

MENTOR AVENUE

OFFERING MEMORANDUM

**405 N. Mentor Avenue
Pasadena, CA 91106**



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THE PROPERTY





SOUTHERN VIEW

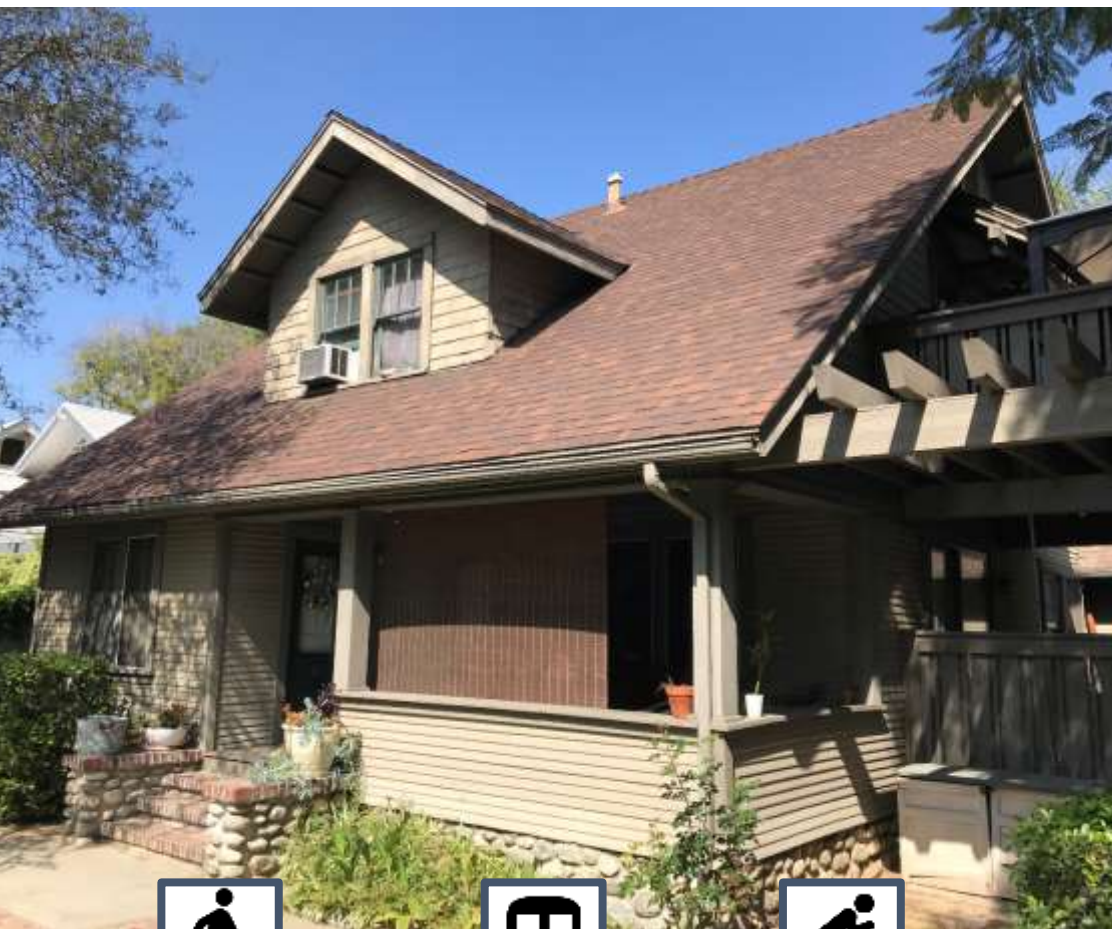
MENTOR AVENUE





EXECUTIVE SUMMARY

MENTOR AVENUE



78

Walk Score
Very Walkable



76

Transit Score
Excellent Transit



86

Bike Score
Very Bikeable

THE ASSET

405 N. Mentor Avenue offers investors the unique opportunity to acquire an 8-unit, garden-style apartment complex in the city of Pasadena. Walking Distance to the Gold Line's Lake Station, shopping, banks, and restaurants, the property is ideally located.

The property offers a diverse unit mix of (3) studio apartments of ± 365 sq.ft., (1) studio + loft of ± 250 sq.ft., (2) one-bed/one-bath of ± 500 sq.ft., (1) two-bed/one-bath unit of ± 700 sq.ft., and (1) two-bed/1bath +loft of ± 750 sq.ft.

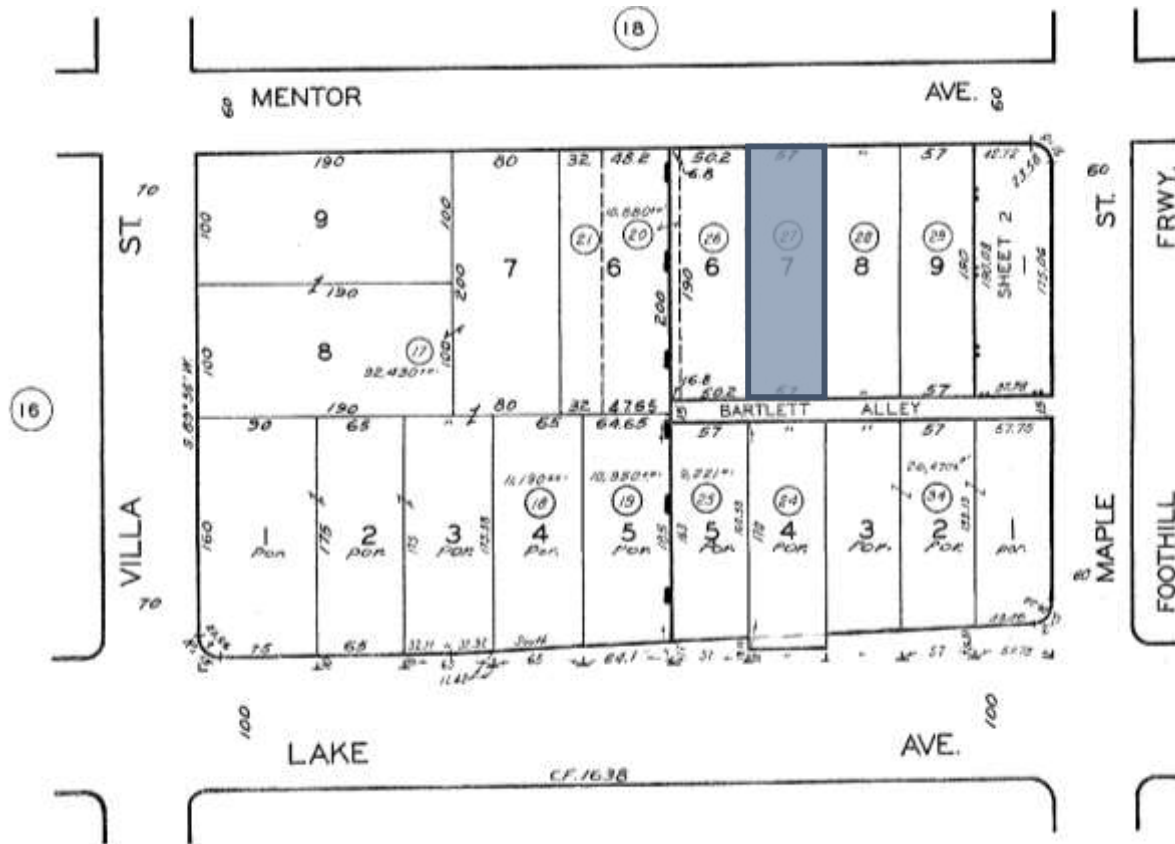
The asset is comprised of two wood frame buildings, 407 N. Mentor in the front and 405 N. Mentor in the rear. Built in 1908, the 407 building is two-stories in the front and one-story in the rear (the rear portion was built in 1954). The building's roof is pitched composition shingle and has a raised foundation that is reinforced and bolted. Other upgrades include a new service panel, new electric wiring & subpanels, and new copper plumbing. In addition, there are solar water heater panels and approximately a 600 sq. ft. basement with exterior entrance.

The rear building 405, is a one-story, raised foundation with pitched composition shingled roof. This building has new electrical service panels, and a raised deck in front.

There are many exterior improvements and period details in the units.

PARCEL MAP

MENTOR AVENUE



Address	405 N. Mentor Avenue
City State Zip	Pasadena, CA 91106
Parcel No	5732-017-027
Units	8
Year Built	1908/1954
Bldg SF	3,808
Lot Sf	10,825
Stories	2
Zoning	PSR4
Construction	Wood Frame
Metering	Individual Gas & Electric
Parking	8 Total: 6 Carport; 2 Open



UNIT AMENITIES

- Hardwood floors (all)
- Wall A/C (6 of 7)
- Gas wall heaters (5 of 7)
- Unit 407 #3 has central A/C & Heat
- Unit 407 #2 has forced air heating from a floor register
- Tile floors kitchen & bathroom
- Gas stoves/ovens
- Refrigerators
- Garbage disposals
- Period details and extensive improvements throughout property
- Patio/deck (407 #1 front porch & private patio; 407 #4 large deck)



COMMON AMENITIES

- 1 washer / 1 dryer for tenants use
- Lush landscaping
- Garden like courtyard
- Gated parking rear

UTILITIES

- Individually metered for gas & electric
- 405 building has 3 individual hot water heaters
- 407 building has one water heater for 4 units, paid for by owner, but supplemented by the solar panels.
- 407 #5 has an individual hot water heater

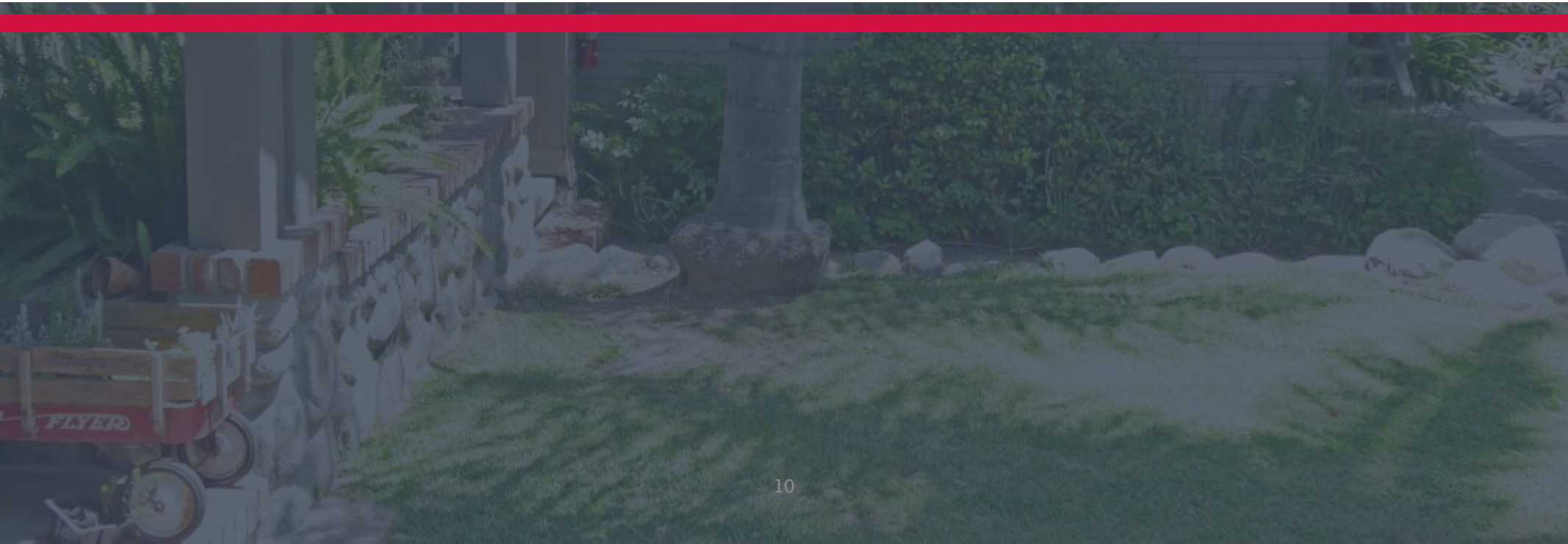


EXCEPTIONAL LOCATION

As one of the premier markets in Los Angeles County, Pasadena, including South Pasadena, boasts one of the strongest demographic profiles providing historically low unemployment, a highly educated workforce and access to an abundance of recently constructed multi-family residential housing and affluent executive housing in the adjacent communities of San Marino, Arcadia, South Pasadena and La Canada.



FINANCIAL ANALYSIS



FINANCIAL ANALYSIS

MENTOR AVENUE

Pricing	Price	\$/Unit	\$/SF	GRM	CAP	Market GRM	Market CAP
List Price	\$2,200,000	\$275,000	\$577.73	17.54	3.52%	15.10	4.36%

Financing	Down Payment	Loan to Value	Amort Years	Interest	Payments
	\$1,100,000	50%	30	4.50%	(\$5,574)

Units	Type	Estimated Unit SF	Avg Current Rent	Current Rent/SF	Total Rent	Market Rent	Total Market Rent
3	0/1	365	\$1,100	\$3.01	\$3,300	\$1,250	\$3,750
1	0/1+L	250	\$950	\$3.80	\$950	\$1,150	\$1,150
2	1/1	500	\$1,438	\$2.88	\$2,875	\$1,675	\$3,350
1	2/1	700	\$1,575	\$2.25	\$1,575	\$1,850	\$1,850
1	2/1+L	750	\$1,700	\$2.27	\$1,700	\$1,995	\$1,995

Scheduled Monthly Rent	\$10,400	\$12,095
Laundry	\$50	\$50
Total Monthly Scheduled Income	\$10,450	\$12,145
Scheduled Gross Income	\$125,400	\$145,740
Less Vacancy	3%	
	\$3,762	\$4,372
Gross Operating Income	\$121,638	\$141,368

Expenses		Current	Market
Real Estate Taxes	1.117155%	\$24,577	\$24,577
Direct Assessments	(Actual)	\$1,187	\$1,187
Gardener	Estimated	\$1,200	\$1,200
Insurance	2017	\$2,471	\$2,471
Utilities	2017	\$4,484	\$4,484
Maintenance & Repairs	7% SGI	\$8,778	\$10,202
Reserves	\$175 /unit/year	\$1,400	\$1,400
Total	% of SGI	Total	Total
	35%	\$44,097	\$45,521

Return	Current NOI	Mkt NOI	Less Debt	Cash Flow	Mkt Cash Flow	Cash/Cash	Mkt Cash/Cash
	\$77,541	\$95,847	(\$66,882)	\$10,658	\$28,964	0.97%	2.63%

RENT ROLL

MENTOR AVENUE

Unit #	Type	Estimated SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF	Occupied	Comments
405-1	0/1	365	\$1,100	\$3.01	\$1,250	\$3.42	Yes	Shared Deck
405-2	0/1	365	\$1,100	\$3.01	\$1,250	\$3.42	Yes	Shared Deck
405-3	0/1	365	\$1,100	\$3.01	\$1,250	\$3.42	Yes	Shared Deck
407-1	1/1	500	\$1,400	\$2.80	\$1,700	\$3.40	Yes	Private Patio & porch
407-2	2/1	700	\$1,575	\$2.25	\$1,850	\$2.64	Yes	
407-3	0/1+L	250	\$950	\$3.80	\$1,150	\$4.60	Yes	Loft is bedroom. Central A/C. Porch
407-4	2/1+L	750	\$1,700	\$2.27	\$1,995	\$2.66	Yes	Loft and large deck.
407-5	1/1	500	\$1,475	\$2.95	\$1,650	\$3.30	Yes	Porch
Total Monthly Rent			\$10,400		\$12,095			
Laundry Income			\$50		\$50			
Total Monthly Income			\$10,450		\$12,145			
Scheduled Gross Income			\$125,400		\$145,740			

Units	Type	Unit SF	Avg Current Rent	Current Rent/SF	Avg Market Rent	Market Rent/SF	Total Units	Occupied Units	Occupancy %
3	0/1	365	\$1,100	\$3.01	\$1,250	\$3.42	8	8	100%
1	0/1+L	250	\$950	\$3.80	\$1,150	\$4.60			
2	1/1	500	\$1,438	\$2.88	\$1,675	\$3.35			
1	2/1	700	\$1,575	\$2.25	\$1,850	\$2.64			
1	2/1+L	750	\$1,700	\$2.27	\$1,995	\$2.66			











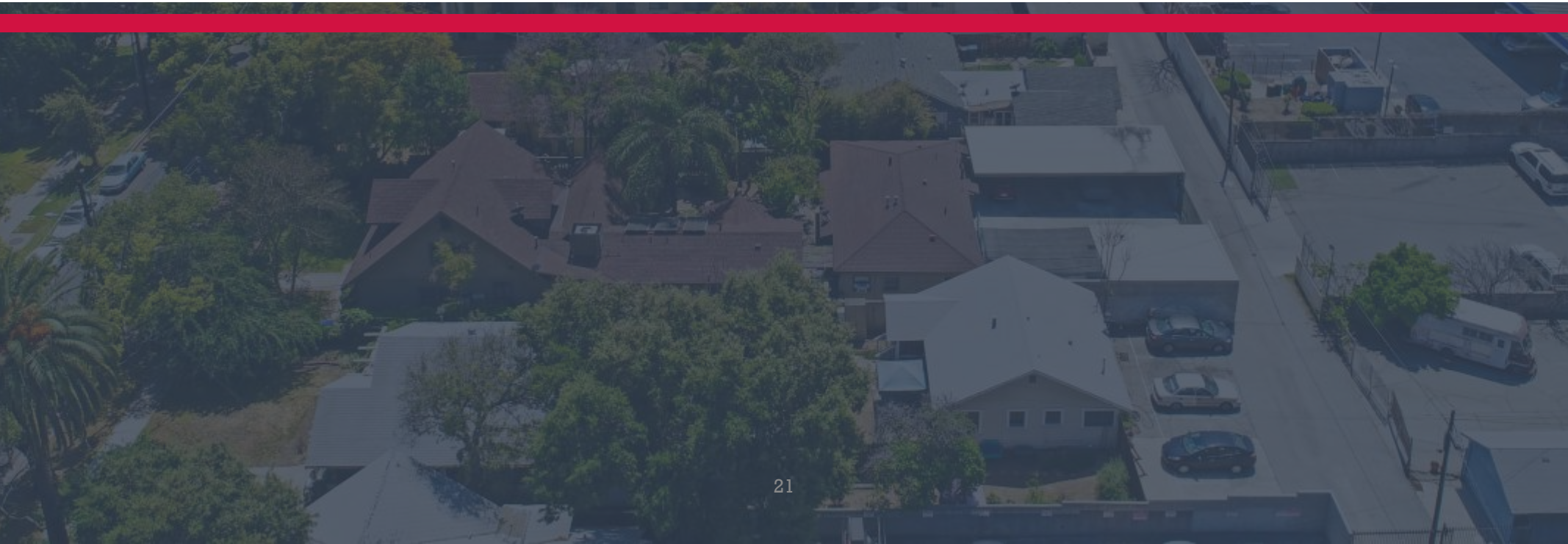
















COMPARABLES



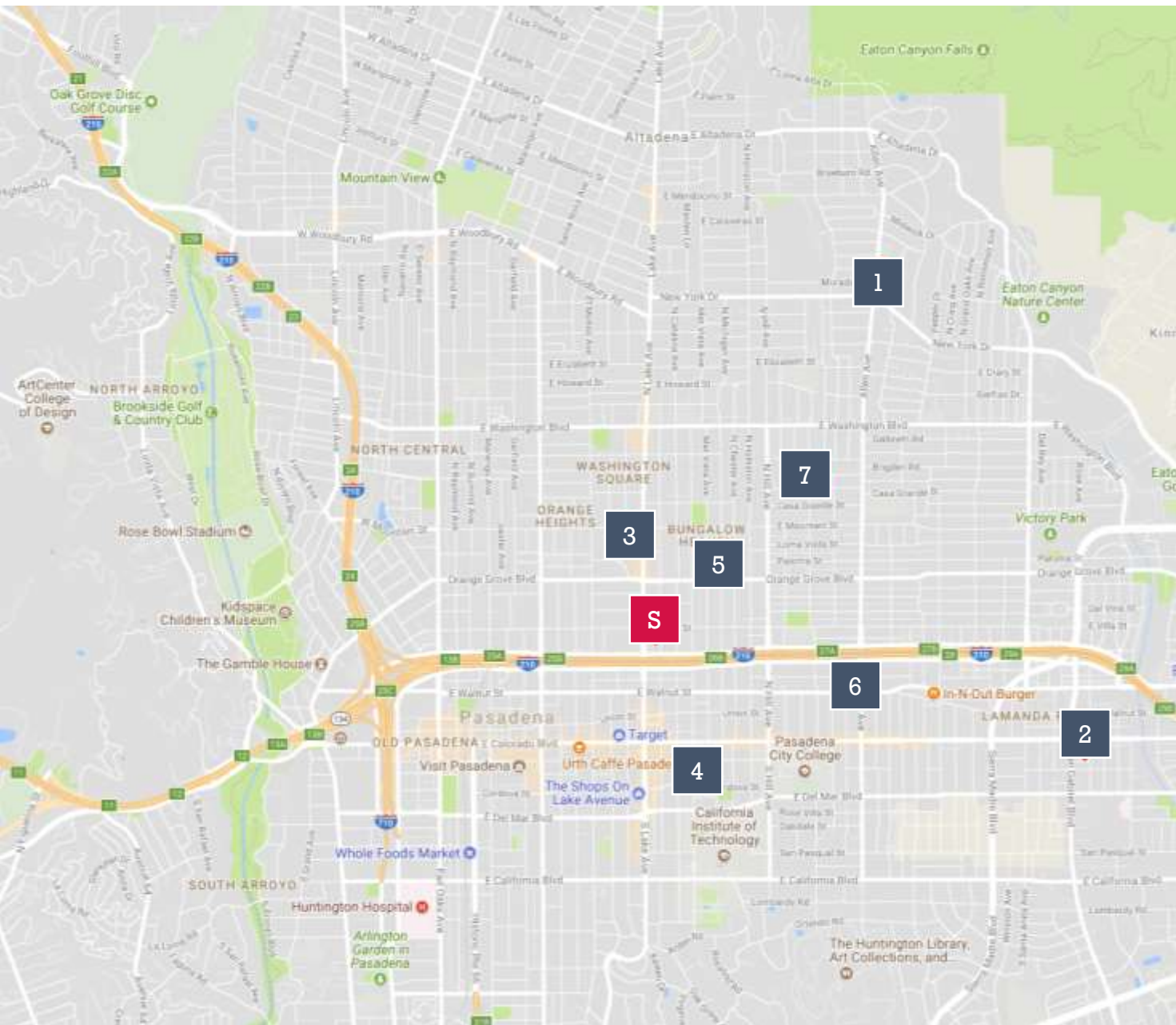
SALES COMPARABLES

MENTOR AVENUE

	Address & Total Units	Unit Mix	Built	Sale Date	Price	Price/Unit	Price/SF	Cap	GRM	Comments
1	 1915 Minoru Dr Altadena, CA 91001 Total Units 8	8 - 1/1	1952	04/12/18	\$2,075,000	\$259,375	\$377.89	2.48%	20.22	+/- 53% Rent Upside. Hardwood floors, some upgrades. Garages.
2	 83 S. Daisy Avenue Pasadena, CA 91107 Total Units 8	2 - 1/1 6 - 2/1	1954	04/10/18	\$2,400,000	\$300,000	\$403.50	2.46%	21.69	+/- 54% Rent upside. Extensive deferred maintenance. 8 carports.
3	 807 Boylston St Pasadena, Ca 91104 Total Units 7	7 - 1/1	1964	02/08/18	\$1,800,000	\$257,143	\$491.00	N/A	N/A	N/A
4	 1124 Cordova Street Pasadena, Ca 91106 Total Units 6	5 - 1/1 1 - 2/1	1898	02/06/18	\$2,100,000	\$350,000	\$476.51	2.80%	20.88	+/- 33% Rent Upside.
5	 1185 E Orange Grove Blvd Pasadena, CA 91104 Total Units 6	5 - 0/1 1 - 1/1	1910	01/05/18	\$1,275,000	\$212,500	\$457.32	2.80%	19.04	+/- 33% Rent upside. Hardwood floors. Some upgrades. Garages.
6	 157 N Allen Ave Pasadena, CA 91106 Total Units 7	6 - 0/1 1 - 2/1.5	1961	11/21/17	\$1,770,000	\$252,857	\$446.41	3.17%	18.50	+/- 30% Rent upside. Well maintained, some upgrades.
7	 1620 Whitefield Rd Pasadena, Ca 91104 Total Units 7	7 - 1/1	1924	08/16/17	\$1,750,000	\$250,000	\$578.70	2.63%	19.08	+/- 46% Rent upside. Bungalows. W/D hookups. Carport parking.
Averages						\$268,839	\$461.62	2.72%	19.90	
S	 405 N Mentor Ave Pasadena, Ca 91106 Total Units 8	3 - 0/1 1 - 0/1+L 2 - 1/1 1 - 2/1 1 - 2/1+L	1908/ 1954		\$2,200,000	\$275,000	\$577.73	3.52%	17.54	+/- 16% Rent Upside. Many upgrades. Some patios. Very well maintained. 8 carport parking.

SALES COMPARABLES







MENTOR AVENUE



1		1915 Minoru Dr Altadena, CA 91001 Total Units 8
2		83 S. Daisy Avenue Pasadena, CA 91107 Total Units 8
3		807 Boylston St Pasadena, Ca 91104 Total Units 7
4		1124 Cordova Street Pasadena, Ca 91106 Total Units 6
5		1185 E Orange Grove Blvd Pasadena, CA 91104 Total Units 6
6		157 N Allen Ave Pasadena, CA 91106 Total Units 7
7		1620 Whitefield Rd Pasadena, Ca 91104 Total Units 7
S		405 N Mentor Ave Pasadena, Ca 91106 Total Units 8

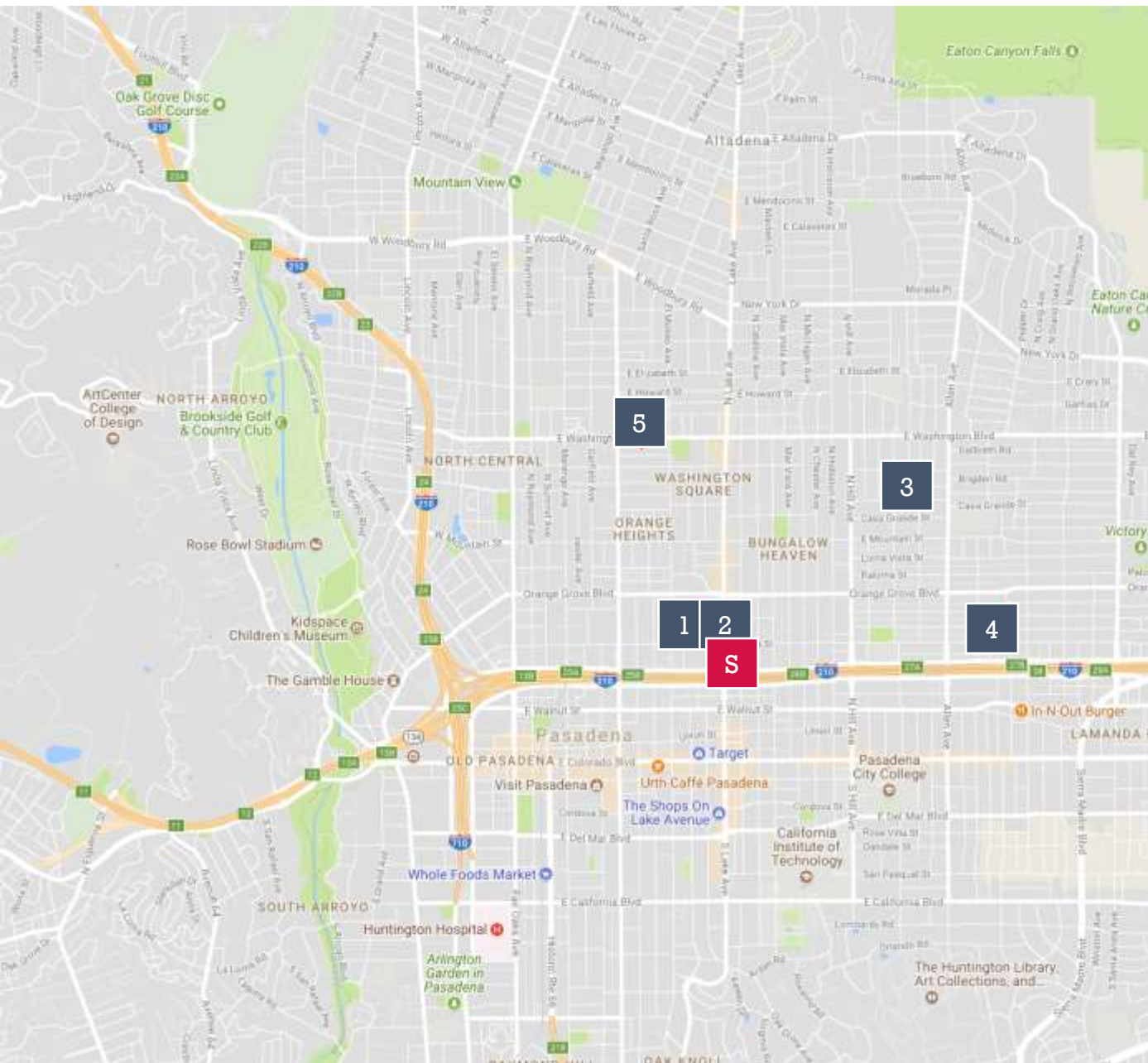
RENT COMPARABLES







MENTOR AVENUE

			Year Built	Studio					One Bedroom					Two Bedroom				
			Total Units	Units	Type	SqFt	Rent	R/SF	Units	Type	SqFt	Rent	R/SF	Units	Type	SqFt	Rent	R/SF
1		789 E Villa St Pasadena, Ca 91101	1963 12						8	1/1	610	\$1,875	\$3.07	2	2/2	810	\$2,195	\$2.71
2		815 E Villa St Pasadena, Ca 91101	1964 12						8	1/1	660	\$1,750	\$2.65	2	2/2	860	\$2,100	\$2.44
3		1620 Whitefield Rd Pasadena, Ca 91104	1924 7						7	1/1	432	\$1,550	\$3.59					
4		1990 E Villa St Pasadena, Ca 91107	1935 9	4	0/1	450	\$1,395	\$3.10										
5		531 Prescott St Pasadena, Ca 91104	1965 19	19	0/1	265	\$1,200	\$4.53										
Total/Averages				Studio 358 \$1,298 \$3.63					1-Bed 567 \$1,725 \$3.04					2-Bed 835 \$2,148 \$2.57				
S		405 N Mentor Ave Pasadena, Ca 91106	1908/ 1954	3	0/1	365	\$1,100	\$3.01	2	1/1	500	\$1,438	\$ 2.88	1	2/1	700	\$1,575	\$2.25
			8	1	0/1+L	250	\$950	\$3.80					1	2/1+L	750	\$1,700	\$2.27	
				Current			Current			Current								
			3	0/1	365	\$1,250	\$3.42	2	1/1	500	\$1,675	\$3.35	1	2/1	700	\$1,850	\$2.64	
			1	0/1+L	250	\$1,150	\$4.60					1	2/1+L	750	\$1,995	\$2.66		
				Market			Market			Market								

RENT COMPARABLES

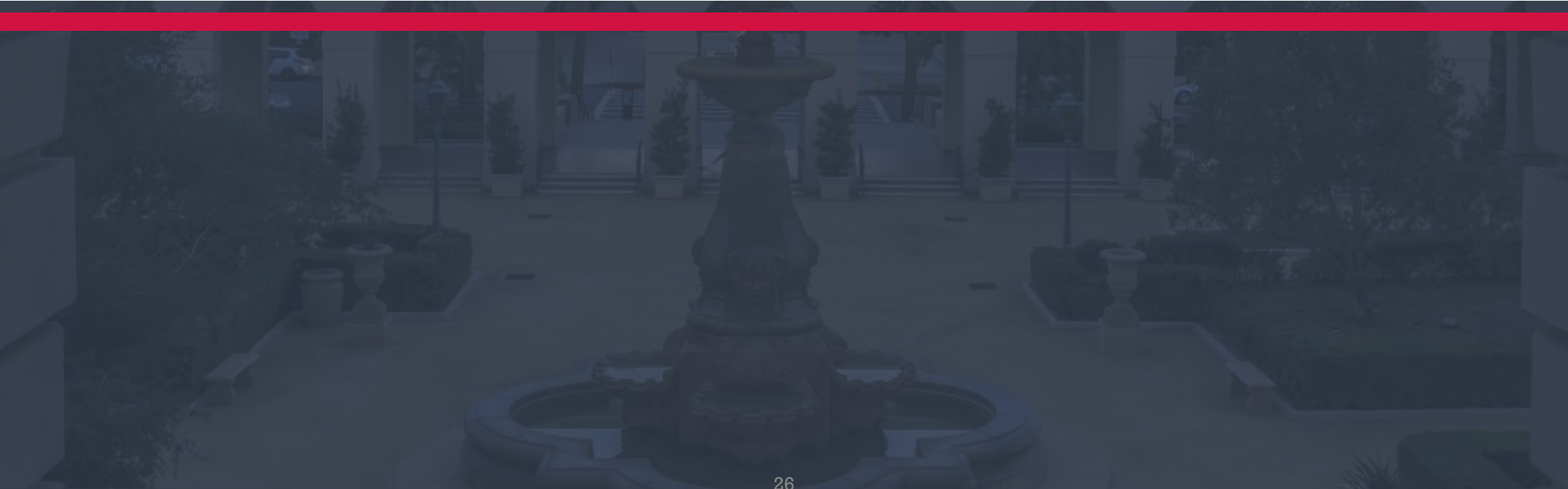
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1		789 E Villa St Pasadena, Ca 91101	1963 12
2		815 E Villa St Pasadena, Ca 91101	1964 12
3		1620 Whitefield Rd Pasadena, Ca 91104	1924 7
4		1990 E Villa St Pasadena, Ca 91107	1935 9
5		531 Prescott St Pasadena, Ca 91104	1965 19
Total/Averages			
S		405 N Mentor Ave Pasadena, Ca 91106	1908/ 1954 8



THE LOCATION



SUBMARKET OVERVIEW

MENTOR AVENUE

PASADENA CALIFORNIA

As one of the premier markets in Los Angeles County, Pasadena, including South Pasadena, boasts one of the strongest demographic profiles providing historically low unemployment, a highly educated workforce and access to an abundance of recently constructed multi-family residential housing and affluent executive housing in the adjacent communities of San Marino, Arcadia, South Pasadena and La Canada. With the recent growth of the engineering, technology and healthcare sectors, Pasadena has seen an urban renaissance drawing a younger, more dynamic population to its core with the greatest concentration of residents between the ages of 25 to 34 years old. Renowned institutions such as Caltech and JPL, convenient access to the expanded Gold Line

Rail System, Old Town Pasadena and South Lake Avenue restaurants and amenities add to Pasadena's attraction to regional tenants and investors. Pasadena attracts \$1.9 billion in federal R&D funds annually, \$25 billion since 2001. That's over \$14,000 per capita more than any other innovation hub in the U.S. Nearly 1 in 6 jobs in Pasadena are in professional or creative fields, beating out Seattle, San Jose, Austin, and Portland. Between Caltech/JPL and IdeaLab, more than 311 new companies have been created, leading to 40 successful IPOs and acquisitions. Pasadena sits in the heart of a region that files the most patents in the U.S. outside of the Silicon Valley.



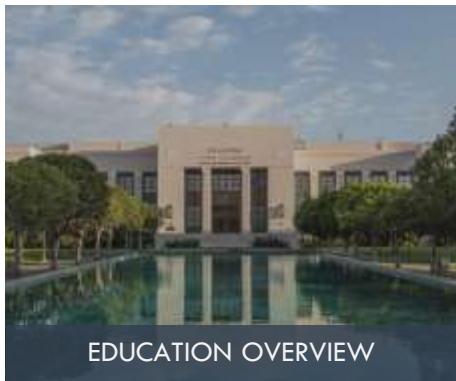
MULTIFAMILY MARKET

Pasadena is one of the strongest residential markets in Los Angeles, rivaling only the beach communities as the choice region for millennials, executives and young families. The Pasadena multifamily market experiences some of the lowest vacancies and highest rental rates in the City, driven by the limited new supply, rapidly improving demographics and improving access to mass transit.

There are 30 market rate multifamily communities with over 100 units located in Pasadena. Pasadena is an extremely supply constrained market, largely the result of the City's restrictive zoning and limited available development sites. As a result, only 14% of the existing multifamily inventory was delivered after 2010. The newer inventory in Pasadena achieves a significant premium in achievable rent compared to the overall market, upwards of 25%. The General Plan was approved in August 2015 and increased the allowable rental units and refocused the City's residential development around Transit Villages, near the Metro Gold Line stations.

- *Pasadena multifamily rents have risen approximately 27% since 2010.*
- *Pasadena's current multifamily market occupancy is 98%, the highest in the Tri-Cities.*
- *Since 2000, over 4,000 new residential units have been completed and absorbed in Pasadena.*





Pasadena has a multifaceted inventory of world class educational and research institutions such as the California Institute of Technology (2,255 students), Art Center College of Design (2,042 students), Fuller Theological Seminary (4,052 students), Pasadena City College (29,536 students), Pacific Oaks College (482 students) and other private schools. Each institution complements current and emerging economic trends to produce a rich source of skilled labor capable of pursuing highly specialized occupations and business ventures. A healthy economic environment that supports these institutions will continue to elevate Pasadena's advantage over other cities in the region.



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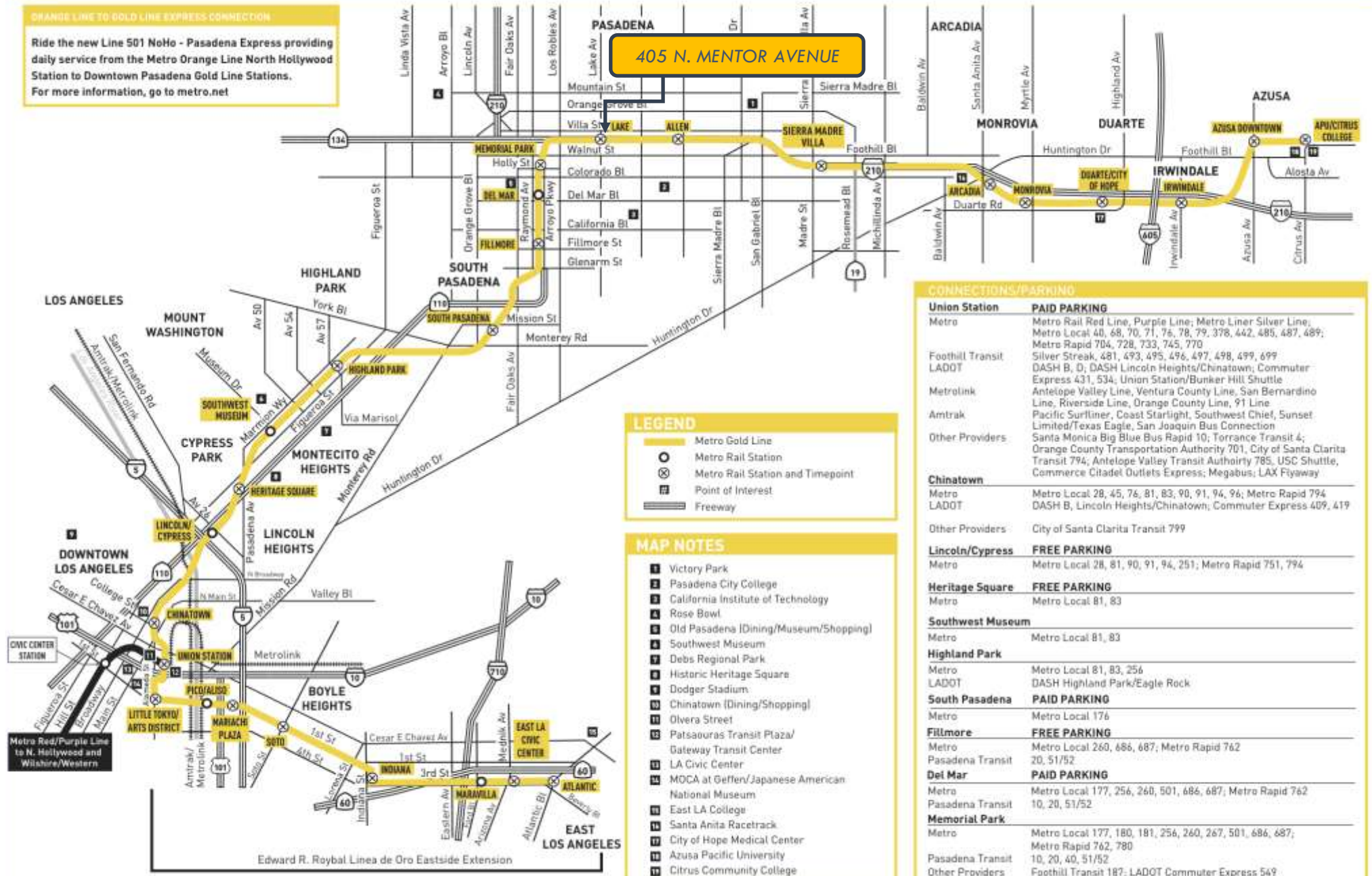
Located in the San Rafael Hills and overlooking the Rose Bowl, the internationally recognized Art Center College of Design is a leader in exploring the digital and new-media frontier. An independent, nonprofit four-year college, Art Center offers degrees in Advertising, Graphic Design, Illustration, Photography, Product Design, Transportation Design, Fine Art, Design, New Media and Critical Theory. The college was founded in 1930 and has an enrollment of 1,200 full-time students.

TRANSPORTATION MAP

MENTOR AVENUE

ORANGE LINE TO GOLD LINE EXPRESS CONNECTION

Ride the new Line 501 NoHo - Pasadena Express providing daily service from the Metro Orange Line North Hollywood Station to Downtown Pasadena Gold Line Stations. For more information, go to metro.net



LOCATION OVERVIEW

MENTOR AVENUE



SHOPS ON LAKE

Lake Avenue is home to 600+ businesses located on ten city blocks. It is a premier shopping district with a variety of unique shops featuring quaint patios and offerings of casual and fine dining. The Shops on Lake Avenue are walking distance to ± 3 million square feet of Class "A" office buildings. There are 5,865 parking spaces throughout the district and an average daily traffic count of approximately 52,000. The tenant roster includes Trader Joe's, Macy's, Lemonade Cafe, Starbucks, Ann Taylor, Anthropologie, Pier 1 Imports, Coffee Bean & Tea Leaf, Corner Bakery Cafe, Real Food Daily, T.J. Maxx, among many others. The Shops on Lake Avenue creates a sophisticated ambiance for resident customers, daytime employees and area visitors alike.



OLD PASADENA

Old Town Pasadena is nationally recognized for its vibrant main street revitalization and pre-served historic charm. The historic streets and alleyways, rustic brick façades and architectural accents of Pasadena's original business district have come to create a unique and lively entertainment focal point for residents and tourists alike. Physically bound by Walnut Street to the north, Pasadena Avenue to the west, Del Mar Boulevard to the south and Arroyo Parkway to the east, Old Town Pasadena encompasses twenty-two blocks providing access to over 120 restaurants, shops, and entertainment venues, 35 specialty retail stores, a Courtyard by Marriott Hotel and several other leading attractions.

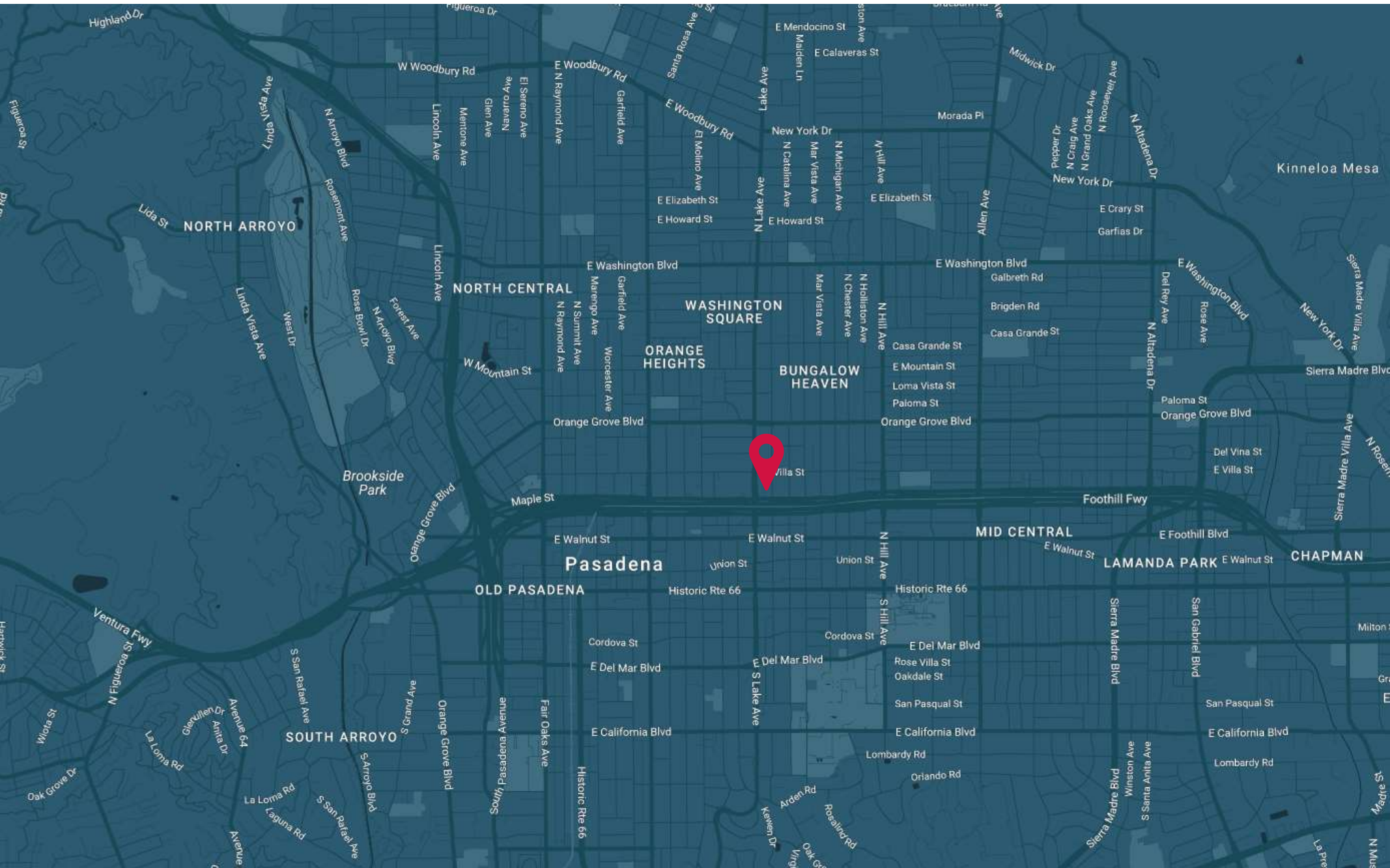


THE HUNTINGTON

Consisting of the Huntington Library, Art Collections, and Botanical Gardens, The Huntington, established by Henry Huntington in 1850, is a unique cultural, research, and educational center located on a picturesque 120 acres in San Marino. The Huntington attracts over 500,000 visitors each year. Along with a world-class Art Collection, the Library's extraordinary collection of over 6 million pieces includes rare books and manuscripts which attract scholars and visitors year round. Perhaps the most stunning and celebrated attraction is the Botanical Gardens that covers the grounds with more than a dozen specialized gardens, including The Garden of Flowing Fragrance, which is amongst the largest Chinese-style garden outside China.

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