



Offering Memorandum

The Montecito

5507-09 S. Manhattan Pl, Los Angeles, CA 90062

Multifamily/Residential

FOR SALE

PROPERTY WEBSITE

lucrumre.com



EQUITY
UNION
COMMERCIAL



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The Montecito

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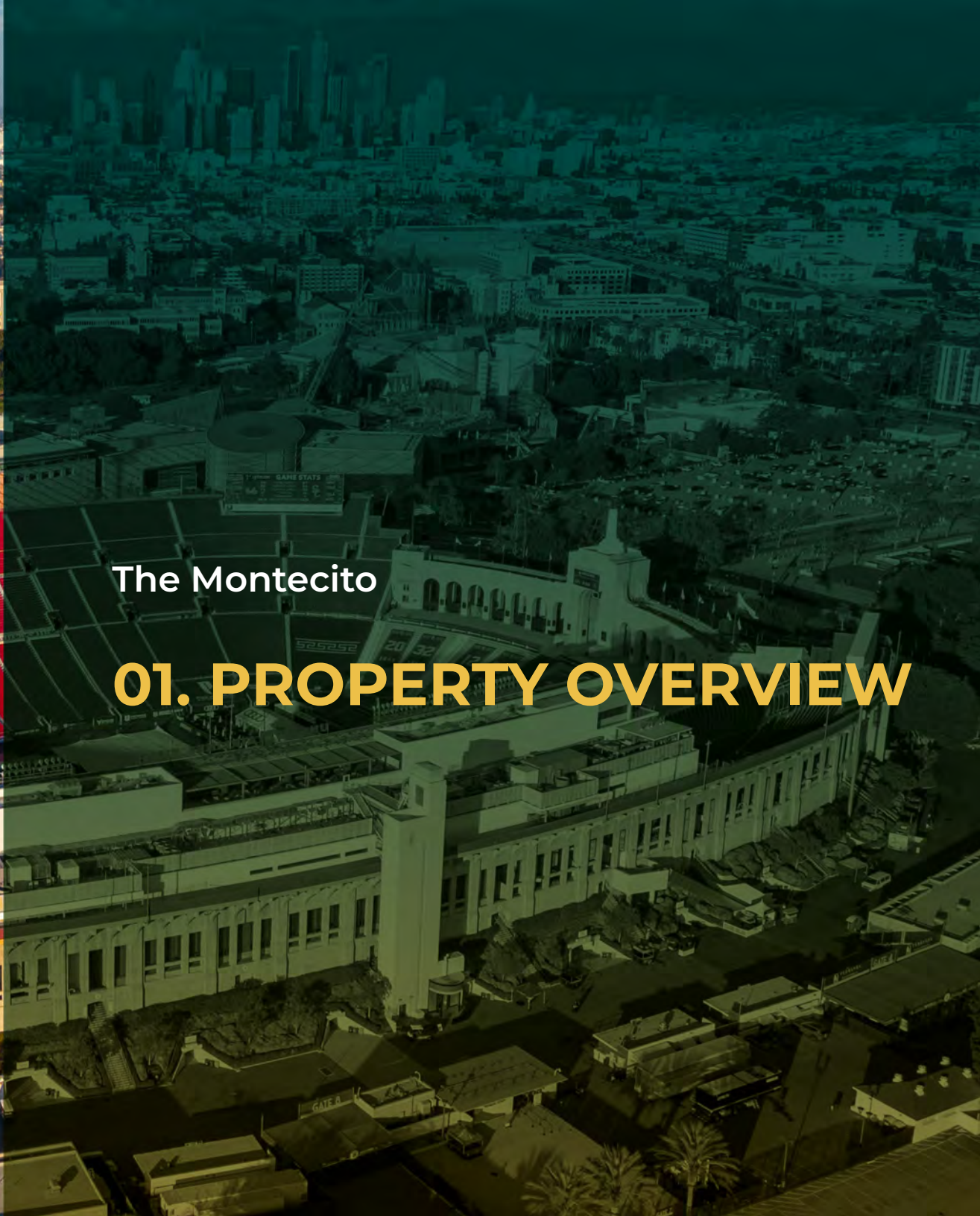


The Montecito

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The Montecito

01. PROPERTY OVERVIEW



The Montecito

Property Overview

Street Address:	5507-09 S. Manhattan Pl.
City:	Los Angeles
State:	California
Zip Code:	90062
APN:	5005-025-026
Rentable Square Feet:	±4,236 SF
Lot Size:	±6,055 SF
Year Built:	1923 & 2024
Number of Units:	4
Number of Buildings:	2
Number of Stories:	Front Building: 1 Story Rear Building: Tri-Level
Water:	Master-Metered
Electric:	Individually-Metered
Gas:	Individually-Metered
Construction:	Wood-frame
Roof:	Flat
Parking:	Street
Zoning:	LAR2
Unit Mix:	(2) 3 Beds/2 Baths (2) 3 Beds/2 Baths TH ADUs





The Montecito



Property Description

The Montecito presents a rare investment opportunity that marries both a charming Spanish style front duplex with a newly developed and modern rear duplex comprised of two new spacious Townhome ADUs. Priced to sell at an attractive 6.63% cap rate.

This investment opportunity presents an ideal income property for a savvy investor looking to acquire a well-positioned asset with a 9.50% rental upside potential with an attractive private financing option.

This high-income producing 4-plex is comprised of 2 (3+2) units in a one-story building built in 1923, averaging ± 918 sq ft, and 2 (3+2) newly developed townhouse ADU units built in 2024 averaging $\pm 1,200$ sq ft each. The combined building structure is $\pm 4,236$ square feet. The structures sit on a $\pm 6,055$ square foot lot, zoned LAR2. Additionally, 50% of the units are non-rent control.

Unit Improvement Summary includes:

3-Bedroom + 2-Bath Units:

One of the front units has been highly improved with new countertops, wood like flooring and stainless steel appliances. Both units offer laundry rooms with washer/dryer hookups and individual hot water heaters. In 2016, the roof was replaced, and in 2024, ownership upgraded the electrical panels.



3-Bedroom + 2-Bath Tri-Level Townhome Units:

Both newly constructed Townhome ADUs are immaculate and were developed in 2024 with sophistication and efficiency in mind. Each unit offers soaring 16' vaulted ceiling, accompanied by recessed lighting that illuminates the wide plank eco-friendly vinyl wood flooring with in-suite washer and dryer hook-ups.

Both townhomes are equipped with fire suppression systems and ownership installed solar panels, along with tankless water heaters, making these units not only beautiful, but energy efficient. The solar panels are owned. There is no debt or lease obligation associated with the solar panels.





Location Description

The Montecito is located at 5507-09 S. Manhattan Place in the vibrant and emerging submarket of South Los Angeles adjacent to Park Mesa Heights. The property is conveniently close to Leimert Park and just south of The University of Southern California. Located on the 5500 block of S. Manhattan Place, the property is situated between W. 54th St and W. Slauson Ave., just east of S. Van Ness Ave.

The property is ideally located within proximity to many of Southern California's most visited attractions and business hubs such as DTLA, BMO Stadium, SoFi Stadium, The Natural History Museum, Los Angeles Memorial Coliseum, University of Southern California and Crypto.com Arena just to name a few. In addition, the property is surrounded by restaurants and shopping and provides easy of access to public transportation, most notable, The Metro E Line Train.

In addition, 5507-09 S. Manhattan Place is a central Los Angeles location and minutes to East L.A., Jefferson Park, Huntington Park and Mid City, making this property the ideal location to call home and a pride of ownership investment.





The Montecito

Property Highlights

- + Priced to sell at an attractive 6.63% cap rate
- + 100% 3+2 units | 50% non rent control
- + Two townhome ADUs built in 2024
- + Strong income & positive cash flow
- + Attractive financing option
- + 2 new units equipped with solar panels

Location Highlights

- + Beautiful tree lined residential street
- + Minutes to USC, SOFI, & DTLA
- + Convenient access to 110 & 10 Freeways











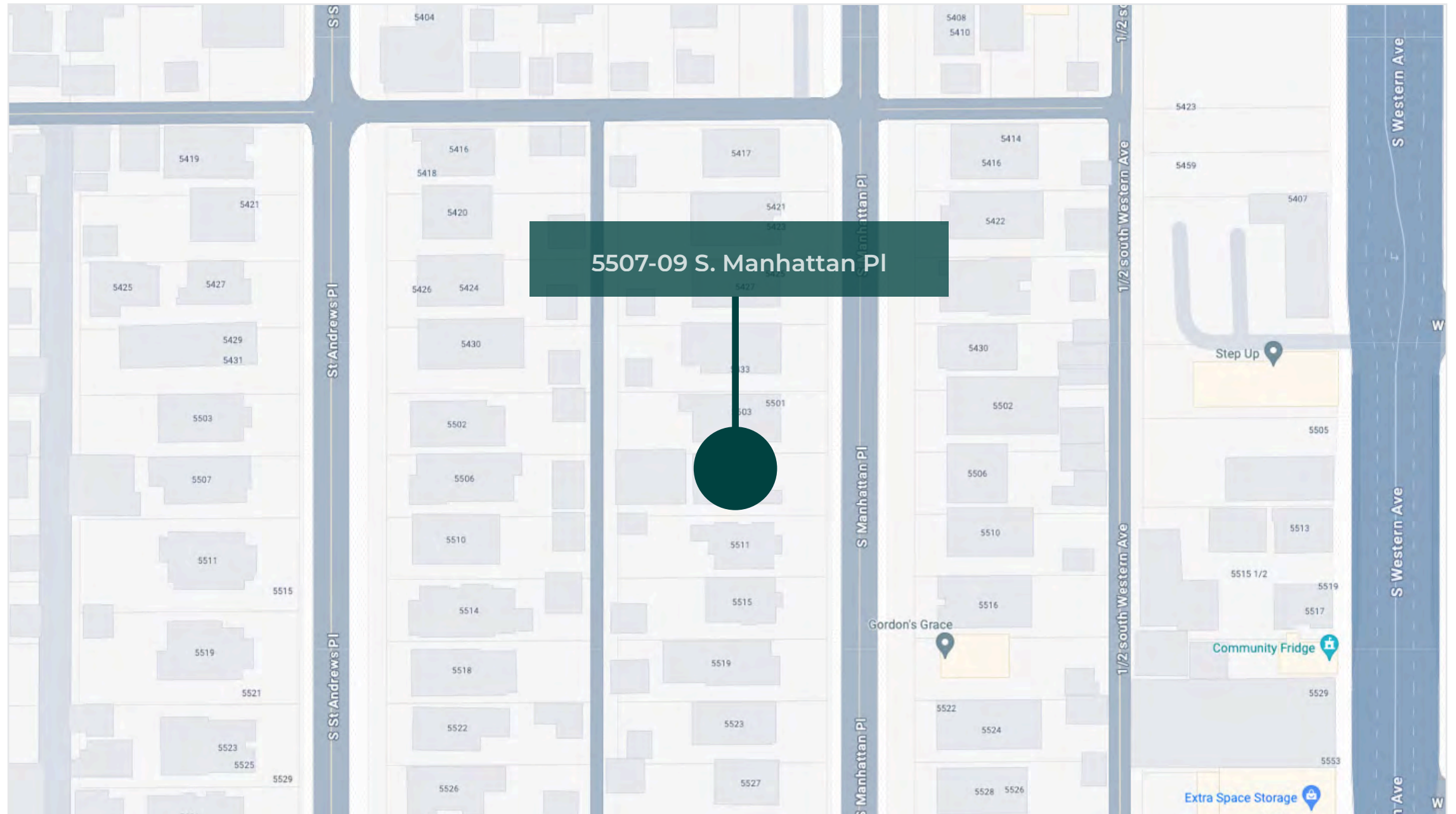








Street Map





Satellite Map (3D)





The Montecito

02. FINANCIALS



Financials Pricing Details

Price	\$1,750,000
Number of units	4
Price per unit	\$437,500
Price per Square Foot	\$413.13
Gross Square Footage	±4,236
Lot Size	±6,055
Year Built	1923 & 2024

Returns	Current	Pro Forma
CAP Rate	6.63%	7.42%
GRM	11.35	10.40

Rent Roll Summary

# of Units	Unit Type	Current	Pro Forma
1	3+2	\$1,970	\$3,000
1	3+2	\$2,950	\$3,000
1	3+2 TH	\$3,750	\$3,825
1	3+2 TH	\$3,800	\$3,825



Financials Operating Data

Annual Income		Current		Pro Forma
Scheduled Gross Income		\$154,140		\$168,300
Less: Vacancy/Deductions	3.00%*	(\$4,624)	3.00%*	(\$5,049)
Gross Operating Income		\$149,516		\$163,251
Less: Expenses	21.72%*	(\$33,480)	19.89%*	(\$33,480)
Net Operating Income		\$116,036		\$129,771
Less Debt Service		(\$92,914)		(\$92,914)
Pre-Tax Cash Flow	4.40%**	\$23,122	7.02%**	\$36,857
Plus Principal Reduction		\$13,692		\$13,692
Total Return Before Taxes	7.01%**	\$36,814	9.63%**	\$50,549
Expenses				
Real Estate Taxes				\$21,350
Insurance				\$2,350
Utilities				\$6,480
Maintenance & Repairs				\$2,400
Misc				\$900
Total Expenses				\$33,480
Per Square Foot				\$7.90
Per Unit				\$8,370

* As a percentage of Scheduled Gross Income.

** As a percentage of Down Payment.



Financials **Rent Roll**

#	Unit Type	SF	Rent	Rent Per SF	Pro Forma Rent	Section 8	Note
5507	3 Beds/2 Baths	918	\$1,970.00	--	\$3,000.00	N	Landlord pays all utilities
5509	3 Beds/2 Baths	918	\$2,950.00	--	\$3,000.00	--	\$125 for water
5507 1/2	3 Beds/2 Baths TH	1,200	\$3,750.00	--	\$3,825.00	N	2024 TH + \$125 for water
5509 1/2	3 Beds/2 Baths TH	1,200	\$3,800.00	--	\$3,825.00	N	2024 TH + \$125 for water
Totals		--	\$12,470.00	--	\$13,650.00	--	--



Financials **Rent Roll**

Other Income	--	Monthly Income	--	Pro Forma Income	--	Note
Other Income	--	\$375.00	--	\$375.00	--	--
Total Other Income	--	\$375.00	--	\$375.00	--	--
Monthly SGI	--	\$12,845.00	--	\$14,025.00	--	--



Financials **Loan Option**

Indicative Loan Pricing	The Montecito
Loan Product	5 Year Term
Loan Amount	\$1,225,000
Fixed	5 Years
Amortization	30 Years
Interest Only Period	--
Prepay	--
Rate Lock Period	--
Minimum Debt Coverage Ratio	--
Max Loan to Value	70%
Debt Coverage Ratio as Underwritten	--
Estimated Interest Rate	6.50%
Approximate Annual Payment	\$92,914
Approximate Annual Payment (IO)	--

The interest rates listed above and any spreads derived there from are subject to market influences, which may impact loan proceeds. All terms are subject to review and approval by the lender and are subject to change until rate/spread lock.

Contact us for more details regarding attractive Private Lender Financing Option.

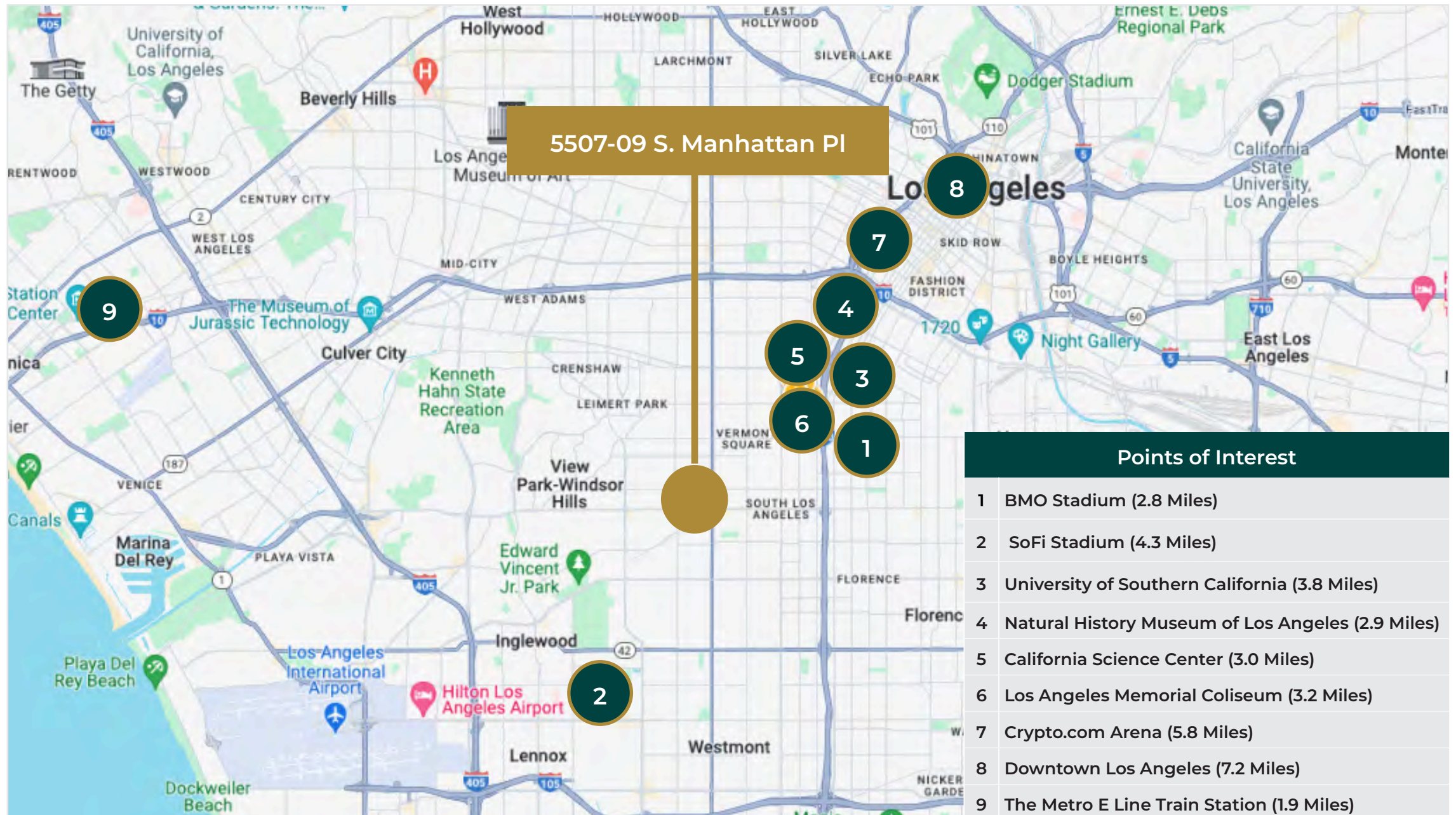


The Montecito

04. AREA OVERVIEW



Points of Interest





The Montecito

Points of Interest



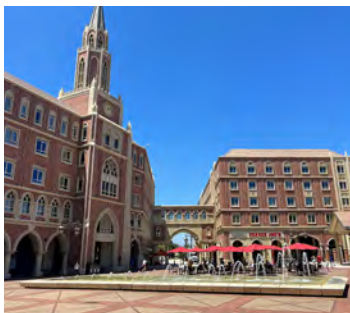
BMO Stadium (2.8 Miles)

BMO Stadium, formerly Banc of California Stadium, is a soccer-specific stadium in the Exposition Park neighborhood of Los Angeles, California. It is the home of Major League Soccer's Los Angeles FC and the National Women's Soccer League's Angel City.



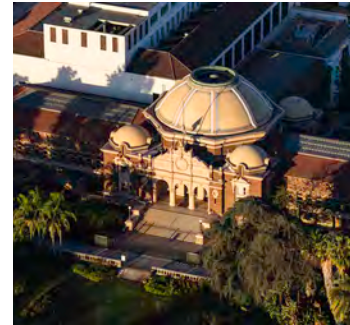
SoFi Stadium (4.3 Miles)

SoFi Stadium is home of the Los Angeles Chargers and Super Bowl LVI champion Los Angeles Rams and is located in Inglewood, Calif. It is the centerpiece of Hollywood Park, a near 300-acre mixed-use development being built by Rams Owner/Chairman E. Stanley Kroenke.



University of Southern California (3.8 Miles)

The University of Southern California is a private research university in Los Angeles, California. Founded in 1880 by Robert Maclay Widney, it is the oldest private research university in California and one of the most prestigious universities in the country.



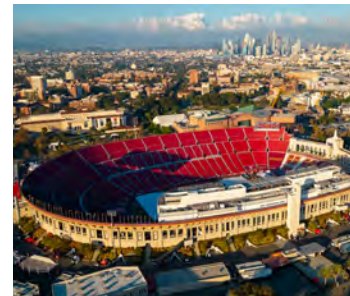
Natural History Museum of Los Angeles (2.9 Miles)

The Natural History Museum of Los Angeles County is the largest natural and historical museum in the western United States. Its collections include nearly 35 million specimens and artifacts and cover 4.5 billion years of history.



California Science Center (3.0 Miles)

The California Science Center is a state agency and museum located in Exposition Park, Los Angeles, next to the Natural History Museum of Los Angeles County and the University of Southern California.



Los Angeles Memorial Coliseum (3.2 Miles)

The L.A. Coliseum, in Los Angeles' Exposition Park, is a multi-purpose stadium commissioned in 1921 as a memorial to the city's World War I veterans.



The Montecito

Points of Interest



Crypto.com Arena (5.8 Miles)

The California Science Center provides an innovative model for science learning by combining exhibits with an on-site Science Center School and Amgen Center for Science Learning as well as a teacher professional development program.



The Metro E Line Train Station (1.9 Miles)

The first stop of the E LINE light rail route is Downtown Santa Monica and the last stop is Atlantic Station. E LINE (Eastbound to East L.A.) is operational during everyday. Additional information: E LINE has 29 stations and the total trip duration for this route is approximately 68 minutes.



Downtown Los Angeles (7.2 Miles)

A heritage of the city's founding in 1781, Downtown Los Angeles today is composed of different areas ranging from a fashion district to a skid row, and it is the hub of the city's Metro rapid transit system. The district declined economically and suffered a downturn for decades until its recent renaissance starting in the early 2000s.



Local Developments



68 Apartments Rise AT 4230 S. Western Avenue

SoLa Impact is constructing a five-story, 68-unit apartment building at the intersection of 42nd Place and Western Avenue, featuring 14 units for low-income households and completion expected in the second quarter of 2023.



44-Unit Supportive Housing Complex Nears Completion in Florence-Firestone

A Community of Friends is finalizing Firestone Phoenix, a \$24-million, 44-unit supportive housing project for formerly homeless veterans and families at 7321 Miramonte Boulevard, expected to be completed in early 2021.



Evermont Affordable Housing Takes Shape at 8500 S Vermont Ave.

Bridge Housing Corporation's Evermont, a 180-unit affordable housing project at 8500 S. Vermont Avenue in South Los Angeles, is progressing with wood framing now visible, with completion expected in mid-2024.



Demographics

Los Angeles, Los Angeles, CA

Los Angeles, located in Southern California, is a vibrant city known for its diverse range of attractions. With its sunny weather and beautiful beaches like Santa Monica and Venice, it's a paradise for outdoor enthusiasts. The city boasts a rich history, from its Native American roots to the Spanish colonization, and eventually becoming a hub for the entertainment industry. Los Angeles offers convenient access to a network of freeways, making it easy to explore the surrounding areas, including iconic destinations like Disneyland and Universal Studios.

QUICK FACTS:

+ The city's real estate market is famously diverse, offering everything from luxurious beachfront properties in Malibu to trendy lofts in the Arts District.

- + Los Angeles City boasts proximity to world-class destinations like Disneyland, just a short drive away in Anaheim, making it a family-friendly city with easy access to entertainment.
- + The city's real estate landscape often includes iconic landmarks such as the historic Hollywood Hills, where many celebrities reside, and the stunning Pacific Palisades with its scenic coastal properties.
- + With a temperate climate year-round, Los Angeles is an attractive destination for real estate investors, offering a lifestyle that combines business opportunities with access to a multitude of outdoor activities and cultural experiences.



Average Household
Income

\$106,931



Median Age

36 years old



2021 Estimated
Population

3,902,440



Total Households

1,384,851



Bachelor's Degree or
Higher

33.51%



Overview

Los Angeles, California

The Los Angeles Metro Rail is an urban rail transportation system serving Los Angeles County, California. It consists of six lines, including two subway lines and four light rail lines serving 93 stations. It connects with the Metro Busway bus rapid transit system and also with the Metrolink commuter rail system.



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, 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. It is the only city in North America to have hosted the Summer Olympics twice. Downtown L.A. is the largest government center outside of Washington, D. C. Los Angeles has the only remaining wooden lighthouse in the state (located in San Pedro's Point Fermin Park) and the largest historical theater district on the National Register of Historic Places (located Downtown on Broadway).

Los Angeles is on the leading edge of several growth industries. LA County, with more than 87,000 jobs in the fashion industry, has surpassed New York's fashion district workforce. The LA Five-County area also has more than 700,000 people at work in health services / biomedical activities and 190,000 people in aerospace and technology.





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