

ACQUISITIONS & SALES 2013 - 2023



QUAIL PARK | FOLSOM, CA

Purchased 6 office/medical buildings and 3 retail buildings in 2013 from REO lender. Occupancy +/-50%. Overall, 30% of interior improvements were not completed. The strategy evolved from selling all to owner-users to selling 3 to owner users and selling the other 6 as leased investments after leasing each to 100%. Within 12 months investor were paid back half of their investment and 100% in in 17 months. By 36 months investors received +/-150% of their initial investment. All in investor made over 200% in 49 months. Fundamentally an infinite return on investment.



ORCHARD PLAZA | YUBA CITY, CA

Purchased a grocery-anchored shopping in 2015 consisting of 3 retail buildings and a fully-improved building pad. Parcelized and sold each building as a 100% leased investment. The first building sold in 15 months and investors received 42% of their investment back. After the 2nd building sold the investors received 100% of their investment profits were distributed within 19 months. After the third building sold investors were paid additional profits that amounted to a 140% return of their initial investment within 24 months. The fully-improved pad was retained and sold 4 years later. Final return to investors exceeded 150%.



PACIFIC SIERRA PLAZA | RANCHO CORDOVA, CA

Purchased 2 flex buildings in 2016 that was 60% vacant. The price per sq. ft. was about 60% of replacement costs. The lender's appraiser valued the property, before at 35% more than the purchase price. Within 3 months 25% of the total square footage was leased to an investment-grade company substantially increasing the NOI. The value doubled in 22 months.



PAVILIONS SOUTH | SACRAMENTO, CA

Purchased 2 retail buildings in 2017. The purchase price cap rate was 6.0 percent which was a lower than market cap at the time. However, the reasoning behind paying a lower cap rate was because the market rents were about twice what the current tenants were paying and all but one tenant was insulated from rental increases. Plans were in place to make significant improvements thereby justifying the increase in rental rates. The increase in value led to a partnership buyout in 22 months.



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1515 RIVER PARK DR. | SACRAMENTO, CA

Purchased a 2-story office/medical building in April 2017. Projected and planned to hold for 7-8 years. Investors chose to sell 3 years later because they felt the Pandemic would have a catastrophic effect on the office market. Investors received a meager pre-tax return of 5%. MRED forgave \$364,000 of its capital account and loans made to the company.



1765 CHALLENGE WY. | SACRAMENTO, CA

Purchased in February 2017. Lost a major tenant in 2020. Two other smaller tenants vacated shortly afterward. Then another larger tenant reduced their space by one-half. Investors got nervous about adverse effects and impacts of the Pandemic and wanted to sell. We sold in May 2022 at a pre-tax loss of 3.1%.



TWIN CREEK OFFICE PARK | ROSEVILLE, CA

Purchased 4 office buildings and two vacant fully-improved pads in August of 2021 at a purchase price of \$115.00 per square foot or about 40% of replacement cost. Another +/--\$35.00 per sq. ft. was invested into improvements. Concurrently, the four office buildings were parcelized into 20 individual office condominiums so each office condo could be sold separately. Four office condos were sold within the first year at an average sales price of \$290.00/SF. This amounts to a net profit, after all sales costs, of +/--\$120.00 per sq. ft. This excludes the net cash flow and the value of the pads with an estimated valued \$1.2 million.



SOUTHPOINTE FOLSOM RANCH | FOLSOM, CA

Entered into contract in 2021 to purchase of a 10 acre commercial property at a price of \$12.65/SF. The site is situated in a 3,500 acre master planned community. The strategy was to develop the property into a commercial center to include a gas station, car-wash & convenience store, 2 quick serve restaurants, retail shops and 6 medical office buildings. After hiring all the required consultants to design the site, develop architectural drawings, process plans through the city, work with local real estate brokers to lease or sale, within 12 months the value of the property reached +/--\$30.00 per sq. ft. as concluded by an MAI appraiser prior to even closing on the purchase.



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6060 SUNRISE VISTA DR. | CITRUS HEIGHTS, CA

Purchased a 3-story office building with 105,000 SF in March 2023 at a price of \$63 per sq. ft. or about 25% of replacement cost. The building is 48 years and although the structure, mechanical systems, roof, water heating systems are in very good condition, it looks aged and architecturally unappealing. The property was 35% vacant at closing. About 30% of the rentable space is divided into small executive offices. Most all of these offices are not rented. Once improvements are completed these small offices will rent for about 300% - 400% of the current rents. Projections reveal that after all improvements are made the total project costs will total +/- \$93.00 per sq. ft. and the value will be over \$200.00 per sq. ft. in 18 months.



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