

MULTIFAMILY OFFERING MEMORANDUM

5333 HYDE STREET

LOS ANGELES, CA 90032



OFFERING MEMORANDUM

EXP COMMERCIAL REALTY OF CAREBF
633 West 5th Street, FL26
Los Angeles, CA 90071



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EXECUTIVE SUMMARY

5333 HYDE STREET

Acquisition Costs

Purchase Price, Points and Closing Costs	\$1,821,200
Investment - Cash	\$651,200
First Loan (Interest Only)	\$1,170,000

Investment Information

Purchase Price	\$1,800,000
Price per Unit	\$300,000
Price per SF	\$423.73
Expenses per Unit	(\$11,183)

Income, Expenses & Cash Flow

Gross Scheduled Income	\$171,845
Total Vacancy and Credits	(\$4,236)
Operating Expenses	(\$67,100)
Net Operating Income	\$100,509
Debt Service	(\$40,950)
Cash Flow Before Taxes	\$59,559
After Tax Results	
Total Interest (Debt Service)	(\$40,950)
Depreciation and Amortization	(\$30,974)
Taxable Income (Loss)	\$28,585
Tax Savings (Costs)	(\$8,530)
Cash Flow After Taxes	\$51,029

Financial Indicators

Cash-on-Cash Return Before Taxes	9.15%
Optimal Internal Rate of Return (yr 1)	29.29%
Debt Coverage Ratio	2.45
Capitalization Rate	5.58%
Gross Rent Multiplier	10.47
Gross Income / Square Feet	\$40.45
Gross Expenses / Square Feet	(\$15.80)
Operating Expense Ratio	40.03%

PRO FORMA SUMMARY

5333 HYDE STREET



Investment Summary

Price	\$1,800,000
Year Built	1964
Units	6
RSF	4,248
Price/RSF	\$423.73
Lot Size	6,324 sf
Floors	2
Cap Rate	5.58%
Market Cap Rate	6.11%

Financing Summary

Loan 1 (Interest Only)	\$1,170,000
Initial Equity	\$630,000
Interest Rate	3.5%
Term	5 years
Monthly Payment	\$3,413
DCR	2.45

Tenant Monthly Scheduled Income

Tenant	Actual	Market
2+1	\$2,678	\$2,600
2+1	\$2,066	\$2,600
1+1	\$1,770	\$1,800
2+1	\$2,270	\$2,600
2+1	\$2,672	\$2,600
2+1	\$2,665	\$2,600
Totals	\$14,120	\$14,800

Annualized Income

Description	Actual	Market
Gross Potential Rent	\$169,445	\$177,600
- Less: Vacancy	(\$4,236)	(\$3,907)
+ Misc. Income	\$2,400	\$3,600
Effective Gross Income	\$167,609	\$177,293
- Less: Expenses	(\$67,100)	(\$67,272)
Net Operating Income	\$100,509	\$110,021
- Debt Service	(\$40,950)	(\$40,950)
Net Cash Flow after Debt Service	\$59,559	\$69,071
+ Principal Reduction	\$0	\$0
Total Return	\$59,559	\$69,071

Annualized Expenses

Description	Actual	Market
Property Management Fee	\$5,155	\$5,328
Replacement Reserves	\$1,500	\$1,500
LAHD RSO Fee	\$641	\$641
Building Insurance (New)	\$8,011	\$8,011
Grounds Maintenance	\$600	\$600
Maintenance/Repairs	\$9,679	\$9,679
Taxes - Real Estate ("New")	\$23,186	\$23,186
Trash Removal	\$2,952	\$2,952
Utilities - LADWP (Water & Power)	\$11,401	\$11,401
Utility - SoCalGas	\$3,975	\$3,975
Total Expenses	\$67,100	\$67,272
Expenses Per RSF	\$15.80	\$15.84

Proforma Notes

Actual Rents shown are based after applying a 3.00% rent increase in Feb.2024 allowed by the LAHD.

FINANCIAL INDICATORS

5333 HYDE STREET

Description Year Ending	Year 1 06/2024	Year 2 06/2025	Year 3 06/2026	Year 4 06/2027	Year 5 06/2028
Key Ratios and Multipliers					
Capitalization Rate	5.58%	5.85%	6.13%	6.41%	6.70%
Gross Rent Multiplier	12.26	12.46	12.67	12.86	13.05
Net Income Multiplier	20.96	20.94	20.92	20.91	20.90
Operating Expense Ratio	40.03%	38.97%	37.94%	36.94%	35.96%
Amounts per SF					
Gross Income	\$40.49	\$41.69	\$42.92	\$44.19	\$45.50
Expenses	(\$15.81)	(\$15.85)	(\$15.88)	(\$15.92)	(\$15.96)
Loan Metrics					
Loan To Value Ratio	55.55%	53.06%	50.71%	48.50%	0.00%
Debt Coverage Ratio	2.45	2.57	2.69	2.82	2.95
Cash-On-Cash Measures					
Before-Tax	9.15%	9.88%	10.64%	11.43%	12.23%
After-Tax	7.84%	8.41%	8.94%	9.49%	10.00%

CASH FLOW ANALYSIS

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Before-Tax Cash Flow Year Ending	Year 1 06/2024	Year 2 06/2025	Year 3 06/2026	Year 4 06/2027	Year 5 06/2028
Before-Tax Cash Flow					
Gross Scheduled Income	\$171,845	\$176,928	\$182,164	\$187,557	\$193,112
Lease-up Vacancy	(\$2,600)	\$0	\$0	\$0	\$0
General Vacancy	(\$1,636)	(\$4,363)	(\$4,494)	(\$4,629)	(\$4,768)
Total Operating Expenses	(\$67,100)	(\$67,252)	(\$67,409)	(\$67,571)	(\$67,738)
Net Operating Income	\$100,509	\$105,313	\$110,261	\$115,357	\$120,606
Loan Payment	(\$40,950)	(\$40,950)	(\$40,950)	(\$40,950)	(\$40,950)
Before-Tax Cash Flow	\$59,559	\$64,363	\$69,311	\$74,407	\$79,656
Cash-On-Cash Return	9.15%	9.88%	10.64%	11.43%	12.23%
Taxable Income					
Net Operating Income	\$100,509	\$105,313	\$110,261	\$115,357	\$120,606
Depreciation	(\$28,634)	(\$29,883)	(\$29,883)	(\$29,883)	(\$28,640)
Amortization	(\$2,340)	(\$2,340)	(\$2,340)	(\$2,340)	(\$2,340)
Loan Interest	(\$40,950)	(\$40,950)	(\$40,950)	(\$40,950)	(\$40,950)
Taxable Income (Loss)	\$28,585	\$32,140	\$37,088	\$42,184	\$48,676
After-Tax Cash Flow					
Before-Tax Cash Flow	\$59,559	\$64,363	\$69,311	\$74,407	\$79,656
Income Taxes	(\$8,530)	(\$9,591)	(\$11,067)	(\$12,588)	(\$14,525)
After-Tax Cash Flow	\$51,029	\$54,772	\$58,244	\$61,819	\$65,131
Cash-On-Cash Return	7.84%	8.41%	8.94%	9.49%	10.00%

INVESTMENT RETURN ANALYSIS

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Description Year Ending	Year 1 06/2024	Year 2 06/2025	Year 3 06/2026	Year 4 06/2027	Year 5 06/2028
Cash Flow - To Date	\$51,029	\$105,802	\$164,045	\$225,865	\$290,996
Net Resale Proceeds	\$790,936	\$860,670	\$932,660	\$1,006,974	\$1,083,943
Invested Capital	(\$651,200)	(\$651,200)	(\$651,200)	(\$651,200)	(\$651,200)
Net Return on Investment	\$190,765	\$315,272	\$445,506	\$581,639	\$723,739
Before Tax Calculations					
PV (NOI + reversion)	\$1,945,791	\$1,979,439	\$2,010,791	\$2,040,008	\$2,067,239
After Tax Calculations					
IRR	29.29%	22.55%	20.18%	18.89%	18.04%
Modified IRR	29.29%	22.08%	19.44%	17.94%	16.91%
NPV	\$128,398	\$180,894	\$229,619	\$274,839	\$316,723

PROPERTY RESALE ANALYSIS

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Description Year Ending	Year 1 06/2024	Year 2 06/2025	Year 3 06/2026	Year 4 06/2027	Year 5 06/2028
Resale Proceeds					
Projected Property Value	\$2,106,258	\$2,205,216	\$2,307,142	\$2,412,126	\$2,520,259
Resale Expenses	(\$105,313)	(\$110,261)	(\$115,357)	(\$120,606)	(\$126,013)
Proceeds Before Debt Payoff	\$2,000,945	\$2,094,955	\$2,191,785	\$2,291,519	\$2,394,246
Tax Basis					
Basis at Acquisition	\$1,809,500	\$1,809,500	\$1,809,500	\$1,809,500	\$1,809,500
Depreciation	(\$28,634)	(\$58,517)	(\$88,400)	(\$118,283)	(\$146,923)
Adjusted Tax Basis	\$1,780,866	\$1,750,983	\$1,721,100	\$1,691,217	\$1,662,577
Tax From Sale					
Resale Tax Gain (Loss)	\$220,079	\$343,972	\$470,684	\$600,302	\$731,669
Resale Tax Benefit (Cost)	(\$44,302)	(\$69,379)	(\$95,021)	(\$121,243)	(\$147,803)
Ord. Income Tax Savings (Cost)	\$2,793	\$2,095	\$1,397	\$698	\$0
After-Tax Cashflow From Sale					
Loan Principal Balance	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)	\$0
Balloon/Call Payment	\$0	\$0	\$0	\$0	(\$1,170,000)
Replacement Reserves Remaining	\$1,500	\$3,000	\$4,500	\$6,000	\$7,500
Net Resale Proceeds	\$790,936	\$860,670	\$932,660	\$1,006,974	\$1,083,943

PROPERTY PHOTOS

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