



## OFFERING MEMORANDUM

**127 E 88th St**

**Los Angeles, CA 90003**

**10 UNITS**

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# PROPERTY OVERVIEW



# THE OFFERING

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Marcus Nasrollahy and Nico Rosmarin of Lyon Stahl Investment Real Estate are pleased to present 127 E 88<sup>th</sup> Street in the City of Los Angeles. This new construction 10-unit is located in South Los Angeles near the 110 Freeway giving tenants easy access to the major economic hubs of Downtown Los Angeles and Downtown Long Beach.

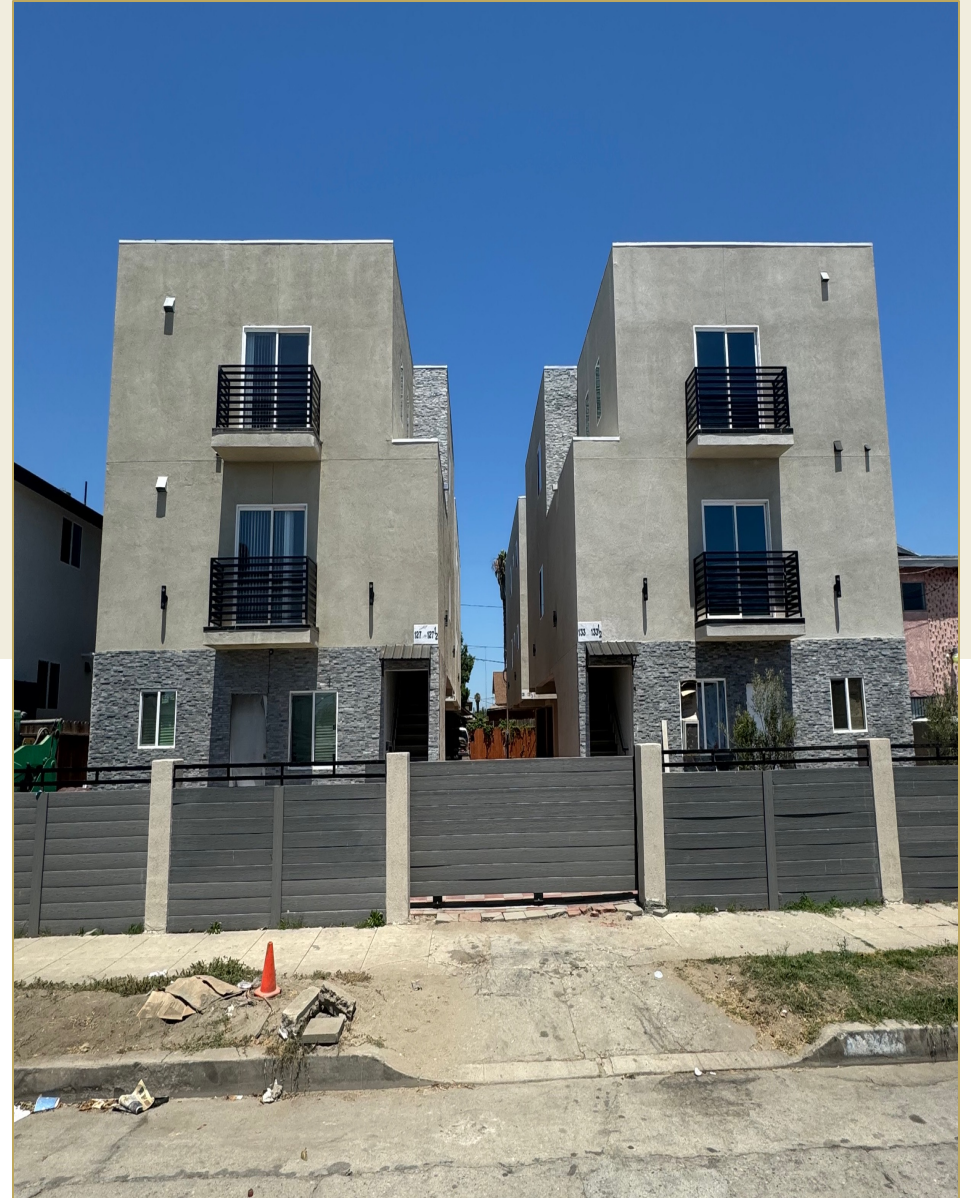
127 E 88<sup>th</sup> Street is an 11,000 SF building on a 10,409 SF lot comprised of eight (8) four-bedroom/two-bathroom units and two (2) studios. The studios are currently unpermitted and non-conforming. There are ten (10) parking spots, one for each unit. The property has just finished construction and the Certificate of Occupancy is being issued in less than 30 days. All the units are currently vacant, allowing a new buyer to choose their own tenants to their liking.

127 E 88<sup>th</sup> Street offers a unique opportunity for an investor to acquire a premium new-construction asset exempt from LA City Rent Control in a strong rental submarket of Los Angeles.

# INVESTMENT OVERVIEW

# PROPERTY DETAILS

<b>ADDRESS</b>	<b>127 E 88th St Los Angeles, CA 90003</b>
Sales Price	\$3,900,000
Unit Mix	(8) 4-BD/2-BTH, (2) Studio
Total Current Units	10
Total Building Sqft.	11,000
Total Lot Size	10,409
Year Built	2024
Zoning	LAR3
APN	6041-003-034 & 6041-003-035

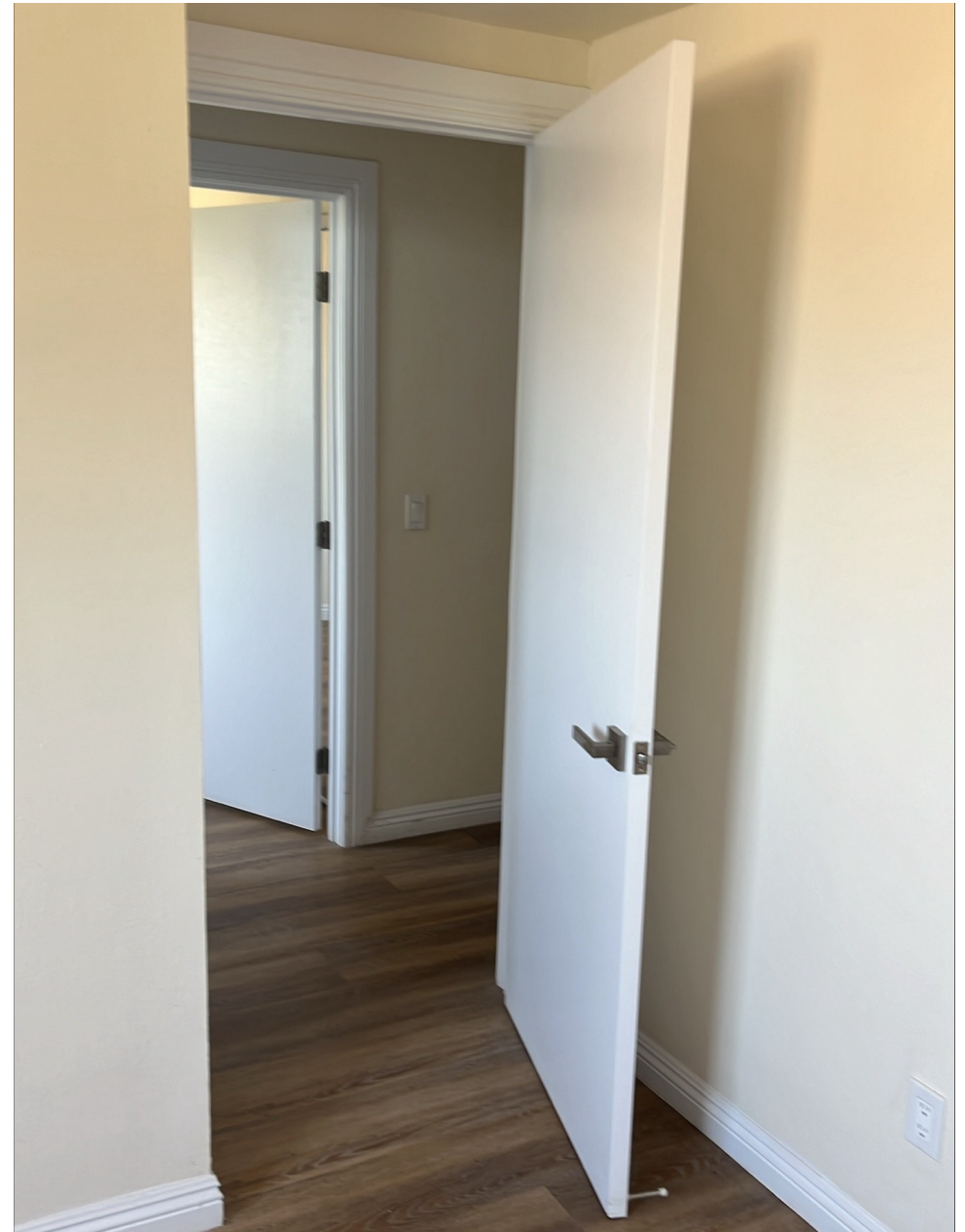


INVESTMENT OVERVIEW  
**PROPERTY PHOTOS**



# INVESTMENT OVERVIEW

# INTERIOR PHOTOS

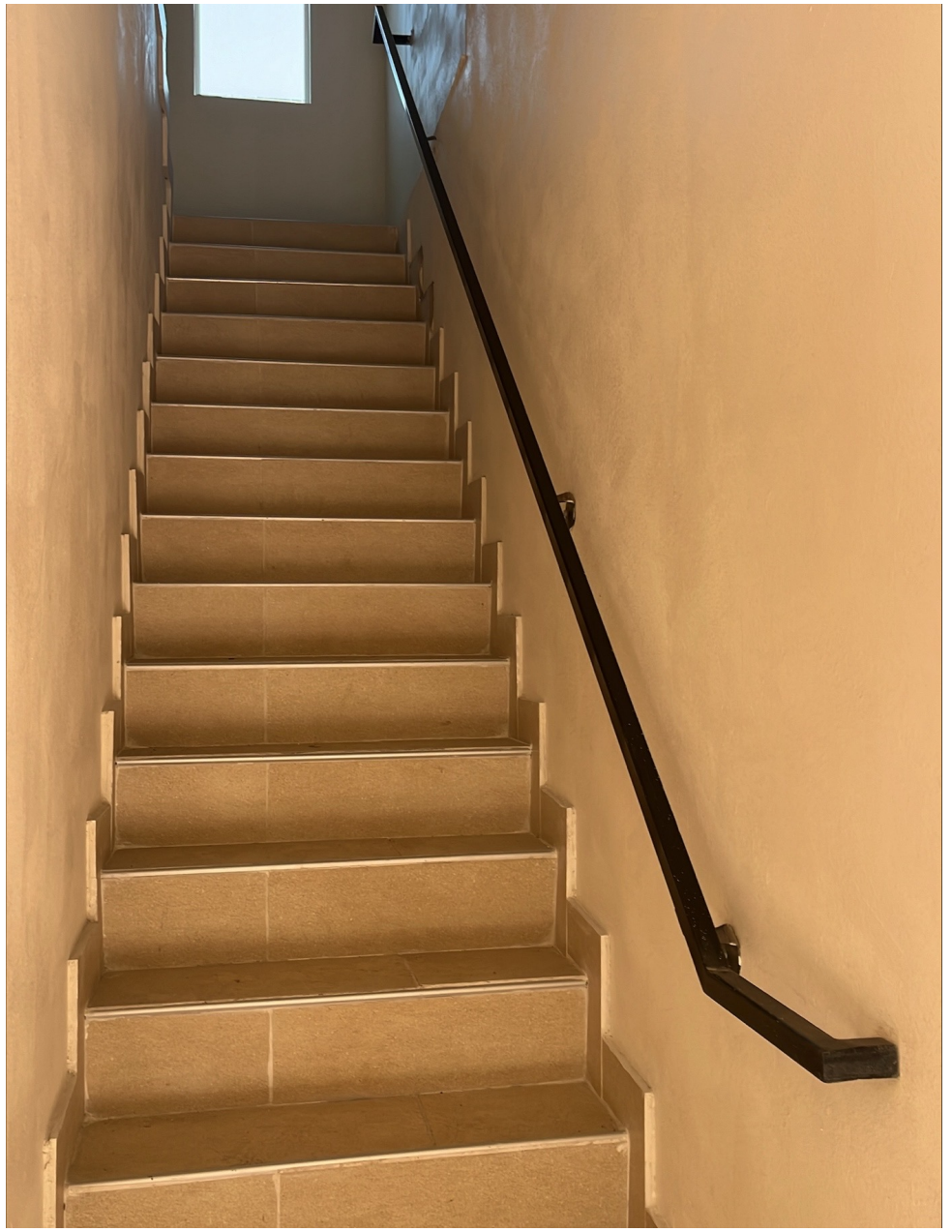


# INVESTMENT OVERVIEW INTERIOR PHOTOS





INVESTMENT OVERVIEW  
**INTERIOR PHOTOS**



# INVESTMENT OVERVIEW

# INTERIOR PHOTOS



# FINANCIAL ANALYSIS



# FINANCIAL ANALYSIS

# FINANCIAL SUMMARY

## PROPERTY DETAILS

Address	<b>127 E 88th St</b>
	<b>Los Angeles, CA 90003</b>
Price	\$3,900,000
Units	10
Building Sqft	11,000
Lot Sqft	10,409
Year Built	2024
Price/Unit	\$390,000
Price/Sqft	\$354.55

INCOME DATA	CURRENT	PRO FORMA
NOI	\$337,163	\$337,163
Cap Rate	8.65%	8.65%
GRM	8.71	8.71

## PROPOSED FINANCING

Down Payment	35%	\$1,365,000
Loan Amount	65%	\$2,535,000
Interest Rate		6.25%
Amortization		30
Monthly Payment		\$15,608



# FINANCIAL ANALYSIS

## FINANCIAL ANALYSIS

#	UNIT TYPE	AVG CURRENT RENT	TOTAL RENT	AVG MARKET RENT	TOTAL RENT
8	4 Bed 2 Bath	\$4,200	\$33,600	\$4,200	\$33,600
2	Studio	\$1,850	\$3,700	\$1,850	\$3,700
<b>TOTAL</b>			<b>\$37,300</b>		<b>\$37,300</b>

OPERATING DATA	CURRENT	PRO FORMA
Gross Market Rent	\$447,600	\$447,600
Less: Loss to Lease		
Other Income		
Gross Potential Income	\$447,600	\$447,600
Less: Vacancy Reserve	(\$13,428) 3%	(\$13,428) 3%
Gross Operating Income	\$434,172	\$434,172
Less: Expenses	(\$97,009) 21.7%	(\$97,009) 21.7%
<b>Net Operating Income</b>	<b>\$337,163</b>	<b>\$337,163</b>
Less: Loan Payments	(\$187,301)	(\$187,301)
Pre-Tax Cash Flow	\$149,862 11.0%	\$149,862 11.0%
Principal Reduction	\$29,705	\$29,705
<b>Total Return Before Taxes</b>	<b>\$179,567 13.2%</b>	<b>\$179,567 13.2%</b>

EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$49,750	\$49,750
Insurance	\$9,350	\$9,350
Utilities	\$10,000	\$10,000
Repairs & Maint	\$5,000	\$5,000
Landscaping	\$1,200	\$1,200
Management Fee	\$21,709	\$21,709
<b>TOTAL</b>	<b>\$97,009</b>	<b>\$97,009</b>
<i>Per Unit</i>	\$8.82	\$8.82
<i>Per Sqft</i>	\$9,701	\$9,701

# FINANCIAL ANALYSIS

## RENT ROLL

UNIT	UNIT TYPE	CURRENT RENT	MARKET RENT	Notes
1	4 Bed 2 Bath*	\$4,200	\$4,200	
2	4 Bed 2 Bath*	\$4,200	\$4,200	
3	4 Bed 2 Bath*	\$4,200	\$4,200	
4	4 Bed 2 Bath*	\$4,200	\$4,200	
5	4 Bed 2 Bath*	\$4,200	\$4,200	
6	4 Bed 2 Bath*	\$4,200	\$4,200	
7	4 Bed 2 Bath*	\$4,200	\$4,200	
8	4 Bed 2 Bath*	\$4,200	\$4,200	
9	Studio**	\$1,850	\$1,850	
10	Studio**	\$1,850	\$1,850	
<b>MONTHLY SCHEDULED RENTAL INCOME</b>		<b>\$37,300</b>	<b>\$37,300</b>	
<b>ANNUAL SCHEDULED RENTAL INCOME</b>		<b>\$447,600</b>	<b>\$447,600</b>	

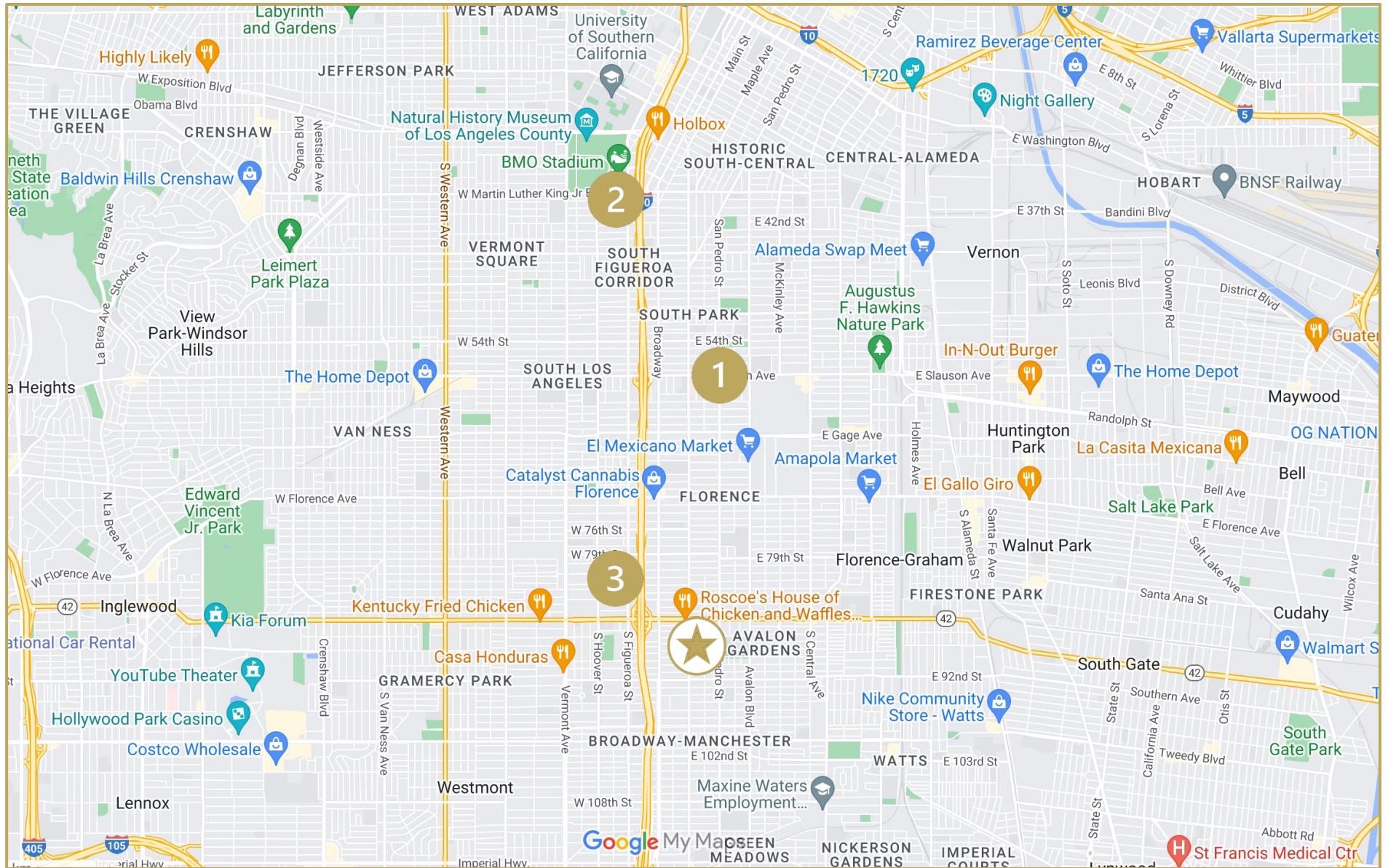
\*Units are vacant. Pro Foma based on Section 8 rental rates

\*\* Studios are non-conforming

# SALES COMPARABLES



# SALES COMPARABLES SALES COMPARABLES MAP





# SALES COMPARABLES COMP DETAILS



**5869-5875 S San Pedro Street, Los Angeles**

Sale Date	3/3/24
Price	\$4,800,000
Units	8
Price/Unit	\$600,000
Price/Sqft	\$267.45
Year Built	2023
Cap Rate	6.84%
GRM	9.50
Building Sqft	17,947



**607 W 41st Place, Los Angeles**

Sale Date	2/21/24
Price	\$2,450,000
Units	5
Price/Unit	\$490,000
Price/Sqft	\$382.81
Year Built	2023
Cap Rate	6.21%
GRM	10.47
Building Sqft	6,400



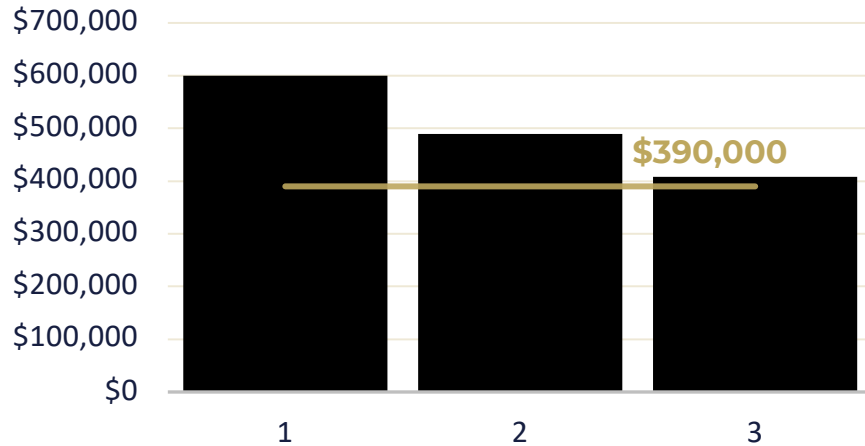
**624 W 83rd Street, Los Angeles**

Sale Date	10/6/23
Price	\$2,450,000
Units	6
Price/Unit	\$408,333
Price/Sqft	\$362.96
Year Built	2023
Cap Rate	6.17%
GRM	10.53
Building Sqft	6,750

# SALES COMPARABLES COMPARABLE ANALYSIS

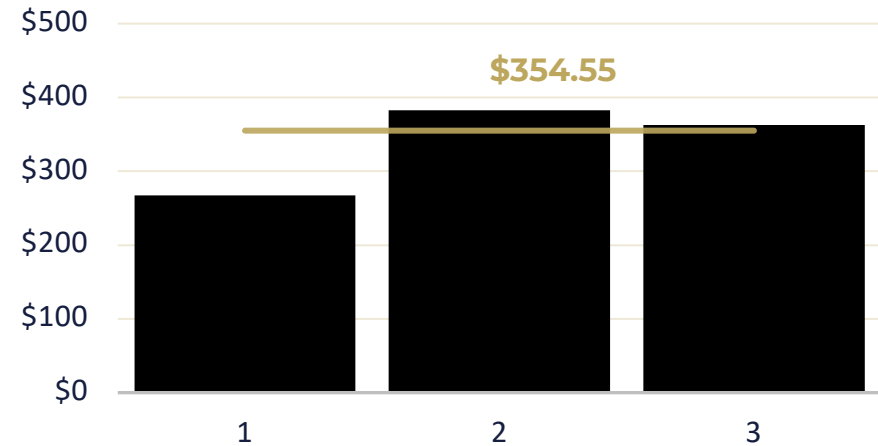
## PRICE PER UNIT

Average = \$499,444



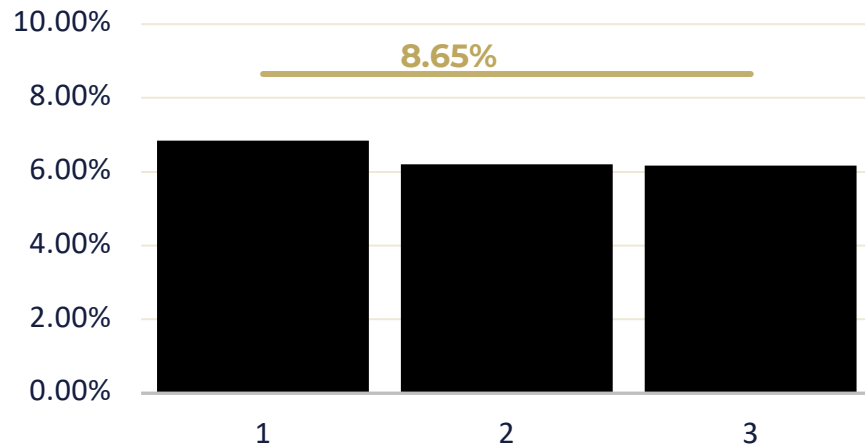
## PRICE PER SQFT

Average = \$337.74



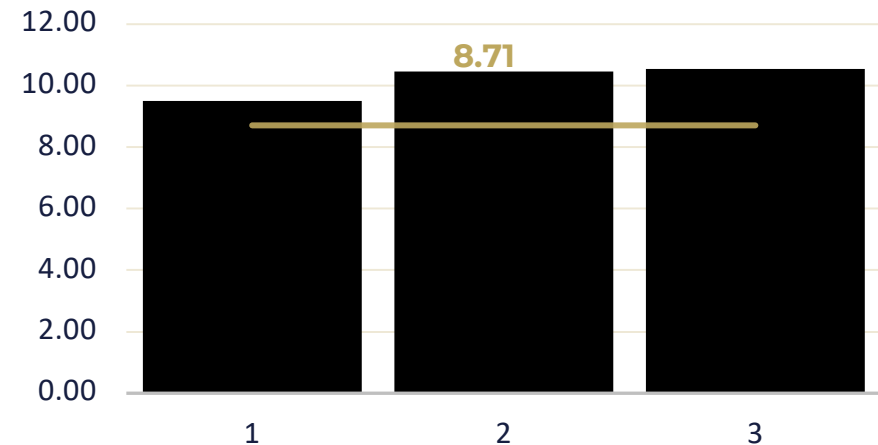
## CAP RATE

Average = 6.41%



## GRM

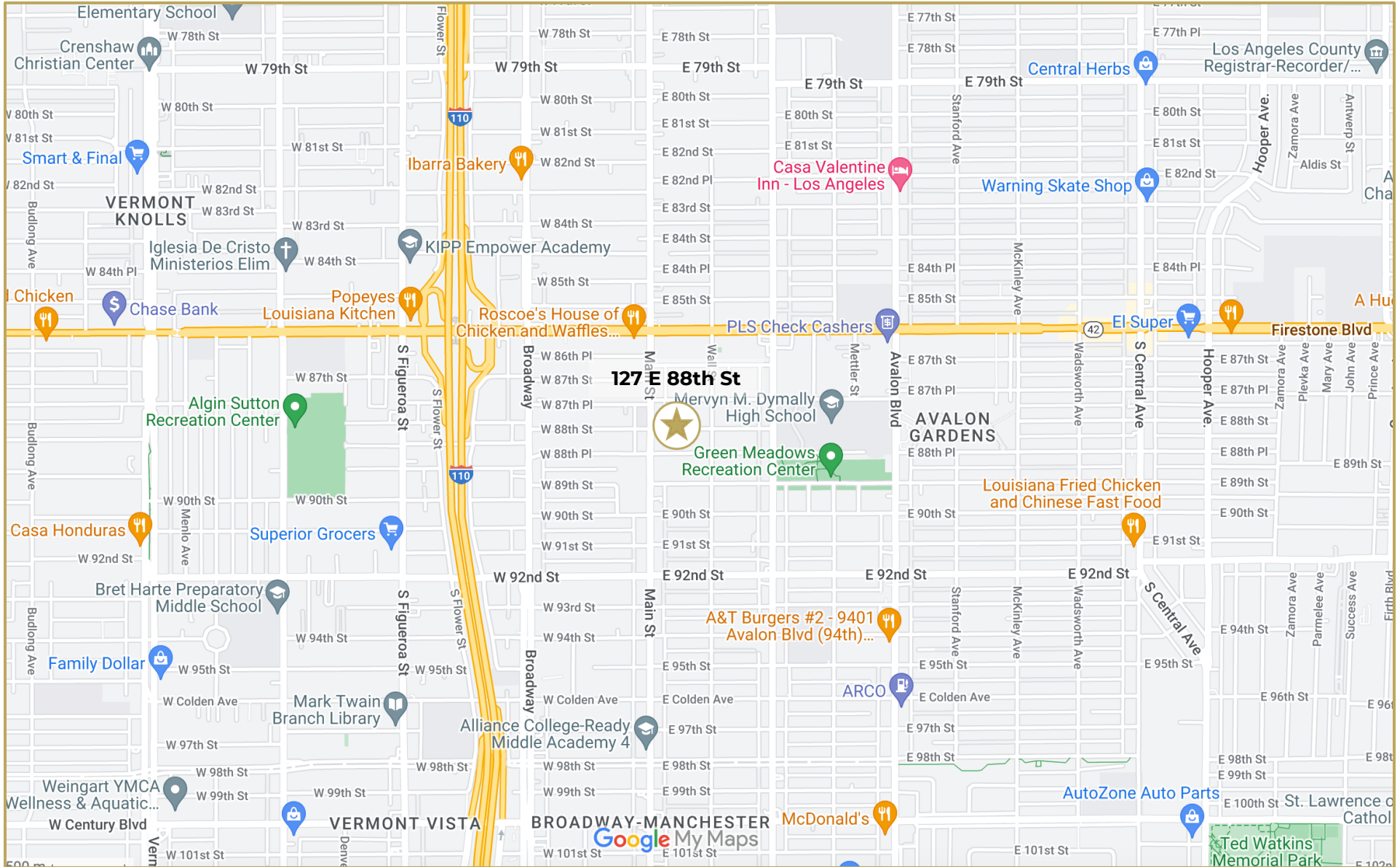
Average = 10.17



# LOCATION OVERVIEW



# LOCATION OVERVIEW REGIONAL MAP



LOCATION OVERVIEW  
**AERIAL VIEW**



LOCATION OVERVIEW  
**AERIAL VIEW**



LOCATION OVERVIEW  
**AERIAL VIEW**



127 E 88th St, Los Angeles, CA 90003

LOCATION OVERVIEW  
**AERIAL VIEW**



127 E 88th St, Los Angeles, CA 90003



## LOS ANGELES

Los Angeles, Spanish for “The Angels,” is the cultural, financial, and commercial center of Southern California. It is the second most populated city in the United States after only New York. Los Angeles covers 469 square miles and the Los Angeles County is the most populated county in the nation. With over 13 million residents in the LA metropolitan area, the city is one of the most substantial economic engines within the US, with a diverse economy consisting of a wide range of professional fields.

Outside of a few high-rise centers, Los Angeles is characterized by its low-rise buildings. Important landmarks include the Hollywood Sign, Hollywood Bowl, Griffith Observatory, Getty Center, Los Angeles Memorial Coliseum, Walt Disney Concert Hall, Los Angeles City Hall, Staples Center, and LA City Hall.

Los Angeles real estate prices have gone up 7.5% over the past year and the median price of LA homes currently listed is \$729,958.



Los Angeles is home to people from more than 140 countries, speaking 224 different languages. Throughout the city exist ethnic enclaves such as Chinatown, Koreatown, Little Ethiopia, Little Tokyo, Little Armenia, Thai Town, Historic Filipinotown, and Little Bangladesh.

The Los Angeles Unified School District is the largest (by number of students) public school system in the United States. Besides the University of Southern California (USC), Loyola Marymount University, and the University of California, Los Angeles (UCLA), Pepperdine University, there are 20 other universities in Los Angeles.

The Los Angeles economy is driven by international trade, entertainment, aerospace, technology, fashion, petroleum, and tourism. Los Angeles is the largest manufacturing center in the western US. Major film studios in LA include Paramount Pictures, 20th Century Fox and Universal Pictures. Disney and Sony Studios are in Burbank and Venice, respectively.

The performing arts play a major role in Los Angeles’s cultural identity. The Los Angeles Music Center is one of the three largest performing arts centers in the nation, with The Walt Disney Concert Hall as a centerpiece. There are also 841 museums and art galleries in LA County, more museums per capita than any other city in the world.

Los Angeles’s professional sports teams include the LA Dodgers (MLB), LA Angels (MLB), LA Rams (NFL), LA Chargers (NFL), LA Lakers (NBA), LA Clippers (NBA), LA Kings (NHL), Anaheim Ducks (NHL), LA Galaxy (MLS), and LA Sparks (WNBA). Los Angeles will host the 2028 Summer Olympics.

LAX is the main international and domestic airport serving Los Angeles and Bob Hope Airport in Burbank serves the San Fernando and San Gabriel Valleys. The Port of Los Angeles in San Pedro adjoins the Port of Long Beach and together, both ports make up the fifth busiest container port in the world.

# LOS ANGELES COUNTY

Los Angeles County is the most heavily populated county with approximately 9.9 million people, including about 1 million that live in unincorporated areas of the county. The metropolis –formed by the six neighboring counties of Los Angeles, Ventura, Kern, San Bernardino, Riverside, and Orange – is home to approximately 19 million residents. Los Angeles County is home to one of the most educated labor pools in the country and offers a labor force of more than 4.7 million, of which more than 1.5 million are college graduates. Los Angeles County has the largest population of any county in the nation, exceeded only by eight states. According to the United States Conference of Mayors, Los Angeles County boasts a GDP among the twenty largest in the world. Los Angeles County's continued economic growth, in contrast to other areas of the state and nation, is due to its diversified economy and abundant, well-trained workforce.

Los Angeles County is well located on the Southern Coast of California, and covers 4,061 square miles, including the San Clemente and Santa Catalina islands. The county is comprised of approximately 88 vibrant and diverse cities hosting more than 244,000 business establishments – the greatest concentration in the state. Los Angeles County has a Gross Domestic Product (GDP) of approximately \$446 billion – placing it among the top 20 economies in the world. The combined GDP of Los Angeles and its five surrounding neighboring counties places it in the top 10. California is generally considered to be in the top five.

If Los Angeles County were its own nation, its economy would be the 18th largest in the world. It is home to more than 244,000 businesses, with more minority and women owned businesses than any other state in the nation and is the nation's top international trade center and manufacturing center. Los Angeles is recognized worldwide as a leader in entertainment, health sciences, business services, aerospace and international trade. Because the Los Angeles area is so large and diverse, it has something to offer everyone.



While Hollywood and the Los Angeles beach culture are part of our collective image of Los Angeles, the city also has more museums than any other city and some of the best hotels in the world.

Over the years, Los Angeles County has developed a diverse economic base, supported by a number of Fortune 500 companies with headquarters in the area, including Hilton Hotels, Walt Disney, Occidental Petroleum, DirecTV Group, Northrop Grumman, Computer Sciences, KB Home, Health Net, Mattel, and Avery Dennison. Key factors positively impacting the region's economic position include increased local media production by the entertainment industry and a continuing expansion of import flows. Moreover, growth in aerospace, homeland security and in the private business sector have contributed positively to the County's economy. Los Angeles' well educated labor pool, many universities, wonderful climate, and world class infrastructure will enable Greater Los Angeles to continue to be a world leader in economic and cultural significance.

# CONFIDENTIALITY & DISCLAIMER

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The information contained in this Offering Memorandum (“Memorandum”) is proprietary and strictly confidential; it is intended to be reviewed only by the party receiving it from Broker and should not be made available to anyone else without the written consent of Broker. By retention or use of this Memorandum, you agree that its contents are confidential, that you will hold it in the strictest confidence, and that you will not disclose any of its contents contrary to these terms.

This Memorandum has been prepared to provide summary, unverified information to establish a preliminary level of interest in the subject property (“Property”). The information in this Memorandum has been obtained from sources Broker believes to be reliable; however, Broker has not conducted sufficient investigation to make any warranty or representation whatsoever including but not limited to the accuracy or completeness of the information, veracity or accuracy of the information, condition of the Property or its compliance or lack of compliance with applicable governmental requirements, developability, suitability or financial performance of the Property, income or expenses for the Property, the size and square footage of the Property and improvements, the presence or absence of contaminating substances, PCB’s or asbestos, the compliance with State or 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 occupancy of the Property. The Memorandum has selected information relating to the Property and does not purport to be an all - inclusive representation regarding the Property or to contain all or part of the information which prospective investors may require to evaluate the purchase of the Property. Additional information and an opportunity to investigate the Property will be made available to interested and qualified prospective purchasers. All information is based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of Broker, therefore, all information is subject to material variation. The information contained herein is not a substitute for a thorough due diligence investigation. Interested parties are expected to review all information of whatever nature independently and not rely on the contents of this Memorandum in any manner.

The Property owner (“Owner”) expressly reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, and/or to terminate discussions at any time with or without notice. The Owner shall have no legal commitment or obligation unless and until written agreement(s) have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.



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