



## TUCSON TRANSITIONAL LIVING

For Sale or Lease

Turnkey Behavioral Opportunity | Tucson, Arizona

41 Total Units

Offering Memorandum



Tucson Transitional Living

# OFFERING OVERVIEW



| COMMUNITY SPECIFICATIONS  |  |
|---------------------------|--|
| Property Name:            | Tucson Transitional Living                           |
| Deal Type:                | For Sale or Lease                                    |
| Address:                  | 1000 South Freeway                                   |
| County:                   | Pima County  |
| Year Built/Renovated:     | 1953   2023  |
| Previous Use:             | Hotel  |
| Proposed Use:             | Transitional Living/Behavioral Residential Treatment |
| CapEx:                    | \$1.5M Renovation Completed                          |
| Certificate of Occupancy: | Approved   |
| Lease Guidance:           | \$41,000/NNN   |
| Pricing Guidance:         | Set by Market  |
| Total Units:              | 41 Units   |
| Estimated Beds:           | 41-80 Beds (dependent upon end user's program)       |
| Commercial Kitchen:       | Yes  |
| Total Lot Size:           | 0.72 Acres   |
| Total Building Size:      | 17,715 Sq. Ft.                                       |
| Number of Stories:        | Two (2)  |
| Parking:                  | 39 Spaces  |
| Zoning:                   | Institutional Group I-1 Occupancy Condition 1        |

THE OFFERING

is pleased to present **Tucson Transitional Living**, a 41-unit facility located in Tucson, Arizona. Previously operating as a hotel, the property recently underwent a \$1.5M renovation in 2023 specifically tailored towards behavioral health. The property is ready for immediate operation of a transitional living facility or inpatient residential treatment. The two-story building in its current configuration offers resident suites (300 & 252 square feet) with layouts conducive to private and dual-occupancy units. Each room has individual bathrooms and showers, and the building has a share of amenities including a commercial kitchen, dining room, ample common areas necessary for group therapy, lounges, and outdoor patio & parking. Moving forward, a new owner can capitalize on the turn-key facility layout, limited competition, extensive referral sources, permitted zoning, and high local demand for inpatient substance abuse and mental health treatment.

The property benefits from a prime location within close-proximity to Interstate-10, providing convenient access to Tucson International Airport, the University of Arizona, surrounding suburbs, and downtown Tucson to the northeast. Additionally, the facility is near several large retail and mixed-use developments featuring anchor tenants including Target, Walmart, Costco, and Safeway, among others. The subject is also located within 10-miles of 9+ hospitals that provide extensive care and referrals to the entire MSA. Those medical centers include six short term acute care centers and three psychiatric hospitals, offering an excellent opportunity to build future referral sources.

Tucson Transitional Living is being offered for **sale or lease**, without a defined asking price, unencumbered by property-level mortgage debt, and free and clear of a management or lease agreement. The property is being marketed for transitional living or inpatient residential treatment.



## Turn-Key Behavioral Opportunity

- Tucson Transitional Living is well equipped to provide transitional housing or residential treatment:
  - ✓ 41 units on a two-story property
  - ✓ Resident suites with private bathrooms:
    - ✓ 300 & 252 Sq. Ft. units
  - ✓ Large commercial kitchen & dining room
  - ✓ Activity & office space
- \$1.5M renovation in 2023 specifically tailored to transitional living and behavioral health, making the building turn-key ready for immediate operation
- Located within 10-miles of 9+ regional hospitals totaling ≈2,700 Medicare Certified Beds, with potential to capture a large percentage of local inpatient behavioral healthcare referrals moving forward
- Building has the capacity for a more detailed retrofit for a future operator's preference:
  - ✓ Depending on future use, potential to decompress units if residential provider prefers additional group therapy room or office space
- With infrastructure from the recent renovation and accommodations conducive for residential services, Tucson Transitional Living has the potential to provide the following treatment options:
  - ✓ Transitional Living
  - ✓ Inpatient Residential SUD treatment
  - ✓ Mental Health (Co-Occurring) Support
- Property is being offered for sale or lease:
  - ✓ Rent guidance for a future managing operator is \$41,000 per month, with a NNN expense structure

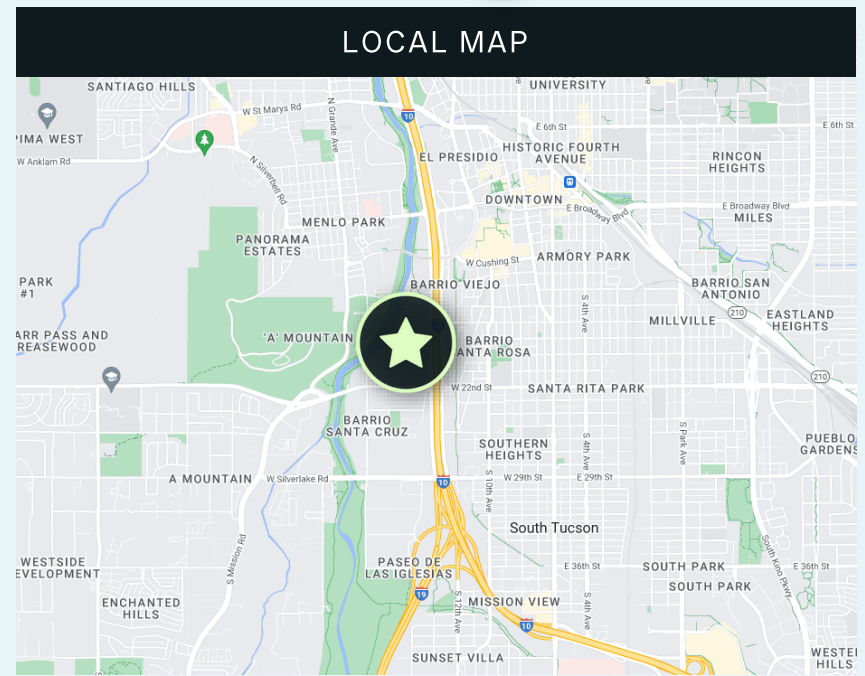
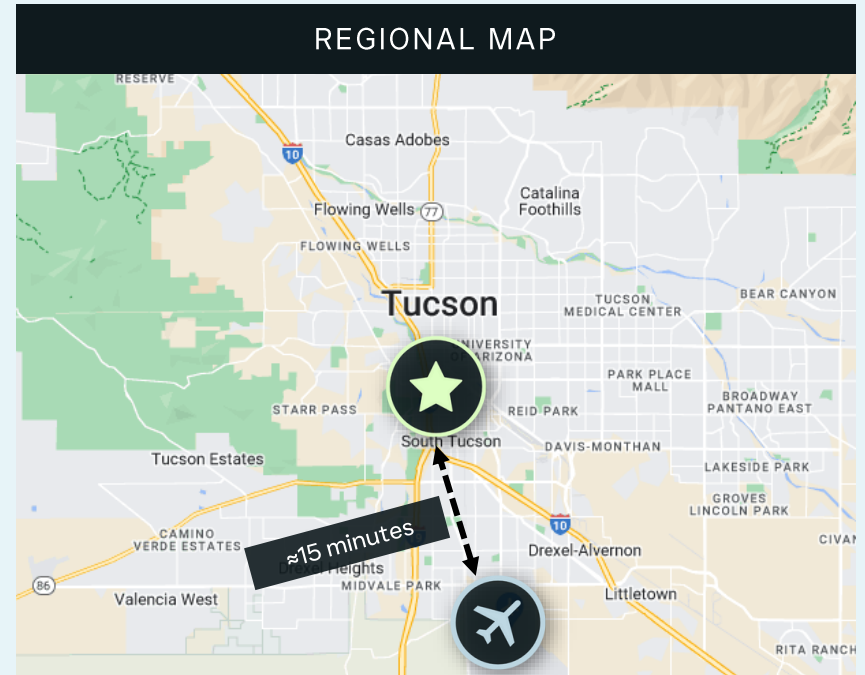
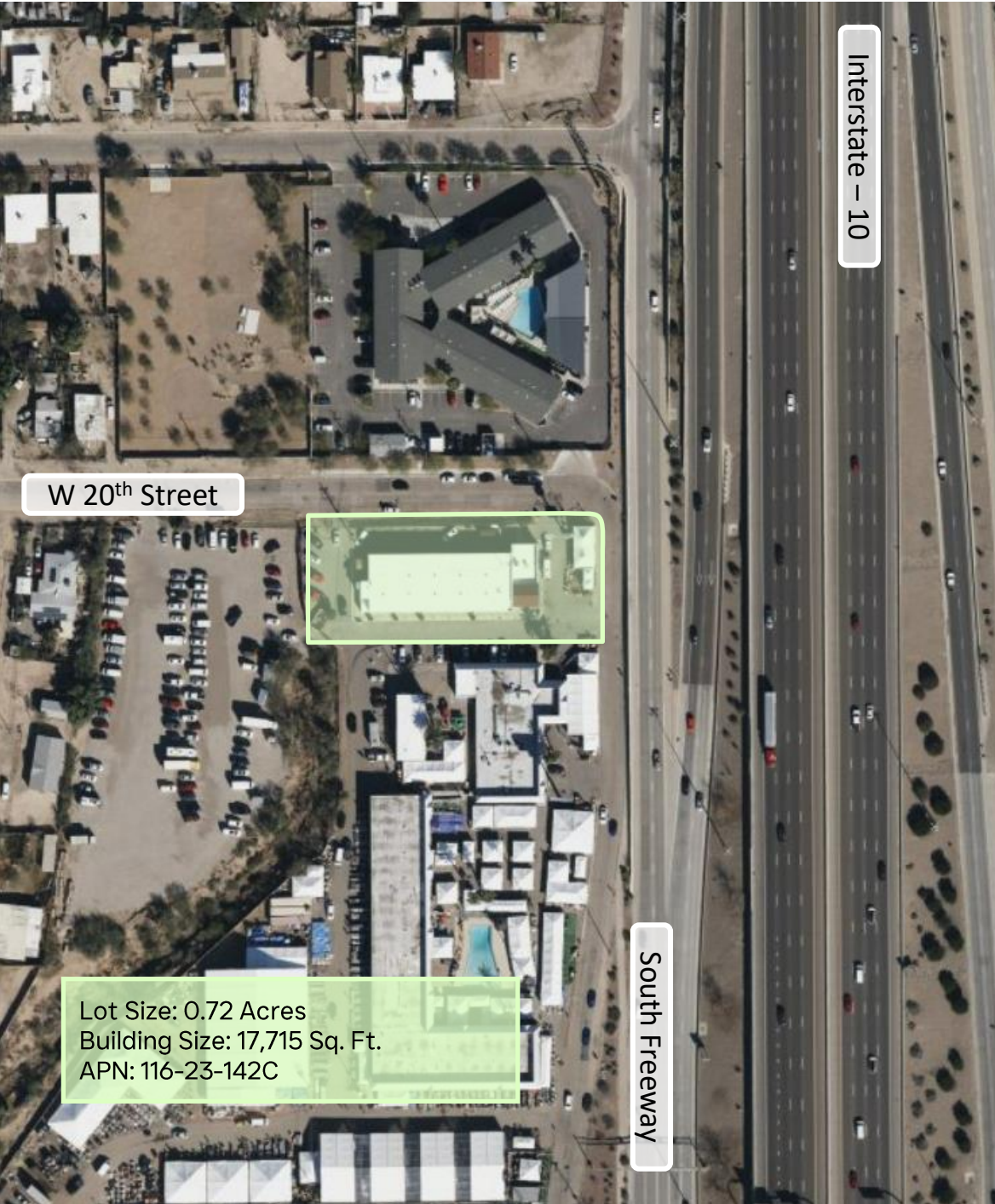




Tucson Transitional Living

# PROPERTY DETAILS







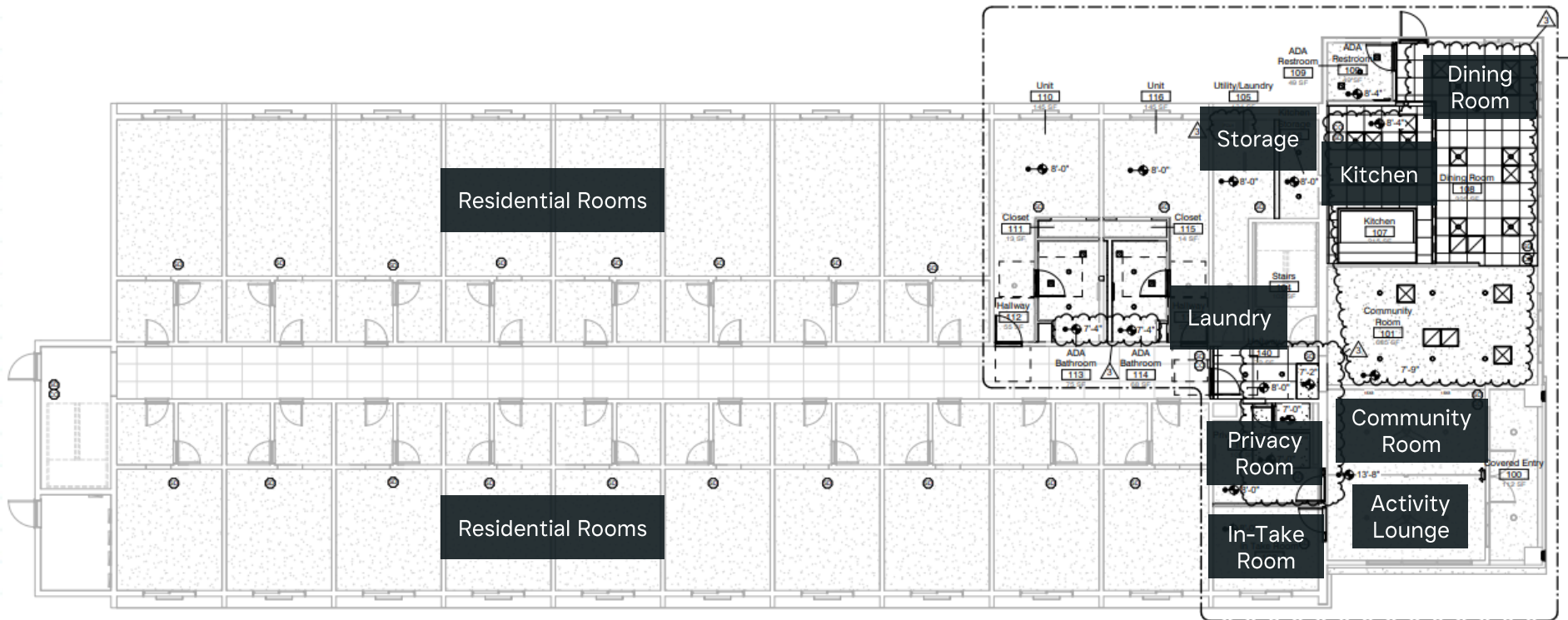
## Behavioral Renovation Overview

Tucson Transitional Living recently completed a **\$1.5M renovation** project to deliver high-quality transitional living and residential treatment to future residents:

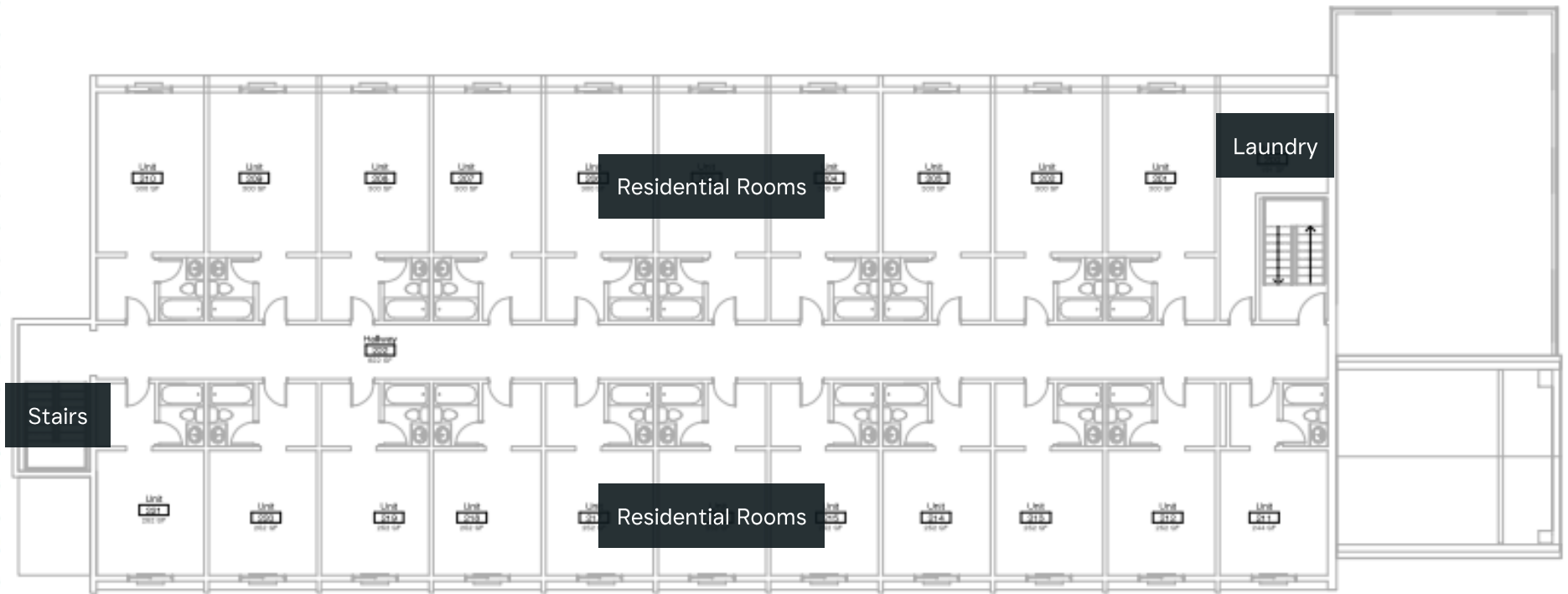
- Installation of commercial kitchen
- Addition of common area space
- Wall framing in all common areas
- ADA compliant bedrooms & bathrooms
- LVP flooring in hallways & rooms
- Improvements for facility licensure (electrical, HVAC, sprinkler, detector, security)
- Perimeter security fence & parking lot renovation
- Turn-key facility ready for immediate operation:
  - ✓ Resident suites w/ private bathrooms
  - ✓ Dining & group therapy rooms
  - ✓ Common areas & lounges w/ natural light
  - ✓ Activity & office space
  - ✓ Outdoor patio & parking



Front Entrance



FIRST FLOOR PLAN  
(20 resident suites)

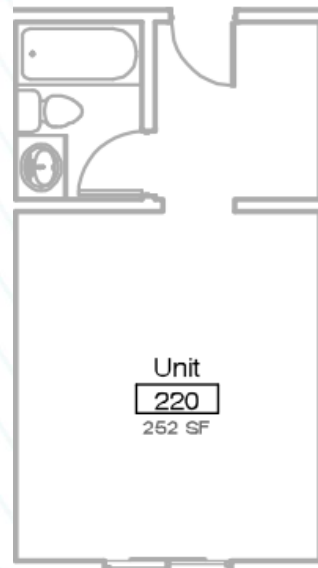


**SECOND FLOOR PLAN**  
(21 resident suites)

UNIT 1 (300 SF)



UNIT 2 (252 SF)



CURRENT UNIT CONFIGURATION

| Unit Type    | Sq. Ft. | Count     |
|--------------|---------|-----------|
| UNIT 1       | 300     | 18        |
| UNIT 2       | 252     | 23        |
| <b>Total</b> |         | <b>41</b> |

\*Total unit sq. ft. includes bathroom & closet

Tucson Transitional Living is currently zoned as Institutional Group I-1 Occupancy Condition 1 with “Extended Healthcare Facilities” falling under the permitted uses. Under the current zoning code, Extended Healthcare Facilities that include transitional living and residential treatment are permitted. The proposed use at the facility is zoned by right and the certificate of occupancy has been approved. Reach out to the City of Tucson Planning & Zoning Department for further confirmation

ZONING INFORMATION

Property Name: Tucson Transitional Living

Address: 1000 S Freeway, Tucson, AZ 85745

Jurisdiction: City of Tucson

Zoning: Institutional Group I-1 Occupancy Condition 1

Permitted Uses\*: Extended Healthcare Facilities that include transitional living, inpatient behavioral uses, shelters, substance abuse treatment, and mental health

APN: 116-23-142C

Contact Info: City of Tucson Planning & Zoning Department

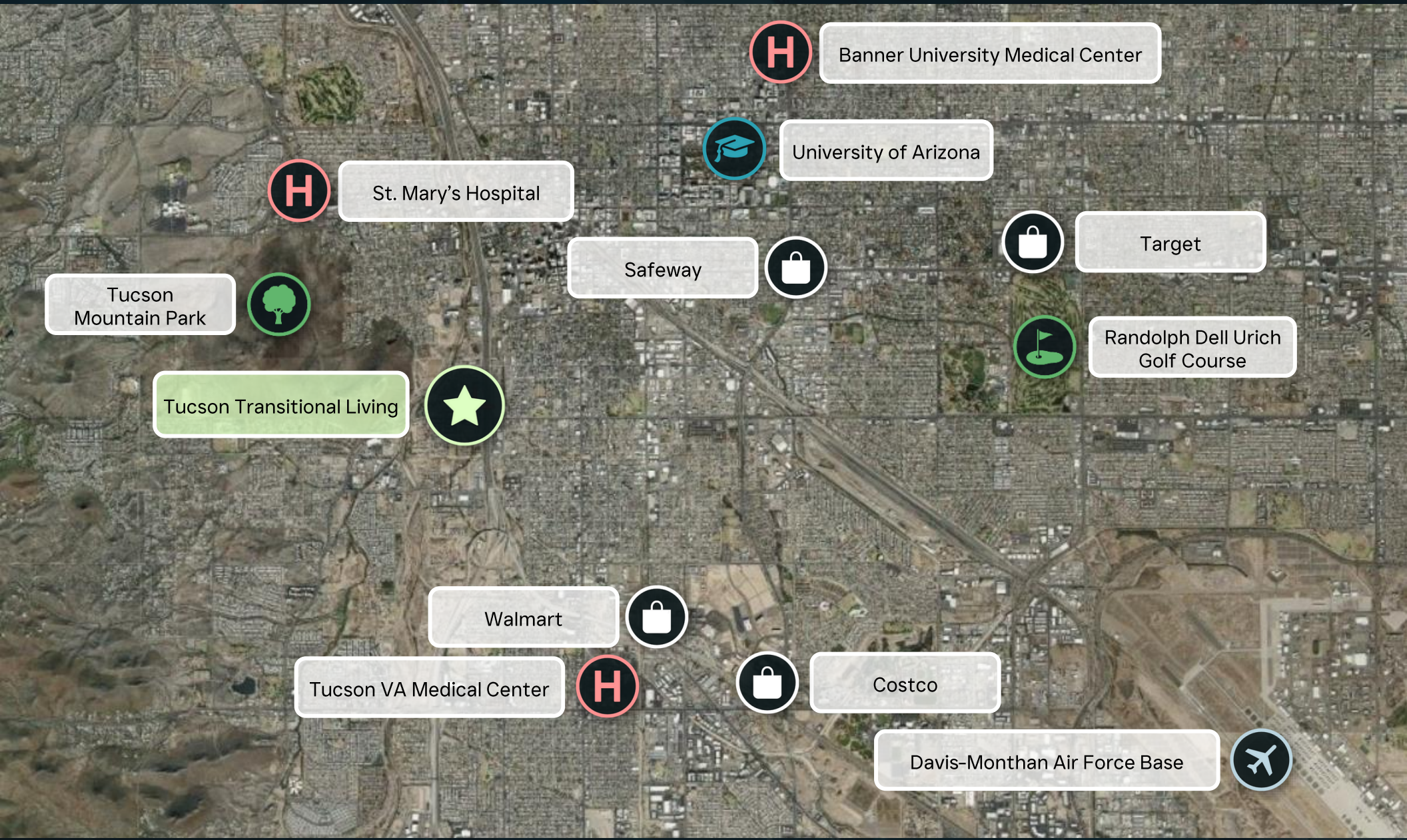




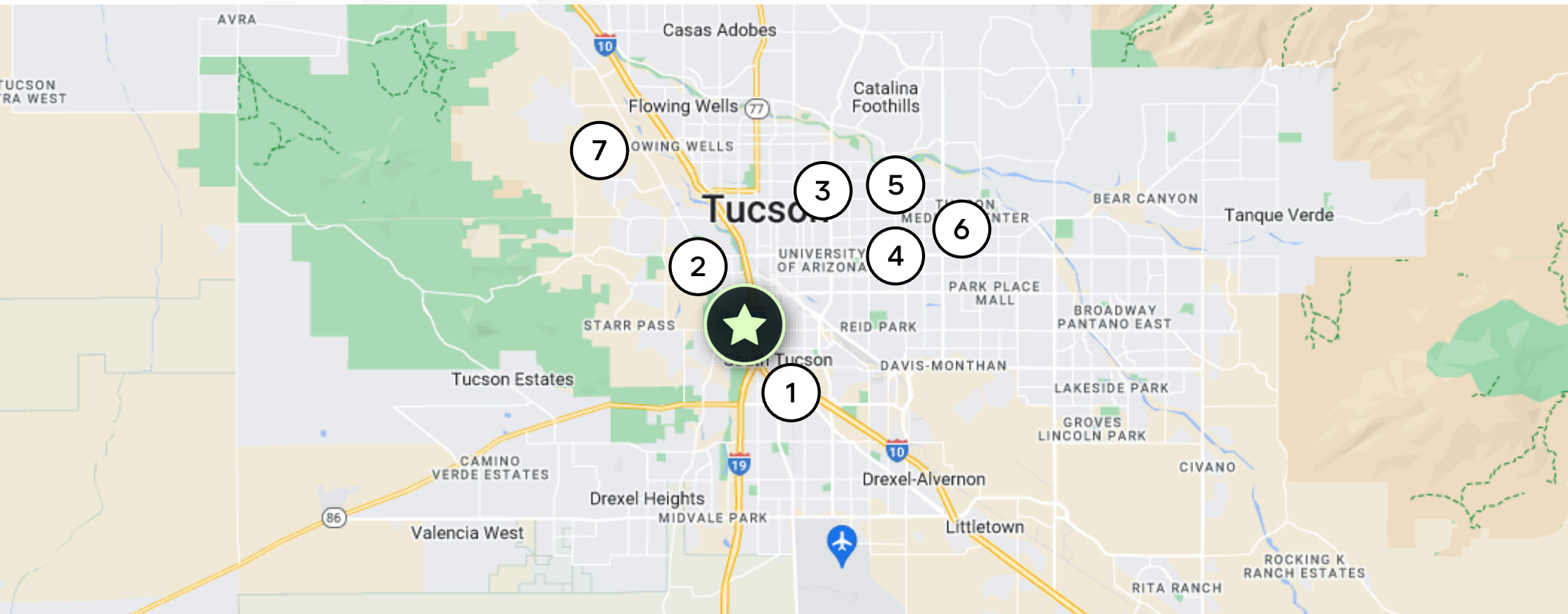


Tucson Transitional Living

# MARKET OVERVIEW

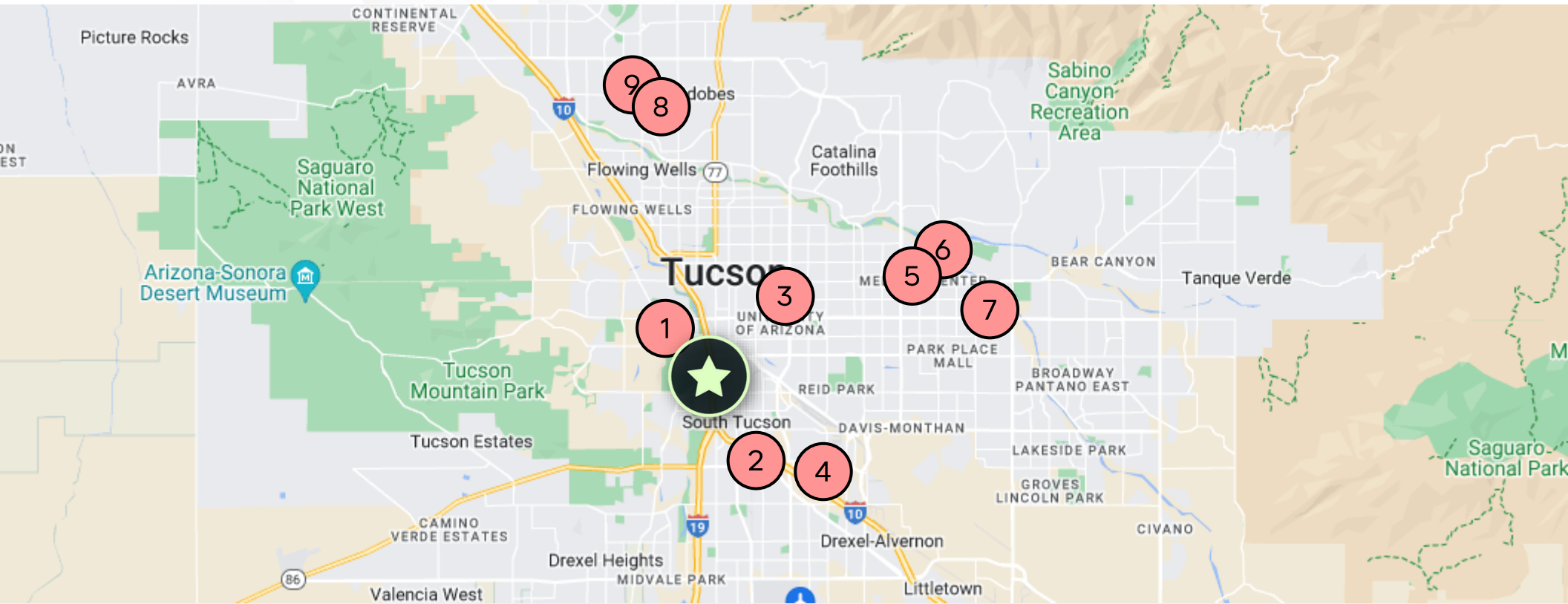


# COMPETITIVE MARKET OVERVIEW



| FACILITY NAME                             | DISTANCE | CITY   | SPECIALTY OFFERED             | Population         | Setting                |
|---|----------|--------|-------------------------------|--------------------|------------------------|
| ★ Tucson Transitional Living              | -        | Tucson | Transitional Living or SUD    | Adult              | Inpatient              |
| ① Southern Arizona VA Healthcare Services | 2.0      | Tucson | Mental Health, SUD, Detox     | Adult              | Inpatient & Outpatient |
| ② La Frontera Center                      | 2.4      | Tucson | Mental Health & SUD Treatment | Adult & Adolescent | Inpatient & Outpatient |
| ③ Haven Residential Program               | 3.8      | Tucson | Mental Health & SUD Treatment | Adult              | Inpatient & Outpatient |
| ④ Recovery in Motion Treatment Center     | 4.3      | Tucson | SUD Treatment                 | Adult              | Inpatient & Outpatient |
| ⑤ Community Bridges Dodge Residential     | 5.3      | Tucson | Mental Health & SUD Treatment | Adult & Adolescent | Inpatient & Outpatient |
| ⑥ Buena Vista Recovery Center             | 6.2      | Tucson | Mental Health, SUD, Detox     | Adult & Adolescent | Inpatient & Outpatient |
| ⑦ Cottonwood Tucson                       | 6.6      | Tucson | SUD Treatment & Detox         | Adult & Adolescent | Inpatient & Outpatient |

## POTENTIAL REFERRAL SOURCES OVERVIEW



| HOSPITAL NAME                             | DISTANCE | CITY   | HOSPITAL TYPE    | HOSPITAL SYSTEM           | TOTAL BEDS | TOTAL DISCHARGES |
|---|----------|--------|------------------|---------------------------|------------|------------------|
| ① St. Mary's Hospital                     | 1.7      | Tucson | Short Term Acute | Carondelet Health Network | 400        | 8,110            |
| ② Tucson VA Medical Center                | 2.2      | Tucson | Short Term Acute | Southern AZ VA Healthcare | 277        | -                |
| ③ Banner University Medical Center-Tucson | 3.1      | Tucson | Short Term Acute | Banner Health             | 625        | 22,466           |
| ④ Banner University Medical Center-South  | 3.7      | Tucson | Short Term Acute | Banner Health             | 245        | 6,518            |
| ⑤ Tucson Medical Center                   | 6.6      | Tucson | Short Term Acute | TMC Health                | 596        | 36,999           |
| ⑥ Palo Verde Behavioral Health            | 6.9      | Tucson | Psychiatric      | Palo Verde                | 84         | 2,763            |
| ⑦ El Dorado Springs                       | 7.6      | Tucson | Psychiatric      | El Dorado Springs         | 36         | 2,899            |
| ⑧ Sonora Behavioral Health Hospital       | 7.6      | Tucson | Psychiatric      | Acadia Healthcare         | 140        | 3,727            |
| ⑨ Northwest Medical Center                | 7.8      | Tucson | Short Term Acute | Community Health Systems  | 300        | 12,667           |



## Hospital Overview

Tucson Transitional Living is surrounded by an abundance of referral sources with 9+ hospitals within a 10-mile radius of the facility, including short term acute care and psychiatric hospitals. Of the 9+ hospitals, there are six acute care hospitals, three psychiatric hospitals, and eight different health systems, creating the opportunity to form referral relationships with a diverse network of care providers

The closest hospital is St. Mary's Hospital, located just 1.7 miles from the subject facility. As a leading provider in Tucson, the hospital provides state of the art cardiovascular care, and is home to the Carondelet Heart and Vascular Institute. St. Mary's has 400 Medicare Certified Beds, 649 employees, 8,110 total discharges, and \$1.9B in total patient revenue.

Banner University Medical Center-Tucson is the largest and highest ranked hospital in the MSA, located just 3.1 miles from Tucson Transitional Living. Part of the Banner Health Network, this facility has 625 beds with a variety of comprehensive services available. The campus is also adjacent to the University of Arizona and works directly with the school. Specifically, the hospital is home to The University of Arizona Cancer Center Clinic, the highest performing cancer treatment in Southern Arizona.

The subject's close proximity to these innovative hospitals gives it a unique advantage when competing with other behavioral specific treatment facilities in the surrounding market as the community will benefit from rehabilitation referrals, a reliable staffing source, and community demand for overnight behavioral services.





**182,118**

2022 Population  
Treated for Substance Use

**2,444**

2022 Population  
Treated for Alcohol Abuse

**2,264**

2022 Population  
Treated for Opioid Abuse

**2,212**

2022 Population  
Treated for Amphetamines

**1,928**

Arizona Confirmed Opioid  
Overdose Deaths 2023

**8,274**

Arizona Emergency and  
Inpatient Visits Involving  
Opioid Overdose 2023

**35.8%**

Arizona Adults Reporting  
Symptoms of Anxiety or  
Depression 2023

**257,000**

North Carolina Adults who  
have Serious Mental Illness

NIC MAP Vision, SAMHSA.gov, KFF, NAMI, azdhs.gov



**628,445**

Total Population 2024  
10 Miles



**\$61,310**

Median Income 45-64 2024  
10 Miles



**\$249,751**

Median Home Value 2024  
10 Miles



**52.9%**

Home Value Change Last 5  
10 Miles

NIC MAP Vision

LOCAL POPULATION

|                       | 3-Miles | 5-Miles | 7-Miles | 10-Miles       |
|-----------------------|---------|---------|---------|----------------|
| Total Households 2024 | 39,420  | 106,326 | 174,490 | 264,985        |
| Total Households 2029 | 40,366  | 108,397 | 177,935 | 270,798        |
| Total Population 2024 | 100,878 | 258,384 | 417,447 | <b>628,445</b> |
| Total Population 2029 | 101,850 | 260,103 | 420,585 | 635,844        |

LOCAL INCOME

|                              | 3-Miles  | 5-Miles  | 7-Miles  | 10-Miles        |
|------------------------------|----------|----------|----------|-----------------|
| Median Household Income 2024 | \$42,397 | \$45,407 | \$47,488 | \$53,295        |
| Median Household Income 2029 | \$46,179 | \$49,407 | \$52,641 | \$58,850        |
| Median Income 45-64 2024     | \$49,167 | \$51,389 | \$54,392 | <b>\$61,310</b> |
| Median Income 45-64 2029     | \$56,618 | \$58,000 | \$61,458 | \$69,167        |

WEALTH METRICS

|                                | 3-Miles   | 5-Miles   | 7-Miles   | 10-Miles         |
|--------------------------------|-----------|-----------|-----------|------------------|
| Median Home Value 2024         | \$220,427 | \$216,038 | \$225,096 | <b>\$249,751</b> |
| Median Home Value 2029         | \$247,110 | \$235,236 | \$242,978 | \$271,600        |
| Home Value Growth 5-Year GR    | 12.0%     | 9.0%      | 8.0%      | 9.0%             |
| Home Value Change Last 5-Years | 53.0%     | 53.9%     | 52.2%     | <b>52.9%</b>     |