

November 27, 2017

## Statement of Ownership and Intent

In mid-September I purchased the Mariposa Townhomes located on State St. in East Medford as an investment property. The property and the 101 rental units needed many upgrades. To accomplish the work load I contracted with CPM Real Estate Services to act as my property management firm to handle the property management and the upgrades.

Initially, we created a needs-assessment of the property grounds and units themselves. Many townhomes had been neglected for years. Our first concern were basic services such as; heaters, air conditioners, fixing blinds, and doors. We have also upgraded; washers and dryers, power washed the parking lot, trimmed trees, and are currently installing a safety surveillance system at the resident's requests. Together along with CPM we interviewed and hired a dedicated on-site manager to assist with the improvements and to be there to support the residents during this transition process.

The business side of purchasing a neglected property like Mariposa Townhomes is to bring the property back to a healthy standard and increase the value resulting in a positive return on investment, it's also important to take care of deferred maintenance issues to keep adjoining commercial properties values in place.

Mariposa Townhomes rents were hundreds of dollars below local market value at the time of purchase. Although not what most want to hear, the reality of purchasing a property in this market is that costs continue to rise in all areas. At the price I purchased the property, it is necessary for me to get the rent closer to where the market is.

For current tenants the benefits of staying include:

- **\$50 per month less than what a new incoming resident will pay (\$600 savings per year)**
- **No charge for their pets**
  - *A new resident is charged anywhere from \$35 per month for cats or \$50 per month for dogs*
  - *\$420 per year/per cat savings (multiple units have multiple cats)*
  - *\$600 per year per dog savings – (many properties have multiple dogs)*
- **They will benefit from a total of 5 months without a rent increase from the time I purchased to the time the rent increases take place on March 1<sup>st</sup>, 2018**
- **Continuous upgrades to the property and individual units**

If a current resident chooses to leave we have set up processes to help:

- The onsite manager will work with the resident on a case-by-case basis to help them find new housing.
- If they relocate to another CPM property, then application fees will be waived.
- CPM will return your deposit within 48 hours of vacating the apartments, instead of what normally would be up to two-weeks. (Charges for damages will still apply.)

I am confident in the team at CPM Real Estate Services to protect my investment. I have every intention of creating a safe, comfortable, and quality environment for the residents of Mariposa Townhomes.

Sincerely,

  
Ronald Deluca  
Owner, Mariposa Townhomes