



OFFERING MEMORANDUM

Sunnyslope Apartments

150 E. Hardy Rd.

Tucson, AZ 85704



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PROPERTY INFORMATION

Sunnyslope Apartments
150 E. Hardy Rd.
Oro Valley, AZ 85704

 PRICE \$6,150,000	 PRICE PER UNIT \$146,429	 PRICE PER SF \$246.99	 PROFORMA NOI \$378,346	 CAP RATE 6.15%
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 LOCATION: 150 E. Hardy Rd. Tucson, AZ 85704	 LANDSCAPING: Palm trees, large shade trees, shrubbery, rock, & bushes
 SITE AREA: 1.43 Acres 63,439 Sq. Ft.	 UTILITIES: (Responsibility) Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Tenant) Water: City of Tucson (RUBS) Sewer: City of Tucson (RUBS) Trash: Republic Services (RUBS)
 RENTABLE SQFT: 24,900 Sq. Ft.	 METERING: Electric: Individual Gas: Individual Water/Sewer/Trash: Master-metered Hot Water: Master-boiler
 ASSESSOR PARCEL NUMBER(S): 225-14-1670	 HEATING/COOLING: Air conditioning
 ZONING: R - 6	 CONSTRUCTION: Masonry
 ACCESS: Ingress / Egress & gated	 FINANCING: CREATIVE FINANCING AVAILABLE, Cash, or Traditional financing
 PARKING ~ 70 Spaces	
 ROOF/STORIES: Flat cool roof / 2 story	
 YEAR BUILT: 1971 w/ recent renovations	

PROPERTY HIGHLIGHTS

Sunnyslope Apartments
150 E. Hardy Rd.
Oro Valley, AZ 85704



PROPERTY HIGHLIGHTS

- PRIME ORO VALLEY LOCATION
- Possibility for creative financing w/ Seller
- Possibility to build additional units
- Recent capital improvements
- Swimming pool, BBQ picnic area W/ courtyard, & Universal EV chargers
- Beautifully maintained common area
- On-site laundry facility
- Masonry construction

UNIT HIGHLIGHTS

- Some renovated units
- Opportunity to renovate remaining units and increase rents
- Individually metered for electric and gas
- Stainless steel appliances in some units
- W/D in some units
- Front patios
- Air-conditioned units

PROPERTY SUMMARY

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As Oro Valley's multifamily pipeline shrinks, existing properties have a competitive advantage. Sunnyslope Apartments presents a multifamily asset located in a unique desert landscape, surrounded by breathtaking mountain views, with value-add potential attainable through continuing interior renovations and rental increases.

The complex consists of 42 well-designed studio and one-bedroom apartment units. The unit mix is comprised of 1 studio, 16 non-renovated 1BD/1BAs, 25 renovated 1BD/1BAs; with 6 of those having received washer/dryer installations. Sunnyslope has recently undergone a comprehensive renovation plan. The renovated units feature fully equipped kitchens with contemporary white cabinetry, modern brushed nickel lighting and plumbing fixtures, quartz countertops, and modern wood vinyl flooring. Additionally, select units now offer the convenience of in-unit washers and dryers and stainless-steel appliances. All units feature spacious walk-in closets with built-in shelving, and private front patios or balconies, depending on 1st or 2nd floor. A successful RUBS & CAMS program has been implemented for all units.

The community's inviting surroundings is further enhanced by well-maintained walkways, a lush courtyard, and amenities such as a swimming pool, picnic area with a barbecue grill, EV charging station, and laundry facility for those without in-suite laundry. New ownership has the opportunity to further enhance 15 classic units or add additional units, potentially increasing the NOI with increased rents by assuming a ~ \$250 - \$350 per unit monthly rent premium increase once renovated.

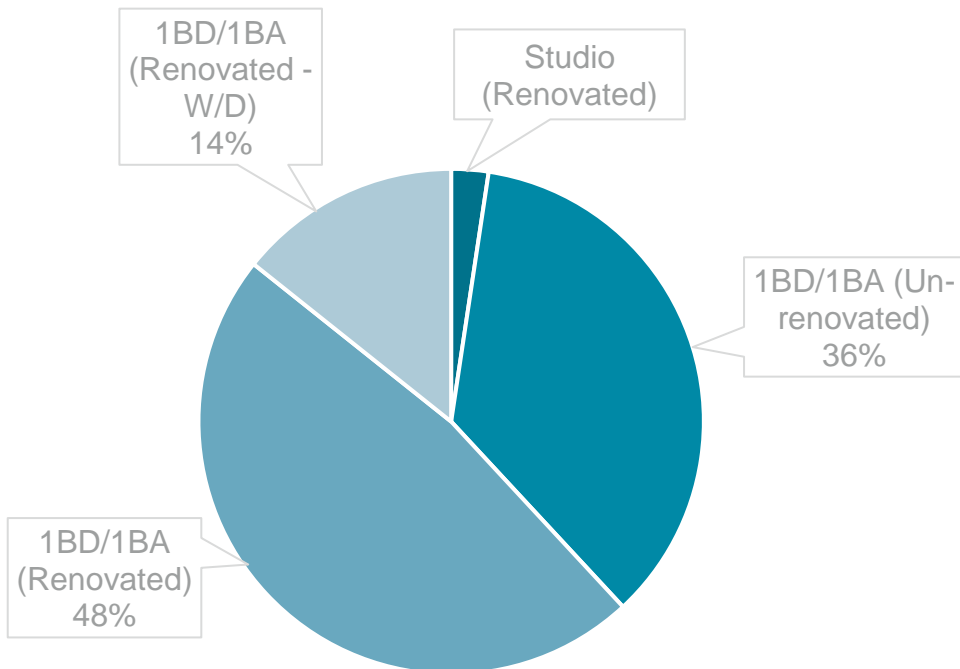
Placed within the rich desert scenery of Oro Valley, Sunnyslope features a desirable location offering direct access to the growing professional amenities of North Tucson. Residents benefit from convenient access to growing retail space, providing an array of shopping, dining, and entertainment options. This abundant retail landscape not only enriches the lifestyle of Sunnyslope residents but also offers employment opportunities in close proximity to the community.

FINANCIAL ANALYSIS

Sunnyslope 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
Studio (Renovated)	1	2%	300	300	\$745	\$745	\$830	\$830	\$2.77
1BD/1BA (Un-renovated)	16	38%	600	9,600	\$922	\$14,752	\$1,000	\$16,000	\$1.67
1BD/1BA (Renovated)	19	45%	600	11,400	\$1,063	\$20,197	\$1,100	\$20,900	\$1.83
1BD/1BA (Renovated - W/D)	6	14%	600	3,600	\$1,240	\$7,440	\$1,250	\$7,500	\$2.08
Total/Average (Monthly) Annual	42	100%	593	24,900	\$1,027	\$43,134 \$517,608	\$1,077	\$45,230 \$542,760	\$1.82

Unit Breakdown



- Studio (Renovated)
- 1BD/1BA (Un-renovated)
- 1BD/1BA (Renovated)
- 1BD/1BA (Renovated - W/D)



FINANCIAL ANALYSIS

Sunnyslope Apartments
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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-6 Actuals Annualized	T-6 Actuals Annualized Per Unit
RENTAL INCOME				
Gross Market Rent	\$542,760	\$12,923		
Vacancy Loss	-\$32,566	-6.0%		
Concessions & Bad Debt	-\$10,855	-2.0%		
Net Rental Income	\$499,339	\$11,889	\$489,404	\$11,652
RUBS (\$30 / Unit / Month / @ 90%)	\$13,608	\$324	\$27,458	\$654
CAMS (\$35 / Unit / Month / @ 90%)	\$15,876	\$378		
Laundry Income	\$2,500	\$60		
Other Income	\$4,500	\$107		
TOTAL INCOME	\$535,823	\$12,758	\$516,862	\$12,306
OPERATING EXPENSES				
General & Administrative	\$4,000	\$95		
Payroll	\$18,000	\$429		
Advertising	\$4,000	\$95		
Repairs & Maintenance & Turnover	\$30,000	\$714	\$15,954	\$380
Contract Services	\$6,000	\$143	\$5,896	\$140
Utilities	\$25,000	\$595	\$21,434	\$510
TOTAL VARIABLE	\$87,000	\$2,071	\$43,284	\$1,031
Property Taxes	\$18,186	\$433	\$18,186	\$433
Property Insurance	\$15,000	\$357	\$8,304	\$198
Management Fee	\$26,791	5%	\$37,471	7%
Reserves	\$10,500	\$250		
TOTAL EXPENSES	\$157,477	\$3,749	\$107,245	\$2,553
NET OPERATING INCOME	\$378,346	\$9,008	\$409,617	\$9,753

Stabilized Market Analysis	
Value	\$6,150,000
Per Unit	\$146,429
Per Square Foot	\$246.99
Cap Rate	
T-6 Actuals	6.66%
Marketing Pro Forma	6.15%

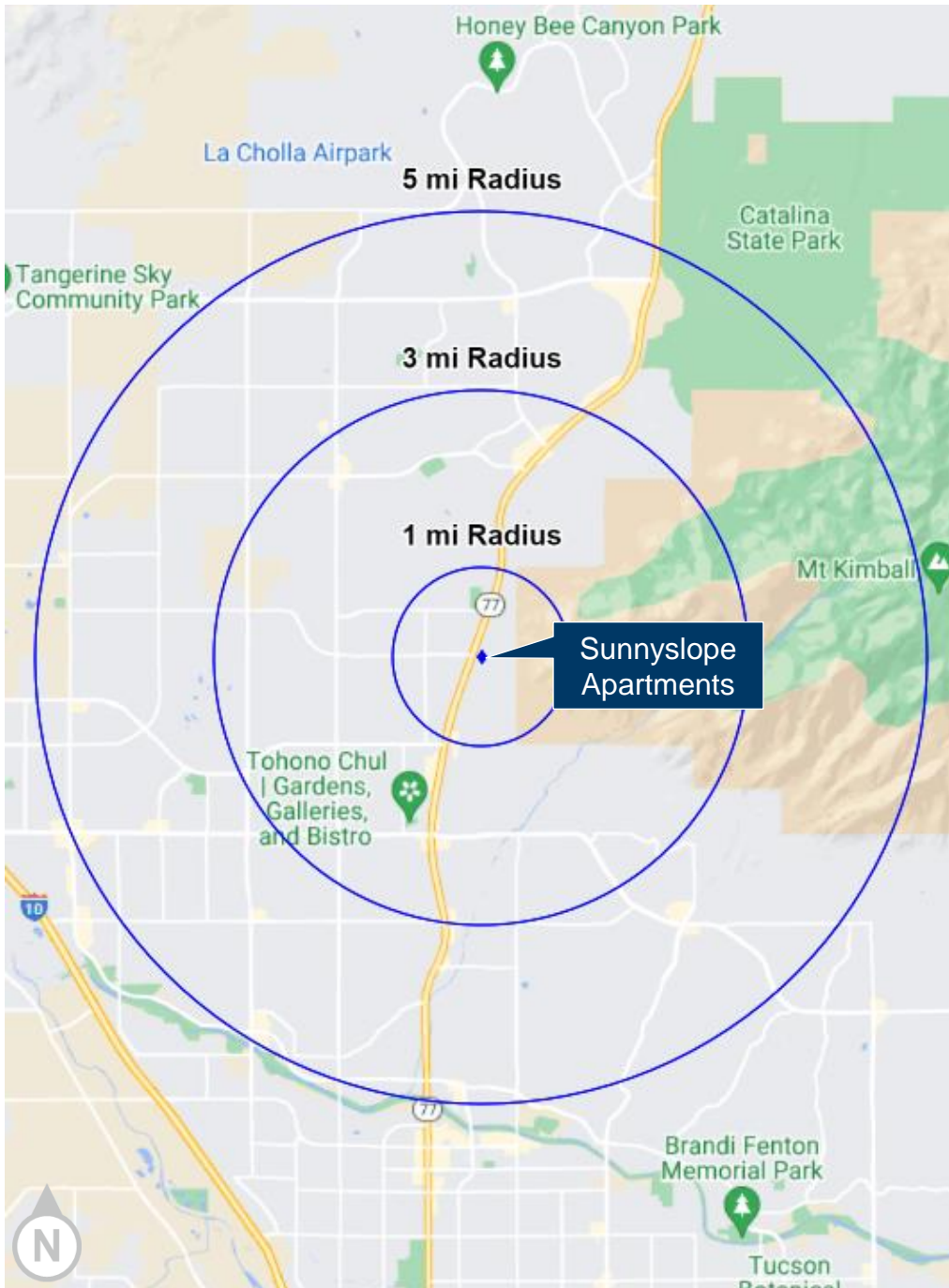
TRADE MAP

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DEMOGRAPHIC OVERVIEW

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2023 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	4,868	33,006	115,851
HOUSEHOLDS	2,615	15,792	49,794
AVG HOUSEHOLD INCOME	\$97,895	\$148,495	\$140,099
DAYTIME POPULATION	1,164	11,106	8,711
RETAIL EXPENDITURE	\$82.71 M	\$693.84 M	\$2.38 B

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

2028 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	6,218	36,425	126,023
HOUSEHOLDS	3,388	17,645	54,474
AVG HOUSEHOLD INCOME	\$80,529	\$143,618	\$138,175

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

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

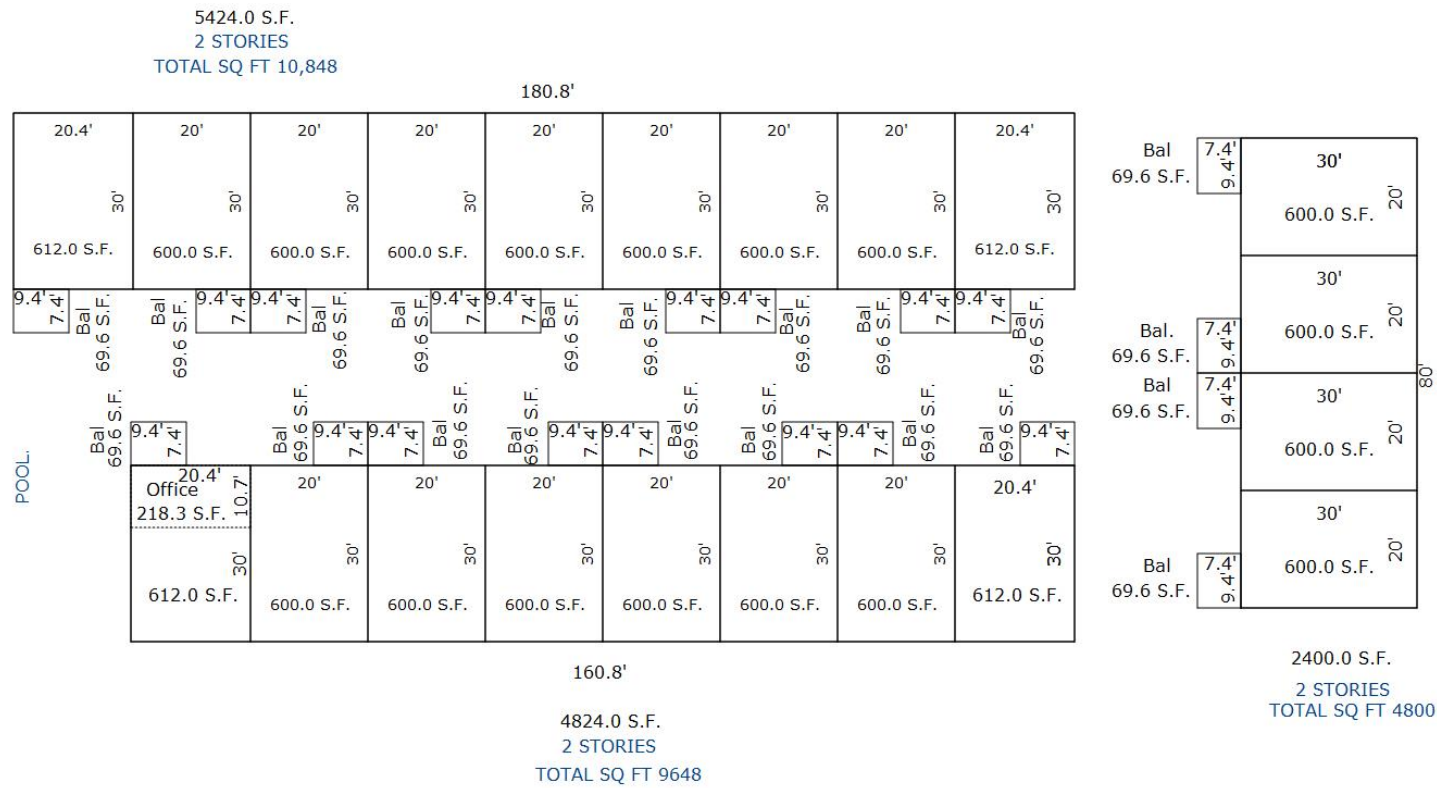
W. HARDY RD.	5,101 VPD	(2022)
N. ORACLE RD.	47,957 VPD	(2023)

Source: Pima Association of Governments

PROPERTY LAYOUT

Sunnyslope Apartments
150 E. Hardy Rd.
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225-14-1670 150 E HARDY RD



#407 08/2017
DRAWN FROM PRC

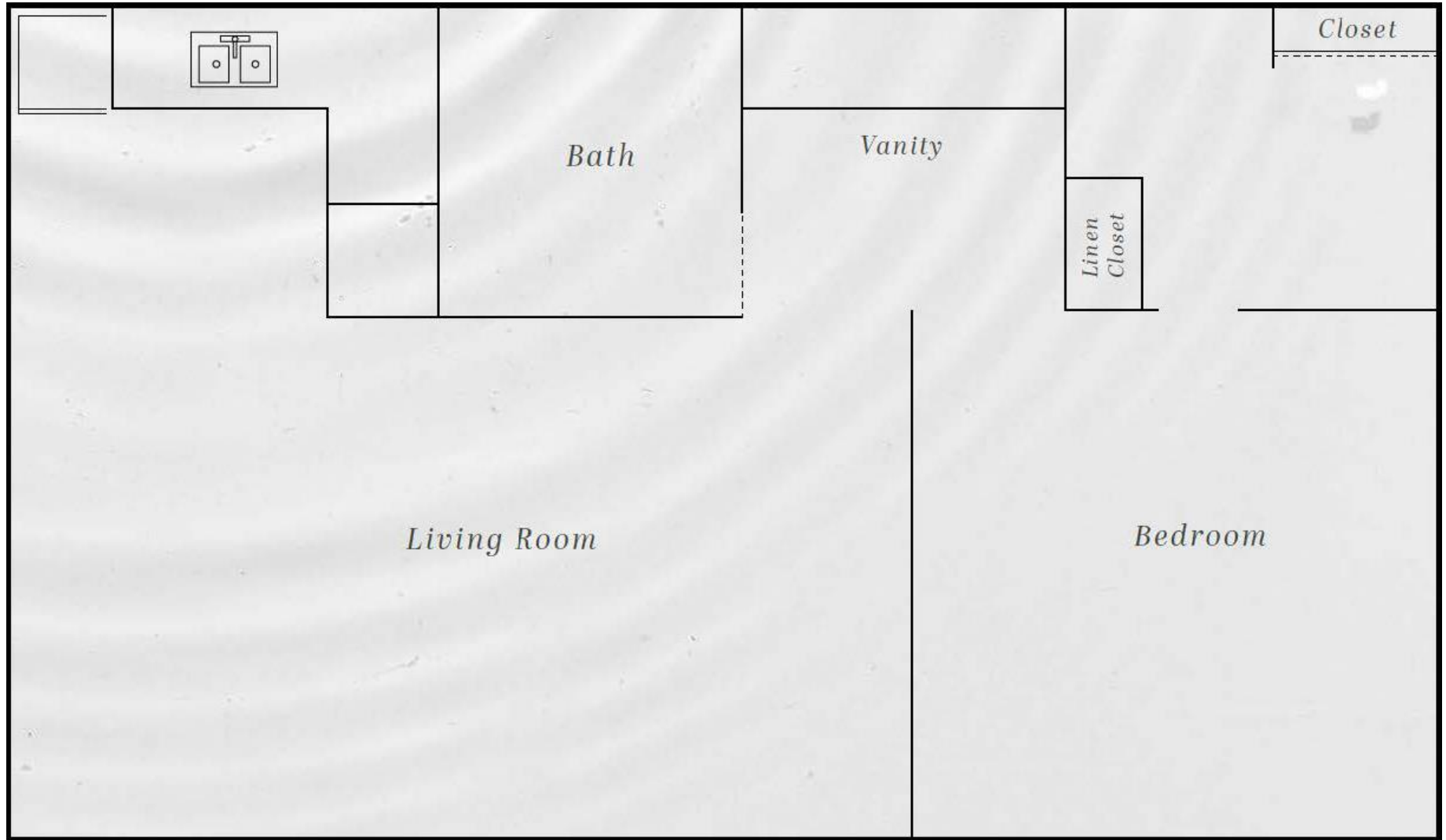
PROPERTY LEGEND

Sunnyslope Apartments
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UNIT LAYOUT

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EXTERIOR PHOTOS

Sunnyslope Apartments
150 E. Hardy Rd.
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EXTERIOR PHOTOS

Sunnyslope Apartments
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INTERIOR PHOTOS

RENOVATED – W/Ds

Sunnyslope Apartments
150 E. Hardy Rd.
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INTERIOR PHOTOS

RENOVATED – NO W/D

Sunnyslope Apartments
150 E. Hardy Rd.
Oro Valley, AZ 85704



INTERIOR PHOTOS

LIGHT RENOVATIONS

Sunnyslope Apartments
150 E. Hardy Rd.
Oro Valley, AZ 85704



INTERIOR PHOTOS

LIGHT RENOVATIONS

Sunnyslope Apartments
150 E. Hardy Rd.
Oro Valley, AZ 85704



INTERIOR PHOTOS

CLASSIC INTERIOR

Sunnyslope Apartments
150 E. Hardy Rd.
Oro Valley, AZ 85704



AMENITY PHOTOS

Sunnyslope Apartments
150 E. Hardy Rd.
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BIRDS-EYE VIEW ABOVE

Sunnyslope Apartments
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BIRDS-EYE VIEW NORTH

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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.

CUSHMAN & WAKEFIELD | PICOR

TUCSON

At a Glance



1.072M
TUCSON MSA
POPULATION



437,780
TOTAL HOUSEHOLDS



34.8%
EDUCATION-
SOME COLLEGE



1.3%
POPULATION
GROWTH RATE



\$59,215
MEDIAN HOUSEHOLD
INCOME



3.9%
UNEMPLOYMENT
RATE

Source: arizona.edu, BLS, ACS 06/07/23

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. AMERICAN BATTERY FACTORY



46,932
UNIVERSITY OF ARIZONA
TOTAL ENROLLMENT, 2023

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

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



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