

“VALUE ADD” RETAIL INVESTMENT OFFERING

**3900 WEST COSTCO DR.
SHOPPING CENTER**

\$2,800,000

8.31% CAP

JUST REDUCED \$100K MORE!

90% Leverage 



- EXCELLENT ASSUMABLE
6.01%/ 30 YR.
AMORT
FINANCING
- NEW MASONRY
CONSTRUCTION
- DYNAMIC
RETAIL HUB
ACROSS FROM
COSTCO AND
HOME DEPOT
- 2.6% SHOP SPACE
SUBMARKET
VACANCY
(JUNE 2008)
- STRONG HOUSE-
HOLD
INCOME
DEMOGRAPHICS
1 MILE \$68,088
3 MILE \$72.285

EXECUTIVE SUMMARY

LOCATION: NWC of Thornydale & Costco Dr

ZONING: HI (Town of Marana)

BUILDING SIZE: 11,519

YEAR BUILT: 2006

LOT SIZE: 68,562

TAX PARCEL ID: 101-05-093A

PROFORMA NOI: \$232,621 (Stabilized)

10 YEAR IRR: 21.47% (7.25% CAP Sale)

CASH/CASH: 16.63% (Stabilized)

TUCSON, AZ 85741

THE SCHULTE COMPANY, INC.

REAL ESTATE INVESTMENT BROKERAGE

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Description

The new masonry constructed shopping center opened in 2006.

Upside

The subject shop space submarket vacancy rate was reported at a low 2.6% for June 2008.

The ownership has just become aggressive on lease rates by lowering the asking entry level below \$20 per sq. ft. which should aid "lease up"

The 6 lane Thornydale street widening project (adjacent to the center) was completed the end of November 2008. This should provide substantially more traffic and higher rents for the area.

Financing

A better than prevailing market first position loan of approximately \$2,510,000 at 6.01% annual interest rate with a 30 year amortization schedule is in place. Approximately \$290,000 cash to loan.

Location

The Property is located ½ mile east of I-10, which is the only Interstate Highway that services the Northwest Tucson Area/Marana for direct access to Downtown Tucson. It is approximately 9 miles from the University of Arizona. Substantial housing development is projected and has been ongoing north and west of the subject.



<u>3900 W. Costco Center</u>		Stabilized Proforma	
Square Feet:		11,519	
INCOME			
(Projected Vacant Rates)		SF	
Base Rent Current	\$21.30	\$245,364	
RE Tax Reimbursements	\$ 3.40	\$ 39,137	
Insurance Reimbursements	\$ 0.61	\$ 6,996	
CAM Reimbursements	\$ 2.02	\$ 23,302	
Vacancy	4%	\$(1.09)	<u>\$ (12,592)</u>
GROSS SCHEDULED INCOME	\$26.24	\$302,207	
EXPENSES			
Cleaning	\$ 0.08	\$ 866	
Repairs & Maintenance	\$ 0.33	\$ 3,756	
Utilities	\$ 0.29	\$ 3,360	
Grounds	\$ 0.16	\$ 1,872	
Management	4.5%	\$ 1.18	\$ 13,599
Real Estate Taxes	\$ 3.40	\$ 39,137	
Insurance	\$ 0.61	<u>\$ 6,996</u>	
TOTAL EXPENSES	\$ 6.04	\$ 69,586	\$ 6.04 SF
NET OPERATING INCOME	\$20.19	\$232,621	\$ 2,800,000
Debt Service	\$15,365	\$16.01	\$184,380
		PI/Mo	PI
CASH FLOW Before Taxes		\$ 48,241	
Down Payment			\$ 290,000
Cash on Cash Before Taxes			16.63%

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