

# Mountain Creek Apartments

1222 E. Mountain View Road  
Phoenix, AZ

## Investment Property Offering



### A 38 Unit Apartment Complex Located in Phoenix, Arizona

Distressed Asset Receivership Sale - Call for Offers April 30, 2010

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## Executive Summary

<b>Location</b>	1222 East Mountain View Road Phoenix, Arizona 85020
<b>List Price</b>	\$850,000
<b>Price Per Unit</b>	\$22,368
<b>Price Per Square Foot</b>	\$28.57
<b>Total Units</b>	38
<b>Building Square Footage</b>	29,754
<b>Number of Buildings</b>	2
<b>Land Acres</b>	1.46



<b>Cross Street</b>	Cave Creek Road & Mountain View Road
<b>Market</b>	Phoenix
<b>Sub Market</b>	Piestewa Peak Corridor
<b>Year Built</b>	1985
<b>Building Class</b>	B
<b>Location Class</b>	C
<b>HVAC</b>	Individual
<b>Tax Parcel Number</b>	159-30-111 to 159-30-130
<b>Foundation Type</b>	Concrete Slab
<b>Number of Stories</b>	2
<b>Current Cap Rate</b>	6%
<b>Stabilized Cap Rate</b>	11%

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## Executive Summary

### AREA DESCRIPTION

The Mountain Creek Apartments is located at 1222 E. Mountain View Rd., Phoenix, Arizona, approximately one block from Cave Creek Road, a major city thoroughfare. This locale places residents of Mountain Creek Apartments within close proximity to the metro Phoenix freeway system. The interchange with SR-51 freeway is located within three miles of the property, giving residents complete access to the metropolitan area. A city park and a major chain grocery store are located less than a block away, as is a city bus line. Major employers in the immediate area include John C. Lincoln Hospital, Home Depot, and numerous other retail outlets.

The area immediately surrounding Mountain Creek Apartments is primarily commercial properties and single-family.

The property is condo mapped and was recently updated with remodeled interiors, exterior paint, and a stack stone trim facade. Mountain Creek represents a true turn-key investment opportunity.

### PROPERTY DESCRIPTION

Mountain Creek Apartments is a two-story apartment community built in 1985, comprising 37 two-bedroom / one-bathroom rental units and 1 one-bedroom / one-bathroom rental unit. All units are rented unfurnished. Construction is wood frame and stucco, with pitched roofs. All units are individually-metered for utilities. The owner is responsible for water, sewer, and trash collection. Heating and cooling are provided by roof mounted individual HVAC units.

Outdoor amenities include a swimming pool, on-site laundry facility, and dedicated parking spaces for residents. Unit amenities include all-electric kitchens and cable television. The desert landscaping on the property requires low maintenance and very little water. The 62 parking spaces create a parking ratio of 1.57 spaces to each unit. A rental office is located on property and security is enhanced with a gated entrance.

There are two buildings in the Mountain Creek Apartments complex which are perpendicular to Mountain View Road. They are constructed on a rectangular site comprising approximately 1.46 acres, and provide 29,754 rentable square feet.



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## Current Financial Summary

**Note: Actual rent and physical vacancy are derived from the March, 2010, rent roll supplied by the property manager. Current vacant units are offered at \$500 per month with one free month to facilitate a lease up.**

<b>Year Built</b>	1985				
<b>Total Units</b>	<b>Total Square Feet</b>				
38	29,754				
<b>Units</b>	<b>Type</b>	<b>Sq. Ft.</b>	<b>Actual Rent</b>	<b>Estimated Current</b>	
37	2BD/1BA	783	\$600	\$	22,200
1	1BD/1BA	600	\$500	\$	500
<b>Monthly Scheduled Gross Rent</b>				\$	22,700
<b>Annual Scheduled Gross Rent</b>			<b>Current</b>	\$	272,400
	Physical Vacancy		31.0%	\$	(84,444)
	Economic Vacancy*		8.0%	\$	(21,792)
	*Concessions, Credit Loss, etc.				
<b>Total Vacancy</b>			<b>39.0%</b>	<b>\$</b>	<b>(106,236)</b>
<b>Net Rental Income</b>				<b>\$</b>	<b>166,164</b>
<b>Other Income (\$10 per month per occupied unit)</b>				<b>\$</b>	<b>2,760</b>
<b>Gross Operating Income</b>				<b>\$</b>	<b>168,924</b>
<b>OPERATING EXPENSES</b>					
<b>Property Taxes</b>	* Actual 2009 Taxes			\$	16,927
<b>Insurance</b>	*Estimated At \$200/unit			\$	7,600
<b>Maintenance</b>	*Estimated At \$500/unit			\$	19,000
<b>Repairs</b>	*Estimated At \$400/unit			\$	15,200
<b>Electricity</b>	*Estimated At \$150/unit			\$	5,700
<b>Sewer and Water</b>	*Estimated At \$300/unit			\$	11,400
<b>Trash</b>	*Estimated At \$100/unit			\$	3,800
<b>Payroll</b>	*Estimated At \$800/unit			\$	30,400
<b>Management Fee</b>	*Estimated To be 4% of Collected Rent			\$	6,757
<b>Administrative Expenses</b>	*Estimated At \$115/unit			\$	4,370
<b>Capital Reserve</b>	*Estimated At \$250/unit			\$	9,500
<b>Total Operating Expenses</b>				<b>\$</b>	<b>130,654</b>
Operating Cost Per Unit				<b>\$</b>	<b>3,438</b>
Operating Cost Per Sq Ft				<b>\$</b>	<b>4.39</b>
<b>Net Operating Income</b>				<b>\$</b>	<b>38,270</b>

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## Projected Financial Summary 18 Month Time Frame

**Note: Rents vacancy and expenses are projected, except for property taxes, which are quoted from Maricopa County Treasurers Office.**

<b>Year Built</b>	1985				
<b>Total Units</b>	<b>Total Square Feet</b>				
38	29,754				
<b>Units</b>	<b>Type</b>	<b>Sq. Ft.</b>	<b>Actual Rent</b>	<b>Estimated Current</b>	
37	2BD/1BA	783	\$575	\$	21,275
1	1BD/1BA	600	\$500	\$	500
<b>Monthly Scheduled Gross Rent</b>				\$	21,775
<b>Annual Scheduled Gross Rent</b>				\$	261,300
	Physical Vacancy		10.0%	\$	(26,130)
	Economic Vacancy*		8.0%	\$	(20,904)
	*Concessions, Credit Loss, etc.				
<b>Total Vacancy</b>			<b>18.0%</b>	<b>\$</b>	<b>(47,034)</b>
<b>Net Rental Income</b>				<b>\$</b>	<b>214,266</b>
<b>Other Income (\$10 per month per occupied unit)</b>				<b>\$</b>	<b>3,840</b>
<b>Gross Operating Income</b>				<b>\$</b>	<b>218,106</b>
<b>OPERATING EXPENSES</b>					
<b>Property Taxes</b>	* Actual 2009 Taxes			\$	16,927
<b>Insurance</b>	*Estimated At \$200/unit			\$	7,600
<b>Maintenance</b>	*Estimated At \$500/unit			\$	19,000
<b>Repairs</b>	*Estimated At \$400/unit			\$	15,200
<b>Electricity</b>	*Estimated At \$150/unit			\$	5,700
<b>Sewer and Water</b>	*Estimated At \$300/unit			\$	11,400
<b>Trash</b>	*Estimated At \$100/unit			\$	3,800
<b>Payroll</b>	*Estimated At \$800/unit			\$	30,400
<b>Management Fee</b>	*Estimated To be 4% of Collected Rent			\$	8,571
<b>Administrative Expenses</b>	*Estimated At \$115/unit			\$	4,370
<b>Capital Reserve</b>	*Estimated At \$250/unit			\$	9,500
<b>Total Operating Expenses</b>				<b>\$</b>	<b>132,468</b>
	Operating Cost Per Unit			<b>\$</b>	<b>3,486</b>
	Operating Cost Per Sq Ft			<b>\$</b>	<b>4.45</b>
<b>Net Operating Income</b>				<b>\$</b>	<b>85,638</b>

# Mountain Creek Apartments





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## Rent Comparables

Adjusted Monthly Rent

### NOTE:

“Adjusted Monthly Rent” is the effective rent received by the property owner after adjusting for any rental concessions, on an assumed one-year lease. By way of example, if the quoted market rent is \$600 per month, and one month free with a twelve-month lease, the Adjusted Monthly Rent is  $\$550 \text{ ( } \$600 \times 11 \text{ ) } / 12$

Property Location	Year Built	% Vacant	Unit Mix	Total Units	S.F.	Monthly Rent	Monthly Rent / S.F.	Adjusted Rent	Adjusted Rent / S.F.	Photo
Ironwood 9802 N. 9th Ave Phoenix, AZ 85021	1965	5% Concessions: \$99 Move-in	2 Bed, 1 Bath	88	749	\$575	\$0.77	\$535	\$0.71	
			3 Bed, 1 Bath	7	952	\$689	\$0.72	\$640	\$0.67	
			Totals/Averages	95	764	\$583	\$0.74	\$543	\$0.69	
Palm Meadows 9423 N. 17th Ave. Phoenix, AZ 85021	1984	13% Concessions: \$99 Move-in	1 Bed, 1 Bath	18	620	\$335	\$0.54	\$315	\$0.51	
			2 Bed, 2 Bath	54	760	\$425	\$0.56	\$398	\$0.52	
			Totals/Averages	72	725	\$403	\$0.55	\$377	\$0.52	
Villa Mira Monte Apartments 1737 W Desert Cove Ave Phoenix, AZ 85021	1988	5% Concessions: none	2 Bed, 2 Bath	28	818	\$799	\$0.98	\$799	\$0.98	
			Totals/Averages	28	818	\$799	\$0.98	\$799	\$0.98	
			1 Bed, 1 Bath	28	650	\$450	\$0.69	\$423	\$0.65	
Mission Place 602 E. Mission Ln. Phoenix, AZ 85020	1983	14% Concessions: \$130 Move-in	2 Bed, 2 Bath	46	850	\$550	\$0.65	\$515	\$0.61	
			Totals/Averages	74	774	\$512	\$0.67	\$480	\$0.63	
			Averages	1980	9%					

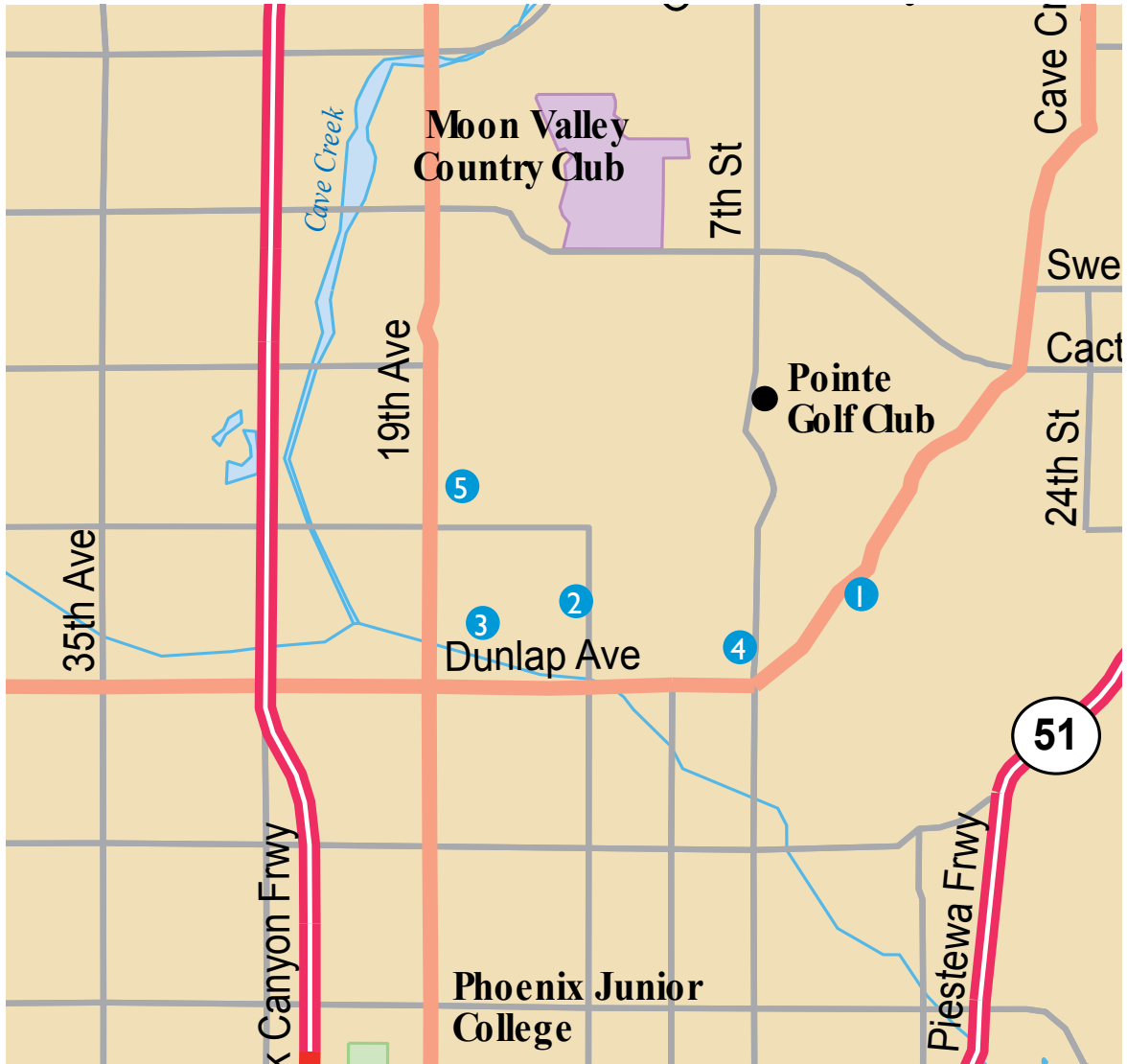
The information listed above has been obtained from sources we believe to be reliable, however, we accept no responsibility for its correctness.

# Mountain Creek Apartments

1222 E. Mountain View Road  
Phoenix, AZ



## Rent Comparable Map



**1. Subject Property**  
Mountain Creek Apartments  
1222 E. Mountain View Rd. | Phoenix, AZ

**2 Ironwood**  
9802 N. 9th Ave | Phoenix, AZ

**3 Palm Meadows**  
9423 N. 17th Ave. | Phoenix, AZ

**4 Villa Mira Monte Apartments**  
1737 W Desert Cove Ave | Phoenix, AZ

**5 Mission Place**  
602 E. Mission Ln. | Phoenix, AZ



# Mountain Creek Apartments

1222 E. Mountain View Road  
Phoenix, AZ

## Subject Property Comparison

Note - "Adjusted Monthly Rent" is the effective rent received by the property owner after adjusting for any rental concessions, on an assumed one-year lease. By way of example, if the quoted market rent is \$600 per month, and one month is free with a twelve-month lease, the Adjusted Monthly Rent is \$550 ( (\$600 X 11) / 12 ).

Unit Mix	Total Units	S.F.	Monthly Rent	Monthly Rent / S.F.	Adjusted Monthly Rent	Adjusted Rent / S.F.
2 Bed, 1 Bath	38	738	\$ 600	\$ 0.81	\$ 555	\$ 0.75
<b>Totals/Averages</b>	<b>38</b>	<b>738</b>	<b>\$ 600</b>	<b>\$ 0.81</b>	<b>\$ 555</b>	<b>\$ 0.75</b>

### Comparables Property Summary








Unit Mix	Total Units	S.F.	Monthly Rent	Monthly Rent / S.F.	Adjusted Monthly Rent	Adjusted Rent / S.F.
1 Bed, 1 Bath	46	638	\$ 405	\$ 0.63	\$ 381	\$ 0.60
2 Bed, 1 Bath	88	749	\$ 575	\$ 0.77	\$ 535	\$ 0.71
2 Bed, 2 Bath	128	805	\$ 552	\$ 0.69	\$ 528	\$ 0.66
3 Bed, 1 Bath	7	952	\$ 689	\$ 0.72	\$ 640	\$ 0.67
<b>Totals/Averages</b>	<b>269</b>	<b>762</b>	<b>\$ 538</b>	<b>\$ 0.70</b>	<b>\$ 508</b>	<b>\$ 0.67</b>



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## Sales Comparables

Property Location	Year Built	# Units	Unit Mix	Sales Price	Price/Unit	Price/SF	Close of Escrow	Property Photograph
2316-2318 E. Roosevelt St. Phoenix, AZ 85006	1949	14	14 Studios	\$ 470,000	\$33,571	\$26.51	10/7/2009	
Garden Cove 1626 W. Desert Cove Ave. Phoenix, AZ 85029	1976	44	1 1BD/1BA 43 2BD/1BA	\$ 1,500,000	\$34,091	\$41.20	10/15/2009	
Alice Apartments 207 E Alice Ave Phoenix, AZ 85020	1964	10	8 1BD/1BA 2 2BD/1BA	\$ 225,000	\$22,500	\$34.09	10/16/2009	
Vallejo Apartments 1827 E. Lemon Street Tempe, AZ 85281	1961	24	23 1BD/1BA 1 2BD/1BA	\$ 615,000	\$25,625	\$49.36	10/29/2009	
Royal 8th Avenue 4435-4436 N. 8th Avenue Phoenix, AZ 85013	1963	36	16 1BD/1BA 18 2BD/2BA 2 3BD/2BA	\$ 975,000	\$27,083	\$36.07	11/24/2009	
Strakas Apartments 1207 E. Jarvis Avenue Mesa, AZ 85204	1981	12	12 2BD/1BA	\$ 344,333	\$28,694	\$30.20	11/25/2009	
Camelback Gardens 5110 N. 21st Ave. Phoenix, AZ 85015	1965	16	1 1BD/1BA 15 2BD/1BA	\$ 375,000	\$23,438	\$28.52	12/18/2009	

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## Sales Comparables

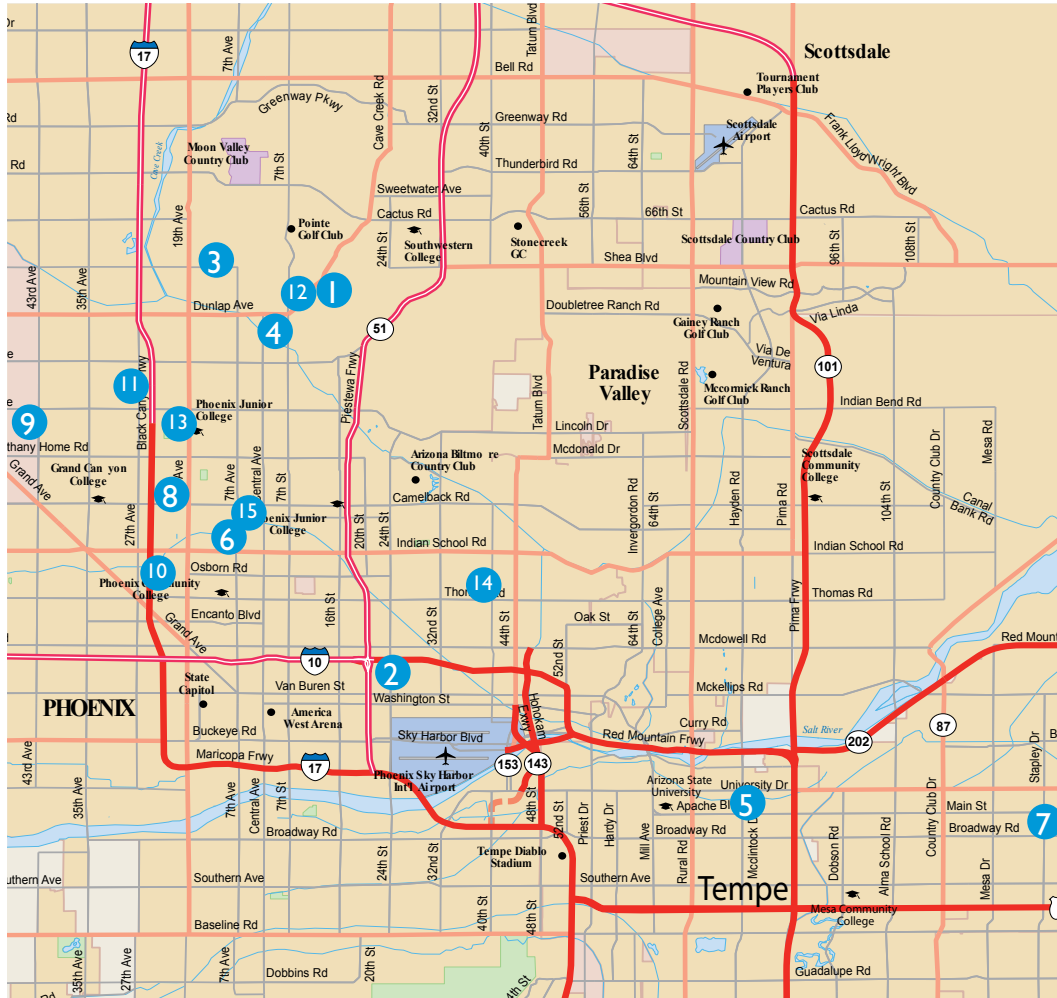
Property Location	Year Built	# Units	Unit Mix	Sales Price	Price/Unit	Price/SF	Close of Escrow	Property Photograph
<b>Franciscan Apartments</b> 6807 N. 45th Ave. Glendale, AZ 85301	1965	28	28 Studio	\$ 925,000	\$33,036	\$36.71	12/23/2009	
<b>Casa Blanca</b> 3131 N Black Canyon Hwy Phoenix, AZ 85015	1985	21	11 1BD/1BA 10 2BD/1BA	\$ 550,000	\$26,190	\$41.72	1/21/2010	
<b>Highland Park</b> 7232 N. 27th Ave. Phoenix, AZ 85051	1974	70	36 1BD/1BA 34 2BD/1BA	\$ 1,625,000	\$23,214	\$31.04	1/25/2010	
<b>Montego Apartments</b> 3029 N 38th Street Phoenix, AZ 85018	1979	14	13 2BD/1BA 1 3BD/2BA	\$ 470,000	\$33,571	\$38.76	2/24/2010	
<b>Villa Serena</b> 6802 N 17th Ave Phoenix, AZ 85015	1963	16	4 1BD/1BA 12 2BD/1.5BA	\$ 420,000	\$26,250	\$23.21	2/24/2010	
<b>3011 N 38th Street</b> Phoenix, AZ 85018	1971	15	13 1BD/1BA 1 2BD/1BA 1 2BD/2BA	\$ 330,000	\$22,000	\$38.24	2/24/2010	
<b>Pierson Apartments</b> 605 W Pierson Street Phoenix, AZ 85015	1958	12	4 1BD/1BA 4 2BD/1BA 4 3BD/2BA	\$ 429,000	\$35,750	\$41.24	2/26/2010	
<b>AVERAGES</b>	1968	24		\$ 660,952	\$ 28,215	\$35.49		

# Mountain Creek Apartments

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## Sales Comparables Map



### 1. Subject Property

#### Mountain Creek Apartments

1222 E. Mountain View Rd. | Phoenix, AZ

2 2316-2318 E. Roosevelt St. | Phoenix, AZ

### 3 Garden Cove

1626 W. Desert Cove Ave. | Phoenix, AZ

### 4 Alice Apartments

207 E Alice Ave | Phoenix, AZ

### 5 Vallejo Apartments

1827 E. Lemon Street | Tempe, AZ

### 6 Royal 8th Avenue

4435-4436 N. 8th Avenue | Phoenix, AZ

### 7 Strakas Apartments

1207 E. Jarvis Avenue | Mesa, AZ

### 8 Camelback Gardens

5110 N. 21st Ave. | Phoenix, AZ

### 9 Franciscan Apartments

6807 N. 45th Ave. | Glendale, AZ

### 10 Casa Blanca

3131 N Black Canyon Hwy | Phoenix, AZ

### 11 Highland Park

7232 N. 27th Ave. | Phoenix, AZ

### 12 Montego Apartments

806 E. Carol Ave. | Phoenix, AZ

### 13 Villa Serena

6802 N 17th Ave | Phoenix, AZ

14 3011 N 38th Street | Phoenix, AZ

### 15 Pierson Apartments

605 W Pierson Street | Phoenix, AZ

# Mountain Creek Apartments

1222 E. Mountain View Road  
Phoenix, AZ

## Property Photos



# Mountain Creek Apartments

1222 E. Mountain View Road  
Phoenix, AZ

Aerial - Far



# Mountain Creek Apartments

1222 E. Mountain View Road  
Phoenix, AZ

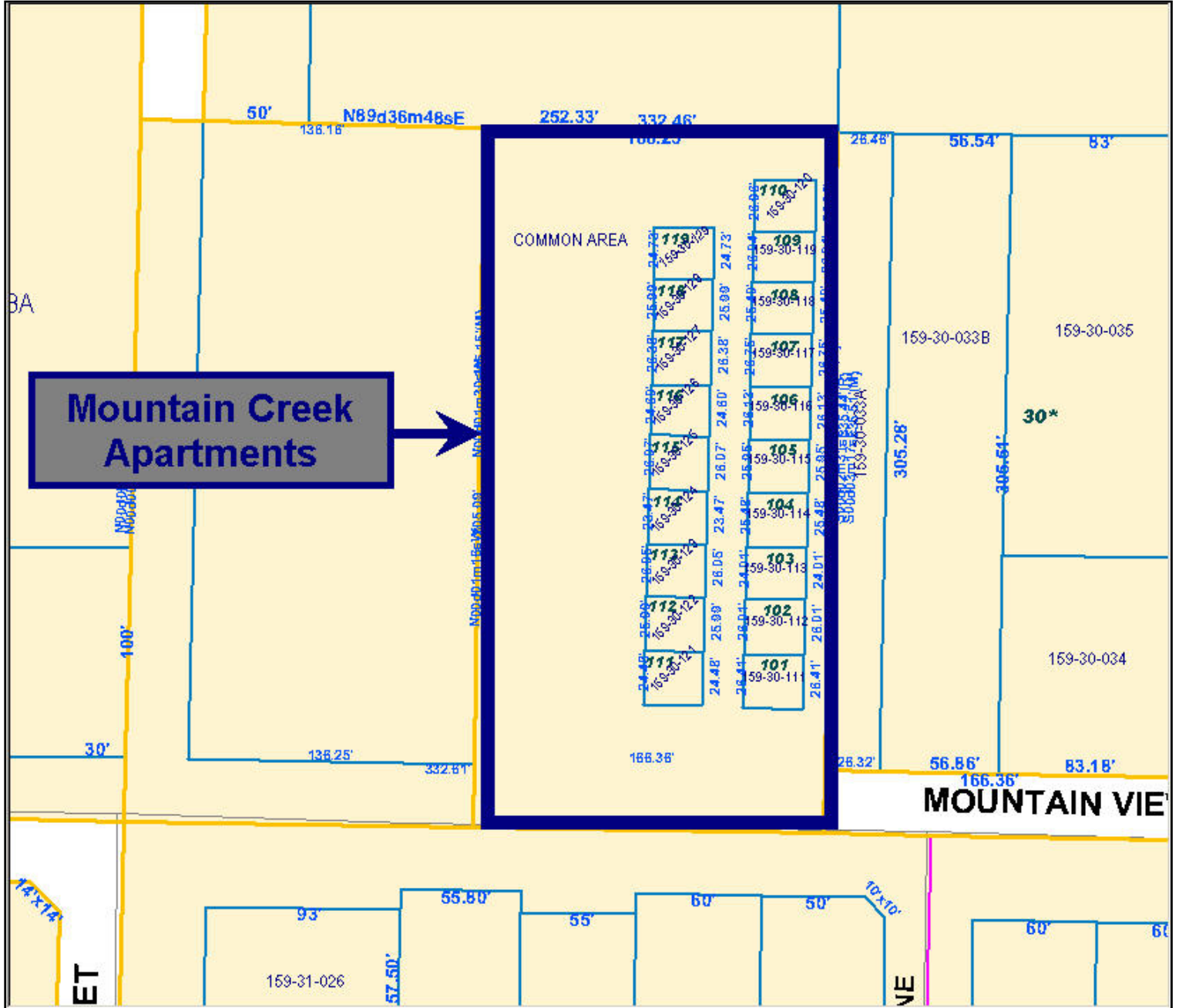
Aerial - Close



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## Parcel Map





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