

**Willowbrook Apartments**

135-141 33rd Ave SW  
Cedar Rapids



**MultiFamily**  
**Associates.com**  
"We Sell Apartments"



- ❖ Offering Price: \$3,050,000
- ❖ 36 one bedroom apartments & 36 two bedroom apartments with 2 baths!
- ❖ Convenient location near Interstate 380 and local colleges
- ❖ Numerous updates/improvements
- ❖ Great investment opportunity

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**SKOGMAN**  
Commercial Real Estate Services Group

## Real Estate Investment Details

### ANALYSIS

**Analysis Date:** August 2009  
**Scenario:** \$3,050,000

### PROPERTY

**Property:** Willowbrook Apartments  
**Property Address:** 135-141 33rd Ave SW  
Cedar Rapids



### PURCHASE INFORMATION

**Property Type:** Multi-Family  
**Purchase Price:** \$3,050,000  
**Units:** 72  
**Total Rentable Sq. Ft.:** 62,208  
**Resale Valuation:** 8.0% (capitalization of noi)  
**Resale Expenses:** 0%

### FINANCIAL INFORMATION

**Down Payment:** \$610,000  
**Passive Loss Rules:** No  
**Closing Costs:** \$0  
**Discount Rate:** 0%

### LOANS

	Debt	Term	Rate	Payment	LO Costs
Fixed	\$2,440,000	25 yrs	6.0%	\$15,721	

### INCOME & EXPENSES

**Gross Operating Income:** \$423,053  
**Monthly GOI:** \$35,254  
**Total Annual Expenses:** (\$164,216)  
**Monthly Expenses:** (\$13,685)

### CONTACT INFORMATION

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**DISCLAIMER: All information is believed to be accurate.**

The calculations and data presented are deemed to be accurate, but not guaranteed. They are intended for the purpose of illustrative projections and analysis. The information provided is not intended to replace or serve as substitute for any legal, accounting, investment, real estate, tax or other professional advice, consultation or service. The user of this software should consult with a professional in the respective legal, accounting, tax or other professional area before making any decisions.

### ***Property Description***

The property is a 72-unit complex built in 1977. Exterior is Mostly Brick. Roofs are 2 years old.

There are 36 one bedroom apartments and 36 two bedroom apartments.

Physical buildings consist of 2 side-by-side buildings and also 8 garages with room to add more garages.

Per Assessor the 2 bedroom units are about 864sf and have 2 baths, the one bedrooms are about 619sf

Average Rents on the 2 bedroom units are \$529.00/mo with a low of \$455.00 and a high of \$615.00.

Average rents on the 1 bedroom units are \$466.00 with a low of \$395.00 and a high of \$620.00.

Current owner varies rent Tenant by Tenant based on credit and other application criteria.

The units are well maintained with mostly newer carpets and appliances.

Of particular note is the fact they have been converted to condo status for tax saving reasons. In Linn County, commercial property is taxed at a higher assessed value than residential and doesn't benefit from the rollback that residential receives. Apartments are classified as commercial but if they are condominiumized, they are residential. There have been several conversions in Linn County. Careful examination of the two most recent conversions reveals the following:

- 1) The Assessed Value increased 40%.
- 2) The New Taxes were 65% of the previous amount, i.e., they got lowered 35%.
- 3) Anticipate reduction in taxes being reflected in tax bills payable Sept 2011 and March 2012

### **LOCATION**

This complex is two blocks east of I-380 on 33rd Avenue S.W. This Avenue is a popular spot. Just east of I-380, there are 5 restaurants, two fast food spots and a convenience store. From the Apartment location, you can get to Highway 30 which is an East/West beltline in 3 minutes, downtown Cedar Rapids is about 5 minutes, Westdale Shopping Center in 7 to 10 minutes and Kirkwood College in a similar amount of time. HyVee Grocery and pharmacy are about 3 minutes

## Annual Property Operating Data

### Willowbrook

Proforma using scheduled income, 2008 schedule E expenses, (added \$10,000 to repairs to reflect industry average and added \$5,000 allowance for reserves)  
Also adjusted taxes to reflect estimated decrease as a result of condo conversion.

Purpose	investment
Name	Willowbrook
Location	135-141 33rd Ave SW
Property Type	Apartment
Date	13 August 2009
Units	72

Price	\$3,050,000
-Loans	0
Down Payment	3,050,000
+Acq Costs	15,250
+Loan Points	0
Investment	3,065,250

	\$/Unit	% of GI	Annual \$
<b>Total Gross Income</b>	\$6,388	100.0%	\$459,912
- Vacancy & Credit Loss	511	8.0%	36,793
<b>Effective Income</b>	\$5,877	92.0%	\$423,119
Less: Operating Expenses			
Advertising	31	0.5%	2,236
Insurance	110	1.7%	7,947
repairs	440	6.9%	31,683
Taxes	687	10.7%	49,439
utilities	378	5.9%	27,199
Mgmt/Overhead	570	8.9%	41,058
Allowance for reserves	69	1.1%	5,000
<b>Total Operating Expenses</b>	\$2,286	35.8%	\$164,562
<b>Net Operating Income</b>	\$3,591	56.2%	\$258,557

Capitalization Rate	8.48%
Gross Income Multiplier	6.63
Cash on Cash	8.44%
Price/Unit	\$42,361
Loan to Value	0.00%

Prepared by Michael Shaffer, CCIM, Skogman Commercial Group  
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The data and calculations presented herein, while not guaranteed,  
have been obtained from sources we believe to be reliable.

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