

## EXCLUSIVELY OFFERS FOR SALE

**5 Unit Multi-Residential**  
**Built in 1976**  
**San Fernando, CA 91340**

The property is located in San Fernando on N. Hagar Street, between 2nd Street and 3rd Street.

THOMAS GUIDE: 482-B7

**Price: \$499,000**

**Down: \$211,000 42%**

**New First Loan @ 6.35% VIR 30 yr amort**

Contact Robb Gray for loan details: 714.525.1800 x22



PROPERTY FEATURES
<p><b>Excellent Location in San Fernando</b>  <b>Walk to Shops &amp; Services</b></p> <p><b>No Rent Control</b>  <b>Approx. 24% Upside in Existing Rents</b></p> <p><b>Individually Metered for Gas and Electric</b></p> <p><b>8-Single Car Garages</b>  <b>4-Additional Uncovered Parking Spaces</b></p> <p><b>Pitched Roof</b></p> <p><b>Built in 1976</b></p>

FINANCIAL INDICATORS	<i>Current Rents</i>	<i>Market Rents</i>
Gross Rent Multiplier	11.80	8.66
Capitalization Rate	4.97	6.85
<u>Cash On Cash</u>		
- New Financing	1.6%	6.0%
<u>Total Return</u>		
- New Financing	3.1%	7.6%
<b><u>IRR - Internal Rate of Return (5 yr Hold)</u></b>		
-Pre Tax	7.6%	--
-After Tax	5.6%	--
Cost Per Square Foot	\$199.76	--
Cost Per Unit	\$99,800	--
See the enclosed financial analysis based on new financing. Also enclosed is a rent schedule.		

**Please do not go on-site without an appointment. Drive by only. Do not disturb the residents.**

**A complete marketing package is available for those seriously considering the property.**

**For additional information contact:**

**Braemon Hanes CCIM or Bryan Hanes CCIM**  
**(818) 865-8305 or (805) 374-2350**



# HANES INVESTMENT REALTY, INC.

INVESTMENT REAL ESTATE BROKERS AND ADVISORS

## FIVE YEAR OPERATING ANALYSIS 220 N. Hagar Street, San Fernando CA 91340

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Scheduled Gross Income:</b>	42,300	43,992	45,752	47,582	49,485
<b>Less Vacancy Reserve:</b> 3.0%	1,269	1,320	1,373	1,427	1,485
<b>Gross Operating Income:</b>	41,031	42,672	44,379	46,154	48,000
<b>Less Expenses:</b> 38.4%	16,229	16,430	16,634	16,842	17,055
<b>Net Operating Income:</b>	24,802	26,243	27,745	29,312	30,945
<b>Less Loan Payments:</b>	21,504	21,504	21,504	21,504	21,504
<b>Cash Flow:</b>	3,297	4,738	6,241	7,807	9,441
<b>Plus Equity Build-up:</b>	3,312	3,528	3,759	4,005	4,267
<b>Total Return:</b>	6,609	8,267	10,000	11,812	13,707
	3.1%	3.9%	4.7%	5.6%	6.5%

### Scheduled Gross Income Increase Per Year:

<b>First Year Rent Increase =</b>	4.0%
<b>Years 2 - 5 Rent Increase =</b>	4.0%
<b>Laundry Income Increase =</b>	3.0%
<b>Other Income Increase =</b>	3.0%

### Expense Increase Per Year:

<b>Property Tax Increase =</b>	0.01%
<b>Insurance Increase =</b>	2.0%
<b>All Other Expense Increase =</b>	2.0%

Pre-Tax Internal Rate of Return (IRR)

7.6%

After Tax Internal Rate of Return (IRR)

5.6%

### Cash Proceeds on Sale:

<b>Sales Price*:</b>	578,478
<b>Less Loan Balance:</b>	269,130
<b>Less Expense of Sale (7%):</b>	40,493
<b>Net Cash Before Taxes:</b>	268,855
<b>Dep. Recapture (Estimated):</b>	(17,011)
<b>Capital Gains (Estimated):</b>	(5,848)
<b>CA Capital Gains (Estimated):</b>	(9,954)
<b>Down Payment:</b>	(211,000)
<b>Cumulative Cash Flows:</b>	31,525
<b>Total Cash Return</b>	
<b>Over Five Years:</b>	56,566

\*Sales price increase estimate per year: 3.0%

## TAX COMPUTATION

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Net Operating Income:</b>	24,802	26,243	27,745	29,312	30,945
<b>Less Interest:</b>	18,193	17,976	17,746	17,500	17,238
<b>Less depreciation:</b>	13,609	13,609	13,609	13,609	13,609
<b>Taxable Income:</b>	(7,000)	(5,343)	(3,609)	(1,797)	98
<b>Taxes Saved:</b>					
<b>Or (Owed) At 37.4% Bracket:</b>	2,618	1,998	1,350	672	(37)

The parameters of the above internal rate of return calculations are as follows; Pre-Tax, cumulative cash flows before tax + cash at sale (after expenses, before taxes). After tax, cumulative cash flows after tax + cash at sale (after sale expenses) less depreciation recapture and less state and Federal capital gains taxes. Hanes Investment Realty, Inc. offers real estate advice only. We make no representations as to the accuracy of the above information. For tax advice, consult your accountant.

