

Offering Memorandum



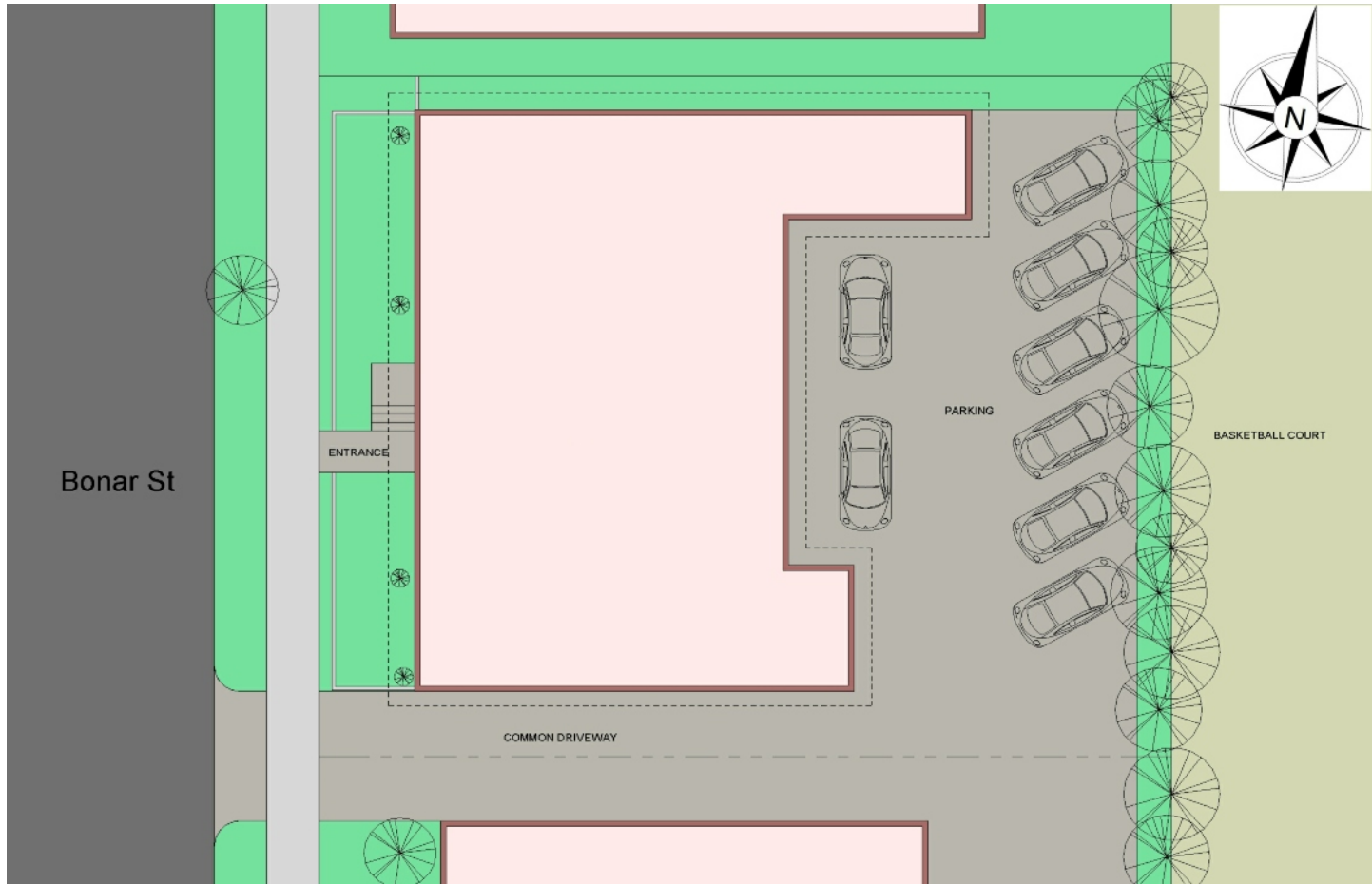
- SITE PLAN
- PROPERTY DESCRIPTION
- FINANCIAL ANALYSIS &
RENT ROLL
- PROPERTY PHOTOS
- AERIAL PHOTOS
- SALES COMPARABLES

Bonar Street Apartments

8 Unit Apartment Complex - 7,100 Sq. Ft.

2223 Bonar Street, Berkeley, CA 94702

Site Plan



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Property Description

Site Data	
Building Size	7,100 Sq. Ft.
Year Built	1960
Number of Buildings	1
Number of Floors	2
Lot Size	±0.20 acres (±8,700 Sq. Ft.)
Parking Ratio	1.13/1,000 Sq. Ft.
Zoning Designation	R2 - Restricted Two-Family Residential
Topography and Drainage	Generally level and at street grade
Easements, Encroachments & Restrictions	There are several utility easements which are typical for a property of this size. There are no easements or encroachments that should materially impact value.

Building Systems	
HVAC	Each unit has one wall heater
Electrical	Individually metered
Water	Individually metered except one unit
Fire/Safety	Fire and CO2 detectors in each unit in addition to fire extinguishers
Foundation	Concrete Slab
Exterior Walls	The exterior wall structure is painted stucco siding.
Roof Construction	Build-up roof system with aluminum reflective coating
Building Construction	Wood frame with stucco exterior

Interior Building Information	
Walls	Drywall interior walls
Windows	Many dual paned windows with some single paned windows in rear and on side
Security/Communication Systems	Intercom system direct to each unit with button access front door

Utility Providers	
Water	East Bay Municipal Utility District
Trash/Refuse	City of Berkeley
Electricity	Pacific Gas & Electric

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Income & Expenses + Rent Roll

Income	Current	\$/Unit	Market	\$/Unit	Notes
Rental Revenue	\$156,000	\$19,500	\$169,800	\$21,225	
Vacancy / Loss (5.0%)	\$7,800	\$975	\$8,490	\$1,061	Market Pro Forma
Net Rental Income	\$148,200	\$18,525	\$161,310	\$20,164	
Laundry	\$1,100	\$138	\$1,100	\$138	12 month history Leased - Upside if owned
Total Operating Revenue	\$149,300	\$18,663	\$162,410	\$20,301	
Expense					
Real Estate Taxes	\$21,202	\$2,650	\$21,202	\$2,650	1.2472%
Special Assessments	\$6,873	\$859	\$6,873	\$859	2012-2013 Actual
Insurance	\$1,388	\$174	\$1,388	\$174	Owner actual
Utilities					
PG&E	\$960	\$120	\$960	\$120	12 month history
Water & Sewer	\$1,800	\$225	\$1,800	\$225	12 month history
Garbage	\$3,220	\$403	\$3,220	\$403	12 month history - Billed to 2227 Bonar St neighbor (50% paid)
Property Management					
Off-Site	\$7,410	\$926	\$8,037	\$1,005	5% EGI
Turnover	\$2,400	\$300	\$2,400	\$300	Pro Forma
Repairs & Maintenance	\$3,200	\$400	\$3,200	\$400	Pro Forma
Business Tax	\$1,612	\$202	\$1,754	\$219	1.08% EGI
Rent Board	\$1,552	\$194	\$1,552	\$194	\$194/Unit
Capital Reserves	\$2,000	\$250	\$2,000	\$250	Pro Forma
Total Operating Expenses	\$53,617	\$6,702	\$54,386	\$6,798	
Expense Ratio	36%		33%		
Net Operating Income	\$95,683	\$11,960	\$108,024	\$13,503	

Rent Roll as of September 2013

Unit	Type	Unit Sq. Ft. (Aprx)	Current Rent	Current Rent/PSF	Lease Start	Market Rent	Market Rent/PSF	Comments
A	3 Bed/1 Bath	850	\$1,900	\$2.24	12/1/2011	\$1,950	\$2.29	Section 8; Free water
B	2 Bed/1 Bath	850	\$1,200	\$1.41	9/1/2011	\$1,400	\$1.65	
C	3 Bed/1 Bath	850	\$1,700	\$2.00	8/21/2012	\$2,000	\$2.35	
D	2 Bed/1 Bath	850	\$1,300	\$1.53	1/12/2013	\$1,400	\$1.65	
E	2 Bed/1 Bath	850	\$1,300	\$1.53	2/1/2013	\$1,400	\$1.65	
F	3 Bed/1 Bath	850	\$1,700	\$2.00	7/25/2012	\$2,000	\$2.35	
G	3 Bed/1 Bath	850	\$2,000	\$2.35	7/17/2013	\$2,000	\$2.35	Section 8
H	3 Bed/1 Bath	900	\$1,900	\$2.11	1/1/1975	\$2,000	\$2.22	Section 8

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Financial Summary

Income	Current
Price	\$1,700,000
No. Of Units	8
Price/Unit	\$212,500
Building Sq. Ft.	7,100
Price/PSF	\$239

Rates of Return	
Cap Rate - Current	5.63%
Cap Rate - Pro Forma	6.35%
GRM - Current	10.38
GRM - Pro Forma	9.57



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East



Aerial Views

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West

Aerial Views



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South

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Aerial Views

North



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Sales Comparables

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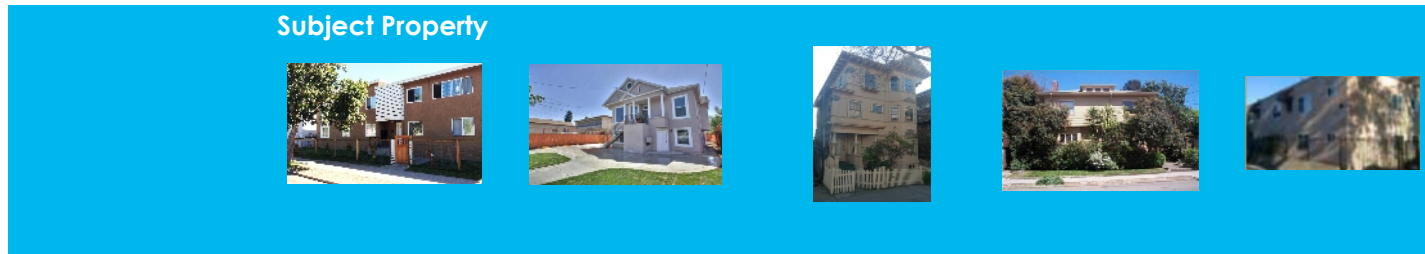
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Sales Price	\$1,700,000	\$1,230,000	\$1,700,000	\$1,625,000	\$1,250,000
Address	2223 Bonar St	1610 62nd St	2442 Haste St	1433 Spruce St	2440 Roosevelt Ave
City	Berkeley	Berkeley	Berkeley	Berkeley	Berkeley
# Of Units	9	6	4	8	9
Year Built	1960	Pre - 1930's	1907	1925	1926
Close of Escrow		July 31, 2013	May 17, 2013	June 11, 2013	April 29, 2013
Total Sq. Ft.	7,100	4,327	5,182	4,785	6,414
Price/Building Sq. Ft.	\$239	\$284	\$328	\$340	\$195
Price/Land Sq. Ft.	\$195	\$182	\$252	\$311	\$144
Price/Unit	\$212,500	\$205,000	\$425,000	\$203,125	\$138,889
Studio	0	0	1	1	0
1Bed/1Bath	0	2	0	4	8
2Bed/1Bath	3	1 (2 Bed/1.5 Bath)	0	2	0
2Bed/2Bath		1	0	1	0
3Bed/ 1Bath	5	2 (3 Bed/1 Bath & 3 Bed 2 Bath)	3 (3 Bed/1 Bath, 4 Bed/2 Bath, 5 Bed/2 Bath)	0	1 (3 Bed/2 Bath)



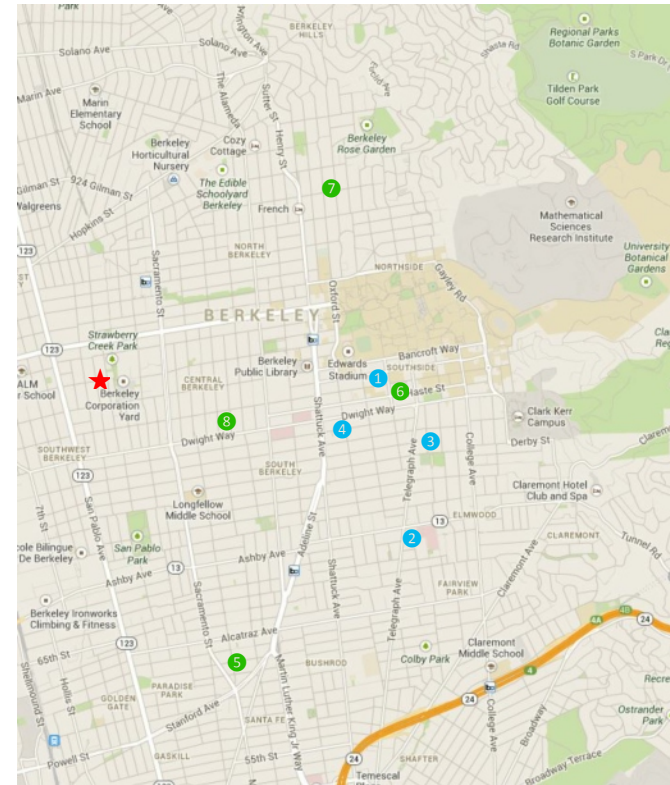
Cap Rate	5.63%	None Disclosed	7.10%	5.67%	5.90%
GRM	10.85 (10.00 pro forma)	10.46	10.75	11.30	None Disclosed
Comments	The property has recently been upgraded.	Renovated in 2011	Cap rate does not account for property management fees	Cap rate does not account for prop. mgmt fees & cap. reserves	No financial's provided

Comparables Map

Subject Property					
Property Address	Sq. Ft. Units	Year Built Bldg Class	Price Price/Sq. Ft.	Cap Rate Vacancy	Comments
2223 Bonar St Berkeley, CA	7,100 8	1960 B	\$1,700,000 \$239/PSF	5.63% 5.00%	The property has recently been upgraded.

Competitive Properties					
Property Address	Sq. Ft. # of Units	Year Built Bldg Class	Price Price/Sq. Ft.	Cap Rate Vacancy	Comments
1 2414 Dana St Berkeley, CA	3,380 7	1904 C	\$1,350,000 \$399/PSF	None Disclosed	No cap rate or vacancy disclosed
2 2417-2421 Webster St Berkeley, CA	7,576 11	1930 B	\$2,075,000 \$274/PSF	5.06% 3.00%	Cap rate does not account for mgmt
3 2447 Derby St Berkeley, CA	4,077 5	1908 BC	\$1,050,000 \$258/PSF	5.20% 5.00%	Cap rate does not account for mgmt
4 2537 Fulton St Berkeley, CA	6,479 9	1960 B	\$3,300,000 \$509/PSF	5.38% 3.00%	Renovated 2012
PENDING SALE					

Comparable Sold Properties					
Property Address	Sq. Ft. # of Units	Year Built Bldg Class	Price COE	Cap Rate Vacancy	Comments
5 1610 62nd St. Berkeley, CA	4,327 6	Pre-1930's BC	\$1,230,000 July 31, 2013	None Disclosed	Renovated 2011
6 2442 Haste St Berkeley, CA	5,182 4	1907 C	\$1,700,000 May 17, 2013	7.10% 1.00%	Cap rate does not account for mgmt
7 1433-1455 Spruce St Berkeley, CA	4,785 8	1925 BC	\$1,625,000 June 11, 2013	5.67% 3.00%	Cap rate does not account for mgmt & capital reserves
8 2440 Roosevelt Ave Berkeley, CA	6,414 9	1926 B	\$1,250,000 April 29, 2013	5.90% 3.00%	No financial's provided



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