

EXCLUSIVELY OFFERS FOR SALE

14 Unit Multi-Residential
Built in 1957
Glendale, CA 91201

The property is located in Glendale on Justin Avenue just North of Riverside Dr.

THOMAS GUIDE: 563-J3

Price: \$1,799,000

Down: \$822,000 46%

New First Loan @ 6.40% VIR 30 yr amort



PROPERTY FEATURES

Approximately 15.6% upside in rents

Contact Robb Gray 32% (\$569,000)
 Down Payment at (714) 525-1800

2 - Sgl @ \$675 (Est. Market \$750)
 10 - 1/1's from \$745 (Est. Market \$1000)
 2 - 2/1's from \$935 (Est. Market \$1,250)

10.63 GRM / 5.94% CAP at Market Rents

Located in the heart of Equestrian center

Easy access to 5, 134 and 210 freeways

Close to Warner Brothers and
 Disney Studios

No Rent Control in City of Glendale

Tandem parking with Storage for all units

Seller is a Licensed Real Estate Agent
 Acting as a Principal

FINANCIAL INDICATORS

	<i>Current Rents</i>	<i>Market Rents</i>
Gross Rent Multiplier	12.29	10.63
Capitalization Rate	5.12	5.94
<u>Cash On Cash</u>		
- New Financing	2.3%	4.1%
<u>Total Return</u>		
- New Financing	3.6%	5.4%
<u>IRR - Internal Rate of Return (5 yr Hold)</u>		
-Pre Tax	8.1%	--
-After Tax	5.8%	--
Cost Per Square Foot	\$200.16	--
Cost Per Unit	\$128,500	--

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 Schimmel
(818) 865-8305 or (805) 374-2350

HANES INVESTMENT REALTY, INC.

LIST # HIRIBDS071

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INVESTMENT REAL ESTATE BROKERS AND ADVISORS

227 Justin Ave., Glendale CA 91201

14	\$128,500	5.12	12.29	\$200.16	\$5.71 / \$3,664	8,988	7,497	1957
# Units	Cost/Unit	Cap Rate	GRM	Cost/Net Sq. Ft.	Expense Sq.Ft. / Unit	Assessors Sq.Ft.	Lot Size	Year Built
\$1,799,000	\$822,000	46%	563-J3	Riverside Drive		50 x 150		
Price	Down Payment	% Down	Thomas Guide No.	Nearest Cross Street		Lot Dimensions		
\$977,000	TD	NEW	6.40%	VAR	\$6,111	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: Loan Estimated 12 MAT

ANNUAL OPERATING ANALYSIS:

	Current Rents	Market Rents
Scheduled Gross Income:	\$ 146,400	\$ 169,200
less Vacancy Reserve: 2.0%	\$ 2,928	\$ 6,768
Gross Operating Income:	\$ 143,472	\$ 162,432
less Expenses: 35.0%	\$ 51,300	\$ 55,650
Net Operating Income:	\$ 92,172	\$ 106,782
less Loan Payments:	\$ 73,334	\$ 73,334
Cash Flow:	\$ 18,838	\$ 33,448
plus Equity Build-up:	\$ 11,129	\$ 11,129
Total Return:	\$ 29,967	\$ 44,577
	2.3%	4.1%
	3.6%	5.4%

RENTAL INCOME:

# Units	Bed/Bath	Sq. Ft.	Current Rents	Market Rents	
2	Sgl./1		\$ 1,350	\$ 1,590	10.63 Market GRM
10	1/1		\$ 8,720	\$ 10,000	
2	2/1		\$ 2,030	\$ 2,500	5.94 Market Cap Rate
			\$ -	\$ -	
			\$ -	\$ -	\$1.36 Current Avg. Rent Per Sq.Ft.
			\$ -	\$ -	
			\$ -	\$ -	\$1.57 Market Avg. Rent Per Sq.Ft.
Total Monthly Rent:			\$ 12,100	\$ 14,090	
Laundry Per Month:			\$ 100	\$ 100	
Other Income Monthly:			\$ -	\$ -	
Total Monthly Gross Income:			\$ 12,200	\$ 14,190	
Annual Gross Income:			\$ 146,400	\$ 170,280	

Utilities Paid by Tenant:
Gas/Elect

ANNUALIZED EXPENSES (All expenses estimated):

<input checked="" type="checkbox"/>	Taxes:	\$ 21,588
<input checked="" type="checkbox"/>	Insurance:	\$ 2,693
<input checked="" type="checkbox"/>	Management:	\$ 7,114
<input checked="" type="checkbox"/>	Electric/Water:	\$ 3,031
<input checked="" type="checkbox"/>	Gas:	\$ 3,010
<input checked="" type="checkbox"/>	Maintenance:	\$ 10,980
<input checked="" type="checkbox"/>	Gardener:	\$ 910
<input checked="" type="checkbox"/>	Trash:	\$ 1,466
<input checked="" type="checkbox"/>	Lic & Fees:	\$ 40
<input checked="" type="checkbox"/>	Pest Control	\$ 468
<input checked="" type="checkbox"/>		\$ -
<input checked="" type="checkbox"/>		\$ -
TOTAL EXPENSES:		\$ 51,300

TAX COMPUTATION:

Net Operating Income:	\$ 92,172
Less Interest:	\$ 62,205
Less Depreciation:	
Ratio: Land/Bldg./Personal	25/75/0
Building:	
Cost \$1,349,250	\$ 49,064
Life 27.5 Yrs. Method-STRT	
Personal Property:	
Cost	\$
Life Yrs. Method	
Taxable Income (Loss)	\$ -19,097
Tax Bracket (est.) 37.4 %	
POTENTIAL TAX SAVINGS:*	\$ 7,142

*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

227 Justin Ave., Glendale CA 91201

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Scheduled Gross Income:	146,400	153,696	161,356	169,398	177,842
Less Vacancy Reserve: 2.0%	2,928	3,074	3,227	3,388	3,557
Gross Operating Income:	143,472	150,622	158,129	166,010	174,285
Less Expenses: 35.0%	51,300	51,896	52,504	53,125	53,757
Net Operating Income:	92,172	98,726	105,625	112,886	120,528
Less Loan Payments:	73,334	73,334	73,334	73,334	73,334
Cash Flow:	18,838	25,392	32,290	39,551	47,194
Plus Equity Build-up:	11,129	11,863	12,644	13,478	14,366
Total Return:	29,967 3.6%	37,254 4.5%	44,935 5.5%	53,029 6.5%	61,560 7.5%

Scheduled Gross Income Increase Per Year:

First Year Rent Increase =	5.0%
Years 2 - 5 Rent Increase =	5.0%
Laundry Income Increase =	3.0%
Other Income Increase =	3.0%

Expense Increase Per Year:

Property Tax Increase =	0.01%
Insurance Increase =	2.0%
All Other Expense Increase =	2.0%

Pre-Tax Internal Rate of Return (IRR)	8.1%
After Tax Internal Rate of Return (IRR)	5.8%

Cash Proceeds on Sale:

Sales Price*:	2,085,534
Less Loan Balance:	913,520
Less Expense of Sale (7%):	145,987
Net Cash Before Taxes:	1,026,027
Dep. Recapture (Estimated):	(61,330)
Capital Gains (Estimated):	(21,082)
CA Capital Gains (Estimated):	(35,885)
Down Payment:	(822,000)
Cumulative Cash Flows:	163,265
Total Cash Return	
Over Five Years:	248,995

*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>
Net Operating Income:	92,172	98,726	105,625	112,886	120,528
Less Interest:	62,205	61,472	60,690	59,857	58,968
Less depreciation:	49,064	49,064	49,064	49,064	49,064
Taxable Income:	(19,097)	(11,809)	(4,129)	3,966	12,496
Taxes Saved:					
Or (Owed) At 37.4% Bracket:	7,142	4,417	1,544	(1,483)	(4,674)

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.

