

# Sago Gardens Apartments

1015 South Stanley Place  
Tempe,, AZ

## Investment Property Offering



### A 33 Unit Bank Owned Apartment Complex Located in Tempe, Arizona

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# Sago Gardens Apartments

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Tempe, AZ

## Executive Summary

<b>Location</b>	1015 S. Stanley Place Tempe, Arizona 85281
<b>List Price</b>	\$1,390,000
<b>Price Per Unit</b>	\$42,121
<b>Price Per Square Foot</b>	\$52.65
<b>Total Units</b>	33
<b>Building Square Footage</b>	26,400
<b>Number of Buildings</b>	4
<b>Land Acres</b>	1.04
<b>Listing Status</b>	Bank Owned



<b>Cross Street</b>	Stanley Pl. & Lemon St.
<b>Market</b>	Phoenix
<b>Sub Market</b>	Tempe
<b>Year Built</b>	1963
<b>Building Class</b>	C
<b>Location Class</b>	B+
<b>HVAC</b>	Master
<b>Tax Parcel Number</b>	132-73-071B
<b>Foundation Type</b>	Concrete Slab
<b>Number of Stories</b>	2

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## Executive Summary

### AREA DESCRIPTION

Sago Gardens Apartments is located at 1015 S. Stanley Place in Tempe Arizona. This property is just blocks from Arizona State University and right off of the light rail transit system. Sago Gardens is located east of rural road between University & Apache Boulevard's. The property is just under 2 miles to the south of the 202 freeway and less than 2 miles north of the US 60 freeway giving tenants access to the greater Phoenix MSA.

The area immediately surrounding Sago Garden contains a variety of multifamily and university oriented commercial developments. The location of Sago Gardens Apartments is incredibly unique and presents a high barrier to entry opportunity for a multifamily investor.

### PROPERTY DESCRIPTION

Sago Gardens Apartments is a two story community built in 1963, comprising 33 rental units all of which are large 2 bedroom/ one bathroom townhouse style units. All units are rented unfurnished. Construction is of block with flat roofs.

Outdoor amenities include swimming pool, ample exterior lighting, a coin operated washer and dryer facility, and grassy common areas. The property is master metered for gas, water, and electricity. Sago Gardens also contains 40 open parking spaces and ample parking in the front of the complex.

Sago Gardens is constructed on a rectangular site of approximately 1.04 acres at a density of 31.73 units per acre.



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## Property Photos



# Sago Gardens Apartments

1015 South Stanley Place  
Tempe, AZ

Aerial - Far



# Sago Gardens Apartments

1015 South Stanley Place  
Tempe, AZ

Aerial - Close



# Sago Gardens Apartments

1015 South Stanley Place  
Tempe, AZ

## Parcel Map









**Note: All income and expense items listed below are estimates only**

**Year Built** 1963

<b>Total Units</b>	<b>Total Square Feet</b>				<b>Estimated Current</b>
33	26,400				
<b>Units</b>	<b>Type</b>	<b>Sq. Ft.</b>	<b>Market Rent</b>		
15	2BD/1BA - Townhomes	850	\$800	\$	12,000
18	2BD/1BA - Flats	650	\$700	\$	12,600
<b>Monthly Scheduled Gross Rent</b>				\$	24,600
<b>Annual Scheduled Gross Rent</b>			<b>Current</b>	\$	295,200
Physical Vacancy (4 units)			12.0%	\$	(35,424)
Economic Vacancy*			8.0%	\$	(23,616)
*credit loss, turnover, etc.					
<b>Total Vacancy</b>			<b>20.0%</b>	<b>\$</b>	<b>(59,040)</b>
<b>Net Rental Income</b>				<b>\$</b>	<b>236,160</b>
<b>Other Income</b>					
Laundry				\$	2,693
<b>Total Other Income</b>				<b>\$</b>	<b>2,693</b>
<b>Gross Operating Income</b>				<b>\$</b>	<b>238,853</b>
<b>OPERATING EXPENSES</b>					
<b>Property Taxes</b>		*Actual 2009 Taxes		\$	22,806
<b>Insurance</b>		*Estimated At \$175/unit		\$	5,775
<b>Maintenance</b>		*Estimated At \$350/unit		\$	11,550
<b>Repairs</b>		*Estimated At \$400/unit		\$	13,200
<b>Electricity</b>		*Estimated At \$1100/unit		\$	36,300
<b>Gas</b>		*Estimated At \$65/unit		\$	2,145
<b>Sewer and Water</b>		*Estimated At \$350/unit		\$	11,550
<b>Trash</b>		*Estimated At \$100/unit		\$	3,300
<b>On-Site management</b>		*Estimated At \$545/Unit		\$	18,000
<b>Management Fee</b>		*Estimated To be 5% of Collected Rent		\$	11,808
<b>Administrative Expenses</b>		*Estimated At \$120/unit		\$	3,960
<b>Capital Reserve</b>		*Estimated At \$200/unit		\$	6,600
<b>Total Operating Expenses</b>				<b>\$</b>	<b>146,994</b>
Operating Cost Per Unit				<b>\$</b>	<b>4,454</b>
Operating Cost Per Sq Ft				<b>\$</b>	<b>5.57</b>
<b>Net Operating Income</b>				<b>\$</b>	<b>91,859</b>

**NOTE:**

“Adjusted Monthly Rent” is the effective rent received by the property owner after adjusting for any rental concessions, on an assumed one-year lease. By way of example, if the quoted market rent is \$600 per month, and one month free with a twelve-month lease, the Adjusted Monthly Rent is  $\$550 ( (\$600 \times 11) / 12)$

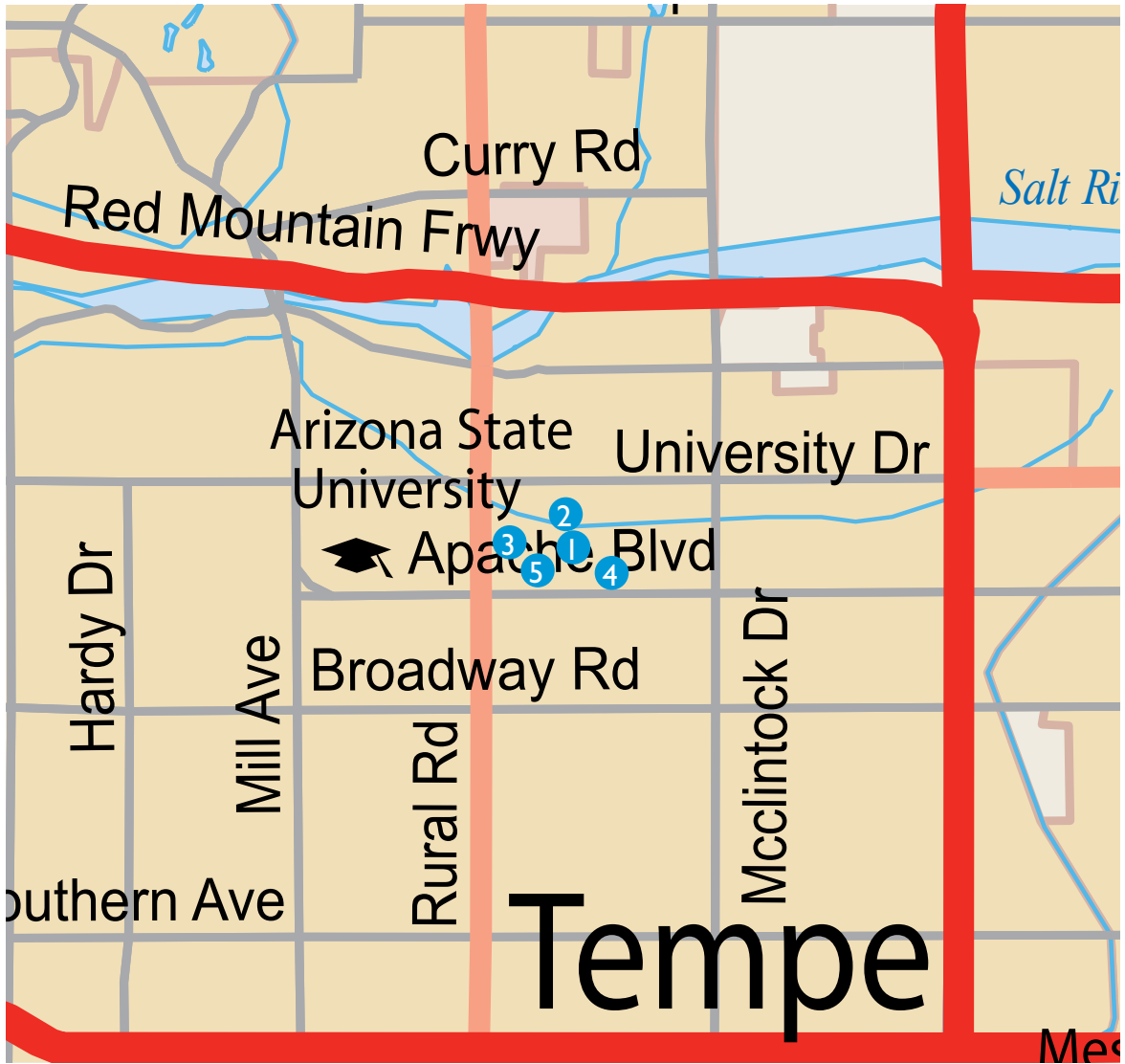
Property Location	Year Built	% Vacant	Unit Mix	Total Units	S.F.	Monthly Rent	Monthly Rent / S.F.	Adjusted Rent	Adjusted Rent / S.F.	Photo
Campus Walk 1137 E. Orange St. Tempe, AZ 85281	1968	19% Concessions: 1 month free	1 Bed, 1 Bath	24	750	\$650	\$0.87	\$596	\$0.79	
			2 Bed, 2 Bath	38	940	\$750	\$0.80	\$688	\$0.73	
			Totals/Averages	62	866	\$711	\$0.83	\$652	\$0.76	
University Village 936 S. Terrace Blvd Tempe, AZ 85281	1962	40% Concessions: \$500 off with signing of 12 month lease	1 Bed, 1 Bath	26	650	\$725	\$1.12	\$683	\$1.05	
			2 Bed, 1 Bath	55	720	\$735	\$1.02	\$693	\$0.96	
			3 Bed, 2 Bath	20	850	\$999	\$1.18	\$957	\$1.13	
			Totals/Averages	101	728	\$785	\$1.11	\$743	\$1.05	
Fiesta Park 1224 E. Lemon St. Tempe, AZ 85281	1966	40% Concessions: \$199 move-in	2 Bed, 1 Bath	65	930	\$679	\$0.73	\$639	\$0.69	
			Totals/Averages	65	930	\$679	\$0.73	\$639	\$0.69	
La Crescenta Garden & Park 1025 E. Orange St. Tempe, AZ 85281	1966	20% Concessions: 1 month free rent for studios & two bedrooms, \$1000 off one bedroom.	2 Bed, 1 Bath	80	824	\$549	\$0.67	\$512	\$0.62	
			2 Bed, 2 Bath	124	925	\$599	\$0.65	\$557	\$0.60	
			3 Bed, 2 Bath	12	1,025	\$799	\$0.78	\$741	\$0.72	
			Totals/Averages	216	893	\$592	\$0.70	\$551	\$0.65	
Averages	1966	30%								

Sago Gardens  
Apartments

1015 South Stanley Place  
Tempe, AZ



Rent Comparable Map



**1. Subject Property**

Sago Gardens  
1015 South Stanley Place | Tempe, AZ

2  
Campus Walk  
1137 E. Orange St. | Tempe, AZ

3  
University Village  
936 S. Terrace Blvd | Tempe, AZ

4  
Fiesta Park  
1224 E. Lemon St. | Tempe, AZ

5  
La Cresenta Garden & Park  
1025 E. Orange St. | Tempe, AZ

# Sago Gardens Apartments

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Tempe, AZ

## Subject Property Comparison

Note - "Adjusted Monthly Rent" is the effective rent received by the property owner after adjusting for any rental concessions, on an assumed one-year lease. By way of example, if the quoted market rent is \$600 per month, and one month is free with a twelve-month lease, the Adjusted Monthly Rent is \$550 ( (\$600 X 11) / 12 ).

Unit Mix	Total Units	S.F.	Monthly Rent	Monthly Rent / S.F.	Adjusted Monthly Rent	Adjusted Rent / S.F.
2 Bed, 1 Bath	33	800	\$ 750	\$ 0.94	\$ 750	\$ 0.94
<b>Totals/Averages</b>	<b>33</b>	<b>800</b>	<b>\$ 750</b>	<b>\$ 0.94</b>	<b>\$ 750</b>	<b>\$ 0.94</b>

### Comparables Property Summary






Unit Mix	Total Units	S.F.	Monthly Rent	Monthly Rent / S.F.	Adjusted Monthly Rent	Adjusted Rent / S.F.
1 Bed, 1 Bath	50	698	\$ 689	\$ 0.99	\$ 641	\$ 0.92
2 Bed, 1 Bath	200	830	\$ 642	\$ 0.77	\$ 603	\$ 0.73
2 Bed, 2 Bath	162	929	\$ 634	\$ 0.68	\$ 588	\$ 0.63
3 Bed, 2 Bath	32	916	\$ 924	\$ 1.01	\$ 876	\$ 0.96
<b>Totals/Averages</b>	<b>444</b>	<b>843</b>	<b>\$ 722</b>	<b>\$ 0.86</b>	<b>\$ 677</b>	<b>\$ 0.81</b>



# Sago Gardens Apartments

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## Sales Comparables

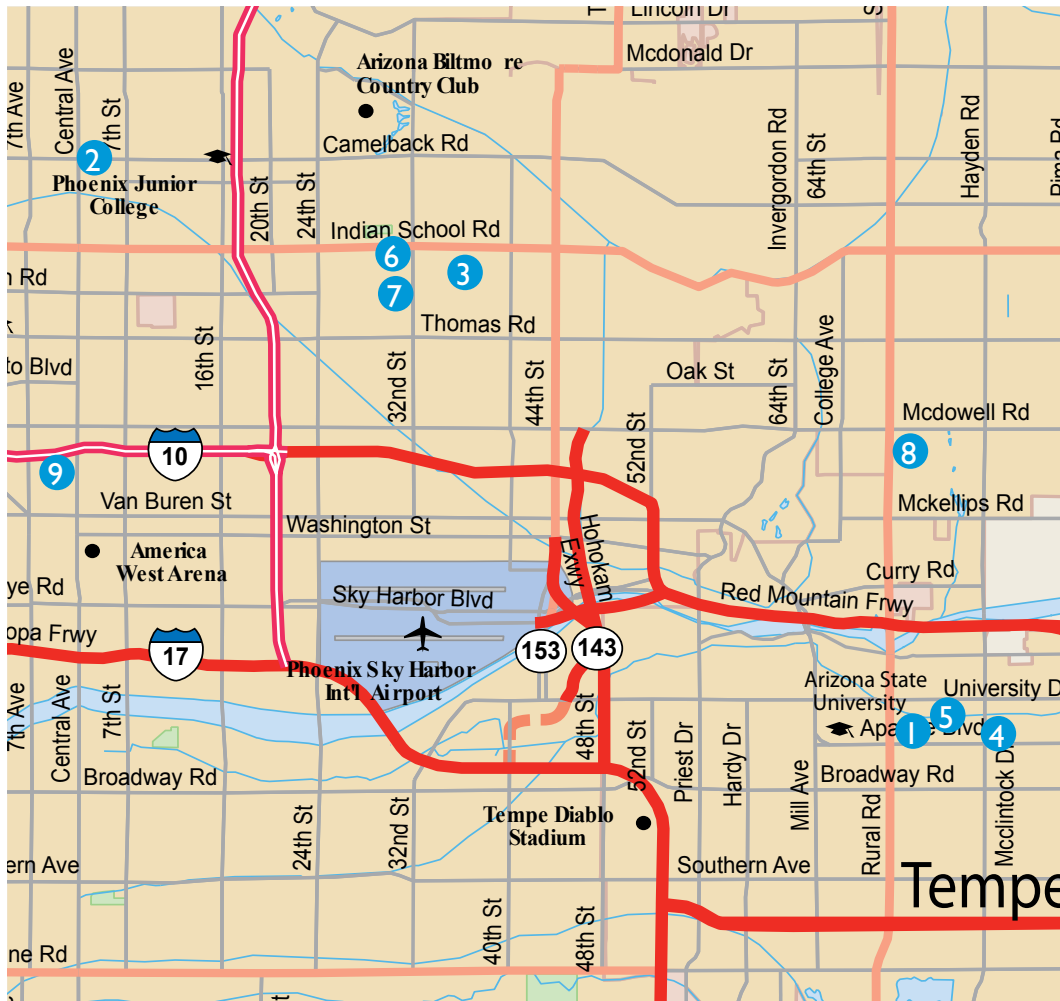
Property Location	Year Built	# Units	Unit Mix	Sales Price	Price/Unit	Price/SF	Close of Escrow	Property Photograph
<b>Majestic Palms</b> 333 W. Medlock Dr. Phoenix, AZ 85013	1957	20	19 1BD/1BA 1 3BD/2BA	\$ 1,250,000	\$62,500	\$92.42	3/10/2009	
<b>3234 N. 38th St.</b> Phoenix, AZ 85018	1962	14	13 2BD/1BA 1 2BD/1BA	\$ 805,000	\$57,500	\$56.46	8/21/2009	
<b>The Reach</b> 1855 E. Don Carlos Ave. Tempe, AZ 85281	1987	56	52 2BD/1BA 4 3BD/2BA	\$ 3,005,000	\$53,661	\$71.86	6/2/2009	
<b>Tempe Manor</b> 1403 E. 8th St. Tempe, AZ 85281	1960	20	20 1BD/1BA	\$ 750,000	\$37,500	\$77.96	8/28/2009	
<b>Peppertree Apartments</b> 3105-3127 E. Fairmount Ave. Phoenix, AZ 85016	1963	24	2 1BD/1BA 20 2BD/1BA 2 3BD/1BA	\$ 1,010,000	\$42,083	\$52.60	2/20/2009	
<b>Casa Bonita Apartments</b> 3205 E. Earll Dr. Phoenix, AZ 85018	1980	8	2 1BD/1BA 6 2BD/1BA	\$ 374,000	\$46,750	\$59.63	3/10/2009	
<b>Los Arcos</b> 7221 E. Belleview St. Scottsdale, AZ 85257	1968	8	8 Studio	\$ 350,000	\$43,750	\$62.34	3/16/2009	
<b>Hilton Apartments</b> 825 N. 2nd Ave. Phoenix, AZ 85003	1954	24	20 Studio 4 1BD/1BA	\$ 970,000	\$40,417	\$98.89	4/30/2009	
<b>AVERAGES</b>	1966	22		\$ 1,064,250	\$48,020	\$71.52		

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## Sales Comparables Map



### 1. Subject Property

Sago Gardens  
1015 South Stanley Place | Tempe, AZ

### 2. Majestic Palms

333 W. Medlock Dr. | Phoenix, AZ

3

3234 N. 38th St. | Phoenix, AZ

### 4. The Reach

1855 E. Don Carlos Ave. | Tempe, AZ

### 5. Tempe Manor

1403 E. 8th St. | Phoenix, AZ

### 6. Peppertree Apartments

3105-3127 E. Fairmount Ave. | Phoenix, AZ

### 7. Casa Bonita Apartments

3205 E. Earll Dr. | Phoenix, AZ

### 8. Los Arcos

7221 E. Bellevue St. | Scottsdale, AZ

### 9. Hilton Apartments

825 N. 2nd Ave. | Phoenix, AZ

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