Pine Grove Casitas

524 E Avenue Q12

Palmdale, CA 93550 | 30 Units | 21,762 SF I 1.46 AC Lot

AIP AGGREGATE INVESTMENT PARTNERS

524 E AVENUE Q12

PALMDALE, CA 93550

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AGGREGATE INVESTMENT PARTNERS

EXECUTIVE SUMMARY

524 E AVENUE Q12

PROPERTY SUMMARY

INVESTMENT SUMMARY

Price	$5,100,000
Price per Unit	$170,000
Price per SF	$234.35
Occupied Cap Rate	7.09%
Pro-Forma Cap Rate	7.15%
Occupied GRM	8.60
Pro-Forma GRM	7.98

ASSET OVERVIEW

Number of Units	30
Year Built	1980
Gross SF	21,762
Lot SF	63,682
Zoning	PDR3
APN	3009-011-019 & 3009-011-024

Property Overview

524 E AVENUE Q12

- 30 Unit Property in Palmdale, CA on 1.46 Acres
- Great unit mix of all 2 bed / 1 bath units.
- 13 units are currently vacant
- Ownership has spent over $1,850,000 since 2018 fixing up the property
- Opportunity to add 8 ADU's utilizing SB1211
- 30 parking spaces for tenant convenience
- On-site laundry room, leasing office, and great outdoor space
- Open stabilization and lease up of the vacant units, a buyer should expect a cap rate of 7.09%.
- Secure gate parking and ADA compliant units
- Includes .46 acres that additional apartment units can be built, check next page for development details

524 E Avenue Q12 presents a compelling opportunity to acquire a well-maintained 30-unit apartment community in Palmdale, CA, situated on a substantial 1.46-acre parcel. The property features a highly desirable, consistent unit mix of all 2-bedroom / 1-bathroom units that commands strong tenant demand. Residents benefit from 30 on-site parking spaces, secure gated parking, ADA-compliant units, an on-site laundry room, a dedicated leasing office, and generous outdoor space.

Current ownership has invested over $1,850,000 in capital improvements since 2018, positioning the asset as a turnkey, income-producing investment. Beyond its income upon the stabilization of the asset, the property offers meaningful upside: there is an opportunity to add up to 8 ADUs utilizing SB 1211, while the open stabilization and lease-up of the vacant units allows a buyer to achieve a projected cap rate of 6.92%.

Together, these attributes make 524 E Avenue Q12 a great opportunity to stabilize a well-located asset with a clear path to enhanced returns through both rental growth and future development potential through ADU construction and redevelopment of the vacant lot.

Vacant Land Development Summary

524 E AVENUE Q12

Site & Zoning Summary

APN	3009-011-019
Location	Vacant corner lot — 5th St E / Ave Q-12, Palmdale 93550
Lot Size	19,861 sq ft (≈ 0.456 ac)
Dimensions	100 ft × 199 ft; corner lot
Utilities	Sewer available
Current Zoning	RN 3 — Residential Neighborhood 3

Permitted Uses (Table 17.35.020-1)

Multifamily, ≥ 5 units	P — by right
Triplex / Quad; duplex; SFR detached	P — by right
SFR attached (townhome)	P — RN 3 only

Key Development Standards (RN 3)

Max Height	50 ft / 4 stories
Front Setback	15 ft min / 25 ft max
Street Side (corner)	10 ft min / 20 ft max
Interior Side	5 ft (10 ft if abutting SFR)
Rear Setback	15 ft (20 ft if abutting SFR)
Open Space	200 sf/unit (100 priv / 60 upper)
Max Parking Frontage	30% of street frontage
Min Landscaping	10% of lot, half live
Transition to SFR	Step back 15 ft per 2 floors (3rd+)
Min Project Site Area	10,000 sf / 60 ft — site qualifies

***Buyer to conduct own due diligence on density allowances for the lot**

Residential Density & Unit Yield

Scenario	Density Basis	Est. Units
By-Right Minimum	20 du/ac	≈ 9
By-Right Maximum (Base)	30 du/ac	≈ 14
+ 50% State Density Bonus	Base × 1.50	≈ 21
+ Up to 100% (AB 1287)	Base × 2.00	≈ 27*

**Theoretical max under AB 1287; subject to affordability set-asides.*

Vacant 0.456-acre corner lot zoned RN 3 — by-right yield ~9–14 units, scaling to ~21–27 with California's State Density Bonus.

524 E AVENUE Q12

524 E AVENUE Q12

AGGREGATE INVESTMENT PARTNERS

FINANCIAL ANALYSIS

524 E AVENUE Q12

INCOME & EXPENSE ANALYSIS

524 E AVENUE Q12

	OCCUPIED	PRO-FORMA**
INCOME		
Gross Potential Rental Income	$593,220	$639,000
RUBS Income	$41,040	-
Laundry Income*	$14,400	$14,400
Economic Vacancy (3%)	($17,797)	($19,170)
Effective Gross Income	**$630,863**	**$634,230**
EXPENSES		
Real Estate Taxes (1.398567%)	($71,327)	($71,327)
Special Assessments (per LA County)	($19,956)	($19,956)
Insurance (New Quote)	($36,000)	($36,000)
*Utilities (Water/sewer, electricity, gas, and trash)	($72,000)	($72,000)
Contract Services ($500 per Month)	($6,000)	($6,000)
On-Site Manager ($1,000 per Month)	($12,000)	($12,000)
*Off-Site Manager (4% of EGI)	($25,235)	($25,369)
*General Repairs & Maintenance ($700 per Unit)	($21,000)	($21,000)
*Reserves & Replacements ($200 per Unit)	($6,000)	($6,000)
Total Expenses	($269,518)	($269,652)
NET OPERATING INCOME	$361,346	$364,578

*Assumption are based on projected full occupancy. Vacant units assume $1,700 for occupied units.
** Pro-forma assumes $1,775 at market rent, no RUBS to be charged

CAP RATE & GRM METRICS

Price	$5,100,000
Occupied Cap Rate	7.09%
Pro-Forma Cap Rate	7.15%
Occupied GRM	8.60
Pro-Forma GRM	7.98

PROPOSED LOAN AFTER STABILIZATION

Price		$5,100,000
Down Payment	30%	$1,530,000
Loan Amount	70%	$3,570,000
Amortization Years		30
Interest Rate		6%
Monthly Payments		($21,404)

Cash Flow Analysis

524 E AVENUE Q12

	OCCUPIED	PRO-FORMA
INCOME		
Effective Gross Income	$630,863	$634,230
EXPENSES		
Total Expenses	($269,518)	($269,652)
ANNUAL RETURN		
NET OPERATING INCOME	$361,346	$364,578
Less Debt	($256,847)	($256,847)
Cash Flow	$104,498	$107,730
Cash-on-Cash Return	6.83%	7.04%
Principal Reduction (Year 1)	$43,840	$43,840
Total Return	$148,338	$151,570
Total Return (%)	9.70%	9.91%
DSCR	1.41	1.42

*Loan proposed loan is estimated upon the lease-up of the vacant units and based on occupied cap rate. Buyer to conduct their own due diligence on financing options.

AGGREGATE INVESTMENT PARTNERS

SALE COMPARABLES

524 E AVENUE Q12

SALE COMPARABLES

	Property Address	Units	Built	Sale Date	Sale Price	Cap Rate	GRM	Price / Unit	Price / SF
	**Comparable #1** 1005 E Avenue R Palmdale, CA 93550	11	1986	28-Oct-25	$1,850,000	-	-	$168,182	$216.42
	**Comparable #2** 38654 5th Street E Palmdale, CA 93550	5	1983	16-Jun-25	$780,000	6.30%	10.79	$156,000	$199.39
Averages		8	1985	22-Aug-25	$1,315,000	6.30%	10.79	$162,091	$207.91
	**Subject Property** 524 E Avenue Q12 Palmdale, CA 93550	30	1980	Asking Price	$5,100,000	7.09%	8.60	$170,000	$234.35

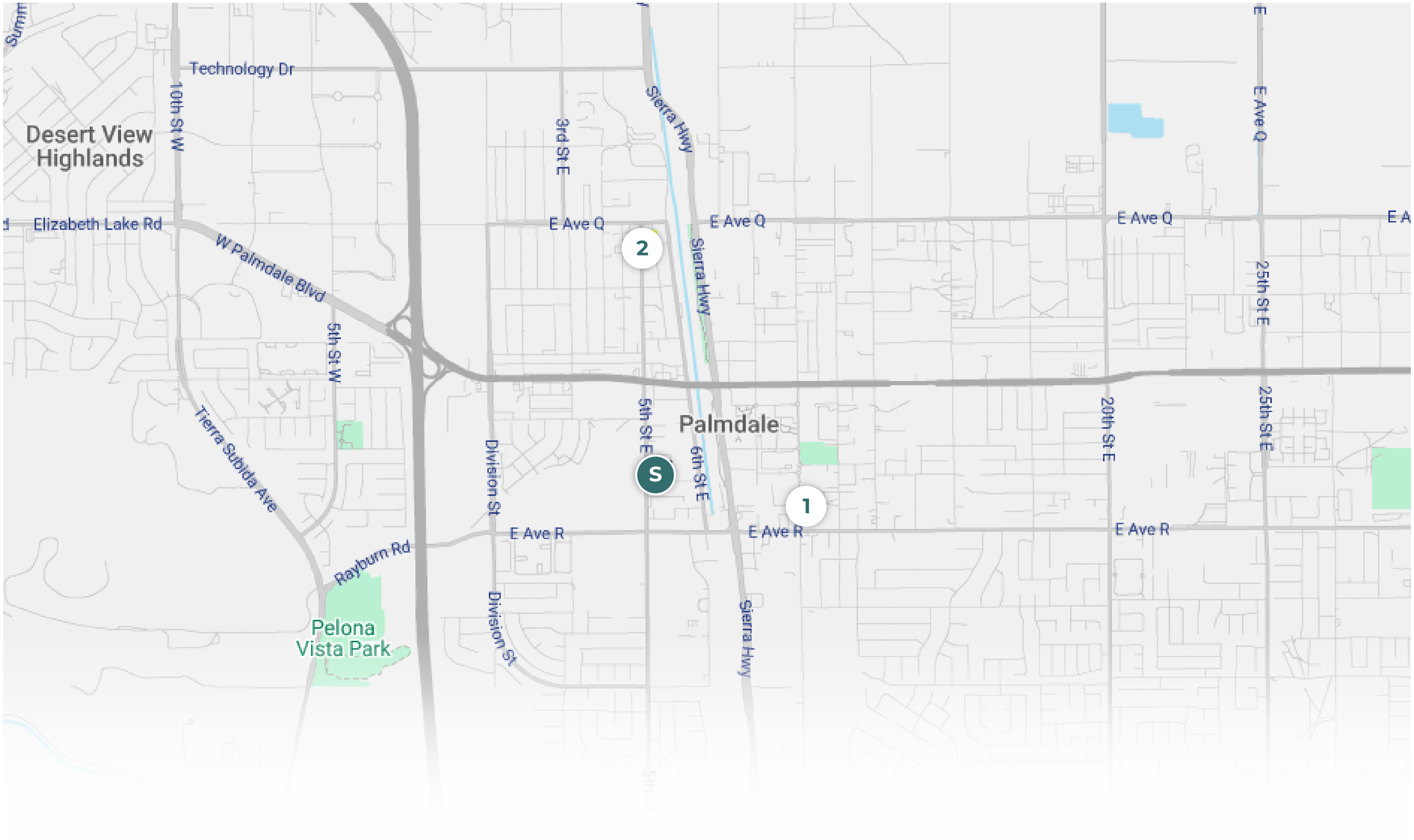
SALE COMPARABLES

ADDRESS	524 E Avenue Q12 Palmdale, CA 93550
LIST PRICE	$5,100,000
PRICE / UNIT	$170,000
PRICE / SF	$234.35
CAP RATE	7.09%
GRM	8.60
# OF UNITS	30
BUILDING SF	21,762
LOT SF	63,682
YEAR BUILT	1980
SALE DATE	Asking Price
UNIT MIX	(30) - 2 Bed / 1 Bath
NOTES	Cap rate is based from 100% occupancy

ADDRESS	1005 E Avenue R Palmdale, CA 93550
SALE PRICE	$1,850,000
PRICE / UNIT	$168,182
PRICE / SF	$216.42
CAP RATE	-
GRM	-
# OF UNITS	11
BUILDING SF	8,548
LOT SF	15,246
YEAR BUILT	1986
SALE DATE	28-Oct-25
UNIT MIX	(11) - 2 Bed / 2 Bath
NOTES	Sold off-market

ADDRESS	38654 5th Street E Palmdale, CA 93550
SALE PRICE	$780,000
PRICE / UNIT	$156,000
PRICE / SF	$199.39
CAP RATE	6.30%
GRM	10.79
# OF UNITS	5
BUILDING SF	3,912
LOT SF	7,405
YEAR BUILT	1983
SALE DATE	16-Jun-25
UNIT MIX	(5) - 1 Bed / 1 Bath
NOTES	

SALE COMPARABLES MAP



AGGREGATE INVESTMENT PARTNERS

LEASE COMPARABLES

524 E AVENUE Q12

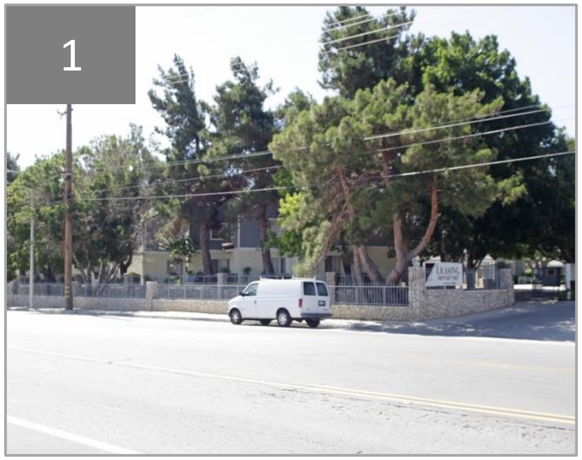
MULTIFAMILY LEASE COMPARABLES

	Property Address	Unit Type	Unit SF	Rent	Rent per SF
	**Comparable #1** 250 E Avenue R Palmdale, CA 93550	2 Bed / 1 Bath	822	$1,825	$2.22
	**Comparable #2** 215 E Avenue Q10 Palmdale, CA 93550	2 Bed / 1 Bath	700	$1,725	$2.46
	**Comparable #3** 38501 Larkin Avenue Palmdale, CA 93550	2 Bed / 1 Bath	972	$1,750	$1.80
	**Comparable #4** 38457 10th Place E Palmdale, CA 93550	2 Bed / 1 Bath	800	$1,795	$2.24
		2 Bed / 1 Bath	824	$1,774	$2.15
	**Subject Property** (1) 524 E Avenue Q12 Palmdale, CA 93550	2 Bed / 1 Bath	750	$1,645	$2.19

NOTES
1) Average rent is based from the assumption of a fully occupied property.

MULTIFAMILY LEASE COMPARABLES

ADDRESS	524 E Avenue Q12 Palmdale, CA 93550
USE	Multifamily
UNIT SIZE	750
UNIT TYPE	2 Bed / 1 Bath
RENT (1)	$1,648
RENT PER SF	$2.19



ADDRESS	250 E Avenue R Palmdale, CA 93550
USE	Multifamily
UNIT SIZE	822
UNIT TYPE	2 Bed / 1 Bath
RENT	$1,825
RENT PER SF	$2.22
RUBS	N/A

ADDRESS	215 E Avenue Q10 Palmdale, CA 93550
USE	Multifamily
UNIT SIZE	700
UNIT TYPE	2 Bed / 1 Bath
RENT	$1,725
RENT PER SF	$2.46
RUBS	N/A

NOTES

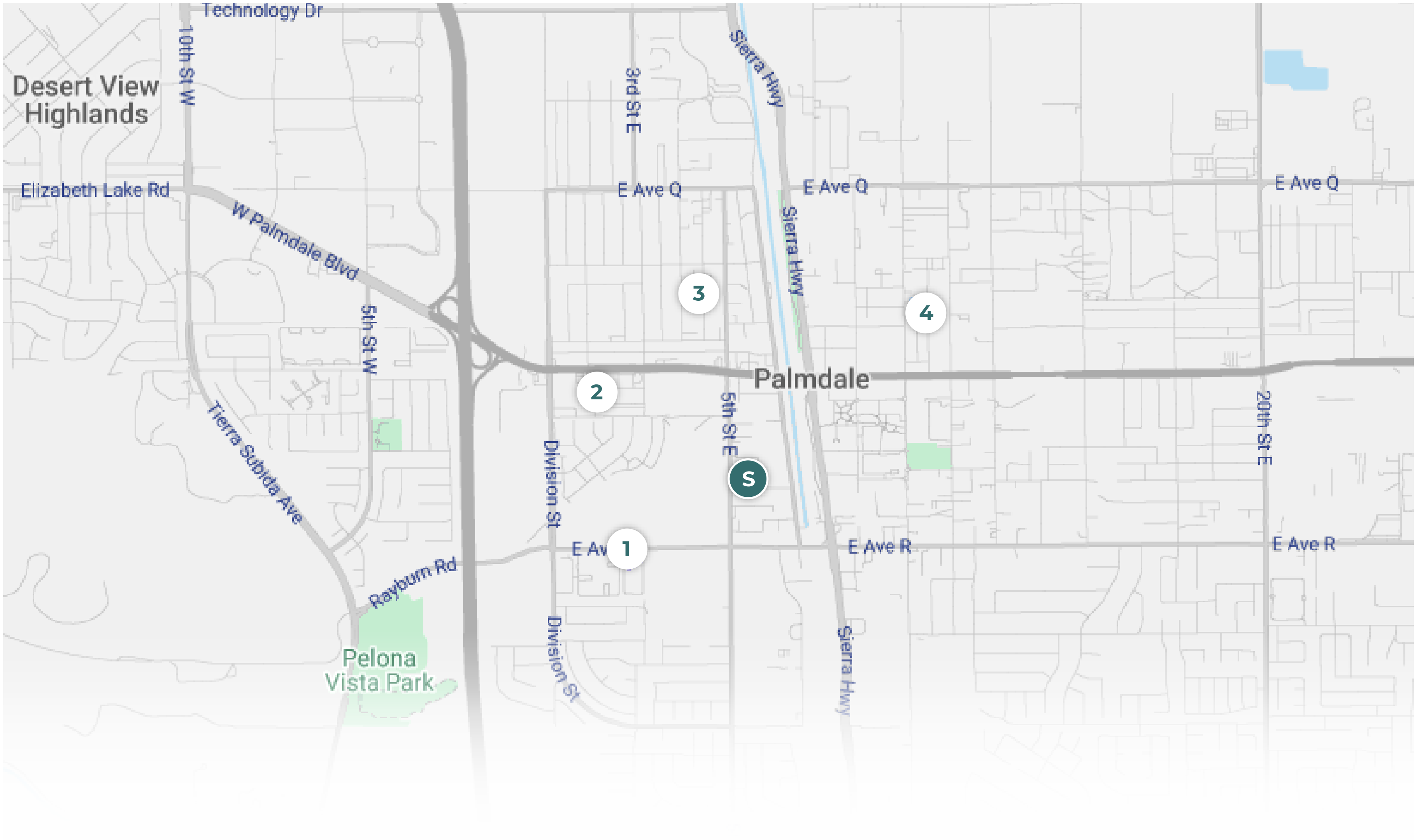
1) Average rent is based from the assumption of a fully occupied property.

MULTIFAMILY LEASE COMPARABLES

ADDRESS	38501 Larkin Avenue Palmdale, CA 93550
USE	Multifamily
UNIT SIZE	972
UNIT TYPE	2 Bed / 1 Bath
RENT	$1,750
RENT PER SF	$1.80
RUBS	N/A

ADDRESS	38457 10th Place E Palmdale, CA 93550
USE	Multifamily
UNIT SIZE	800
UNIT TYPE	2 Bed / 1 Bath
RENT	$1,795
RENT PER SF	$2.24
RUBS	N/A

MULTIFAMILY LEASE COMPARABLES MAP



AGGREGATE INVESTMENT PARTNERS

LOCATION OVERVIEW

524 E AVENUE Q12

Submarket Overview

524 E AVENUE Q12

164,634
POPULATION
City of Palmdale, ACS 2023

$81,770
MEDIAN HHI
City of Palmdale, 2024

49%
RENTER HOUSEHOLDS
ZIP 93550 vs. 34% citywide

$1,857
AVG APT RENT
Per unit / mo, +1.6% YoY

Palmdale / Antelope Valley Submarket Dynamics

Affordability-Driven Demand

Palmdale apartments average $1,857/mo vs. ~$2,742 LA city — drawing renters priced out of the basin. In ZIP 93550, 49% of households rent, well above the 34% citywide share.

Antelope Valley Rent Profile

1BR ~$1,679 and 2BR ~$1,870, with rents up 1.6% YoY. Median gross rent in ZIP 93550 is $1,668 — affordable workforce pricing with room to grow as supply stays tight.

Aerospace & Commuter Base

"Aerospace Capital of America" — Plant 42 anchors Boeing, Lockheed, and Northrop jobs. Metrolink Antelope Valley Line and SR-14 link residents to the wider LA labor market.

Supply-Constrained Submarket

Of 48,467 housing units, 78.5% are single-family — limited apartment stock. ZIP 93550 vacancy is just 5.0%, and SoCal multifamily vacancy sits below 5%, the tightest in 20+ years.

Sources: U.S. Census Bureau ACS 2019-2023 (City of Palmdale & ZIP 93550); RentCafe Palmdale (Mar 2026); Point2Homes Palmdale Demographics; California-Demographics / World Population Review Palmdale (2026); City of Palmdale City Statistics; The Apartment Dealer SoCal Multifamily Mid-Year 2025.

Why Invest in the Palmdale Submarket

524 E AVENUE Q12

An affordable, supply-constrained Antelope Valley submarket with durable workforce demand and rent-growth runway

01 Deep Renter Base

- 49% of ZIP 93550 households rent vs. 34% citywide — sizable, growing renter pool
- 164,634 residents in a region drawing renters priced out of the LA basin
- $81,770 median HHI supports steady, workforce-rental demand
- 63.5% Hispanic, family-oriented population creates durable demand depth

02 Affordability Moat

- Palmdale avg rent ~$1,857/mo vs. ~$2,742 LA city average
- Median Palmdale home value of $471K keeps ownership out of reach for many
- Mortgage-to-rent gap pushes households toward long-tenure renting
- Relative affordability draws continued in-migration from coastal LA

03 Supply-Constrained Submarket

- 78.5% of housing is single-family — limited competing apartment stock
- ZIP 93550 vacancy of just 5.0%; SoCal vacancy below 5%, tightest in 20+ years
- New multifamily deliveries thin across the Antelope Valley
- Replacement cost well above today's per-unit trade values

04 Location & Transit

- Metrolink Antelope Valley Line links Palmdale to LA Union Station
- SR-14 corridor connects to Santa Clarita and the San Fernando Valley
- "Aerospace Capital of America" — Plant 42 anchors Boeing/Lockheed/Northrop jobs
- Antelope Valley Mall, Palmdale Regional Medical Center anchor local demand

Sources: U.S. Census Bureau ACS 2019-2023 (City of Palmdale & ZIP 93550); RentCafe Palmdale (Mar 2026); Point2Homes Palmdale Demographics; Data USA Palmdale (2024); Apartment Finder / Apartments.com Palmdale (2026); The Apartment Dealer SoCal Multifamily Mid-Year 2025.

2026 SoCal Multifamily Outlook

524 E AVENUE Q12

SoCal fundamentals are tightening as vacancy hits 20-year lows — affordable, supply-constrained submarkets like Palmdale are positioned to capture rent growth.

4.8%	$1,857	5–7%	5.0%
SOCAL VACANCY	**AVG ASKING RENT**	**SUBMARKET CAP RATES**	**ZIP 93550 VACANCY**
Lowest in 20+ years (mid-2025)	Palmdale, +1.6% YoY	vs. 4% prior year — repricing	Tight local occupancy

How Palmdale Benefits

Higher-Yield Entry

- Emerging submarkets like the AV trade at 5–7% caps vs. 4–5% in mid-city LA
- Palmdale commercial assets average a 7.1% cap rate — yield premium to the basin
- Median home value reset to $471K supports value-oriented basis

Constrained New Supply

- SoCal apartment vacancy below 5% — tightest in over two decades
- 78.5% single-family housing stock limits competing apartment deliveries
- Thin Antelope Valley multifamily pipeline supports occupancy and rents

Workforce Demand Insulation

- Palmdale avg rent ~$1,857 vs. LA metro $2,742 — built-in affordability cushion
- 49% ZIP renter base + aerospace/commuter jobs = sticky, durable demand
- Less exposure to luxury rent softness hitting Class-A coastal submarkets

Sources: The Apartment Dealer SoCal Multifamily Mid-Year 2025; RentCafe Palmdale (Mar 2026); CityFeet Palmdale Commercial (cap rates); U.S. Census ACS 2019-2023 (ZIP 93550); Apartment Loan Store LA Cap Rates (2026); Marcus & Millichap 2025 Multifamily Forecast.

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