

# INCOME-GENERATING LAND WITH FUTURE DEVELOPMENT POTENTIAL



**5301 Sierra Vista Ave | East Hollywood, CA 90029**

**Offering Price: \$6,000,000**

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## Executive Summary

This report presents an overview of the property located at **5301 Sierra Vista Avenue, East Hollywood**, highlighting its current use, income characteristics, and future development potential, along with an introduction to the surrounding neighborhood. The information is intended for public and stakeholder review and reflects a balanced view of near-term community benefit and long-term urban development opportunity.

The site is presently leased to the **City of Los Angeles** as a temporary housing facility, generating structured and escalating income while supporting critical community needs. Following the lease term, the property offers significant potential for residential development in a supply-constrained and transit-oriented submarket of Los Angeles.

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## Two-Phase Opportunity

Phase One: Secure, City-backed lease income

Phase Two: Potential residential development responding to long-term housing demand

This property combines near-term cash flow with long-term upside, offering both financial stability and future growth potential.

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## Property Overview

- **Address:** 5301 Sierra Vista Avenue, East Hollywood, CA 90029
- **Lot Size:** Approximately 19,110 square feet
- **Zoning:** C2 – RD1.5
- **Transit Oriented Communities (TOC):** Tier 3

**Current Use:** City-leased temporary housing facility

The property is uniquely positioned as income-generating land with future residential development potential, offering both immediate stability and long-term upside.

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## Current Leasing & Income Profile

- **Tenant:** City of Los Angeles
- **Lease Term:** January 1, 2026 – December 31, 2030
- **Landlord Responsibilities:** Property taxes and insurance only (approximately \$68,000 annually)

## Rent Schedule

- \$0.00/month – January 1, 2026, through March 31, 2026
- \$20,000/month – April 1, 2026, through December 31, 2026
- \$31,930/month – January 1, 2027, through June 30, 2028
- \$32,887.90/month – July 1, 2028, through June 30, 2029
- \$33,874.54/month – July 1, 2029, through December 31, 2030

## Additional Income:

- Billboard signage: \$2,575 per month (\$30,900 annually)

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## Projected Annual Income & Cap Rates

- 2026: **\$210,900 – 2.34% CAP Rate**
- 2027: **\$414,060 – 5.76% CAP Rate**
- 2028: **\$419,807 – 5.86% CAP Rate**
- 2029: **\$431,474 – 6.10% CAP Rate**
- 2030: **\$437,394 – 6.15% CAP Rate**

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This structured escalation provides predictable cash flow while reducing holding costs during the planning and entitlement phase.

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## **Value of the City Lease**

- Creditworthy municipal tenant
- Predictable, escalating income stream
- Reduced financial burden during pre-development
- Supports local housing initiatives and community needs
- Preserves long-term development flexibility

This phased approach allows ownership to generate income immediately while preparing for future construction.

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## **Future Development Potential**

Upon lease expiration, the property is well positioned for residential development aligned with City and State housing priorities.

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## **Development Highlights**

- Up to 46 units by right
- Unlimited units for 100% affordable housing (subject to prevailing regulations)
- No parking requirements
- SB8 Exempt (vacant for over 20 years)
- Not subject to the Rent Stabilization Ordinance (RSO)
- Located within an Enterprise Zone

East Hollywood continues to experience strong demand for housing due to its central location, transit access, and proximity to employment and cultural centers.

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## Neighborhood Overview: East Hollywood

East Hollywood is a vibrant, centrally located neighborhood known for its cultural diversity, walkability, and access to transit. The area is bordered by Hollywood, Los Feliz, Koreatown, and Silver Lake, making it a highly connected urban hub.

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### Transportation & Accessibility

- Near Metro B (Red) Line stations
  - Easy access to Hollywood Boulevard, Sunset Boulevard, and the 101 Freeway
  - Strong bus and active transportation network
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### Area Highlights & Attractions

- **Griffith Park & Griffith Observatory** – Hiking, recreation, and iconic city views
  - **Hollywood Boulevard** – Entertainment, retail, and cultural landmarks
  - **Los Feliz Village** – Boutique shopping, cafes, and neighborhood services
  - **Barnsdall Art Park & Hollyhock House** – Arts, architecture, and green space
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### Popular Eateries & Dining

East Hollywood and the surrounding areas offer a wide range of dining options, including:

- Local cafes and casual eateries along Vermont Avenue
- Diverse international cuisine reflects the neighborhood's cultural makeup
- Well-known restaurants in Los Feliz, Thai Town, and Hollywood, all within a short drive or walk

### Entertainment, Venues & Cultural Assets

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- Independent music venues and theaters in Hollywood and Los Feliz
- Nearby film theaters, including historic and art-house cinemas
- Live performance spaces, galleries, and community arts centers

These amenities contribute to a lively urban environment that appeals to residents, visitors, and future tenants alike.

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## Assumption

The property at **5301 Sierra Vista Avenue** represents **a rare two-phase opportunity** in East Hollywood: immediate, City-backed income paired with long-term residential development potential. Combined with the area's strong amenities, transit access, and cultural vitality, the site is well positioned to deliver both community benefit and future growth.

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## Disclaimer

The information presented herein is based on certain assumptions and cannot be guaranteed. Ed Koenig IRE/Koenig Properties and its agents disclaim responsibility for any typographical errors, inaccuracies, or misprints and shall not be held liable for any resulting claims. Prospective purchasers are strongly advised to conduct comprehensive due diligence, which should include, but is not limited to, consulting with the local building department, preparing independent pro-forma statements, undertaking market research on sales and rentals, and performing detailed cost analyses.

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## Contact Information



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