

# Opportunistic Stabilized (Offering)



93,352 SF Multi-tenant Retail - Gilbert (Phoenix), AZ

## Investment Summary

### VAL VISTA TOWNE CENTER

#### THE OPPORTUNITY

- **Acquisition of a 92% occupied, 93,352 SF multi-tenant retail property with high historical occupancy rate (90%+) and attractive cash on cash yields** to investors generated from a mix of nationally recognized credit tenants including Ross Dress for Less, Petco, Staples, Payless Shoesource, and Starbucks
- **Capital preservation/current yield opportunity** providing stable, long-term cash flows from nationally recognized tenants
- CIRE is **acquiring the asset at an above market yield** (approx. 7.75% cap rate) in comparison to other similarly constructed retail assets in the Phoenix metro
- **Long term/resilient tenancy**: - approximately 90% of the occupied square footage is comprised of original tenants that have occupied the center since its development over fifteen years ago
- **Favorable demographics in a top-performing Phoenix sub-market** with average household incomes within a 2-3 mile radius averaging over \$90,000
- **Desirable high-traffic infill location with excellent accessibility** - the property is situated on the SWC of Val Vista Drive and Warner Road with traffic counts averaging approximately 50,000 cars per day and bi-directional ingress/egress access points from both streets
- **Motivated seller** - CIRE successfully negotiated a contract purchase price \$1.8M below the previous buyer that failed to transact, representing a discount of approximately 10%.

#### VALUE-ADD STRATEGY/RISK MITIGANTS

- **Complete targeted capital improvements** designed to improve the general condition and marketability of the asset
- **Conservative underwriting further insulates cash flows** by the inclusion of additional anchor and Jr. anchor rollover costs for tenant improvements, leasing commissions, lease downtime and rental abatements. Should these tenants renew in accordance to their contractual obligation, the Company will be well positioned to outperform underwritten cash flows and potentially realize additional upside not represented in the pro forma.
- **Analysis conservatively assumes the near-term re-leasing of the Staples suite (23,848 SF)** which enables the Company to proactively re-tenant in order to further enhance the quality of cash flows and overall credit profile of the center
- **Acquire a well-located, stabilized asset** and aggressively apply asset management expertise to the property to **maximize efficiencies, reduce costs, and enhance cash-flows**
- **The sponsor will invest approximately 43%+ of the required equity for the transaction, ensuring strong alignment between limited partners and CIRE**

#### PROPERTY DESCRIPTION

Property Type:	Multi-tenant Retail
Sub-Market:	Gilbert, AZ
Number of Bldgs:	One (1)
SF/ Acres:	93,352 SF / 7.63 acres
Year Built:	2000
Occupancy:	92%

#### INVESTMENT SUMMARY

Purchase Price:	\$16,700,000 (\$179/SF)
<b>Additional Capital<sup>(1)</sup>:</b>	<b>\$1,150,000 (\$12/SF)</b>
<b>Total Investment:</b>	<b>\$17,850,000 (\$191/SF)</b>

Initial Loan Amount: \$12,750,000 (71% LTC)

#### EQUITY REQUIRED:

**SURPRISE PT 1031 CONTRIBUTION: \$2,910,000 (57%)**

**SPONSOR (CIRE) CONTRIBUTION: \$2,190,000 (43%)**

**TOTAL EQUITY REQUIRED: \$5,100,000<sup>(1)</sup>**

<sup>(1)</sup> Additional capital may be required for operating reserves, property renovations, leasing and capital costs for tenant improvements/ leasing commissions

#### PROJECTED RETURN SUMMARY

Equity Investment:	\$5,100,000
Funding Date:	April 2016
Hold Period:	Seven (7+) Years
Ave. Investor COC/Yr <sup>(2)</sup> :	7.00%+/yr

<sup>(2)</sup> Cash-on-cash return