



## OFFERING MEMORANDUM

Sheraton Arms

2950-2972 E. 5<sup>th</sup> St.

Tucson AZ 85716



**CUSHMAN &  
WAKEFIELD**



**PICOR**

MULTI-FAMILY TEAM

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# PROPERTY INFORMATION

Sheraton Arms  
2950 – 2972 E. 5<sup>th</sup> St.  
Tucson, AZ 85716

				
<b>PRICE</b> \$1,425,000	<b>PRICE PER UNIT</b> \$118,750	<b>PRICE PER SQFT</b> \$204.74	<b>PROFORMA NOI</b> \$97,378	<b>CAP RATE</b> 6.83%

	<b>LOCATION:</b> 2950-2972 E 5th St. Tucson, AZ 85716		<b>LANDSCAPING:</b> Palm tree, large shade trees, shrubbery, rock & bushes
	<b>SITE AREA:</b> 0.25 Acres   10,890 Sq. Ft.		<b>UTILITIES:</b> Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Tenant) Water: City of Tucson (RUBS) Sewer: City of Tucson (RUBS) Trash: City of Tucson (RUBS)
	<b>RENTABLE SF:</b> 7,140 Sq. Ft.		<b>METERING</b> Electric: Individual Gas: Individual Water/Sewer/Trash: Master- metered Hot Water: Individual
	<b>ASSESSOR PARCEL NUMBER:</b> 125-01-096A		<b>HEATING/COOLING:</b> Air conditioning
	<b>ZONING:</b> R-3		<b>CONSTRUCTION:</b> Masonry / Brick
	<b>ACCESS:</b> Off-street		<b>FINANCING:</b> ATTRACTIVE SELLER-FINANCING, Cash or traditional financing
	<b>PARKING:</b> ~ 12 uncovered spots		
	<b>ROOF/STORIES:</b> Built up – Pitched / Two		
	<b>YEAR BUILT:</b> 1964 W/ recent improvements		

# PROPERTY HIGHLIGHTS

Sheraton Arms  
2950 – 2972 E. 5<sup>th</sup> St.  
Tucson, AZ 85716



## PROPERTY HIGHLIGHTS

- Attractive Seller Financing Available
- Operational upside
- Recent capital improvements
- Pool & BBQ Area
- Common area laundry facilities
- Backyards for bottom floor units
- Individually metered for electric & gas

## UNIT HIGHLIGHTS

- Some renovated units
- Below market rents
- Stainless steel appliances
- Ceiling fans & dishwashers
- New air conditioning within last 5 years
- One unit has in-unit laundry
- Modern finishes throughout

# SURROUNDING AREA

Sheraton Arms  
2950 – 2972 E. 5<sup>th</sup> St.  
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6TH AVE.

W. Speedway Blvd.

Sheraton Arms

# INVESTMENT SUMMARY

Sheraton Arms  
2950 – 2972 E. 5<sup>th</sup> St.  
Tucson, AZ 85716

Located in central Tucson, within three miles of Downtown Tucson and UofA, Sheraton Arms presents a prime value-add investment opportunity with attractive seller financing available. The well-maintained 12-unit community offers strong potential for operational upside and long-term rental growth. Constructed with durable masonry, the property is surrounded by meticulously maintained landscaping and common areas, including a secure gated pool and BBQ area.

With 12 units – all 1BD/1BAs, Sheraton Arms has selected units that have undergone recent renovations, while there remains a significant opportunity for further interior upgrades to capture market-rate rents. Current renovated units feature updated vinyl flooring throughout and a new AC within the last 5 years. Residents can also enjoy modern kitchens with new stainless-steel appliances, dishwashers, updated cabinetry, and contemporary finishes throughout, along with enhanced living spaces in select units, including refreshed bedrooms and bathrooms. Residents benefit from shared laundry facilities and covered parking, further enhancing the property's appeal. Continued renovation efforts under new ownership could significantly increase rental income, aligning rents with growing demand in the area.

Tenants currently pay electric and gas, while ownership covers common area utilities, water, sewer, and trash services. Expenses are partially offset through a successful RUBS program, allowing for cost-sharing and improved operational efficiency. The property fosters a vibrant, community-focused environment with well-maintained walkways, a swimming pool, and a picnic area with a barbecue grill.

Positioned near the University of Arizona, Sheraton Arms is a highly attractive housing option for students and young professionals. Its central location, strong demand drivers, and below-market rents present immediate investment upside, making it a compelling opportunity for investors seeking both short-term gains and long-term value appreciation.

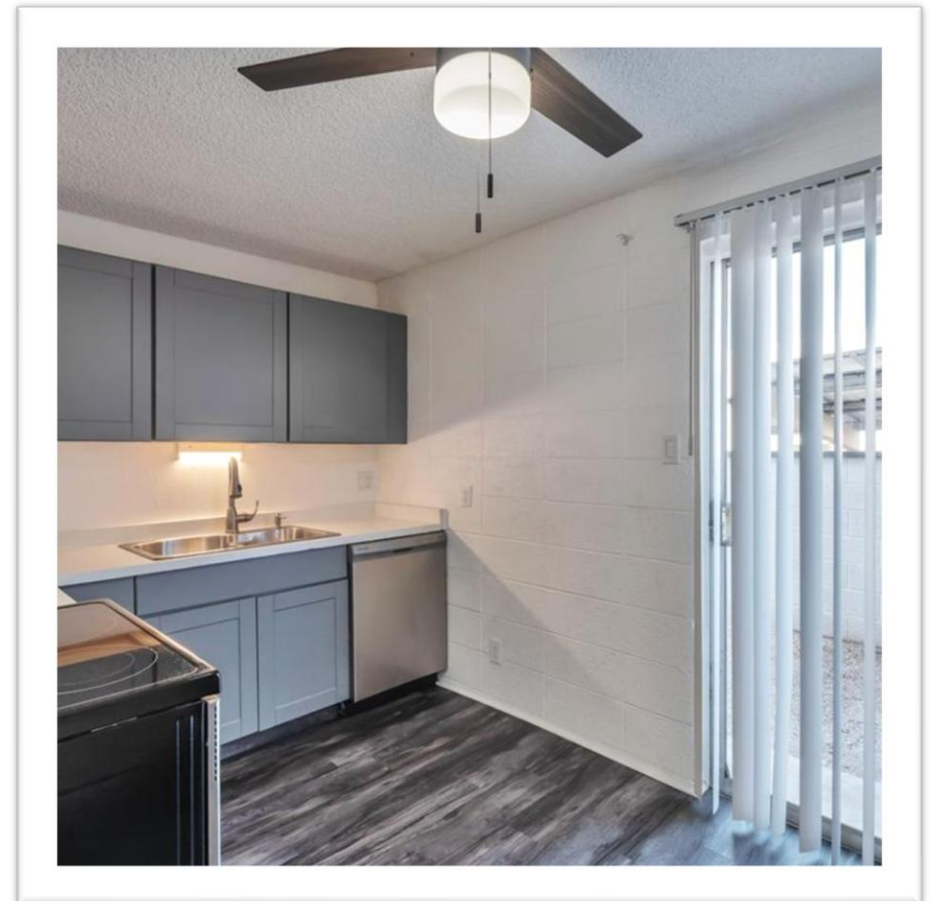
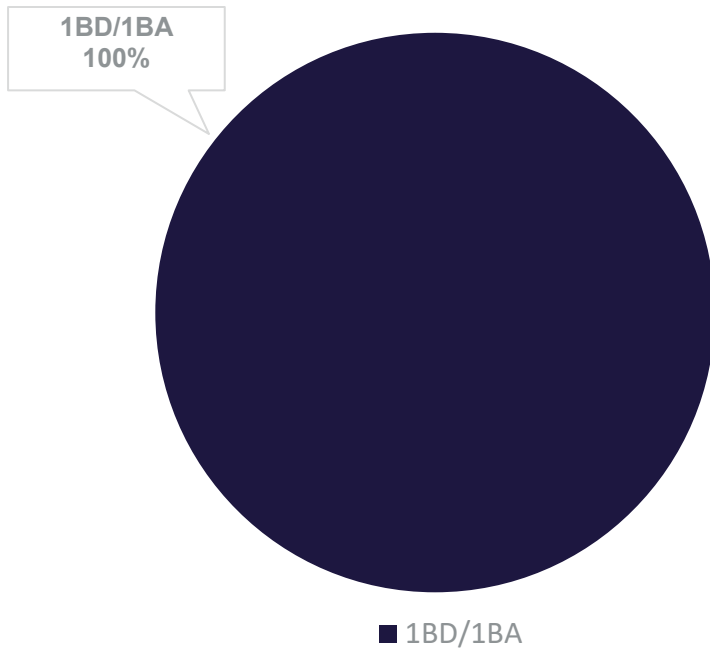


# RENT ROLL ANALYSIS

Sheraton Arms  
2950 – 2972 E. 5<sup>th</sup> St.  
Tucson, AZ 85716

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
1BD/1BA	12	100%	580	6,960	\$1,090	\$13,080	\$1,075	\$12,900	\$1.85
<b>Total/Average (Monthly) Annual</b>	<b>12</b>	<b>100%</b>	<b>580</b>	<b>6,960</b>	<b>\$1,090</b>	<b>\$13,080</b> <b>\$156,960</b>	<b>\$1,075</b>	<b>\$12,900</b> <b>\$154,800</b>	<b>\$1.85</b>

## Unit Breakdown



# FINANCIAL ANALYSIS

Sheraton Arms  
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Income Statement	Marketing Pro Forma	Pro Forma Per Unit	2025 Actuals	2025 Actuals Per Unit
<b>RENTAL INCOME</b>				
<b>Gross Market Rent</b>	\$154,800	\$12,900		
Vacancy Loss	-\$9,288	-6.0%		
Concessions & Bad Debt	-\$3,096	-2.0%		
<b>Net Rental Income</b>	\$142,416	\$11,868	\$98,813	\$8,234
RUBS	\$7,500	\$625	\$6,367	\$531
Laundry Income	\$1,000	\$83		\$0
Other Income	\$3,500	\$292	\$5,389	\$449
<b>TOTAL INCOME</b>	\$154,416	\$12,868	\$110,569	\$9,214
<b>OPERATING EXPENSES</b>				
General & Administrative	\$1,200	\$100	\$2,027	\$169
Advertising	\$1,000	\$83	\$190	\$16
Professional Fees	\$1,000	\$83	\$291	\$24
Repairs & Maintenance & Turnover	\$9,000	\$750	\$13,755	\$1,146
Contract Services	\$2,400	\$200	\$3,170	\$264
Contract Services - Pool	\$2,400	\$200	\$6,053	\$504
Utilities	\$11,000	\$917	\$24,218	\$2,018
<b>TOTAL VARIABLE</b>	\$28,000	\$2,333	\$49,704	\$4,142
Property Taxes	\$6,485	\$540	\$6,485	\$540
Property Insurance	\$7,200	\$600		\$0
Management Fee	\$12,353	8%	\$6,799	6%
Reserves	\$3,000	\$250		
<b>TOTAL EXPENSES</b>	\$57,038	\$4,753	\$62,988	\$5,249
<b>NET OPERATING INCOME</b>	\$97,378	\$8,115	\$47,581	\$3,965

<b>Stabilized Market Analysis</b>	
<b>Value</b>	\$1,425,000
Per Unit	\$118,750
Per Square Foot	\$204.74
<b>Cap Rate</b>	
T-12 Actuals	3.34%
Marketing Pro Forma	6.83%

# TRADE MAP

Sheraton Arms  
2950 – 2972 E. 5th St.  
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**Sheraton Arms**

**dt DOWNTOWN TUCSON**

- TUCSON CONGRESS CENTER
- HOTEL CONGRESS
- FOX TUCSON THEATRE
- HUB RESTAURANT & CREAMERY
- reilly.
- CHARRO STEAK
- del Rey
- PUEBLO VIDA

**Main Gate Square**

- GENTLE BENS BREWING CO.
- AGAVE HOUSE
- SNAKES & LATTES
- OLIV Graduate
- Marriott
- ROCA FACOS Y TEQUILA
- THE HUT
- O'Malley's
- SKY
- BOXYARD

**EL CON CENTER**

- CENTURY THEATRES.
- TARGET
- Walmart Supercentre
- PET SMART
- THE HOME DEPOT
- ROSS DRESS FOR LESS
- Office DEPOT
- Burlington

**O'Reilly AUTO PARTS**

**Quik Mart**

**DOLLAR GENERAL**

**Lucky Wishbone**

**FOOD CITY**

**McDonald's**

**PROGRESSIVE CARMAX**

**Filbert's**

- Peter Piper
- DOLLAR TREE
- frut's
- SALLY
- T Mobile
- 9
- cricket
- Larry H Miller

**golden corral**

**planet fitness**

**Walmart Neighborhood Market**

**Tru's**

**PET SMART TRADER JOE'S**

**WHOLE FOODS MARKET**

**aloft**

**Sheraton Arms**

**SAFeway**

**REID PARK ZOO**

**Hi Corbett Field Arizona Baseball**

**Tucson Police Department**

**Hamburger King**

**ACURA Audi**

**Chapman Honda**

**O'Reilly AUTO PARTS**

**dt DOWNTOWN TUCSON**

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# DEMOGRAPHIC OVERVIEW

Sheraton Arms  
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## 2025 DEMOGRAPHIC OVERVIEW

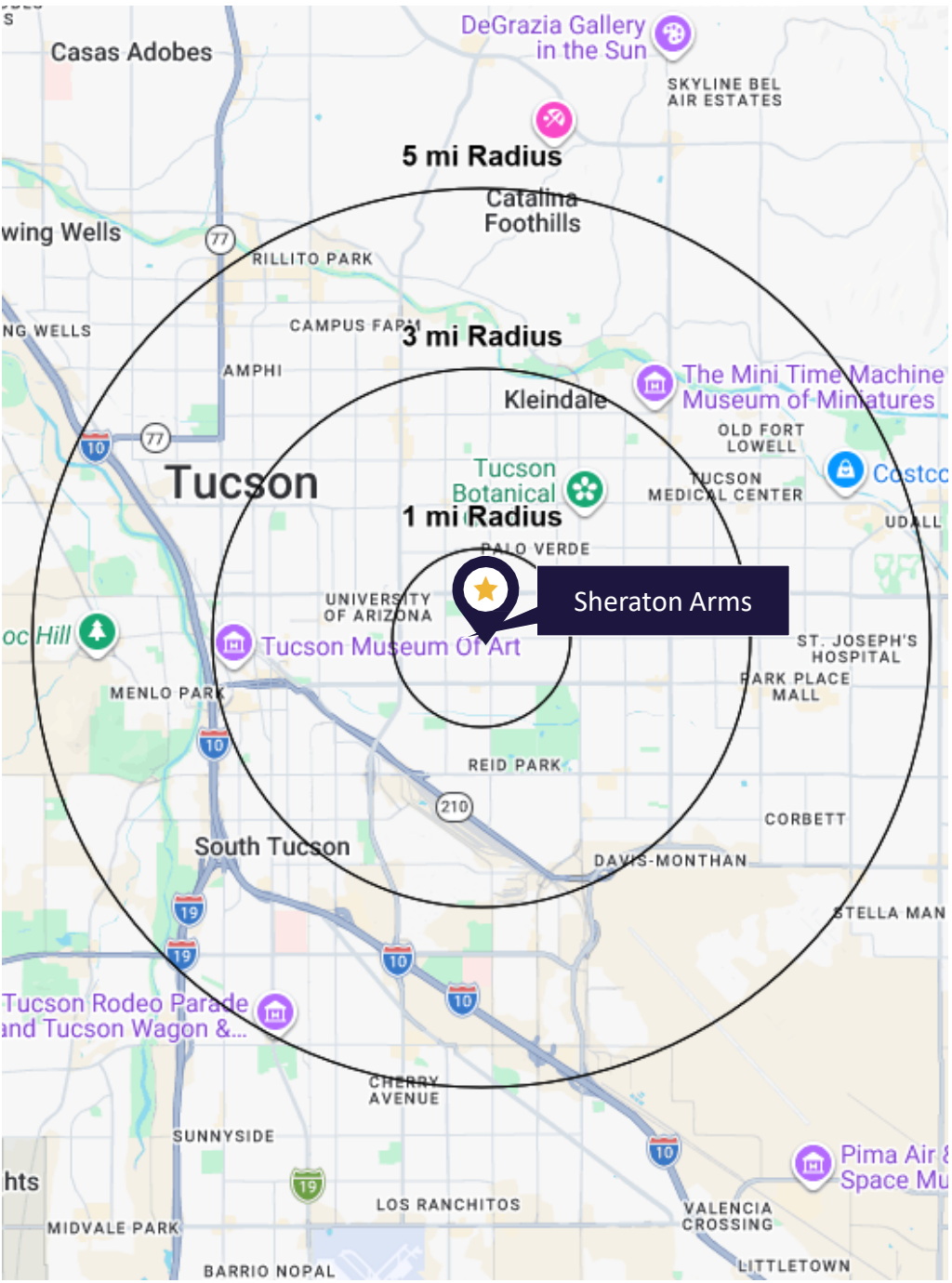
	1 MILE	3 MILES	5 MILES
POPULATION	13,599	138,176	286,279
HOUSEHOLDS	6,732	62,073	126,754
AVG HOUSEHOLD INCOME	\$97,951	\$72,765	\$72,737
DAYTIME POPULATION	6,573	85,670	169,972
RETAIL EXPENDITURE	\$295.07 M	\$2.45 B	\$5.06 B

## 2030 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	13,739	137,322	282,473
HOUSEHOLDS	6,952	63,529	128,591
AVG HOUSEHOLD INCOME	\$97,916	\$72,063	\$71,957

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

N. COUNTRY CLUB RD.	18,230 VPD	(2025)
E. 5 <sup>TH</sup> ST.	15,166 VPD	(2024)



# EXTERIOR PHOTOS

Sheraton Arms  
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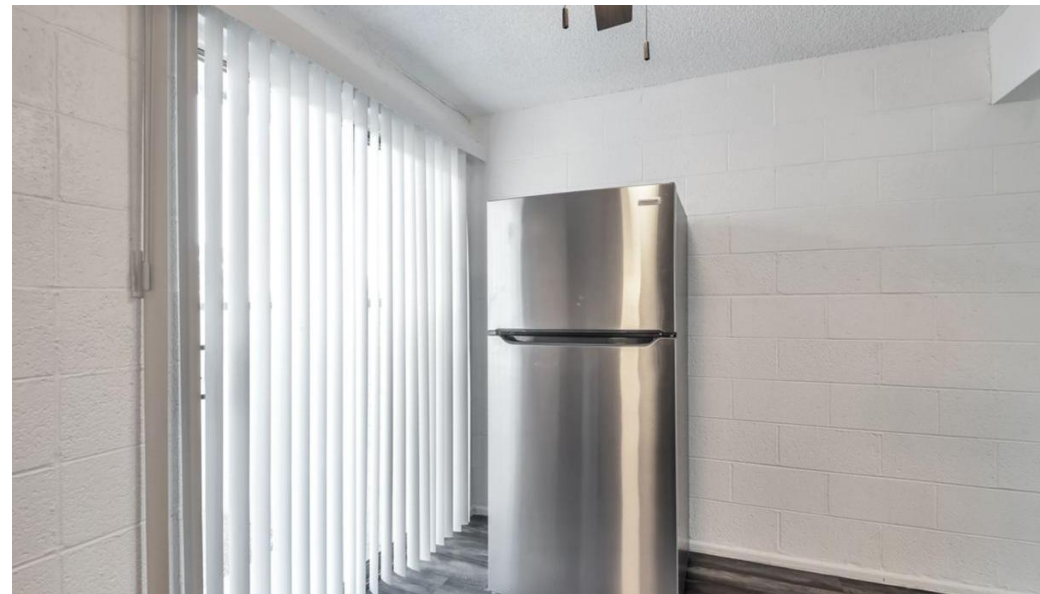
# INTERIOR PHOTOS

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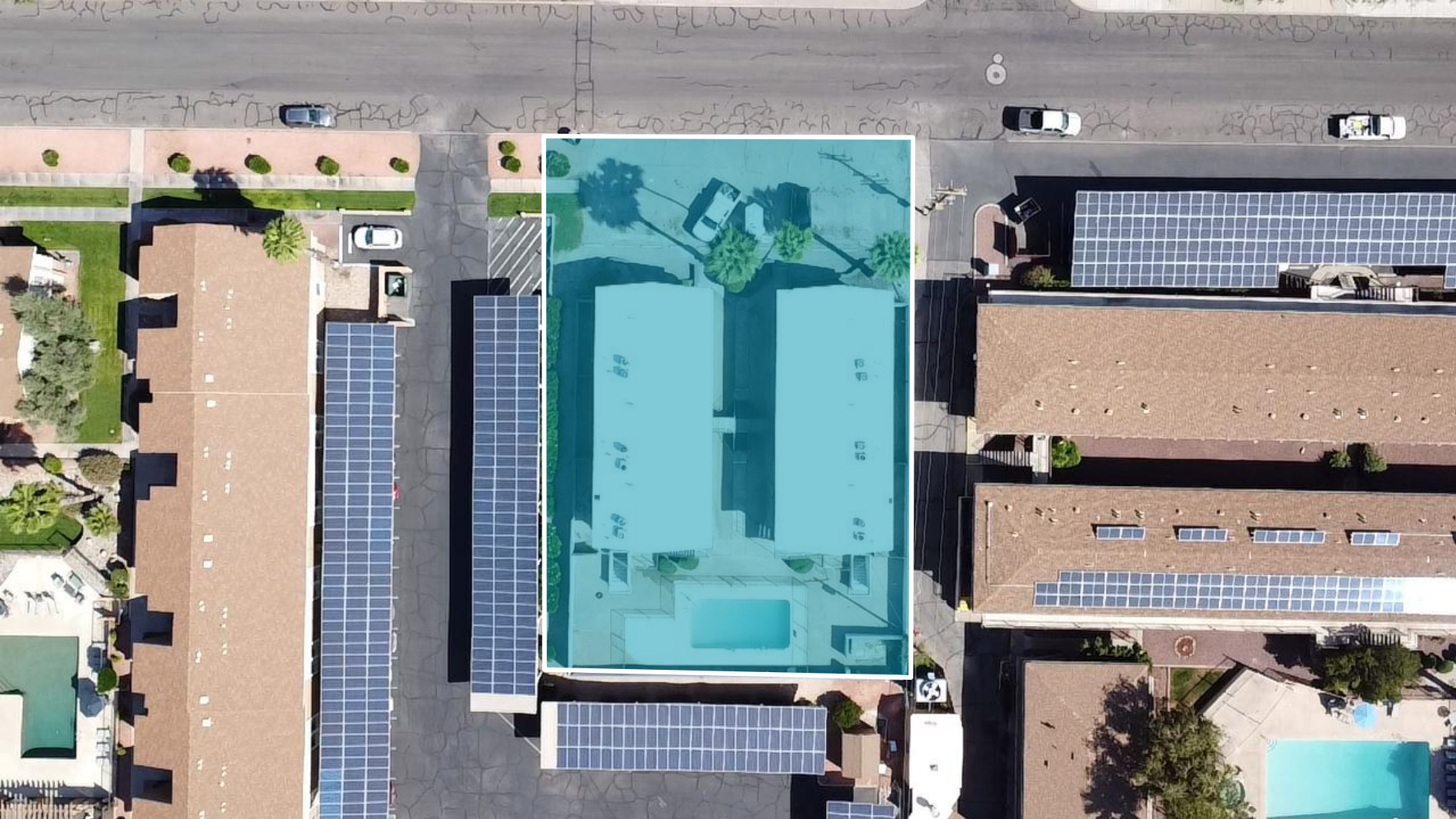
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# AERIAL VIEW

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# EAST VIEW

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# SOUTH VIEW

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# WEST VIEW

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# DRONE PHOTOS

Sheraton Arms  
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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

Sheraton Arms  
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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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