

EXCLUSIVELY OFFERS FOR SALE

**9 Unit Multi-Residential
Built in 1963
Reseda, CA 91335**

The property is located on Canby Ave. south of Saticoy Street and north of Valerio in a residential and multiresidential neighborhood.

THOMAS GUIDE: 530 J4

Price: \$1,062,000

Down: \$442,000 42%

Assm. First Loan @ 6.50% VIR 30 yr amort



PROPERTY FEATURES
<ul style="list-style-type: none"> • Strong rental area • Excellent unit mix • 1-Sgl/1, 5-1/1 and 3-2/1 units • Rents close to market rates. • Assume existing Washington Mutual Loan at 6.5% fixed for five years (4 remaining) amortized over 30 years. • Laundry room.

FINANCIAL INDICATORS		
	<u>Current Rents</u>	<u>Market Rents</u>
Gross Rent Multiplier	10.76	10.24
Capitalization Rate	5.44	5.60
<u>Cash On Cash</u>		
- New Financing	2.4%	2.8%
<u>Total Return</u>		
- Assm. Existing Financing	4.0%	4.4%
<u>IRR - Internal Rate of Return (5 yr Hold)</u>		
-Pre Tax	8.5%	--
-After Tax	6.2%	--
Cost Per Square Foot	\$151.26	--
Cost Per Unit	\$118,000	--
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:**

**Todd S. Schwartz, CRB - Vice President, Investments
(818) 825-5100 or (818) 865-8305**

HANES INVESTMENT REALTY, INC.

LIST # HIRITSS08

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INVESTMENT REAL ESTATE BROKERS AND ADVISORS

7460 Canby Avenue, Reseda CA 91335

9	\$118,000	5.44	10.76	\$151.26	\$5.41 / \$4,219	7,021	8,503	1963
# Units	Cost/Unit	Cap Rate	GRM	Cost/Net Sq. Ft.	Expense Sq.Ft. / Unit	Assessors Sq.Ft.	Lot Size	Year Built
\$1,062,000	\$442,000	42%	530 J4	Saticoy Street		.195 Acres	Lot Dimensions	
Price	Down Payment	% Down	Thomas Guide No.	Nearest Cross Street				
\$620,000	TD	NEW	6.50%	VAR	\$3,919	30	2037	WAMU
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:		\$ 98,688		\$ 103,680
less Vacancy Reserve:	3.0%	\$ 2,961		\$ 3,110
Gross Operating Income:		\$ 95,727		\$ 100,570
less Expenses:	38.5%	\$ 37,973		\$ 41,056
Net Operating Income:		\$ 57,755		\$ 59,513
less Loan Payments:		\$ 47,026		\$ 47,026
Cash Flow:		\$ 10,729	2.4%	\$ 12,487
plus Equity Build-up:		\$ 6,930		\$ 6,930
Total Return:		\$ 17,659	4.0%	\$ 19,417
				2.8%
				4.4%

RENTAL INCOME:

# Units	Bed/Bath	Sq. Ft.	Current Rents	Market Rents	
1	Sgl/1		\$ 795	\$ 795	10.24 Market GRM
5	1/1		\$ 4,234	\$ 4,500	
3	2/1		\$ 3,150	\$ 3,300	5.60 Market Cap Rate
			\$ -	\$ -	
			\$ -	\$ -	\$1.17 Current Avg. Rent Per Sq.Ft.
			\$ -	\$ -	
			\$ -	\$ -	\$1.23 Market Avg. Rent Per Sq.Ft.
Total Monthly Rent:			\$ 8,179	\$ 8,595	
Laundry Per Month:			\$ 45	\$ 45	
Other Income Monthly:			\$ -	\$ -	
Total Monthly Gross Income:			\$ 8,224	\$ 8,640	
Annual Gross Income:			\$ 98,688	\$ 103,680	

Utilities Paid by Tenant:
Gas/Elect

ANNUALIZED EXPENSES (All expenses estimated):

<input checked="" type="checkbox"/>	Taxes:	\$ 13,275
<input checked="" type="checkbox"/>	Insurance:	\$ 3,000
<input checked="" type="checkbox"/>	Management:	\$ 4,759
<input checked="" type="checkbox"/>	Electric/Water:	\$ 6,400
<input checked="" type="checkbox"/>	Gas:	\$ 2,340
<input checked="" type="checkbox"/>	Maintenance:	\$ 4,934
<input checked="" type="checkbox"/>	Gardener:	\$ 1,200
<input checked="" type="checkbox"/>	Trash:	\$ 960
<input checked="" type="checkbox"/>	Lic & Fees:	\$ 504
<input checked="" type="checkbox"/>	Pest Control	\$ 600
<input checked="" type="checkbox"/>		\$ -
<input checked="" type="checkbox"/>		\$ -
TOTAL EXPENSES:		\$ 37,973

TAX COMPUTATION:

Net Operating Income:	\$ 57,755
Less Interest:	\$ 40,096
Less Depreciation:	
Ratio: Land/Bldg./Personal	25/75/0
Building:	
Cost \$796,500	\$ 28,964
Life 27.5 Yrs. Method-STRT	
Personal Property:	
Cost	\$
Life Yrs. Method	
Taxable Income (Loss)	\$ -11,305
Tax Bracket (est.) 37.4 %	
POTENTIAL TAX SAVINGS:*	\$ 4,228

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

HANES INVESTMENT REALTY, INC.

INVESTMENT REAL ESTATE BROKERS AND ADVISORS

FIVE YEAR OPERATING ANALYSIS 7460 Canby Avenue, Reseda CA 91335

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Scheduled Gross Income:	98,688	102,630	106,730	110,993	115,427
Less Vacancy Reserve: 3.0%	2,961	3,079	3,202	3,330	3,463
Gross Operating Income:	95,727	99,551	103,528	107,663	111,964
Less Expenses: 38.5%	37,973	38,468	38,973	39,488	40,014
Net Operating Income:	57,755	61,083	64,555	68,175	71,950
Less Loan Payments:	47,026	47,026	47,026	47,026	47,026
Cash Flow:	10,729	14,057	17,529	21,149	24,924
Plus Equity Build-up:	6,930	7,394	7,889	8,418	8,981
Total Return:	17,659	21,451	25,418	29,567	33,906
	4.0%	4.9%	5.8%	6.7%	7.7%

Scheduled Gross Income Increase Per Year:

First Year Rent Increase =	4.0%
Years 2 - 5 Rent Increase =	4.0%
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)	8.5%
After Tax Internal Rate of Return (IRR)	6.2%

Cash Proceeds on Sale:

Sales Price*:	1,231,149
Less Loan Balance:	580,388
Less Expense of Sale (7%):	86,180
Net Cash Before Taxes:	564,581
Dep. Recapture (Estimated):	(36,205)
Capital Gains (Estimated):	(12,445)
CA Capital Gains (Estimated):	(21,184)
Down Payment:	(442,000)
Cumulative Cash Flows:	88,388
Total Cash Return	
Over Five Years:	141,135

*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:	57,755	61,083	64,555	68,175	71,950
Less Interest:	40,096	39,632	39,137	38,608	38,045
Less depreciation:	28,964	28,964	28,964	28,964	28,964
Taxable Income:	(11,305)	(7,512)	(3,546)	603	4,942
Taxes Saved:					
Or (Owed) At 37.4% Bracket:	4,228	2,810	1,326	(226)	(1,848)

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.

