



OFFERING MEMORANDUM

The Cottages at Fort Lowell

220 E. Fort Lowell Rd.

Tucson, AZ 85705



MULTI-FAMILY & INVESTMENT SALES TEAM



MULTI-FAMILY TEAM

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PROPERTY INFORMATION

The Cottages at Fort Lowell
220 E. Fort Lowell Rd.
Tucson, AZ 85705



PRICE
\$1,000,000




PRICE PER UNIT
\$83,333












PRICE PER SF
\$138.27









PROFORMA NOI
\$65,317



CAP RATE
6.53%

	LOCATION:	220 E. Fort Lowell Rd. Tucson, AZ 85705
	SITE AREA:	0.65 Acres 28,445 Sq. Ft.
	RENTABLE SQFT:	7,230 Sq. Ft.
	ASSESSOR PARCEL NUMBER(S):	107-11-0650
	ZONING:	C - 2
	ACCESS:	Ingress/egress
	PARKING	~ 8 covered + open parking
	ROOF/STORIES:	Flat cool roof/1 story
	YEAR BUILT:	1948

	LANDSCAPING:	Large shade trees, palm trees, desert plants, and shrubbery
	UTILITIES: (Responsibility)	Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Tenant) Water: City of Tucson (RUBS) Sewer: City of Tucson (RUBS) Trash: City of Tucson (RUBS)
	METERING:	Electric: Individual Gas: Individual Water/Sewer/Trash: Master-metered Hot Water: Master-metered
	HEATING/COOLING:	EVAP
	CONSTRUCTION:	Wood frame/stucco
	FINANCING:	Cash or Traditional Financing

UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT
Studio	1	8%	360
1BD/1BA	8	67%	575
1BD/1BA	2	17%	636
3BD/1BA	1	8%	1000
Total/Average (Monthly)	12	100%	603



PROPERTY HIGHLIGHTS

- Value-add opportunity
- Attractive unit mix
- Covered private parking for most units
- Opportunity to add gated entrance
- Ample parking for tenants
- Well-maintained landscaping
- Operational upside

UNIT HIGHLIGHTS

- Some upgraded units
- Below market rents
- Individually metered for electric and gas
- RUBS for water, sewer, & trash usage
- Casitas style units with separate walls
- Private backyards
- Opportunity to add HVAC

PROPERTY SUMMARY

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The Cottages at Fort Lowell, is an attractive value-add collection of 13 apartment rentals. The Cottages consist of (1) studio, (10) 1BD/1BAs and (1) spacious 3BD/1BA unit, this complex has had some units with recent upgrades offering enhanced finishes. With a diverse unit mix and tenant friendly location, investors have the opportunity to take advantage of this value-add opportunity that allows for long term potential rent growth through additional renovations.

The open layouts of each unit offer a foundation for continued tenant-friendly interior renovations. Units currently feature partially upgraded finishes, modern paint, and tile flooring. With further upgrades, investors can achieve higher rents, enhancing overall property returns. Additionally, tenants cover their own electricity and gas expenses, while a RUBS program shifts water, sewer, and trash costs back to tenants, lowering operating expenses.

While operationally sound, The Cottages at Fort Lowell remains a strong value-add opportunity with room for further upgrades, including the potential to install HVAC, which could support higher lease rates. There is additional value-add potential in the property's exterior. Some tenants currently enjoy private, covered parking spaces, and there is ample parking available for residents and guests. Minimal landscaping, featuring low-maintenance desert plants, helps keep expenses low

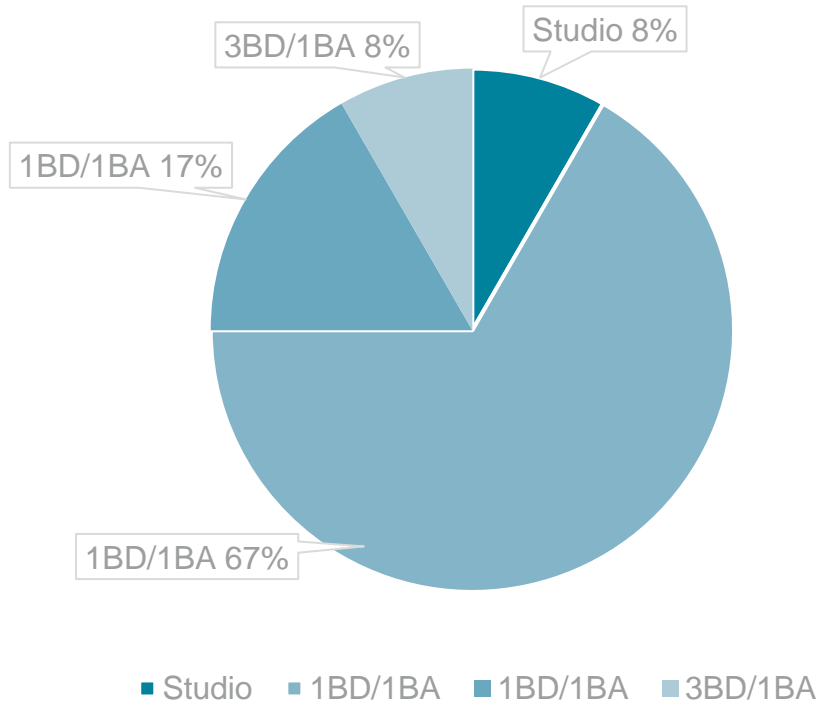
Situated near the Tucson Mall, The Cottages at Fort Lowell provides convenient access to shopping, dining, and entertainment options. This high retail landscape not only enriches the lifestyle of residents but also offers employment opportunities in close proximity to the community. With its investment potential, modern finishes, and prime location, Roger Apartments offers a promising opportunity for investors.

FINANCIAL ANALYSIS

The Cottages at Fort Lowell
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Unit Description	# of Units	% of Total	SqFt Per Unit	Total Rentable SqFt	Current Avg. Rent		Pro Forma Market Rent		
					Per Unit	Per Month	Per Unit	Per Month	Per SqFt
Studio	1	8%	360	360	\$595	\$595	\$625	\$625	\$1.74
1BD/1BA	8	67%	575	4,600	\$780	\$6,240	\$825	\$6,600	\$1.43
1BD/1BA	2	17%	636	1,272	\$795	\$1,590	\$850	\$1,700	\$1.34
3BD/1BA	1	8%	1000	1,000	\$1,200	\$1,200	\$1,200	\$1,200	\$1.20
Total/Average (Monthly) Annual	12	100%	603	7,232	\$802	\$9,625 \$115,500	\$844	\$10,125 \$121,500	\$1.40

Unit Breakdown



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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-9 Actuals Annualized	T-9 Actuals Annualized Per Unit
RENTAL INCOME				
Gross Market Rent	\$121,500	\$10,125		
Vacancy Loss	-\$7,290	-6.0%		
Concessions & Bad Debt	-\$2,430	-2.0%		
Net Rental Income	\$111,780	\$9,315	\$100,251	\$8,354
RUBS	\$15,000	\$1,250	\$14,865	\$1,239
Other Income	\$9,500	\$792	\$9,229	\$769
TOTAL INCOME	\$136,280	\$11,357	\$124,345	\$10,362
OPERATING EXPENSES				
General & Administrative	\$2,000	\$167	\$1,280	\$107
Professional Fees	\$2,500	\$208	\$2,573	\$214
Repairs & Maintenance & Turnover	\$12,000	\$1,000	\$20,255	\$1,688
Contract Services	\$3,000	\$250	\$2,791	\$233
Utilities	\$24,000	\$2,000	\$23,232	\$1,936
TOTAL VARIABLE	\$43,500	\$3,625	\$50,131	\$4,178
Property Taxes	\$5,561	\$463	\$5,561	\$463
Flood Insurance	\$3,000	\$250	\$2,992	\$249
Property Insurance	\$5,000	\$417	\$2,436	\$203
Management Fee	\$10,902	8%	\$11,897	10%
Reserves	\$3,000	\$250		
TOTAL EXPENSES	\$70,963	\$5,914	\$73,017	\$6,085
NET OPERATING INCOME	\$65,317	\$5,443	\$51,328	\$4,277

Stabilized Market Analysis	
Value	\$1,000,000
Per Unit	\$83,333
Per Square Foot	\$138.27
Cap Rate	
T-9 Actuals Annualized	5.13%
Marketing Pro Forma	6.53%

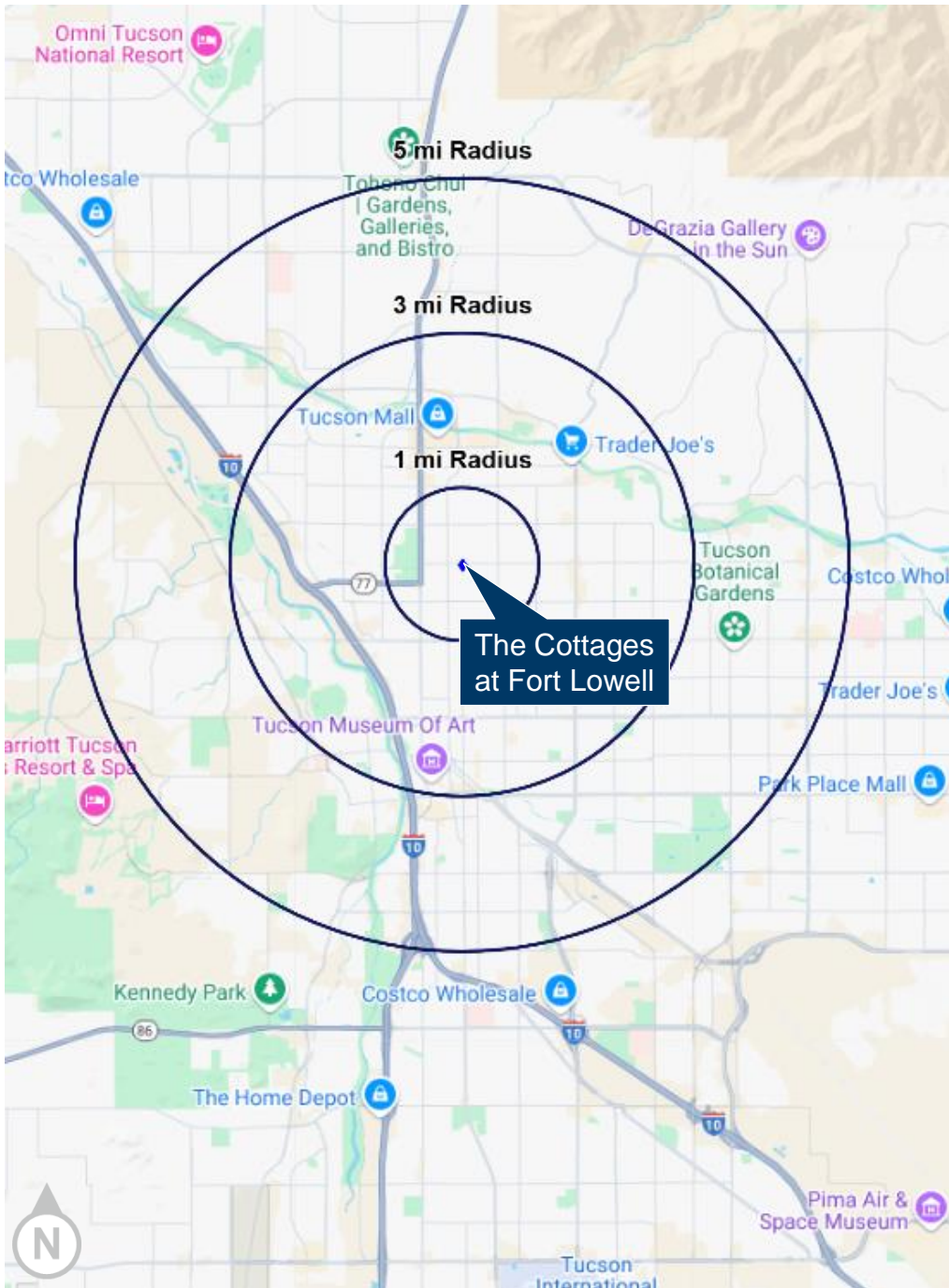
TRADE MAP

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DEMOGRAPHIC OVERVIEW

The Cottages at Fort Lowell
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2023 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	22,098	129,779	253,957
HOUSEHOLDS	10,202	57,963	112,926
AVG HOUSEHOLD INCOME	\$49,856	\$66,394	\$83,893
DAYTIME POPULATION	6,026	77,145	136,506
RETAIL EXPENDITURE	\$208.75 M	\$1.43 B	\$3.27 B

Source: Sites USA -Applied Geographic Solutions 11/2021, TIGER Geography - RF5

2029 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	22,764	132,046	257,320
HOUSEHOLDS	10,645	59,794	116,040
AVG HOUSEHOLD INCOME	\$50,475	\$67,744	\$86,209

Source: Sites USA -Applied Geographic Solutions 11/2021, TIGER Geography - RF5

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

E. FORT LOWELL RD	20,016 VPD	(2023)
N. STONE AVE	16,461 VPD	(2023)

Source: Pima Association of Governments



EXTERIOR PHOTOS

The Cottages at Fort Lowell
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BIRDS-EYE VIEW ABOVE

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BIRDS-EYE VIEW NORTH

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BIRDS-EYE VIEW EAST

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BIRDS-EYE VIEW WEST

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BIRDS-EYE VIEW SOUTH

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ABOUT THE REGION

ARIZONA: THE BEST STATE FOR BUSINESS

Quality Jobs Tax Credit*

Provides up to **\$9,000 of income or premium tax credits** over a three-year period for each net new job to the state and concurrent qualifying capital expenditures.

Quality Facility Tax Credit*

Provides **refundable income tax credits up to \$20,000** per qualifying net new job to eligible manufacturing companies that invest in one or more qualifying facilities.

Additional Depreciation*

Accelerates depreciation to substantially reduce business personal property taxes.

Exemption for Machinery and Equipment & Electricity*

Provides Transaction Privilege Tax (sales tax) and Use Tax exemptions.

Research & Development Tax Credit*

Provides an Arizona income tax credit for increased research and development activities conducted in this state. The R&D tax credit is equal to **24% of the first \$2.5 million in qualifying expenses, plus 15% of the qualifying expenses in excess of \$2.5 million**. Beginning in 2023, the tax credit rates will be 20% of the first \$2.5 million in qualifying expenses plus 11% of the qualifying expenses in excess of \$2.5 million.

Diverse Workforce

As one of the fastest growing megaregions in the U.S., the continuing in-migration of talent at all levels positively impacts the regional economy and translates into increased workforce availability. The local military installations have over 8,000 active airmen and provide a skilled veteran pool for businesses to tap.

Source: Sun Corridor, Inc.

* *Source: AZCommerce.com*

Oro Valley

Is located in northern Pima County approximately three miles north of the Tucson city limits. Nestled between the Catalina and Tortolita mountain ranges, the town sits at an elevation of 2,620 feet and covers more than 36 square miles.

Incorporated in April 1974 and home to more than 45,184, the Town of Oro Valley employs the council-manager form of municipal government. Oro Valley is administered by a seven-member Town Council.

Source: orovalleyaz.gov

Rio Nuevo Tax Increment Finance District

Rio Nuevo is the only tax increment finance district (TIF) in the state of Arizona. In partnership with developers, investors and lenders, Rio Nuevo invests in projects designed to expand the tax base and bring patrons and new businesses to Downtown Tucson. Rio Nuevo helps defray the steep costs of major new development and property improvements.

Town of Marana: Job Creation Incentive Program

Helps businesses to locate or expand in Marana by receiving reimbursement from reallocation of construction sales tax on new construction or expansion projects to qualifying employers.

Source: Sun Corridor, Inc.

TUCSON MARKET OVERVIEW



1.08M

TUCSON MSA
POPULATION



484,397

TOTAL
HOUSEHOLDS



35%

COLLEGE
EDUCATION



0.75%

POPULATION
GROWTH RATE



\$64,323

MEDIAN HOUSEHOLD
INCOME



3.2%

UNEMPLOYMENT
RATE



THE UNIVERSITY
OF ARIZONA

53,187

UNIVERSITY OF ARIZONA
TOTAL ENROLLMENT, 2023

- #3 MANAGEMENT INFORMATION SYSTEMS
- #10 SPACE SCIENCE
- #17 MEDICINE
- #18 EDUCATION
- #47 BEST BUSINESS SCHOOLS
- #48 TOP PUBLIC SCHOOL
- #54 UNDERGRAD ENGINEERING PROGRAMS
- #67 COLLEGES FOR VETERANS
- #99 BEST GLOBAL UNIVERSITY

LARGEST EMPLOYERS

1. UNIVERSITY OF ARIZONA- 16,699
2. RAYTHEON MISSILE SYSTEMS- 13,000
3. DAVIS-MONTHAN AFB- 11,769
4. STATE OF ARIZONA – 8,580

RECENT INDUSTRY ARRIVALS & EXPANSIONS

1. AMAZON
2. CATERPILLAR SURFACE MINING & TECHNOLOGY
3. HEXAGON MINING
4. BECTON DICKINSON
5. AMERICAN BATTERY FACTORY



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