

# Adler Apartments

1047-1055 Adler Drive, Clovis, CA



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# Investment Opportunity

Adler provides a savvy long-term investor the opportunity to purchase a stable asset in the city of Clovis, one of California's most sought-after community.

- Below Market Rents: Our Rent Survey reveals at least another 35 cents per square foot is available with no additional upgrades.
- Value-Add Opportunity: With upgrades, the future owner can achieve rent premiums as much as \$50.00 to \$100.00 per month.
- Desirable Unit Mix: The unit mix consists of (5) two-bedroom and one-and-a-half bath units averaging 969 square feet and one (1) 3-bedroom and one-and-a-half bath home averaging 1,400 square feet. All units have indoor laundry hookups.
- Access to Major Employment and Education Centers: Adler is just east of California State University-Fresno. To the south is Freeway 168.
- Multifamily Market Is On A Strong Growth Path: With the improving job market and lack of new apartment construction, owners of existing multifamily properties are poised to have pricing power. Property is located within the State Recognized Clovis Unified School District.

Purchase price is \$1,400,000





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# Financial Overview

UNIT TYPE	Units	% Of Units	Avg SF	Current Rent/Unit	Rent/SF	Market Rent	Rent/SF
2 Bed   1.5 Bath	5	83%	969	\$1,411	\$1.46	\$1,700	\$1.75
3 Bed   1.5 Bath - House	1	17%	1,400	\$2,000	\$1.43	\$2,100	\$1.50
<b>Averages</b>	<b>6</b>		<b>1,041</b>	<b>\$1,509</b>	<b>\$1.45</b>	<b>\$1,767</b>	<b>\$1.70</b>

OPERATING INCOME	Actual Income Proforma			EOY1 Proforma		
Gross Market Rent	\$108,660		Rent Roll	\$127,200		+3.0%
Vacancy	(\$3,260)	3.0%	Pro Forma	(\$3,816)	3.0%	ProForma
Non Revenue Units	(\$543)	0.5%	Pro Forma	(\$636)	0.5%	ProForma
Bad Debt	\$0	0.0%			0.0%	ProForma
Net Rental Income	\$104,857			\$122,748		
Utility Billback (Water)	\$2,178	\$31/U/Mo.	Pro Forma	\$2,243		+3%
Fee + Other Income	\$1,048	\$15/U/Mo.	Pro Forma	\$1,079		+3%
<b>EFFECTIVE GROSS REVENUE</b>	<b>\$108,082</b>			<b>\$126,070</b>		

OPERATING EXPENSES	Per Unit			Per Unit		
Repairs & Maintenance + TO	\$4,500	\$750	Pro Forma	\$4,635	\$773	+3%
Contract Services	\$600	\$100	Pro Forma	\$618	\$103	+3%
Admin & Professional Fees	\$300	\$50	Pro Forma	\$309	\$52	+3%
<b>Controllable Expenses Total</b>	<b>\$5,400</b>			<b>\$5,562</b>		
Utilities	\$4,490	\$748	T6	\$4,625	\$771	+3%
Management Fee	\$5,404	\$901	5.0% of EGI	\$6,304	\$1,051	5.0% of EGI
Insurance	\$4,764	\$794	T6	\$4,907	\$818	+3%
New Property Taxes (1.18%)	\$16,468	\$2,745	Assessor	\$16,797	\$2,800	+2%
Direct Assessments (23/24 Tax Bill)	\$84	\$14	Assessor	\$85	\$14	+2%
Replacement Reserve	\$1,800	\$300	Lender Req.	\$1,800	\$300	Lender Req.
<b>Non-Controllable Expenses Total</b>	<b>\$33,010</b>			<b>\$34,518</b>		
<b>TOTAL EXPENSES</b>	<b>\$38,410</b>	<b>\$6,402</b>		<b>\$40,080</b>	<b>\$6,680</b>	
<b>NET OPERATING INCOME</b>	<b>\$69,673</b>			<b>\$85,990</b>		

## Cash Flow on \$3,450,000

Debt Service	(\$47,355)	(\$47,355)
Net Cash Flow	\$22,318	\$38,635
Cash on Cash	3.5%	6.1%
Debt Yield	9.0%	11.2%
DSCR	1.47	1.82

## INVESTMENT SALES

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