



Autumn Haze

745 Alturas Lane
Fallbrook, CA 92028

23 APARTMENT HOMES
OFFERING MEMORANDUM



CAMP PENDELTON
NORTH

AUTUMN HAZE
APARTMENTS

Ammunition Rd

Alturas Rd

Mission Rd



AUTUMN HAZE APARTMENTS

TABLE OF CONTENTS

04	Overview Investment Summary Investment Highlights
06	Property Description Building Description Community Amenities Site Plan
13	Financial Analysis Financials
14	Rent & Sale Comparables Rent Comparisons Sale Comparisons
18	Market Overview Neighborhood Overview

Exclusively Represented By

Eric Comer (Lead Broker)
Executive Vice President
ecomer@kiddermathews.com
858.369.3084 | LIC #01352736

Merrick Matricardi
Senior Vice President
merrickm@kiddermathews.com
858.369.3085 | LIC #01348986858

Jim Neil
Executive Vice President
jneil@kiddermathews.com
858.369.3083 | LIC #1352736

Kidder Mathews
12230 El Camino Real, 4th Floor
San Diego, CA 92130

The information contained herein is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Kidder Mathews and should not be made available to any other person or entity without the written consent of Kidder Mathews.

This information has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Kidder Mathews has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Kidder Mathews has not verified, and will not verify, any of the information contained herein, nor has Kidder Mathews conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

This information has been secured from sources we believe to be reliable. We make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Recipient of this report must verify the information and bears all risk for any inaccuracies.



The Offering

Kidder Mathews is pleased to present the opportunity to acquire a 23-unit apartment home community located Fallbrook California. The property consists of spacious one-bedroom and two-bedroom units, a communal swimming pool and laundry facility. Autumn Haze is located in at the end of Alturas Lane with close proximity to grocery stores, drugstores, restaurant and services.

While the property is very well maintained, in-place rents are below market. Current ownership has renovated six out of the 23 units. Capital improvements of \$116,000 were completed in 2018. Improvements include exterior paint, new landscaping, new asphalt and renovation of several units. A future investor has the opportunity to continue the unit renovations and further increase rents.

Fallbrook is located in San Diego's North County Inland submarket. It is situated 1/4 mile from the east gate of the Marine Corps base Camp Pendleton. Fallbrook is "life in the country," yet within a 30 minute drive of Vista, Oceanside, Temecula, San Marcos & Escondido.

INVESTMENT SUMMARY

Address	745 Alturas Lane Fallbrook, CA 92028
Number Of Units	23
Year Completed	1988
Price	\$4,780,000
Price/Unit	\$207,826
Price/SF	\$239
Cap Rate	4.04%
Market Cap Rate	5.03%
GRM	13.2
Market GRM	11.6

Investment Highlights

VALUE-ADD WITH UPSIDE IN RENTS

Only six out of the 23 units have been renovated. Recently, the property adjacent to Autumn Haze, Solara Apartments underwent a major interior and exterior renovation. The upgraded 2-bedroom units (900 SF) are renting for \$1,575 (\$1.75 per SF). Autumn Haze's current in-place rent is \$1,373 (\$1.45) for a larger 2-bedroom unit with more property amenities. A future investor has the opportunity to complete interior renovations and increase rents.

CLOSE TO RETAIL, FOOD AND SERVICES

The property located close to grocery stores, banks, fast food and more. Albertsons, CVS, Starbucks, Northgate Market, McDonald's, Calr's Jr and a number of other services are located close by.

CLOSE TO CAMP PENDLETON

Situated 1/2 mile from the East Gate of the Marine Corps Base Camp Pendleton. Marine Corps Base Camp Pendleton is the Corps' largest West Coast training facility and encompasses more than 125,000 acres. The base has been the largest employer in North San Diego County for more than 60-years, with a daytime population of 70,000 military and civilian personnel.

CLOSE TO TEMECULA AND SAN DIEGO

Temecula is approximately 30 minutes north of Autumn Haze Apartments and north County cities such as Vista, Oceanside, San Marcos and Escondido are less than 30 minutes away. Easy accessibility to these cities allows renters to work in larger cities and reside in Fallbrook.

RURAL SETTING AND SURROUNDED BY NATURAL BEAUTY

Fallbrook has over 2,600 acres of protected land. Most of the preserves are open to the public have trails that offer excellent hikes, bird watching, beautiful scenery and native habitat and wildlife. Los Jilgueros Preserve is less than 2 miles from the property. It consists of 46 acres of preserve with a variety of looping trails totaling over 2 miles field and riparian forest.



Property Description

PROPERTY ADDRESS 745 Alturas Lane, Fallbrook, CA 92028

UNITS 23

APN 104-100-68-00

YEAR BUILT 1988

PARCEL SIZE 1 acre (±43,560 SF)

BUILDING AREA 20,426 SF (per assessor's records)

BUILDING CONFIGURATION Two (2), two-story single-loaded buildings with a surface parking lot.

CONSTRUCTION Slab on grade foundation with 2-story, wood frame buildings. Newly painted stucco exteriors.

WINDOWS Single pane aluminum windows

ROOF CONSTRUCTION Flat roofs

PARKING 35 total spaces. Parking ratio of 1.5 parking spaces per unit.

LAUNDRY Laundry room with three (3) washers and three (3) dryers. The machines are owned.

ZONING Fallbrook is an unincorporated area in San Diego County. The property is zoned RU (Urban Residential) with a Land Use Designation of VR-24 (Village Residential) and would allow 24 du/acre.





UTILITY SUMMARY

TYPE	PROVIDER	PAID BY	BILLING METHOD
Water/Sewer	Fallbrook Public Utilities District	Owner	Direct Bill
Trash	Fallbrook Waste & Recycling	Owner	Direct Bill
Electric	SDG&E	Tenant	Direct Bill
Gas	SDG&E	Tenant	Direct Bill
Cable/Phone/Internet	Time Warner	Tenant	Direct Bill

MECHANICAL/ELECTRICAL/PLUMBING

HVAC Central air conditioning and heating (gas furnace)

COOKING ENERGY Electric

ELECTRIC SERVICE 70 amps to each unit.

WATER HEATING Individual gas-fired water heater

METERING Individually metered for electric

SPRINKLERS Building has fire sprinkler system

JURISDICTION OF TAXES

JURISDICTION San Diego County

TAX ID NUMBER 104-100-68-00

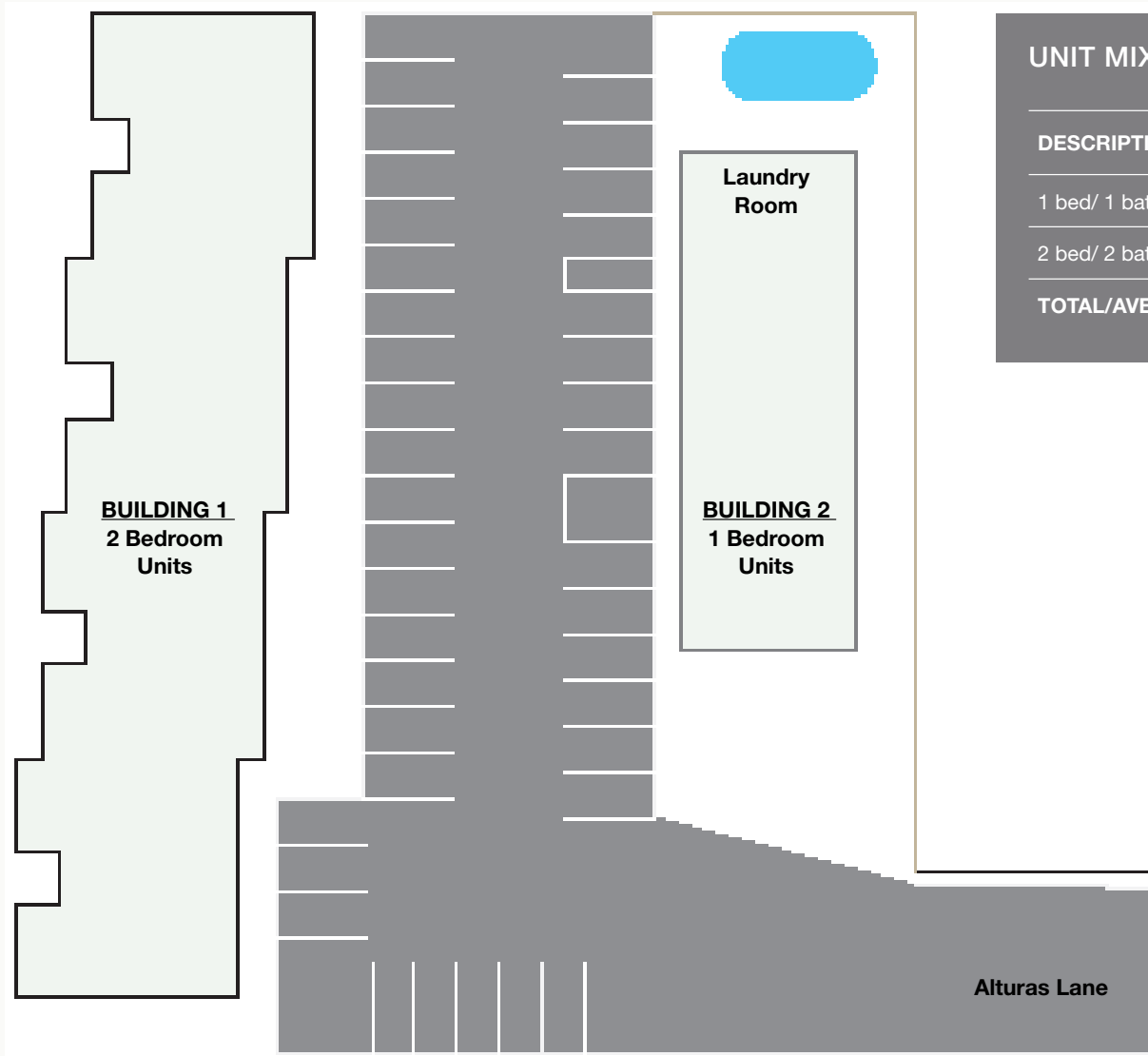
MILLAGE RATE 1.08590%

FIXED ASSESSMENTS \$405.10

TAX YEAR 2018-2019

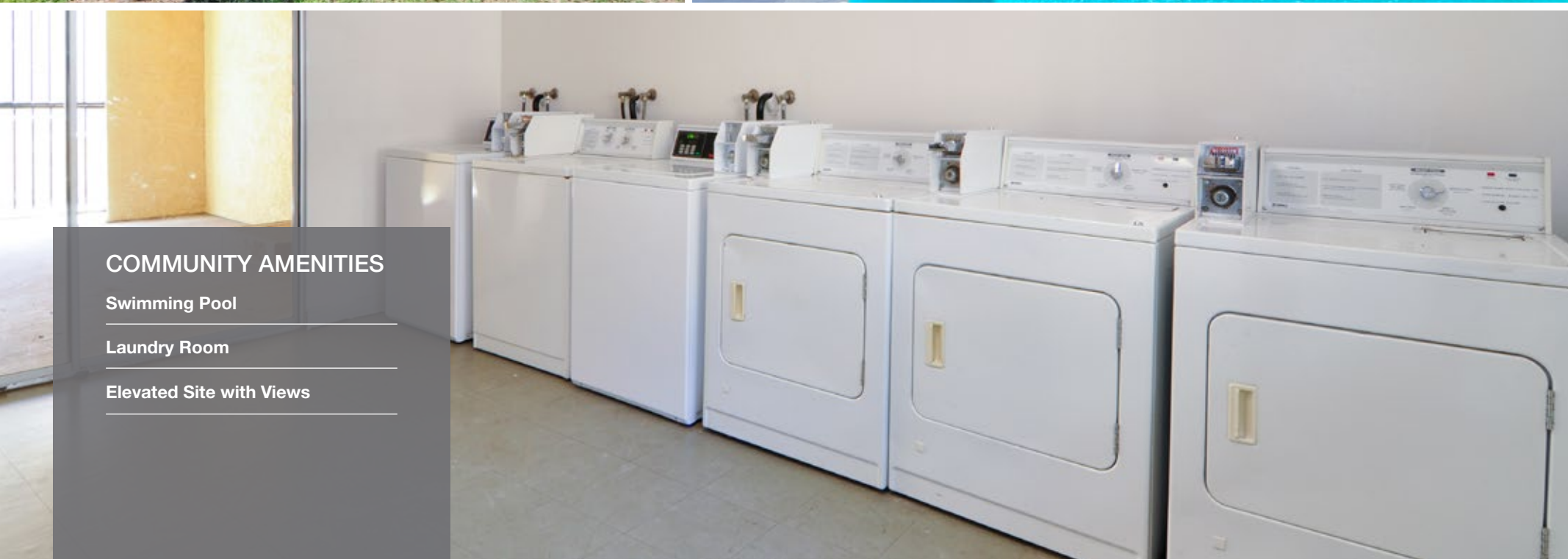
**Property taxes are reassessed at property sale*

SITE PLAN



UNIT MIX

DESCRIPTION	COUNT	EST. SF	TOTAL SF
1 bed/ 1 bath	7	690	4,830
2 bed/ 2 bath	16	950	15,200
TOTAL/AVERAGE	23	871	20,030



COMMUNITY AMENITIES

Swimming Pool

Laundry Room

Elevated Site with Views

UNIT AMENITIES

Ceiling Fans

Storage Closet

Linen Cabinet

Private Patios/Balconies

Central A/C & Heating

Nest Thermostats (smart phone automated)

Walk-in Closet *

* select units



RENOVATED KITCHEN & BATHROOMS



Financials

INCOME SUMMARY

# Units	Unit Type	Sq. Ft.	Total Sq.Ft.	March	\$/Sq.Ft.	March Total	Market Rent	Market \$/Sq.Ft.	Total Market Rent
7	1BD/1BA	690	4,830	\$1,182	\$1.71	\$8,275	\$1,325	\$1.92	\$9,275
16	2BD/2BA	950	15,200	\$1,373	\$1.45	\$21,965	\$1,565	\$1.65	\$25,040
23	Total/Avg	871	20,030	\$1,315	\$1.51	\$30,240	\$1,492	\$1.71	\$34,315

ANNUALIZED GROSS INCOME

Vacancy	3.00%					(\$10,886)			(\$12,353)
---------	-------	--	--	--	--	------------	--	--	------------

ADJUSTED GROSS INCOME

Deposits						\$351,994			\$399,427
Laundry Income						\$2,000			\$2,000
Late Charge Application fee						\$3,402			\$3,402
						\$1,950			\$1,950

EFFECTIVE GROSS INCOME

						\$359,346			\$406,779
--	--	--	--	--	--	------------------	--	--	------------------

Less Estimated Expenses:		\$/UNIT	2018 \$/YEAR	proforma \$/YEAR
Property Taxes	1.08586%	\$2,257	\$51,904	\$51,904
Fixed Assessment		\$17	\$398	\$398
Insurance		\$174	\$4,007	\$4,007
Utilities		\$1,556	\$35,795	\$35,795
Trash Removal		\$218	\$5,005	\$5,005
Repairs		\$886	\$20,377	\$20,377
Admin(lic, post, credit)		\$47	\$1,088	\$1,088
Payroll(mgmt & maint)		\$1,065	\$24,498	\$24,498
Cleaning		\$58	\$1,330	\$1,330
Contract: Pool, landscape, pest			\$9,410	\$7,500
Professional Mgmt	4.00%		\$14,423	\$14,515
			\$168,235	\$166,417
		<i>Exp./unit:</i>	<i>\$7,315</i>	<i>\$7,236</i>
		<i>Exp/psf:</i>	<i>\$8.40</i>	<i>\$8.31</i>
		<i>Exp % SGI:</i>	<i>46.4%</i>	<i>40.4%</i>

NET OPERATING INCOME

Amortization						30			
Rate						4.25%			
Debt Service	\$2,880,000 @					\$170,014			\$170,014
CASH FLOW						\$22,914			\$70,347

Cash on Cash Return	1.21%	3.70%
Principal Loan Reduction	\$47,614	\$47,614
Total Return	\$70,528	\$117,961
Return on Equity	3.71%	6.21%
DCR	1.13	1.41

INVESTMENT SUMMARY

PRICE \$4,780,000

PRICE/UNIT \$207,826

PRICE/SF \$239

DOWN PAYMENT \$1,900,000

CAP RATE 4.04%

MARKET CAP RATE 5.03%

GRM 13.2

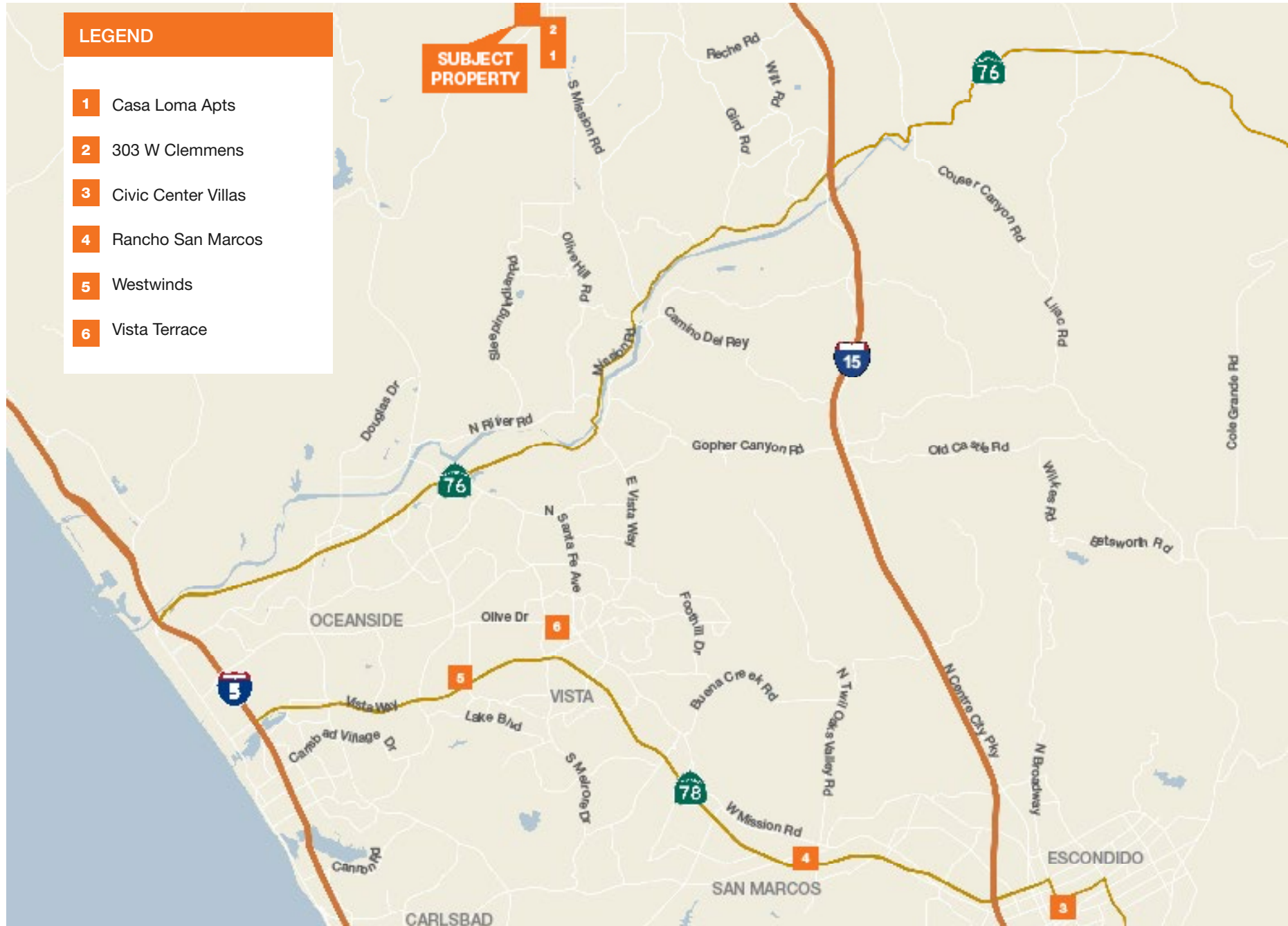
MARKET GRM 11.6

SALE COMPARABLES



PROPERTY	Autumn Haze	Casa Loma	303 W Clemmens	Civic Center Villas	Rancho San Marcos Apts	Westwind Apts	Vista Terrace
ADDRESS	745 Alturas Lane, Fallbrook	218 W. Clemmens Ln Fallbrook	303 W Clemmens Fallbrook	204 Clark St Escondido	269 W San Marcos San Marcos	171-180 Nettleton Rd Vista	415 Plymouth Dr Vista
# OF UNITS	23	48	21	20	26	39	32
YEAR BUILT	1988	1975	1988	1986	1980	1989	1980
SALE DATE	TBD	10/16/2018	8/23/2018	2/8/2018	2/28/2018	5/22/2018	1/16/2018
SALE PRICE	\$4,780,000	\$6,900,000	\$3,150,000	\$3,960,000	\$5,600,100	\$6,750,000	\$8,595,000
PRICE PER UNIT	\$207,826	\$143,750	\$150,000	\$198,000	\$215,388	\$173,077	\$268,594
PRICE PER RENTABLE SF	\$239	\$230	\$188	\$226	\$255	\$269	\$266
CAP RATE (in place)	4.0%	\$4.2%	5.7%	3.8%	4.1%	4.3%	5.1%
CAP RATE (Market)	5.0%	5.5%		5.0%	5.3%	5.0%	5.1%
GRM (in place)	13.2	11.72	10.40	13.10	13.30	12.90	11.89
GRM (Market)	11.6	10.31		11.60	11.70	11.90	11.89
UNIT MIX	7 - 1bd/1ba 16 - 2bd/2ba	16 - Studios 24 - 1br/1ba 8 - 2br/2ba	21 - 2br/1ba	4 - 1br/1ba 16 - 2br/2ba	16- 2bd/1ba 8 - 2bd/1.5ba 2 - 3bd/1ba	11 - Studios 27 - 1br/1ba 1- 2br/2ba	32 - 3bd/2ba
NOTES			Poor condition. \$50,000 per unit in renovations planned.				

SALE COMPARABLES MAP

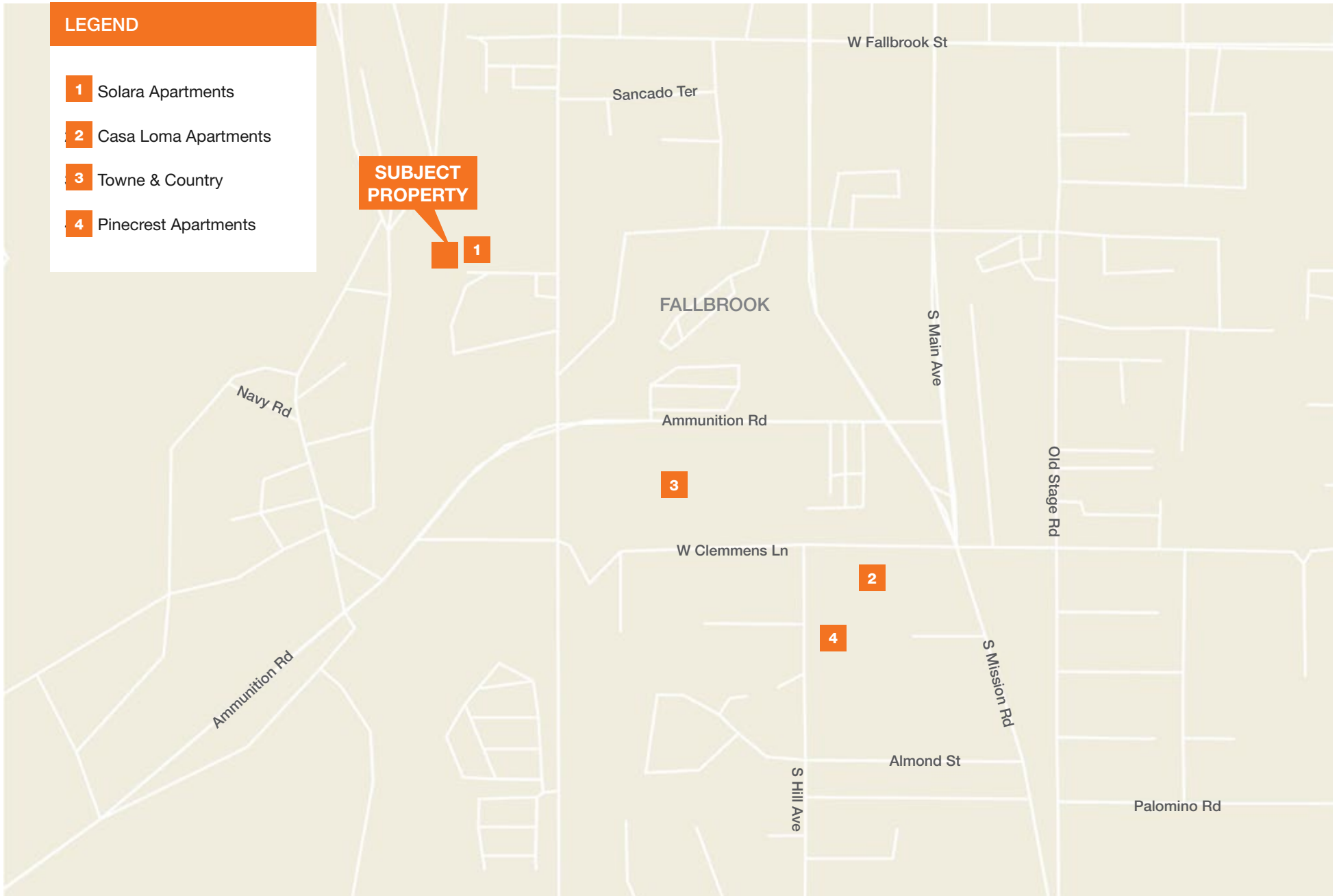


RENT COMPARABLES



PROPERTY	Autumn Haze	Solara Apts	Casa Loma Apartments	Towne & Country	Pine Crest Apartments
Address	745 Alturas Lane	725 Alturas Lane	218 W Clemmens	426 Ammunition Rd	234 W. Clemmens Ln
City	Fallbrook	Fallbrook	Fallbrook	Fallbrook	Fallbrook
# of Units	23	13	48	104	104
Built	1988	1987/ 2018 fully renovated	1975	1989	1989
1BD/1BA	7			20	48
Rent	\$1,325		\$1,170	\$1,295	\$1,305
Square Feet	690		630	630	700
Rent/Square Foot	\$1.92		\$1.85	\$2.05	\$1.86
2BD/2BA	16	13		28	40
Rent	\$1,565	\$1,575	\$1,355	\$1,500	\$1,693
Square Feet	950	900	950	890	900
Rent/Square Feet	\$1.65	\$1.75	\$1.42	\$1.68	\$1.88
Amenities	Pool, laundry facility, extra storage, forced air & heat	BBQ, pet area, wall A/C, RUBs of approx \$45 per unit is billed back	Pool & spa, leasing office, laundry facility, picnic area, wall A/C	Pool & spa, leasing office, wall A/C	Pool & spa, central air, in-unit washer & dryer

RENT COMPARBALES MAP



Market Overview

Fallbrook is a peaceful rural community of approximately 32,215 people located six miles west of Interstate 15, five miles north of Route 76 and is immediately east of US Marine Corps Camp Pendleton.

Only 12 miles southwest of Temecula, residents have access to all the conveniences and resources of a larger city. This charming community, which once housed a stagecoach stop along the route from Temecula to San Diego, currently holds the title of “Avocado Capital of the Universe” and is home to the annual spring Avocado Festival. Most of the area is characterized by rolling hills covered in avocados and citrus orchards.

Fallbrook has also gained attention recently from some of the Hollywood celebrity set looking for a quiet escape. Home owners include Jason Mraz, Sarah Michelle Gellar and Freddie Prince Jr., Tori Spelling, Dean McDermott and “Weird Al” Yankovic.



DEMOGRAPHICS



There is a population of 32,215 people in 2017. In 2022, population is projected to increase to approximately 33,553 people (0.80% increase).



Average household income in Fallbrook is \$90,287. About 28% of the households make \$100,000+ per year.



51% of the population hold a white collar profession and 26% of the population hold a blue collar occupation.



35.3 is the median age in Fallbrook



23% of the population have a bachelor's degree or higher.



In Fallbrook, there are about 11,328 households. 39% are renter occupied and 53% are owner occupied housing units.



Eric Comer

Executive Vice President
ecomer@kiddermathews.com
858.369.3084 | LIC #00842230

Jim Neil

Executive Vice President
jneil@kiddermathews.com
858.369.3083 | LIC # 01352736

Merrick Matricardi

Senior Vice President
merrickm@kiddermathews.com
858.369.3085 | LIC #01348986

kiddermathews.com