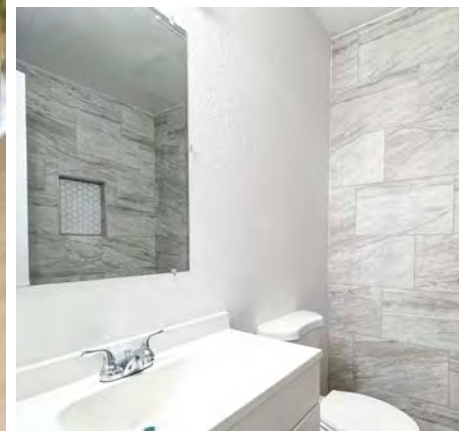


# Prime 8-Unit Apartment Building



OFFERING MEMORANDUM | PRIME 8-UNIT APARTMENT BUILDING WITH EXTENSIVE UPGRADES\*\*/USE AS A GROUP HOME OR RENTAL

8939 N 8th Street  
Phoenix, AZ 85020



# Prime 8-Unit Apartment Building

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*Exclusively Marketed by:*

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01 **Executive Summary**  
Investment Summary  
Unit Mix Summary

## OFFERING SUMMARY

ADDRESS	8939 N 8th Street Phoenix AZ 85020
COUNTY	Maricopa
MARKET	North Phoenix
SUBMARKET	East Sunnyslope
BUILDING SF	4,558 SF
LAND SF	14,257 SF
LAND ACRES	0.327
NUMBER OF UNITS	8
YEAR BUILT	1946 1983 1987
YEAR RENOVATED	2029, 2024
APN	160-03-012-A
OWNERSHIP TYPE	Fee Simple

## FINANCIAL SUMMARY

PRICE	\$1,475,000
PRICE PSF	\$323.61
PRICE PER UNIT	\$184,375
OCCUPANCY	100.00%
NOI (CURRENT)	\$118,240
NOI (Proforma Rental Comps by Third Party)	\$142,240
CAP RATE (CURRENT)	8.02%
CAP RATE (Proforma Rental Comps by Third Party)	9.64%
CASH ON CASH (CURRENT)	7.15%
CASH ON CASH (Proforma Rental Comps by Third Party)	11.80%
GRM (CURRENT)	12.47
GRM (Proforma Rental Comps by Third Party)	10.37

## PROPOSED FINANCING

Commercial Loan	
LOAN TYPE	Amortized
DOWN PAYMENT	\$516,250
LOAN AMOUNT	\$958,750
INTEREST RATE	7.00%
LOAN TERMS	5
ANNUAL DEBT SERVICE	\$81,319
LOAN TO VALUE	65%
AMORTIZATION PERIOD	25 Years

DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2024 Population	17,554	112,151	354,868
2024 Median HH Income	\$66,696	\$73,419	\$74,116
2024 Average HH Income	\$87,089	\$110,071	\$107,458



## **\*\*Overview:\*\***

- **\*\*Overview:\*\***

This meticulously upgraded 8-unit apartment complex offers a unique investment opportunity or a versatile property for various uses. The building features a comprehensive renovation and several high-quality enhancements, positioned in a competitive rental market.

**\*\*Unit Mix:\*\***

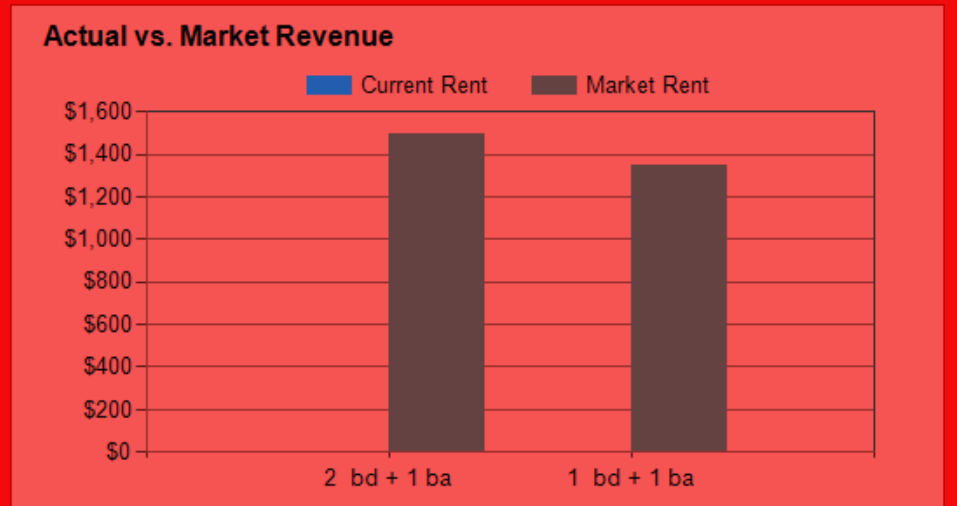
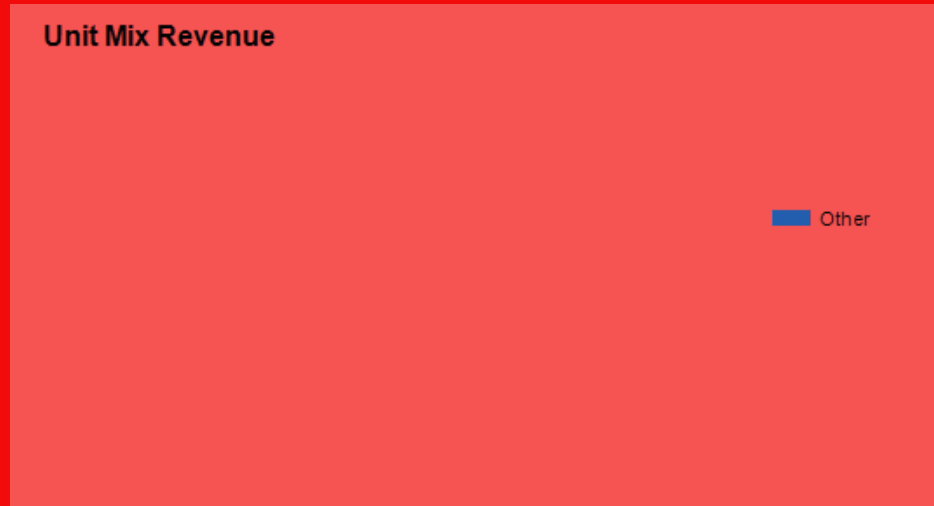
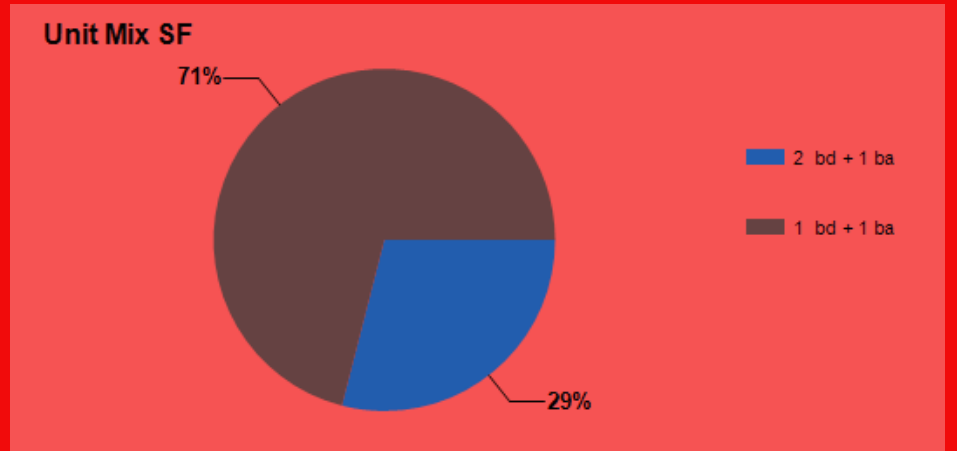
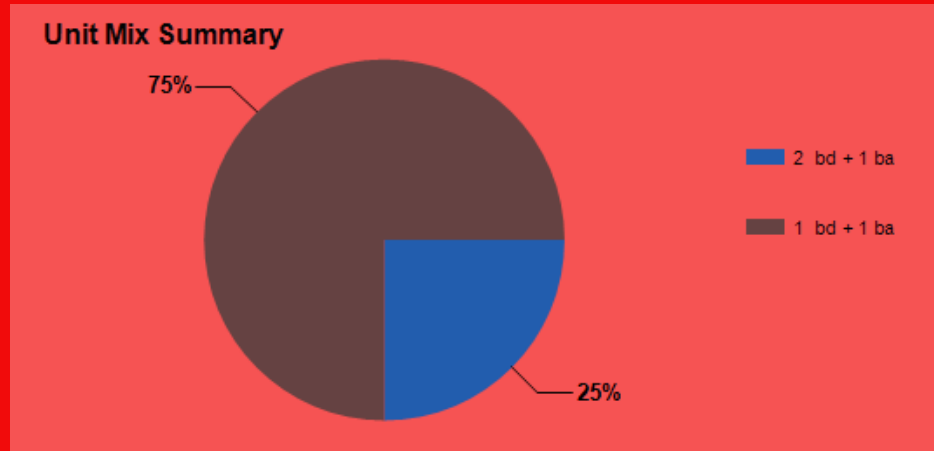
  - **\*\*6 Units:\*\*** 1-bedroom apartments
  - **\*\*2 Units:\*\*** 2-bedroom, 1-bath apartments
  - **\*\*1 Office Unit:\*\*** This is one of the units. Currently used as an office space with a remodeled bathroom. The seller is willing to convert this unit into to a one bedroom apartment if requested prior to the close of escrow
- **\*\*Renovations & Upgrades:\*\***
  - **\*\*Apartment Upgrades (Rehabbed in 2024):\*\***
    - **\*\*Units 1-7:\*\*** Thoughtful updates include new flooring and completely remodeled bathrooms. **\*\*Apartment 1\*\*** features the most extensive renovations, including full wall and flooring replacements.
    - **\*\*Bathrooms:\*\*** All bathrooms have been remodeled with new flooring, plumbing, toilets, showers, tiling, and cabinets. Each renovation cost approximately \$12,000 per apartment.
  - **\*\*Office/Storage Space (Purple Door):\*\***
    - **\*\*Building Addition:\*\*** Added for approximately \$100,000, this versatile space can be used for office purposes or additional storage.
- **\*\*Exterior Enhancements:\*\***
  - **\*\*Brick Patio:\*\*** Installed in 2019 at a cost of \$15,000, featuring TV and power outlets for enhanced tenant enjoyment.
  - **\*\*Security Gate:\*\*** Added in 2015 for \$5,000, providing additional security.
  - **\*\*New Brick Wall:\*\*** A \$5,000 investment for added privacy and security between the property and 801 E Dunlap.
  - **\*\*New Mailboxes and Stand:\*\*** Installed in August 2024 for \$500, providing a fresh and organized mail solution.

- **\*\*Property Features:\*\***
  - **\*\*Laundry Room:\*\*** Convenient on-site laundry facility.
  - **\*\*Storage Units:\*\*** Two storage units are included with the property.
  - **\*\*Tenant Amenities:\*\*** All units come equipped with microwaves, refrigerators, and stoves.
  - **\*\*Gated Property:\*\*** Added security and privacy for residents.
  - **\*\*Fully Occupied:\*\*** Tenant pays 100% of all expenses. A TRUE Absolute NNN Lease.
- \*\*Investment Potential:\*\***

With recent extensive renovations and a range of enhancements, this property is ideal for a variety of uses. Its current occupant is a well established sober living operator.
- \*\*Buyer Information:\*\***
  - **\*\*Note:\*\*** Buyers must confirm all facts and figures to ensure accuracy.



Unit Mix	# Units	Square Feet	Actual		Market		
			Current Rent	Monthly Income	Market Rent	Market Rent PSF	Market Income
2 bd + 1 ba	2	600	\$0	\$0	\$1,495	\$2.49	\$2,990
1 bd + 1 ba	6	500	\$0	\$0	\$1,350	\$2.70	\$8,100
<b>Totals/Averages</b>	<b>8</b>	<b>525</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,386</b>	<b>\$2.65</b>	<b>\$11,090</b>







02

## Property Description

Property Features

Aerial Map

Common Amenities

Unit Amenities

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## PROPERTY FEATURES

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NUMBER OF UNITS	8
BUILDING SF	4,558
LAND SF	14,257
LAND ACRES	0.327
YEAR BUILT	1946 1983 1987
YEAR RENOVATED	2029, 2024
# OF PARCELS	1
ZONING TYPE	[R-4] Multiple Family Residence
BUILDING CLASS	B
TOPOGRAPHY	Flat
LOCATION CLASS	C+
NUMBER OF STORIES	One
NUMBER OF BUILDINGS	Three
SECURITY GATE	Yes
POOL / JACUZZI	No
FIRE PLACE IN UNIT	No
WASHER/DRYER	Laundry Facility On sight

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## MECHANICAL

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HVAC	Individual
SMOKE DETECTORS	New

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## UTILITIES

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WATER	City of Phoenix-Master Metered
TRASH	City of Phoenix-Master Metered
GAS	Southwest Gas-Submetered
ELECTRIC	APS-Individually Metered

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## Common Amenities

- Brick Patio: Installed 2019 with TV and power outlets.
- New Mailboxes: Installed August 2024
- Brick Patio: Installed 2019 with TV and power outlets.
- New Mailboxes: Installed August 2024
- Laundry Room: On-site facility available
- Security Features: Gated property, security gate (2015), and new brick wall.
- Two Storage Units: Included with property
- Security Features: Gated property, security gate (2015), and new brick wall.
- Two Storage Units: Included with property



## Unit Amenities

- 2024 Renovations: New bathrooms, flooring, and fixtures; \$12,000 per unit
- Tenant Amenities: Microwaves, refrigerators, stoves in all units





03

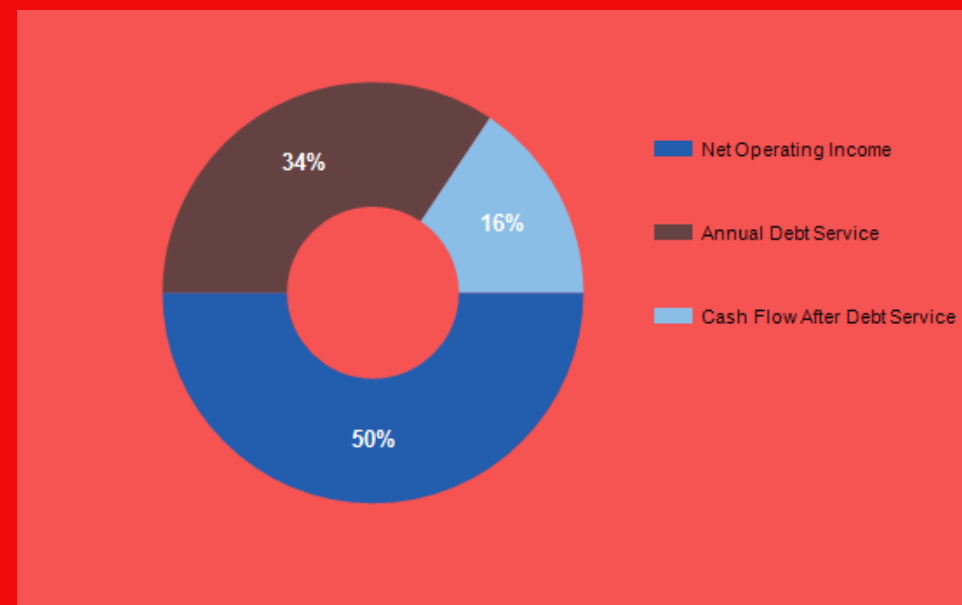
**Financial Analysis**

- Income & Expense Analysis
- Multi-Year Cash Flow Assumptions
- Cash Flow Analysis
- Financial Metrics

## REVENUE ALLOCATION

CURRENT

INCOME	CURRENT		PROFORMA RENTAL COMPS BY THIRD PARTY	
Gross Scheduled Rent	\$108,000	91.3%	\$132,000	92.8%
Tenant Reimbursement for Property Taxes	\$4,040	3.4%	\$4,040	2.8%
Tenant Reimbursement for Property Insurance	\$6,200	5.2%	\$6,200	4.4%
<b>Effective Gross Income</b>	<b>\$118,240</b>		<b>\$142,240</b>	
<b>Net Operating Income</b>	<b>\$118,240</b>		<b>\$142,240</b>	
Annual Debt Service	\$81,319		\$81,319	
<b>Cash flow</b>	<b>\$36,921</b>		<b>\$60,921</b>	
Debt Coverage Ratio	1.45		1.75	



EXPENSES	CURRENT	Per Unit	PROFORMA RENTAL COMPS BY THIRD PARTY	Per Unit
Annual Debt Service	\$81,319		\$81,319	

## DISTRIBUTION OF EXPENSES

CURRENT



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## GLOBAL

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Price	\$1,475,000
Analysis Period	5 year(s)

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## INCOME - Growth Rates

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Gross Scheduled Rent	3.00%
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## PROPOSED FINANCING

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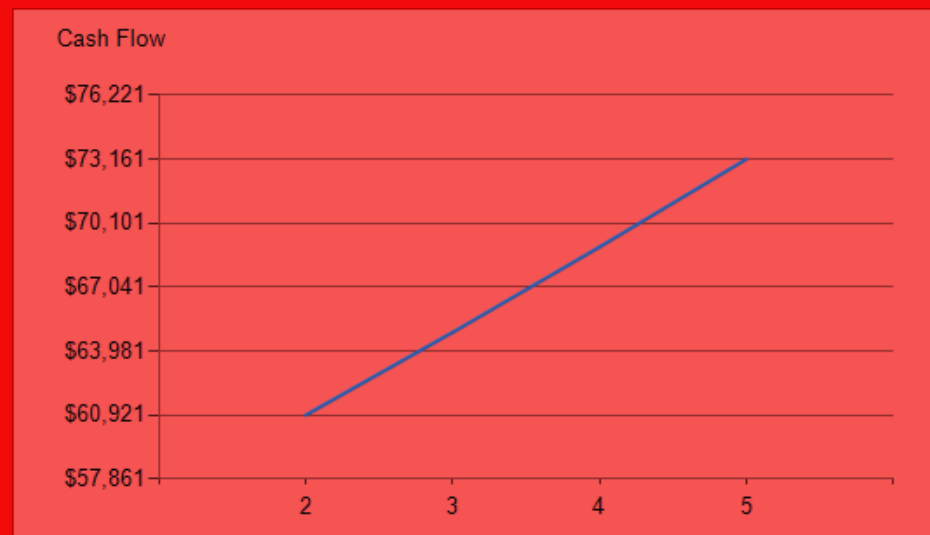
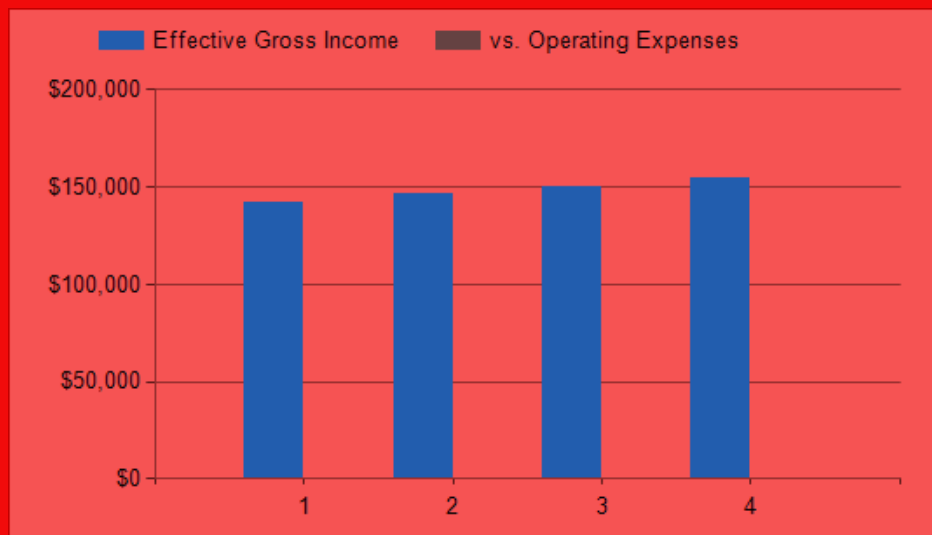
Commercial Loan	
Loan Type	Amortized
Down Payment	\$516,250
Loan Amount	\$958,750
Interest Rate	7.00%
Loan Terms	5
Annual Debt Service	\$81,319
Loan to Value	65%
Amortization Period	25 Years

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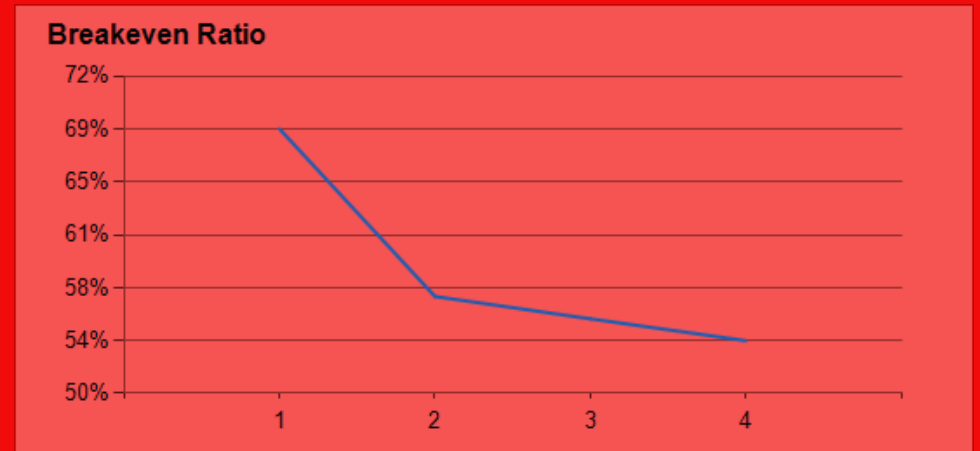
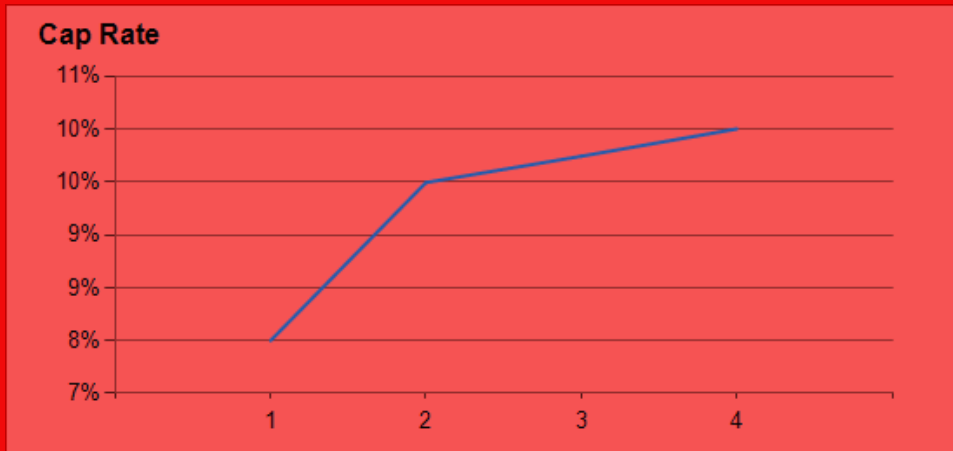
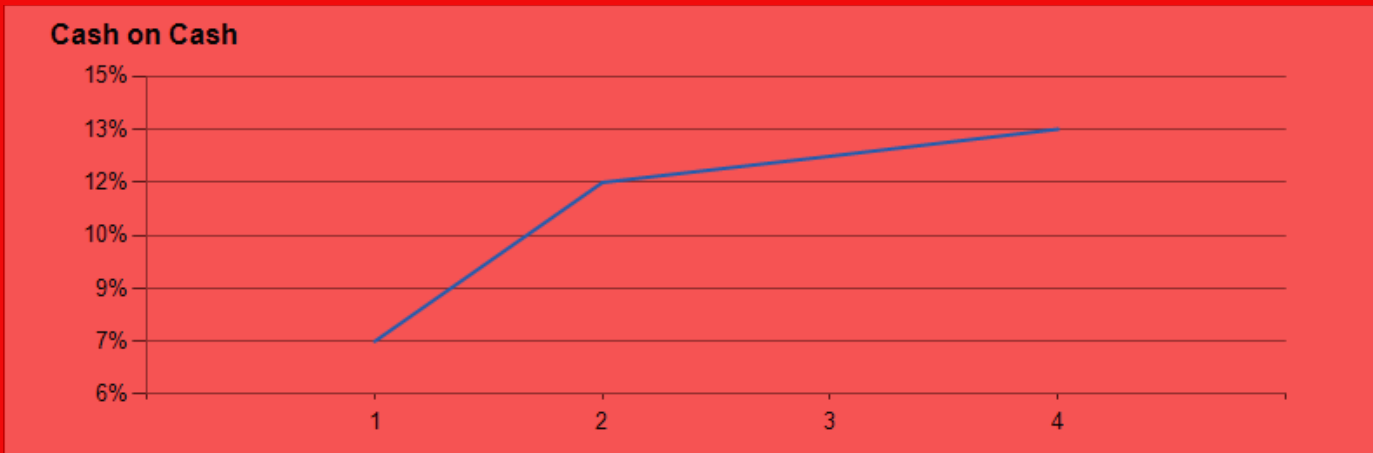




Calendar Year	CURRENT	Proforma Rental Comps by Third Party	Year 3	Year 4	Year 5
<b>Gross Revenue</b>					
Gross Scheduled Rent	\$108,000	\$132,000	\$135,960	\$140,039	\$144,240
Tenant Reimbursement for Property Taxes	\$4,040	\$4,040	\$4,040	\$4,040	\$4,040
Tenant Reimbursement for Property Insurance	\$6,200	\$6,200	\$6,200	\$6,200	\$6,200
<b>Effective Gross Income</b>	<b>\$118,240</b>	<b>\$142,240</b>	<b>\$146,200</b>	<b>\$150,279</b>	<b>\$154,480</b>
<b>Operating Expenses</b>					
<b>Net Operating Income</b>	<b>\$118,240</b>	<b>\$142,240</b>	<b>\$146,200</b>	<b>\$150,279</b>	<b>\$154,480</b>
Annual Debt Service	\$81,319	\$81,319	\$81,319	\$81,319	\$81,319
<b>Cash Flow</b>	<b>\$36,921</b>	<b>\$60,921</b>	<b>\$64,881</b>	<b>\$68,960</b>	<b>\$73,161</b>



Calendar Year	CURRENT	Proforma Rental Comps by Third Party	Year 3	Year 4	Year 5
Cash on Cash Return b/t	7.15%	11.80%	12.57%	13.36%	14.17%
CAP Rate	8.02%	9.64%	9.91%	10.19%	10.47%
Debt Coverage Ratio	1.45	1.75	1.80	1.85	1.90
Gross Multiplier (GRM)	12.47	10.37	10.09	9.82	9.55
Loan to Value	65.03%	63.98%	62.92%	61.79%	60.53%
Breakeven Ratio	68.77%	57.17%	55.62%	54.11%	52.64%
Price / SF	\$323.61	\$323.61	\$323.61	\$323.61	\$323.61
Price / Unit	\$184,375	\$184,375	\$184,375	\$184,375	\$184,375
Income / SF	\$25.94	\$31.20	\$32.07	\$32.97	\$33.89



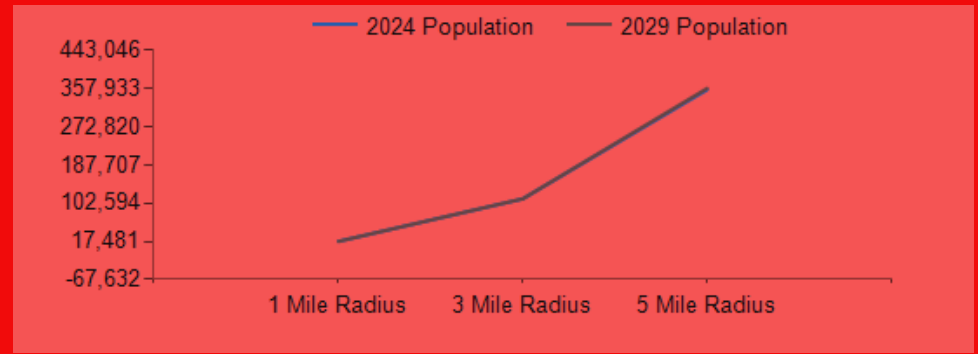




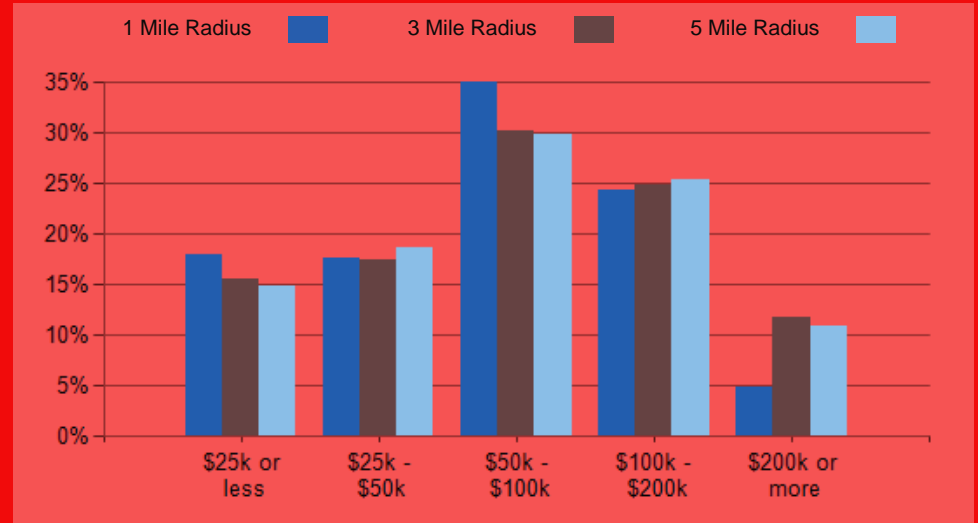
POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	19,289	110,700	338,225
2010 Population	17,196	104,220	323,280
2024 Population	17,554	112,151	354,868
2029 Population	17,481	112,222	357,933
2024-2029: Population: Growth Rate	-0.40%	0.05%	0.85%

2024 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	687	4,442	12,382
\$15,000-\$24,999	740	3,260	9,901
\$25,000-\$34,999	533	3,390	10,870
\$35,000-\$49,999	867	5,293	16,955
\$50,000-\$74,999	1,520	8,777	24,931
\$75,000-\$99,999	1,250	6,199	19,641
\$100,000-\$149,999	1,256	7,877	25,449
\$150,000-\$199,999	675	4,433	12,456
\$200,000 or greater	394	5,859	16,232
Median HH Income	\$66,696	\$73,419	\$74,116
Average HH Income	\$87,089	\$110,071	\$107,458

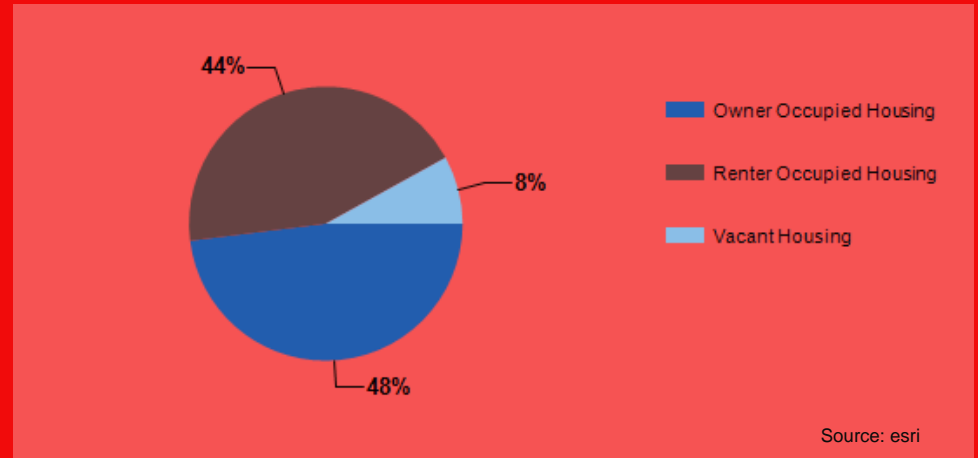
HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	8,578	50,788	148,212
2010 Total Households	7,294	45,084	133,081
2024 Total Households	7,922	49,530	148,817
2029 Total Households	8,009	50,341	152,898
2024 Average Household Size	2.19	2.23	2.36
2024-2029: Households: Growth Rate	1.10%	1.65%	2.70%



2024 Household Income

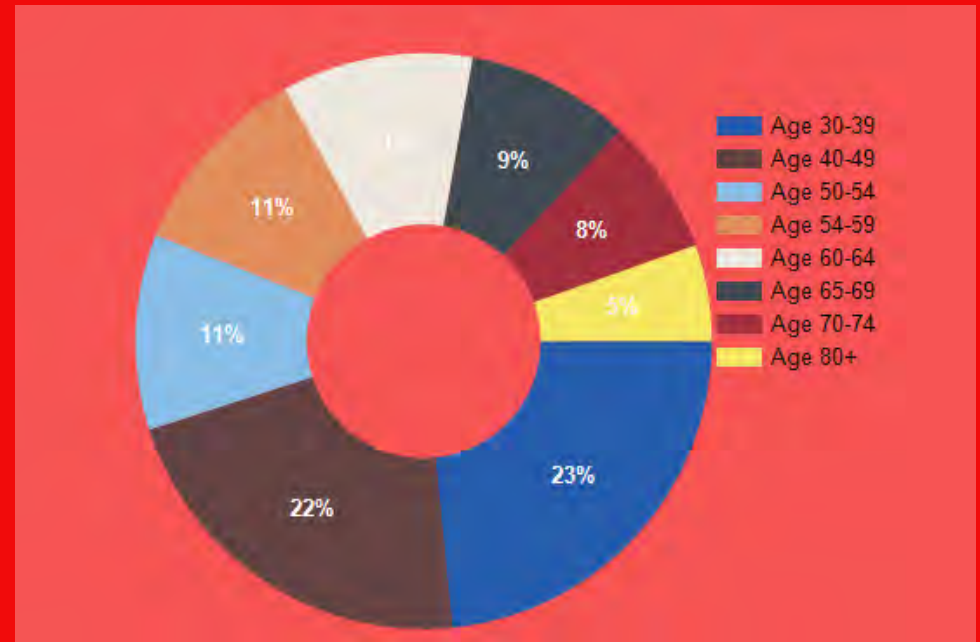


2024 Own vs. Rent - 1 Mile Radius

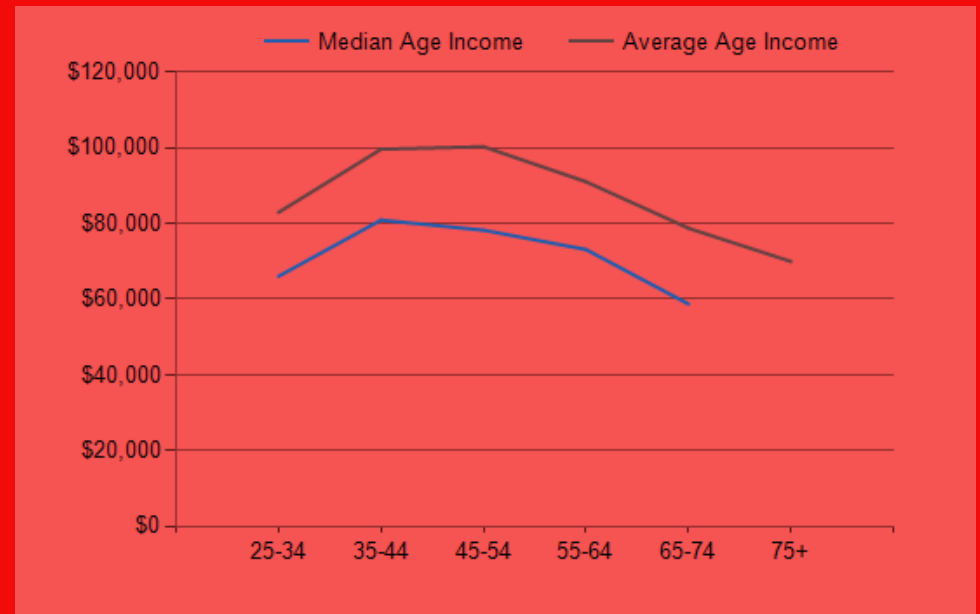


Source: esri

2024 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2024 Population Age 30-34	1,302	7,953	28,134
2024 Population Age 35-39	1,250	7,744	25,365
2024 Population Age 40-44	1,242	7,580	24,172
2024 Population Age 45-49	1,112	6,803	21,058
2024 Population Age 50-54	1,197	7,039	21,658
2024 Population Age 55-59	1,196	6,740	20,755
2024 Population Age 60-64	1,169	7,070	21,440
2024 Population Age 65-69	1,003	6,395	18,676
2024 Population Age 70-74	834	5,432	15,453
2024 Population Age 75-79	589	4,281	11,757
2024 Population Age 80-84	309	2,546	6,997
2024 Population Age 85+	258	2,757	6,607
2024 Population Age 18+	14,257	89,686	282,236
2024 Median Age	41	40	38
2029 Median Age	42	42	40



2024 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$66,031	\$66,680	\$68,376
Average Household Income 25-34	\$82,927	\$94,770	\$93,076
Median Household Income 35-44	\$80,911	\$87,464	\$86,680
Average Household Income 35-44	\$99,620	\$125,761	\$120,614
Median Household Income 45-54	\$78,231	\$93,979	\$90,224
Average Household Income 45-54	\$100,290	\$135,246	\$126,848
Median Household Income 55-64	\$73,124	\$83,599	\$81,575
Average Household Income 55-64	\$91,035	\$123,002	\$118,395
Median Household Income 65-74	\$58,705	\$68,975	\$68,419
Average Household Income 65-74	\$78,748	\$103,705	\$105,057
Average Household Income 75+	\$69,959	\$85,745	\$88,009





05

Company Profile

Company Bio

Advisor Profile



At Gerchick Real Estate, we pride ourselves on having the experience and know-how to handle any number of Real Estate Investment products and transactions. Whether you're looking for your first-time Investment or are ready to increase your Portfolio-Gerchick Real Estate's seasoned Advisors will guide you through the decision-making process and ensure your transaction closes quickly and efficiently.

- Investment Planning

As with all successes-it takes considerable planning. Your Goals, Your NEEDS and Your Wants are all elements to success.

- Market Analysis

It is important to understand not only where the Market has been; but where it is going. This takes time and the ability to be connected. We are your feet on the ground.

- Type of Properties

There are many Asset Classes in Real Estate. We are adept at helping you define which type of Investment is right for your needs.

- Portfolio Management

First, we need a clear understanding of your Goals. We will review your entire Portfolio with you to achieve success.

- Repositioning Assets

We are experts in sourcing Value Add Opportunities. We stay in the game – from the acquisition to the rehab. Our role is to assist you in achieving your Goals.



Linda Gerchick  
CCIM

Linda is a Broker and a CCIM. A good combination. This would be comparable to a Real Estate Ph.D! And it shows up in everything she does. “Professional and “highly qualified” are two things you will always hear about Linda from those who have worked with her.

And following right behind are the words “Truly dedicated.” This is what everyone declares when they meet Linda. The next thing that is clear and has been said throughout her more than 25 years of experience is that they want to be on Linda’s side of the table, not across from her when she negotiates.

In addition, she is an acclaimed author. Her seminars draw hundreds of attendees. She has spent countless hours preparing a Video Seminar Series for you as an investor!

Her clients become Raving Fans. This happens over and over again because she cares and will work tirelessly to achieve your goals.

And on top of all of this, Linda is a loving Mother, dedicated Partner and a good Friend. We should also mention, she’s now a Grandmother of 2 boys—Will and Dre.

Take a moment and give her a call. As dedicated and busy as she is, she really does answer her phone! And she will call you back, a rare thing in today’s world.

# Prime 8-Unit Apartment Building



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Lic: BR114848000



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