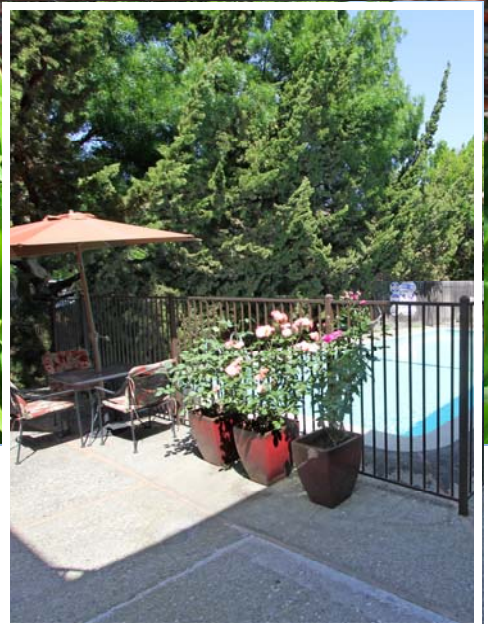




\$2,975,000

CHATEAU LACASSIE 16 UNIT APARTMENT COMPLEX

1730 LACASSIE AVENUE
WALNUT CREEK, CA 94596



SHAWN WILLIS

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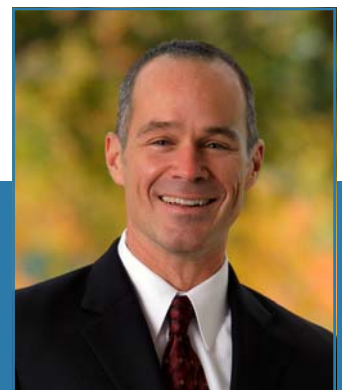


INCOME PROPERTY SERVICES

1343 LOCUST STREET, SUITE 205

WALNUT CREEK, CA 94596

WWW.IPSREALESTATE.COM / DRE # 01095619



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EXECUTIVE SUMMARY

Chateau Lacassie at 1730 Lacassie Avenue, Walnut Creek is a pride of ownership apartment complex, now coming to market for the first time since being built in 1964. The original family that built the property has lovingly maintained this asset to the highest standards. The property represents a rare opportunity to own an extremely well located multi-family property. The location, proximity to downtown Walnut Creek and transportation, along with many desirable features make this an uncommon investment opportunity.

The subject parcel is approximately 16,000 s.f. (.367 acres) according to the Contra Costa County tax assessor. The complex consists of a two story structure on a raised foundation with a pitched, composition shingle roof. Some of the second floor has lightweight concrete to minimize noise transmission. Most of the units have patios or balconies. The complex has an on site laundry facility with equipment owned by the complex. The homes are separately metered for gas and electricity, while the owner provides water and trash service. Parking is on site and features enclosed carports. At the rear is a solar heated swimming pool. The units feature electric ranges, dishwashers, disposals and wall HVAC.

UNIT MIX

- (4) 2 BR x 1 BA (872-888 s.f.±)
- (11) 1 BR x 1 BA (623-641 s.f.±)
- (1) Studio (449 s.f. ±)

The property could be purchased and operated as it has been for many years into the future. Alternatively, many investors in the Walnut Creek area have noticed significant upside in rents when they make upgrades to their apartments by adding such amenities as granite counters, new appliances, and updated floor coverings. We believe the subject property would respond well to such improvements.

PROPERTY DETAILS

Address	1730 Lacassie Avenue, Walnut Creek, CA 94596
APN	174-220-029
Building	11,118 s.f. ± (per Contra Costa County)
Land	16,000 s.f. ± (per Contra Costa County)
Year Built	1964 (per Contra Costa County)
PG&E	Separately metered
Water	Master metered
Trash	Paid by owner
Laundry	Community facility (equipment owned by property owner)
Foundation	Raised
Roof	Pitched, composition shingle
Siding	Stucco



LEASE SCHEDULE

UNIT	TYPE	SQUARE FEET	CURRENT RENT	RENT/ S.F.	ESTIMATED MARKET RENT	RENT/ S.F.	MOVE IN DATE
1	Studio	449	\$925	\$2.06	\$995	\$2.22	10/11/1998
2	Two Bedroom / One Bath [1]	888	\$1,495	\$1.68	\$1,495	\$1.68	9/1/2009
3	One Bedroom / One Bath	641	\$1,195	\$1.86	\$1,295	\$2.02	2/18/2006
4	One Bedroom / One Bath	641	\$1,195	\$1.86	\$1,295	\$2.02	3/29/2009
5	One Bedroom / One Bath	641	\$1,195	\$1.86	\$1,295	\$2.02	3/5/2011
6	Two Bedroom / One Bath [1]	872	\$1,495	\$1.71	\$1,495	\$1.71	1/17/2009
7	One Bedroom / One Bath	641	\$1,195	\$1.86	\$1,295	\$2.02	9/6/2008
8	One Bedroom / One Bath	630	\$1,195	\$1.90	\$1,295	\$2.06	8/10/2012
9	One Bedroom / One Bath	630	\$1,100	\$1.75	\$1,295	\$2.06	4/15/1996
10	One Bedroom / One Bath	623	\$1,195	\$1.92	\$1,295	\$2.08	6/24/2009
11	Two Bedroom / One Bath	888	\$1,445	\$1.63	\$1,495	\$1.68	12/30/2012
12	One Bedroom / One Bath	641	\$1,195	\$1.86	\$1,295	\$2.02	3/15/2010
13	One Bedroom / One Bath [2]	641	\$1,295	\$2.02	\$1,295	\$2.02	8/8/1989
14	One Bedroom / One Bath	641	\$1,225	\$1.91	\$1,295	\$2.02	4/1/2012
15	Two Bedroom / One Bath	872	\$1,395	\$1.60	\$1,495	\$1.71	1/15/2010
16	One Bedroom / One Bath	641	\$1,195	\$1.86	\$1,295	\$2.02	10/2/2007
TOTALS		10,980	\$19,935		\$21,220		

[1] Owner's unit-proposed rent at Close of Escrow

[2] Manager's unit - \$1,030/month rent credit



INCOME & EXPENSE ANALYSIS

UNITS	TYPE	SQUARE FEET	CURRENT RENT	ESTIMATED MARKET RENT
1	Studio	449	\$925	\$995
11	1 BR x 1 BA	623-641	\$1,095-\$1,225	\$1,295
4	2 BR x 1 BA	872-888	\$1,395-\$1,495	\$1,495
16	Total rentable square feet	11,118		
INCOME				
Monthly Rent			\$19,935	\$21,220
Laundry Income (estimated @ \$20/unit/month)			\$320	\$320
Total Monthly Income			\$20,255	\$21,540
ANNUALIZED TOTAL INCOME			\$243,060	\$258,480
Scheduled Gross Income			\$243,060	\$258,480
Less Vacancy Reserve (5.00%)			(\$12,153)	(\$12,924)
GROSS OPERATING INCOME			\$230,907	\$245,556
EXPENSES				
Taxes (New @ 1.0755%)			(\$31,996)	(\$31,996)
Levies and Assessments			(\$6,823)	(\$6,823)
Insurance (M3 Quote)			(\$3,903)	(\$3,903)
Water (2012 + 3%)			(\$2,675)	(\$2,675)
PG&E (2012 + 3%)			(\$4,834)	(\$4,834)
Garbage (current)			(\$1,860)	(\$1,860)
Repairs/Maintenance/Cleaning (\$850/unit)			(\$13,600)	(\$13,600)
Capital Improvements (\$250/unit)			(\$4,000)	(\$4,000)
Landscaping & Grounds (Estimated)			(\$2,400)	(\$2,400)
Onsite Manager (\$1,030/month discount)			(\$12,360)	(\$12,360)
Property Management (5%)			(\$11,545)	(\$12,278)
Business License (Estimated)			(\$500)	(\$500)
Miscellaneous			(\$1,000)	(\$1,000)
TOTAL EXPENSES			(\$97,496)	(\$98,229)
NET OPERATING INCOME			\$133,411	\$147,327
Expenses as % of Gross Income			40.11%	38.00%
Expenses per Unit			\$6,094	\$6,139
Expenses per Square Foot			\$8.77	\$8.84

MARKET VALUE ANALYSIS

	CURRENT RENT		ESTIMATED MARKET RENT	
SALE PRICE	\$2,975,000		\$2,975,000	
Down Payment	\$875,000	29%	\$875,000	29%
First Loan [1]	\$2,100,000	71%	\$2,100,000	71%
NET OPERATING INCOME	\$133,411		\$147,327	
Estimated Debt Service (first loan)	(\$113,159)		(\$113,159)	
Cash Flow	\$20,252		\$34,168	
Plus Principal Reduction	\$40,302		\$40,302	
Total Pre-Tax Return	\$60,554		\$74,470	
Pre-Tax Return on Investment	6.92%		8.51%	
Gross Rent Multiplier	12.24		11.51	
Capitalization Rate	4.48%		4.95%	
Price per square foot	\$267.58		\$267.58	
Price per unit	\$185,938		\$185,938	
[1] Financing: 1.2 DCR, 3.5% rate, 30 year Amortization.				





WALNUT CREEK RENT SURVEY & PHOTOS

PROPERTY	SUBJECT Chateau LaCassie 1730 LaCassie Ave Walnut Creek	1869 LaCassie Ave Walnut Creek	Trinity House 1812 Trinity Ave Walnut Creek	1715 Trinity Ave Walnut Creek	Whitehouse 1855 Trinity Ave Walnut Creek	Walnut Hills 1755 Trinity Ave Walnut Creek	1185 Lincoln Ave Walnut Creek
FEATURES	Immaculate property carports, on-site laundry, some patios and balconies, pool.	Garages & carports, on-site laundry, patios/balconies.	Remodeled units with granite, stainless steel appliances, laminate flooring, carports, laundry, pool & spa.	Carports, on-site laundry, wall HVAC, all electric kitchens.	Patios, pool, storage, carports, on-site laundry, granite counters, new appliances and windows.	Carports, laundry facility, pool, updated units with open floor plans.	Updated units, carports, laundry facility, beautiful courtyard, new windows, appliances.
STUDIO	\$925 449 s.f. \$2.06/s.f.			\$870—\$875 450 s.f. \$1.93—\$1.94/s.f.		\$1,100—\$1,200 406-500 s.f. \$2.40—\$2.71/s.f.	
1 BR X 1 BA	\$1,100—\$1,295 623-641 s.f. \$1.77—\$2.02/s.f.		\$1,374—\$1,562 726-855 s.f. \$1.83—\$1.89/s.f.		\$1,200—\$1,375 700-900 s.f. \$1.53—\$1.79/s.f.	\$1,400 625-650 s.f. \$2.15—\$2.24/s.f.	\$1,195 625 s.f. \$1.91/s.f.
2 BR X 1 BA	\$1,395—\$1,495 872-888 s.f. \$1.60—\$1.68/s.f.	\$1,350 800 s.f. \$1.69/s.f.	\$1,780—\$1,798 974 s.f. \$1.83—\$1.85/s.f.	\$915—\$1,150 750 s.f. \$1.22—\$1.53/s.f.	\$1,385—\$1,500 950-1,100 s.f. \$1.36—\$1.46/s.f.	\$1,700 850 s.f. \$2.00/s.f.	\$1,395 725 s.f. \$1.92/s.f.



WALNUT CREEK RENT SURVEY & PHOTOS



1869 LaCassie Avenue



Trinity House — 1812 Trinity Avenue



1715 Trinity Avenue



Whitehouse — 1855 Trinity Avenue

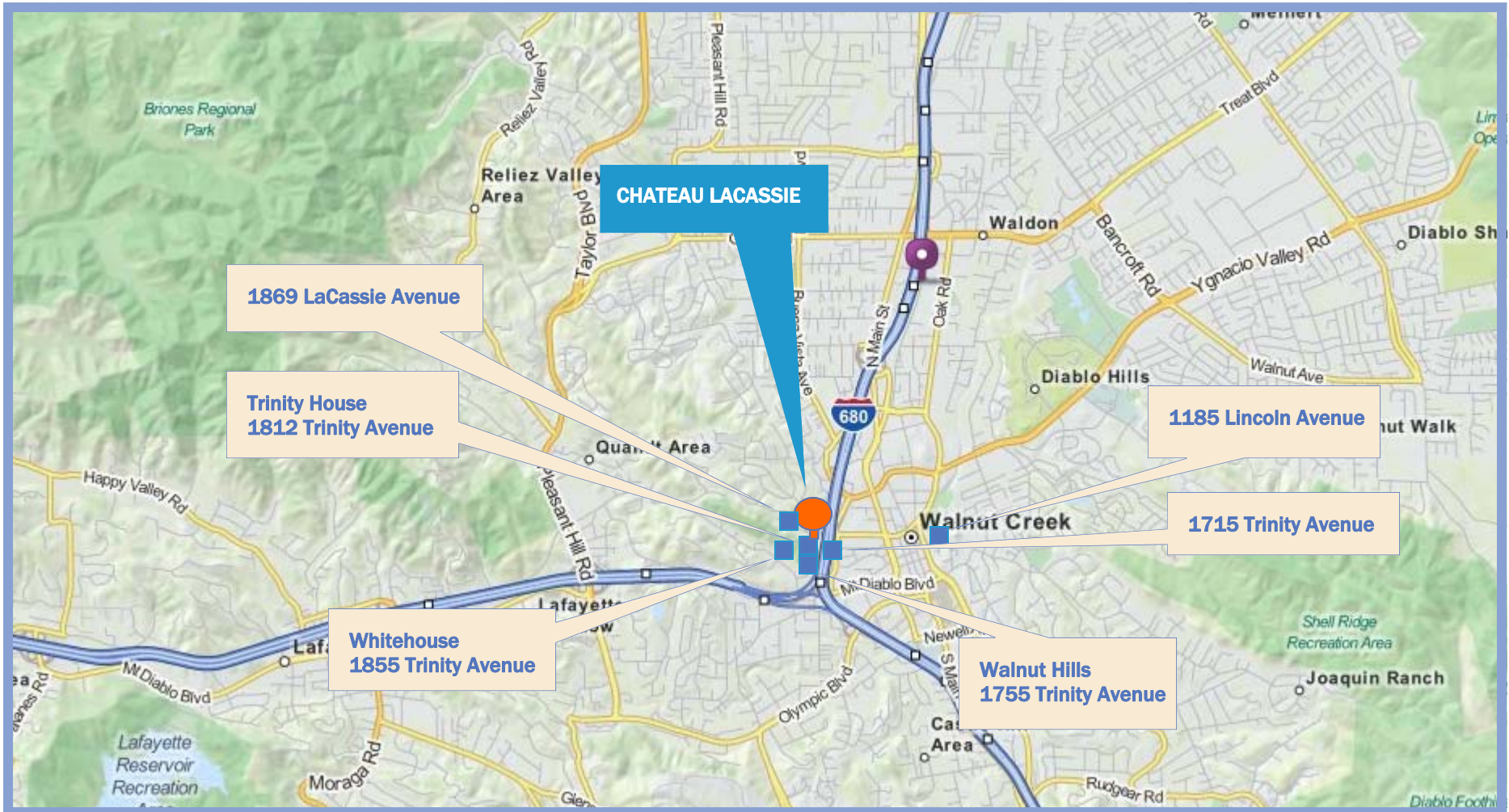


Walnut Hills — 1755 Trinity Avenue



1185 Lincoln Avenue

WALNUT CREEK RENT SURVEY MAP





WALNUT CREEK PENDING SALES COMPARABLES & PHOTOS

ADDRESS	UNITS	SALE PRICE	SQUARE FEET	COST/ UNIT	COST/ SQ. FT.	AVG. RENT/ SQ. FT.	GRM	CAP	UNIT MIX	BUILT	SALE DATE	COMMENTS
1370-1380 Oakland Blvd.	6	\$1,250,000	3,720	\$208,333	\$336.02	\$1.96	14.28	4.60%	Studio (5) 2x1	1955	IN ESCROW	Single story, cottage units with patios. Five units have washer/dryer hook ups. Separately metered for gas, electricity, water and garbage. Off street parking plus 3 garages.
1770 San Miguel Drive	6	\$1,375,000	5,950	\$229,167	\$231.09	\$1.59	12.13	5.71%	(5) 2x1 3x2	1960	IN ESCROW	New cabinetry, granite counters, large units, new appliance, patios/balconies, laundry facility, covered parking, storage units, non-functioning pool.
137 Sierra Drive	6	\$1,250,000	5,300	\$208,333	\$235.85	\$1.52	12.95	5.02%	(4) 2x1 (2) 3x2	1969	IN ESCROW	Patios/balconies, pool, some new cabinets, granite, floor coverings, new roof, carports, separately metered for gas & electricity.
1972 Desert Circle	5	\$1,150,000	4,048	\$230,000	\$284.09	\$1.63	14.48	4.30%	2x2+Den (4) 1x1+ Den	1968	IN ESCROW	Central HVAC, fireplaces, patios/balconies, dishwashers, disposals, pitched roof, carports, washer/dryer hook up in 2x2 unit, laundry facility and use of pool through HOA.
AVERAGES	6	\$1,256,250	4,755	\$218,958	\$271.76	\$1.68	13.46	4.91%				



1370-1380 Oakland Blvd.



1770 San Miguel Drive



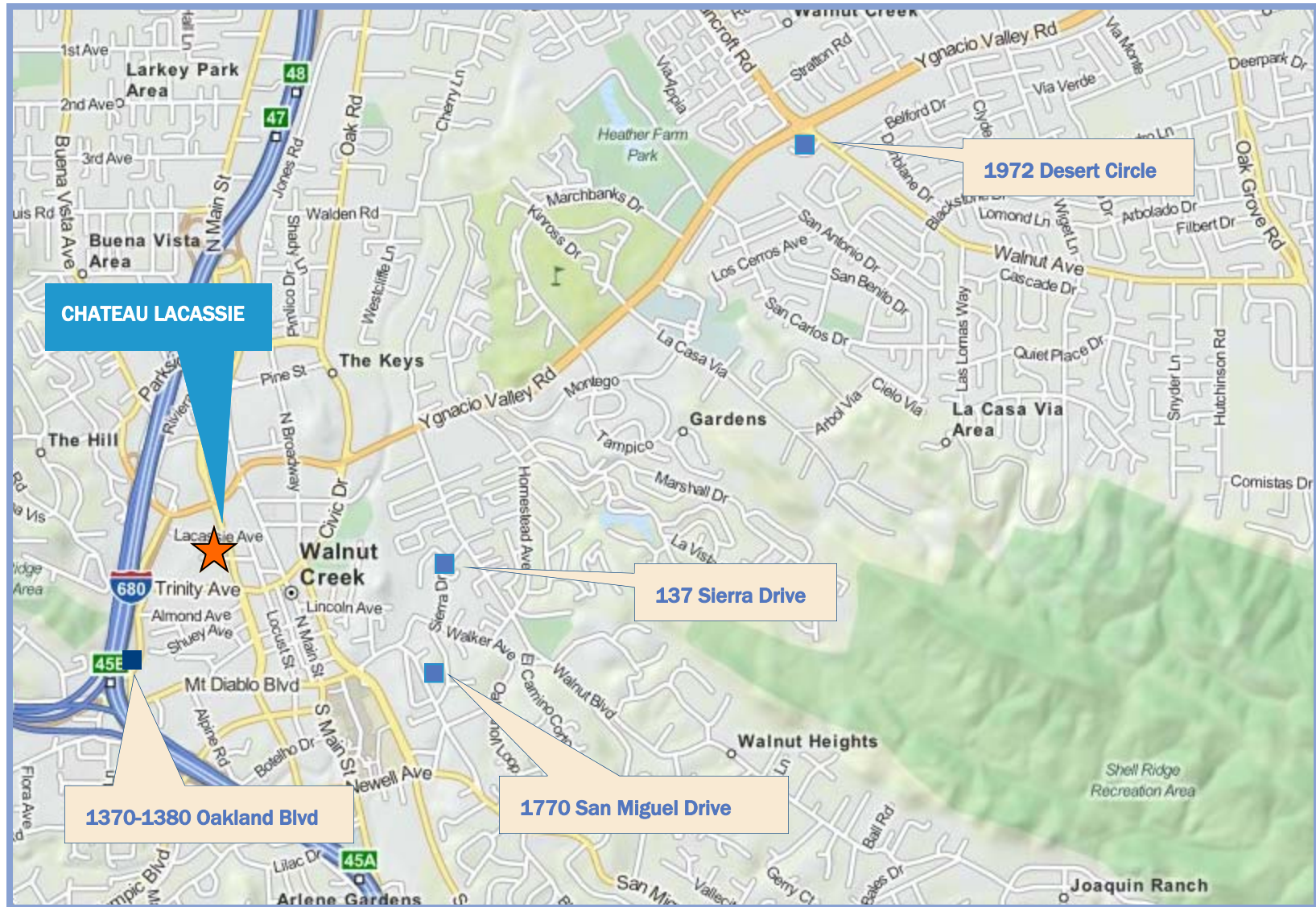
137 Sierra Drive



1972 Desert Circle



WALNUT CREEK PENDING SALES COMPARABLES MAP





WALNUT CREEK AREA SALES COMPARABLES

ADDRESS	UNITS	SALE PRICE	SQUARE FEET	COST/ UNIT	COST/ SQ. FT.	AVG. RENT/ SQ. FT.	GRM	CAP	UNIT MIX	BUILT	SALE DATE	COMMENTS
1730 Lacassie Avenue	16	\$2,975,000	11,118	\$185,938	\$267.58	\$1.82	12.24	4.48%	Studio (11) 1x1 (4) 2x1	1964	On Market	Immaculate complex with pool, laundry facility, carports, patios/balconies, pitched roof. Excellent location one block from BART, close to shopping and restaurants.
1309 Creekside Drive	20	\$2,600,000	12,679	\$130,000	\$205.06	\$1.50	11.38	5.19%	(9) Studios (9) 1x1 (2) 2x1	1985	12/31 2012	Three story complex with carports, patios/ balconies, elevator, dishwashers, disposals and modern amenities.
1862 Camino Verde	16	\$2,800,000	12,000	\$175,000	\$233.33	\$1.59	12.25	4.43%	(8) 2x1 (8) 1x1	1970	12/18 2012	Carports, patios/balconies, central HVAC, pool, clubhouse—part of HOA with some common area amenities. Off market transaction.
1471 Pico Court	16	\$2,800,000	12,000	\$175,000	\$233.33	\$1.59	12.25	4.43%	(8) 2x1 (8) 1x1	1970	12/18 2012	Carports, patios/balconies, central HVAC, pool, clubhouse—part of HOA with some common area amenities. Off market transaction.
1007 Brown Avenue Lafayette	8	\$1,750,000	9,573	\$218,750	\$182.81	\$1.04	14.70	3.50%	(7) 2x2 (1) 3x2	1962	12/18 2012	Central heating, wall A/C, dishwashers, carports, pool, some balconies, laundry facility. Excellent location in downtown Lafayette, close to BART and shopping.
1584 San Luis Road	20	\$3,000,000	17,900	\$150,000	\$167.60	\$1.18	11.79	4.70%	All 2x2	1965	9/11 2012	Patios/balconies, pool, storage, laundry facility, carports, 5 separate buildings. Off market transaction.
1900-1912 Camino Verde	16	\$2,640,000	14,000	\$165,000	\$188.57	\$1.36	11.55	5.00%	(8) 2x1 (8) 1x1	1973	6/14 2012	Carports, patios/balconies, central HVAC, pool, clubhouse—part of HOA with some common area amenities.
1011 Brown Avenue Lafayette	10	\$2,525,000	12,271	\$252,500	\$205.77	\$1.28	13.39	4.10%	(6) 2x2 (2) 1x1 3x2 3x2.5	1962	3/9 2012	Carports, some patios, laundry facility, pool and many updates throughout complex such as dual pane windows, countertops, and floor coverings.
3619 Bickerstaff Road Lafayette	9	\$2,020,000	5,841	\$224,444	\$345.83	\$2.00	14.39	4.20%	(4) 2x1 (5) 1x1	1988	3/9 2012	Clean complex with garages, patios/balconies, dual pane windows, dishwashers, & disposals. Walking distance to downtown shops.
AVERAGES	15	\$2,567,778	11,931	\$186,292	\$225.54	\$1.48	12.66	4.45%				



WALNUT CREEK AREA SALES COMPARABLE PHOTOS



1309 Creekside Drive



1471 Pico Court



1007 Brown Ave, Lafayette



1584 San Luis Road



1900-1912 Camino Verde

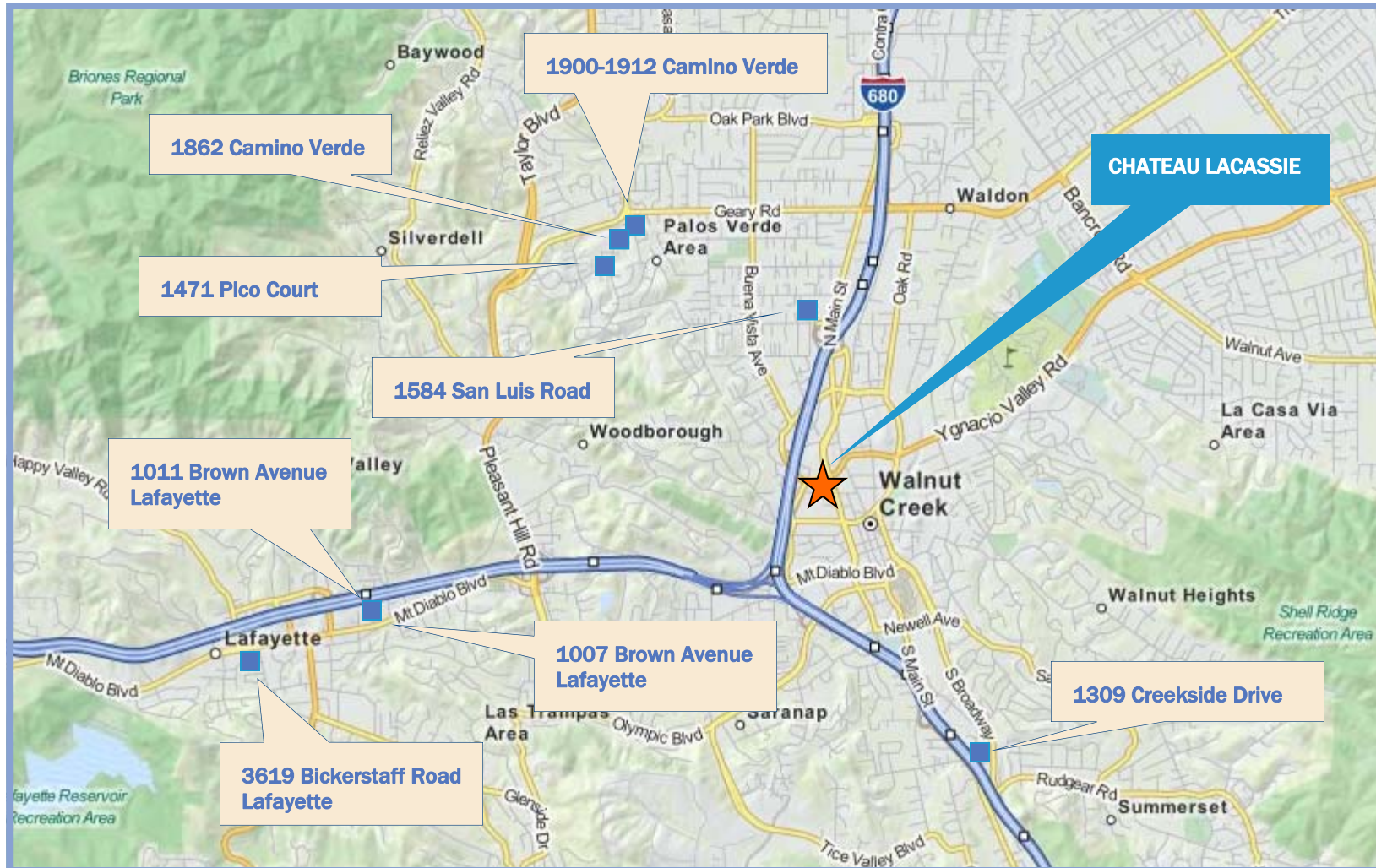


1011 Brown Ave, Lafayette



3619 Bickerstaff Rd, Lafayette

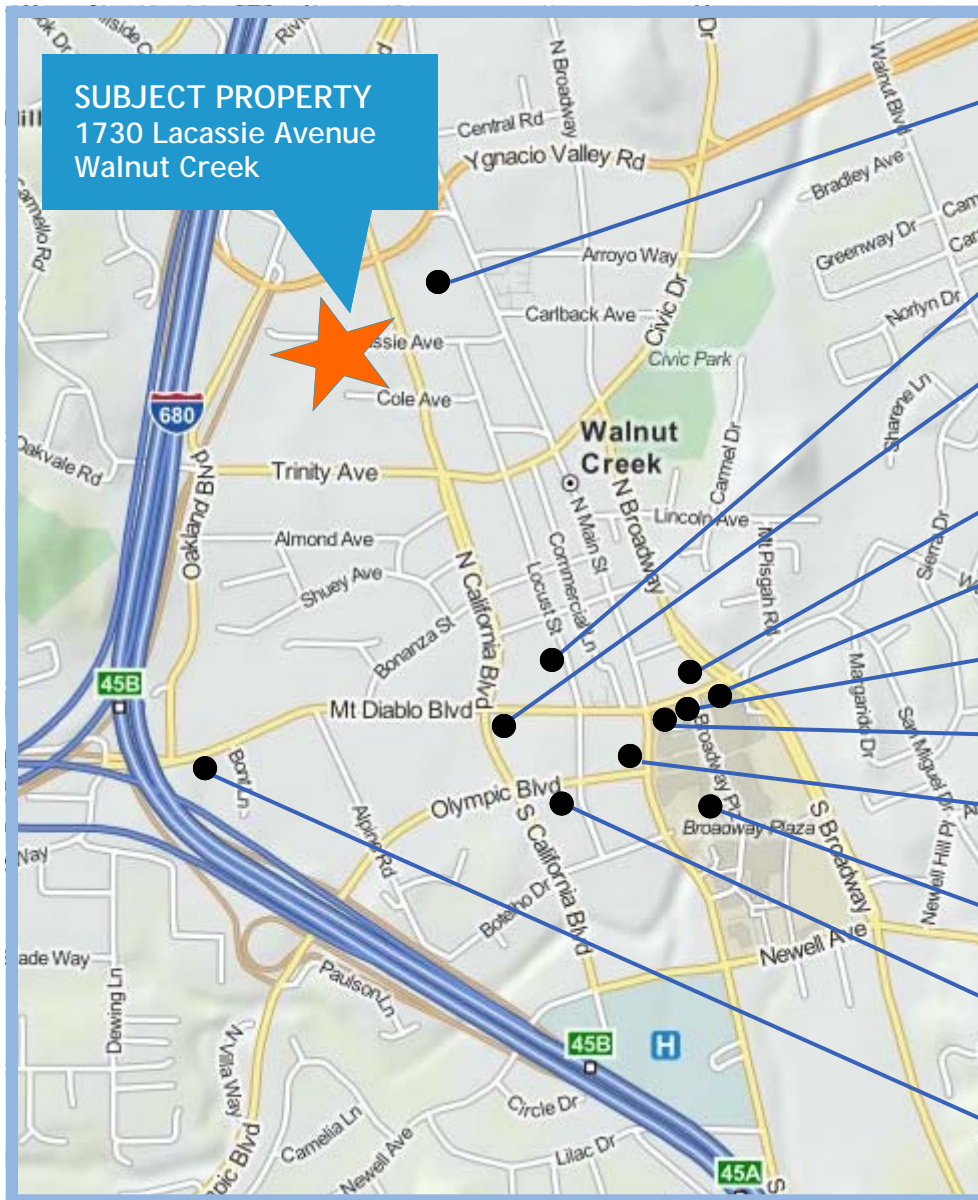
WALNUT CREEK AREA SALES COMPARABLES MAP



NEIGHBORHOOD AERIAL VIEW



CITY MAP



TARGET

Peet's Coffee & Tea

COST PLUS
WORLD MARKET

Il Fornaio

NORDSTROM

P.F. CHANG'S

Neiman Marcus

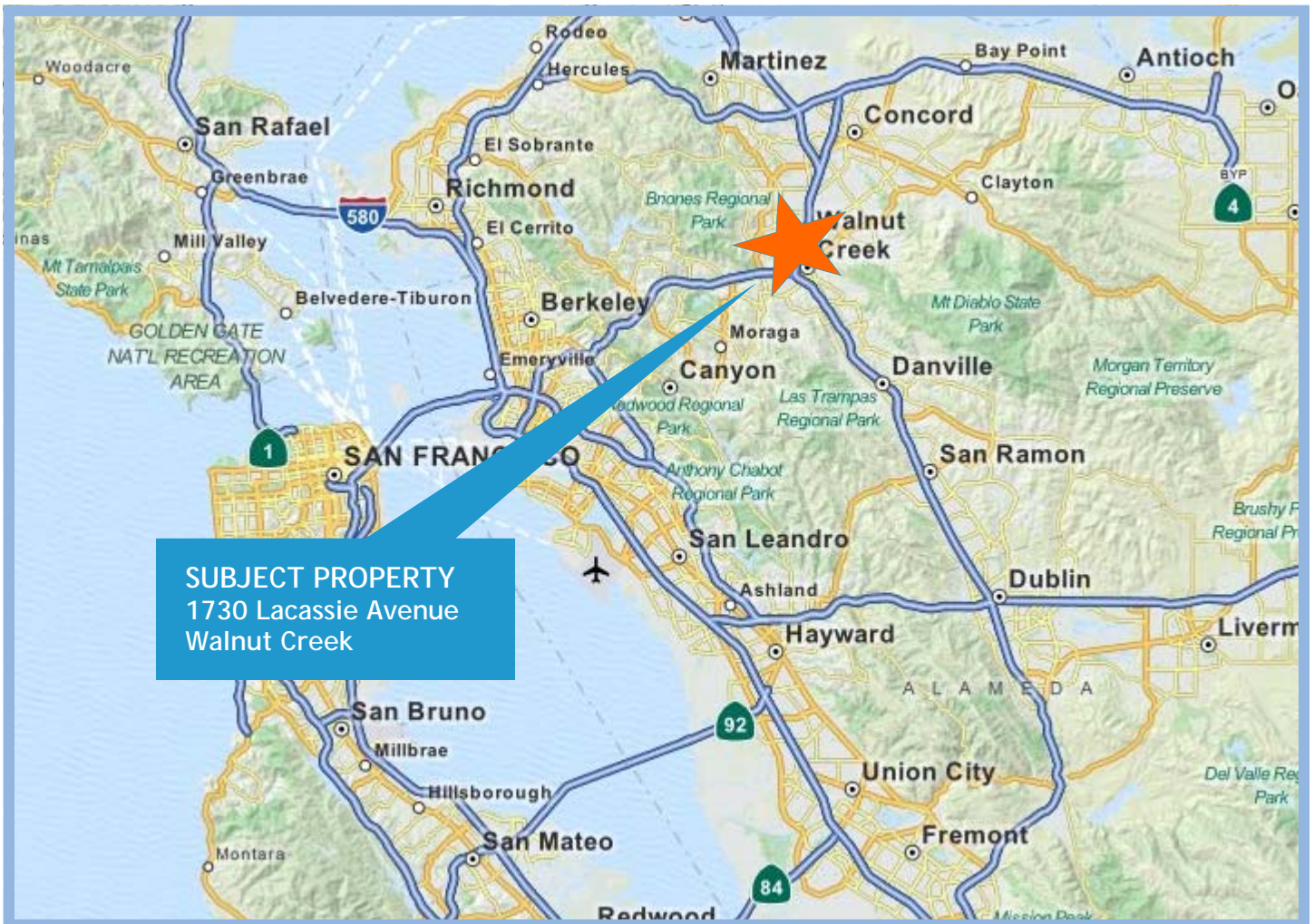
BARNES & NOBLE

★ **macy's**

The Cheesecake Factory

Pier 1 imports

REGIONAL MAP



PARCEL MAP

