

INVESTMENT
OPPORTUNITY

Scottsdale Gateway

Fully renovated Class B multifamily
community located on the border of
Scottsdale and Tempe

MULTIFAMILY INVESTMENT OPPORTUNITY
611-Units

Scottsdale Gateway



Scottsdale Gateway is a fully renovated Class B multifamily property comprised of 611 contemporary garden-style apartment homes. Superb South Scottsdale/North Tempe location, premium amenities, and attractive landscaping combine to make this an exceptional multifamily investment opportunity.

PROPERTY DETAILS

PRICE	Unpriced	
TERMS	SG I	Loan Assumption Optional *Please see back page
TERMS	SG II	Loan Assumption Required *Please see back page
ADDRESS	2100 N Scottsdale Rd Tempe, AZ 85281	
APN #	SG I	129-17-093A
	SG II	132-71-116J & 132-71-116Q
OCCUPANCY	92.6%	
UNITS	611	
BUILT	SG I	1965
	SG II	1972
TOTAL SF	386,991	
BUILDINGS	84	
STORIES	2	
LOT SIZE	22.48 acres (27.18 du/ac)	
	SG I	4.96 acres (25.00 du/ac)
	SG II	17.52 acres (27.79 du/ac)
PARKING	853 total	

COMMUNITY AMENITIES

Business Center
Fitness center
2 Playgrounds
4 Swimming pools
Spa and wading pool
4 Laundry facilities
Barbecue areas
2 Dog park areas
Covered parking

INTERIOR AMENITIES

Washer/Dryer*
Microwave
Floor to ceiling mirrors
Walk-in closets*
Balcony/Patio
Faux wood flooring*
Breakfast bar*
Custom wood cabinets
New countertops
Updated bathrooms

*select units

INVESTMENT HIGHLIGHTS

- Scottsdale Gateway is aptly named for its strategic location between Downtown (Old Town) Scottsdale, and the main campus of Arizona State University, the country's largest university (±2 miles south).
- Fully renovated between 2006 to 2009 at a cost of \$19.6 million. Some of the major upgrades include: custom wood cabinets in kitchen and bathrooms, Karndean faux wood flooring, new fitness center, playgrounds with sun-shades, air-conditioning units, hot water heaters, resurfaced pools, and covered carports.
- Located one mile north of the Loop 202 freeway and two miles west of the Loop 101 freeway, Scottsdale Gateway has excellent drive-by exposure at the NWC of Scottsdale and McKellips Roads.
- ASU Skysong Technology Center (±1 mile north) is a mixed-use project that will consist of 1.2 million square feet of office, research, retail, multifamily, hotel and will employ 2,000 workers at build out.

Pro Forma Operating Statement

Scottsdale Gateway I & II Combined

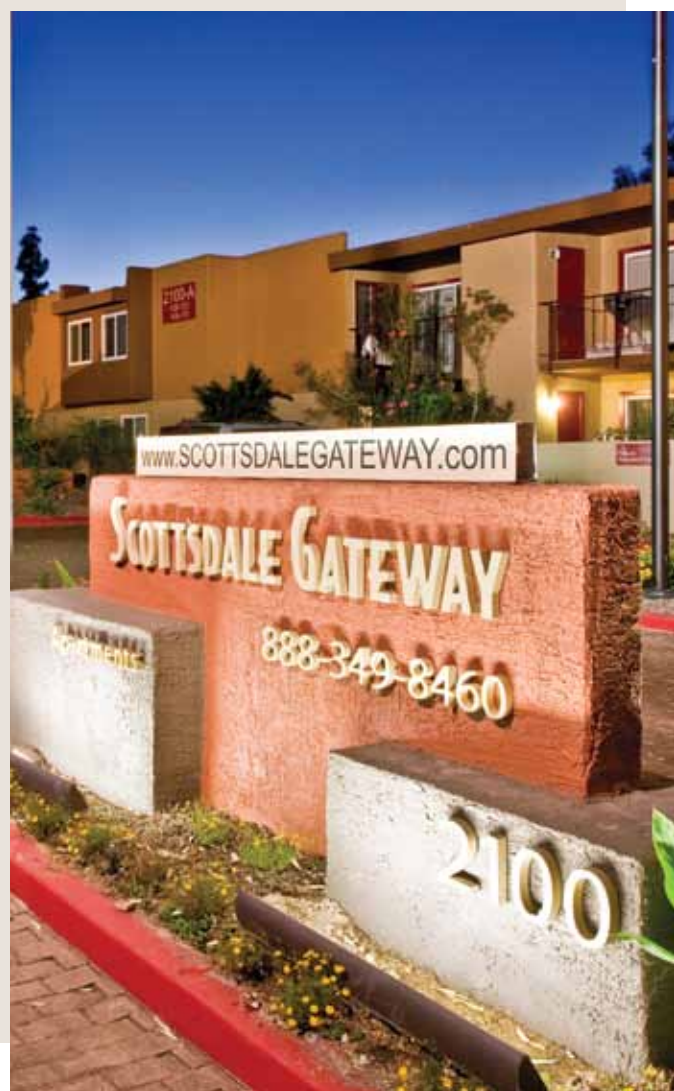
UNIT MIX / MONTHLY RENTAL RATES July 2011 Market Rents

SCOTTSDALE GATEWAY I	NAME	UNITS	MIX	AVG SF	NRSF	RENT	PSF	TOTAL
2 Bed/1 Bath	The Manhattan-2A10	124	20%	837	103,788	\$715	\$0.85	\$88,646
SCOTTSDALE GATEWAY II	NAME	UNITS	MIX	AVG SF	NRSF	RENT	PSF	TOTAL
Studio	The Bay-EA10	56	9%	308	17,248	\$524	\$1.70	\$29,354
Studio	The Paseo-EB10	77	13%	411	31,647	\$584	\$1.42	\$44,973
1 Bed/1 Bath	The Bayonne-1A10	104	17%	458	47,632	\$605	\$1.32	\$62,956
1 Bed/1 Bath	The Summit-1B10	80	13%	605	48,400	\$648	\$1.07	\$51,850
1 Bed/1 Bath	The Astoria-1C10	24	4%	605	14,520	\$635	\$1.05	\$15,246
1 Bed/1 Bath + Den	The Verranzano-1D10	64	10%	750	48,000	\$773	\$1.03	\$49,496
2 Bed/1 Bath	The Brooklyn-2A10	28	5%	750	21,000	\$790	\$1.05	\$22,112
2 Bed/1.5 Bath/TH	The Golden Gate-2A15	18	3%	1,220	21,960	\$1,012	\$0.83	\$18,222
2 Bed/2 Bath	The Mackinac-2A20	36	6%	911	32,796	\$899	\$0.99	\$32,374
		487		582	283,203	\$671	\$1.15	\$326,584
Total/Average		611		633	386,991	\$680	\$1.07	\$415,230

INCOME AND EXPENSES

INCOME	YEAR 1 PROFORMA	
Gross Potential Rent		\$4,962,279
Vacancy loss	4.00%	\$(198,491)
Concessions		
Other rent loss	1.00%	(49,623)
Net rental income		\$4,714,165
Other income	\$633	\$386,587
Effective gross income	\$9,041	\$5,524,210

EXPENSES	PER UNIT	ANNUAL
Payroll	\$1,050	\$641,550
Contract Services	214	130,658
Turnover Expense	110	67,507
Repairs & Maintenance	246	150,006
Marketing	113	69,183
Administrative	260	159,018
Controllable Expense Subtotal	\$(1,993)	\$(1,217,923)
Utilities	\$942	\$575,669
Management Fees (3%)	271	165,726
Insurance	160	97,760
Real Estate Taxes (2011 est)	296	180,982
Recurring Capital Expenditures	300	183,300
Total expenses	\$(3,963)	\$(2,421,360)
Net operating income	\$5,078	\$3,102,850



Loan Summary

Scottsdale Gateway is comprised of two separate legal entities with individual existing loans, which are summarized as follows:

	SCOTTSDALE GATEWAY I-124 UNITS	SCOTTSDALE GATEWAY II-487 UNITS
LENDER:	Deutsche Bank Berkshire Mortgage, Inc. (Freddie Mac)	Wells Fargo Bank, National Association (Freddie Mac)
ORIGINATION DATE:	December 18, 2007	June 30, 2010
FIRST INSTALLMENT DATE:	February 1, 2008	August 1, 2010
MATURITY DATE:	January 1, 2018	July 1, 2020
ORIGINAL LOAN BALANCE:	\$5,800,000	\$16,800,000
CURRENT LOAN BALANCE (AUGUST 2011):	\$5,757,077	\$16,531,886
FIXED INTEREST RATE:	5.76%	5.02%
CURRENT LOAN CONSTANT:	7.06%	6.56%
AMORTIZATION:	30 years. The first 36 months were interest-only with 30-year amortization commencing on February 1, 2011.	30 years
MONTHLY PRINCIPAL & INTEREST PAYMENT:	\$33,884.08	\$90,931.49
PREPAYMENT PENALTY:	\$1,254,652	N/A
PREPAYMENT METHOD:	Yield Maintenance – Calculated on the 4.75% U.S. Treasury Security due August 15, 2007.	Locked out to defeasance until 07/29/14
SUPPLEMENTAL FINANCING:	Allowable with lender approval	Allowable with lender approval
ASSIGNED TO REMIC TRUST:	No	Yes



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FOR MORE INFORMATION

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