



Brawley Apartments

3460 N. Brawley Avenue
Fresno, CA 93722

CONFIDENTIAL OFFERING MEMORANDUM



Investment Highlights

- Prime Duplex Investment: Purchase includes 9 duplex units across two properties—3780 W Dakota (2 duplexes) and 3460 N Brawley (7 duplexes)—sold together as a package.
- Low Maintenance: Properties feature durable tile roofs and stucco siding.
- Convenient Laundry Facilities: Each unit is equipped with laundry hookups in private garages, with an additional small laundry building on-site.
- Diverse Unit Sizes: 11 units are 2 beds/1 bath at 966 sqft, and 7 units are 3 beds/2 baths at 1176 sqft.
- Strong Income Potential: Projected annual gross income of \$237,000.
- Expansion Opportunities: On-site 60x70 ponding basin offers potential for additional parking, trash enclosure, or solar installations.
- TCAC Property: Brawley Apartments are is encumbered by LIHTC covenants. There is the possibility of increasing the number of residents with Section 8 Housing Authority vouchers which are paying substantially more than the TCAC Rental Rate.

BRAWLEY APARTMENTS

Address

3460 N. Brawley Avenue
Fresno, CA 93722

Units

18

Price

\$2,520,000

Market Cap Rate

6.88%

Year Built

1994

Type

Garden Style

Buildings

9

Lot Size

13,994 SF
1.38 Acres

Parking

22 Spaces

Zoning

R-2





Fresno California

As the fifth most populous city in California, Fresno is experiencing remarkable economic growth, making it an attractive location for renters. The city's diverse economy is anchored by strong agricultural roots but is expanding rapidly in technology, education, and healthcare. As a regional hub, Fresno is home to California State University, Fresno, and a range of innovative businesses and research institutions. The growing job market and entrepreneurial spirit offer exciting career opportunities and a stable economic environment.

Living in Fresno means enjoying a rich tapestry of cultural and recreational amenities. The historic Tower District, with its eclectic mix of shops, restaurants, and entertainment venues, provides a lively urban experience right at the doorstep. From the renowned Fresno Art Museum and the Fresno Philharmonic to unique dining options and local boutiques, there's always something to explore and enjoy.

Fresno's Mediterranean climate allows for year-round outdoor activities. Expansive parks like Woodward Park and the serene Shinzen Japanese Garden are perfect for relaxation and leisure. For outdoor enthusiasts, the city's proximity to the Sierra Nevada mountains and natural wonders like Yosemite and Kings Canyon National Parks means endless opportunities for hiking, camping, and exploring stunning landscapes.

More than 9,000 jobs have been added in the Fresno portion of the Central Valley, representing a 2.4 percent expansion. The pace of growth in Fresno has been steady for the past 18 months, with the education and health services sector being the largest industry. This sector has accounted for nearly half of the new jobs added in the past year, underscoring the city's strong and evolving job market. Compared to many other Californian cities, Fresno offers a more affordable cost of living while still providing access to modern amenities.

WORKFORCE

89,094

WITHIN 5 MILES

BUSINESSES

12,370

WITHIN 5 MILES

2023 POPULATION

260,174

WITHIN 5 MILES

AVERAGE HH INCOME

\$76,097

WITHIN 5 MILES

MEDIAN HOME VALUE

\$285,445

LIST PRICE

MEDIAN AGE

34.6

WITHIN 5 MILES

RENTER OCCUPIED

46%

HOUSEHOLDS

SUBMARKET

5.4%

VACANCY RATE

Unit Mix

# UNITS	FLOOR PLAN	%	VACANT	AVG SF	6/30.24 Rent Roll			Market Rent		100% Voucher	
					RENT	SUBSIDY	TENANT	RENT	\$/SF	RENT	\$/SF
Voucher Units											
4	2 Bed 1 Bath	22%	0	960	\$1,375	\$948	\$428	\$1,375	\$1.43	\$1,496	\$1.56
1	3 Bed 2 Bath	6%	0	1,176	\$1,600	\$1,081	\$519	\$1,600	\$1.36	\$1,741	\$1.48
5			0	1,003	\$1,420	\$1.42		\$1,420	\$1.42	\$1,545	\$1.54
Market Rate											
7	2 Bed 1 Bath	39%	0	960	\$960	\$1.00	\$738 - \$1,085	\$1,375	\$1.43	\$1,496	\$1.56
6	3 Bed 2 Bath	33%	1	1,176	\$1,197	\$1.02	\$843 - \$1,600	\$1,600	\$1.36	\$1,741	\$1.48
13			1	1,060	\$1,069	\$1.01		\$1,479	\$1.40	\$1,609	\$1.52
18 UNITS			1	18,792 SF	\$21,001			\$26,325		\$28,642	
AVERAGES				1,044 SF	\$1,167	\$1.12		\$1,463	\$1.40	\$1,591	\$1.52

Voucher Payment

Payment Standard is the maximum amount of rental assistance a family can receive and is based on the area's fair market rents and funding from HUD. Monthly assistance will be based on the family's income and the specific unit in which they live. For this analysis Voucher rents shown are as stated on the June rent roll with the 2024 max allowable rental increase of 8.8% (5.0% + CPI per HUD) applied to the 100% Voucher column. As of January 2024, the Payment Standards for Fresno 93722 zip code are:

2-Bed Units \$1,620
 3-Bed Units \$2,280



Proforma

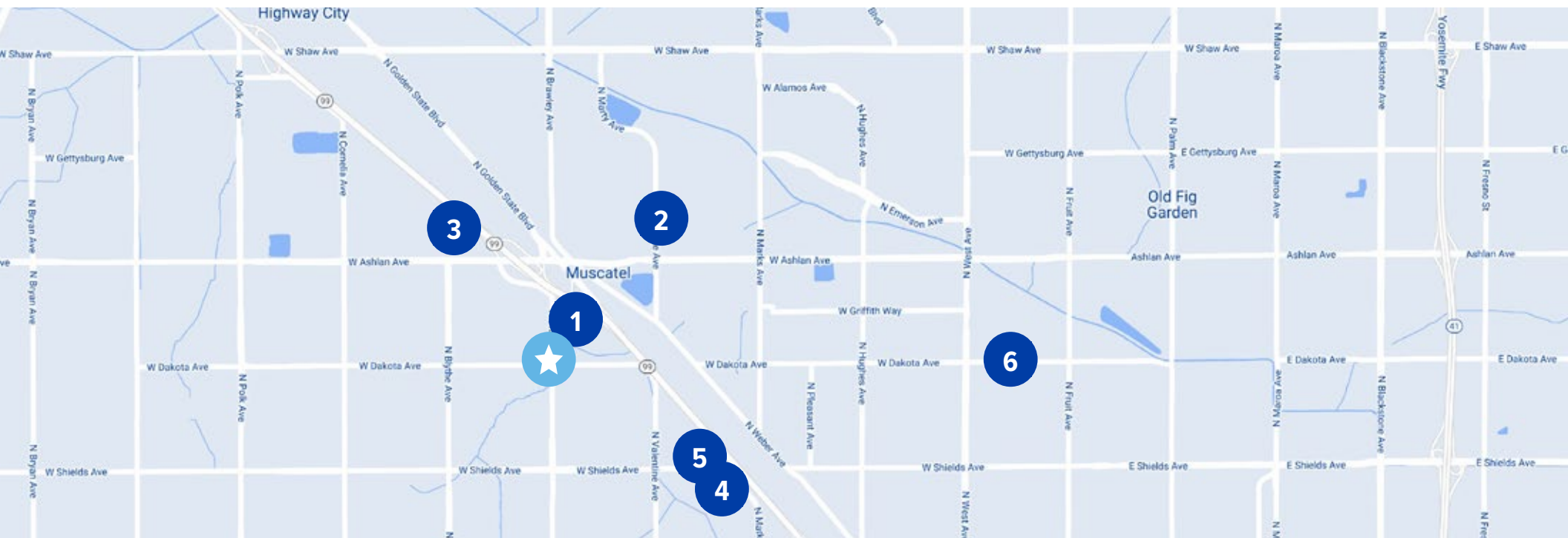
	NOTES	RENT ROLL PROFORMA		NOTES	NORTHMARQ PROFORMA		NOTES	100% VOUCHER	
Market Rents		\$230,700		+3.0%	\$237,621				
Loss To Lease	25% recap	(\$47,916)	20.8%	30% recap	(\$33,541)	14.1%			
Voucher Units		\$85,200		+3.0%	\$92,698			\$343,699	
Gross Potential Rents		\$267,984			\$296,777			\$343,699	
Vacancy		(\$9,228)	4.0%		(\$11,871)	4.0%		(\$13,748)	4.0%
Bad Debt		(\$2,307)	1.0%		(\$2,968)	1.0%		(\$3,437)	1.0%
Net Rental Income		\$256,449			\$281,939			\$326,514	
Utility Billback (Market Rate Units)	\$33 Avg./U/Mo.	\$6,765		+3.0%	\$6,968				
Laundry Income		\$1,300		+3.0%	\$1,339			\$1,339	
Fee/Other Income		\$600		+3.0%	\$618			\$618	
EFFECTIVE GROSS INCOME		\$265,114			\$290,864			\$328,471	
			\$/Unit			\$/Unit			\$/Unit
Payroll	Pro Forma	\$9,000	\$500	+3.0%	\$9,270	\$515		\$9,270	\$515
Maintenance & Repair + TO	Pro Forma	\$18,000	\$1,000	+3.0%	\$18,540	\$1,030		\$18,540	\$1,030
Contract Services	Pro Forma	\$3,600	\$200	+3.0%	\$3,708	\$206		\$3,708	\$206
Admin/Prof.Fees, Advertising	Pro Forma	\$2,430	\$135	+3.0%	\$2,503	\$139	Proforma	\$5,400	\$300
TOTAL CONTROLLABLE EXPENSES		\$33,030	\$1,835		\$34,021	\$1,890		\$36,918	\$2,051
Utilities	Yardi'24	\$16,200	\$900	+3.0%	\$16,686	\$927		\$16,686	\$927
Management Fee	4.0% of EGI	\$10,605	\$589	4.0% of EGI	\$11,635	\$646	4.0% of EGI	\$13,139	\$730
Insurance	Jun'24 YTD	\$17,925	\$996	+3.0%	\$18,463	\$1,026		\$18,463	\$1,026
New Property Taxes	23/24 Assr	\$31,978	\$1,777	+2.0%	\$32,617	\$1,812		\$32,617	\$1,812
Direct Assessments	23/24 Assr	\$227	\$13	+2.0%	\$231	\$13		\$231	\$13
Reserve / Misc.	Lender Req.	\$3,900	\$300		\$3,900	\$300		\$3,900	\$300
TOTAL NON CONTROLLABLE EXPENSES		\$80,834	\$4,491		\$83,532	\$4,641		\$85,036	\$4,724
TOTAL EXPENSES	43% of EGI	\$113,864	\$6,326	41% of EGI	\$117,553	\$6,531	37% of EGI	\$121,954	\$6,775
NET OPERATING INCOME		\$151,250	\$8,403		\$173,311	\$9,628		\$206,517	\$11,473
Property Tax Rate	1.2690%								

Cash Flow

	EOY 1	EOY 2	EOY 3	EOY 4	EOY 5	EOY 6	EOY 7	EOY 8	EOY 9	EOY 10
Market Rents	237,621	244,750	252,092	259,655	267,445	276,805	286,493	296,521	306,899	317,640
Loss To Lease	(33,541)	(24,183)	(14,945)	(9,236)	(5,708)	(4,844)	(5,014)	(5,189)	(5,371)	(5,559)
Voucher Units	92,698	97,332	102,199	107,309	112,675	118,308	124,224	130,435	136,957	143,804
Vacancy (4.0%)	(11,871)	(9,790)	(10,084)	(10,386)	(10,698)	(11,072)	(11,460)	(11,861)	(12,276)	(12,706)
Bad Debt	(2,968)	(3,421)	(3,543)	(3,670)	(3,801)	(3,951)	(4,107)	(4,270)	(4,439)	(4,614)
Miscellaneous Income	8,925	9,193	9,469	9,753	10,045	10,347	10,657	10,977	11,306	11,645
EFFECTIVE GROSS INCOME	290,864	313,881	335,188	353,425	369,957	385,593	400,793	416,613	433,076	450,211
Rent Growth Assumptions										
Projected Rent Growth	+3.0%	3.0%	3.0%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%	3.5%
Loss to Lease	14.1%	9.9%	5.9%	3.6%	2.1%	1.8%	1.8%	1.8%	1.8%	1.8%
Bad Debt / Other Loss	+8.8%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Miscellaneous Income Growth	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Miscellaneous Income Growth	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Expenses										
Controllable Expenses	(34,021)	(35,042)	(36,093)	(37,176)	(38,291)	(39,440)	(40,623)	(41,841)	(43,097)	(44,390)
Utilities	(16,686)	(17,187)	(17,702)	(18,233)	(18,780)	(19,344)	(19,924)	(20,522)	(21,137)	(21,771)
Management Fee (4%)	(11,635)	(12,555)	(13,408)	(14,137)	(14,798)	(15,424)	(16,032)	(16,665)	(17,323)	(18,008)
Insurance	(18,463)	(19,017)	(19,587)	(20,175)	(20,780)	(21,403)	(22,045)	(22,707)	(23,388)	(24,090)
New Property Taxes	(32,617)	(33,270)	(33,935)	(34,614)	(35,306)	(36,012)	(36,732)	(37,467)	(38,216)	(38,981)
Direct Assessments	(231)	(236)	(240)	(245)	(250)	(255)	(260)	(266)	(271)	(276)
Reserve / Misc.	(3,900)	(3,900)	(3,900)	(3,900)	(3,900)	(3,900)	(3,900)	(3,900)	(3,900)	(3,900)
TOTAL EXPENSES	(117,553)	(121,205)	(124,865)	(128,480)	(132,106)	(135,778)	(139,517)	(143,367)	(147,332)	(151,416)
Escalation for Expenses	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Taxes (Increases)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
NET OPERATING INCOME	173,311	192,676	210,323	224,945	237,852	249,815	261,277	273,246	285,744	298,795
Purchase	(2,520,000)									
Mortgages	1,500,098									
Interest	(81,300)	(81,300)	(81,300)	(80,796)	(79,656)	(78,454)	(77,184)	(75,844)	(74,429)	(72,936)
Principal	0	0	0	(20,505)	(21,644)	(22,847)	(24,116)	(25,456)	(26,871)	(28,364)
Post-Debt Cash Flow	(1,020,000)	92,011	111,376	129,023	123,645	136,552	148,515	159,976	171,945	184,444
Capital Expense	\$15,000/U	(\$15,000)	(\$105,000)	(\$105,000)	(\$45,000)					

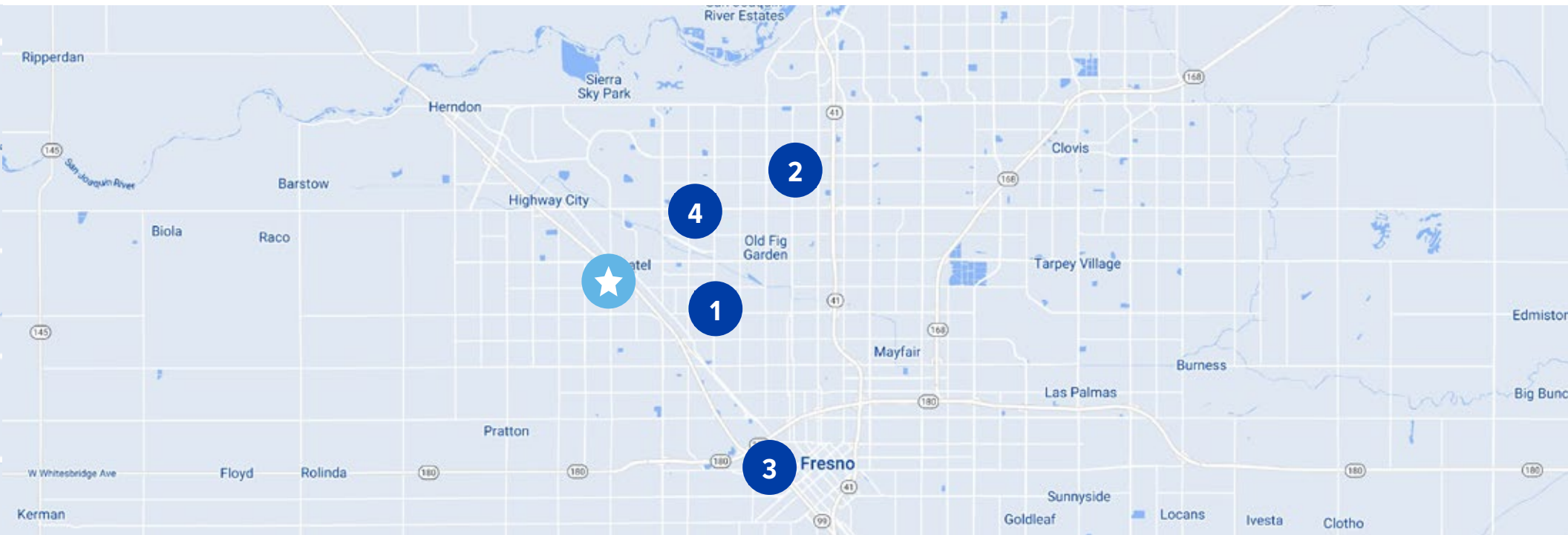
Rent Comparables

PROPERTY	UNITS	BUILT	OCC.	COMMUNITY			2 1			3 2		
				SF	RENT	\$/SF	SF	RENT	\$/SF	SF	RENT	\$/SF
★ Brawley Apartments	18	1994	94%	1044	\$1,167	\$1.12	960	\$1,111	\$1.16	1176	\$1,255	\$1.07
01 Parkway Village	132	1989	94%	750	\$1,595	\$2.13	750	\$1,595	\$2.13	-	-	-
02 Briarwood	154	1985	96%	959	\$1,745	\$1.82	959	\$1,745	\$1.82	-	-	-
03 Stonegate	304	2001	98%	975	\$1,832	\$1.88	871	\$1,751	\$2.01	1,097	\$1,926	\$1.76
04 Victoria Park	142	1985	100%	751	\$1,437	\$1.91	750	\$1,435	\$1.91	850	\$1,600	\$1.88
05 Sequoia Knolls	100	1992	96%	1,096	\$1,525	\$1.39	988	\$1,375	\$1.39	1,186	\$1,650	\$1.39
06 La Casa Elegante	29	2008	95%	960	\$1,765	\$1.84	-	-	-	960	\$1,765	\$1.84
Averages	144	1993	97%	915	\$1,650	\$1.83	864	\$1,580	\$1.85	1023	\$1,735	\$1.72



Sale Comparables

PROPERTY	YEAR	UNITS	SALE PRICE	\$/UNIT	\$/SF	CAP RATE	SALE DATE
★ Brawley Apartments	1994	18	\$2,520,000	\$140,000	\$134	5.41%	Proposed Sale
01 1611 W Shields Ave	1974	12	\$1,360,000	\$113,333	\$142	-	5/31/2024
02 5444 N Maroa Ave	1973	13	\$2,250,000	\$173,077	\$177	-	4/30/2024
03 1211 Stanislaus St	2007	6	\$1,150,000	\$191,667	\$192	-	4/16/2024
04 4901 N Crystal Ave	1969	16	\$2,850,000	\$178,125	\$195	5.35%	10/11/2023
Averages	1981	12	\$1,902,500	\$164,050	\$176	5.35%	



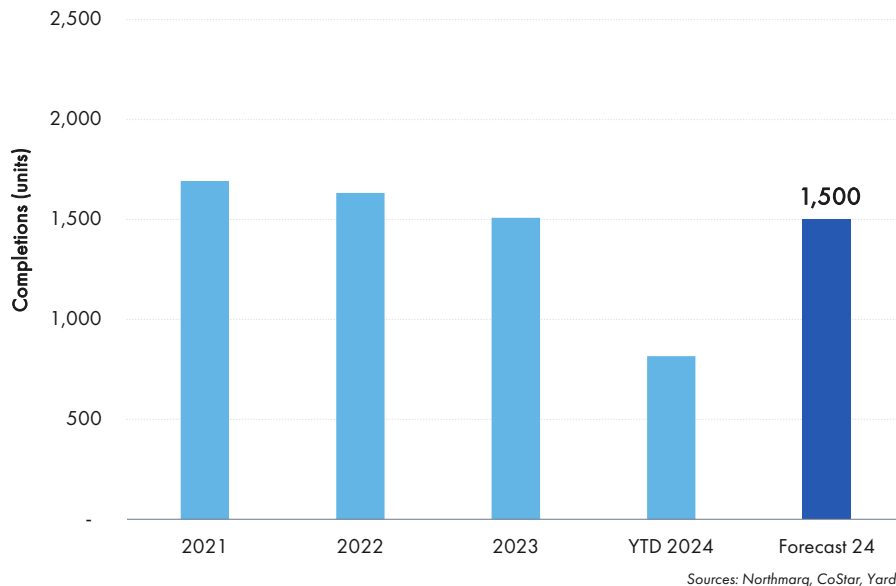
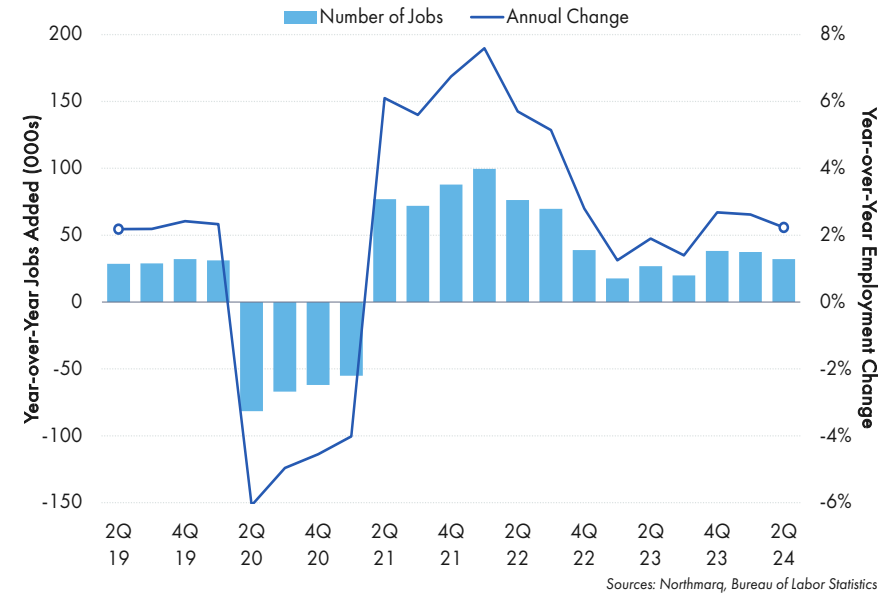
EMPLOYMENT

The pace of employment growth in the Central Valley has leveled off somewhat during the first half of this year, but employers continue to add workers. During the past 12 months, total employment in the region has expanded by 2.2 percent with the addition of 32,100 net new jobs.

More than 9,000 jobs have been added in the Fresno portion of the Central Valley, a 2.4 percent expansion. The pace of growth in Fresno has been steady for the past 18 months. The education and health services sector is the largest industry in Fresno, and has accounted for nearly half of the new jobs added in the past year.

The Stockton area has recorded a healthy pace of growth in recent quarters, although the public sector has accounted for a significant share of the gains. Total employment in the area has expanded by 7,000 jobs in the past year, although more than half of those positions have been added in the government sector.

FORECAST: Employers are on pace to add approximately 28,000 jobs in the Central Valley in 2024, a 1.9 percent gain.



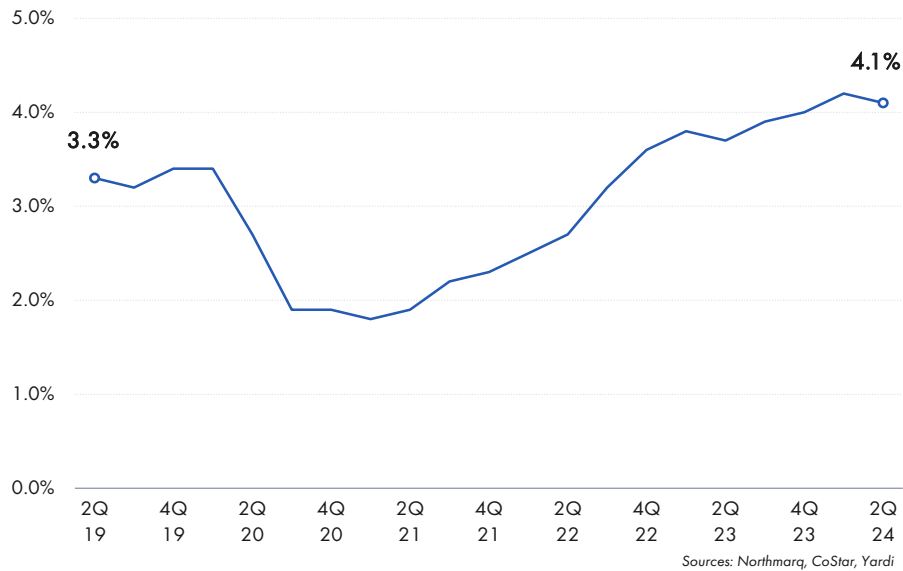
DEVELOPMENT & PERMITTING

After a slow start to the year, the pace of deliveries accelerated during the second quarter. Projects totaling approximately 800 units were completed in the past three months. Year to date, 868 units have come online, up about 30 percent from the number of units that were delivered during the first half of last year.

The recent increase in deliveries has thinned out the development pipeline. Projects totaling fewer than 900 units are currently under construction, down more than 65 percent from one year earlier.

Multifamily permitting levels also slowed, suggesting further declines in inventory growth are likely going forward. During the first half, permits for approximately 500 multifamily units were pulled, 36 percent lower than the total in the first half of 2023.

FORECAST: Developers are on pace to deliver approximately 1,500 new units in 2024, nearly identical to the total number of units completed last year. Since 2015, the Central Valley region has averaged inventory growth of more than 1,200 units per year.



VACANCY

The vacancy rate in the Central Valley ticked lower in the second quarter, dipping 10 basis points to 4.1 percent. This marked the first vacancy tightening in the region since the second quarter of last year, after the rate crept higher in the second half of 2023 and at the beginning of this year. The current vacancy rate is 40 basis points higher than levels from one year ago.

While vacancy conditions in the region are generally stable, the rate has pushed higher in Class A properties in recent periods. The Class A vacancy rate ended the second quarter at 7 percent; the rate had averaged 3.6 percent during the previous five years.

Vacancy in Fresno County ended the second quarter at 4.2 percent, 10 basis points lower than in the first quarter, but still somewhat higher than in recent periods. The rate has averaged 3.3 percent since the beginning of 2022.

FORECAST: Vacancy in the Central Valley is forecast to level off in the second half, with renter demand expected to remain steady and the pace of new construction on pace to slow. The rate is expected to end the year at 4.1 percent, up just 10 basis points from the year-end 2023 figure.

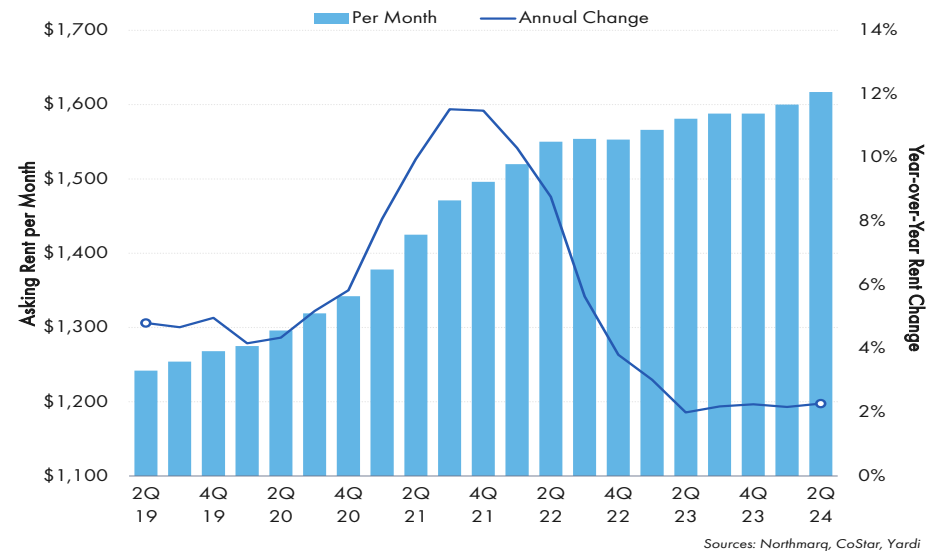
RENTS

After rising 0.8 percent at the start of the year, asking rents rose an additional 1 percent in the second quarter, reaching \$1,617 per month. Annual growth rates have been steady since the beginning of 2023; year over year, rents in the region are up 2.3 percent.

Rents in San Joaquin County are some of the most expensive in the region and have been posting a steady rise. Asking rents in the county ended the second quarter at \$1,859 per month on average, up 1.9 percent from one year earlier.

Rents in the Class A segment of the market ended the first half at \$2,118 per month, up less than 1 percent year over year. Gains have been more robust in Class C properties, where rents have advanced 2.8 percent during the past 12 months, reaching \$1,419 per month.

FORECAST: Continued health in the local rental market should support additional rent increases in the second half. Asking rents are forecast to end the year up 3.3 percent to \$1,640 per month.





INVESTMENT SALES

Robin Kane
559.761.0020
rkane@northmarq.com
CA DRE# 00583537

Brendan Kane
559.892.0036
bkane@northmarq.com
CA DRE# 01976828

DEBT + EQUITY

Bryce Quezada
858.675.7864
bquezada@northmarq.com
CA DRE# 02132575

Conor Freeman
858.675.7661
cfreeman@northmarq.com
CA DRE# 02047832

FRESNO OFFICE 8050 North Palm Avenue Suite 300, Fresno, CA 93711