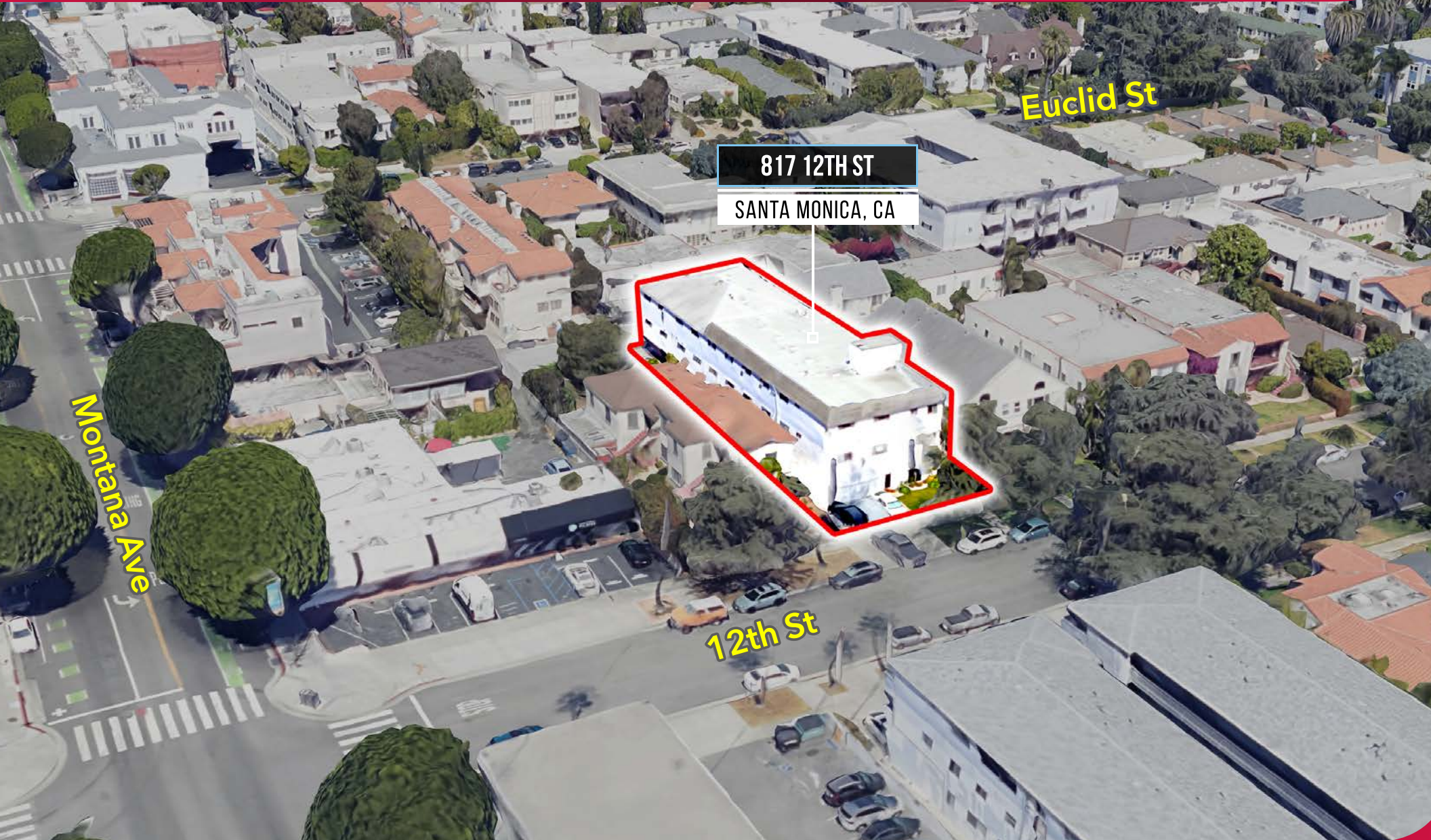


OFFERING MEMORANDUM

MULTIFAMILY ADVISORY GROUP

817 12th Street, Santa Monica, CA



Warren Berzack
National Director
818.933.0350
wberzack@lee-re.com
DRE# 01329015

www.lee-associates.com/multifamily
www.berzackadvisors.com

TABLE OF CONTENTS

Property Photos.....	3
Executive Summary	4
Location Information.....	6
Aerial Map (Zoom View)	7
Local Area Information	8
Local Area Amenities Map	9
Site Plan/Parcel Map.....	10
Demographics	11
FINANCIAL OVERVIEW	14
Financial Analysis	15
Rent Roll.....	16
MARKET OVERVIEW.....	17
Rent Comparables	18
Sales Comparables	20

For more information, please contact one of the following individuals:

MULTIFAMILY ADVISORS

WARREN BERZACK
 National Director
 818-933-0350
 wberzack@lee-associates.com
 Lic. 01329015



OFFERING MEMORANDUM DISCLAIMER

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the Owner, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to any interested persons. In this Memorandum, certain documents are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the material referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or Lee & Associates nor any of their respective officers, directors, employees, affiliates or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserves the right, at its sole discretion, to reject any and all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with our without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any person reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

PROPERTY PHOTOS



EXECUTIVE SUMMARY

COMPETITIVE POSITIONING

With its phenomenal location just south of Montana Avenue, the 12th Street Apartments is a fantastic reposition opportunity. There are currently 4 vacant apartments that can be renovated and rented shortly after closing. With ample parking, an oversized lot, and just 12 short blocks from Inspiration Point and Palisades Park, this property is ripe with options. Please note there is a deed restriction on the existing 11 units with the City of Santa Monica requiring units to be rented to 30% AMI Households. However, Section 8 program tenants qualify and this allows for the units to be rented close to market with the the Section 8 program paying the bulk of their rent. (Buyer to independently verify.) Importantly there is also the potential to add multiple non-rent-restricted ADUs given the garages located both in front and back of the building. The property is currently on the City of Santa Monica soft-story retrofit list and completion of the soft-story retrofit can occur concurrently with the ADU construction. Buyer to verify all of the above with the City of Santa Monica. (Please note the retrofit due date was September 2023, per the City's website.)

PROPERTY

Address	817 12th Street, Santa Monica, CA 90403
# of Units	11
Year Built	1966
Lot Size	10,639 sq. ft.
Building Size	7,494 sq. ft.

PRICING

Price	\$5,125,000
Cost Per Unit	\$465,909
Cost Per Sq. Ft.	\$482
Gross Rent Multiplier	15.82
Capitalization Rate	4.02%

Zoning	SM-R2
Parking	6 garage spaces, 3 open spaces in front, 7 open tuck under spaces. Total of 16 parking spaces.
Parcel Site	4281-016-017

For more information, please contact:

MULTIFAMILY ADVISORS

Warren Berzack
National Director
818-933-0350
wberzack@lee-associates.com
Lic. 01329015

PROPERTY HIGHLIGHTS



Excellent unit mix comprised of both two and three bedroom units with over 50% rental upside. Presenting a Buyer with a tremendous reposition value-add opportunity.



There are currently 4 vacant units that can be minimally or extensively renovated given the Buyer's appetite to push rents. Units will be delivered vacant at close of escrow.



There is a recorded Restriction on Rents & Occupancy that requires the current 11 units be rented to tenants whose gross income does not exceed the 30% income limits applicable to the LA-LB Primary Metro Area. Section 8 tenants are one pool of tenants that can fill these units and stay within the covenant.



There is the potential to add multiple ADUs given the garage and tuckunder parking located at the property. Buyer shall investigate themselves and confirm with the City of Santa Monica, as well as study the in-place leases to determine the viability of adding ADUs. Additional soft-story seismic retrofitting is required by the City and can be accomplished concurrently with the addition of any ADUs.



Prime Location: The Property is located in a coveted pocket of Santa Monica just south of Montana Avenue with superb transportation access. It is walking distance from multiple restaurants, shops, services, parks and schools.



Thriving Multifamily Market: The upscale suburban enclave of Santa Monica enjoys a booming economy with strong market fundamentals, favorable demographics and highly sought-after apartment rentals. The city is known for its award-winning schools, top-rated dining and shopping and endless recreational offerings.



NO
PARKING
LOADING
UNLOADING

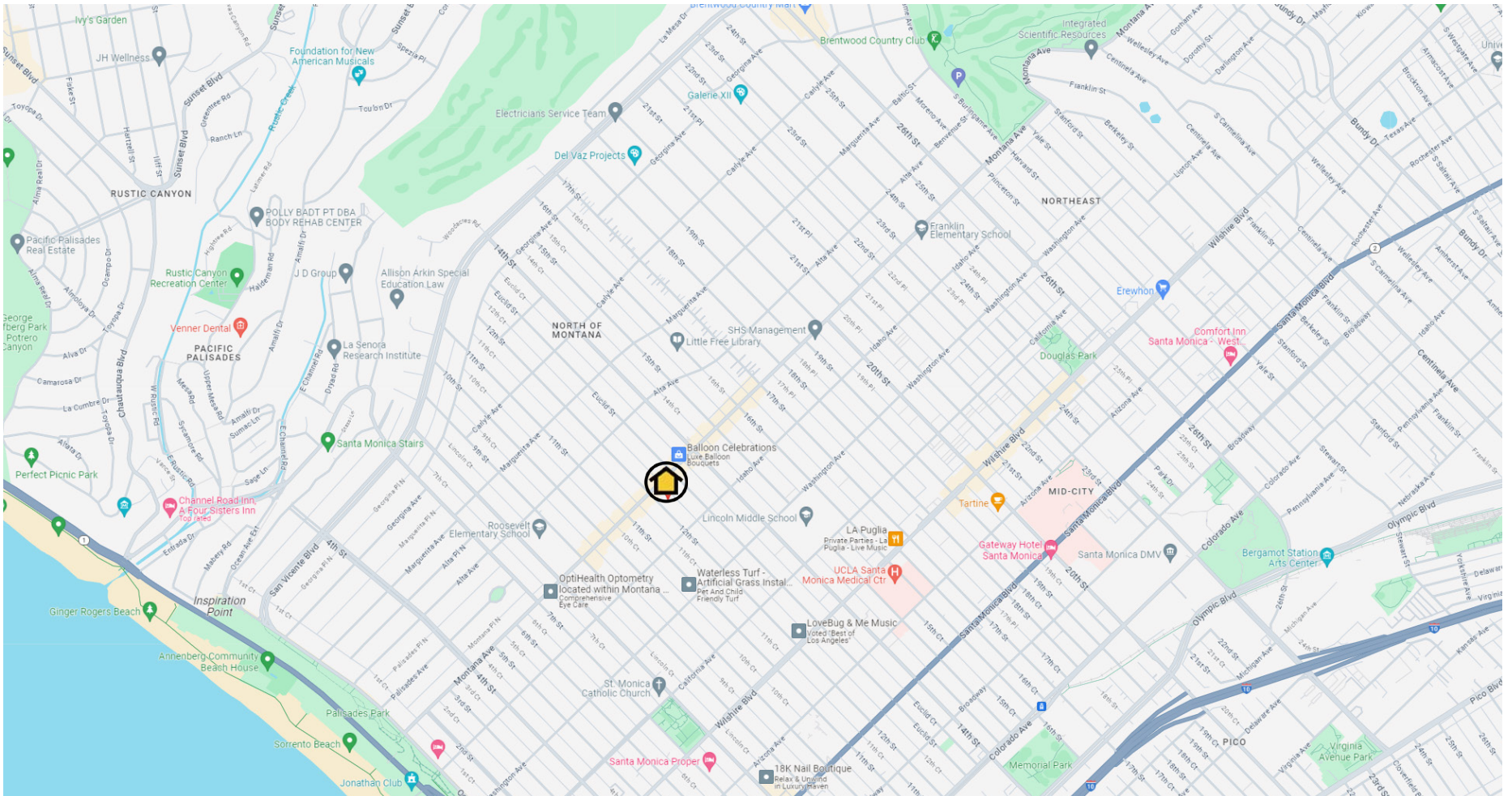
817

817

LOCATION INFORMATION

The 12th Street Apartments are located two parcels south of the famous Montana Avenue, which is known for its quaint boutiques, coffee shops, restaurants, and endless retailers. The location doesn't get better than this in most of Southern California. The beach and phenomenal parks are less than 1 mile away.

- 15 minutes from 405 Freeway
- 1/2 block from 2 bus stops
- Blocks from scenic Palisades Park
- Blocks from the Third Street Promenade
- Nearby to multiple schools, restaurants, shops and services



AERIAL MAP

ZOOM VIEW



LOCAL AREA INFORMATION

SANTA MONICA

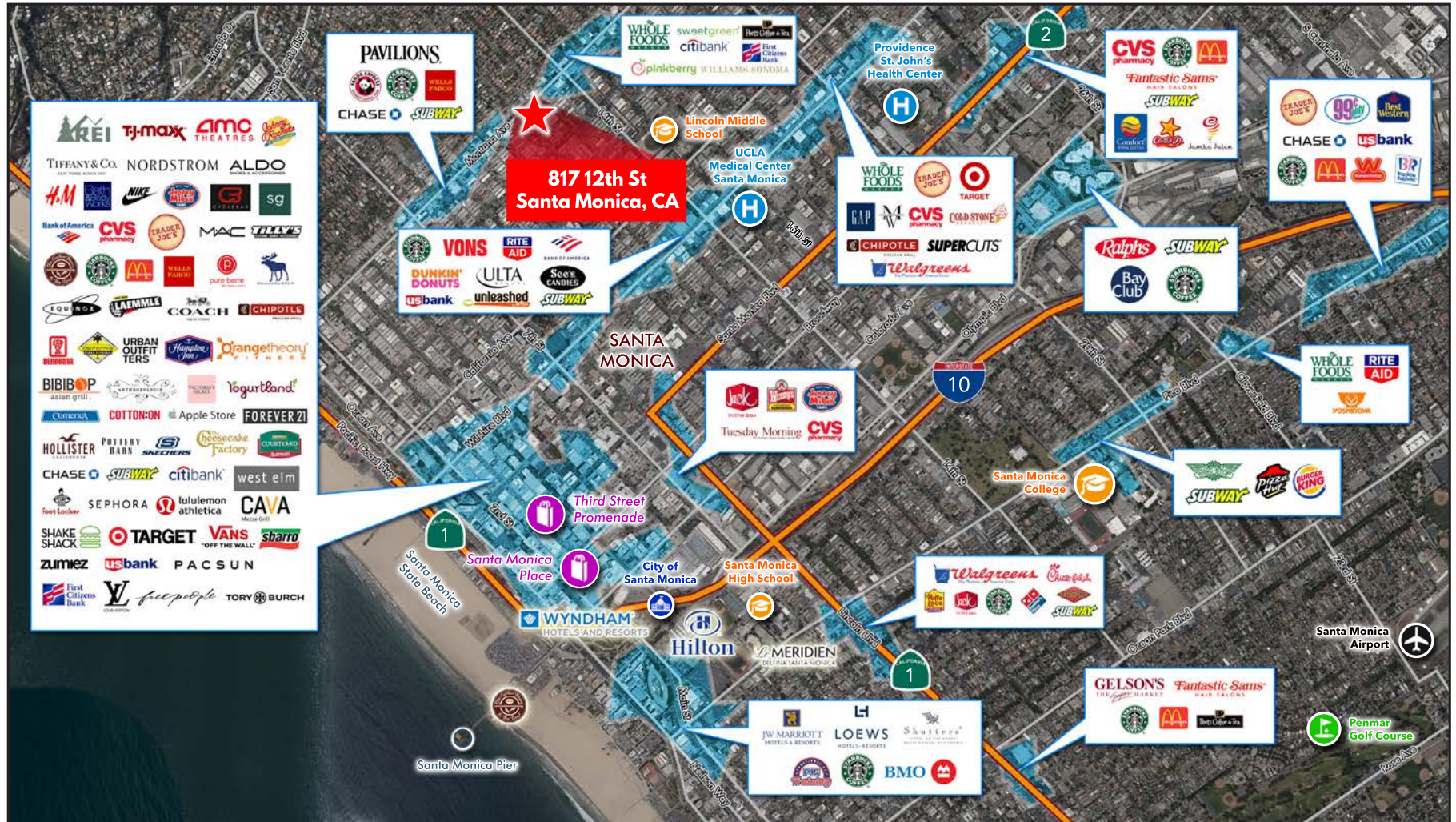


Santa Monica is one of the most sought-after locations for residents and businesses in Los Angeles. The city of Santa Monica in Los Angeles County sits along a 3-mile stretch of the Pacific Ocean with 245 acres of sandy beach. The city's 92,478 residents are well educated and affluent professionals with a median household income of \$90,088. The Santa Monica (10) Freeway transects the city from east to west and provides access to the San Diego (405) Freeway taking commuters north and south. With the recent completion of the Metro Expo Line residents now can ride public transportation to downtown Los Angeles.

AREA ATTRACTIONS & HIGHLIGHTS

- Beach Activities... Santa Monica's beaches offer a host of activity including a bike path that takes riders to Venice and the South Bay beach cities. In addition to the city's parks, the beaches offer volleyball courts and a public recreation center.
- Entertainment and Shopping... The city is awash with options ranging from the ferris wheel and carousel at the Santa Monica pier to the restaurants, shops and movie houses on the Third Street Promenade and the Montana Avenue shopping district with its famous sidewalk sale.
- Employment Center... Santa Monica is a tech and media center with employers ranging from Activision to Universal Music and Lionsgate Entertainment.

LOCAL AREA AMENITIES MAP



SITE PLAN

PARCEL MAP



817 12TH ST
SANTA MONICA, CA
APN# 4281-016-017

DEMOGRAPHICS

2022 Demographics:

Q2 2022 Employees	26,360	129,835	287,517
Q2 2022 Establishments*	4,465	19,206	36,058
Total Population	42,279	179,190	403,913
Total Households	22,866	90,035	189,991
Female Population	22,372	91,905	207,609
% Female	52.9%	51.3%	51.4%
Male Population	19,907	87,285	196,304
% Male	47.1%	48.7%	48.6%
Population Density (per Sq. Mi.)	13,455.87	6,336.62	5,142.03

Employed Civilian Population 16+

Total	22,682	100,794	228,497
White Collar	86.6%	83.6%	83.2%
Blue Collar	13.4%	16.4%	16.8%

Seasonal Population by Quarter:

Q4 2019	1,455	4,800	9,668
Q1 2020	1,285	4,247	8,766
Q2 2020	1,060	3,545	7,324
Q3 2020	1,063	3,565	7,360
Q4 2020	1,349	4,532	9,388
Q1 2021	1,316	4,393	9,071
Q2 2021	1,550	5,180	10,719
Q3 2021	1,268	4,221	8,772
Q4 2021	1,248	4,183	8,738

Age:

Age 0 - 4	3.9%	4.0%	4.2%
Age 5 - 14	6.7%	7.1%	7.1%
Age 15 - 19	3.1%	3.4%	5.1%
Age 20 - 24	3.6%	4.4%	7.8%
Age 25 - 34	18.2%	19.9%	18.6%
Age 35 - 44	16.4%	16.7%	15.7%
Age 45 - 54	13.5%	13.4%	12.3%
Age 55 - 64	13.6%	12.7%	11.8%
Age 65 - 74	10.7%	10.0%	9.6%

DEMOGRAPHICS

	1 mile(s)	3 mile(s)	5 mile(s)
Age 75 - 84	6.1%	5.2%	5.0%
Age 85 +	4.3%	3.1%	2.9%
Median Age	43.7	41.3	39.2
Housing Units			
Total Housing Units	25,032	98,836	207,958
Occupied Housing Units	91.4%	91.1%	91.4%
Vacant Housing Units	8.7%	8.9%	8.6%
Housing Units by Tenure			
Total Households in Tenure	22,866	90,035	189,991
Owner Occupied Housing Units	6,295	29,724	68,018
Owner Occupied free and clear	36.9%	33.2%	33.4%
Owner Occupied with a mortgage or loan	63.1%	66.8%	66.6%
Renter Occupied Housing Units	16,571	60,310	121,973
Race and Ethnicity			
American Indian, Eskimo, Aleut	0.2%	0.4%	0.4%
Asian	9.8%	11.7%	15.9%
Black	2.5%	3.4%	3.4%
Hawaiian/Pacific Islander	0.1%	0.1%	0.1%
White	79.7%	73.8%	68.5%
Other	2.5%	5.2%	5.8%
Multi-Race	5.2%	5.4%	5.9%
Hispanic Ethnicity	8.9%	14.3%	15.4%
Not of Hispanic Ethnicity	91.1%	85.7%	84.6%
Race of Hispanics			
Hispanics	3,749	25,667	62,401
American Indian	0.9%	1.5%	1.6%
Asian	0.7%	0.8%	1.0%
Black	1.1%	1.1%	1.1%
Hawaiian/Pacific Islander	0.1%	0.1%	0.1%
White	64.2%	55.4%	53.3%
Other	23.9%	34.1%	35.4%
Multi-Race	9.0%	7.0%	7.5%
Race of Non Hispanics			
Non Hispanics	38,530	153,523	341,511
American Indian	0.1%	0.2%	0.2%

DEMOGRAPHICS

Educational Attainment:

Total Population Age 25+	35,895	149,581	315,345
Grade K - 9	1.0%	2.0%	2.0%
Grade 9 - 12	1.5%	2.4%	2.5%
High School Graduate	8.8%	8.9%	8.9%
Associates Degree	4.4%	4.6%	4.5%
Bachelor's Degree	39.7%	39.8%	38.5%
Graduate Degree	31.4%	28.5%	29.0%
Some College, No Degree	12.8%	13.0%	13.6%
No Schooling Completed	0.5%	0.9%	0.9%

Household Income:

Income \$ 0 - \$9,999	4.3%	3.9%	3.9%
Income \$ 10,000 - \$14,999	3.8%	3.1%	2.9%
Income \$ 15,000 - \$24,999	5.1%	4.6%	4.3%
Income \$ 25,000 - \$34,999	3.7%	4.0%	3.9%
Income \$ 35,000 - \$49,999	3.9%	5.1%	5.5%
Income \$ 50,000 - \$74,999	8.2%	8.6%	9.1%

Household Income:

Income \$ 0 - \$9,999	6.1%	5.5%	5.5%
Income \$ 10,000 - \$14,999	4.1%	3.3%	3.0%
Income \$ 15,000 - \$24,999	5.8%	5.4%	5.0%
Income \$ 25,000 - \$34,999	4.2%	4.7%	4.5%
Income \$ 35,000 - \$49,999	4.6%	6.0%	6.4%
Income \$ 50,000 - \$74,999	10.4%	10.9%	11.4%
Income \$ 75,000 - \$99,999	10.4%	11.4%	11.2%
Income \$100,000 - \$124,999	9.5%	10.2%	10.4%
Income \$125,000 - \$149,999	7.1%	7.3%	7.5%
Income \$150,000 +	37.8%	35.4%	35.3%

Average Household Income	\$173,130	\$166,977	\$166,901
Median Household Income	\$111,165	\$106,649	\$107,213
Per Capita Income	\$94,122	\$84,267	\$79,393

FINANCIAL OVERVIEW



FINANCIAL ANALYSIS

MULTIFAMILY INVESTMENT INFORMATION SHEET

Lee Associates - LA North/Ventura, Inc.

Warren Berzack 818.933.0350
wberzack@lee-re.com Lic. #01329015

15250 Ventura Boulevard, Suite 100 | Sherman Oaks, CA 91403



PROPERTY NAME	12th Street Apartments	NUMBER OF UNITS	11
ADDRESS	817 12th Street	BUILDING SIZE (SQ. FT.)	10,639
CITY, STATE, ZIP	Santa Monica, CA 90403	LOT SIZE (SQ. FT.)	7,494
PRICE	\$5,125,000	COST PER UNIT	\$465,909
YEAR BUILT	1966	COST PER SQFT	\$481.72

INVESTMENT HIGHLIGHTS

- Tremendous Rental Upside (Currently 4 units are Vacant)
- Recorded City of Santa Monica Rental Covenant (30% AMI Households)
- Potential for Multiple ADUs (Unrestricted)
- Income Projections Below Assume Section 8 Program Tenants Filling Vacant Units

RENTAL INFORMATION			Current Income		Market Income	
NO. UNITS	BDRMS	BATHS	AVG. RENT	Monthly Income	RENT	Monthly Income
4	2	1	\$1,491	\$5,963	\$3,540	\$14,160
5	2	1.5	\$2,799	\$13,995	\$3,540	\$17,700
2	3	2	\$3,465	\$6,930	\$4,540	\$9,080
Scheduled Monthly Income:				\$26,888	\$40,940	

ANNUAL PROPERTY OPERATING DATA

	CURRENT INCOME/YEAR		MARKET INCOME/YEAR		ESTIMATED ANNUAL EXPENSES	
		AS % GOI		AS % GOI		AS % GOI
Scheduled Gross Income	\$322,656	99.59%	\$491,280	99.73%	Taxes (Est. 1.25%)	\$64,063 19.77%
Laundry	\$1,320	0.41%	\$1,320	0.27%	Insurance (\$500/un)	\$5,500 1.70%
Gross Operating Income	\$323,976		\$492,600		Utilities (\$100/un/mo)	\$13,200 4.07%
Vacancy Reserve	\$9,719	3.00%	\$14,778	3.00%	Repairs/Maintenance (\$1.50/ft)	\$15,959 4.93%
Effective Gross Income	\$314,257		\$477,822		Off-Site Management	\$0 0.00%
Expenses	\$108,221	33.40%	\$108,221	21.97%	Landscaping (\$150/mo)	\$1,800 0.56%
Net Operating Income	\$206,036	63.60%	\$369,601	75.03%	Pest Control (\$50/mo)	\$600 0.19%
Debt Service	\$194,361		\$194,361		Trash (\$500/mo)	\$6,000 1.85%
Pre-Tax Cash Flow	\$11,675		\$175,240		Miscellaneous(\$100/un)	\$1,100 0.34%
Principal Reduction	\$28,914		\$28,914			
Return on Equity	\$40,589		\$204,154			

CURRENT	MARKET
GRM	
15.82	10.40
CAP Rate	
4.02%	7.21%
Cash on Cash	
0.46%	6.84%
Return On Equity	
1.58%	7.97%

MORTGAGE FINANCING INFORMATION

Loan Amount	\$2,562,500	Monthly Loan Payment	\$16,197
Down Payment	\$2,562,500 50%	Annual Loan Payment	\$194,361
5-Year Fixed Rate	6.50%	Year 1 Interest Amount (approx.)	\$165,447
Amortization Period (Yrs)	30	Year 1 Principal Paydown (approx.)	\$28,914

TOTAL EXPENSES	\$108,221	33.40%
Expense / NRSF	\$10.17	
Expense / Unit	\$9,838	

RENT ROLL

Unit	Type	Current Rent	Potential if Leased	Market Rent
1	2+1.5	\$1,191.00	\$1,191.00	\$3,540.00
2	3+2	\$2,390.00	\$2,390.00	\$4,540.00
3	2+1.5	\$2,184.00	\$2,184.00	\$3,540.00
*** 4	2+1.5	VACANT	\$3,540.00	\$3,540.00
5	2+1	\$956.00	\$956.00	\$3,540.00
6	2+1	\$2,023.00	\$2,023.00	\$3,540.00
*** 7	3+2	VACANT	\$4,540.00	\$4,540.00
*** 8	2+1.5	VACANT	\$3,540.00	\$3,540.00
*** 9	2+1.5	VACANT	\$3,540.00	\$3,540.00
10	2+1	\$956.00	\$956.00	\$3,540.00
11	2+1	\$2,028.00	\$2,028.00	\$3,540.00
Total:		\$11,728.00	\$26,888.00	\$40,940.00
Annual Rent:		\$140,736.00	\$322,656.00	\$491,280.00

*** CURRENTLY VACANT & WILL BE DELIVERED VACANT AT COE. TO BE FILLED IDEALLY WITH SECTION 8 TENANTS.

MARKET OVERVIEW



RENT COMPARABLES



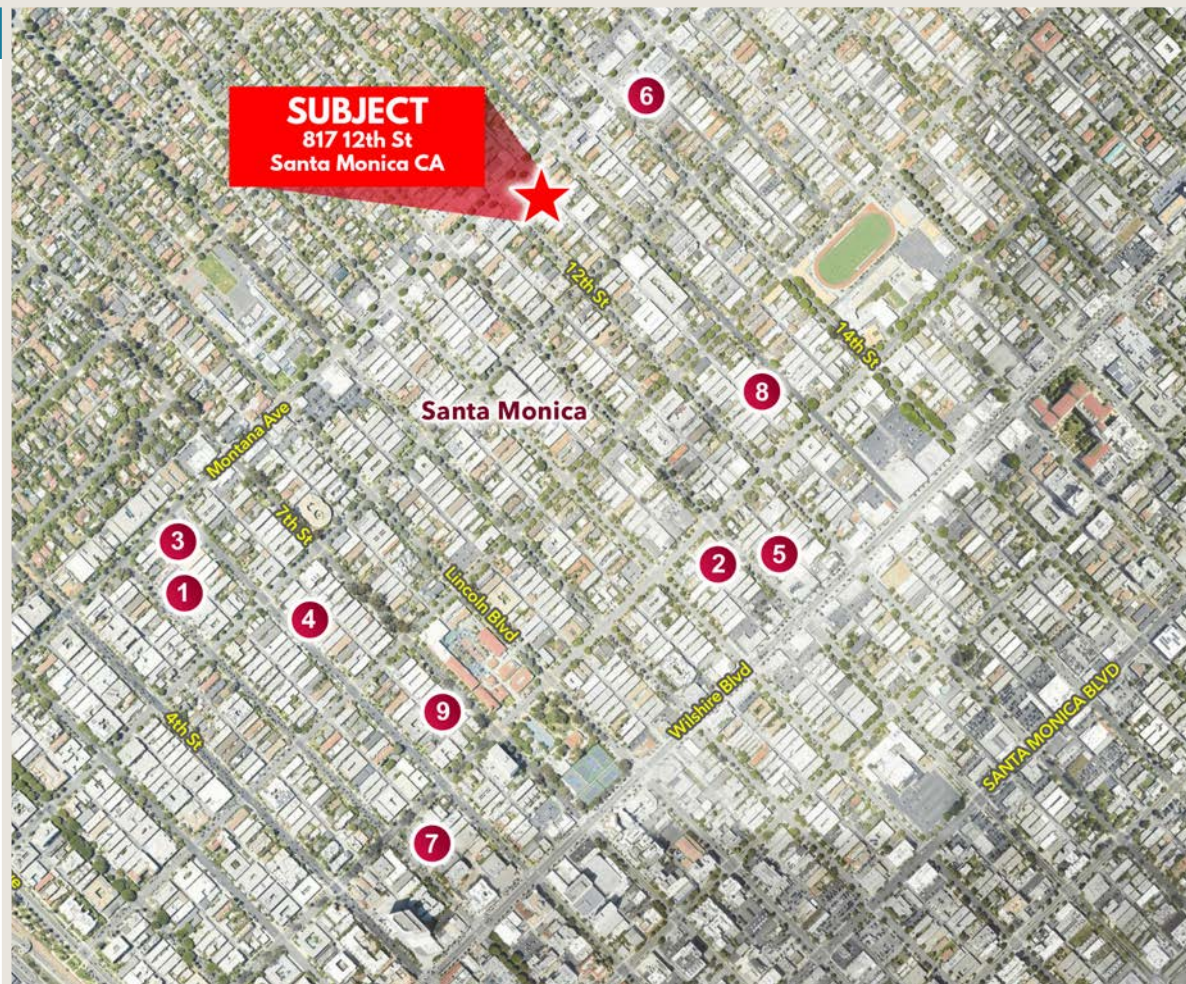
817 12TH ST • SANTA MONICA, CA RENT COMPARABLES

LEGEND

★ **SUBJECT PROPERTY**
817 12th St
Santa Monica, CA

RENT COMPARABLES

1. 833 5th St
Santa Monica, CA
2. 1118 11th St
Santa Monica, CA
3. 814 6th St
Santa Monica, CA
4. 923 6th St
Santa Monica, CA
5. 1127 11th St
Santa Monica, CA
6. 817 14th St
Santa Monica, CA
7. 1115 5th St
Santa Monica, CA
8. 1040 Euclid St
Santa Monica, CA
9. 1038 7th St
Santa Monica, CA



No warranty or representation is made to the accuracy of the foregoing information. Terms of sale or lease and availability are subject to change or withdrawal without notice. Lee & Associates - LA North/Ventura, Inc., Corporate ID #01191898, A Member of the Lee & Associates' Group of Companies.

RENT COMPARABLES

#	Address	City	# of Units	Year Built	2+1	2+2	3+2
1	833 5th Street	Santa Monica, CA 90403	24	1964	N/A	N/A	\$4,995
2	1118 11th Street	Santa Monica, CA 90403	11	1940	N/A	N/A	\$4,950
3	814 6th Street	Santa Monica, CA 90403	8	1974	N/A	N/A	\$4,400
4	923 6th Street	Santa Monica, CA 90403	10	1956	N/A	N/A	\$4,800
5	1127 11th Street	Santa Monica, CA 90403	23	1967	\$3,810	N/A	N/A
6	817 14th Street	Santa Monica, CA 90403	7	1923	\$3,750	N/A	N/A
7	1115 5th Street	Santa Monica, CA 90403	46	1973	\$3,995	N/A	N/A
8	1040 Euclid Street	Santa Monica, CA 90403	11	1963	\$3,595	N/A	N/A
9	1038 7th Street	Santa Monica, CA 90403	10	1973	N/A	\$3,995	N/A
AVERAGES			17	1959	\$3,788	\$3,995	\$4,786
SUBJECT			11	1966	\$1,491	\$2,799	\$3,465

SALES COMPARABLES MAP



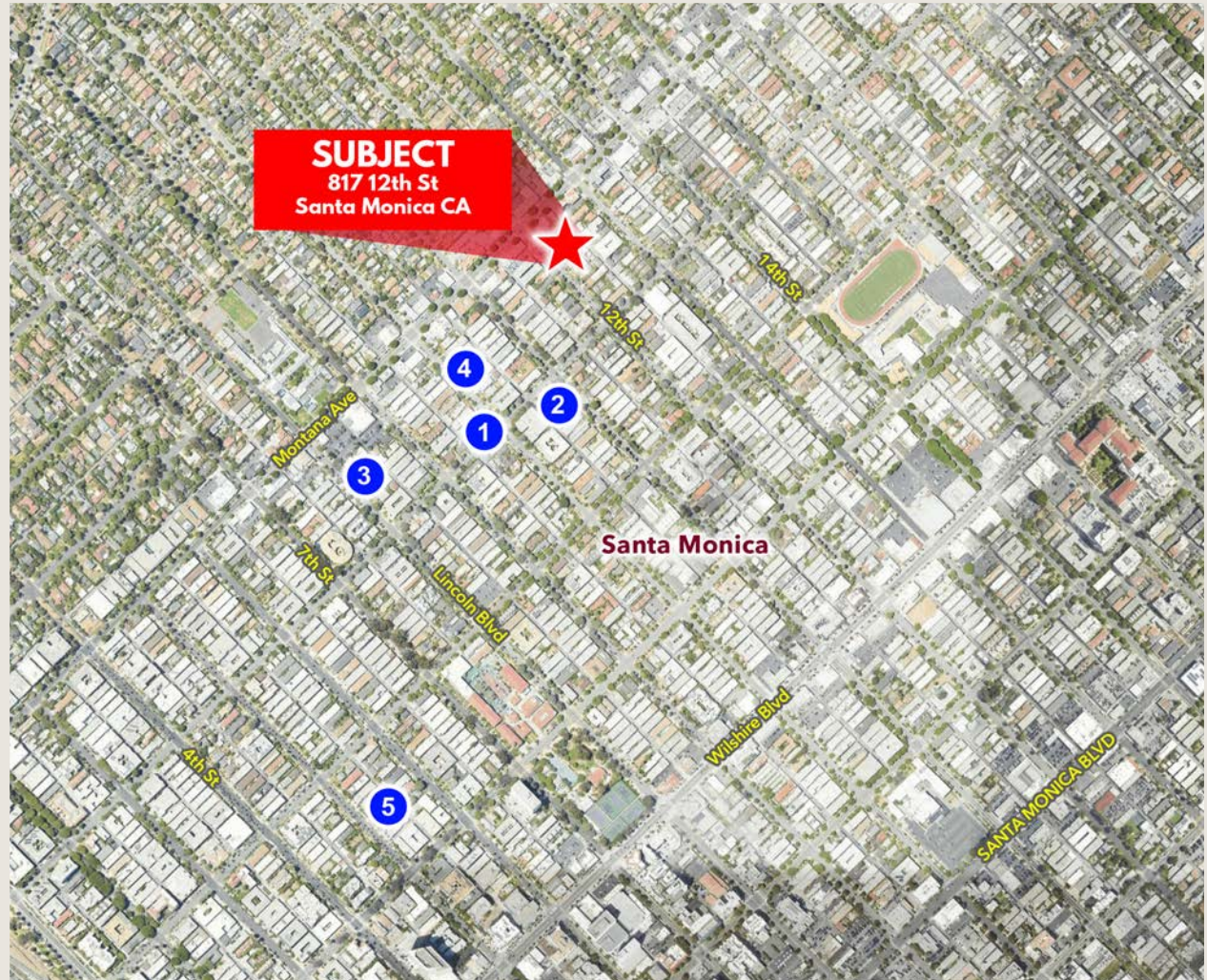
817 12TH ST • SANTA MONICA, CA SALE COMPARABLES

LEGEND

 **SUBJECT PROPERTY**
817 12th St
Santa Monica, CA

SALE COMPARABLES


1. 929 Idaho Ave
Santa Monica, CA
2. 912 11th St
Santa Monica, CA
3. 833 Lincoln Blvd
Santa Monica, CA
4. 833 10th St
Santa Monica, CA
5. 1035 5th St
Santa Monica, CA



No warranty or representation is made to the accuracy of the foregoing information. Terms of sale or lease and availability are subject to change or withdrawal without notice. Lee & Associates - LA North/Ventura, Inc., Corporate ID #01191898, A Member of the Lee & Associates' Group of Companies.

SALES COMPARABLES

Address	# of Units	Year Built	Sales Price	Rentable Sq. Ft.	Avg SqFt/Unit	Price/Unit	Price/Sq. Ft.	CAP Rate	GRM	Close of Escrow
1 929 Idaho Ave. Santa Monica, CA 90403	10	1960	\$5,480,000	12,771	1,277	\$548,000	\$429	4.64%	16.41	02/22/23
2 912 11th Street Santa Monica, CA 90403	10	1958	\$4,520,000	9,876	988	\$452,000	\$458	4.23%	15.37	10/03/23
3 833 Lincoln Blvd. Santa Monica, CA 90403	10	1959	\$3,700,000	9,116	912	\$370,000	\$406	4.36%	14.91	09/20/23
4 833 10th Street Santa Monica, CA 90403	10	1963	\$4,400,000	10,310	1,031	\$440,000	\$427	4.19%	16.71	09/18/23
5 1035 5th Street Santa Monica, CA 90403	10	1966	\$4,720,000	6,942	694	\$472,000	\$680	N/A	N/A	04/07/23
AVERAGES	10	1962	\$4,335,000	9,061	906	\$433,500	\$493	4.26%	15.66	
SUBJECT	11	1966	\$5,125,000	10,639	967	\$465,909	\$482	4.02%	15.82	



For more information, please contact:

MULTIFAMILY ADVISORS

Warren Berzack
National Director
818-933-0350
wberzack@lee-associates.com
Lic. 01329015