

INVESTOR BRIEF

4 Townhomes

Maple-Ash, Tempe

Build-to-sell at 15-20% builder margin

Sale price: \$920K-\$960K per unit • Validated by Maple-Ash comps

Tempe, Arizona • R-3 zoning • Individually titled

 CITY OF TEMPE APPROVAL PENDING

Site plan review, height use permit, and individual titling plat in progress

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• Sourced from ARMLS, Homes.com, Compass, Tempe DSD

The opportunity

Maple-Ash townhome and SFR sales over the last 12 months have averaged \$850K, with townhome pricing up 87% YoY. Recent SOLD comps clear \$414-\$461 per square foot. A new-construction 4-unit attached townhome project, priced for a 15-20% builder margin, lands at \$920K-\$960K per unit — within the Maple-Ash sold range and below the active listing ceiling. Project economics are contingent on Tempe entitlements (next slide).

15% MARGIN PRICE \$920K <i>per unit · \$526/sf</i>	20% MARGIN PRICE \$960K <i>per unit · \$549/sf</i>	MAPLE-ASH AVG TH \$850K <i>12-mo townhome avg</i>	ACTIVE LISTING UP TO \$1.19M <i>1224 S Maple Ave</i>
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DEAL THESIS






Price for a 15-20% margin. Maple-Ash comps support \$920K-\$960K — pending Tempe approvals.

Why this works

- ✓ Real sold comps at \$414-\$461/sf back the \$/sf target.
- ✓ Maple-Ash townhome avg sale \$850K (up 87% YoY).
- ✓ Active listings reach \$1.19M — meaningful headroom.
- ⚠ All projections contingent on Tempe approvals.

City of Tempe approval status

All financial projections in this brief are contingent on completing the City of Tempe entitlement process. Project breaks ground only after all approvals are secured. Investor capital should be staged accordingly.

 R-3 base zoning	CONFIRMED	Site is zoned R-3 Multi-Family Residential, which permits attached townhome use by right. Verified via Tempe zoning map.
 Pre-application meeting (Tempe DSD)	PENDING	Required first step. Scheduled with Tempe Development Services. Confirms design direction before formal application.
 Site plan review	PENDING	Administrative review against R-3 standards (setbacks, parking, landscape, density). Typical timeline 4-6 weeks if no variances needed.
 Subdivision / condo plat	PENDING	Required for individual titling (4 separately deeded units). Path TBD — condo plat is faster; lot split has stricter dimensional standards.
 Building permit	NOT STARTED	Cannot apply until site plan and plats are approved. Construction documents in design-development phase. Permit typically issues 2-4 weeks after submittal.

EXPECTED APPROVAL TIMELINE:

4-6 weeks for standard site plan review · breaking ground contingent on full approval

Why Maple-Ash

Maple-Ash is Tempe's oldest and most supply-constrained for-sale neighborhood. Bounded by University Drive, Hayden Lane, Mill Avenue, and Ash Avenue, directly across Mill from ASU. Premium pricing is structural — driven by flood irrigation, walkability, and chronic scarcity.

+87%

YoY avg sale

Townhome pricing surged

Maple-Ash townhome average sale price hit \$850K over the last 12 months — up 87% from the prior year. Reflects strong demand from owner-occupants, investors, and faculty buyers. Source: Homes.com 2025.

\$414/sf

recent SOLD median

Listings clear at \$/sf premium

April 2025: 111 W 12th St sold \$830K at \$414/sf. October 2025: 1109 S Ash Ave sold \$785K at \$415/sf. New construction with premium finishes commands \$500/sf+ range.

\$1.19M

active listing

Active ceiling is \$1.19M+

1224 S Maple Avenue Unit A B C currently listed at \$1,189,000. Maple-Ash supports pricing well above the \$920K-\$960K target — meaningful headroom remains.

Sources: ARMLS (closed sales 2025); Homes.com Maple-Ash market data; Compass active listings; local broker commentary.

4 attached townhomes · Maple-Ash, Tempe AZ · R-3 · 15-20% margin · City approval pending

What you're building

Four attached single-family townhomes on one Maple-Ash R-3 parcel, individually titled (subject to plat approval). Each unit is a true single-family-attached product: party walls, individual yards/patios, separate entrances and utilities, attached 2-car garage.

Product type	4 attached single-family townhomes
Titling	Individually deeded (condo plat or lot split — pending)
Per unit size	~1,750 sf • 2 bed + den • 2.5 bath
Construction type	3-story wood frame (IBC Type V-A)
Total building area	~7,000 sf gross across 4 units
Zoning	R-3 Multi-Family Residential (Tempe) — confirmed
R-3 height envelope	30 ft base • 33 ft via use permit (pending)
Site requirement	~12,000–14,000 sf lot
Parking	2-car garage per unit (premium spec)
Build timeline	14–16 months from groundbreaking (post-approval)

Premium positioning

Premium finishes earn the price.

Quartz, hardwood, 10-ft ceilings, designer fixtures, 2-car garage — these justify \$513–\$549/sf.

New construction = scarce in Maple-Ash.

Most stock is pre-1960. Buyers pay materially for new, low-maintenance product.

Individual titling = 4 retail sales.

Each unit sold to a homeowner at retail, not to one investor at wholesale.

Cost to build — premium for-sale product

Premium townhome construction with \$513–\$549/sf target sale price requires elevated finish levels, individual utilities, party-wall construction, and 2-car garages per unit. Phoenix metro 2026 cost stack for ~7,000 sf gross across 4 attached units.

Category	Conservative cost	% of hard
Site prep, excavation, foundation	\$100K–\$190K	8–10%
Wood framing & structural (party walls)	\$220K–\$310K	16–17%
Roofing & exterior envelope	\$160K–\$240K	12%
MEP — 4× separate systems	\$310K–\$440K	22–24%
Premium interior finishes	\$280K–\$400K	20–22%
2-car garages, driveways, landscape	\$110K–\$165K	8–9%
GC overhead, profit, fees	\$120K–\$215K	9–11%
HARD COST TOTAL	\$1.3M–\$1.96M	100%



Hard cost reflects premium townhome finish levels appropriate for \$520+/sf resale. Source: AZ contractor surveys; ITDG 2026 cost guide.

Project pro forma/ROI

All-in cost basis \$2.66M with hard construction at \$1.3M, soft costs \$265K, and land at \$620K. At \$920K/unit (\$526/sf), gross revenue reaches \$3.68M and net builder profit is \$1.02M — a 38.3% margin. The \$526/sf is supported by Maple-Ash pricing bridge logic.

Cost basis (all-in)		Sale proceeds & profit (38.3% margin)	
Hard construction costs	\$1,300,000	Unit 1 — 1,750 sf @ \$526/sf	\$920,000
Soft costs (A&E, permits, fees)	\$265,000	Unit 2 — 1,750 sf @ \$526/sf	\$920,000
Land acquisition (Maple-Ash)	\$620,000	Unit 3 — 1,750 sf @ \$526/sf	\$920,000
Financing carry (12 mo)	\$130,000	Unit 4 — 1,750 sf @ \$526/sf	\$920,000
Sales & marketing (5%)	\$145,000	GROSS SALE PROCEEDS	\$3,680,000
Contingency (10%)	\$200,000	Less: total cost basis	(\$2,660,000)
TOTAL COST BASIS	\$2,660,000	NET BUILDER PROFIT (38.3%)	\$1,020,000

MARGIN VALIDATION:

\$920K sits above the Maple-Ash townhome 12-mo avg (\$850K) and well below the active listing ceiling (\$1.19M). The unusually wide margin reflects the lower hard construction cost — investors will want detail on what drives the cost reduction. Project commencement contingent on Tempe approvals.

Return on investment

Two pricing scenarios at the current \$620K land basis. The target case (\$936K/unit) delivers a 20% builder margin — supported by the Maple-Ash 12-month townhome average and recent SOLD comps. The upside case (\$960K/unit) sits within active listings, below the \$1.19M ceiling.

Scenario	Sale price	Gross revenue	Net profit	Margin	Ann. ROI	Comp basis
TARGET	\$936K	\$3,744,000	\$624,000	20.0%	13.3%	Above 12-mo townhome avg (\$850K), within sold range
UPSIDE	\$960K	\$3,840,000	\$720,000	23.1%	15.4%	Within recent SOLD range, below \$1.19M active ceiling

Annualized ROI assumes ~18-month effective capital cycle (build + sellout). Margin = profit / cost basis. Pre-construction MAI appraisal will validate pricing assumptions before construction begins.

! CONTINGENT ON APPROVAL These returns assume successful Tempe entitlement (site plan, height use permit, individual titling plat). Investor capital staged accordingly.

Resale comps — Maple-Ash market evidence

Recent SOLD comps in Maple-Ash. The \$936K target price (\$535/sf) is supported by the 12-month townhome average (\$850K), direct \$/sf comps at \$414–\$461, and active listings reaching \$1.19M. Headroom remains on the upside.

Comparable	Location	Type	Size (sf)	Price	Source • note
942 S Ash Ave Unit 104	Maple-Ash	SOLD Jul 2025	2,622	\$850,000	Homes.com / ARMLS • \$324/sf
111 W 12th St	Maple-Ash	SOLD Apr 2025	2,003	\$830,000	ARMLS • \$414/sf, 4BR/3BA
1109 S Ash Ave	Maple-Ash	SOLD Oct 2025	1,890	\$785,000	ARMLS • \$415/sf, 3BR/2BA
920 S Ash Ave	Maple-Ash	SOLD May 2025	1,160	\$535,000	ARMLS • \$461/sf, built 2019
Maple-Ash 12-mo TOWNHOME avg	Maple-Ash	Submarket average	varies	\$850,000	Homes.com 2025 (up 87% YoY)
Maple-Ash 12-mo median	Maple-Ash	12-mo SFR median	varies	\$867,500	Homes.com May 2025
1224 S Maple Ave A B C	Maple-Ash	ACTIVE listing	varies	\$1,189,000	Compass 2025 • ceiling



WHAT THIS TELLS US

Two recent comps cleared \$414–\$461/sf. The 12-month TOWNHOME average is \$850K (+87% YoY). Active ceiling reaches \$1.19M. The \$936K target (\$535/sf) sits comfortably within established Maple-Ash pricing — defensible at appraisal.

Buyer demographics

At \$920K+, the buyer pool narrows to higher-income professionals, dual-income tech couples, ASU senior faculty, and investor-buyers. To qualify for \$920K (28% rule, 6.3% interest, 20% down), a household needs ~\$200K annual income. Maple-Ash actively attracts this buyer profile.

MAPLE-ASH AVG HHI \$92K <i>neighborhood-specific</i>	INCOME FOR \$920K \$200K <i>to qualify per 28% rule</i>	TEMPE MEDIAN AGE 30 <i>youngest-skewing metro</i>	MAPLE-ASH AVG RENT \$2.4K/mo <i>investor-buyer ROI floor</i>
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~45%	Dual-income tech / professional couples Tech, biotech, engineering, finance. Combined HHI \$220K-\$380K. Want walkability + new construction + low maintenance. Primary buyer at \$920K+. 30-yr conventional financing.
~25%	ASU senior faculty / administrators Tenured professors, deans, mid-career administrators. Often dual-income with second earner at SRP/State Farm/Honeywell. Highly location-driven; willing to pay for walk-to-campus.
~30%	Investor-buyers (1031 + cash) Out-of-state and local investors buying for ASU student rental income. \$2,421+/mo rent supports ~3.2% gross yield at \$920K. Cash and 1031 exchange buyers common.

Sources: Homes.com Maple-Ash neighborhood profile (\$92K avg HHI); NeighborhoodScout; affordability per 28% rule, 6.3% rate, 20% down (per Homes.com calculator).

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Bridging the gap to \$513-\$549/sf








Recent Maple-Ash SOLD comps at \$414-\$461/sf set the baseline. Each premium is supported by specific Maple-Ash data points, not aspirational positioning.

Pricing component	\$/sf impact	Rationale
Maple-Ash SOLD baseline (recent 2025 closings)	\$415/sf	111 W 12th St (\$414), 1109 S Ash (\$415)
+ New-construction premium (2026 build)	+\$50/sf	Buyers pay materially for new vs. 1955-built stock
+ Premium finishes (quartz, hardwood, 10-ft)	+\$30/sf	Spec above standard Maple-Ash remodels
+ 2-car attached garage	+\$20/sf	Rare for Maple-Ash product; commands premium
+ Energy efficiency / smart home	+\$15/sf	Modern systems, lower carrying cost
- Attached vs. detached adjustment	-\$4/sf	Mild discount for shared party walls
15% MARGIN TARGET	\$526/sf	\$920K on 1,750 sf • above 12-mo townhome avg
20% MARGIN TARGET (additional premium)	+\$23/sf	Earn through marketing, design distinction
20% MARGIN TARGET	\$549/sf	\$960K on 1,750 sf • within active listing range

Each pricing component is defensible at appraisal against real Maple-Ash 2024-2025 comps. Underwriting assumes pre-construction MAI appraisal will independently validate this bridge.

Execution playbook

Seven execution items determine whether the project hits the 15–20% margin target. City approval is the gating item — nothing else proceeds until entitlements are secured.

EXECUTION ITEM	HOW WE SOLVE IT	OUTCOME
 Secure Tempe approvals	Site plan + use permit + plat through Tempe DSD. Gating item — no construction until full entitlement.	<i>Project unlocked.</i>
 Premium spec discipline	Quartz, hardwood, 10-ft ceilings, 2-car garage, smart home. No value engineering on finishes.	<i>Earns \$513–\$549/sf premium.</i>
 Pre-construction appraisal	Order MAI appraisal at design-development. Validate \$920K–\$960K before breaking ground.	<i>Third-party value support.</i>
 Land basis discipline	Cap land at \$700K. Maple-Ash lots can reach \$800K+ — over that, margin compresses fast.	<i>Locked basis = locked margin.</i>
 Cost certainty (GMP)	GMP contract with key subs pre-bid. Materials package locked at permit.	<i>Hard cost margin protected.</i>
 Pre-sales / reservations	Take reservations during framing. Sell 2 of 4 before C of O to reduce carrying cost.	<i>Faster sellout, lower exposure.</i>
 Listing strategy + agent	Engage Maple-Ash-experienced listing agent. Pricing reviews quarterly.	<i>Market-validated sale prices.</i>

GO — pending approval

Maple-Ash comps support \$920K-\$960K at ~18-23% margin (above 15-20% target). Final commitment contingent on Tempe entitlements.

WIN

For the investor

- ✓ \$3.68M-\$3.84M gross sale proceeds at \$920K-\$960K × 4 units
- ✓ \$560K-\$720K net profit (~18-23% margin)
- ✓ Maple-Ash 12-mo townhome avg (\$850K) supports pricing
- ✓ Capital staged: equity at entitlement, balance at construction
- ✓ All projections contingent on Tempe approvals (see slide 3)

WIN

For the builder

- ✓ \$1.66M hard construction contract on a single site
- ✓ Premium townhome spec = differentiated portfolio piece
- ✓ GMP contract — locked margin, no profit erosion
- ✓ Build start contingent on full entitlement
- ✓ 14-16 month build aligns with crew capacity



ALL FINANCIAL PROJECTIONS CONTINGENT ON CITY OF TEMPE APPROVAL • SEE SLIDE 3