

CASTELLANA APARTMENTS



117 Units
Offered at \$6,500,000
3851 North 28th Street
Phoenix, Arizona

Desirable Central Phoenix In-Fill Location

The Castellana Apartments were built in 1973 on 3.42 acres in the highly desirable Camelback Corridor. The community offers two floor plans; a large one bedroom with 750 sf and a two bedroom, two bath plan with 1,000 sf. There are many amenities, including walk-in closets, dishwashers, disposals and balconies/patios for all of the two bedroom units and a few of the one bedroom units. The grounds are spacious. There is a beautiful swimming pool with new fencing, three laundry facilities, several barbeque areas, and a large courtyard with mature landscaping. The property is block constructed with concrete floors providing a solid and quiet atmosphere for tenants. The property is master metered for utilities and there is a master boiler for the hot water.

Castellana is located just south of Indian School Road on 28th Street. One mile to the north is the prestigious Biltmore Fashion Park which has over 600,000 sf of retail space and the Camelback Corridor area with nearly 8 million sf of class A office space, providing an extensive employment base.

Making this an extremely attractive asset for purchase are the historically strong occupancy and financial numbers, along with a very attractive, assumable loan for \$4,220,000, at 4.5%, maturing in 2040.

- ◆ **Strong Central Phoenix Submarket**
- ◆ **Block Construction**
- ◆ **Excellent Assumable Financing**
- ◆ **Large Units**
- ◆ **Covered Parking**
- ◆ **Separate Leasing Office**

Exclusively Offered By:



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INCOME & EXPENSES

Units	BD/BA	Size (sf)	Rent	Total
3	1/1	750	\$ 695	\$ 2,085
78	1/1	750	\$ 675	\$52,650
36	2/2	1,000	\$ 825	\$29,700
117		96,750		\$84,435

09/10 - 08/11 Market Rent

Gross Monthly Income			\$84,435
Gross Scheduled Annual Income	\$970,920	\$1,013,220	
Less Vacancy	7.6%	(73,837)	7% (70,925)
Less Concessions	5.0%	(48,461)	2.5% (25,331)
Less Resident Deposits		(978)	(1,500)
Other Income		<u>29,066</u>	<u>30,000</u>
Gross Operating Income	876,710	945,464	
Less Estimated Expenses		(510,305)	(488,906)
Net Operating Income	\$366,405	\$456,558	

Projected Annual Expenses	11/10-10/11		Market
Management	26,301	3%	28,364
On-site Mgmt/Payroll/Benefits	112,254		90,000
Insurance	20,626		21,000
Advert/Promo/Misc	8,118		7,000
Admin/Legal	41,813		25,000
Tax (2010/2011)	30,546		39,542
Utilities (water, sewer, trash, gas & elec.)	205,140		205,000
Landscape/Pool/Spa	28,621		33,000
Maintenance/Repair/Supplies	36,886		40,000
Reserves (\$200/u)	<u>in HUD Loan</u>		<u>in HUD Loan</u>
Total Expenses	\$510,305		\$488,906
Per unit	\$4,362		\$4,179
Per sf	\$5.27		\$5.05

FINANCING AND INVEST RETURN

Purchase Scenario

\$6,500,000 Offering Price

This is not a short sale. A HUD Loan was funded last year. The approximate balance is \$4,220,000. The interest rate is 4.5%, with an annual payment of \$256,953. The loan matures 10/2040. The loan is fully assumable.

Return on Investment – NOI, minus payment to existing loan
(Using market rent and expenses)

$$\$456,558 - \$256,953 / \$2,280,000 = 8.8\%$$

SALE INFORMATION

Offering Price	\$ 6,500,000
Price / Unit	\$ 55,556
Price / sf	\$ 67.18
Cap Rate	7.0%
GRM	6.4

The information contained herein is from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. The Purchaser is advised to independently verify the accuracy and completeness of the information in order to determine the suitability of the property for the Purchaser's needs.

SITE INFORMATION

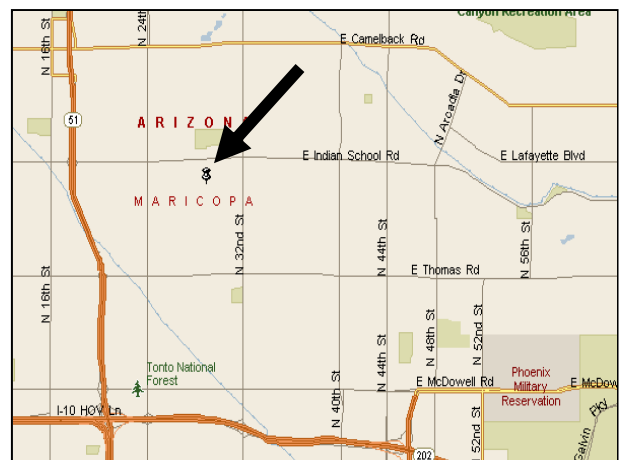
3851 North 28th Street, Phoenix, Arizona 85016

Units	117
Building Size	96,750 sf (per County)
Lot Size	3.48 acres (per County)
Parcels	119-02-020 B, 119-02-027 B
Cooling/Heating	Master Metered (chiller system)
Parking	180 total spaces, 117 covered
Construction	Two and three story, block-stucco
Roof	Flat with elastomeric coating
Built	1973
Utilities	Owner pays electric, water, sewer, gas trash and basic cable
Hot Water	Central boiler (gas)
Laundry	Three laundries – 4W/4D each, leased
Leasing	Stand alone leasing office

PROPERTY DESCRIPTION

Castellana consists of two, two story buildings and five three story buildings. The front four buildings surround a nicely landscaped courtyard and pool. The three buildings in the back surround a courtyard. The parking surrounds the outside of the building with 117 covered spaces and 63 uncovered spaces. There are three laundries located throughout the property and two barbeque areas.

The location is excellent. This Central Phoenix, in-fill location provides easy access to SR 51 as well as the Loop 202 and the I-10 Freeway. The Phoenix Metro, the public bus, stops on Indian School, which gives residents easy access to all areas of the Valley. The property is located one mile from the Camelback Corridor and approx. three miles from Sky Harbor Airport.



Directions: From Indian School and 28th Street, go south on 28th Street approximately 500 feet. Property is on the east (left) side. Guest parking is in the front of the property.



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