

# 4067 BEVERLY BLVD LOS ANGELES, CA 90004

Medical Office Conversion Opportunity

EXCLUSIVE OFFERING MEMORANDUM

 Kidder  
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**MARKET OVERVIEW**

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01

# INVESTMENT SUMMARY

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Kidder Mathews is pleased to be the exclusive agent for the Industrial/Retail Owner/User opportunity on the corner of Beverly Blvd and Kenmore Ave.

## THE OFFERING

2/1,000 SF medical parking req.

Tremendous rental upside

90% SBA financing available

All 5 commercial tenants are on below market month to month leases



## PROPERTY OVERVIEW

Address	4067 Beverly Blvd, Los Angeles, CA 90004
Gross Building Area	±7,990 SF
Industrial Building	±5,450 SF
% Office	±470 SF (8.6%)
Power	3 Phase, 400 Amp
Ground Level	(2) 10'x10'
Ceiling Height	19 Ft, 14 Ft clearance
Retail Building	±2,540 SF
Number of Tenants	Five
Year Built	1925
Curb Cuts	Kenmore Ave/Alexandria Ave/Beverly Blvd
APN's	5520-023-009, -019
Parking Spaces	± 16 Spaces; ± 2 spaces per 1,000 SF

# INVESTMENT HIGHLIGHTS

Industrial/Medical - Owner-User Opportunity

Significant Lot Size of 15,262 Square Feet of Land with C2-1 Zoning

100% Occupied on Month-to-Month Leases

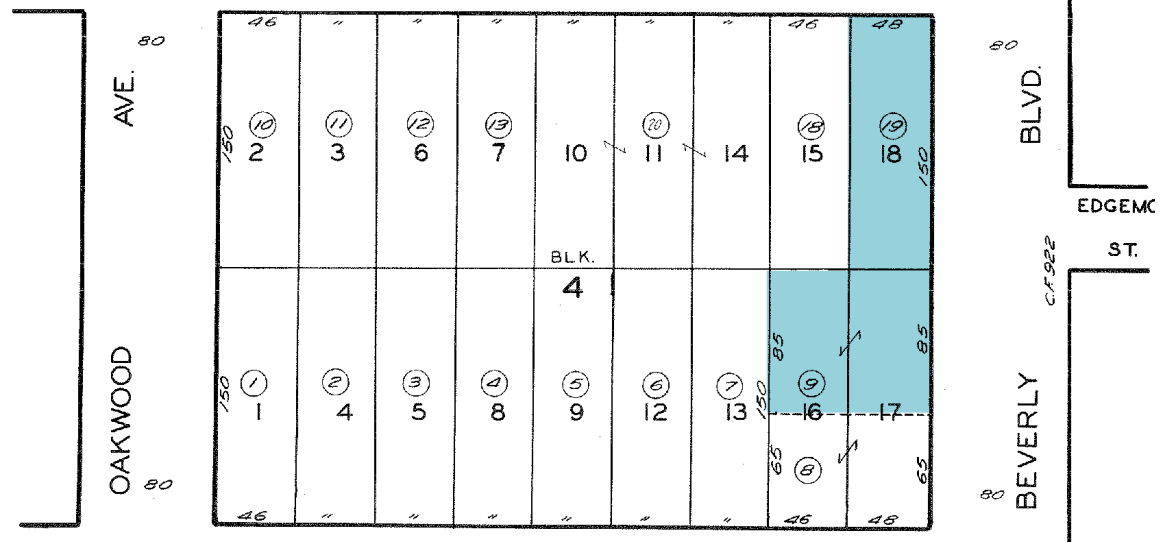
Potential Medical Office Conversion

85% Conventional Loan; 90% SBA Loan

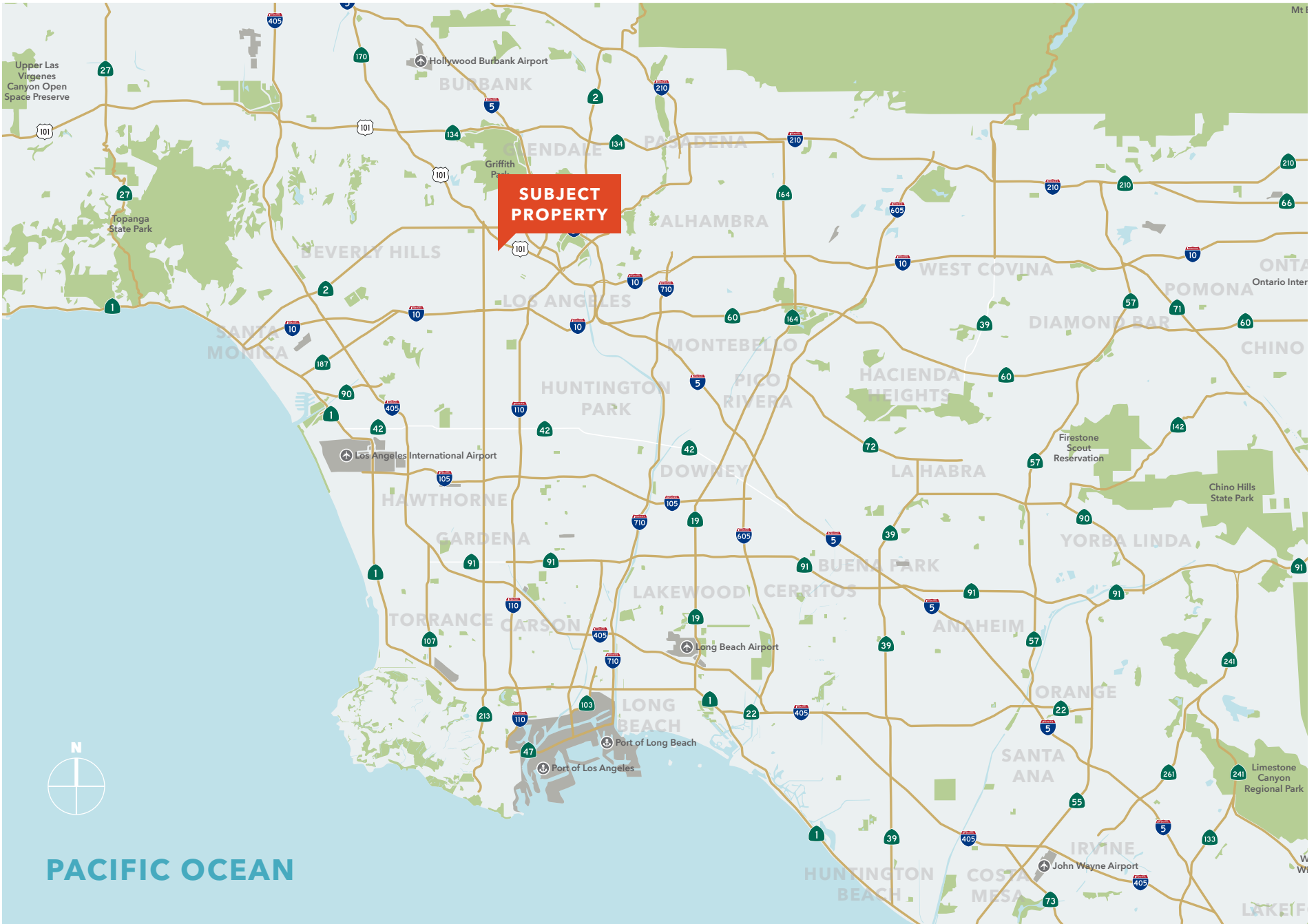
State Enterprise Zone & Opportunity Zone

Two Adjacent Lots on the Corner of Beverly Blvd and Kenmore Ave

Tier 3 TOC / C2 Zoning allows for the development of 67 units



# REGIONAL MAP



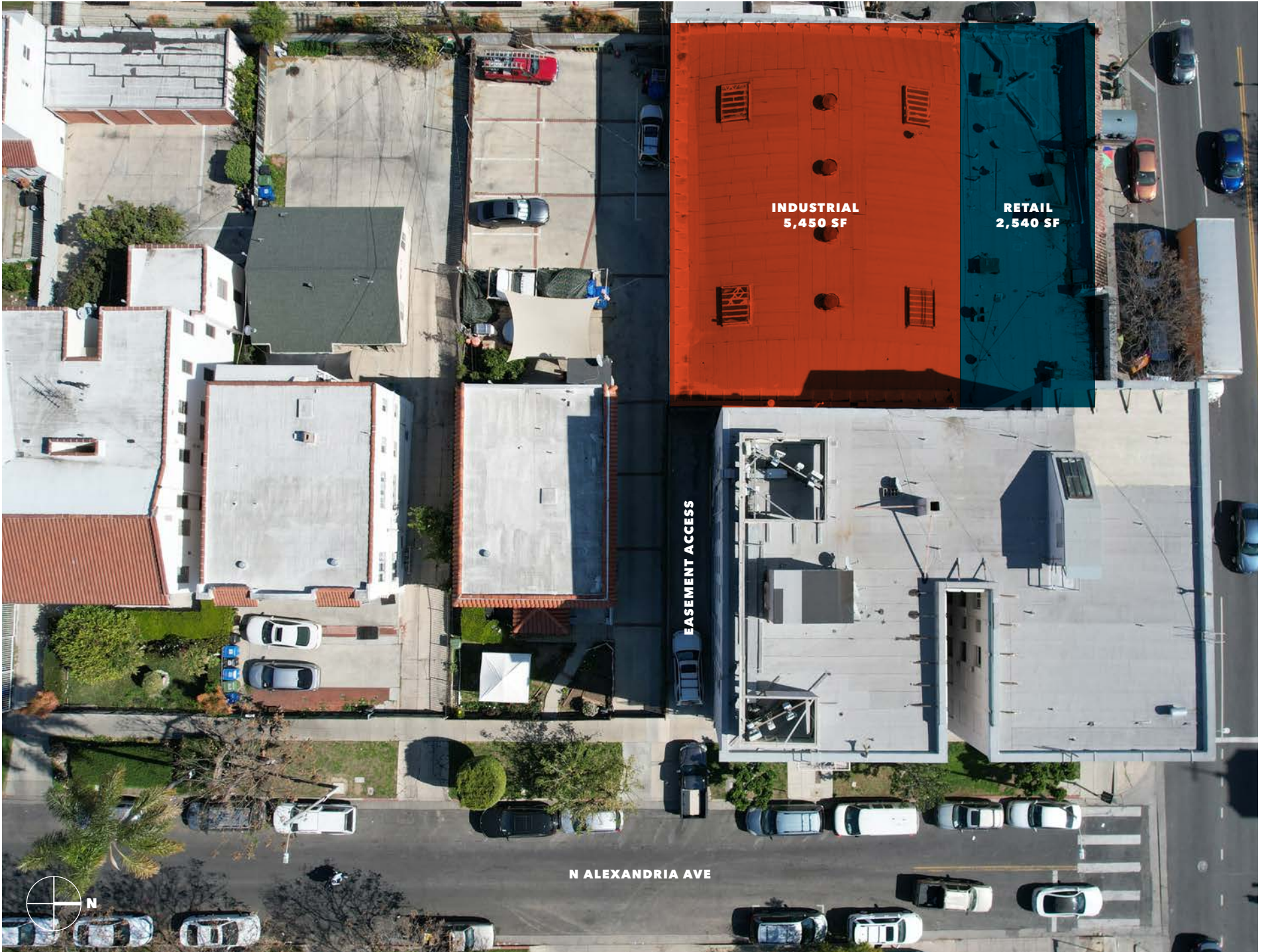
# LOCAL AMENITIES





BEVERLY BLVD









# 02

# FINANCIAL OVERVIEW

# FINANCIAL OVERVIEW

## INVESTMENT SUMMARY

<b>Offering Price</b>	<b>\$4,125,000</b>
Pro Forma Cap Rate	4.07%
Gross Building Area	± 7,990 SF
Building PSF	\$516.27
Lot Size	± 15,262 SF
Land PSF	\$270.28
Buildable Units	67 Units
Price Per Buildable Unit	\$61,567
Allowed Uses	Medical/Industrial/Retail



## INVESTMENT SUMMARY (CONTINUED)

### RENT ROLL

TENANT DETAILS					PRO FORMA			
Unit #	Tenant	Space Use	SF	Building Share %	Base Rent	PSF	Lease Type	Term Remaining
4067	Mar Azul	Restaurant	1,250 SF	15.7%	\$3,500.00	\$2.80	NNN	MTM
4073	Juan's Glass Services	General Retail	600 SF	7.5%	\$1,500.00	\$2.50	NNN	MTM
4075-A	Mercy's Mini Market	General Retail	350 SF	4.4%	\$962.50	\$2.75	NNN	MTM
4075-B	Lycamobile	General Retail	350 SF	4.4%	\$962.50	\$2.75	NNN	MTM
4075-C	A-Z AutoDome	Auto Repair/ Industrial	5,400 SF	67.9%	\$8,100.00	\$1.50	NNN	MTM
<b>Monthly Total</b>			<b>7,950 SF</b>		<b>\$15,025.00</b>	<b>\$1.89 Avg.</b>		
<b>Annual Total</b>					<b>\$180,300.00</b>	<b>\$22.68 Avg.</b>		

### OPERATING EXPENSES

	Pro Forma	PSF	Calculation
Real Estate Taxes (1.16552%)	\$48,078	\$6.02	1.16552% of Offering Price
Insurance	\$3,596	\$0.45	\$0.45 Per SF (Annual)
Utilities	\$5,194	\$0.65	\$0.65 Per SF (Annual)
Trash Removal	\$3,196	\$0.40	\$0.40 Per SF (Annual)
Grounds Maintenance	\$1,998	\$0.25	\$0.25 Per SF (Annual)
Repairs & Maintenance	\$5,993	\$0.75	\$0.75 Per SF (Annual)
Capital Reserves	\$1,598	\$0.20	\$0.20 Per SF (Annual)
<b>Total Operating Expenses</b>	<b>\$69,651</b>	<b>\$8.72</b>	

# LEASE VS. OWN ANALYSIS

## LEASE SCENARIO

### FLOOR AREA

Comparable Lease Floor Area	5,440 SF
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### LEASE STRUCTURE

	PSF	Amount
Lease Length (3-5 Years)		
Annual Base Rent	\$18.00	\$97,920
Monthly Base Rent	\$1.50	\$8,160
CAM Reimbursement (Triple Net)	\$0.73	\$3,952

### LEASE ASSUMPTIONS

#### Start-Up Costs

Prepaid Rent & Security Deposit (2 Months)	\$3.00	\$16,320
Tenant Improvements (Out-of-Pocket)	\$0.00	\$0
<b>Total Start-Up Costs</b>	<b>\$3.00</b>	<b>\$16,320</b>

### GROSS CASH COSTS

Monthly Base Rent	\$1.50	\$8,160
Operating Expenses (CAM Reimbursement)	\$0.73	\$3,952
<b>Total Gross Cash Costs</b>	<b>\$2.23</b>	<b>\$12,112</b>

### LEASE BENEFITS

Depreciation Tax Benefit	\$0.00	\$0
Average Principal Paydown/Equity Build	\$0.00	\$0
Rent Deduction Tax Benefit	\$0.53	\$2,856
Operating Expenses Tax Benefit	\$0.25	\$1,383
Lease-Out Income (Net)	\$0.00	\$0
Interest on Start-Up Cost Difference	\$0.00	\$0
<b>Total Lease Benefits</b>	<b>\$0.78</b>	<b>\$4,239</b>
<b>Net Cost of Lease</b>	<b>\$1.45</b>	<b>\$7,873</b>

#### 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

## OWN SCENARIO

### FLOOR AREA

Gross Building Area	7,990 SF	100.0%
Owner-Occupy Floor Area (Industrial Space)	5,440 SF	68.1%
Lease-Out Floor Area (Retail Space)	2,550 SF	31.9%

### INVESTMENT STRUCTURE

	PSF	Amount
Acquisition Price	\$516.27	\$4,125,000
Tenant Improvements (Owner-Occupy Space)	\$0.00	\$0
Tenant Improvements (Lease-Out Space)	\$11.17	\$89,250
<b>Total Capital Investment</b>	<b>\$527.44</b>	<b>\$4,214,250</b>

### PURCHASE ASSUMPTIONS

Down Payment (10%)	\$51.63	\$415,000
Tenant Improvements	\$11.17	\$89,250
Loan Origination Fees (1%)	\$4.65	\$37,125
Due Dilligence & Closing Costs	\$2.08	\$16,644
<b>Total Start-Up Costs</b>	<b>\$69.53</b>	<b>\$555,519</b>

### GROSS CASH COSTS

Debt Service	\$3.14	\$25,067
Operating Expenses	\$0.75	\$6,011
Lease-Out Income (Net of Taxes) @ \$2.50/SF+NNN	(\$0.52)	(\$4,144)
CAM Reimbursement (Lease-Out Space)	(\$0.24)	(\$1,919)
<b>Total Gross Cash Costs</b>	<b>\$3.13</b>	<b>\$25,016</b>

### OWNERSHIP BENEFITS

Depreciation Tax Benefit	\$0.94	\$7,492
Average Principal Paydown/Equity Build	\$0.66	\$5,261
Interest Deduction Tax Benefit	\$0.88	\$7,038
Operating Expenses Tax Benefit	\$0.18	\$1,433
Interest on Start-Up Cost Difference	(\$0.24)	(\$1,898)
<b>Total Ownership Benefits</b>	<b>\$2.42</b>	<b>\$19,326</b>
<b>Net Cost of Ownership</b>	<b>\$0.71</b>	<b>\$5,691</b>

\*DUE DILLIGENCE INCLUDES APPRAISAL REPORTS, ENVIRONMENTAL REPORTS, ETC.

\*FINANCING IS ESTIMATED WITH 4.2% (MEDICAL) & 6.75% (40%) INTEREST RATES AND 25-YEAR AMORTIZATION



# 03

## MARKET OVERVIEW



# MARKET OVERVIEW

## KOREATOWN

Koreatown is one of the most diverse neighborhoods in Los Angeles. Encompassing roughly three square miles, the area was once the epicenter of Golden Age Hollywood, home to the Ambassador Hotel, the Coconut Grove and the Brown Derby. Today, Korean and Latino populations contribute to Koreatown's rich cultural diversity. Koreatown is also known for having one of the largest concentrations of nightclubs and 24-hour businesses and restaurants in the country.

Koreatown is home to more nightlife than many other entire cities can claim, from dive bars to high-end cocktail speakeasies, from karaoke clubs to establishments that must be a business of some sort, on the second level of a strip malls. Renewed development in the early 2000s, plus a new subway line with stations in the neighborhood, led to a revitalization of the area.



## DEMOGRAPHICS

	1 mile	3 miles	5 miles
Population	112,951	615,110	1,172,969
Households	41,384	238,724	453,204
Avg. Household Income	\$64,566	\$77,554	\$84,496
Median Household Income	\$48,500	\$53,084	\$57,692

\*SOURCE: COSTAR GROUP, INC.



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