

725 E Artesia Blvd
Long Beach, CA 90805

Offering Memorandum
Mixed-Use Opportunity

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Section 1

The Opportunity

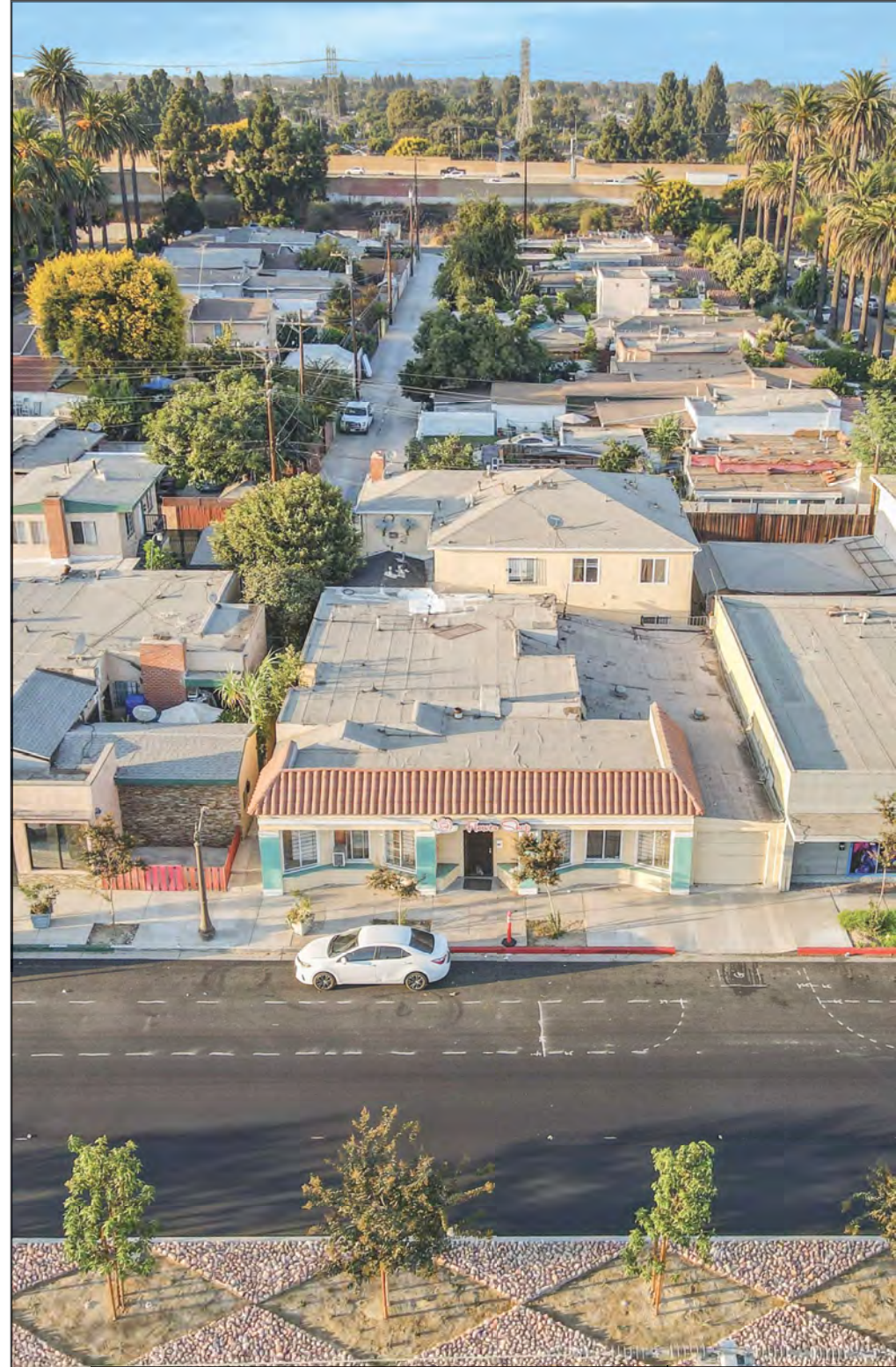
EXECUTIVE SUMMARY

Part of an 11 Building Portfolio! 725 E Artesia is a mixed use offering with excellent cash flow on a major thoroughfare in Long Beach.

Part of an 11 Building Portfolio! Can be sold individually or as a portfolio. 725 E. Artesia Blvd is a mixed use offering in Long Beach on a major thoroughfare that offers excellent in place cash flow with apartments behind storefront retail. The offering is located in the Long Beach submarket of LA County, which has experienced tremendous growth over recent years. The subject property boasts an excellent unit mix of (1) 2 Bed/1 Bath, (2) 1 Bed/1 Bath, and (2) 3 Bed/1 Bath units along with a storefront retail unit with frontage along Artesia Blvd.

Highlights:

- Great immediate cash flow opportunity with excellent cash on cash return on day one
- Great unit mix consisting of (1) 2 Bed/1 Bath, (2) 1 Bed/1 Bath, and (2) 3 Bed/1 Bath units and a storefront retail unit.
- Unique mixed use offering with good frontage on a major thoroughfare.
- Located in Long Beach, a city that has experienced excellent growth and has become a major destination for dining, entertainment and nightlife.





Section 2

The Property

PROPERTY OVERVIEW



PROPERTY DETAILS

No. of Units	5 + Retail Storefront
Year Built	1960
Rentable SF	5,522
Lot Area	5,853
APN	7115-004-003
Zoning	LBCCA
Roof Type	Pitched/Flat
Unit Mix	(1) 2 Bed/1 Bath (2) 1 Bed/1 Bath (2) 3 Bed/1 Bath (1) Retail Unit
Utilities	Separately Metered

PROPERTY DESCRIPTION

The subject property is a 5 unit + Retail building located in Long Beach, South of the 91 freeway and east of the 710 on Artesia Blvd. The two story structure is wood frame stucco. The zoning for the lot is LBCCA. The building was built in 1960 and consists of (1) 2 Bed/1 Bath, (2) 1 Bed/1 Bath, (2) 3 Bed/1 Bath and a retail storefront unit that has frontage along Artesia Blvd. There is an alley in the rear of the property with parking.

PARCEL MAP

SCALE 1" = 80'

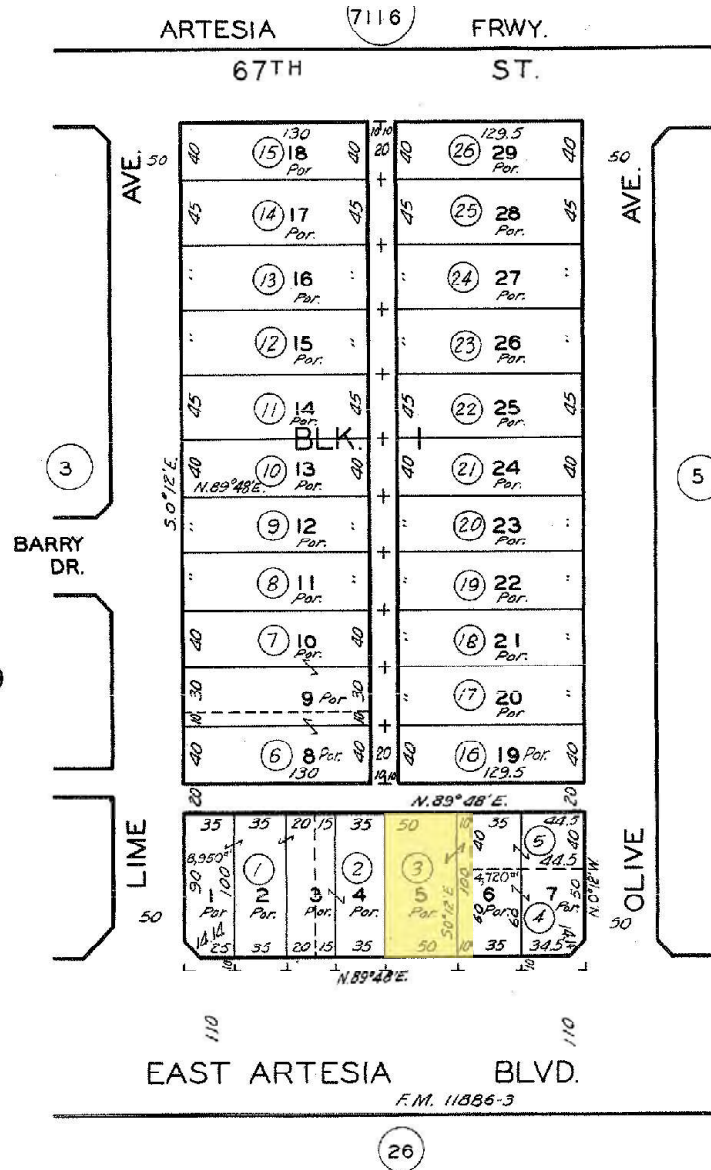
1997



TRACT NO. 7549
M.B. 83-24-25

CODE
4992

FOR PREV. ASSM'T. SEE:
7116-15



ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

PROPERTY PHOTOS





PROPERTY PHOTOS



725 E. Artesia Blvd



Section 3

The Financials

RENT ROLL

Unit No.	Unit Type	Unit SF	Monthly Rent	Rent/SF	PF Rent	PF Rent/SF	Comments
1A	1 Bed / 1 Bath	450	\$1,030	\$2.29	\$2,407	\$5.35	
2B	1 Bed / 1 Bath	450	\$1,747	\$3.88	\$2,407	\$5.35	
3C	3 Bed / 1 Bath	700	\$3,602	\$5.15	\$3,602	\$5.15	
4D	3 Bed / 1 Bath	700	\$2,888	\$4.13	\$3,602	\$5.15	
5E	2 Bed / 1 Bath	500	\$2,222	\$4.44	\$3,052	\$6.10	
Com	Com	2,700	\$1,236	\$0.46	\$3,465	\$1.28	
TOTAL		5,500	\$12,725		\$18,535		

FINANCIAL SUMMARY

Price \$1,250,000

Down (25%)	\$312,500
Price/Unit	\$208,333
Price/SF	\$226
Cap Rate	8.27%
Proforma Cap Rate	13.07%
GRM	8.19
Proforma GRM	5.62

Property

Address	725 E Artesia Blvd
City	Long Beach
State	CA
Zip	90805
No. of Units	6
Net Rentable Sq. Ft.	5,522
Lot Size	5,853
Zoning	LBCCA
APN	7115-004-003
Year Built	1960

Financing

Loan Amount	\$937,500
Interest Rate	5.75%
Monthly Payment	(\$5,471)
Loan-to-Value	75%
Debt Cover Ratio	30
Term	5 Year Fixed

Operating Data

		Current		Proforma
Base Rental Income		\$152,700		\$222,420
Gross Potential Income		\$152,700		\$222,420
Less Vacancy	3%	\$4,581	5%	\$11,121
Effective Gross Income		\$148,119		\$211,299
Operating Expenses	30%	\$44,754	23%	\$47,913
Net Operating Income		\$103,365		\$163,386
Debt Service		-\$65,652		-\$65,652
Pre-Tax Cash Flow	12.07%	\$37,713	31.27%	\$97,734
Principal Reduction		-\$12,060		-\$12,060
Total Return Before Taxes	15.93%	\$49,773	35.13%	\$109,794

Expenses

Taxes (1.224279%)	\$15,553	\$15,553
Insurance (\$1.25/sf)	\$6,903	\$6,903
Utilities(T-12)	\$6,480	\$6,480
Repairs & Maintenance (\$650/mo)	\$3,900	\$3,900
Gardener (\$100/month)	\$1,200	\$1,200
Reserves(\$200/month)	\$1,200	\$1,200
Direct Assessment	\$2,112	\$2,112
Management Fee (5.0%)	\$7,406	\$10,565
Operating Expenses	\$44,754	\$47,913
Total Expenses per Unit	\$7,459	\$7,986
Total Expenses per square foot	\$8	\$9

Rent Roll Summary

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
2 Bed / 1 Bath	1	\$2,222	\$2,222	\$3,052	\$3,052
1 Bed / 1 Bath	2	\$1,389	\$2,777	\$2,407	\$4,814
3 Bed / 1 Bath	2	\$3,245	\$6,490	\$3,602	\$7,204
Com	1	\$1,236	\$1,236	\$3,465	\$3,465

SECTION 8 VOUCHER STANDARDS

Bedroom Size	Voucher Payment Standard
SRO	\$1,598
0	\$2,132
1	\$2,407
2	\$3,052
3	\$3,915
4	\$4,320
5	\$4,968
6	\$5,616

Voucher Payment Standards (VPS)

The Section 8 Department Voucher Payment Standard is the most the Housing Authority can pay to help a family with rent. The family's voucher will show the number of bedrooms authorized by the Housing Authority, based on the number of persons in the family.

The Housing Authority establishes Voucher Payment Standards (VPS) based on the Fair Market Rents, (FMR), which are established at least annually by the U.S. Department of Housing and Urban Development (HUD). The VPS is the maximum subsidy the Housing Authority can provide toward the contract rent (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant). If the contract rent (rent plus utility allowance) is more than the VPS, the family must make up the difference out of its own pocket.

The Housing Authority must use the SMALLER of the number of bedrooms in the rental unit or the number of bedrooms on the voucher to determine the VPS. For example, if a family locates a two-bedroom unit with a three-bedroom voucher, the two bedroom VPS must be used to calculate the tenant portion of the rent.

The following chart depicts the VPS for the Housing Authority of the City of Los Angeles (HACLA).



UNDERWRITING NOTES

INCOME

Income	Building is 100% occupied.
Vacancy	Vacancy Rate 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	1.224279%
Insurance	Estimated \$1.25/sf
Utilities	Actual T12
Repairs & Maintenance	Estimated annually \$650 per unit
Management Fee	5% of Effective Gross Income.
Gardener	\$100/month
Reserves	\$200 per unit



Section 4

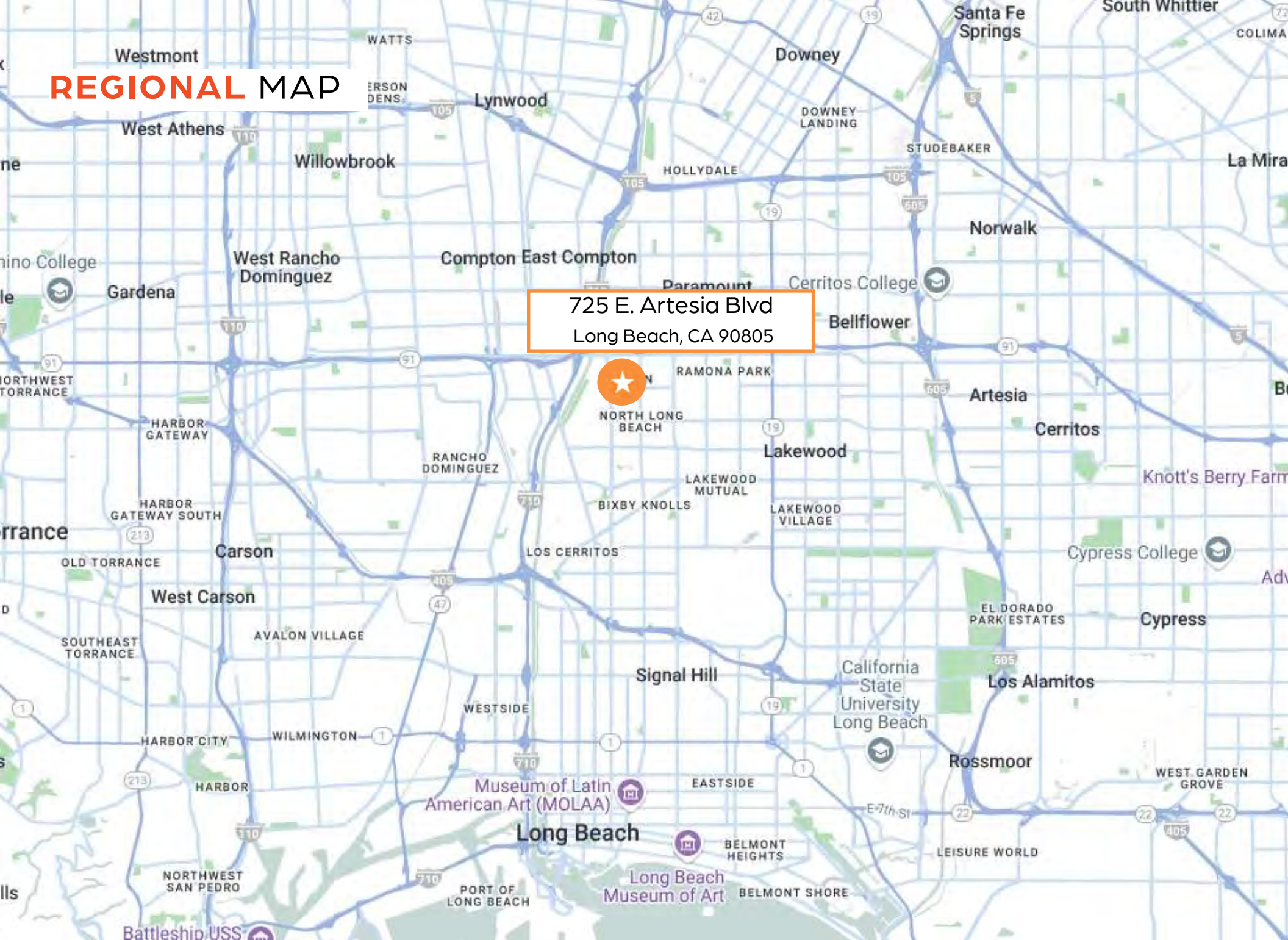
The Location

LONG BEACH

Long Beach, CA, is a vibrant coastal city that offers the perfect blend of urban convenience, cultural diversity, and laid-back beach living. Strategically located between Los Angeles and Orange County, the city provides easy access to major freeways, public transit, and the Long Beach Airport, making it an ideal spot for commuters and travelers alike. Known for its iconic waterfront attractions like the Aquarium of the Pacific and the historic Queen Mary, Long Beach also boasts a bustling downtown, scenic Shoreline Village, and the popular Pike Outlets, offering residents and visitors plenty of shopping, dining, and entertainment options. The city is home to diverse neighborhoods, including the charming Belmont Shore, peaceful Bixby Knolls, and the lively arts district, each with its own unique character. Outdoor enthusiasts can enjoy miles of beaches, parks, and bike paths, while the 7-mile coastal trail is perfect for jogging or cycling along the Pacific. Long Beach is also known for its strong education system, with the Long Beach Unified School District and California State University, Long Beach (CSULB) both recognized for excellence. Its inclusive community is celebrated through numerous cultural events and festivals, such as the annual Long Beach Pride Parade. Whether you're seeking a luxury waterfront condo, a historic craftsman home, or a modern apartment, the city offers a variety of housing options for every lifestyle and budget. With its temperate weather, thriving job market, vibrant arts scene, and welcoming community, Long Beach delivers an unmatched quality of life, making it one of Southern California's most desirable places to call home.



REGIONAL MAP



NEIGHBORHOOD MAP

725 E. Artesia Blvd
Long Beach, CA 90805



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