

Project Summary:

Date Purchased: Dec. 1997 | Date Sold: Oct. 2000

Months Held: 46 | Total Units: 104

Bascom Square Apartments

222 North Muller Street

Anaheim, CA 92801

OUR APPROACH:

Held by the seller's family since the property's inception, Bascom Square had been mismanaged, with average rent \$93 below Anaheim market averages and a vacancy of 11.53% compared to the Anaheim average of less than 6%. BASCOM purchased the property from a motivated seller at the beginning of a prolonged upswing in the regional economy.

With the implementation of professional management practices, cost effective and efficient control systems, and the improvements to the physical plant, BASCOM would provide consumers with a compelling value proposition relative to the competition.



Performance Summary	Acquisition	Sale	Percent Increase
12 Month NOI	\$311,991	\$508,264	62.91%
Avg. Asking Rent	\$569	\$902	58.52%
Equity	\$2.46M	\$5.66M	129.87%
Bascom Cost/Unit	\$39,904	\$41,834	4.84%

BACKGROUND:

Built in 1971 by one of Orange County's premier builders, Bascom Square is composed of 104 units in seven two-storey buildings. The community's pleasant garden atmosphere centered on common pool and picnic areas would be enhanced through landscaping while the units themselves would require only minor renovations due to the quality of the structure.

Centrally located in Anaheim in northern Orange County, Bascom Square enjoys proximity to major Southland thoroughfares I-5 and I-91, providing easy commuting to virtually all southern California job markets. At the time, the City of Anaheim itself was experiencing significant economic expansion, with Disneyland announcing plans to construct its California Adventure Park and the City pouring millions into revitalizing downtown business districts.

In contrast to this economic growth, housing supply had been stagnant over the preceding four years due to the infill nature of northern Orange County. As demand outstripped supply over the holding period, rent rates surged.

- **IRR:** 28.56%
- **Multiple on Equity:** 2.3
- **Lender Identity:** Heller Financial
- **Loan to Total Value:** 55.80%
- **Percentage of Replacement Cost:** 62.21%
- **Total Purchase Price:** \$4.15M
- **Total Renovation Cost:** \$200,785
- **Total Investment Basis:** \$4.36M
- **Total Sale Price:** \$7.80M
- **Sale Price per Unit:** \$75,000