

## Exclusive Multifamily Offering / Off Market Offering

### The Island Apartments Torrance, CA. 90505

This is a demo example only. This property is fictitious for demonstration for the OM



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"Broker" is pleased to present Island Apartments, a 30 unit apartment community located in Torrance, California. The subject property is located just blocks from Marketplace, shopping and schools. Easy say access to the 405 freeway.

Built in 1980, the property consists of 25,550 square feet on a 1.2 Acre (52,272 Sq Ft) lot. The unit mix consists of ten (10) studios averaging 450 Sq Ft, (10) one-bedroom/one-bathroom units averaging 700 Sq Ft and ten (10) two-bedroom/2 two baths averaging 1,100 Sq Ft

#### Unit Mix Rent Roll Summary:

10-Studios (450 Sq Ft); Recent Rents: Rents from \$995 to \$1,275

10-One Bedroom / 1 Bath (700 Sq Ft); Rents from \$1,200 to \$1,700

10-Two Bedroom / 2 Bath (1,100 Sq FT); Rents range from \$2,200 to \$3,000

18% Market Rents Upside subject to AB 1482 Rent Control based on 5% + CPI with 10% maximum increases:

Studio: \$1,500

1 Bedroom: \$1,800

2 Bedroom: \$3,000

Estimated rental upside is 24%

Market Rents based on most recent move ins for remodeled units and competing surrounding properties.



The property has forty (40) parking spaces consisting of ten (10) open parking spaces and thirty (30) carports, an on-site laundry room, and is separately metered for gas and electricity. Heating and cooking is gas fired with two (2) 150 gallon boilers including solar panels. The laundry room consists of 4 washers and 4 dryers. There is a separate on-site office space for on site management. Plumbing is copper (1980) and roof was replaced in 2022. The seller upgraded the electric panels in 2024.

#### Recent Capital Improvements:

\$50,000 new windows

\$30,000 electric panels

\$30,000 new roof

\$10,000 new decking

\$15,000 central boiler

-----  
\$135,000 Total

The Island Apartments represents an opportunity to acquire a well maintained and professionally managed asset in a historically strong rental market. Amenities include gated entry, private balcony/patio, high speed internet access, laundry facilities, pool, storage, BBQ area in park like setting.



## Rent Roll (2)

Unit #	Bedroom	Bath	Current Rent	Market Rent	Move In Date
1	Studio	1	\$995	\$1,500	
2	Studio	1	\$995	\$1,500	
3	Studio	1	\$995	\$1,500	
4	Studio	1	\$995	\$1,500	
5	Studio	1	\$1,000	\$1,500	
6	Studio	1	\$1,000	\$1,500	
7	Studio	1	\$1,275	\$1,500	
8	Studio	1	\$1,275	\$1,500	
9	Studio	1	\$1,275	\$1,500	3/1/2025
10	Studio	1	\$1,500	\$1,500	
11	1 Bedroom	1	\$1,200	\$1,800	
12	1 Bedroom	1	\$1,200	\$1,800	
13	1 Bedroom	1	\$1,200	\$1,800	
14	1 Bedroom	1	\$1,200	\$1,800	
15	1 Bedroom	1	\$1,200	\$1,800	
16	1 Bedroom	1	\$1,400	\$1,800	
17	1 Bedroom	1	\$1,500	\$1,800	
18	1 Bedroom	1	\$1,500	\$1,800	
19	1 Bedroom	1	\$1,600	\$1,800	
20	1 Bedroom	1	\$1,800	\$1,800	2/1/2025
21	2 Bedroom	2	\$2,200	\$2,800	
22	2 Bedroom	2	\$2,200	\$2,800	
23	2 Bedroom	2	\$2,200	\$2,800	
24	2 Bedroom	2	\$2,500	\$2,800	
25	2 Bedroom	2	\$2,500	\$2,800	
26	2 Bedroom	2	\$2,600	\$2,800	
27	2 Bedroom	2	\$2,700	\$2,800	
28	2 Bedroom	2	\$2,800	\$2,800	
29	2 Bedroom	2	\$3,000	\$2,800	1/1/2025
30	2 Bedroom	2	\$3,000	\$2,800	
Total			\$50,805	\$61,000	

Market Rents are subject to AB 1482 Rent Control laws.

Rental comp survey completed with surrounding properties and the subject property recent move ins.



Financial Analysis Summary (3)

Price		\$7,500,000
Down Payment	50%	\$3,750,000
Loan Amount	50%	\$3,750,000

BUILDING DATA / FINANCIAL INDICATORS

Project Name	The Island Apartments
Address	4208 Sepulveda Blvd.
City, State, Zip	Torrance, CA. 90505

Number of Units	30
Year Built	1980
Building Size	25,550
Lot Size	1.2 Acre
Current GRM	11.88
Market GRM	9.65
Current Cap Rate	4.57%
Market Cap Rate	6.08%
Price per Unit	\$250,000
Price per Sq Ft	\$294
APN	23-23-23

Apartment Unit Mix:
10-Studio
10- 1 Bed / 1 Bath
10- 2 bed / 2 Bath

Utility Meters

Gas	Separate Meters
Electric	Separate Meters
Water/Sewer	Owner pays hot & cold water

ANNUAL INCOME SUMMARY

		Current Rents	*Market Rents
Gross Scheduled Income		609,660	756,000
Laundry		3,600	3,600
Parking		6,000	6,000
Other Income		12,000	12,000
Total Potential Income		631,260	777,600
Less Vacancy Allowance	3.01%	(19,000)	(38,880)
Gross Operating Income		612,260	738,720
Less Operating Expenses	44.04%	(\$269,646)	(282,522)
Net Operating Income		\$342,614	\$456,198
Less Debt Service	5.850%	(\$265,473)	(\$265,473)
Net Cash Flow		\$77,140	\$190,724
% Cash on Cash		2.06%	5.09%
Principal Reduction		\$46,098	\$46,098
% ROE		1.23%	1.23%
Total ROE		\$123,239	\$236,823
Total % ROE		3.29%	6.32%
All Cash Purchase Cash Flow		\$342,614	\$456,198
% ROE (Cap Rate)		4.57%	6.08%

Notes

\*Market Rents are subject to rent control laws  
\*AB 1482 rent control applies; 5% + CPI and 10% maximum rent increase; Est at 8%  
Subject property is a legal 29 unit + 1 non conforming studio unit

# Financial Analysis & Operating Expense Summary (4)

	Current Rents		Year 1 Rent Increase	Interest Only Financing
Monthly Scheduled Monthly Rent	\$50,805		\$54,869	\$54,869
Laundry	\$300		\$300	\$300
Parking	\$500		\$500	\$500
Other Income	\$1,000		\$1,000	\$1,000
Total Monthly Potential Income	\$52,605		\$56,669	\$56,669
Total Annual Potential Income	\$631,260		\$680,033	\$680,033
Less Vacancy Allowance	(\$19,000)	7.00%	(\$47,602)	(\$47,602)
Gross Operating Income	\$612,260		\$632,431	\$632,431
Less Operating Expenses	(\$269,646)		(\$269,646)	(\$269,646)
Net Operating Income (NOI)	\$342,614		\$362,784	\$362,784
Less Debt Service	5.850% (\$265,473)		(\$265,473)	(\$219,375)
Net Cash Flow	\$77,140		\$97,311	\$143,409
% Cash on Cash	2.06%		2.59%	3.82%

## ANNUAL OPERATING EXPENSES

Real Estate Taxes	\$83,100
Direct Assessment Taxes	\$5,000
Insurance	\$31,938
Utilities	\$37,500
Trash	\$9,000
Maintenance & Repairs	\$26,400
Pool	\$3,600
Elevator	\$3,000
Landscape / Gardening	\$1,800
Off Site Management	\$30,616
Resident Mgr Apartment Allowance	\$6,123
Resident Mgr Salary	\$12,246
Payroll & Payroll Taxes	
General & Administrative	\$6,700
Advertising	\$1,500
Contract Services	
Miscellaneous	\$6,123
Reserves	\$5,000
Total Annual Operating Expenses	\$269,646

## Notes

1.11108% Tax Rate
Direct Assessment
Estimated at \$1.25 Sq Ft
2024 actuals + 3%
2024 actuals + 3%
Includes Pest Control, Cleaning, Supplies & Turnover
Actual
N/A
Actual
Estimated
Estimated
N/A
N/A
Estimated; Includes Legal, Telephone/Cable, Licenses
Estimated
Estimated
N/A
Estimated

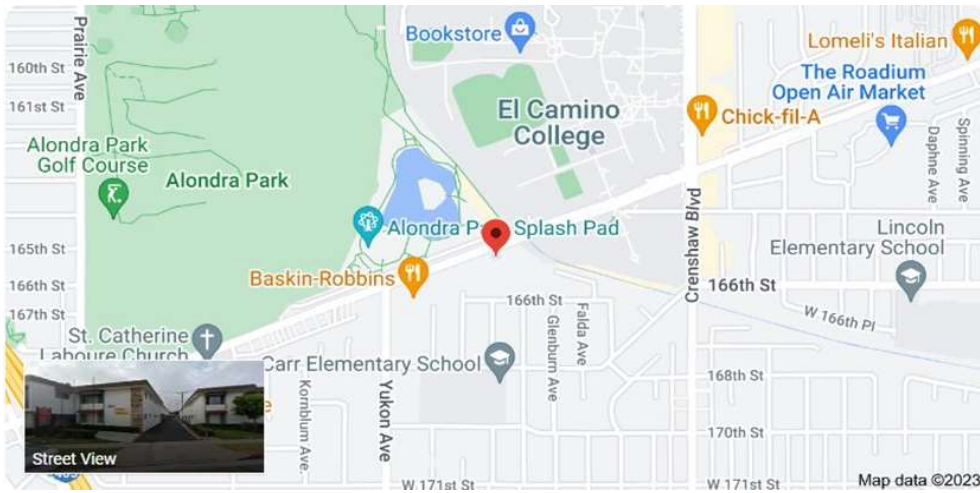


## Additional Photos (5)



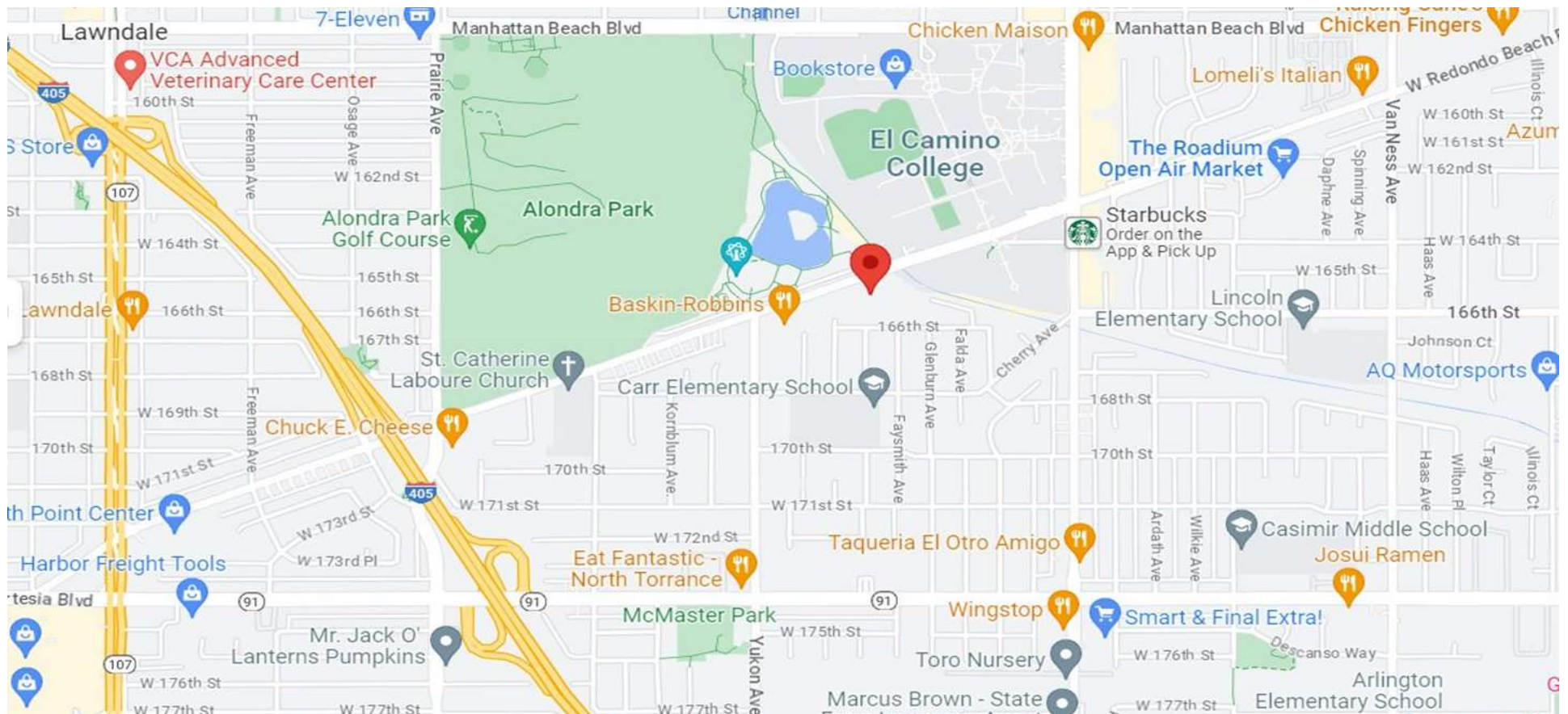


## Location Map (6)



The city of Torrance is an ocean oriented community located along the coastal edge of Los Angeles County approximately 20 miles southwest of downtown Los Angeles and 10 miles south of the Los Angeles International Airport. The city is situated within an area commonly referred to as the South Bay, which includes other ocean oriented communities such as Redondo Beach, Hermosa Beach and Manhattan Beach.

The city is a well balanced community with a population estimated at 147,067 as of the 2020 census and within a land area of 20.49 square miles. Torrance, which was incorporated in 1921 is the eighth largest city in Los Angeles County. It is conveniently situated between Los Angeles and Orange County and is bounded by the Pacific Ocean on the west.





# Sales Comps (7)

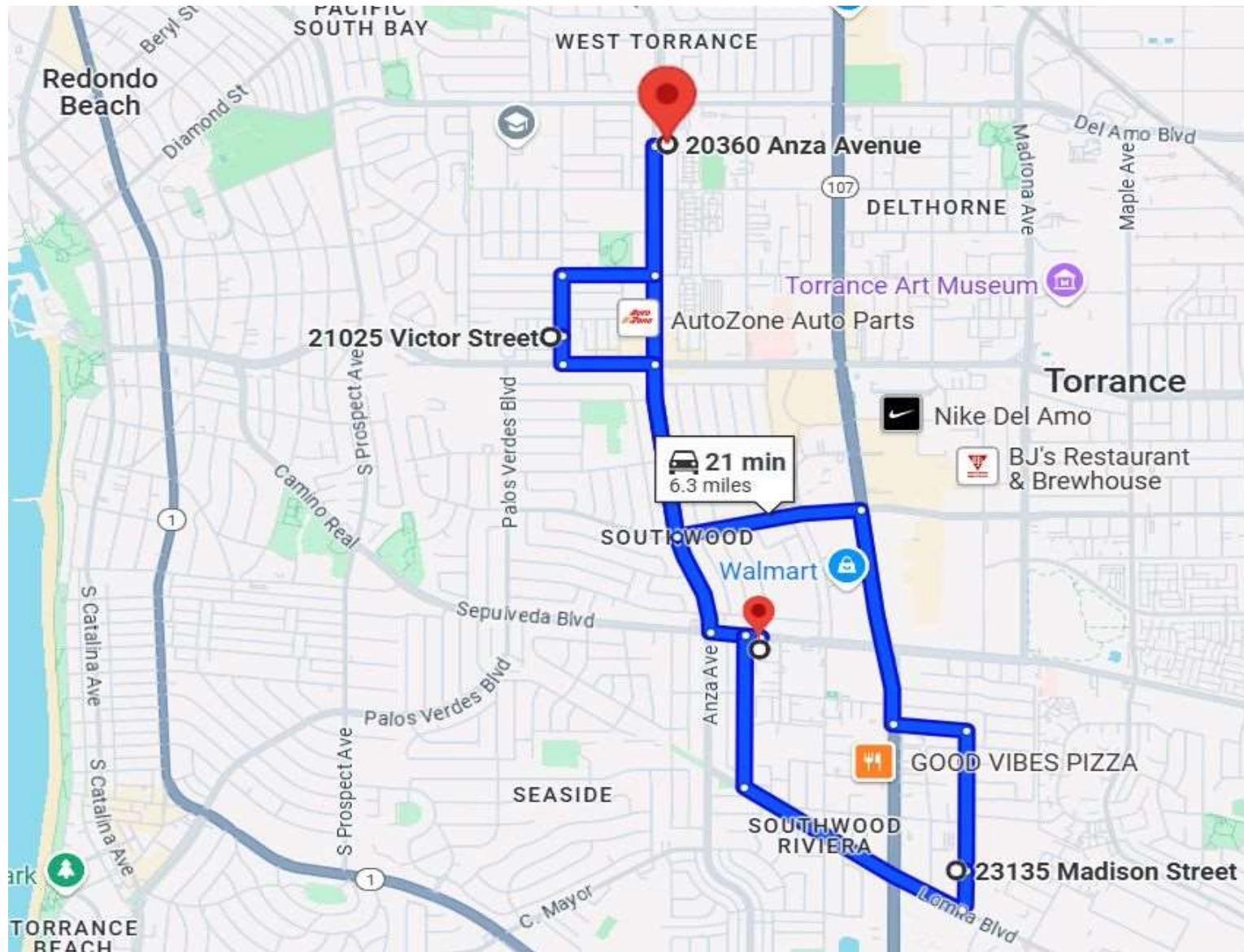
	Subject Property	Sales Comp #1	Sales Comp #2	Sales Comp #3
Situs Address	4208 Sepulveda Blvd.			
City, State, Zip	Torrance, CA. 90505			
Project Name	The Island Apartments			
Sales Price	\$7,500,000	\$7,500,000	\$7,500,000	\$7,500,000
Sale Date		10/1/2024	10/1/2024	10/1/2024
# Units	30	30	30	30
Average Unit Size	852	852	852	852
Average Rent / Unit	\$1,694	\$1,694	\$1,694	\$1,694
GRM	11.88	11.88	11.88	11.88
MKT GRM	9.65	9.65	9.65	9.65
Current Cap Rate	4.57%	4.14%	4.14%	4.14%
Value per Unit	\$250,000	\$250,000	\$250,000	\$250,000
Value per Sq Ft	\$294	\$294	\$294	\$294
Building Sq Ft	25,550	25,550	25,550	25,550
Parking	Open spaces, carport and tuck under	Open spaces, carport and tuck under	Open spaces, carport and tuck under	Open spaces, carport and tuck under
Year Built	1980	1970	1972	1977
Unit Breakdown	10      Single / 1 Bath	10      Single / 1 Bath	10      Single / 1 Bath	10      Single / 1 Bath
Unit Breakdown	10      1 Bdr / 1 Bath	10      1 Bdr / 1 Bath	10      1 Bdr / 1 Bath	10      1 Bdr / 1 Bath
Unit Breakdown	10      2 Bdr / 1.5 Bath	10      2 Bdr / 2 Bath	10      2 Bdr / 2 Bath	10      2 Bdr / 2 Bath
Unit Breakdown	Click here to select	Click here to select	Click here to select	Click here to select
Unit Breakdown	Click here to select	Click here to select	Click here to select	Click here to select
% Down Payment	50%   Pending Loan Quotes	50%   Lender: Chase	50%   Lender: Everbank	50%   Lender: Agency
Comment	Market Rents Cap Rate: 5.43%			

## Comments / Amenities:

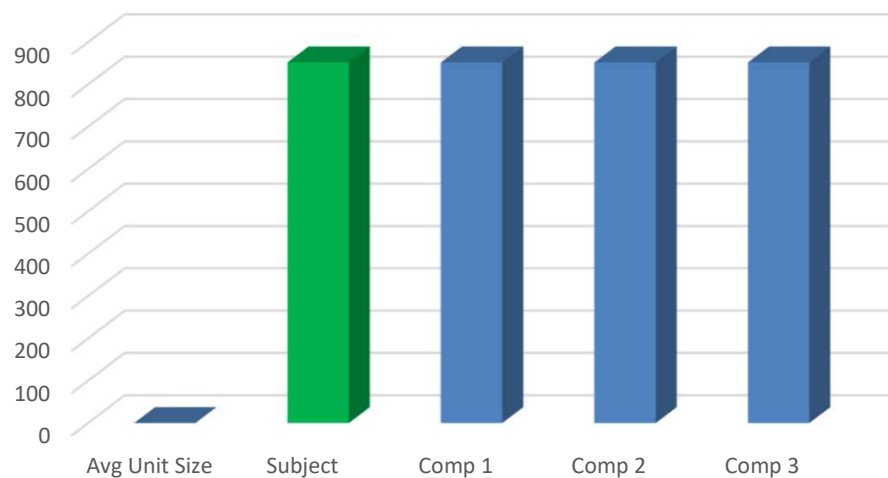
Subject Property	Rents estimated at 24% below market, subject to AB 1482 Rent Control; average unit market rent estimated at \$2,100
Comparable #1	AB 1482
Comparable #2	AB 1482
Comparable #3	AB 1482

## Sales Comps (8)

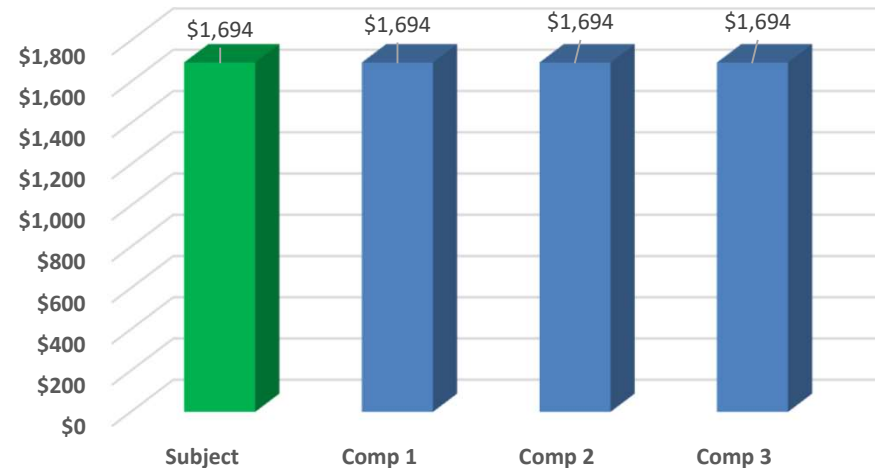
Subject Property	Avg Unit Size	Avg Rent per Unit	Cost per Sq Ft	Cost per Unit
4208 Sepulveda Blvd.	852	\$1,694	\$294	\$250,000
20360 Anza Ave.	852	\$1,694	\$294	\$250,000
21025 Victor Street	852	\$1,694	\$294	\$250,000
23135 Madison Ave.	852	\$1,694	\$294	\$250,000



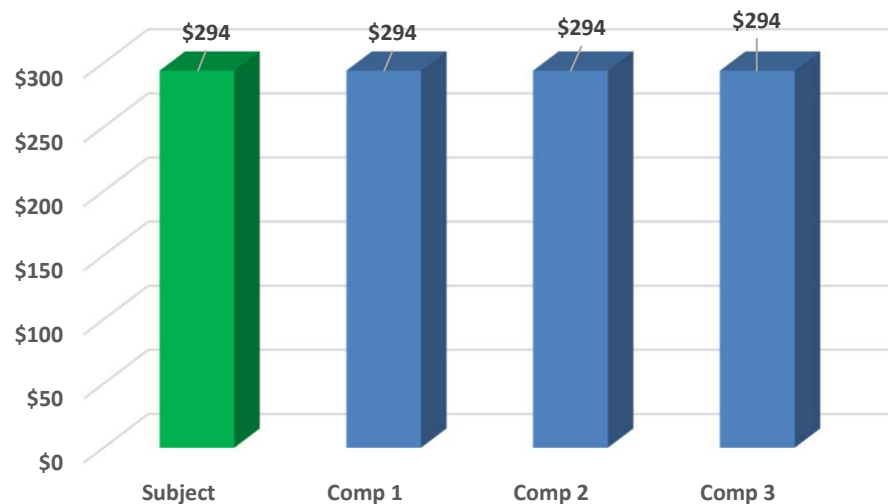
## Average Unit Size



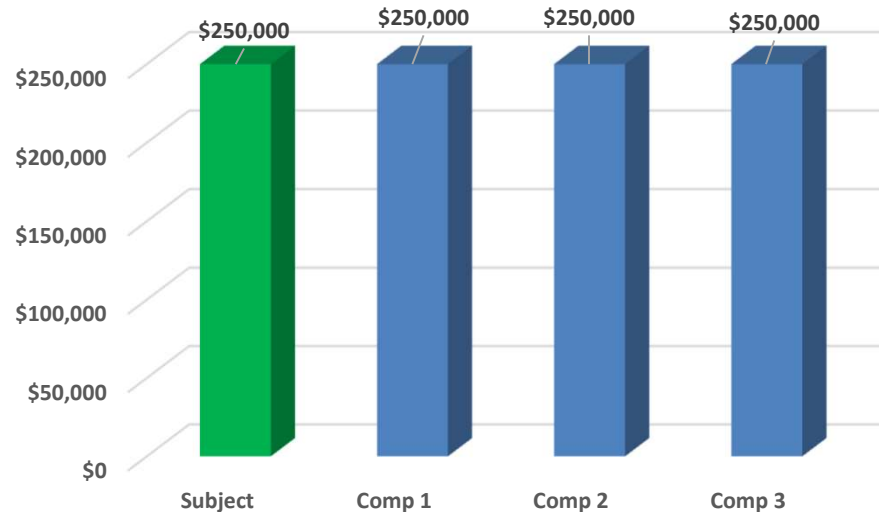
## Average Rent per Unit



## Cost per Sq Ft



## Cost per Unit



Subject Property	4208 Sepulveda Blvd.	Torrance, CA. 90505	GRM 11.88	Cap Rate 4.57%	% Down Payment 50%
Comp #1	20360 Anza Ave.		11.88	4.14%	50%
Comp #2	21025 Victor Street		11.88	4.14%	50%
Comp #3	23135 Madison Ave.		11.88	4.14%	50%



## Rent Comparables (10)



### Subject Property Recent Move Ins

Studio / 1 Bath: \$1,500  
1 Bdr / 1 Bath: \$1,800  
2 Bdr / 2 Bath: \$3,000



### Comp #1 Address

Studio / 1 Bath: \$1,500  
1 Bdr / 1 Bath: \$1,800  
2 Bdr / 2 Bath: \$3,000

Proximity to subject property:  
Next Door / 1 Block west  
Asking rents or actual rents



### Comp #1 Address

Studio / 1 Bath: \$1,500  
1 Bdr / 1 Bath: \$1,800  
2 Bdr / 2 Bath: \$3,000

Proximity to subject property:  
Next Door / 1 Block west  
Asking rents or actual rents



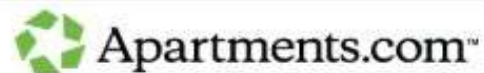
### Comp #1 Address

Studio / 1 Bath: \$1,500  
1 Bdr / 1 Bath: \$1,800  
2 Bdr / 2 Bath: \$3,000

Proximity to subject property:  
Next Door / 1 Block west  
Asking rents or actual rents

### Comments

Subject Property: Pool, BBQ, parking  
Comp #1: Similar amenities and location  
Comp #2: Similar amenities and location  
Comp #3: Similar amenities and location



Narrative text, map area or TBD



## Operating History & Underwriting (11)

	2023	2024	Proforma	Comments
Gross Scheduled Income	609,660	609,660	609,660	
Laundry	3,600	3,600	3,600	
Parking	6,000	6,000	6,000	
Other Income	12,000	12,000	12,000	
Gross Potential Income	631,260	631,260	631,260	
Less Vacancy Allowance			(19,000)	3.01%
Gross Operating Income	631,260	631,260	612,260	
Operating Expenses				
Real Estate Taxes	83,100	83,100	83,100	
Direct Assessment Taxes	20,000	20,000	5,000	
Insurance	31,938	31,938	31,938	
Utilities	37,500	37,500	37,500	
Trash	9,000	9,000	9,000	
Maint & Repairs	26,400	26,400	26,400	
Pool	3,600	3,600	3,600	
Elevator	3,000	3,000	3,000	
Landscape / Gardening	1,800	1,800	1,800	
Off Site Management	30,616	30,616	30,616	
Res Mgr Apt Allowance	6,123	6,123	6,123	
Res Mgr Salary	12,246	12,246	12,246	
Payroll & Payroll Taxes				
General & Administrative	6,700	6,700	6,700	
Advertising	1,500	1,500	1,500	
Contract Services	100	100		
Miscellaneous	6,123	6,123	6,123	
Reserves	5,000	5,000	5,000	
Total Operating Expenses	284,746	284,746	\$269,646	
Net Operating Income	\$346,514	\$346,514	\$342,614	

Maint & Repairs includes pest control, cleaning, supplies and Interior & exterior decorating (turnover)

General & Administrative includes license, telephone-cable and legal.

**Capital Improvements & Replacements (12)**

	2022	2023	2024	2025
Roof	\$15,000	\$15,000	\$15,000	\$15,000
Plumbing	\$5,000	\$5,000	\$5,000	\$5,000
Electrical	\$30,000	\$30,000	\$30,000	\$30,000
Windows	\$30,000	\$30,000	\$30,000	\$30,000
Decking				
Gates & Fences			\$12,500	\$12,500
Water Heater / Boilers	\$12,500	\$12,500	\$15,000	\$15,000
Exterior Painting	\$15,000	\$15,000	\$10,000	\$10,000
Hardwood Flooring	\$10,000	\$10,000		
Unit Remodel				
New Kitchen & Baths				
Other 1				
Other 1				
Other 1				
			\$117,500	\$117,500
Total	\$117,500	\$117,500		

Prior 3 to 5 years Capex & Replacements:



Lee O'Donnell's career started in the Mid 80's working for a Multifamily Syndicator specializing in multifamily acquisitions for limited partnerships. By the late 80's, Lee moved into the financing side of the business and has worked for Commercial Banks, Thrift & Loans, REIT-CMBS and a Commercial Mortgage Broker. With over 30 years' experience in the business.

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