



# OFFERING MEMORANDUM

Desert Sands Lodge  
1435 E. Benson Hwy.  
Tucson, AZ 85714



MULTI-FAMILY & INVESTMENT SALES TEAM





MULTI-FAMILY TEAM

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# PROPERTY INFORMATION

Desert Sands Lodge  
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 <b>PRICE</b> \$1,225,000	 <b>PRICE PER UNIT/SPACE</b> \$55,682	 <b>PRICE PER SF</b> \$226.85	 <b>PROFORMA NOI</b> \$79,692	 <b>CAP RATE</b> 6.51%
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	<b>LOCATION:</b>	1435 E. Benson Hwy. Tucson, AZ 85714
	<b>SITE AREA:</b>	1.10 Acres   48,030 Sq. Ft.
	<b>RENTABLE SQFT:</b>	5,400 Sq. Ft.
	<b>ASSESSOR PARCEL NUMBER(S):</b>	132-16-0320
	<b>ZONING:</b>	C-2 & MH-1
	<b>ACCESS:</b>	Ingress/egress
	<b>PARKING</b>	~ 25
	<b>ROOF/STORIES:</b>	Flat cool roof/1 story
	<b>YEAR BUILT:</b>	1947, 1948, 1950, 1951, 1953 & 1983 w/ recent upgrades

	<b>LANDSCAPING:</b>	Large shade trees, palm trees, shrubbery, & desert plants
	<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 Gas: Individual Water/Sewer/Trash: Master-metered Hot Water: Individual
	<b>HEATING/COOLING:</b>	Wall-mounted AC
	<b>CONSTRUCTION:</b>	Wood-frame/mud-adobe
	<b>FINANCING:</b>	Cash or Traditional financing

Unit Description	# of Units	% of Total	SqFt Per Unit	Total Rentable SqFt
Studio	9	41%	250	2,250
1BD / 1BA	4	18%	375	1,500
2BD / 2BA	3	14%	550	1,650
Mobile Homes (2BD/1BA)	3	14%		0
Mobile Homes (2BD/2BA)	2	9%		0
Mobile Homes (2BD/2BA)	1	5%		0
<b>Total/Average (Monthly)</b>	<b>22</b>	<b>1</b>	<b>245</b>	<b>5,400</b>

# PROPERTY HIGHLIGHTS

Desert Sands Lodge  
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## PROPERTY HIGHLIGHTS

- Value-add opportunity
- Some recent capital improvements
- Upside by renovating and renting mobile homes
- Attractive unit mix
- On-site laundry facility
- Conveniently located near Tucson International Airport



## UNIT HIGHLIGHTS

- Some upgraded units
- Below market rents
- Off street parking
- Wall mounted ACs
- Tile floor in some units
- Owner pays all utilities
- Located in opportunity zone

# PROPERTY SUMMARY

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Desert Sands Lodge presents a value-add multifamily asset located in South Tucson, offering a unique opportunity with 22 units comprising a mix of multifamily and mobile homes. These units range from unrenovated to partially upgraded, with some needing full renovation. New ownership has the opportunity to enhance all units (both interior and exterior), potentially increasing the NOI with rental increases through aggressive leasing efforts.

Some units have recently undergone upgrades, including fully equipped kitchens with painted cabinets, new interior paint, and upgraded kitchenette appliances to maximize tenant space. There is significant potential in renovating these interiors to achieve higher rents and increase the property's value. The inclusion of mobile homes offers further opportunities to boost the property's NOI. The current state of the mobile homes allows for options such as tearing down and adding new units, fully renovating existing units, or offering lot space rent. Regardless of the choice, new ownership has plentiful opportunities to generate additional income.

The property's exterior has recently undergone upgrades to enhance its curb appeal. Renovations include security doors to improve tenant comfort and new paint for the building exteriors. While these upgrades have improved the exterior, there is still room for additional value-add enhancements. Current amenities include an outdoor eating area and partial yard space for the mobile homes. Desert Sands holds significant potential for further enhancing shared community spaces through additional renovations.

Desert Sands Lodge's growth trajectory aligns with the rapid development in the surrounding area. The property is strategically situated at the intersection of Interstates 19 and 10, providing easy access. It is located just a few miles from the Veterans Affairs Hospital, and the Tucson International Airport is reachable within 15 minutes via the freeway. This location not only offers excellent employment prospects but also proximity to retail shopping centers like the Marketplace at the Bridges and outdoor amenities such as the Kino Sports Complex and Santa Cruz River Park.

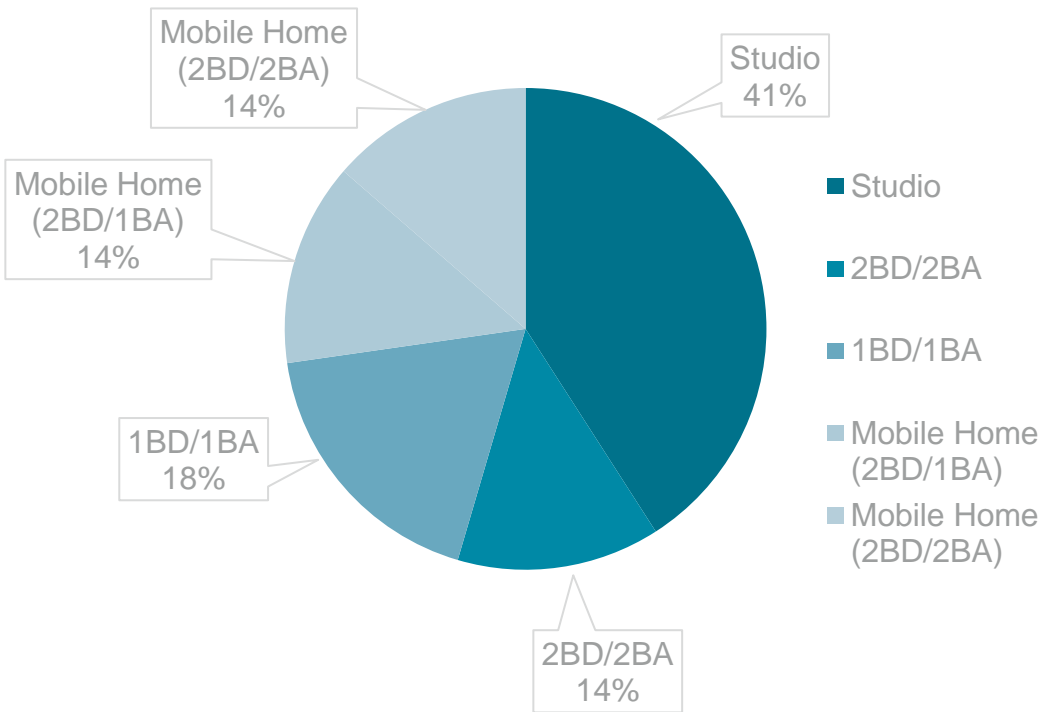


# FINANCIAL ANALYSIS

Desert Sands Lodge  
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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	9	41%	250	2,250	\$678	\$6,102	\$750	\$6,750	\$3.00
1BD / 1BA	4	18%	375	1,500	\$726	\$2,904	\$825	\$3,300	\$2.20
2BD / 2BA	3	14%	550	1,650	\$882	\$2,646	\$1,000	\$3,000	\$1.82
Mobile Homes (2BD/1BA)	3	14%					\$550	\$1,650	
Mobile Homes (2BD/2BA)	2	9%					\$550	\$1,100	
Mobile Homes (2BD/2BA)	1	5%			\$1,178	\$1,178	\$1,200	\$1,200	
<b>Total/Average (Monthly)</b>	<b>22</b>	<b>1</b>	<b>245</b>	<b>5,400</b>	<b>\$583</b>	<b>\$12,830</b>	<b>\$773</b>	<b>\$17,000</b>	<b>\$3.15</b>
<b>Annual</b>						<b>\$153,960</b>		<b>\$204,000</b>	

## Unit Breakdown



# FINANCIAL ANALYSIS

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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	2023 Actuals	2023 Actuals Per Unit	YTD Annualized	YTD Annualized Per Unit
<b>RENTAL INCOME</b>						
<b>Gross Market Rent</b>	\$204,000	\$9,273				
Vacancy Loss	-\$12,240	-6.0%				
Concessions & Bad Debt	-\$4,080	-2.0%				
<b>Net Rental Income</b>	\$187,680	\$8,531	\$150,638	\$6,847	\$138,536	\$6,297
Laundry Income	\$2,000	\$91		\$0		\$0
Other Income	\$3,500	\$159	\$4,317	\$196	\$2,852	\$130
<b>TOTAL INCOME</b>	\$193,180	\$8,781	\$154,955	\$7,043	\$141,388	\$6,427
<b>OPERATING EXPENSES</b>						
General & Administrative	\$1,500	\$68	\$1,394	\$63	\$1,132	\$51
Repairs & Maintenance & Turnover	\$16,500	\$750	\$36,817	\$1,674	\$18,498	\$841
Contract Services	\$3,500	\$159	\$5,916	\$269	\$2,400	\$109
Utilities	\$52,500	\$2,386	\$58,734	\$2,670	\$49,572	\$2,253
<b>TOTAL VARIABLE</b>	\$74,000	\$3,364	\$102,861	\$4,676	\$71,602	\$3,255
Property Taxes	\$3,534	\$161	\$3,534	\$161	\$3,534	\$161
Property Insurance	\$15,000	\$682	\$6,500	\$295	\$6,500	\$295
Management Fee	\$15,454	8%	\$16,475	11%	\$14,790	10%
Reserves	\$5,500	\$250				
<b>TOTAL EXPENSES</b>	\$113,488	\$5,159	\$129,370	\$5,880	\$96,426	\$4,383
<b>NET OPERATING INCOME</b>	\$79,692	\$3,622	\$25,585	\$1,163	\$44,962	\$2,044

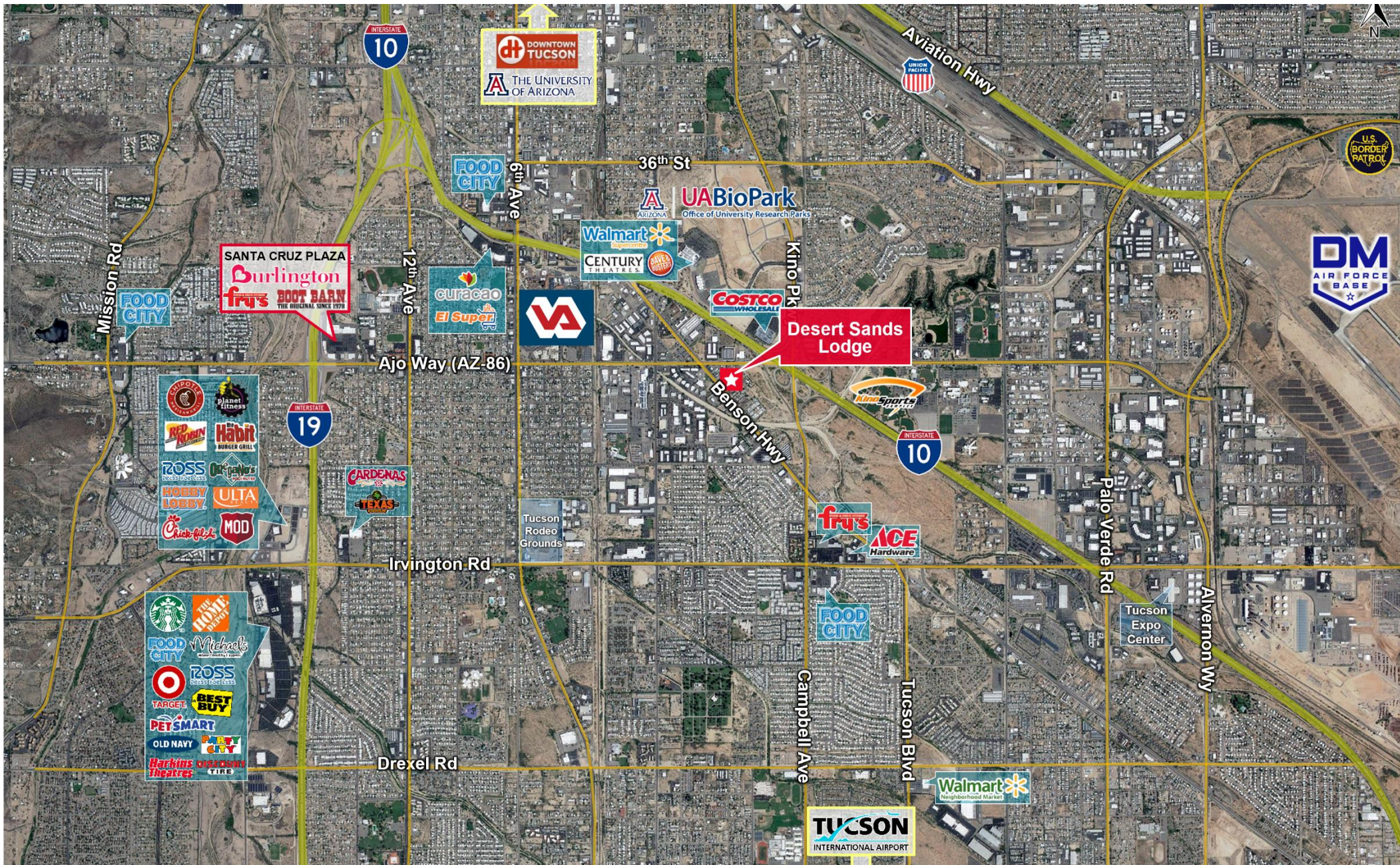
## Stabilized Market Analysis

<b>Value</b>	\$1,225,000
Per Unit/Space	\$55,682
Per Square Foot	\$226.85
<b>Cap Rate</b>	
2023 Actuals	2.09%
YTD Annualized	3.67%
Marketing Pro Forma	6.51%



# TRADE MAP

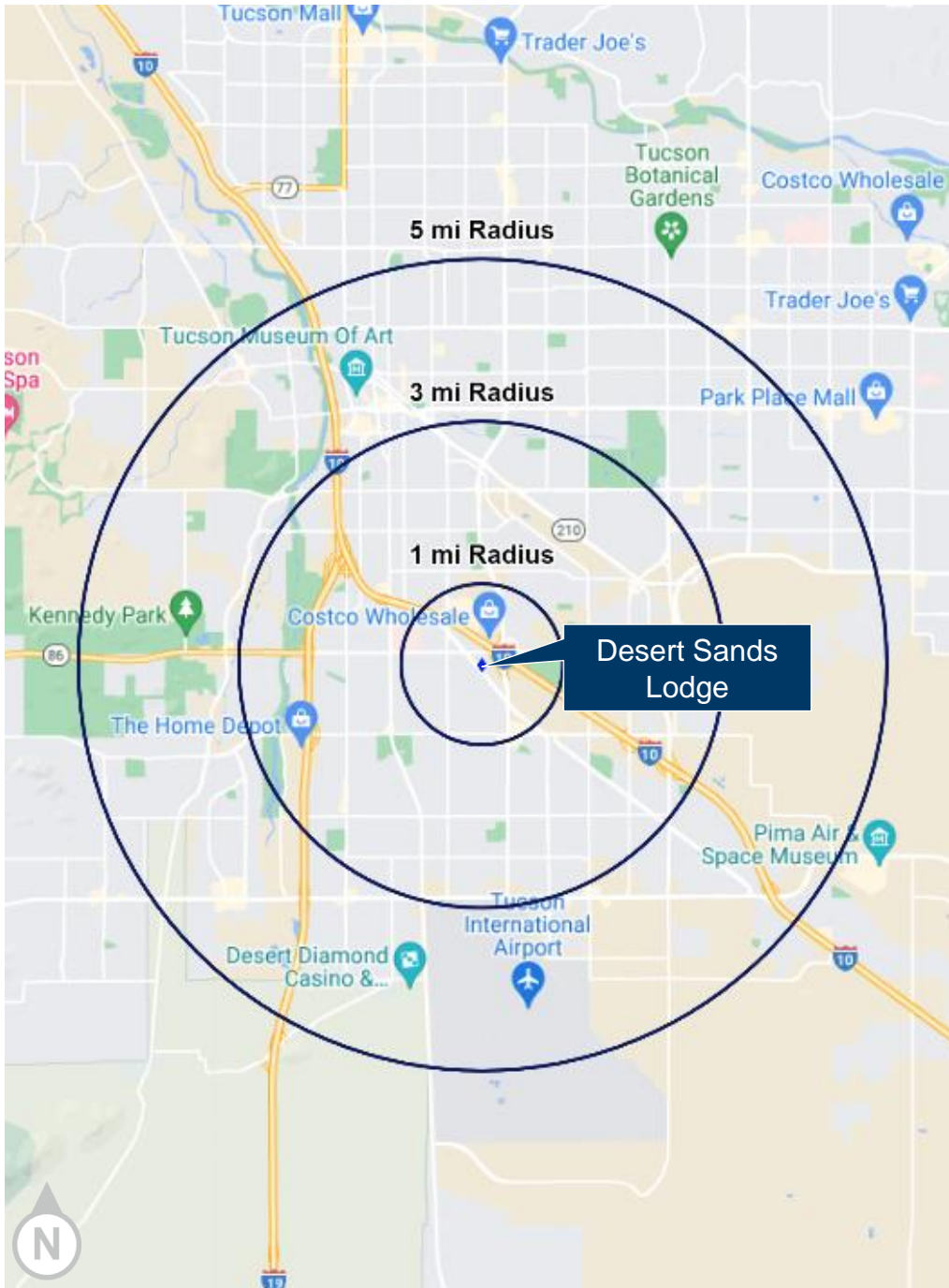
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# DEMOGRAPHIC OVERVIEW

Desert Sands Lodge  
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## 2024 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	6,983	97,458	234,110
HOUSEHOLDS	2,542	34,399	87,457
AVG HOUSEHOLD INCOME	\$80,671	\$75,180	\$75,180
DAYTIME POPULATION	7,140	47,541	120,286
RETAIL EXPENDITURE	\$72.81 M	\$930.57 M	\$2.41 B

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

## 2029 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	6,899	97,335	236,067
HOUSEHOLDS	2,534	34,744	89,679
AVG HOUSEHOLD INCOME	\$90,367	\$78,206	\$79,185

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

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

E. AJO WAY	20,417 VPD	(2023)
E. BENSON HWY.	11,278 VPD	(2023)

Source: Pima Association of Governments



# PROPERTY LAYOUT

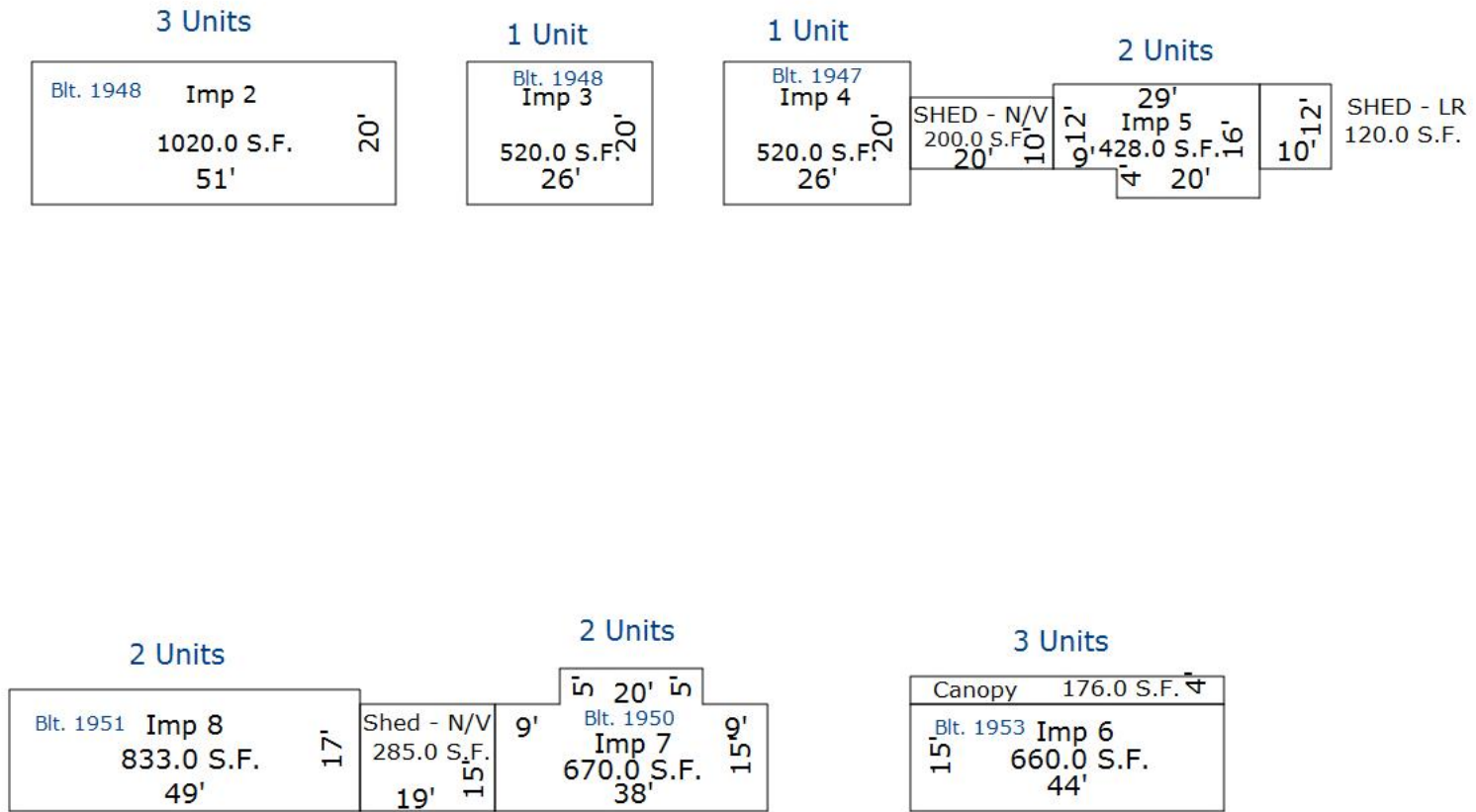
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132-16-0320

## Desert Sands Motel

1435 E. Benson HWY

Total 14 Units  
Weekly and Monthly rentals





# EXTERIOR PHOTOS

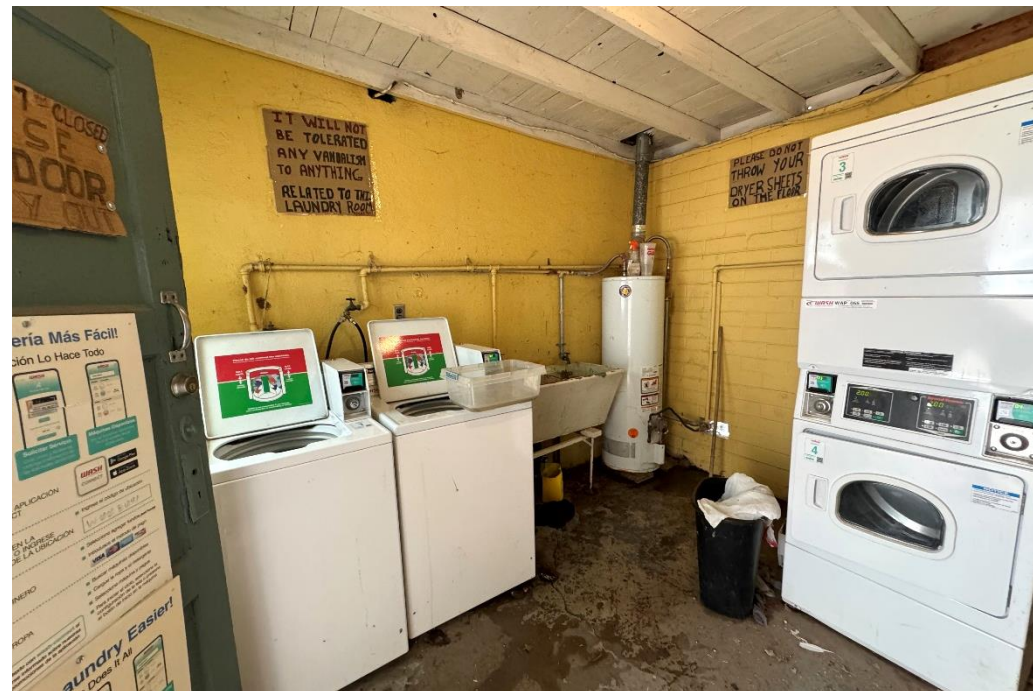
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# EXTERIOR PHOTOS

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# INTERIOR 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





**CUSHMAN &  
WAKEFIELD**



**PICOR**

**DESERT SANDS LODGE**

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