CONFIDENTIAL

9024 Reading Avenue

Los Angeles, CA 90045 | Westchester

Pre-Listing Market & Diligence Report

Triplex • 3 Units • 1,980 SF Building • 6,822 SF Lot • LAR3 / TOC Tier 3

Purpose of This Report

This report consolidates all diligence gathered to date on 9024 Reading Ave for internal use in preparing a builder's strategy.

Prepared: July 24, 2026

Prepared by: Derrick Ruiz, CALDRE #00919713 — eXp Realty of Greater Los Angeles Inc.
(310)308-3174 DerrickRuiz.com derrick.ruiz@exprealty.com

Table of Contents

1. Executive Summary

9024 Reading Ave is a one-story, 1,980 SF triplex on a 6,822 SF LAR3 lot in a tightly-defined pocket of Westchester currently undergoing rapid multifamily redevelopment. The seller has owned the property for 30 years, does not want to invest in repairs (the property needs a roof and is a moderate fixer), and is motivated to exit rather than continue navigating RSO, inspections, and landlord regulation.

The property sits in an unusually well-documented micro-market: it is flanked immediately on both sides by parcels with active, comparable development stories — an assembled, under-construction 77-unit affordable housing project to the south (9030/9038 Reading) and a nearly identical triplex to the north (9020 Reading) whose owner appears financially distressed and may be a future assemblage partner or competing seller.

Key Takeaways

- Standalone income/condition-adjusted value: approximately $750,000–$850,000.
- Assemblage/land-value scenario (if paired with an adjacent parcel): approximately $1,000,000–$1,170,000+.
- A confirmed arm's-length land comp (9030/9038 Reading, Nov 2024) supports roughly $172/SF of lot value for assembled TOC Tier 3 parcels in this exact tract.
- RSO applies, and City data flags a likely SB 330 replacement-housing obligation on redevelopment — this tempers, but does not eliminate, the land-value story.
- A 100' airport height limit caps redevelopment height regardless of TOC bonus; the neighboring 77-unit, 5-story project is a useful real-world benchmark for what's achievable under that ceiling.
- Recommended initial pricing strategy: list to capture both buyer types (income buyer and developer/assemblage buyer) rather than defaulting to a pure land-value ask — see Section 11.

2. Subject Property Profile

Item	Detail
Address	9024 Reading Ave, Los Angeles, CA 90045
APN	4125-011-025
Legal	Tract 15283, Lot 49
Building Size	1,980 SF (Assessor)
Lot Size / Dimensions	6,822 SF (124' x 55')
Year Built	1950
Stories	1
Zoning	LAR3 (R3-1)
Unit Mix	1 x 2BR/2BA, 1 x 2BR/1BA, 1 x 1BR/1BA
Parking	Detached 2-car garage (rear) — no alley access
Condition	Moderate fixer; roof replacement needed; interiors semi-remodeled
Rent Control (RSO)	Yes — APN 4125011025 confirmed on LA Housing Dept. lookup

Actual Monthly / Annual Income

Unit	Type	Monthly Rent	Annual
Unit 1	2BR/2BA	$2,300	$27,600
Unit 2	2BR/1BA	$2,200	$26,400
Unit 3	1BR/1BA	$900	$10,800
Total	3 Units	$5,400	$64,800

Rents are well below the $2,650–$3,275 projected/market rents seen on comparable RSO triplexes in this pocket, consistent with a long-hold, under-managed rent roll typical of an owner who has not pushed rents in years.

3. Ownership & Sales History — 9024 Reading Ave

The property last transacted on 12/11/1996 for $189,000 ($95.45/SF), sold by Harvey Floyd C. & Delores to current ownership after 149 days on market (original list $210,000). The 1996 MLS remarks describe the property as being "in excellent condition" at that time, with copper plumbing installed in 1992 and a new roof installed in 1994.

Why This Matters

The 1994 roof referenced in the 1996 listing is, at minimum, 32 years old today. This independently corroborates the seller's own statement that the property needs a new roof and supports treating that as a firm, disclosed condition item rather than a negotiable unknown.

4. Neighborhood & Market Context

The subject sits in a small, specific pocket of Westchester (south of Manchester Ave, generally between Airport Blvd and Aviation Blvd) that is distinct from — and currently trading at a discount to — Westchester more broadly.

Factors Working Against the Neighborhood

- Active construction directly adjacent (77-unit affordable housing project at 9030/9038 Reading) — noise, dust, and multi-year construction timeline during marketing and likely into a buyer's hold period.
- Tenant mix in the immediate pocket skews toward Section 8 / lower-income renters.
- Perceived neighborhood softening tied to concentration of low-income multifamily development.
- Persistent LAX flight path noise.
- Other nearby Westchester submarkets (across Manchester Blvd, or further east) are trading roughly 10–15% higher.

Factors Working in the Neighborhood's Favor

- The same construction that hurts marketability today is hard evidence that capital is actively targeting this specific census tract for TOC/density-bonus redevelopment — not a hypothetical entitlement story.
- LAX flight noise is a shared, already-priced-in characteristic across most of 90045, not a differentiator unique to this pocket.
- TOC Tier 3 + Transit Priority Area + High Quality Transit Corridor status apply broadly across the tract, not just to the assembled parcels.

5. Zoning & Entitlement Profile (ZIMAS)

Attribute	Status
Zoning	R3-1 (LAR3)
General Plan Land Use	Medium Residential
Specific Plan Area	Los Angeles Coastal Transportation Corridor
Transit Priority Area	Yes — ZI-2452
Housing Element Site	Yes — ZI-2512
Transit Oriented Communities (TOC)	Tier 3
Transit Oriented Incentive Area (TOIA)	2
High Quality Transit Corridor (½ mile)	Yes
AB 2334 Very Low Vehicle Travel Area	Yes
AB 2097 (within ½ mile of major transit stop)	Yes
SB 9 / SB 35 / SB 79 / SB 684 Eligibility	Flagged eligible — recommend buyer counsel confirm
ED 1 Eligibility	Review eligibility (100% affordable streamlining)
TCAC Opportunity Area	Moderate
Rent Stabilization Ordinance (RSO)	Yes — confirmed on subject APN
Ellis Act Property	No
Just Cause for Eviction Ordinance (JCO)	No
Housing Element Replacement Required	Yes
Housing Use Within Prior 5 Years	Yes
Airport Hazard / Height Limit	100' Height Limit Above Elevation 111
Flood Zone	Outside Flood Zone
Very High Fire Hazard Severity Zone	No

Regulatory Flag — Replacement Housing

The combination of RSO coverage, “Housing Element Replacement Required: Yes,” and “Housing Use Within Prior 5 Years: Yes” indicates that any demolition/redevelopment of the subject is likely to trigger SB 330 replacement-housing obligations (replacement units and/or tenant relocation/affordability requirements). This is a real cost and complexity factor for a development buyer's underwriting — it does not preclude redevelopment, but it means the site should not be marketed as a “clean” vacant-land teardown. This should be disclosed clearly rather than glossed over.

Height Ceiling Context

The 100' airport height limit above elevation 111 caps achievable height on the subject regardless of TOC density bonus stacking. The adjacent 9030/9038 project — 5 stories, Type IIIA — is a useful real-world data point for what has actually cleared this height constraint at this location, and is a reasonable benchmark for conversations with development-minded buyers.

6. Adjacent Development (South) — 9030 & 9038 Reading Ave

Immediately adjacent to the subject's south side (Lots 48 and 47, Tract 15283) is an assembled, permitted, and currently-under-construction affordable housing project.

Building Permit — 9038 S Reading Ave

Item	Detail
Doc Type	Building Permit — New Construction (BLDG-NEW)
Status	Issued (05/08/2026)
Project	New 5-story building with roof deck, Type IIIA construction
Unit Count	77 units total (60 base + affordability bonus): 4 VLI + 62 LI + 10 MI
Incentive Program	12.22.A.25 (LA density bonus ordinance)
Combined Assessor Parcels	4125-011-024 (Lot 48) + 4125-011-023 (Lot 47)
Combined Lot Size	≈ 13,644 SF (6,821 SF + 6,823 SF)

Sales History — 9030 & 9038 Reading (the real comp)

Both parcels sold individually, but simultaneously, to the same buyer entity in November 2024:

Address	APN	Bldg SF	Lot SF	Sold Price	$/SF Bldg	GRM	Sold Date
9030 Reading	4125-011-024	1,800	6,821	$1,175,000	$652.78	22.60	11/01/2024
9038 Reading	4125-011-023	2,364	6,823	$1,175,000	$497.04	22.25	11/01/2024

The 9030 listing remarks stated outright: “Value Mainly In Land.” Combined with GRMs above 22 and an implied cap rate near 2.3%, this confirms both parcels were purchased for entitlement/land value, not for their in-place income. At $1,175,000 on ≈ 6,822 SF lots, this equates to approximately $172/SF of land — an arm's-length, closed data point specific to this tract.

Do Not Cite as a Comp

A second transaction is recorded on these parcels dated 06/08/2026 at $2,350,000, alongside a $7,830,000 construction loan and a change of owner entity from “9030-9038 Reading LLC” to “9030-9038 Reading Lp.” This is an entity restructuring / recapitalization tied to construction financing, not an arm's-length resale — the same-day pairing of entity conversion and construction loan, plus the Prop 13 reassessment it triggered, makes this unreliable as a market comp. The November 2024 sale is the transaction to rely on.

7. Adjacent Parcel (North) — 9020 Reading Ave

Immediately adjacent to the subject's north side (Lot 50, Tract 15283) is a near-twin property: same tract, same 1950 vintage, LAR3, TOC Tier 3, three units, 2,364 SF building on a 6,823 SF lot (essentially identical to the subject's lot).

Item	Detail
Owner	De La Cruz, Jesse

Item	Detail
Owned Since	03/10/2003 ($414,000 purchase price)
Mailing Address	6420 Green Valley Cir Apt 323, Culver City, CA 90230
MLS Listing (25613827)	Listed 11/04/2025 at $1,250,000 ($528.76/SF) — Canceled 11/05/2025 (1 DOM)
Listing Positioning	Explicitly marketed on LAR3/TOC Tier 3 development upside; garages flagged as ADU-convertible
Actual Rent Roll at Listing	$2,300 + $1,300 + $1,100 = $4,700/mo ($56,400/yr) — GRM > 22 implied at ask
Refinance	$934,750 recorded 12/05/2025, Champions Fndg LLC (private/non-conventional lender)

Working Theory on Owner Motivation

The sequence — list 11/4, cancel 11/5, refinance 12/5 — is consistent with a common private-lending constraint: many lenders will not fund a refinance on a property that is actively listed for sale. Under this theory, the owner needed liquidity, had to pull the listing to get the loan to close, and did so via a private lender rather than a conventional bank, which typically signals urgency or an inability to qualify conventionally.

A rough debt-service estimate on a $934,750 private loan (interest-only, 9–11% range typical of this lender type) runs approximately $7,000–$8,500 per month — which likely exceeds the property's entire $4,700/mo actual rent roll. If accurate, the owner is carrying significant negative cash flow on this asset, independent of the property's own income, and may be substantially more motivated to sell (or to entertain an assemblage conversation) than the canceled listing alone would suggest.

Action Item

Next door neighbor’s triplex at 9020 Reading is roughly the same square footage. The owner’s Realtor has indicated he is interested in also selling his property in conjunction with the subject property at 9024 Reading St.

8. Comparable Sales — Income Approach

Comparables below are occupied, actual-rent transactions best suited to valuing the subject on its current income, before any redevelopment premium.

Address	Status	Units	Bldg SF	Price	$/SF	GRM	Cap Rate
5748 Morley St	Active	3	2,280	$995,000	$436.40	13.51	5.07%
5503 Thornburn St	Active	3	2,726	$1,195,000	$438.37	25.53	—
8815 Reading Ave	Sold	2	1,568	$1,200,000	$765.31	21.00	—
8893 Reading Ave	Sold	4	2,829	$1,200,000	$424.18	12.66	5.37%
9027 Ramsgate Ave	Sold	4	3,542	$1,295,000	$365.61	13.65	4.87%
8912 Reading Ave	Active	4	3,542	$1,349,000	$380.86	14.90	—
8811 Reading Ave	Pending	2	1,560	$1,400,000	$897.44	27.83	3.40%

Size-matched cluster (buildings between ≈ 1,900–3,600 SF, most comparable to the subject's 1,980 SF) trades at roughly $365–$440/SF. Applying that range directly to the subject: $723,000–$871,000, before condition adjustments.

9. Comparable Sales — Land / Development Approach

Address	Status	Delivery	Lot SF	Price	$/SF Lot	Notes
8837 Ramsgate Ave	Active	Vacant	7,020	$1,299,000	$185	Reduced from $1,399,000
8903 Ramsgate Ave	Active	Vacant	7,026	$1,300,000	$185	Reduced from $1,400,000; duplex
9030 Reading Ave	Sold 11/2024	Occupied	6,821	$1,175,000	$172	“Value Mainly In Land”
9038 Reading Ave	Sold 11/2024	Occupied	6,823	$1,175,000	$172	Assembled w/ 9030
9020 Reading Ave	Canceled 11/2025	Occupied	6,823	$1,250,000 (ask)	$183	Not a closed comp — asking price only

The two vacant-delivery Ramsgate comps show buyers currently paying roughly $185/SF of land for clean, tenant-free TOC Tier 3 sites. The 9030/9038 sale — the only closed, arm's-length comp for an occupied parcel in this exact tract — closed at $172/SF, a reasonable discount to the vacant-delivery rate given occupancy and relocation/replacement housing considerations.

10. Valuation Analysis — Standalone vs. Assemblage

Scenario A — Standalone Sale (No Assemblage)

Subject sold alone, marketed to both income buyers and opportunistic redevelopment buyers, without a confirmed assemblage partner.

Method	Basis	Implied Value
GRM (13x–17x actual GSI of $64,800)	Weighted toward lower end given fixer condition	$842,400 – $1,101,600
$/SF (size-matched comps, condition-adjusted)	$330–$400/SF x 1,980 SF, discounted for roof/fixer/no-alley	$653,400 – $792,000
Reconciled Standalone Range	Blended, weighted toward the $/SF floor given visible negatives	$750,000 – $850,000

Scenario B — Assemblage (Paired with an Adjacent Parcel)

Subject paired with a neighboring parcel (most plausibly 9020 Reading to the north, or another adjacent lot) to replicate the density-bonus economics proven by the 9030/9038 project.

Method	Basis	Implied Value
Land rate from closed comp	$172/SF (Nov 2024, 9030/9038) x 6,822 SF	≈ $1,173,000
Land rate from vacant-delivery comps	$185/SF x 6,822 SF (upper bound, assumes vacant delivery)	≈ $1,262,000
Reconciled Assemblage Range	Contingent on securing an assemblage partner; RSO/replacement housing discount applied	$1,000,000 – $1,170,000+

Key Caveat

The Scenario B ceiling assumes an assemblage partner is secured. Standing alone, the subject's single 6,822 SF parcel is unlikely to support density-bonus-scale redevelopment on its own — the 9030/9038 project required combining two parcels to reach ≈ 13,644 SF. Absent a confirmed partner, Scenario A is the more defensible pricing basis for an initial list price.

11. Pricing Recommendation

Given the seller's stated priorities — minimal further investment, a clean exit, and fatigue with ongoing landlord regulation — the recommended approach is:

- List within the Scenario A standalone range, targeting approximately $795,000, positioned to attract both income buyers and opportunistic/assemblage-minded developers simultaneously.
- Disclose the roof condition, RSO status, and likely replacement-housing obligation clearly and early — this protects credibility and reduces retrade risk during escrow.
- Feature the adjacent 77-unit project and TOC Tier 3 entitlement stack prominently in marketing as proof-of-concept, while being careful not to overstate standalone redevelopment potential absent a confirmed assemblage partner.
- Pursue the 9020 Reading conversation in parallel and off-market, before finalizing marketing materials — if an assemblage becomes viable, pricing strategy should shift toward Scenario B before the property is broadly marketed, not after.
- If no assemblage materializes, price and market as a standalone value-add/income asset with a clearly disclosed redevelopment narrative as upside, not the headline.

12. Open Items & Next Steps

Item	Status
Confirm actual operating expenses (taxes, insurance, water/trash) for subject	Pending — needed to finalize NOI/cap rate
Contact owner (9020 Reading) directly re: assemblage/sale interest	In progress — Derrick sourcing direct number
Fallback: contact Lauren Foster (Coldwell Banker) if direct outreach unsuccessful	Plan B
Confirm ownership on remaining flanking parcels (9022 1/2, 9026, 9032) for full assemblage picture	Not yet started
Confirm SB 330 replacement housing scope with land-use counsel before finalizing buyer-facing marketing language	Recommended prior to going live

Item	Status
Verify neighbor construction story count / height against airport 100' limit via LADBS permit (confirmed: 5 stories, Type IIIA)	Confirmed

This report reflects diligence gathered as of July 24, 2026 and should be updated as new information (expenses, owner conversations, additional parcel ownership) becomes available.