

# NorthMarq's Phoenix office negotiates \$32.8 million sale of The Apple Apartments in strongly performing Tucson market



TUCSON, ARIZONA – NorthMarq's investment sales team of Trevor Koskovich, Bill Hahn, Jesse Hudson, and Ryan Boyle brokered the sale of the 332-unit Apple Apartments in Tucson, Arizona to Hannapat Management, LLC, a

Florida-based investor.

Catalina Investments, LLC a California seller sold the asset for \$32.8 million (\$98,795 per unit).

Built in 1988, the property features a resort-style swimming pool and spa, fitness center, on-site laundry facility and business center. Given its strategic location, the property places residences within proximity to some of Tucson's largest employers, including Davis-Monthan Air Force Base, which currently employs over 5,900 personnel (1,950 reserves, 3,700 civilian employees and 2,200 members of the Department of Defense. The University of Arizona is also less than a 12-minute drive, and currently enrolls over 46,000 students.

*"Our out-of-state investors have now expanded their target markets in the southwest to include Tucson. The prices and the value-add opportunities, plus an expanding job market and highly-qualified potential employees from the University of Arizona, all play a pivotal role for Tucson," said senior*

*vice president, Jesse Hudson. The employment market in Tucson is adding back workers at an active pace. Year over year through the second quarter, employment growth has expanded by 2.4 percent with the addition of nearly 9,000 jobs. Employers are on pace to add approximately 12,000 jobs in the Tucson area by the end of this year. This would mark an annual increase to payrolls of 3.2 percent.*

The sale of The Apple was bolstered by the strong market fundamentals noted in NorthMarq's recently released Q2 Greater Tucson Multifamily Report. The report explained that The Tucson multifamily market recorded healthy performance during the second quarter with a rapid pace of absorption putting significant upward pressure on rents. Demand is forecast to remain elevated in the coming quarters, while new units will be delivered to boost the inventory of available units. The number of property sales slowed during the second quarter, following more than a year of steady activity. Despite the recent dip in transactions, prices are on the rise, and cap rates have compressed to just 5.1 percent.

For more information, Koskovich can be reached at 602.952.4040, Hahn is at 602.952.4041, Hudson should be reached at 602.952.4042 and Boyle is at 602.952.4050.

To learn more, see RED Comp #9055