MULTIFAMILY UNDERWRITING

Ridgeview Apartments

83 Castro Street, Salinas, California

$4,199,000

Asking price

May 2026 offering and rent schedule

Property	Built / area	Improvements	Parcel
16 two-bedroom apartments	1983 / 12,457 square feet	Three residential buildings	253-061-027

One unit accounts for the rent gap.

The pro forma assumes 16 rents of $2,400 a month. The unit roll assigns zero cash rent to the manager's apartment. The annual difference is $28,800.

MARKET RENT ON THE UNIT ROLL



15 apartments at $2,400/mo

1 manager apartment at $0 cash rent

01 Annual net operating income at the asking price

Offering pro forma	Buyer scheduled case	Buyer market-roll case
$297,880	$269,098	$275,887
7.09% reported cap	6.41% cap on scheduled rents	6.57% cap on roll-market rents

The brochure deducts the reserve before NOI. Buyer NOI appears before reserves, which are reconciled on page 2.

02 Monthly apartment rent schedule

Monthly apartment rents from page 4. The source labels this the May roll but gives Unit 2 a June 1 move-in. Lease-end dates and collections are unavailable.

Unit	Schedule / mo	Market / mo	Unit	Schedule / mo	Market / mo
1	$0.00	$0	9	$2,438.59	$2,400
2	$2,295.00	$2,400	10	$2,313.46	$2,400
3	$2,313.46	$2,400	11	$2,349.00	$2,400
4	$2,395.00	$2,400	12	$2,395.00	$2,400
5	$2,295.00	$2,400	13	$2,522.00	$2,400
6	$2,094.13	$2,400	14	$2,295.00	$2,400
7	$2,313.46	$2,400	15	$2,284.00	$2,400
8	$2,491.00	$2,400	16	$2,579.00	$2,400

All apartments: $35,373.10 scheduled and $36,000 at rent-roll market assumptions per month.

Timing. Excluding Unit 2 until its listed June move-in leaves $33,078.10 in scheduled monthly rent. Confirm the lease and first receipt before treating either total as income received.

03 Property and operating evidence

Manager unit. Unit 1 houses the on-site manager. The brochure describes a rent credit for the work and shows no cash rent.

Other income. The property offers laundry and paid parking. Both receipts are separate from apartment rent.

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

OPERATING STATEMENT

From offering income to buyer NOI

Ridgeview Apartments | 83 Castro Street, Salinas, California

The reserve changes the NOI definition.

The offering deducts replacements in operating expenses. The buyer model shows that reserve below NOI once, before debt service.

$4,000
Annual reserve on all 16 physical units

04 Annual operating statement

The offering column reproduces its marketed pro forma. Buyer columns preserve the zero-cash-rent manager apartment and present replacements below NOI. Dollar amounts are rounded independently.

Annual	Offering pro forma	Schedule	Roll market	Tax stress
Gross scheduled rent	$460,800	$424,477	$432,000	$424,477
Other income	$11,112	$11,112	$11,112	$11,112
Vacancy / credit allowance	$23,040	$21,224	$21,600	$21,224
Effective gross income	**$448,872**	**$414,365**	**$421,512**	**$414,365**
Operating expenses	$150,992	$145,267	$145,625	$150,352
Net operating income	**$297,880**	**$269,098**	**$275,887**	**$264,013**
Cap rate at asking	**7.09%**	**6.41%**	**6.57%**	**6.29%**

The brochure reports $265,098 on scheduled rents and $297,880 on its pro forma, both after the reserve. At unit-roll market rents, with manager housing retained, buyer NOI is $275,887 before the reserve.

05 Expense detail

The brochure includes the reserve in operating expenses. Its market expense lines sum to $150,993, one dollar above the printed expense total.

Offering expense	Scheduled	Market
Property tax	$50,850	$50,850
Direct assessments	$481	$481
Repairs and maintenance	$12,000	$12,000
On-site manager	$0	$0
Off-site management	$20,718	$22,444
Insurance	$8,000	$8,000
Waste collection	$20,520	$20,520

Offering expense	Scheduled	Market
Sewer	$13,500	$13,500
Water	$8,220	$8,220
Common utilities	$3,336	$3,336
Landscaping	$3,000	$3,000
Apartment cleaning	$2,850	$2,850
Rent registration	$1,792	$1,792
Replacement reserve	$4,000	$4,000

06 Income after annual replacement reserves

NOI convention	Buyer schedule	Buyer market
NOI before reserves	$269,098	$275,887
Less annual reserve	$4,000	$4,000
Income after reserve, before debt	**$265,098**	**$271,887**

Tax sensitivity. The brochure already estimates tax at the historical asking price. The stress case tests a higher recurring bill. It does not assume a second transfer assessment.

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FINANCING AND PRICING

Debt capacity at the asking price

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COVERAGE
1.31x
Schedule NOI

$205.0K
Annual debt service
Principal and interest

$2.85M
Modeled loan
67.9% of price

71.3%
DSCR-limited LTV
1.25x minimum

07 Loan structure

Financing input	Model assumption
Interest rate	6.00%
Amortization	30 years
Monthly payment	$17,087
Cash required	$1,432,980

08 Debt service coverage

Buyer schedule NOI at assumed loan-to-value ratios.

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

At the brochure's loan amount and interest rate, assumed 30-year amortization gives $205,046 annual debt service. The brochure states $207,049, a difference of $2,003. Its amortization period is undisclosed.

09 Price sensitivity

The modeled loan scales with purchase price. Each income case holds its annual NOI constant.

Purchase price	Price / unit	Offering cap	Schedule cap	Buyer DSCR
$3,779,100	$236,194	7.88%	7.12%	1.46x
$3,989,050	$249,316	7.47%	6.75%	1.38x
$4,199,000	**$262,438**	**7.09%**	**6.41%**	**1.31x**
$4,408,950	$275,559	6.76%	6.10%	1.25x
$4,618,900	$288,681	6.45%	5.83%	1.19x

After replacement reserves and debt, the schedule case produces $60,052 per year, or 4.19% on initial cash. At roll-market rents, annual cash flow is $66,841.

The broker later reported a sale at $3,915,000. The analysis uses the historical asking price. The sale report gives no income or debt terms at closing.

10 Before underwriting a purchase

Manager arrangement	Review the agreement, payroll and housing credit. Verify any replacement compensation before modeling rent for Unit 1.
Collections	Request a dated ledger covering the June move-in, plus separate laundry and parking receipts.
Property costs	Check the tax bill, management agreement, utility bills and capital-replacement plan against the underwriting.

11 Source documents

Albers Real Estate brochure Pages 2 to 4 give the manager arrangement, expenses and the rent roll.
Historical property listing Property identification and original marketing material.
Broker's closed-listings index Subsequent sale was reported separately from the asking price.

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