

OFFERING MEMORANDUM

1605 E 1ST STREET

Turnkey Creative Office Property Near
the DTLA Arts District

SUBJECT
PROPERTY

LOS ANGELES, CA 90033

 THE AGENCY

 **Kidder
Mathews**

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MARKET OVERVIEW

Downtown Los Angeles
Demographics

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01

EXECUTIVE SUMMARY

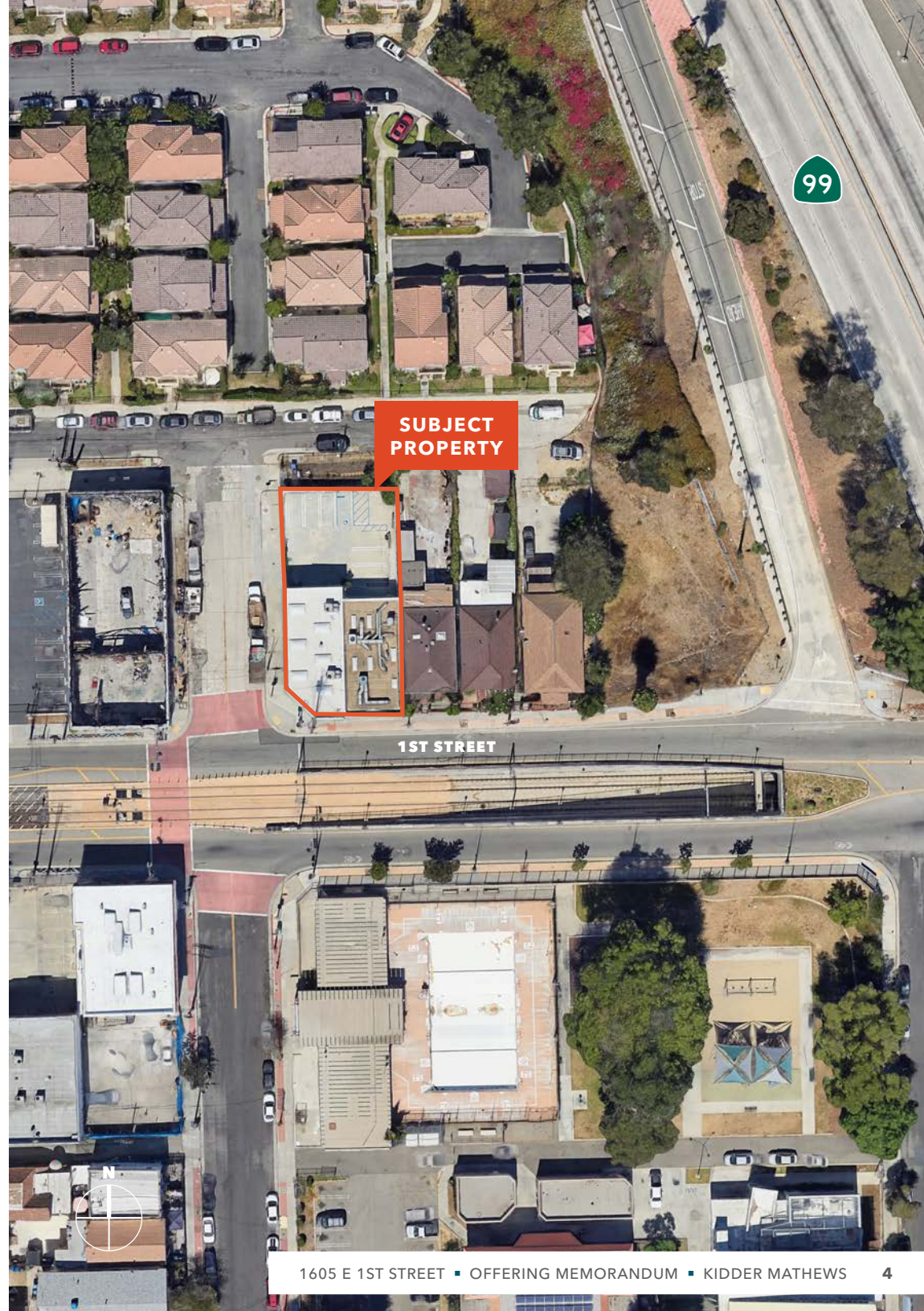
THE OFFERING

EXECUTIVE SUMMARY

Kidder Mathews and The Agency have been exclusively retained to promulgate the sale of 1605 E 1st Street, a fully renovated turnkey creative office/art studio space in Downtown LA.

THE OFFERING

The building offers a generous building-to-land ratio for DTLA standards, 3,698 square foot building sitting on 6,908 square feet of land. The building underwent a full remodel totaling over \$700,000 recently, making it an elegant turnkey space for an Owner User. Its extensive tenant improvement facelift was completed just prior the exponential and dramatic costs of materials. The high-end renovations included: new electrical, plumbing, HVAC, roof, alarm system, skylights, ramp/handrail, electric gate, windows/doors, bathroom and light fixtures, exterior lighting, and a custom kitchen installation. The property features two private offices, a spacious conference room, a ventilated art studio, two bathrooms, storage, a 10'x10' roll up door, and gated parking with a total of seven spaces. With its versatile layout, the subject property is ideal for a wide range of artistic Owner-Users seeking an adaptable workspace. This Buyer pool can obtain highly leveraged loans, fixed financing with 10% on SBA loans and 15% down payment with rates starting the high 5% ranges with most conventional lenders, along with lower occupancy requirements than SBA (51% or more SF occupied).





02

PROPERTY OVERVIEW

PROPERTY HIGHLIGHTS

PROPERTY DETAILS

PROPERTY PHOTOS

PARCEL MAP

REGIONAL MAP

AMENITIES MAP

PROPERTY OVERVIEW

PROPERTY HIGHLIGHTS

RARE built-out creative office studio just outside the DTLA Arts District

6,908 SF of land with m1 zoning

CORNER LOT property with a secured, gated premises

RECENTLY RENOVATED with high-end upgrades and finishes

ON-SITE PARKING lot that contains 7 parking spaces

LIMITED SUPPLY product type with a high demand for creative office space

FULLY ADA compliant

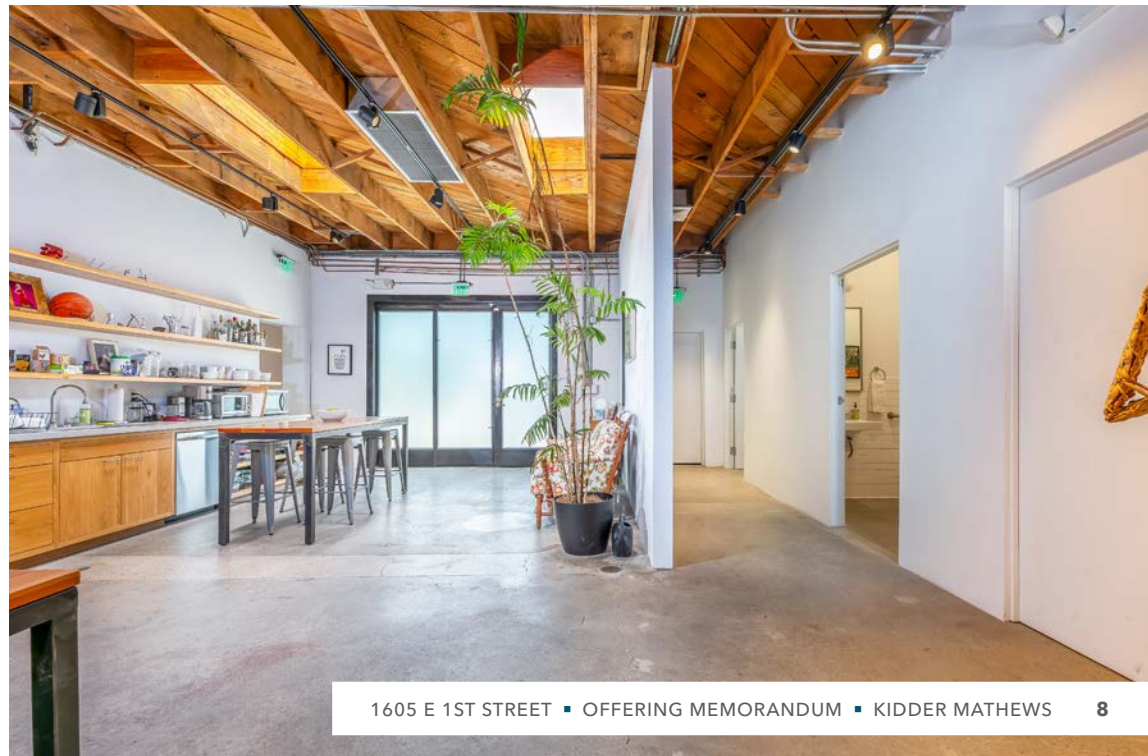


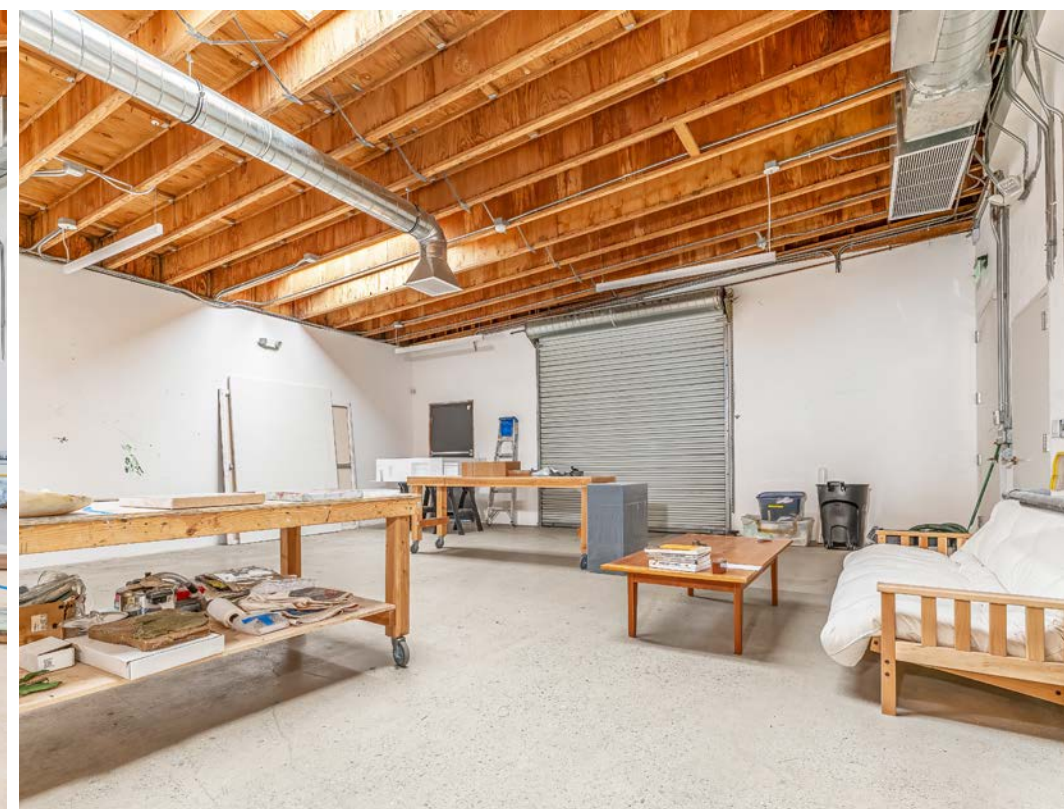
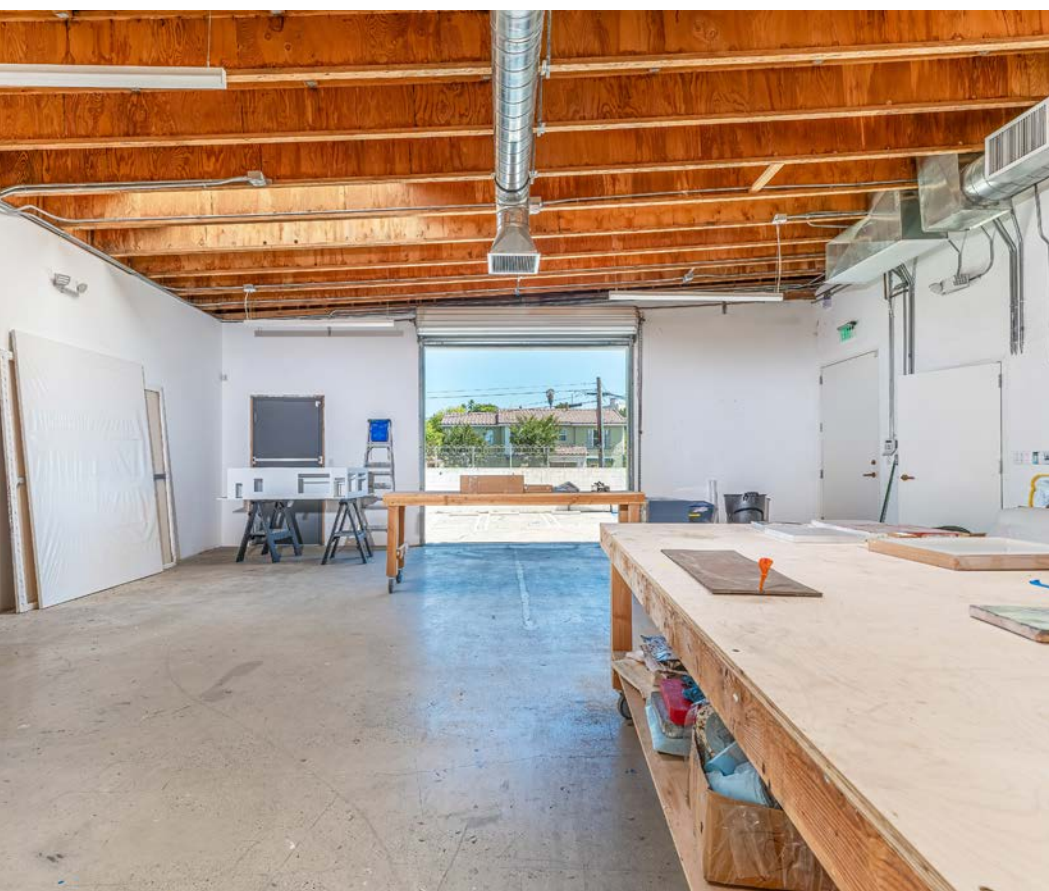
PROPERTY DETAILS

Address	1605 E 1st Street Los Angeles, CA 90033
Property Type	Creative Office
Year Built	1955 (Renovated 2019)
Completely Renovated	2018
Gross Building Area	±3,698 SF
Lot Size	±6,908 SF / 0.16 AC
Zoning	[Q]M1-1-RIO-CUGU
Parcel Number	5173-031-007
Parking Spaces	±7 Spaces
Parking Ratio	±1.89 Spaces per 1,000 SF

PROPERTY PHOTOS









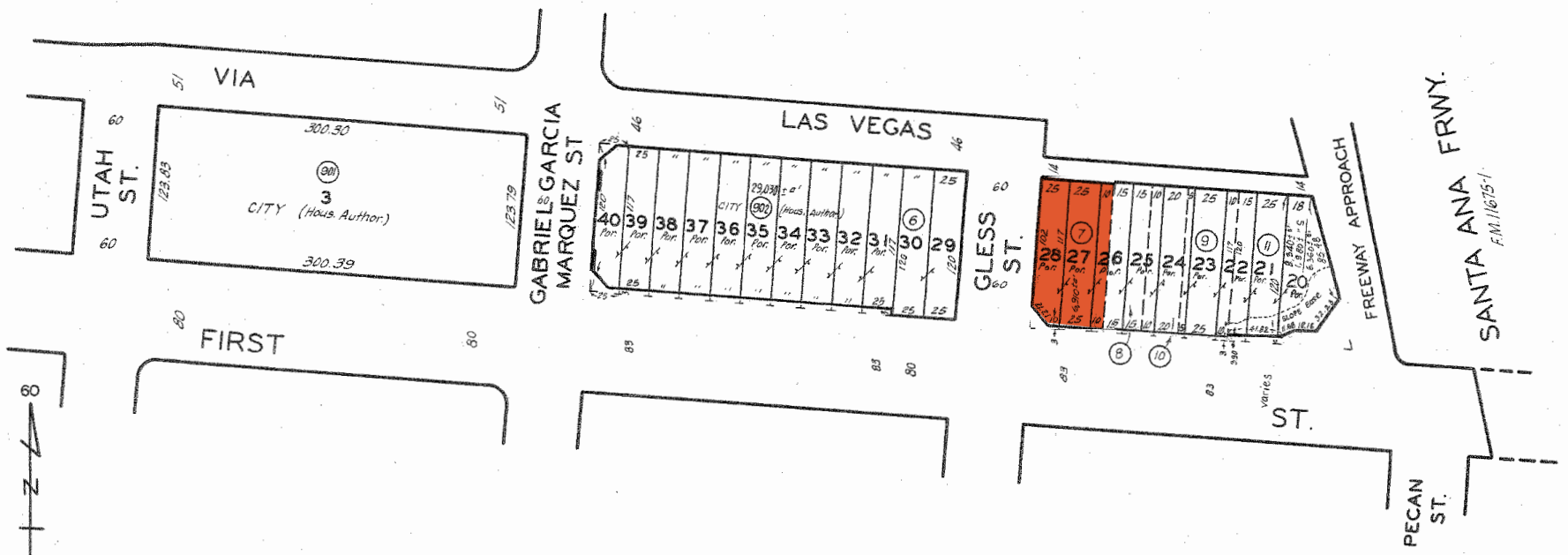
PARCEL MAP

REVIS

5173 | 31
SCALE 1" = 80'

2008

83052/1363
96.01202300/1001-23
2003090906
2004102504002001-23
2005.010510002001-23
2005091207013001-23



TRACT NO. 12658
M.B. 342-14-16

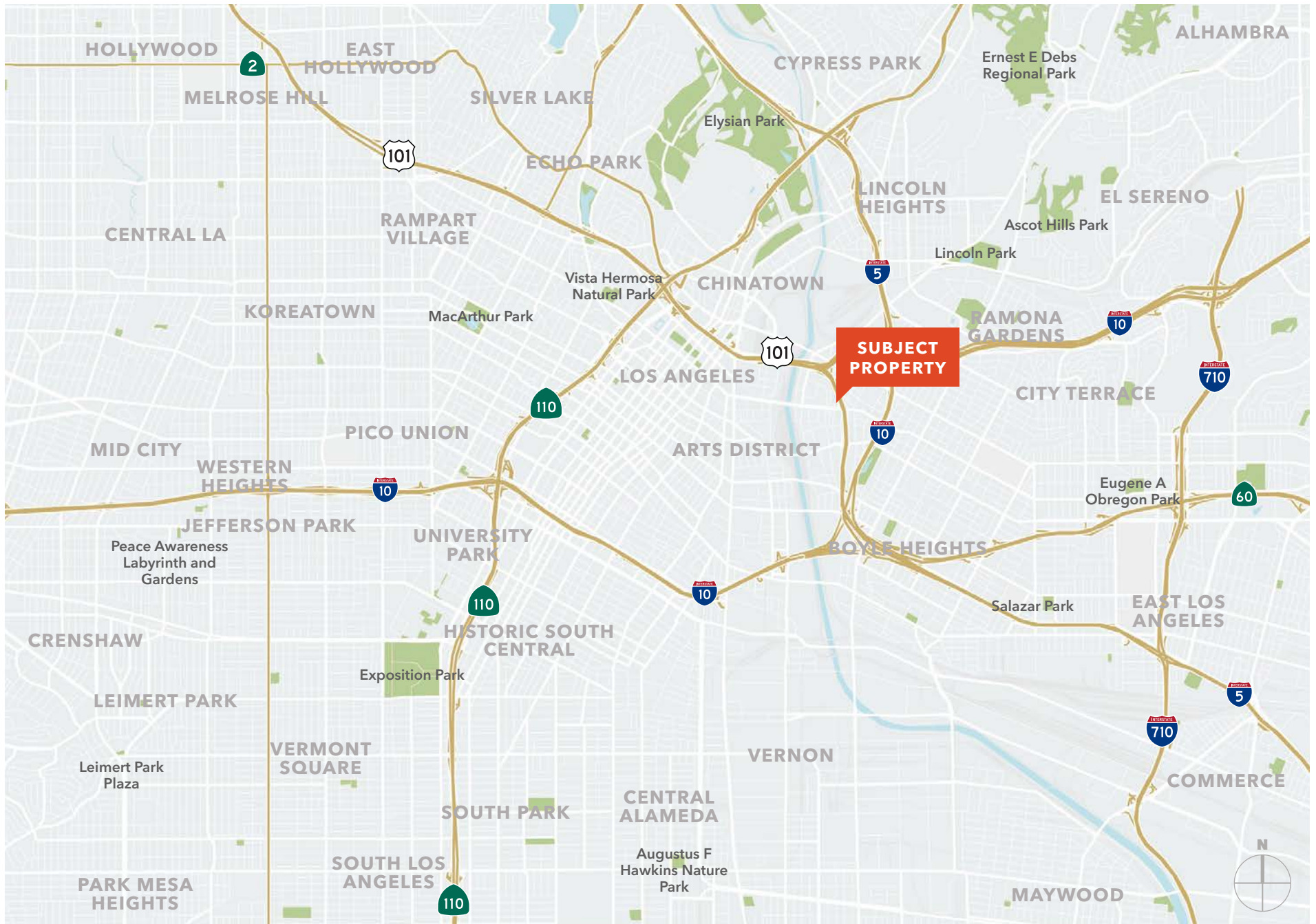
CUMMINGS FIRST STREET TRACT
M.R. 60-48

CODE
4

FOR PREV. ASSM'T. SEE: 13-23 & 32

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

REGIONAL MAP





CHINATOWN



FIGUEROA ST

1ST STREET



LITTLE TOKYO



UTAH STREET
ELEMENTARY SCHOOL

FELICITAS & GONZALO
MENDEZ HIGH SCHOOL

**SUBJECT
PROPERTY**

JW MARRIOTT

FINANCIAL
DISTRICT

GRAMMY MUSEUM
LA LIVE

CRYPTO
ARENA

6TH STREET

LITTLE TOKYO
MARKET PLACE

PECAN RECREATION
CENTER

PICO BLVD

LOS ANGELES
CONVENTION
CENTER

ARTS
DISTRICT



DIGNITY HEALTH
CALIFORNIA HOSPITAL

FASHION
DISTRICT

ROW DTLA

SOHO
WAREHOUSE



MAIN ST



LOS ANGELES
TRADE TECHNICAL
COLLEGE



SANTEE HIGH
SCHOOL





03

FINANCIAL ANALYSIS

INVESTMENT SUMMARY

LEASE VS. OWN ANALYSIS

FINANCIAL ANALYSIS

INVESTMENT SUMMARY

PRICING DETAILS

Offering Price	\$2,500,000
Market Rent Assumption	\$2.75/SF + NNN
Gross Building Area	±3,698 SF
Building PSF	\$676.04
Lot Size	±6,908 SF
Land PSF	\$361.90



LEASE VS. OWN ANALYSIS

LEASE SCENARIO

Floor Area		
Comparable Lease Floor Area	3,698 SF	
Lease Structure		
	PSF	Amount
Lease Length (3-5 Years)		
Annual Base Rent	\$42.00	\$155,316
Monthly Base Rent	\$3.50	\$12,943
CAM Reimbursement (Triple Net)	\$0.86	\$3,183
Lease Assumptions - Start-Up Costs		
	PSF	Monthly Basis Amount
Prepaid Rent & Security Deposit (2 Months)	\$7.00	\$25,886
Tenant Improvements (Out-of-Pocket)	\$0.00	\$0.00
Total Start-Up Costs	\$7.00	\$25,886
Gross Cash Costs		
Monthly Base Rent	\$3.50	\$12,943
Operating Expenses (CAM Reimbursement)	\$0.86	\$3,183
Lease-Out Income (Net of Taxes)	\$0.00	\$0.00
Total Gross Cash Costs	\$4.36	\$16,126
Lease Benefits		
Depreciation Tax Benefit	\$0.00	\$0.00
Average Principal Paydown/Equity Build	\$0.00	\$0.00
Rent Deduction Tax Benefit	\$1.23	\$4,530
Operating Expenses Tax Benefit	\$0.30	\$1,114
Interest on Start-Up Cost Difference	\$0.00	\$0.00
Total Lease Benefits	\$1.53	\$5,644
Net Cost of Lease	\$2.83	\$10,482

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 DILIGENCE 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	3,698 SF	100.0%
Owner-Occupancy Floor Area	3,698 SF	100.0%
Lease-Out Floor Area	0 SF	0.0%
Investment Structure		
	PSF	Amount
Acquisition Price	\$676.04	\$2,500,000
Tenant Improvements (Owner-Occupancy Space)	\$0.00	\$0.00
Tenant Improvements (Lease-Out Space)	\$0.00	\$0.00
Total Capital Investment	\$676.04	\$2,500,000
Acquisition Assumptions - Start-Up Costs		
	PSF	Monthly Basis Amount
Down Payment (25%)	\$169.01	\$625,000
Tenant Improvements	\$0.00	\$0.00
Loan Origination Fees (1%)	\$5.07	\$18,750
Due Diligence & Closing Costs	\$3.29	\$12,175
Total Start-Up Costs	\$177.37	\$655,925
Gross Cash Costs		
Debt Service	\$3.42	\$12,660
Operating Expenses	\$0.86	\$3,183
Lease-Out Income (Net of Taxes)	\$0.00	\$0.00
CAM Reimbursement (Lease-Out Space)	\$0.00	\$0.00
Total Gross Cash Costs	\$4.28	\$15,843
Ownership Benefits		
Depreciation Tax Benefit	\$1.23	\$4,541
Average Principal Paydown/Equity Build	\$0.82	\$3,025
Interest Deduction Tax Benefit	\$0.96	\$3,555
Operating Expenses Tax Benefit	\$0.30	\$1,114
Interest on Start-Up Cost Difference	(\$0.60)	(\$2,218)
Total Ownership Benefits	\$2.71	\$10,016
Net Cost of Ownership	\$1.58	\$5,827



04

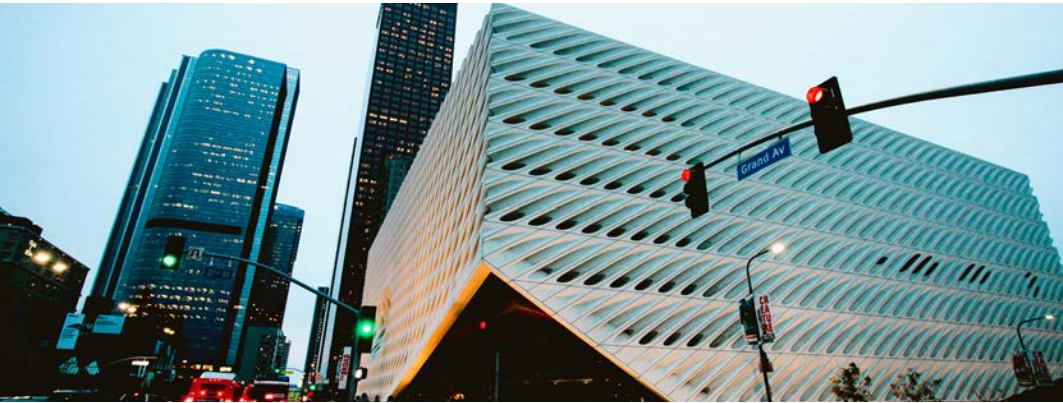
MARKET OVERVIEW

DOWNTOWN LOS ANGELES

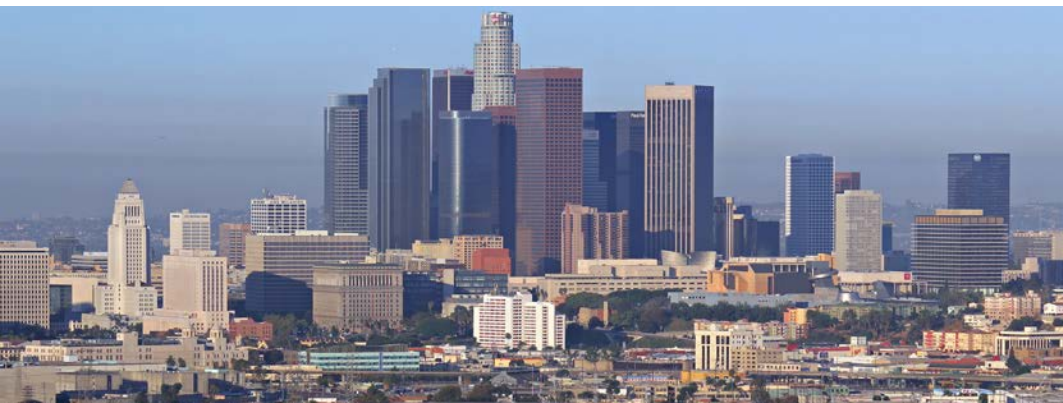
DEMOGRAPHICS



MARKET OVERVIEW



DOWNTOWN LOS ANGELES



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

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.

LA's cultural attractions are second to none, whether it's the Space Shuttle Endeavor, 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.

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
2022 TOTAL POPULATION	81,392	1,207,723	3,496,751
MEDIAN AGE	37.3	33.6	35.1

HOUSEHOLDS

	1 Mile	3 Miles	5 Miles
2022 HOUSEHOLDS	42,464	424,414	1,242,295
2027 HH ESTIMATE	45,609	427,314	1,234,953

EMPLOYMENT & INCOME

	1 Mile	3 Miles	5 Miles
AVERAGE HH INCOME	\$65,389	\$54,112	\$66,005
TOTAL BUSINESSES	16,154	62,472	182,765
TOTAL EMPLOYEES	163,208	548,131	1,610,283

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