

# Project Summary:

Date Purchased: July, 2005 | Date Sold: June, 2007

Months Held: 23 | Units: 196 | Built: 1984

# Verrado Park

5020 West Thunderbird Road

Glendale, Arizona 85306

## OUR APPROACH:

Owned by the same wealthy family trust fund as Laguna Village, Verrado Park was in need of an updating renovation when Bascom took over. The property sits on a major employment corridor and leasing window in Thunderbird Road, and lies across the street from the burgeoning Arizona State University West campus.

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	\$699,263	\$748,153	6.99%
Rent per Month	\$642	\$844	31.46%
Equity	\$3.41M	\$8.36M	145.16%
Cost Basis/Unit	\$55,612	\$65,204	17.25%

## BACKGROUND:

According to Bascom’s market research, rents at Verrado Park were at a 12% discount to average market rates in 2005. The previous ownership, which had held the property since 1990, had been pursuing a conservative management strategy of sacrificing income to increase occupancy.

Bascom planned to maximize the property’s income generating potential with a value-add renovation that would enhance Verrado Park’s desirability relative to the competition; already at a steep discount, rents would be pushed slightly above the 50<sup>th</sup> percentile in the submarket.

2005 market reports indicated a lack of new rental supply in the pipeline as rising land and construction costs limited new development. Verrado Park was ideally positioned to take advantage of this dearth of supply – its prominent location in a rapidly growing region of Phoenix enabled the property to capture the local economically robust tenant base.

- **IRR:** 62.75%
- **Multiple on Equity:** 2.45
- **Lender Identity:** GE Capital
- **Loan to Total Value:** 58.40%
- **Equity Partner:** Rockwood
- **Total Purchase Price:** \$10.90M
- **Total Renovation Cost:** \$1.88M
- **Total Investment Basis:** \$13.62M
- **Percentage of Replacement Cost:** 66.20%
- **Total Sales Price:** \$18.10M
- **Sale Price per Unit:** \$92,347