ROSANO PARTNERS
commercial real estate services

8511 S Vermont Ave.
Los Angeles, CA 90044

Offering Memorandum

Table Of Contents

Presented by:

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Property Overview

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Property Overview

Property Overview / Financial Summary

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

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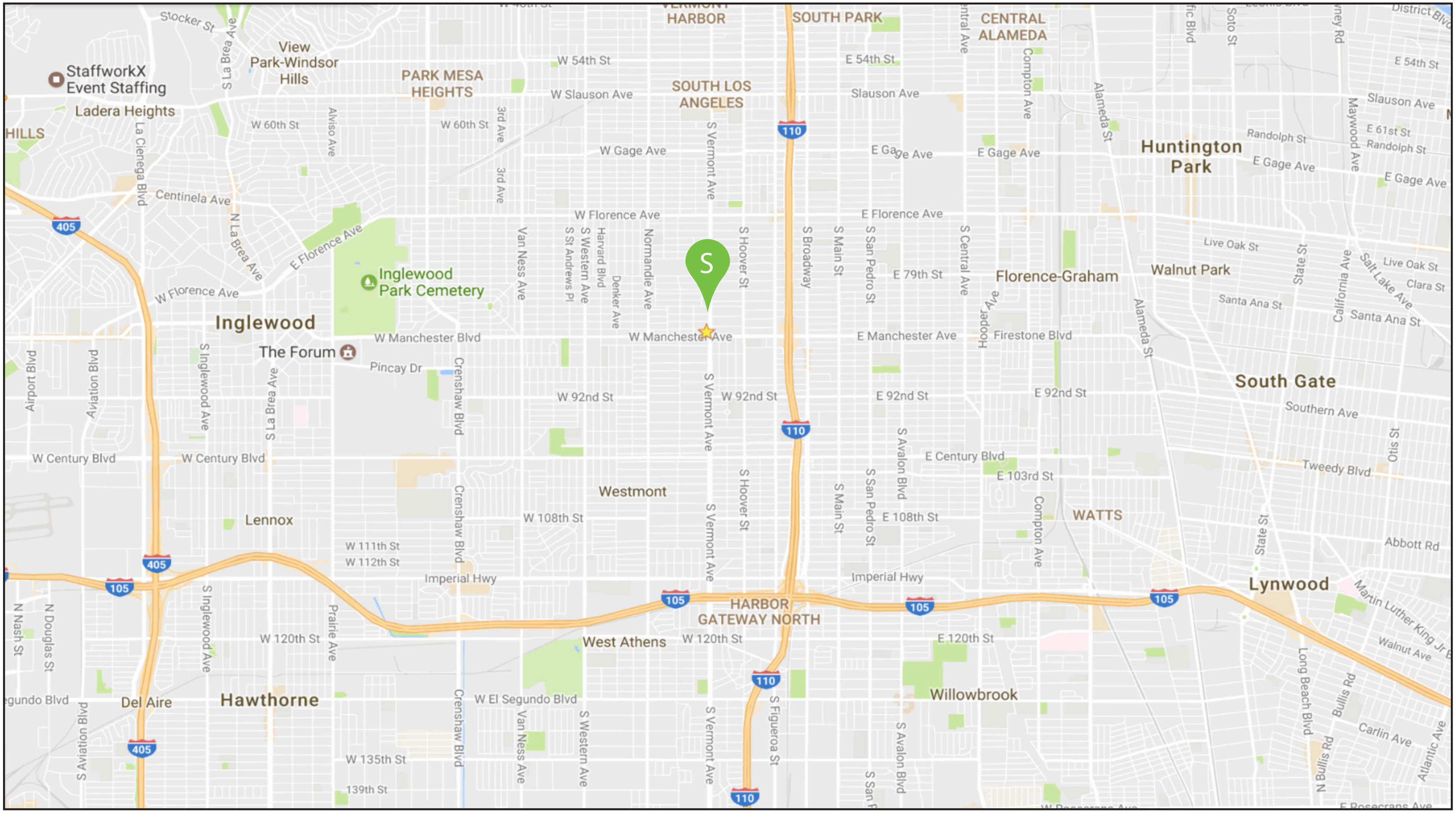
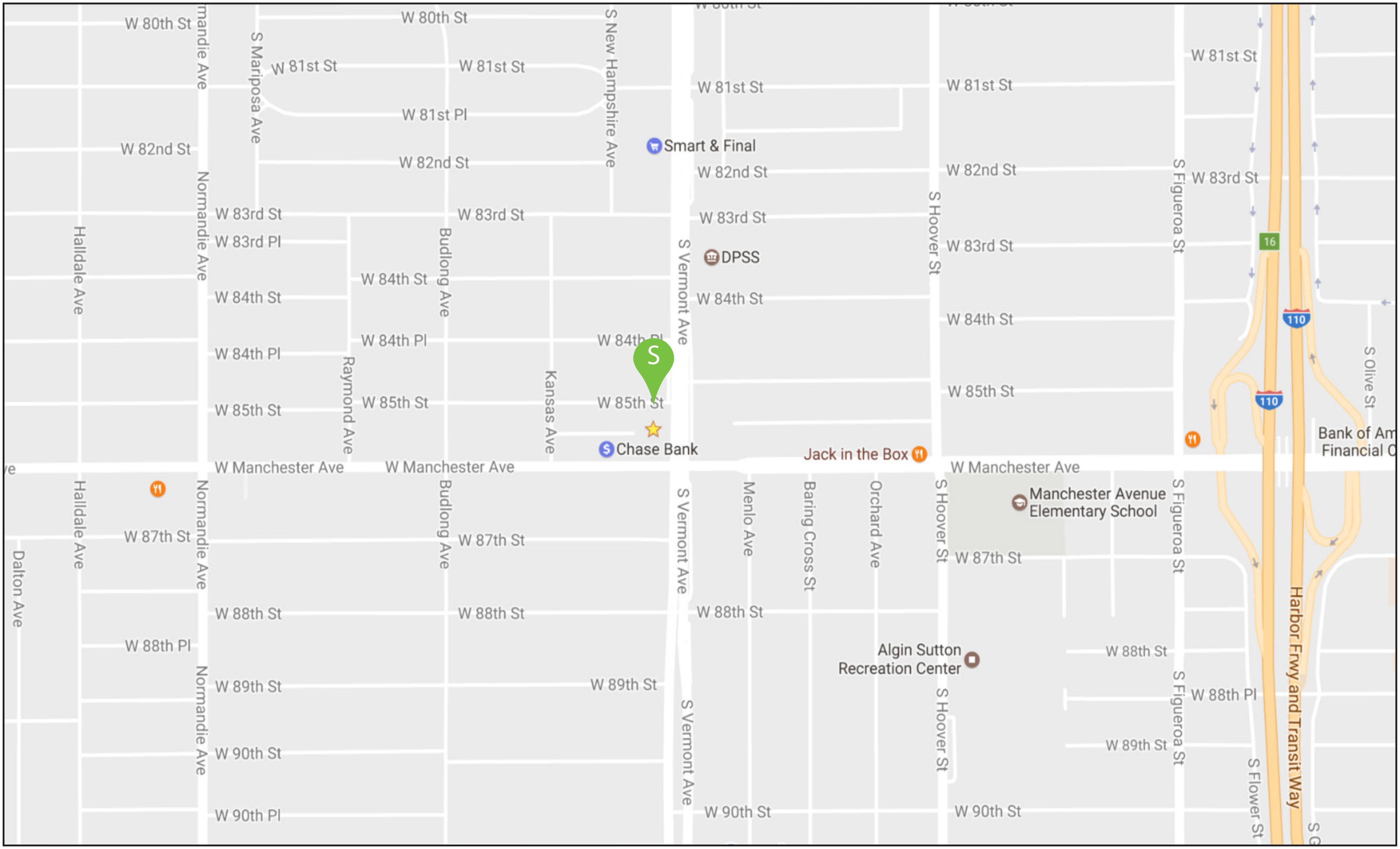
Location Overview / Map



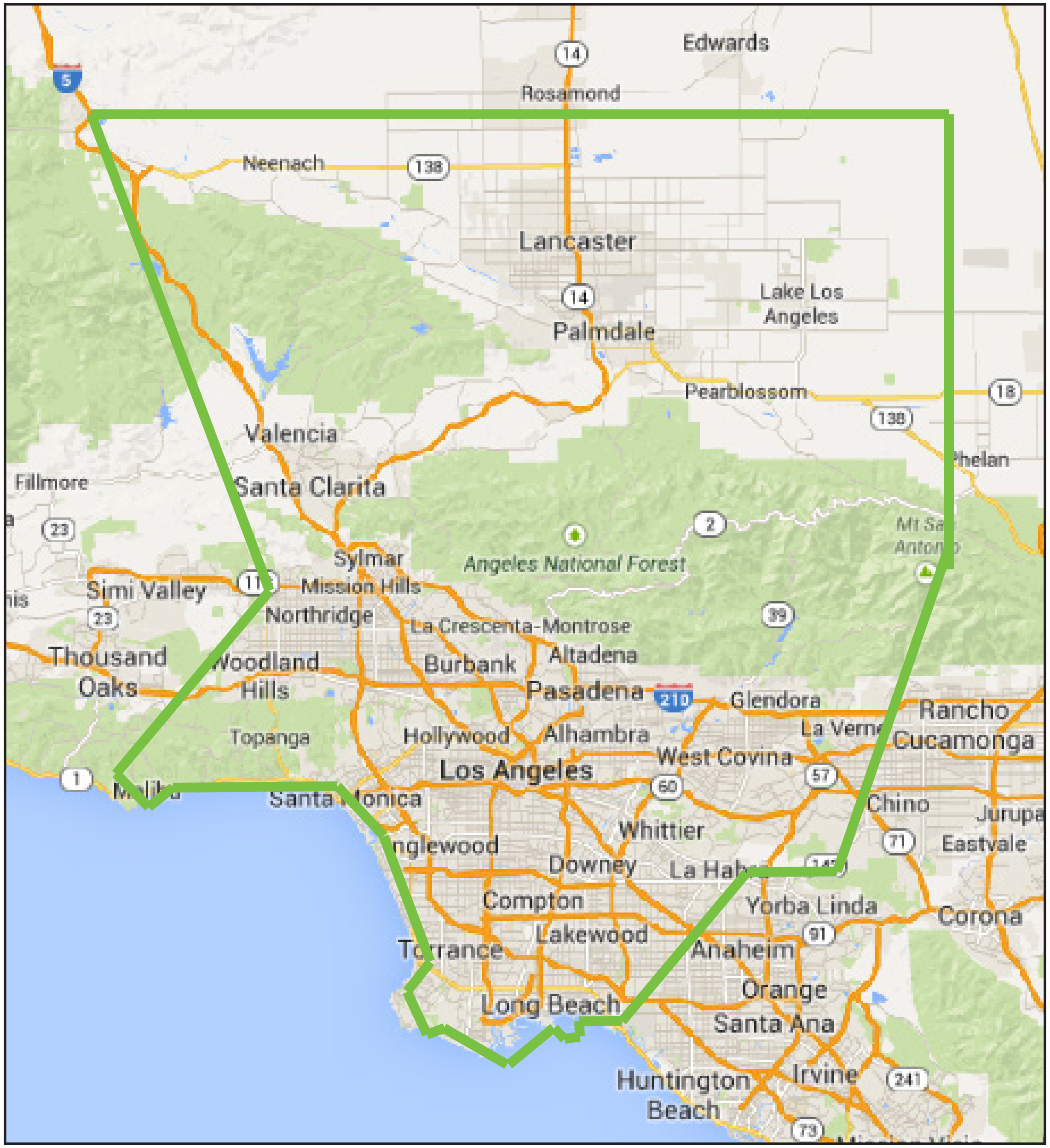
Location Overview / Location Descriptions

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



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% Bachelor's Degree or Higher
/ 3,462,202 Housing Units
/ 47.3% Homeownership Rate
/ $56,241 Median Household Income

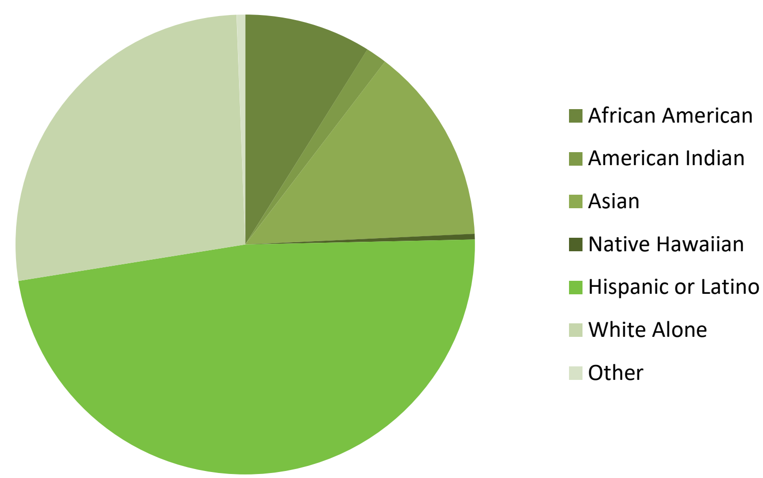
LA County Industry

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

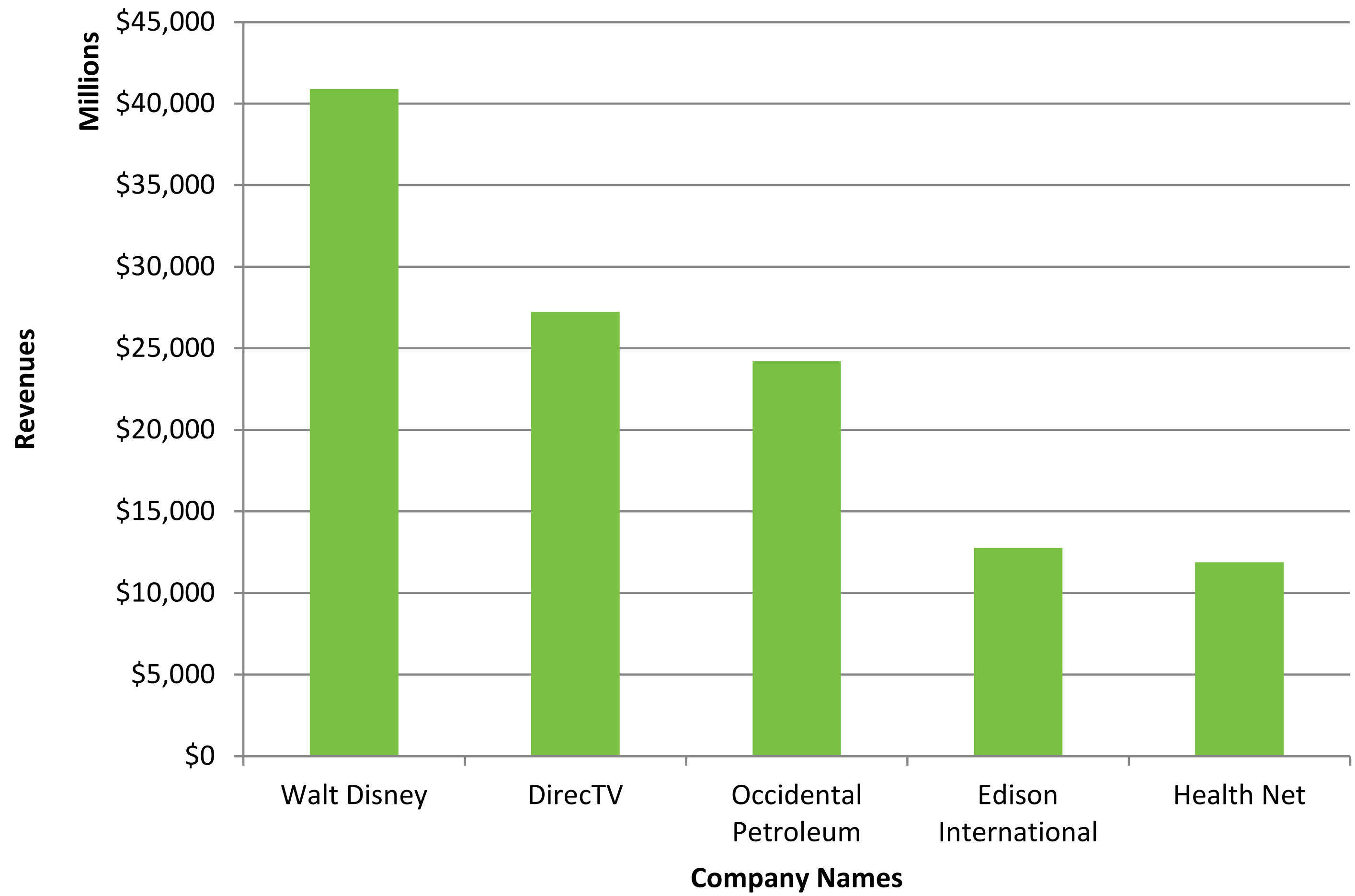
Walt Disney Co. - **$40,893 MM**

DirecTV - **$27,226 MM**

Occidental Petroleum - **$24,216 MM**

Edison International - **$12,760 MM**

Health Net - **$11,901 MM**



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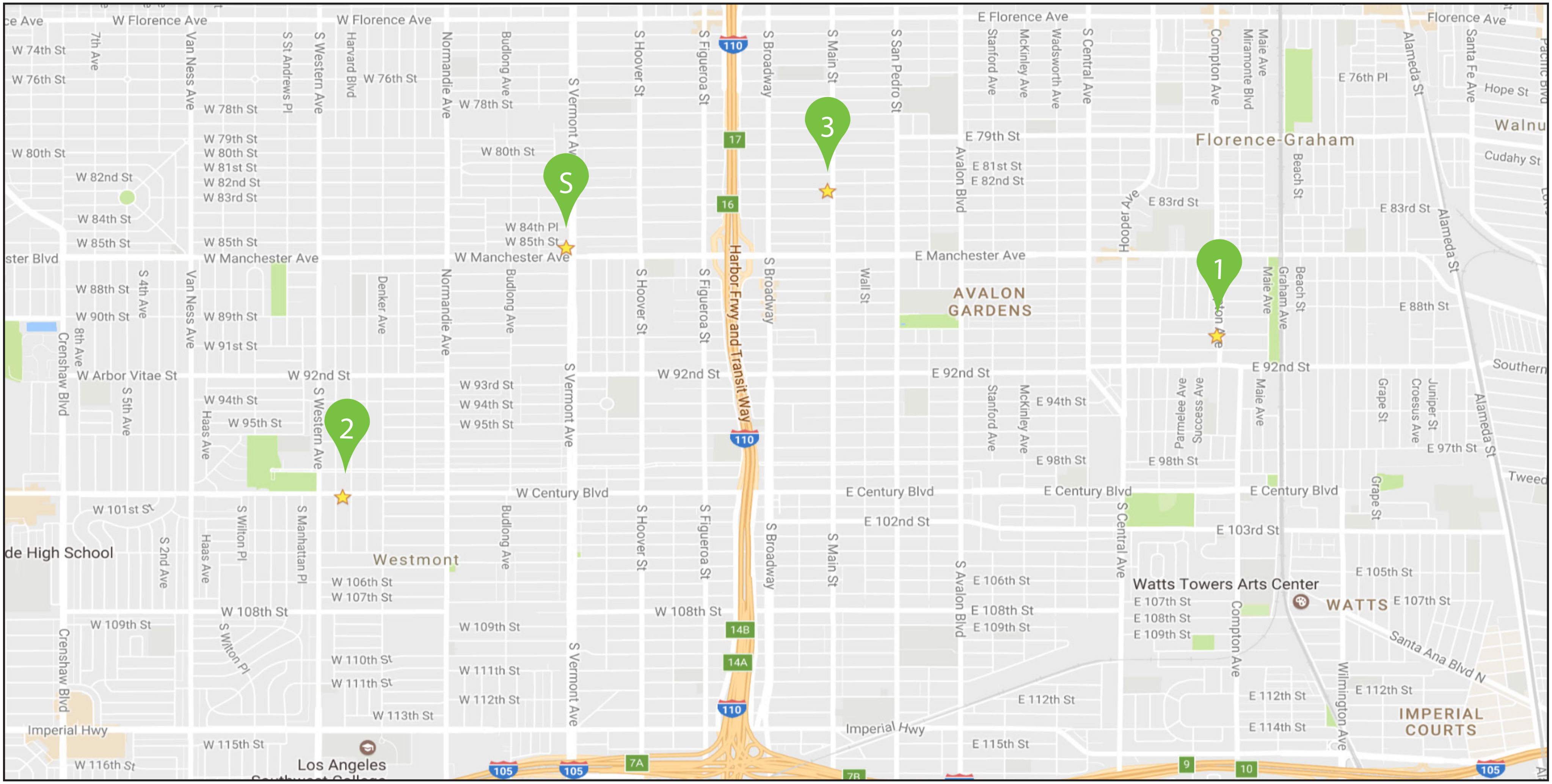
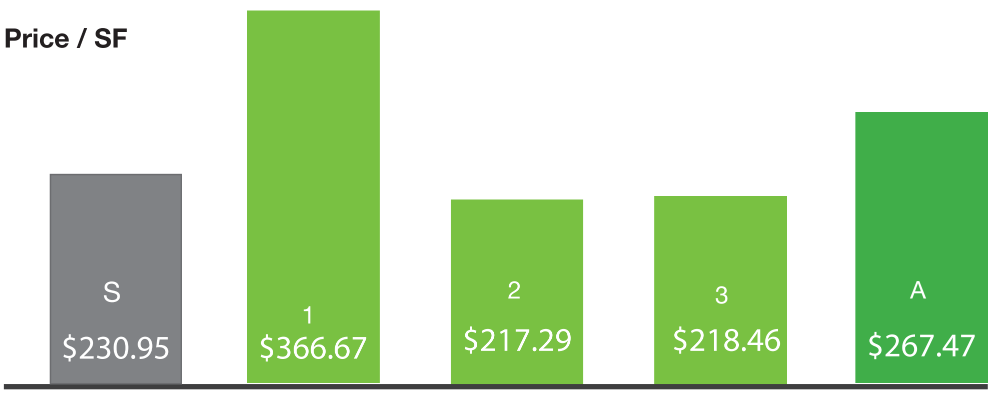
Sales Comparables



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

1468 E 90th St., Los Angeles, CA 90002

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%

1714 W Century Blvd., Los Angeles, CA 90047

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	-

Sales Comparables / 03

8301 S Main St., Los Angeles, CA 90003

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

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		**$0**	**$0**
Monthly/SF		**$0.00**	**$0.00**

Unit Mix

# Units	Unit Type
16	SRO
2	Commercial

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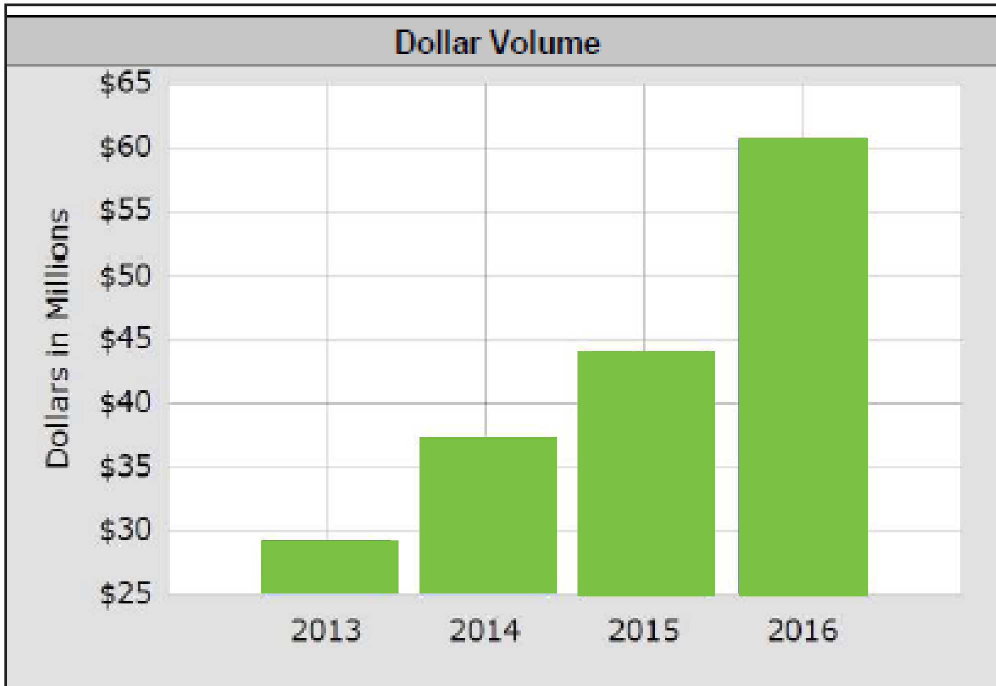
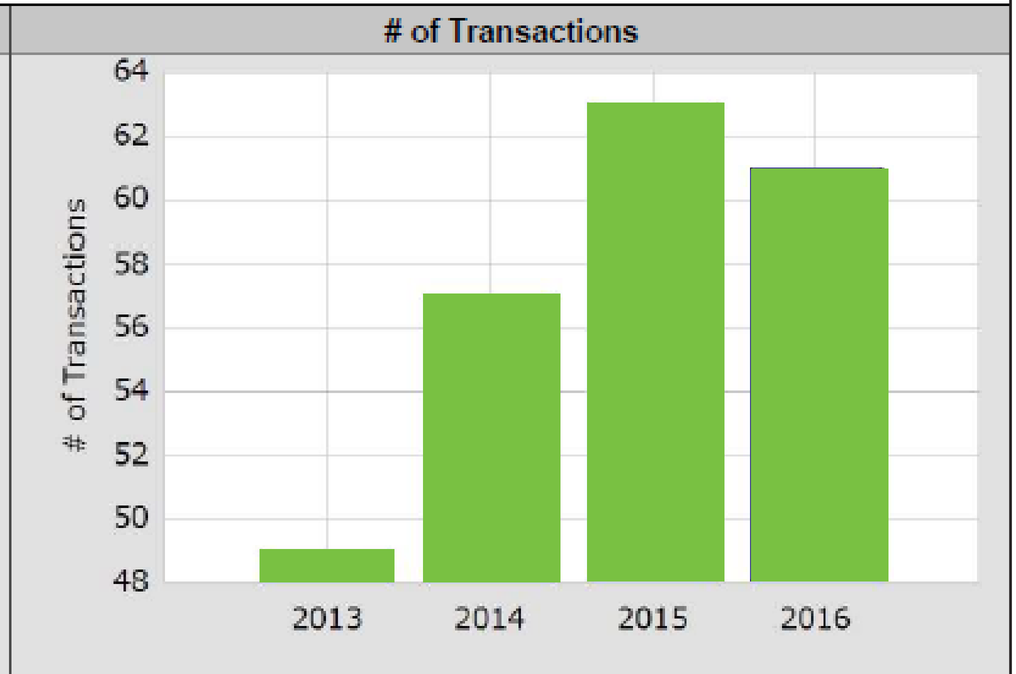
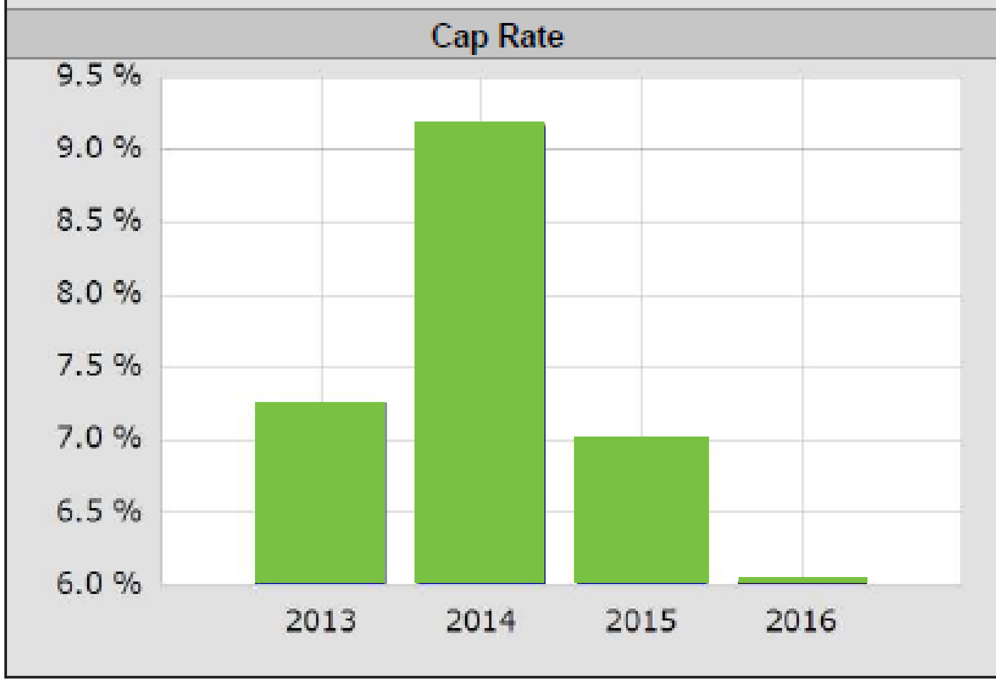
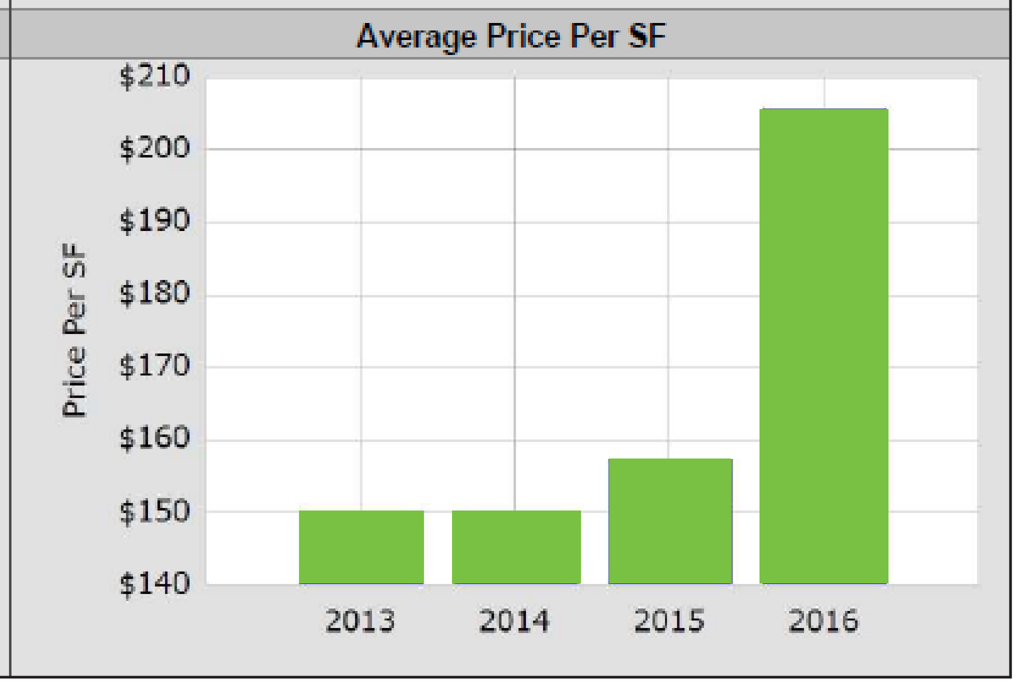
Demographics

Demographics / Trend Report

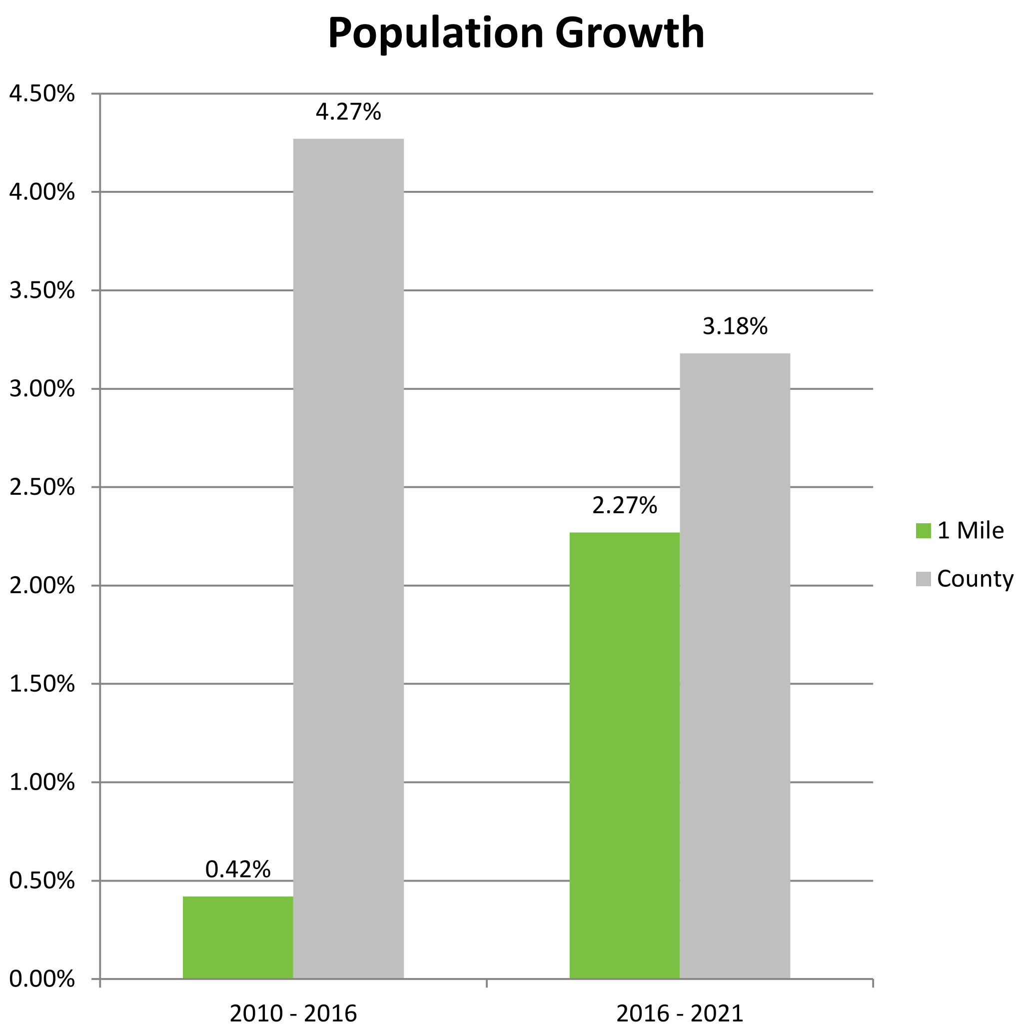


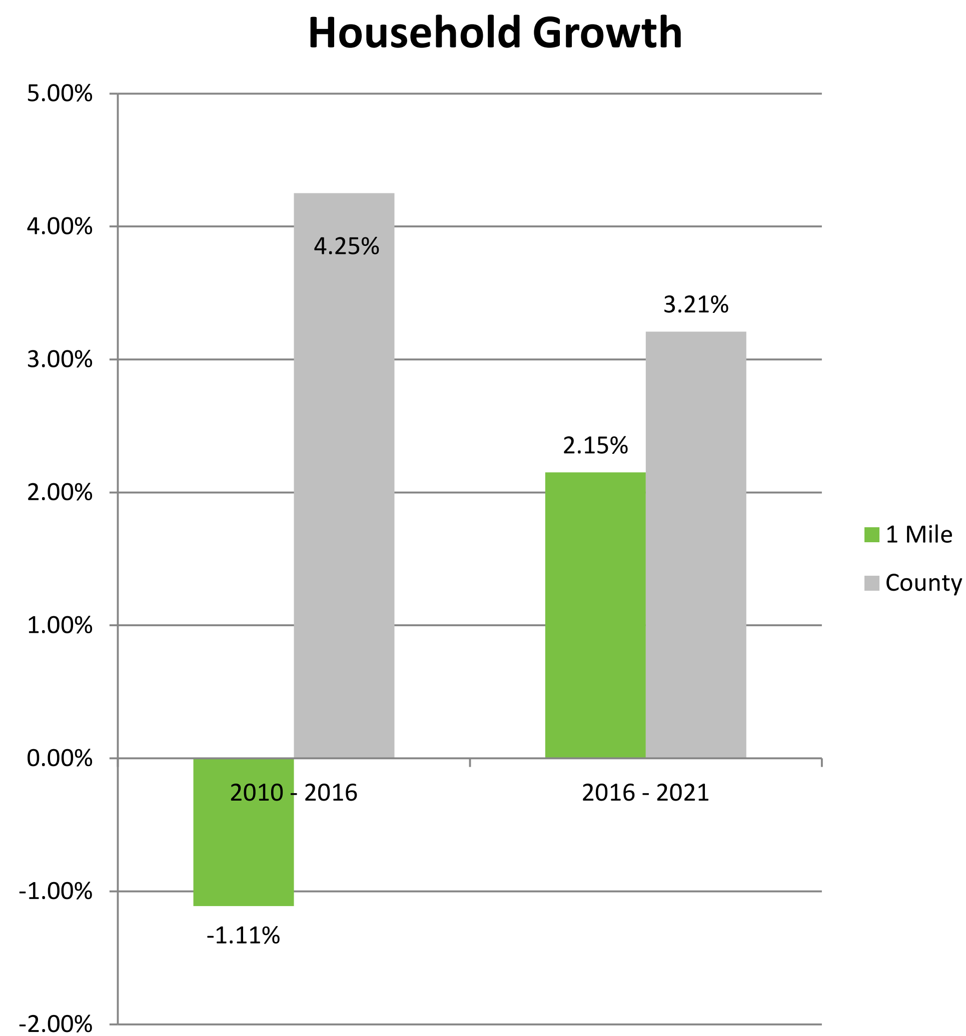






Demographics / Market Comparison Report





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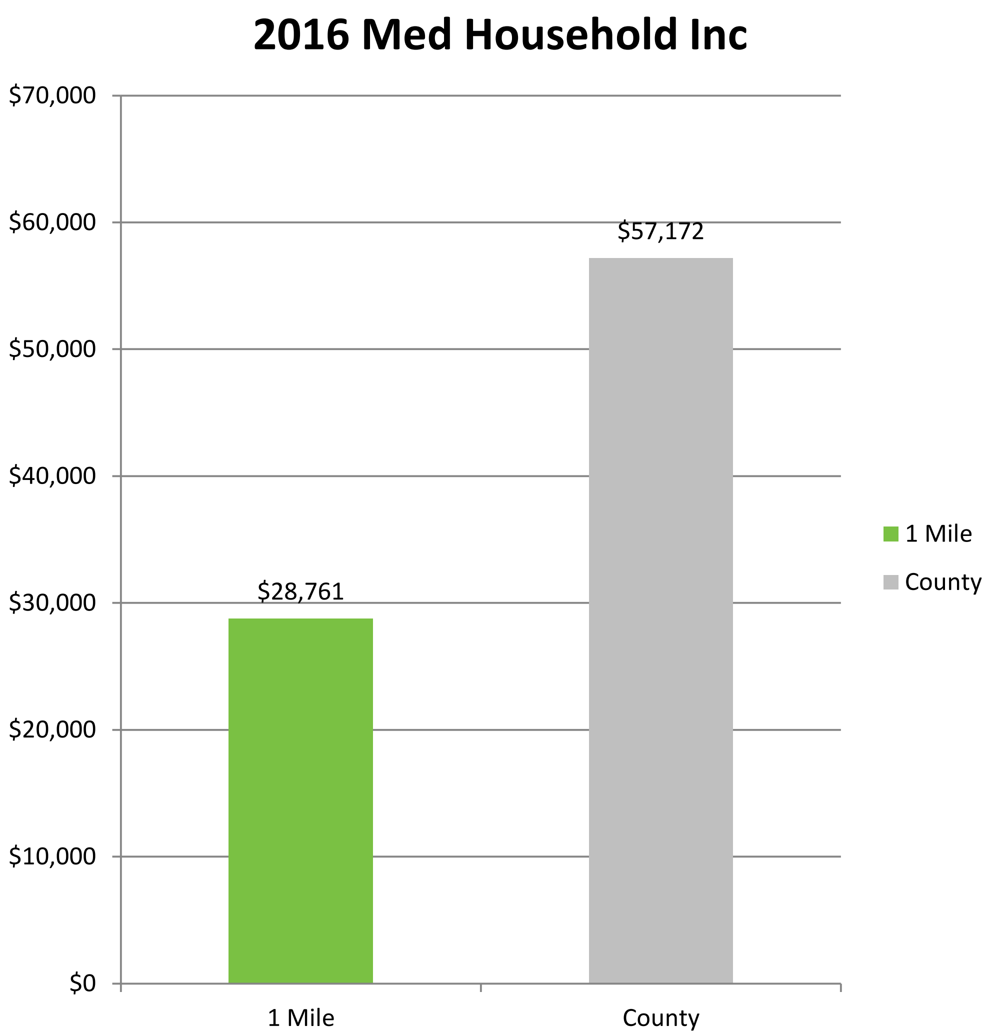
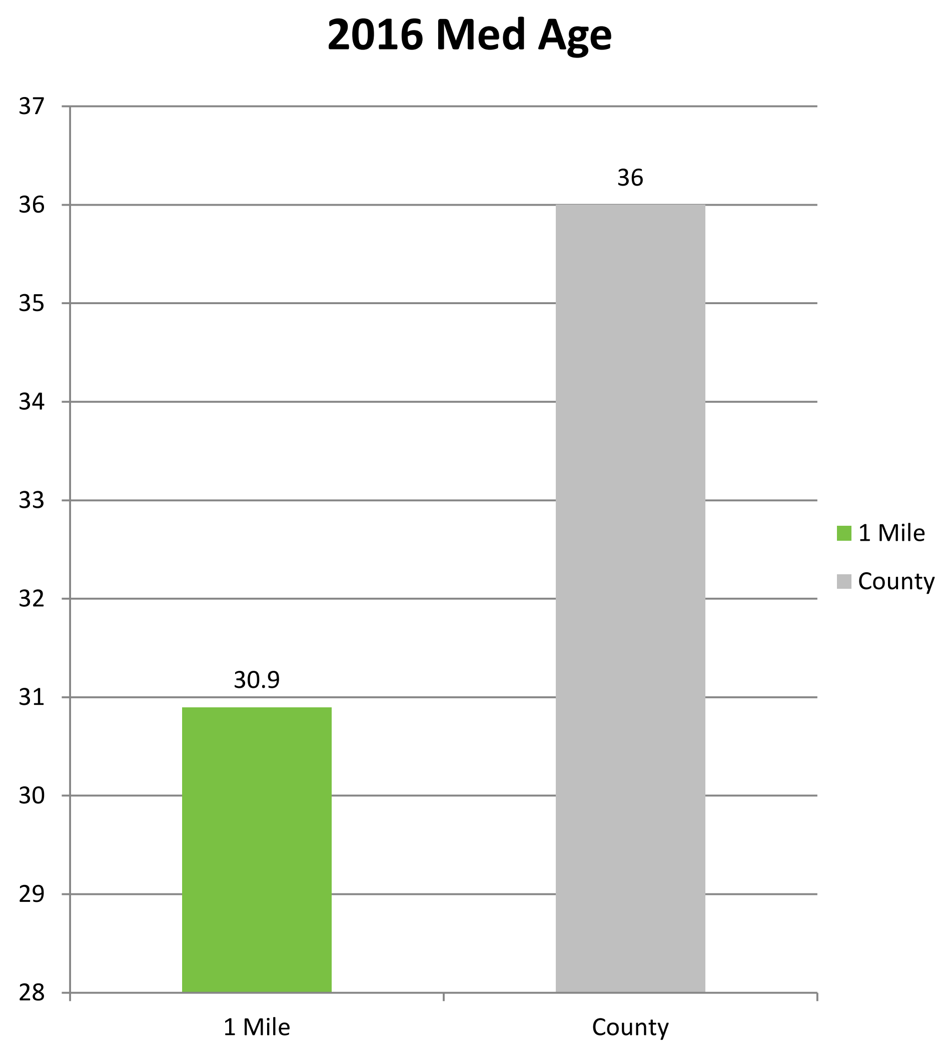
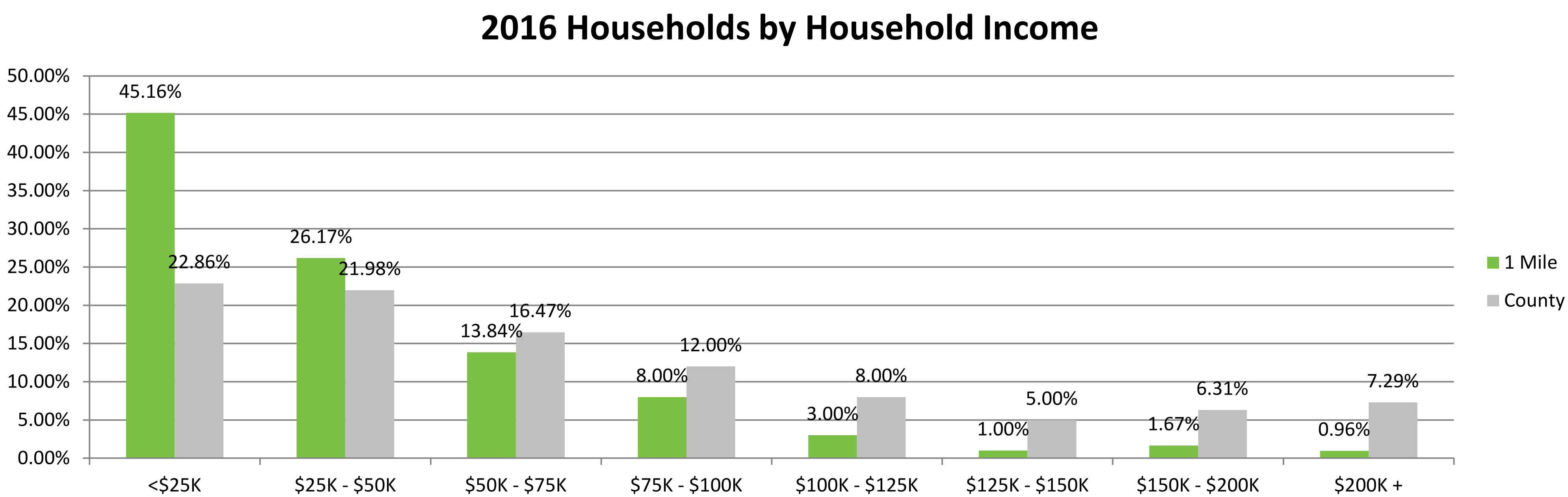
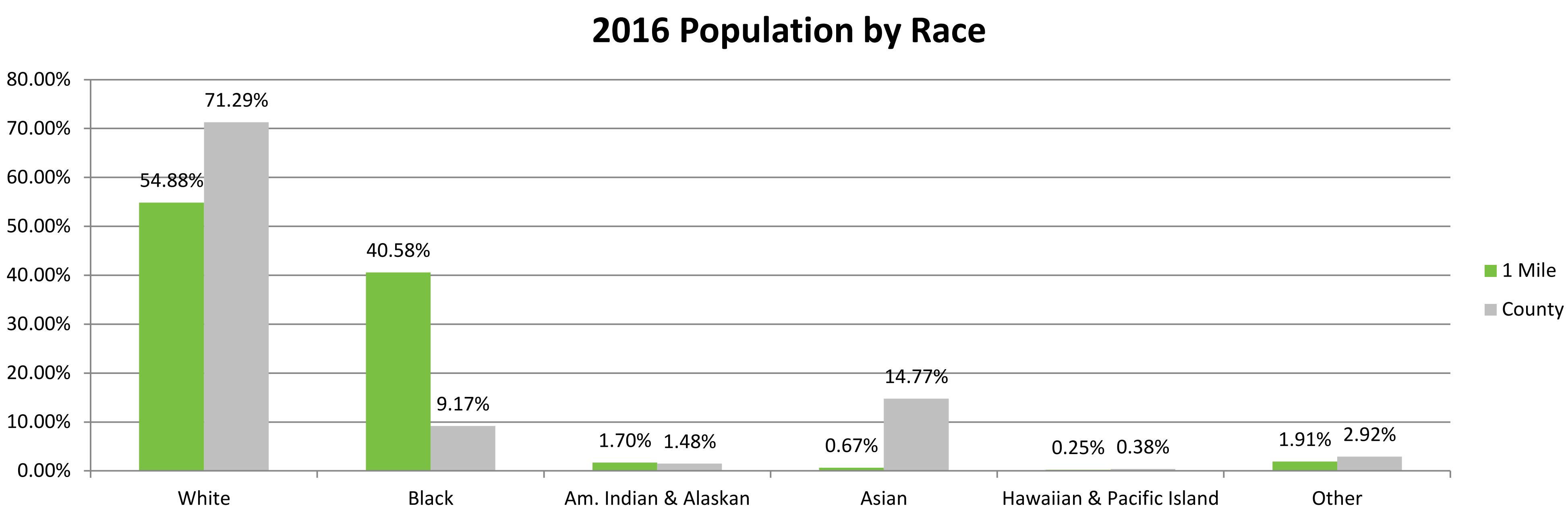


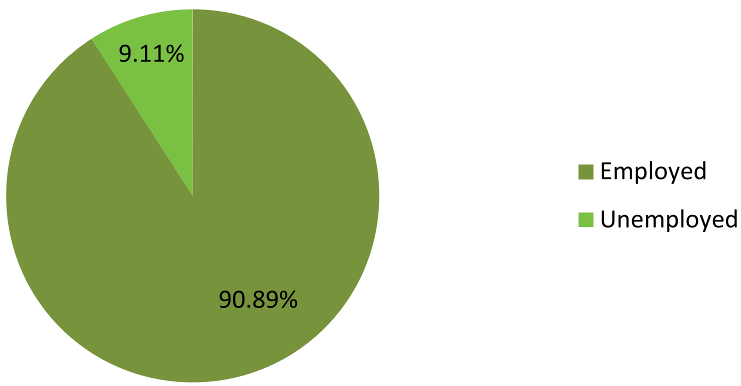



2016 Households by Household Income
50.00%
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
45.16%
22.86%
26.17%
21.98%
13.84%
16.47%
8.00%
12.00%
3.00%
8.00%
1.00%
5.00%
1.67%
6.31%
0.96%
7.29%
<$25K
$25K - $50K
$50K - $75K
$75K - $100K
$100K - $125K
$125K - $150K
$150K - $200K
$200K +
1 Mile
County

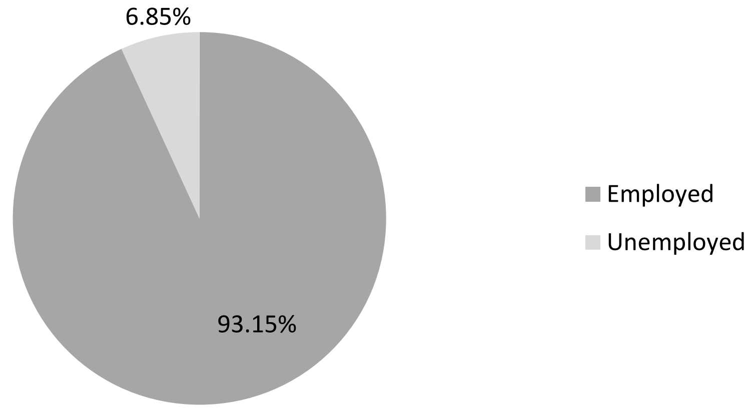

2016 Population by Race
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
54.88%
71.29%
40.58%
9.17%
1.70%
1.48%
0.67%
14.77%
0.25%
0.38%
1.91%
2.92%
White
Black
Am. Indian & Alaskan
Asian
Hawaiian & Pacific Island
Other
1 Mile
County

2015 Employed vs Unemployed

1 Mile

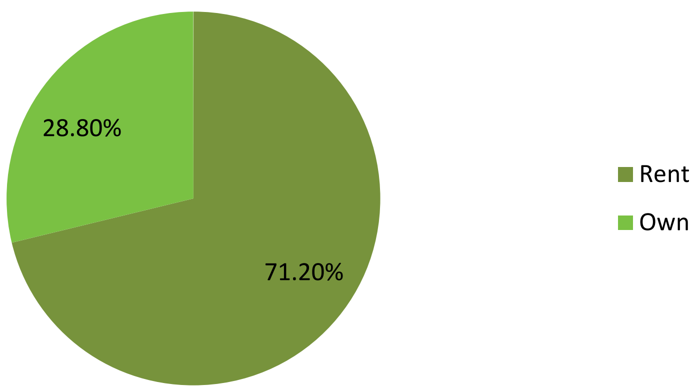


County



2015 Renter vs Owner

1 Mile



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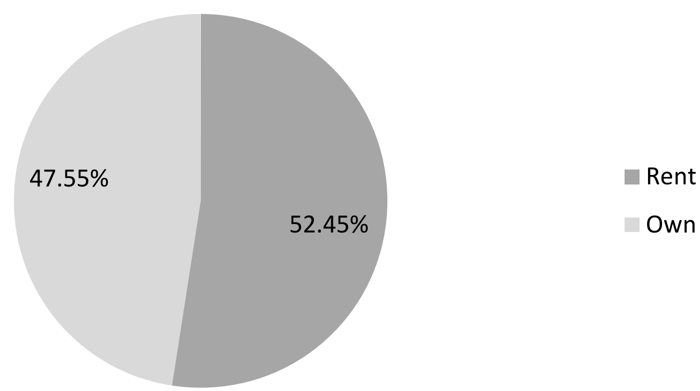

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