

Alps Ridge Shopping Plaza

2417 N. ROSS BOULEVARD, SANTA ANA, CA 92706



- Excellent Location Near Two Major Freeways With Easy Access
- Only Mall Available In Fifteen Mile Radius
- Large Lot Makes Parking Convenient And Easy for customers
- Very Good Leasing History With Stable Tenants
- High Traffic Counts and Superb Demographics

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KW Commercial



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Alps Ridge Shopping Plaza

2417 N. ROSS BOULEVARD
SANTA ANA, CA 92706

Details





ANALYSIS

Analysis Date: December 2009



PROPERTY

Property: Alps Ridge Shopping Plaza
Property Address: 2417 N. ROSS BOULEVARD
 SANTA ANA, CA 92706

PURCHASE INFORMATION

Property Type: Commercial
Purchase Price: \$3,500,000
Tenants: 4
Total Rentable Sq. Ft.: 20,000
Resale Valuation: 7.0% (capitalization of noi)
Resale Expenses: 6.5%

FINANCIAL INFORMATION

Down Payment: \$875,000
Passive Loss Rules: No
Closing Costs: \$0
LT Capital Gain: 15.00%
Discount Rate: 11.00%

LOANS

	Debt	Term	Rate	Payment	LO Costs
Balloon	\$2,625,000	20 yrs	5.0%	\$14,092	\$52,500

INCOME & EXPENSES

Gross Operating Income: \$351,660
Monthly GOI: \$29,305
Total Annual Expenses: (\$103,154)
Monthly Expenses: (\$8,596)

CONTACT INFORMATION

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DISCLAIMER: All information is believed to be accurate.

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Alps Ridge Shopping Plaza

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Property Overview



Excellent Location in Center of Town
Newly Built and Well Maintained

Ridgeway Plaza Shopping Center was originally constructed in 1987-1988 and consists of a total of 18,550 square feet of leasable space. This property is a true neighborhood center, located in one of the most established, affluent suburbs in the greater Chicago area (Deerfield). Having been developed over the past fifteen years, this will always be a perfectly located center. This shopping center is located on the west side of Half Day Road, which is the borderline between Deerfield and Northbrook. Access is very good with Half Day Road intersecting with 119th Street a few blocks north, I-94 slightly more than one mile north and 123rd Street to the south.



In addition to the five buildings that make up this property, there is a 63,000 square foot Dominic's Grocery Store and a Bank of America branch that sit on the property. The total area, including the grocery store and bank, is approximately 12 acres. The current owners of the shopping center purchased it in November of 2000. A new roof was installed throughout the center in 2004, carrying a 15-year warranty. The landscape sprinkler system was replaced in 2003. The parking lot is either re-sealed or striped on alternating years.

Ridgeway Plaza Shopping Center sits in the center of prosperous Deerfield. Deerfield's continued economic success can be partially attributed to its continual focus on quality of life issues. A very high priority for the City is to provide its citizens and businesses with first-rate infrastructure and public services. HD-Lan Park opened in late 2003, and Harms Park opened in 2004. Harms Park features an amphitheater and an alpine lodge that will seat 300 people. Deerfield's outstanding public art, unsurpassed in Northern Chicago, continues to set our community apart in the suburban marketplace. A further benefit to our community is the fact that Deerfield is also surrounded by a multitude of first-rate health care facilities that offer some of the area's highest quality treatment for our citizens.

Unique Investment Opportunity
Excellent Location and History



Three National Tenants

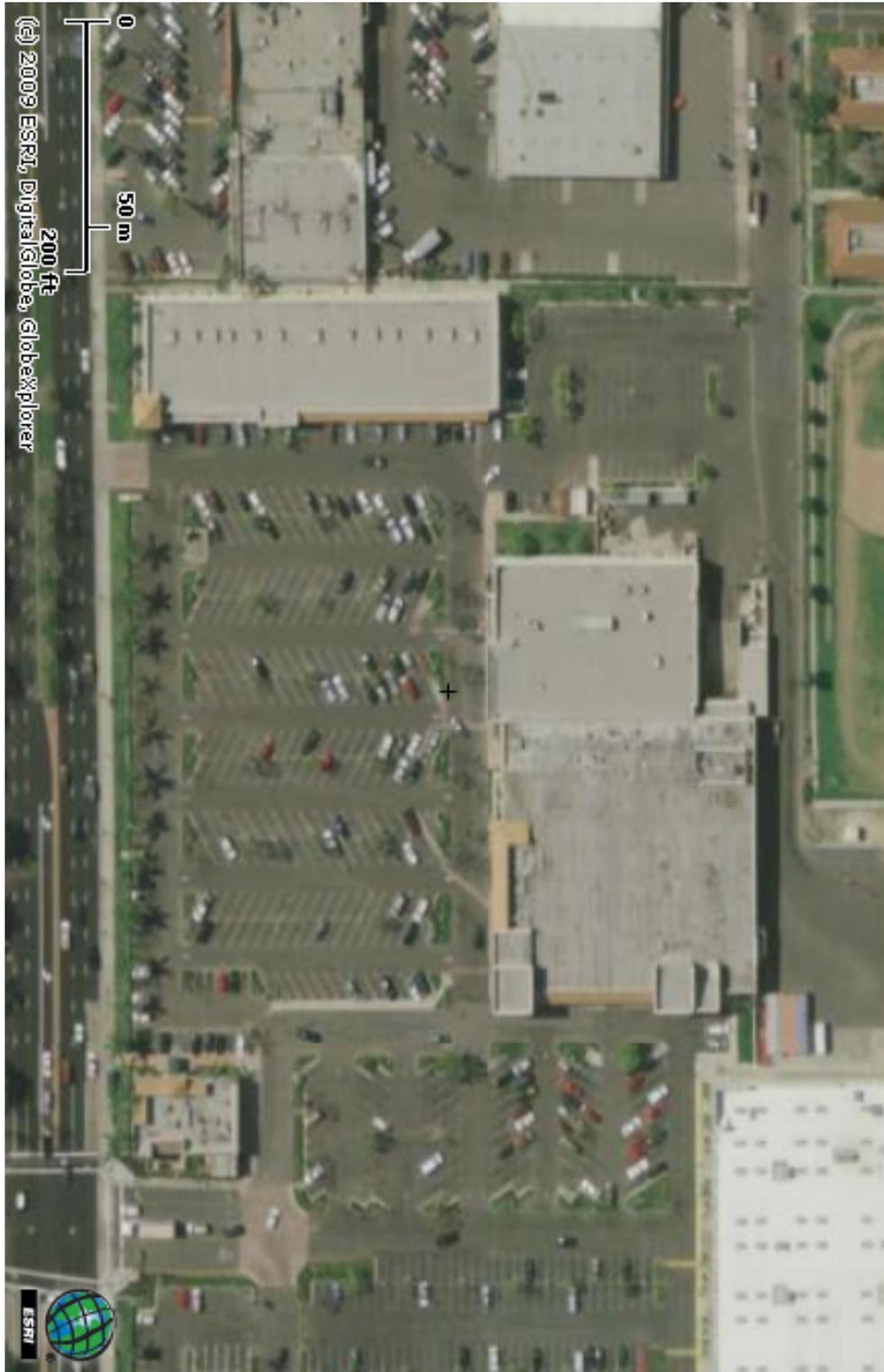


Located in high traffic area



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High Traffic Count on Desirable Intersection



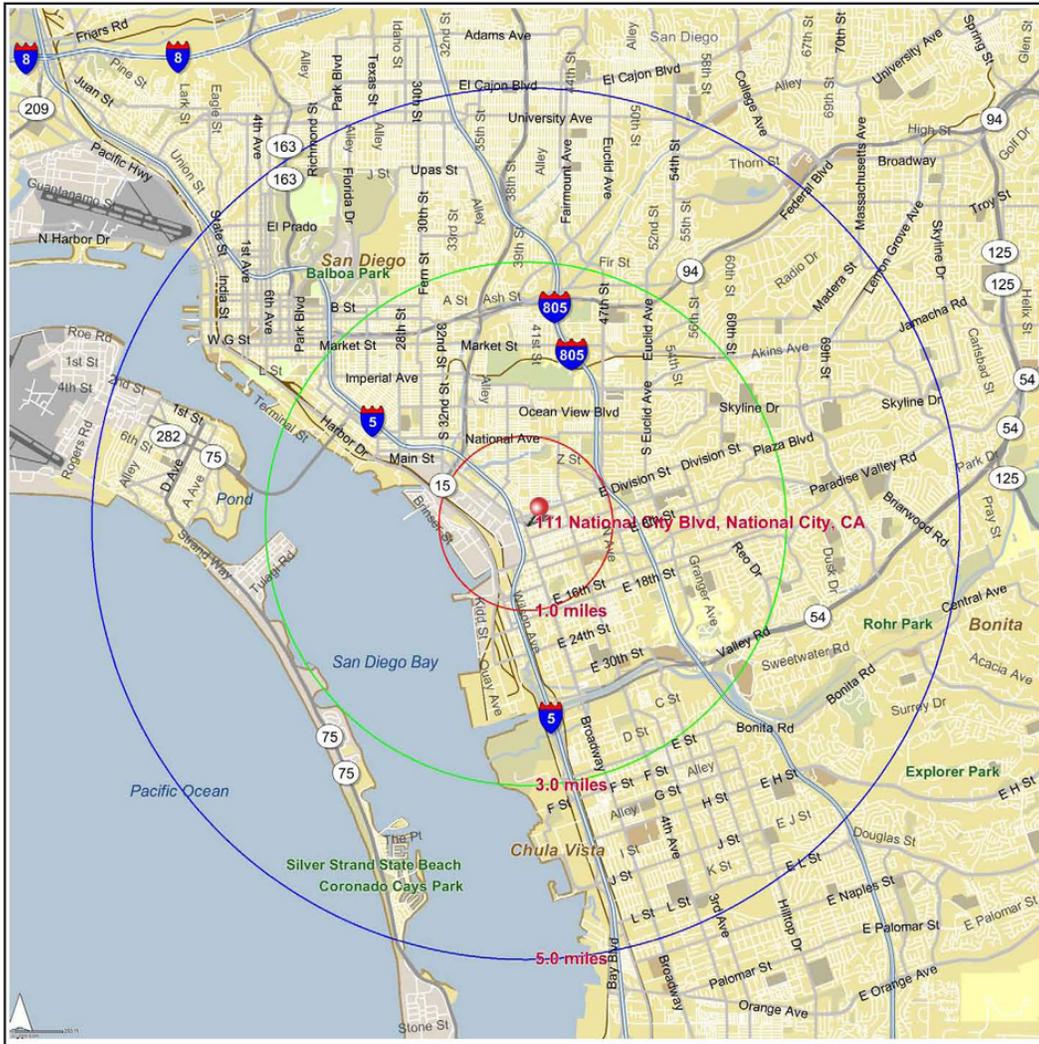
Easy Access To Main Arteries and Highways

Enhanced Site Map Prepared by STDBonline

111 National City Blvd, National City, CA

Latitude 32.681743
Longitude -117.108822

June 10, 2009



Alps Ridge Shopping Plaza

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Investment Outlook





ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$3,552,500
Investment - Cash	\$927,500
First Loan	\$2,625,000

INVESTMENT INFORMATION

Purchase Price	\$3,500,000
Price per Tenant	\$875,000
Price per Sq. Ft.	\$175.00

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$351,660
Total Vacancy and Credits	\$0
Operating Expenses	(\$103,154)
Net Operating Income	\$248,506
Debt Service	(\$169,099)
Cash Flow Before Taxes	\$79,407
Total Interest (Debt Service)	(\$130,370)
Depreciation and Amortization	(\$88,620)

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	8.56%
Optimal Internal Rate of Return (yr 10)	17.53%
Debt Coverage Ratio	1.47
Capitalization Rate	7.10%
Gross Income / Square Feet	\$17.58
Gross Expenses / Square Feet	(\$5.16)
Operating Expense Ratio	29.33%



INVESTMENT SUMMARY

Price:	\$3,500,000
Tenants:	4
RSF:	20,000
Price/RSF:	\$175.00
Cap Rate:	7.1%
Pro Forma Cap Rate:	4.85%

FINANCING SUMMARY

Loan Amount:	\$2,625,000
Down Payment:	\$875,000
Loan Type:	Balloon
Interest Rate:	5.00000%
Term:	20 years
Monthly Payment:	\$14,091.57



TENANT ANNUAL SCHEDULED INCOME

Tenant	Actual	Market
Wrightwood And Sebastina	\$8,840	\$7,020
Tenenbaum	\$108,000	\$81,000
Westend	\$105,000	\$84,000
Smiths	\$112,320	\$83,520
TOTALS	\$334,160	\$255,540

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$334,160	\$255,540
Less: Vacancy	\$0	\$0
Reimbursements	\$17,500	\$17,500
Effective Gross Income	\$351,660	\$273,040
Less: Expenses	(\$103,154)	(\$103,118)
Net Operating Income	\$248,506	\$169,922
Debt Service	(\$169,099)	(\$169,099)
Net Cash Flow after Debt Service	\$79,407	\$823
Principal Reduction	\$38,728	\$38,728
Total Return	\$118,136	\$39,552

ANNUALIZED EXPENSES

Description	Actual	Market
Replacement Reserves	\$5,000	\$0
Groundskeeping	\$1,036	\$2,000
Advertising	\$5,000	\$3,000
Insurance	\$30,000	\$33,000
Taxes	\$47,000	\$45,000
Maintenance	\$118	\$118
Repairs	\$15,000	\$20,000
Total Expenses	\$103,154	\$103,118
Expenses Per RSF	\$5.16	\$5.16



NET PROCEEDS FROM SALE

Adjusted Basis

Basis At Acquisition	\$3,500,000
- Depreciation	\$889,910
Adjusted Basis at Sale	\$2,610,090

Capital Gain

Sale Price	\$5,020,814
-Sale Expenses	\$326,353
-Adjusted Basis at Sale	\$2,610,090
Gain or (Loss)	\$2,084,371
-Depreciation (limited to gain)	\$889,910
Capital Gain from Appreciation	\$1,194,461

Sales Proceeds After Tax

Sales Price	\$5,020,814
-Sale Expenses	\$326,353
-Mortgage Balance	\$2,135,229
+Balance of Replacement Reserves	\$30,780
Sale Proceeds Before Tax	\$2,590,012
Sale Proceeds Before Tax	\$2,590,012
-Tax On Depreciation	\$222,478
-Tax On Capital Gain	\$179,169
Sale Proceeds After Tax	\$2,188,365

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Investment Details



Summary Lease Analysis



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Lease Revenue										
Base Rental Income	\$334,160	\$340,191	\$349,113	\$367,264	\$380,498	\$389,390	\$399,252	\$409,055	\$424,072	\$436,201
Lease-up Vacancy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turnover Vacancy	\$0	\$0	\$0	(\$2,447)	\$0	\$0	\$0	\$0	(\$2,891)	\$0
Expense Reimbursements	\$17,500	\$17,975	\$18,464	\$16,501	\$19,484	\$20,017	\$20,565	\$21,128	\$18,887	\$22,306
Potential Lease Costs										
Tenant Improvements	\$0	\$0	\$0	(\$8,000)	\$0	\$0	\$0	\$0	(\$8,000)	\$0
Lease Commissions	\$0	\$0	\$0	(\$1,476)	\$0	\$0	\$0	\$0	(\$1,744)	\$0
Net Lease Cash Flow	\$351,660	\$358,166	\$367,577	\$371,842	\$399,982	\$409,406	\$419,816	\$430,184	\$430,324	\$458,507
Additional Information										
Sq. Ft. Expires	0	0	5,000	15,000	0	5,000	0	0	15,200	0
Dollars Expires	\$0	\$0	\$111,537	\$252,381	\$0	\$121,879	\$0	\$0	\$280,446	\$0

Annual Property Operating Data



Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$334,160	\$340,191	\$349,113	\$367,264	\$380,498	\$389,390	\$399,252	\$409,055	\$424,072	\$436,201
Expense Reimbursements	\$17,500	\$17,975	\$18,464	\$16,501	\$19,484	\$20,017	\$20,565	\$21,128	\$18,887	\$22,306
GROSS SCHEDULED INCOME	\$351,660	\$358,166	\$367,577	\$383,765	\$399,982	\$409,406	\$419,816	\$430,184	\$442,959	\$458,507
Turnover Vacancy	\$0	\$0	\$0	(\$2,447)	\$0	\$0	\$0	\$0	(\$2,891)	\$0
GROSS OPERATING INCOME	\$351,660	\$358,166	\$367,577	\$381,318	\$399,982	\$409,406	\$419,816	\$430,184	\$440,068	\$458,507
Expenses										
Replacement Reserves	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
Groundskeeping	(\$1,036)	(\$1,057)	(\$1,078)	(\$1,099)	(\$1,121)	(\$1,144)	(\$1,167)	(\$1,190)	(\$1,214)	(\$1,238)
Advertising	(\$5,000)	(\$5,050)	(\$5,101)	(\$5,152)	(\$5,203)	(\$5,255)	(\$5,308)	(\$5,361)	(\$5,414)	(\$5,468)
Insurance	(\$30,000)	(\$30,900)	(\$31,827)	(\$32,782)	(\$33,765)	(\$34,778)	(\$35,822)	(\$36,896)	(\$38,003)	(\$39,143)
Taxes	(\$47,000)	(\$47,940)	(\$48,899)	(\$49,877)	(\$50,874)	(\$51,892)	(\$52,930)	(\$53,988)	(\$55,068)	(\$56,169)
Maintenance	(\$118)	(\$123)	(\$128)	(\$133)	(\$138)	(\$144)	(\$149)	(\$155)	(\$161)	(\$168)
Repairs	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)	(\$15,000)
TOTAL OPERATING EXPENSES	(\$103,154)	(\$105,069)	(\$107,032)	(\$109,042)	(\$111,102)	(\$113,212)	(\$115,375)	(\$117,590)	(\$119,861)	(\$122,187)
NET OPERATING INCOME	\$248,506	\$253,097	\$260,545	\$272,276	\$288,880	\$296,194	\$304,442	\$312,593	\$320,207	\$336,320

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Investment Returns



Internal Rate of Return Analysis



BEFORE TAX IRR

Time	Future Cash Flows
Initial Investment	(\$927,500)
End of Year 1	\$79,407
End of Year 2	\$83,998
End of Year 3	\$91,446
End of Year 4	\$103,177
End of Year 5	\$119,781
End of Year 6	\$127,095
End of Year 7	\$135,343
End of Year 8	\$143,494
End of Year 9	\$151,109
End of Year 10*	\$2,757,233

IRR = 18.84%

* (\$167,221 + \$2,590,012)

AFTER TAX IRR

Time	Future Cash Flows
Initial Investment	(\$927,500)
End of Year 1	\$79,407
End of Year 2	\$83,998
End of Year 3	\$91,446
End of Year 4	\$103,177
End of Year 5	\$119,781
End of Year 6	\$127,095
End of Year 7	\$135,343
End of Year 8	\$143,494
End of Year 9	\$151,109
End of Year 10*	\$2,355,586

IRR = 17.53%

* (\$167,221 + \$2,188,365)

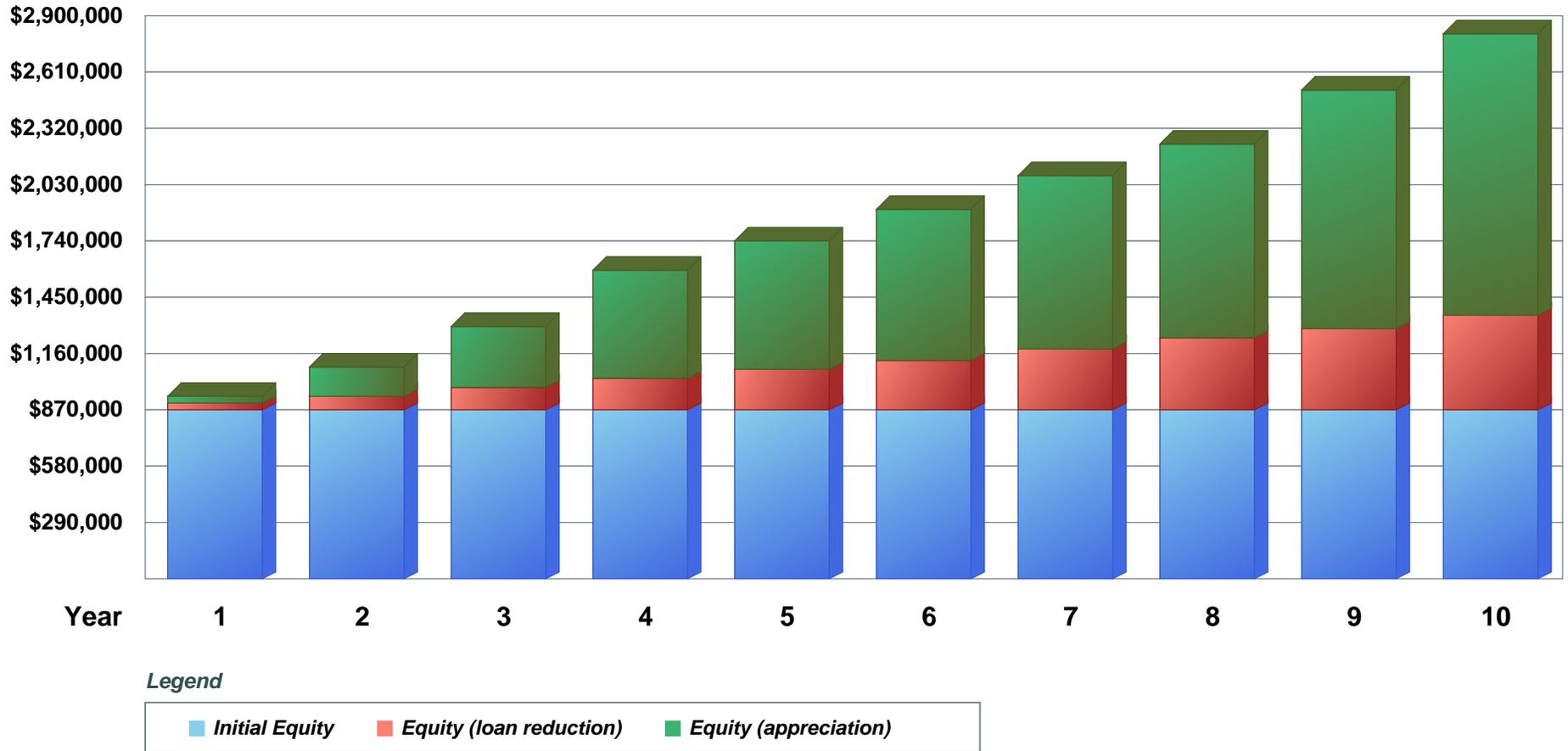
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Charts And Graphs

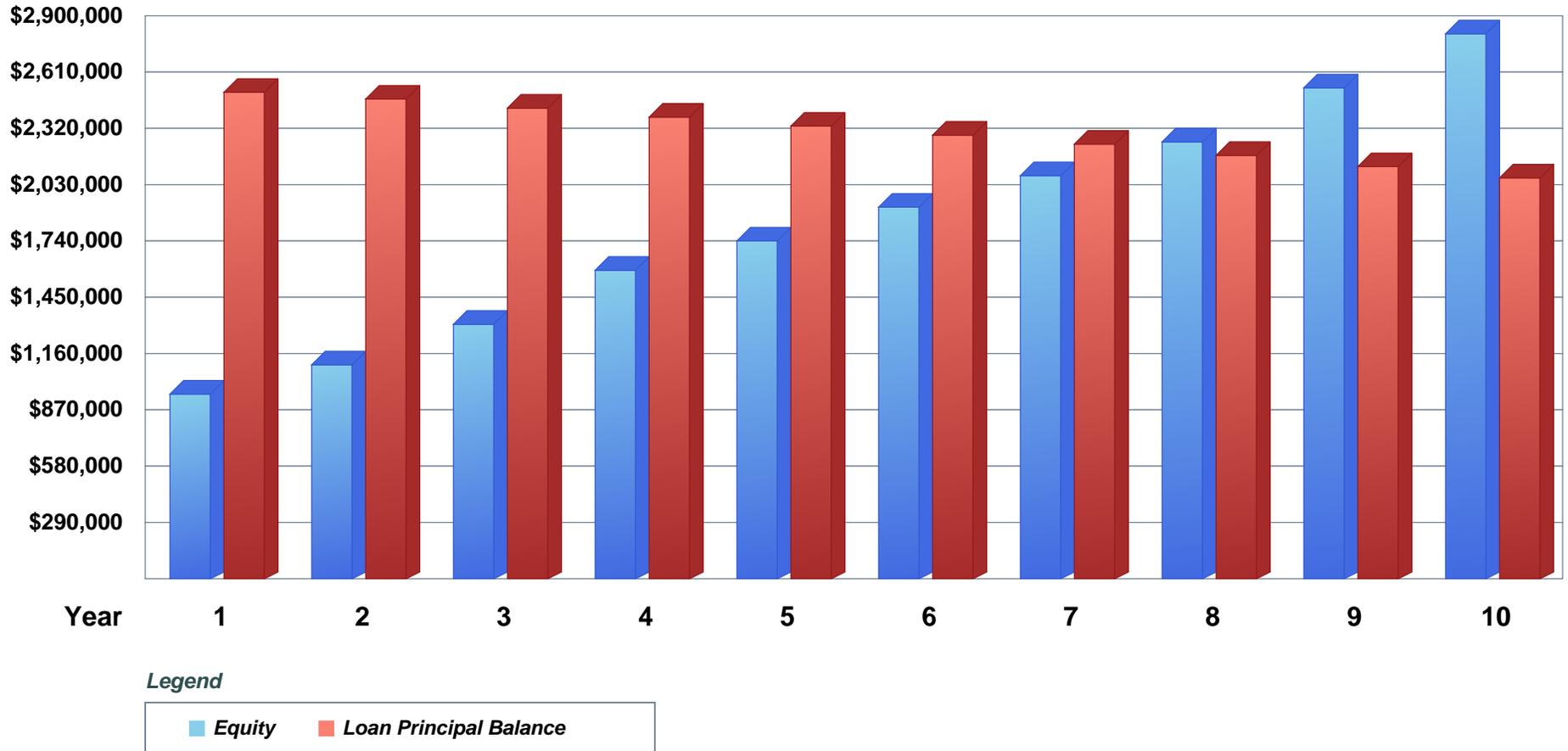


Property Equity Analysis

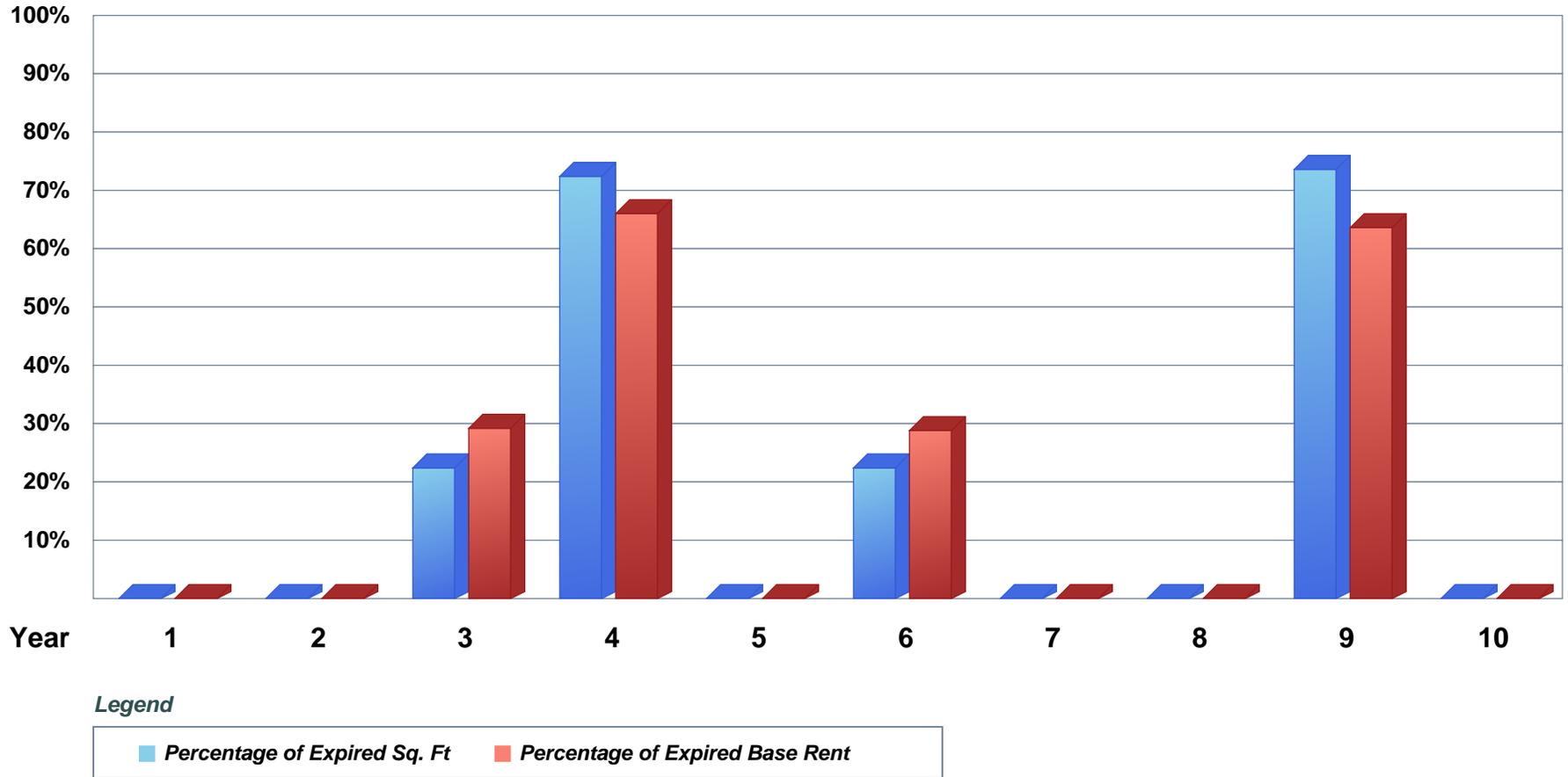


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Equity vs. Debt



Lease Expiration Analysis



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