SINGLE-TENANT MEDICAL NET LEASED INVESTMENT

EXECUTIVE OFFICES AT DANA POINT



CLICK HERE

3303 E BASELINE RD
GILBERT, ARIZONA 85234

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ICRE investment team is pleased to present the opportunity to acquire 3303 E Baseline Road, Gilbert, Arizona, a stabilized, income-producing medical office asset fully leased to Desert Pulmonary & Sleep Consultants. The tenant has occupied the property for more than 20 years and still holds one five-year renewal option. That kind of history is rare, and it signals a practice committed to this location for the long term.

Desert Pulmonary & Sleep Consultants is an established pulmonology and sleep medicine practice serving the East Valley. Specialty practices like this put significant money into equipment, patient referral networks and staff, which makes them some of the stickiest tenants in commercial real estate.

The surrounding trade area gives the practice a deep, affluent and well-insured patient base. More than 369,000 residents live within five miles, and median household income within one mile is $106,659. About 90% of residents have health insurance, led by employer-sponsored plans, and more than 44,000 seniors are covered by Medicare. Households spend about $8,175 a year on health insurance and medical care. For an investor, this is a chance to own a healthcare asset with a proven operator and reliable cash flow in one of the Phoenix MSA's strongest healthcare markets.



04 | PROPERTY HIGHLIGHTS

- **SINGLE-TENANT NET LEASE.** THE TENANT PAYS ALL OPERATING COSTS- UNTILITIES, REPAIRS, HVAC REPAIR AND REPLACEMENT, PROPERTY TAXES, ASSOCIATION DUES AND SPECIAL ASSESMENTS - LEAVING THE OWNER WITH VERY FEW RESPONSIBILITIES.
- **23 YEARS OF OCCUPANCY.** DESERT PULMONARY & SLEEP CONSULTANTS HAS OCCUPIED THE SUITE SINCE AUGUST 2003 AND USES IT AS ITS MAIN OFFICE. IT EXTENDED THE LEASE IN MARCH 2023 (1ST AMENDMENT) TO AUGUST 31, 2028.
- **BUILT-IN RENT GROWTH.** 3% ANNUAL INCREASES. RENT IS $27.70/SF TODAY, RISING TO $28.54/SF ON SEPTEMBER 1, 2027.
- **ESTABLISHED SPECIALTY PRACTICE.** PULMONARY AND SLEEP MEDICINE GROUP SERVING THE EAST VALLEY FOR 30+ YEARS, WITH BOARD-CERTIFIED PHYSICIANS AND A SLEEP CENTER ACCREDITED BY THE AMERICAN ACADEMY OF SLEEP MEDICINE.
- **HEALTHCARE CORRIDOR.** ABOUT **2.2 MILES** FROM BANNER GATEWAY MEDICAL CENTER AND BANNER MD ANDERSON CANCER CENTER. EIGHT HOSPITALS LIE WITHIN ABOUT 9 MILES, AND MEDICAL OFFICE BUILDINGS LINE THE BASELINE RD CORRIDOR.
- **AFFLUENT, HEALTH-SPENDING TRADE AREA.** $139,204 AVERAGE HOUSEHOLD INCOME WITHIN 1 MILE. WITHIN 5 MILES: 369,039 RESIDENTS, 44,604 MEDICARE BENEFICIARIES AND $1.13 B IN ANNUAL HOUSEHOLD HEALTH CARE SPENDING.
- **PRIME EAST VALLEY ACCESS.** ON BASELINE RD NEAR VAL VISTA DR, ABOUT 1 MILE FROM THE US-60 SUPERSTITION FREEWAY, WITHIN A PROFESSIONALLY ZONED (C-O) OFFICE CAMPUS.

Address	3303 E Baseline Rd | Gilbert, AZ 85234
Project	Executive Villas at Dana Point
Property Type	2nd-story medical office condominium
Unit Size	4,561 SF
Building	Building 4 - 16,620 SF two-story - 1 of 4 units
Project Size	8 two-story buildings - 62,600 SF - 5.89 acres
Year Built	2002
Zoning	C-O (City of Gilbert)
APN	309-27-056
Parking	25 spaces (4 covered reserved, 21 unreserved) 5.48 Per 1000 SF

05 | SITE PLAN



APN : 309-27-056
4,561 SF
C-O (CITY OF GILBERT)

TENANT OVERVIEW

THE PRACTICE

Desert Pulmonary & Sleep Consultants is an established East Valley pulmonary and sleep medicine group. It has served the East Valley and Phoenix for more than 30 years. Suite 208 is the practice's **main office**, and a second diagnostics center operates on Val Vista Dr in Gilbert. Its physicians hold medical staff privileges at Banner Desert, Banner Baywood and Banner Heart Hospital, and the sleep center is accredited by the American Academy of Sleep Medicine.

SERVICES

PULMONARY

Asthma, COPD, Pulmonary fibrosis, Lung cancer, Pulmonary function testing, Oximetry & 6-minute walk, & Bronchoscopy.

SLEEP MEDICINE

Sleep apnea, Narcolepsy, Restless legs syndrome, Insomnia, Home sleep apnea testing, & SHUT insomnia therapy.

BOARD CERTIFIED PULMONOLOGIST

Board-Certified Pulmonologist
Physicians board certified in internal medicine and pulmonary disease, plus certifications in critical care and sleep medicine on the team. All are Fellows of the American College Chest Physicians.

Hospital Leadership & Privileges
The clinical team includes the Medical Director of the Banner Baywood Sleep Center. Physicians hold privelages at Banner Desert, Banner Baywood and Banner Heart Hospital.

PA

Advanced Practice Support
A physician assistant (PA-C) supports patient volume and continuity of care.

DESERT PULMONARY & SLEEP CONSULTANTS, P.L.C

Tenant	Desert Pulmonary & Sleep Consultants, P.L.C
Guarantor	Tenant entity
Premises	Suite 208, Building 4 | 4,561 SF
In Occupancy Since	August 2003 (23+ years)
Lease Expires	August 31, 2028
Lease Type	NNN
Tenant Pays	Utilities, repairs, HVAC repair & replacement, property taxes, association dues, special assesments
Rent Increases	3% annualy
Option	(1) Five year option
Security Deposit	$7,601.67
Cap Rate	7.25%
Net Operating Income	$127,616 (pro forma)

RENT SCHEDULE

Period	$/SF/Yr	Monthly	Annual
Current - Aug 31, 2027	$27.70	$10,528.31	$126,339.72
Sep 1, 2027 - Aug 31, 2028	$28.54	$10,847.58	$130,170.96

HEALTHCARE AND INSURANCE

Population age	19<	19-34	35-64	65+
Population	26.2|23.5|25.3	24.1|22.7|21.7	37.4|36.6|37.3	12.4|17.2|15.8
Has One Type of Insurance	23.9|20.4|21.6	18.8|17.9|16.9	30.9|29.9|30.1	5.9|7.3|6.5
No Health Insurance	1.5|1.6|2.0	4.4|3.9|3.7	3.6|3.9|4.4	0.4|0.2|0.2

%

HEALTHCARE EXPENDITURE

ANNUAL HEALTH INSURANCE EXPENDITURES	MEDICAL CARE
1 MILE $5,648	1 MILE $3,023
3 MILE $5,074	3 MILE $2,703
5 MILE $5,335	5 MILE $2,840

MEDICARE: POPULATION 65+

1 Mile	**885** Medicare Only | **313** Direct-Purch & Medicare | **199** Employer & Medicare | **229** Medicare & Medicaid
3 Mile	**9,289** Medicare Only | **4,548** Direct-Purch & Medicare | **2,707** Employer & Medicare | **1,477** Medicare & Medocaid
5 Mile	**21,803** Medicare Only | **11,357** Direct-Purch & Medicare | **7,639** Employer & Medicare | **3,805** Medicare & Medicaid

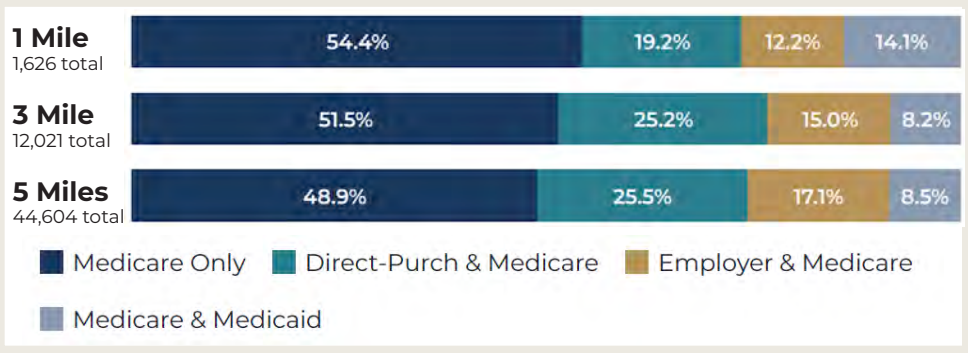
CONSUMER SPENDING

Healthcare Annual Expenditure	1 Mile	3 Mile	5 Mile
Blue Cross/ Blue Sheild	$1,583.50	$1,373.50	$1,468.50
Medicare Payments	$1,161.90	$1,158.30	$1,182.10
Physician Services	$322.10	$280.30	$298.90
Dental Services	$622.60	$540.00	$563.70
Eyecare Services	$97.10	$87.90	$92.30
Lab Tests/ X-Rays	$92.60	$80.00	$85.10
Hospital Room & Hospital Service	$397.40	$341.70	$366.40
Convalescent/ Nursing Home Care	$58.70	$64.60	$65.20

HEALTHCARE PAYER MIX

5-MILE HEALTHCARE SPEND	MEDICARE BENEFICIARIES 65+	1-MILE SPENDING INDEX	INSURED POPULATION
$1.13 B	**44,604**	**108**	**~90%**
annual, all households	within 5 miles (18,021 within 3)	healthcare vs. U.S. avg (100)	uninsured 9.6%-10.3% by ring

MEDICARE 65+ PAYER MIX



UNDER-65 COVERAGE BY PAYER (ACS)

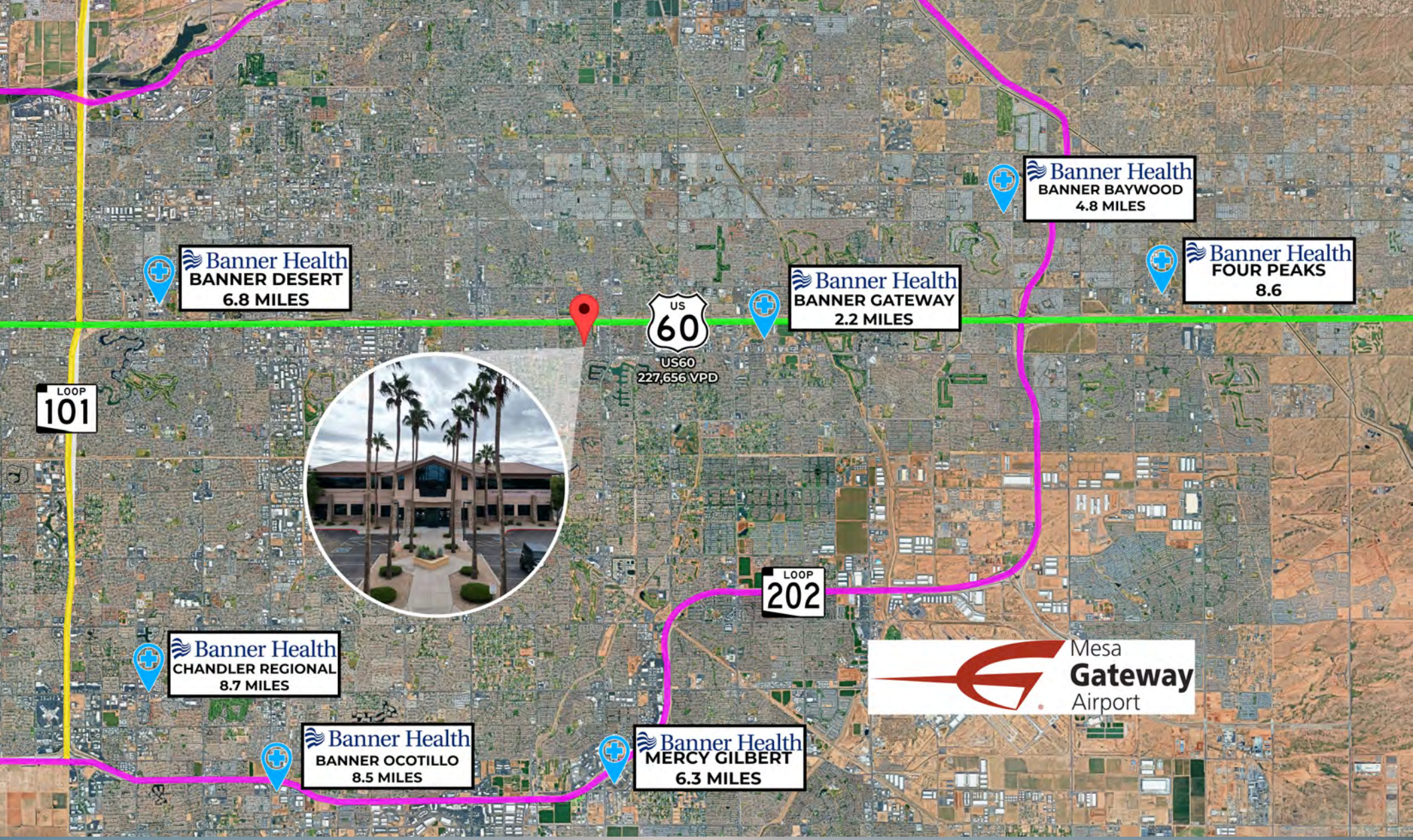
% of pop (age 19-34 / 35-64)	1 Mile	3 Mile	5 Mile
Employer Health Ins	14.7%/23.6%	13.5%/23.1%	12.4%/23.4%
Direct Purchase Ins	2.0%/3.5%	1.9%/2.7%	1.6%/2.7%
Medicaid Only	1.8%/3.3%	2.3%/3.3%	2.7%/3.1%
Medicare Only	0.2%/0.3%	0.0%/0.5%	0.1%/0.5%
VA Health Care	0.0%?0.1%	0.0%/0.1%	0.1%/0.1%

KEY TAKEAWAYS

- **Commercial-heavy payer base:** employer coverage is the dominant payer for working-age residents (23–24% of pop. age 35-64 in every ring), and Blue Cross/Blue Shield is the largest health spending line item ($1,374–$1,584 per HH).
- **Deeper senior base beyond 1 mile:** the 65+ share jumps from 12.4% (1 mi) to 17.2% (3 mi), with 44,604 Medicare beneficiaries in 5 miles — about half Medicare-only, a quarter with supplemental direct-purchase plans.
- **Dual-eligible pocket near the site:** Medicare & Medicaid enrollees are 14.1% of 65+ beneficiaries in the 1-mile ring vs. 8.5% across 5 miles.
- **$1.13 B** in annual household health care spending within 5 miles supports primary care, dental, imaging/lab and specialty MOB tenants.

HEALTHCARE MARKET SIZE

Metric	1 Mile	3 Mile	5 Mile
Households	6,131	53,108	138,771
Avg. Total Health Care Spend / HH	$8,671	$7,776	$8,175
Healthcare Spending Index (US = 100)	108	97	102
Aggregate Healthcare Spending	$53.2 M	$413.6 M	$1.13 B
Aggregate Health Insurance Spending	$34.6 M	$269.5 M	$740.3 M
Aggrigate Medical Care Spending	$18.5 M	$143.6 M	$394.1 M
Medicare Payments (aggregate)	$7.1 M	$61.5 M	$164.0 M
Physician + Dental + Eyecare + Lab (aggregate)	$7.0 M	$52.5 M	$144.3 M
Population 65+ (% of ACS pop.)	12.4%	17.2%	15.8%
Uninsured (all ages, % of pop.)	9.9%	9.6%	10.3%


Banner Health
BANNER DESERT
6.8 MILES
Banner Health
BANNER BAYWOOD
4.8 MILES
Banner Health
FOUR PEAKS
8.6
Banner Health
BANNER GATEWAY
2.2 MILES
US
60
US60
227,656 VPD
LOOP
101
LOOP
202
Banner Health
CHANDLER REGIONAL
8.7 MILES
Mesa
Gateway
Airport
Banner Health
BANNER OCOTILLO
8.5 MILES
Banner Health
MERCY GILBERT
6.3 MILES

Gilbert, AZ

ENTERTAINMENT

Downtown Gilbert

Downtown Gilbert's Heritage District brings together local dining, shopping, arts and entertainment in a walkable setting centered around the town's iconic water tower. Historic buildings and contemporary gathering spaces create a distinctive atmosphere, with restaurants, cafés and nightlife offering options throughout the day and evening. Live performances at Hale Centre Theatre, public art and community events add to the district's appeal as a destination for residents and visitors alike.

San Tan Village

SanTan Village is Gilbert's open-air destination for shopping, dining and entertainment. Its outdoor shopping corridors feature a mix of national retailers and local boutiques, including Apple, Dillard's, lululemon, Macy's and Nordstrom Rack. Restaurants and casual eateries complement the retail experience, making the center a convenient place to meet friends, enjoy a meal or spend an afternoon shopping. The combination of established brands, outdoor spaces and dining options makes SanTan Village a prominent lifestyle destination in the East Valley.



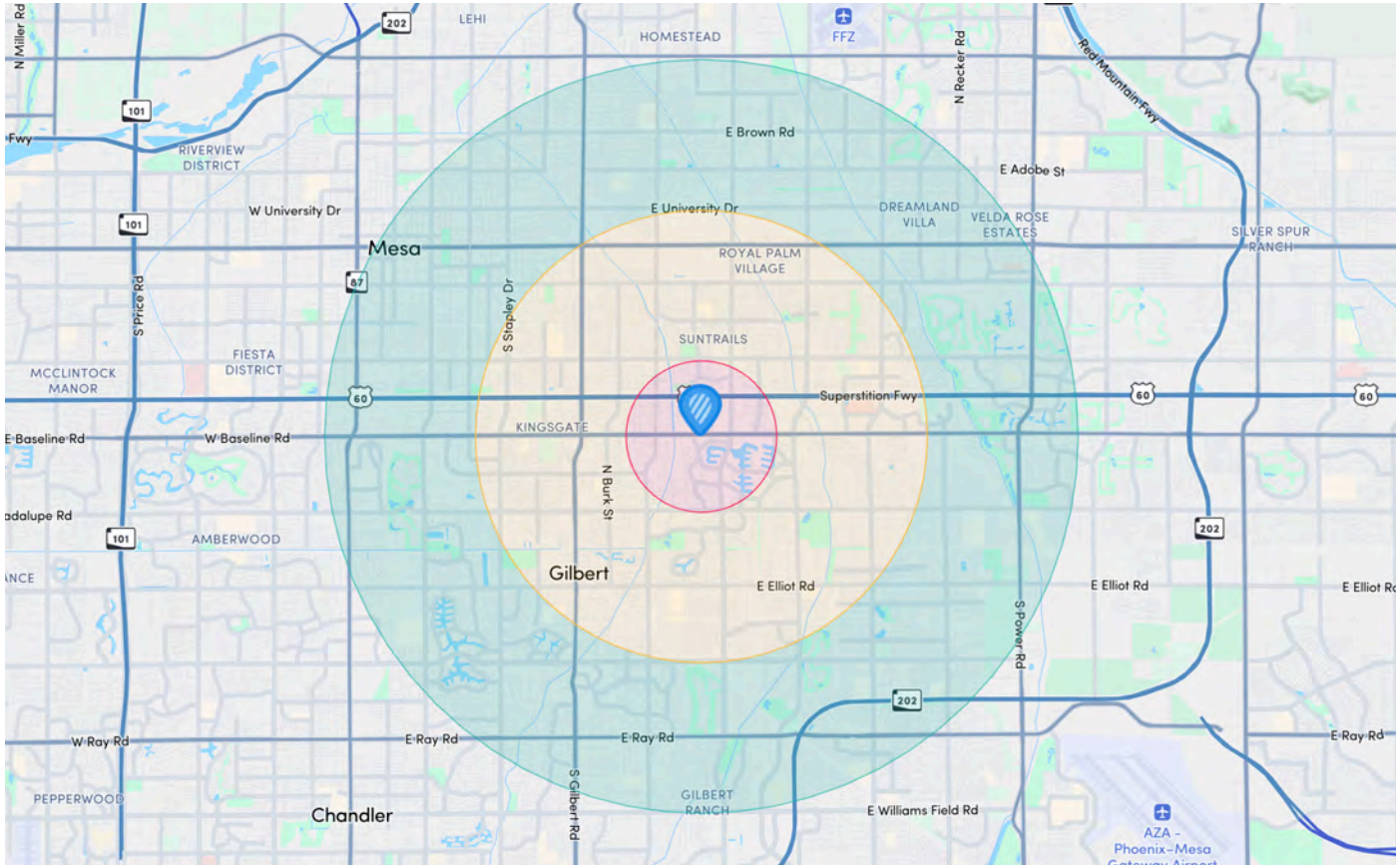






Riparian Preserve at Water Ranch

The Riparian Preserve at Water Ranch offers a distinctive outdoor experience in the heart of Gilbert. The 110-acre preserve features seven ponds and more than 4.5 miles of trails through habitats ranging from desert to marshland. Visitors can enjoy walking, birdwatching, wildlife photography and educational experiences while exploring native plants and natural surroundings. Wildlife-viewing areas, pollinator gardens and an observatory provide additional opportunities for recreation and discovery, making the preserve a welcoming destination for families and outdoor enthusiasts.



DAYTIME POPULATION
378,897

* 5 mile radius

MEDIAN AGE
37.5

* 5 mile radius

AVERAGE HOUSEHOLD INCOME
$139,204

* 1 mile radius

2022 Summary (SitesUSA)	One Mile	Three Mile	Five Mile
Daytime Population:	15,358	132,337	**378,897**
Residential Population:	16,126	136,677	369,039
Average Household Income:	**$139,204**	$119,067	$126,034
Average Household Size:	2.62	2.56	2.63
Median Age:	36.9	38.3	**37.5**
Housing Units:	6,015	40,621	109,656
Total Households:	6,131	53,108	138,771
Total Businesses:	631	5,009	12,686