

Peppertree Apartments



24 Units
Offered at \$1,400,000 (Short Sale)
3105 - 3127 E Fairmount Avenue
Phoenix, Arizona

SHORT SALE - Additional pictures and details available at www.KLCommercialGroup.com.

The Peppertree Apartments consist of six, two-story, block-constructed 4-plexes with pitched roofs and mostly two-bedroom units. Property was purchased two years ago for \$368,000 / 4-plex (\$2.2M total) with the intent to convert to condos. Current occupancy runs 85% to 90% and the overall condition is ok. Pool has been emptied to reduce expenses. Owner has not seen the property and offers no Seller Property Disclosure Statement (SPDS). **Lenders will require 30 to 45 days to review all offers. All offers to include standard "short sale" documents.**

DO NOT DISTURB TENANTS – CALL FOR APPOINTMENT TO SEE PROPERTY

- | | |
|------------------------------------|------------------------------------|
| ◆ High Rental-demand Area | ◆ Block Construction |
| ◆ Indiv. Metered - Electric | ◆ History of Good Occupancy |
| ◆ Large Patios / Balconies | ◆ Sold "As Is" |

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INCOME / EXPENSES

Units	Mix	Size (sf)	Current Average Rent			Market Rent	
			Rent	/ sf	/ Month	Rent *	/ Month
2	1/1	650	\$600	\$0.92	\$17,654	\$600	\$1,200
20	2/1	800	\$611	\$0.75	\$8,150	\$650	\$13,000
2	3/1	950	\$675	\$0.71	\$1,350	\$750	\$1,500
24		19,200			\$14,770		\$15,700

* Many rents at "market" rates

	7-month annualized	
	Current	Proforma
Gross Monthly Income	\$14,770	\$15,700
Gross Scheduled Annual Income	\$177,240	\$188,400
Vacancy (12.6%, 10%)	(\$22,325)	(\$18,840)
Other Income	\$2,124	\$2,124
Gross Operating Income	\$157,039	\$171,684
Estimated Expenses	(\$61,461)*	(\$75,760)
	(\$2,561/unit, \$3.20/sf) *	
	(\$3,157/unit, \$3.95/sf)	
Net Operating Income	\$95,578	\$95,924
Annual Expenses:		
Management (6%)	0	10,174
Management (on-site)	3,600	6,000
Maintenance, Repair, Supplies	10,711	12,000
Utilities		
Water, Sewer	10,539	10,539
Trash	3,692	3,692
Electric	4,274	4,274
Insurance	7,524	7,524
Real Estate Tax (2007)	15,557	15,557
Miscellaneous	5,564	6,000
Total Expenses	\$61,461	\$75,760

FINANCING AND INVEST. RETURN

\$ 1,400,000	Offering Price
\$ 420,000	Down Payment (30%)
\$ 980,000	Proposed New Loan (6.5%, 30 yr am, 3 yr fixed)

Proforma Cash Flow	
\$ 95,924	NOI
(74,331)	Loan Payments
\$ 21,593	Annual Cash Flow

Initial Return on Investment
\$ 21,593 / \$ 980,000 = 5.1% (Cash on Cash)

OFFERING SUMMARY

Price	\$1,400,000
Price / unit	\$58,333
Price / sf	\$72.92
Cap Rate	6.9% (proforma)
GRM	7.4 (proforma)

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

3105 – 3127 E. Fairmount Avenue
Phoenix, AZ 85016

Units	24 (six 4-plexes)
Building Size	19,200 sf approx. (per County)
Lot Size	51,120 sf (1.17 ac) per County
Parcels	119-01-164A thru 119-01-164F
Cool/Heat	Roof-mounted AC / Heat Pumps
Hot Water	Indiv. hot water heaters
Construction	1963, two-story, block
Parking	33 uncovered
Utilities	Indiv. metered for electric
Laundry	Three on-site rooms: WEB lease
Storage	Indiv. 4 ft x 5 ft for each unit

PROPERTY INFORMATION

The Peppertree Apartments are two-story, block-constructed, individually metered for electricity, with pitched roofs, roof-mounted A/C, fenced pool, large block-walled patios (1st floor) and balconies (2nd floor). Each 4-plex building has four attached storage units. Three buildings have a small laundry. Interiors have open floor-plans and full size appliances. Current occupancy runs 85% - 90%.

Many rents are already at market rates. Two 4-plexes (8 units) are on a month to month master lease at \$600/mo/unit (\$2,400/bldg). All tenants are on month to month rental agreements. Property is being sold "As Is" and owner has not seen the property nor will provide Seller Property Disclosure Statement.

Property is offered under conditions defined by short sale disclosures. All offers to include short sale disclosure docs. Please call listing agents if these docs are needed.



Directions: Go south on 32nd Street one block from Indian School Road, then west on Fairmount Avenue.

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Complete Marketing Package at
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