

ALVARADO PLACE

4 Unit Apartment Complex

1601 Alvarado Avenue
Walnut Creek, CA 94596

Presented by

INCOME PROPERTY SERVICES

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PROPERTY DESCRIPTION

Alvarado Place Apartments is a 4-unit apartment complex within a 48-unit planned community. The complex offers the investor reduced management demands since the property is part of a homeowner's association.

Monthly dues for the subject property are currently \$799.63 per month. For this the owner receives water and rubbish service, common area and pool maintenance, landscaping, parking lot, and carports. Also maintained and included is the, laundry facility, community clubhouse, and insurance.

The building is a two story, wood frame structure built in 1972 (according to tax records). It has four one bedroom, one bath units that are approximately 743 square feet. The floor plans are outstanding with storage galore: entry storage, living room storage, linen closet, and two large bedroom closets.

The upstairs units offer vaulted ceilings and unusually large decks, while the lower units offer large patios. Both have expansive views that give a greater sense of space.

Most of the interiors have been updated in the past five years, including new floor coverings (carpeting, faux wood laminate flooring, and linoleum), counter tops (some granite), bathroom vanities, texture, paint, baseboards, trim, and doors. The kitchens feature garbage disposals, refrigerators, ranges, and dishwashers, some of them replaced.

There are some recessed lights and some Decora light switches as well. The units have both mini-blinds and vertical blinds. The bathrooms offer upgraded shower doors, mostly new vanities, cultured marble shower surrounds, updated lighting and mirrors.

The complex is close to downtown Walnut Creek, which features world class shopping and restaurants as well as the popular Broadway Plaza. Walnut Creek is also home to many corporations and professional firms. Additionally, the complex is close to transportation (BART stations in both Walnut Creek and Pleasant Hill), and has many highly rated schools and miles of open space for hikers and cyclists.

Along with all of the advantages and desirable features at Alvarado Place, two factors have significantly strengthened the rental market in Walnut Creek:

- The high cost of homes preventing many residents from ownership (increasing need)
- And the numerous complexes converted and sold as condominiums (limiting supply)

INCOME & EXPENSES

UNITS	TYPE	ESTIMATED SQUARE FEET	CURRENT	STABILIZED
4	1 BR / 1 BA	743	\$1,135 to \$1,195	\$1,195
4	Total rentable square feet	2,972	\$4,630	\$4,780
INCOME				
		Monthly Rent	\$4,630	\$4,780
		Other Income	\$0	\$0
		Total Monthly Income	\$4,630	\$4,780
		ANNUALIZED TOTAL INCOME	\$55,560	\$57,360
		Less Vacancy Reserve (5.00%)	(\$2,778)	(\$2,868)
		GROSS OPERATING INCOME	\$52,782	\$54,492
EXPENSES				
		Taxes (New @ 1.0672% + \$1,141)	(\$8,878)	(\$8,878)
		Insurance (Included in HOA)	\$0	\$0
		Maintenance & Repairs (Estimated)	(\$2,500)	(\$2,500)
		Water & Trash (Included in HOA)	\$0	\$0
		PG&E	(\$465)	(\$465)
		HOA Dues (\$799.62/month)	(\$9,595)	(\$9,595)
		Miscellaneous	(\$1,000)	(\$1,000)
		TOTAL EXPENSES	(\$22,438)	(\$22,438)
		NET OPERATING INCOME	\$30,344	\$32,054
		Expenses as % of Gross Income	40.39%	39.12%
		Expenses per Unit	\$5,610	\$5,610
		Expenses per Square Foot	\$7.55	\$7.55

MARKET VALUE ANALYSIS

	CURRENT	STABILIZED
LIST PRICE	\$725,000	\$725,000
Down Payment	\$345,000 48%	\$345,000 48%
* First Loan	\$380,000 52%	\$380,000 52%
NET OPERATING INCOME	\$30,344	\$32,054
Estimated Debt Service (first loan)	(\$28,822)	(\$28,822)
Plus: Principal Reduction	\$4,247	\$4,247
Total Pre-Tax Cash Flow	\$5,769	\$7,479
Pre-Tax Return on Investment	1.67%	2.17%
Gross Rent Multiplier	13.05	12.64
Capitalization Rate	4.19%	4.42%
Price per square foot	\$243.94	\$243.94
Price per unit	\$181,250	\$181,250

Financing: 1.05 DCR, 6.5% Qualifying rate, 30 year Amortization.



WALNUT CREEK APARTMENT RENT SURVEY

PROPERTY	1601 Alvarado Avenue	The Arbors 1250 Walker Avenue	Walnut Park 140 Sharene Lane	1185 Lincoln Avenue	Casa Sierra 148 Sierra Road	The Pines 114 Sharene Lane
FEATURES	Covered parking, balconies, pool, laundry facility	Patios/balconies, covered parking, dishwashers, pool, fitness center	Patios / balconies, carports, dishwashers, pool	Updated units, carports, extra storage, upscale courtyard	Covered parking, balconies, laundry facility	Dishwashers, ceiling fans, patios/balconies, pool, assigned parking
1 BR / 1 BA	\$1,096 Rent 743 square feet \$1.48/s.f.	\$1,200 to \$1,250 Rent 610-660 square feet \$1.89 to \$1.97/s.f.	\$1,100 Rent 640 square feet \$1.72/s.f.	\$1,095 Rent 580 square feet \$1.89/s.f.	\$990 to \$1,100 Rent 580 square feet \$1.98 to \$2.41	\$1,200 to \$1,225 Rent 640 square feet \$1.88 to \$1.91/s.f.
2 BR / 1 BA		\$1,400 Rent 860 square feet \$1.63/s.f.		\$1,295 Rent 710 square feet \$1.82/s.f.	\$1,150 to \$1,400 Rent 617 square feet \$1.86 to \$2.27/s.f.	
2 BR / 2 BA [1] 2 BR/1.5 BA			\$1,350 to \$1,450 Rent 950-1,000 square feet \$1.42-\$1.45/s.f.			\$1,465 to \$1,525 [1] 840-995 square feet \$1.53 to \$1.74/s.f.



1250 Walker Avenue



140 Sharene Lane



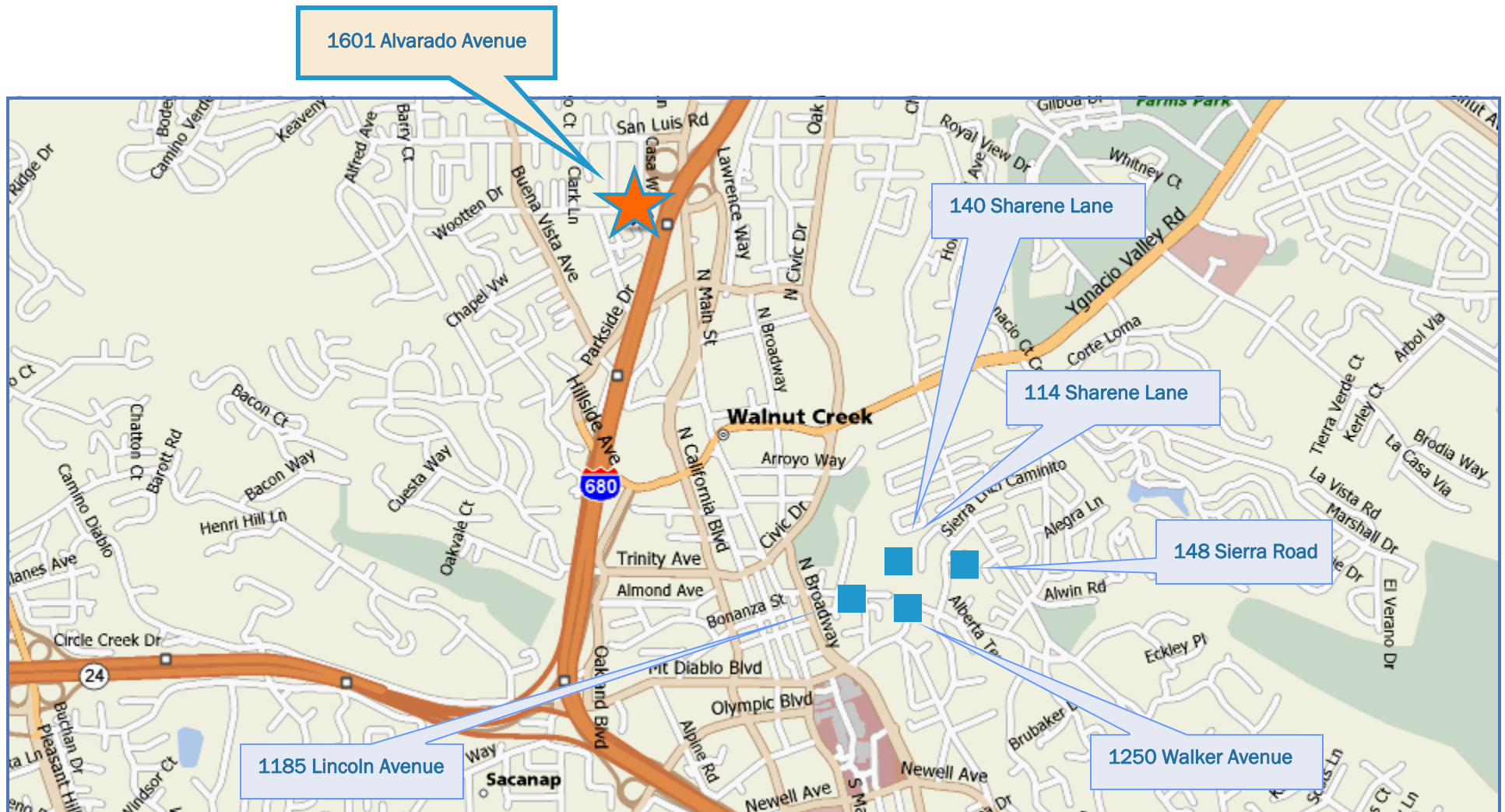
1185 Lincoln Avenue



114 Sharene Lane



WALNUT CREEK APARTMENT RENT SURVEY MAP





WALNUT CREEK & SURROUNDING AREA APARTMENT SALES COMPARABLES

ADDRESS	UNITS	SALE PRICE	SQ.FT.	COST/ UNIT	COST/ SQ.FT.	AVERAGE RENT/SQ.FT.	GRM	CAP	UNIT MIX	BUILT	SALE DATE	
3771 Sundale Road (Lafayette)	4	\$750,000	2,547	\$187,500	\$294.46	\$1.93	12.69	5.40%	(3) 2x1 Studio	1956	2/25/08 111+ DOM	Separately metered, covered parking, some upgrades, non-conforming studio
936 East Street (Lafayette)	4	\$980,000	3,136	\$245,000	\$312.50	\$1.69	15.43	4.50%	All 1x1	1964	2/21/08 257 DOM	Great location, beautifully landscaped, garages, new pitched roof
1587 2nd Avenue	4	\$669,000	3,079	\$167,250	\$217.28	\$1.16	15.64	3.70%	All 1x1	1935	Pending 90 DOM	Below market rents, covered parking
1404 Creekside Drive	4	\$875,000	3,441	\$218,750	\$254.29	\$1.35	15.66	4.20%	(2) 1x1 (2) 2x1.5	1970	Active 133 DOM	48 Unit complex, covered parking, pool, laundry
1233 Montego	4	\$960,000	2,918	\$240,000	\$328.99	\$1.43	19.18	3.30%	All 1x1	1969	Active 289 DOM	Updated units, walk in closets, pool, clubhouse, management in place
AVERAGES	4	\$846,800	3,024	\$211,700	\$281.50	\$1.51	15.72	4.22%				
1601 Alvarado Avenue	4	\$725,000	2,972	\$181,250	\$243.94	\$1.56	13.05	4.19%				



WALNUT CREEK & SURROUNDING AREA APARTMENT SALES COMPARABLES



3771 Sundale Road, Lafayette



936 East Street, Lafayette



1587 Second Avenue, Walnut Creek



1404 Creekside Drive, Walnut Creek

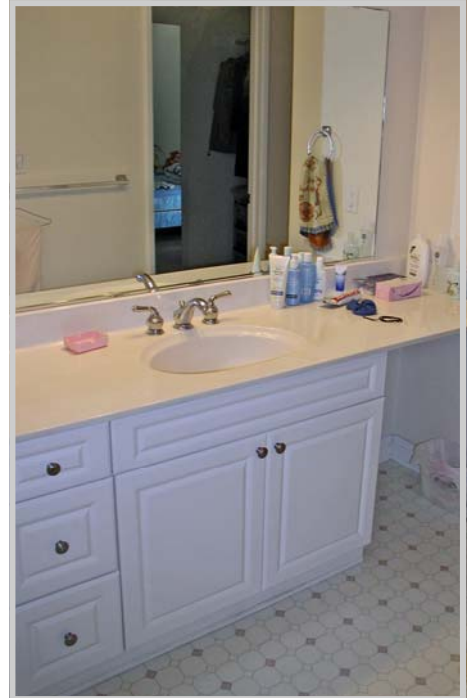


1233 Montego, Walnut Creek

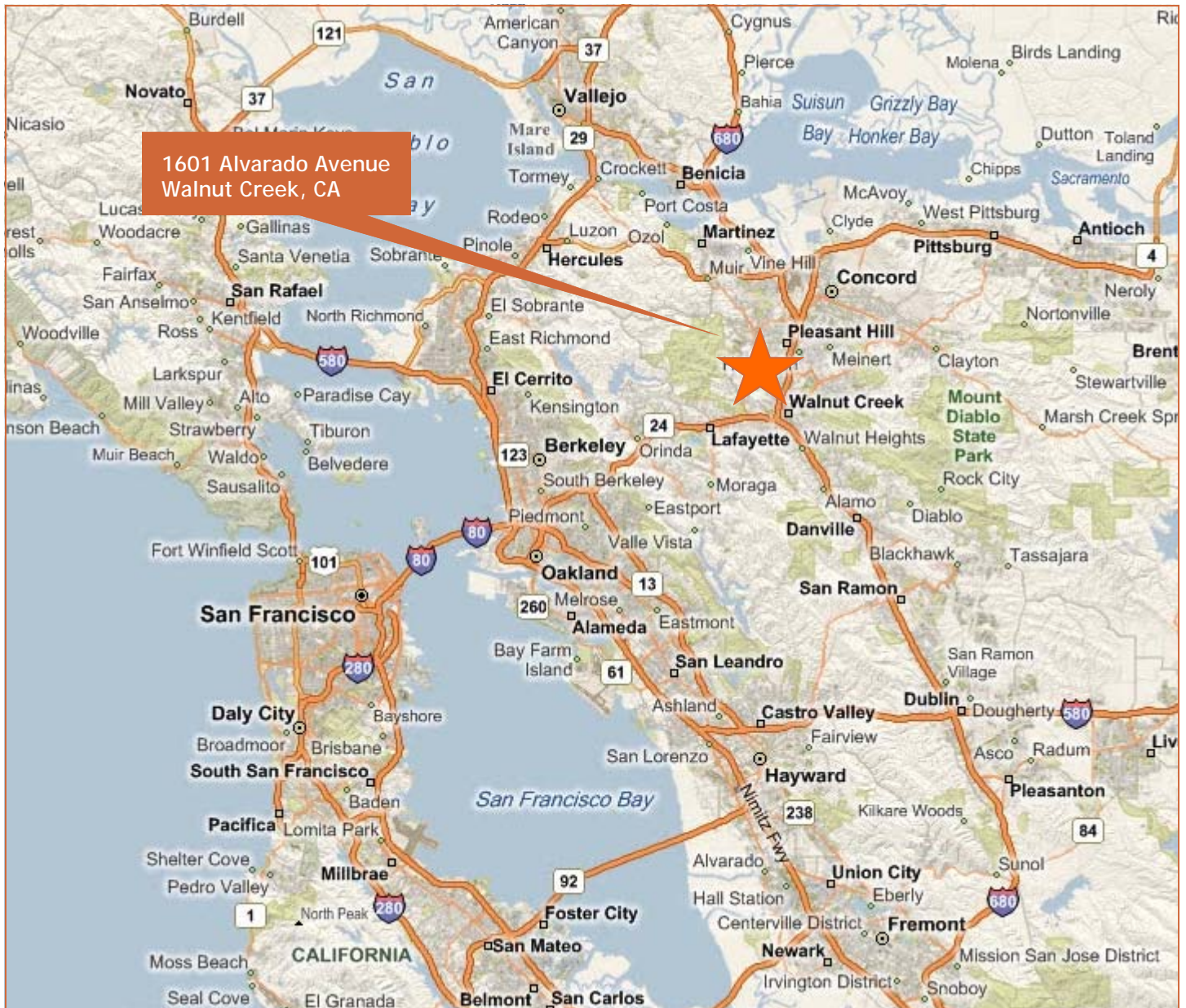


PROPERTY PHOTOS

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REGIONAL MAP



LOCAL MAP

