

# University Palms

## 1377 Kapiolani Street, Hilo, Hawai'i

### Exclusive Listing Broker:

Joel K. LaPinta, CCIM R<sup>®</sup>

40 Kamehameha Avenue

Hilo, HI 96720

Phone: 808-961-0161

[lapinta@lapinta.com](mailto:lapinta@lapinta.com)

[www.LaPinta.com](http://www.LaPinta.com)

**Price: US \$3,500,000**

**Apartment Building**

**Student Housing**

**Cap Rate: 9.0%**



**Lot Size:** 26,000 Sq. Ft.

**Tenure:** Leasehold – Ground lease rent payments set to end of term on December 31, 2032

**Zoning:** State Land Use Classification: Urban

County of Hawai'i: Multifamily Residential (RM-1.0)

**Building Area:** 33,704 Square Feet

**Improvements:** The C-shaped 3-story apartment building was constructed of concrete block in 1973; renovated in 1992; and most recently renovated with additional improvements when it was converted for student housing in 2003. High speed Internet connections have been installed throughout the building, security fencing and gate have been installed, security cameras, and decommissioning of septic system and connection to the county of Hawai'i municipal sanitary sewer system has been completed.

### Ground Lease Schedule:

Period of Term	Annual Rent
1 Jan. 2003 to 31 Dec. 2007	\$ 8,760
1 Jan. 2008 to 31 Dec. 2012	\$10,500
1 Jan. 2013 to 31 Dec. 2017	\$13,680
1 Jan. 2008 to 31 Dec. 2022	\$14,880
1 Jan. 2023 to 31 Dec. 2027	\$16,140
1 Jan. 2028 to 31 Dec. 2032	\$17,520

The information provided by the Broker was obtained from sources believed reliable, nevertheless, no warranty or representation, expressed or implied, is made by the broker. You should make a careful, independent investigation of the property being offered and determine to your satisfaction that the property, and any contemplated transaction, meets your needs.

## Estimated Income

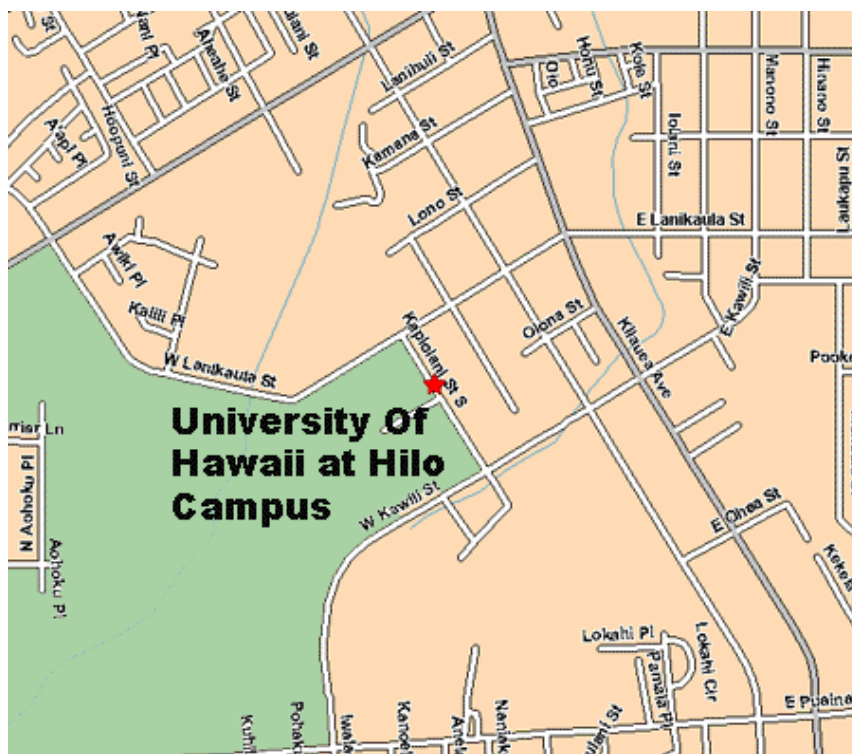
### & Expenses:

1 July 2005 to 30 June 2006

Potential Rental Income:	\$ 595,000	100 beds at 595/mo. For 10 Months
Less: Vacancy & Cr. Losses	29,750	5% or potential (previous year was 2%)
Plus: 2 Months Summer	40,000	See Notes Below
Laundry Income	4,500	
<b>Gross Operating Income</b>	<b>605,250</b>	
<b>Total Operating Expenses</b>	<b>276,223</b>	
<b>Ground Lease Rent</b>	<b>8,760</b>	
<b>Net Operating Income</b>	<b>320,267</b>	

### Location Map:

University Palms, 1377 Kapiolani Street



### Additional Notes:

- ❖ The property is marketed directly to prospective and returning students to the University of Hawaii at Hilo. Rents are paid for two five month periods. Some students choose to rent rooms during the summer as well and special rates are offered to them with a commitment for the winter semester.
- ❖ The fall 2004 enrollment at UH Hilo was 3,319; the UH Hilo Strategic Plan sets a goal for a student population at 5,000. The availability of housing is a limiting factor.
- ❖ The current housing on campus provides 620 beds for students; a joint venture to build housing for 760 more students has plans to deliver 200 of these by 2006; the university is seeking a developer to provide another 600 to 1000 beds to the student housing stock; the total existing and proposed student housing stock does not supply the demand for even 50% of the projected student population.

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