

Project Summary:

Purchased: Oct. 2002 | Sold: Mar. 2005

Months Held: 29 | Total Units: 100

Laurel Canyon

1315, 1337, 1357 & 1377 N. Ninth Street

Fresno, CA 93703

OUR APPROACH:

Built in 1990, Laurel Canyon features attractive one and two bedroom units along with amenities including two pools, two spas, tennis courts, and barbeque stations. Although significant renovations would be needed to bring the property into its projected B-class finish, the amenity package already exceeded what rental comparables offered.

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	\$122,995	\$375,293	205.13%
Avg. Asking Rent	\$366	\$664	81.42%
Equity	\$979,966	3.85M	292.87%
Cost per Unit	\$16,987	\$30,131	77.38%

- **IRR:** 49.76%
- **Multiple on Equity:** 3.93
- **Lender Identity:** GMACCM
- **Loan to Total Value:** 36.40%
- **Equity Partner:** Commercial Equity Investment
- **Total Investment Basis:** \$3.89M
- **Percentage of Replacement Cost:** 35.19%
- **Total Purchase Price:** \$1.70M
- **Total Renovation Cost:** \$1.31M
- **Total Sale Price:** \$6.65M
- **Sale Price per Unit:** \$66,500

BACKGROUND:

During the holding period, the Fresno County region experienced rapid population growth: 2004-2005 alone saw a county-wide annual growth of 2%. The City of Fresno itself grew 5.6% from 2000 to 2003.

In addition, Fresno's work force had been undergoing a broad diversification that helped boost personal per capita income 1.9% annually over the holding period.

Rising income levels and increasing population size naturally led to higher demand for housing. Laurel Canyon is located in Southwest Fresno, an area that is relatively built out. In 2005, City of Fresno Economic Development data indicated zero planned or completed square feet of construction in Southwest Fresno.

The combined effects of the local dearth of housing supply and rising incomes helped robustly boost rent rates in BASCOM'S southwest Fresno portfolio over the holding period.