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Exclusively Presented by:  
Colliers HSK Multifamily Specialists

# Cherry Hills

9223 N. 8<sup>th</sup> St. | Phoenix, AZ  
32 Units  
Offering Price: \$600,000

## INVESTMENT PROPERTY OFFERING

Colliers HSK Multifamily Specialists | January 2011



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# PROPERTY Highlights

CHERRY HILLS

Offering	
List Price	\$600,000
Price Per Unit	\$18,750
Price Per Square Foot	\$30.84

Site Description	
Location	9223 N. 8 <sup>th</sup> St. Phoenix, AZ 85020
Total Units	32
Year Built	1981
Net Rentable Square Feet	19,456
Number of Buildings	2
Number of Stories	2
Sub-market	Piestewa Peak Corridor
Building Class	C
Location Class	C
Land Size	0.78 Acres
Density	41.03 Units Per Acre
Parking	Uncovered

Mechanical	
Heating / Cooling	Individual Roof Mounted Units
Unit Plug-in Electricity	Individually Metered
Water / Sewer	Master Metered
Gas	Master Metered

Property Taxes	
Number of Parcels	2
Tax Parcel Number	159-36-108 C & D
2010 Assessed Property Tax	\$12,407

Construction	
Foundation	Concrete
Framing	Block
Exterior	Painted Stucco
Roof	Pitched Shingle
Parking Surface	Asphalt





# PROPERTY & AREA Description

## CHERRY HILLS

### AREA DESCRIPTION

Cherry Hills is located at 9223 North 8th Street in Phoenix, Arizona. The property is situated directly north of Cave Creek Road, a major thoroughfare running north-south through the north Phoenix area.

Sunnyslope High School is located less than a mile south of the property. A Fry's grocery store is conveniently located across the street from the property. Employment opportunities include John C. Lincoln North Mountain Hospital and numerous retail centers in the surrounding area. Metrocenter Mall, a regional shopping center anchored by large retailers such as Macy's, Sears, and Dillard's, is located within close proximity to the property. The property is approximately two miles east of Interstate 17, also known as the Black Canyon Freeway, giving residents easy access to northern and southern portions of the Phoenix metropolitan area. Cherry Hills is convenient to public transportation, with bus service provided along Cave Creek Road, and Dunlap Avenue.

### PROPERTY DESCRIPTION

Cherry Hills is a two-story apartment community built in 1981, comprising 32 rental units. The unit mix is 50% one-bedroom and 50% two bedroom. Construction is of block and stucco, with pitched roofs. Heating and cooling is provided by individual roof-mounted air conditioning units. One-half of the units (those located in the north building (Building B) have hookups for full-sized washers and dryers.

The utility costs associated with heating and cooling is the responsibility of the tenant. The cost of water, sewer charges, and trash collection is the responsibility of the landlord

The property underwent renovations in 2005 which included new landscaping, exterior paint, ceramic tile flooring in some units, and the parking lot was resurfaced. The property contains 40 surface parking spaces.

The two buildings of Cherry Hills are constructed on two rectangular sites comprising approximately 0.78 acres, at a density of 41.03 units per acre



# MEMPHIS CITY Information

## CHERRY HILLS

### AREA DESCRIPTION

Phoenix is in the heart of the fastest growing region in the country, serving all the major markets in the western United States. With a population of more than 1.5 million, Phoenix is the fifth largest city in the country and serves as the centerpiece for almost 4.2 - 4.4 million people in the metropolitan area. The city's location is ideal for service not only to the Southwest, but also to southern California and the international markets. Local, national, and international businesses find that Phoenix has an excellent transportation infrastructure, with frequent non-stop air connections to all major cities, easy freeway access and rail service destined to major ports.

### TRANSPORTATION

The Phoenix Sky Harbor International Airport is now the fifth busiest in the nation with over 1,200 commercial flights per day. The Airport is serviced by 18 airlines with non-stop flights to 198 cities including various cities in Canada, Mexico, and Europe. Within the Phoenix Metropolitan Area, the newly built light-rail station connects the cities of Phoenix, Tempe and Mesa. METRO Light Rail will be recognized as a trusted and respected community partner and visionary leader that provides a premier regional rail transit system with a commitment to excellence and safety, which provides value, enhances quality of life, and is a point of pride for the Phoenix community.

### ECONOMY AND EMPLOYMENT

Diversification and growth are two words immediately associated with Phoenix's economy. It is an economy thriving on industries that include aerospace and electronics manufacturing, business services, finance, wholesale distribution, travel and tourism. As both the capital of Arizona and the seat of Maricopa County, Phoenix benefits from the area's many government agencies, another added dimension to the

level of professional legal services and opportunities available. Phoenix has a significant share of government employees, for both the metro area and the state of Arizona. More than 197,000 public sector workers are employed in the greater Phoenix area. Some of the major or regional operations corporations today also have their headquarters in Phoenix including USAA, American Express, Chase Bank, Bank of America, Discover Card Services and Wells Fargo Bank.

### LIFESTYLE AND RECREATION

Warm weather is certainly a factor in the Valley's popularity. The sun shines more than 80 percent of the time on an annual average. The area receives about seven inches of precipitation yearly, and the average annual daytime temperature is about 82 degrees. An incredible variety of sports action can also be found in the Valley.

LIGHT RAIL PROJECT STATION LOCATIONS



# ESTIMATED STABILIZED Operations

## CHERRY HILLS

Year Built 1981  
 Total Units 32  
 Total Square Feet 19,456

### NOTE

Income and Operating Expense items represented herein are estimated as of property stabilization. Rents represented are those in place at the property as of January, 2011. Current vacancy is significantly higher than what is represented. Square footages represented herein are approximate. Buyer shall verify measurements and accepts responsibility therefore.

Estimated Current Operations				
Units	Type	Square Feet	Stabilized Rent	Estimated Stabilized
16	1 BD / 1 BA	553	\$400	\$6,400
16	2 BD / 1 BA	663	\$460	\$7,360
<b>Monthly Scheduled Gross Rent</b>				\$13,760
<b>Annual Scheduled Gross Income</b>				\$165,120
Total Vacancy (Physical and Economic)		15%		(\$24,768)
<b>Gross Operating Income</b>				\$140,352
Operating Expenses			Per Unit	
Property Taxes 2010			\$388	\$12,407
Insurance			\$150	\$4,800
Maintenance			\$600	\$19,200
Electricity			\$150	\$4,800
Sewer & Water			\$250	\$8,000
Trash			\$100	\$3,200
Payroll (Including manager apartment)			\$800	\$25,600
Management Fee (5% of GOI)			\$217	\$6,936
Administrative Expenses			\$150	\$4,800
Capital Reserve			\$250	\$8,000
Total Operating Expenses				\$97,743
Operating Cost Per Unit				\$3,054
Operating Cost Per Square Foot				\$5.02
<b>Net Operating Income</b>				\$42,609



# RENT Comparables

## CHERRY HILLS



1



2



3



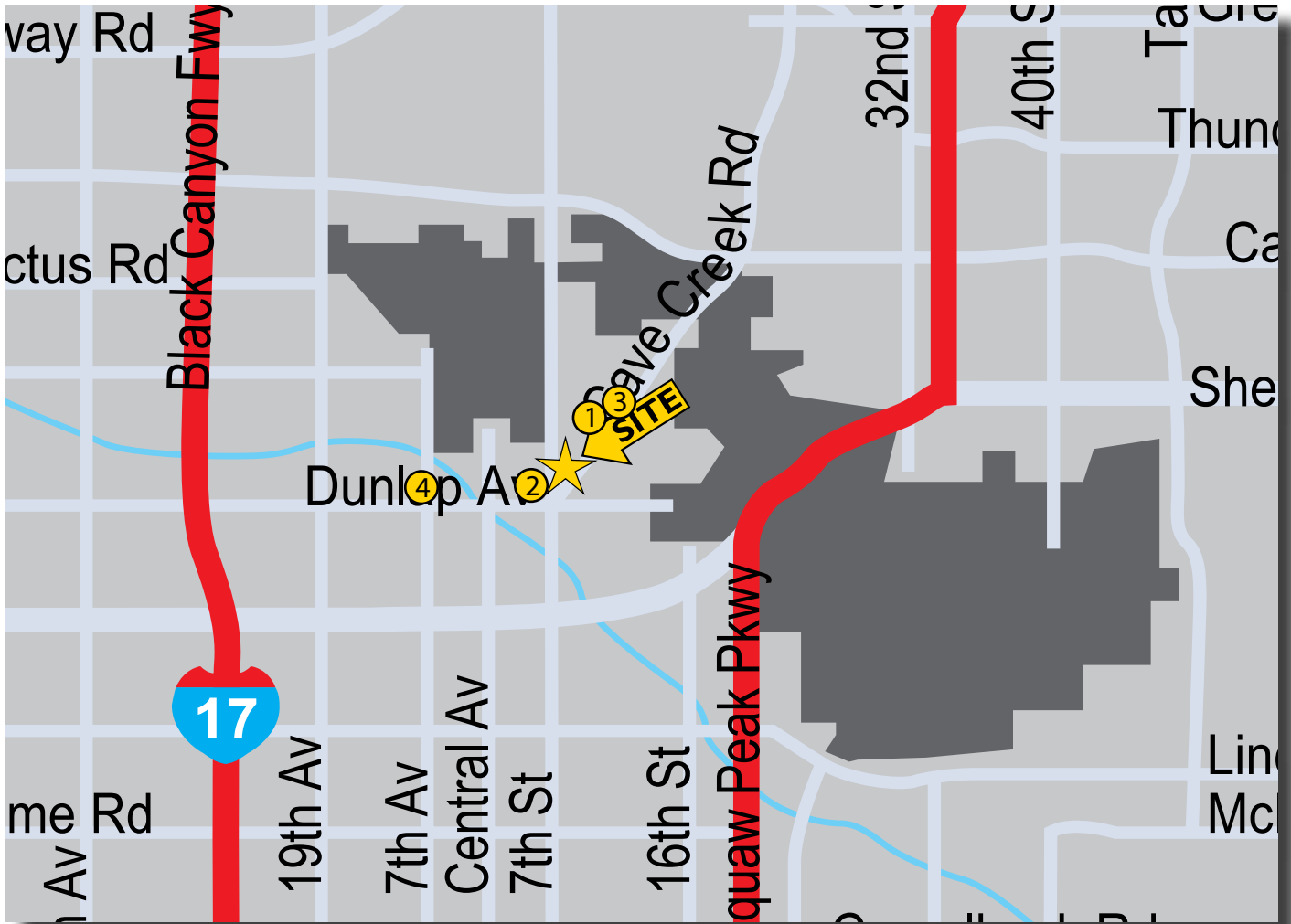
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NAME	SUBJECT CHERRY HILLS	NO. 1 MOUNTAIN CREEK	NO. 2 MISSION PLACE	NO. 3 CINNABAR SQUARE	NO. 4 DESERT ARBOR
Address	9223 N. 8th St.	1222 E. Mountain View Rd.	602 E. Mission Ln.	1247 E. Cinnabar	726 W. Hatcher Rd.
City, State Zip	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ
Total Apartments	32	38	74	28	73
Occupancy Rate	41%	60%	80%	90%	90%
Year Built	1981	1985	1983	1983	1970
Concession	N/A	\$99 move-in	N/A	One Month free	N/A
<b>1 BEDROOM / 1 BATH</b>	<b>16</b>	<b>1</b>	<b>28</b>	<b>-</b>	<b>32</b>
Square Feet	483	500	650	-	680
Rent Rate	\$438	425	\$425	-	\$580
Rent Per Sq. Ft.	\$0.90	\$0.85	\$0.65	-	\$0.85
<b>2 BEDROOM / 1 BATH</b>	<b>16</b>	<b>37</b>	<b>46</b>	<b>28</b>	<b>41</b>
Square Feet	650	783	850	750	880
Rent Rate	\$529	\$475	\$550	\$535	\$681
Rent Per Sq. Ft.	\$0.81	\$0.61	\$.65	\$0.71	\$0.77

# Map

RENT COMPARABLE

CHERRY HILLS



**Subject Property**

Cherry Hills  
9223 N. 8<sup>th</sup> St. | Phoenix, AZ

**1**  
Mountain Creek  
1222 E. Mountain View Rd. | Phoenix, AZ

**2**  
Mission Place  
602 E. Mission Ln. | Phoenix, AZ

**3**  
Cinnabar Square  
1247 E. Cinnabar | Phoenix, AZ

**4**  
Desert Arbor  
726 W. Hatcher Rd. | Phoenix, AZ





# SALES Memorandum

## Comparables

CHERRY HILLS

NAME	NO. 1 MOUNTAIN CREEK	NO. 2 PAPAGO PLACE	NO. 3 HARBOR VIEW	NO. 4 GREENWAY VILLA
<b>Location</b>	1222 E. Mountain View Rd.	3434 E. McDowell Rd.	3816 E. McDowell Rd.	2848 E. Greenway Rd.
<b>City</b>	Phoenix	Phoenix	Phoenix	Phoenix
<b>Total Apartments</b>	38	128	52	40
<b>Unit Mix</b>	1 - 1 Bd 37 - 2 Bd	36 - 1 Bd 92 - 2 Bd	52 - 1 Bd	8 - 1 Bd 32 - 2 Bd
<b>Year Built</b>	1985	1985	1981	1981
<b>Sales Price</b>	\$820,000	\$2,400,000	\$955,000	\$652,000
<b>Price / Unit</b>	\$21,579	\$18,750	\$18,365	\$16,300
<b>Price / SF</b>	\$27.56	\$26.15	\$31.80	\$23.80
<b>Close of Escrow</b>	1/21/2011	1/6/2011	12/30/2010	12/23/2010



1



2



3



4



# SALES Memorandum

## Comparables

CHERRY HILLS

NAME	NO. 5 PALM MEADOWS	NO. 6 MISSOURI MANOR	NO. 7 RUNNING BROOK
<b>Location</b>	9423 N. 17th Ave.	1503 W. Missouri Ave.	2615 E. Greenway Rd.
<b>City</b>	Phoenix	Phoenix	Phoenix
<b>Total Apartments</b>	72	26	28
<b>Unit Mix</b>	18 - 1 Bd 54 - 2 Bd	8 - 1 Bd 18 - 2 Bd	12 - 1 Bd 16 - 2 Bd
<b>Year Built</b>	1985	1967	1981
<b>Sales Price</b>	\$1,150,000	\$585,000	\$675,000
<b>Price / Unit</b>	\$15,972	\$22,500	\$24,107
<b>Price / SF</b>	\$22.03	\$27.21	\$36.08
<b>Close of Escrow</b>	12/15/2010	12/1/2010	11/23/2010



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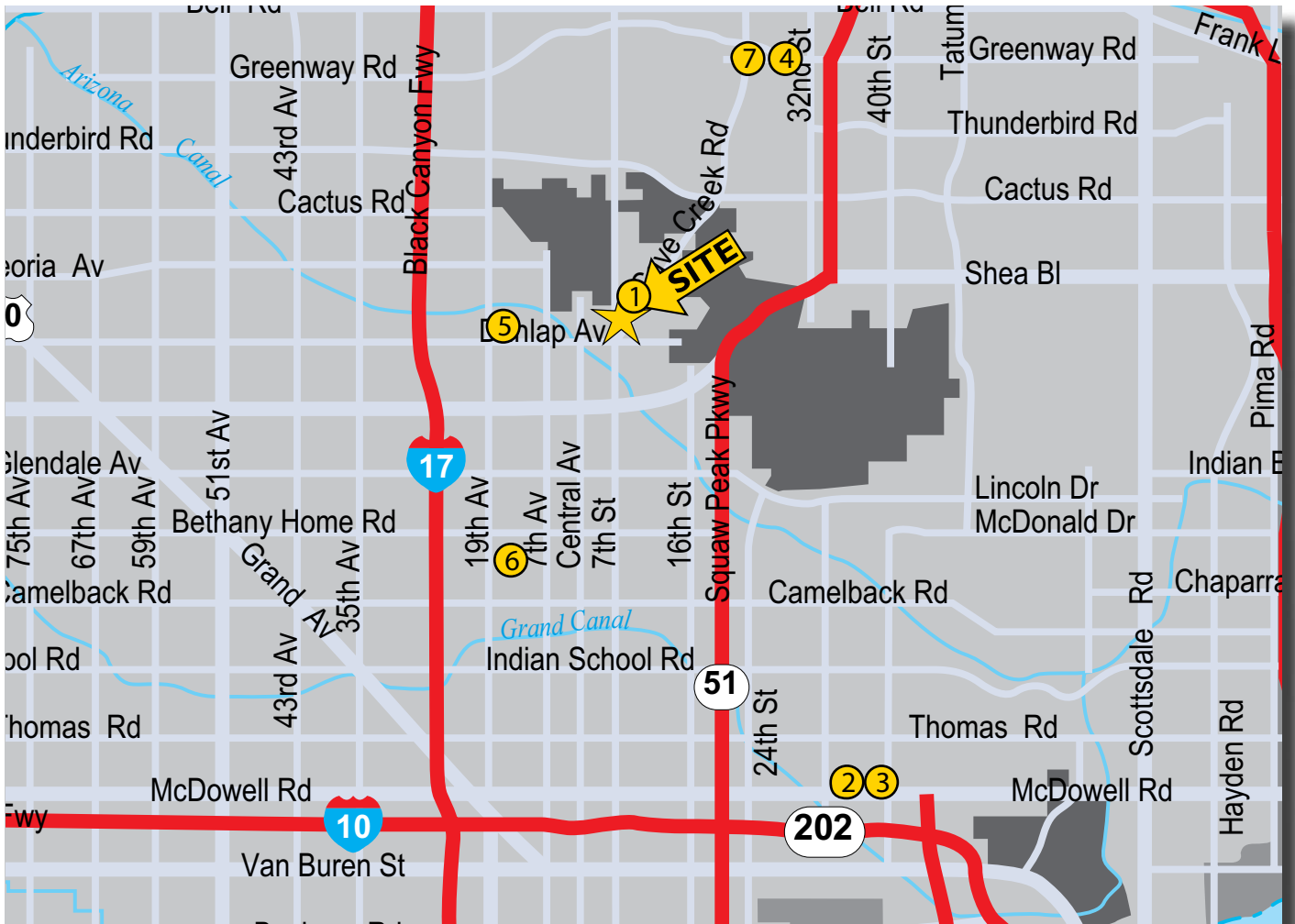
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# SALES COMPARABLE Map

CHERRY HILLS



## Subject Property

Cherry Hills  
9223 N. 8<sup>th</sup> St. | Phoenix, AZ

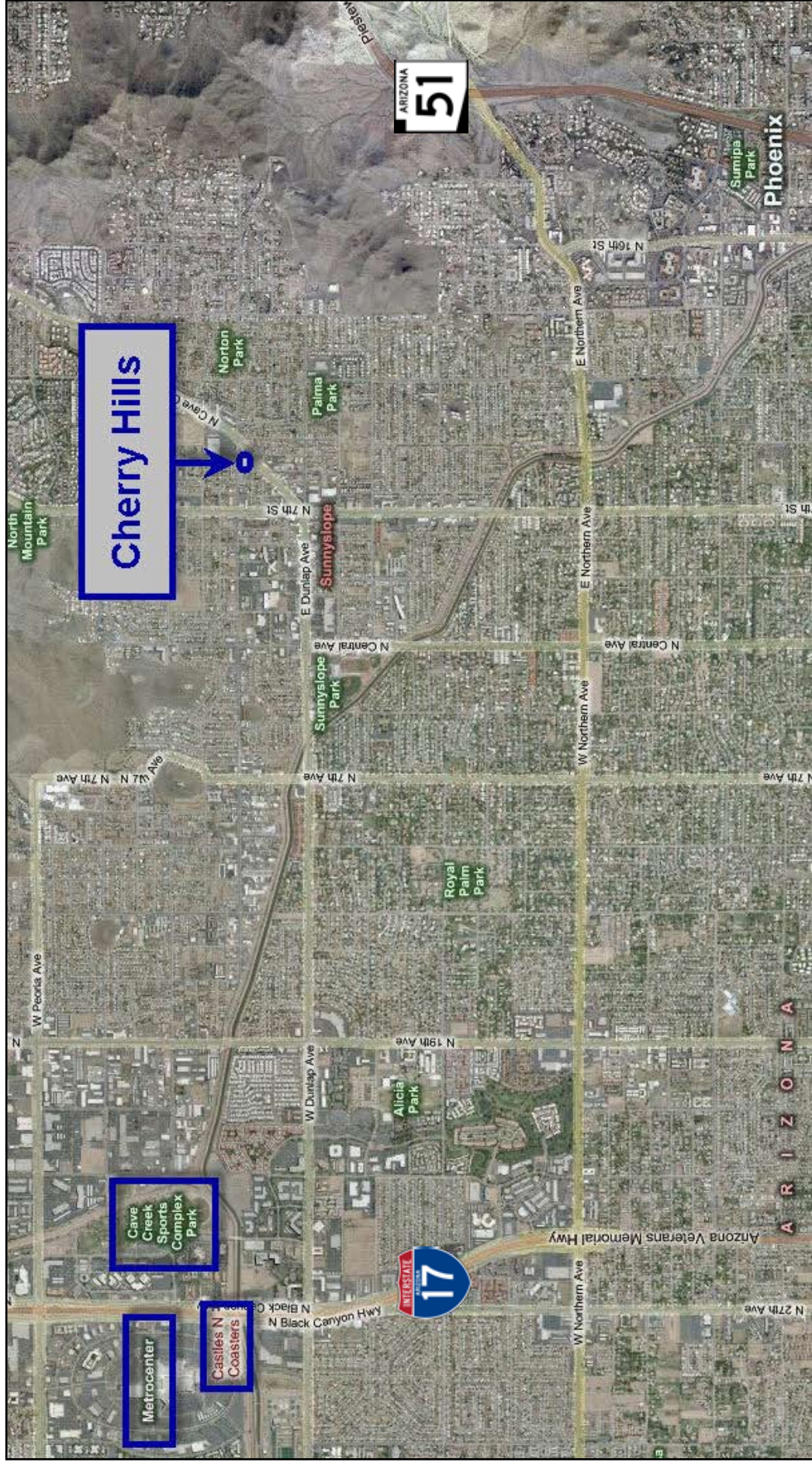
- 1 Mountain Creek  
1222 E. Mountain View Rd. | Phoenix, AZ
- 2 Papago Place  
3434 E. McDowell Rd. | Phoenix, AZ
- 3 Harbor View  
3816 E. McDowell Rd. | Phoenix, AZ

- 4 Greenway Villa  
2848 E. Greenway Rd. | Phoenix, AZ
- 5 Palm Meadows  
9423 N. 17<sup>th</sup> Ave. | Phoenix, AZ
- 6 Missouri Manor  
1503 W. Missouri Ave. | Phoenix, AZ
- 7 Running Brook  
2615 E. Greenway Rd. | Phoenix, AZ



# AERIAL Map

CHERRY HILLS





# BIRD'S EYE Map

CHERRY HILLS



Cherry Hills







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