

Project Summary:

Date Purchased: Nov. 2001 | Date Sold: July 2004

Months Held: 32 | Total Units: 300

Cresthaven
6615 Palm Avenue
San Bernardino, CA

OUR APPROACH:

BASCOM acquired Cresthaven from a highly motivated seller, a private owner in the process of liquidating his multi-family portfolio. At 60.34% of replacement cost, the property afforded BASCOM a position in the burgeoning Inland Empire market at relatively low cost.

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	\$1.42M	\$1.83M	28.90%
Avg. Asking Rent	\$787	\$861	9.40%
Equity	\$4.60M	\$14.54M	216.09%
Cost per Unit	\$59,000	\$73,333	24.29%

BACKGROUND:

Two miles from the border of the San Bernardino National Forest and 1.5 miles from the 215 freeway, Cresthaven enjoys a central location within the Inland Empire, close to major recreational parks and San Bernardino's consistently strong job market.

Built in 1990, the property's one and two storey buildings house an attractive mix of four one bedroom units and eight two bedroom units. Located in a more affluent sub-market of the Inland Empire, the average household income within a one miles radius was \$63,185 at acquisition, well above the Inland Empire's average of \$47,400.

During the holding period, barriers to entry increased as the surrounding area became progressively built out. The increasingly infill nature of the area combined with the property's demonstrated rental growth enabled BASCOM to achieve a significant return on its investment.

- **IRR:** 57.98%
- **Multiple on Equity:** 3.16
- **Lender Identity:** Transamerica
- **Loan to Total Value:** 52.4%
- **Equity Partner:** Lehman Brothers
- **Total Investment Basis:** \$21.54M
- **Percentage of Replacement Cost:** 60.34%
- **Total Purchase Price:** \$17.70M
- **Total Renovation Cost:** \$2.50M
- **Total Sale Price:** \$31.00M
- **Sale Price per Unit:** \$103,333