

OFFERING MEMORANDUM

1522-1528 W 7TH ST

Industrial/Retail Owner-User Opportunity | DTLA Adjacent



LOS ANGELES, CA 90017

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EXCLUSIVELY LISTED BY

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MARKET OVERVIEW

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01

INVESTMENT SUMMARY

THE OFFERING

PROPERTY OVERVIEW

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PARCEL MAP

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INVESTMENT SUMMARY

Kidder Mathews is pleased to present the exclusive listing of 1522-1528 West 7th Street, a mixed-use commercial property in the Westlake area, adjacent to Downtown Los Angeles.

THE OFFERING

The Offering is comprised of a single-story storefront building that spans 11,700 SF and sits on 11,706 SF of land. The structure consists of (4) four retail units and a warehouse section (located in the rear). Constructed in 1912, the building stretches one hundred feet along the heavily trafficked West 7th Street thoroughfare. Zoned C2-2, the Property falls within a Tier 3 TOC, the Los Angeles State Enterprise Zone, and Westlake Recovery (RPA).

Currently, there are two vacant units (Unit #1522 and Unit #1528), while the remaining units are occupied by tenants with month-to-month leases. All occupied units are leased on a gross basis with below-market

rents. With flexibility leases in-place, the Property is suitable for an owner-user searching for a location to establish or expand their business operations, while being eligible for SBA financing. There is also an alley along the back that provides access to a large sliding door for the industrial portion of the building.

Situated only a half-mile away from the 110 Freeway, a new owner can take advantage of the close proximity to Downtown Los Angeles, Koreatown, Echo Park and Silver Lake. The Property is also within a half-mile of MacArthur Park Lake and directly across the street from John Liechty Middle School and Esperanza Elementary School. With abundant development projects underway in the area, this is the ideal owner-user opportunity with plenty of space and flexibility to occupy a portion or the entire property.



PROPERTY OVERVIEW

Address	1522-1528 W 7th St Los Angeles, CA 90017
Submarket	Westlake/MacArthur Park
Property Type	Mixed Use (Retail/Multifamily)
Construction	Masonry
No. of Stories	2 Stories
Year Built	1912
Gross Building Area	±11,700 SF
Lot Size	±11,706 SF / 0.27 AC
Zoning	C2-2
Parcel Number	5142-024-004
Street Frontage	100 Feet on West 7th Street

INVESTMENT HIGHLIGHTS

MULTI-TENANT industrial/retail building in the Westlake/DTLA area

11,700 SF STRUCTURE situated on 11,706 SF of C2-2 zoned land

(4) FOUR retail units and (3) warehouse spaces

EXCELLENT FRONTAGE of 100 feet along West 7th Street corridor

REAR ALLEY access with a ground-level sliding door in the back

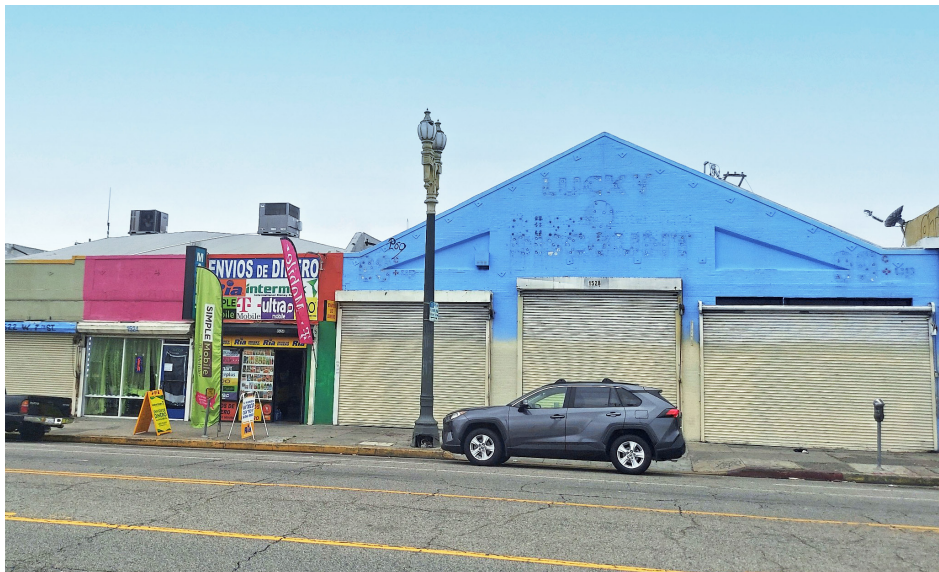
12-FOOT ceiling heights

CLOSE PROXIMITY to Downtown Los Angeles

SWIFT ACCESS to the 110, 10, and 101 freeways

DIRECTLY ACROSS the street from John Liechty Middle School and within a mile of MacArthur Park Lake

ONE BLOCK south of Wilshire Boulevard

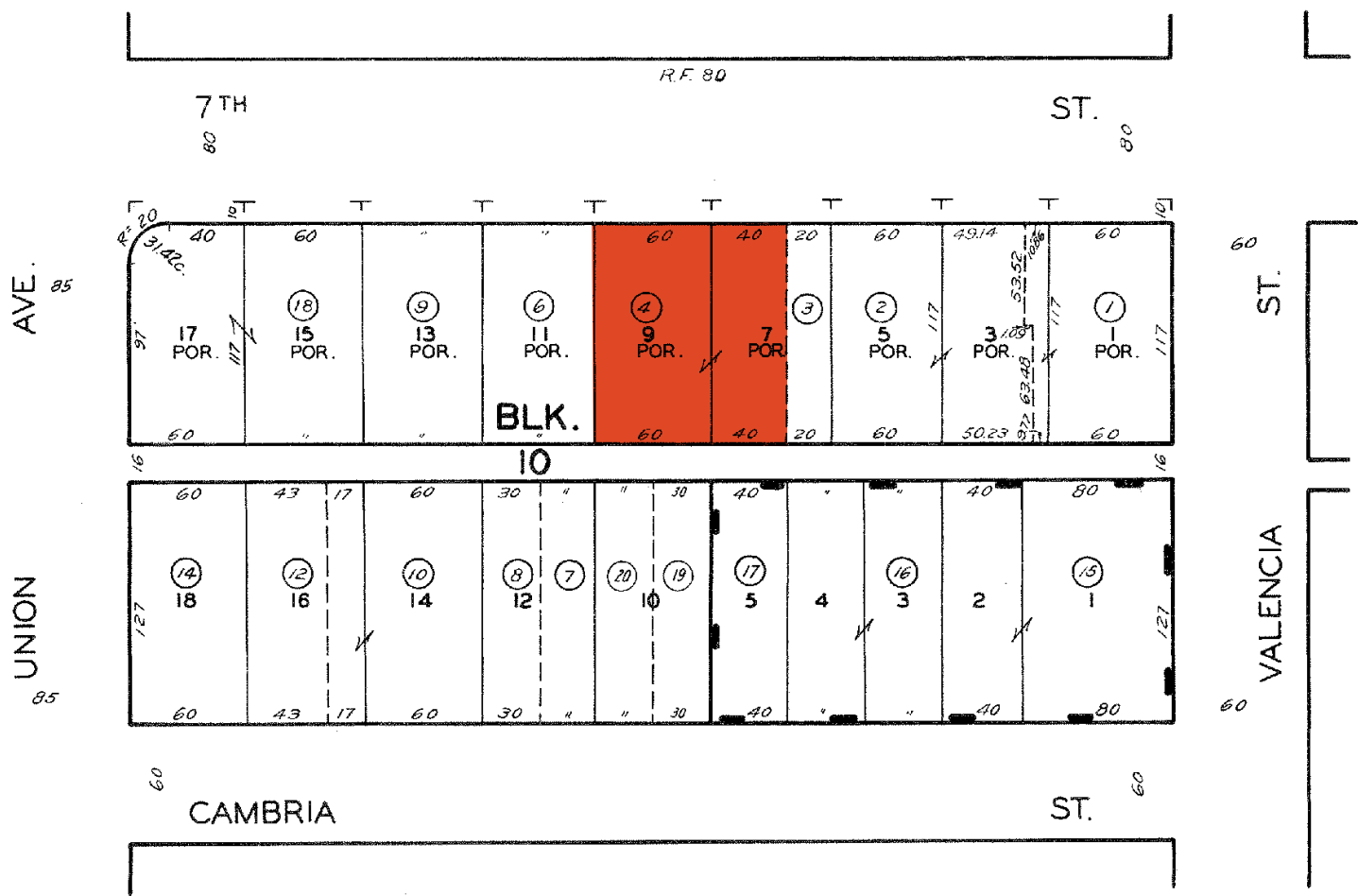
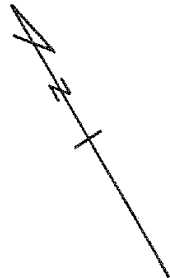


ZONING OVERVIEW

Zoning	C2-2
Transit Oriented Communities	Tier 3
State Enterprise Zone	Los Angeles
Redevelopment Project Area (RPA)	Westlake Recovery
Lot Dimensions	100 Ft. (Width) x 117 Ft. (Depth)

PARCEL MAP

5142 | 24
 SCALE 1" = 60'
2000

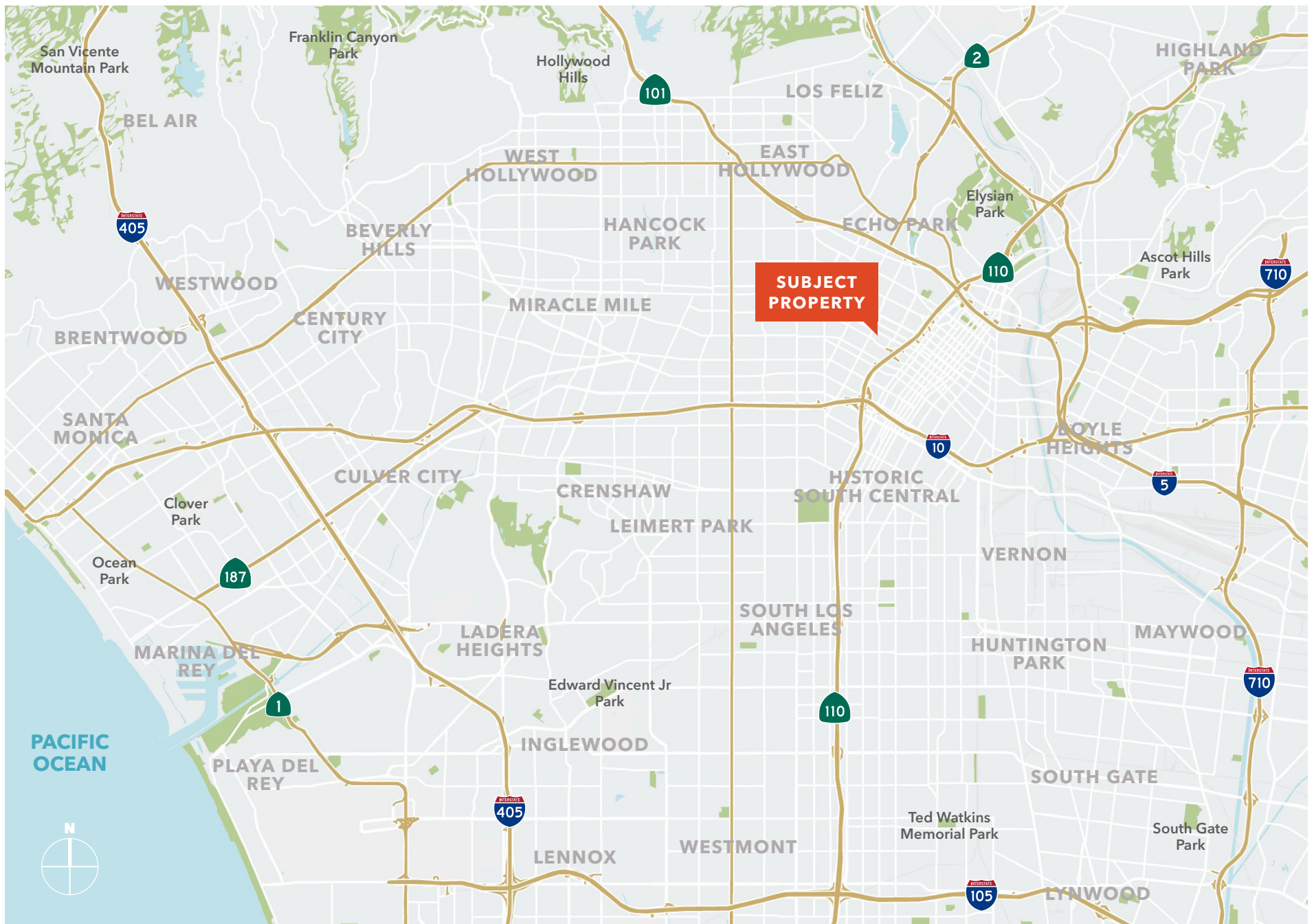


FAIRMOUNT TRACT
 M.R. 3-328-329

**IDA G. HENDERSON'S RESUB. OF
 LOTS 2, 4, 6 & 8, BLK. 10, FAIRMOUNT TRACT**

CODE
 12706

REGIONAL MAP



AMENITIES MAP

JOHN LIECHTY
MIDDLE SCHOOL

LOYOLA LAW
SCHOOL, LA

SUBJECT
PROPERTY

TENTH STREET
ELEMENTARY
SCHOOL



S UNION AVE

W OLYMPIC BLVD



ESPERANZA
ELEMENTARY
SCHOOL

W 8TH ST



S BURLINGTON AVE

WELL'S
FARGO



METROPOLITAN
INN & SUITES

RAMADA BY
WYNDHAM

S BONNIE BRAE ST





02

FINANCIALS

PRICING DETAILS

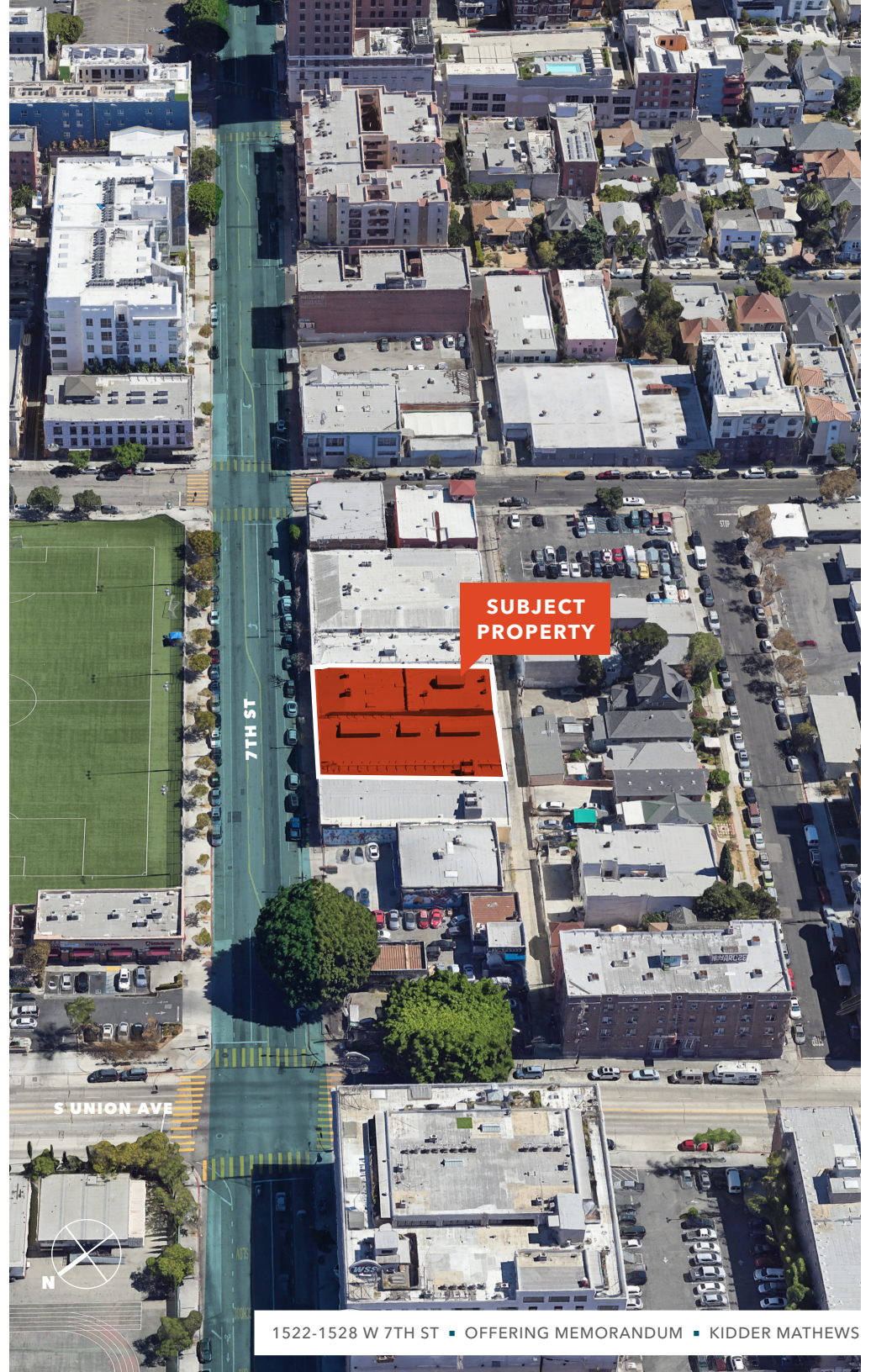
RENT ROLL

LEASE VS. OWN ANALYSIS

FINANCIALS

PRICING DETAILS

Offering Price	\$3,100,000
Gross Building Area	±11,700 SF
Building PSF	\$264.96
Lot Size	±11,706 SF
Land PSF	\$264.82



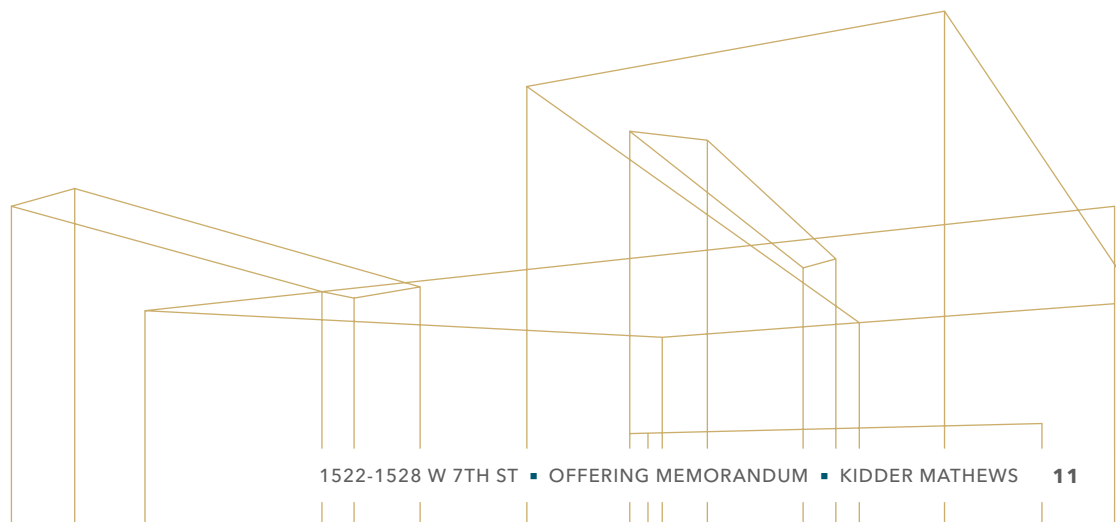
RENT ROLL

Tenant Details						Current			Pro Forma		
Unit #	Tenant	Space Use	Use Type	SF	SF %	Base Rent	PSF	Lease Type	Base Rent	PSF	Lease Type
1522	Vacant	Retail	Leather Store	1,500 SF	12.8%	\$0.00	\$0.00	-	\$2,250.00	\$1.50	NNN
1524	M. Gonsales	Retail	-	750 SF	6.4%	\$1,582.00	\$2.11	Gross	\$1,500.00	\$2.00	NNN
1526	F. Lopez	Retail	Cell Phone Store	750 SF	6.4%	\$1,526.00	\$2.03	Gross	\$1,500.00	\$2.00	NNN
1526-A	J. Chamale	Industrial	Warehouse	1,000 SF	8.5%	\$1,195.00	\$1.20	Gross	\$1,250.00	\$1.25	NNN
1526-B	M. Gonsales	Industrial	Warehouse	1,000 SF	8.5%	\$1,326.00	\$1.33	Gross	\$1,250.00	\$1.25	NNN
1526-C	J. Hernandez	Industrial	Warehouse	1,000 SF	8.5%	\$998.00	\$1.00	Gross	\$1,250.00	\$1.25	NNN
1528	Vacant	Retail	Discount Store	5,700 SF	48.7%	\$0.00	\$0.00	-	\$5,700.00	\$1.00	NNN
Monthly Total				11,700 SF		\$6,627.00	\$1.47 Avg		\$14,700.00	\$1.26 Avg	
Annual Total						\$79,524.00	\$17.67 Avg		\$176,400.00	\$15.08 Avg	

*ALL NUMERICAL REPRESENTATIONS, INCLUDING SQUARE FOOTAGE, ARE APPROXIMATE AND SHOULD BE VERIFIED BY BUYER. THIS INFORMATION IS DEEMED RELIABLE, BUT NOT GUARANTEED. ANY AND ALL INFORMATION THAT IS IMPORTANT TO THE BUYER SHOULD BE VERIFIED BY THE BUYER.

Lease Details

Unit	Start	End
1522	Vacant	-
1524	12/1/2014	MTM
1526	12/1/2014	MTM
1526-A	5/1/2015	MTM
1526-B	12/1/2014	MTM
1526-C	12/1/2014	MTM
1528	Vacant	-



LEASE VS OWN

LEASE SCENARIO

Floor Area		
Potential Lease Floor Area	5,700 SF	
Lease Structure		
	PSF	Amount
Lease Length (3-5 Years)		
Annual Base Rent	\$12.00	\$68,400
Monthly Base Rent	\$1.00	\$5,700
CAM Reimbursement (Triple Net)	\$0.46	\$2,641
Lease Assumptions - Start-Up Costs		
	PSF	Monthly Basis Amount
Prepaid Rent & Security Deposit (2 Months)	\$2.00	\$11,400
Tenant Improvements (Out-of-Pocket)	\$0.00	\$0
Total Start-Up Costs	\$2.00	\$11,400
Gross Cash Costs		
Monthly Base Rent	\$5.00	\$23,350
Operating Expenses (CAM Reimbursement)	\$0.06	\$260
Lease-Out Income (Net of Taxes)	\$0.00	\$0
Total Gross Cash Costs	\$5.06	\$23,610
Lease Benefits		
Depreciation Tax Benefit	\$0.00	\$0
Average Principal Paydown/Equity Build	\$0.00	\$0
Rent Deduction Tax Benefit	\$0.35	\$1,995
Operating Expenses Tax Benefit	\$0.16	\$924
Interest on Start-Up Cost Difference	\$0.00	\$0
Total Lease Benefits	\$0.51	\$2,919
Net Cost of Lease	\$0.95	\$5,422

ANALYSIS ASSUMPTIONS

- *ASSET APPRECIATION IS NOT CALCULATED INTO THE ANALYSIS, BUT SHOULD BE CONSIDERED AS AN ADDITIONAL OWNERSHIP BENEFIT
- *TAX BENEFITS ARE ESTIMATED AT 35% FOR DEPRECIATION, RENT DEDUCTION, INTEREST DEDUCTION, AND OPERATING COSTS
- *DEPRECIABLE LIFE OF THE ASSET IS ASSUMED AT 39 YEARS
- *DUE DILLIGENCE INCLUDES APPRAISAL REPORTS, ENVIRONMENTAL REPORTS, ETC.
- *FINANCING IS ESTIMATED WITH 6.50% INTEREST RATES AND 25-YEAR AMORTIZATION

OWN SCENARIO

Floor Area		
Gross Building Area	11,700 SF	100.0%
Owner-Occupancy Floor Area (Unit #1528)	5,700 SF	48.7%
Lease-Out Floor Area (Units #1522-1526)	6,000 SF	51.3%
Investment Structure		
	PSF	Amount
Acquisition Price	\$264.96	\$3,100,000
Tenant Improvements (Owner-Occupancy Space)	\$0.00	\$0
Tenant Improvements (Lease-Out Space)	\$0.00	\$0
Total Capital Investment	\$264.96	\$3,100,000
Acquisition Assumptions -Start-Up Costs		
	PSF	Monthly Basis Amount
Down Payment (10%)	\$26.50	\$310,000
Tenant Improvements	\$0.00	\$0
Loan Origination Fees (1%)	\$2.38	\$27,900
Due Dilligence & Closing Costs	\$1.18	\$13,825
Total Start-Up Costs	\$30.06	\$351,725
Gross Cash Costs		
Debt Service	\$1.61	\$18,838
Operating Expenses	\$0.46	\$5,380
Lease-Out Income (Net of Taxes)	(\$0.48)	(\$5,597)
CAM Reimbursement (Lease-Out Space)	(\$0.10)	(\$1,164)
Total Gross Cash Costs	\$1.49	\$17,457
Ownership Benefits		
Depreciation Tax Benefit	\$0.48	\$5,630
Average Principal Paydown/Equity Build	\$0.34	\$3,954
Interest Deduction Tax Benefit	\$0.45	\$5,289
Operating Expenses Tax Benefit	\$0.08	\$917
Interest on Start-Up Cost Difference	(\$0.10)	(\$1,198)
Total Ownership Benefits	\$1.25	\$14,593
Net Cost of Ownership	\$0.24	\$2,864



03

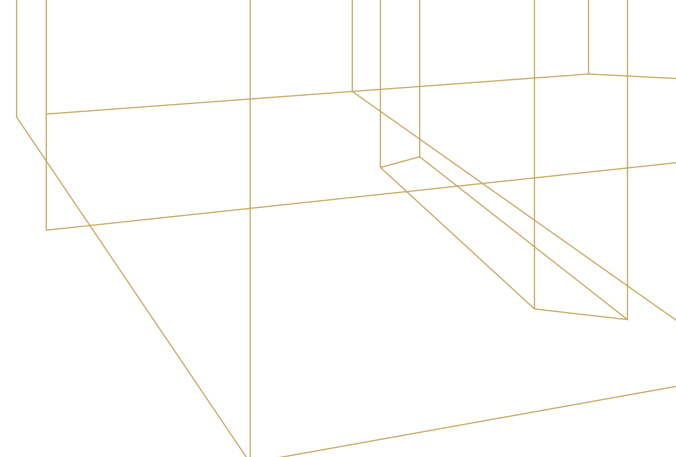
MARKET OVERVIEW

DOWNTOWN LOS ANGELES

DEMOGRAPHICS

NOTABLE SITES

WESTLAKE



MARKET OVERVIEW

DOWNTOWN LOS ANGELES

Los Angeles is a trend-setting global metropolis with a fascinating history and a rich cultural heritage.

LA's cultural attractions are second to none, whether it's the Space Shuttle Endeavour, Walt Disney Concert Hall, the Getty Center or art galleries and urban art. From Transformers: The Ride-3D to legendary studios, thriving nightlife and renowned theatre productions, LA is truly the entertainment capital of the world. LA dining is acclaimed for Michelin-starred restaurants and multicultural neighborhoods alike. Sports fans know that LA is the city of champions, while active Angelenos can explore 75 miles of coastline and hundreds of miles of bike and hiking trails. Shop for everything from couture to vintage, or relax in one of LA's world class spas.

Los Angeles has something for everyone, with flourishing neighborhoods, acclaimed restaurants, and trend-setting art and fashion scenes. One of the most popular ways to experience L.A. is by celebrating the city's incredible diversity, take a scenic drive or visit the top cultural attractions. Whether it's luxury or budget, family friendly or singles - even hotels and fun for our furry friends, everyone is welcome in LA.

Shopping is one of the most fun activities in Los Angeles, from digging through vintage stores to shopping for luxury goods. Top shopping centers include Westfield Century City, the Fashion District in Downtown L.A., The Grove, Beverly Center, Hollywood & Highland, and Glendale Galleria. Eclectic shopping neighborhoods can be found throughout L.A., while museum gift shops offer unique cultural gifts. Rodeo Drive is a must-see for the jet set, while bargain hunters have several outlets to choose from.



DEMOGRAPHICS

POPULATION

	1 Mile	5 Miles	10 Miles
2021 ESTIMATE	60,450	1,291,180	3,618,880
MEDIAN AGE	33.1	35.0	35.2

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2021 ESTIMATE	15,110	409,261	1,208,932

EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
AVERAGE HH INCOME	\$51,233	\$67,152	\$87,872
TOTAL BUSINESSES	1,266	17,578	56,148
TOTAL EMPLOYEES	12,436	133,391	491,425

NOTABLE SITES

PRIMARY COMMERCE AREA

Downtown Los Angeles, the city's historic hub and a significant business and financial center, is where most of Central Los Angeles' trade is situated. The Fashion District is located in the southeast area of Downtown and serves as a central commerce hub for the fashion industry. It is home to numerous showrooms and wholesale shops that sell apparel, accessories, and textiles.

THE FASHION DISTRICT

It is a significant wholesale center for the fashion sector that spans several city blocks of storefronts and wholesale stores.

THE STAPLES CENTER

The Los Angeles Lakers and Los Angeles Clippers reside here, and it also serves as a significant sports and entertainment location for other events like concerts.

THE LOS ANGELES CONVENTION CENTER

It is a substantial conference and exhibition facility that holds numerous significant occasions and trade shows annually.

THE WALT DISNEY CONCERT HALL

It is a renowned lecture hall that serves as the Los Angeles Philharmonic orchestra's center and presents a wide range of classical and modern musical acts.

THE GRAND CENTRAL MARKET

It is a historic indoor market with several food vendors and courts serving diverse foods.

THE BROAD MUSEUM

It is a contemporary art museum with an extensive collection of works by artists like Andy Warhol, Jeff Koons, and Roy Lichtenstein.

L.A. LIVE

A sports and entertainment district that includes restaurants, bars, and the Microsoft Theater, which hosts concerts and other live events.

THE REEF

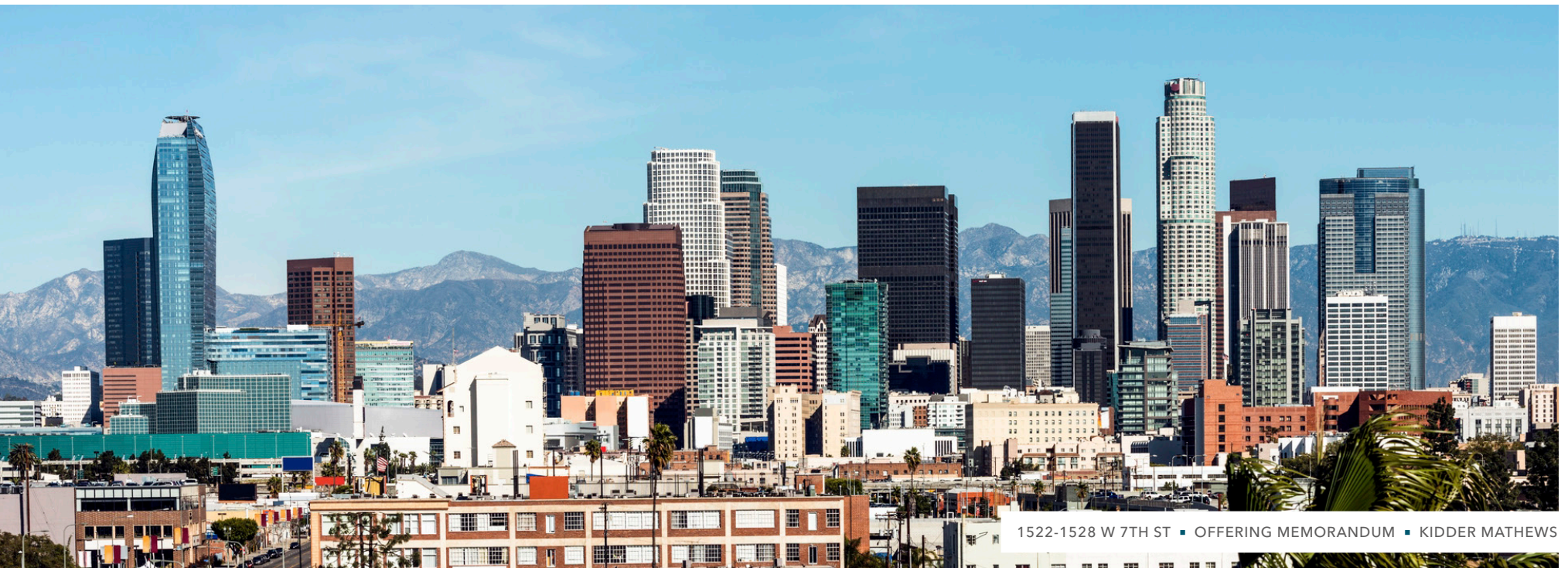
A creative office space and event venue that hosts various events, including art exhibitions, concerts, and conferences.

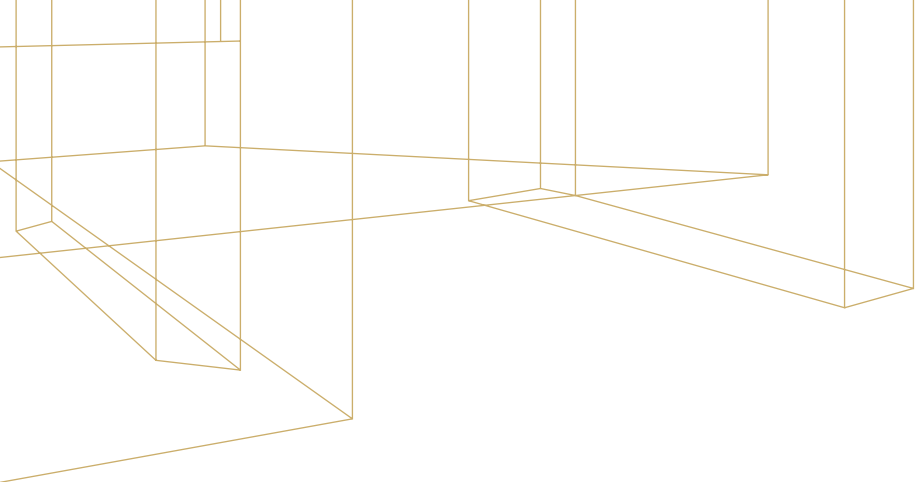
FIDM MUSEUM & GALLERIES

A museum that showcases the history of fashion and design, with a particular emphasis on the role of California in shaping the fashion industry.

GRAMMY MUSEUM

A museum dedicated to the history of music and the Grammy Awards, with exhibits and interactive experiences that explore the cultural impact of music.





WESTLAKE

Westlake is a residential and commercial neighborhood in Central Los Angeles, California. It was developed in the 1920s, but many of its elegant mansions have been turned into apartments, and many new multiple-occupancy buildings have been constructed.

One of the first areas of Los Angeles west of Figueroa Street to see residential development, Westlake came to have a significant Jewish population. Wealthy businessmen commuted to downtown, Wilshire Center (now Koreatown), Hollywood, and the Miracle Mile from the district's Spanish Revival and Art Deco mansions. Around the 1940s the district's northwestern blocks fringed the home of Los Angeles' early working class Filipino population who were shifted from what is today Little Tokyo and Bunker Hill, some of which remain in parts of Westlake and nearby neighborhoods like Echo Park, Silver Lake, and East Hollywood.

Westlake is a high-density area, with a young and heavily Latino population. It contains many primary and secondary schools.

According to the Los Angeles Times' Mapping L.A. project, the street boundaries of Westlake are: the Hollywood Freeway on the north, Glendale Boulevard and Second Street on the east, Beaudry Avenue and the Harbor Freeway on the southeast, West Olympic Boulevard on the southeast and south, Westmoreland Avenue, Wilshire Place and Virgil Avenue on the west, and Temple Street and Hoover Street on the northwest.

Westlake is flanked by Silver Lake to the north, Echo Park to the northeast and east, Downtown to the southeast, Pico-Union to the south and southwest and Koreatown to the west. Westlake touches East Hollywood on the northwest.

596,320

2023 POPULATION
3-MILE RADIUS

212,231

2023 HOUSEHOLD
3 - MILE RADIUS

36.5

2023 AVERAGE AGE
1-MILE RADIUS

\$71,042

2023 AVERAGE HH INCOME
1-MILE RADIUS

SOURCE: COSTAR

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