

## EXCLUSIVELY OFFERS FOR SALE

**10 Unit Multi-Residential  
Built in 1962  
West Toluca Lake, CA 91602**

The property is located in West Toluca Lake on the corner of Kling Street and Vineland Avenue.

THOMAS GUIDE: 563-A4

**Price: \$1,700,000**

**Down: \$1,050,000 62%**

**New First Loan @ 6.20% VIR 30 yr amort.**



### PROPERTY FEATURES

**Prime West Toluca Lake Location  
Corner Lot - Kling & Vineland  
South of Camarillo Street**

**Possible 35% Down Financing (\$595,000)  
Call Chris Hutchinson at 310-706-4452**

**39.7% Upside in Current Rents  
Proforma 5.69% CAP Rate  
Proforma 4.5% Cash on Cash**

**On-site Laundry, Pool & Storage**

**Pitched Roof and Raised Foundation  
Individually Metered Gas & Electric**

**4 - 1+1's from \$578 (Est. Market \$1,100)  
5 - 2+2's from \$770 (Est. Market \$1,285)  
1 - 3+2 from \$1,080 (Est. Market \$1,500)**

**Immaculate, "Turn-key" Condition  
First Time on the Market in 20 Years**

**Excellent Curb Appeal and Exposure  
Strong Rental Area with Upside**

### FINANCIAL INDICATORS

	<b>Current Rents</b>	<b>Market Rents</b>
Gross Rent Multiplier	15.99	11.45
Capitalization Rate	3.51	5.69
<u>Cash On Cash</u>		
- New Financing	1.1%	4.7%
<u>Total Return</u>		
- New Financing	1.9%	5.4%
<u>IRR - Internal Rate of Return (5 yr Hold)</u>		
-Pre Tax	5.1%	--
-After Tax	3.7%	--
Cost Per Square Foot	\$181.10	--
Cost Per Unit	\$170,000	--

See the enclosed financial analysis based on new financing. Also enclosed is a rent schedule.

**Please do not go on-site without an appointment. Drive by only. Do not disturb the residents.**

**A complete marketing package is available for those seriously considering the property.**

**For additional information contact:**

**Bryan Hanes CCIM or Braemon Hanes CCIM  
(818) 865-8305 or (805) 374-2350**

# HANES INVESTMENT REALTY, INC.

INVESTMENT REAL ESTATE BROKERS AND ADVISORS

LIST # HIRITM071

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## 11006 Kling Street, West Toluca Lake CA 91602

10	\$170,000	3.51	15.99	\$181.10	\$4.75 / \$4,456	9,387	13,199	1962
# Units	Cost/Unit	Cap Rate	GRM	Cost/Net Sq. Ft.	Expense Sq.Ft. / Unit	Assessors Sq.Ft.	Lot Size	Year Built
\$1,700,000	\$1,050,000	62%	563-A4	Vineland Avenue		80 x 165		
Price	Down Payment	% Down	Thomas Guide No.	Nearest Cross Street		Lot Dimensions		
\$650,000	TD	NEW	6.20%	VAR	\$3,981	30	2037	Institutional
1st Loan	TD/Cont/Wrap	New/Assum/Sub. To	% Rate	Var/Fix	Mo. Pay	Amort. Per	Due Date	Lender
2nd Loan	TD/Cont/Wrap	New/Assum/Sub. To	% Rate	Var/Fix	Mo. Pay	Amort. Per	Due Date	Lender
3rd Loan	TD/Cont/Wrap	New/Assum/Sub. To	% Rate	Var/Fix	Mo. Pay	Amort. Per	Due Date	Lender

Additional Loan Terms: 3 year fixed

### ANNUAL OPERATING ANALYSIS:

	Current Rents	Market Rents
Scheduled Gross Income:	\$ 106,284	\$ 148,500
less Vacancy Reserve: 2.0%	\$ 2,126	\$ 2,970
Gross Operating Income:	\$ 104,158	\$ 145,530
less Expenses: 41.9%	\$ 44,555	\$ 48,735
Net Operating Income:	\$ 59,603	\$ 96,796
less Loan Payments:	\$ 47,773	\$ 47,773
Cash Flow:	\$ 11,831	\$ 49,023
plus Equity Build-up:	\$ 7,689	\$ 7,689
Total Return:	\$ 19,519	\$ 56,712
	1.1%	4.7%
	1.9%	5.4%

### RENTAL INCOME:

# Units	Bed/Bath	Sq. Ft.	Current Rents	Market Rents	
4	1/1	720	\$ 2,934	\$ 4,400	11.45 Market GRM
5	2/2	1,000	\$ 4,792	\$ 6,425	
1	3/2	1,475	\$ 1,081	\$ 1,500	5.69 Market Cap Rate
			\$ -	\$ -	
			\$ -	\$ -	\$0.94 Current Avg. Rent Per Sq.Ft.
			\$ -	\$ -	
			\$ -	\$ -	\$1.32 Market Avg. Rent Per Sq.Ft.
Total Monthly Rent:			\$ 8,807	\$ 12,325	
Laundry Per Month:			\$ 50	\$ 50	
Other Income Monthly:			\$ -	\$ -	
Total Monthly Gross Income:			\$ 8,857	\$ 12,375	
Annual Gross Income:			\$ 106,284	\$ 148,500	

Utilities Paid by Tenant:  
Gas/Elect

### ANNUALIZED EXPENSES (All expenses estimated):

<input checked="" type="checkbox"/>	Taxes:	\$ 20,400
<input checked="" type="checkbox"/>	Insurance:	\$ 4,127
<input checked="" type="checkbox"/>	Management:	\$ 5,178
<input checked="" type="checkbox"/>	Electric/Water:	\$ 6,588
<input checked="" type="checkbox"/>	Gas:	\$ -
<input checked="" type="checkbox"/>	Maintenance:	\$ 5,314
<input checked="" type="checkbox"/>	Gardener:	\$ 960
<input checked="" type="checkbox"/>	Trash:	\$ 660
<input checked="" type="checkbox"/>	Lic & Fees:	\$ 368
<input checked="" type="checkbox"/>	Pool	\$ 960
<input checked="" type="checkbox"/>		\$ -
<input checked="" type="checkbox"/>		\$ -
<b>TOTAL EXPENSES:</b>		<b>\$ 44,555</b>

### TAX COMPUTATION:

Net Operating Income:	\$ 59,603
Less Interest:	\$ 40,084
Less Depreciation:	
Ratio: Land/Bldg./Personal	25/75/0
Building:	
Cost \$1,275,000	\$ 46,364
Life 27.5 Yrs. Method-STRT	
Personal Property:	
Cost	\$
Life Yrs. Method	
Taxable Income (Loss)	\$ -26,844
Tax Bracket (est.) 37.4 %	
POTENTIAL TAX SAVINGS:*	\$ 10,040

\*Potential tax savings may be allowable to investors who have sufficient passive rental income to absorb this excess loss (if any).

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# HANES INVESTMENT REALTY, INC.

INVESTMENT REAL ESTATE BROKERS AND ADVISORS

## FIVE YEAR OPERATING ANALYSIS 11006 Kling Street, West Toluca Lake CA 91602

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>Scheduled Gross Income:</b>	106,284	111,586	117,153	122,998	129,135
<b>Less Vacancy Reserve:</b> 2.0%	2,126	2,232	2,343	2,460	2,583
<b>Gross Operating Income:</b>	104,158	109,354	114,810	120,538	126,552
<b>Less Expenses:</b> 41.9%	44,555	45,040	45,535	46,040	46,554
<b>Net Operating Income:</b>	59,603	64,314	69,275	74,498	79,998
<b>Less Loan Payments:</b>	47,773	47,773	47,773	47,773	47,773
<b>Cash Flow:</b>	11,831	16,542	21,502	26,726	32,225
<b>Plus Equity Build-up:</b>	7,689	8,179	8,701	9,256	9,846
<b>Total Return:</b>	19,519 1.9%	24,721 2.4%	30,203 2.9%	35,982 3.4%	42,072 4.0%

### Scheduled Gross Income Increase Per Year:

<b>First Year Rent Increase =</b>	5.0%
<b>Years 2 - 5 Rent Increase =</b>	5.0%
<b>Laundry Income Increase =</b>	3.0%
<b>Other Income Increase =</b>	3.0%

### Expense Increase Per Year:

<b>Property Tax Increase =</b>	0.01%
<b>Insurance Increase =</b>	2.0%
<b>All Other Expense Increase =</b>	2.0%

<b>Pre-Tax Internal Rate of Return (IRR)</b>	5.1%
<b>After Tax Internal Rate of Return (IRR)</b>	3.7%

### Cash Proceeds on Sale:

<b>Sales Price*:</b>	1,970,766
<b>Less Loan Balance:</b>	606,329
<b>Less Expense of Sale (7%):</b>	137,954
<b>Net Cash Before Taxes:</b>	1,226,483
<b>Dep. Recapture (Estimated):</b>	(57,955)
<b>Capital Gains (Estimated):</b>	(19,922)
<b>CA Capital Gains (Estimated):</b>	(33,911)
<b>Down Payment:</b>	(1,050,000)
<b>Cumulative Cash Flows:</b>	108,826
<b>Total Cash Return Over Five Years:</b>	173,522

\*Sales price increase estimate per year: 3.0%

## TAX COMPUTATION

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>Net Operating Income:</b>	59,603	64,314	69,275	74,498	79,998
<b>Less Interest:</b>	40,084	39,593	39,072	38,517	37,926
<b>Less depreciation:</b>	46,364	46,364	46,364	46,364	46,364
<b>Taxable Income:</b>	(26,844)	(21,643)	(16,160)	(10,382)	(4,292)
<b>Taxes Saved:</b>					
<b>Or (Owed) At 37.4% Bracket:</b>	10,040	8,094	6,044	3,883	1,605

The parameters of the above internal rate of return calculations are as follows; Pre-Tax, cumulative cash flows before tax + cash at sale (after expenses, before taxes). After tax, cumulative cash flows after tax + cash at sale (after sale expenses) less depreciation recapture and less state and Federal capital gains taxes. Hanes Investment Realty, Inc. offers real estate advice only. We make no representations as to the accuracy of the above information. For tax advice, consult your accountant.

