Existing Units
14

Current Cap Rate
8.0%

Current Cash on Cash
15.7%

Assumable Loan
$2.5 MM

Assumable Loan Interest Rate
3.9%

Units to Add
20

Pro-Forma Cap Rate
14.3%

Pro-Forma Cash on Cash
23.3%

Est. Profit
$2.7 MM

Levered Equity ROI
125.9%

KELLY MORGAN MULTIFAMILY
KMM
GROUP

12600 Correnti Street

The Oasis

HOUZE REAL ESTATE MGMT & DEVELOPMENT
A Division of Alactic Systems

Confidentiality Agreement

Affiliated Business Disclosure 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 Houze Real Estate Management & Development and it should not be made available to any other person or entity without the written consent of Houze Real Estate Management & Development. 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 Houze Real Estate Management & Development.

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HOUZE REAL ESTATE MGMT & DEVELOPMENT

A Division of Alactic Systems

CA DRE# 01094448

PROPERTY HIGHLIGHTS

12600 CORRENTI ST, PACOIMA, CA 91331

- Cash on Cash Return of $102,634 | 15.8%
- 14 Renovated Units
- Potential to Add 20 Additional Units, 7 by right and 13 ADUs
- Attractive Assumable Loan of $2.5MM @ 3.9% through 9/1/2027
- Covered Land Play with Huge Upside

OFFERING SUMMARY

Price:	$3,150,000	APN #:	2537-012-024
Number of Units:	14	Unit Mix:	1 (0+1) 13 (1+1)
Cap Rate:	8.00%	Building Sq Ft Approximate:	5,334
GRM:	9.44	Approximate Lot Size:	9,001
Price per Unit:	$225,000	Year Built:	1950
Price per Square Foot:	$591	Parking:	14

PRO-FORMA AFTER ADDING 20 ADDITIONAL PROPOSED UNITS/ADUs

Cap Rate:	14.34%	Number of Units: (20 New Units)	34
GRM:	5.61	Building Sq Ft: (6,884 SF New Units)	12,018
Price Per Unit:	$141,794	Total Price:	$4,821,000
Price per Square Foot:	$401	Construction Cost: ($250/SF)	$1,671,000

ESTIMATED RETURN ON INVESTMENT

Purchase Price $3,150,000 + Construction Cost $1,671,000 = Total Cost $4,821,000

Estimated Resale Value $8,265,000 − Total Cost *Including Resale Closing Costs $649,150 $5,470,150 = Estimated Profit $2,794,850

Total Cash Investment $2,321,000 − Current Cash on Cash Return $102,634 = Net Cash Investment $2,218,366

Levered Equity ROI 125.99%

The Value Add Guy

Potential to refi out total cash investment after Unit/ADU additions.

*All figures are projections and subject to due diligence.
*See page 27 & 28 for breakdown. Please verify our numbers.

PROPERTY PHOTOS

12600 CORRENTI ST, PACOIMA, CA 91331

These images have been digitally altered. Click here to see original photos:
https://www.dropbox.com/scl/fo/b1dtdcl16xwppizlf10g9/AC8gcBwbmD6T43VLIt9TvFY?rlkey=1cnvl90p5iljjikziwox72dv2i&dl=0

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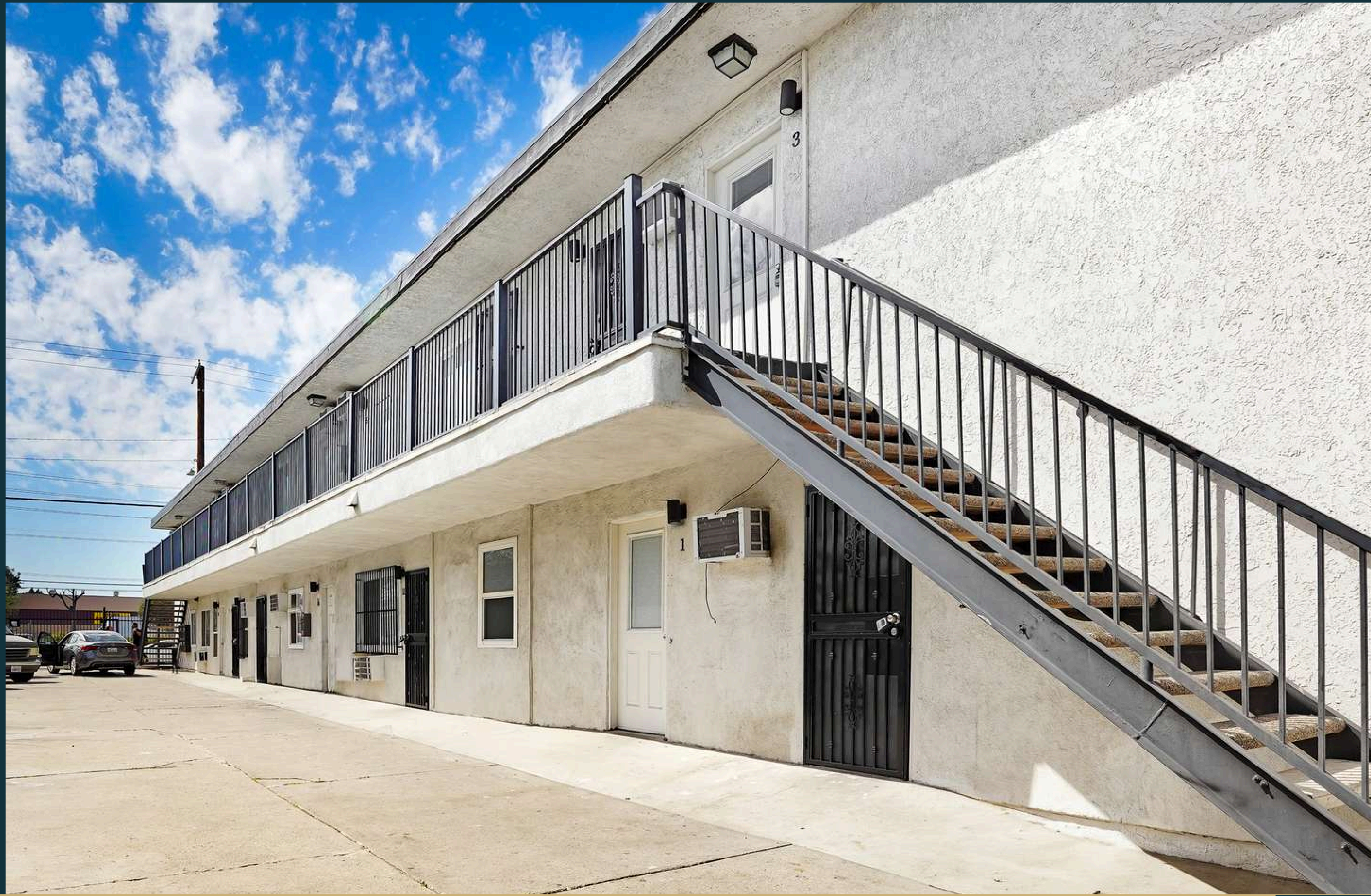

ADDITIONAL UNITS POTENTIAL

12600 CORRENTI ST, PACOIMA, CA 91331

*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding additional units.

CURRENT CONDITIONS

PROPOSED ADDITIONAL UNITS

This image has been digitally altered.

*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding additional units.

CURRENT CONDITIONS

PROPOSED ADDITIONAL UNITS

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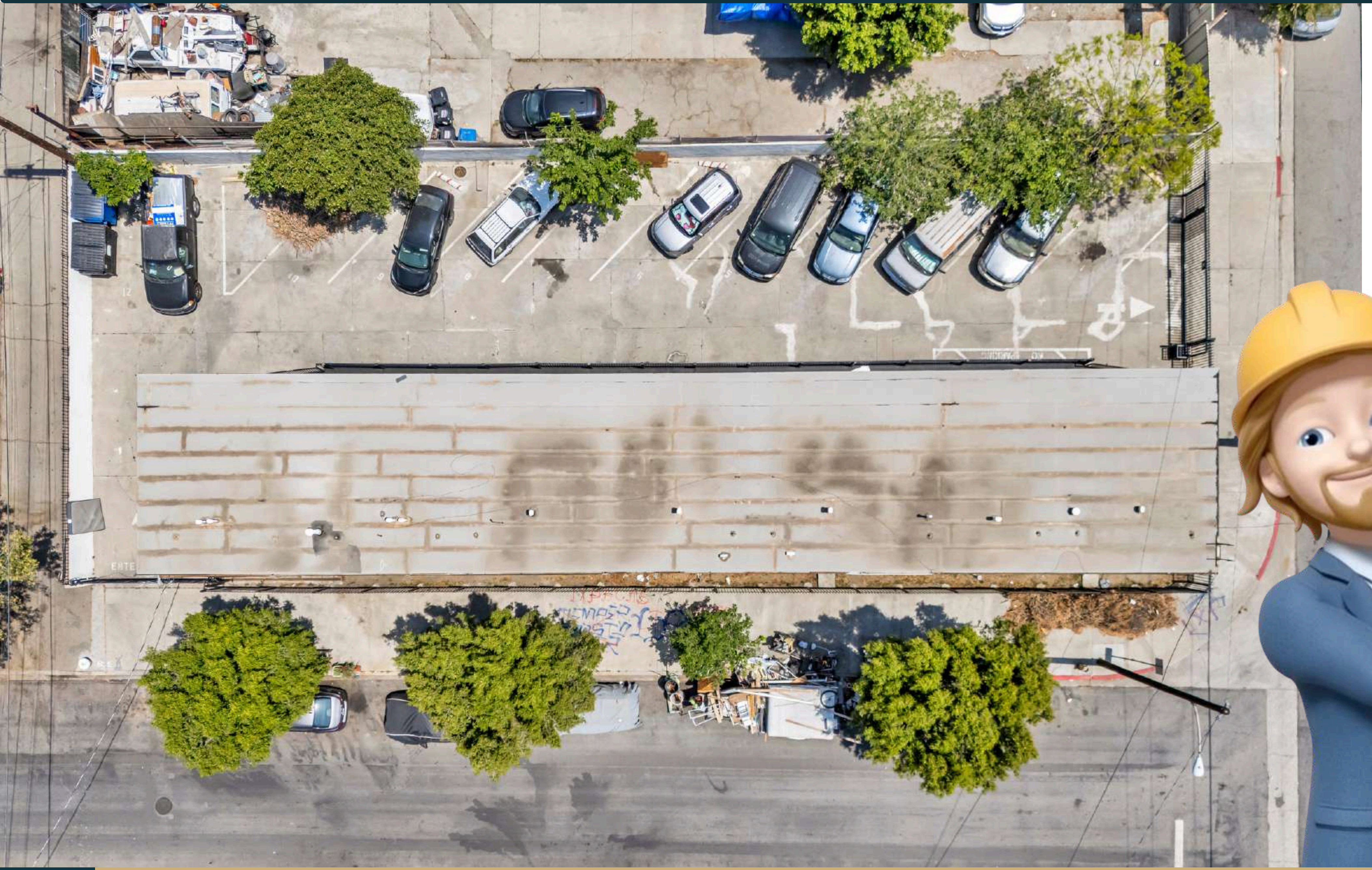
CURRENT CONDITIONS



PROPOSED ADDITIONAL UNITS

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*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding additional units.

FINANCIAL ANALYSIS

12600 CORRENTI ST, PACOIMA, CA 91331

Financial Analysis

Table of Contents

*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding ADUs.

FINANCIAL ANALYSIS

CURRENT

Summary		Current Rents	Pro Forma	Proposed Financing		
Price		$3,150,000		First Loan Amount	$2,500,000	Assumable
Down Payment	21%	$650,000		Terms	3.98%	i/o thru 9/1/27
Number of Units		14				
Cost per Unit		$225,000				
GRM		9.44	8.19			
CAP		8.0%	9.6%			
Year Built / Age		1950				
Approx. Lot Size		9,001				
Approx. Bldg SF		5,334				
Cost per Net RSF		$591				

Scheduled Income		Current Rents		Pro Forma	
No. of Units	Bdrms/ Baths	Monthly Rent/Unit ($)	Monthly Income ($)	Monthly Rent/Unit ($)	Monthly Income ($)
1	0+1	$911	$911	$2,289	$2,289
13	1+1	$2,069	$26,903	$2,289	$29,757
Total Scheduled Rent			$27,814		$32,046

*Market Rents Based on Section 8 Standards | Loan payment based on original loan of $2,612,000, approx $2,500,000 balance remaining

ANNUALIZED OPERATING DATA

CURRENT

Total Gross Current Monthly Rents	Current		Pro Forma	
Total Scheduled Rent	$27,814		$32,046	
Annualized Scheduled Gross Income	$333,766		$384,552	

Annualized Operating Data	Current		Pro Forma	
Scheduled Gross Income	$333,766		$384,552	
Vacancy Rate Reserve	($10,013)	3.0%	($11,537)	3.0%
Gross Operating Income	$323,753		$373,015	
Expenses	($71,839)	-21.5%	($71,839)	-18.7%
Net Operating Income	$251,914		$301,176	
Loan Payments	($149,280)		($178,067)	
Cash on cash return	**$102,634**	**15.8%**	$123,110	18.9%
Principal Reduction	$37,500		$37,125	
Total Return	$140,134	21.6%	$160,235	24.7%

Estimated Expenses	Current	Pro Forma
Taxes (1.17%)	$36,855	$36,855
Insurance ($1/SF)	$5,334	$5,334
Utilities ($500/unit)	$7,000	$7,000
Trash	$0	$0
Cleaning & Gardener ($150/month)	$1,800	$1,800
Off Site Manager (4%)	$12,950	$12,950
On Site Mgr	$0	$0
Pest Control ($75/month)	$900	$900
Maint/Repairs ($500/unit)	$7,000	$7,000
Total Expenses	**($71,839)**	**($71,839)**
Per Net Sq. Ft.	($13.47)	($13.47)
Per Unit	($5,131)	($5,131)

FINANCIAL ANALYSIS

WITH 20 ADDITIONAL UNITS / ADUS CONSTRUCTION COSTS & INCOME

Summary		Current Rents	Pro Forma	Proposed Financing		
Price		$3,150,000		First Loan Amount	$2,500,000	Assumable
Down Payment	21%	$650,000		Terms	3.98%	i/o thru 9/1/27
*ADU Construction Costs ($250/Sq Ft)		$1,671,000	$1,671,000			
Exterior Rehab		$0	$0			
Interior Rehab		$0				
Total Cost		$4,821,000	$4,821,000			
Total Cash Investment		**$2,321,000**	$2,321,000			
Number of Units		34				
Cost per Unit		$141,794				
GRM		5.61	5.30			
CAP		14.34%	15.36%			
Year Built / Age		1950				
Approx. Lot Size		9,001				
Approx. Bldg SF		12,018				
Cost per Net RSF		$401				

Scheduled Income			**Current Rents**		**Pro Forma**	
No. of Units	Bdrms/ Baths	Approx. Sq. Ftg.	Monthly Rent/Unit ($)	Monthly Income ($)	Monthly Rent/Unit ($)	Monthly Income ($)
1	0+1		$911	$911	$2,289	$2,289
13	1+1		$2,069	$26,903	$2,289	$29,757
13 ADUs & 7 Additional units						
7	1+1	391	$2,289	$16,023	$2,289	$16,023
5	1+1	391	$2,289	$11,445	$2,289	$11,445
8	S	249	$2,041	$16,328	$2,041	$16,328
Total Scheduled Rent				$71,610		$75,842

*Market Rents Based on Section 8 Standards. Construction costs of $250/Sq Ft based on Seller's estimate. Buyer may refi out most or all of the initial investment after the expiration of the i/o period provided all additional units and ADUs have been completed and leased (*see resale after ADU setup*)

ANNUALIZED OPERATING DATA

WITH 20 ADDITIONAL UNITS / ADUS CONSTRUCTION COSTS & INCOME

Total Gross Current Monthly Rents	Current	Pro Forma
Total Scheduled Rent	$71,610	$75,842
Annualized Scheduled Gross Income	$859,318	$910,104

Annualized Operating Data	Current Rents		Pro Forma	
Scheduled Gross Income	$859,318		$910,104	
Vacancy Rate Reserve	($25,780)	3.0%	($27,303)	3.0%
Gross Operating Income	$833,538		$882,801	
Expenses	($142,361)	-16.6%	($142,361)	-15.6%
Net Operating Income	$691,177		$740,440	
Loan Payments	($149,280)		($179,865)	
Cash on cash return	**$541,897**	**23.3%**	$560,574	**24.2%**
Principal Reduction	$37,500		$37,500	
Total Return	$579,397	25.0%	$598,074	25.8%

Estimated Expenses	Current	Pro Forma
Taxes (1.17%)	$56,406	$56,406
Insurance ($.75/SF)	$9,014	$9,014
Utilities ($500/unit)	$17,000	$17,000
Trash	$0	$0
Cleaning & Gardener ($150/month)	$1,800	$1,800
Off Site Manager (4%)	$33,342	$33,342
On Site Mgr ($500/month)	$6,000	$6,000
Pest Control ($150/month)	$1,800	$1,800
Maint/Repairs ($500/unit)	$17,000	$17,000
Total Expenses	**$142,361**	**$142,361**
Per Net Sq. Ft.	($11.85)	($11.85)
Per Unit	($4,187)	($4,187)

FINANCIAL ANALYSIS

RESALE AFTER 20 ADDITIONAL UNITS / ADUS

Summary		Current Rents	Pro Forma	Proposed Financing		
Price		$8,265,000		First Loan Amount	$6,198,750	NEW
Down Payment	25%	$2,066,250		Terms	6.0%	5 YR Fixed
Number of Units		34				
Cost per Unit		$243,088				
GRM		9.62	9.08			
CAP		7.0%	7.6%			
Year Built / Age		1950				
Approx. Lot Size		9,001				
Approx. Bldg SF		12,018				
Cost per Net RSF		$688				

Scheduled Income			Current Rents		Pro Forma	
No. of Units	Bdrms/ Baths	Approx. Sq. Ftg.	Monthly Rent/Unit ($)	Monthly Income ($)	Monthly Rent/Unit ($)	Monthly Income ($)
1	0+1		$911	$911	$2,289	$2,289
13	1+1		$2,069	$26,903	$2,289	$29,757
13 ADUs & 7 Additional units						
7	1+1	391	$2,289	$16,023	$2,289	$16,023
5	1+1	391	$2,289	$11,445	$2,289	$11,445
8	S	249	$2,041	$16,328	$2,041	$16,328
				$71,610		$75,842

*Market Rents Based on Section 8 Standards

Disclosure: We obtained the information above from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the property and transaction.

ANNUALIZED OPERATING DATA

RESALE AFTER 20 ADDITIONAL UNITS / ADUS

Total Gross Current Monthly Rents	Current	Pro Forma
Total Scheduled Rent	$71,610	$75,842
Annualized Scheduled Gross Income	$859,318	$910,104

Annualized Operating Data	Current Rents		Pro Forma	
Scheduled Gross Income	$859,318		$910,104	
Vacancy Rate Reserve	($25,780)	3.0%	($27,303)	3.0%
Gross Operating Income	$833,538		$882,801	
Expenses	($254,810)	-29.7%	($254,810)	-28.0%
Net Operating Income	$578,728		$627,991	
Loan Payments	($371,925)		($445,976)	
Cash on cash return	**$206,803**	**10.0%**	$182,015	8.8%
Principal Reduction	$92,981		$92,981	
Total Return	$299,785	14.5%	$274,996	13.3%

Estimated Expenses	Current	Pro Forma
Taxes (1.25%)	$103,313	$103,313
Insurance ($2/Sq Ft)	$24,036	$24,036
Utilities ($100/unit/month)	$40,800	$40,800
Trash	$0	$0
Cleaning & Gardener ($175/month)	$2,100	$2,100
Off Site Manager (4%)	$33,342	$33,342
On Site Mgr ($40/unit/month)	$16,320	$16,320
Pest Control ($75/month)	$900	$900
Maint/Repairs ($500/unit)	$17,000	$17,000
Misc/Reserves ($500/unit)	$17,000	$17,000
Total Expenses	**$254,810**	**$254,810**
Per Net Sq. Ft.	($21.20)	($21.20)
Per Unit	($7,494)	($7,494)

*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding ADUs.

RENT ROLL

Unit	Unit Type	Move in Dates	Current Rent
1	1+1	10/18/24	$2,500.44
2	1+1		$1,680.00
3	1+1	08/20/25	$1,745.00
4	1+1	11/15/24	$2,331.00
5	1+1	11/05/25	$1,690.00
6	1+1	05/29/21	$1,945.44
7	1+1	08/14/25	$2,271.44
8	0+1	04/01/12	$910.63
9	1+1	05/22/24	$2,488.00
10	1+1	05/16/25	$1,990.00
11	1+1		$1,924.00
12	1+1	01/08/21	$1,944.44
13 Newer Unit Built in 2021	1+1	02/16/22	$2,126.44
14 Newer Unit Built in 2021	1+1	08/06/25	$2,267.00
Current Monthly Income			**$27,814**
Annual Income			**$333,766**

Unit	Unit Type	Approx Sq Ft	Current Rent
New Unit 1	1+1	391	$2,289.00
New Unit 2	1+1	391	$2,289.00
New Unit 3	1+1	391	$2,289.00
New Unit 4	1+1	391	$2,289.00
New Unit 5	1+1	391	$2,289.00
New Unit 6	1+1	391	$2,289.00
New Unit 7	1+1	391	$2,289.00
New Attached ADU 1	1+1	391	$2,289.00
New Attached ADU 2	1+1	391	$2,289.00
New Attached ADU 3	1+1	391	$2,289.00
New Attached ADU 4	1+1	391	$2,289.00
New Attached ADU 5	1+1	391	$2,289.00
New Detached ADU 1	0+1	266	$2,041.00
New Detached ADU 2	0+1	260	$2,041.00
New Detached ADU 3	0+1	260	$2,041.00
New Detached ADU 4	0+1	263	$2,041.00
New Detached ADU 5	0+1	266	$2,041.00
New Detached ADU 6	0+1	216	$2,041.00
New Detached ADU 7	0+1	216	$2,041.00
New Detached ADU 8	0+1	245	$2,041.00
Pro Forma Monthly Income			**$71,610**
Pro Forma Annual Income			**$859,318**

Preferred Financing

12600 Correnti St · Pacoima, CA 91331

One loan · One close — Single facility covering both acquisition and full construction.

PROJECT SNAPSHOT

Purchase Price	**$3,300,000**	Construction Cost	**$1,671,000**
Total Project Cost	**$4,971,000**	Pro-Forma Cap Rate (34 units)	**13.93%**

LOAN TERMS

Rate	Term	Prepayment	Max LTC	Covers
6.50%	2-Year Interest Only	None	Up to 75%	Purchase + Construction

LOAN SCENARIOS — BASED ON $4,971,000 TOTAL PROJECT COST

	70% LTC	72.5% LTC	75% LTC (max)
Loan Amount	**$3,479,700**	**$3,603,975**	**$3,728,250**
Buyer Equity Required	**$1,491,300**	**$1,367,025**	**$1,242,750**
Monthly IO Payment	**$18,849**	**$19,522**	**$20,195**
Annual IO Payment	**$226,181**	**$234,258**	**$242,336**

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With over 20 years of focused exploration and experience in capital markets such as Equity, Debt and Real Estate combined with Advertising and Marketing, Kelly Morgan Commercial Group brings a unique and unparalleled approach to the marketplace. We have dedicated ourselves to the deep understanding of the Southern California real estate market by taking the time to walk, examine, and analyze our landscape of submarkets.

Our clients best interest is our priority. Real estate marketing intelligence infused with financial planning has allowed us to help our clients make informed decisions about their real estate investment options. Our educated agents work hard to get our sellers the highest price. Relationships and expertise are keys to creating Investment Property Wealth.

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