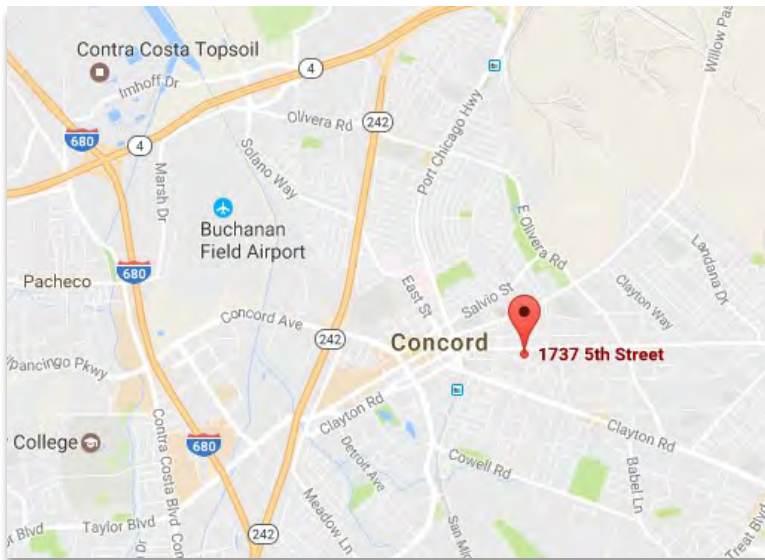




6 APARTMENT UNITS
THE FIFTH STREET APARTMENTS
1737 5TH STREET, CONCORD, CA 94519



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NARRATIVE

The 5th Street Apartments is a clean, well located complex that has been family owned and is now being offered for the first time to market for many years. The location of this complex is a desirable and unusual for the Concord apartment market. It is a predominantly single family neighborhood that consists of well maintained, owner occupied homes which show pride of ownership. The property represents a rare opportunity to own a well located multi-family property with upside potential. The location, proximity to Highways 242 and I-680, downtown Concord, and BART, along with many other desirable features, make this an uncommon investment opportunity.

The complex is a mix of two bedroom, one bedroom, and studio units in one main building. There is also a detached, single story building with the laundry facility and storage lockers for the residents. The complex sits on a legal parcel of approximately 10,850 square feet, but also included is an additional, adjacent parcel of approximately 3,540 for a total land area of 14,390 square feet +/-, per the Contra Costa County Tax Assessor.

The building features a concrete slab foundation with a built up cap sheet roof. Four of the units are all separately metered for gas and all are separately metered for electricity, while the owner provides water and trash service. Parking is on-site with one parking space per unit, plus additional parking for guests.

THE UNIT MIX IS CONSISTS OF:

- (2) Studio units
- (1) Studio with large kitchen unit
- (2) One bedroom/one bath units
- (1) Two bedroom / one bath unit

The property could be purchased and operated has it has been for many years into the future. Alternatively, many investors in the Concord area have noticed significant upside in rents when they make upgrades to their apartments by adding such amenities as granite counters, stainless steel appliances, and Pergo style floor coverings. Although some of the units have been updated to a high standard, we believe the subject property would respond well to such improvements.

PROPERTY DETAILS

ADDRESS	1737 5 th Street, Concord, CA 94519
LAUNDRY	Community facility
SIDING	Stucco
APN	113-251-013 & 113-251-018
APPROX. BUILDING S.F.	2,662 (per Contra Costa County)
APPROX. LAND	14,390 (per Contra Costa County)
BUILT	1943 (per Contra Costa County)
ELECTRICITY	Separately metered
GAS	Four units separately metered
WATER	Master metered
TRASH	Paid by owner
FOUNDATION	Concrete slab
ROOF	Built up cap sheet

RENT SCHEDULE

UNITS	LEVEL	TYPE	ESTIMATED SQ FEET	CURRENT RENTS	ESTIMATED MARKET
1	Lower	Studio (with patio)	400	\$1,050	\$1,200
2	Lower	2BR/1BA (with patio)	550	\$1,395	\$1,395
3	Lower	1BR/1BA (with patio)	500	\$1,295	\$1,295
4	Upper	1BR/1BA	500	\$1,415	\$1,415
5	Upper	Studio	450	\$1,295	\$1,295
6	Upper	Studio (with balcony)	400	\$1,050	\$1,095
6		TOTALS	2,800	\$7,500	\$7,695



INCOME & EXPENSES

UNITS	TYPE	ESTIMATED SQUARE FEET	CURRENT [1]	ESTIMATED MARKET
1	Studio (with patio)	400	\$1,050	\$1,200
2	2BR/1BA (with patio)	550	\$1,395	\$1,395
3	1BR/1BA (with patio)	500	\$1,295	\$1,295
4	1BR/1BA	500	\$1,415	\$1,415
5	Studio	450	\$1,295	\$1,295
6	Studio (with balcony)	400	\$1,050	\$1,095
6	Total rentable square feet	2,800		
INCOME				
	Monthly Rent		\$7,500	\$7,695
	Laundry Income (Projected @ \$15/unit)		\$90	\$90
	Total Monthly Income		\$7,590	\$7,785
	ANNUALIZED TOTAL INCOME		\$91,080	\$93,420
	Scheduled Gross Income		\$91,080	\$93,420
	Less Vacancy Reserve (5.00%)		(\$4,554)	(\$4,671)
	GROSS OPERATING INCOME		\$86,526	\$88,749
EXPENSES				
	Taxes (New @ 1.0996%)		(\$10,171)	(\$10,171)
	Levies & Assessments (Actual)		(\$3,501)	(\$3,501)
	Insurance (2016)		(\$1,767)	(\$1,767)
	Common Area Maintenance (Actual)		(\$2,040)	(\$2,040)
	Water (2016)		(\$1,888)	(\$1,888)
	Garbage (2016)		(\$2,169)	(\$2,169)
	PG&E (2016)		(\$2,044)	(\$2,044)
	Repairs/Maintenance (Projected @ \$1,000/unit/year)		(\$6,000)	(\$6,000)
	Capital Improvement Reserve (Est. @ \$500/unit)		(\$3,000)	(\$3,000)
	Miscellaneous (Projected)		(\$500)	(\$500)
	License & Permit Fee		(\$380)	(\$380)
	TOTAL EXPENSES		(\$33,460)	(\$33,460)
	NET OPERATING INCOME		\$53,066	\$55,289
	Expenses as % of Gross Income		36.74%	35.82%
	Expenses per Unit		\$5,577	\$5,577
	Expenses per Square Foot		\$11.95	\$11.95

[1] As of May 2017

MARKET VALUE ANALYSIS

SALE PRICE	\$925,000		\$925,000	
Down Payment	\$323,750	35%	\$323,750	35%
First Loan [1]	\$601,250	65%	\$601,250	65%
NET OPERATING INCOME	\$53,066		\$55,289	
Estimated Debt Service (first loan)	(\$34,654)		(\$34,654)	
Cash Flow	\$18,412		\$20,635	
Plus Principal Reduction	\$10,497		\$10,497	
Total Pre-Tax Return	\$28,909		\$31,132	
Pre-Tax Return on Investment	8.93%		9.62%	
Gross Rent Multiplier	10.16		9.90	
Capitalization Rate	5.74%		5.98%	
Price per square foot	\$330.36		\$330.36	
Price per unit	\$154,167		\$154,167	

[1] First loan based on 1.2 DCR, 4.05% fixed rate for 5 years, 30 year amortization.



RENT SURVEY

PROPERTY	SUBJECT PROPERTY 1737 5th Street Concord	2745 Concord Boulevard	2120 California Street	2141 Fremont Street	1754 Concord Avenue	1830 Scott Road
AMENITIES	Park-like setting, on-site laundry, off-street parking, some updated units, desirable neighborhoods.	Some updated units, off-street parking, on-site laundry, separately metered PG&E.	Quiet street, near free-ways 242 and I-680 and minutes from BART. Backyard, on-site laundry, and lots of parking in front.	Gated community, updated units, dishwasher, disposal, and on-site laundry, near transportation.	Covered parking, on-site laundry, AC, balcony.	Duplex with off-street parking, new windows and doors, recent paint and carpets. Water and garbage paid by landlord.
STUDIO	\$1,050 to \$1,295 400 square feet \$2.62 to \$3.24/s.f.	\$875 400 square feet \$2.19/s.f.		\$1,150 440 square feet \$2.61/s.f.	\$1,325 325 square feet \$4.08/s.f.	
1 BR / 1 BA	\$1,295 to \$1,415 500 square feet \$2.59 to \$2.83/s.f.	\$1,200 450 square feet \$2.67/s.f.	\$1,450 580 square feet \$2.50/s.f.	\$1,325 550 square feet \$2.40/s.f.		\$1,450 540 square feet \$2.69/s.f.
2 BR / 1 BA	\$1,395 550 square feet \$2.54/s.f.	\$1,050 650 square feet \$1.62/s.f.				



RENT SURVEY PHOTOS



2745 Concord Boulevard



2120 California Street



2141 Fremont Street

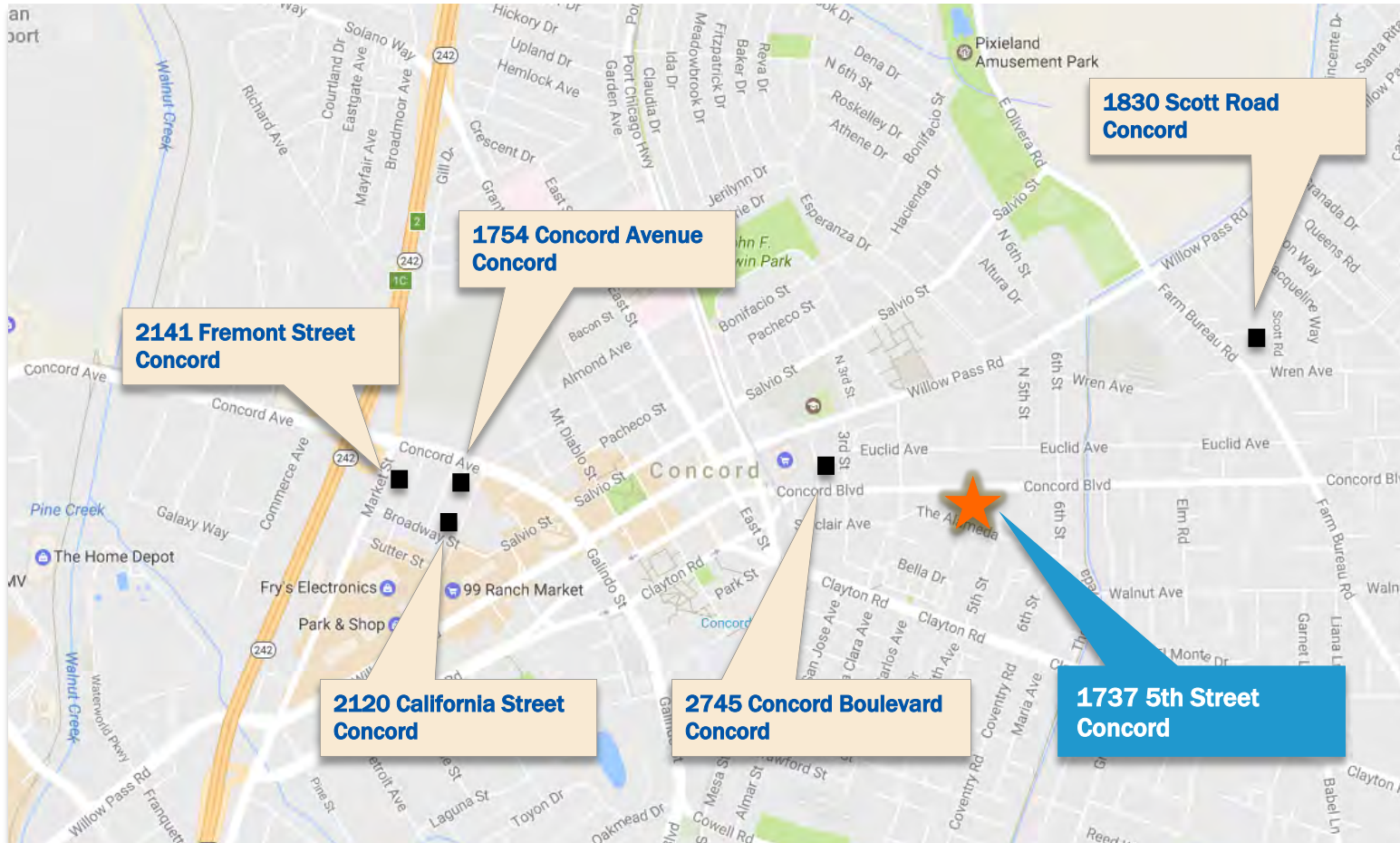


1754 Concord Avenue



1830 Scott Road

RENT SURVEY MAP





SALES COMPARABLES

ADDRESS	UNITS	SALE PRICE	SQ. FEET	COST/ UNIT	COST/ S.F.	AVG. RENT/ S.F.	GRM	CAP	UNIT MIX	BUILT	SOLD	COMMENTS
1973 Jacqueline Way	5	\$1,020,000	4,176	\$204,000	\$244.25	\$1.68	12.08	5.00%	(4) 2x1 3x1	1968	10/17 2016	One and two story, wood frame complex with pitched and flat roofs. On site laundry facility, off street parking. Separately metered PG&E, patios & balconies.
1671 Haller Court	6	\$1,000,000	4,176	\$166,667	\$239.46	\$1.58	12.65	4.74%	All 2x1	1960	10/10 2016	Completely renovated units. Two story, wood frame complex with pitched roof. On site laundry facility, off street parking. Separately metered PG&E.
1866 Robin Lane	8	\$1,175,000	5,780	\$146,875	\$203.29	\$1.23	13.79	4.72%	(6) 2x1 (2) 1x1	1961	9/13 2016	OFF MARKET SALE. Updated units with low rents. Two story, wood frame complex with pitched roof. On site laundry facility, off street parking. Separately metered PG&E.
1641 Frisbie Court	8	\$1,075,000	5,760	\$134,375	\$186.63	\$1.38	11.24	5.59%	(4) 2x1 (4) 1x1	1964	7/20 2016	Two story, wood frame, separately metered for PG&E, wall HVAC, carports, laundry facility, some storage units.
1620-1640 Frisbie Court	12	\$1,975,000	8,495	\$164,583	\$232.49	\$1.74	11.12	4.94%	(10) 2x1 (2) 1x1	1092	5/13 2016	Extensively remodeled in 2011. Separately metered for PG&E, two covered parking stalls per unit, on site laundry facility.
1551 Lacey Court [1]	6	\$835,000	4,178	\$139,167	\$199.86	\$1.70	9.80	5.60%	(4) 1x1 (2) 2x1	1962	4/29 2016	OFF MARKET SALE. Sold with 1125 Lacey Lane. Carports, patios and balconies, pitched roof, dual pane windows.
1125 Lacey Lane [1]	6	\$835,000	4,178	\$139,167	\$199.86	\$1.70	9.80	5.60%	(4) 1x1 (2) 2x1	1962	4/29 2016	OFF MARKET SALE. Sold with 1551 Lacey Court. Carports, patios and balconies, pitched roof, dual pane windows.

Continued . . .



SALES COMPARABLES

ADDRESS	UNITS	SALE PRICE	SQ. FEET	COST/ UNIT	COST/ S.F.	AVG. RENT/ S.F.	GRM	CAP	UNIT MIX	BUILT	SOLD	COMMENTS
1527 Amador Avenue [1]	7	\$642,500	4,416	\$91,786	\$145.49	\$1.27	9.56	5.20%	N/A	1965	1/29 2016	OFF MARKET SALE. Substantial deferred maintenance.
1854 Robin Lane	8	\$1,140,000	4,836	\$142,500	\$235.73	\$1.66	11.80	4.40%	(6) 2x1 (2) 1x1	1963	1/19 2016	Separately metered PG&E, gas wall heat, wall A/C, some patios/ balconies, off street parking, on site laundry facility.
1445 Loeffler Lane [1]	6	\$987,000	4,980	\$164,500	\$198.19	\$1.59	10.42	5.80%	All 1x1	1961	1/15 2016	OFF MARKET SALE. Carports, on site laundry facility, separately metered for gas & electricity, gas wall heat and wall A/C.
1611 Frisbie Court	6	\$900,000	4,595	\$150,000	\$195.87	\$1.44	11.32	4.90%	All 2x1	1962	12/21 2015	Separately metered PG&E, gas wall heat, wall A/C, some patios/ balconies, covered parking, on site laundry facility.
1601 Frisbie Court	6	\$790,000	4,205	\$131,667	\$187.87	\$1.22	12.83	4.10%	(4) 2x1 (2) 1x1	1962	9/25 2015	Covered, off street parking, gas wall heating and wall A/C, coin operated laundry facility.
5095 Clayton Road	6	\$991,000	4,129	\$165,167	\$240.01	\$1.55	12.90	4.70%	(3) 2x1TH (1) 2x1 (2) 1x1	1960	8/26 2015	Updated units including dual pane windows, new kitchens and baths, paint and landscaping. 2BR units have inside laundry, storage and separate PG&E.
AVERAGES	7	\$1,028,115	4,916	\$149,266	\$208.38	\$1.52	11.49	5.02%				

[1] Financials not reported, so they are projected.



SALES COMPARABLES PHOTOS



1973 Jacqueline Way



1671 Haller Court



1866 Robin Lane



1641 Frisbie Court



1620-1640 Frisbie Court



1551 Lacey Court



1125 Lacey Lane



SALES COMPARABLES PHOTOS



1527 Amador Avenue



1854 Robin Lane



1445 Loeffler Lane



1611 Frisbie Court

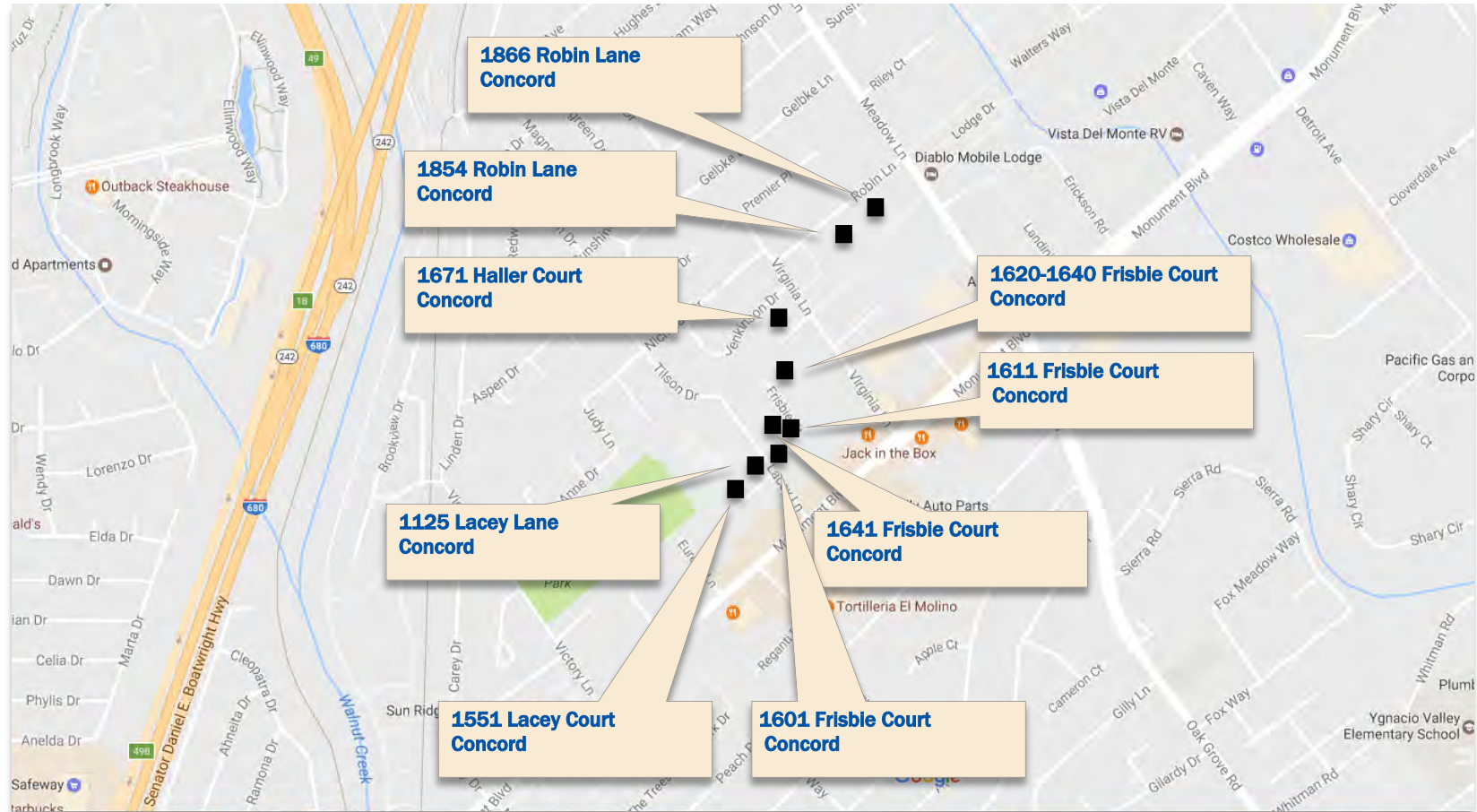


1601 Frisbie Court



5095 Clayton Road

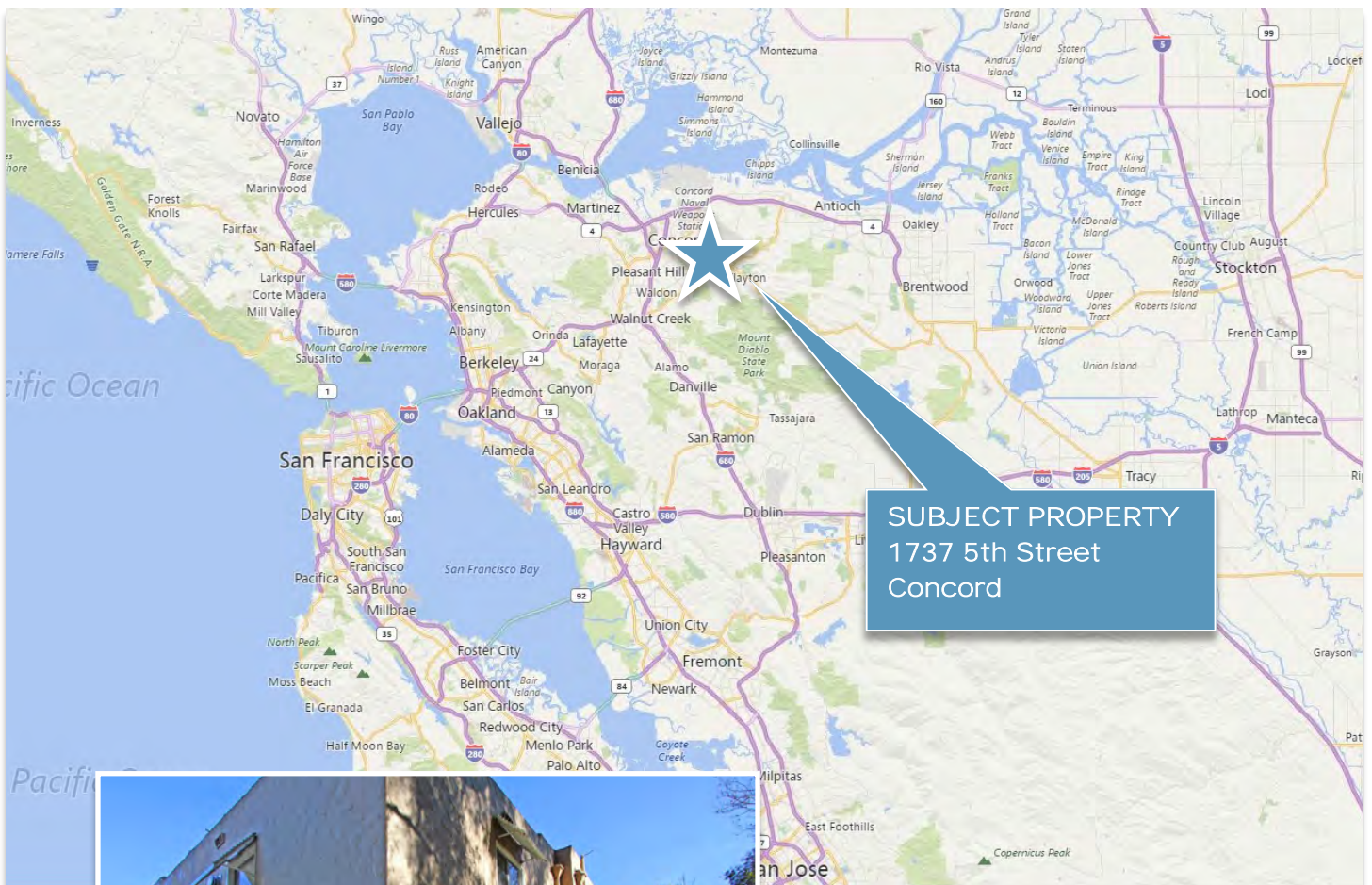
SALES COMPARABLES MAP



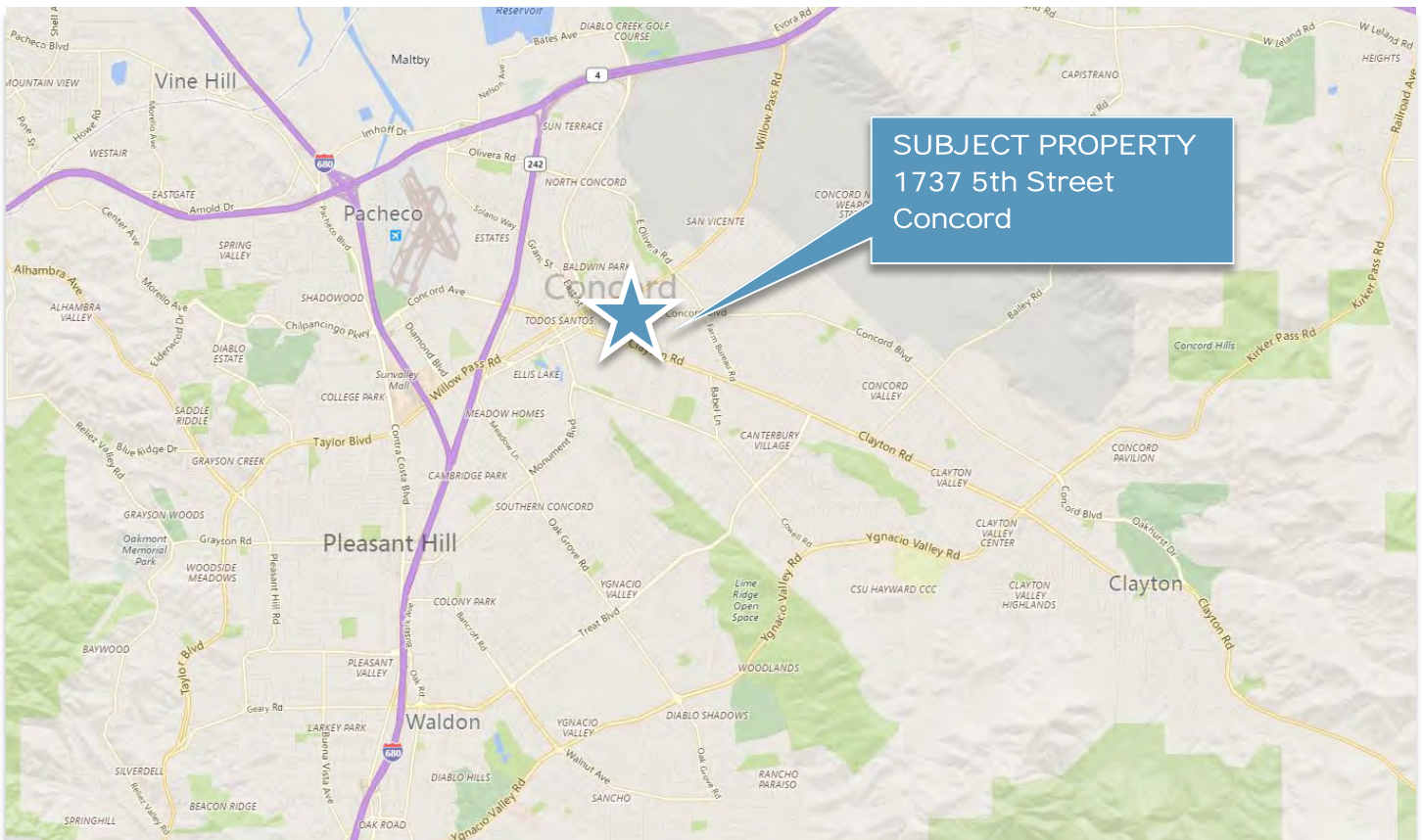
SALES COMPARABLES MAP



REGIONAL MAP



CITY MAP



NEIGHBORHOOD MAP



PARCEL MAP

