

# Project Summary:

Purchased: Dec. 2000 | Sold: Feb. 2005

Months Held: 62 | Total Units: 258

# Lafayette Parc Townhomes

624 Glendora Avenue  
West Covina, CA 91722

## OUR APPROACH:

When BASCOM took Lafayette Parc over, the property’s rent rates were in the lower half of the West Covina rental market. Offering a complementary mixture of studio, one, two and three bedroom units, Lafayette Parc is a low density property with plenty of open space and leafy trees.

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	\$1.62M	\$2.69M	66.05%
Avg. Asking Rent	\$973	\$1,341	37.82%
Equity	\$6.86M	\$22.79M	232.22%
Cost per Unit	\$86,783	\$102,558	18.18%

## BACKGROUND:

Built in 1964, Lafayette’s 258 units are distributed over 64 two-storey fourplexes and a single one-storey duplex. Having fallen into serious disrepair in the years leading up to its sale to BASCOM, the property had leaky roofs, wood dry rot, faded paint and overgrown vegetation.

BASCOM directly addressed the property’s issues during the planned renovation and also replaced or repaired damaged site infrastructure such as lighting or gate mechanisms. As a result, BASCOM and general contractor Commercial Services were awarded the West Covina Beautiful Award by the City of West Covina for the positive civic effect of the value-added renovation.

In addition to the upgraded physical plant, the property possesses other advantages that support rent growth: proximity to the 10, 210, and 605 freeways; access to major local retail outlets; a regional average household income exceeding Los Angeles County’s average.

- **IRR:** 41.25%
- **Multiple on Equity:** 3.32
- **Lender Identity:** Debis Financial Services
- **Loan to Total Value:** 75.50%
- **Equity Partner:** Lehman Brothers
- **Total Investment Basis:** \$28.86M
- **Percentage of Replacement Cost:** 67.82%
- **Total Purchase Price:** \$22.39M
- **Total Renovation Cost:** \$4.07M
- **Total Sale Price:** \$40.45M
- **Sale Price per Unit:** \$156,783