Kidder Mathews



150 S HOUGHTON RD TUCSON, AZ

FOR SALE | MULTI TENANT INVESTMENT PROPERTY
OFFERING MEMORANDUM

±4,500	$1.4M	95%
SQUARE FEET	LIST PRICE	OCCUPIED

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Ryan Sharpe Bio
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Kidder Mathews

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This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Kidder Mathews has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Kidder Mathews has not verified, and will not verify, any of the information contained herein, nor has Kidder Mathews conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

This information has been secured from sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Recipient of this report must verify the information and bears all risk for any inaccuracies.

01

INVESTMENT SUMMARY

OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

INVESTMENT SUMMARY



Kidder Mathews is pleased to present the opportunity to acquire 150 S Houghton Rd, a ±4,500 SF neighborhood retail building located at the hard corner of Broadway Blvd and Houghton Rd in Tucson, AZ.

THE OFFERING

The Property serves the affluent east Tucson residents with average household income of $104,000 (versus the average for Tucson of $58,000) which speaks to the long-term tenancy of the tenants. Discovery Smiles Dentistry has been a part of the development since the building was constructed in 2006 with both Gallagher - State Farm and Sunrise Martial Arts being tenants for 10+ years. Anchored by Galaxy Theatres, a fully integrated entertainment company that is privately owned and ranked in the top 10% of its industry. 150 S Houghton benefits from this destination tenant that is the only theatre in east Tucson. Having an award winning business philosophy of "More than just a Theatre" incorporates the best in experience with the company's philosophy of active community service. "Being socially entrepreneurial builds strong bonds and goodwill in the communities we serve," according to Frank Rimkus, the Company's CEO. Galaxy Theatres was founded in 1998 and has 16 locations in five states.

Many of the other notable businesses that have joined the shopping center include the UPS Store, Nail Pros, Cost Cutters, and Starbucks. In addition to the strong tenant base, it is attractive for investors looking for a stable asset having a 95% current occupancy and upside in the development of the front pad allowing for higher renewal rates. The subject property has an additional 250 SF that can be leased to Sunrise Karate Arts or a new tenant signing.

TRANSACTION STRUCTURE

Kidder Mathews and Venture West are offering 150 S Houghton Rd to the market on an exclusive basis. Sale Advisor anticipates a marketing period for prospective buyer tours and underwriting of approximately four (4) week, during which time a call for offers may be announced for a specific date. Seller will consider all offers, with a preference for the highest-priced, most qualified offer(s) at market-level transaction terms. Seller reserves the right to accept a qualified offer at any time. Please contact the exclusive agents for further information or to schedule property tours.

OFFERING SUMMARY

Address	**150 S Houghton Rd Tucson, AZ 85748**
NRSF	**±4,450 SF**
No. of Suites	**Three (3)**
No. of Tenants	**Three (3)**
Current Occupancy	**5%**
NOI	**$87,177.40**
Price	**$1,400,000**

INVESTMENT HIGHLIGHTS

THE PROPERTY

150 S Houghton was newly constructed, offers great visibility and ample parking.

THE ANCHOR TENANT

Galaxy Movie Theatres is a strong destination anchor, providing a first-class entertainment experience with nine state-of-the-art screens and exceptional customer satisfaction.

LONG TERM TENANCY

Original tenants since the property was built in 2006.

EXCELLENT LOCATION

Attractively located on the corner of Broadway and Houghton with five points of ingress/egress.



02

PROPERTY OVERVIEW

PROPERTY OVERVIEW

BUILDING PHOTOS

SITE PLAN

PRIMARY TENANT OVERVIEWS

PROPERTY OVERVIEW



PROPERTY OVERVIEW

Address	**150 S Houghton Rd Tucson, AZ 85748**
Parcel No. (APN)	**133-48-128G**
Land Use Cat	**Commercial**
Land Use Description	**Shopping center**
Zoning	**C-1**
Property Type	**Class-A retail**
Property Use	**Neighborhood retail**
Building Area	**±4,500 SF**
Lot/Land Area	**6,427 SF (0.15 Acres)**
Building/Lot Ratio	**0.7**
Year Built	**2006**
No. of Floors	**Single story**
Roofing	**Built up flat roof**
Mechanical	**Roof mounted HVAC units**
Fire Suppression	**100% sprinklered**
Construction	**Glazed storefronts with anodized aluminum frames**
Windows	**Stucco, stone & brick masonry w/ glass storefront panels**


GALAXY THEATRES


StateFarm
Bill Gallagher
SELF DEFENSE
KARATE 4 KIDS
150
DENTISTRY
NEW DENTAL PATIENTS WELCOME!
721-2000




GALAXY THEATRES

SITE PLAN


KEY
Occupied
Available
Not A Part
SUBJECT PROPERTY
StateFarm
Sunrise Martial Art
Dentist
S HOUGHTON RD
E BROADWAY RD

PRIMARY TENANT OVERVIEWS

DISCOVERY SMILE DENTISTRY

Dr. William G. Allen leads the Discovery Smiles Team and has been practicing dentistry for more than 30 years in Tucson, AZ. He has a bachelor's degree in biology from the University of Arizona and a Doctor of Dental Surgery degree from the University of Washington. Discovery Smiles is equipped with ultra-modern diagnostic and treatment tools to maximize your oral health and comfort. Dr. Allen and his team attend continuing education classes every year to ensure their clients receive the benefits of the latest advances in dentistry. Discovery Smile Dentistry has been a tenant since the building was built in 2006 and is affiliated with the ADA (American Dental Association), SADS (Southern Arizona Dental Society), Pima Dental Study Club and Spear Study Club.

LESSEE
Discovery Smiles Dentistry

UNIT | RENTABLE SF
1,550 SF

USE
Dentistry

ORIGINAL COMMENCEMENT
01/07

EXPIRATION
01/27

LEASE TYPE
NNN

WEBSITE
discoverysmiles.com



GALLAGHER - STATE FARM

State Farm Insurance is a larger group of mutual insurance companies throughout the United States with corporate headquarters in Bloomington, Illinios. Founded in 1922, State Farm is the largest property and casualty insurance provider in the United States. They offer auto, homeowners, renters, business, and health insurance plans to help people manage the risks of everyday life. Celebrating 100 years of business, they continue to help rebuild neighborhoods, invest in their communities, and support education and safety initiatives across the country. Bill Gallagher has been serving East Tucson and Vail since 1979, was a Former Air Force Officer and graduated from the University of Detroit, B.S. Business/ Engineering. Afterwards he earned his Master's in Public Administrations from the University of Northern Colorado. He is a Proud Sponsor of St. Jude Children's Research Hospital in Tucson, AZ and an Advocate/Participant in Child Development Activities.

LESSEE
Gallagher - State Farm

UNIT | RENTABLE SF
1,200 SF

USE
Insurance

ORIGINAL COMMENCEMENT
12/14

EXPIRATION
12/23

LEASE TYPE
NNN

WEBSITE
statefarm.com

SUNRISE MARTIAL ARTS

At the Sunrise Martial Arts they specialize in providing a safe and educational approach to martial arts. Sunrise Martial Arts isn't just about self-defense, it is also about building confidence and gaining crucial life skills. Providing multiple programs for all ages including a leadership course that teaches students leading skill sets including self-development, group demonstrations, positive communication, encouragement, and celebration of lessons learned. Master Park is the instructor that leads his team of athletes and has an extensive background of training Taekwondo in Korea. He received a bachelor's degree in Taekwondo and takes a lifelong approach to teaching his students.

LESSEE
Sunrise Martial Art

UNIT | RENTABLE
1,450 SF

USE
Sports Fitness

ORIGINAL COMMENCEMENT
05/11

EXPIRATION
08/23

LEASE TYPE
NNN

03

LOCATION OVERVIEW

TUSCON, AZ

HOUGHTON ROAD CORRIDOR IMPROVEMENTS

AERIAL - SURROUNDING RETAIL

AERIAL - WEST VIEW

DEMOGRAPHICS

LOCATION OVERVIEW

TUCSON, AZ

Montesa Plaza is located in Tucson, Arizona, approximately 100 miles southeast of Phoenix and 60 miles north of the US-Mexico border.

Tucson is the 33rd largest city in the United States, second largest city in the state and the county seat of Pima County. Almost 560,000 people reside in Tucson, representing a 6% increase since 2010. The main economic drivers in Tucson are military (2,600 acre Davis-Monthan Air Force Base), the University of Arizona, and tourism with over 3.5 million annual visitors. Tucson is attractive for its low cost of living and quality of life.

Tucson is known as "Optics Valley" boasting over 150 companies in the optics field. The University of Arizona Science Center graduates more students majoring in the optics field than any other similar program in the world. Tucson has become a global hub for astronomy with world-renowned Steward Observatory Mirror Laboratory and three other observations. This cutting-edge science field has led to many new technology jobs such as life sciences, aerospace and advanced materials.

Montesa Plaza is ideally located on a hard corner at the intersection of Broadway Boulevard and Houghton Road. Broadway Boulevard, through the Broadway Improvements Project, was recently expanded to four lanes with new drainage, sidewalks and landscaping. The highly trafficked intersection provides great exposure for Montesa Plaza and the five points of ingress/egress allow for easy access. The trade area boasts above average demographics with an average household income of $104,000



Montesa Plaza benefits from its location along the Houghton Road Corridor Project, spanning 13-miles from Interstate 10 to Tanque Verde Road, part of the Regional Transportation Authority plan

BUS AND TRANSIT OPTIONS

SIDEWALKS

IMPROVED ACCESS CONTROL

BIKE LANES

INCREASED NO. OF LANES

MULTI-USE PATH



HOUGHTON ROAD CORRIDOR IMPROVEMENTS

In 1986, the Pima Association of Governments (PAG) adopted a resolution designating Houghton Road as State Route 983, including it in a Long-Term Regional Freeway/ Expressway Plan.

Since that time, Tucson, Pima County, and the areas surrounding Houghton Road grew and changed, creating a need to evaluate demands on the roadway and its place in the region's overall transportation picture.

REGIONAL TRANSPORTATION AUTHORITY

After an extensive public outreach and input process, on May 16, 2006, Pima County voters approved the $2.1 billion Regional Transportation Authority (RTA) plan, which included improvements and lane additions to Houghton Road. Funding needed to implement RTA projects through an increase in Pima County sales taxes was also voter-approved. In the fall of 2006, the City of Tucson's Department of Transportation initiated Design Concept Studies, the first step in implementing the use of this RTA funding. Because funds are generated over a period of years, implementation of the plan will be gradual as that funding becomes available.

BROADWAY BOULEVARD TO 22ND STREET

COMPLETED SEPT. 2016

This portion of Houghton Road was designed and constructed in two segments, starting with the Houghton Road intersection with Broadway Boulevard and subsequently moving into roadway improvements extending south through the 22nd Street intersection.



The improvements are consistent with those on other segments of Houghton Road, plus construction of the Sun Tran Park & Ride lot on the northwest corner of the Broadway intersection.

SOURCE: HTTP://WWW.HOUGHTONROAD.INFO/ SECTION-3

CONSTRUCTION STATUS

COMPLETED

1 Old Vail Rd/Mary Ann Cleveland Way Intersection

2 Irvington Rd to Valencia Rd

3 Broadway Blvd to 22nd St

4 Houghton Bridge over the UPRR

5 Union Pacific Railroad to I-10

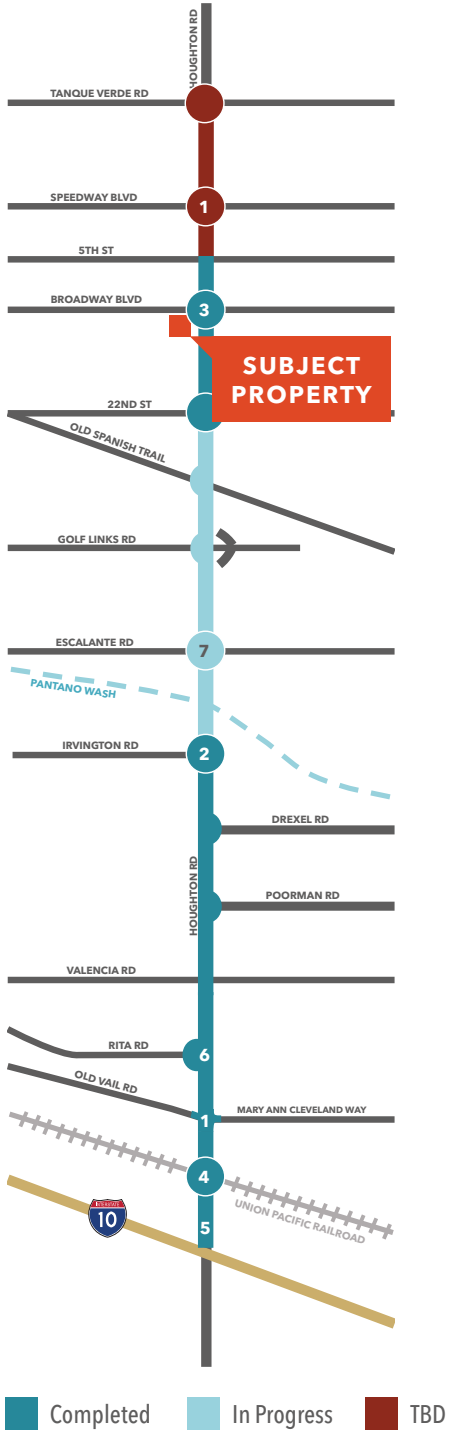
6 Valencia Rd to Mary Ann Cleveland Way

IN PROGRESS

7 22nd St to Irvington Rd

TO BE DETERMINED

8 Tanque Verde Rd to Speedway Blvd



AERIAL OVERVIEW | SURROUNDING RETAIL



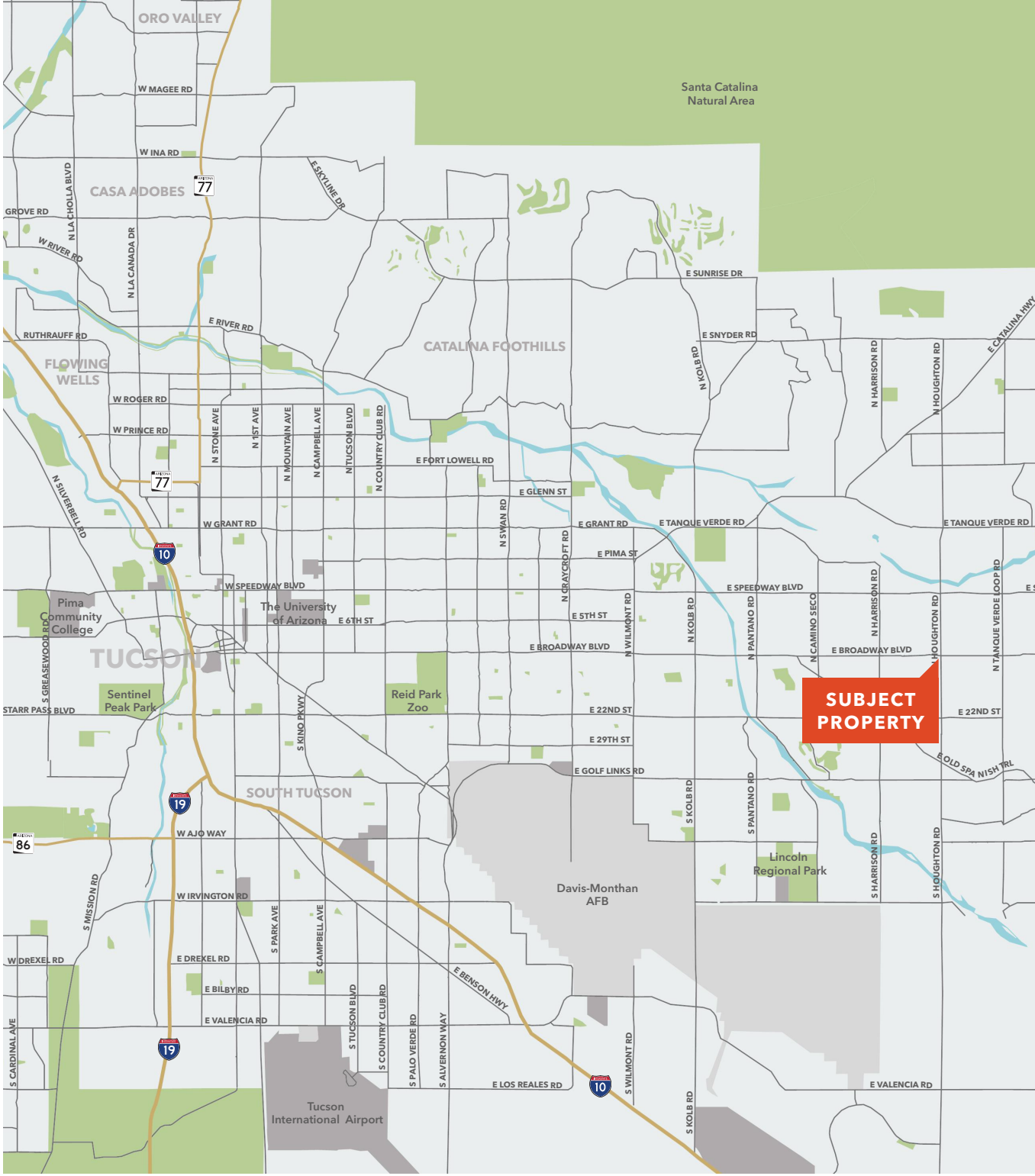
AERIAL OVERVIEW | WEST VIEW



Tucson's plentiful sunshine, natural beauty, and diverse culture lend to an active lifestyle rich in great food, gorgeous hikes, challenging biking trails, and unforgettable experiences.

AT-A-GLANCE

3.1%	UNEMPLOYMENT RATE
4.1%	12 MONTH EMPLOYMENT GROWTH
557K+	POPULATION
$58K+	AVERAGE HH INCOME
33.7	MEDIAN AGE



PROPERTY DEMOGRAPHICS

	1 Mile	3 Mile	5 Mile
POPULATION			
2022 Estimate	10,061	63,064	148,197
2027 Projection	10,642	67,197	158,640
HOUSEHOLDS			
2022 Estimate	4,167	27,345	64,176
2027 Projection	4,408	29,147	68,750
2022-2027 Growth	5.78%	6.59%	7.13%
HOUSING			
Median Home Value	$253,284	$218,590	$199,463
Median Year Built	1991	1980	1979
INCOME			
2022 Average Household Income	$104,436	$80,183	$76,767
2027 Median Household Income	$88,238	$61,730	$58,885



TOP AREA COMPANIES

04

FINANCIAL ANALYSIS

MARKET ASSUMPTIONS

RENT ROLL

RYAN SHARPE BIO

TYLER GIFFITH BIO

FINANCIAL ANALYSIS

MARKET ASSUMPTIONS

GLOBAL ASSUMPTION

Holding Period	10 Years
Analysis Start Date	12/19/2022
Total Rentable Square Feet	±4,500
Average Weighted Lease Term	10+ Years

LEASE-UP OF VACANT SPACE

Total Currently Vacant SF	250 SF - 5%
Absorption Period From 12/01/222	Lease Term: 6-12 Months
Tenant Improv. Per SF	$5.00 - $7.00
Leasing Fees/%	6%
Initial Market Rent Per SF/mo	$25.00 - $30.00
Annual Percentage Increase	3%



FINANCIAL SUMMARY

Annual Market Rent Inflation	**3%**
Other Income	**3%**

LEASE-UP OF VACANT SPACE

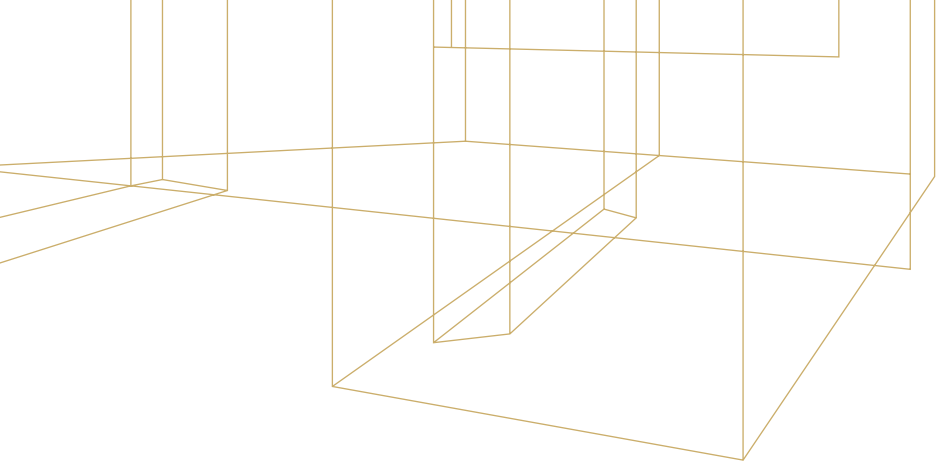
Initial Year Expenses SF	**$5.26 NNN**
Management Fee/% EGI	**3.5%**
Property Taxes	**3%**
Annual Increase Operating Expenses	**3%**



RENT ROLL

Suite No.	Tenant Name	Start	Expire	Rent Dates SF	% of Total	Monthly Base Rent	Annual Rent	Annual Rate PSF	INS	Property Tax	CAM	Monthly Tax	Monthly Total Inc	Future Rent Increases Date	Annual Amount	PSF
VACANCY																
15030	Vacant			250	5.62%											
UNIT MIX SUMMARY																
15010	Discovery Smile Dentistr	01/07	01/27	1,550	34.83%	3,144.53	37,734.36	24.34	74.55	308.34	295.34	118.52	3,941.90	02/01/23 02/01/24 02/01/25 02/01/26	38,866.44 40,032.36 41,233.32 42,470.40	25.08 25.83 26.60 27.40
15020	Sunrise - Material Arts For	05/11	08/23	1,450	32.58%	2,379.10	28,549.20	19.69	69.72	288.33	276.65	93.43	3,107.23			
15040	Gallagher - State Farm	12/14	12/23	1,200	26.97%	1,525.44	18,905.28	15.75	57.71	238.70	229.62	65.15	2,166.62			
Totals	**Occup. SF**			4,200	94.28%	7,099.07	85,188.84			1,839.58		277.10	9,215.75			
	Occup. SF	Riser Room		50												
	Vacant SF	1 Unit		250	5.62%											
	Total SF	4 units		4,500												





KIDDER MATHEWS OVERVIEW

We know the West Coast. In fact, we're its largest independent commercial real estate firm. Our team boasts over 900 local market specialists and top-producing professionals–serving out of 20 offices across five states. The expertise of each local office is reinforced by the relationships, intelligence, and experience of our entire firm.

WE DON'T JUST KNOW THE MARKET, WE DRIVE IT

It's no secret that having a team deeply embedded in your market gives you the edge. Our professionals deliver insights that go beyond data and identify unexpected avenues for growth. This ensures our clients are armed to capitalize on market trends in the most competitive real estate markets in the West.

We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, and debt and equity finance services for all property types, giving our clients the competitive edge they need.



COMMERCIAL BROKERAGE

$10.9B ANNUAL TRANSACTION VOLUME

470 NO. OF BROKERS

VALUATION ADVISORY

2,600+ ASSIGNMENTS ANNUALLY

47/24 TOTAL NO. OF APPRAISERS / MAIS

PROPERTY MANAGEMENT

52M SF UNDER MANAGEMENT

AWARD-WINNING SERVICES

PSBJ Largest CRE Firms	19
Inc.5000 Fastest Growing Companies	5
SDBJ Largest CRE Firms	3
San Diego Best Places to Work	3
CPE Top Commercial Brokerage Firms	11
Bay Area News Group Top Work Places	6

RYAN SHARPE

Senior Vice President

Ryan Sharpe leads a team of professionals with nearly 20 years of combined experience in advising owners of premier single-tenant, multi-tenant, mixed-use, and urban infill retail properties along the Southern California coast. He also specializes in facilitating tax-deferred 1031 & 1033 exchanges locally and out of state. Ryan takes a consultative approach when assisting his clients and prides himself on building relationships with his clients that last a lifetime.

Before joining Kidder Mathews, he was the Los Angeles beach city retail expert at CBRE. Ryan started his real estate career in retail tenant representation, focusing his efforts on representing Ono Hawaiian BBQ, a Hawaiian fast-casual restaurant with approximately 100 locations.

EDUCATION

BS in finance with an emphasis in investments, California State University, Long Beach

SELECT TRANSACTIONS

$9,225,000	Glendora Gateway Shopping Center	Glendora, CA
$9,213,312	El Porto Building	Manhattan Beach, CA
$5,350,000	Multi-Tenant Retail	Redondo Beach, CA
$4,400,000	7-Eleven Anchored Center	Long Beach, CA
$4,300,000	Spyder Surfboards	Hermosa Beach, CA
$3,525,000	7-Eleven	Redondo Beach, CA
$3,390,000	Owner-User Mixed-Use	Manhattan Beach, CA
$3,165,000	Black Bear Diner	St. Charles, MO
$3,150,000	Ocean View Café	Manhattan Beach, CA
$3,112,500	Hermosa Wine & Spirits/Coin Laundry	Hermosa Beach, CA
$3,100,000	Texas Health Breeze Urgent Care	Dallas, TX
$3,000,000	Bank of America Ground Lease	Houston, TX
$2,978,045	Dollar General	Apollo Beach, FL
$2,790,000	Wendy's	Independence, MO
$2,715,000	Medical Office Building	Redondo Beach, CA
$2,600,000	Mixed-Use Development	Playa Del Rey, CA
$2,375,000	Venice Rose Photo Studio	Venice, CA
$2,225,000	Dental Mixed-Use	Newport Beach, CA



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TYLER GRIFFITH

Senior Associate

Tyler Griffith specializes in the leasing and sale of single-tenant, multi-tenant, and mixed-use retail properties within the Greater Los Angeles area. Tyler actively works to assist his clientele by attaining and creating value-add opportunities with a focus on commercial retail centers. He is partnered with a team of professionals with over a decade of experience in facilitating premier real estate transactions, including tax-deferred 1031 & 1033 exchanges locally and out of state.

During his 5+ year career, he has provided a consultative approach to site selection, acquisition, and investment of commercial properties throughout the Western United States and Canada. Representing regional and national tenants to maximize the profitability of the real estate holdings within its marketplace. Tyler believes in building and maintaining long-term relationships to better serve the valued clients he does business with. Prior to joining Kidder Mathews, Tyler worked with Brentwood Developments where he held responsibility for managing a portfolio of retail and urban mixed-use developments. Handling both fiscal and operational aspects, evaluating the market to execute strategic business plans for stabilizing the company's privately owned assets.

EDUCATION

B.S. Business Administration & Management - Eller College of Management, University of Arizona 2017

AFFILIATIONS & MEMBERSHIPS

MEMBER International Council of Shopping Centers (ICSC)



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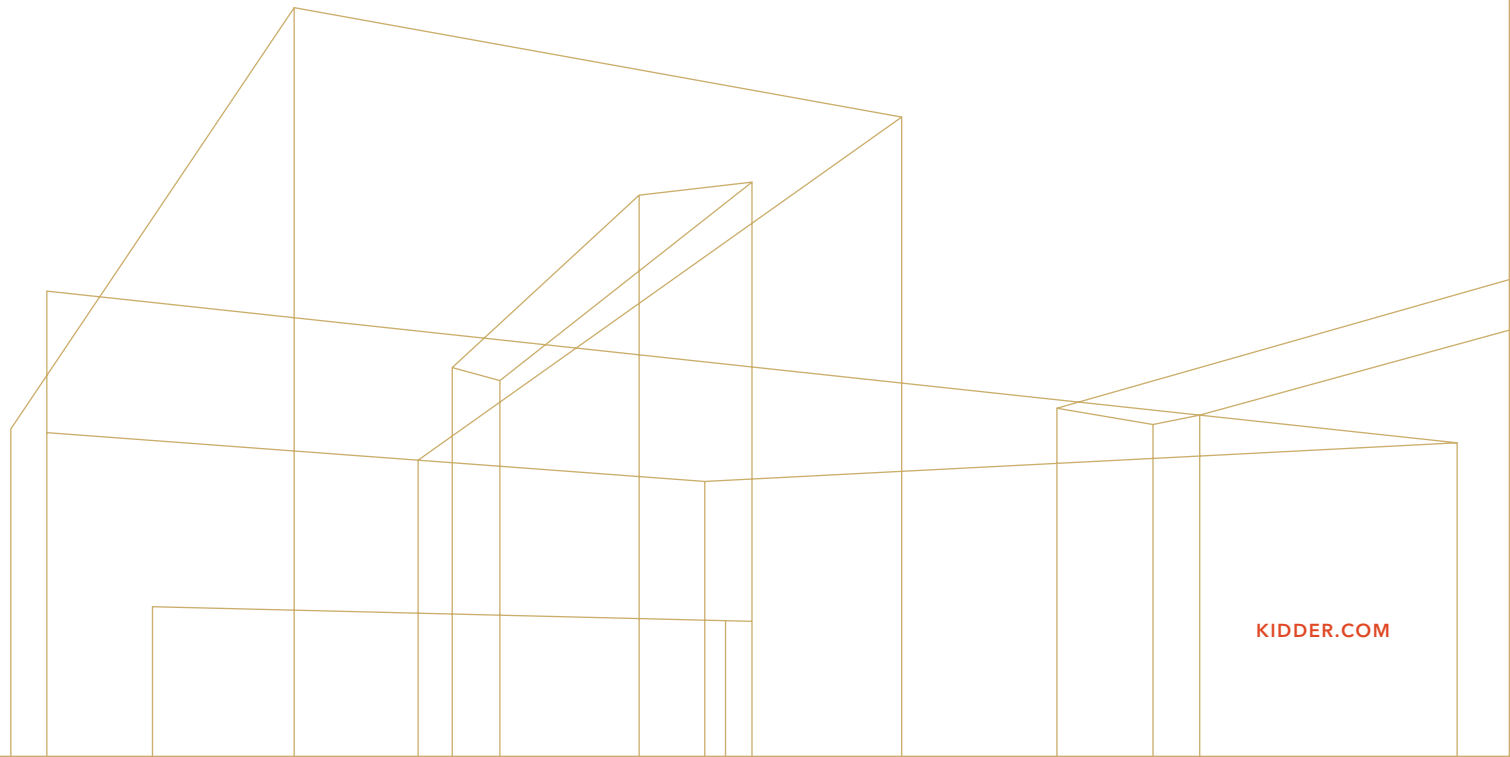
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