

“1515 W 103RD St Los Angeles CA



EXECUTIVE SUMMARY

The information is for purpose of presenting this property performance over the last twelve months, and to provide enough factual information to determine the future estimate value of the property and to establish to following criteria

- Spendable Income
- Equity Build-up by monthly amortized loan reduction
- An Inflationary Hedge and Depreciation Deduction
- Minimum Management Requirements
- Liability Limited to Capital Invested
- Debt Leveraged Ownership Serviced by Rental Income

Please see below for more information about the property, its current performance, our strategy to increase income and our financial projections.



ABOUT THE PROPERTY

The subject property is a 16-unit multifamily 2 story apartment building build in 1965, located at 1515 W 103rd St Los Angeles CA 90047. The building is approximately 12,752 Sq Ft and sits on a 17,282 Sq Ft lot, with 26 bedrooms and 22 bathrooms comprised of 2-3 bedroom 2 bath units, 4-2 bedroom 2 baths, 2 bedroom 1 bath units and 8 1 bedroom 1 bath units.

THE OPPORTUNITY AND BUSINESS PLAN

This property offers a tremendous opportunity for long term growth and stability, opportunity to add value through long term rental increases, current rents are 25% under market rents. Investments should result in a stabilize 6.5 + CAP rate. The building offers modern convenience with extra-large floor plans, great amenities and low maintenance to include full laundry facility, covered car ports and low vacancy. These benefits will keep the building's chances of operating at full occupancy, as well as fundamentally serve as a comfortable living establishment for tenants, allowing the property to realize an upside in overall rental income and property value appreciation over the next five - ten years.

The Neighborhood

1515 W 103rd St is located in South LA neighborhood in the city of Los Angeles California. This property was built in 1965. Nearby schools include California Technical University High School, FNC Community, DEV and Kiddie Tots Prep School. The closest grocery stores are Super Tienda Latina Meat Market, Superior Grocers and Food 4 Less. Nearby coffee shops include McDonald's, Winchell's Donut House and Starbucks. Nearby restaurants include Mot and Bet's Soul Food Restaurant, Maggie Bell's Southern cooking and Taco Bell.

ACQUISITION COST

PURCHASE		
# Units	16	
Asking Price	\$3,457,000	
Purchase Price	\$3,457,000	
Price Per Unit	\$216,063	
Earnest Money Deposit (EMD)	\$34,570	1%
Down Payment	\$1,382,800	40%
1st Mortgage	\$2,074,200	
Interest Rate	6.30%	
Term / Amortization	30	
2nd Mortgage	\$0	
Interest Rate	0.00%	
Term / Amortization	0	
Closing Costs	\$43,212	1.2%
Acquisition Fee	\$0	0.0%
Repairs and Reserves	\$0	
Total Member Capital Needed to Close	\$1,426,012	
Cap Rate at Re-Sale	6.00%	
INCOME & EXPENSES (Year 1)		
Gross Scheduled Income	\$295,056	
Average Monthly Rent	\$1,537	
- Vacancy	(\$8,763)	3%
- Concessions, Loss to Lease, Bad Debt	\$0	0%
= Effective Rental Income	\$286,293	
+ Other Income	\$2,800	
Total Net Income	\$289,093	
Expenses	\$91,801	32%
Net Operating Income	\$197,292	
Debt Service	\$154,065	
Cash Flow After Debt Service	\$43,227	

SELLER-DISCLOSED FINANCIALS

Rent Roll

To be provided:

Income and Expenses - Actual and Projected First Year

To be provided:

FINANCIAL PROJECTIONS

5 Year P&L Projection

FINANCIAL ASSUMPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Rent Escalator	9.00%	9.00%	9.00%	9.00%	9.00%
Annual Expense Escalator	3.00%	3.00%	3.00%	3.00%	3.00%

INCOME	1	2	3	4	5
Average Monthly Rent	\$1,537	\$1,675	\$1,826	\$1,990	\$2,169
Gross Potential Income	\$295,056	\$321,611	\$350,556	\$382,106	\$416,496
- Vacancy	(\$8,763) 2.97%	(\$9,552) 2.97%	(\$10,412) 2.97%	(\$11,349) 2.97%	(\$12,370) 2.97%
- Concessions, Loss to Lease, Bad Debt	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%
Effective Gross Income	\$286,293	\$312,059	\$340,145	\$370,758	\$404,126
Other Income	\$2,800	\$3,052	\$3,327	\$3,626	\$3,952
Total Net Income	\$289,093	\$315,111	\$343,471	\$374,384	\$408,078

EXPENSES									
Real Estate Taxes	\$43,212	14.95%	\$44,508	14.12%	\$45,844	13.35%	\$47,219	12.61%	\$48,635
Insurance	\$8,607	2.98%	\$8,865	2.81%	\$9,131	2.66%	\$9,405	2.51%	\$9,687
Contract Services	\$3,504	1.21%	\$3,609	1.15%	\$3,717	1.08%	\$3,829	1.02%	\$3,944
Trash Removal	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Electric	\$966	0.33%	\$995	0.32%	\$1,025	0.30%	\$1,056	0.28%	\$1,087
Gas	\$5,808	2.01%	\$5,982	1.90%	\$6,162	1.79%	\$6,347	1.70%	\$6,537
Water and Sewer	\$9,207	3.18%	\$9,484	3.01%	\$9,768	2.84%	\$10,061	2.69%	\$10,363
Legal	\$286	0.10%	\$295	0.09%	\$303	0.09%	\$313	0.08%	\$322
Management Fee	\$20,262	7.01%	\$22,085	7.01%	\$24,073	7.01%	\$26,239	7.01%	\$28,601
Repairs and Maintenance	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
General/Admin	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Payroll	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Other	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Deposit to Replacement Reserve	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
Total Expenses	\$91,852	31.77%	\$95,823	30.41%	\$100,023	29.12%	\$104,468	27.90%	\$109,177

Net Operating Income (NOI)	1	2	3	4	5
Net Operating Income (NOI)	\$197,241	\$219,288	\$243,448	\$269,915	\$298,901

Debt Service					
Principal	\$24,078	\$25,639	\$27,302	\$29,072	\$30,958
Interest	\$129,987	\$128,426	\$126,763	\$124,993	\$123,107
Total Debt Service	\$154,065	\$154,065	\$154,065	\$154,065	\$154,065

Cash Flow available for Distribution	1	2	3	4	5
Cash Flow available for Distribution	\$43,176	\$65,223	\$89,383	\$115,851	\$144,837

NOTE: The rates of return displayed on this page are only projections, and are not guarantees of any sort. Actual returns may vary widely, due to many economic and marketplace factors beyond our control

EQUITY RETURN AT RESALE

End of Year 5 End of Year 10

Net Operating Income		\$298,901	\$490,463
Cap Rate		6.00%	6.00%
Sales Price		\$4,981,692	\$8,174,391
Sales Cost	6.5%	(\$323,810)	(\$531,335)
Outstanding Loan Balance		(\$1,937,152)	(\$1,749,515)
Total Equity		\$2,720,730	\$5,893,541
Return of Member Capital		\$1,426,012	\$1,426,012
Net Proceeds/Profit from Sale		\$1,294,718	\$4,467,529
Principal Reduction		\$137,048	\$324,685
Appreciation		\$1,157,670	\$4,142,843
Capital Transaction Fee to Mgr	0%	\$0	\$0
Net Proceeds/Profit Paid to Members	100%	\$1,294,718	\$4,467,529
Net Proceeds/Profit Paid to Manager	0%	\$0	\$0
(Initial Capital + Appreciation)		\$2,720,730	\$5,893,541

Summary of Projected Member Cash Flows and Returns

					SALE!								
	1	2	3	4	5	6	7	8	9	10	Return \$	Return %	
Beginning Member Capital Account Balance	\$1,426,012	\$1,426,012	\$1,426,012	\$1,426,012	\$1,426,012								
Member Cashflow	\$43,176	\$65,223	\$89,383	\$115,851	\$144,837						\$458,469		
Cash on Cash Return	3.03%	4.57%	6.27%	8.12%	10.16%								
Average Cash on Cash Return to Date	3.03%	3.80%	4.62%	5.50%	6.43%								
Net Proceeds/Profits from Refinance or Sale					\$1,294,718						\$1,294,718		
Average Annual Return to Date	3.03%	3.80%	4.62%	5.50%	24.59%								
Return of Member Capital					\$1,426,012								
Ending Member Capital Account Balance	\$1,426,012	\$1,426,012	\$1,426,012	\$1,426,012	\$0								
Total Return on Investment	\$43,176	\$65,223	\$89,383	\$115,851	\$1,439,555						\$1,753,187	122.94%	
Average Annual Return												24.59%	
IRR												18.42%	
Average Cash on Cash Return												6.43%	

MANAGEMENT AND ADVISORS

David Alexander, President, Managing Member Equity North Investments, Inc.

Equity North Investments, Inc. (ENI). Our Primary experience and expertise is in the management of high-quality, low affordable housing, small to medium commercial buildings, medical centers and strip centers. ENI provides property services as a court appointed receivership in Los Angeles and Orange County, manages properties for Commercial and Federal Banks as well as private investors.

ENI is a Minority owned Long Beach-Based, Section 3 certified business, and former participant in the Governments Small Business 8(a) Program with the NAICS CODES including but not limited to 53131 Real Estate Property Manager, 531311 Residential Property Manager, 531312 Non- Residential Property Manager, 238310 Building Finishing Contractors.



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DISCLOSURES, NOTICES AND CONFIDENTIALITY

The enclosed Offering Memorandum Package has been prepared solely for informational purposes to assist a Prospective Purchaser in determining whether to proceed with an in-depth investigation of the property described herein. It is intended solely for your limited use and benefit in determining whether you desire to express any further interest in the purchase of the Property.

Prospective Purchasers are expected to review independently all documents related to the Property as to the accuracy and completeness of the information contained

herein. All financial projections are provided for general reference purposes only. These projections have been based upon various assumptions relating to the general economy, competition and other factors beyond the reasonable control of Equity North Investments Inc., and, therefore, is subject to material variation.

The Property described in this Offering Memorandum Package may be subject to prior sale, modification and/or withdrawal from the market by the Owner at any time without prior notice. Owner and Equity North Investments Inc. each expressly reserves the right, at their sole discretion, to reject any and all expressions of interest or offers regarding the Property and or terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing this Offering Memorandum or making an offer to purchase the property unless and until a written agreement for the purchase of the Property Owner's obligations thereunder have been satisfied or waived. The terms and conditions stated in this "Confidentiality and Disclaimer" page will relate to all of the sections contained in this Offering Memorandum Package as if stated independently therein.

This material does not constitute an offer or a solicitation to purchase securities. This document is an informational summary.