

# Project Summary:

Date Purchased: Nov. 2004 | Date Sold: June, 2007

Months Held: 32 | Units: 582 | Built: 1986

# Tuscany Palms

901 S. Country Club Dr.

Mesa, Arizona 85210

## OUR APPROACH:

Bascom purchased Granite Bay for \$22.5 million, 25% below its listed price. The seller, a national pension fund, was highly motivated to sell the property – the fund had run its course and the seller needed to close out the fund.

With the implementation of professional management practices, cost effective and efficient control systems, and 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
Bascom Cost	\$31,710	\$38,497*	21.40%
12 Month NOI	\$1.29MM	1.21MM	35.10%
Rent per Month	\$426	\$654	11.22%
Equity	\$5.68MM	\$15.19MM	149.84%

\*Includes purchase price plus renovation cost per unit

- **IRR:** 51.78%
- **Multiple on Equity:** 2.50
- **Lender Identity:** Wells Fargo Bank
- **Loan to Total Cost:** 77.38%
- **Equity Partner:** Rockwood Capital
- **Total Purchase Price:** \$18.46MM
- **Total Renovation Cost:** \$3.95MM
- **Total Investment Basis:** \$23.77MM
- **Percentage of Replacement Cost:** 62.82%
- **Total Sales Price:** \$38.10MM

## BACKGROUND:

Given the property's 1980s vintage construction, unit interiors and common areas needed an update. However, the property is uniquely amenitized – it has four pools, a BBQ area, sports court, and a community clubhouse. With such a strong amenity package, Bascom would be able to maximize the property's desirability with its planned renovation.

Median family income, median property value. How did this affect the property's position?

Barriers to entry, advantages of the building itself. What are the demographics of the area? What is the competition? Attractive unit mix?