

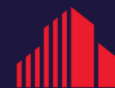


Banner  
Medical Group



## OFFERING MEMORANDUM

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson AZ 85705



CUSHMAN &  
WAKEFIELD



PICOR

MULTI-FAMILY TEAM

## MULTI-FAMILY TEAM

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# PROPERTY INFORMATION

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706

 <b>PRICE</b> \$1,500,000	 <b>PRICE PER BED</b> \$68,182	 <b>PRICE PER SQFT</b> \$166.67	 <b>PROFORMA NOI</b> \$104,952	 <b>CAP RATE</b> 7.00%
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 <b>LOCATION:</b> 638 – 642 E. Lester St. Tucson, Arizona 85705	 <b>LANDSCAPING:</b> Artificial turf, Large shade trees, desert plants, & shrubbery
 <b>SITE AREA:</b> 0.45 Acres   19,551 Square Feet	 <b>UTILITIES:</b> <u>Electricity:</u> Tucson Electric (RUBS) <u>Gas:</u> Southwest Gas (N/A) <u>Water:</u> City of Tucson (RUBS) <u>Sewer:</u> City of Tucson (RUBS) <u>Trash:</u> City of Tucson (RUBS)
 <b>RENTABLE SF:</b> 9,000 RSF	 <b>METERING</b> Electric: Individual Gas: N/A Water/Sewer/Trash: Individual Hot Water: Individual
 <b>ASSESSOR PARCEL NUMBER:</b> 115-02-141D	 <b>HEATING/COOLING:</b> Air conditioning
 <b>ZONING:</b> R-2, City of Tucson	 <b>CONSTRUCTION:</b> Wood-frame / stucco
 <b>ACCESS:</b> Ingress/egress	 <b>FINANCING:</b> Cash or Traditional Financing
 <b>PARKING:</b> ~16 spaces	
 <b>ROOF/STORIES:</b> Pitched shingle roof/2 story	
 <b>YEAR BUILT:</b> 2008	

# PROPERTY HIGHLIGHTS

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706



## PROPERTY HIGHLIGHTS

- Attractive student housing opportunity
- Turn-key opportunity
- In-place property management
- Built in 2008, with continued upgrades
- Utility billback for utility usage
- Ample parking
- Prime location – Near UofA, Banner Medical, & Downtown Tucson



## UNIT HIGHLIGHTS

- Some units preleased for 26-27 school year
- Tile flooring throughout
- Stainless steel appliances
- Ceiling fans & dishwashers
- In-unit washer dryer
- Air conditioning
- Jacuzzi tub for some units
- Private backyards for bottom floor units

# INVESTMENT SUMMARY

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706

Perfectly located near the University of Arizona and Downtown Tucson, Lester Student Housing presents an attractive, turnkey student housing opportunity with in-place property management and strong positioning within a high demand student housing market.

Lester Student Housing consists of 6 well-maintained and fully modernized units, featuring a desirable mix of (2) 3BD/2BA units and (4) 4BD/2BA units, totaling 22 beds. The property offers up-to-date finishes throughout, making it highly appealing for off-campus living. Unit interiors feature tile flooring, stainless steel appliances, granite countertops, quality cabinetry, dishwashers, ceiling fans, and in-unit washers and dryers. Select units also include jacuzzi tubs, further enhancing the resident experience.

Complementing the well-maintained interiors, the exterior amenities provide residents with comfortable outdoor living spaces and meticulously maintained landscaping. Lower-level units feature private backyards (some with artificial turf), while upper-level units offer spacious decks. The property also provides ample on-site parking for residents and guests.

All utilities are individually metered, with ownership currently paying utility expenses and recovering tenant usage through established in-place RUBS programs. This structure provides operational efficiency while preserving the benefits of individually metered service. Additional resident conveniences include air conditioning throughout the property and professionally landscaped common areas.

Ideally positioned near the University of Arizona and Banner University Medical Center, Lester Student Housing benefits from a strong and reliable tenant base driven by students and young professionals. With convenient access to Downtown Tucson's dining, entertainment, and cultural amenities, the property is situated within one of Tucson's most sought-after rental corridors. Early pre-leasing activity, including several units already secured for the 2026–2027 school year, further underscores the asset's appeal and long-term investment potential.

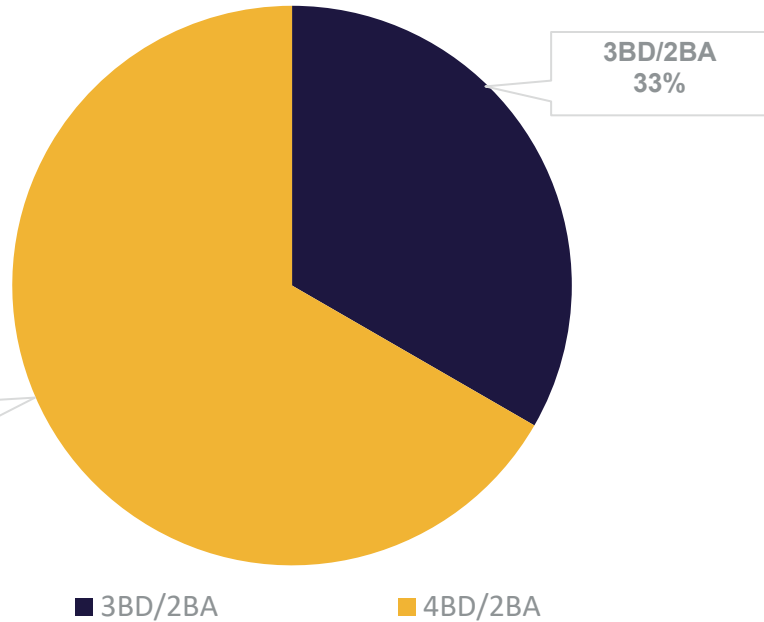


# RENT ROLL ANALYSIS

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706

Unit Description	# of Units	% of Total	SqFt Per Unit	Total Rentable SqFt	Current Avg. Rent		Pro Forma Market Rent		
					Per Unit	Per Month	Per Unit	Per Month	Per SqFt
3BD/2BA	2	33%	1500	3,000	\$2,080	\$4,160	\$2,100	\$4,200	\$1.40
4BD/2BA	4	67%	1500	6,000	\$2,100	\$8,400	\$2,200	\$8,800	\$1.47
<b>Total/Average (Monthly) Annual</b>	<b>6</b>	<b>100%</b>	<b>1,500</b>	<b>9,000</b>	<b>\$2,093</b>	<b>\$12,560</b> <b>\$150,720</b>	<b>\$2,167</b>	<b>\$13,000</b> <b>\$156,000</b>	<b>\$1.44</b>

Unit Breakdown



# FINANCIAL ANALYSIS

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706

Income Statement	Marketing Pro Forma	Pro Forma Per Unit	T-12 Actuals	T-12 Actuals Per Unit
<b>RENTAL INCOME</b>				
<b>Gross Market Rent</b>	\$156,000	\$26,000		
Vacancy Loss	-\$9,360	-6.0%		
Concessions & Bad Debt	-\$3,120	-2.0%		
<b>Net Rental Income</b>	\$143,520	\$23,920	\$178,378	\$29,730
RUBS	\$11,500	\$1,917		\$0
Other Income	\$2,500	\$417		\$0
<b>TOTAL INCOME</b>	\$157,520	\$26,253	\$178,378	\$29,730
<b>OPERATING EXPENSES</b>				
General & Administrative	\$1,000	\$167	\$887	\$148
Repairs & Maintenance & Turnover	\$10,000	\$1,667	\$25,529	\$4,255
Contract Services	\$1,500	\$250		\$0
Utilities	\$12,000	\$2,000	\$1,718	\$286
<b>TOTAL VARIABLE</b>	\$24,500	\$4,083	\$28,134	\$4,689
Property Taxes	\$7,966	\$1,328	\$7,966	\$1,328
Property Insurance	\$6,000	\$1,000	\$6,673	\$1,112
Management Fee	\$12,602	8%	\$14,354	8%
Reserves	\$1,500	\$250		
<b>TOTAL EXPENSES</b>	\$52,568	\$8,761	\$57,127	\$9,521
<b>NET OPERATING INCOME</b>	\$104,952	\$17,492	\$121,251	\$20,209

<b>Stabilized Market Analysis</b>	
<b>Value</b>	\$1,500,000
Per Unit	\$250,000
Per Bed	\$68,182
Per Square Foot	\$166.67
<b>Cap Rate</b>	
T-12 Actuals	8.08%
Marketing Pro Forma	7.00%

# TRADE MAP

Lester Student Housing  
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# SURROUNDING AREA

Lester Student Housing  
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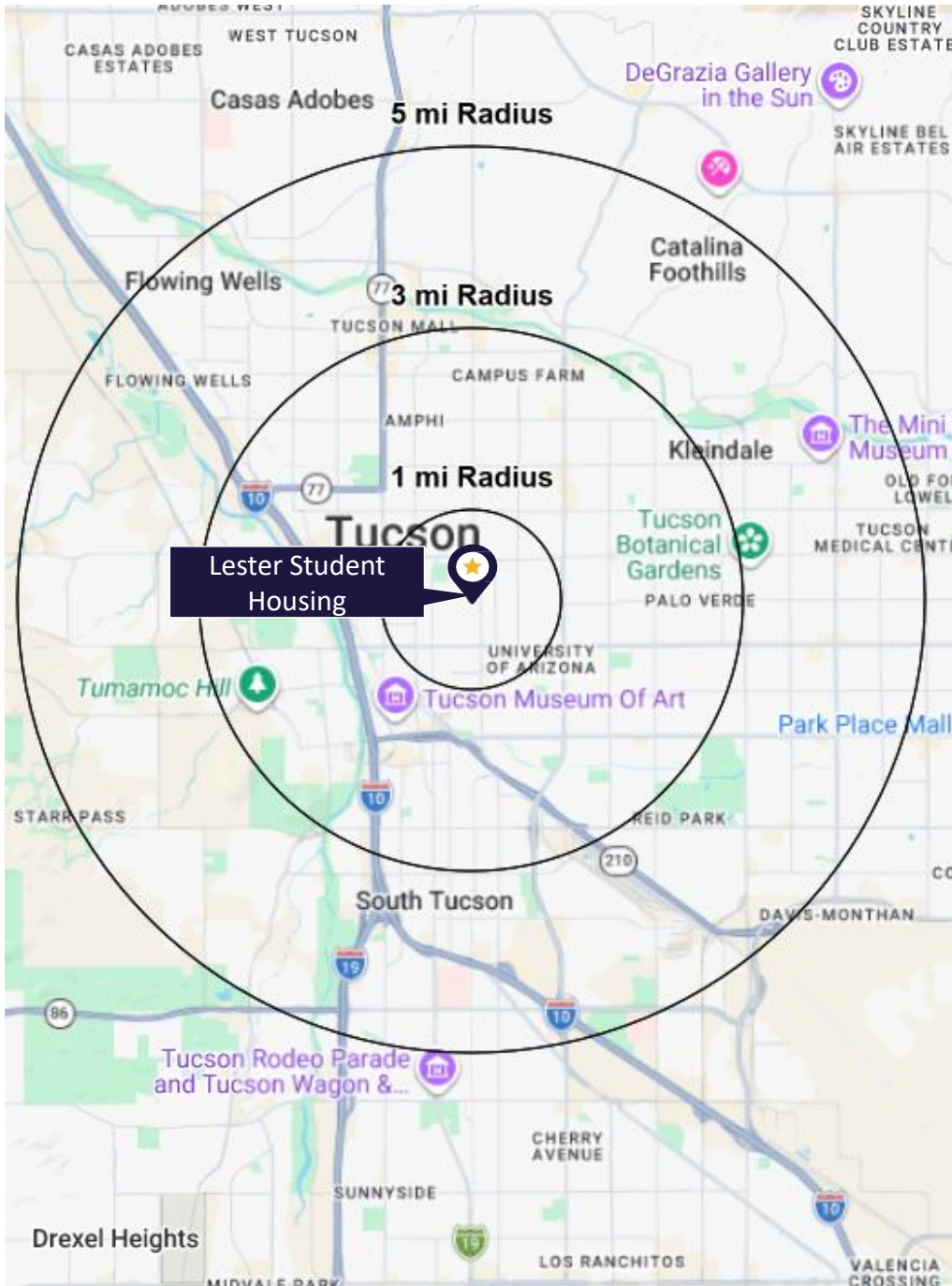


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# DEMOGRAPHIC OVERVIEW

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706



## 2025 DEMOGRAPHIC OVERVIEW

	1 MILE	3 MILES	5 MILES
POPULATION	21,744	139,650	273,656
HOUSEHOLDS	8,560	64,165	122,337
AVG HOUSEHOLD INCOME	\$64,496	\$74,444	\$82,604
DAYTIME POPULATION	9,277	84,523	160,188
RETAIL EXPENDITURE	\$295.38 M	\$2.35 B	\$4.81 B

## 2030 DEMOGRAPHIC PROJECTIONS

	1 MILE	3 MILES	5 MILES
POPULATION	8,560	64,165	122,337
HOUSEHOLDS	8,698	65,274	122,935
AVG HOUSEHOLD INCOME	\$63,908	\$73,614	\$81,535

## TRAFFIC COUNTS VEHICLES PER DAY (VPD)

N. EUCLID AVE.	23,745 VPD	(2025)
E. SPEEDWAY BLVD.	34,423 VPD	(2025)

# EXTERIOR PHOTOS

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706



# EXTERIOR PHOTOS

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# INTERIOR PHOTOS

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# INTERIOR PHOTOS

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# AERIAL VIEW

Lester Student Housing  
638 – 642 E. Lester St.  
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# NORTH VIEW

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706



# EAST VIEW

Lester Student Housing  
638 – 642 E. Lester St.  
Tucson, AZ 85706



# SOUTH VIEW

Lester Student Housing  
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# WEST VIEW

Lester Student Housing  
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# DRONE PHOTOS

Lester Student Housing  
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## ARIZONA: THE BEST STATE FOR BUSINESS

### Quality Jobs Tax Credit\*

Provides up to **\$9,000 of income or premium tax credits** over a three-year period for each net new job to the state and concurrent qualifying capital expenditures.

### Quality Facility Tax Credit\*

Provides **refundable income tax credits up to \$20,000** per qualifying net new job to eligible manufacturing companies that invest in one or more qualifying facilities.

### Additional Depreciation\*

Accelerates depreciation to substantially reduce business personal property taxes.

### Exemption for Machinery and Equipment & Electricity\*

Provides Transaction Privilege Tax (sales tax) and Use Tax exemptions.

### Research & Development Tax Credit\*

Provides an Arizona income tax credit for increased research and development activities conducted in this state. The R&D tax credit is equal to **24% of the first \$2.5 million in qualifying expenses, plus 15% of the qualifying expenses in excess of \$2.5 million**. Beginning in 2023, the tax credit rates will be 20% of the first \$2.5 million in qualifying expenses plus 11% of the qualifying expenses in excess of \$2.5 million.

### Diverse Workforce

As one of the fastest growing megaregions in the U.S., the continuing in-migration of talent at all levels positively impacts the regional economy and translates into increased workforce availability. The local military installations have over 8,000 active airmen and provide a skilled veteran pool for businesses to tap.

*Source: The Chamber of Southern Arizona*

\* Source: AZCommerce.com

# TUCSON MARKET OVERVIEW

Lester Student Housing  
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Tucson, AZ 85706



**1.08M**  
TUCSON MSA  
POPULATION



**484,397**  
TOTAL  
HOUSEHOLDS



**35%**  
COLLEGE  
EDUCATION



**0.6%**  
POPULATION  
GROWTH RATE



**\$67,929**  
MEDIAN HOUSEHOLD  
INCOME



**4.7%**  
UNEMPLOYMENT  
RATE



**±56,544**

UNIVERSITY OF ARIZONA TOTAL  
ENROLLMENT, 2025

THE UNIVERSITY  
OF ARIZONA

## LARGEST EMPLOYERS

1. UNIVERSITY OF ARIZONA- 16,076
2. RAYTHEON MISSILE SYSTEMS- 13,000
3. DAVIS-MONTHAN AFB- 11,000
4. STATE OF ARIZONA – 8,580

- #2 MANAGEMENT INFORMATION SYSTEMS
- #8 SPACE SCIENCE
- #27 BEST BUSINESS SCHOOLS
- #47 MEDICINE
- #52 TOP PUBLIC SCHOOL
- #54 EDUCATION
- #69 UNDERGRAD ENGINEERING PROGRAMS
- #70 BEST COLLEGES FOR VETERANS
- #115 GLOBAL UNIVERSITY

## RECENT INDUSTRY ARRIVALS & EXPANSIONS

1. AMAZON
2. CATERPILLAR SURFACE MINING & TECH
3. HEXAGON MINING
4. BECTON DICKINSON
5. AMERICAN BATTERY FACTORY



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**TUCSON AZ 85706**

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