



# ROSANO PARTNERS

commercial real estate services



2023 Bellevue Ave.,  
Los Angeles, CA 90026

Offering  
Memorandum





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Presented by:

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The information contained in this resenatation is confidential, furnished solely for the purpose of a review by a prospective purchaser of the Property, and is not to be used for any other purpose or made available to any other person without the express written consent of the Seller or Advisor. Prospective purchasers should also conduct their own due diligence, including, but not limited to, engineering and environmental inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property or used in the construction of maintenance of the building(s) at the Property.



# Property Overview



2023 Bellevue Ave.,  
Los Angeles, CA 90026

# Property Overview / Front Duplex



## Property Overview / Property Descriptions

Rosano Partners is pleased to present an opportunity to acquire a six-unit apartment building in the Echo Park neighborhood. Built in 1902, the subject property offers a unit mix of 4 two-bedroom/one-bathrooms, and 2 one-bedroom/one-bathroom. Gas and electricity are separately metered, while water is mastered. The construction is made up of stucco and wood-frame, and accommodates 3 parking spots for on-site tenants. With rents being 29.8% below market in a location that is continuing to gentrify, a savvy investor can understand why they would not want to miss this opportunity.

## Property Overview / Financial Summary

PRICE	CAP RATE // ACTUAL
\$1,495,000	3.89%
PRICE / SF	GRM // ACTUAL
\$358.60	16.08
PRICE / UNIT	LEASABLE AREA
\$249,167	4,169 SF
YEAR BUILT	LOT SIZE
1902	5,619 SF

## Property Overview / Investment Highlights

- Well-Maintained 4,169 Square Foot Building
- Solid Echo Park Location
- 3 Duplex Buildings
- Separately Metered for Gas and Electric
- Rents 29.8% Below Market
- Unit 2027 will be delivered Vacant





## Property Overview / Middle Duplex





## Property Overview / Back Duplex



# Location Overview

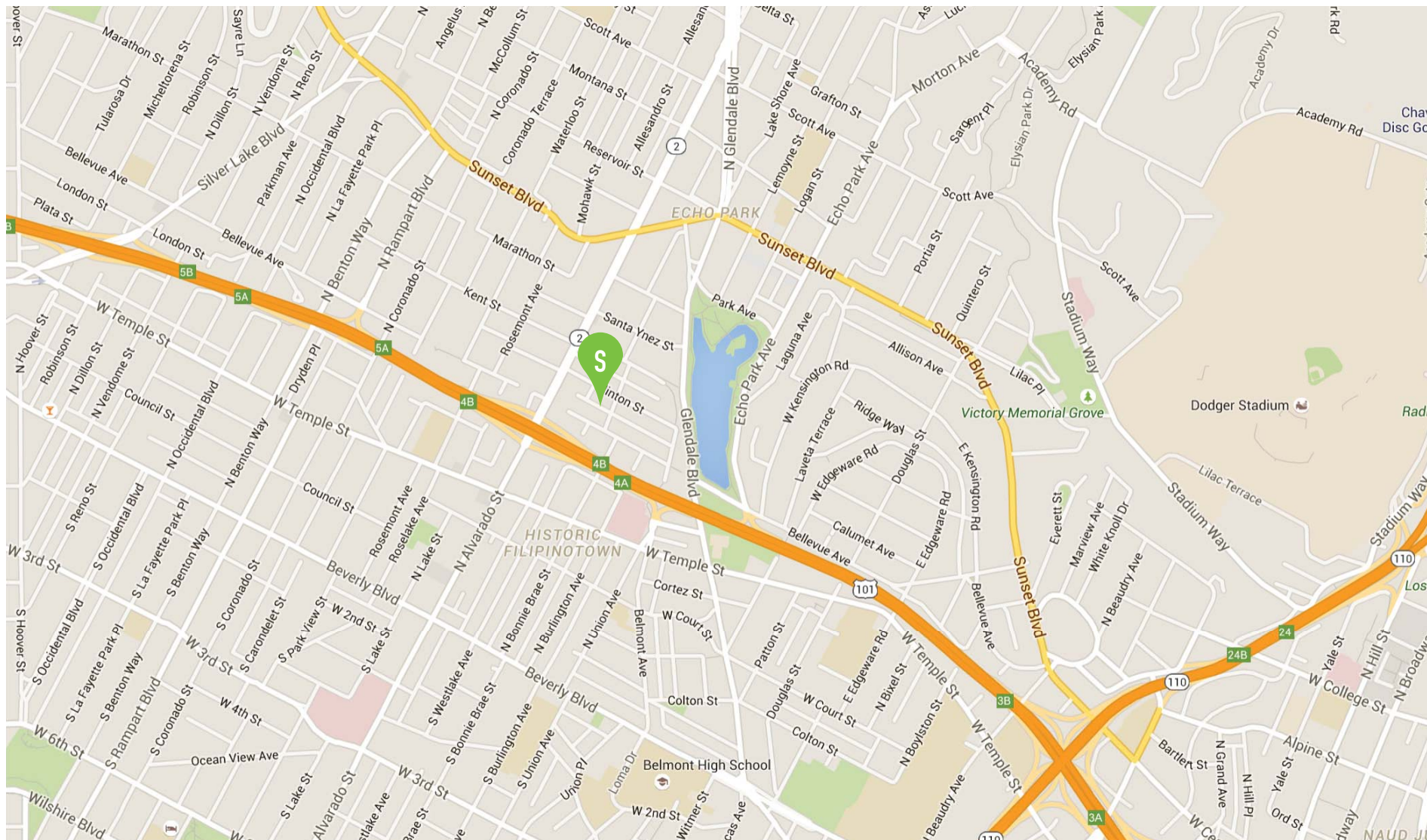


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## Location Overview / Map



## Location Overview / Location Descriptions

The subject property is situated on 2023 Bellevue Ave. near Rosemont Elementary School. The property is near the intersection of North Alvarado Street and Clinton Street. Being less than a mile from many schools, restaurants, and entertainment options, tenants will benefit from the local offerings and transportation.

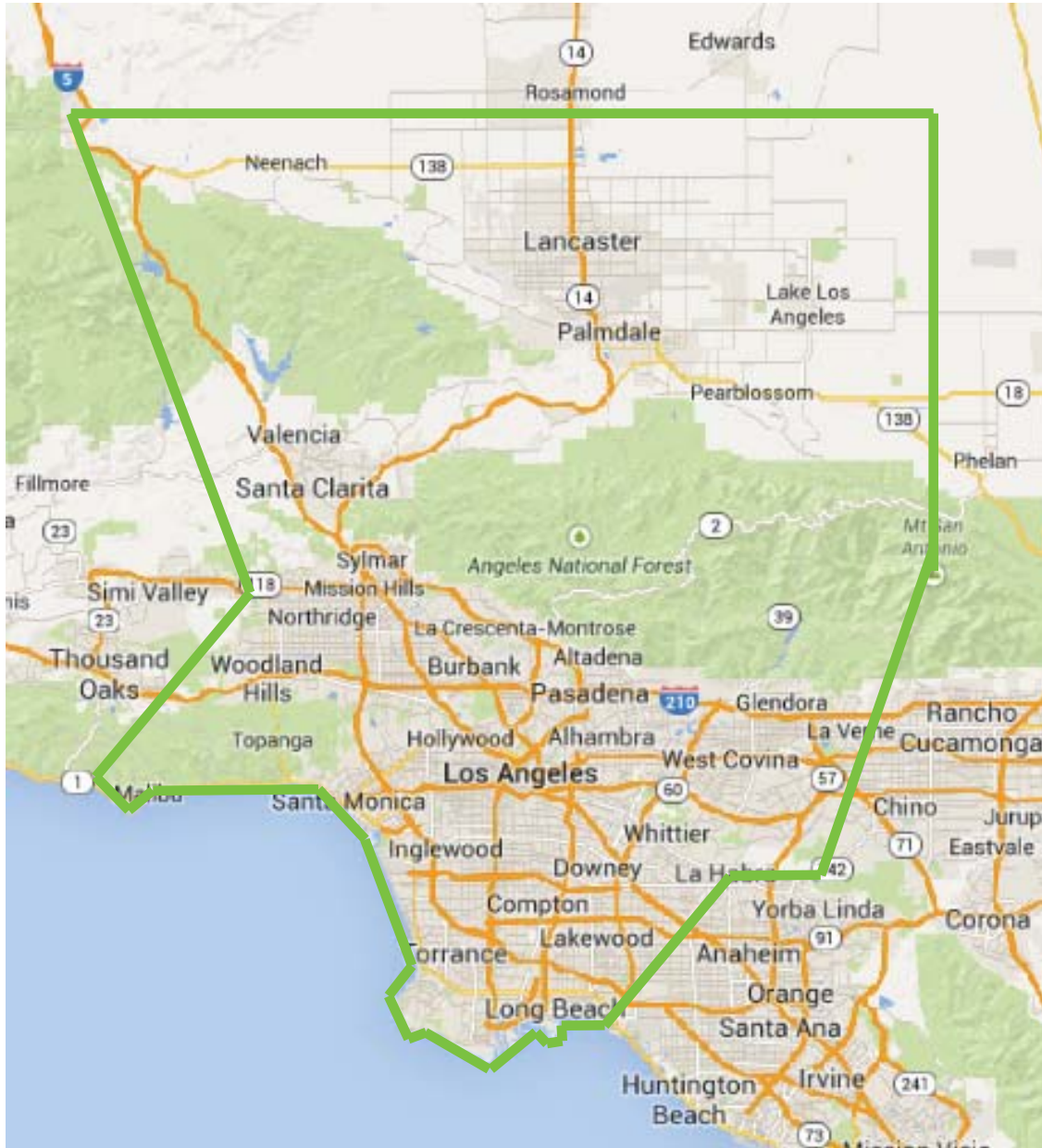


Location Overview / Aerial





## Location Overview / LA County



## LA County Facts

/ Population: 10,017,068

- (~26% of California's population)

/ 4,057.88 Sq Mi Land Area

/ 2,419.6 Persons/Sq Mi

/ 29.5% Bachelors Degree or Higher

/ 3,462,202 Housing Units

/ 47.3% Homeownership Rate

/ \$56,241 Median Household Income

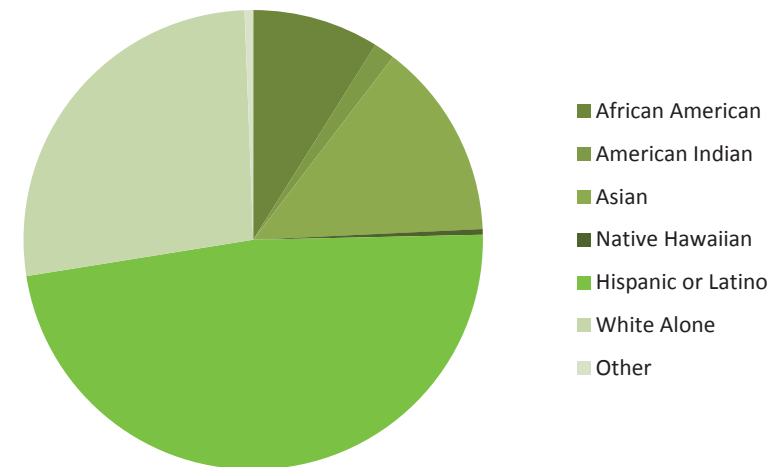
## LA County Industry

Los Angeles is the largest major manufacturing center in the United States.

/ 500,000 Manufacturing Workers

Los Angeles and Long Beach ports support international trade.

## LA County Demographics





Top 5 Companies Headquartered in LA County

Walt Disney Co. - \$40,893 MM



DirecTV - \$27,226 MM



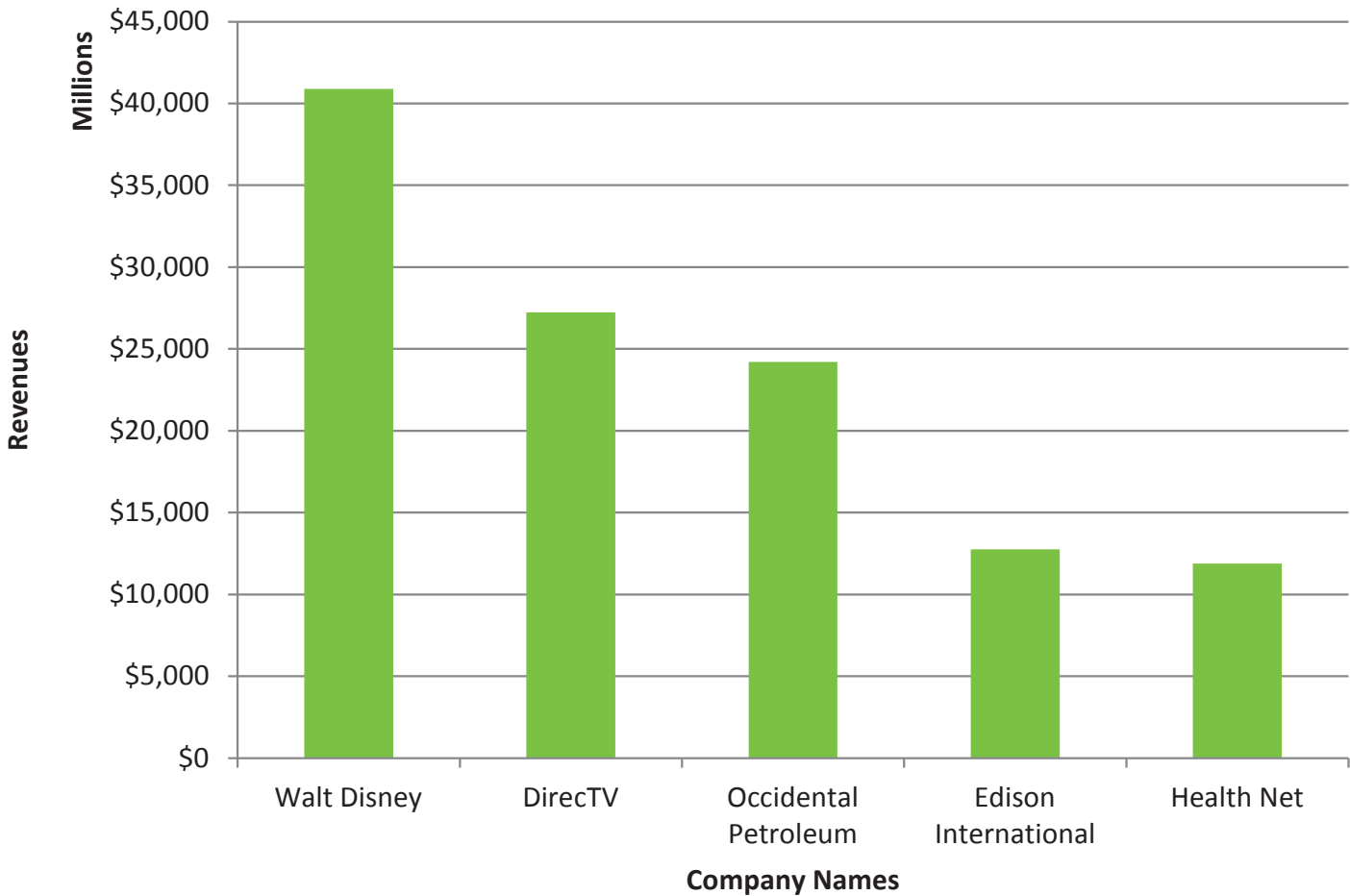
Occidental Petroleum - \$24,216 MM



Edison International - \$12,760 MM



Health Net - \$11,901 MM



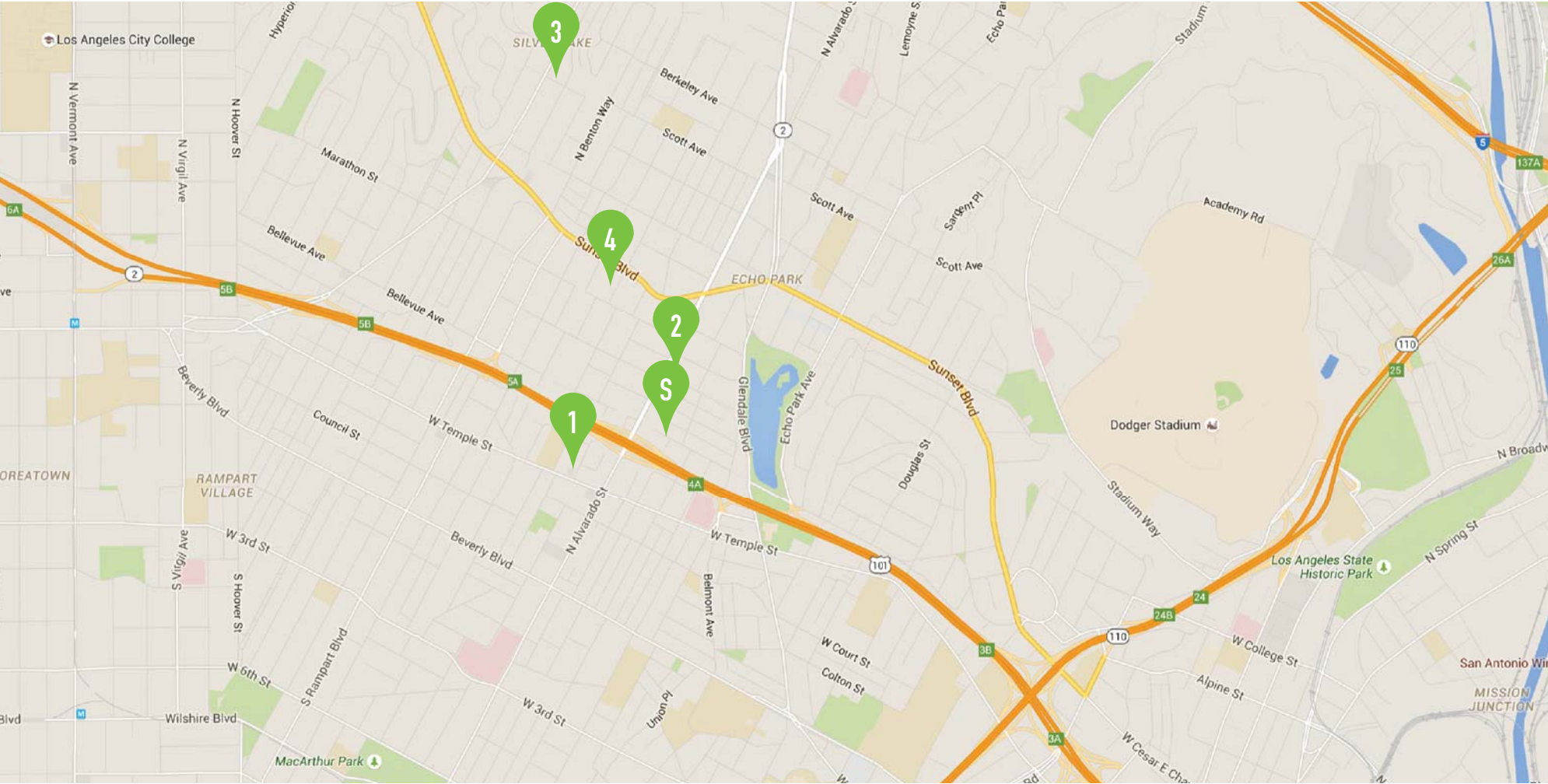
# Sales Comparables



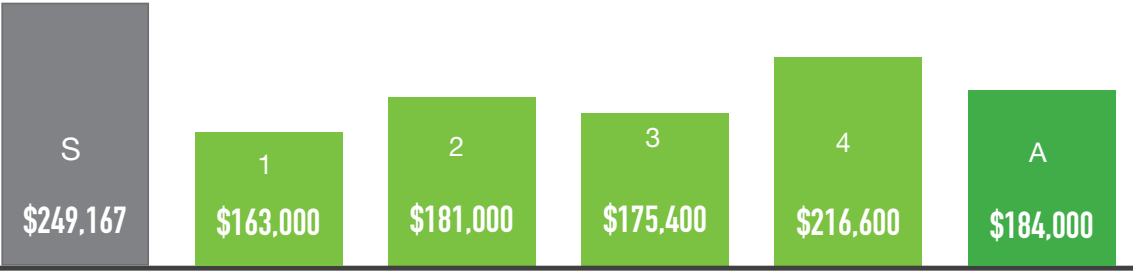
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Sales Comparables / Overview



Price / Unit



S. No.	Address	Sale Price	Price / Unit
S	2023 Bellevue Ave.	\$1,495,000	\$249,167
1	415 N. Lake St.	\$978,000	\$163,000
2	1926 Santa Ynez St.	\$905,000	\$181,000
3	1486-1490 Silver Lake Blvd.	\$877,000	\$175,400
4	1033-1035 Waterloo St.	\$1,083,000	\$216,600





<b>Sale Date</b>	04/02/2015
<b>Sale Price</b>	\$978,000
<b>Units</b>	6
<b>Year Built</b>	1962
<b>Zoning</b>	LAC2
<b>Lot SF</b>	6,007
<b>Building SF</b>	5,085
<b>Price/Building SF</b>	\$192.33
<b>Price Per Unit</b>	\$163,000
<b>Income</b>	-
<b>Total Expenses</b>	\$22,156
<b>NOI</b>	\$81,242
<b>Unit Mix</b>	1 X 1 BR/1 BA 5 X 2 BR/1 BA
<b>Cap Rate</b>	-





Sale Date	02/23/2015
Sale Price	\$905,000
Units	5
Year Built	1927
Zoning	RD2
Lot SF	6,499
Building SF	4,031
Price/Building SF	\$224.51
Price Per Unit	\$181,000
Income	-
Total Expenses	-
NOI	-
Unit Mix	4 X 1 BR/1 BA 1 X 2 BR/1 BA
Cap Rate	-







<b>Sale Date</b>	03/06/2015
<b>Sale Price</b>	\$877,000
<b>Units</b>	5
<b>Year Built</b>	1950
<b>Zoning</b>	LARD2
<b>Lot SF</b>	4,779
<b>Building SF</b>	3,754
<b>Price/Building SF</b>	\$233.62
<b>Price Per Unit</b>	\$175,400
<b>Income</b>	-
<b>Total Expenses</b>	-
<b>NOI</b>	73,080
<b>Unit Mix</b>	4 X 1 BR/1 BA 1 X 2 BR/ 1 BA
<b>Cap Rate</b>	-





<b>Sale Date</b>	09/28/2015
<b>Sale Price</b>	\$1,083,000
<b>Units</b>	5
<b>Year Built</b>	1923
<b>Zoning</b>	LARD2
<b>Lot SF</b>	7,758
<b>Building SF</b>	4,200
<b>Price/Building SF</b>	\$257.86
<b>Price Per Unit</b>	\$216,600
<b>Income</b>	-
<b>Total Expenses</b>	-
<b>NOI</b>	\$40,146
<b>Unit Mix</b>	5 X 1 BR/1 BA
<b>Cap Rate</b>	-

# Financial Analysis



2023 Bellevue Ave.,  
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# Financial Analysis / Setup

## Pricing Summary

<b>Offering Price:</b>	<b>\$1,495,000</b>
Down Payment:	40% \$598,000
Number of Units:	6
Price/Unit:	\$249,167
<b>Current Cap:</b>	<b>3.89%</b>
<b>Pro Forma Cap:</b>	<b>6.58%</b>
<b>Current GRM:</b>	<b>16.08</b>
<b>Pro Forma GRM:</b>	<b>11.12</b>
Price / Bldg sq/ft:	\$358.60
Price / Land sq/ft:	\$266.06
Avg. Rent/ Square Foot	\$1.86
Expense/Unit	\$5,330.75

## Property Description

Leasable Area (sq/ft):	4,169
Lot Size (sq/ft):	5,619
Year Built:	1902
Zoning:	LARD2

## Financing

Loan Amount:	\$897,000
Amortization:	30
Interest Rate:	3.75%
Monthly Payment:	(\$4,154)
Yearly Payment:	(\$49,850)

## Financial Summary:

The said quote is the most competitive that the capital markets can offer.

## Annualized Operating Data

	Current		Pro Forma	
<b>Gross Potential Rent</b>	<b>\$92,997</b>		<b>\$134,400</b>	
Other income	\$0		\$0	
<b>Gross Potential Income:</b>	<b>\$92,997</b>		<b>\$134,400</b>	
Less: Vacancy Allowance	\$2,790	3%	\$4,032	3%
<b>Effective Gross Incomes</b>	<b>\$90,207</b>		<b>\$130,368</b>	
Less Expenses:	\$31,985		\$31,985	
<b>Net Operating Income:</b>	<b>\$58,223</b>	<b>64.5%</b>	<b>\$98,384</b>	<b>75.5%</b>
Debt Service	(\$49,850)		(\$49,850)	
<b>Cash Flow After Debt Service/ CoC Return</b>	<b>\$8,373</b>	<b>1.4%</b>	<b>\$48,534</b>	<b>8.1%</b>
Principal Reduction	\$27,964		\$27,964	
Total Return Before Taxes:	\$36,337	6.1%	\$76,498	13%

**NOTES:** \* As a percent of Effective Gross Income.

\*\* As a percent of Down Payment.

## Annualized Expenses

	GPR %	Current	Pro Forma
Real Estate Taxes	1.250%	\$18,688	\$18,688
Insurance	2.54%	\$2,358	\$2,358
Utilities	3.32%	\$3,088	\$3,088
Trash	1.94%	\$1,800	\$1,800
Maintenance/Repairs	5.80%	\$5,391	\$5,391
Gardening	0.71%	\$660	\$660

<b>Total Expenses</b>	<b>\$31,985</b>	<b>\$31,985</b>
<b>Monthly/SF</b>	<b>\$0.64</b>	<b>\$0.64</b>

## Unit Mix

# Units	Unit Type
2	1bd+1ba
4	2bd+1ba

This information has been secured from sources we believe to be reliable, however we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify all information.

## Financial Analysis / Rent Roll

Unit #	Unit Type	Unit SF	Current Rent	Current Price/SF	Market Rent	Market Price/SF
2023	1bd+1ba	550	\$875.50	\$1.59	\$1,500	\$2.73
2023 1/2	1bd+1ba	550	\$875.50	\$1.59	\$1,500	\$2.73
2025	2bd+1ba	750	\$1,311.27	\$1.75	\$2,050	\$2.73
2025 1/2	2bd+1ba	750	\$1,350.00	\$1.80	\$2,050	\$2.73
2027	2bd+1ba*	750	\$2,050.00	\$2.73	\$2,050	\$2.73
2027 1/2	2bd+1ba	750	\$1,287.50	\$1.72	\$2,050	\$2.73
		4,100	\$7,749.77		\$11,200	

*\*Vacant*



## Financial Analysis / 5 Year Cash Flow

### 5 Year Pro-Forma Cash Flow & Valuation

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>GROSS POTENTIAL INCOME*</b>	<b>\$134,400</b>	<b>\$138,432</b>	<b>\$142,585</b>	<b>\$146,863</b>	<b>\$151,268</b>
Vacancy**	\$4,032	\$4,153	\$4,278	\$4,406	\$4,538
<b>EFFECTIVE GROSS INCOME</b>	<b>\$130,368</b>	<b>\$134,279</b>	<b>\$138,307</b>	<b>\$142,457</b>	<b>\$146,730</b>
Expenses***	\$31,985	\$32,304	\$32,627	\$32,954	\$33,283
<b>NET OPERATING INCOME</b>	<b>\$98,384</b>	<b>\$101,975</b>	<b>\$105,680</b>	<b>\$109,503</b>	<b>\$113,447</b>
<b>DEBT</b>					
Annual Debt Service	\$49,850	\$49,850	\$49,850	\$49,850	\$49,850
Interest	\$33,638	\$31,768	\$31,160	\$30,459	\$29,758
Principal	\$16,212	\$18,082	\$18,690	\$19,390	\$20,091
Loan Outstanding	\$847,150	\$830,938	\$812,248	\$793,559	\$773,467
<b>BEFORE TAX CASH FLOW</b>	<b>\$48,534</b>	<b>\$52,125</b>	<b>\$55,830</b>	<b>\$59,653</b>	<b>\$63,597</b>
Cap Rate on Purchase Price	6.58%	6.82%	7.07%	7.32%	7.59%
Return on Investment	8.12%	8.72%	9.34%	9.98%	10.64%

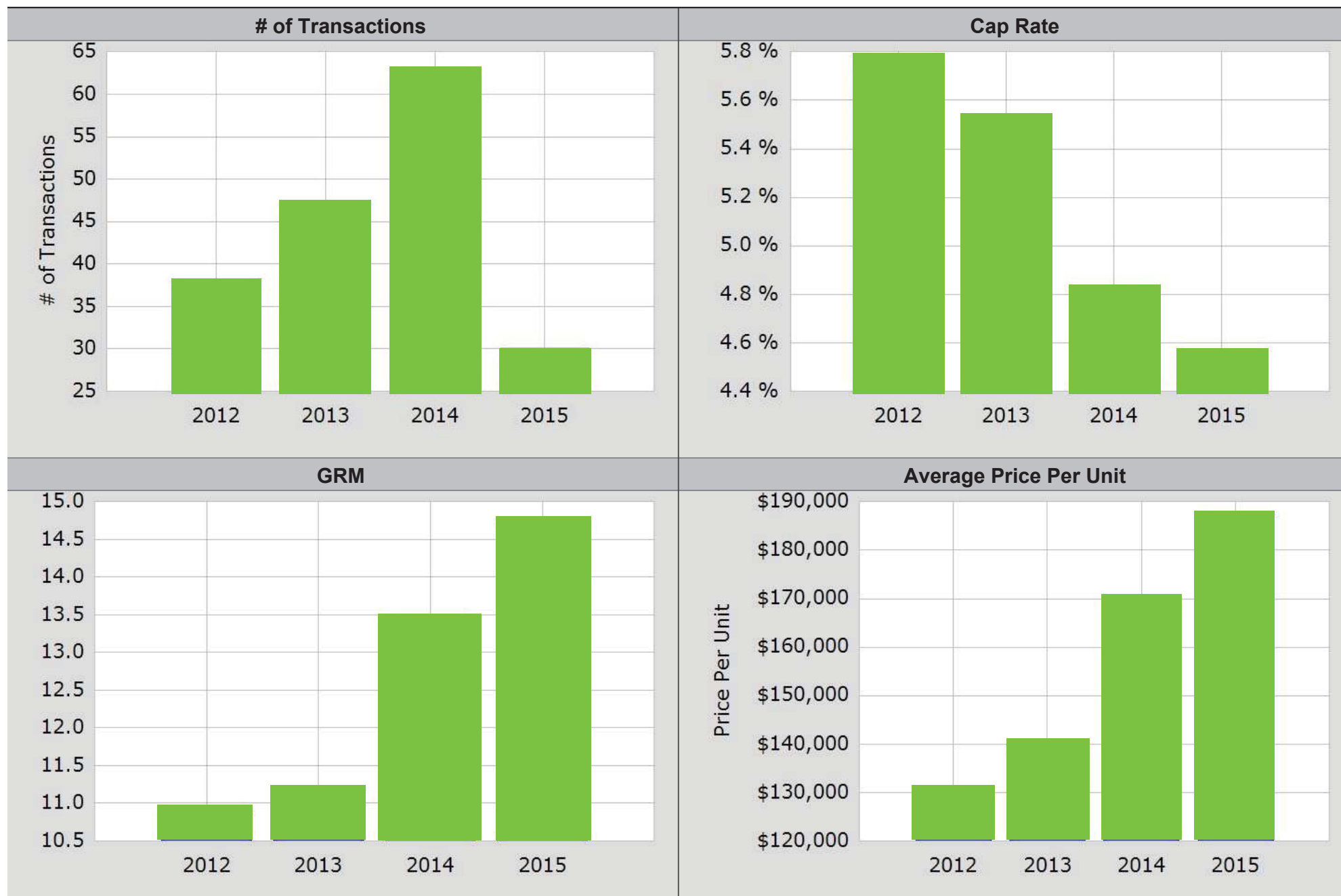
#### ASSUMPTIONS:

*Rental Increases	3.00%
**Vacancy Trend	3.00%
***Variable Expense Increase	1.00%

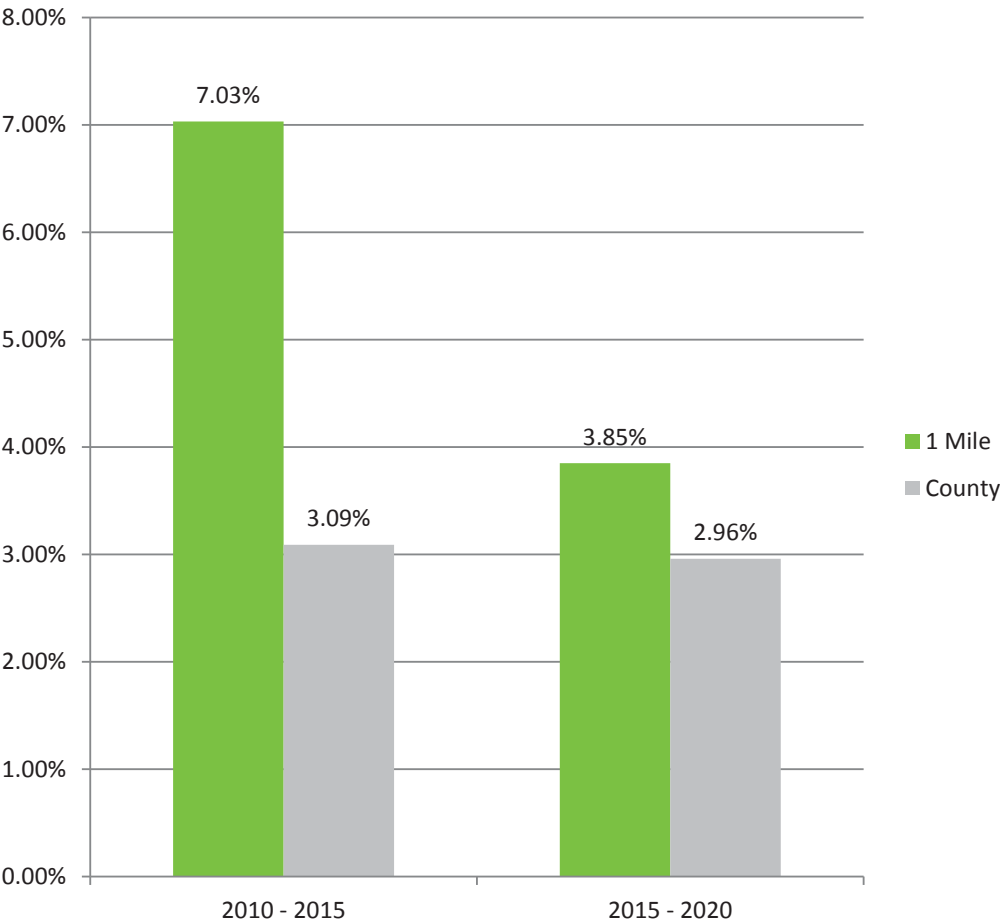
# Demographics



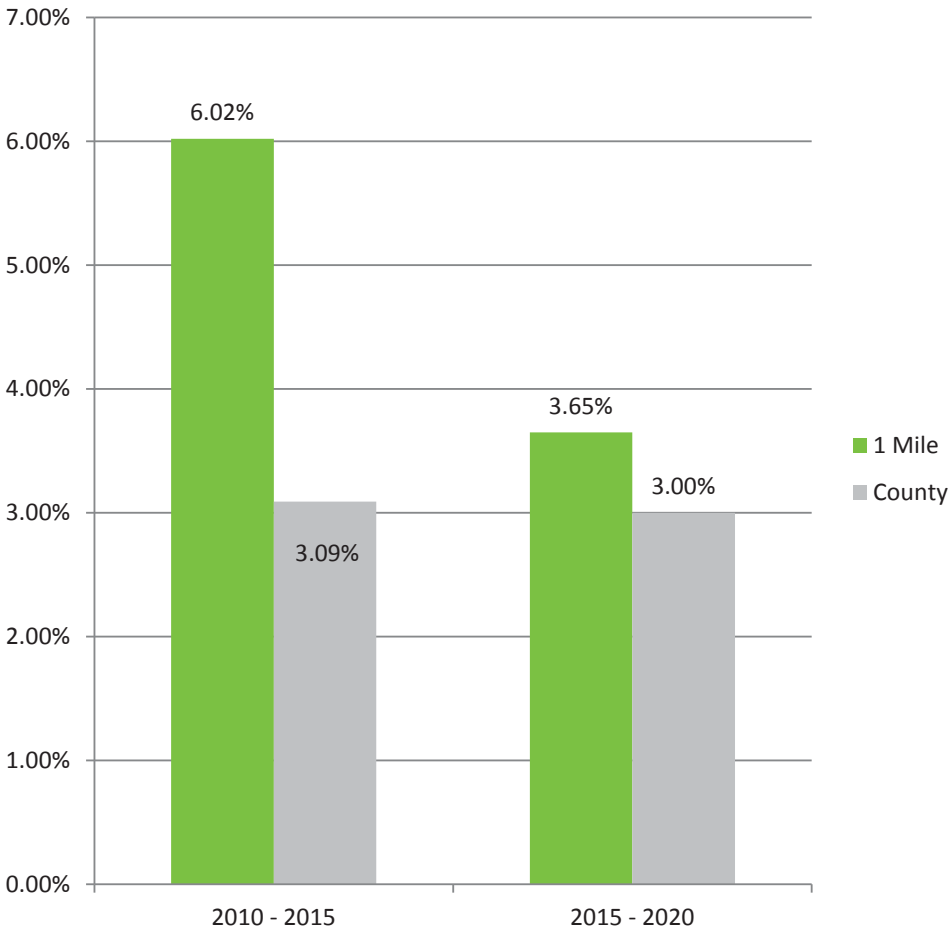
## Demographics / Trend Report



Population Growth

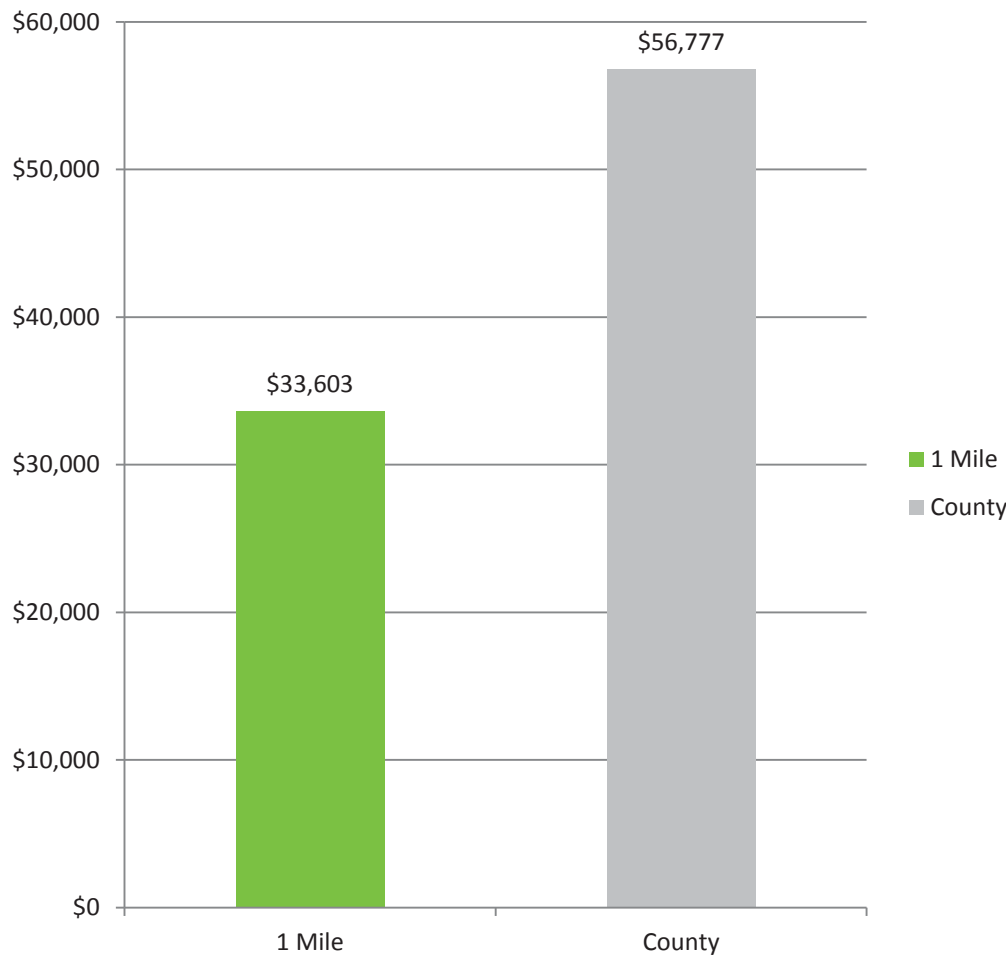


Household Growth

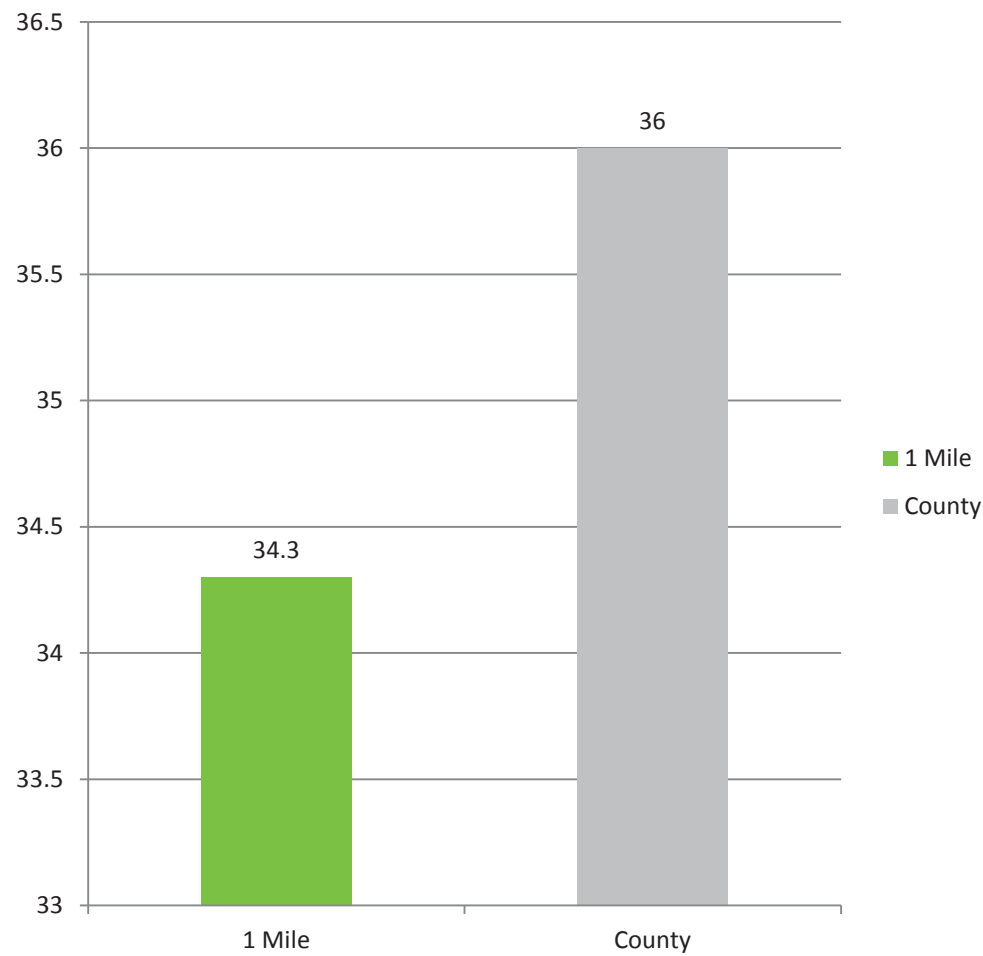




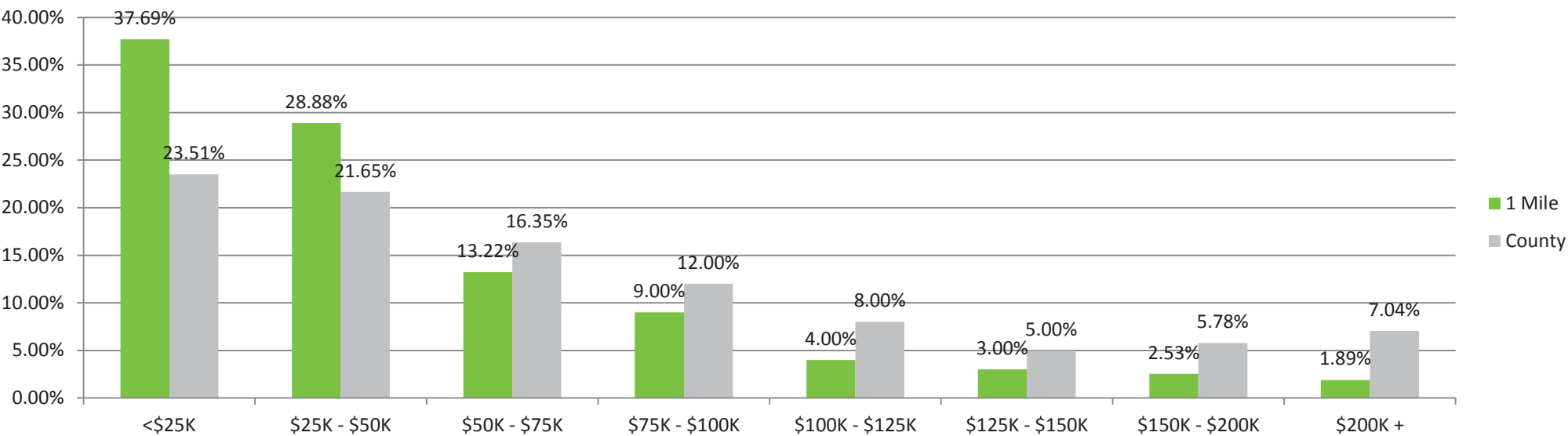
2015 Med Household Inc



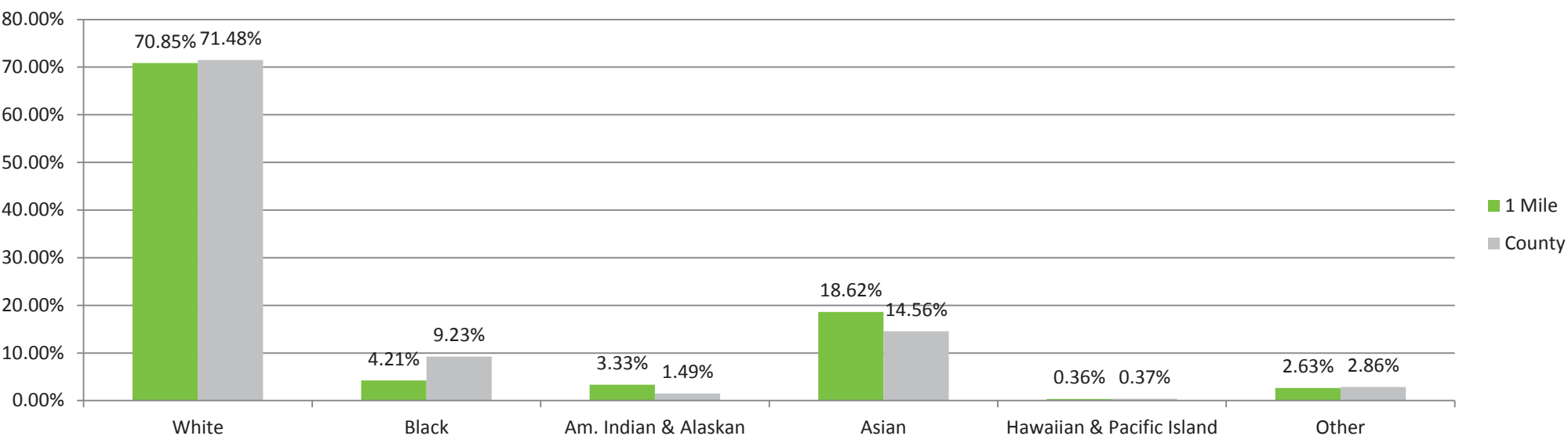
2015 Med Age



2015 Households by Household Income

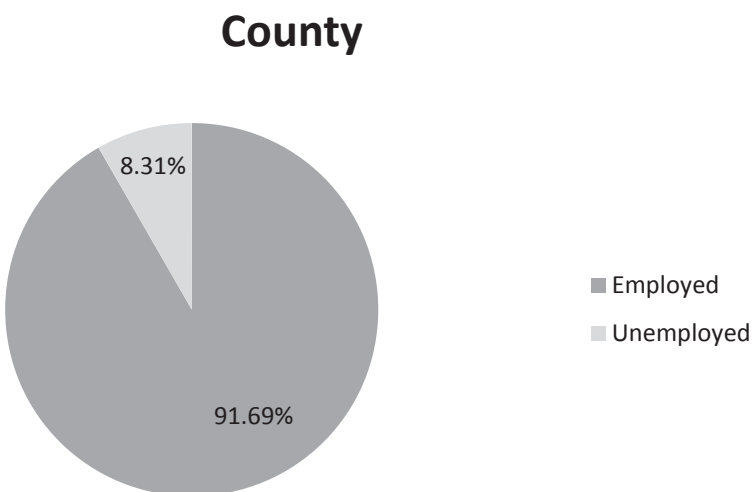
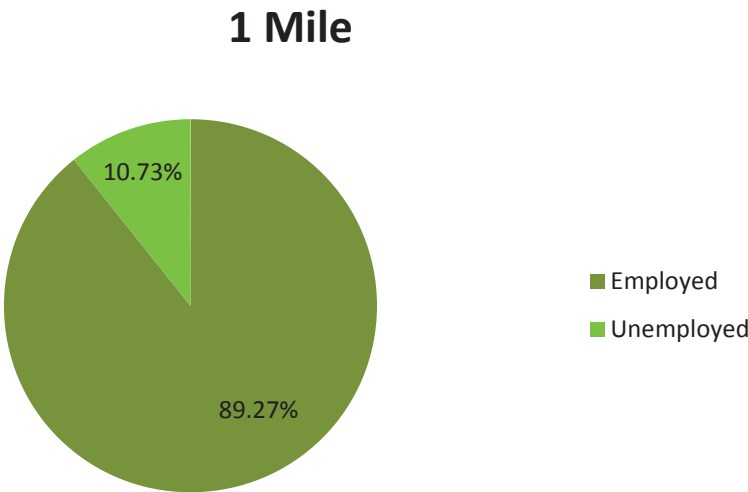


2015 Population by Race

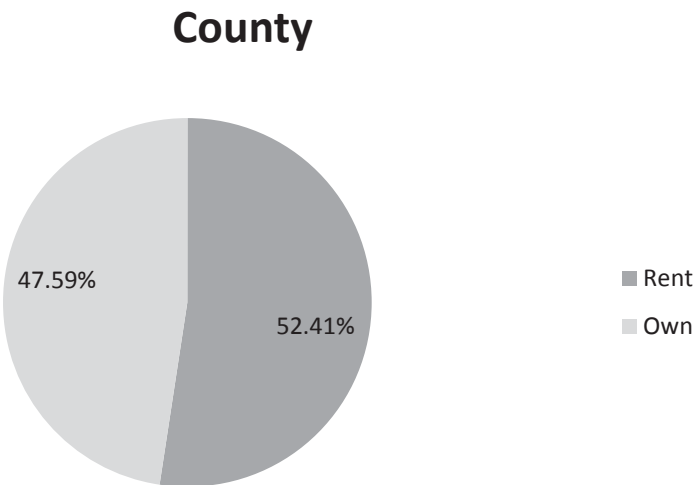
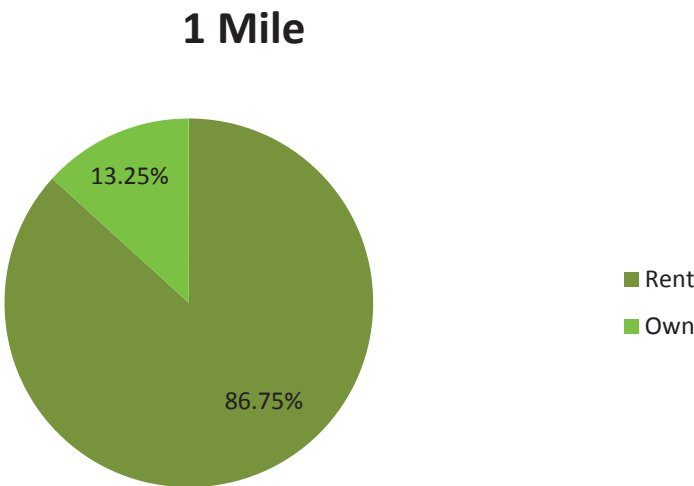




2014 Employed vs Unemployed



2014 Renter vs Owner





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