

## Duplex in Salinas

218 Lang St  
Salinas, CA 93901

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- Desirable Neighborhood, South West Salinas Location  
Units in Good Condition With Upgraded Interiors
- Ideal as a Low Cost Investment Property  
Or As Owner Occupied with Extended Family
- Fully Remodeled in 2009 & 2012 Including  
Kitchens / Bathrooms / Flooring
- Unit Mix: (2) 2 Bedroom / 1 Bath Units  
Each Unit Has an Attached One Car Garage
- Offered at: \$435,000

**SILICON VALLEY**  
**MULTIFAMILY GROUP**

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Duplex in Salinas

218 Lang St  
Salinas, CA 93901

## Property Overview

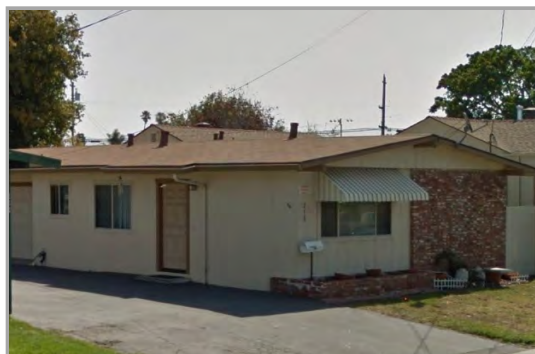
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**ANALYSIS**

**Analysis Date**                      **November 2015**

**PROPERTY**

**Property**                              Duplex in Salinas  
**Property Address**                218 Lang St  
    Salinas, CA 93901  
**Year Built**                            1964

**PURCHASE INFORMATION**

**Property Type**                      MultiFamily  
**Purchase Price**                    \$435,000  
**Fair Market Value**                \$435,000  
**Units**                                    2  
**Total Rentable Sq. Ft.**            1,776  
**Resale Valuation**                  3.0% (annual appreciation)  
**Resale Expenses**                  6.0%

**FINANCIAL INFORMATION**

**Down Payment**                    \$169,304  
**Closing Costs**                    \$2,500  
**LT Capital Gain**                    20.00%  
**Federal Tax Rate**                  34.0%  
**State Tax Rate**                    9.4%  
**Discount Rate**                    3.00%

**LOANS**

	<b>Debt</b>	<b>Term</b>	<b>Amortization</b>	<b>Rate</b>	<b>Payment</b>	<b>LO Costs</b>
<b>Fixed</b>	<b>\$255,696</b>	<b>30 years</b>	<b>30 years</b>	<b>4.0%</b>	<b>\$1,221</b>	<b>\$2,557</b>

**INCOME & EXPENSES**

**Gross Operating Income**                \$26,190  
**Monthly GOI**                                \$2,183  
**Total Annual Expenses**                (\$8,156)  
**Monthly Expenses**                        (\$680)

**CONTACT INFORMATION**

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**BRE 01327546**

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The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

## ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$440,057
Investment - Cash	\$174,361
First Loan	\$255,696

## INVESTMENT INFORMATION

Purchase Price	\$435,000
Price per Unit	\$217,500
Price per Sq. Ft.	\$244.93
Income per Unit	\$13,500
Expenses per Unit	(\$4,078)

## INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$27,000
Total Vacancy and Credits	(\$810)
Operating Expenses	(\$8,156)
Net Operating Income	\$18,034
Debt Service	(\$14,649)
Cash Flow Before Taxes	\$3,385
Total Interest (Debt Service)	(\$10,146)
Depreciation and Amortization	(\$9,229)
Taxable Income (Loss)	(\$1,341)
Tax Savings (Costs)	\$582
Cash Flow After Taxes	\$3,967

## FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	1.94%
Optimal Internal Rate of Return (yr 9)	7.68%
Debt Coverage Ratio	1.23
Capitalization Rate	4.15%
Gross Rent Multiplier	16.11
Gross Income / Square Feet	\$15.20
Gross Expenses / Square Feet	(\$4.59)
Operating Expense Ratio	31.14%

### ***Property Description***

This duplex is located in a desirable neighborhood in the South Western side of Salinas. It is in good condition with remodeled units. The opportunity exists to acquire a low cost income property with substantial upside rent potential, or as an owner occupied with extended family if desired.

The property has been well maintained, and there is little to no deferred maintenance. All windows have dual pane windows installed. The units have washers, dryers, dishwashers, disposals, and upgraded vertical blinds, all of which are owned and transfer with the sale.



The front unit was remodeled in 2012. The kitchen has upgraded counters, cabinets, appliances, and flooring. There is upgraded carpeting throughout the living spaces and bedrooms. The bathroom has upgraded vanity, cabinets, bathtub, and flooring. The unit is currently rented at below market level at \$1150/mo. The tenant has been at the property 5 years.

The rear unit was remodeled in 2009. The kitchen has upgraded counters, cabinets, appliances, and flooring. There is upgraded carpeting throughout the living spaces and bedrooms. The bathroom has upgraded vanity, cabinets, bathtub, and flooring. It is currently rented at below market level at \$1100/mo. This tenant has been at the property 3 years.

Each unit, approximately 575 Sf, is a two-bed one-bath unit, with an enclosed one-car garage separating the units. Each unit has laundry hookups in the garage, with equipment that transfers with the sale. The roof was replaced in 2009.

This duplex was built in 1964 and has a 1,776 Sf footprint on a 6,500 Sf lot. Both units have the same floor plan with a living room, dining room, kitchen area, two bedrooms, bathroom, in addition to a private garage. The rear unit has a private yard.

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## Unit Mix Report

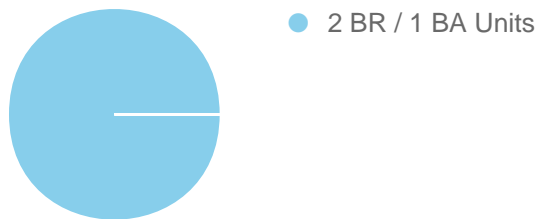


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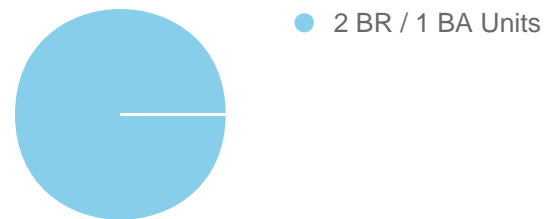
### UNIT MIXES

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
2	2 BR / 1 BA Units	575	\$1,125	\$2,250	\$1,400	\$2,800
2		1,150		\$2,250		\$2,800

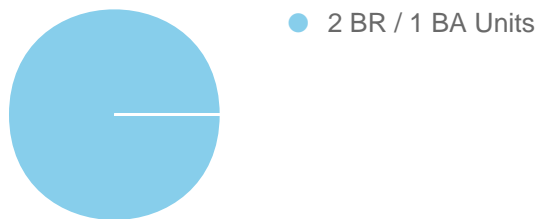
### UNIT MIX



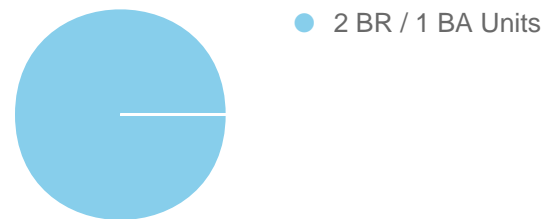
### UNIT MIX SQUARE FEET



### UNIT MIX INCOME



### UNIT MIX MARKET INCOME



The information and calculations presented are deemed to be accurate, but not guaranteed and we are not responsible for its correctness.



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## Property Photos

SILICON VALLEY  
MULTIFAMILY GROUP

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### Property Photos





Duplex in Salinas

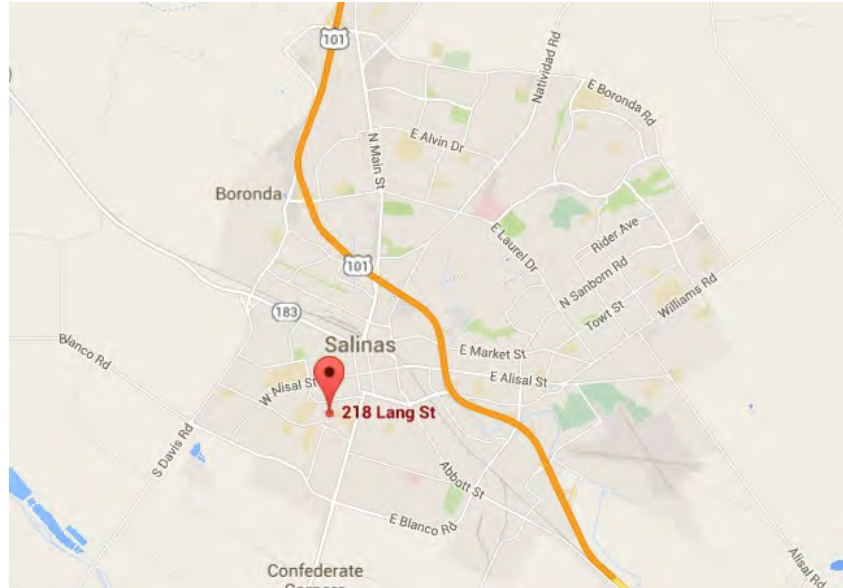
218 Lang St  
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## Maps and Aerials

SILICON VALLEY  
MULTIFAMILY GROUP

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### Location Maps



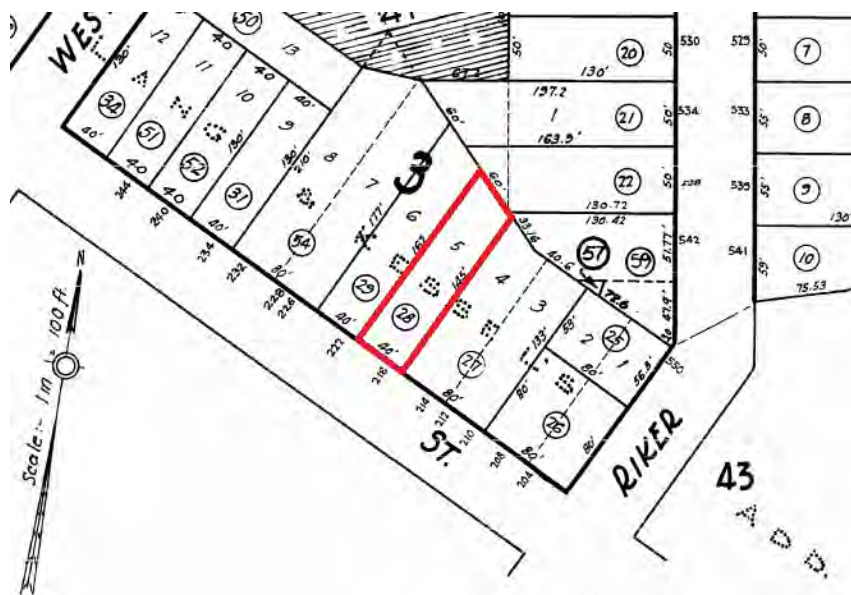
### Neighborhood Map

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### Aerial & Parcel Maps



Aerial Map



Parcel Map

Duplex in Salinas

218 Lang St  
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## Financial Analysis

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Duplex in Salinas

## Annual Property Operating Data



218 Lang St  
Salinas, CA 93901

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408-356-1900

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$27,000	\$27,270	\$27,543	\$27,818	\$28,096	\$28,377	\$28,661	\$28,948	\$29,237	\$29,530
GROSS SCHEDULED INCOME	\$27,000	\$27,270	\$27,543	\$27,818	\$28,096	\$28,377	\$28,661	\$28,948	\$29,237	\$29,530
Turnover Vacancy	(\$810)	(\$818)	(\$826)	(\$835)	(\$843)	(\$851)	(\$860)	(\$868)	(\$877)	(\$886)
GROSS OPERATING INCOME	\$26,190	\$26,452	\$26,716	\$26,984	\$27,253	\$27,526	\$27,801	\$28,079	\$28,360	\$28,644
Expenses										
Property Taxes	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)	(\$5,167)
Insurance	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)	(\$1,208)
Utilities - Water & Sewer	(\$486)	(\$486)	(\$486)	(\$486)	(\$486)	(\$486)	(\$486)	(\$486)	(\$486)	(\$486)
Trash Removal	(\$567)	(\$567)	(\$567)	(\$567)	(\$567)	(\$567)	(\$567)	(\$567)	(\$567)	(\$567)
Landscaping	(\$480)	(\$480)	(\$480)	(\$480)	(\$480)	(\$480)	(\$480)	(\$480)	(\$480)	(\$480)
Maintenance & Repairs	(\$248)	(\$248)	(\$248)	(\$248)	(\$248)	(\$248)	(\$248)	(\$248)	(\$248)	(\$248)
TOTAL OPERATING EXPENSES	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)
NET OPERATING INCOME	\$18,034	\$18,296	\$18,560	\$18,828	\$19,097	\$19,370	\$19,645	\$19,923	\$20,204	\$20,488

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Duplex in Salinas

## Cash Flow Analysis



218 Lang St  
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408-356-1900

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>GROSS SCHEDULED INCOME</b>	\$27,000	\$27,270	\$27,543	\$27,818	\$28,096	\$28,377	\$28,661	\$28,948	\$29,237	\$29,530
Turnover Vacancy	(\$810)	(\$818)	(\$826)	(\$835)	(\$843)	(\$851)	(\$860)	(\$868)	(\$877)	(\$886)
Total Operating Expenses	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)	(\$8,156)
<b>NET OPERATING INCOME</b>	\$18,034	\$18,296	\$18,560	\$18,828	\$19,097	\$19,370	\$19,645	\$19,923	\$20,204	\$20,488
Loan Payment	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)	(\$14,649)
<b>NET CASH FLOW (b/t)</b>	\$3,385	\$3,647	\$3,912	\$4,179	\$4,449	\$4,721	\$4,996	\$5,274	\$5,555	\$5,839
Cash On Cash Return b/t	1.94%	2.09%	2.24%	2.40%	2.55%	2.71%	2.87%	3.03%	3.19%	3.35%
<b>NET OPERATING INCOME</b>	\$18,034	\$18,296	\$18,560	\$18,828	\$19,097	\$19,370	\$19,645	\$19,923	\$20,204	\$20,488
Depreciation	(\$9,144)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,146)
Amortization	(\$85)	(\$85)	(\$85)	(\$85)	(\$85)	(\$85)	(\$85)	(\$85)	(\$85)	(\$85)
Loan Interest	(\$10,146)	(\$9,962)	(\$9,771)	(\$9,573)	(\$9,366)	(\$9,151)	(\$8,927)	(\$8,694)	(\$8,451)	(\$8,199)
<b>TAXABLE INCOME (LOSS)</b>	(\$1,341)	(\$1,294)	(\$839)	(\$373)	\$104	\$591	\$1,091	\$1,602	\$2,125	\$3,058
Income Taxes	\$582	\$562	\$364	\$162	(\$45)	(\$257)	(\$473)	(\$695)	(\$922)	(\$1,327)
<b>CASH FLOW (a/t)</b>	\$3,967	\$4,209	\$4,276	\$4,341	\$4,404	\$4,465	\$4,523	\$4,579	\$4,633	\$4,512
Cash On Cash Return a/t	2.28%	2.41%	2.45%	2.49%	2.53%	2.56%	2.59%	2.63%	2.66%	2.59%

Footnotes: b/t = before taxes;a/t = after taxes

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Duplex in Salinas

## Financial Indicators



218 Lang St  
Salinas, CA 93901

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408-356-1900

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	16.59	16.92	17.26	17.60	17.95	18.30	18.67	19.04	19.41	19.80
Capitalization Rate	4.15%	4.21%	4.27%	4.33%	4.39%	4.45%	4.52%	4.58%	4.64%	4.71%
Cash On Cash Return b/t	1.94%	2.09%	2.24%	2.40%	2.55%	2.71%	2.87%	3.03%	3.19%	3.35%
Cash On Cash Return a/t	2.28%	2.41%	2.45%	2.49%	2.53%	2.56%	2.59%	2.63%	2.66%	2.59%
Debt Coverage Ratio	1.23	1.25	1.27	1.29	1.30	1.32	1.34	1.36	1.38	1.40
Gross Income per Sq. Ft.	\$15.20	\$15.35	\$15.51	\$15.66	\$15.82	\$15.98	\$16.14	\$16.30	\$16.46	\$16.63
Expenses per Sq. Ft.	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)	(\$4.59)
Net Income Multiplier	24.84	25.22	25.61	26.00	26.41	26.82	27.23	27.66	28.09	28.53
Operating Expense Ratio	31.14%	30.83%	30.53%	30.23%	29.93%	29.63%	29.34%	29.05%	28.76%	28.47%
Loan To Value Ratio	56.06%	53.42%	50.83%	48.32%	45.86%	43.47%	41.13%	38.85%	36.63%	34.46%

Footnotes: b/t = before taxes; a/t = after taxes

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## Loan Analysis

Michael Shields, CCIM  
408-356-1900

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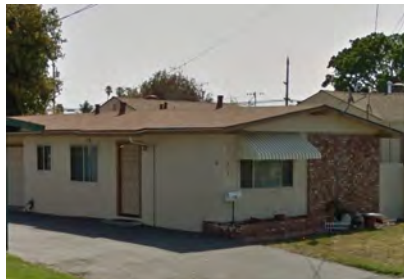


Duplex in Salinas

## Pro Forma Summary

218 Lang St  
Salinas, CA 93901

Michael Shields, CCIM  
408-356-1900



### INVESTMENT SUMMARY

Price:	\$435,000
Year Built:	1964
Units:	2
Price/Unit:	\$217,500
RSF:	1,776
Price/RSF:	\$244.93
Lot Size:	6,500 sf
Floors:	1
Parking Spaces:	1/unit
APN:	002-411-028
Cap Rate:	4.15%
Market Cap Rate:	5.62%
GRM:	16.11
Market GRM:	12.95

### FINANCING SUMMARY

Loan Amount:	\$255,696
Down Payment:	\$169,304
Loan Type:	Fixed
Interest Rate:	4%
Term:	30 years
Monthly Payment:	\$1,221
DCR:	1.23

### UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
2 BR / 1 BA Units	2	\$13,500	\$27,000	\$16,800	\$33,600
<b>TOTALS</b>	<b>2</b>		<b>\$27,000</b>		<b>\$33,600</b>

### ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$27,000	\$33,600
Less: Vacancy	(\$810)	(\$1,008)
<b>Effective Gross Income</b>	<b>\$26,190</b>	<b>\$32,592</b>
Less: Expenses	(\$8,156)	(\$8,156)
<b>Net Operating Income</b>	<b>\$18,034</b>	<b>\$24,436</b>
Debt Service	(\$14,649)	(\$14,649)
<b>Net Cash Flow after Debt Service</b>	<b>\$3,385</b>	<b>\$9,787</b>
Principal Reduction	\$4,503	\$4,503
<b>Total Return</b>	<b>\$7,888</b>	<b>\$14,290</b>

### ANNUALIZED EXPENSES

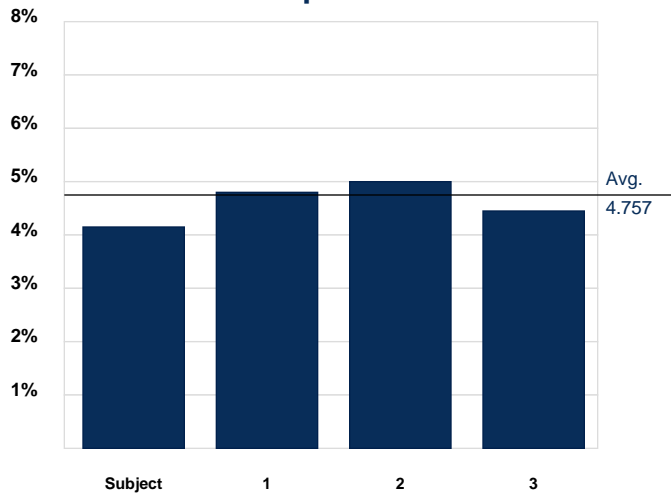
	Actual	Market
Property Taxes	\$5,167	\$5,167
Insurance	\$1,208	\$1,208
Utilities - Water & Sewer	\$486	\$486
Trash Removal	\$567	\$567
Landscaping	\$480	\$480
Maintenance & Repairs	\$248	\$248
<b>Total Expenses</b>	<b>\$8,156</b>	<b>\$8,156</b>
<b>Expenses Per RSF</b>	<b>\$4.59</b>	<b>\$4.59</b>
<b>Expenses Per Unit</b>	<b>\$4,078</b>	<b>\$4,078</b>

Duplex in Salinas

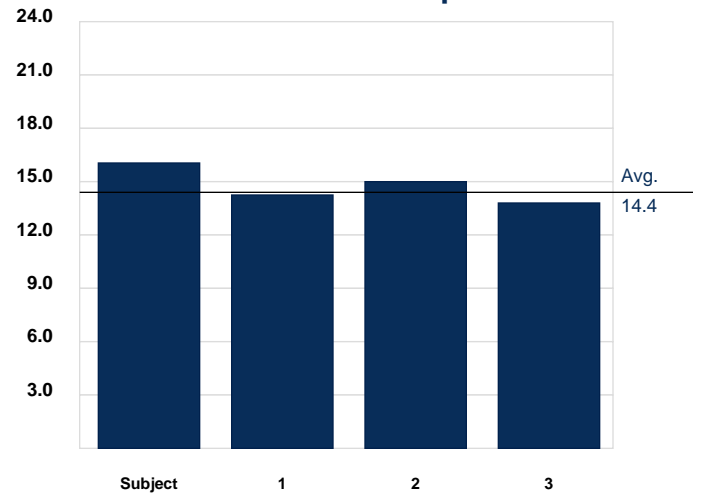
218 Lang St  
Salinas, CA 93901

Comparables

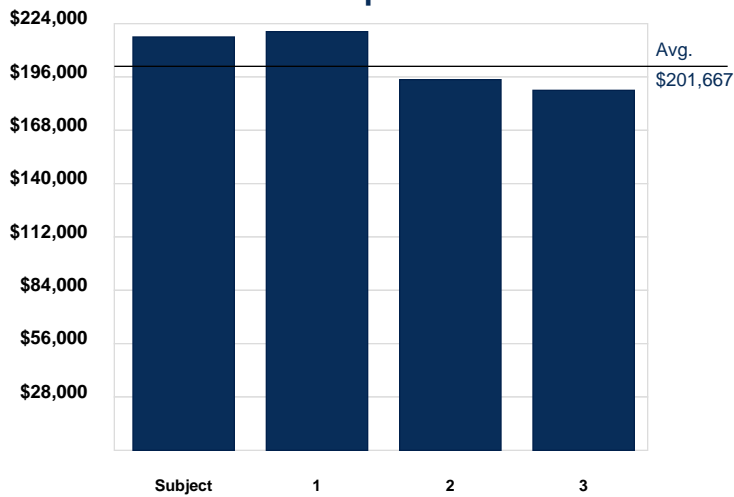
Cap Rate



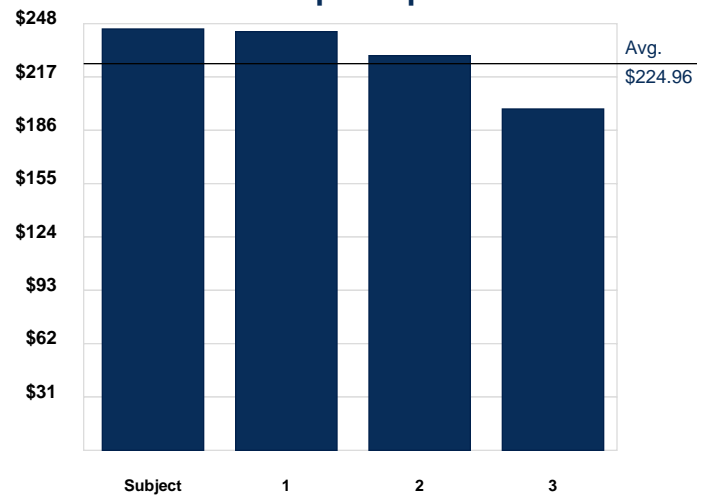
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



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**Duplex in Salinas**  
**218 Lang St**  
**Salinas, CA 93901**

Sale Price	\$435,000	# Units	Unit Type
Units	2	2	2 BR / 1 BA Units
Price/Unit	\$217,500		
Price/SqFt	\$244.93		
Cap Rate	4.15%		
Year Built	1964		
GRM	16.11		

**NOTES**

Desirable South West Salinas Neighborhood. Excellent Unit Mix: Two 2Br/1Ba Units Separated by enclosed garages remodeled 2009 & 2012.

1



**707 Via Maria**  
**Salinas, CA 93901**

Sale Price	\$440,000	# Units	Unit Type
Units	2	2	Two Bedroom One Bath
Price/Unit	\$220,000		
Price/SqFt	\$244.85		
Cap Rate	4.8%		
Year Built	1965		
GRM	14.3		

Sale Date 5/27/2015

**NOTES**

Superior duplex in superior location, with similar units. Sold May 2015.

2



**121 Orange Drive**  
**Salinas, CA 93901**

Sale Price	\$390,000	# Units	Unit Type
Units	2	2	Two Bedroom One Bath
Price/Unit	\$195,000		
Price/SqFt	\$230.77		
Cap Rate	5.0%		
Year Built	1950		
GRM	15.1		

Sale Date 8/21/2015

**NOTES**

Duplex in similar South West Salinas location, similar neighborhood. Poor exterior condition to subject property. Sold August 2015.

Duplex in Salinas

## Recent Sales Comparables

218 Lang St  
Salinas, CA 93901

Michael Shields, CCIM  
408-356-1900

3



Sale Date 2/27/2015

### 418 Capitol Street Salinas, CA 93901

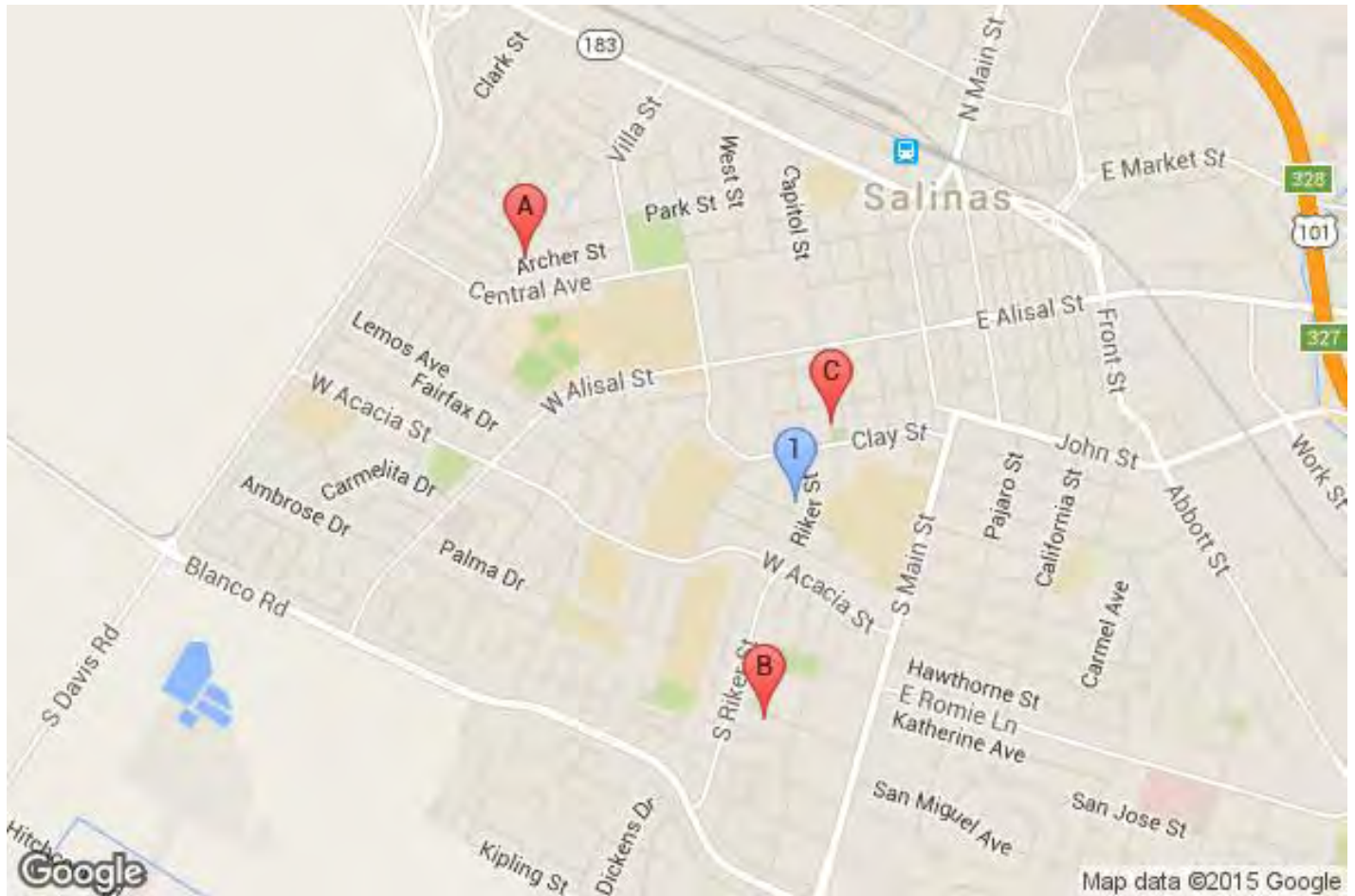
Sale Price	\$380,000	# Units	Unit Type
Units	2	2	Two Bedroom One Bath
Price/Unit	\$190,000		
Price/SqFt	\$199.27		
Cap Rate	4.47%		
Year Built	1949		
GRM	13.8		

#### NOTES

Duplex in similar location in similar neighborhood. Both units are 2 bed, 1 bath. Seller in 1031 exchange. Sold February 2015.

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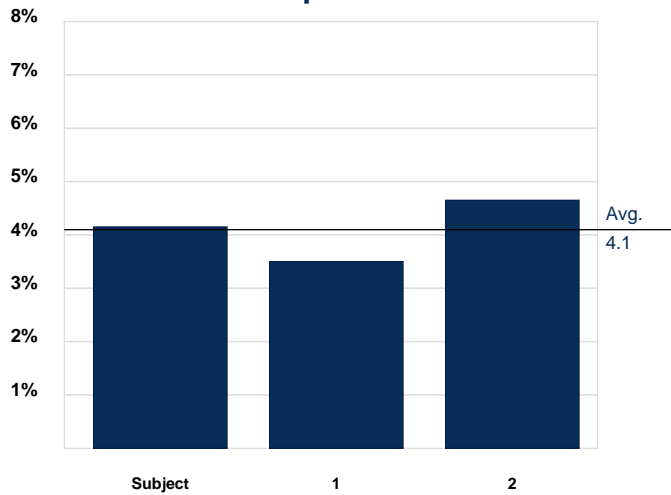


- 1** 218 Lang St, Salinas, CA 93901 (\$435,000)
- A** 707 Via Maria, Salinas, CA 93901 (\$440,000)
- B** 121 Orange Drive, Salinas, CA 93901 (\$390,000)
- C** 418 Capitol Street, Salinas, CA 93901 (\$380,000)

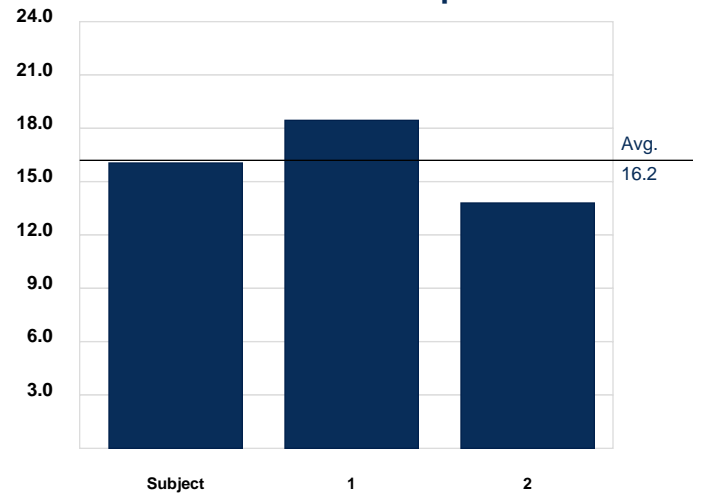
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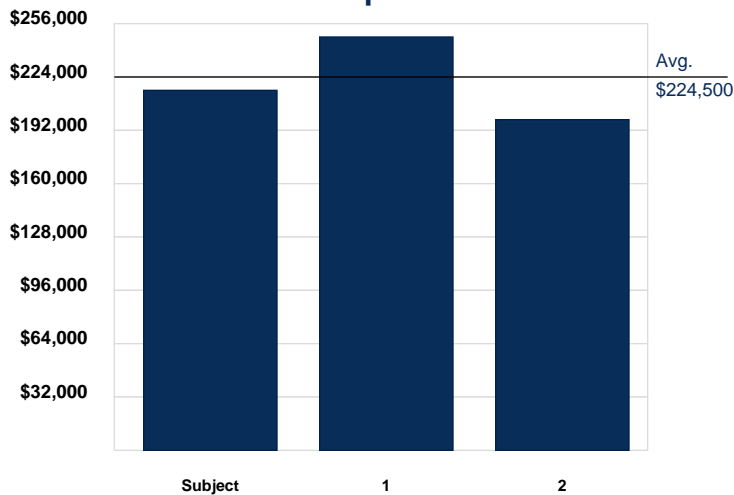
Cap Rate



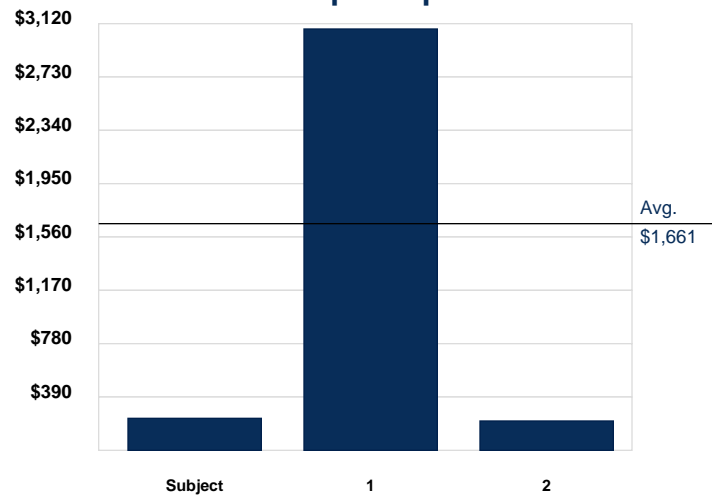
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.





218 Lang St  
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**Duplex in Salinas**  
**218 Lang St**  
**Salinas, CA 93901**

Sale Price	\$435,000	# Units	Unit Type
Units	2	2	2 BR / 1 BA Units
Price/Unit	\$217,500		
Price/SqFt	\$244.93		
Cap Rate	4.15%		
Year Built	1964		
GRM	16.11		

**NOTES**

Desirable South West Salinas Neighborhood. Excellent Unit Mix: Two 2Br/1Ba Units Separated by enclosed garages remodeled 2009 & 2012.

1



**33 Sherwood Dr**  
**Salinas , CA 93901**

Sale Price	\$499,000	# Units	Unit Type
Units	2	1	Three Bedroom One Bath
Price/Unit	\$249,500	1	Two Bedroom One Bath
Price/SqFt	\$3,099.38		
Cap Rate	3.51%		
Year Built	1908		
GRM	18.5		

On Market

**NOTES**

This duplex has one 3Br and one 2BR units. This area of Sherwood is a busy mix of residential and commercial, a less desirable neighborhood. Days on market: 161.

2



**347 Soledad St**  
**Salinas, CA 93901**

Sale Price	\$399,000	# Units	Unit Type
Units	2	1	Two Bedroom One Bath
Price/Unit	\$199,500	1	One Bedroom One Bath
Price/SqFt	\$222.28		
Cap Rate	4.69%		
Year Built	1924		
GRM	13.9		

On Market

**NOTES**

South Salinas Duplex. Closer to downtown, Less residential, less desirable neighborhood than subject property. One 2Br unit and one 1Br unit. Newly on market.

218 Lang St  
Salinas, CA 93901

Michael Shields, CCIM  
408-356-1900



- 1** 218 Lang St, Salinas, CA 93901 (\$435,000)
- A** 33 Sherwood Dr, Salinas, CA 93901 (\$499,000)
- B** 347 Soledad St, Salinas, CA 93901 (\$399,000)

Duplex in Salinas

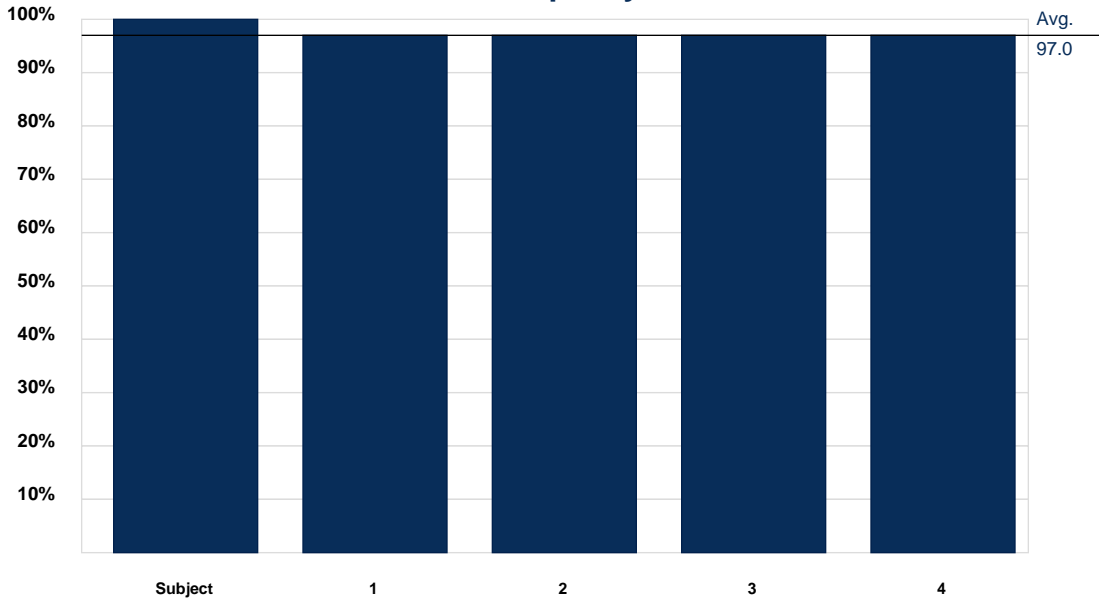
218 Lang St  
Salinas, CA 93901

## Rent Comparables Charts

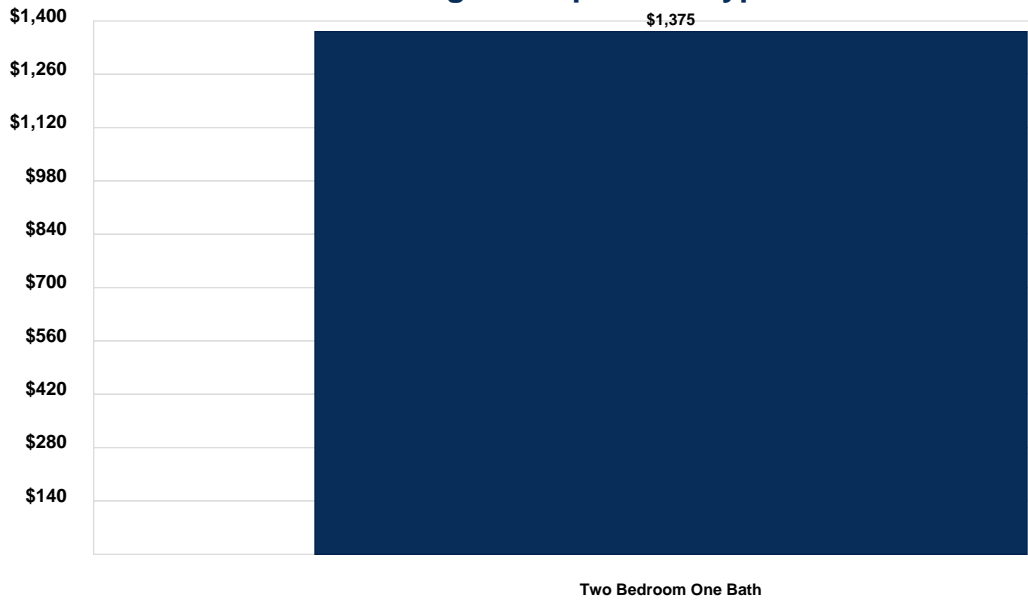


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408-356-1900

### Occupancy



### Average Rent per Unit Type



## Duplex in Salinas

218 Lang St  
Salinas, CA 93901

## Rent Comparables

SILICON VALLEY  
MULTIFAMILY GROUP

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S



### Duplex in Salinas 218 Lang St Salinas, CA 93901

Avg Rent/rsf	\$15.20	# Units	Unit Type	Rent
RSF	1,776	2	2 BR / 1 BA Units	\$1,125
Occupancy	100%			
Units	2			
Year Built	1964			

#### NOTES

Desirable South West Salinas Neighborhood. Excellent Unit Mix: Two 2Br/1Ba Units Separated by enclosed garages remodeled 2009 & 2012.

1



### SW Salinas Rent Comp 1 25-B Homestead Ave Salinas, CA 93901

Avg Rent/rsf	\$1,250.00	# Units	Unit Type	Rent
RSF	733	2	Two Bedroom One Bath	\$1,250
Occupancy	97%			
Units	2			
Year Built	1925			

#### NOTES

Duplex in South West Salinas, north of subject property closer to Hartnell College.

2



### SW Salinas Rent Comp 2 622 Carmelita Dr Salinas, CA 93901

Avg Rent/rsf	\$1,400.00	# Units	Unit Type	Rent
RSF	2,556	3	Two Bedroom One Bath	\$1,400
Occupancy	97%			
Units	3			
Year Built	1964			

#### NOTES

2 Bedroom, 1 Bath, Single Story Triplex unit. Brand new Kitchen with Granite counter tops, New Flooring, Paint, Windows Thru out.

## Duplex in Salinas

## Rent Comparables

218 Lang St  
Salinas, CA 93901

Michael Shields, CCIM  
408-356-1900

3



### 725 Romie Original 725 E Romie Ln Salinas, CA 93901

Avg Rent/rsf	\$1,400.00	# Units	Unit Type	Rent
RSF	N/A	1	Two Bedroom One Bath	\$1,400
Occupancy	97%			
Units	N/A			
Year Built	N/A			

#### NOTES

Spacious 2 Br / 1 Ba unit. Less desirable apartment building. Less desirable apartment row location.

4



### 725 Romie Renovated 725 E Romie Ln Salinas, CA 93901

Avg Rent/rsf	\$1,525.00	# Units	Unit Type	Rent
RSF	N/A	1	Two Bedroom One Bath	\$1,525
Occupancy	97%			
Units	N/A			
Year Built	N/A			

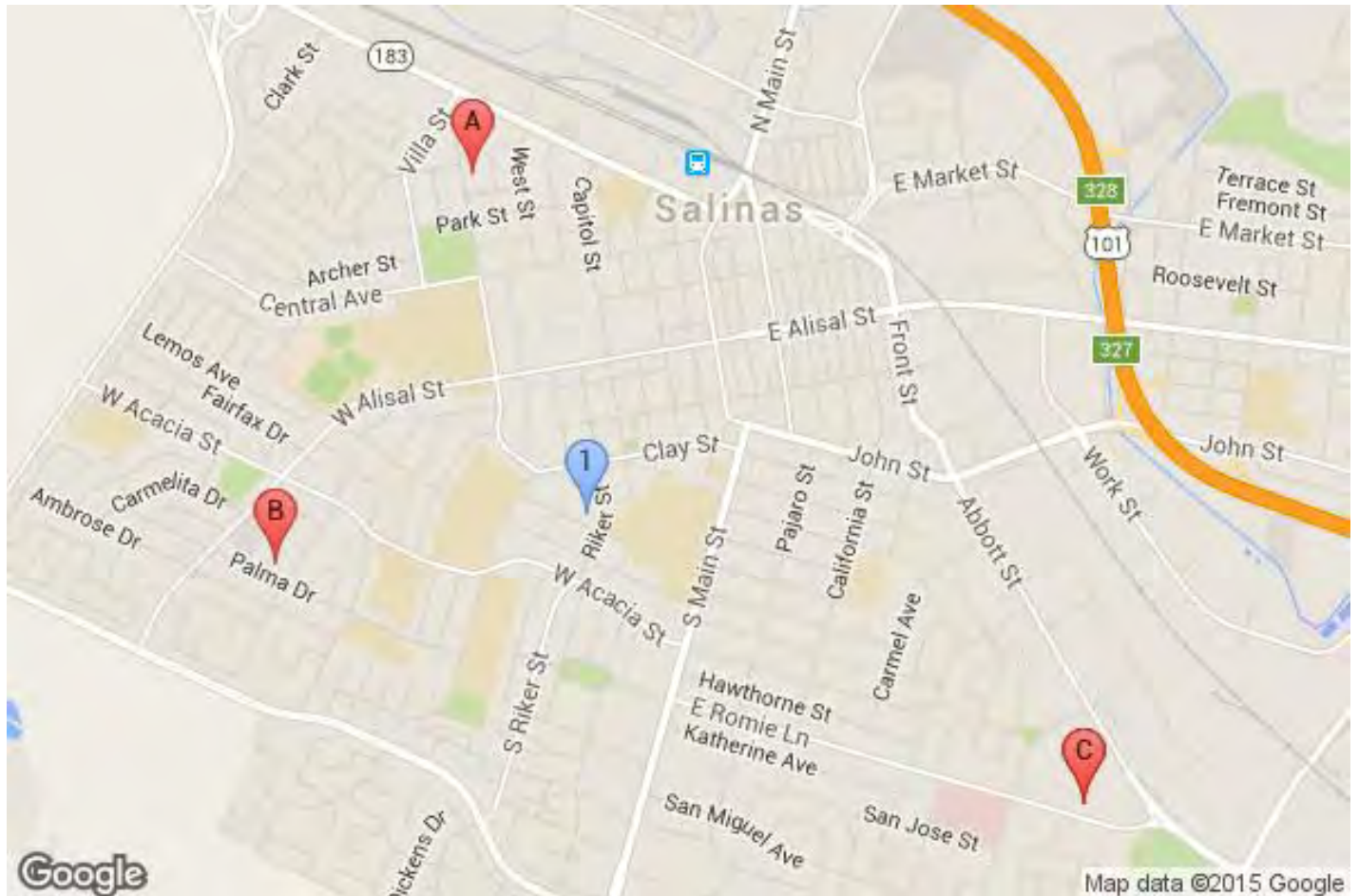
#### NOTES

Spacious 2 Br / 1 Ba unit. Less desirable apartment building. Less desirable apartment row location. This unit has been renovated.



218 Lang St  
Salinas, CA 93901

Michael Shields, CCIM  
408-356-1900



- 1** 218 Lang St Salinas, CA 93901
- A** 25-B Homestead Ave Salinas, CA 93901
- B** 622 Carmelita Dr Salinas, CA 93901
- C** 725 E Romie Ln Salinas, CA 93901
- D** 725 E Romie Ln Salinas, CA 93901

Duplex in Salinas

218 Lang St  
Salinas, CA 93901

## Demographics

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3 Lang St, Salinas, California, 93901 2  
 218 Lang St, Salinas, California, 93901  
 Rings: 0.5, 1, 1.5 mile radii

Prepared by Esri  
 Latitude: 36.66791  
 Longitude: -121.66080

	0.5 miles	1 mile	1.5 miles
<b>Population</b>			
2000 Population	4,776	27,810	41,824
2010 Population	4,679	21,049	32,833
2015 Population	4,610	21,040	32,974
2020 Population	4,655	21,433	33,716
2000-2010 Annual Rate	-0.20%	-2.75%	-2.39%
2010-2015 Annual Rate	-0.28%	-0.01%	0.08%
2015-2020 Annual Rate	0.19%	0.37%	0.45%
2015 Male Population	48.3%	48.6%	49.3%
2015 Female Population	51.7%	51.4%	50.7%
2015 Median Age	38.3	36.0	34.7

In the identified area, the current year population is 32,974. In 2010, the Census count in the area was 32,833. The rate of change since 2010 was 0.08% annually. The five-year projection for the population in the area is 33,716 representing a change of 0.45% annually from 2015 to 2020. Currently, the population is 49.3% male and 50.7% female.

## Median Age

The median age in this area is 38.3, compared to U.S. median age of 37.9.

## Race and Ethnicity

2015 White Alone	60.5%	55.6%	53.6%
2015 Black Alone	1.6%	2.2%	2.3%
2015 American Indian/Alaska Native Alone	1.6%	1.4%	1.4%
2015 Asian Alone	5.8%	5.8%	6.2%
2015 Pacific Islander Alone	0.3%	0.4%	0.4%
2015 Other Race	23.6%	28.5%	30.3%
2015 Two or More Races	6.6%	6.1%	5.9%
2015 Hispanic Origin (Any Race)	47.6%	55.0%	58.8%

Persons of Hispanic origin represent 58.8% of the population in the identified area compared to 17.6% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 85.0 in the identified area, compared to 63.0 for the U.S. as a whole.

## Households

2000 Households	1,932	8,187	11,833
2010 Households	1,868	8,090	11,771
2015 Total Households	1,837	8,059	11,786
2020 Total Households	1,855	8,207	12,055
2000-2010 Annual Rate	-0.34%	-0.12%	-0.05%
2010-2015 Annual Rate	-0.32%	-0.07%	0.02%
2015-2020 Annual Rate	0.20%	0.36%	0.45%
2015 Average Household Size	2.46	2.56	2.73

The household count in this area has changed from 11,771 in 2010 to 11,786 in the current year, a change of 0.02% annually. The five-year projection of households is 12,055, a change of 0.45% annually from the current year total. Average household size is currently 2.73, compared to 2.72 in the year 2010. The number of families in the current year is 7,795 in the specified area.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

November 17, 2015

218 Lang St, Salinas, California, 93901 2  
218 Lang St, Salinas, California, 93901  
Rings: 0.5, 1, 1.5 mile radii

Prepared by Esri  
Latitude: 36.66791  
Longitude: -121.66080

	0.5 miles	1 mile	1.5 miles
<b>Median Household Income</b>			
2015 Median Household Income	\$54,333	\$50,299	\$51,252
2020 Median Household Income	\$63,971	\$55,727	\$57,480
2015-2020 Annual Rate	3.32%	2.07%	2.32%
<b>Average Household Income</b>			
2015 Average Household Income	\$75,193	\$67,463	\$68,205
2020 Average Household Income	\$87,181	\$76,839	\$77,411
2015-2020 Annual Rate	3.00%	2.64%	2.56%
<b>Per Capita Income</b>			
2015 Per Capita Income	\$30,775	\$26,164	\$24,779
2020 Per Capita Income	\$35,628	\$29,736	\$28,057
2015-2020 Annual Rate	2.97%	2.59%	2.52%

## Households by Income

Current median household income is \$51,252 in the area, compared to \$53,217 for all U.S. households. Median household income is projected to be \$57,480 in five years, compared to \$60,683 for all U.S. households

Current average household income is \$68,205 in this area, compared to \$74,699 for all U.S. households. Average household income is projected to be \$77,411 in five years, compared to \$84,910 for all U.S. households

Current per capita income is \$24,779 in the area, compared to the U.S. per capita income of \$28,597. The per capita income is projected to be \$28,057 in five years, compared to \$32,501 for all U.S. households

<b>Housing</b>			
2000 Total Housing Units	2,004	8,428	12,177
2000 Owner Occupied Housing Units	919	3,669	5,554
2000 Renter Occupied Housing Units	1,013	4,518	6,279
2000 Vacant Housing Units	72	241	344
2010 Total Housing Units	1,998	8,608	12,445
2010 Owner Occupied Housing Units	844	3,297	4,939
2010 Renter Occupied Housing Units	1,024	4,793	6,832
2010 Vacant Housing Units	130	518	674
2015 Total Housing Units	2,004	8,678	12,597
2015 Owner Occupied Housing Units	789	3,115	4,719
2015 Renter Occupied Housing Units	1,048	4,944	7,067
2015 Vacant Housing Units	167	619	811
2020 Total Housing Units	2,021	8,811	12,861
2020 Owner Occupied Housing Units	801	3,165	4,815
2020 Renter Occupied Housing Units	1,054	5,041	7,240
2020 Vacant Housing Units	166	604	806

Currently, 37.5% of the 12,597 housing units in the area are owner occupied; 56.1%, renter occupied; and 6.4% are vacant. Currently, in the U.S., 55.7% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.6% are vacant. In 2010, there were 12,445 housing units in the area - 39.7% owner occupied, 54.9% renter occupied, and 5.4% vacant. The annual rate of change in housing units since 2010 is 0.54%. Median home value in the area is \$332,695, compared to a median home value of \$200,006 for the U.S. In five years, median value is projected to change by 2.08% annually to \$368,787.

**Data Note:** Income is expressed in current dollars

**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

November 17, 2015

## DISCLAIMER

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### 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 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. *Silicon Valley Multifamily Group makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions.* Silicon Valley Multifamily Group 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 all units, lot or the building and are making NO representation as to the accuracy of square footage figures. Data source for building and lot size is FastWeb. 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. 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 Silicon Valley Multifamily Group.

All properties and services are marketed by Silicon Valley Multifamily Group in compliance with all applicable fair housing and equal opportunity laws.

## 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 2011 actual levels.

**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 Form 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. The laundry income was based on the actual 2011 laundry income reported by the owner.

**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 through Chicago Title Company. 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. Silicon Valley Multifamily Group, 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 2011/2012 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 does not reflect current rent levels. These 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.