

Marcus & Millichap

OFFERING MEMORANDUM



the
Shorewood

3601 N. 5TH AVENUE | PHOENIX, AZ | 21 UNITS

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Offering Summary

Marcus & Millichap is pleased to announce the opportunity to acquire Shorewood Apartment Homes – a completely renovated apartment community that boasts mid-century art deco style architecture modernized to fit the young professional tenant base the property now attracts. Given its location in the sought after Midtown Central Phoenix Corridor and scope of remodel, coupled with current stabilized rental rates due to the inclusion of washers and dryers in all units, Shorewood provides a remarkable opportunity for continued long-term value.

SUMMARY

PRICE	\$5,250,000
PRICE / UNIT	\$250,000
PRICE / SQFT	\$251.67
CAP RATE	5.48%
ACTUAL NOI (ENDING OCT '25)	\$287,527
YEAR BUILT	1960
YEAR RENOVATED	2019

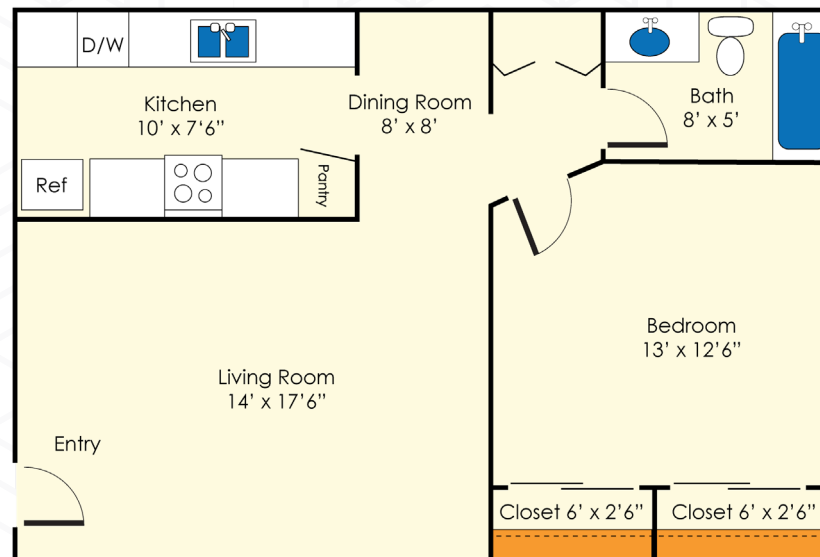
UNIT MIX SUMMARY

UNIT TYPE	# OF UNITS	SF	RENT	RENT PSF
1BD 1BA	7	760	\$1,499	\$1.97
2BD 2BA	14	1,100	\$1,799	\$1.64
TOTAL/AVG	21	987	\$1,699	\$1.72

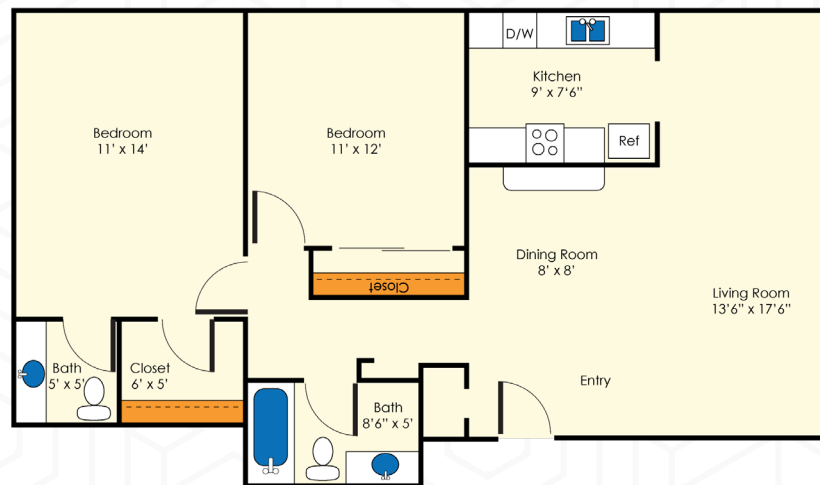
PROPOSED FINANCING

NEW LOAN	\$3,050,000
INTEREST RATE	6.05%
FIXED RATE TERM / MATURITY	10 YEAR
PROVIDED BY MARCUS & MILLICHAP CAPITAL CORPORATION	

One-Bedroom Floorplan



Two-Bedroom Floorplan





Arizona State Retirement System

Creighton UNIVERSITY
School of Medicine

Park Central Mall



E&S FITNESS

FIRST WATCH
THE DAYTIME CAFE



Phoenix Plaza

Banner Health

Downtown Phoenix



Dignity Health
St. Joseph's Hospital & Medical Center

Staples

Walgreens

The Clarendon Hotel
AND SPA

3RD AVENUE

the Shorewood

OSBORN ROAD

SAFeway



Interior Amenities



- **Ensuite Washer & Dryer**
- **LVP Wood Flooring**
- **Stainless Steel Appliances**
- **Built-In Microwave**
- **Dishwasher**
- **Electric Range**
- **Garbage Disposal**
- **Security Screen Doors**
- **Walk-In Closets**
- **Oversized Entry & Hall Closets**
- **Additional Storage**



Exterior Amenities

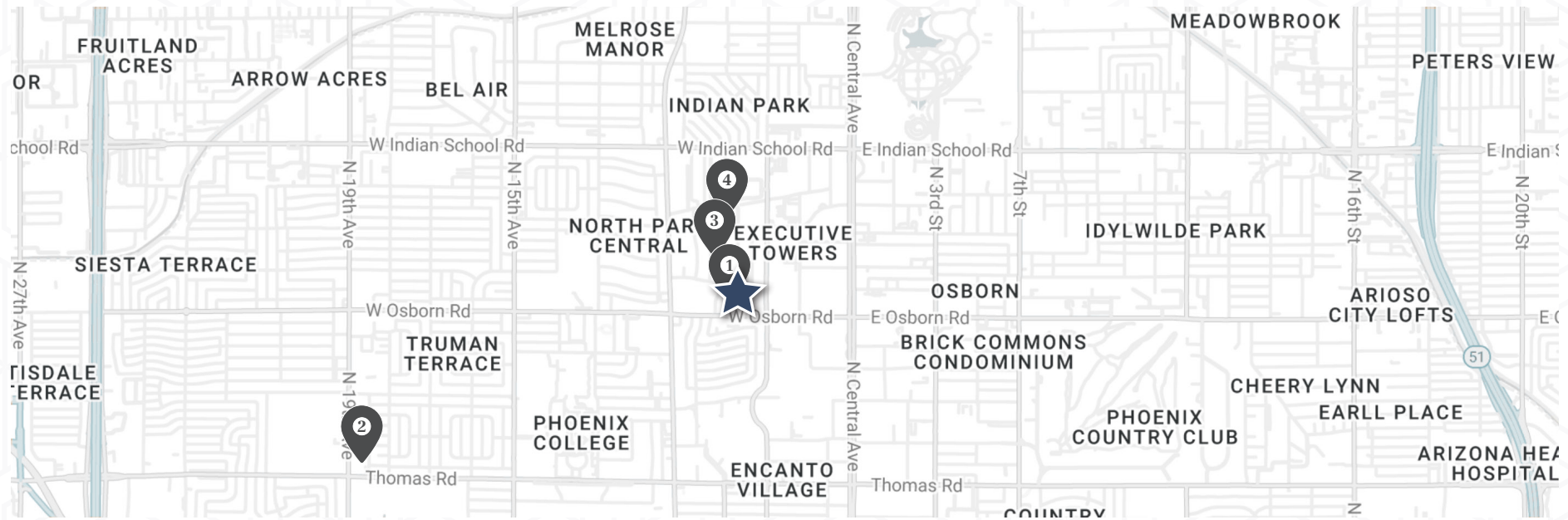


- Assigned Covered Parking
- Gated Community
- Resort Style Swimming Pool
- Private Balcony/Patios
- Safeway Grocery Across the Street
- On-Street Parking
- Outdoor BBQ

Since 2021, over \$380,000 has been spent on new flooring, kitchens, bathrooms, front and interior courtyard landscape, roof work and multiple new HVAC units.



Rent Survey



	PROPERTY		UNIT TYPE	RENT	SIZE	RENT / SQFT
★	The Shorewood	21 Units	1 Bed / 1 Bath 2 Bed / 2 Bath	\$1,499 \$1,799	760 SF 1,100 SF	\$1.97 \$1.64
1	Melrose on 5th	12 Units 2014 Renovated	3 Bed / 2 Bath	\$1,795	1,200 SF	\$1.50
2	Quays at Encanto	26 Units 2024 Renovated	2 Bed / 2 Bath 3 Bed / 2 Bath	\$1,900 \$2,595	1,010 SF 1,320 SF	\$1.88 \$1.97
3	Aura at Midtown	96 Units 2012 Renovated	1 Bed / 1 Bath 2 Bed / 1.5 Bath 2 Bed / 2 Bath 3 Bed / 2 Bath	\$1,071 \$1,599 \$1,456 \$1,800	747 SF 1,022 SF 1,063 SF 1,245 SG	\$1.43 \$1.56 \$1.37 \$1.45
4	Park Royal	24 Units Unrenovated	1 Bed / 1 Bath 2 Bed / 1 Bath 2 Bed / 2 Bath	\$1,150 \$1,300 \$1,450	800 SF 960 SF 1,024 SF	\$1.44 \$1.35 \$1.42



THE PHOENIX METRO DEMAND DRIVERS



MAJOR HEALTHCARE PROVIDER/ EMPLOYER IN NEIGHBORHOOD

Within a half mile is the St. Joseph's Hospital campus, a 607-bed not-for-profit medical center operated by Dignity Health. St. Joes is home to the Barrow Neurological Institute, the world's largest dedicated neurosurgical center. Also on campus is the Heart and Lung Institute and a Level 1 Trauma Center including a center for maternity care, orthopedics, oncology and a wide range of health, social and support services. The original 10 acre site was purchased in 1947 by the Sisters of Mercy who started their healing mission in Downtown Phoenix in 1892. St Joseph's Hospital employs over 7,500 people.



TRANSPORTATION ARTERIES UNDERSCORE COMMUNITY'S STRATEGIC LOCATION

Less than a half mile walking distance from the community is the Osborn Road and Central Avenue Metro Light Rail station giving access to the Valley's most prominent mass transit system providing immediate transportation by train into downtown Phoenix, Sky Harbor Airport, ASU's Tempe campus and more. Shorewood Apartments is also situated between several major freeway systems including Interstate 10, State Route 51, Loop 202 and the Black Canyon Freeway.

THE PHOENIX METRO DEMAND DRIVERS



CULTURE AND SPORTS ENTERTAIN MIDTOWN PHOENIX

Adjacent and to the north of downtown Phoenix, Midtown offers eclectic shopping and dining, walkability and artistic flair. Nearby attractions include Steele Indian School Park, Phoenix Art and Heard Museums and the Melrose District. With Central Avenue extending through Midtown, approximately 27,000 employees work in over 14.1 million square feet of office space. Historic neighborhoods include Alvarado, Willo and Encanto, where the average 2024 single family home sale price was \$990,163. Downtown Phoenix remains a hot spot for professional sports teams including the Suns, Mercury and Diamondbacks.



ATTRACTIONS AND BUSINESSES THRIVE IN MIDTOWN

Some of the most recognizable sites in Phoenix call Midtown home. The Heard Museum is a 130,000 square foot gallery which is home to 40,000 items and exhibits. Opened in 1929, the museum attracts about 250,000 visitors a year. The Phoenix Art Museum contains 285,000 square feet of exhibits and collections and is the largest visual art display in the Southwest. Dedicated in 1959, the Phoenix Art Museum attracts more than 300,000 guests a year. Park Central Mall was the first shopping mall in Phoenix opening in 1957. Currently, it is a mixed-use project with two separate light rail stops; major tenants include Banner Health, Dignity Health and United Health Group; lifestyle tenants include Starbucks, Jamba Juice, Qdoba, Fired Pie, Zipps Sports Grill, Kobalt Bar and First Watch Café.



THE PHOENIX METRO AREA

The Phoenix metro is one of the nation's fastest-growing areas, both in terms of population and economic activity. Consisting of Maricopa and Pinal counties, the area is hemmed in by mountains to the north and east, and desert to the west and south. American Indian reservations located toward the south and the east limit development, leaving the southeastern corridor and western half of the metro as the primary growth areas. The most populous city, Phoenix — which encompasses about 520 square miles — is the capital of Arizona and boasts a population of over 1.6 million. Interstate 10 is a major trucking route that directly connects the region to Southern California, which is supporting a growing distribution industry. Several multi-billion dollar manufacturing expansions are also expected to help create tens of thousands of new local jobs over the next few years. Master-planned communities on the edges of the metro cater to an affluent population and retirees, augmenting employment in construction and residential real estate.

METRO HIGHLIGHTS

ROBUST POPULATION GROWTH

Maricopa County, encompassing most of Phoenix, had the 11th-strongest percent population gain among major American metros between 2019 and 2024.

ADVANCED MANUFACTURING BASE

Intel Corp. and Taiwan Semiconductor Manufacturing Company, among other electronics producers, are expanding Phoenix operations, attracting additional suppliers and supportive service providers.

MOUNTING TOURISM INDUSTRY

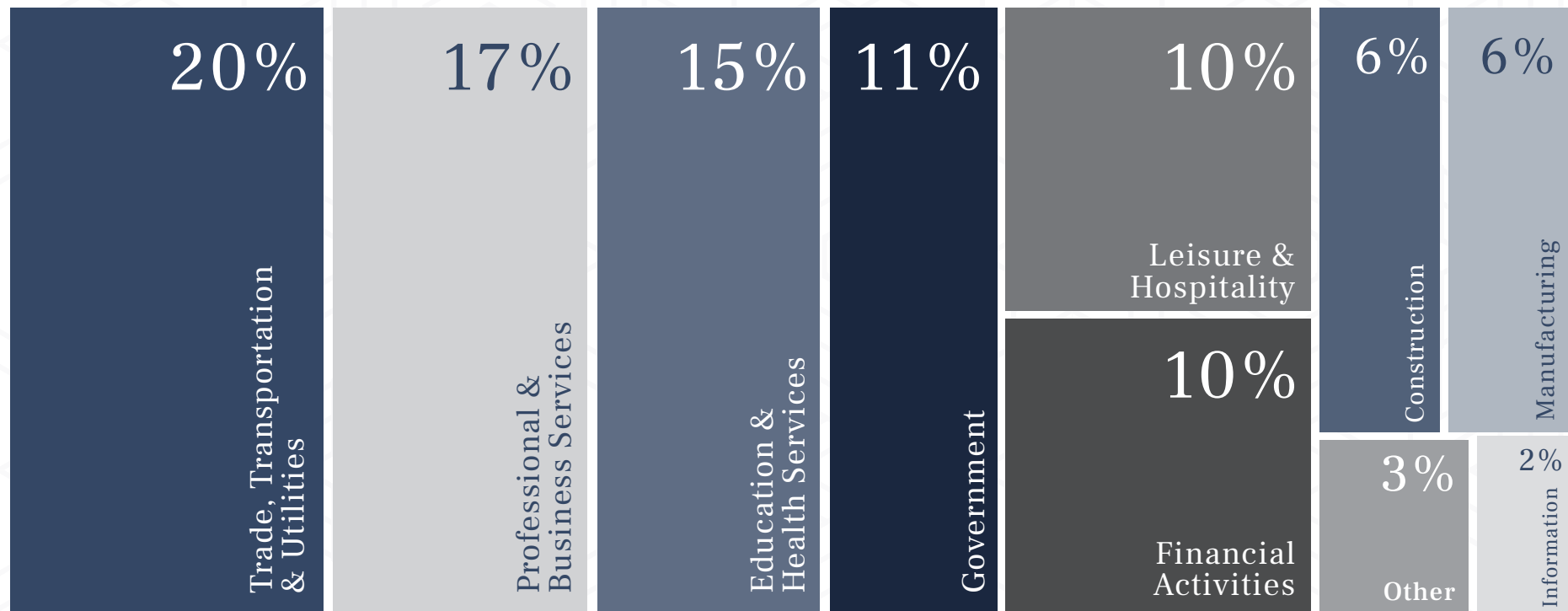
Warm winters and amenities, including golf courses and resorts, draw vacationers. Hotel bookings reached a record high in 2024. The metro's arenas and venues are prioritized by concert tours.



THE PHOENIX METRO ECONOMY

The advanced manufacturing, health care and data management industries are driving the economy. Arizona has successfully courted more than 100 foreign direct investment projects since 2023, many of them coming to the Phoenix metro area. Health care is a critical industry, with around 66 hospitals and the University of Arizona medical school located in the metro. Additionally, the Mayo Clinic has add multiple facilities located throughout the Valley of the Sun. In 2024, the metro ranked within the top third of the tightest labor markets in the country with an unemployment rate of 3.4 percent.

SHARE OF 2025 TOTAL EMPLOYMENT



Note: Figures are rounded to the nearest whole percentage point

THE PHOENIX METRO DEMOGRAPHICS

The metro is expected to add over 230,000 people over the next five years, helping spur the formation of approximately 90,000 households. A median home price of nearly \$484,000 influences a homeownership rate of 65 percent. Roughly 34 percent of people ages 25 and older hold bachelor's degrees, while 13 percent have also obtained a graduate or professional degree.

QUALITY OF LIFE

Phoenix offers a lower cost of living than many similarly sized U.S. metros, along with a warm climate and comparatively strong housing availability. Complemented by the abundance of outdoor activities, the area has ranked among the top ten metros in terms of in-migration for each of the last five years. Sports and entertainment are also contributing to a blossoming tourism industry. Cactus League Spring Training, numerous golf courses and the Waste Management Open bring in millions of tourists a year. The Heard Museum and Frank Lloyd Wright's Taliesin West are also popular among visitors. Music venues include Phoenix Symphony Hall and the Orpheum Theatre. Higher education institutions include Arizona State University, Grand Canyon University and various community colleges.

4.5M
POPULATION

GROWTH '25-'29
4.5%

1.9M
HOUSEHOLDS

GROWTH '25-'29
4.7%

39.0
MEDIAN AGE

U.S. MEDIAN
39.0

\$92,000
MEDIAN HH INCOME

U.S. MEDIAN
\$76,000

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