

# Project Summary:

Date Purchased: July 2002 | Date Sold: May 2004

Months Held: 22 | Total Units: 85

# South Hills

2900 East Virginia

West Covina, CA 91791

### OUR APPROACH:

An extremely low density multifamily property made up of mostly large two bedroom townhouses, South Hills' attractive garden style layout was accentuated by its detailed landscaping. BASCOM opportunely acquired the property at 58.6% of replacement 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	\$610,512	\$915,662	49.98%
Avg. Asking Rent	\$1,194	\$1,390	16.42%
Equity	\$2.22M	\$5.73M	158.11%
Cost per Unit	\$94,706	\$115,369	21.82%

### BACKGROUND:

Built in 1968, South Hills boasts the large floorplans characteristic of properties built in the era. South Hills' units include fireplaces, extended patios and balconies, and window coverings.

Situated in West Covina, South Hills is within a half mile of the I-10 freeway, six miles from Cal Poly. Pomona and Claremont Colleges, and 22 miles from downtown Los Angeles. Westfield Eastland lies right across the freeway, a prominent 234-store retail center.

In addition to its proximity to major employment, retail, education, and transportation nodes, West Covina has attractive qualities of its own. In 2002, the average household income was \$153,904 while the median home price was \$547,847. This strong local market would support property value growth over the holding period, enabling BASCOM to more than double the predicted stabilized three-year IRR of 33.90%.

- **IRR:** 71.55%
- **Multiple on Equity:** 2.58
- **Lender Identity:** Residential Funding Corporation
- **Loan to Total Value:** 58.60%
- **Equity Partner:** JP Morgan
- **Total Investment Basis:** \$10.38M
- **Percentage of Replacement Cost:** 59.46%
- **Total Purchase Price:** \$8.05M
- **Total Renovation Cost:** \$1.76M
- **Total Sale Price:** \$13.50M
- **Sale Price per Unit:** \$158,824