



# OFFERING MEMORANDUM

Sherwood Terrace  
114 E. Mohave Rd.  
Tucson, AZ 85705



MULTI-FAMILY & INVESTMENT SALES TEAM



MULTI-FAMILY TEAM

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# PROPERTY INFORMATION

Sherwood Terrace  
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 <b>PRICE</b> \$2,000,000	 <b>PRICE PER UNIT</b> \$100,000	 <b>PRICE PER SF</b> \$182.15	 <b>PROFORMA NOI</b> \$129,951	 <b>CAP RATE</b> 6.50%
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 <b>LOCATION:</b> 114 E Mohave Rd Tucson Az 85705	 <b>LANDSCAPING:</b> Large shade trees & desert rock
 <b>SITE AREA:</b> 0.71   30,942 Sq. Ft.	 <b>UTILITIES: (Responsibility)</b> Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Owner) Water: City of Tucson (RUBS) Sewer: City of Tucson (RUBS) Trash: City of Tucson (RUBS)
 <b>RENTABLE SQFT:</b> 11,216 Sq. Ft.	 <b>METERING:</b> Electric: Individual & Common Gas: Common Water/Sewer/Trash: Master- metered Hot Water: Individual
 <b>ASSESSOR PARCEL NUMBER(S):</b> 106-03-0470	 <b>HEATING/COOLING:</b> Mini-Split ACs
 <b>ZONING:</b> R - 3	 <b>CONSTRUCTION:</b> Wood frame / Stucco
 <b>ACCESS:</b> Ingress/Egress	 <b>FINANCING:</b> To be determined
 <b>PARKING</b> ~ 20 Spaces	
 <b>ROOF/STORIES:</b> Flat roof / 2 Story	
 <b>YEAR BUILT:</b> 1980	

Unit Description	# of Units	% of Total	SqFt Per Unit	Total Rentable SqFt
Studio	8	40%	460	3,680
1BD/1BA	8	40%	550	4,400
2BD/1BA	4	20%	725	2,900
<b>Total/Average (Monthly)</b>	<b>20</b>	<b>100%</b>	<b>549</b>	<b>10,980</b>



## PROPERTY HIGHLIGHTS

- Value-add opportunity
- Operational upside
- Backyards for some units
- On-site laundry facility
- Fenced & secured entrance
- Well maintained grounds
- Ample parking



## UNIT HIGHLIGHTS

- Some renovated units
- Below market rents
- Individually metered for electric and gas
- Air-conditioned units
- Vinyl flooring in some units
- RUBS for Water/Sewer/Trash usage

# PROPERTY SUMMARY

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Sherwood Terrace is the ideal value-add opportunity for investors to capitalize on potential long-term rent growth. This large property holds a total of 20 units, comprising of a diverse unit mix with some units having undergone extensive renovations. This setup presents investors with the opportunity to generate additional rental income seeking immediate returns.

The complex comprises of (20) diverse unit layouts. (8) studios, (8) 1BD/1Bas, and (4) 2BD/1BA units. Unit upgrades can include upgrades ACs, replacements of some water heaters, upgraded flooring, and interior modern finishes through units. Kitchens upgrades can include new appliances in some units, new painted cabinets, and modern finishes. Additionally, the property's upgrades included an upgraded laundry room and perimeter fencing. Lastly, the interiors of all units received a fresh coat of paint to further enhance the unit's appearance with the installation of new vinyl flooring. For easy billing and responsible energy consumption, each unit is individually metered for electric & gas. As for water, sewer, and trash, these are master-metered and paid for by the owner but billed back through a successful RUBS program, simplifying billing and management for the property owner and reducing expense.

Built in 1980, Sherwood Terrace has undergone exterior renovations as well. The landscape is meticulously maintained with clear walkways and clean grounds. All four buildings have been repainted to ensure the exterior complements the interior appearance upgrades. Additionally, the roofs have received recent repairs and coatings. Lastly the recent repairs of security gate ensure tenants can live comfortably knowing the gate is secure.

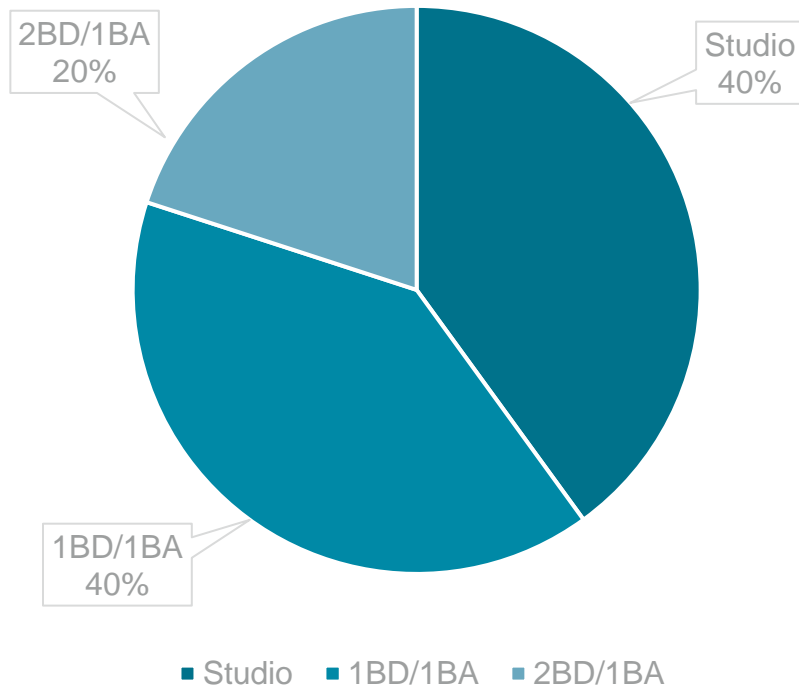
Sherwood Terrace's location is particularly appealing to students and young professionals. The property is situated within miles of Pima Community College, the University of Arizona, and downtown Tucson. Residents can enjoy a vibrant array of entertainment, dining, and cultural attractions, all within a few miles of each other. This proximity offers residents various entertainment options and employment opportunities.

# FINANCIAL ANALYSIS

Sherwood Terrace  
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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	8	40%	460	3,680	\$696	\$5,568	\$780	\$6,240	\$1.70
1BD/1BA	8	40%	550	4,400	\$783	\$6,264	\$875	\$7,000	\$1.59
2BD/1BA	4	20%	725	2,900	\$925	\$3,700	\$1,050	\$4,200	\$1.45
<b>Total/Average (Monthly) Annual</b>	<b>20</b>	<b>100%</b>	<b>549</b>	<b>10,980</b>	<b>\$777</b>	<b>\$15,532</b> <b>\$186,384</b>	<b>\$872</b>	<b>\$17,440</b> <b>\$209,280</b>	<b>\$1.59</b>

## Unit Breakdown



# FINANCIAL ANALYSIS

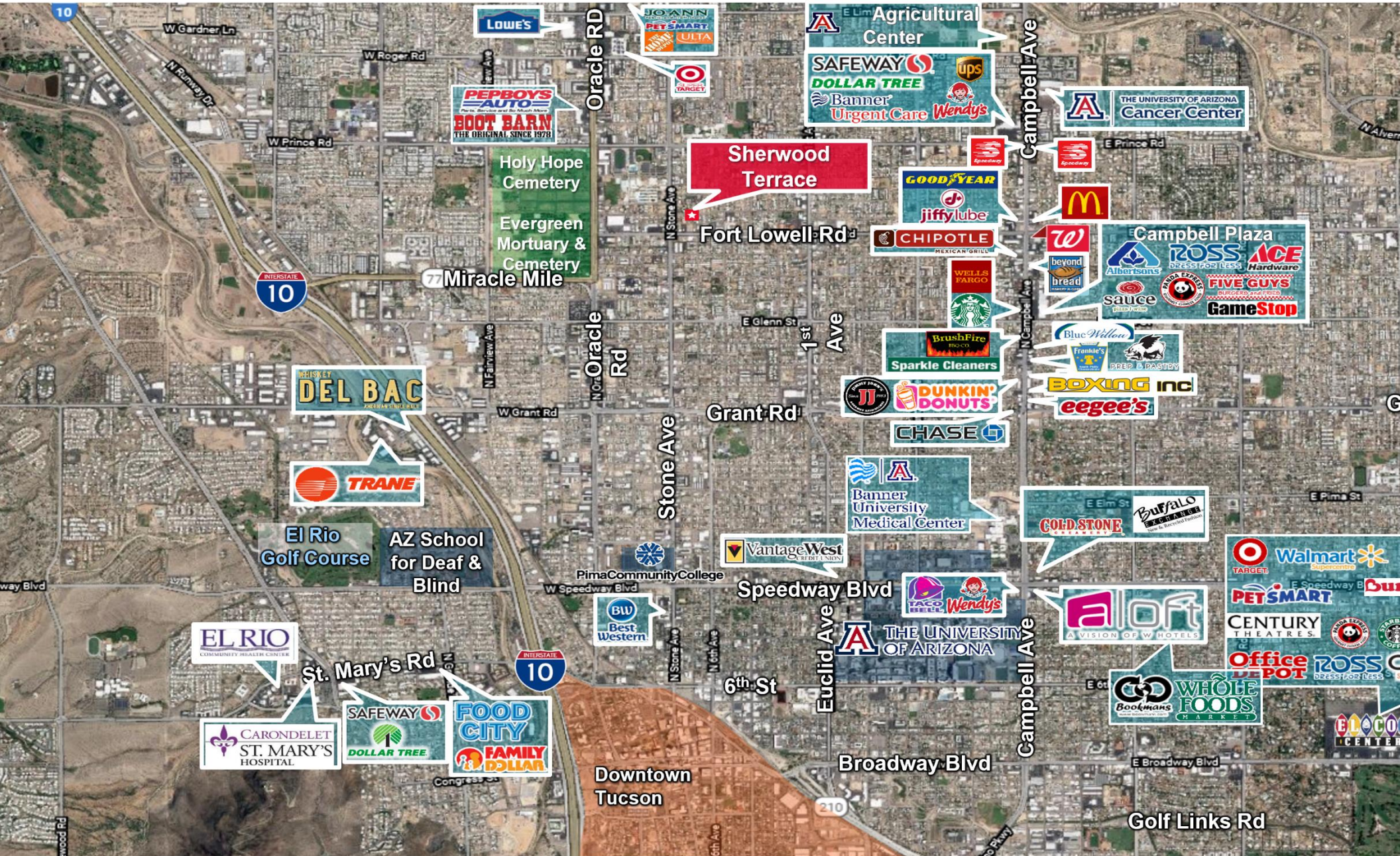
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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-5 Actuals Annualized	T-5 Actuals Annualized Per Unit
<b>RENTAL INCOME</b>				
<b>Gross Market Rent</b>	\$209,280	\$10,464		
Vacancy Loss	-\$12,557	-6.0%		
Concessions & Bad Debt	-\$4,186	-2.0%		
<b>Net Rental Income</b>	\$192,538	\$9,627	\$171,394	\$8,570
RUBS	\$7,500	\$375	\$6,461	\$323
Laundry Income	\$1,500	\$75	\$1,466	\$73
Other Income	\$3,500	\$175	\$1,522	\$76
<b>TOTAL INCOME</b>	\$205,038	\$10,252	\$180,842	\$9,042
<b>OPERATING EXPENSES</b>				
General & Administrative	\$1,000	\$50	\$0	\$0
Professional Fees	\$1,000	\$50	\$984	\$49
Repairs & Maintenance & Turnover	\$15,000	\$750	\$10,255	\$513
Contract Services	\$3,500	\$175	\$5,604	\$280
Utilities	\$17,500	\$875	\$16,829	\$841
<b>TOTAL VARIABLE</b>	\$38,000	\$1,900	\$33,672	\$1,684
Property Taxes	\$7,684	\$384	\$7,684	\$384
Property Insurance	\$8,000	\$400	\$4,000	\$200
Management Fee	\$16,403	8%	\$14,969	8%
Reserves	\$5,000	\$250		
<b>TOTAL EXPENSES</b>	\$75,087	\$3,754	\$60,325	\$3,016
<b>NET OPERATING INCOME</b>	\$129,951	\$6,498	\$120,518	\$6,026

<b>Stabilized Market Analysis</b>	
<b>Value</b>	\$2,000,000
Per Unit	\$100,000
Per Square Foot	\$182.15
<b>Cap Rate</b>	
T-5 Actuals Annualized	6.03%
Marketing Pro Forma	6.50%

# TRADE MAP

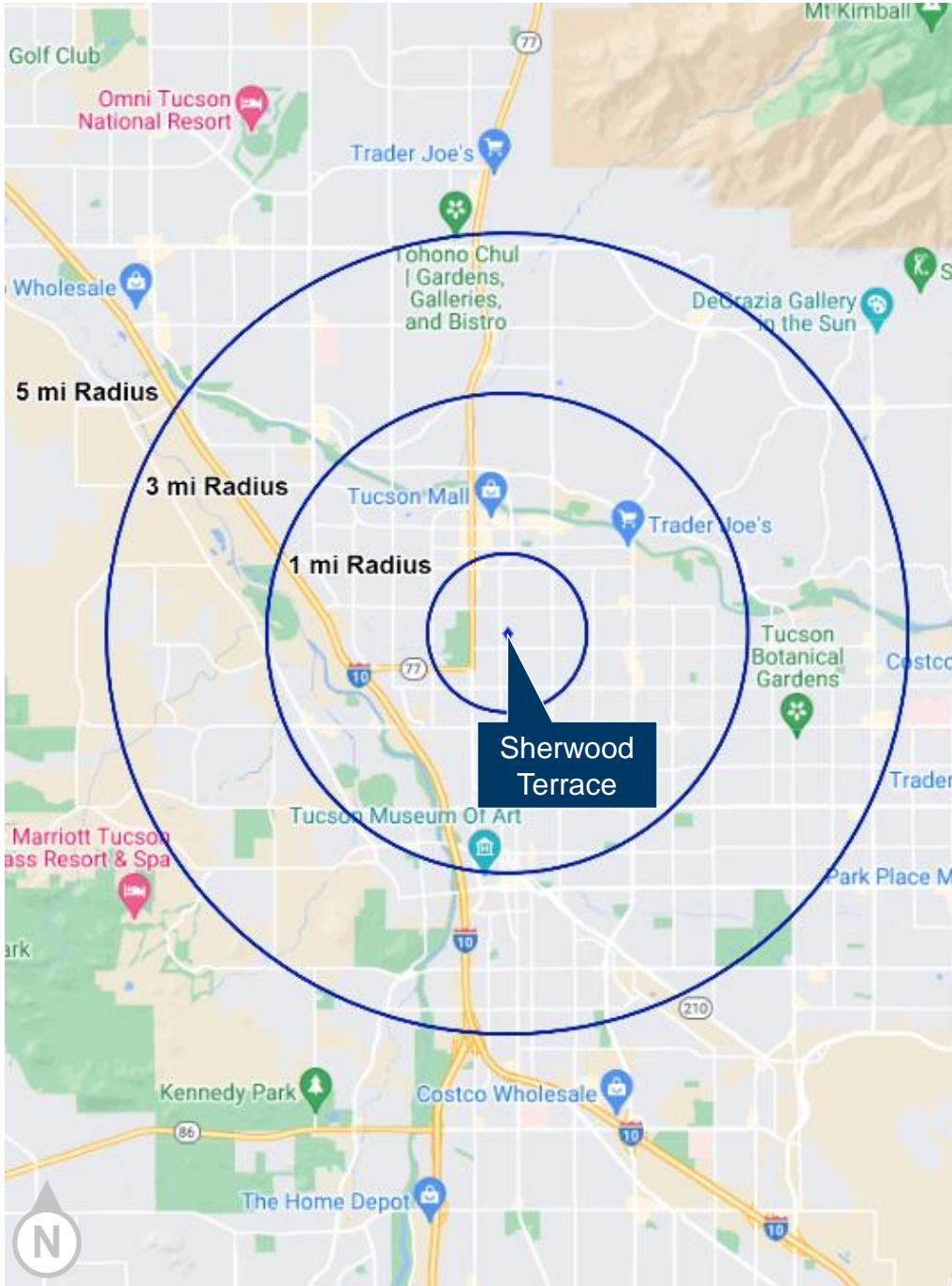
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# DEMOGRAPHIC OVERVIEW

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## 2023 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	20,123	122,354	241,656
HOUSEHOLDS	8,747	54,625	113,231
AVG HOUSEHOLD INCOME	\$54,836	\$69,956	\$86,625
DAYTIME POPULATION	5,821	68,464	136,026
RETAIL EXPENDITURE	\$190.98 M	\$1.4 B	\$3.22 B

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

## 2028 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	20,544	127,410	250,041
HOUSEHOLDS	8,876	57,014	113,231
AVG HOUSEHOLD INCOME	\$57,613	\$71,701	\$89,580

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

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

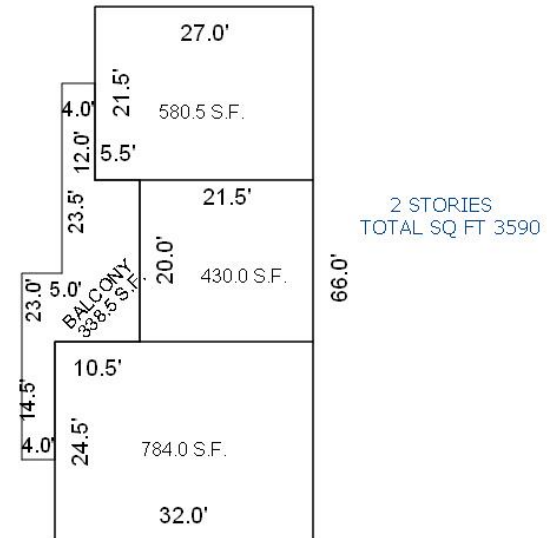
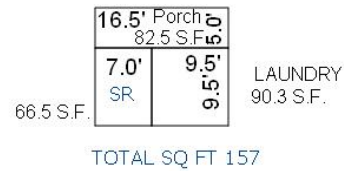
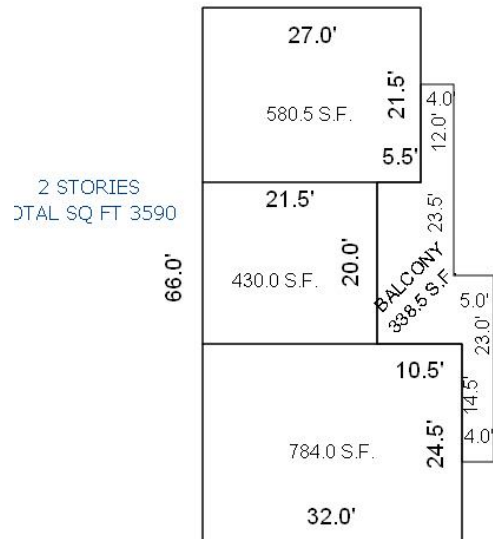
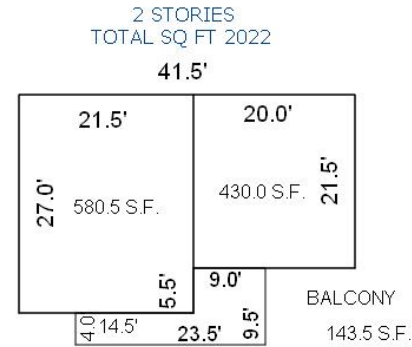
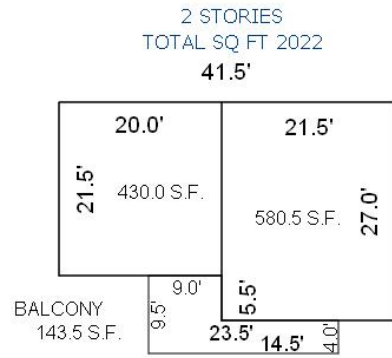
E. PRINCE RD	20,898 VPD	(2023)
N. STONE RD.	16,894 VPD	(2023)

Source: Pima Association of Governments

# PROPERTY LAYOUT

Sherwood Terrace  
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## 106-03-0470 114 E MOHAVE RD



#407 03/2011  
DRAWN FROM PRC

# EXTERIOR PHOTOS

Sherwood Terrace  
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# BIRDS-EYE VIEW ABOVE

Sherwood Terrace  
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# 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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# DRONE PHOTOS

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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.*

# TUCSON

*At a Glance*



**1.072M**  
TUCSON MSA  
POPULATION



**437,780**  
TOTAL HOUSEHOLDS



**30%**  
COLLEGE  
EDUCATION



**1.3%**  
POPULATION  
GROWTH RATE



**\$59,215**  
MEDIAN HOUSEHOLD  
INCOME



**3.2%**  
UNEMPLOYMENT  
RATE

Source: arizona.edu, BLS, ACS 02/19/24

## LARGEST EMPLOYERS

1. UNIVERSITY OF ARIZONA- 16,699
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. AMERICAN BATTERY FACTORY



**46,932**

UNIVERSITY OF ARIZONA  
TOTAL ENROLLMENT, 2024

- #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



## **SHERWOOD TERRACE**

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