



Verizon Wireless Call Center | 6955 West Morelos Place | Chandler, Arizona



Single Tenant Investment Opportunity  
Investment Grade Credit



## The Offering

Colliers International, as exclusive advisor, is pleased to present the opportunity to acquire the Verizon Wireless Chandler Call Center (the "Property"), a ±170,647 square foot Class A, two-story office building in Chandler, Arizona that is 100% leased to Verizon Wireless, a wholly-owned subsidiary of Verizon Communications, Inc.

Located within Chandler Freeways Business Park, a 56-acre corporate business park, the property offers investors an opportunity to purchase a fully-stabilized asset that also offers tremendous upside. The current rental rate is more than 24% below current market rates. The investor will enjoy a secure cash flow from an investment-grade tenant who has already been at this location for more than 10 years, while also anticipating enormous rental growth in the future.

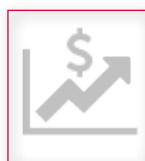
Through its corporate-friendly environment and diverse, well-educated workforce, the city of Chandler leads the region in successfully recruiting research, technology and other knowledge-worker firms. Since 2011, the Chandler and South Tempe / Ahwatukee submarkets have absorbed 26% of all net absorption throughout greater Phoenix, while their combined inventory is only 8.9% of the total office space valley-wide, i.e. this area absorbed almost three times greater than its proportionate share.

## Investment Highlights



### EXCELLENT INVESTMENT GRADE TENANT

A wholly-owned subsidiary of Verizon Communication Inc., Verizon Wireless has fully occupied this building since 2004. With more than 180,000 employees worldwide, Verizon Wireless employs more than 1,500 employees at the mission-critical 24/7/365 Chandler Call Center. Verizon Communication Inc. is a Dow 30 company which trades on the stock exchanges under the ticker VZ. The company's financial strength is reflected by its investment grade credit rating with an S&P rating of BBB+, stable outlook and a Moody's rating of Baa1, stable outlook.



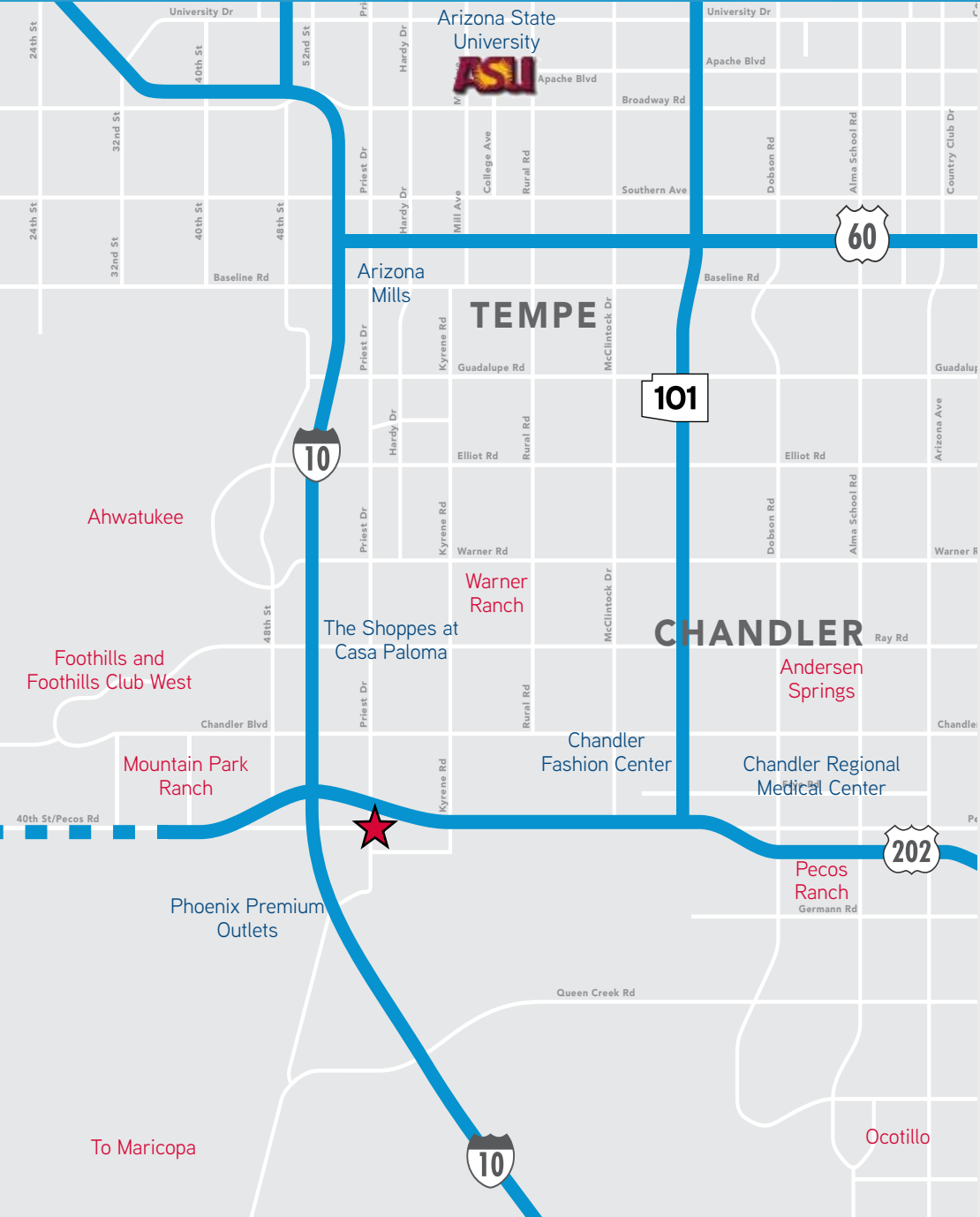
### STABLE CASH FLOW WITH SIGNIFICANT UPSIDE

The current lease rate, which grows by 3% each year, is more than 24% below market and is projected to be more than 30% below market by 2019. In 2020, the projected income on the property could grow by more than 40% allowing for significant upside.



## Investment Summary

ADDRESS	6955 West Morelos Place Chandler, AZ 85226
YEAR BUILT	2003
TOTAL BUILDING SIZE	±170,647 SF
PARKING	929 parking spaces; i.e. 5.44 per 1,000 square feet of which 350 are covered; i.e. 38% of all parking
TENANT	Verizon Wireless (VAW) LLC DBA Verizon Wireless Parent Company - Verizon Communications, Inc (Ticker Symbol: VZ) Dow 30 Company
INVESTMENT GRADE CREDIT RATING	S&P Rating: BBB+, stable outlook Moody's Rating: Baa1, stable outlook
PROJECTED NOI 1/1/15 – 12/31/15	\$2,329,331 (*) (*including seller credit to adjust the rental rate to \$13.65 PSF, NNN)
RENTAL RATE	\$11.26 PSF, NNN, with certain landlord obligations (*) (*Seller will credit buyer at closing an amount to bring the rental rate to \$13.65 PSF annually during the term of the lease.)
PERIODIC INCREASES	3% annually occurring every November 1st (*) (*Seller credit adjusts the rental rate to a flat amount for the lease term.)
ORIGINAL LEASE COMMENCEMENT	October 16, 2004
LEASE EXPIRATION	October 31, 2019
RENEWAL OPTIONS	Two, five year renewal options (1st renewal exercised in March 2014, 2nd renewal is remaining) Base rent at 95% of fair market rent
OFFERING PRICE	Submit offer

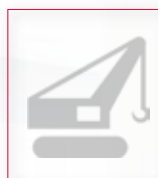


## Market Highlights



### LARGE BLOCKS OF CONTIGUOUS SPACE ARE IN SHORT SUPPLY

Single-tenant office buildings, whether owner/user or investor-owned, are 100% occupied in the Chandler and South Tempe/Ahwatukee submarkets. There are shortages of space availability, particularly for certain large sizes of contiguous space. There are only three multi-tenant office buildings which can provide more than 100,000 square feet in these submarkets.



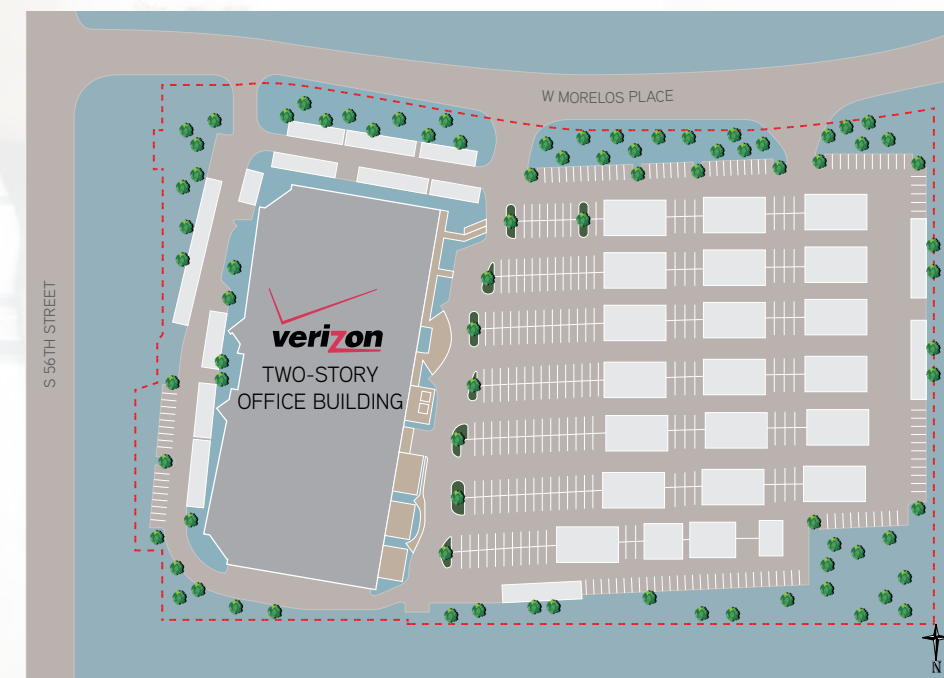
### CHANDLER WAS THE SITE OF THE FIRST NEW OFFICE DEVELOPMENT AT THE BEGINNING OF THE RECOVERY

In 2012 and 2013 Chandler added 161,000 square feet of office space, representing the first new office developments in all of greater Phoenix since the market recovery, a testament to the growing appeal by Corporate America for this strategic area. Of the more than 1.3 million square feet currently under construction in this area, nearly 1.1 million square feet is committed to GoDaddy, Shutterfly, GM Innovations Lab, Wells Fargo Bank and Amkor.

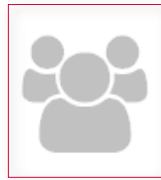


### RENTAL RATES ARE ON THE RISE

Asking rental rates in the Chandler and South Tempe / Ahwatukee submarkets peaked in 2007/2008 averaging \$27.35 and \$24.39 per square foot, full service gross per submarket for all property types. Dropping 24% from the peak, rates hit bottom in 2012. From the start of 2013 to the third quarter of 2014, asking rates grew to an average of \$20.86 per square foot, an increase of 6.0%. Rental rates are projected to increase further and at a more rapid pace – a result of shortages of space in the larger size ranges and demand from employers that is driving new office development.

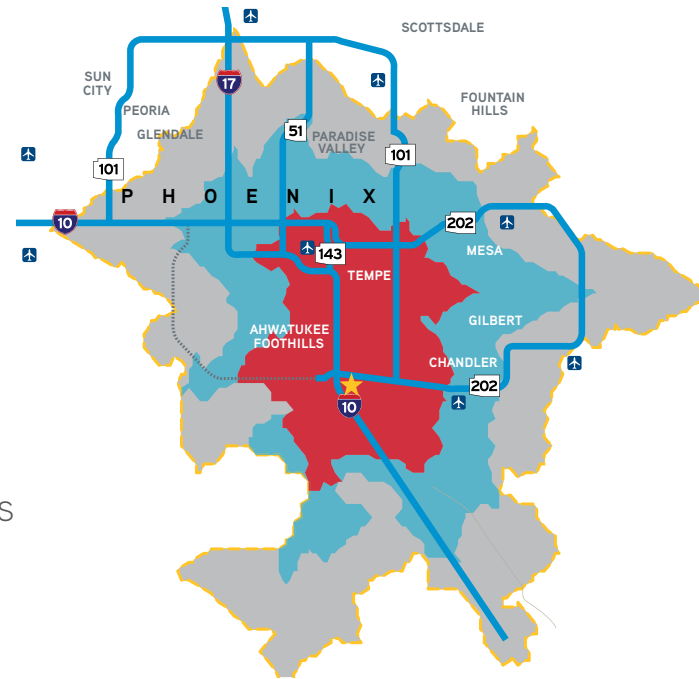


# Location Highlights



## EASY ACCESS TO A LARGE AND WELL-EDUCATED LABOR POOL

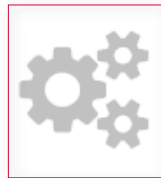
At the corner of 56th Street and Morelos Place, the building is conveniently located at the southeast quadrant of the Loop 202 and Interstate 10 interchange, connecting it to 78% of the population of greater Phoenix within a 40-minute commute. More than 80% of the population within a five-mile radius has some college education, and nearly one-half has earned a college degree. In addition, approximately 79% of the same population holds a white collar occupation, compared to 61% in metropolitan Phoenix.



### DRIVE-TIME ANALYSIS

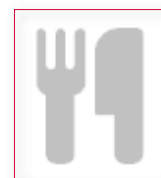
- 20 Minutes
- 30 Minutes
- 40 Minutes

OVER 78% OF THE PHOENIX MSA POPULATION IS WITHIN A 40 MINUTE DRIVE-TIME



## CHANDLER'S UNEMPLOYMENT RATE IS AMONG THE LOWEST IN METROPOLITAN PHOENIX

The unemployment statistics show that employers prefer Chandler. Chandler's unemployment rate of 5.4% (July 2014) is well below the unemployment rates of the entire Phoenix MSA (6.3%), Arizona (7.0%) and the United States (6.2%). Within the cities that comprise the Phoenix MSA, Chandler's unemployment rate is one of the three lowest.



## AMENITY-RICH INFILL LOCATION

The Verizon Wireless Chandler Call Center is easily accessible to a variety of neighborhoods – from upscale to much more affordable homes, all of which are newer construction with a variety of amenities nearby. More than 75 restaurants, 100 shops and numerous hotels are within close proximity to this highly desirable, mature, infill location.



[VIEW PROPERTY WEBSITE & ACCESS OFFERING MEMORANDUM](#)

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