



OFFERING MEMORANDUM

Dodge & Fairmount Apartments

1412-1418 N. Dodge Blvd & 3701-3703 E. Fairmount St
Tucson, AZ 85716



**CUSHMAN &
WAKEFIELD**



PICOR

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PROPERTY INFORMATION

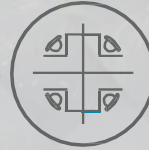
DODGE & FAIRMOUNT APARTMENTS
1412-1418 N DODGE BLVD
3701-3703 E FAIRMOUNT ST
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PRICE
\$975,000



PRICE PER UNIT
\$121,875



PRICE PER SF
\$227.80



PROFORMA NOI
\$61,340



CAP RATE
6.29%



LOCATION:
1412-1418 N. Dodge Blvd
3701-3707 E. Fairmount St
Tucson, Arizona 85716



SITE AREA:
0.55 Acres | 23,958 Sq. Ft.



RENTABLE SQFT:
4,280 Sq. Ft.



ASSESSOR PARCEL NUMBER(S):
122-18-122E & 122-18-122F



ZONING:
R-2



ACCESS:
Ingress & Egress



PARKING
~ 12 Spaces
1.5 Per Unit



ROOF/STORIES:
Flat – Built Up / One



YEAR BUILT/STYLE:
1948 w/Recent Improvements



LANDSCAPING:
Large Trees, Shrubbery



UTILITIES:
(Responsibility)
Electricity: Tucson Electric (Tenant)
Gas: Southwest Gas (Tenant)
Water: City of Tucson (Owner)
Sewer: City of Tucson (Owner)
Trash: City of Tucson (Owner)



METERING:
Electric: Individual
Gas: Individual
Water/Sewer/Trash: Master-metered
Hot Water: Individual Water Heaters



HEATING/COOLING:
Evaporative Cooling



CONSTRUCTION:
Brick



FINANCING:
Cash or Conventional

UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT
1BD/1BA (F)	2	25%	520
1BD/1BA (F-Renovated)	2	25%	520
1BD/1BA (D)	3	38%	550
1BD/1BA (D-Renovated)	1	13%	550
Total/Average (Monthly)	8	100%	535

PROPERTY SUMMARY

DODGE & FAIRMOUNT APARTMENTS
1412-1418 N DODGE BLVD
3701-3703 E FAIRMOUNT ST
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Located off the major street of Speedway Blvd is Dodge and Fairmount Apartments – an 8-unit complex comprised of 1BD/1BA units between 2 four-plexes on two adjoining parcels. The property is less than a mile to the Tucson Botanical Gardens and a short distance to El Con Center’s retail and entertainment district. A central location with close proximity to the University of Arizona, Tucson Medical Center, and other major employers downtown.

In addition to its convenient location, this apartment complex provides significant advantages for potential investors with this value-add opportunity. Every unit has individual enclosed yards as well as in unit washer/dryer hookups. Recent enhancements on the property include roof improvements, exterior paint, plumbing, and landscape maintenance. Three units have been renovated with major upgrades including stainless steel appliances, quartz counters, tile backsplash, LVP flooring, bathroom upgrades, and interior paint. Additional upside in rents comes from minor improvements in the other units, which are already in good condition.

The units are individually metered for electric and gas. The owner pays for water, sewer and trash at the property.

The location of this property, recent upgrades, and remaining upside in the unrenovated units provide substantial opportunity for a buyer to make Dodge and Fairmount Apartments an excellent investment.

PROPERTY HIGHLIGHTS

DODGE & FAIRMOUNT APARTMENTS
1412-1418 N DODGE BLVD
3701-3703 E FAIRMOUNT ST
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PROPERTY HIGHLIGHTS

- Recent capital improvements
- Roofs, plumbing, & paint upgrades
- Great location in central Tucson
- Covered parking spaces
- Quiet property with lush landscaping

UNIT HIGHLIGHTS

- Stainless steel appliances in some units
- Updated interiors in some units
- Individual enclosed yards
- Individually metered for electric and gas
- In unit washer/dryer hook ups

FINANCIAL ANALYSIS

DODGE & FAIRMOUNT APARTMENTS
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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
1BD/1BA (F)	2	25%	520	1,040	\$808	\$1,617	\$825	\$1,650	\$1.59
1BD/1BA (F-Renovated)	2	25%	520	1,040	\$995	\$1,990	\$995	\$1,990	\$1.91
1BD/1BA (D)	3	38%	550	1,650	\$825	\$2,475	\$850	\$2,550	\$1.55
1BD/1BA (D-Renovated)	1	13%	550	550	\$995	\$995	\$995	\$995	\$1.81
Total/Average (Monthly)	8	100%	535	4,280	\$885	\$7,077	\$898	\$7,185	\$1.68
Annual						\$84,920	\$86,220		

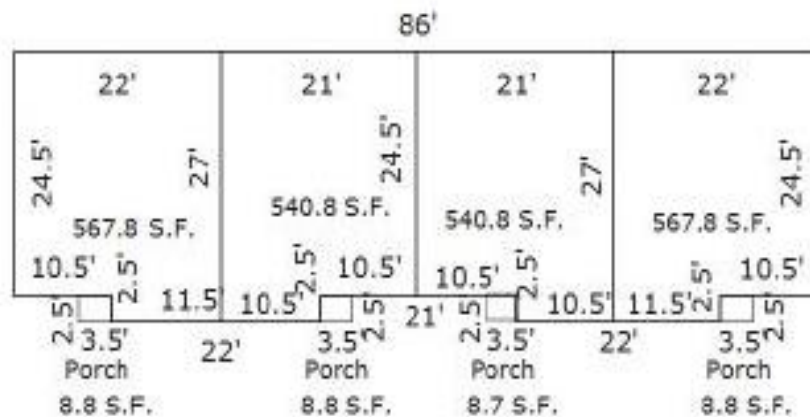
Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-6 Actuals	T-6 Actuals Per Unit
RENTAL INCOME				
Gross Market Rent	\$86,220	\$10,778		
Vacancy Loss	-\$4,311	-5.0%		
Concessions & Bad Debt	-\$1,293	-1.5%		
Net Rental Income	\$80,616	\$10,077	\$64,342	\$8,043
RUBS	\$2,800	\$350	\$2,658	\$332
Other Income	\$10,000	\$1,250	\$9,552	\$1,194
TOTAL INCOME	\$93,416	\$11,677	\$76,552	\$9,569
OPERATING EXPENSES				
General & Administrative	\$1,000	\$125	\$442	\$55
Professional Fees	\$500	\$63	\$898	\$112
Repairs & Maintenance & Turnover	\$8,000	\$1,000	\$9,636	\$1,205
Contract Services	\$1,400	\$175	\$2,150	\$269
Utilities	\$5,500	\$688	\$4,032	\$504
TOTAL VARIABLE	\$16,400	\$2,050	\$17,158	\$2,145
Property Taxes	\$4,202	\$525	\$4,202	\$525
Property Insurance	\$2,000	\$250	\$1,670	\$209
Management Fee	\$7,473	8%	\$5,066	7%
Reserves	\$2,000	\$250		
TOTAL EXPENSES	\$32,075	\$4,009	\$28,096	\$3,512
NET OPERATING INCOME	\$61,340	\$7,668	\$48,456	\$6,057

Stabilized Market Analysis		
Value	\$	975,000
Per Unit	\$	121,875
Per Square Foot	\$	227.80
Cap Rate		
T-6 Actuals		4.97%
Marketing Pro Forma		6.29%

PROPERTY LAYOUT

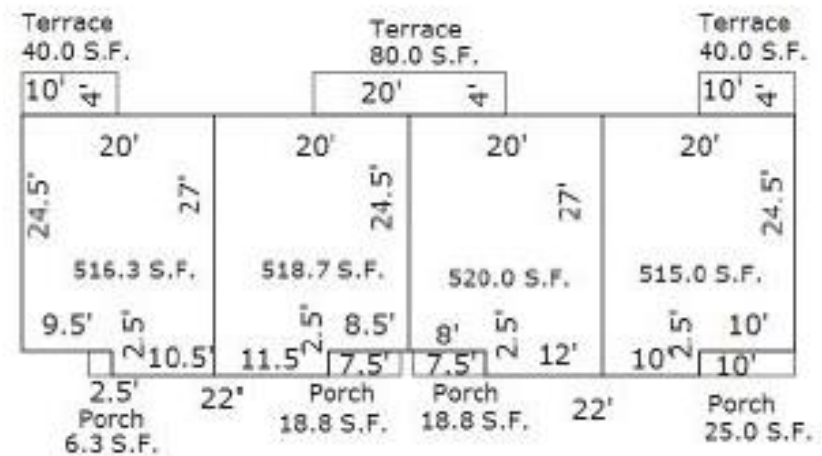
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122-18-122E
1412 N DODGE BL



TOTAL SQ FT 2217

122-18-122F
3701 E FAIRMOUNT ST



TOTAL SQ FT 2070

TRADE MAP

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DEMOGRAPHIC OVERVIEW

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2022 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	18,283	129,391	273,652
HOUSEHOLDS	9,235	59,808	124,286
AVG HOUSEHOLD INCOME	\$51,561	\$57,630	\$59,875
DAYTIME POPULATION	7,448	77,595	187,090
RETAIL EXPENDITURE	\$191.26 M	\$1.34 B	\$2.84 B

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

2027 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	18,297	130,457	277,091
HOUSEHOLDS	9,180	59,978	125,179
AVG HOUSEHOLD INCOME	\$60,057	\$67,719	\$70,731

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

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

N. DODGE BLVD	1,953 VPD	(2021)
E. SPEEDWAY BLVD	42,840 VPD	(2021)

Source: Pima Association of Governments



EXTERIOR PHOTOS



EXTERIOR PHOTOS



INTERIOR PHOTOS

Renovated



INTERIOR PHOTOS



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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DRONE PHOTOS



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 immigration 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



1.046M

TUCSON MSA
POPULATION

428,600

TOTAL HOUSEHOLDS



25%

EDUCATION-
SOME COLLEGE

1.0%

POPULATION
GROWTH RATE

\$53,700

MEDIAN HOUSEHOLD
INCOME

3.6%

UNEMPLOYMENT
RATE

Source: BLS, BOC, Moody's Analytics 4/7/22

LARGEST EMPLOYERS

1. UNIVERSITY OF ARIZONA- 16,000
2. RAYTHEON MISSILE SYSTEMS- 13,000
3. DAVIS-MONTHAN AFB- 9,100
4. WALMART STORES 7,450

hr.arizona.edu, Tucson.com, BLS, cbp.gov

RECENT INDUSTRY
ARRIVALS & EXPANSIONS

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



39,616

UNIVERSITY OF ARIZONA
TOTAL ENROLLMENT, 2021

- #10 SPACE SCIENCE
- #23 NURSING
- #46 TOP PUBLIC SCHOOL
- #52 UNDERGRAD ENGINEERING PROGRAMS
- #62 COLLEGES FOR VETERANS
- #64 BEST BUSINESS SCHOOLS
- #99 BEST GLOBAL UNIVERSITY

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



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