



CALIFORNIA BUNGALOWS

937 E. California Boulevard, Pasadena, CA 91106

OFFERING MEMORANDUM

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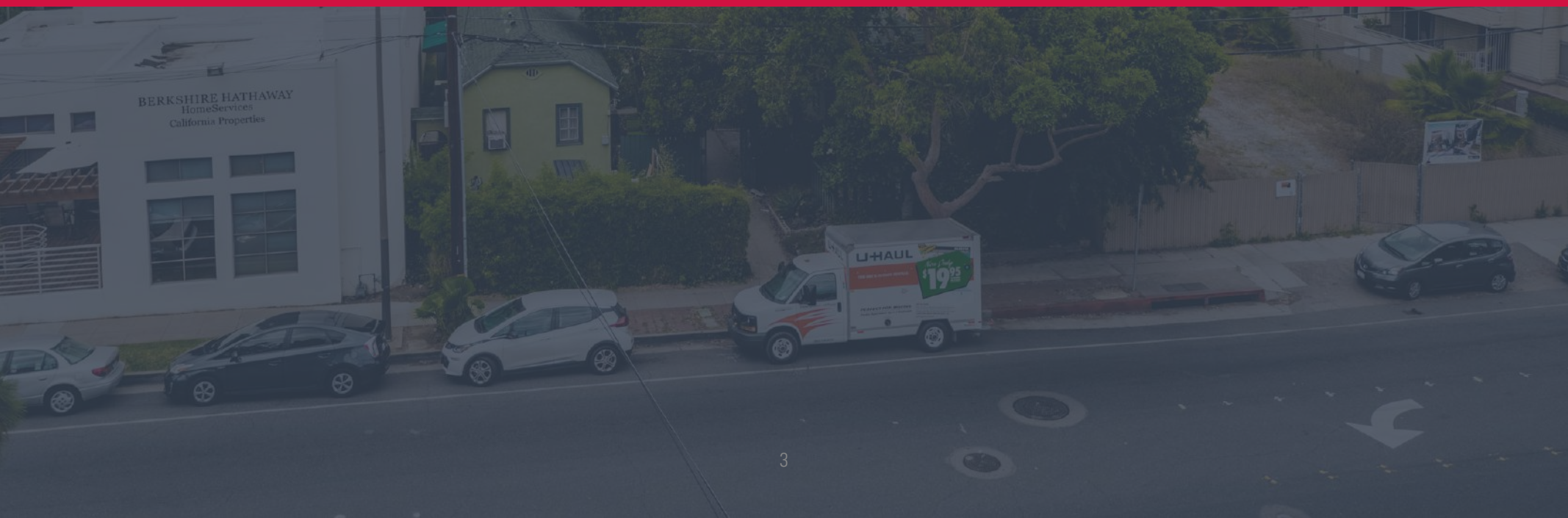
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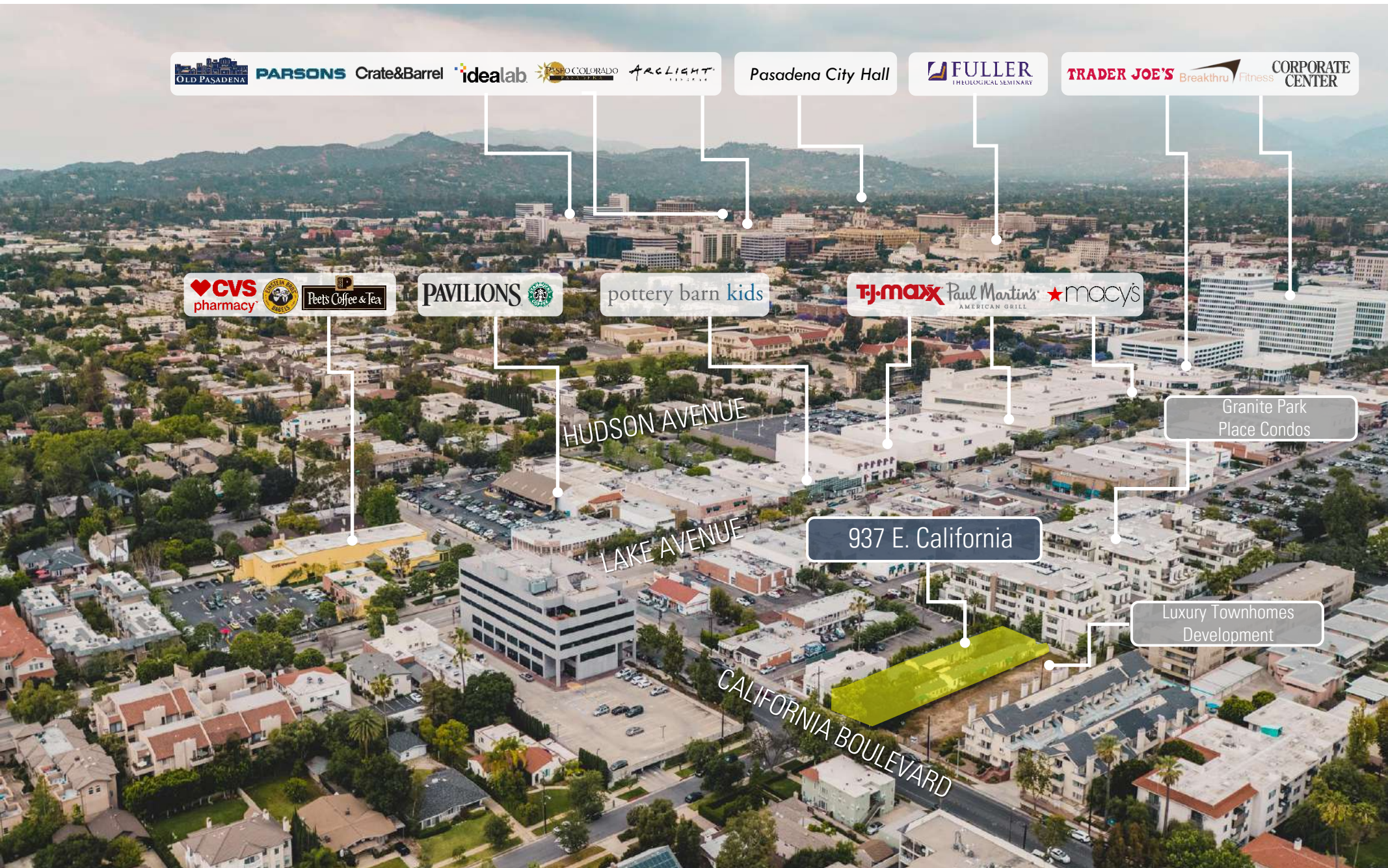
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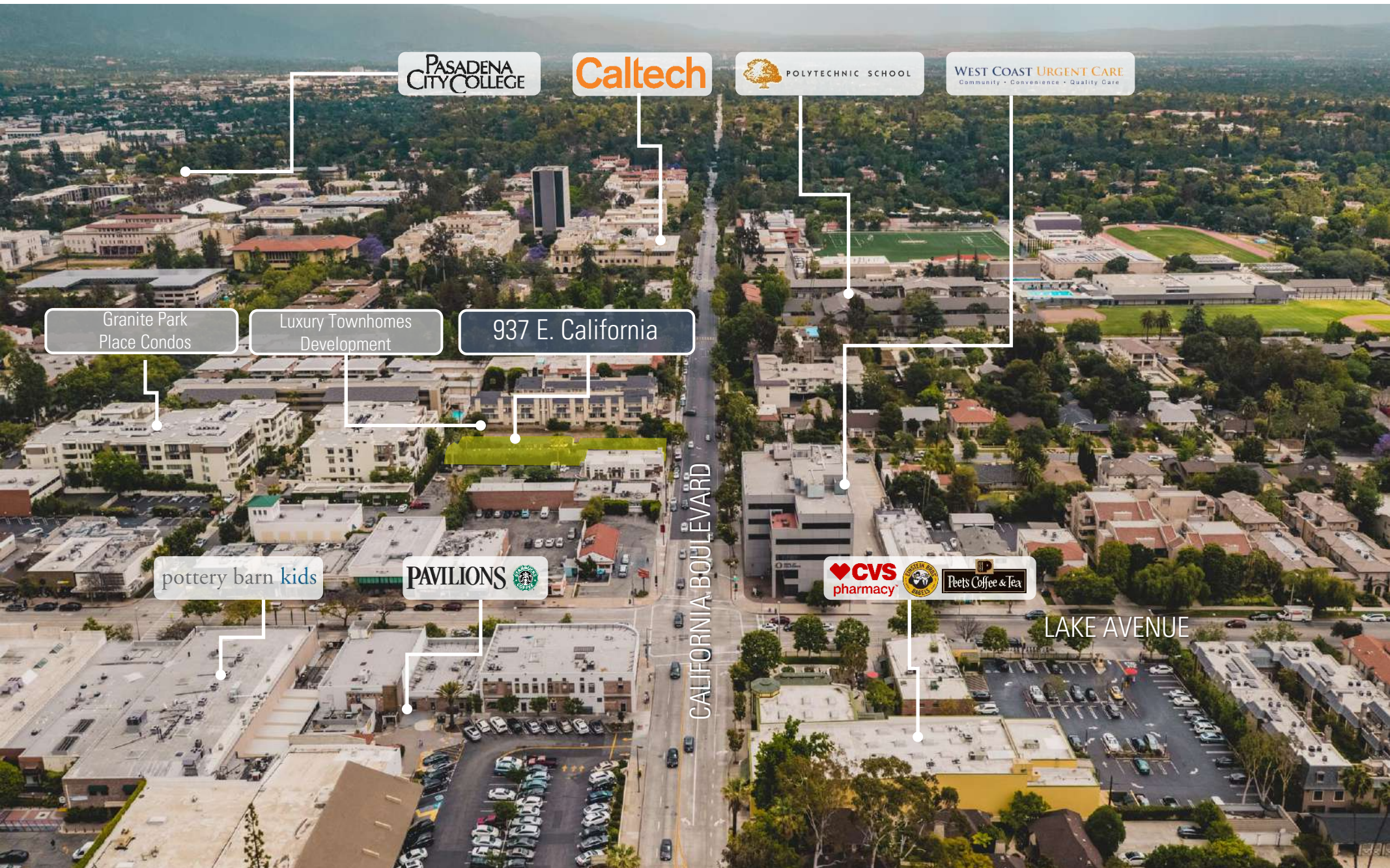
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THE PROPERTY









EXECUTIVE SUMMARY

CALIFORNIA BUNGALOWS

Caltech

937 E. California

FINANCIAL SUMMARY

Price	\$3,850,000
Price/Unit	\$350,000
Price/SF	\$648.15
Market GRM	13.26
Market Cap Rate	5.17%

THE ASSET

PROPERTY SUMMARY

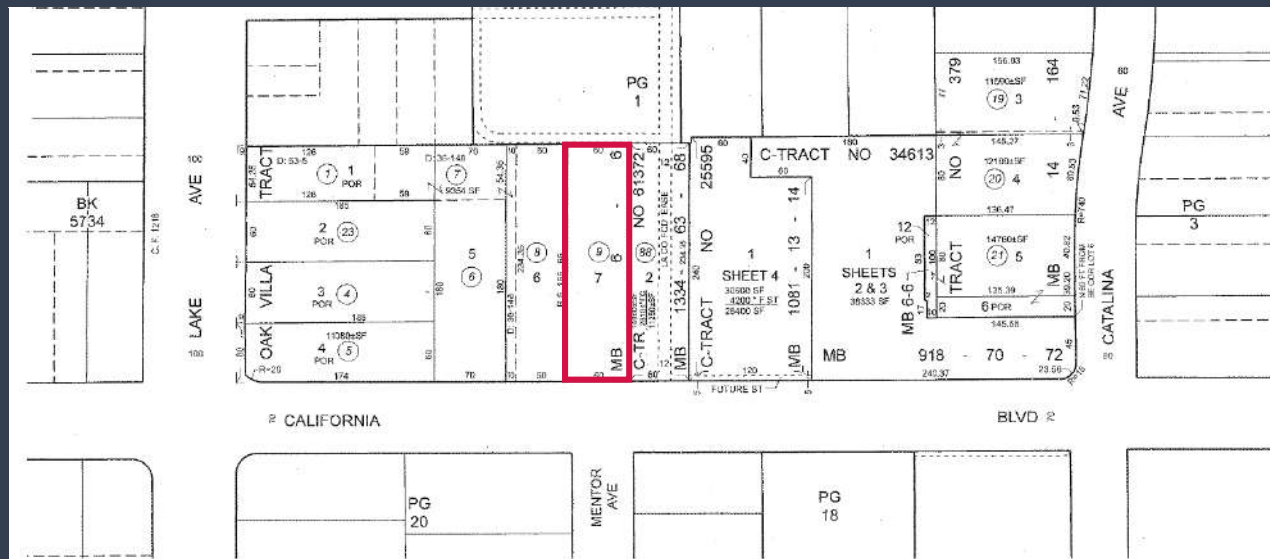
Units	(11) One-Bed/One-Bath
Year Built	1923
Gross SF	5,490
Land SF	14,038
APN	5327-002-009
Construction	Wood Frame / Stucco
Metering	Individual Metering
Parking	Tenants must park on street

Listed in the National Register of Historic places, this unique acquisition opportunity is comprised of 11 bungalow-style apartments in arguably one of the best rental neighborhoods in Pasadena. Located at 937 E. California Boulevard, the subject is located within a few blocks of the world renowned California Institute of Technology.

- *Rents. Property to be delivered Vacant. All rents are projected. Buyer to make their own assumptions and conclusions regarding the projected rents.*
- *Subject property to be delivered vacant. Buyer to make their own assumptions and conclusions as to estimated cost for repairs, maintenance, upgrades, rehab costs.*

PARCEL MAP

CALIFORNIA BUNGALOWS



THE OPPORTUNITY

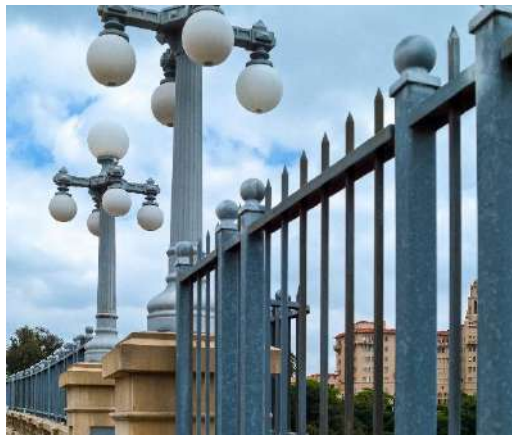
CALIFORNIA BUNGALOWS



THE SUBJECT PROPERTY

Listed in the National Register of Historic places, this unique acquisition opportunity is comprised of 11 bungalow-style apartments in arguably one of the best rental neighborhoods in Pasadena. Located at 937 E. California Boulevard, the subject is located within a few blocks of the world renowned California Institute of Technology.

No off-street parking:
Tenants must park on street



LOCATION AMENITIES

The subject is within minutes of Old Pasadena, South Lake Shopping District, and Paseo Colorado.

Pasadena is home to innovative employers such as CalTech, Jet Propulsion Laboratory, Parsons, Huntington Memorial Medical Center, and Idealab.

Additionally, the subject property's proximity to the 210 freeway and Metro Gold Line allows residents to easily access hundreds of thousands of jobs in adjacent employment hubs such as Downtown Los Angeles, Glendale, Burbank, Hollywood, and Studio/Universal City.



LOW HOME OWNERSHIP

Pasadena is one of the most desirable submarkets of Los Angeles County which results in a higher than average cost of home ownership.

According to Zillow, over the past 12 months, the median home value in Pasadena has increased by 8.4% and is projected to increase an additional 3.1% in 2018 with more pronounced increases in neighborhoods surrounding the subject property.

The strong single family housing market benefits multifamily investors by creating a significant affordability gap between owning a home and renting an apartment.



FINANCIAL ANALYSIS

FINANCIAL ANALYSIS

CALIFORNIA BUNGALOWS

FINANCIAL SUMMARY	
Price	\$3,850,000
Price/Unit	\$350,000
Price/SF	\$648.15
Market GRM	13.26
Market Cap Rate	5.17%

PROPOSED FINANCING	
Loan Amount	\$1,925,000 (50%)
Down Payment	\$1,925,000 (50%)
Amortization Years	30
Interest Rates	4.5%
Monthly Payment	\$9,754

PRO FORMA RETURN	
Pro Forma NOI	\$199,114
Less Debt	\$117,044
Pro Forma Cash Flow	\$82,069
Pro Forma Cash on Cash	4.26%

No off-street parking:
Tenants must park on street

UNITS	TYPE	ESTIMATED SF	MARKET RENT	MARKET RENT /SF	TOTAL MARKET
11	1/1	515	\$2,200	\$4.27	\$24,200
Scheduled Monthly Rent					\$24,200
Total Monthly Scheduled Income					\$24,200
Scheduled Gross Income					\$290,400
Less Vacancy (3%)					\$8,712
Gross Operating Income					\$281,688

Rents. Property to be delivered Vacant. All rents are projected. Buyer to make their own assumptions and conclusions regarding the projected rents.

EXPENSES		MARKET
Real Estate Taxes	1.117155%	\$43,010
Direct Assessments	Actual	\$1,187
Gardener	Estimated	\$2,400
Insurance	Estimated	\$4,400
Water, Sewer, Trash	2017	\$4,620
Maintenance & Repairs	8% of SGI	\$23,232
Reserves	\$175/Unit/Year	\$1,925
License & Permits		\$1,800
Total 28% of SGI	\$13.90/SF	\$7,507/Unit
		\$82,574

Subject property to be delivered vacant. Buyer to make their own assumptions and conclusions as to estimated cost for repairs, maintenance, upgrades, rehab costs.

RENT ROLL

CALIFORNIA BUNGALOWS

Unit #	Type	Estimated SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF	Occupied	Comments
1	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
2	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
3	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
4	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
5	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
6	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
7	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
8	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
9	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
10	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
11	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	No	
Total Monthly Rent			\$24,200		\$24,200			
Total Monthly Income			\$24,200		\$24,200			
Scheduled Gross Income			\$290,400		\$290,400			

Units	Type	Estimated Unit SF	Avg Current Rent	Current Rent/SF	Avg Market Rent	Market Rent/SF	Total Units	Occupied Units	Occupancy %
11	1/1	515	\$2,200 (1)	\$4.27	\$2,200	\$4.27	11	0	0%

(1) 9 of 11 units are currently occupied. All tenants have been given a 60-day notice to vacate by July 4, 2018. The property will be sold 100% vacant.

ASSET PHOTOS

CALIFORNIA BUNGALOWS





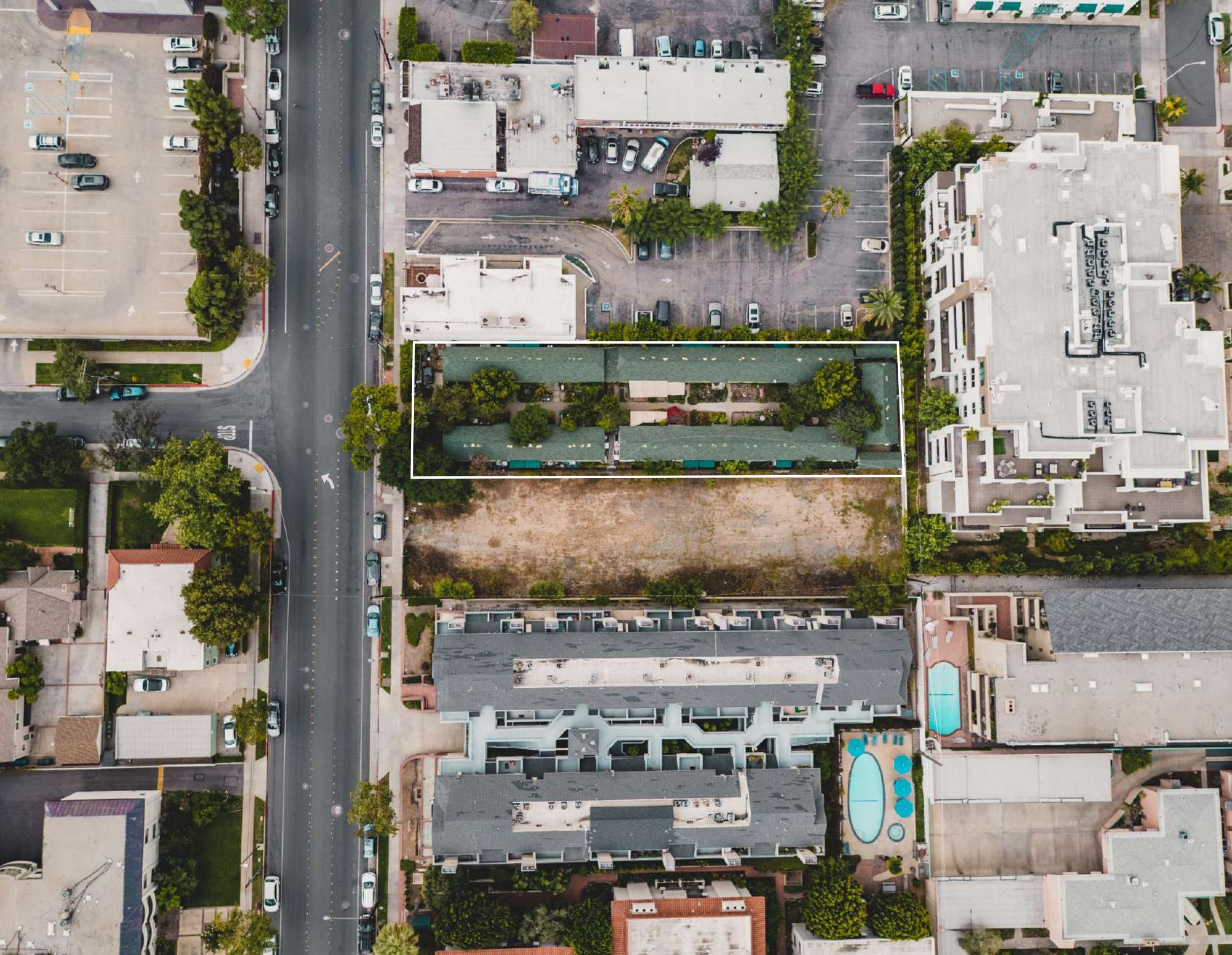
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THE LOCATION

SUBMARKET OVERVIEW

CALIFORNIA BUNGALOWS

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.



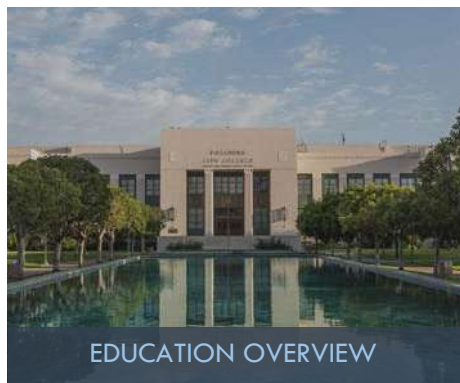
MULTIFAMILY MARKET

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.

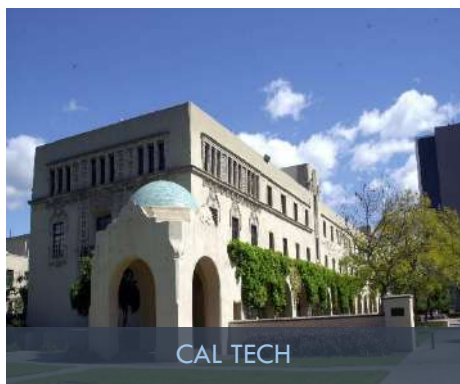
There are 30 market rate multifamily communities with over 100 units located in Pasadena. Pasadena is an extremely supply constrained market, largely the result of the City's restrictive zoning and limited available development sites. As a result, only 14% of the existing multifamily inventory was delivered 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.

LOCATION OVERVIEW

CALIFORNIA BUNGALOWS



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.

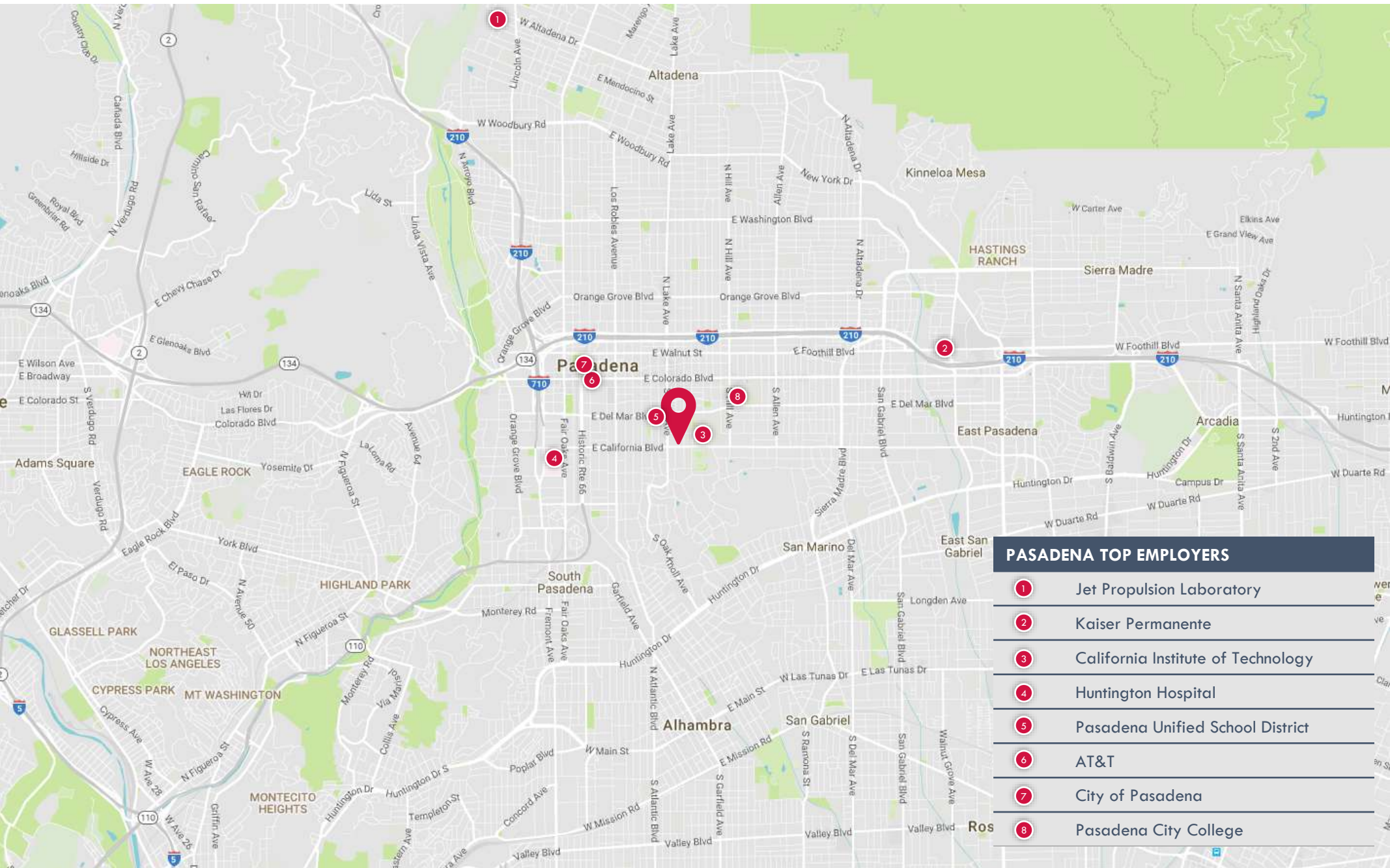


THE HUNTINGTON

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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