

# FOR SALE

## 8 Unit Apartment Complex

STEVEN R. BATTAGLIA  
805.680.6431  
steve@battagliare.com  
License #01318215

# 861 Front St Grover Beach



This is a must see income property! A well maintained Duplex and 6-plex on two parcels near Pismo State Beach and Oceano Dunes. Property is surrounded by tall Eucalyptus trees and has lush landscaping with mature pines and palm trees providing privacy and a warm country feel. Duplex features a 2bed/1.5bath townhome with fireplace and attached garage and very comfortable upstairs studio apartment. 6-plex features two units downstairs and four units upstairs, all 2bed/1bath single level units, with 7 carports, and laundry room. All units have separate electric meters and electrical appliances. Lots of space all around this property with room for a nice BBQ and picnic area under the trees.

### EXECUTIVE SUMMARY

Price:	\$995,000
Units:	8
Price Per Unit:	\$124,375
Gross Income:	\$87,400
Proforma GRM:	11.10
Proforma CAP:	5.04%
Current GRM:	11.38
Current CAP:	4.84%

### PROPERTY DETAILS

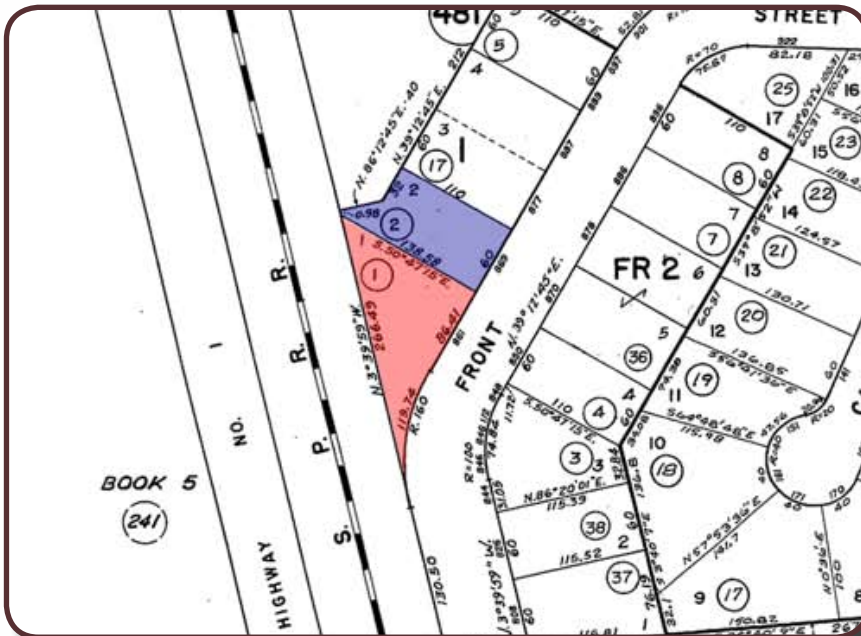
Unit Mix:	1- 2/1.5 Townhouse 6- 2/1 Flats 1- Studio
Total Lot Size:	18,284 SF (Tax Records)
Parking:	7 Carports + 1 Garage + 7 Uncovered Parking
Zoning:	C-R-3
Year Built:	1977 (County Records)
CSO:	3%

Note: Seller is a licensed agent.

# FOR SALE – 8 Unit Apartment Complex

Six-plex: **APN 060-481-002**

Duplex: **APN 060-481-001**



Subject Property



**Buyer should check with city of Grover Beach for status of the parcels**

# FOR SALE – 8 Unit Apartment Complex



**Duplex**



**Fenced Yard**



**Kitchen**



**Main House Living Room**



**Spacious Studio**

# FOR SALE – 8 Unit Apartment Complex



**Six-plex**

**Laundry Room**



**Downstairs Entry**



**Kitchen**



**Dining Area**

# FOR SALE – 8 Unit Apartment Complex



## Executive Summary

<b># Units:</b>	<b>8</b>
<b>Price:</b>	<b>\$995,000</b>
<b>Initial Investment:</b>	<b>\$407,950</b>
<b>% Down Payment</b>	<b>41%</b>
<b>Est. Total Loans:</b>	<b>\$587,050</b>
<b>Debt Service Ratio:</b>	<b>1.35</b>
<b>Price/Unit:</b>	<b>\$124,375</b>
<b>NOI:</b>	<b>\$48,186</b>
<b>GRM:</b>	<b>11.38</b>
<b>CAP Rate:</b>	<b>4.84%</b>
<b>Bldg Area:</b>	<b>Unknown</b>
<b>Bldg Price/SF:</b>	<b>Unknown</b>
<b>Total Lot Size SF:</b>	<b>18,295 SF</b>
<b>Yr. Built</b>	<b>1977</b>
<b>Zoning</b>	<b>CR3</b>

The information above has been obtained from sources believed reliable. While we do not doubt its accuracy we have not verified and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinion, assumptions, or estimates used are for example only and do not represent the current or



Dir. 805.680.6431 • Fax. 877.808.8323

## Unit Mix and Rent Schedules

Units	Mix	Current		Market	
		Rent/Unit	Monthly Income	Rent/Unit	Monthly Income
1	2/2	\$985	\$985	\$1,000	\$1,000
6	2/1	\$925	\$5,550	\$945	\$5,670
1	Studio	\$650	\$650	\$700	\$700
8 Total					
Laundry rentals			\$98		\$98
<b>Gross Monthly Income</b>			<b>\$7,283</b>		<b>\$7,468</b>
<b>Gross Annual Income</b>			<b>\$87,400</b>		<b>\$89,616</b>
less vacancy, losses		4%	\$3,496	4%	3,585
<b>Effective Operating Income (EOI)</b>			<b>\$83,904</b>		<b>\$86,031</b>

## Annual Expenses

		Current			
		Current	%EOI	Market	
Real estate taxes	1.03%	\$10,199	12.2%	\$10,199	
Licenses	Est.	\$45	0.1%	\$45	
Insurance	Act	\$4,030	4.8%	\$4,030	
Utilities (total)	Act.	\$6,480	7.7%	\$6,480	
Electric				\$0	
Water				\$0	
Trash				\$0	
Advertising	Est.	\$750	0.9%	\$750	
Maint/ Repairs	\$550/Unit	\$4,400	5.2%	\$4,400	
Grounds	Act	\$2,280	2.7%	\$2,280	
Off-site Management	6%	\$5,034	6.0%	\$5,162	
Resident Manager		\$0	0.0%	\$0	
Pest Control	Est.	\$400	0.5%	\$400	
Legal & Accounting	Est.	\$500	0.6%	\$500	
Reserves	\$200/Unit	\$1,600	1.9%	\$1,600	
Other		\$0	0.0%	\$0	
Other			0.0%		
<b>Annual Expenses</b>			<b>\$35,718</b>	<b>42.6%</b>	<b>\$35,846</b>
<b>Annual Expenses per Unit</b>			<b>\$4,465</b>		<b>\$4,481</b>

## Calculation

	Current	Market
EOI	\$83,904	\$86,031
Annual Exp.	\$35,718	\$35,846
<b>NOI</b>	<b>\$48,186</b>	<b>\$50,186</b>
<b>GRM</b>	<b>11.38</b>	<b>11.10</b>
<b>CAP Rate</b>	<b>4.84%</b>	<b>5.04%</b>

## Financing

Amount	Term	Rate	Monthly Pmt	Annual Pmt	Annual Interest
Existing Loans					
New Loans					
\$587,050	5 Yr Fixed	4.500%	\$2,974	\$35,694	\$26,417
\$587,050	30 Yrs		\$2,974	\$35,694	\$26,417

## Before Tax Cash Flow (BTCF)

	Current	Market
NOI	\$48,186	\$50,186
Annual Loan Pmt	\$35,694	\$35,694
Cash Flow	\$12,492	\$14,492
Cash on Cash	3.06%	3.55%

## After Tax Cash Flow (ATCF)

	Current	Market
NOI	\$48,186	\$50,186
Depreciation	-\$25,327	-\$25,327
Interest Exp.	-\$26,417	-\$26,417
Taxable Income	-\$3,559	-\$1,559
Taxes @ 0.4	\$1,388	\$608
ATCF	\$13,880	\$15,100
Return	3.40%	3.70%

## Net Equity Income

	Current	Market
ATCF	\$13,880	\$15,100
Equity Buildup	\$9,277	\$9,277
Equity Income	\$23,157	\$24,376
Overall Return	5.68%	5.98%