OFFERING MEMORANDUM

THE NORTON ON HATCHER

Shovel-ready infill development site
24-unit multifamily program • Hatcher District Overlay

320 E HATCHER ROAD • PHOENIX, AZ 85020

$775,000
LAND OFFERING PRICE

$7,072,182
STABILIZED VALUE AT 5.5% CAP

EXCLUSIVELY PRESENTED BY

KEITH GRAYSON
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LISTING
MLS# 7003987
Parcel 159-45-092A
August 2026

EXECUTIVE SUMMARY

THE NORTON ON HATCHER • 320 E HATCHER ROAD

24	$775,000	$388,970	$7,072,182	8.15%
UNITS	LAND PRICE	STABILIZED NOI	STABILIZED VALUE	YIELD ON COST

THE OPPORTUNITY

The Norton on Hatcher offers a rare opportunity to acquire a shovel-ready infill development site in North Central Phoenix with a fully designed 24-unit multifamily program. The parcel is zoned R-5 High Density Multi-Family and sits within the Hatcher District Overlay, a zoning framework that broadens permitted uses to include restaurant, office, and retail alongside residential density.

The offering is priced at $775,000 for the land. A buyer executing the 24-unit program described in this memorandum, at a total project cost of $4,775,000, would create a stabilized asset valued at $7,072,182 on a 5.5% capitalization rate, representing $2,297,182 of value creation before construction period carry.

The site is level, rectangular, and served by existing municipal infrastructure, with individual APS electric meters, public sewer, and city water franchise available. Its 0.88 acre gross footprint supports the proposed density at 35.3 units per net acre, comfortably within the R-5 envelope.

INVESTMENT HIGHLIGHTS

Entitled Density in a Supply Constrained Submarket
R-5 High Density Multi-Family zoning within the Hatcher District Overlay supports 24 residential units on 0.68 net acres. Infill sites of this density and configuration are increasingly scarce along the Hatcher corridor.

Family Weighted Unit Mix
The program is weighted toward two and three bedroom homes, which together account for 20 of the 24 units. This mix targets household formation demand that is underserved by the studio and one bedroom product dominating recent Phoenix deliveries.

265 Basis Points of Development Spread
Projected stabilized yield on cost of 8.15% against a 5.5% exit capitalization rate produces a 265 basis point spread, with additional upside if construction pricing improves or rents outperform the conservative proforma.

Construction Financing Quoted
A construction facility has been quoted at 75% loan to cost with a 9% interest rate through Western State Bank. Terms are indicative and subject to the lender's underwriting of the ultimate borrower, final construction budget, and appraisal.

Defined Permanent Takeout
DSCR permanent financing is available on completion and stabilization, underwritten to property rental income rather than borrower personal income, providing a clear path from construction facility to long term hold.

Institutional Management in Place
Grayson Real Estate, an Arizona licensed brokerage managing approximately 90 doors across the metro, is available to provide third party property management at 6% of collected income.

PROPERTY OVERVIEW

SITE, ZONING & INFRASTRUCTURE

SITE SUMMARY

Address	**320 E Hatcher Road**
City / State / ZIP	**Phoenix, AZ 85020**
County	**Maricopa**
Parcel Number	**159-45-092A**
Subdivision	**Tengen Place Addition**
Property Type	**Land / Development**
Zoning	**R-5 High Density MF**
Overlay District	**Hatcher District**
Gross Lot Area	**0.88 Ac (38,315 SF)**
Net Lot Area	**0.68 Ac (29,621 SF)**
Gross Dimensions	**218' x 175'**
Topography	**Level**
Proposed Density	**35.3 Units / Net Acre**
View	**Mountain Views**
MLS Number	**7003987**

PROPOSED IMPROVEMENTS

Total Units	**24**
Stories	**3**
Livable Area	**19,800 SF**
Common / Circulation	**1,780 SF**
Total Area Under Roof	**24,000 SF**
Average Unit Size	**825 SF**
Garages	**11 (220 SF each)**
Surface Parking	**20 spaces**
Total Parking	**31 spaces (1.29 / unit)**
Est. Building Footprint	**Approx. 7,200 SF**

UTILITIES

Electric	**APS, individual meters**
Sewer	**Public sewer**
Water	**City franchise**
Cost Recovery	**RUBS billing**

ZONING & ENTITLEMENT

The property carries R-5 High Density Multi-Family zoning, the most permissive residential district in the City of Phoenix zoning ordinance, and lies within the Hatcher District Overlay. The overlay expands the range of permitted uses beyond residential to include restaurant, office, and retail, giving a buyer optionality to pursue a mixed use ground floor program or an alternative commercial concept should market conditions favor it.

Prior entitlement work and the plan set conveying with the site reflect a 20-unit, two story program. The 24-unit, three story program presented in this memorandum represents a revised development concept and will require redesign, resubmittal, and re-approval by the City of Phoenix. Prospective purchasers should independently verify permitted density, height, unit count, parking ratios, setbacks, and all applicable code requirements with the City of Phoenix Planning and Development Department before proceeding.

At 24 units on 0.68 net acres, the proposed program yields 35.3 dwelling units per acre. The three story configuration reduces the building footprint to approximately 7,200 square feet, preserving substantial site area for the 20 surface parking spaces, drive aisles, and required landscape and setback areas.

DEVELOPMENT PROGRAM

UNIT MIX & PROJECTED RENT ROLL

UNIT MIX

UNIT TYPE	QTY	SF EACH	TOTAL SF	MONTHLY RENT	RENT / SF	ANNUAL
1 Bedroom / 1 Bath	4	650	2,600	$1,200	$1.85	$57,600
2 Bedroom / 1 Bath	14	800	11,200	$1,600	$2.00	$268,800
3 Bedroom / 2 Bath	6	1,000	6,000	$2,100	$2.10	$151,200
RESIDENTIAL TOTAL	**24**	**825**	**19,800**	**$1,658**	**$2.01**	**$477,600**
Garages	11	220	2,420	$200	n/a	$26,400
GROSS SCHEDULED INCOME			**24,000**			**$504,000**

Rent per square foot is calculated on residential base rent only and excludes garage income and utility recovery. Average unit size and average rent are weighted across the 24 residential units.

PROGRAM RATIONALE

The unit mix is deliberately weighted toward larger floor plans. Two and three bedroom homes represent 20 of the 24 units and 87% of livable area, a composition intended to capture household and family demand rather than compete directly with the studio and one bedroom supply that has characterized much of the recent delivery pipeline across metropolitan Phoenix.

Eleven of the 24 units are supported by attached garages generating $200 per month in ancillary income, contributing $26,400 annually. Garage income is underwritten at full occupancy given the limited on site parking supply relative to unit count, and represents 5.2% of gross scheduled income.

The proforma reflects a single bathroom configuration in the two bedroom units. Prospective purchasers evaluating a second bathroom in this floor plan should weigh the incremental construction cost against achievable rent premium, as the two bedroom units represent the largest single component of projected revenue.

INCOME CONCENTRATION

The 14 two bedroom units generate $268,800 annually, 53% of gross scheduled income. A $100 variance in achievable two bedroom rent moves annual revenue by $16,800 and stabilized value by approximately $305,000 at a 5.5% capitalization rate.

DESIGN NOTE

Elevations depict the three story, 24-unit program with tuck under garages along the north frontage and stair towers at the east and west ends. Drawings are conceptual, are provided for illustration only, and do not constitute a permitted or approved plan set. Final design is subject to redesign, City of Phoenix review, and re-approval.

STABILIZED PROFORMA

INCOME		
Gross Scheduled Rent		$504,000
Less: Vacancy & Credit Loss	5.0%	($25,200)
Plus: Utility Recovery (RUBS)		$11,700
EFFECTIVE GROSS INCOME		**$490,500**
OPERATING EXPENSES		
Property Management	6.0%	$29,430
Utilities	$488/unit	$11,700
Real Estate Taxes	$1,875/unit	$45,000
Insurance	$542/unit	$13,000
Contract Services	$100/unit	$2,400
TOTAL OPERATING EXPENSES	**20.7%**	**$101,530**
NET OPERATING INCOME		**$388,970**

Operating expenses are stated on a stabilized basis and exclude debt service, replacement reserves, general and administrative costs, and marketing. Utility recovery through RUBS is projected to offset utility expense on a dollar for dollar basis; any variance in utility cost flows directly to net operating income without cushion. Prospective purchasers should apply their own reserve assumption, which for new construction multifamily is commonly underwritten at $250 to $300 per unit annually.

PER UNIT SUMMARY

Gross Scheduled Income	**$21,000**
Effective Gross Income	**$20,438**
Operating Expenses	**$4,230**
Net Operating Income	**$16,207**
Total Project Cost	**$198,958**
Stabilized Value	**$294,674**

KEY RATIOS

Average Rent / Unit	**$1,658**
Average Rent / SF	**$2.01**
Operating Expense Ratio	**20.7%**
Yield on Cost	**8.15%**
Exit Cap Rate	**5.50%**
Development Spread	**265 bps**
Value / SF (Livable)	**$357.18**

EXPENSE LOAD

A 20.7% expense ratio reflects new construction efficiency, individually metered utilities, and RUBS recovery. Buyers underwriting reserves and G&A should expect a normalized ratio in the mid twenties.

CAPITALIZATION & RETURNS

SOURCES, USES & VALUE CREATION

USES OF FUNDS

Land Acquisition	$775,000
Hard Construction Cost	$4,000,000
TOTAL PROJECT COST	**$4,775,000**
Loan Origination Fee (1%)	$35,813
Est. Construction Period Interest	$290,000
ESTIMATED ALL-IN COST	**$5,100,813**

Hard construction cost equates to $167 per square foot of total area under roof. Construction period interest is estimated on an 18 month build at an assumed 60% average outstanding balance and is not included in the base project cost.

SOURCES OF FUNDS

Construction Loan (75% LTC)	$3,581,250
Sponsor Equity	$1,193,750
TOTAL SOURCES	**$4,775,000**

CONSTRUCTION FACILITY

Lender	**Western State Bank**
Loan to Cost	**75%**
Loan Amount	**$3,581,250**
Interest Rate	**9.0%**
Origination Fee	**1.0%**

VALUE CREATION

Stabilized Net Operating Income	$388,970
Exit Capitalization Rate	5.50%
STABILIZED MARKET VALUE	**$7,072,182**
Less: Total Project Cost	($4,775,000)
EQUITY CREATED	**$2,297,182**

Measured against estimated all-in cost of $5,100,813 including origination and construction period interest, value creation is $1,971,369 and yield on cost is 7.63%.

CAPITALIZATION RATE SENSITIVITY

EXIT CAP RATE	5.50%	5.75%	6.00%	6.25%	6.50%
Stabilized Value	$7,072,182	$6,764,696	$6,482,833	$6,223,520	$5,984,154
Value / Unit	$294,674	$281,862	$270,118	$259,313	$249,340
EQUITY CREATED	**$2,297,182**	**$1,989,696**	**$1,707,833**	**$1,448,520**	**$1,209,154**

PERMANENT TAKEOUT FINANCING

DSCR permanent financing is available on completion and stabilization through a 30 year amortizing fixed rate program underwritten to property rental income rather than borrower personal income. Loan sizing will be governed by the lesser of the program maximum loan to value and the debt service coverage constraint applied to actual stabilized net operating income at the time of takeout. At prevailing rate levels, coverage constrained proceeds are expected to fall below the program maximum loan to value, and prospective purchasers should model the takeout on a coverage basis rather than assuming maximum leverage.

Financing Contact	**Austin Barrett, Regions Bank**
Telephone	**928.899.3842**
Email	**Austin.Barrett@Regions.com**

LOCATION OVERVIEW

NORTH CENTRAL PHOENIX • SUNNYSLOPE

SUBMARKET

320 E Hatcher Road sits in the Sunnyslope area of North Central Phoenix, immediately east of Central Avenue and within the Hatcher Road corridor. The location places residents between the Central Avenue spine to the west and State Route 51 to the east, with Interstate 17 accessible to the west, providing multidirectional access to the region's principal employment centers.

The immediate area is characterized by a mix of established single family neighborhoods, small scale multifamily, and neighborhood serving commercial along the Hatcher and Central corridors. The Hatcher District Overlay was adopted to encourage reinvestment and a broader mix of uses along this corridor, and the site benefits directly from that policy framework.

PROXIMITY

Central Avenue	**Immediately west**
State Route 51	**Approximately 2 miles east**
Interstate 17	**Approximately 2 miles west**
HonorHealth John C. Lincoln Medical Center	**Under 1 mile**
North Mountain Park & Preserve	**Adjacent to the north**
Downtown Phoenix	**Approximately 7 miles south**
Phoenix Sky Harbor International Airport	**Approximately 11 miles southeast**

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

DEMAND DRIVERS

The HonorHealth John C. Lincoln campus anchors a concentration of healthcare employment within walking and short driving distance of the site, generating consistent rental demand from clinical and support staff across shift schedules. The North Mountain Park and Preserve system immediately north offers recreational amenity uncommon at this price point, and mountain views from the upper floors of a three story building are a differentiating feature for the proposed program.

The Central Avenue corridor provides transit connectivity toward Downtown Phoenix, Midtown, and the broader regional employment base, while the Hatcher corridor itself carries neighborhood retail, grocery, and service uses within a short radius of the site.

MARKET DILIGENCE

This memorandum presents the sponsor's development program and financial projections. It does not include third party rent comparables, absorption analysis, or demographic data. Prospective purchasers are encouraged to commission independent market study and appraisal to validate the rent assumptions underlying the projections 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. This dual capacity as principal and licensee is disclosed to all prospective purchasers. Grayson Real Estate is also offered as third party property manager for the completed project at a fee of 6% of collected income, an affiliated arrangement disclosed for the avoidance of doubt.

PROJECTIONS & FORWARD LOOKING STATEMENTS

The financial projections contained in this memorandum, including the unit mix, square footages, rental rates, operating expenses, construction costs, capitalization rates, stabilized value, and value creation, are projections only. They reflect assumptions supplied by the owner and have not been independently verified, audited, or reviewed by any third party. Actual results will differ, and may differ materially, from the projections presented. No representation or warranty is made as to the accuracy or achievability of any projection.

Rental rates are the owner's estimate of achievable market rent for the proposed product and are not supported by third party rent comparables within this document. Operating expenses exclude replacement reserves, general and administrative expense, marketing, and turnover cost. Construction cost of $4,000,000 is owner supplied, subject to final bid, and excludes construction period interest, which is separately estimated at approximately $290,000. Stabilized value is derived by capitalizing projected net operating income at an assumed rate and will ultimately be determined by appraisal.

ENTITLEMENT STATUS

Prior entitlement work and the plan set associated with this site reflect a 20-unit, two story development program. The 24-unit, three story program presented in this memorandum is a revised concept that will require redesign, resubmittal, and re-approval by the City of Phoenix. No representation is made that the 24-unit program is currently entitled, approved, or approvable. Prospective purchasers must independently verify permitted density, building height, unit count, parking requirements, setbacks, and all other applicable code and development standards with the City of Phoenix.

FINANCING

Financing terms described in this memorandum are indicative only. Any construction facility, including the terms quoted through Western State Bank, is subject to the lender's independent underwriting of the ultimate borrower, final construction budget, appraisal, and credit approval. No lender has committed to finance any purchaser of this property, and no financing commitment is transferable. Permanent takeout financing is likewise subject to lender underwriting at the time of application.

ARCHITECTURAL RENDERINGS

Elevations and renderings included in this memorandum are conceptual illustrations of the proposed 24-unit program. They are not a permitted, approved, or construction ready plan set, and no representation is made that the design shown has been submitted to or approved by the City of Phoenix. Unit counts, dimensions, materials, finishes, and configurations shown are subject to change through design development, plan review, and permitting.

SITE MEASUREMENTS

Gross lot area is stated as 38,315 square feet prior to right of way dedication, with net buildable area of 29,621 square feet. Stated dimensions are approximate. Prospective purchasers should rely on a current ALTA survey rather than the measurements stated herein.

GENERAL

All information contained herein has been obtained from sources believed to be reliable, but neither Grayson Real Estate nor the owner makes any representation or warranty, express or implied, as to its accuracy or completeness. Prospective purchasers are expected to conduct their own independent investigation and due diligence, including but not limited to physical inspection, environmental assessment, survey, title review, 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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$775,000 land offering price • MLS# 7003987

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