



## OFFERING MEMORANDUM

### Borden's Court

228 E. 32<sup>nd</sup> St  
Tucson, AZ 85713



MULTI-FAMILY & INVESTMENT SALES TEAM



## MULTI-FAMILY TEAM

### ALLAN MENDELSBERG

Principal, Multi-Family Team

D +1 520 546 2721

M +1 520 490 2113

amendelsberg@picor.com

### JOEY MARTINEZ

Principal, Multi-Family Team

D +1 520 546 2730

M +1 520 668 3858

jmartinez@picor.com

PICOR Commercial Real Estate Services

5151 E Broadway Blvd, Suite 115

Tucson, Arizona 85711 | USA

Main +1 520 748 7100

picor.com | multifamilytucson.com

## DISCLAIMER


©2023 Cushman & Wakefield | PICOR. All rights reserved. The information contained in this communication is strictly confidential. This information has been obtained from sources believed to be reliable but has not been verified.

NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IS MADE AS TO THE CONDITION OF THE PROPERTY (OR PROPERTIES) REFERENCED HEREIN OR AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN, AND SAME IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER CONDITIONS, WITHDRAWAL WITHOUT NOTICE, AND TO ANY SPECIAL LISTING CONDITIONS IMPOSED BY THE PROPERTY OWNER(S). ANY PROJECTIONS, OPINIONS OR ESTIMATES ARE SUBJECT TO UNCERTAINTY AND DO NOT SIGNIFY CURRENT OR FUTURE PROPERTY PERFORMANCE.



# PROPERTY INFORMATION

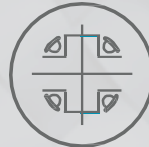
Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713



**PRICE**  
\$1,450,000  
**\$1,400,000**




**PRICE PER UNIT**  
\$48,276












**PRICE PER SF**  
\$140.70









**PROFORMA NOI**  
\$99,302



**CAP RATE**  
7.09%

	<b>LOCATION:</b>	228 E. 32 <sup>nd</sup> St Tucson, AZ 85713
	<b>SITE AREA:</b>	0.61 Acres   26,669 Sq. Ft.
	<b>RENTABLE SQFT:</b>	9,950 Sq. Ft.
	<b>ASSESSOR PARCEL NUMBER(S):</b>	118-25-155A & 118-25-335A
	<b>ZONING:</b>	SR2
	<b>ACCESS:</b>	Ingress / Egress
	<b>PARKING</b>	~ 12
	<b>ROOF/STORIES:</b>	Composition / One
	<b>YEAR BUILT:</b>	1958

	<b>LANDSCAPING:</b>	Large shade trees, shrubbery, rock & bushes
	<b>UTILITIES: (Responsibility)</b>	Electricity: Tucson Electric (Owner) Gas: Southwest Gas (Owner) Water: City of Tucson (Owner) Sewer: City of Tucson (Owner) Trash: City of Tucson (Owner)
	<b>METERING:</b>	Electric: Individual & Common Gas: Individual & Common Water/Sewer/Trash: Master-Metered Hot Water: Individual Water Heaters
	<b>HEATING/COOLING:</b>	Mini-Split AC, Wall mounted AC, & EVAP
	<b>CONSTRUCTION:</b>	Concrete block & Adobe
	<b>FINANCING:</b>	Cash or Traditional Financing

UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT
Studio	20	69%	275
JR 1BD/1BA	2	7%	350
JR 2BD/1BA	1	3%	400
1BD/1BA	5	17%	450
2BD/1BA	1	3%	550
<b>Total/Average (Monthly)</b>	<b>29</b>	<b>100%</b>	<b>343</b>

# FINANCIAL ANALYSIS

Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713

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.
Studio	6	21%	275	1,650	\$575	\$3,450	\$625	\$3,750	\$2.27
Studio	14	48%	300	4,200	\$627	\$8,778	\$650	\$9,100	\$2.17
JR 1BD/1BA	2	7%	350	700	\$662	\$1,324	\$715	\$1,430	\$2.04
JR 2BD/1BA	1	3%	400	400	\$650	\$650	\$750	\$750	\$1.88
1BD/1BA	1	3%	450	450	\$675	\$675	\$725	\$725	\$1.61
1BD/1BA	4	14%	500	2,000	\$701	\$2,804	\$725	\$2,900	\$1.45
2BD/1BA	1	3%	550	550	\$850	\$850	\$850	\$850	\$1.55
<b>Total/Average (Monthly)</b>	<b>29</b>	<b>100%</b>	<b>343</b>	<b>9,950</b>	<b>\$639</b>	<b>\$18,531</b>	<b>\$673</b>	<b>\$19,505</b>	<b>\$1.96</b>
<b>Annual</b>						<b>\$222,372</b>		<b>\$234,060</b>	

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	2022 Actuals	2022 Actuals Per Unit
<b>RENTAL INCOME</b>				
Gross Market Rent	\$234,060	\$8,071		
Vacancy Loss	-\$16,384	-7.0%		
Concessions & Bad Debt	-\$3,511	-1.5%		
<b>Net Rental Income</b>	<b>\$214,165</b>	<b>\$7,385</b>	<b>\$184,614</b>	<b>\$6,366</b>
Other Income	\$6,000	\$207	\$4,990	\$172
<b>TOTAL INCOME</b>	<b>\$220,165</b>	<b>\$7,592</b>	<b>\$189,604</b>	<b>\$6,538</b>
<b>OPERATING EXPENSES</b>				
General & Administrative	\$2,000	\$69	\$1,135	\$39
Advertising	\$500	\$17	\$163	\$6
Professional Fees	\$2,000	\$69	\$670	\$23
Repairs & Maintenance & Turnover	\$25,000	\$862	\$29,594	\$1,020
Contract Services	\$4,000	\$138	\$3,604	\$124
Utilities	\$50,000	\$1,724	\$45,448	\$1,567
<b>TOTAL VARIABLE</b>	<b>\$83,500</b>	<b>\$2,879</b>	<b>\$80,614</b>	<b>\$2,780</b>
Property Taxes	\$5,000	\$172	\$3,471	\$120
Property Insurance	\$7,500	\$259	\$7,250	\$250
Management Fee	\$17,613	8%	\$19,694	10%
Reserves	\$7,250	\$250		
<b>TOTAL EXPENSES</b>	<b>\$120,863</b>	<b>\$4,168</b>	<b>\$111,029</b>	<b>\$3,829</b>
<b>NET OPERATING INCOME</b>	<b>\$99,302</b>	<b>\$3,424</b>	<b>\$78,575</b>	<b>\$2,709</b>

## Stabilized Market Analysis

<b>Value</b>	\$1,400,000
Per Unit	\$48,276
Per Square Foot	\$140.70
<b>Cap Rate</b>	
2022 Actuals	5.61%
Marketing Pro Forma	7.09%

Estimate

Below you will find the breakdown of the current and future Section 8 Rents in Pima County. Due to historically low vacancy and difficulty in tenant placement, the City of Tucson Housing and Community Development Department has decided to increase payment standards. In 2023 the payment standard will reduce to 110% of fair market value. As a note these figures include the cost of all utilities. Borden's Court could be an ideal candidate to utilize the need for Section 8 & Subsidized affordable housing in Tucson.

### Payment Standards Effective January 1, 2023

0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
\$864	\$982	\$1,292	\$1,837	\$2,150	\$2,472	\$2,795

# PROPERTY SUMMARY

Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713



Located on E. 32nd in an Opportunity Zone sits north of the I-10, giving residents an easy commute access across the city. This is a 29-unit complex comprised of 20 studios, 7 1BD/1BAs, & 2 2BD/1BA units. The property was built in 1958 and is a value-add opportunity.

Borden's Court is a value-add opportunity with lots of upside for investors willing to invest capital and time into the property. Fixing some of the deferred maintenance items and occupying the vacant units can drastically increase cash flow.

The units are individually metered for electric and gas and master-metered for water, sewer, and trash. Currently, the owner pays for the electric, gas, water, sewer and trash costs for the tenants. Opportunity awaits the next investor who implements a RUBS program to bill-back the utility usage to the tenants.

The asset is located in the South Park neighborhood which is surrounded by an abundance of restaurant locations such as the Fox Theatre on West Congress or the Historic Stone Avenue Temple. Additionally, the newer Tucson restaurant concept American Eat Co & Market is within walking distance. It is a short bike ride to the Santa Cruz River and has easy access to I-10. Downtown is just minutes away with even more entertainment options and transportation availability.

# PROPERTY HIGHLIGHTS

Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713



## PROPERTY HIGHLIGHTS

- Located in an Opportunity Zone
- Value-Add Opportunity
- Below market rents
- Individually metered for electricity
- Close to I10 & Downtown Tucson
- Located near public transportation
- Property management in-place



## UNIT HIGHLIGHTS

- Opportunity to renovate and increase rents
- Easily maintainable grounds
- Secured perimeter
- Purchaser can introduce RUBS (Resident Utility Billback)
- Mini-split ACs in some units
- Individually metered for electric & gas

# TRADE MAP

Borden's Court  
228 E 32nd St  
Tucson, AZ 85713





# DEMOGRAPHIC OVERVIEW

Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713

## 2022 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	11,160	107,378	274,208
HOUSEHOLDS	4,167	39,435	106,086
AVG HOUSEHOLD INCOME	\$42,167	\$55,132	\$55,104
DAYTIME POPULATION	4,913	82,316	160,429
RETAIL EXPENDITURE	\$76.57 M	\$858.24 M	\$2.32 B

Source: Sites USA -Applied Geographic Solutions 09/2022, TIGER Geography - RF5

## 2027 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	11,263	109,258	278,920
HOUSEHOLDS	4,145	39,593	106,299
AVG HOUSEHOLD INCOME	\$48,406	\$65,351	\$64,766

Source: Sites USA -Applied Geographic Solutions 09/2022, TIGER Geography - RF5

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

S. 6 <sup>th</sup> Ave	14,816 VPD	(2021)
W. 29 <sup>th</sup> St	13,513 VPD	(2021)

Source: Pima Association of Governments

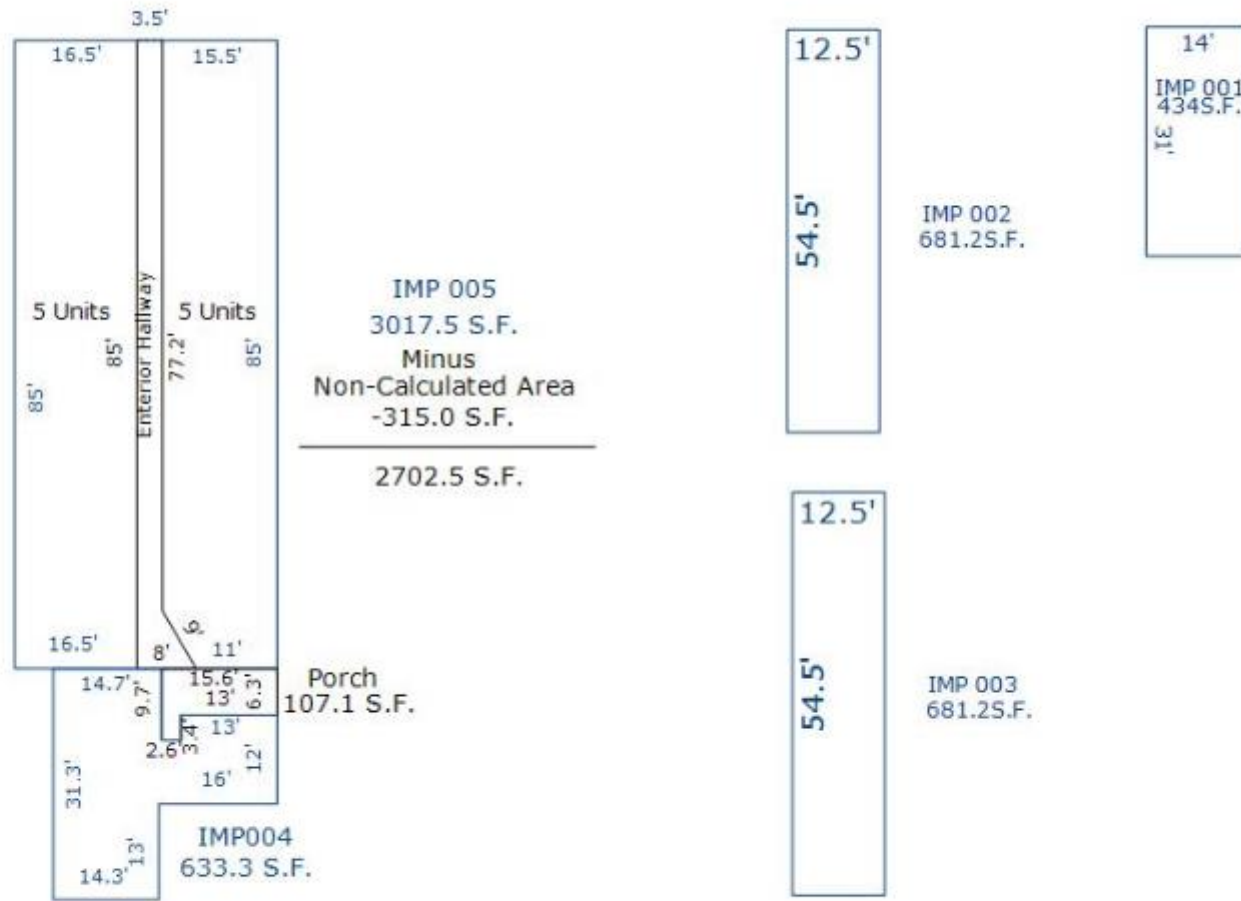


# PROPERTY LAYOUT

Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713

118-25-155A

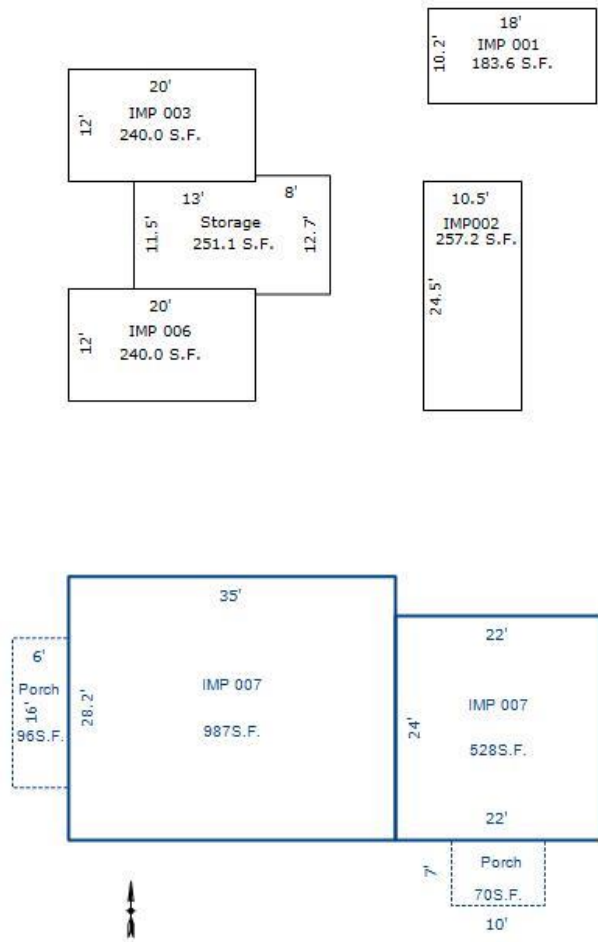
228 E 32ND AVE



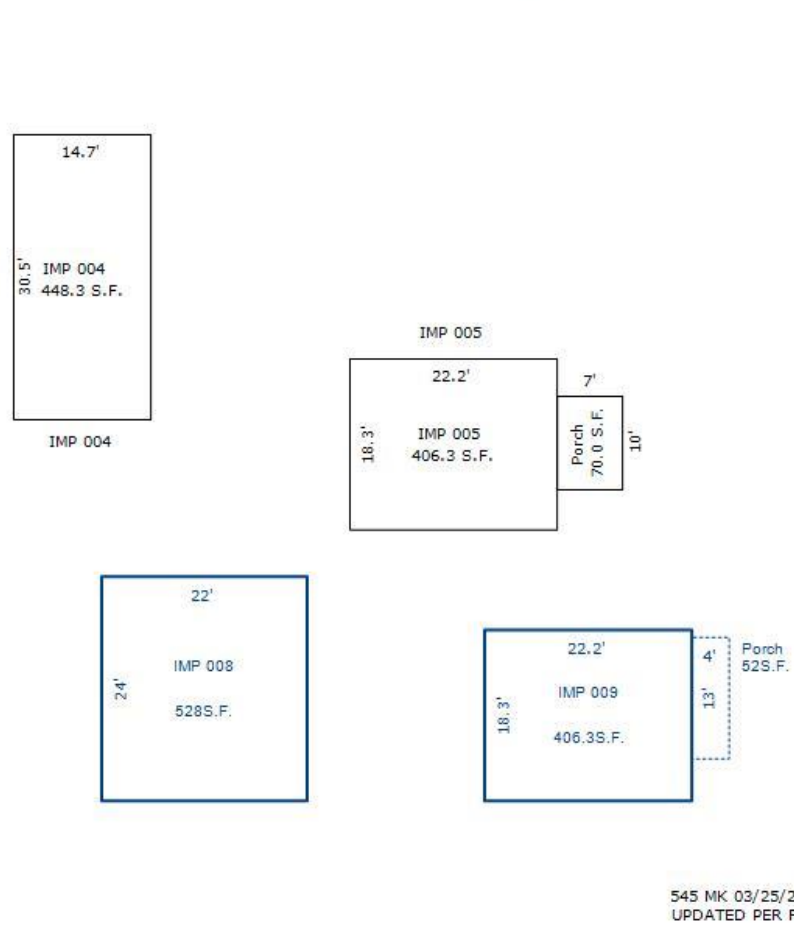
# PROPERTY LAYOUT

Borden's Court  
228 E 32<sup>nd</sup> St  
Tucson, AZ 85713

118-25-335A



2212 S 4TH AVE



545 MK 03/25/20  
UPDATED PER FC

# EXTERIOR PHOTOS



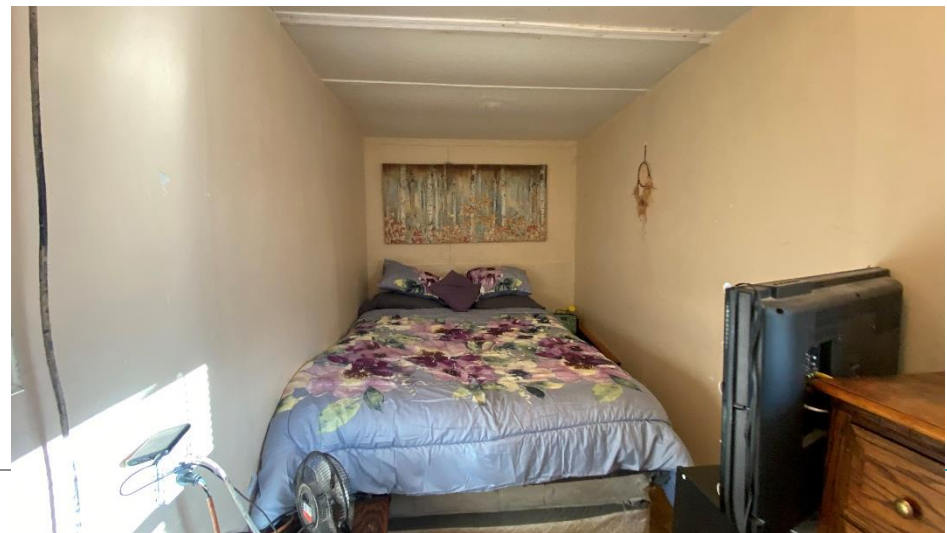
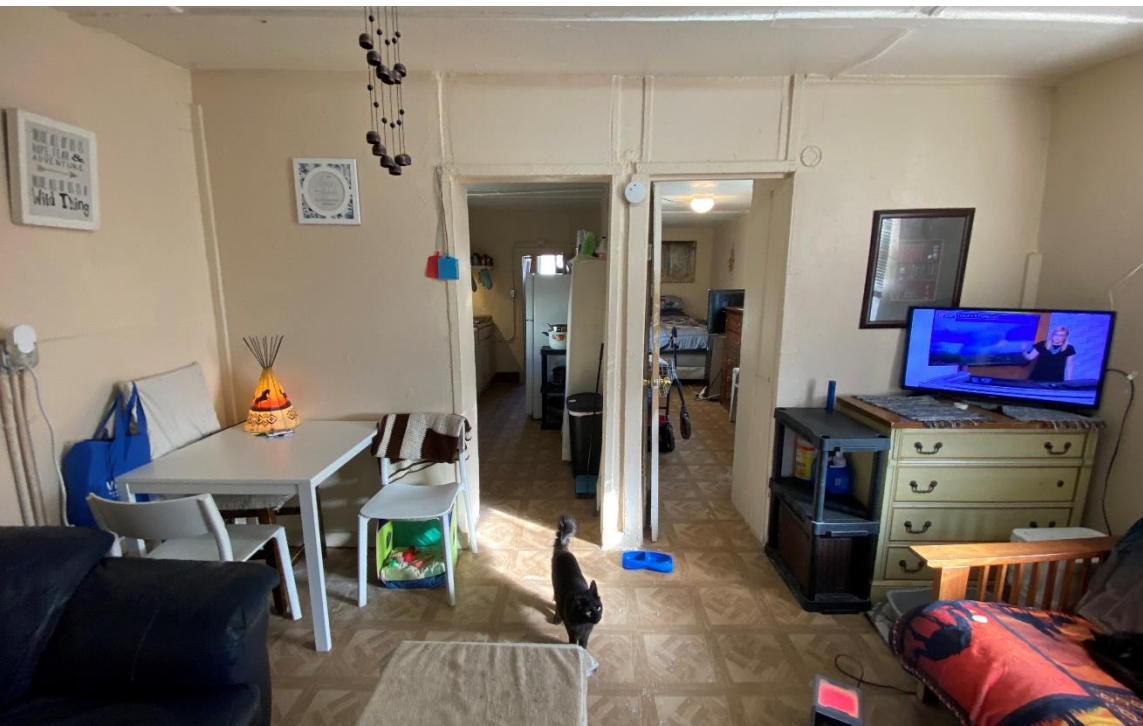
# EXTERIOR PHOTOS



# INTERIOR PHOTOS



# INTERIOR PHOTOS



# ABOUT TUCSON

## 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](http://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](http://www.arizona.edu), [suncorridorinc.com](http://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



CUSHMAN &  
WAKEFIELD



PICOR

## BROKER CONTACTS

### ALLAN MENDELSBERG

Multi-Family Team, Principal

D +1 520 546 2721

M +1 520 490 2113

amendelsberg@picor.com

### JOEY MARTINEZ

Multi-Family Team, Principal

D +1 520 546 2730

M +1 520 668 3858

jmartinez@picor.com

## SUPPORT TEAM

### ELIZABETH GUERRERO

Multi-Family Team, Assistant

D +1 520 546 2760

eguerrero@picor.com