MULTIFAMILY / BROKER UNDERWRITING NOTES

Ridgeview Apartments

83 Castro Street, Salinas, California | Independent public example

Keep manager housing in the base case.

Request the employment agreement before assigning rent to Unit 1. Any change in staffing also changes the expense case.

$28,800
Annual gross rent above the unit-level market roll

BUYER DSCR
1.31x
67.9% debt at 6.00%

$269.1K
Buyer NOI
Schedule case

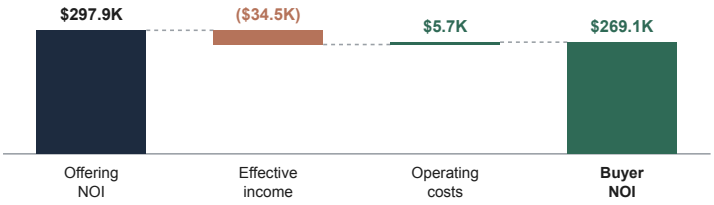
$275.9K
Market case NOI
At unit-roll market rents

71.3%
DSCR-limited LTV
1.25x minimum

The brochure reports $265,098 of scheduled NOI after reserves. The buyer recast places the reserve below NOI, which changes the coverage calculation. Use cash after reserves and debt to compare proceeds on the same basis.

01 Offering NOI to buyer NOI

Annual operating income. Each step uses the workbook inputs.



02 Coverage at asking

Buyer schedule NOI by interest rate and loan-to-value.

Rate / LTV	62.9%	67.9%	72.9%
5.50%	1.50x	1.39x	1.29x
6.00%	1.42x	**1.31x**	1.22x
6.50%	1.34x	1.24x	1.16x

03 Which assumptions move the deal

Annual or ratio	Schedule	Roll market	Tax stress
Property tax	$50,850	$50,850	$55,935
NOI	**$269,098**	**$275,887**	**$264,013**
Debt coverage	1.31x	1.35x	1.29x
Cash after reserve and debt	$60,052	$66,841	$54,967

04 Value of the manager apartment assumption

The offering adds $28,800 of gross annual rent above the unit schedule. After vacancy and off-site management, the difference is $25,992 of annual operating income. Verify the manager's replacement cost before treating it as upside.

05 Before the next showing

Manager housing	Get the agreement before crediting additional rent. If management changes, show the cash rent and the replacement cost together.
Lease timing	Reconcile Unit 2's June move-in to the May roll. A scheduled lease and a first payment belong on different lines.
Reserve treatment	Show the expense schedule and reserve separately. The brochure includes the reserve before NOI, while the buyer model deducts it below NOI.

What to give a buyer. Lead with fifteen revenue apartments and one manager unit. Show operating income before reserves and cash after reserves on the same page.

Albers Real Estate offering memorandum, May 2026, pp. 2 to 4. Historical asking-price analysis. The broker subsequently marked the property sold.