

Marcus & Millichap

OFFERING MEMORANDUM

# TAHOE PINES

3431 SPRUCE AVENUE | SOUTH LAKE TAHOE, CA 96150 | 28 UNITS



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Timber Cove Marina

Downtown / Casinos

Bijou Elementary





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# *PROPERTY OVERVIEW*





TAHOE PINES

Marcus & Millichap



# PROPERTY OVERVIEW

The Heitzeberg Group of Marcus and Millichap is pleased to present the Tahoe Pines Apartments, a charming community nestled in the heart of South Lake Tahoe, boasting 28 units of cozy mountain living.

Tahoe Pines Apartments is a 28-unit LIHTC property located in the heart of South Lake Tahoe, offering residents the rare combination of affordable housing and mountain-town lifestyle. Built in 1994, the community features a desirable unit mix of 12 two-bedroom and 16 three-bedroom units, all thoughtfully designed for families and workforce households.

The property is situated on a 2.87-acre parcel, with a total of 25,840 rentable square feet. Units feature functional layouts with large windows, ample natural light, and modern amenities such as central heating and air conditioning.

At a listing price of \$2,750,000 (\$98,214 per unit), Tahoe Pines represents a compelling opportunity to acquire a stable LIHTC asset in a supply-constrained resort market, with both in-place cash flow and meaningful upside as rents move toward TCAC maximums.







LAKE TAHOE

# TAHOE PINES

South Lake  
Tahoe

Al Tahoe Blvd

Al Tahoe Blvd

Al Tahoe Blvd

Pioneer Trail

Pioneer Trail

Pioneer Trail

Pioneer Trail

Lake Tahoe Blvd

NEVADA  
CALIFORNIA

LAKE VALLEY

LAKE VALLEY



# INVESTMENT HIGHLIGHTS

Attractive Pricing: Offered at \$2,750,000, equating to \$98,214 per unit and \$106/SF — below replacement cost and competitive with recent regional sales.

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Tangible Rent Upside: Current rents remain well below TCAC allowable maximums, offering organic revenue growth without major capital improvements.

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Desirable Unit Mix: 100% large family units (2BR & 3BR) — a rare commodity in the South Lake Tahoe market where family housing options are extremely limited.

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Mission-Critical Housing: Affordable housing is in extremely limited supply in South Lake Tahoe. Tahoe Pines fulfills a critical need, ensuring long-term tenant demand.

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Well-Located Asset: Conveniently positioned near South Lake Tahoe employers, schools, and retail, while offering residents a serene, community-oriented setting.





















# OFFERING SUMMARY

PRICE	\$2,750,000
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NUMBER OF UNITS	28
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RENTABLE SQUARE FEET	27,200 SF
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LOT SIZE (ACRES)	2.87 ACRES
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YEAR BUILT	1994
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CAP RATE	6.12%
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## *UNIT AMENITIES*

LARGE WINDOWS

AMPLE NATURAL LIGHT

MODERN AMENITIES

CENTRAL HEATING & A/C





BEACH RETREAT LODGE



SOUTH TAHOE MIDDLE SCHOOL

JOHNSON BOULEVARD





# TAHOE PINES



Timber Cove Marina

Downtown / Casinos

Bijou Elementary





Desolation Wilderness

Timber Cove Marina

Bijou Golf Course



TAHOE PINES





# *FINANCIAL ANALYSIS*





# THE TROPICANA

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# RENT ROLL

UNIT TYPE	# OF UNITS	AVG SQ FEET	RENTAL RANGE	SCHEDULED			POTENTIAL		
				AVERAGE RENT	AVERAGE RENT / SF	MONTHLY INCOME	AVERAGE RENT	AVERAGE RENT / SF	MONTHLY INCOME
2BD50%	6	820	\$1,015 - \$1,462	\$1,171	\$1.43	\$7,024	\$1,264	\$1.54	\$7,586
2BD60%	6	820	\$1,298 - \$1,592	\$1,421	\$1.73	\$8,525	\$1,535	\$1.87	\$9,207
3BD50%	5	1,000	\$1,226 - \$1,619	\$1,305	\$1.30	\$6,523	\$1,409	\$1.41	\$7,045
3BD560%	10	1,000	\$1,304 - \$1,837	\$1,510	\$1.51	\$15,102	\$1,631	\$1.63	\$16,310
MANAGERS UNIT	1	820	\$1,393 - \$1,393	\$1,393	\$1.70	\$1,393	\$1,504	\$1.83	\$1,504
TOTALS/ WEIGHTED AVERAGES	28	913		\$1,378	\$1.51	\$39,960	\$1,488	\$1.63	\$43,157
GROSS ANNUALIZED RENTS				\$479,520			\$517,882		



# RENT ROLL DETAILS

UNIT	UNIT TYPE	SQUARE FEET	SCHEDULED		POTENTIAL	
			RENT / MONTH	RENT / SF / MONTH	RENT / MONTH	RENT / SF / MONTH
1-101	3BD560%	1,000	\$1,507	\$1.51	\$1,628	\$1.63
1-102	MANAGERS UNIT	820	\$1,393	\$1.70	\$1,504	\$1.83
1-103	3BD560%	1,000	\$1,304	\$1.30	\$1,408	\$1.41
1-104	2BD50%	1,000	\$1,507	\$1.51	\$1,628	\$1.63
2-201	2BD50%	1,000	\$1,507	\$1.51	\$1,628	\$1.63
2-202	2BD50%	1,000	\$1,350	\$1.35	\$1,458	\$1.46
2-203	2BD60%	1,000	\$1,226	\$1.23	\$1,324	\$1.32
2-204	2BD60%	1,000	\$1,226	\$1.23	\$1,324	\$1.32
3-301	2BD60%	820	\$1,298	\$1.58	\$1,402	\$1.71
3-302	2BD60%	820	\$1,302	\$1.59	\$1,406	\$1.71
3-303	2BD60%	820	\$1,199	\$1.46	\$1,295	\$1.58
3-304	2BD60%	820	\$1,054	\$1.29	\$1,138	\$1.39
4-401	3BD50%	820	\$1,240	\$1.51	\$1,339	\$1.63
4-402	3BD50%	820	\$1,298	\$1.58	\$1,402	\$1.71
4-403	3BD50%	820	\$1,443	\$1.76	\$1,558	\$1.90
4-404	3BD50%	820	\$1,592	\$1.94	\$1,719	\$2.10
5-501	3BD50%	1,000	\$1,619	\$1.62	\$1,749	\$1.75
5-502	3BD560%	1,000	\$1,226	\$1.23	\$1,324	\$1.32
5-503	3BD560%	1,000	\$1,507	\$1.51	\$1,628	\$1.63
5-504	3BD560%	1,000	\$1,396	\$1.40	\$1,508	\$1.51
6-601	3BD560%	1,000	\$1,350	\$1.35	\$1,458	\$1.46
6-602	3BD560%	1,000	\$1,226	\$1.23	\$1,324	\$1.32
6-603	3BD560%	1,000	\$1,837	\$1.84	\$1,984	\$1.98
6-604	3BD560%	1,000	\$1,837	\$1.84	\$1,984	\$1.98
7-701	3BD560%	820	\$1,054	\$1.29	\$1,138	\$1.39
7-702	3BD560%	820	\$1,015	\$1.24	\$1,096	\$1.34
7-703	3BD560%	820	\$1,592	\$1.94	\$1,719	\$2.10
7-704	3BD560%	820	\$1,462	\$1.78	\$1,579	\$1.93
TOTAL		25,660	\$38,567	\$1.50	\$41,652	\$1.62



# OPERATING STATEMENT

INCOME	CURRENT		YEAR 1		PER UNIT	PER SF
RENTAL INCOME						
GROSS POTENTIAL RENT	517,882		517,882		17,858	19.56
LOSS / GAIN TO LEASE	(38,362)	7.4%	0		0	0.00
GROSS SCHEDULED RENT	479,520		517,882		17,858	19.56
PHYSICAL VACANCY	(47,952)	10.0%	(25,894)	5.0%	(893)	(0.98)
TOTAL VACANCY	(\$47,952)	0.0%	(\$25,894)	0.0%	(\$893)	(\$1)
EFFECTIVE RENTAL INCOME	431,568		491,988		16,965	18.58
OTHER INCOME						
LAUNDRY	5,324		5,325		184	0.20
TOTAL OTHER INCOME	\$5,324		\$5,325		\$184	\$0.20
EFFECTIVE GROSS INCOME	\$436,892		\$497,313		\$17,149	\$18.78
EXPENSES	CURRENT		YEAR 1		PER UNIT	PER SF
REAL ESTATE TAXES	6,595		6,595		227	0.25
INSURANCE	45,300		45,300		1,562	1.71
UTILITIES - ELECTRIC	11,000		11,000		379	0.42
UTILITIES - WATER & SEWER	31,239		31,239		1,077	1.18
UTILITIES - GAS	4,241		4,241		146	0.16
TRASH REMOVAL	27,695		27,695		955	1.05
REPAIRS & MAINTENANCE	30,000		30,000		1,034	1.13
LANDSCAPING & CLEANING	13,000		13,000		448	0.49
PAYROLL	65,000		65,000		2,241	2.45
OPERATING RESERVES	8,400		8,400		290	0.32
MANAGEMENT FEE	26,214	6.0%	29,839	6.0%	1,029	1.13
TOTAL EXPENSES	\$268,684		\$272,309		\$9,390	\$10.28
EXPENSES AS % OF EGI	61.5%		54.8%			
NET OPERATING INCOME	\$168,208		\$225,004		\$7,759	\$8.50

\* Based on Estimate for Age, Size & Location of asset



# PRICING DETAIL

SUMMARY	
PRICE	\$2,750,000
DOWN PAYMENT	\$1,100,000
NUMBER OF UNITS	28
PRICE PER UNIT	\$94,828
PRICE PER SQFT	\$103.85
RENTABLE SQFT	26,480
LOT SIZE	2.87 ACRES
APPROX. YEAR BUILT	1994

# OF UNITS	UNIT TYPE	SQFT	SCHEDULED RENT	MARKET RENT
12	2BD	820	\$1,303	\$1,407
16	3BD	1,000	\$1,442	\$1,557

RETURNS	CURRENT	YEAR 1
CAP RATE	6.12%	8.18%
GRM	5.73	5.31
CASH-ON-CASH	4.50%	9.66%
DEBT COVERAGE RATIO	1.42	1.90

FINANCING	1ST LOAN
LOAN AMOUNT	\$1,650,000
LOAN TYPE	New
INTEREST RATE	6.00%
AMORTIZATION	30 Years
YEAR DUE	2030

\* Loan information is subject to change.  
Contact your Marcus & Millichap Capital Corporation representative.

INCOME		CURRENT	PRO FORMA
GROSS SCHEDULED RENT		\$479,520	\$517,882
LESS: VACANCY/DEDUCTIONS	10.0%	\$47,952	\$25,894
TOTAL EFFECTIVE RENTAL INCOME		\$431,568	\$491,988
OTHER INCOME		\$5,324	\$5,325
EFFECTIVE GROSS INCOME		\$436,892	\$497,313
LESS: EXPENSES	61.5%	\$268,684	\$272,309
NET OPERATING INCOME		\$168,208	\$225,004
CASH FLOW		\$168,208	\$225,004
DEBT SERVICE		\$118,711	\$118,711
NET CASH FLOW AFTER DEBT SERVICE	4.50%	\$49,497	\$106,293
PRINCIPAL REDUCTION		\$20,262	\$21,512
TOTAL RETURN	6.34%	\$69,760	\$127,805

EXPENSES	CURRENT	PRO FORMA
REAL ESTATE TAXES	\$6,595	\$6,595
INSURANCE	\$45,300	\$45,300
UTILITIES - ELECTRIC	\$11,000	\$11,000
UTILITIES - WATER & SEWER	\$31,239	\$31,239
UTILITIES - GAS	\$4,241	\$4,241
TRASH REMOVAL	\$27,695	\$27,695
REPAIRS & MAINTENANCE	\$30,000	\$30,000
LANDSCAPING	\$13,000	\$13,000
PAYROLL	\$65,000	\$65,000
OPERATING RESERVES	\$8,400	\$8,400
MANAGEMENT FEE	\$26,214	\$29,839
TOTAL EXPENSES	\$268,684	\$272,309
EXPENSES/UNIT	\$9,265	\$9,390
EXPENSES/SF	\$10.15	\$10.28





PERMIT  
PARKING  
ONLY  
VIOLATORS WILL BE  
TOWED, SEIZED AND  
LIT IN AN EFFORT TO  
PROTECT THE PUBLIC  
AND THE ENVIRONMENT

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A PA  
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# MARKET OVERVIEW





TAHOE PINES

3431  
Spruce St.

OE PINES  
RTMENTS

Entrance



Marcus & Millichap



# SACRAMENTO

As capital to the largest U.S. state economy, the Sacramento-Roseville-Arden-Arcade metro is a hub of public and private sector activity. Two major universities foster an educated workforce that draws new companies to the market. New job opportunities, in turn, foster population growth as more households seek residential options in less dense areas. Lying in the middle of the 450-mile-long Central Valley, the metro is comprised of four counties: Sacramento, El Dorado, Placer and Yolo. More than 2.4 million people call the area home, and unlike the nearby Bay Area, Sacramento is seismically quiet, making it an ideal location for data centers and cloud computing storage. The city of Sacramento is the most populous, at approximately 510,000 residents, followed by Elk Grove and Roseville.







# TAHOE PINES



# SACRAMENTO ECONOMY

- ◇ Sacramento is home to the state capitol, making the government sector important to the region's economy, even with its recent diversification.
- ◇ Health care is a prominent component of the local employment base. Top employers in the metro include Kaiser Permanente, Sutter Health and Dignity Health.
- ◇ University of California, Davis and California State University, Sacramento, along with associated medical systems, prop up a large education and health services ecosystem, forming a broad base for employment, along with many area hospitals.

## SHARE OF 2023 TOTAL EMPLOYMENT

**24%**  
GOVERNMENT

**13%**  
PROFESSIONAL  
AND BUSINESS  
SERVICES

**5%**  
FINANCIAL  
ACTIVITIES

**17%**  
EDUCATION AND  
HEALTH SERVICES

**10%**  
LEISURE AND  
HOSPITALITY

**4%**  
MANUFACTURING

**16%**  
TRADE,  
TRANSPORTATION &  
UTILITIES

**7%**  
CONSTRUCTION

**3%**  
OTHER  
SERVICES

**1%**  
INFO



# SACRAMENTO DEMOGRAPHICS

## METRO HIGHLIGHTS

### BUSINESS ADVANTAGES

Lower costs relative to the Bay Area attract businesses and have driven job creation here in recent years.

### RESILIENT EMPLOYMENT BASE

Sacramento's employment total rebounded from the COVID-19 pandemic quicker than most major California metros, while the overall workforce is anticipated to continue setting new records in the coming year.

### EXPANDING RESIDENTIAL NEEDS

Placer County overall is one of the fastest-growing areas in the state, contributing to robust long-term local housing demand.

**2.4M**

POPULATION

GROWTH '23-'28  
3.3%

**887K**

HOUSEHOLDS

GROWTH '23-'28  
3.6%

**38.1**

MEDIAN AGE

U.S. MEDIAN  
38.7

**\$83.7K**

MEDIAN HH INCOME

U.S. MEDIAN  
\$68,500



# PROPERTY DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
<b>2029 PROJECTION</b>			
TOTAL POPULATION	6,576	20,108	28,068
<b>2024 ESTIMATE</b>			
TOTAL POPULATION	6,598	20,019	27,917
<b>2020 CENSUS</b>			
TOTAL POPULATION	6,625	20,178	28,210
<b>2010 CENSUS</b>			
TOTAL POPULATION	7,256	21,028	28,517
<b>DAYTIME POPULATION</b>			
2024 ESTIMATE	6,375	18,742	27,447

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
<b>2029 PROJECTION</b>			
TOTAL HOUSEHOLDS	4,622	15,423	22,097
<b>2024 ESTIMATE</b>			
OWNER OCCUPIED	942	3,707	5,969
RENTER OCCUPIED	1,690	5,090	6,668
VACANT	1,978	6,499	9,224

HOUSEHOLDS BY INCOME	1 MILE	3 MILES	5 MILES
<b>2024 ESTIMATE</b>			
\$200,000 OR MORE	8%	10%	11%
\$150,000-\$199,000	4%	6%	7%
\$100,000-\$149,000	17%	14%	15%
\$75,000-\$99,999	11%	12%	11%
\$50,000-\$74,999	17%	19%	18%
\$35,000-\$49,999	12%	13%	11%
\$25,000-\$34,999	9%	9%	8%
\$15,000-\$24,999	10%	9%	9%
UNDER \$15,000	13%	10%	10%
<b>AVERAGE HOUSEHOLD INCOME</b>	\$83,738	\$90,800	\$96,485
<b>MEDIAN HOUSEHOLD INCOME</b>	\$59,294	\$63,345	\$70,327
<b>PER CAPITA INCOME</b>	\$34,557	\$40,261	\$44,061

POPULATION PROFILE	1 MILE	3 MILES	5 MILES
<b>POPULATION BY AGE</b>			
2024 ESTIMATE TOTAL POPULATION	6,598	20,019	27,917
UNDER 20	23%	20%	19%
20-34 YEARS	27%	24%	23%
35-39 YEARS	8%	8%	8%
40-49 YEARS	13%	13%	13%
50-64 YEARS	17%	19%	20%
AGE 65+	11%	16%	17%
MEDIAN AGE	37	40	41

<b>POPULATION 25+ BY EDUCATION LEVEL</b>			
2024 ESTIMATE POPULATION 24+	4,613	14,847	21,087
ELEMENTARY (0-8)	9%	6%	5%
SOME HIGH SCHOOL (9-11)	11%	6%	5%
HIGH SCHOOL GRADUATE (12)	23%	23%	21%
SOME COLLEGE (13-15)	27%	25%	25%
ASSOCIATE'S DEGREE ONLY	9%	9%	9%
BACHELOR'S DEGREE ONLY	14%	22%	24%
GRADUATE DEGREE	7%	10%	11%

<b>POPULATION BY GENDER</b>			
2024 ESTIMATE TOTAL POPULATION	6,598	20,019	27,917
MALE POPULATION	47%	47%	47%
FEMALE POPULATION	53%	53%	53%



# PROPERTY DEMOGRAPHICS

## POPULATION

In 2024, the population in your selected geography is 27,917. The population has changed by -2.10 percent since 2010. It is estimated that the population in your area will be 28,068 five years from now, which represents a change of 0.5 percent from the current year. The current population is 47.1 percent male and 52.9 percent female. The median age of the population in your area is 41.0, compared with the U.S. average, which is 39.0. The population density in your area is 355 people per square mile.

## HOUSEHOLDS

There are currently 12,692 households in your selected geography. The number of households has changed by 3.88 percent since 2010. It is estimated that the number of households in your area will be 12,788 five years from now, which represents a change of 0.8 percent from the current year. The average household size in your area is 2.2 people.

## EMPLOYMENT

In 2024, 15,308 people in your selected area were employed. The 2010 Census revealed that 48 of employees are in white-collar occupations in this geography, and 13.5 are in blue-collar occupations. In 2024, unemployment in this area was 4.0 percent. In 2010, the average time traveled to work was 16.00 minutes.

## HOUSING

The median housing value in your area was \$648,083 in 2024, compared with the U.S. median of \$321,016. In 2010, there were 5,555.00 owner-occupied housing units and 6,664.00 renter-occupied housing units in your area.

## INCOME

In 2024, the median household income for your selected geography is \$70,327, compared with the U.S. average, which is currently \$76,141. The median household income for your area has changed by 44.63 percent since 2010. It is estimated that the median household income in your area will be \$80,540 five years from now, which represents a change of 14.5 percent from the current year.

The current year per capita income in your area is \$44,061, compared with the U.S. average, which is \$40,471. The current year's average household income in your area is \$96,485, compared with the U.S. average, which is \$101,307.

## EDUCATION

The selected area in 2024 had a lower level of educational attainment when compared with the U.S. averages. 34.0 percent of the selected area's residents had earned a graduate degree compared with the national average of only 13.5 percent, and 9.0 percent completed a bachelor's degree, compared with the national average of 21.1 percent.

The number of area residents with an associate degree was higher than the nation's at 18.2 percent vs. 8.8 percent, respectively.

The area had fewer high-school graduates, 1.9 percent vs. 26.2 percent for the nation, but the percentage of residents who completed some college is higher than the average for the nation, at 27.4 percent in the selected area compared with the 19.7 percent in the U.S.



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