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commercial real estate services

**Exodus Recovery
Mental Health Wellness Center**

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8511 S Vermont Ave.
Los Angeles, CA 90044

Offering Memorandum



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Property Overview



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8511 S Vermont Ave.
Los Angeles, CA 90044

Property Overview



Property Overview / Financial Summary

PRICE	CAP RATE// ACTUAL
\$2,425,000	6.03%
PRICE / SF	GRM // ACTUAL
\$230.95	16.09
PRICE / UNIT	LEASABLE AREA
\$134,722	10,500 SF
YEAR BUILT	LOT SIZE
1927	6,003 SF

Property Overview / Investment Highlights

- NNN- 100% Leased out \$12,555/mo
- Over \$200k in tenant improvements
- Stabilized high yield 6.03% CAP
- Completely rehabbed with permits.
Turn-key condition
- 3% rent increase per year. Next rent increase Sept 1, 2017
- Excellent location west of the 110

Property Overview / Property Descriptions

Rosano Partners is pleased to present the opportunity to acquire an eighteen unit mixed-use apartment and commercial building. Built in 1927, the subject property offers a unit mix of 16 SRO (Single-Room Occupancy) units, and 2 retail units. The subject property is currently 100% leased out by the Exodus Foundation which offers sober care and rehabilitation services. They have a NNN lease agreement and have spent over \$200k in tenant improvements, with their intake center being only one block away.



Property Pictures / Exterior



Property Pictures / Location



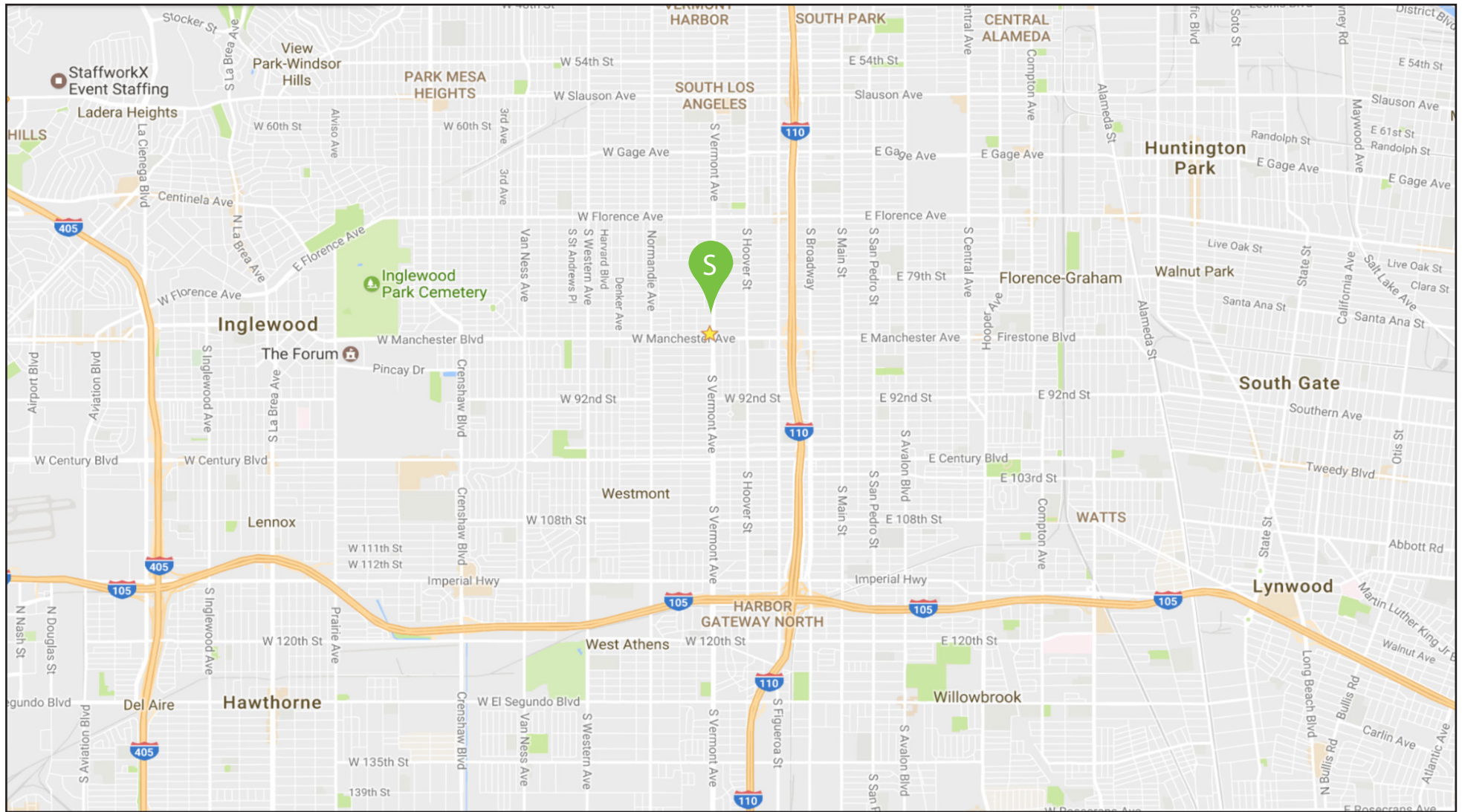
Location Overview



8511 S Vermont Ave.
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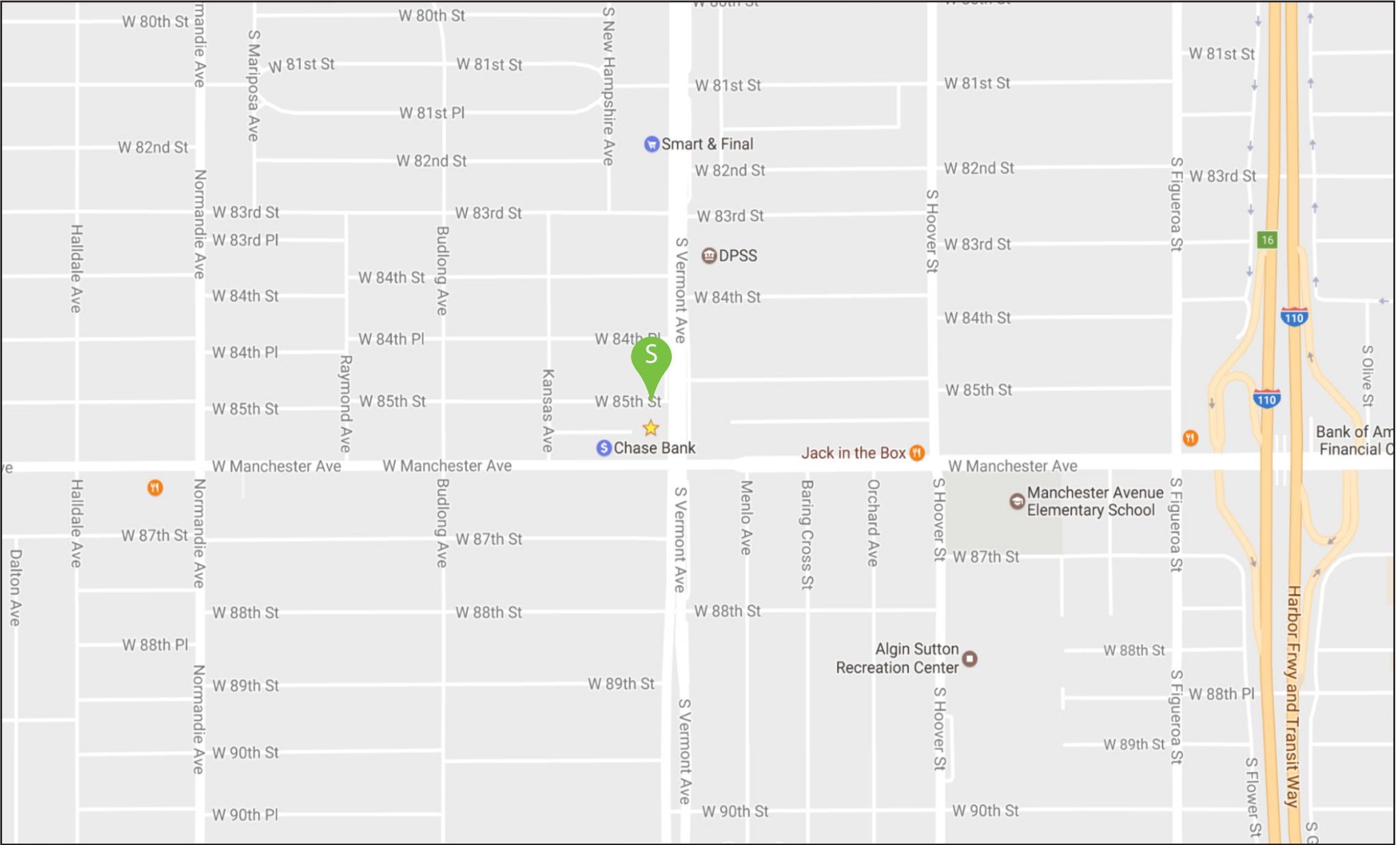
Location Overview / Map



Location Overview / Location Descriptions

The subject property is situated on 8511 South Vermont Avenue in South Los Angeles near the intersection of Vermont Avenue and Manchester Avenue. The property is centrally located west of the 110 Freeway and north of the 105 Freeway. Less than a mile from many Metro Local Lines, restaurants, and entertainment options, tenants will benefit from the local offerings and transportation.

Location Overview / Map



Location Overview / Aerial



A map of the Los Angeles Metropolitan Area showing the Los Angeles River watershed boundary in green. The map includes major cities such as Lancaster, Palmdale, Santa Clarita, Valencia, Simi Valley, Thousand Oaks, Woodland Hills, Burbank, Pasadena, Los Angeles, Glendale, West Covina, Chino, Orange, and Anaheim. Major highways like I-5, I-10, I-210, and SR-138 are also shown. The Los Angeles River is depicted in blue, flowing from the north and east towards the Pacific Ocean. The green boundary outlines the area that drains into the Los Angeles River.

- / Population: 10,017,068
 - (~26% of California's population)
- / 4,057.88 Sq Mi Land Area
- / 2,419.6 Persons/Sq Mi
- / 29.5% Bachelor's Degree or Higher
- / 3,462,202 Housing Units
- / 47.3% Homeownership Rate
- / \$56,241 Median Household Income

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.

A pie chart illustrating the distribution of race and ethnicity among students in the 2019-2020 school year. The chart is divided into seven segments, each representing a different demographic group. The largest segment is Hispanic or Latino, followed by White Alone, Asian, African American, American Indian, Native Hawaiian, and Other.

Race and Ethnicity	Percentage
African American	8.0%
American Indian	0.5%
Asian	12.0%
Native Hawaiian	0.2%
Hispanic or Latino	45.0%
White Alone	25.0%
Other	1.3%

Top 5 Companies Headquartered in LA County

Walt Disney Co. - \$40,893 MM



DirecTV - \$27,226 MM



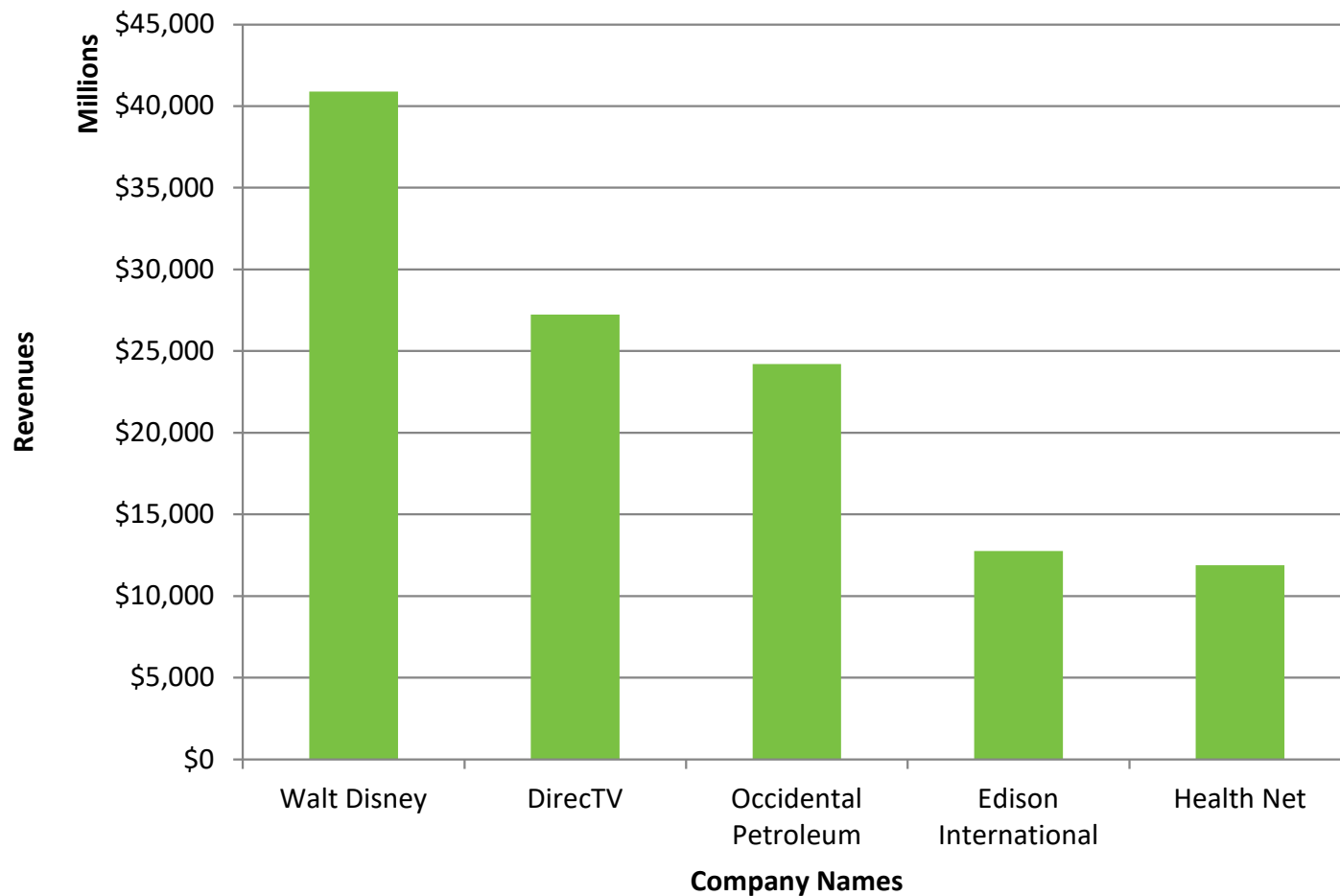
Occidental Petroleum - \$24,216 MM



Edison International - \$12,760 MM



Health Net - \$11,901 MM



Sales Comparables

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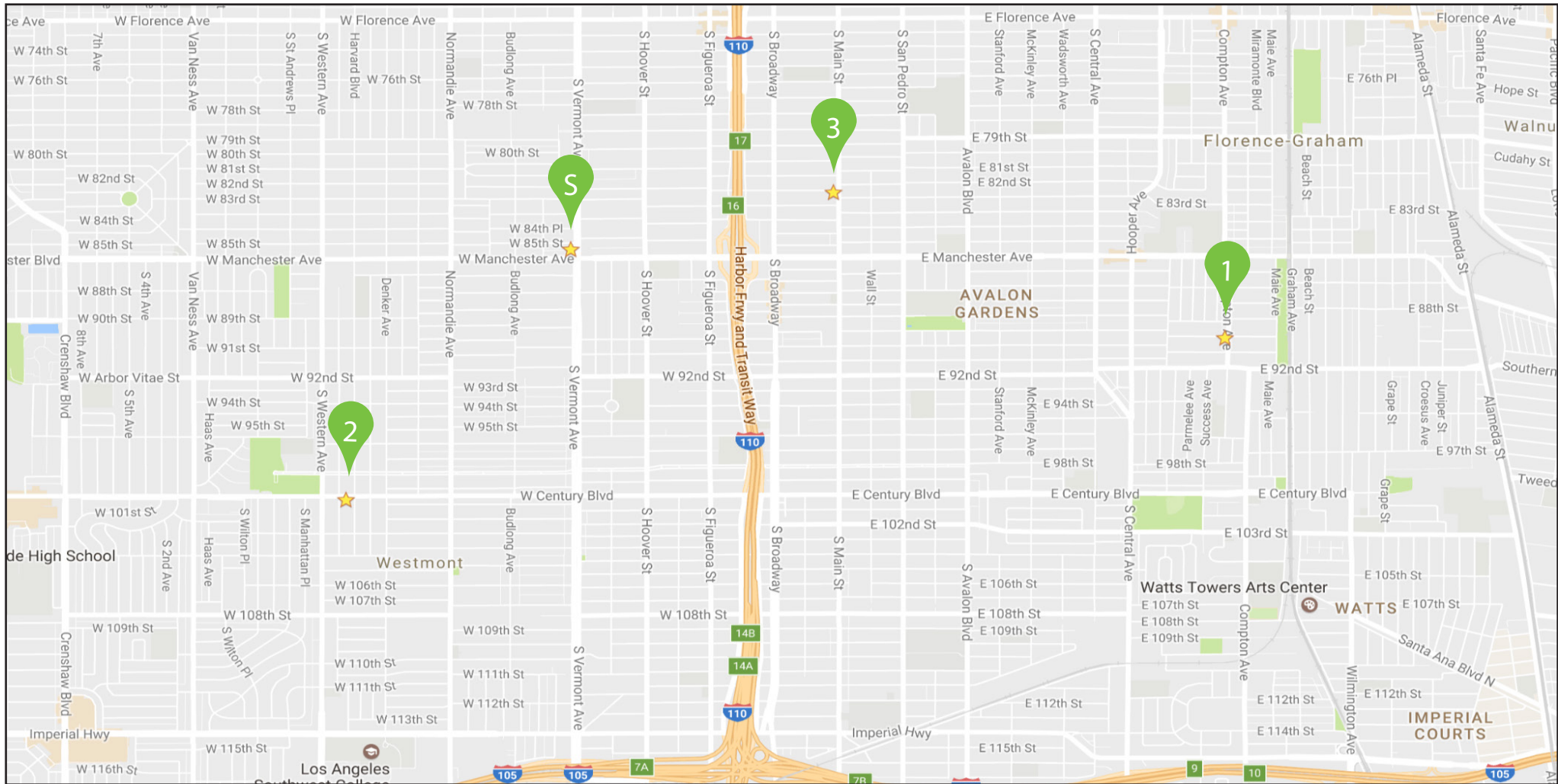
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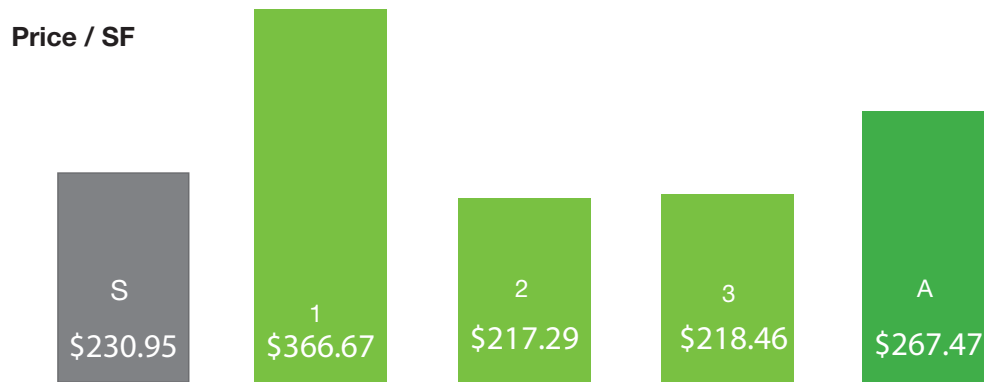
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Sales Comparables / Overview



Price / SF



S. No.	Address	Sale Price	Price /SF
S	8511 S Vermont Ave	\$2,425,000	\$230.95
1	1468 E 90th St	\$550,000	\$366.67
2	1714 W Century Blvd	\$490,000	\$217.29
3	8301 S Main St	\$1,200,000	\$218.46



Sale Date	7/15/2016
Sale Price	\$550,000
Year Built	1950
Zoning	C3*
Lot SF	876 SF
Building SF	1,500 SF
Price/Building SF	\$366.67
Price / Lot SF	\$628.17
Cap Rate	7.00%





Sale Date	3/24/2016
Sale Price	\$490,000
Year Built	1940
Zoning	LARD2
Lot SF	5,798 SF
Building SF	2,255 SF
Price/Building SF	\$217.29
Price / Lot SF	\$84.51
Cap Rate	-





Sale Date	1/28/2016
Sale Price	\$1,200,000
Year Built	1922
Zoning	C2
Lot SF	13,682 SF
Building SF	5,493 SF
Price/Building SF	\$218.46
Price / Lot SF	\$87.71
Cap Rate	-

Financial Analysis



8511 S Vermont Ave.
Los Angeles, CA 90044



Financial Analysis / Setup

Pricing Summary

Offering Price:	\$2,425,000
Down Payment:	35% \$848,750
Number of Units:	18
Price/Unit:	\$134,722
Current Cap:	6.03%
Pro Forma Cap:	7.06%
Current GRM:	16.09
Pro Forma GRM:	13.75
Price / Bldg sq/ft:	\$230.95
Price / Land sq/ft:	\$403.96
Avg. Rent/ Square Foot	\$1.20
Expense/Unit	\$0.00

Property Description

Leasable Area (sq/ft):	10,500
Lot Size (sq/ft):	6,003
Year Built:	1927
Zoning:	LACW

Financing

Loan Amount:	\$1,576,250
Amortization:	30
Interest Rate:	4.15%
Monthly Payment:	(\$7,662)
Yearly Payment:	(\$91,946)

Financial Summary:

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

Annualized Operating Data

	Current		Pro Forma	
Gross Potential Rent	\$150,668		\$176,400	
Other income	\$0		\$0	
Gross Potential Income:	\$150,668		\$176,400	
Less: Vacancy Allowance	\$4,520	3%	\$5,292	3%
Effective Gross Incomes	\$146,148		\$171,108	
Less Expenses:	\$0		\$0	
Net Operating Income:	\$146,148	100.0%	\$171,108	100.0%
Debt Service	(\$91,946)		(\$91,946)	
Cash Flow After Debt Service/ CoC Return	\$54,202	6.4%	\$79,162	9.3%
Principal Reduction	\$42,399		\$42,399	
Total Return Before Taxes:	\$96,600	11.4%	\$121,560	14%

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%	\$0	\$0
Insurance	0.00%	\$0	\$0
Utilities	0.00%	\$0	\$0
License/Permits	0.00%	\$0	\$0
Maintenance/Repairs	0.00%	\$0	\$0
Gardener	0.00%	\$0	\$0

Total Expenses

Monthly/SF	\$0.00	\$0.00
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Unit Mix

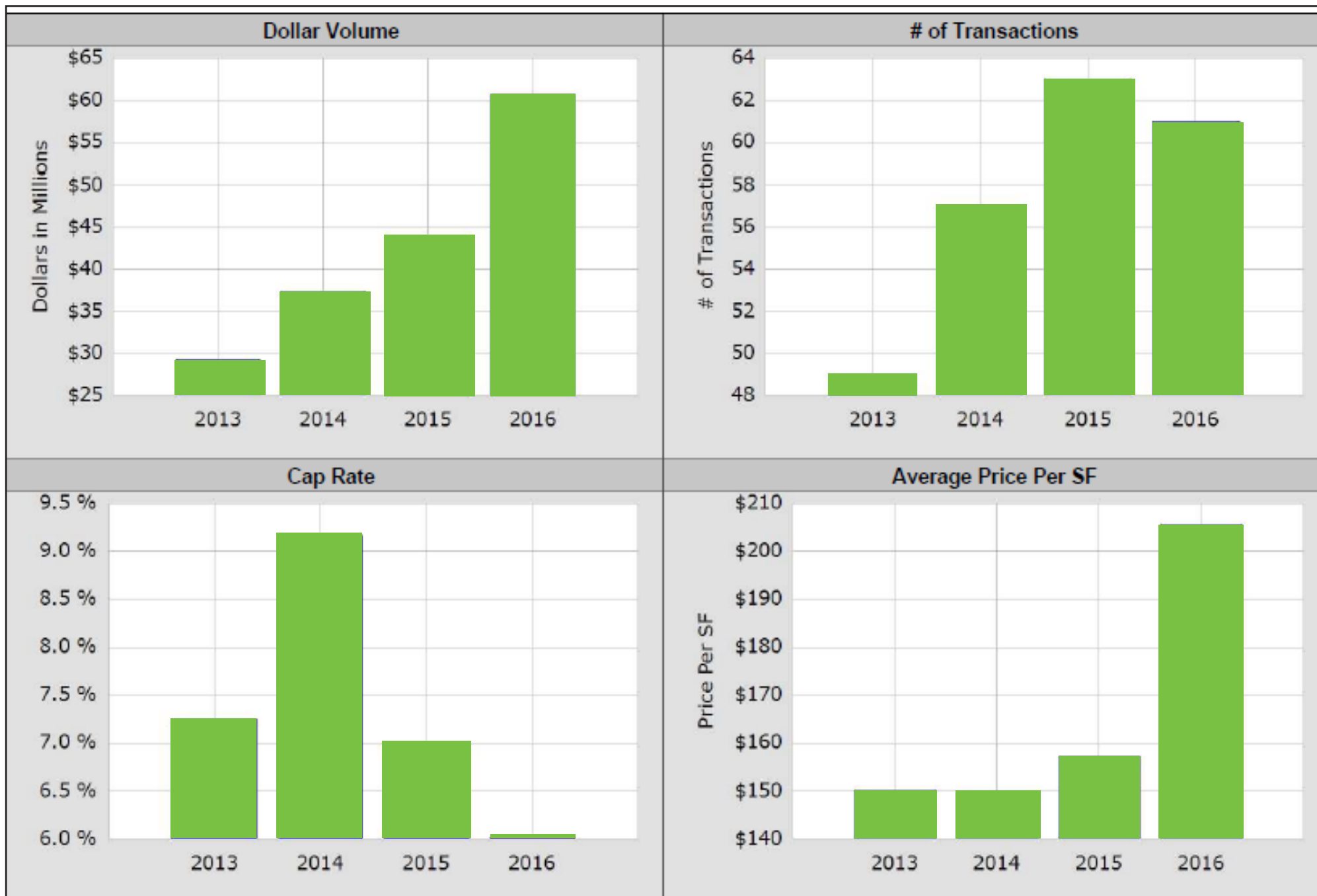
# Units	Unit Type
16	SRO
2	Commercial

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.

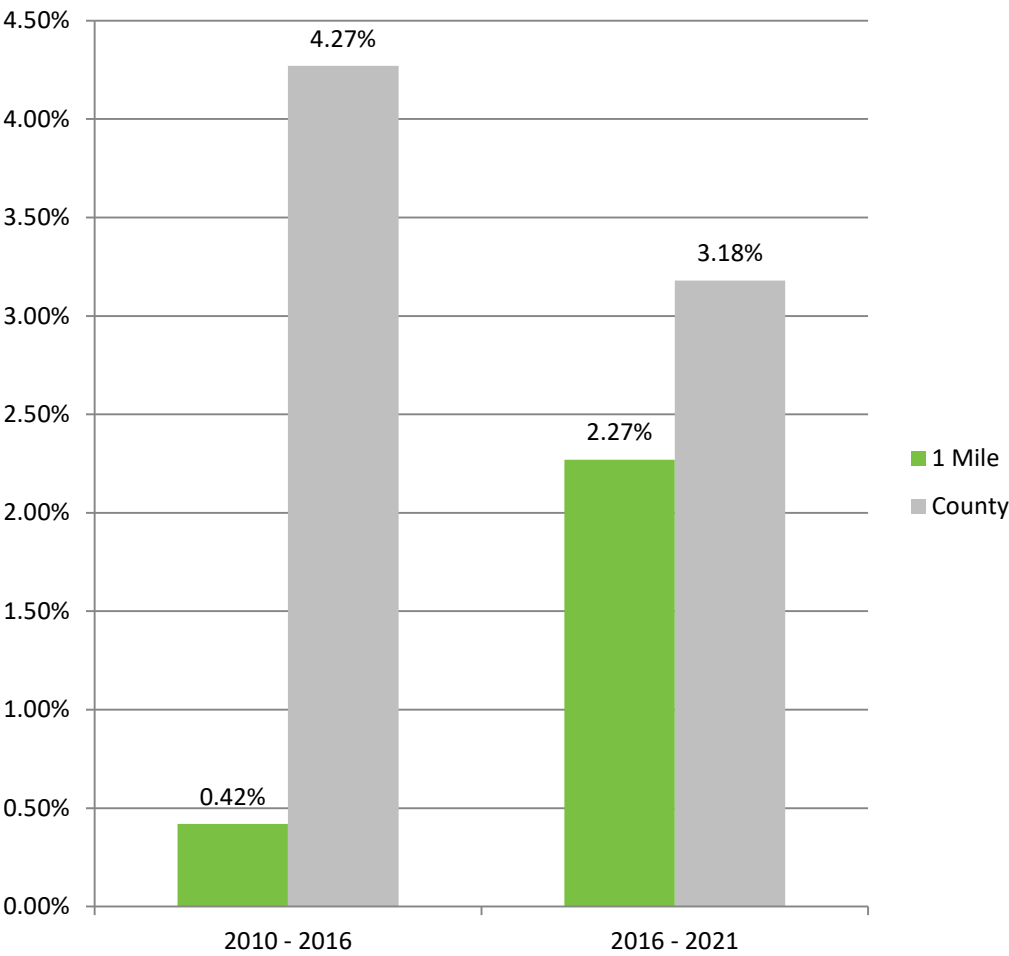
Demographics



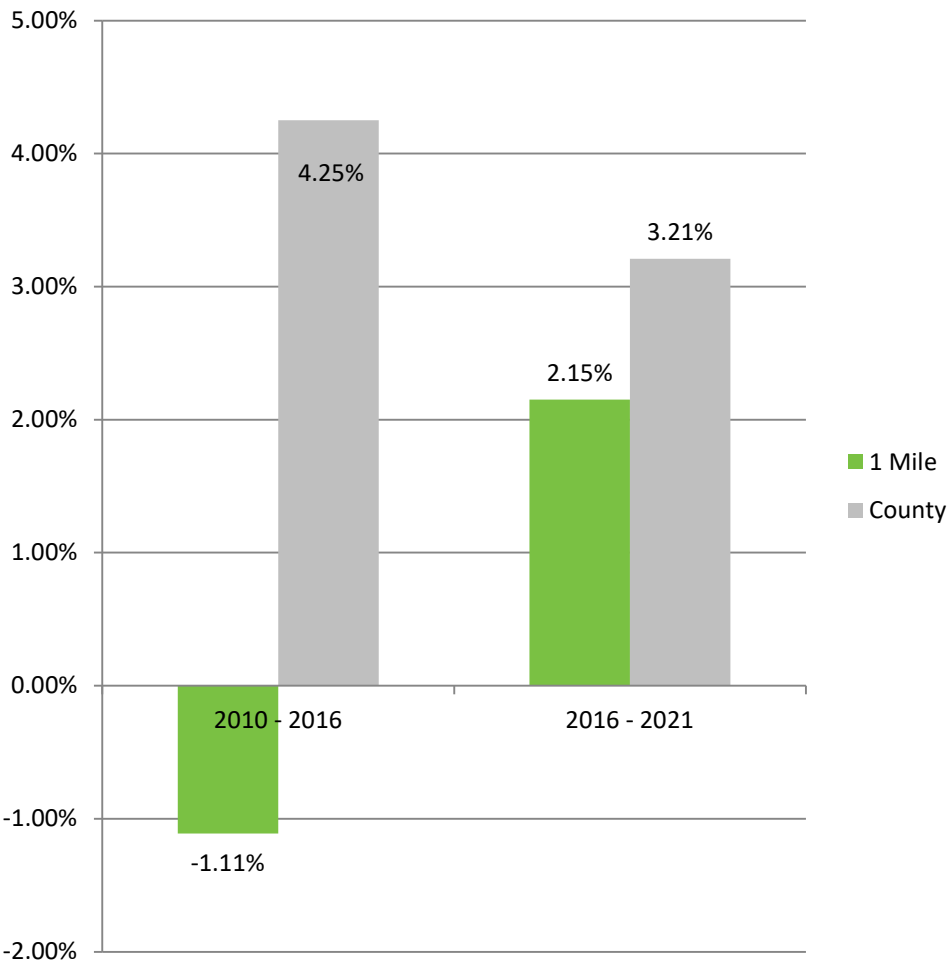
Demographics / Trend Report



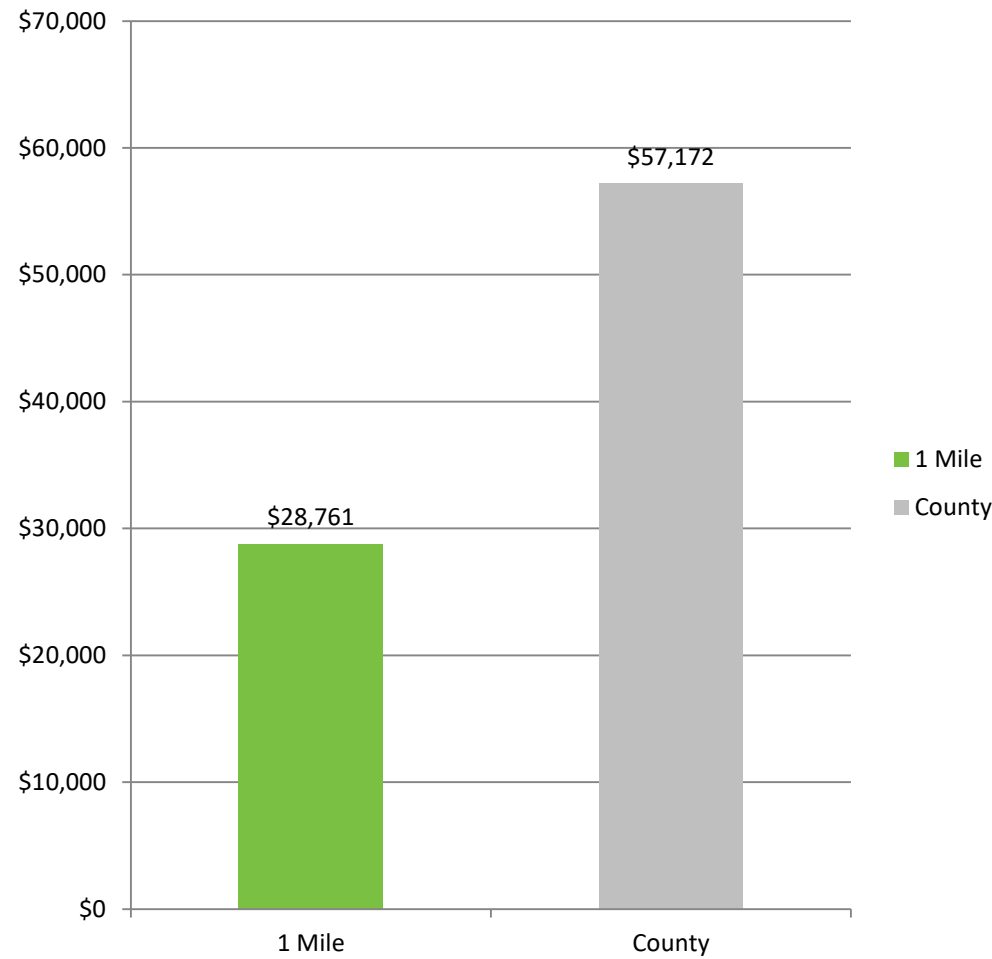
Population Growth



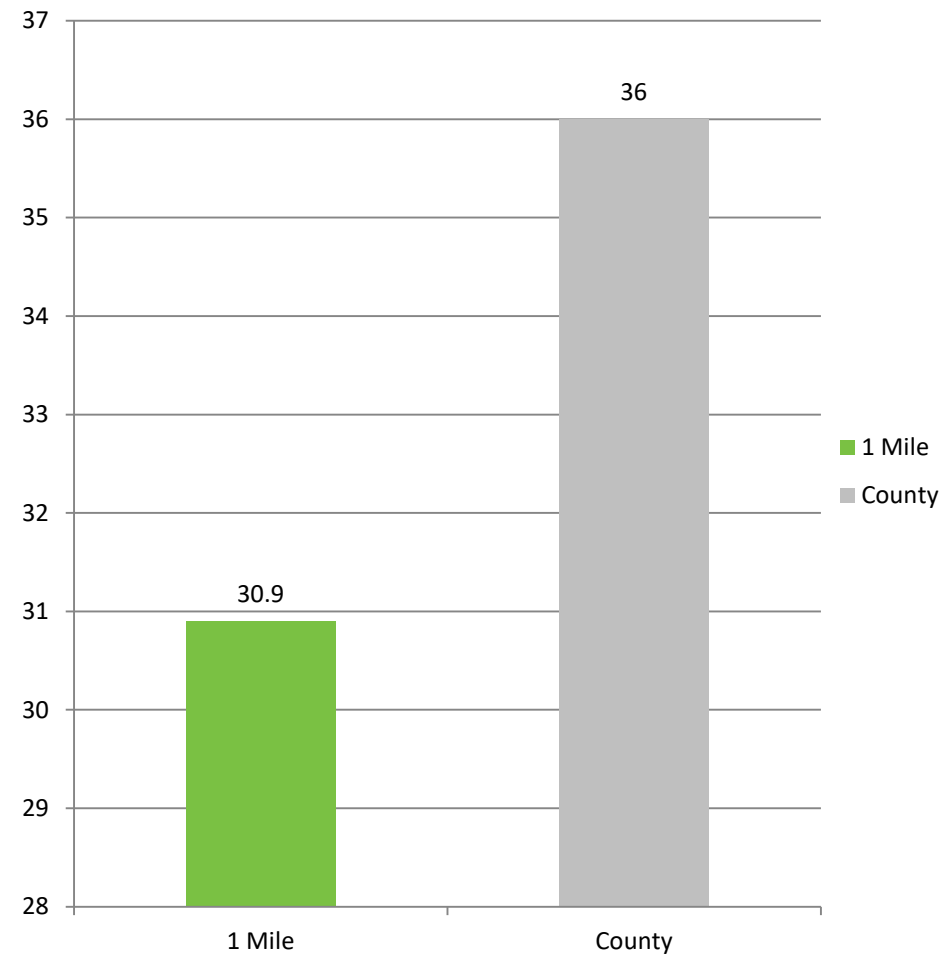
Household Growth



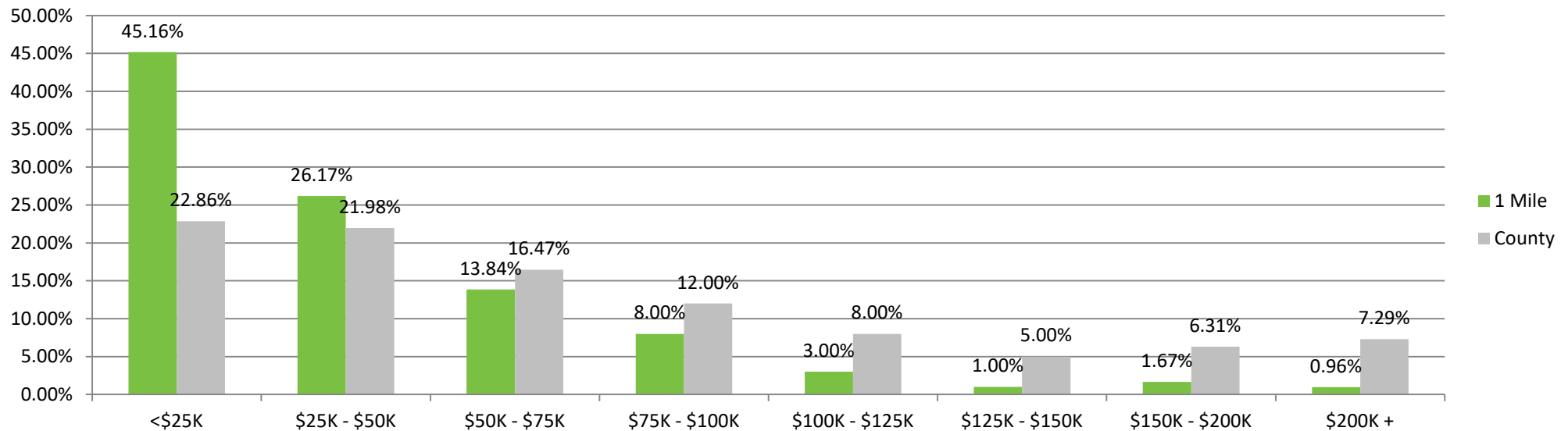
2016 Med Household Inc



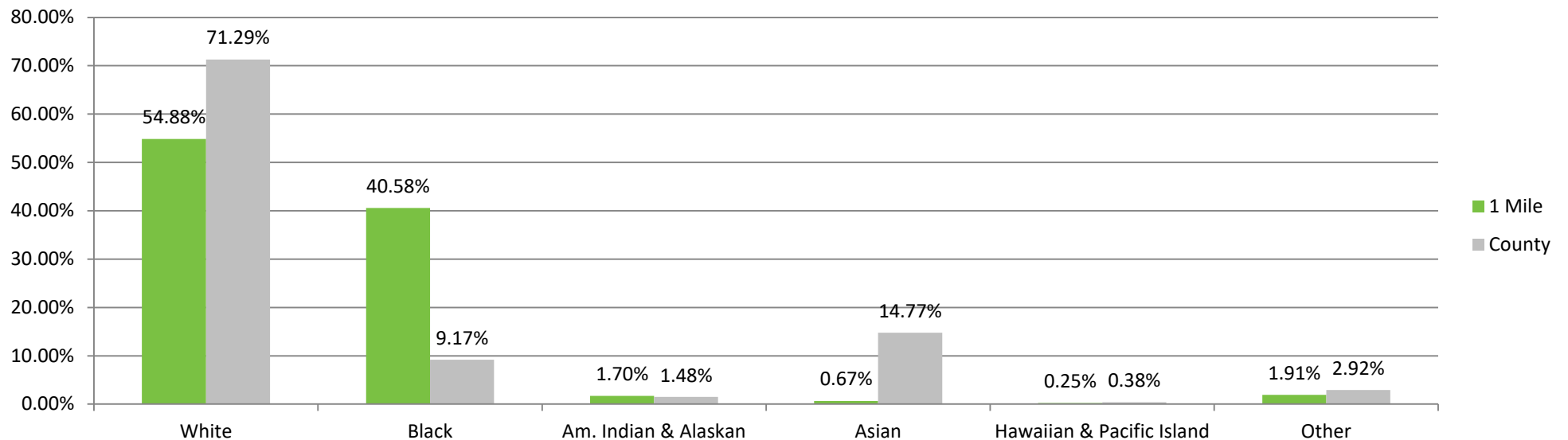
2016 Med Age



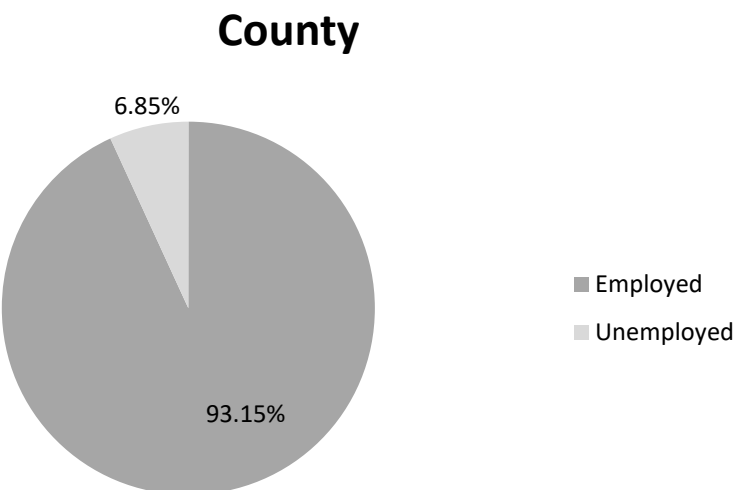
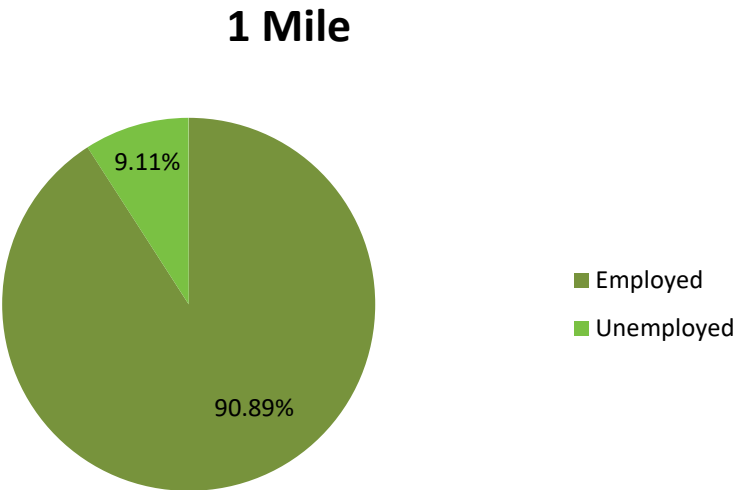
2016 Households by Household Income



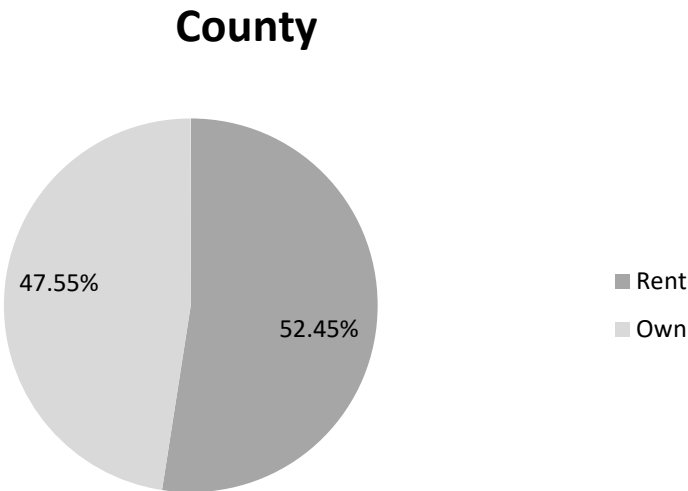
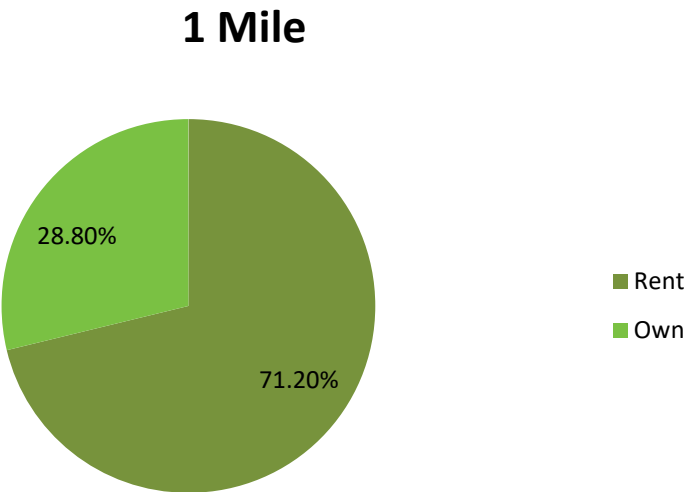
2016 Population by Race



2015 Employed vs Unemployed



2015 Renter vs Owner





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