

INVESTMENT OPPORTUNITY



18 UNIT MULTI-FAMILY PROPERTY

The
KENTUCKY
FALLBROOK

- **Rent Schedule Just Increased \$15,000+**
- **1.8% Vacancy in Fallbrook (lowest in San Diego County)**
- **3.05% LOAN!**



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1133 OLD STAGE ROAD, FALLBROOK, CA 92028
NORTH COUNTY SAN DIEGO

OFFERING MEMORANDUM

REV 1

THE KENTUCKY

FOR SALE

1133 OLD STAGE ROAD
FALLBROOK, CA 92028

North County San Diego

18 Unit Multifamily Investment Opportunity

Price: \$6,390,000

3.05% Assumable Loan (Approximately \$3.7MM)

Freddie Mac SBL (New Financing Also Available)

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THE OPPORTUNITY



The Kentucky is a fully renovated apartment community originally built in 1987 located in North San Diego County in Fallbrook, CA. Just minutes to downtown Main Avenue with tree lined streets, restaurants, shops and more, the location is prime. With easy access to employment along the I-78 Corridor (Oceanside to Escondido) and a short drive to Cal State University San Marcos (the fastest growing University in California), Palomar College, Temecula and much more, Fallbrook is considered a desirable enclave separated from the hustle and bustle of urban city life. The property is within close proximity to spectacular wineries/vineyards, wedding venues, golf, equestrian centers, airport/airpark and more.

The property has undergone recent significant interior & exterior renovations of over \$800,000 to 100% of the units including (but not limited to) new roof, new dual pane windows, exterior paint and stucco repair, asphalt, flooring, stainless appliances, in-unit washer/dryers, plank flooring, quartz counters, new cabinets, custom backsplash, new sinks & faucets, new bathrooms, and much more.

The unit mix consists of primarily 2BR units (12 – 2BR/1BA & 6 – 1BR/1BA). The most recent rentals for each unit type reflect the market rent and through yearly rent increases and natural turnover, market rents are easily achievable with no additional renovations required. The vacancy rate in the city of Fallbrook is 1.8 %, lowest vacancy rate in all of San Diego County (Costar) with no new construction of apartments in the pipeline.

In addition to the attractive 'Current' & 'Market' cap rates on the property, there is an approx. \$3.7MM 3.05% Freddie Mac SBL assumable loan in place that was originated in September 2021. New financing also available.



THE OFFERING PROCESS

INTRODUCTION

The Seller has engaged Colliers International CA, Inc., A Delaware Corporation, dba “Colliers International” to facilitate the sale of 1133 Old Stage Road, Fallbrook, CA 92028.

THE PROPERTY

Located in charming Fallbrook (aka The Friendly Village), The Kentucky exemplifies Southern charm with highly upgraded, inviting interiors. Fallbrook is home to upscale wineries, restaurants and boutiques and offers desirable events and activities, including the annual Classic Car Show, Avocado Festival, Farmers Market and horse riding/equestrian events. In addition, the Property is a quick 25 to 30-minute drive to some of Southern California’s most beautiful destinations, including the wineries of Temecula, San Marcos, and Escondido as well as the gorgeous beaches of Carlsbad and Oceanside.

This 18-unit gated multifamily property offers an attractive in-place cap rate with predictable upside with no need for renovations. Additionally, there is an approx. \$3.7MM 3.05% Freddie Mac SBL assumable loan in place. New financing also available.

OFFERING PROCESS

Prospective purchasers are invited to submit offers to purchase the property through Colliers International CA, Inc. for consideration by the Seller. Any offers to purchase are encouraged to be submitted on C.A.R. form RIPA.

PLEASE DO NOT ENTER THE PROPERTY OR DISTURB ANY TENANTS.

ALL DISCUSSIONS ABOUT THE PROPERTY OR TOURS ARE TO BE DIRECTED TO COLLIERS INTERNATIONAL, THE LISTING AGENT.

CONFIDENTIALITY

This Offering Memorandum (“OM”) has been prepared by Colliers International CA, Inc., A Delaware Corporation, dba Colliers International and is provided to select parties for their own analysis of the Property. The recipient acknowledges that by receipt of this OM, and by their execution of the Confidentiality Agreement, they agree to keep permanently confidential all information contained herein or made available in connection with any further investigation.

This OM is the property of Colliers International and the Seller and may be used only by parties approved by Colliers International and the Seller. The Property is privately offered and, by accepting this package, the party in possession herein agrees, without limiting the provisions of the Confidentiality Agreement: (i) to return it to Colliers International immediately upon request of Colliers International or the Seller; and (ii) that no portion of this package may be copied, reproduced or distributed to other parties at any time without the prior written consent of Colliers International and the Seller.

DISCLAIMER

Neither the Seller nor Colliers International, nor any of their respective affiliates, directors, officers, shareholders, employees, agents, solicitors, accountants, advisors or other representatives, makes any representations, declarations or warranties, express or implied, as to the accuracy or completeness of the information or statements contained in this OM or of any other information provided or statements made by Colliers International, the Seller or their agents, and such material, information, or statements should not be relied upon by prospective purchasers without independent investigation and verification. Prospective purchasers and responsible for obtaining their own independent financial, legal, accounting, engineering, technical and other expert advice. This OM does not purport to be all-inclusive or to contain all the information that a prospective purchaser may require in analyzing the Portfolio. All materials, information or statements are provided as a convenience to prospective purchasers only. The Seller and Colliers International and their respective affiliates, directors, officers, shareholders, employees, agents, solicitors, accountants, advisors and other representatives expressly disclaim any and all liability for any errors or omissions contained in this OM or in any other oral or written communications given or made available to prospective purchasers.

This OM is not, and under no circumstances is it to be construed to be, an offering of securities, a prospectus, a public offering or an offering memorandum as defined under applicable securities legislation. No securities commission or regulatory authority in the United States of America or any other country has in any way passed judgment upon the merits of the opportunity to acquire the Property or the accuracy or adequacy of this OM.

The Seller and Colliers International reserve the right to withdraw, amend or replace all or any part of this OM at any time and undertake no obligation to provide prospective purchasers with access to any additional information, other than as contemplated by the Seller’s form of Offer. In all cases, prospective purchasers should conduct their own investigation and analysis of the Property. Any sale of the Portfolio will be subject to the terms of an accepted Offer, which will supersede all prior communications, including this OM.

REVIEW OF OFFERS

All Offers to purchase the Property will be evaluated based upon, but not limited to, the structure proposed by the prospective purchaser, the net proceeds to the Seller, the prospective purchaser’s ability to complete the transaction, and the timeliness and proposed conditions of closing, if any. Colliers International and the Seller reserve the right to request new or additional information regarding a potential purchaser or any individual or other person associated with a potential purchaser. The Seller may elect to negotiate with the prospective purchaser(s) whose purchase proposals is/are judged to be most attractive to the Seller, in its sole and absolute discretion. The Seller is not obliged to receive, consider or accept any Offer and reserves the right to reject any or all Offers received.

At any time prior to entering into an Offer, the Seller may request additional information from prospective purchasers. Failure to provide such information on a timely basis may result in the termination of discussions. The Seller reserves the right to end the sale process in respect of the Property or to cease discussions with any and all prospective purchasers at any time prior to accepting an Offer, without notice or liability.



THE LOCATION

Take advantage of this fantastic multi-family opportunity just blocks from Fallbrook's Towne Centre and Downtown Main Avenue shopping & restaurants. When you live in Fallbrook, calming nature is always at your doorstep—from the awe-inspiring Grand Tradition Estate to the Santa Margarita River Hiking Trail. So venture out and mingle with the locals at the Saturday and Sunday Farmers Market, where you can pick up the freshest local produce or wander in the historic downtown district.

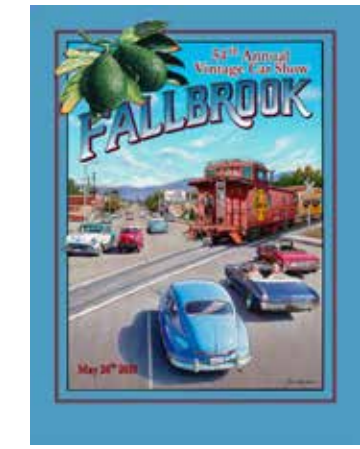
You will not be a stranger for long in Fallbrook and its close-knit community.

"Fallbrook is a cute little town, the friendly village! It is all about community and local businesses. Everyone is friendly. I would say it is more rural, but that brings clean air. The homes are all unique."

- 
COUNTRY LIFE
 Bringing sunshine, fresh air, and simplicity into your life
- 
WINERIES
 Some of the best wines in Southern California are found here
- 
BEACHES
 Just a hop skip and a jump from SoCal's famous beaches

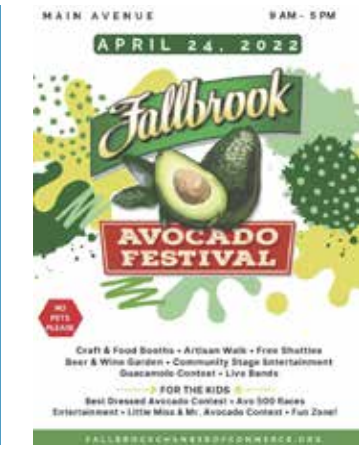
"Country roads take me home to the place I belong"

A MAGICAL RURAL TOWN WITH THE COMFORTS OF A BIG CITY



Vintage Car Show

A day full of family fun with everything from art to auto. Enjoy over 350 vintage cars, a swap meet, a country store, farm animals, food vendors, and more!



Avocado Festival

Boasting 100,000+ attendees, the annual Avocado Festival celebrates Fallbrook's heritage as an agricultural community and its title of Avocado Capital of the World.



Farmers Market

Taking place on Main Avenue every Saturday, the Fallbrook Farmers Market includes an excellent variety of local farmers and artisans.



DOWNTOWN FALLBROOK - MAIN AVENUE

A charming, quintessential small town near everything in North County San Diego



PROPERTY DETAILS

The Kentucky is a charming 18-unit apartment complex located at 1133 Old Stage Road in Fallbrook, California. The Property features one and two-bedroom renovated apartment homes.

HIGHLIGHTS

- Upgraded property with high-end renovations
- Desirable area with a small-town atmosphere, yet easy access to the metropolitan areas of San Diego, Temecula, and Orange County
- Short drive to Oceanside & Carlsbad beaches
- In the heart of Fallbrook, close to South Main Avenue (*which serves as Fallbrook's Main Street*)
- Cool locale: enjoy local wineries, equestrian culture, wedding venues and more



DOG RUN

INVESTMENT SUMMARY

Price:	\$6,390,000
Units:	18
Price/Unit:	\$355,000
Price/SF:	484 SF
Unit Mix:	6 - 1BR/1BA 12 - 2BR/1BA
CAP Rate(Current):	5.42%
CAP Rate (Market):	5.75%
GIM (Current):	12.27
GIM (Market):	11.75
Year Built:	1987 / 2019-2020 (Renovated)
APN:	104-341-22-00
Parking Spaces:	18 covered 6 uncovered
Gross Building SF:	13,202
Land Area SF:	23,086

3.05% Assumable Loan (Approx. \$3.7MM)
Freddie Mac SBL
New Financing Also Available

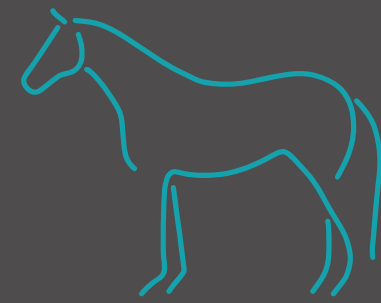
HIGH-END INTERIOR & EXTERIOR UPGRADES

Seller spent in excess of \$800,000 in interior & exterior renovations

Bright and light design elements give units an airy and cool feeling

- Stainless steel appliances including dishwasher and microwave
- Quartz countertops
- Custom cabinets with soft-close drawers
- Oversized stainless kitchen sink
- Custom paint & designer tile
- Wood-style flooring
- In-unit washer/dryer
- USB wall plugs
- AC & ceiling fans
- New dual-pane windows
- New roof
- Landscaping
- Trash enclosure
- Asphalt and much more





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FALLBROOK, CA

Fallbrook, California is a charming small town located in the northern part of San Diego County. Known for its beautiful scenery, diverse agriculture, and tight-knit community, Fallbrook offers a unique and peaceful way of life that is hard to find in larger cities.

Fallbrook is an unincorporated community situated about 15 miles inland from the Pacific Ocean and is bordered by the communities of Bonsall to the south, Camp Pendleton Marine Corps Base to the north and east, and Rainbow to the west. Interstate 15 runs east of the community and travelers can access Fallbrook via State Route 76, which intersects with I-15 at its eastern end.

Since its founding in 1885 by Vital Reche, a Spanish explorer and farmer, Fallbrook has become known around the world for its thriving avocado industry. The community's ideal climate and fertile soil have made it an ideal place for growing avocados, and today, Fallbrook is widely recognized as the "Avocado Capital of the World."

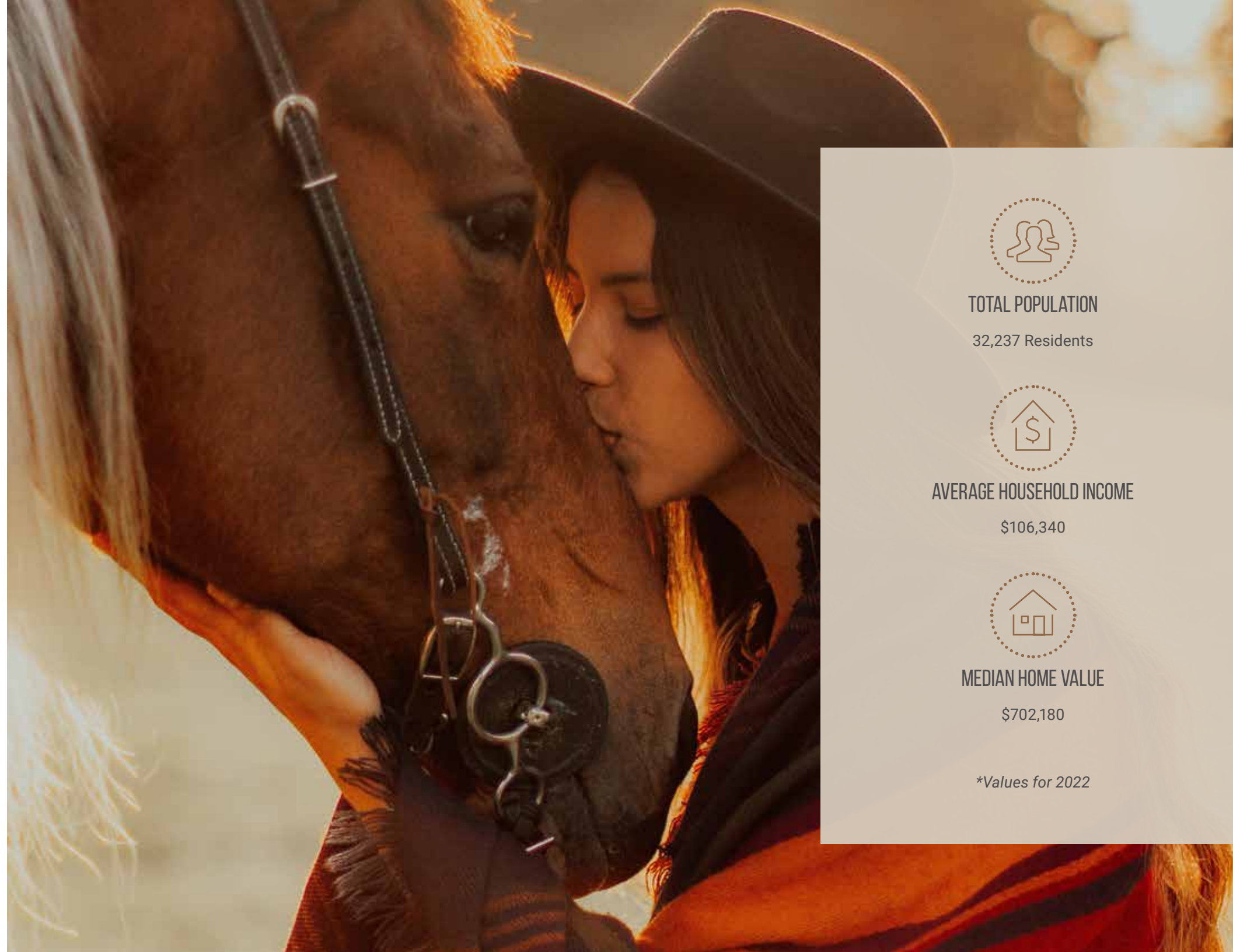
Fallbrook's avocado industry is a vital driver of the local economy, generating employment opportunities and income while also drawing tourists to the area. The region's thousands of acres of avocado groves are a key agricultural product, with many growers exporting their crops beyond the local market.

Scenic Beauty

Fallbrook is famous for its scenic beauty, which is a significant reason why many people choose to live here. The town is surrounded by rolling hills, lush greenery, and beautiful sunsets, making it a perfect destination for nature lovers. The picturesque Santa Margarita River flows through the town, providing a beautiful natural backdrop for hiking, camping, and picnicking.

Vibrant Community

Fallbrook has a thriving arts community, with several galleries and cultural events throughout the year, including the Fallbrook Film Festival, Avocado Festival, Farmers Market, and Vintage Car Show.



TOTAL POPULATION

32,237 Residents



AVERAGE HOUSEHOLD INCOME

\$106,340



MEDIAN HOME VALUE

\$702,180

*Values for 2022

AREA ATTRACTIONS



GRAND TRADITION ESTATE

Popular wedding destination



SANTA MARGARITA RIVER TRAIL PRESERVE

One of the last free-flowing wild rivers in Southern California



EQUESTRIAN FACILITIES

Fallbrook boasts numerous establishments for recreational horseback riding



FALLBROOK WINERIES

Fallbrook is home to beautiful vineyards that are producing some of the best wines in Southern California

The
KENTUCKY
FALLBROOK

MORE FALLBROOK EQUESTRIAN FACILITIES
 Fallbrook Hills Riding Club
 Dana Rullo Stables
 Ray of Sunshine Equestrian Therapy
 Pony Express Riding School
 Fairbrook Farm
 Jill Beltran Dressage

WINERIES, WEDDINGS & THE WEST

The same ideal climate and fertile soil that make ideal growing conditions for avocados also favor grapes and wine. As a result, Fallbrook is dotted with vineyards, and some of the best wine in Southern California is made here.

Couples from all over find Fallbrook's spectacular scenery the perfect backdrop for their weddings.

The West Coast's equestrian community is well-established in Fallbrook, and numerous picturesque equestrian facilities can be found throughout the community.



WINERIES

- 1 The Vineyard 1924
- 2 Toasted Oak Vineyards
- 3 Eli Madison Vineyards
- 4 Giardino Vineyards
- 5 Myrtle Creek Vineyards
- 6 Falcon Vineyard
- 7 Monserate Winery
- 8 Estate D'Iacobelli Winery
- 9 Orizabe Winery
- 10 Sleeping Indian Vineyard

WEDDINGS

- 1 Grand Tradition Estate
- 2 space one TEN
- 3 Tivoli Italian Villa
- 4 Los Willows Wedding Estate
- 5 Pala Mesa Resort
- 6 Fallbrook Estate by Wedgwood Weddings
- 7 Brookridge Manor
- 8 White Barn Ranch

EQUESTRIAN

- (The West)*
- 1 Fallbrook Riders Field
 - 2 SR Performance Horses
 - 3 Hummingbird Hill Stables
 - 4 Brandi's Equestrian Riding Academy
 - 5 White Horse Ranch Productions

SAN DIEGO MARKET OVERVIEW

Just a short 35-minute drive from Fallbrook is California's second largest city, San Diego. San Diego boasts a citywide population of nearly 1.3 million residents and more than 3 million residents countrywide. Within its borders of 4,200 square miles, San Diego County encompasses 18 incorporated cities and numerous other charming neighborhoods and communities, including downtown's historic Gaslamp Quarter, Little Italy, Coronado, La Jolla, Del Mar, Carlsbad, Escondido, La Mesa, Hillcrest, Barrio Logan and Chula Vista just to name a few.

The cornerstone to everything San Diego is its Mediterranean climate. The City was voted as one of the ten best climates by Farmer's Almanac and selected as one of the two best summer climates in America by The Weather Channel. San Diego's climate allows for residents to enjoy year-round outdoor recreation and provides over 70 miles of coastline for sunbathing and surfing. Home to world-class resorts, golf courses and sporting activities, enthusiasts have the luxury of year-round activity.

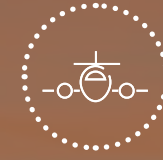
The San Diego region provides numerous cultural, visual and performing arts organizations that entertain and educate San Diego residents and visitors. Performing arts are hosted at premier venues such as the San Diego Civic Center, La Jolla Playhouse, San Diego Repertory/Lyceum Theatre, North County Performing Arts Center, Old Globe Theatre and other venues. San Diego is dedicated to the arts, science and history with world-class museums located within Balboa Park. With a vibrant history dating back to the 17th century, the city has evolved into a productive set of residents, venues and businesses that takes pride in being the birthplace of California.

San Diego is home to the MLB San Diego Padres and host to a variety of world class sporting events such as the 2008 U.S. Open Golf Championship at Torrey Pines Golf Course. With an array of facilities to accommodate events ranging from rugby to soccer to the NFL Super Bowl championships residents have year-round professional events to enjoy. The economy, which encompasses everything from sports, entertainment, and tourism to highly technical and scientific companies, offers upward career growth and mobility.

San Diego County is the south-westernmost county in California. The second-largest county in the state by both area and population, it occupies 4,526 square miles with approximately 70 miles of coastline.



*America's
Finest City*



San Diego International Airport serves more than 20 million passengers per year.

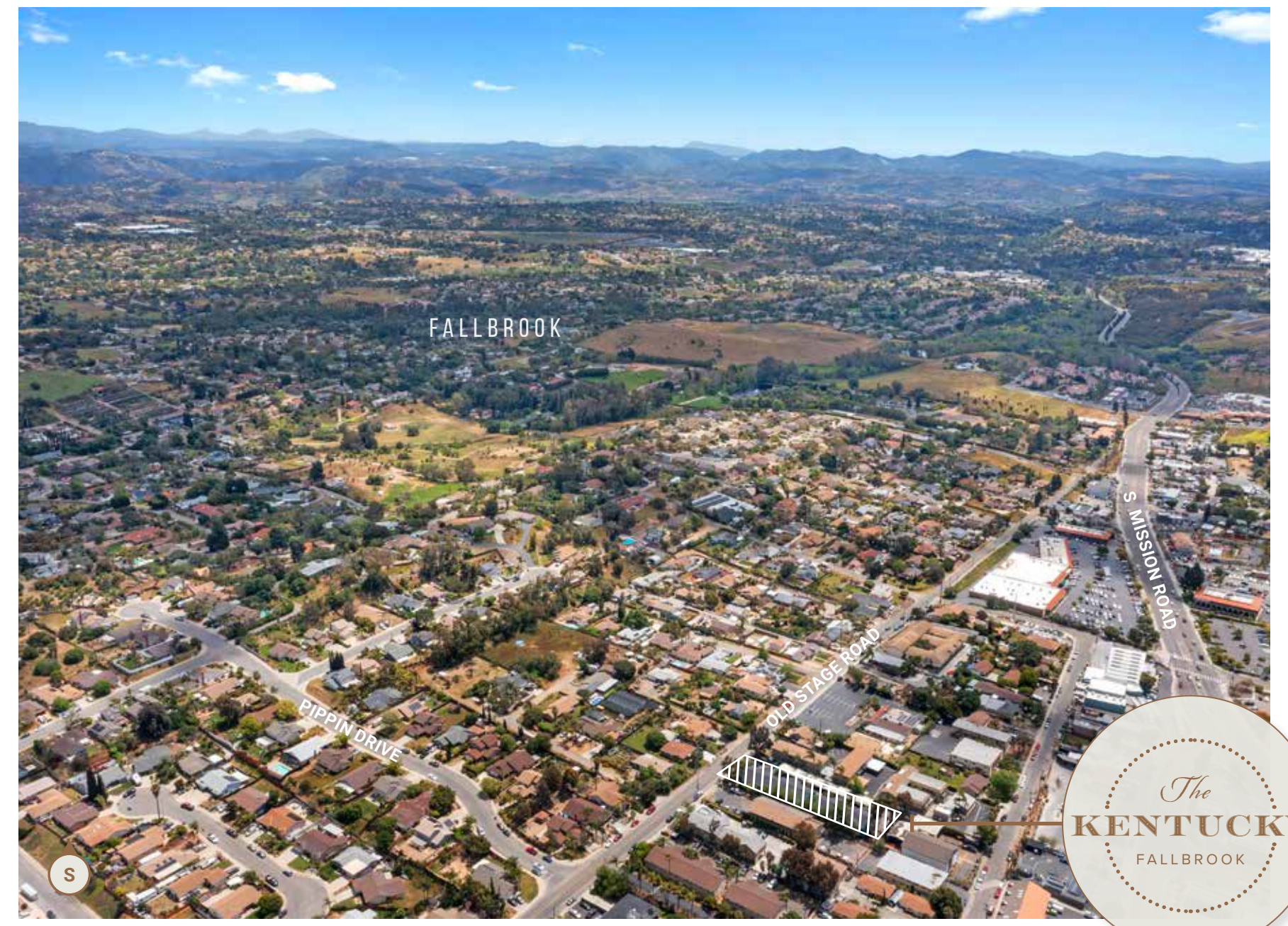


Port of San Diego Marine Terminal, the most advanced vehicle import/export facility on the West Coast.



San Diego's average household income is \$130,000.







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INVESTMENT SUMMARY

Price:	\$6,390,000
Units:	18
Price/Unit:	\$355,000
Price/SF:	\$484
Unit Mix:	6 - 1BR/1BA 12 - 2BR/1BA
Capitalization Rate (Current):	5.42%
Capitalization Rate (Market):	5.75%
GIM (Current):	12.27
GIM (Market):	11.75
Year Built:	1987 / 2019-2020
APN:	104-341-22-00
Covered Parking Spaces:	18
Uncovered Parking Spaces:	6
Gross Building SF:	13,202
Land Area SF:	23,086

**3.05% Assumable Loan (Approx. \$3.7MM) Freddie Mac SBL
New Financing Also Available**



COVERED PARKING

PROFORMA RENT ROLL

Unit Type	Square Feet	Units	CURRENT RENT as of 9/1/2023			MARKET RENT		
			Current Rent Roll	Monthly Total	Rent/SF	Market Rent	Monthly Total	Rent/SF
1BR/1BA	600	6	\$1,895-2,195	\$ 12,525	\$ 3.48	\$ 2,195	\$ 13,170	\$ 3.66
2BR/1BA	850	12	\$1,950-2,495	\$ 28,690	\$ 2.81	\$ 2,495	\$ 29,940	\$ 2.94
Totals	13,800	18		\$ 41,215		\$ 43,110		
Average	767			\$ 1,873		\$ 1,960		\$ 2.94
Yearly Total (GSI):				\$ 494,578		\$ 517,320		



RENT ROLL

Unit	Unit Type	Square Feet (1)	# of Units	CURRENT RENT as of 9/1/2023		MARKET RENT	
				Current Rent	Rent/SF	Market Rent	Rent/SF
1	2BR/1BA	850	1	\$ 2,140	\$ 2.52	\$ 2,495	\$ 2.94
2	2BR/1BA	850	1	\$ 2,495	\$ 2.94	\$ 2,495	\$ 2.94
3	2BR/1BA	850	1	\$ 2,495	\$ 2.94	\$ 2,495	\$ 2.94
4	2BR/1BA	850	1	\$ 2,495	\$ 2.94	\$ 2,495	\$ 2.94
5 (2)	1BR/1BA	600	1	\$ 1,895	\$ 3.16	\$ 2,195	\$ 3.66
6	2BR/1BA	850	1	\$ 2,410	\$ 2.84	\$ 2,495	\$ 2.94
7	2BR/1BA	850	1	\$ 2,495	\$ 2.94	\$ 2,495	\$ 2.94
8	1BR/1BA	600	1	\$ 2,195	\$ 3.66	\$ 2,195	\$ 3.66
9	1BR/1BA	600	1	\$ 2,195	\$ 3.66	\$ 2,195	\$ 3.66
10	2BR/1BA	850	1	\$ 2,495	\$ 2.94	\$ 2,495	\$ 2.94
11	2BR/1BA	850	1	\$ 2,170	\$ 2.55	\$ 2,495	\$ 2.94
12	2BR/1BA	850	1	\$ 2,495	\$ 2.94	\$ 2,495	\$ 2.94
13	2BR/1BA	850	1	\$ 2,395	\$ 2.82	\$ 2,495	\$ 2.94
14	1BR/1BA	600	1	\$ 1,950	\$ 3.25	\$ 2,195	\$ 3.66
15 (3)	2BR/1BA	850	1	\$ 2,302	\$ 2.71	\$ 2,495	\$ 2.94
16 (3)	2BR/1BA	850	1	\$ 2,302	\$ 2.71	\$ 2,495	\$ 2.94
17	1BR/1BA	600	1	\$ 2,095	\$ 3.49	\$ 2,195	\$ 3.66
18	1BR/1BA	600	1	\$ 2,195	\$ 3.66	\$ 2,195	\$ 3.66
Totals		13,800	18	\$ 41,215		\$ 43,110	
Average		627		\$ 1,873	\$ 3.03	\$ 1,960	\$ 3.12
Yearly Total (GSI):				\$ 494,578		\$ 517,320	

Notes:

- (1) Square footage based owner's rent roll. According to public records, the total building area is 13,202 SF. Buyer to verify.
- (2) Public records indicate 18 units at the property. Unit #5 is on the house electric meter. Owner converted the studio Unit #5 to a 1BR/1BA during the renovation process. Buyer to verify.
- (3) Unit #'s 15 & 16 are in process of being renewed with 9.9% rent increases to be in effect by 9/1/2023. Current rents reflected in above rent roll are based on 9/1/2023 schedule.



DOWNTOWN FALLBROOK

PRO-FORMA NOI ANALYSIS

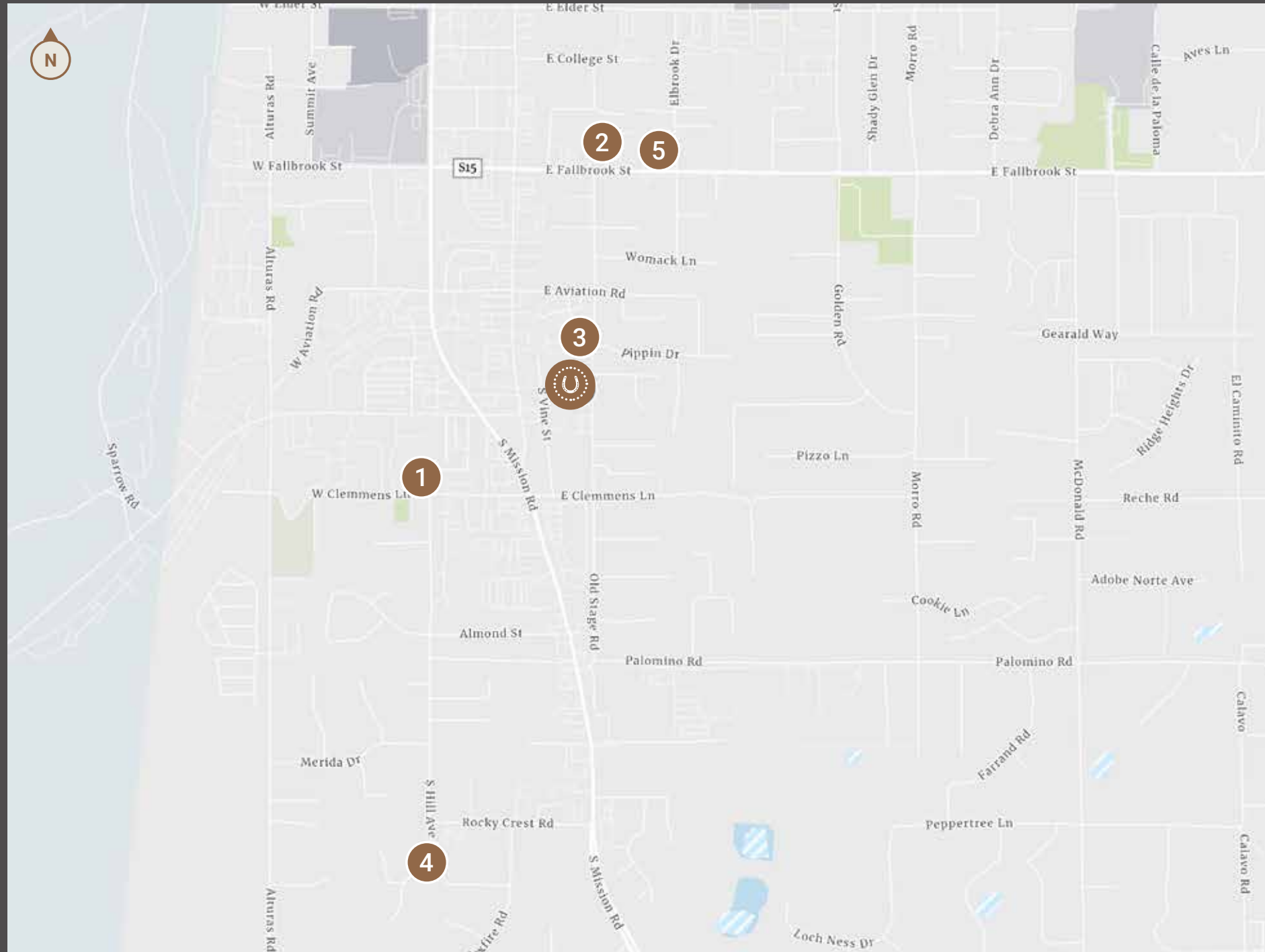
	Jan-March 2023 YTD Annualized		Current Rent		Market Rent	
		Per Unit / %		Per Unit / %		Per Unit / %
RENTS	\$ 454,267	25,237	\$ 494,578	27,477	\$ 517,320	28,740
(1) Parking Rent	2,000	111	1,200	67	1,200	67
(2) Pet Fee	6,380	354	5,280	293	5,280	293
(3) Less: Vacancy (3%)	-	-	(15,032)	(835)	(15,714)	(873)
(4) Less: Manager's Concessions	(3,593)	(200)	(6,880)	(382)	(6,880)	(382)
TOTAL RENTAL INCOME	459,054	25,503	479,146	26,619	501,206	27,845
RUBS - Recovery	19,936	1,108	19,936	1,108	19,936	1,108
TOTAL OTHER INCOME	19,936	1,108	19,936	1,108	19,936	1,108
TOTAL OPERATING INCOME	478,990	26,611	499,082	27,727	521,142	28,952
Operating Expenses	2022 YE Expenses		Pro-Forma Expenses		Pro-Forma Expenses	
Management Fee (4%)	21,441	1,191	19,963	1,109	20,846	1,158
Advertising	436	24	436	24	436	24
Legal & Professional	530	29	530	29	530	29
Taxes & Licenses	1,706	95	1,706	95	1,706	95
Systems / Software	1,101	61	1,101	61	1,101	61
Accounting / Tax Fees	1,500	83	1,500	83	1,500	83
Dues & Subscriptions	158	9	158	9	158	9
Insurance / Building	5,356	298	5,356	298	5,356	298
(5) On-Site Manager Salary	1,743	97	3,000	167	3,000	167
Life & Safety	84	5	84	5	84	5
Haul Away Services	11	1	11	1	11	1
Bank Fees	118	7	118	7	118	7
TOTAL GENERAL & ADMINISTRATIVE	34,185	1,899	33,964	1,887	34,847	1,936
Property Taxes @ 1.07772%	16,311	906	68,866	3,826	68,866	3,826
(Fixed) Property Taxes	-	-	125	7	125	7
TOTAL PROPERTY TAXES	16,311	906	68,991	3,833	68,991	3,833
Appliance - Labor	228	13	-	-	-	-
Appliance - Supplies	6	0	-	-	-	-
Porter Services - Labor	160	9	-	-	-	-
Carpet / Vinyl - Labor	481	27	-	-	-	-
Cleaning - Labor	145	8	-	-	-	-
Cleaning - Supplies	70	4	-	-	-	-
Exterior Building - Labor	503	28	-	-	-	-
Exterior Building - Supplies	129	7	-	-	-	-
Electrical - Labor	438	24	-	-	-	-
Electrical - Supplies	37	2	-	-	-	-
Exterior Lighting - Labor	140	8	-	-	-	-
Exterior Lighting - Supplies	108	6	-	-	-	-
Hardware - Labor	193	11	-	-	-	-
Hardware - Supplies	32	2	-	-	-	-
Keys/Locks - Labor	193	11	-	-	-	-
Keys/Locks - Supplies	50	3	-	-	-	-
Plumbing - Labor	193	11	-	-	-	-
Painting - Labor	105	6	-	-	-	-
Painting - Supplies	92	5	-	-	-	-
HVAC - Labor	105	6	-	-	-	-
Signs - Supplies	122	7	-	-	-	-
Maintenance - Supplies	499	28	-	-	-	-
Maintenance - Labor	263	15	-	-	-	-



	Jan-March 2023 YTD Annualized		Current Rent		Market Rent	
		Per Unit / %		Per Unit / %		Per Unit / %
Operating Expenses	2022 YE Expenses		Pro-Forma Expenses		Pro-Forma Expenses	
(6) TOTAL BUILDING MAINTENANCE	4,288	238	11,700	650	11,700	650
Turnover Cleaning	(14)	(1)	(14)	(1)	(14)	(1)
Turnover Painting	462	26	462	26	462	26
Turnover Plumbing	241	13	241	13	241	13
Turnover Electrical	159	9	159	9	159	9
Turnover Flooring	881	49	881	49	881	49
Turnover Other/Misc.	722	40	722	40	722	40
Turnover Supplies	1,169	65	1,169	65	1,169	65
Turnover Window Coverings	18	1	18	1	18	1
TOTAL TURNOVER	3,636	202	3,636	202	3,636	202
(7) Landscape - Labor	2,340	130	2,280	127	2,280	127
TOTAL LANDSCAPE	2,340	130	2,280	127	2,280	127
(8) Electricity - Common Area	4,154	231	4,154	231	4,154	231
Gas	2,178	121	2,178	121	2,178	121
Water & Sewer	14,632	813	14,632	813	14,632	813
Pest Control - Labor	708	39	708	39	708	39
(9) Trash - Labor	6,642	369	6,859	381	6,859	381
TOTAL UTILITIES & SERVICES	28,315	1,573	28,532	1,585	28,532	1,585
(10) REPLACEMENT RESERVES	-	-	3,600	200	3,600	200
TOTAL EXPENSE	89,075	4,949	152,704	8,484	153,587	8,533
Expenses as % of AGI			30.6%		29.5%	
Net Operating Income			\$ 346,378	19,243	\$ 367,555	20,420

Notes:

- (1) Parking rent based on current rent roll & two tenants currently renting parking spaces for \$50/mo. each.
- (2) Pet fee based on current rent roll. Current pet fees are \$55/mo/pet.
- (3) Per Costar, the published vacancy rate in Fallbrook is: 1.8% (lowest in all of San Diego County). A 3% vacancy was applied in this pro-forma.
- (4) Manager's concession based on a monthly rent credit of \$573.33 annualized.
- (5) On-site manager salary estimated at \$3,000/year.
- (6) Total Building Maintenance estimated at \$650/unit/year.
- (7) Landscape based on \$190/mo.
- (8) Public records indicate 18 units at the property. Unit #5 is on the house electric meter. Owner converted the studio Unit #5 to a 1BR/1BA during the renovation process. Buyer to verify.
- (9) Trash expense based on \$571.60/mo. current contract.
- (10) Replacement Reserves estimated at \$200/unit/year.



SUBJECT

Property Image	Project Name / Address	Age	Units	Type (BR/BA)	SF	Current Rent	Market Rent	Rent / SF
	The Kentucky 1133 Old Stage Road Fallbrook, CA 92028	1987 / 2019-2020	18	6 - 1BR/1BA 12 - 2BR/1BA	600 800	\$1,895-2,195 \$1,950-2,495	\$2,195 \$2,495	\$3.66 \$2.94
NOTES: Fully renovated units with in-unit washer/dryers. Gated property.								
	Avocado Place 303 W Clemmens Lane Fallbrook, CA 92028	1988	22	2BR/1BA	824	\$2,450		\$2.97
NOTES: Nicely renovated units with in-unit washer/dryers. Non-gated property.								
	Westfall Village 302-338 E Fallbrook Street Fallbrook, CA 92028	1972	29	1BR/1BA 2BR/2BA	455 976	\$2,095 \$2,445		\$4.71 \$2.51
NOTES: Nicely renovated units with in-unit washer/dryers. Non-gated property.								
	1053 Old Stage Road Fallbrook, CA 92028	1951	3	2BR/1BA	N/A	\$2,595		N/A
NOTES: Nicely renovated units with in-unit washer/dryers. Non-gated property.								
	1727 S Hill Avenue Fallbrook, CA 92028	N/A	2	2BR/2BA	600	\$2,625		\$4.38
NOTES: Smaller detached mobile home. Includes in-unit washer/dryer. Recent interior renovations.								
	625 Elbrook Drive Fallbrook, CA 92028	1960	4	1BR/1BA	600	\$2,200		\$3.67
NOTES: Duplex unit. Marginal interior renovations. White appliances. Includes in-unit washer/dryer.								

RENT COMPARABLES



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KENTUCKY
FALLBROOK



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OFFERING MEMORANDUM