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Investment Memorandum

356 & 358 DAHLIA - NEW SCHEDULE

356 DAHLIA AVE #356 & 358, CORONA DEL MAR CA 92625

356 & 358 Dahlia - New Schedule

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Market Analysis by



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01

Executive Summary

Investment Summary

Unit Mix Summary

Location Summary

ADDRESS	356 Dahlia Ave #356 & 358 Corona Del Mar CA 92625
COUNTY	Orange
BUILDING SF	5,920 SF
NUMBER OF UNITS	2
YEAR BUILT	2021

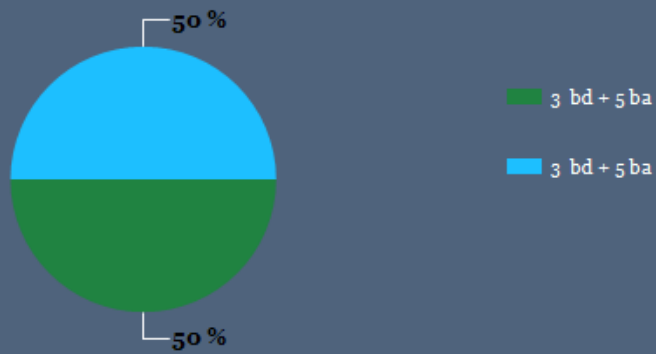
OFFERING PRICE	\$10,500,000
PRICE PSF	\$1,773.65
PRICE PER UNIT	\$5,250,000
OCCUPANCY	100.00 %
NOI (July-June 22/23)	\$399,272
CAP RATE (July-June 22/23)	3.80 %
GRM (July-June 22/23)	17.86

2022 Population	11,243	61,237	191,032
2022 Median HH Income	\$171,878	\$159,834	\$116,615
2022 Average HH Income	\$247,092	\$233,890	\$180,114

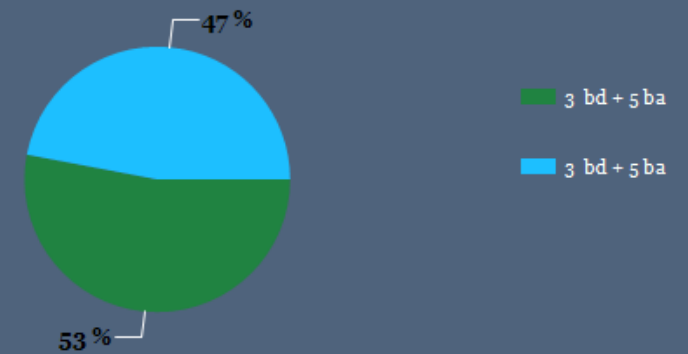


3 bd + 5 ba	1	3,130	\$0	\$0
3 bd + 5 ba	1	2,790	\$0	\$0
Totals/Averages	2	2,960	\$0	\$0

Unit Mix Summary



Unit Mix SF



Unit Mix Revenue

Other

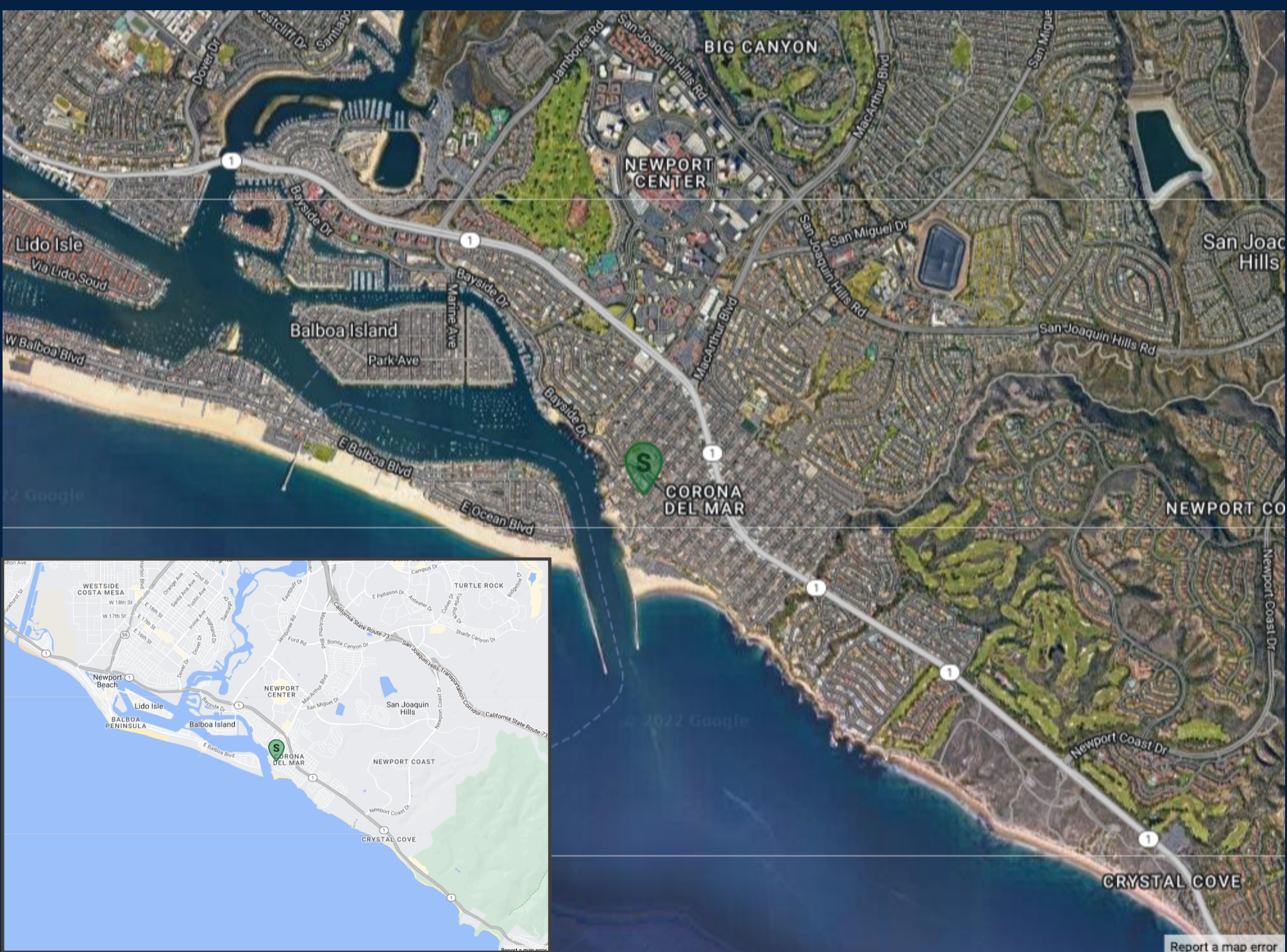
Actual vs. Market Revenue

Current Rent Market Rent

3 bd + 5 ba

3 bd + 5 ba





Report a map error





02

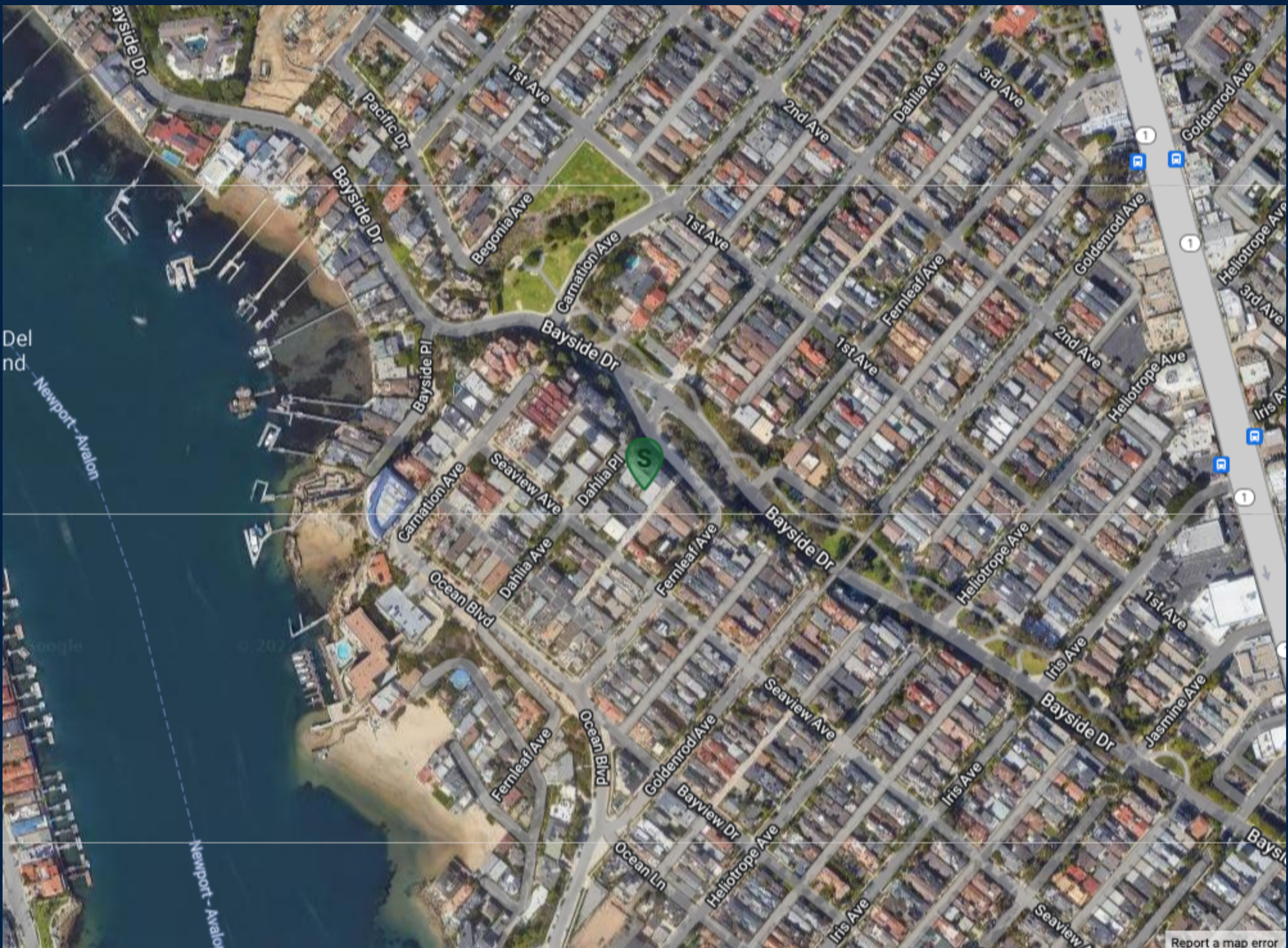
Property Description

Property Features

Aerial Map

NUMBER OF UNITS	2
BUILDING SF	5,920
YEAR BUILT	2021





Report a map error





03

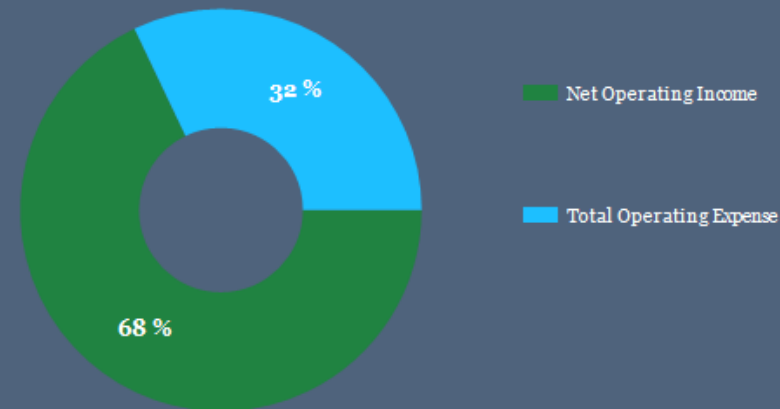
Financial Analysis

- Income & Expense Analysis
- Multi-Year Cash Flow Assumptions
- Cash Flow Analysis
- Financial Metrics
- Disposition Sensitivity Analysis

REVENUE ALLOCATION

JULY-JUNE 22/23

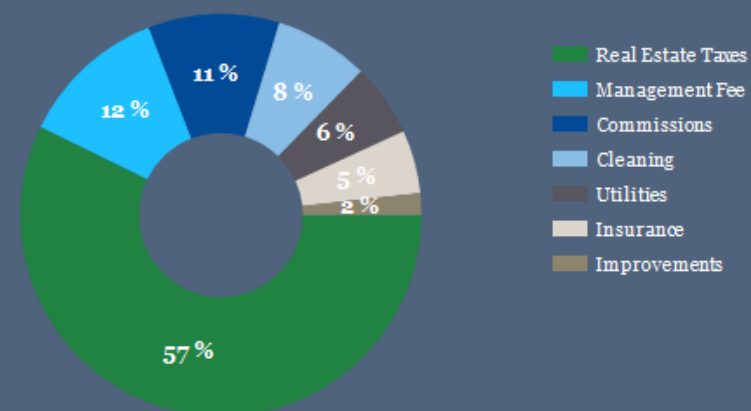
#356	\$305,512	52.0 %	\$265,500	50.0 %
#358	\$282,500	48.0 %	\$265,500	50.0 %
Effective Gross Income	\$588,012		\$531,000	
Less Expenses	\$188,740	32.09 %	\$188,741	35.54 %
Net Operating Income	\$399,272		\$342,259	



DISTRIBUTION OF EXPENSES

JULY-JUNE 22/23

Real Estate Taxes	\$108,000	\$54,000	\$108,000	\$54,000
Insurance	\$9,600	\$4,800	\$9,600	\$4,800
Management Fee	\$22,500	\$11,250	\$22,500	\$11,250
Cleaning	\$14,400	\$7,200	\$14,400	\$7,200
Improvements	\$3,300	\$1,650	\$3,300	\$1,650
Utilities	\$11,020	\$5,510	\$11,021	\$5,511
Commissions	\$19,920	\$9,960	\$19,920	\$9,960
Total Operating Expense	\$188,740	\$94,370	\$188,741	\$94,371
Expense / SF	\$31.88		\$31.88	
% of EGI	32.09 %		35.54 %	



Offering Price	\$10,500,000
Analysis Period	7 year(s)
Consumer Price Index	9.10 %
Millage Rate (not a growth rate)	0.85000 %
Exit Cap Rate	3.50 %

#356	5.00 %
------	--------

Real Estate Taxes	1.00 %
Insurance	2.00 %
Management Fee	2.00 %
Cleaning	2.00 %
Improvements	1.00 %
Utilities	2.00 %
Commissions	1.00 %

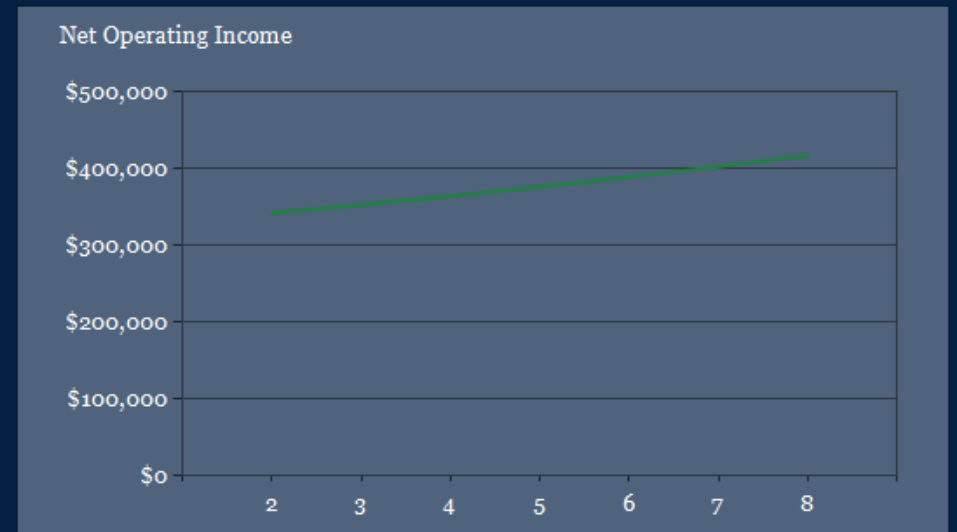
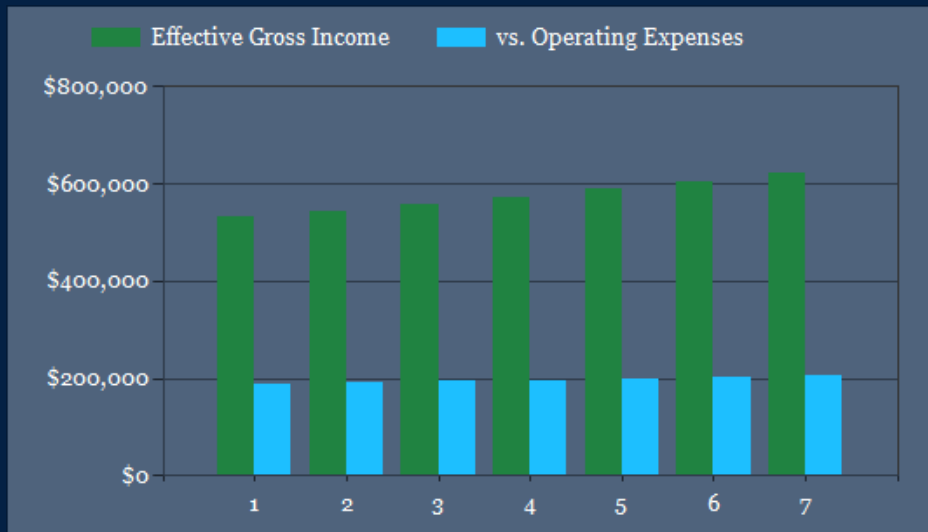


Gross Potential Revenue

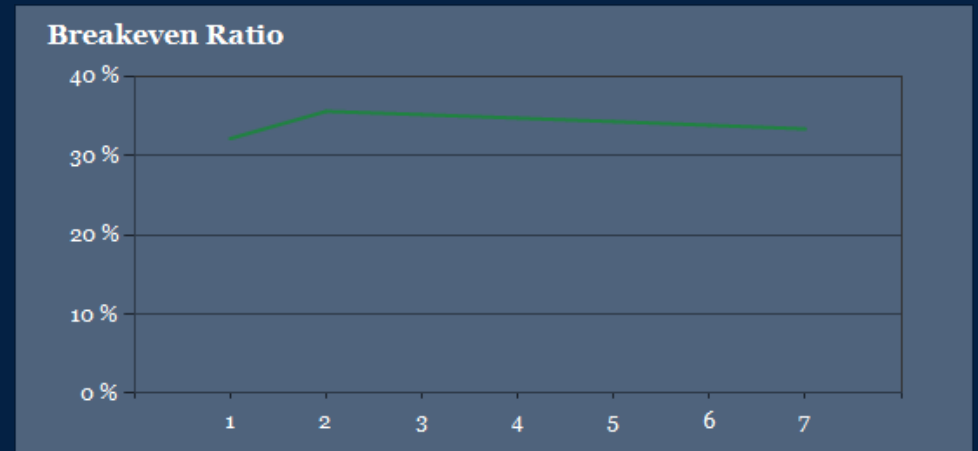
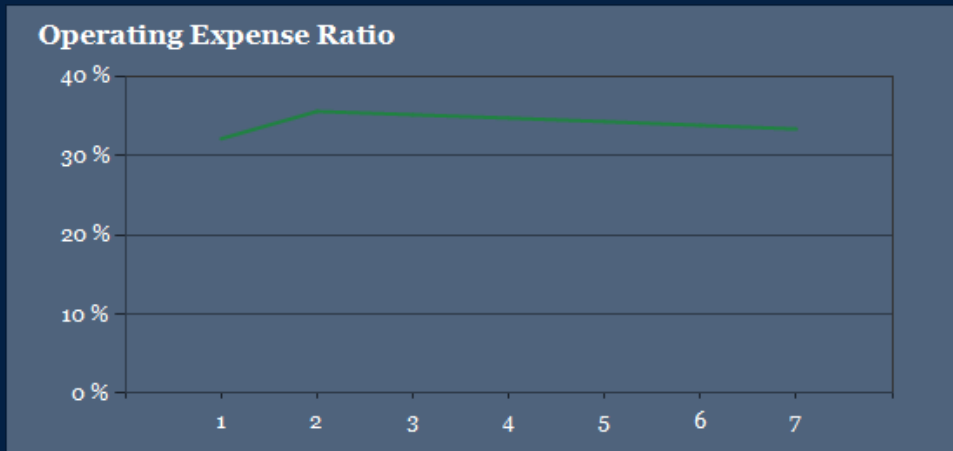
#356	\$305,512	\$265,500	\$278,775	\$292,714	\$307,349	\$322,717	\$338,853	\$355,795
#358	\$282,500	\$265,500	\$265,500	\$265,500	\$265,500	\$265,500	\$265,500	\$265,500

Operating Expenses

Real Estate Taxes	\$108,000	\$108,000	\$109,080	\$110,171	\$111,273	\$112,385	\$113,509	\$114,644
Insurance	\$9,600	\$9,600	\$9,792	\$9,988	\$10,188	\$10,391	\$10,599	\$10,811
Management Fee	\$22,500	\$22,500	\$22,950	\$23,409	\$23,877	\$24,355	\$24,842	\$25,339
Cleaning	\$14,400	\$14,400	\$14,688	\$14,982	\$15,281	\$15,587	\$15,899	\$16,217
Improvements	\$3,300	\$3,300	\$3,333	\$3,366	\$3,400	\$3,434	\$3,468	\$3,503
Utilities	\$11,020	\$11,021	\$11,241	\$11,466	\$11,696	\$11,929	\$12,168	\$12,411
Commissions	\$19,920	\$19,920	\$20,119	\$20,320	\$20,524	\$20,729	\$20,936	\$21,145



CAP Rate	3.80 %	3.26 %	3.36 %	3.47 %	3.59 %	3.71 %	3.84 %	3.97 %
Operating Expense Ratio	32.09 %	35.54 %	35.12 %	34.70 %	34.25 %	33.79 %	33.32 %	32.84 %
Gross Multiplier (GRM)	17.86	19.77	19.29	18.81	18.33	17.85	17.37	16.90
Breakeven Ratio	32.10 %	35.54 %	35.13 %	34.70 %	34.26 %	33.80 %	33.33 %	32.85 %
Price / SF	\$1,773.65	\$1,773.65	\$1,773.65	\$1,773.65	\$1,773.65	\$1,773.65	\$1,773.65	\$1,773.65
Price / Unit	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000
Income / SF	\$99.32	\$89.69	\$91.93	\$94.29	\$96.76	\$99.36	\$102.08	\$104.94
Expense / SF	\$31.88	\$31.88	\$32.29	\$32.71	\$33.14	\$33.58	\$34.02	\$34.47



5 YEAR SENSITIVITY ANALYSIS

2.50%	\$15,576,251	\$7,788,125	\$2,631	\$15,576,251
2.75%	\$14,160,228	\$7,080,114	\$2,392	\$14,160,228
3.00%	\$12,980,209	\$6,490,105	\$2,193	\$12,980,209
3.25%	\$11,981,731	\$5,990,866	\$2,024	\$11,981,731
3.50%	\$11,125,893	\$5,562,947	\$1,879	\$11,125,893
3.75%	\$10,384,167	\$5,192,084	\$1,754	\$10,384,167
4.00%	\$9,735,157	\$4,867,578	\$1,644	\$9,735,157
4.25%	\$9,162,500	\$4,581,250	\$1,548	\$9,162,500
4.50%	\$8,653,473	\$4,326,736	\$1,462	\$8,653,473



04

Demographics

Demographics

Demographic Charts

2000 Population	12,280	57,219	165,181
2010 Population	11,638	61,498	178,817
2022 Population	11,243	61,237	191,032
2027 Population	11,228	60,952	191,377
2022 African American	48	439	3,045
2022 American Indian	18	133	1,314
2022 Asian	522	5,347	26,215
2022 Hispanic	775	4,993	43,526
2022 Other Race	162	1,260	20,495
2022 White	9,601	48,665	117,330
2022 Multiracial	884	5,336	22,356
2022-2027: Population: Growth Rate	-0.15 %	-0.45 %	0.20 %
less than \$15,000	186	1,268	5,520
\$15,000-\$24,999	167	773	2,987
\$25,000-\$34,999	190	819	3,316
\$35,000-\$49,999	156	1,165	4,119
\$50,000-\$74,999	496	2,335	7,764
\$75,000-\$99,999	303	2,104	7,131
\$100,000-\$149,999	948	4,666	13,725
\$150,000-\$199,999	677	3,448	8,074
\$200,000 or greater	2,451	11,365	20,719
Median HH Income	\$171,878	\$159,834	\$116,615
Average HH Income	\$247,092	\$233,890	\$180,114

2000 Total Housing	6,774	30,245	71,590
2010 Total Households	5,854	28,140	71,886
2022 Total Households	5,575	27,943	73,355
2027 Total Households	5,580	27,858	73,544
2022 Average Household Size	2.02	2.19	2.36
2000 Owner Occupied Housing	3,680	15,764	31,486
2000 Renter Occupied Housing	2,477	10,891	34,658
2022 Owner Occupied Housing	3,812	15,798	34,081
2022 Renter Occupied Housing	1,763	12,144	39,274
2022 Vacant Housing	1,149	4,462	8,820
2022 Total Housing	6,724	32,405	82,175
2027 Owner Occupied Housing	3,856	15,923	34,306
2027 Renter Occupied Housing	1,724	11,935	39,239
2027 Vacant Housing	1,194	4,707	9,340
2027 Total Housing	6,774	32,565	82,884
2022-2027: Households: Growth Rate	0.10 %	-0.30 %	0.25 %



Source: esri



2022 Population Age 30-34	514	3,207	13,268
2022 Population Age 35-39	742	3,367	12,290
2022 Population Age 40-44	656	3,164	10,570
2022 Population Age 45-49	564	3,463	10,249
2022 Population Age 50-54	709	3,941	10,590
2022 Population Age 55-59	889	4,615	11,171
2022 Population Age 60-64	908	4,726	10,706
2022 Population Age 65-69	883	4,468	9,354
2022 Population Age 70-74	886	4,196	8,060
2022 Population Age 75-79	789	3,435	5,982
2022 Population Age 80-84	536	2,349	4,003
2022 Population Age 85+	534	2,370	4,544
2022 Population Age 18+	9,754	51,500	160,067
2022 Median Age	54	49	36

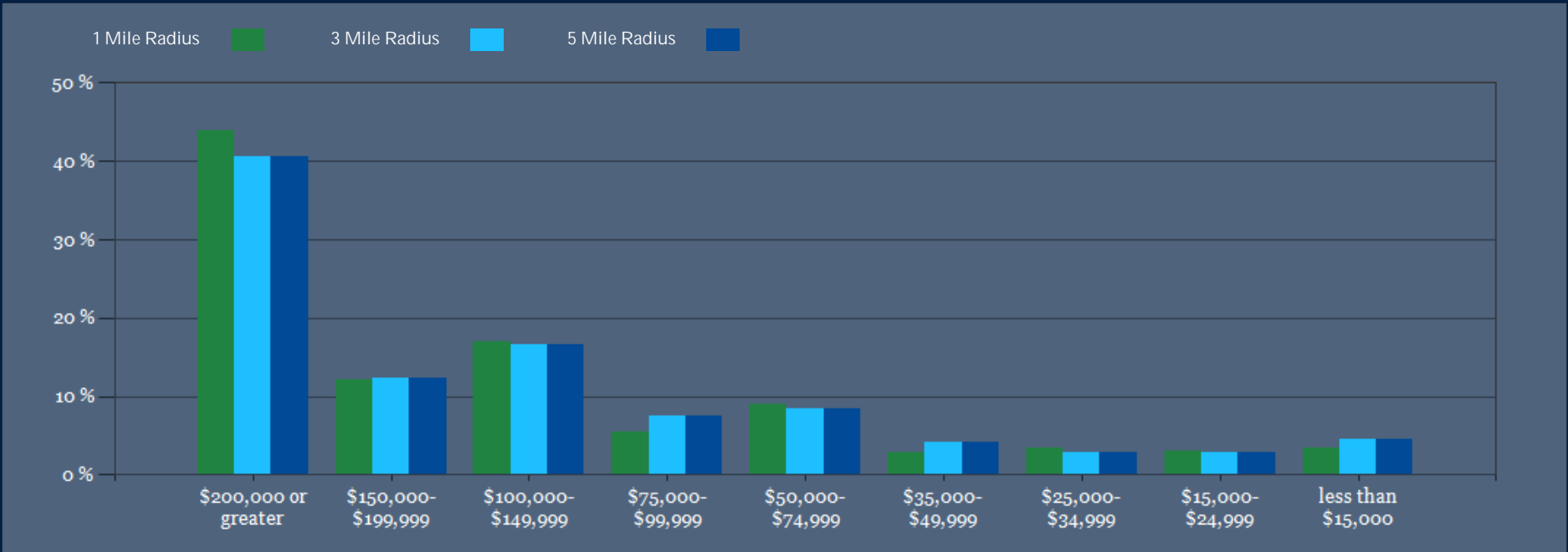
2027 Population Age 30-34	507	3,344	13,673
2027 Population Age 35-39	686	3,493	12,119
2027 Population Age 40-44	834	3,726	11,722
2027 Population Age 45-49	685	3,505	10,421
2027 Population Age 50-54	612	3,569	9,827
2027 Population Age 55-59	731	3,954	10,113
2027 Population Age 60-64	864	4,499	10,358
2027 Population Age 65-69	861	4,490	9,718
2027 Population Age 70-74	851	4,235	8,444
2027 Population Age 75-79	763	3,723	6,919
2027 Population Age 80-84	688	2,851	4,904
2027 Population Age 85+	598	2,707	4,996
2027 Population Age 18+	9,739	51,715	161,599
2027 Median Age	53	49	37

Median Household Income 25-34	\$157,976	\$127,784	\$102,872
Average Household Income 25-34	\$230,223	\$190,137	\$140,351
Median Household Income 35-44	\$200,001	\$191,463	\$132,739
Average Household Income 35-44	\$283,040	\$264,339	\$194,164
Median Household Income 45-54	\$200,001	\$200,001	\$162,921
Average Household Income 45-54	\$330,400	\$308,633	\$230,920
Median Household Income 55-64	\$200,001	\$200,001	\$161,858
Average Household Income 55-64	\$301,192	\$293,280	\$231,267
Median Household Income 65-74	\$155,621	\$149,022	\$115,022
Average Household Income 65-74	\$233,726	\$219,957	\$182,349
Average Household Income 75+	\$161,498	\$160,045	\$134,827

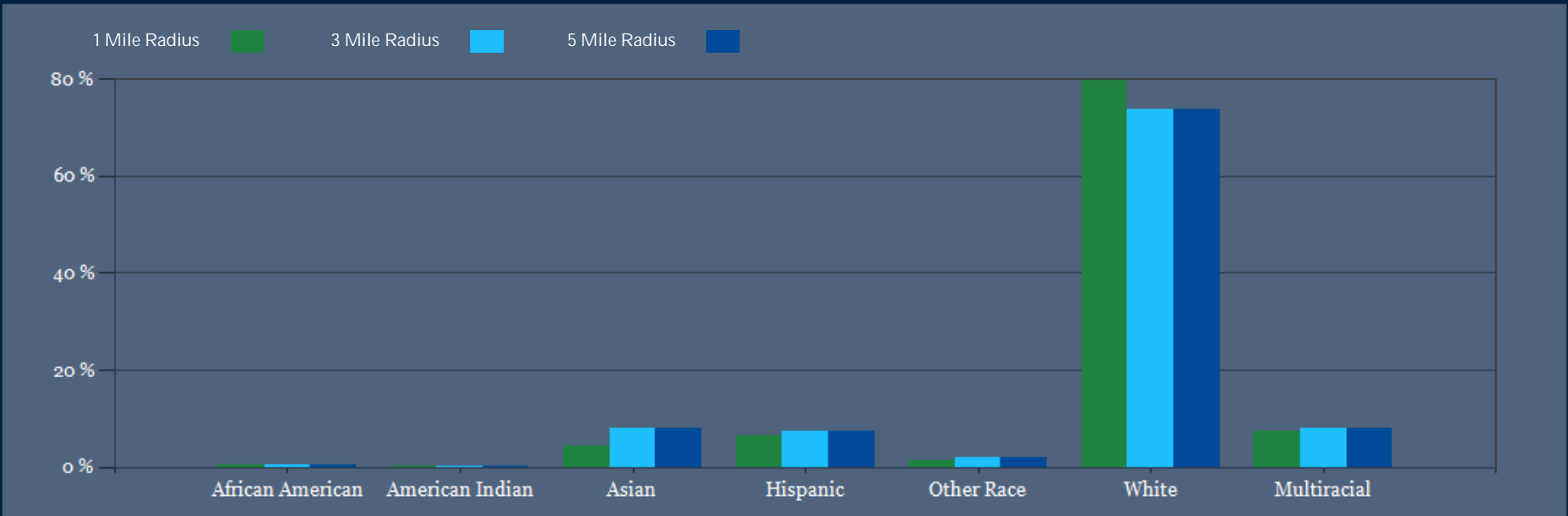
Median Household Income 25-34	\$190,693	\$146,817	\$115,811
Average Household Income 25-34	\$277,454	\$220,837	\$167,322
Median Household Income 35-44	\$200,001	\$200,001	\$158,310
Average Household Income 35-44	\$328,956	\$303,123	\$228,337
Median Household Income 45-54	\$200,001	\$200,001	\$183,476
Average Household Income 45-54	\$369,883	\$341,436	\$259,190
Median Household Income 55-64	\$200,001	\$200,001	\$183,098
Average Household Income 55-64	\$343,243	\$330,003	\$260,920
Median Household Income 65-74	\$193,665	\$178,178	\$141,309
Average Household Income 65-74	\$282,791	\$263,159	\$219,316
Average Household Income 75+	\$211,773	\$206,550	\$176,199



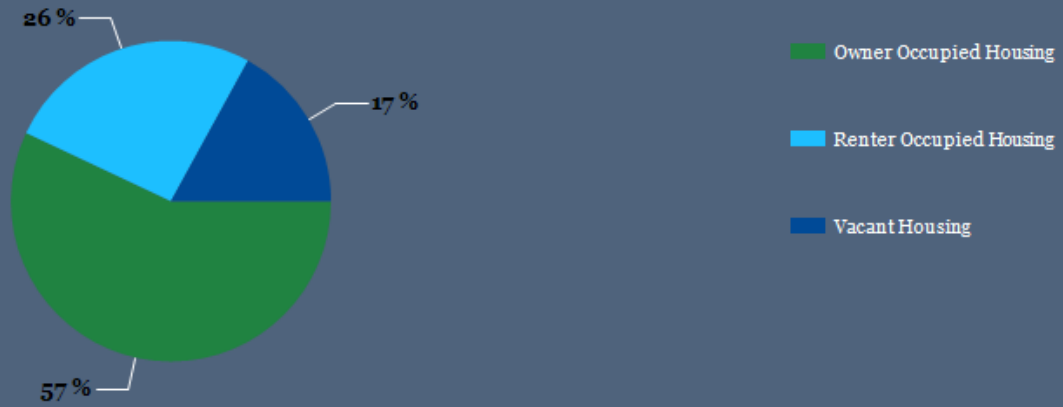
2022 Household Income



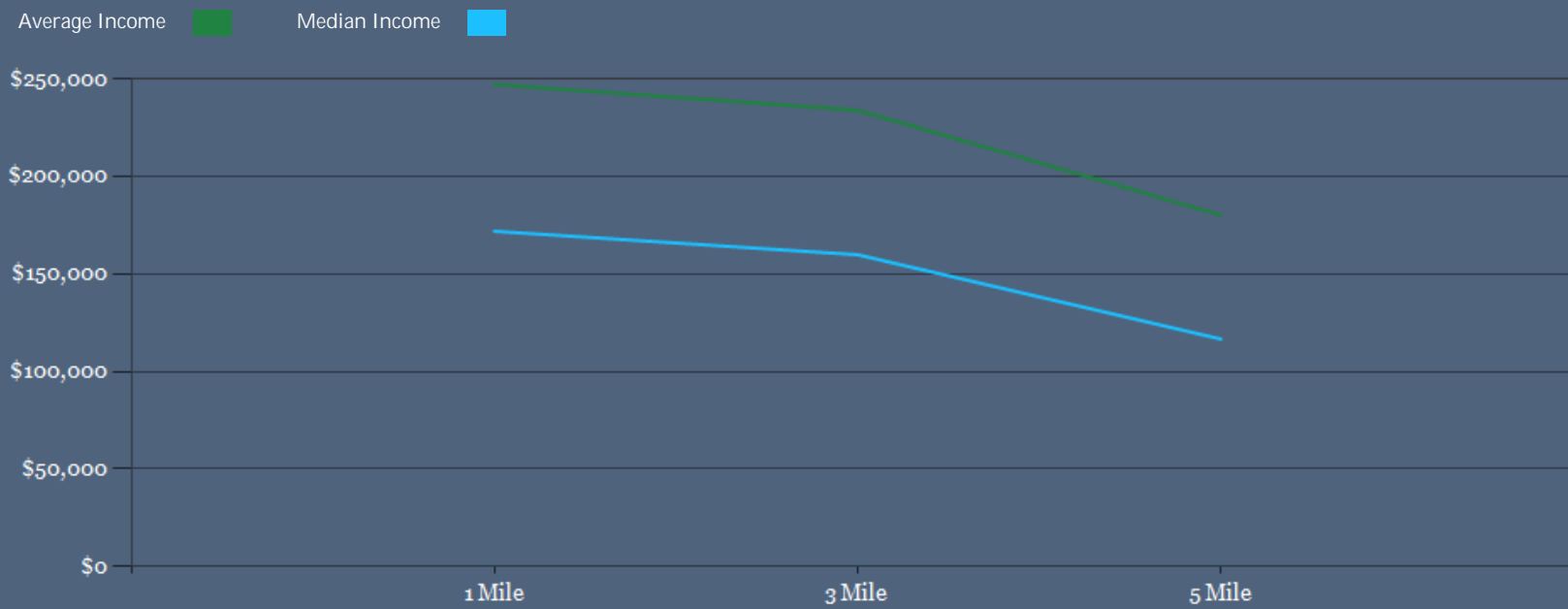
2022 Population by Race



2022 Household Occupancy - 1 Mile Radius



2022 Household Income Average and Median





05

Company Profile

Advisor Profile



Jerry Henberger

President

"Jerry Henberger: The Business Innovator Changing the Game in Commercial Real Estate"

Through innovative use of proprietary technology and years of experience in the real estate industry, HRE Commercial, Inc leverages the latest market data, and trends, that create new opportunities. They use this information to help you make informed decisions and maximize your returns.

Whether you are looking to buy, sell, or lease commercial property, HRE Commercial, Inc's agents have a deep understanding of the real estate market and can provide valuable insights and guidance to help you make informed decisions.

At HRE Commercial, Inc they understand that every client has unique needs and preferences. That's why they take the time to listen to your needs, understand your goals, and tailor their services to meet your specific requirements. Their personalized approach ensures that you receive the highest level of service and attention, no matter how large or small your project may be.

With their extensive network of industry contacts and years of experience, Jerry and his team can help you navigate the complexities of commercial real estate transactions. They will work closely with you every step of the way, providing guidance, support, and expert advice to help you achieve your objectives.

It's through this expertise in commercial real estate, Jerry and his team are known for their integrity, honesty, and professionalism. They treat every client with the utmost respect and care, and they will go above and beyond to ensure your satisfaction. With Jerry's extensive experience, expertise, and commitment to giving back to the community, you can trust that HRECommercial is dedicated to providing exceptional service and delivering excellent results.

Don't settle for just any real estate agency – choose HRE Commercial, Inc and experience the difference that comes with working with a team of true professionals. Contact them today to get started.





Shawn Halan

HRE Affiliate Program
Executive

Shawn Halan, born and raised the son of an architect/builder in Michigan, grew up walking properties, tracing his father's architectural sketches, and honing his passion for design.

Shawn studied real estate and earned his diploma in Real Estate from New York University and began his real estate career with The John J Reynolds, Company, later acquired by Helmsley Spear. He went on to represent some of the largest and most renowned office buildings in midtown New York.

He was later promoted and transferred to California as Vice President of Sales, representing the landlord of the Grand Avenue Plaza, the last skyscraper to be built, until recently, in downtown Los Angeles.

This is where Shawn found his pride and passion for Southern California real estate.

Throughout his fifteen years of experience in the industry for both commercial and residential real estate, Shawn continues to show unprecedented service for his clients.

While exceptionally well-informed and experienced within the Pelican, Bear Brand and Nellie Gail Ranch communities, Shawn has been very successful throughout the entire Southern California region.

Shawn is mainly recognized for his savvy negotiating and engaged demeanor, yet prides himself on honesty, reliability and integrity. He always credits his mother's beliefs and prayers for his strong values — values that have governed his actions and guided him to where he is today.

356 & 358 Dahlia - New Schedule

CONFIDENTIALITY and DISCLAIMER

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from HRE Commercial, Inc. and it should not be made available to any other person or entity without the written consent of HRE Commercial, Inc..

By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property, please promptly return this offering memorandum to HRE Commercial, Inc.. This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation. HRE Commercial, Inc. has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, HRE Commercial, Inc. has not verified, and will not verify, any of the information contained herein, nor has HRE Commercial, Inc. conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

Market Analysis by



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2022 - 2023 Monthly	Actuals July, 2022	August, 2022	September, 2022	October, 2022	Booked November, 2022	Booked December, 2022	Projected January, 2023	Projected February, 2023	Projected March, 2023	Projected April, 2023	Projected May, 2023	Projected June, 2023	Totals
Gross Revenue													
#356 Dahlia	\$35,000	\$29,217	\$27,067	\$20,228	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$30,000	\$35,000	\$305,512
#358 Dahlia	\$37,000	\$30,000	\$0	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$30,000	\$35,000	\$282,500
Effective Gross income	\$72,000	\$59,217	\$27,067	\$41,728	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$60,000	\$70,000	\$588,012
Operating Expenses													
Real Estate Taxes	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$2,656	\$31,872
Insurance	\$79	\$79	\$79	\$79	\$79	\$79	\$79	\$79	\$79	\$79	\$79	\$79	\$948
Management Fee	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$22,500
Cleaning	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Improvements	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$275	\$3,300
Utilities													
Electric	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200
Cable	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$92	\$1,104
Water	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$54	\$648
Wifi	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$696
Trash	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Commissions	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$1,660	\$19,920
Total Operating Expenses	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$8,599	\$103,188
Net Operating Income	\$63,401	\$50,618	\$18,468	\$33,129	\$34,401	\$34,401	\$34,401	\$34,401	\$34,401	\$34,401	\$51,401	\$61,401	\$484,824

