

# Project Summary:

Date Purchased: Dec. 2000 | Date Sold: Jan. 2004

Months Held: 49 | Total Units: 250

# Torrey Pines

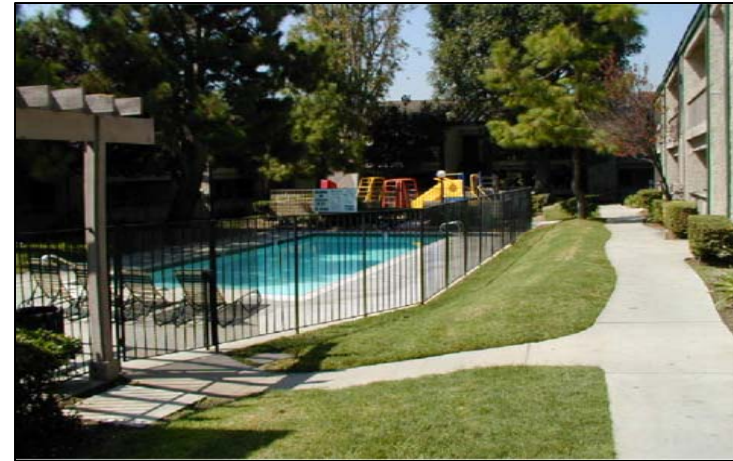
851 South Sunset Avenue

West Covina, CA 91790

### OUR APPROACH:

Purchased in 2000 at a cap rate of 7.96%, Torrey Pines' primarily 2 bedroom units rented for \$810-\$895, approximately in line with the West Covina market average of \$861 for 2 bedroom units. However, with an expected addition of only 188 units to the market (a 2% increase) and a projected population increase of 30,670 (a 30% increase) residents by 2010, supply would not keep up with demand.

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	At Acquisition	At Sale	Percent Increase
12 Month NOI	\$1.58M	\$2.22M	40.51%
Rent per Month	\$953	\$1,202	26.13%
Equity	\$5.55M	\$16.76M	202%
Cost per Unit	\$85,000	\$93,680	10.21%

### BACKGROUND:

Built in 1981, Torrey Pines is among the newer multi-family properties in West Covina. With a rentable square footage totaling 231,764, a desirable unit mix, abundant amenities, and prime location, Torrey Pines was ideally suited to be repositioned through renovation and professional management practices.

West Covina is considered the main business artery of the San Gabriel Valley, and it has earned itself the moniker "Headquarter City." West Covina businesses employed 17,788 people in 2000, and the average household income was \$55,949 compared to the Los Angeles County average of \$40,344.

Since Torrey Pines was located prominently in this economically thriving area of Los Angeles and few new multi-family units were being added, BASCOM was able to significantly increase revenues during the holding period through increased rent rates.

- **IRR:** 45.57%
- **Multiple on Equity:** 3.02
- **Lender Identity:** Debis Financial Services
- **Loan to Total Value:** 54.60%
- **Equity Partner:** Lehman Brothers
- **Percentage of Replacement Cost:** 67.75%
- **Total Purchase Price:** \$21.25M
- **Total Renovation Cost:** \$2.17M
- **Total Investment Basis:** \$25.38M
- **Total Sale Price:** \$34.40M
- **Sale Price per Unit:** \$137,600