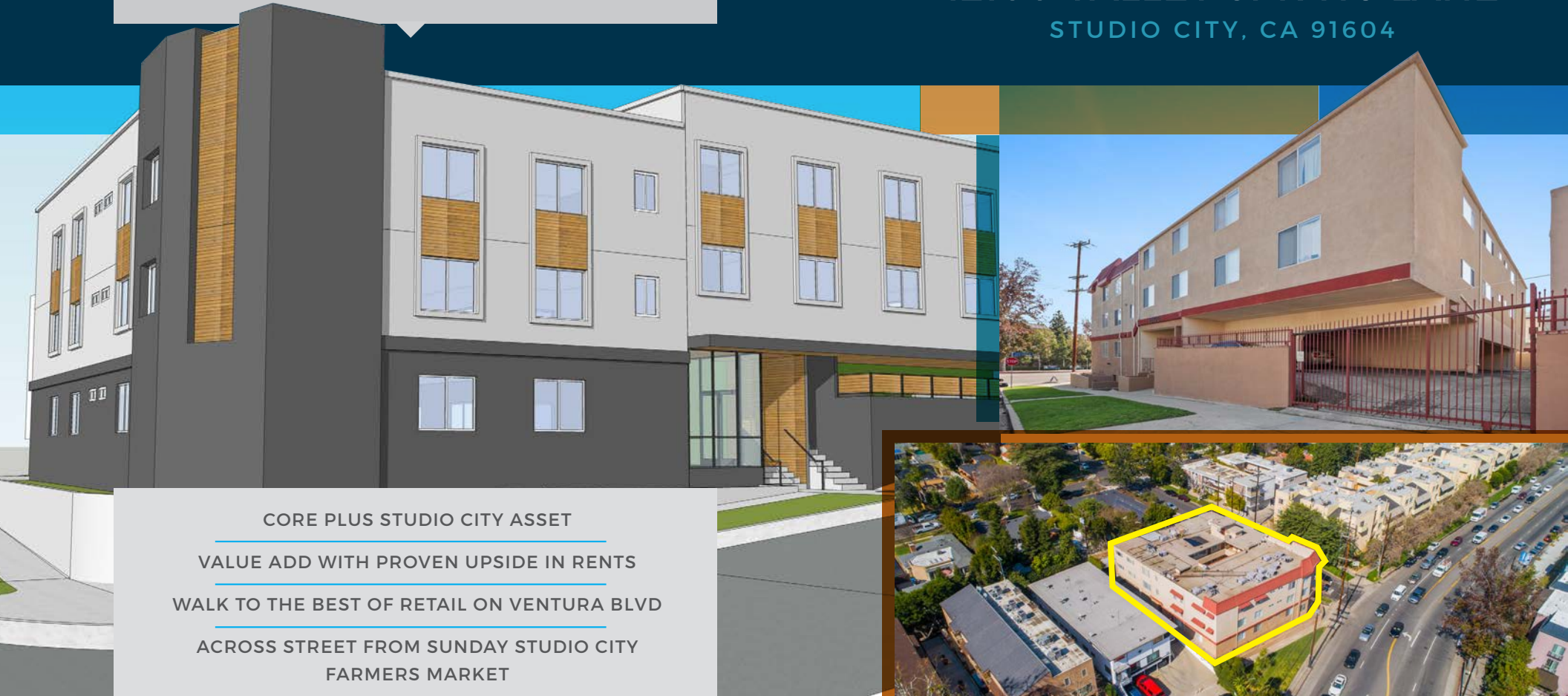


20-UNIT PRIME MULTIFAMILY OPPORTUNITY
IN ENTERTAINMENT HUB OF STUDIO CITY

LAUREL TOWERS

12100 VALLEY SPRING LANE

STUDIO CITY, CA 91604



CORE PLUS STUDIO CITY ASSET

VALUE ADD WITH PROVEN UPSIDE IN RENTS

WALK TO THE BEST OF RETAIL ON VENTURA BLVD

ACROSS STREET FROM SUNDAY STUDIO CITY
FARMERS MARKET

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The Square footage has been measured from the AS BUILT set of plans that was created to obtain the permit to build the seismic garage upgrade. The buyer should not rely on the unit or building square footage and shall verify for himself.

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CBRE

LAUREL TOWERS

12100 VALLEY SPRING LANE

STUDIO CITY, CA 91604

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1

PROPERTY OVERVIEW

LAUREL TOWERS

12100 VALLEY SPRING LANE
STUDIO CITY, CA 91604

CBRE and Marcus & Millichap are pleased to present The Laurel Tower Apartments, a rare 20 Unit complex in the heart of Studio City

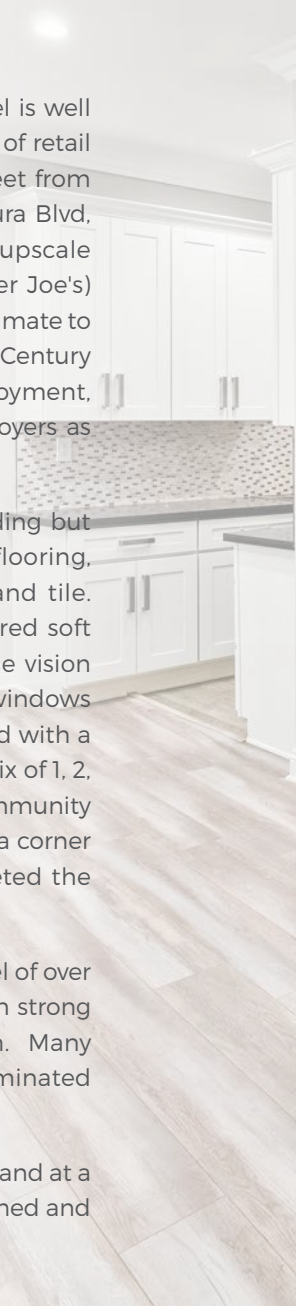


With a Walk Score of 92 and great corner visibility, this rare jewel is well located in the heart of Studio City, just a few steps from the best of retail in the San Fernando Valley on Ventura Blvd. and across the street from the famed Sunday Farmers Market, on Ventura Place and Ventura Blvd, with its coffee houses, (Alfred, Joans on Third), local eateries, upscale shopping, banking, groceries (Gelson's, Whole Foods and Trader Joe's) and entertainment venues. Centrally located, Laurel Towers is proximate to the West Valley, Hollywood, Burbank, Downtown, Beverly Hills and Century City. The outstanding location could not be stronger for employment, conveniences, shopping, freeways and lifestyle with such employers as Universal Studios and CBS Studios blocks away.

The Seller has completed renovation to 11 of the 20 units including but not limited to recessed lighting, crown molding, new wood flooring, blinds, new doors, stainless steel appliances, new cabinets, and tile. Additional improvements include the completion of the required soft story construction and filling in the pool, paving the way for the vision of the new owner. Additionally, the building had its original windows replaced by the prior owners. The offering sits on 13,163 SF of land with a gross building square footage of 20,392 and consists of a great mix of 1, 2, and 3-bedroom units. Some common area features include a community courtyard, elevator access and on-site covered/gated parking, on a corner lot surrounded by single family homes. In 2019, Seller completed the seismic retrofit in garage.

The Studio City submarket has a consistently high occupancy level of over 97%, very strong home prices, and a population of residents with strong median income that consists of a highly educated population. Many Fortune 500 employers are also within this entertainment dominated sector.

This rare value-add investment opportunity is listed at \$7,950,000 and at a 4% cap, offering solid cash flow with upside, as units are repositioned and brought to market rents.



EXECUTIVE SUMMARY

| | |
|-------------------------|--|
| Address: | 12100 Valley Spring Lane Studio City, CA 91604 |
| Parcel #: | 2367-014-036 |
| # Stories: | 3 |
| Average Unit Size: | 910 Sq. Ft. |
| Year Built: | 1965 |
| Parking: | 20 covered car ports, completed soft story |
| Unit Mix: | (50%) 1+1 (40%) 2+2 (10%) 3+2 |
| Lot Size: | 13,164 Sq. Ft. |
| Zoning: | LA R4 |
| Rent Control: | LA City |
| Gross Building Sq. Ft.: | 20,392 Sq. Ft. |
| Utilities: | Individually metered for gas and electric |
| Unit Renovation: | 11 out of 20 have been renovated by owner |



HIGHLIGHTS

- Property is on Laurel Canyon and Ventura Blvd., 10 minutes to Sunset Blvd., Hollywood and West Hollywood
- Studio City is top market in San Fernando Valley
- Proximate to major freeways - 101 and 170
- Walk to Ventura Boulevard and Studio City Businesses
- Area home values range from \$1M to over \$7M range
- Significant upside on low rent units
- Great unit mix of 1, 2, and 3 bedroom units (11 of 20 units renovated)
- Scarcity of land for development of apartments
- Strong demographics
- Tremendous redevelopment of retail along Ventura Blvd within walking distance
- Walk score of 92
- 4 major grocers in walking distance: Gelson's, Vons, Trader Joes and Whole Foods
- Located near studio and entertainment employers of Studio City, Universal City and Burbank
- Scarcity of core quality asset opportunities with long term repositioning play

PROPERTY DESCRIPTION

Laurel Towers is located in the heart of Studio City, the most sought-after submarket in the San Fernando Valley, due to its employment, shopping and proximity to the entertainment industry and employment, as well as transportation with the resulting growing rental rates. The property benefits from high visibility, located on the corner of Laurel Canyon and Valley Spring Lane, while also surrounded by desirable single family homes and prime apartment buildings and nearby retail. This dynamic locale offers live/work opportunities to walk to employment and conveniences as well as entertainment.

Major new development on Ventura Blvd and Coldwater Canyon is the redevelopment of the historic Sportsmans Lodge Hotel, has been revitalized to become a central gathering place for the community, with highly desirable tenants having signed on including Erewhon market and an Equinox gym and fitness center. Developers have set an opening in the fall of 2020. The adjacent Sportsmen's Lodge hotel is not part of the project and will stay open throughout the construction and after.

Shopping, dining and conveniences are just moments away, as are bus lines, upscale and boutique retail along Ventura Blvd., with its cafés, and retail such as Lulu Lemon, CVS, The Gap, Banana Republic, Barnes and Noble, banking, to name a few.

Famous eateries along Ventura Blvd include Joan's on Third, The Grille, The Counter, Panera, Lemonade, Katsuya and Arts Deli... all within walking distance of the subject property. Vons & Trader Joe's market are walking distance to the property; and Gelson's Market a half a mile north. Another attraction, to this area is Ventura Place, a trendy, upscale neighborhood retail street, with newer unique shops and a famous Sunday morning Farmers Market. Shops include Alfred Coffee, McConnell's Ice Cream, Big 5 and Joan's on Third. Laurel Canyon consists of mostly

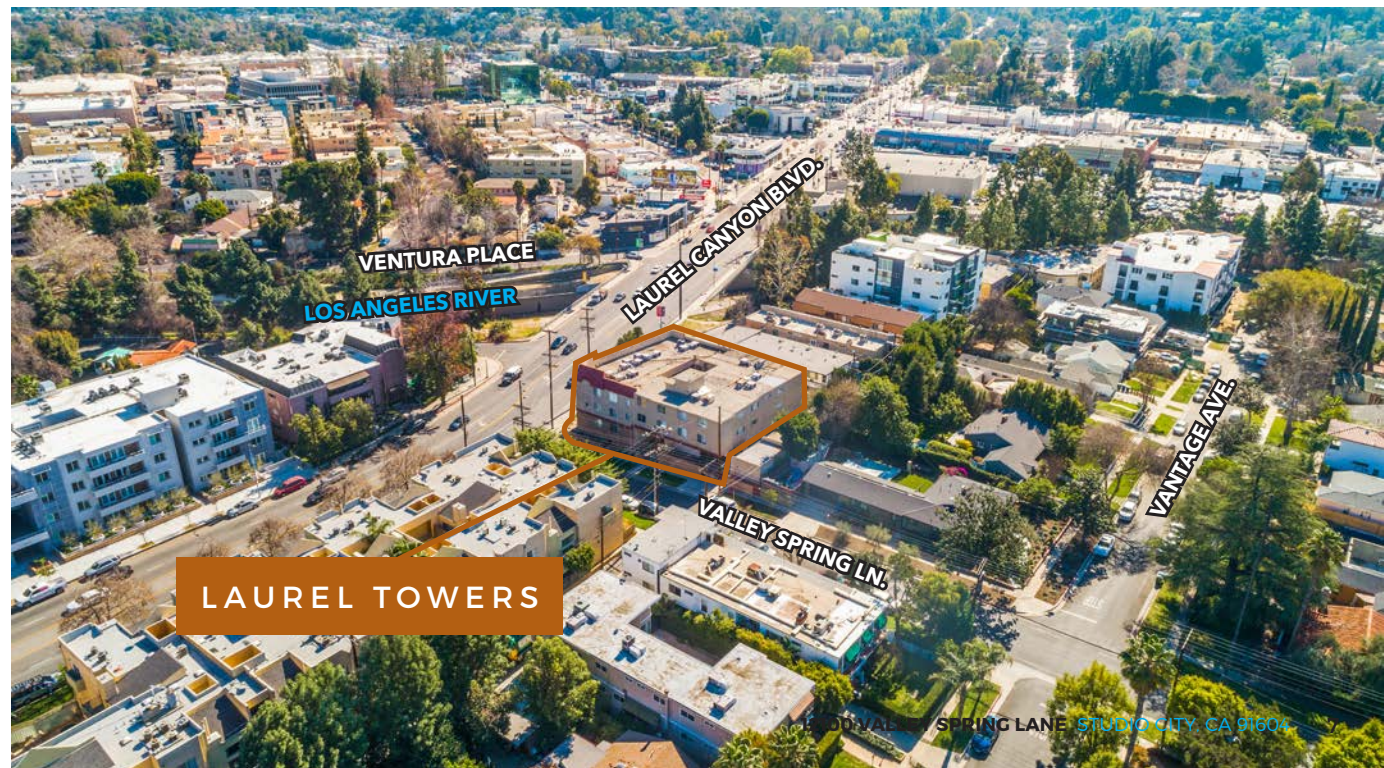
small to medium size apartment buildings and south of Ventura, are pricey single family homes.

Recreation can be found within walking distance at Moorpark Park on the corner of Laurel Canyon and Moorpark, Studio City Tennis and Golf, one block away with a 9-hole golf course, and a tremendous tennis facilities, Beeman Park, with a lighted baseball diamond, an outdoor running and walking track, lighted outdoor basketball and tennis courts. Top schools in the immediate vicinity include Campbell Hall, Oakwood, Harvard-Westlake and Carpenter Avenue schools.

Built in 1965, this 20 unit apartment building retains its vintage charm. There is an intercom entry to the central courtyard, and three stories of apartments overlooking the courtyard via recently remodeled elevator. Laundry and parking for 20 cars in a gated

lot as well as a large basement with street access, housing the laundry room, elevator access and the utility meters make this a full service building. Owners have left the vision of the courtyard and landscaping for the buyer. The building is individually metered for gas and electric. Unit features include dishwashers, electric oven/range, central air and heat (rarely found in a building this age), large sliding closets, high ceilings on first floor units, double paned windows and conveniences such as guest closet and linen closets. The apartments are very spacious and open, and have tremendous charm.

An investor could not find a more well located, multifamily investment opportunity with a building abundant in charm, strong tenancy, high occupancy and over 20% proven upside in rents for a solid investment.



PROPERTY PHOTOS



CONCEPTUAL EXTERIOR RENDERINGS



AMENITIES

UNIT AMENITIES

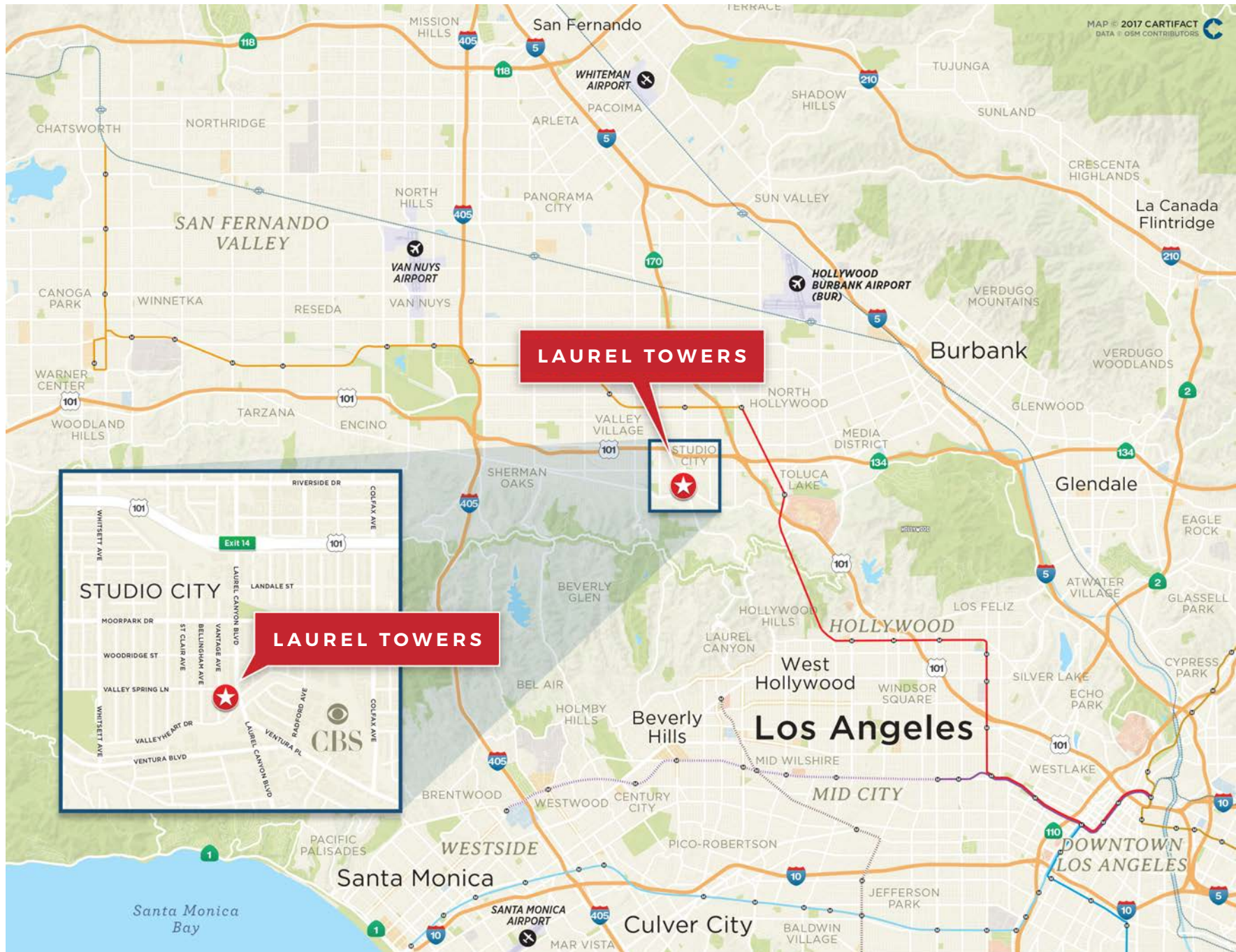
- Large spacious units
- Dishwashers
- Gas stove/ranges
- Stainless sinks in 11/20 units
- Large closets
- Separate vanity areas (some)
- Guest closets
- Individually metered
- Quartz surface counters in 11/20 units
- Stainless Steel Refrigerators in 11 units
- 9-foot ceilings (some)
- Central heat and air
- Ceiling fans
- Large pantries

COMMUNITY FEATURES

- Walk to Studio City Farmer's Market and Ventura Bl.
- Covered and gated parking
- Laundry rooms with 2W/2D, leased
- Views from upper floors
- Elevator access from garage to 3rd floor
- Gated intercom entry and parking entrance
- Tranquil interior courtyard
- Sidewalk streets and corner exposure
- Soft Story completed

Significant upside and value add: The apartments have a 20% proven upside, from upgrades such as stainless appliances, new counter tops and plank flooring on turnover.

LOCATOR MAP

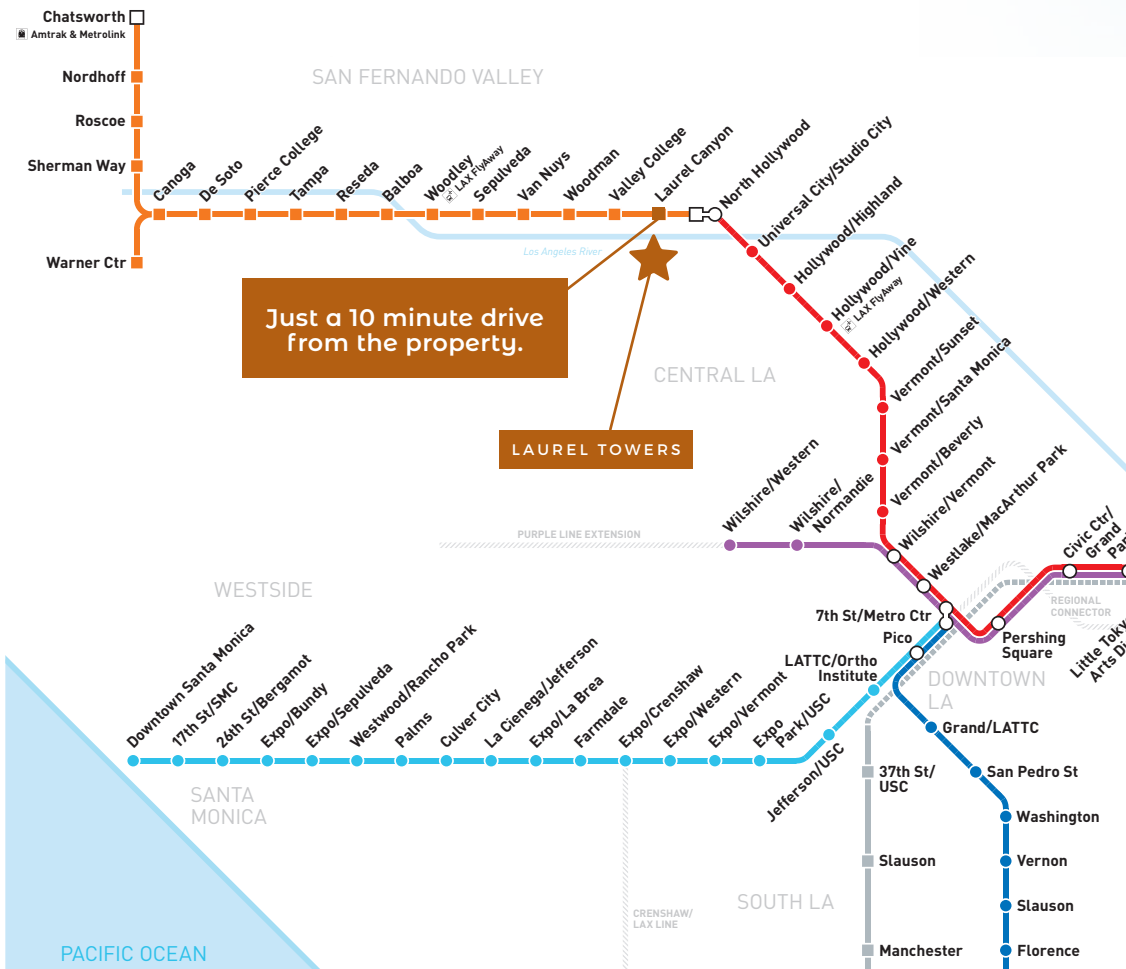


TRANSPORTATION LINKAGES

Laurel Towers is located within the primary trade corridor of the East San Fernando Valley. The property is close to the 405, 101 and 118 freeways, providing access to the entire Los Angeles Metro Area.

The property has immediate access to several major bus lines, just a few steps from the property. The Metro Orange Line provides access to Reseda and Warner Center, north to Chatsworth, Laurel Canyon and North Hollywood. The Metro Red Line subway provides service from North Hollywood to Universal City, Hollywood and Downtown Los Angeles.

METRO ROUTE MAP:

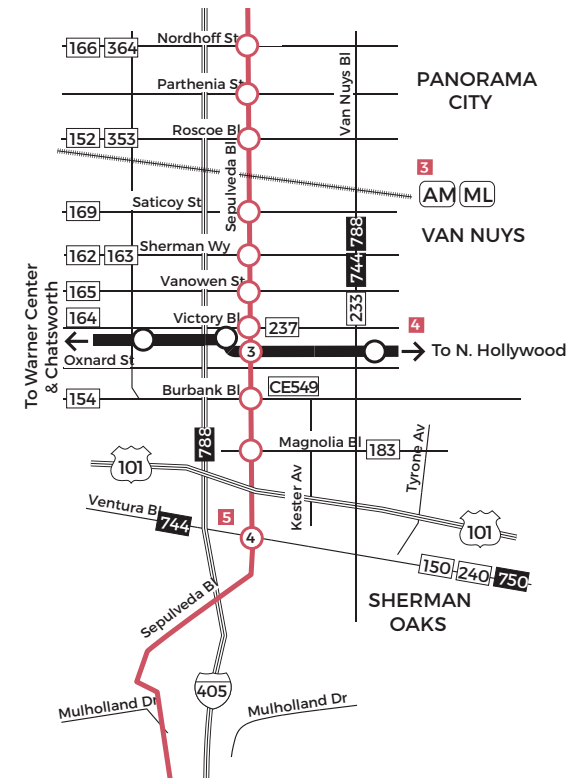


AIRPORTS:

Van Nuys Airport is located 5 miles from the property. The airport is dedicated to non-commercial air travel, and had 220,000 takeoffs in 2016.

Bob Hope Airport, in Burbank, is located approximately 7.5 miles from the Property. The airport is served by six commercial airlines, and has serviced approximately 2 million passengers in 2017 (as of June 30, 2017).

RAPID BUS LINES MAP:



An aerial photograph of a city street intersection. The main focus is a multi-story apartment building with a red roof and tan facade, outlined in orange. The building is situated at the corner of Valley Spring Ln and Laurel Canyon Blvd. Other buildings, trees, and a road with traffic are visible in the background. A label 'LAUREL TOWERS' is positioned above the building, with a line pointing to it. Street names 'VANTAGE AVE.', 'VALLEY SPRING LN.', and 'LAUREL CANYON BLVD.' are also labeled on the image.

LAUREL TOWERS

VANTAGE AVE.

VALLEY SPRING LN.

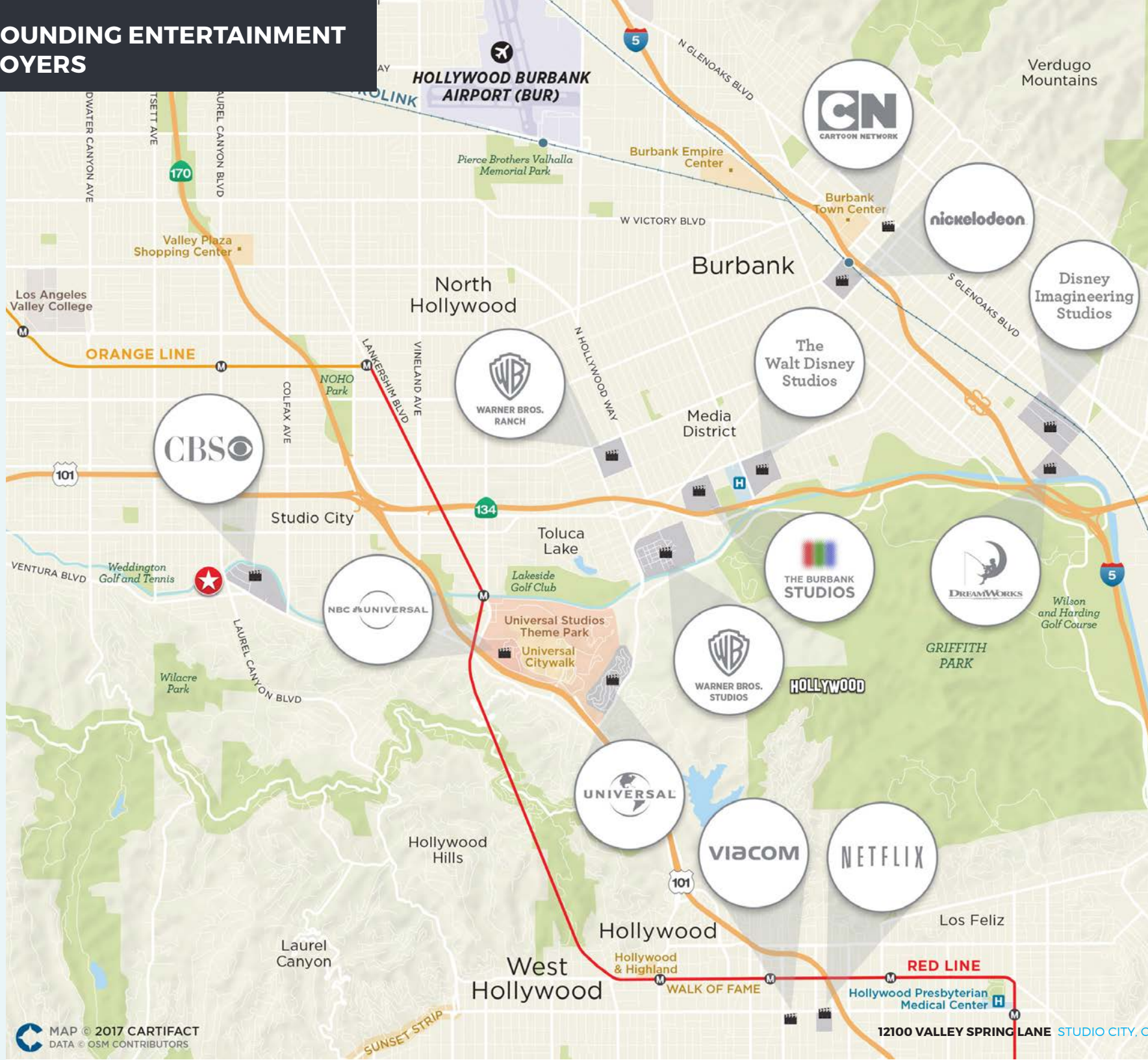
LAUREL CANYON BLVD.



2

MARKET OVERVIEW

SURROUNDING ENTERTAINMENT EMPLOYERS



SAN FERNANDO VALLEY OVERVIEW

The property is located in the northwestern portion of the County of Los Angeles known as the San Fernando Valley. The San Fernando Valley is a major economic area comprising an area of approximately 250 square miles. From its easterly boundary at the Verdugo Mountains, the Valley extends west a distance of approximately 20 miles to the Ventura County line.

Along its southerly side, with Encino, Sherman Oaks, Woodland Hills, the San Fernando Valley is bounded by the Santa Monica Mountains and extends north a distance of approximately 10 miles to the Santa Susana, Verdugo and San Gabriel Mountains, which bound the north and east sides of the Valley. More than 1.8 million people live in the giant bowl known as the "Valley".

The Valley is home to numerous companies, most well-known of which work in motion pictures, music recording, and television production. The former movie ranches were branches of original studios now consisting of CBS Studio Center, NBC Universal, The Walt Disney Company (and its ABC television network), and Warner Bros.

The Valley was previously known for advances in aerospace technology and nuclear research by companies such as Lockheed, Rocketdyne and its Santa Susana Field Laboratory, Atomics International, Litton Industries, Marquardt and TRW's predecessor Thompson Ramo Woolridge.

The top financial communities, based on total business employment, include Burbank, Van Nuys, North Hollywood, Chatsworth and Canoga Park. The top retail trade communities include the cities of North Hollywood, Sherman Oaks, Northridge and Canoga Park.

The San Fernando Valley boasts a highly affluent, well-educated residential base. Many successful professionals choose this area to both live and work where homes range in price from \$500,000 to \$25,000,000. It is now a remarkably diverse region, with people from all over the world making their homes livelihoods there. Many "pocket parks" dot the hillside areas as well as the "flats". Hip restaurants serve various cuisines, making it possible to eat at a different place each night for months. Boutique shopping is available on almost every block in the area.

Economic Highlights

One of the earliest industries to arrive in the Valley was film making and today this "Valley of the Stars" is the center of motion picture and television production in America. Disney, Warner Bros., Universal Studios, and DreamWorks Animation are all headquartered here. ABC, CBS, and NBC, as well as several cable networks, also have major facilities in the Valley.

- Aerospace is also a key industry within the Valley. From Northrop Grumman in Woodland Hills to Pratt & Whitney Rocketdyne in Canoga Park, aviation and defense interests employ thousands of skilled research & development engineers and designers.
- Professional service firms are also major employers from Calabasas and Warner Cable in the west portion of the San Fernando Valley to Burbank and Glendale in the east.
- Outstanding group of educational institutions including Cal State University Northridge, Woodbury University, and four community colleges as well as suburban campuses of many private colleges and universities.
- A large number of major employers, as well as Fortune 500 and 1000 companies, have their headquarters or multi-tenant facilities in the San Fernando Valley.





HI-TECH ECONOMY

The Valley is a community caught between a quick growing, high-tech oriented mainstream with a suburban infrastructure. These industries span a broad range of activities from media and entertainment to telecommunications and computers, doubling its share of the US economy during the last 20 years.

The Valley has become a major center for technology and information-related industries. Not only has Hollywood moved "over the hill", but newer industries such as e-commerce and telecommunication companies have established their primary corporate offices there. Small and highly specialized creative-oriented firms service the region.

The area rivals major US cities and stands fifth in population total. The Valley has only limited amounts of undeveloped property, and therefore experiences substantial in-fill construction and the redevelopment of existing facilities.

If the Valley were a state, it would exceed the population of 12 states.

The major commodity the San Fernando Valley offers is an enviable quality of life. On the Valley's southeastern corner lies Los Angeles' Griffith Park (the nation's largest municipal park and home of the Greek Theater), Travel Town Train Museum, the Los Angeles Zoo, Griffith Observatory, and dozens of hiking and horse trails.

Valley dwellers have access to world-class institutions such as The Getty and Norton Simon Museums. To the South, Universal Studios Hollywood, the Universal Amphitheater and City Walk provide all entertainment venues. Further south is the world-famous Hollywood Bowl. Lastly, shopping destinations abound in the Valley, with many malls (indoor and outdoor) and Ventura Boulevard, the Valley's "Main Street", with miles of electric shopping and dining opportunities. The northeast side of the Valley is covered by the Angeles National Forest, to the southwest by the Santa Monica Mountains National Recreation Area, and the northwest by the Santa Susana Mountains, and minutes to the southwest renowned California beaches such as Malibu, Zuma, and Santa Monica.



LOCAL EMPLOYER MAP



EMPLOYMENT

TOP EMPLOYERS SAN FERNANDO VALLEY

The San Fernando Valley features a strong and well-diversified economy, home to numerous large employers, including some 50,000 businesses employing over 700,000 workers, the most well known of which are involved in motion pictures, recording, and television production, medical, and biotech industries. Among the top entertainment companies in the San Fernando Valley are Disney, Warner Brothers, NBC, and DreamWorks, which are approximately 5 minutes from the property in Universal City or Burbank. Other important segments of the local economy include financial and health services, as well as aerospace, biotech, medical and high-tech manufacturing.

| EMPLOYER | LOCATION | EMPLOYEES |
|---|----------------|-----------|
| Universal Studios, Inc. | Universal City | 15,000 |
| Boeing Inc. | Los Angeles | 11,520 |
| Warner Brothers Entertainment | Burbank | 7,300 |
| Amgen, Inc. | Thousand Oaks | 6,700 |
| The Walt Disney Company | Burbank | 6,000 |
| Anthem Blue Cross | Woodland Hills | 6,438 |
| Kaiser Permanente | Panorama City | 6,275 |
| California State University, Northridge | Northridge | 3,821 |
| Providence St. Joseph Medical Center | Burbank | 2,490 |
| Health Net, Inc. | Woodland Hills | 2,200 |
| Pratt & Whitney Rocketdyne | Canoga Park | 2,200 |
| Wells Fargo & Co. | Encino | 2,199 |
| Northridge Hospital Medical Center | Northridge | 2,182 |



EMPLOYMENT

LARGEST EMPLOYERS - LOS ANGELES COUNTY

Some of the largest employers in Los Angeles County are located near or have offices within a 10 minute drive of Laurel Towers in particular the entertainment

industry, including Walt Disney Co. Sony Pictures, Time Warner, supporting the strong demand for rental housing in this market area..

| EMPLOYER | EMPLOYEES | EMPLOYER | EMPLOYEES | EMPLOYER | EMPLOYEES |
|---------------------------------------|-----------|---|-----------|---------------------------------------|-----------|
| County of Los Angeles | 95,700 | Wells Fargo | 9,500 | Costco Wholesale | 5,600 |
| Los Angeles Unified School District | 73,300 | Metropolitan Transportation Authority (L.A. County) | 9,200 | Adventist Health | 5,300 |
| Federal Government** | 48,100 | AT&T Inc. | 8,900 | Long Beach Memorial Medical Center | 5,100 |
| City of Los Angeles (including DWP) | 47,700 | California Institute of Technology | 8,900 | Toyota Motor Sales USA Inc. | 4,900 |
| University of California, Los Angeles | 41,000 | Edison International | 8,900 | American Apparel | 4,800 |
| Kaiser Permanente | 36,500 | ABM Industries Inc. | 8,300 | United Parcel Service (UPS) | 4,700 |
| State of California (non-education) | 30,400 | Raytheon Co. | 8,200 | 99 Cents Only Store | 4,500 |
| Northrop Grumman Corp. | 18,000 | Warner Bros. Entertainment Inc. | 8,000 | Children's Hospital of Los Angeles | 4,200 |
| University of Southern California | 16,600 | Long Beach Unified School District | 7,800 | Universal Services of America | 4,200 |
| Target Corp. | 14,200 | Vons | 7,700 | Time Warner Cable | 3,800 |
| Kroger Co. (Ralphs, Food 4 Less) | 13,200 | Fedex Corp. | 7,500 | Whole Foods Market | 3,800 |
| Bank of America | 12,000 | Dignity Health (formerly Catholic Healthcare West) | 7,300 | Lockheed Martin Corp. | 3,700 |
| Cedars-Sinai Medical Center | 12,000 | J.P. Morgan Chase | 6,600 | Wal-Mart Stores Inc. | 3,500 |
| Providence Health & Services | 11,400 | Amgen Inc. | 6,000 | CSU Long Beach | 3,400 |
| Boeing Co. | 11,200 | City of Long Beach | 6,000 | CSU Northridge | 3,300 |
| Walt Disney Co. | 10,500 | Sony Pictures Entertainment | 6,000 | Albertsons Southern California Region | 3,000 |
| Home Depot | 10,200 | | | | |












3

MARKET COMPARABLES

STUDIO CITY RENTAL SURVEY

AS OF FEBRUARY 2020

| | ADDRESS | UNITS/ BLT | W/D IN UNIT | SF | 1+1 RENT | RENT/ SF | SF | 2+1 RENT | RENT/ SF | SF | 2+2 RENT | RENT/ SF | SF | 3+2 RENT | RENT/ SF | AMENITIES/ COMMENTS |
|--|--|---------------|----------------|------------|--------------------|-------------------|-----|-----------------|-----------------------|-------|-------------|-------------|----------------|-------------|-------------|---|
|  | 1 3925 Laurel Cyn. Studio City | 16 1989 | Yes | 750 | \$2,450 | \$3.27 | | N/A | | | N/A | | | | | Fireplace, dishwasher, gym, pool, spa, stainless steel appliance |
|  | 2 12115 Valleyheart Dr. Studio City (Condos) | 5 1979 | Yes | 763 | \$2,195 | \$2.88 | | N/A | | 1,000 | \$2,795 | \$2.80 | | N/A | | Pool, high ceilings, refrigerator, dishwasher |
|  | 3 4600 Coldwater Cyn. Studio City | 16 2017 | Yes | | N/A | | | N/A | | 900 | \$3,000 | \$3.33 | 1,500 (3+3) | | \$2.33 | Quartz counters, stainless steel appliances |
|  | 4 The Grove Apartments 12021 Valleyheart Dr. Studio City | 34 1972 | No | 830 | \$2,395 | \$2.89 | | N/A | | 1,285 | \$2,995 | \$2.33 | | N/A | | Pool, spa, granite counters, dishwasher, gym |
|  | 5 Chase Knolls 13401 Riverside Dr. Sherman Oaks | 260 1949 | No | 658 | \$2,150 | \$3.27 | 930 | \$2500- 2795 | \$2.68 - \$3.00 | | N/A | | 1,210 | N/A | | Stainless steel appliances, pool |
|  | 6 Archview Luxury Apts. 4150 Arch Dr. Studio City | 126 1990 | Yes | 692 800 | \$1,950 \$2,100 | \$2.82 \$2.63 | | None | | 990 | \$2,675 | \$2.70 | | None | | Stainless steel appliances, fitness center, no fridge, pool, spa, sauna and wood floors |
|  | 7 Catalina Apts. 3930 Laurel Cyn. Studio City | 99 1985 | Yes | 719 | \$2,450 | \$3.41 | | N/A | | 902 | \$3,075 | \$3.41 | | None | | Parking, pool, spa, fitness center, elevators, BBQ's |
|  | 8 Casa de la Reina 4108 Tujunga Ave. Studio City | 24 1972 | No | 950 | \$2150- 2450 | \$2.39- \$2.58 | | N/A | | | N/A | | | N/A | | Spa, balcony, Granite Counters |
|  | 9 Troost Manor 4225 Troost Studio City | 14 1988 | No | | N/A | | 850 | \$2,500 | \$2.94 | | N/A | | | N/A | | Dishwasher, granite counter tops, microwaves |

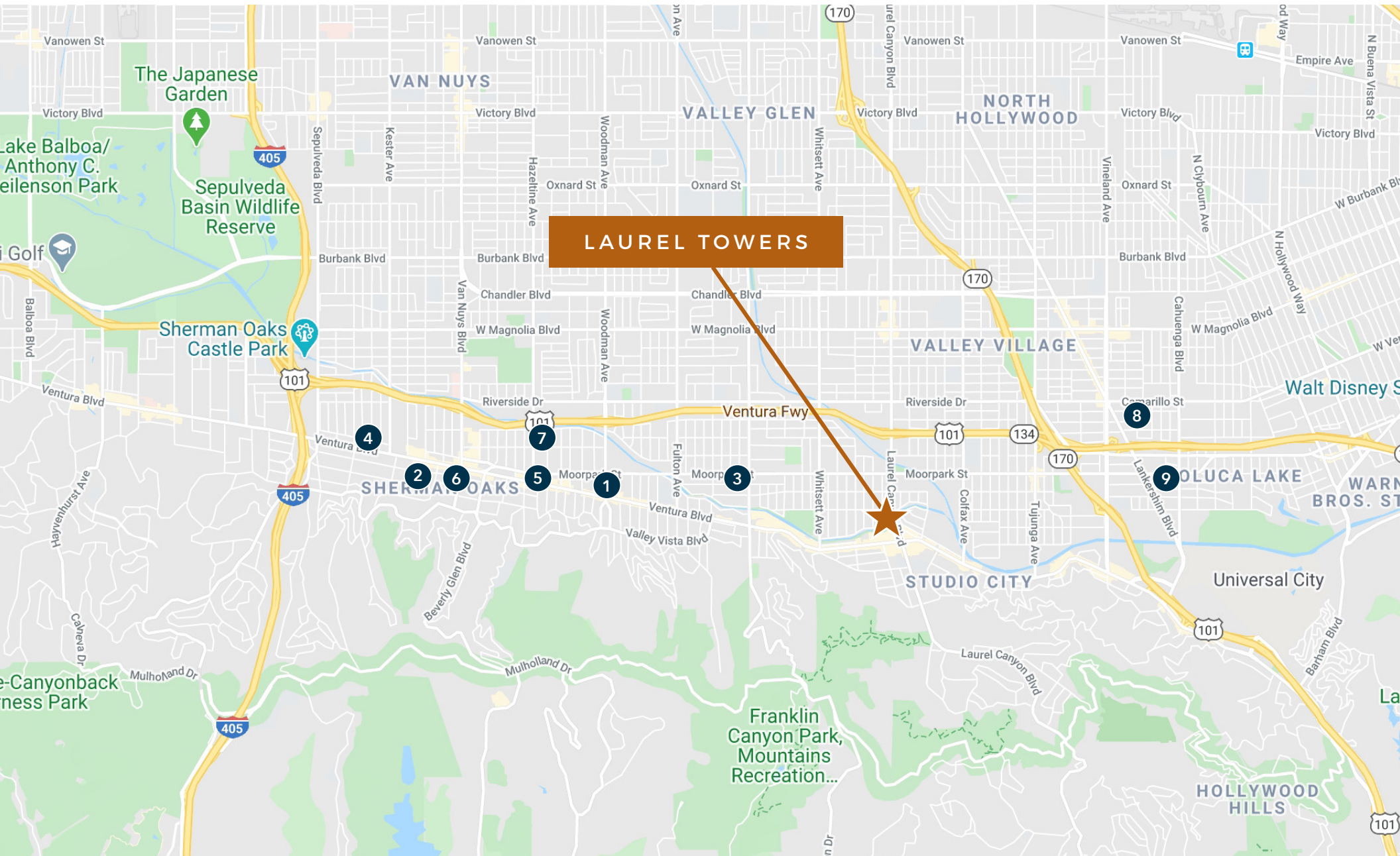
*All rents are based on a twelve month lease

RECENT APARTMENT SALES COMPARABLES

SHERMAN OAKS & STUDIO CITY

| | ADDRESS | # UNITS | BUILT | UNIT MIX | CLOSED | PRICE/UNIT | PRICE/SF | CAP RATE | GRM |
|---|------------------------------|---------|-------------|---------------------------------------|--------|------------------|--------------|--------------|--------------|
|  | 1 4341 Ventura Canyon Avenue | 16 | 1997 | 7% - Singles 7% - 1+1 86% - 2+2 | Mar-19 | \$466,667 | \$430 | 3.71% | 17.75 |
|  | 2 14620 Dickens Street | 37 | 1960 | 100% - 2+2 | Mar-18 | \$331,081 | \$402 | 3.47% | N/A |
|  | 3 12942 Moorpark Street | 6 | 1958 | 100% - Singles | May-18 | \$329,167 | \$425 | 3.91% | 16.19 |
|  | 4 15009 Moorpark Sreet | 45 | 1984 | N/A | Jul-17 | \$402,222 | \$426 | 3.50% | 17.41 |
|  | 5 4417 Hazeltine Avenue | 24 | 1990 | 33% - 1+1 33% - 2+1 33% - 3+1 | Aug-19 | \$375,000 | \$398 | 3.07% | 17.22 |
|  | 6 4329 Van Nuys Boulevard | 5 | 1933 | 80% - 1+2 20% - 2+2 | Jul-19 | \$588,000 | \$363 | 4.08% | N/A |
|  | 7 4535 Murrietta Avenue | 13 | 1960 | 38% - 1+1 62% - 2+1 | Feb-20 | \$346,154 | \$375 | 4.45% | 14.75 |
|  | 8 10824 Blix Street | 6 | 1954 | 67% - 1+1 33% - 2+2 | Jul-19 | \$355,000 | \$435 | N/A | N/A |
|  | 9 10650 Moorpark Street | 40 | 1991 | 32% - 1+1 68% - 2+1 | Apr-15 | \$410,000 | \$375 | 4.02% | 14.95 |
| AVERAGES: | | | 1969 | | | \$400,366 | \$403 | 3.78% | 16.38 |

SALES COMPARABLES MAP





4

FINANCIAL ANALYSIS & PRICING

RENT ROLL - FEB. 2020

| UNIT # | TYPE | SF | RENT | RENT / SF | MARKET RENT | MARKET RENT / SF |
|----------------------|-----------------|---------------|-----------------|---------------|-----------------|------------------|
| 101 | 2+2 | 1,074 | \$1,590 | \$1.48 | \$2,795 | \$2.60 |
| 102 | 1+1 | 683 | \$2,195 | \$3.21 | \$2,195 | \$3.21 |
| 103 | 1+1 | 685 | \$1,263 | \$1.84 | \$2,195 | \$3.20 |
| 104 | 2+2 | 1,120 | \$2,750 | \$2.46 | \$2,795 | \$2.50 |
| 201 | 2+2 | 1,031 | \$2,595 | \$2.52 | \$2,795 | \$2.71 |
| 202 | 1+1 | 683 | \$2,195 | \$3.21 | \$2,195 | \$3.21 |
| 203 | 1+1 | 685 | \$2,195 | \$3.20 | \$2,195 | \$3.20 |
| 204 | 2+2 | 1,120 | \$2,595 | \$2.32 | \$2,795 | \$2.50 |
| 205 | 2+2 | 1,043 | \$1,576 | \$1.51 | \$2,795 | \$2.68 |
| 206 | 1+1 | 709 | \$2,195 | \$3.10 | \$2,195 | \$3.10 |
| 207 | 1+1 | 716 | \$1,362 | \$1.90 | \$2,195 | \$3.07 |
| 208 | 3+2 | 1,335 | \$2,995 | \$2.24 | \$2,995 | \$2.24 |
| 301 | 2+2 | 1,031 | \$2,695 | \$2.61 | \$2,795 | \$2.71 |
| 302 | 1+1 | 683 | \$1,707 | \$2.50 | \$2,195 | \$3.21 |
| 303 | 1+1 | 685 | \$1,504 | \$2.20 | \$2,195 | \$3.20 |
| 304 | 2+2 | 1,120 | \$2,795 | \$2.50 | \$2,795 | \$2.50 |
| 305 | 2+2 | 1,043 | \$1,608 | \$1.54 | \$2,795 | \$2.68 |
| 306 | 1+1 | 709 | \$1,316 | \$1.86 | \$2,195 | \$3.10 |
| 307 | 1+1 | 716 | \$2,195 | \$3.07 | \$2,195 | \$3.07 |
| 308 | 3+2 | 1,335 | \$2,266 | \$1.70 | \$2,995 | \$2.24 |
| AVERAGE/TOTAL | 20 Units | 18,206 | \$41,592 | \$2.35 | \$50,300 | \$2.85 |



INTERIOR COURTYARD RENDERING



FULLY REMODELED KITCHEN

PARCEL MAP

LOT SIZE

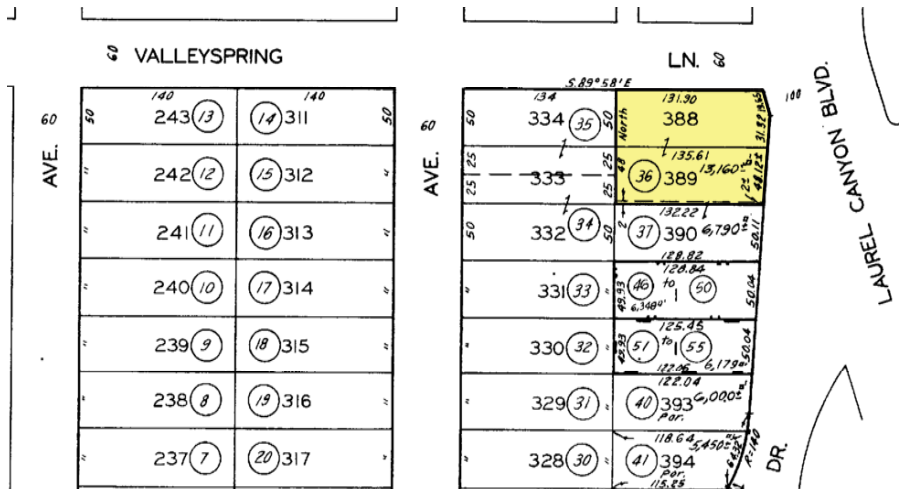
13,164 SF

ZONING

R4

APN

2367-014-036



FINANCIAL SUMMARY

PRO FORMA INCOME & EXPENSES

| UNITS | TYPE | PLAN | EST. SF | TOTAL S.F. | AVG. RENTS | RENT/SQ. FT. | MKT RENT | MKT/S.F. |
|-------|---------------|------|---------|------------|------------|--------------|----------|----------|
| 10 | 1 bed, 1 bath | A | 695 | 6,950 | \$1,812 | \$2.61 | \$2,195 | \$3.16 |
| 8 | 2 bed, 2 bath | B | 1,073 | 8,584 | \$2,275 | \$2.12 | \$2,795 | \$2.60 |
| 2 | 3 bed, 2 bath | C | 1,335 | 2,670 | \$2,630 | \$1.97 | \$2,995 | \$2.24 |
| 20 | | | 910 | 18,204 | \$2,079 | \$2.28 | \$2,515 | \$2.76 |

| INCOME | NOTES | CURRENT RENT | MARKET PROFORMA |
|--|-----------------|------------------|------------------|
| TOTAL RENTAL REVENUE | | \$499,104 | \$603,600 |
| Less: Vacancy/collection | 3.00% | (\$14,973) | (\$18,108) |
| NET RENTAL INCOME | | \$484,131 | \$585,492 |
| OTHER INCOME | | | |
| Plus: Pass thru/retrofit cost (\$38/u x 17)* | | \$0 | \$7,752 |
| Plus: RUBS Income | | \$2,694 | \$10,800 |
| Plus: Tenant Fees | | \$350 | \$350 |
| Plus: Laundry Income | | \$2,318 | \$2,318 |
| EFFECTIVE GROSS INCOME (EGI) | | \$489,493 | \$615,832 |
| EXPENSES | PER UNIT | | |
| Maint. Repairs & Supplies | \$600 | \$12,000 | \$12,000 |
| Utilities DWP/Gas | \$979 | \$19,594 | \$20,000 |
| Elevator | \$100 | \$2,000 | \$2,000 |
| Telephones (elev) | \$65 | \$1,300 | \$1,900 |
| Fire Monitor Service | \$13 | \$250 | \$250 |
| Rubbish | \$375 | \$7,500 | \$7,500 |
| Pest | \$30 | \$600 | \$600 |
| Landscape | \$93 | \$1,850 | \$1,850 |
| SCEP | \$64 | \$1,288 | \$1,288 |
| Payroll/Onsite Mgr. (Est) | \$480 | \$9,600 | \$9,600 |
| Insurance | \$300 | \$6,000 | \$6,000 |
| Professional Management Fee | 3.50% | \$857 | \$17,132 |
| Real Estate Taxes | 1.220000% | \$4,850 | \$96,990 |
| Replacement Reserve | \$200 | \$4,000 | \$4,000 |
| TOTAL EXPENSES | | \$180,104 | \$185,532 |
| | Per Unit: | \$9,005 | \$9,276.61 |
| | Per Foot: | \$9.89 | \$10.19 |
| NET OPERATING INCOME | | \$309,389 | \$430,300 |
| Less: Debt Service | | (\$139,125) | (\$139,125) |
| Projected Net Cash Flow | | \$170,264 | \$291,175 |
| CASH-ON-CASH RETURN | | 4.76% | 8.14% |
| Debt Coverage Ratio | | 2.22 | 3.09 |

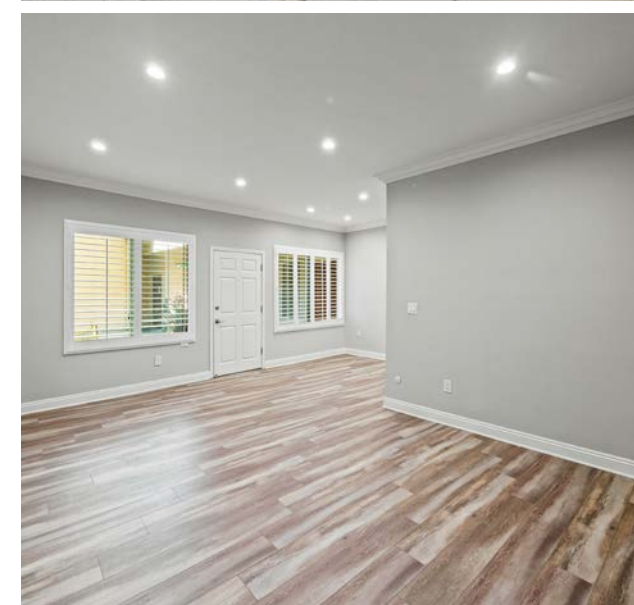
RETURNS (INCL. PRINCIPLE REDUCTION)

| | | |
|--|-------------|-------------|
| Avg. Interest Payment | (\$129,253) | (\$129,253) |
| Cash Flow (Incl. Principal Reduction) | \$180,135 | \$301,047 |
| Avg. Principal Reduction | \$100,542 | \$100,542 |
| CASH-ON-CASH RETURN (INCL. PRINCIPAL REDUCTION) | 5.04% | 8.42% |
| Cash Available after Debt Service | \$79,594 | \$200,505 |
| Debt Coverage Ratio | 1.35 | 1.87 |

| CAP RATE ANALYSIS | PRICE | \$/UNIT | \$/FOOT | CURRENT CAP | CURRENT GRM | MARKET CAP | MARKET GRM |
|-------------------|-------------------|-----------|--------------|-------------|---------------|------------|------------|
| List Price | \$7,950,000 | \$397,500 | \$390 | 3.89% | 15.93 | 5.41% | 13.17 |
| ALL FINANCING | TOTAL LOAN AMOUNT | LTV | DOWN PAYMENT | MO. PAYMENT | DEBT CONSTANT | | |
| | \$4,372,500 | 55% | \$3,577,500 | (\$19,150) | 3.2% | | |

| FIRST MORTGAGE (NEW PROPOSED) | LTV FOR THIS LOAN | AMOUNT | INTEREST RATE | AMORTIZATION | PAYMENT | FEES | AVG. MO INT PMT | AVG. MO PRIN PMT | TERM (YRS) |
|-------------------------------|-------------------|--------|---------------|--------------|---------|------------|-----------------|------------------|------------|
| 55% | \$4,372,500 | 3.30% | 30 | (\$19,150) | 1.00% | (\$10,771) | (\$8,378) | 10 | |

* Already applied for
You are solely responsible for independently verifying the information in this Memorandum. ANY RELIANCE ON IT IS SOLELY AT YOUR OWN RISK.



EXECUTIVE SUMMARY

PROPERTY INFORMATION

| | |
|------------------------------|---------|
| Number of Units | 20 |
| Gross Square Feet | 20,392 |
| Average Square Feet per Unit | 910 |
| Pro Forma Vacancy | 3.00% |
| Year Built | 1965 |
| Average Current Rent | \$2,079 |
| Average Market Rent | \$2,515 |

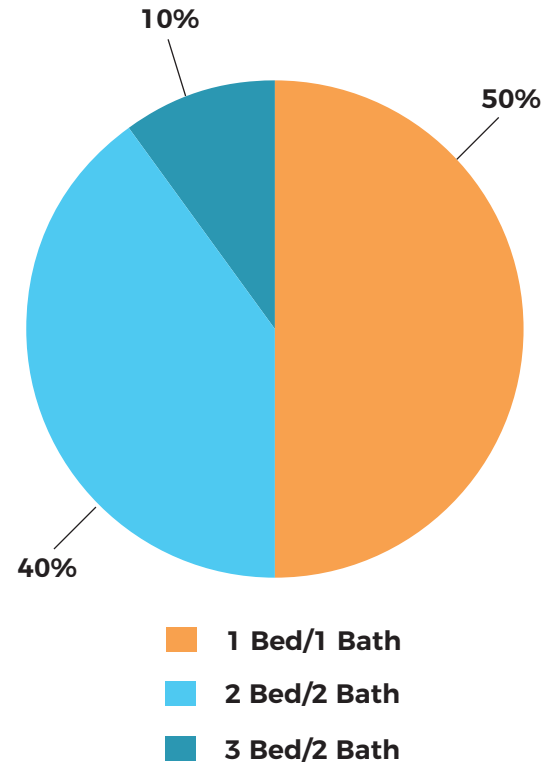
PURCHASE SUMMARY

| | |
|-----------------------------|-------------|
| Offering Price | \$7,950,000 |
| Price Per Unit | \$397,500 |
| Price Per Square Foot | \$390 |
| Current GRM | 15.93 |
| Current Capitalization Rate | 3.89% |
| Market GRM | 13.17 |
| Market Capitalization Rate | 5.41% |
| All Cash 10-Year IRR | 10.19% |
| Leveraged 10-Year IRR | 14.87% |

YEAR ONE FORECASTED OPERATIONS SUMMARY

| | |
|-----------------------------------|------------------|
| Effective Gross Income | \$489,493 |
| Operating Expenses | \$79,114 |
| Real Estate Taxes | \$96,990 |
| Capital Reserves | \$4,000 |
| Net Operating Income (NOI) | \$309,389 |

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5

DEMOS & RELATED ARTICLES

DEMOGRAPHIC REPORT

(2-MILE RADIUS)



POPULATION

| | |
|----------------------------------|---------|
| 2019 Population - Estimate | 100,613 |
| 2024 Population - Projection | 104,346 |
| 2010 Population - Census | 93,438 |
| 2000 Population - Census | 88,757 |
| 2010-2019 Population Growth Rate | 0.80% |
| 2019-2024 Population Growth Rate | 0.73% |



HOUSING

| | |
|------------------------------------|--------|
| 2019 Housing Units | 52,757 |
| 2019 Vacant Housing Units | 3,632 |
| 2019 Occupied Housing Units | 49,125 |
| 2019 Owner Occupied Housing Units | 16,443 |
| 2019 Renter Occupied Housing Units | 32,682 |
| 2019 Average Household Size | 2.03 |



EDUCATION

| | | |
|---------------------------------|--------|-------|
| 2019 Population 25 and Over | 77,643 | |
| High School Diploma | 8,190 | 10.5% |
| Some College - No Degree | 14,692 | 18.9% |
| Associate`s Degree | 5,191 | 6.7% |
| Bachelor`s Degree | 31,027 | 40.0% |
| Graduate or Professional Degree | 14,367 | 18.5% |



TOP INDUSTRIES IN 2-MILE RADIUS

| | |
|--|-------|
| Retail | 7.6% |
| Information | 16.8% |
| Professional, Scientific, & Technical Services | 13.2% |
| Healthcare | 9.1% |
| Entertainment | 9.1% |



EMPLOYMENT - 16 & OVER

| | |
|-------------|--------|
| Labor Force | 66,324 |
| Employed | 93.1% |
| Unemployed | 6.9% |



OCCUPATION

| | | |
|------------------|--------|-------|
| Labor Force | 61,779 | |
| Class of Workers | | |
| White Collar | 49,113 | 79.5% |
| Services | 7,818 | 12.7% |
| Blue Collar | 4,850 | 7.9% |



INCOME

| | |
|-------------------------------|-----------|
| 2019 Average Household Income | \$124,568 |
| 2024 Average Household Income | \$145,461 |



AGE

| | |
|-----------------|------|
| 2019 Median Age | 39.5 |
|-----------------|------|

Big housing proposal for old Sunkist headquarters enters final stretch in Sherman Oaks

A plan to put residential units, shops, and restaurants around a Brutalist office building constructed in the 1970s in Sherman Oaks is moving ahead after a few years of tweaks and negotiations between the developer and the neighborhood.

The project, approved Tuesday by the Los Angeles City Council's planning and land use management committee, is "an outstanding example of a developer and community working together for a very special and exceptional project," says Jeffrey Kalban, chair of the Sherman Oaks neighborhood council's planning and land use committee.

The site at the intersection of Hazeltine and Riverside Drive backs up to the Los Angeles River and the 101 Freeway. The plan to incorporate a 28,000-square-foot park that would connect to the LA River was especially attractive to the neighborhood council, and Kalban called it "a true community amenity."

The two groups worked over the "last several years" to turn a "quite controversial" development into one that enjoys broad community support, says Dave Rand, a representative for developer IMT Residential.

IMT bought the site in 2013, after Sunkist relocated, and announced plans for the project, also known as Icon Sherman Oaks, in 2014. Some residents pushed back against what they saw as a too-large development that would change the neighborhood's feel for the worse.

The new project, designed by Johnson Fain, calls for 249 housing units (a slight drop from the 298 originally planned), about 27,500 square feet of retail, restaurants, and a grocery store. The development will also have about 1,100 parking spaces in a structure with three above-grade and two below grade levels.



The Brutalist Sunkist building, designed by AC Martin and Associates in 1971, will remain on the site and two new buildings will rise alongside it as part of the development.



A 2018 rendering of the project, looking southwest from Riverside Drive. Renderings by Johnson Fain, via the department of city planning

It would preserve and rehabilitate the 1970s Sunkist Headquarters designed by AC Martin and Associates. Its 127,000 square feet would be used as office space.

The developer will include 25 units priced for households with moderate incomes, or \$56,760 and \$85,140, according to a spokesperson for City Councilmember David Ryu, whose district includes the Sunkist site.

Ryu has previously voiced concern that the city does not have enough housing for moderate-income Angelenos, who make too much to qualify for low-income housing but who nevertheless still struggle to afford LA's rising rents.

The plans still needs the approval of the full City Council, but these are the last entitlements the developer is requesting from city planners.

<https://la.curbed.com/2020/2/5/21124256/sherman-oaks-sunkist-imt-residential>

The Valley Renaissance

Unlike its more famous neighbor, North Hollywood has always been seen as a gritty, working-class area.

A combination of old housing stock, dilapidated streets and worn out buildings, some areas of North Hollywood have made it a popular place for television shows and movies looking to showcase a rough urban neighborhood, sometimes standing in for Chicago or Baltimore.

Sons of Anarchy, Shameless and Quentin Tarantino's Once Upon a Time In Hollywood have filmed in certain parts of North Hollywood to show an edgy milieu.

But things are changing for North Hollywood, dubbed NoHo.

Merlone Geier's 570K SF NoHo West mixed-use retail and office megaproject is an enhancement to

the neighborhood and North Hollywood's image. Trammell Crow Residential has also been brought in to build a 642-unit residential component right next door to the site.

"This is a game changer and is going to put this area on the map," JLL Managing Director Patrick Church said.

The NoHo West development highlights the growth of Los Angeles' San Fernando Valley suburb, mostly better known as the Valley. The Valley is made up of about 34 neighborhoods from Burbank in the east, Woodland Hills west to Sylmar and Granada Hills in the north.

In the past few years, several developments have either opened, are under construction or are in various stages of planning across the Valley.

In Woodland Hills, Los Angeles planning officials approved Unibail-Rodamco-Westfield's \$1.5B Promenade 2035, a mixed-use megadevelopment with 1,400 residential units, 630K SF of office space, two hotels, and an entertainment and sports arena.

Unibail-Rodamco-Westfield's Larry Green will discuss The Promenade and other developments happening at the Warner Center at Bisnow's State of the Valley & Tri-Cities event Oct. 23 at the Burbank Empire Center at 2300 West Empire Ave. in Burbank.



*Bisnow/Joseph Pimentel
JLL's Patrick Church gives a Bisnow reporter a tour of the construction of Merlone Geier's NoHo West project in North Hollywood.*

In Studio City, Midwood Investment & Development is pouring \$100M into redeveloping the Sportsmen's Lodge, a historic landmark along Ventura Boulevard. The Gensler-designed development, The Shops at Sportsmen's Lodge, will encompass 94K SF of retail space with outdoor communal space and 450 parking spots.

In Burbank, a JV of Crown Realty and Development and Arrow Retail are proposing to invest \$400M to convert an old IKEA into a mixed-use residential, retail and office project. Earlier this year, Warner Bros. announced it would expand its Burbank headquarters and build two new office buildings totaling 800K SF.

In a different part of North Hollywood, Trammell Crow and the Los Angeles County Metropolitan Transportation Authority have teamed up to develop a 15-acre city-owned site called the District NoHo.

<https://www.bisnow.com/los-angeles/news/construction-development/noho-west-project-highlights-the-valley-renaissance-101236imt-residential>



*Courtesy of Merlone Geier
Rendering of Merlone Geier Partners' NoHo West project in North Hollywood*

Work on Sportsmen’s Lodge redevelopment to get underway in August

The owners of the Sportsmen’s Lodge event center in Studio City have announced a timeline for their project and shared new details on two high-end retailers that will set up shop in the ground-up development.

“The redevelopment of The Shops at Sportsmen’s Lodge marks an important milestone for our firm and Studio City,” says Midwood CEO John Usdan. “We are looking forward to making it a central gathering place for the community.”

Midwood Investment & Development released new renderings showing an Erewhon market and an Equinox gym and fitness center—two tenants that have already signed on to the project.

Midwood plans a groundbreaking in August, with the shops opening in the fall of 2020. The adjacent Sportsmen’s Lodge hotel is not part of the project and will stay open throughout the construction and after.

The project’s landscape design plans were endorsed by the city’s Cultural Heritage Commission in November. The committee was required to vet the development’s landscaping to ensure the new green spaces “commemorate the look and feel of the former Sportsmen’s Lodge garden.”

Drawing on inspiration from Disneyland’s Tom Sawyer’s Island, the development’s landscape design will feature existing redwoods along with added ferns and native plants along a meandering water feature that will travel through the project.

<https://la.curbed.com/2019/5/17/18629774/sportsmens-lodge-redevelopment-starting-august>



The redeveloped Sportsmen’s Lodge. Courtesy of Midwood



Two of the tenants will be Erewhon and Equinox. Courtesy of Midwood



DAUREL
TOWERS

Laurel Canyon Bl
12100

12100

LAUREL TOWERS

12100 VALLEY SPRING LANE

STUDIO CITY, CA 91604



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