

5 UNITS IN SANTA CRUZ

238 San Lorenzo Boulevard
Santa Cruz, CA 95060

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PROPERTY HIGHLIGHTS

- Five Units on San Lorenzo Blvd in Santa Cruz!
Desirable Rental Location
- One Half Mile to Boardwalk, Wharf, & Downtown
Numerous Capital Improvements Throughout
- Subject Cap Rate: 4.49%, GRM 14.65, PPU: \$380k/Door
Unit Mix: (5) Large 2 BR / 1 BA Units with Spacious Layouts
- Updated Roof & Electrical
Copper Plumbing, Dual Pane Windows Throughout
- Dark Wood Laminate Flooring
Offered at \$1,900,000

SILICON VALLEY
MULTIFAMILY GROUP®

Table of Contents

Executive Summary	3
Property Information	4
Property Description	5
Unit Mix Report	6
Property Photos	7
Property Photos 2	8
Maps and Aerials	9
Regional Map	11
Financial Information	12
Annual Property Operating	13
Cash Flow Analysis	14
Financial Indicators	15
Loan Analysis	16
Pro Forma Summary	17
Sales Comps	18
Recent Sale Comparables	19
On Market Comparables	24
Demographics Section	28
Demographics	29
Disclaimer & Footnotes	30

EXECUTIVE SUMMARY

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Acquisition Costs

Purchase Price, Points and Closing Costs	\$1,912,160
Investment - Cash	\$863,957
First Loan	\$966,000

Investment Information

Purchase Price	\$1,900,000
Price per Unit	\$380,000
Price per Sq. Ft.	\$436.78
Income per Unit	\$25,932
Expenses per Unit	(\$8,086)

Income, Expenses & Cash Flow

Gross Scheduled Income	\$129,660
Total Vacancy and Credits	(\$3,863)
Operating Expenses	(\$40,429)
Net Operating Income	\$85,368
Debt Service	(\$62,583)
Cash Flow Before Taxes	\$22,785
(After Tax Results)	
Total Interest (Debt Service)	(\$48,459)
Depreciation and Amortization	(\$23,112)
Taxable Income (Loss)	\$13,797
Tax Savings (Costs)	(\$5,988)
Cash Flow After Taxes	\$16,797

Financial Indicators

Cash on Cash Return Before Taxes	2.64%
Optimal Internal Rate of Return (yr 6)	7.31%
Debt Coverage Ratio	1.36
Capitalization Rate	4.49%
Gross Rent Multiplier	14.65
Gross Income / Square Feet	\$29.81
Gross Expenses / Square Feet	(\$9.29)
Operating Expense Ratio	32.14%

SECTION I

Property Information

PROPERTY DESCRIPTION

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060



Property Description | Unit Mix:(5) 2 BR / 1 BA Units

238 San Lorenzo Blvd in Santa Cruz is an attractive building with five large two-bedroom one-bath units. It faces the river, the Riverwalk, and skateboard park. It is just across the bridge to downtown, & the bridge to the Boardwalk and Wharf.

New paint since listing, and \$14k has been spent in upgrades to include brand new laundry machines. The roof is a 40 year flat vinyl roof and downspouts in very good condition installed 10 years ago, per owner. The electrical panels have been updated within the last 10 years, and the laundry panel this year. There is copper plumbing throughout. All windows have been upgraded to dual pane windows. The flooring in all units is half large tile, and half newer dark wood colored laminate flooring. All the units have dishwashers. The rear downstairs unit has access to the large back yard. The upstairs end unit's each have an upstairs porch. The units are spacious and well laid out. One kitchen was remodeled 3 years ago. Most bathrooms have been remodeled and one is new. There are two stairwells with concrete steps and wrought iron railings for the walkway. The owner has put \$14k in improvements since listing, including new paint and coin-op laundry machines.

One rent is pro forma, there is an upcoming vacancy in the unit which has the remodeled kitchen, and access to the back yard. We estimate as-is rent potential at \$2,400, and with full remodel, \$2,800 being well within the range attainable in this neighborhood. There are six water heaters, each unit is heated with gas wall heaters, and there are storage lockers for each unit in the carport (with two large storage lockers reserved for building maintenance). The building has 4,368 SF (averaging 870 SF each unit though varying on configuration), on a 6,708 SF lot, and was built in 1964, per county records. This building is subject to the Santa Cruz emergency rent control initiative, which will be voted on in November. The skateboard park hours are 9am to sunset, and the park gets locked by an evening patrol.

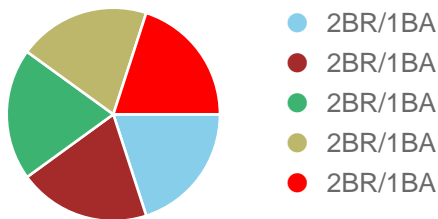
UNIT MIX REPORT

5 Units in Santa Cruz

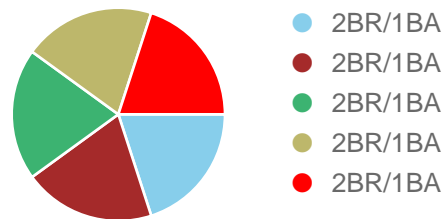
238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
1	2BR/1BA	870	\$2,041	\$2,041	\$2,081	\$2,081
1	2BR/1BA	870	\$2,042	\$2,042	\$2,082	\$2,082
1	2BR/1BA	870	\$2,203	\$2,203	\$2,247	\$2,247
1	2BR/1BA	870	\$2,044	\$2,044	\$2,084	\$2,084
1	2BR/1BA	870	\$2,400	\$2,400	\$2,800	\$2,800
5		4,350		\$10,730		\$11,294

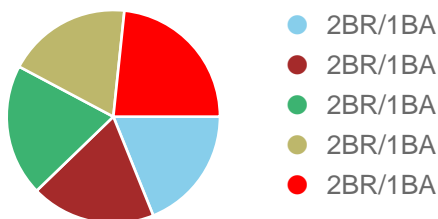
UNIT MIX



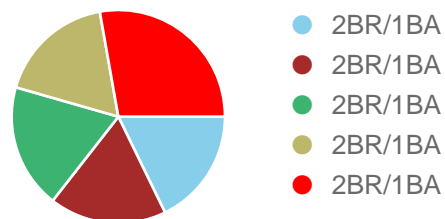
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME



PROPERTY PHOTOS

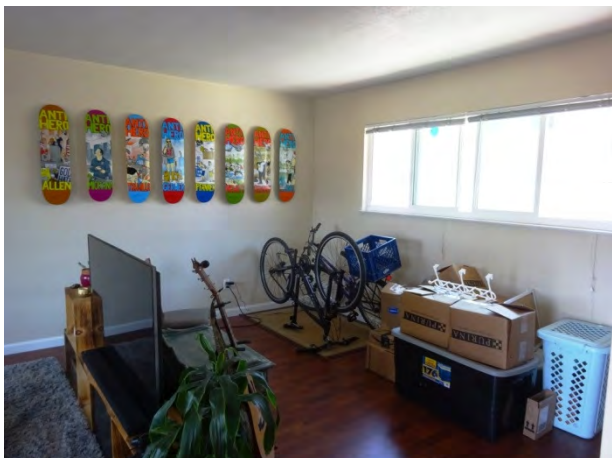
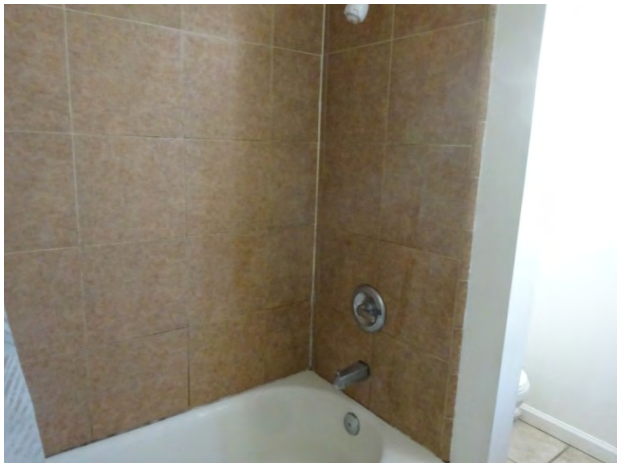
5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Property Photos



Property Photos 2



MAPS AND AERIALS

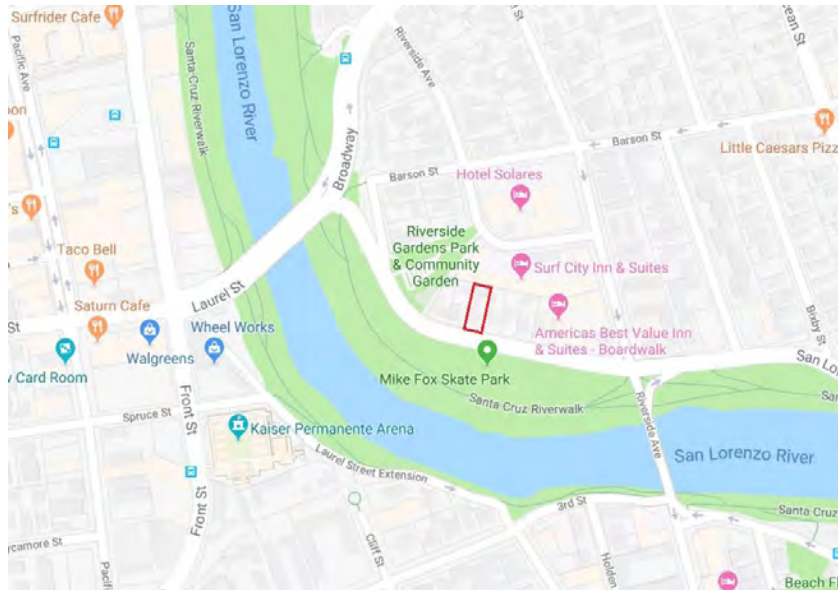
5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Regional & Neighborhood Maps



Regional Map



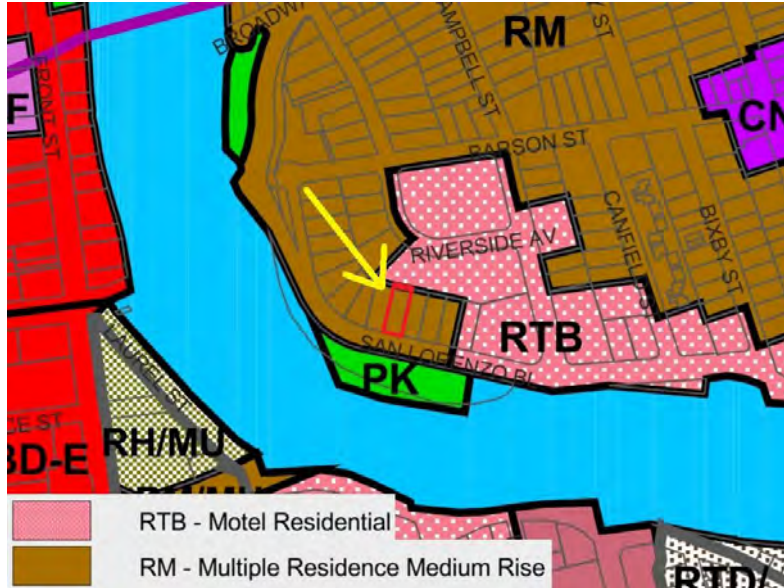
Neighborhood Map

MAPS AND AERIALS

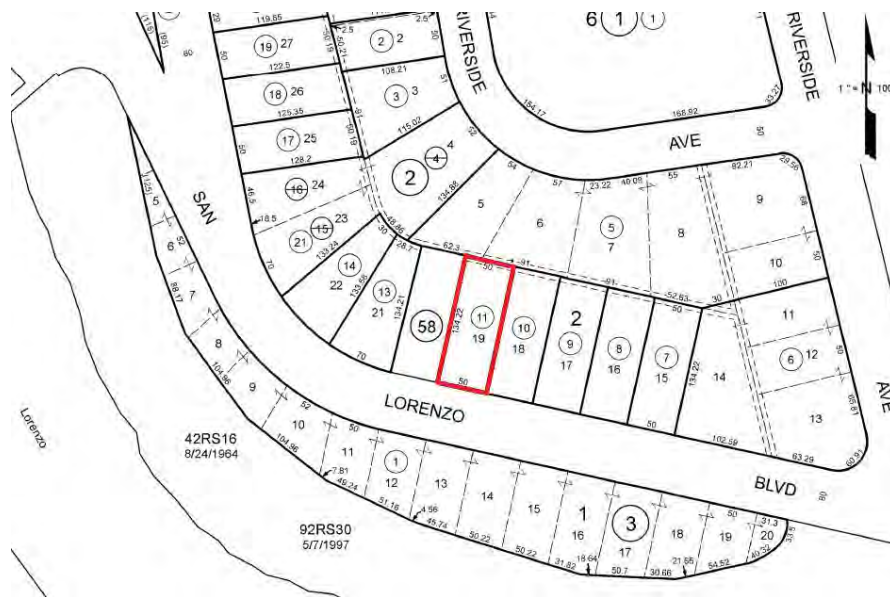
5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Zoning & Parcel Maps



Zoning Map

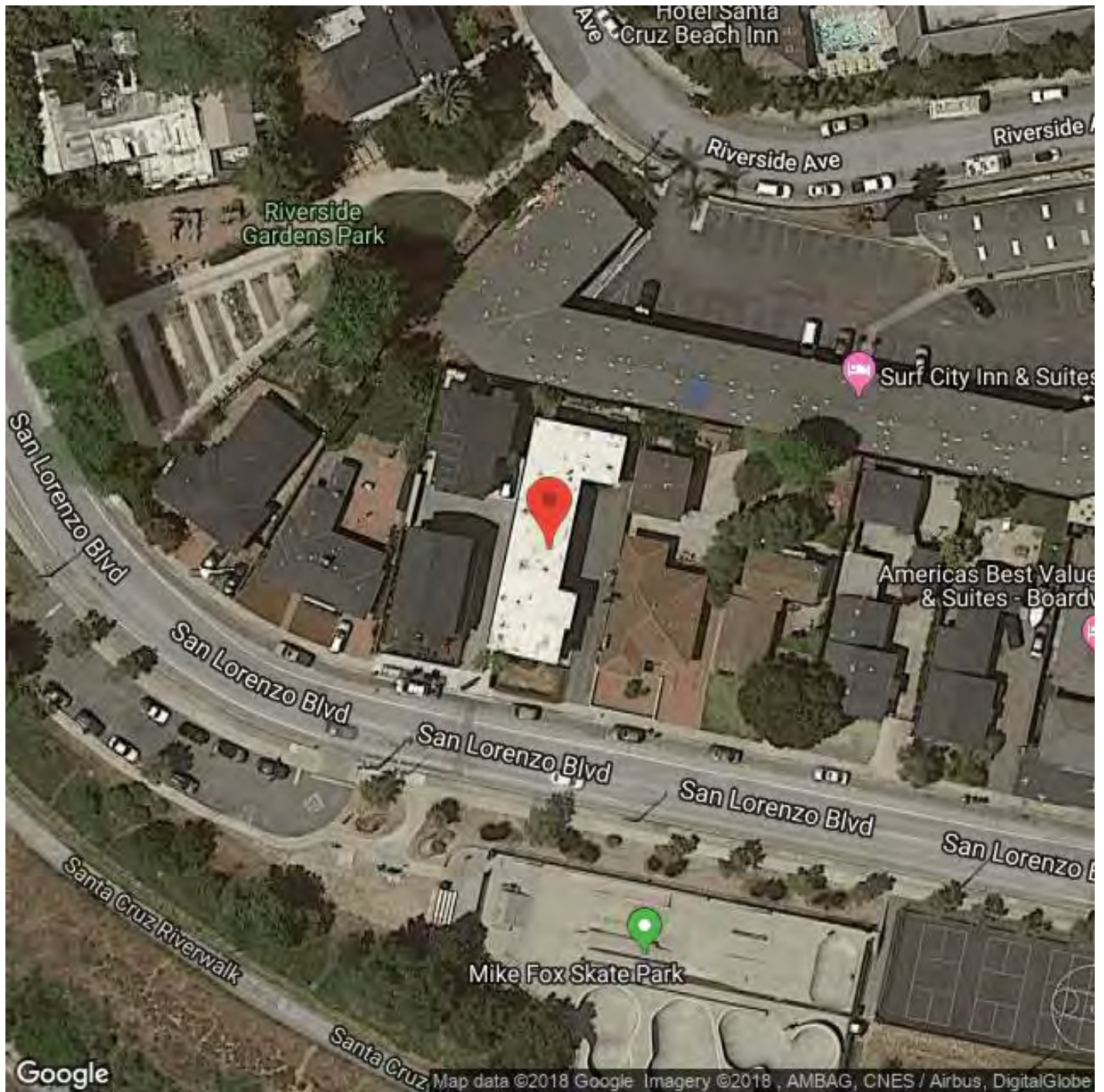


Parcel Map

REGIONAL MAP

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060



SECTION II

Financial Information

ANNUAL PROPERTY OPERATING DATA

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$128,760	\$131,335	\$133,962	\$136,641	\$139,374	\$142,161	\$145,005	\$147,905	\$150,863	\$153,880
On-Site Laundry	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900
GROSS SCHEDULED INCOME	\$129,660	\$132,235	\$134,862	\$137,541	\$140,274	\$143,061	\$145,905	\$148,805	\$151,763	\$154,780
Turnover Vacancy	(\$3,863)	(\$3,940)	(\$4,019)	(\$4,099)	(\$4,181)	(\$4,265)	(\$4,350)	(\$4,437)	(\$4,526)	(\$4,616)
GROSS OPERATING INCOME	\$125,797	\$128,295	\$130,843	\$133,442	\$136,093	\$138,797	\$141,555	\$144,368	\$147,237	\$150,164
Expenses										
Property Tax	(\$22,061)	(\$22,282)	(\$22,504)	(\$22,729)	(\$22,957)	(\$23,186)	(\$23,418)	(\$23,652)	(\$23,889)	(\$24,128)
Insurance	(\$5,795)	(\$5,969)	(\$6,148)	(\$6,332)	(\$6,522)	(\$6,718)	(\$6,920)	(\$7,127)	(\$7,341)	(\$7,561)
Utilities	(\$8,279)	(\$8,527)	(\$8,783)	(\$9,047)	(\$9,318)	(\$9,598)	(\$9,886)	(\$10,182)	(\$10,488)	(\$10,802)
Maintenance	(\$2,881)	(\$2,967)	(\$3,056)	(\$3,148)	(\$3,243)	(\$3,340)	(\$3,440)	(\$3,543)	(\$3,650)	(\$3,759)
Repairs	(\$964)	(\$993)	(\$1,023)	(\$1,053)	(\$1,085)	(\$1,118)	(\$1,151)	(\$1,186)	(\$1,221)	(\$1,258)
Paint	(\$172)	(\$177)	(\$182)	(\$188)	(\$194)	(\$199)	(\$205)	(\$212)	(\$218)	(\$224)
Fixtures	(\$277)	(\$285)	(\$294)	(\$303)	(\$312)	(\$321)	(\$331)	(\$341)	(\$351)	(\$361)
TOTAL OPERATING EXPENSES	(\$40,429)	(\$41,201)	(\$41,991)	(\$42,801)	(\$43,630)	(\$44,480)	(\$45,351)	(\$46,243)	(\$47,157)	(\$48,094)
NET OPERATING INCOME	\$85,368	\$87,094	\$88,852	\$90,641	\$92,463	\$94,317	\$96,204	\$98,125	\$100,080	\$102,070

CASH FLOW ANALYSIS

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$129,660	\$132,235	\$134,862	\$137,541	\$140,274	\$143,061	\$145,905	\$148,805	\$151,763	\$154,780
Turnover Vacancy	(\$3,863)	(\$3,940)	(\$4,019)	(\$4,099)	(\$4,181)	(\$4,265)	(\$4,350)	(\$4,437)	(\$4,526)	(\$4,616)
Total Operating Expenses	(\$40,429)	(\$41,201)	(\$41,991)	(\$42,801)	(\$43,630)	(\$44,480)	(\$45,351)	(\$46,243)	(\$47,157)	(\$48,094)
NET OPERATING INCOME	\$85,368	\$87,094	\$88,852	\$90,641	\$92,463	\$94,317	\$96,204	\$98,125	\$100,080	\$102,070
Loan Payment	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)	(\$62,583)
NET CASH FLOW (b/t)	\$22,785	\$24,511	\$26,269	\$28,058	\$29,880	\$31,734	\$33,621	\$35,542	\$37,497	\$39,487
Cash On Cash Return b/t	2.64%	2.84%	3.04%	3.25%	3.46%	3.67%	3.89%	4.11%	4.34%	4.57%
NET OPERATING INCOME	\$85,368	\$87,094	\$88,852	\$90,641	\$92,463	\$94,317	\$96,204	\$98,125	\$100,080	\$102,070
Depreciation	(\$22,790)	(\$23,785)	(\$23,785)	(\$23,785)	(\$23,785)	(\$23,785)	(\$23,785)	(\$23,785)	(\$23,785)	(\$22,792)
Amortization	(\$322)	(\$322)	(\$322)	(\$322)	(\$322)	(\$322)	(\$322)	(\$322)	(\$322)	(\$322)
Loan Interest	(\$48,459)	(\$47,729)	(\$46,961)	(\$46,154)	(\$45,305)	(\$44,412)	(\$43,473)	(\$42,485)	(\$41,446)	(\$40,354)
TAXABLE INCOME (LOSS)	\$13,797	\$15,259	\$17,784	\$20,381	\$23,051	\$25,798	\$28,625	\$31,534	\$34,527	\$38,603
Income Taxes	(\$5,988)	(\$6,622)	(\$7,718)	(\$8,845)	(\$10,004)	(\$11,196)	(\$12,423)	(\$13,686)	(\$14,985)	(\$16,754)
CASH FLOW (a/t)	\$16,797	\$17,889	\$18,551	\$19,213	\$19,875	\$20,537	\$21,198	\$21,856	\$22,512	\$22,733
Cash On Cash Return a/t	1.94%	2.07%	2.15%	2.22%	2.30%	2.38%	2.45%	2.53%	2.61%	2.63%

* b/t = before taxes;a/t = after taxes

FINANCIAL INDICATORS

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	15.09	15.24	15.39	15.55	15.70	15.86	16.02	16.17	16.34	16.50
Capitalization Rate	4.49%	4.58%	4.68%	4.77%	4.87%	4.96%	5.06%	5.16%	5.27%	5.37%
Cash On Cash Return b/t	2.64%	2.84%	3.04%	3.25%	3.46%	3.67%	3.89%	4.11%	4.34%	4.57%
Cash On Cash Return a/t	1.94%	2.07%	2.15%	2.22%	2.30%	2.38%	2.45%	2.53%	2.61%	2.63%
Debt Coverage Ratio	1.36	1.39	1.42	1.45	1.48	1.51	1.54	1.57	1.60	1.63
Gross Income per Sq. Ft.	\$29.81	\$30.40	\$31.00	\$31.62	\$32.25	\$32.89	\$33.54	\$34.21	\$34.89	\$35.58
Expenses per Sq. Ft.	(\$9.29)	(\$9.47)	(\$9.65)	(\$9.84)	(\$10.03)	(\$10.23)	(\$10.43)	(\$10.63)	(\$10.84)	(\$11.06)
Net Income Multiplier	22.92	23.14	23.37	23.59	23.82	24.05	24.29	24.53	24.77	25.02
Operating Expense Ratio	32.14%	32.11%	32.09%	32.07%	32.06%	32.05%	32.04%	32.03%	32.03%	32.03%
Loan To Value Ratio	48.64%	46.49%	44.38%	42.32%	40.30%	38.33%	36.39%	34.50%	32.64%	30.82%

* b/t = before taxes; a/t = after taxes

LOAN ANALYSIS

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
LOAN 1										
Debt Service Analysis										
Principal Payments	\$14,124	\$14,854	\$15,622	\$16,429	\$17,278	\$18,171	\$19,111	\$20,098	\$21,137	\$22,230
Interest Payments	\$48,459	\$47,729	\$46,961	\$46,154	\$45,305	\$44,412	\$43,473	\$42,485	\$41,446	\$40,354
Total Debt Service	\$62,583	\$62,583	\$62,583	\$62,583	\$62,583	\$62,583	\$62,583	\$62,583	\$62,583	\$62,583
Principal Balance Analysis										
Beginning Principal Balance	\$966,000	\$951,876	\$937,022	\$921,400	\$904,971	\$887,693	\$869,521	\$850,411	\$830,313	\$809,176
Principal Reductions	\$14,124	\$14,854	\$15,622	\$16,429	\$17,278	\$18,171	\$19,111	\$20,098	\$21,137	\$22,230
Ending Principal Balance	\$951,876	\$937,022	\$921,400	\$904,971	\$887,693	\$869,521	\$850,411	\$830,313	\$809,176	\$786,946

PRO FORMA SUMMARY

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060



INVESTMENT SUMMARY

Price:	\$1,900,000
Year Built:	1964
Units:	5
Price/Unit:	\$380,000
RSF:	4,350
Price/RSF:	\$436.78
Lot Size:	6,708 sf
Floors:	2
Parking Spaces:	1/unit
APN:	007-422-11
Cap Rate:	4.49%
Market Cap Rate:	4.84%
GRM:	14.65
Market GRM:	13.93

FINANCING SUMMARY

Loan Amount:	\$966,000
Down Payment:	\$851,797
Loan Type:	Fixed
Interest Rate:	5.05%
Term:	30 years
Monthly Payment:	\$5,215
DCR:	1.36

UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
2BR/1BA	1	\$24,492	\$24,492	\$24,972	\$24,972
2BR/1BA	1	\$24,504	\$24,504	\$24,984	\$24,984
2BR/1BA	1	\$26,436	\$26,436	\$26,964	\$26,964
2BR/1BA	1	\$24,528	\$24,528	\$25,008	\$25,008
2BR/1BA	1	\$28,800	\$28,800	\$33,600	\$33,600
TOTALS	5		\$128,760		\$135,528

ANNUALIZED INCOME

Description	Actual	Market
Gross Potential Rent	\$128,760	\$135,528
Less: Vacancy	(\$3,863)	(\$4,066)
Misc. Income	\$900	\$900
Effective Gross Income	\$125,797	\$132,362
Less: Expenses	(\$40,429)	(\$40,429)
Net Operating Income	\$85,368	\$91,933
Debt Service	(\$62,583)	(\$62,583)
Net Cash Flow after Debt Service	\$22,785	\$29,350
Principal Reduction	\$14,124	\$14,124
Total Return	\$36,909	\$43,474

ANNUALIZED EXPENSES

Description	Actual	Market
Property Tax	\$22,061	\$22,061
Insurance	\$5,795	\$5,795
Utilities	\$8,279	\$8,279
Maintenance	\$2,881	\$2,881
Repairs	\$964	\$964
Paint	\$172	\$172
Fixtures	\$277	\$277
Total Expenses	\$40,429	\$40,429
Expenses Per RSF	\$9.29	\$9.29
Expenses Per Unit	\$8,086	\$8,086

SECTION III

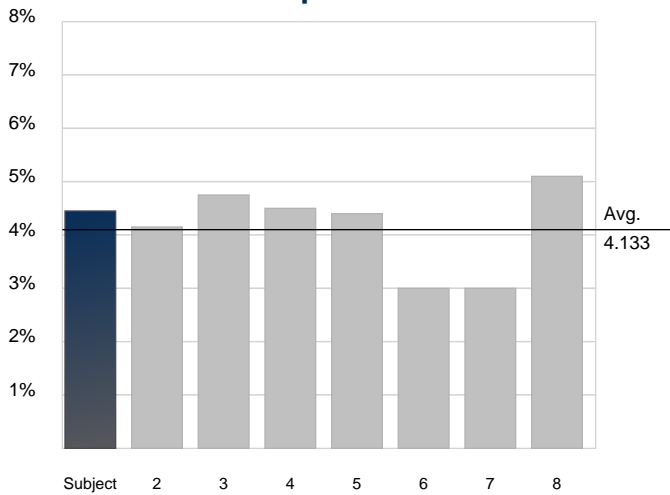
Sales Comps

RECENT SALE COMPARABLES

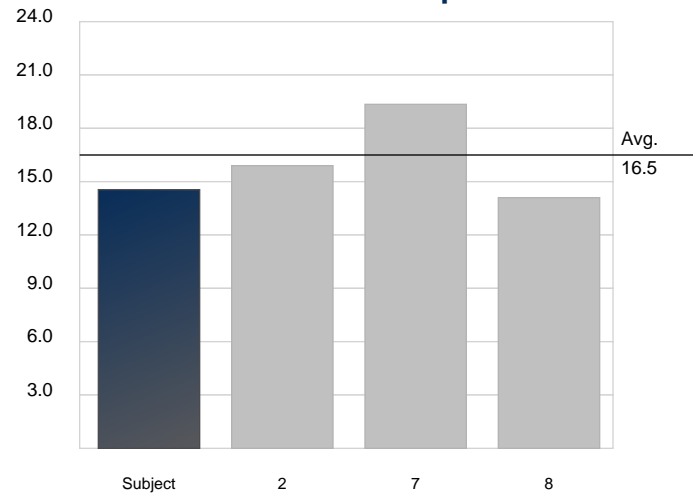
5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

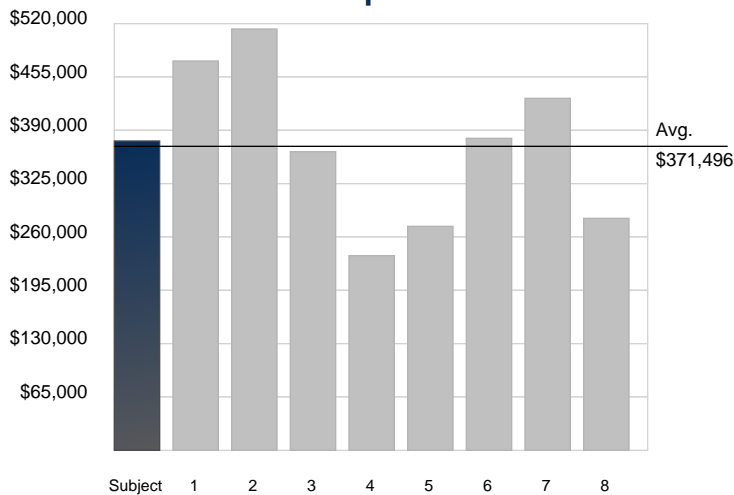
Cap Rate



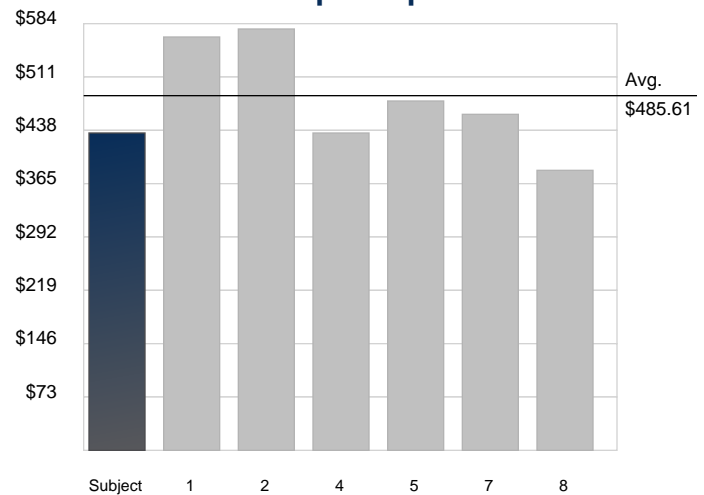
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



RECENT SALE COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

S



5 Units in Santa Cruz 238 San Lorenzo Boulevard Santa Cruz, CA 95060

		# Units	Unit Type
Sale Price	\$1,900,000	1	2BR/1BA
Units	5	1	2BR/1BA
Price/Unit	\$380,000	1	2BR/1BA
Price/SqFt	\$436.78	1	2BR/1BA
Cap Rate	4.49%	1	2BR/1BA
Year Built	1964	1	2BR/1BA
GRM	14.65		

NOTES

Excellent Location
Desirable Neighborhood
(5) Large 2 Br / 1 BA Units

1



Sale Date 1/5/2018

324 Mt. View Avenue Santa Cruz, CA 95062

		# Units	Unit Type
Sale Price	\$3,325,000		
Units	7	1	Three Bedroom Two Bath
Price/Unit	\$475,000	6	One Bedroom One Bath
Price/SqFt	\$568.86		
Cap Rate	N/A		
Year Built	1964		
GRM	N/A		

NOTES

This nearby sales comparable is in the superior Seabright neighborhood. It has 7 units, one three-bedroom, and six one-bedroom units.

2



Sale Date 1/13/2018

404 High St Santa Cruz, CA 95060

		# Units	Unit Type
Sale Price	\$3,100,000		
Units	6	1	Three Bedroom One Bath
Price/Unit	\$516,667	4	Two Bedroom One Bath
Price/SqFt	\$579.76	1	Studio/Efficiency
Cap Rate	4.15%		
Year Built	1968		
GRM	16.0		

NOTES

This comparable property is also located downtown Santa Cruz. There are six units, one three-bedroom, four two-bedroom, and one studio units.

RECENT SALE COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

3



California Apartments 526 California St Santa Cruz, CA 95060

Sale Price \$2,930,000
Units 8
Price/Unit \$366,250
Price/SqFt N/A
Cap Rate 4.75%
Year Built N/A
GRM N/A

Units Unit Type
8 Two Bedroom One Bath

Sale Date 7/13/2018

NOTES

This property is 8 2br/1ba units in two fourplexes in a superior location a few blocks from the wharf.

4



Beach Hill Apts 703 3rd St Santa Cruz, CA 95060

Sale Price \$2,880,000
Units 12
Price/Unit \$240,000
Price/SqFt \$436.69
Cap Rate 4.53%
Year Built 1962
GRM N/A

Units Unit Type
1 Two Bedroom One Bath
11 One Bedroom One Bath

Sale Date 10/27/2017

NOTES

This property is 12 units, (1) 2br/1ba & (11) 1br/1ba units across the river in an inferior location.

5



123 Pearl St Santa Cruz, CA 95060

Sale Price \$2,475,000
Units 9
Price/Unit \$275,000
Price/SqFt \$480.40
Cap Rate 4.4%
Year Built 1959
GRM N/A

Units Unit Type
2 Two Bedroom One Bath
5 One Bedroom One Bath
2 Studio/Efficiency

Sale Date 12/1/2017

NOTES

This property is 9 units, (2) 2br/1ba & (5) 1br/1ba & (2) studio units located in the heart of the same neighborhood, still an inferior location.

RECENT SALE COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

6



Sale Date 3/8/2018

NOTES

This property has 6 units and is located upon beach Hill.

206 1st St Santa Cruz, CA 95060

		# Units	Unit Type
Sale Price	\$2,300,000		
Units	6		
Price/Unit	\$383,333		
Price/SqFt	N/A		
Cap Rate	3.0%		
Year Built	N/A		
GRM	N/A		

7



Sale Date 6/8/2018

NOTES

This building is located on Beach Hill, has 5 units, and was renovated in 1979. It has three two-bedroom, one one-bedrooms, and one studio units.

208 1st St Santa Cruz, CA 95060

		# Units	Unit Type
Sale Price	\$2,150,000		
Units	5	3	Two Bedroom One Bath
Price/Unit	\$430,000	1	One Bedroom One Bath
Price/SqFt	\$461.97	1	Studio/Efficiency
Cap Rate	3.0%		
Year Built	1918		
GRM	19.4		

8



Sale Date 7/13/2018

NOTES

This property is 7 units, (1) 3br/2ba & (6) 2br/1ba units located in the heart of the same neighborhood as subject property, in an inferior location.

132 Campbell Ave Santa Cruz, CA 95060

		# Units	Unit Type
Sale Price	\$2,000,000		
Units	7	1	Three Bedroom Two Bath
Price/Unit	\$285,714	6	Two Bedroom One Bath
Price/SqFt	\$385.95		
Cap Rate	5.1%		
Year Built	1906		
GRM	14.1		

RECENT SALE COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060



S 238 San Lorenzo Boulevard
Santa Cruz, CA, 95060
\$1,900,000

1 324 Mt. View Avenue
Santa Cruz, CA, 95062
\$3,325,000

2 404 High St
Santa Cruz, CA, 95060
\$3,100,000

3 526 California St
Santa Cruz, CA, 90560
\$2,930,000

4 703 3rd St
Santa Cruz, CA, 90560
\$2,880,000

5 123 Pearl St
Santa Cruz, CA, 90560
\$2,475,000

6 206 1st St
Santa Cruz, CA, 90560
\$2,300,000

7 208 1st St
Santa Cruz, CA, 90560
\$2,150,000

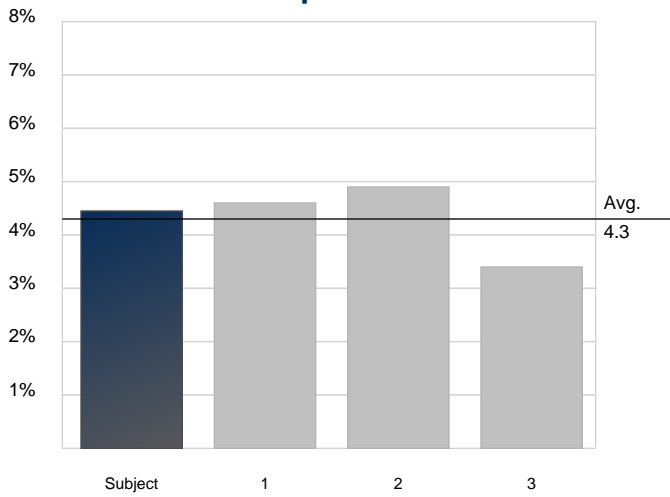
8 132 Campbell Ave
Santa Cruz, CA, 90560
\$2,000,000

ON MARKET COMPARABLES

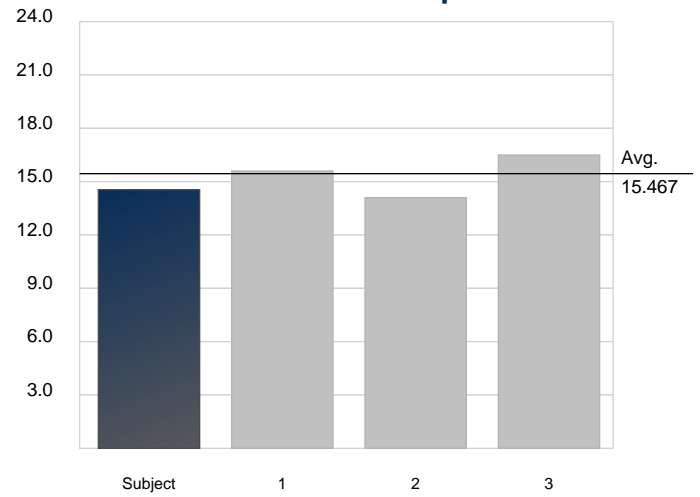
5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

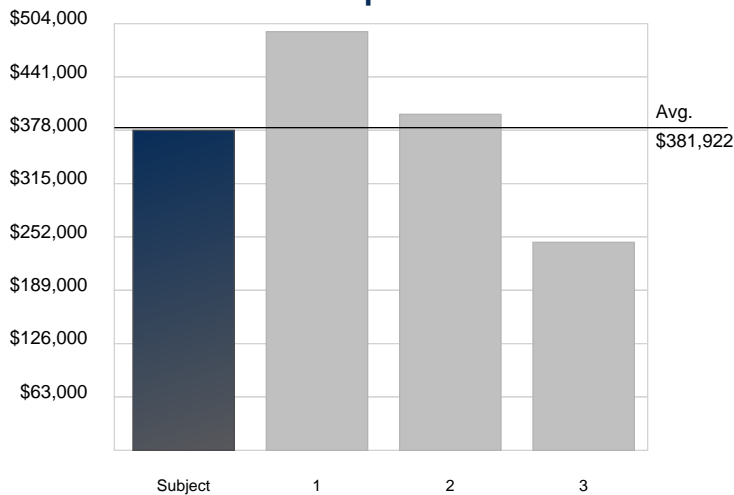
Cap Rate



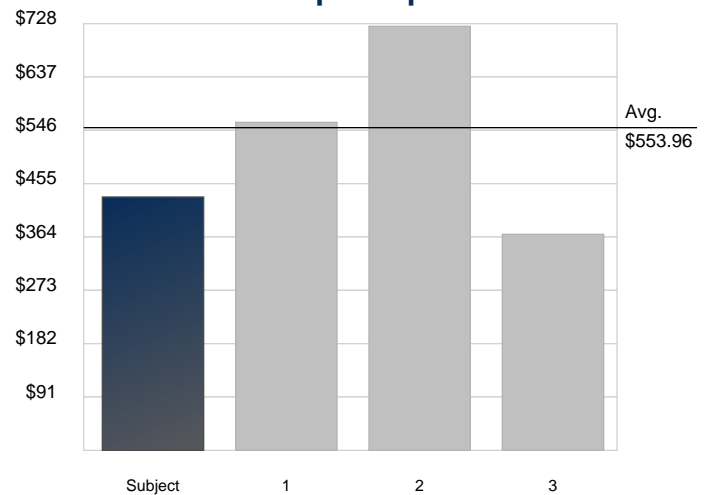
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



ON MARKET COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

S



5 Units in Santa Cruz 238 San Lorenzo Boulevard Santa Cruz, CA 95060

		# Units	Unit Type
Sale Price	\$1,900,000		
Units	5	1	2BR/1BA
Price/Unit	\$380,000	1	2BR/1BA
Price/SqFt	\$436.78	1	2BR/1BA
Cap Rate	4.49%	1	2BR/1BA
Year Built	1964	1	2BR/1BA
GRM	14.65		

NOTES

Excellent Location
Desirable Neighborhood
(5) Large 2 Br / 1 BA Units

1



On Market

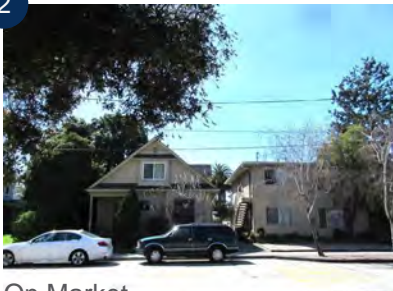
113 Stephen Rd Aptos, CA 95003

		# Units	Unit Type
Sale Price	\$2,488,000		
Units	5	1	Three Bedroom Two Bath
Price/Unit	\$497,600	1	Three Bedroom One Bath
Price/SqFt	\$563.41	1	Two Bedroom One Bath
Cap Rate	4.6%	1	Two Bedroom One Bath
Year Built	1961	1	One Bedroom One Bath
GRM	15.7		

NOTES

This property completely remodeled inside and out, and is located in Aptos, unaffected by rent control. There are two three-bedroom, two two-bedroom, & one one-bedroom units.

2



On Market

505 Walnut Ave Santa Cruz, CA 90560

		# Units	Unit Type
Sale Price	\$2,000,000		
Units	5	1	Three Bedroom One Bath
Price/Unit	\$400,000	3	Two Bedroom One Bath
Price/SqFt	\$726.22	1	One Bedroom One Bath
Cap Rate	4.9%		
Year Built	1926		
GRM	14.2		

NOTES

This 5 unit property has (1) 3br, (3) 2br, and (1) studio units, it is currently priced at a 4.9% cap rate, however started at \$2.4M and struggles to get interest. Originally a house, now cut into two units with a triplex added in the 70s.

ON MARKET COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

3



On Market

419 Lincoln St Santa Cruz, CA 95060

Sale Price	\$1,489,000
Units	6
Price/Unit	\$248,167
Price/SqFt	\$372.25
Cap Rate	3.4%
Year Built	1910
GRM	16.5

# Units	Unit Type
1	Two Bedroom One Bath
5	One Bedroom One Bath

NOTES

This 6 unit property has (1) 2br, (3) 2br, and (5) 1br units. It is a downtown Victorian cut into a mish-mash of units. This building is reduced to a 3.4% cap rate and is very old.

ON MARKET COMPARABLES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060



S 238 San Lorenzo Boulevard
Santa Cruz, CA, 95060
\$1,900,000

1 113 Stephen Rd
Aptos, CA, 95003
\$2,488,000

2 505 Walnut Ave
Santa Cruz, CA, 90560
\$2,000,000

3 419 Lincoln St
Santa Cruz, CA, 90560
\$1,489,000

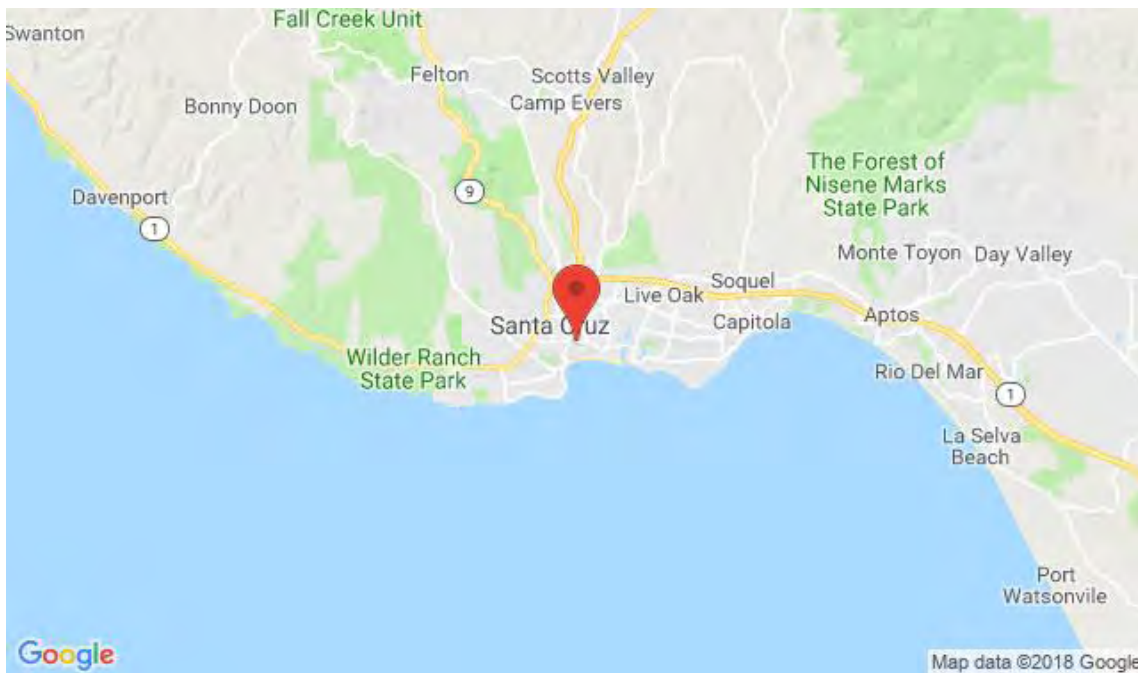
SECTION IV

Demographics Section

DEMOGRAPHICS

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060



Population Characteristic	1 Mile	3 Mile	5 Mile	Household Income	1 Mile	3 Mile	5 Mile
Ages 0-4	1,268	4,093	5,321	Median Household Income	\$43,865	\$61,834	\$61,722
Ages 5-9	1,286	4,551	5,948	< \$10000	856	2,247	2,812
Ages 10-14	949	3,807	5,121	\$10000-\$14999	1,146	2,159	2,691
Ages 15-19	815	3,623	5,049	\$15000-\$19999	619	1,550	1,896
Ages 20-24	1,104	4,525	6,295	\$20000-\$24999	724	1,649	2,184
Ages 25-29	1,673	5,770	7,795	\$25000-\$29999	513	1,197	1,685
Ages 30-34	2,242	6,667	8,913	\$30000-\$34999	313	1,437	2,072
Ages 35-39	2,573	7,161	9,553	\$35000-\$39999	512	1,146	1,607
Ages 40-44	2,555	7,205	9,611	\$40000-\$44999	591	1,559	1,913
Ages 45-49	2,295	7,040	9,393	\$45000-\$49999	379	1,361	1,716
Ages 50-54	1,971	6,686	8,949	\$50000-\$60000	797	2,699	3,547
Ages 55-59	1,654	6,198	8,344	\$60000-\$74000	910	3,109	4,014
Ages 60-64	1,340	5,313	7,274	\$75000-\$99999	1,177	4,423	5,871
Ages 65-69	993	4,119	5,720	\$100000-\$124999	651	2,739	3,770
Ages 70-74	652	2,906	4,084	\$125000-\$149999	461	1,996	2,823
Ages 75-79	399	1,965	2,785	\$150000-\$199999	239	1,770	2,389
Ages 80-84	222	1,287	1,804	> \$200000	276	2,364	3,382
Race Characteristic	1 Mile	3 Mile	5 Mile	Characteristic Housing	1 Mile	3 Mile	
Non Hispanic White	17,881	67,063	91,693	Housing Units	11,334	38,208	
Population Black	219	579	676	Occupied Housing Units	10,477	34,928	
Population Am In/AK Nat	75	227	262	Owner Occupied Housing Units	2,544	16,189	
				Renter Occupied Housing Units	7,933	18,739	
				Vacant Housing Units	857	3,280	

DISCLAIMER & FOOTNOTES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

DISCLAIMER

All materials and information received or derived from Silicon Valley Multifamily Group (SVMG) its directors, officers, agents, advisors, and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither SVMG its directors, officers, agents, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significant chance to such party. SVMG will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing. PLEASE NOTE: The Seller(s) desires to sell the property in "its present physical condition (as-is) subject to inspection and reports.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including those through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. *SVMG makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions.* SVMG does not serve as a financial advisor to any party regarding any proposed transaction. When analyzing this property buyer should use income, vacancy and expense levels that will accurately reflect the manner in which it plans to operate the property. Broker, Agent and Seller are making no representations or warranties as to the level of income or expenses Buyer will incur at the property.

Building square footage, unit square footage and lot sizes are not guaranteed. Broker, Agent and Seller have not measured the units, lot or the building and are making NO representation as to the accuracy of square footage figures. Data source for building size and lot size is provided by an online resource such as that provided by Chicago Title Company. SVMG is not responsible for errors in the data. Buyer should measure all units, lot and the building prior to purchase and should not rely on any square footage figures provided by Broker, Agent or Seller.

All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property. Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies.

- Do Not Disturb -- Please respect the Seller's request that the tenants not be disturbed. Unless otherwise indicated, all offers are to be written subject to inspection. The Seller will provide access for the Buyer to inspect the interiors of all units within a reasonable period following a fully executed purchase contract. Seller requests that all inspections be made on the same day.

- Representation -- This information is given with the understanding that all negotiations relating to the purchase of the property described herein shall be conducted through SVMG.

All properties and services are marketed by SVMG in compliance with all applicable fair housing and equal opportunity laws.

DISCLAIMER & FOOTNOTES

5 Units in Santa Cruz

238 San Lorenzo Boulevard | Santa Cruz, CA 95060

OFFERING MEMORANDUM NOTES

Gross Annual Scheduled Income & the Gross Rent Multiplier are based on current rents shown in the Rent Roll. These rent levels are current rent levels at the time this package was prepared and subject to change without notice. Buyer should review most recent rent roll prior to purchase. The laundry income was based on either previous year actual levels or annualized current income.

Gross Annual Scheduled Income & Gross Income Multiplier (Market or Pro Forma) assumes the units are all rented at the rent levels shown in the Pro Forma Summary. These rent levels are not guaranteed to be achievable by Seller, Broker or Agent. Buyer should use rent levels it thinks it can obtain for the subject property.

Capitalization Rate is based on rents, expenses and vacancy figures shown in the Operating Statement.

Pro Forma Capitalization Rate is based on rents, expenses and vacancy figures shown in the Pro-Forma Operating Statement Pro-Forma (Market) column. See Pro Forma Operating Statement Footnotes and Disclaimers in this section of the Offering Memorandum.

Year Built: Data source is provided through the Chicago Title Company online resource. Seller, Broker and Agent are making no guarantee or representations as to when the improvements were built. Buyer should conduct its own investigation to determine age of improvements.

UNIT MIX/SCHEDULED INCOME OVERVIEW FOOTNOTES

Current Rent Column is based on current rents shown in the Rent Roll. These rent levels are current rent levels at the time this package was prepared and subject to change without notice. Buyer should review most recent rent roll prior to purchase.

Pro Forma or Market Rents assumes the units are all rented at the estimated market rent levels shown in the rent roll. Please note that current rents are not at these levels. Pro Forma rent levels are not guaranteed to be achievable by Seller, Broker or Agent. Buyer should use rent levels it thinks it can obtain for the subject property.

Purchase Information on page 4 including Fair Market Value, Resale Valuation and Resale Expenses are provided for illustrative purposes only and will vary depending on market conditions and other factors. SVMG, its Brokers and Agents can not be held accountable for these numbers. Buyer should use the numbers it thinks most appropriate.

Financial Information on page 4 including Down Payment, Closing Costs, LT Capital Gain, Federal and State Tax Rates and the Discount Rate are provided for illustrative purposes only. Actual numbers may, and probably will, vary depending on the Buyer's individual situation.

Loans on page 4. This information is provided for illustrative purposes only. Buyer should use the loan information it thinks attainable and realistic for the property.

Annual Property Operating Data Notes and Disclaimers

Rental Income is based on current rents shown in the Rent Roll

Miscellaneous income is based upon information provided by the owner or manager.

General Vacancy is estimated to be at current market levels or provided by owner.

Taxes are estimated based on list price and based on current tax rate reported by Santa Clara County.

Other Expenses All other expenses are as reported by owner or property manager.

Loan Payment is based upon information provided in the LOANS section of page 4. Buyer should use the loan information it thinks attainable and realistic for the property.

Income Taxes is based upon a 33% or greater tax rate and is provided for illustrative purposes only. Buyer should consult with a licensed tax professional in determining the most realistic and appropriate tax rate.

NOTE: THE 10 YEAR PROJECTIONS ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY. BUYER SHOULD USE THE PROJECTIONS IT THINKS ARE REALISTIC AND ATTAINABLE.

Rent Roll Notes

General Notes: Rent levels, occupancy, deposit amounts and terms are subject to change without notice. Move-In dates are subject to change as units turnover. Buyer should obtain updated information and confirm all rent levels, lease terms, move-in dates, amount of last rental adjustment and deposit amounts prior to purchase.

Market Rent column reflects projected rents, not current rent levels. Projected rent levels are not guaranteed to be achievable by Seller, Broker or Agents. Buyer should use rent levels it thinks it can obtain for the subject property.