



LEE &
ASSOCIATES

COMMERCIAL REAL ESTATE SERVICES
INVESTMENT SERVICES

OFFERING MEMORANDUM

703 WALNUT STREET | INGLEWOOD, CA 90301
5 UNITS | 3,088 SF



PRESENTED BY

Robert Leveen

President

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CalDRE #01476685

MULTIFAMILY FOR SALE

WALNUT STREET APARTMENTS

703 Walnut Street, Inglewood, CA 90301



PROPERTY INFORMATION	3
LOCATION INFORMATION	8
FINANCIAL ANALYSIS	13
DEMOGRAPHICS	19

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Executive Summary



OFFERING SUMMARY

SALE PRICE:	\$1,160,000
NUMBER OF UNITS:	5
COST PER UNITS:	\$232,000
YEAR BUILT:	1950/1955
LOT SIZE:	9,593 SF
PRICE / SF:	\$375.65
CURRENT GRM:	17.82
CURRENT CAP:	3.08
ZONING:	R3

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PROPERTY OVERVIEW

Lee & Associates Investment Services Group is pleased to present Walnut Street Apartments. This value add opportunity is located in 703 Walnut Street in the city of Inglewood. The property is an opportunity to acquire rare bungalow style units on a 9,593 R3 parcel. There is no rent control in the city of Inglewood. The unit mix consists of five x one bedroom/one bath apartments, with washer/dryer hookups and individual water heaters. Additionally, the ownership utilized the City of Inglewood Residential Sound Insulation program and upgraded the units with central HVAC, solid core doors, dual pane windows, and additional sound insulation in the attic space.

The city of Inglewood is enjoying a renaissance with the multi-billion dollar development of the new Los Angeles Rams football stadium and the Wilson Meany's Hollywood Park mixed-use project adjacent to it. This means the creation of new temporary and permanent jobs just blocks away from the property.

The property has been mismanaged for many years and there is approximately 25% upside in rental income. Four of the tenants are month to month, and one tenant is under eviction, with an agreed upon vacate date of 2/1/2018. Currently, the ownership is in dispute and there is a lis pendens recorded on title, which will be expunged prior to close of escrow. With interest rates still historically low, this is an opportunity for an investor to reposition a well located asset in a city that is reinventing itself for the 21st century.

PROPERTY HIGHLIGHTS

- Value Add Opportunity
- Bungalow Style Units
- Large R3 Parcel
- No Rent Control

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Additional Photos



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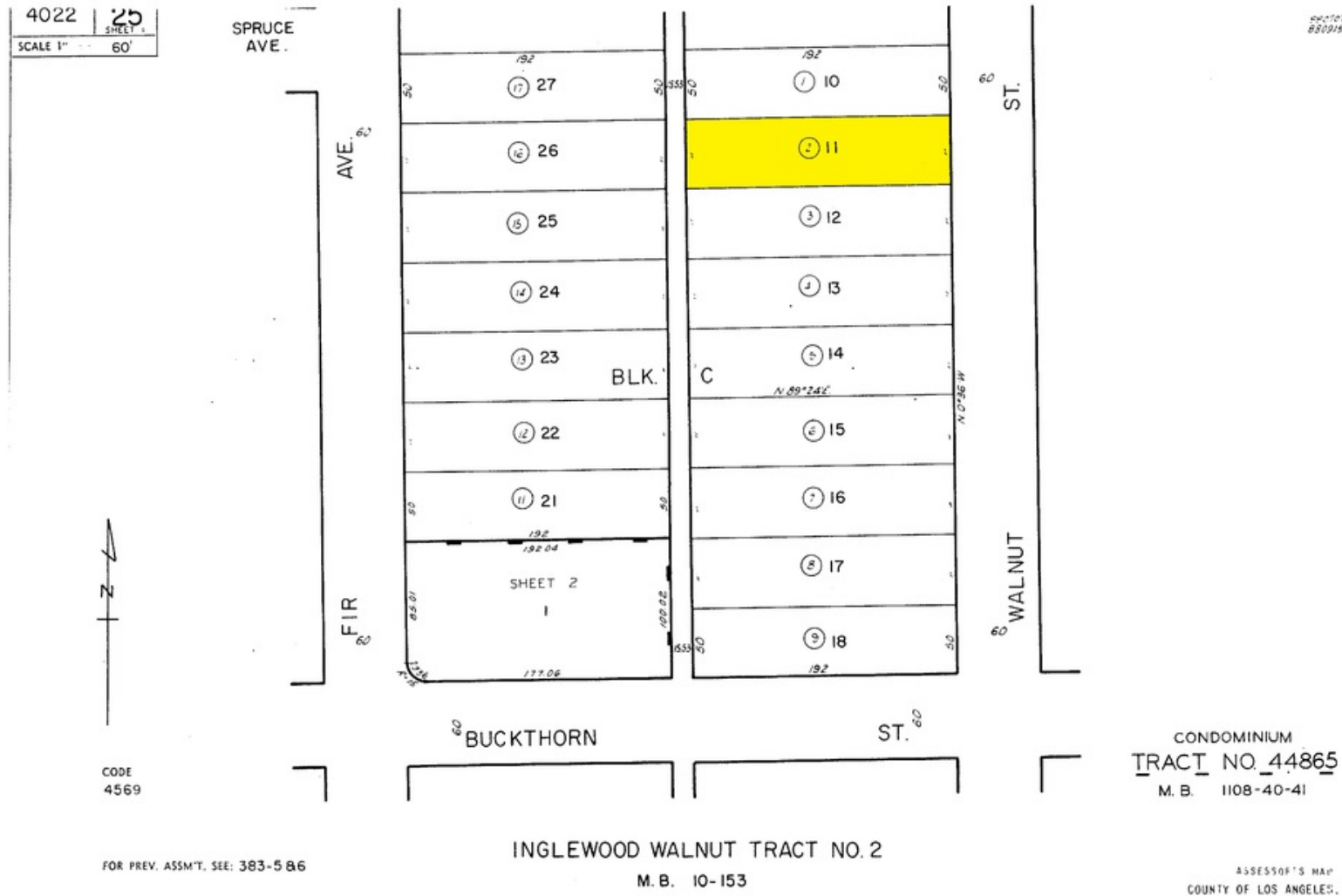
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Plat Map



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Location Overview

The City of Inglewood is bordered by Baldwin Hills, Culver City, and the Crenshaw Hyde Park areas to the north, South Los Angeles to the east, Hawthorne and the South Bay Beach Cities to the south, Westchester, LAX, and Marina Del Rey to the west. This incredible Inglewood location is near the multi-billion dollar future home of the Los Angeles Rams & Los Angeles Chargers. What makes this neighborhood special is the development of not only the new stadium and the adjacent retail, office and hotel, but the extension of the new Metro Expo Line, and 10 to 20-minute proximity to all things entertainment; including beaches and Beverly Hills.



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Regional Map



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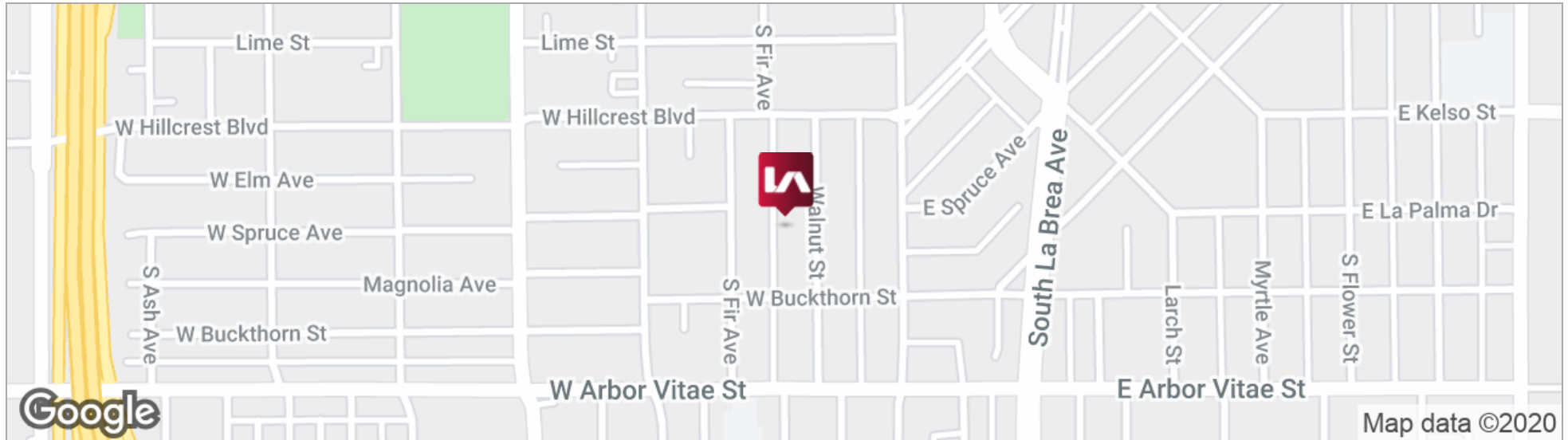
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Location Maps



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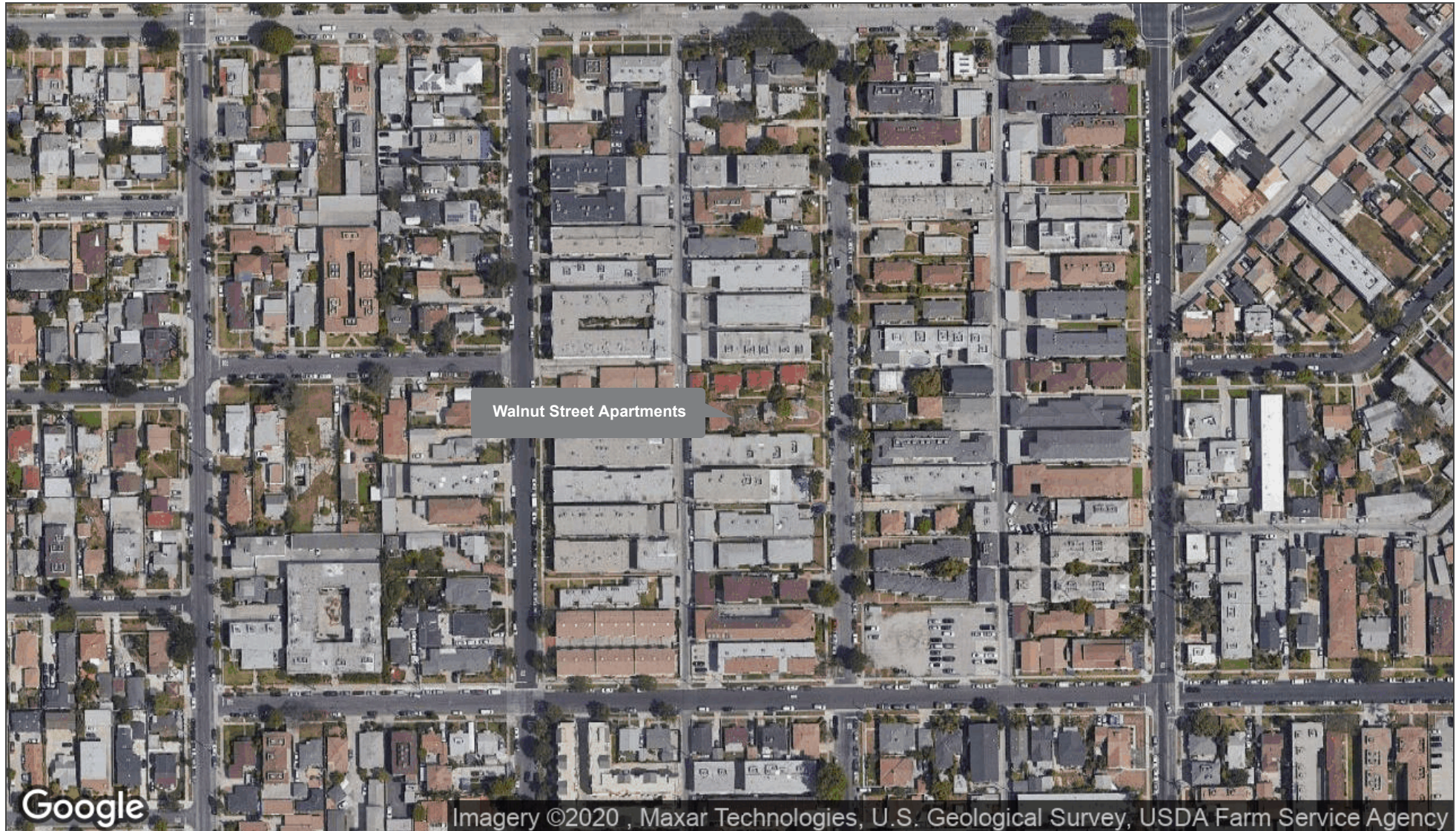
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Aerial Map



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Financial Summary

INVESTMENT OVERVIEW	CURRENT	PRO-FORMA
Price	\$1,160,000	\$1,160,000
Price per Unit	\$232,000	\$232,000
GRM	17.7	13.8
CAP Rate	3.1%	4.4%
Cash-on-Cash Return (yr 1)	-0.23 %	2.55 %
Total Return (yr 1)	\$9,328	\$24,181
Debt Coverage Ratio	0.97	1.37
OPERATING DATA	CURRENT	PRO-FORMA
Gross Scheduled Income	\$65,700	\$84,000
Vacancy Cost	(\$1,971)	(\$4,200)
Gross Income	\$63,729	\$79,800
Operating Expenses	\$27,460	\$29,259
Net Operating Income	\$35,687	\$50,540
Pre-Tax Cash Flow	-\$1,208	\$13,645
FINANCING DATA	CURRENT	PRO-FORMA
Down Payment	\$535,000	\$535,000
Loan Amount	\$625,000	\$625,000
Debt Service	\$36,895	\$36,895
Debt Service Monthly	\$3,074	\$3,074
Principal Reduction (yr 1)	\$10,536	\$10,536

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Rent Roll

UNIT NUMBER	UNIT BED	UNIT BATH	CURRENT RENT	MARKET RENT
703	1	1	\$1,050	\$1,400
703B	1	1	\$1,375	\$1,400
703C	1	1	\$1,050	\$1,400
703D (in eviction)	1	1	\$950	\$1,400
703E	1	1	\$1,000	\$1,400
Totals/Averages			\$5,425	\$7,000

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Current Income & Expenses

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Pro-Forma Income & Expenses

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10 Year Cash Flow Model

	Annual Growth Rate	Year 1 Forecast	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Gross Potential Rent	2.00%	\$ 84,000	\$ 85,680	\$ 87,394	\$ 89,141	\$ 90,924	\$ 92,743	\$ 94,598	\$ 96,490	\$ 98,419	\$ 100,388
Total Vacancy Loss	4.00%	\$ (3,360)	\$ (3,427)	\$ (3,496)	\$ (3,566)	\$ (3,637)	\$ (3,710)	\$ (3,784)	\$ (3,860)	\$ (3,937)	\$ (4,016)
Net Rental Income		\$ 80,640	\$ 82,253	\$ 83,898	\$ 85,576	\$ 87,287	\$ 89,033	\$ 90,814	\$ 92,630	\$ 94,483	\$ 96,372
Total Other Income	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue		\$ 80,640	\$ 82,253	\$ 83,898	\$ 85,576	\$ 87,287	\$ 89,033	\$ 90,814	\$ 92,630	\$ 94,483	\$ 96,372
Total Expense	1.50%	\$ (29,259)	\$ (29,698)	\$ (29,995)	\$ (30,295)	\$ (30,598)	\$ (30,904)	\$ (31,213)	\$ (31,525)	\$ (31,840)	\$ (32,159)
Net Operating Income		\$ 51,381	\$ 52,555	\$ 53,903	\$ 55,281	\$ 56,690	\$ 58,129	\$ 59,601	\$ 61,105	\$ 62,642	\$ 64,214
Debt Service		\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)	\$ (36,895)
Net Income After Debt Service		\$ 14,486	\$ 15,660	\$ 17,008	\$ 18,386	\$ 19,795	\$ 21,234	\$ 22,706	\$ 24,210	\$ 25,747	\$ 27,319

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Demographics Report

	1 MILE	3 MILES	5 MILES
Total population	51,916	279,013	731,877
Median age	31.0	33.6	34.1
Median age (Male)	30.3	32.0	32.3
Median age (Female)	32.2	35.1	35.6
Total households	16,585	95,303	256,306
Total persons per HH	3.1	2.9	2.9
Average HH income	\$49,210	\$61,770	\$65,369
Average house value	\$421,539	\$501,315	\$523,986
Total Population - White	13,025	76,831	231,526
% White	25.1%	27.5%	31.6%
Total Population - Black	16,594	108,933	277,077
% Black	32.0%	39.0%	37.9%
Total Population - Asian	713	9,774	37,154
% Asian	1.4%	3.5%	5.1%
Total Population - Hawaiian	87	768	2,614
% Hawaiian	0.2%	0.3%	0.4%
Total Population - American Indian	138	993	2,360
% American Indian	0.3%	0.4%	0.3%
Total Population - Other	20,271	73,257	159,001
% Other	39.0%	26.3%	21.7%
Total Population - Hispanic	31,944	131,126	299,946
% Hispanic	61.5%	47.0%	41.0%

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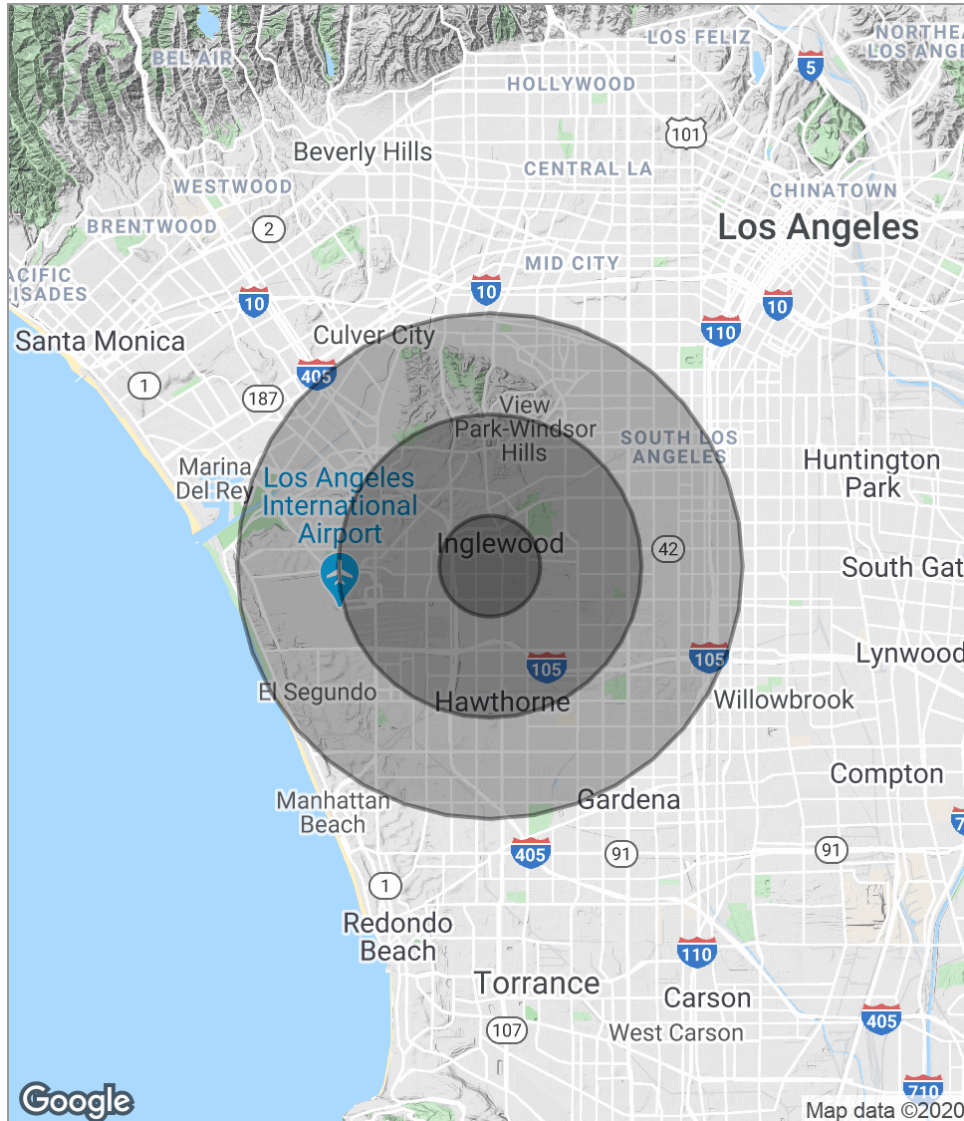
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Demographics Map



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* Demographic data derived from 2010 US Census

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