

Project Summary:

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

Months Held: 23 | Units: 320 | Built: 1996

Alante at the Islands

2222 N. McQueen Road

Chandler, AZ 85225

OUR APPROACH:

BASCOM acquired Alante at the Islands as the nationwide recession began its ebb in the Phoenix metropolitan area. Punished by recent years of spiraling concessions and rising vacancy, Alante's Canadian owners were under pressure to sell the property as they failed to meet debt service payments. BASCOM won the property due to its ability to quickly and efficiently close the transaction.

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	\$1.04M	\$1.07M	2.88%
Rent per Month	\$791	\$935	18.20%
Equity	\$7.47M	\$20.93M	180.19%
Cost Basis/Unit	\$70,000	\$79,188	13.13%

BACKGROUND:

Built in 1996, BASCOM planned only a modest interior unit renovation at a cost of about \$8,000 per unit. Already one of the more attractive properties in the sub-market, BASCOM'S renovations – combined with the compelling existing amenity package – would boost Alante's rent growth relative to comparable properties.

Consisting of 30% one bedroom units, 55% two bedroom units, and 15% three bedroom units, Alante was well positioned to supply Chandler's demographic makeup of predominantly (33.57% of all households) two person households.

Due to the low rents and high vacancies of the recession, few institutional investors had stepped up to finance new multi-family construction. As a result, Phoenix's burgeoning population – estimated to grow 7% from 2004-2007 – would drive rental demand even as supply remained fairly static.

- **IRR:** 75.71%
- **Multiple on Equity:** 2.80
- **Lender Identity:** GE Capital
- **Loan to Total Value:** 60.50%
- **Equity Partner:** Rockwood Capital
- **Percentage of Replacement Cost:** 68.86%
- **Total Purchase Price:** \$22.40M
- **Total Renovation Cost:** \$2.94M
- **Total Investment Basis:** \$27.62M
- **Total Sales Price:** \$40.85M
- **Sale Price per Unit:** \$127,656