OFFERING MEMORANDUM

Sherwood Terrace
114 E. Mohave Rd.
Tucson AZ 85705

CUSHMAN & WAKEFIELD | PICOR

MULTI-FAMILY TEAM

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PROPERTY INFORMATION

PRICE	PRICE PER UNIT	PRICE PER BED	PROFORMA NOI	CAP RATE
$1,725,000	$86,250	$157.10	$122,046	7.08%

LOCATION:	114 E Mohave Rd Tucson Az 85705
SITE AREA:	0.71 | 30,942 Sq. Ft.
RENTABLE SF:	11,216 Sq. Ft.
ASSESSOR PARCEL NUMBER:	106-03-0470
ZONING:	R - 3
ACCESS:	Ingress/Egress
PARKING:	~ 20 Spaces
ROOF/STORIES:	Flat roof / 2 Story
YEAR BUILT:	1980

LANDSCAPING:	Large shade trees & desert rock
UTILITIES:	Electricity: Tucson Electric (Tenant) Gas: Southwest Gas (Owner) Water: City of Tucson (RUBS) Sewer: City of Tucson (RUBS) Trash: City of Tucson (RUBS)
METERING	Electric: Individual & Common Gas: Common Water/Sewer/Trash: Master- metered Hot Water: Individual
HEATING/COOLING:	Mini-Split ACs
CONSTRUCTION:	Wood frame / Stucco
FINANCING:	Cash or Traditional Financing

PROPERTY HIGHLIGHTS

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- Value-add opportunity
- Operational upside
- Backyards for some units
- On-site laundry facility
- Fenced & secured entrance
- Well maintained grounds
- Ample parking

UNIT HIGHLIGHTS

- Some renovated units
- Below market rents
- Individually metered for electric and gas
- Air-conditioned units
- Vinyl flooring in some units
- RUBS for Water/Sewer/Trash usage

INVESTMENT SUMMARY

Sherwood Terrace presents a compelling value-add investment opportunity for buyers seeking long-term rental growth in central Tucson. The property consists of 20 units with a shared laundry facility, and a secure perimeter gate. Several units have already undergone renovations, while others retain more classic interiors, allowing a new owner to continue implementing upgrades and bring remaining units to market-level rents. This provides investors with the opportunity to further enhance the asset while capitalizing on continued rental growth in a strong Tucson rental market.

The complex comprises 20 units across a diverse mix of floor plans, including (8) studios, (8)1BD/1BAs, and (4)2BD/1BAs. Many of the units have received upgrades, which include enhanced air conditioning systems, replacement of select water heaters, upgraded vinyl flooring throughout, and modern interior finishes within the kitchen, all of which enhance tenant appeal. Non-renovated units maintain a more classic style with older vinyl flooring and no upgraded finishes. Currently, tenants pay electric and gas directly, while Water/Sewer/Trash is billed back to tenants through a successful RUBS program, allowing utility costs to be allocated to tenants based on usage and placing responsibility for consumption back on residents.

In addition to the interior improvements, Sherwood Terrace has benefited from several exterior upgrades. The landscaping is meticulously maintained with clear walkways and clean grounds throughout the property. All four buildings have been repainted to ensure the exterior complements the interior appearance upgrades. The roofs have also recently received repairs and protective coatings. Additionally, repairs to the security gate help ensure tenants can live comfortably knowing the property remains secure.

Sherwood Terrace's location is particularly appealing to students and young professionals. The property is situated within miles of Pima Community College, University of Arizona, and downtown Tucson. Residents can enjoy a vibrant array of entertainment, dining, and cultural attractions, all located within a few miles of the property. This proximity provides residents with convenient access to both entertainment options and employment opportunities.

RENT ROLL ANALYSIS

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
Studio	8	40%	460	3,680	$668	$5,344	$750	$6,000	$1.63
1BD/1BA	8	40%	550	4,400	$754	$6,032	$850	$6,800	$1.55
2BD/1BA	4	20%	725	2,900	$917	$3,668	$1,000	$4,000	$1.38
Total/Average (Monthly)	**20**	**100%**	**549**	**10,980**	**$752**	**$15,044**	**$840**	**$16,800**	**$1.53**
Annual						**$180,528**		**$201,600**	

FINANCIAL ANALYSIS

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-12 Actuals	T-12 Actuals Per Unit
RENTAL INCOME				
Gross Market Rent	$201,600	$10,080		
Vacancy Loss	-$12,096	-6.0%		
Concessions & Bad Debt	-$4,032	-2.0%		
Net Rental Income	$185,472	$9,274	$151,294	$7,565
RUBS	$8,000	$400	$7,146	$357
Laundry Income	$1,000	$50	$938	$47
Other Income	$3,000	$150	$2,853	$143
TOTAL INCOME	$197,472	$9,874	$162,231	$8,112
OPERATING EXPENSES				
General & Administrative	$1,000	$50	$595	$30
Professional Fees	$1,000	$50	$1,755	$88
Repairs & Maintenance & Turnover	$18,000	$900	$16,092	$805
Contract Services	$3,400	$170	$5,670	$284
Utilities	$15,000	$750	$13,891	$695
TOTAL VARIABLE	$38,400	$1,920	$38,003	$1,900
Property Taxes	$8,228	$411	$8,228	$411
Property Insurance	$8,000	$400	$8,250	$413
Management Fee	$15,798	8%	$12,541	8%
Reserves	$5,000	$250		
TOTAL EXPENSES	$75,426	$3,771	$67,022	$3,351
NET OPERATING INCOME	$122,046	$6,102	$95,209	$4,760

Stabilized Market Analysis	
Value	$1,725,000
Per Unit	$86,250
Per Square Foot	$157.10
Cap Rate	
T-12 Actuals	5.52%
Marketing Pro Forma	7.08%

TRADE MAP

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DEMOGRAPHIC OVERVIEW

2025 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	20,546	125,585	248,765
HOUSEHOLDS	9,463	56,173	111,642
AVG HOUSEHOLD INCOME	$50,208	$66,248	$82,368
DAYTIME POPULATION	4,392	67,442	135,136
RETAIL EXPENDITURE	$321.89 M	$2.14 B	$4.66 B

2030 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	20,391	124,299	245,770
HOUSEHOLDS	9,649	57,174	113,469
AVG HOUSEHOLD INCOME	$49,689	$65,523	$81,326

TRAFFIC COUNTS VEHICLES PER DAY (VPD)

N. STONE AVE.	17,080 VPD	(2025)
E. FORT LOWELL RD.	20,236 VPD	(2025)

EXTERIOR PHOTOS

EXTERIOR PHOTOS

INTERIOR PHOTOS

INTERIOR PHOTOS

AERIAL VIEW

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NORTH VIEW

EAST VIEW

SOUTH VIEW

WEST VIEW

DRONE PHOTOS

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

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

THE UNIVERSITY OF ARIZONA

±56,544
UNIVERSITY OF ARIZONA TOTAL ENROLLMENT, 2025

- **#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**

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**

RECENT INDUSTRY ARRIVALS & EXPANSIONS

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

Sources: arizona.edu, suncorridorinc.com, US News & Report, Sites USA
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