1351 ARMADALE AVE

Los Angeles, CA 90042

Multifamily Investment Opportunity

Offering Memorandum

Prime Los Angeles Value-Add | Below-Market Rents | Long-Term Upside | Occidental College 0.8 Mi Away

EXCLUSIVELY LISTED BY

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PROPERTY OVERVIEW

1351 Armadale Avenue
Los Angeles, CA 90042

EXECUTIVE SUMMARY

1351 Armadale Ave Los Angeles, CA 90042	**16** Total Units	**±0.39** Lot Size (AC)	**±11,856** Building SF

The Opportunity

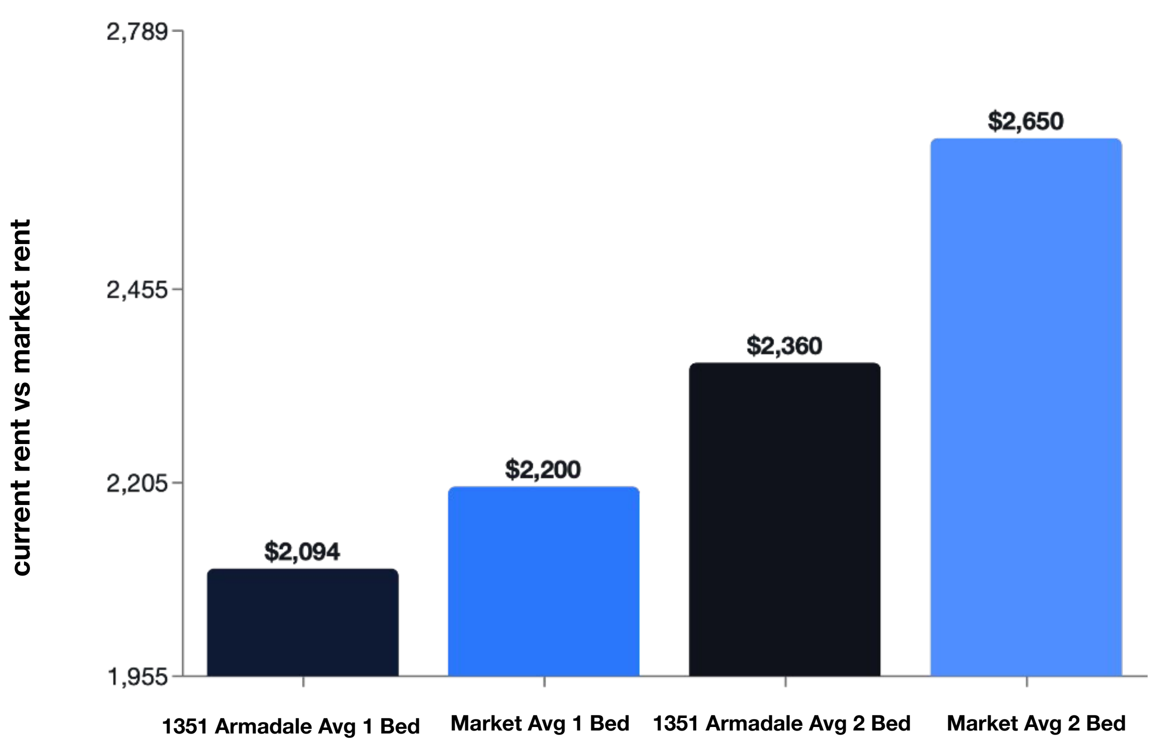
1351 Armadale Avenue presents the opportunity to acquire a well-maintained 16-unit apartment community in Los Angeles, California, one of the nation's strongest and most supply-constrained multifamily markets. Built in 1958, the property consists of approximately 11,856 square feet on a ±0.39-acre LAR1-zoned parcel with a balanced unit mix of eight one-bedroom/one-bathroom units and eight two-bedroom/one-bathroom units, appealing to a broad tenant base. Tenants have the luxury of an on-site laundry facility and on-site parking with 16 spaces.

The property offers an attractive value-add investment opportunity with meaningful upside through rental repositioning, as current average rents remain below market levels. Investors have the opportunity to increase cash flow while benefiting from the stability of an established, well-located asset. Situated within a dense Los Angeles neighborhood with convenient access to major employment centers, transportation corridors, retail amenities, and neighborhood services, 1351 Armadale Avenue is well-positioned to capitalize on continued rental demand and long-term appreciation in one of Southern California's most resilient multifamily markets.

INVESTMENT HIGHLIGHTS

Property Highlights

- **Meaningful Value-Add Opportunity:** Current rents remain below market, providing investors with the opportunity to increase cash flow through strategic rent growth and asset management.
- **Balanced 16-Unit Community:** Well-balanced unit mix of eight 1-bedroom and eight 2-bedroom apartments appeals to a broad tenant base and supports long-term occupancy.
- **Prime Los Angeles Location:** Located in a dense infill Los Angeles neighborhood with convenient access to major employment centers, transportation corridors, retail amenities, and neighborhood services.
- **Supply-Constrained Multifamily Market:** Limited new apartment development, high replacement costs, and continued housing demand support long-term rent growth and asset appreciation.



1351 Armadale Avenue
Los Angeles, CA 90042

1958
Year Built

16
Number of Units

±11,856
Building SF

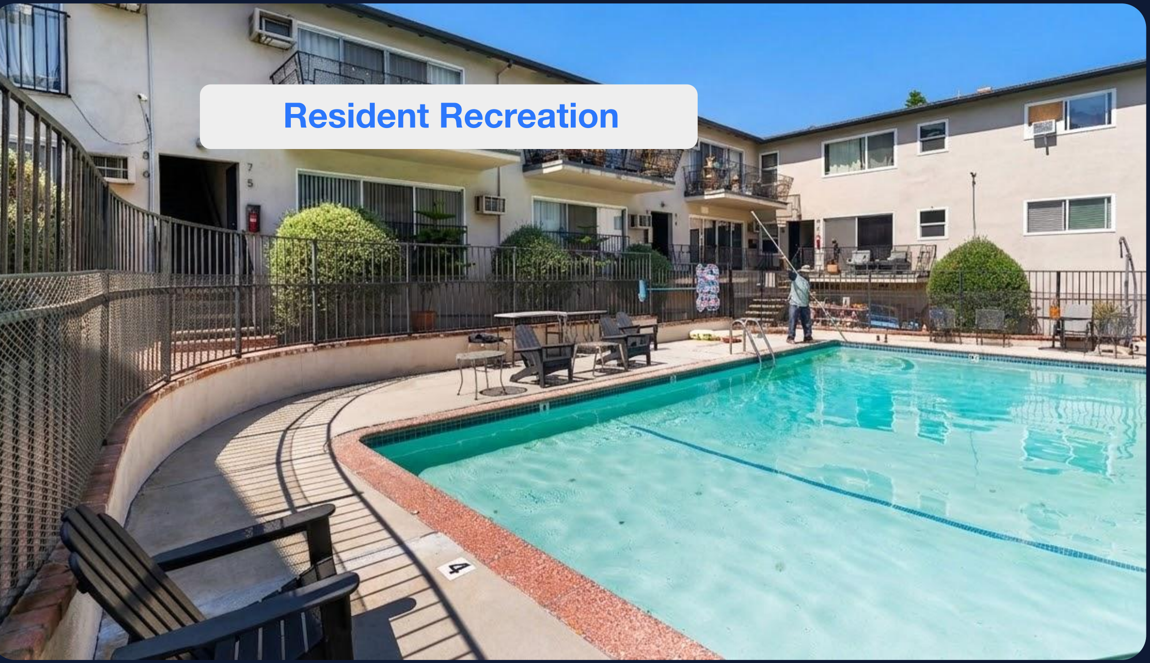
±751
Average Unit Size

5474-029-026
APN

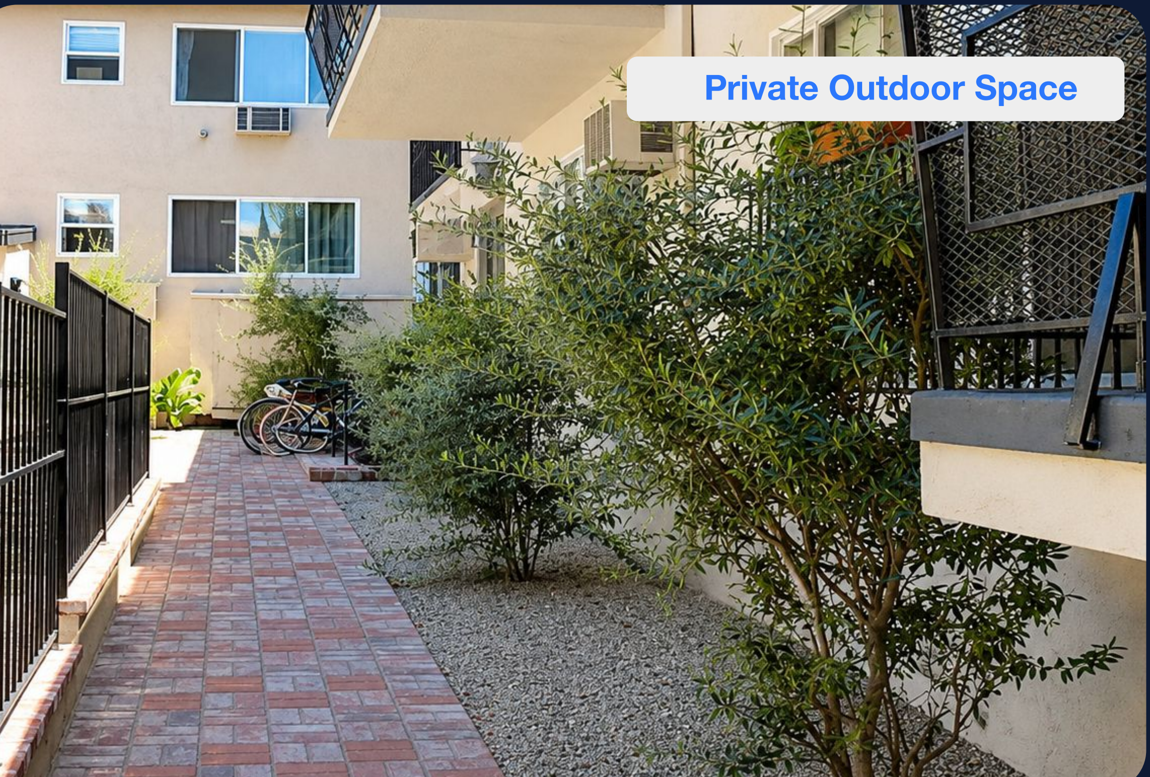
±0.39 AC
Lot Size

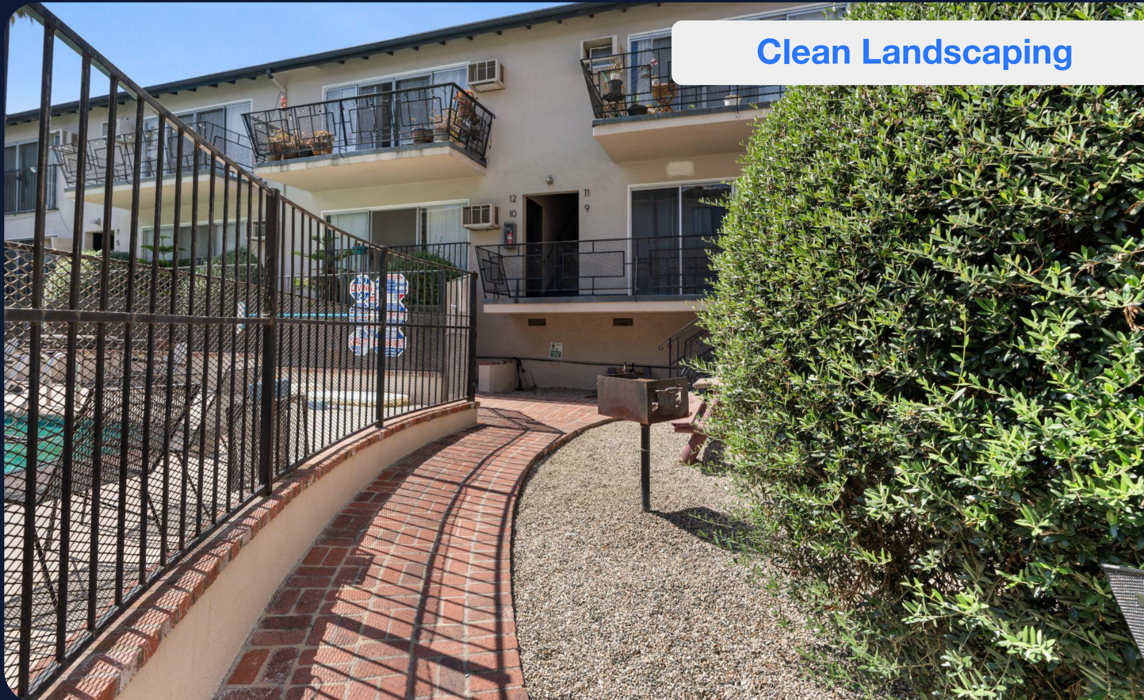
LAR1
Zoning

AMENITIES

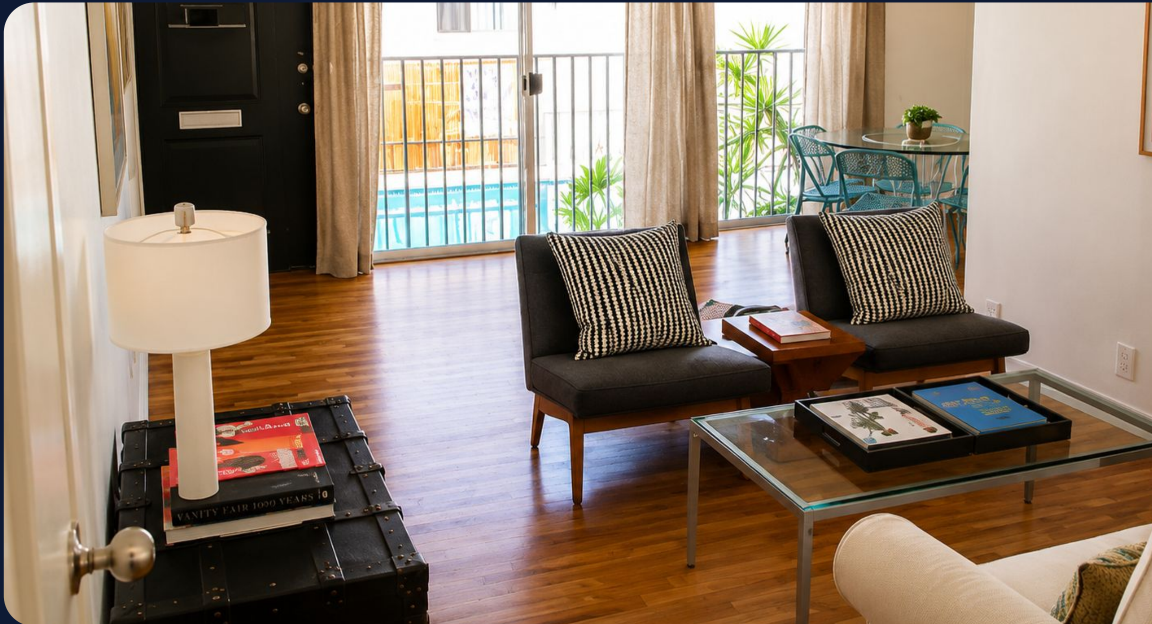

Resident Recreation


On-Site Parking


Private Outdoor Space


Clean Landscaping

SPACIOUS LIVING SPACES



Glendale High School
±2,066 Students
target
134
± 205,000 VPD
N
CHASE
CASA BIANCA
Est. 1955
CVS pharmacy
Ralphs
loop
TRADER JOE'S
SPROUTS FARMERS MARKET
menchie's
Eagle Rock Junior/Senior High
±2,070 Students
2
N Eagle Rock Blvd ± 36,668 VPD
VONS
Rockdale Elementary
±325 Students
± 160,000 VPD
target
OXY Occidental College
Occidental College
±1,881 Students | ±779 Employees
Annandale Elementary
±90 Students
CVS pharmacy
Subject Property
Luther Burbank Middle
±824 Students
Public Storage
York Blvd ± 28,000 VPD
DANONE
ONE PLANET. ONE HEALTH
Bottled Water Supplier
±5K Total Employees
Dining Corridor
DONUT FRIEND
Belle's
STICKY RICE
JOY
The Hermosillo
Benjamin Franklin Senior High
±1,284 Students
Google Earth

FINANCIAL OVERVIEW

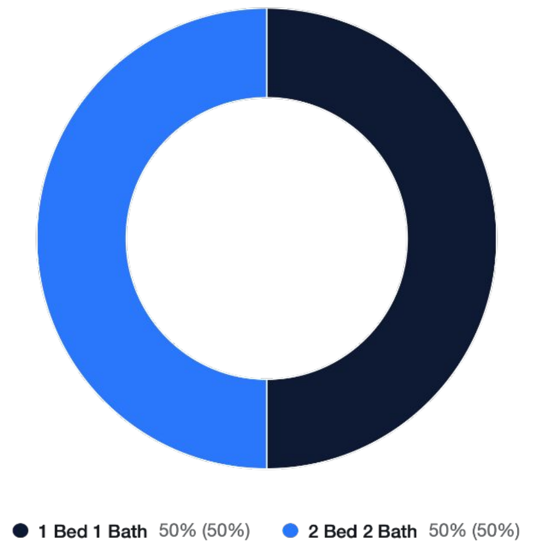
1351 Armadale Avenue
Los Angeles, CA 90042

FINANCIAL SUMMARY

$4,575,000	$285,938	$385.88	±751	5.34%
List Price	Price Per Unit	Price Per SF	Avg Unit Size (SF)	Cap Rate

Unit Mix

Total Units	Unit Mix	Unit Mix %	Current Avg. Rent	Market		Current Max Rent	Total Current Monthly Rent	Market Monthly Rent
				Avg. Rent	Rent PSF			
8	1+1	50%	$2,094	$2,200	$2.97	$2,299	$16,748	$17,600
8	2+1	50%	$2,360	$2,650	$3.58	$2,502	$18,876	$21,200
16	**Average**		**$2,227**	**$2,425**	**$0.00**	**$2,401**	**$35,624**	**$38,800**
	Total		**$35,624**	**$38,800**	**$52.36**	**$0**	**$427,488**	**$465,600**



Annual Operating Summary

	Pro Forma Estimates	Current	Per Unit	Market	Per Unit
Gross Potential Rent		$427,488	Current Rent	$465,600	9% Upside
Less Vacancy	-5.0%	-$21,374	-5.0%	-$23,280	-5.0%
Laundry Fees	*$193.75 Per Unit*	$3,100	$194	$3,100	$194
Gross Operating Income:		$409,214		$445,420	
Expenses:		$164,787	38.27%	$166,236	35.47%
Net Operating Income:		**$244,426**	**$15,277**	**$279,184**	**$17,449**
Pre-Tax Cash Flow		$48,993	2.75%	$83,752	4.69%
Total Return Before Taxes		**$84,894**	**4.76%**	**$119,653**	**6.71%**

Pro Forma Annual Operating Expenses

	Pro Forma Estimates		% of Current SGI	Year 1 Adjusted	Per Unit	Market	Per Unit	% of SGI
Real Estate Taxes	1.19%	of Purchase Price	12.71%	$54,323	$3,395	$54,323	$3,395	11.7%
Property Management Fee	4.0%	x GOI	3.83%	$16,369	$1,023	$17,817	$1,114	3.8%
Insurance	*$1.35*	Per SF	3.74%	$16,006	$1,000	$16,006	$1,000	3.4%
Payroll	*$750*	Per Unit	2.81%	$12,000	$750	$12,000	$750	2.6%
General and Administrative	*$350*	Per Unit	1.31%	$5,600	$350	$5,600	$350	1.2%
Contract Services	*$100*	Per Unit	0.37%	$1,600	$100	$1,600	$100	0.3%
Landscaping/Grounds	*$125*	Per Unit	0.47%	$2,000	$125	$2,000	$125	0.4%
Turnover	*$200*	Per Unit	0.75%	$3,200	$200	$3,200	$200	0.7%
Repairs & Maintenance	*$750*	Per Unit	2.81%	$12,000	$750	$12,000	$750	2.6%
Utilities	*$152*	Per Unit	5.71%	$24,419	$1,526	$24,419	$1,526	5.2%
Trash Removal	*$566*	Per Unit	2.12%	$9,071	$567	$9,071	$567	1.9%
Marketing/Advertising	*$100*	Per Unit	0.37%	$1,600	$100	$1,600	$100	0.3%
Pool	*$162*	Per Unit	0.61%	$2,600	$163	$2,600	$163	0.6%
Reserves	*$250*	Per Unit	0.94%	$4,000	$250	$4,000	$250	0.9%
Total Expenses			**38.55%**	**$164,787**	**$10,299**	**$166,236**	**$10,390**	**35.7%**
				% SGI				
Non-Controllable Expenses: Taxes, Ins, Reserves				17.4%				
Total Expenses Without Taxes & Reserves				21.08%				

Rent Roll

Unit Mix	Unit #	Current Rent	Market Rent
2+1	1	$2,356	$2,650
2+1	2	$2,215	$2,650
2+1	3	$2,460	$2,650
2+1	4	$2,369	$2,650
1+1	5	$1,900	$2,200
1+1	6	$2,299	$2,200
1+1	7	$2,111	$2,200
1+1	8	$1,821	$2,200
1+1	9	$2,163	$2,200
1+1	10	$2,030	$2,200
1+1	11	$2,200	$2,200
1+1	12	$2,224	$2,200
2+1	14	$2,335	$2,650
2+1	15	$2,336	$2,650
2+1	16	$2,303	$2,650
2+1	17	$2,502	$2,650
Totals		**$35,624**	**$38,800**
Averages		**$2,227**	**$2,425**

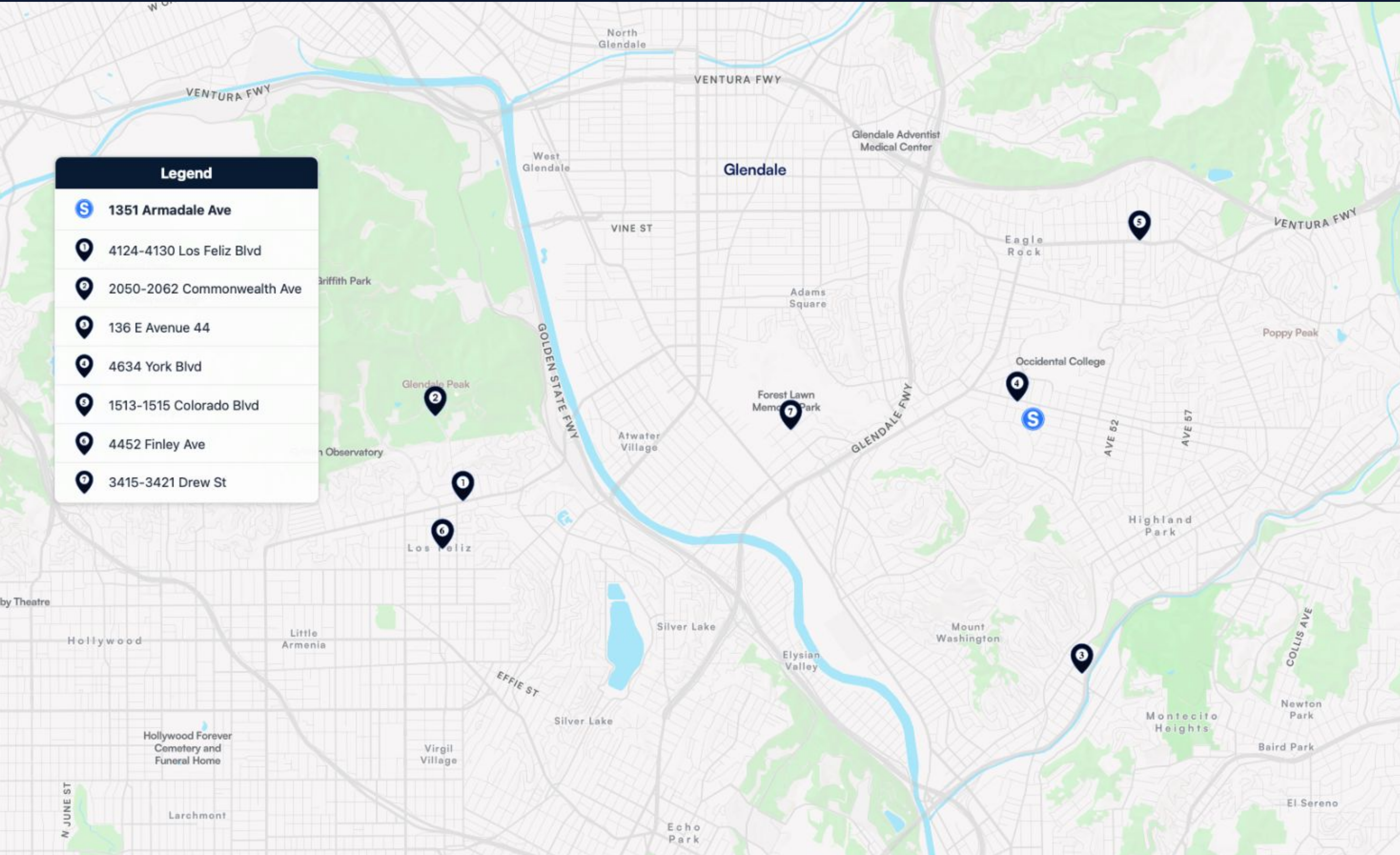
SALES COMPARABLES

1351 Armadale Avenue
Los Angeles, CA 90042

SALES COMPARABLES

	Property Address	Property City	Property Zip Code	Sale Price	Year Built	Building SF	Number Of Units	Price Per Unit	Price Per SF	Cap Rate	GRM	Sale Date
S	**1351 Armadale Ave**	**Los Angeles**	**90042**	**$4,575,000**	**1958**	**11,856**	**16**	**$285,938**	**$385.88**	**5.34%**	**10.7**	**-**
1	4124-4130 Los Feliz Blvd	Los Angeles	90027	$1,925,000	1941	5,138	6	$217,000	$374.66			10/20/25
2	2050-2062 Commonwealth Ave	Los Angeles	90027	$4,700,000	1928	12,251	17	$216,667	$383.64			8/11/25
3	136 E Avenue 44	Los Angeles	90031-1307	$1,550,000	1906	4,616	6	$214,286	$335.79	3.19		6/24/26
4	4634 York Blvd	Los Angeles	90041	$2,800,000	1950	10,948	12	$215,625	$255.75			7/9/26
5	1513-1515 Colorado Blvd	Los Angeles	90041-1424	$1,625,000	1924	6,388	7	$275,000	$254.38	6.54	10.75	1/16/26
6	4452 Finley Ave	Los Angeles	90027	$2,300,000	1927	8,879	10	$232,143	$259.04			8/29/25
7	3415-3421 Drew St	Los Angeles	90065-2357	$2,675,000	1950	7,245	12	$222,917	$369.22			1/8/26

SALES COMPARABLES MAP



RENT COMPARABLES

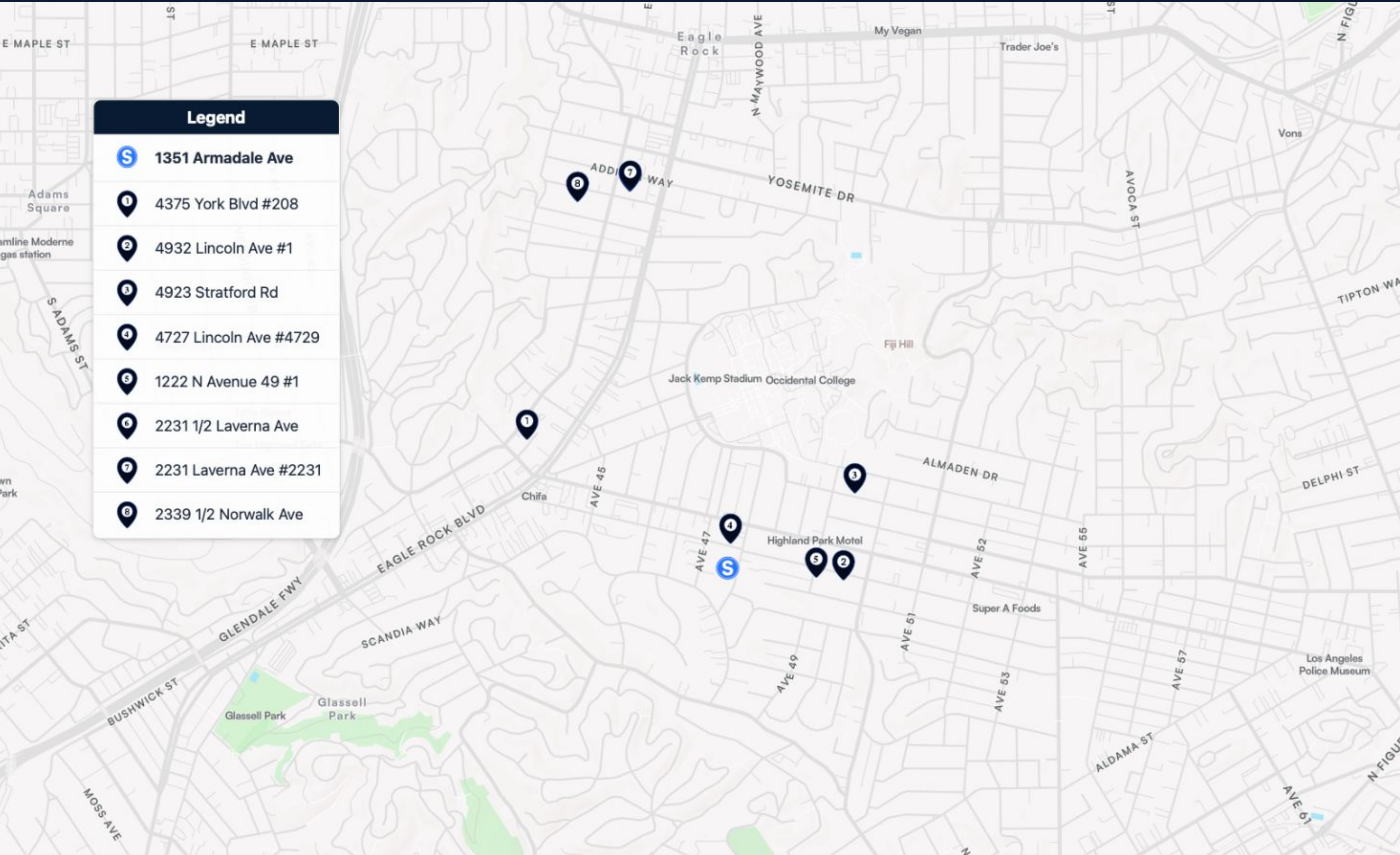
1351 Armadale Avenue
Los Angeles, CA 90042

RENT COMPARABLES (1+1)

One Bedroom

	Address	Zip Code	Year Built	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
S	**1351 Armadale Ave**	**90042**	**1958**	**1+1**	**741**	**$2,094**	**$2.83**
1	4375 York Blvd #208	90041	1964	1+1	600	$1,795	$2.99
2	4932 Lincoln Ave #1	90042	1907	1+1	500	$1,800	$3.60
3	4923 Stratford Rd	90042	1921	1+1	413	$1,990	$4.82
4	4727 Lincoln Ave #4729	90042	1955	1+1	650	$2,075	$3.19
5	1222 N Avenue 49 #1	90042	1940	1+1	695	$2,150	$3.09
6	2231 1/2 Laverna Ave	90041	1926	1+1	427	$2,200	$5.15
7	2231 Laverna Ave #2231	90041	1926	1+1	454	$2,300	$5.07
8	2339 1/2 Norwalk Ave	90041	1925	1+1	640	$2,650	$4.14

RENT COMPARABLES MAP (1+1)

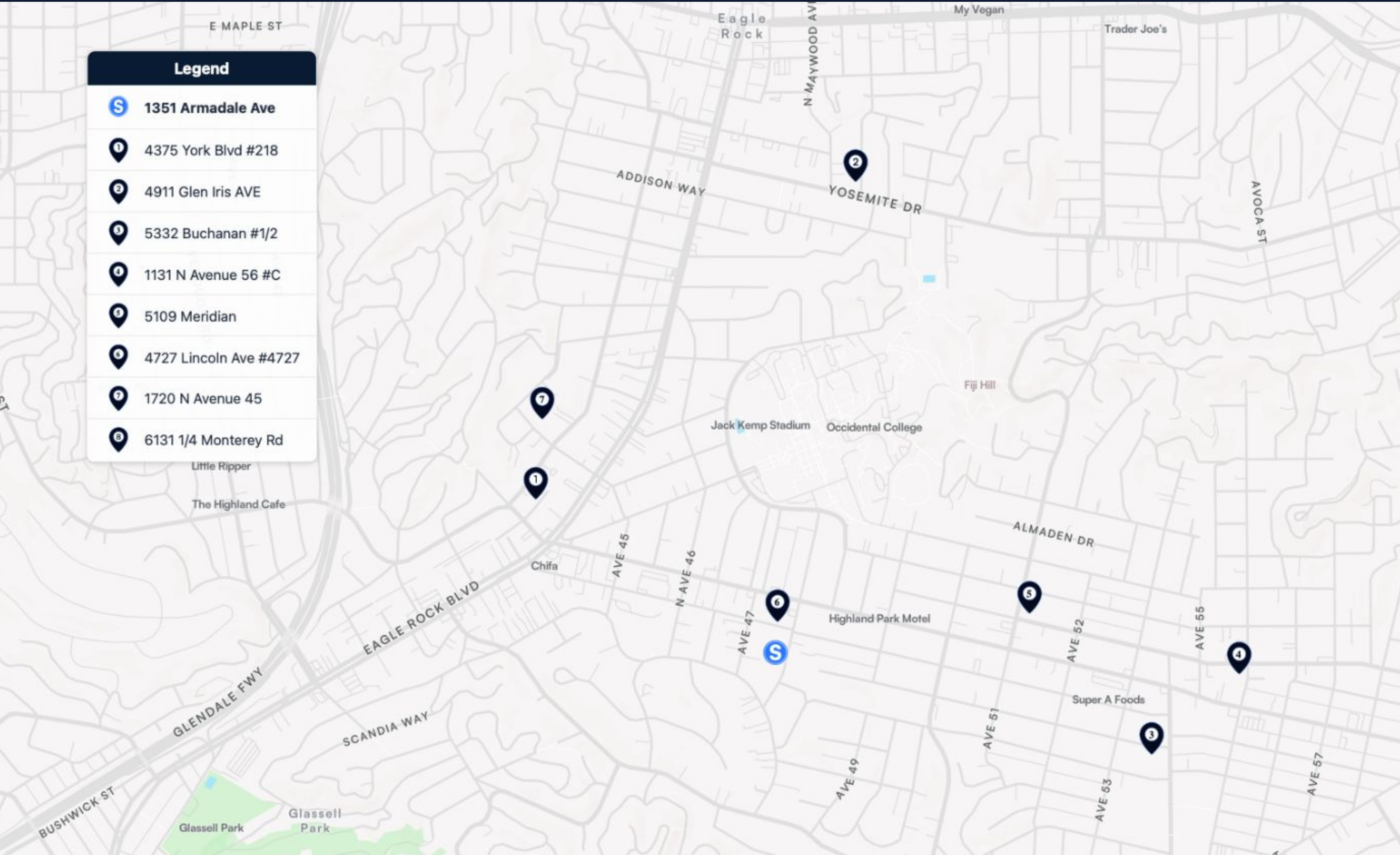


RENT COMPARABLES (2+1)

Two Bedroom

	Address	Zip Code	Year Built	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
S	**1351 Armadale Ave**	**90042**	**1958**	**1+1**	**741**	**$2,094**	**$2.83**
1	4375 York Blvd #218	90041	1964	2+1	800	$1,997	$2.50
2	4911 Glen Iris AVE	90041	1922	2+1	725	$2,395	$3.30
3	5332 Buchanan #1/2	90042	1922	2+1	800	$2,500	$3.13
4	1131 N Avenue 56 #C	90042	1993	2+1	800	$2,500	$3.13
5	5109 Meridian	90042	1920	2+1	1,020	$2,700	$2.65
6	4727 Lincoln Ave #4727	90042	1955	2+1	850	$2,675	$3.15
7	1720 N Avenue 45	90041	1954	2+1	800	$2,899	$3.62
8	6131 1/4 Monterey Rd	90042	2026	2+1	750	$2,700	$3.60

RENT COMPARABLES MAP (2+1)



MARKET OVERVIEW

1351 Armadale Avenue
Los Angeles, CA 90042

Total Population
1,000,000

Renter Occupied
65.5%

Tourism Economic Impact
$15B

GDP
$1.3T

HIGHLAND PARK, LA

Los Angeles remains one of the nation's strongest multifamily investment markets, supported by its diverse economy, global employment base, and sustained housing demand. Highland Park, where the subject property is located, has emerged as one of Northeast Los Angeles' most desirable infill neighborhoods, benefiting from continued revitalization, limited new multifamily development, and strong renter demand.

The neighborhood is characterized by a highly renter-occupied population, a vibrant mix of historic residential streets and neighborhood-serving retail, and convenient access to major employment centers including Downtown Los Angeles, Pasadena, Glendale, and Burbank. Its central location continues to attract young professionals, creatives, and long-term residents seeking an urban lifestyle with relative affordability.

Highland Park offers exceptional regional connectivity through the Metro A Line (Gold Line), Interstate 110, and State Route 110, providing direct access to Downtown Los Angeles and the greater San Gabriel Valley. York Boulevard and Figueroa Street have experienced significant private investment, introducing new restaurants, retail, and entertainment venues that have further enhanced the neighborhood's appeal.

As housing affordability challenges persist across the Los Angeles metro, Highland Park's limited housing supply, strong rental fundamentals, and continued neighborhood investment position the submarket for sustained rental demand and long-term value appreciation.

Founded in **1887**, **Occidental College** is a nationally recognized private liberal arts college in Los Angeles' Eagle Rock neighborhood. Located just minutes from the subject property, the college attracts students and faculty from across the country, supporting consistent demand for nearby housing, retail, dining, and neighborhood services.

±0.8 Miles

Distance to Subject Property

1,881+

Enrollment

Founded in **1880**, the **University of Southern California (USC)** is one of the nation's leading private research universities and a major anchor for Los Angeles. Located just minutes from the subject property, USC attracts over 49,000 students and faculty, driving strong demand for nearby housing, retail, dining, and local businesses.

±9 Miles

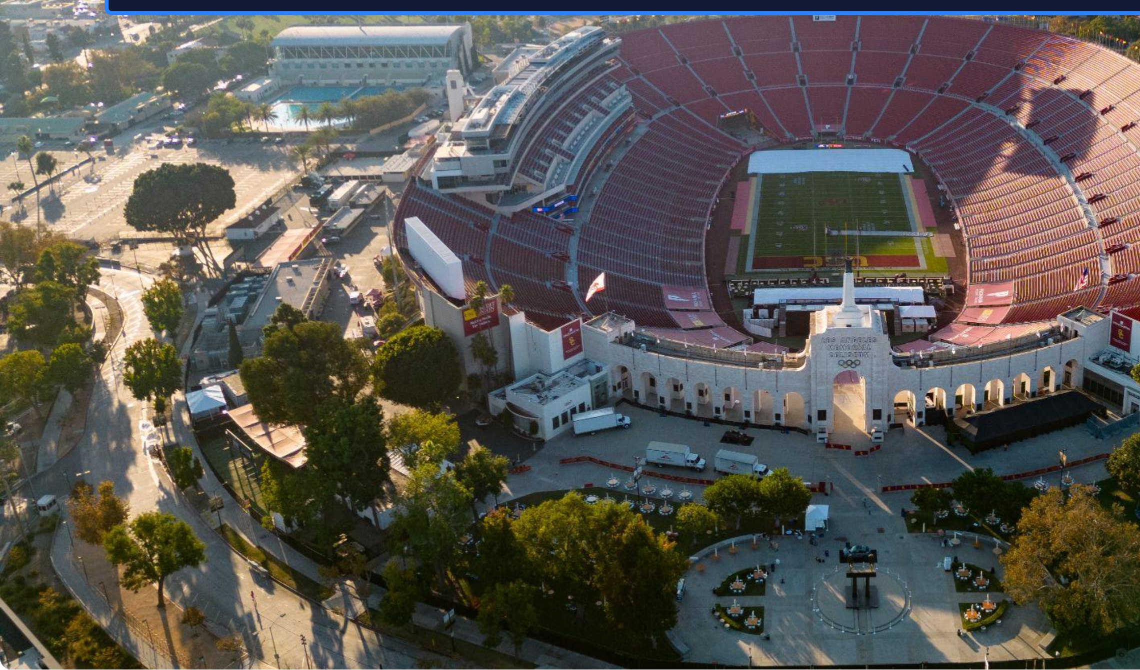
Distance to Subject Property

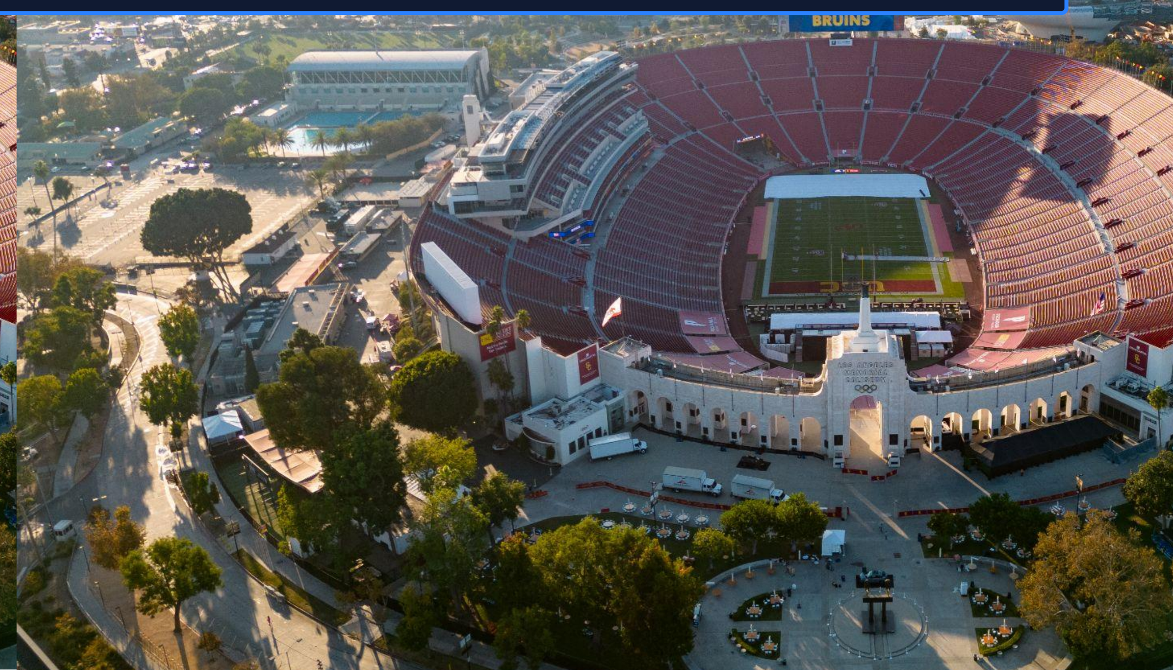
21,000+

Enrollment

HIGHER EDUCATION

The subject property is located near **USC** and **Occidental College**, two of Los Angeles' premier private universities. Together, they support strong year-round demand for housing, retail, dining, and local businesses.





Employment

2025 Statistics

5M+
Total Workforce Base

1.7%
Employment Growth

Major Employer
KAISER PERMANENTE®
47,000+ Employees

#1 Employment Sector
20% Education & Health Services

Key Industries Driving Demand

Entertainment
Global Hub for Film, Television, & Streaming

Tourism & Hospitality
Driven by Over 50M Annual Visitors

Tech & Digital Media
Rapidly Expanding Innovation Ecosystem

International Trade
Anchored by the Nation's Largest Port Complex

Source: U.S. Bureau of Labor Statistics, Los Angeles County Economic Development Corporation, Port of Los Angeles, Port of Long Beach, California Employment Development Department, CoStar Group | **2025 Dataset**

Corporate Tech Presence

Employees in Greater LA

amazon	10,000+ Employees
NETFLIX	8,000+ Employees
Snap Inc.	5,000+ Employees
Google	3,000+ Employees
Meta	2,000+ Employees

LAX | LA International Airport

620,000+ Jobs Supported

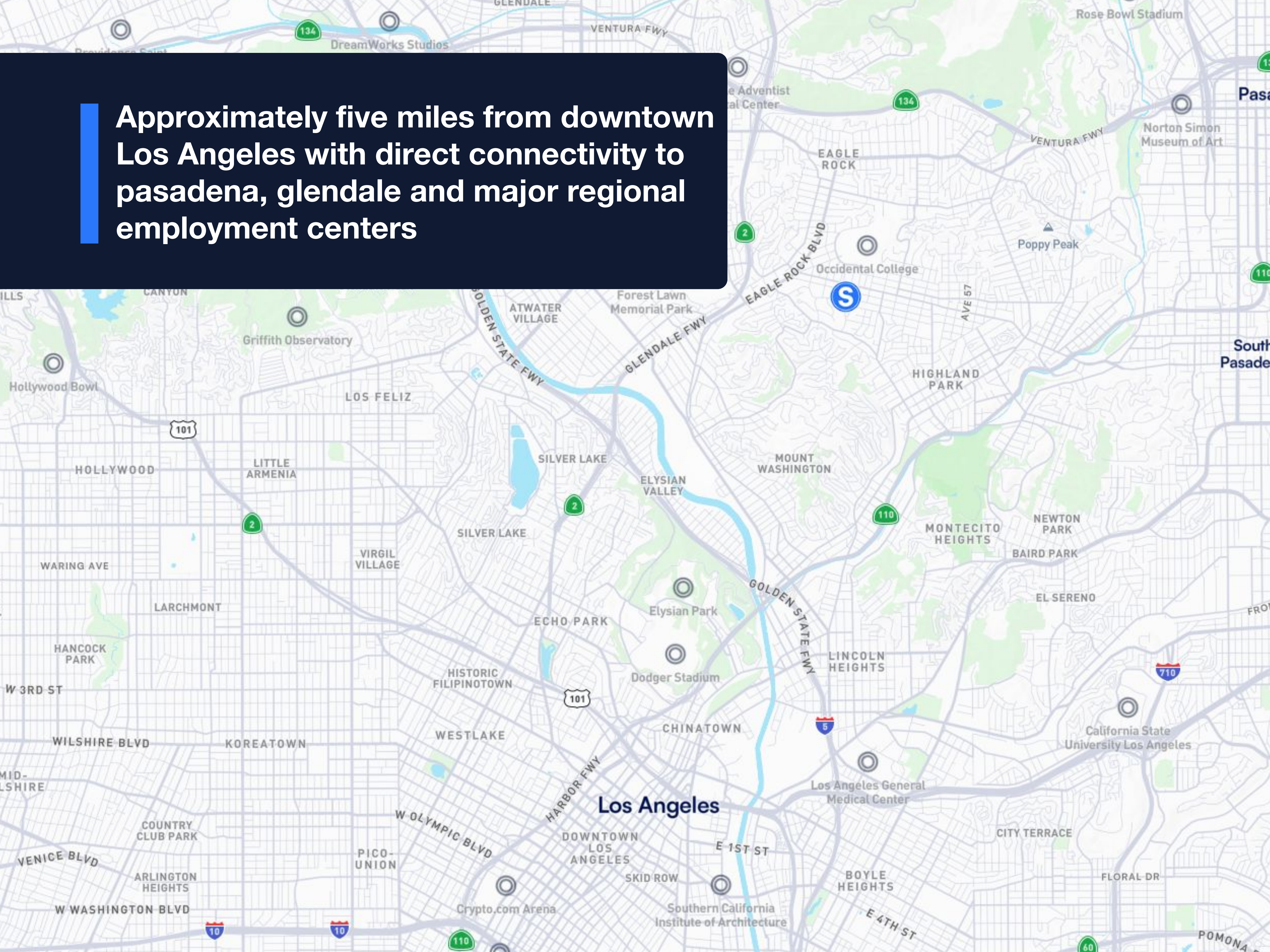
#5 U.S. Airport
75M+ Passengers Annually

Port of LA & Long Beach

900,000+ Jobs Supported

$3B
+
Infrastructure & Ongoing Terminal Expansions

Approximately five miles from downtown Los Angeles with direct connectivity to pasadena, glendale and major regional employment centers



Los Angeles, CA

Los Angeles ranks as the **#2 multifamily market in the U.S**. by total inventory, supported by its global economic significance, high barriers to entry, and deeply rooted renter base. As a core gateway market, it continues to attract institutional capital, with improving transaction activity reflecting renewed investor confidence. Long-term supply constraints and strong underlying demand position Los Angeles for stable performance and sustained multifamily investment.

9,775,632
LA County Population

#2 Largest U.S. Metro Economy
Metro GDP | $1.4T

#2 Largest U.S. City
3.9M | City of LA Population

Source: U.S. Census Bureau, BEA, CoStar Group, RealPage | **2025 Dataset**

LA Multifamily Performance

6.6%
Vacancy Rate

5.1%
Market Cap Rate

$8,000,000,000
Sales Volume

1.7M+
Total Units in Inventory

18,992
Units Under Construction

$356K
Market Sale Price Per Unit

$2,346
Market Asking Rent Per Unit

Los Angeles ranks as the #2 multifamily market in the U.S. by total inventory, driven by its scale, high barriers to entry, and deep renter base. Market conditions are expected to improve as new supply is absorbed, vacancy stabilizes, and rent growth accelerates. Long-term supply constraints driven by zoning, land scarcity, and construction costs continue to support rent stability and asset performance. As a result, investor confidence is strengthening, with capital targeting stabilized assets poised for future rent growth and durable cash flow.

Source: CoStar Group, Yardi Matrix, RealPage | **2025 Dataset**

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This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 1351 Armadale Avenue, Los Angeles, CA 90042 (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™. has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;

2. You will hold it and treat it in the strictest of confidence; and

3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Service™. is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™., the property, or the seller by such entity.

Owner and Matthews™. expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™. or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

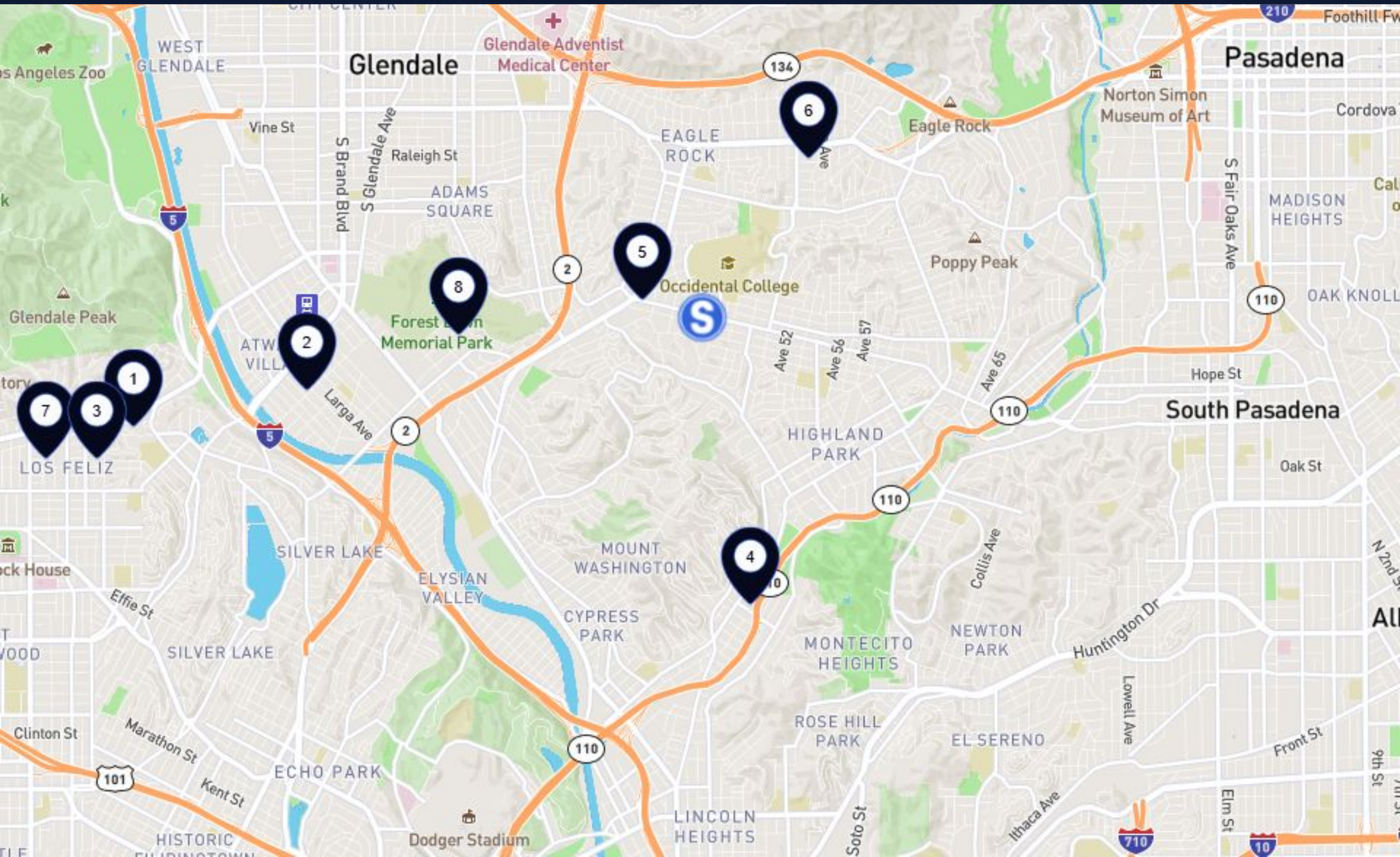
APOLLO OM TEMPLATE SECTION

DO NOT DELETE THESE PAGES!!

Use the export to PDF feature and make sure that you've created a Box folder for that proposal in Atlas

Multifamily OM Template

SALES COMPARABLES MAP



Financial Summary

$000,000	$000,000	$000,000	0,000	00.00%
List Price	Price Per Unit	Price Per SF	Avg Unit Size (SF)	Cap Rate

Unit Mix

Unit Mix	Unit Count	Unit SF	Total SF	Current Rent	Current $/SF	Current Monthly Rent	Market Rent	Market $/SF	Market Monthly Rent
Eff.	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
Studio	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
0	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
1+1.5	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
2+1	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
2+1.5	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
2+2	34	1,194	40,588	$1,028	$0.86	$34,949.00	$1,107	$0.93	$37,646
3+1	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
3+1.5	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
3+2	70	1,185	82,916	$1,177	$0.99	$82,408.00	$1,268	$1.07	$88,728
3+2.5	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
3+3	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
4+2	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
4+2.5	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
4+3	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
4+3.5	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
4+4	0	0	0	$0	$0.00	$0.00	$0	$0.00	$0
Total/Average	**104**	**1,188**	**123,504.00**	**$1,128**	**$0.95**	**$117,357.00**	**$2,374.80**	**$1.02**	**$126,374.85**

Cash Flow

Operating Data	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Income											
Gross Potential Rent	$1,516,498	$1,561,993	$1,608,853	$1,657,119	$1,706,832	$1,758,037	$1,810,778	$1,865,101	$1,921,055	$1,978,686	$2,038,047
Renovation Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Loss/Gain to Lease	($15,165)	($15,620)	($16,088)	($16,571)	($17,068)	($17,580)	($18,108)	($18,651)	($19,211)	($19,787)	($20,380)
Gross Potential Income	$1,501,333	$1,546,373	$1,592,764	$1,640,547	$1,689,764	$1,740,457	$1,792,670	$1,846,450	$1,901,844	$1,958,899	$2,017,666
Less Vacancy	($75,283)	($77,319)	($79,638)	($82,027)	($84,488)	($87,023)	($89,634)	($92,323)	($95,092)	($97,945)	($100,883)
Less Concessions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Change in Delinquency	($15,165)	($15,620)	($16,088)	($16,571)	($17,068)	($17,580)	($18,108)	($18,651)	($19,211)	($19,787)	($20,380)
Other Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utility Reimbursement (Water/Trash/Other)	$39,458	$40,642	$41,861	$43,117	$44,411	$45,743	$47,116	$48,529	$49,985	$51,485	$53,030
Effective Gross Income	$1,410,343	$1,452,654	$1,496,233	$1,541,120	$1,587,354	$1,634,974	$1,684,024	$1,734,544	$1,786,581	$1,840,178	$1,895,383
Expenses											
Property Management Fee	$54,614	$58,106	$59,849	$61,645	$63,494	$65,399	$67,361	$69,382	$71,463	$73,607	$75,815
Real Estate Taxes	$124,001	$130,201	$136,711	$143,546	$150,724	$158,260	$166,173	$174,482	$183,206	$192,366	$201,984
Insurance	$154,000	$159,000	$163,988	$169,028	$172,900	$176,500	$180,012	$185,435	$190,071	$194,823	$199,693
Payroll	$106,000	$106,000	$109,265	$111,997	$114,797	$117,669	$120,612	$123,628	$126,719	$129,886	$133,133
General and Administrative	$15,000	$15,690	$16,390	$16,799	$17,302	$17,810	$18,092	$18,649	$19,209	$19,785	$19,999
Landscaping/Grounds	$10,000	$10,460	$10,927	$11,100	$11,347	$11,598	$11,854	$12,115	$12,381	$12,652	$12,928
Contract Services	$7,800	$7,995	$8,198	$8,406	$8,620	$8,838	$9,062	$9,291	$9,526	$9,766	$10,013
Turnover	$21,200	$21,621	$22,053	$22,492	$22,939	$23,393	$23,854	$24,323	$24,800	$25,284	$25,776
Repairs & Maintenance	$28,700	$29,395	$30,103	$30,755	$31,503	$32,262	$33,031	$33,812	$34,602	$35,404	$36,216
Electricity	$29,768	$30,541	$31,324	$32,206	$33,122	$34,057	$35,010	$35,980	$36,970	$37,979	$39,008
Water/Sewer	$104,500	$108,000	$110,000	$113,000	$111,998	$114,797	$117,667	$120,609	$123,626	$126,715	$129,883
Trash Removal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Utilities/Fuel/Gas	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Marketing/Advertising	$5,200	$5,350	$5,463	$5,740	$5,883	$6,030	$6,181	$6,336	$6,494	$6,656	$6,656
Reserves	$36,400	$37,492	$38,617	$39,776	$40,969	$42,198	$43,463	$44,765	$46,104	$47,481	$48,895
Total Expenses	$693,865	$729,350	$764,034	$801,176	$780,917	$804,581	$829,954	$856,153	$883,104	$910,827	$939,339
Net Operating Income	$716,479	$723,304	$732,199	$739,944	$806,437	$830,393	$854,070	$878,391	$903,476	$929,351	$956,044
Debt Service	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)	($425,120)
Interest Payments	($425,120)	($419,293)	($413,694)	($407,316)	($400,139)	($392,148)	($383,323)	($373,647)	($363,098)	($351,652)	($339,280)
Net Cash Flow After DS	$291,359	$298,184	$307,079	$314,824	$381,317	$405,273	$428,950	$453,271	$478,356	$504,231	$530,924
Debt Coverage Ratio	1.40x	1.44x	1.48x	1.52x	1.67x	1.72x	1.77x	1.82x	1.87x	1.92x	1.97x

Financials (Historical)

Financials (Historical)	T-1	T-3	T-6	T-9	T-12
Gross Potential Rent	$1,404,348	$1,420,896	$1,398,328	$1,352,716	$1,332,731
Gross Potential Rent	$1,404,348	$1,420,896	$1,398,328	$1,352,716	$1,332,731
Financials (Historical)	**T-1**	**T-3**	**T-6**	**T-9**	**T-12**
Real Estate Taxes	$115,819	$115,819	$115,819	$115,819	$115,819
Property Management Fee	$0	$0	$0	$0	$0
Insurance	$155,000	$155,000	$155,000	$155,000	$155,000
Payroll	$76,800	$76,800	$76,800	$76,800	$76,800
General and Administrative	$7,717	$7,717	$7,717	$7,717	$7,717
Contract Services	$27,049	$27,049	$27,049	$27,049	$27,049
Landscaping/Grounds	$7,200	$7,200	$7,200	$7,200	$7,200
Turnover	$0	$0	$0	$0	$0
Repairs & Maintenance	$23,233	$23,233	$23,233	$23,233	$23,233
Electricity	$29,202	$29,202	$29,202	$29,202	$29,202
Water/Sewer	$99,475	$99,475	$99,475	$99,475	$99,475
Total Expenses	$541,494	$541,494	$541,494	$541,494	$541,494
Net Operating Income	$862,854	$879,402	$856,834	$811,222	$791,237
Cap Rate	9.08%	9.26%	9.02%	8.54%	8.33%

Financial Summary

Annual Operating Summary

Category	Total	Per Unit	Proforma	Per Unit	Year 3 Stabilized	Per Unit
Gross Potential Rent	$353,880		$403,200	Market Rent	$427,755	21%
Less Vacancy	-$17,694	-5.00%	-$20,160	-5.0%	-$21,388	-5.0%
Loss/Gain to Lease	$0	0.00%	-$46,368	-11.5%	-$12,833	-3.0%
Less Change in Delinquency	$0	0.00%	-$2,016	-0.5%	-$2,139	-0.5%
Gross Operating Income	**$336,186**		**$334,656**		**$391,396**	
Expenses	$138,652	39.2%	$144,549	40.74%	$154,653	37.47%
Net Operating Income	**$197,534**	$6,173	**$190,107**	$5,941	**$236,743**	$7,398
Loan Payments	$145,592		$145,592		$145,592	
Pre-Tax Cash Flow	$51,942	6.2%	$44,514	5.27%	$91,150	10.79%
Plus Principal Reduction	$23,090		$23,090		$23,090	
Total Return Before Taxes	**$75,032**	8.88%	**$67,605**	8.01%	**$114,241**	13.53%

Financial Summary

Pro Forma Annual Operating Summary

Category	Pro Forma Estimates	% of Current SGI	Total	Per Unit	Pro Forma	Per Unit	Year 3 Stabilized	Per Unit	% of SGI
Real Estate Taxes	% of Purchase Price	8.55%	$30,245	$945	$41,379	$1,293	$43,474	$1,359	10.2%
Property Management Fee	7.0% × GOI	8.30%	$29,368	$918	$23,426	$732	$27,398	$856	6.4%
Insurance	$700.00 Per Unit	6.40%	$22,652	$708	$22,400	$700	$23,534	$735	5.5%
Repairs & Maintenance	$500.00 Per Unit	8.95%	$31,683	$990	$16,000	$500	$16,810	$525	3.9%
Turnover	$200.00 Per Unit	0.00%	$0	$0	$6,400	$200	$6,724	$210	1.6%
Electricity	$0.02 × Over Actual	0.56%	$1,985	$62	$2,025	$63	$2,127	$66	0.5%
Water and Sewer	$0.02 × Over Actual	2.84%	$10,056	$314	$10,257	$321	$10,776	$337	2.5%
Trash Removal	$0.02 × Over Actual	1.40%	$4,963	$155	$5,062	$158	$5,319	$166	1.2%
Contract Services	$200.00 Per Unit	1.81%	$6,420	$201	$6,400	$200	$6,724	$210	1.6%
General Administration	$150.00 Per Unit	0.36%	$1,280	$40	$4,800	$150	$5,043	$158	1.2%
Reserves	$200.00 Per Unit	0.00%	$0	$0	$6,400	$200	$6,724	$210	1.6%
Total Expenses	**41.24%**		**$138,652**	**$4,333**	**$144,549**	**$4,517**	**$154,653**	**$4,833**	**36.2%**
			Current	Per Unit	% of SGI				
Non-controllable expenses: Taxes, Ins., Reserves			$62,953	$1,967	15.6%				
Total Expense without Taxes & Reserves			$108,407	$3,388	26.89%				

Rent Roll

				Rent Assumptions			
Unit Mix	Unit #	# of Units	SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF
2+1.5	1	1	800	$975	$1.22	$1,050	$1.31
2+1.5	2	1	800	$900	$1.13	$1,050	$1.31
2+1.5	3	1	800	$900	$1.13	$1,050	$1.31
2+1.5	4	1	800	$825	$1.03	$1,050	$1.31
2+1.5	5	1	800	$900	$1.13	$1,050	$1.31
2+1.5	6	1	800	$900	$1.13	$1,050	$1.31
2+1.5	7	1	800	$1,050	$1.31	$1,050	$1.31
2+1.5	8	1	800	$975	$1.22	$1,050	$1.31
2+1.5	9	1	800	$1,050	$1.31	$1,050	$1.31
2+1.5	10	1	800	$975	$1.22	$1,050	$1.31
2+1.5	11	1	800	$950	$1.19	$1,050	$1.31
2+1.5	12	1	800	$975	$1.22	$1,050	$1.31
2+1.5	13	1	800	$875	$1.09	$1,050	$1.31
2+1.5	14	1	800	$940	$1.18	$1,050	$1.31
2+1.5	15	1	800	$975	$1.22	$1,050	$1.31
2+1.5	21	1	800	$975	$1.22	$1,050	$1.31
2+1.5	22	1	800	$900	$1.13	$1,050	$1.31
2+1.5	23	1	800	$975	$1.22	$1,050	$1.31
2+1.5	24	1	800	$900	$1.13	$1,050	$1.31
2+1.5	25	1	800	$950	$1.19	$1,050	$1.31
2+1.5	26	1	800	$900	$1.13	$1,050	$1.31
2+1.5	27	1	800	$900	$1.13	$1,050	$1.31
2+1.5	28	1	800	$1,050	$1.31	$1,050	$1.31
2+1.5	29	1	800	$875	$1.09	$1,050	$1.31
2+1.5	30	1	800	$925	$1.16	$1,050	$1.31
2+1.5	31	1	800	$900	$1.13	$1,050	$1.31
2+1.5	32	1	800	$825	$1.03	$1,050	$1.31

Sales Comparables

Two Bedroom

	Property Name	Address	Zip Code	Year Built	Units	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
S	**Subject Property**	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	$11,028	$0.94
1	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	$1,000	$1.05
2	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	$1,100	$1.15
3	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	$1,000	$1.04
4	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	$1,000	$1.13

Three Bedroom

	Property Name	Address	Zip Code	Year Built	Units	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
S	**Subject Property**	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	$11,028	$0.94
1	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	$1,000	$1.05
2	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	$1,100	$1.15
3	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	$1,000	$1.04
4	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	$1,000	$1.13