

1256

1256 Westgate Ave
Los Angeles, CA 90025

Offering Memorandum
10 Unit Apartment Building

THE JAMES GROUP
www.JamesGroupRE.com

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The information contained in this Offering Memorandum ("Memorandum") is proprietary and strictly confidential; it is intended to be reviewed only by the party receiving it from Broker and should not be made available to anyone else without the written consent of Broker. By retention or use of this Memorandum, you agree that its contents are confidential, that you will hold it in the strictest confidence, and that you will not disclose any of its contents contrary to these terms.

This Memorandum has been prepared to provide summary, unverified information to establish a preliminary level of interest in the subject property ("Property"). The information in this Memorandum has been obtained from sources Broker believes to be reliable; however, Broker has not conducted sufficient investigation to make any warranty or representation whatsoever including but not limited to the accuracy or completeness of the information, veracity or accuracy of the information, condition of the Property or its compliance or lack of compliance with applicable governmental requirements, developability, suitability or financial performance of the Property, income or expenses for the Property, the size and square footage of the Property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State or Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant or any tenant's plans or intentions to continue occupancy of the Property. The Memorandum has selected information relating to the Property and does not purport to be an all - inclusive representation regarding the Property or to contain all or part of the information which prospective investors may require to evaluate the purchase of the Property. Additional information and an opportunity to investigate the Property will be made available to interested and qualified prospective purchasers. All information is based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of Broker, therefore, all information is subject to material variation. The information contained herein is not a substitute for a thorough due diligence investigation. Interested parties are expected to review all information of whatever nature independently and not rely on the contents of this Memorandum in any manner.

The Property owner ("Owner") expressly reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, and/or to terminate discussions at any time with or without notice. The Owner shall have no legal commitment or obligation unless and until written agreement(s) have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

THE JAMES GROUP

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Prepared by:

Peter James
First Vice President
(310)467-7581
Peter@LyonStahl.com

Will James
First Vice President
(310)600-9858
Will@LyonStahl.com



Section 1

The Opportunity

EXECUTIVE SUMMARY

The James Group is pleased to present 1256 S. Westgate Ave in a prime West Los Angeles submarket just a block south of Wilshire Blvd and adjacent to Brentwood, another premier rental pocket of LA's westside. The subject property is a 10 unit apartment building built in 1960. The building boasts an excellent unit mix including (7) 1 bed / 1 bath and (3) 2 bed / 1 bath units spread out over 7,391 square feet and sits on a 7,202 square foot LAR3 zoned lot. 1256 Westgate is a unique value-add opportunity in one of the best rental pockets of Los Angeles. With approximately 72% upside in rents a future investor will benefit from a well located asset and long term growth potential. There is currently 1 vacancy at the building allowing for immediate access to upside potential.

LA's Westside continues to be one of the, if not the best, rental pockets in all of Los Angeles. With continued rent growth and low vacancy rates, renters continue to seek out opportunities in the immediate area surrounding the subject property. With Santa Monica directly to the west, Brentwood directly to the north and Westwood just a short distance to the east, the property is strategically positioned. Area amenities include high end restaurants, bars and nightlife along with shopping and a robust office market, making it a perennial economic hub in Southern California. The location and rental upside make this an opportunity to own a generational real estate asset in one of LA's best neighborhoods.



INVESTMENT HIGHLIGHTS

- First time on the market. Value-add opportunity with approximately 72% upside in rents. There is currently 1 vacancy at the building allowing for immediate access to the upside potential.
- 10 Units in Prime West Los Angeles submarket consisting of (1) 2 Bed / 2 Bath, (2) 2 Bed / 1 Bath and (7) 1 Bed / 1 Bath units
- One block south of Wilshire, adjacent to Brentwood in a premiere rental pocket of LA's Westside
- Excellent Walk Score with shops, high-end restaurants and nightlife within walking distance of the subject property
- Strategic location with Santa Monica directly to the West, Brentwood one block to the north and Westwood to the east. Surrounded by all of the major Economic hubs of the Westside
- Soft Story retrofit completed
- 7,391 square foot building on a 7,202 square foot lot zoned LAR3
- Opportunity to acquire generational real estate asset in a premiere Westside submarket





Section 2

The Property

PROPERTY OVERVIEW



PROPERTY DESCRIPTION

The subject property is a 10 unit apartment building located at 1256 Westgate Ave. The property sits in the West Los Angeles submarket of Los Angeles just south of Brentwood in a prime rental pocket of LA's westside. Built in 1960, the property consists of (2) 2 Bed / 1 Bath, (1) 2 Bed / 2 Bath and (7) 1 Bed / 1 Bath units. Sitting on a 7,202 sf lot zoned LAR3, the improvements consist of 7,391 square feet of leasable area. Utilities are separately metered. Parking for the subject property is located at the rear and side of the property totalling 10 spaces. The soft-story retrofit has been completed.

PROPERTY DETAILS

| | |
|--------------|--|
| No. of Units | 10 |
| Year Built | 1960 |
| Rentable SF | 7,391 |
| Lot Area | 7,202 |
| APN | 4263-007-025 |
| Zoning | LAR3 |
| Rent Control | LARSO |
| Roof Type | Flat |
| Parking | 10 Spaces On-Site |
| Unit Mix | (1) 2 Bed / 2 Bath, (2) 2 Bed/1 Bath, (7) 1 Bed/1 Bath |
| Utilities | Separately Metered |



PROPERTY PHOTOS





BRENTWOOD

WESTWOOD

1256 S. Westgate

MARINA DEL REY

VENICE

SANTA MONICA

1256 S. WESTGATE



Section 3

The Financials

RENT ROLL

| UNIT | UNIT TYPE | UNIT SF | CURRENT | RENT/SF | MARKET RENT | PF RENT/SF | |
|-------|----------------|---------|----------|---------|-------------|------------|--------|
| 1 | 2 Bed / 1 Bath | 950 | \$600 | \$0.63 | \$2,850 | \$3.00 | |
| 2 | 1 Bed / 1 Bath | 650 | \$1,436 | \$2.21 | \$2,350 | \$3.62 | |
| 3 | 1 Bed / 1 Bath | 650 | \$1,782 | \$2.74 | \$2,350 | \$3.62 | |
| 4 | 2 Bed / 2 Bath | 950 | \$636 | \$0.67 | \$2,950 | \$3.11 | |
| 5 | 2 Bed / 1 Bath | 950 | \$2,228 | \$2.35 | \$2,850 | \$3.00 | |
| 6 | 1 Bed / 1 Bath | 650 | \$2,089 | \$3.21 | \$2,350 | \$3.62 | |
| 7 | 1 Bed / 1 Bath | 650 | \$1,866 | \$2.87 | \$2,350 | \$3.62 | |
| 8 | 1 Bed / 1 Bath | 650 | \$1,643 | \$2.53 | \$2,350 | \$3.62 | |
| 9 | 1 Bed / 1 Bath | 650 | \$2,350 | \$3.62 | \$2,350 | \$3.62 | Vacant |
| 10 | 1 Bed / 1 Bath | 650 | \$538 | \$0.83 | \$2,350 | \$3.62 | |
| TOTAL | | 7,400 | \$15,169 | | \$25,100 | | |

FINANCIAL SUMMARY

Price

| | |
|-------------------|-------------|
| Price | \$2,750,000 |
| Down (50%) | \$1,237,500 |
| Price/Unit | \$275,000 |
| Price/SF | \$372.07 |
| Cap Rate | 3.92% |
| Proforma Cap Rate | 7.96% |
| GRM | 15.11 |
| Proforma GRM | 9.13 |

PROPERTY

| | |
|----------------------|----------------------|
| Street | 1256 S. Westgate Ave |
| City | Los Angeles |
| State | CA |
| Zip | 90025 |
| No. of Units | 10 |
| Net Rentable Sq. Ft. | 7,391 |
| Lot Size | 7,202 |
| Zoning | LAR3 |
| APN | 4263-007-025 |
| Year Built | 1960 |

FINANCING

| | |
|-----------------|--------------|
| Loan Amount | \$1,512,500 |
| Interest Rate | 5.60% |
| Monthly Payment | (\$8,682.94) |
| Loan-to-Value | 55% |
| Amortization | 30 |
| Term | 5 Year Fixed |

INCOME

| | | Current | Proforma |
|---------------------------|-------|-----------|-----------|
| Base Rental Income | | \$182,028 | \$301,200 |
| Laundry Income(estimated) | | \$594 | \$594 |
| Gross Potential Income | | \$182,623 | \$301,794 |
| Less Vacancy | 3% | \$5,479 | \$9,054 |
| Effective Gross Income | | \$177,144 | \$292,740 |
| Operating Expenses | 39% | \$69,310 | \$73,734 |
| Net Operating Income | | \$107,834 | \$219,007 |
| Debt Service | | \$84,700 | \$84,700 |
| Pre-Tax Cash Flow | 1.87% | \$23,134 | \$134,307 |
| Principal Reduction | | -\$20,004 | -\$20,004 |
| Total Return Before Taxes | 3.49% | \$43,138 | \$154,310 |

EXPENSES

| | | |
|------------------------------------|-------------|-------------|
| Taxes (1.1199398%) | \$30,798 | \$30,798 |
| Insurance (Actual 2024) | \$7,106 | \$7,106 |
| Utilities (Actual 2024) | \$14,213 | \$14,213 |
| Repairs & Maintenance (\$500/Unit) | \$5,000 | \$5,000 |
| Management Fee (4% of EGI) | \$7,086 | \$11,710 |
| Gardener (\$100/month) | \$1,200 | \$1,200 |
| Pest Control (Estimated) | \$600 | \$600 |
| Reserves (\$200/Unit) | \$2,000 | \$1,800 |
| Direct Assessments | \$1,307 | \$1,307 |
| Total Expenses | \$69,309.93 | \$73,733.79 |
| Expenses per Unit | \$6,930.99 | \$7,373.38 |
| Expensest per SF | \$9.38 | \$9.98 |

RENT SUMMARY

| Unit Mix | No. of Units | Average Rent | Monthly | Average Rent | Monthly |
|----------------|--------------|--------------|----------|--------------|----------|
| 1 Bed / 1 Bath | 7 | \$1,672 | \$11,705 | \$2,350 | \$16,450 |
| 2 Bed / 1 Bath | 2 | \$1,414 | \$2,828 | \$2,850 | \$5,700 |
| 2 Bed / 2 Bath | 1 | \$636 | \$636 | \$2,950 | \$2,950 |



UNDERWRITING NOTES

INCOME

| | |
|----------|--|
| Income | Building is 90% occupied. Laundry income is actual. |
| Vacancy | Vacancy Rate is 3% of Gross Rental Income. |
| Proforma | Market Rents based on Rent Analysis of Submarket Area. |
| Unit SF | Unit Square Footages are Estimated |

EXPENSES

| | |
|-----------------------|--|
| Property Tax Rate | Actual per Los Angeles Tax Assessor 1.1199398% |
| Insurance | Actuals based on 2024 |
| Utilities | Actuals based on 2024, Includes trash |
| Repairs & Maintenance | Estimated annually \$500 per unit |
| Management Fee | 4% of Effective Gross Income. |
| Direct Assessments | Actual per Los Angeles Tax Assessor |
| Gardener | \$100/month |
| Reserves | \$200 per unit |



Section 4

The Location

DEMOGRAPHIC OVERVIEW

TOP EMPLOYERS

| | |
|---------------------|---------|
| Los Angeles County | 111,800 |
| LAUSD | 75,676 |
| Kaiser | 40,876 |
| USC | 22,876 |
| UPS | 11,643 |
| Wells Fargo | 7,075 |
| Children’s Hospital | 6,405 |
| Bank of America | 5,200 |
| JP Morgan Chase | 4,000 |
| City National Bank | 3,480 |

HOUSEHOLDS

| | 1 Mile | 2 Mile | 3 Mile |
|----------------------------|-----------|-----------|-----------|
| 2010 Population | 24,583 | 65,313 | 114,475 |
| 2023 Population | 25,375 | 66,240 | 115,333 |
| 2027 Population Projection | 24,991 | 65,017 | 113,059 |
| Annual Growth 2010–2023 | 0.3% | 0.4% | 0.4% |
| Annual Growth 2023–2028 | –0.3% | –0.4% | –0.4% |
| Owner Occupied Homes | 4,274 | 19,177 | 46,757 |
| Renter Occupied Homes | 19,119 | 44,377 | 72,546 |
| Avg Household Size | 1.9 | 2 | 2 |
| Avg Household Vehicles | 1 | 1 | 1 |
| Avg Household Income | \$128,336 | \$130,086 | \$136,658 |



70

VERY BIKEABLE



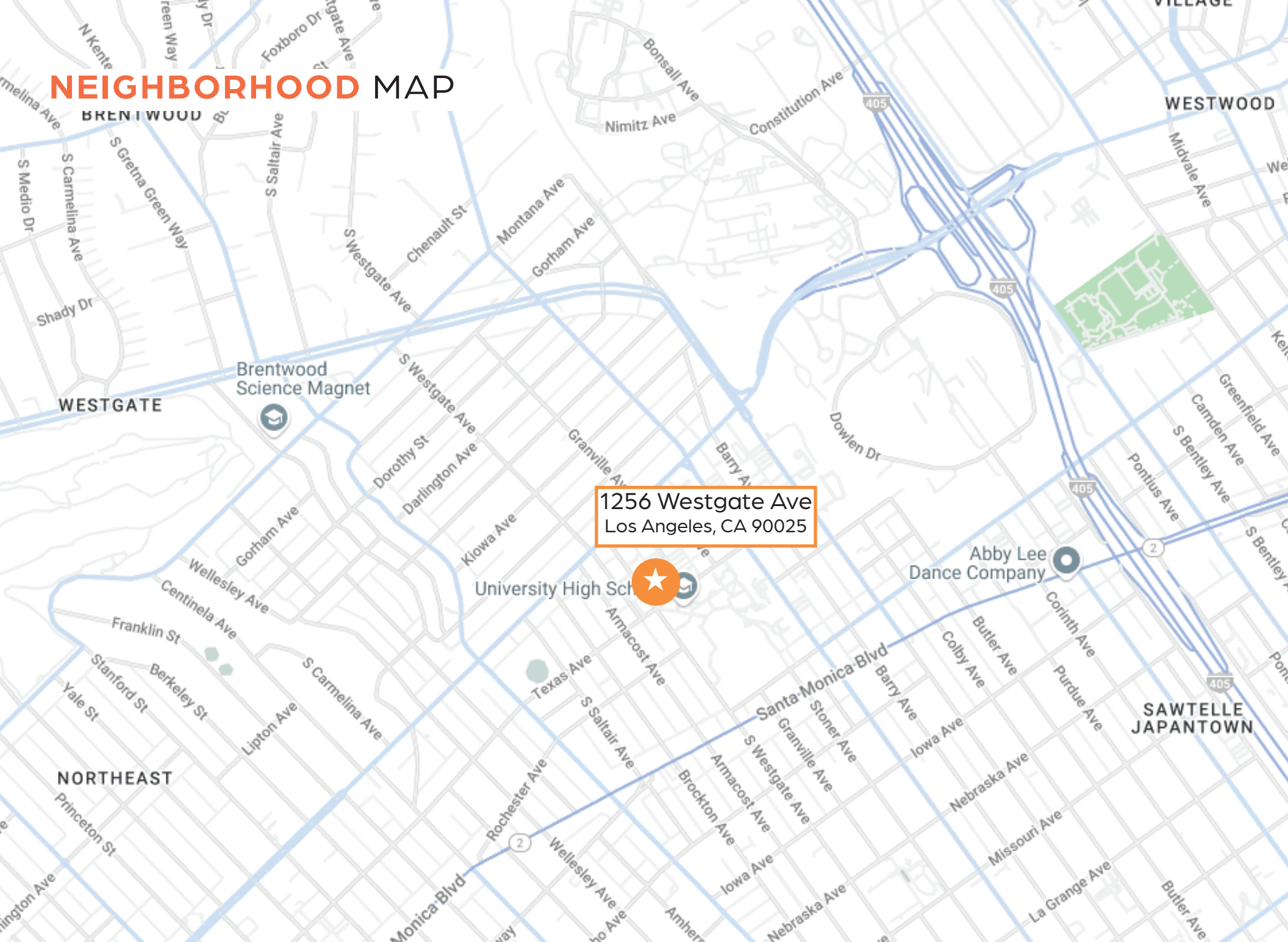
88

VERY WALKABLE



GOOD TRANSIT

NEIGHBORHOOD MAP



A regional map of Los Angeles and surrounding areas. The map shows major freeways (Interstates 5, 10, 405, 101, 110, 180, 105) and local roads. Key neighborhoods and landmarks are labeled, including West Hollywood, Beverly Hills, Culver City, Santa Monica, Marina Del Rey, Playa Vista, Westchester, Inglewood, Lennox, Hawthorne, Westmont, West Athens, Willowbrook, Lynwood, Watts, Nickerson Gardens, Florence-Graham, Huntington Park, Vernon, South Los Angeles, Leimert Park, Crenshaw, Mid-City, Mid-Wilshire, Koreatown, Westlake, Chinatown, Skid Row, Boyle Heights, East Hollywood, Silver Lake, Echo Park, Lincoln Heights, and Pacific Palisades. A specific location, 1256 Westgate Ave, is highlighted with an orange star and a text box indicating its address: "1256 Westgate Ave, Los Angeles, CA 90025". Other points of interest marked include "The Museum of Jurassic Technology" and "Natural History Museum of Los Angeles County". The map also shows the University of California, Los Angeles (UCLA) and the Tolerance building. The map is titled "REGIONAL MAP" in the top left corner.

PURPLE LINE EXTENSION

The Purple (D Line) Extension rail project will provide a transportation alternative from downtown Los Angeles to Westwood with an expected travel time of about 25 minutes. The project will be built in 3 sections with an expected completion in 2027.

| Section | Section 1 | Section 2 | Section 3 |
|----------------------|--|--|---------------------------------------|
| New Stations | Wilshire/LA Brea Wilshire/ Fairfax Wilshire/La Cienega | Wilshire/Rodeo Century City/Constellation | Westwood/UCLA Westwood/VA Hospital |
| Projected Completion | 2025 | 2026 | 2027 |



CONTACT US

1256

Peter James

First Vice President

(310)467-7581

Peter@LyonStahl.com

DRE# 01748556

Will James

First Vice President

(310)600-9858

Will@LyonStahl.com

DRE#01734419

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LYON STAHL
INVESTMENT REAL ESTATE