



**OFFERING
MEMORANDUM**

14978 CERES AVENUE, FONTANA CA

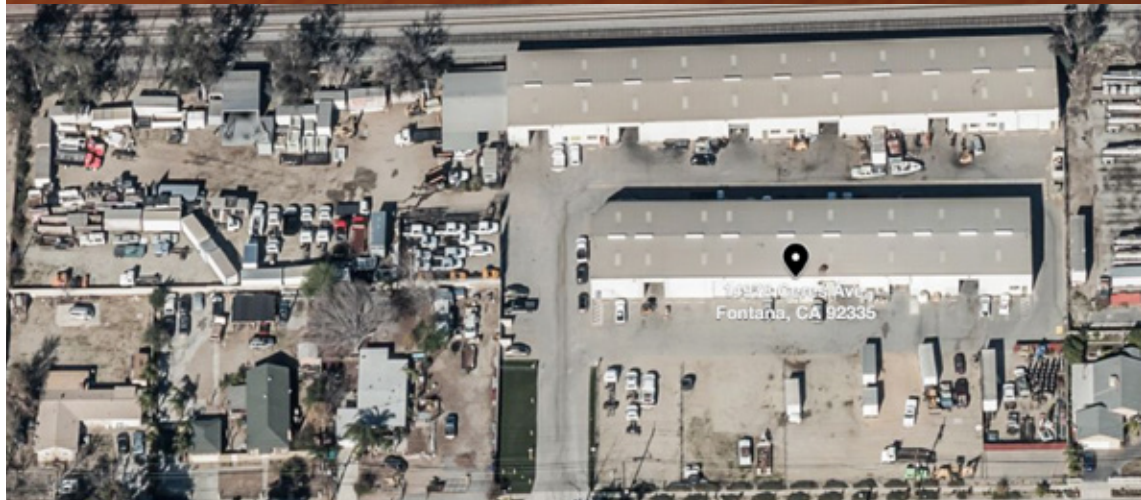


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Marketed By



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FOR SALE

Leased Investment
Multi-Tenant Park with
Excess Land

Location:

14978 Ceres Avenue
Fontana CA 92335

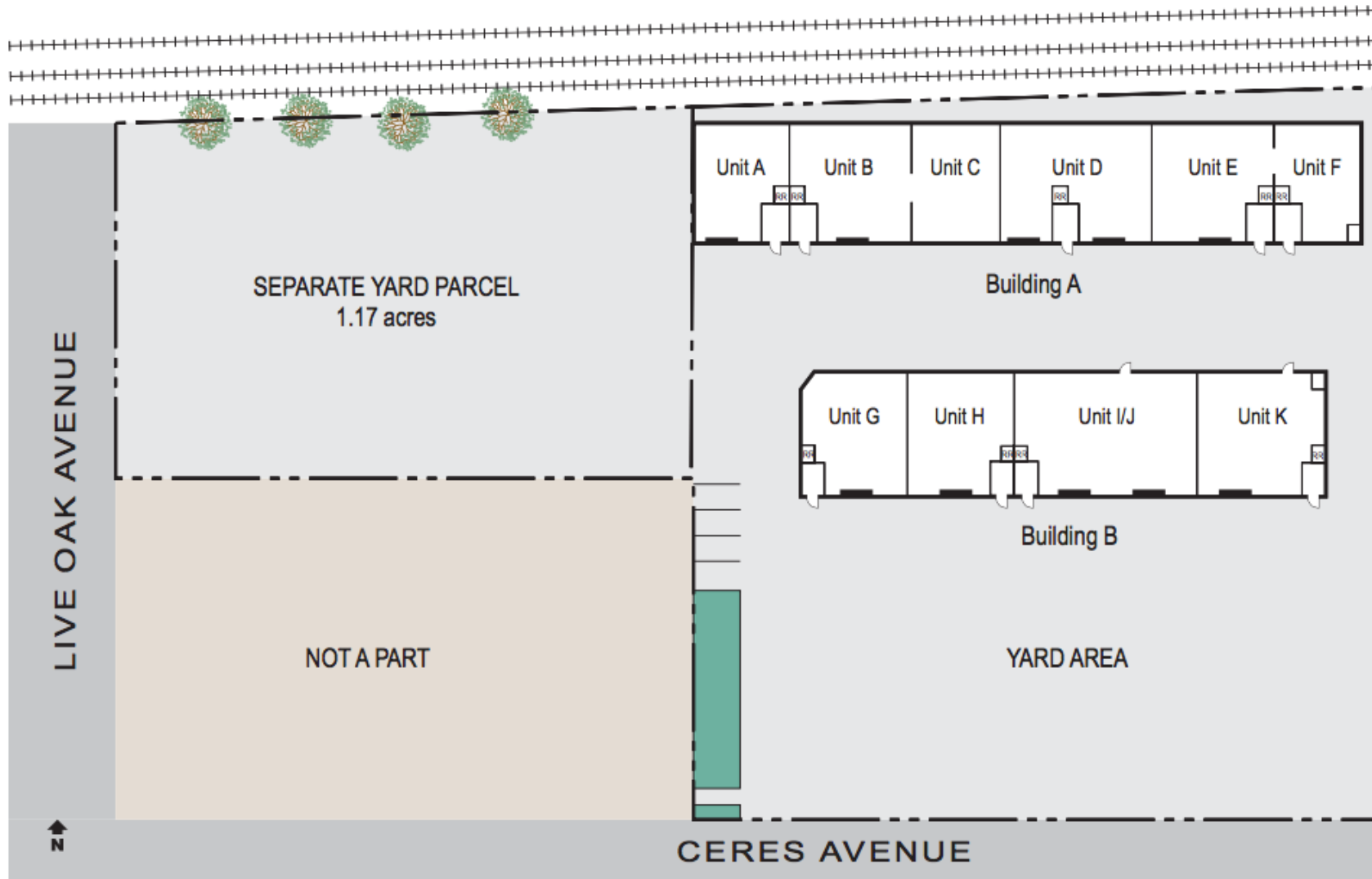
PURCHASE PRICE

\$3,800,000.00

Building Size	35,400 s.f. (19,800 & 15,600 s.f.) on 2.73 acres
Excess Land Parcel	1.17 acres (separate parcel)
Number of buildings	2
Number of units	10
Total office area	±3,166 s.f.
Unit sizes	2,700 - 6,120 s.f.
Year built	1989
Percentage occupied	100%

Site Specifications

14978 Ceres Avenue, Fontana CA



Areal Overview

14978 Ceres Avenue, Fontana CA



Areal Overview

14978 Ceres Avenue, Fontana CA



FONTANA CALIFORNIA

Rent Roll

14978 Ceres Avenue, Fontana CA



2018 Monthly Gross Rent Income:

Unit	Date of Occupancy	S.F.	Rent	Current Rent / S. F	Market Rates
Unit A	1/94	2,700	\$1,554.93	\$0.58	\$0.78
Unit B/C	10/08	6,120	\$3,211.56	\$0.52	\$0.78
Unit D	10/08	4,680	\$2,295.00	\$0.49	\$0.78
Unit E	4/08	3,600	\$2,268.00	\$0.63	\$0.78
Unit F	3/02	2,700	\$1,647.00	\$0.61	\$0.78
Unit G	1/17	3,000	\$1,727.70	\$0.58	\$0.78
Unit H	1/09	3,000	\$2,068.75	\$0.69	\$0.78
Unit I/J	12/08	5,400	\$3,337.20	\$0.62	\$0.78
Unit K	2/09	4,200	\$2,595.60	\$0.62	\$0.78
Excess Land	1/94	50,965	\$2,220.91	\$0.04	\$0.10
Totals			\$22,926.65		



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Financial ProForma At Market Rates

14978 Ceres Avenue, Fontana CA



Fiscal Year Beginning March 2018

INITIAL INVESTMENT

Purchase Price	\$3,800,000
+ Acquisition Costs	\$1,900
- Mortgage(s)	\$0
+ Loan Fees & Points	\$0
Initial Investment	\$3,801,900

MORTGAGE DATA

Loan Amount	\$0
Interest Rate	%
Amortization Period	Years
Periodic Payment	\$0
Annual Debt Service	\$0

1ST LIEN

CASH FLOW

For the Year Ending	Year 1 Feb-2019	Year 2 Feb-2020	Year 3 Feb-2021	Year 4 Feb-2022	Year 5 Feb-2023	Year 6 Feb-2024	Year 7 Feb-2025	Year 8 Feb-2026	Year 9 Feb-2027	Year 10 Feb-2028
POTENTIAL RENTAL INCOME (PRI)	\$250,632	\$282,917	\$296,086	\$350,086	\$360,588	\$371,406	\$382,548	\$394,024	\$405,845	\$418,021
- Vacancy / Credit Loss	\$7,519	\$8,488	\$8,883	\$10,503	\$10,818	\$11,142	\$11,476	\$11,821	\$12,175	\$12,541
EFFECTIVE RENTAL INCOME	\$243,113	\$274,429	\$287,203	\$339,583	\$349,771	\$360,264	\$371,072	\$382,204	\$393,670	\$405,480
+ Other Income	\$26,640	\$26,400	\$26,400	\$54,000	\$55,620	\$57,289	\$59,007	\$60,777	\$62,601	\$64,479
GROSS OPERATING INCOME (GOI)	\$269,753	\$300,829	\$313,603	\$393,583	\$405,391	\$417,553	\$430,079	\$442,981	\$456,271	\$469,959
- Operating Expenses	\$71,252	\$72,495	\$73,006	\$76,205	\$76,678	\$77,164	\$77,665	\$78,181	\$78,713	\$79,260
NET OPERATING INCOME (NOI)	\$198,501	\$228,334	\$240,597	\$317,378	\$328,713	\$340,389	\$352,414	\$364,800	\$377,558	\$390,699
Net Operating Income (NOI)	\$198,501	\$228,334	\$240,597	\$317,378	\$328,713	\$340,389	\$352,414	\$364,800	\$377,558	\$390,699
- Annual Debt Service 1st Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CASH FLOW BEFORE TAXES	\$198,501	\$228,334	\$240,597	\$317,378	\$328,713	\$340,389	\$352,414	\$364,800	\$377,558	\$390,699

Sales Proceeds	1	2	3	4	5	6	7	8	9	10
Sales Price	\$3,683,000	\$3,881,000	\$5,119,000	\$5,302,000	\$5,490,000	\$5,684,000	\$5,884,000	\$6,090,000	\$6,302,000	\$6,520,000
- Sales Expenses	\$147,320	\$155,240	\$204,760	\$212,080	\$219,600	\$227,360	\$235,360	\$243,600	\$252,080	\$260,800
- Mortgage Balance 1st Lien	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Proceeds Before Tax	\$3,535,680	\$3,725,760	\$4,914,240	\$5,089,920	\$5,270,400	\$5,456,640	\$5,648,640	\$5,846,400	\$6,049,920	\$6,259,200

Investments Measures	1	2	3	4	5	6	7	8	9	10
EOY Value using Going in Cap Rate	\$4,371,000	\$4,606,000	\$6,076,000	\$6,293,000	\$6,516,000	\$6,746,000	\$6,984,000	\$7,228,000	\$7,479,000	\$7,738,000
EOY Loan-to-Value (LTV)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt Service Coverage Ratio (DSCR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Before Tax Cash on Cash	5.22%	6.01%	6.33%	8.35%	8.65%	8.95%	9.27%	9.60%	9.93%	10.28%
Unleveraged Property Yield (IRR)	N/A	4.63%	14.29%	13.28%	12.69%	12.30%	12.02%	11.81%	11.65%	11.52%
Equity Yield (IRR)	N/A	4.63%	14.29%	13.28%	12.69%	12.30%	12.02%	11.81%	11.65%	11.52%



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Expense Detail Analysis

14978 Ceres Avenue, Fontana CA



Fiscal Year Beginning March 2018

INCOME

For the Year Ending	Year 1 Feb-2019	Year 2 Feb-2020	Year 3 Feb-2021	Year 4 Feb-2022	Year 5 Feb-2023	Year 6 Feb-2024	Year 7 Feb-2025	Year 8 Feb-2026	Year 9 Feb-2027	Year 10 Feb-2028
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EXPENSE DETAIL

Real Estate Taxes	\$41,800	\$41,800	\$41,800	\$41,800	\$41,800	\$41,800	\$41,800	\$41,800	\$41,800	\$41,800
Property Insurance	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Property Management	\$10,790	\$12,033	\$12,544	\$15,743	\$16,216	\$16,702	\$17,203	\$17,719	\$18,251	\$18,798
Repairs And Maintenance	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Utilities : Water & Sewer	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524	\$3,524
Utilities : Other	\$3,288	\$3,288	\$3,288	\$3,288	\$3,288	\$3,288	\$3,288	\$3,288	\$3,288	\$3,288
Landscape Maintenance	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650	\$1,650
Other Operating Expenses	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
TOTAL OPERATING EXPENSES	\$71,252	\$72,495	\$73,006	\$76,205	\$76,678	\$77,164	\$77,665	\$78,181	\$78,713	\$79,260
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10- Year Cash Flow Analysis

14978 Ceres Avenue, Fontana CA



Fiscal Year Beginning March 2018 ASSUMPTION / INPUTS

Purchase Price	\$3,800,000
Year 1 Potential Income	\$250,632
Vacancy & Credit Loss	3.00%
Year 1 Expenses	\$71,252
Acquisition CAP Rate	5.22%
Sale Price - CAP Rate	6.20%

Acquisition Costs (% of Purchase Price)	0.05%
Annual Income Increase	Custom
Other Income Increase	Custom
Annual Expense Increase	N/A
Loan Fees & Points	0.00%
Cost of Sale upon Disposition	4.00%

10-YEAR EQUITY YIELD & EFFECTIVE LOAN RATE

Unleveraged Investment Cash Flow & 10-year Yield			Financing Cash Flow & Effective Rate			Equity Investment Cash Flow & 10-year Yield	
N	\$		N	\$		N	\$
0	(\$3,801,900)	+	0	\$0	=	0	(\$3,801,900)
1	\$198,501		1	\$0		1	\$198,501
2	\$228,334		2	\$0		2	\$228,334
3	\$240,597		3	\$0		3	\$240,597
4	\$317,378		4	\$0		4	\$317,378
5	\$328,713		5	\$0		5	\$328,713
6	\$340,389		6	\$0		6	\$340,389
7	\$352,414		7	\$0		7	\$352,414
8	\$364,800		8	\$0		8	\$364,800
9	\$377,558		9	\$0		9	\$377,558
10	\$6,649,899		10	\$0		10	\$6,649,899

Property IRR/Yield = 11.52%

Effective Loan Rate = N/A

Equity IRR/Yield = 11.52%



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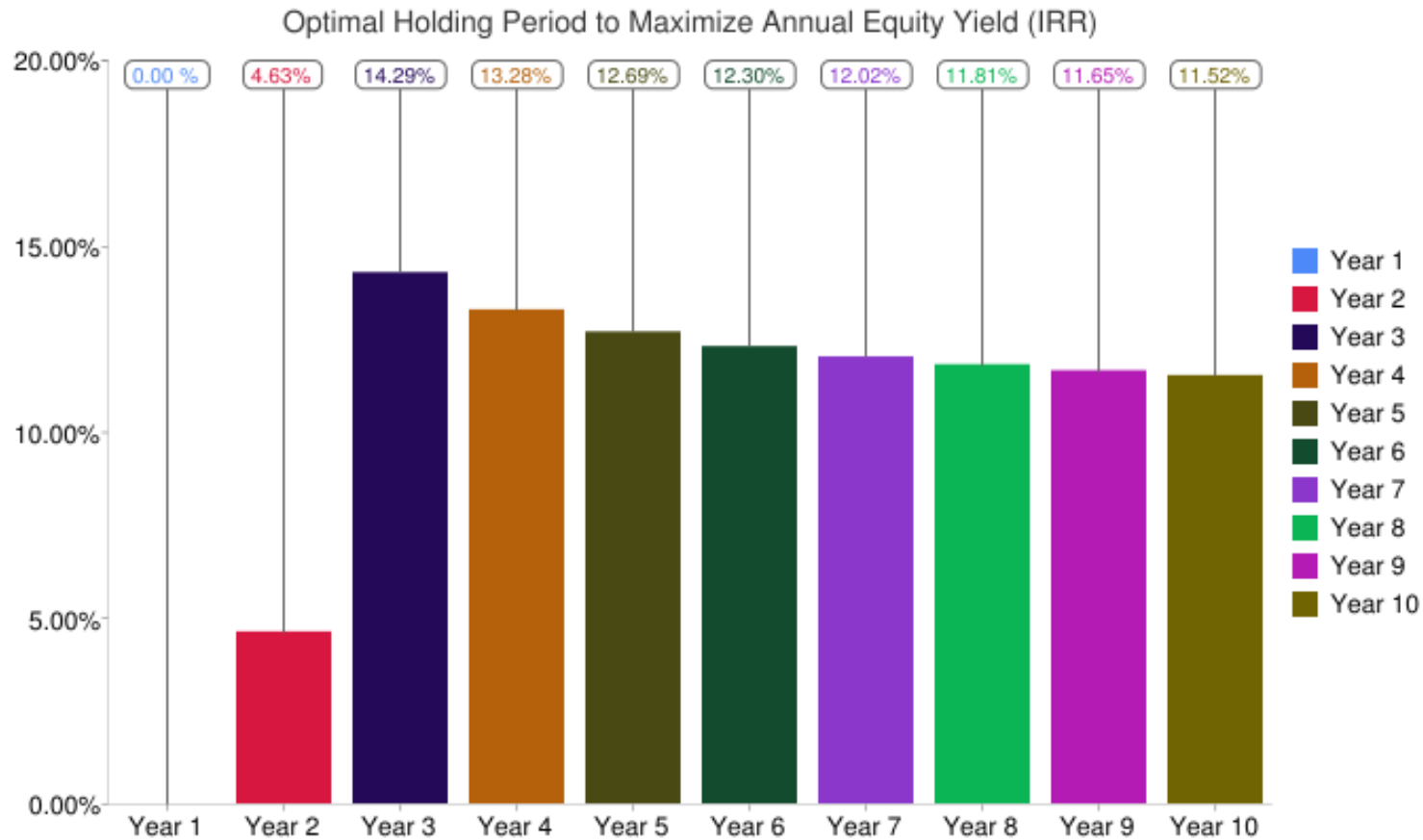
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Optimal Holding Period

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Fiscal Year Beginning March 2018



The Equity Yield by Year graph represents the total ANNUAL return based on the year of disposition of the property. This graph shows the optimal holding period for the investment in order to maximize the annual equity yield. For example, the Year 5 Equity Yield percentage represents the annual yield received for years 1-5, assuming you sell the property at the end of year 5.



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