



*The
Sydney*

3031 N. 36TH STREET | PHOENIX, AZ | 85018
30-UNIT COMMUNITY IN DESIRABLE SOUTH ARCADIA NEIGHBORHOOD



THE OPPORTUNITY

The Sydney Apartments is a pride of ownership 30 unit garden-style community located in the booming South Arcadia neighborhood of East Phoenix. In recent years this immediate block has been rejuvenated and seen a complete transformation with many older homes and apartment communities being renovated and updated or have been razed and redeveloped into high end homes with values over \$600,000. The demand is being stemmed from the continued strength of the Camelback Corridor which hosts a dynamic mix of class "A" quality office space coupled with the high end retail and popular restaurants of the Biltmore Fashion Park. In recent years that demand is being pushed south to the burgeoning Indian School Corridor which has seen many hard corners being redeveloped with popular shops and trendy restaurants providing residents the Live, Work, Play environment right in the neighborhood. Neighborhood hotspots include La Grande Orange, Postino's, The Vig, Crudo, The Attic Ale House, Sacks, Zoe's Kitchen, The Tee Pee, and Pita Jungle. The transformation has led to increased rental demand and rents have risen significantly and continue to rise as the neighborhood continues to gentrify.

Under current ownership's oversight and direction, The Sydney has been repositioned to capture the urban trend emerging from the Camelback Corridor and Arcadia neighborhoods. The property was renovated in 2016 and into 2017 with nearly \$500K invested to upgrade unit interiors as well as to enhance the community operations, grounds and improve the common area amenities. Ownership made several improvements to change the look and feel of the community from a dated 1960's vintage community to a modern and vibrant look and feel that is being seen in this South Arcadia neighborhood. Those include new paint to the front of the property with a unique artistic design with multiple colors which grabs attention to the high drive-by and pedestrian traffic along 36th street. Others improvements include a large modern block built in barbecue and table with long wooden benches in the courtyard, new pool furniture and tables in the pool area, a new block wall and gate around the pool equipment, attractive new landscaping with desert rock, cactus, plants, and palm trees coupled with several grass areas for the residents to enjoy. Further improvements include a reseal of the parking lot, and new block wall along the south side of the community. Interior renovations include two-tone paint, new flooring consisting of modern gray vinyl, carpet, and ceramic tile, resurfaced countertops, painted cabinets, new appliances, new kitchen and bathroom sinks and faucets, refinished tubs and tile shower surrounds and light fixtures and switches throughout. Current ownership has made significant renovations to the exterior of the property as well. The biggest improvement was converting the property's electric utility from one master meter using a chiller and boiler to individually metered with 30 new electric meters and 30 new HVAC units. This was a huge improvement to the property providing a tremendous benefit to ownership which eliminates the electricity costs of the individual units which was previously the responsibility of ownership. Furthermore moving forward a new owner will benefit from the 30 brand new HVAC's and individual meters for electric which are the responsibility of the tenants.

The Sydney offers the opportunity to purchase a repositioned apartment community that has captured the urban trend emerging from the Camelback Corridor and adjacent Arcadia neighborhood.

SYDNEY APARTMENTS

30-Units • 21,640 net rentable sq. ft.

PRICE: \$2,695,000

PRICE PER UNIT: \$89,833

PROFORMA CAP RATE: 6.27% PROFORMA CASH-ON-CASH: 7.55%

PROPERTY DETAILS

ADDRESS:	3031 N. 36TH STREET PHOENIX, AZ 85018
NUMBER OF UNITS:	30
YEAR BUILT:	1970
RENTABLE AREA:	21,640 square feet
AVG. UNIT SIZE:	721 square feet
AVG. PROFORMA RENT:	\$736
AVG. PROFORMA RENT/SF:	\$1.02

UNIT TYPE	UNITS	SF	PROFORMA RENT/MO	PROFORMA RENT/SF
1 Bed / 1 Bath	8	530	\$650	\$1.23
1 Bed / 1 Bath	12	675	\$690	\$1.02
2 Bed / 1 Bath	8	870	\$850	\$0.98
3 Bed / 2 Bath	2	1,170	\$900	\$0.77
TOTAL / AVG.	30	721	\$736	\$1.02

UNDERWRITING ANALYSIS

INCOME

Gross Scheduled Rent

Gross Potential Income

Less: Vacancy

Total Rental Income

Plus: Other Income

Effective Gross Income

EXPENSES

Repairs & Maintenance

Payroll

Administrative/Advertising

Utilities

Total Variable Expenses

Taxes

Insurance

Management Fee

Total Operating Expenses

Plus: Capital Reserves

Total Expenses

NET OPERATING INCOME

Debt Service

New Financing - \$1,886,500 (70% LTV)

Debt Service (4% P & I)

Cash Flow After Debt Service

Proforma

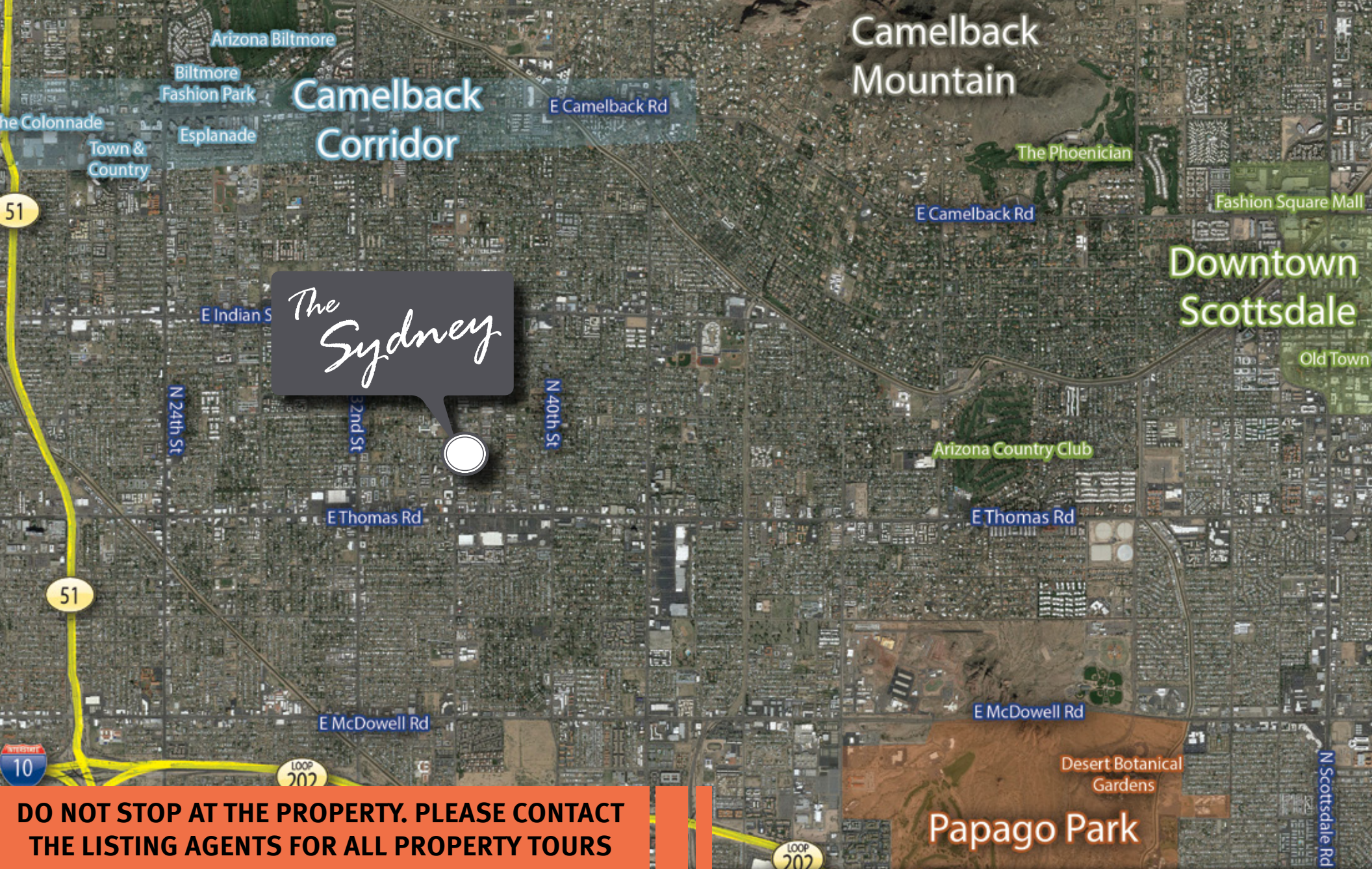
Assumptions

	\$264,960
	\$264,960
(5.0%)	(13,248)
95.00%	\$251,712
250	7,500
	\$259,212
per unit	
\$500	\$15,000
250	7,500
100	3,000
850	25,500
\$1,700	\$51,000
517	15,523
200	6,000
4.00%	10,068
\$2,753	\$82,591
250	7,500
\$3,003	\$90,091
	\$169,121
	\$108,077
	(7.55%) \$61,044

INVESTMENT HIGHLIGHTS

- Repositioned Pride of Ownership Community
- Located in Booming South Arcadia Neighborhood
- Repositioned in 2016/2017, Significant Quality Renovations
- 30 New Individual Meters and 30 New HVAC's
- Upgraded Unit Interiors; Flooring, Paint, Appliances, Fixtures
- Artistic & Modern Paint Schemes Throughout
- Great Frontage and Curb Appeal along 36th Street
- Courtyard with Pool and Large Built in Barbecue & Benches
- Attractive Landscaping w/ Several Grass Areas for Residents to Enjoy
- Large 1, 2, and 3 Bedroom Floor Plans





Camelback Corridor

Camelback Mountain

Downtown Scottsdale

The Sydney

DO NOT STOP AT THE PROPERTY. PLEASE CONTACT THE LISTING AGENTS FOR ALL PROPERTY TOURS



ARA PHOENIX

2398 E. Camelback Road
Suite 950
Phoenix, AZ 85016
T 602-252-4232

RYAN ASH

Senior Managing Director
T 602-852-3784
C 602-525-4877
ryan.ash@aranemark.com

MIKE WOODRICK

Director
T 602-852-3789
C 480-540-1504
mwoodrick@aranemark.com