

Project Summary:

Purchased: Oct. 2002 | Sold: May 2006
 Months Held: 43 | Total Units: 96

Ridge Pointe

1707 N. Maple Ave., 4585 E. McKinley St.
 Fresno, CA 93703

OUR APPROACH:

Purchased as part of a multi-property portfolio acquisition, Ridge Pointe provided BASCOM with an extremely low-cost entry into the growing Fresno housing market. Ridge Pointe, Laurel Canyon, and Evergreen Terrace taken together were acquired at an astoundingly low 35.19%.

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	\$67,430	\$367,083	444.39%
Avg. Asking Rent	\$371	\$623	67.92%
Equity	\$858,881	\$3.55M	313.33%
Cost per Unit	\$17,917	\$31,771	77.33%

BACKGROUND:

Built in 1974, Ridge Pointe had fallen into serious disrepair under the previous ownership. Buildings lacked respectable exterior finishes and interior appointments had not been updated since the original construction.

Furthermore, the property suffered from a detrimental reputation as local gang territory. Delinquency was high and prospective renter traffic was understandably low. Along with aggressive exterior and interior upgrades, one of BASCOM'S major renovation goals was achieving a more favorable tenant profile.

BASCOM was ultimately successful in forcing out the criminal elements and reversing Ridge Pointe's former reputation. Over the holding period, the property's average rent rates rose 67.92% to \$623, eclipsing the initial pro forma rate of \$547. Correspondingly steep declines in delinquency and loss-to-lease helped fuel rapid NOI growth over the holding period.

- **IRR:** 49.90%
- **Multiple on Equity:** 4.13
- **Lender Identity:** GMACCM
- **Loan to Total Value:** 41.30%
- **Equity Partner:** Commercial Equity Investment
- **Total Investment Basis:** \$3.58M
- **Percentage of Replacement Cost:** 35.19%
- **Total Purchase Price:** \$1.72M
- **Total Renovation Cost:** \$1.33M
- **Total Sale Price:** \$6.50M
- **Sale Price per Unit:** \$67,708