SAGE REAL ESTATE GROUP

OFFERING MEMORANDUM



MIXED-USE RETAIL + HOSPITALITY | 5 UNITS | 100% OCCUPIED

825 W Gardena Boulevard

Gardena, California 90247

$2,000,000	8.00%	9.33%	9.30x
OFFERING PRICE	CURRENT CAP RATE	PRO FORMA CAP RATE	CURRENT GRM

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PLEASE READ CAREFULLY

Confidentiality Agreement & Disclaimer

This Offering Memorandum ("Memorandum") has been prepared by Sage Real Estate Group Inc ("Broker") solely for the use of prospective purchasers in evaluating a potential acquisition of the real property located at 825 W Gardena Boulevard, Gardena, California 90247 (the "Property"). By accepting this Memorandum, the recipient agrees to hold its contents in strict confidence, to use it solely for the purpose of evaluating the Property, and not to reproduce or distribute it, in whole or in part, to any other person or entity without the prior written consent of Broker.

The information contained herein has been obtained from sources deemed reliable, including the Multiple Listing Service, the owner's pro forma, and public records; however, neither Broker nor the owner makes any representation or warranty, expressed or implied, as to the accuracy or completeness of such information. All square footages, financial figures, rents, expenses, projections, and other data are approximate, unverified, and subject to change or withdrawal without notice. Pro forma figures are estimates only and do not guarantee future performance. Prospective purchasers must conduct their own independent investigation and due diligence, including verification of leases, income, expenses, zoning, permitted uses, hotel licensing, building condition, and square footages, and should rely solely on their own inspections and advisors.

The Property is offered AS-IS, WHERE-IS, with all faults, and without representation or warranty of any kind. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy securities, nor legal, tax, or investment advice. The owner expressly reserves the right, in its sole discretion, to reject any offer, to withdraw the Property from the market, or to negotiate with any party at any time, without notice or liability.

All offers are subject to interior inspection of the Property. Offers should be submitted in writing with proof of funds and, where applicable, lender pre-approval. **Please do not disturb tenants, guests, or on-site operations under any circumstances.**

> **Agency Disclosure:** The listing agent, Jignesh "Jack" Patel, is a licensed California real estate broker associate (DRE #01941349) and is a part owner of the subject Property.



EXCLUSIVELY LISTED BY

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Offers in writing with proof of funds



825 W Gardena Blvd
Gardena, CA 90247 • North Gateway / South Bay

OFFERING MEMORANDUM

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OFFERING SNAPSHOT

Offering Price	**$2,000,000**	Current NOI	**$160,089**
Cap Rate (Current)	**8.00%**	Pro Forma NOI	**$186,686**
Units / Building SF	**5 / 8,532 SF**	Rental Upside	**+12.8%**

THE OFFERING

Stabilized Mixed-Use Income with an 8% Going-In Yield

Sage Real Estate Group is pleased to present 825 West Gardena Boulevard, a fully leased, two-story mixed-use asset in the heart of Gardena's North Gateway district. The Property pairs four ground-floor retail storefronts with direct Gardena Boulevard frontage and a 15-room hotel occupying the entire second floor — a diversified income stream across retail and hospitality uses rarely available at this price point in the South Bay.

All five units are occupied and producing income, delivering an 8.00% cap rate on actual in-place rents and a 9.30x gross rent multiplier at the asking price. The lease structure is built for passivity: the landlord is responsible only for property taxes, insurance, and exterior building maintenance, with no day-to-day operational involvement. Three units are on new leases with contractual annual rent increases; two units are month-to-month, creating immediate flexibility for rent repositioning or an owner-user acquisition with SBA financing potential.

With approximately 12.8% of rental upside to the broker's estimate of market, a new owner can grow NOI from $160,089 to $186,686 through routine lease rollover — pushing the yield to 9.33% on cost and supporting an implied stabilized value of approximately $2.67–$2.79 million. Durable cash flow, minimal landlord obligations, and embedded rent growth in a supply-constrained infill market make this a compelling acquisition for the passive investor, the value-add buyer, and the owner-user alike.

Investment profile: passive income vehicle • value-add via below-market rents • owner-user / SBA candidate • 1031 exchange-ready, with seller open to offers with concessions.



$2.00M PRICE	**8.00%** CAP RATE
$160,089 NOI (CURRENT)	**$186,686** NOI (PRO FORMA)
100% OCCUPIED	**+12.8%** RENT UPSIDE

WHY THIS DEAL

A Rare Blend of Yield, Stability & Upside

01 Strong In-Place Income — 8.00% Actual Cap Rate
$160,089 in current NOI against minimal landlord obligations. Income is in place and collected at close of escrow — not a projection.

02 12.8% Rental Upside & Loss-to-Lease Capture
In-place rents of $17,920/month versus $20,205/month at market. The salon unit alone is priced roughly 43% below market — a 76% rent increase available at rollover — offering an immediate value-add lever.

03 Diversified Income — Retail + Hospitality
Four street-front retail units plus a 15-room hotel reduce single-tenant exposure and create two distinct revenue engines under one roof.

04 Minimal Landlord Expenses, Passive Operation
Landlord pays only taxes, insurance, and exterior maintenance — a 23.3% expense ratio with no management burden, ideal for out-of-area and 1031 capital.

05 Owner-User & SBA Financing Potential
Two month-to-month tenancies allow a qualified buyer to occupy a portion of the asset and access SBA financing with as little as 10% down.

06 Attractive Basis Below Replacement Cost
Priced well below South Bay replacement cost for two-story mixed-use construction with renovated hospitality interiors, providing margin of safety and room for appreciation.

07 Supply-Constrained Infill Location
Minutes to the I-110/SR-91 interchange, Harbor Gateway Transit Center (0.9 mi), and the South Bay's aerospace and logistics employment base.



VALUE CREATION SNAPSHOT

NOI Growth	**$160,089 → $186,686**
Yield on Cost	**8.00% → 9.33%**
Monthly Rent Upside	**+$2,285**
Annual Rent Upside	**+$27,420**
Implied Stabilized Value	**$2.67M – $2.79M**

THE ASSET

Two-Story Corner Mixed-Use, Renovated Hospitality Floor

PROPERTY DETAILS	
Address	**825 W Gardena Blvd, Gardena, CA 90247**
APN	6120-018-023
Property Type	Commercial — Mixed Use (Retail + Hospitality)
Number of Units	5 (4 retail + 15-room hotel)
Building Size	8,532 SF
Lot Size	4,293 SF (0.099 AC)
Stories	2
Year Built	1905 (per assessor)
Occupancy	**100% — all 5 units leased**
Parking	Street parking (corner lot; no on-site lot)
Utilities	Electricity, natural gas, sewer & water connected
Zoning / Land Use	Commercial corridor, City of Gardena*
Lease Structure	Landlord pays taxes, insurance & exterior maint. only
Lease Status	3 new leases w/ annual increases; 2 month-to-month

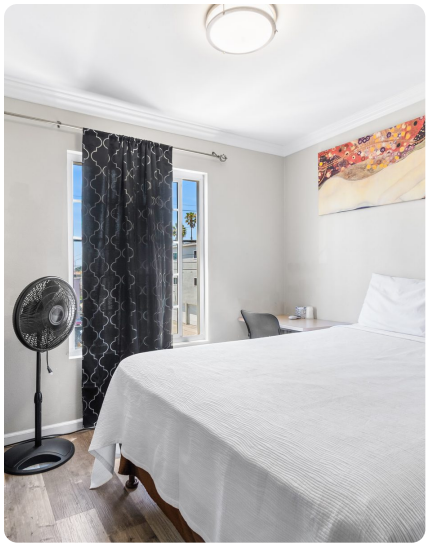
*Buyer to verify zoning, permitted uses, and hotel licensing with the City of Gardena during due diligence.

RECENT IMPROVEMENTS

Freshly painted two-tone exterior; renovated second-floor hotel interiors including updated guest rooms, modern tiled bathrooms, in-room TVs and mini-fridges, secured lobby with office window, and updated common areas.







$2,000,000	8.00%	9.33%	9.30x	8.25x
ASKING PRICE	CURRENT CAP	PRO FORMA CAP	CURRENT GRM	PRO FORMA GRM

ANNUAL OPERATING SUMMARY	CURRENT	PRO FORMA
Gross Scheduled Income	$215,040	$242,460
Less: Vacancy Allowance (3.0%)	($6,451)	($7,274)
Effective Gross Income	**$208,589**	**$235,186**
Real Estate Taxes	($30,000)	($30,000)
Insurance	($17,000)	($17,000)
City Licensing & Permits	($1,500)	($1,500)
Total Operating Expenses	**($48,500)**	**($48,500)**
Net Operating Income	**$160,089**	**$186,686**
Cap Rate on Price	**8.00%**	**9.33%**

Assumptions: Pro forma rents reflect listing broker's estimate of market. Vacancy held at 3% per pro forma. Operating expenses held flat — tenants are responsible for utilities and interior maintenance under the existing lease structure; real estate taxes shown are estimated and will be reassessed at sale. No management or reserve expense is included; investors should apply their own allowances.

KEY METRICS	VALUE
Expense Ratio (% of EGI)	23.3% current / 20.6% pro forma
Building / Lot Size	8,532 SF / 4,293 SF
Occupancy at Offering	100% (5 of 5 units)
Monthly Scheduled Rent	$17,920 → $20,205
Annual Rent Upside	+$27,420 (+12.8%)
Cash-on-Cash (Yr 1, current)*	9.0%
Cash-on-Cash (stabilized)*	13.2%
DSCR (current / stabilized)*	1.55x / 1.80x

*Based on the financing scenario on page 8 (70% LTV, 6.25%, 30-yr amortization) and estimated closing costs of $32,000.

THE BOTTOM LINE

A genuine 8% going-in yield with a clear, lease-rollover path to a 9%+ stabilized return — at a basis well below replacement cost.

OFFER GUIDELINES

- Submit offers in writing with proof of funds and lender pre-approval
- All offers subject to interior inspection — do not disturb tenants
- Seller will consider offers with concessions — 1031 exchange friendly

PROPOSED CAPITALIZATION

Conventional Financing — 70% LTV

FINANCING ASSUMPTIONS	AMOUNT
Purchase Price	$2,000,000
Down Payment (30%)	$600,000
Loan Amount (70% LTV)	$1,400,000
Interest Rate	6.25%
Amortization	30 Years
Estimated Closing Costs (assumption)	$32,000
Total Initial Cash Investment	**$632,000**
Monthly Debt Service (P&I)	$8,620
Annual Debt Service	$103,440

Owner-user alternative: with two units on month-to-month tenancies, a qualified owner-user occupying ≥51% of the building may be eligible for SBA 504/7(a) financing — historically as little as 10% down at competitive fixed rates — materially improving cash-equity returns. Loan terms shown are assumptions for analysis only; actual terms subject to lender underwriting.

LEVERAGED RETURNS	CURRENT	STABILIZED
Net Operating Income	$160,089	$186,686
Annual Debt Service	($103,440)	($103,440)
Cash Flow After Debt Service	**$56,649**	**$83,246**
Debt Service Coverage Ratio	1.55x	1.80x
Cash-on-Cash Return	9.0%	13.2%

RATE SENSITIVITY	5.75%	6.25%	6.75%
Monthly P&I	$8,170	$8,620	$9,080
DSCR (cur. / stab.)	1.63x / 1.90x	1.55x / 1.80x	1.47x / 1.71x
Cash-on-Cash (cur. / stab.)	9.8% / 14.0%	9.0% / 13.2%	8.1% / 12.3%

WHY LENDERS LIKE THIS DEAL

Day-one coverage of 1.55x on in-place income — well above the typical 1.20–1.25x commercial underwriting floor — with 100% occupancy, diversified tenancy, and minimal landlord expense exposure. Stabilized coverage reaches 1.8x without any expense improvement.

10-YEAR HOLD SNAPSHOT †

$93,279
PRINCIPAL PAID BY YEAR 5

$220,672
PRINCIPAL PAID BY YEAR 10

$3.14M
PROJECTED VALUE — YEAR 5

$3.64M
PROJECTED VALUE — YEAR 10

†Per owner's 10-year pro forma: stabilized rents, 3% annual rent and value growth, loan terms as shown above. Projections are estimates only.

IN-PLACE VS. MARKET

Five Income Streams, $27,420 in Annual Upside

UNIT	USE / TENANT TYPE	FLOOR	LEASE STATUS	CURRENT RENT / MO	MARKET RENT / MO	UPSIDE / MO	% BELOW MARKET
1	Hotel — 15 Guest Rooms	2nd	Leased	$12,000	$13,000	+$1,000	7.7%
2	Retail — Electrical Supply Reseller	1st	Leased	$1,170	$1,205	+$35	2.9%
3	Retail — Salon	1st	Leased	$1,250	$2,200	+$950	43.2%
4	Office / Retail	1st	Leased	$1,500	$1,600	+$100	6.3%
5	Retail — Medical Supply Reseller	1st	Leased	$2,000	$2,200	+$200	9.1%
Total — 5 Units, 100% Occupied				**$17,920**	**$20,205**	**+$2,285**	**11.3%**
Annualized				**$215,040**	**$242,460**	**+$27,420**	**—**

The Loss-to-Lease Opportunity

In-place rents trail the broker's market estimates by $2,285 per month — a 12.8% gross upside that requires no capital program to capture. The single largest mark-to-market sits in the salon unit, currently at $1,250/month against an estimated $2,200/month for comparable Gardena Boulevard storefront space — a 76% increase available at rollover. Three units carry new leases with contractual annual escalations, so a meaningful portion of this upside is already on a scheduled path; the two month-to-month tenancies can be repositioned at the buyer's discretion.

Capturing the full mark-to-market lifts gross scheduled income to $242,460 and NOI to $186,686 — a 9.33% yield on today's price, with contractual ~3% annual increases compounding growth beyond Year 1.

Market rents are listing broker estimates per the owner's pro forma; unit square footages not individually metered in source documents. "% Below Market" = upside ÷ market rent. Buyer to verify all leases, terms, and escalations during due diligence.

+$2,285
MONTHLY UPSIDE

+$27,420
ANNUAL UPSIDE

+12.8%
INCOME GROWTH TO MARKET

INCOME COMPOSITION

Hotel (Unit 1) **$12,000 / mo — 67% of GSI**

Retail & Office (Units 2–5) **$5,920 / mo — 33% of GSI**

Largest single-unit upside **Salon: +$950 / mo**

TENANCY STRUCTURE

- 3 units on new leases with contractual annual increases
- 2 units month-to-month — reposition or owner-occupy at will
- Landlord pays taxes, insurance & exterior maintenance only

CURRENT VS. STABILIZED

The Path from 8.00% to 9.33%

LINE ITEM	CURRENT	PRO FORMA	CHANGE
Gross Scheduled Income	$215,040	$242,460	+$27,420
Vacancy (3.0%)	($6,451)	($7,274)	($823)
Effective Gross Income	$208,589	$235,186	+$26,597
Operating Expenses	($48,500)	($48,500)	$0
Net Operating Income	**$160,089**	**$186,686**	**+$26,597**
Cap Rate on $2.0M Price	**8.00%**	**9.33%**	**+133 bps**
GRM	9.30x	8.25x	—
Expense Ratio (of EGI)	23.3%	20.6%	–270 bps
Cash Flow After Debt Service*	$56,649	$83,246	+$26,597
Cash-on-Cash Return*	9.0%	13.2%	+420 bps

*Per financing scenario on page 8. Pro forma assumes full mark-to-market of all five units at 3% vacancy with expenses held flat.

Beyond Year 1

With 3% annual rent growth on stabilized income, cash flow after debt service is projected to rise from approximately $83,000 in Year 1 to roughly $140,000 by Year 10, with cash-on-cash returns climbing from 13.2% to over 22% on initial equity.

VALUE CREATION ON STABILIZED NOI

Stabilized NOI	**$186,686**
Value @ 7.00% exit cap	**$2,666,946**
Value @ 11.5x market GRM	**$2,788,290**
Purchase Price	**$2,000,000**
Implied Equity Creation	**+$667K to +$788K**

+16.6%
NOI GROWTH TO STABILIZATION

33–39%
IMPLIED VALUE UPSIDE

3-YEAR OUTLOOK †	YR 1	YR 2	YR 3
Cash-on-Cash Return	13.2%	14.1%	15.0%
Projected Value	$2.79M	$2.87M	$2.96M

†Per owner's pro forma: stabilized rents with 3% annual growth.

EXECUTION RISK: LOW

The business plan requires no construction, no entitlement, and no lease-up — only routine lease rollover to market. The asset is already 100% occupied and cash-flowing at an 8.00% yield while the upside is harvested.

INSTITUTIONAL AERIAL OVERVIEW

825 W Gardena Blvd

Gardena, California 90247 | South Bay / Harbor Gateway location with freeway, transit, employment, retail, healthcare, education, and

Subject Property:
825 W Gardena Blvd, Gardena, CA

0.9 mi HARBOR GATEWAY TC	**3.3 mi** SPACEX
7.7 mi LAX	**~10 mi** PORTS

LOCATION THESIS

The property is positioned along the W Gardena Blvd corridor with quick access to I-110, SR-91, I-405, and I-105. The clean callouts focus on the highest-impact demand drivers: transit, aerospace employment, healthcare, education, recreation, LAX, the ports, and Downtown Los Angeles.

KEY LOCATION DRIVERS

- Subject Property
- Transit Access
- Aerospace / Advanced Manufacturing
- Education Anchors
- Healthcare Demand
- Beach / Recreation
- Airports, Ports & Infrastructure

Prepared as a clean investor-facing aerial overview.



~59,400	~$84,800	~53%	110/405	Low	Infill
GARDENA POPULATION	MEDIAN HH INCOME	RENTER HOUSEHOLDS	INTERCHANGE ACCESS	SOUTH BAY RETAIL VACANCY	NO NEW COMPETING SUPPLY

A Supply-Constrained South Bay Submarket

Gardena is a mature, fully built-out city of roughly 59,400 residents at the geographic center of the South Bay, where the I-110/405 interchange, LAX, and the ports converge to create one of the deepest employment and logistics economies in Southern California. The city has long been a hub for import/export, transport, and manufacturing businesses, with a major Kaiser Permanente healthcare footprint nearby supporting medical-sector demand — directly relevant to this Property's medical-supply and electrical-supply tenants.

Roughly 53% of Gardena households rent, and the median household income of approximately $84,800 supports stable neighborhood-serving retail. South Bay retail fundamentals remain among the healthiest in Los Angeles County, with vacancy persistently low and rent growth outpacing national averages as virtually no new neighborhood retail space is delivered.

Budget hospitality benefits from the same fundamentals: a deep base of visiting workers, contractors, and travelers, with limited room supply at accessible price points between LAX and the ports.

Demographic figures are approximate, drawn from recent U.S. Census-based estimates; market commentary reflects published South Bay brokerage research as of 2025–2026.

Why Investors Are Targeting Gardena

✓ **Durable tenant demand**
Dense rooftops, freeway access, and a diversified employment base keep small-format retail and budget hospitality consistently occupied.

✓ **Affordability arbitrage**
Pricing remains well below adjacent Torrance and coastal South Bay submarkets, while drawing from the same regional economy.

✓ **Supply constraints**
A fully built-out 5.9-square-mile city with minimal developable land — existing corridor assets capture growth without new competition.

✓ **Long-term appreciation**
Proximity to SpaceX, SoFi Stadium, LAX, and continued port-driven employment underpin land values across the North Gateway corridor.

PRICING SUPPORT

How the Offering Is Positioned

ADDRESS	SALE PRICE	BLDG SF	CAP RATE	SALE DATE
Comparable sales to be inserted upon request — contact listing broker for the current South Bay mixed-use comp set.				
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
SUBJECT — 825 W Gardena Blvd	**$2,000,000**	**8,532**	**8.00%**	**Offering**

Note: No comparable sales were attached to the source materials for this offering. This table is reserved for the verified comp set; a full sales comparison analysis is available from the listing broker upon execution of a confidentiality agreement.



POSITIONING THESIS

At $2,000,000, the offering sits meaningfully below the replacement cost of two-story mixed-use construction in Los Angeles County, and the 8.00% in-place cap rate compares favorably to typical stabilized South Bay retail trades.

Buyers are effectively acquiring two income engines — corridor retail and a renovated 15-room hotel — for less than the price of a single small multifamily asset in the same zip code, with a going-in yield that exceeds most competing product.

9.30x
SUBJECT GRM

8.00%
SUBJECT IN-PLACE CAP

REQUEST THE COMP SET

Contact Jack Patel at 213-453-2572 or Jack@sageregroup.com for the current verified sales comparison analysis and rent comp survey for the Gardena / North Gateway corridor.


PLAZA
HOTEL
STOP

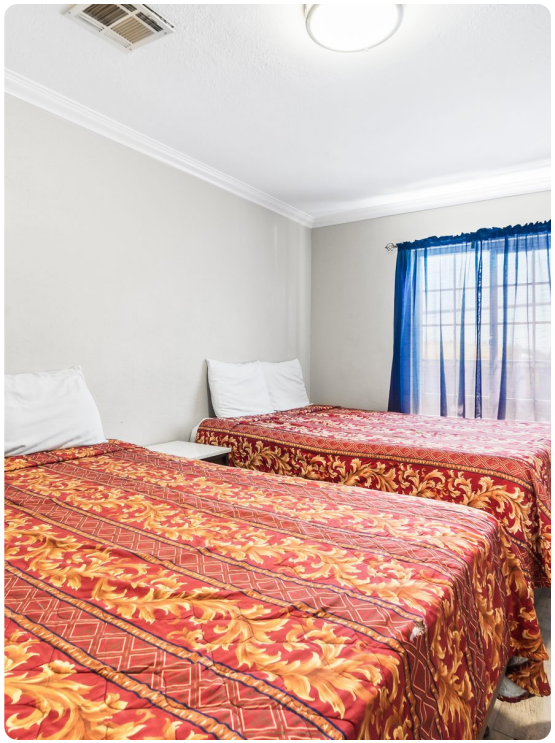

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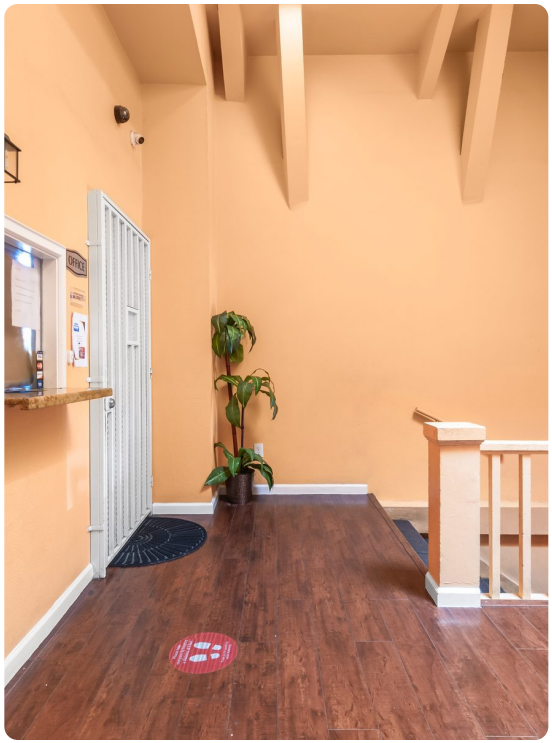


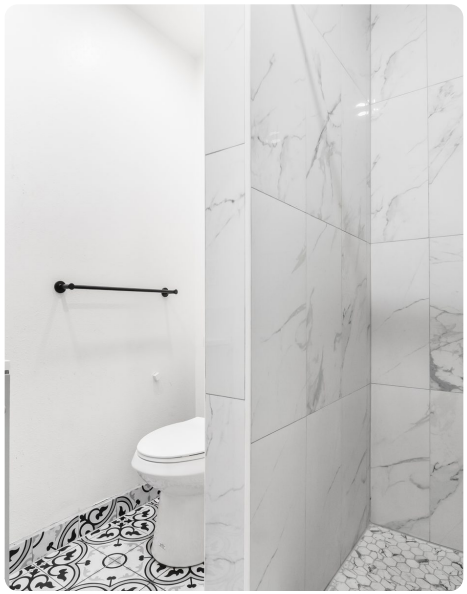

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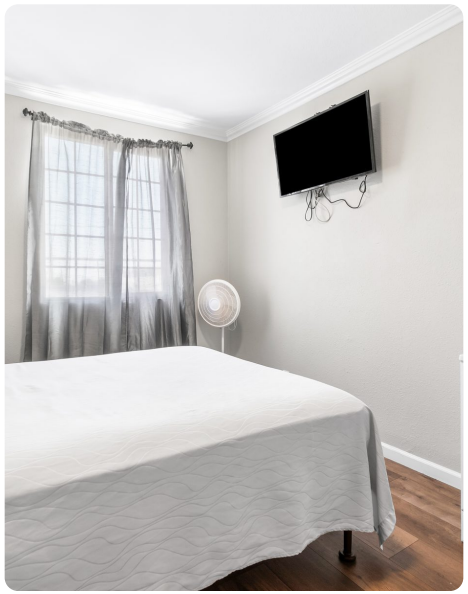

STOP















Durable Cash Flow Today. Built-In Growth Tomorrow.

825 W Gardena Boulevard offers what most sub-$2.5M offerings in Los Angeles County cannot: a fully occupied, professionally renovated asset producing an 8% yield from day one, with a 12.8% rent upside that converts to a 9%+ return on cost through nothing more than routine lease rollover.

The diversified retail-plus-hospitality income stream, minimal landlord expense load, and 1.55x day-one debt coverage make this an exceptionally financeable, exceptionally passive investment — while month-to-month tenancies preserve owner-user and SBA optionality that few stabilized assets retain.

In a supply-constrained South Bay submarket where replacement cost exceeds the asking basis, 825 W Gardena Boulevard is positioned to deliver dependable income now and meaningful appreciation over the hold. We invite qualified investors to submit offers, subject to interior inspection, with proof of funds and lender pre-approval.

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Sage Real Estate Group Inc
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562-400-7622
Offers: Jack@sageregroup.com

Offers subject to interior inspection. Do not disturb tenants. Property sold AS-IS. Listing agent is a licensed CA real estate broker and part owner of the subject property. All information deemed reliable but not guaranteed; buyer to verify all figures independently.

