

7408 Elsie St
Los Angeles, CA 90001

Offering Memorandum
5 Unit Apartment Building

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Section 1

The Opportunity

EXECUTIVE SUMMARY

Part of an 11 Building Portfolio! 7408 Elsie is a unique 5 unit apartment offering that offers an investor great in place cash flow with the ability to add value.

Part of an 11 Building Portfolio! Can be sold individually or as a portfolio. 7408 Elsie St is a cash flow opportunity for an investor with the potential to add ADU's in the rear. The building has a unit mix consisting of (4) Single / 1 Bath and (1) 2 Bed / 1 Bath unit. The building sits on a 4,718 square foot lot zoned LCR3 and was built in 1926.

Highlights:

- Great immediate cash flow opportunity with excellent cash on cash return on day one
- Unit mix consisting of (4) Single / 1 Bath and (1) 2 Bed / 1 Bath Units spread out over 1,264 square feet on a 4,718 square foot lot that is zoned LCR3
- ADU potential with large open space is the rear of the lot. Buyer to verify.
- Strategically located in an area that has seen growth and is located in close proximity to the major business hubs of Los Angeles





Section 2

The Property

PROPERTY OVERVIEW



PROPERTY DETAILS

No. of Units	5
Year Built	1926
Rentable SF	1,264
Lot Area	4,718
APN	6024-019-046
Zoning	LCR3
Rent Control	LA RSO
Roof Type	Pitched
Unit Mix	(4) Single/1 Bath (1) 2 Bed/1 Bath
Utilities	Separately Metered

PROPERTY DESCRIPTION

The subject property is a 5 unit apartment building located in the South Los Angeles submarket, south of Florence Ave and east of Hooper. The one story structure is wood frame stucco. The zoning for the lot is LCR3. The building was built in 1926 and the units are subject to LARSO with utilities separately metered. The unit mix consists of (4) Single / 1 Bath and (1) 2 Bed / 1 Bath units. The improvements consist of a 1,264 square building on a 4,718 square foot lot.

PARCEL MAP

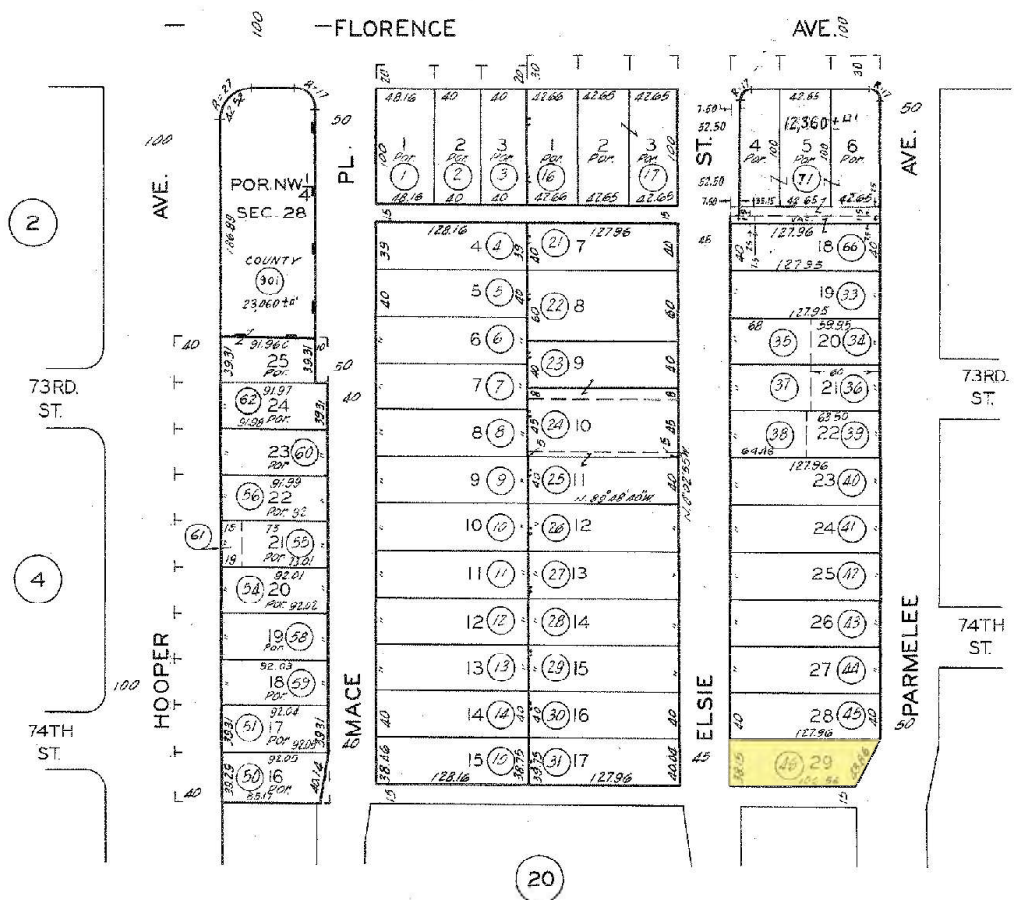
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T. 2 S., R. 13 W.
TRACT NO. 4545 .. M. B. 50-41
TRACT NO. 5044 .. M. B. 56-73

CODE
1198

FOR PREP. ASSESSMENT SEE
5024-100-10

ASSESSOR'S MAP

PROPERTY PHOTOS



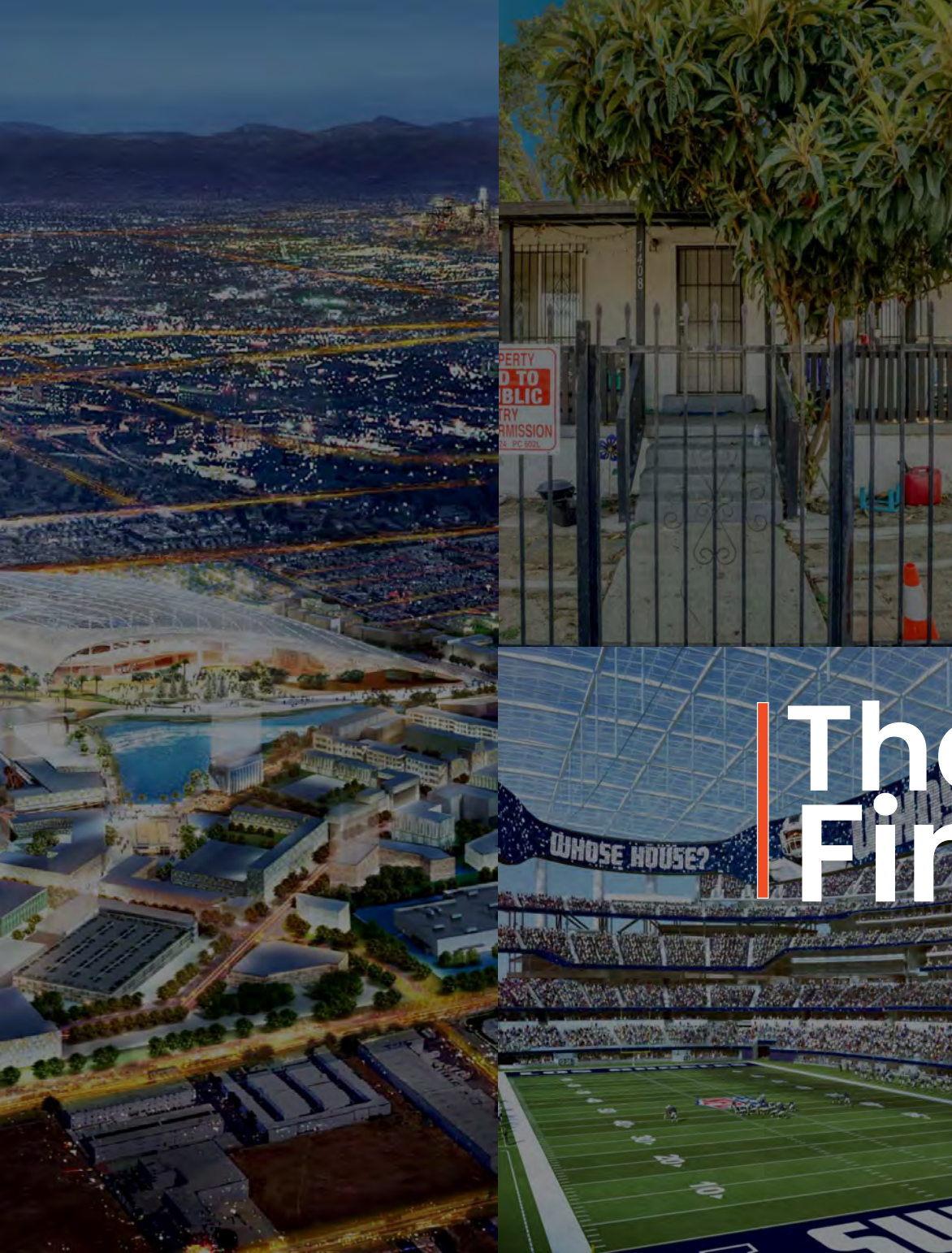


7408 Elsie St

PROPERTY PHOTOS



7408 Elsie St



Section 3

The Financials

RENT ROLL

Unit No.	Unit Type	Unit SF	Monthly Rent	Rent/SF	PF Rent	PF Rent/SF	Comments
1	Studio / 1 Bath	154	\$1,470	\$9.55	\$1,407	\$9.14	
2	Studio / 1 Bath	154	\$2,132	\$13.84	\$2,132	\$13.84	
3	Studio / 1 Bath	154	\$1,407	\$9.14	\$1,407	\$9.14	
4	Studio / 1 Bath	154	\$1,183	\$7.68	\$2,132	\$13.84	
7408	2 Bed / 1 Bath	660	\$1,900	\$2.88	\$3,052	\$4.62	
TOTAL		1,276	\$8,092		\$10,130		

FINANCIAL SUMMARY

Price \$900,000

Down (25%)	\$225,000
Price/Unit	\$180,000
Price/SF	\$712
Cap Rate	6.67%
Proforma Cap Rate	9.12%
GRM	9.27
Proforma GRM	7.40

Property

Address	7408 Elsie St
City	Los Angeles
State	CA
Zip	90001
No. of Units	5
Net Rentable Sq. Ft.	1,264
Lot Size	4,718
Zoning	LCR3
APN	6024-019-046
Year Built	1926

Financing

Loan Amount	\$675,000
Interest Rate	5.90%
Monthly Payment	(\$4,004)
Loan-to-Value	75%
Debt Cover Ratio	30
Term	5 Year Fixed

Operating Data

		Current		Proforma
Base Rental Income		\$97,104		\$121,560
Gross Potential Income		\$97,104		\$121,560
Less Vacancy	5%	\$4,855	5%	\$6,078
Effective Gross Income		\$92,249		\$115,482
Operating Expenses	35%	\$32,225	29%	\$33,387
Net Operating Income		\$60,024		\$82,095
Debt Service		-\$48,044		-\$48,044
Pre-Tax Cash Flow	5.32%	\$11,980	15.13%	\$34,051
Principal Reduction		-\$8,445		-\$8,445
Total Return Before Taxes	9.08%	\$20,425	18.89%	\$42,496

Expenses

Taxes (1.188379%)	\$10,695	\$10,695
Insurance (\$1/sf)	\$1,264	\$1,264
Utilities(T-12)	\$6,116	\$6,116
Repairs & Maintenance (\$750/mo)	\$3,750	\$3,750
Gardener (\$100/month)	\$1,200	\$1,200
Reserves(\$200/month)	\$1,000	\$1,000
Direct Assessment	\$3,587	\$3,587
Management Fee (5.0%)	\$4,612	\$5,774
Operating Expenses	\$32,225	\$33,387
Total Expenses per Unit	\$6,445	\$6,677
Total Expenses per square foot	\$25	\$26

Rent Roll Summary

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
Studio / 1 Bath	4	\$1,548	\$6,192	\$1,770	\$7,078
2 Bed / 1 Bath	1	\$1,900	\$1,900	\$3,052	\$3,052

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 5% 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	1.188379%
Insurance	Estimated \$1/sf
Utilities	Actual T12
Repairs & Maintenance	Estimated annually \$750 per unit
Management Fee	5% of Effective Gross Income.
Gardener	\$100/month
Reserves	\$200 per unit



Section 4

The Location

LOS ANGELES

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most popular city in the United States, after New York City; and the third most populous city in North America, after Mexico City and New York City. With an estimated population of nearly four million people, Los Angeles is the cultural, financial, and commercial center of Southern California.

The city of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, many of them world-class, and a paradise of idyllic weather.

From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be. Los Angeles is on the leading edge of several growth industries.

The Los Angeles Metropolitan area, with more than 23,000 art jobs, is the country's leading artistic center, surpassing the previous champion, New York. In other words, Los Angeles has both a larger concentration and an absolute number of artists than New York. The L.A. five-county area is also a major tech center, with more than 700,000 people at work on health services/biomedical activities and 190,000 people in aerospace.





SOFI STADIUM

The new home for the Los Angeles Chargers and Rams is currently the largest stadium in the NFL. Costing upwards of \$5 billion, the 3 million square foot is able to seat 70,240. The stadium will be home to the 2022 Super Bowl and the Summer Olympics in 2028.



INTUIT DOME

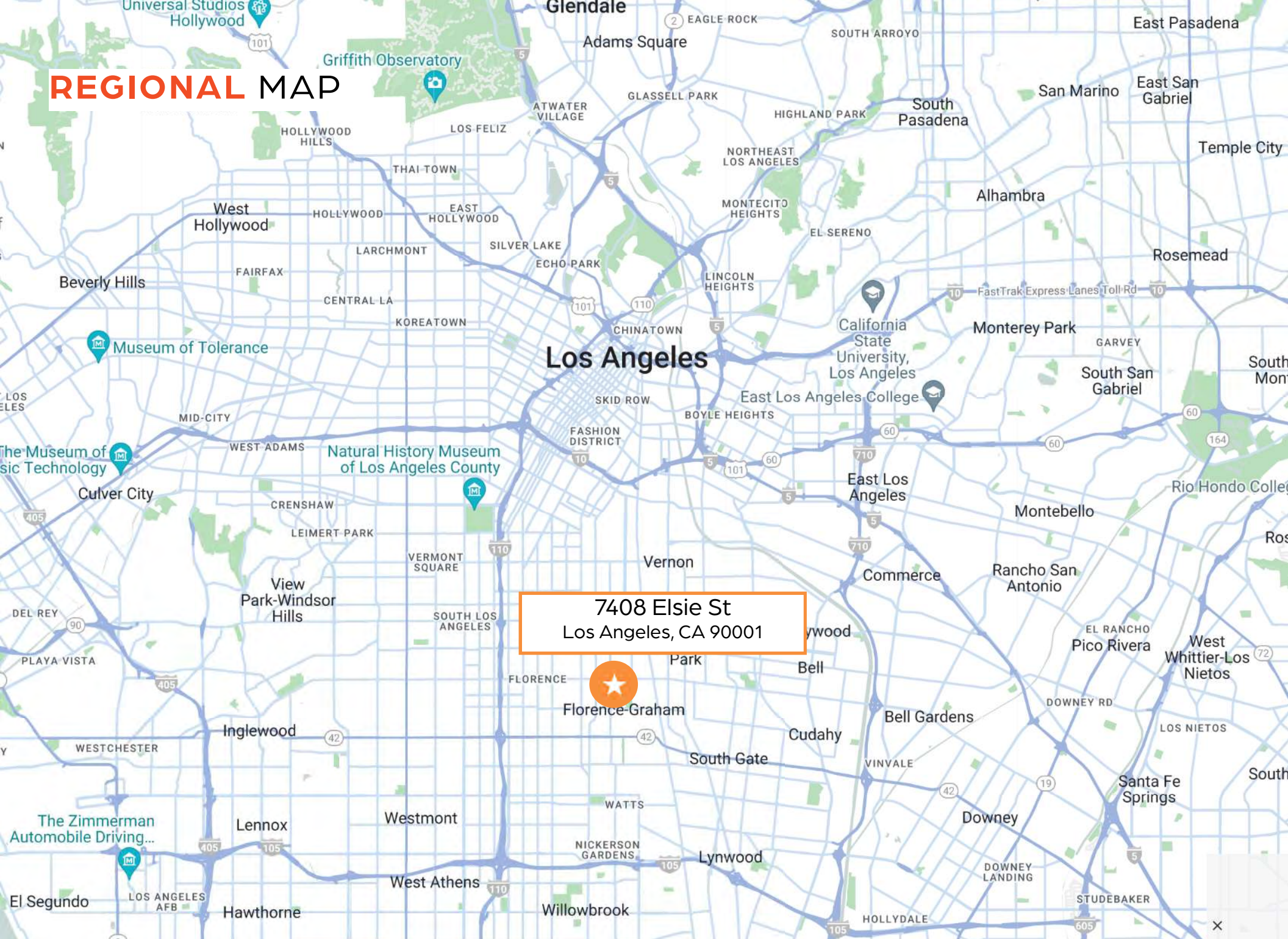
The NFL stadium isn't the only professional sporting area bound for Inglewood. The Los Angeles Clippers will move out to Downtown's L.A. Staples Center and into the South Los Angeles City. Construction the brand Intuit Dome broke ground in 2021, and should be ready for the 2023 season. The city released a document that spells out it would seat 18,000 fans and would be joined by a new practice facility, retail space, and outdoor plazas with basketball courts that are open to the public.



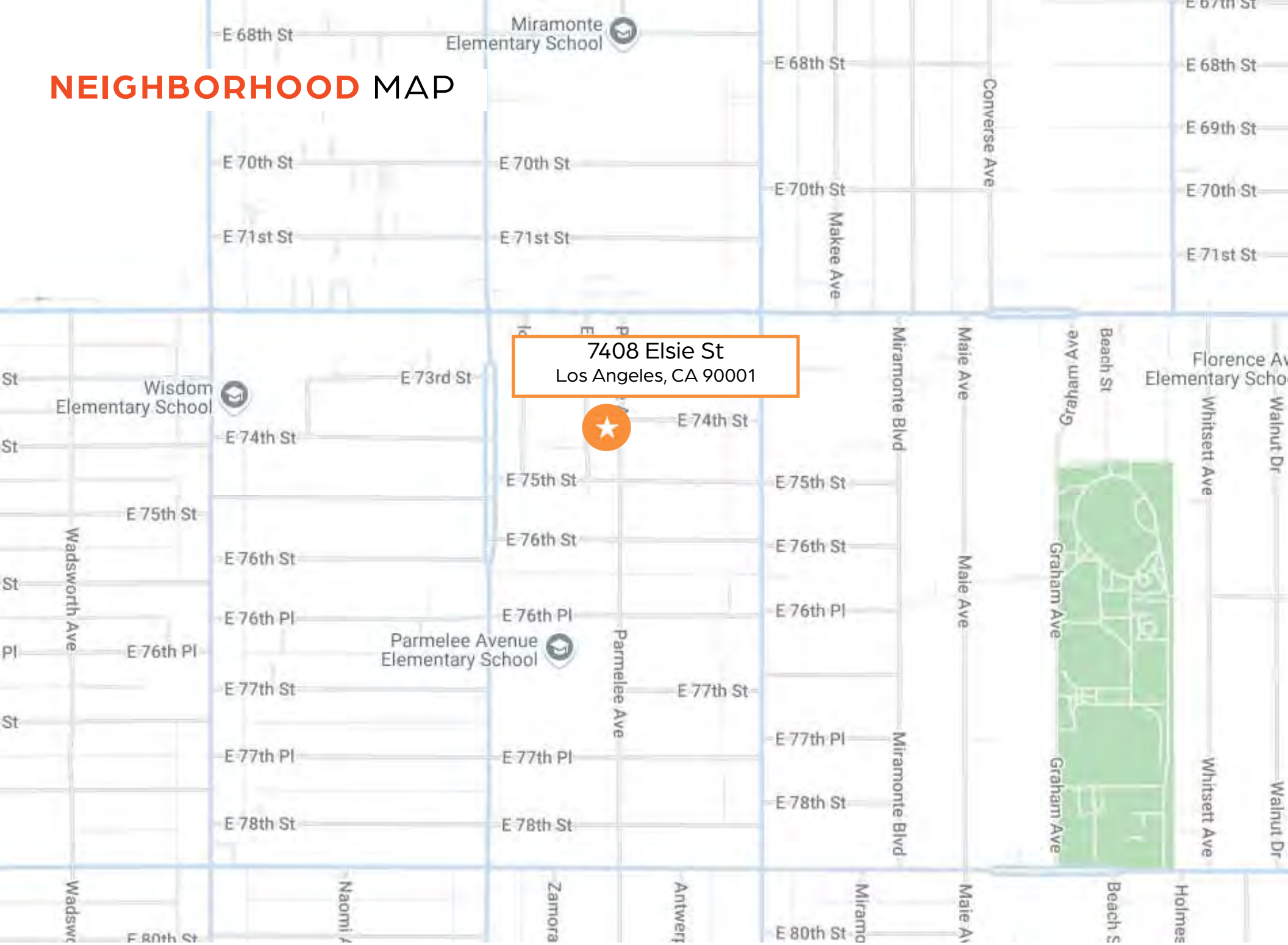
HOLLYWOOD PARK

Hollywood Park spans approximately 300 acres and is central to the Westside, South Bay and greater Los Angeles communities. Modern architecture, dramatic open space, and state-of-the-art technology differentiate the physical place. One end of the project is anchored by a 500,000 s.f retail and entertainment district that offers local and global fashions and flavors to deliver shopping, dining, recreation, entertainment and nightlife unlike any place else. This retail district is complimented by luxury apartments and best-in-class office campuses that offer great design and cutting-edge technology while prioritizing opportunities for social interaction.

REGIONAL MAP



NEIGHBORHOOD MAP



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Los Angeles, CA 90001

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