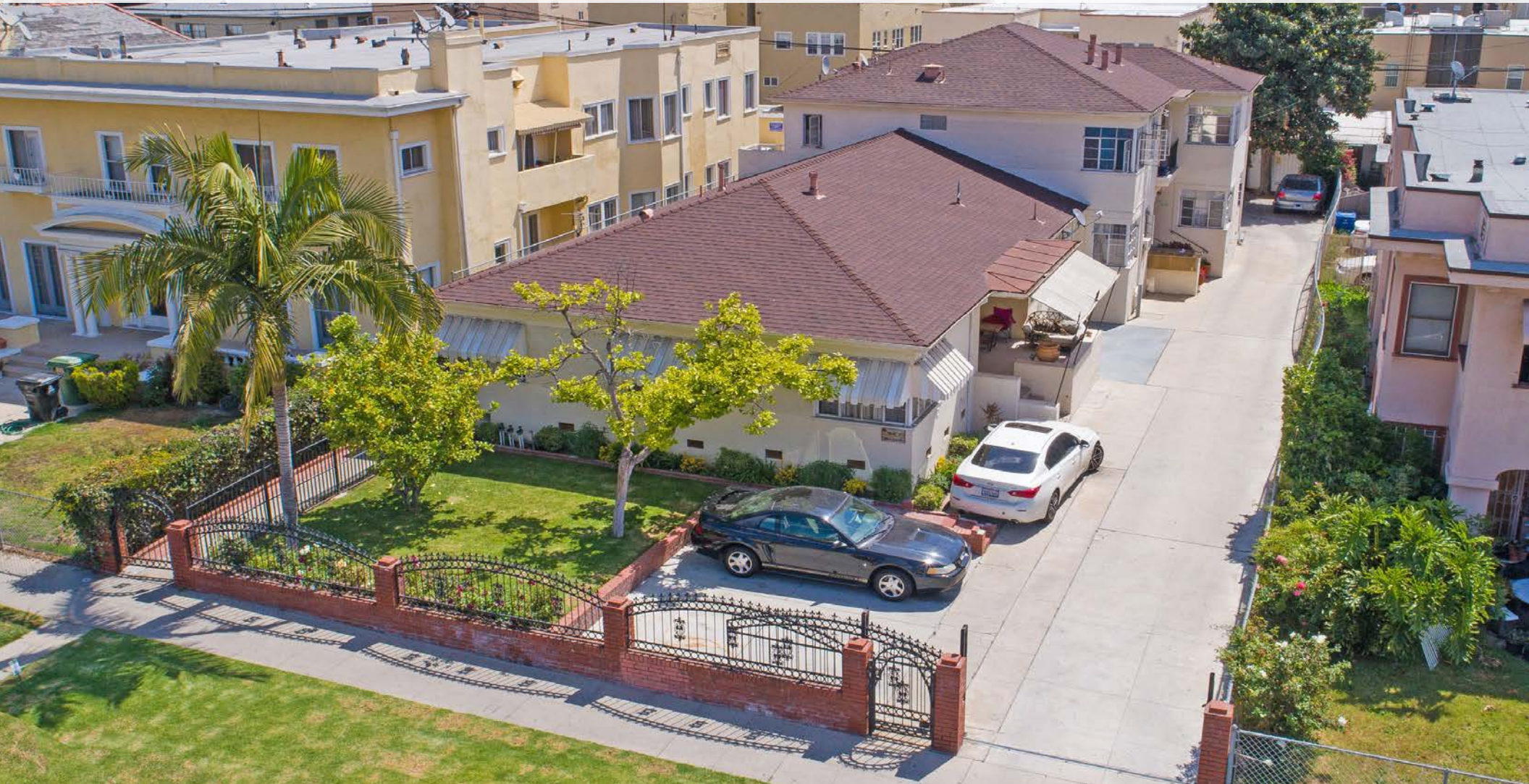


122

SOUTH BERENDO STREET, LOS ANGELES, CA 90004



9-UNIT APARTMENT COMMUNITY LOCATED IN KOREATOWN
OFFERING MEMORANDUM



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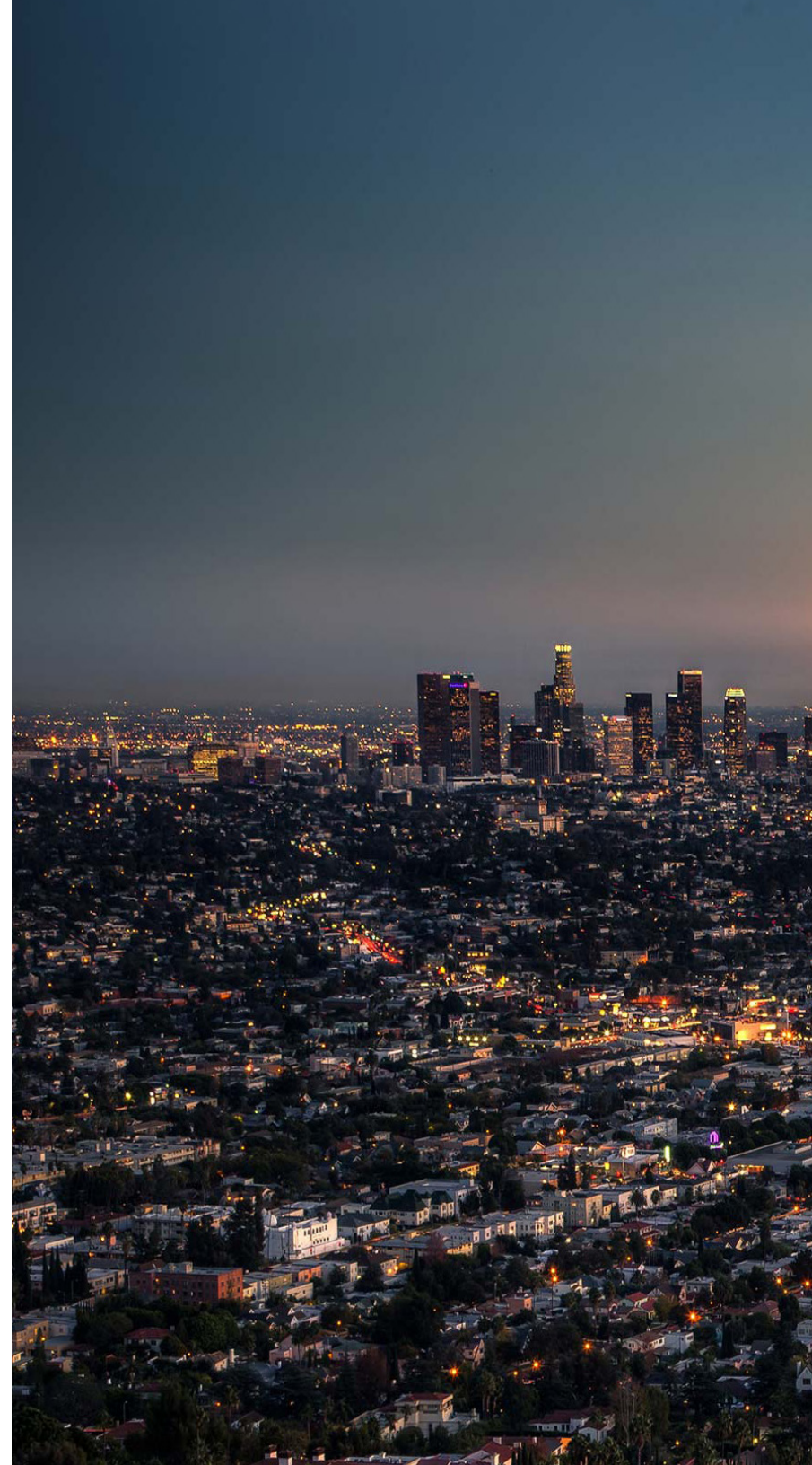
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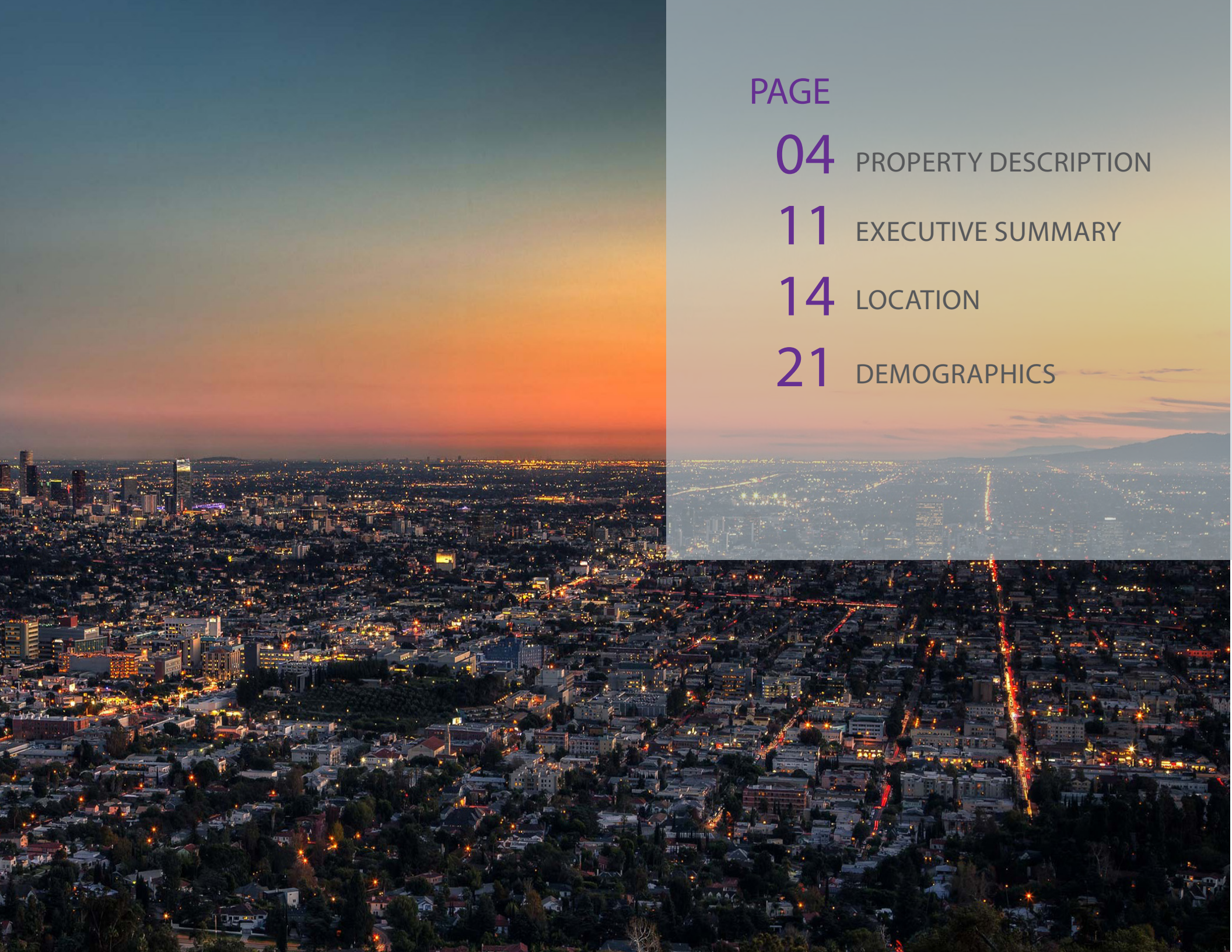
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PROPERTY
DESCRIPTION

THE OFFERING

The asset, located at 122 South Berendo Street, Los Angeles CA 90004, is located within the Koreatown submarket and features 9 apartment units and parking for 7-8 vehicles.

The unit composition consists of One (1) Three Bedroom Home, Four (4) Bachelor-style units and Four (4) Singles, each with spacious and functional layouts. Built in 1948, the property is sited on an 8,668 square foot parcel zoned R3.

The 3 Bedroom Home (Unit #122) is individually metered for gas and electrical utilities. The gas & electrical utilities for the remaining 8 units are paid by ownership in which annual rents could be potentially raised 5% annually.

122 South Berendo Street is in the densely populated Koreatown submarket, one of LA's most dynamic locations. Residents are within easy access to major area amenities and just 0.4 miles from the Vermont / Beverly Metro Red Line station.

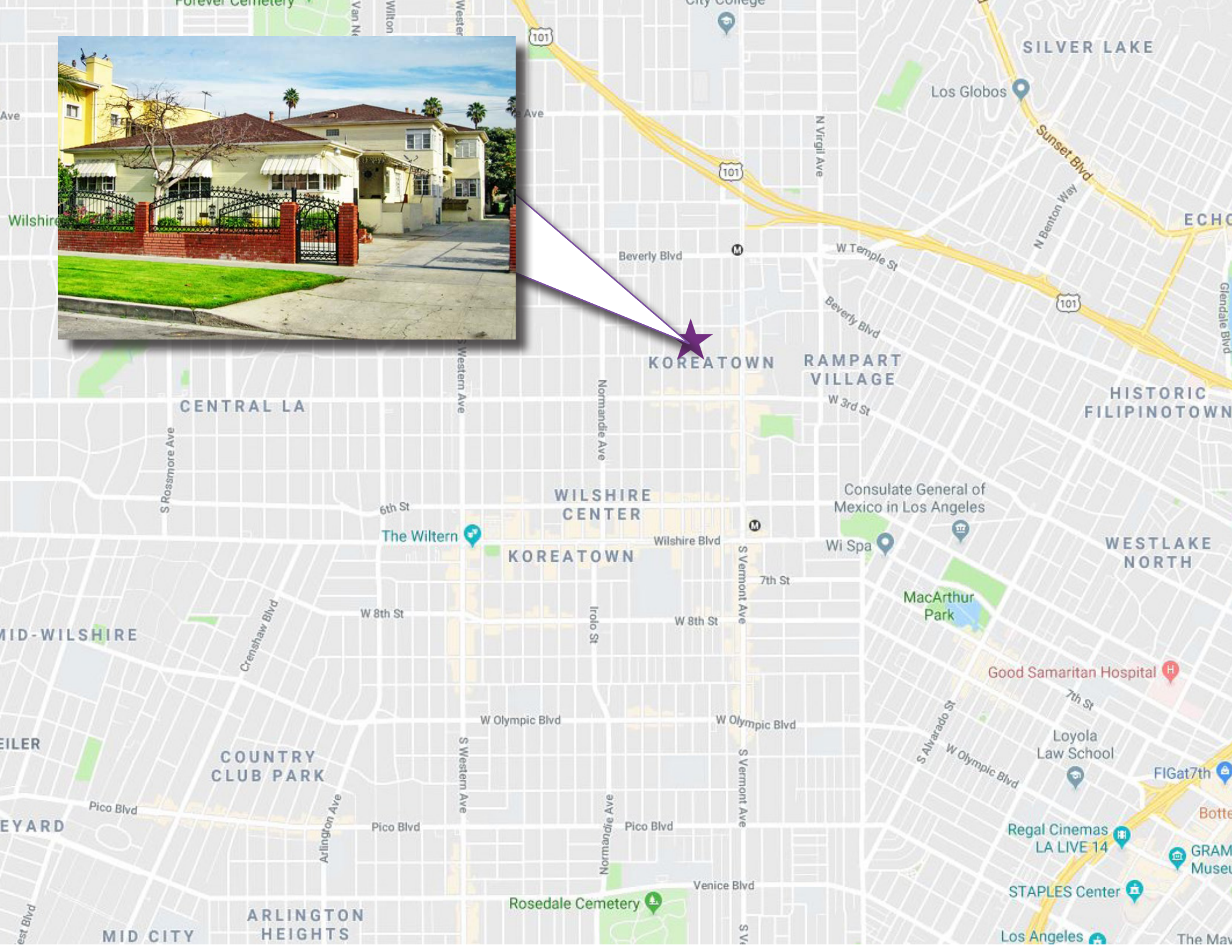
There is substantial rental upside as market rents are higher than existing rents thus representing a strong long-term investment opportunity in a strong location.

The location is poised to capitalize on the tremendous development momentum with more than 50 new residential / commercial development projects are currently under development and/or being proposed in the Koreatown submarket.

Furthermore, the subject property's transit-oriented and highly walkable (89 Walkscore) location offers residents access to a myriad of entertainment venues, cultural destinations, and dining options nearby.

Given the property's location and potential for stable and strong income metrics, 122 South Berendo Street is an ideal investment for apartment operators seeking a true value add opportunity for long term wealth preservation and appreciation.







INVESTMENT HIGHLIGHTS

THE OPPORTUNITY: 122 South Berendo Street is a 9-unit investment opportunity located in Koreatown, a densely populated rental submarket of Los Angeles known for excellent rent growth and low vacancy rates.

VALUE ADD OPPORTUNITY: The asset is poised for potential renovations to much of the common areas and apartment interiors upon natural unit attrition which will allow the astute investor to achieve market rents thus facilitating strong and stable investor returns.

WELL LOCATED: The property is in the heart of Koreatown and less than a ½ mile from the Vermont/Santa Monica Metro Red Line Station and many retail and entertainment venues that serve the area. A short drive puts you in Mid-City, Hancock Park and DTLA.

FANTASTIC WALKABILITY: With a 89 Walk Score, 122 South Berendo Street is a “Walker’s Paradise” - Daily errands can be accomplished on foot.

TRANSIT ORIENTED: 122 South Berendo Street is located approx. 0.4 miles from the Metro Red Line which currently provides service to Hollywood and Downtown Los Angeles.

STRONG EMPLOYMENT: The Koreatown submarket is one of the strongest employment centers in the Los Angeles and offers access to a diverse set of employers.

SEISMIC RETROFIT REQUIRED: 122 South Berendo Street is NOT on the City of Los Angeles Seismic Retrofit List.

LOCATED NEAR NEW COMMERCIAL DEVELOPMENTS: More than 50 new residential / commercial development projects are currently under development and/or being proposed in the Koreatown submarket.



Property Details

| | |
|---------------------------|---|
| Property Address: | 122 South Berendo Street, Los Angeles, CA 90004 |
| Assessor's Parcel Number: | 5518-028-019 |
| Buildings: | One |
| Year Built: | 1948 |
| Land Use: | Apartments |
| Zoning: | LAR3 |
| Stories: | Two |

SITE DESCRIPTION

| | |
|--------------------------|----------|
| Units: | 9 |
| Gross Square Footage: | 4,737 SF |
| Lot Size Square Footage: | 8,668 SF |

UTILITIES

| | |
|-----------|----------------------------|
| Water: | Master Metered - LADWP |
| Sewer: | Master Metered - LADWP |
| Electric: | Separately Metered - LADWP |
| Gas: | Separately Metered - LADWP |

CONSTRUCTION

| | |
|-------------|------------------------------|
| Foundation: | Concrete / Raised Foundation |
| Framing: | Wood Frame |
| Exterior: | Stucco |
| Roof: | Pitched |
| Topography: | Flat |

These materials are based on information and content provided by others which we believe are accurate. No guarantee, warranty or representation is made by Keller Williams Realty/KW Commercial or its personnel, and all interested parties must independently verify its accuracy and completeness.

EXECUTIVE SUMMARY

FINANCIAL SUMMARY

122 South Berendo Street
Los Angeles, CA 90004

| FINANCIAL INDICATORS | |
|-------------------------------|-------------|
| Offering Price | \$1,590,000 |
| Current CAP Rate | 3.4% |
| Market CAP Rate | 7.0% |
| Current GRM | 16.5 |
| Market GRM | 10.4 |
| Cost Per SF | \$336 |
| Cost Per Unit | \$176,667 |
| Expenses Per Unit | -\$4,438 |
| Expenses Per Sq Ft | (\$8.43) |
| BUILDING DATA | |
| Units | 9 |
| Year Built | 1948 |
| Lot Sq Ft | 8,668 |
| Bldg Gross Sq Ft | 4,737 |
| Parking Spaces | 7 |
| ESTIMATED ANNUALIZED EXPENSES | |
| New Property Taxes | \$19,557 |
| Utilities | \$9,709 |
| Rental Registration | \$610 |
| Waste Removal | \$1,377 |
| Property Insurance | \$3,408 |
| Landscaping | \$900 |
| Pest Control | \$720 |
| Repairs & Maintenance | \$3,660 |
| Total Estimated Expenses | \$39,941 |

| SOURCE OF INCOME | | CURRENT | | MARKET RENT Post Renovation | |
|---|-----------------------|-----------|------------|--------------------------------|-----------|
| # of Units | Unit Type | Avg. Rent | Total | Avg. Rent | Total |
| 4 | Single-One Bathroom | \$851 | \$3,403.45 | \$1,325 | \$5,300 |
| 1 | 3 Bedroom Home | \$1,230 | \$1,230 | \$3,000 | \$3,000 |
| 4 | Bachelor-One Bathroom | \$845 | \$3,381.38 | \$1,125 | \$4,500 |
| Total Rental Income | | | \$8,015 | \$12,800 | |
| Total Annual Income | | | \$96,176 | \$153,600 | |
| ESTIMATED ANNUALIZED OPERATING DATA | | CURRENT | | MARKET | |
| Scheduled Gross Income | | \$96,176 | | \$153,600 | |
| Less Vacancy | | 2.0% | (\$1,924) | 2.0% | (\$3,072) |
| Gross Operating Income | | \$94,252 | | \$150,528 | |
| Less Expenses | | 42.4% | \$39,941 | 26.0% | \$39,941 |
| Net Operating Income | | \$54,311 | | \$110,587 | |
| Return on Investment | | 3.4% | | 7.0% | |
| Notes | | | | | |
| Repairs & Maintenance: Actual based upon 2017 expenses. | | | | | |
| Utilities: Actual based upon 2017 expenses. (Utility Metering -Gas / Electrical is separately metered for #122 (3 bedroom home) and master metered for Gas / Electrical utilities for the remaining units) | | | | | |
| Service Providers: Proforma expenses a) Landscaping at \$75/mo b) Pest Control at \$60/mo based on market rates. | | | | | |
| Real Estate Taxes: Taxes have been estimated and based upon a tax rate of 1.23%. | | | | | |
| Property Insurance: Actual based upon 2017 expenses. | | | | | |
| Rental Registration: Actual based upon 2017 expenses. | | | | | |



RENT ROLL

122 South Berendo Street
Los Angeles, CA 90004

| UNIT | STATUS | UNIT TYPE | CURRENT RENT | MARKET RENT Post Renovation |
|---------|----------|-----------------------|-------------------|--------------------------------|
| 120 | Occupied | Bachelor-One Bathroom | \$1,050.00 | \$1,125 |
| 120 1/4 | Occupied | Bachelor-One Bathroom | \$564.87 | \$1,125 |
| 120 1/2 | Occupied | Bachelor-One Bathroom | \$781.51 | \$1,125 |
| 120 3/4 | Occupied | Bachelor-One Bathroom | \$985.00 | \$1,125 |
| 122 | Occupied | 3 Bedroom Home | \$1,229.82 | \$3,000 |
| 124 | Occupied | Single-One Bathroom | \$748.87 | \$1,325 |
| 124 1/2 | Occupied | Single-One Bathroom | \$1,150.00 | \$1,325 |
| 126 | Occupied | Single-One Bathroom | \$815.24 | \$1,325 |
| 126 1/2 | Occupied | Single-One Bathroom | \$689.34 | \$1,325 |
| | | | \$8,014.65 | \$12,800 |

LOCATION OVERVIEW



KOREATOWN

KOREATOWN IS BOOMING



There are over 6,000+ new luxury apartments in development in Koreatown. These projects also include 200,000+ square feet of retail space with new retailers like Target opening on 6th and Virgil, and Yoga Works having already opened on 7th Street.

LOCATION FUNDAMENTALS



Millennials have ditched the suburbs for a more active and dynamic urban lifestyle. Many don't own or want to own cars, so they rely on walking, biking, Metro or Uber.

There is a highly limited supply of housing in Los Angeles, and especially in Koreatown, which is causing upward pressure on rents. In fact, rental rates are expected to increase by 25% over the next five years, according to Axiometrics.

NEW YORK IN LA

The Metro has been a catalyst for transportation-oriented growth, leading to demographic shifts in areas like Downtown LA, Koreatown, Hollywood and Pasadena. LA residents now have a greater choice in where they live while still being connected to major employment hubs.



Residents can walk to three metro stations: Wilshire/Western, Wilshire/Normandie and Wilshire/Vermont. That gives them easy access to a number of key lines:

- The Purple Line provides access to Downtown LA to the east and is being extended through Miracle Mile, Beverly Hills, Century City and Westwood.
- The Red Line provides access to Downtown LA in the east and Hollywood and North Hollywood to the northwest.
- The Expo Line, dubbed the "subway to the sea," extends from Downtown LA to the beaches of Santa Monica and Silicon Beach employment hubs.

ENHANCEMENT OPPORTUNITIES



AFFORDABILITY GAP – BUY VS RENT

The median neighborhood home price is over \$725,000, with adjacent markets approaching \$1 million, making home purchase out of reach for most local renters. Renting at 730 South Serrano Avenue offers tenants a modern, sophisticated alternative at a fraction of the cost of home ownership. This disparity is a leading reason behind high occupancy and demand throughout the marketplace.



MOST SEARCHED NEIGHBORHOOD

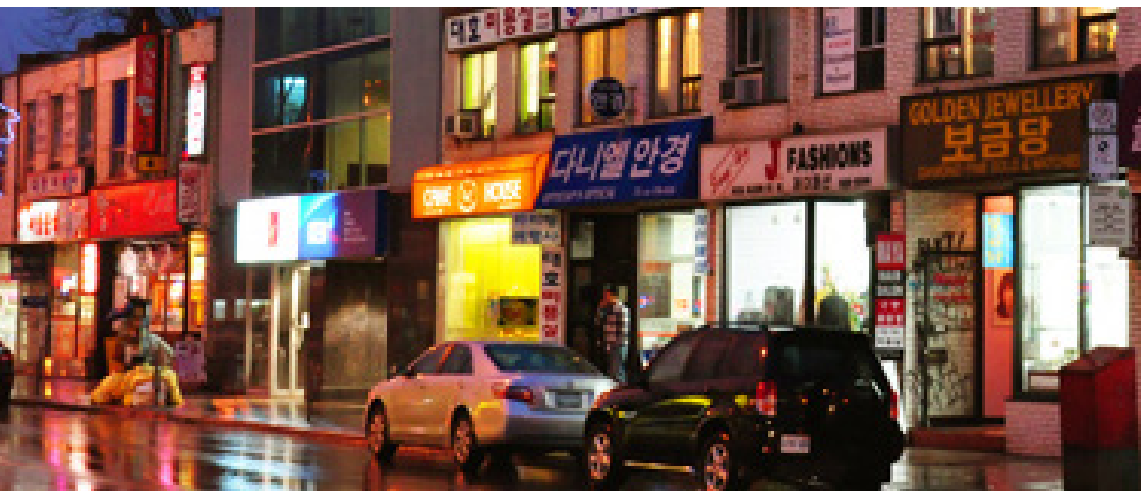
Koreatown is the #1 searched-for rental market in Los Angeles, well ahead of other popular submarkets such as Hollywood, West Los Angeles and Mid-City, according to the online property rental site Zumper.com. The convergence of gourmet-restaurants, shopping and chic hotels like The Line is a leading reason behind Koreatown's emergence as "America's Hippest Neighborhood."

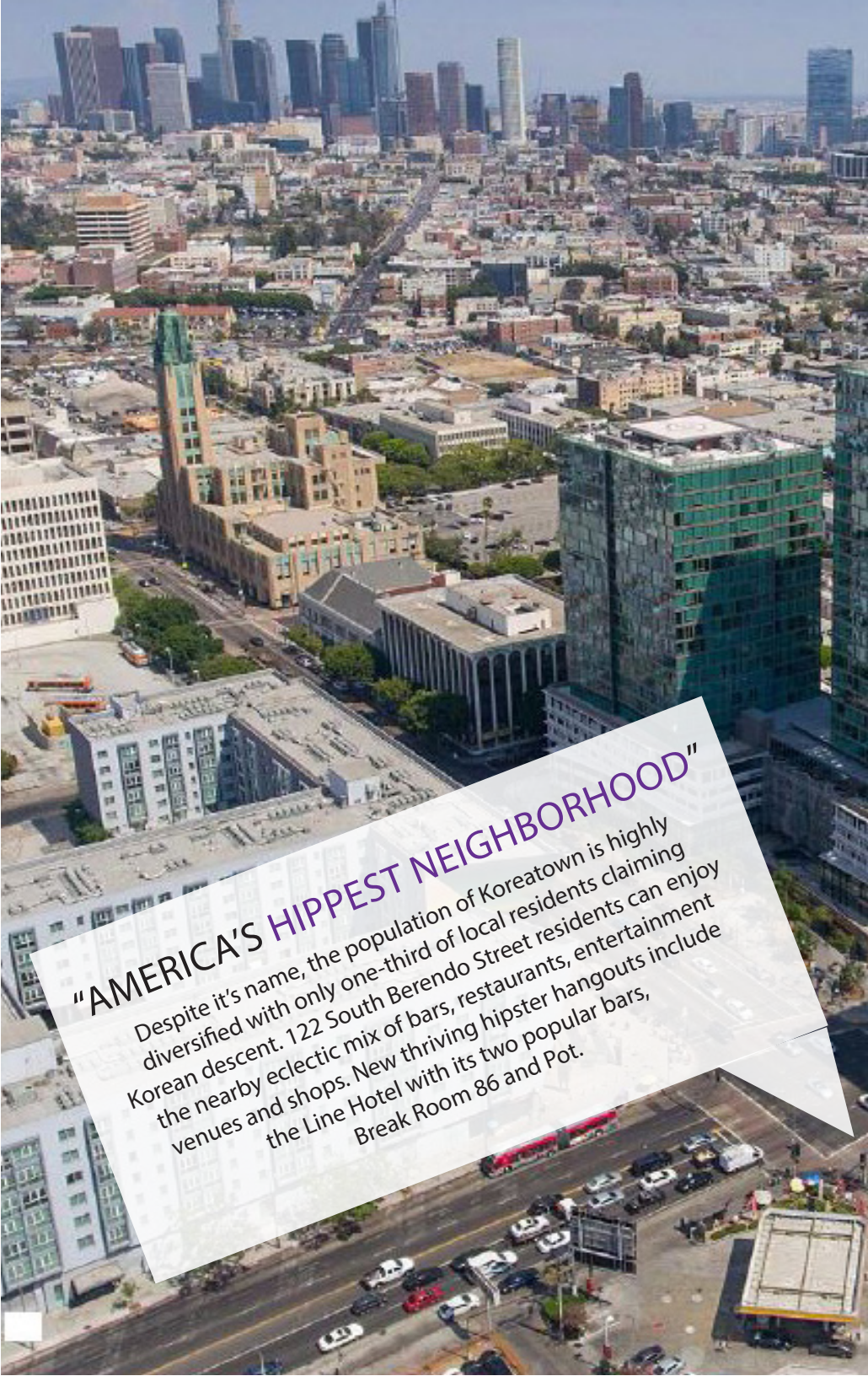


URBAN LIVING WITH WALKABILITY

Densely-populated, Koreatown is a sprawling three-square-mile community in the middle of the city. It is a highly walkable submarket served by multiple subway and bus lines. Residents can travel on foot to complete their daily errands and stroll to the many restaurants, clubs, chic hotels and restaurants that make up Koreatown's vibrant nightlife. While there is a newness to Koreatown, its palm-lined streets are also rich in architectural charm and cultural heritage.

Scoring 89 out of 100, 122 South Berendo Street is located in what walkscore.com considers a "Very Walkable".





“AMERICA’S HIPPEST NEIGHBORHOOD”

Despite its name, the population of Koreatown is highly diversified with only one-third of local residents claiming Korean descent. 122 South Berendo Street residents can enjoy the nearby eclectic mix of bars, restaurants, entertainment venues and shops. New thriving hipster hangouts include the Line Hotel with its two popular bars, Break Room 86 and Pot.

KOREATOWN AREA AMENITIES

GROCERY STORES

Ralphs
H Mart
Hank Kook
Zion Market
Galleria Market
Jons Marketplace
Vons
California Market
Plaza Market
Sang Nok Soo
Asian Market
Family Discount Store
East West Market

FITNESS & SPA

Yoga Works
Whole Body Pilates
Strength RX Crossfit
WilFit Sports Club
Fitness M
Flywheel Sports
24 Hour Fitness
Movement Pilates
Taejo Kickboxing
Wi Spa
Beverly Hot Spring

ENTERTAINMENT & SHOPPING

Target 6th and Virgil (Coming Soon)
Wiltern
Shrine Karaoke
Koreatown Galleria
Vermont Galleria
Koreatown Plaza

RESTAURANTS & BARS & HOTELS

Pot Lobby Bar
Lock & Key
Mountain Café
Beer Belly
The Normandie Club
Cassell’s Burgers
Apt 503 Lounge
The Virgil
Sumo Dog
Horse’s Mouth
Line Hotel
Hotel Normandie
Shelter Hotel

WITHIN DRIVING DISTANCE

Larchmont Village
Staples Center/LA Live
Walt Disney Concert Hall
Broad Museum
Griffith Observatory
ArcLight Cinemas
7th & Fig
MOCA
Dodger Stadium
Natural History Museum

TRANSIT AND PEDESTRIAN ORIENTED



89 WALK SCORE

“VERY WALKABLE”
Most errands can be accomplished on foot.



73 TRANSIT SCORE

“EXCELLENT TRANSIT”
Transit is convenient for most trips.



65 BIKE SCORE

“BIKEABLE”
Flat as a pancake, some bike lanes.

122 South Berendo Street offers residents convenient proximity to local employers, cultural attractions, and entertainment destinations without the use of a car. The property is located near stops for six bus lines (the DASH, 180, 181, 206, 217, and 780) which enable residents to easily access various locations within the city. Additionally, the subject property is two and a half miles from the Hollywood/ Western Metro Red Line Station where residents can enjoy short travel times to Downtown L.A, Universal City, Studio City, and NoHo Arts District.

The Metro Red Line also connects to the Purple Line and its proposed expansion which will connect all of West Los Angeles/Santa Monica to Hollywood. Listed in Table 1 below are travel times to popular destinations and employment centers via different means of transportation. The subject property has a walk score of 89, which is considered “Very Walkable” for its residents. Walkable neighborhoods attract young, educated, and affluent lifestyle renters seeking a living environment that provides luxury interior spaces near employment and entertainment centers.

| TABLE 1 LOCATION | METHOD OF TRANSPORTATION | | | |
|-----------------------------|--------------------------|--------|--------|---------|
| | BIKING | BUS | METRO | DRIVING |
| GRIFFITH PARK | 29 min | 30 min | 28 min | 10 min |
| VERMONT/SUNSET STATION | 7 min | 14 min | 14 min | 7 min |
| LOS FELIZ VILLAGE | 8 min | 26 min | 22 min | 8 min |
| SUNSET JUNCTION | 2 min | N/A | N/A | 3 min |
| HOLLYWOOD/HIGHLAND | 27 min | 47 min | 26 min | 22 min |
| WILSHIRE/VERMONT STATION | 14 min | 23 min | 20 min | 10 min |
| UNIVERSAL CITY | 56 min | 30 min | 30 min | 27 min |
| DOWNTOWN LA (UNION STATION) | 29 min | 35 min | 30min | 13 min |

Residents at 122 South Berendo Street are also within a short drive of some of the most desirable submarkets in Los Angeles County. The immediately adjacent neighborhoods (Hollywood and Koreatown) are within a 10-15 minute drive while other employment centers such as West Hollywood, Beverly Hills, and Downtown Los Angeles are within 25 minute drive (during light traffic conditions).

23
MINUTES TO
WEST HOLLYWOOD

13
MINUTES TO
DOWNTOWN LA

29
MINUTES TO
BEVERLY HILLS



CENTRALLY LOCATED - SUPER HIGH DENSITY - 3 SQUARE MILE COMMUNITY | RAPIDLY EXPANDING RENTAL MARKET - 5000+ APARTMENTS IN DEVELOPMENT
TRUE TRANSPORTATION ORIENTED COMMUNITY - NUMEROUS SUBWAY OPTIONS | RICH IN AMENITIES - RESTAURANTS, RETAIL, ENTERTAINMENT





DEMOGRAPHICS SNAPSHOT

KOREATOWN

| POPULATION | 0.25 MILES | 0.5MILE | 1 MILE |
|---------------------|------------|---------|---------|
| TOTAL POPULATION | 8,358 | 30,203 | 101,184 |
| MEDIAN AGE | 32.2 | 33.2 | 33.5 |
| MEDIAN AGE (MALE) | 31.6 | 31.6 | 33.0 |
| MEDIAN AGE (FEMALE) | 33.6 | 33.6 | 34.3 |

| HOUSEHOLDS & INCOME | 0.25 MILES | 0.5 MILE | 1 MILE |
|------------------------|------------|-----------|-----------|
| TOTAL HOUSEHOLDS | 2,942 | 10,488 | 37,523 |
| # OF PERSONS PER HH | 2.8 | 2.9 | 2.7 |
| AVERAGE HH INCOME | \$46,507 | \$43,435 | \$45,576 |
| AVERAGE HH HOUSE VALUE | \$612,736 | \$598,509 | \$598,874 |



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