

INVESTMENT MEMORANDUM

FOR SALE

1150 S Laspina St, Tulare, CA 93274
49 Units, USDA-515

ASKING PRICE: \$65,000/unit
(\$3,1850,000)

PREPARED BY:

Coldwell Banker Commercial
JM Commercial Properties
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EXECUTIVE SUMMARY

Bardsley Garden is a USDA-515 loan affordable housing project situated at 1150 S Laspina Street, Tulare, CA 93274. Bardsley serves seniors and operates as a USDA subsidized project with limited distributions since 1980. Just to clarify, there are no existing tax credits for the project, and the entire project is subsidized by USDA.

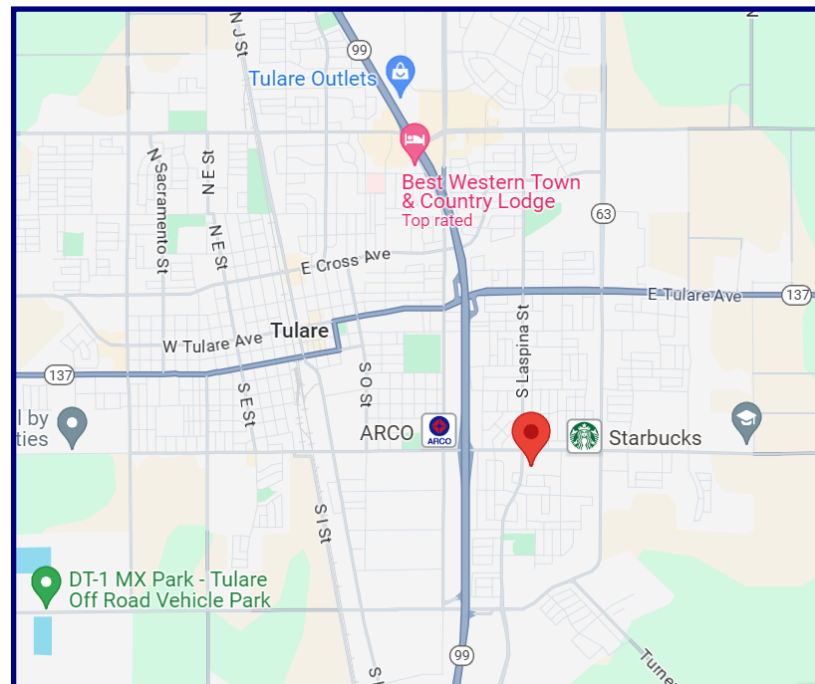
The seller is highly motivated and aims to remove the property from their balance sheet by the end of this calendar year. Prospective buyers have the option to apply for a 538 loan or bring their own equity. They can expect a consistent 8% return on investment, along with a management fee of \$59 per unit. The asking price is \$65,000 per door, totaling \$3,185,000 for the 49-unit property, which significantly falls below the replacement cost. According to the Costar multi-housing sales comparables study, there have been only three sales in Tulare within the recent three-year period: two in 2022 and one in 2021. The average unit cost among these sales is \$133,000 or more. Please review the enclosed comparables within this package.

The subject property represent a lucrative investment opportunity in the affordable housing market. With 48 one-bedroom and 1 two-bedroom units, this property offers a stable and reliable income stream with potential for growth. Each unit is equipped with essential amenities such as air conditioning, heating, cable readiness, carpeting, refrigerator, range, and a linen closet, ensuring high tenant demand. The building is wheelchair accessible and features on-site laundry facilities, individually metered units, and a dedicated property manager, minimizing operational hassles. Bardsley Garden provides convenient proximity to the 99 freeway, makes it easier to commute.

PROPERTY SPECIFICATION

Address:	1150 S Laspina St CA 93274
Year Built:	1980
APN:	182-310-001-000
Total Lot Size:	4.51 AC (196,456SF)
Building Size:	32,916 SQFT
#of Units:	49
Avg. Unit Size:	672 SF
Zoning:	R3
Unit Mix:	(48) 1B/1R (1) 2B/1R
Parking :	48
Rent Type:	Affordable
Building Stories:	1 (single story)

LOCATION MAP



CURRENT RENT ROLL

Unit #	Lease Status	Resident Rent	Subsidy Rent	Total Rent	Unit #	Lease Status	Resident Rent	Subsidy Rent	Total Rent	Unit #	Lease Status	Resident Rent	Subsidy Rent	Total Rent
1	Occupied	332.00	870.00	1202.00	18	Occupied	220.00	982.00	1202.00	35	Occupied	221.00	981.00	1202.00
2	Occupied	250.00	952.00	1202.00	19	Occupied	220.00	982.00	1202.00	36	Occupied	317.00	885.00	1202.00
3	Occupied	147.00	1055.00	1202.00	20	Occupied	220.00	982.00	1202.00	37	Occupied	220.00	982.00	1202.00
4	Occupied	504.00	698.00	1202.00	21	Occupied	386.00	816.00	1202.00	38	Occupied	479.00	723.00	1202.00
5	Occupied	220.00	982.00	1202.00	22	Occupied	338.00	864.00	1202.00	39	Occupied	221.00	981.00	1202.00
6	Occupied	561.00	641.00	1202.00	23	Occupied	249.00	953.00	1202.00	40	Occupied	214.00	988.00	1202.00
7	Occupied	220.00	982.00	1202.00	24	Occupied	214.00	988.00	1202.00	41	Occupied	230.00	972.00	1202.00
8	Occupied	224.00	978.00	1202.00	25	Occupied	313.00	889.00	1202.00	42	Occupied	224.00	978.00	1202.00
9	Occupied	246.00	956.00	1202.00	26	Occupied	206.00	996.00	1202.00	43	Occupied	288.00	914.00	1202.00
10	Occupied	288.00	914.00	1202.00	27	Occupied	570.00	632.00	1202.00	44	Occupied	291.00	911.00	1202.00
11	Occupied	224.00	978.00	1202.00	28	Occupied	209.00	993.00	1202.00	45	Occupied	220.00	982.00	1202.00
12	Occupied	230.00	972.00	1202.00	29	Occupied	221.00	981.00	1202.00	46	Occupied	225.00	977.00	1202.00
13	Occupied	214.00	988.00	1202.00	30	Occupied	220.00	982.00	1202.00	47	Occupied	214.00	988.00	1202.00
14	Occupied	220.00	982.00	1202.00	31	Occupied	220.00	982.00	1202.00	48	Occupied	324.00	878.00	1202.00
15	Occupied	300.00	902.00	1202.00	32	Occupied	220.00	982.00	1202.00	49	Occupied	0.00	0.00	0.00
16	Occupied	203.00	999.00	1202.00	33	Occupied	220.00	982.00	1202.00					
17	Occupied	639.00	563.00	1202.00	34	Occupied	202.00	1000.00	1202.00	TOTAL		\$13,158	\$44,538	\$57,696

CASH FLOWS & STATEMENT OF OPERATIONS

(YEAR 2021 AND 2022—AUDITED COPY)

BARDSLEY GARDENS, A LIMITED PARTNERSHIP
(A California Limited Partnership)
USDA RURAL DEVELOPMENT
CASE NUMBER 04-054-672260326

Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ (92,988)	\$ 38,264
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	41,828	41,828
(Increase) decrease in assets:		
Accounts receivable, USDA Rural Development	646	(1,801)
Accounts receivable, tenants	(294)	(704)
Prepaid expenses	(1,933)	(1,493)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	28,009	153
Prepaid rents	(307)	(453)
Tenant security deposits	665	(109)
Net cash provided by (used in) operating activities	<u>(24,374)</u>	<u>75,685</u>
Cash flows from financing activities:		
Principal payments of mortgage note payable	(34,613)	(34,628)
Partners' distributions	(6,336)	(6,336)
Net cash used in financing activities	<u>(40,949)</u>	<u>(40,964)</u>
Net increase (decrease) in cash and restricted cash	(65,323)	34,721
Cash and restricted cash at beginning of year	<u>573,359</u>	<u>538,638</u>
Cash and restricted cash at end of year	\$ 508,036	\$ 573,359
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,091</u>	<u>\$ 3,076</u>

BARDSLEY GARDENS, A LIMITED PARTNERSHIP
(A California Limited Partnership)
USDA RURAL DEVELOPMENT
CASE NUMBER 04-054-672260326

Statements of Operations

	Year Ended December 31,	
	2022	2021
Rental income:		
Tenant payments	\$ 177,440	\$ 169,533
Less overage	(786)	(957)
Bad debt expense	(4,022)	(1,210)
Tenant assistance payments	<u>254,663</u>	<u>247,528</u>
Total potential rental income	427,295	414,894
Less vacancies	<u>8,241</u>	<u>3,938</u>
Total rental income	<u>419,054</u>	<u>410,956</u>
Other income:		
Interest income	2,056	294
Laundry and vending	3,386	3,172
Tenant charges	2,545	255
Other income	<u>260</u>	<u>260</u>
Total other income	<u>8,247</u>	<u>3,981</u>
Operating expenses:		
Maintenance and operating	217,432	103,061
Utilities	54,683	48,155
Administrative	135,279	121,411
Tax and insurance	<u>65,604</u>	<u>56,796</u>
	<u>472,998</u>	<u>329,423</u>
Income (loss) from rental operations	(45,697)	85,514
Other partnership expenses:		
Mortgage interest, net of subsidy	3,063	3,022
Depreciation	41,828	41,828
General Partner salary	2,000	2,000
Investor service fees	<u>400</u>	<u>400</u>
	<u>47,291</u>	<u>47,250</u>
Net income (loss)	\$ (92,988)	\$ 38,264

NOTE: Operating data for the year-to-date 2024 and the full year 2023 shall be provided upon request, with serious consideration given to an offer.

UNIT MIX

Bardsley Garden

Unit Type	Unit Number	Vacant Unit	Unit Size(SF)	Avg Current Rent	Current Rent total	Market Rent	Market Rent total
1B/1R	48	0	650	\$1,202	\$57,696	\$1,202	\$57,696
2B/1R	1	0	753	\$0	\$0	\$1,368	\$1,368
Total/Avg	49	0			\$57,696	\$1,285	\$59,064

Vacancy 0%

SALES COMPS

Tulare Multi-housing sales from March 27th 2021 through as of todays date 3-27-2024

Property Address	City	Yr. blt	# of units	S's	1's	2's	3's	Sale Price	Pr./ Unit	Pr. Sq. ft	GRM	Cap rate	Sale Date
1150 S Laspina Street (Subject Property)	Tulare	1980	49	0	49	0	0	\$3,185,000	\$65,000	\$97			
1093 N Cherry St	Tulare	1992	36	0	0	36	0	\$5,500,000	\$152,778	\$178	9.96	5.00%	6/10/2022
560 W Pleasant Ave	Tulare	1969	96	0	0	96	0	\$10,200,000	\$106,250	\$254	11.2	6.00%	1/10/2022
404 N Lynora St	Tulare	1991	10	0	0	10	0	\$1,405,000	\$140,500	\$129	10.64	6.27%	8/11/2021

Source: Costar

SITE PHOTOS

