

OFFERING MEMORANDUM

506 S KERN AVE LOS ANGELES, CA 900022



LYON STAHL
INVESTMENT REAL ESTATE

JACOBSON
INVESTMENT GROUP



LIST PRICE

\$1,195,000

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Los Angeles, CA 90022

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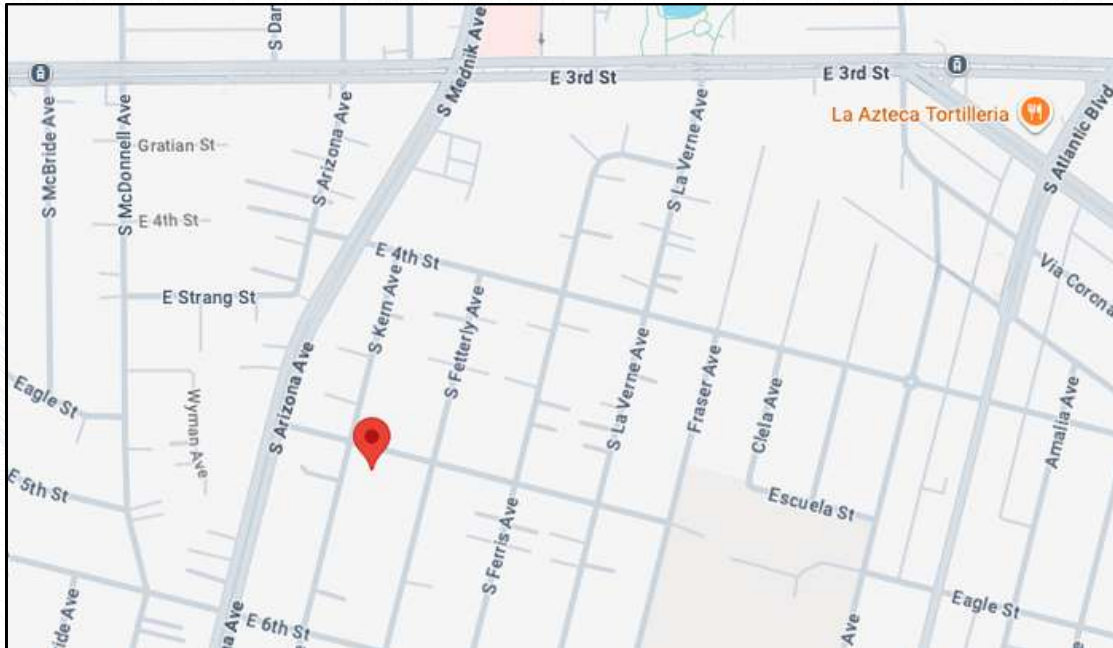
SALES COMPARABLES

SECTION 5

PROPERTY DESCRIPTION

506 S Kern Ave Los Angeles, CA 90022

PROPERTY OVERVIEW



INVESTMENT HIGHLIGHTS

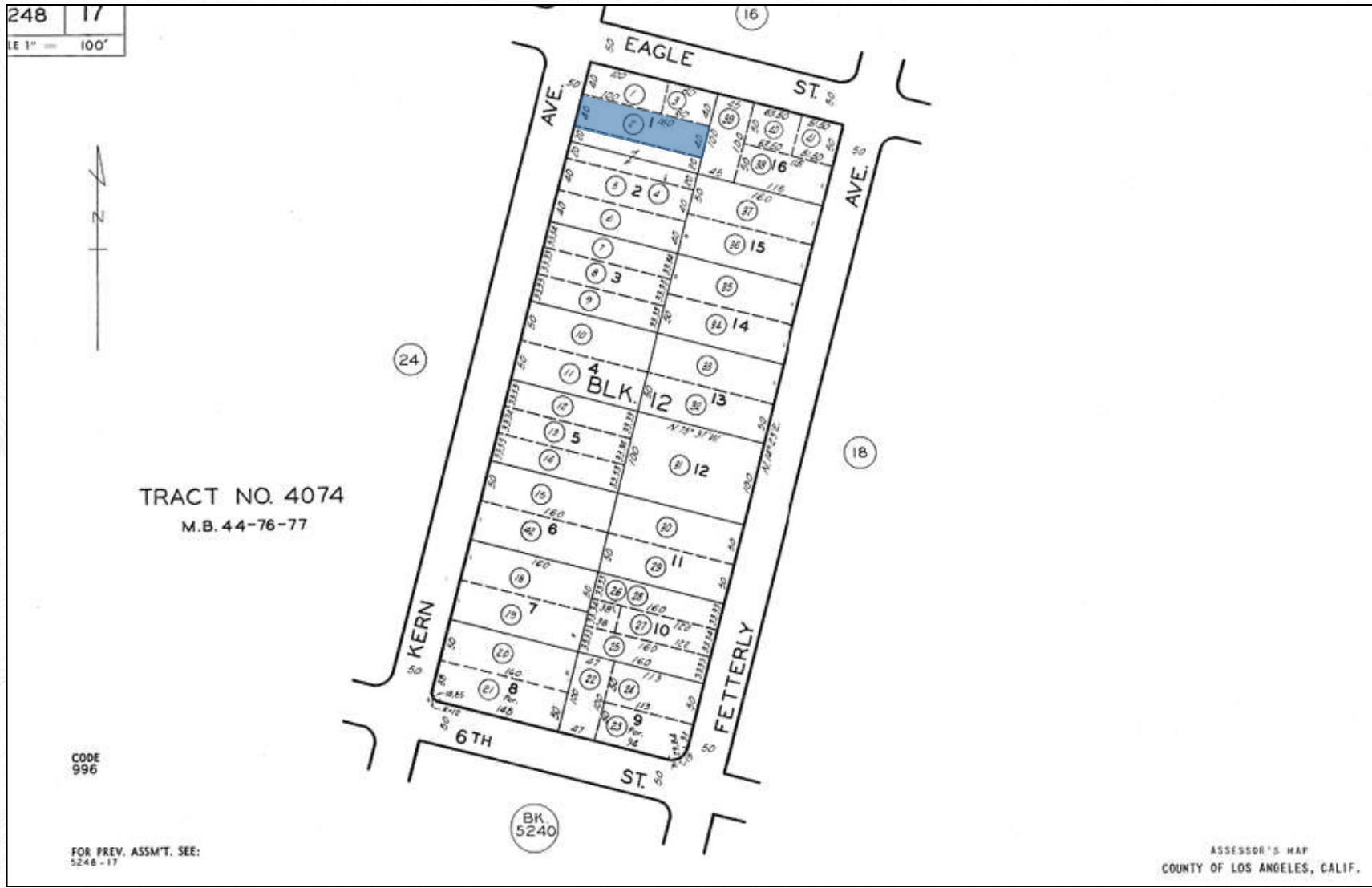
- **FULLY VACANT 4PLEX** with an ideal unit mix, consisting of (1) 1 Bed/1 Bath and (3) 2 Bed/1 Bath Units
- Upon stabilization, the asset is projected to operate at a 7.23% Cap Rate, collecting over \$10,000 in total scheduled monthly rent
- Conveniently located in East Los Angeles, in close proximity to trendy coffee shops, restaurants, and major metropolitan hubs

PROPERTY DETAILS

Address	506 Kern Ave
City, State, Zip	Los Angeles, CA 90022
Units	4
Building Sq Ft.	2,770
Land Sq Ft.	6,400
Year Built	1962
Occupancy	0%
Zoning	LCCIYY
Parking	4
APN	5248-017-002
Rent Control	County RSO
Unit Mix	(1) 1 Bed/1 Bath (3) 2 Bed/1 Bath

PARCEL MAP

APN: 5248-017-002



INVESTMENT SUMMARY



506 S Kern Ave presents a rare opportunity to acquire a **FULLY VACANT** 4-unit multifamily asset in one of Los Angeles' fastest-growing neighborhoods.

Upon stabilization, the property is projected to achieve an attractive **7.23% Cap Rate** and 9.88 GRM, offering investors strong in-place cash flow potential. Situated on a spacious 6,000+ square foot lot, the property includes four on-site parking spaces, further enhancing its long-term value and tenant appeal.

All four units will be delivered fully vacant and move-in ready, allowing a new owner to lease at market rents immediately without the challenges of tenant relocation. Once fully leased, the property is projected to generate over \$10,000 in scheduled monthly rental income.

Whether for an investor seeking strong cash flow or an owner-user looking to occupy a unit while maximizing rental income from the remaining units, 506 S Kern Ave offers exceptional flexibility and upside.

Ideally located in a rapidly appreciating submarket, the property is within close proximity to major employment and educational centers, including the USC Keck School of Medicine and the East Los Angeles Civic Center, as well as a growing collection of popular restaurants, cafés, and neighborhood amenities, including Sofreh.

PROPERTY PHOTOS

506 S Kern Ave Los Angeles, CA 90022

PROPERTY EXTERIOR



PROPERTY EXTERIOR



PROPERTY INTERIOR



PROPERTY INTERIOR



PROPERTY INTERIOR

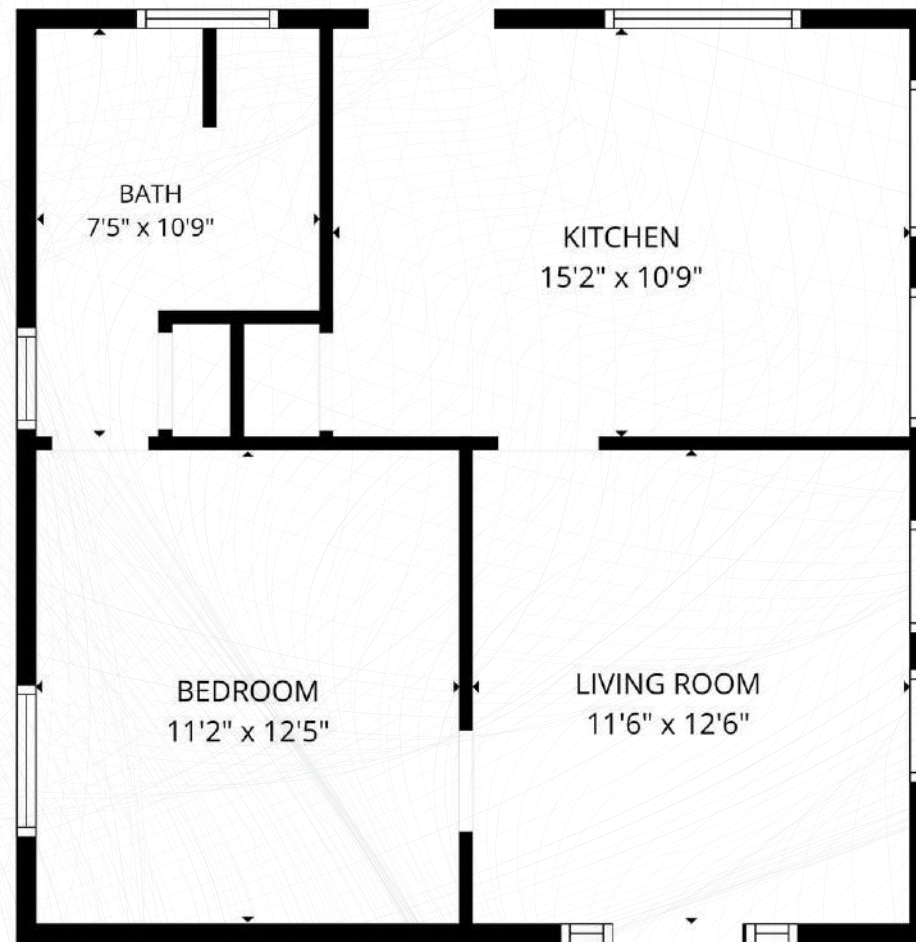


PROPERTY INTERIOR



FLOOR PLAN

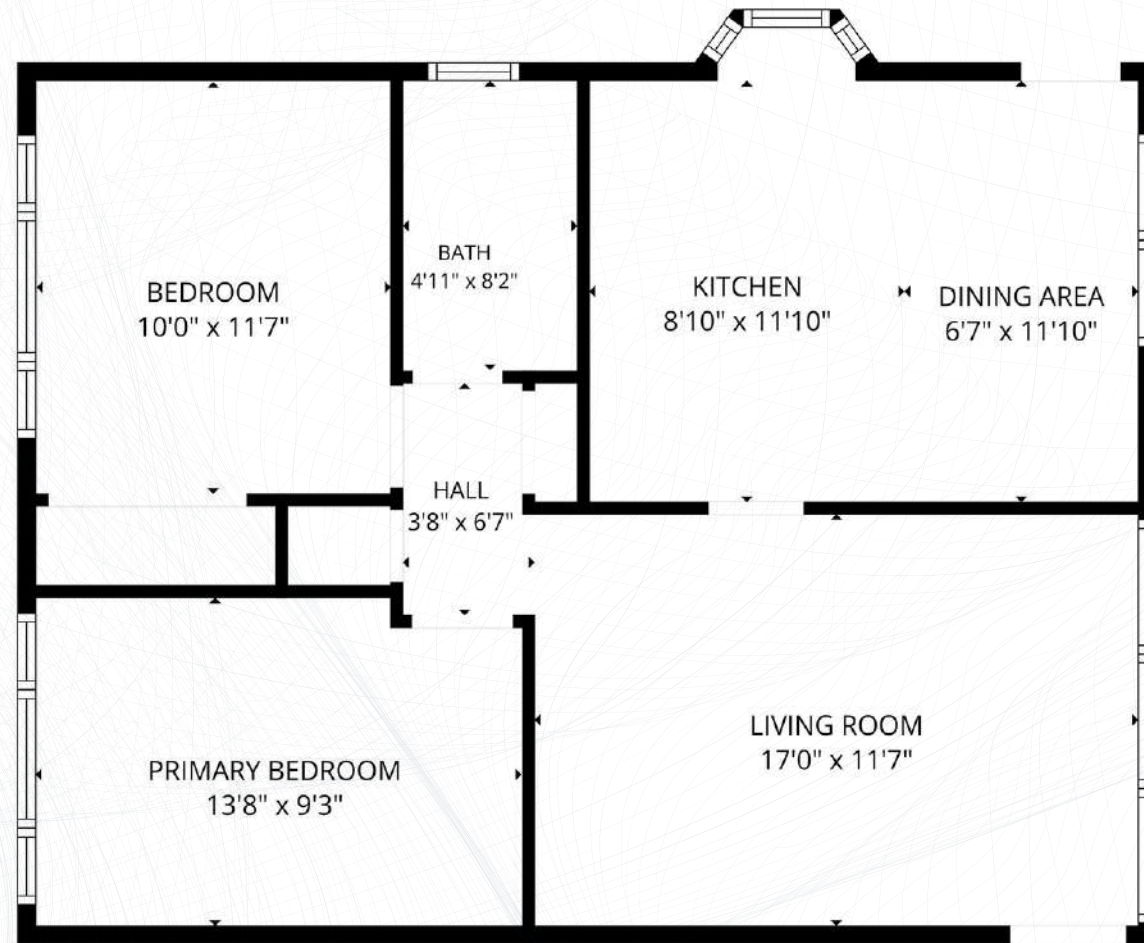
1 Bed/1 Bath Unit



FLOOR PLAN CREATED BY CUBICASA APP. MEASUREMENTS DEEMED HIGHLY RELIABLE BUT NOT GUARANTEED.

FLOOR PLAN

2 Bed/1 Bath Unit

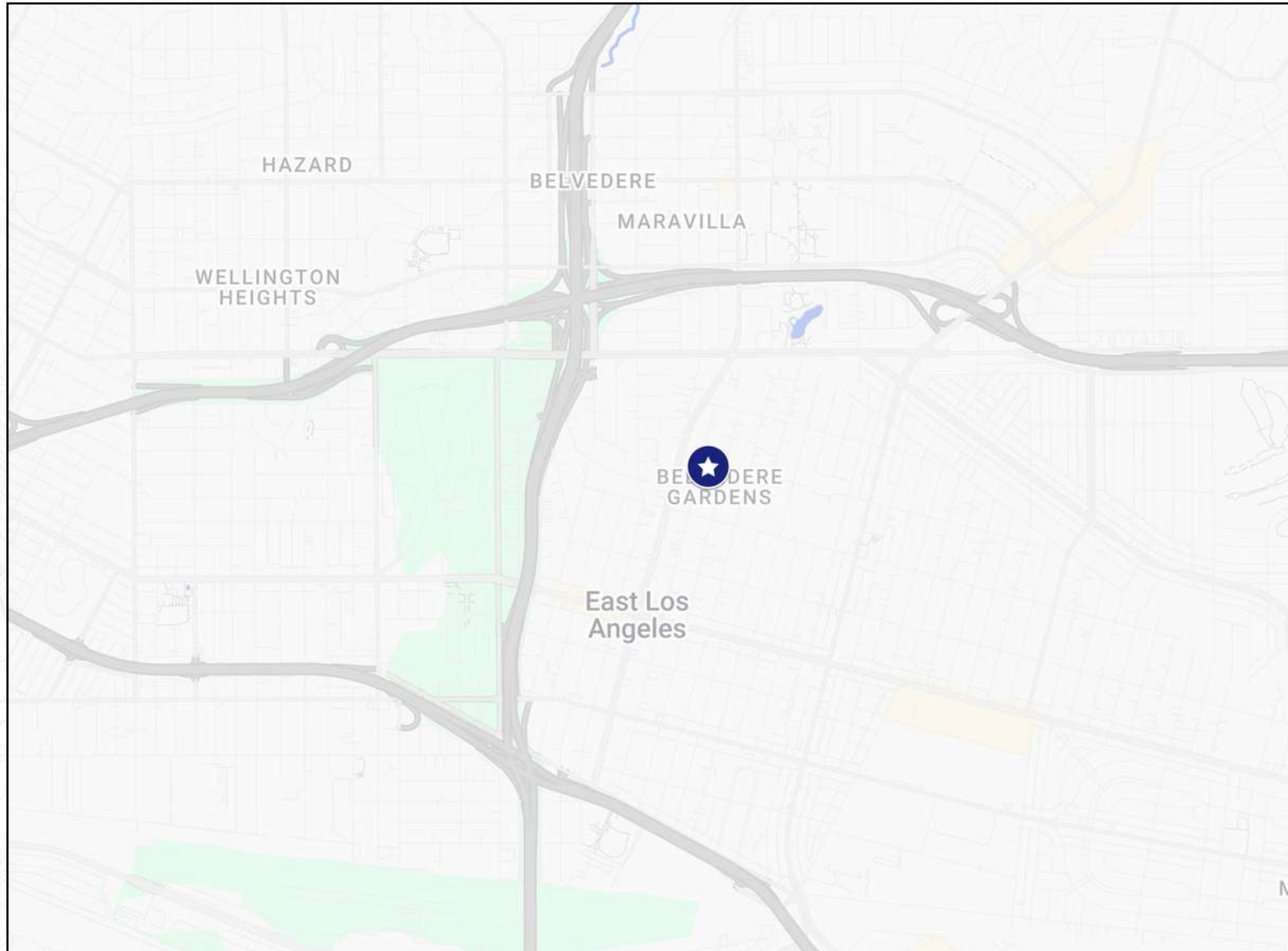


FLOOR PLAN CREATED BY CUBICASA APP. MEASUREMENTS DEEMED HIGHLY RELIABLE BUT NOT GUARANTEED.

LOCATION OVERVIEW

506 S Kern Ave Los Angeles, CA 90022

LOCATION MAP



CITY OVERVIEW: LOS ANGELES

As the most populous county in the nation, Los Angeles remains a global center for culture, innovation, and commerce. The region's diverse economy is driven by entertainment, technology, healthcare, logistics, and aerospace, supported by a highly educated workforce, world-class universities, and unparalleled infrastructure. Los Angeles continues to attract residents, investors, and businesses from around the world.

Across the county, major development projects continue to redefine the skyline and strengthen local communities. Thousands of new housing units, creative office campuses, and mixed-use developments are underway — from the revitalization of Downtown Los Angeles and Hollywood to large-scale projects in Inglewood, Culver City, and the Westside.



Landmark developments such as SoFi Stadium — a \$5 billion sports and entertainment destination — and the new \$2 billion Intuit Dome, home of the Los Angeles Clippers, have catalyzed a wave of surrounding investment.

As a hub for Fortune 500 companies, global media production, and international trade through the Ports of Los Angeles and Long Beach, the region's economy remains resilient and diverse. With continuous infrastructure improvements, housing growth, and private investment, Greater Los Angeles is well positioned for long-term economic strength and cultural leadership.

ABOUT THE AREA

East Los Angeles is a vibrant and culturally rich community known for its strong sense of neighborhood and heritage. The area offers a mix of residential and commercial spaces, with local shops, authentic dining, and lively street art reflecting its diverse roots. Residents enjoy a variety of amenities, including parks, community centers, and easy access to schools, making it an attractive area for families.



USC Keck School of Medicine

East LA Civic Center



Sofreh

Conveniently located near major freeways and public transit, East LA provides seamless connections to downtown Los Angeles, Hollywood, and other key destinations. The neighborhood has also seen steady interest from new businesses and redevelopment projects, underscoring its appeal as both a place to live and a smart investment opportunity.

FINANCIAL ANALYSIS

506 S Kern Ave Los Angeles, CA 90022

INVESTMENT SUMMARY

506 S Kern Ave	
List Price:	\$1,195,000
Cost Per Unit:	\$298,750
Cost Per SF:	\$431.41
Current GRM:	9.88
Pro Forma GRM:	9.88
Current Cap Rate:	7.23%
Pro Forma Cap Rate:	7.23%

Unit Mix & Scheduled Income

Total Units	Unit Mix	Unit Mix %	Average Rent	Total Current Rent	Average Market Rent	Total Market Rent
1	1+1	25%	\$1,995	\$1,995	\$1,995	\$1,995
3	2+1	75%	\$2,695	\$8,085	\$2,695	\$8,085

RENT ROLL

<u>Unit No.</u>	<u>Unit Type</u>	<u>Unit SF</u>	<u>Monthly Rent</u>		<u>Pro Forma Rents</u>		<u>Notes</u>
1	2+1	800	\$	2,695.00	\$	2,695.00	<i>Vacant</i>
2	2+1	697	\$	2,695.00	\$	2,695.00	<i>Vacant</i>
3	2+1	697	\$	2,695.00	\$	2,695.00	<i>Vacant</i>
4	1+1	576	\$	1,995.00	\$	1,995.00	<i>Vacant</i>

	<u>Current</u>	<u>Pro Forma</u>
Total Scheduled Rent	\$10,080.00	\$10,080.00
Annualized Total Scheduled Rent	\$120,960.00	\$120,960.00

INCOME AND EXPENSES

Income Summary

	Current	Pro Forma
Scheduled Gross Income	\$ 120,960	\$ 120,960
Vacancy Cost (5% SGI)	\$ 6,048	\$ 6,048
Gross Operating Income	\$ 114,912	\$ 114,912

Expense Summary

*Estimated Annualized Expenses	Current	Pro Forma
New Taxes (1.18% Purchase Price)	\$ 14,043	\$ 14,043
Repairs & Maintenance (\$800/Unit)	\$ 3,200	\$ 3,200
Insurance (\$1.20/SF)	\$ 3,324	\$ 3,324
Utilities (\$800/Month)	\$ 3,200	\$ 3,200
Trash (\$0)	\$ -	\$ -
Landscaping (\$100/Month)	\$ 1,200	\$ 1,200
Pest Control (\$75/Month)	\$ 900	\$ 900
Direct Assessments	\$ 2,643	\$ 2,643

	Current	Pro Forma
Total Operating Expenses	\$ 28,510	\$ 28,510
Net Operating Income	\$ 86,402	\$ 86,402

FINANCIAL ANALYSIS

506 S Kern Ave		
List Price:		\$1,195,000
Down Payment:	5.0%	\$59,750
Number of units:		4
Cost per Unit:		\$298,750
Current GRM:		9.88
Pro Forma GRM:		9.88
Current Cap Rate:		7.23%
Pro Forma Cap Rate:		7.23%
Year Built:		1962
Approx. Lot Size:		6,400
Approx. Gross RSF:		2,770
Cost per Net RSF:		\$431.41

Proposed Financing			
First Loan Amount:	\$1,135,250	Amort:	30
Terms:	6.000%	Fixed:	5
Payment	\$6,806	DCR:	1.06

Annualized Expenses:		
*Estimated	Current	Pro Forma
New Taxes (1.175148% Purchase Price):	\$14,043	\$14,043
Direct Assessments (\$2642.93):	\$2,643	\$2,643
Repairs & Maintenance (\$800/Unit):	\$3,200	\$3,200
Insurance (\$1.2/SF):	\$3,324	\$3,324
Utilities (\$800/Unit):	\$3,200	\$3,200
Trash (\$0/Month):	\$0	\$0
Landscaping (\$100/Month):	\$1,200	\$1,200
Pest Control (\$75/Month):	\$900	\$900
Property Management (0% SGI):	\$0	\$0
Total Expenses:	\$28,510	\$28,510
Expenses as %/SGI	23.57%	23.57%
Per Net Sq. Ft:	\$10.29	\$10.29
Per Unit:	\$7,127	\$7,127

Annualized Operating Data	Current Rents		Pro Forma Rents	
Scheduled Gross Income:	\$	120,960	\$	120,960
Vacancy Rate Reserve:	\$	6,048	\$	6,048
		5% ¹		5% ¹
Gross Operating Income:	\$	114,912	\$	114,912
Expenses:	\$	28,510	\$	28,510
		24% ¹		24% ¹
Net Operating Income:	\$	86,402	\$	86,402
Debt Service:	\$	81,677	\$	81,677
Pre Tax Cash Flows:	\$	4,725	\$	4,725
		7.91% ²		7.91% ²
Principal Reduction:	\$	13,941	\$	13,941
Total Return Before Taxes:	\$	18,666	\$	18,666
		31.24% ²		31.24% ²

¹ As a percent of Scheduled Gross Income

² As a percent of Down Payment

Scheduled Income:							
# of Units	Bdrms/Baths	Notes	Current Income		Pro Forma Income		
			Monthly Rent/Average	Total Monthly Income	Monthly Rent/Unit	Total Monthly Income	
1	2+1	Vacant	\$ 2,695.00	\$ 2,695.00	\$ 2,695.00	\$ 2,695.00	
1	2+1	Vacant	\$ 2,695.00	\$ 2,695.00	\$ 2,695.00	\$ 2,695.00	
1	2+1	Vacant	\$ 2,695.00	\$ 2,695.00	\$ 2,695.00	\$ 2,695.00	
1	1+1	Vacant	\$ 1,995.00	\$ 1,995.00	\$ 1,995.00	\$ 1,995.00	
Total Scheduled Rent:				\$10,080.00		\$10,080.00	
Additional Income:				\$0.00		\$0.00	
Parking:				\$0.00		\$0.00	
SCEP:				\$0.00		\$0.00	
Monthly Scheduled Gross Income:				\$10,080.00		\$10,080.00	
Annualized Scheduled Gross Income:				\$120,960.00		\$120,960.00	
Utilities Paid by Tenant:				Trash, Gas and Electric	Rental Upside:		0%

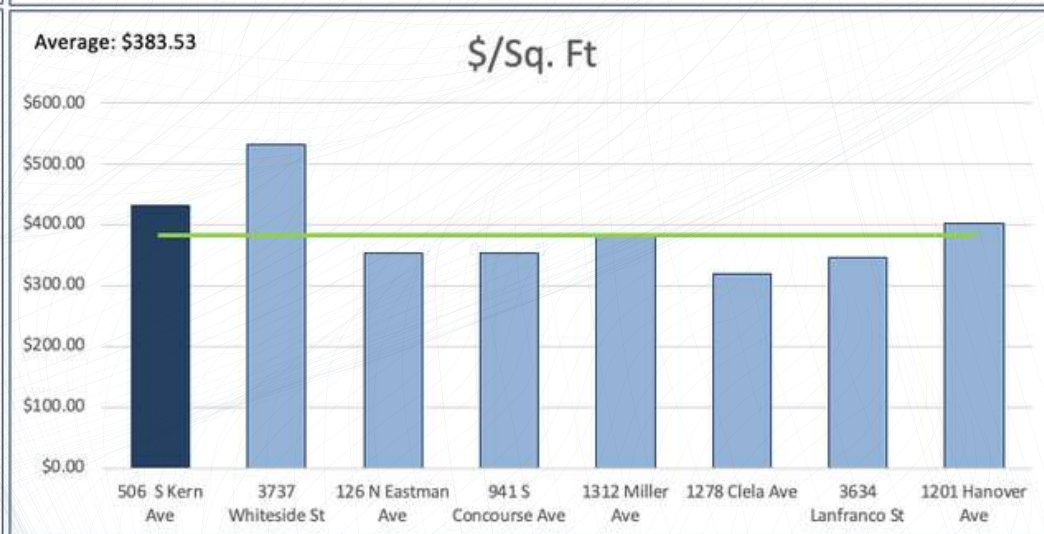
SALES COMPARABLES

506 S Kern Ave Los Angeles, CA 90022

SALES COMPARABLES

<u>Address</u>	<u>Price</u>	<u>Units</u>	<u>Yr Built</u>	<u>RSF</u>	<u>GRM</u>	<u>Cap Rate</u>	<u>\$/SF</u>	<u>\$/Unit</u>	<u>COE</u>	<u>Unit Mix</u>
3737 Whiteside St	\$1,200,000	4	1958	2,256	8.55	7.60%	\$531.91	\$300,000	5/22/26	(2) 3+2 (2) 2+1
126 N Eastman Ave	\$1,050,000	4	1909	2,976	10.54	6.17%	\$352.82	\$262,500	12/10/25	(1) 3+2 (1) 2+2 (1) 1+1 (1) 0+1
941 S Concourse Ave	\$1,385,000	4	1975	3,920	14.43	4.51%	\$353.32	\$346,250	10/23/25	(4) 2+1
1312 Miller Ave	\$1,330,000	4	1940	3,498	13.80	4.71%	\$380.22	\$332,500	9/17/25	(4) 1+1
1278 Clela Ave	\$1,095,000	4	1954	3,442	13.11	4.96%	\$318.13	\$273,750	9/8/25	(4) 2+1
3634 Lanfranco St	\$1,085,000	4	1911	3,132	11.77	5.52%	\$346.42	\$271,250	9/4/25	(1) 3+2 (3) 2+1
1201 Hanover Ave	\$1,075,000	4	1951	2,675	13.17	4.93%	\$401.87	\$268,750	7/1/25	(4) 1+1
Average	\$1,174,286				12.20	5.49%	\$383.53	\$293,571		
506 S Kern Ave	\$1,195,000	4	1962	2,770	9.88	7.23%	\$431.41	\$298,750		(3) 2+1 (1) 1+1

SALES COMPARABLES



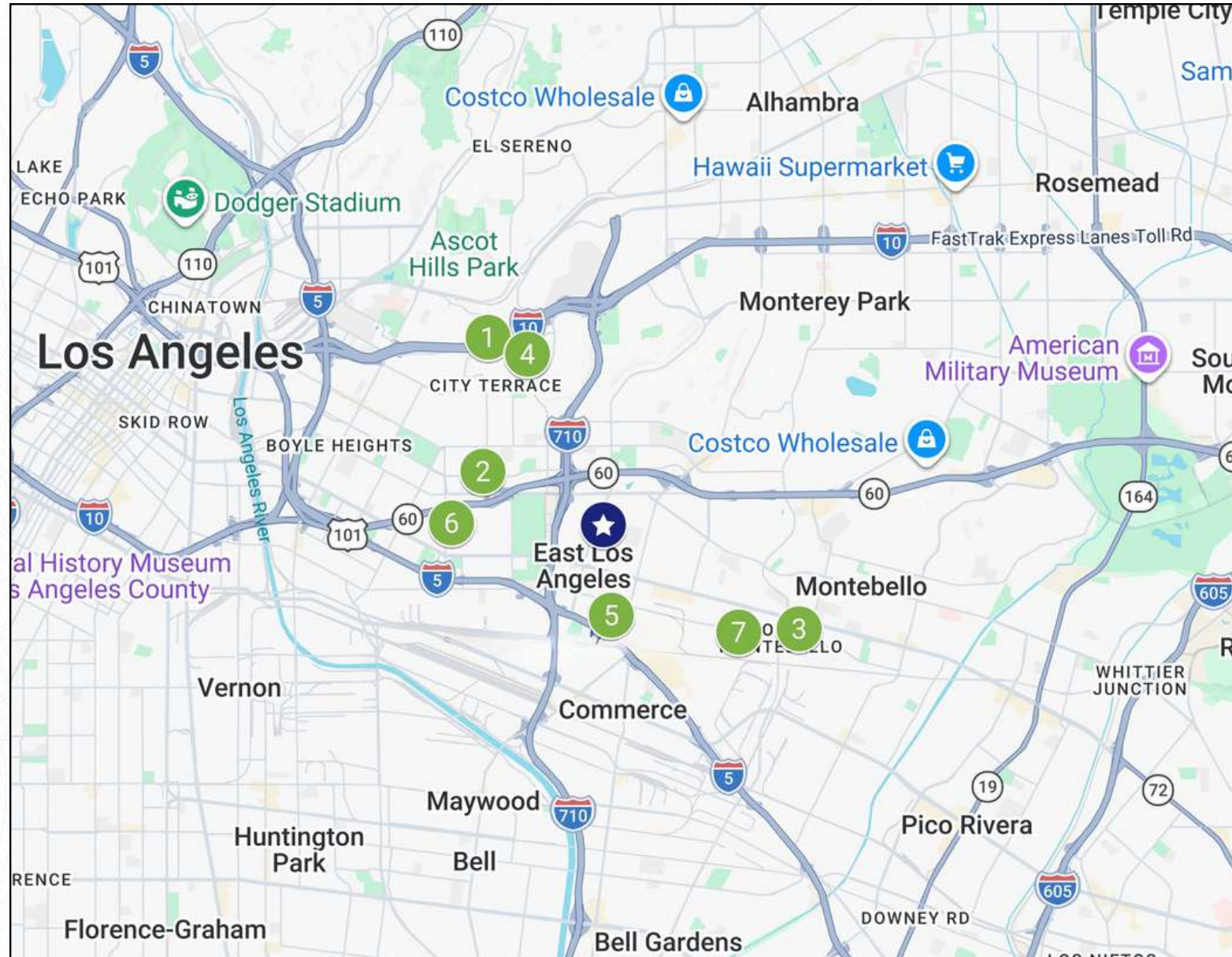
SALES COMPARABLES: BY LOCATION

Subject Property

★ 506 S Kern Ave

Sales Comparables

- 1 3737 Whiteside St
- 2 126 N Eastman Ave
- 3 941 S Concourse Ave
- 4 1312 Miller Ave
- 5 1278 Clela Ave
- 6 3634 Lanfranco St
- 7 1201 Hanover Ave



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