

Project Summary:

Date Purchased: 6-23-03 | Date Sold: 6-6-06

Months Held: 35 | Total Units: 628

Brookside Village Apartments

13992 Tustin East Drive

Tustin, California 92780

OUR APPROACH:

Brookside's under-capitalization and previous absentee management provided BASCOM with an ideal opportunity to reposition the property with an improved tenant base and higher monthly rent rates.

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	\$5.25M	\$5.80M	10.67%
Rent per Month	\$1,068	\$1,273	19.20%
Equity	\$24.95M	\$64.96M	160.00%
Cost per Unit	\$117,834	\$138,956	18.00%

BACKGROUND:

Brookside Village is located near the geographic center of Orange County in the City of Tustin. Adjacent to major freeways including the Interstate 5, 55, and 405, the property consists of 628 garden-style units distributed over 62 two-storey buildings for a total rentable square footage of 511,686.

The median family income in Orange County in 2003 was \$56,904, a 24% increase from 1990. However, the median home price in the county had been rising even faster, reaching \$394,000 in 2003, a 25% annual increase. As such, the majority of new multi-family developments were luxury units commanding monthly rents as high as \$1,700.

Demand was high for renovated B product with lower rent. Constructed in 1965, the property had degraded under out of state management, allowing BASCOM to acquire and renovate the property with a total investment basis significantly below replacement cost.

- **IRR:** 40.00%
- **Multiple on Equity:** 2.60
- **Lender Identity:** GE Capital
- **Loan to Total Value:** 71.00%
- **Equity Partner:** Key Bank
- **Percentage of Replacement Cost:** 71.72%
- **Total Purchase Price:** \$74.00M
- **Total Renovation Cost:** \$9.81M
- **Total Investment Basis:** \$87.26M
- **Total Sale Price:** \$124.18M
- **Sale Price per Unit:** \$197,732