

**Ocean Apartments
12345 Ocean Ave.
Los Angeles, CA. 90066**



**OFFERING MEMORANDUM
75 Units Los Angeles**

Presented By

Southern California Real Estate Advisor



Broker Name
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INVESTMENT OFFERING



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. Close to public transportation and shopping. Next to Alondra Park Golf Course.

Apartment Unit Mix:

14-Studio's from \$995 to \$1,295

45-One Bedroom / 1 Bath from \$1,195 to \$1,595

16-Two Bedroom / 1 Bath from \$1,595 to \$2,195

All electric appliances for heating & cooking is master metered with RUB's. Laundry room is gas fired.

Recent Seller Improvements include new roof, new decking, new exterior painting, new windows and touch up landscaping. The property has 74 parking including carports and garages.



- Pool & BBQ
- Internet Access
- Spacious units with comfortable floor plans
- Laundry & Storage
- Gated Entry
- Stable Tenancy and Operating History
- Copper Plumbing
- Electric Heating & Cooking
- Carports Retrofitted

Broker does not warrant the accuracy of this investment summary. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The above information is from sources deemed to be reliable. Please complete your own due diligence and investigation analysis with experienced professionals.

Multifamily Investment Summary

Price	\$20,000,000		Average Current Rent per Unit	Average Market Rent per Unit	% Rent Upside
Down Payment	\$8,000,000	40.00%	\$2,000	\$2,667	33.33%
Loan Amount	\$12,000,000	60.00%			

BUILDING DATA / FINANCIAL INDICATORS

Address	12345 Ocean Ave.
City, State, Zip	Los Angeles, CA. 90066
APN	237-55-44
Number of Units	75
Year Built	1971
Building Size	48,750
Lot Size	1.5 Acres
Current GRM	10.96
Current Cap Rate	5.98%
Market GRM	8.25
Market Cap Rate	8.78%
Price per Unit	\$266,667
Price per Sq Ft	\$410

INCOME SUMMARY

	Current	Market
Gross Scheduled Income	\$1,800,000	\$2,400,000
Laundry Income	\$6,000	\$6,000
RUBS Program	\$12,000	\$12,000
Administration	\$6,000	\$6,000
Gross Operating Income	\$1,824,000	\$2,424,000
Less Vacancy Allowance	3.00% (\$54,720)	(\$72,720)
Gross Operating Income (GOI)	\$1,769,280	\$2,351,280

OPERATING EXPENSE SUMMARY

Real Estate Taxes	1.250000%	\$250,000	\$250,000
Other Taxes		\$0	\$0
License		\$1,875	\$1,875
Insurance		\$31,688	\$31,688
Utilities		\$71,250	\$71,250
Trash		\$18,000	\$18,000
Maintenance & Repairs		\$56,250	\$56,250
Gardening		\$3,600	\$3,600
Professional Mgt		\$51,984	\$69,084
On Site Mgt		\$31,500	\$31,500
Gen & Admin		\$15,000	\$15,000
Advertising		\$3,750	\$3,750
Payroll & Salaries		\$0	\$0
Miscellaneous		\$17,328	\$17,328
Replacement Reserves		\$20,625	\$20,625
Total Operating Expenses		\$572,850	\$595,650
Expense / Per Unit		\$7,638	\$7,942
Net Operating Income (NOI)		\$1,196,431	\$1,755,631
Total % Expenses (GOI)		32.38%	25.33%

Comments

Current Rents	\$150,000	Market Rents	\$200,000
Laundry Income:	\$500		\$500
RUBS Program	\$1,000		\$1,000
Administration	\$500		\$500
Total	\$152,000		\$202,000

Annualized Cash Flow including Year 1 Rent Projection

		Current Rents	Rent Increase Projection	Market Rents	All Cash
Gross Scheduled Income		\$1,800,000	\$1,980,000	\$2,400,000	\$1,800,000
Laundry Income		\$6,000	\$6,000	\$6,000	\$6,000
RUBS Program		\$12,000	\$12,000	\$12,000	\$12,000
Administration		\$6,000	\$6,000	\$6,000	\$6,000
Gross Operating Income		\$1,824,000	\$2,004,000	\$2,424,000	\$1,824,000
Less Vacancy Allowance	3.00%	(\$54,720)	(\$60,120)	(\$72,720)	(\$54,720)
Gross Operating Income (GOI)		\$1,769,280	\$1,943,880	\$2,351,280	\$1,769,280
Less Operating Expenses		(572,850)	(572,850)	(572,850)	(572,850)
Net Operating Income (NOI)		\$1,196,431	\$1,371,031	\$1,778,431	\$1,196,431
Debt Service 1st Loan	6.250%	(\$894,778)	(\$894,778)	(\$894,778)	
(a) Total Cash Flow		\$301,652	\$476,252	\$883,652	
Total Cash on Cash Return (ROE)		3.77%	5.95%	11.05%	5.98%
(b) Principal Reduction		\$144,778	\$144,778		
% Return on Equity (Principal Reduction)		1.81%	1.81%		
Total Return (Cash Flow & Principal Reduction)		\$446,431	\$621,031		
<i>Total Return ROE (Cash flow and principal reduction)</i>		5.58%	7.76%		5.98%
Cap Rate		5.98%	6.86%	8.78%	

Rent Control Projection 10% Rent Control AB 1482 applies; 5% + CPI with 10% maximum

Subject Property Rent Control Comments

Rent Control AB 1482 applies

Max Increase: 5% + CPI (10% Maximum)

Tenant Relocation: Subject to substantial remodel and tenant relocation costs

Current Rents: Current In Place rents as scheduled per current rent roll

Rent Increase Projection: Maximum rent control allowed increase per current rent control laws

Market Rents: Projected rents based on current market rents subject to rent control laws

All Cash: 100% cash down Cap Rate comparison based on current rents

Photos

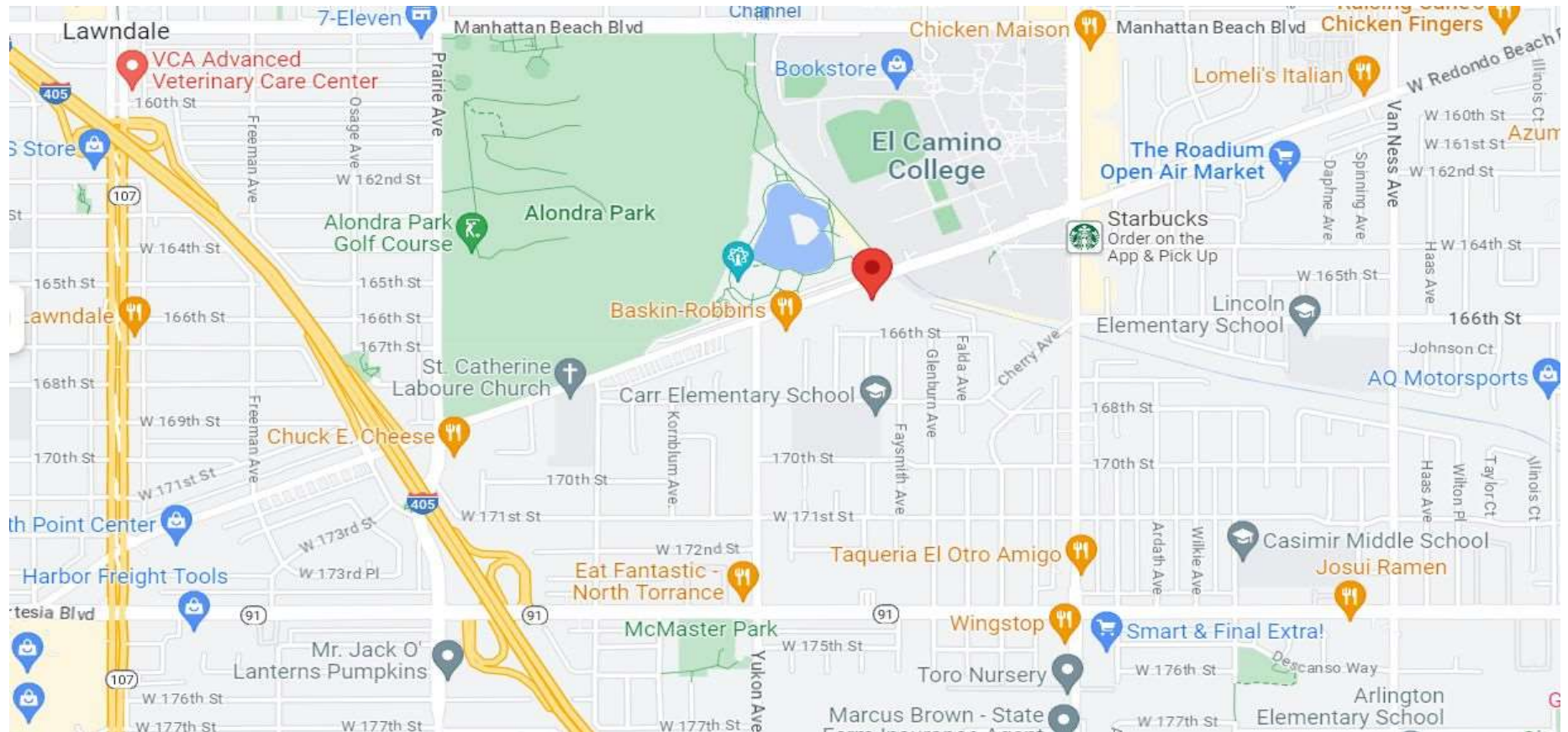


Map Location



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.



Broker Bio

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