

# Grandview Terrace Apartments

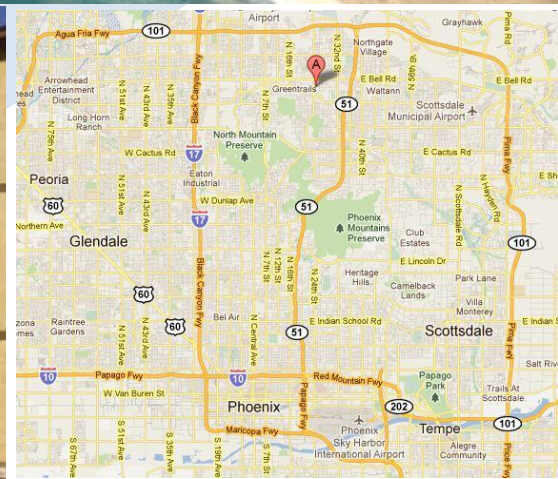
## U.S. Multifamily Investment Opportunity

### Site Description

2424 East Grandview  
Road, Phoenix, AZ

Number of Units: 36  
Year built: 1984  
Number of Buildings: 1  
Number of Stores: 3  
Net Rentable SF: 23,850  
Parcel Size: 0.82 Acres  
Foundation: Concrete  
Framing: Wood

- Great Northern Phoenix Location
- Rare Add-value Opportunity
- Mostly Desirable Two-Bedroom Floor Plans
- Individually Metered for Electricity
- Individual roof mounted HVAC units
- Swimming Pool
- On-Site Laundry Facility
- Major employers include: Life Care Center of Paradise Valley, Costco, Arizona Natural Resources, Paradise Valley Unified School District, and Target.



For information or inquiries about this investment or other opportunities, you can contact us at [info@cashflowforlife.ca](mailto:info@cashflowforlife.ca) 604.648.8719 [www.cashflowforlife.ca](http://www.cashflowforlife.ca)

### Investment Highlight \*

Project cost	\$ 1,009,275
Down payment + Renovation	\$ 431,775
Annual cash on cash return	\$ 45,311 8.4%
Annual Equity Appreciation	\$ 22,020 5.1%
Total Return on Investment	13.5%

\* calculations based on 5yr proforma

## Unit Mix

Type	Number	Size
Studio	3	450
1 bed 1 bath	6	600
2 bed 1 bath	27	700

## PROPERTY OVERVIEW

Grandview Terrace is a 36-unit garden-style apartment community located in a desirable North Phoenix neighborhood. Built in 1984, the property is made of block construction with pitched roofs and is individually-metered for electricity. The property has an excellent unit mix and features three spacious floor plans ranging from 450 square foot studio units to 700 square foot two-bedroom units.

The community is situated on approximately 0.82 acres and has low water use desert landscaping. Community amenities include covered parking, an on-site laundry facility and a swimming pool. Grandview Terrace offers a rare opportunity to acquire a low maintenance 1980's garden style apartment community with mostly two bedroom floor plans. In addition, we will be able to take advantage of below market rents in an improving North Phoenix rental market.

## MARKET OVERVIEW

Expanding area of North Phoenix. The property is located on Grandview Road just south of Bell Road and east of Cave Creek Road. Grandview Terrace offers residents a short commute to a variety of retail shops and employment opportunities and is within one and a half miles to the State Route 51. In addition, the property is within proximity to the Pointe Golf Club at Lookout Mountain where homes are valued at over \$1 million. Major employers in the area include Life Care Center of Paradise Valley, Costco, Arizona Natural Resources Inc, Paradise Valley Unified School District, and Target.

## BUSINESS PLAN

The initial holding period of Garden View Apartments is 5 years. During that time, capital improvements will be made inside and outside the rental suites which will enhance the attractiveness of the apartment complex. In total, \$90,000 dollars has been set aside for this purpose. This will allow us, over time, to raise the amount of rent being charged which will boost the value of the property. We anticipate the demand for rental units to strengthen as the local economy creates more jobs and recovers from the last economic recession. With a strong management team in place, we expect the apartment complex to continue to experience high occupancy levels and produce strong cash flow from operations.

## PROJECTED PROFORMA

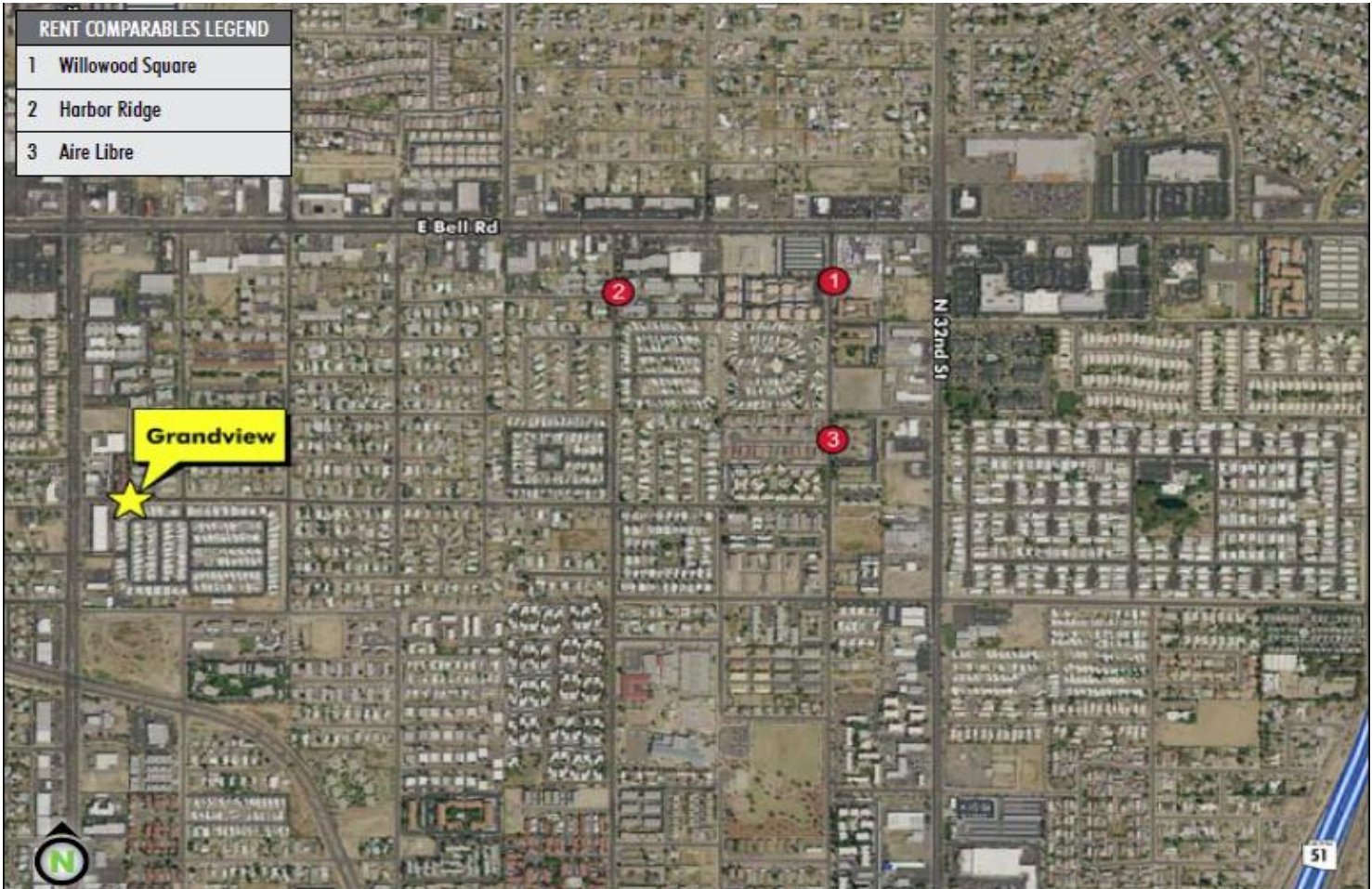
Gross Rent	\$	216,000
Vacancy Loss 10%	\$	21,600
Other Income	\$	3,600
Effective Rent	\$	198,000
<b>Expense</b>		
Property Tax	\$	10,544
Insurance	\$	5,400
Repair and Maintainess	\$	18,000
Admin	\$	3,600
Property Management	\$	9,720
Contract services	\$	4,800
utilities	\$	30,600
Payroll	\$	17,000
Marketing	\$	3,600
Total	\$	103,264
Cap Ex	\$	9,000
Total	\$	112,264
<b>Net Operating Income</b>	\$	85,736
Mortgage Payment 7%	\$	40,425
Net Income	\$	45,311
Total Investment	\$	431,775
Cash on Cash return		8.4%
Appreciation per year		5.1%
<b>Total Investment return</b>		<b>13.5%</b>



# RENTAL COMPARABLES



NAME	SUBJECT GRANDVIEW TERRACE	#1 WILLOWOOD SQUARE	#2 HARBOR RIDGE	#3 AIRE LIBRE
Address	2424 East Grandview Road	16801 North 31st Street	16815 North 29th Street	16437 North 31st Street
City, State ZIP	Phoenix, AZ 85032	Phoenix, AZ 85032	Phoenix, AZ 85032	Phoenix, AZ 85032
Total Apartments	36	28	107	89
Occupancy Rate	89%	89%	80%	81%
Year Built	1984	1985	1986	1985
Concessions	None	\$99 Move-in Special	\$99 Move-in with 12 Month Lease	Second Month Free
STUDIO	3	N/A	N/A	N/A
±SF	450	N/A	N/A	N/A
Rent Rate	\$350	N/A	N/A	N/A
Rent/SF	\$0.78	N/A	N/A	N/A
1 BED / 1 BATH	6	10	1	20
±SF	600	539	700	425 - 454
Rent Rate	\$450	\$450	\$530	\$395 - \$425
Rent/SF	\$0.75	\$0.83	\$0.76	\$0.93 - \$0.94
2 BED / 1 BATH	27	18	106	60
±SF	700	812	825	860
Rent Rate	\$525	\$550	\$596	\$530
Rent/SF	\$0.75	\$0.68	\$0.72	\$0.62

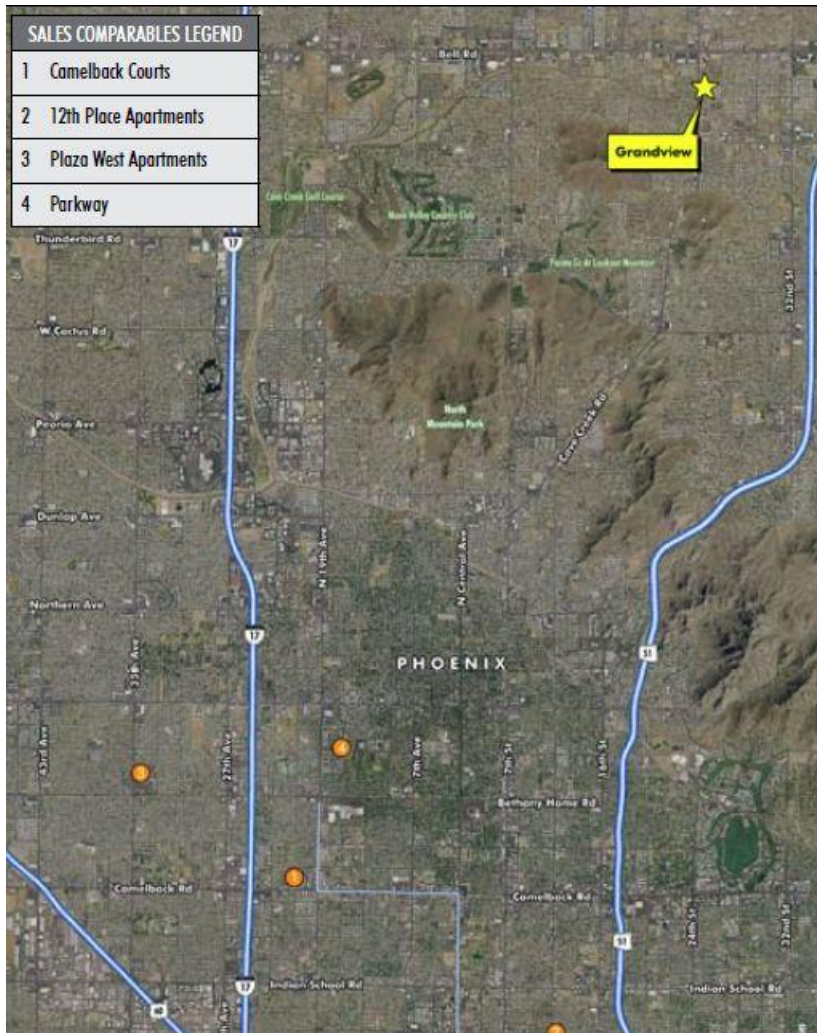


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## SALES COMPARABLES



NAME	SUBJECT GRANDVIEW TERRACE	#1 CAMELBACK COURTS	#2 12TH PLACE APARTMENTS	#3 PLAZA WEST APARTMENTS	#4 PARKWAY
Address	2424 East Grandview Road	5110 North 21st Avenue	3432 North 12th Place	3420 West Rose Lane	6516 North 17th Avenue
City, State ZIP	Phoenix, AZ 85032	Phoenix, AZ 85015	Phoenix, AZ 85014	Phoenix, AZ 85017	Phoenix, AZ 85015
Total Apartments	36	16	30	28	16
Unit Mix	3 - Studio 6 - 1 Bed/1 Bath 27 - 2 Bed/1 Bath	1 - 1 Bed/1 Bath 15 - 2 Bed/1 Bath	2 - 1 Bed/1 Bath 28 - 2 Bed/1 & 2 Bath	28 - Studio	4 - 1 Bed/1 Bath 12 - 2 Bed/1 Bath
Year Built	1984	1965	1970	1962	1964
Sales Price	TBD	\$450,000	\$780,100	\$760,000	\$432,000
Price/Unit	TBD	\$28,125	\$26,003	\$27,143	\$27,000
Price/SF	TBD	\$34.22	\$30.11	\$33.63	\$32.48
Close of Escrow	TBD	09/02/2011	08/12/2011	08/10/2011	08/05/2011



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