

OFFERING MEMORANDUM

1520-22 MENLO AVE

LOS ANGELES, CA 90006



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REAL ESTATE INVESTMENT SERVICES





TABLE OF CONTENTS

04

PROPERTY
OVERVIEW

10

AREA
OVERVIEW

18

PROJECTED PRO FORMA
FINANCIAL ANALYSIS

PROPERTY OVERVIEW





1520-22 MENLO AVE

LOS ANGELES, CA 90006

- 10 Units built in 1924
- Unit Mix: (10) 1+1
- Prime Pico-Union location with low vacancy and high rent growth
- LARD1.5 zoned
- Individually Metered for gas and electricity
- Property has great rental return allowing an investor day 1 cash flow
- Ample access to public transportation and located a few blocks North of the 10 Freeway
- Walking distance to Nightlife and Offices allowing easy travel access and commute times

THE OPPORTUNITY

1520 Menlo Avenue is a 10-unit apartment building in the Pico-Union neighborhood of Los Angeles, CA. The bungalow style apartments are comprised of ten (10) one-bedroom one bathroom units. The property offers street parking. The units are individually metered for gas and electricity. This property provides a clear path for an investor to execute their business plan and have a great cash flowing property from day one.



1520

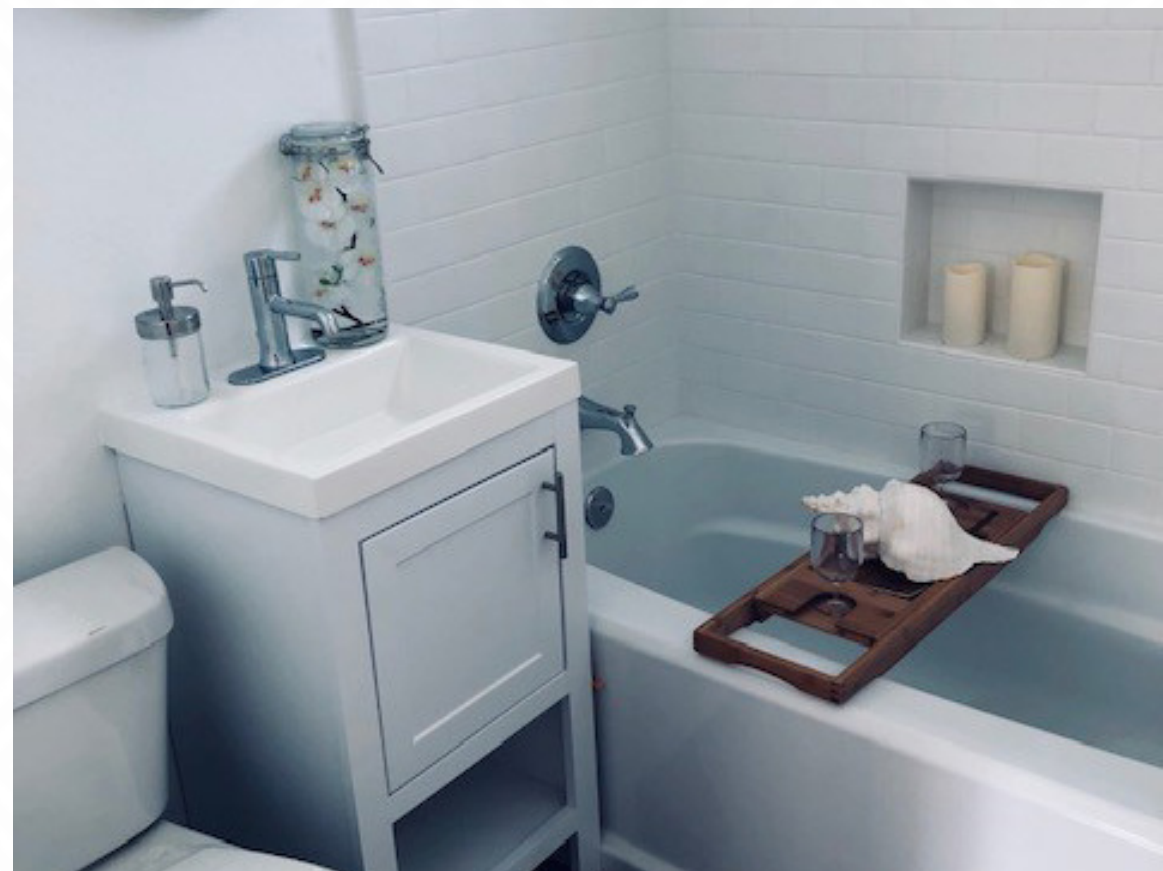
1520

1522

1522

1522







AREA
OVERVIEW



LOS ANGELES, CA

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most populous city in California; the second most populous 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 in health services/biomedical activities and 190,000 people in aerospace. Here are some more facts and figures about Los Angeles: the city, the county, and the region.

PROPERTY DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2026 Projection	90,811	665,313	1,315,005
2021 Estimate	91,676	662,538	1,316,533
2010 Census	91,392	612,571	1,254,584
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2026 Projection	28,285	230,299	461,791
2021 Estimate	28,610	228,851	461,980
2010 Census	28,815	208,942	438,338
INCOME	1-MILE	3-MILE	5-MILE
2021 Avg. Household Income	\$48,071	\$67,394	\$75,626



Los Angeles County employs over 913,000 people in several growing industries



A culturally diverse city, with a growing culinary scene, shopping, museums, and a reputation for being the creative center of America.



It is the largest and most populous city in the state of California and the cultural, financial, and commercial center of Southern California.

ECONOMY

The LA economy is famously and heavily based on the entertainment industry, with a particular focus on television, motion pictures, interactive games, and recorded music - the Hollywood district of Los Angeles and its surrounding areas are known as the "Movie Capital of the United States" due to the region's extreme commercial and historical importance to the American motion picture industry. Other significant sectors include shipping/ international trade - particularly at the adjacent Port of Los Angeles and Port of Long Beach, together comprising the United States' busiest seaport - as well as aerospace, technology, petroleum, fashion and apparel, and tourism.

L.A. County is an entertainment, manufacturing and international trade behemoth, with a fast-growing high-tech and digital media industry cluster largely centered in West L.A. and, increasingly, in the Hollywood area and beyond.

MAJOR EMPLOYERS IN LOS ANGELES



With \$807 billion in annual output, Los Angeles County ranks among the world's largest economies. Its GDP, which would rank No. 19 in the world if it were a standalone nation, is larger than Switzerland and Saudi Arabia, and right behind Netherlands and Turkey, underscoring the magnitude of the region's economy.



TOURISM

Tourism accelerated Los Angeles County's economic prosperity in 2018 as visitors pumped an all-time high \$23.9 billion directly into the L.A. economy, generating a record \$36.6 billion in total economic impact. A new economic impact report released today by Los Angeles Tourism & Convention Board demonstrates the power of tourism in Los Angeles during National Travel & Tourism Week, an annual event established by Congress and organized by the U.S. Travel Association to celebrate the impact of travel.

Tourism supported 534,258 jobs in L.A. County's Leisure & Hospitality sector, its highest total on record, employing 1 in every 8.5 workers in the county. Reaffirming the strength of the sector, tourism added 9,700 new jobs last year.



ATTRACTIONS

Some of the world's best-known and most iconic landmarks and attractions call Los Angeles home: the Hollywood Sign; Griffith Observatory; the Getty Center; the Walt Disney Concert Hall at the Music Center in Downtown L.A.; the Hollywood Walk of Fame; the TCL Chinese Theatre; Space Shuttle Endeavour at the California Science Center; the Battleship USS Iowa located at the Port of Los Angeles in San Pedro; Air Force One at the Ronald Reagan Library; and Universal Studios Hollywood, with its dynamic immersive experience, The Wizarding World of Harry Potter™.



50 MILLION

50 Million People traveled to Los Angeles last year



\$22 BILLION

LA visitors spent \$22 billion on hotels, restaurants, shopping, attractions and more



525,000

There are 525,000 jobs supported by the Los Angeles tourism industry



8 YEARS

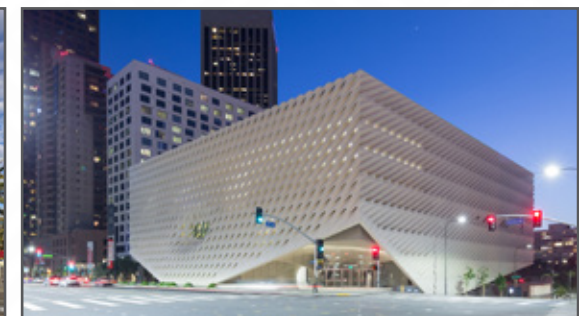
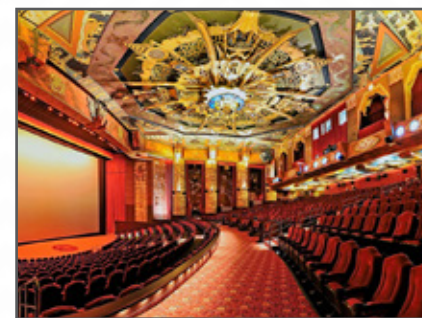
LA has celebrated 8 consecutive years of record growth

ARTS & CULTURE

With various museums and exhibits, Los Angeles is full of inspiring art and diverse cultural experiences. In fact, Los Angeles has more museums and theatres than any other city in the U.S., making it the perfect place to be immersed in arts and culture. Los Angeles is home to more than 105 museums, 225 theaters, 55 magnificent structures by the world's top architects and 16 of the world's most beautiful gardens. It also boasts more than 1,500 theatrical productions annually.

SPORTS

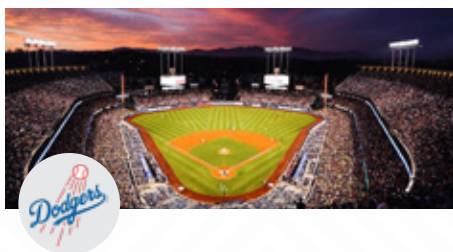
With famous venues like the Staples Center at L.A. LIVE, home to the NBA's Los Angeles Lakers and Los Angeles Clippers, NHL's L.A. Kings, and Dodger's Stadium, where the Los Angeles Dodgers serve as a main attraction sports fans flock to in L.A. Los Angeles is also home to several esteemed universities that have large sports followings such as USC and UCLA.



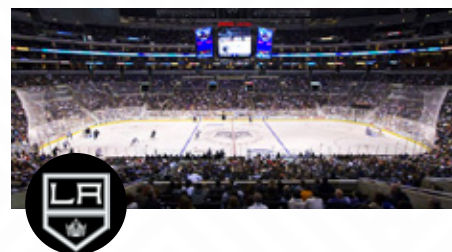
LOS ANGELES LAKERS
(National Basketball Association)
18,997 Avg. Attendance



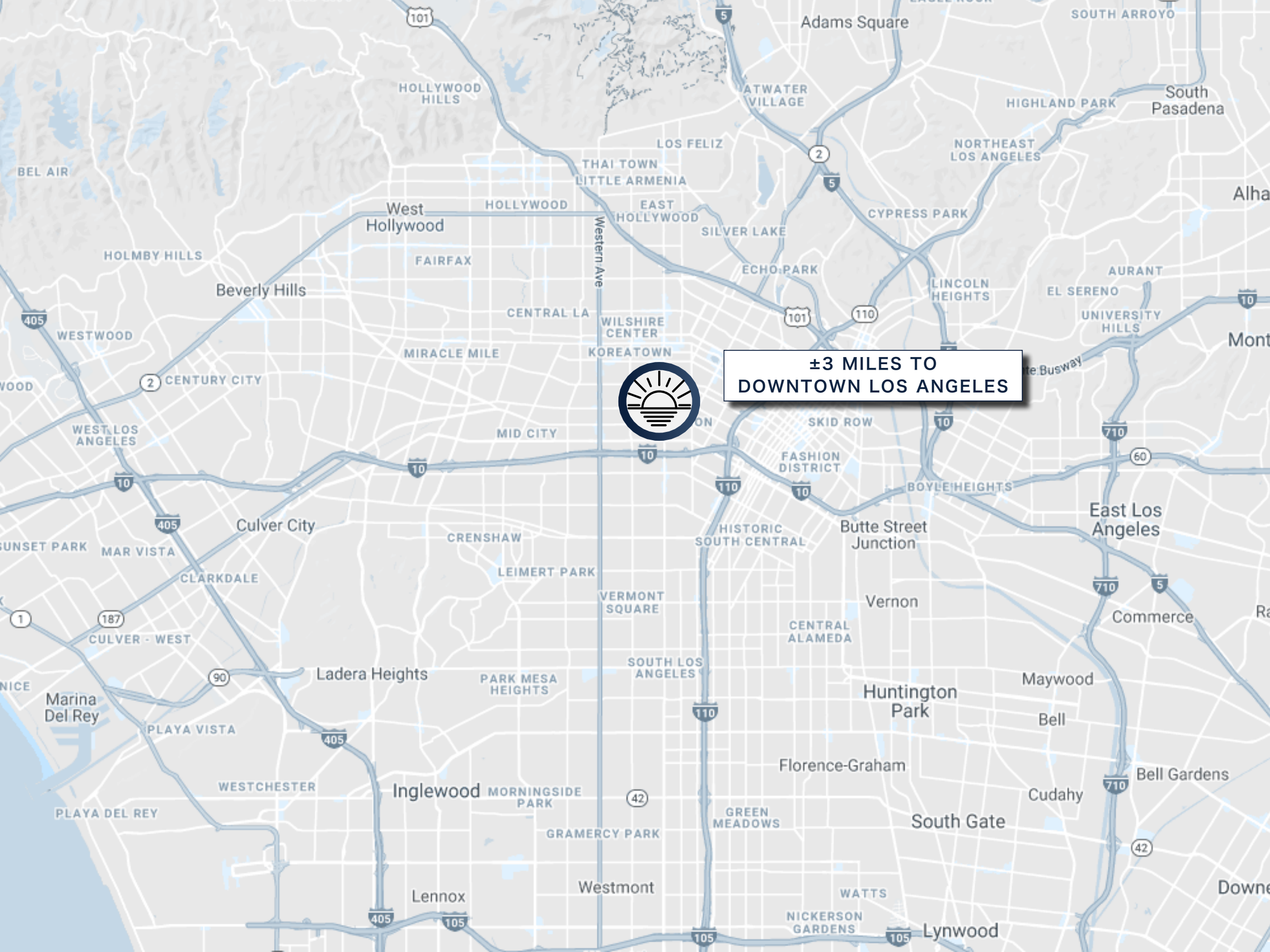
LOS ANGELES RAMS
(National Football Association)
71,229 Avg. Attendance



LOS ANGELES DODGERS
(Major League Baseball)
49,065 Avg. Attendance



LOS ANGELES KINGS
(National Hockey Association)
18,000 Avg. Attendance



**±3 MILES TO
DOWNTOWN LOS ANGELES**

KOREATOWN

CVS pharmacy CHASE Staples Jamba Juice
Comerica WELLS FARGO HSBC IHOP
AT&T Ralphs McDonald Pollo Loco FLAME BROILER
Yogurtland THE COFFEE BEAN & TEA LEAF Walgreens
Starbucks SUBWAY Sizzler verizon Best Western PLUS
penny's citi M&M'S 7-ELEVEN ZIONS BANK
RAMADA Waba YOSHINOYA ROBEEKS BIG5
sweetgreen Bank of America Carl's Jr.

JONS
fresh marketplace

THE HOME DEPOT RITE AID Food4Less
Starbucks Bank of America Pollo Loco
ROSS DRESS FOR LESS YOSHINOYA
goodwill Jersey Mike's AT&T PANDA EXPRESS

Bank of America Target
CVS pharmacy target
sweetgreen Starbucks

M&M'S IHOP

Food4Less

Bank of America
Mobil

AutoZone Bank of America
7-ELEVEN 76 SALLY BEAUTY

ROSS
DRESS FOR LESS

Ralphs THE COFFEE BEAN & TEA LEAF corner bakery cafe
Starbucks SUBWAY IHOP california PIZZA KITCHEN
Fleming's Denny's MCNETON'S target
usbank red mango Smart&Final
Shell SUPERCUTS smast burger
VICTORIA'S SECRET H&M Bath&BodyWorks
Bank of America CHASE IHG
COURTYARD FOGO DE CHÃO
7-ELEVEN FIVE GUYS HYATT
Yard House rack FIREHOUSE SUBS
ROBEEKS Habit Bertucci's CAPITAL

SUBJECT PROPERTY

7-ELEVEN Winchell's McDonald
Pizza Hut Carl's Jr. goodwill
Pollo Loco SUBWAY
Waba YOSHINOYA PANDA EXPRESS
U-HAUL IHOP O'Reilly
CVS pharmacy Food4Less

WESTERN PLAZA
SHOPPING CENTER

Smart&Final
VENICE BLVD
± 49,000 VPD

RITE AID GNC
BURGER KING SUBWAY

AutoZone Pep Boys
7-ELEVEN Chevron CVS pharmacy
McDonald's U-HAUL

STAPLES
Center

101

± 278,000 VPD

INTERSTATE
10

± 355,000 VPD

Los Angeles
CONVENTION CENTER
Managed by AEG

DOWNTOWN
LOS ANGELES

Jack in the box Chevron BR Ralphs Starbucks
Pizza Hut YOSHINOYA 76 usbank

Staples Chevron



1520

1522 1/2

PROJECTED
PRO FORMA
FINANCIAL
ANALYSIS



INVESTMENT SUMMARY

<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Offering Price:</td> <td style="text-align: right;">\$1,865,000</td> </tr> <tr> <td>Property Address:</td> <td style="text-align: right;">1520-22 Menlo Ave Los Angeles, CA 90006</td> </tr> <tr> <td>Price Per Unit:</td> <td style="text-align: right;">\$186,500</td> </tr> <tr> <td>Price Per S.F.:</td> <td style="text-align: right;">\$363.41</td> </tr> <tr> <td>Cap (current / market):</td> <td style="text-align: right;">4.33% / 7.82%</td> </tr> <tr> <td>GRM (current / market):</td> <td style="text-align: right;">13.70 / 9.01</td> </tr> </table>	Offering Price:	\$1,865,000	Property Address:	1520-22 Menlo Ave Los Angeles, CA 90006	Price Per Unit:	\$186,500	Price Per S.F.:	\$363.41	Cap (current / market):	4.33% / 7.82%	GRM (current / market):	13.70 / 9.01	<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Number of Units:</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Year Built:</td> <td style="text-align: right;">1924</td> </tr> <tr> <td>APN:</td> <td style="text-align: right;">5056-002-037</td> </tr> <tr> <td>Gross Sq. Ft.:</td> <td style="text-align: right;">5,132</td> </tr> <tr> <td>Average S.F. Per Unit:</td> <td style="text-align: right;">513</td> </tr> <tr> <td>Lot Size (SF)</td> <td style="text-align: right;">7,300</td> </tr> <tr> <td>Zoning</td> <td style="text-align: right;">LARD1.5</td> </tr> </table>	Number of Units:	10	Year Built:	1924	APN:	5056-002-037	Gross Sq. Ft.:	5,132	Average S.F. Per Unit:	513	Lot Size (SF)	7,300	Zoning	LARD1.5
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UNIT MIX & SCHEDULED INCOME

TOTAL UNITS	UNIT MIX	UNIT MIX %	CURRENT AVG RENT	CURRENT MONTHLY RENT	MARKET RENT	MARKET MONTHLY RENT
10	1+1	100%	\$1,135	\$11,348	\$1,725	\$17,250
Scheduled Monthly Rent:				\$11,348		\$17,250
Scheduled Yearly Rent:				\$136,181		\$207,000

ANNUAL OPERATING SUMMARY

		CURRENT		MARKET	
Scheduled Gross Income:		\$136,181		\$207,000	52% Upside
Less Vacancy Reserve:	3.0%	\$4,085	3.0%	\$6,210	*
Gross Operating Income:		\$132,095		\$200,790	
Expenses:	37.8%	\$51,426	26.5%	\$54,860	*
Net Operating Income:		\$80,670		\$145,930	
Loan Payments:		\$63,505		\$63,505	
Cash-on-Cash Return:	2.6%	\$17,165	12.7%	\$82,424	**
Plus Principal Reduction:		\$24,346		\$24,346	
Total Return Before Taxes:	6.4%	\$41,510	16.5%	\$106,770	**

* As a percent of Scheduled Gross Income

** As a percent of Down Payment

PROJECTED PRO FORMA ANNUAL OPERATING EXPENSES

	PRO FORMA ESTIMATES		CURRENT	PER UNIT	% OF SGI
*Taxes	1.250%	x Sale Price	\$23,313	\$2,331	17%
*Insurance	\$0.50	x GSF	\$2,566	\$257	2%
Off-Site Management	5.0%	x GOI	\$6,605	\$660	5%
Repairs & Maintenance	\$550	x Units	\$5,500	\$550	4%
Contract Services	Actual	2020	\$1,123	\$112	1%
Utilities - SoCal Gas & DWP	Actual	2020	\$10,319	\$1,032	8%
General Administration	\$200	x Units	\$2,000	\$200	1.47%
Total Expenses			\$51,426	\$5,143	37.8%

	<i>Current</i>	<i>Per Unit</i>	<i>% of SGI</i>
Non-controllable expenses: Taxes, Ins., Reserves:	\$25,879	\$2,588	19.0%
Total Expense without Taxes	\$28,113	\$2,811	20.64%

FINANCING

Loan Amount	\$1,216,000	Terms:	30
Down Payment:	35%	\$649,000	Interest: 3.25%
Yearly Pmt:	\$63,505	Monthly Pmt:	\$5,292
Debt Coverage:	1.27		

For the purposes of this financial analysis, we are utilizing pro forma financials. A pro forma financial analysis is one that contains estimates and projections of both the income and expenses to show the possible operational performance of this investment property on an annual basis.

RENT ROLL

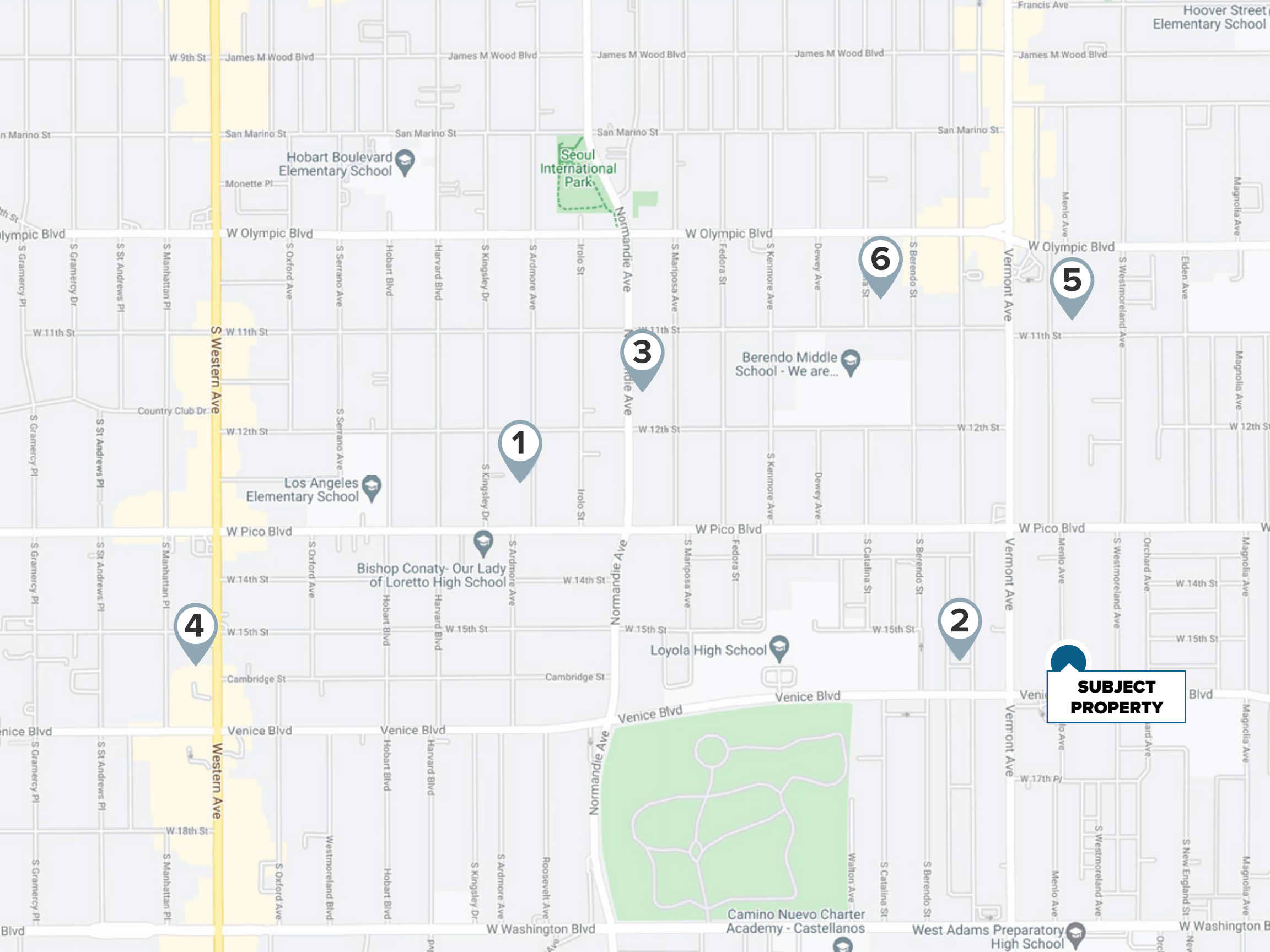
UNIT	MIX	RENT	MARKET RENT
1	1+1	\$970.37	\$1,725
2	1+1	\$708.99	\$1,725
3	1+1	\$1,650.00	\$1,725
4	1+1	\$1,575.00	\$1,725
5	1+1	\$1,575.00	\$1,725
6	1+1	\$683.28	\$1,725
7	1+1	\$998.22	\$1,725
8	1+1	\$1,641.00	\$1,725
9	1+1	\$782.91	\$1,725
10	1+1	\$763.63	\$1,725
Totals		\$11,348	\$17,250
Averages	10	\$1,135	\$1,725

DEBT QUOTE

Gregory Kavoklis
(818) 206-5835
gregory.kavoklis@matthews.com

LOAN AMOUNT:\$1,215,575 **RATE:** 3.25% **AMORTIZATION:** 30 Years **TERM:** 3 Years Fixed **PREPAY:** 2,1

Loan quote provided by Matthews™ Capital based on market conditions at this time.
Actual rates and terms will vary based on market conditions at closing.



4

1

3

2

6

5

**SUBJECT
PROPERTY**

Hobart Boulevard
Elementary School

Seoul
International
Park

Los Angeles
Elementary School

Bishop Conaty- Our Lady
of Loretto High School

Berendo Middle
School - We are...







Loyola High School

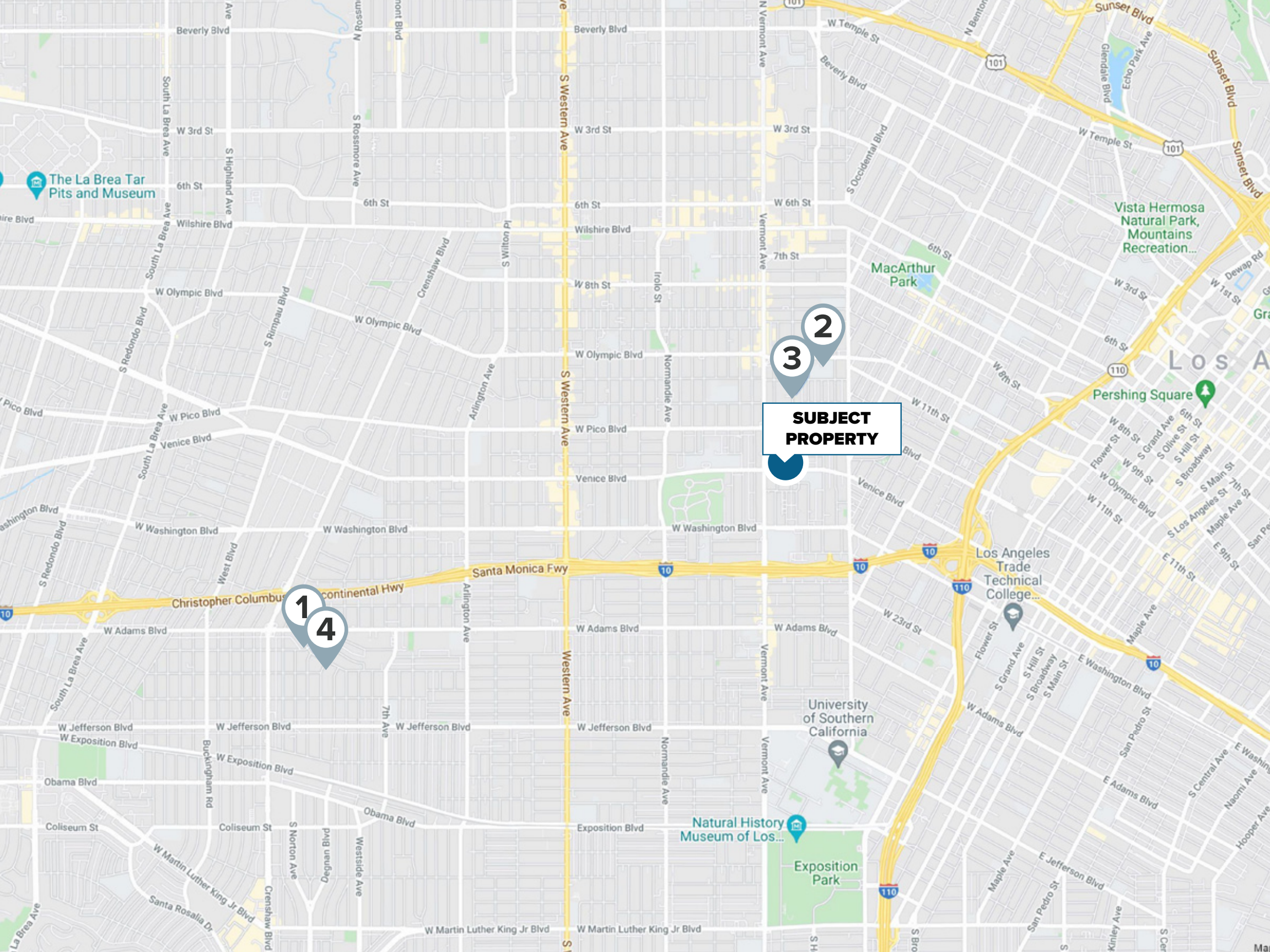
Camino Nuevo Charter
Academy - Castellanos

West Adams Preparatory
High School

Hoover Street
Elementary School

SALES COMPARABLES

ADDRESS	ZIP	UNITS	YR BUILT	SQ FT	PRICE	PER UNIT	PER FOOT	CAP RATE	GRM	SOLD DATE	UNITS
1520-22 Menlo Ave	90006	10	1924	5,132	\$1,865,000	\$186,500	\$363.41	4.33%	13.70	-	(10) - 1/1
 1215 S Ardmore Ave	90006	6	1960	4,076	\$1,351,000	\$225,167	\$331.45	4.18%	14.49	3/17/21	(5) - 2/1, (1) - 1/1
 1433 S New Hampshire Ave	90006	6	1959	4,277	\$1,150,000	\$191,667	\$268.88	4.42%	13.31	3/15/21	(1) - 3/2, (1) - 2/1, (4) - 1/1
 1120 S Normandie Ave	90006	8	1927	4,320	\$1,455,000	\$181,875	\$336.81	4.62%	14.44	12/23/20	(8) - 1/1
 3002-3008 W 15th St	90019	12	1923	8,360	\$2,080,000	\$173,333	\$248.80	4.88%	N/A	11/20/20	(12) - 1/1
 1024-1030 Menlo Ave	90006	32	1949	20,002	\$6,200,000	\$193,750	\$309.97	N/A	N/A	10/30/20	(16) - 1/1, (16) - Studio
 1022 S Catalina St	90006	6	1960	3,708	\$1,580,000	\$263,333	\$426.11	N/A	N/A	9/22/20	(1) - 2/1, (4) - 1/1, (1) - Studio
AVERAGES		12	1946	7,457	\$2,302,667	\$204,854	\$320.34	4.53%	14.08		



**SUBJECT
PROPERTY**

**1
4**

**2
3**

RENT COMPARABLES

	ADDRESS	MIX	SQ/FT	PRICE	NOTES
	1520-22 Menlo Ave	1+1	-	\$1,135	-
1	4225 W Adams Blvd	1+1	600	\$1,750	Quartz counters, subway tile bathroom, laminate floors, wall A/C unit, one parking space
2	962 Magnolia Ave	1+1	550	\$1,650	A/C, Parking, Updated Appliances, Laundry on Site, Tile and Wood Plank Flooring
3	1050 S Westmoreland Ave	1+1	570	\$1,650	Parking, Updated Appliances, Laundry on Site, Carpet and Wood Plank Flooring
4	4037 W 28th Street	1+1	600	\$1,800	Quartz counters, subway tile bathroom, laminate floors, wall A/C unit, one parking space
	AVERAGES		580	\$1,713	

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of Widget & El Ocotillo Portfolio located at **1520-22 Menlo Ave, Los Angeles, CA 90006** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

LISTED BY

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Senior Associate

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