

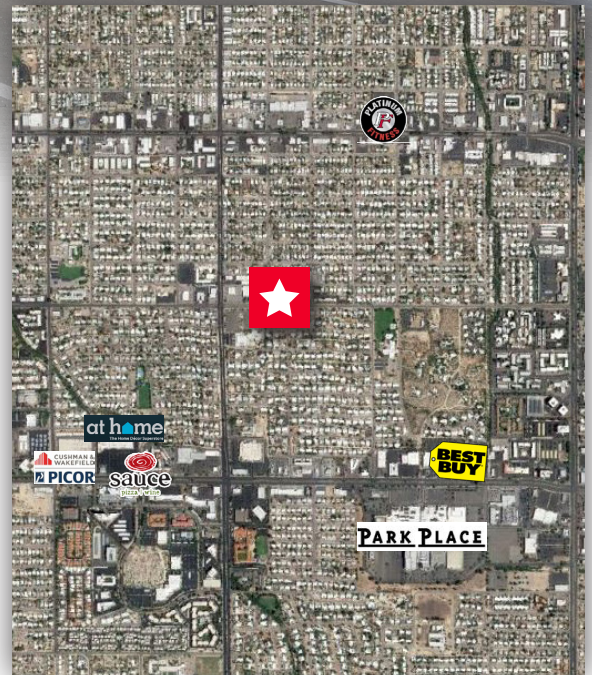
FOR SALE



Property Offering	
Sale Price	\$5,500,000
Number of Units	35
Price Per Unit	\$157,143
Rentable SF	33,188
Price Per SF	\$165.72
Year Built/Renov	1970 / 2018&2019
Land	1.40 Acres
Cap Rate	5.64%

Property Highlights

- **Turn-Key Opportunity**
- Newly Renovated Property
- Pool & Courtyard Area
- Brand New Stainless Steel Appliances
- Washer & Dryer in Every Unit
- Individually Metered
- Gated Community
- Ideally Located in Central Tucson



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PROPERTY HIGHLIGHTS

Unit Mix 35 Units - 3 Studio & 15 1BD/1BA
& 13 2BD/2BA & 4 3BD/2BA

Rentable Square Feet 33,188 SF

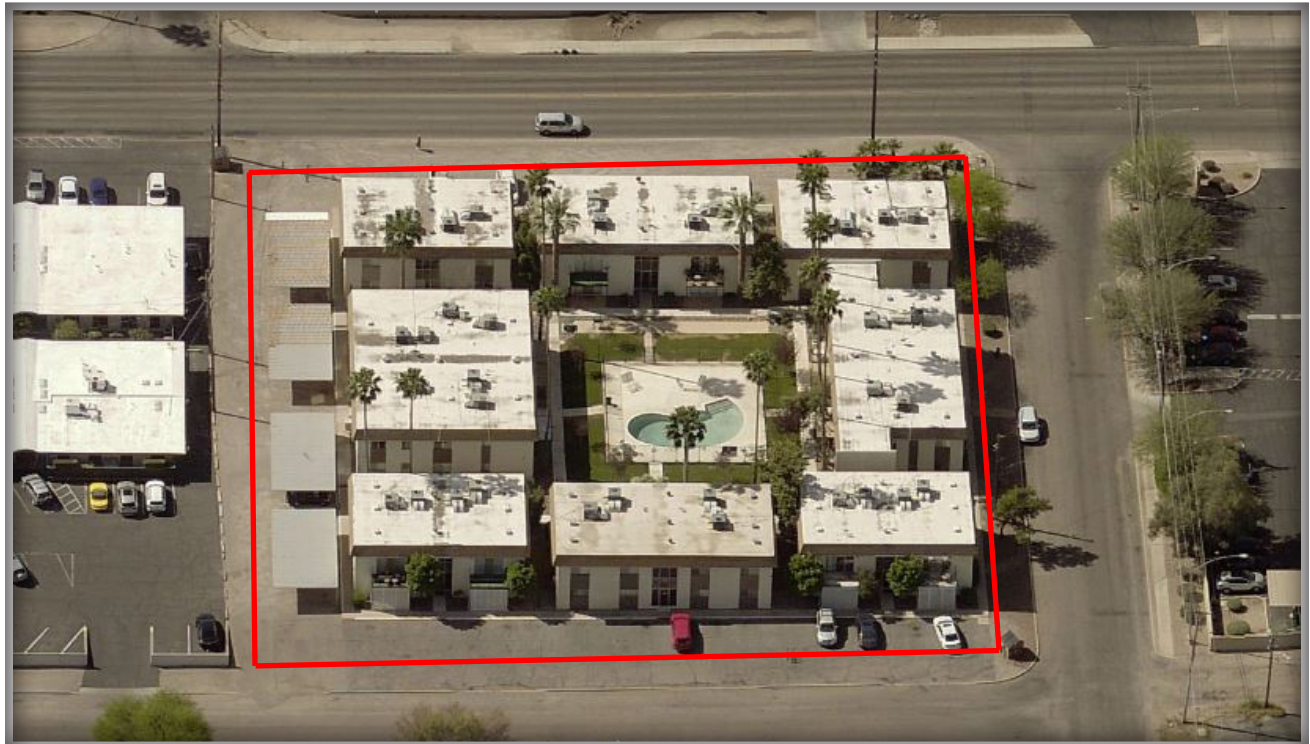
Land 1.40 acres

Year Built/Year Rennovated 1970 / 2018&2019

Zoning R-3

Parcel Number 127-03-544A

Main Cross Roads N Craycroft Rd & E Speedway Blvd



PROPERTY OVERVIEW



Property Highlights:

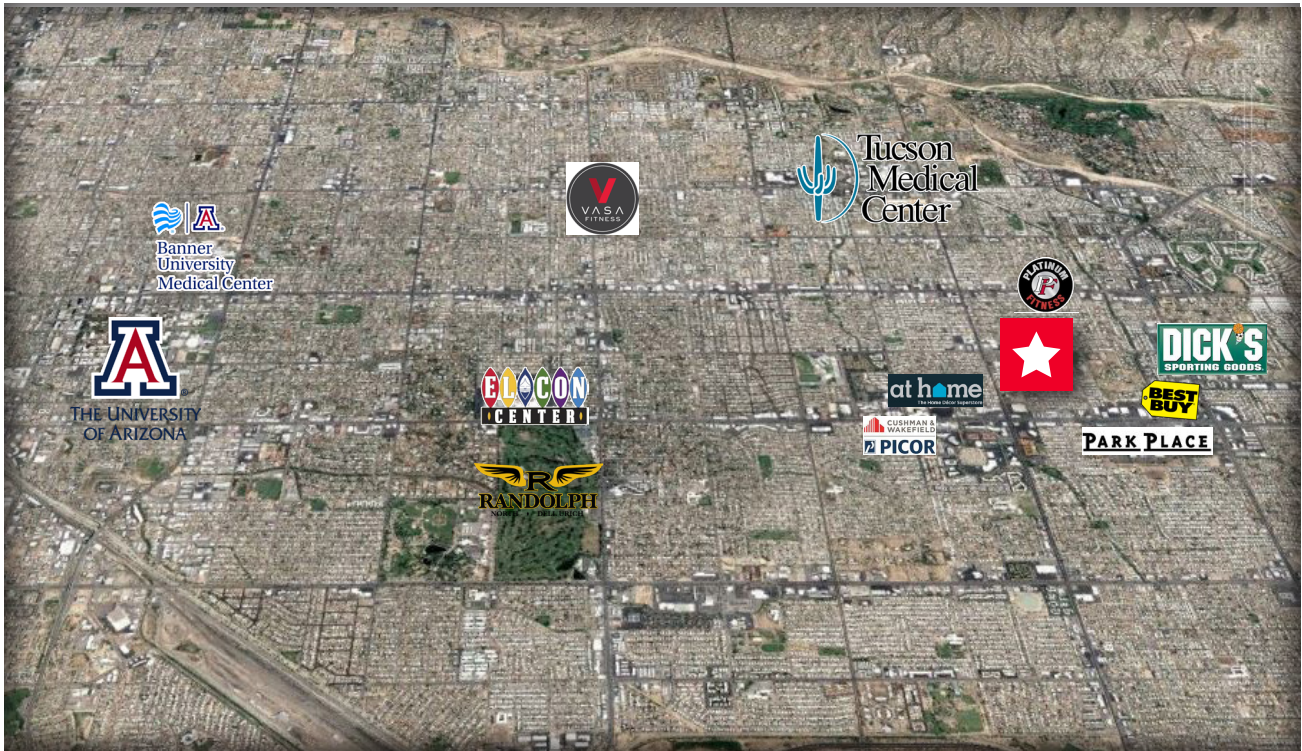
The Beverly on 5th is the ideal apartment community for tenants looking for modern and luxury living, in a convenient location. With 35 fully-renovated units comprising three (3) studios, fifteen (15) 1 Bed/1 Bath, thirteen (13) 2 Bed/2 Bath, and four (4) 3 Bed/2 Bath.

The Beverly on 5th recently completed a comprehensive interior and exterior renovation. Highlights include plumbing repairs, window/door replacements, and all new interiors including cabinets, flooring, and appliances. A detailed renovation list can be found on page 10.

The Beverly on 5th have generated recovered costs through a resident utility bill-back (RUBS) and a washer/dryer rental package. The monthly billing rates are \$49 for RUBS & \$35 for the washer/dryer.

Residents have access to the gated pool and can enjoy relaxing and reading in the sun-lit courtyard.

LOCATION OVERVIEW



NEARBY DESTINATIONS



RETAIL

- At Home Furniture
- Dick's Sporting Goods
- Park Place Mall
- Pei Wei Asian Fusion
- Sauce Pizza
- Olive Garden



EDUCATION

- University of Arizona
- Pima Community College
- Rincon High School
- Catalina High School
- Salpointe Catholic School



HEALTHCARE

- Tucson Medical Center
- Banner University Medical
- Walgreens Pharmacy
- LabCorp Testing
- Southern Arizona Urgent Care



ENTERTAINMENT

- Dorado Golf Course
- Platinum Fitness
- Road House Cinema
- Randolph Park
- Downtown Tucson

Location Highlights:

The Beverly on 5th is located on 5th Street and Craycroft in the heart of central Tucson. The property is four miles from the University of Arizona and lies between the major thoroughfares of Speedway Boulevard and Broadway Boulevard. With bus lines and bike paths, this apartment community exceeds the expectations of residential living in central Tucson.

Nearby retail shopping centers and employment centers include a variety of local and chain restaurants, automotive dealerships, and convenience stores located along Speedway Blvd. With K-12 schooling located within one mile of the community, The Beverly on 5th Apartments is an ideal place to raise a small family or for young professionals looking for convenient access to work, school, and play.

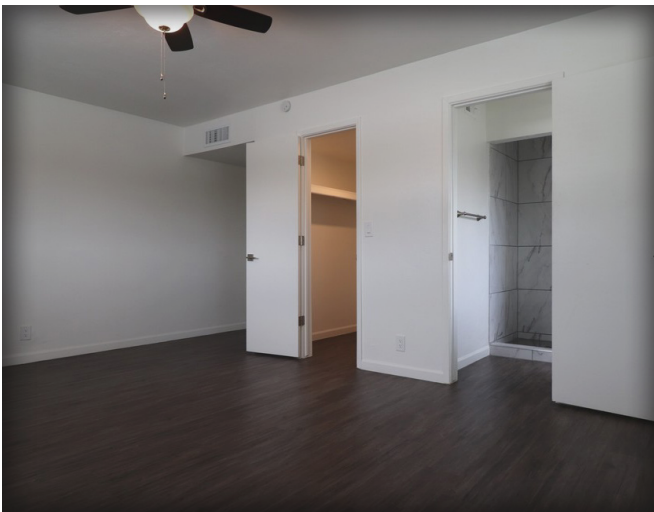
PROPERTY PHOTOS

Exterior Photos



PROPERTY PHOTOS

Interior Photos

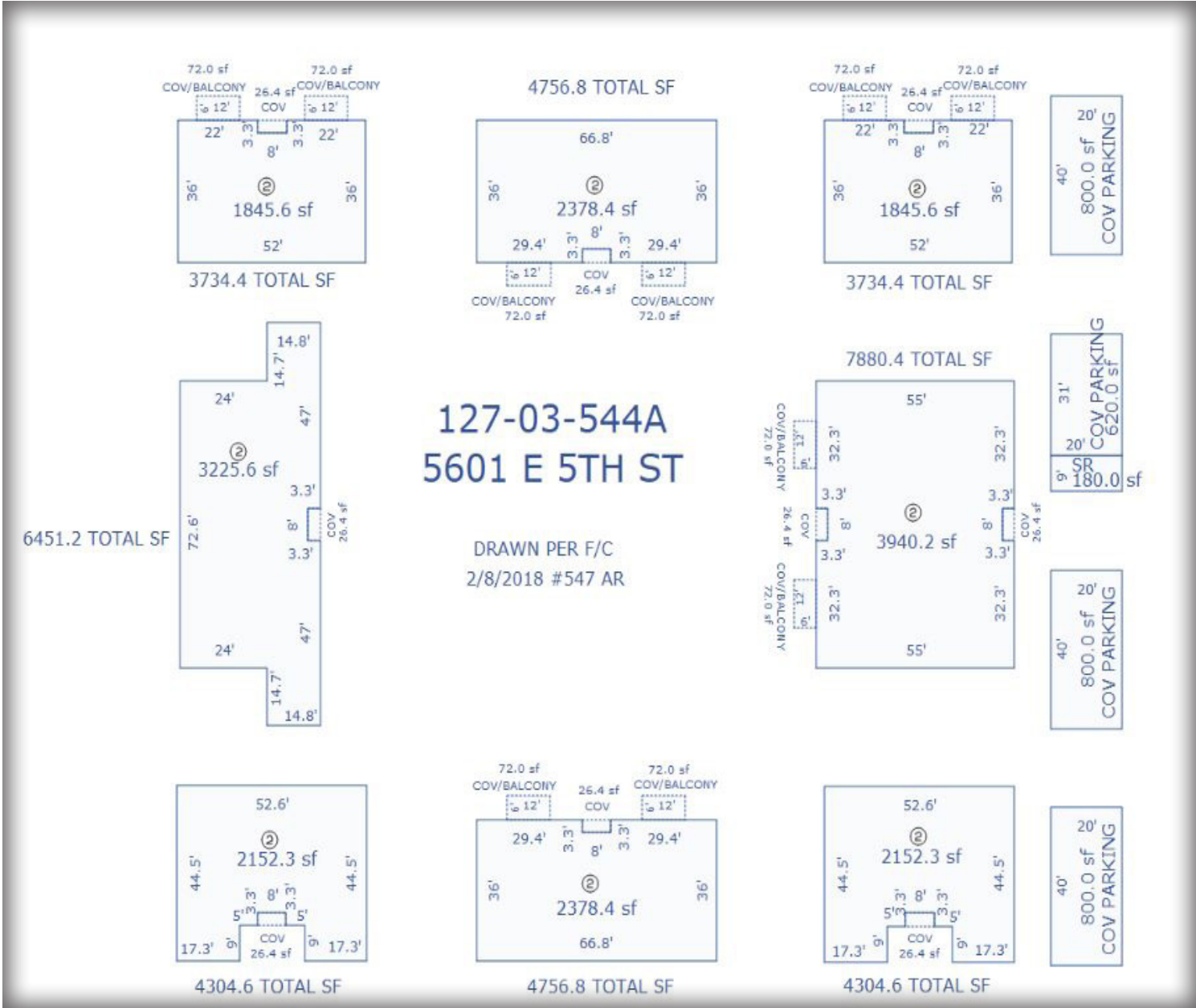


PROPERTY PHOTOS

Amenity Photos



PROPERTY LAYOUT



PRICING ANALYSIS

Type	# of Units	Sq. Ft.	Total S.F.	Rent per S.F.	Total Monthly Rent	Stabilized Rent
Studio	3	500	1,500	\$1.30	\$1,950	\$650
1BD/1BA	15	804	12,060	\$1.09	\$13,200	\$880
2BD/2BA	13	1056	13,728	\$1.05	\$14,482	\$1,114
3BD/2BA	4	1475	5,900	\$0.82	\$4,856	\$1,214
Total/Avg.	35	948	33,188	\$1.04	\$34,488	\$985

Income Statement	"Marketing Pro Forma"	"Proforma Per Unit"	Proforma PSF	T-12 Actuals
RENTAL INCOME				
Gross Market Rent	\$413,856	\$11,824	\$12.47	
Vacancy Loss	-\$20,693	-5.0%	(\$0.62)	
Gross Rent	\$393,163	\$11,233	\$11.85	
Concessions & Bad Debt	-\$5,897	-1.5%	(\$0.18)	
Net Rental Income	\$387,266	\$11,065	\$11.67	\$384,772
RUBS	\$21,000	\$600	\$0.63	\$20,301
Washer/Dryer Income	\$14,000	\$400	\$0.42	\$13,866
Other Income	\$15,000	\$429	\$0.45	\$13,973
TOTAL INCOME	\$437,266	\$12,493	\$13.18	\$432,912
OPERATING EXPENSES				
Payroll	\$12,000	\$343	\$0.36	\$13,976
General & Admin	\$2,500	\$71	\$0.08	\$2,095
Repairs/Maintenance/Supplies	\$13,000	\$371	\$0.39	\$9,728
Contract Services	\$12,000	\$343	\$0.36	\$10,089
Legal & Accounting	\$1,000	\$29	\$0.03	\$488
Utilities	\$30,000	\$857	\$0.90	\$29,186
TOTAL VARIABLE	\$70,500	\$2,014	\$2.12	\$65,562
Property Taxes	\$16,064	\$459	\$0.48	\$16,064
Property Insurance	\$10,000	\$286	\$0.30	\$11,011
Management Fee	\$21,863	5%	\$0.66	\$18,362
Reserves	\$8,750	\$250	\$0.26	
TOTAL EXPENSES	\$127,177	\$3,634	\$3.83	\$110,999
NET OPERATING INCOME	\$310,088	\$8,860	\$9.34	\$321,913

Stabilized Market Valuation

Value	\$5,500,000
Per Unit	\$157,143
Per Square Foot	\$165.72
Cap Rate	
T-12 Actuals	5.85%
Pro Forma	5.64%

Capital Improvements

List of Capital Improvement Expenses

Scope of Work	Cost
Appliances	\$91,396
Cabinets	\$104,432
Carpentry	\$66,207
Cleaning-Renovation	\$7,350
Cladding	\$10,000
Countertops	\$37,776
Design	\$5,885
Demo / General Labor	\$61,259
Doors & Hardware	\$19,025
Dumpster / Rolloff	\$9,866
Drywall	\$45,528
Electrical	\$56,992
Framing	\$16,364
Fence & Iron	\$38,175
Flooring & Wall Tile	\$125,233
General	\$12,498
HVAC	\$39,354
Insurance - Renovation	\$18,830

Scope of Work	Cost
Landscaping-New	\$6,370
Legal-Renovation	\$3,457
Lighting	\$12,982
Paint-Exterior	\$22,382
Paint-Interior	\$43,597
Paving	\$44,271
Permits / Inspections / Regulatory	\$12,389
Pest Control-Renovation	\$1,770
Plumbing	\$162,503
Pool	\$2,575
Project Management	\$123,712
Roof	\$68,185
Siding/Cladding/Stucco	\$44,166
Signage	\$7,390
Storage	\$2,653
Utilities	\$5,302
Windows & Glass	\$62,254
Window Coverings	\$11,011

Total Capital Improvements Cost	\$1,403,140
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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

Statistics from City of Tucson and U.S. Census Bureau

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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