Pads on Pasadena Avenue

c.1910 BOUTIQUE HOSTEL · RSO APARTMENTS
22 UNITS — LINCOLN HEIGHTS / NELA

OFFERING MEMORANDUM

2301 Pasadena Avenue
Los Angeles, CA 90031

ALTMAN
APARTMENTS

Pads on Pasadena Avenue

CONTENTS

Exclusively Marketed by:

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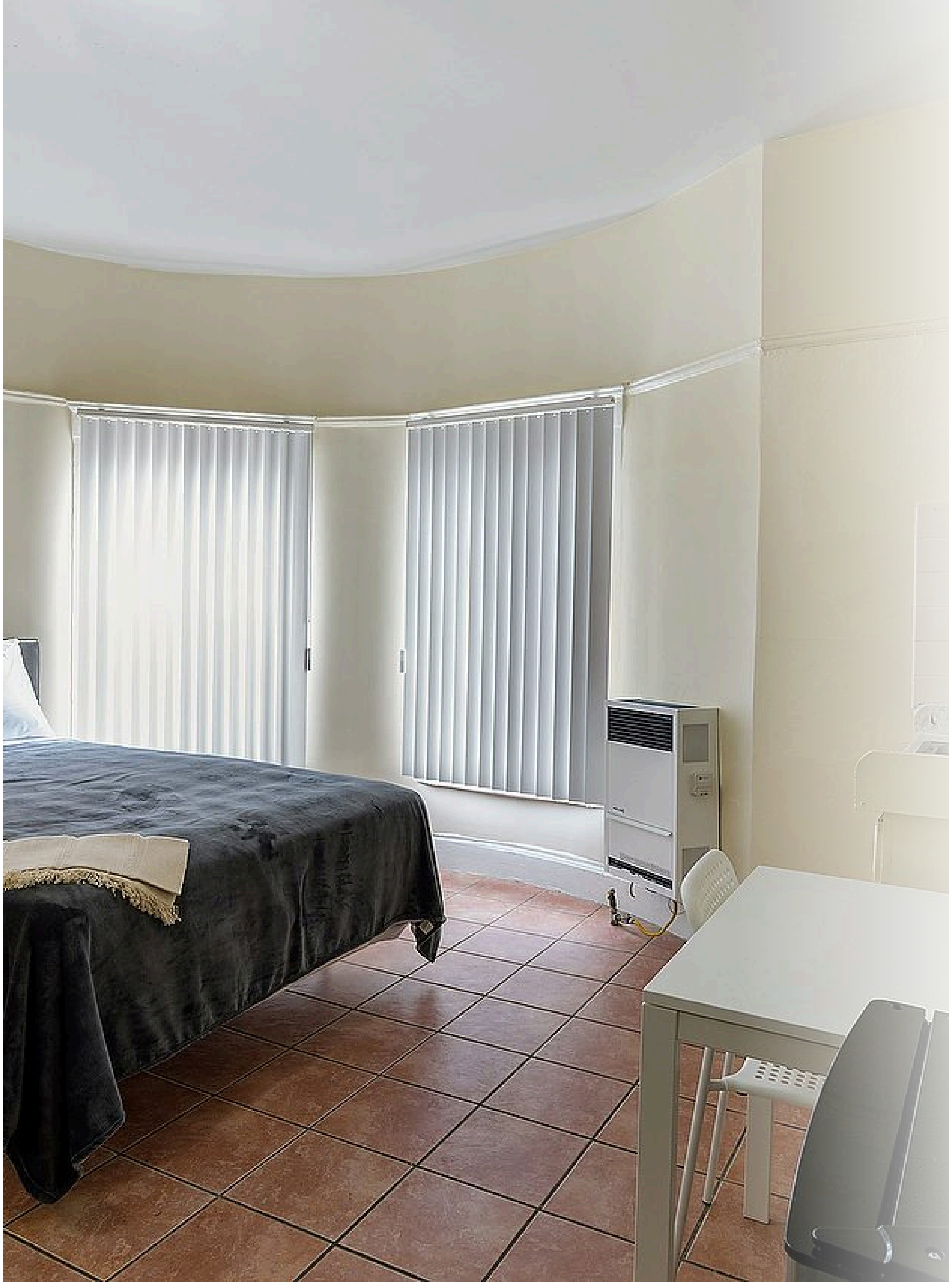


01 Executive Summary

OFFERING SUMMARY

ADDRESS	2301 Pasadena Avenue, Los Angeles CA 90031
COUNTY	Los Angeles
MARKET	Los Angeles Metro
SUBMARKET	Lincoln Heights / Northeast LA
BUILDING SF	6,348 SF
LAND SF	5,663 SF (0.13 ac)
NUMBER OF UNITS	22 (boutique hostel · RSO apartments)
YEAR BUILT	c. 1910
ZONING	LAC2
APN	5205-023-004
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY — STABILIZED PRO FORMA

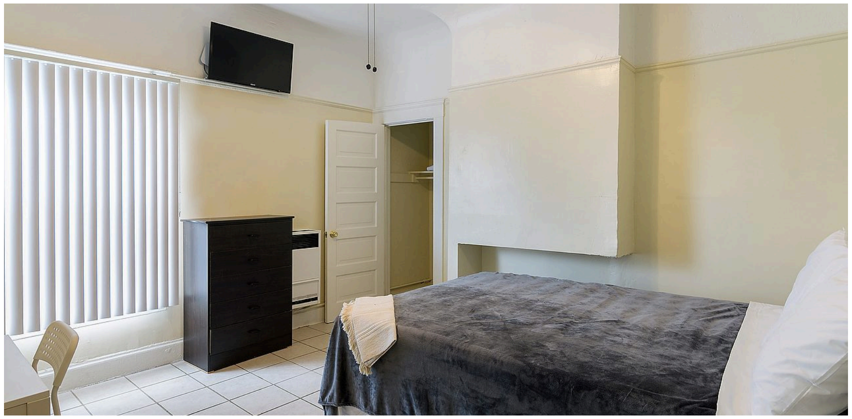
PRICE	$1,950,000
PRICE PSF	$307
PRICE PER UNIT	$88,636
RESIDENTIAL OCCUPANCY	13.6% (repositioning)
NOI (Stabilized Pro Forma)	$175,593
CAP RATE (Stabilized)	9.00%
GRM (Stabilized)	6.20
CASH-ON-CASH (Stabilized)	13.23%
DEBT COVERAGE (Stabilized)	1.79

PROPOSED FINANCING

LOAN TYPE	Amortized
DOWN PAYMENT	$585,000
LOAN AMOUNT	$1,365,000
INTEREST RATE	6.00%
ANNUAL DEBT SERVICE	$98,206
LOAN TO VALUE	70%
AMORTIZATION PERIOD	30 Years

DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
2026 Population	60,000	430,000	1,150,000
2026 Median HH Income	$55,000	$62,000	$68,000
2026 Average HH Income	$72,000	$85,000	$92,000



Investment Highlights

● **Fully-Entitled Value-Add — Private Bath in Every Unit:** Architect-prepared plans (Blend Design Studio) to add a private bathroom to each guest room are in hand — an entitled path to convert the shared-bath rooms into self-contained, private-bath studios and drive rents above the stabilized underwriting shown here.

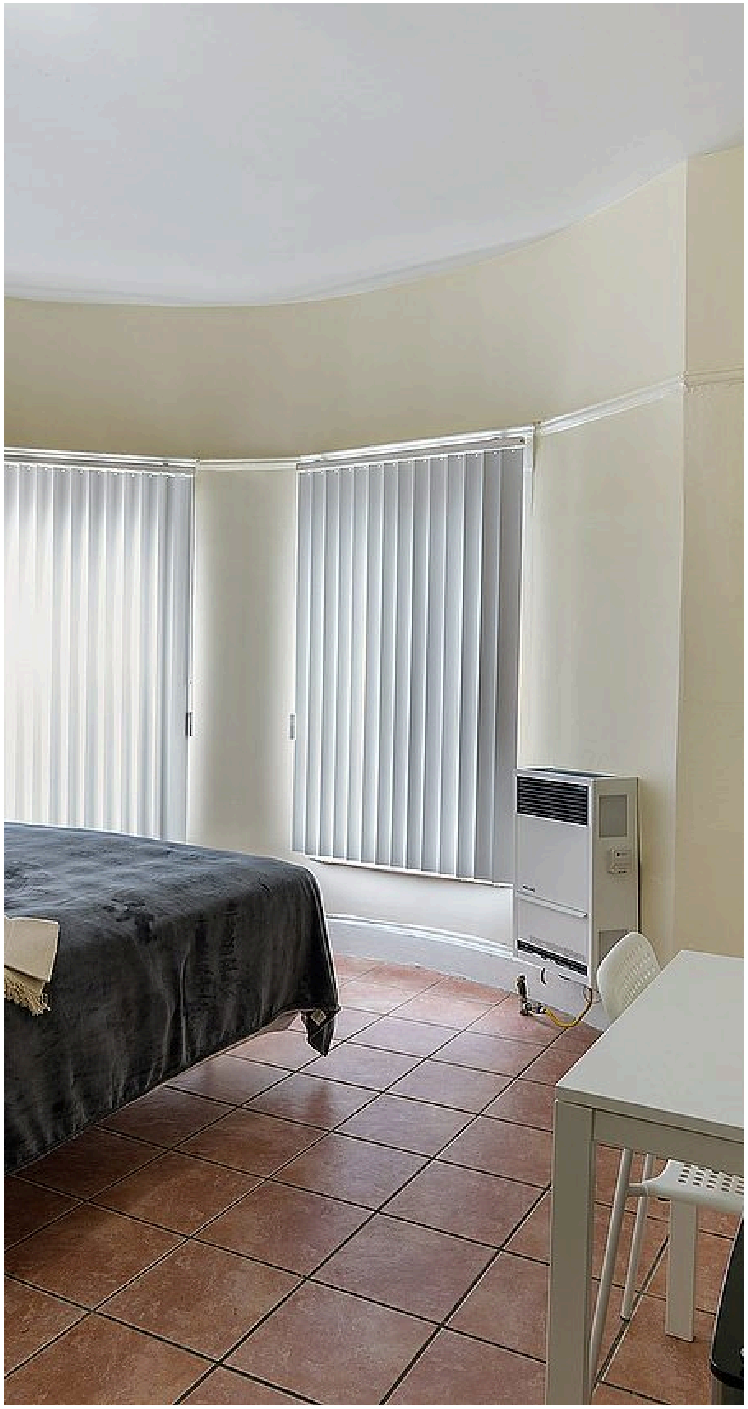
● **Deep Stabilization Upside — 13.6% to Fully Leased:** The asset is currently only ~14% leased residentially (three legacy tenancies); a buyer captures the full lease-up to a stabilized **$314,400** scheduled income — a **9.00%** stabilized cap on the asking price.

● **Turnkey Interim Hostel Income + Event-Driven Demand:** The building operates today as a boutique hostel across major online-travel platforms, producing interim cash flow (~$134,000 annualized gross) during lease-up — with the 2028 Los Angeles Olympic Games supporting near-term citywide hospitality demand.

● **Exceptional Low Basis — $88,636 / Unit:** Priced far below the Northeast-LA submarket's ~$170,000–$240,000/unit range for vintage multifamily — a rare sub-$90,000/door entry with substantial rent-and-conversion upside.

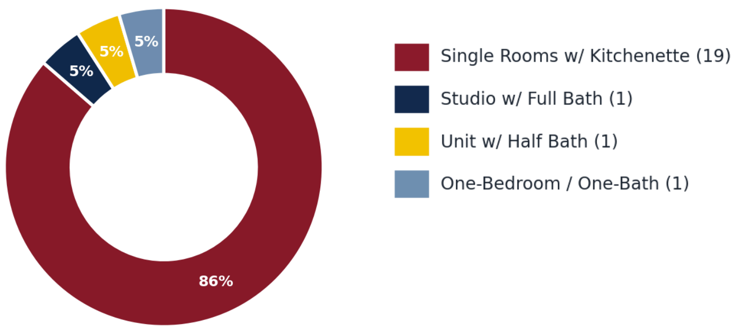
● **Dual-Use Flexibility — Boutique Hostel or RSO Apartments:** A characterful c.1910 two-story building of 22 income units on a 0.13-acre lot operates today as a boutique hostel, yet carries a **valid LAHD Rent Stabilization Ordinance (RSO) certificate** entitling operation as a conventional residential apartment asset — dual-use optionality that broadens the exit, financing and operating strategies.

● **Adjacent to LAC+USC Medical Complex & DTLA:** Set in Lincoln Heights, one of Los Angeles' oldest neighborhoods, minutes from the LAC+USC Medical Center, the USC Health Sciences Campus, Downtown LA, Chinatown and the Metro L Line.

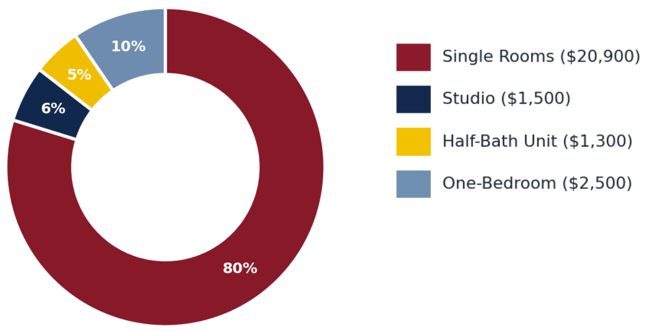


UNIT MIX	# UNITS	STABILIZED MARKET MKT RENT	 MO. INCOME
Guest Room + Kitchenette (shared hall bath)	19	$1,100	$20,900
Studio + Private Full Bath (Unit 05)	1	$1,500	$1,500
Unit + Private Half Bath (Unit 20)	1	$1,300	$1,300
One-Bedroom / One-Bath (Unit 06)	1	$2,500	$2,500
TOTALS / AVERAGES	**22**	—	**$26,200**

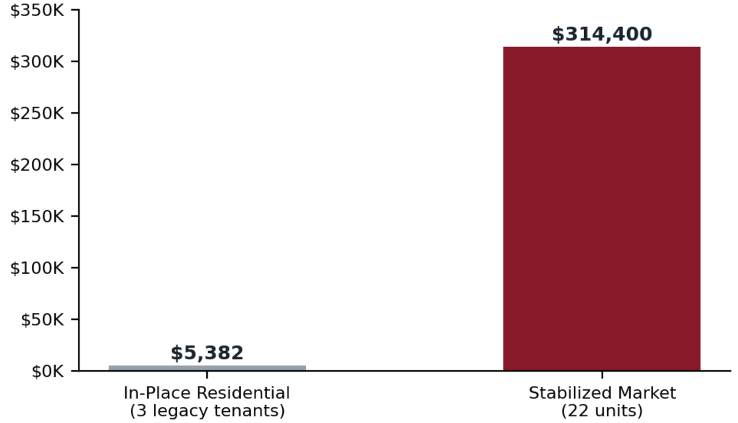
Unit Composition



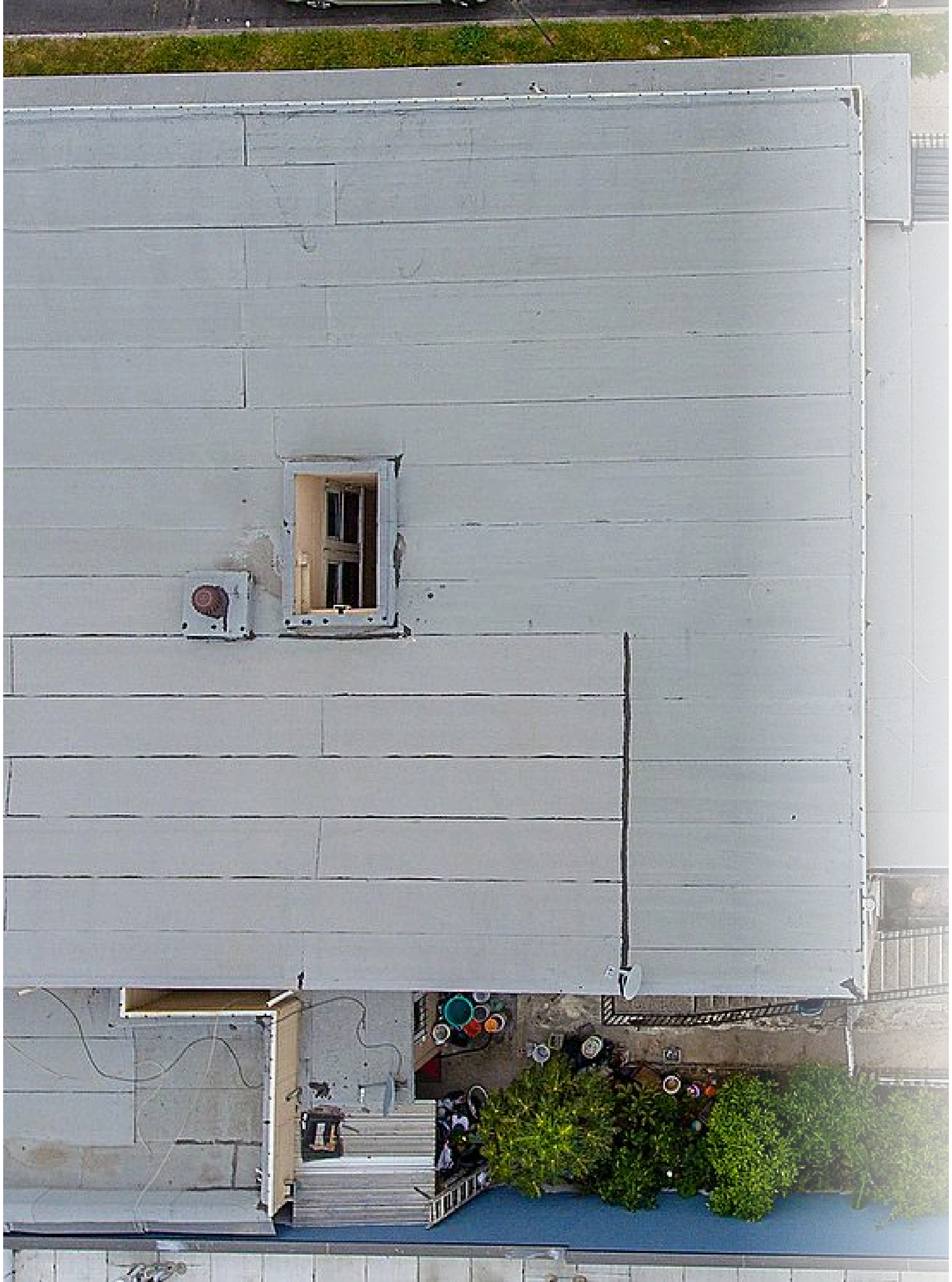
Stabilized Revenue by Unit Type



In-Place vs. Stabilized Scheduled Income (Annual)



The building is **13.6% leased residentially** (three legacy tenants). Stabilizing the 22 units to the confirmed market rents produces a gross scheduled income of **$314,400** ($26,200/mo). Marking the rooms to private-bath studios under the approved plans offers additional upside above these figures.



02 **Location**

Location Summary

Aerial View

● Located in **Lincoln Heights (90031)**, one of the oldest neighborhoods in Los Angeles, in the fast-changing **Northeast LA / Eastside** submarket immediately north of Downtown.

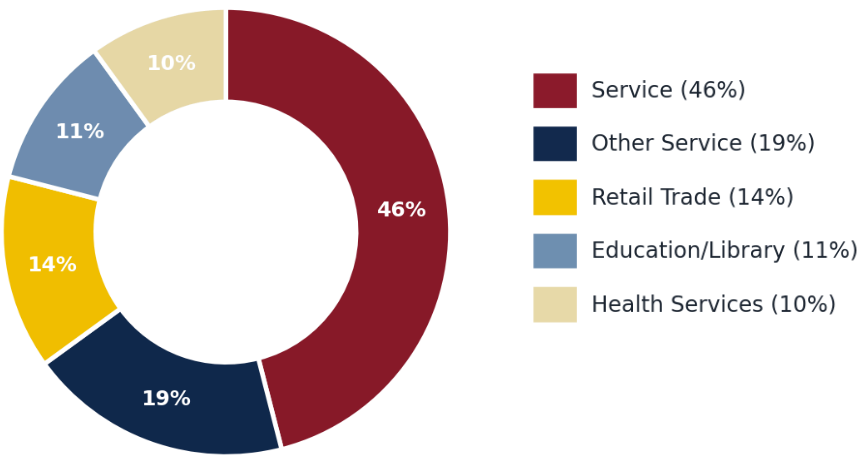
● Adjacent to the **LAC+USC Medical Center** and the **USC Health Sciences Campus** — a massive, stable institutional employment anchor driving housing demand.

● Minutes to **Downtown LA, Chinatown** and the **LA State Historic Park**, with access to the **Metro L Line** and major freeways (I-5, SR-110).

● A dense, overwhelmingly renter-occupied area with deep demand for entry-priced and by-the-room housing near transit and medical employment.

● Part of the Northeast-LA gentrification corridor (Highland Park, Cypress Park, Lincoln Heights) with sustained rent growth and infill investment.

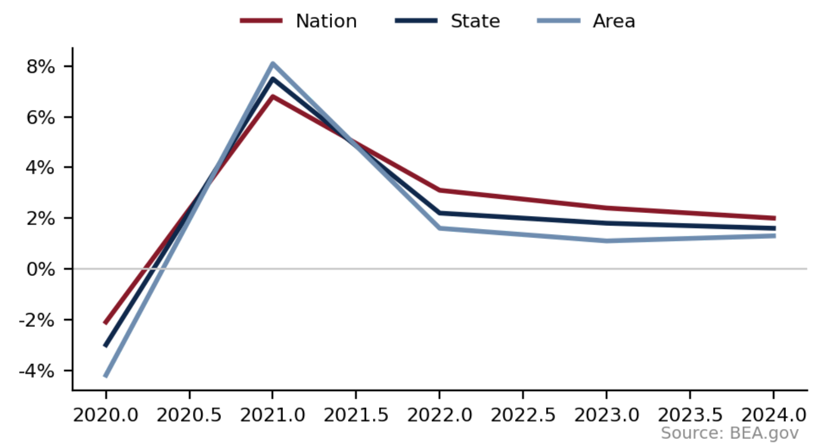
Major Industries by Employment Share



Largest Area Employers

LAC+USC Medical Center	~9,000
Keck Medicine of USC	~13,000
Kaiser Permanente	44,769
Los Angeles Unified School District	~60,000
County of Los Angeles	~110,000
LA Metro (LACMTA)	~11,000
Cal State LA	~4,500

Los Angeles County GDP Trend



AERIAL VIEW — 2301 PASADENA AVENUE, 90031

Downtown Los Angeles skyline beyond

03 Property Description

PROPERTY FEATURES

NUMBER OF UNITS	22 (boutique hostel · RSO apartments)
BUILDING SF	6,348
LAND SF	5,663 (0.13 ac)
YEAR BUILT	c. 1910
RSO STATUS	Valid LAHD RSO certificate
ZONING	LAC2
APN	5205-023-004
STORIES	2
CONFIGURATION	19 rooms + kitchenettes, 1 studio, 1 half-bath unit, 1 one-bedroom

MECHANICAL / INTERIORS

INTERIORS	Renovated rooms & kitchenettes
BATHS	Shared hall baths (approved plans to add private baths)
FLOORING	Wood & tile
HEATING	Wall/space heating per unit

UTILITIES

WATER	LADWP
TRASH	RecycLA
GAS	SoCalGas
ELECTRIC	LADWP

CONSTRUCTION

FRAMING	Wood Frame (Victorian era)
EXTERIOR	Wood siding & stucco
ROOF	Pitched / flat composition
USE	Boutique hostel / RSO apartments (22 units)




Fully-Entitled Value-Add — Private-Bath Conversion

The Seller holds **architect-prepared plans (Blend Design Studio) to add a private bathroom to every guest room**, converting the shared-hall-bath rooms into **self-contained, private-bath studios** with kitchenettes — the property's core value-creation thesis and a fully-drawn, entitled path to rents **above the stabilized underwriting** shown in this memorandum.

During construction and lease-up the asset can continue to generate **interim income as a boutique hostel** across major online-travel platforms — a natural bridge, with the **2028 Los Angeles Olympic Games** reinforcing citywide hospitality demand.

Scope Highlights

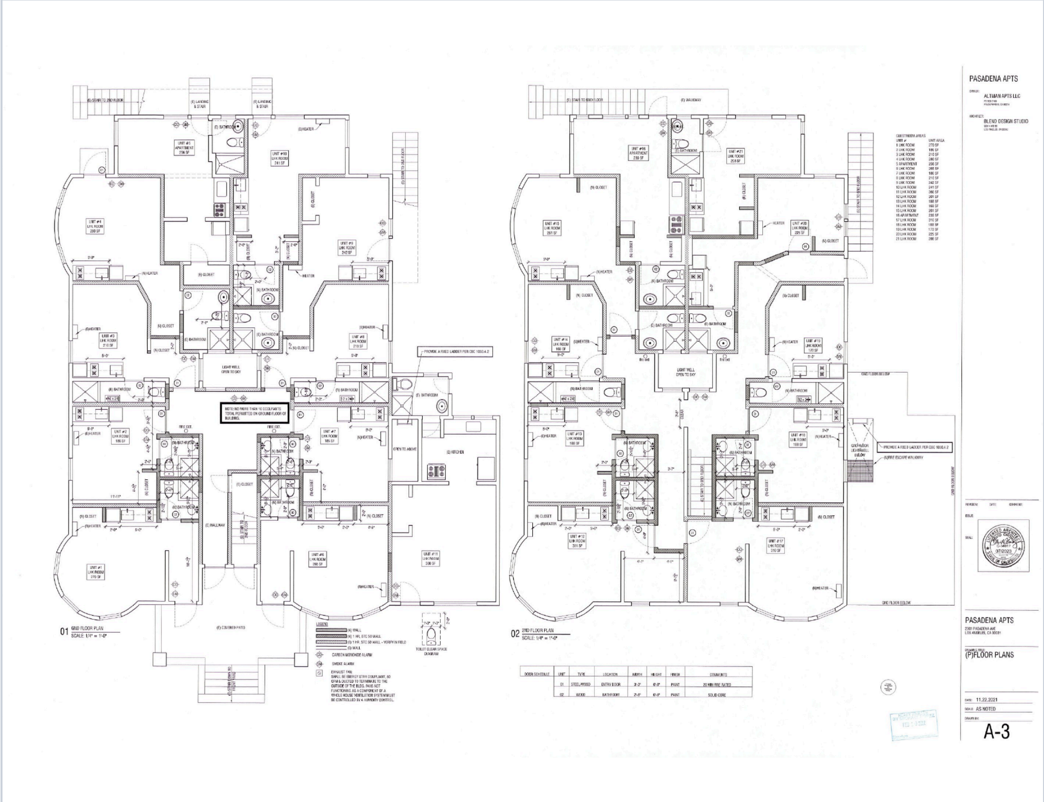
- New private bathroom added to each unit (per approved plans)
- Retained kitchenettes — true self-contained studios
- 20-minute fire-rated entry doors; solid-core bath doors
- New smoke / CO alarms & exhaust ventilation throughout

Approved Unit Program (per architectural plans)

UNIT	TYPE	SF	UNIT	TYPE	SF
1	L-H Room	270	12	L-H Room	301
2	L-H Room	186	13	L-H Room	188
3	L-H Room	210	14	L-H Room	169
4	L-H Room	280	15	L-H Room	261
5	Apartment	256	16	Apartment	239
6	L-H Room	265	17	L-H Room	310
7	L-H Room	186	18	L-H Room	188
8	L-H Room	210	19	L-H Room	170
9	L-H Room	242	20	L-H Room	225
10	L-H Room	241	21	L-H Room	208
11	L-H Room	380			

Unit areas per the architect's guest-room schedule; numbering per the architectural set (operating rent roll reflects 22 income units).

Approved Floor Plans — Ground & Second Floor (Blend Design Studio, Sheet A-3)



Full architect-stamped plan set (Blend Design Studio) available in the due-diligence package.

Property Amenities

- Renovated rooms with kitchenettes
- Approved plans: private bath in every unit
- On-site shared laundry
- Characterful c.1910 building — RSO apartment optionality
- Turnkey interim boutique-hostel operation
- Adjacent to LAC+USC Medical Center
- Minutes to Downtown LA & Metro L Line

04

On Market Comps

Comp Set - NELA

PADS ON PASADENA AVENUE

On-Market Comparables — Northeast LA

STATUS	TYPE	ADDRESS	ZIP	PRICE	PRICE/UNIT	CAP	PRICE/SF	SF	UNITS	NOI
Subject	**Boutique Hostel**	**2301 Pasadena Ave**	**90031**	**$1,950,000**	**$88,636**	**9.00%**	**$307**	**6,348**	**22**	**$175,593**
On-Market	Apartments	2505 Hancock St	90031	$7,388,888	$263,889	6.30%	$412	17,925	28	$465,500
On-Market	Apartments	200 S Avenue 59	90042	$5,900,000	$210,714	5.66%	$281	21,000	28	$333,900
On-Market	Apartments	939 W College St	90012	$5,790,000	$199,655	4.50%	$297	19,500	29	$260,550
On-Market	Apartments	524 San Pascual Ave	90042	$2,300,000	$287,500	5.50%	$342	6,730	8	$126,500
On-Market	Apartments	3225 Pueblo Ave	90032	$1,699,000	$242,714	5.75%	$346	4,905	7	$97,700
On-Market	Apartments	2617 Jeffries Ave	90065	$1,650,000	$183,333	6.82%	$284	5,800	9	$112,500
On-Market	Apartments	5745 Arroyo Dr	90042	$1,195,000	$199,167	5.75%	$292	4,092	6	$68,700
				AVERAGE	**$226,710**	**5.75%**	**$322**			
				SUBJECT (STABILIZED)	**$88,636**	**9.00%**	**$307**			

Active Northeast-LA multifamily listings (Lincoln Heights, Highland Park, El Sereno, Glassell/Cypress Park). Subject shown at its stabilized 9.00% cap. At **$88,636/unit** the subject sits far below the submarket's ~$183,000–$288,000/unit range — a function of its efficient by-the-room configuration and repositioning status — while offering a materially higher stabilized yield.

05

Sale Comps

Sale Comp Set - NELA

PADS ON PASADENA AVENUE

Sale Comparables — Northeast LA

ADDRESS	ZIP	SALE DATE	SOLD PRICE	UNITS	PRICE/UNIT	CAP	PRICE/SF	BLDG SF	YR BUILT	LOT SF	NOI
2301 Pasadena Ave	**90031**	**—**	**$1,950,000**	**22**	**$88,636**	**9.00%**	**$307.18**	**6,348**	**1910**	**5,663**	**$175,593**
2614 Griffin Ave	90031	10/18/2024	$3,880,000	24	$161,667	5.50%	$270.00	14,359	1962	13,000	$213,400
281 S Avenue 52	90042	04/22/2025	$4,088,888	24	$170,370	5.75%	$206.00	19,828	1961	15,500	$235,100
117 S Avenue 64	90042	02/27/2025	$6,800,000	24	$283,333	5.81%	$497.00	13,674	1989	12,500	$395,100
1909 N Broadway	90031	08/09/2024	$1,985,000	16	$124,063	5.70%	$261.00	7,607	1915	7,000	$113,100
5300 Huntington Dr S	90032	11/14/2024	$2,350,000	10	$235,000	5.90%	$349.00	6,738	1986	7,400	$138,650
5274 Ithaca Ave	90032	06/12/2025	$1,600,000	9	$177,778	6.00%	$294.00	5,439	1974	6,600	$96,000
144 W Avenue 26	90031	01/30/2025	$1,980,000	9	$220,000	5.90%	$354.00	5,597	1962	6,500	$116,800
			AVERAGE	**17**	**$196,030**	**5.79%**	**$319.00**				
			SUBJECT	**22**	**$88,636**	**9.00%**	**$307.18**				

Northeast-LA multifamily sale set (2024–2025). Subject property highlighted at its stabilized 9.00% cap. Submarket sales cluster around a **5.5%–6.0% cap** at **~$124,000–$283,000/unit**; the subject's low $88,636/unit basis and $307.18/SF reflect its by-the-room configuration and lease-up status while underwriting to a materially higher stabilized yield.

06

Rent Roll

Current Rent Roll

PADS ON PASADENA AVENUE

Current Rent Roll

UNIT	TYPE	STATUS	IN-PLACE	MARKET
01	Guest Room + Kitchenette	**Vacant**	—	$1,100
02	Guest Room + Kitchenette	**Vacant**	—	$1,100
03	Guest Room + Kitchenette	**Vacant**	—	$1,100
04	Guest Room + Kitchenette	**Vacant**	—	$1,100
05	Studio (full bath)	**Vacant**	—	$1,500
06	1BR / 1BA	**On-Site Mgr**	—	$2,500
07	Guest Room + Kitchenette	**On-Site Mgr**	—	$1,100
08	Guest Room + Kitchenette	**Vacant**	—	$1,100
09	Guest Room + Kitchenette	**Vacant**	—	$1,100
10	Guest Room + Kitchenette	**Vacant**	—	$1,100
11	Guest Room + Kitchenette	**Vacant**	—	$1,100

UNIT	TYPE	STATUS	IN-PLACE	MARKET
12	Guest Room + Kitchenette	**Vacant**	—	$1,100
14	Guest Room + Kitchenette	**Vacant**	—	$1,100
15	Guest Room + Kitchenette	**Vacant**	—	$1,100
16	Guest Room + Kitchenette	**Vacant**	—	$1,100
17	Guest Room + Kitchenette	**Vacant**	—	$1,100
18	Guest Room + Kitchenette	**Vacant**	—	$1,100
19	Guest Room + Kitchenette	**Vacant**	—	$1,100
20	Room (half bath)	**Vacant**	—	$1,300
21	Guest Room + Kitchenette	**Vacant**	—	$1,100
22	Guest Room + Kitchenette	**Current**	$449	$1,100
23	Guest Room + Kitchenette	**Vacant**	—	$1,100

AppFolio rent roll as of 07/19/2026: **22 units, 13.6% leased residentially**. Units 06 and 07 are **on-site manager units** ($0 scheduled rent); Unit 22 is a legacy tenant at ~$449/mo all-in. The **Market** column reflects the confirmed stabilized rents ($26,200/mo · $314,400/yr). The building otherwise operates as an interim boutique hostel and carries a **valid LAHD RSO certificate** to operate as conventional apartments. Approved plans add a private bath to every unit, supporting rents above the market column shown.

07

Financial Analysis

Income & Expense Analysis

Income & Expense Analysis

INCOME — STABILIZED PRO FORMA	ANNUAL	
Residential Scheduled Income (22 units @ market)	$314,400	100%
Gross Scheduled Income	**$314,400**	**100%**
Vacancy & Credit Loss (3%)	-$9,432	
Effective Gross Income	**$304,968**	
Less Operating Expenses	$129,375	42.4%
Net Operating Income	**$175,593**	**57.6%**
Annual Debt Service	$98,206	
Cash Flow After Debt Service	**$77,387**	

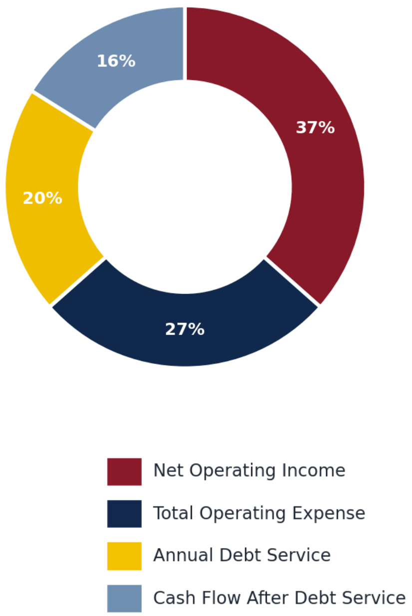
Valuation & Return Summary

	STABILIZED
Gross Rent Multiplier (GRM)	**6.20**
Cap Rate	**9.00%**
Cash-on-Cash Return	13.23%
Debt Coverage Ratio	1.79
Price / Unit	$88,636
Price / SF	$307.18

Figures reflect the **stabilized pro forma** at confirmed market rents (22 units, $26,200/mo) with a 3% vacancy & credit-loss allowance and property tax reassessed to 1.25% of price (buyer's basis). GRM = Price ÷ Gross Scheduled Income. The asset is currently ~14% leased residentially and is operated as an **interim boutique hostel** (~$134,000 annualized gross) during lease-up; approved plans to add a private bath to every unit support rents above the figures shown.

Disclaimer: These numbers are provided as assumptions and are not guaranteed. Broker and/or Seller shall bear no responsibility if actual outcomes vary.

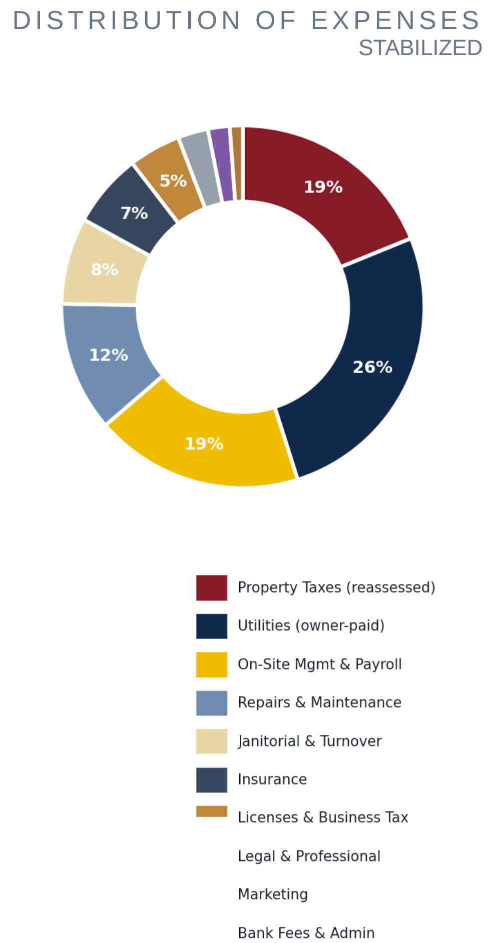
REVENUE ALLOCATION
STABILIZED PRO FORMA



Distribution of Expenses

EXPENSES	STABILIZED	PER UNIT
Property Taxes (reassessed @ 1.25%)	$24,375	$1,108
Utilities (owner-paid)	$34,000	$1,545
On-Site Management & Payroll	$24,000	$1,091
Repairs & Maintenance	$15,000	$682
Janitorial, Turnover & Supplies	$10,000	$455
Insurance	$8,500	$386
Licenses & Business Tax	$6,000	$273
Legal & Professional	$3,500	$159
Marketing & Advertising	$2,500	$114
Bank Fees & Admin	$1,500	$68
Total Operating Expense	**$129,375**	**$5,881**
Expense / SF	$20.38	
% of EGI	42.4%	

Stabilized operating budget for a managed boutique-hostel / by-the-room operation; property tax reassessed to 1.25% of price ($24,375); capital expenditures and mortgage excluded. Owner-paid utilities reflect master-metered water, gas and common electric.



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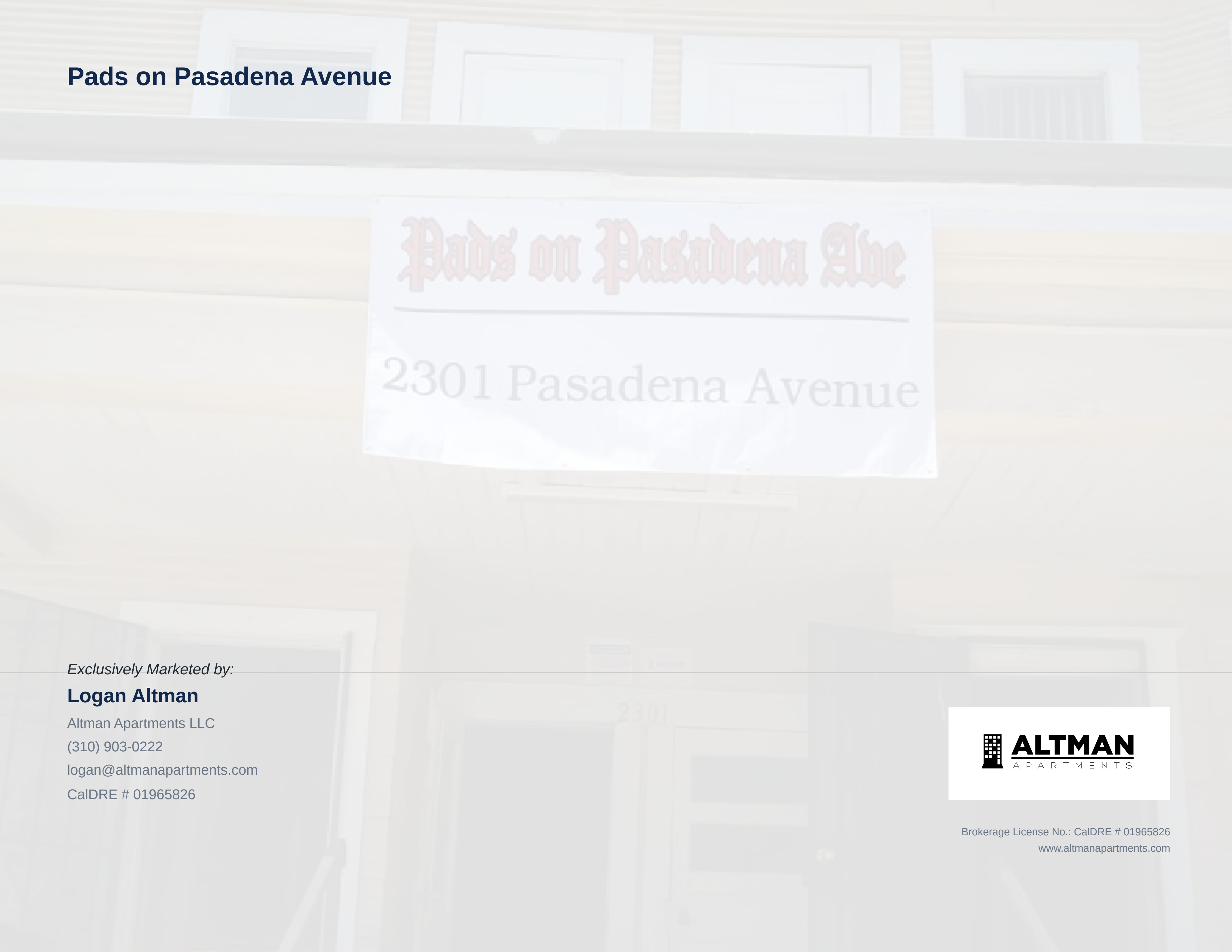

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