



OFFERING MEMORANDUM
The Compound Student Housing
774 & 794 E. Seneca St.
Tucson, AZ 85719



MULTI-FAMILY & INVESTMENT SALES TEAM



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PROPERTY INFORMATION

The Compound Student Housing
774 & 794 E. Seneca St.
Tucson, AZ 85719

 PRICE \$3,050,000	 PRICE PER UNIT/BED \$435,714 / \$108,929	 PRICE PER SF \$197.23	 PROFORMA NOI \$186,448	 CAP RATE 6.11%
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	LOCATION:	774 & 794 E. Seneca St. Tucson, AZ 85719		LANDSCAPING:	Large shade trees, shrubbery, rock, bushes, & artificial turf
	SITE AREA:	0.72 Acres 31,384 Sq. Ft.		UTILITIES: (Responsibility)	Electricity: TEP (Passthrough) Water: City of Tucson (Passthrough) Sewer: City of Tucson (Passthrough) Trash: City of Tucson (Passthrough)
	RENTABLE SQFT:	15,464 Sq. Ft.		METERING:	Electric: Individual by house Water/Sewer/Trash: Individual by house Hot Water: Individual Water Heaters
	ASSESSOR PARCEL NUMBER(S):	123-14-061B & 123-14-0590		HEATING/COOLING:	Air Conditioning – Heating & Cooling
	ZONING:	R-2		CONSTRUCTION:	Frame & Stucco
	ACCESS:	Ingress/Egress		FINANCING:	Traditional Financing & Cash
	PARKING	~25 Spaces			
	ROOF/STORIES:	Tile & Shingles / 2 Stories			
	YEAR BUILT:	2012			

UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT
4BD/4.5BA	6	86%	2399
SFR (4BD)	1	14%	1070
Total/Average (Monthly)	7	100%	2,209

FINANCIAL ANALYSIS

The Compound Student Housing
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UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT	TOTAL RENTABLE SQ. FT.	AUGUST 2023 AVG. RENT		PROFORMA RENTS		
					PER UNIT	PER MONTH	PER UNIT	PER MONTH	PER SQ. FT.
4BD/4.5BA	6	86%	2399	14,394	\$3,400	\$20,400	\$3,400	\$20,400	\$1.42
SFR (4BD)	1	14%	1070	1,070	\$3,400	\$3,400	\$3,400	\$3,400	\$3.18
Total/Average (Monthly)	7	100%	2,209	15,464	\$3,400	\$23,800	\$3,400	\$23,800	\$1.54
Annual						\$285,600		\$285,600	

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	2022 Actuals	2022 Actuals Per Unit
<u>RENTAL INCOME</u>				
Gross Market Rent	\$285,600	\$40,800		
Vacancy Loss	-\$14,280	-5.0%		
Concessions & Bad Debt	-\$4,284	-1.5%		
Net Rental Income	\$267,036	\$38,148	\$267,060	\$38,151
Other Income	\$500	\$71	\$0	\$0
TOTAL INCOME	\$267,536	\$38,219	\$267,060	\$38,151
<u>OPERATING EXPENSES</u>				
General & Administrative	\$2,000	\$286	\$654	\$93
Repairs & Maintenance & Turnover	\$25,000	\$3,571	\$35,788	\$5,113
Contract Services	\$4,800	\$686		\$0
Utilities	\$1,500	\$214	\$1,383	\$198
TOTAL VARIABLE	\$33,300	\$4,757	\$37,825	\$5,404
Property Taxes	\$12,034	\$1,719	\$12,034	\$1,719
Property Insurance	\$5,500	\$786	\$5,500	\$786
Management Fee	\$26,754	10%	\$26,642	10%
Reserves	\$3,500	\$500		
TOTAL EXPENSES	\$81,088	\$11,584	\$82,001	\$11,714
NET OPERATING INCOME	\$186,448	\$26,635	\$185,059	\$26,437

Stabilized Market Analysis	
Value	\$3,050,000
Per Unit	\$435,714
Per Bed	\$108,929
Per Square Foot	\$197.23
Cap Rate	
2022 Actuals	6.07%
Marketing Pro Forma	6.11%

PROPERTY HIGHLIGHTS

The Compound Student Housing
774 & 794 E. Seneca St.
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PROPERTY HIGHLIGHTS

- Turn-Key student housing investment
- 6 Spacious 4BD/4.5BA Homes + 1 SFR
- Property management in place
- Balcony/patio access for each unit
- Walking distance to UofA campus
- Well maintained property
- Fully leased for 2023-2024 school year
- Pool, hot tub, & artificial turf



UNIT HIGHLIGHTS

- Air conditioning
- Spacious layout
- Granite countertops
- Stainless steel appliances
- Washer/dryers in each unit
- Common area bathroom
- Private bathrooms for each bedroom
- Polished concrete floors

PROPERTY SUMMARY

The Compound Student Housing
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The Compound Student Housing is a complex that is only a short driving distance from the University of Arizona that consists of seven houses with a total of 28 beds, offering several accommodations for students. The property is uniquely designed with six four-bedroom and four-and-a-half bathroom units, as well as a single-family residence which consists of four-bedrooms and four-and-a-half bathrooms. This is a turn-key opportunity with in-place property management and a fully leased property for the 2023-2024 school year.

One of the most notable features of this housing complex are the on-site amenities, which include a large grassy area, hot tub, pool, and several covered common areas to socialize and relax in. In addition, there is the large parking lot, which provides ample parking space for residents. The tenants are responsible for paying all the utilities, except for the common electric which is for the power to the communal areas of the property.

The interiors of the units feature polished concrete flooring downstairs and carpeted flooring upstairs. Each resident has their own full bathroom, ensuring maximum privacy and comfort. There is also a half bath downstairs, which is convenient for guests. The kitchens are fitted with granite counter tops and high-end stainless-steel appliances, adding a touch of sophistication and elegance to the overall design. Additionally, each unit has its own washer and dryer, which is a great convenience for residents.

The Compound Student Housing is an exceptional housing complex that offers desired amenities, space, and modern interiors. It is the perfect setting for students looking for a comfortable and enjoyable living experience while pursuing their studies.

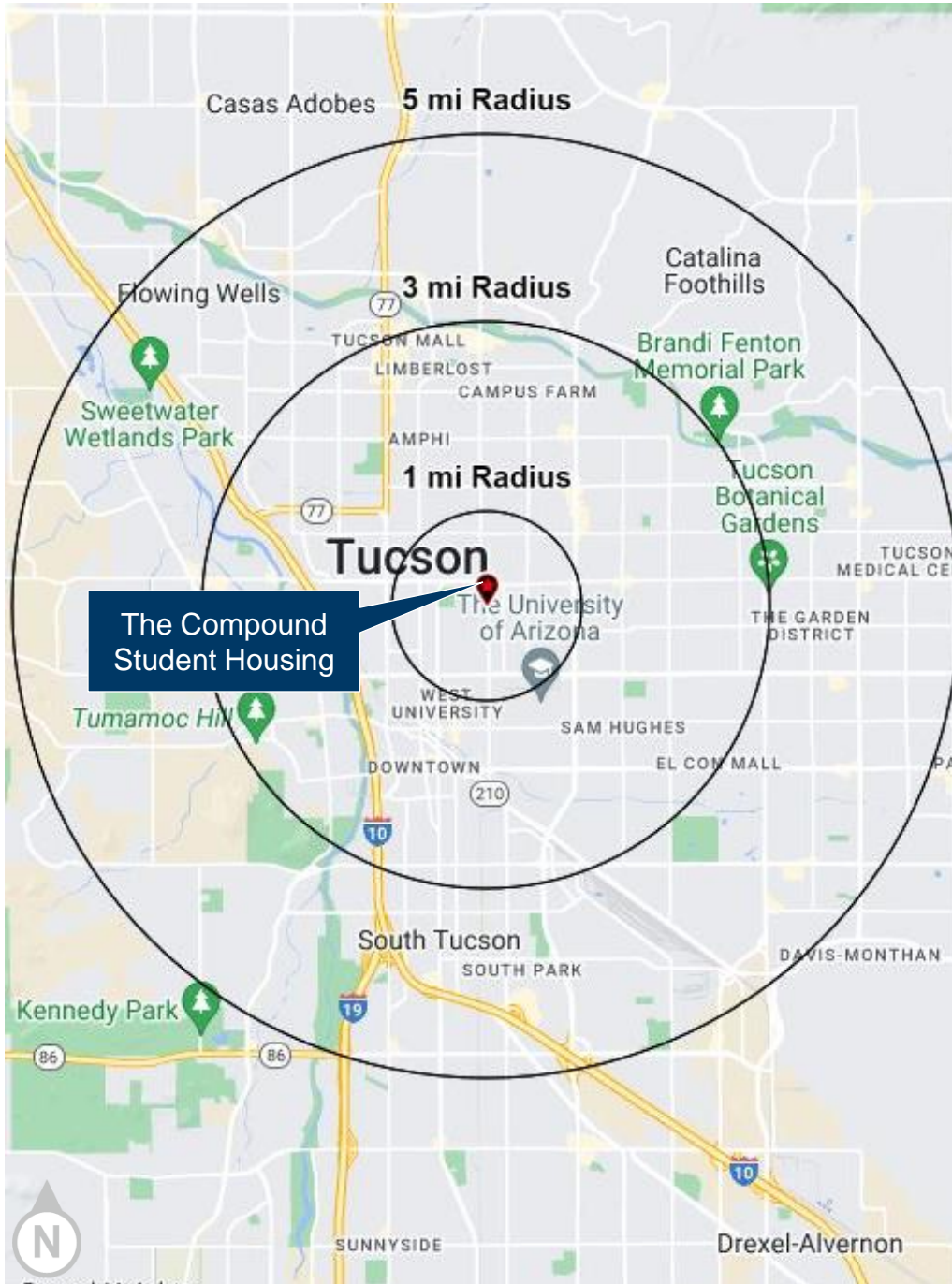
TRADE MAP

The Compound Student Housing
 774 & 794 E. Seneca St.
 Tucson, AZ 85719



DEMOGRAPHIC OVERVIEW

The Compound Student Housing
774 & 794 E. Seneca St.
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2022 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	20,930	140,233	272,961
HOUSEHOLDS	8,622	63,946	120,871
AVG HOUSEHOLD INCOME	\$45,086	\$50,742	\$58,391
DAYTIME POPULATION	11,826	103,371	174,481
RETAIL EXPENDITURE	\$164.24 M	\$1.31 B	\$2.72 B

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

2027 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	20,999	142,159	276,858
HOUSEHOLDS	8,527	63,915	120,803
AVG HOUSEHOLD INCOME	52,455	\$59,596	\$69,627

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

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

E. GRANT RD	42,034 VPD	(2022)
N. EUCLID AVE	23,049 VPD	(2022)

Source: Pima Association of Governments

PROPERTY LAYOUT

The Compound Student Housing
774 & 794 E. Seneca St.
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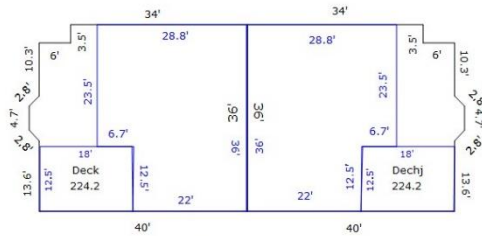
774 E SENECA ST

123-14-061~~A~~_B

774 E Seneca St
2-2 story Duplexes
4 Units Total

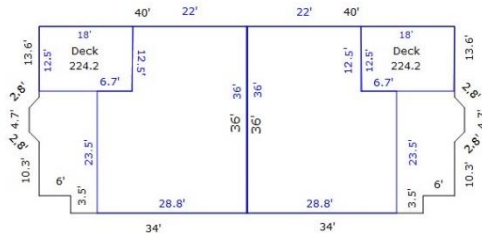
123-14-061~~A~~_B

Unit B
1432.3 s.f.
Second Floor
953.6 s.f.

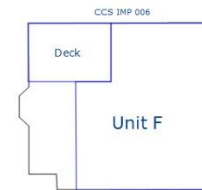
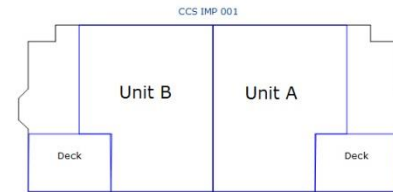
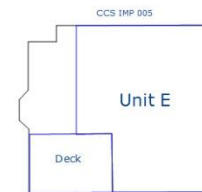


Unit A
1432.3 s.f.
Second Floor
953.6 s.f.

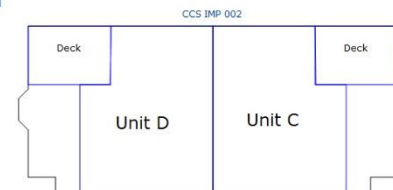
Unit D
1432.3 s.f.
Second Floor
953.6 s.f.



Unit C
1432.3 s.f.
Second Floor
953.6 s.f.



SITE PLAN



#507-MPR
Updated per F/C 02/12/2014

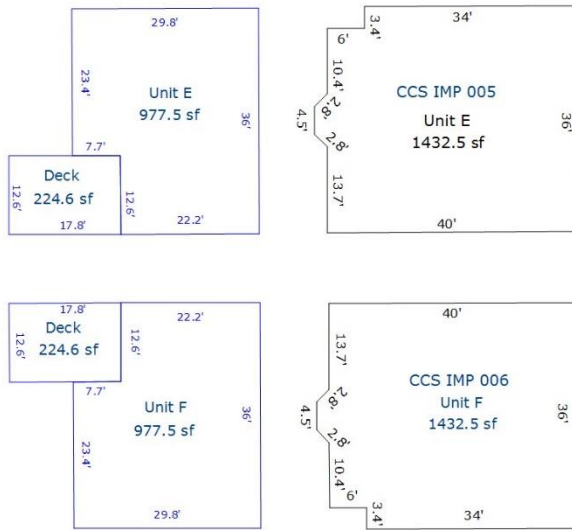
kbower-458
12-3-12
From Plans

UPDATED PER F/C 08/07/13 #375 EP

PROPERTY LAYOUT

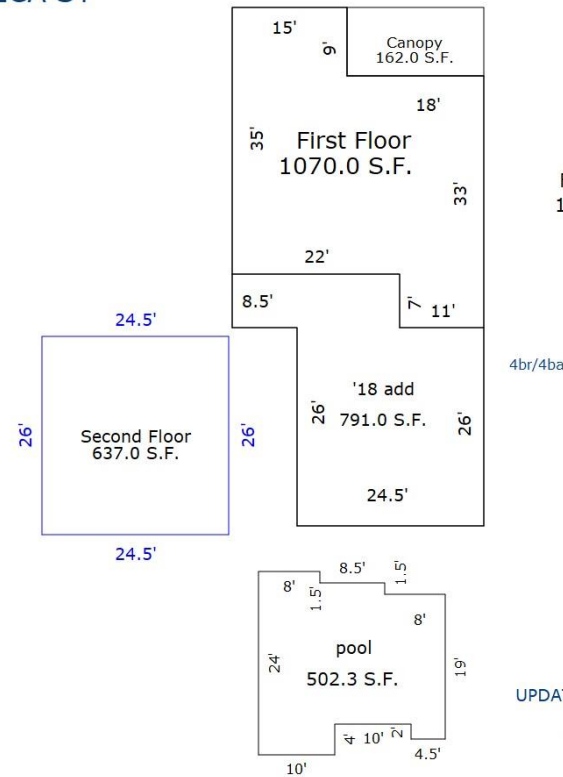
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123-14-061B
754 E SENECA ST



794 E SENECA ST

123-14-0590



4br/4ba

UPDATED PER F/C AND AERIAL
7/27/2018
#511 HE



EXTERIOR PHOTOS



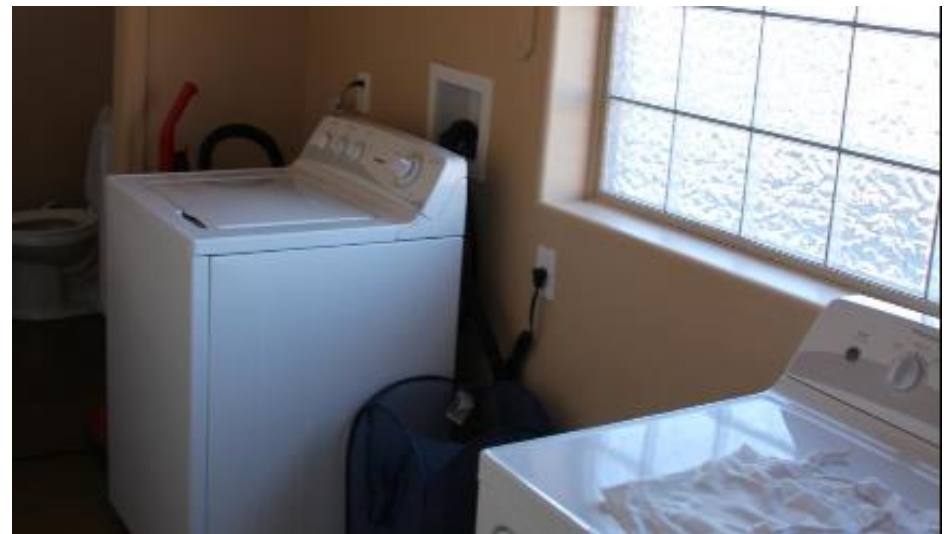
EXTERIOR PHOTOS



INTERIOR PHOTOS



INTERIOR PHOTOS



BIRDS-EYE VIEW-ABOVE

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BIRDS-EYE VIEW - NORTH

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BIRDS-EYE VIEW - WEST

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BIRDS-EYE VIEW-EAST

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BIRDS-EYE VIEW - SOUTH

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DRONE PHOTOS



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

At a Glance



1.058M
TUCSON MSA
POPULATION



434,692
TOTAL HOUSEHOLDS



25%
EDUCATION-
SOME COLLEGE



1.0%
POPULATION
GROWTH RATE



\$59,391
MEDIAN HOUSEHOLD
INCOME



3.3%
UNEMPLOYMENT
RATE

Source: BLS, BOC, Moody's Analytics 11/28/22

LARGEST EMPLOYERS

1. UNIVERSITY OF ARIZONA- 15,907
2. RAYTHEON MISSILE SYSTEMS- 13,000
3. DAVIS-MONTHAN AFB- 11,769
4. STATE OF ARIZONA – 8,580

www.arizona.edu, suncorridorinc.com

RECENT INDUSTRY ARRIVALS & EXPANSIONS

1. AMAZON
2. CATERPILLAR SURFACE MINING & TECHNOLOGY
3. HEXAGON MINING
4. BECTON DICKINSON
5. TUSIMPLE



46,932

UNIVERSITY OF ARIZONA
TOTAL ENROLLMENT, 2022

- #5 MANAGEMENT INFORMATION SYSTEMS
- #10 SPACE SCIENCE
- #29 NURSING
- #48 TOP PUBLIC SCHOOL
- #54 UNDERGRAD ENGINEERING PROGRAMS
- #67 COLLEGES FOR VETERANS
- #47 BEST BUSINESS SCHOOLS
- #108 BEST GLOBAL UNIVERSITY

UNIVERSITY OF ARIZONA TOP PROGRAMS
U.S. News & World Report



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