

7404 SOUTH FIGUEROA STREET



HIGH CASH FLOW COVERED LAND OPPORTUNITY - Develop 157 Units (Buyer to verify) ■ LOS ANGELES, CA 90003

OFFERING MEMORANDUM



AGGREGATE
INVESTMENT
PARTNERS

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7404 SOUTH FIGUEROA STREET

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The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from KW Commercial and it should not be made available to any other person or entity without the written consent of KW Commercial. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the Offering Memorandum. If you have no interest in the subject property at this time, please return this Offering Memorandum to KW Commercial.

This Offering Memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. KW Commercial has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, KW Commercial has not verified, and will not verify, any of the information contained herein, nor has KW Commercial conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. KW Commercial has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. KW Commercial's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. KW Commercial and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and KW Commercial makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.



**AGGREGATE
INVESTMENT
PARTNERS**



SECTION 1

FINANCIAL ANALYSIS

7404 SOUTH FIGUEROA

PROPERTY SUMMARY



INVESTMENT SUMMARY

Price	\$1,825,000
Price per Unit	\$304,167
Price per SF	\$427.50
Current Cap Rate	6.22%
Projected Cap Rate	6.96%
Current GRM	11.03
Projected GRM	10.14
Price per SF (Land)	\$157
Buildable Units (Buyer to Verify)	157
Price per Buildable Unit	\$11,624

ASSET OVERVIEW

Number of Units	6
Year Built	1923
Gross SF	4,269
Lot SF	11,600
Zoning	LAC2-1VL
Tenant Responsibility	Gas, Electricity, and Trash
Owner Responsibility	Water & Sewer
APN	6020-031-010

FINANCING

Down Payment	35%	\$638,750
Loan Amount	65%	\$1,186,250
Amortization Years		30
Interest Rate		5.75%
Monthly Payments		(\$6,923)





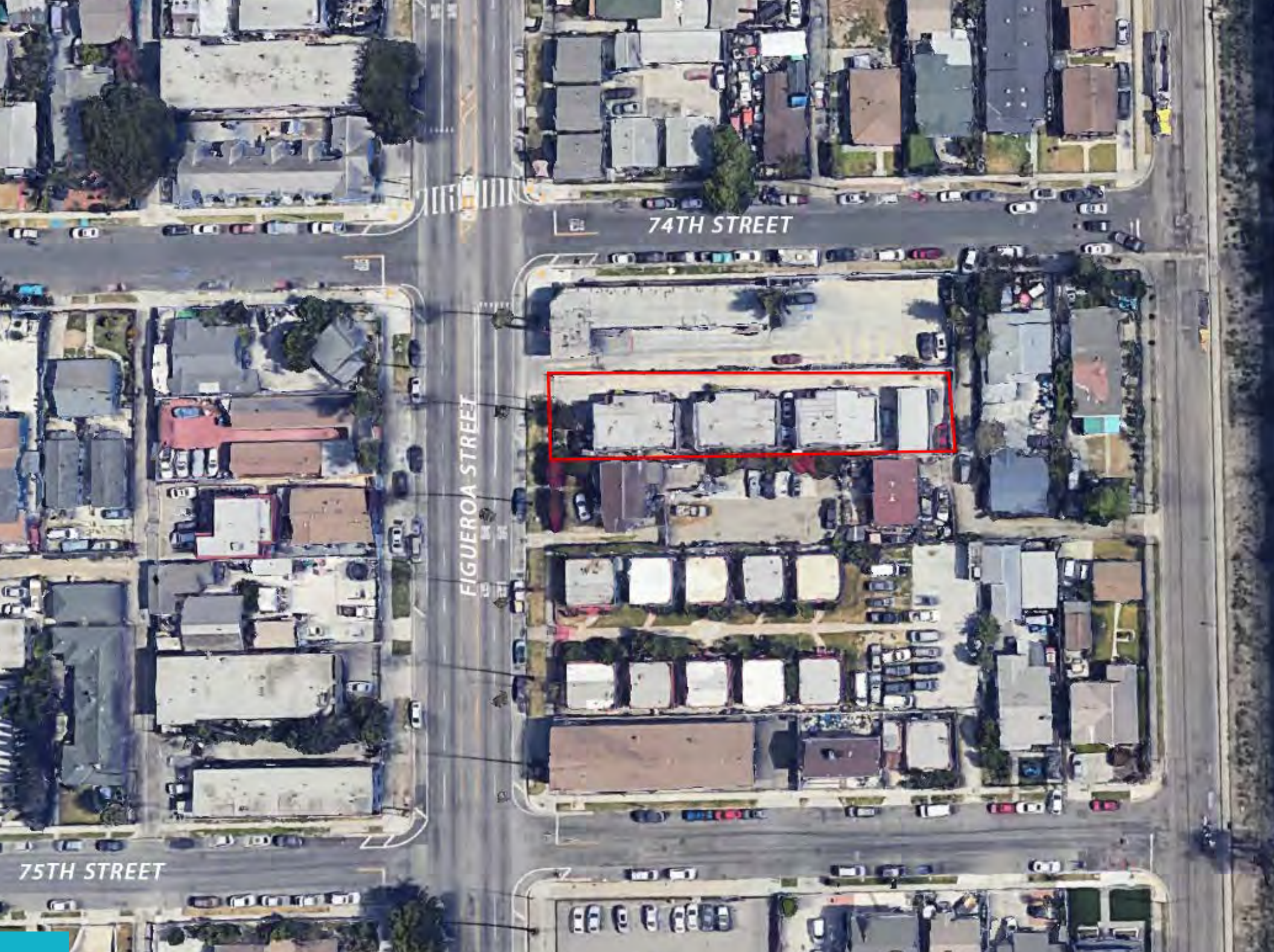
OPPORTUNITY

- ❑ Great covered land investment with strong in-place cap rate of 6.22%
- ❑ Currently, there is one vacant unit at the Property
- ❑ Absolutely no trash expense for a new owner
- ❑ Opportunity to add to two accessory dwelling units
- ❑ Long term development opportunity to develop a 100% affordable 157 unit apartment development (Buyer to verify)
- ❑ Located with easy access to 110 Freeway
- ❑ Individually metered for gas and electric
- ❑ Identical neighboring property was entitled for 157 units sold in September of 2023 for \$3,910,039
- ❑ Large land area allowing for future development of the site



7404 South Figueroa







SECTION 2

FINANCIAL ANALYSIS

7404 SOUTH FIGUEROA

FINANCIAL ANALYSIS

INVESTMENT SUMMARY			# OF UNITS	UNIT TYPE	CURRENT AVG	CURRENT TOTAL	PROJECTED AVG	PROJECTED TOTAL
Price		\$1,825,000	6	2 Bed / 1 Bath	\$2,298.00	\$13,788.00	\$2,500.00	\$15,000.00
Price per Unit		\$304,167	6			\$13,788.00		\$15,000.00
Price per SF		\$427.50						
Current Cap Rate		6.22%						
Projected Cap Rate		6.96%						
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Monthly Payments		(\$6,923)						
ANNUAL INCOME			ASSUMPTION	CURRENT	ASSUMPTION	PROJECTED		
			Gross Potential Rent		\$165,456.00		\$180,000.00	
			Economic Vacancy	3%	(\$4,963.68)	3%	(\$5,400.00)	
			Effective Gross Income		\$160,492.32		\$174,600.00	
ANNUAL EXPENSES			ASSUMPTION	CURRENT	ASSUMPTION	PROJECTED		
			Real Estate Taxes	1.20%	(\$21,900.00)	1.20%	(\$21,900.00)	
			Special Assessments	Per LA County	(\$1,237.61)	Per LA County	(\$1,237.61)	
			Insurance	\$1 per SF	(\$4,269.00)	\$1 per SF	(\$4,269.00)	
			Utilities	\$1,150 per Unit	(\$6,900.00)	\$1,150 per Unit	(\$6,900.00)	
			Off-Site Management	4% of EGI	(\$6,419.69)	4% of EGI	(\$6,984.00)	
			Landscaping	\$100 per Month	(\$1,200.00)	\$100 per Month	(\$1,200.00)	
			Pest Control	\$50 per Month	(\$600.00)	\$50 per Month	(\$600.00)	
			General Repairs & Maintenance	\$750 per Unit	(\$4,500.00)	\$750 per Unit	(\$4,500.00)	
			Total Expenses		(\$47,026.30)		(\$47,590.61)	
			Expenses per Unit		\$7,838		\$7,932	
			Expenses/SF		\$11.02		\$11.15	
			% of EGI		29.30%		27.26%	
ANNUAL RETURN			CURRENT	PROJECTED				
			Net Operating Income	\$113,466	\$127,009			
			Less Debt	(\$83,072)	(\$83,072)			
			Cashflow	\$30,394	\$43,938			
			Monthly Cashflow	\$2,533	\$3,661			
			Cash on Cash	4.76%	6.88%			
			DSCR	1.37	1.53			

RENT ROLL

Unit #	Unit Type	Unit SF	Current	Rent per SF	Projected Rent	Rent per SF	Notes
7404	2 Bed / 1 Bath	710	\$2,350	\$3.31	\$2,500	\$3.52	
7404 1/4	2 Bed / 1 Bath	710	\$2,350	\$3.31	\$2,500	\$3.52	
7404 1/2	2 Bed / 1 Bath	710	\$2,500	\$3.52	\$2,500	\$3.52	Vacant & Remodeled
7404 3/4	2 Bed / 1 Bath	710	\$2,195	\$3.09	\$2,500	\$3.52	Rent shall increase to \$2,350 on February 15, 2025
7406	2 Bed / 1 Bath	710	\$2,195	\$3.09	\$2,500	\$3.52	Rent shall increase to \$2,350 on March 15, 2025
7406 1/2	2 Bed / 1 Bath	710	\$2,195	\$3.09	\$2,500	\$3.52	
		4,260	\$13,785		\$15,000		

A nighttime photograph of a city skyline viewed from a bridge. The foreground shows a concrete bridge railing with decorative balustrades and a road with yellow double lines. The middle ground is filled with illuminated city buildings, including a prominent skyscraper with a red and white top. The sky is a vibrant mix of purple, pink, and blue, indicating a sunset or sunrise. A semi-transparent orange horizontal band is overlaid across the middle of the image, containing the text.

SECTION 3

LOCATION OVERVIEW

7404 SOUTH FIGUEROA

SOUTH LOS ANGELES

South Los Angeles sits between the two major jobs centers of Downtown Los Angeles and Culver City. The former, with a daytime population of some 207,000 people, is home to a large concentration of firms from the legal, utilities, accounting and financial services sectors, as well as many federal, state and local government agencies. The latter, on the other hand, has an employer base that skews more creative, with a mix of firms in arts, design, entertainment, sports and media.



COMMUNITY PROFILE

New developments and improved mass transit options within the submarket have lately drawn an influx of high-income young professionals to the area. Baldwin Hills Crenshaw Plaza has been approved by the city to undergo a major transformation.



The K Line was designed and built with the help of community input and local voices to provide a faster, more convenient and reliable way to connect to jobs, schools and the rich cultural places throughout these communities. The K Line will connect to the Metro E Line (Expo), which travels between downtown LA and Santa Monica. By 2024, the K Line will also connect to the new LAX/Metro Transit Center Station, the new Aviation/Century Station and the Metro C Line (Green).



BALDWIN HILLS CRENSHAW PLAZA



METRO CRENSHAW LINE



DESTINATION CRENSHAW

ACCESSIBILITY



LANDMARKS WITHIN 5 MILE RADIUS

Lucas Museum of Narrative Art

The \$1-billion Lucas Museum of Narrative Art, located at Exposition Park in Downtown LA. Designed by Ma Yansong of MAD Architects, the 300,000 square-foot Lucas Museum is expected to be "one of the most imaginative and inclusive art museums in the world—a global destination that all Angelenos and Californians will be proud to call their own."



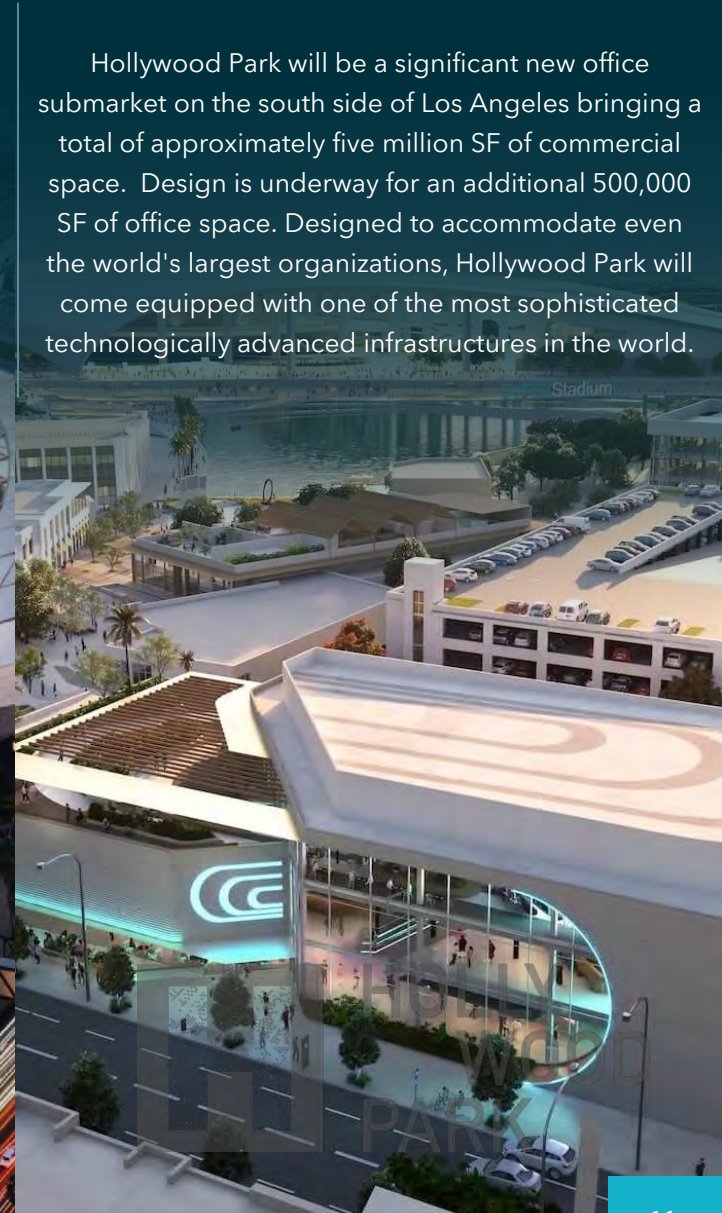
Inglewood Sports & Entertainment Complex

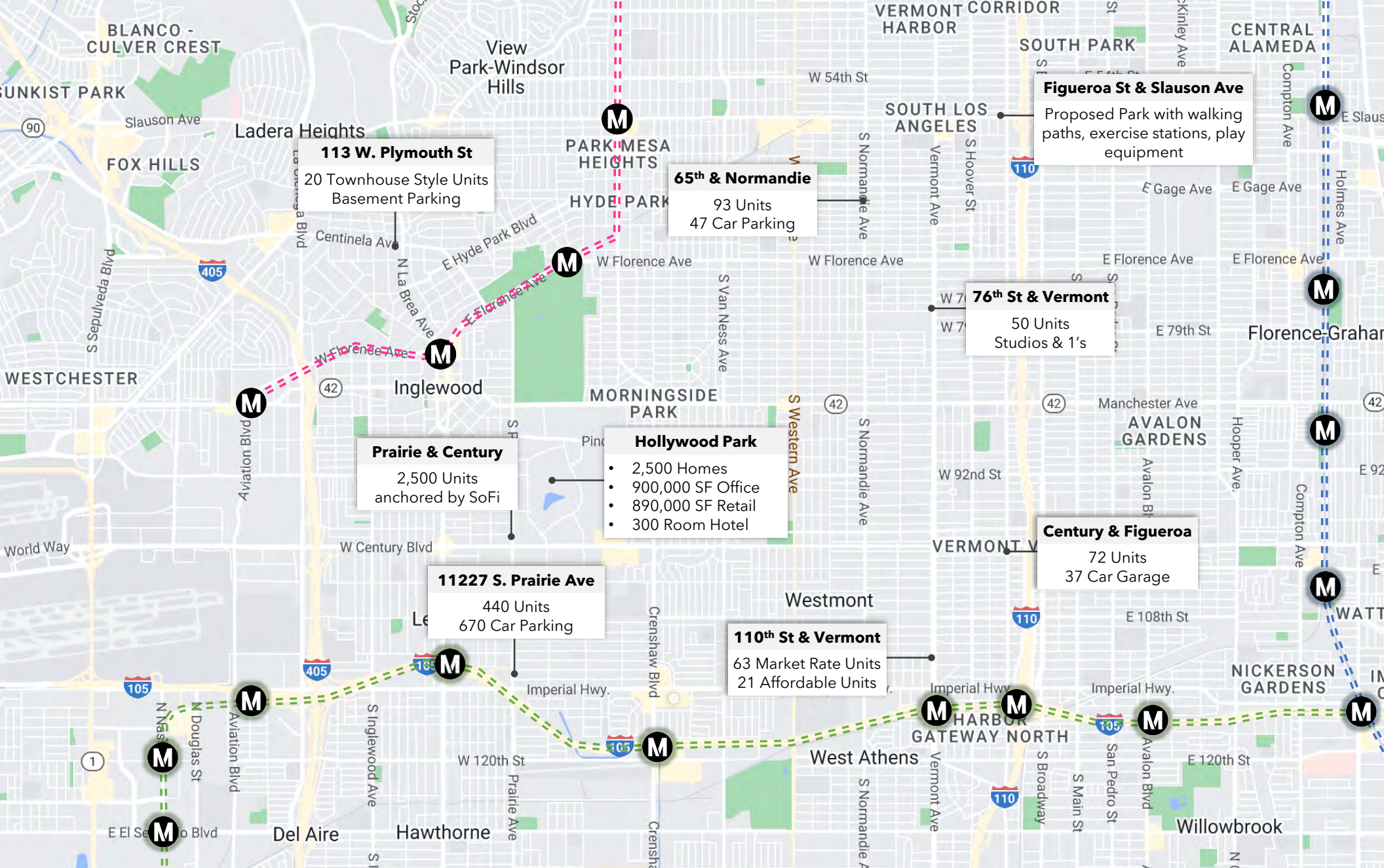
Located just south of Hollywood Park, home of Sofi stadium, the Inglewood Basketball and Entertainment Center is a Public/Private partnership between Murphy's Bowl LLC and the City of Inglewood. The project will consist of a 915,000 s.f. arena designed to host the LA Clippers basketball team with up to 18,500 seats for NBA games, family shows, concerts, conventions, corporate events and non-LA Clippers sporting events.



New Hollywood Park Complex

Hollywood Park will be a significant new office submarket on the south side of Los Angeles bringing a total of approximately five million SF of commercial space. Design is underway for an additional 500,000 SF of office space. Designed to accommodate even the world's largest organizations, Hollywood Park will come equipped with one of the most sophisticated technologically advanced infrastructures in the world.





SOUTH LOS ANGELES

Development Synergy

EAST HOLLYWOOD



KOREATOWN



EXPO PARK



INGLEWOOD & HAWTHORNE



M VERMONT TRANSIT CORRIDOR



The planned route would connect dozens of neighborhoods along Vermont Avenue, including East Hollywood, Koreatown, Adams-Normandie, South L.A., Athens and Harbor Gateway North. It also includes key destinations such as Los Angeles City College, Exposition Park and USC.

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