

# Vista Village

**Property Location:**

1805 West Cortez Street  
Phoenix, Arizona 85029

**PAM Real Estate Group, LLC**

3740 Carillon Point  
Kirkland, Washington 98033  
Phone: 425-213-1900

**MEB Management Services**

1215 East Missouri  
Phoenix, Arizona 85014

**Important Points:**

- **Sale pending.**
- **Occupancy at 98%.**
- **Rents have improved to \$649 & \$659 per month.**

## WE HAVE ACCEPTED AN OFFER TO SELL VISTA VILLAGE FOR \$3,300,000.

We have accepted an offer to sell Vista Village for \$3.3 million. Provided the buyer removes their financing contingency, the sale is expected to close late June. The Phoenix valley continues to feature growth in all sectors including business, jobs, and rental rates. We have seen an increased demand from investors for smaller, good quality, multifamily property. Vista Village is a nicely upgraded and well maintained property that pushes all the right buttons for many buyers. When we acquired the property in early 2011 we projected a sale in 10 years at \$2.795 million. This current sale represents a significant premium over the projected sale and it is being accomplished in fewer years. We will be paying a loan prepayment penalty, but we feel the sale price is significant enough to mitigate that cost. Profit and invested principal will be distributed approximately 30 days after closing. The time is needed to pay any remaining expenses and to prepare and review final accounting,

Our property management company, MEB, continues to meet or exceed our expectations with Vista



An attractive and well maintained pool for residents.

Village and other properties.

The Colliers International real estate firm reports continued strength in the Phoenix area's multifamily market. Vacancy rates stand at 5.7%, down from 13% in 2009. Renters moved into 2,800 units during the quarter, up 15% from 1Q 2014. According to Colliers, there have been 6,200 apartments rented in the past 12 months in the Phoenix region. That demand has pushed up rents an average of 2.2% valley wide in the first quarter with average rents of \$837.

According to the Phoenix Business Journal, the Phoenix unemployment rate dropped to 5.4% from

5.9% last month, which is lower than the national average of 5.5%. US Bank reported that nine of eleven sectors gained jobs last month and last year, which is the strongest performance since 2007. In terms of the number of employees, professional and business services added the most jobs of any employment sector.

Attached is an Audited Financial Statement for the period ending December 31, 2014. These statements were audited by Loveridge Hunt & Co., PLLC in accordance with the standards of the Public Company Accounting Oversight Board and are being delivered to you within 120 days of year's end.

## FINANCIAL COMMENTARY

Vista Village is performing in line with our original proforma on a 12 month trailing basis, but has improved substantially during the last quarter as the Phoenix market in general and this sub-market in particular has improved substantially. This, plus good management has allowed us to push rents to higher levels.

First quarter 2015 net operating income was \$51,716, which is over \$200,000 on an annualized basis. Occupancy is currently at 98% and has remained in the mid to

upper 90's while raising rents to \$649 and \$659. This is a nice improvement over the rents from a year ago that were below \$600.

Expense control continues to be a priority. Operating expenses have been falling each year since 2012 and continue falling on an annualized basis during the first quarter of 2015. This has been done while maintaining the property at a high level.

We are looking forward to completing the sale in June.

As always, please do not hesitate to call with any questions or comments.

Mike Thayer  
425-213-1900



*"If your travels take you to Phoenix, please let us arrange a personal tour of your investment. Please do not hesitate to call with any questions or comments regarding this or any of our Phoenix area multifamily investments."*

## FINANCIAL SUMMARY — JANUARY 1 THRU MARCH 31, 2015

	January	February	March	Quarterly Totals	Trailing 12 Month Totals
<b>INCOME</b>					
Income from Rents	\$33,263	\$32,627	\$31,885	\$97,774	\$379,118
Other Income	\$4,617	\$5,486	\$4,860	\$14,966	\$56,508
Total Income	\$37,889	\$38,113	\$36,745	\$112,740	\$435,626
<b>EXPENSES</b>					
Administration	\$495	\$515	\$606	\$1,616	\$7,942
Payroll	\$5,518	\$8,519	\$7,663	\$21,701	\$94,665
Marketing	\$277	\$562	\$991	\$1,830	\$10,645
Utilities	\$4,561	\$4,247	\$4,191	\$12,999	\$58,403
Repairs	\$358	\$291	\$975	\$1,624	\$11,205
Supplies	\$546	\$967	\$683	\$2,196	\$10,872
Management Fee	\$2,500	\$2,500	\$2,500	\$7,500	\$30,000
Misc. Contract Services	\$445	\$2,411	\$1,046	\$3,902	\$24,159
Property Taxes	\$1,623	\$1,623	\$1,623	\$4,869	\$19,821
Insurance	\$929	\$929	\$929	\$2,787	\$10,947
Total Operating Expenses	\$17,253	\$22,564	\$21,207	\$61,024	\$278,658
<b>Net Operating Income</b>	\$20,629	\$15,549	\$15,538	\$51,716	\$156,967

**Note:** Capitalized Interest and Renovations Expenses are not shown on the Income Statement. The above represents an unaudited compilation of financial information from MEB. Adjustments, as needed, will be included in the audited year-end statements.