Bilal Salimi · Broker DRE# 01480904 · NMLS# 300923 · CA Ins. Lic. #0F85254
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The Investor's Guide

Financing, local rules and tax strategy for rentals in Fremont, Newark, Union City and Hayward, from a broker who also arranges the loan.

LOAN PROGRAMS (TERMS, NOT RATES)

Program	Qualifies on	Typical down payment
DSCR	Rent ÷ PITIA. No personal income documents; LLC vesting available	About 20–25%+ on purchases
Conventional investment	Your income and credit; often the lowest rates	15% (1 unit) / 25% (2–4 units)
Bank statement	12–24 months of deposits, for self-employed borrowers	Varies by lender
Owner-occupied 2–4 units	Your income plus a share of the other units' rent	FHA from 3.5%
Cash-out refinance	DSCR or income	Up to 75% loan-to-value (1 unit)

Conventional limits per Fannie Mae's Eligibility Matrix (effective April 1, 2026). DSCR and bank-statement terms vary by lender. Rates change daily, so request pricing for your scenario.

Reality check on Bay Area cash flow

At typical prices and typical rents, a financed single-family home here covers only part of its payment (a DSCR well below 1.00). Investors who make it work buy condos, townhomes or 2–4 units below the typical price, put more down, add an ADU, or plan around appreciation. Run your numbers with the DSCR calculator at visionaryestates.com/investors.php.

LOCAL RULES THAT CHANGE THE NUMBERS

City	Short-term rentals (<30 days)	TOT	Rent rules
Fremont	Host's primary residence only, with a permit; not in ADUs	10%	Review of increases over 5%
Newark	No specific ordinance; confirm with the city	14%	Ord. 561: review over 5%, just cause, registration
Union City	Restrictive zoning; registration required	13.86%*	Mediation over 7%; local just cause
Hayward	**Not allowed**	18% total (hotels)	5% cap on covered pre-1979 units; inspection fee $125/yr

*Union City's posted FY 2025-26 rate. Statewide: AB 1482 cap 8.8% (Aug 2026 – Jul 2027, SF-Oakland-Hayward); security deposits limited to one month's rent; landlords can't refuse Section 8 vouchers. HOAs can ban rentals of 30 days or less but can't cap rentals below 25% of units.

Get today's DSCR and investor loan pricing

Scan the code, call or text **(510) 786-8739**, or email Bilal@SalimiInvestments.com
44840 S Grimmer Blvd, Fremont, CA 94538 · www.visionaryestates.com

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RENTS AND SECTION 8 (2026)

City	Typical rent, Sep 2026	HACA voucher limit, 2 BR	3 BR
Newark	$3,670	$2,761	$3,609
Fremont	$3,388	$2,761	$3,609
Union City	$2,913	$2,761	$3,609
Hayward	$2,652	$2,641	$3,494

Typical rent: Zillow Observed Rent Index (all home types). Voucher limits: Housing Authority of the County of Alameda, effective Jan 1, 2026; actual rent must also pass a rent-reasonableness review.

TAX STRATEGY TO DISCUSS WITH YOUR CPA

Depreciation
The building (not land) is depreciated over 27.5 years. Under the One Big Beautiful Bill Act, 100% bonus depreciation is permanent for property with a 20-year-or-shorter life acquired after Jan 19, 2025.

Cost segregation
A study identifies 5-, 7- and 15-year parts (appliances, carpet, landscaping) that can be deducted in year one. Bought earlier? A look-back study catches up via Form 3115.

Passive loss limits
Rental losses are usually passive. Exceptions: real estate professional status (750+ hours), the $25,000 allowance (phases out $100k–$150k income), or short-term rentals averaging 7 days or less with material participation.

California differs
California doesn't follow federal bonus depreciation or the real estate professional exception, and its Section 179 limit is $25,000.

1031 EXCHANGE ESSENTIALS

- **Deadlines:** identify replacements within **45 days**; close within **180 days** (or your tax return due date, if earlier). No weekend extensions.
- **Qualified intermediary** must hold the proceeds. To defer all tax, buy equal or greater value, reinvest all equity and replace the debt.
- **California:** exchanging into out-of-state property requires FTB Form 3840 every year.

I help you find replacement property within the 45-day window and line up financing through SI MTG.

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