

For Sale

MIXED-USE COMMERCIAL BUILDING



Listed At: \$850,000



Residential/Commercial
Building

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 **McAlpin
& Company**
Real Estate Investment Advisors

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PROPERTY DESCRIPTION

2501-2505 W Manchester Blvd
2501 West Manchester Boulevard | Inglewood, CA 90305

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Turner Office Building - Mixed Use

The subject property is a commercial mixed-use building located in the City of Inglewood. The site consists of two buildings on two separate lots with a total of 5,005 square feet. They are zoned INC2YY.

2501 is comprised of two commercial spaces on the ground floor of approximately 500 square feet each. On the second floor is a large, one bedroom apartment containing approximately 855 square feet of living space. The entire building is rented but rents are currently below market for the area.

2505 consists of two commercial spaces. There is a beauty shop on the ground floor with approximately 1,022 square feet and an office above, which is currently vacant, and contains approximately 1,127 square feet.

The residential unit is being rented for \$1,600 which is about 15% below market rate. the commercial spaces are about 30% below market offering significant upside to an investor. With the liberal rent control policies in Inglewood, a new investor would be able to capture the upside with some capital improvements and an aggressive marketing campaign.

EXECUTIVE SUMMARY

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Acquisition Costs

Purchase Price, Points and Closing Costs	\$850,000
Investment - Cash	\$400,000
First Loan (Fixed)	\$450,000

Investment Information

Purchase Price	\$850,000
Price per SF	\$212.55

Financial Indicators

Cash-on-Cash Return Before Taxes	1.84%
Debt Coverage Ratio	1.20
Capitalization Rate	5.09%
Gross Income / Square Feet	\$17.06
Gross Expenses / Square Feet	(\$6.24)
Operating Expense Ratio	36.58%

Income, Expenses & Cash Flow

Gross Scheduled Income	\$68,232
Total Vacancy and Credits	\$0
Operating Expenses	(\$24,960)
Net Operating Income	\$43,272
Debt Service	(\$35,926)
Cash Flow Before Taxes	\$7,346

PROPERTY PHOTOS

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PRO FORMA SUMMARY

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Income

Description	Actual	Per Unit	Market	Per Unit
Gross Potential Rent	\$68,232	\$13,646	\$91,944	\$18,389
- Less: Vacancy	\$0	\$0	\$0	\$0
Effective Gross Income	\$68,232	\$13,646	\$91,944	\$18,389

Operating Expenses

Description	Actual	Per Unit	Market	Per Unit
Building Insurance	\$6,549	\$1,310	\$8,500	\$1,700
Maintenance & Repairs	\$3,250	\$650	\$5,250	\$1,050
License	\$184	\$37	\$0	\$0
Taxes - Real Estate	\$10,200	\$2,040	\$10,200	\$2,040
Utilities	\$4,777	\$955	\$3,600	\$720
Total Expenses	(\$24,960)	(\$4,992)	(\$27,550)	(\$5,510)
Net Operating Income	\$43,272	\$8,654	\$64,394	\$12,879

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Investment Summary

Price	\$850,000
Year Built	1940
Tenants	5
Price/Unit	\$170,000
RSF	3,999
Price/RSF	\$212.55
Lot Size	5,005 sf
Floors	2
Cap Rate	5.09%
Market Cap Rate	7.58%
GRM	12.46
Market GRM	9.24

Financing Summary

Loan 1 (Fixed)	\$450,000
Initial Equity	\$400,000
Interest Rate	7%
Term	30 years
Monthly Payment	\$2,994
DCR	1.2

Unit Mix & Monthly Scheduled Income

Type	Units	Actual	Total	Market	Total
1 bd / 1 bth	1	\$1,600	\$1,600	\$1,900	\$1,900
1 Commercial	1	\$750	\$750	\$990	\$990
1 Commercial	1	\$750	\$750	\$1,000	\$1,000
1 Beauty Salon	1	\$886	\$886	\$1,800	\$1,800
1 Office *Vacant	1	\$1,700	\$1,700	\$1,972	\$1,972
Totals	5		\$5,686		\$7,662

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$68,232	\$91,944
- Less: Vacancy	\$0	\$0
Effective Gross Income	\$68,232	\$91,944
- Less: Expenses	(\$24,960)	(\$27,550)
Net Operating Income	\$43,272	\$64,394
- Debt Service	(\$35,926)	(\$35,926)
Net Cash Flow after Debt Service	\$7,346	\$28,468
+ Principal Reduction	\$4,571	\$4,571
Total Return	\$11,917	\$33,039

Annualized Expenses

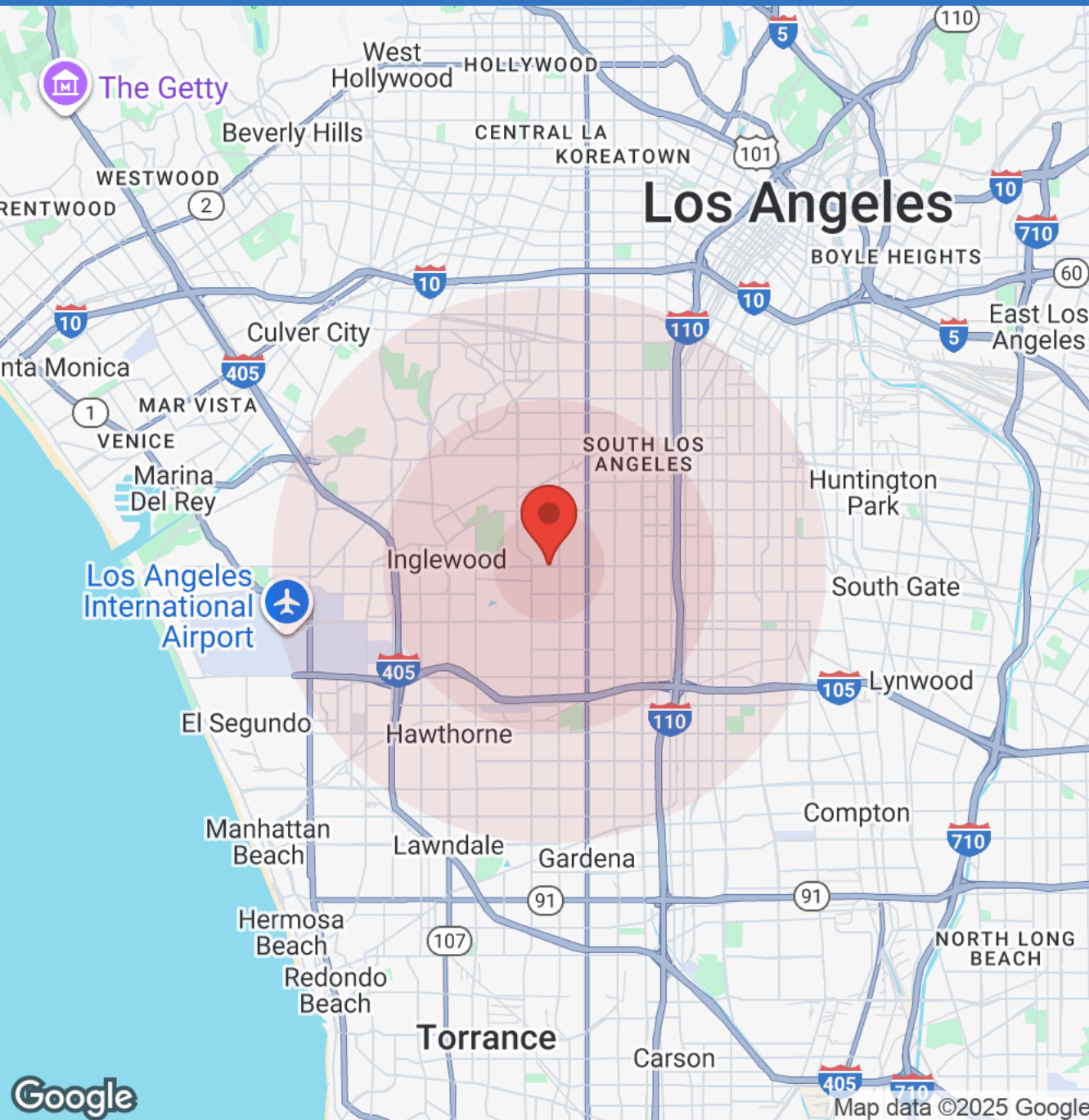
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Building Insurance	\$6,549	\$8,500
Maintenance & Repairs	\$3,250	\$5,250
License	\$184	\$0
Taxes - Real Estate	\$10,200	\$10,200
Utilities	\$4,777	\$3,600
Total Expenses	\$24,960	\$27,550
Expenses Per RSF	\$6.24	\$6.89
Expenses Per Unit	\$4,992	\$5,510

DEMOGRAPHICS

2501-2505 W Manchester Blvd

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Population	1 Mile	3 Miles	5 Miles
Male	11,615	192,055	497,555
Female	14,100	208,931	535,031
Total Population	25,715	400,986	1,032,586

Age	1 Mile	3 Miles	5 Miles
Ages 0-14	4,303	90,835	235,471
Ages 15-24	3,461	62,715	159,554
Ages 25-54	9,990	172,137	445,891
Ages 55-64	3,238	38,333	97,350
Ages 65+	4,723	36,966	94,320

Race	1 Mile	3 Miles	5 Miles
White	1,048	82,400	263,074
Black	21,633	157,768	311,846
Am In/AK Nat	10	752	2,444
Hawaiian	3	359	1,062
Hispanic	4,204	246,181	666,827
Multi-Racial	6,004	316,658	856,154

Income	1 Mile	3 Miles	5 Miles
Median	\$50,589	\$39,482	\$39,744
< \$15,000	1,640	24,278	57,408
\$15,000-\$24,999	953	17,009	43,501
\$25,000-\$34,999	971	15,754	38,572
\$35,000-\$49,999	1,138	18,366	46,214
\$50,000-\$74,999	1,870	21,163	52,423
\$75,000-\$99,999	1,181	11,241	28,617
\$100,000-\$149,999	1,641	9,338	24,649
\$150,000-\$199,999	392	2,258	6,614
> \$200,000	129	1,234	4,520

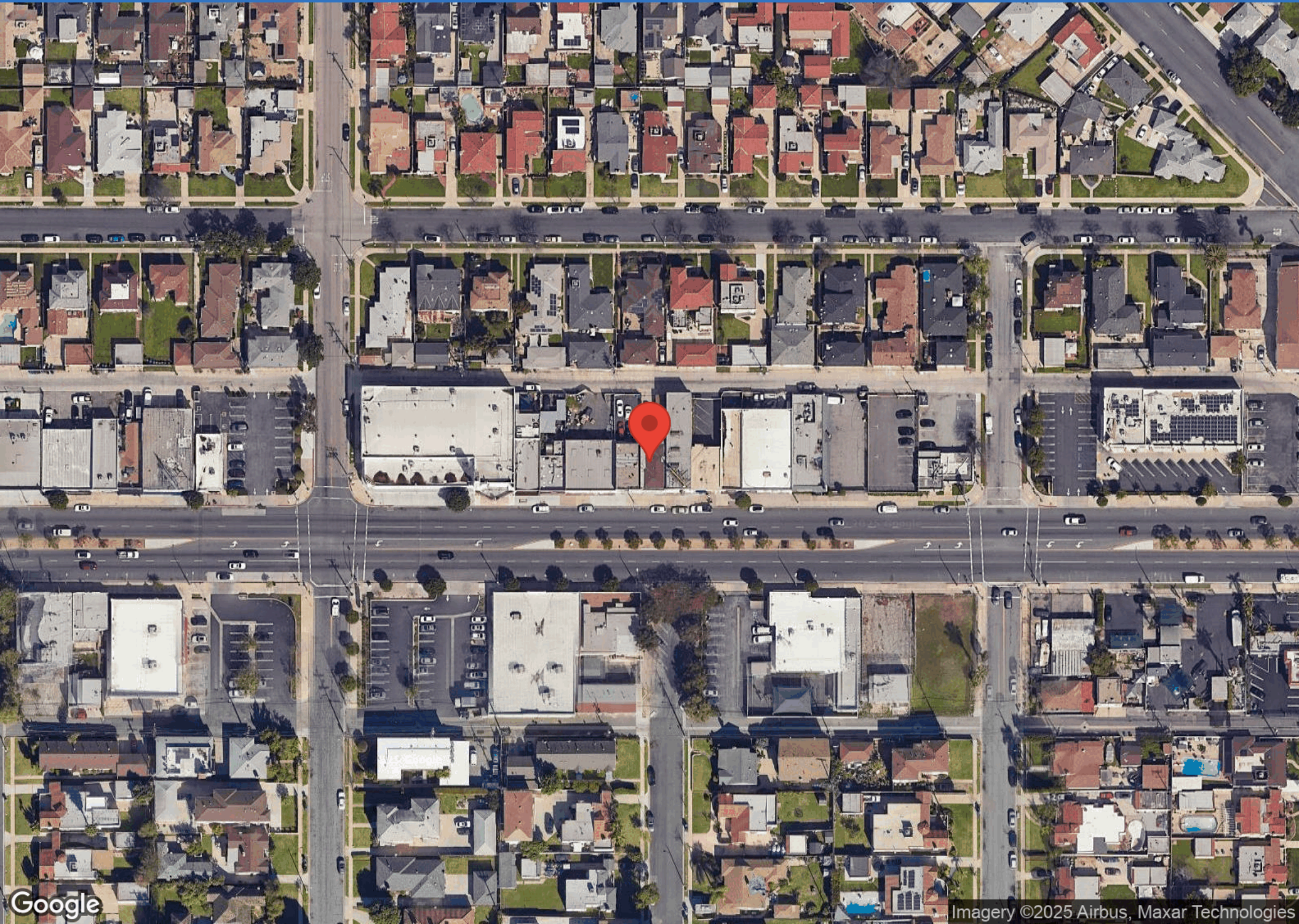
Housing	1 Mile	3 Miles	5 Miles
Total Units	10,970	128,948	320,936
Occupied	10,462	120,481	300,631
Owner Occupied	6,563	47,074	114,835
Renter Occupied	3,899	73,407	185,796
Vacant	508	8,467	20,305

AERIAL MAP

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JEROME MCALPIN

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McAlpin & Company

8055 W. Manchester Ave., Suite 525 Playa del Rey, California 90293

Jerome McAlpin

As founder of McAlpin & Company, Jerome developed a small management concern into a leader in multi-family, commercial and residential sales in Los Angeles. Since establishing McAlpin & Company in 1988, he has closed more than 500 real estate investment transactions. He has also acquired and managed more than 25 apartment buildings in Inglewood and Los Angeles. Jerome has over 35 years of real estate investment experience. He served three terms as President of the Inglewood Board of Realtors, 10 years as a Director for the California Association of Realtors, as President of the Greater South Bay Multiple Listing Service, as Regional Chairman for the California Association of Realtors and as the Planning Commissioner for the City of Inglewood's 2nd District. Jerome attended Loyola High School of Los Angeles and holds a bachelor's degree in business administration from the University of San Diego. He has been active in the community as a football and basketball coach at Hotshots in Pasadena and at St. Jerome's School. Jerome is proud to have donated a playground to Mother of Sorrows Catholic School in South Los Angeles and is a tutor-mentor and donor to Loyola High School.