

OFFERING MEMORANDUM

78 UNIT HEALTHCARE ASSET



152 N 56th Street

Relocation Opportunity

OFFERED AT \$4,975,000

01 | EXECUTIVE SUMMARY

The Opportunity

1.79 acre, ±62,000 SF R-5 zoned investment opportunity in the thriving Mesa multi family market. Formerly Copper Heights Assisted Living, this vacant 2 story property with full basement offers a clean canvas for multi family housing or assisted living reinstatement (subject to local zoning and entitlement). 78 units total: 30 one bedroom and 48 studio units, each with private bathrooms. Main floor features an office and two spacious recreation/dining areas. Basement houses partially intact commercial kitchen infrastructure including walk in cooler and freezer. Recently repaired roof and rooftop solar array reduce operating costs for future use.

152 N 56th Street is a 78 unit, ±61,969 SF former assisted living facility situated on 1.81 acres in East Mesa, Arizona. The property is offered fully vacant, presenting investors and operators with a clean repositioning opportunity in one of the most demographically favorable submarkets in Mesa.

Originally built in 1974 and most recently operated as Copper Heights, the asset features 30 one bedroom units and 48 studio units, each with private bathrooms. The two story building over a full basement includes two large communal recreation and dining rooms, a main floor office, a partially intact commercial kitchen with walk in cooler and freezer infrastructure, and a recently installed rooftop solar array. Prior ownership conducted interior demolition during the period the property was held, including removal of in unit kitchens and portions of unit interiors. The building shell, structure, exterior, roof, and rooftop solar system remain intact, providing a clean canvas for repositioning.

Zoned R-5 (Multi Family, High Density) by the City of Mesa / Maricopa County Island, the property supports multi family residential use by right. The asset most recently operated as a licensed assisted living facility under a Special Use Permit, which lapsed during the property's vacancy. Buyers may pursue two distinct repositioning paths: (A) conversion to multi family rental housing under existing R-5 zoning, or (B) reinstatement as an assisted living, memory care, or behavioral health facility through a new Special Use Permit, supported by the property's documented prior approval for senior care use at this location.

78	61,969	\$63,782
UNITS	BUILDING SF	PRICE / UNIT

Offered well below the prior "as is" appraised value of \$10,740,000, which was based on the property's pre demolition condition. Current pricing reflects the post demolition state of the asset and provides meaningful basis for a buyer underwriting full repositioning.

Why This Deal

- Priced at \$4,975,000, approximately \$80/SF and \$64,000/unit, well below replacement cost for senior housing or multi family in Mesa.
- Significantly repositioned from the prior \$9,977,000 ask. Prior "as is" appraisal of \$10,740,000 reflected pre demolition condition. Current pricing reflects the post demolition state of the asset.

TWO PATHS TO VALUE

- Multifamily conversion permitted by right under existing R-5 zoning.
- Assisted living, memory care, or behavioral health reinstatement available through a new Special Use Permit, supported by the site's documented history of prior city approval for senior care use.
- Building shell, exterior envelope, structural integrity, and rooftop solar system remain intact. Interior is in shell condition following prior ownership demolition, providing buyer flexibility to design unit layouts and finish levels to match their business plan.

CAPITAL ALREADY IN PLACE

- Rooftop solar array installed, providing meaningful operating cost reduction for any future use.
- Building shell, exterior envelope, and structural systems intact. Interior systems and finishes were removed during prior ownership demolition and require buildout.

MESA TAILWINDS

- Located within an established East Mesa senior population corridor with strong absorption metrics for both senior housing and workforce rental product.
- Mesa and the broader East Valley are among the strongest U.S. submarkets for senior housing demand growth.
- Drivable to Phoenix Mesa Gateway Airport (± 20 min) and Phoenix Sky Harbor (± 30 min).

EXECUTION FLEXIBILITY

- Seller financing potentially available for qualified buyers.
- Property is fully vacant. Buyer controls timing, capital plan, and operator selection.

Asset Summary



Aerial view: north elevation, parking, and rooftop solar array

Address	152 N 56th Street, Mesa, AZ 85205
Property Type	Health Care / Congregate Senior Housing
Year Built	1974
Building Size	±61,969 SF
Lot Size	1.81 Acres (±78,800 SF)
Stories	2 stories plus full basement
Unit Count	78 units (30 one bedrooms, 48 studios)
Construction Class	Class C
Parking	±26 spaces (0.42 / 1,000 SF)
Zoning	R-5 (Multi Family, High Density), City of Mesa
Prior Use Entitlement	Previously operated as licensed assisted living under a Special Use Permit (lapsed)
APN	141-77-059E
Property Tax (2025)	\$19,725
Accessibility	Wheelchair accessible
Occupancy	Vacant

Building & Improvements

UNIT MIX & CONFIGURATION

- 78 units total: 30 one bedroom units and 48 studio units, all with private bathrooms (tub/shower combinations).
- Units are currently in shell condition. Prior ownership demolished in unit kitchens and portions of unit interiors. The shell, framing, and exterior remain intact.
- Buyer has flexibility to design unit layouts, kitchenette configurations (or full kitchens), and finish levels to match their business plan.

COMMON AREAS

- Main floor office and two large recreation/dining rooms.
- Full basement housing a partially intact commercial kitchen with walk in cooler and walk in freezer infrastructure. Buyer should independently verify functional condition during diligence.

CAPITAL IMPROVEMENTS & BUILDING SYSTEMS

- Solar: rooftop photovoltaic array installed across both wings of the building.
- Building shell, exterior envelope, and structural systems remain intact.
- PTAC HVAC units partially remain in place. Buyer should independently verify functional condition and unit count.
- Mechanical, electrical, plumbing, and life safety systems should be independently assessed by buyer due to demolition scope.



Representative unit interior in current shell condition following prior ownership demolition



Interior corridor, main floor, post demolition

Two Paths to Value

The property's R-5 multi family zoning supports residential use by right, while the site's documented history of operating as a licensed assisted living facility under a prior Special Use Permit provides a meaningful precedent for senior care reuse. Buyers may pursue either business plan independently, and the existing zoning provides flexibility to underwrite both during diligence.

P A T H A MultiFamilyConversion

Configure 78 new studio and one bedroom apartment units within the existing shell under existing R-5 zoning. With the interior in shell condition, the buyer has full flexibility to design unit layouts, kitchen configurations, and finish levels appropriate for the target East Mesa workforce or senior multi family rental segment. Mature landscaping, secured parking, and immediate residential context support strong lease up potential.

- By right entitlement. No SUP required.
- Strong rental demand in East Mesa workforce and senior submarkets.
- Lower regulatory and operational complexity vs. licensed senior care.
- Shell condition allows full design flexibility.

P A T H B AssistedLivingReinstatement

Reinstate the property's licensed senior housing use through a new Special Use Permit application with the City of Mesa. The site previously operated as a licensed assisted living facility under an SUP that lapsed during the property's vacancy, providing meaningful precedent for the new application. With the interior in shell condition, an experienced operator has full flexibility to design care appropriate unit layouts, finishes, and operational flow from a clean canvas. The partially intact basement commercial kitchen, walk in cooler/freezer infrastructure, and overall building footprint align well with senior care, memory care, or behavioral health reuse.

- Higher stabilized value than Path A on a per unit basis.
- Prior SUP approval establishes site precedent for senior care use.
- Building footprint and basement infrastructure align with care use.
- Shell condition allows operator to purpose design unit and care layouts.

East Mesa | Mesa, Arizona



Aerial view: surrounding residential context, density, and connectivity

SITE & CONNECTIVITY

Submarket	East Mesa / Central Mesa
MSA	Phoenix, Mesa, Chandler, AZ
Walk Score	40 / 100 (Fairly Walkable)
Drive Score	80 / 100 (Very Drivable)
Phoenix Mesa Gateway Airport	±20 minutes
Phoenix Sky Harbor International	±30 minutes

DEMOGRAPHIC

- Mesa and the broader East Valley rank among the top U.S. submarkets for 65+ population growth, supporting structural demand for senior housing across price points.
- Immediate trade area features an established senior population and a high concentration of supportive residential, healthcare, and retail uses.
- Mesa workforce population continues to expand, supporting workforce multi family demand for the Path A scenario.

Transaction Structure & Disclosures

SOLD AS IS, WHERE IS

The property is offered strictly on an AS IS, WHERE IS basis, with all faults, and without representation or warranty of any kind, express or implied, as to physical condition, environmental status, building systems, structural integrity, code compliance, mechanical systems, roof condition, or fitness for any particular use.

MATERIAL CONDITION DISCLOSURE: INTERIOR DEMOLITION

Buyers should be aware that prior ownership conducted interior demolition during the period the property was held. This included removal of in unit kitchens and substantial portions of unit interiors. The basement commercial kitchen infrastructure (including walk in cooler and walk in freezer) is partially intact. The current condition of the asset is different from any condition referenced in prior valuation or marketing materials, including the prior "as is" appraisal of \$10,740,000, which was completed prior to demolition. Buyers should rely solely on their own physical inspection and assessment of current condition. Any reference in this Offering Memorandum to building features, finishes, mechanical systems, or fixtures should be verified in person.

LIMITED SELLER KNOWLEDGE

Ownership acquired the property through the original lender's recovery of collateral. As a result, ownership has limited operating, maintenance, and historical records related to the asset and is not in a position to make representations regarding prior operations, the precise scope of prior demolition work, or the current functional condition of building systems.

Buyers are strongly encouraged, and are expected, to conduct full independent due diligence, including but not limited to: physical condition assessment, environmental Phase I (and Phase II if warranted), roof and structural inspection, mechanical and life safety review, scope of demolition assessment, code and zoning verification with the City of Mesa, ALTA survey, title review, and financial and tax assessment review.

SELLER FINANCING

Seller financing may be available to qualified buyers. Indicative terms previously discussed include a \$3,500,000 down payment, 5 year interest only term, and a 6.0% interest rate. Final terms are subject to seller approval, buyer financial qualification, and definitive documentation.

OFFER PROCESS

- Offers should be submitted in writing through the listing contact.
- Offers should include proof of funds.
- Seller reserves the right to accept, reject, or counter any offer at sole discretion, and to remove the property from the market at any time.

Confidentiality & Contact

CONFIDENTIALITY NOTICE

This Offering Memorandum is provided solely for use by prospective purchasers in considering the acquisition of 152 N 56th Street, Mesa, Arizona. The information contained herein is confidential and is provided with the express understanding that it will not be disclosed, copied, or distributed to any other party without the prior written consent of the seller.

NO REPRESENTATION OR WARRANTY

The information contained in this Offering Memorandum has been compiled from sources believed to be reliable, but no representation or warranty, express or implied, is made as to the accuracy or completeness of any information presented. All financial projections, pro forma analyses, comparable sales, rent comparables, and other forward looking statements are illustrative and intended for informational purposes only. Actual results may differ materially. Prospective buyers are responsible for conducting their own independent investigation and analysis.

NOT AN OFFER

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy. Any sale shall be governed solely by a definitive purchase and sale agreement executed by the parties. Seller reserves the right to withdraw the property at any time and to accept, reject, or counter any offer at sole discretion.

LISTING CONTACT

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Licensed Real Estate Agent