

## EXCLUSIVELY OFFERS FOR SALE

**14 Unit Multi-Residential  
Built in 1985  
Valley Village, CA 91607**

The property is located in Valley Village on Radford Avenue on the corner of Chandler Avenue.

THOMAS GUIDE: 562-G2

**Price: \$2,300,000**

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

**New First Loan @ 6.60% VIR 30 yr amort.**



### PROPERTY FEATURES

- Prime Prime Location in Valley Village
- Huge Apartments
- Copper Plumbing
- Non Rent Control - 1985 Construction
- Two Stories Over Parking
- Laundry Machines
- 21 Parking Spaces
- 2 Blocks from the Orange Line Stop
- 14 1+1 at 800 square feet
- 13% upside in Current Rents
- Most Units Have Balconies
- Units feature: Central Air & Heat, Fireplace and Dishwasher

### FINANCIAL INDICATORS

	<i><b>Current Rents</b></i>	<i><b>Market Rents</b></i>
Gross Rent Multiplier	14.15	12.52
Capitalization Rate	4.62	5.40
<u>Cash On Cash</u>		
- New Financing	0.7%	2.4%
<u>Total Return</u>		
- New Financing	2.1%	3.9%
<b><u>IRR - Internal Rate of Return (5 yr Hold)</u></b>		
-Pre Tax	6.4%	--
-After Tax	7.8%	--
Cost Per Square Foot	\$190.02	--
Cost Per Unit	\$164,286	--

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

## FIVE YEAR OPERATING ANALYSIS 5400 Radford Avenue, Valley Village CA 91607

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Scheduled Gross Income:</b>	162,600	169,099	175,857	182,886	190,195
<b>Less Vacancy Reserve:</b> 2.0%	3,252	3,382	3,517	3,658	3,804
<b>Gross Operating Income:</b>	159,348	165,717	172,340	179,228	186,391
<b>Less Expenses:</b> 32.6%	53,010	53,521	54,042	54,574	55,116
<b>Net Operating Income:</b>	106,338	112,196	118,298	124,654	131,276
<b>Less Loan Payments:</b>	99,631	98,538	97,457	96,389	95,332
<b>Cash Flow:</b>	6,707	13,658	20,840	28,266	35,944
<b>Plus Equity Build-up:</b>	14,257	14,101	13,946	13,793	13,642
<b>Total Return:</b>	20,964 2.1%	27,758 2.8%	34,786 3.5%	42,059 4.2%	49,586 5.0%

### 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%

Pre-Tax Internal Rate of Return (IRR)

6.4%

After Tax Internal Rate of Return (IRR)

7.8%

### Cash Proceeds on Sale:

<b>Sales Price*:</b>	2,666,330
<b>Less Loan Balance:</b>	1,230,262
<b>Less Expense of Sale (7%):</b>	186,643
<b>Net Cash Before Taxes:</b>	1,249,425
<b>Dep. Recapture (Estimated):</b>	(78,409)
<b>Capital Gains (Estimated):</b>	(26,953)
<b>CA Capital Gains (Estimated):</b>	(45,879)
<b>Down Payment:</b>	(1,000,000)
<b>Cumulative Cash Flows:</b>	105,415
<b>Total Cash Return Over Five Years:</b>	203,599

\*Sales price increase estimate per year: 3.0%

## TAX COMPUTATION

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Net Operating Income:</b>	106,338	112,196	118,298	124,654	131,276
<b>Less Interest:</b>	170,748	168,875	167,023	165,191	163,380
<b>Less depreciation:</b>	62,727	62,727	62,727	62,727	62,727
<b>Taxable Income:</b>	(127,137)	(119,407)	(111,453)	(103,264)	(94,832)
<b>Taxes Saved:</b>					
<b>Or (Owed) At 37.4% Bracket:</b>	47,549	44,658	41,683	38,621	35,467

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.

