

411 E 97th St

411 E 97th St, Inglewood, CA 90301



- Classic mid-century modern low rise- non rent control
- Large, bright units with balconies, parking
- Ideal unit mix with (1)3+3, (6)2+2, (1)1+1
- New electrical, upgrades to interiors, separately metered for gas & electric
- Prime rental location, near Hollywood Park & La Brea

Keith Moret, CCIPS

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REMAX Commercial

Each Office Independently Owned and Operated



ANALYSIS

Analysis Date: January 2011

PROPERTY

Property: 411 E 97th St
Property Address: 411 E 97th St
 Inglewood, CA 90301
Year Built: 1963



PURCHASE INFORMATION

Property Type: Multi-Family
Purchase Price: \$975,000
Fair Market Value: \$995,000
Units: 8
Total Rentable Sq. Ft.: 10,108
Resale Valuation: 1.5% (annual appreciation)
Resale Expenses: 7.2%

FINANCIAL INFORMATION

Down Payment: \$398,000
Closing Costs: \$7,313
LT Capital Gain: 15.00%
Federal Tax Rate: 15.0%
State Tax Rate: 9.0%
Discount Rate: 8.00%

LOANS

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$597,000	30 yrs	6.5%	\$3,773	\$5,970

INCOME & EXPENSES

Gross Operating Income: \$99,900
Monthly GOI: \$8,325
Total Annual Expenses: (\$34,742)
Monthly Expenses: (\$2,895)

CONTACT INFORMATION

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Property Photos



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411 E 97th St. *Mid-Century Modern Low-Rise in Inglewood*



Front View from E 97th St



Front View facing Southeast



View of Balcony



Stairwell to Upper units



Carport in rear



Electric Service Panel

ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$988,283
Investment - Cash	\$411,283
First Loan	\$597,000

INVESTMENT INFORMATION

Purchase Price	\$975,000
Price per Unit	\$121,875
Price per Sq. Ft.	\$96.46
Income per Unit	\$13,875
Expenses per Unit	(\$4,343)

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$111,000
Total Vacancy and Credits	(\$11,100)
Operating Expenses	(\$34,742)
Net Operating Income	\$65,158
Debt Service	(\$45,281)
Cash Flow Before Taxes	\$19,877
Total Interest (Debt Service)	(\$38,609)
Depreciation and Amortization	(\$24,993)
Taxable Income (Loss)	\$1,557
Tax Savings (Costs)	(\$374)
Cash Flow After Taxes	\$19,503

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	4.83%
Optimal Internal Rate of Return (yr 10)	6.84%
Debt Coverage Ratio	1.44
Capitalization Rate	6.68%
Gross Rent Multiplier	8.78
Gross Income / Square Feet	\$10.98
Gross Expenses / Square Feet	(\$3.44)
Operating Expense Ratio	34.78%

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Pro Forma Summary



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UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
3BR/3BA	1	\$16,800	\$16,800	\$16,800	\$16,800
1BR/1BA	1	\$10,200	\$10,200	\$10,200	\$10,200
2BR/2BA	2	\$13,800	\$27,600	\$13,800	\$27,600
2BR/2BA (vacant)	2	\$13,800	\$27,600	\$13,800	\$27,600
2BR/2BA	2	\$14,400	\$28,800	\$14,400	\$28,800
TOTALS	8		\$111,000		\$111,000

INVESTMENT SUMMARY

Price:	\$975,000
Year Built:	1963
Units:	8
Price/Unit:	\$121,875
RSF:	10,108
Price/RSF:	\$96.46
Cap Rate:	6.68%
Market Cap Rate:	5.75%
GRM:	8.8
Market GRM:	8.8

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$111,000	\$111,000
Less: Vacancy	(\$11,100)	\$0
Effective Gross Income	\$99,900	\$111,000
Less: Expenses	(\$34,742)	(\$54,933)
Net Operating Income	\$65,158	\$56,067
Debt Service	(\$45,281)	(\$45,281)
Net Cash Flow after Debt Service	\$19,877	\$10,786
Principal Reduction	\$6,673	\$6,673
Total Return	\$26,549	\$17,458

FINANCING SUMMARY

Loan Amount:	\$597,000
Down Payment:	\$398,000
Loan Type:	Fixed
Interest Rate:	6.50000%
Term:	30 years
Monthly Payment:	\$3,773

ANNUALIZED EXPENSES

	Actual	Market
Building Insurance	\$5,014	\$6,065
On-site Management Fees	\$5,370	\$9,630
Permits	\$360	\$360
Repairs	\$4,800	\$9,600
Reserves	\$0	\$9,600
Taxes - Real Estate	\$11,193	\$11,193
Trash Removal	\$1,440	\$1,920
Utilities	\$6,565	\$6,565
Total Expenses	\$34,742	\$54,933
Expenses Per RSF	\$3.44	\$5.43
Expenses Per Unit	\$4,343	\$6,867

Internal Rate of Return Analysis



BEFORE TAX IRR

Time	Future Cash Flows
Initial Investment	(\$411,283)
End of Year 1	\$19,877
End of Year 2	\$20,343
End of Year 3	\$20,806
End of Year 4	\$21,267
End of Year 5	\$21,724
End of Year 6	\$22,178
End of Year 7	\$22,629
End of Year 8	\$23,076
End of Year 9	\$23,519
End of Year 10*	\$589,442

IRR = 7.87%

* (\$23,958 + \$565,484)

AFTER TAX IRR

Time	Future Cash Flows
Initial Investment	(\$411,283)
End of Year 1	\$19,503
End of Year 2	\$20,010
End of Year 3	\$20,247
End of Year 4	\$20,475
End of Year 5	\$20,693
End of Year 6	\$20,899
End of Year 7	\$21,093
End of Year 8	\$21,275
End of Year 9	\$21,443
End of Year 10*	\$535,894

IRR = 6.84%

* (\$21,338 + \$514,556)

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$111,000	\$112,110	\$113,231	\$114,363	\$115,507	\$116,662	\$117,829	\$119,007	\$120,197	\$121,399
Turnover Vacancy	(\$11,100)	(\$11,211)	(\$11,323)	(\$11,436)	(\$11,551)	(\$11,666)	(\$11,783)	(\$11,901)	(\$12,020)	(\$12,140)
Total Operating Expenses	(\$34,742)	(\$35,275)	(\$35,821)	(\$36,379)	(\$36,951)	(\$37,536)	(\$38,135)	(\$38,749)	(\$39,377)	(\$40,020)
NET OPERATING INCOME	\$65,158	\$65,624	\$66,087	\$66,548	\$67,005	\$67,460	\$67,910	\$68,357	\$68,801	\$69,239
Loan Payment	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)	(\$45,281)
NET CASH FLOW (b/t)	\$19,877	\$20,343	\$20,806	\$21,267	\$21,724	\$22,178	\$22,629	\$23,076	\$23,519	\$23,958
Cash On Cash Return b/t	4.83%	4.95%	5.06%	5.17%	5.28%	5.39%	5.50%	5.61%	5.72%	5.83%
NET OPERATING INCOME	\$65,158	\$65,624	\$66,087	\$66,548	\$67,005	\$67,460	\$67,910	\$68,357	\$68,801	\$69,239
Depreciation	(\$24,794)	(\$25,876)	(\$25,876)	(\$25,876)	(\$25,876)	(\$25,876)	(\$25,876)	(\$25,876)	(\$25,876)	(\$24,802)
Amortization	(\$199)	(\$199)	(\$199)	(\$199)	(\$199)	(\$199)	(\$199)	(\$199)	(\$199)	(\$199)
Loan Interest	(\$38,609)	(\$38,162)	(\$37,685)	(\$37,176)	(\$36,633)	(\$36,054)	(\$35,436)	(\$34,777)	(\$34,073)	(\$33,323)
TAXABLE INCOME (LOSS)	\$1,557	\$1,388	\$2,328	\$3,297	\$4,298	\$5,331	\$6,400	\$7,506	\$8,653	\$10,916
Income Taxes	(\$374)	(\$333)	(\$559)	(\$791)	(\$1,031)	(\$1,279)	(\$1,536)	(\$1,801)	(\$2,077)	(\$2,620)
CASH FLOW (a/t)	\$19,503	\$20,010	\$20,247	\$20,475	\$20,693	\$20,899	\$21,093	\$21,275	\$21,443	\$21,338
Cash On Cash Return a/t	4.74%	4.87%	4.92%	4.98%	5.03%	5.08%	5.13%	5.17%	5.21%	5.19%

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

Cash In Cash Out



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$111,000	\$112,110	\$113,231	\$114,363	\$115,507	\$116,662	\$117,829	\$119,007	\$120,197	\$121,399
GROSS SCHEDULED INCOME	\$111,000	\$112,110	\$113,231	\$114,363	\$115,507	\$116,662	\$117,829	\$119,007	\$120,197	\$121,399
Turnover Vacancy	(\$11,100)	(\$11,211)	(\$11,323)	(\$11,436)	(\$11,551)	(\$11,666)	(\$11,783)	(\$11,901)	(\$12,020)	(\$12,140)
GROSS OPERATING INCOME	\$99,900	\$100,899	\$101,908	\$102,927	\$103,956	\$104,996	\$106,046	\$107,106	\$108,177	\$109,259
Expenses										
Building Insurance	(\$5,014)	(\$5,114)	(\$5,217)	(\$5,321)	(\$5,427)	(\$5,536)	(\$5,647)	(\$5,760)	(\$5,875)	(\$5,992)
On-site Management Fees	(\$5,370)	(\$5,477)	(\$5,587)	(\$5,699)	(\$5,813)	(\$5,929)	(\$6,047)	(\$6,168)	(\$6,292)	(\$6,418)
Permits	(\$360)	(\$364)	(\$367)	(\$371)	(\$375)	(\$378)	(\$382)	(\$386)	(\$390)	(\$394)
Repairs	(\$4,800)	(\$4,896)	(\$4,994)	(\$5,094)	(\$5,196)	(\$5,300)	(\$5,406)	(\$5,514)	(\$5,624)	(\$5,736)
Taxes - Real Estate	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)	(\$11,193)
Trash Removal	(\$1,440)	(\$1,469)	(\$1,498)	(\$1,528)	(\$1,559)	(\$1,590)	(\$1,622)	(\$1,654)	(\$1,687)	(\$1,721)
Utilities	(\$6,565)	(\$6,762)	(\$6,965)	(\$7,174)	(\$7,389)	(\$7,611)	(\$7,839)	(\$8,074)	(\$8,316)	(\$8,566)
TOTAL OPERATING EXPENSES	(\$34,742)	(\$35,275)	(\$35,821)	(\$36,379)	(\$36,951)	(\$37,536)	(\$38,135)	(\$38,749)	(\$39,377)	(\$40,020)
NET OPERATING INCOME	\$65,158	\$65,624	\$66,087	\$66,548	\$67,005	\$67,460	\$67,910	\$68,357	\$68,801	\$69,239
Debt Service										
Loan Interest	(\$38,609)	(\$38,162)	(\$37,685)	(\$37,176)	(\$36,633)	(\$36,054)	(\$35,436)	(\$34,777)	(\$34,073)	(\$33,323)
Principal Payments	(\$6,673)	(\$7,120)	(\$7,597)	(\$8,105)	(\$8,648)	(\$9,227)	(\$9,845)	(\$10,505)	(\$11,208)	(\$11,959)

Footnotes: Cash Flow IRR based upon net cash flow and principle payments

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Cash In Cash Out



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
NET CASH FLOW (b/t)	\$19,877	\$20,343	\$20,806	\$21,267	\$21,724	\$22,178	\$22,629	\$23,076	\$23,519	\$23,958
Cash Flow IRR	N/A	N/A	N/A	N/A	N/A	-19.79%	N/A	-10.33%	N/A	-4.61%
Projected Property Value	\$1,009,925	\$1,025,074	\$1,040,450	\$1,056,057	\$1,071,898	\$1,087,976	\$1,104,296	\$1,120,860	\$1,137,673	\$1,154,738
Resale Expenses	(\$72,715)	(\$73,805)	(\$74,912)	(\$76,036)	(\$77,177)	(\$78,334)	(\$79,509)	(\$80,702)	(\$81,912)	(\$83,141)
Proceeds b/f Debt Payoff	\$937,210	\$951,269	\$965,538	\$980,021	\$994,721	\$1,009,642	\$1,024,786	\$1,040,158	\$1,055,761	\$1,071,597
Loan Principal Balance	(\$590,327)	(\$583,207)	(\$575,611)	(\$567,506)	(\$558,858)	(\$549,630)	(\$539,785)	(\$529,280)	(\$518,072)	(\$506,113)
Net Proceeds From Sale	\$346,883	\$368,061	\$389,927	\$412,515	\$435,863	\$460,012	\$485,001	\$510,878	\$537,688	\$565,484
Net Resale IRR	N/A	-0.37%	3.27%	5.06%	6.10%	6.76%	7.20%	7.50%	7.72%	7.87%

Footnotes: Cash Flow IRR based upon net cash flow and principle payments

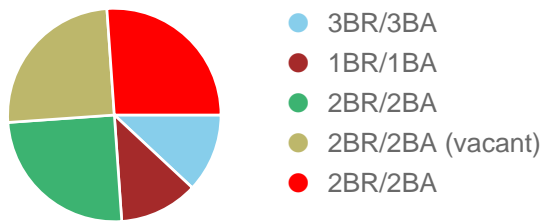
Unit Mix Report



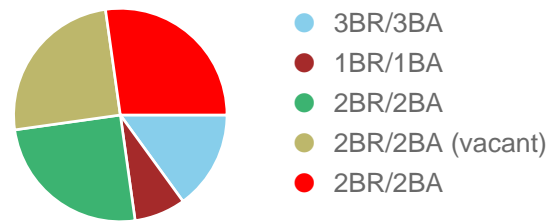
UNIT MIXES

# Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
1	3BR/3BA	1200	\$1,400	\$1,400	\$1,400	\$1,400
1	1BR/1BA	700	\$850	\$850	\$850	\$850
2	2BR/2BA	1000	\$1,150	\$2,300	\$1,150	\$2,300
2	2BR/2BA (vacant)	1000	\$1,150	\$2,300	\$1,150	\$2,300
2	2BR/2BA	1000	\$1,200	\$2,400	\$1,200	\$2,400
8		7,900		\$9,250		\$9,250

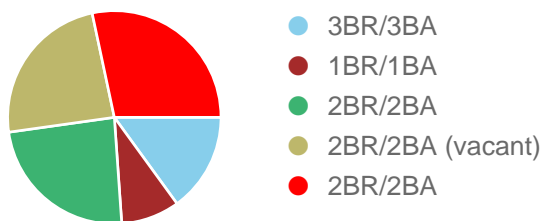
UNIT MIX



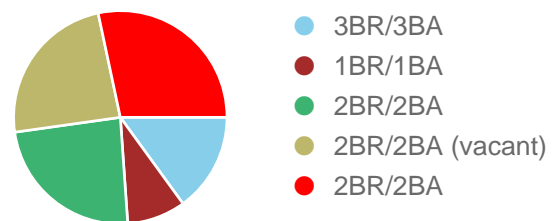
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME



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Property Resale Analysis



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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected Property Value	\$1,009,925	\$1,025,074	\$1,040,450	\$1,056,057	\$1,071,898	\$1,087,976	\$1,104,296	\$1,120,860	\$1,137,673	\$1,154,738
Resale Expenses	(\$72,715)	(\$73,805)	(\$74,912)	(\$76,036)	(\$77,177)	(\$78,334)	(\$79,509)	(\$80,702)	(\$81,912)	(\$83,141)
Proceeds b/f Debt Payoff	\$937,210	\$951,269	\$965,538	\$980,021	\$994,721	\$1,009,642	\$1,024,786	\$1,040,158	\$1,055,761	\$1,071,597
Basis at Acquisition	\$982,313	\$982,313	\$982,313	\$982,313	\$982,313	\$982,313	\$982,313	\$982,313	\$982,313	\$982,313
Depreciation	(\$24,794)	(\$50,669)	(\$76,545)	(\$102,420)	(\$128,296)	(\$154,171)	(\$180,047)	(\$205,922)	(\$231,798)	(\$256,600)
Adjusted Tax Basis	\$957,519	\$931,644	\$905,768	\$879,893	\$854,017	\$828,142	\$802,266	\$776,391	\$750,515	\$725,713
Resale Tax Gain (Loss)	(\$20,309)	\$19,625	\$59,769	\$100,128	\$140,704	\$181,500	\$222,520	\$263,768	\$305,246	\$345,884
Resale Tax Benefit (Cost)	\$0	(\$2,944)	(\$8,965)	(\$15,019)	(\$21,106)	(\$27,225)	(\$33,378)	(\$39,565)	(\$45,787)	(\$51,883)
Ord. Income Tax Savings (Cost)	\$1,385	\$1,337	\$1,290	\$1,242	\$1,194	\$1,146	\$1,098	\$1,051	\$1,003	\$955
Loan Principal Balance	(\$590,327)	(\$583,207)	(\$575,611)	(\$567,506)	(\$558,858)	(\$549,630)	(\$539,785)	(\$529,280)	(\$518,072)	(\$506,113)
Net Resale Proceeds	\$348,268	\$366,455	\$382,251	\$398,738	\$415,952	\$433,933	\$452,722	\$472,363	\$492,904	\$514,556

Footnotes: b/f = before

Investment Return Analysis



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flow - To Date	\$19,503	\$39,513	\$59,760	\$80,235	\$100,928	\$121,827	\$142,920	\$164,194	\$185,637	\$206,975
Net Resale Proceeds	\$348,268	\$366,455	\$382,251	\$398,738	\$415,952	\$433,933	\$452,722	\$472,363	\$492,904	\$514,556
Invested Capital	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)
Net Return on Investment	(\$43,512)	(\$5,316)	\$30,728	\$67,690	\$105,597	\$144,476	\$184,358	\$225,275	\$267,258	\$310,248
Internal Rate of Return	N/A	-0.66%	2.55%	4.16%	5.11%	5.72%	6.14%	6.45%	6.67%	6.84%
Modified IRR	-10.58%	-0.46%	2.80%	4.42%	5.37%	5.97%	6.38%	6.67%	6.89%	7.05%
NPV (cash flow + reversion)	(\$70,408)	(\$61,262)	(\$55,479)	(\$50,206)	(\$45,415)	(\$41,078)	(\$37,166)	(\$33,655)	(\$30,517)	(\$27,656)
PV (NOI + reversion)	\$928,119	\$932,153	\$935,531	\$938,315	\$940,564	\$942,330	\$943,662	\$944,606	\$945,201	\$945,486

Footnotes: a/t = after taxes; Modified IRR = Modified Internal Rate of Return; PV = Present Value; NPV = Net Present Value; NOI = Net Operating Income
 Reversion = Amount received from the resale; Net Return on Investment = Cash Flow (a/t To Date) + Net Proceeds from Resale - Invested Capital.

Cumulative Analysis



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Equity (appreciation)	\$34,925	\$50,074	\$65,450	\$81,057	\$96,898	\$112,976	\$129,296	\$145,860	\$162,673	\$179,738
Equity (loan reduction)	\$6,673	\$13,793	\$21,389	\$29,494	\$38,142	\$47,370	\$57,215	\$67,720	\$78,928	\$90,887
CASH FLOW (a/t)	\$19,503	\$39,513	\$59,760	\$80,235	\$100,928	\$121,827	\$142,920	\$164,194	\$185,637	\$206,975
Totals - To Date	\$61,101	\$103,379	\$146,599	\$190,786	\$235,968	\$282,172	\$329,430	\$377,774	\$427,238	\$477,600
Invested Capital	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)	(\$411,283)
ROIC - To Date	14.86%	25.14%	35.64%	46.39%	57.37%	68.61%	80.10%	91.85%	103.88%	116.12%

Footnotes: a/t = after taxes; ROIC = Return On Invested Capital

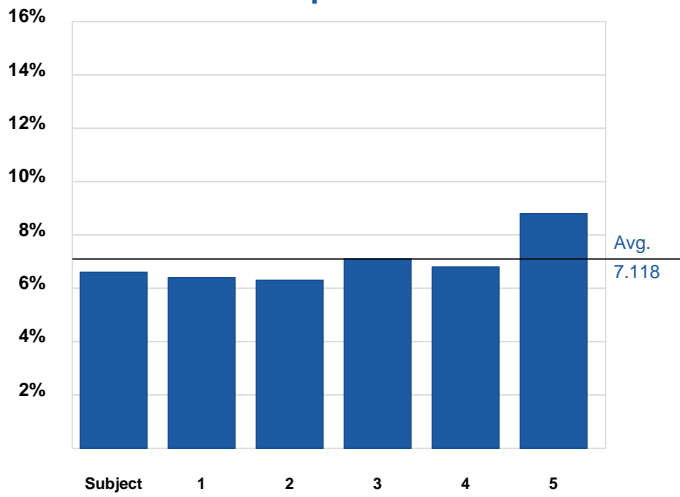
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Sales Comparables

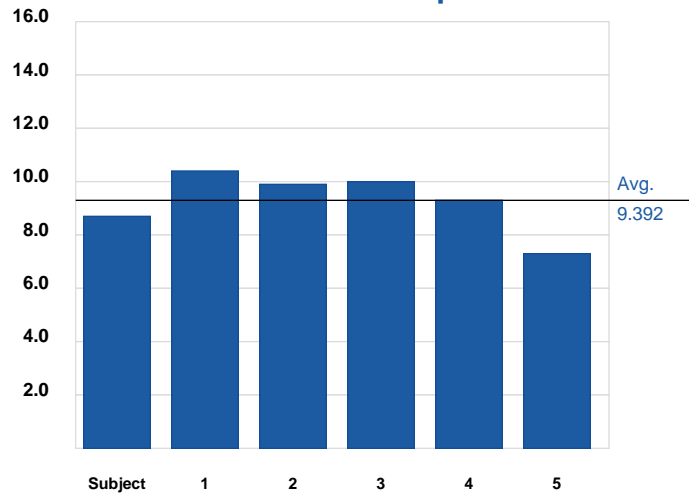


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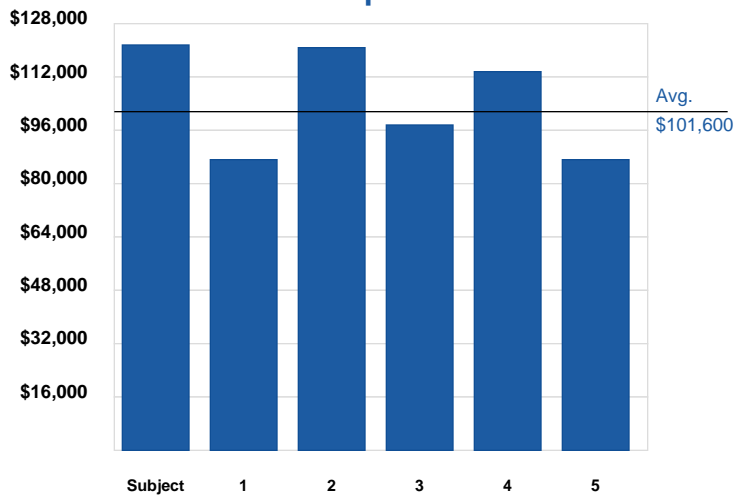
Cap Rate



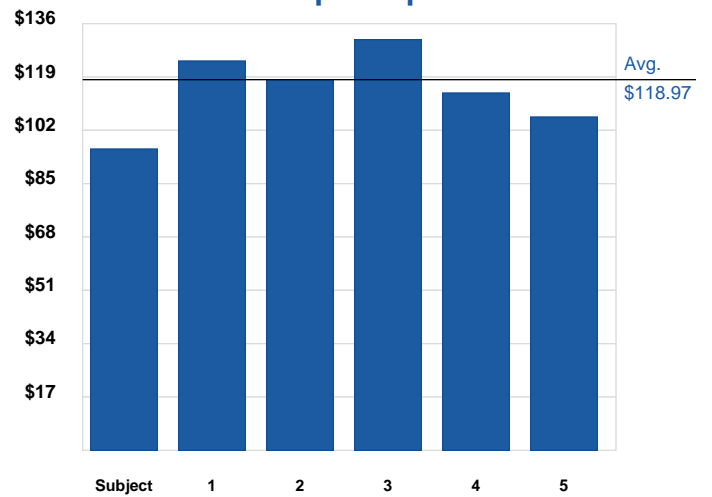
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



411 E 97th St
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Sales Comparables



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S



411 E 97th St 411 E 97th St Inglewood, CA 90301

		# Units	Unit Type
Sale Price	\$975,000		
Units	8	1	3BR/3BA
Price/Unit	\$121,875	1	1BR/1BA
Price/SqFt	\$96.46	2	2BR/2BA
Cap Rate	6.68%	2	2BR/2BA (vacant)
Year Built	1963	2	2BR/2BA
GRM	8.78		

1



3230 W 113th St 3230 W 113th St Inglewood, Ca 90303

		# Units	Unit Type
Sale Price	\$525,000		
Units	6	2	Two Bedroom One Bath
Price/Unit	\$87,500	4	One Bedroom One Bath
Price/SqFt	\$124.17		
Cap Rate	6.42%		
Year Built	1958		
GRM	10.4		

Sale Date 2/5/2010

2



Hardy 326 E Hardy St Inglewood, CA 90301

		# Units	Unit Type
Sale Price	\$725,000		
Units	6	6	Two Bedroom Two Bath
Price/Unit	\$120,833		
Price/SqFt	\$118.25		
Cap Rate	6.36%		
Year Built	1964		
GRM	9.9		

Sale Date 9/22/2010

411 E 97th St
411 E 97th St
Inglewood, CA 90301

Sales Comparables



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3



Larch
901 Larch St
Inglewood, CA 90301

Sale Price	\$589,000	# Units	Unit Type
Units	6	1	Three Bedroom Two Bath
Price/Unit	\$98,167	1	Two Bedroom One Bath
Price/SqFt	\$131.18	2	One Bedroom One Bath
Cap Rate	7.1%		
Year Built	1960		
GRM	10.0		

Sale Date 1/13/2010

4



Hill
636 Hill St.
Inglewood, CA 90302

Sale Price	\$570,000	# Units	Unit Type
Units	5	1	Three Bedroom Two Bath
Price/Unit	\$114,000	4	One Bedroom One Bath
Price/SqFt	\$114.37		
Cap Rate	6.87%		
Year Built	1956		
GRM	9.31		

Sale Date 2/12/2010

5



Venice Wy
315 Venice Wy
Inglewood, CA 90302

Sale Price	\$1,050,000	# Units	Unit Type
Units	12	12	Two Bedroom One Bath
Price/Unit	\$87,500		
Price/SqFt	\$106.90		
Cap Rate	8.84%		
Year Built	1954		
GRM	7.35		

Sale Date 11/19/2010

411 E 97th St

Sales Comparables

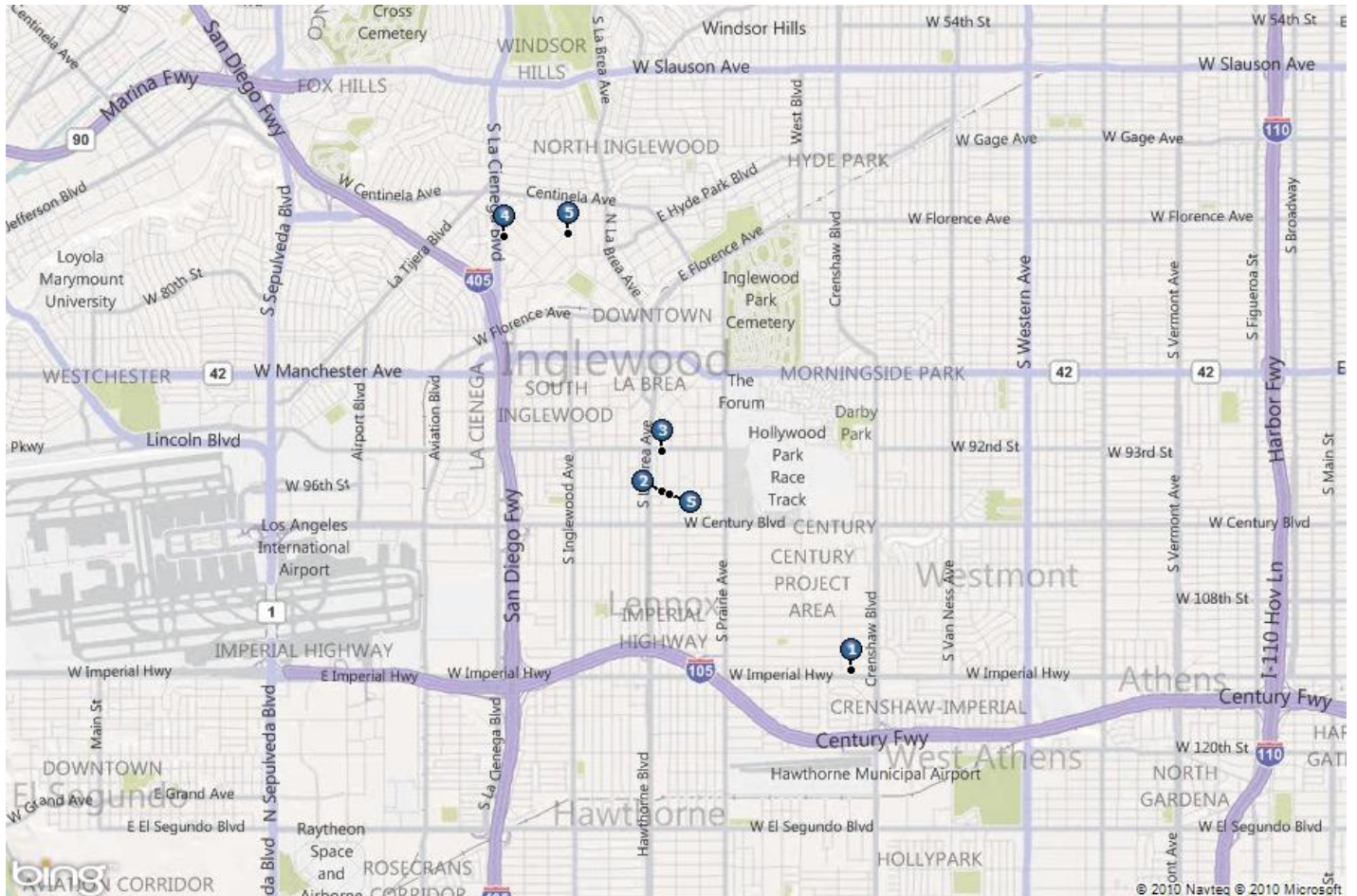


411 E 97th St

Inglewood, CA 90301

Keith Moret, CCIPS

310.617.2240



- S** 411 E 97th St, Inglewood, CA 90301 (\$975,000)
- 1** 3230 W 113th St, Inglewood, Ca 90303 (\$525,000)
- 2** 326 E Hardy St, Inglewood, CA 90301 (\$725,000)
- 3** 901 Larch St, Inglewood, CA 90301 (\$589,000)
- 4** 636 Hill St., Inglewood, CA 90302 (\$570,000)
- 5** 315 Venice Wy, Inglewood, CA 90302 (\$1,050,000)