



OFFERING MEMORANDUM

Santa Rita Apartments

1142 E. 9th St.

127 N. Santa Rita Ave.

135-147 N. Santa Rita Ave.

Tucson, AZ 85719



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

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TRADE MAP
















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PROPERTY INFORMATION

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 PRICE \$950,000	 PRICE PER UNIT \$135,714	 PRICE PER SF \$185.66	 PROFORMA NOI \$52,900	 CAP RATE 5.57%
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	LOCATION:	1142 E. 9th St. 127 N. Santa Rita Ave. 135-147 N. Santa Rita Ave. Tucson, AZ 85719		LANDSCAPING:	Palm tree, Large shade trees, shrubbery, rock & bushes																												
	SITE AREA:	0.43 Acres 18,800 Sq. Ft.		UTILITIES: (Responsibility)	Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Tenant) Water: City of Tucson (RUBS) Sewer: City of Tucson (RUBS) Trash: City of Tucson (RUBS)																												
	RENTABLE SQFT:	5,117 Sq. Ft.		METERING:	Electric: Individual Gas: Individual Water/Sewer/Trash: Master- metered Hot Water: Individual																												
	ASSESSOR PARCEL NUMBER(S):	124-06-1860, 124-06-1850, & 124-06-1840		HEATING/COOLING:	Air Conditioning																												
	ZONING:	R-3		CONSTRUCTION:	Stucco Frame																												
	ACCESS:	Ingress/Egress		FINANCING:	To be determined																												
	PARKING	Off-street	<table border="1"> <thead> <tr> <th>UNIT DESCRIPTION</th> <th>NO. OF UNITS</th> <th>% OF TOTAL</th> <th>SQ. FT. PER UNIT</th> </tr> </thead> <tbody> <tr> <td>Studio (135 Santa Rita)</td> <td>3</td> <td>43%</td> <td>400</td> </tr> <tr> <td>1BD/1BA (135 Santa Rita)</td> <td>1</td> <td>14%</td> <td>650</td> </tr> <tr> <td>2BD/2BA (1142 9th)</td> <td>1</td> <td>14%</td> <td>1011</td> </tr> <tr> <td>3BD/2BA (127 Santa Rita)</td> <td>1</td> <td>14%</td> <td>1100</td> </tr> <tr> <td>3BD/3BA (1142 9th)</td> <td>1</td> <td>14%</td> <td>1156</td> </tr> <tr> <td>Total/Average (Monthly)</td> <td>7</td> <td>100%</td> <td>731</td> </tr> </tbody> </table>			UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT	Studio (135 Santa Rita)	3	43%	400	1BD/1BA (135 Santa Rita)	1	14%	650	2BD/2BA (1142 9th)	1	14%	1011	3BD/2BA (127 Santa Rita)	1	14%	1100	3BD/3BA (1142 9th)	1	14%	1156	Total/Average (Monthly)	7	100%	731
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	ROOF/STORIES:	Build up Flat/ One																															
	YEAR BUILT:	1940																															

PROPERTY SUMMARY

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Nestled just minutes away from the prestigious University of Arizona and the vibrant Historic 4th Avenue is Santa Rita apartments. An attractive 7-unit apartment complex, offering a variety of housing options to suit the needs of every resident. Whether you're looking for a cozy studio, a comfortable 1BD/1BA, a spacious 2BD/2BA, or a luxurious 3BD/2BA or 3BD/3BA.

As a potential investor, Santa Rita apartments offer an abundance of upside due to its current operations and low rents. With the potential for rent increases and other value-add strategies, this property is a prime investment opportunity waiting to be seized. Add in attractive seller financing and the deal becomes a prime investment in an ideal location. Investing in Santa Rita apartments presents a unique opportunity to tap into the student housing market in Tucson, Arizona.

Each unit is thoughtfully designed to provide maximum comfort and convenience to residents, with AC units to keep the indoor climate pleasant all year round. The front porches with patios offer a perfect spot to relax and unwind while taking in the scenic views of the neighborhood. Additionally, some units feature private backyards, providing a perfect space for outdoor activities.

Santa Rita apartments also offer residents the convenience of individually metered electric and gas, allowing them to have control over their energy usage and costs. Meanwhile, the water, sewer, and trash are master metered and paid for by the owner, then billed back.

This property can be sold as a package sale with the neighboring property 10th St. Casitas (1137-1153 E 10th St. Tucson, AZ). Contact brokers for additional information.

PROPERTY HIGHLIGHTS



PROPERTY HIGHLIGHTS

- SELLER FINANCING AVAILABLE
- Below market rents
- Backyards for some units
- Well maintained common area
- Walking distance to UofA Campus & Downtown Tucson
- Possible package sale w/ 10th St. Casitas

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UNIT HIGHLIGHTS

- Air conditioning
- Individually metered for electric & gas
- Owner pays water, sewer, & trash (Charges some RUBS)
- Ceiling fans
- Gas stove
- Front porches and patios

FINANCIAL ANALYSIS

Santa Rita Apartments
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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.
Studio (135 Santa Rita)	3	43%	400	1,200	\$737	\$2,212	\$775	\$2,325	\$1.94
1BD/1BA (135 Santa Rita)	1	14%	650	650	\$745	\$745	\$850	\$850	\$1.31
2BD/2BA (1142 9th)	1	14%	1011	1,011	\$1,125	\$1,125	\$1,200	\$1,200	\$1.19
3BD/2BA (127 Santa Rita)	1	14%	1100	1,100	\$1,300	\$1,300	\$1,350	\$1,350	\$1.23
3BD/3BA (1142 9th)	1	14%	1156	1,156	\$1,325	\$1,325	\$1,350	\$1,350	\$1.17
Total/Average (Monthly)	7	100%	731	5,117	\$958	\$6,707	\$1,011	\$7,075	\$1.38
Annual						\$80,484		\$84,900	

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-12 Actuals	T-12 Actuals Per Unit
RENTAL INCOME				
Gross Market Rent	\$84,900	\$12,129		
Vacancy Loss	-\$4,245	-5.0%		
Concessions & Bad Debt	-\$1,274	-1.5%		
Net Rental Income	\$79,382	\$11,340	\$76,796	\$10,971
RUBS	\$3,000	\$429	\$2,648	\$378
Other Income	\$500	\$71		\$0
TOTAL INCOME	\$82,882	\$11,840	\$79,444	\$11,349
OPERATING EXPENSES				
General & Administrative	\$1,000	\$143		
Repairs & Maintenance & Turnover	\$5,600	\$800	\$956	\$137
Contract Services	\$1,200	\$171		
Utilities	\$4,000	\$571	\$3,000	\$429
TOTAL VARIABLE	\$11,800	\$1,686	\$3,956	\$565
Property Taxes	\$8,051	\$1,150	\$8,051	\$1,150
Property Insurance	\$1,750	\$250	\$2,000	\$286
Management Fee	\$6,631	8%	\$6,704	8%
Reserves	\$1,750	\$250		
TOTAL EXPENSES	\$29,982	\$4,283	\$20,711	\$2,959
NET OPERATING INCOME	\$52,900	\$7,557	\$58,733	\$8,390

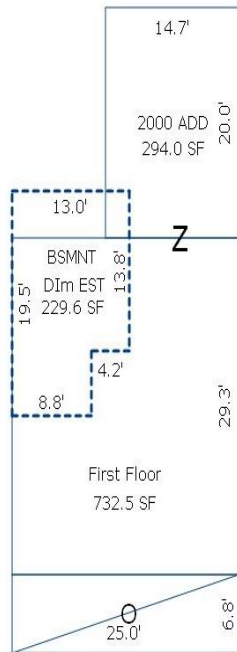
Stabilized Market Analysis	
Value	\$950,000
Per Unit	\$135,714
Per Square Foot	\$185.66
Cap Rate	
T-12 Actuals	6.18%
Marketing Pro Forma	5.57%

PROPERTY LAYOUT

Santa Rita Apartments
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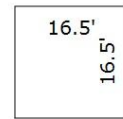
124-06-1840
 127 N SANTA RITA AVENUE

TOTAL 1027 SF

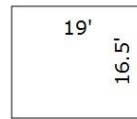


06/2010
 #421
 SKETCH FROM PLANS

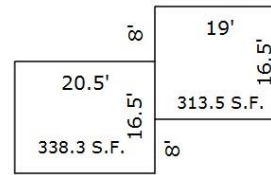
124-06-1850
 147 N SANTA RITA AV



TOTAL SQ FT 272

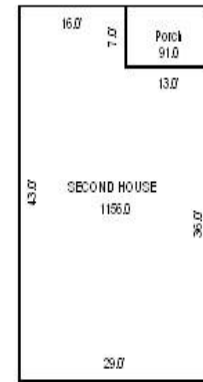


TOTAL SQ FT 314



TOTAL SQ FT 652

124-06-1860
 1142 E 9TH ST



DEMOGRAPHIC OVERVIEW

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2022 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	18,358	122,401	299,926
HOUSEHOLDS	6,595	51,953	127,898
AVG HOUSEHOLD INCOME	\$43,401	\$53,354	\$55,539
DAYTIME POPULATION	17,504	89,879	191,319
RETAIL EXPENDITURE	\$122.24 M	\$1.1 B	\$2.8 B

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

2027 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	18,630	123,970	304,469
HOUSEHOLDS	6,668	51,885	127,878
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. BROADWAY BLVD	27,698 VPD	(2022)
N. EUCLID AVE	26,703 VPD	(2022)

Source: Pima Association of Governments

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



SANTA RITA APARTMENTS

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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