

LEVEL 3 APARTMENTS

46-Unit Multifamily Investment

12800 North Saguaro Blvd.
Fountain Hills, AZ 85268

Offering Memorandum

BUTLER APARTMENT GROUP

Marcus & Millichap



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Exclusively Listed By

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EXECUTIVE SUMMARY

Offering Summary

Investment Overview

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OFFERING SUMMARY

List Price	\$9,200,000
Pro Forma Cap Rate	5.00%
Number of Units	46
Rentable SF	16,975
Zoning	TCCD
Lot Size	3.22 AC
Year Built/Renovated	2005/2022



LEVEL 3 APARTMENTS

12800 North Saguaro Blvd.
Fountain Hills, AZ 85268

Marcus & Millichap is pleased to announce the opportunity to acquire Level 3 Apartments, a 46-unit multifamily community located in the scenic Fountain Hills submarket. Directly east of North Scottsdale, the property is located in the heart of Fountain Hills, across the street from the famous Fountain Park, on the third floor of Fountain Park Hotel By Best Western Signature Collection. With separate community areas, laundry facilities, clubhouse, fitness center, designated and gated covered parking areas, and storage units for each tenant, this property combines the luxury-feeling of hotel living with the comfort of home. With direct accessibility to Shea Boulevard and the Beeline Highway, commuting tenants are minutes from Scottsdale, Mesa, and east Phoenix. Major employers in the area include the Scottsdale Mayo Clinic campus, We-Ko-Pa Casino Resort and Golf Club, and Falcon Field Airport.





PROPERTY HIGHLIGHTS

Amenities

Area Map

In the Neighborhood

Fountain Park Hotel

Marcus & Millichap

UNIT AMENITIES

- En-suite washers & dryers*
- Glass showers
- New A/C units
- Light-up bathroom mirrors
- New toilets
- New interior paint
- New kitchenettes – 2-top stoves, stainless steel sinks and refrigerators, convection ovens/microwaves, cabinets, dish washers*, toaster ovens
- Furnished units include a queen-sized bed, dresser, couch*, accent chair*, kitchen table*, desk, flat screen smart television, and armoire

*only in one-bedroom units



COMMUNITY AMENITIES

- Two laundry rooms
- Exclusive clubhouse with fitness center and leasing office
- Private corridor entrances
- Guest offices/concierge
- Individual on-site storage units
- Private entrance elevator with security camera
- Keyless-entry locks

AREA MAP



IN THE NEIGHBORHOOD

Mayo Clinic

Consistently ranked as the top hospital in Arizona and top 20 in the country per U.S. News & World Report, Mayo Clinic of Arizona leads the country in research, innovation, and patient treatment. Mayo Clinic employs over 73,000 people across the country to treat and care for over one million patients each year with severe or complex illnesses. Only 10 minutes from Level 3 Apartments, the Scottsdale campus offers services including diagnostic testing, laboratory services, outpatient surgery, pharmacy services, patient education, and radiology imaging. The Mayo Clinic Alix School of Medicine campus is also onsite Mayo Clinic Scottsdale, ranked 11th best medical school in the country and top-ranked in 14 specialties.



Falcon Field Airport

Falcon Field has over 100 businesses with over 1,400 jobs on its 784-acre campus. Owned by the City of Mesa and surrounded by two runways, the Falcon District employs over 18,000 people and is an innovative, high-tech hub for aerospace/aviation, defense, and advanced manufacturing companies such as Boeing, MD Helicopters, Mercury Mission Systems, Orbital ATK, and Able Steel. In 1941, Falcon Field played a vital role in the training of Allied pilots in WWII.



Desert Destination

Level 3 Apartments is surrounded by scenic hiking trail heads including Sunrise Trailhead, Adero Canyon Trailhead, Wild Horse Trailhead, and Golden Eagle Trailhead, perfect for a variety of skill levels. Directly across the street from the property is the famous 64-acre Fountain Park, home of the fourth largest fountain in the world, 18-hole disc golf course, public art displays, walking trail, and amphitheater. Four Peaks Park and Golden Eagle Park also surround the neighborhood and provide outdoor enjoyment for all ages. Saguaro Lake recreation area and Red Mountain Park are located on the Salt River Pima-Maricopa Indian Reservation just east of the property.



We-Ko-Pa Casino Resort and Golf Club

Level 3 Apartments is minutes from the iconic We-Ko-Pa Casino Resort and award-winning We-Ko-Pa Golf Club, part of the Fort McDowell Yavapai Indian Reservation with over 1,300 employees. This luxury resort is known for its wide array of offerings including the casino, spa, fine dining, and outdoor adventure offerings. The casino gaming floor has over 166,000 square feet of bars, restaurants, patios, a bingo hall, and endless gaming tables and kiosks, providing endless fun and entertainment. At the resort, you will find two of the top-rated golf courses in Scottsdale. Known for their scenic views of Red Mountain and the Superstition Mountains, stunning desert topography, and complex layouts, these courses have received 50 awards including “#1 Public Access Course in Arizona” by Golfweek and “Must-Play Course” by Golf Magazine.



Level 3 Apartments is located on the third floor. The first and second floor will operate as the Fountain Park Hotel, which is not included in the sale. The Fountain Park Hotel is being sold separately by the Marcus & Millichap hotel group.



Price:
\$8,120,000

58 Keys

Year Built/Renovated:
2005/2022

Franchise Affiliation:
BW Signature Collection

FINANCIAL ANALYSIS

Unit Mix Summary

Financial Details

Rent Comparables

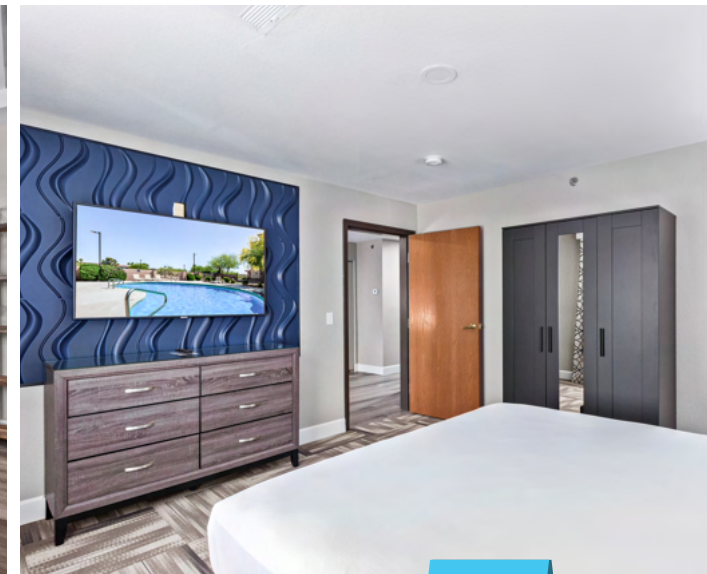
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UNIT MIX SUMMARY

Units	Unit Type	S.F.	Total S.F.	Mkt. Rent	Rent Per SF	Total
37	Studio	325	12,025	\$1,295	\$3.98	\$47,915
9	1BD/1BA	550	4,950	\$1,395	\$2.54	\$12,555
46		369	16,975	\$48,188	\$3.56	\$60,470



FINANCIAL DETAILS (PROFORMA)

Income	
Annual Gross Potential Rent	\$725,640
Physical Vacancy/Other (5%)	(\$36,282)
Total Economic Vacancy (5%)	(\$36,282)
Net Rental Income	\$689,358
RUBS (\$100/mo. for Studios & \$150/mo. for 1 Bds)	\$60,600
Other Income	\$14,950
Gross Operating Income	\$764,908
Expenses	
Owners Association Dues (Utilities)*	\$129,600
P/T Wages	\$18,000
Repairs & Maintenance	\$19,200
Contract Services	\$18,000
Marketing	\$18,000
Management (4%)	\$30,596
Administration	\$14,400
Property Taxes (2023)	\$37,950
Insurance (2022)	\$11,500
Capex	\$9,200
Operating Expenses	\$306,446
Expenses/Unit	\$6,662
Net Operating Income	\$458,462

* \$225/mo. for Studios & \$275/mo. for 1Bds

RENT COMPARABLES



Luna at Fountain Hills

13225 N. Fountain Hills Blvd.
150 Units
2 BDR - \$2,050

The Havenly Fountain Hills

16550 E. Avenue of the Fountains
147 Units
1 BDR - \$1,895 | 2 BDR - \$2,400

Park Place at Fountain Hills

16725 E. Avenue of the Fountains
230 Units
1 BDR - \$1,920 | 2 BDR - \$2,600

Lakeside Resort Casitas

17031 E. Lago Blvd
79 Units
1 BDR - \$2,200 | 2 BDR - \$2,750

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12800 N. Saguaro Blvd.
46 Units
Studio - \$1,295 | 1 BDR - \$1,395



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