



LOCATED IN THE HEART OF THE EVER-GENTRIFYING BOYLE HEIGHTS

2821

Wabash Avenue
Boyle Heights | 90033



Over 60%
Upside in Rents

Month to Month
Leases on Retail Tenants

Mixed-Use
Property

2821

Wabash Avenue
Boyle Heights | 90033

DOWNTOWN LOS ANGELES

ALISO VIEJO

BOYLE HEIGHTS

LINCOLN HEIGHTS



WABASH AVENUE

N. EVERGREEN AVENUE

EVERGREEN EARLY
EDUCATION CENTER

Exclusively Listed By

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Wabash Avenue
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C O N T E N T

6

OFFERING SUMMARY

Property Summary
Property Photos
Investment Highlights

11

FINANCIALS

Rent Roll
Financial Analysis
Sales Comparables

15

AREA OVERVIEW

Boyle Heights
Demographics

18

DEVELOPMENT PROJECTS

Sixth Street Viaduct Park
Cielito Lindo Apartments
Affordable Housing Complex

EXECUTIVE SUMMARY

OFFERING SUMMARY

The Hirth Group of KW Commercial is pleased to present **2821 Wabash Avenue, Los Angeles, CA 90033**. Strategically located in the heart of the ever-gentrifying Boyle Heights, the asset is on Wabash Avenue in between N. Evergreen Avenue and Forest Avenue, providing easy access to the 10 freeway. The property is located near the LAC+USC Medical Center. Boyle Heights is densely populated with over 300,000 people within a three-mile radius, and more than 800,000 people in a five-mile radius of the subject property.

2821 Wabash Avenue is a **mixed-use property** consisting of **two retail spaces** and **five apartments** (three of which are **non-conforming**) encompassing $\pm 4,345$ SF of gross leasable area and $\pm 7,522$ SF of land. The subject property presents a value-add opportunity with over **60% upside potential in rents**. Retail tenants are on **month-to-month leases** allowing new ownership to increase rents immediately and add tremendous value.



2821
Wabash Avenue
Boyle Heights | 90033

PROPERTY SUMMARY

Property Details

Price	\$1,025,000
Address	2821 Wabash Avenue Los Angeles, CA 90033
Property Type	Mixed-Used
No. of Units	5 (3 Non-Conforming Units)
No. of Storefronts	2
Gross SF	± 4,345
Lot SF	± 7,522
APN	5177-012-020
Year Built	1923
Zoning	LAC2
Type of Ownership	Fee Simple





2821
Wabash Avenue
Boyle Heights | 90033

WABASH AVENUE





INVESTMENT HIGHLIGHTS



STRATEGIC LOCATION

Ideally located on Wabash Avenue in between N. Evergreen Avenue and Forest Avenue in close proximity to the USC Medical Center and providing easy access to the 10 freeway.



ATTRACTIVE CAP RATES

Current Cap Rate at 5.26% and a Market Cap Rate at 9.31%.



TREMENDOUS UPSIDE

Over 60% Rental Upside Potential.



TERMS OF LEASES PROVIDE SECURITY TO THE OFFERING

Month-to-month Leases on Retail Tenants.



FINANCIALS

RENT ROLL

Rent Roll								
Unit/Storefront #	Type	Estimated SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF	Occupied	Comments
1	Retail	600	\$860	\$1.43	\$1,500	\$2.50	Yes	M2M
2	Retail	600	\$760	\$1.27	\$1,500	\$2.50	Yes	M2M
101	2+1	700	\$1,400	\$2.00	\$1,800	\$2.57	Yes	
102	2+1	700	\$1,400	\$2.57	\$1,800	\$2.57	Yes	
103	1+1	700	\$950	\$1.36	\$1,500	\$2.14	Yes	
104	Studio	450	\$650	\$1.44	\$1,000	\$2.22	Yes	
105	1+1	595	\$900	\$1.51	\$1,500	\$2.52	Yes	
Total		4,345	\$6,920		\$10,600			

FINANCIAL ANALYSIS

List Price: \$1,025,000

Price/SF: \$235.90

Cap Rate: 5.26%

9.31%

Current

Pro Forma

Rent Roll Summary

# of Units/ Storefronts	Type	Estimated SF	Average Current	Current Rent/SF	Current Total	Pro Forma Rent	Rent/SF	Pro Forma Total
2	Retail	600	\$810	\$1.35	\$1,620	\$1,500	\$2.50	\$3,000
2	2+1	700	\$1,400	\$2.00	\$2,800	\$1,800	\$2.57	\$3,600
1	Single	450	\$650	\$1.63	\$650	\$1,000	\$4.38	\$1,000
2	1+1	595	\$925	\$1.55	\$1,850	\$1,500	\$2.52	\$3,000
				Total	\$6,920		Total	\$10,600

Annualized Income

	Current	Pro Forma
Gross Potential Rent	\$83,040	\$127,200
Vacancy (3%)	(\$2,491)	(\$3,816)
Scheduled Gross Income	\$80,549	\$123,384

Annualized Expenses

	Current	Pro Forma
Taxes (1.25% Est.)	\$12,813	\$12,813
Insurance	\$2,000	\$2,000
Utilities	\$7,800	\$7,800
Management Fee (3%)	\$2,416	\$3,702
Repairs & Maintenance	\$1,650	\$1,650
Total Expenses	\$26,679	\$27,964
Expenses/Unit	\$3,811	\$3,995
Expenses/SF	\$6.14	\$6.44
% of SGI	33.12%	22.66%

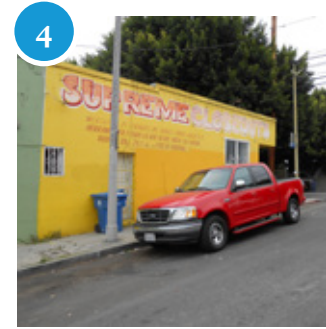
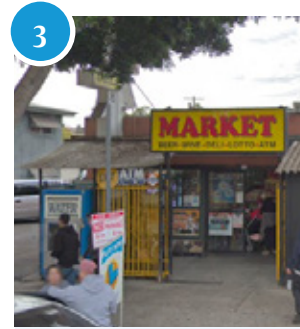
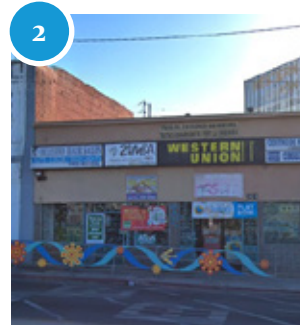
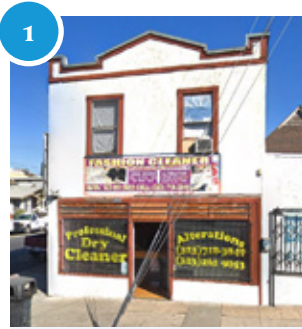
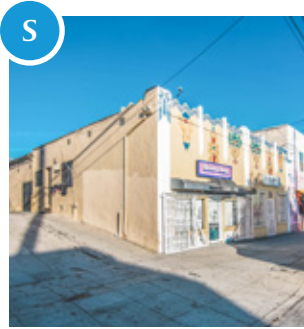
Return

	Current	Pro Forma
Net Operating Income	\$53,870	\$95,420
Loan Payment	(\$30,254)	(\$30,254)
Cash Flow	\$23,616	\$65,166
Cash-on-Cash	4.61%	12.72%

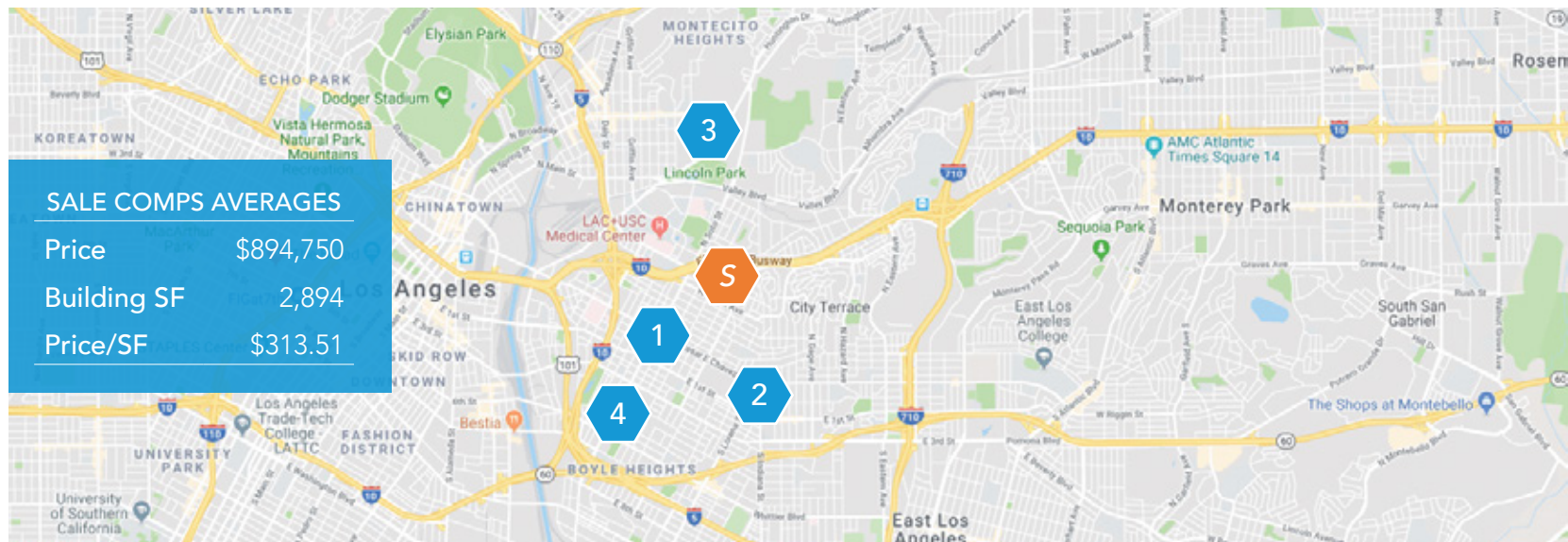
Financing

Down Payment	50%	\$512,500
Loan	50%	\$512,500
Amortization Years		30
Interest Rate		4.25%
Monthly Payments		(\$2,521)

SALE COMPARABLES



ADDRESS	2821 Wabash Avenue Los Angeles, CA 90033	2501 E. 1st Street Los Angeles, CA 90033	3468 E. 1st Street Los Angeles, CA 90063	3723 N. Mission Road Los Angeles, CA 90031	2501 Whittier Boulevard Los Angeles, CA 90063
PRICE	\$1,025,000	\$1,030,000	\$1,100,000	\$1,000,000	\$449,000
SALE DATE	Active	3/10/17	5/5/16	9/26/16	9/30/16
BUILDING SF	4,345	3,719	3,138	3,353	1,368
PRICE/SF	\$235.90	\$277.03	\$350.54	\$298.24	\$328.22
NOTES	Mixed use property consisting of retail and residential units, built in 1895.	Mixed use property with SF split evenly between retail and residential units.	Mixed use property consisting of retail and residential units, built in 1895.	Mixed use property consisting of two retail units, two 2+1's, and one 1+1.	Mixed use property consisting of one retail, and a residential 2+1 unit.



AREA OVERVIEW

BOYLE HEIGHTS

Mariachi, seafood, and murals comprise this on-the-border neighborhood between Downtown and East Los Angeles. A vibrant community whose cultural richness is matched by its culinary richness, Boyle Heights is a mainly residential neighborhood that provides convenient access to livelier locales like Downtown and the Arts District.

Recently residents, developers, and business owners are proceeding with new development projects in the heart of Boyle Heights.

DEMOGRAPHICS | AT-A-GLANCE



AVERAGE INCOME

\$126,000



MEDIAN INCOME

\$98,000



MEDIAN AGE

34

POPULATION

317,138

OF HOUSEHOLDS

80,440

PERSONS PER HH

3.9



DEVELOPMENT PROJECTS



Sixth Street Viaduct Park

The \$480-million project is set to span 3,500 feet across the L.A. River, linking Boyle Heights to the Arts District in Downtown Los Angeles. The new viaduct replaces an earlier Art Deco structure that was deemed hazardous due to an alkali-silica reaction that compromised the integrity of its concrete.

Source: <https://urbanize.la/post/checking-sixth-street-viaduct-above>

Cielito Lindo Apartments

Cielito Lindo Phase II would consist of a smaller four-story building, featuring **28 units of affordable and supporting house with approximately 1,000 square feet of ground-floor retail space**. Plans call for a mixture of studio, one-, two- and three-bedroom dwellings - set aside for households earning between 30 and 50 percent of the area median income - as well as 38 bike storage and parking spaces with outlets for low-emission or electric vehicles.

The project, which is located steps from the Gold Line's Soto Station, is requesting \$2.8 million in Section 8 voucher funds. A timeline for the development is unclear, although a small commercial building and two single-family homes at 2423-2431 E. 1st Street would need to be demolished before proceeding with construction



Affordable Housing Near Mariachi Plaza

Azure Development has filed plans with the City of Los Angeles to construct a mixed-use affordable housing complex on a long-vacant property in Boyle Heights.

The 14,000-square-foot property, located across the street from Mariachi Plaza at 1800 E. 1st Street, is slated for the construction of a five-story building featuring 44 residential units above 8,000 square feet of ground-floor retail space and parking for 40 vehicles. Plans call for 35 units of extremely low-income housing, eight units of very low-income housing and one manager's apartment.



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