



OFFERING MEMORANDUM
Tucson Terrace
3493 E. LIND ROAD
TUCSON, AZ 85716

 **CUSHMAN &
WAKEFIELD** |  **PICOR**
MULTI-FAMILY & INVESTMENT SALES TEAM



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PROPERTY INFORMATION

TUCSON TERRACE
3493 E. LIND RD.
TUCSON, AZ 85716

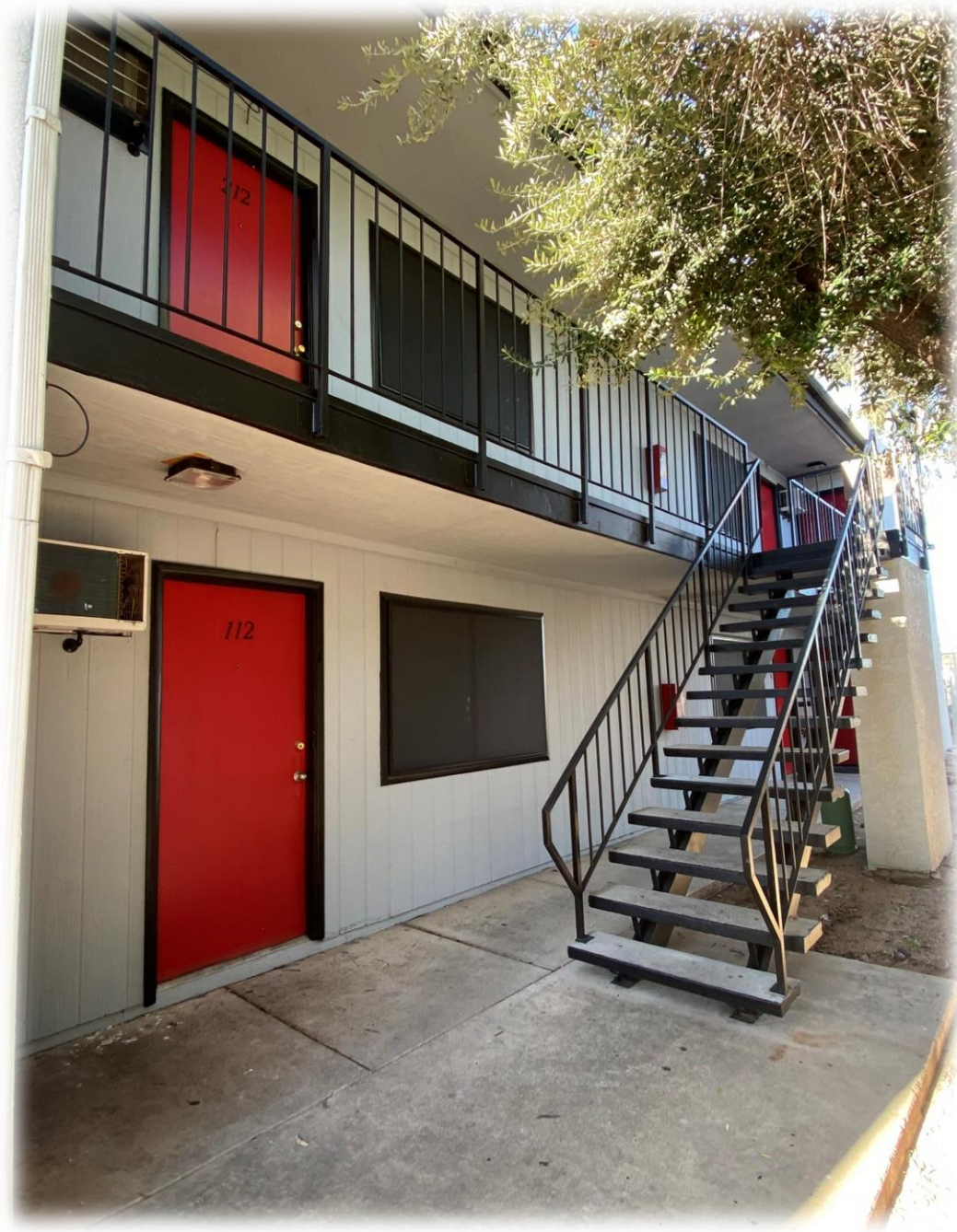
 <p>PRICE 4,500,000</p>	 <p>PRICE PER UNIT \$86,538</p>	 <p>PRICE PER SF \$163.00</p>	 <p>PROFORMA NOI \$276,795</p>	 <p>CAP RATE 6.15%</p>
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 <p>LOCATION:</p>	3493 E. Lind Rd. Tucson, Arizona 85716	 <p>LANDSCAPING:</p>	Large shade trees, shrubbery, rock & bushes
 <p>SITE AREA:</p>	1.27 Acres 55,332 Sq. Ft.	 <p>UTILITIES: (Responsibility)</p>	Electricity: Tucson Electric (Tenant) Water: City of Tucson (Owner) Sewer: City of Tucson (Owner) Trash: City of Tucson (Owner)
 <p>RENTABLE SQFT:</p>	27,608 Sq. Ft.	 <p>METERING:</p>	Electric: Individual Electric: Common Gas: N/A Water/Sewer/Trash: Individual Hot Water: Individual Water Heaters
 <p>ASSESSOR PARCEL NUMBER(S):</p>	111-04-188G	 <p>HEATING/COOLING:</p>	JR-1BDs = Wall Mounted ACs 1BDs & 2BDs = Roof ACs
 <p>ZONING:</p>	O-3	 <p>CONSTRUCTION:</p>	Frame-Stucco
 <p>ACCESS:</p>	Gated entry	 <p>FINANCING:</p>	Cash or Conventional
 <p>PARKING</p>	~ 40 Covered ~ 17 Surface		
 <p>ROOF/STORIES:</p>	Built Up-Flat / Two		
 <p>YEAR BUILT:</p>	1981 w/ Recent Improvements		

UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT
JR 1BD/1BA	28	54%	440
1BD/1BA	12	24%	520
2BD/1BA	12	24%	754
Total/Average (Monthly)	52	100%	531

PROPERTY SUMMARY

TUCSON TERRACE
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Located on Lind Road sits Tucson Terrace, an attractive 52-unit apartment complex comprised of a mix of JR 1BD/1BA, 1BD, and 2BD units. This property has an abundance of upside for potential investors due to its current operations and low rents. A new management has recently taken over and has started to steer the property in the right direction.

The common amenities at the property include an on-site office, laundry facility, BBQ Patio, and playground. Other attractive features to the property are the updated secured perimeter fencing and covered parking spaces.

Recent capital improvements to the property include paint, roof repairs, window shade covers, landscaping, perimeter fencing, secured gated entrance, and repairs to the covered parking structures. Some units have been upgraded with new flooring, fixtures, bathroom surrounds, paint, appliances, and re-finished cabinets.

LURA Information

The property is under a Low-Income Provision until 2032. 26 of the units must be rented to Low Income Tenants and of those 13 must be rented to Very Low-Income Tenants.

The units are individually metered for electric and master-metered for water, sewer, and trash. There is also a common area gas and electric meter which the owner is responsible for. The owner provides WIFI.

PROPERTY HIGHLIGHTS

TUCSON TERRACE
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PROPERTY HIGHLIGHTS

- Recent capital improvements
- Operational upside & below market rents
- On-site laundry facility
- Amenities include an office, playground, & BBQ patio area
- Ample covered parking
- Gated community

UNIT HIGHLIGHTS

- Air-conditioned units
- Individual water heaters
- Some units have upgraded flooring, fixtures, paint, and appliances
- Sun protection screens
- Wi-Fi included in rent and provided to all tenants by owners
- Low-income provision (LURA) property

LURA Maximum Rent Limits			
Unit Size	Very Low Income VLI - 1 - 50% Median	Low Income LI - 2 - 80% Median	THESE INCOME AND RENT GUIDELINES ARE FOR USE IN ACHIEVING COMPLIANCE WITH THE FDIC AFFORDABLE HOUSING DISPOSITION PROGRAM.
0 - BR	\$651	\$853	
1 - BR	\$748	\$978	
2 - BR	\$842	\$1,101	
3 - BR	\$997	\$1,307	
4 - BR	\$1,151	\$1,507	
5 - BR	\$1,215	\$1,595	

LURA - Low Income Provision Information

- Under the LURA program until 2035
- Per the LURA lease, the property can operate under compliance with 13 Low income & 13 Very low income set aside units.
- Current owner is working to get property under compliance for 2023.
- Yearly reporting and compliance required

FINANCIAL ANALYSIS

TUCSON TERRACE
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UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT	TOTAL RENTABLE SQ. FT.	CURRENT AVERAGE RENT		PROFORMA RENTS		
					PER UNIT	PER MONTH	PER UNIT	PER MONTH	PER SQ. FT.
JR 1BD/1BA (VLI)	8	15%	440	3,520	\$588	\$4,704	\$651	\$5,208	\$1.48
JR 1BD/1BA (LI)	6	12%	440	2,640	\$650	\$3,900	\$750	\$4,500	\$1.70
JR 1BD/1BA	14	27%	440	6,160	\$665	\$9,310	\$775	\$10,850	\$1.76
1BD/1BA (VLI)	5	10%	520	2,600	\$699	\$3,495	\$748	\$3,740	\$1.44
1BD/1BA (LI)	1	2%	520	520	\$750	\$750	\$825	\$825	\$1.59
1BD/1BA	6	12%	520	3,120	\$792	\$4,752	\$850	\$5,100	\$1.63
2BD/1BA (VLI)	4	8%	754	3,016	\$842	\$3,368	\$842	\$3,368	\$1.12
2BD/1BA (LI)	2	4%	754	1,508	\$925	\$1,850	\$1,000	\$2,000	\$1.33
2BD/1BA	6	12%	754	4,524	\$995	\$5,970	\$1,050	\$6,300	\$1.39
Total/Average (Monthly)	52	100%	531	27,608	\$733	\$38,099	\$806	\$41,891	\$1.52
Annual						\$457,188		\$502,692	

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	Crrnt RR & T-4 Expns. Annualized	Crrnt RR & T-4 Annu. Per Unit
RENTAL INCOME				
Gross Market Rent	\$502,692	\$9,667		
Vacancy Loss	-\$35,188	-7.0%		
Concessions & Bad Debt	-\$7,540	-1.5%		
Net Rental Income	\$459,963	\$8,845	\$379,260	\$7,293
RUBS	\$8,500	\$163	\$7,746	\$149
Laundry Income	\$3,000	\$58	\$789	\$15
Other Income	\$12,500	\$240	\$11,985	\$230
TOTAL INCOME	\$483,963	\$9,307	\$399,780	\$7,688
OPERATING EXPENSES				
General & Administrative	\$5,000	\$96	\$8,460	\$163
Payroll	\$20,000	\$385	\$14,082	\$271
Advertising	\$2,000	\$38	\$291	\$6
Internet	\$4,000	\$77	\$4,464	\$86
Professional Fees	\$2,000	\$38	\$75	\$1
Repairs & Maintenance & Turnover	\$40,000	\$769	\$67,557	\$1,299
Security	\$5,000	\$96	\$8,325	\$160
Contract Services	\$7,500	\$144	\$8,730	\$168
Utilities	\$47,000	\$904	\$61,863	\$1,190
TOTAL VARIABLE	\$132,500	\$2,548	\$173,847	\$3,343
Property Taxes	\$23,530	\$453	\$23,530	\$453
Property Insurance	\$9,100	\$175	\$9,000	\$173
Management Fee	\$29,038	6%	\$5,865	1%
Reserves	\$13,000	\$250	\$0	\$0
TOTAL EXPENSES	\$207,168	\$3,984	\$212,242	\$4,082
NET OPERATING INCOME	\$276,795	\$5,323	\$187,538	\$3,607

Stabilized Market Analysis	
Value	\$4,500,000
Per Unit	\$86,538
Per Square Foot	\$163.00
Cap Rate	
Crrnt RR & T-4 Expns Annualized	4.17%
Marketing Pro Forma	6.15%

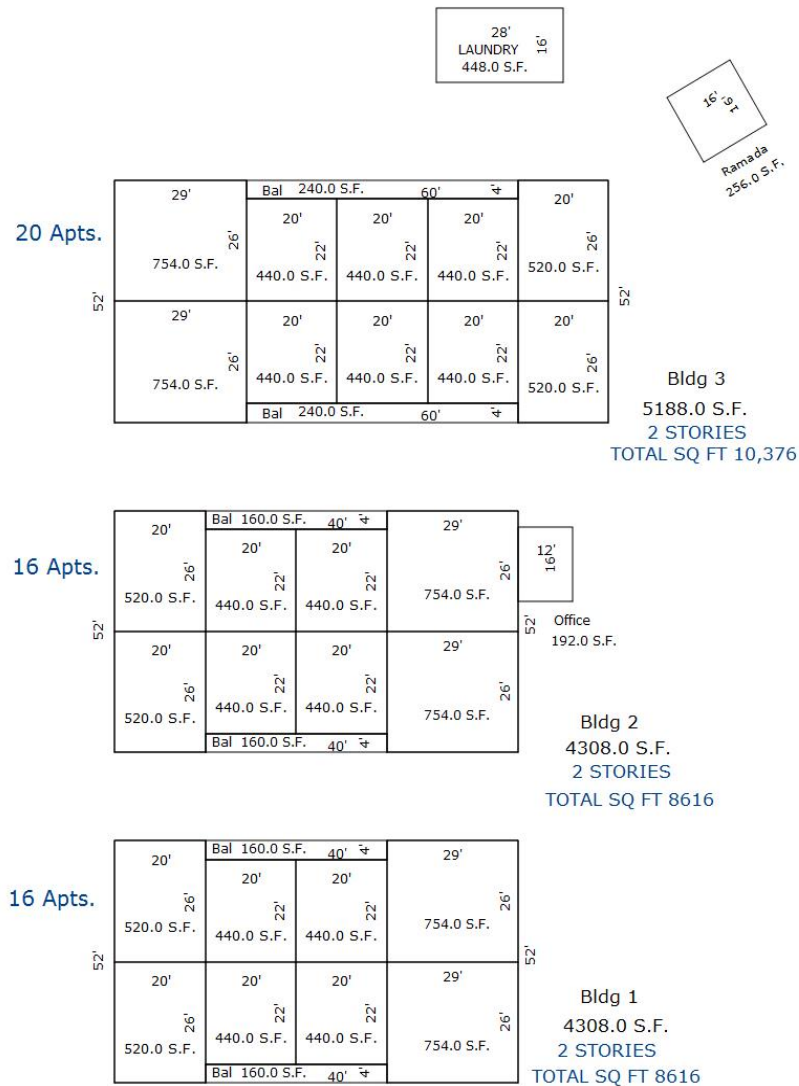
PROPERTY LAYOUT

TUCSON TERRACE
3493 E. LIND RD
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111-04-188G

3493 E. Lind Rd.

52 Total Apartments
41 - 1 Bdrm.
11 - 2 Bdrm.



D. Shryock #483
Apartment Numbers per Field Check

PROPERTY LAYOUT

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TRADE MAP

TUCSON TERRACE
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DEMOGRAPHIC OVERVIEW

TUCSON TERRACE
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2022 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	15,582	107,036	258,832
HOUSEHOLDS	7,967	52,332	121,273
AVG HOUSEHOLD INCOME	\$52,246	\$61,403	\$66,304
DAYTIME POPULATION	4,431	56,250	172,461
RETAIL EXPENDITURE	\$167.72 M	\$1.22 B	\$2.95 B

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

2027 DEMOGRAPHIC PROJECTIONS

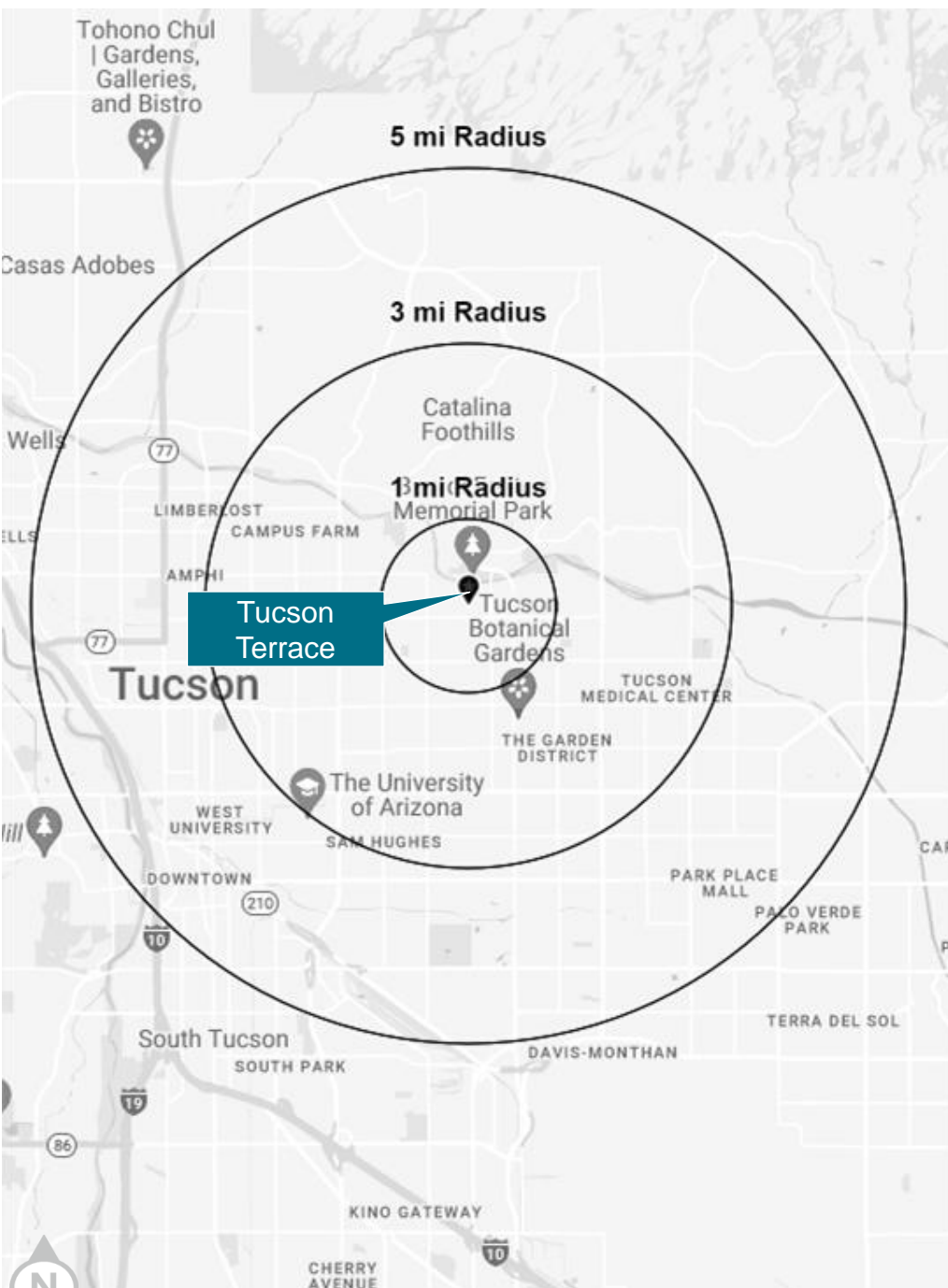
	1 MILE	3 MILES	5 MILES
POPULATION	15,627	108,027	262,120
HOUSEHOLDS	7,936	52,503	122,175
AVG HOUSEHOLD INCOME	\$60,415	\$72,348	\$78,509

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

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

E. FORT LOWELL	22,542 VPD	(2021)
N. DODGE BLVD	5,524 VPD	(2021)

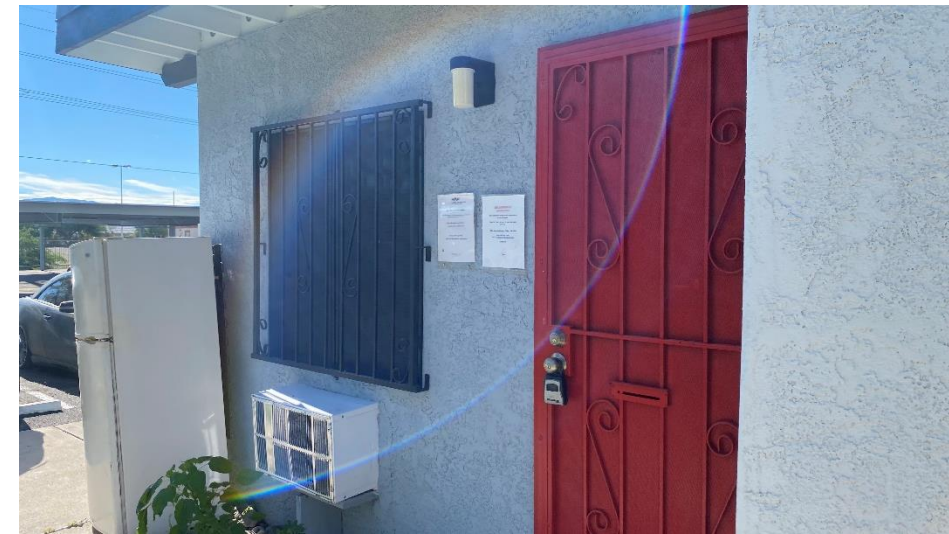
Source: Pima Association of Governments



EXTERIOR PHOTOS



EXTERIOR PHOTOS



INTERIOR PHOTOS

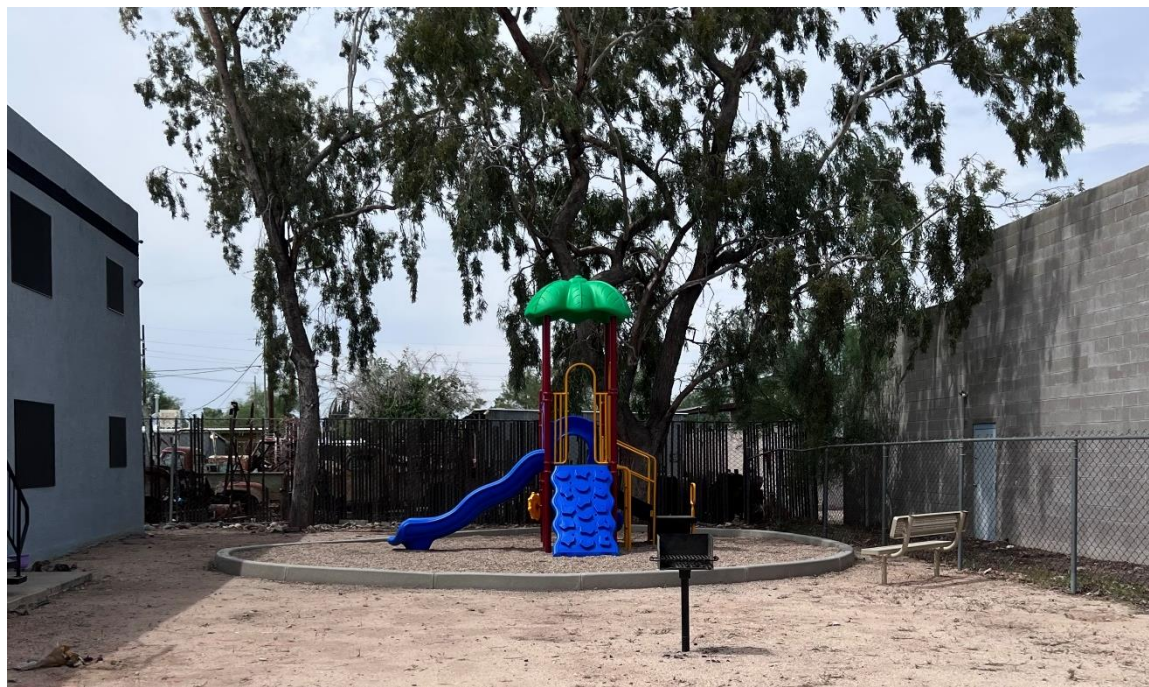
Upgraded



INTERIOR PHOTOS



AMENITIES PHOTOS



BIRDS-EYE VIEW-ABOVE

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N

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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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.comRECENT 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



**CUSHMAN &
WAKEFIELD**



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