

4355 Avalon Blvd Los Angeles, CA 90011



Offering Memorandum
Mixed-Use Investment Opportunity with Great Cash Flow

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THE **JAMES** GROUP



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WILL JAMES

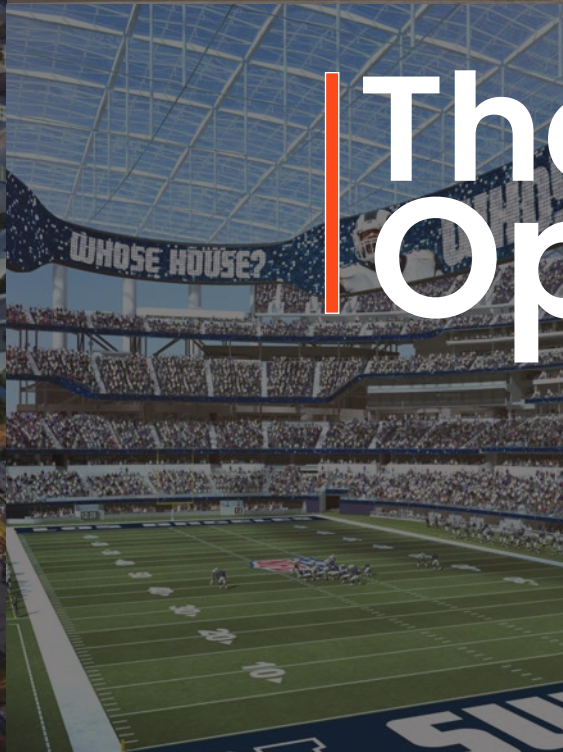
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Section 1

The Opportunity

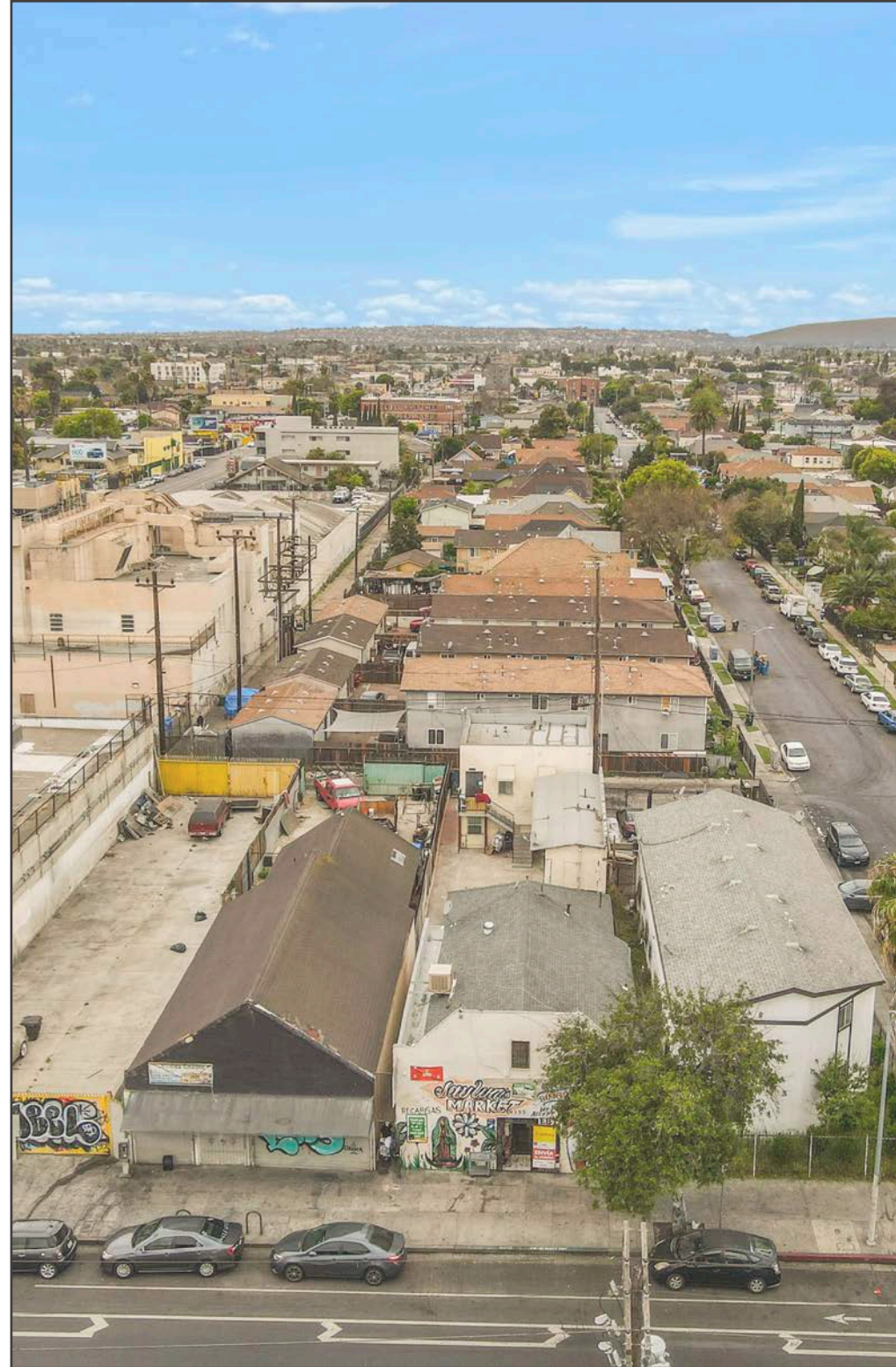
EXECUTIVE SUMMARY

Part of a Portfolio! 4355 Avalon is a mixed-use offering with excellent in-place cash flow in a great South LA location.

Part of a Portfolio! Can be sold individually or as a portfolio. 4355 Avalon Blvd offers investors excellent in-place cash flow on day one with great in place rents and a diverse unit mix. The building consists of (1) Studio / 1 Bath, (2) 1 Bed / 1 Bath, (2) 2 Bed / 1 Bath units and (1) Commercial Retail unit with frontage along Avalon Blvd. The units are spread out over 3,200 square feet and was built in 1905. The building sits on a 4,609 square foot lot that is zoned LAC2-1-CPIO.

Highlights:

- Excellent current cap rate offering investor cash flow day one with additional upside potential. Delivered with 2 vacancies
- Great unit mix consisting of (1) Studio / 1 Bath, (2) 1 Bed / 1 Bath, (2) 2 Bed / 1 Bath units and (1) Commercial Retail unit with frontage along Avalon Blvd
- Mixed-use offering with 5 apartment units behind storefront retail
- Strategically located in an area that has seen growth and is located in close proximity to the major





Section 2



The Property

PROPERTY OVERVIEW

Property Address	4355 Avalon Los Angeles, CA 90011
Year Built	1905
Building SF	3,200
Lot Area SF	4,609
APN	5113-014-005
Zoning	C2-1-CPIO
No. of Units	6
Unit Mix	(1) Studio / 1 Bath (2) 1 Bed / 1 Bath (2) 2 Bed / 1 Bath
Parking	(1) Retail Storefront
Construction	6 Carport Spaces
Utilities	Wood-Frame Stucco
Occupancy	Individually Metered

The subject property is a 5 unit apartment and 1 storefront retail unit mixed-use building located in the South LA submarket of Los Angeles, on Avalon Blvd, just north of Vernon Ave between San Pedro and Central Ave. Built in 1905, the property consists of (2) 2 Bed / 1 Bath, (2) 1 Bed / 1 Bath, (1) Studio / 1 Bath and (1) Storefront retail unit. The building consists of 3,200 square feet and sits on a 4,609 square foot lot that is zoned LAC2-1-CPIO. The property is in a transit oriented communities(Tier 3) area. The apartment units are subject to LA city rent control.



3200 sf
Gross Leasable Area

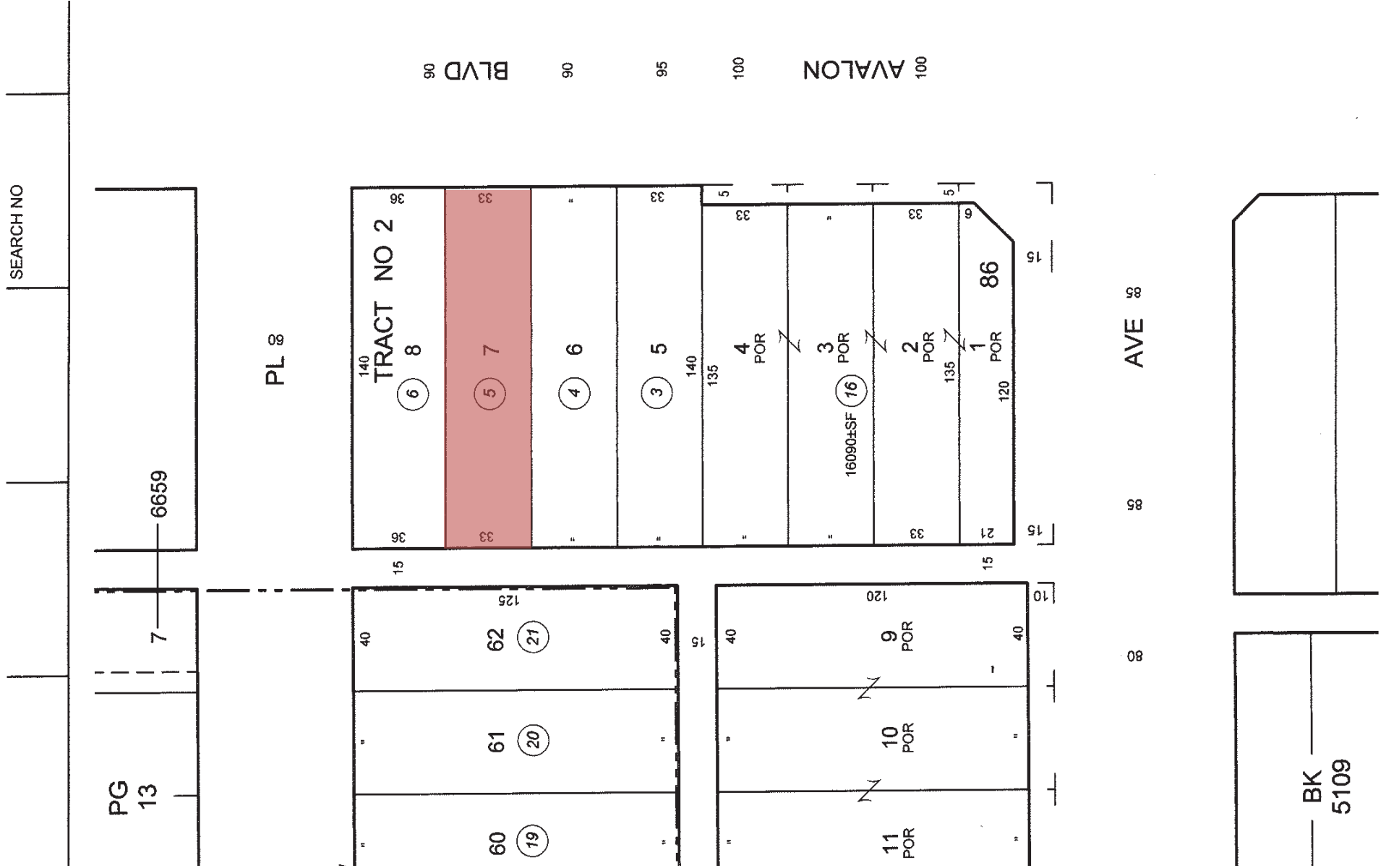


Mixed-Use
Retail & Apartments



1905
Year Built

PARCEL MAP

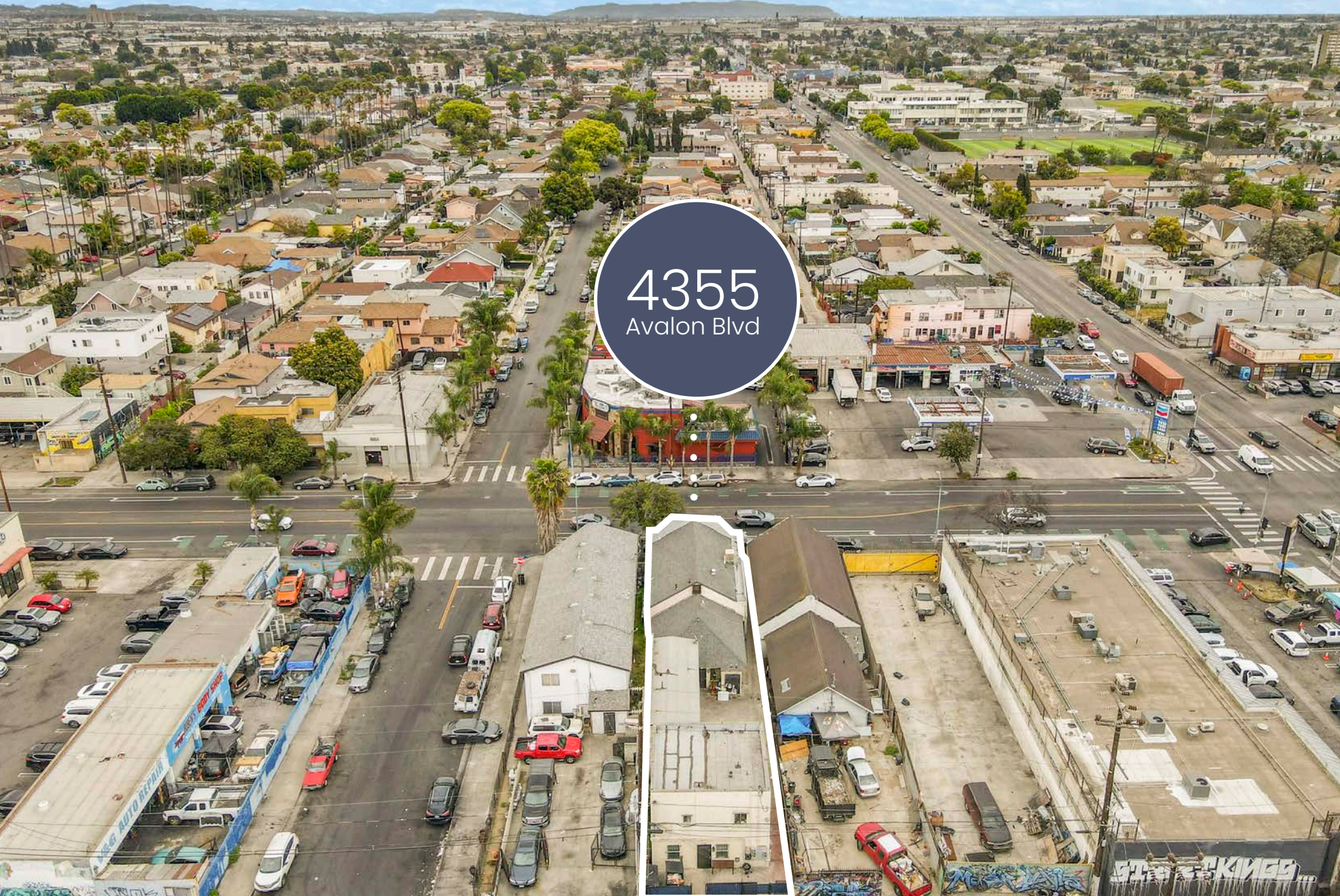


PROPERTY PHOTOS



4355
Avalon Blvd







Section 3

The Financials

RENT ROLL

Unit No.	Unit Type	Unit SF	Monthly Rent	Rent/SF	PF Rent	PF Rent/SF	Comments
4355A	2 Bed / 1 Bath	525	\$1,044	\$1.99	\$2,495	\$4.75	
4355B	1 Bed / 1 Bath	350	\$1,850	\$5.29	\$1,795	\$5.13	St Josephs Medical
4355C	Studio	350	\$1,495	\$4.27	\$1,495	\$4.27	Vacant
4357	1 Bed / 1 Bath	350	\$796	\$2.27	\$1,795	\$5.13	
4357.5	2 Bed / 1 Bath	525	\$1,725	\$3.29	\$2,495	\$4.75	
COM_4355	Commercial	1,100	\$2,176	\$1.98	\$2,200	\$2.00	
TOTAL		3,200	\$9,086		\$12,275		

FINANCIAL SUMMARY

Price **\$925,000**

Down (30%)	\$277,500
Price/Unit	\$154,167
Price/SF	\$286
Cap Rate	6.53%
Proforma Cap Rate	10.04%
GRM	8.48
Proforma GRM	6.28

Property

Address	4355 Avalon
City	Los Angeles
State	CA
Zip	90011
No. of Units	6
Net Rentable Sq. Ft.	3,200
Lot Size	4,609
Zoning	C2-1-CPIO
APN	5113-014-005
Year Built	1905

Financing

Loan Amount	\$647,500
Interest Rate	5.50%
Monthly Payment	(\$3,676)
Loan-to-Value	70%
Debt Cover Ratio	30
Term	5 Year Fixed

Operating Data

		Current		Proforma
Base Rental Income		\$109,028		\$147,300
SCEP Income		\$645		\$645
Gross Potential Income		\$109,673		\$147,945
Less Vacancy	3%	\$3,290	5%	\$7,397
Effective Gross Income		\$106,383		\$140,548
Operating Expenses	43%	\$46,002	34%	\$47,710
Net Operating Income		\$60,381		\$92,838
Debt Service		-\$44,117		-\$44,117
Pre-Tax Cash Flow	5.86%	\$16,264	17.56%	\$48,721
Principal Reduction		-\$8,722		-\$8,722
Total Return Before Taxes	9.00%	\$24,986	20.70%	\$57,443

Expenses

Taxes (1.25% of Purchase Price)	\$11,563	\$11,563
Insurance (\$2.00/SF)	\$6,476	\$6,476
Utilities(Actuals)	\$14,244	\$14,244
Repairs & Maintenance (\$1000/month)	\$6,000	\$6,000
Gardener (\$100/month)	\$1,200	\$1,200
Reserves(\$200/unit)	\$1,200	\$1,200
Management Fee (5.0%)	\$5,319	\$7,027
Operating Expenses	\$46,002	\$47,710
Total Expenses per Unit	\$7,667	\$7,952
Total Expenses per square foot	\$14	\$15

Rent Roll Summary

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
Studio	1	\$1,495	\$1,495	\$1,495	\$1,495
1 Bed / 1 Bath	2	\$1,323	\$2,646	\$1,795	\$3,590
COM	1	\$2,176	\$2,176	\$2,200	\$2,200

SECTION 8 VOUCHER STANDARDS

Bedroom Size	Voucher Payment Standard
0	\$2,041
1	\$2,289
2	\$2,887
3	\$3,668
4	\$4,067
5	\$4,667
6	\$5,287

Voucher Payment Standards (VPS)

The Section 8 Department Voucher Payment Standard is the most the Housing Authority can pay to help a family with rent. The family's voucher will show the number of bedrooms authorized by the Housing Authority, based on the number of persons in the family.

The Housing Authority establishes Voucher Payment Standards (VPS) based on the Fair Market Rents, (FMR), which are established at least annually by the U.S. Department of Housing and Urban Development (HUD). The VPS is the maximum subsidy the Housing Authority can provide toward the contract rent (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant). If the contract rent (rent plus utility allowance) is more than the VPS, the family must make up the difference out of its own pocket.

The Housing Authority must use the SMALLER of the number of bedrooms in the rental unit or the number of bedrooms on the voucher to determine the VPS. For example, if a family locates a two-bedroom unit with a three-bedroom voucher, the two bedroom VPS must be used to calculate the tenant portion of the rent.

The following chart depicts the VPS for the Housing Authority of the City of Los Angeles (HACLA).

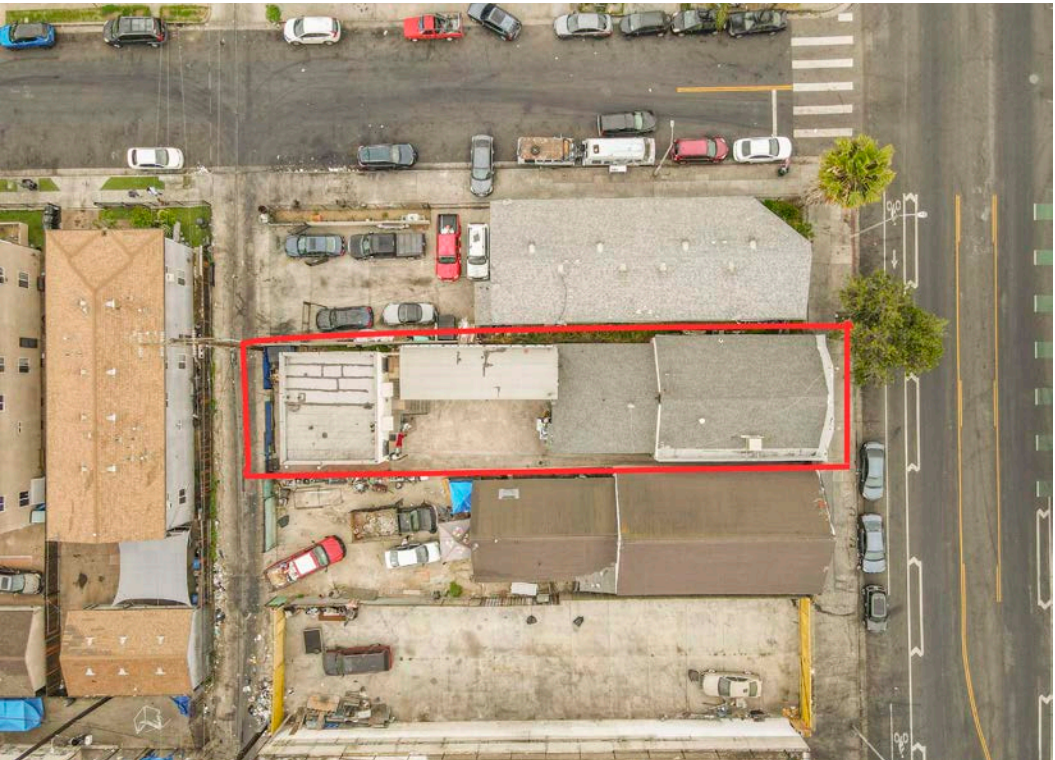
UNDERWRITING NOTES

INCOME

Income	Building is 83% occupied. Market rent used for vacancy.
Vacancy	Vacancy Rate is 3% of Gross Rental Income.
Proforma	Market Rents based on Rent Analysis of Submarket Area.
Unit SF	Unit Square Footages are Estimated

EXPENSES

Property Tax Rate	1.25%
Insurance	Estimated \$2/sf
Utilities	Actual T12
Repairs & Maintenance	Estimated annually \$1,000 per unit
Management Fee	5% of Effective Gross Income.
Gardener	\$100/month
Reserves	\$200 per unit





Section 4

The Location

LOS ANGELES

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most popular city in the United States, after New York City; and the third most populous city in North America, after Mexico City and New York City. With an estimated population of nearly four million people, Los Angeles is the cultural, financial, and commercial center of Southern California.

The city of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, many of them world-class, and a paradise of idyllic weather.

From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be. Los Angeles is on the leading edge of several growth industries.

The Los Angeles Metropolitan area, with more than 23,000 art jobs, is the country's leading artistic center, surpassing the previous champion, New York. In other words, Los Angeles has both a larger concentration and an absolute number of artists than New York. The L.A. five-county area is also a major tech center, with more than 700,000 people at work on health services/biomedical activities and 190,000 people in aerospace.





SOFI STADIUM

The new home for the Los Angeles Chargers and Rams is currently the largest stadium in the NFL. Costing upwards of \$5 billion, the 3 million square foot is able to seat 70,240. The stadium will be home to the 2022 Super Bowl and the Summer Olympics in 2028.



INTUIT DOME

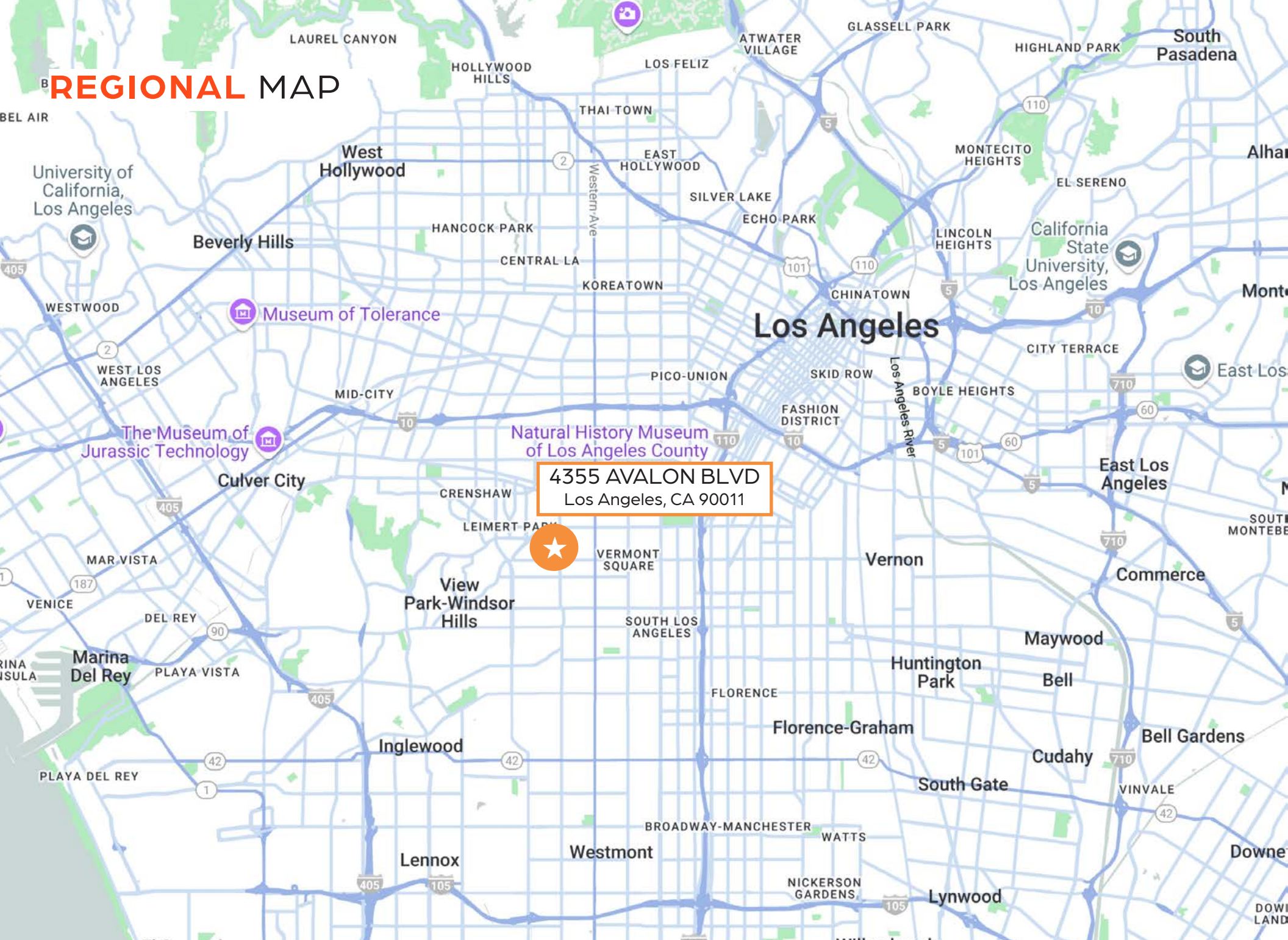
The NFL stadium isn't the only professional sporting area bound for Inglewood. The Los Angeles Clippers will move out to Downtown's L.A. Staples Center and into the South Los Angeles City. Construction the brand Intuit Dome broke ground in 2021, and should be ready for the 2023 season. The city released a document that spells out it would seat 18,000 fans and would be joined by a new practice facility, retail space, and outdoor plazas with basketball courts that are open to the public.



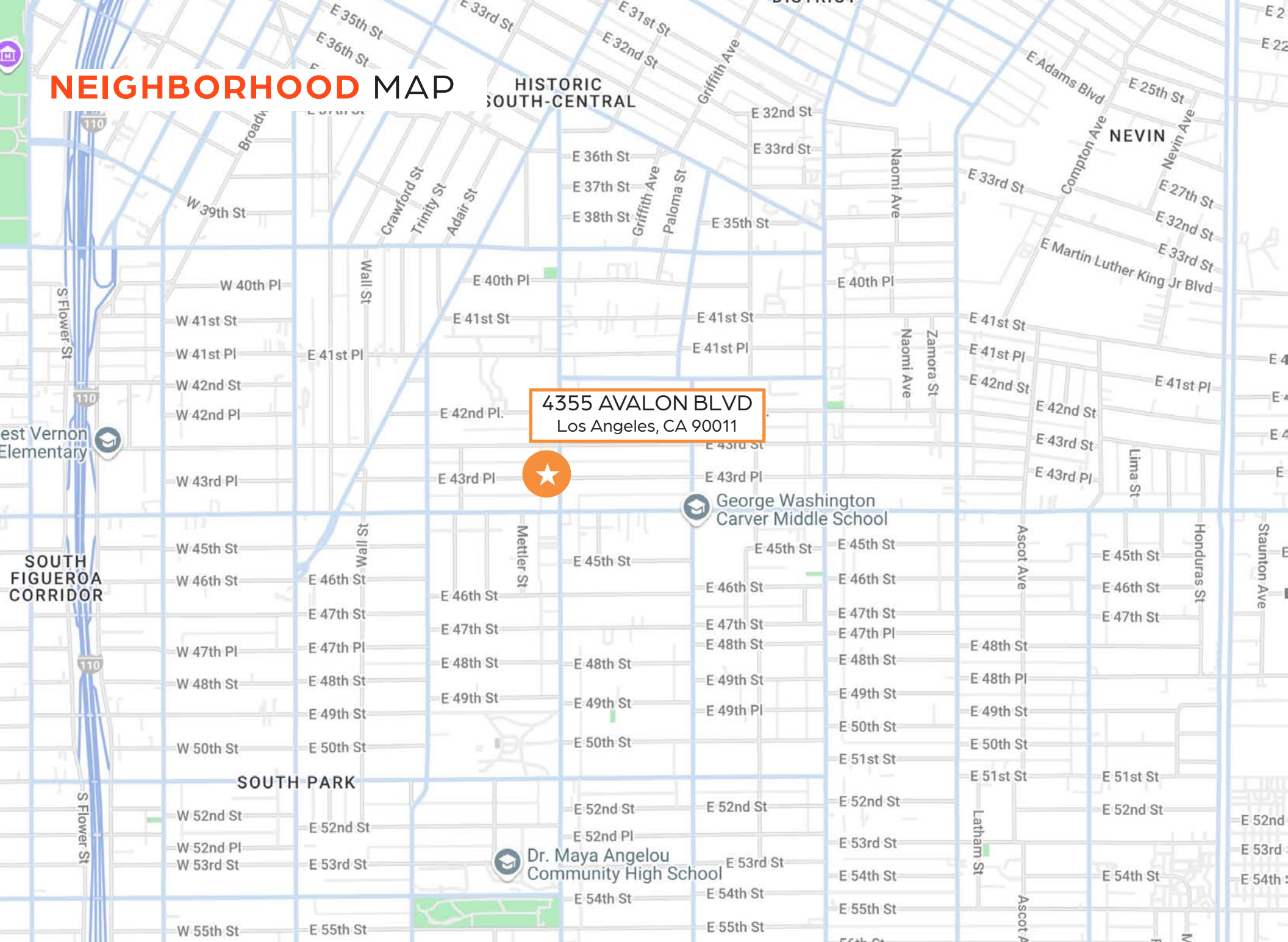
HOLLYWOOD PARK

Hollywood Park spans approximately 300 acres and is central to the Westside, South Bay and greater Los Angeles communities. Modern architecture, dramatic open space, and state-of-the-art technology differentiate the physical place. One end of the projects is anchored by a 500,000 s.f retail and entertainment district that offers local and global fashions and flavors to deliver shopping, dining, recreation, entertainment and nightlife unlike any place else. This retail district is complimented by luxury apartments and best-in-class office campuses that offer great design and cutting-edge technology while prioritizing opportunities for social interaction.

REGIONAL MAP



NEIGHBORHOOD MAP



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