



# Feasibility Study

**Deer Valley Flex Warehouse**

**Phoenix, Arizona**

Purchase Price Assumption: **\$10,500,000**

## 1. Portfolio Overview

### Portfoliosize:

- 1 Property
- 3.64 Acres
- 42,168 SF Industrial Warehouse

### Property:

Flex Industrial  
Warehouse

### Location

2908 W. Deer Valley  
Rd, Phoenix, AZ  
85027

### Asset Type:

Industrial / Flex  
Warehouse

## 2. Stabilized Income

**Based on projected lease-up strategy:**

Newly constructed first-generation industrial asset

Designed for multi-tenant flexibility

Income expected post lease-up and tenant stabilization

**Value creation driven by leasing execution and rent growth**

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## 3. Cap Rate at Acquisition

**Entry Cap Rate: 10% (Projected)**

This represents a **significant spread** compared to stabilized industrial assets in the Phoenix market, indicating:

Strong **downside protection and upside potential**

## 4. Revenue Positioning

- Institutional-quality industrial asset
  - Located in a high-demand logistics and manufacturing corridor
  - Competitive positioning within the Deer Valley submarket
  - Positioned to achieve **strong rental demand upon stabilization**
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## 5. Value Creation Potential

### Primary drivers of value creation:

- Lease-up of vacant space
- Rental growth driven by market demand

- Cap rate compression at exit

- Institutional buyer demand for stabilized industrial assets

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## 6. Immediate Equity Potential

- Acquisition below stabilized market pricing

- Opportunity to create value through lease-up and operational execution

Represents **basis advantage vs stabilized industrial assets**

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## 7. Investment Projection

### Key Investment Metrics:

Target IRR:  
**~22%**

Equity Multiple:  
**2-3x**

Hold Period:  
**2-3 Years**

# 8. Market Feasibility

## Deer Valley / Phoenix Industrial Market:

- One of the fastest-growing industrial markets in the U.S.

- Strong population and job growth

- Increasing demand for logistics and manufacturing space

- Tightening supply in high-quality industrial assets

Supports **long-term occupancy and rent growth**

# 9. Demand Drivers

## Key Demand Catalysts:

- Proximity to Taiwan Semiconductor Manufacturing Company (TSMC) \$65B semiconductor campus
- Expansion of semiconductor supply chain and advanced manufacturing
- Immediate access to I-17 and Loop 101
- Proximity to major transportation hubs and airports
- Growing population and economic expansion in Phoenix

Creates **sustained, high-quality tenant demand**

# 10. Risk Analysis

## Lease-Up Risk

Time required to stabilize occupancy

Mitigation: Strong market demand and strategic location

## Market Risk

Supply competition

Mitigation: Prime infill location and new construction

## Interest Rate Risk

Impact on exit valuation

Mitigation: Strong entry basis and projected cap rate spread

## Operational Risk

Leasing and tenant execution

Mitigation: Flexible warehouse design and diversified tenant mix

# 11. Investment Score

Category	Rating
Location	9.5/10
Demand	10/10
Cash Flow	10/10
Growth	9/10

## Our Honest Opinion

**At a \$10.5M acquisition basis, this deal presents:**

- High-growth industrial exposure
- Strong demand fundamentals
- Strategic positioning near a major economic catalyst
- Clear value-add through lease-up

This is a **growth-driven industrial investment**, not just a stabilized income play.