GERCHICK REAL ESTATE

EXCLUSIVELY MARKETED

# REMODELED 9-ROOM PADSPLIT TRIPLEX

**5038 N 18th Avenue**

Phoenix, Arizona 85015

## $699,000

**3 UNITS | 9 ROOMS | 2,276 SF | R-3 ZONING**

7% VACANCY UNDERWRITING | LIGHT RAIL ACCESS


**LINDA GERCHICK, CCIM**

Designated Broker | Gerchick Real Estate

602-688-9279

linda@justsoldit.com

www.justsoldit.com


TRANSIT-CONNECTED SHARED HOUSING


**NINE ROOMS. THREE UNITS. ONE ASSET.**

FURNISHED ROOMS | REMODELED THROUGHOUT | PADSPLIT MODEL

# CONTENTS AND CONFIDENTIALITY



## CONFIDENTIALITY AND DISCLAIMER

This Offering Memorandum is intended solely to assist prospective purchasers in evaluating 5038 N 18th Avenue. It is based on seller-provided information, prior marketing materials, signed schedules, and other sources believed reliable. Gerchick Real Estate has not independently verified every item and makes no representation or warranty as to completeness or accuracy.

The PadSplit operating model, weekly room rate, occupancy allowance, expenses, technology fee, and all forward results are estimates for discussion only. Platform terms, resident demand, operating requirements, local regulations, and actual performance may change.

Prospective purchasers should independently investigate leases or member agreements, collections, property-management records, utilities, expenses, physical condition, permits, zoning, platform requirements, title, insurance, taxes, and all other matters material to the acquisition.

**EXCLUSIVELY MARKETED BY**

**Linda Gerchick, CCIM**

602-688-9279 | linda@justsoldit.com

# INVESTMENT OVERVIEW

## A REMODELED PADSPLIT TRIPLEX NEAR LIGHT RAIL

5038 N 18th Avenue is a fully remodeled three-unit property configured as nine individually rentable furnished rooms. The offering combines residential real estate, an established shared-housing operating model, extensive capital improvements, and proximity to the 19th Ave/Camelback Valley Metro Rail station.

| SALE PRICE | ROOMS / UNITS | UNDERWRITTEN NOI | CAP RATE |
|---|---|---|---|
| $699,000 | 9 / 3 | $52,820 | 7.56% |
| $77,667 per room | three rooms per unit | 7% vacancy case | corrected underwriting |

### OFFERING SUMMARY

| | |
|---|---|
| Address | 5038 N 18th Avenue, Phoenix, AZ 85015 |
| APN | 156-37-054 |
| Property type | Triplex \| PadSplit room-rental model |
| Buildings / units | 2 buildings \| 3 units \| 9 rooms |
| Building area | 2,276 SF \| Main house 899 SF \| Duplex 1,377 SF |
| Year built / zoning | 1984 \| R-3 Multiple Family |
| Financing | Cash or conventional \| No seller carry |

### POSITIONING

- Nine furnished private rooms across three remodeled 3-bedroom / 1-bath units.
- Underwritten at **$205 per room per week** using a 4.3-week monthly convention.
- Corrected 7%-vacancy case produces **$52,820 NOI** and a **7.56% cap rate**.
- Full-occupancy sensitivity produces approximately **$58,951 NOI** and an **8.43% cap rate**.
- Seller reports more than $120,000 in renovations and a recent $750,000 appraisal; buyer to review.

# INVESTMENT HIGHLIGHTS

## WHY THIS OFFERING STANDS OUT

- **Three remodeled units:** Each is configured with three bedrooms, one bathroom, a shared kitchen, and in-unit laundry.
- **Nine furnished rooms:** Personal-property schedule includes beds, mattresses, desks, lamps, mini refrigerators, and linens.
- **Extensive rehabilitation:** Updated kitchens, bathrooms, flooring, windows, lighting, electrical, plumbing, doors, and site work.
- **Resident convenience:** Wi-Fi-enabled coded entries, full-size laundry, individual room furnishings, and weekly pricing model.
- **Transit access:** Approximately 0.2 miles / one block from Valley Metro Rail at 19th Ave and Camelback.
- **Income structure:** Nine room-level revenue streams diversify collections within one three-unit asset.
- **Clear underwriting:** Physical occupancy is not assumed; the marketed case applies a 7% economic vacancy allowance.

### OPERATING MODEL NOTE

Room pricing and occupancy are operational assumptions, not contractual rent bumps. Buyer must review current PadSplit terms, member agreements, and property-management records.

# PADSPLIT OPERATING MODEL

## A ROOM-RENTAL STRATEGY WITHIN THREE RESIDENTIAL UNITS

The property is configured for PadSplit's shared-housing model: residents occupy private furnished bedrooms and share the kitchen, bathroom, laundry, and common areas within each unit. Weekly payments are underwritten as all-inclusive room revenue, while the owner carries the modeled utilities and operating costs.

**PRIVATE SPACE**
**9 rooms**
furnished bedrooms

**SHARED CORE**
**3 units**
kitchen, bath, laundry

**PRICING**
**$205 weekly**
per-room assumption

**PLATFORM FEE**
**8%**
of occupied revenue

### OPERATIONAL STRENGTHS

- Nine individual room-revenue opportunities across one property
- Furnished rooms reduce resident move-in friction
- Weekly pricing can respond to market conditions
- Coded access and standardized furnishings support shared-housing operations
- Three separate units create smaller living groups than a single nine-room house

### ITEMS FOR BUYER VERIFICATION

- Current physical occupancy, weekly rates, concessions, and collections
- PadSplit platform eligibility, fees, standards, and account transfer requirements
- House rules, member agreements, deposits, and resident turnover
- Utility responsibility, internet service, and property-management scope
- Local zoning, occupancy, licensing, safety, and permitting requirements

# REVENUE ASSUMPTIONS

## NINE-ROOM REVENUE ENGINE

The approved marketing model uses a 4.3-week monthly conversion. This produces $7,933.50 in monthly room revenue and $95,202 in annual gross potential income at full occupancy.

| 9 | x $205 | x 4.3 | x 12 | $95,202 |
|---|---|---|---|---|
| ROOMS | PER WEEK | WEEKS / MONTH | MONTHS | ANNUAL GPI |

**MONTHLY GPI**
**$7,934**
rounded

**7% VACANCY**
**($6,664)**
annual allowance

**EFFECTIVE INCOME**
**$88,538**
93% of GPI

**PRICE / ROOM**
**$77,667**
at asking price

The 7% vacancy allowance is an underwriting convention and should not be presented as a confirmed current occupied-room count. Buyer should verify the latest PadSplit dashboard, payment history, room availability, and resident agreements.

# CORRECTED FINANCIAL UNDERWRITING

## 7% VACANCY CASE AND FULL-OCCUPANCY SENSITIVITY

The final expense model incorporates the later revisions for gas, maintenance, landscaping, and the corrected $1,615 property-tax amount. Technology fees equal 8% of occupied revenue.

| INCOME AND EXPENSE | 7% VACANCY | 100% OCCUPANCY |
|---|---|---|
| Gross potential income | $95,202 | $95,202 |
| Vacancy allowance | ($6,664) | $0 |
| **Effective gross income** | **$88,538** | **$95,202** |
| Electric | $6,500 | $6,500 |
| Gas | $1,200 | $1,200 |
| Water / sewer / trash | $3,600 | $3,600 |
| Internet | $4,320 | $4,320 |
| Insurance | $2,400 | $2,400 |
| Real estate taxes | $1,615 | $1,615 |
| Property management | $6,600 | $6,600 |
| Maintenance | $1,200 | $1,200 |
| Landscaping | $1,200 | $1,200 |
| Technology fee (8% of occupied revenue) | $7,083 | $7,616 |
| **Total operating expenses** | **$35,718** | **$36,251** |
| **NET OPERATING INCOME** | **$52,820** | **$58,951** |

7% VACANCY CAP

**7.56%**

corrected

FULL OCC. CAP

**8.43%**

sensitivity

EXPENSE TOTAL

**$35,718**

includes taxes

Operating expense subtotal excluding the separately stated $1,615 tax is $34,103.

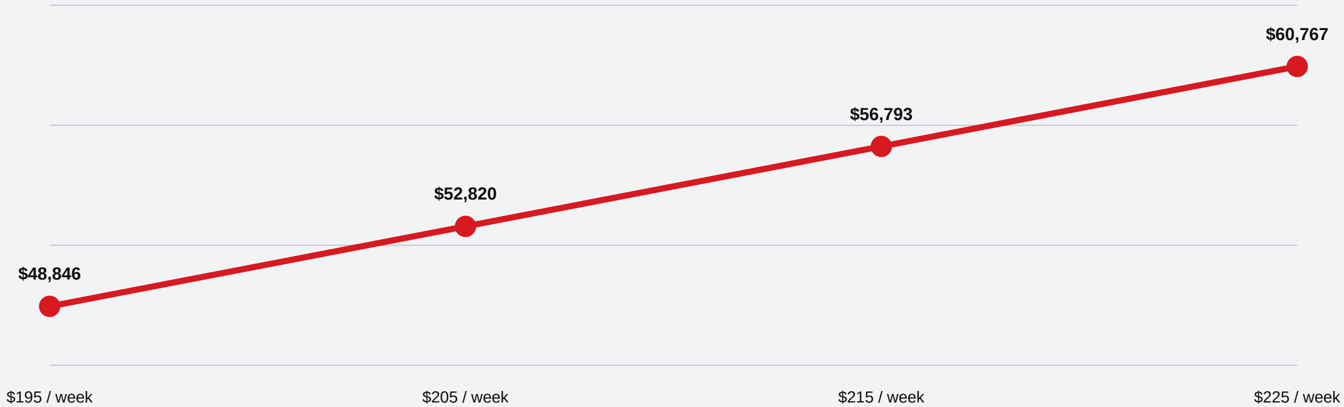
# WEEKLY RATE SENSITIVITY

## HOW ROOM PRICING AFFECTS NOI AND CAP RATE

Sensitivity below holds vacancy at 7%, keeps fixed annual expenses at $28,635, and calculates the technology fee at 8% of effective gross income. It is illustrative and does not forecast future room pricing.

| WEEKLY RATE | ANNUAL GPI | EGI @ 7% VAC. | EXPENSES | NOI | CAP RATE |
|---|---|---|---|---|---|
| $195 | $90,558 | $84,219 | $35,373 | $48,846 | 6.99% |
| **$205** | **$95,202** | **$88,538** | **$35,718** | **$52,820** | **7.56%** |
| $215 | $99,846 | $92,857 | $36,064 | $56,793 | 8.12% |

NOI SENSITIVITY




APPROVED BASE CASE

At **$205 per room per week**, the corrected 7%-vacancy case produces approximately **$52,820 NOI** and a **7.56% cap rate** at the $699,000 asking price.

Buyer should verify achievable pricing and actual occupied-room revenue.

# PROPERTY DETAILS

## PROPERTY FACTS

| | |
|---|---|
| **Total building area** | 2,276 SF |
| **Main house** | 899 SF \| 3 bedrooms \| 1 bathroom |
| **Duplex** | 1,377 SF \| Two 3-bedroom / 1-bath units |
| **Buildings / units** | 2 buildings \| 3 residential units |
| **Room configuration** | 9 individually rentable furnished rooms |
| **Year built** | 1984 |
| **Zoning** | R-3 Multiple Family |
| **Construction / roof** | Brick and board-and-batten finish \| Composition roof |
| **Parking** | 5 uncovered spaces reported |
| **Utilities** | City water master meter \| Individual gas and electric reported |


## OWNERSHIP FEATURES

- Separate exterior entrances for each unit
- Full-size washer and dryer in each unit
- Nine-room furnishing package conveys per schedule
- Low-maintenance granite landscape treatment
- Land, buildings, personal property, and laundry equipment included
- No owner association reported

# CAPITAL IMPROVEMENTS

## EXTENSIVE INTERIOR AND EXTERIOR REHABILITATION

Seller reports more than $120,000 in renovations. The signed Capital Expenditure and Rehabilitation Schedule provides a detailed scope; the summary below is not a substitute for buyer inspection and permit verification.

### KITCHENS

- White shaker cabinets
- Quartz countertops
- Stainless appliance packages
- Disposals and dishwasher connections

### BATHROOMS

- New vanities and fixtures
- Updated tubs / shower surrounds
- New supply lines and valves
- Dual-flush toilets

### INTERIORS

- LVP flooring and modern baseboards
- White vinyl windows
- Two-tone paint and six-panel doors
- Recessed lighting and bedroom fans

### SYSTEMS

- New outlets, switches, and covers
- Wi-Fi thermostats and coded entries
- Updated under-sink plumbing
- Three water heaters and laundry hookups

### EXTERIOR

- Building paint and stucco repairs
- Patio, fascia, soffit, and support work
- Concrete and site-work revisions
- Approximately 25 tons of granite rock

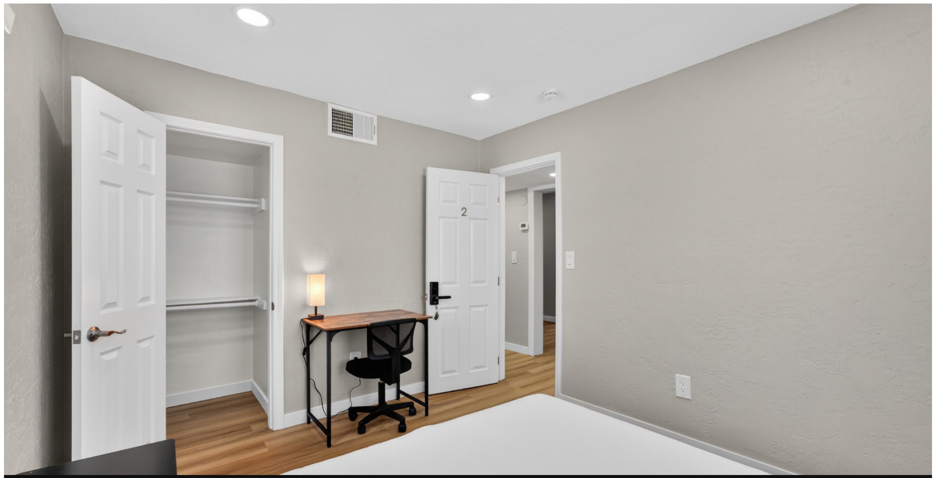
### ROOM COUNT

- New third bedroom framed in each unit
- Ceiling fans and electrical work
- Ventilation ducting
- Nine furnished rooms total

# INTERIOR GALLERY

REMODELED KITCHEN

UPDATED BATHROOM



FURNISHED ROOM / WORKSPACE

FURNISHED PRIVATE BEDROOM

# FURNISHINGS AND PERSONAL PROPERTY

FURNISHED ROOM EXAMPLE

## SCHEDULE OF PERSONAL PROPERTY TO CONVEY

The signed schedule states that the following items convey at no additional charge, subject to the purchase contract and buyer verification:

- 9 bed frames, 9 mattresses, and 9 linen sets
- 9 desks, 9 lamps, and 9 mini refrigerators
- 3 stainless refrigerators
- 3 washer / dryer sets
- Kitchen tables and chairs for the duplex units
- Common-area table and chairs plus bar stools for the main house
- Trash cans, brooms, dustpans, and listed household supplies
- 14 keys for interior and exterior doors

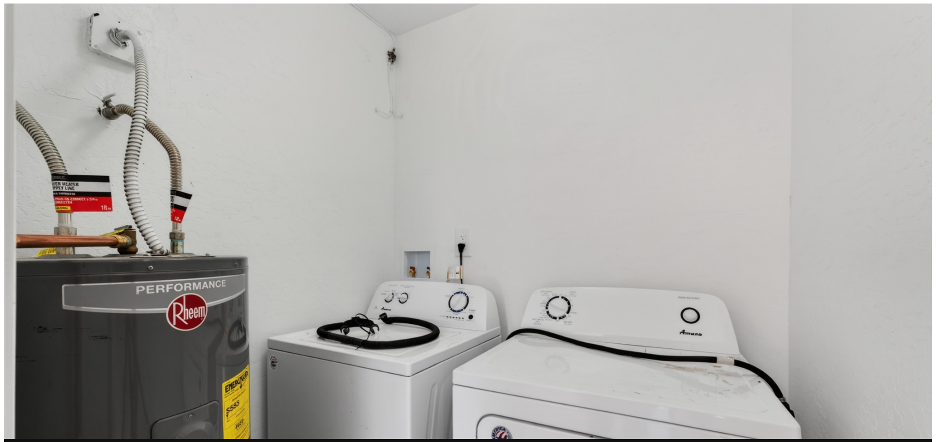
Personal property conveys AS-IS, WHERE-IS under the signed schedule. Buyer should inspect, count, and confirm all items before closing.

# EXTERIOR AND RESIDENT AMENITIES


MAIN HOUSE

DUPLEX


CODED PRIVATE ENTRY




FULL-SIZE IN-UNIT LAUNDRY

# LIGHT RAIL AND CENTRAL PHOENIX ACCESS

## APPROXIMATELY ONE BLOCK FROM VALLEY METRO RAIL

The property is positioned approximately 0.2 miles from the 19th Ave/Camelback light rail station, connecting residents to the broader Valley Metro Rail network and Central Phoenix employment, education, healthcare, retail, and entertainment destinations.

**PROPERTY**
5038 N 18th Ave

**LIGHT RAIL**
19th Ave / Camelback

**CENTRAL PHOENIX**
Midtown and Uptown

**REGIONAL NETWORK**
Phoenix, Tempe, Mesa

TRANSIT
**~0.2 miles**
to rail station

CORRIDOR
**Camelback Rd**
services and employers

ACCESS
**I-17 nearby**
regional freeway access

SETTING
**Central infill**
established neighborhood

Valley Metro lists the 19th Ave/Camelback station at 1855 W Camelback Road. Distance is based on prior property marketing and should be independently verified.

# DUE DILIGENCE AND VERIFICATION

## PROPERTY-SPECIFIC SOURCE DOCUMENTS

The OM incorporates the approved marketing model and signed property schedules while clearly separating underwriting assumptions from confirmed physical occupancy.

### PROVIDED FOR ANALYSIS

- Signed Capital Expenditure and Rehabilitation Schedule
- Signed Schedule of Personal Property to Convey
- Prior one-page marketing flyer and financial model
- MLS property facts and tax record information
- Professional property photographs

### INDEPENDENT VERIFICATION REQUIRED

- Current PadSplit dashboard, occupied rooms, rates, collections, and concessions
- Member agreements, deposits, house rules, and resident histories
- Platform fees, management agreement, utility bills, and operating invoices
- Completion, cost, permits, warranties, and condition of capital improvements
- Appraisal, title, zoning, legal occupancy, safety, and regulatory compliance
- Inventory and condition of every item of personal property at closing

### IMPORTANT OCCUPANCY NOTE

The 7% vacancy figure is an underwriting allowance, not a statement of verified current physical occupancy. The OM intentionally does not claim a current occupied-room count. Buyer should obtain current platform and management records before relying on any operating result.

# LINDA GERCHICK, CCIM

I ANSWER MY PHONE

602-688-9279

## EXPERIENCE THAT MOVES PROPERTY

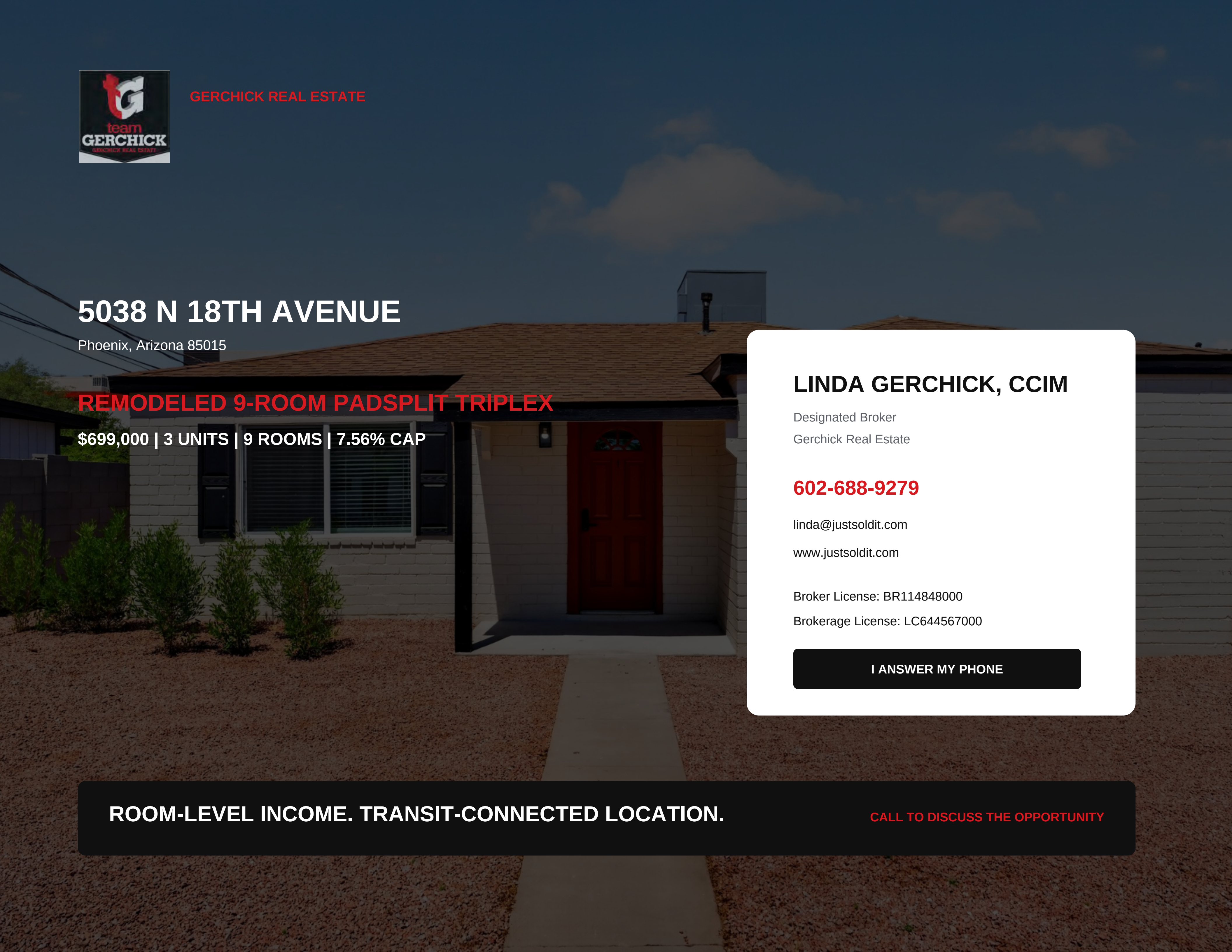
Linda Gerchick, CCIM, is the Designated Broker of Gerchick Real Estate and has more than 30 years of commercial real estate experience. Licensed in Arizona since 1996 and a CCIM since 2005, she combines disciplined investment analysis with practical transaction experience.

Her career includes the sale of more than 3,000 buildings in Arizona. Linda's work spans multifamily, net-leased investments, mixed-use properties, land, and value-add opportunities.

Linda is the author of *Practical Guide to Commercial Real Estate* and *Queen of Fourplexes*. Her approach is direct, analytical, and built around protecting her clients' position from first review through closing.

### SELECTED CREDENTIALS

- CCIM designee since 2005
- Designated Broker, Gerchick Real Estate
- More than 30 years in Arizona commercial real estate
- 3,000+ Arizona buildings sold
- Author and commercial real estate educator



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# 5038 N 18TH AVENUE

Phoenix, Arizona 85015

## REMODELED 9-ROOM PADSPLIT TRIPLEX

**$699,000 | 3 UNITS | 9 ROOMS | 7.56% CAP**


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Broker License: BR114848000

Brokerage License: LC644567000


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**ROOM-LEVEL INCOME. TRANSIT-CONNECTED LOCATION.**

CALL TO DISCUSS THE OPPORTUNITY