

1310 W VALENCIA DRIVE

FULLERTON, CA 92833

OFFERING MEMORANDUM



ALLURE

CAPITAL MANAGEMENT



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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Allure Capital Management, as the exclusive advisor, is pleased to present the opportunity to acquire the fee simple interest in 1310 Valencia (the "Property"), a 6-unit, garden-style apartment building in the Orange County submarket of Southern California. The Property is centrally located in the City of Fullerton, an up-and-coming neighborhood that is home to renowned educational institutes such as California State University, Fullerton (CSUF), and Fullerton College. The Property is also proximate to Southern California's well-connected highway network, including the 91, 57, and 5 freeways, offering access to major employment centers such as Downtown Los Angeles, Anaheim, and Irvine. Fullerton's central location allows residents to enjoy the suburban lifestyle while being within reasonable reach of bustling urban centers.

In 2023, the property underwent a transformative \$600,000 renovation, strategically enhancing its infrastructure with upgraded plumbing, irrigation, and electrical systems. Beyond these essential improvements, the exterior of the property received a stylish makeover, elevating its aesthetic appeal. In 2024, Unit 1310 (1/2) underwent a \$75,000 renovation. In total, four out of the six units have received substantial upgrades since 2023, further enhancing the overall quality and modernity of the living spaces. This comprehensive revitalization underscores a commitment to providing residents with not only functional efficiency but also an elevated and contemporary living experience.

The Property features six covered parking spots located in a garage at the rear of the Property, three tandem surface stalls at the rear of the Property, an on-site washer and dryer (upgraded in 2023), four fully-renovated units, and an aesthetic garden and walkway. The Property is 100% leased and provides investors with the opportunity to upgrade the two units that have not yet been renovated and benefit from premium rent.



PROPERTY OVERVIEW

PROPERTY OVERVIEW

Property Specifications

Address	1310 W Valencia Drive, Fullerton, CA 92833
Building Size	4,731 SF
Lot Size	7,405 SF (0.17 AC)
Year Built (Renovated)	1956 (2023)
Number of Stories	Two (2)
Number of Units	Six (6): Two (2) 2BD/1BA units Four (4) 1BD/1BA units
Number of Parking Stalls	6 garage stalls & 3 tandem surface stalls
Percent Leased	100%
APN(s)	031-331-04



INTERIOR PHOTOS



UNIT 1306 KITCHEN



UNIT 1306.5 KITCHEN



UNIT 1310 KITCHEN



UNIT 1306 BATHROOM



UNIT 1306.5 BATHROOM



UNIT 1310 BATHROOM



COMMON AREA PHOTOS



OUTDOOR COMMON AREA



OUTDOOR COMMON AREA



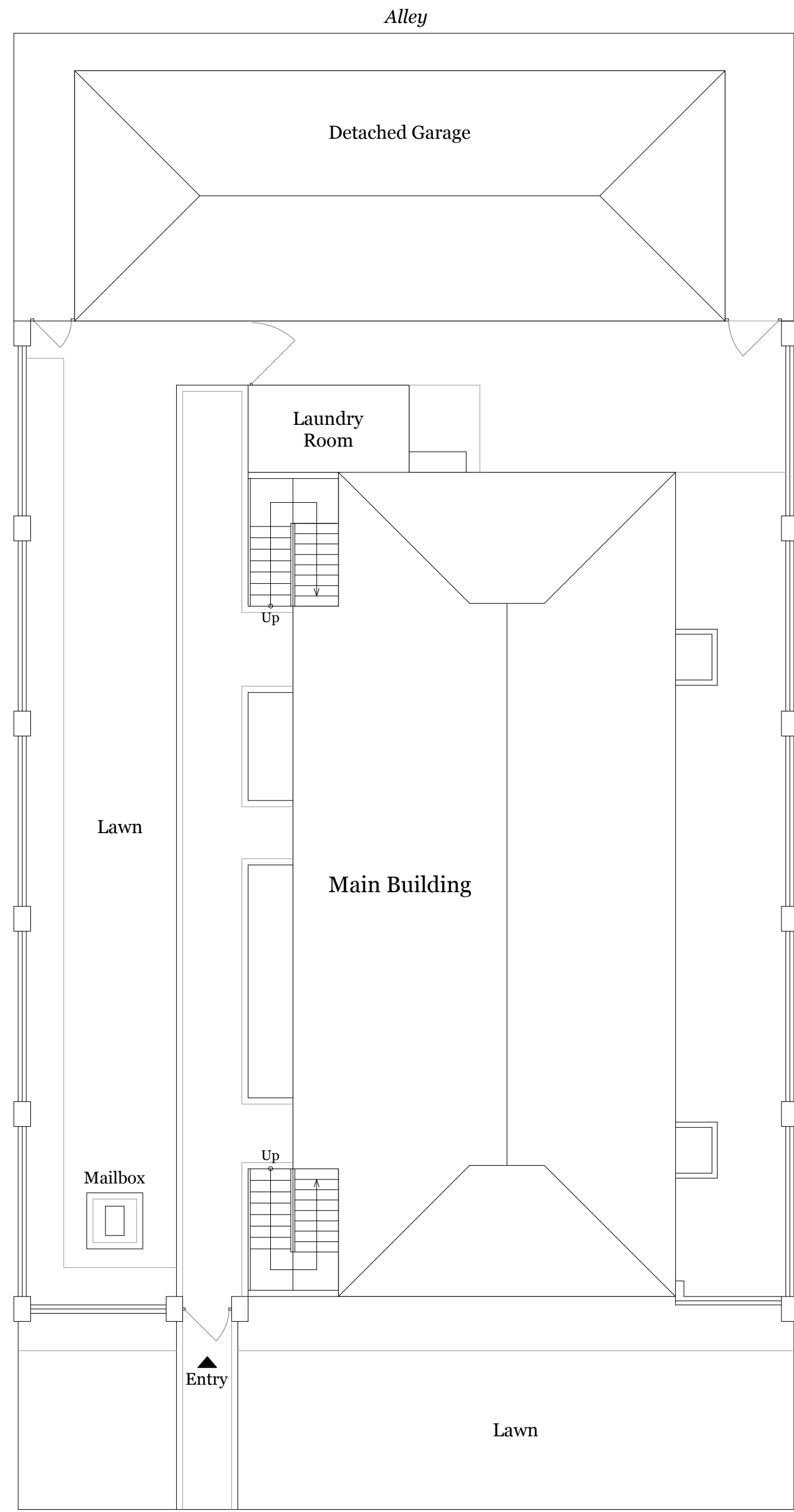
GARAGES



LAUNDRY ROOM

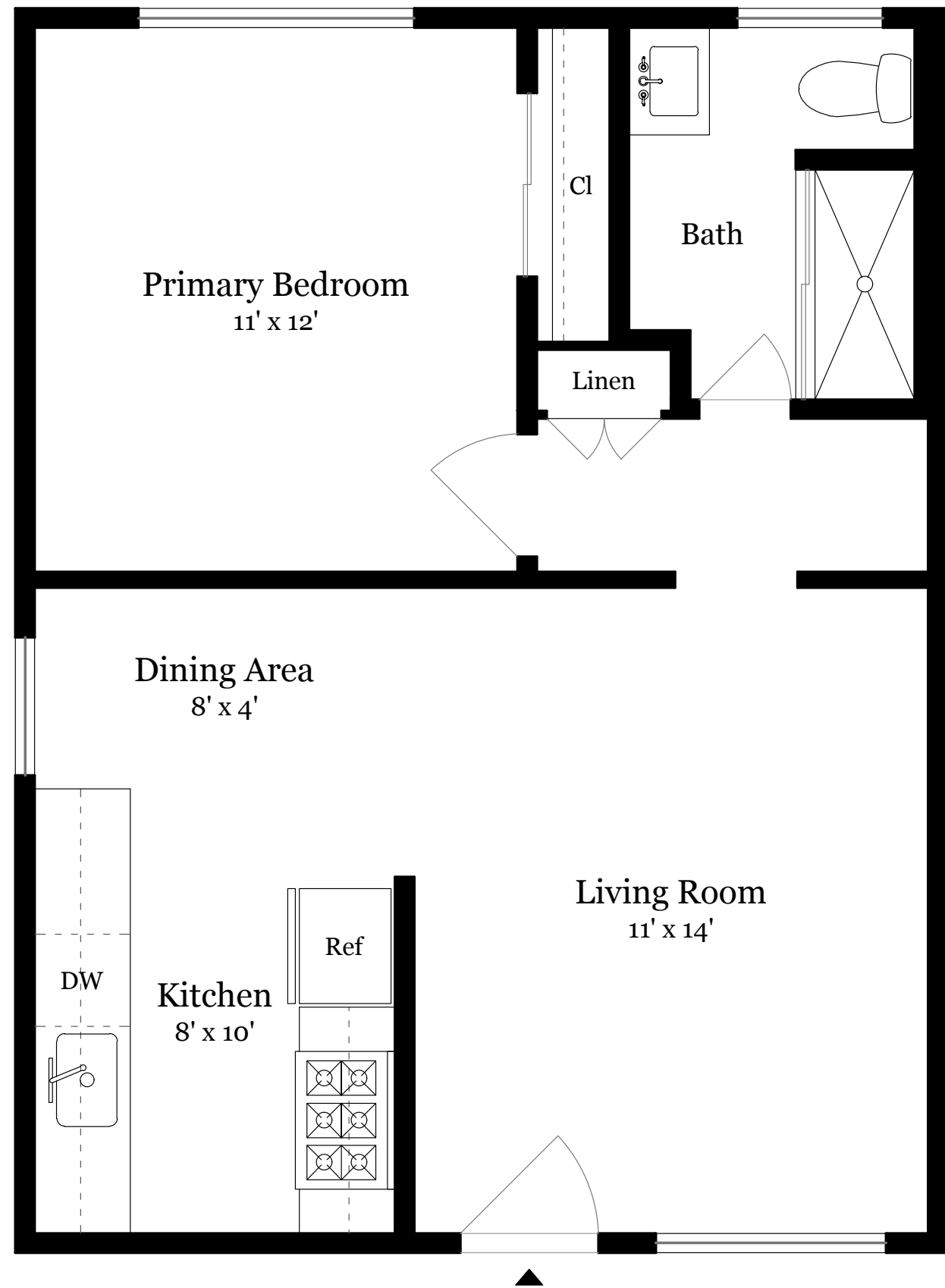


SITE PLAN



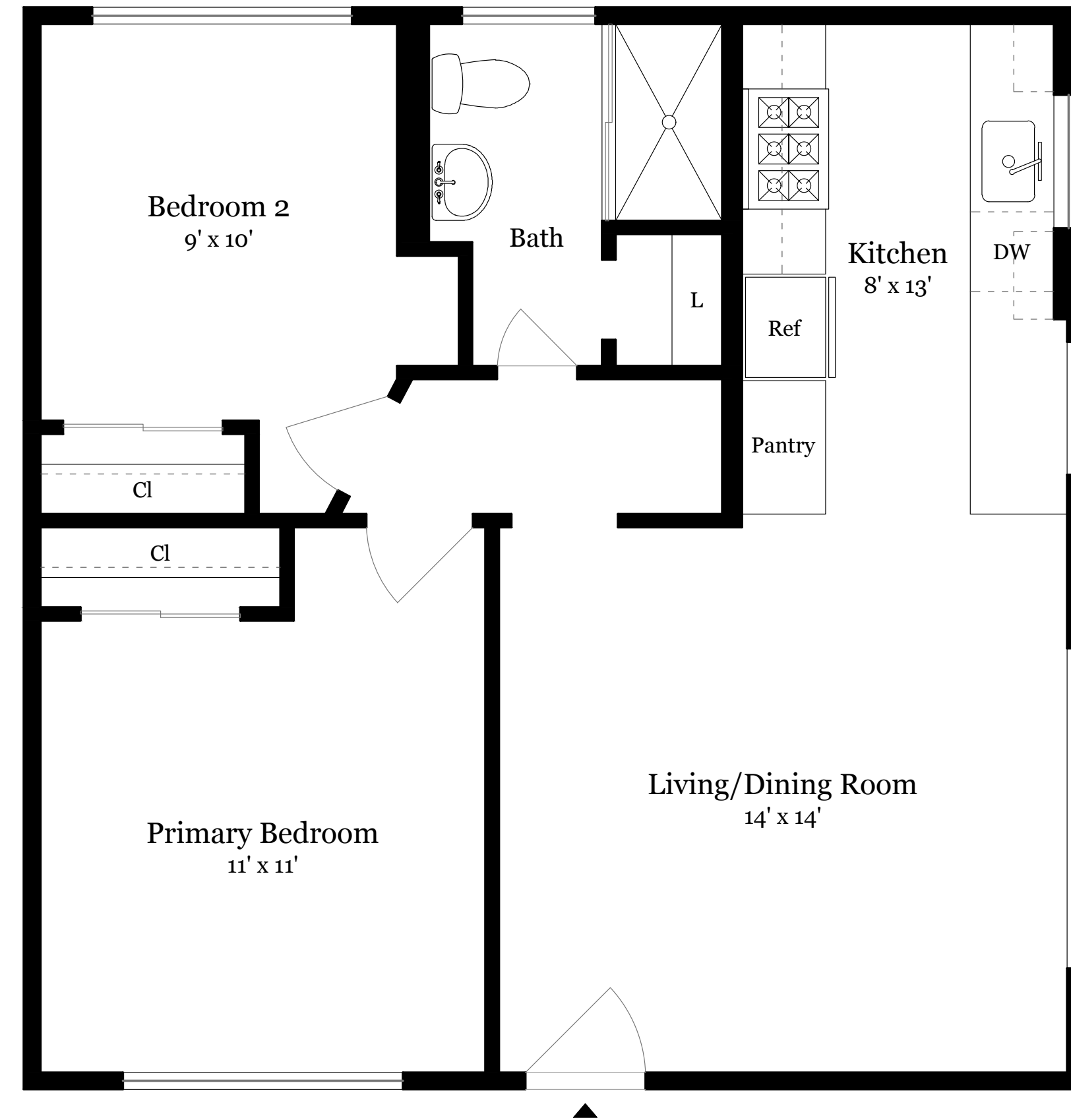
FLOOR PLANS

ONE BEDROOM UNIT



542 SQUARE FEET

TWO BEDROOM UNIT

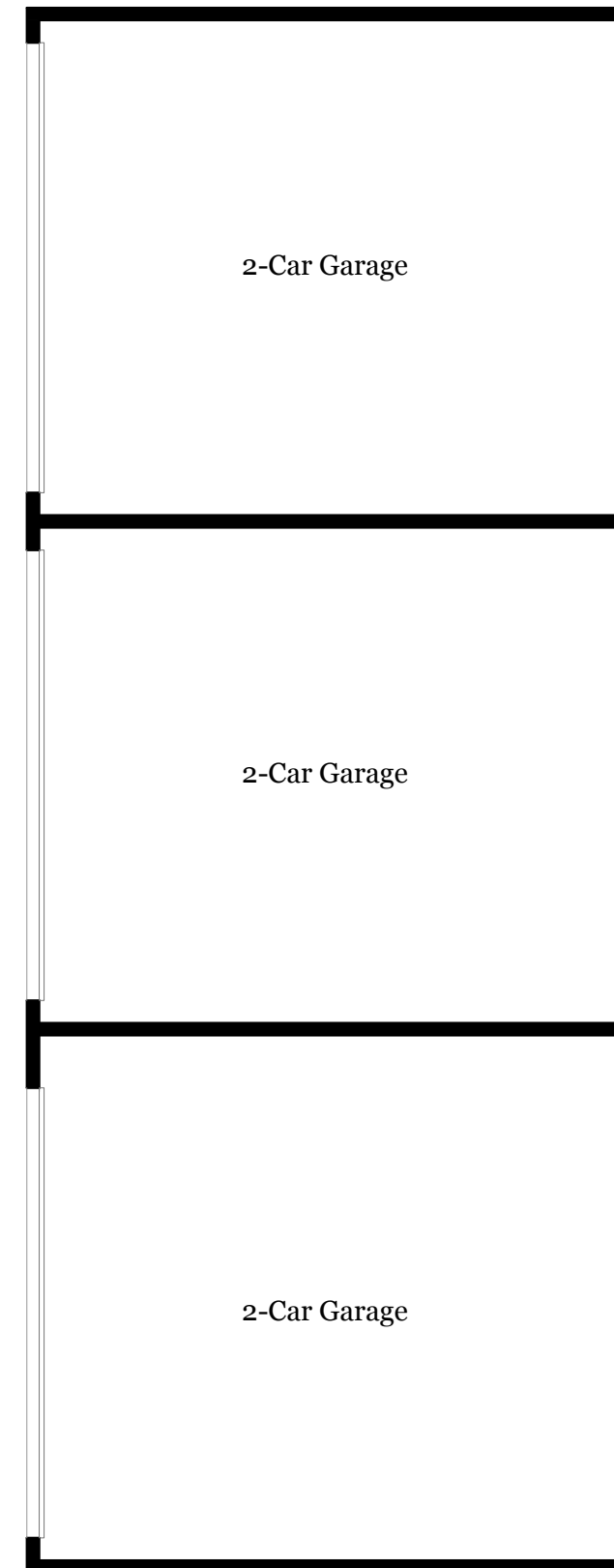


711 SQUARE FEET



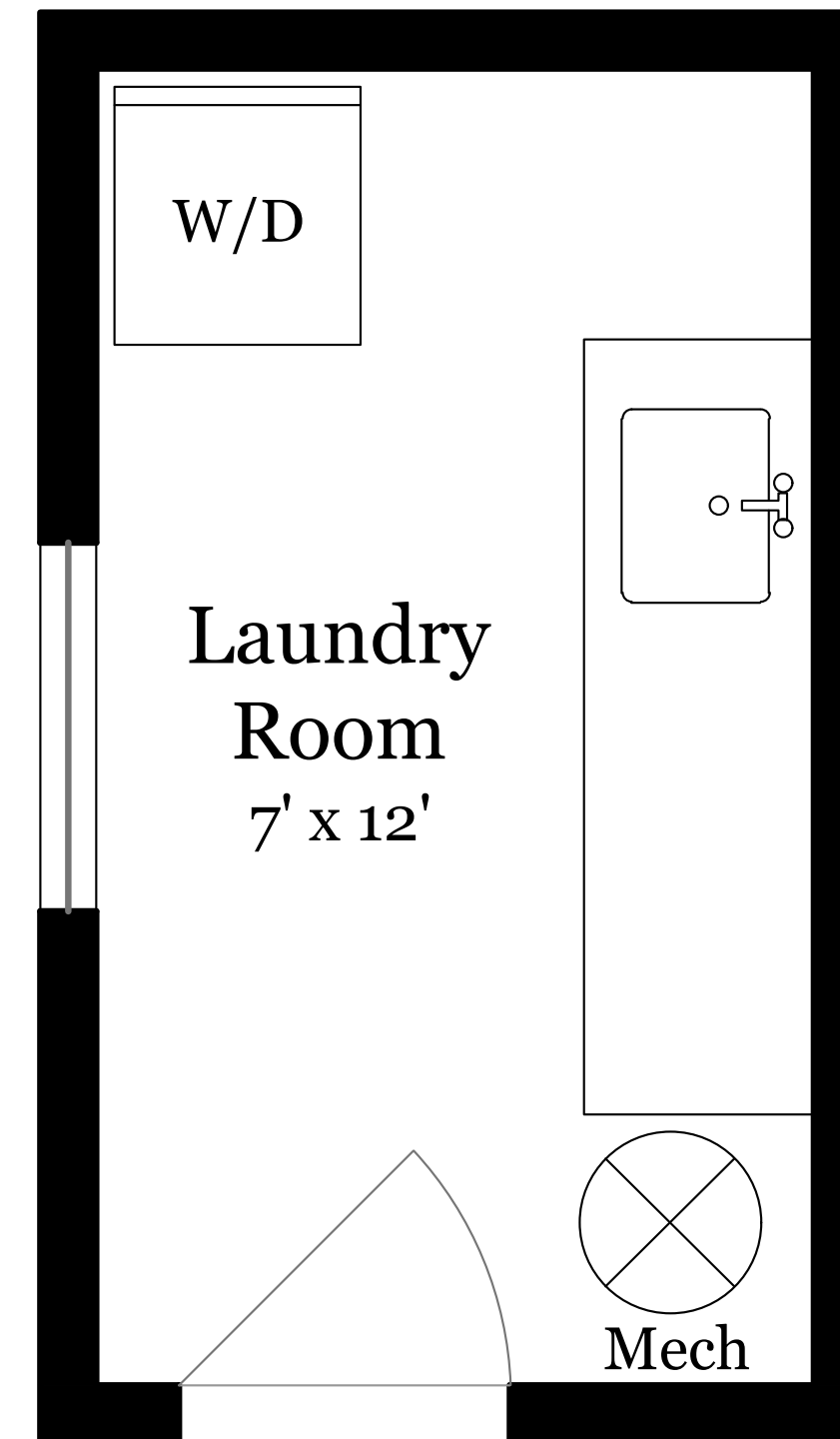
FLOOR PLANS

DETACHED GARAGES



1,048 SQUARE FEET

LAUNDRY ROOM



94 SQUARE FEET





FINANCIAL OVERVIEW

RENT ROLL

Rent Roll - Month of November 2024

Unit #	Unit Type	Year Remodeled	Unit Size	Date Eligible for Rent Increase	In-Place Rent (\$/month)	In-Place Rent (\$/SF/month)	Est. Market Rent (\$/month)	Est. Market Rent (\$/SF/month)	In-Place Garage Rent (\$/month)	In-Place Flat Rate Utility Bill (\$/month)	Total In-Place Rent (a)
1306	2 Bed / 1 Bath	2023	711 SF	11/1/2024	\$2,650	\$3.73	\$2,800	\$3.94	\$400	\$200	\$3,250
1306 1/2	2 Bed / 1 Bath	2023	711 SF	2/1 2025	\$2,600	\$3.66	\$2,800	\$3.94	\$300	\$200	\$3,100
1308	1 Bed / 1 Bath	2014	542 SF	7/1/2025	\$2,000	\$3.20	\$2,500	\$4.61	None	None	\$2,000
1308.5	1 Bed / 1 Bath	2014	542 SF	5/1/2025	\$2,500	\$3.20	\$2,500	\$4.61	None	\$150	\$2,650
1310	1 Bed / 1 Bath	2023	542 SF	1/1/2025	\$2,300	\$4.24	\$2,500	\$4.61	None	\$100	\$2,400
1310.5	1 Bed / 1 Bath	2024	542 SF	8/1/2025	\$2,400	\$4.43	\$2,500	\$4.61	\$400	\$125	\$2,925
Total			3,590 SF		\$14,450	\$4.03	\$15,600	\$4.35	\$1,100	\$775	\$16,325

Footnotes:

(a) Only reflects the rentable area per unit and does not take into consideration the laundry or garage/storage area.

(b) Sum of the In-Place Rent, In-Place Garage Rent, and In-Place Flat Rate Utility Bill figures.



CASH FLOW ASSUMPTIONS

GENERAL ASSUMPTIONS

Cash Flow Start Date	Dec-24
Analysis Period	5 Years
Number of Units	6
Rentable Building Area (SF)	4,731
Initial Multifamily Occupancy	100%
Multifamily Vacancy (Year 1)	0.00%
Multifamily Vacancy (Years 2-6)	2.00%

INFLATION RATES

General Inflation Per Year	3.00%
Estimated CPI Inflation Rate	3.00%
Maximum Annual Rent Increase (5.00% + CPI) (1)	8.00%
Expense Inflation Per Year	3.00%
Real Estate Tax Inflation Per Year (2)	2.00%

RENT INCREASE DATES

Unit 1306	November 1, 2024
Unit 1306 (1/2)	February 1, 2025
Unit 1308	July 1, 2025
Unit 1308 (1/2)	May 1, 2025
Unit 1310	January 1, 2025
Unit 1310 (1/2)	August 1, 2025

INCOME INPUTS

Garage Rent Increase (Year 1, 2, 4, 6)	\$25 per Month
Garage Rent Increase (Year 3, 5)	\$0 per Month
Laundry Income	\$375 per Month

Footnotes:

- (1) In California, landlords are allowed to increase rent by a maximum of 5% plus the annual rate of inflation or 10%, whichever is lower.
 (2) Taxes are assumed to grow with the annual expense inflation factor of 2.0%.



PRO FORMA

	Income	In-Place (Jan. 2025 - Dec. 2025)	Market (Jan. 2025 - Dec. 2025)
	Rental Revenue:		
(a)	Multifamily Revenue	\$175,816	\$183,456
	Other Income:		
	Parking Revenue	\$12,000	\$12,000
	Pet Rent	\$600	\$600
	Flat Rate Utility Bill	\$9,600	\$9,600
	Late Fees	\$0	\$0
	Laundry Income	\$4,500	\$4,500
	<u>Total Other Income</u>	<u>\$26,700</u>	<u>\$26,700</u>
	Scheduled Gross Income	\$202,516	\$210,156
	Operating Expenses:		
(b)	Property Taxes	\$27,439	\$27,439
(c)	Utilities	\$4,514	\$4,514
	Insurance	\$7,000	\$7,000
(d)	Trash Bin Rental	\$1,245	\$1,245
	Pest Control	\$1,476	\$1,476
(e)	Gas	\$772	\$772
	Electric (Common Areas)	\$2,265	\$2,265
	Landscaping	\$1,000	\$1,000
	<u>Total Operating Expenses</u>	<u>\$45,711</u>	<u>\$45,711</u>
	Net Operating Income	<u>\$156,805</u>	<u>\$164,445</u>
	Offering Price	\$2,700,000	\$2,700,000
	Gross Revenue Multiplier	13.33	12.85
	Capitalization Rate	5.81%	6.09%

Footnotes:

(a) The In-Place and Market Multifamily Revenue figures include a 2.00% vacancy loss.

(b) Under Proposition 13, property's tax basis is reassessed upon a sale of the Property (change in ownership).

This Pro Forma reflects the estimated Ad Valorem taxes based on the Offering Price and actual millage rate.

(c) Paid to and taken care of by City of Fullerton. Includes water, sanitation, sewage, and trash expenses.

(d) Based on recent premium quotes requested by Ownership.

(e) Ownership is billed monthly for the rental of two trash bins.

(f) Ownership is only responsible for the gas bills of the remodeled units with new leases. All other units are separately metered and pay their own monthly gas bills.



FORECASTED CASH FLOW (5-YEAR)

Year Period Ending	Year 1 DEC-25	Year 2 DEC-26	Year 3 DEC-27	Year 4 DEC-28	Year 5 DEC-29	Year 6 DEC-30
Multifamily Revenue						
_ Unit 1306 (2BD/1BA)	\$31,616	\$33,462	\$36,139	\$39,031	\$42,153	\$45,525
_ Unit 1306 1/2 (2BD/1BA)	\$32,864	\$34,783	\$37,566	\$40,571	\$43,817	\$47,322
_ Unit 1308 (1BD/1BA)	\$24,480	\$25,910	\$27,982	\$30,221	\$32,639	\$35,250
_ Unit 1308 1/2 (1BD/1BA)	\$30,000	\$31,752	\$34,292	\$37,036	\$39,998	\$43,198
_ Unit 1310 (1BD/1BA)	\$29,256	\$30,965	\$33,442	\$36,117	\$39,006	\$42,127
_ Unit 1310 1/2 (1BD/1BA)	\$27,600	\$29,212	\$31,549	\$34,073	\$36,799	\$39,742
Total Multifamily Revenue	\$175,816	\$186,084	\$200,970	\$217,048	\$234,412	\$253,165
Other Revenue						
_ Flat Rate Utility Bill - Unit 1306	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
_ Flat Rate Utility Bill - Unit 1306 (1/2)	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
_ Flat Rate Utility Bill - Unit 1308.5	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087
_ Flat Rate Utility Bill - Unit 1310	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
_ Flat Rate Utility Bill - Unit 1310 (1/2)	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087
_ Laundry Income	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217
_ Pet Rent - Unit 1306	\$600	\$600	\$600	\$600	\$600	\$600
Parking Revenue						
_ Unit 1306 - Garage Rent	\$4,800	\$4,800	\$5,075	\$5,375	\$5,400	\$5,675
_ Unit 1306.5 - Garage Rent	\$3,600	\$3,800	\$4,100	\$4,200	\$4,600	\$4,800
_ Unit 1310.5 - Garage Rent	\$3,600	\$3,600	\$4,200	\$4,200	\$4,800	\$4,800
Total Other Revenue	\$26,700	\$27,143	\$28,568	\$29,226	\$30,517	\$31,265
Potential Gross Revenue	\$202,516	\$213,227	\$229,539	\$246,274	\$264,928	\$284,430
Total Effective Revenue	\$202,516	\$213,227	\$229,539	\$246,274	\$264,928	\$284,430
Operating Expenses						
_ Property Taxes	\$27,439	\$27,987	\$28,547	\$29,118	\$29,700	\$48,497
_ Utilities	\$4,514	\$4,650	\$4,789	\$4,933	\$5,081	\$5,233
_ Trash Bin Rental	\$1,245	\$1,283	\$1,321	\$1,361	\$1,401	\$1,444
_ Pest Control	\$1,476	\$1,520	\$1,566	\$1,613	\$1,661	\$1,711
_ Gas (Newly Leased Units)	\$772	\$796	\$819	\$844	\$869	\$895
_ Electric (Common Area)	\$2,265	\$2,333	\$2,403	\$2,475	\$2,549	\$2,625
_ Insurance	\$7,000	\$7,210	\$7,426	\$7,649	\$7,879	\$8,115
_ Landscaping	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159
Total Operating Expenses	\$45,711	\$46,808	\$47,932	\$49,085	\$50,266	\$69,680
Net Operating Income	\$156,805	\$166,419	\$181,606	\$197,189	\$214,662	\$214,750



REGIONAL AND LOCAL MAPS

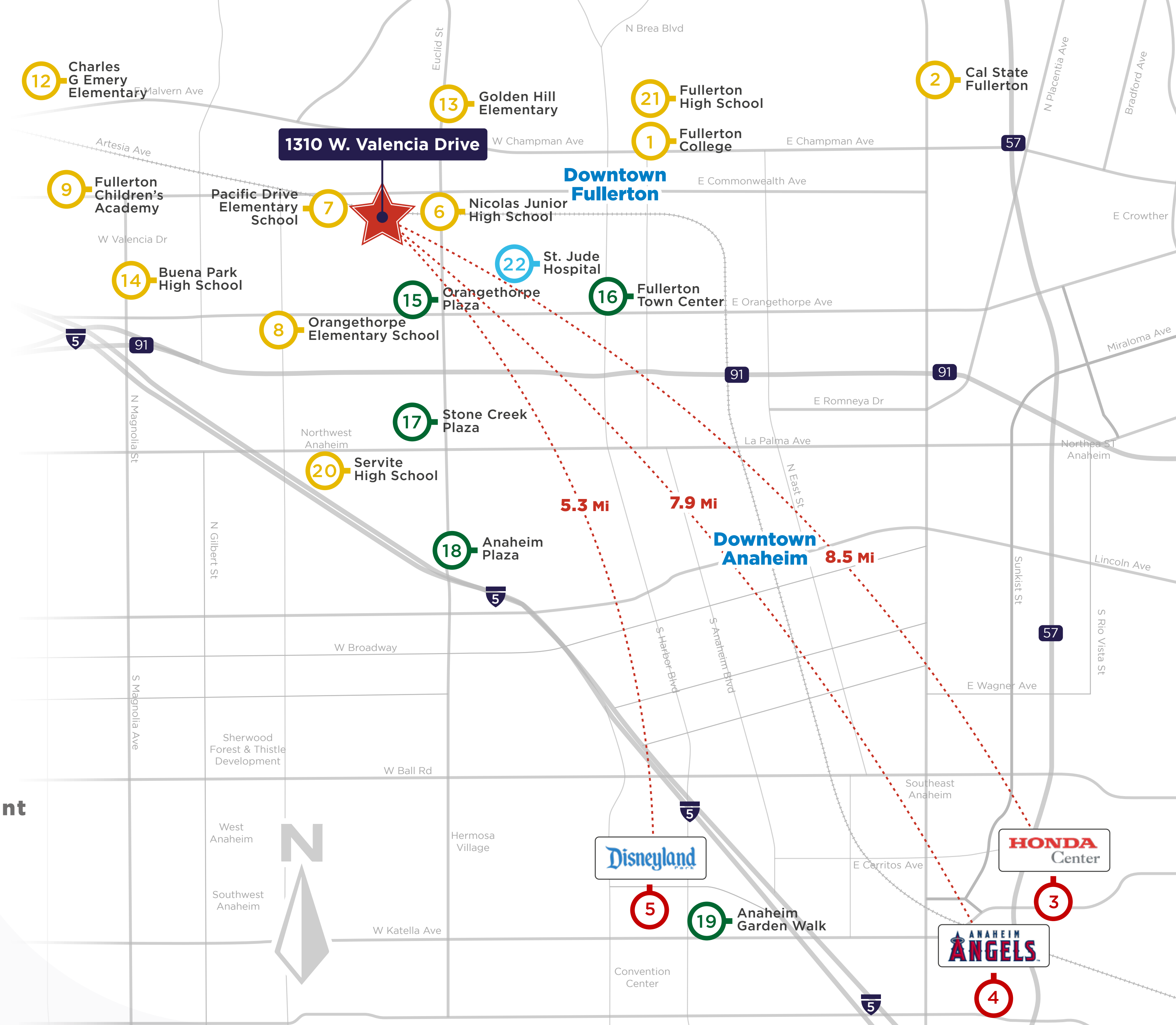
REGIONAL MAP



LOCAL MAP

- 1. Fullerton College
- 2. Cal State Fullerton
- 3. Honda Center
- 4. Angels Stadium
- 5. Disneyland
- 6. Nicolas Junior High School
- 7. Pacific Drive Elementary School
- 8. Orangethorpe Elementary School
- 9. Fullerton Children's Academy
- 10. Downtown Anaheim
- 11. Downtown Fullerton
- 12. Charles G Emery Elementary
- 13. Golden Hill Elementary
- 14. Buena Park High School
- 15. Orangethorpe Plaza
- 16. Fullerton Town Center
- 17. Stone Creek Plaza
- 18. Anaheim Plaza
- 19. Anaheim Garden Walk
- 20. Servite High School
- 21. Fullerton High School
- 22. St. Jude Hospital

- **Education**
- **Entertainment**
- **Retail**
- **Hospital**





MARKET OVERVIEWS

ORANGE COUNTY MULTIFAMILY MARKET OVERVIEW



LOW CRIME



96% + HISTORICAL
MULTIFAMILY
OCCUPANCY RATES



HIGHLY RANKED
SCHOOLS



CLEAN BEACHES AND
DESIRABLE WEATHER



UP-SCALE SHOPPING
AND ENTERTAINMENT
OPTIONS



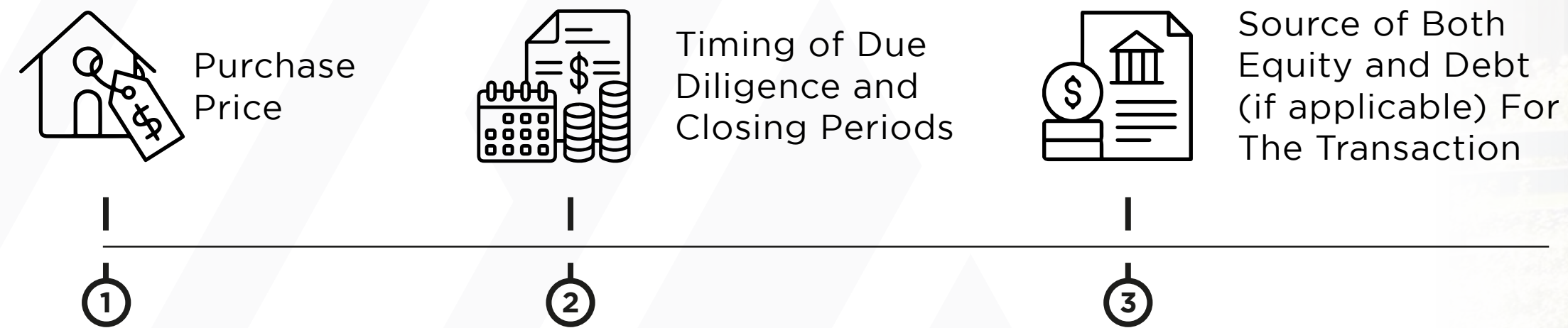
HIGH BARRIER TO
ENTRY MARKET
WITH ACCELERATING
RENT GROWTH



TRANSACTION GUIDELINES



The offering of 1310 W. Valencia Drive is being conducted exclusively by Allure Capital Management. All questions and inquiries should be directed to the Allure Capital Management representatives. Allure Capital Management reserves the right to alter the Transaction Guidelines in their sole discretion. Allure Capital Management will be available to assist prospective investors to arrange on-site inspections, and to answer any questions related to information contained in this Offering Memorandum. The prospective buyer will be selected by the Seller in its sole and absolute discretion based on a variety of factors including, but not limited to:





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