

SEDONA RETAIL INVESTMENT OPPORTUNITY

1655 W. HIGHWAY 89A

SEDONA, ARIZONA 86336



FOR SALE \$1,500,000

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COMMERCIAL
INVESTMENTS



EXCLUSIVELY OFFERED BY DA VINCI REALTY, LLC

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PROPERTY PROFILE

PROPERTY LOCATION

Located in West Sedona on the south side of Hwy 89A

PROPERTY DESCRIPTION

Single tenant opportunity. Restaurant site with 157' of frontage on Hwy 89A. Great access and visibility. Room for expansion with 40+ parking spaces. Property is currently being leased until January 2019. 7.32% Cap Rate. Investor or Owner/User opportunity in the heart of the Red Rocks.



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VIEW FROM LAND FACING SOUTHEAST

INFORMATION

ADDRESS 1655 W. Highway 89A Sedona 86336

PRICE \$1,500,000

TERMS Cash, Submit to New Loan

PROPERTY TYPE Restaurant

BUILDING SIZE 2,412 sq. ft.

PRICE PER SQ. FT \$621.89

CAP RATE (PROJECTED) 7.32%

OCCUPANCY (ACTUAL) 100%

PARCEL NUMBER 408-26-028d

LAND SIZE .59 acres

ZONING C-2

COUNTY Yavapai

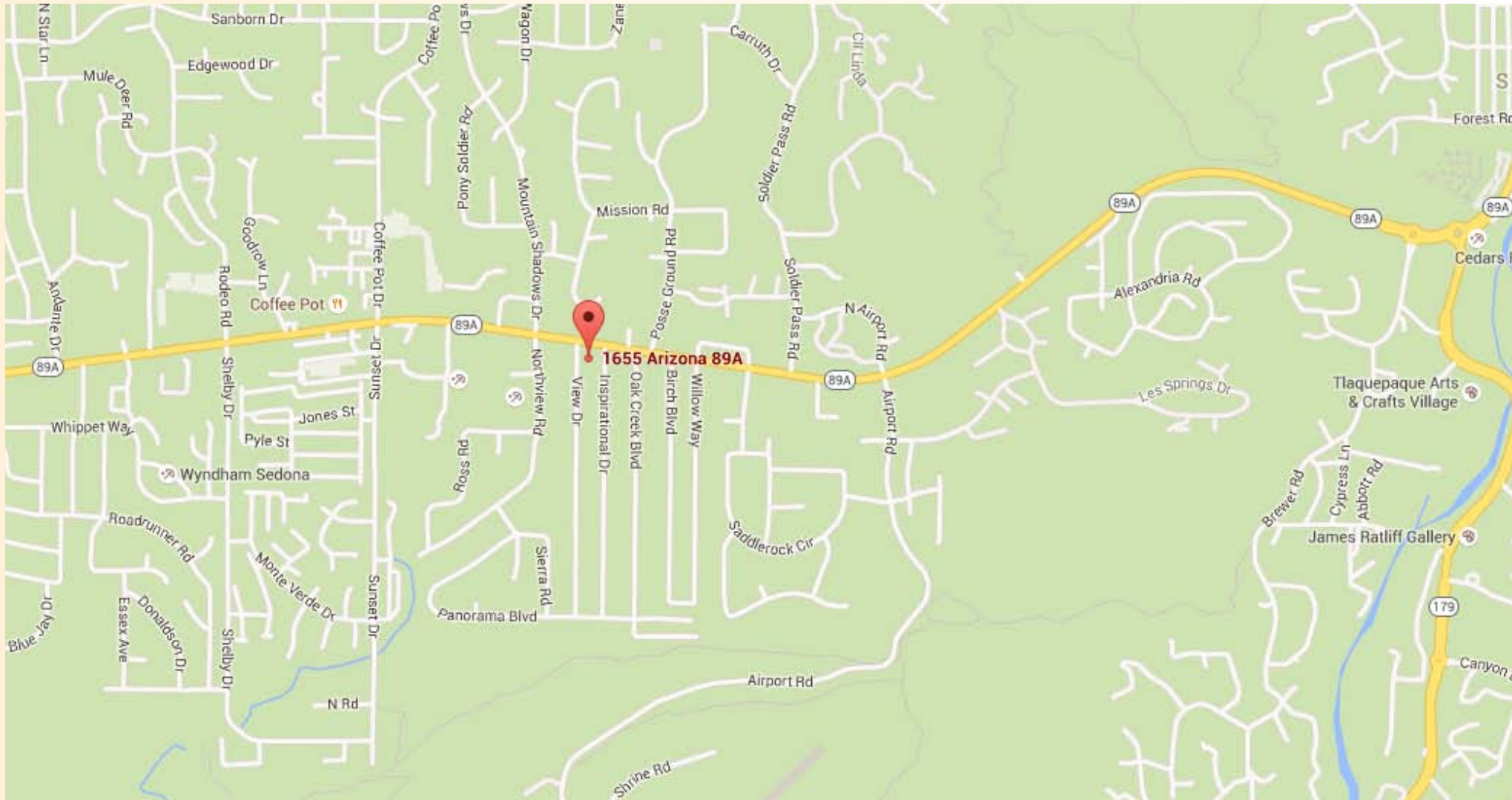
TAXES \$10,238

UTILITIES APS (Electricity), Unisource Gas (Natural Gas), City of Sedona Wastewater (Sewer), Arizona Water Company (Water)



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LOCATION



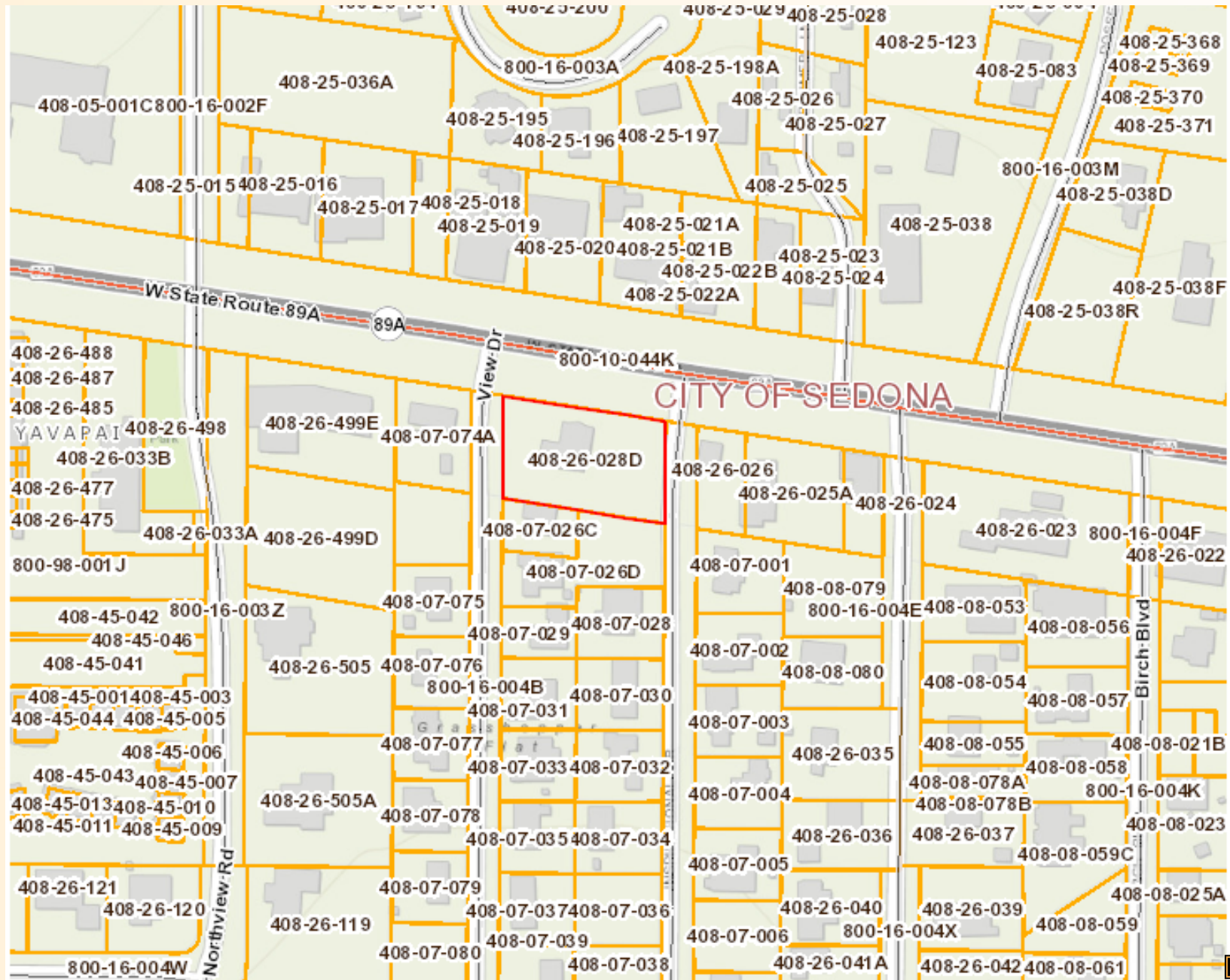
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AERIAL VIEW



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PARCEL VIEW



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PROFORMA

Red Planet Diner
1655 West Hwy 89A, Sedona Az

30-Dec-15

Total Price: \$1,500,000

First Lien: \$0 5.00% 30 years
Second Lien:
Total Debt: \$0

Down Payment: \$1,500,000 (100% down)

Building Size: 2,412 sq. ft. (\$621.89 / sq. ft.)
Constructed in: 1972 (9.39% site coverage)
Land Area: 0.59 acres (\$58.36 / sq.ft. land)
Parking: 40 spaces (1 space / 60 sq. ft.)
Base Rental Income: \$10,000.00 per month, or \$120,000 per year
Other Income: \$350.00 per month, or \$4,200 per year
Vacancy Factor: 0% (currently 100% occupied)
Operating Expenses: \$1,203.13 per month, or \$14,438 per year
Debt Service: \$0.00 per month, or \$0 per year

STABILIZED PROFORMA

Annual Rental Income	\$120,000	
\$4.15 /mo. \$49.75 /yr.		
Other Income:	4,200	3.38% of gross income
\$0.15 /mo. \$1.74 /yr.	-----	
Scheduled Gross Income:	\$124,200	12.08 times gross income
\$4.29 /mo. \$51.49 /yr.		
Less Vacancy Factor:	0	0.00% vacancy factor

Effective Gross Income:	\$124,200	
Less Operating Expenses:	(14,438)	12.03% of gross income
\$0.50 /mo. \$5.99 /yr.	-----	
Net Operating Income:	\$109,763	7.32% capitalization rate
\$3.79 /mo. \$45.51 /yr.		
Less Debt Service:	0	0.00 K debt constant

Pretax Cash Flow:	\$109,763	7.32% pretax return on equity



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LAND FACING SOUTHEAST

RENT ROLL

RENT ROLL

Suite #	Tenant Name	Size	Rent P.S.F.	Base Rent	NNN Expenses	Lease Expires
A	Red Planet Diner	2,412	4.15	\$10,000	\$350	1/5/2019
Totals:		2,412	\$4.15	\$10,000	\$350	

Tenant pays \$350/mth for insurance. Tenant has option to renew lease for an additional five years.
 Tenant pays for own utilities and all repairs and maintenance other than roof.

EXPENSE BREAKDOWN

<u>Expense Item</u>	<u>Monthly</u>	<u>Annual</u>	<u>Notes</u>
Property Taxes	\$853	\$10,238	
Insurance	\$350	\$4,200	
Totals:	\$1,203	\$14,438	



ECONOMIC PROFILE

	5 miles	10 miles	15 miles
Population			
2000 Population	11,352	17,540	24,213
2010 Population	11,116	18,051	26,153
2015 Population	11,362	18,520	26,889
2020 Population	11,677	19,088	27,810
2000-2010 Annual Rate	-0.21%	0.29%	0.77%
2010-2015 Annual Rate	0.42%	0.49%	0.53%
2015-2020 Annual Rate	0.55%	0.61%	0.68%
2015 Male Population	47.0%	46.5%	47.5%
2015 Female Population	53.0%	53.5%	52.5%
2015 Median Age	58.5	59.3	57.0

In the identified area, the current year population is 26,889. In 2010, the Census count in the area was 26,153. The rate of change since 2010 was 0.53% annually. The five-year projection for the population in the area is 27,810 representing a change of 0.68% annually from 2015 to 2020. Currently, the population is 47.5% male and 52.5% female.

Median Age

The median age in this area is 58.5, compared to U.S. median age of 37.9.

Race and Ethnicity

2015 White Alone	89.4%	89.9%	88.8%
2015 Black Alone	0.7%	0.8%	0.8%
2015 American Indian/Alaska Native Alone	0.6%	0.7%	1.1%
2015 Asian Alone	2.1%	2.0%	1.7%
2015 Pacific Islander Alone	0.1%	0.1%	0.1%
2015 Other Race	5.2%	4.4%	5.1%
2015 Two or More Races	1.9%	2.1%	2.3%
2015 Hispanic Origin (Any Race)	14.0%	12.6%	13.4%

Persons of Hispanic origin represent 13.4% of the population in the identified area compared to 17.6% 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 39.3 in the identified area, compared to 63.0 for the U.S. as a whole.

Households

2000 Households	5,511	8,515	11,233
2010 Households	5,564	9,063	12,517
2015 Total Households	5,740	9,398	12,991
2020 Total Households	5,916	9,727	13,484
2000-2010 Annual Rate	0.10%	0.63%	1.09%
2010-2015 Annual Rate	0.59%	0.69%	0.71%
2015-2020 Annual Rate	0.61%	0.69%	0.75%
2015 Average Household Size	1.98	1.95	2.06

The household count in this area has changed from 12,517 in 2010 to 12,991 in the current year, a change of 0.71% annually. The five-year projection of households is 13,484, a change of 0.75% annually from the current year total. Average household size is currently 2.06, compared to 2.07 in the year 2010. The number of families in the current year is 7,470 in the specified area.

	5 miles	10 miles	15 miles
Median Household Income			
2015 Median Household Income	\$50,647	\$51,083	\$49,000
2020 Median Household Income	\$58,582	\$58,974	\$56,677
2015-2020 Annual Rate	2.95%	2.91%	2.95%
Average Household Income			
2015 Average Household Income	\$70,258	\$70,592	\$66,341
2020 Average Household Income	\$82,948	\$83,142	\$77,824
2015-2020 Annual Rate	3.38%	3.33%	3.24%
Per Capita Income			
2015 Per Capita Income	\$35,562	\$35,941	\$32,078
2020 Per Capita Income	\$42,103	\$42,481	\$37,743
2015-2020 Annual Rate	3.43%	3.40%	3.31%

Households by Income

Current median household income is \$49,000 in the area, compared to \$53,217 for all U.S. households. Median household income is projected to be \$56,677 in five years, compared to \$60,683 for all U.S. households

Current average household income is \$66,341 in this area, compared to \$74,699 for all U.S. households. Average household income is projected to be \$77,824 in five years, compared to \$84,910 for all U.S. households

Current per capita income is \$32,078 in the area, compared to the U.S. per capita income of \$28,597. The per capita income is projected to be \$37,743 in five years, compared to \$32,501 for all U.S. households

Housing

2000 Total Housing Units	6,397	10,741	15,732
2000 Owner Occupied Housing Units	4,025	6,146	8,250
2000 Renter Occupied Housing Units	1,485	2,369	2,983
2000 Vacant Housing Units	887	2,226	4,499
2010 Total Housing Units	7,228	12,561	18,834
2010 Owner Occupied Housing Units	3,876	6,248	8,803
2010 Renter Occupied Housing Units	1,688	2,815	3,714
2010 Vacant Housing Units	1,664	3,498	6,317
2015 Total Housing Units	7,480	13,047	19,545
2015 Owner Occupied Housing Units	3,793	6,142	8,679
2015 Renter Occupied Housing Units	1,947	3,256	4,312
2015 Vacant Housing Units	1,740	3,649	6,554
2020 Total Housing Units	7,746	13,561	20,315
2020 Owner Occupied Housing Units	3,897	6,327	9,024
2020 Renter Occupied Housing Units	2,020	3,400	4,460
2020 Vacant Housing Units	1,830	3,834	6,831

Currently, 44.4% of the 19,545 housing units in the area are owner occupied; 22.1%, renter occupied; and 33.5% are vacant. Currently, in the U.S., 55.7% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.6% are vacant. In 2010, there were 18,834 housing units in the area - 46.7% owner occupied, 19.7% renter occupied, and 33.5% vacant. The annual rate of change in housing units since 2010 is 1.66%. Median home value in the area is \$315,299, compared to a median home value of \$200,006 for the U.S. In five years, median value is projected to change by 3.69% annually to \$377,853.



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COMMERCIAL REAL ESTATE SOUTHEAST

COMMUNITY PROFILE

SEDONA, ARIZONA

Located two hours north of Phoenix, and 30 miles south of Flagstaff, at 4,350 feet, Sedona's mild four-season climate and high desert terrain assure good year-round weather for retirees, vacationers and outdoor enthusiasts. Part of Sedona includes Oak Creek Canyon, a spectacular 16-mile gorge with streams and waterfalls between sheer rock walls, beckons hikers, campers and fishermen. It has been termed as one of the eight most scenic drives in America that many visit on their way to the Grand Canyon; 113 miles to the north. The famous old ghost town of Jerome is 28 miles to the west and the excitement of Las Vegas is a four hour drive away.

Sedona has approximately four million tourists per year; drawn by the magnificent scenery of Sedona and the outdoor activities available. Tourism is the largest sector of Sedona's economy.

Since the turn of the millennium, the Verde Valley has seen the birth of five vineyards and wineries in the bucolic communities of Page Springs and Cornville; located just west of Sedona by less than 15 miles. These wineries are producing handcrafted, limited production wines in both white and red varietals as well as library wines and multi-grape bottlings. Several have been applauded by wine critics and have won national awards. In Sedona, plans are under way to develop the vineyard community of Bella Terra on Oak Creek on Upper Red Rock Loop Rd. The year round population of Sedona is approximately 10,000 (census 2010). The average age is 50 years old. Sedona has almost 19 square miles, 51% of which are owned by private land owners, while the rest of Sedona is surrounded by 1.8 million acres of national forest land. Residents and visitors have instant access to recreational activities. Trails for hiking and biking, along with a number of jeep tracks, weave among the bristling forest of red rock pinnacles, spires, buttes and domes. The art and mystical beauty of Sedona are prominent; while the near "perfect" weather make Sedona an attractive place to visit or reside by many.

