11628 Freeman Ave

HAWTHORNE, CA 90250

OFFERING MEMORANDUM

8 Unit Apartment Building

THE JAMES GROUP

LYON STAHL
INVESTMENT REAL ESTATE

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The Property owner ("Owner") expressly reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, and/or to terminate discussions at any time with or without notice. The Owner shall have no legal commitment or obligation unless and until written agreement(s) have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

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INVESTMENT OVERVIEW

Pricing Details

Offering Price	$2,350,000
Price/Unit	$293,750
Price/SF	$380.63
Current GRM	15.04
Current Cap Rate	4.16%
Market GRM	11.80
Market Cap Rate	5.69%

Property Details

No. of Units	8
Year Built	1987
Rentable SF	6,174
Lot Area	6,950
APN	4047-012-004
Zoning	HAR3YY
Rent Control	AB 1482

Proposed Financing

Loan Amount	$1,025,000
Loan Type	Conventional
Interest Rate	5.60%
Amortization	30 Years
Loan Term	5 Year
Debt Coverage Ratio	1.20
Monthly Payment	$5,884.33

EXECUTIVE SUMMARY

We are pleased to present this 8 unit offering located in an excellent North Hawthorne location in close proximity to major thoroughfares, and major South Bay employment hubs. The building has a unit mix of (4) 1 Bed/1 Bath/Den, (2) 1 Bed/1 Bath and (2) 2 Bed/2 Bath Units. The subject property consists of 6,174 square feet and sits on a 6,950 square foot lot zoned HAR3YY. The building was built in 1987 and features 12 individual parking spaces. There is also a vacant garage that can be rented for additional income. The roof was redone in 2019. The exterior has excellent curb appeal as the building and landscaping have been well maintained.

A future investor will benefit from an excellent location just South of Imperial, East of Hawthorne and West of Prairie. With its close proximity to major employers and business hubs near LAX and El Segundo, the building is centrally located and ideal for prospective renters. Its location benefits from amenities along Hawthorne Blvd and is just a quick drive to major entertainment and dining centers in Manhattan, Hermosa, and Redondo Beach

PROPERTY HIGHLIGHTS

Excellent Unit Mix Consisting of (4) 1 Bed/1 Bath/Den, (2) 1 Bed/1 Bath and (2) 2 Bed/2 Bath Units. Some units include Fireplaces and Balconies

Great Curb Appeal with **Well Maintained Building and Landscaping**

Ample Parking with 12 Spaces for Tenants and 1 Vacant Garage

6,950 Square Foot Lot **Zoned HAR3YY**

Built in 1987

Great Location in Close Proximity to Business Hubs, Dining, and Entertainment of Manhattan, Hermosa, and Redondo Beach

Subject to Statewide Rent Control AB 1482

New Roof in 2019

Building has **Secure Entry**

PROPERTY PHOTOS

PROPERTY PHOTOS

PROPERTY PHOTOS

RENT ROLL

Unit	Unit Type	Unit SF	Current	Market	Comments
1	2 Bed / 2 Bath	917	$1,875	$2,400	
2	1 Bed / 1 Bath / Den	735	$1,495	$2,000	Fireplace
3	1 Bed / 1 Bath / Den	735	$1,575	$2,000	Fireplace
4	1 Bed / 1 Bath	700	$1,535	$1,900	
5	2 Bed / 2 Bath	917	$1,775	$2,400	
6	1 Bed / 1 Bath / Den	735	$1,625	$2,000	Fireplace
7	1 Bed / 1 Bath / Den	735	$1,625	$2,000	Fireplace
8	1 Bed / 1 Bath	700	$1,515	$1,900	
Total			**$13,020**	**$16,600**	

RENT ROLL SUMMARY

No. of Units	Unit Mix	Current Avg	Total	Market Avg	Total
2	2 Bed/2 Bath	$1,825	$3,650	$2,400	$4,800
2	1 Bed/1 Bath	$1,525	$3,050	$1,900	$3,800
4	1 Bed/1 Bath/Den	$1,580	$6,320	$2,000	$8,000
TOTAL SCHEDULED RENT			**$13,020**		**$16,600**

ANNUALIZED OPERATING DATA

Price: $2,350,000

Price / Unit: $293,750
Price / SF: $380.63

	Current	Market
CAP Rate	4.16%	5.69%
GRM	15.04	11.80

ANNUALIZED OPERATING DATA

Base Rental Income		**$156,240**		**$199,200**
Garage Income		$3,000		$3,000
Laundry Income		$1,200		$1,200
Gross Potential Income		$160,440		$203,400
Vacancy Allowance	3.00%	$4,813	5.00%	$10,170
Effective Gross Income ("EGI")		$155,627		$193,230
Operating Expenses	37%	$57,961	31%	$59,465
Net Operating Income		$97,666		$133,765
Debt Service		-$70,612		-$70,612
Pre-Tax Cash Flow	2.04%	$27,054	4.77%	$63,153
Principal Reduction		-$13,556		-$13,556
Total Return Before Taxes	3.06%	$40,610	5.79%	$76,709

ANNUALIZED EXPENSES

Taxes (1.227896%)	$28,856	$28,856
Insurance (Estimated)	$3,229	$3,229
Utilities(Estimated)	$6,393	$6,393
Repairs & Maintenance (Estimated)	$4,000	$4,000
Trash	$4,393	$4,393
Gardener ($100/month)	$1,200	$1,200
Reserves ($200/Unit)	$1,600	$1,600
Direct Assessment	$2,066	$2,066
Management Fee (4.0%)	$6,225	$7,729
Operating Expenses	**$57,961**	**$59,465**
Total Expenses per Unit:	$7,245	$7,433
Total Expenses per Sq. Ft.:	$9.39	$9.63

UNDERWRITING NOTES

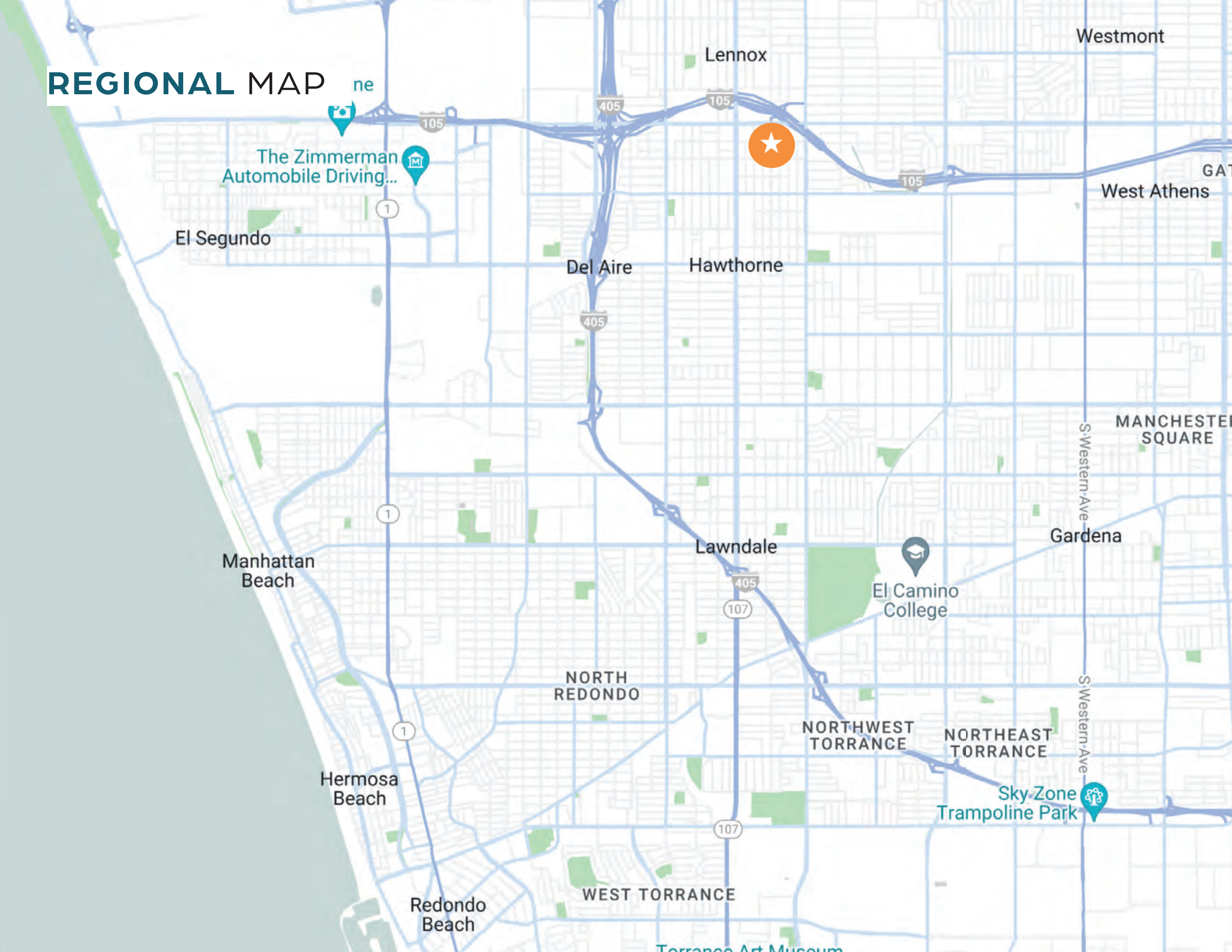
INCOME

Income	Building is 100% occupied with in place rents
Laundry Income	Estimated at $100/mo
Vacancy	Vacancy Rate used is 3% of Gross Rental Income
Proforma	Market Rents based on Rent Analysis of Submarket Area
Unit SF	Unit Square Footages are Estimated

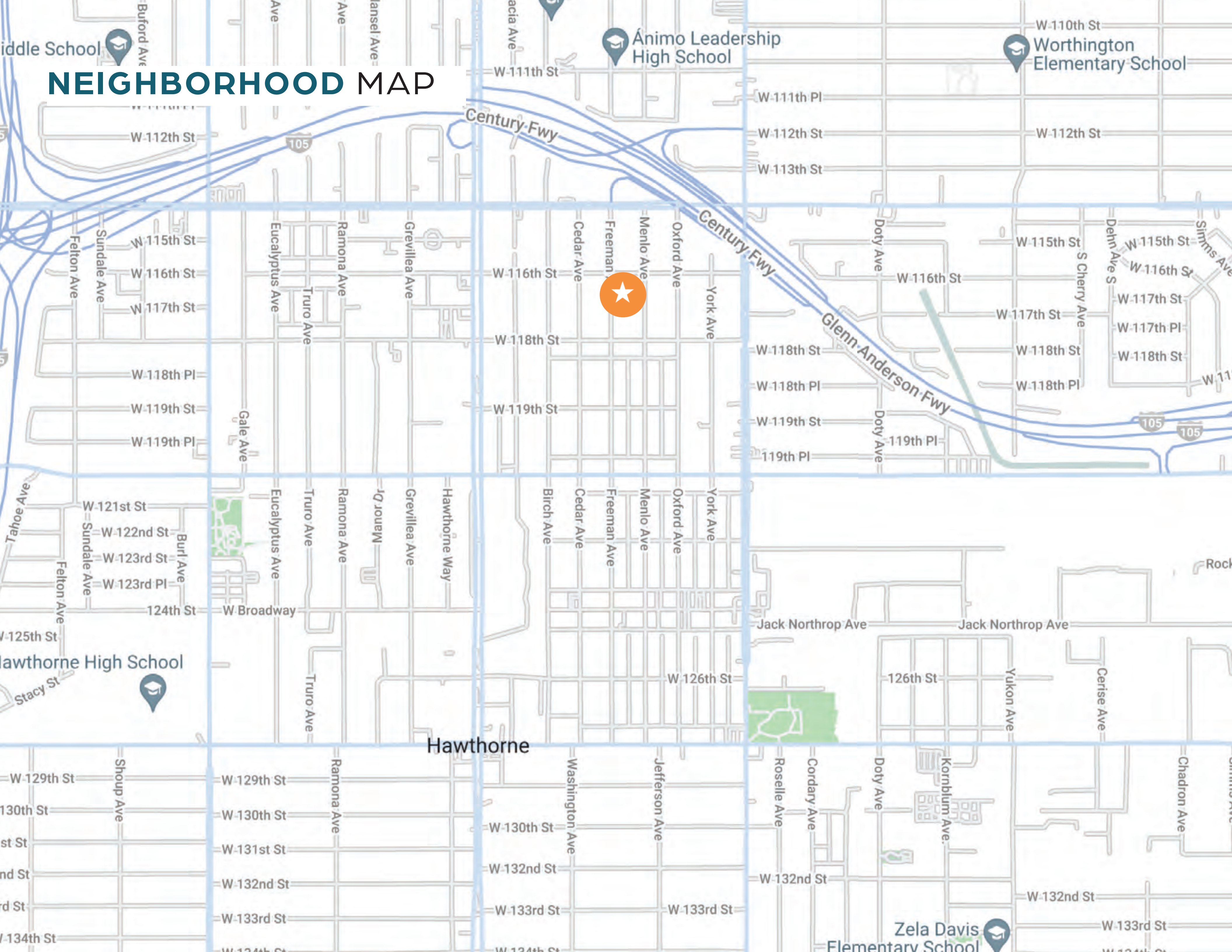
EXPENSES

Property Tax Rate	Actual per Los Angeles Tax Assessor 1.227986%
Insurance	Based on YTD P&L
Utilities	Estimated Based on YTD P&L
Repairs & Maintenance	Estimated annually $500 perunit
Management Fee	Calculated using 4% of Gross Operating Income
Direct Assessments	Actual per Los Angeles Tax Assessor
Trash	Actual
Gardener	$100/Month
Reserves	$200/Unit

REGIONAL MAP



NEIGHBORHOOD MAP



HAWTHORNE

is located in the Southbay to the east of El Segundo with Manhattan Beach at the southwest corner and Westchester at the Northwest. The 105 Freeway runs along the northern boundary, the 405 running along the western boundary. Founded in 1905 as the “Hawthorne Improvement Company”, the city now has a population of 88,083 as of a 2020 census. The city is situated close to LAX and is connected by rail to Los Angeles’s port. Hawthorne provides easy access to all Southern California and offers various sports, entertainment, beaches and more. It’s close proximity to major employers, such as SpaceX, Tesla, Northrop Grumman, Lockheed Martin, and Millennium Space Systems put Hawthorne in a path of growth and make it attractive to renters and homeowners. Major developments such as Sofi Stadium have recently been built in the surrounding area adding to the many amenities Hawthorne has to offer. With the addition of the Hollywood park mega development that will add 890,000 square feet of retail space to the area, the area will continue on its growth path for years to come.

TOPGOLF

EL TORITO
MEXICAN RESTAURANT

SPACEX

TESLA

MILLENNIUM SPACE SYSTEMS
A Boeing Company

Retailers & Shopping
- Costco
- Target
- Ralphs
- WholeFoods
- Hawthorne Plaza

Dining & Entertainment
- Coni’s Seafood
- Kenny’s Q Bar-B-Q
- Azucanela
- Common Space Brewery
- Oh My Burger
- Bossa Nova
- El Torito
- Hummus House
- Far Field Beer Co.
- Rooftop Cinema Club
- Top Golf

Employers
- Lockheed Martin
- Northrop Grumman
- SpaceX
- Millennium Space Systems
- LAX
- SOFI Stadium
- Tesla

Schools
- Eucalyptus Elementary School
- Hawthorne Middle School
- Hawthorne High School
- Los Angeles Southwest College

WILL JAMES

First Vice President

Will James joins Lyon Stahl as First Vice President with a focus in multi-family investments throughout Los Angeles. Leveraging over 15 years of brokerage experience, Will has allowed his clients to achieve their real estate goals through a range of consulting services emphasizing market knowledge and integrity. Will prides himself on being involved in every part of the transaction from underwriting, marketing, and has excelled in leading his clients through the exchange process. A believer in hard work and commitment to his client's goals, Will has developed a reputation as a top multifamily broker in Los Angeles.

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PETER JAMES

First Vice President

Peter James specializes in Multifamily investment sales in Southern California with an emphasis on the West Los Angeles markets. Peter began his career in 2007 and since then has assisted clients in the acquisition and disposition of multifamily assets throughout Los Angeles County. He has developed a unique understanding of the core Westside apartment market and how to best represent apartment owners, resulting in maximum value and return on investment for his clients. Peter has also been successful in completing numerous 1031 exchanges for clients into various forms of passive real estate investments across the country.

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