

2420 East 4th Street

LOS ANGELES, CA



OFFERING MEMORANDUM

KW COMMERCIAL
16820 Ventura Blvd
Encino, CA 91436

EXCLUSIVELY LISTED BY:

DARIN SPILLMAN
Director, Multi-Family Investments
310.592.8269
dspillman@kw.com
BRE #01366902

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LOS ANGELES, CA

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2420 EAST 4TH STREET

PROPERTY INFORMATION

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EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

PROPERTY DETAILS

COMPLETE HIGHLIGHTS

ADDITIONAL PHOTOS

Executive Summary



SALE PRICE:	\$1,700,000
UNITS:	12
PRICE PER UNIT:	\$141,667
PRICE PER FOOT:	\$179
CAP RATE:	6.29%
GRM:	9.98
NOI:	\$106,852
LOT SIZE:	12,005 SF
BUILDING SIZE:	9,487 SF
YEAR BUILT:	1961, 1910
RENOVATED:	2013
ZONING:	LAC2
MARKET:	Los Angeles
SUB MARKET:	Boyle Heights
CROSS STREETS:	Soto & 4th

PROPERTY OVERVIEW

2420 E. 4th Street is a well-maintained mixed-use property centrally located in a popular commercial corridor of Boyle Heights, minutes from Downtown L.A.'s Arts District and Little Tokyo. The offering consists of 3 structures that include 10 apartment units (two 3+1's, six 2+1's, one 1+1, and one studio) and 2 storefront retail units (Barber Shop & Herbalife). The property has undergone extensive capital improvements including a partial electrical upgrade, around 90% copper plumbing in all 3 structures, 50 feet of sewer line replacement, and interior remodels of several units. There's an unused laundry and storage room in the rear building for further income potential. There are 9 parking spaces and units are separately metered for gas and electricity. Located 3 blocks from the Metro Gold Line's Soto Station, this asset shows exciting potential as a cash-flowing investment in a rapidly changing neighborhood close to Downtown L.A. There's a lot of Gold Line transit oriented development in the works, with plans for four sites near the Mariachi Plaza and Soto stations—projects that will create new space for retail, medical offices, and affordable housing.

Property Description

PROPERTY OVERVIEW

We are please to present this mixed use property located at 2420 E. 4th Street, in a well-situated commercial corridor of Boyle Heights, minutes from downtown Los Angeles. The offering consists of 3 structures that include 10 apartment units (two 3+1's, six 2+1's, one 1+1, and one studio) and 2 storefront retail units (Barber Shop & Herbalife). The property has undergone extensive capital improvements including a partial electrical upgrade, around 90% copper plumbing in all 3 structures, 50 feet of sewer line replacement, and interior remodels of several units. There's an unused laundry and storage room in the rear building for further income potential. There are 9 parking spaces and units are separately metered for gas and electricity. Located 3 blocks from the Metro Gold Line's Soto Station, 2420 E. 4th Street shows exciting potential as a cash-flowing asset in a rapidly changing neighborhood close to Downtown Los Angeles. There's a lot of Gold Line transit oriented development in the works, with plans for four sites near the Mariachi Plaza and Soto stations—projects that will create lots of new space for retail, medical offices, and affordable housing. PLEASE DO NOT WALK ON THE PROPERTY OR DISTURB TENANTS. Inspection subject to an accepted offer. Seller will not carry any financing. Contact agent for conventional financing details. Total building square footage of 9,487 square feet is based on seller's measurements. Buyer to conduct his/her own investigation of all square footages.



LOCATION OVERVIEW

Boyle Heights is a district east of the Los Angeles River on the East Side of Los Angeles, California. East of the LA River and West of the County Line (Indiana Ave.). The subject property is located on 4th Street, a commercial corridor that leads to the Arts District of downtown Los Angeles. The property is situated 3 blocks from the Soto Station of the Metro Gold light rail line linking downtown L.A. with the San Gabriel Valley. Tenants also benefit from several family-owned shops, larger stores such as Smart & Final, places of worship, schools, and spacious Hollenbeck Park, all within walking distance.

Property Details

PROPERTY NAME:	2420 East 4th Street
STREET ADDRESS:	2420 East 4th Street
CITY, STATE, ZIP:	Los Angeles, CA 90033
APN:	5185-001-014
LOT SIZE:	12,005 SF
BUILDING SIZE:	9,487 SF
BUILDING CLASS:	C
ZONING:	LAC2
PARKING SPACES:	9
PARKING RATIO:	1.0
YEAR BUILT:	1961, 1910
NUMBER OF STORIES:	2
FOUNDATION:	Raised
WALLS:	Wood frame / Stucco
NUMBER OF UNITS:	12



Complete Highlights

PROPERTY HIGHLIGHTS

- Boyle Heights Real Estate Market Heating Up
- 80 Feet of Frontage, C2 Zoning on 4th Street Commercial Corridor
- Significant Renovations to Buildings' Infrastructure
- 3 blocks from the Soto Station of the Metro Gold light rail line
- At Least 4 Transit Oriented Development Projects Nearby
- 3 Structures on 12,005 SF Lot
- 9 Parking Spaces
- Electrical Upgrade to Several Units
- Conventional Multi-family Financing Available, 75% LTV
- Approx. 90% Copper Plumbing
- Offered at Under 10 Times Gross
- Secure, Gated Property
- 1.8 Miles to Arts District; 2.3 Miles to Little Tokyo



Additional Photos



2420 EAST 4TH STREET

LOCATION INFORMATION

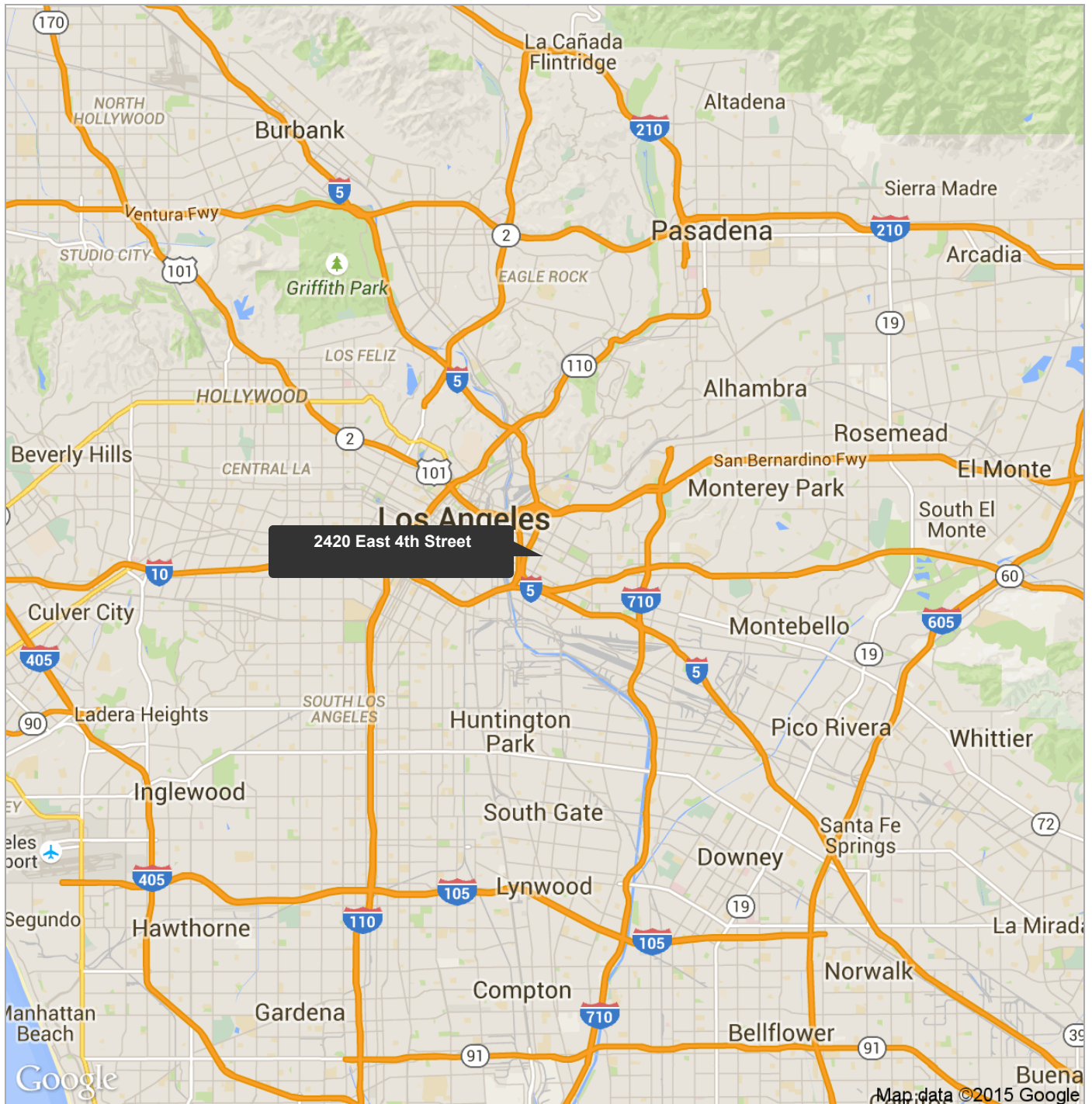
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REGIONAL MAP

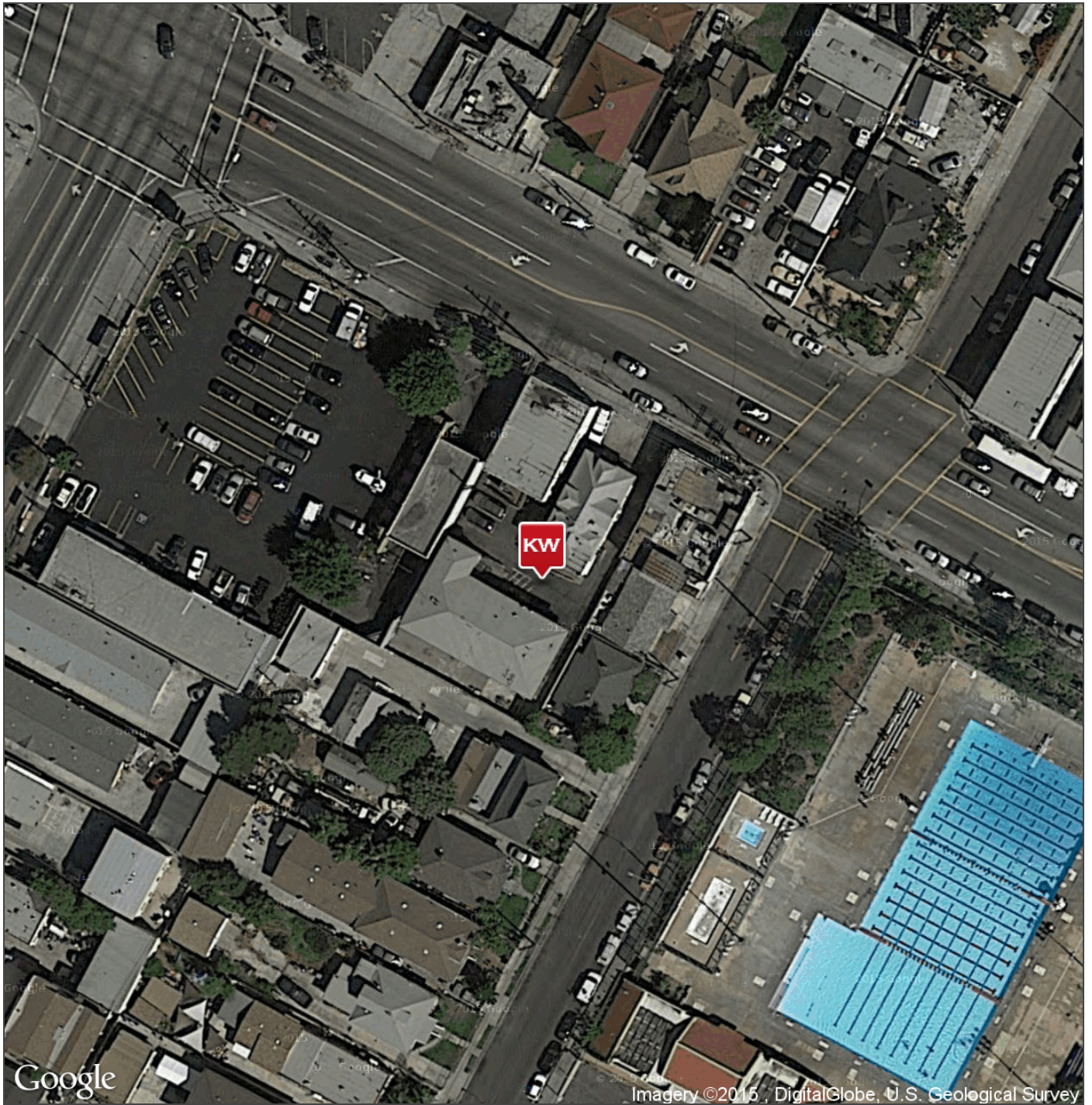
LOCATION MAPS

AERIAL MAP

Regional Map



Aerial Map



2420 EAST 4TH STREET

FINANCIAL ANALYSIS

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FINANCIAL SUMMARY

INCOME & EXPENSES

RENT ROLL

Financial Summary

INVESTMENT OVERVIEW

Price	\$1,700,000
Price per Unit	\$141,666
Price per Foot	\$179
GRM	10.0
CAP Rate	6.3%
Cash-on-Cash Return (yr 1)	9.48 %
Total Return (yr 1)	\$65,804
Debt Coverage Ratio	1.6

OPERATING DATA

Gross Scheduled Income	\$170,400
Other Income	-
Total Scheduled Income	\$170,400
Vacancy Cost (3%)	\$5,112
Gross Income	\$168,312
Operating Expenses	\$61,460
Net Operating Income	\$106,852
Pre-Tax Cash Flow	\$40,276

FINANCING DATA

Down Payment	\$425,000
Loan Amount	\$1,275,000
Debt Service	\$66,576
Debt Service Monthly	\$5,548
Principal Reduction (yr 1)	\$25,528

Income & Expenses

INCOME SUMMARY		PER SF
GROSS INCOME	\$168,312	\$17.74
EXPENSE SUMMARY		PER SF
Trash	\$3,120	\$0.33
Water & Electricity	\$10,800	\$1.14
Insurance	\$3,800	\$0.40
Gardening/Janitorial	\$4,600	\$0.48
Repairs/Maintenance/Supplies	\$11,000	\$1.16
Property Tax	\$20,000	\$2.11
Pest Control	\$960	\$0.10
Licenses & Registration	\$860	\$0.09
Legal & Professional	\$6,320	\$0.67
GROSS EXPENSES	\$61,460	\$6.48
NET OPERATING INCOME	\$106,852	\$11.26

Rent Roll

	UNIT NUMBER	UNIT BED	UNIT BATH	UNIT SIZE (SF)	CURRENT RENT	CURRENT RENT (PER SF)	MARKET RENT	MARKET RENT/SF
	1	3	1	1,060	\$1,500	\$1.42	\$1,795	\$1.69
	2	1	1	620	\$978	\$1.58	\$1,100	\$1.77
	3	2	1	864	\$1,092	\$1.26	\$1,550	\$1.79
	4	2	1	816	\$1,084	\$1.33	\$1,550	\$1.89
	5	2	1	770	\$1,092	\$1.42	\$1,550	\$2.01
	6	2	1	781	\$1,500	\$1.92	\$1,550	\$2.14
	7	0	1	450	\$800	\$1.78	\$800	\$1.98
	8	3	1	1,090	\$1,550	\$1.42	\$1,695	\$1.55
	9	2	1	784	\$1,179	\$1.50	\$1,550	\$1.97
	10	2	1	784	\$475	\$0.61	\$1,550	\$1.97
	Barber			734	\$1,500	\$2.04	\$1,650	\$2.25
	Herbalife			734	\$1,450	\$1.98	\$1,650	\$2.25
TOTALS/AVERAGES				9,487	\$14,200	\$1.50	\$17,990	\$1.89

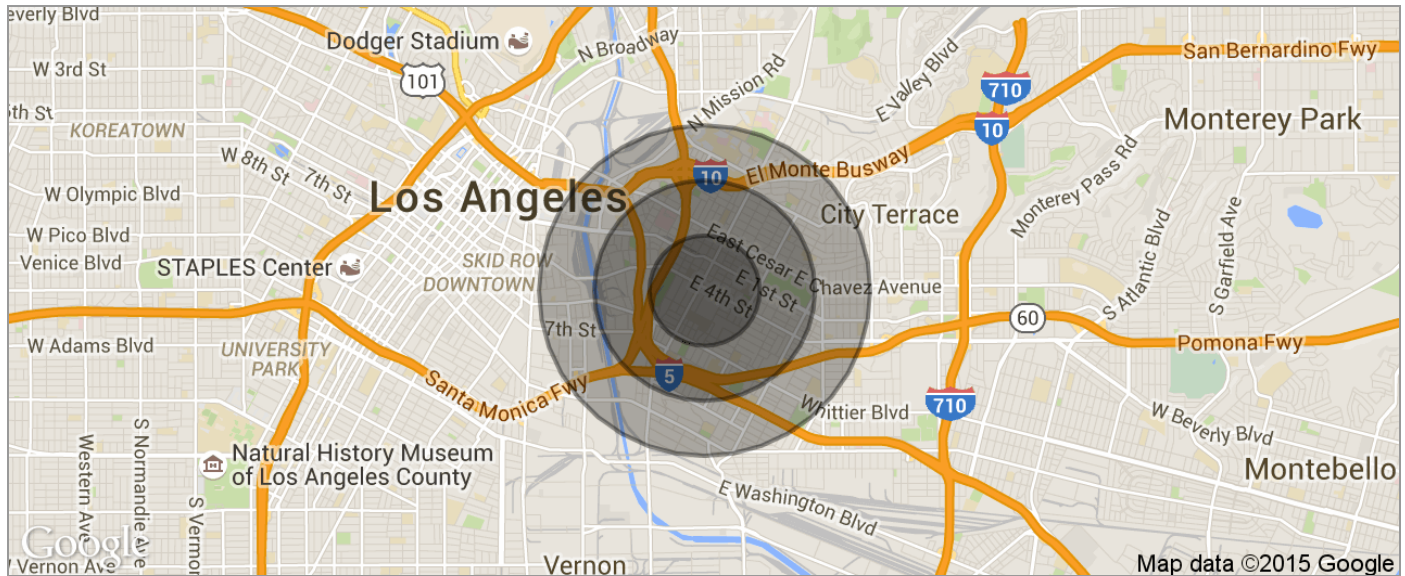
2420 EAST 4TH STREET

DEMOGRAPHICS

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DEMOGRAPHICS MAP

Demographics Map



POPULATION	0.5 MILES	1 MILE	1.5 MILES
TOTAL POPULATION	17,281	55,893	100,491
MEDIAN AGE	27.5	28.9	29.0
MEDIAN AGE (MALE)	25.1	27.1	27.7
MEDIAN AGE (FEMALE)	30.3	30.8	30.2

HOUSEHOLDS & INCOME	0.5 MILES	1 MILE	1.5 MILES
TOTAL HOUSEHOLDS	4,215	13,984	25,186
# OF PERSONS PER HH	4.1	4.0	4.0
AVERAGE HH INCOME	\$40,505	\$41,719	\$42,334
AVERAGE HOUSE VALUE		\$366,039	\$378,691

RACE	0.5 MILES	1 MILE	1.5 MILES
% WHITE	56.4%	55.5%	55.2%
% BLACK	1.0%	0.7%	0.9%
% ASIAN	1.7%	2.4%	3.0%
% HAWAIIAN	0.1%	0.1%	0.1%
% INDIAN	0.4%	1.0%	1.3%
% OTHER	38.4%	38.6%	38.0%

ETHNICITY	0.5 MILES	1 MILE	1.5 MILES
% HISPANIC	95.3%	94.9%	93.7%

* Demographic data derived from 2010 US Census

2420 EAST 4TH STREET

ADDITIONAL INFORMATION

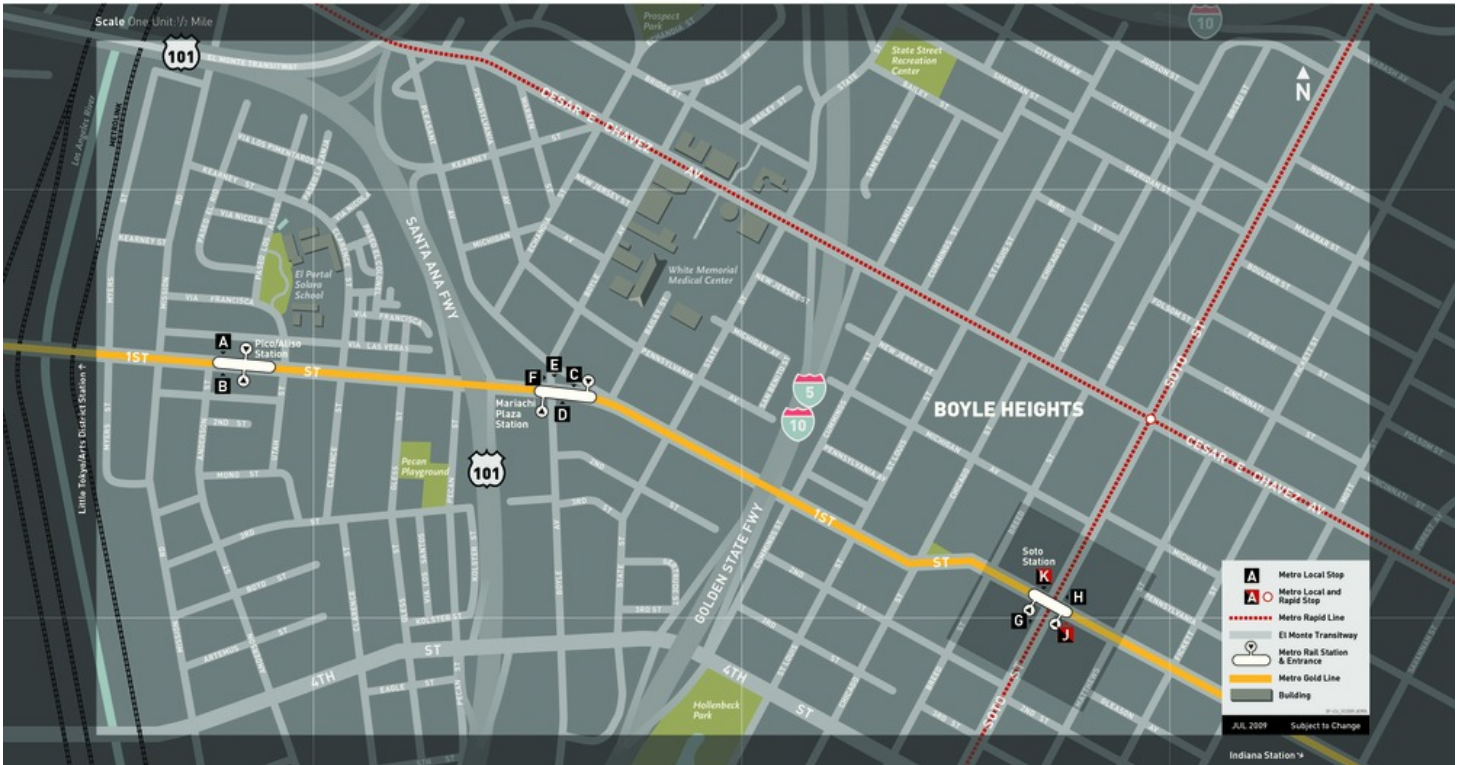
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SITE PLAN

Metro Gold Line Map: Boyle Heights

Soto Connections

metro.net



Destinations	Lines	Stops	Destinations	Lines	Stops
Av 26	251	J	LA County+USC Medical Center Station	251, 605, 620, 751	J
Boyle Av	620	C	Lincoln/Cypress Station	251, 751, Metro Gold Line	J
Boyle Heights	620	C	Montecito Heights	252	J
Broadway	30, 31	A, G, H	Pico Bl	30, 31	A, C, H
Civic Center	30, 31	A, G, H	Pico Station	30, 31	A, C, H
Downtown LA	30, 31	A, G, H	Soto St - Northbound	251, 252, 605, 751	J
East 1st St	30, 31	B, D, G	Soto St - Southbound	251, 252, 751	K
East 4th St	605	C	Southwest Museum Station	252, Metro Gold Line	J
East LA Civic Center Station	31	B, D, G	State St	620	J
East LA College	31	B, D, G	Union Station	Metro Gold Line	J
El Sereno	252	J	White Memorial Medical Center	620	F, J
Griffin Av	251	J	Whittier Bl	620	C
LA County+USC Medical Center	251, 605, 620, 751	J			

