



# OFFERING MEMORANDUM

Estrella Apartments  
3038 N. Estrella Avenue  
Tucson, AZ 85705



MULTI-FAMILY & INVESTMENT SALES TEAM



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# PROPERTY INFORMATION

Estrella Apartments  
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Tucson, AZ 85705

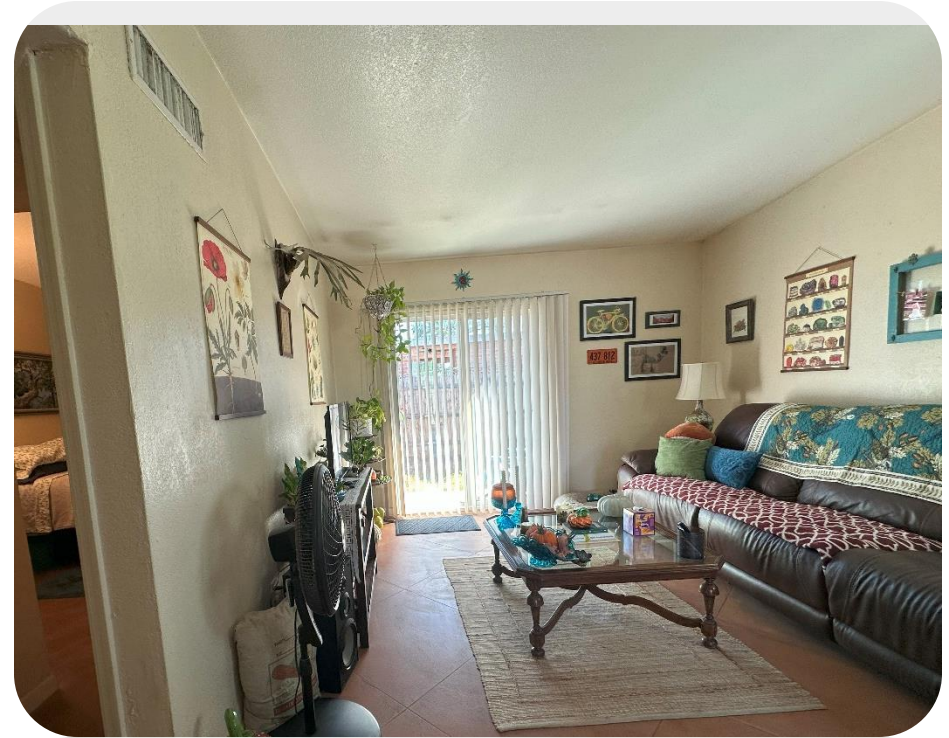
 <b>MARKET VALUE</b> \$625,000	 <b>PRICE PER UNIT</b> \$104,167	 <b>PRICE PER SF</b> \$144.41	 <b>PROFORMA NOI</b> \$40,332	 <b>CAP RATE</b> 6.45%
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 <b>LOCATION:</b> 3038 N. Estrella Avenue Tucson, AZ 85705	 <b>LANDSCAPING:</b> Large shade trees & shrubbery
 <b>SITE AREA:</b> 0.40 Acres   17,483 Sq. Ft.	 <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>RENTABLE SQFT:</b> 4,328 Sq. Ft.	 <b>METERING:</b> Electric: Individual Gas: Individual Water/Sewer/Trash: Master-metered Hot Water: Individual
 <b>ASSESSOR PARCEL NUMBER(S):</b> 107-11-2180	 <b>HEATING/COOLING:</b> Evaporative Cooling
 <b>ZONING:</b> R - 2	 <b>CONSTRUCTION:</b> Wood frame/stucco
 <b>ACCESS:</b> Ingress/egress	 <b>FINANCING:</b> Conventional Financing & Cash
 <b>PARKING</b> ~ 8	
 <b>ROOF/STORIES:</b> Flat cool roof / 1 story	
 <b>YEAR BUILT:</b> 1946 & 1984	

Unit Description	# of Units	% of Total	SqFt Per Unit
2BD/1BA	4	67%	693
2BD/1BA (SFH)	2	33%	778
<b>Total/Average (Monthly)</b>	<b>6</b>	<b>100%</b>	<b>721</b>

# PROPERTY HIGHLIGHTS

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## PROPERTY HIGHLIGHTS

- Value-add opportunity
- Prime for renovations
- Long term ownership
- High occupancy property
- Washer hookups only for units
- Backyards for each unit
- Two single family homes

## UNIT HIGHLIGHTS

- Well below market rents
- Large 2BD/1BA units
- Dual pane windows for most units
- Tenants pay electric & gas
- Owner pays water/sewer/trash
- Evaporative cooling & wall heaters
- Concrete flooring

# PROPERTY SUMMARY

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Estrella Apartments is centrally located in Tucson, within 3 miles of University of Arizona, Tucson Mall, and popular shopping and dining destinations like St. Philip's Plaza and Campbell Plaza. This well located property holds strong potential being a value-add. The Property holds 6 units, four large 2BD/1BA apartments and two standalone casitas. With high occupancy rates and significant potential for renovations, Estrella Apartments is positioned for long-term income growth.

While the two casitas offer prime opportunities for further renovations, the other units have already been upgraded with contemporary designs. Interiors include double-pane windows, fresh cabinetry paint for an updated kitchen look, and terracotta cement tile flooring that brings a contemporary, urban feel to each space. Further into the units, residents can enjoy an upgraded bathroom with modern finishes and quartz sink. Although most units are fitted with energy-efficient dual pane windows, cooling is provided by evaporative systems, and heating is managed through wall-mounted heaters. Utilities are broken down as tenants are responsible for their own electric and gas utilities, with the owner covering water, sewer, and trash services – future investors can easily begin a bill-back programs such as RUBS to alleviate the expense.

Each unit has a backyard with a privacy fence, offering tenants a private outdoor area, and the property provides ample on-site parking for added convenience. Washer hookups are available, catering to tenant needs, and the property currently rents well below the market rate, creating additional potential for income growth through rental adjustments.

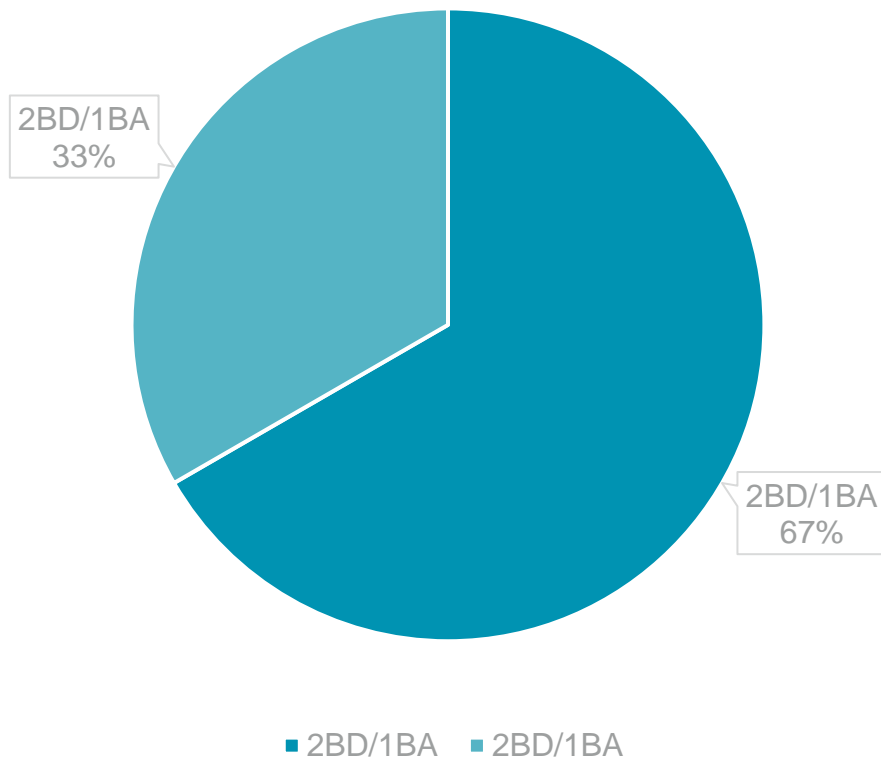
With its central location near key transportation routes, shopping, dining, and entertainment, Estrella Apartments attracts a broad range of tenants, including university students and working professionals. This property is ideal for strategic improvements that will increase value over time.

# FINANCIAL ANALYSIS

Estrella Apartments  
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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
2BD/1BA	4	67%	693	2,772	\$756	\$3,024	\$975	\$3,900	\$1.41
2BD/1BA	2	33%	778	1,556	\$612	\$1,224	\$1,025	\$2,050	\$1.32
<b>Total/Average (Monthly)</b>	<b>6</b>	<b>100%</b>	<b>721</b>	<b>4,328</b>	<b>\$708</b>	<b>\$4,248</b>	<b>\$992</b>	<b>\$5,950</b>	<b>\$1.37</b>
<b>Annual</b>						<b>\$50,976</b>		<b>\$71,400</b>	

## Unit Breakdown



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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	2023 Actuals	2023 Actuals Per Unit
<b>RENTAL INCOME</b>				
<b>Gross Market Rent</b>	\$71,400	\$11,900		
Vacancy Loss	-\$4,284	-6.0%		
Concessions & Bad Debt	-\$1,428	-2.0%		
<b>Net Rental Income</b>	\$65,688	\$10,948	\$42,911	\$7,152
RUBS	\$1,800	\$300		\$0
Other Income	\$1,000	\$167		\$0
<b>TOTAL INCOME</b>	\$68,488	\$11,415	\$42,911	\$7,152
<b>OPERATING EXPENSES</b>				
General & Administrative	\$1,000	\$167		\$0
Repairs & Maintenance & Turnover	\$6,000	\$1,000	\$6,289	\$1,048
Contract Services	\$1,200	\$200	\$1,212	\$202
Utilities	\$8,000	\$1,333	\$7,564	\$1,261
<b>TOTAL VARIABLE</b>	\$16,200	\$2,700	\$15,065	\$2,511
Property Taxes	\$1,977	\$330	\$1,977	\$330
Property Insurance	\$3,000	\$500	\$2,081	\$347
Management Fee	\$5,479	8%	\$1,405	3%
Reserves	\$1,500	\$250		
<b>TOTAL EXPENSES</b>	\$28,156	\$4,693	\$20,528	\$3,421
<b>NET OPERATING INCOME</b>	\$40,332	\$6,722	\$22,383	\$3,731

<b>Stabilized Market Analysis</b>	
<b>Value</b>	\$625,000
Per Unit	\$104,167
Per Square Foot	\$144.41
<b>Cap Rate</b>	
2023 Actuals	3.58%
Marketing Pro Forma	6.45%

# TRADE MAP

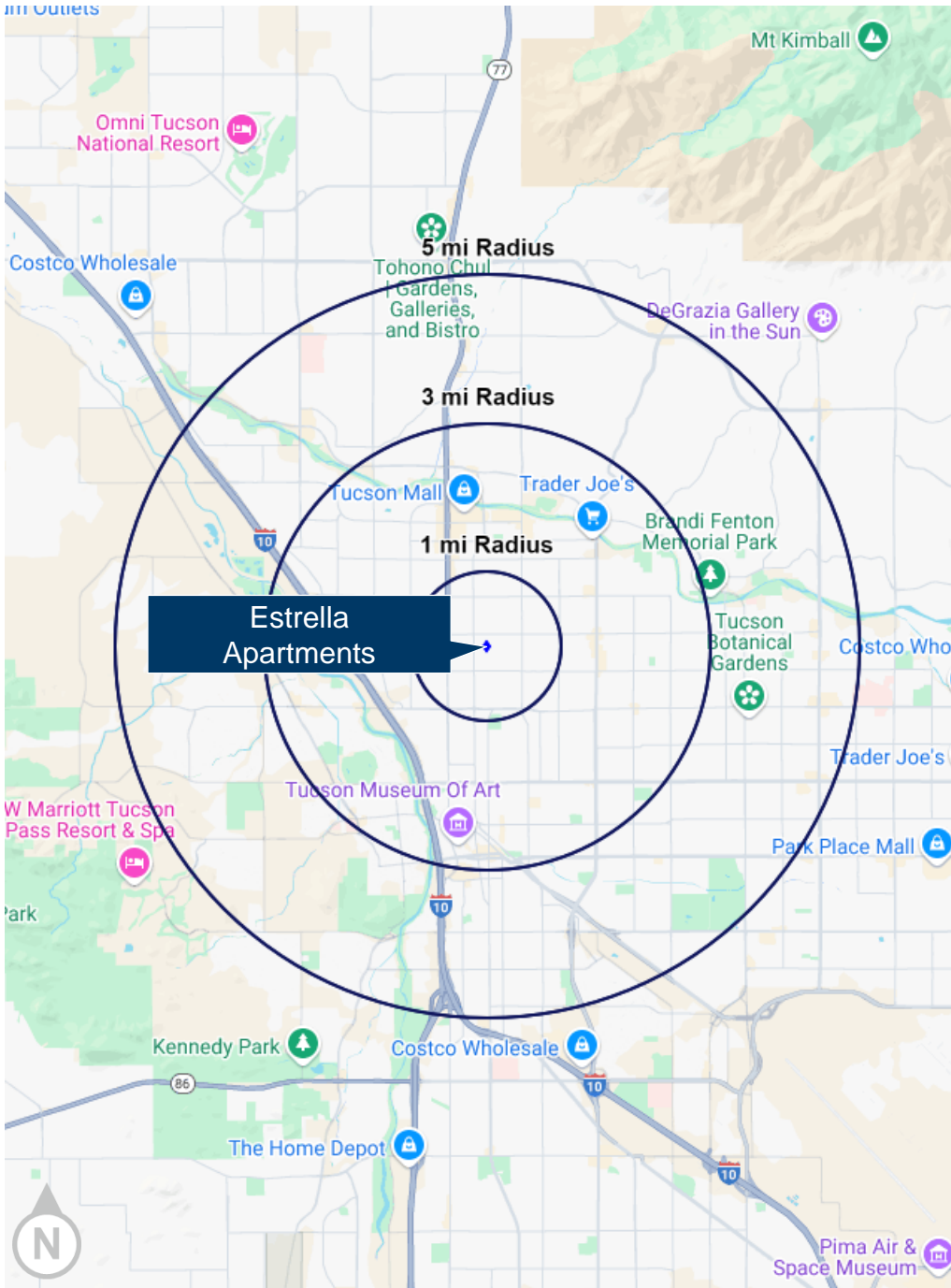
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# DEMOGRAPHIC OVERVIEW

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## 2024 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	20,839	133,621	256,236
HOUSEHOLDS	9,656	60,080	113,881
AVG HOUSEHOLD INCOME	\$48,653	\$66,659	\$82,562
DAYTIME POPULATION	5,521	80,619	135,584
RETAIL EXPENDITURE	\$224.49 M	\$1.68 B	\$3.7 B

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

## 2029 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	21,460	136,228	259,580
HOUSEHOLDS	10,075	62,234	116,999
AVG HOUSEHOLD INCOME	\$37,461	\$46,909	\$59,480

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

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

FORT LOWELL RD	20,016 VPD	(2023)
1 <sup>st</sup> AVE	28,826 VPD	(2023)

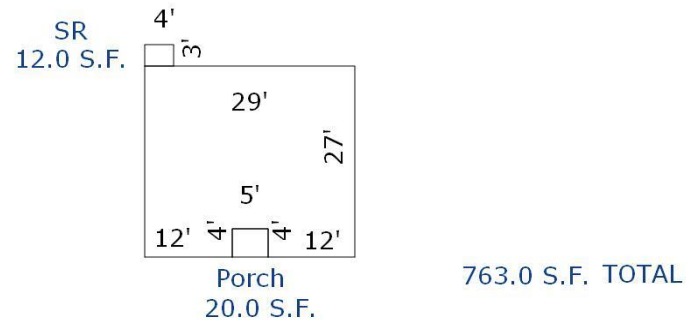
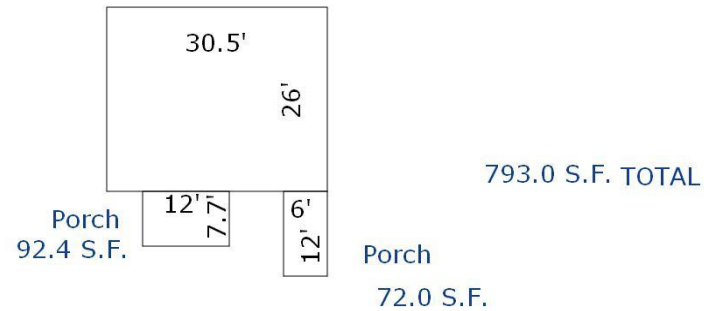
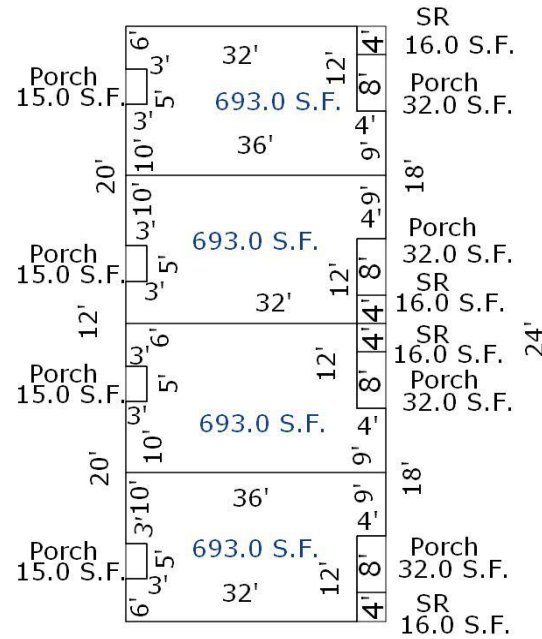
Source: Pima Association of Governments

# PROPERTY LAYOUT

Estrella Apartments  
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107-11-2180

3038 N ESTRELLA AV



#407 07/2011  
DRAWN FROM PRC

# EXTERIOR PHOTOS

Estrella Apartments  
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# EXTERIOR PHOTOS

Estrella Apartments  
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# BIRDS-EYE VIEW ABOVE

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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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# 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 MARKET OVERVIEW



**1.08M**

TUCSON MSA  
POPULATION



**484,397**

TOTAL  
HOUSEHOLDS



**35%**

COLLEGE  
EDUCATION



**0.75%**

POPULATION  
GROWTH RATE



**\$64,323**

MEDIAN HOUSEHOLD  
INCOME



**3.2%**

UNEMPLOYMENT  
RATE



THE UNIVERSITY  
OF ARIZONA

**53,187**

UNIVERSITY OF ARIZONA  
TOTAL ENROLLMENT, 2023

- #3 MANAGEMENT INFORMATION SYSTEMS
- #10 SPACE SCIENCE
- #17 MEDICINE
- #18 EDUCATION
- #47 BEST BUSINESS SCHOOLS
- #48 TOP PUBLIC SCHOOL
- #54 UNDERGRAD ENGINEERING PROGRAMS
- #67 COLLEGES FOR VETERANS
- #99 BEST GLOBAL UNIVERSITY

## 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

## RECENT INDUSTRY ARRIVALS & EXPANSIONS

1. AMAZON
2. CATERPILLAR SURFACE MINING & TECHNOLOGY
3. HEXAGON MINING
4. BECTON DICKINSON
5. AMERICAN BATTERY FACTORY





**CUSHMAN &  
WAKEFIELD**



**PICOR**

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