

FOR SALE

2043 E SAGINAW WAY • FRESNO, CA

Offering Memorandum



NATASHA DAVIS

VP Multifamily

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NAINorthgate
INVESTMENTS TEAM



EXECUTIVE SUMMARY

The following turnkey property is centrally located within walking distance of Blackstone Ave that provides an abundance of shopping, dining, and leisure options. Large national tenants that are nearby include Walmart, Grocery Outlet, and Planet Fitness. There are a total of 14 recently renovated units that are all separately metered for utilities. Additional information regarding the property includes:

- Total 11,900 SF
- Gated community with covered parking and garages
- Onsite storage and laundry available for tenants
- 13 two-bedroom two bath units and 1 three-bedroom two bath unit

Priced at 2,800,000 with a 5.72 Cap Rate.

HIGHLIGHTS

- Great returns with potential upside
- Stable asset with low historical vacancy
- NOI \$160,054
- 12,000 SF Gross Rentable Area

Recent Upgrades:

- New roof, siding, paint, and double-pane windows
- Updated interiors with new floors, appliances, fixtures, and hardware
- Wood cabinets and granite countertops in kitchens
- Bathrooms with copper plumbing
- AC & water heaters replaced or with 10+ year life

PROPERTY OVERVIEW



ADDRESS	2043 E Saginaw Wy, Fresno, CA
BUILDING CLASS	C
ZONING	R-4, Fresno
BUILDING SIZE	11,900 SF
APN	436-183-21
PARCEL SIZE	0.90 AC
PARKING RATIO	1.17/1,000 SF
UNIT TOTAL	14

SITE MAP



CITY PROFILE

FRESNO, CALIFORNIA

- **Strong Rental Market:** Fresno has a robust rental market with a high demand for affordable housing. The city has a growing population, which creates a consistent pool of potential tenants for multifamily properties. This demand can lead to lower vacancy rates and potentially higher rental income.
- **Positive Economic Growth:** Fresno has experienced steady economic growth in recent years. The city serves as an agricultural hub, with a diverse economy that includes healthcare, education, manufacturing, and logistics. The presence of multiple industries contributes to job creation and stability, providing a solid foundation for a healthy rental market.
- **Central Location:** Fresno's central location within California is advantageous. It is situated in the heart of the state, making it a transportation hub and facilitating easy access to major markets. The city is intersected by major highways and has an international airport, enhancing its connectivity and potential for attracting renters.
- **Development and Revitalization:** Fresno has been undergoing revitalization efforts, particularly in its downtown area. These initiatives aim to improve infrastructure, attract businesses, and enhance the overall appeal of the city. Such development projects can positively impact property values and attract more residents, making it an opportune time to invest in multifamily assets.
- **Potential for Appreciation:** While past performance is not indicative of future results, Fresno has shown a history of property value appreciation. As the city continues to grow and develop, there is potential for multifamily properties to appreciate in value over time, providing investors with potential capital gains.



MARKET OVERVIEW

2041-2069 E Saginaw Way is located in the McLane submarket in Fresno, CA. Would consider this area to be in a redevelopment stage. It is close to the Manchester Mall area. This plaza offers lots of entertainment including shopping and going to the movies. It also includes restaurants and fast food options. It is only 10 minutes from Fresno's largest mall- the Fashion Fair Mall which includes shopping and fine dining with an amazing ambience. It is only 6 minutes away from Fresno City College- one of the top community colleges in the nation in academics and athletics. To add on, Fresno State is only about 10 minutes away. This location is in a very central location for the city of Fresno giving it lots of potential to grow and increase its value



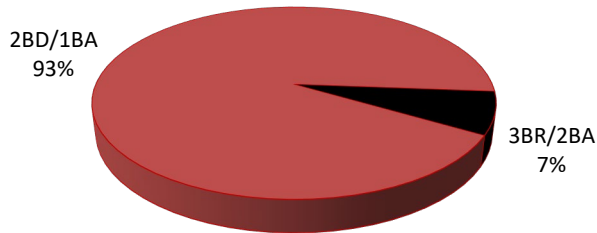
DEMOGRAPHIC SUMMARY

Population	5 Mile
2023 Population	428,099
2028 Population	434,775
Pop Growth 2023-2028	1.6%
2023 Average Age	35
Households	
2023 Households	142,830
2028 Households	145,166
Household Growth 2023-2028	1.6%
Median Household Income	\$47,431
Average Household Size	2.9
Average HH Vehicles	2
Housing	
Median Home Value	\$260,674
Median Year Built	1971

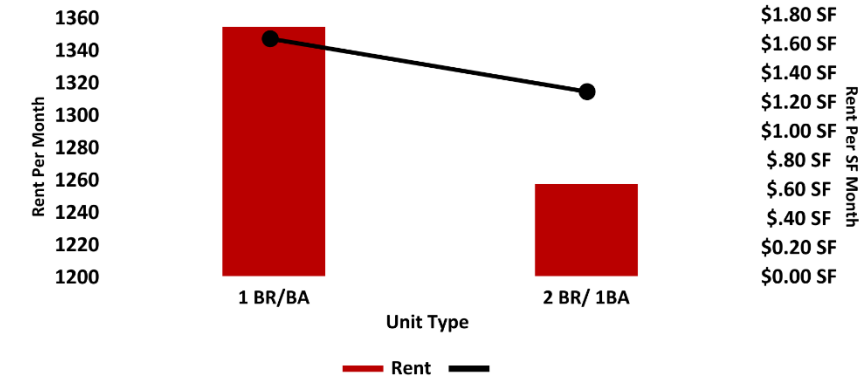
RENT ROLL SUMMARY

Unit Type	# of Units	Avg Sq Feet	Rental Range	Current			Potential				
				Average Rent	Average Rent / SF	Monthly Income	Average Rent	Average Rent / SF	Monthly Income		
2BR/1BA	13	850	\$1,064 - \$1,747	\$1,349	\$1.59	\$17,541	\$1,557	\$1.83	\$20,244		
3BR/1BA	1	1,000	\$1,600	\$1,600	\$1.60						
Totals/Weighted Averages				14	857	\$1,343	\$1.57	\$18,796	\$1,571	\$1.83	\$21,994
Gross Annualized Rents				\$225,552			\$263,928				

Unit Distribution



Unit Rent



RENT ROLL

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Potential Rent / Month	Potential Rent/ SF/ Month
1	2BR/1BA	850	\$1,255	\$1.48	\$1,600	\$1.88
2	2BR/1BA	850	\$1,265	\$1.49	\$1,600	\$1.88
3	2BR/1BA	850	\$1,600	\$1.88	\$1,747	\$2.06
4	2BR/1BA	850	\$1,300	\$1.53	\$1,430	\$1.68
5	2BR/1BA	850	\$1,255	\$1.48	\$1,600	\$1.88
6	2BR/1BA	850	\$1,600	\$1.88	\$1,747	\$2.06
7	2BR/1BA	850	\$1,747	\$2.06	\$1,600	\$1.88
8	2BR/1BA	850	\$1,064	\$1.25	\$1,600	\$1.88
9	2BR/1BA	850	\$1,300	\$1.53	\$1,430	\$1.68
10	2BR/1BA	850	\$1,300	\$1.53	\$1,430	\$1.68
11	2BR/1BA	850	\$1,300	\$1.53	\$1,430	\$1.68
12	3BR/2BA	950	\$1,255	\$1.32	\$1,750	\$1.84
13	2BR/1BA	850	\$1,300	\$1.53	\$1,430	\$1.68
14	2BR/1BA	850	\$1,255	\$1.48	\$1,600	\$1.88
Total		12,000	\$18,796	\$1.57	\$21,994	\$1.83

OPERATING STATEMENT

Income	Current		Year 1		Notes	Per Unit	Per SF
Gross Current Rent	225,552		264,588			18,899	22.05
Physical Vacancy	(11,278)	5.0%	(7,938)	3.0%		(567)	(0.66)
Total Vacancy	(\$11,278)	5.0%	(\$7,938)	3.0%		(\$567)	(\$1)
Effective Rental Income	214,274		256,650			18,332	21.39
Other Income							
Late Fees	250		250			18	0.02
Laundry	1,000		1,000			71	0.08
Total Other Income	\$1,250		\$1,250			\$89	\$0.10
Effective Gross Income	\$215,524		\$257,900			\$18,421	\$21.49

Expenses	Current		Year 1		Notes	Per Unit	Per SF
Real Estate Taxes	14,400		44,825			3,202	3.74
Insurance	7,500		7,500			536	0.63
Utilities - PG&E, Water & Sewer	2,400		4,800			343	0.40
Trash Removal	2,500		2,500			179	0.21
Repair & Maintenance	14,000		15,000			1,071	1.25
Landscaping/Pest	2,400		2,400			171	0.20
Payroll	1,500		5,500			393	0.46
General & Administrative	1,500		2,500			179	0.21
Operating Reserves	2,805		2,805			200	0.23
Management Fee	6,466	3.0%	7,737	3.0%		553	0.64
Total Expenses	\$55,471		\$95,567			\$6,826	\$7.96
Expenses as % of EGI	25.7%		37.1%				
Net Operating Income	\$160,054		\$162,333			\$11,595	\$13.53

PRICING DETAILS

Summary			
Price		\$2,800,000	
Down Payment		\$840,000	30%
Number of Units		14	
Price Per Unit		\$200,000	
Price Per SqFt		\$233.33	
Rentable SqFt		12,000	
Lot Size		0.38 Acres	
Approx. Year Built		1961	

Returns	Current	Year 1	Reno
CAP Rate	5.72%	5.8%	0.00%
GRM	12.41	10.58	
Cash-on-Cash	0.43%	0.70%	
Debt Coverage Ratio	1.02	1.04	

Financing	1st Loan
Loan Amount	\$1,962,000
Loan Type	New
Interest Rate	7.00%
Amortization	30 Years
Year Due	2033

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# Of Units	Unit Type	SqFt/Unit	Scheduled Rents	Market Rents
13	2BD/1BA	850	\$1,349	\$1,557
1	3BR/2BA	950	\$1,255	\$1,750

PROPOSAL PRICE

Purchase Price	Current Cap Rate	Year 1 Cap Rate	Initial Cash-on-Cash Return	Price Per SF	Price Per Unit	Year 1 GRM
\$3,050,000	5.25%	5.32%	-1.14%	\$254.17	\$217,857	11.53
\$3,000,000	5.34%	5.41%	-0.84%	\$250.00	\$214,286	11.34
\$2,950,000	5.43%	5.50%	-0.54%	\$245.83	\$210,714	11.15
\$2,900,000	5.52%	5.60%	-0.23%	\$241.67	\$207,143	10.96
\$2,850,000	5.62%	5.70%	0.09%	\$237.50	\$203,571	10.77
\$2,800,000	5.72%	5.80%	0.43%	\$233.33	\$200,000	10.58
\$2,750,000	5.82%	5.90%	0.77%	\$229.17	\$196,429	10.39
\$2,700,000	5.93%	6.01%	1.13%	\$225.00	\$192,857	10.20
\$2,650,000	6.04%	6.13%	1.50%	\$220.83	\$189,286	10.02
\$2,600,000	6.16%	6.24%	1.89%	\$216.67	\$185,714	9.83
\$2,550,000	6.28%	6.37%	2.29%	\$212.50	\$182,143	9.64

Market Loan

Interest Rate	7.00%
Amortization Period	30 Years
Months of Interest Only	0 Months
Annual Loan Constant	7.98%
Loan Term	10 Years
Loan to Value	70%
Loan Amount	\$1,960,000
Down Payment	\$840,000

Property Details

Total Number of Units	14	Year Built/Renovated	1961
Total Square Feet	12,000	Average Monthly Rent Per Unit	\$1,343
Average Square Feet Per Unit	857	Asset Type	Multifamily

SALES COMPARABLES



HIGHLIGHTS

- The subject property is located on Saginaw, one block west of HWY 41.
- The property offers 14 renovated units.
- The property is a Class B Apartment Building.
- The property is adjacent to a city park and conveniently located near schools, shopping, and public transportation.

SALES PRICE	\$1,260,000
SALES DATE	Mar. 2023
PRICE PER UNIT	\$180,000
TYPICAL FLOOR	3,720 sf
YEAR BUILT	1968
TYPE	Multi Family
# OF UNITS	7
CAP RATE	5.35



Sales Price	\$3,000,000
Price/Unit	\$187,500
Units	16
Year Built	1962
Type	Multi-Family
Sale Date	May 2022



Sales Price	\$1,980,000
Price/Unit	\$141,429
Units	14
Year Built	1965
Type	Multi-Family
Sale Date	August 2022



Sales Price	\$1,272,000
Price/Unit	\$181,786
Units	7
Year Built	1968
Type	Multi-Family
Sale Date	March 2023

RENT COMPARABLES



Escalon Villas
118 E Escalon Ave, Fresno CA

Year Built	1988
Rentable SF	11,506 SF
Building Size	26,149 SF
Type	Multi Family

Unit Rent Summary

Unit Type	Avg. SF	Avg. Rent
2 BED	1082	\$1,300



Barstow Villas
201-216 W Barstow Ave, Clovis CA

Year Built	1977
Rentable SF	11,216 SF
Building Size	11,216 SF
Type	Multi Family

Unit Rent Summary

Unit Type	Avg. SF	Avg. Rent
2BED	1021	\$1,460



Calimyrna Apartments
502 E Calimyrna Ave, Fresno, CA

Year Built	1972
Rentable SF	9914 sf
Building Size	9914 SF
Type	Multi Family

Unit Rent Summary

Unit Type	Avg. SF	Avg. Rent
2 BED	825	\$1,270



343-391 W Herndon Ave, Pinedale, CA

Year Built	1986
Rentable SF	10,000 sf
Building Size	15,000 SF
Type	Multi Family

Unit Rent Summary

Unit Type	Avg. SF	Avg. Rent
2BED	1500	\$1,260

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