

OFFERING MEMORANDUM

# 140 S WESTMORELAND AVE



LOS ANGELES, CA 90004

**km** Kidder  
Mathews

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*Exclusively  
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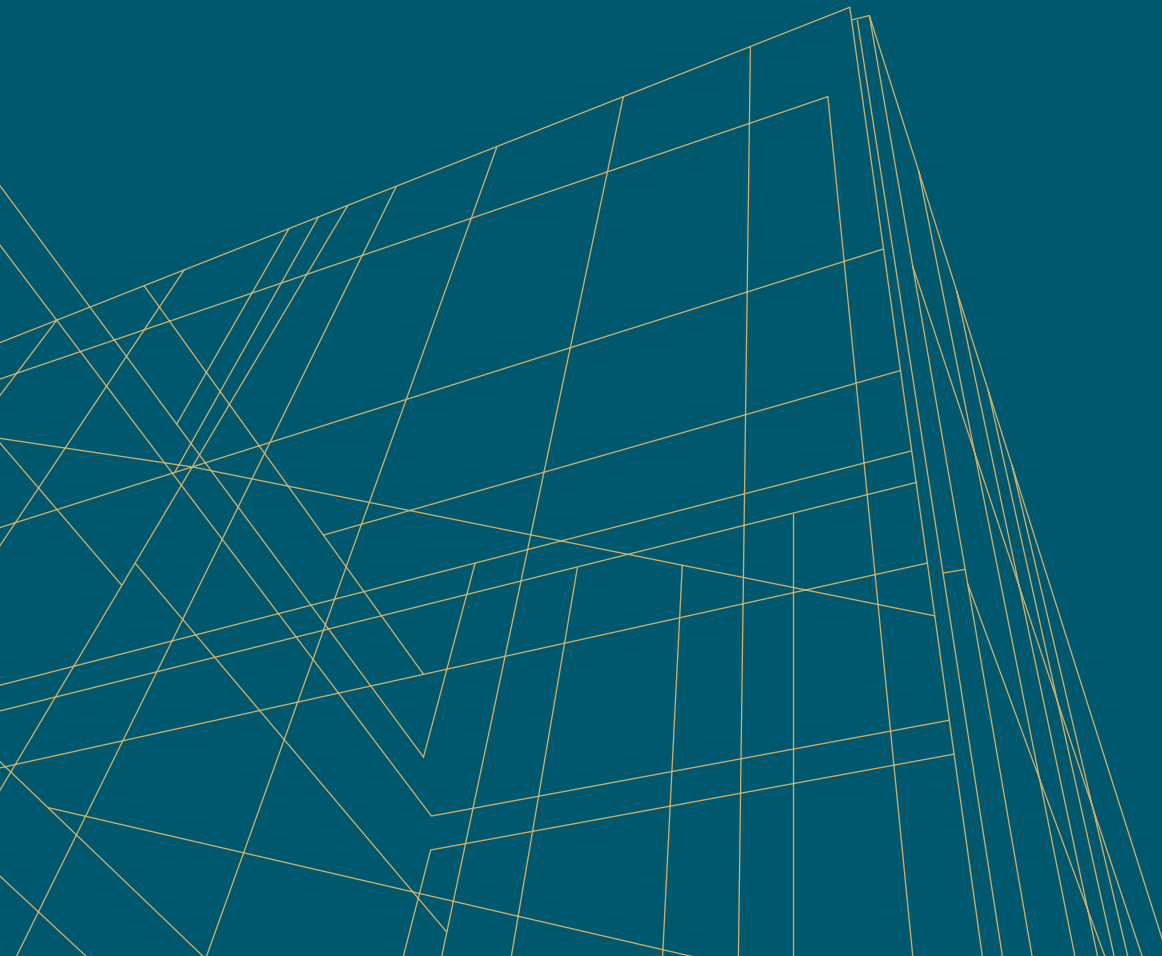
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# EXECUTIVE SUMMARY

## EXECUTIVE SUMMARY

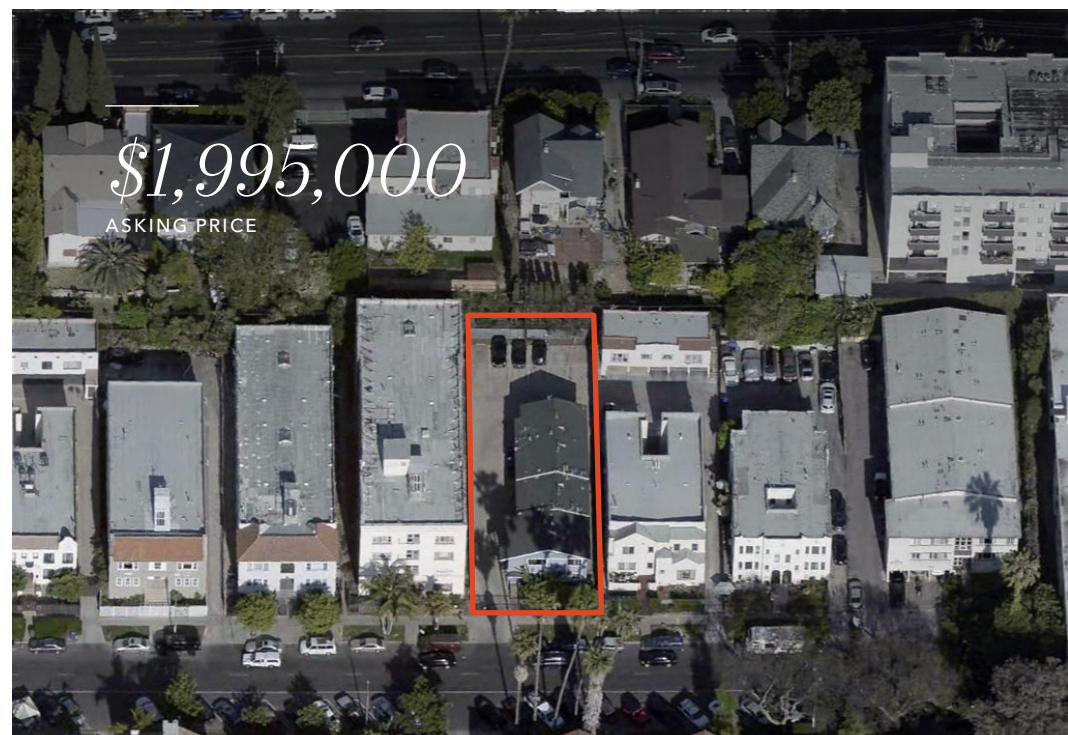
Kidder Mathews is pleased to present the opportunity to acquire 140 South Westmoreland Avenue, a well-located multifamily investment in the Wilshire Center submarket of Los Angeles. The property consists of a 7-unit apartment community situated on a 7,916 square foot LAR3-zoned lot, offering both stable in-place income and a compelling long-term value-add strategy.

Constructed in 1982, the property benefits from favorable rent control characteristics, falling under AB 1482 rather than LA RSO, allowing for annual rent increases of 5% plus CPI. The existing unit mix includes a combination of one- and two-bedroom floor plans, many of which have been upgraded, providing immediate upside through continued rent growth and operational optimization.

A key differentiating feature of this offering is the ability to develop up to six new ground-up ADUs in the rear portion of the lot, subject to buyer verification and approvals. The existing site layout, lot size, and zoning create a rare opportunity to meaningfully increase unit count and cash flow without disturbing the primary residential structure. Upon stabilization, the addition of the ADUs has the potential to significantly enhance overall yield, improve long-term asset value, and create a more scalable income stream in one of Los Angeles' most supply-constrained rental markets.

Located at the intersection of Koreatown and Little Bangladesh, the property benefits from exceptional centrality, with close proximity to Downtown Los Angeles, Hollywood, Silver Lake, Echo Park, and major employment hubs. Tenants enjoy access to public transportation, freeway connectivity, dining, retail, and cultural amenities, all of which continue to drive strong rental demand in the immediate area.

140 S. Westmoreland Avenue presents investors with a rare combination of defensive in-place income, regulatory advantages, and a clearly defined development upside, making it an attractive opportunity for both long-term holders and value-add oriented buyers.



|               |              |
|---------------|--------------|
| APN           | 5501-016-010 |
| ASKING PRICE  | \$1,995,000  |
| UNITS         | 7            |
| BUILDING SIZE | 4,191 SF     |
| LOT SIZE      | 7,916 SF     |
| YEAR BUILT    | 1982         |
| ZONING        | LAR3         |

## PROPERTY HIGHLIGHTS

7-unit multifamily property situated on a 7,916 SF LAR3-zoned lot

Constructed in 1982 – subject to AB 1482, allowing annual rent increases of 5% + CPI

Not subject to Los Angeles Rent Stabilization Ordinance (RSO)

Significant value-add opportunity to develop up to six new ground-up ADUs in the rear parking area (buyer to verify)

Potential 10% cap rate with additional 6 ADU's

Ability to materially increase NOI, unit count, and long-term asset value through ADU development

Attractive in-place cap rate with additional upside through market rent growth

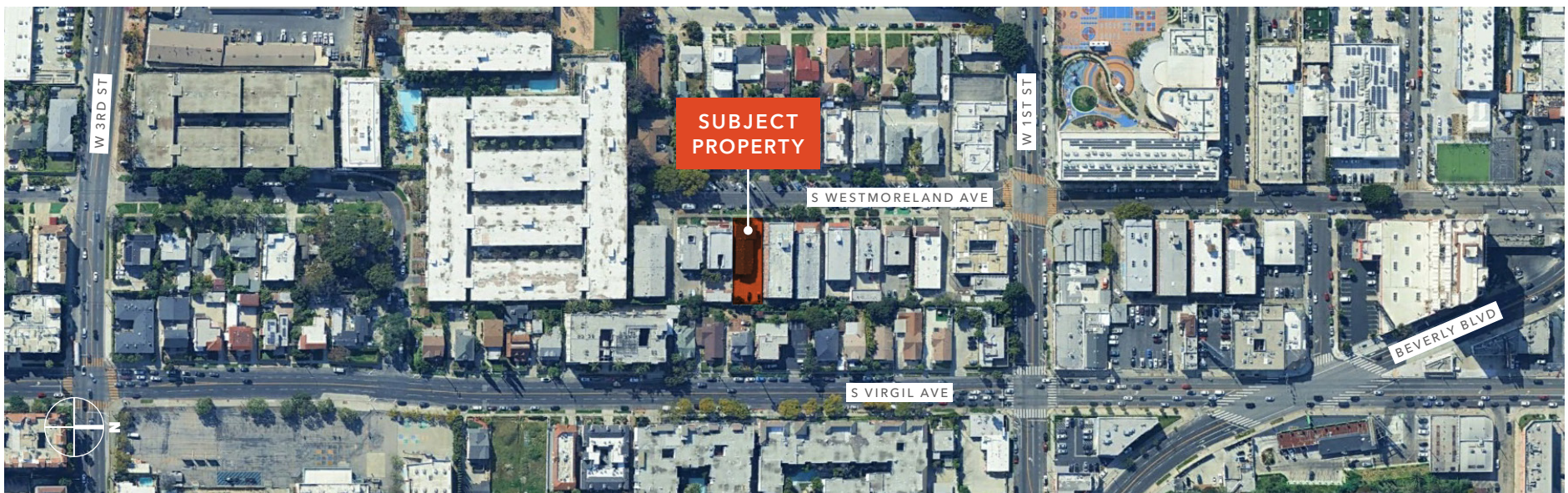
On-site parking with approximately 12 spaces (tandem configuration)

Gated property access with controlled entry

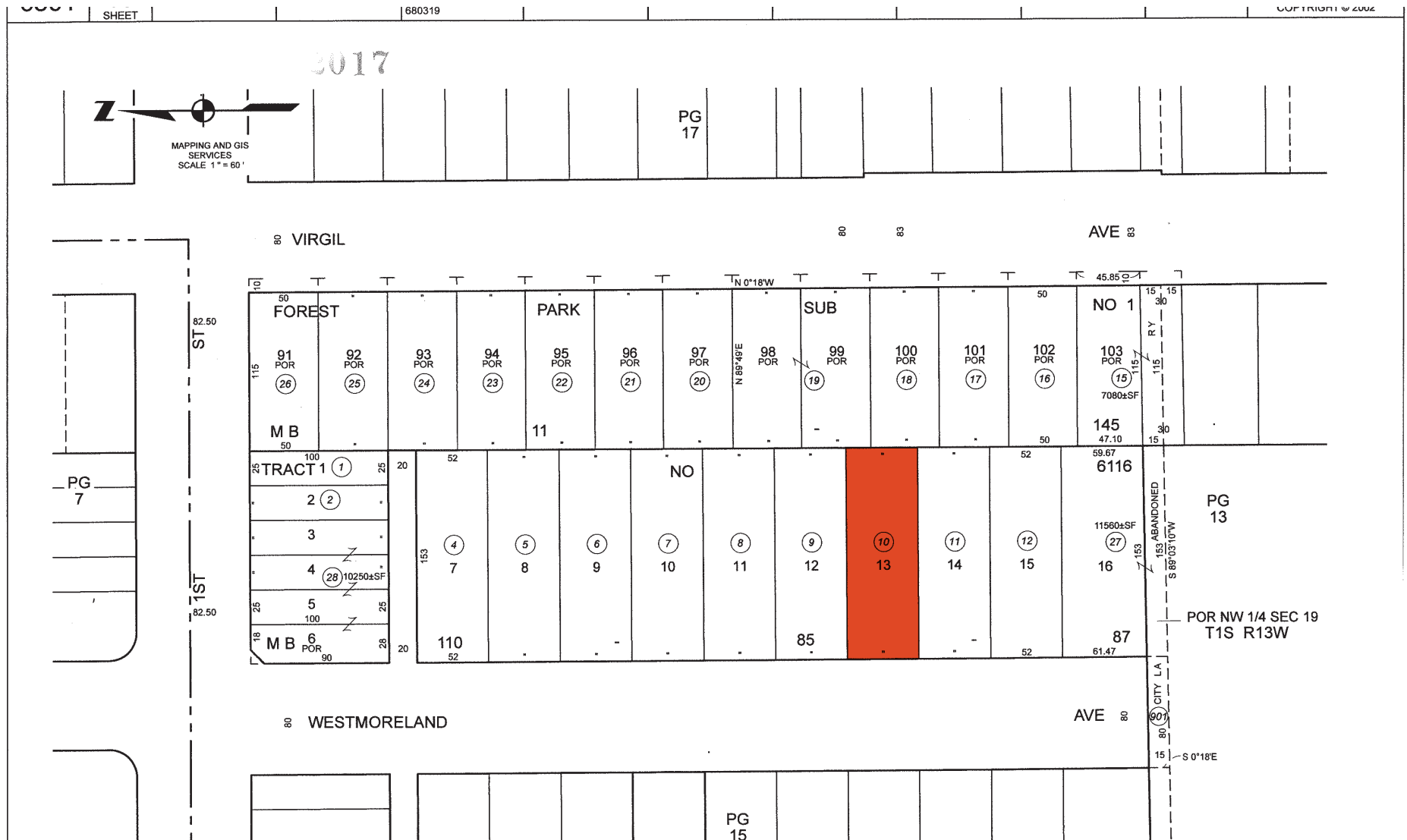
On-site laundry facilities

Located in the Wilshire Center / Koreatown corridor, one of Los Angeles' most densely populated and renter-oriented submarkets

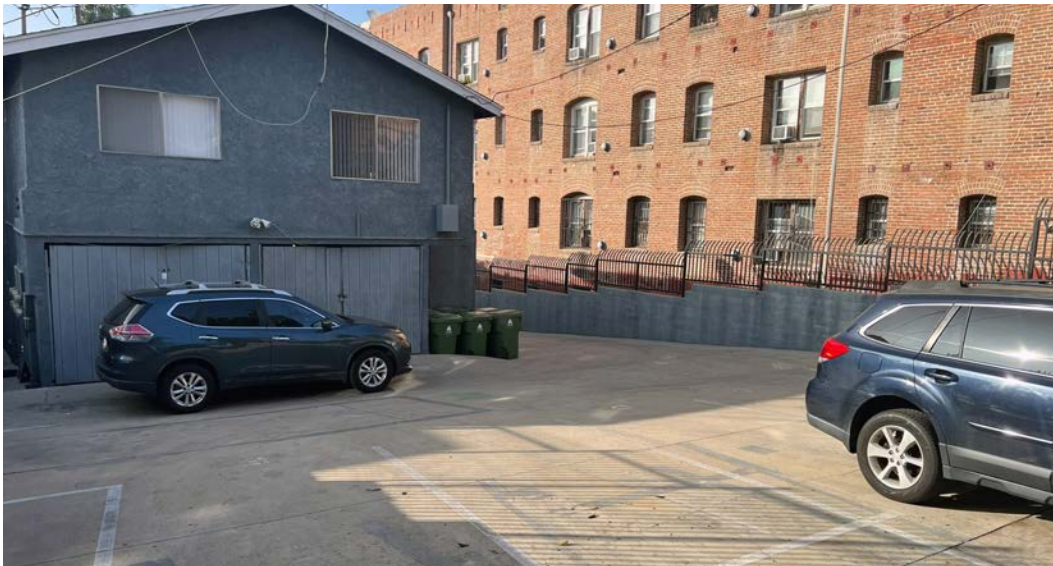
Proximity to Downtown LA, Hollywood, Silver Lake, Echo Park, and major transit corridors



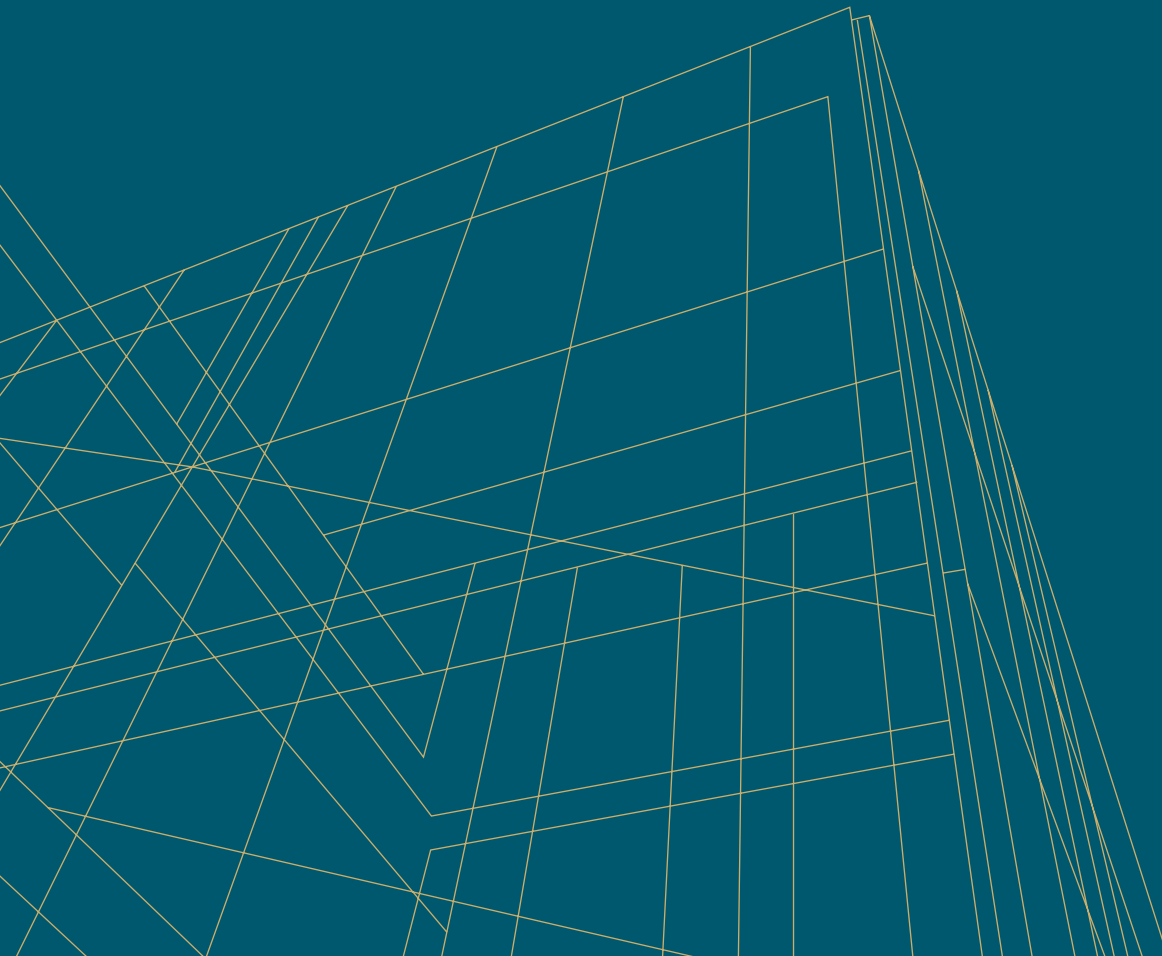
## PLAT MAP



## EXECUTIVE SUMMARY







# FINANCIAL ANALYSIS

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*Section 02*

# FINANCIAL ANALYSIS

## FINANCIAL INDICATORS

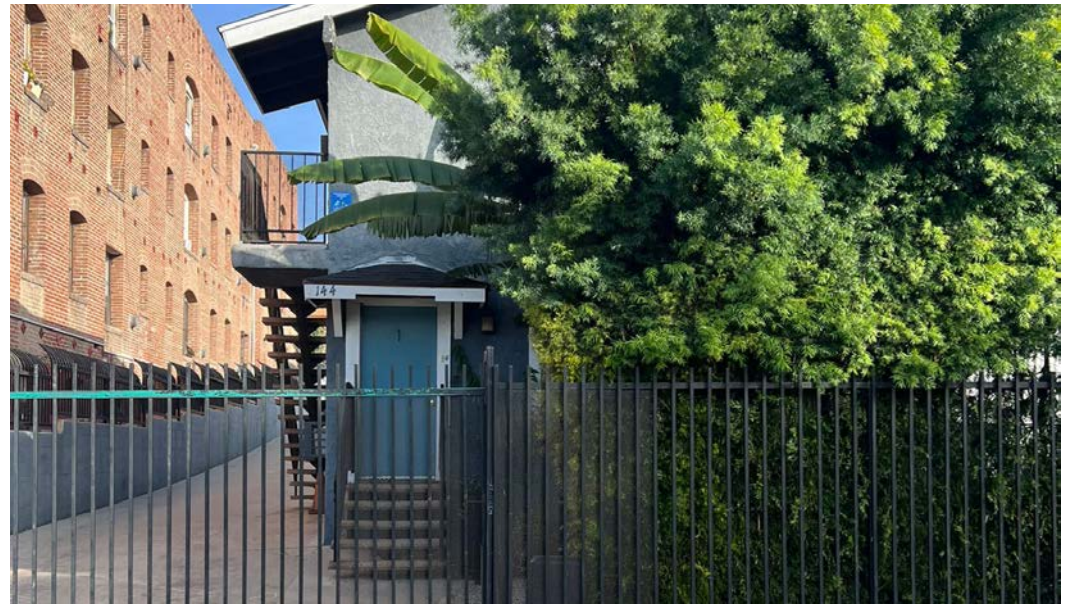
|                     |             |
|---------------------|-------------|
| OFFERING PRICE      | \$1,995,000 |
| CURRENT CAP         | 5.33%       |
| MARKET CAP          | 6.57%       |
| MARKET + ADU CAP    | 10.32%      |
| CURRENT GRM         | 12.36       |
| MARKET GRM          | 10.67       |
| MARKET + ADU GRM    | 9.69        |
| PRICE PER UNIT      | \$285,000   |
| CASH ON CASH RETURN | 5.3%        |
| EXPENSES PER UNIT   | \$7,168     |
| EXPENSES PER SQ FT  | \$11.97     |

## BUILDING DATA

|                     |       |
|---------------------|-------|
| UNITS               | 7     |
| YEAR BUILT          | 1982  |
| TOTAL LAND SF       | 7,916 |
| TOTAL BLDG GROSS SF | 4,191 |
| PARKING SPACES      | 12    |

## ADU CONSTRUCTION COSTS

|                |             |
|----------------|-------------|
| UNITS          | 6           |
| PRICE PER UNIT | \$200,000   |
| TOTAL COST     | \$1,200,000 |



## FINANCIAL ANALYSIS

### RENT ROLL

| Unit #        | Unit Type              | CURRENT RENT<br>Monthly Rent | MARKET RENT<br>Monthly Rent |
|---------------|------------------------|------------------------------|-----------------------------|
| 1             | 2 Bedroom / 1 Bathroom | \$2,195.00                   | \$2,650.00                  |
| 2             | 1 Bedroom / 1 Bathroom | \$1,900.00                   | \$1,995.00                  |
| 3             | 1 Bedroom / 1 Bathroom | \$1,765.00                   | \$1,995.00                  |
| 4             | 2 Bedroom / 1 Bathroom | \$2,395.00                   | \$2,650.00                  |
| 5             | 1 Bedroom / 1 Bathroom | \$1,695.00                   | \$1,995.00                  |
| 6             | 1 Bedroom / 1 Bathroom | \$1,750.00                   | \$1,995.00                  |
| 7             | 1 Bedroom / 1 Bathroom | \$1,750.00                   | \$1,995.00                  |
| ADU-1*        | Studio                 |                              | \$1,950.00                  |
| ADU-2*        | Studio                 |                              | \$1,950.00                  |
| ADU-3*        | Studio                 |                              | \$1,950.00                  |
| ADU-4*        | Studio                 |                              | \$1,950.00                  |
| ADU-5*        | Studio                 |                              | \$1,950.00                  |
| ADU-6*        | Studio                 |                              | \$1,950.00                  |
| <b>Totals</b> |                        | <b>\$13,450</b>              | <b>\$26,975</b>             |

\*ADU information is provided for proforma purposes only. Buyer to verify proposed ADUs with City of LA and all associated construction costs.

### SOURCE OF INCOME

| # of Units                  | Unit Type              | CURRENT RENTS |                  | MARKET RENTS |                  | MARKET RENTS + ADU'S |                  |
|-----------------------------|------------------------|---------------|------------------|--------------|------------------|----------------------|------------------|
|                             |                        | Average Rent  | Income           | Average Rent | Income           | Avg Rent             | Income           |
| 5                           | 1 Bed / 1 Bath         | \$1,772       | \$8,860          | \$1,995      | \$9,975          | \$1,995              | \$9,975          |
| 2                           | 2 Bed / 1 Bath         | \$2,295       | \$4,590          | \$2,650      | \$5,300          | \$2,650              | \$5,300          |
| 6                           | Buildable ADU - Studio |               |                  |              |                  | \$1,950              | \$11,700         |
| Rental Income               |                        |               | \$13,450         |              | \$15,275         |                      | \$26,975         |
| Laundry & Sign Income       |                        |               | \$0              |              | \$300            |                      | \$500            |
| <b>Total Monthly Income</b> |                        |               | <b>\$13,450</b>  |              | <b>\$15,275</b>  |                      | <b>\$27,475</b>  |
| <b>Total Annual Income</b>  |                        |               | <b>\$161,400</b> |              | <b>\$186,900</b> |                      | <b>\$329,700</b> |

## FINANCIAL ANALYSIS

### EST. ANNUALIZED OPERATING EXPENSES

|                                 |                    |
|---------------------------------|--------------------|
| NEW PROPERTY TAXES (1.25%)      | \$24,937.50        |
| ELECTRICITY                     | \$150.00           |
| GAS                             | \$325.00           |
| WATER                           | \$3,500.00         |
| SEWER                           | \$350.00           |
| PEST CONTROL                    | \$600.00           |
| LANDSCAPING                     | \$2,300.00         |
| R&M (\$500/UNIT)                | \$3,500.00         |
| INSURANCE                       | \$4,859.00         |
| RESERVES                        | \$2,000.00         |
| TRASH                           | \$1,200.00         |
| MANAGEMENT (4%)                 | \$6,456.00         |
| <b>Total Estimated Expenses</b> | <b>\$50,177.50</b> |

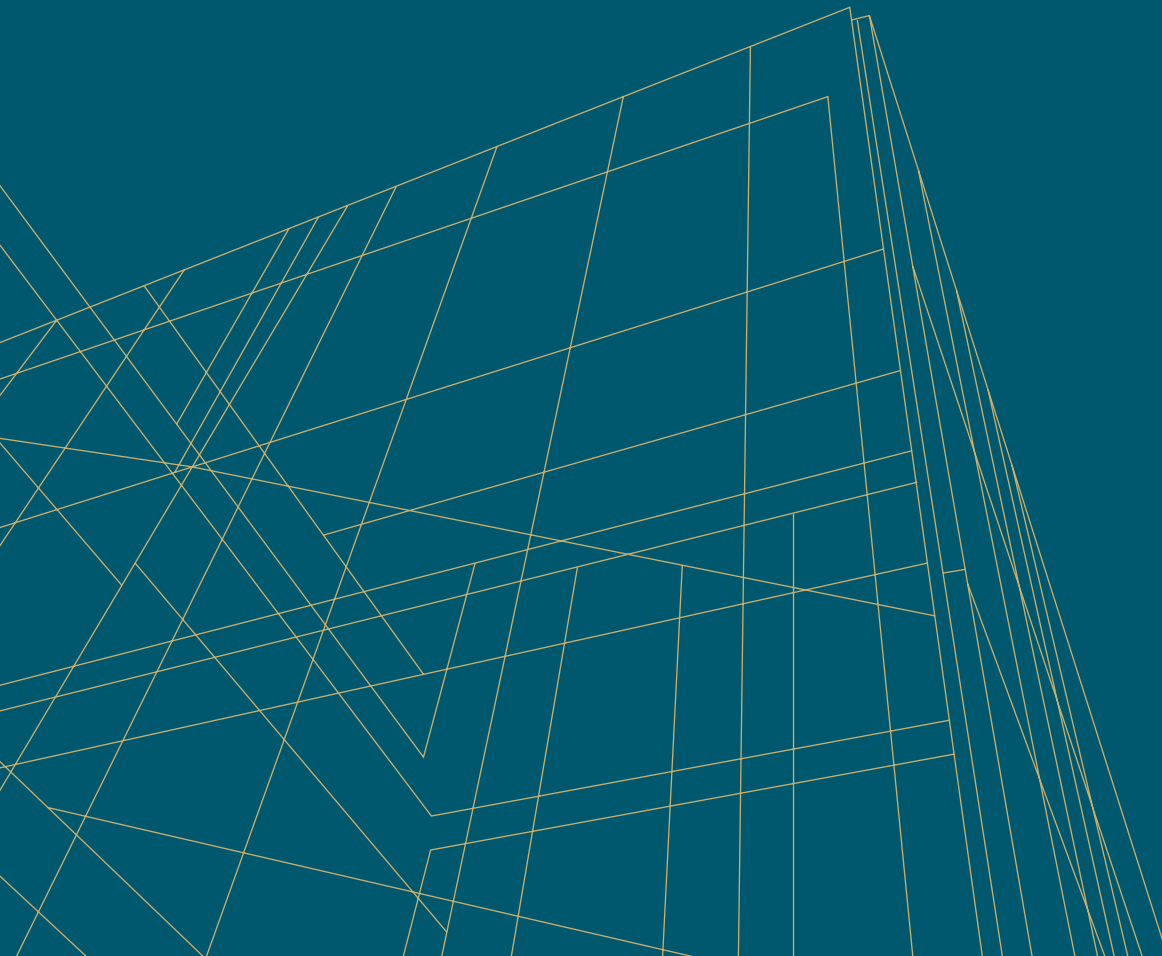


### EST. ANNUALIZED OPERATING DATA

|                             | Current |                     | Market |                     | Market + ADU's |                     |
|-----------------------------|---------|---------------------|--------|---------------------|----------------|---------------------|
| SCHEDULED GROSS INCOME      |         | \$161,400.00        |        | \$186,900.00        |                | \$329,700.00        |
| LESS VACANCY                | 3%      | (\$4,842.00)        | 3%     | (\$5,607.00)        | 3%             | (\$9,891.00)        |
| GROSS OPERATING INCOME      |         | \$156,558.00        |        | \$181,293.00        |                | \$319,809.00        |
| LESS EXPENSES               | 32%     | (\$50,177.50)       | 28%    | (\$50,177.50)       | 20%            | (\$65,230.75)       |
| <b>Net Operating Income</b> |         | <b>\$106,380.50</b> |        | <b>\$131,115.50</b> |                | <b>\$254,578.25</b> |

#### Notations / Estimated Expenses

- Property Insurance: Current policy
- Tenants pay own Gas and Electricity
- Trash estimated at \$100 per month. To be verified.
- ADU cost are for estimate purposes only. Includes design and construction. To be verified.



# LOCATION OVERVIEW

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*Section 03*

# WILSHIRE CENTER DENSE & VIBRANT

*Wilshire Center is a historic and long established commercial and residential district in the core of Los Angeles.*

Wilshire Center is a long established commercial and residential district in the core of Los Angeles, located three miles west of DTLA, ten minutes south of Hollywood and just five minutes east of Miracle Mile. Encompassing a three-mile radius from Normandie and Wilshire, it contains within it both Koreatown and Little Bangladesh, with easy several connections to the Metro Purple Line & Red Line subways, the Metro Rapid Bus and local shuttle.

Wilshire Center (sometimes referred to as Mid-Wilshire, the Wilshire District, Koreatown, and K-Town) is a true urban community. Identified by pedestrian-oriented development, the neighborhood provides for a full range of economic and social services including housing, ground floor retail, community and entertainment facilities, grocery stores and cafes.

Source: Wilshire Center Business Improvement District

585K

POPULATION  
(3-MILE RADIUS)

37.7

MEDIAN AGE  
(3-MI)

88%

RENTER-OCCUPIED  
HOUSEHOLDS (3-MI)

Source: CoStar 2024

## POINTS OF INTEREST

### THE WILTERN

Located at the iconic intersection of Wilshire and Western, The Wiltern is a historic Art Deco landmark and a premier venue for live music and comedy. Beyond its role as a live performance center, the theater's unique architecture and cultural legacy has made it a frequent filming location for movies and television.

### KOREATOWN PLAZA

Koreatown Plaza is a cornerstone retail destination offering total immersion into Korean culture through its eclectic mix of shops and services. The multi-level mall features everything from international fashion and specialty beauty products to grocery stores and traditional housewares. It remains a hub for both local residents and visitors seeking a unique shopping experience.

### PARAMOUNT PICTURES

Situated on Melrose Avenue, Paramount Pictures is the only major "Big Five" film studio still physically headquartered within the city limits of Los Angeles. As the fifth-oldest studio in the world, this historic production lot remains a primary driver of the global entertainment industry. Its studios remain a beehive of production activity, continuing a century-long legacy of creating some of the most iconic and influential pieces of entertainment history.

### DOWNTOWN LOS ANGELES

Downtown Los Angeles is the city's thriving urban core where modern skyscrapers sit alongside the city's most historic roots at El Pueblo. The district is a cultural hotspot boasting world-renowned art museums, Michelin-recognized dining, high-end cocktail bars, and the Walt Disney Concert Hall—a global icon of contemporary architecture designed by Frank Gehry.

### DODGER STADIUM

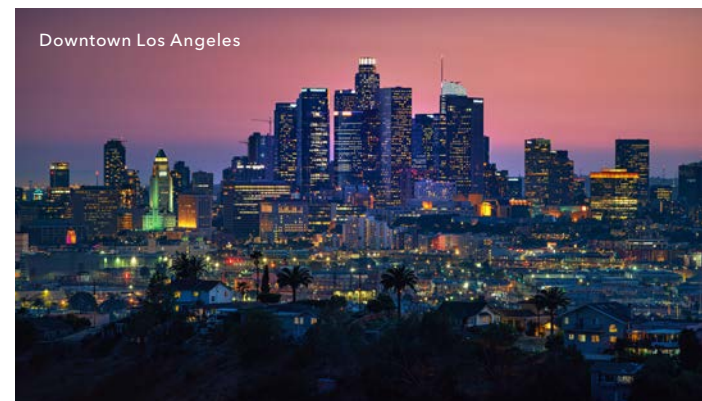
Nestled in the hills of Elysian Park, Dodger Stadium is the storied home of the Los Angeles Dodgers. Having opened in 1962, it is a landmark of American sports and is the largest baseball stadium in the world by seating capacity. As the oldest Major League Baseball park west of the Mississippi River, it offers a classic "cathedral of baseball" atmosphere that draws millions of fans to the area every season.

### SILVER LAKE

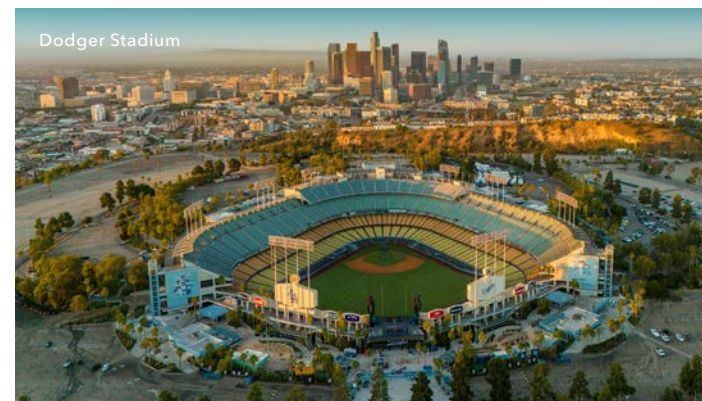
Silver Lake is a vibrant, creative neighborhood celebrated for its independent boutiques, artisanal coffee shops, and robust dining scene. The area is defined by the modernist architecture surrounding its namesake reservoir, featuring a popular walking trail and community park. It is widely regarded as one of the most trendy and walkable districts in the Los Angeles Eastside.



Wiltern Theater



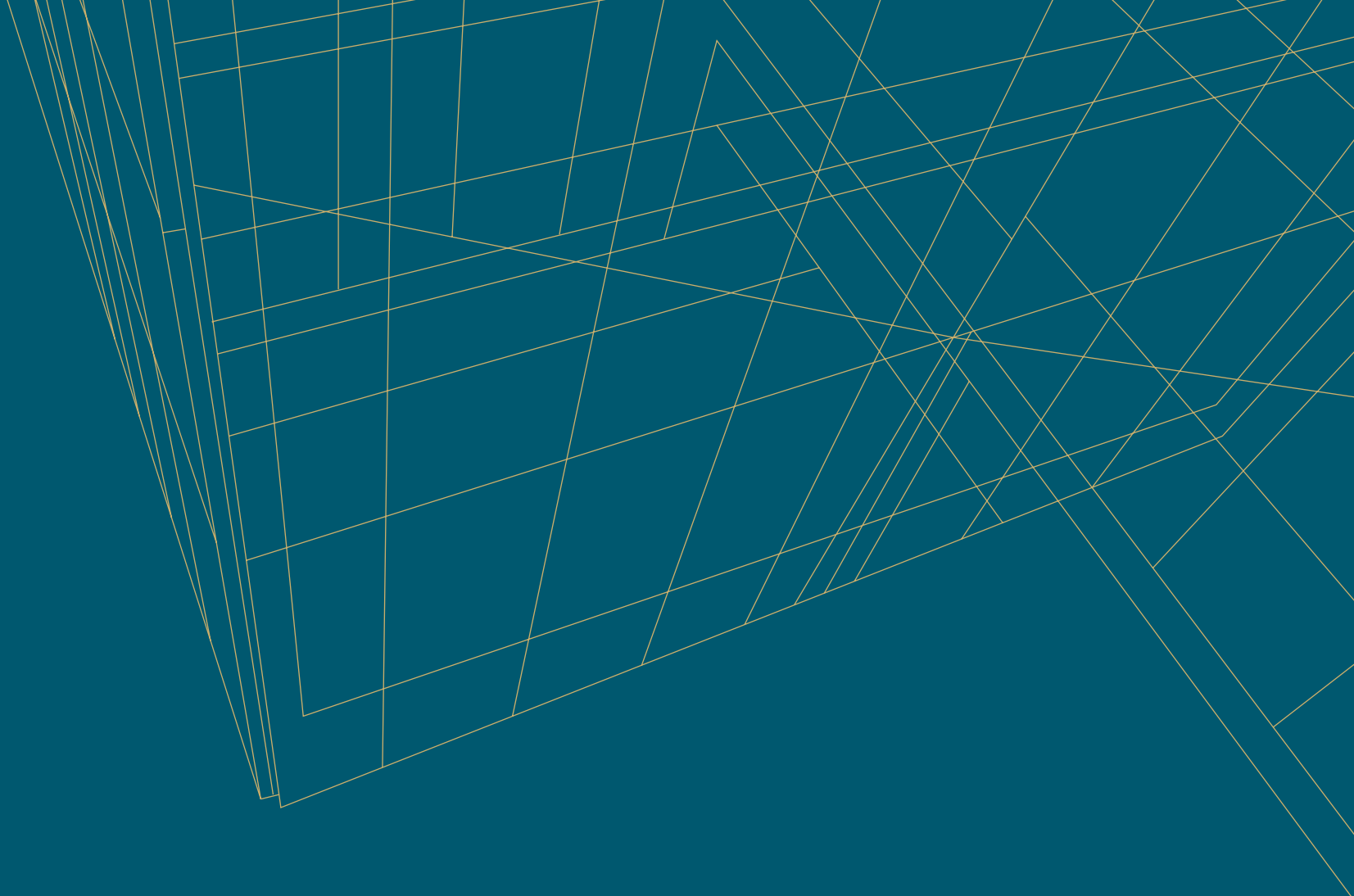
Downtown Los Angeles



Dodger Stadium

## LOCATION OVERVIEW





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