



OFFERING MEMORANDUM

Flowing Wells Apartments
3521 N. Flowing Wells Rd.
Tucson AZ 85705



**CUSHMAN &
WAKEFIELD**



PICOR

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MULTI-FAMILY TEAM

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PROPERTY INFORMATION

Flowing Wells Apartments
3521 N. Flowing Wells Rd.
Tucson, AZ 85706

| | | | | |
|---|---|--|---|--|
|  PRICE \$1,250,000 |  PRICE PER UNIT \$89,286 |  PRICE PER SQFT \$135.87 |  PROFORMA NOI \$87,524 |  CAP RATE 7.00% |
|---|---|--|---|--|

| | |
|---|---|
|  LOCATION: 3521 N. Flowing Wells Rd. Tucson, Arizona 85705 |  LANDSCAPING: Large shade trees, desert plants, & shrubbery |
|  SITE AREA: 0.92 Acres 40,076 Square Feet |  UTILITIES: <u>Electricity:</u> Tucson Electric (Tenant) <u>Gas:</u> Southwest Gas (Tenant) <u>Water:</u> City of Tucson (RUBS) <u>Sewer:</u> City of Tucson (RUBS) <u>Trash:</u> City of Tucson (RUBS) |
|  RENTABLE SF: 9,200 RSF |  METERING Electric: Individual & Common Gas: Individual & Common Water/Sewer/Trash: Master-metered Hot Water: Individual |
|  ASSESSOR PARCEL NUMBER: 106-12-004C |  HEATING/COOLING: Air Conditioning |
|  ZONING: O-3, City of Tucson |  CONSTRUCTION: Masonry |
|  ACCESS: Ingress/egress |  FINANCING: Cash or Traditional Financing |
|  PARKING: ~ 14 spaces | |
|  ROOF/STORIES: Pitched - shingle roof/1 story | |
|  YEAR BUILT: 1964, 1966, & 1977 w/ recent upgrades | |

PROPERTY HIGHLIGHTS

Flowing Wells Apartments
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PROPERTY HIGHLIGHTS

- Value-add opportunity
- Recent capital improvements
- On-site laundry facilities
- Masonry build
- Well maintained common areas
- Ample on-site parking
- Well located near transportation & commercial spaces

UNIT HIGHLIGHTS

- Below market rents
- Tile flooring throughout
- Attractive unit mix
- Ceiling fans
- Air conditioning
- Private yards for all units
- Individually metered for electric & gas

INVESTMENT SUMMARY

Flowing Wells Apartments
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Flowing Wells Apartments presents a 14-unit multifamily investment opportunity in Northwest Tucson with clear, executable value-add potential. The property features a desirable and consistent unit mix of (4) one-bedroom/one-bath units and (10) two-bedroom/one-bath units, catering to a broad workforce-oriented tenant base.

The asset has already undergone some recent interior upgrades, including kitchen upgrades, flooring, bathrooms, tiled shower surrounds, and fresh interior paint. Units also feature air conditioning and ceiling fans, creating an opportunity for immediate rent premiums. In addition, residents benefit from gated front yards, enhancing privacy and the overall living environment. On-site laundry facilities further support tenant convenience.

While these improvements provide immediate functionality and curb appeal, the property remains well-positioned for a more comprehensive renovation program. This creates a compelling opportunity for new ownership to implement a higher-quality, standardized interior finish package, allowing for meaningful rent increases and a repositioning of the asset within the submarket.

Additional property features include ample parking, gated front yards, and on-site laundry, supporting tenant retention and operational efficiency. From an expense standpoint, tenants are responsible for electric and gas utilities, while a RUBS billing system is currently in place for water, sewer, and trash, helping shift operating costs back to residents.

Strategically located near Downtown Tucson, the University of Arizona, and Pima Community College, the property benefits from strong rental demand driven by both workforce and student populations. Proximity to major employment centers, retail, and everyday amenities supports long-term occupancy and rent growth, positioning Flowing Wells Apartments as an attractive value-add investment opportunity.

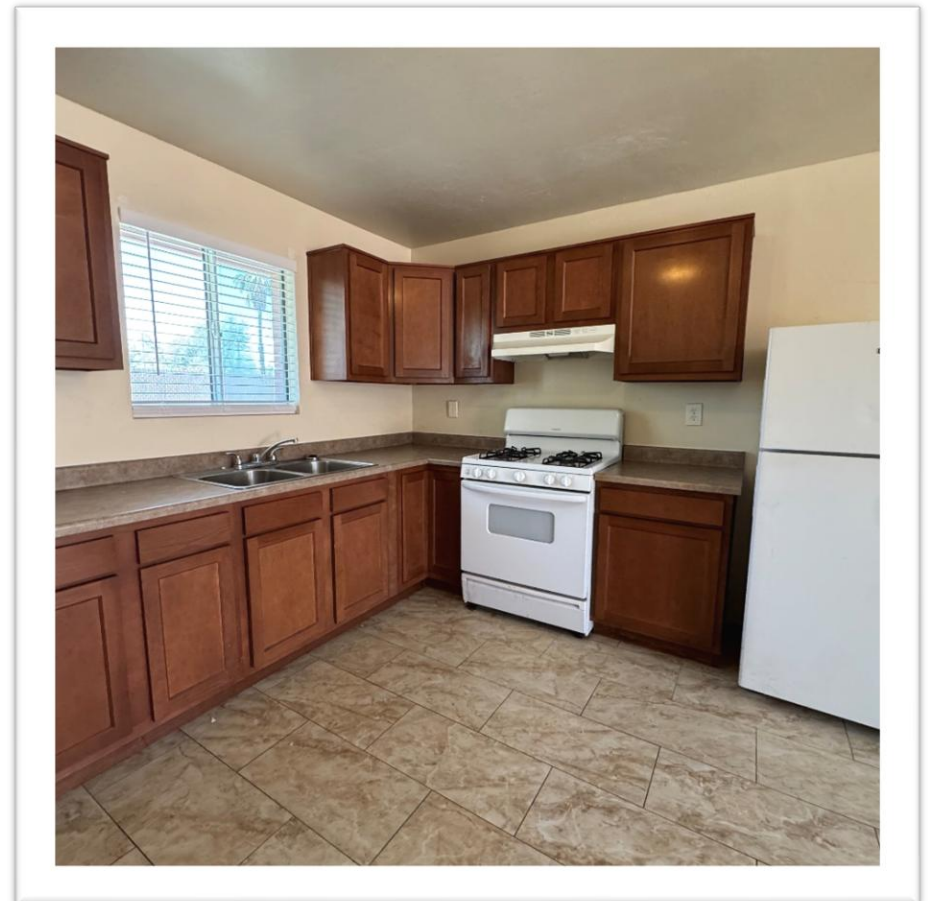
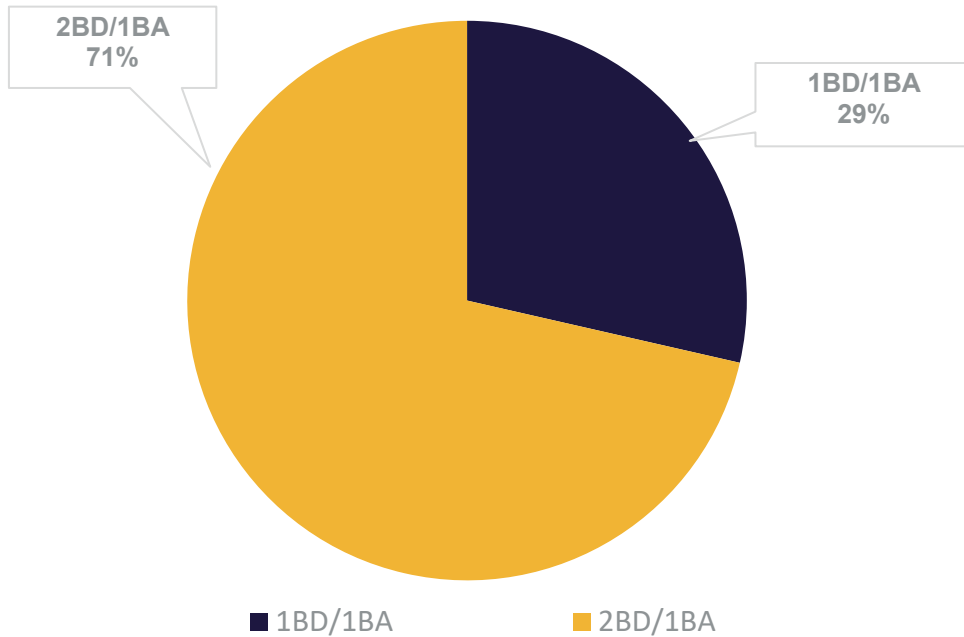


RENT ROLL ANALYSIS

Flowing Wells Apartments
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| 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 | 4 | 29% | 550 | 2,200 | \$740 | \$2,960 | \$850 | \$3,400 | \$1.55 |
| 2BD/1BA | 10 | 71% | 700 | 7,000 | \$828 | \$8,280 | \$975 | \$9,750 | \$1.39 |
| Total/Average (Monthly) Annual | 14 | 100% | 657 | 9,200 | \$803 | \$11,240 \$134,880 | \$939 | \$13,150 \$157,800 | \$1.43 |

Unit Breakdown



FINANCIAL ANALYSIS

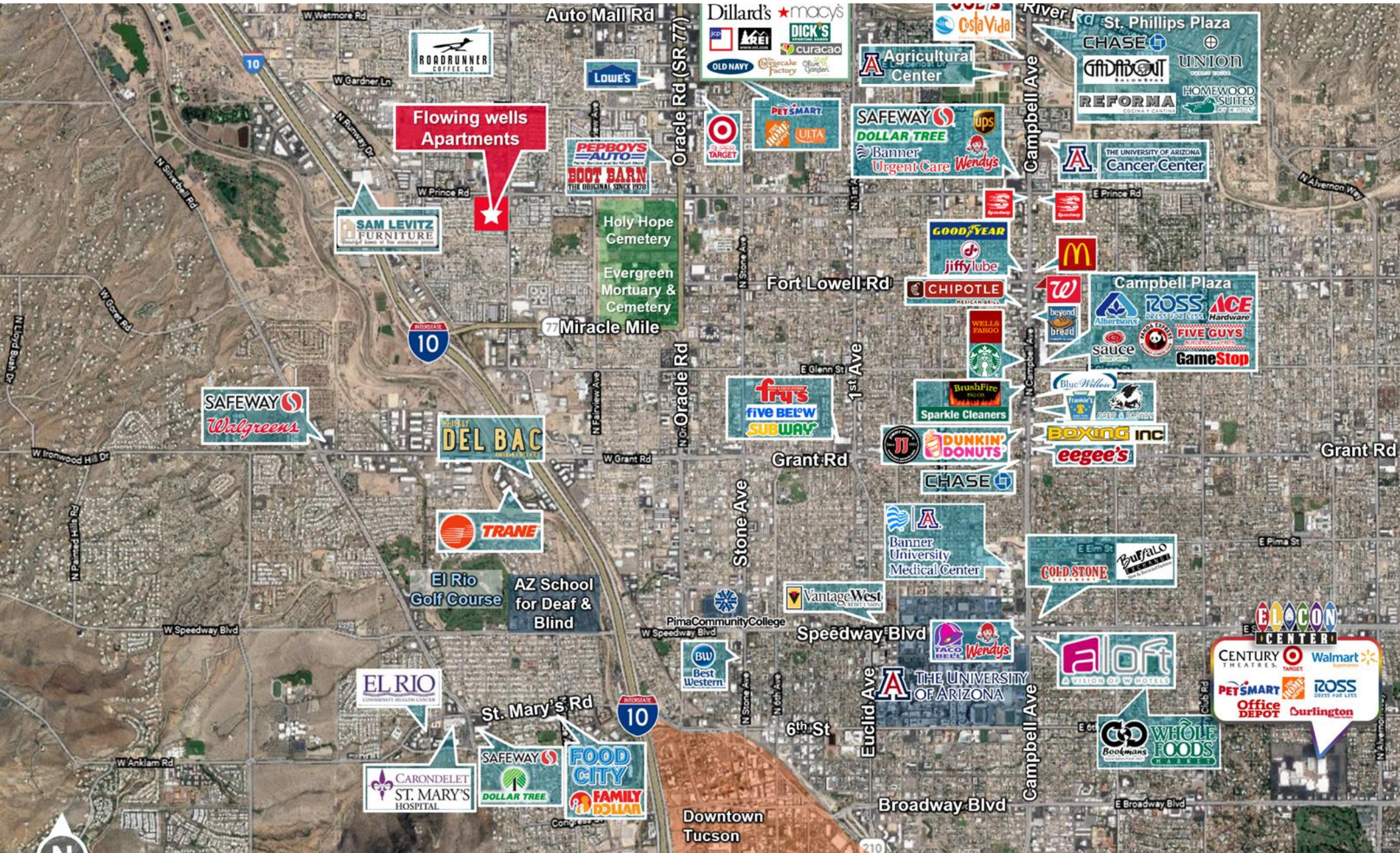
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| Income Statement | Marketing Pro Forma | Pro Forma Per Unit | 2025 Actuals | 2025 Actuals Per Unit | T-4 Annualized | T-4 Annualized Per Unit |
|----------------------------------|---------------------|--------------------|------------------|-----------------------|------------------|-------------------------|
| RENTAL INCOME | | | | | | |
| Gross Market Rent | \$157,800 | \$11,271 | | | | |
| Vacancy Loss | -\$9,468 | -6.0% | | | | |
| Concessions & Bad Debt | -\$3,156 | -2.0% | | | | |
| Net Rental Income | \$145,176 | \$10,370 | \$130,953 | \$9,354 | \$121,035 | \$8,645 |
| Laundry Income | \$750 | \$54 | | \$0 | | \$0 |
| RUBS Income | \$1,000 | \$71 | \$500 | \$36 | \$780 | \$56 |
| Other Income | \$1,500 | \$107 | \$1,000 | \$71 | \$1,470 | \$105 |
| TOTAL INCOME | \$148,426 | \$10,602 | \$132,453 | \$9,461 | \$123,285 | \$8,806 |
| OPERATING EXPENSES | | | | | | |
| General & Administrative | \$1,500 | \$107 | \$310 | \$22 | \$450 | \$32 |
| Professional Fees | \$1,000 | \$71 | \$801 | \$57 | | \$0 |
| Repairs & Maintenance & Turnover | \$12,600 | \$900 | \$10,979 | \$784 | \$4,266 | \$305 |
| Contract Services | \$2,400 | \$171 | \$1,953 | \$140 | \$1,044 | \$75 |
| Utilities | \$12,500 | \$893 | \$12,053 | \$861 | \$11,121 | \$794 |
| TOTAL VARIABLE | \$30,000 | \$2,143 | \$26,096 | \$1,864 | \$16,881 | \$1,206 |
| Property Taxes | \$7,128 | \$509 | \$7,128 | \$509 | \$7,128 | \$509 |
| Property Insurance | \$8,400 | \$600 | \$5,921 | \$423 | \$7,257 | \$518 |
| Management Fee | \$11,874 | 8% | \$8,552 | 6% | \$7,854 | 6% |
| Reserves | \$3,500 | \$250 | | | | |
| TOTAL EXPENSES | \$60,902 | \$4,350 | \$47,697 | \$3,407 | \$39,120 | \$2,794 |
| NET OPERATING INCOME | \$87,524 | \$6,252 | \$84,756 | \$6,054 | \$84,165 | \$6,012 |

| Stabilized Market Analysis | |
|----------------------------|-------------|
| Value | \$1,250,000 |
| Per Unit | \$89,286 |
| Per Square Foot | \$135.87 |
| Cap Rate | |
| 2025 Actuals | 6.78% |
| T-4 Annualized | 6.73% |
| Marketing Pro Forma | 7.00% |

TRADE MAP

Flowing Wells Apartments
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EXTERIOR PHOTOS

Flowing Wells Apartments
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EXTERIOR PHOTOS

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INTERIOR PHOTOS

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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 DEMOGRAPHICS 2026

Flowing Wells Apartments
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FUNDAMENTALS

| | YOY Chg | Outlook |
|--|---------|---------|
| 8.75% Vacancy Rate | ▼ | ▬ |
| 297 New Deliveries, units | ▲ | ▲ |
| \$1,142 Effective Rent, Per Unit <i>(Overall, All Property Classes)</i> | ▼ | ▬ |

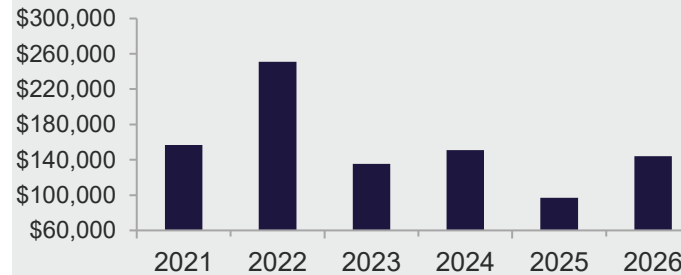
ECONOMIC INDICATORS

| | YOY Chg | Outlook |
|--|---------|---------|
| 398K Employment | ▲ | ▲ |
| 4.5% Unemployment Rate | ▲ | ▼ |
| 76.7K Tucson Median Household Income | ▲ | ▲ |

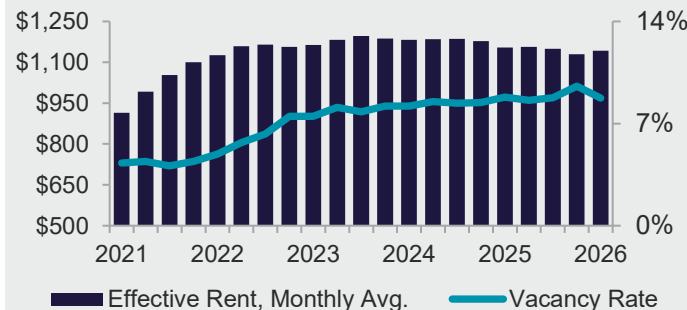


MULTIFAMILY FIGURES

SALE PRICE PER UNIT



OVERALL VACANCY & RENT



TUCSON STATS

POPULATION

1.08M MSA

| | |
|-------------------------|----------|
| Median Household Income | \$76,000 |
| Collage Education | 37% |
| Population Growth (YOY) | 0.5% |
| Median Age | 39.7 |

TOURISM IMPACT

\$304.6 Mil
(2023-2024)

BUSINESS GROWTH

5.5%
(2020-2023)

HOUSING AFFORDABILITY

38.2%
(2023)

COST OF LIVING

5.7%
Below National Avg
(2023)

TUCSON MARKET OVERVIEW

Flowing Wells Apartments
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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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