



FOOTHILLS ACRES

9645 N. 11TH AVE. PHOENIX, AZ 85021

OFFERING MEMORANDUM



Presented by: NorthMarq Multifamily

Daniel Leibsohn

SENIOR ASSOCIATE

T 602.952.4048

C 602.284.5904

dleibsohn@northmarq.com

Ryan Boyle

SENIOR ASSOCIATE

T 602.952.4050

C 602.510.2972

rboyle@northmarq.com

NorthMarq Capital

Alex Quenzler

VICE PRESIDENT

T 602.508.2209

aquenzler@northmarq.com

Visit us online at northmarq.com

Phoenix Office

3200 E. CAMELBACK ROAD, SUITE 253

PHOENIX, AZ 85018

602.955.7100

MULTIFAMILY & MANUFACTURED HOUSING INVESTMENT SALES

THIS DOCUMENT/EMAIL HAS BEEN PREPARED BY NORTHMARQ MULTIFAMILY FOR ADVERTISING AND GENERAL INFORMATION ONLY. NORTHMARQ MULTIFAMILY MAKES NO GUARANTEES, REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, REGARDING THE INFORMATION INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF CONTENT, ACCURACY AND RELIABILITY. ANY INTERESTED PARTY SHOULD UNDERTAKE THEIR OWN INQUIRIES AS TO THE ACCURACY OF THE INFORMATION. NORTHMARQ MULTIFAMILY EXCLUDES UNEQUIVOCALLY ALL INFERRED OR IMPLIED TERMS, CONDITIONS AND WARRANTIES ARISING OUT OF THIS DOCUMENT AND EXCLUDES ALL LIABILITY FOR LOSS AND DAMAGES ARISING THERE FROM. THIS PUBLICATION IS THE COPYRIGHTED PROPERTY OF NORTHMARQ MULTIFAMILY AND/OR ITS LICENSOR(S). © 2018. ALL RIGHTS RESERVED.





TABLE OF CONTENTS

PROPERTY INFORMATION..... 6

RENT COMPARABLES 19

FINANCIAL ANALYSIS..... 22

SALES COMPARABLES 24





PROPERTY & AREA

PROPERTY SUMMARY

ASSET HIGHLIGHTS

UNIT MIX BREAKDOWN

PROPERTY PHOTOS

AREA DESCRIPTION

OFFERING

Price	\$2,550,000
Price Per Unit	\$85,000
Price Per Square Foot	\$141.90
Terms	Cash - Fee Simple

SITE DESCRIPTION

Apartment Community	Foothills Acres
Location	9645 N 11th Ave. Phoenix, AZ 85021
Total Units	30
Year Built	1984/1989
Net Rentable Square Feet	17,970
Number of Buildings	3
Number of Stories	2
Sub-market	Sunnyslope/North Mountain
Land Size	0.84 Acres
Density	35.59 Units Per Acre
Parking	44 Uncovered Spaces

MECHANICAL

Heating / Cooling	Individual Roof Mounted Units
Hot Water	Commercial Boiler
Electricity	Paid by Tenant (Provided by APS)
Water / Sewer	Paid for by the Owner (Provided by City of Phoenix)

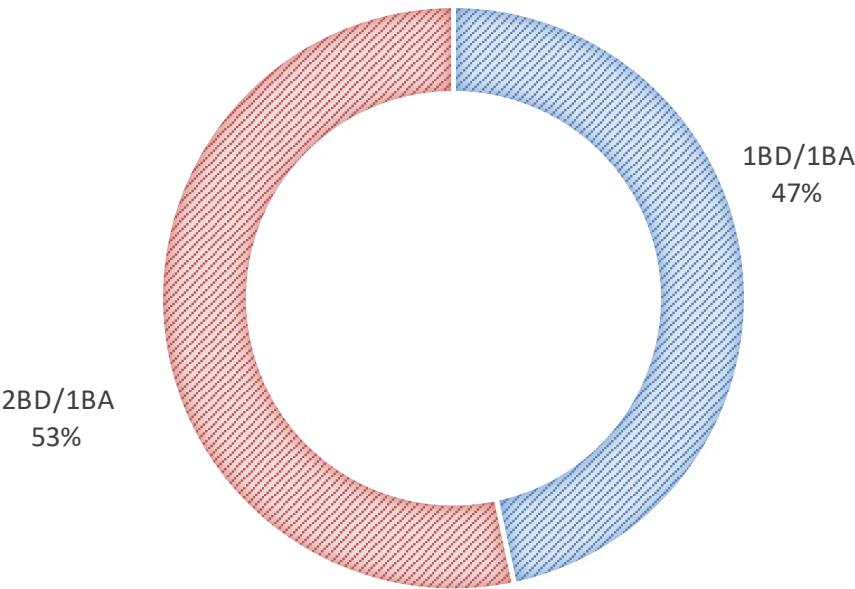
PROPERTY TAXES

Number of Parcels	1
Tax Parcel Number	158-34-046
2018 Property Tax	\$9,084



UNIT TYPE	# OF UNITS	% OF COMPLEX	SQUARE FEET	ASKING RENT	ASKING RENT / SF	AVERAGE IN-PLACE RENT	AVERAGE RENT / SF	TOTAL ASKING RENT	TOTAL AVERAGE RENT
1BD/1BA	14	46.67%	575	\$629	\$1.09	\$574	\$1.00	\$8,806	\$8,030
2BD/1BA	16	53.33%	620	\$749	\$1.21	\$701	\$1.13	\$11,984	\$11,218
TOTAL / AVERAGE	30	100%	599	\$693	\$1.16	\$642	\$1.07	\$20,790	\$19,248

UNIT MIX BREAKDOWN





ASSET HIGHLIGHTS

- > The property is clean and well maintained, enabling future capital investment to go directly towards revenue and value-enhancing improvements.
- > Strong physical occupancy - currently leased at 100%.
- > Within walking distance to the Phoenix Metro Light Rail Station allowing tenants an easy commute to Downtown Phoenix and Tempe.
- > Close proximity to the Deer Valley Employment Corridor: Home to 9 Fortune 500 Companies.

VALUE-ADD OPPORTUNITIES

- > Ability to raise current asking rents due to the high physical occupancy.
- > Initiating an interior and exterior upgrade program will generate additional income.
- > Modernization of signage will enhance the curb appeal for prospective residents.
- > Energy efficient retrofit of exterior fixtures will decrease utility & contract service expenses.
- > Cost savings to be realized by installing low-flow water faucets & toilets, and CFL/LED lighting and fixtures in interiors.

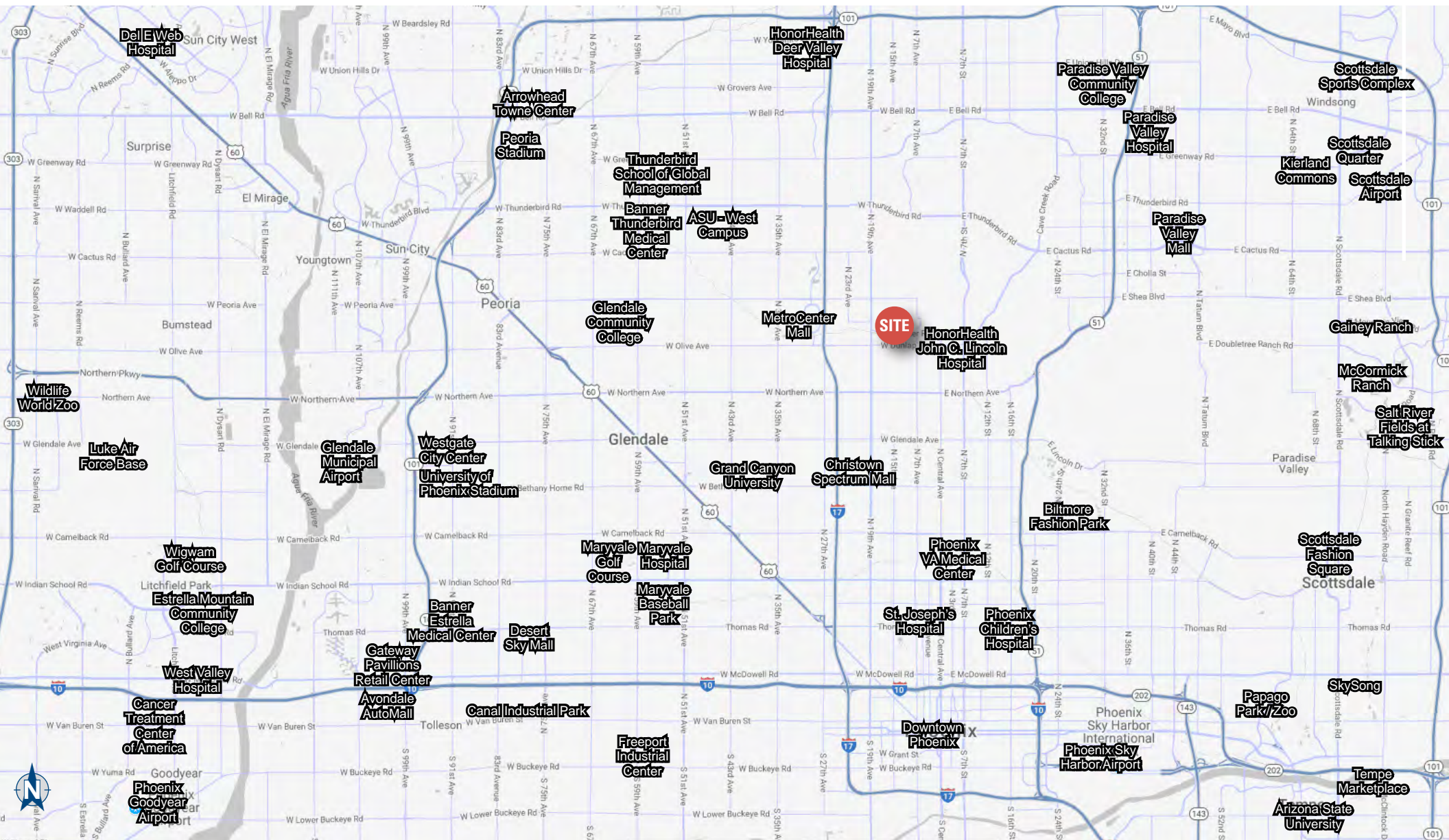




AREA DESCRIPTION

Foothills Acres is located at 9645 North 11th Avenue in Phoenix, Arizona. The property is situated a few blocks northwest of the Dunlap and 7th Avenue intersection, a major east-west thoroughfare running through Phoenix, Arizona. There are several schools within two miles of the property including Richard E. Miller Elementary School, Royal Palm School and Sunnyslope High School. Nearby grocery store options include Fry's Grocery Store located less than two miles east of the property and Albertsons Grocery Store located less than two miles south of Foothills Acres. Nearby parks include North Mountain Park located one mile northeast of the property and Mountain View Park located one block northeast of Foothills Acres. Freeway access to the I-17 freeway is available via the Dunlap Avenue on ramp, located less than two miles west of the property. Nearby shopping malls include Metro Center Mall and Christown Spectrum. HonorHealth John C. Lincoln Medical Center is located less than one mile southeast of the property and features 266 beds, and employs over 1600 health care professionals. Nearby Universities include West Campus- Arizona State University located less than five miles northwest of the property and Grand Canyon University located less than five miles southwest of Foothills Acres.





FOOTHILLS ACRES IS WITHIN EASY ACCESS TO:

- > Deer Valley Airport - serves to relieve air traffic from Sky Harbor; situated on 914 acres and is home to more than 1,277 aircrafts.
- > Sky Harbor International Airport – one of the top ten busiest airports in the nation with more than 100,000 passengers daily, over 31,000 employees & a daily economic impact of \$90 million.
- > Metrocenter Mall - 1.3 million square foot super-regional shopping mall in northwest Phoenix with over 100 retailers and restaurants. Currently being transformed by initiating a new Planned Urban Development (PUD) Zoning Overlay to accommodate a 2,700,000 square feet mixed-use environment, including office, medical and residential units. New 148,000 square feet Walmart Supercenter opened July 2017.
- > Desert Ridge Marketplace - premier shopping and entertainment destination with over 110 retailers and restaurants.
- > Arrowhead Towne Center - anchored by Macy's, Sears, Dillard's, JCPenney, and AMC Theatres and is home to 132 tenants.
- > Paradise Valley Mall - anchored by Macy's, Sears, Dillard's, JCPenney, and Costco and is home to 160 tenants.
- > Biltmore Fashion Park - over 600,000 square feet of luxury outdoor retail and dining.
- > HonorHealth Deer Valley Medical Center - Magnet status 204-bed full service hospital.
- > HonorHealth John C. Lincoln Medical Center - Magnet status 266-bed full service hospital.
- > Banner Thunderbird Medical Center - 504-bed hospital ranked 6th best in Phoenix metro area.
- > Abrazo Scottsdale Campus - 142-bed acute care hospital.
- > Phoenix Children's Hospital - 385 bed hospital currently undergoing a \$60M expansion project which will accommodate up to 100,000 patients per year (existing capacity is 22,000 patients).

FOOTHILLS ACRES IS WITHIN EASY ACCESS TO:

- > Thunderbird School of Global Management - top ranked global business school with over 1,000 students enrolled (recently acquired by ASU).
- > Midwestern University - top physician assistant program (#20) in the country with 3,000 students enrolled.
- > Grand Canyon University - rapidly expanding educational institution with over 74,000 students enrolled.
- > Arizona State University Main Campus – largest in the nation with over 100,000 students enrolled.
- > SkySong - a 1.2 million square foot mixed-use project with more than 1,000 employees and 50 companies.
- > New \$1.4 billion Phoenix Metro Light Rail connecting Tempe to Mesa, Downtown & Greater Phoenix.
- > Downtown Phoenix - #1 employment center with over \$3 billion in new development planned or underway.
- > Camelback Corridor/Biltmore area - 12,400+ employees and over 100 companies (20th Street to 32nd Street along Camelback Road).
- > Old-Town Scottsdale features dozens of restaurants and bars, the 1.6-million square foot Scottsdale Fashion Square Mall.
- > Mill Avenue District (Downtown Tempe) – unique urban environment with countless commercial, retail & office developments and over 30,000 workers.
- > Tempe Town Lake & Beach Park – over 6 million square feet in new development planned, under construction or recently completed including Marina Heights, a \$600M, 20-acre, mixed-use development that will include five office buildings leased by State Farm, retail amenities and a 10-acre plaza to be constructed over the next four years.

AREA HIGHLIGHTS

SAFeway
Accounting Office
Discover Financial
Services

D-R HORTON
America's Builder
Progrexion

DVT
PHOENIX DEER VALLEY AIRPORT

Industrial / Warehouse Spaces

HONORHEALTH
Deer Valley
Medical Center

AMERICAN EXPRESS
PETSMART
Corporate Office

dyson
University of Phoenix

Microsoft
THE CORE
INSTITUTE

Arizona Conservatory
FOR ARTS AND ACADEMICS

PAYCHEX
FLORIDA CAREER COLLEGE

revana
ARIZONA
ENDOCRINOLOGY CENTER

Farmers Insurance Group
Federal Credit Union

CLIMATEC
MERGING BUILDINGS & TECHNOLOGY

TRIWEST
HEALTHCARE ALLIANCE

NORTHERN ARIZONA UNIVERSITY

PARADISE VALLEY COMMUNITY COLLEGE

Paradise Valley HOSPITAL

THUNDERBIRD
SCHOOL OF GLOBAL MANAGEMENT

Banner Health
ASU ARIZONA STATE UNIVERSITY

WEST CAMPUS
ROSS
DRESS FOR LESS
Panera BREAD
BARNES & NOBLE BOOKSELLERS
PETSMART
VICTORIA'S SECRET
Dillard's
THE CHILDREN'S PLACE
sears
CHAMPS
METRO CENTER
Harkins Theatres
Finish Line
Foot Locker
verizon wireless
Walmart
Qdoba

FOOTHILLS AGRES

HONORHEALTH







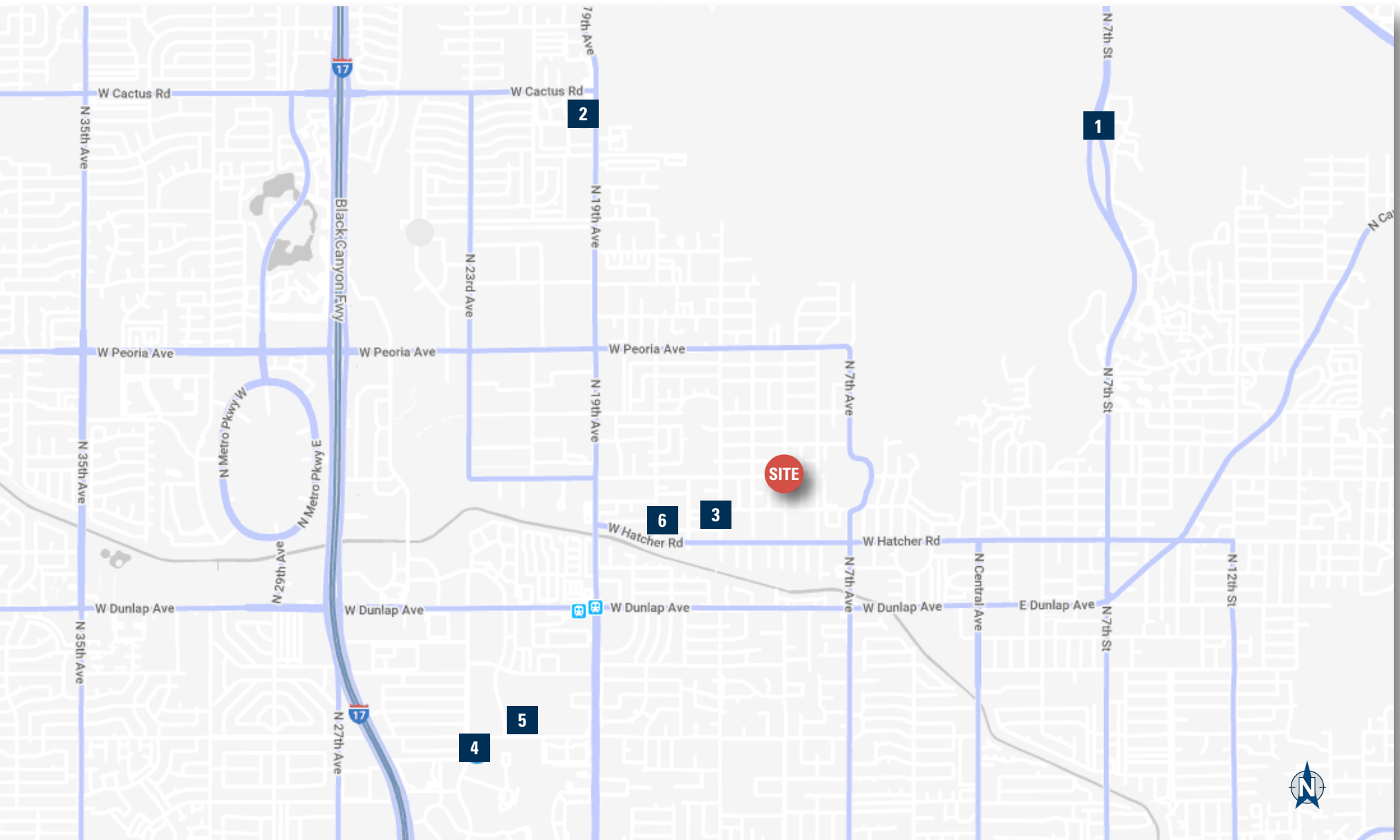
MARKET OVERVIEW & FINANCIAL ANALYSIS


RENT COMPARABLES

FINANCIAL ANALYSIS

SALES COMPARABLES

NO.	PROPERTY	YEAR BUILT	UNITS	UNIT SIZE AVG. SF	PHYSICAL OCCUPANCY	ASKING RENT/ UNIT	ASKING RENT/SF	NET RENT/ UNIT	NET RENT/SF	MANAGED BY
 S	Foothill Acres 9645 N 11th Ave. Phoenix, AZ 85021	1984/1989	30	599	100%	\$693	\$1.16	\$693	\$1.16	Centurion
 1	North Mountain 100001 N. 7th St Phoenix, AZ 85020	1983	140	581	95%	\$739	\$1.27	\$739	\$1.27	MEB
 2	Towers on 19th 11850 N. 19th Avenue Phoenix, AZ 85029	1985	128	451	88%	\$653	\$1.45	\$653	\$1.45	Owner
 3	Contempo 15 9502 N. 15th Ave Phoenix, AZ 85021	1984	92	755	97%	\$723	\$0.96	\$723	\$0.96	Avant Garde Res
 4	The Greens 8445 N. 23rd Ave. Phoenix, AZ 85021	1980	136	697	97%	\$746	\$1.07	\$746	\$1.07	Owner
 5	Cedar Ridge 2122 W. Butler Drive Phoenix, AZ 85021	1982	150	620	90%	\$609	\$0.98	\$609	\$0.98	Morgan Realty
 6	The View 9423 N. 17th Avenue Phoenix, AZ 85021	1985	72	703	90%	\$725	\$1.03	\$725	\$1.03	Owner
Average		1983	120	634	93%	\$699	\$1.10	\$699	\$1.10	



<div>Foothill Acres</div> <div>9645 N 11th Ave.</div> <div>Phoenix, AZ 85021</div>			<div>WALK SCORE</div> <div>61</div> <div>TRANSIT SCORE</div> <div>44</div>	<div></div>		
<div>OWNER: N11Ave LLC</div>						
<div>MANAGED BY: Centurion</div>						
UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
1BD/1BA	14	575	\$629	\$1.09	\$629	\$1.09
2BD/1BA	16	620	\$749	\$1.21	\$749	\$1.21
TOTAL/AVG.	30	599	\$693	\$1.16	\$693	\$1.16

Towers on 19th 11850 N. 19th Avenue Phoenix, AZ 85029			<div>WALK SCORE</div> <div>47</div> <div>TRANSIT SCORE</div> <div>37</div> <div></div>			
OWNER: William Kurochara						
MANAGED BY: Owner						
UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
Studio	19	288	\$575	\$2.00	\$575	\$2.00
1BD/1BA	74	432	\$655	\$1.52	\$655	\$1.52
1BD/1BA	20	576	\$680	\$1.18	\$680	\$1.18
2BD/1BA	11	552	\$670	\$1.21	\$670	\$1.21
2BD/1BA	4	659	\$795	\$1.21	\$795	\$1.21
TOTAL/AVG.	128	451	\$653	\$1.45	\$653	\$1.45

North Mountain

100001 N. 7th St

Phoenix, AZ 85020

OWNER: Pelican Realty

MANAGED BY: MEB

WALK SCORE


17

TRANSIT SCORE


31



UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
Studio	24	390	\$658	\$1.69	\$658	\$1.69
1BD/1BA	88	557	\$735	\$1.32	\$735	\$1.32
2BD/2BA	28	818	\$820	\$1.00	\$820	\$1.00
TOTAL/AVG.	140	581	\$739	\$1.27	\$739	\$1.27

<div>Contempo 15</div> <div>9502 N. 15th Ave</div> <div>Phoenix, AZ 85021</div>			<div>WALK SCORE</div> <div>27</div> <div>TRANSIT SCORE</div> <div>50</div>	<div></div> <div>3</div>		
OWNER: Susan Kerr						
MANAGED BY: Avant Garde Res.						
UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
Studio	12	550	\$615	\$1.12	\$615	\$1.12
1BD/1BA	32	675	\$685	\$1.01	\$685	\$1.01
2BD/1BA	48	860	\$775	\$0.90	\$775	\$0.90
TOTAL/AVG.	92	755	\$723	\$0.96	\$723	\$0.96

RENT COMPARABLES

The Greens 8445 N. 23rd Ave. Phoenix, AZ 85021		<div>WALK SCORE</div> <div>46</div> <div>TRANSIT SCORE</div> <div>50</div>	 <div>4</div>			
OWNER: Eric Anderson						
MANAGED BY: Owner						
UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
1BD/1BA	40	606	\$695	\$1.15	\$695	\$1.15
1BD/1BA	56	626	\$705	\$1.13	\$705	\$1.13
2BD/1.5BA	16	861	\$830	\$0.96	\$830	\$0.96
2BD/2BA	24	904	\$870	\$0.96	\$870	\$0.96
TOTAL/AVG.	136	697	\$746	\$1.07	\$746	\$1.07

The View 9423 N. 17th Avenue Phoenix, AZ 85021			<div>WALK SCORE</div> <div>19</div> <div>TRANSIT SCORE</div> <div>51</div>	<div></div> <div>6</div>		
OWNER: Pro Residential						
MANAGED BY: Owner						
UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
1BD/1BA	18	530	\$620	\$1.17	\$620	\$1.17
2BD/1BA	54	760	\$760	\$1.00	\$760	\$1.00
TOTAL/AVG.	72	703	\$725	\$1.03	\$725	\$1.03

Cedar Ridge 2122 W. Butler Drive Phoenix, AZ 85021		<div>WALK SCORE</div> <div>52</div> <div>TRANSIT SCORE</div> <div>53</div>	<div></div> <div>5</div>			
OWNER: Bumpus Family Trust						
MANAGED BY: Morgan Realty						
UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	ASKING RENT/SF	NET RENT/UNIT	NET RENT/SF
Studio	32	372	\$499	\$1.34	\$499	\$1.34
1BD/1BA	30	532	\$549	\$1.03	\$549	\$1.03
1BD/1BA	32	588	\$589	\$1.00	\$589	\$1.00
2BD/1BA	24	754	\$699	\$0.93	\$699	\$0.93
2BD/2BA	32	881	\$729	\$0.83	\$729	\$0.83
TOTAL/AVG.	150	620	\$609	\$0.98	\$609	\$0.98

T-1/T-12 OPERATIONS

OPERATING INCOME		
Monthly Scheduled Gross Rent		\$20,790
Annual Scheduled Gross Rent		\$249,480
Economic Vacancy	4.09%	-\$10,202
Net Rental Income		\$239,278
Laundry Income		\$1,194
Other Income (Late Fees, Pet Fees, Application Fees, Etc.)		\$6,934
Gross Operating Income		\$247,406
OPERATING EXPENSES		PER UNIT
Property Taxes	\$303	\$9,084
Maintenance & Repairs	\$393	\$11,776
Contract Services	\$75	\$2,246
Electricity	\$80	\$2,395
Sewer and Water	\$245	\$7,337
Trash	\$193	\$5,789
Payroll	\$823	\$24,677
Management Fee	2.86% OF GOI	\$236
Marketing	\$57	\$1,724
Administrative Expenses	\$168	\$5,051
TOTAL OPERATING EXPENSES		\$77,156
Operating Cost Per Unit		\$2,572
Operating Cost Per Sq Ft		\$4.29
NET OPERATING INCOME		\$170,250
Capital Reserve	\$250	\$7,500
ADJUSTED NET OPERATING INCOME		\$162,750

UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	MONTHLY RENT
1BD/1BA	14	575	\$629	\$8,806
2BD/1BA	16	620	\$749	\$11,984
TOTAL/AVG.	30	599	\$693	\$20,790

T-1 INCOME / T-12 EXPENSES WITH ADJUSTMENTS NOTES

RENTS

Current asking rents.

ECONOMIC VACANCY

Includes historical physical vacancy and bad debt

PROPERTY TAXES

2018 annual property taxes quoted from the Maricopa County Treasurer.

EXPENSES

Trailing 12 month P&L statement through July 2018.

PRO FORMA OPERATING INCOME		
Monthly Scheduled Gross Rent		\$22,290
Annual Scheduled Gross Rent		\$267,480
Physical Vacancy	3.33%	-\$8,907
Economic Vacancy	1.50%	-\$4,012
Net Rental Income		\$254,561
Laundry Income		\$1,230
Other Income		\$7,142
Gross Operating Income		\$262,933
PRO FORMA OPERATING EXPENSES		PER UNIT
Property Taxes		\$303
Insurance		\$175
Maintenance & Repairs		\$400
Turnover		\$150
Contract Services		\$75
Electricity		\$82
Sewer and Water		\$252
Trash		\$199
Payroll		\$700
Management Fee	4.00% OF GOI	\$351
Marketing		\$50
Administrative Expenses		\$100
Capital Reserve		\$250
TOTAL OPERATING EXPENSES		\$92,588
Operating Cost Per Unit		\$3,086
Operating Cost Per Sq Ft		\$5.15
PRO FORMA NET OPERATING INCOME		\$170,345

UNIT TYPE	UNITS	SF	ASKING RENT/UNIT	MONTHLY RENT
1BD/1BA	14	575	\$679	\$9,506
2BD/1BA	16	620	\$799	\$12,784
TOTAL/AVG.	30	599	\$743	\$22,290

NOTES

RENTS

Increased current asking rents \$50/unit.

PHYSICAL VACANCY

Consistent with submarket performance.

LAUNDRY & OTHER INCOME

Increased 3% from T-12 income operations.

PROPERTY TAXES

2018 Annual property taxes quoted from the Maricopa County Treasurer.

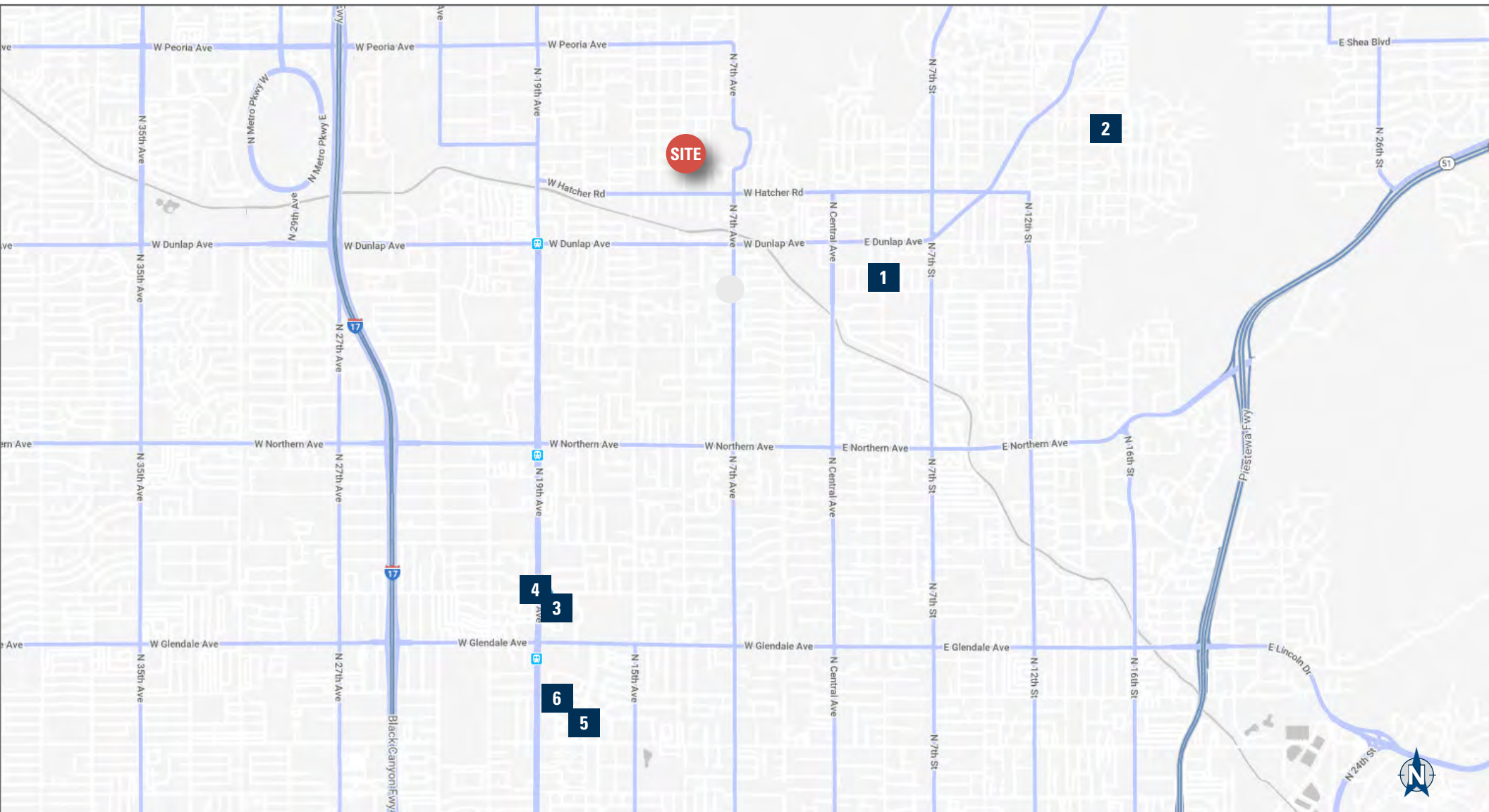
UTILITIES

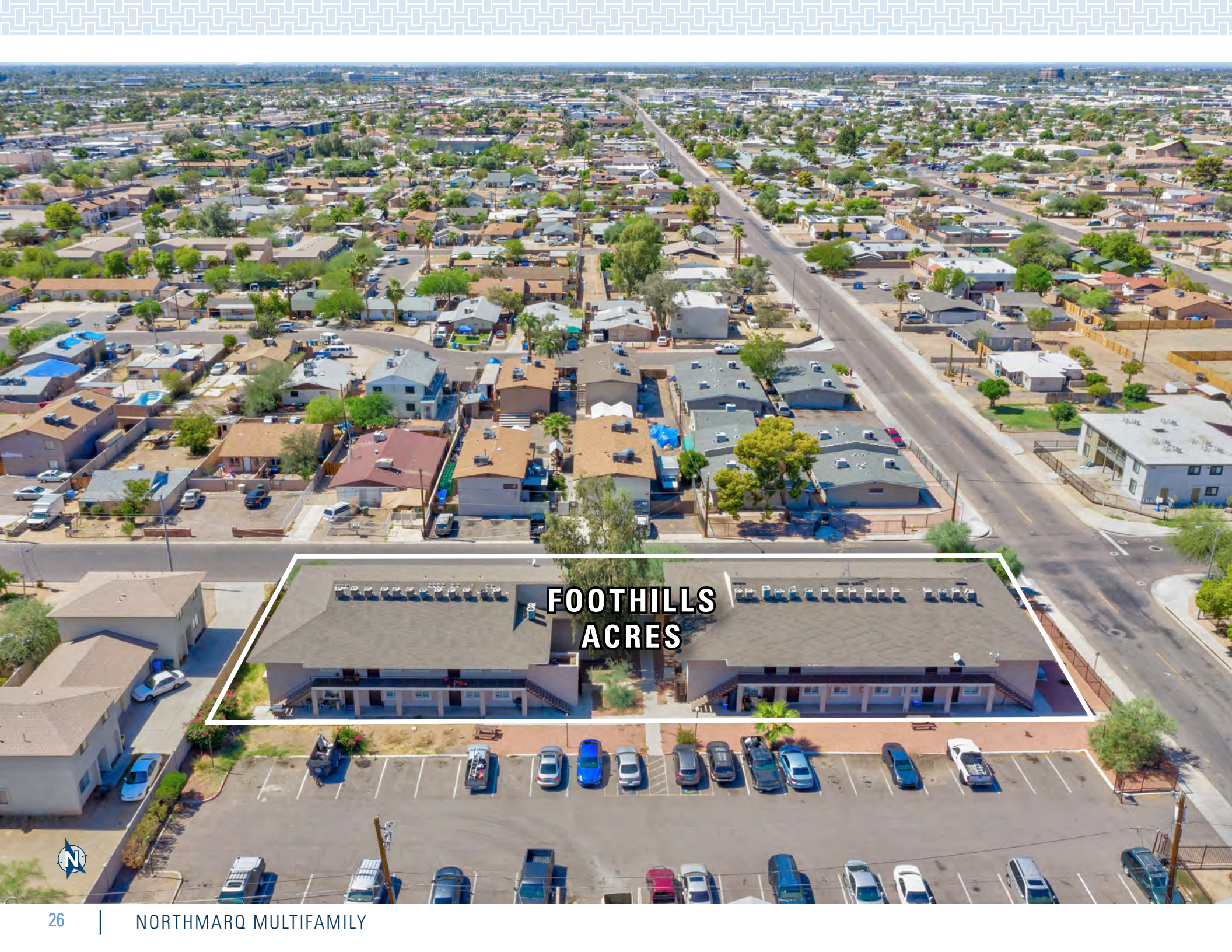
Increased 3% from adjusted T-12 operations.

OPERATIONAL EXPENSES

Based on industry standards of similar properties.

NO.	PROPERTY	YEAR BUILT	UNITS	PRICE	\$/UNIT	\$/SF	SALE DATE
S	Foothill Acres 9645 N 11th Ave. Phoenix, AZ 85021	1984/1989	30	\$2,600,000	\$86,667	\$144.69	On Market
1	Pineview Meadows 8827-8835 N. 3rd St. Phoenix, AZ 85020	1963	21	\$1,600,000	\$76,190	\$146.12	3/30/2018
2	1503-1527 E. Ironwood Dr Phoenix, AZ 85020	1980	10	\$800,000	\$80,000	\$92.38	2/22/2018
3	Villa Ventura 7125 N. 19th Ave. Phoenix, AZ 85021	1970	50	\$4,500,000	\$90,000	\$100.00	1/31/2018
4	Twillingate 7141 N. 19th Ave. Phoenix, AZ 85021	1973	52	\$4,220,000	\$81,154	\$105.53	1/31/2018
5	Huntington Gardens 6542 N. 17th Ave. Phoenix, AZ 85015	1964	16	\$1,250,000	\$78,125	\$78.13	9/8/2017
6	Tuckey Downs Estates 1801 W. Tuckey Ln. Phoenix, AZ 85015	1972	25	\$1,950,000	\$78,000	\$77.46	3/1/2017
Average		1970	29		\$81,448	\$106.33	





**FOOTHILLS
ACRES**





MULTIFAMILY & MANUFACTURED HOUSING INVESTMENT SALES

NorthMarq Multifamily

Daniel Leibsohn

SENIOR ASSOCIATE

T 602.952.4048

C 602.284.5904

dleibsohn@northmarq.com

Ryan Boyle

SENIOR ASSOCIATE

T 602.952.4050

C 602.510.2972

rboyle@northmarq.com

NorthMarq Capital

Alex Quenzler

VICE PRESIDENT

T 602.508.2209

aquenzler@northmarq.com

Visit us online at northmarq.com

Phoenix Office

3200 E. CAMELBACK ROAD, SUITE 253

PHOENIX, AZ 85018

602.955.7100

