

Offering Memorandum

The Tahoe Sunnyside Cabins

1945 W. Lake Blvd | Tahoe City, CA 96145

Four (4) Duplexes & One (1) Fiveplex | Offered at: \$2,600,000



Nate Gustavson
Senior Vice President
415.786.9410

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Investment Overview

EXECUTIVE SUMMARY

Address 1945 W. Lake Blvd
Tahoe City, California
County Placer County
APN 084-140-013-000
County Use Multi Family

Price \$2,600,000
Units 13
Price /Unit \$200,000
Price/Sqft \$342
Rentable Square Feet 7,588
Lot Size Square Feet 28,314
Year(s) Built 2000 (#1-2) & 1958 (#3-14)
Current Cap Rate 4.17%
Current GRM 13.25
Market Cap Rate 4.76%
Market GRM 12.21

**OWNER MANAGED

Current Cap Rate 4.78%
Current GRM 13.25
Market Cap Rate 5.42%
Market GRM 12.21

RENT ROLL SUMMARY

TYPE	UNITS	CURRENT RENT	MARKET RENT
1-Bed/1.5-Bath (650 sqft Owner's Unit)	1	\$1,750	\$1,750
1-Bed/1-Bath (500-650 sqft)	11	\$1,100-\$1,350	\$1,350
Studio (400 sqft)	1	\$925	\$950
TOTAL	13	\$16,150	\$17,550

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INVESTMENT OVERVIEW



INVESTMENT OVERVIEW

The Tahoe Sunnyside Cabins are an exclusive thirteen (13) unit apartment complex with extensive recent renovations located just a couple hundred feet from the sparkling blue waters of Lake Tahoe, California.

Originally constructed by local Starchitect Bert Anderson for the 1960 Winter Olympics at Squaw Valley, The Tahoe Sunnyside Cabins are an exhibit of Scandanavian detail in Pecky Cedar. The property consists of four (4) duplexes and one (1) five-unit building, totaling 7,588 square feet of livable space and situated on a 28,314 square foot lot. Extensively upgraded over the past five years, this property is a clear example of a "Pride of Ownership" investment opportunity.

The apartment interiors consist of eleven (11) one-bedroom/one-bath units ranging from 500-650 square feet, one (1) studio unit of 400 square feet, and one (1) one-bedroom/one-and-a-half-bath "Owner's Unit" with exquisite high-end finishes.

Since the COVID-19 pandemic hit the United States, most all companies have had to adapt by allowing their employees to work remotely. Locally, we have seen a substantial increase in both rental and buyer demand as a result of many Bay Area/Sacramento/Reno based employees looking to continue working remotely from Lake Tahoe for the foreseeable future.

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INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Located directly across the street from Lake Tahoe, William Kent Public Beach, and Sunnyside Restaurant & Lodge
- Extremely well-constructed, high-quality buildings.
- Extensive interior upgrades in ten (10) of the thirteen (13) units
- Pleasant "Community Atmosphere" at The Sunnyside Cabins
- Asphalt parking lot completely redone in 2019
- Onsite laundry machines (2 of each); Owned by Landlord.
- Quintessential Old Tahoe Cabins designed by Bert Anderson
- Four (4) Duplexes and One (1) Five-Unit Building on one parcel
- Scandanavian detailed interiors
- Constructed with Beautiful/Strong Pecky Cedar
- Increasing Rental/Buyer Demand in Lake Tahoe due to pandemic related relocation.
- Easy access to Homewood, Squaw Valley, Northstar at Tahoe, and Diamond Peak Ski Resorts.

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ARCHITECT | BERT ANDERSON

FROM "MOONSHINE, INC", APRIL, 2012

A 'Bert Anderson' is the quintessential Old Tahoe cabin with pecky cedar or shiplap siding, rock fireplaces, unique square windows, and deck railings with cut-out tree designs. For many, they are the classic Old Tahoe homes.

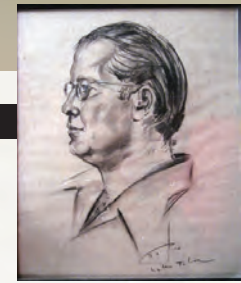
Bert Anderson began his building career in the early 1940s by purchasing 135 acres along Ward Creek on Tahoe's West Shore. He began by building six homes in 1946 that he called Wonder Homes. While the lots on the creek initially sold for \$750, you only had to pay \$1,200 for the house and lot. He tried to reduce what he paid for everything and it was reflected in the prices of his homes, which were absurdly low compared to others.

Finding inexpensive building materials was a real challenge just after WWII, so Anderson devised a machine to make his own shingles and developed the use of pecky cedar because it was cheap and available. He found surplus railroad snowshed wood and used it to build decks. He would prefabricate portions of the house in the winter so he could put them together in just a few weeks in the summer.

The cabins were designed for summer use only. Anderson didn't believe that anybody would be crazy enough to want to live in Tahoe in the winter. While he never made it past eighth grade, Anderson was a true 'MacGyver' — he could figure out whatever needed to be done, and then just do it. He was his own architect, engineer, excavator, road builder, mason, and carpenter. "He effectively gave everybody a lifetime guarantee when they purchased a home," said his son Gary. "If anything ever went wrong, he would fix it."

In the early 1950s, Anderson decided he wanted to provide an opportunity for social get-togethers so he created the Pineland Bowl at the end of Pineland Drive. It had log benches in a bowl-shaped area, a fire pit, and a small building enclosing a piano, used by Anderson's sister to give regular concerts. In addition to Pineland and a portion of Timberland, Anderson also created what would become the lakefront development of Sierra Terrace just outside of Tahoe City.

Eventually, he built over 100 homes at Tahoe. In 1968, Anderson began spending most of his time in Hawaii. He died in 1979. Gary says that his father's biggest contribution was that 'he tried to make Tahoe affordable for everybody.'



INTERIOR REMODEL SPECS

OWNER'S UNIT (#1) AND UNIT #2

- New Construction (2000)
- Expanded the living room and added a half-bath off of the upstairs bedroom. (2014)
- Washer/Dryer inside both units
- Upgraded Owner's unit kitchen with custom Cambria granite countertop, granite composite sink and Elkay kitchen faucet.

UNIT #4 (2017)

- Water heater
- New toilet
- Kitchen faucet/sink
- New range/stove
- New flooring - Carpet & Tile
- New tile hearth for wood burning stove
- Built in cabinets in kitchen and bedroom
- Interior cedar walls and trim refinished and shellac varnished to like-new.

UNIT #3 (2017)

- New kitchen and bathroom faucets
- New range/stove
- New toilet

UNIT #6 (2017)

- Window coverings
- New toilet
- Tile
- Kitchen faucet/sink
- New range/stove
- New flooring - carpet
- Refrigerator
- Re-built shower stall and shower door
- Built in cabinets in kitchen and bedroom
- Interior cedar walls and trim refinished and shellac varnished to like-new.

INTERIOR REMODEL SPECS

UNIT #9 (2017)

- Water heater
- Window coverings
- New toilet
- Tile
- Kitchen faucet/sink
- New range/stove
- New flooring - carpet
- New gas furnace
- Converted from two (2) small bedrooms to one (1) large bedroom.
- Bathroom vanity, faucet.
- Built in cabinets in kitchen and bedroom
- Interior cedar walls and trim refinished and shellac varnished to like-new.

UNIT #8 (2018)

- Water heater
- Window coverings
- New toilet
- Tile
- Kitchen faucet/sink
- New range/stove
- New flooring - carpet
- Built in cabinets in kitchen and bedroom
- Interior cedar walls and trim refinished and shellac varnished to like-new.

UNIT #10 (2016)

- Water heater
- Window coverings
- New toilet
- Tile
- Kitchen faucet/sink
- New range/stove
- New flooring - carpet
- Pantry and coat closets added
- Bathroom vanity, faucet and shower door.
- Built in cabinets in kitchen and bedroom
- Interior cedar walls and trim refinished and shellac varnished to like-new.

INTERIOR REMODEL SPECS

UNIT #11 (2015)

- Water heater (2020)
- Window coverings
- New toilet
- Tile
- Kitchen faucet/sink
- New range/stove
- New flooring - carpet & vinyl
- New gas furnace
- Converted from two (2) small bedrooms to one (1) large bedroom.
- Bathroom vanity, faucet.
- Interior cedar walls and trim refinished and shellac varnished to like-new.

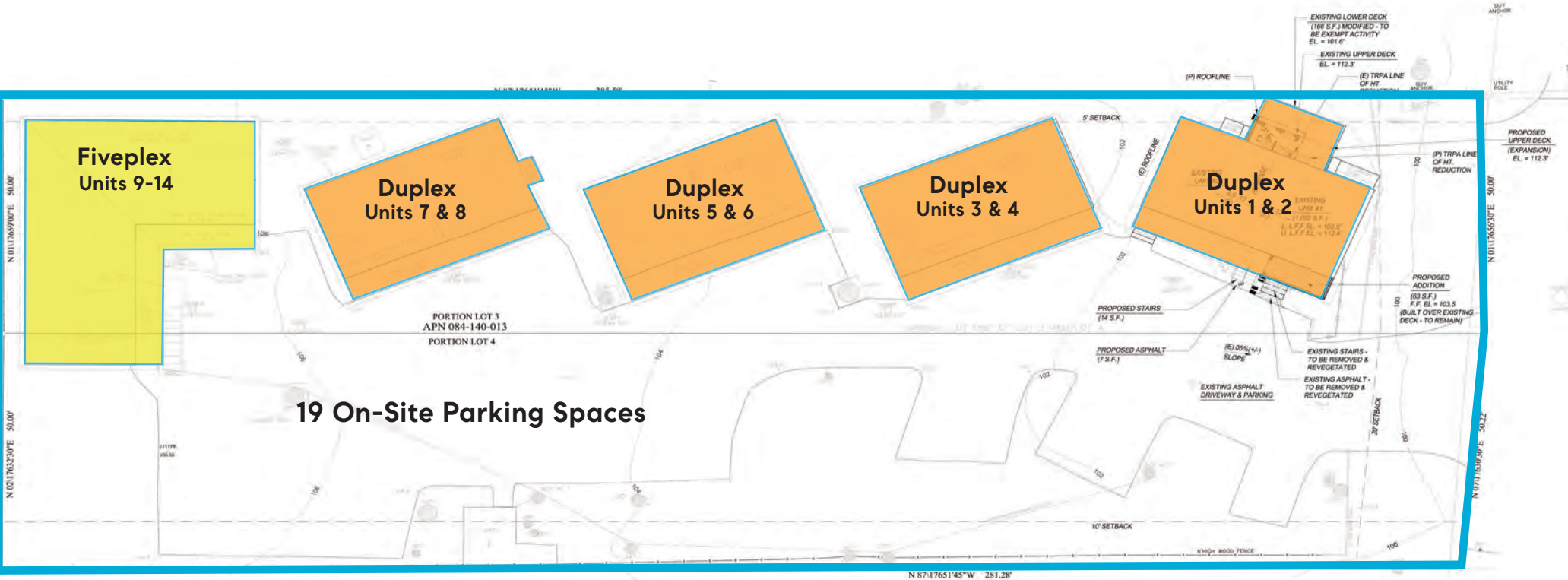
UNIT #12 (2017)

- Water heater
- Window coverings
- New toilet
- Tile
- Kitchen faucet/sink/refrigerator
- New range/stove
- New flooring - carpet & vinyl
- Pantry and coat closets added
- Rebuilt shower stall and shower door
- Bathroom vanity, faucet
- Built in cabinets, kitchen and bedroom
- Interior cedar walls and trim refinished and shellac varnished to like-new.

UNIT #14 (2016)

- Water heater
- New gas furnace
- Added south-facing window for more light/air
- Pantry and coat closets added
- Window coverings
- New toilet & tile
- Kitchen faucet/sink
- New range/stove
- New flooring - carpet
- Built in cabinets and interior cedar walls and trim refinished and shellac varnished to like-new.

SITE PLAN



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Location Overview

CITY OF TAHOE CITY

LOCATION OVERVIEW

Sunnyside-Tahoe City, California

Tahoe City is one of the prettiest places you will ever see; located right along the shore of Lake Tahoe at the outlet of the Truckee River.



To one side you look and see the shimmering blue waters of Lake Tahoe, and to the other the mountains. Up and down West Lake Blvd you will pass shops, restaurants, bars, and art galleries full of mind-blowing photographs which capture the region's beauty. Part of what makes Tahoe City pretty, so to speak, is the vibe you get from this mountain town. Everyone's friendly. Everyone seems healthy and engaged in life, and they stop and talk with you.

Tahoe City's numerous "Things to Do" keep the town incredibly active. Wintertime is marked with skiing and plenty of other snow sports (*including après-ski relaxing with a hot toddy*). Located just 7 miles from Squaw Valley/Alpine Meadows Ski Resorts, Tahoe City and its annual 170-inches of snowfall make it an attractive destination for vacationing skiers and snowboarders, on par with Colorado's Vail and Aspen. When the sun shines warmer in the summer months, the town's easy access to the lake means that boating, waterskiing, kayaking, SUPing, swimming, fishing and lake cruises take center stage. Year round, biking and hiking keep people moving. State parks and hiking trails welcome visitors to their scenic escapes, and they're the perfect places to take a packed picnic. And until it gets too covered in snow, the local Tahoe City Golf Course is always full of avid golfers practicing their swing.

Due to its high elevation (6,253 ft), Tahoe City has what is referred to as a "continental mediterranean climate" with dry summers featuring very warm days and chilly nights, plus extremely snowy, though not thermally severe winters. The annual snowfall of 170.8 inches is remarkable for a place with only twelve days typically not topping freezing.

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SUNNYSIDE-TAHOE CITY, CA

The Tahoe Sunnyside Cabins | TAHOE CITY, CALIFORNIA

Sunnyside
Restaurant & Lodge



William Kent
Shoreline (public) Beach



The Tahoe
Sunnyside Cabins



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SUNNYSIDE-TAHOE CITY, CA

The Tahoe Sunnyside Cabins | TAHOE CITY, CALIFORNIA

The Tahoe Sunnyside Cabins



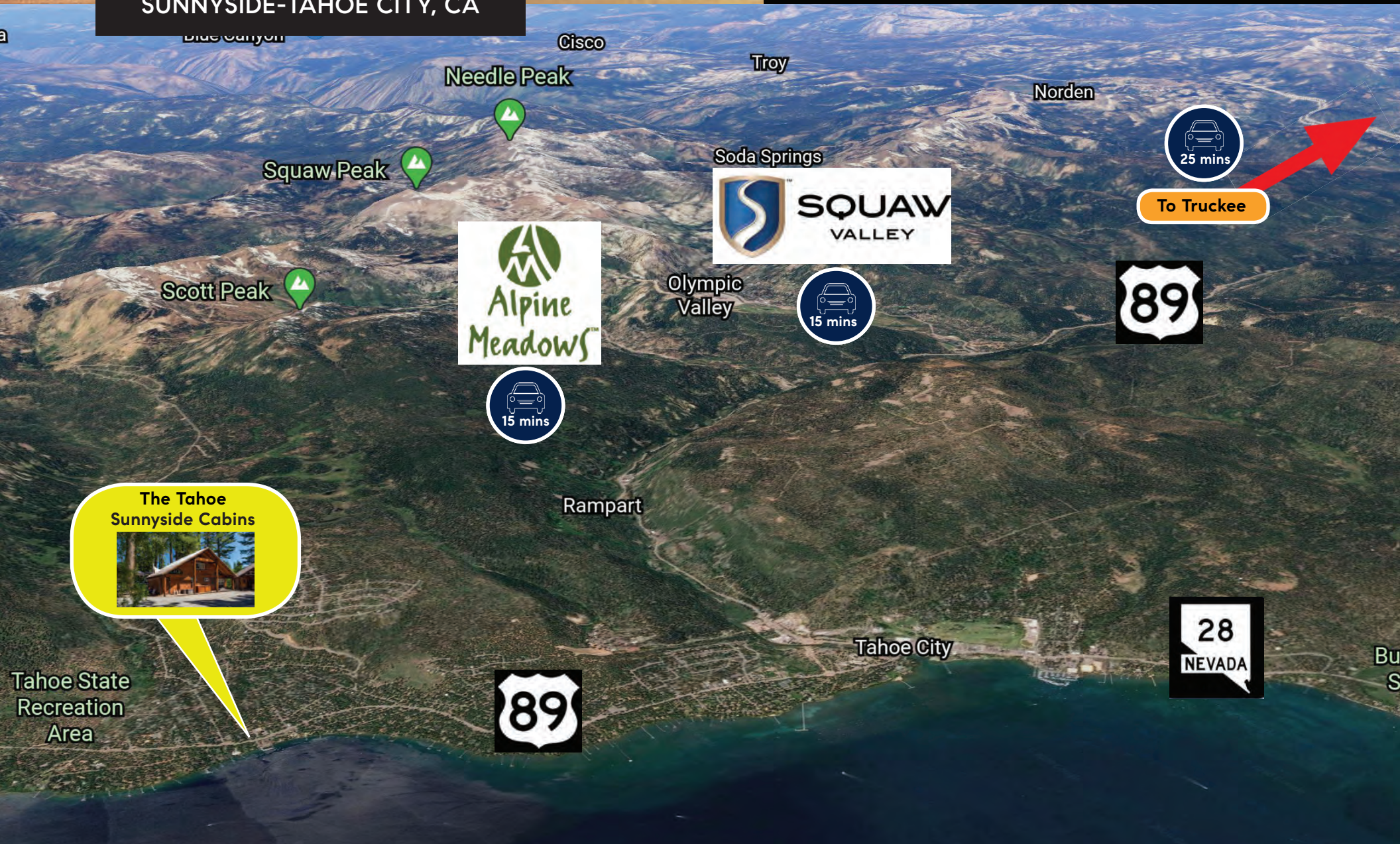
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SUNNYSIDE-TAHOE CITY, CA

The Tahoe Sunnyside Cabins | TAHOE CITY, CALIFORNIA



The Tahoe Sunnyside Cabins



Tahoe State Recreation Area

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Photos

PROPERTY PHOTOS



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PROPERTY PHOTOS - OWNER'S UNIT

The Tahoe Sunnyside Cabins | TAHOE CITY, CALIFORNIA



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PROPERTY PHOTOS

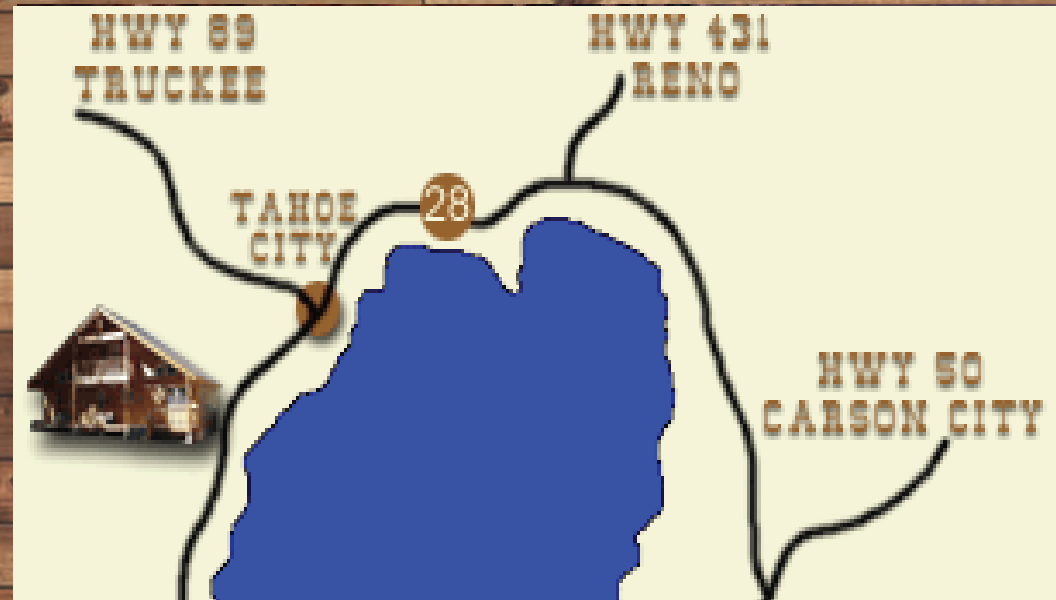


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PROPERTY PHOTOS



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Pricing & Financial Analysis

RENT ROLL SUMMARY

RENT ROLL

UNIT	TYPE	JAN. 2021 RENT	MARKET RENT	SQUARE FEET
1*	1-Bed/1.5-Bath	\$1,750	\$1,750	650
2	1-Bed/1-Bath	\$1,300	\$1,350	550
3	1-Bed/1-Bath	\$1,100	\$1,350	550
4	1-Bed/1-Bath	\$1,300	\$1,350	550
5	1-Bed/1-Bath	\$1,100	\$1,350	550
6	1-Bed/1-Bath	\$1,300	\$1,350	550
7	1-Bed/1-Bath	\$1,100	\$1,350	550
8	1-Bed/1-Bath	\$1,275	\$1,350	550
9	1-Bed/1-Bath	\$1,325	\$1,350	650
10	1-Bed/1-Bath	\$1,125	\$1,350	500
11	1-Bed/1-Bath	\$1,350	\$1,350	650
12	1-Bed/1-Bath	\$1,200	\$1,350	500
14	Studio	\$925	\$950	400
	**Laundry Income	\$200	\$200	
MONTHLY TOTALS		\$16,350	\$17,750	7,588
ANNUAL TOTALS		\$196,200	\$213,000	

NOTES TO RENT ROLL

* Unit #1 is the Owner's Unit. Market rent estimated conservatively at \$1,750/mo. Will be delivered vacant at close of escrow.

** Laundry machines are owned, and produce approximately \$200/month on average.



OPERATING STATEMENT & EXPENSES

EXECUTIVE SUMMARY

Address	1945 W. Lake Blvd Tahoe City, California
County	Placer County
APN	084-140-013-000
County Use	Multi Family

Price	\$2,600,000
Units	13
Price /Unit	\$200,000
Price/Sqft	\$342
Rentable Square Feet	7,588
Lot Size Square Feet	28,314
Year Built	2000 (#1-2) & 1958 (#3-14)

Current Cap Rate	4.17%
Current GRM	13.25
Market Cap Rate	4.76%

**OWNER MANAGED

Current Cap Rate	4.78%
Current GRM	13.25
Market Cap Rate	5.42%
Market GRM	12.21

CURRENT

MARKET

Scheduled Gross Income [1]	\$196,200	\$213,000
Less Vacancy	1.0% (\$1,962)	1.0% (\$2,130)
Effective Gross Rent	\$194,238	\$210,870

EXPENSES

Property Taxes (1.000%)	\$26,000	\$26,000
Agency Taxes & Direct Chg [2]	\$2,214	\$2,214
TCPUD [3]	\$7,300	\$7,300
Tahoe Truckee Sanitary (TTSA)	\$3,978	\$3,978
Gardening	\$1,250	\$1,250
Insurance	\$6,900	\$6,900
Refuse/Snow Removal	\$8,840	\$8,840
Repairs & Maintenance [4]	\$8,140	\$8,140
Replacements	\$3,600	\$3,600
Supplies	\$1,000	\$1,000
Common Area Utilities	\$800	\$800
Property Management [5]	\$15,696	\$17,040
Total Expenses	\$85,718	\$87,062
% Scheduled Gross Income	43.68%	40.87%
Expenses/Unit	\$6,593	\$6,697

NET OPERATING INCOME	\$108,520	\$123,808
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NOTES TO OPERATING STATEMENT & EXPENSES

NOTES TO OPERATING STATEMENT & EXPENSES

- [1] Scheduled Gross Income includes rent increases scheduled from date of listing through January 1st, 2021. - Also, SGI includes Unit #1 (Owner's Unit) at a conservative rate of \$1,750/month.
- [2] Agency Taxes and Direct Charges derived from 2019-2020 secured property tax bill.
- [3] Tahoe City Public Utility District
- [4] Repairs and Maintenance averaged from last three (3) years. Ask Agent for Profit & Loss Stmt
- [5] Property Management - Market assumes 8% of Scheduled Gross Income.

Exclusively Listed by:



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