



OFFERING MEMORANDUM

Sonoran Palms
1002 E. Lester St.
Tucson AZ 85719



**CUSHMAN &
WAKEFIELD**



PICOR

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PROPERTY INFORMATION

Sonoran Palms
1002 E. Lester St.
Tucson, AZ 85719

 PRICE \$1,000,000	 PRICE PER UNIT \$200,000	 PRICE PER SQFT \$208.33	 PROFORMA NOI \$69,454	 CAP RATE 6.95%
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 LOCATION: 1002 E. Lester St. Tucson, Arizona 85719	 LANDSCAPING: Large shade trees, palm trees, desert plants, & shrubbery
 SITE AREA: 0.37 Acres 16,229 Square Feet	 UTILITIES: <u>Electricity:</u> Tucson Electric (Tenant) <u>Gas:</u> Southwest Gas (Tenant) <u>Water:</u> City of Tucson (RUBS) <u>Sewer:</u> City of Tucson (RUBS) <u>Trash:</u> City of Tucson (RUBS)
 RENTABLE SF: 4,800 RSF	 METERING Electric: Individual & Common Gas: Individual & Common Water/Sewer/Trash: Master-metered Hot Water: Individual
 ASSESSOR PARCEL NUMBER: 123-11-021A	 HEATING/COOLING: Air conditioning
 ZONING: NR-2, City of Tucson	 CONSTRUCTION: Masonry
 ACCESS: Ingress/egress	 FINANCING: Cash or Traditional Financing
 PARKING: ~ 11	
 ROOF/STORIES: Flat cool roof/1 story	
 YEAR BUILT: 1967 w/ recent upgrades	

PROPERTY HIGHLIGHTS

Sonoran Palms
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PROPERTY HIGHLIGHTS

- Prime location – Near UofA & Downtown
- Turn-key student housing
- Masonry construction
- Recently renovated units
- Courtyard w/ Astro turf & BBQ area
- In-unit laundry units
- Fenced and gated community



UNIT HIGHLIGHTS

- Gorgeously renovated units
- Attractive unit mix
- LED Recessed lighting
- Stainless steel appliances
- Ceiling fans
- Air conditioning
- Dishwashers

INVESTMENT SUMMARY

Sonoran Palms
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Perfectly located near the University of Arizona and Downtown Tucson, Sonoran Palms presents an excellent turnkey opportunity with long-term rent growth potential in a tightening student housing market.

Sonoran Palms consists of five well-designed, fully renovated units, featuring a desirable unit mix of (4) 2BD/1BA units and (1) 3BD/1BA unit. The property has been upgraded with modern finishes throughout, making it highly attractive for off-campus living. Renovations include fully equipped kitchens with stainless steel appliances, new cabinetry, granite countertops, and dishwashers in each unit. Each unit is individually metered for gas and electricity, while water, sewer, and trash are currently paid by ownership, offering new ownership the opportunity to implement a RUBS program to recapture a portion of these expenses.

Additionally, the property features amenities such as stackable in-unit washers and dryers, providing a valuable amenity for residents. Interiors feature ceramic, wood-style flooring throughout, and each unit is equipped with either central air conditioning or individual cooling systems, ensuring comfort and supporting tenant retention. The exterior features a well-maintained masonry building with clean, meticulously maintained landscaping, including a central courtyard with AstroTurf, mature shrubbery, and large palm trees. Also, offers secure bike racks and ample on-site parking for residents

Conveniently situated for students and young professionals, the location offers a strong and durable tenant base. Proximity to the University of Arizona and Banner university—Tucson’s largest employer—combined with easy access to Downtown Tucson provides residents with walkable access to dining, entertainment, and cultural attractions. This high-demand corridor continues to support consistent occupancy and positions the asset as a compelling long-term investment in the Tucson student housing market.

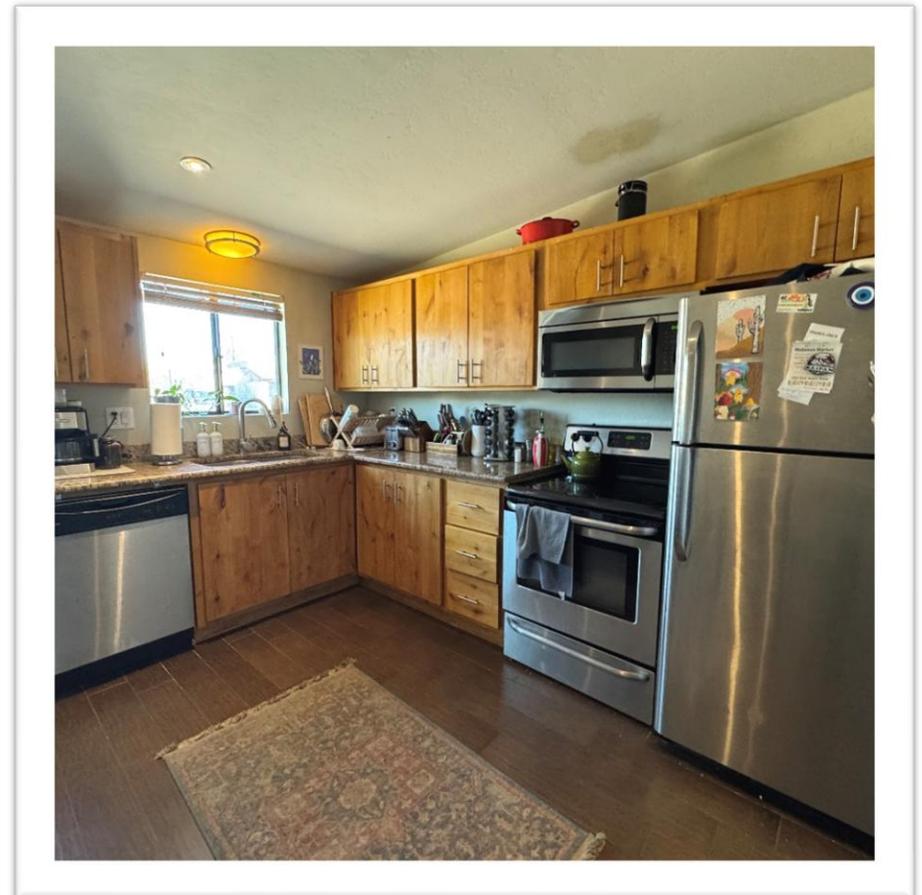
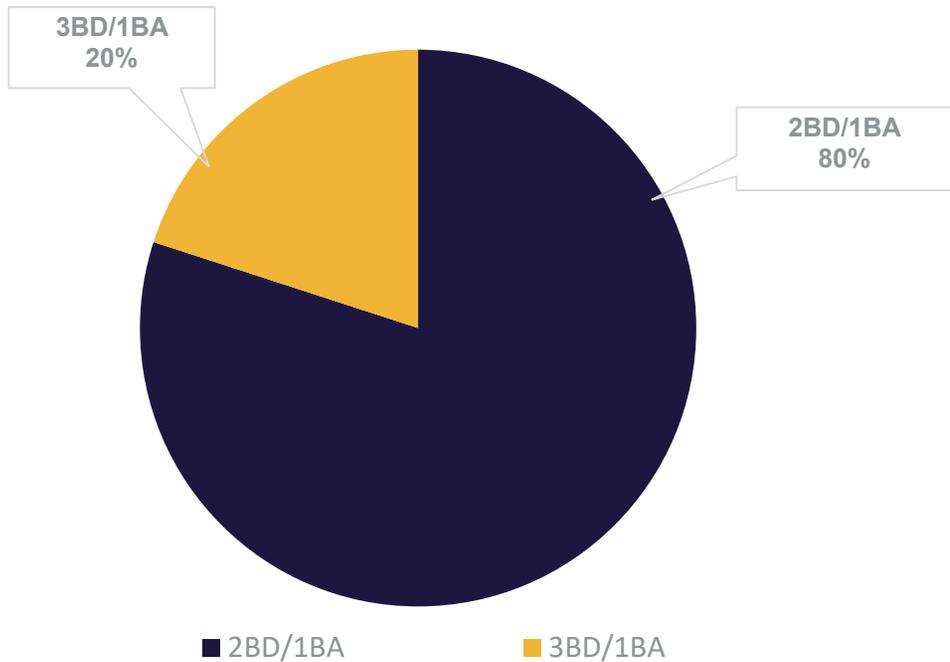


RENT ROLL ANALYSIS

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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	80%	900	3,600	\$1,518	\$6,072	\$1,600	\$6,400	\$1.78
3BD/1BA	1	20%	1200	1,200	\$2,200	\$2,200	\$2,300	\$2,300	\$1.92
Total/Average (Monthly)	5	100%	960	4,800	\$1,654	\$8,272	\$1,740	\$8,700	\$1.81
Annual						\$99,264		\$104,400	

Unit Breakdown



FINANCIAL ANALYSIS

Sonoran Palms
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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	2025 Actuals	2025 Actuals Per Unit
RENTAL INCOME				
Gross Market Rent	\$104,400	\$20,880		
Vacancy Loss	-\$6,264	-6.0%		
Concessions & Bad Debt	-\$2,088	-2.0%		
Net Rental Income	\$96,048	\$19,210	\$92,760	\$18,552
RUBS	\$1,000	\$200		\$0
Other Income	\$500	\$100	\$725	\$145
TOTAL INCOME	\$97,548	\$19,510	\$93,485	\$18,697
OPERATING EXPENSES				
Phone & Internet	\$2,000	\$400	\$1,800	\$360
General & Admin	\$500	\$100		\$0
Repairs & Maintenance & Turnover	\$4,000	\$800	\$12,197	\$2,439
Contract Services	\$1,200	\$240	\$3,055	\$611
Utilities	\$3,500	\$700	\$3,708	\$742
TOTAL VARIABLE	\$11,200	\$2,240	\$20,760	\$4,152
Property Taxes	\$4,340	\$868	\$4,524	\$905
Property Insurance	\$3,500	\$700	\$8,500	\$1,700
Management Fee	\$7,804	8%	\$7,585	8%
Reserves	\$1,250	\$250		
TOTAL EXPENSES	\$28,094	\$5,619	\$41,369	\$8,274
NET OPERATING INCOME	\$69,454	\$13,891	\$52,116	\$10,423

Stabilized Market Analysis	
Value	\$1,000,000
Per Unit	\$200,000
Per Bed	\$90,909
Per Square Foot	\$208.33
Cap Rate	
2025 Actuals	5.21%
Marketing Pro Forma	6.95%

TRADE MAP

Sonoran Palms
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SURROUNDING AREA

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A THE UNIVERSITY OF ARIZONA

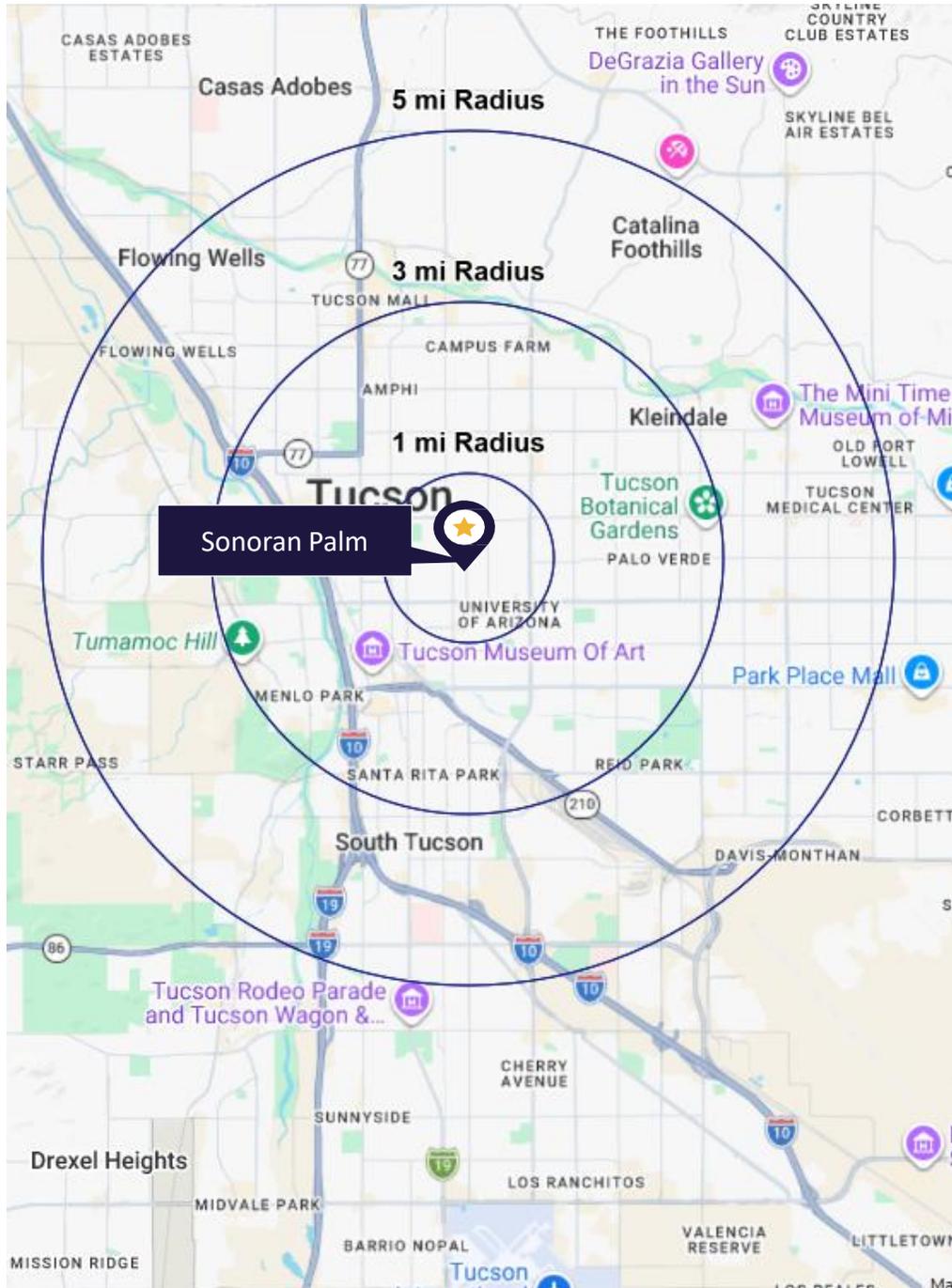
 **Banner University Medical Center**



dt DOWNTOWN TUCSON 
FOX TUCSON THEATRE 
HUB RESTAURANT & ICE CREAMERY 
TUCSON CONVENTION CENTER 
reilly. 
CHARRO STEAK & del Rey

DEMOGRAPHIC OVERVIEW

Sonoran Palms
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2025 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	20,836	141,788	277,681
HOUSEHOLDS	7,731	64,818	123,309
AVG HOUSEHOLD INCOME	\$60,501	\$66,641	\$74,824
DAYTIME POPULATION	9,999	82,447	156,331
RETAIL EXPENDITURE	\$279.42 M	\$2.43 B	\$4.99 B

2030 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	20,589	64,818	123,309
HOUSEHOLDS	7,813	66,747	125,347
AVG HOUSEHOLD INCOME	\$59,980	\$66,114	\$73,976

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

N. CAMPBELL AVE.	34,668 VPD	(2025)
E. SPEEDWAY BLVD.	40,626 VPD	(2025)

EXTERIOR PHOTOS

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INTERIOR PHOTOS

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AERIAL VIEW

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SOUTH VIEW

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WEST VIEW

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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: The Chamber of Southern Arizona

* Source: AZCommerce.com

TUCSON MARKET OVERVIEW

Sonoran Palms
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 **1.08M**
TUCSON MSA
POPULATION

 **484,397**
TOTAL
HOUSEHOLDS

 **35%**
COLLEGE
EDUCATION

 **0.6%**
POPULATION
GROWTH RATE

 **\$67,929**
MEDIAN HOUSEHOLD
INCOME

 **4.7%**
UNEMPLOYMENT
RATE

 **±56,544**
UNIVERSITY OF ARIZONA TOTAL
ENROLLMENT, 2025

LARGEST EMPLOYERS

1. UNIVERSITY OF ARIZONA- 16,076
2. RAYTHEON MISSILE SYSTEMS- 13,000
3. DAVIS-MONTHAN AFB- 11,000
4. STATE OF ARIZONA – 8,580

- #2 MANAGEMENT INFORMATION SYSTEMS
- #8 SPACE SCIENCE
- #27 BEST BUSINESS SCHOOLS
- #47 MEDICINE
- #52 TOP PUBLIC SCHOOL
- #54 EDUCATION
- #69 UNDERGRAD ENGINEERING PROGRAMS
- #70 BESTCOLLEGES FOR VETERANS
- #115 GLOBAL UNIVERSITY

RECENT INDUSTRY ARRIVALS & EXPANSIONS

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



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