



VALENCIA ACRES



Offered by
Lloyd Kaipainen PC
SJ Fowler Commercial

11 UNIT SELLER CARRY OPPORTUNITY

**3227 E Earll Dr
Phoenix AZ 85018
\$595,000**

**SJ Fowler Commercial/Investments
2200 E Camelback Road #110
Phoenix AZ 85016
www.PhxAzApts.com
602-265-6617**

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Valencia Acres

11 UNITS IN PHOENIX AZ

PROPERTY OVERVIEW

Valencia Casitas is an eleven unit apartment community located in East-Central Phoenix just North of Thomas Road and East of 32nd Street. This area is known for its redevelopment opportunities in the desired zip code of 85018.

Valencia Casitas consists of a single family home, two triplexes and a fourplex with a central driveway that serves all eleven units. The unit mix is ten two-bedroom units and the home features three bedrooms. The courtyard atmosphere, onsite laundry and mature landscaping keep this complex full! Most tenants are long term residents!

Valencia Casitas are set apart and more accurately “above” other complexes in the area due to the long term owner’s attention to detail and quality of repairs and improvements. After a tour of the property, you will see the difference between this property and many of the other complexes on the market that are being flipped after some minor cosmetic repairs.

The seller is offering terms: 7% interest rate, based on a 30 year amortization, balloon due in 7 years.



PROPERTY FACTS

Valencia Casitas
3227 E Earll Drive
Phoenix AZ 85018

\$595,000/\$55,000 per unit

- One Single Family Home with 3 bedrooms/827 SF
- Six Two Bedroom Units/712 SF
- Four Two Bedroom Units/758 SF
- 11 Covered Parking Spaces
- Four Buildings/One Story
- Total Lot Area: 32,709 SQ FT
- Total Building Area: 8,051 SQ FT
- Constructed in 1950/1960
- Concrete Block

Parcel # 127-31-014
Census Tract 110901
Property Class B
Flood Zone X 1

Property Taxes
2012: \$2,923
2011: \$2,987
2010: \$3,782



2012 PERFORMANCE/2013 FINANCIAL FORECAST

Income	2012 Actual	Proforma Monthly	Proforma Annually
10 Two Bedroom Units	\$550 Month*	\$600 Month	
Three Bedroom Home	\$735 Month*	\$775 Month	
2012 Actual Income	\$71,059	\$6,775	\$81,300
Less Vacancy/Credit Loss 10%	N/A	\$678	\$8,130
Gross Effective Income	\$71,059	\$6,097	\$73,170
Laundry Income	\$1,526	\$167	\$2,000
Effective Income	\$72,585	\$6,294	\$75,170
Expenses	Current Annual	Proforma Monthly	Proforma Annually
Taxes Actual 2012	\$2,923	\$250	\$3,000
Insurance Actual 2012	\$3,913	\$333	\$4,000
Trash Service Actual 2012	\$2,854	\$250	\$3,000
Water/Sewer Actual 2012	\$5,706	\$500	\$6,000
Electric (House Meter/Laundry) Actual 2012	\$1,393	\$117	\$1,400
Management: Proforma 7% of Effective Income	\$0	\$421	\$5,054
Maintenance Actual 2012	\$4,688	\$458	\$5,500
Accounting/Legal/Advertising Actual 2012	\$270	\$42	\$500
Total Expenses	\$21,747	\$2,371	\$28,454
Expenses % of Income	30%	38%	
Net Operating Income	\$50,838	\$3,923	\$46,716
Interest/Mortgage Expense Illustration Seller Carry Based on 30% down, 7% Interest, 30 year AM, Balloon in 7 years		\$2,771	\$33,252
Taxable Income		\$1,152	\$13,464
CAP	8.5	7.9	
GRM	8.37	7.3	

*Represents actual March 2013 rent roll.

COMPARABLE SALES

Subject: Valencia Acres, 3227 E Earll Dr, Phoenix AZ 85018



\$595,000
\$55,000 per unit
\$73.90 per SF
Unit Mix: One 3 bedroom unit
Ten 2 bedroom units
Built 1950 to 1960

Comparable 1: 2625 E Turney Ave, Phoenix AZ 85016
Sold for \$550,000 on 8/23/2012 - \$68,750 per unit - \$87.97 per SF
Unit Mix: Six 2 bedroom units/Two 1 bedroom units
Built in 1960



Comparable 2: 3141 N 37th Street, Phoenix AZ 85018
Sold for \$655,000 on 8/13/2012 - \$46,786 per unit - \$57.76 per SF
Unit Mix: Fourteen 2 bedroom units
Built in 1967 – Note: REO Sale



Comparable 3: 2617 N 48th Street, Phoenix AZ 85008
Sold for \$730,000 on 8/1/2012 - \$60,833 per unit - \$60.63 per SF
Unit Mix: Eleven 1 bedroom units/One 2 bedroom unit
Built in 1964



COMPARABLE RENTALS

Subject: Valencia Acres, 3227 E Earll Dr, Phoenix AZ 85018



Actual Rents:
3 bedroom unit - \$735
2 bedroom units - \$550
Average \$0.77 per SF

Comparable 1: 4225 N 27th Street, Phoenix AZ 85016
Rent for 2 bedroom units: \$575
933 SF Units/\$0.62 SF



Comparable 2: 4840 E Virginia Ave, Phoenix AZ 85008
Rent for 2 bedroom units: \$650
750 SF Units/\$0.87 SF

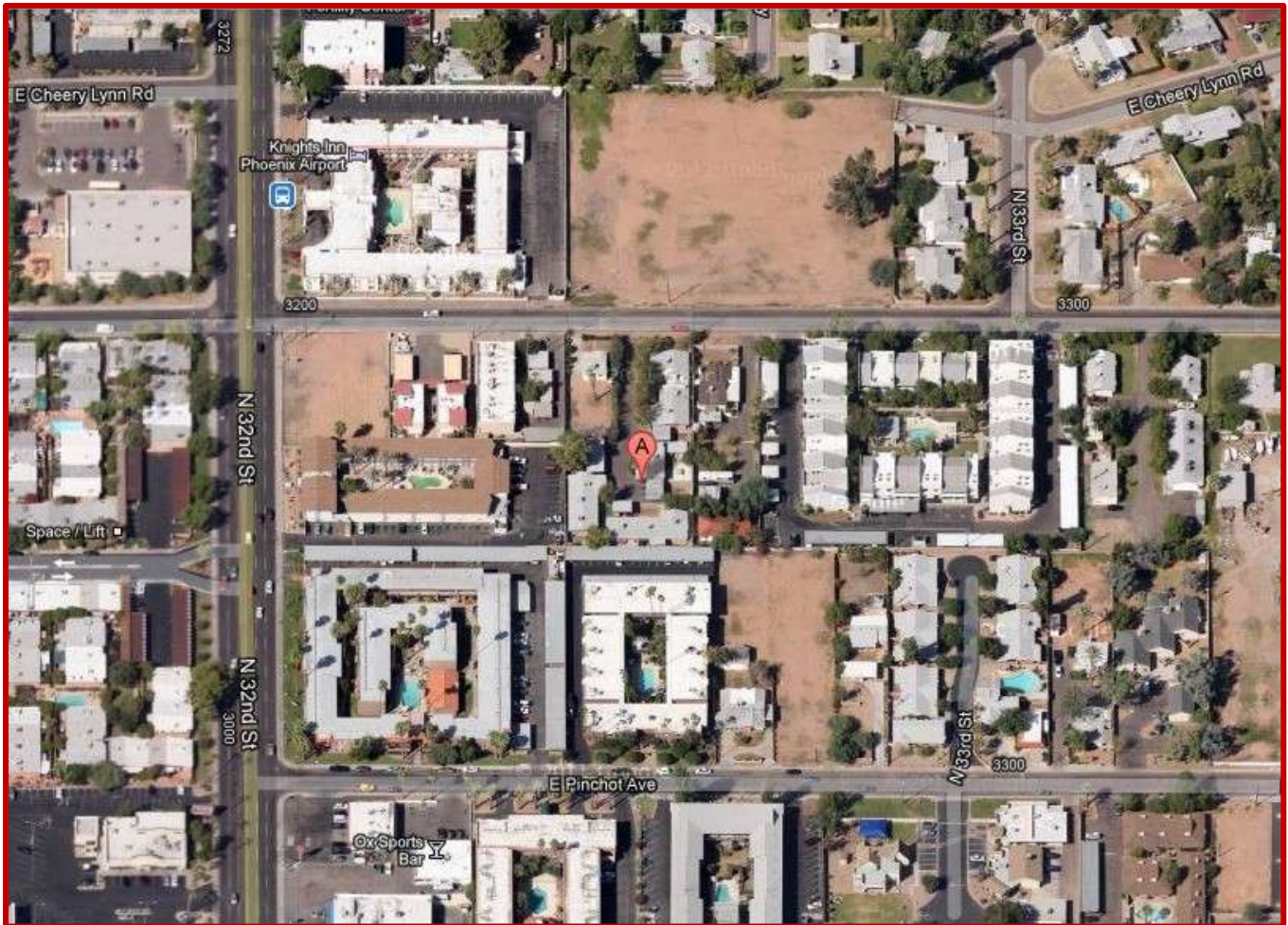


Comparable 3: 2940 N 40th Street, Phoenix AZ 85018
Rent for 2 bedroom units: \$680
900 SF Units/\$0.76

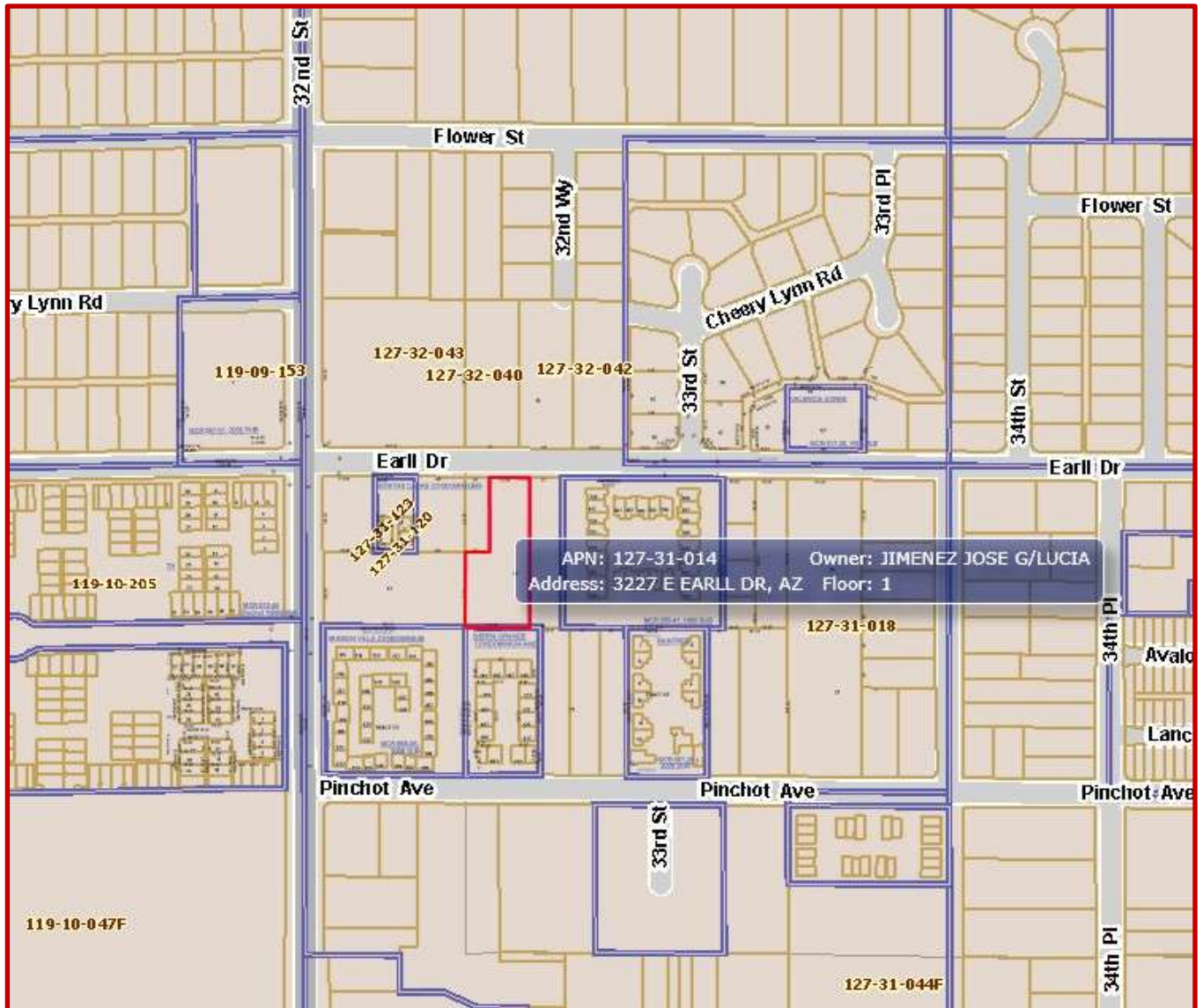


LOCATION/MAPS

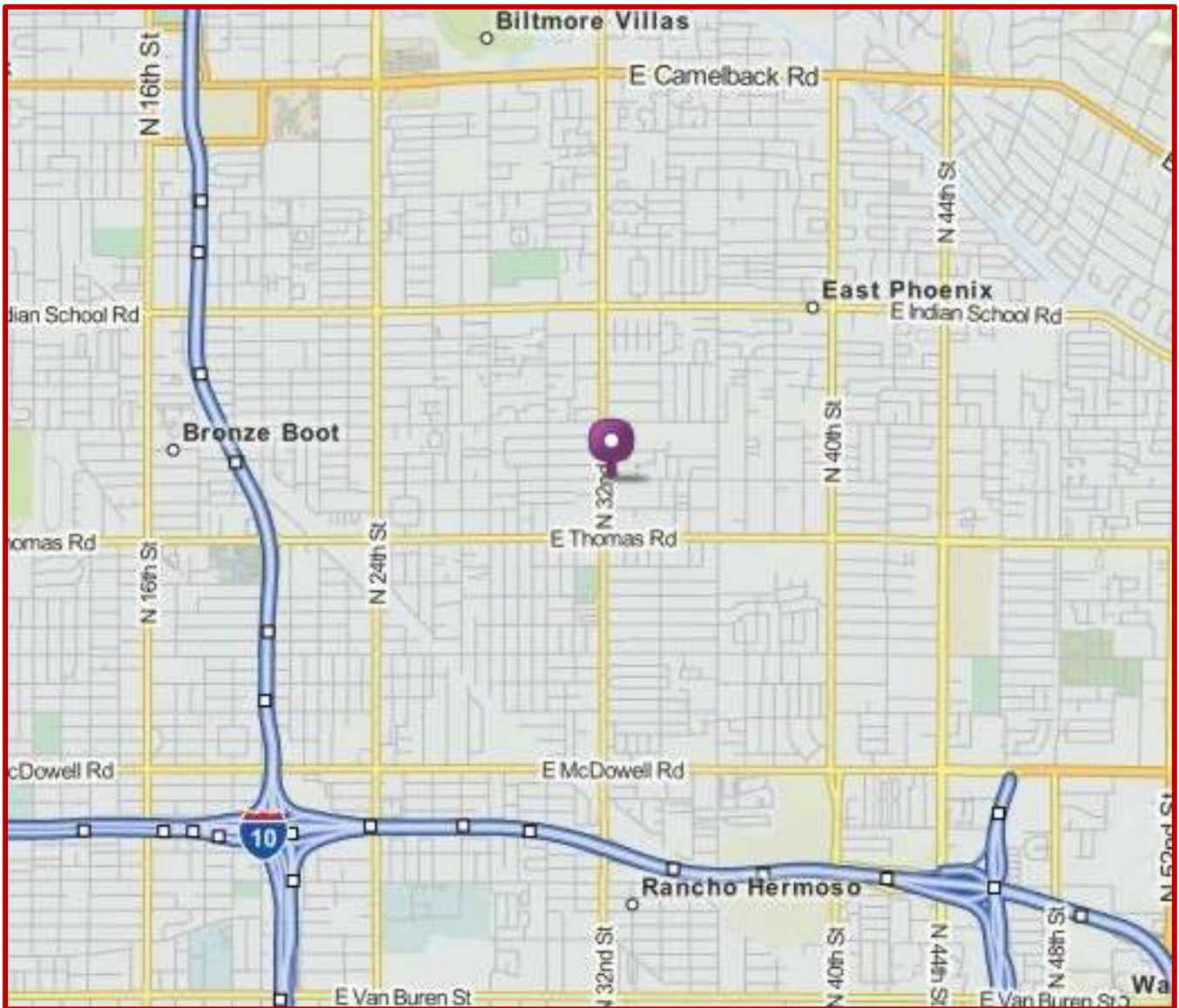
Aerial



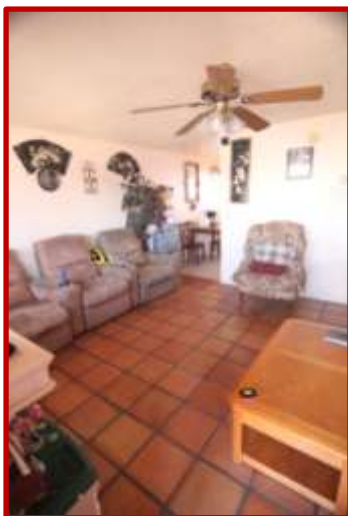
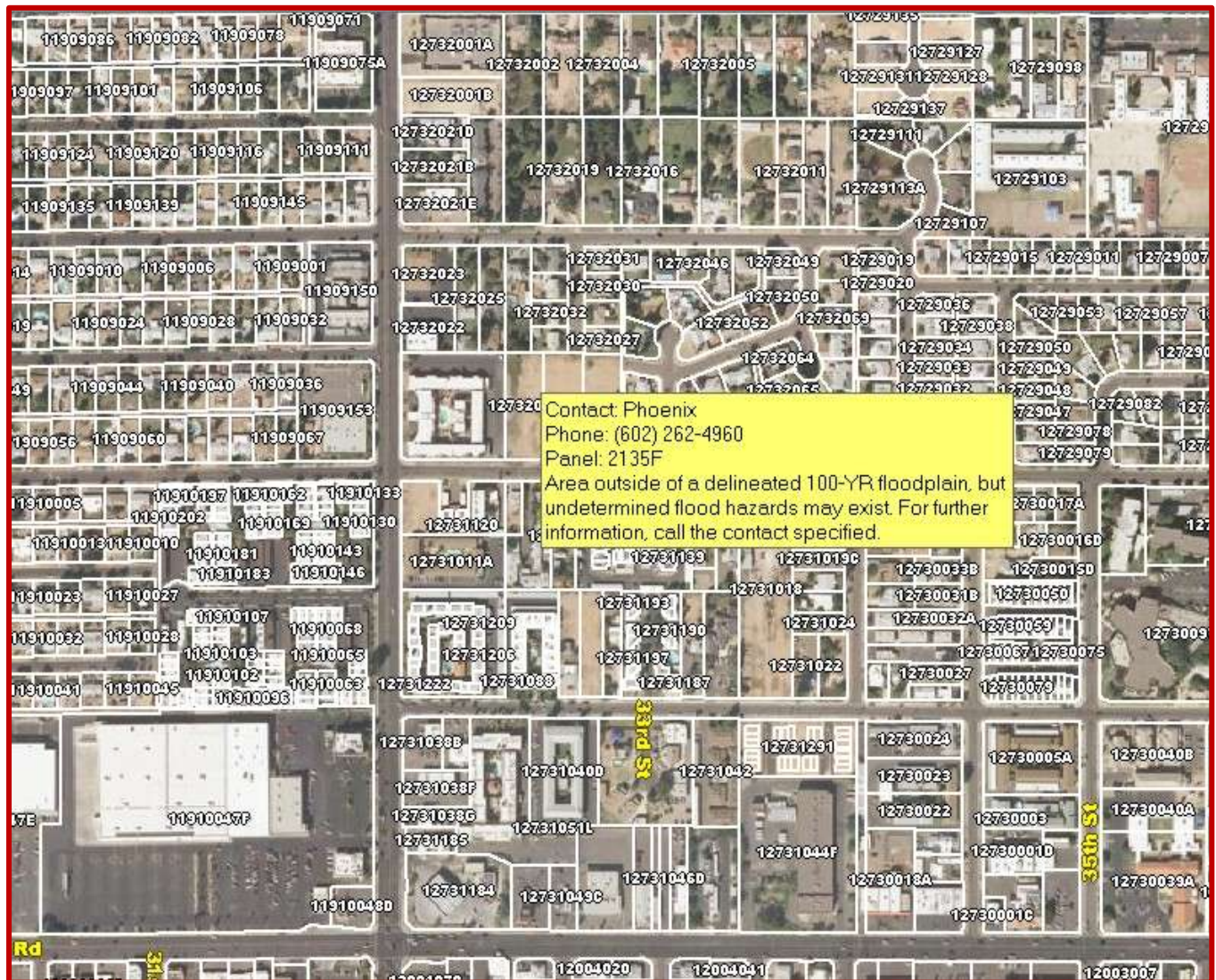
Subdivision Boundaries



Streets



Flood



DEMOGRAPHICS



Executive Summary

3227 E Earll Dr, Phoenix, AZ, 85018

Rings: 1, 2, 3 mile radii

Prepared by Lloyd Kaipainen

Latitude: 33.484175299

Longitude: -112.0113302

	1 mile	2 miles	3 miles
Population			
2000 Population	27,605	92,661	156,849
2010 Population	24,612	86,665	145,012
2012 Population	25,317	88,615	148,865
2017 Population	26,753	92,749	156,347
2000-2010 Annual Rate	-1.14%	-0.67%	-0.78%
2010-2012 Annual Rate	1.26%	0.99%	1.17%
2012-2017 Annual Rate	1.11%	0.92%	0.99%
2012 Male Population	50.4%	50.5%	51.0%
2012 Female Population	49.6%	49.5%	49.0%
2012 Median Age	33.5	32.5	32.7

In the identified area, the current year population is 148,865. In 2010, the Census count in the area was 145,012. The rate of change since 2010 was 1.17% annually. The five-year projection for the population in the area is 156,347 representing a change of 0.99% annually from 2012 to 2017. Currently, the population is 51.0% male and 49.0% female.

Median Age

The median age in this area is 32.7, compared to U.S. median age of 37.3.

Race and Ethnicity

2012 White Alone	62.6%	63.2%	62.6%
2012 Black Alone	5.4%	5.5%	6.3%
2012 American Indian/Alaska Native Alone	4.2%	3.5%	2.8%
2012 Asian Alone	1.4%	1.8%	1.8%
2012 Pacific Islander Alone	0.2%	0.2%	0.2%
2012 Other Race	22.1%	21.9%	21.5%
2012 Two or More Races	4.2%	4.0%	3.8%
2012 Hispanic Origin (Any Race)	52.6%	51.2%	47.9%

Persons of Hispanic origin represent 47.9% of the population in the identified area compared to 16.9% 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 80.1 in the identified area, compared to 61.4 for the U.S. as a whole.

Households

2000 Households	10,691	35,104	58,604
2010 Households	9,601	34,095	57,497
2012 Total Households	9,878	34,921	59,151
2017 Total Households	10,439	36,593	62,270
2000-2010 Annual Rate	-1.07%	-0.29%	-0.19%
2010-2012 Annual Rate	1.27%	1.07%	1.27%
2012-2017 Annual Rate	1.11%	0.94%	1.03%
2012 Average Household Size	2.55	2.52	2.48

The household count in this area has changed from 57,497 in 2010 to 59,151 in the current year, a change of 1.27% annually. The five-year projection of households is 62,270, a change of 1.03% annually from the current year total. Average household size is currently 2.48, compared to 2.49 in the year 2010. The number of families in the current year is 30,600 in the specified area.

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Est forecasts for 2012 and 2017. Est converted Census 2000 data into 2010 geography.

March 14, 2013



Executive Summary

3227 E Earl Dr, Phoenix, AZ, 85018
Rings: 1, 2, 3 mile radii

Prepared by Lloyd Kalpainen

Latitude: 33.484170299

Longitude: -112.0115303

	1 mile	2 miles	3 miles
Median Household Income			
2012 Median Household Income	\$30,646	\$35,268	\$35,680
2017 Median Household Income	\$35,543	\$41,555	\$42,207
2012-2017 Annual Rate	3.01%	3.34%	3.42%
Average Household Income			
2012 Average Household Income	\$43,646	\$50,069	\$54,058
2017 Average Household Income	\$50,054	\$58,321	\$61,910
2012-2017 Annual Rate	2.78%	2.73%	2.75%
Per Capita Income			
2012 Per Capita Income	\$17,329	\$20,131	\$22,002
2017 Per Capita Income	\$19,851	\$23,035	\$25,179
2012-2017 Annual Rate	2.75%	2.73%	2.73%

Households by Income

Current median household income is \$35,680 in the area, compared to \$50,157 for all U.S. households. Median household income is projected to be \$42,207 in five years, compared to \$56,895 for all U.S. households.

Current average household income is \$54,058 in this area, compared to \$68,162 for all U.S. households. Average household income is projected to be \$61,910 in five years, compared to \$77,137 for all U.S. households.

Current per capita income is \$22,002 in the area, compared to the U.S. per capita income of \$26,409. The per capita income is projected to be \$25,179 in five years, compared to \$29,882 for all U.S. households.

Housing

2000 Total Housing Units	11,282	37,282	62,662
2000 Owner Occupied Housing Units	4,500	16,011	26,506
2000 Renter Occupied Housing Units	6,191	19,093	32,098
2000 Vacant Housing Units	591	2,178	4,058
2010 Total Housing Units	11,574	40,004	67,810
2010 Owner Occupied Housing Units	4,242	15,083	24,959
2010 Renter Occupied Housing Units	5,359	19,012	32,538
2010 Vacant Housing Units	1,973	5,909	10,313
2012 Total Housing Units	11,752	40,759	69,231
2012 Owner Occupied Housing Units	4,055	14,324	23,814
2012 Renter Occupied Housing Units	5,823	20,507	35,337
2012 Vacant Housing Units	1,874	5,838	10,080
2017 Total Housing Units	12,290	42,666	72,762
2017 Owner Occupied Housing Units	4,375	15,212	25,272
2017 Renter Occupied Housing Units	6,054	21,381	36,998
2017 Vacant Housing Units	1,851	6,073	10,492

Currently, 34.4% of the 69,231 housing units in the area are owner occupied; 51.0%, renter occupied; and 14.6% are vacant. Currently, in the U.S., 56.5% of the housing units in the area are owner occupied; 32.1% are renter occupied; and 11.4% are vacant. In 2010, there were 67,810 housing units in the area - 36.8% owner occupied, 48.0% renter occupied, and 15.2% vacant. The annual rate of change in housing units since 2010 is 0.93%. Median home value in the area is \$124,042, compared to a median home value of \$167,749 for the U.S. In five years, median value is projected to change by 4.14% annually to \$151,920.

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Earl forecasts for 2012 and 2017. Earl converted Census 2000 data into 2010 geography.

March 14, 2013