

FOR SALE



Property Offering	
Sale Price	\$1,100,000
Number of Units	14
Price Per Unit	\$78,571
Rentable SF	8,500
Price Per SF	\$118.92
Year Built/Renov	1964/2018
Land	.84 Acres
Cap Rate	6.25%

Property Highlights

- **Turn-Key Property w/ Recent Capital Improvements**
- Private Locking Yards
- Onsite Laundry Facility
- AC units for every unit
- Located close to Interstate-10
- Spacious Tenant Parking
- Centrally Located in Tucson, AZ



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PROPERTY OVERVIEW

Property Flowing Wells Apartments

Address 3521 N Flowing Wells Rd. Tucson, AZ 85705

Units 14 Units - 4 1BD/1BAs & 10 2BD/1BAs

Rentable Square Feet 9,250

Land .84 Acres

Year Built 1964 w/ Recent Updates & Improvements

Zoning O-3

Parcel Number 106-12-004C

Main Cross Roads N Flowing Wells Rd. & W Prince Rd.



PROPERTY OVERVIEW



Property Highlights:

Flowing Wells Apartments is a 14 unit complex located along Flowing Wells Rd, just west of Oracle Rd. The complex features a unit mix of 4-1BD/1BA & 10-2BD/1BA. Flowing Wells Apartments has undergone major recent capital interior and exterior renovations within the past couple years. The list of improvements includes appliances, doors, windows, ACs, bathrooms, flooring, & paint.

The tenants of Flowing Wells Apartments get access to the locked On-Site Laundry Facility. 12 of the units have their own private fenced front yards.

This properties brick build and recent improvements make this a great turn-key investment with opportunity to increase the NOI going forward.



AREA OVERVIEW



NEARBY DESTINATIONS



RETAIL

- Ace Hardware
- Walgreens
- Target Store
- Tucson Mall
- Tucson Auto Mall



EDUCATION

- University of Arizona
- Pima Community College
- Flowing Wells High School
- Amphi High School



HEALTHCARE

- Banner University Medical
- Pima Heart Associates
- Tucson Medical Center
- North West Medical Center



ENTERTAINMENT

- Funtastics Amusement Park
- Topgolf
- Silverbell Golf Course
- Downtown Tucson
- Tucson Mall

Location Highlights:

Flowing Wells Apartments is centrally located in Tucson with many retail and entertainment locations nearby. It is less than two miles away the highly trafficked I-10 Interstate and a short distance from the University campus and Banner University Medical. With its close proximity to downtown Tucson and Mercado District it also has entertainment and shopping hubs nearby. The area surrounding Flowing Wells Apartments features several parks, malls, & recreations within a 2 mile radius. The easy access to the interstate makes travel & commuting quick and efficient for tenants.

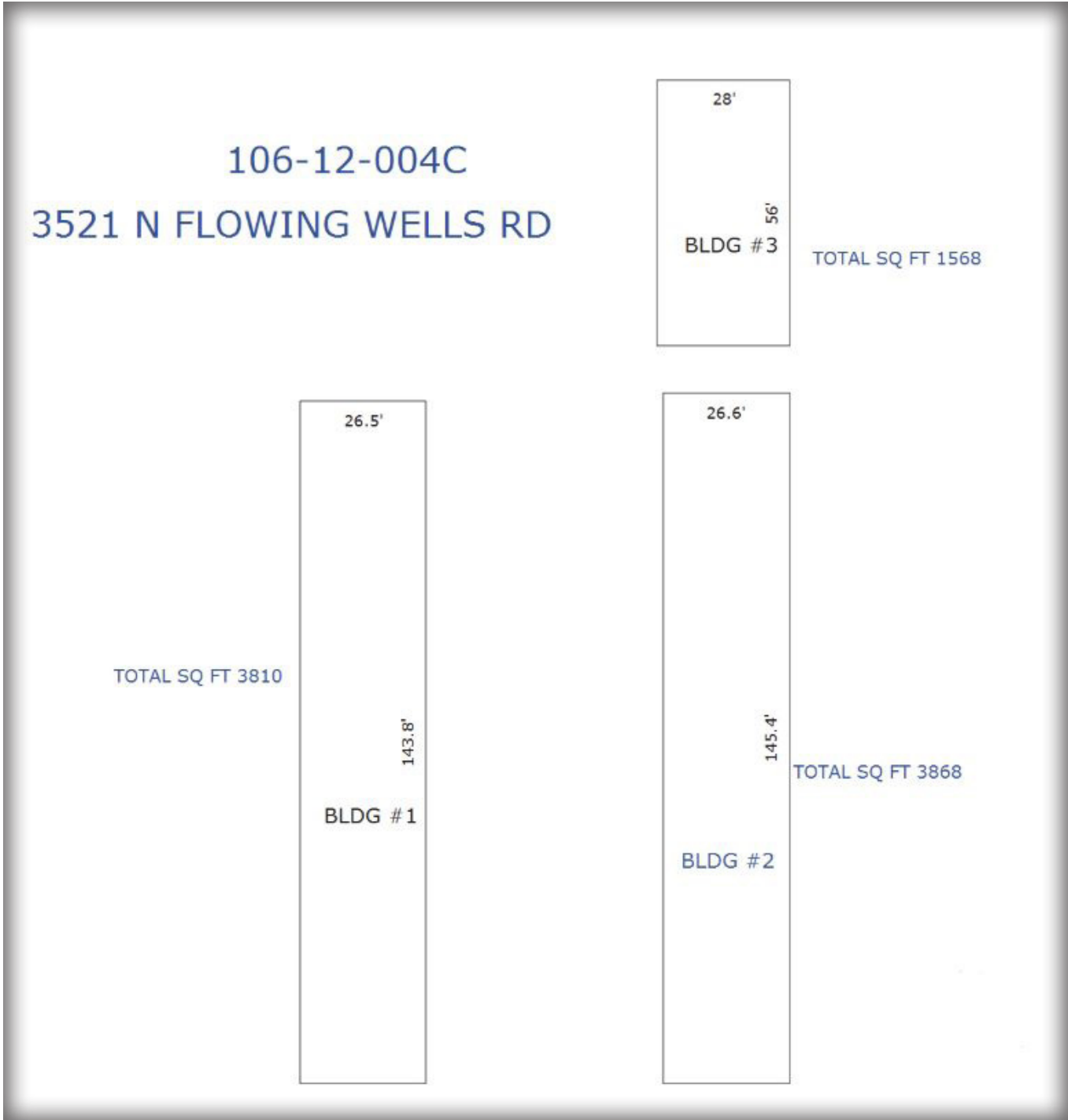
PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY LAYOUT



PRICING ANALYSIS

Type	# of Units	Sq. Ft.	Total S.F.	Rent per S.F.	Total Monthly Rent	Stabilized Rent
1BD/1BA	4	500	2,000	\$1.14	\$2,280	\$570
2BD/1BA	10	725	7,250	\$1.09	\$7,900	\$790
Total/Avg.	14	661	9,250	\$1.10	\$10,180	\$727

Income Statement	"Marketing Pro Forma"	"Proforma Per Unit"	Proforma PSF	
RENTAL INCOME				
Gross Market Rent	\$122,160	\$8,726	\$13.21	
Vacancy Loss	-\$6,108	-5.0%	-\$0.66	
Gross Rent	\$116,052	\$8,289.43	\$12.55	
Concessions & Bad Debt	-\$1,741	-1.50%	-\$0.19	
Net Rental Income	\$114,311	\$8,165	\$12.36	\$111,169
Other Income	\$1,500	\$107	\$0.16	\$1,576
TOTAL INCOME	\$115,811	\$8,272	\$12.52	\$112,745
OPERATING EXPENSES				
General/Admin/Advertising	\$1,500	\$107	\$0.16	\$0
Repairs/Maintenance/Turnover	\$7,000	\$500	\$0.76	\$10,225
Contract Services	\$2,000	\$143	\$0.22	\$1,291
Utilities	\$16,000	\$1,143	\$1.73	\$15,974
TOTAL VARIABLE	\$26,500	\$1,893	\$2.86	\$27,490
Property Taxes	\$6,136	\$438	\$0.66	\$6,136
Property Insurance	\$3,500	\$250	\$0.38	\$2,800
Management Fee	\$8,107	7.0%	\$0.88	\$7,781
Reserves	\$2,800	\$200	\$0.30	
TOTAL EXPENSES	\$47,043	\$3,360	\$5.09	\$44,207
NET OPERATING INCOME	\$68,768	\$4,912	\$7.43	\$68,538

Stabilized Market Valuation	
Value	\$1,100,000
Per Unit	\$78,571
Per Square Foot	\$118.92
Cap Rate	
T-9 Annualized	6.23%
Marketing Pro Forma	6.25%

SALES COMPARABLES



*** Flowing Wells Apartments**
 3521 N Flowing Wells Rd.

Year Built 1964
Unit Mix 14 Units - 4 1BDs & 10 2BDs
Avg. SF 661
Sale Price \$1,100,000
Cost per Unit \$78,571
Cost PSF \$118.92/SF
Sale Date TBD

1. 2nd Ave. Apartments
 3455 N 2nd Ave.

Year Built 1963
Unit Mix 5 1BD/2BA Units
Avg. SF 440
Sale Price \$420,000
Cost per Unit \$84,000
Cost PSF \$190.48/SF
Sale Date 03/2020

2. Hidden Cove Apartments
 2925-2941 N Geronimo Ave.

Year Built 1980
Unit Mix 9 Units - 5 1BDs & 4 2BDs
Avg. SF 761
Sale Price \$697,500
Cost per Unit \$77,500
Cost PSF \$121.09/SF
Sale Date 03/2020

3. Winstel Park Apartments
 3322 N Winstel Blvd.

Year Built 1972
Unit Mix 12 Units - 5 1BDs & 7 2BDs
Avg. SF 745
Sale Price \$920,000
Cost per Unit \$76,666
Cost PSF \$102.79/SF
Sale Date 10/2020

TUCSON AT A GLANCE

TUCSON MSA
POPULATION*



1.023M

**As of 2017*



1.01%
POPULATION
GROWTH RATE*

4.8%

UNEMPLOYMENT RATE
Year-end 2018

\$41,637

PER-CAPITA INCOME
As of 2017

LARGEST EMPLOYERS

- | | |
|-------------------------------------|------------------------------|
| 1. UNIVERSITY OF ARIZONA - 11,251 | 3. STATE OF ARIZONA - 8,580 |
| 2. RAYTHEON MISSILE SYSTEMS - 9,600 | 4. DAVIS-MONTHAN AFB - 8,406 |



RECENT ARRIVALS & EXPANSIONS

- AMAZON
- CATERPILLAR SURFACE MINING & TECHNOLOGY
- HEXAGON MINING
- RAYTHEON MISSILE SYSTEMS
- TUSIMPLE

TOTAL HOUSEHOLDS



398,530

As of 2017

45,217



UNIVERSITY OF ARIZONA
TOTAL ENROLLMENT, 2019

PROPORTION OF HOUSEHOLDS THAT RENT

38%

As of 2017

APPROXIMATE MULTIFAMILY VACANCY

6.13%

As of 2018



- #46 TOP PUBLIC SCHOOL
 - #22 RESEARCH ACTIVITY AMONG PUBLIC INSTITUTIONS
 - #21 BUSINESS PROGRAMS
 - #55 UNDERGRAD ENGINEERING
- UNIVERSITY OF ARIZONA
TOP PROGRAMS*

**U.S. News & World Report*

Economic Overview

Population and Demographics

Tucson is the second-largest city in Arizona, with a metro area population of 1,023,000. Located 60 miles from the U.S.-Mexico border, the Tucson metropolitan area (which includes nearby suburbs like Marana and Oro Valley, as well as the significant portion of unincorporated Pima County that makes up what is de facto “north Tucson”) has been growing far more quickly than much of the U.S. The population has grown 51% since 1990 and 20% since 2000, compared to the United States averages of just 28% and 13% respectively. The Tucson median age is 37.9 years while Tucson MSA median household income is \$41,637. Average home prices are just \$197,300 providing plenty of affordable options for the growing population.

The natural beauty of the Sonoran Desert makes Tucson a desirable location for residents and businesses alike. Downtown Tucson is a diverse submarket with a rich cultural heritage that contains a blend of Native American, Spanish, Mexican and Anglo-American influences. Tucson ranks high nationally in various categories including: #2 best American small city in 2017 (Resonance Consultancy), 2016 top 100 best places to live (U.S. News and World Report), #9 “city everyone wants to live in” in 2017 (Business Insider), #8 2018 best city for recreation (WalletHub), and one of America’s 2017 best cities for global trade (Global Trade). The University of Arizona is ranked #106 of all nationwide colleges, public or private (U.S. News and World Report).

The University is vital to Tucson and Southern Arizona, having garnered national and international attention. It has the largest optics program among U.S. institutions, and is second in overall research expenditures (University of Arizona). UA brings in more than \$580 million in research investment each year. The university’s enrollment is 45,217, with numerous branch campuses and learning centers throughout Southern Arizona. Pima Community College is a two-year school serving Metro Tucson at six locations throughout the county. Tucson Unified School District is one of the largest in the state, encompassing 229.5 square miles. It serves approximately 47,000 students in grades pre-K through 12 at more than 80 schools.

Employment

Employers will find a diverse, educated and enthusiastic workforce in Tucson stemming from the U of A. As of 2019, the University of Arizona is the top employer with a work force of 11,251 followed by Raytheon Missile Systems, 9,600; Davis-Monthan Air Force Base, 8,406 (both civilian and military personnel); Pima County, 7,100; U.S. Customs and Border Patrol, 6,800; Tucson Unified School District, 6,467; Banner University Healthcare, 6,462, Freeport-McMoRan Copper & Gold, 5,819; CONTINUED ON NEXT PAGE



Economic Overview

and Wal-Mart, 4,360, while the city's unemployment rate is 4.8%. (Bureau of Labor Statistics). Tucson's 2018 job growth rate was 3.1% (MAP for Southern Arizona).

Davis-Monthan is home to the 355th Fighter Wing, part of the Air Combat Command. The base is best known as the location of the Air Force Materiel Command's 309th Aerospace Maintenance and Regeneration Group, the aircraft boneyard for all excess military and government aircraft. In the world of healthcare, Banner Health and the University of Arizona Health Network merged to create a platform of academic medicine, research, instruction and patient care at three academic medical centers.

Economic Development

Innovation is at the forefront of the Tucson economic development agenda. Forbes has called it one of America's Most Innovative Cities, and the city has the highest concentration of startups of any U.S. city its size. Furthermore, it was ranked as a Top Five City for Entrepreneurs by Entrepreneur Magazine in 2013. Metro Tucson is a hub for optics and science, while biotech and other science clusters flourish in the UA Tech Park, BioPark and Innovation Park. Tourism is a key economic driver as well. Tucson is known for its world-class health spas such as Canyon Ranch, more than 20 golf courses, and numerous natural attractions, museums, missions and cultural history.

Interstate 10, the major East-West highway in the Sun Belt, runs east from California, enters Arizona near Ehrenberg and continues through Phoenix and Tucson. It exits at the border with New Mexico. Interstate 19 travels from Nogales to Tucson, and ends at I-10. While the highway is short (63 miles), it is a key corridor, serving as a fast route from Tucson and Phoenix (via I-10) to the Mexican border. The highway is a portion of the U.S. section of the CANAMEX Corridor, a trade route that stretches north from Mexico across the U.S. to the Canadian province of Alberta. The Port of Tucson is a full service inland port, railyard and intermodal facility southeast of the city and 70 miles north of the Mexico border at Nogales. The facility is located adjacent to the Union Pacific Railroad Mainline and I-10, linking California and Texas. In 2014, Tucson launched Sun Link, a fixed electric rail "Modern Streetcar" system that operates eight vehicles between Downtown Tucson and the UA campus. Each streetcar vehicle holds 150 passengers. There are 24 stops along the 3.9-mile route.



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