

Jasmine Parke Luxury Apartments

BAKERSFIELD, CA



OFFERING MEMORANDUM



Marcus & Millichap

Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

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Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

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Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

OFFERING SUMMARY



Unit Mix

No. of Units	Unit Type	Approx. Square Feet
2	2 Bdr 1 Bath	1,120
2	3 Bdr 2 Bath	1,400
4	Total	5,134

Major Employers

Company	Local Employees
K S I	2,000
Nestle Ice Cream Company	1,920
State Farm Insurance	1,746
County of Kern	1,006
Kern County Superintendent of	1,000
SAN JOAQUIN COMMUNITY	850
Aera Energy LLC	800
Sherriffs Department	800
Target	677
Narcotics Division	611
Police Department	611
McDonalds	587

Demographics

	1-Mile	3-Miles	5-Miles
2014 Total Population	6,744	89,402	258,272
2019 Total Population	7,221	95,605	283,202
2014 Total Households	2,804	33,763	89,649
2019 Total Households	3,057	36,247	97,961
Median HH Income	\$62,439	\$65,167	\$59,817
Per Capita Income (based on Total Population)	\$34,174	\$34,988	\$28,549
Average (Mean) HH Income	\$81,365	\$92,273	\$81,992

Price	\$750,000
Down Payment	45% / \$337,500
Price/Unit	\$187,500
Price/SF	\$146.08
Number of Units	4
Rentable Square Feet	5,134
Number of Buildings	1
Number of Stories	1
Year Built	2007
Lot Size	15,245 sqft.

Vital Data

CAP Rate - Current	6.16%
GRM - Current	10.08
Net Operating Income - Current	\$46,185
Net Cash Flow After Debt Service - Current	6.3% / \$21,104
Total Return - Current	8.2% / \$27,759
CAP Rate - Pro Forma	6.92%
GRM - Pro Forma	9.33
Net Operating Income - Pro Forma	\$51,885
Net Cash Flow After Debt Service - Pro Forma	7.9% / \$26,804
Total Return - Pro Forma	9.9% / \$33,459

FINANCING

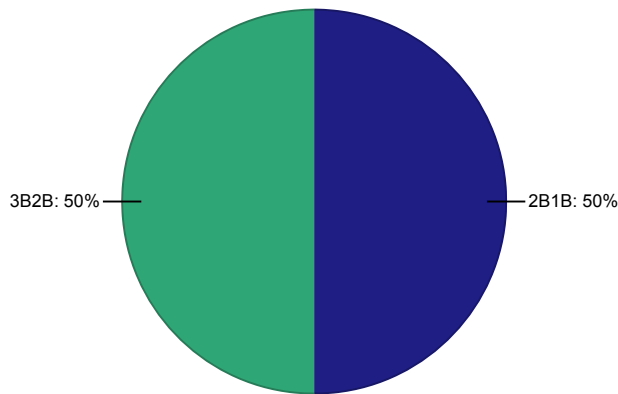
Existing Financing	
Loan Type	Free and Clear

Proposed Financing	
First Trust Deed	
Loan Amount	\$412,500
Loan Type	Proposed New
Interest Rate	4.5%
Amortization	30 Years
Debt Coverage Ratio	1.84

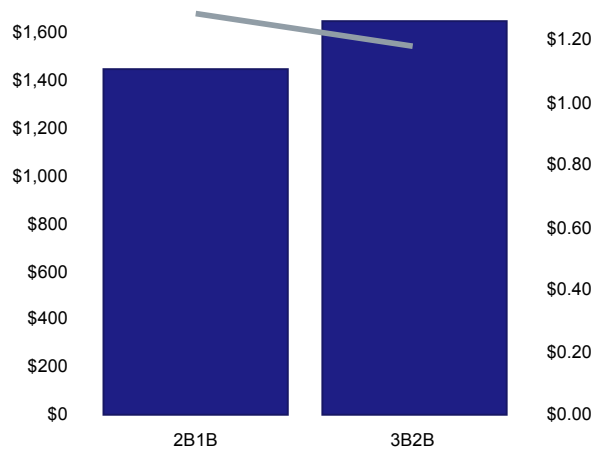
UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/ SF	Monthly Income	Pro Forma Rents	Rent/ SF	Monthly Income
2	2 Bdr 1 Bath	1,120	\$1,450	\$1.29	\$2,900	\$1,600	\$1.43	\$3,200
2	3 Bdr 2 Bath	1,400	\$1,600 - \$1,700	\$1.18	\$3,300	\$1,750	\$1.25	\$3,500
4	TOTAL	5,134			\$6,200			\$6,700

Unit Mix



Unit Rent & Rent/SF



RENT ROLL

Unit Number	Unit Type		Unit SF	Current Rent	Rent/SF	Asking Rent	Rent/SF
903-1	3 Bdr	2 Bath	1,400	\$1,600	\$1.14	\$1,750	\$1.25
903-2	2 Bdr	1 Bath	1,120	\$1,450	\$1.29	\$1,600	\$1.43
903-3	2 Bdr	1 Bath	1,120	\$1,450	\$1.29	\$1,600	\$1.43
903-4	3 Bdr	2 Bath	1,400	\$1,700	\$1.21	\$1,750	\$1.25
TOTAL			VACANT	\$0		\$0	
4	TOTAL		OCCUPIED	5,040	\$6,200		\$6,700
4	TOTAL		5,040	\$6,200		\$6,700	

INCOME & EXPENSES

Total Number of Units: 4
 Total Rentable Area: 5,134 SF

Income	Current	Per Unit	Pro Forma	Per Unit
GROSS POTENTIAL INCOME	\$74,400	\$18,600	\$80,400	\$20,100
Vacancy/Collection Allowance (GPR)	5.0% / \$3,720	\$930	5.0% / \$4,020	\$1,005
EFFECTIVE GROSS INCOME	\$70,680	\$17,670	\$76,380	\$19,095
Expenses				
Real Estate Taxes (1.1000%)	\$8,250	\$2,063	\$8,250	\$2,063
Bakersfield Garbage Charge	\$656	\$164	\$656	\$164
Assessments (Sewer, Land Use, BK CS MD)	\$1,224	\$306	\$1,224	\$306
Landscape	\$210	\$53	\$210	\$53
Advertising/Promotion	\$164	\$41	\$164	\$41
Insurance	\$2,229	\$557	\$2,229	\$557
Utilities (Water & Sewer)	\$644	\$161	\$644	\$161
Management Fee	3.5% / \$2,449	\$612	3.2% / \$2,449	\$612
Pest Control	\$390	\$98	\$390	\$98
Reserves & Replacements	\$800	\$200	\$800	\$200
Building Personnel	\$2,250	\$563	\$2,250	\$563
Repairs & Maintenance	\$781	\$195	\$781	\$195
Association Dues	\$4,448	\$1,112	\$4,448	\$1,112
TOTAL EXPENSES	\$24,495	\$6,124	\$24,495	\$6,124
Expenses per SF	\$4.77		\$4.77	
% of EGI	34.7%		32.1%	
NET OPERATING INCOME	\$46,185	\$11,546	\$51,885	\$12,971

FINANCIAL OVERVIEW

Location

903 Jasmine Parke Drive
Bakersfield, CA 93312

Price	\$750,000
Down Payment	45% / \$337,500
Number of Units	4
Price/Unit	\$187,500
Rentable Square Feet	5,134
Price/SF	\$146.08
CAP Rate - Current	6.16%
CAP Rate- Pro Forma	6.92%
GRM - Current	10.08
GRM- Pro Forma	9.33
Year Built	2007
Lot Size	15,245 sqft.
Type of Ownership	Fee Simple

Financing

FIRST TRUST DEED

Loan Amount	\$412,500
Loan Type	Proposed New
Interest Rate	4.5%
Amortization	30 Years

Loan information is time sensitive and subject to change. Contact your local Marcus & Millichap Capital Corporation representative.

Annualized Operating Data

Income	Current	Pro Forma
Gross Potential Rent	\$74,400	\$80,400
Gross Potential Income	\$74,400	\$80,400
Less: Vacancy/Deductions (GPR)	5.0% / \$3,720	5.0% / \$4,020
Effective Gross Income	\$70,680	\$76,380
Less: Expenses	\$24,495	\$24,495
Net Operating Income	\$46,185	\$51,885
Net Cash Flow Before Debt Service	\$46,185	\$51,885
Debt Service	\$25,081	\$25,081
Debt Coverage Ratio	1.84	2.07
Net Cash Flow After Debt Service	6.3% / \$21,104	7.9% / \$26,804
Principal Reduction	\$6,655	\$6,655
Total Return	8.2% / \$27,759	9.9% / \$33,459

Expenses

Real Estate Taxes	\$8,250	\$8,250
Bakersfield Garbage Charge	\$656	\$656
Assessments (Sewer, Land)	\$1,224	\$1,224
Landscape	\$210	\$210
Advertising/Promotion	\$164	\$164
Insurance	\$2,229	\$2,229
Utilities (Water & Sewer)	\$644	\$644
Management Fee	\$2,449	\$2,449
Pest Control	\$390	\$390
Reserves & Replacements	\$800	\$800
Building Personnel	\$2,250	\$2,250
Repairs & Maintenance	\$781	\$781
Association Dues	\$4,448	\$4,448
Total Expenses	\$24,495	\$24,495
Expenses/unit	\$6,124	\$6,124
Expenses/SF	\$4.77	\$4.77
% of EGI	34.66%	32.07%

Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Rent/SF	Monthly Income	Pro Forma Rents	Rent/SF	Monthly Income
2	2 Bdr 1 Bath	1,120	\$1,450	\$1.29	\$2,900	\$1,600	\$1.43	\$3,200
2	3 Bdr 2 Bath	1,400	\$1,600 - \$1,700	\$1.18	\$3,300	\$1,750	\$1.25	\$3,500
4	Total/Wtd. Avg.	5,134			\$6,200			\$6,700

PROPERTY DESCRIPTION

Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

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INVESTMENT OVERVIEW

Investment Highlights

- 2007 Construction
- Gated Community
- Large Residential Units
- Pool, BBQ Center & Fitness Center Common Area
- Leasing Office
- Highly Sought after Northwest Bakersfield
- Residential Financing Opportunity



Marcus & Millichap is pleased to exclusively present 903 and 909 Jasmine Park Drive, two four-plexes located in the highly sought after northwest of Bakersfield. These two four-plexes are located within a gated community of four-plexes all constructed in 2007; also right down the street from a development site that has been confirmed for a large shopping center anchored by Super WalMart.

Each four-plex has an excellent unit mix of two large two-bedroom/one-bathroom units and two large three-bedroom/two-bathroom units. Each individual unit comes with its own two-car garage. All units come equipped with central heating and air, laundry hook-ups, tile counter tops and are separately metered for both gas and electricity. The gated community provides excellent amenities such as a leasing office, pool, bbq center and a fitness center.

With two separate four-plexes, this investment provides an excellent opportunity to own two Class A multifamily assets while placing residential financing to secure a long term favorable interest rate.

PROPERTY SUMMARY

The Offering

Property	Jasmine Parke Luxury Apartments
Property Address	903 Jasmine Parke Drive Bakersfield, CA 93312
Assessor's Parcel Number	501-222-06 & 501-222-05

Site Description

Number of Units	4
Number of Buildings	1
Number of Stories	1
Year Built	2007
Rentable Square Feet	5,134
Lot Size	15,245 sqft.
Type of Ownership	Fee Simple

Utilities

Electric	Separately metered
Gas	Separately metered

Construction

Exterior	Woodframe & stucco
Parking Surface	Concrete
Roof	Pitched

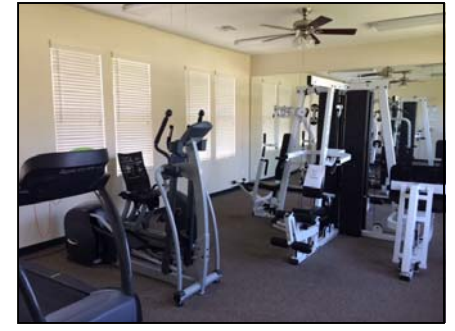
Mechanical

HVAC	Central
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AMENITIES

Common Area Amenities

- Leasing Office
- Pool
- BBQ Center
- Fitness Center



Unit Amenities

- Central Heating and Air
- Private Garages
- Tile Counter Tops
- Large Units

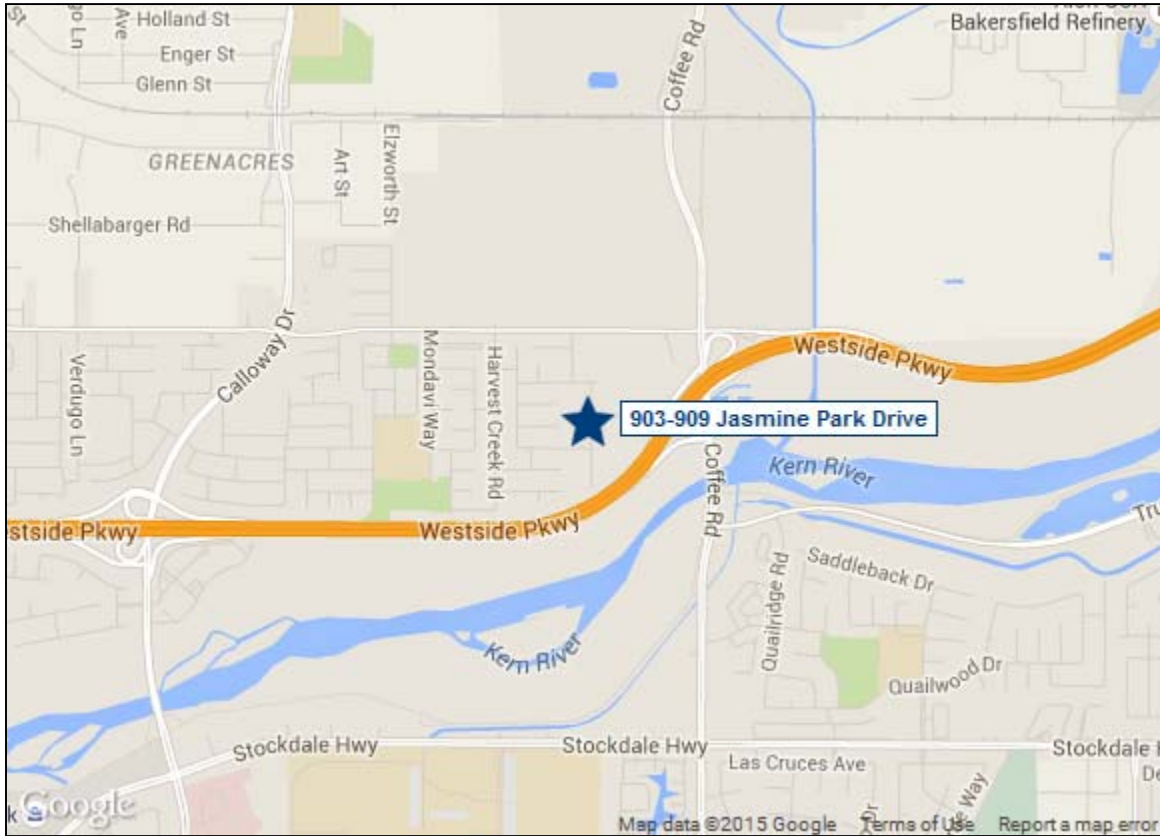
PROPERTY PHOTOS



Jasmine Parke Luxury Apartments

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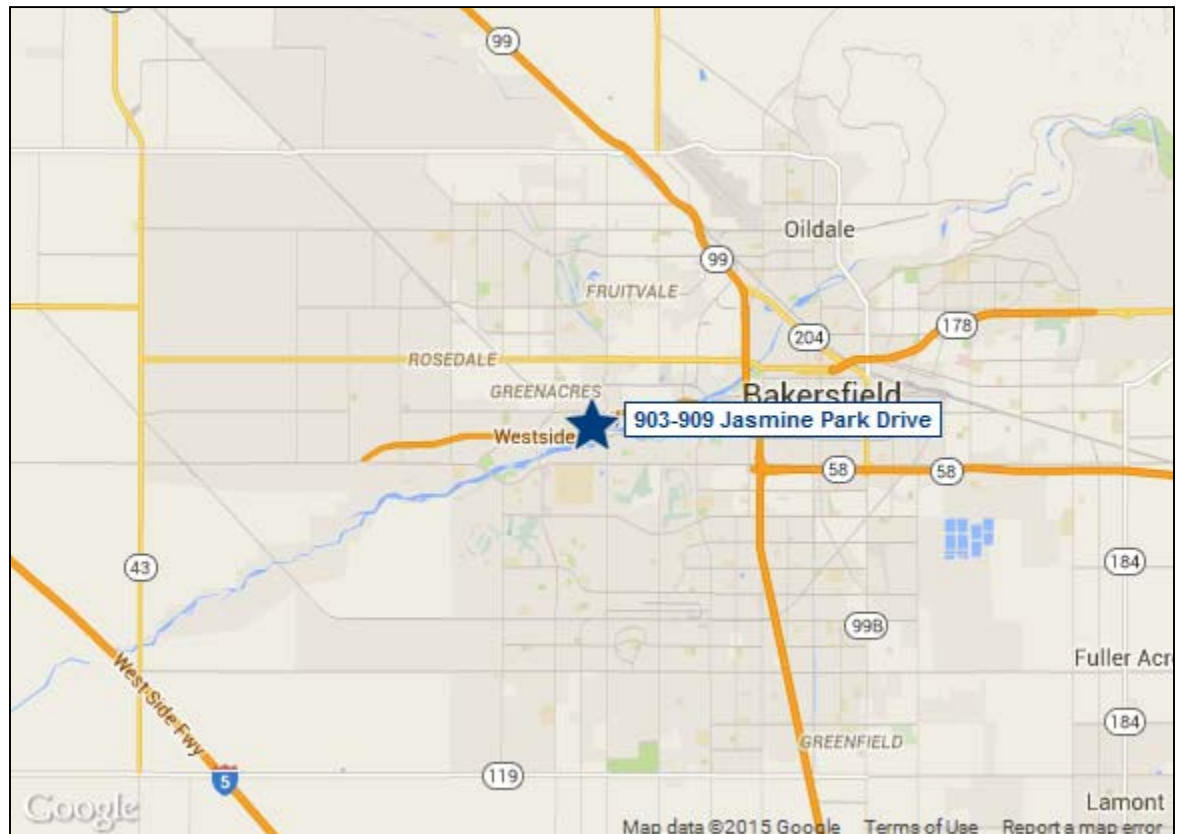
PROPERTY DESCRIPTION



Local Map



Regional Map



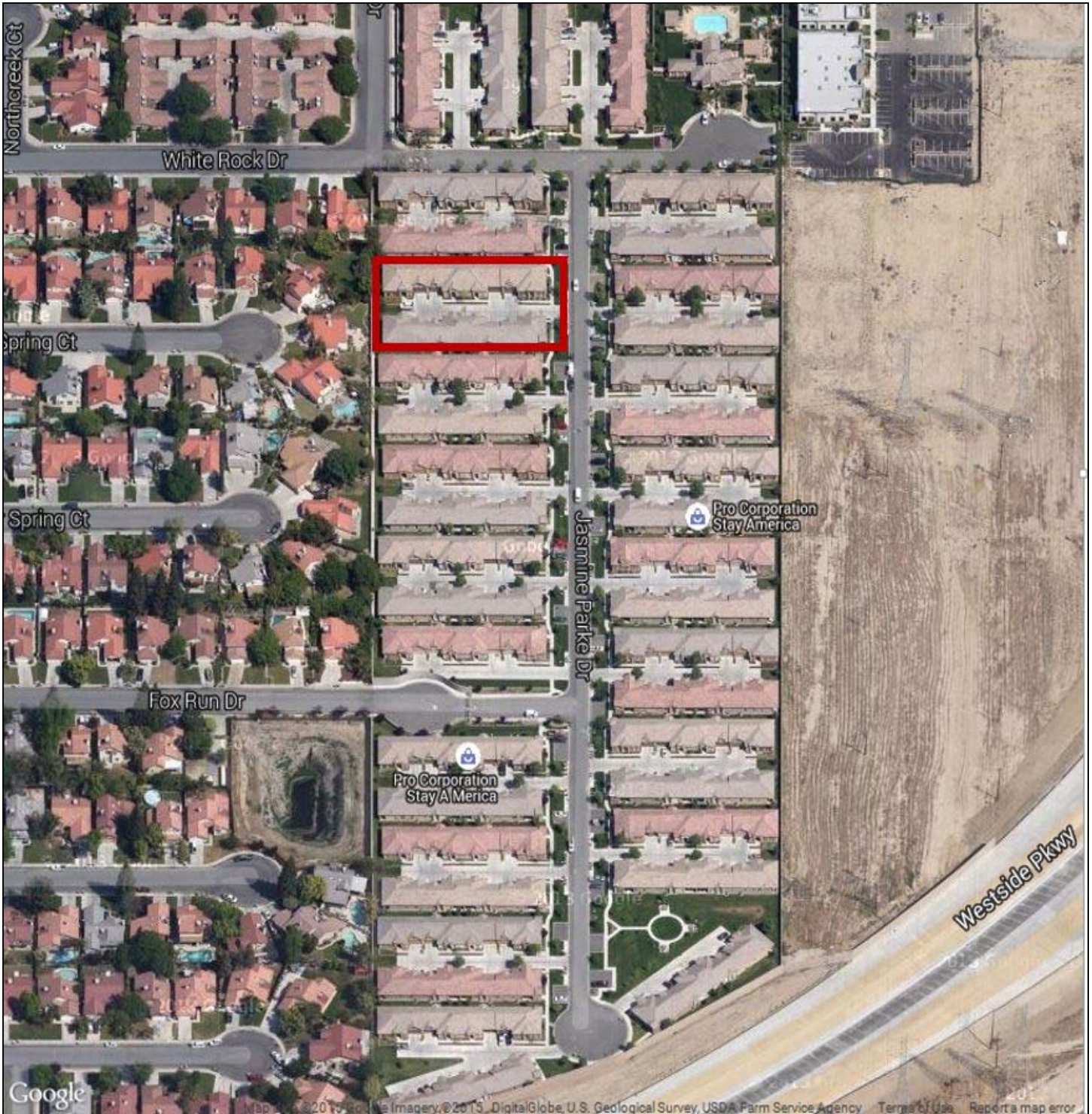
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Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

PROPERTY DESCRIPTION

AERIAL PHOTO



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RECENT SALES

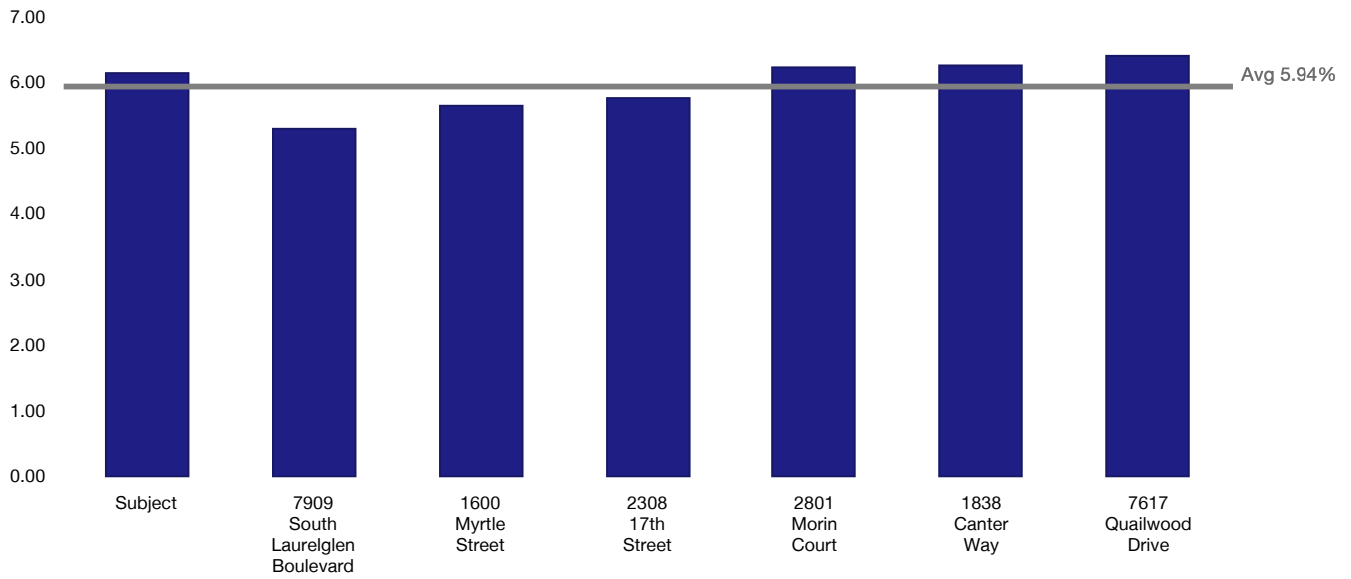
Jasmine Parke Luxury Apartments

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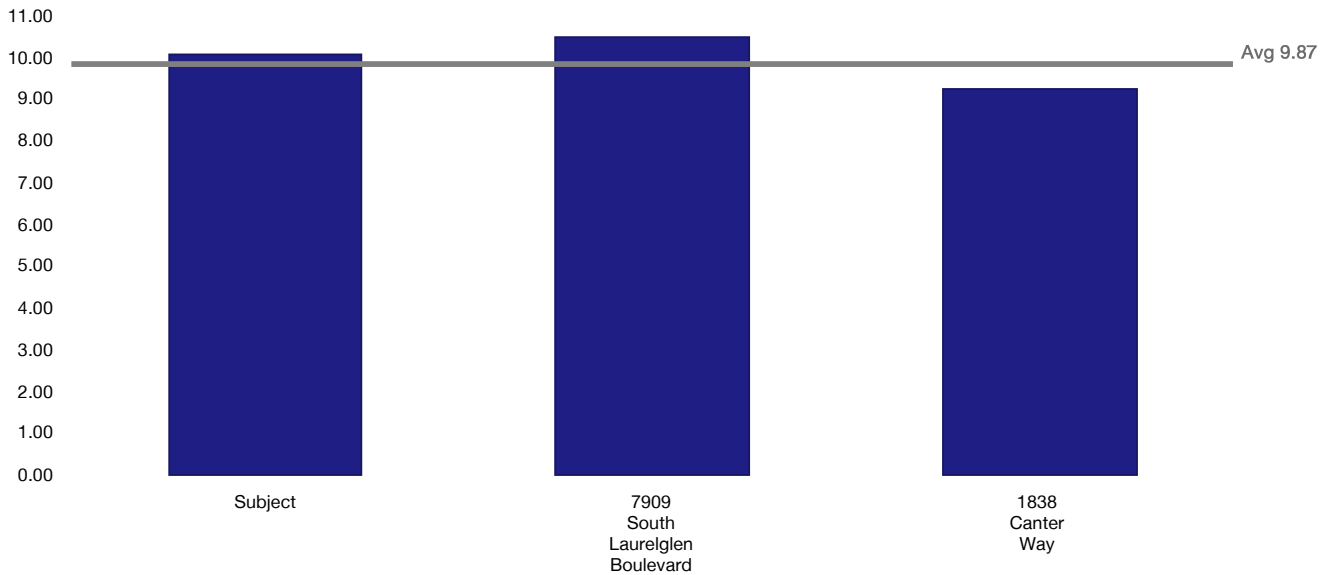
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CAP RATE AND GRM

Average Cap Rate

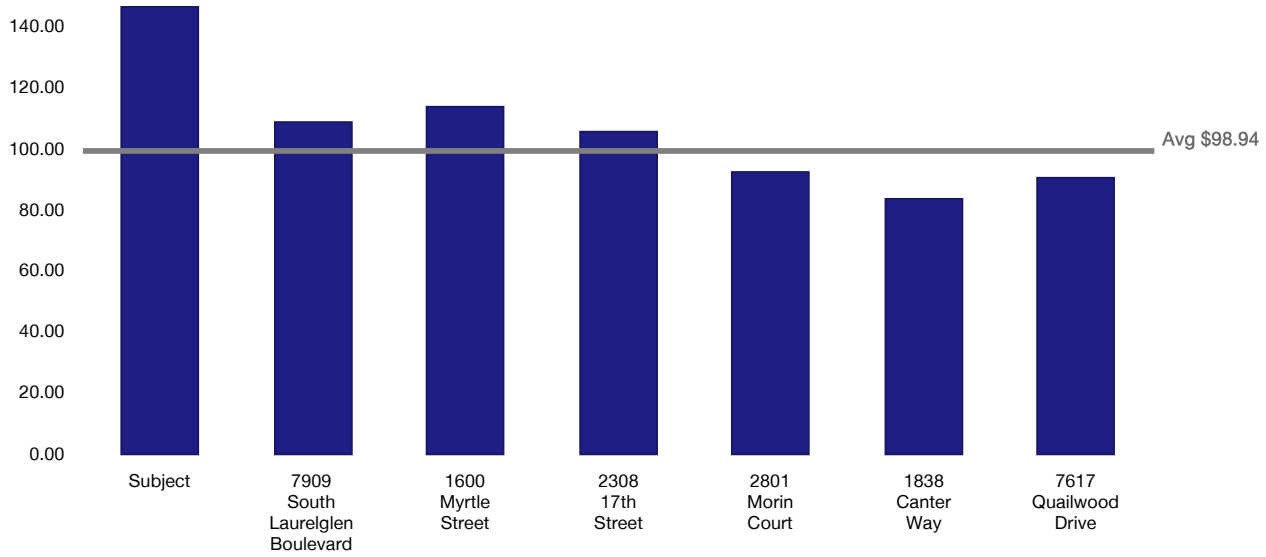


Average GRM

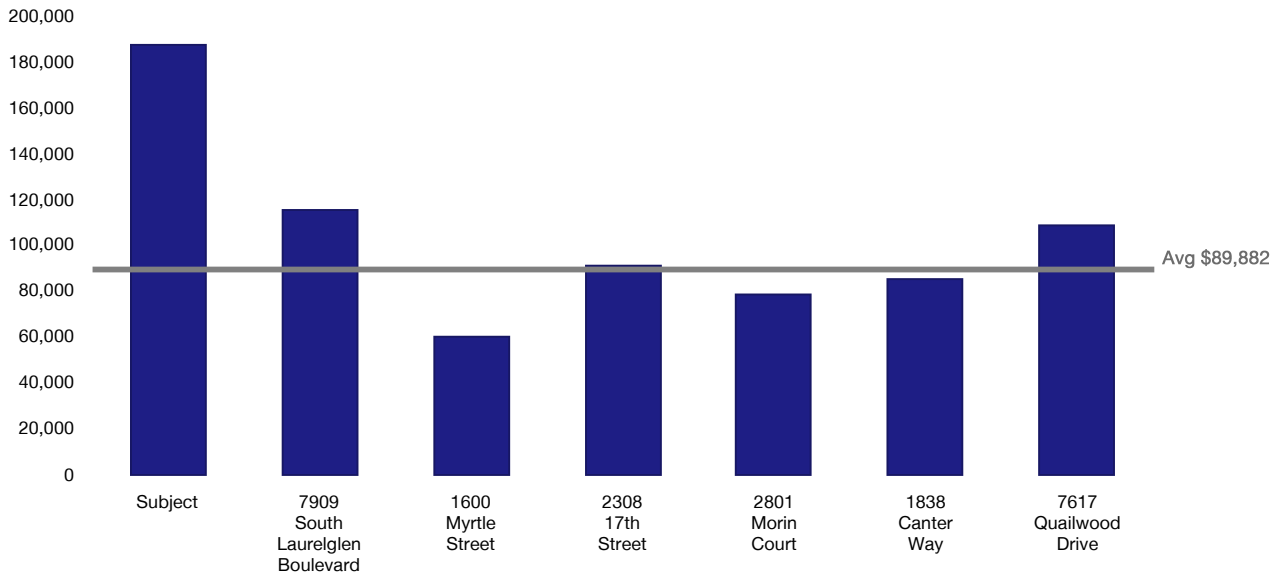


PRICE PER SF AND PRICE PER UNIT

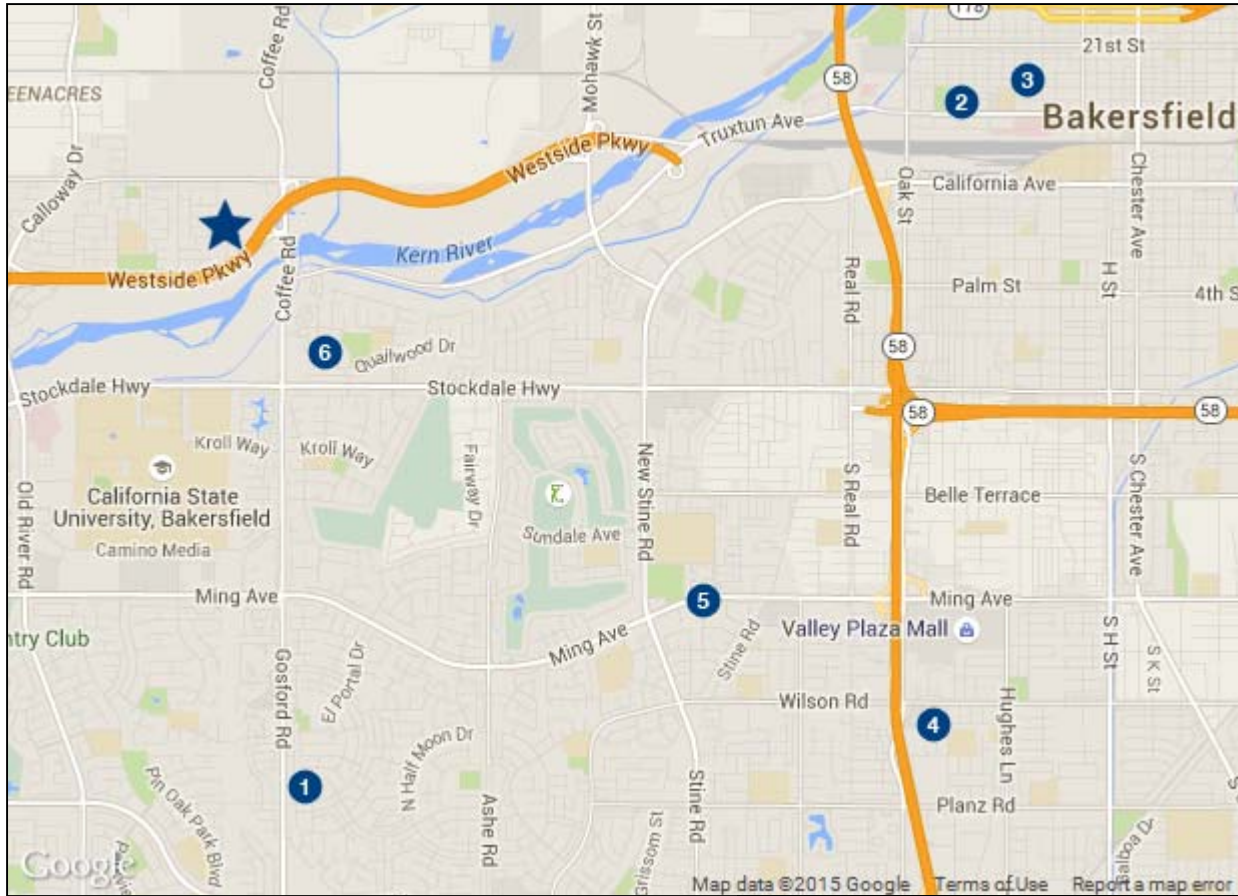
Average Price per Square Foot



Average Price per Unit



RECENT SALES MAP



- ★ Jasmine Parke Luxury Apartments
- 1) 7909 South Laurelglen Boulevard
- 2) 1600 Myrtle Street
- 3) 2308 17th Street
- 4) 2801 Morin Court
- 5) 1838 Canter Way
- 6) 7617 Quailwood Drive

RECENT SALES



Subject Property

Jasmine Parke Luxury Apartments

903 Jasmine Parke Drive
Bakersfield, CA 93312

No. of Units: 4
Year Built: 2007
Sale Price: \$750,000
Price/Unit: \$187,500
Price/SF: \$146.08
CAP Rate: 6.16%
GRM: 10.08

Units	Unit Type
2	2 Bdr 1 Bath
2	3 Bdr 2 Bath

1



Close of Escrow: 11/26/2014

7909 South Laurelglenn Boulevard
Bakersfield, CA 93309

No. of Units: 4
Year Built: 1984
Sale Price: \$461,500
Price/Unit: \$115,375
Price/SF: \$108.33
CAP Rate: 5.29%
GRM: 10.50

Units	Unit Type
3	2 Bdr 1.5 Bath
1	3 Bdr 2.5 Bath

2



Close of Escrow: 1/8/2015

1600 Myrtle Street
Bakersfield, CA 93301

No. of Units: 4
Year Built: 1947
Sale Price: \$240,000
Price/Unit: \$60,000
Price/SF: \$113.85
CAP Rate: 5.65%
GRM: N/A

Units	Unit Type
3	1 Bdr 1 Bath
1	2 Bdr 1 Bath

RECENT SALES

3



Close of Escrow: 5/12/2014

2308 17th Street
Bakersfield, CA 93301

No. of Units: 4
Year Built: 1968
Sale Price: \$365,000
Price/Unit: \$91,250
Price/SF: \$105.13
CAP Rate: 5.77%
GRM: N/A

Units	Unit Type
4	2 Bdr 1 Bath

4



Close of Escrow: 10/14/2014

2801 Morin Court
Bakersfield, CA 93304

No. of Units: 4
Year Built: 1985
Sale Price: \$315,000
Price/Unit: \$78,750
Price/SF: \$92.38
CAP Rate: 6.25%
GRM: N/A

Units	Unit Type
2	2 Bdr 1 Bath
2	2 Bdr 2 Bath

5



Close of Escrow: 6/27/2014

1838 Canter Way
Bakersfield, CA 93309

No. of Units: 3
Year Built: 1972
Sale Price: \$255,500
Price/Unit: \$85,167
Price/SF: \$83.77
CAP Rate: 6.26%
GRM: 9.24

Units	Unit Type
2	2 Bdr 1 Bath
1	3 Bdr 2 Bath

RECENT SALES

6



Close of Escrow: 3/10/2015

7617 Quailwood Drive
Bakersfield, CA 93309

No. of Units: 4
 Year Built: 1979
 Sale Price: \$435,000
 Price/Unit: \$108,750
 Price/SF: \$90.16
 CAP Rate: 6.41%
 GRM: N/A

Units	Unit Type
3	2 Bdr 1.5 Bath
1	3 Bdr 2 Bath

ON MARKET COMPARABLES

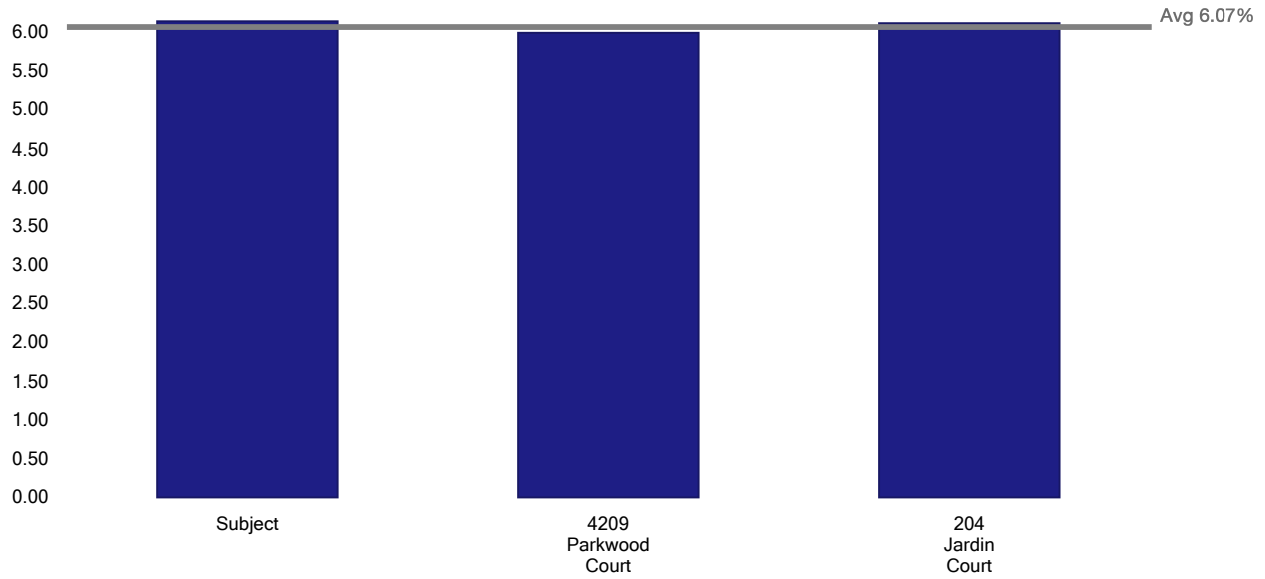
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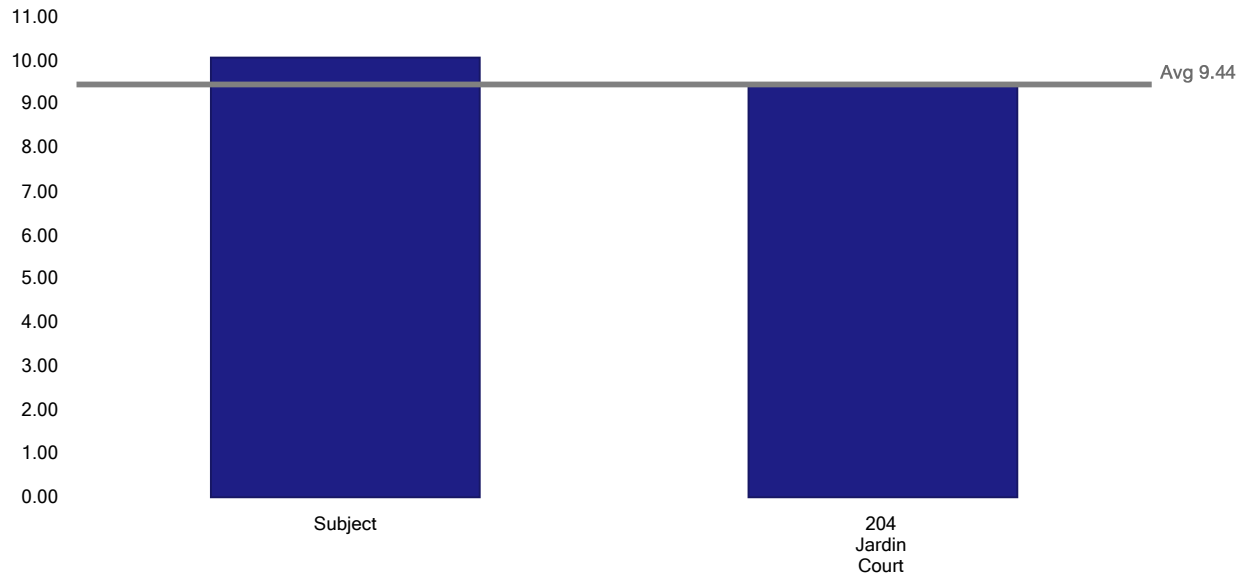
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CAP RATE AND GRM

Average Cap Rate

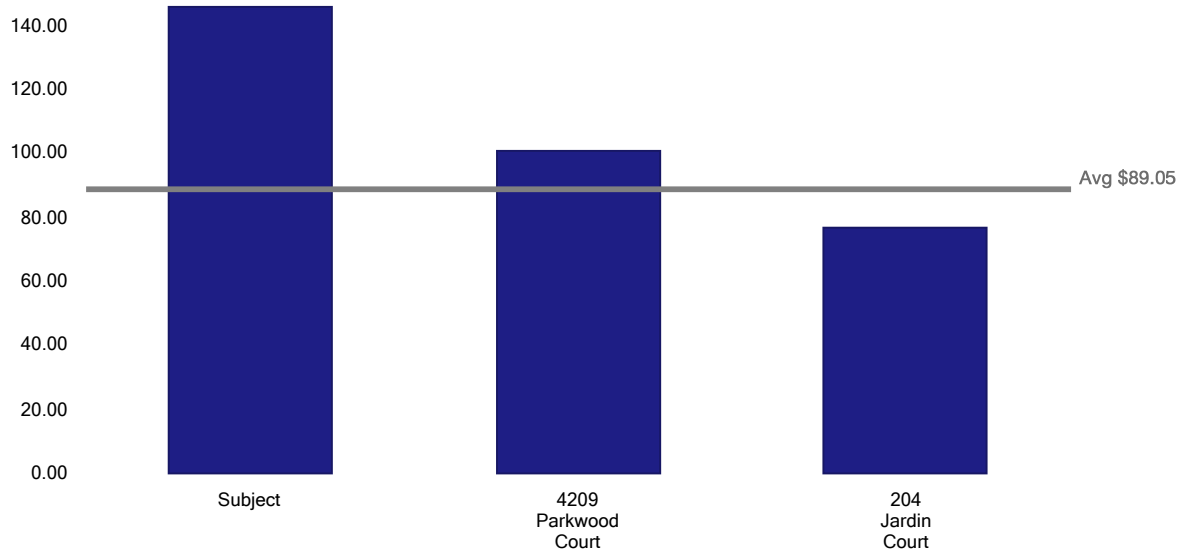


Average GRM

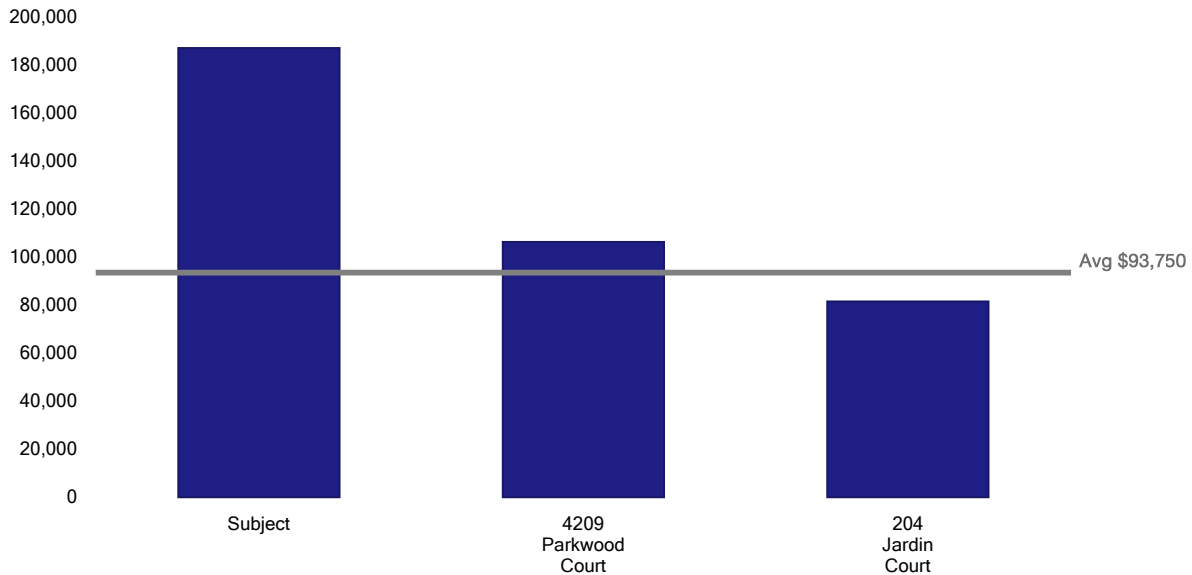


PRICE PER SF AND PRICE PER UNIT

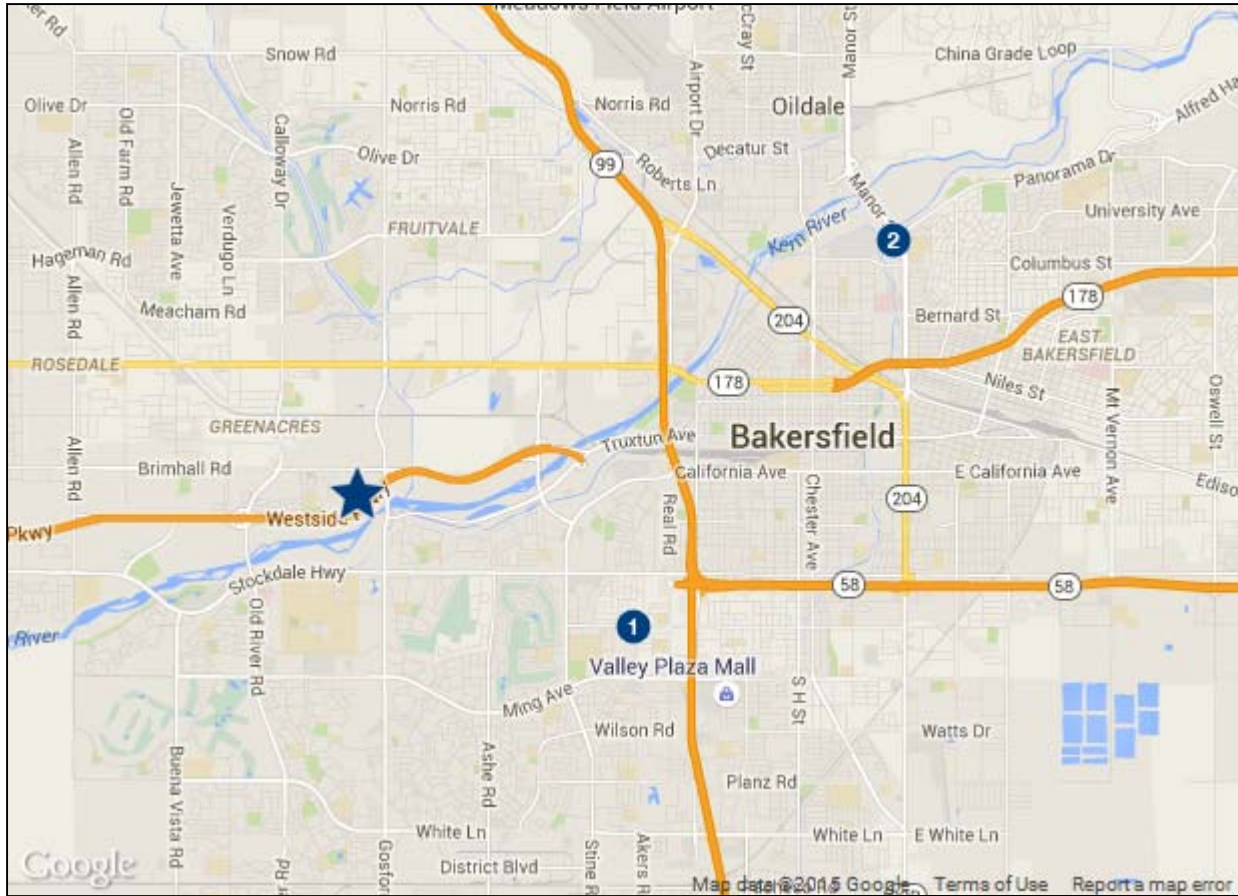
Average Price per Square Foot



Average Price per Unit



ON MARKET COMPARABLES MAP



- ★ Jasmine Parke Luxury Apartments
- 1) 4209 Parkwood Court
- 2) 204 Jardin Court

ON MARKET COMPARABLES



Subject Property

Jasmine Parke Luxury Apartments

903 Jasmine Parke Drive
Bakersfield, CA 93312

No. of Units: 4
Year Built: 2007
Sale Price: \$750,000
Price/Unit: \$187,500
Price/SF: \$146.08
CAP Rate: 6.16%
GRM: 10.08

Units	Unit Type
2	2 Bdr 1 Bath
2	3 Bdr 2 Bath

1



Status: On Market

4209 Parkwood Court
Bakersfield, CA 93309

No. of Units: 4
Year Built: 1977
List Price: \$425,000
Price/Unit: \$106,250
Price/SF: \$101.07
CAP Rate: 6.00%
GRM:

Units	Unit Type
3	2 Bdr 1 Bath
1	3 Bdr 2 Bath

2



Status: On Market

204 Jardin Court
Bakersfield, CA 93301

No. of Units: 4
Year Built: 1979
List Price: \$325,000
Price/Unit: \$81,250
Price/SF: \$77.03
CAP Rate: 6.13%
GRM: 9.44

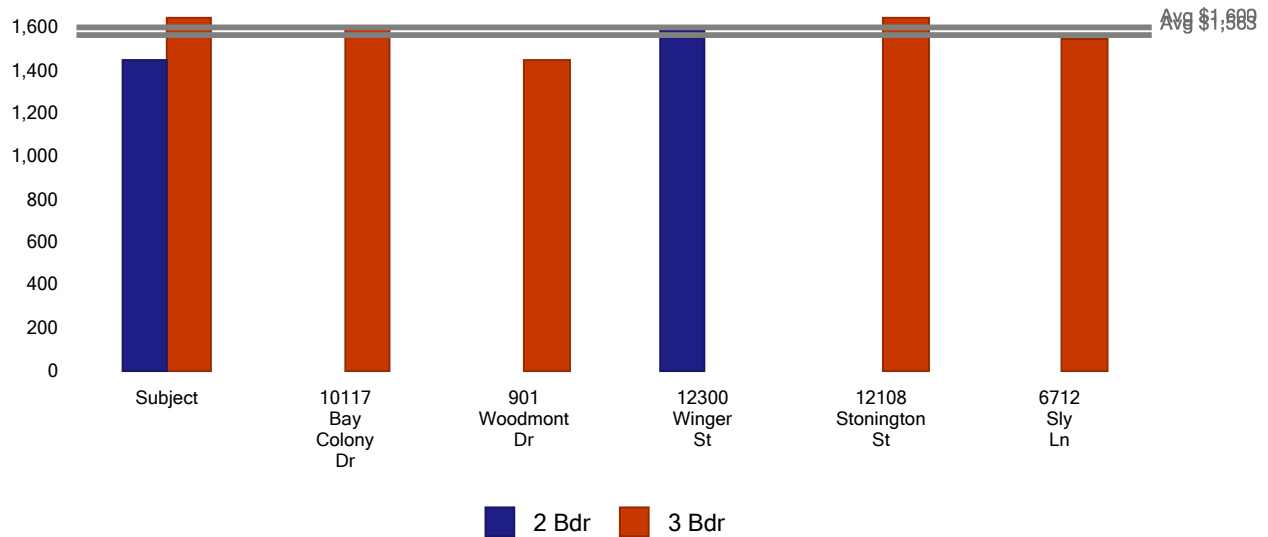
Units	Unit Type
3	2 Bdr 1 Bath
1	3 Bdr 1.5 Bath

Jasmine Parke Luxury Apartments

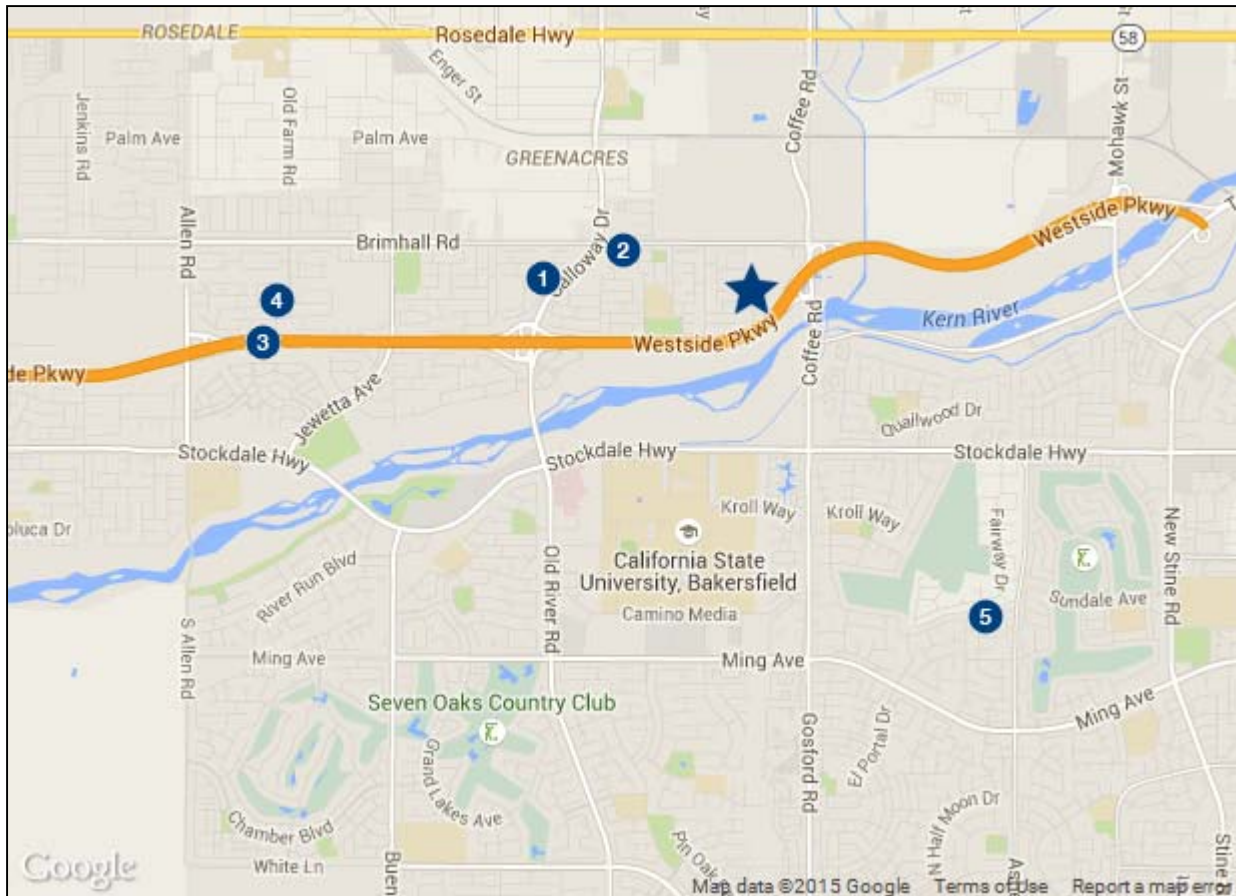
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OCCUPANCY AND AVERAGE RENTS

Average Rents - 2 and 3 Bedrooms



RENT COMPARABLES MAP



- ★ Jasmine Parke Luxury Apartments
- 1) 10117 Bay Colony Dr
- 2) 901 Woodmont Dr
- 3) 12300 Winger St
- 4) 12108 Stonington St
- 5) 6712 Sly Ln

RENT COMPARABLES



Subject Property

No. of Units: 4
Year Built: 2007

Jasmine Parke Luxury Apartments

903 Jasmine Parke Drive
Bakersfield, CA 93312

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath	2	1,120	\$1,450	\$1.29
3 Bdr 2 Bath	2	1,400	\$1,600 - \$1,700	\$1.18
Total/Avg.	4	5,134	\$1,550	\$1.21

1



No. of Units: 1
Year Built: 1999

10117 Bay Colony Dr
Bakersfield, CA 93312

Unit Type	Units	SF	Rent	Rent/SF
3 Bdr 2 Bath House	1	1,648	\$1,600	\$0.97
Total/Wtd. Avg.	1	1,648	\$1,600	\$0.97

2



No. of Units: 1
Year Built: 1996

901 Woodmont Dr
Bakersfield, CA 93312

Unit Type	Units	SF	Rent	Rent/SF
3 Bdr 2 Bath House	1	1,733	\$1,450	\$0.84
Total/Wtd. Avg.	1	1,733	\$1,450	\$0.84

RENT COMPARABLES

3



No. of Units: 1
Year Built/Renovated: 2006

12300 Winger St
Bakersfield, CA 93312

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 2 Bath House	1	1,772	\$1,600	\$0.90
Total/Wtd. Avg.	1	1,772	\$1,600	\$0.90

4



No. of Units: 1
Year Built/Renovated: 2005

12108 Stonington St
Bakersfield, CA 93312

Unit Type	Units	SF	Rent	Rent/SF
3 Bdr 2 Bath House	1	1,574	\$1,650	\$1.05
Total/Wtd. Avg.	1	1,574	\$1,650	\$1.05

5



No. of Units: 1
Year Built/Renovated: 1978

6712 Sly Ln
Bakersfield, CA 93309

Unit Type	Units	SF	Rent	Rent/SF
3 Bdr 2 Bath House	1	1,770	\$1,550	\$0.88
Total/Wtd. Avg.	1	1,770	\$1,550	\$0.88

Jasmine Parke Luxury Apartments

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BAKERSFIELD

Market Highlights

Central location

- Expanding transportation network provides convenient access to ports, major cities and recreation areas.

Increasing employment quality

- Office-using employment growth is accelerating, and is expected to outpace the national growth rate by 2015.

Low costs of living, doing business

- Low home prices and a pro-business environment attract employers and residents.



Market Highlights Con't.

Job growth in Bakersfield will remain healthy this year as every sector adds positions, supporting a rise in apartment demand. Kern County is a major oil-producing region in California, which has encouraged many energy companies to set up regional headquarters in the area. In addition, high-speed rail could provide a boost to apartment owners in the market. In the second quarter, the final environmental hearings for the Fresno-to-Bakersfield section were held, allowing development of the rail to continue. The length of track would create more than 16,000 construction jobs when development finally begins. While demand is gaining momentum, new supply is nearly absent. By the end of this year, developers will complete the second phase, 72 units, of the Sycamore Apartments. However, single-family homes pose a threat to operators, which will likely limit rent gains to the pace of inflation in the next several quarters.

Investors will stay active in the market, though motivations will remain bifurcated. Buyers from the coast will target stabilized Class B and above properties in search of higher yields, while investors with a long-time presence in the market will look for value-add opportunities. Properties with deferred maintenance in areas with transient populations will likely yield the highest returns.

Bakersfield-Delano Metro

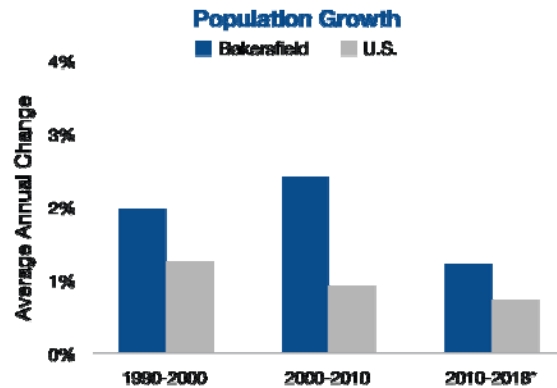
BAKERSFIELD

Demographics

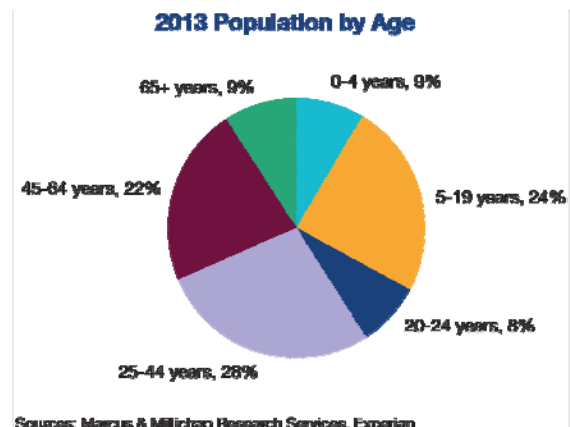
The overall population shift to Sun Belt areas and the comparatively lower cost of housing drives population growth in Bakersfield. The population grew by almost 31 percent since 2000, although it is now expected to slow to 1.4 percent growth annually through 2018. This equates to nearly 60,400 new residents in the coming five years.

Many people move to the area for jobs, as more than 55 percent of residents are in their working years, with seniors comprising less than 10 percent of the population. Young families are also attracted to the more affordable cost of housing. As such, 33 percent of the population is under 20 years old. This has lowered the median age to 31 years, which is well below the U.S. median of 37 years.

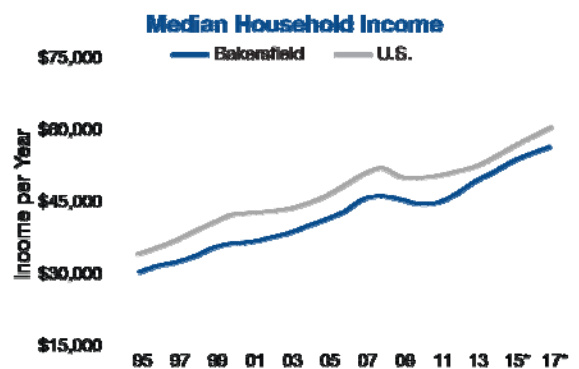
Although the median housing price in Kern County, at roughly \$185,200, is much more affordable than the median in the L.A. basin, home prices are still out of reach for many residents. The median household income of \$49,300 per year is below the national median. Homeownership rates at approximately 58.0 percent are below the national rate of 64.1 percent. Over the next five years, the rise in the median income is forecast to remain level with the rise in Bakersfield's median home price.



* Forecast
Sources: Marcus & Millichap Research Services, AGR, Experian



Sources: Marcus & Millichap Research Services, Experian

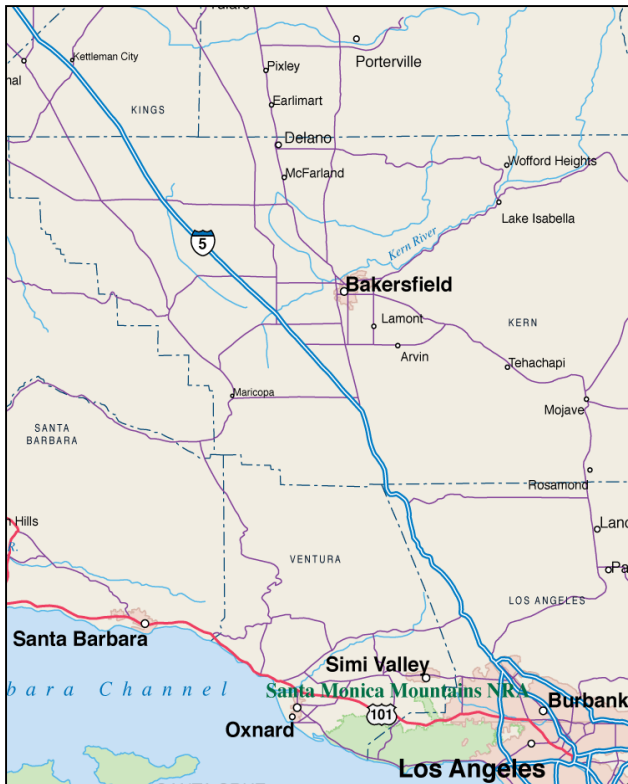


* Forecast
Sources: Marcus & Millichap Research Services, Economy.com, U.S. Census Bureau

BAKERSFIELD

Geography

The Bakersfield-Delano metro lies near the southern end of the San Joaquin Valley in Kern County. The county covers 8,161 square miles. The Kern River flows through the region, which includes parts of three mountain ranges: the Sierra Nevadas to the east, the Tehachapis to the south, and the Tremblor to the west. The City of Bakersfield, which is the county seat, is located at the foot of the Greenhorn Mountain Range.



Bakersfield-Delano Metro

More than 36 million consumers are within a 4-hour truck drive of Kern County.

Distance to Major Markets

Los Angeles	73 miles
Port of Long Beach	96 miles
Fresno	110 Miles
Riverside	164 miles
San Diego	193 miles
Port of Oakland	230 miles
Stockton	233 miles
San Francisco	258 miles
Sacramento	260 miles
Las Vegas, NV	196 miles
Phoenix, AZ	404 miles
Salt Lake City, UT	657 miles
Albuquerque, NM	755 miles
Denver, CO	985 miles

Source: Rand McNally & Mapquest

BAKERSFIELD

Metro

The Bakersfield metro encompasses all of Kern County in the southern portion of the San Joaquin Valley in California and contains a population of more than 865,000 people. Bakersfield is the most populated city in the county with 357,200 residents, followed by Delano and Ridgecrest.

Infrastructure

Three freeways bisect the metro. State Route 99 runs north to south, state Route 58 heads southeast and state Route 178 runs northeast. Future extensions are planned for SR 58 and SR 178. Also, two beltways are being considered for Bakersfield, as well as a station for the proposed California High Speed Rail system.

Meadows Field Airport delivers commercial air flights while the Bakersfield Municipal Airport offers charter and executive aviation services.

The area is served by two class-1 railroads and Amtrak's San Joaquin line provides passenger rail between Bakersfield and the San Francisco and Sacramento areas. Amtrak also runs a bus connection service to the Los Angeles area.

Public transit services in the county are offered through Golden Empire Transit and Kern Regional Transit.



Largest Cities in Metro by Population

Bakersfield	357,200
Delano	54,500
Ridgecrest	28,300
Wasco	26,100
Arvin	19,900
Rosamond	18,600

Sources: Marcus & Millichap Research Services, Experian

Airports

- Meadows Field Airport
- Bakersfield Municipal Airport

Major Roadways

- Interstate 5
- U.S. Highway 395
- State Routes 14, 58, 99, 178

Rail

- Freight - Union Pacific, BNSF
- Passenger - Amtrak

Bakersfield is:

- 110 miles from Los Angeles
- 110 miles from Fresno
- 280 miles from San Francisco
- 300 miles from Sacramento

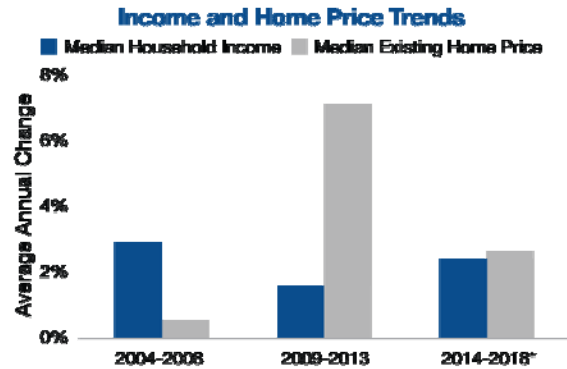
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Quality Of Life

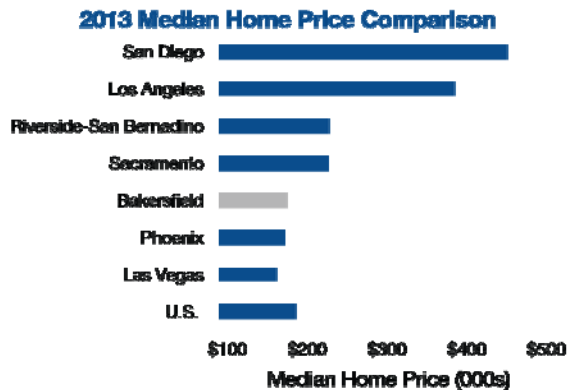
Outdoor enthusiasts can always find something to do near Bakersfield, whether it is white water rafting, jet skiing, or kayaking in Kern River Canyon or downhill and cross-country skiing in the mountains during the winter. Just minutes away from the city are the Buena Vista Aquatic Recreation Area, Lake Ming and the Kern River. These areas also provide biking and hiking trails. Those who like indoor sports may enjoy the Bakersfield Ice Sports Center or the McMurtrey Aquatics Center. Bakersfield is also home to the Bakersfield Blaze (baseball), the Bakersfield Jam (basketball), and the Bakersfield Condors (professional ice hockey) teams.

A variety of entertainment can be enjoyed at the Rabobank Arena Theater & Convention Center, which is home to the Bakersfield Symphony Orchestra and Masterworks Chorale. The Buck Owens' Crystal Palace provides local dinner theatre and museums include the Kern County Museum & Lori Brock Children's Discovery Center, California Living Museum, Bakersfield Museum of Art and the Buena Vista Museum of Natural History.

Among the institutions of higher learning are California State University, Bakersfield; Bakersfield College; and National University.



* Forecast
Sources: Marcus & Millichap Research Services, Economy.com, National Association of Realtors®, U.S. Census Bureau



Sources: Marcus & Millichap Research Services, Economy.com, National Association of Realtors®

The information contained in the market overview comes from sources deemed to be reliable, however, no representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. The most timely data available at time of production, including estimates and forecasts, were used and may be subject to revision.

BAKERSFIELD

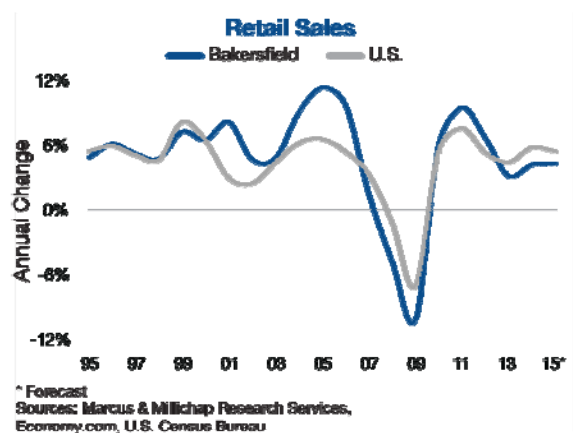
Economy

The metro’s main industries are oil, natural gas and agriculture. Kern County is one of the most oil productive counties in the nation and the Elk Hills field is the state’s top natural gas producer. Bakersfield is also a part of the agriculturally intensive San Joaquin Valley, and agriculture still constitutes a major portion of the local economic base. Other industries include mining, petroleum refining, manufacturing, food processing, distribution, and aerospace. In addition, many of the companies in these industries are headquartered in the area.

Bakersfield’s relatively inexpensive land and accessibility to the international ports in both Los Angeles and Oakland, as well as transportation access to the rest of country, are making the metro particularly attractive to the manufacturing and distribution sectors.

The metro also has a strong aviation, space, and military presence with Edwards Air Force Base, Halliburton, and the China Lake Naval Air Weapons Station located within the county.

The area’s business-friendly policies, such as no local inventory or utility taxes, and Bakersfield’s minimum sales tax, are helping to attract companies to establish offices in the region.



Top Commodities Produced

Grapes
Almonds
Milk
Citrus
Pistachios
Cattle
Carrots
Alfalfa Hay
Cotton
Potatoes

BAKERSFIELD

Employers

Kern County's employment base was founded on agriculture and oil. Today, agricultural producers are still a major component to the local economy, employing nearly 10,000 workers. Some of the bigger businesses include Giumarra Companies, Grimmway Farms and Bolthouse Farms. The large agriculture sector has attracted a growing list of food production facilities including Frito Lay, Nestle' Ice Cream, and Sun Pacific to locate in the area.

Oil and gas production is in a boom cycle and alternative energy companies are expanding. Local businesses include Aera Energy, Chevron, Pacific Gas and Electric, Occidental Petroleum Company, and Ensign United States Drilling.

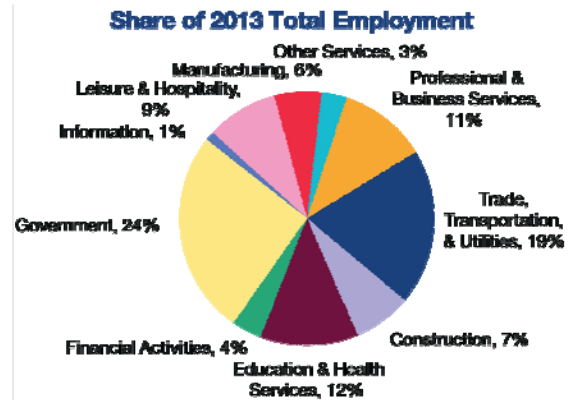
Many of the area's largest employers are in the education and health services sector, which provides 29,000 local jobs. This includes positions in the local school districts; the University of California, Bakersfield; and area hospitals, such as Bakersfield Memorial Hospital, Mercy Hospital, Kern Medical Center, and San Joaquin Community Hospital.

In the less-populated far eastern portion of the county, Edwards Air Force Base and the China Lake Naval Weapons Center contribute approximately 15,000 jobs.

Due to its strategic location, the metro also serves as a distribution hub for Target, IKEA, and Caterpillar among others, many of which are located in the Tejon Ranch Commerce Center.

Employment Trends

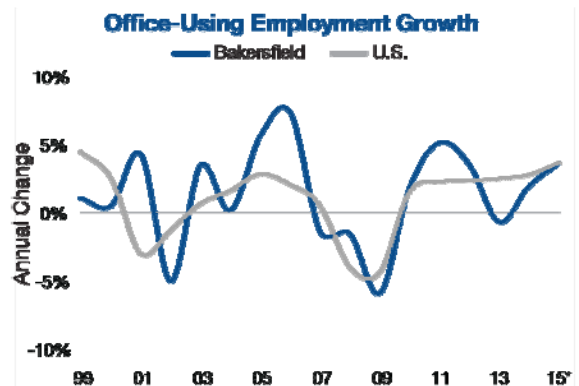
- Over the 12-month period ending in the first quarter, employers in Bakersfield added 4,200 new jobs, increasing payrolls by 1.7 percent. The metro's largest private sector — trade, transportation and utilities — added 2,630 jobs during the year, a 5.6 percent gain.
- The public sector is the largest employer in the area, which compounded the effects of the recession and spending cuts by the state government. In the past 12 months, 1,200 positions have been added, an encouraging sign for the market; however, the government employment level remains 3,000 jobs below its height in 2008.
- Supported by growth across every major industry, job growth in Bakersfield is anticipated to reach 1.8 percent in 2014 as 4,540 jobs are created. In 2013, employers added 3,700 positions.



Sources: Marcus & Millichap Research Services, BLS, Economy.com

Major Employers

Company	Number of Employees
County of Kern	7,042
Wm Bolthouse Farms Inc	4,450
Kern Union High School District	3,523
City of Bakersfield	2,671
Bakersfield City School District	2,476
California Corrections Department	2,200
Nestle Ice Cream Company	1,920
Grimmway Enterprises Inc	1,667
Sun World International Inc	1,500
State Farm	1,500
Wal-Mart Stores Inc	1,356
United States Postal Service	1,150
Bakersfield Memorial Hospital	1,100
Kern City Schools	975
San Joaquin Community Hospital	850
Home Depot USA Inc	850
Target Corporation	829
T & R Bangis Agriculture Services	800
Old Frito-Lay Inc	800



* Forecast
Sources: Marcus & Millichap Research Services, BLS, Economy.com

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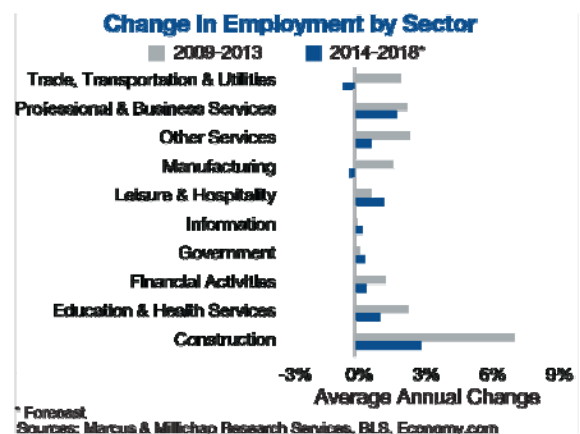
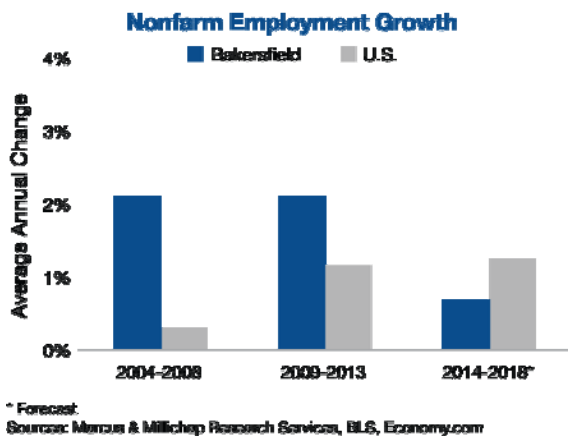
Labor

After posting strong nonfarm employment growth at an average annual pace of 2.1 percent during the previous five years, job growth in Bakersfield is now expected to expand at a more modest rate. Over the coming five years, the metro is forecast to boost its current 248,000 jobs by an average of 0.7 percent annually.

The government sector dominates employment in the county, accounting for nearly one-fourth of all jobs. In addition to city staffs, this sector encompasses the county’s three largest employers: Edwards Air Force Base, Kern County and China Lakes Navel Weapons Center. The sector is poised to grow 0.4 percent annually through 2018.

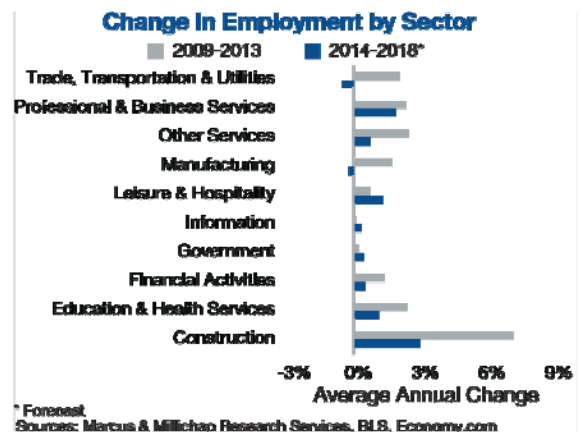
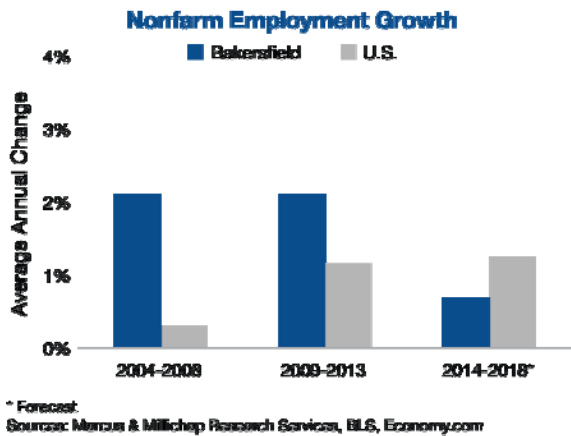
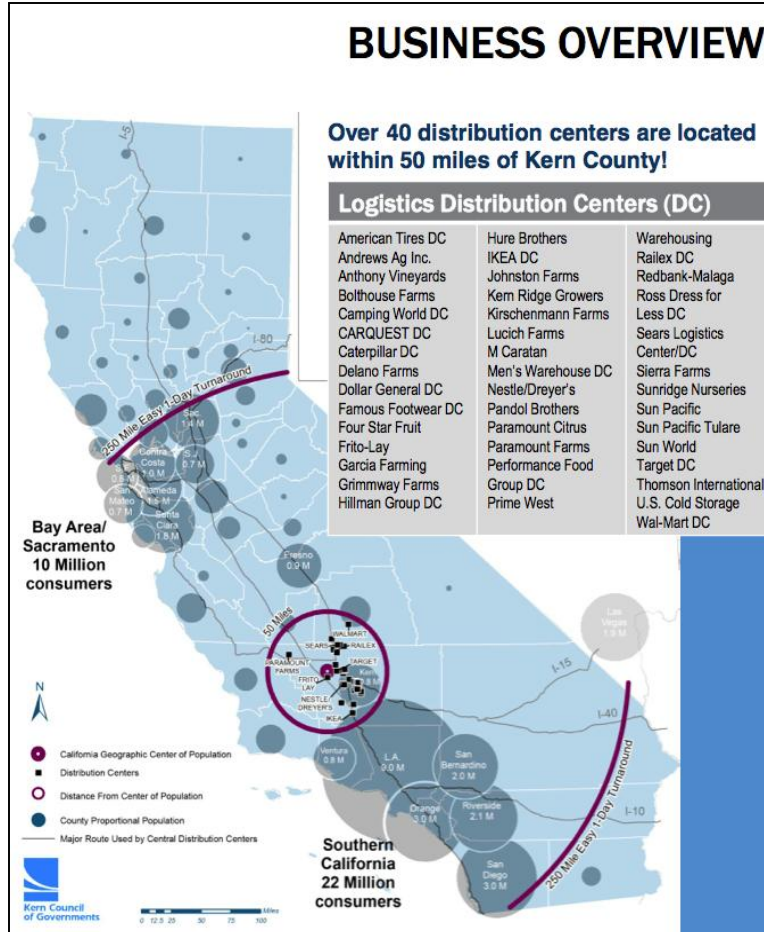
The trade, transportation and utilities sector accounts for 19 percent of total employment, with the largest portion of workers in retail trade. This segment has yet to regain many of the jobs lost during the recession and is currently forecast to contract at an average annual pace of 0.5 percent in the coming five years. That said, Bakersfield’s strategic position between Los Angeles and San Francisco will likely translate into a stronger transportation and shipping industry in the future.

The fastest payroll expansion in the coming five years is forecast to be registered in the construction sector. A return to homebuilding, as well as larger projects such as the cancer center addition at San Joaquin Community Hospital, have both helped this sector regain many of the jobs lost during the recent recession. Over the next five years, annual growth in this sector is expected to average 3.0 percent.



BAKERSFIELD

Labor



BAKERSFIELD

Bolthouse & Grimway Farms

Bolthouse and Grimmway Farms are two of the largest carrot producers in the world.

Bolthouse Farms has more than 95 ears of farming experience and is known for producing high-quality products using fresh ingredients. They also employ responsible and sustainable farming practices – the farm is the largest agri-solar farm in North America.

Grimmway Farms has been working in Bakersfield since 1985, where the climate enables two annual carrot crops. The farm also works with solar power and is known for its healthy production of baby carrots.

Bakersfield benefits from these two outstanding farms, because they shine light on the various agricultural opportunities available in the area. This can attract numerous farmers and manufacturers to the area who can take advantage of the space, the weather and the low operation costs.

Paramount Farming (Roll Corporation)

Bakersfield is home to Paramount Farming, which is governed by its parent company, the Roll Corporation. This farm is the world's largest grower and processor of almonds and pistachios. In tandem with their Grower Partners, Paramount Farming manages 125,000-acres that deliver 450 million pounds of nuts. The outstanding weather in Bakersfield works together with the naturally rich soils to create perfect growing conditions for heart-healthy and fiber-rich nuts.

Paramount Logistics Park

Paramount Logistics Park features 5 to 200 acre lots, accommodating a wide variety of users. Current occupants include Target, Hillman Fastener, State Farm, American Tire, Formica, Baker Hughes.

- Strategically located on 7th Standard between I-5 and Hwy 99, California's major north-south trucking corridors
- Easy access to Hwy 58, the main east-west trucking corridor for the southern valley
- The BNSF terminal is adjacent to the Park
- Property within 20 miles of labor pool of more than 130,000 people

BAKERSFIELD

Tejon Ranch Commerce Center

The Tejon Ranch Commerce Center is the Golden Empire's major distribution center for prominent companies like IKEA, Famous Footwear, Wal-Mart, Target, Sears and Car Quest. It is also home to large manufacturing facilities for Nestle, Frito-Lay, Formica, Elk Corporation and two of the country's leading agricultural enterprises – Bolthouse and Grimmway Farms. This outstanding location offers up to 20 million-square feet of new industrial space available for a wide range of manufacturing. The center offers companies a wealth of critical advantages such as low costs of operations, a large and loyal labor force, various operational advantages and a friendly environment for business operations. This provides a huge advantage to the Bakersfield area because it helps keep the economy strong and it attracts new manufacturers and production companies to the area. The Tejon Ranch Commerce Center is a development of Tejon Ranch Company, a publicly traded corporation on the New York Stock Exchange (NYSE:TRC). Tejon Ranch Company is a diversified real estate development and agribusiness operation whose principal asset is the historic Tejon Ranch, which, at 270,000 acres, is California's largest single private landholding.

Outlets at Tejon Ranch

The Outlets at Tejon Ranch is a \$90 million project opening August 2014, which will bring more than 70 stores to a site near where Interstate 5 and Highway 99 meet. This intersection sees heavy traffic year round due to the 14 million visitors who stop by for a bite to eat or for gas. The Starbucks in the area is one of the five busiest in the country. Tejon Ranch Co. and prominent New York real Estate investment firm, the Rockefeller Group, are building the development. This outdoor mall will offer a wealth of retail options including nationally recognized department stores as well as designer brand merchandise at value prices. The new development will establish countless job opportunities to Bakersfield residents, it will attract new visitors and it will attract new businesses to the area.



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Kern County Forecasted Employment Growth

Monterey Shale

The Monterey Shale is an extensive oil rich, geological deposited formation that extends from northern California down to Los Angeles. There is an estimated 1.5 – 2 trillion cubic feet of natural gas deposited in the Shale that is expected to have macroeconomic impacts on Kern County as well as other major markets in California. The Monterey Shale is expected to produce the following results that will fluctuate from a low to a high of the following categories:

- For low enhanced-drilling cases, job growth can increase by and between .8% (196,200) & 4.3% (1,206,700).
- For high enhanced-drilling cases, job growth can increase by a range of 4.2% (827,700) to 22.4% (4,425,000).
- State per-capita GDP can grow by 2.6% (\$1,600) to 14.3% (\$11,000).
- Personal income can grow by 2.1% (\$40.6 billion) to 10% (\$222.3 billion).
- o In turn State & local government revenues will grow by 2.1% (\$4.5 billion) to 10% (\$24.6 billion)



Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
2000 Population	5,416	70,549	187,954
2010 Population	6,530	86,946	250,350
2014 Population	6,744	89,402	258,272
2019 Population	7,221	95,605	283,202
2000 Households	2,129	26,383	67,053
2010 Households	2,666	32,467	86,052
2014 Households	2,804	33,763	89,649
2019 Households	3,057	36,247	97,961
2014 Average Household Size	2.41	2.64	2.87
2014 Daytime Population	4,260	42,805	102,270
2000 Owner Occupied Housing Units	54.24%	63.11%	60.54%
2000 Renter Occupied Housing Units	39.20%	32.83%	34.32%
2000 Vacant	6.56%	4.05%	5.14%
2014 Owner Occupied Housing Units	41.89%	60.17%	60.42%
2014 Renter Occupied Housing Units	58.11%	39.83%	39.58%
2014 Vacant	3.48%	3.15%	4.18%
2019 Owner Occupied Housing Units	41.24%	60.63%	61.39%
2019 Renter Occupied Housing Units	58.76%	39.37%	38.61%
2019 Vacant	3.13%	3.10%	4.02%
\$ 0 - \$14,999	7.8%	8.5%	10.4%
\$ 15,000 - \$24,999	7.4%	8.2%	9.8%
\$ 25,000 - \$34,999	10.5%	8.7%	8.4%
\$ 35,000 - \$49,999	14.4%	12.8%	13.0%
\$ 50,000 - \$74,999	21.2%	18.5%	19.4%
\$ 75,000 - \$99,999	15.0%	14.4%	13.5%
\$100,000 - \$124,999	10.0%	10.0%	9.8%
\$125,000 - \$149,999	5.1%	6.3%	5.6%
\$150,000 - \$199,999	4.9%	6.0%	5.3%
\$200,000 - \$249,999	1.4%	2.6%	1.9%
\$250,000 +	2.4%	4.0%	2.8%
2014 Median Household Income	\$62,439	\$65,167	\$59,817
2014 Per Capita Income	\$34,174	\$34,988	\$28,549
2014 Average Household Income	\$81,365	\$92,273	\$81,992

Demographic data © 2012 by Experian.

SUMMARY REPORT

Geography: 5 miles

Population

In 2014, the population in your selected geography is 258,271. The population has changed by 37.41% since 2000. It is estimated that the population in your area will be 283,202 five years from now, which represents a change of 9.65% from the current year. The current population is 49.05% male and 50.94% female. The median age of the population in your area is 32.7, compare this to the Entire US average which is 37.3. The population density in your area is 3,286.98 people per square mile.

Households

There are currently 89,649 households in your selected geography. The number of households has changed by 33.69% since 2000. It is estimated that the number of households in your area will be 97,960 five years from now, which represents a change of 9.27% from the current year. The average household size in your area is 2.87 persons.

Income

In 2014, the median household income for your selected geography is \$59,816, compare this to the Entire US average which is currently \$51,972. The median household income for your area has changed by 34.27% since 2000. It is estimated that the median household income in your area will be \$69,889 five years from now, which represents a change of 16.83% from the current year.

The current year per capita income in your area is \$28,548, compare this to the Entire US average, which is \$28,599. The current year average household income in your area is \$81,992, compare this to the Entire US average which is \$74,533.

Race & Ethnicity

The current year racial makeup of your selected area is as follows: 64.03% White, 6.34% Black, 0.15% Native American and 6.32% Asian/Pacific Islander. Compare these to Entire US averages which are: 71.60% White, 12.70% Black, 0.18% Native American and 5.02% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 35.16% of the current year population in your selected area. Compare this to the Entire US average of 17.13%.

Housing

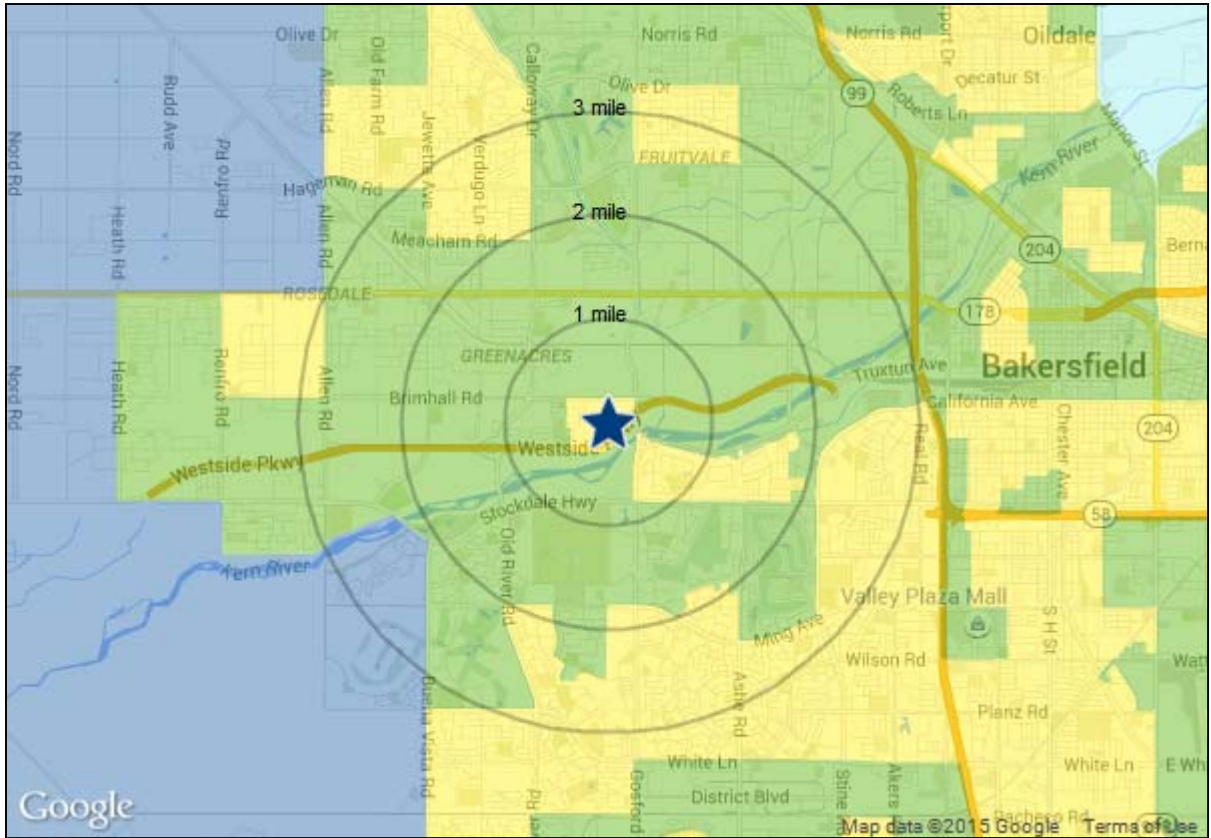
In 2000, there were 42,794 owner occupied housing units in your area and there were 24,258 renter occupied housing units in your area. The median rent at the time was \$480.

Employment

In 2014, there are 102,269 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 61.73% of employees are employed in white-collar occupations in this geography, and 38.18% are employed in blue-collar occupations. In 2014, unemployment in this area is 10.02%. In 2000, the average time traveled to work was 23.1 minutes.

Demographic data © 2012 by Experian.

POPULATION DENSITY



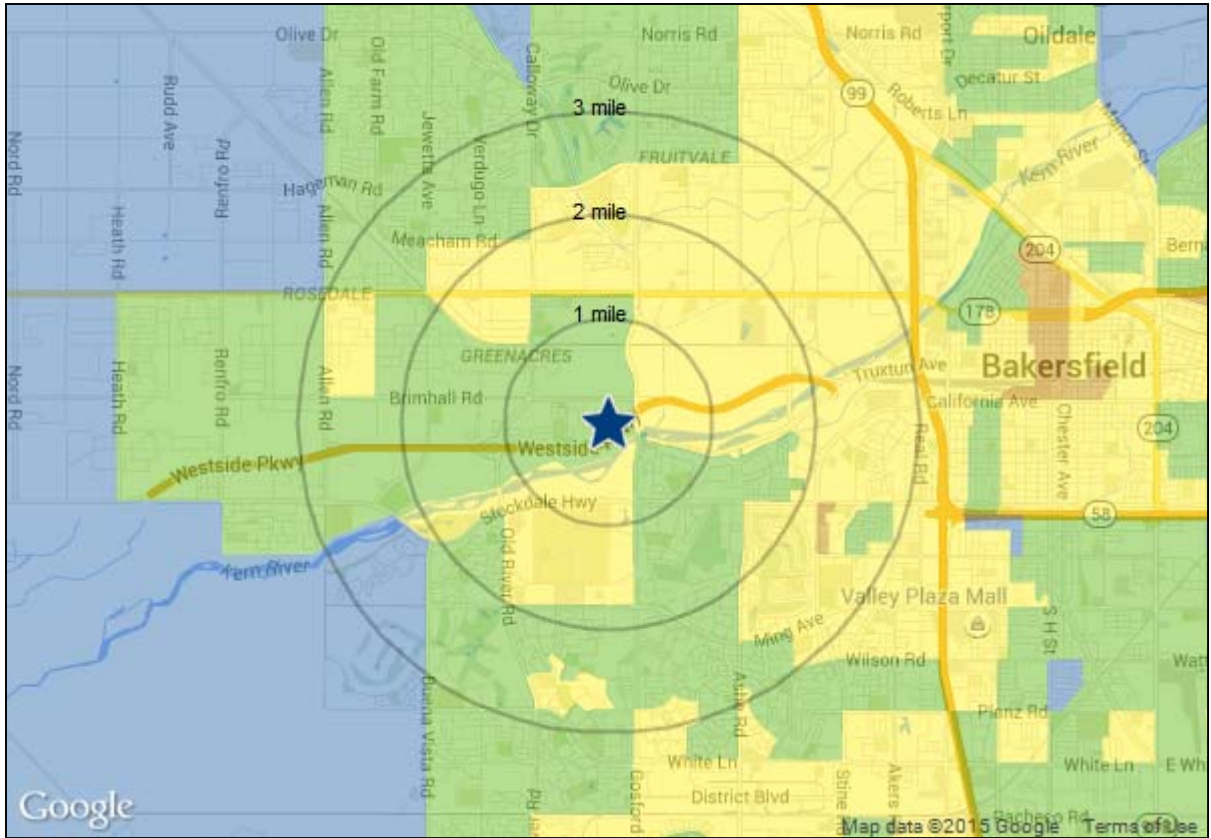
Demographic data © 2012 by Experian.

Population Density

Theme	Low	High
Low	less than	55
Below Average	55	475
Average	475	4100
Above Average	4100	35000
High	35000	or more

Number of people living in a given area per square mile.

EMPLOYMENT DENSITY



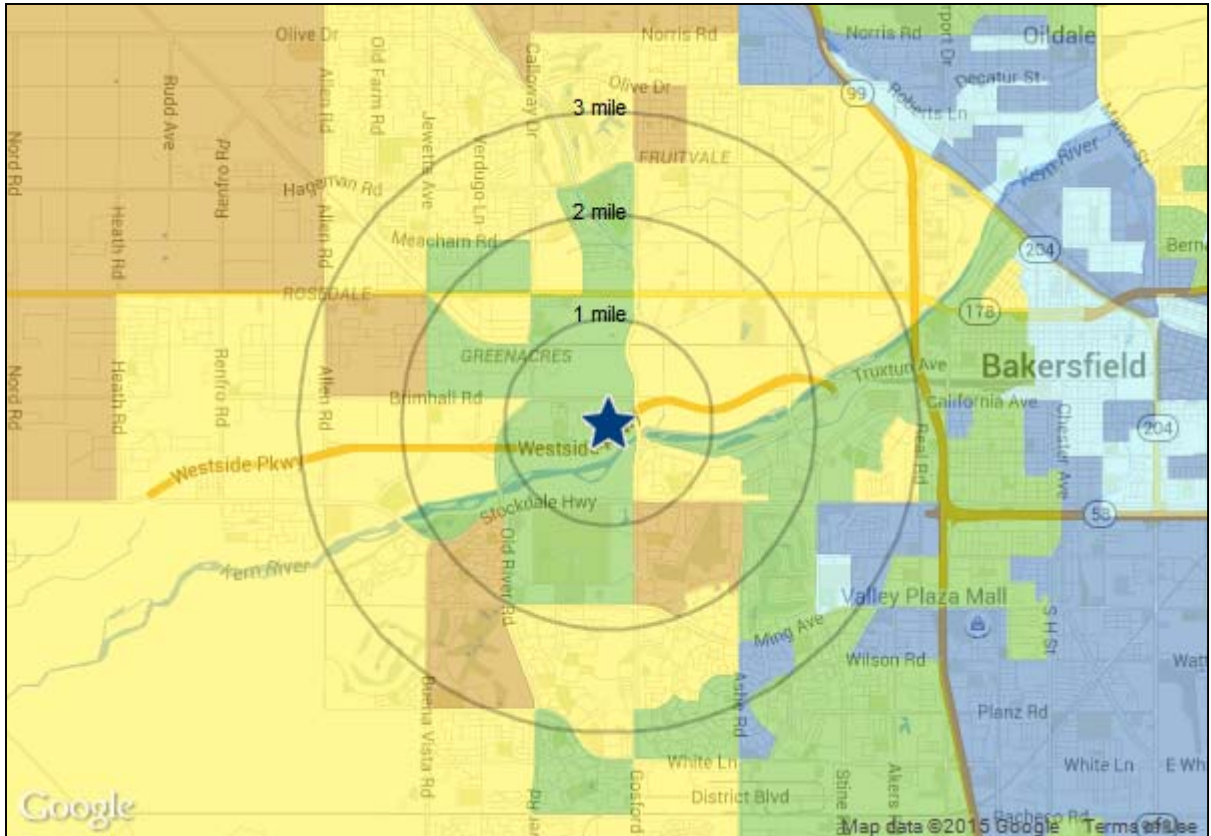
Demographic data © 2012 by Experian.

Employment Density

Theme	Low	High
Low	less than 9	9
Below Average	9	96
Average	96	1025
Above Average	1025	10875
High	10875	or more

The number of people employed in a given area per square mile.

AVERAGE HOUSEHOLD INCOME



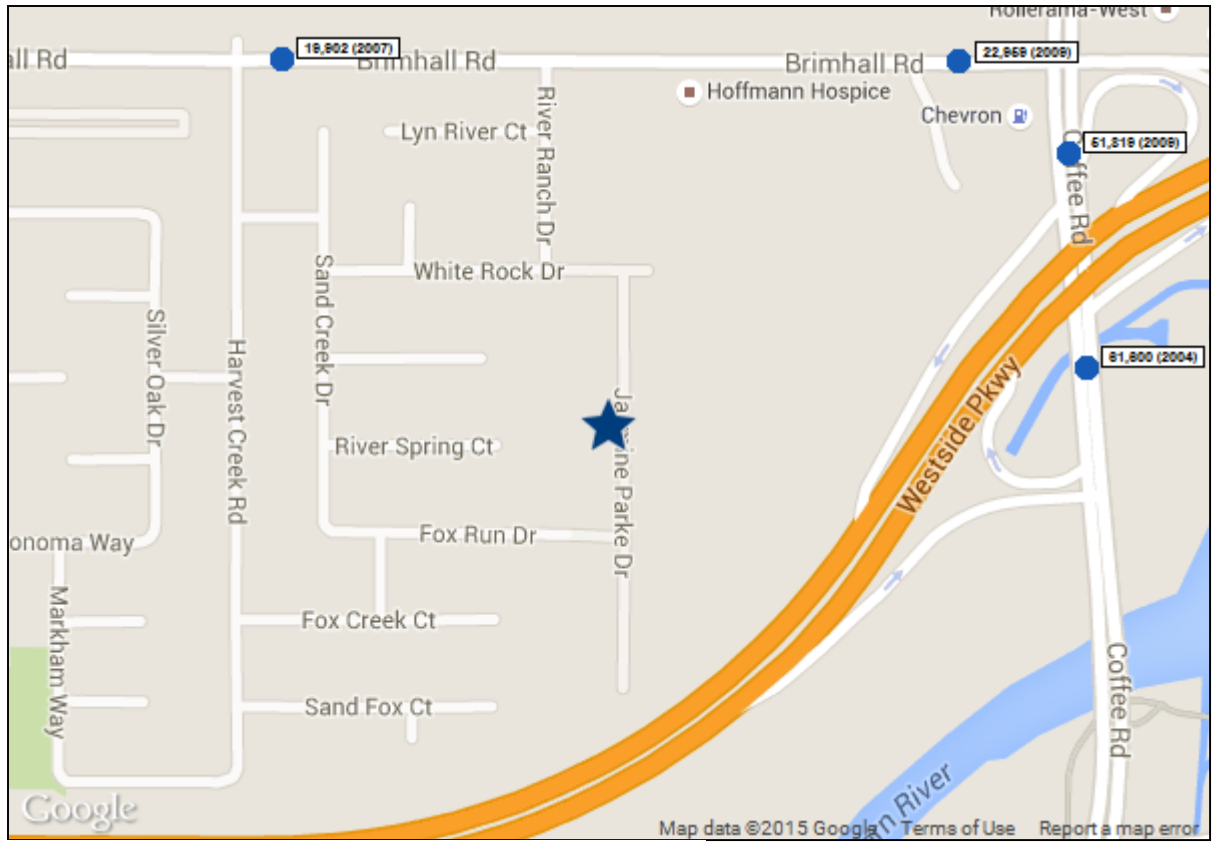
Demographic data © 2012 by Experian.

Average Household Income

Theme	Low	High
Low	less than	\$29,500
Below Average	\$29,500	\$48,500
Average	\$48,500	\$80,000
Above Average	\$80,000	\$132,500
High	\$132,500	or more

Average income of all the people 15 years and older occupying a single housing unit.

TRAFFIC COUNTS



Traffic Count data © 2012 by TrafficMetrix. All rights reserved.

Two-way, average daily traffic volumes.

* Traffic Count Estimate



MARCUS & MILLICHAP ADVANTAGE

Jasmine Parke Luxury Apartments

BAKERSFIELD, CA

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OUR ADVANTAGE

Dedicated to Providing the Best Debt and Equity Solutions

Marcus & Millichap Capital Corporation’s (MMCC) focus is to provide debt and equity solutions for commercial real estate property investors. In 2013, MMCC arranged \$2.7 billion in financing for a wide range of investment properties nationwide.

A Selection of National Multifamily Financing Engagements



Garden Apartment
Passaic, NJ
\$5,000,000
Bank



Garden Apartment
Bothell, WA
\$10,500,000
Life Insurance Co.



Mid-Rise Apartment
Hendersonville, TN
\$7,000,000
Agency



Garden Apartment
Riverside, CA
\$26,000,000
Commercial Bank

Capital Markets Experts

Our national team of experienced professionals provides financing for a full suite of investment property types in every market. Whether sourcing national, regional or local capital, our specialists are highly skilled at structuring a full range of customized solutions to meet owner and investor needs.

Additional Closings of Interest

Location	Amount	Lender Type	Transaction Type
Beaverton, OR	\$3,733,000	Agency	Refinance
Everett, WA	\$8,680,000	Commercial Bank	Refinance
Mesa, AZ	\$2,567,500	Commercial Bank	Refinance
San Diego, CA	\$1,320,000	Credit Union	Acquisition

MMCC has financing options available for the property being marketed. Loan terms are subject to the qualifications of the sponsor and are time sensitive.

For more information, contact:

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**Jasmine Parke Luxury
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