

*Property Address:  
1642 S. Central Ave.  
Glendale, CA 91204*



*We are pleased to exclusively present a premiere development opportunity in the City of Glendale. This is the mixed-use 31 units apartment complex project. There is a fantastic opportunity for an investor/developer to acquire and build dream contemporary income property and take advantage of strong rent growth and positive market momentum in a dynamic Glendale City. Total square footage of building: 40,240 s.f.*

**Property Address:**  
 1642 S. Central Ave.  
 Glendale, CA 91204

**Estimated Price /Cost**

**\$24,768,539**

**Annual Cash Flow Analysis**

<b>1</b>	<b>Gross Scheduled Income</b>	<b>\$1,520,025</b>	<b>Price</b>	<b>\$24,768,539</b>
<b>2</b>	<b>Plus: Other Income</b>	<b>\$0</b>	<b>Loan (70%)</b>	<b>\$7,700,000</b>
<b>3</b>	<b>Equals: Total Gross income</b>	<b>\$1,520,025</b>	<b>Down Payment</b>	<b>\$9,907,416</b>
<b>4</b>	<b>Less: Vacancy/Credit Loss (3%)</b>	<b>\$45,601</b>	<b>Annual Debt payment</b>	<b>\$760,152</b>
<b>5</b>	<b>Equals: Gross Operating Income</b>	<b>\$1,474,424</b>	<b>Interest Rate</b>	<b>9.75%</b>
<b>6</b>	<b>Less: Annual Operating Expenses</b>	<b>\$421,761</b>	<b>Depreciation ( 27 1/2 years)</b>	<b>\$900,674</b>
<b>7</b>	<b>Equals: Net Operating Income</b>	<b>\$1,052,663</b>	<b>Tax Bracket</b>	<b>0.28</b>
<b>8</b>	<b>Less: Annual Debt Service</b>	<b>\$712,250</b>	<b>Principal &amp; Interest Payment</b>	<b>\$63,346</b>
<b>9</b>	<b>Equals: Before-Tax Cash Flow</b>	<b>\$340,413</b>	<b>Interest</b>	<b>\$59,354</b>

**Tax Benefit Analysis**

<b>10</b>	<b>Net Operating Income</b>	<b>\$1,052,663</b>	<b>Capitalization Rate ® =</b>	<b>Net operating Income (I) /</b>
<b>11</b>	<b>Less: (Interest Loan1)</b>	<b>\$712,250</b>		<b>Value of the Property (V)</b>
<b>12</b>	<b>Less: (Interest Loan2)</b>	<b>\$0</b>		
<b>13</b>	<b>Less: Cost Recovery ( Depreciation)</b>	<b>\$900,674</b>	<b>Capitalization Rate ( R) =</b>	<b>4.25%</b>
<b>14</b>	<b>Equals: Real Estate Taxable Income</b>	<b>\$0</b>	<b>Estimated Value of the</b>	
<b>15</b>	<b>Equals: Estimated Allowable Loss</b>	<b>(\$560,261)</b>	<b>property based on Cap Rate</b>	<b>\$24,768,539</b>
<b>16</b>	<b>Times: Tax Bracket</b>	<b>0.28</b>		
<b>17</b>	<b>Equals: Taxes Saved or Paid</b>	<b>\$156,873</b>		

**Net Spendable Income**

<b>18</b>	<b>Before-Tax Cash Flow</b>	<b>\$340,413</b>	<b>Gross Income (I) /</b>	
<b>19</b>	<b>Plus/Less Taxes Saved or Paid</b>	<b>\$156,873</b>	<b>GRM - Gross Rent Multiplier =</b>	<b>16.29</b>
<b>20</b>	<b>Equals: Net Spendable Income</b>	<b>\$497,286</b>	<b>Estimated Value of the</b>	
			<b>property based on GRM</b>	<b>\$24,768,539</b>

**Rates of Return**

<b>Before-Tax Cash on Cash Rate</b>	<b>3.44%</b>	<b>Cash Flow/ Cash Invested</b>
<b>After-Tax Cash on Cash Rate</b>	<b>5.02%</b>	<b>Net Spendable Income /</b>
		<b>Cash Invested</b>

\* Estimate Only

It is compiled from data ,which we believe to be correct,  
 but not guaranteed.

		Property Address: 1642 S. Central Ave. Glendale, CA 91204				Actual Rent Roll	Sheduled Rent Roll	Comments
		Total			Rent/Sq. Ft.			
		One Bedroom	Two Bedroom	Sq.Ft.	Rent/Sq. Ft.			
<b>Ground Floor</b>	<b>Sq. Ft</b>	<b>3</b>	<b>0</b>	<b>6655</b>			<b>\$23,086.25</b>	
<b>Office / Retail Space</b>				<b>3685</b>	<b>4.25</b>		<b>\$15,661</b>	
<b>1 Bedroom units</b>	<b>990</b>	<b>1</b>		<b>990</b>	<b>1.00</b>		<b>\$990</b>	<b>Low Income</b>
<b>1 Bedroom units</b>	<b>990</b>	<b>2</b>		<b>1980</b>	<b>3.25</b>		<b>\$6,435</b>	
<b>Second Floor</b>		<b>6</b>	<b>1</b>	<b>8760</b>			<b>\$25,725.00</b>	
<b>1 Bedroom Units</b>	<b>1220</b>	<b>5</b>		<b>6100</b>	<b>3.25</b>		<b>\$19,825</b>	
<b>1 Bedroom Units</b>	<b>1229</b>	<b>1</b>		<b>1220</b>	<b>1.00</b>		<b>\$1,220</b>	<b>Low Income</b>
<b>2 Bedroom units</b>	<b>1440</b>		<b>1</b>	<b>1440</b>	<b>3.25</b>		<b>\$4,680</b>	
<b>Third Floor</b>		<b>6</b>	<b>1</b>	<b>8275</b>			<b>\$24,070.00</b>	
<b>1 Bedroom Units</b>	<b>1170</b>	<b>5</b>		<b>5850</b>	<b>3.25</b>		<b>\$19,013</b>	
<b>1 Bedroom Units</b>	<b>1170</b>	<b>1</b>		<b>1170</b>	<b>3.25</b>		<b>\$3,803</b>	
<b>2 Bedroom units</b>	<b>1255</b>		<b>1</b>	<b>1255</b>	<b>1.00</b>		<b>\$1,255</b>	<b>Low Income</b>
<b>Fourth Floor</b>		<b>6</b>	<b>1</b>	<b>8275</b>			<b>\$26,893.75</b>	
<b>1 Bedroom Units</b>	<b>1170</b>	<b>5</b>		<b>5850</b>	<b>3.25</b>		<b>\$19,013</b>	
<b>1 Bedroom units</b>	<b>1170</b>	<b>1</b>		<b>1170</b>	<b>3.25</b>		<b>\$3,803</b>	
<b>2 Bedroom Units</b>	<b>1255</b>		<b>1</b>	<b>1255</b>	<b>3.25</b>		<b>\$4,079</b>	
<b>Fifth Floor</b>		<b>6</b>	<b>1</b>	<b>8275</b>			<b>\$26,893.75</b>	
<b>1 Bedroom Units</b>	<b>1170</b>	<b>6</b>		<b>7020</b>	<b>3.25</b>		<b>\$22,815</b>	
<b>2 Bedroom Units</b>	<b>1255</b>		<b>1</b>	<b>1255</b>	<b>3.25</b>		<b>\$4,079</b>	
<b>Total Units: 31</b>		<b>27</b>	<b>4</b>	<b>40240</b>				
<b>One bedroom sq. ft.</b>	<b>990</b>	<b>3</b>						
	<b>1170</b>	<b>18</b>						
	<b>1220</b>	<b>6</b>						
<b>2 bedroom sq. ft.</b>	<b>1255</b>		<b>3</b>					
	<b>1440</b>		<b>1</b>					
<b>Total Monthly Income</b>							<b>\$126,669</b>	
<b>Projected Annual Income</b>							<b>\$1,520,025</b>	

## Operating Income Statement

	Paid By Owner	Paid By Tenant	Adjustments	Comments
<b>Utility Expense</b>				
Electricity		X		
Gas		X		
Water / Sewer	X			
Trash Removal	X			
HOA	N/A	N/A		

## Annual Income and Expense Projection

<b>Income</b>				
Gross Annual Rental (from the units to be rented)	\$1,520,025			
Other Income (include source)	\$0			
Total	\$1,520,025			
Less Vacancy / Rent Loss	\$45,601	3%		
Effective Gross Income	\$1,474,424			

<b>Expenses</b>		<b>Monthly</b>	
Electricity	\$14,400	\$1,200	
Gas	\$0	\$0	
Water / Sewer	\$8,400	\$700	
Trash Removal	\$3,960	\$330	
Pest Control	\$1,200	\$100	
Property Taxes	\$325,000	\$27,083	Estimate Value
License Fees	\$0		\$26,000,000
Casual Labor (public area cleaning, etc)	\$1,200	\$100	
Interior Paint / Decorating (cost of contract labor and materials to maintain the interiors of the living units).	\$9,600	\$800	
General Repairs / Maintenance (cost of contract labor and materials to maintain public corridors, stairways, mechanical systems roofs, grounds, etc).	\$10,800	\$900	
Management Expenses	\$5,400	\$450	
Supplies (cost of items like bulbs, janitorial supplies, ets).	\$600	\$50	
Total Replacement Reserves (see schedule)	\$40,961		
Miscellaneous	\$240	\$20	

**Total Operating Expenses: \$421,761**

## **Replacement Reserve Schedule**

Adequate replacement reserve must be calculated. This represents the total average yearly reserves. All equipments and components that have a remaining life of more than one year: refrigerators, stoves, washer / dryers, trash compactors, furnaces, roofs, carpeting, etc: should be expensed on a replacement cost basis.

<b>Equipment</b>	<b>Replacement Cost</b>	<b>Remaining Life</b>	<b>Estimate per year</b>	<b>Comments</b>
Stoves / Ranges	\$1,200	25	\$48	
Refrigerators	\$1,800	20	\$90	
Dishwashers	\$900	15	\$60	
A/C Units	\$6,000	20	\$300	
Flooring	\$4,500	10	\$450	
Roof	\$11,200	30	\$373	
<b>Unit Replecamnt Reserves</b>			<b>\$1,321</b>	
<b>Total</b>			<b>\$40,961</b>	

	<i>Property address</i>	<i>Total Sq.ft.</i>	<i>Total Gross Annual Income</i>	<i>Net Annual Income</i>	<i>Cap Rate I/V</i>	<i>GRM - Gross Rent Multiplier. V/GI</i>	<i>Estimated Future Value based on Cap Rate</i>	<i>Estimated Value based on GRM</i>
<i>Subject</i>	<i>1642 S. Central Ave. Glendale, CA 91204</i>	<i>40240</i>	<i>\$1,520,025</i>	<i>\$1,052,663</i>	<i>4.25%</i>	<i>17.25</i>	<i>\$24,768,539</i>	<i>\$26,220,431</i>
<i>1</i>	<i>120 W Windsor Rd. Glendale 91204</i>	<i>19697</i>	<i>\$741,276</i>	<i>\$559,550</i>	<i>4.14%</i>	<i>18.21</i>		
<i>2</i>	<i>1160 Elm Ave, Glendale 91201</i>	<i>27165</i>	<i>\$921,060</i>	<i>\$650,767</i>	<i>5.04%</i>	<i>14.01</i>		
<i>3</i>	<i>151 Hawthorne St, Glendale 91204</i>	<i>23673</i>	<i>\$663,750</i>	<i>\$432,313</i>	<i>3.74%</i>	<i>17.40</i>		
<i>4</i>	<i>156 Myrtle St, Glendale 91203</i>	<i>20392</i>	<i>\$554,112</i>	<i>\$366,052</i>	<i>4.32%</i>	<i>15.30</i>		
<i>5</i>	<i>416 Pioneer Dr, Glendale 91203</i>	<i>19660</i>	<i>\$580,428</i>	<i>\$360,411</i>	<i>4.67%</i>	<i>13.28</i>		
<i>6</i>	<i>2434 Foothill Blvd. La Crescenta</i>							
<i>7</i>	<i>2829 Waverly Dr. Silver Lake</i>							
<i>8</i>	<i>11043-11103 Hartsook St. North Hollywood</i>							
<i>9</i>	<i>1534 E Broadway Glendale, CA 91205</i>							
<i>10</i>	<i>13853-13854 Victory Blvd. North Hollywood</i>	<i>31750</i>	<i>\$775,445</i>	<i>\$594,341</i>	<i>5.40%</i>	<i>14.19</i>		

*Estimated Future Value Cap Rate*

*Due to New construction future Value with Inflation Rate = 1.18*

*Estimated Value based on GRM*

*Due to New construction future Value with Inflation Rate = 1.18*

*The information contained herein has been provided by sources deemed reliable but no representation or warranty is made as to its accuracy. Any projections are an estimate based on assumptions of future income and expenses and no assurance can be given to the probability that the projections will be achieved. All information is subject to errors, omissions, changes, and can be withdrawn without notice.*

## **Loan Payments Options**

<b>Estimated Construction Loan</b>	<b>\$11,000,000</b>	<b>\$11,000,000</b>
<b>Down Payments</b>		<b>\$3,300,000</b>
<b>Mortgage (70%)</b>		<b>\$7,700,000</b>
<b>Interest rate of 1st. Mortgage</b>	<b>9.250%</b>	<b>9.250%</b>
<b>Points on 1 st. mortgage</b>	<b>1</b>	

### **Breakdown of monthly payments:**

<b>Interest</b>	<b>\$59,354</b>
<b>Principle+Interest</b>	<b>\$63,346</b>

<b>TOTAL Monthly Payments ( P+I)</b>	<b>\$63,346</b>
<b>Estimated Tax Savings (28%)*</b>	<b>\$16,619</b>

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