



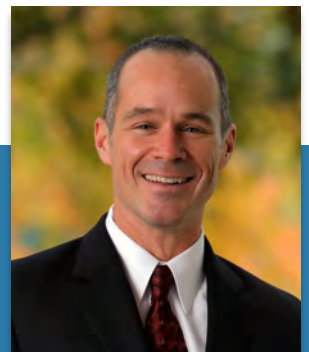
# 15 UNIT APARTMENT COMPLEX

27853 LEIDIG COURT, HAYWARD, CA 94544



*Offered at*  
**\$3,500,000**

**SHAWN WILLIS**  
**925.988.0502**  
Shawn@IPSrealestate.com



INCOME PROPERTY SERVICES A.G.

1343 LOCUST STREET, SUITE 205

WALNUT CREEK, CA 94596

WWW.IPSREALESTATE.COM / BRE # 01095619



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## EXECUTIVE SUMMARY

**27853 Leidig Court, Hayward is a 1970's vintage, well located, multi-family property that has an excellent unit mix and many desirable attributes. The property represents a rare opportunity to own an "add value" investment with strong intrinsic value in one of the Bay Area's most convenient locations. The property is ideally located within .6 of a mile to the South Hayward BART Station and is also close to Highways 237, 880, and 580. It is also located 2.9 miles from the California State University, East Bay.**

The property has a desirable mix of 2BR/1BA units. The complex consists of two, 2-story buildings that sit on one legal parcel of approximately 37,900 s.f., per the Alameda County Tax Assessor. The buildings feature low maintenance stucco exteriors, concrete slab foundations, as well as pitched, composition shingle roofs. There are also low maintenance steel and concrete stairs. The units are separately metered for gas and electricity. The owner currently pays for the water and trash service, but many owners are setting up reimbursement programs for these utilities, which is one strategy that may improve cash flow (subject to rent control ordinance). There are 15 carports and 11 uncovered parking spaces and a coin operated, community laundry facility.

### THE UNIT MIX IS CONSISTS OF:

2BR / 1BA (781 ± square feet)

The property could benefit from updating and there is significant upside in rents, subject to Hayward rent control. We believe the subject property would respond well with additional amenities such as paint, landscaping, upgraded counters, appliances, and floor coverings.

## PROPERTY DETAILS

ADDRESS	27853 Leidig Court, Hayward, CA 94544
LAUNDRY	Community facility, leased equipment
SIDING	Stucco
APN	453-95-12
APPROXIMATE BUILDING SQ. FEET	11,712 ± square feet
APPROXIMATE LAND	37,900 (per Alameda County)
YEAR BUILT	1974 ± (per Alameda County)
PG&E	Separately metered, paid by tenants
WATER	Master metered, currently paid by owner
TRASH	Currently paid by owner
FOUNDATION	Concrete slab
ROOF	Pitched, composition shingle
HVAC	Gas, wall heating
PATIOS/BALCONIES	Lower units have patio areas, upper units have balconies

## RULES REGARDING RENT INCREASES

- **GENERAL RULE:** A landlord may not raise the rent more than five percent (5%) per year and may not increase the rent more than once in any twelve (12) month period.
- **BANKING:** Where a landlord increases the rent payable during any twelve (12) month period commencing April 1, 1987 by less than five percent (5%) per year, the landlord may **“bank” the untaken rent increase and apply it in the current year.**
- **GOVERNMENT-UTILITY SERVICE:** A landlord may also increase the rent more than five percent (5%) per year to recoup increases in costs of government-utility services.
- **YEARLY AGGREGATE CAP:** The aggregate rent increase cannot exceed ten percent (10%) in any year.
- **FAIR RETURN:** A landlord may also increase the rent more than five percent (5%) per year **in order to obtain a fair rate of return on the landlord’s investment. The Ordinance** authorizes a landlord to increase the rent in order to obtain a fair return, subject to the noticing and review procedures provided in the Ordinance, as required under the California Constitution.

## INCOME & EXPENSES

UNITS	TYPE	ESTIMATED SQ. FEET	CURRENT RENTS	STABILIZED RENTS
15	2BR/1BA	781	\$1,228 to \$1,750	\$1,750
15	Total rentable square feet	11,712		
INCOME				
Monthly Rent			\$22,247	\$26,250
2017 Laundry Income			\$288	\$288
Total Monthly Income			\$22,535	\$26,538
ANNUALIZED TOTAL INCOME			\$270,420	\$318,456
Scheduled Gross Income			\$270,420	\$318,456
Less Vacancy Reserve (3.00%)			(\$8,113)	(\$9,554)
GROSS OPERATING INCOME			\$262,307	\$308,902
EXPENSES				
Taxes (New @ 1.1730%)			(\$41,055)	(\$41,055)
Levies and Assessments			(\$1,766)	(\$1,766)
Insurance (Projected @ \$.50/s.f.)			(\$5,856)	(\$5,856)
Water & Sewer (2017 + 2%)			(\$15,757)	(\$15,757)
PG&E (2017 + 2%)			(\$15,047)	(\$15,047)
Garbage (2017 + 2%)			(\$16,877)	(\$16,877)
Repairs/Maintenance (\$850/unit)			(\$12,750)	(\$12,750)
Capital Improvement Reserve (\$300/unit)			(\$4,500)	(\$4,500)
Grounds Maintenance (2017)			(\$6,386)	(\$6,386)
Pest Control (2017)			(\$10,510)	(\$10,510)
License Fee/Legal/Phone/Miscellaneous			(\$1,500)	(\$1,500)
TOTAL EXPENSES			(\$132,004)	(\$132,004)
NET OPERATING INCOME			\$130,303	\$176,898
Expenses as % of Gross Income			48.81%	41.45%
Expenses per Unit			\$8,800	\$8,800
Expenses per Square Foot			\$11.27	\$11.27

## MARKET VALUE ANALYSIS

	CURRENT RENTS		STABILIZED RENTS	
<b>SALE PRICE</b>	<b>\$3,500,000</b>		<b>\$3,500,000</b>	
Down Payment	\$1,850,000	53%	\$1,850,000	53%
First Loan [1]	\$1,650,000	47%	\$1,650,000	47%
<b>NET OPERATING INCOME</b>	<b>\$130,303</b>		<b>\$176,898</b>	
Estimated Debt Service (first loan)	(\$99,108)		(\$99,108)	
Cash Flow	\$31,195		\$77,790	
Plus Principal Paydown	\$26,296		\$26,296	
Total Pre-Tax Return	\$57,491		\$104,086	
Return on Investment	3.11%		5.63%	
Gross Rent Multiplier	12.94		10.99	
Capitalization Rate	3.72%		5.05%	
Price per square foot	\$298.84		\$298.84	
Price per unit	\$233,333		\$233,333	

[1] New first loan, 1.2 DCR, 4.5% fixed for 5 years, 30 year amortization



## RENT SURVEY

ADDRESS	Harder-Tennyson Apartments 27677 Leidig Court Hayward	Paraiso Apartments 963 W Tennyson Road Hayward	Redwood Apartments 320 Harris Road Hayward	Orange Tree Apartments 27285 Manon Ave Hayward	Greenleaf Apartments 27495 Manon Avenue Hayward	Manon Springs Apartments 27320 Manon Avenue Hayward
AMENITIES	Newly renovated, updated kitchen and bathroom, water & garbage included, on-site laundry, near South Hayward BART.	Newly renovated, beautiful hardwood laminate flooring, cherry wood cabinets, quartz counters, self-cleaning oven, garbage disposal, pool, on-site laundry, gated parking.	Newly renovated cabinets, granite counters, appliances, floors, interior doors, and hardware, bathrooms. Landlord pays electric, gas, water, and disposal.	Granite counters, new carpet, on-site laundry, carports, landlord pays water, garbage, and gas.	Newly renovated, town-house style, natural stone counters, stainless appliances, wood inspired flooring, near farmer's market, shopping, restaurants, and movies.	Gated community, AEK, microwave, self-cleaning oven, frost-free refrigerator, dishwasher, disposal, granite counters, new carpet.
2 BR x 1 BA	\$1,775 900 square feet \$1.97/s.f.		\$1,995 530 square feet \$3.76/s.f.			\$1,785 1,000 square feet \$1.79/s.f.
2 BR x 1.5 BA				\$1,795 800 square feet \$2.24/s.f.		
2 BR x 2 BA		\$2,195 800 square feet \$2.74/s.f.			\$2,450 1,545 square feet \$1.59/s.f.	





## RENT SURVEY PHOTOS



**Paraiso Apartments**  
963 W Tennyson Road, Hayward



**Redwood Apartments**  
320 Harris Road, Hayward



**Orange Tree Apartments**  
27285 Manon Avenue, Hayward



**Greenleaf Apartments**  
27495 Manon Avenue, Hayward



**Manon Springs Apartments**  
27320 Manon Avenue, Hayward



## RENT SURVEY MAP





## SALES COMPARABLES

ADDRESS	UNITS	SALE PRICE	SQUARE FEET	COST/ UNIT	COST/ SQUARE FEET	AVG. RENT/ SQ. FEET	GRM	CAP	UNIT MIX	BUILT	SOLD	COMMENTS
20222 Lustig Court	24	\$8,115,000	26,420	\$338,125	\$307.15	\$1.97	13.00	5.10	All 3 x 1.5	1968	11/2 2017	Upgraded flooring, counter tops, cabinetry, new appliances including refrigerator and stove. Upgraded bathroom fixtures, flooring, and cabinetry. Garage parking for one vehicle. Pool, laundry facilities. Easy access to major highways & close to public transportation, park and schools.
25013 Cypress Avenue	18	\$5,950,000	11,600	\$330,556	\$512.93	\$2.87	14.88	4.10	(16) 1 x 1 (2) 2 x 1.5 TH	1962	9/12 2017	Totally renovated complex. Gated community with garages and laundry facility. All new kitchens, bathrooms, floor coverings, windows and window coverings, doors and trim. Financials believed correct, but unconfirmed.
780 Pinedale Court	10	\$2,350,000	6,408	\$235,000	\$366.73	\$2.36	12.94	5.24	(6) 1 x 1 (4) 2 x 1	1952	8/23 2017	(5) two unit buildings with 1 and 2 car garages, patios, 4 decontrolled units. Walk to downtown and to BART. .59 acre parcel, single story, separately metered for gas & electric.
830-842 W. Sunset Blvd.	13	\$2,400,000	8,135	\$184,615	\$295.02	\$2.13	11.52	5.25	3 x 2 (2) Studio (9) 1 x 1 2 x 1 NC	1920	7/31 2017	One non-conforming unit on one acre parcel. (2) four unit buildings, (2) two unit buildings and a single family home. Separately metered PG&E. Non-rent controlled complex. Pitched roofs, some patios, 1 & 2 story.
22032 Arbor Avenue	18	\$5,735,000	15,600	\$318,611	\$367.63	\$2.71	11.29	5.90	(6) 1 x 1 (6) 2 x 1 (6) 3 x 1.5	1965	6/30 2017	Five buildings on one parcel. Townhouse units have single car garages. Other units have carports. Property has washer/ dryer hookups, patios/balconies, separately metered PG&E, pitched roofs, .92 acre parcel.

Continued . . .



## SALES COMPARABLES

ADDRESS	UNITS	SALE PRICE	SQUARE FEET	COST/ UNIT	COST/ SQUARE FEET	AVG. RENT/ SQ. FEET	GRM	CAP	UNIT MIX	BUILT	SOLD	COMMENTS
22555 Linden Street	12	\$2,999,500	7,834	\$249,958	\$382.88	\$2.34	13.61	5.30	All 1 x 1	1963	5/17 2017	Stucco exterior, carports and some garages, separately metered PG&E, onsite, coin operated laundry facility. Patios and balconies, pool, two story complex.
27360 Tyrell Avenue [1]	20	\$4,005,000	27,221	\$200,250	\$147.13	\$1.21	10.11	4.50	All 2 x 1	1960	5/23 2017	Single story complex, garages, pitched roofs, coin operated laundry facility, off street parking. Wall heating and separately metered for gas & electricity.
26903 Huntwood Avenue [1]	10	\$1,650,000	7,448	\$165,000	\$221.54	\$1.85	9.96	5.00	(7) 2 x 1 (3) 1 x 1	1960	2/24 2017	Pitched, composition shingle roof, stucco exterior, onsite, coin operated laundry facility, off street parking, separately metered for PG&E, electric wall heating.
921 Fletcher Lane	14	\$2,595,000	8,708	\$185,357	\$298.00	\$2.04	12.15	5.12	All 1 x 1	1989	1/19 2017	Balconies, dishwashers, pitched tile roof, stucco exterior, enclosed carports, all electric kitchens, dual pane windows, separately metered for gas & electricity.
AVERAGES	15	\$3,977,722	13,264	\$245,275	\$322.11	\$2.17	12.16	5.06				

[1] Financials believed correct, but unconfirmed





## SALES COMPARABLES PHOTOS



**20222 Lustig Court**



**25013 Cypress Avenue**



**780 Pinedale Court**



**830-842 West Sunset Boulevard**



**22032 Arbor Avenue**





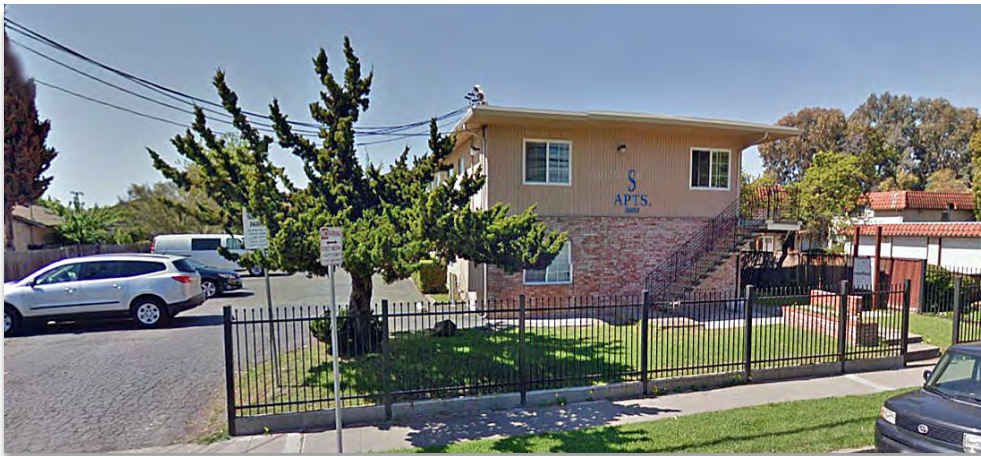
## SALES COMPARABLES PHOTOS



**22555 Linden Street**



**27360 Tyrell Avenue**



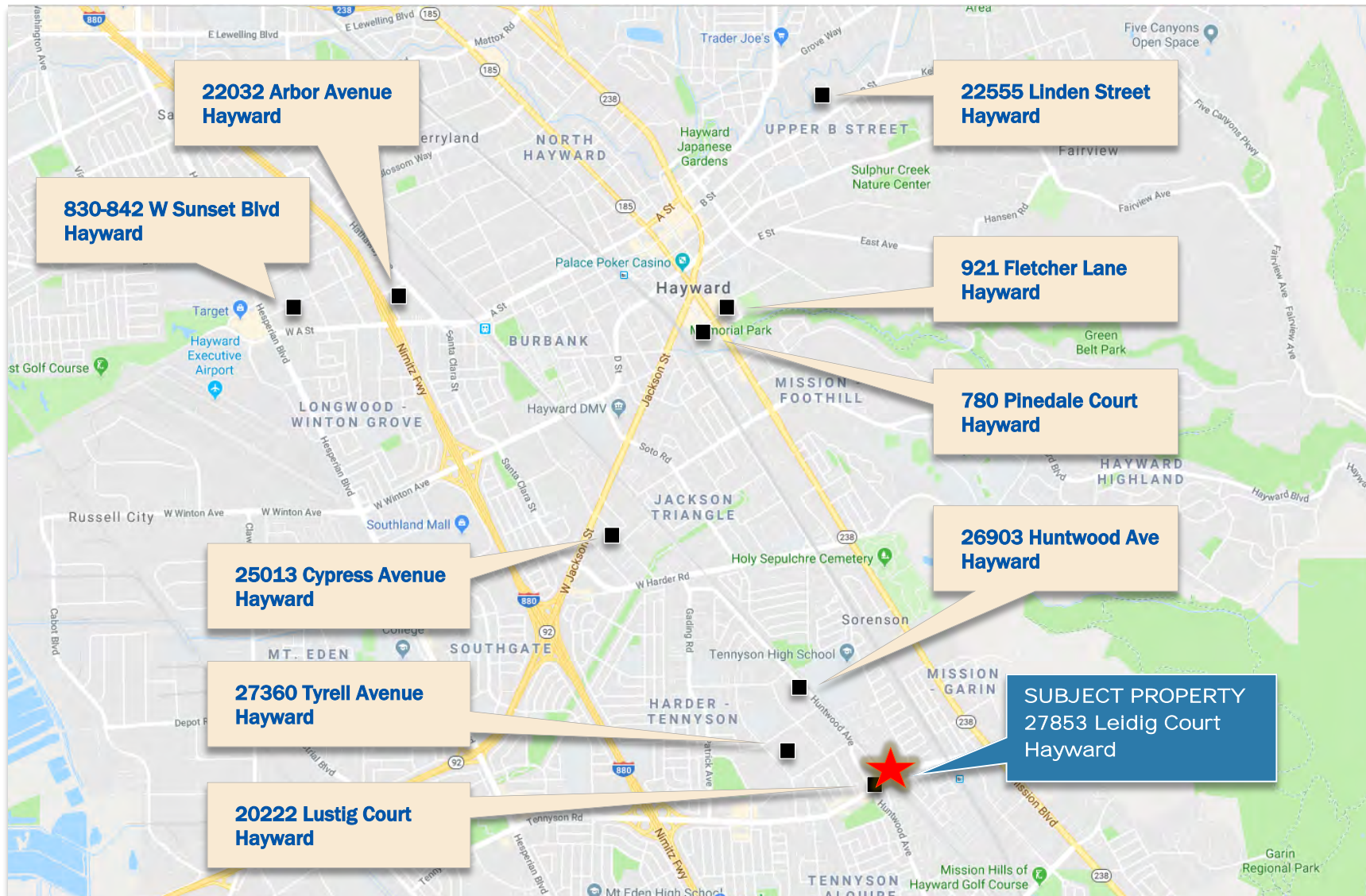
**26903 Huntwood Avenue**



**921 Fletcher Lane**

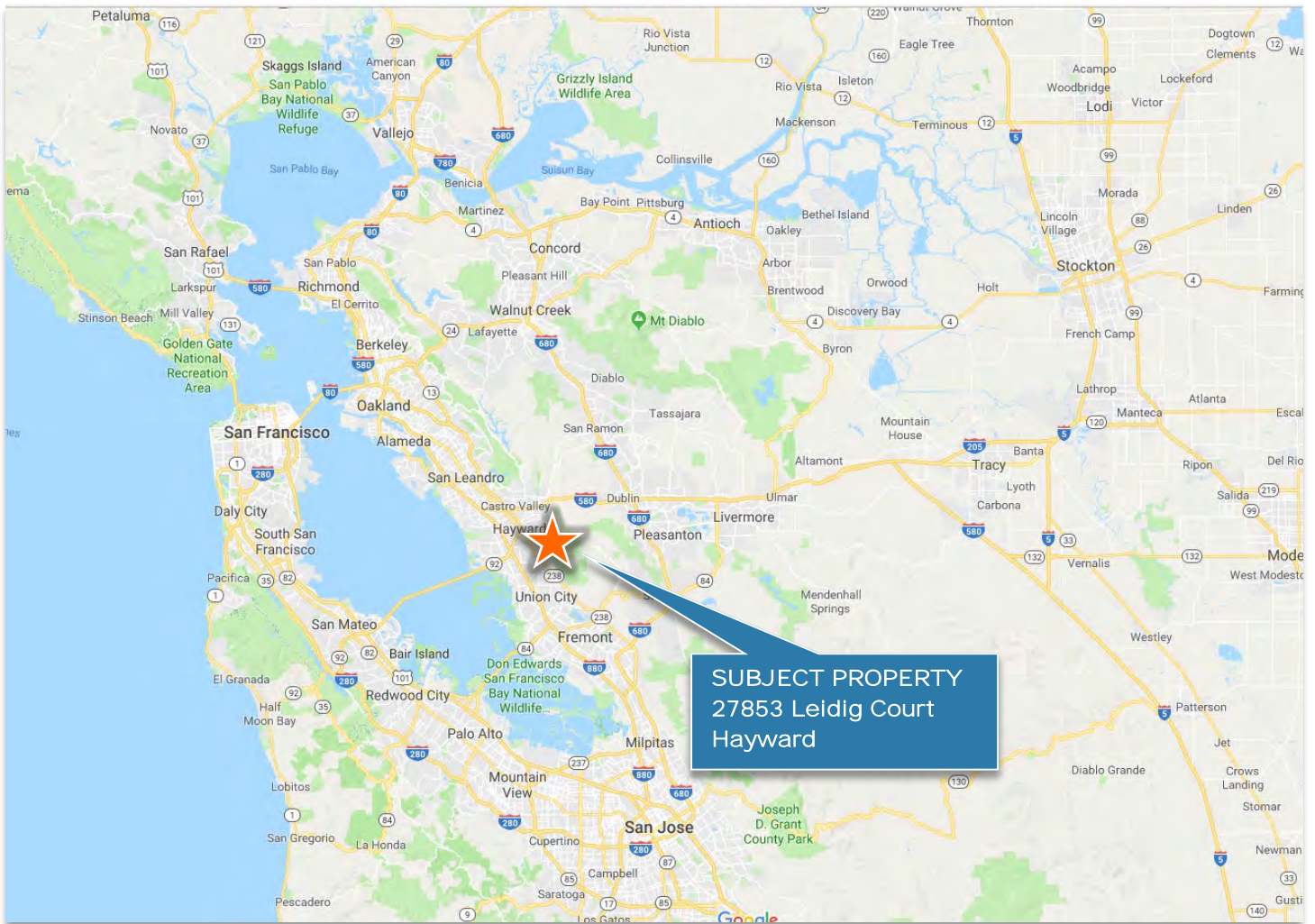


## SALES COMPARABLES MAP

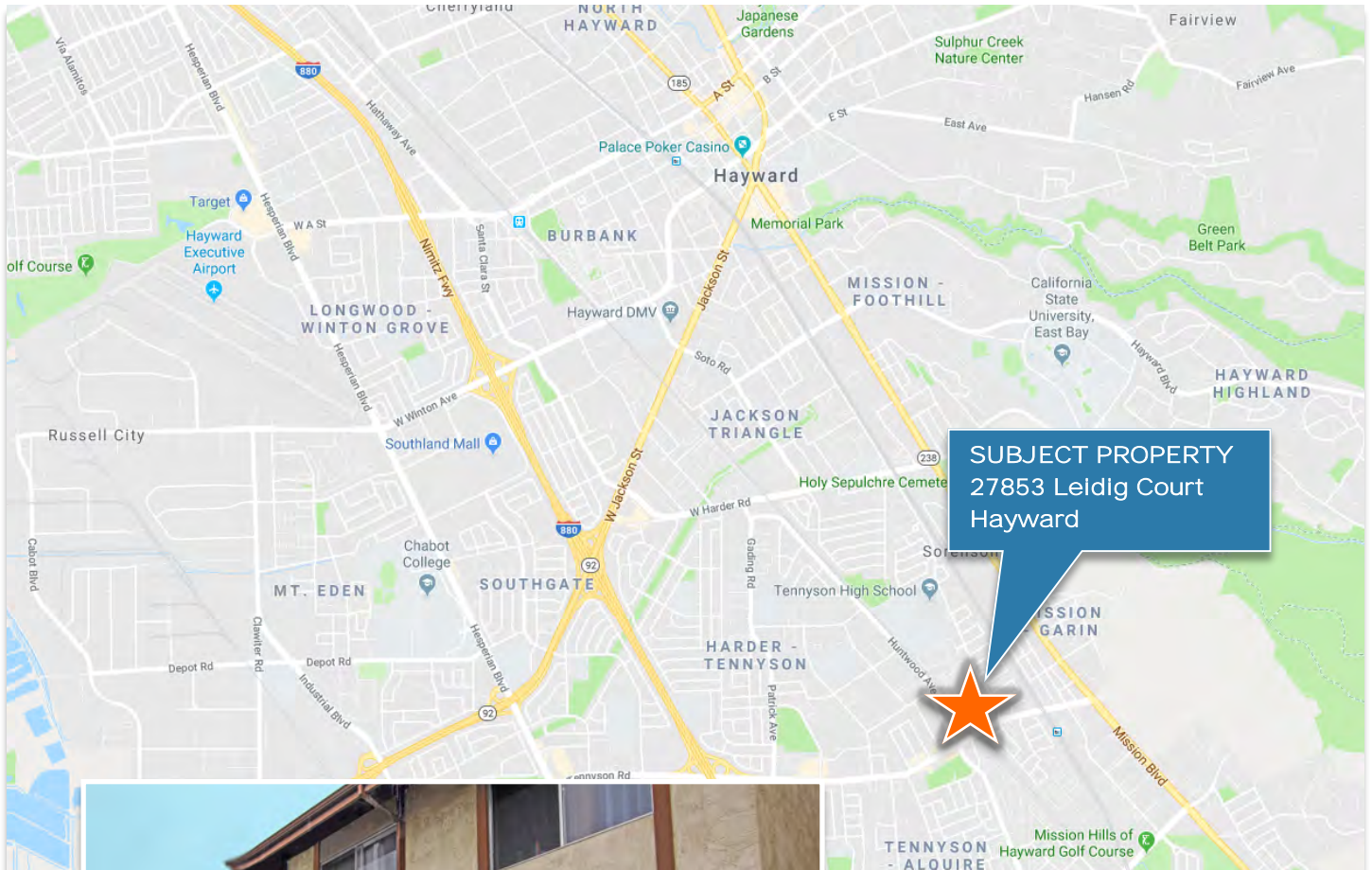




## REGIONAL MAP



## CITY MAP





## NEIGHBORHOOD MAP





## PARCEL MAP

