OFFERING MEMORANDUM

120 E ALICE AVE

R-5 corner development lot
Sunnyslope • Walk to Central Avenue dining

PHOENIX, AZ 85020

$79,900
LAND OFFERING PRICE

$659,600
MARKET VALUE, DUPLEX PROGRAM

EXCLUSIVELY PRESENTED BY

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OFFERING
Land / Development
APN 160-50-141
August 2026

EXECUTIVE SUMMARY

120 E ALICE AVENUE • PHOENIX, AZ 85020

$79,900	3,084 SF	$36,278	$659,600	9.36%
LAND PRICE	CORNER LOT	PROFORMA NOI	MARKET VALUE	YIELD ON COST

THE OFFERING

120 E Alice Avenue is a 3,084 square foot corner lot in the Sunnyslope neighborhood of north central Phoenix, zoned R-5 Multiple Family Residence and offered at $79,900. The parcel is level, cleared, and carries no improvements, so a buyer takes it straight to design without demolition, abatement, or salvage cost.

The development program presented in this memorandum is a two unit duplex of two bedroom, two bath residences of approximately 750 square feet each, 1,500 square feet of living area total, each with an attached one car garage. At $1,800 per month per unit the program produces $36,278 of stabilized net operating income and a $659,600 market value at the 5.5% capitalization rate at which new build product is trading in the area, equal to $329,800 per unit.

At a construction budget of $185 per square foot of living area plus a $30,000 allowance for the garages, total project cost is $387,400. That produces a 9.36% yield on cost, a 386 basis point spread over the exit capitalization rate, and $272,200 of value creation on a 70.3% margin over cost.

INVESTMENT HIGHLIGHTS

Land at 21% of Project Cost

At $79,900 the land represents 21% of total project cost and 12% of finished value, a basis that leaves substantial room between total cost and stabilized value at every construction budget tested in this memorandum.

Two Minute Walk to Central Avenue Dining

The Vig and Sushi Friend sit roughly a tenth of a mile from the parcel on North Central, with OHSO Brewery and Distillery five minutes south. Walkable dining is a durable rent driver in small residential product and is uncommon at this land basis.

Sunnyslope High School Within Half a Mile

Sunnyslope High School is approximately 0.4 miles from the site, an eight minute walk. The parcel sits in Washington Elementary District 6 and Glendale Union High School District 205.

R-5 Density With Room Above the Program

R-5 supports attached residential at 43.5 to 52.2 dwelling units per acre. The two unit program sits well inside base density, and lot area alone clears three attached units, giving a buyer optionality to test a larger program.

Corner Configuration

Frontage on two public streets provides access flexibility, light and air on two elevations, and design latitude that an interior lot of this size would not offer.

Positive Spread at Every Tested Budget

At $175, $185, and $195 per square foot of living area, yield on cost lands at 9.74%, 9.36%, and 9.02% against a 5.5% exit. Break even construction cost is $579,700, far above all three scenarios.

PROPERTY OVERVIEW

PARCEL, ZONING & SITE CONDITION

PARCEL DETAIL

Address	**120 E Alice Ave**
City / State / ZIP	**Phoenix, AZ 85020**
County	**Maricopa**
Assessor Parcel	**160-50-141**
Subdivision	**Sunnyslope**
Lot / Block	**Lot 24, Block F**
MCR Number	**000454**
Section / Twn / Rng	**32 / 3N / 3E**
Lot Area	**3,084 SF (0.071 Ac)**
Configuration	**Corner**
Topography	**Level, cleared**
Improvements	**None**
Delivery	**Vacant land**

ZONING & JURISDICTION

City Zoning	**R-5 Multiple Family**
County Zoning	**M-H High Density**
Property Type	**Vacant Residential, Urban**
Tax Municipality	**Phoenix**
Tax Area	**061300**
Census Tract	**04013105300**
Elementary District	**Washington #06**
High School District	**Glendale Union #205**

CLEARED SITE

The Assessor carries no improvement value on this parcel. A buyer avoids demolition and abatement cost, and carrying cost through design and permitting is minimal.

SITE PHOTOGRAPHS

CORNER AT E ALICE AVENUE AND N 2ND STREET • OVERHEAD VIEW OF THE PARCEL

SUBDIVISION CONTEXT

Subdivision	**Sunnyslope**
Improved Lots	**85**
Year Built Range	**1914 to 2023**
Single Story	**76**
Multiple Story	**9**
Average House Size	**1,621 SF**
Average Lot Size	**6,748 SF**

Subdivision data reported from the Maricopa County Assessor record. A year built range extending to 2023 indicates continuing reinvestment within the immediate subdivision. This parcel is smaller than the subdivision average, which is why an attached program rather than a detached one is the viable path.

DEVELOPMENT PROGRAM

DUPLEX CONCEPT & R-5 DENSITY ANALYSIS

PROPOSED PROGRAM

UNIT TYPE	QTY	SF EACH	TOTAL SF	PARKING	RENT	ANNUAL
2 Bedroom / 2 Bath	2	750	1,500	1 Car Garage	$1,800	$43,200
TOTAL	**2**	**750**	**1,500**	**2 garages**	**$1,800**	**$43,200**

Rent equates to $2.40 per square foot of living area. Each unit is served by an attached one car garage of approximately 250 square feet, bringing total area under roof to 2,000 square feet.

R-5 DENSITY ANALYSIS

CONFIGURATION	DENSITY	SF PER UNIT	UNITS ON 3,084 SF
Detached, base	5.0 to 6.5 du/ac	8,712 to 6,702	0.35 to 0.46
Detached, with bonus	12.0 du/ac	3,630	0.85
Attached, base	43.5 to 45.68 du/ac	1,001 to 954	3.08 to 3.23
ATTACHED, WITH BONUS	**52.2 du/ac**	**834**	**3.70**

Detached configurations do not yield a full dwelling unit on a parcel of this size, so an attached program is the only viable path under R-5. The two unit program presented here sits well inside base attached density, and lot area alone clears three units. Achievable density is also governed by building height, setbacks, lot coverage, open space, and off street parking, none of which has been analyzed. Any program above two units, and the two unit program itself, must be confirmed with the City of Phoenix.

SITE PLANNING CONSIDERATIONS

At 2,000 square feet under roof on a 3,084 square foot lot, a single story configuration would cover approximately 65% of the site, leaving little room for setbacks, drive, and required open space. A two story configuration reduces the building footprint to roughly 41% and is the more likely form for this program. Corner frontage on two public streets provides access flexibility that supports that layout.

Prospective purchasers should engage a designer to test the footprint, garage access, and parking geometry against R-5 development standards before committing to two enclosed garages. Covered parking in place of enclosed garages would relieve site pressure and reduce construction cost, at some expense to achievable rent.

THE BINDING CONSTRAINT

Lot area is not what limits this parcel. Density clears three units on area alone. The real test is fitting the building, garages, drive, setbacks, and open space onto 3,084 square feet, which is a site planning question rather than a zoning one.

FINANCIAL ANALYSIS

STABILIZED PROFORMA & DEVELOPMENT RETURN

STABILIZED PROFORMA

INCOME	
Gross Scheduled Rent (2 at $1,800)	$43,200
Vacancy Allowance (5%)	($2,160)
EFFECTIVE GROSS INCOME	**$41,040**
OPERATING EXPENSES	
Management, Grayson RE (6%)	$2,462
Real Estate Taxes	$900
Insurance	$1,400
Utilities	By Tenant
TOTAL EXPENSES	**$4,762**
NET OPERATING INCOME	**$36,278**

Tenants pay all utilities. The tax line reflects the current assessment on unimproved land; the Assessor will reset value on completion of new improvements and the obligation will increase materially. The proforma excludes maintenance, turnover, and reserves; buyers should apply their own assumptions.

BASE CASE CAPITALIZATION

Land Acquisition	**$79,900**
Residence (1,500 SF at $185)	**$277,500**
Garages (2 at 250 SF)	**$30,000**
Total Project Cost	**$387,400**
Stabilized NOI	**$36,278**
Exit Cap Rate	**5.50%**
Market Value	**$659,600**
Yield on Cost	**9.36%**
Development Spread	**386 bps**
Margin on Cost	**70.3%**
Value per Unit	**$329,800**
Cost per SF Living	**$258**

EQUITY CREATED $272,200

CONSTRUCTION COST SENSITIVITY

COST PER SF OF LIVING AREA	$175	$185 BASE	$195
Residence Cost (1,500 SF)	$262,500	$277,500	$292,500
Garages (2 at 250 SF)	$30,000	$30,000	$30,000
Total Project Cost	$372,400	$387,400	$402,400
Yield on Cost	9.74%	9.36%	9.02%
Margin on Cost	77.1%	70.3%	63.9%
EQUITY CREATED	**$287,200**	**$272,200**	**$257,200**

Market value of $659,600 is the $36,278 proforma NOI capitalized at 5.5%, equal to $329,800 per unit and $440 per SF of living area. Break even construction cost is $579,700, which all three scenarios clear with room. Budgets are per SF of living area, with the two garages carried as a separate $30,000 allowance; a builder quoting one blended rate across all 2,000 SF under roof would produce a higher cost and lower return.

FINANCING CONSIDERATIONS

A construction facility at 75% of total project cost sizes to $290,550 on the base case, leaving $96,850 of developer equity before closing costs and carry. A takeout at 80% of the $659,600 market value would be $527,680, against which $36,278 of NOI produces coverage below 1.0 at prevailing rates. Coverage constrained proceeds at 1.25 times size closer to $346,000 to $383,000, or 52% to 58% LTV; a buyer underwriting a hold should model the takeout on coverage rather than maximum leverage.

LOCATION OVERVIEW

SUNNYSLOPE • NORTH CENTRAL PHOENIX

SUBMARKET

The parcel sits in Sunnyslope, an established north central Phoenix neighborhood at the base of the Phoenix Mountains, immediately east of the North Central Avenue corridor. Sunnyslope has drawn sustained reinvestment over the past decade, and the Central Avenue frontage a block west of the site now carries a concentration of independent restaurants, a brewery, and neighborhood retail that did not exist a decade ago.

For a small residential developer, the relevant point is that this parcel is walkable to that activity. Walkable dining and services support rent in small residential product in a way that is difficult to replicate on a comparable land basis elsewhere in the metro.

WALKING DISTANCE

DESTINATION	DISTANCE	WALK
The Vig, North Central Avenue	0.1 mi	2 min
Sushi Friend	0.1 mi	2 min
OHSO Brewery + Distillery	0.2 mi	5 min
SUNNYSLOPE HIGH SCHOOL	**0.4 mi**	**8 min**
Beal Beans Roasting Co., Hatcher Rd	0.7 mi	14 min
Wild Horse Espresso Co., N 7th St	0.8 mi	16 min

SHORT DRIVE

Orchard Tavern, N 12th St	**1.9 mi**
Different Pointe of View, N 7th St	**2.0 mi**
North Mountain Park and Preserve	**Immediately north**
State Route 51	**East of the site**
Interstate 17	**West of the site**
Downtown Phoenix	**South via Central Avenue**

Distances are straight line from the parcel and are approximate. Walk times are estimates. Prospective purchasers should verify all distances, walk times, drive times, and the current operating status of any business named.

MARKET DILIGENCE

This memorandum presents the owner's development concept and financial projections. It does not include third party rent comparables, sale comparables, absorption data, or demographic analysis. Prospective purchasers are encouraged to commission independent market study and appraisal to validate the rent and exit value assumptions in this document.

DISCLAIMER & CONFIDENTIALITY

IMPORTANT NOTICES TO PROSPECTIVE PURCHASERS

CONFIDENTIALITY & CONDITIONS

This Offering Memorandum has been prepared by Grayson Real Estate for the sole purpose of assisting prospective purchasers in evaluating a potential acquisition of the property described herein. It is delivered on the condition that it be used solely for that purpose, that its contents be held in confidence, and that it not be reproduced or distributed to any other party without the prior written consent of Grayson Real Estate.

OWNER / AGENT AND TITLE DISCLOSURE

Keith Grayson is a licensed Arizona real estate broker and is the owner, or is affiliated with an entity that is the owner, of the property offered herein. The seller is Silverton Capital LLC. The Maricopa County Assessor record has not yet been updated to reflect current ownership and continues to show a prior owner of record; prospective purchasers should rely on a current title commitment rather than the Assessor record for ownership. This dual capacity as principal and licensee is disclosed to all prospective purchasers and to any cooperating broker. Grayson Real Estate is also offered as property manager for the completed project at 6% of collected income, an affiliated arrangement disclosed for the avoidance of doubt.

DEVELOPMENT PROGRAM IS CONCEPTUAL

The duplex program described in this memorandum is a concept prepared by the owner. No plans have been prepared, submitted, or approved, and no permits have been issued. Unit sizes, building configuration, parking, lot coverage, construction budgets, rents, capitalization rates, values, yields, and returns are projections only, are supplied by the owner, are not supported by third party comparables, and have not been independently verified or appraised. Rent is underwritten at $1,800 per unit, equal to $2.40 per square foot of living area at the 750 square foot unit size shown. Actual results will differ, and may differ materially. No representation or warranty is made that the program described is achievable, permittable, or economically viable.

PROFORMA ASSUMPTIONS

The stabilized proforma assumes tenants pay all utilities and reflects a real estate tax line based on the current assessment on unimproved land. Upon completion of new improvements the Assessor will reset value and the tax obligation will increase materially above the figure shown, reducing net operating income and stabilized value accordingly. The proforma applies no allowance for maintenance, turnover, or replacement reserves. Prospective purchasers must apply their own assumptions for these items, which will reduce the yields and value creation presented.

ZONING, DENSITY & SITE CAPACITY

Zoning is reported as R-5 Multiple Family Residence. Density figures shown are the published R-5 ranges and are not a representation of the unit count achievable on this parcel. At 3,084 square feet the lot clears three attached units on lot area alone, but achievable density is also governed by building height, setbacks, lot coverage, open space, and off street parking requirements, which have not been analyzed and which may reduce the achievable unit count materially on a parcel of this size. Prospective purchasers must independently confirm all entitlement, use, density, and development standards with the City of Phoenix Planning and Development Department, and should test the site plan with a qualified designer before relying on the program presented.

UTILITIES

Availability, capacity, location, and condition of utility service to the site have not been verified and must be independently confirmed with the City of Phoenix and the serving utilities. No representation is made regarding the cost of service connection or the applicability of any impact or development fee.

NEIGHBORHOOD INFORMATION

Businesses, schools, and destinations named in this memorandum are identified for general orientation only. Distances are straight line and approximate, walk times are estimates, and no representation is made as to the current operating status, quality, hours, or continued existence of any business named, or as to school assignment or enrollment eligibility for any address.

GENERAL

All information contained herein, including parcel data, lot area, zoning, and subdivision data reported from the Maricopa County Assessor, has been obtained from sources believed to be reliable but is not verified or guaranteed. Assessor valuations are not an appraisal and future tax obligations will be determined by the taxing authorities. Prospective purchasers are expected to conduct their own independent investigation and due diligence, including survey, title review, environmental assessment, soils investigation, zoning verification, construction cost estimation, market study, and appraisal. The owner reserves the right to withdraw the property from the market, modify the terms of the offering, or reject any offer at any time without notice.

FOR MORE INFORMATION

120 E
ALICE AVE

PHOENIX, AZ 85020

R-5 corner development lot in Sunnyslope

$79,900 • 3,084 SF • Walk to Central Avenue

LISTING BROKER • OWNER / AGENT

KEITH GRAYSON

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