OFFERING MEMORANDUM

1020 E MOHAVE ST

R-3 infill development site
Designated Opportunity Zone • Utilities on site

PHOENIX, AZ 85034

$224,900
LAND OFFERING PRICE

$659,600
MARKET VALUE, DUPLEX PROGRAM

EXCLUSIVELY PRESENTED BY
GRAYSON REAL ESTATE
Keith Grayson • Owner / Agent
602-418-2950 • keith@phxeco.com • graysonaz.com

OFFERING
Land / Development
APN 115-46-125-A
August 2026

EXECUTIVE SUMMARY

1020 E MOHAVE STREET • PHOENIX, AZ 85034

$224,900	7,237 SF	$36,278	$659,600	6.29%
LAND PRICE	LOT AREA	PROFORMA NOI	MARKET VALUE	YIELD ON COST

THE OFFERING

1020 E Mohave Street is a 7,237 square foot R-3 zoned infill parcel in a designated Opportunity Zone, offered at $224,900. The site previously carried a 2,340 square foot low rise multifamily building, since lost to fire, leaving a cleared and already served lot with water, sewer, and electric established at the property.

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, total project cost is $532,400, producing a 6.81% yield on cost, a 131 basis point spread over the exit capitalization rate, and $127,200 of value creation on a 23.9% margin over cost.

INVESTMENT HIGHLIGHTS

Already Served Site

Because the parcel was previously improved and connected, water, sewer, and electric service are established at the property. That can materially reduce the impact fees, connection charges, and off site work a developer carries on raw ground, and it shortens the path from close to vertical construction.

Designated Opportunity Zone

Census tract 04013117200 is one of 42 Phoenix tracts designated in 2018 under IRS Notice 2018-48, in effect through December 31, 2028. New construction on a cleared site is original use property, which avoids the substantial improvement test that complicates Opportunity Zone treatment of existing buildings.

Tax Basis Has Reset

Assessor full cash value falls from $544,300 to $109,345 on the 2027 preliminary roll as the improvement value is written down. The parcel paid $4,099 in 2025 when improved. Carrying cost through design, permitting, and construction is a fraction of that.

R-3 Multifamily Zoning

R-3 Multiple Family Residence supports attached residential at 14.5 to 17.4 dwelling units per acre. The prior multifamily improvement establishes residential density on the parcel rather than requiring a use change.

Compact, Buildable Geometry

The lot is level and rectangular. A 2,000 square foot single story footprint including garages covers roughly 28% of the site, leaving substantial area for drive, setbacks, and required open space.

Positive Development Spread at Every Tested Budget

At $175, $185, and $195 per square foot of living area, plus a $30,000 allowance for the two garages, yield on cost lands at 7.01%, 6.81%, and 6.63% against a 5.5% exit. Break even construction cost is $434,700, well above all three scenarios.

PROPERTY OVERVIEW

PARCEL, ZONING & SITE CONDITION

PARCEL DETAIL

Address	**1020 E Mohave St**
City / State / ZIP	**Phoenix, AZ 85034**
County	**Maricopa**
Assessor Parcel	**115-46-125-A**
Subdivision	**Thrifty Homes**
Lot / Block	**Lot 6, Block 2**
MCR Number	**002606**
Section / Twn / Rng	**16 / 1N / 3E**
Lot Area	**7,237 SF (0.166 Ac)**
Zoning	**R-3 Multiple Family**
Census Tract	**04013117200**
Tax Area	**011300**
Topography	**Level, rectangular**
Delivery	**Cleared site**

PRIOR IMPROVEMENTS

Use	**Multiple Res (Low Rise)**
Living Area	**2,340 SF**
Year Built	**1948**
Stories	**Single**
Construction	**Masonry / Tilt-Up**
Status	**Lost to fire**

UTILITIES

Water	**Established at site**
Sewer	**Established at site**
Electric	**Established at site**

WHY THIS MATTERS

A previously served parcel typically avoids the full impact fee and utility extension cost that raw ground carries. Extent of any fee credit is subject to City of Phoenix policy and must be confirmed by the buyer.

SITE PHOTOGRAPHS

FORMER STRUCTURE, PRIOR TO FIRE LOSS. PHOTOGRAPHS DO NOT DEPICT CURRENT SITE CONDITION.

ASSESSOR VALUATION HISTORY

TAX YEAR	FULL CASH VALUE	LIMITED VALUE	TAX
2024 Final	$503,100	$68,087	$956
2025 Final	$524,600	$288,530	$4,099
2026 Preliminary	$544,300	$302,957	Not billed
2027 PRELIMINARY	**$109,345**	**$46,083**	**Not billed**

DEVELOPMENT PROGRAM

DUPLEX CONCEPT & R-3 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. That footprint covers approximately 28% of the 7,237 square foot lot, leaving area for drive, setbacks, and open space. Enclosed garages typically support a rent premium over covered parking in this product type.

R-3 DENSITY ANALYSIS

CONFIGURATION	DENSITY	SF PER UNIT	UNITS ON 7,237 SF
Detached, base	5.0 to 6.5 du/ac	8,712 to 6,702	0.83 to 1.08
Detached, with bonus	12.0 du/ac	3,630	1.99
Attached, base	14.5 to 15.23 du/ac	3,004 to 2,860	2.41 to 2.53
ATTACHED, WITH BONUS	**17.4 du/ac**	**2,503**	**2.89**

The two unit attached program sits comfortably within base R-3 density. A third unit would require 7,510 square feet of lot area at the 17.4 unit per acre bonus density; the parcel is 7,237 square feet, approximately 273 square feet short. Whether the prior multifamily improvement establishes a nonconforming density that could be rebuilt is a question for the City of Phoenix and is not represented here. Any density above two units must be independently confirmed.

DEVELOPMENT ADVANTAGES

- Utilities established at site
- R-3 multifamily zoning in place
- Designated Opportunity Zone
- Low lot coverage at 26%
- Reduced impact and connection fees
- Prior multifamily use on parcel
- Level, rectangular, cleared lot
- Tax basis already written down

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 reduced post fire assessment on unimproved land; upon completion of new improvements the Assessor will reset value and the obligation will increase materially above the figure shown. The proforma excludes maintenance, turnover, and replacement reserves. Buyers should apply their own assumptions for these items.

BASE CASE CAPITALIZATION

Land Acquisition	**$224,900**
Residence (1,500 SF at $185)	**$277,500**
Garages (2 at 250 SF)	**$30,000**
Total Project Cost	**$532,400**
Stabilized NOI	**$36,278**
Exit Cap Rate	**5.50%**
Market Value	**$659,600**
Yield on Cost	**6.81%**
Development Spread	**131 bps**
Margin on Cost	**23.9%**
Value per Unit	**$329,800**
Cost per SF Living	**$355**

EQUITY CREATED $127,200

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	$517,400	$532,400	$547,400
Yield on Cost	7.01%	6.81%	6.63%
Margin on Cost	27.5%	23.9%	20.5%
EQUITY CREATED	**$142,200**	**$127,200**	**$112,200**

Market value of $659,600 is the $36,278 proforma net operating income capitalized at 5.5%, equal to $329,800 per unit and $440 per square foot of living area. Break even construction cost at that value is $434,700, and all three scenarios clear that threshold. Budgets are stated per square foot of living area, with the two attached one car garages carried as a separate $30,000 allowance. A builder quoting a single blended rate across all 2,000 square feet under roof would produce a higher cost and a correspondingly lower return.

FINANCING CONSIDERATIONS

A construction facility at 75% of total project cost sizes to $399,300 on the base case, leaving $133,100 of developer equity before closing costs and carry. On the permanent side, a takeout at 80% of the $659,600 market value would be $527,680, against which $36,278 of net operating income produces coverage below 1.0 at prevailing rate levels. Coverage constrained proceeds at a 1.25 times ratio size closer to $346,000 to $383,000, or 52% to 58% loan to value. A buyer underwriting a hold rather than a sale should model the takeout on coverage rather than assuming maximum leverage.

CURRENT DESIGNATION

The parcel sits in census tract 04013117200, one of 42 City of Phoenix tracts designated as Qualified Opportunity Zones in 2018 under IRS Notice 2018-48. These first generation designations remain in effect through December 31, 2028.

Investors who reinvest eligible capital gains into a Qualified Opportunity Fund, which in turn deploys capital into qualified Opportunity Zone property, may qualify for federal tax benefits including deferral of the reinvested gain and, on a sufficiently long hold, exclusion of appreciation on the Opportunity Zone investment. Ground up development is an expressly contemplated qualifying activity.

WHY A CLEARED SITE SUITS THE PROGRAM

Opportunity Zone treatment of an existing building generally requires substantial improvement, meaning the investor must roughly double the building's basis within thirty months. That test is a common obstacle for rehabilitation projects. New construction on a cleared parcel is original use property and is not subject to the substantial improvement test, making a ground up program on this site a structurally simpler fit for a Qualified Opportunity Fund than an acquisition and rehabilitation elsewhere.

PROGRAM CHANGES UNDER THE OBBBA

The One Big Beautiful Bill Act made the Opportunity Zone incentive a permanent feature of the tax code and established a redesignation cycle. A new round of designations takes effect January 1, 2027, alongside revised deferral mechanics and basis adjustment rules for investments made on or after that date. Eligibility criteria for the new round are more restrictive than the original, and a portion of currently designated tracts will not requalify.

The State of Arizona submitted its nominations for the new round in July 2026, subject to certification by the U.S. Department of the Treasury. Whether this tract is included in that round had not been determined as of the date of this memorandum. The current designation is unaffected by the outcome and runs through December 31, 2028.

TAX ADVICE DISCLAIMER

Nothing in this memorandum constitutes tax advice. Opportunity Zone treatment depends on fund structure, timing, holding period, and the individual circumstances of the investor. Prospective purchasers must confirm current tract designation and consult their own qualified tax advisor before relying on any Opportunity Zone benefit.

CARRYING COST DURING DEVELOPMENT

Independent of federal treatment, the parcel's tax basis has already been written down following the fire. Full cash value falls from $544,300 on the 2026 preliminary roll to $109,345 on the 2027 preliminary roll, and limited value from $302,957 to $46,083. The property paid $4,099 in 2025 while improved. A developer's carrying cost through design, permitting, and construction is therefore materially lower than the improved parcel's historical obligation, though the Assessor will reset value once new improvements are completed.

LOCATION OVERVIEW

CENTRAL PHOENIX • 85034

SUBMARKET

1020 E Mohave Street sits in the 85034 zip code southeast of downtown Phoenix, in an established grid of small residential lots interspersed with light industrial and commercial uses. The Thrifty Homes subdivision in which the parcel sits comprises 25 improved lots with an average lot size of 6,236 square feet, placing this 7,237 square foot parcel above the subdivision average.

The area's defining characteristic for a residential developer is proximity. The site lies within a short drive of downtown Phoenix, the state capitol district, Sky Harbor International Airport, and the warehouse and industrial employment concentrated south and east of the core. That combination supports rental demand from workers who value a short commute over newer suburban product.

ACCESS

Downtown Phoenix	**Short drive northwest**
State Capitol District	**Short drive west**
Phoenix Sky Harbor Airport	**Short drive east**
Interstate 17	**West of the site**
Interstate 10	**North of the site**

Distances are stated for general orientation only and are approximate. Prospective purchasers should verify all distances, drive times, and access conditions independently.

SUBDIVISION CONTEXT

Subdivision	**Thrifty Homes**
Improved Lots	**25**
Year Built Range	**1930 to 2025**
Single Story	**22**
Multiple Story	**3**
Average House Size	**1,025 SF**
Average Lot Size	**6,236 SF**

Subdivision data reported from the Maricopa County Assessor record. A year built range extending to 2025 indicates continuing reinvestment within the immediate subdivision.

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 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. Title is held by Silverton Capital LLC. 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. Rent is underwritten at $1,800 per unit regardless of unit size, equal to $2.40 per square foot of living area at the 750 square foot unit size shown, and is not supported by third party lease comparables. They, are supplied by the owner, are not supported by third party comparables, and have not been independently verified or appraised. 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 reduced post fire 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

Zoning is reported as R-3 Multiple Family Residence. Density figures shown are the published R-3 ranges and are not a representation of the unit count achievable on this parcel. The two unit program sits within base attached density; a third unit would require lot area the parcel does not contain at the published bonus density. Any reliance on the prior multifamily improvement to establish nonconforming density, and all matters of permitted use, height, setbacks, lot coverage, open space, and parking, must be independently confirmed by the buyer with the City of Phoenix Planning and Development Department.

UTILITIES & FEES

Availability, capacity, location, and condition of existing utility service have not been verified and must be independently confirmed with the City of Phoenix and the serving utilities. The extent of any impact fee, connection fee, or capacity credit attributable to prior service is subject to municipal policy and is not represented; no representation is made that any credit exists, survives, or will be granted.

OPPORTUNITY ZONE

Census tract 04013117200 is a Qualified Opportunity Zone designated in 2018 under IRS Notice 2018-48 and in effect through December 31, 2028. Program rules and zone maps were revised by the One Big Beautiful Bill Act, with a new round of designations effective January 1, 2027. Arizona submitted nominations in July 2026 subject to Treasury certification, and whether this tract is included in that round is not yet determined. Nothing herein constitutes tax advice, and no representation is made regarding the availability of any tax benefit to any purchaser.

PHOTOGRAPHS & SITE CONDITION

Photographs depict the former structure prior to fire loss and do not represent the current condition of the site. Prospective purchasers must inspect the property in person and should not rely on photographs.

GENERAL

All information contained herein, including parcel data, lot area, prior structure characteristics, subdivision data, and valuation history 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

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PHOENIX, AZ 85034

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$224,900 • 7,237 SF lot • Utilities on site

LISTING BROKER • OWNER / AGENT

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