



\$2,095,000

\$209,500 Per Unit

14.8 Current Gross Rent Multiplier

4.17% Current Capitalization Rate

Ten-Unit Apartment Building in Prime Wilshire Park
Neighborhood of Western Koreatown

Major Value-Add Opportunity - Current Rents Over
63 Percent Below Market

707 Crenshaw Boulevard

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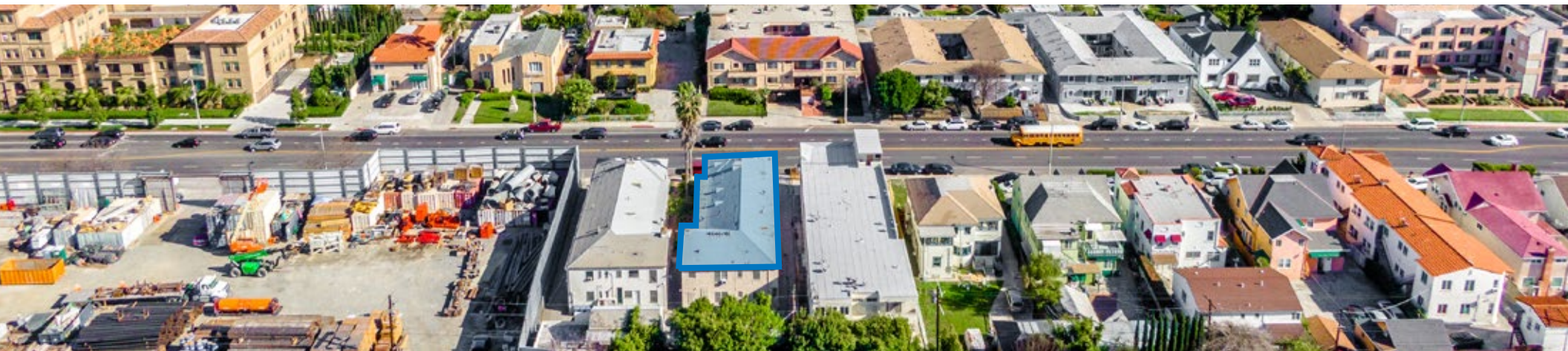
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Investment Summary

Transwestern as the exclusive listing agent is pleased to present the opportunity to acquire 707 Crenshaw Boulevard, a 10-unit apartment building located just south of Wilshire Boulevard and west of Wilton Place in the prime Wilshire Park neighborhood of Western Koreatown. Both Larchmont Village and Hancock Park are just over a mile north, and the Property is within walking distance of the Wilshire/Western Metro Station and the Wiltern Theater.

The Opportunity

- Significant value-add opportunity - current rents are over 63 percent below market.
- Unit 709 #6 (2bed+1bath) will be delivered vacant.
- Classic 1940's architecture provides excellent platform for renovation.
- No soft-story retrofit requirement.
- Excellent unit mix – six studios and four 2bed+1bath units.
- Property has an additional currently unleased / non-conforming bachelor unit.

Offering Price: \$2,095,000
\$209,500 Per Unit

14.8 Current Gross Rent Multiplier¹

4.17% Current Capitalization Rate¹

¹Current capitalization rate and GRM assume that vacant unit 709 #6 will be leased by buyer at market rent.

Property Description

707 Crenshaw Boulevard is a ten-unit classic 1940s vintage apartment building constructed in 1940. The unit mix consists of six studios, four 2bedroom/1bathroom units and one vacant non-conforming bachelor unit. The property is a two-story, 6,362-square-foot walk-up building with wood frame and stucco construction situated on a 7,499-square-foot lot.

The superior location and classic building architecture provide the perfect opportunity for an investor to complete their own renovation plan and significantly increase rents. All two-bedroom units feature large bedrooms, open kitchens, spacious living room areas, ample storage and closet space, crown molding and significant natural light. One of the two-bedroom units (709 Unit 5) has an updated kitchen, updated bathroom and hardwood flooring throughout. All studio units feature open kitchenettes, large living spaces, ample closet and storage space, crown molding and significant natural light. One of the studios (709 Unit 3) has laminate flooring and a partially updated kitchen. Several of the units feature dual access from both the front and rear of the unit. Each unit also features an individual water heater. There is also an 11th non-confirming bachelor unit (no kitchen) with a bathroom (shower and toilet) next to the laundry room at the rear of the property. The unit is not currently tenant-occupied but has been leased in the past and may provide an investor with the potential for future additional income.

Parking is provided on-site with four single garage spaces, which are included in the lease for each two-bedroom unit and one single surface space is being rented by a tenant for an additional monthly fee. Units are separately metered for electricity and gas and the landlord pays for water and trash. The property also includes a laundry room with one washer and dryer provided through a lease with a laundry company.



Classic 1940s vintage apartment building

Property Description



PROPERTY LOCATION

707 Crenshaw Boulevard is located just south of Wilshire Boulevard and west of Wilton Place in the prime Wilshire Park neighborhood of Western Koreatown. The property is within a 10-minute walk of the Wilshire/Western Metro Rail Station and is a very short drive to both Larchmont Village and Hancock Park. By 2023, the Metro line will extend from Wilshire/Western to Wilshire/La Cienega and then all the way to Westwood and West LA by 2027, providing tenants with more transportation options. The property is less than 20 minutes away from Beverly Hills, Park La Brea, Hollywood, West Hollywood and Downtown Los Angeles. A short drive to either the 10 or 101 freeways gives tenants access to all of the major employment centers including Downtown Los Angeles, West Los Angeles, The South Bay and the San Fernando Valley.

PROPERTY ADDRESS

707 Crenshaw Boulevard
Los Angeles, CA 90005

NUMBER OF UNITS

10 total units
Six studio units
Four 2bed + 1bath units

YEAR BUILT

1940

BUILDING SIZE

±6,362 SF (Per TitlePro - Buyer to verify)

LAND SIZE

±7,499 SF (Per TitlePro - Buyer to verify)

ZONING

LAR3 (Per zimas.lacity.org - Buyer to verify)

PARKING

Five total spaces

ASSESSOR PARCEL NUMBER

5090-032-008

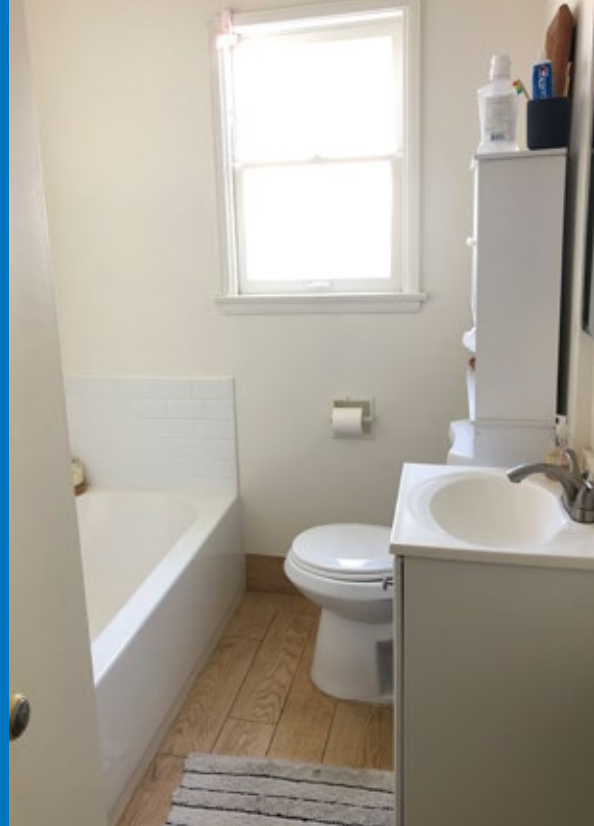


Exterior Photos



Non-Conforming Bachelor Unit





Interior Photos





Aerial View Facing Hollywood



Aerial View Facing Downtown Los Angeles

Location Overview

LOS ANGELES APARTMENT MARKET OVERVIEW

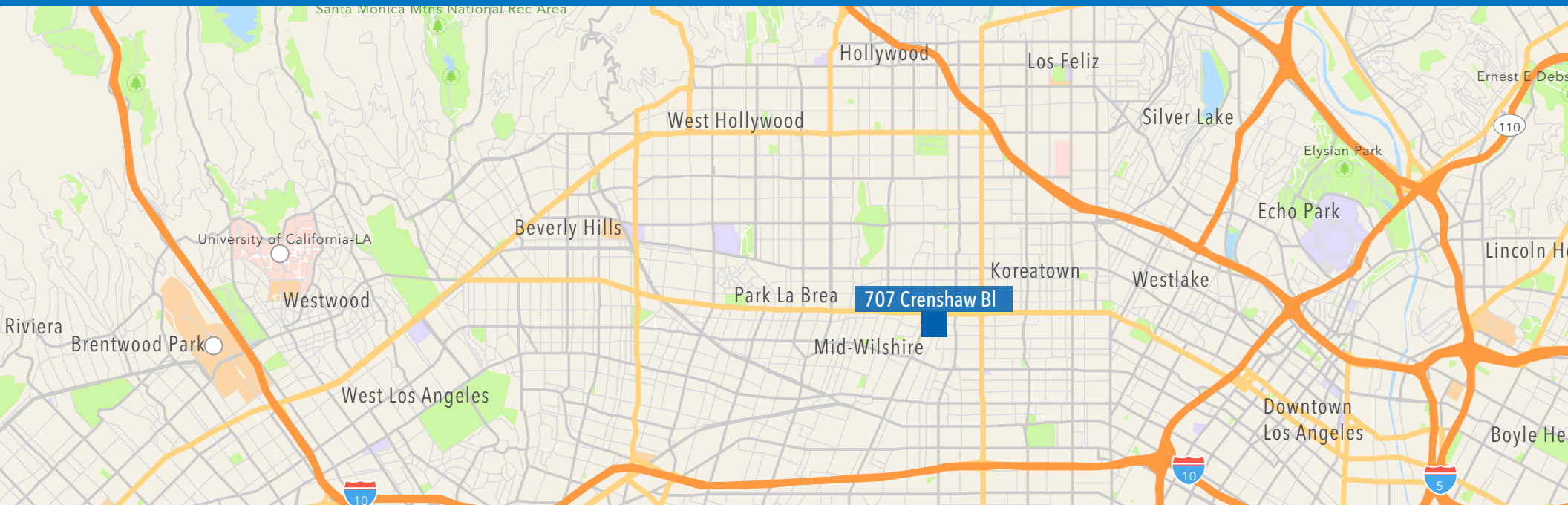
In the second half 2019, the Los Angeles County apartment real estate market continued to see high occupancy levels and strong year-over-year effective rent growth. According to Costar, the average asking rental rate in the third quarter 2019 in Los Angeles County was \$1,863 per month, up 0.4% over the previous quarter and up 2.1% year-over-year. Apartment occupancy increased 20 basis points over the previous quarter to 96.1%. Despite over 27,000 units now under construction county-wide, the Los Angeles apartment market remains severely supply-constrained.

With the overall US economy currently in its longest period of expansion ever, the Los Angeles regional economy also continues to grow. Despite anxiety from many market watchers that the current economic expansion is getting long in the tooth, the fact remains that the overall housing market remains severely supply-constrained. On

the capital markets side, adequate debt and equity availability bode well for continued, healthy performance, and as a result, expect the Los Angeles apartment market to remain strong going into the first half of 2020 despite the twin challenges of a historically tight labor market and the increasingly high cost of housing and doing business.

KOREATOWN SUBMARKET OVERVIEW

Located in central Los Angeles, Koreatown is one of the most vibrant and densely populated districts in Southern California. Currently in the middle of a two decade-long urban renaissance, Koreatown is one of the centers of Los Angeles nightlife with new hotels and restaurants opening on a weekly basis. The district is served by the Metro Red Line and Purple Line with several new transit-oriented development projects in the pipeline. In addition, the neighborhood is near the major employment clusters of Downtown LA, Hollywood, and the Miracle Mile.



Places of Interest and Major Employers



- ### NEARBY PLACES OF INTEREST
- Wiltern Theater
 - Koreatown Galleria
 - Koreatown Plaza
 - Aroma Wilshire Center
 - The Line Hotel
 - Chapman Plaza
 - Southwestern Law School
 - MacArthur Park
 - Larchmont Village
 - Wilshire Country Club
 - Hancock Park

- ### MAJOR EMPLOYERS
- BBCN Bancorp
 - Hanmi Financial
 - Jamison Properties
 - Asiana Airlines
 - Children's Hospital Los Angeles
 - Paramount Studios
 - USC
 - County of Los Angeles
 - Los Angeles Unified School District

Nearby Developments

The Rise Koreatown (3525 W 8th St)

Under construction 7-story 364-unit mixed-use development over 52,000 square feet of ground floor retail space by Cal Coast Development on the northwest corner of 8th Street and Serrano Avenue.

411 Normandie

Under construction 7-story 224-unit multifamily development by Jamison Services on the southwest corner of 4th Street & Normandie Avenue

3450 Wilshire

Under construction 206-unit multifamily development by Jamison Services on Irolo St across the street from the Wilshire/Normandie Metro Station.

Audrey (700 S Manhattan Pl)

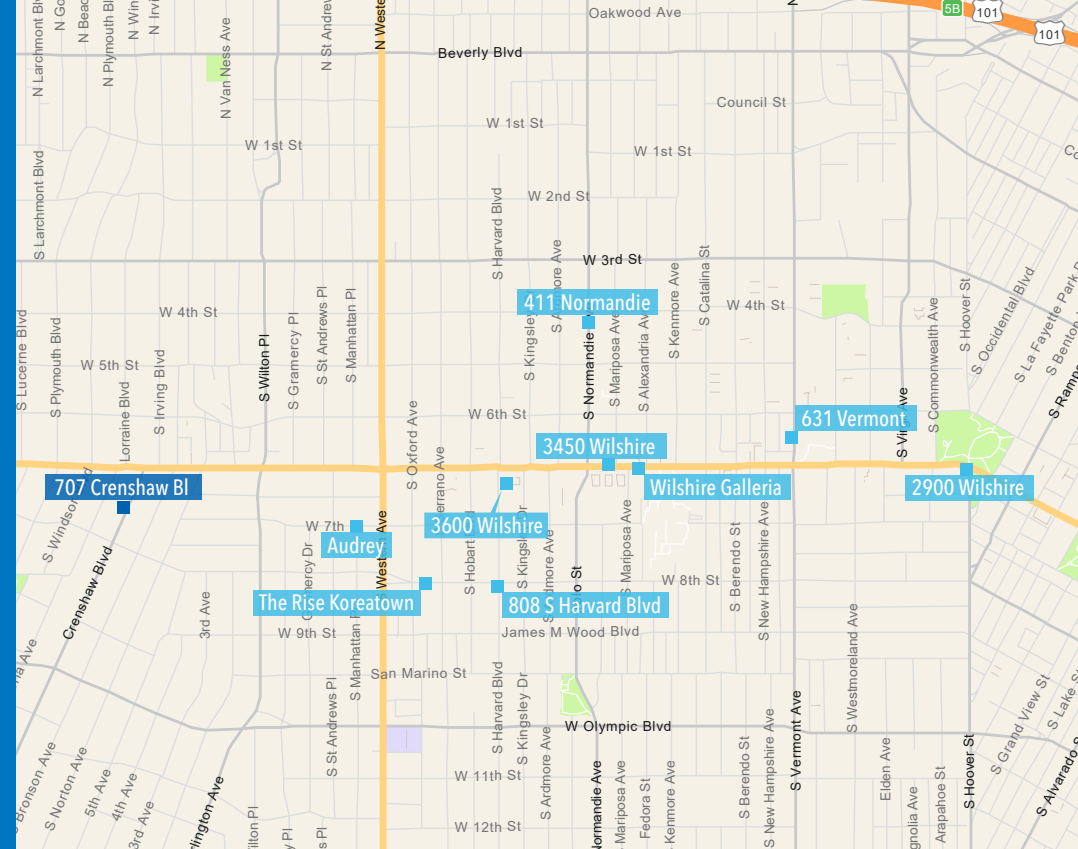
Under construction 7-story 160-unit mixed-use development over 10,280 square feet of ground floor retail space by Jamison Services on the southeast corner of 7th Street & Manhattan Place.

808 S Harvard Blvd

Under construction 6-story 131-unit mixed-use development over 4,939 square feet of ground floor retail space by Jamison Services on the southeast corner of 8th Street & Harvard Boulevard.

3600 Wilshire

Proposed demolition of existing parking garage adjacent to Wilshire Financial Tower by Jamison Services to redevelop into two 23-story apartment towers totaling 760 units and 6,400 square feet of ground floor retail.



2900 Wilshire

Proposed development by Hankey Investments and Jamison Services of a 31-story 644-unit apartment tower with 13,200 square feet of retail on the southwest corner of Wilshire Boulevard and Hoover Street.

631 Vermont

Proposed demolition of commercial buildings including a Denny's by Jia Long USA to redevelop into 34-story 250-unit condo tower with 200 hotel rooms.

Wilshire Galleria Redevelopment

Proposed renovation of the existing 6-story Wilshire Galleria by Harridge Development into 160-room hotel, new 7-story building with 190 condo units over 2,300 square feet of retail & a new 35-story tower with 355 condo units over 2,800 SF retail.

DEMOGRAPHICS



2019 POPULATION

60,206 (+0.5% since 2010)



2024 POPULATION

63,074 (+0.9% est. over 2019)



MEDIAN AGE

38.7 years old



EDUCATION

43.6% have bachelor's or higher



AVERAGE INCOME

\$80,007

	1 MILE RING		3 MILE RING		5 MILE RING	
	#	%	#	%	#	%
POPULATION SUMMARY						
2010 Census	57,389		605,957		1,164,101	
2019 Estimate	60,206		638,249		1,238,802	
2024 Projection	63,074		659,169		1,286,133	
Estimated Growth 2010-2019		0.52%		0.56%		0.67%
Projected Growth 2019-2024		0.94%		0.65%		0.75%
HOUSEHOLD SUMMARY						
2010 Census	22,842		227,535		456,771	
2019 Estimate	23,892		239,433		487,134	
2024 Projection	24,947		247,389		507,167	
Estimated Growth 2010-2019		0.49%		0.55%		0.70%
Projected Growth 2019-2024		0.87%		0.66%		0.81%
Ethnicity/Race Summary						
White	15,473	25.7%	234,875	36.8%	511,625	41.3%
Black	3,492	5.8%	61,910	9.7%	158,567	12.8%
Asian	27,936	46.4%	128,926	20.2%	195,731	15.8%
Hispanic Origin (Any Race)	20,530	34.1%	331,251	51.9%	571,088	46.1%
Other	13,306	22.1%	212,537	33.3%	372,879	30.1%
EDUCATION SUMMARY						
Less than 9th grade	4,380	10.0%	70,365	15.9%	120,622	13.8%
Some High School, no diploma	3,197	7.3%	39,829	9.0%	72,548	8.3%
High School Graduate	8,410	19.2%	82,756	18.7%	147,719	16.9%
GED/Alternative Credential	350	0.8%	5,753	1.3%	11,363	1.3%
Some College, no degree	6,088	13.9%	68,152	15.4%	138,978	15.9%
Associate Degree	2,234	5.1%	23,455	5.3%	47,200	5.4%
Bachelor's Degree	13,929	31.8%	108,867	24.6%	227,260	26.0%
Graduate/Professional Degree	5,169	11.8%	43,370	9.8%	109,260	12.5%
WORKPLACE & INCOME SUMMARY						
Median Household Income	\$46,207		\$43,088		\$49,374	
Average Household Income	\$80,007		\$68,496		\$80,206	
All Employees	33,434		342,822		657,479	
White Collar	20,696	61.9%	186,152	54.3%	395,145	60.1%
Blue Collar	4,480	13.4%	64,793	18.9%	112,429	17.1%
Services	8,258	24.7%	91,876	26.8%	150,563	22.9%
Daytime Population	57,651		558,680		1,362,401	

Financial Summary

PRICING SUMMARY

Price	\$2,095,000
Price Per Unit	\$209,500
Price Per SF	\$329
Current NOI	\$87,322
Pro Forma NOI	\$165,421
Cap Rate - Current ¹	4.17%
Cap Rate - Pro Forma	7.90%
GRM - Current ¹	14.8x
GRM - Pro Forma	9.1x

PROPERTY SUMMARY

Year Built	1940
Total Units ³	10
Building Area	6,362 SF
APN#	5090-032-008
Land Area	7,499 SF
Zoning	LAR3
Parking	5 Spaces

OPERATING STATEMENT SUMMARY

REVENUE	IN-PLACE	PRO FORMA	
Gross Potential Rent	\$139,550	\$228,000	
Vacancy (3%)		(6,840)	
Net Rental Income	\$139,550	\$221,160	
Other Revenue ²	2,100	2,700	
Effective Gross Income	\$141,650	\$223,860	
ESTIMATED EXPENSES		Per Unit	Per Unit
Repairs & Maintenance	5,000	500	500
Turnover Expense	1,000	100	100
Management Fee (5%)	7,083	708	1,119
Utilities	10,900	1,090	1,090
Contract Services	1,500	150	150
Property Taxes (1.1743%)	24,601	2,460	2,460
Direct Property Tax Assessment	1,245	124	124
Insurance	3,000	300	300
Total Expenses	\$54,328	\$5,433	\$58,439
Net Operating Income	\$87,322	\$165,421	
Expense Ratio (% of EGI)	38.4%	26.1%	
	\$8.54 PSF	\$9.19 PSF	

RENT ROLL SUMMARY

NO. UNITS	FLOOR PLAN	CURRENT			PRO FORMA			LOSS TO LEASE %	
		IN-PLACE AVERAGE RENT	TOTAL MONTHLY INCOME	SCHEDULED GROSS INCOME	AVG PRO FORMA RENT	TOTAL MONTHLY INCOME	SCHEDULED GROSS INCOME		
4	2B+1BA	\$1,726	\$6,903	\$82,841	\$2,350	\$9,400	\$112,800	\$29,959	36%
6	Studio	\$788	\$4,726	\$56,709	\$1,600	\$9,600	\$115,200	\$58,491	103%
Totals/WTD Avg.	10	\$1,163	\$11,629	\$139,550	\$1,900	\$19,000	\$228,000	\$88,450	63%

¹Current capitalization rate and GRM assume that vacant unit 709 #6 will be leased by buyer at market rent.

²In-place assumes \$1,200/year of laundry income and \$75/month of parking income. Proforma assumes \$1,200/year of laundry income and \$125/month of parking income.

³Property has an 11th non-conforming bachelor unit that is currently vacant but was leased in the past and may provide an investor with the potential for future additional income.

Rent Roll

CURRENT							PRO FORMA		
UNIT ²	OCCUPIED / VACANT	UNIT TYPE	MOVE-IN DATE	SCHEDULED INCREASE DATE	CURRENT RENT ¹	SCHEDULED GROSS INCOME	MARKET RENT	SCHEDULED GROSS INCOME	LOSS TO LEASE
707 #1	Occupied	2B+1BA	8/1/2006	8/1/2020	\$1,172	\$14,064	\$2,350	\$28,200	\$1,178
707 #2	Occupied	2B+1BA	8/1/2015	8/1/2020	\$1,386	\$16,637	\$2,350	\$28,200	\$964
707 #3	Occupied	Studio	1/13/2014	8/1/2020	\$801	\$9,612	\$1,650	\$19,800	\$849
707 #4	Occupied	Studio	4/1/2012	8/1/2020	\$667	\$8,008	\$1,650	\$19,800	\$983
709 #1	Occupied	Studio	4/1/2003	8/1/2020	\$791	\$9,486	\$1,575	\$18,900	\$784
709 #2	Occupied	Studio	11/23/2001	8/1/2020	\$771	\$9,248	\$1,575	\$18,900	\$804
709 #3	Occupied	Studio	12/19/2019	1/1/2021	\$850	\$10,200	\$1,575	\$18,900	\$725
709 #4	Occupied	Studio	6/1/2015	1/1/2021	\$846	\$10,155	\$1,575	\$18,900	\$729
709 #5	Occupied	2B+1BA	10/1/2019	10/1/2020	\$1,995	\$23,940	\$2,350	\$28,200	\$355
709 #6	Vacant	2B+1BA	9/20/2014	8/1/2020	\$2,350	\$28,200	\$2,350	\$28,200	\$0
Totals	10	6,362 SF			\$11,629	\$139,550	\$19,000	\$228,000	\$7,371
								Loss To Lease %	63%



¹Current monthly rent assumes that vacant unit 709 #6 will be leased by buyer at market rent.

²Property has an 11th non-conforming bachelor unit that is currently vacant but was leased in the past and may provide an investor with the potential for future additional income.

Rent Roll Summary

CURRENT					PRO FORMA			
NO. UNITS	OCCUPANCY %	FLOOR PLAN	AVG. IN-PLACE RENT	TOTAL MONTHLY INCOME	AVG. PRO FORMA RENT	TOTAL MONTHLY INCOME	LOSS TO LEASE	
4	40%	2B+1BA	\$1,726	\$6,903	\$2,350	\$9,400	\$2,497	
6	60%	Studio	\$788	\$4,726	\$1,600	\$9,600	\$4,874	
Total/WTD Avg.	100%	10	\$1,163	\$11,629	\$1,900	\$19,000	\$7,371	
Gross Potential Income				\$139,550		\$228,000	\$88,450	

Sales Comparables

PROPERTY ADDRESS	YEAR BUILT	SALE DATE	SALE PRICE	CAP RATE	GRM	\$PSF	\$ PER UNIT	BLDG SF	AVG UNIT SF	# OF UNITS
 848-850 S Kingsley Dr Los Angeles, CA 90005	1938	Feb-2020	\$2,250,000	4.33%	15.5	\$432	\$250,000	5,208	579	9
 1021 S Kingsley Dr Los Angeles, CA 90006	1958	Jan-2020	\$1,370,000	1.86%	22.3	\$373	\$228,333	3,672	612	6
 538 S Oxford Ave Los Angeles, CA 90020	1966	Sep-2019	\$5,250,000	3.30%	19.4	\$304	\$218,750	17,280	720	24
 5012 Maplewood Ave Los Angeles, CA 90004	1961	Mar-2019	\$1,785,000	3.47%	15.5	\$288	\$223,125	6,188	774	8
TOTAL / AVERAGE			\$10,655,000	3.36%	18.0	\$329	\$226,702	32,348	688	47
707 CRENSHAW BL	1940		\$2,095,000	4.17%¹	14.8¹	\$329	\$209,500	6,362	636	10

¹Current capitalization rate and GRM assume that vacant unit 709 #6 will be leased by buyer at market rent.

Sales Comparables

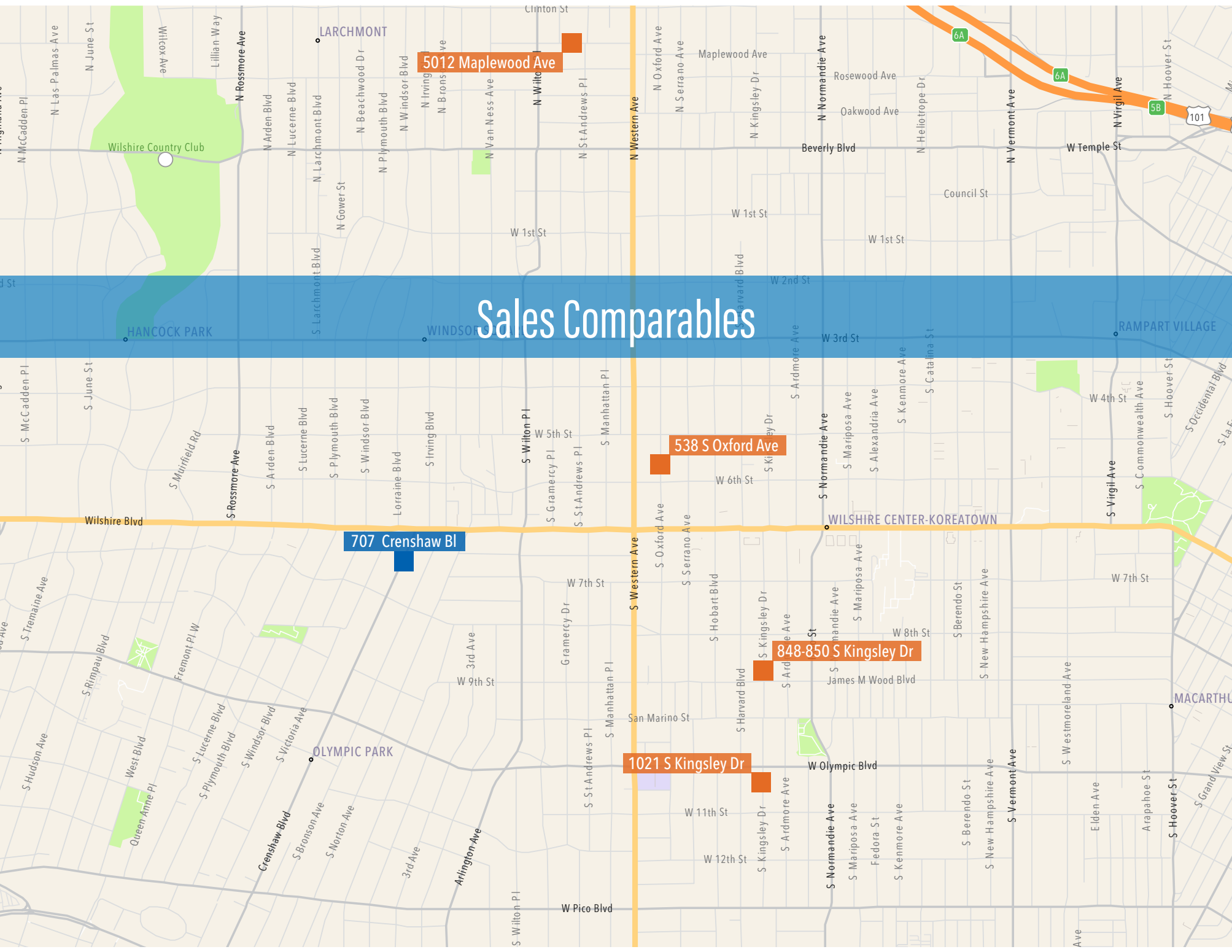
5012 Maplewood Ave

538 S Oxford Ave


707 Crenshaw Bl

848-850 S Kingsley Dr





1021 S Kingsley Dr



Rent Comparables

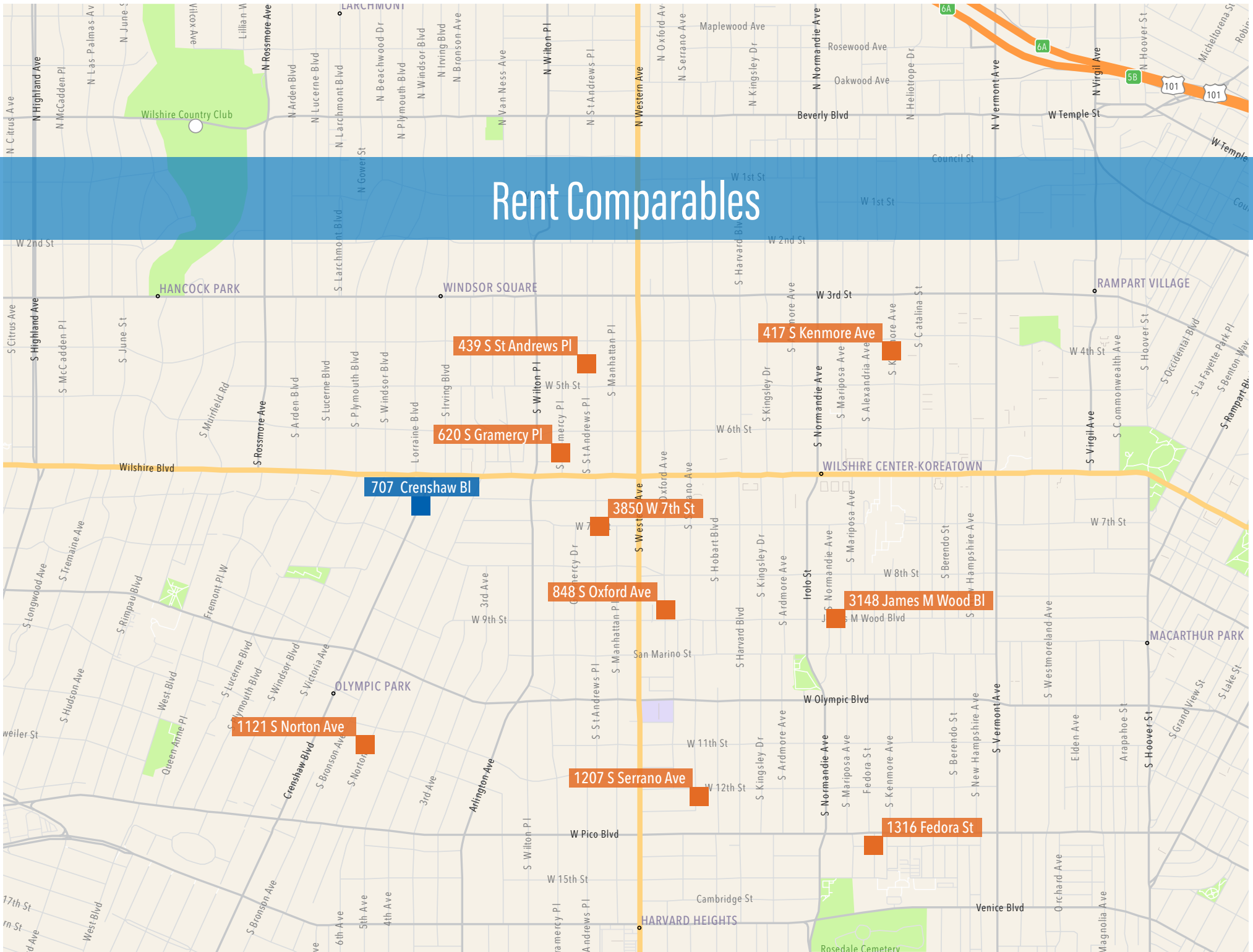
	PROPERTY ADDRESS	UNIT TYPE	RENT	COMMENTS
	1121 S Norton Ave	Studio	\$1,595	This is a gorgeous unit that is renovated in the 90019 area of Los Angeles. This is a second story unit featuring a large kitchen, on sight laundry, wood flooring, plenty of closet space, a spacious living room, an upgraded shower, and recessed lighting. This unit has a wonderful charm on the exterior from its origin. Furthermore. the newly renovated interior modern features make it a great home for everyone.
	620 S Gramercy Pl	Studio	\$1,650	482 Sq Ft. Night shift security on site and 24 hours security during weekends. Surveillance cameras throughout the complex. Amenities include, rooftop swimming pool, spa, dry sauna, and gym.
	1316 Fedora St	Studio	\$1,625	Newly renovated unit comes with laminate flooring throughout, granite countertop, and stainless-steel appliances.
	417 S Kenmore Ave	Studio	\$1,650	515 Square Feet. The community offers newly renovated spacious studio apartments featuring hardwood-inspired flooring, spacious closets, fireplace and brand new stainless steel appliances. No on-site amenities
	3850 W 7th St	Studio	\$1,600	Stunning studio apartment in Koreatown. Spectacular recently remodeled studio in hip and trendy Koreatown. Open floor plan studio with AC, custom tile in the bathroom and kitchen, stainless steel appliances including refrigerator, hardwood flooring, new paint, recessed lighting, ample closets, storage space, on site laundry and secured gated access.

Rent Comparables

	PROPERTY ADDRESS	UNIT TYPE	RENT	COMMENTS
	1207 S Serrano Ave	2B+1BA	\$2,350	Balcony, tile floors in living area, granite countertops, stainless steel appliances, carpet floors in bedrooms.
	848 S. Oxford Ave	2B+1BA	\$2,450	Newly remodeled Spanish style unit. Brand new appliances; New kitchen cabinets Restored kitchen countertops; New designer light fixtures throughout; New stainless steel hardware; New pedestal sink; Refinished parquet hardwood floors; High ceilings throughout.
	3148 James M Wood Bl	2B+1BA	\$2,350	Newly remodeled unit features new cabinets which are perfect for storage. The floating shelves allow you to add a pop of character to your kitchen. The new appliance package includes a floating microwave, stove, refrigerator & dishwasher. There is also a dedicated bar area! The bathroom has been newly remodeled with herringbone & honeycomb tile. The large shower has been enclosed in glass. The double sink vanity offers a large amount of space & storage. The bedroom has a large walk-in closet, an A/C unit and recessed lighting.
	439 S St. Andrews Pl	2B+1.5BA	\$2,365	Updated unit, hardwood floors, new stainless steel appliances, freshly painted, garage parking

SUMMARY			SUBJECT
UNIT TYPE	# OF UNITS	AVG RENT	PROPERTY
Studio	5	\$1,624	\$1,575 & \$1,650
2B+1BA	3	\$2,379	\$2,350

Rent Comparables



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