

INVESTMENT PROPERTY GROUP

Investment Real Estate

RELEVANT UPDATES AND COMMENTARY FOR THE RESIDENTIAL INCOME PROPERTY MARKET

INSIDE

NEW INVESTMENT OPPORTUNITIES

88 - UNITS
ANAHEIM, CA

64 - UNITS
LA HABRA, CA

48 - UNITS
BUENA PARK, CA

21 - UNITS
LA HABRA, CA

16 - UNITS
LAKEWOOD, CA

INVESTMENT PROPERTY GROUP'S RECENT CLOSINGS

16 UNITS
GARDEN GROVE, CA

16 - UNITS
GARDEN GROVE, CA

25 - UNITS
WHITTIER, CA

39 - UNITS
BELLFLOWER, CA

26 - UNITS
DOWNEY, CA

CALL TODAY
FOR A FREE
PROPERTY EVALUATION

949.756.3232



88-Units in Anaheim



48-Units in Buena Park



64-Units in La Habra

INVESTMENT PROPERTY GROUP CHOSEN TO REPRESENT LOCAL OC FAMILY IN SALE OF PORTFOLIO

PG is proud to announce its selection as the broker to represent a local Orange County family in the disposition of a 200-unit apartment portfolio. After also considering proposals by four large, national brokerage firms the decision was made to go with IPG due to both its expertise in the local marketplace along with the ability to more effectively expose the assets to the entire Southern California brokerage community. The exposure is to not only national firms, but also smaller, "boutique"/independent brokerages.

The portfolio is comprised of three properties. Normandy Park is a single story, 88-unit project situated on 5.5 acres in Central Anaheim. The unit mix consists of 2 and 3

bedroom apartments with large enclosed patios. The seller would consider providing long-term financing to a qualified buyer.

Buena Casa is a 48-unit project located just off of the 5 and 91 freeways in Buena Park. The property is fully rented and consists of all 1 bedroom apartments. It is offered well below recent sale comparables at \$110,000 per unit.

Casa La Habra is a 64-unit project located in a quiet, residential area of La Habra. Consisting of all 2 bedroom apartments and offered at \$138,000 per unit, this opportunity offers an astute investor the chance to reap significant upside by repositioning the asset. ■

Current Listings



88 - UNITS IN ANAHEIM

Normandy Park, located in central Anaheim on a 5.5 acre parcel, is comprised of 22 single story buildings consisting of large 3 and 2 bedroom units. Each unit has its own private patio and garage. The seller is motivated and will consider carrying the new first trust deed for a qualified buyer.

Buena Casa, located in one of the best areas of Buena Park, offers residents a pleasant courtyard environment with a gated pool and BBQ area. Consisting of 1 bedroom units the property is priced well at \$110,000 per unit and has rental upside potential of over \$100 per unit. The seller will consider carrying a new first trust deed for a qualified buyer.

48 - UNITS IN BUENA PARK



64 - UNITS IN LA HABRA

The Casa La Habra Apartments is situated on a 2.5 acre lot located on a quiet, residential street. Built in 1961 the property consists entirely of two bedroom apartments that are individually metered for gas and electric. After reviewing the current operating information an astute investor will surely recognize significant rental upside in repositioning the property.



21 - UNITS IN LA HABRA

The Park View Apartments is comprised of spacious 1, 2 and 2 bedroom plus den units. A courtyard style apartment community, Park View offers it residents the opportunity to live in a quiet, residential neighborhood and take advantage of the municipal park located just across the street. The property is priced well at under 10x current income as the owner is very motivated to sell. Call Gary Tolfa for information.

The 216th Street apartments is a prime multi-family investment opportunity located in the city of Lakewood just off the 605 freeway within walking distance of major shopping malls. This unique property boasts large 2 bedroom townhouse style units accompanied by a 3 bedroom front unit. Most units offer residents large private patios. The apartments are individually metered with individual water heaters.

16 - UNITS IN LAKEWOOD



THAWING CREDIT MARKET CONTINUES TO IMPART OBSTACLES

A near 800 billion dollar government stimulus bill, a reviving corporate commercial paper market, a committed State Treasury & Federal Reserve; what do all these have in common? Their combined effect will likely have a nominal impact on apartment lending for years to come.

Only a few years back, easy credit (25-35% down payment requirements) and low interest rates (4.5-5% short term fixed programs) drove values to previously unseen highs. Many multi-family industry veterans were left shaking their heads in disbelief, while they were refinancing existing properties, selling/trading the undesirable ones, cashing out some profits – or typically some combination of the three. The market of today has changed greatly. Down payment requirements, short term fixed interest rates, *and now* even the vacancy rate have all increased some 50% from their previous lows. The resulting stricter underwriting and new buyer qualification criteria further reduce leverage in a market that formerly thrived on it.

To circumvent issues with conventional financing, many owners capitalizing on the still-high property values are turning to seller carry-back and installment sales. Investment Property Group is current working with qualified buyers and property owners that will receive interest rates in the 6.0%+ range for periods of five to ten years based on *today's* equity. Although that equity is, in fact, less than yesterday's – an installment sale can lock-in an income stream for a period of time thereby insulating their cash flow from market conditions and eliminating management hassles.

Accordingly, this article's title may be a misnomer – as “*Thawing*” implies “loosening”, when in fact, reality for would-be apartment buyers demonstrates the exact opposite. ■

ACTIVITY ALONG THE 605 CORRIDOR

Investment Property Group continues to defy recent trends of slowing sales activity as evidenced by our three closings in the 605 corridor. Over the past few months IPG closed escrow on apartment properties in Downey, Whittier and Bellflower.

The sale in Downey was a 26-unit property that consisted of all 2 bedroom units. The seller had recently inherited the property and made the decision to liquidate. The buyer recognized the fact that rents were below market and by repositioning the asset, significant rental upside could be achieved.

Also closed in the 605 corridor were a 26-unit property in Whittier and a 39-unit property in Bellflower. The Bellflower property was professionally managed and operated for many years by a local Orange County family. IPG was able to outline a strategy where we could sell the property, maximizing value, and in turn implement an aggressive campaign to locate a suitable upleg property. The resulting upleg will not only increase the seller's return on equity, but also upgrade location and property age. Call Chris Keramati for more information. ■

Recent Sales by: Investment Property Group



16 - UNITS • GARDEN GROVE

- Mostly 2 BR Units
- Garage Parking
- Very Well Maintained



39 - UNITS • BELLFLOWER

- Parking Structure
- Gated Community
- Pool & BBQ Area



25 - UNITS • WHITTIER

- Many Recent Upgrades
- Carport & Open Parking
- On-Site Laundry Facility



26 - UNITS • DOWNEY

- All 2 BR Units
- Individual Water Heaters
- Carport & Open Parking



16 - UNITS • GARDEN GROVE

- 1 Bed/1 Bath, 2 Bed/1 Bath Units
- Tuck Under Parking
- Located In Quiet Residential Area

FOR ADDITIONAL INFORMATION ON THE ABOVE SALES PLEASE CONTACT GARY TOLFA, MICHAEL CAVNER OR CHRIS KERAMATI WITH INVESTMENT PROPERTY GROUP.

INVESTMENT PROPERTY GROUP
Investment Real Estate

4770 Campus Drive, Suite 200
Newport Beach, CA 92660
Phone 949.756.3232
www.investmentpropertygroup.com

Gary Tolfa

gary@investmentpropertygroup.com

W. Michael Cavner

michael@investmentpropertygroup.com

Chris Keramati

chris@investmentpropertygroup.com

Megan Yamamoto

megan@investmentpropertygroup.com

Monica Wahrenbrock

monica@investmentpropertygroup.com

OVER \$750,000,000 IN CLOSED ESCROW SALES

Return Service Requested

STANDARD MAIL
AUTO-PRSR
SANTA ANA, CA
PERMIT # 4833

NEW EXCLUSIVE LISTINGS ENCLOSED!

INVESTMENT PROPERTY GROUP

Investment Real Estate

**SNEAK PEAK OF
WHAT'S INSIDE**

- Activity Along the 605 Corridor
- Thawing Credit Market Continues to Impart Obstacles
- IPG's New Listings

New Investment Opportunities!



88-Units Anaheim
Seller Financed First TD



21-Units
La Habra

EXPERIENCE

PROFESSIONALISM

RESULTS