

THE JAMES GROUP | JACOBSON INVESTMENT GROUP

OFFERING MEMORANDUM

5274 Ithaca Ave

Los Angeles, CA 90032 • 9 Unit Apartment Building

LYON STAHL
INVESTMENT REAL ESTATE

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 **JACOBSON**
INVESTMENT GROUP

 **LYON STAHL**
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Section 01

Executive *Summary*

Excellent cash-flowing 9-unit El Sereno apartment asset with meaningful rental upside and long-term value-add potential.

The James Group is pleased to present 5274 Ithaca Ave, a 9 unit apartment offering in the established Eastside neighborhood of El Sereno. Built in 1963, the property has a desirable unit mix including (1) 3 bed / 1 bath, (4) 2 bed / 1 bath, and (4) 1 bed / 1 bath units spread out over 5,439 square feet, and sits on a generous 9,601 square foot LARD1.5 zoned lot. 5274 Ithaca is a value-add opportunity with approximately 22% upside in rents, giving a future investor a clear path to grow income through strategic rent adjustments and targeted unit improvements as tenancies turn. Three units, (1) 1 bed / 1 bath and (2) 2 bed / 1 bath, will be delivered vacant. A new owner can lease them at market rents on day one while collecting strong in place cash flow.

El Sereno sits at the crossroads of LA's Eastside, bordered by South Pasadena, Alhambra, and Lincoln Heights. The property is approximately 2 miles from Cal State LA and just over 3 miles from the USC Health Sciences Campus, home to Keck Hospital of USC. Those two major employers support a deep and steady renter base. Access to the 10 and 710 freeways, the Huntington Drive corridor, and the Metrolink San Bernardino Line at Cal State LA connects tenants to Downtown LA, Pasadena, and the San Gabriel Valley in minutes. Residents also enjoy nearby dining, retail, and green space such as Ascot Hills Park. With a well located building, real rental upside, and vacancies on day one, this is an opportunity to own a generational asset in one of LA's most connected Eastside neighborhoods.

- **Prime El Sereno Location**
- **Significant Rental Upside**
- **Day One Value**
- **Desirable Unit Mix**
- **Generous LARD1.5 Lot**



INVESTMENT SUMMARY

PRICING SUMMARY

PRICE	\$1,495,000
PRICE / UNIT	\$166,111
PRICE / SF	\$274.87
CAP RATE	8.80%
MARKET CAP RATE	11.46%
GRM	7.50
MARKET GRM	6.17

PROPERTY SUMMARY

ADDRESS	5274 Ithaca Ave
APN	5217-018-005
YEAR BUILT	1963
NO. OF UNITS	9
SQUARE FEET	5,439
AVERAGE UNIT SF	604
LOT SIZE	9,601
PARKING	On-site (verify with broker)
ZONING	LARD1.5
UTILITIES	Individually Metered
CONSTRUCTION	Wood-Frame Stucco



INVESTMENT HIGHLIGHTS



Prime El Sereno Location

5274 Ithaca sits approximately 2 miles from Cal State LA and just over 3 miles from the USC Health Sciences Campus, with Downtown LA and Pasadena a short drive away. Together these employment centers create durable rental demand. Access to the 10 and 710 freeways and the Metrolink San Bernardino Line keeps tenants connected across the region.



Significant Rental Upside

Current rents are approximately 22% below pro forma, with a clear path from approximately \$16,602 to \$20,200 in monthly scheduled rent. That gap gives an investor a real opportunity to grow income over time through strategic rent adjustments and targeted unit improvements as tenancies turn.



Day One Value

Three units, (1) 1 bed / 1 bath and (2) 2 bed / 1 bath, will be delivered vacant. An investor can lease them at market rents right away and capture upside from the first day of ownership.



Desirable Unit Mix

The property offers (1) 3 bed / 1 bath, (4) 2 bed / 1 bath, and (4) 1 bed / 1 bath units averaging 604 square feet, formats that attract long-term tenants. The mix appeals to a broad range of renters, from singles and couples to families, which supports stable occupancy.



Generous LARD1.5 Lot

The building sits on a generous 9,601 square foot lot zoned LARD1.5, giving a future owner long-term flexibility. A lot this size is a valuable part of the offering and leaves room to plan future improvements over the hold period.



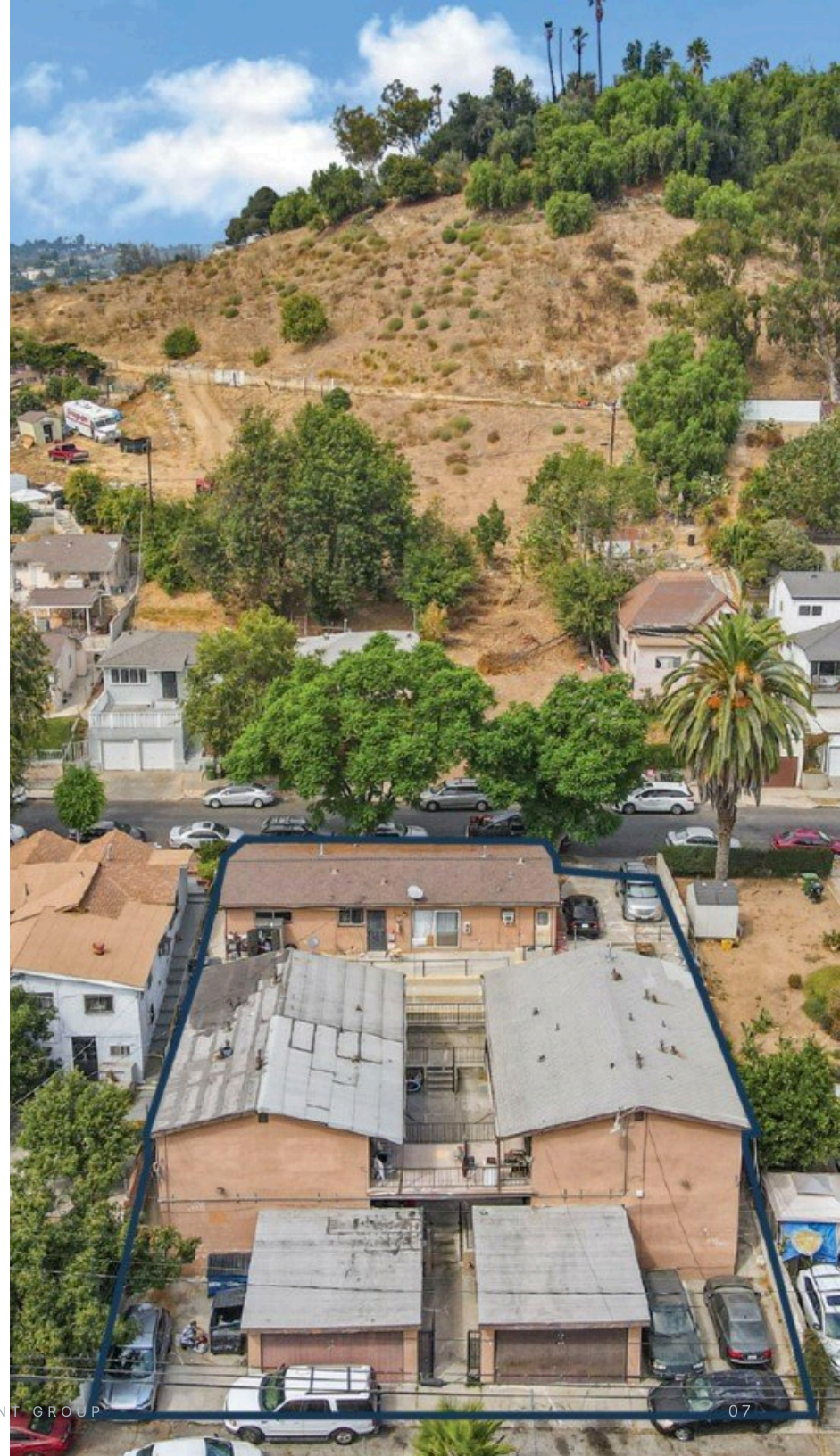
Strong In Place Cash Flow

The property produces strong in place cash flow from day one. Income rises further as the vacant units are leased and rents move toward market.



Attractive Basis

Offered at \$166,111 per unit and \$274.87 per square foot, with an 8.80% current cap rate and a 7.50 GRM.

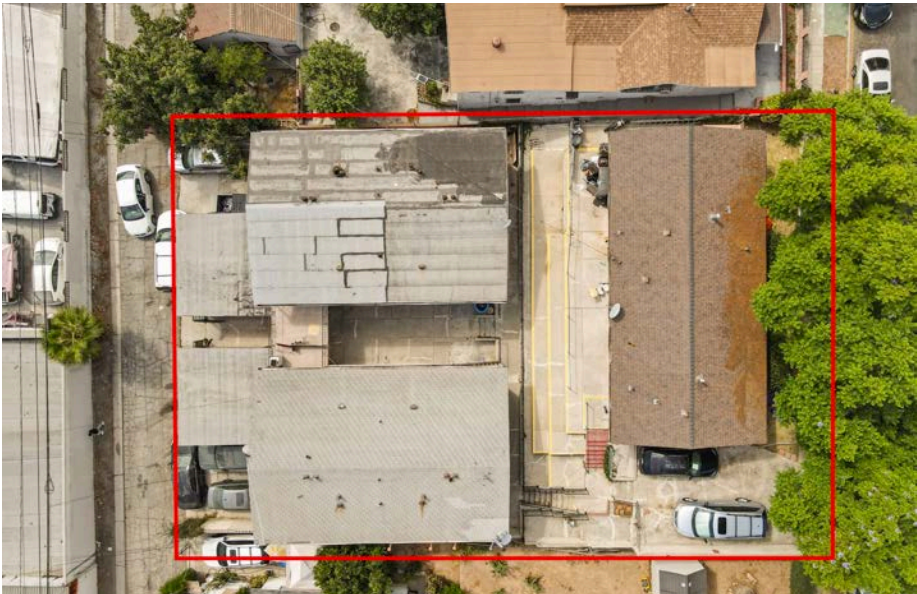




Section 02

Property *Description*

PROPERTY OVERVIEW



5274 Ithaca Ave is a 9 unit apartment property in the El Sereno neighborhood of Los Angeles, addressed as 5274 through 5278 Ithaca Ave. Built in 1963, the property has approximately 5,439 square feet of building area on a 9,601 square foot lot zoned LARD1.5 (APN 5217-018-005). The unit mix is (1) 3 bed / 1 bath, (4) 2 bed / 1 bath, and (4) 1 bed / 1 bath units, averaging approximately 604 square feet per unit. Select units have been renovated with stainless steel appliances, hardwood flooring, recessed lighting, and new cabinetry.

Six of the nine units are currently occupied. Three units, (1) 1 bed / 1 bath and (2) 2 bed / 1 bath, will be delivered vacant. Several long term tenancies are leased well below current market rents. Scheduled rents are approximately \$16,602 per month, and pro forma rents of \$20,200 per month represent approximately 22% upside as units turn. Tenants pay their own electric and gas. The property is subject to the City of Los Angeles Rent Stabilization Ordinance (RSO).

PROPERTY DETAILS

ADDRESS	5274 Ithaca Ave
CITY / STATE	Los Angeles, CA 90032
NO. OF UNITS	9
BUILDING SF	5,439
LOT SIZE	9,601
YEAR BUILT	1963
ZONING	LARD1.5
APN	5217-018-005
CONSTRUCTION	Wood-Frame Stucco
UTILITIES	Individually Metered
OCCUPANCY	33% Vacant
PARKING	On-site (verify with broker)
UNIT MIX	(1) 3 Bed / 1 Bath (4) 2 Bed / 1 Bath (4) 1 Bed / 1 Bath



PROPERTY PHOTOS



PROPERTY PHOTOS









Section 03

Financial *Summary*

RENT ROLL

UNIT	UNIT TYPE	UNIT SF	CURRENT RENT	RENT / SF	PROFORMA RENT	PF RENT / SF	COMMENT
5274	3 Bed / 1 Bath	1,139	\$1,930	\$1.69	\$2,800	\$2.46	
5276-1	2 Bed / 1 Bath	537	\$1,920	\$3.58	\$2,500	\$4.66	Hacla
5276-2	1 Bed / 1 Bath	537	\$1,084	\$2.02	\$1,850	\$3.45	
5276-3	1 Bed / 1 Bath	537	\$1,850	\$3.45	\$1,850	\$3.45	Vacant
5276-4	1 Bed / 1 Bath	537	\$967	\$1.80	\$1,850	\$3.45	
5278-5	2 Bed / 1 Bath	537	\$2,000	\$3.72	\$2,500	\$4.66	
5278-6	2 Bed / 1 Bath	537	\$2,500	\$4.66	\$2,500	\$4.66	Vacant
5278-7	2 Bed / 1 Bath	537	\$2,500	\$4.66	\$2,500	\$4.66	Vacant
5278-8	1 Bed / 1 Bath	537	\$1,850	\$3.45	\$1,850	\$3.45	Subpat2
Totals		5,435	\$16,602		\$20,200		



UNIT MIX

3 Bed / 1 Bath 11%

2 Bed / 1 Bath 44%

1 Bed / 1 Bath 44%

NOTE Units 3, 6, 7 are currently vacant

INCOME & EXPENSE

Income	Current	Per Unit	Pro-Forma	Per Unit
Scheduled Rent Income	\$199,225	\$22,136	\$242,400	\$26,933
RSO/SCEP Income	\$475	\$53	\$475	\$53
GROSS POTENTIAL INCOME	\$199,700	\$22,189	\$242,875	\$26,986
Vacancy/Collection Allowance (GPR)	3.0% / \$5,991	\$666	3.0% / \$7,286	\$810
EFFECTIVE GROSS INCOME	\$193,709	\$21,523	\$235,589	\$26,177
Expenses				
Taxes (1.25%)	\$18,688	\$2,076	\$18,688	\$2,076
Insurance	\$6,449	\$717	\$6,449	\$717
Utilities	\$13,579	\$1,509	\$13,579	\$1,509
Repairs & Maintenance (\$750/unit)	\$6,750	\$750	\$6,750	\$750
Gardener (\$100/month)	\$1,200	\$133	\$1,200	\$133
Reserves (\$200/unit)	\$1,800	\$200	\$1,800	\$200
Trash	\$3,986	\$443	\$3,986	\$443
Management Fee (5.0% of EGI)	\$9,685	\$1,076	\$11,779	\$1,309
TOTAL EXPENSES	\$62,137		\$64,231	
Expenses Per SF	\$11.42		\$11.81	
Expenses Per Unit	\$6,904		\$7,137	
% Of EGI	32.1%		27.3%	
NET OPERATING INCOME	\$131,572		\$171,358	

UNDERWRITING NOTES

Income	Proforma market rents are based on a comparable rental analysis of the submarket.
Taxes	Estimated at 1.25% of purchase price.
Utilities	Based on actuals provided by ownership.
Gardener	Estimated at \$100 per month.

Vacancy	Underwritten at 3.0% of gross potential income.
Insurance	Based on actuals provided by ownership.
Repairs & Maintenance	Estimated at \$750 per unit annually.
Reserves	Estimated at \$200 per unit annually.

Income

	SCHEDULED	POTENTIAL	PER UNIT	PER SF
Base Rental Income	\$199,225	\$242,400	\$22,136	\$36.63
Other Income	\$475	\$475	\$53	\$0.09
Gross Potential Income	\$199,700	\$242,875	\$22,189	\$36.72
Less Vacancy	3.0% (5,991)	3.0% (7,286)	(666)	—
EFFECTIVE GROSS INCOME	\$193,709	\$235,589	\$21,523	\$35.61

Expenses

	SCHEDULED	POTENTIAL	PER UNIT	PER SF
Taxes (1.25%)	\$18,688	\$18,688	\$2,076	\$3.44
Insurance	\$6,449	\$6,449	\$717	\$1.19
Utilities	\$13,579	\$13,579	\$1,509	\$2.50
Repairs & Maintenance (\$750/unit)	\$6,750	\$6,750	\$750	\$1.24
Gardener (\$100/month)	\$1,200	\$1,200	\$133	\$0.22
Reserves (\$200/unit)	\$1,800	\$1,800	\$200	\$0.33
Trash	\$3,986	\$3,986	\$443	\$0.73
Management Fee (5.0% of EGI)	\$9,685	\$11,779	\$1,076	\$1.78
TOTAL EXPENSES	\$62,137	\$64,231	\$6,904	\$11.42
EXPENSES AS % OF EGI	32.1%	27.3%		
NET OPERATING INCOME	\$131,572	\$171,358	\$14,619	\$24.19

Summary

Price	\$1,495,000
Down Payment 30%	\$448,500
Number of Units	9
Price Per Unit	\$166,111
Price Per SqFt	\$274.87
Gross SqFt	5,439
Lot Size	9,601 SF
Year Built	1963
CAP Rate	8.80%
Market CAP Rate	11.46%
GRM	7.50
Market GRM	6.17

New Potential Financing

Loan Amount	\$1,046,500
Loan Type	New
Interest Rate	6.50%
Amortization	30 Years
Debt Coverage Ratio	1.66
Year Due	2036

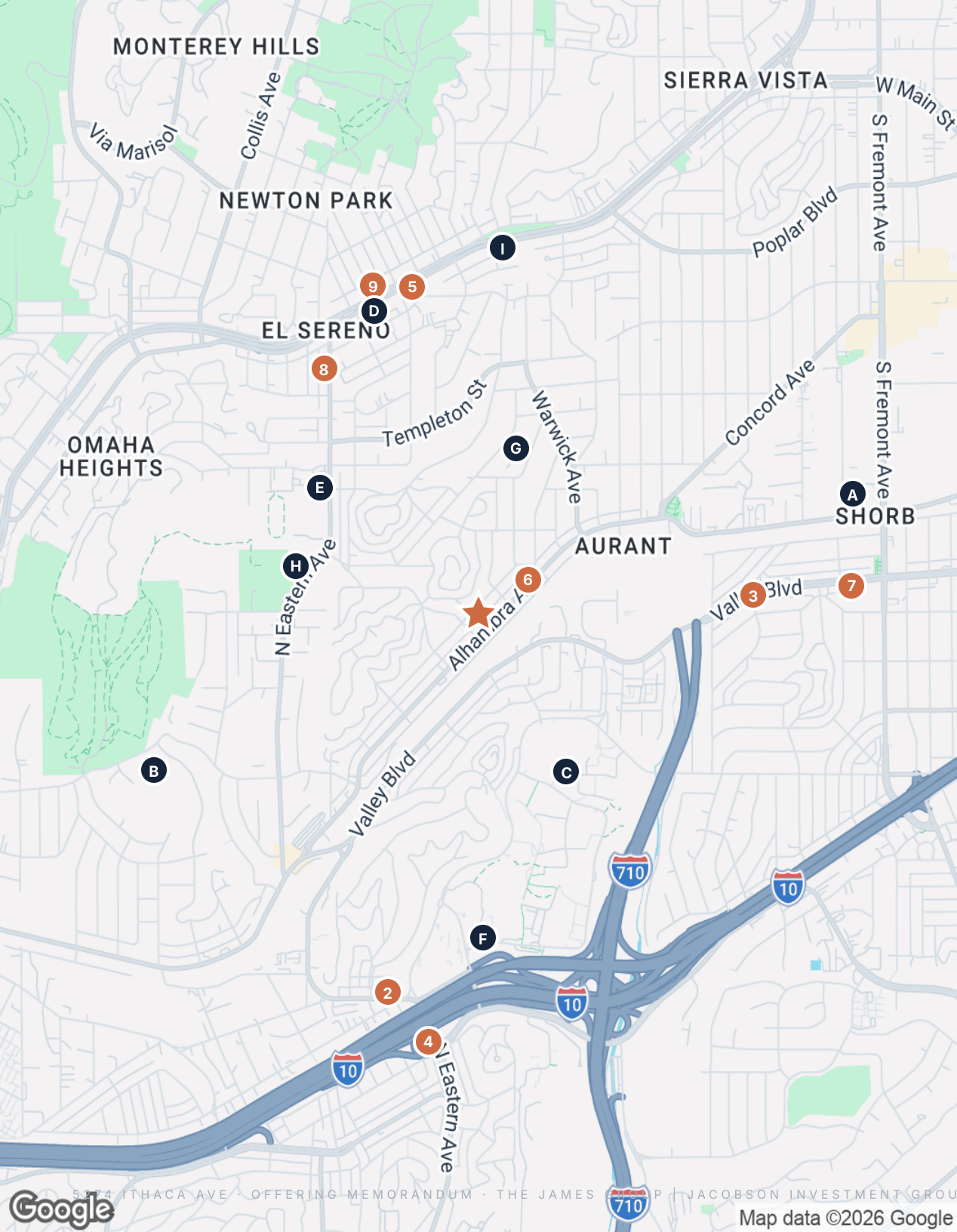
Loan information may change. Contact your broker for current quotes.

			SCHEDULED RENTS			POTENTIAL RENTS		
UNIT TYPE	# OF UNITS	AVG SF	AVG RENT/UNIT	AVG RENT/SF	MONTHLY INCOME	AVG RENT/UNIT	AVG RENT/SF	MONTHLY INCOME
3 Bed / 1 Bath	1	1,139	\$1,930	\$1.69	\$1,930	\$2,800	\$2.46	\$2,800
2 Bed / 1 Bath	4	537	\$2,230	\$4.15	\$8,920	\$2,500	\$4.66	\$10,000
1 Bed / 1 Bath	4	537	\$1,438	\$2.68	\$5,752	\$1,850	\$3.45	\$7,400
TOTALS / WEIGHTED AVERAGES	9	604	\$1,845	\$3.05	\$16,602	\$2,244	\$3.72	\$20,200
GROSS ANNUALIZED RENTS					\$199,225	\$242,400		



Section 04

Market *Overview*



AREA AMENITIES

Surrounding Amenities

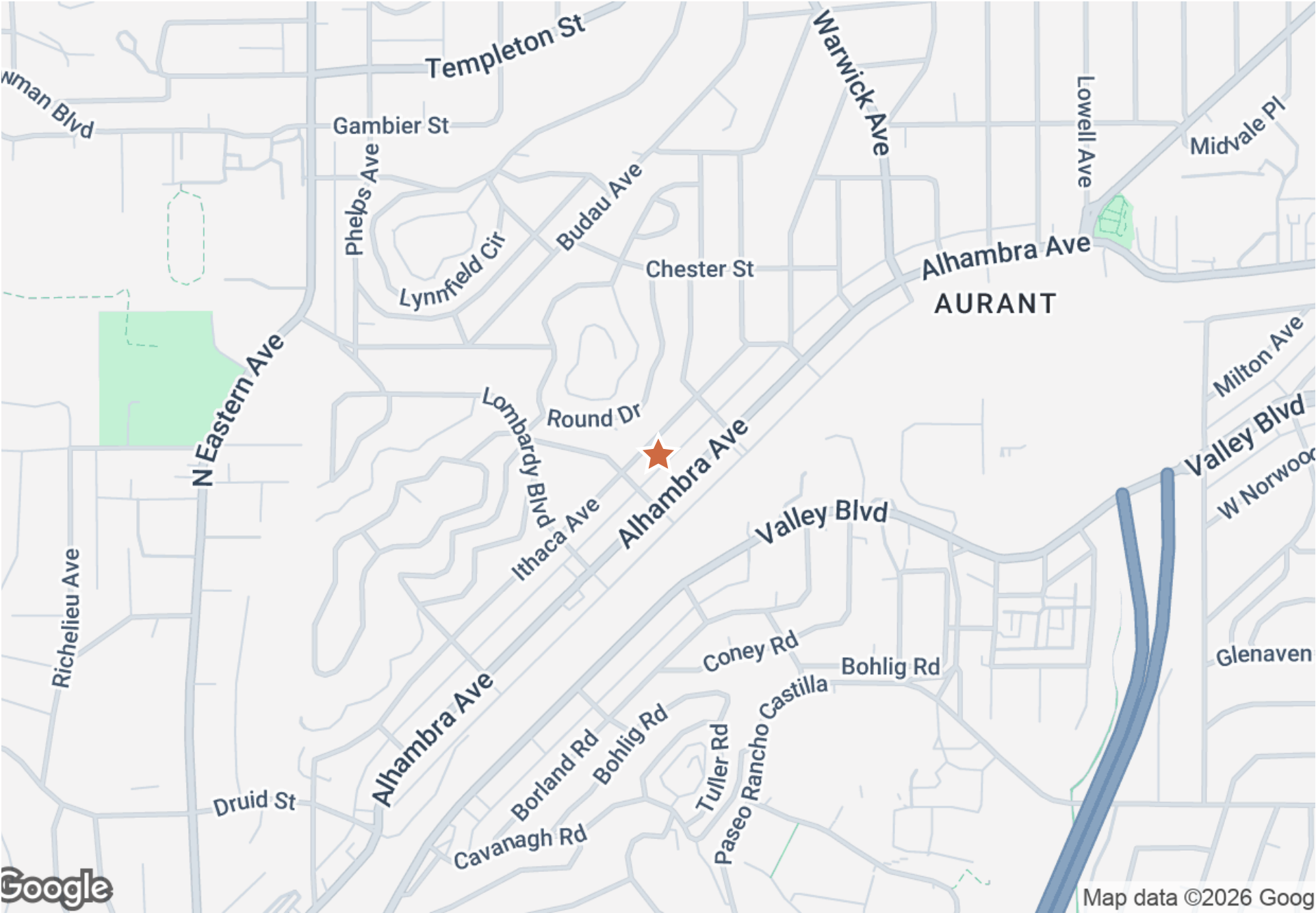
★ SUBJECT PROPERTY

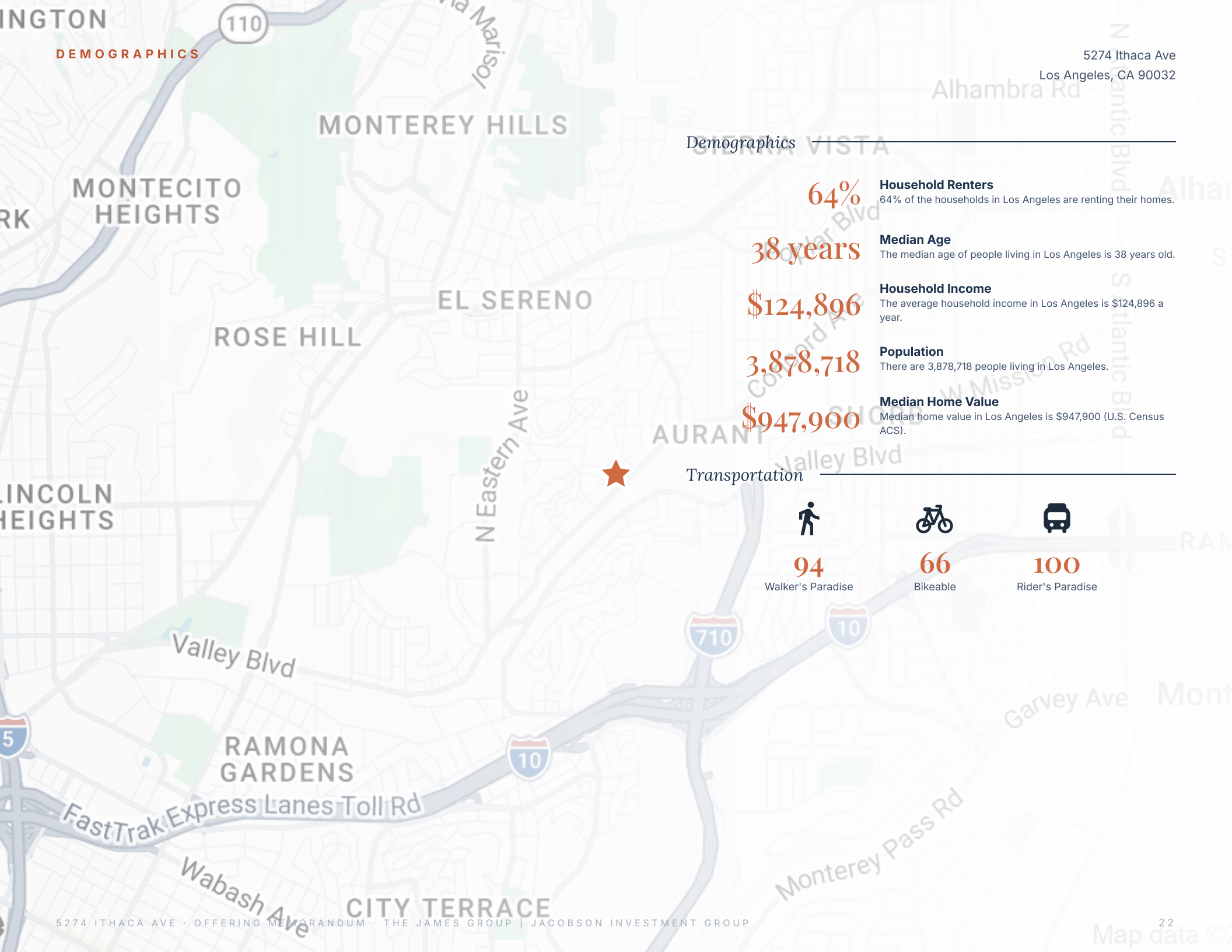
DINING & COFFEE

1	Food 4 Less	0.8 mi	6	Holy Grounds Coffee and Tea	0.2 mi
2	Tierra Mia Coffee	1.0 mi	7	Hengry	1.0 mi
3	Aloha Food Factory	0.7 mi	8	Evil Cooks	0.8 mi
4	McDonald's	1.1 mi	9	McDonald's	0.9 mi
5	Hecho en Mexico	0.9 mi			

SHOPPING & SERVICES

A	Kohl's	1.1 mi	F	Alliance Marc & Eva Stern Math and Science School	0.8 mi
B	Woodrow Wilson Senior High School	1.0 mi	G	Sierra Park Elementary School	0.4 mi
C	LACHSA (Los Angeles County High School for the Arts)	0.5 mi	H	Farmdale Elementary	0.5 mi
D	Food 4 Less	0.8 mi	I	Big Saver Foods	0.9 mi
E	El Sereno Middle School	0.5 mi			





DEMOGRAPHICS

5274 Ithaca Ave
Los Angeles, CA 90032

Demographics

64%

Household Renters
64% of the households in Los Angeles are renting their homes.

38 years

Median Age
The median age of people living in Los Angeles is 38 years old.

\$124,896

Household Income
The average household income in Los Angeles is \$124,896 a year.

3,878,718

Population
There are 3,878,718 people living in Los Angeles.

\$947,900

Median Home Value
Median home value in Los Angeles is \$947,900 (U.S. Census ACS).

Transportation



94

Walker's Paradise



66

Bikeable



100

Rider's Paradise

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