

RANCH HOUSE SQUARE

6586 STATE ROUTE 179, SEDONA, ARIZONA 86351

\$749,000



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EXCLUSIVELY OFFERED BY DA VINCI REALTY, LLC

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COMMERCIAL
INVESTMENTS

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PROPERTY PROFILE

OFFERING

Excellent Owner/User or investor opportunity in the Red Rocks of Sedona. The subject property is a Neighborhood Shopping Center across the street from the Outlet Mall in the Village of Oak Creek within 500 feet of the nearest roundabout. Property consists of three separate buildings, all connected by covered breezeways. The buildings have nine rentable spaces and are 7,794 square feet in total with frontage, visibility, and two curb cuts off Highway 179 with a monument marquis. This property comes with 37 parking spaces, three of which are handicapped. Property is asphalt paved with landscaped areas to reflect the natural growth of the geographic location. All buildings have separate electric meters. Building C also includes one roll-up door with a side yard for storage. Some of the current tenants users are restaurant, floral shop, and a beauty shop.

PROPERTY LOCATION

From Interstate 17, take the Sedona exit at State Route 179 North to one block past Jack's Canyon Road on the West side of the street across from the Oak Creek Factory Outlets.



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INFORMATION

ADDRESS	6586 State Route 179 Sedona, AZ 86351	NET OPERATING INCOME	\$69,591
PRICE	\$749,000	CAP RATE	9.29%
PRICE PER SQ FT	\$96.10	VACANCY 2013	44.4%
TERMS	Cash, Cash to New Loan, Submit to OMC	CONSTRUCTION	Wood Frame, One Story
PARCEL NUMBER	405-40-218	ROOF	Asphalt Shingle
ZONING	Commercial	YEAR BUILT	1974
PROPERTY TYPE	Retail	PARKING SPACES	37 Spaces With 3 Handicapped
LOT SIZE	.76 Acres	UTILITIES	Electric (APS), Water (private), Propane Gas, Sewer (Big Park Sewer)
BUILDING SIZE	7,794 Square Feet		
TAXES 2013	\$9,203		
COUNTY	Yavapai		



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PROFORMA

Ranch House Square 6856 Hwy 179, Sedona		22-Jul-14	Monthly Payments:	
			- 1st Lien	\$0.00
			- 2nd Lien	\$0.00
			=	
First Lien:		5.00%	30 years	Total Mo.Pymt. \$0.00
Second Lien:				Annual Pymt. \$0.00
Total Debt:		\$0		Debt coverage K
Down Payment:		\$749,000	(100% down)	
Building Size:	7,794 sq. ft.	(\$96.10 / sq. ft.)		
Constructed in:	1976	(23.54% site coverage)		
Land Area:	0.76 acres	(\$22.62 / sq.ft. land)		
Parking:	37 spaces	(1 space / 211 sq. ft.)		
Base Rental Income:	\$7,142.81 per month, or	\$85,714 per year		
Other Income:	\$1,415.00 per month, or	\$16,980 per year		
Vacancy Factor:	10% (currently 35% occupied)			
Operating Expenses:	\$1,902.77 per month, or	\$22,833 per year		
Debt Service:	\$0.00 per month, or	\$0 per year		
STABILIZED PROFORMA				
Annual Rental Income	\$85,714			
\$0.92 /mo. \$11.00 /yr.				
Other Income:	16,980	16.53% of gross income		
\$0.18 /mo. \$2.18 /yr.	-----			
Scheduled Gross Income:	\$102,694	7.29 times gross income		
\$1.10 /mo. \$13.18 /yr.				
Less Vacancy Factor:	(10,269)	10.00% vacancy factor		

Effective Gross Income:	\$92,424			
Less Operating Expenses:	(22,833)	26.64% of gross income		
\$0.24 /mo. \$2.93 /yr.	-----			
Net Operating Income:	\$69,591	9.29% capitalization rate		
\$0.74 /mo. \$8.93 /yr.				
Less Debt Service:	0	0.00 K debt constant		

Pretax Cash Flow:	\$69,591	9.29% pretax return on equity		



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RENT ROLL

Suite #	Tenant Name	Size	Rent P.S.F.	Base Rent	NNN Expenses	Lease Expires
A1	Minami Japanese Restaurant	1,108	\$1.70	\$1,878.31		8/31/23
A2,A3	Sedona Fine Art of Flowers	1,046	\$0.96	\$1,000.00	\$145.00	11/30/2013
A4	Vacant	840	\$1.00	\$840.00	\$210	
B1	Vacant	560	\$1.00	\$634.50	\$140.00	
A1	Vacant	1,680	\$0.45	\$750.00	\$435.00	MTM
C1,C2	Vacant	1,280	\$1.00	\$1,280.00	\$320.00	
C3	Sedona Beauty Co.	640	\$0.91	\$585.00	\$165.00	MTM
C4	Vacant	640	\$0.27	\$175.00		MTM
Totals:		7,794	\$0.92	\$7,142.81	\$1,415.00	

tenant pays own utilities

EXPENSE BREAKDOWN

<u>Expense Item</u>	<u>Monthly</u>	<u>Annual</u>	<u>Notes</u>
Property Taxes	\$767	\$9,203	
Insurance	\$309	\$3,709	
Property Management	\$210	\$2,517	
Utility Expense	\$141	\$1,697	
Miscellaneous	\$2	\$18	
Trash Service	\$41	\$495	
Sewer Fees	\$267	\$3,209	
Cooling/Heat Repair	\$6	\$69	
Electrical Repair	\$6	\$68	
Landscaping	\$121	\$1,449	
Plumbing Maintenance	\$3	\$39	
Administrative fees		\$360	
Totals:	\$1,427	\$22,833	actual expenses



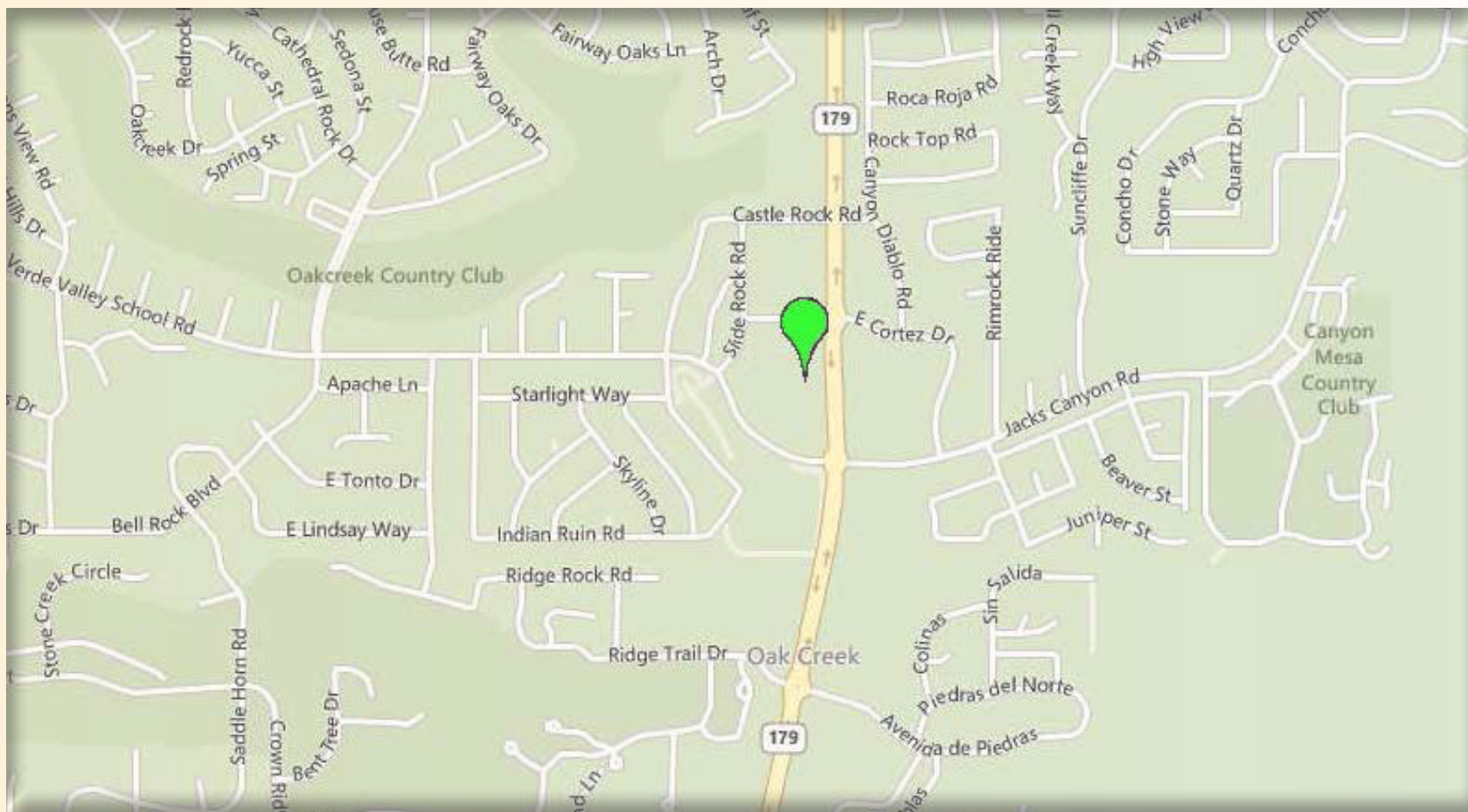
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LOCATION



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AERIAL VIEW



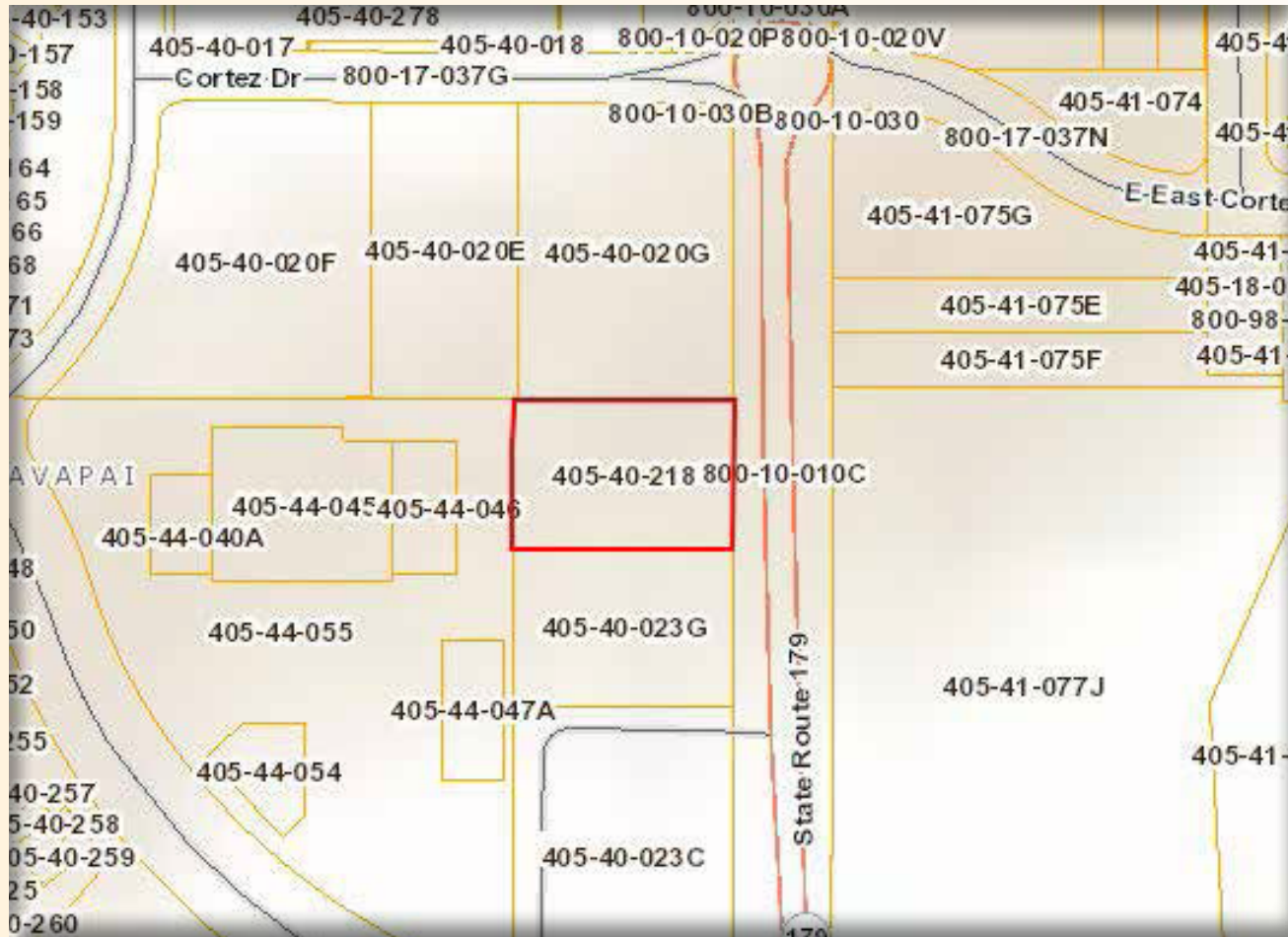
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PARCEL VIEW



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COMMUNITY PROFILE

	1 mile	5 miles	10 miles
Population			
2000 Population	3,815	7,463	21,666
2010 Population	4,444	8,325	23,408
2012 Population	4,475	8,414	23,762
2017 Population	4,487	8,502	24,167
2000-2010 Annual Rate	1.54%	1.10%	0.78%
2010-2012 Annual Rate	0.31%	0.47%	0.67%
2012-2017 Annual Rate	0.05%	0.21%	0.34%
2012 Male Population	44.5%	45.3%	47.1%
2012 Female Population	55.5%	54.7%	52.9%
2012 Median Age	59.2	60.0	56.0

In the identified area, the current year population is 23,762. In 2010, the Census count in the area was 23,408. The rate of change since 2010 was 0.67% annually. The five-year projection for the population in the area is 24,167 representing a change of 0.34% annually from 2012 to 2017. Currently, the population is 47.1% male and 52.9% female.

Median Age

The median age in this area is 56.0, compared to U.S. median age of 37.3.

Race and Ethnicity

	1 mile	5 miles	10 miles
2012 White Alone	90.3%	91.5%	89.7%
2012 Black Alone	1.0%	0.9%	0.8%
2012 American Indian/Alaska Native Alone	0.7%	0.7%	1.1%
2012 Asian Alone	2.0%	1.9%	1.5%
2012 Pacific Islander Alone	0.1%	0.1%	0.1%
2012 Other Race	3.5%	2.9%	4.6%
2012 Two or More Races	2.3%	2.0%	2.2%
2012 Hispanic Origin (Any Race)	10.9%	9.8%	12.9%

Persons of Hispanic origin represent 12.9% of the population in the identified area compared to 16.9% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 37.6 in the identified area, compared to 61.4 for the U.S. as a whole.

Households

	1 mile	5 miles	10 miles
2000 Households	1,920	3,660	10,156
2010 Households	2,276	4,235	11,211
2012 Total Households	2,285	4,265	11,326
2017 Total Households	2,320	4,365	11,650
2000-2010 Annual Rate	1.72%	1.47%	0.99%
2010-2012 Annual Rate	0.17%	0.31%	0.46%
2012-2017 Annual Rate	0.31%	0.46%	0.56%
2012 Average Household Size	1.91	1.94	2.08

The household count in this area has changed from 11,211 in 2010 to 11,326 in the current year, a change of 0.46% annually. The five-year projection of households is 11,650, a change of 0.56% annually from the current year total. Average household size is currently 2.08, compared to 2.07 in the year 2010. The number of families in the current year is 6,461 in the specified area.

	1 mile	5 miles	10 miles
Median Household Income			
2012 Median Household Income	\$50,338	\$55,144	\$50,440
2017 Median Household Income	\$61,010	\$66,134	\$59,646
2012-2017 Annual Rate	3.92%	3.70%	3.41%
Average Household Income			
2012 Average Household Income	\$65,859	\$73,674	\$67,210
2017 Average Household Income	\$76,951	\$85,631	\$77,374
2012-2017 Annual Rate	3.16%	3.05%	2.86%
Per Capita Income			
2012 Per Capita Income	\$34,604	\$38,045	\$32,317
2017 Per Capita Income	\$40,812	\$44,687	\$37,595
2012-2017 Annual Rate	3.36%	3.27%	3.07%

Households by Income

Current median household income is \$50,440 in the area, compared to \$50,157 for all U.S. households. Median household income is projected to be \$59,646 in five years, compared to \$56,895 for all U.S. households

Current average household income is \$67,210 in this area, compared to \$68,162 for all U.S. households. Average household income is projected to be \$77,374 in five years, compared to \$77,137 for all U.S. households

Current per capita income is \$32,317 in the area, compared to the U.S. per capita income of \$26,409. The per capita income is projected to be \$37,595 in five years, compared to \$29,882 for all U.S. households

Housing

	1 mile	5 miles	10 miles
2000 Total Housing Units	2,386	4,452	11,880
2000 Owner Occupied Housing Units	1,337	2,613	7,397
2000 Owner Occupied Housing Units	583	1,047	2,759
2000 Vacant Housing Units	466	792	1,724
2010 Total Housing Units	2,998	5,542	14,362
2010 Owner Occupied Housing Units	1,392	2,923	7,862
2010 Renter Occupied Housing Units	884	1,312	3,349
2010 Vacant Housing Units	722	1,307	3,151
2012 Total Housing Units	3,010	5,573	14,475
2012 Owner Occupied Housing Units	1,346	2,858	7,711
2012 Renter Occupied Housing Units	939	1,407	3,615
2012 Vacant Housing Units	725	1,308	3,149
2017 Total Housing Units	3,061	5,714	14,870
2017 Owner Occupied Housing Units	1,371	2,936	7,961
2017 Renter Occupied Housing Units	948	1,429	3,689
2017 Vacant Housing Units	741	1,349	3,220

Currently, 53.3% of the 14,475 housing units in the area are owner occupied; 25.0%, renter occupied; and 21.8% are vacant. Currently, in the U.S., 56.5% of the housing units in the area are owner occupied; 32.1% are renter occupied; and 11.4% are vacant. In 2010, there were 14,362 housing units in the area - 54.7% owner occupied, 23.3% renter occupied, and 21.9% vacant. The annual rate of change in housing units since 2010 is 0.35%. Median home value in the area is \$269,632, compared to a median home value of \$167,749 for the U.S. In five years, median value is projected to change by 0.92% annually to \$282,205.



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