



Property Features

Sale Price	\$3,230,000
Price Per Unit	\$52,951
Number of Units	61
Rentable Square Feet	38,492
Land	1.57 Acres
Cap Rate	6.50%

Property Highlights

- Recently renovated two-story complex featuring all-new interiors in 80% of units: updated floors, kitchens, and bathrooms
- Landscaped courtyard with grills, picnic areas and a pool
- All units feature patio or balcony
- Ideal location in central Tucson near the landmark El Con shopping center, Speedway retail corridor, and a 6-minute drive from the University of Arizona
- Individually metered for electricity
- Currently 87% occupied
- **VALUE-ADD OPPORTUNITY**

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FOR SALE

Montclair Apartments

811-835 N Alvernon Way
Tucson, AZ 85711

Property Description

Montclair Apartments is a recently-upgraded apartment complex built in 1958 and approximately 80% renovated in 2018. Featuring Studio through 3-Bedroom floorplans, Montclair has upgraded interiors for each renovated unit, with modern kitchens, bathrooms, and wood-look flooring.

The apartments are built around a pair of courtyards featuring landscaped touches, grill-equipped picnic areas, and a large pool. Each unit has either a balcony or patio space, and the complex has individually-metered electricity.



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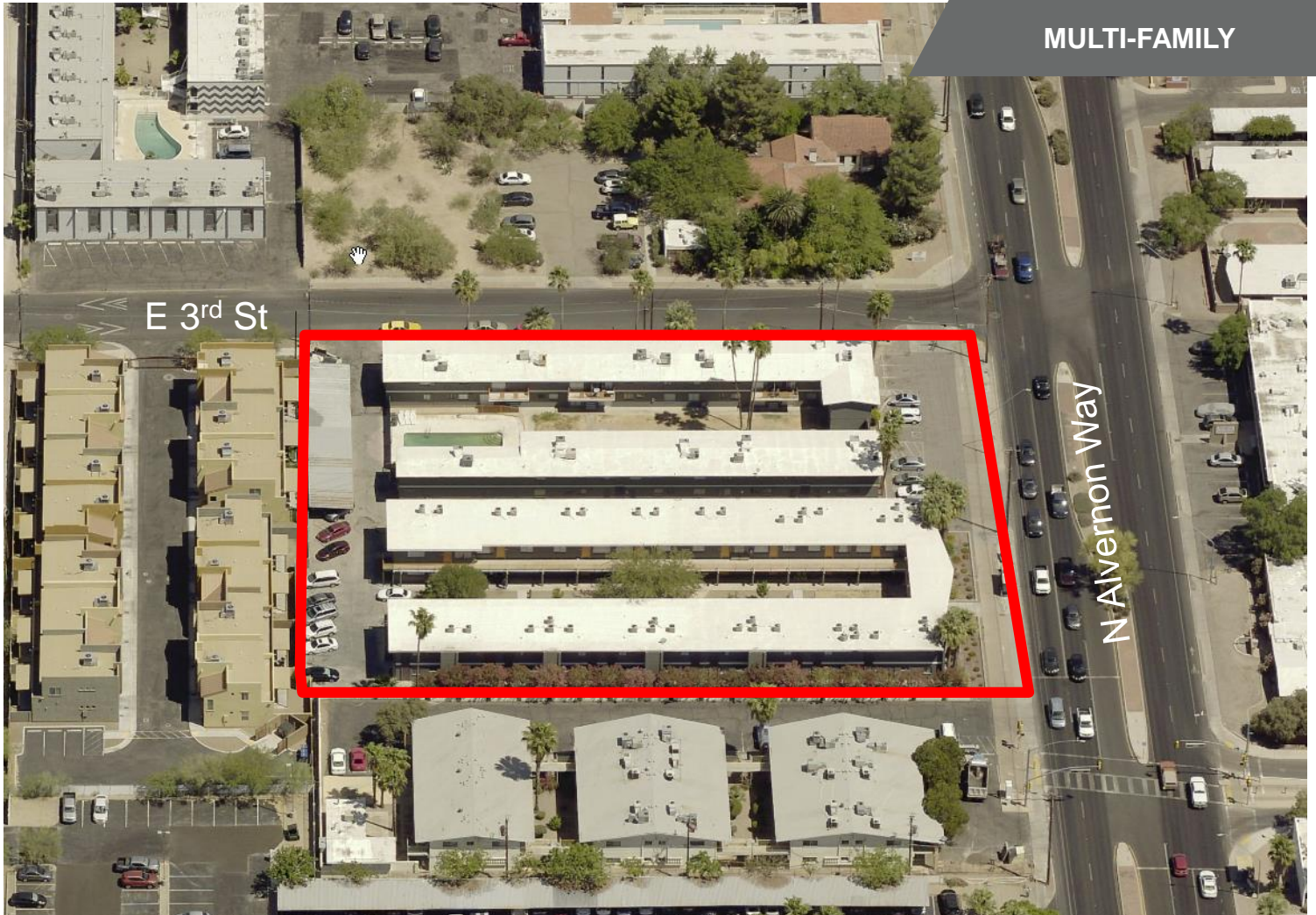
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MULTI-FAMILY

Location Overview

Montclair Apartments is located in central Tucson, 1 mile from El Con Center's retail, employment and entertainment opportunities and 2.6 miles from the University of Arizona. This central location gives Montclair a wide range of retail and service opportunities in close proximity, with Walmart, Target, The Home Depot, Whole Foods, Century 20 movie theater, and Randolph Dell Ulrich Golf Course all located within 1.5 miles. Reid Park and Reid Park Zoo are located about a mile outside of this radius. Nearby restaurants include Feast bistro, Zayna Mediterranean Restaurant, In-N-Out Burger, Chick-Fil-A, and Kazoku Sushi & Japanese Cuisine.

BASIS Tucson Primary and Faith Lutheran School are both 0.2 miles from Montclair, while Agave Middle & High School is 1.1 miles from the property. At 2.6 miles from the University of Arizona, Montclair boasts easy access to world-class higher education and cultural opportunities. Beyond Reid Park, local open space can be found 0.2 miles from the complex at Alvernon Park, which is equipped with a playground and basketball court, or Miramonte Natural Resource park 0.4 miles away. Other employment or retail opportunities could be found 2.7 miles away at the Williams Center or at Park Place Mall 3.4 miles from Montclair.

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Pricing Analysis
MULTI-FAMILY

Type	# of Units	Sq. Ft.	Total S.F.	Rent per S.F.	Total Monthly Rent	Stabilized Rent
Studio	4	300	1,200	\$1.72	\$2,060	\$515
Studio	3	319	957	\$1.72	\$1,650	\$550
1 BD/ 1 BA	15	525	7,875	\$1.05	\$8,250	\$550
1 BD/ 1 BA	15	525	7,875	\$1.11	\$8,775	\$585
2 BD/ 1 BA	4	725	2,900	\$0.86	\$2,500	\$625
2 BD/ 1 BA	4	725	2,900	\$0.91	\$2,640	\$660
2 BD/ 2 BA	11	851	9,361	\$0.76	\$7,150	\$650
2 BD/ 2 BA	2	961	1,922	\$0.71	\$1,370	\$685
3 BD/ 2 BA	3	1,198	3,594	\$0.66	\$2,385	\$795
Total/Avg.	61	633	38,584	\$0.95	\$36,780	\$603

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	Pro Forma PSF	2018 Financials, annualized Mar-Jul
RENTAL INCOME				
Gross Market Rent	\$441,360	\$7,235	\$11.44	\$431,035
Vacancy Loss	-\$28,688	-6.5%	(\$0.74)	-\$82,269
Gross Rent	\$412,672	\$6,765	\$10.70	\$348,767
Concessions & Bad Debt	-\$6,190	-1.50%	(\$0.16)	\$21,089
Net Rental Income	\$406,482	\$6,664	\$10.53	\$369,856
Other Income (RUBS, Laundry, Addtl income)	\$25,000	\$410	\$0.65	\$25,919
TOTAL INCOME	\$431,482	\$7,073	\$11.18	\$395,775
OPERATING EXPENSES				
Payroll	\$45,000	\$738	\$1.17	\$59,301
Marketing	\$4,000	\$66	\$0.10	\$1,239
General & Admin	\$15,000	\$246	\$0.39	\$14,818
Repairs, Maintenance & Supplies	\$33,550	\$550	\$0.87	\$46,640
Contract Services	\$12,000	\$197	\$0.31	\$12,403
Utilities	\$48,000	\$787	\$1.24	\$59,752
TOTAL VARIABLE	\$157,550	\$2,583	\$4.08	\$194,153
Property Taxes	\$19,969	\$327	\$0.52	\$19,969
Property Insurance	\$7,200	\$118	\$0.19	\$7,106
Management Fee	\$21,574	5%	\$0.56	\$12,651
Reserves	\$15,250	\$250	\$0.40	\$0
TOTAL EXPENSES	\$221,543	\$3,632	\$5.74	\$233,879
NET OPERATING INCOME	\$209,938	\$3,442	\$5.44	\$161,896

MARKET PRICING

Value	\$3,230,000
Per Unit	\$52,951
Per Sq. Ft.	\$83.71
Cap Rate	
2018 Actuals, Annualized Mar-Jul	5.01%
Mktg Proforma	6.50%






BUILDING DETAILS

Year Built	1958
Classification	B
Style	Garden
Construction	Block
Roof Type	Comp Shingle

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Studio Rent Comparables
MULTI-FAMILY

PHOTO	PROPERTY NAME	ADDRESS	# OF UNITS	AVERAGE SF	RENT	RENT/SF	OCCUPANCY
	Montclair	835-811 N Alvernon, Tucson AZ 85711	7	499	\$564	\$1.13	82%
	Broadmoor	725 S Tucson, Tucson, AZ 85711	12	361	\$550	\$1.52	96%
	Broadway	20 N Leonora, Tucson, AZ 85711	4	450	\$495	\$1.10	92%
	Fairmount Manor	4444 E Fairmount, Tucson, AZ 85711	10	400	\$493	\$1.23	94%
	Peachtree	840 N Alvernon, Tucson, AZ 85711	4	568	\$450	\$0.79	93%
Total/Average			30	413	\$510	\$1.24	94%

1-Bedroom Rent Comparables

MULTI-FAMILY






PHOTO	PROPERTY NAME	ADDRESS	# OF UNITS	AVERAGE SF	RENT	RENT/SF	OCCUPANCY
	Montclair	835-811 N Alvernon, Tucson AZ 85711	30	525	\$533	\$1.02	82%
	Broadmoor	725 S Tucson, Tucson, AZ 85711	40	468	\$660	\$1.41	96%
	Broadway	20 N Leonora, Tucson, AZ 85711	32	600	\$550	\$0.92	92%
	Fairmount Manor	4444 E Fairmount, Tucson, AZ 85711	34	450	\$600	\$1.33	94%
	Peachtree	840 N Alvernon, Tucson, AZ 85711	30	646	\$496	\$0.77	93%
	San Simeon	6091 E Golf Links, Tucson, AZ 85711	10	615	\$670	\$1.09	94%
Total/Average			146	539	\$589	\$1.09	94%

2-Bedroom Rent Comparables

MULTI-FAMILY

PHOTO	PROPERTY NAME	ADDRESS	# OF UNITS	AVERAGE SF	RENT	RENT/SF	OCCUPANCY
	Montclair	835-811 N Alvernon, Tucson AZ 85711	21	797	\$656	\$0.82	82%
	Broadmoor	725 S Tucson, Tucson, AZ 85711	16	707	\$770	\$1.09	96%
	Broadway	20 N Leonora, Tucson, AZ 85711	13	816	\$658	\$0.81	92%
	Fairmount Manor	4444 E Fairmount, Tucson, AZ 85711	10	500	\$700	\$1.40	94%
	Peachtree	840 N Alvernon, Tucson, AZ 85711	8	968	\$687	\$0.71	93%
	San Simeon	6091 E Golf Links, Tucson, AZ 85711	37	843	\$804	\$0.95	94%
Total/Average			84	784	\$751	\$0.96	94%

3-Bedroom Rent Comparables
MULTI-FAMILY

PHOTO	PROPERTY NAME	ADDRESS	# OF UNITS	AVERAGE SF	RENT	RENT/SF	OCCUPANCY
	Montclair	835-811 N Alvernon, Tucson AZ 85711	3	1,198	\$791	\$0.66	82%
	Broadmoor	725 S Tucson, Tucson, AZ 85711	1	1,255	\$885	\$0.71	96%
	Avalon Terrace	4141 E 29th St., Tucson, AZ 85711	3	1,350	\$850	\$0.63	96%
	San Simeon	6091 E Golf Links, Tucson, AZ 85711	23	911	\$828	\$0.91	94%
	The Van Buren	625 N. Van Buren Ave., Tucson, AZ 85711	4	1,726	\$1,090	\$0.63	97%
Total/Average			31	1,070	\$866	\$0.81	95%

ECONOMIC OVERVIEW

Population and Demographics

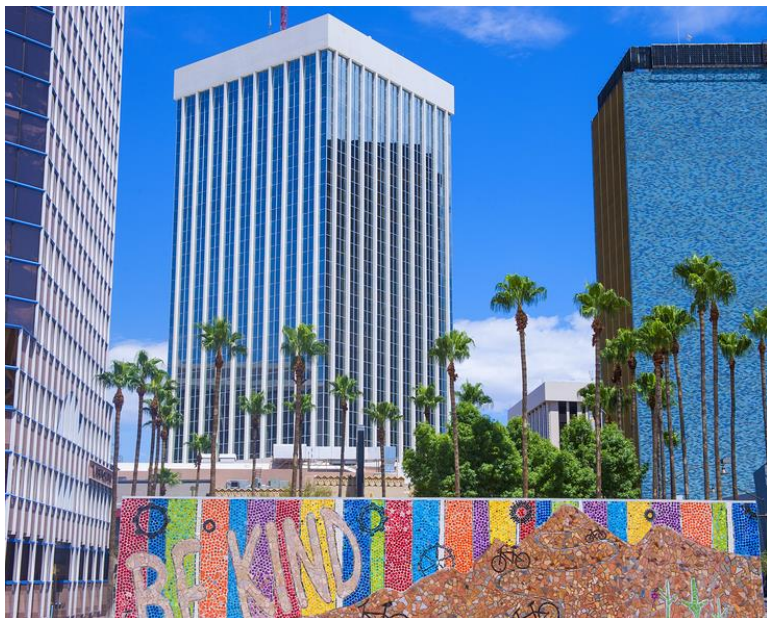
Tucson is the second-largest city in Arizona, with a population of 535,677 as of 2017. It is the largest city in Pima County, which totaled 1.02 million residents that year. Located 60 miles from the U.S.-Mexico border, the Tucson metropolitan area (which includes nearby suburbs like Marana and Oro Valley, as well as the significant portion of unincorporated Pima County that makes up what is de facto “north Tucson”) is expected to grow to 1.06 million residents by 2020. The 2016 Tucson median age was 33.2 years while Tucson MSA median household income was \$46,764 that year.

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 44,831, 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. The 2017 labor force participation rate was 60.9% (Census Bureau). As of 2017, the University of Arizona is the top employer with a work force of 11,251 followed by Raytheon Missile Systems, 9,600; the State of Arizona, 8,580; Davis-Monthan Air Force Base, 8,406 (both civilian and military personnel); Pima County, 7,060; Tucson Unified School District, 6,770; Banner University Healthcare, 6,272, Freeport-McMoRan Copper & Gold, 5,800; U.S. Customs and Border Patrol, 5,739; and Wal-Mart, 5,530, while the city’s unemployment rate was 4.9% that year (Tucson Comprehensive Financial Report). Tucson’s 2017 job growth rate was 1.5% (MAP for Southern Arizona). CONTINUED NEXT PAGE



ECONOMIC OVERVIEW CONTINUED

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.

