811 S. Union Ave

LOS ANGELES, CA 90017

OFFERING MEMORANDUM

32 Unit Apartment Building

THE JAMES GROUP

LYON STAHL

INVESTMENT REAL ESTATE

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The information contained in this Offering Memorandum (“Memorandum”) is proprietary and strictly confidential; it is intended to be reviewed only by the party receiving it from Broker and should not be made available to anyone else without the written consent of Broker. By retention or use of this Memorandum, you agree that its contents are confidential, that you will hold it in the strictest confidence, and that you will not disclose any of its contents contrary to these terms.

This Memorandum has been prepared to provide summary, unverified information to establish a preliminary level of interest in the subject property (“Property”). The information in this Memorandum has been obtained from sources Broker believes to be reliable; however, Broker has not conducted sufficient investigation to make any warranty or representation whatsoever including but not limited to the accuracy or completeness of the information, veracity or accuracy of the information, condition of the Property or its compliance or lack of compliance with applicable governmental requirements, developability, suitability or financial performance of the Property, income or expenses for the Property, the size and square footage of the Property and improvements, the presence or absence of contaminating substances, PCB’s or asbestos, the compliance with State or Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant or any tenant’s plans or intentions to continue occupancy of the Property. The Memorandum has selected information relating to the Property and does not purport to be an all – inclusive representation regarding the Property or to contain all or part of the information which prospective investors may require to evaluate the purchase of the Property. Additional information and an opportunity to investigate the Property will be made available to interested and qualified prospective purchasers. All information is based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of Broker, therefore, all information is subject to material variation. The information contained herein is not a substitute for a thorough due diligence investigation. Interested parties are expected to review all information of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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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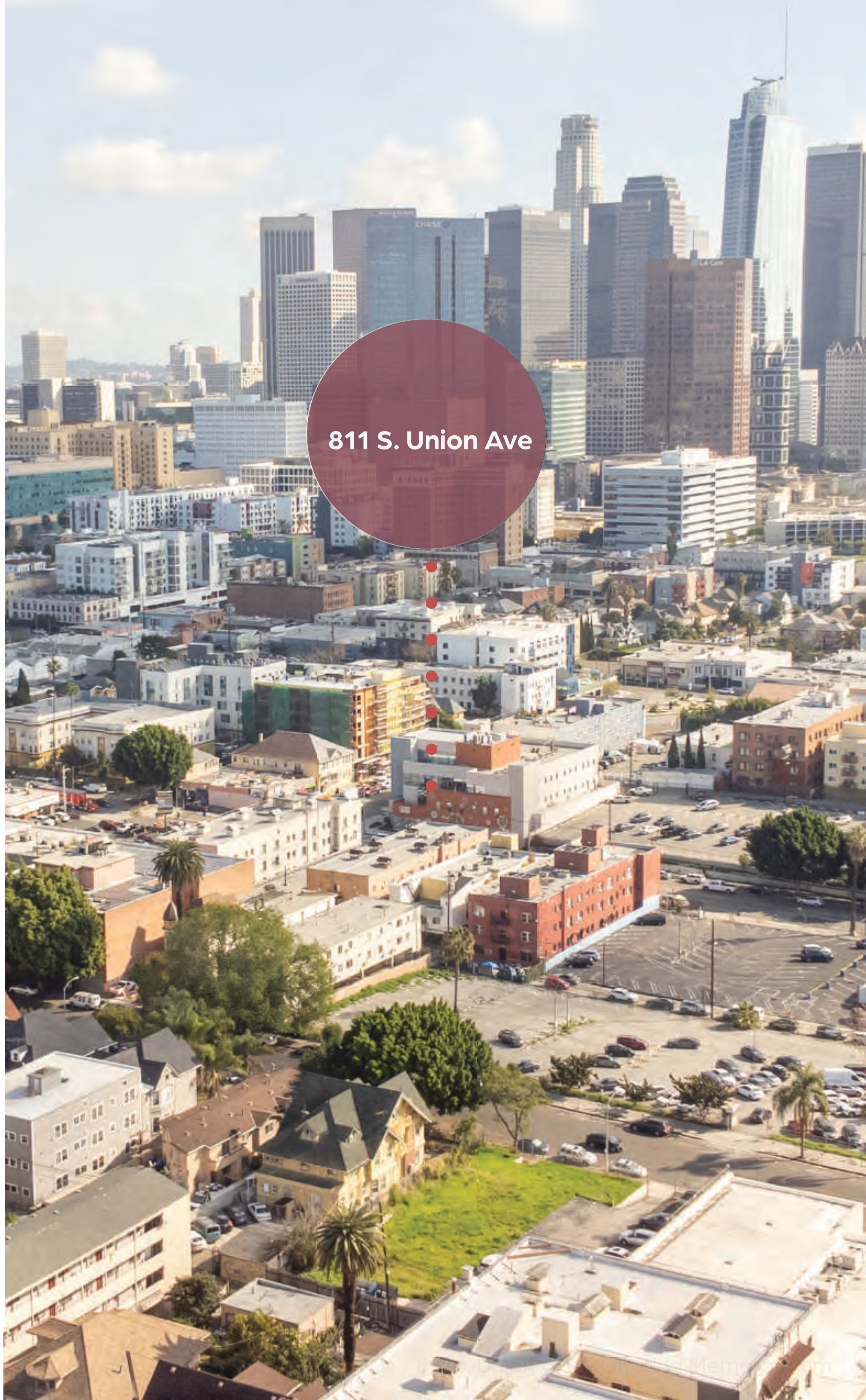
EXECUTIVE SUMMARY

We are pleased to present this 32 unit offering in the Westlake submarket of Los Angeles in close proximity to Downtown. The property features a great unit mix consisting of (22) Studio, 1 Bath, (8) 1 Bed, 1 Bath, and (2) 2 Bed/1 Bath units. The unit mix is spread out over 17,364 square feet and sits on a 7,495 square foot lot and is zoned LAC2. The building is master metered. A future investor will benefit from the upside in rental potential of approximately 45%. There's additional billboard income as well diversifying the income stream for this investment.

The property benefits greatly from it's location as sits just west of Downtown Los Angeles, which has a massive resurgence over the past decade. Hosting a large number of LA's eateries, bars, nightlife, the draw to renters has surged making the submarket a premiere rental pocket. Additionally, Downtown Los Angeles continues to be an economic hub and employment center putting 811 S. Union in an ideal location for renters to capitalize on future growth.

INVESTMENT HIGHLIGHTS

- 32 Unit with excellent unit mix blocks from Downtown Los Angeles
- Approximately 45% upside in rental upside. An Investor can achieve an 8.12% cap rate based on proforma rent projections
- Residents benefit from it's close proximty to public transit, making all major submarkets of Los Angeles accessible for tenants
- Value-add opportunity through a streamlined management operation to reduce expense ratio.
- Low historical vacancy at property with it's location benefiting from proximity to Downtown and Koreatown, two of the most dense economic hubs in Los Angeles
- Subject property is in the path of development and growth and benefits from a C2 zoning and has a Tier 3 TOC designation.
- Additional billboard income provides more diverse income stream
- Potential Seller Financing Available. Please inquire with Listing Agents



PROPERTY OVERVIEW

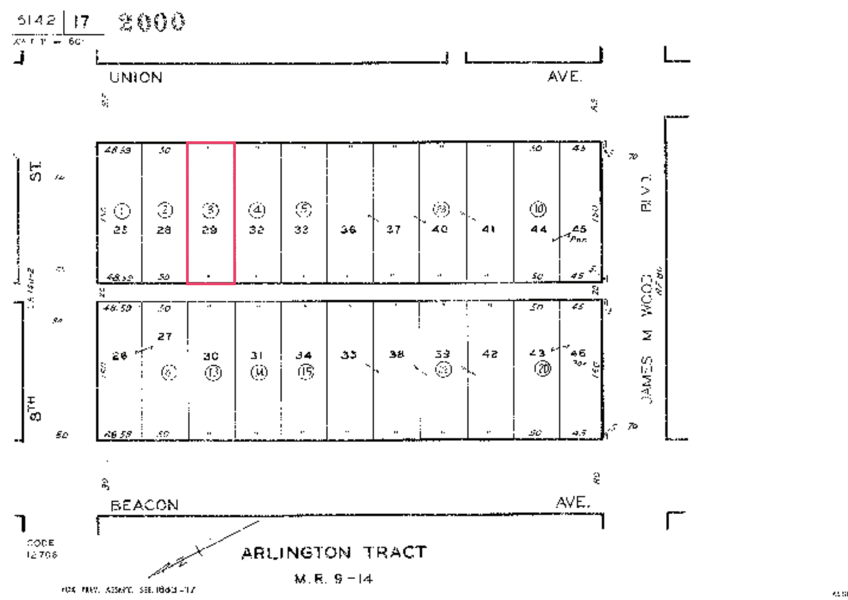
PROPERTY DETAILS

No. of Units	30 + 2 non-conforming
Year Built	1906
Rentable SF	17,364
Lot Area	7,495
Lot Dimensions	50 x 150
APN	5142-017-003
Zoning	LAC2-1
Rent Control	LA CITY RSO
Roof Type	Pitched, Torch Down
Parking	None
Unit Mix	(22) Studios, (8) 1 Bed/1 Bath, (2) 2 Bed/1 Bath Units
TOC	Tier 3
Utilities	Master Metered

PROPERTY DESCRIPTION

The subject property is a thirty two (32) Unit Apartment Building located in the Westlake/ McArthur Park submarket of Los Angeles just West of Downtown. The apartment building is three stories and includes 17,364 square feet. There are (22) Studios, (8) 1 Bed/1 Bath and (2) 2 Bed/1 Bath units. Buyer to do their own investigation to confirm total number of legal units in the building. Both gas and electric are master metered for all units.

The building was built in 1906 and sits on a 7,495 Square foot zoned LAC2-1. The building sits in the Westlake Recovery Area is disgnated as a Transit Oriented Community Tier 3 allowing for an 80% density bonus. The property faces East on Union Ave with walk up entry to the lobby. There are two private areas on both sides of the front walk up occupied by tenants. A billboard owned by Lamar is located at the front of the property on the Northern property line. There is alley access at the rear of the property with entry on both 8th St. to the North and James M. Wood to the South.



PROPERTY PHOTOS

PROPERTY PHOTOS

PROPERTY PHOTOS

PRICING SUMMARY

Pricing Details

Price	$3,700,000
Down Payment	47%
Number of Units	30 + 2 n/c
Cost per Legal Unit	$115,625
Current GRM	10.15
Market GRM	6.90
Current CAP	3.88%
Market CAP	7.88%
Cost per Net GSF	$213.08

New Potential Financing

Loan Amount	$1,730,000
Loan to Value	53%
Interest Rate	5.45%
Amortization	30 Years
Monthly Payment	($11,123.75)

Debt Quote Provided by Convoy Capital February 14th, 2023

RENT ROLL

UNIT	UNIT TYPE	UNIT SF	CURRENT	RENT/SF	MARKET RENT	PF RENT/SF	COMMENT
101	1 Bed, 1 Bath	600	$1,086.07	$1.81	$1,550	$2.58	Manager
102	1 Bed, 1 Bath	600	$1,250.00	$2.08	$1,550	$2.58	
103	Studio, 1 Bath	460	$810.35	$1.76	$1,300	$2.83	
104	Studio, 1 Bath	460	$827.00	$1.80	$1,300	$2.83	
105	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
106	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
107	Studio, 1 Bath	460	$800.00	$1.74	$1,300	$2.83	
108	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
109	1 Bed, 1 Bath	600	$1,083.60	$1.81	$1,550	$2.58	
110	1 Bed, 1 Bath	600	$1,083.60	$1.81	$1,550	$2.58	
201	2 Bed, 1 Bath	800	$1,850.00	$2.31	$1,850	$2.31	
202	1 Bed, 1 Bath	600	$1,400.00	$2.33	$1,550	$2.58	
203	Studio, 1 Bath	460	$950.00	$2.07	$1,300	$2.17	
204	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
205	Studio, 1 Bath	460	$900.00	$1.96	$1,300	$2.83	
206	Studio, 1 Bath	460	$771.75	$1.68	$1,300	$2.83	
207	Studio, 1 Bath	460	$819.00	$1.78	$1,300	$2.83	
208	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
209	1 Bed, 1 Bath	600	$1,083.60	$1.81	$1,550	$2.58	
210	Studio, 1 Bath	460	$814.00	$1.77	$1,300	$2.83	
212	Studio, 1 Bath	460	$798.14	$1.74	$1,300	$2.83	
301	1 Bed, 1 Bath	600	$1,083.67	$1.81	$1,550	$2.58	
302	2 Bed, 1 Bath	800	$1,048.00	$1.31	$1,850	$2.31	
303	Studio, 1 Bath	460	$900.00	$1.96	$1,300	$2.83	
304	Studio, 1 Bath	460	$819.00	$1.78	$1,300	$2.83	

RENT ROLL

UNIT	UNIT TYPE	UNIT SF	CURRENT	RENT/SF	MARKET RENT	PF RENT/SF	COMMENT
305	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
306	Studio, 1 Bath	460	$1,300.00	$2.83	$1,300	$2.83	Vacant
307	Studio, 1 Bath	460	$777.25	$1.69	$1,300	$2.83	
308	Studio, 1 Bath	460	$777.20	$1.69	$1,300	$2.83	
309	1 Bed, 1 Bath	600	$1,075.00	$1.79	$1,550	$2.58	
310	Studio, 1 Bath	460	$835.00	$1.82	$1,300	$2.83	
312	Studio, 1 Bath	460	$785.00	$1.71	$1,300	$2.83	
Total			**$30,390**		**$44,700**		

RENT ROLL SUMMARY

NO. OF UNITS	UNIT MIX	CURRENT AVG	TOTAL	MARKET AVG	TOTAL
22	Studio, 1 Bath	$834	$18,347	$1,300	$28,600
2	2 Bed, 1 Bath	$2,898	$2,898	$3,700	$3,700
8	1 Bed, 1 Bath	$1,143	$9,146	$1,550	$12,400
TOTAL SCHEDULED RENT			**$30,390**		**$44,700**

OPERATING DATA

ANNUALIZED OPERATING DATA

Gross Rental Income		**$364,685**		**$536,400**
Billboard Income		$360		$360
Gross Potential Income		$365,045		$536,760
Less Vacancy Allowance	3.00%	$10,951	5.00%	$26,838
Effective Gross Income		$354,094		$509,922
Operating Expenses	59%	$210,651	43%	$218,442
Net Operating Income		**$143,443**		**$291,480**
Debt Service		-$133,485		-$133,485
Pre-Tax Cash Flow	0.58%	$9,958	9.13%	$157,995
Principal Reduction		$26,782		$26,782
Total Return Before Taxes	**2.12%**	**$36,740**	**7.58%**	**$131,213**

ANNUALIZED EXPENSES

Taxes (1.1655%)	$43,124	$43,124
Insurance (Estimated $.70/SF)	$12,155	$12,155
Utilities(Estimated 75% of 2020 Actual)	$61,832	$61,832
Repairs & Maintenance (Estimated $1000/unit)	$32,000	$32,000
Rubbish (Actual)	$6,336	$6,336
Janitorial ($750/month)	$9,000	$9,000
On-Site Manager (Actual)	$11,700	$11,700
Off-Site Management (5% of EGI)	$17,705	$25,496
Direct Assessments (Actual)	$2,200	$2,200
Reserves ($200/unit)	$6,400	$6,400
HCIDLA (Actual RSO & SCEP Fees)	$3,200	$3,200
Misc (Legal, CPA, etc.)	$5,000	$5,000
Operating Expenses	**$210,651**	**$218,442**
Total Expenses per Unit:	$6,583	$6,826
Total Expenses per Sq. Ft.:	$12.13	$12.58

UNDERWRITING NOTES

INCOME

Income	Unit 306 is vacant and $1300 current rent was put in place.
Billboard Income	$360 Annually
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	Actual per Los Angeles Tax Assessor 1.1655%
Insurance	Estimated at $.75/sf
Utilities	Actual 2022 Utility Expense
Repairs & Maintenance	Estimated annually $1,000 per unit
Management Fee	Off-Site calculated using 5% of Gross Operating Income. Actuals Used for On-Site
Direct Assessments	Actual per Los Angeles Tax Assessor
Janitorial	$750/Month
Trash	Actual
Reserves	$200 per unit
RSO & SCEP Fes	Actual per HCILDA 2022
Misc.	Estimated

SALES COMPARABLES

		Address	Sale Price	Units	Year Blt	Price/SF	Price/Unit	CAP	GRM	Sale Date	Unit Mix
		811 S. Union Ave	$3,700,000	32	1906	$213.08	$115,625	3.88%	10.15		(22) Studios (2) 2 Bed/1 Bath (8) 1 Bed/1 Bath
	1.	501 S Rampart Blvd	$5,800,000	48	1922	219.47	120,833	4.58	10.14	12/7/2022	(48) Studios
	2.	454 S Catalina St	$7,200,000	48	1928	275.23	150,000	4.16	11.03	11/9/2022	(40) Studios (8) 1 Bed/1 Bath
	3.	739 S Normandie Ave	$4,800,000	32	1927	214.34	150,000	3.23	11.42	11/9/2022	(24) Studios (8) 1 Bed/1 Bath
	4.	716 S Westlake Ave	$3,400,000	28	1922	217.53	121,429	N/A	N/A	9/30/2022	(26) Studios (2) 1 Bed/1 Bath
	5.	325 S Columbia Ave	$4,500,000	35	1922	269.03	128,571	3.85	13.32	9/28/2022	(35) Studios

SALES COMPARABLES

		Address	Sale Price	Units	Year Blt	Price/SF	Price/Unit	CAP	GRM	Sale Date	Unit Mix
	6.	1527 W 4th St	$3,950,000	29	1923	255.15	136,207	4.15	13.9	6/13/2022	(25) Studios (3) 1 Bed/1 Bath (1) 2 Bed/1 Bath
	7.	2014 W 8th St	$8,757,788	48	1924	268.51	182,454	N/A	N/A	6/1/2022	(40) Studios (8) 1 Bed/1 Bath
	8.	807 S Westlake Ave	$6,442,212	39	1923	258.91	165,185	N/A	N/A	6/1/2022	(36) Studios (3) 1 Bed/1 Bath
	9.	1663 W 11th Pl	$3,595,000	26	1914	287.51	138,269	5.27	11.09	4/22/2022	(26) Studios
	10.	447 S Rampart Blvd	$7,130,000	49	1924	309.03	145,510	4.78	12.23	4/21/2022	(42) Studios (7) 1 Bed/1 Bath
	11.	1247 Ingraham St	$5,850,000	40	1929	284.15	146,250	4.31	11.59	4/6/2022	(30) Studios (10) 1 Bed/1 Bath

SALES COMPARABLES

		Address	Sale Price	Units	Year Blt	Price/SF	Price/Unit	CAP	GRM	Sale Date	Unit Mix
	12.	433 Union Dr	$6,400,000	39	1928	219.81	164,103	5.35	11.93	1/25/2022	(29) Studios (10) 1 Bed/1 Bath
	13.	416 S Westlake Ave	$5,400,000	35	1923	263.70	154,286	4.65	12.9	1/25/2022	(23) Studios (12) 1 Bed/1 Bath
	14.	1142 W 17th St	$2,849,500	28	1923	166.43	101,768	3.95	11.5	11/29/2021	(24) Studios (4) 1 Bed/1 Bath
	15.	526 S. Union Ave	$4,200,000	30	1922	324.07	140,000	5.05	11.62	12/15/2022	(30) Studios
		Averages				**$255.52**	**$142,991**	**4.44%**	**11.89**		

SALES COMPARABLE GRAPHS

Avg. $142,991

Subject: $115,625

Avg. $255.52

Subject: $213.08

WESTLAKE

The Westlake submarket is strategically located in close proximity to notable neighborhoods such as Koreatown, Downtown, Silverlake and Echo Park. With massive expansion and development that has occurred in both the surrounding neighborhoods and inside of Westlake, the area is poised for continued growth in the near future. The high population density lends to excellent small business economics and makes the surrounding area an excellent place to live, work and play. Developments such as 751 Valencia, a 60 unit apartment and retail development are indicative of the changes and growth in the area. Other notable developments include 1999 W. 3rd St, a 100,000 square foot project, which includes 137 units.

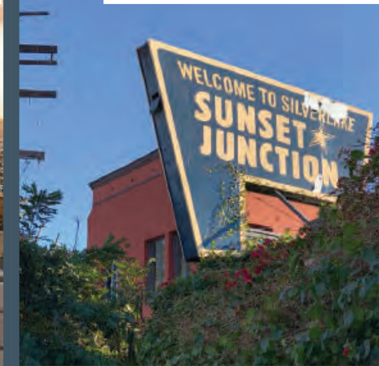
LOCATION OVERVIEW

GRAND CENTRAL MARKET


CRYPTO ARENA


WALT DISNEY HALL


DODGER STADIUM



SUNSET JUNCTION

TOP EMPLOYERS

Los Angeles County	111,800
LAUSD	75,676
Kaiser	40,876
USC	22,876
UPS	11,643
Wells Fargo	7,075
Children's Hospital	6,405
Bank of America	5,200
JP Morgan Chase	4,000
City National Bank	3,480

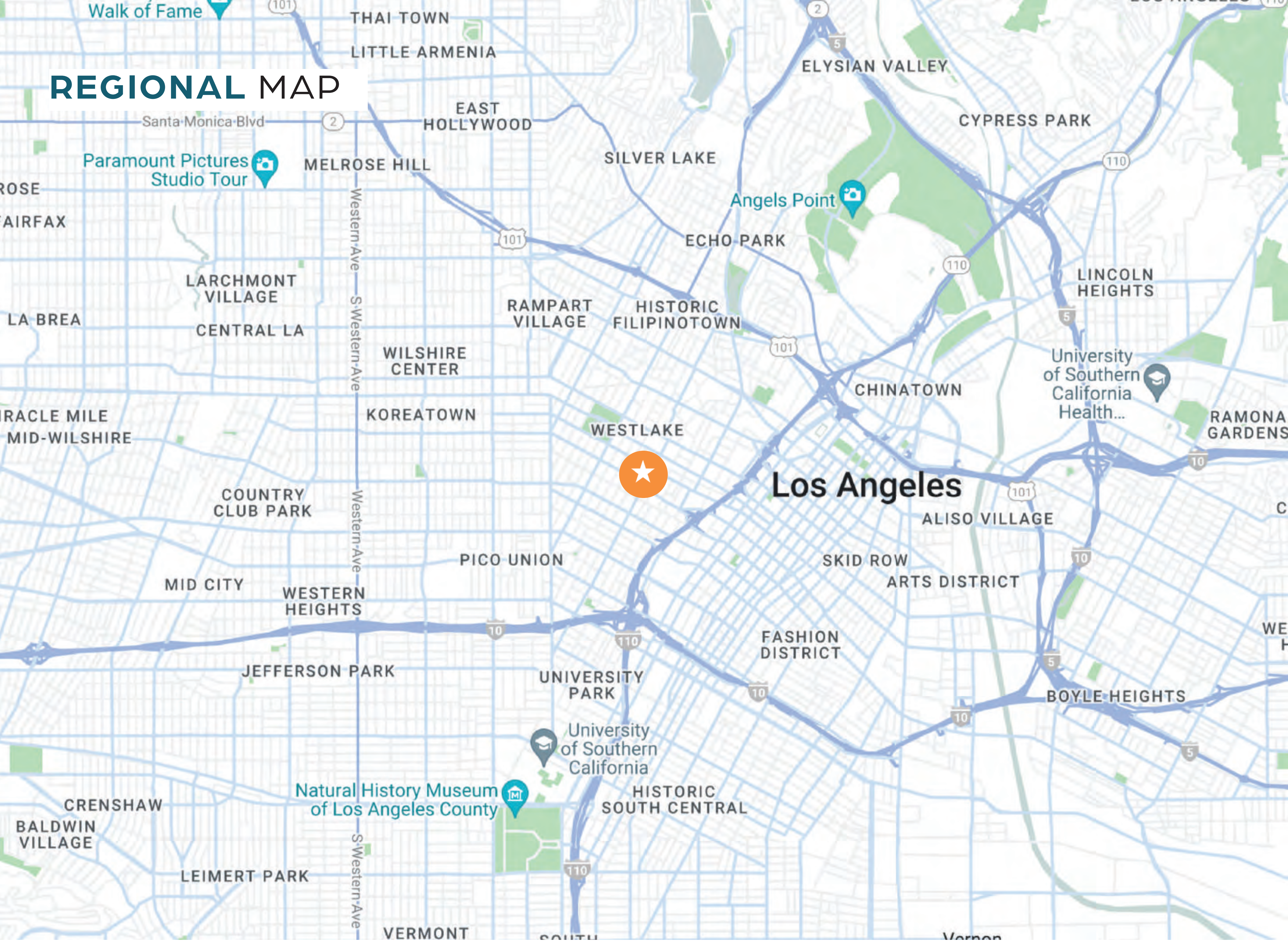
87
EXCELLENT TRANSIT

93
WALKER'S PARADISE

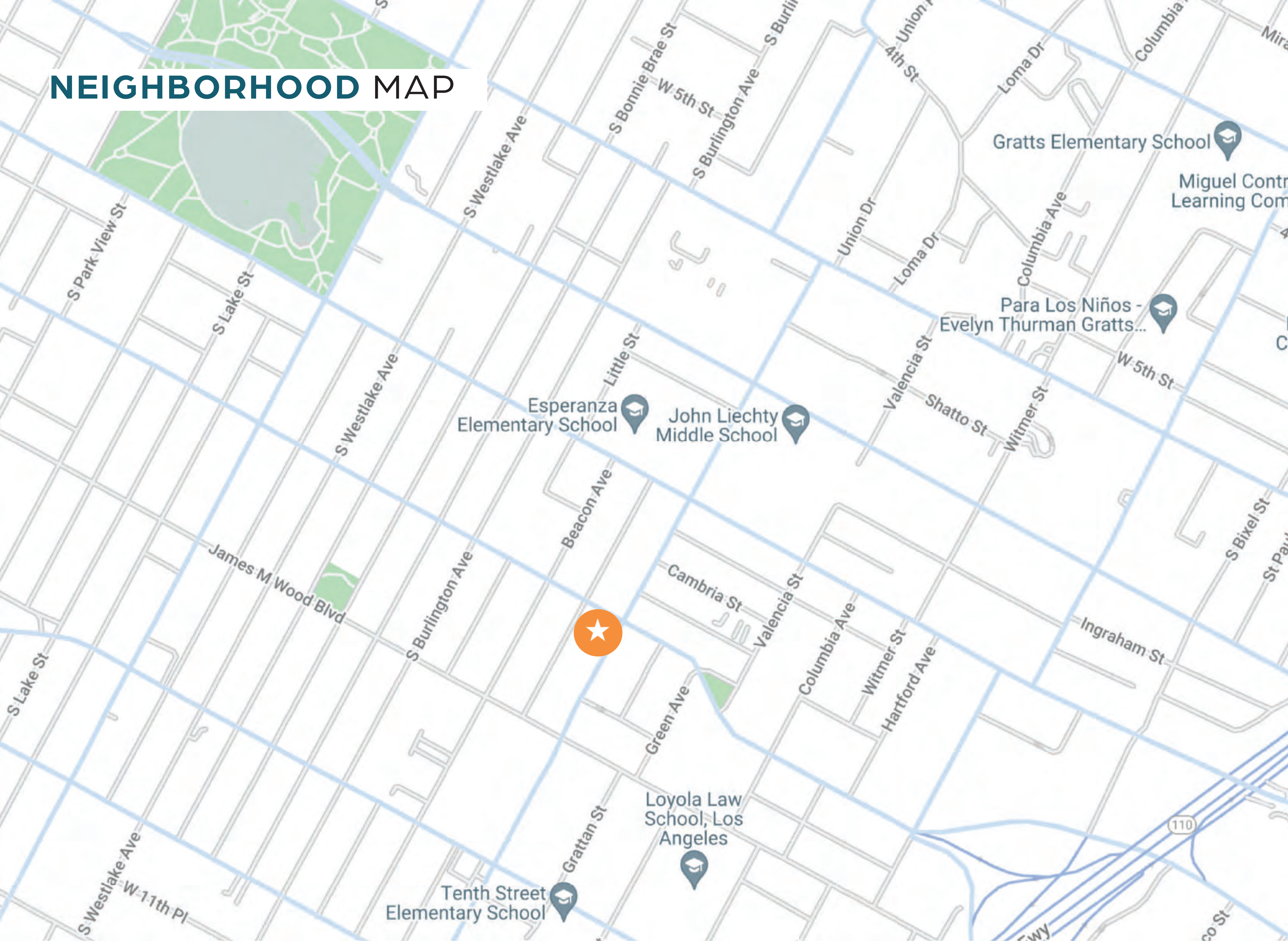
87
VERY BIKEABLE

Los Angeles Metro
(1/2 Mile Away from Purple Line)

REGIONAL MAP



NEIGHBORHOOD MAP



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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