



1724 Lucretia Ave.  
Los Angeles, CA 90026

Offering Memorandum





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# Property Overview

1724 Lucretia Ave.  
Los Angeles, CA 90026

## Property Overview



### Property Overview / Property Description

Rosano Partners is pleased to present the opportunity to acquire a six-unit apartment building located in the heart of Echo Park. Built in 1928, the subject property offers a unit mix of 6 one-bedroom one-bathroom units. Gas and electricity are separately metered, while water is mastered. The construction is made up of stucco and wood-frame and accommodates 2 garage parking spots, and up to 9 driveway parking spots if parked tandem. All units come with hardwood floors, tiled bath/kitchens, living areas, large kitchens, and some with balcony views, washer/dryer hookups or faux fireplaces. A savvy investor can see that this is a rare opportunity to acquire a unique property with strong cash flow, and real long-term growth as the demand in Echo Park keeps reaching new limits.

### Property Overview / Financial Summary

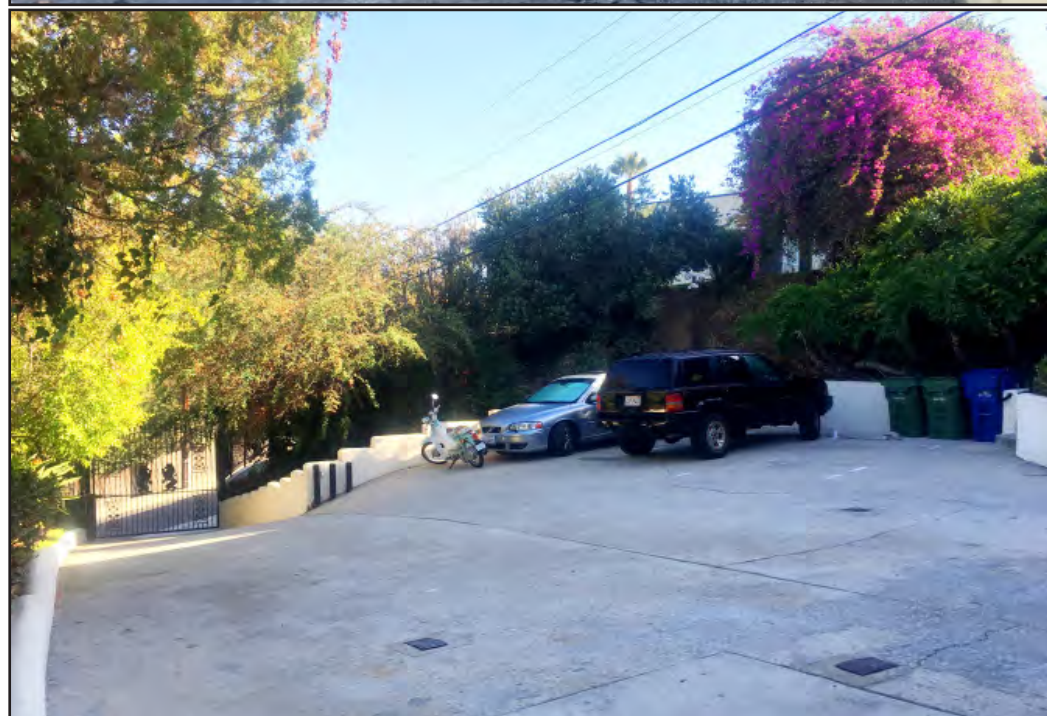
PRICE	CAP RATE // ACTUAL
\$2,250,000	3.45%
PRICE / SF	GRM // ACTUAL
\$500.00	17.63
PRICE / UNIT	LEASABLE AREA
\$375,000	4,500 SF
YEAR BUILT	LOT SIZE
1928	12,054 SF

### Property Overview / Investment Highlights

- Solid Echo Park location
- Strong current income with Realistic Rental Upside
- 6 Parking spaces available +2 garages
- Two detached bungalows and a 4-plex
- Gated estate-type property
- 500+ square ft. deck
- Charming landscaping



## Property Pictures / Entrance & Parking





## Property Pictures / Deck





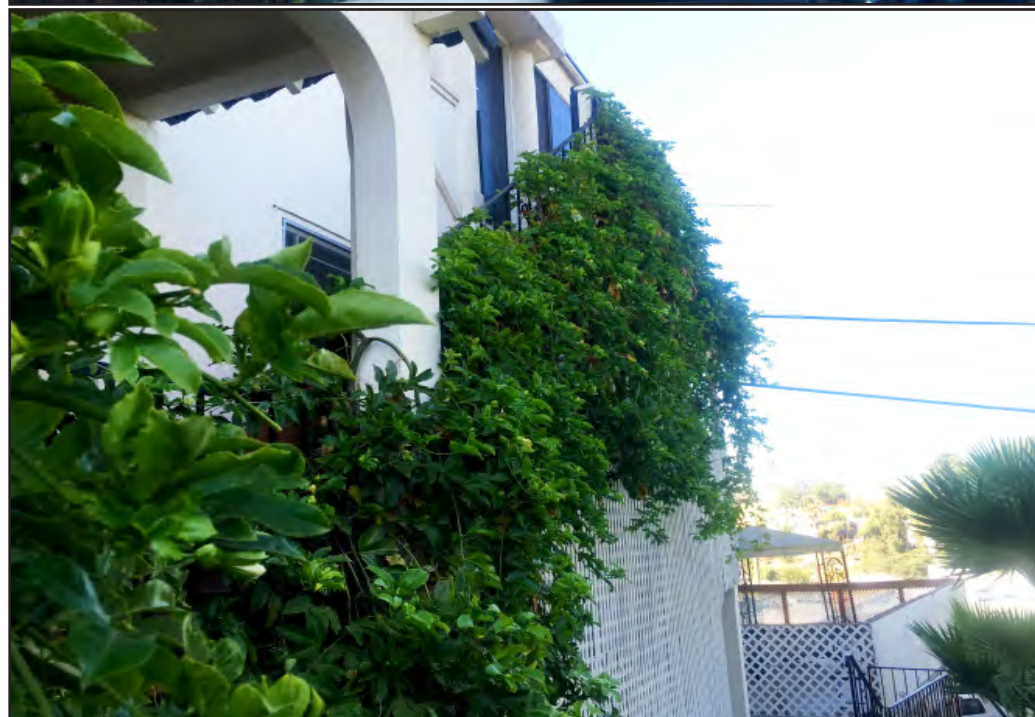
## Property Pictures / Bungalow Units



1724 Lucretia Ave., Los Angeles, CA 90026

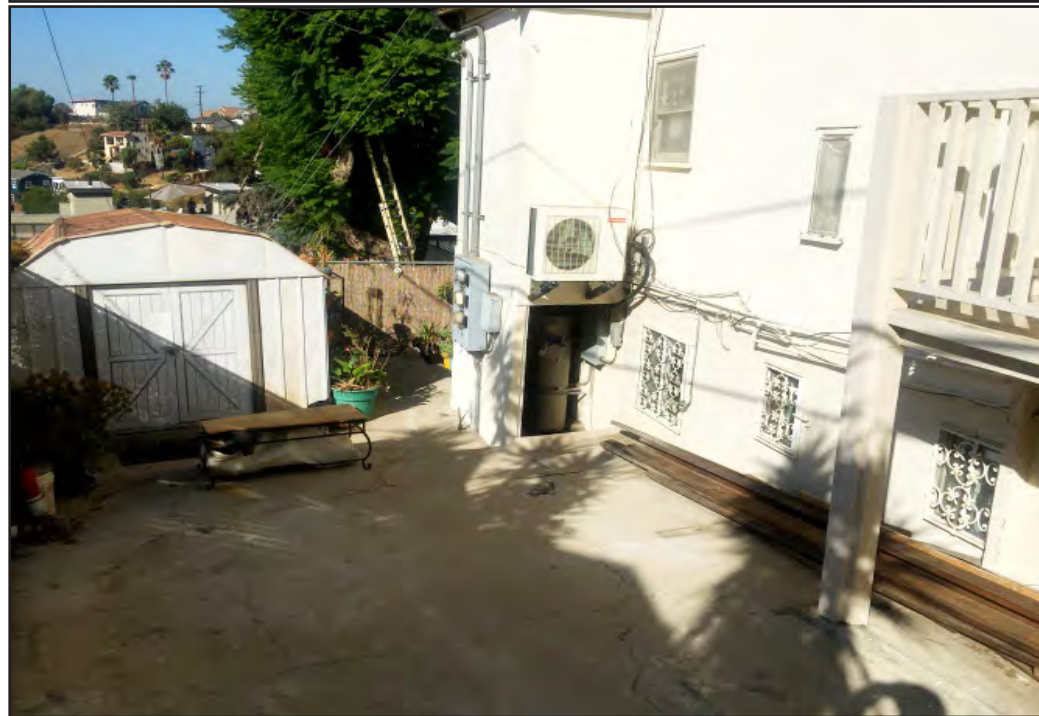


## Property Pictures / Garden & Landscaping





## Property Pictures / Back & Patio









# Location Overview

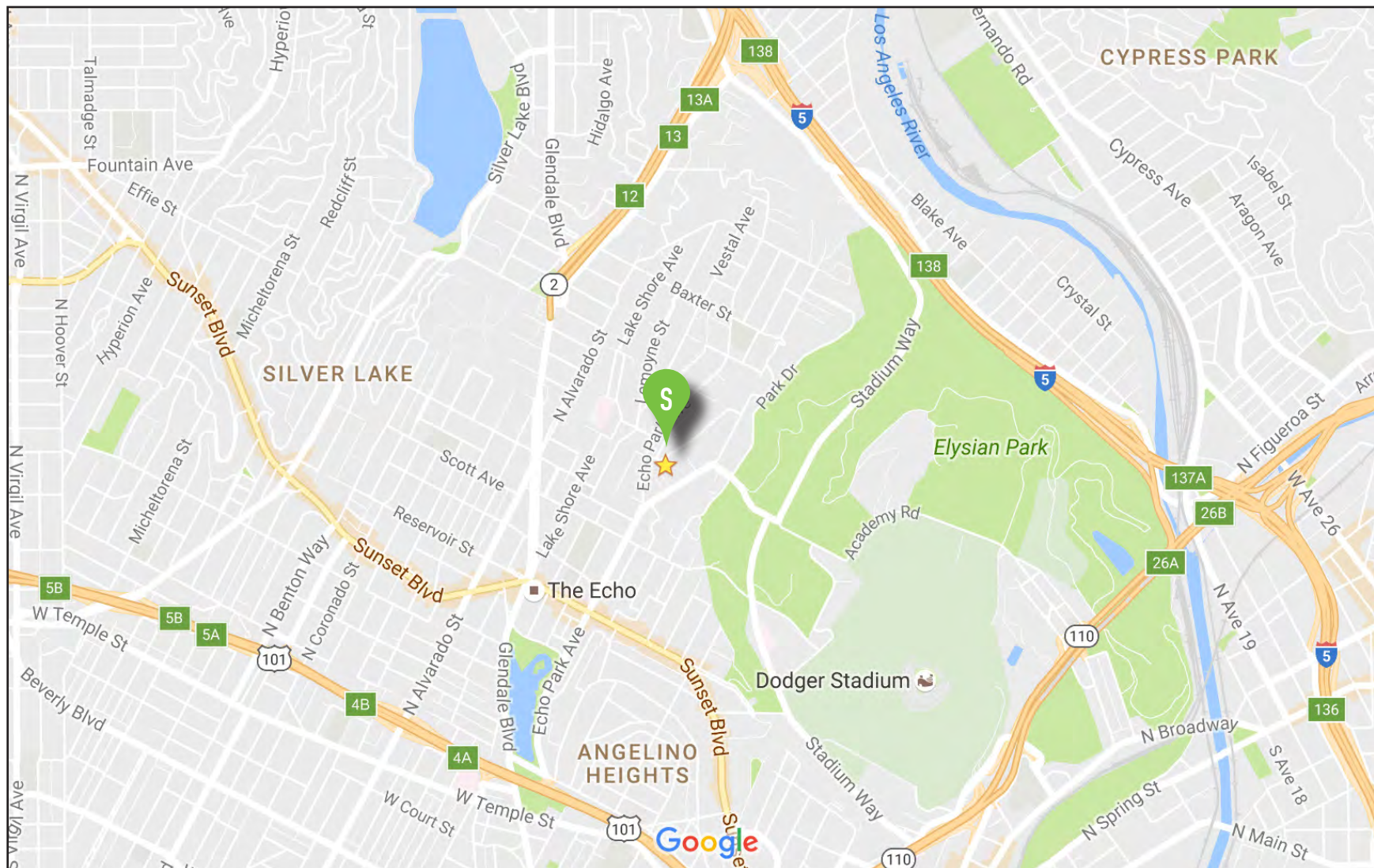


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## Location Overview / Map

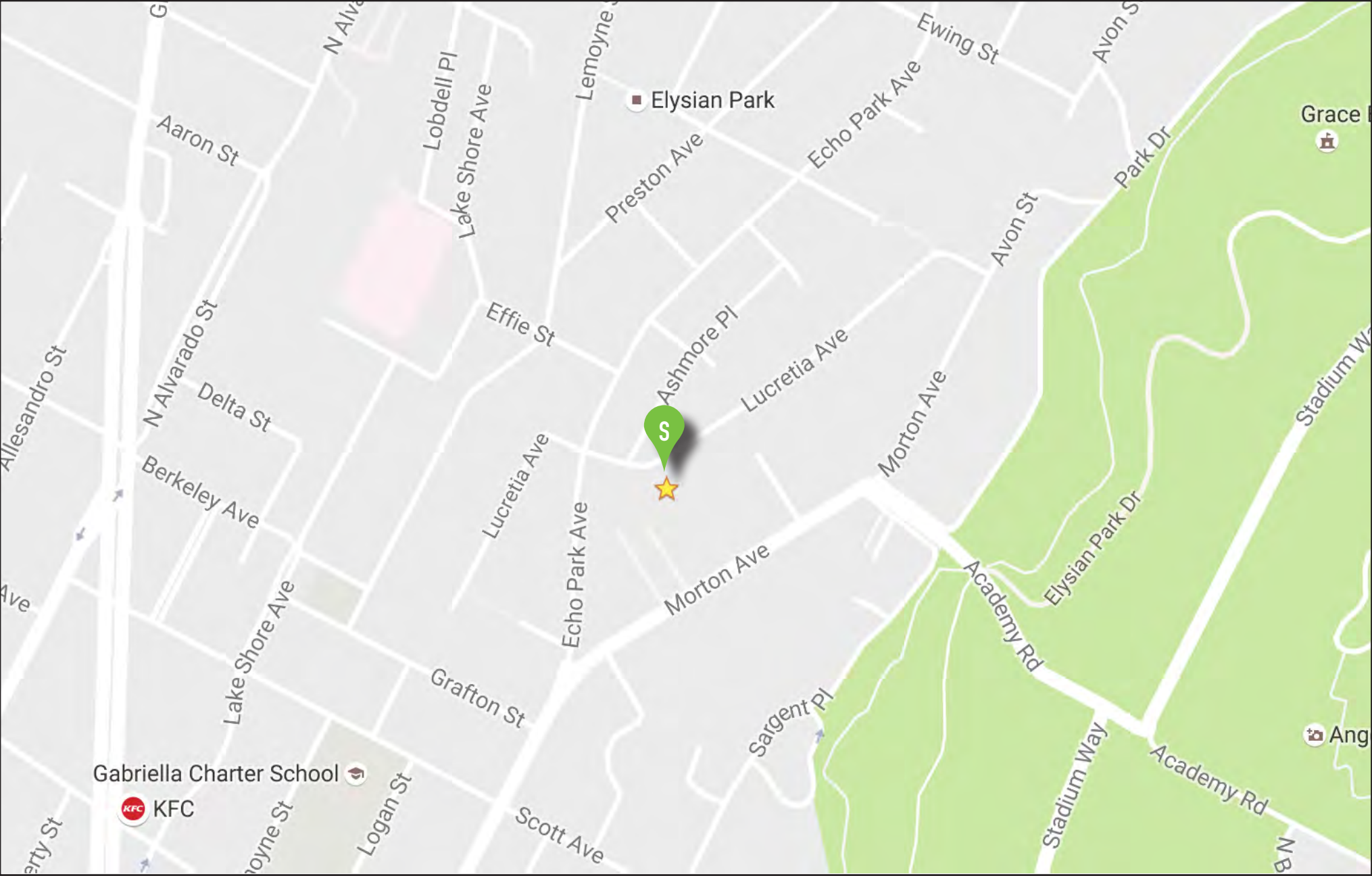


## Location Overview / Location Descriptions

The subject property is situated on 1724 Lucretia Avenue only a mile away from Elysian Park and Dodger Stadium. It is one block from both Valerie Confections and Chango's and is walking distance from most Metro local lines. The property lies near the intersection of Echo Park Avenue and Sunset Blvd. with a close proximity to many entertainment venues and shopping attractions. 1724 Lucretia Avenue lies in the heart of the highest rental demand area with new construction happening right next door and all around.



Location Overview / **Map**



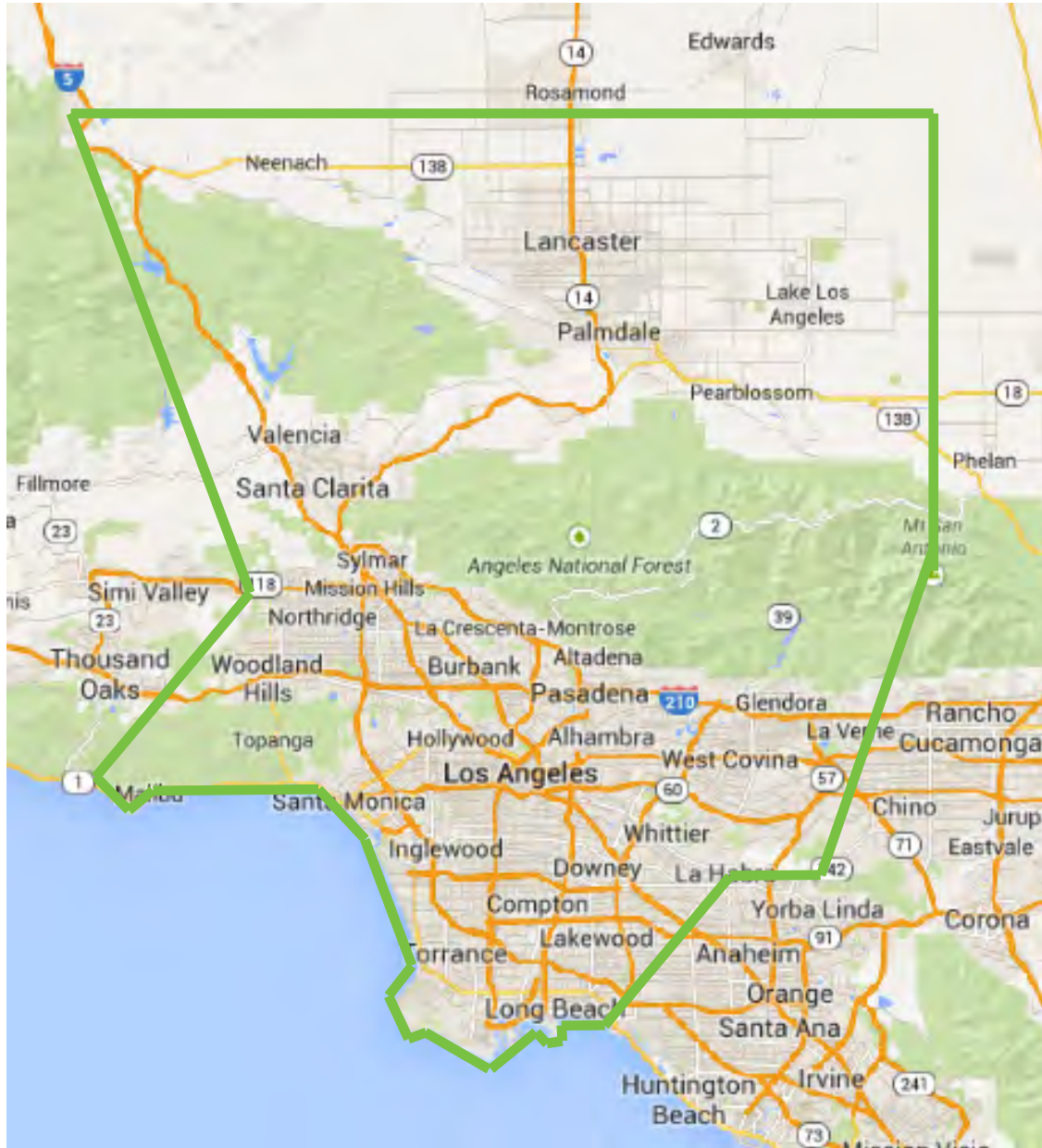


## Location Overview / Aerial





## 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

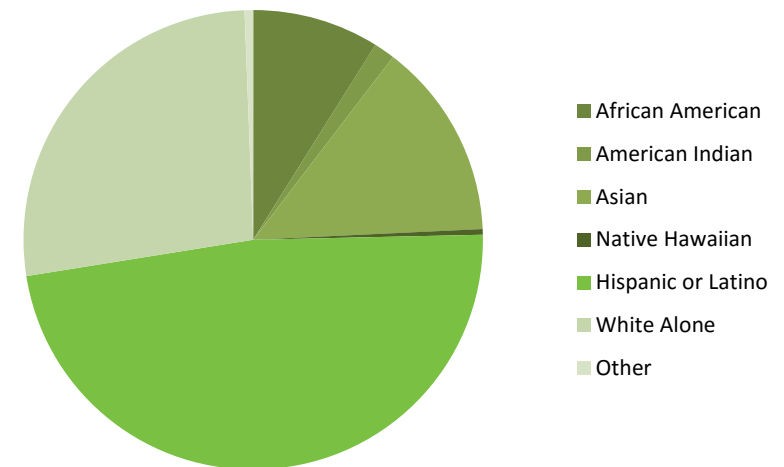
## LA County Industry

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



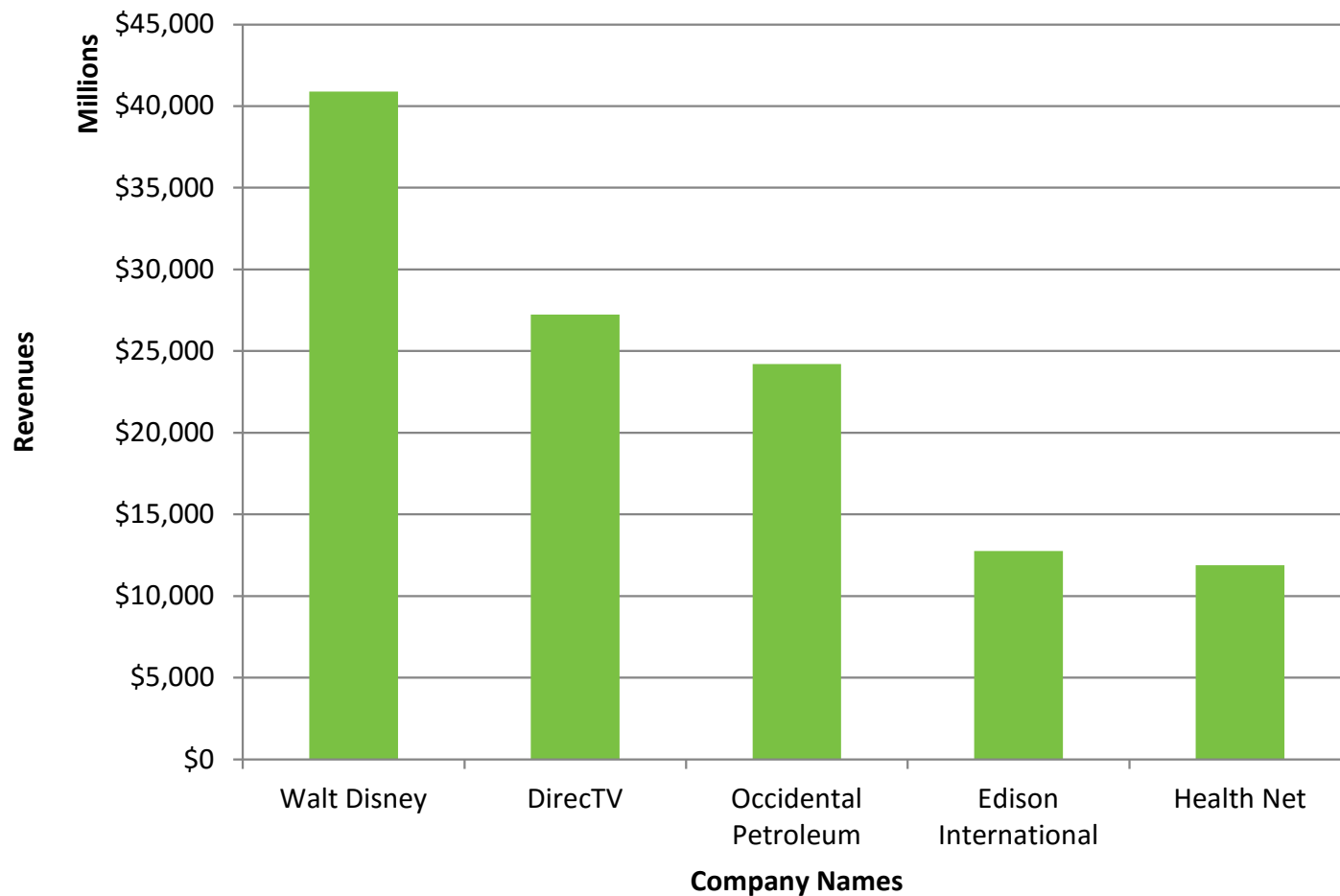
Occidental Petroleum - \$24,216 MM



Edison International - \$12,760 MM



Health Net - \$11,901 MM





# Sales Comparables

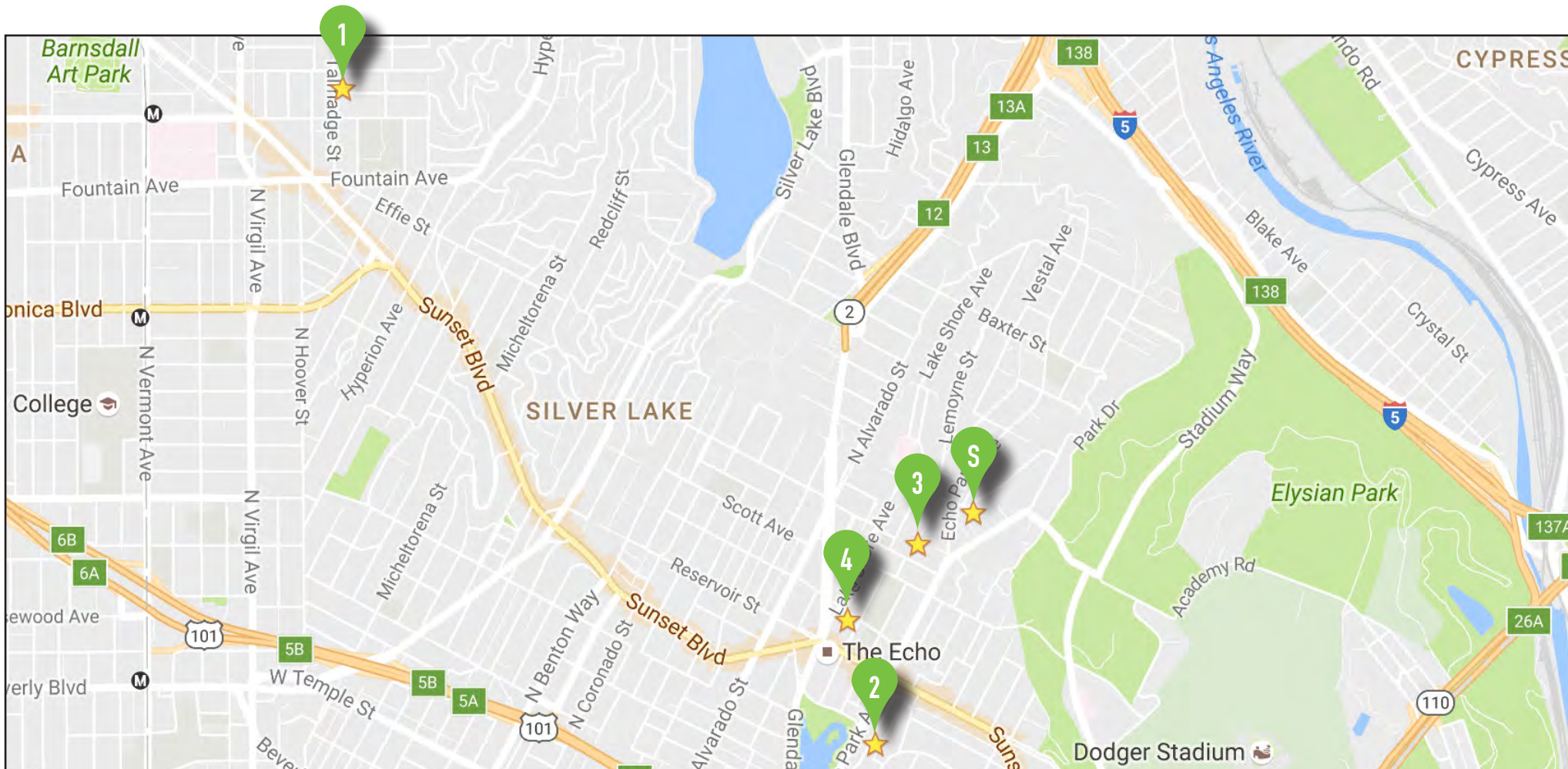


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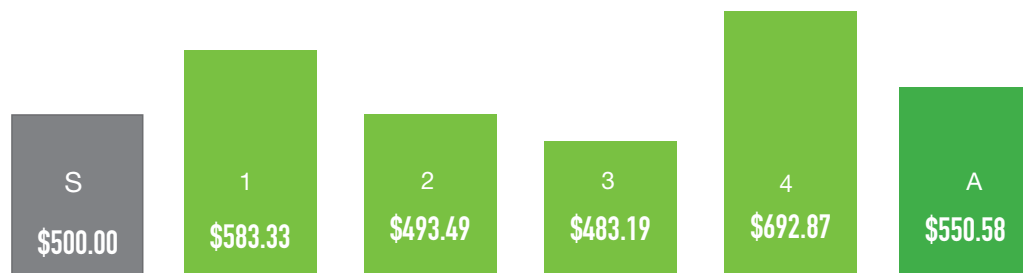




## Sales Comparables / Overview

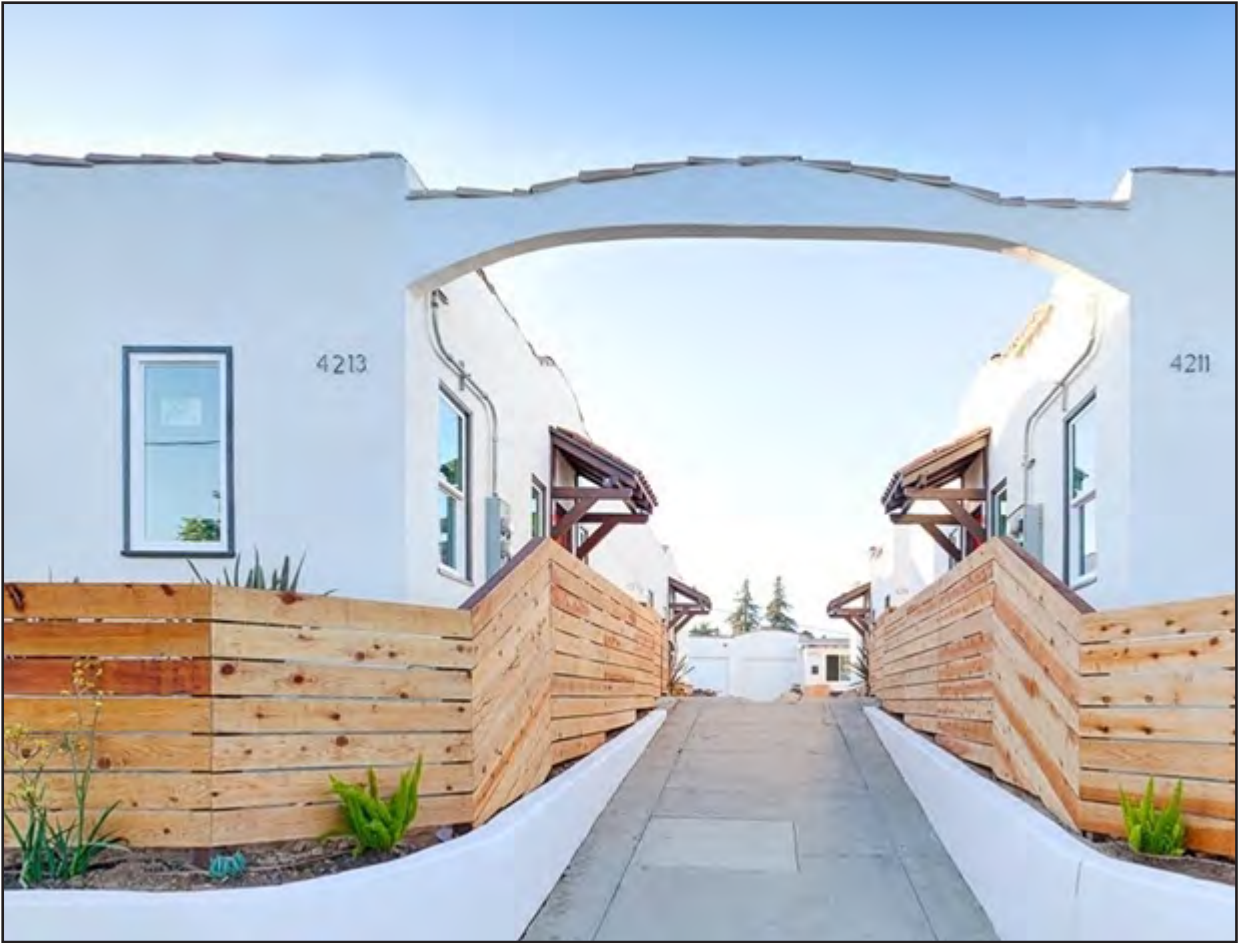


Price / SF



S. No.	Address	Sale Price	Price / SF
S	1724 Lucretia Ave	\$2,250,000	\$500.00
1	4211-4213 Cumberland Ave	\$1,750,000	\$583.33
2	1016 Laguna Ave	\$1,440,000	\$493.49
3	1548-1552 Lucretia Ave	\$1,365,000	\$483.19
4	1806-1814 Montana St	\$3,050,000	\$692.87





Sale Date	12/11/2015
Sale Price	\$1,750,000
Units	5
Year Built	1922
Zoning	LAR1
Lot SF	6,599 SF
Building SF	3,000 SF
Price/Building SF	\$ 583.33
Price Per Unit	\$350,000
Income	\$127,620
Total Expenses	\$25,309
NOI	\$86,481
Unit Mix	5 1+1
Cap Rate	4.94%





## Sales Comparables / 02



1016 Laguna Ave., Los Angeles, CA 90026

<b>Sale Date</b>	11/12/2015
<b>Sale Price</b>	\$1,440,000
<b>Units</b>	5
<b>Year Built</b>	1923
<b>Zoning</b>	RD, Los Angeles
<b>Lot SF</b>	5,502 SF
<b>Building SF</b>	2,918 SF
<b>Price/Building SF</b>	\$493.49
<b>Price Per Unit</b>	\$288,000
<b>Income</b>	-
<b>Total Expenses</b>	-
<b>NOI</b>	\$57,186
<b>Unit Mix</b>	4 0+1 1 2+1
<b>Cap Rate</b>	-



## Sales Comparables / 03

1548-1552 Lucretia Ave., Los Angeles, CA 90026



<b>Sale Date</b>	10/30/2015
<b>Sale Price</b>	\$1,365,000
<b>Units</b>	5
<b>Year Built</b>	1948
<b>Zoning</b>	LARD1.5
<b>Lot SF</b>	6,882
<b>Building SF</b>	2,825 SF
<b>Price/Building SF</b>	\$483.19 SF
<b>Price Per Unit</b>	\$273,000
<b>Income</b>	-
<b>Total Expenses</b>	\$11,995
<b>NOI</b>	-
<b>Unit Mix</b>	1 0+1 3 1+1 1 2+1
<b>Cap Rate</b>	3.65%





Sale Date	4/13/2016
Sale Price	\$3,050,000
Units	6
Year Built	1918
Zoning	LAR2
Lot SF	14,005 SF
Building SF	4,402 SF
Price/Building SF	\$692.87
Price Per Unit	\$508,333
Income	-
Total Expenses	-
NOI	\$123,000
Unit Mix	3 1+1 2 2+1 1 3+1
Cap Rate	4.07%

# Financial Analysis



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# Financial Analysis / Setup

## Pricing Summary

<b>Offering Price:</b>	<b>\$2,250,000</b>
Down Payment:	40% \$900,000
Number of Units:	6
Price/Unit:	\$375,000
<b>Current Cap:</b>	<b>3.45%</b>
<b>Pro Forma Cap:</b>	<b>4.46%</b>
<b>Current GRM:</b>	<b>17.63</b>
<b>Pro Forma GRM:</b>	<b>14.88</b>
Price / Bldg sq/ft:	\$500.00
Price / Land sq/ft:	\$186.66
Avg. Rent/ Square Foot	\$2.36
Expense/Unit	\$7,712.50

## Property Description

Leasable Area (sq/ft):	4,500
Lot Size (sq/ft):	12,054
Year Built:	1928
Zoning:	LAR2

## Financing

Loan Amount:	\$1,350,000
Amortization:	30
Interest Rate:	3.25%
Monthly Payment:	(\$5,875)
Yearly Payment:	(\$70,503)

## 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>\$127,620</b>		<b>\$151,200</b>	
Other income	\$0		\$0	
<b>Gross Potential Income:</b>	\$127,620		\$151,200	
Less: Vacancy Allowance	\$3,829	3%	\$4,536	3%
<b>Effective Gross Incomes</b>	\$123,791		\$146,664	
Less Expenses:	\$46,275		\$46,275	
<b>Net Operating Income:</b>	<b>\$77,516</b>	<b>62.6%</b>	<b>\$100,389</b>	<b>68.4%</b>
Debt Service	(\$70,503)		(\$70,503)	
<b>Cash Flow After Debt Service/ CoC Return</b>	<b>\$7,013</b>	<b>0.8%</b>	<b>\$29,886</b>	<b>3.3%</b>
Principal Reduction	\$45,721		\$45,721	
Total Return Before Taxes:	\$52,734	5.9%	\$75,607	8%

**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%	\$28,125	\$28,125
Insurance	2.98%	\$3,800	\$3,800
Utilities	5.64%	\$7,200	\$7,200
License/Permits	0.39%	\$500	\$500
Maintenance/Repairs	4.31%	\$5,500	\$5,500
Gardener	0.71%	\$900	\$900
Pest Control	0.20%	\$250	\$250
<b>Total Expenses</b>		<b>\$46,275</b>	<b>\$46,275</b>
<b>Monthly/SF</b>		<b>\$0.86</b>	<b>\$0.86</b>

## Unit Mix

# Units	Unit Type
6	1bd+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

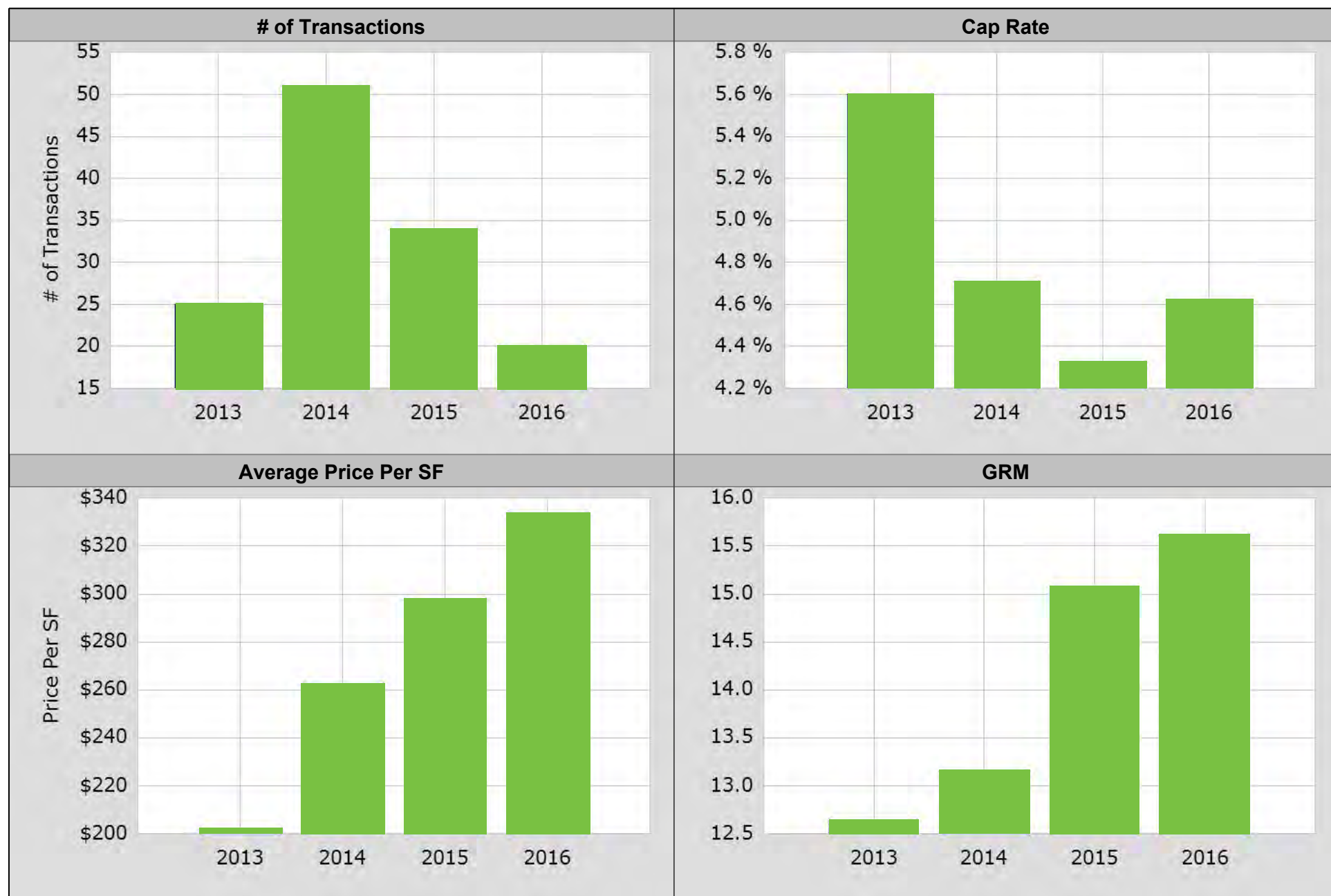
Unit #	Unit Type	Unit SF	Current Rent	Rent/ SF	Market Rent	Market Price/ SF
1724	1bd+1ba	700	\$1,900	\$2.71	\$2,050	\$2.93
1724 1/2	1bd+1ba	700	\$1,995	\$2.85	\$2,050	\$2.93
1726	1bd+1ba	775	\$1,000	\$1.29	\$2,100	\$2.71
1726 1/2	1bd+1ba	775	\$1,700	\$2.19	\$2,150	\$2.77
1726 3/4	1bd+1ba	775	\$2,040	\$2.63	\$2,250	\$2.90
1726 1/4	1bd+1ba**	775	\$2,000	\$2.58	\$2,000	\$2.58
		<u>4,500</u>	<u>\$10,635</u>		<u>\$12,600</u>	

**\*\*Vacant**



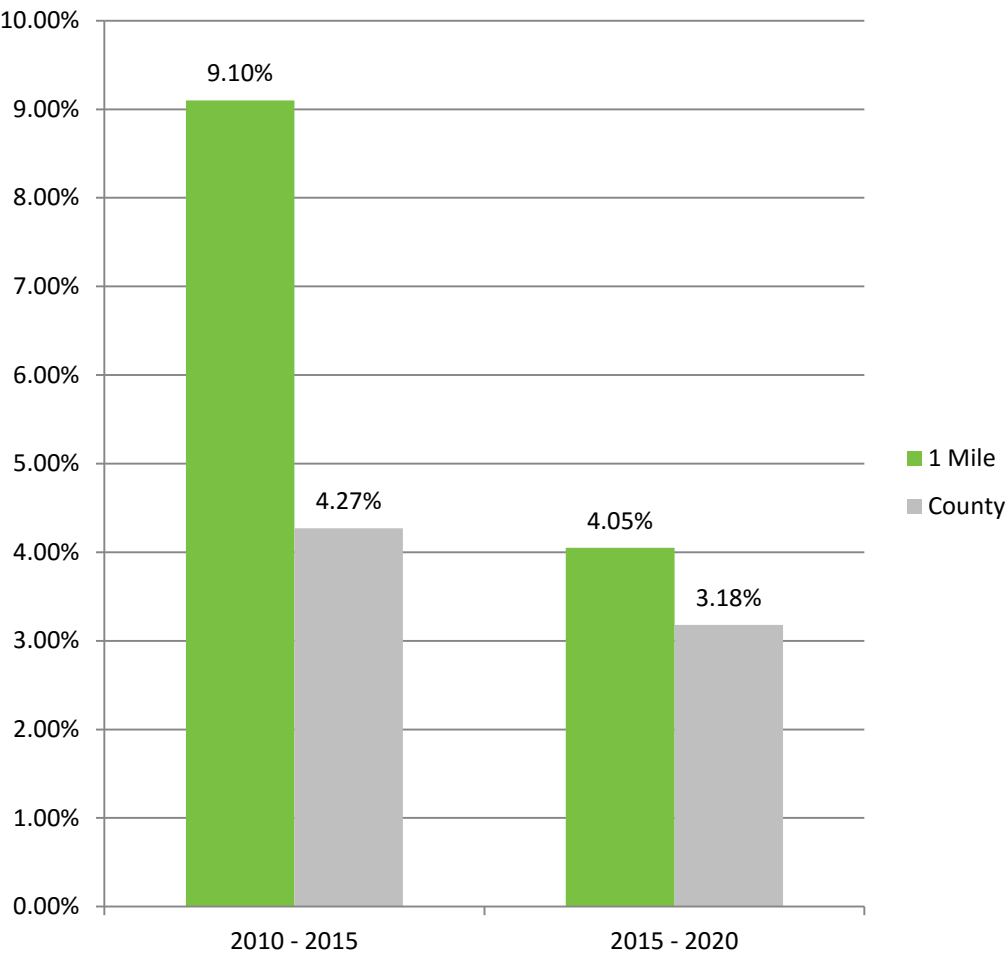
# Demographics

## Demographics / Trend Report

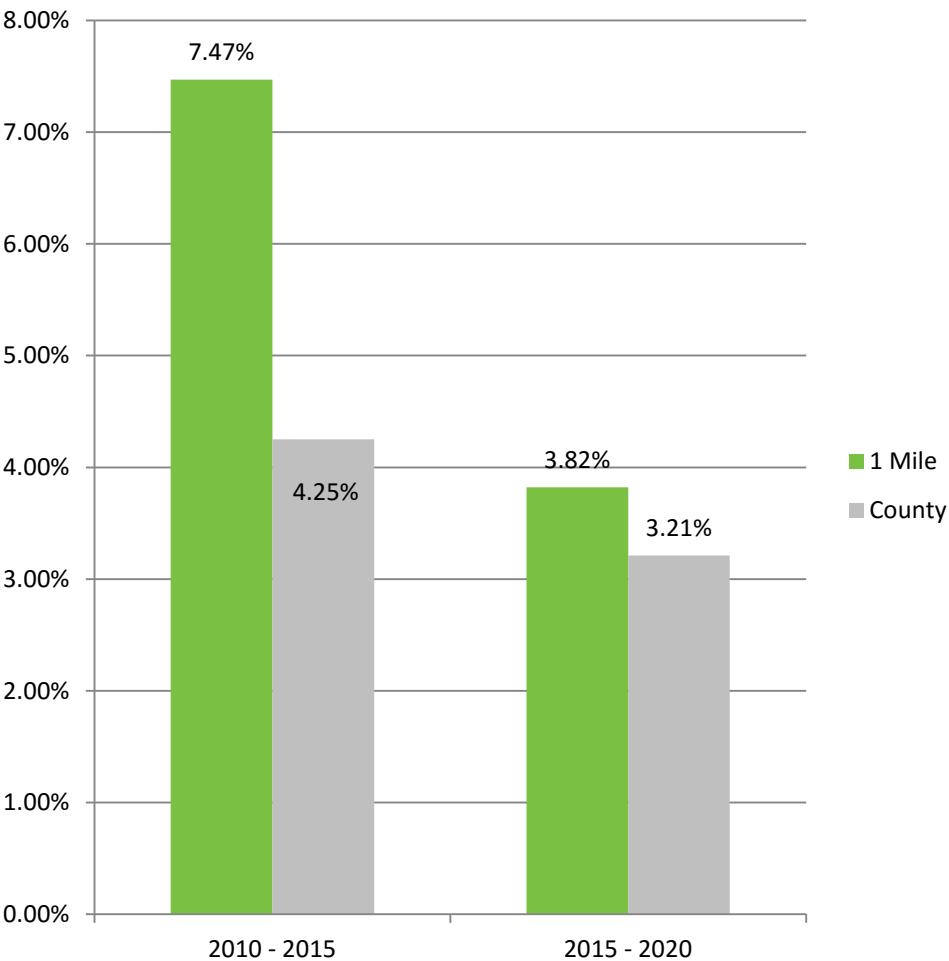




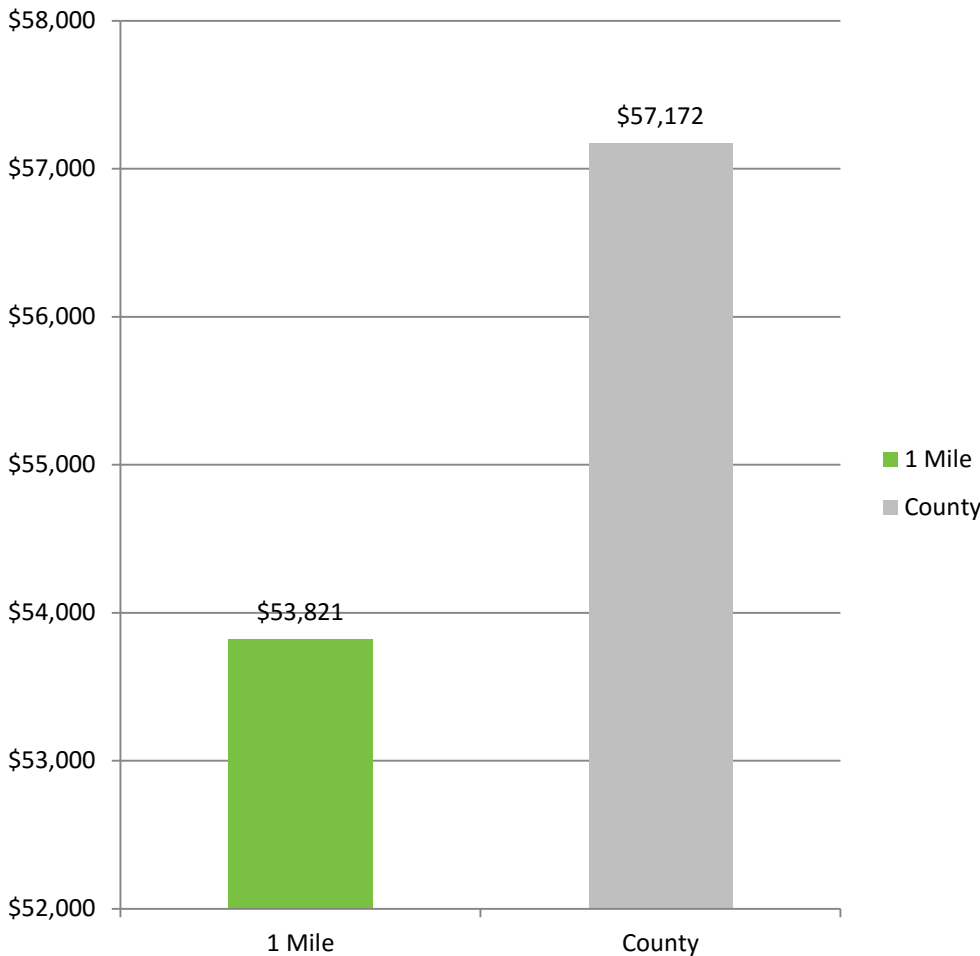
Population Growth



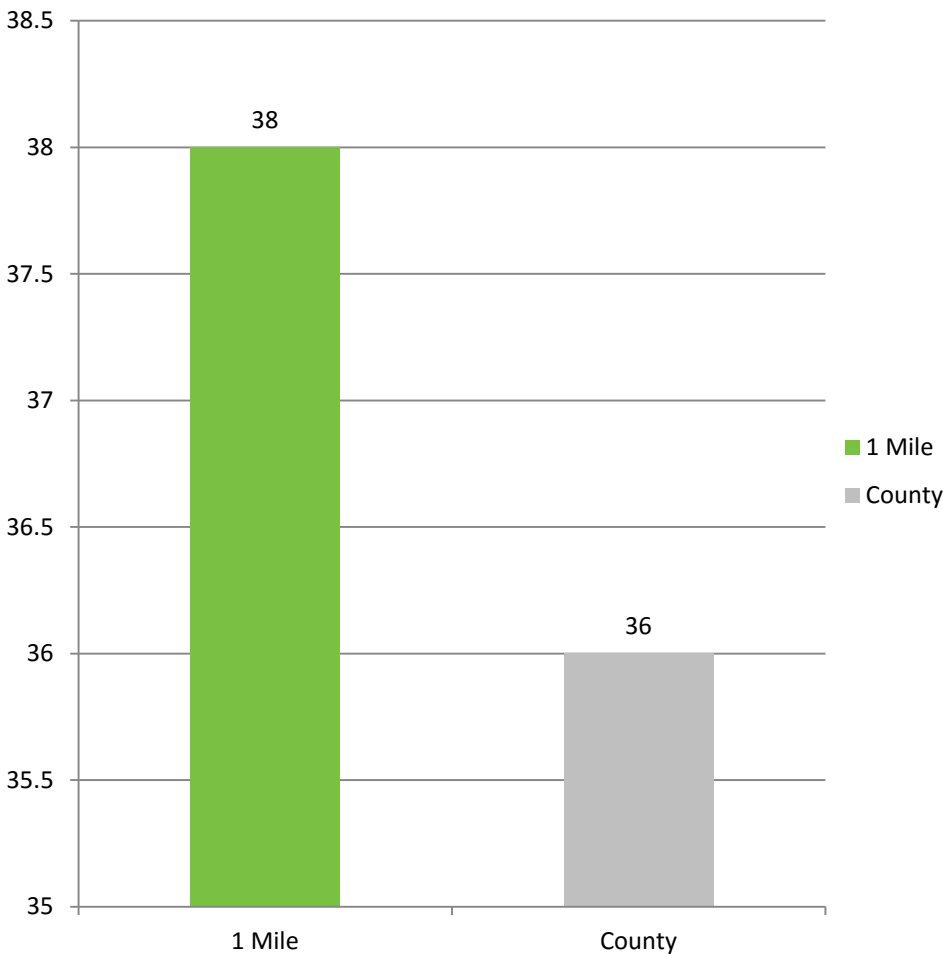
Household Growth



2016 Med Household Inc

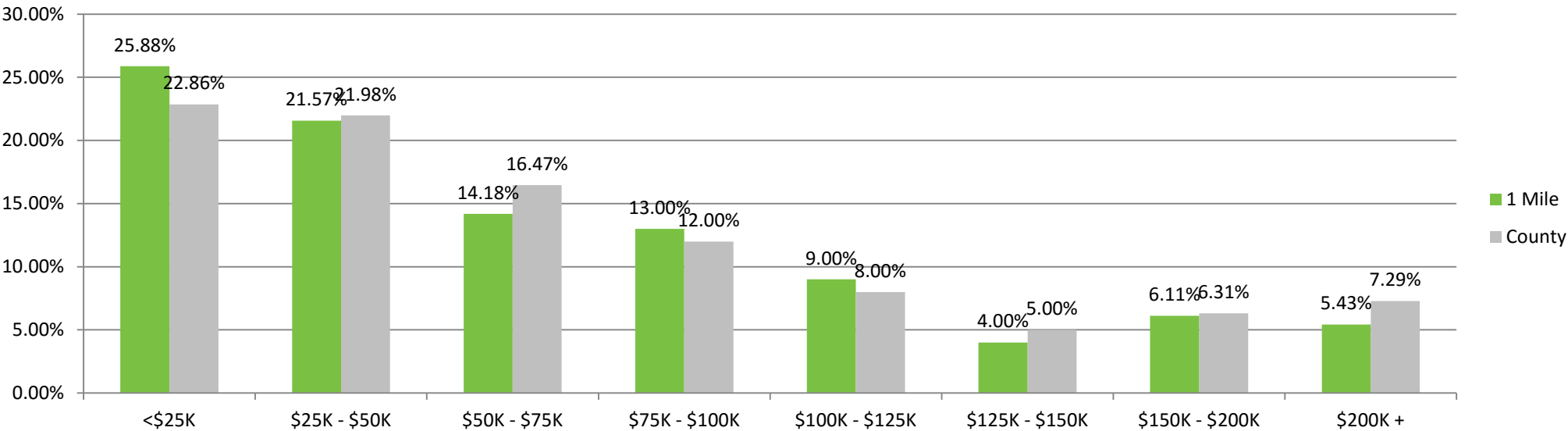


2016 Med Age

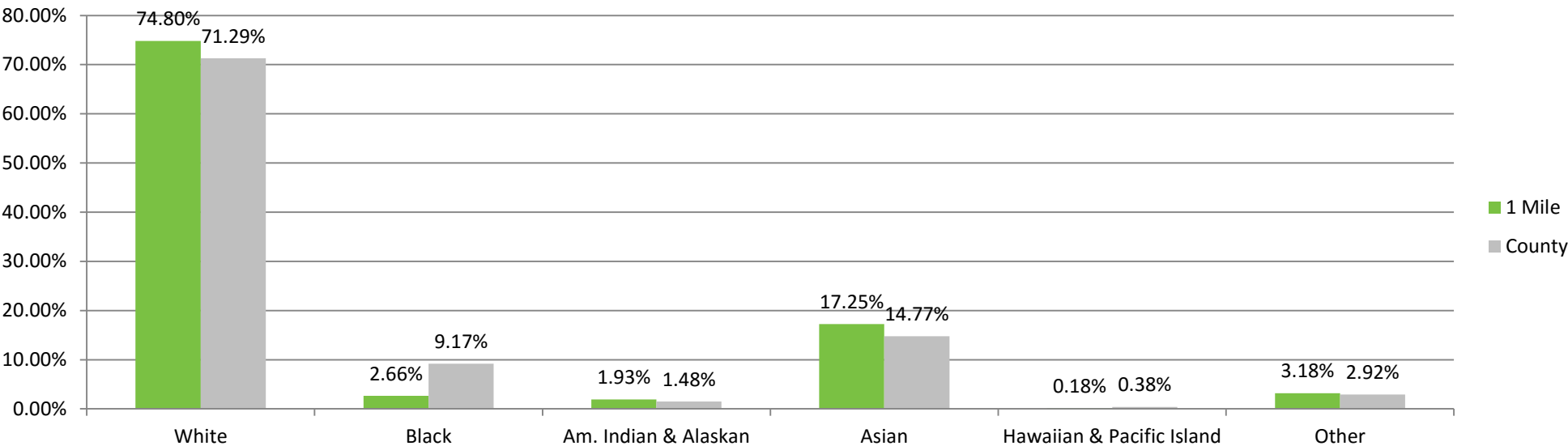




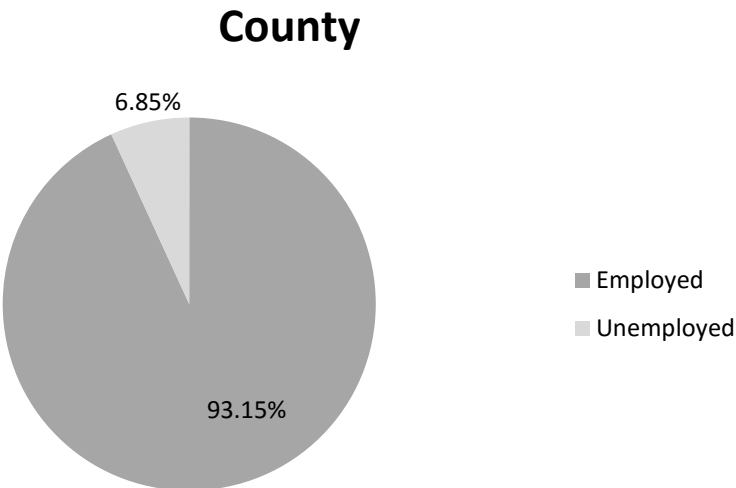
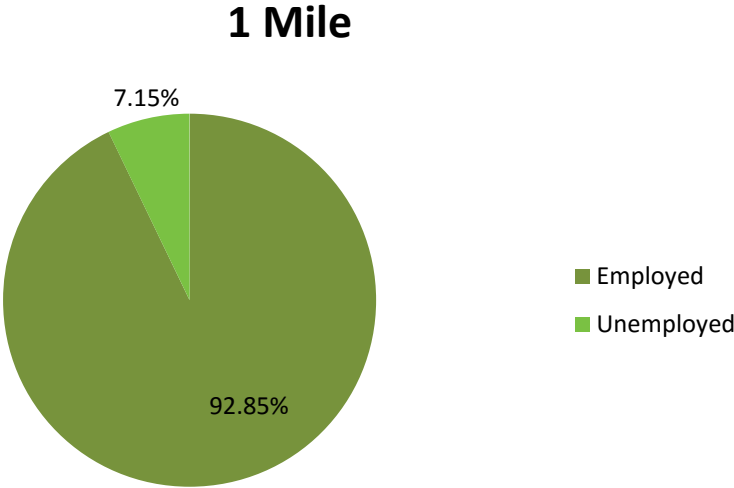
2016 Households by Household Income



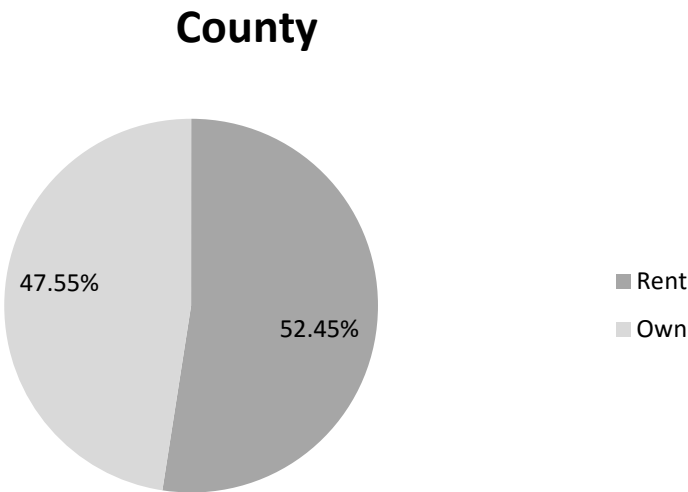
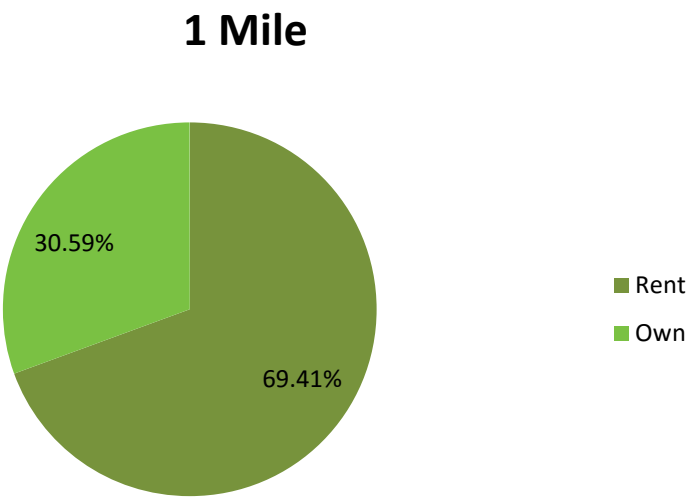
2016 Population by Race



2016 Employed vs Unemployed



2016 Renter vs Owner







# ROSANO PARTNERS

commercial real estate services



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