

Orange County

MULTI-HOUSING GUIDE

ANAHEIM EDITION

3 thru 24 Units



WRGORMAN
& ASSOCIATES

PERSONALIZED WEALTH BUILDING IN REAL ESTATE

About Us

W.R. Gorman & Associates is a client-focused real estate investment brokerage and advisory company providing investment, transaction, and mentoring expertise. Taking investing to the next level, the firm has developed a strategic compilation of knowledge specific to Orange County income properties.

The company was founded in 1972 by Bill Gorman, whose 40-plus years of investment and real estate brokerage experience are underscored by a long-held commitment to studying market trends and influences. Bill's unique understanding of contrarian investing principles and the 18-year real estate cycle has paved the way for W.R. Gorman & Associates' clients to secure their own financial independence. In addition to Bill's leadership, the company also benefits from the experience of his son, Tim Gorman, a seasoned real estate investor, licensed broker, and CPA, as well as Randy Combs, MBA, broker, and investor.

At W.R. Gorman, the client comes first. The company is defined by its desire to help clients on a long-term basis. Individuals take the time to (1) get to know you, (2) understand your objectives, and (3) complete an in-depth, no-charge analysis of your income properties. In essence, W.R. Gorman & Associates is not defined by transactional relationships, but rather by a desire to help clients succeed in wealth building over the course of their lives, and then continuing to assist the next generation of family members.

As a real estate investment brokerage that is committed to constant improvement by offering an impressive array of services, the company has recently announced a partnership with Sterling Property Management, Inc., a leading professional property management company. This strategic alliance provides added convenience and unmatched expertise to property owners. See page 10 for details.

In addition to the outstanding team that "Coach" Bill has assembled, W.R. Gorman & Associates includes an Advisor's Board, comprised of distinguished professionals, each with their own unique track record of success in real estate investment.

This Board includes the following individuals:

- Nick Lieberman, **BONA FIDE MORTGAGE**
- Steve Duringer, **THE DURINGER GROUP**
- Al Gobar, **ALFRED GOBAR ASSOCIATES**
- Clement Morin, **CLEM MORIN ACCOUNTANTS**
- Ray Maggi, **MPMS**
- Jacquie McNulty, **ALLIANCE MUTUAL ESCROW**
- M. Wayne Foss, **FOSS REALTY ADVISORS**
- Hal Pappano, **STERLING PROPERTY MANAGEMENT**

Contact us today to find out how to receive updates on the changing OC rental income market and to receive your complimentary, no obligation portfolio analysis. Together, our family will guide your family in highly successful "wealth building in real estate."

Meet The Team



From left to right: Randy, Jazmine, Bill, Tim & Sonya

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Bill Gorman, MBA, CCIM | CalBRE# 00385396

Bill has been a broker and a successful income property investor for over 40 years. In addition to serving as a past-president of the Apartment Association of Orange County, Bill is also an accomplished author and teacher. He has authored numerous articles for Apartment News Magazine and has taught various real estate classes.

Tim Gorman, CPA | CalBRE# 01929799

Continuing the family tradition as a licensed real estate broker, Tim is also a Certified Public Accountant and a small business owner with a strong corporate marketing and finance background. Tim is a current member of the Board of Directors for the Apartment Association of Orange County and holds a CAM designation.

Randy Combs, MBA | CalBRE# 01930023

A licensed real estate broker with an MBA from Pepperdine University, Randy is an active member of the Apartment Association of Orange County and holds a CAM designation. In addition, his background includes both small business ownership and successful real estate investment experience.

Jazmine L. Ochoa, Realtor & Notary Public | CalBRE# 01325712

Possessing extensive residential and multi-family sales, leasing, and transactional experience, along with holding a Notary Public Commission, Jazmine earned her designation as a Certified Apartment Manager through the Apartment Association of Orange County.

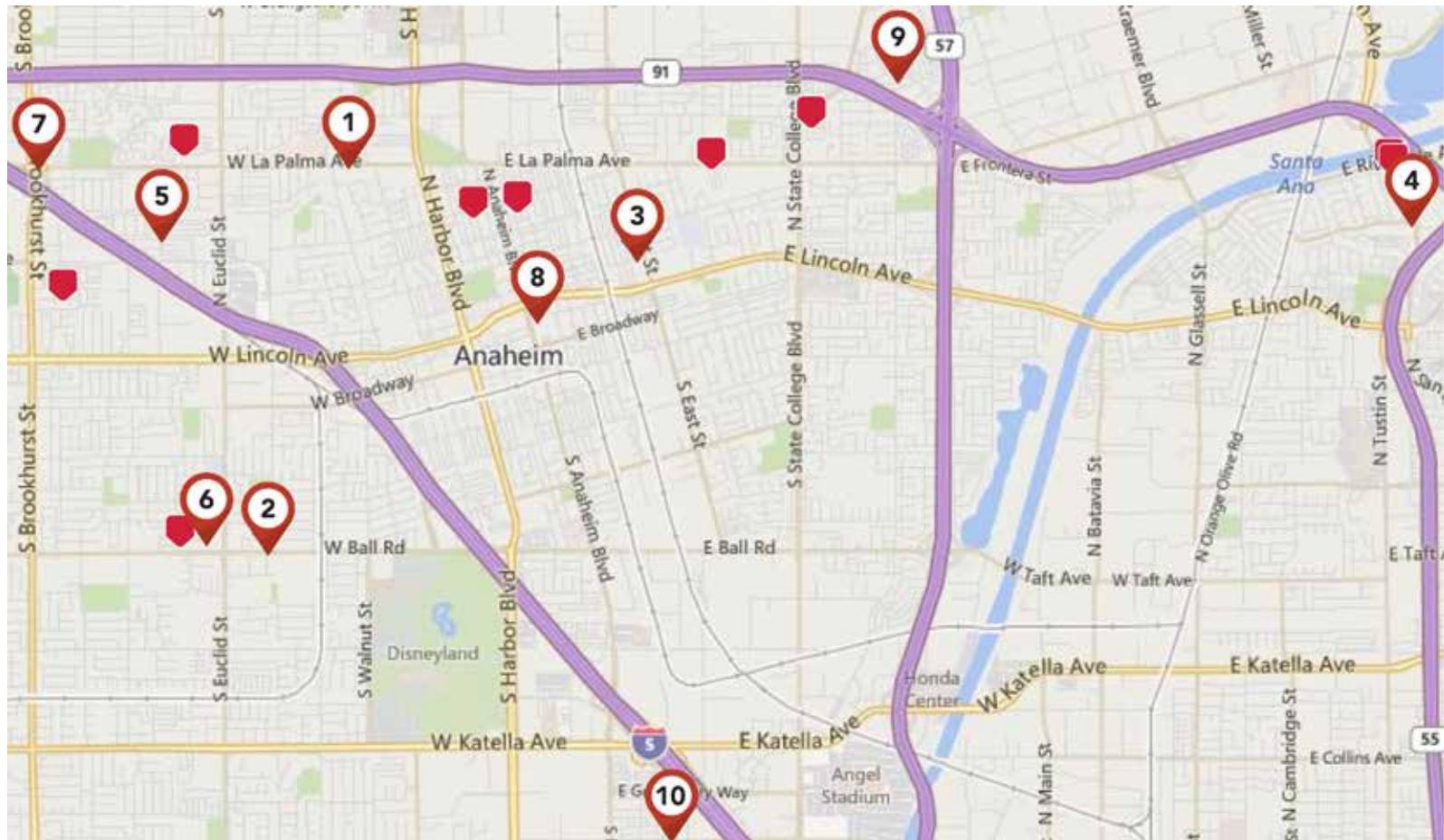
Sonya Loera, Realtor & Transaction Coordinator | CalBRE# 01947308

With years of experience in accounting and as a broker's assistant, Sonya is a licensed real estate agent. Sonya ensures all transactions are completed smoothly, timely and accurately.

Anaheim – 4th Quarter 2014

SALES COMPS, MARKET OVERVIEW & RENTAL SURVEY

	Total Sold	Sold Price	GSI	GRM	NOI	Cap Rate	Price Per Door	DOM
3 Unit Summary	2	\$558,250	\$43,710	12.65	\$32,236	5.85	\$186,083	41
4 Unit Summary	14	\$815,886	\$61,505	13.49	\$47,372	5.80	\$203,971	70
5- 24 Unit Summary	6	\$1,808,167	\$151,690	12.52	\$67,057	5.06	\$164,795	99



UPDATED QUARTERLY. CONTACT US FOR INFORMATION ON ANY OC MARKET.

■ Properties sold in 2014. See details in pocket.
 # Highlighted properties sold in 2014.

1

925 WEST LA PALMA AVENUE



UNITS 10
SOLD PRICE \$1,440,000
GSI \$120,420
GRM 11.96
CAP RATE 5.27
PPD \$144,000
DOM 13
COE DATE 10/6/14

UNIT MIX & RENT
 (6) 1br/1ba \$940
 (3) 2br/1ba \$1,057
 (1) 2br/1ba \$1,225

- Corner lot
- Mix of garages and covered carport parking
- Landscaped courtyard
- Units individually metered for electricity and gas
- Tenants pay individual trash bills

2

1609 WEST BALL ROAD



UNITS 8
SOLD PRICE \$1,250,000
GSI \$96,200
GRM 12.99
CAP RATE 5.60
PPD \$156,250
DOM 60
COE DATE 10/9/14

UNIT MIX & RENT
 (3) 3br/2ba \$1,400
 (1) 2br/1ba \$1,250
 (6) 1br/1ba \$1,110

- Low vacancy
- Each unit has its own garage
- All units downstairs have tiles
- Some units have newer carpet upstairs
- Includes newer commercial grade water heater

3

306 NORTH ROSE STREET



UNITS 7
SOLD PRICE \$900,000
GSI \$75,000
GRM 12.00
CAP RATE 5.37
PPD \$128,571
DOM 33
COE DATE 10/10/14

UNIT MIX & RENT (7) 1br/1ba \$825-925

- Garden style property with gated entry
- Each unit has security screen doors
- Garage parking
- Separate meters for gas and electric
- On-site laundry facility

Terms

GSI	Gross Scheduled Income: Gross Annual Rents (no vacancy factor, actual rents)
GRM	Gross Rent Multiplier: GSI divided by price
NOI	Net Operating Income
CAP RATE	Capitalization Rate: NOI divided by price
PPD	Price Per Door
DOM	Days on Market
COE DATE	Close of Escrow

4

107 NORTH TUSTIN AVENUE



UNITS 4
SOLD PRICE \$839,000
GSI \$59,760
GRM 14.04
CAP RATE 4.67
PPD \$209,750
DOM 123
COE DATE 10/16/14
UNIT MIX & RENT (1) 3br/1.5ba \$1,250
 (2) 2br/1ba \$1,350
 (1) 1br/1.5ba \$980

- Trees in yard for enhanced privacy
- Crown molding in living rooms
- Wood laminate flooring
- Separate gas and electric meters
- Includes on-site laundry

5

1836 WEST GREENLEAF AVENUE



UNITS 4
SOLD PRICE \$825,000
GSI \$62,400
GRM 13.22
CAP RATE 5.75
PPD \$206,250
DOM 9
COE DATE 11/3/14
UNIT MIX & RENT (1) 3br/2ba \$1,500
 (1) 2br/1ba \$1,275
 (1) 2br/1ba \$1,225
 (1) 2br/1ba \$1,200

- Dual pane windows
- Upgraded items throughout

6

928 SOUTH FANN STREET



UNITS 7
SOLD PRICE \$1,085,000
GSI
GRM
CAP RATE 5.48
PPD \$155,500
DOM 19
COE DATE 11/4/14
UNIT MIX & RENT (3) 2br/1ba \$1,025-1,300
 (4) 1br/1ba \$775-1,100

- Tuck-under garages in rear alley
- Separate building from laundry room
- Separate meters for gas and electric

7

318 EAST JULIANNA STREET



UNITS 3
SOLD PRICE \$400,000
GSI \$32,940
GRM 12.14
CAP RATE 6.10
PPD \$133,333
DOM 63
COE DATE 11/14/14
UNIT MIX & RENT (1) 2br/1ba \$1,275
 (1) 1br/1ba \$825
 (1) 0br/1ba \$650

8

201 EAST CENTER STREET



UNITS	20
SOLD PRICE	\$5,349,000
GSI	\$399,628
GRM	13.38
CAP RATE	1.71
PPD	\$267,450
DOM	286
COE DATE	11/18/14
UNIT MIX & RENT	(10) 2br/2ba \$1,350-1,560 (5) 0br/1ba \$950-1,045 (1) 2br/1ba \$1,225 (3) 1br/2ba \$1,200-1,560

9

2542 EAST PARK LANE



UNITS	4
SOLD PRICE	\$843,000
GSI	\$66,600
GRM	12.66
CAP RATE	5.72
PPD	\$210,750
DOM	29
COE DATE	12/16/14
UNIT MIX & RENT	(1) 3br/2ba \$1,650 (1) 2br/2ba \$1,300 (1) 2br/2ba \$1,350 (1) 2br/1.5ba \$1,250

- Newer flooring and paint
- One garage and parking space
- On-site laundry
- Tenants pay gas and electric

10

2077 SOUTH NAUTICAL STREET



UNITS	4
SOLD PRICE	\$1,050,000
GSI	\$77,520
GRM	13.54
CAP RATE	5.36
PPD	\$262,500
DOM	84
COE DATE	12/17/14
UNIT MIX & RENT	(1) 3br/2ba \$1,985 (1) 2br/1ba \$1,598 (1) 2br/1ba \$1,450 (1) 1br/1ba \$1,250

- On-site laundry
- Upgraded units include new paint and windows
- New granite countertops and appliances
- New carpet and fans

MARKET LEVEL DATA

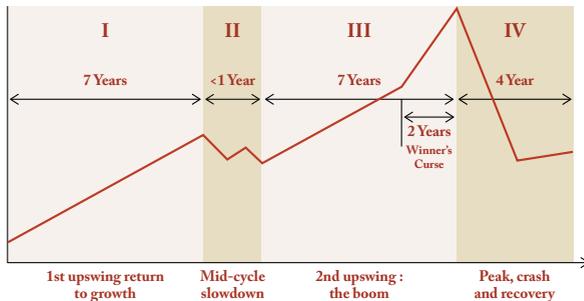
	AVG RENT	AVG SF	AVG COST/SF
ALL	\$1,468	856	\$1.71
STUDIO	\$1,140	484	\$2.36
1BR/1BA	\$1,301	734	\$1.77
2BR/1BA	\$1,439	918	\$1.57
2BR/2BA	\$1,716	1,018	\$1.69
3BR/2BA	\$1,937	1,204	\$1.61
AVERAGE OCCUPANCY	96.10%		

Source: Realfacts.com. 100+ unit properties.

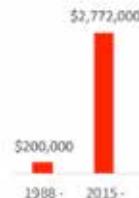
Coach Gorman's Top Ten Investment Tips

- 1 Grow your wealth in real estate by being committed to studying, evaluating, quantifying and planning.
- 2 Own two or more properties and expand into locations that take advantage of different phases of the real estate cycle.
- 3 Focus on buying when nobody wants to buy. (When "first look" becomes a priority, it is time to sell).
- 4 Prepare for both inflation and deflation by protecting your current position and looking for opportunities.
- 5 Uncertainty is certain, so always quantify the risk/reward and diversify for greater security.
- 6 Have a succession plan that reflects what your family is willing and able to manage.
- 7 Understand how global, national and local events impact your real estate holdings.
- 8 Review your real estate portfolio on an annual basis or more frequently if circumstances change.
- 9 Work with a real estate company that embraces your needs, provides options, and understands the timing of income property investing and compounding (the 8th wonder of the world)

10 EXCHANGING AT THE RIGHT TIME IN THE 18-YEAR CYCLE GIVES A BIG ADVANTAGE

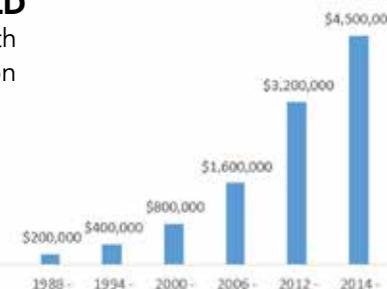


BUY & HOLD
Equity Growth
of \$2.6 million



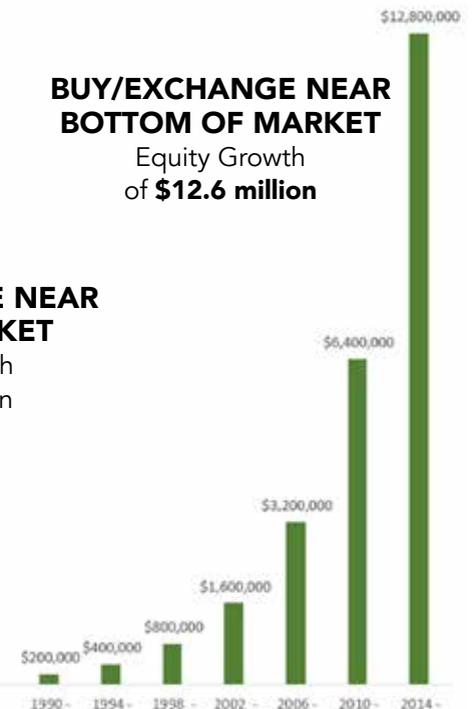
BUY/EXCHANGE NEAR TOP OF MARKET

Equity Growth
of \$4.3 million



BUY/EXCHANGE NEAR BOTTOM OF MARKET

Equity Growth
of \$12.6 million



Coach Bill Gorman

Personalized Wealth Building in Real Estate

ENJOY MULTIPLE OPTIONS AND OPPORTUNITIES WHEN YOU OWN MORE THAN ONE PROPERTY

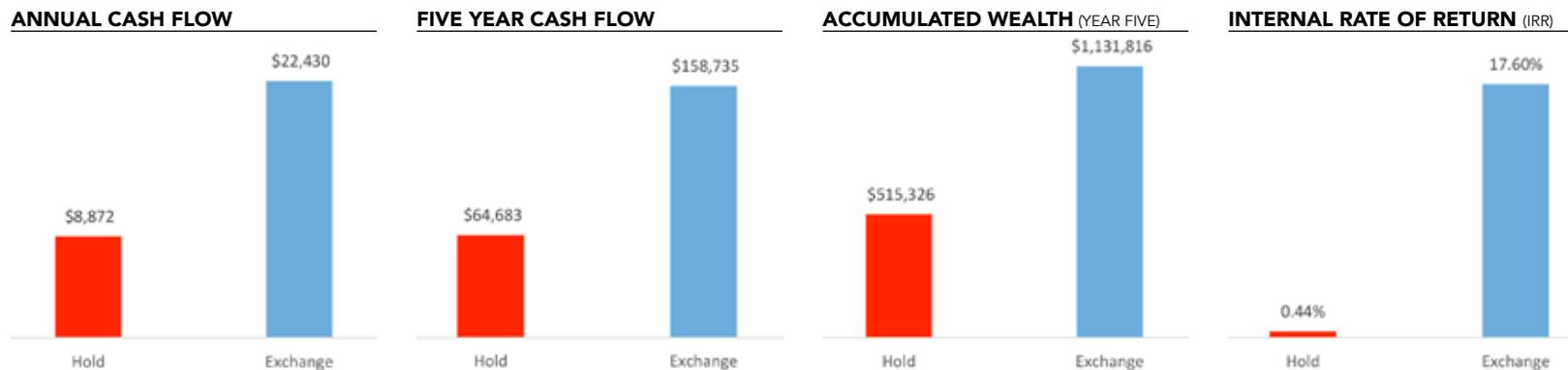
EXAMPLE PORTFOLIO OVERVIEW*

	1985	2005	2007
Purchased:	1985	2005	2007
Property Address:	123 Any Street, Brea	224 Example Ave, Huntington Beach	324 Sample Lane, Fullerton
Property Type - Unit Count:	40 Unit	Fouplex	Fouplex
Purchase Date:	7/1/85	8/1/06	1/1/08
Purchase Price:	\$6,000,000	\$1,200,000	\$700,000
Estimated Property Value:	\$10,000,000	\$1,190,000	\$950,000
Equity:	\$4,000,000	\$436,872	\$494,000
ACTION:	Refinance	Sell	Exchange
	↓	↓	↓
	Refinance this long-term hold property to increase cash flow.	Rather than holding through another cycle in hopes of gaining more equity, sell now and set up reserves for a future purchase (or spend the money and have fun).	Execute a 1031 Tax-Deferred exchange into multiple properties providing better cash-flow and other personally selected advantages.

In addition to annual real estate portfolio reviews, life, economic and legislative changes create "Trigger Points" that often require further review and action.

A REAL ESTATE PORTFOLIO REVIEW CAN MAXIMIZE RETURNS

CALL FOR YOUR PERSONAL PORTFOLIO OVERVIEW



Fully detailed sample analysis is included in the back pocket.

Introducing Property Management Plus



W.R. Gorman & Associates has contracted with **Sterling Property Management, Inc.**, a leader in proactive, attentive property management, to provide two layers of service and support. Along with monthly reviews, quarterly reports and annual property performance audits, W.R. Gorman & Associates now offers the synergistic, professional services of Sterling Property Management, Inc. In essence, Property Management Plus offers our clients two expert companies for the price of one.

Why Sterling? Over the past 20 years, Bill Gorman and Hal Pappano have worked together on many occasions. Both family-owned companies operate with the same high-level of commitment to developing long-term, successful relationships through thoughtful, personalized service. With offices located less than a mile apart, W.R. Gorman and Sterling Property Management are a perfect match for full-service, client-focused real estate investors.

Founded in 1986, Sterling Property Management has managed more than 250 locations ranging in size from duplexes to complexes of 100+ units. The company has a proven track record, and is well known for its friendly staff, easy-to-understand operating reports, and prompt response to owner and resident requests.

SERVICES UNIQUE TO PROPERTY MANAGEMENT PLUS

- Ongoing oversight of on-site and off-site management services
- Monthly operational "snapshot" reports
- Detailed monthly operating expense and income reports
- Frequent property and vacant unit inspections
- Comprehensive resident screenings
- Established relationships with vendors for competitive pricing
- Experienced advice for insurance purchases and claims
- Regular competitive rental rate surveys
- Fully implemented rent collection procedures
- Ongoing training for all personnel involved in property operations

ANAHEIM



29 UNITS

BREA



45 UNITS

FULLERTON



4 PLEX

LA HABRA



24 UNITS



CHECK OUR WEBSITE AND YOUR MAILBOX FOR UPCOMING WORKSHOPS & ANNUAL CONFERENCE DATES

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