. Total enrollment was 67,806 as of December 2014, an increase of nearly 14% over the previous year. Many of the students attend online.

Main Campus

Welcome to Grand Canyon University (GCU), Arizona's premier private Christian university. For more than 60 years, our Phoenix campus has been the gateway to success for countless scholars and industry leaders. With acres of scenic grounds and outstanding facilities, we invite the next generation of students and working professionals to enjoy the complete university experience. The school got a lot of publicity when it hired Dan Majerle to be their head basketball coach.

University Development

GCU's 179-acre campus is an oasis in the heart of West Phoenix. With new infrastructure being built and expansion occurring every year, our campus is designed to enhance the student experience and truly help you feel like this is your community-and your home. In 2006, the GCU campus received a 150 million makeover including a brick promenade, an aquatics center, with pool and hot tub, and a café. In 2009, GCU's campus began work on a \$60 million campus expansion project which includes a 500-bed dormitory, a 55,000-square-foot fitness and recreation center, 125-classroom facility, food court and bowling alley and the 7,000-seat GCU Arena, home to our men's and women's basketball teams as well as the site of popular concerts and speaker series. Other amenities include a renovated Student Union, popular dining options across campus and resort-style swimming pools. Our newest facilities on campus in fall 2015 include an 84,105-square-foot classroom building, designed to accommodate our growing student population studying in STEM fields, and The Grove, a group of four new suite-style residence halls for freshmen, located in the northwest corner of campus.

University Growth

GCU is growing rapidly with plans for continued expansion. Since 2009, we have invested millions into the university to improve the quality of academic offerings and student experiences. This infrastructure includes new classrooms, laboratories, libraries, student support centers, residence halls and recreational facilities. In fall 2014, we welcomed a record number of students to our Phoenix campus and we plan to expand our student population and campus facilities going forward. Our university also continues to accommodate our growing online and evening student communities. We have tens of thousands of online students attending class from across the globe. In turn, we are constantly refining our digital platforms to deliver GCU's outstanding campus experience to virtual settings. We are also building additional campus locations to help full-time and evening students attend class closer to home. "New" is infused throughout GCU's curriculum. In summer 2014, we proudly announced our new College of Science, Engineering and Technology, which we will continue to grow over the next several years as we add degree programs to the innovative areas of science, technology, engineering and math (STEM). GCU has also expanded outside of campus to include new properties. The GCU Hotel is located close to campus and offers affordable room rates and newly renovated accommodations - the perfect place for families to stay when visiting their student. Students in GCU's hospitality management program have an opportunity to gain firsthand experience at the hotel and the new restaurant, which will open in 2016.

Grand Canyon University plans \$550M in construction projects; hiring thousands

Feb 18, 2016, 11:58am MST

INDUSTRIES & TAGS Education, Construction, Jobs

Angela Gonzales

Senior Reporter
Phoenix Business
Journal



Grand Canyon Education Inc. (Nasdaq: LOPE) is in the midst of \$180 million in construction projects on its Grand Canyon University campus, but has a total of \$550 million planned over the next four years.

Projects underway include three residence halls, which will bring the total number of residence halls on campus to 17. Two parking garages, a second engineering building, a four-story student service center and a 3,000-seat soccer stadium also are under construction on the Phoenix campus.



Grand Canyon University is building a four-story office complex at the northeast corner... more

A few blocks away at 27th Avenue and Camelback Road – which already houses the GCU Hotel – construction has begun on a four-story office complex, where a new hotel lobby addition, resort swimming pool and restaurant are being planned this year on that property.

Brian Mueller, who serves as president of GCU and CEO of Grand Canyon Education, said he plans to sell the property at 27th Avenue and Camelback Road once those projects are completed.

"We've got so much cap investing on our campus that this is a way for us to get that off the books and we'll pay less in lease amounts than we would for two separate facilities," Mueller said.

Currently, GCU has about 1,600 employees working from leased space in Tempe and Peoria, he said. Once the office complex is finished, they will all move to the new office complex.

In addition to the \$180 million projects on the books for 2016, plans call for spending an additional \$100 million in 2017 for two apartment-style dorms, parking garage, and Division I athletics improvements.

In 2018, GCU plans to spend another \$100 million to build three more apartment-style dorms, an additional restaurant and library space.

In 2018, the university has budgeted \$85 million to build one apartment-style dorm and a classroom building, and another \$85 million for 2020 for another apartment-style dorm and parking garage.

With this construction comes major hiring plans.

GCU currently has 3,650 full-time employees, with projections to grow to 3,958 in 2016. By 2020 plans call for having 5,003 employees.

That full-time employment base doesn't include the number of student workers, which was at 2,356 in 2015, up from 496 in 2010.

[Click here to see how the company is doing financially.](#)

Angela Gonzales covers health, biotech and education.

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from Camelback West

GRAND CANYON UNIVERSITY



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UNIVERSITY™

GCU.edu

3300 West Camelback, Phoenix, AZ 85017

LINK TO ORIGINAL ARTICLE:
<http://www.bizjournals.com/phoenix/news/2016/02/18/grand-canyon-university-plans-550m-in-construction.html>

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