



Sale Price:
\$1,950,000

Cap Rate:
6.94%

Ponderosa Retreat

775 E. Ponderosa Pkwy., Flagstaff | Arizona

Built on three levels, this 8 bedroom, 8 bath luxury retreat accommodates up to 26 guests with a well designed floor plan that separates bedrooms from common living areas. The retreat features 2 kitchens, 3 living rooms, a banquet hall, game room, 3 outdoor living areas, and 2 hot tubs. This property design also allows for smaller rental units.

- *Ponderosa Retreat for the entire building*
- *Ponderosa Roost on the street level floor with 2 bedrooms/2 bathrooms*
- *Ponderosa Nest on the lower level with 4 bedrooms/3 bathrooms*

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Short-Term Rental Laws

Why are these short-term rental properties a solid bet for the future?

Arizona is the 8th most visited state in the country. The Grand Canyon is the 2nd most visited National Park in the nation with 4.73 million visitors in 2023 beating out Yellowstone, Yosemite, Joshua Tree etc.

A unique blend of state legislations make Arizona one of the most short-term rental friendly states in the US. Arizona does not impose short-term rental rules and also strictly limits the rights of cities and towns to do so. This was memorialized in 2017 when the State of Arizona passed Senate Bill 1350, which severely restricts the ability of local authorities to regulate and limit the vacation rental industry across Arizona. Strong revenue numbers and legislative protections have fueled widespread growth of vacation rentals in the state. Arizona's Private Property Rights Protection Act, passed by voters in 2006 further protects the owner's rights to the current uses effectively blocking cities and counties from passing future restrictions.

Individual cities have been able to enact their own short-term rental definitions. The City of Flagstaff defines a short-term rental as the rental of part or all of any legally permitted dwelling unit for less than 30 consecutive days, in line with the statewide definition. Flagstaff vacation rental owners must get a TPT License from the Arizona Department of Revenue.

Why there will be limited competition going forward.

The City of Flagstaff created and approved a "High Occupancy Housing" ordinance on November 7, 2020. This ordinance incorporates significant restrictions and additional parking requirements on any future proposed developments that meet the definition of high occupancy housing. This ordinance restricts single family residences to a maximum of six bedrooms and five bathrooms and duplex units are restricted to a maximum of seven bedrooms and four bathrooms per unit. This ordinance will limit future competition to the existing large short-term rental properties in the market because these existing properties cannot be replicated.

The combination of Senate Bill 1350 which protects the rights of short-term rentals in Arizona, Prop 207 which blocks future attempts to regulate, and the City of Flagstaff's High Occupancy Housing ordinance which severely restricts/eliminates the ability to build competing assets, all add up to a unique package of performing properties that are well insulated from future regulation and competition.

Arizona State and City of Flagstaff Short-Term Rental Laws



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775 E. Ponderosa Parkway

Newly built and rich with amenities, this 8 bedroom, 8 bath luxury retreat accommodates up to 26 guests and is perfect for a wide range of groups looking for a distinctive getaway. The impressive home is made-to-order for those needing versatile space to host specialty stays such as family reunions, corporate retreats, or a friends' ski holiday. Enjoy 3 levels of exceptional features including 2 kitchens, 3 living rooms, a banquet hall, game room, 3 outdoor living areas, and 2 hot tubs.

Guests will experience every comfort and convenience of home in this contemporary residence with a smart floor plan that brilliantly separates bedrooms from common living areas, and each other, to maximize privacy. High-end elements and upscale finishes are found throughout including soaring ceilings, oversized windows, custom tile work, designer flooring, stainless steel appliances, and quartz counters. Each level of the residence also boasts delightful upgrades including a fireplace in every living room, 3 full-size washer/dryer, and access to 3 outdoor living spaces that are ideal for catching glimpses of the deer and elk that occasionally pass by.

Enter the home at the street level where there is private garage access for secure parking plus additional flat driveway space. This floor features 2 California king ensuite bedrooms each with a large closet, built-in desk, a mini-fridge, and full private bathroom. The social spaces are beautifully designed and include a fully equipped upgraded chef's kitchen, dining area, living room with fireplace, TV, and stunning views, and a large deck with a hot tub, BBQ grill, and comfortable seating.

Down one level from the street is a grand banquet hall with a large, built-in service station for setting up buffet style meals for dinners or meetings. Adjacent is an amazing game room featuring everything needed for team building or family fun including a Smart TV, classic arcade with 400+ games, pool and foosball tables, air hockey, board games and even a popcorn machine with kernels thoughtfully provided. There is also a full bath in the game room, living room area with TV, and walk out access to a covered deck with seating and great views. This floor also includes 2 ensuite California king bedrooms, each with a built-in desk, large closet, mini-fridge and full private bath.

775 E. Ponderosa Parkway—continued

On the ground floor is another fully equipped high-end chef's kitchen, dining area, a living room with TV, and several versatile sleeping options. This level also includes 2 private ensembles with double beds, built-in desks, large closets, mini-fridges, and full bathrooms. There is also a fun bunk-room suite featuring 4 single bunks with trundles and an attached semi-private room with 2 double beds and closet. The bunk suite has its own full bathroom and walkouts to the oversized patio where a second hot tub, second BBQ grill, fire pit, and covered seating area offer an idyllic spot to enjoy the beautiful forest scenery.

Highlights

- Excellent location within 2 miles of downtown Flagstaff and 1/2 mile from Mountain Line Transit
- Outstanding architectural features and finishes
- Extremely flexible floor plan
- Tremendous potential for continued revenue growth

Amenities

- A deluxe house wares and specialty appliance package
- Complimentary coffee and teas supplied with sugar and cream, basic spices and oils
- Dishwasher and laundry detergent
- Fresh linens, towels, and bath essentials for every guest
- 50/50 ration of walk-in showers and shower/bath combos
- Unlimited Wi-Fi
- Each unit has a hot tub and fire ring

Specifications

- **Square footage:** Single family residence with 5,577 SF rental area
- **Land area:** 11,502 SF
- **Accommodations:** 26 guests
8 bedrooms · 18 beds · 8 baths
- **Property parking:** includes a two car garage, plus 2 open air parking spaces for a total capacity of 4 vehicles
- **Zoning:** Single Family Residential
- **APN:** #101-29-066
- **Property Taxes:** \$8,095 (2024)
- **Age:** Construction completed and first open for operations March 2022
- **Frontage:** Frontage of property is on Ponderosa Parkway
- **Access:** Established curb cut off of Ponderosa Parkway
- **Surrounding use:** Single family residences

775 E. Ponderosa Parkway

775 E. Ponderosa Parkway



Huge banquet table for large gatherings, with beautiful lighting

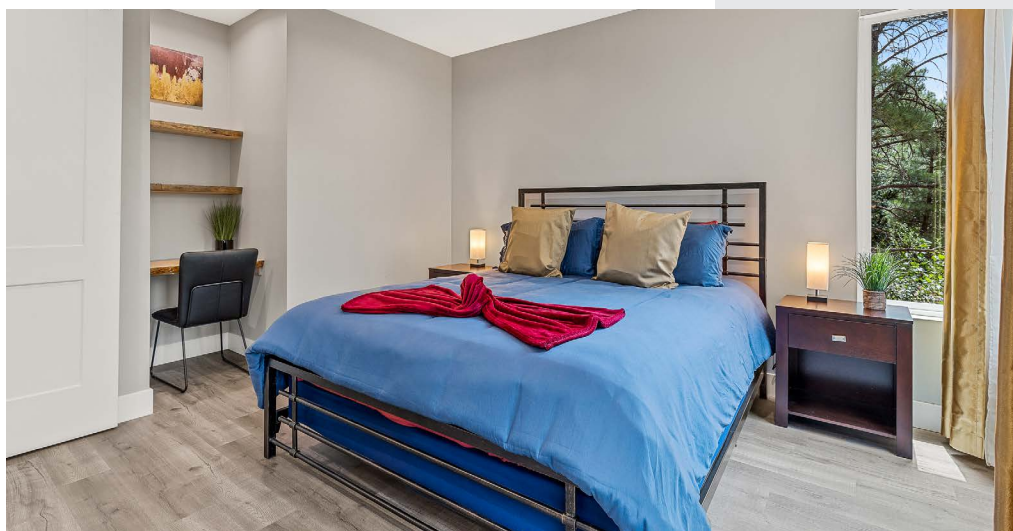


Two fully stocked state of the art kitchens and great rooms



Three separate living rooms with fireplace and TV

775 E. Ponderosa Parkway



Ensuite bedrooms with built-in desks, large closets, and mini-fridge



Full bathroom off bunk room, towels for everyone



Bunk room suite has walkout to oversized patio with hot tub

775 E. Ponderosa Parkway



Covered patio area with picnic table, BBQ grill, fire pit, hot tub



Game room with pool table, seating, and classic popcorn maker



Top floor deck with hot tub, BBQ grill and comfortable seating



Flagstaff Market Overview

For most people in the country the perception of anywhere in Arizona is one of arid desert and oppressive heat. They are surprised to learn that the city of Flagstaff is high in the mountains, surrounded by the largest ponderosa pine forest in the world and enjoys classic four-season weather. Flagstaff elevation ranges from 7,000 feet in town to more than 12,000 feet on the San Francisco Peaks. Just two hours away from the desert city of Phoenix, Flagstaff enjoys a cooling escape during the Arizona summer months and access to winter recreational activities with snow play, skiing and snowboarding.

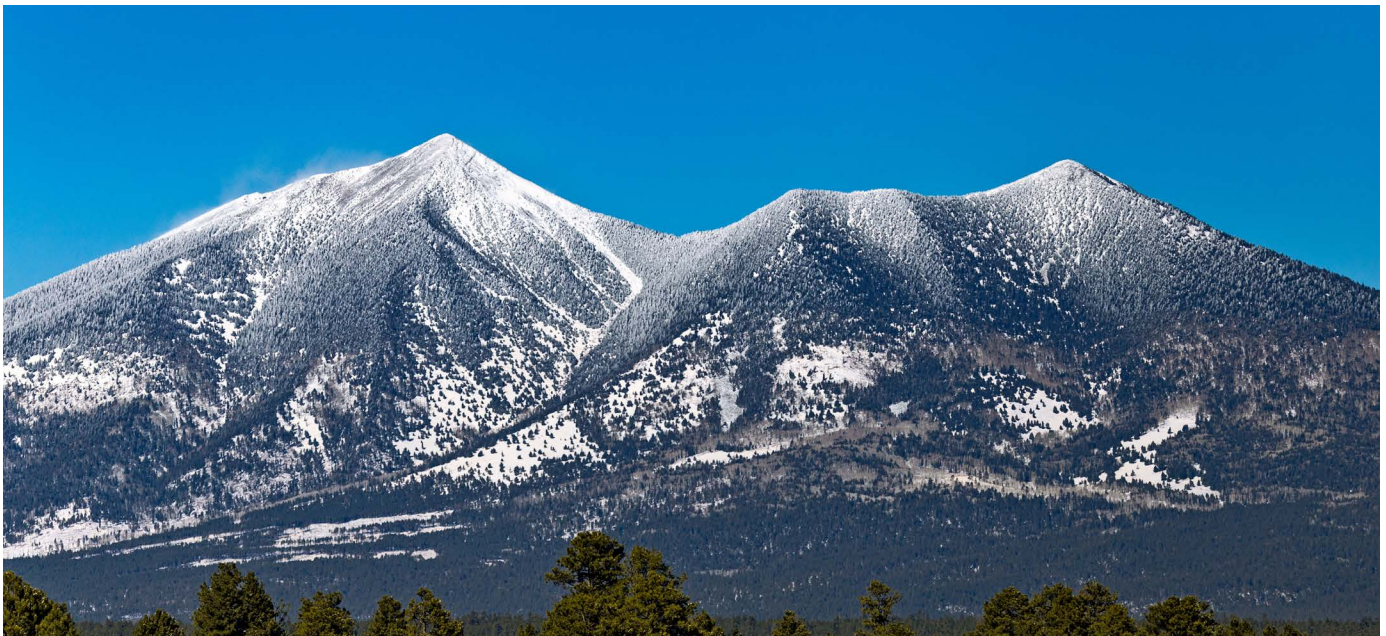
The Flagstaff metro area is located in Coconino County in northern Arizona. The county population consists of approximately 145,000 individuals. In the city of Flagstaff, the total population is 77,000. Northern Arizona University is a major economic driver in Flagstaff with a total enrollment at the Flagstaff campus of more than 23,000 students.

The influence of Northern Arizona University is evident in the level of education achieved among the area's population. Nearly one in three residents have

at least a bachelor's degree compared to one in four statewide. While median incomes in Flagstaff closely track the statewide average, housing prices skew higher with the median-valued owner-occupied home in Flagstaff approximately 20 percent higher than the statewide median.

The primary contributor to Flagstaff's economy is by far the tourism sector. Notably, as a result, Flagstaff has more hotel rooms per capita than Las Vegas. Because of the tourism base, the economy was expected to be strongly impacted for the worse when the Covid pandemic hit. Surprisingly the Flagstaff tourism market was at an advantage because much of it is based on outdoor activity.

In addition to tourism and education, Flagstaff has a strong science sector which includes Flagstaff Medical Center; a regional hospital and level 1 trauma facility, W.L. Gore medical products, and Lowell Observatory; one of the oldest observatories in the United States and famous for the discovery of Pluto. Flagstaff is designated as the world's first Dark Sky City for its work in preservation of the night sky's natural resource.



Flagstaff Tourism Overview

Flagstaff's number one industry is tourism. Supported by proximity to the Grand Canyon and Sedona, Flagstaff draws five million visitors a year, making a strong tourism market for vacation rentals. The economic impact of this sector amounts to \$750 million a year generating more than 8,000 jobs, with demand for both domestic and international tourism.

Located at the junction of I-40 and I-17, Flagstaff is the regional crossroad for Northern Arizona and Grand Canyon National Park. Visitors and a large second homeowner population in Flagstaff are drawn to the city's four seasons, accessible location and fulfilling quality of life. Flagstaff is approximately 90 minutes from the Grand Canyon, 45 minutes from Sedona, two hours away from Phoenix, and approximately four hours from Las Vegas by car. The airport has direct flights to Phoenix and Dallas-Fort Worth on American Airlines.

Flagstaff's strong sense of community celebrates its rich resources for diverse interests and activities. Outdoor recreation is abundant with hundreds of miles of hiking, running and biking trails. Summers are filled with festivals and celebrations including the Museum of Northern Arizona's Heritage Festival with indigenous artists from the Colorado Plateau, the weekly Flagstaff Community Market, Art in the Park, and the Hopi Art and Culture Festival, along with many more events. Autumn brings tourists from lower elevations to view the beautiful fall colors, especially plentiful on the San Francisco Peaks. Winter months invite everyone to enjoy the fun of snow sports with skiing and snowboarding.

Situated on the Colorado Plateau, Flagstaff serves as a base for broader exploration of several nearby national parks and monuments, along with access to cultural experiences on the Navajo Nation and Hopi.



Close Proximity to the Grand Canyon Promotes Tourism



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