OFFERING MEMORANDUM · 7-UNIT MULTIFAMILY · TWO UNITS DELIVERED VACANT

HIGHLIGHT MULTIFAMILY INVESTMENT GROUP | EQUITY UNION COMMERCIAL

927 S Berendo St.

Los Angeles, CA 90006

Exempt from the LA Rent Stabilization Ordinance

6.71% in-place cap rate

9.61 in-place GRM

JOSH KAPLAN

Founding Partner, Multifamily Investments

310 405 1890

josh.kaplan@equityunion.com · Lic No. 01934177

TROY LUCERO

Founding Partner, Multifamily Investments

310 339 5477

troy.lucero@equityunion.com · Lic No. 02015705

927 S BERENDO ST · LOS ANGELES, CA 90006

A seven unit all two-bedroom multifamily offering in Koreatown.

LISTED BY

Josh Kaplan

Founding Partner, Multifamily Investments

310 405 1890

josh.kaplan@equityunion.com

Lic No. 01934177

Troy Lucero

Founding Partner, Multifamily Investments

310 339 5477

troy.lucero@equityunion.com

Lic No. 02015705

I.

Investment Summary

INVESTMENT SUMMARY

DETAILS:

- **OFFERING PRICE | $1,800,000**
- **CURRENT CAPITALIZATION RATE[1] | 6.71%**
- **CURRENT GRM[1] | 9.61**
- **PRICE PER UNIT | $257,143**
- **PRICE PER SQUARE FOOT | $340**

The Highlight Group of Equity Union Commercial, as the exclusive listing agent, is pleased to present the opportunity to acquire 927 S Berendo St., a seven-unit multifamily investment property located in the Koreatown neighborhood of Los Angeles. Built in 1987, the 5,294 square foot building sits on a 7,748 square-foot lot and is comprised entirely of two-bedroom, one-bath units.

Two of the seven units are vacant and available to lease at market today. Because the building was constructed in 1987, the property is exempt from the Los Angeles Rent Stabilization Ordinance and is governed instead by the statewide cap under AB 1482.

THE OPPORTUNITY

- **EXEMPT FROM THE LA RSO** — 1987 construction places the property under CA State AB 1482 allowing more favorable 5% plus CPI annual rent increases
- **TWO UNITS DELIVERED VACANT** — Units #3 and #7 are currently vacant, allowing a new owner to lease at market rents.
- **ALL TWO-BEDROOM UNIT MIX** — Seven 2Bed+1Bath units averaging 756 square feet across 5,294 square feet of building area, the most consistently occupied unit type in the submarket.
- **ADU POTENTIAL** — The rear of the large lot includes a freestanding carport and the rear of the building has a large tuck-under parking area.
- **SUPERIOR IN-PLACE RETURN TO COMPARABLES** — The offering prices to a 6.71% in-place cap and 9.61 GRM against a comparable average of 5.94% and 10.64, and to $257,143 per unit against a $262,596 average.
- **RENTAL UPSIDE** — After lease up of vacant units property still allows for almost 10% additional rental upside.
- **PRIME KOREATOWN LOCATION** — Minutes from the Wilshire Boulevard corridor, the Metro D Line, Downtown Los Angeles and the USC and Exposition Park employment base.

[1] Current cap rate and GRM reflect allowable immediate 8% rent increases to Units 1, 4, 5, and 6 that have not been given by current ownership.

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PROPERTY DESCRIPTION

927 S Berendo St. is a seven-unit multifamily property located in the Koreatown neighborhood of Los Angeles, south of the Wilshire Boulevard corridor. Built in 1987, the property is arranged as a single building on a 7,748 square-foot lot. All seven units are two-bedroom, one-bath units.

UNIT DETAILS

Unit features include large bedrooms, large full bathrooms, large kitchens, separate spacious living room areas and ample closet and storage space. The units have seen various updates to kitchens, bathrooms and flooring over time. Due to ample available space, investors can explore the possibility of adding washer/dryers in each unit.

COMMON AREA DETAILS

The property is a garden-style walk up with exterior access to each unit. There is a laundry room on site that contains a washer and dryer for tenant use. All units are separately metered for electricity and gas and have their own individual water heaters and the landlord pays for water and trash. Parking is included with nine total spaces, comprised of one tandem space in the front, two side-by-side spaces in a rear tuck-under area and 5 side-by-side spaces in a rear freestanding carport. The main electrical and subpanels are all Siemens brand.

ADU OPPORTUNITIES

The property contains both a large tuck-under parking area in the rear of the main building and a freestanding carport area. Buyers may want to explore the opportunity add ADUs in these area.

PROPERTY SUMMARY

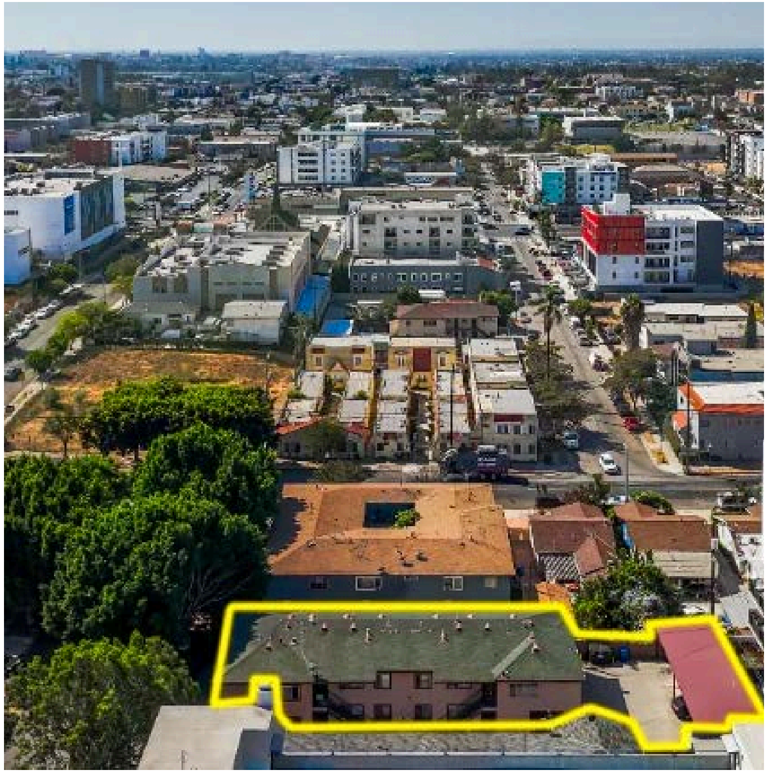
Year Built	**1987**
Total Units	**7**
Building Area	**5,294 SF**
Avg. Unit Size	**756 SF**
APN #	**5094-024-008**
Land Area	**7,748 SF**
Parking	**9 Spaces**
Zoning	**R4-1**

PROPERTY LOCATION

927 S Berendo St. is located in Koreatown, in the 90006 zip code between Olympic Boulevard and Pico Boulevard, one of the densest and most consistently occupied rental submarkets in the county.

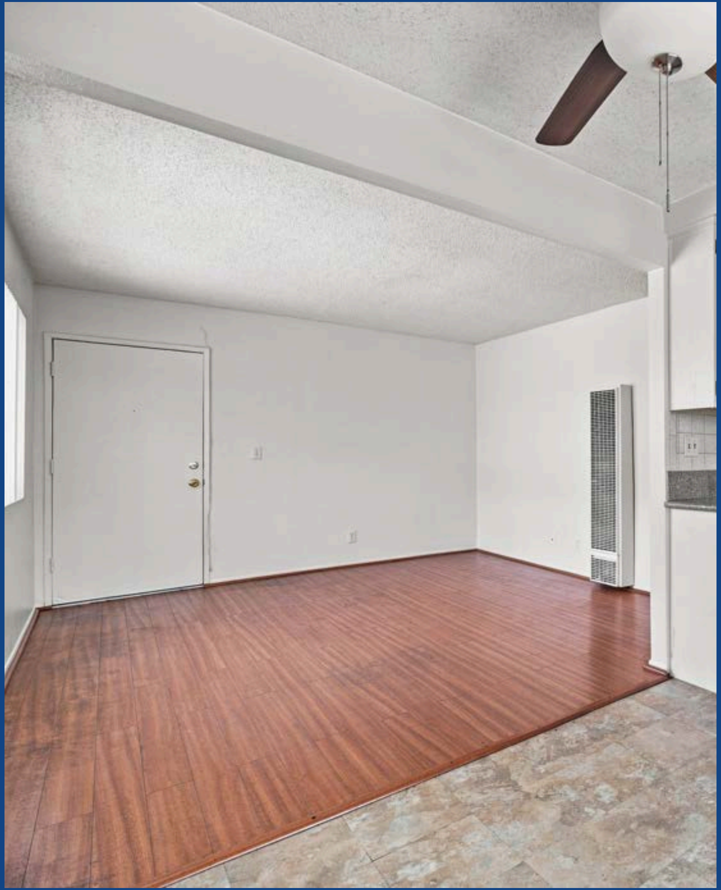
The property sits a short distance south of the Wilshire Boulevard office corridor and the Metro D Line at Wilshire and Normandie, with Koreatown retail and dining immediately to the north and MacArthur Park to the east.

Residents benefit from access to the Downtown Los Angeles employment base, the USC and Exposition Park campus and medical corridor, and the wider basin by way of the Santa Monica and Harbor freeways.

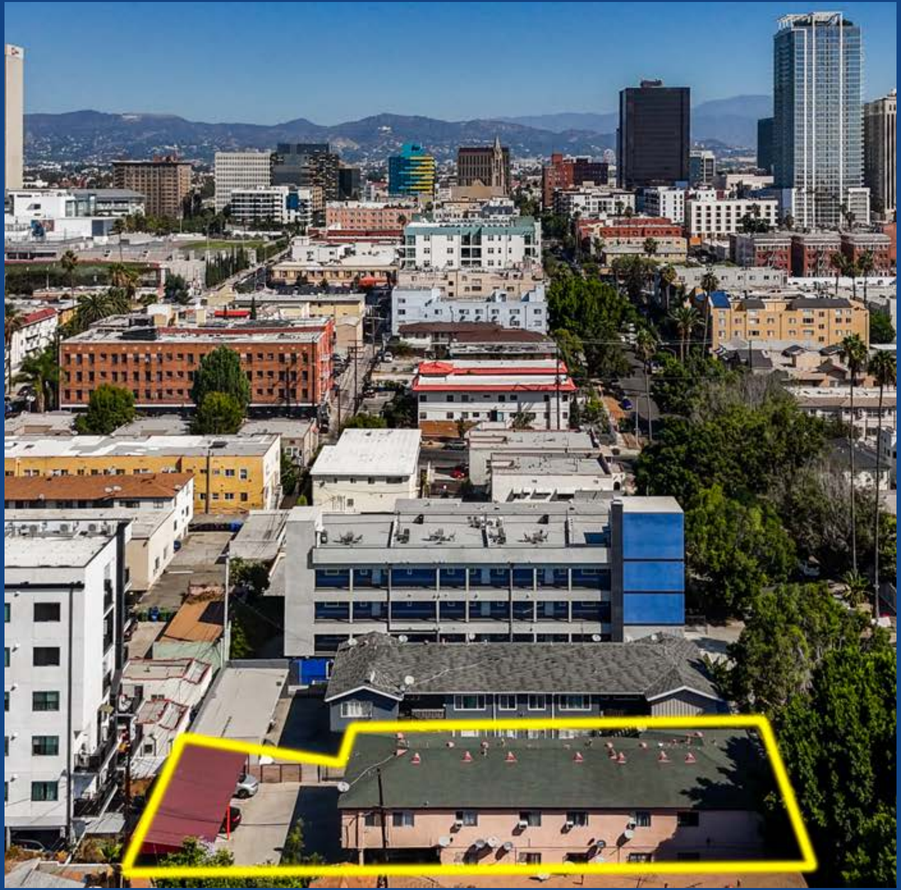


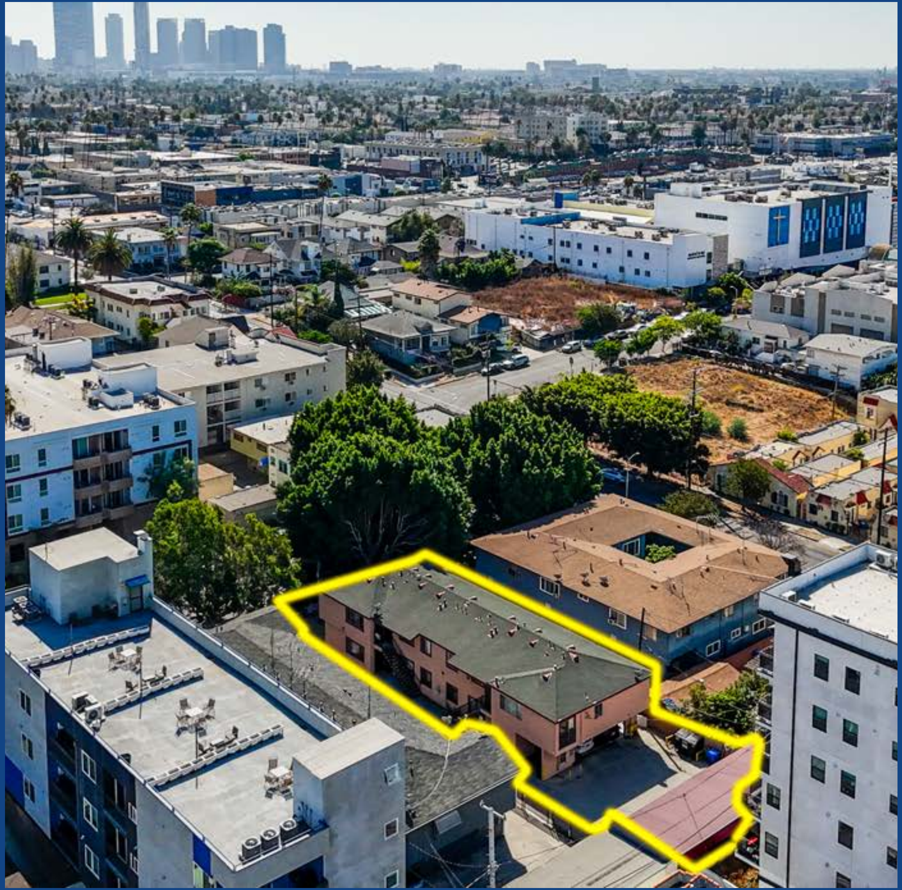
EXTERIOR PHOTOS

INTERIOR PHOTOS



AERIAL PHOTOS





II.

Market Overview

LOS ANGELES APARTMENT MARKET

Los Angeles Metro Overview

The Los Angeles metropolitan apartment market remains one of the largest and most supply-constrained rental markets in the country. High homeownership costs, limited developable land, and a large renter population continue to support demand for well-located rental housing, even as rent growth has moderated from the highs of recent years.

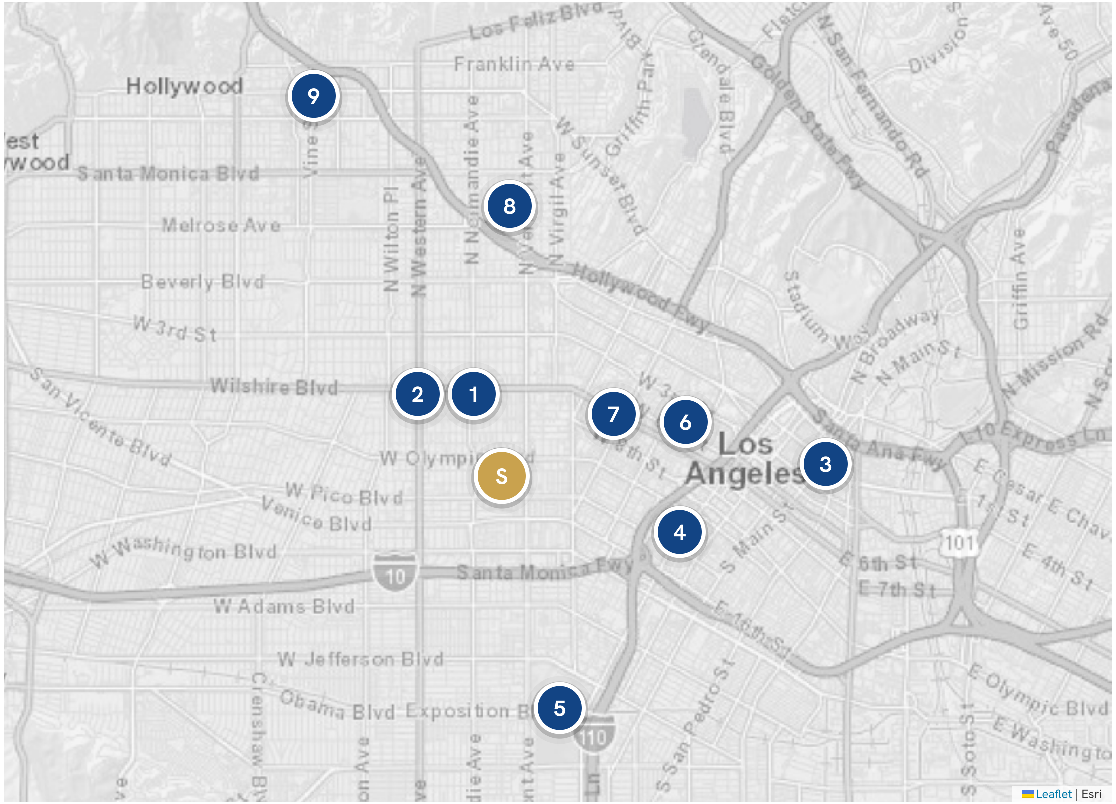
Post-1978 construction sits outside the Los Angeles Rent Stabilization Ordinance, and product of this kind trades at a premium to the rent-controlled stock that makes up most of the county's small multifamily inventory.

Koreatown Submarket

Koreatown is among the densest rental submarkets in the county, anchored by the Wilshire Boulevard office corridor, a deep retail and dining district, and the Metro D Line. The area draws renters working across Downtown Los Angeles, the Wilshire corridor, and the USC and Exposition Park medical and university employment base.

Sales activity in the surrounding zip codes reflects a consistent bid for stabilized 1980s-vintage two-bedroom product, with the comparable set on the following pages trading between $240,048 and $355,000 per unit at cap rates of 5.64% to 6.90%.

EMPLOYERS & POINTS OF INTEREST



- **S** **927 S Berendo St.** Subject
- **1** Metro D Line · Wilshire/Normandie Station
- **2** Koreatown · Wilshire Blvd. Corridor
- **3** Downtown Los Angeles
- **4** L.A. Live · Crypto.com Arena
- **5** USC · Exposition Park
- **6** Good Samaritan Hospital
- **7** MacArthur Park
- **8** Kaiser Permanente L.A. Medical Center
- **9** Hollywood

III.

Financial Summary

FINANCIAL SUMMARY

PROPERTY HIGHLIGHTS

Price	**$1,800,000**
Price Per Unit	**$257,143**
Price Per SF	**$340**
Current NOI	**$120,705**
Pro Forma NOI	**$129,414**
Current Cap Rate[1]	**6.71%**
Pro Forma Cap Rate	**7.19%**
GRM[1]	**9.61**
Pro Forma GRM	**8.88**

PROPERTY SUMMARY

Year Built	**1987**
Total Units	**7**
Building Area	**5,294 SF**
APN	**5094-024-008**
Land Area	**7,748 SF**
Parking	**9 Spaces**
Zoning	**R4-1**

[1] Current cap rate and GRM reflect allowable immediate 8% rent increases to Units 1, 4, 5, and 6 that have not been given by current ownership.

OPERATING STATEMENT SUMMARY

REVENUE		IN-PLACE	PRO FORMA
Gross Potential Rent		$186,384	$201,600
Vacancy	3.0% of GPR	—	($6,048)
Net Rental Income		$186,384	$195,552
Other Revenue	Estimated	$1,000	$1,000
Effective Gross Income		**$187,384**	**$196,552**

ESTIMATED EXPENSES		IN-PLACE	PER UNIT	PRO FORMA	PER UNIT
Administrative	Estimated	$1,050	$150	$1,050	$150
Repairs & Maintenance	Estimated	$3,500	$500	$3,500	$500
Turnover Expense	Estimated	$1,400	$200	$1,400	$200
Management Fee	5.0% of EGI	$9,369	$1,338	$9,828	$1,404
Utilities	Estimated	$19,600	$2,800	$19,600	$2,800
Contract Services	Estimated	$1,400	$200	$1,400	$200
Taxes	1.22% of Sale Price	$21,960	$3,137	$21,960	$3,137
Insurance	Estimated	$7,000	$1,000	$7,000	$1,000
CapEx Reserves	Estimated	$1,400	$200	$1,400	$200
Total Expenses		**$66,679**	**$9,526**	**$67,138**	**$9,591**
Net Operating Income		**$120,705**		**$129,414**	
Expense Ratio (% of EGI)		35.6%		34.2%	

RENT ROLL SUMMARY

		CURRENT			PRO FORMA	
NO. UNITS	FLOOR PLAN	AVG RENT	TOTAL MONTHLY	LOSS TO LEASE	AVG RENT	TOTAL MONTHLY
7	2B+1BA	$2,219	$15,532	$1,268	$2,400	$16,800
7	**Total / WTD Avg. · 5,294 SF**	**$2,219**	**$15,532**	**$1,268**	**$2,400**	**$16,800**
	Gross Potential Income		**$186,384**	**$15,216**		**$201,600**

RENT ROLL

UNIT	TYPE	STATUS	CURRENT RENT	MARKET RENT	LOSS TO LEASE
#1[1]	2B+1BA	OCCUPIED	$2,176	$2,400	$224
#2	2B+1BA	OCCUPIED	$2,200	$2,400	$200
#3	2B+1BA	VACANT[2]	$2,400	$2,400	—
#4[1]	2B+1BA	OCCUPIED	$2,160	$2,400	$240
#5[1]	2B+1BA	OCCUPIED	$2,111	$2,400	$289
#6[1]	2B+1BA	OCCUPIED	$2,084	$2,400	$316
#7	2B+1BA	VACANT[2]	$2,400	$2,400	—
Total / Average · 7 Units, 5,294 SF			**$15,532**	**$16,800**	**$1,268**

[1] Rent Roll reflects allowable immediate 8% rent increases to Units 1, 4, 5, and 6 that have not been given by current ownership.

[2] Units #3 and #7 are vacant and shown at their asking rent of $2,400.

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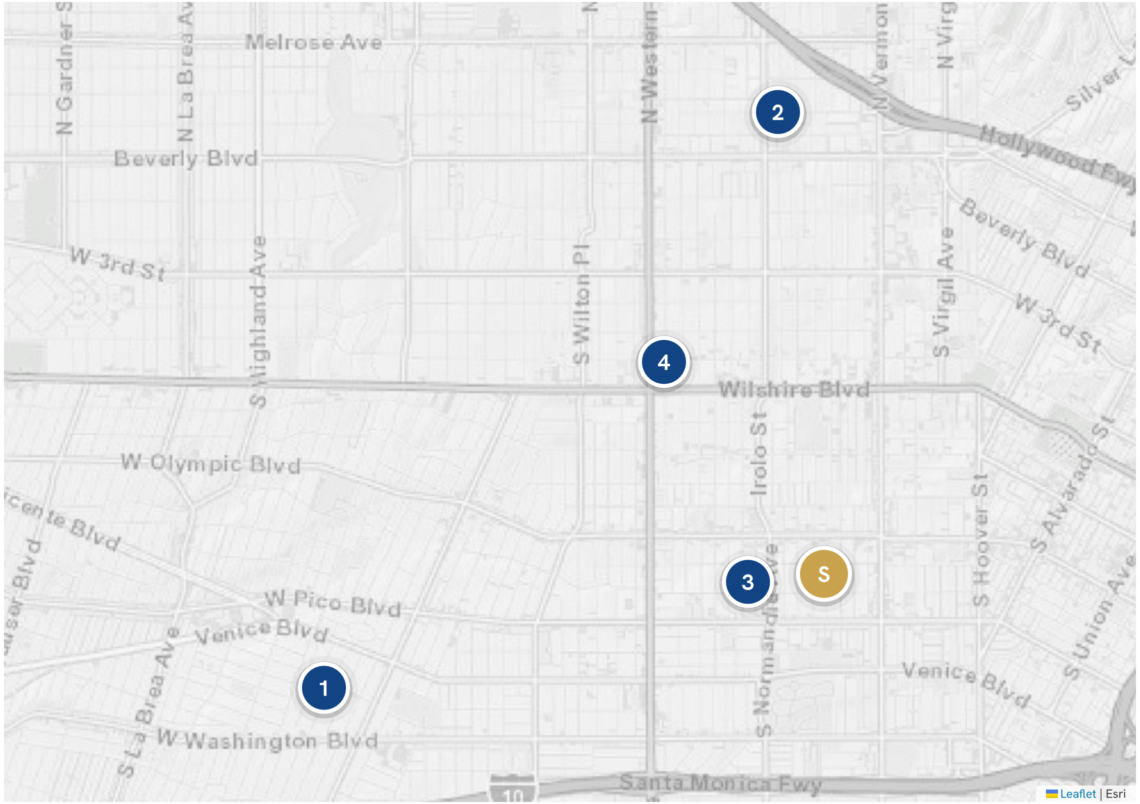
SALES COMPARABLES SUMMARY

ADDRESS	BUILT	SOLD	UNITS	PRICE	$/UNIT	$/SF	CAP	GRM
2251 Crenshaw Blvd.	1990	Jun '26	8	$2,171,000	$271,375	$241	6.90%	9.26
542 N Normandie Ave.	1988	Mar '26	12	$3,000,000	$250,000	$256	5.91%	10.07
1038 Dewey Ave.	1989	Dec '25	6	$2,130,000	$355,000	$408	5.64%	12.36
534 S Oxford Ave.	1989	Aug '25	21	$5,041,000	$240,048	$341	5.67%	11.08
Total / Average			47	$3,085,500	$262,596	$303	5.94%	10.64
927 S Berendo St.	**1987**	**—**	**7**	**$1,800,000**	**$257,143**	**$340**	**6.71%**	**9.61**

Comp range · **$241–$408/SF** · **$240,048–$355,000/unit** · Cap **5.64%–6.90%** · GRM **9.26–12.36**

SALES COMPARABLES MAP



- **S** — **927 S Berendo St.**
  Subject · $1,800,000 · $257,143/unit
- **1** — **2251 Crenshaw Blvd.**
  $2,171,000 · $271,375/unit · Jun '26
- **2** — **542 N Normandie Ave.**
  $3,000,000 · $250,000/unit · Mar '26
- **3** — **1038 Dewey Ave.**
  $2,130,000 · $355,000/unit · Dec '25
- **4** — **534 S Oxford Ave.**
  $5,041,000 · $240,048/unit · Aug '25

Marker locations are approximate to the block.

RENT COMPARABLES SUMMARY

2 BED / 1-2 BATH

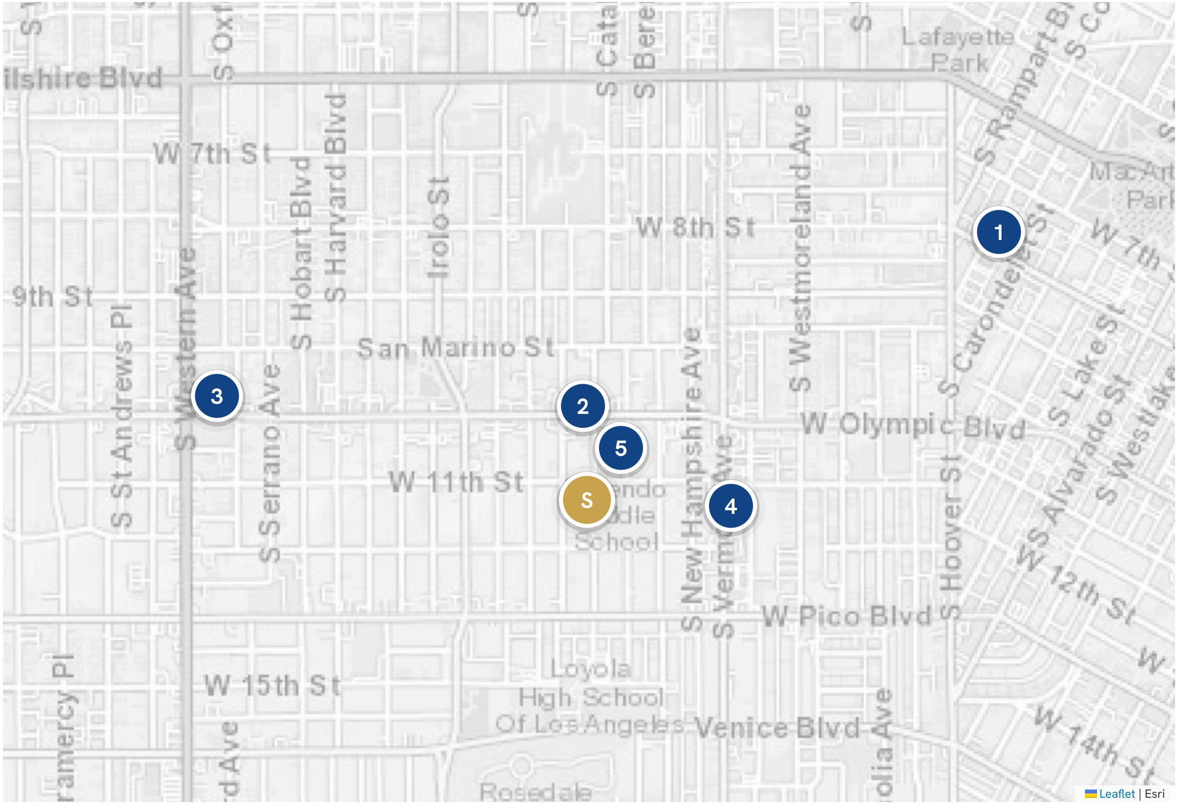
1145 Elden Ave. · 2B+1BA	$2,499
833 S Berendo St. · 2B+2BA	$2,495
2715 San Marino St. · 2B+1BA	$2,450
970 Menlo Ave. · 2B+1BA	$2,395
846 S Berendo St. · 2B+2BA	$2,300
Comp Avg.	**$2,428**

SUBJECT MARKET RENT

All seven units · 2B+1BA	$2,400
In-place weighted average	$2,219

Market rent is set below the $2,428 comparable average. All five comparables sit within the immediate Koreatown rental market, and two are on the subject's own block of Berendo Street.

RENT COMPARABLES MAP



S 927 S Berendo St. Subject

1 **1145 Elden Ave.**
2 BD · $2,499

2 **833 S Berendo St.**
2 BD · $2,495

3 **2715 San Marino St.**
2 BD · $2,450

4 **970 Menlo Ave.**
2 BD · $2,395

5 **846 S Berendo St.**
2 BD · $2,300

Marker locations are approximate to the block.

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