

Project Summary:

Purchased: Oct. 2001 | Sold: Dec. 2003

Months Held: 26 | Total Units: 114

The Willows at Rancho Cucamonga

8701 Arrow Route

Rancho Cucamonga, CA 91730

OUR APPROACH:

The property's previous ownership was overseas and maintained high occupancy by offering rent rates significantly below market averages. BASCOM would maximize The Willows' earning potential by installing professional onsite management.

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 | \$562,674 | \$785,558 | 39.61% |
| Avg. Asking Rent | \$798 | \$1,015 | 27.19% |
| Equity | \$2.24M | \$5.69M | 154.02% |
| Bascom Cost/Unit | \$70,175 | \$78,907 | 12.44% |

BACKGROUND:

Rancho Cucamonga is one of the most economically robust areas of the Inland Empire. A master planned community, the city's 2001 median household income of \$60,123 led San Bernadino and Riverside Counties. At the time BASCOM acquired The Willows, the rental market in Rancho Cucamonga experienced 97% occupancy and a 7.7% increase in rent rates over the preceding 12 months.

In addition, the property is near the junction of I-10 and I-15 freeways, which provide access to Los Angeles and San Diego Counties, respectively. Therefore, in addition to being within a robust employment center in the Inland Empire, the property has commuter access to two important Southland locales.

BASCOM would need a relatively modest budget of \$995,448 in order to renovate the neatly maintained 1984 construction.

- **IRR:** 60.79%
- **Multiple on Equity:** 2.54
- **Lender Identity:** Wells Fargo Realty Finance
- **Loan to Total Value:** 54.90%
- **Equity Partner:** JP Morgan
- **Total Investment Basis:** \$9.86M
- **Percentage of Replacement Cost:** 66.08%
- **Total Purchase Price:** \$8.00M
- **Total Renovation Cost:** \$995,448
- **Total Sale Price:** \$13.03M
- **Sale Price per Unit:** \$114,298