

# Project Summary:

Date Purchased: July 2001 | Date Sold: Dec. 2003

Months Held: 29 | Total Units: 336

# The Fountains

38300 30<sup>th</sup> Street East

Palmdale, CA 93550

## OUR APPROACH:

An attractive Spanish-style stucco and wood frame construction, The Fountains, consisting of predominantly two and three bedroom units, would be well positioned to meet Palmdale's family-oriented housing market.

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	\$74,162	\$2.01M	2,610.28%
Avg. Asking Rent	\$660	\$807	22.27%
Equity	\$3.49M	\$16.93M	385.10%
Bascom Cost/Unit	\$35,327	\$44,256	25.28%

## BACKGROUND:

Located in Antelope Valley 60 miles north of downtown Los Angeles, Palmdale was America's 11<sup>th</sup> fastest growing city in 2001, expanding from a population of 23,350 in 1986 to over 122,000 in 2002.

Palmdale's local economy exhibited strong growth during the holding period even as the nation's economy as a whole mired in recession. Buoyed by manufacturers such as aerospace giant Boeing, the area's job pool would see a steady expansion.

The average price for a single family home in the area was \$148,000 in 2003, representing a 25% increase over the previous year. The Fountains, so named because of the numerous water features spread throughout the property, would see rent increases pressured by the rising costs of single-family housing in the area.

- **IRR:** 106.33%
- **Multiple on Equity:** 4.85
- **Lender Identity:** Residential Funding Corporation
- **Loan to Total Value:** 41.90%
- **Equity Partner:** LB Palmdale
- **Total Investment Basis:** \$16.31M
- **Percentage of Replacement Cost:** 65.89%
- **Total Purchase Price:** \$11.87M
- **Total Renovation Cost:** \$3.00M
- **Total Sale Price:** \$26.75M
- **Sale Price per Unit:** \$79,613