OFFERING MEMORANDUM

1007 E 78th Street

Los Angeles, CA 90001

Renovated Duplex + Garage Studio
Turnkey Income Property

$799,900

8.61% Cap Rate (as listed) | **9.95** GRM
2 × (2 bd / 1 ba) + Studio | 6 Parking Spaces
MLS# CV26243098 | Prepared November 16, 2026

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Offering at a Glance

List Price	$799,900
Property Type	Duplex (2 units) + garage studio, Residential Income
Unit Mix	2 × (2 bed / 1 bath) + 1 garage studio (1 bath)
Building Size	1,872 SF (per public record)
Lot Size	5,739 SF (0.1317 acres)
Year Built	1923, with major renovations within the last 3 years
Price per SF	$427.30
Price per Legal Unit	$399,950 (2 units)
Gross Scheduled Income	$80,400 (seller-provided, includes projected studio rent)
Net Operating Income	$68,908 (seller-provided)
Cap Rate / GRM	8.61% / 9.95
Parking	6 spaces total (2 garage + 4 uncovered)
Condition	Turnkey
Financing Accepted	Cash, Cash to New Loan, Conventional, VA
Parcel (APN)	6023-028-021

Investment Overview

Los Angeles rarely offers a property that works this hard for its owner from day one. 1007 E 78th Street is a fully renovated duplex with two spacious 2-bedroom, 1-bath units, a separate garage studio, and abundant off-street parking, all on a generous 5,739 SF lot minutes from Downtown L.A.

Both residences were thoughtfully updated within the last three years: new copper plumbing, a new 10-year roof, double-pane windows, upgraded kitchens and bathrooms with granite counters, and durable laminate and tile flooring throughout. There is no deferred-maintenance project waiting for the next owner. You can collect rent right away, or move in and let the neighboring unit help carry your mortgage.

With an 8.61% as-listed cap rate, a gross multiplier under 10, and the possibility of adding value through the garage studio, this is an opportunity for both first-time house-hackers and seasoned investors building a portfolio.

Investment Highlights

- **Income from day one.** Two renovated 2-bed/1-bath units currently generate $5,100 per month ($61,200 per year) in rent.
- **Three ways to earn.** The garage studio (426 SF estimated, full bathroom, separate entrance) is currently owner-occupied; the seller projects $1,600 per month in rent once it is leased.
- **Live in one, let the others pay.** Owner-occupy one unit and the remaining two could generate roughly $4,100 to $4,200 per month in rent at the seller's figures. VA financing is among the accepted terms.
- **Turnkey condition.** New copper plumbing, new 10-year roof, double-pane windows (about 3 years old), updated kitchens and baths.
- **Value-add potential.** The seller reports the City has verbally indicated an ADU of up to approximately 1,200 SF may be possible, with additional expansion potential into the attached storage area. All subject to buyer verification, permits, and City approval.
- **Seller flexibility.** The seller is willing to negotiate delivery of one vacant unit with the right offer and favorable terms.
- **Separately metered utilities.** Two electric meters and two gas meters help keep owner-paid operating costs low.
- **Rare parking and outdoor space.** Four uncovered spaces, a two-space garage, a fully cemented, low-maintenance rear yard, alley access through a secured iron gate, and mature guava, orange, and pomegranate trees.
- **Central location.** Close to the 110 Freeway, Metro A Line access, Downtown L.A., LAX, and the region's major stadiums and arenas.

Property Description

Feature	Detail
Style / Stories	Bungalow, single story, one building
Construction	Wood frame, stucco exterior, drywall interior, raised foundation
Roof	Composition shingle (new, 10-year)
Windows	Double-pane, installed approx. 3 years ago
Plumbing	New copper (see MLS: partial), updated kitchens and bathrooms
Interior Finishes	Granite counters, laminate and tile flooring, ceiling fans
Heating / Cooling	Wall furnace / none
Laundry	Common area, outside
Metering	2 electric, 2 gas, 1 water
Garage Studio	426 SF estimated, 0 bed / 1 bath, separate access; year built reported by seller as 2015
Parking	2 garage spaces (converted/studio configuration, see remarks), 4 uncovered, 6 total
Yard / Grounds	Fully cemented rear yard, alley access with iron gate, storage shed (stays), fruit and ornamental plants
Security	Smoke and carbon monoxide detectors, window bars
HOA	None ($0)
Utilities	Cable available; electric, gas, water, sewer, and phone connected; public water and sewer

Unit Mix & Rent Roll

Unit	Bed / Bath	Status	Current Rent	Pro Forma Rent
Unit 1	2 / 1	Renovated, unfurnished	$2,600	$2,800
Unit 2	2 / 1	Renovated, unfurnished	$2,500	$2,800
Garage Studio	Studio / 1	Owner-occupied (projected)	$0 (projected $1,600)	$1,600
Total (monthly)			**$5,100 in place**	**$7,200**
Total (annual)			**$61,200**	**$86,400**

Note: The seller's $80,400 gross scheduled income combines the in-place rents on Units 1 and 2 with a projected $1,600 per month for the studio. The studio is currently owner-occupied, so that income is not yet being collected.

Financial Analysis

SELLER-PROVIDED OPERATING STATEMENT (PER MLS)

	Annual
Gross Scheduled Income	$80,400
Less: Vacancy Allowance (5%)	($4,020)
Gross Operating Income	**$76,380**
Property Taxes (seller estimate, "new taxes")	$3,192
Insurance	$1,850
Water / Sewer	$2,100
Trash	$330
Electric / Gas	$0 (separately metered)
Total Operating Expenses	**$7,472**
Net Operating Income	**$68,908**
Cap Rate	**8.61%**
Gross Rent Multiplier	**9.95**

BUYER'S UNDERWRITING CHECK

Sophisticated buyers will want to see the numbers stress-tested. The table below adjusts two items the listing does not fully capture: property taxes after reassessment at the purchase price (estimated at roughly 1.2% of price; buyers should confirm with a tax professional) and a 5% maintenance and reserve allowance.

	As Listed	Conservative View
Gross Operating Income	$76,380	$76,380
Property Taxes	$3,192	~$9,600
Insurance	$1,850	$1,850
Water / Sewer	$2,100	$2,100
Trash	$330	$330
Maintenance / Reserves	$0	~$3,819
Total Expenses	**$7,472**	**~$17,699**
NOI	**$68,908**	**~$58,681**
Cap Rate	**8.61%**	**~7.34%**

Even under conservative assumptions, the property pencils to a mid-7% cap rate on a turnkey, renovated asset, with the upside levers described below still untouched. Both views assume the garage studio is leased at $1,600 per month, which has not yet occurred.

UPSIDE LEVERS

1. **Lease the studio.** Adds up to $19,200 per year at the projected rent.
2. **Close the rent gap.** The pro forma rents of $2,800 per unit are $200 to $300 above current rents, worth up to about $6,000 per year if achieved. Rent increases on existing tenants are limited by rent control (see below), while a unit delivered vacant can be re-leased at market.
3. **Legalize and expand.** Pursue the ADU path described below.

The ADU Opportunity

The garage studio is the property's most interesting growth lever.

- **Seller-reported potential.** The seller reports the City has verbally indicated an ADU of up to approximately 1,200 SF may be possible using the existing garage footprint, and that there may be an opportunity to expand into the attached storage area to add a kitchen and a second bedroom. None of this is confirmed, and it is subject to zoning verification, permits, and City approval.
- **State law is on your side.** California's ADU rules have been streamlined. Garage conversions are generally exempt from replacement-parking requirements, and qualifying ADUs go through ministerial (non-discretionary) permit review with a statutory 60-day processing window. Detached ADUs of up to 1,200 SF are allowed, subject to lot coverage and floor-area limits.
- **A path for existing conversions.** The Los Angeles Department of Building and Safety has published a streamlined process under AB 2533 for permitting previously unpermitted ADUs, including garage conversions (Information Bulletin P/BC 2026-161).
- **Verify before you rely.** The permit status of the existing garage studio is not confirmed in the listing. Buyers should review permits and zoning with LADBS and a qualified professional during due diligence.

Rent Stabilization (RSO) Overview

The property is subject to the City of Los Angeles Rent Stabilization Ordinance. Key points for buyers:

- The annual allowable increase for RSO units is currently 3% (July 1, 2026 through June 30, 2027), per the Los Angeles Housing Department.
- Since February 2, 2026, the City no longer allows an additional utility adder on top of the annual increase.
- RSO provides predictability: stable, long-term tenancies, lower turnover, and clearly defined rules.

Buyers should confirm current rules, tenant protections, and registration requirements with LAHD and their attorney.

Location & Market

CENTRAL TO EVERYTHING

The property sits near Central Avenue and Nadeau Street in the Florence-Firestone area, at the doorstep of L.A.'s biggest destinations:

- **Within about 5 miles:** SoFi Stadium, Kia Forum, Intuit Dome, the L.A. Memorial Coliseum, and BMO Stadium
- **Downtown Los Angeles:** just minutes away
- **110 Freeway:** about 1 mile
- **LAX:** a short drive
- **Manhattan Beach and Redondo Beach:** about 30 minutes
- **Transit:** the Metro A Line serves the community through the Slauson, Florence, and Firestone stations. Nearby addresses on E 78th Street are roughly 1 to 1.5 miles from Firestone Station.

With Los Angeles preparing to host the 2028 Olympic Games, with events planned at the Coliseum and across the region, the area's central position in the city's sports and entertainment corridor continues to matter.

NEIGHBORHOOD SNAPSHOT

- Florence-Firestone is known for relatively affordable home prices compared with the rest of Los Angeles, plenty of park space, and a celebrated food scene, including a well-known concentration of birria and Cal-Mex restaurants.
- Public data for the area shows a 12-month median home price of about $630,000 and an average of about $540 per SF, with roughly 1.5 months of supply. At $427 per SF, this income property is priced below the neighborhood's average price per square foot, which includes mostly single-family homes.
- Rent data for the Florence area (ZIP 90001) shows a median 2-bedroom rent of about $2,290 and a median studio rent of about $1,600. The in-place 2-bedroom rents of $2,600 and $2,500 sit at the upper end of the neighborhood range, which reflects the quality of the renovations.
- Area rent listings show ZIP 90001 rents up roughly 33% over five years, though rent sources vary, and buyers should do their own comparable analysis.
- A county planning study of the three Florence-Firestone Metro stations found that the area has a higher share of renters than Los Angeles County overall, supporting steady rental demand.

Ways to Win: Three Ownership Strategies

1. The House-Hack. Live in one unit and rent the other plus the studio. At the seller's rent figures, that is roughly $4,100 to $4,200 per month in rental income to offset your housing cost, while building equity in a Los Angeles property. With VA financing accepted, this may be an especially attractive path for eligible veterans. Buyers should consult a lender about owner-occupant programs for small multifamily properties.

2. The Income Property. Rent everything. Two renovated 2-bed units in place, plus a studio ready to lease, in a turnkey building with low expected near-term capital needs.

3. The Value-Add Play. Lease the studio, re-lease a vacant unit at market rent, and explore ADU legalization or expansion to grow income and long-term value.

Offer Guidelines

- **Showings:** Available only with a pre-accepted offer, by appointment and for qualified buyers. Please do not walk the property or disturb occupants.
- **Forms:** Submit offers on current C.A.R. forms.
- **Include:** DU/LP approval (if applicable), FICO scores, and proof of funds.
- **Services:** Seller to select all services.
- **Delivery:** The seller is willing to negotiate delivery of one vacant unit with the right offer and favorable terms.
- **Possession:** Close of escrow.
- **Condition:** Sold AS-IS, with no warranties or repairs expressed or implied by the seller.
- **Submit offers by email to:** Favio@HomesByFavio.com
- **Subject line:** Property Address | Buyer's Name

Sources

- MLS listing CV26243098 (Cross Property 360 report, printed 11/16/2026)
- Los Angeles Housing Department, Renter Protections and RSO annual increase: housing.lacity.gov/renter-protections-2
- LADBS Information Bulletin P/BC 2026-161, Permitting of Unpermitted Dwelling Unit as ADU/JADU under AB 2533: dbs.lacity.gov
- California ADU law summaries (HCD ADU Handbook as summarized by third parties): autonomous.ai and gocodebook.com
- Homes.com, Florence-Graham neighborhood data: homes.com/local-guide/firestone-park-ca/florence-graham-neighborhood
- Lucid Rents, Florence 90001 rent data: lucidrents.com/CA/Los-Angeles/neighborhood/florence-90001
- Los Angeles County Regional Planning, Florence-Firestone TOD Market Feasibility Study (2020): planning.lacounty.gov

Disclaimer

This Offering Memorandum is provided for informational purposes only. Information is drawn from the seller, the MLS, public records, and third-party sources believed to be reliable, but it has not been independently verified, and no representation or warranty is made as to its accuracy. Broker and broker's agents do not represent or guarantee the accuracy of square footage, bedroom and bathroom count, lot size, dimensions, permits, zoning, development potential, rental income, expenses, or the status of any permitted or unpermitted improvements. Projected and pro forma figures are estimates, not guarantees. The garage studio is currently owner-occupied; income from it is projected. The property is subject to rent control, and the Conservative View in this document uses estimates for taxes and reserves for illustration only. Buyers and their agents are strongly advised to conduct their own independent investigations, including with attorneys, lenders, tax advisors, and the City of Los Angeles, and to verify all information to their satisfaction. The property is sold AS-IS. Equal Housing Opportunity.

Contact

For questions, offer guidance, or to schedule a showing with a pre-accepted offer, please reach out directly.

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