



**Armin Soleimani**  
Realtor  
(310) 666-2246  
ziuroiluj@gmail.com  
Lic: 01846872

**Mr. Julio Ruiz**  
Broker  
8185240706  
ziuroiluj@gmail.com  
Lic: 01911261

Offering Memorandum

**CASH FLOWING AT A 5.5% CAP RATE AND 12.9 GRM**

**4-UNIT INVESTMENT IN SOUTH GATE!**

**8994 MCNERNEY AVE, SOUTH GATE CA 90280**



# Cash flowing at a 5.5% Cap Rate and 12.9 GRM

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*Global Platinum Properties*



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## OFFERING SUMMARY

ADDRESS	8994 Mcnerney Ave South Gate CA 90280
COUNTY	Los Angeles
MARKET	South Gate
SUBMARKET	South East Los Angeles
BUILDING SF	2,065 SF
LAND SF	3,902 SF
NUMBER OF UNITS	4
YEAR BUILT	1948
YEAR RENOVATED	2022
APN	6216-029-005
OWNERSHIP TYPE	Fee Simple

## FINANCIAL SUMMARY

OFFERING PRICE	\$1,195,000
PRICE PSF	\$578.69
PRICE PER UNIT	\$298,750
OCCUPANCY	97.00 %
NOI (CURRENT)	\$65,759
NOI (Pro Forma)	\$73,209
CAP RATE (CURRENT)	5.50 %
CAP RATE (Pro Forma)	6.13 %
GRM (CURRENT)	12.9
GRM (Pro Forma)	11.88

## DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
2022 Population	43,907	408,247	926,476
2022 Median HH Income	\$63,365	\$55,915	\$56,967
2022 Average HH Income	\$82,069	\$74,557	\$76,132

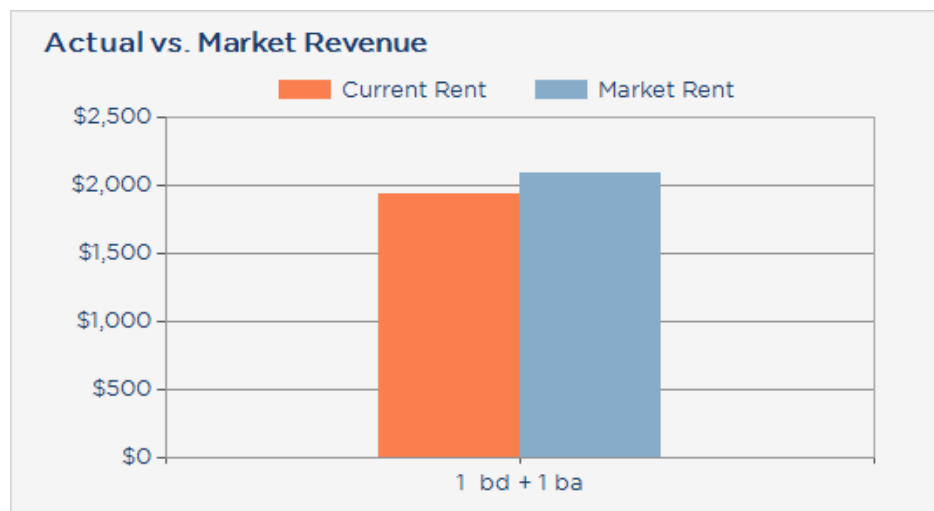
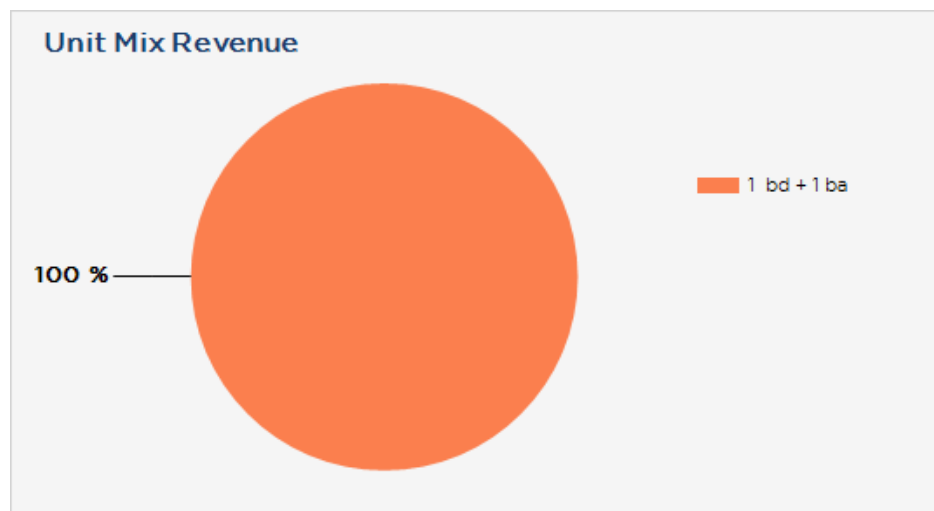
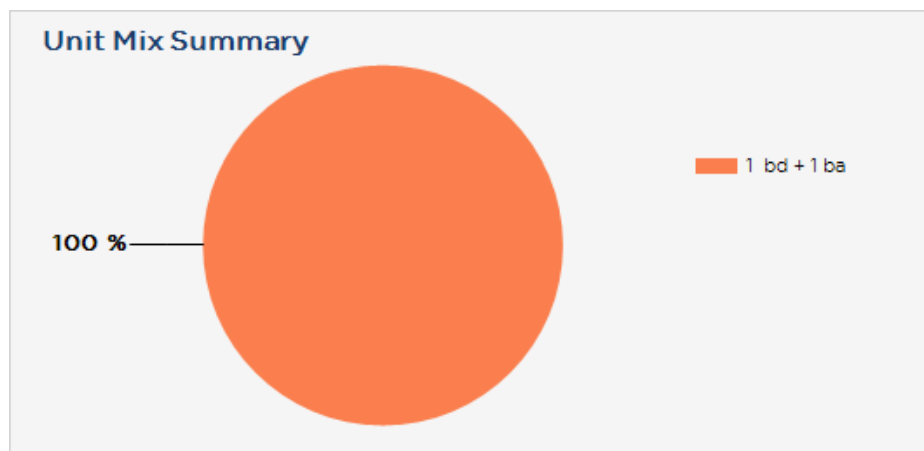


## Summary

This is the perfect opportunity for an investor or owner-user, with a 5.5% Cap Rate and 12.9 GRM from Day 1. The 4-Unit property has been completely stripped down to the studs, renovated with permits, and includes a brand new roof, electrical system, copper plumbing, windows, cabinets, flooring, lighting fixtures, bathrooms, and kitchens. Plus washer/dryer hookups in all units as well as water heaters and HVAC systems. It's located in South Gate which is an excellent up-and-coming area close to schools, restaurants, shopping centers, and entertainment options - just blocks from Azalea Shopping Center which hosts Walmart, Starbucks Alta In-N-Out Fridays Wingstop and more. Its great access to the 710, and 105 freeways which will take you easily to Downtown LA or the beach!

- Perfect 4-Unit Investment or owner-user opportunity cash flowing at a 5.5% Cap Rate and 12.9 GRM from Day 1.
- Entirely stripped down to the studs and thoroughly renovated with permits.
- Brand New Roof, Electrical system, Copper plumbing, Windows and more.
- New cabinets, flooring, recessed lighting, updated bathrooms, and renovated kitchens.
- Washer/Dryer Hookups in all units, brand new water heaters, and HVAC systems.
- Excellent up and coming South Gate location.

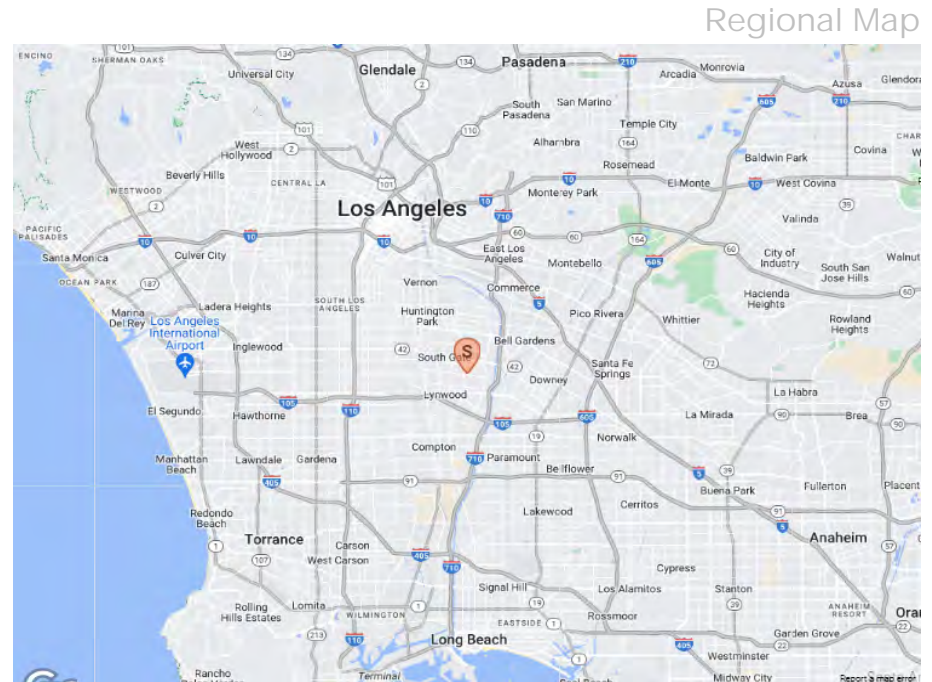
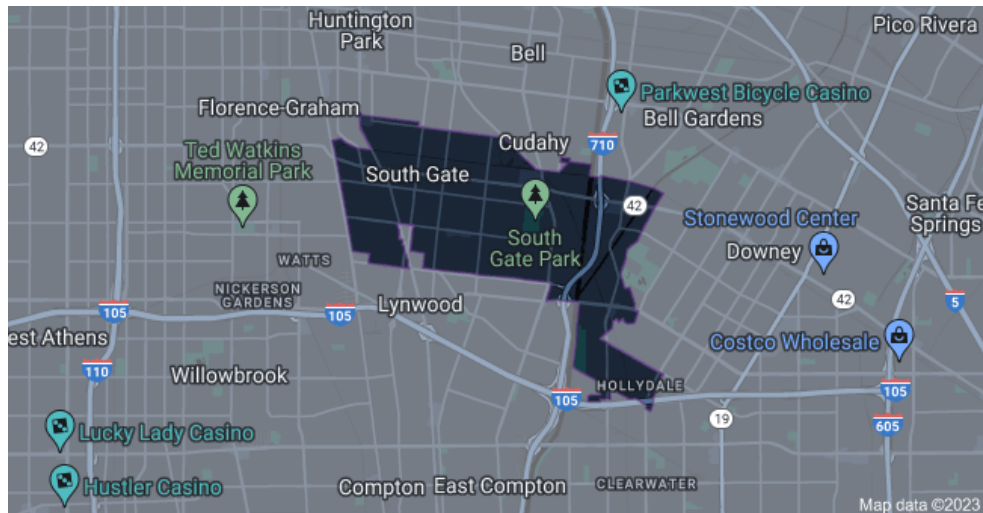
		Actual		Market	
Unit Mix	# Units	Current Rent	Monthly Income	Market Rent	Market Income
1 bd + 1 ba	4	\$1,936	\$7,744	\$2,096	\$8,384
<b>Totals/Averages</b>	<b>4</b>	<b>\$1,936</b>	<b>\$7,744</b>	<b>\$2,096</b>	<b>\$8,384</b>



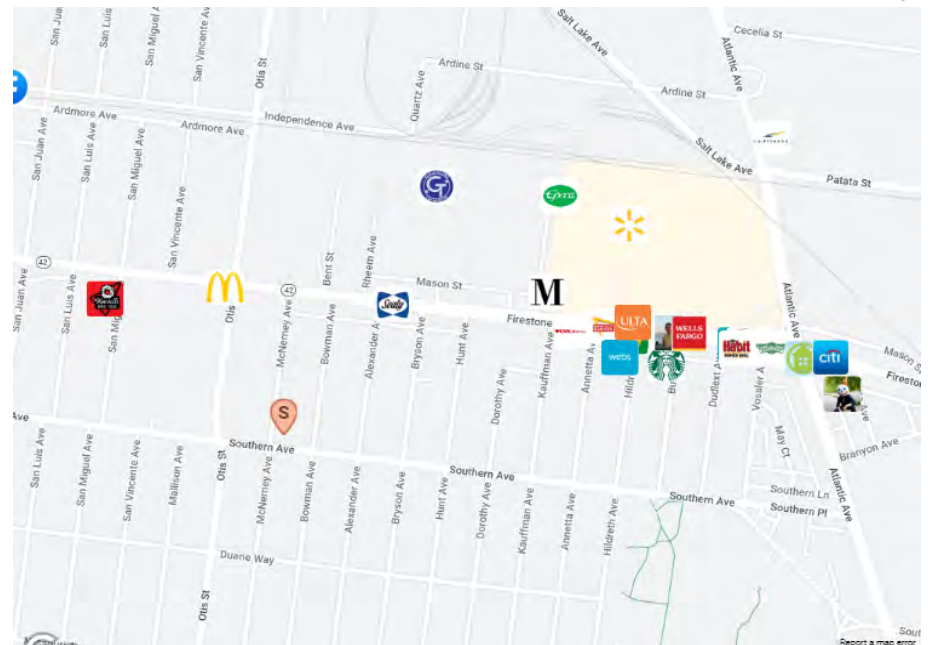


## South Gate

The subject is located in South Gate which is an excellent up-and-coming area close to schools, restaurants, shopping centers, and entertainment options - just blocks from Azalea Shopping Center which hosts Walmart, Starbucks, In-N-Out, TGI Fridays, Wingstop, and more. It's great access to the 710, and 105 freeways which will take you easily to Downtown LA or the beach!



Locator Map



## PROPERTY FEATURES

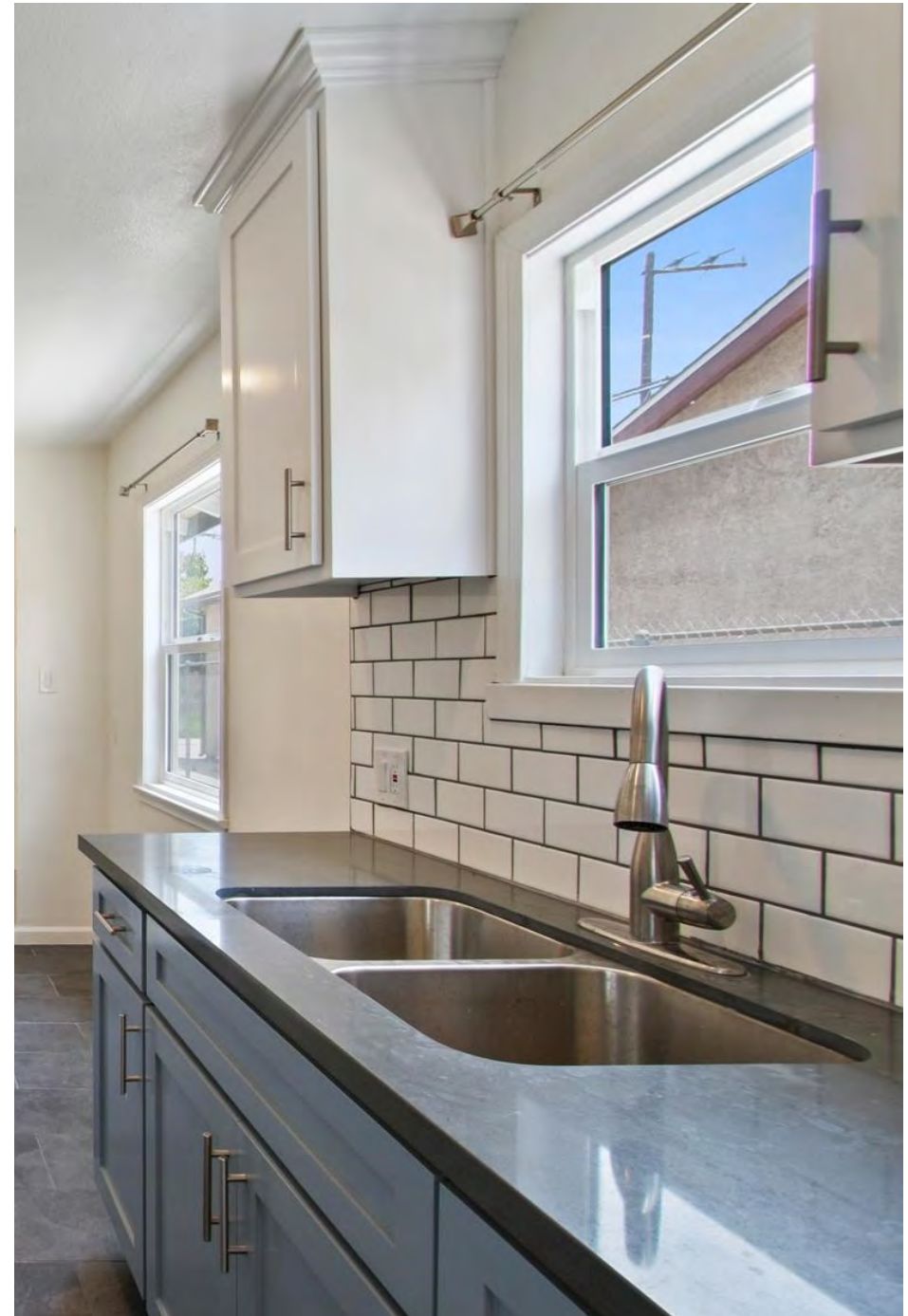
NUMBER OF UNITS	4
BUILDING SF	2,065
LAND SF	3,902
YEAR BUILT	1948
YEAR RENOVATED	2022
# OF PARCELS	1
TOPOGRAPHY	Flat
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	2
NUMBER OF PARKING SPACES	4
PARKING RATIO	1:1
WASHER/DRYER	In Unit

## UTILITIES

WATER	Owner
TRASH	Owner
GAS	Tenant
ELECTRIC	Tenant
RUBS	Owner

## CONSTRUCTION

FOUNDATION	Raised
FRAMING	Wood
EXTERIOR	Stucci
PARKING SURFACE	Covered/Surface
ROOF	Pitched
STYLE	Traditional
LANDSCAPING	Front Yard







Unit	Unit Mix	Square Feet	Rent PSF	Current Rent	Market Rent
A	1 bd + 1 ba	0	\$0.00	\$1,917.00	\$2,096.00
B	1 bd + 1 ba	0	\$0.00	\$1,939.00	\$2,096.00
C	1 bd + 1 ba	0	\$0.00	\$1,944.00	\$2,096.00
D	1 bd + 1 ba	0	\$0.00	\$1,944.00	\$2,096.00
Totals/Averages		0	\$0.00	\$7,744.00	\$8,384.00

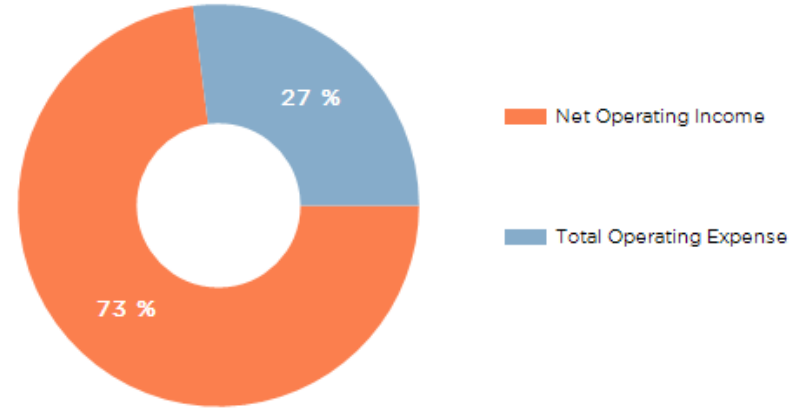




## REVENUE ALLOCATION

CURRENT

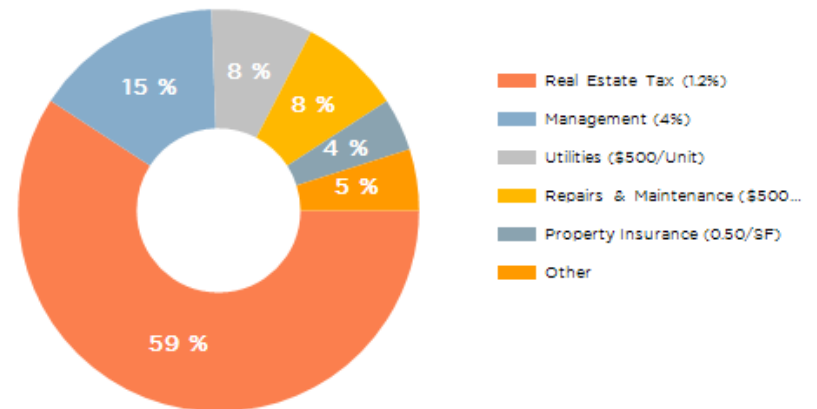
INCOME	CURRENT		PRO FORMA	
Gross Potential Rent	\$92,928		\$100,608	
<b>Gross Potential Income</b>	<b>\$92,928</b>		<b>\$100,608</b>	
General Vacancy	-\$2,788	3.0 %	-\$3,018	3.0 %
<b>Effective Gross Income</b>	<b>\$90,140</b>		<b>\$97,590</b>	
Less Expenses	\$24,381	27.04 %	\$24,381	24.98 %
<b>Net Operating Income</b>	<b>\$65,759</b>		<b>\$73,209</b>	



EXPENSES	CURRENT	Per Unit	PRO FORMA	Per Unit
Real Estate Tax (1.2%)	\$14,430	\$3,608	\$14,430	\$3,608
Property Insurance (0.50/SF)	\$1,033	\$258	\$1,033	\$258
Utilities (\$500/Unit)	\$2,000	\$500	\$2,000	\$500
Pest Control (\$50/Monthly)	\$600	\$150	\$600	\$150
Repairs & Maintenance (\$500/Unit)	\$2,000	\$500	\$2,000	\$500
Management (4%)	\$3,718	\$930	\$3,718	\$930
Cleaning & Gardening (\$50/Month)	\$600	\$150	\$600	\$150
<b>Total Operating Expense</b>	<b>\$24,381</b>	<b>\$6,095</b>	<b>\$24,381</b>	<b>\$6,095</b>
Expense / SF	\$11.81		\$11.81	
% of EGI	27.04 %		24.98 %	

## DISTRIBUTION OF EXPENSES

CURRENT



POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	45,574	426,896	917,334
2010 Population	45,509	423,989	939,869
2022 Population	43,907	408,247	926,476
2027 Population	42,746	397,496	901,231
2022 African American	291	17,863	89,644
2022 American Indian	1,529	12,393	25,106
2022 Asian	217	3,861	14,677
2022 Hispanic	42,272	373,512	784,809
2022 Other Race	25,653	235,498	506,895
2022 White	6,564	56,355	119,236
2022 Multiracial	9,619	81,744	169,059
2022-2027: Population: Growth Rate	-2.65 %	-2.65 %	-2.75 %
2022 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	779	9,559	24,288
\$15,000-\$24,999	805	10,078	22,294
\$25,000-\$34,999	981	10,480	22,785
\$35,000-\$49,999	1,522	15,337	33,049
\$50,000-\$74,999	2,646	21,185	47,305
\$75,000-\$99,999	1,579	14,546	33,675
\$100,000-\$149,999	1,911	14,533	35,213
\$150,000-\$199,999	1,027	5,728	13,106
\$200,000 or greater	293	3,080	8,009
Median HH Income	\$63,365	\$55,915	\$56,967
Average HH Income	\$82,069	\$74,557	\$76,132

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	11,385	103,103	234,575
2010 Total Households	11,150	100,338	228,087
2022 Total Households	11,543	104,525	239,725
2027 Total Households	11,294	102,205	234,149
2022 Average Household Size	3.80	3.86	3.83
2000 Owner Occupied Housing	5,084	37,643	92,762
2000 Renter Occupied Housing	5,824	61,155	129,964
2022 Owner Occupied Housing	5,141	38,896	96,386
2022 Renter Occupied Housing	6,402	65,630	143,339
2022 Vacant Housing	268	2,911	7,091
2022 Total Housing	11,811	107,436	246,816
2027 Owner Occupied Housing	5,123	38,503	95,220
2027 Renter Occupied Housing	6,170	63,702	138,929
2027 Vacant Housing	532	5,444	13,099
2027 Total Housing	11,826	107,649	247,248
2022-2027: Households: Growth Rate	-2.20 %	-2.25 %	-2.35 %



Source: esri



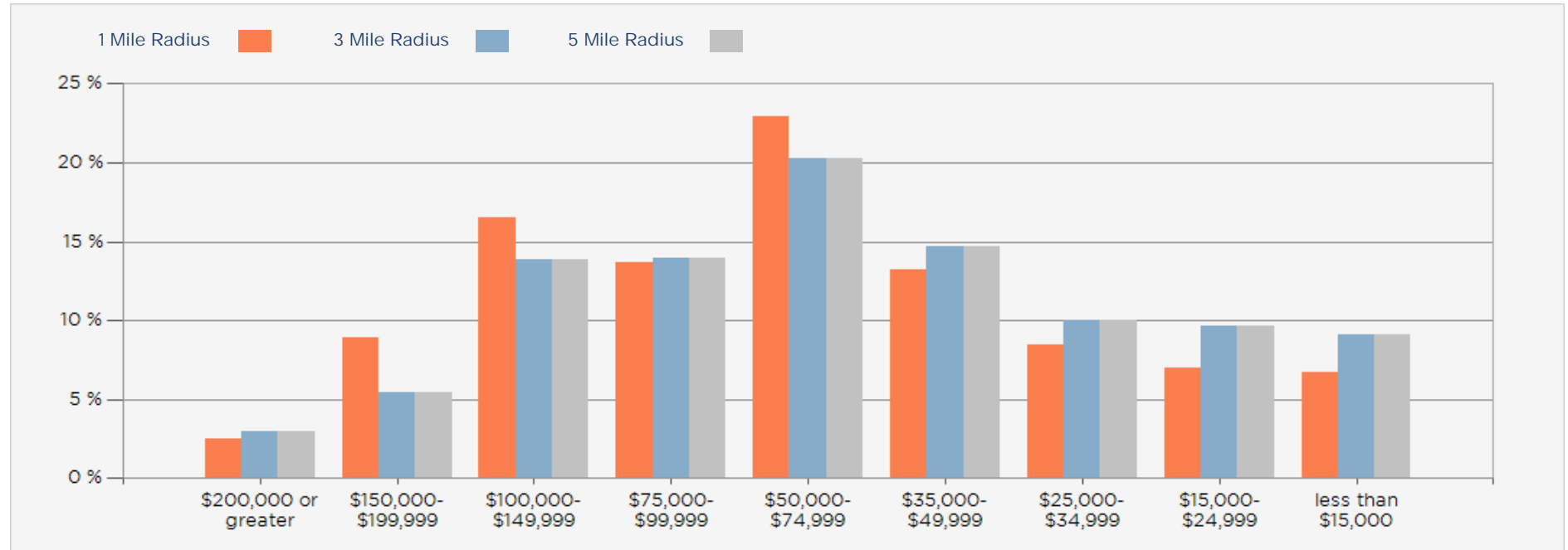
2022 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2022 Population Age 30-34	3,734	33,773	75,583
2022 Population Age 35-39	3,138	28,831	63,828
2022 Population Age 40-44	2,760	24,801	55,907
2022 Population Age 45-49	2,510	23,249	52,073
2022 Population Age 50-54	2,430	21,398	48,198
2022 Population Age 55-59	2,066	17,964	41,912
2022 Population Age 60-64	1,940	16,242	37,604
2022 Population Age 65-69	1,578	12,883	29,417
2022 Population Age 70-74	1,146	9,163	20,927
2022 Population Age 75-79	726	6,110	14,062
2022 Population Age 80-84	380	3,426	8,279
2022 Population Age 85+	309	3,082	8,051
2022 Population Age 18+	31,766	287,944	651,700
2022 Median Age	31	30	30

2022 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$65,364	\$58,404	\$59,626
Average Household Income 25-34	\$81,878	\$74,399	\$75,506
Median Household Income 35-44	\$72,283	\$61,005	\$62,448
Average Household Income 35-44	\$90,635	\$80,358	\$82,004
Median Household Income 45-54	\$72,941	\$62,922	\$64,422
Average Household Income 45-54	\$90,512	\$81,980	\$84,125
Median Household Income 55-64	\$64,306	\$57,107	\$58,259
Average Household Income 55-64	\$80,907	\$74,813	\$77,221
Median Household Income 65-74	\$50,466	\$44,334	\$45,778
Average Household Income 65-74	\$70,470	\$66,316	\$68,476
Average Household Income 75+	\$57,730	\$52,946	\$55,906

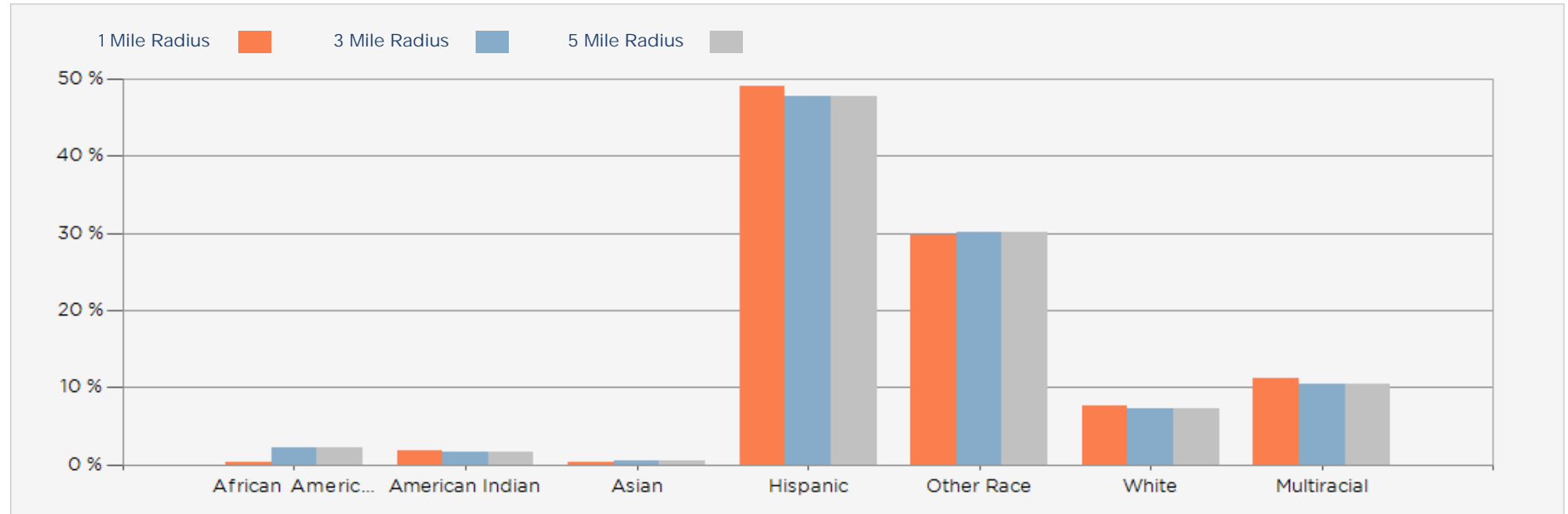
2027 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2027 Population Age 30-34	3,465	32,394	73,624
2027 Population Age 35-39	3,377	30,350	68,596
2027 Population Age 40-44	2,949	26,737	59,491
2027 Population Age 45-49	2,608	23,562	52,703
2027 Population Age 50-54	2,292	20,920	47,134
2027 Population Age 55-59	2,182	19,088	43,489
2027 Population Age 60-64	1,797	15,615	36,419
2027 Population Age 65-69	1,623	13,847	31,849
2027 Population Age 70-74	1,313	10,622	24,265
2027 Population Age 75-79	876	7,326	16,774
2027 Population Age 80-84	514	4,546	10,493
2027 Population Age 85+	358	3,539	8,817
2027 Population Age 18+	31,294	284,873	644,140
2027 Median Age	33	32	32

2027 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$78,214	\$70,311	\$72,135
Average Household Income 25-34	\$96,169	\$87,935	\$89,548
Median Household Income 35-44	\$83,521	\$75,486	\$76,811
Average Household Income 35-44	\$107,185	\$97,038	\$99,055
Median Household Income 45-54	\$84,529	\$75,411	\$77,194
Average Household Income 45-54	\$105,792	\$97,756	\$100,397
Median Household Income 55-64	\$75,659	\$67,758	\$69,950
Average Household Income 55-64	\$95,206	\$89,638	\$92,636
Median Household Income 65-74	\$61,532	\$55,070	\$57,115
Average Household Income 65-74	\$88,313	\$82,074	\$84,265
Average Household Income 75+	\$78,298	\$69,251	\$72,626

## 2022 Household Income

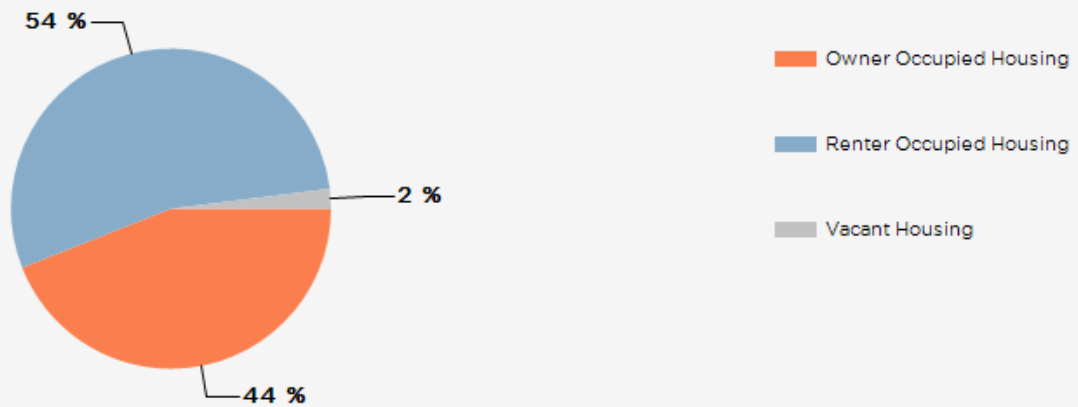


## 2022 Population by Race

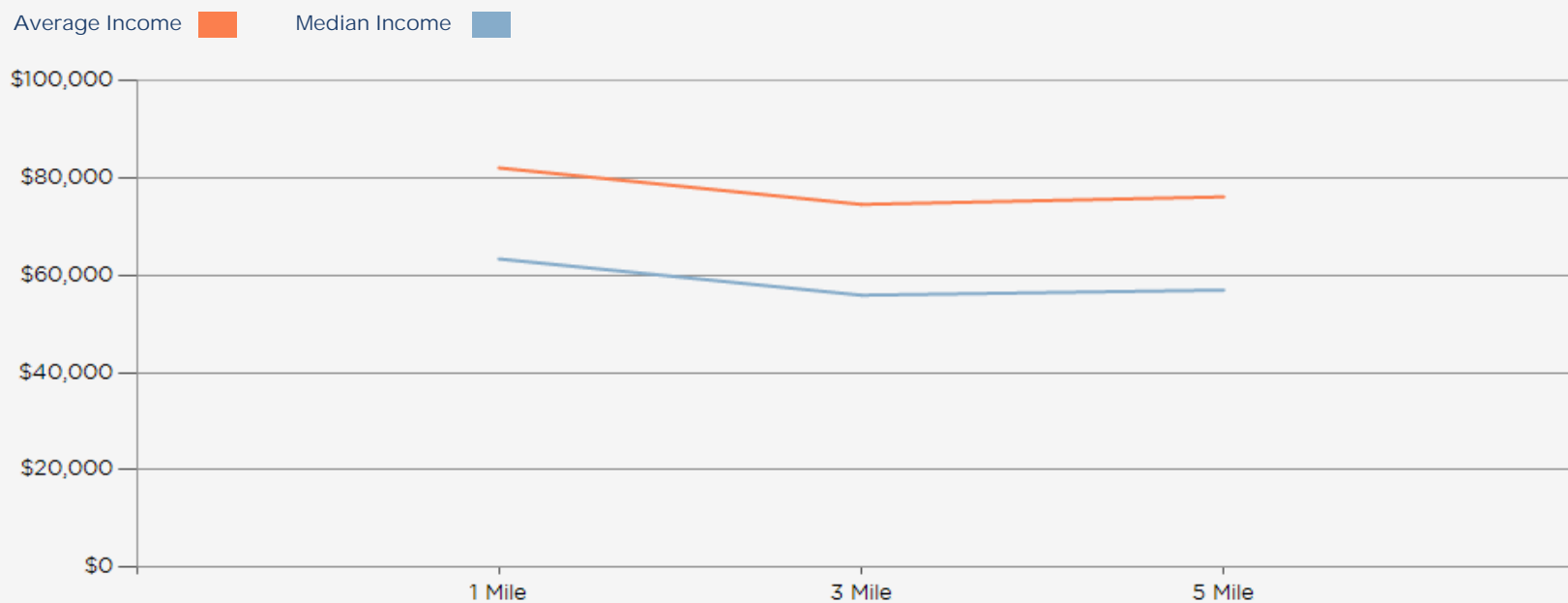




## 2022 Household Occupancy - 1 Mile Radius



## 2022 Household Income Average and Median



# Cash flowing at a 5.5% Cap Rate and 12.9 GRM

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