

Project Summary:

Date Purchased: Feb. 2004 | Date Sold: Sept. 2006

Months Held: 31 | Total Units: 89

Easton Court

13831 Northeast 8th Street

Bellevue, WA 98005

OUR APPROACH:

Built in 1969, Easton Court had aged for years under the management of a private owner. BASCOM planned a robust renovation exceeding \$11,000 per unit that would update the exterior finish and improve interior appointments. By the second year of the holding period, BASCOM had achieved gross potential rent exceeding the proforma and was able to sell the property one year ahead of schedule.

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	\$259,224	\$335,126	29.28%
Avg. Asking Rent	\$678	\$828	22.12%
Equity	\$1.75M	\$3.76M	114.86%
Cost per Unit	\$66,573	\$80,809	21.38%

BACKGROUND:

During the nationwide recession of 2001-2003, the local Seattle economy had taken a hit due to its reliance on the tech industry. In turn, multi-family rent rates, occupancy levels, and profitability had been in decline after a period of prolonged growth when BASCOM acquired Easton Court.

Because of the infill nature of the Bellevue-East submarket in which the property is located and in part because of the recent low demand, no new multi-family construction occurred there in 2003, and none was planned for 2004-2005.

The lack of new units coming online combined with the effects of the economy's recovery and expanding local job market would rapidly drive rental and occupancy rates higher during the holding period as the regional affordability gap between household income and home prices widened.

- **IRR:** 33.29%
- **Multiple on Equity:** 2.13
- **Lender Identity:** Wells Fargo Bank
- **Loan to Total Value:** 57.60%
- **Equity Partner:** Wilson Investment Associates
- **Total Investment Basis:** \$7.75M
- **Percentage of Replacement Cost:** 54%
- **Total Purchase Price:** \$5.93M
- **Total Renovation Cost:** \$1.27M
- **Total Sale Price:** \$9.93M
- **Sale Price per Unit:** \$111,573