

# Tucson Dollar Stores continue to thrive, even with Hot Economy

☒ TUCSON, ARIZONA – Dollar stores continue to thrive, even as Americans are enjoying a full-employment economy, suggesting shoppers have internalized bargain-shopping behaviors learned during the Great Recession.

California-based Swerdlow Family Holdings, LLC purchased a 7,880- square-foot Family Dollar Store located at 5713 S. Park Ave. in Tucson. The property was purchased as an investment sale from Olson Family Dollar, LLC for \$1,075,000 (\$136 PSF) with 5 years remaining on the lease.

The impact of shoppers flocking to discount retailers is only expected to continue to hit enclosed and outdated shopping malls, of which the U.S. arguably still has far too many today. And Bank of America says additional store closures by mall-based retailers will only continue to benefit the discount stores like Walmart and Target, as the pool for competition over shoppers' dollars shrinks further.

Typically selling inexpensive items, dollar stores or price-point retailers predominantly sell all of their merchandise at a single price. The dollar store industry has grown rapidly throughout the United States and North America in general in recent years. The stores tend to be located in smaller communities that are too small for Walmart's. [Dollar store sales amounted to approximately 33.8 billion U.S. dollars in 2016.](#) In that year, there were about [30,500 dollar stores](#) across the United States. By 2021 that number is expected to grow to about 38,000, according to Statista.com.

Dollar General, planning to open 975 stores in 2019, makes ☒ it the top retail company for expansion this year – by a

long shot.

DCM Development Company of Tucson closed on approximately 1.15 acres in Marana for construction of a Dollar General store. The lot located in Rancho Marana sold for \$370,000 (\$7.39 PSF) and will be resold with a 15-year net lease for investment once completed.

After Dollar General, discount chains Dollar Tree and Family Dollar, are all in the top five for opening stores in 2019.

Meantime, spending is moving away from department store chains like J.C. Penney and Sears – which have been forced to shut stores in bulk – and apparel-based specialty chains such as Dressbarn is going out of business. Forever 21 is also considering restructuring.

**Dave Hammack**, Principal and Retail Specialist with Cushman & Wakefield | PICOR, represented the seller in the Family Dollar Store transaction. Joe Schuchert with SRS Real Estate Partners, Newport Beach, represented the buyer.

Hammack also represented the buyer in the land deal for Dollar General in Marana. The seller, SREP Marana Retail Associates of Paradise Valley (Randy Bury, manager) was self-represented.

For additional information, Hammack should be reached at 520.546.2712.

To learn more, see **RED Comp #6909** and **#6995**.

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## **Marcus & Millichap Arranges**

# the Sale of 5 Tucson Properties Totaling \$5.2 Million Across 106 Units



Top l to r: Santa Fe, Townhouse East; Bottom l to r: Alta Vista, Cielo Azul, Swan Crest

**TUCSON, Ariz.,** – [Marcus & Millichap \(NYSE: MMI\)](#), a leading commercial real estate investment services firm with offices throughout the United States and Canada, has announced the sale of five apartment properties: Townhouse East (42-unit), Swan Crest (31-unit), Santa Fe Casitas (13-unit), Cielo Azul (12-unit), and Alta Vista (8-unit) all located in Tucson, Arizona. According to Ryan Sarbinoff, regional manager of the firm’s Tucson office, the total sales volume for the assets was \$5,200,000.

James K. Crawley, investment specialist and Hamid Panahi, first vice president investments in Marcus & Millichap’s Tucson office, represented each property on behalf of both the sellers and buyers, all private investors.

Townhouse East is located at 3601 East 2nd Street. “The seller had undergone interior repositioning efforts for the community leading to rent revenue gains and strong operational momentum,” said Crawley. Panahi added, “The buyer looks to build on the seller’s efforts by overhauling programmatic

interior and exterior enhancements due to its prominent location in the Miramonte neighborhood.”

Swan Crest is located at 1060 North Swan Road. Crawley stated, “The seller enjoyed 20-years of ownership of Swan Crest but was looking to utilize her equity on opportunities closer to home.” Panahi followed up, “The buyer will expand their expansive footprint in the market of Tucson with strong value-added opportunity through interior and exterior enhancements yielding corresponding rent premiums.”

Santa Fe Casitas is located at 1435-1445 East Fort Lowell Road. “The seller implemented an overhaul of capital improvements to Santa Fe Casitas with rent premiums averaging over \$350 per unit,” said Panahi. “The buyer will look to expand on the proven concept within the community and enjoy their aggressive expansion within the Tucson multifamily market,” added Crawley.

Cielo Azul and Alta Vista are located at 3701 East Fairmount Street and 3021 East Alta Vista Street, respectively. “Each seller had enjoyed stability at their respective assets for over 10 years but decided to take advantage of strong multifamily demand in the market,” stated Crawley. “Both assets mark the first entry into the market for Well Empowered Health who will begin to reposition the assets to the business model they have implemented in the Southeastern Coastal Markets.”

For more information, Panahi can be reached at 520.719.6511 and Crawley is at 520.719.6512.

To learn more, see **RED Comps #6853, #6952, #6991, #6934 and #6999.**

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# Single Tenant Net-Leased Southwest Empire Tucson Property Sold in 24 Hours



TUCSON, ARIZONA – Single tenant net-leased investments, whether retail, office, or industrial properties have become one of the most in-demand type of property investments. Ron Zimmerman of Cushman & Wakefield

| Picor tells us he had four offers on the following property within 24 hours of listing it.

Santa Ana California investor purchased the 17,428-square-foot industrial building, occupied by Empire Southwest, located at 3830 N. Highway Dr. in Tucson, from William Lee, LLC for \$1,938,571 (\$111 PSF).

The property consists of two buildings, fenced and gated, built in 1974 with eight grade level roll up doors on 2.4 acres.

The tenant, Empire Southwest is a division of Caterpillar, that sells, rents and provides product support services for Caterpillar equipment. Empire ranks among the top Caterpillar dealers in the world with operations in Buckeye, Flagstaff, Kingman, Lake Havasu, Nogales, Phoenix, Prescott, Safford, Show Low, Tucson and Yuma, Ariz.; and Imperial, Calif. The company offers operator and technician training programs. The company has more than 1,600 employees.

Ron Zimmerman, Principal and Industrial Specialist with

Cushman & Wakefield | PICOR, represented the seller; Christopher Coyte with Lee & Associates, Newport Beach, represented the buyer.

For more information, Zimmerman should be reached at 520.546.2755 and Coyte is at 714.647.9100.

To learn more, see **RED Comp #6897**.

Southwest Empire Company video here: