

5274 Ithaca Ave  
Los Angeles CA 90032



Offering Memorandum  
9 Unit Apartment Building

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THE **JAMES** GROUP



An aerial photograph of a residential property. The central focus is a large, multi-unit building with a grey roof and a brown roof section. To the left is a large, mature palm tree. A driveway with a car is visible. The surrounding area includes other houses, trees, and a street with parked cars.

01

## The Opportunity

*Executive Summary  
Investment Highlights*

02

## The Property

*Property Overview  
Parcel Map  
Property Photos*

03

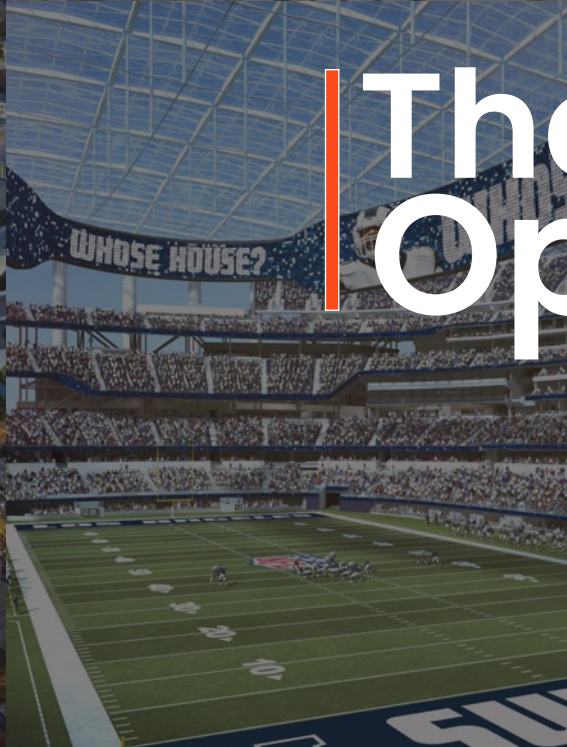
## The Financials

*The Rent Roll  
Financial Summary  
Section 8 Voucher Standards  
Underwriting Notes*

04

## The Location

*Los Angeles  
Key Developments  
Maps*



Section 1

# The Opportunity

# EXECUTIVE SUMMARY

*Excellent cash-flowing 9-unit El Sereno apartment asset with meaningful rental upside and long-term value-add potential.*

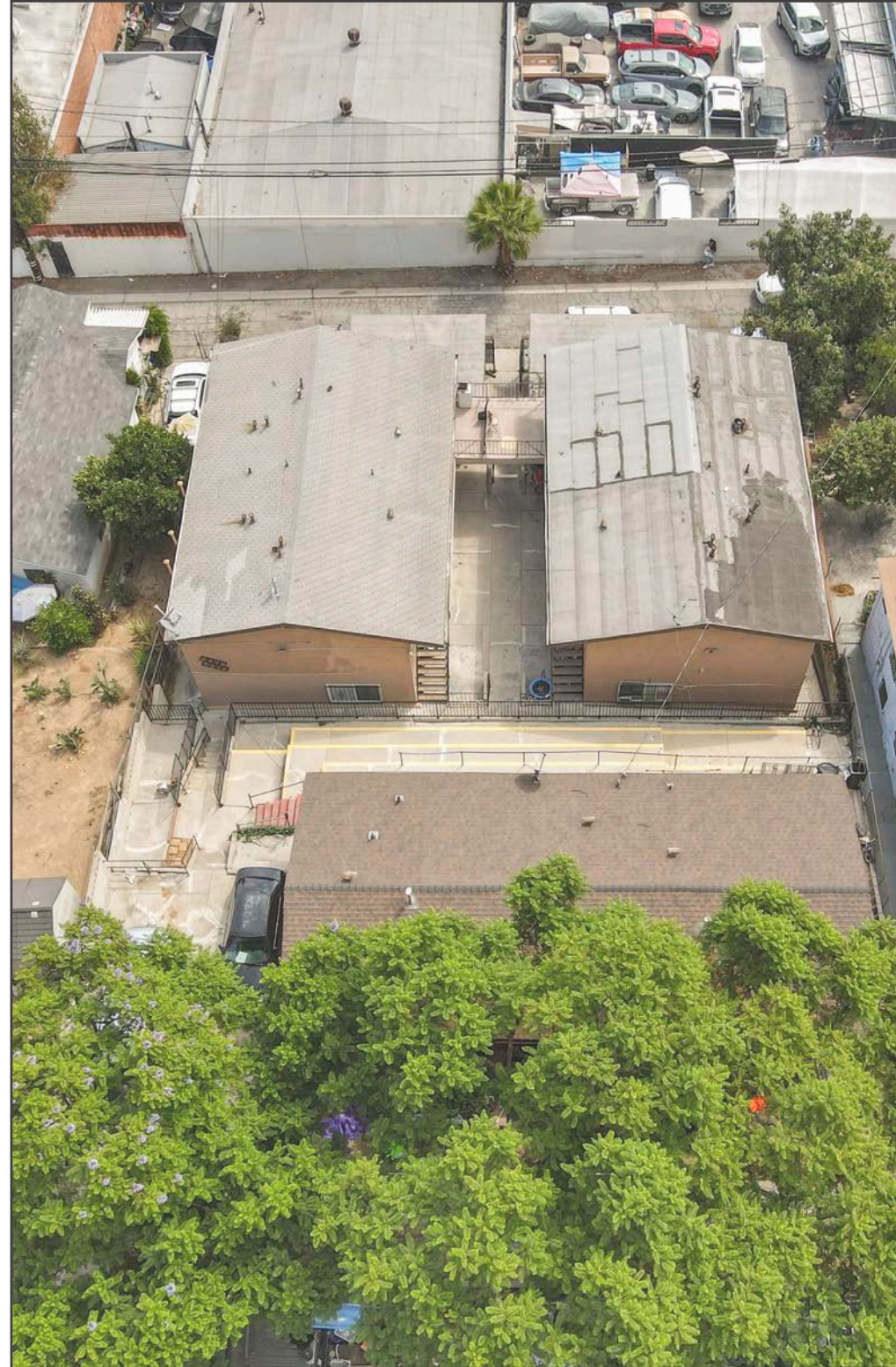
Located in the growing community of El Sereno, 5274 Ithaca Ave is a well-positioned 9-unit apartment building offered at \$1,600,000. With a strong 8.14% Cap Rate and 8.03 GRM, this property provides immediate income along with long-term potential.

The unit mix includes (1) 3-bed/1-bath, (4) 2-bed/1-bath, and (4) 1-bed/1-bath units spread across 5,439 square feet of living space. A large lot offers ADU development potential for added upside (buyer to verify).

An excellent investment in a rapidly developing pocket of Northeast LA, with convenient access to Downtown, Highland Park, and surrounding neighborhoods.

## Highlights:

- Excellent cash flow opportunity
- Located in El Sereno, an excellent pocket of Los Angeles just northeast of Downtown Los Angeles and south of Pasadena.
- Excellent unit mix consisting of (4) 2 Bed/1 Bath, (4) 1 Bed/1 Bath, and (1) 3 Bed/1 Bath units.
- Large 9,601 square foot lot zoned LARD1.5.





Section 2

# The Property

# PROPERTY OVERVIEW



## PROPERTY DETAILS

No. of Units	9
Year Built	1963
Rentable SF	5,439
Lot Area SF	9,601
APN	5217-018-005
Zoning	LARD1.5
Rent Control	LA RSO
Roof Type	Pitched
Unit Mix	(4) 2 Bed/1 Bath, (4) 1 Bed/1 Bath, (1) 3 Bed/1 Bath
Utilities	Separately Metered

## PROPERTY DESCRIPTION

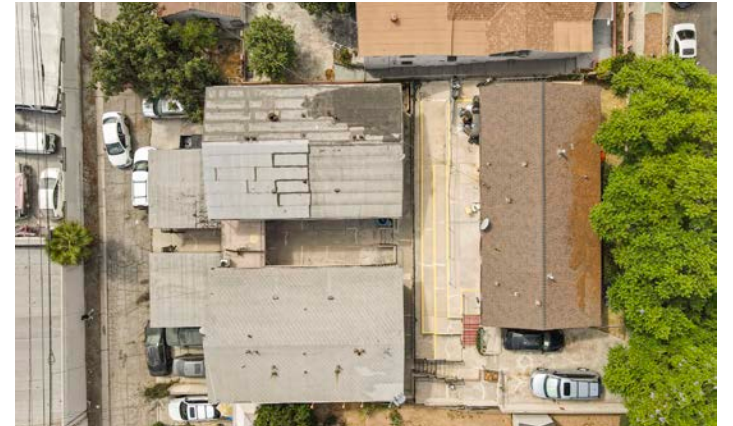
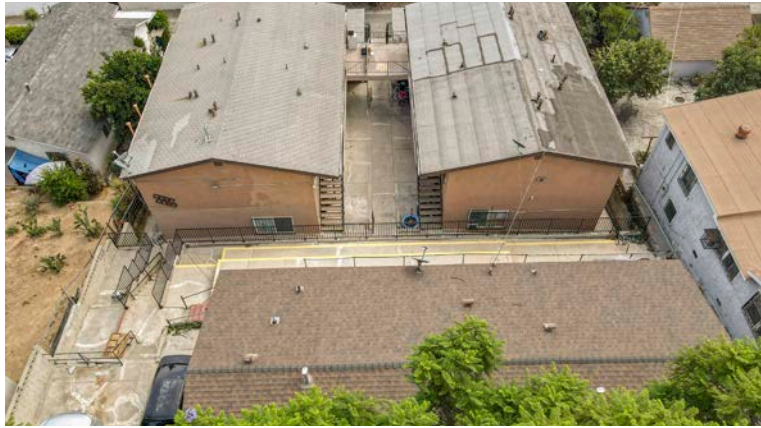
The subject property is a 9-unit apartment building located in the El Sereno submarket, northeast of Downtown Los Angeles and just west of the San Gabriel Valley. The property consists of three separate structures situated on a large 9,601 square foot lot zoned LARD1.5. The site offers alley access at the rear of the lot, with parking located at both the front and rear of the property, providing space for up to 12 vehicles, including enclosed garages

at the rear. The lot size, zoning, and site layout may also provide potential for additional ADU development under SB 1211, buyer to verify.

Built in 1963, the units are subject to LARSO and utilities are separately metered. The unit mix consists of four 2-bedroom/1-bath units, four 1-bedroom/1-bath units, and one 3-bedroom/1-bath unit.



# PROPERTY PHOTOS





5274  
Ithaca



5274  
Ithaca



Section 3

# The Financials

# RENT ROLL

Unit No.	Unit Type	Unit SF	Monthly Rent	Rent/SF	PF Rent	PF Rent/SF	Move In Date
5274	3 Bed / 1 Bath	1,000	\$1,930.30	\$1.93	\$2,800	\$2.80	5/22/2017
5276-1	2 Bed / 1 Bath	550	\$1,920.00	\$3.49	\$2,500	\$4.55	3/13/2020
5276-2	1 Bed / 1 Bath	350	\$1,084.38	\$3.10	\$1,850	\$5.29	4/1/2015
5276-3	1 Bed / 1 Bath	350	\$1,850.00	\$5.29	\$1,850	\$5.29	7/1/2025
5276-4	1 Bed / 1 Bath	350	\$967.42	\$2.76	\$1,850	\$5.29	7/18/13
5278-5	2 Bed / 1 Bath	550	\$2,000.00	\$3.64	\$2,500	\$4.55	3/1/2026
5278-6	2 Bed / 1 Bath	350	\$2,500.00	\$7.14	\$2,500	\$7.14	Vacant
5278-7	2 Bed / 1 Bath	550	\$2,500.00	\$4.55	\$2,500	\$4.55	Vacant
5278-8	1 Bed / 1 Bath	350	\$1,854.44	\$5.30	\$1,850	\$5.29	3/25/25
		<b>4,400</b>	<b>\$16,607</b>		<b>\$20,200</b>		

# FINANCIAL SUMMARY

## Price **\$1,600,000**

Down (30%)	\$480,000
Price/Unit	\$177,778
Price/SF	\$294
Cap Rate	8.14%
Proforma Cap Rate	10.63%
GRM	8.03
Proforma GRM	6.60

## Property

Address	5274 Ithaca Ave
City	Los Angeles
State	CA
Zip	90032
No. of Units	9
Net Rentable Sq. Ft.	5,439
Lot Size	9,601
Zoning	LARD1.5
APN	5217-018-005
Year Built	1963

## Financing

Loan Amount	\$1,120,000
Interest Rate	6.50%
Monthly Payment	\$7,079
Loan-to-Value	70%
Amortization	30
Term	5 Year Fixed

## Operating Data

		Current		Proforma
Base Rental Income		\$199,278		\$242,400
Gross Potential Income		\$199,753		\$242,875
Less Vacancy	3%	\$5,993	3%	\$7,286
Effective Gross Income		\$193,761		\$235,589
Operating Expenses	33%	\$63,452	28%	\$65,543
Net Operating Income		\$130,309		\$170,045
Debt Service		-\$84,950		-\$84,950
Pre-Tax Cash Flow	9.45%	\$45,359	17.73%	\$85,095
Principal Reduction		-\$12,519		-\$12,519
Total Return Before Taxes	12.06%	\$57,877	20.34%	\$97,614

## Expenses

Taxes (1.25%)	\$20,000	\$20,000
Insurance (T-12)	\$6,449	\$6,449
Utilities(T-12)	\$13,579	\$13,579
Repairs & Maintenance (\$750/Unit)	\$6,750	\$6,750
Gardener (\$100/month)	\$1,200	\$1,200
Reserves(\$200/Unit)	\$1,800	\$1,800
Management Fee (5.0%)	\$9,688	\$11,779
Operating Expenses	\$63,452	\$65,543
Total Expenses per Unit	\$7,050	\$7,283
Total Expenses per square foot	\$11.67	\$12.05

## Rent Roll Summary

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
1 Bed / 1 Bath	4	\$1,438	\$5,752	\$1,850	\$7,400
2 Bed / 1 Bath	4	\$2,080	\$8,320	\$2,500	\$10,000
3 Bed / 1 Bath	1	\$1,930	\$1,930	\$2,800	\$2,800

## SECTION 8 VOUCHER STANDARDS

Bedroom Size	Voucher Payment Standard
0	\$2,041
1	\$2,289
2	\$2,887
3	\$3,668
4	\$4,067
5	\$4,667
6	\$5,287

### Voucher Payment Standards (VPS)

The Section 8 Department Voucher Payment Standard is the most the Housing Authority can pay to help a family with rent. The family's voucher will show the number of bedrooms authorized by the Housing Authority, based on the number of persons in the family.

The Housing Authority establishes Voucher Payment Standards (VPS) based on the Fair Market Rents, (FMR), which are established at least annually by the U.S. Department of Housing and Urban Development (HUD). The VPS is the maximum subsidy the Housing Authority can provide toward the contract rent (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant). If the contract rent (rent plus utility allowance) is more than the VPS, the family must make up the difference out of its own pocket.

The Housing Authority must use the SMALLER of the number of bedrooms in the rental unit or the number of bedrooms on the voucher to determine the VPS. For example, if a family locates a two-bedroom unit with a three-bedroom voucher, the two bedroom VPS must be used to calculate the tenant portion of the rent.

The following chart depicts the VPS for the Housing Authority of the City of Los Angeles (HACLA).

# UNDERWRITING NOTES

## INCOME

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Income	Building is 78% occupied. Market rent used for vacancy.
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

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Property Tax Rate	Estimated at 1.25%
Insurance	Actual based on T-12
Utilities	Actual based on T-12
Repairs & Maintenance	Estimated annually \$750 per unit
Management Fee	5% of Effective Gross Income.
Gardener	\$100/month
Reserves	\$200 per unit





Section 4

# The Location

# LOS ANGELES

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most popular city in the United States, after New York City; and the third most populous city in North America, after Mexico City and New York City. With an estimated population of nearly four million people, Los Angeles is the cultural, financial, and commercial center of Southern California.

The city of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, many of them world-class, and a paradise of idyllic weather.

From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be. Los Angeles is on the leading edge of several growth industries.

The Los Angeles Metropolitan area, with more than 23,000 art jobs, is the country's leading artistic center, surpassing the previous champion, New York. In other words, Los Angeles has both a larger concentration and an absolute number of artists than New York. The L.A. five-county area is also a major tech center, with more than 700,000 people at work on health services/biomedical activities and 190,000 people in aerospace.





# DODGER STADIUM

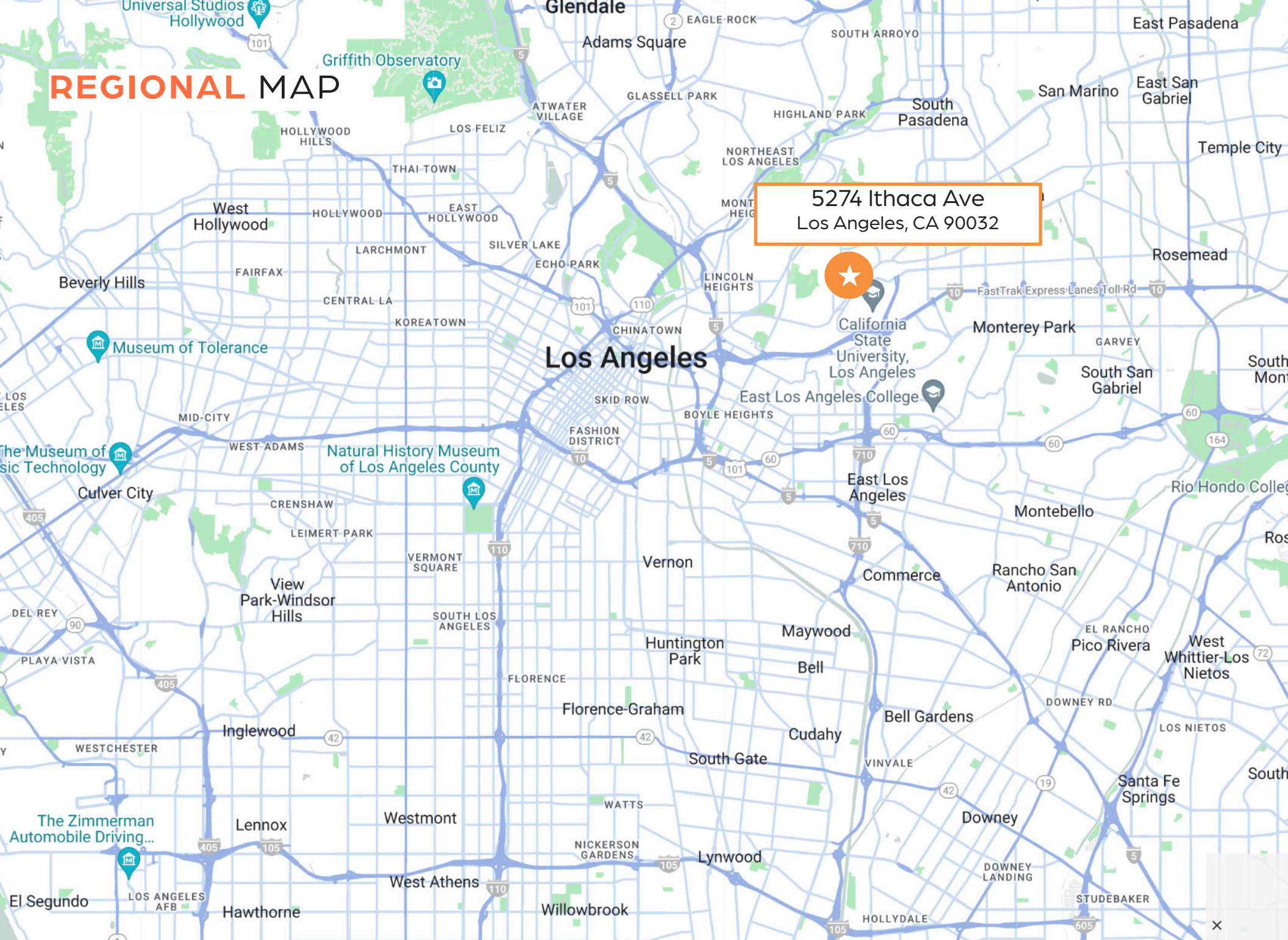
Dodger Stadium, located in the heart of Los Angeles, is one of the most iconic baseball venues in the world. Nestled in the Chavez Ravine, the stadium offers stunning views of downtown LA and the San Gabriel Mountains, creating a picturesque setting for America's pastime. Opened in 1962, it is the oldest ballpark in Major League Baseball west of the Mississippi River, known for its rich history, passionate fan base, and timeless charm. With a seating capacity of over 56,000, it remains a beloved destination for sports and entertainment events alike.



# ARTS DISTRICT

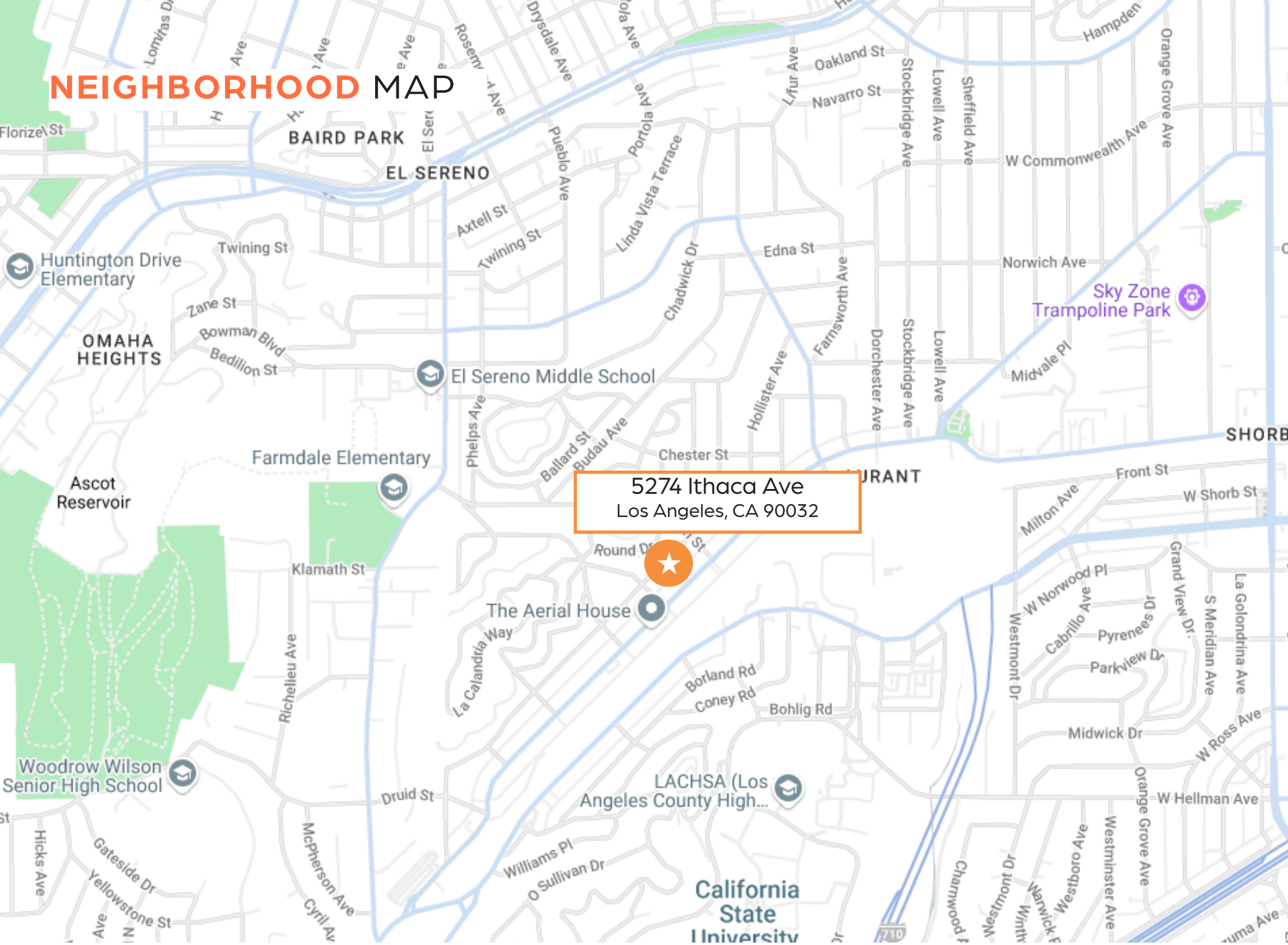
The Arts District in downtown Los Angeles is a dynamic neighborhood known for its vibrant creative scene, historic warehouses, and striking murals. Filled with trendy galleries, artisan shops, and stylish cafes, the area blends industrial charm with modern development. As a hub for artists and innovators, it offers a unique blend of culture, food, and entertainment, making it a hotspot for locals and visitors alike. With its walkable streets and proximity to downtown, the Arts District continues to thrive as a cultural epicenter in LA.

# REGIONAL MAP



5274 Ithaca Ave  
Los Angeles, CA 90032

# NEIGHBORHOOD MAP



5274 Ithaca Ave  
Los Angeles, CA 90032

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