


Investment Opportunity Flyer

ARROYO MOTEL

20 E DOE ST, NOGALES, AZ 85621

 **Price**
\$950,000

 **Rooms**
19

 **Lot Size**
0.45 AC

 **Year Built**
1950

Property Description

The Arroyo Motel is a 19-room, single-story independent motel in Nogales, Arizona, offering a low-cost, efficient operation with strong in-place cash flow. Originally built in 1950 and improved with system upgrades, refreshed interiors, and enhancements in 2024 and 2025, the property features studio-style rooms with kitchenettes, catering to short-term and extended-stay guests. Its layout and low-overhead model make it especially attractive for an owner-operator seeking operational efficiency and consistent income.

Located near the U.S.-Mexico border and Highway 19, the motel benefits from steady demand driven by cross-border trade, logistics, and regional travel. Its affordable positioning attracts budget travelers, truck drivers, and workforce housing demand, while offering upside through expanded OTA presence, improved marketing, and repositioning as an extended-stay or workforce lodging asset.

Investment Highlights

- Property listed and operated as Airbnb rentals only
- Absentee managed out of state
- Potential to increase revenue with additional OTA listings and operating as a 24 hour hotel
- Conveniently located near the U.S.-Mexico border and Highway 19



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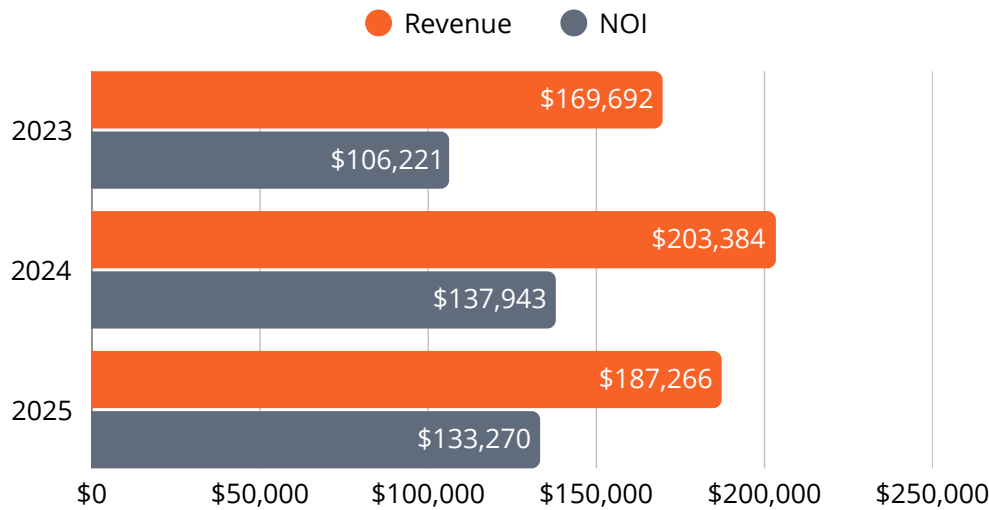
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Location Description

Nogales, Arizona is a strategic border city adjacent to Nogales, Sonora, and serves as a major gateway for international trade between the U.S. and Mexico. Known as one of the country's largest produce import hubs, the city experiences consistent traffic from logistics companies, distributors, and cross-border business travelers, supporting steady demand for hospitality properties.

With a population of approximately 20,000, Nogales combines small-town appeal with strong economic activity. The area is supported by key demand drivers such as the Mariposa and DeConcini Ports of Entry, nearby agricultural operations, and regional attractions like Tubac, Patagonia Lake, and the Sonoita/Elgin wine region, making it a reliable market for workforce and travel-driven lodging demand.

Revenue Summary



The property has demonstrated stable financial performance, with revenue increasing from 2023 to a peak in 2024 before normalizing slightly in 2025 while still remaining above prior levels.

NOI has followed a similar trend, reflecting consistent profitability and efficient cost management.

Overall, the asset shows strong cash flow supported by a lean operating model, making it a dependable income-generating investment.

Comparable Sales

Property	Last Sales Price	Price/Unit	No. Rooms	Year Built
Border Motel Douglas	\$541,000	\$28,473	19	1947
Canyon Lodge	\$700,000	\$43,750	16	1962
Trail Riders Inn	\$925,000	\$57,813	16	1957
Averages		\$43,345		

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SWOT Analysis

STRENGTHS

Affordable, High-Demand

Positioning: Below-market room rates combined with proximity to the U.S.-Mexico border and Highway 19 drive consistent demand from budget travelers, logistics workers, and cross-border traffic.

Efficient Extended-Stay Model:

Low-operating, contactless setup paired with kitchenette-equipped rooms supports strong margins and appeals to long-term and workforce housing guests.

OPPORTUNITIES

Extended Stay & Workforce

Housing Growth: Opportunity to increase revenue through weekly rentals, contractor housing, and demand tied to Nogales' produce and logistics industries.

Digital Expansion & Repositioning

Potential: Ability to boost occupancy and ADR through OTA expansion, improved marketing, and repositioning as a boutique or logistics-focused lodging asset.

WEAKNESSES

Limited Amenities & Guest Segmentation:

Minimal amenities and lack of meeting space restrict the ability to attract corporate travelers and higher ADR segments.

Independent, Low Visibility

Positioning: No brand affiliation reduces marketing reach, loyalty-driven bookings, and reliance on stronger distribution channels.

THREATS

Competitive Pressure from Branded Hotels:

Nearby branded properties may capture corporate, higher-rated, and loyalty program-driven guests.

Border & Economic Volatility:

Fluctuations in cross-border trade, policy changes, and economic cycles may impact consistent demand.

