

## EXCLUSIVELY OFFERS FOR SALE

**15 + 1 Unit Multiresidential**  
**Built in 1986**  
**Los Angeles, CA 90057**

The property is located just west of downtown LA and north of Wilshire Blvd.

THOMAS GUIDE: 634 B2

**Price: \$4,065,000**

**Down: \$1,765,000 43%**

**New First Loan @ 6.00% VIR 30 yr amort**



### PROPERTY FEATURES

- 1 non-conforming unit (rec. room) rented at \$2,000 per month
- Built in 1986
- No rent control & appx. 6.7% upside in rents
- Easy access to the 110, 101 and 10 Freeways
- Appx. 1 mile to downtown LA business district
- Excellent unit mix
- (2) 1/1.5 loft style apartments
- (10) 2/2 bedroom apartments
- (3) 2/1.5 townhous style apartments
- Fireplaces and hardwood style floors
- Walk to shopping, restaurants, local schools
- Elevator building

### FINANCIAL INDICATORS

	<b>Current Rents</b>	<b>Market Rents</b>
Gross Rent Multiplier	11.60	10.87
Capitalization Rate	5.62	5.89
<b><u>Cash On Cash</u></b>		
- New Financing	3.6%	4.2%
<b><u>Total Return</u></b>		
- New Financing	5.2%	5.8%
<b><u>IRR - Internal Rate of Return (5 yr Hold)</u></b>		
-Pre Tax	9.4%	--
-After Tax	6.7%	--
Cost Per Square Foot	\$212.34	--
Cost Per Unit	\$271,000	--

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:**

**H. Bruce Hanes**  
**(818) 865-8305 or (805) 374-2350**

# HANES INVESTMENT REALTY, INC.

INVESTMENT REAL ESTATE BROKERS AND ADVISORS

LIST # HIRIBHBH

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## 420 S. Occidental Blvd., Los Angeles CA 90057

15+1	\$271,000	5.62	11.60	\$212.34	\$6.01 / \$7,665	19,144	9,017	1986
# Units	Cost/Unit	Cap Rate	GRM	Cost/Net Sq. Ft.	Expense Sq.Ft. / Unit	Assessors Sq.Ft.	Lot Size	Year Built
\$4,065,000	\$1,765,000	43%	634 B2	W. 3rd Street		.21 Acres		
Price	Down Payment	% Down	Thomas Guide No.	Nearest Cross Street		Lot Dimensions		
\$2,300,000	TD	NEW	6.00%	VAR	\$13,790	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 3 year fixed rate.

### ANNUAL OPERATING ANALYSIS:

	Current Rents	Market Rents
Scheduled Gross Income:	\$ 350,400	\$ 373,800
less Vacancy Reserve: 2.0%	\$ 7,008	\$ 14,952
Gross Operating Income:	\$ 343,392	\$ 358,848
less Expenses: 32.8%	\$ 114,982	\$ 119,227
Net Operating Income:	\$ 228,411	\$ 239,621
less Loan Payments:	\$ 165,476	\$ 165,476
Cash Flow:	\$ 62,935	\$ 74,145
plus Equity Build-up:	\$ 28,244	\$ 28,244
Total Return:	\$ 91,179	\$ 102,389
	3.6%	4.2%
	5.2%	5.8%

### RENTAL INCOME:

# Units	Bed/Bath	Sq. Ft.	Current Rents	Market Rents	
2	1/1.5 Lofts	900	\$ 3,400	\$ 3,000	10.87 Market GRM
10	2/2	955-1300	\$ 17,950	\$ 20,000	
3	2/2.5 TwnHse	1,250	\$ 5,700	\$ 6,000	5.89 Market Cap Rate
			\$ -	\$ -	
			\$ -	\$ -	\$1.53 Current Avg. Rent Per Sq.Ft.
			\$ -	\$ -	
			\$ -	\$ -	\$1.63 Market Avg. Rent Per Sq.Ft.
Total Monthly Rent:			\$ 27,050	\$ 29,000	
Laundry Per Month:			\$ 150	\$ 150	
Other Income Monthly:			\$ 2,000	\$ 2,000	
Total Monthly Gross Income:			\$ 29,200	\$ 31,150	Utilities Paid by Tenant: Gas/Elect
Annual Gross Income:			\$ 350,400	\$ 373,800	

### ANNUALIZED EXPENSES (All expenses estimated):

<input checked="" type="checkbox"/>	Taxes:	\$ 50,813
<input checked="" type="checkbox"/>	Insurance:	\$ 7,572
<input checked="" type="checkbox"/>	Management:	\$ 17,081
<input checked="" type="checkbox"/>	Electric/Water:	\$ 13,884
<input checked="" type="checkbox"/>	Gas:	\$ 3,722
<input checked="" type="checkbox"/>	Maintenance:	\$ 14,016
<input checked="" type="checkbox"/>	Gardener:	\$ 1,306
<input checked="" type="checkbox"/>	Trash:	\$ 3,757
<input checked="" type="checkbox"/>	Lic & Fees:	\$ 533
<input checked="" type="checkbox"/>	Pest Control:	\$ 100
<input checked="" type="checkbox"/>	Elevator:	\$ 1,828
<input checked="" type="checkbox"/>	Fire:	\$ 370
<b>TOTAL EXPENSES:</b>		<b>\$ 114,982</b>

### TAX COMPUTATION:

Net Operating Income:	\$ 228,411
Less Interest:	\$ 137,232
Less Depreciation:	
Ratio: Land/Bldg./Personal	25/75/0
Building:	
Cost \$3,048,750	\$ 110,864
Life 27.5 Yrs. Method-STRT	
Personal Property:	
Cost	\$
Life Yrs. Method	
Taxable Income (Loss)	\$ -19,685
Tax Bracket (est.) 37.4 %	
POTENTIAL TAX SAVINGS:*	\$ 7,362

\*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 420 S. Occidental Blvd., Los Angeles CA 90057

	<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>	350,400	364,158	378,459	393,323	408,774
<b>Less Vacancy Reserve:</b> 2.0%	7,008	7,283	7,569	7,866	8,175
<b>Gross Operating Income:</b>	343,392	356,875	370,889	385,457	400,599
<b>Less Expenses:</b> 32.8%	114,982	116,270	117,584	118,924	120,291
<b>Net Operating Income:</b>	228,411	240,605	253,305	266,532	280,307
<b>Less Loan Payments:</b>	165,476	165,476	165,476	165,476	165,476
<b>Cash Flow:</b>	62,935	75,129	87,829	101,056	114,831
<b>Plus Equity Build-up:</b>	28,244	29,986	31,836	33,799	35,884
<b>Total Return:</b>	91,179	105,115	119,665	134,856	150,715
	5.2%	6.0%	6.8%	7.6%	8.5%

### Scheduled Gross Income Increase Per Year:

<b>First Year Rent Increase =</b>	4.0%
<b>Years 2 - 5 Rent Increase =</b>	4.0%
<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>	9.4%
<b>After Tax Internal Rate of Return (IRR)</b>	6.7%

### Cash Proceeds on Sale:

<b>Sales Price*:</b>	4,712,449
<b>Less Loan Balance:</b>	2,140,250
<b>Less Expense of Sale (7%):</b>	329,871
<b>Net Cash Before Taxes:</b>	2,242,327
<b>Dep. Recapture (Estimated):</b>	(138,580)
<b>Capital Gains (Estimated):</b>	(47,637)
<b>CA Capital Gains (Estimated):</b>	(81,086)
<b>Down Payment:</b>	(1,765,000)
<b>Cumulative Cash Flows:</b>	441,781
<b>Total Cash Return Over Five Years:</b>	651,806

\*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>	228,411	240,605	253,305	266,532	280,307
<b>Less Interest:</b>	137,232	135,490	133,640	131,677	129,592
<b>Less depreciation:</b>	110,864	110,864	110,864	110,864	110,864
<b>Taxable Income:</b>	(19,685)	(5,748)	8,802	23,992	39,852
<b>Taxes Saved:</b>					
<b>Or (Owed) At 37.4% Bracket:</b>	7,362	2,150	(3,292)	(8,973)	(14,905)

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.

