

Multi-Family > San Diego Investment Opportunity

8 Units \$1,450,000

- **Extensive Renovations**
- 88% 2 BR Units
- Granite Countertops/New Appliances
- New Windows/Tile Flooring/Cabinets
- Strong La Mesa Rental Market
- Pitched Roofs

SCHOOLRIDGE APARTMENTS

4290-94 Schoolridge Lane, La Mesa, CA 91941





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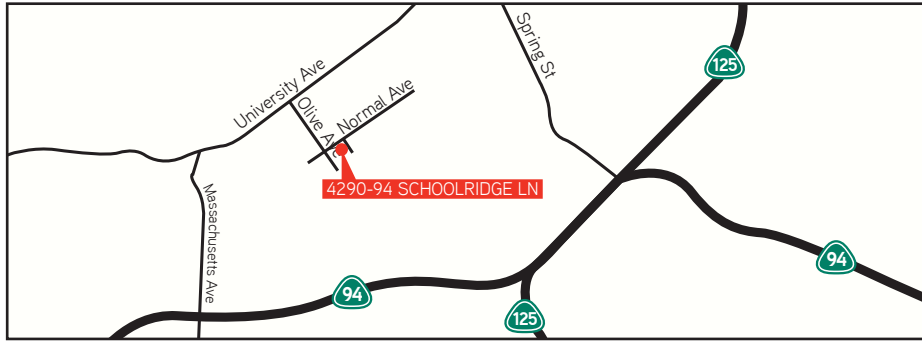
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Property Aerial



The Opportunity

Schoolridge Apartments is comprised of 1 – two story building with 8 total units, 7 of which are 2BR/1BA and 1 – 1BR/1BA. **The apartment community has just undergone an extensive interior and exterior renovation and is a perfect opportunity for a buyer looking for a stable long term apartment investment in a strong location.** 7 of the units have gone through extensive renovations, including new flooring (tile in kitchens, living room, bath & hallways), new baseboard, new closet doors, new high quality kitchen cabinetry, granite counters (6), tile counters (1), new bathroom cabinetry, new lighting fixtures, new electrical – including fixtures, new electrical outlets (GFI's in bathrooms & kitchens), bathroom exhaust fans, electrical sub-panel, ceiling fans, new hardwired smoke detectors/carbon monoxide detectors, new window treatments and new appliances, in select units. In addition, the owner has installed new wrought iron fencing, replaced windows with double-pane Milgard windows, painted the exterior of the building, upgraded balcony & stair railing, did a parking lot slurry coat and upgraded landscaping.

The property is well located near schools and bus lines with access to major employment centers throughout East and Central San Diego County. The immediate area includes a mix of residential multi-family and single-family homes, commercial properties and schools.

Based on the September 2014 MarketPointe apartment report, the vacancy rate in the city of La Mesa was approx. 4.08%. The average rental rate in La Mesa is approx. \$1,352/mo. (\$1.59/SF), up from \$1,319/mo. (\$1.54/SF) 6 months prior. Rental rates in East San Diego County on average are approx. \$1,238/mo. (\$1.47/SF), which is up from \$1,196/mo. (\$1.42/SF) in the prior 6 month period.

Location Summary

La Mesa

The city of La Mesa is centrally located in the rolling hills of San Diego County and is known as the 'Jewel of the Hills'. With a close to perfect climate, La Mesa is geographically the gateway to East County with access to all areas of San Diego through three major freeways, two trolley lines, and five trolley stations. La Mesa is also just minutes to San Diego State University (SDSU) one of the state's largest institutions of higher learning and ranked among the nation's best universities, according to US News & World Reports: America's Best Colleges 2012 Guide. With a multitude of tree-lined streets, walkable neighborhoods, easy access to retail & commercial areas, and a quaint downtown village, La Mesa is a highly desirable community in which to live and work. Other nearby attractions include Mt. Helix State Park and Amphitheater, Lake Murray Recreation Area and Mission Trails Park. Downtown San Diego is also within a 15 minute drive.

San Diego County Apartment Market

San Diego County has continued to outpace the broader market for multi-family investments nationally. With perpetual tenant demand, due to its close proximity to the Pacific Ocean, its temperate year round weather patterns and overall quality of life, occupancy and tenant demand has remained extremely high. The limited new apartment development opportunities in San Diego County help to keep supply low and rents increasing. According to Multi-Housing News, the city of San Diego is the #5 apartment market in the USA.

San Diego County Vacancy & Rents

Based on the September 2014 MarketPointe apartment report, vacancy rates county-wide are approximately 3.59%, compared to the March 2014 report of 4.74% vacancy. Rents for San Diego County apartments for September 2014 average \$1,515/mo. (\$1.73/SF), up from \$1,445/mo. (\$1.65/SF) from the March 2014 report.



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Recent Property Renovations

Interior Improvements

INTERIOR UNIT IMPROVEMENTS

- Installed new tile flooring in kitchens, living rooms, bath & hallways
- New baseboard
- New closet doors
- New high quality kitchen cabinetry
- Granite counters (6) & tile counters (1)
- New bathroom cabinetry
- New lighting fixtures
- New electrical in units, including fixtures
- Replaced electrical outlets (GFI's in bathrooms/kitchens)
- New bathroom exhaust fans
- New electrical sub-panel
- New ceiling fans
- Installed new hardwired smoke-detectors/carbon monoxide detectors
- New window treatments
- New appliances

Exterior Improvements

EXTERIOR IMPROVEMENTS

- New wrought iron fencing
- Replaced windows with new double-pane Milgard windows
- Painted exterior of building
- Upgraded balcony & stair railing
- Parking lot slurry coat
- Upgraded landscaping



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Investment Summary

Price:	\$1,450,000
Units:	8
Price/Unit:	\$181,250
Unit Mix:	1 - 1BR/1BA 7 - 2BR/1BA
Price/SF:	\$229
Capitalization Rate (Current):	4.71%
Capitalization Rate (Market):	5.35%
GIM (Current):	12.67
GIM (Market):	11.64
Year Built:	1958
Type of Buildings:	One 2-Story building with pitched roofs
APN:	475-100-13-00
Gross Building SF:	6,324
Land Area SF:	7,828



Pro-Forma NOI Analysis

	Current Proforma		Market Proforma	
	Per Unit / %		Per Unit / %	
TOTAL RENTS	\$ 113,580	14,198	\$ 121,920	15,240
* RUBS Income	-	-	770	96
** Laundry Income	823	103	1,920	240
GROSS SCHEDULED INCOME	114,403	14,300	124,610	15,240
- Vacancy (4%)	(4,576)	(572)	(4,954)	(619)
GROSS OPERATING INCOME	109,827	13,728	119,656	14,957
Operating Expenses ****	Proforma Expenses		Proforma Expenses	
General & Administration	156	20	156	20
Maintenance	5,541	693	5,541	693
Utilities & Services	6,409	801	6,409	801
Misc./Legal	1,200	150	1,200	
Property Taxes	17,091	2,136	17,091	2,136
***Fixed Property Taxes	2,907	363	2,907	363
Insurance	1,607	201	1,607	201
Off-Site Management	6,590	6.0%	7,179	6.0%
Total Expenses	41,500	5,188	42,090	5,261
Expenses as % of GOI	38%		35%	
Net Operating Income	\$ 68,327	8,541	\$ 77,566	9,696

Notes:

* Projected RUBS income estimated at \$50/mo. for 2BR & \$35 for 1BR.

** New Washer/Dryers were installed approx. March 2015. They are owned.

*** Fixed Property Taxes includes sewer service fee of: \$2,864/yr.

****Projected Expenses are based on adjusted actual expenses for the 12 month period ending February 2015. Legal costs and non-recurring expenses were removed and estimated Misc./Legal was added at an estimated \$1,200/year.









Pro-Forma Rent Roll

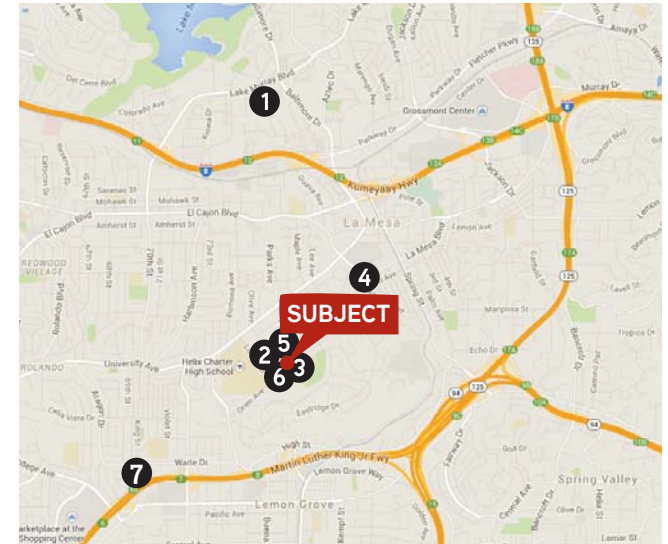
RENTAL INCOME UNIT MIX AND RENTS

Unit Type	# of Units	Gross Sq. Ft.	% of Units	Current Rent			Market Rent		
				Rent	Monthly Inc	\$/SF	Rent	Monthly Inc	\$/SF
1BR/1BA	1	N/A	13%	\$ 1,095		N/A	\$ 1,095	\$ 1,095	N/A
2BR/1BA	7	N/A	88%	\$925 - \$1,295		N/A	\$ 1,295	\$ 9,065	N/A
Totals	8		100%		\$ 9,465			\$ 10,160	
Average				\$ 1,183		N/A	\$ 1,270		N/A
Yearly Total (GSI):					\$ 113,580			\$ 121,920	

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Sale Comparables

	Property Image	Project Name / Address	Age	Units	Sale Price	Price/Unit	Price/SF	GIM	CAP Rate	Sale Date
Subject		Schoolridge Apartments 4290-94 Schoolridge Lane La Mesa, CA 91941	1958	8	\$1,450,000	\$181,250	\$229	12.67 (Cur) 11.64 (Mkt)	4.71% (Cur) 5.35% (Mkt)	N/A
	NOTES: Unit Mix: 7 - 2BR/1BA 1 - 1BR/1BA. Property extensively renovated.									
1		Chateau Shasta 5541-43 Shasta Lane La Mesa, CA 91942	1979	14	\$2,850,000	\$203,571.43	\$218	13.57 (Cur) 12.34 (Mkt)	4.78% (Cur) 5.49% (Mkt)	3/25/2015
	NOTES: Unit Mix: 14 - 2BR/2BA.									
2		Helix Manor Townhomes 4261 Lowell Street La Mesa, CA 91941	1972	16	\$2,885,000	\$180,313	\$183	11.63 (Cur) 10.88 (Mkt)	5.02% (Cur) 5.57% (Mkt)	3/17/2015
	NOTES: Unit Mix: 16 - 2BR/1.5BA Townhomes. Value-add opportunity. All original interiors.									
3		4280-84 Schoolridge Lane La Mesa, CA 91941	1958	8	\$1,200,000	\$150,000	\$185	10.7 (Cur)	5.8% (Cur)	1/8/2015
	NOTES: Unit Mix: 7 - 2BR/1BA 1 - 1BR/1BA.									
4		8057-59 Lemon Avenue La Mesa, CA 91941	1960	5	\$895,000	\$179,000	\$238	N/A	N/A	11/5/2014
	NOTES: Unit Mix: 1 - Studio 4 - 2BR/1BA.									
5		7656 Normal Avenue La Mesa, CA 91941 (IN ESCROW)	1970	5	\$995,000 (ASKING)	\$199,000	\$189	11.82 (Cur)	4.94% (Cur)	IN ESCROW
	NOTES: Unit Mix: 1 - 4BR/2BA house 2 - 3BR/1.5 BA 2 - 2BR/1.5BA. Cap Rate & GIM figures based on asking price.									
6		Casa Verde Apartments 7629-33 Normal Avenue La Mesa, CA 91941 (IN ESCROW)	1958	21	\$3,780,000 (ASKING)	\$180,000	\$221	12 (Cur) 11.15 (Mkt)	5.0% (Cur) 5.58% (Mkt)	IN ESCROW
	NOTES: Unit Mix: 20 - 2BR/1BA 1 - 1BR/1BA.									
7		3706 King Street La Mesa, CA 91941	1964	10	\$1,599,000 (ASKING)	\$159,900	\$191	12.54 (Cur) 11.79 (Mkt)	4.46% (Cur) 4.95% (Cur)	IN ESCROW
	NOTES: Unit Mix: 1 - 3BR/2.5BA 1 - 1BR/1BA 8 - 1BR/1BA. 9 legal units and 1 non-conforming "bootleg" unit.									



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