



## OFFERING MEMORANDUM

5th Ave Apartments  
4544, 4556, & 4560 S. 5th Ave  
Tucson, AZ 85714



CUSHMAN &  
WAKEFIELD



PICOR

MULTI-FAMILY & INVESTMENT SALES TEAM



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# PROPERTY INFORMATION

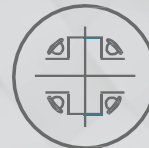
5th Ave Apartments  
4544, 4556, & 4560 S. 5th Ave  
Tucson, AZ 85714



**PRICE**  
\$1,000,000




**PRICE PER UNIT**  
\$90,909












**PRICE PER SF**  
\$195.12



**PROFORMA NOI**  
\$64,445



**CAP RATE**  
6.44%

	<b>LOCATION:</b>	4544,4556, & 4560 S. 5 <sup>th</sup> Ave Tucson, AZ 85714
	<b>SITE AREA:</b>	0.45 Acres   19,500 Sq. Ft.
	<b>RENTABLE SQFT:</b>	5,125 Sq. Ft.
	<b>ASSESSOR PARCEL NUMBER(S):</b>	120-09-2050, 120-09-2040, 120-09-2030
	<b>ZONING:</b>	R-3
	<b>ACCESS:</b>	Ingress / Egress
	<b>PARKING</b>	~11
	<b>ROOF/STORIES:</b>	Built Up-Flat / One
	<b>YEAR BUILT/RENO:</b>	1959 / 2021-2023

	<b>LANDSCAPING:</b>	Rock & gravel
	<b>UTILITIES: (Responsibility)</b>	Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Tenant) Water: City of Tucson (Owner) Sewer: City of Tucson (Owner) Trash: City of Tucson (Owner)
	<b>METERING:</b>	Electric: Individually metered Gas: Individually metered Water/Sewer/Trash: Master-metered Hot Water: Individually metered
	<b>HEATING/COOLING:</b>	Mini-Split Air Conditioning
	<b>CONSTRUCTION:</b>	Brick
	<b>FINANCING:</b>	Cash or traditional financing

UNIT DESCRIPTION	NO. OF UNITS	% OF TOTAL	SQ. FT. PER UNIT
1BD/1BA	9	82%	425
2BD/1BA	1	9%	600
2BD/1BA	1	9%	700
<b>Total/Average (Monthly)</b>	<b>11</b>	<b>100%</b>	<b>457</b>

# FINANCIAL ANALYSIS

5<sup>th</sup> Ave 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.
1BD/1BA	9	82%	425	3,825	\$749	\$6,740	\$800	\$7,200	\$1.88
2BD/1BA	1	9%	600	600	\$1,100	\$1,100	\$1,125	\$1,125	\$1.88
2BD/1BA	1	9%	700	700	\$1,100	\$1,100	\$1,200	\$1,200	\$1.71
<b>Total/Average (Monthly)</b>	<b>11</b>	<b>100%</b>	<b>466</b>	<b>5,125</b>	<b>\$813</b>	<b>\$8,940</b>	<b>\$866</b>	<b>\$9,525</b>	<b>\$1.86</b>
<b>Annual</b>						<b>\$107,280</b>		<b>\$114,300</b>	

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	Crrnt RR + 2022 Actuals	RR + 2022 Actuals Per Unit
<b>RENTAL INCOME</b>				
<b>Gross Market Rent</b>	\$114,300	\$10,391	\$107,280	
Vacancy Loss	-\$8,001	-7.0%	-\$7,510	-7.0%
Concessions & Bad Debt	-\$1,715	-1.5%	-\$2,146	-2%
<b>Net Rental Income</b>	<b>\$104,585</b>	<b>\$9,508</b>	<b>\$97,625</b>	<b>\$8,875</b>
RUBS	\$1,500	\$136	\$1,008	\$92
Other Income	\$1,000	\$91		\$0
<b>TOTAL INCOME</b>	<b>\$107,085</b>	<b>\$9,735</b>	<b>\$98,633</b>	<b>\$8,967</b>
<b>OPERATING EXPENSES</b>				
General & Administrative	\$1,500	\$136	\$33	\$3
Repairs & Maintenance & Turnover	\$10,000	\$909	\$17,202	\$1,564
Contract Services	\$2,400	\$218	\$900	\$82
Utilities	\$11,000	\$1,000	\$8,513	\$774
<b>TOTAL VARIABLE</b>	<b>\$24,900</b>	<b>\$2,264</b>	<b>\$26,648</b>	<b>\$2,423</b>
Property Taxes	\$2,923	\$266	\$2,923	\$266
Property Insurance	\$3,500	\$318	\$4,272	\$388
Management Fee	\$8,567	8%		
Reserves	\$2,750	\$250		
<b>TOTAL EXPENSES</b>	<b>\$42,640</b>	<b>\$3,876</b>	<b>\$33,843</b>	<b>\$3,077</b>
<b>NET OPERATING INCOME</b>	<b>\$64,445</b>	<b>\$5,859</b>	<b>\$64,790</b>	<b>\$5,890</b>

## Stabilized Market Analysis

Value	\$1,000,000
Per Unit	\$90,909
Per Square Foot	\$195.12
<b>Cap Rate</b>	
Crrnt RR + 2022 Actuals	6.48%
Marketing Pro Forma	6.44%

# PROPERTY SUMMARY

5<sup>th</sup> Ave Apartments  
4544, 4556, & 4560 S. 5<sup>th</sup> Ave  
Tucson, AZ 85714

5th Avenue Apartments is located in southern Tucson and has several value-add opportunities for long-term growth potential, such as below market rents. The property consists of 9 1BD/1BA units & 2 2BD/1BA Units. With a recently renovated property, there is ample opportunity to bring up the value of the property by increasing rents and stabilizing operations.

This property has had several renovations and upgrades over the past two years. To the exterior the renovations include roof repairs, paint, addition of fencing, and air conditioning systems. To the interior of the units, investors will find upgrades including modern cabinets, flooring, bathroom fixtures and surrounds, and sleek stainless-steel appliances. These renovations have enhanced the aesthetic appeal and overall value of the property.

The utilities are individually metered for gas and electric, which ensure that each tenant is responsible for their own usage. The water, sewer, and trash usage is metered together and is paid for by the owner. An additional value add opportunity would be to implement a formal RUBS (Utility Billback Program) to charge tenants for their usage of those utilities. Dual pane windows provide an added level of insulation, keeping the property energy-efficient and helping to reduce utility costs for both tenants and the owners.

With ample parking, tenants will never have to worry about finding a spot for their vehicles. The units also feature private, fenced-in backyards perfect for socializing, activities, and pets. Washer/dryer hookups provide tenants with the opportunity to do their laundry in private.

With its close proximity to the airport and surrounding retail locations, coupled with its below market rents, and recent capital improvements, this property is an excellent investment.



# PROPERTY HIGHLIGHTS

5<sup>th</sup> Ave Apartments  
4544, 4556, & 4560 S. 5<sup>th</sup> Ave  
Tucson, AZ 85714



## PROPERTY HIGHLIGHTS

- Value-add opportunity
- Below market rents
- Recent capital improvements
- Masonry construction
- Backyards
- Ample parking
- Dual pane windows

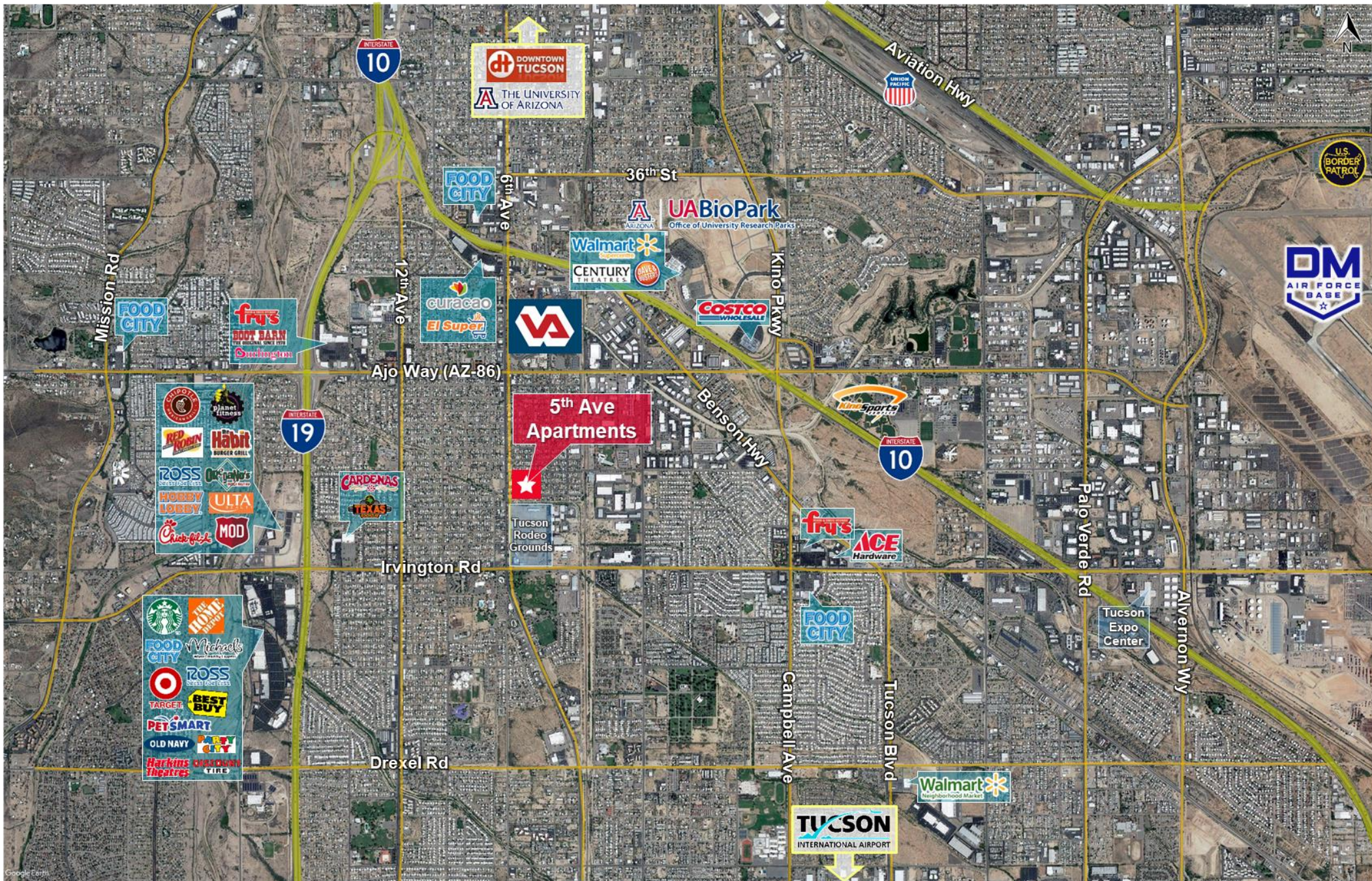


## UNIT HIGHLIGHTS

- Air conditioning
- Renovated units
- Stainless steel appliances
- Individually metered for gas and electric
- Dual pane windows
- Washer/dryer hookups
- Renovations include ACs, cabinets, flooring, and bathroom upgrades

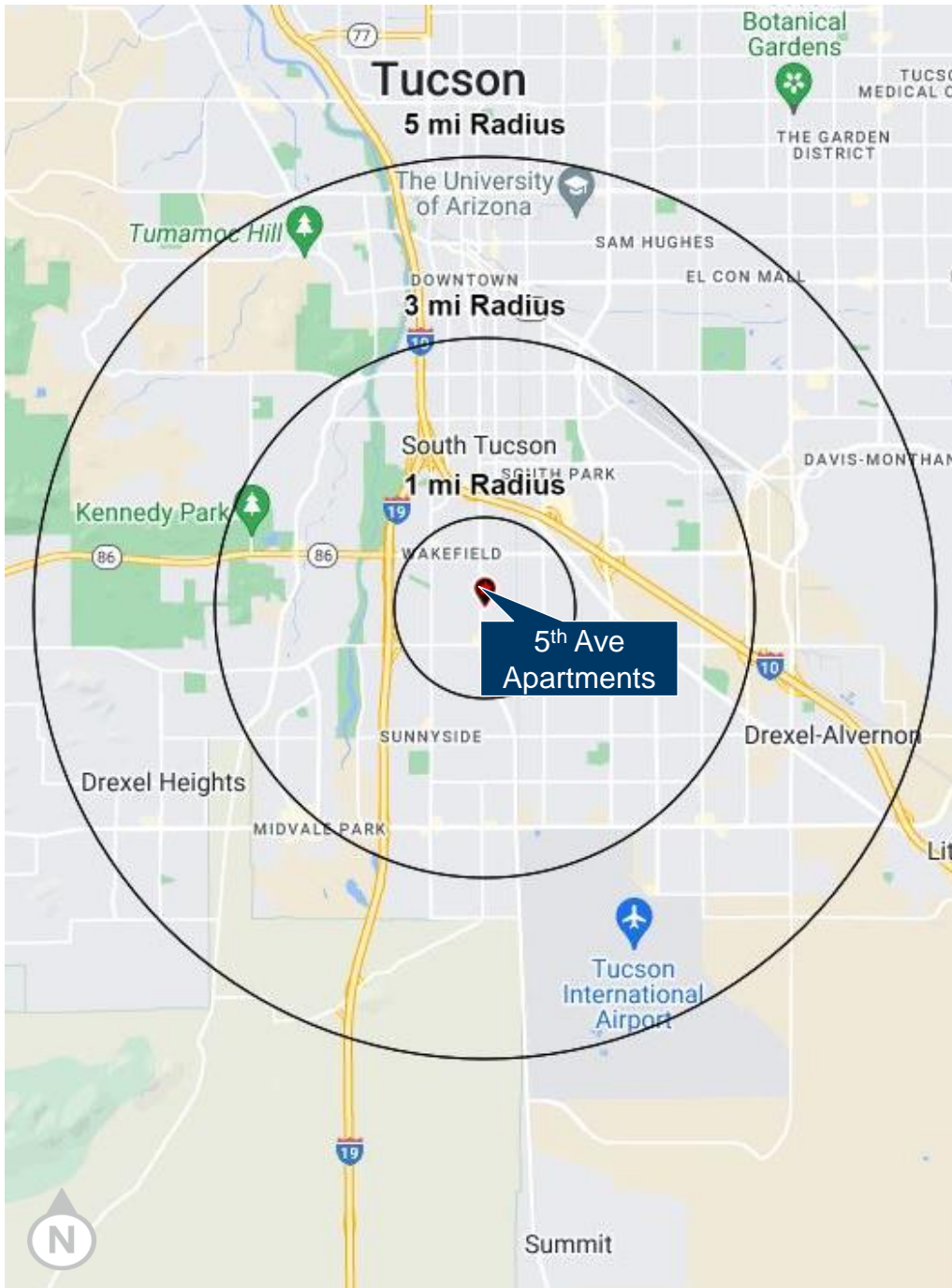
# TRADE MAP

5<sup>th</sup> Ave Apartments  
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# DEMOGRAPHIC OVERVIEW

5<sup>th</sup> Ave Apartments  
 4544, 4556, & 4560 S. 5<sup>th</sup> Ave  
 Tucson, AZ 85714



## 2022 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	15,388	114,995	217,364
HOUSEHOLDS	5,140	37,508	77,343
AVG HOUSEHOLD INCOME	\$53,317	\$53,750	\$56,530
DAYTIME POPULATION	7,978	45,684	126,417
RETAIL EXPENDITURE	\$110.26 M	\$811.61 M	\$1.72 B

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

## 2027 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	15,731	117,378	221,954
HOUSEHOLDS	5,170	37,709	77,846
AVG HOUSEHOLD INCOME	\$64,015	\$63,853	\$66,431

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

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

E. IRVINGTON RD	23,123 VPD	(2022)
S. 6 <sup>TH</sup> AVE	21,548 VPD	(2022)

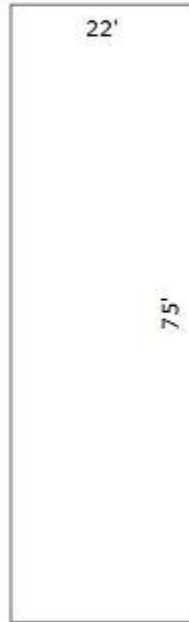
Source: Pima Association of Governments



# PROPERTY LAYOUT

5<sup>th</sup> Ave Apartments  
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Tucson, AZ 85714

120-09-2030  
4560 S 5TH AV



TOTAL SQ FT 1650

120-09-2040  
4556 S 5TH AV



TOTAL SQ FT 1650

120-09-2050  
4544 S 5TH AV



TOTAL SQ FT 1650

# EXTERIOR PHOTOS



# EXTERIOR PHOTOS



# INTERIOR PHOTOS



# BIRDS-EYE VIEW-ABOVE

5<sup>th</sup> Ave Apartments  
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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](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



### **5<sup>TH</sup> AVE APARTMENTS**

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