

# 6332 BRYNHURST AVENUE

TEAM CBRE GLOBAL INVESTORS

**CBRE**  
GLOBAL  
INVESTORS

PROJECT **DESTINED**

# TEAM CBRE GLOBAL INVESTORS



**Bute Mehaj**



**Anling Chen**



**Nikol Spasova**



**Patrina Yang**



**Kymberli Miles Lawson**



**Joshua Lozada**



**Edwenn Lavina**



**Oriel Nottea**



**Michael Muthee**



**Jason Abolencia Jr.**



**Emely Bonilla**



**Hesiell Gutierrez**

# AGENDA

- Executive Summary
- Market Research
- Value-Add Strategy
- Deal Financing



# EXECUTIVE SUMMARY

## PURCHASE PRICE

\$3,750,000

## PRICE PER SF

\$303

## CURRENT NOI

\$196,557

## LOSS TO LEASE

23%

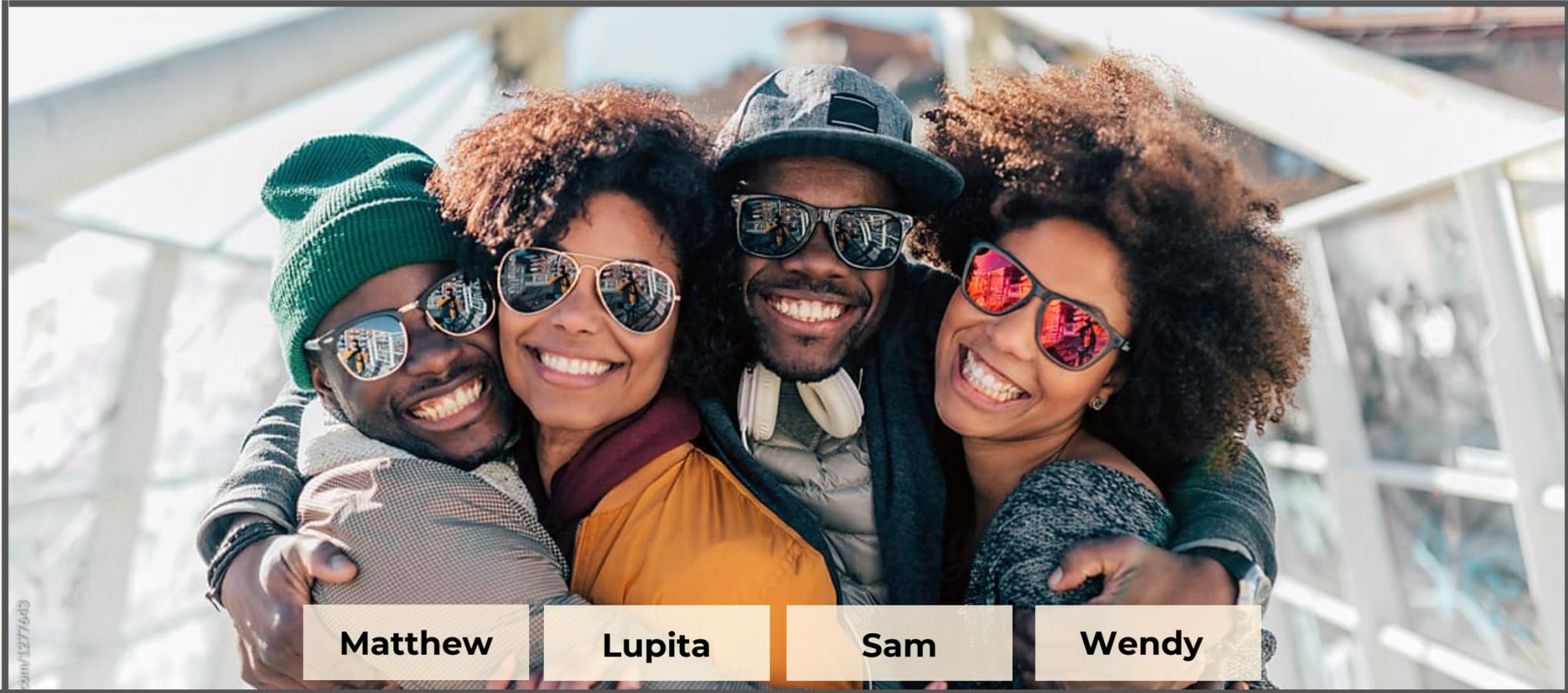
## MARKET PROJECTED NOI

\$293,468

# POTENTIAL TENANTS

4 Bedroom - 2 Bath

Rent - \$2,721



## INDIVIDUAL SALARY

## % THE TENANT WILL SPEND ON RENT

\$36,000

\$43,000

\$47,000

\$33,000

23%

19%

17%

25%

# MARKET RESEARCH

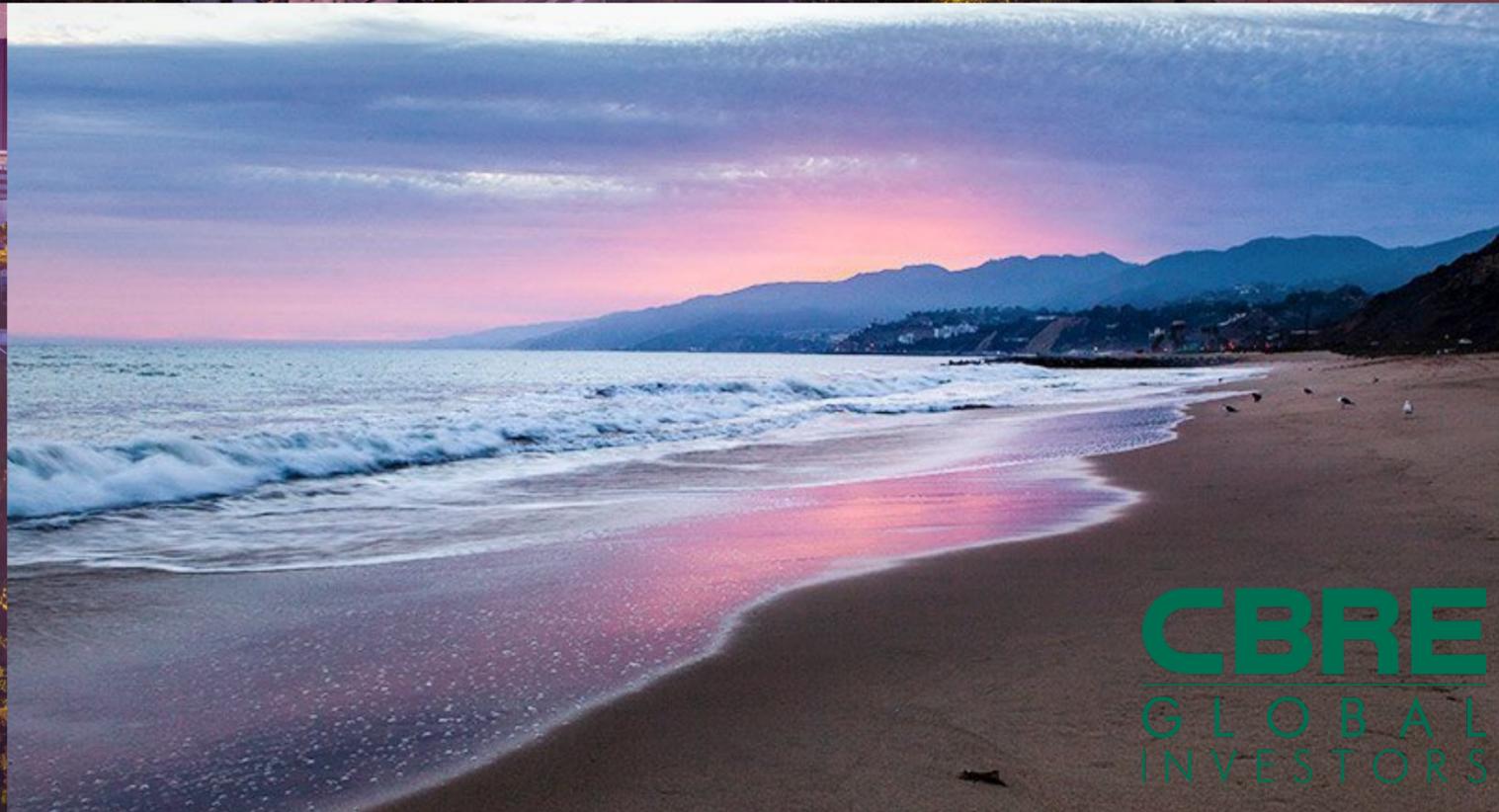


# WHY LOS ANGELES?

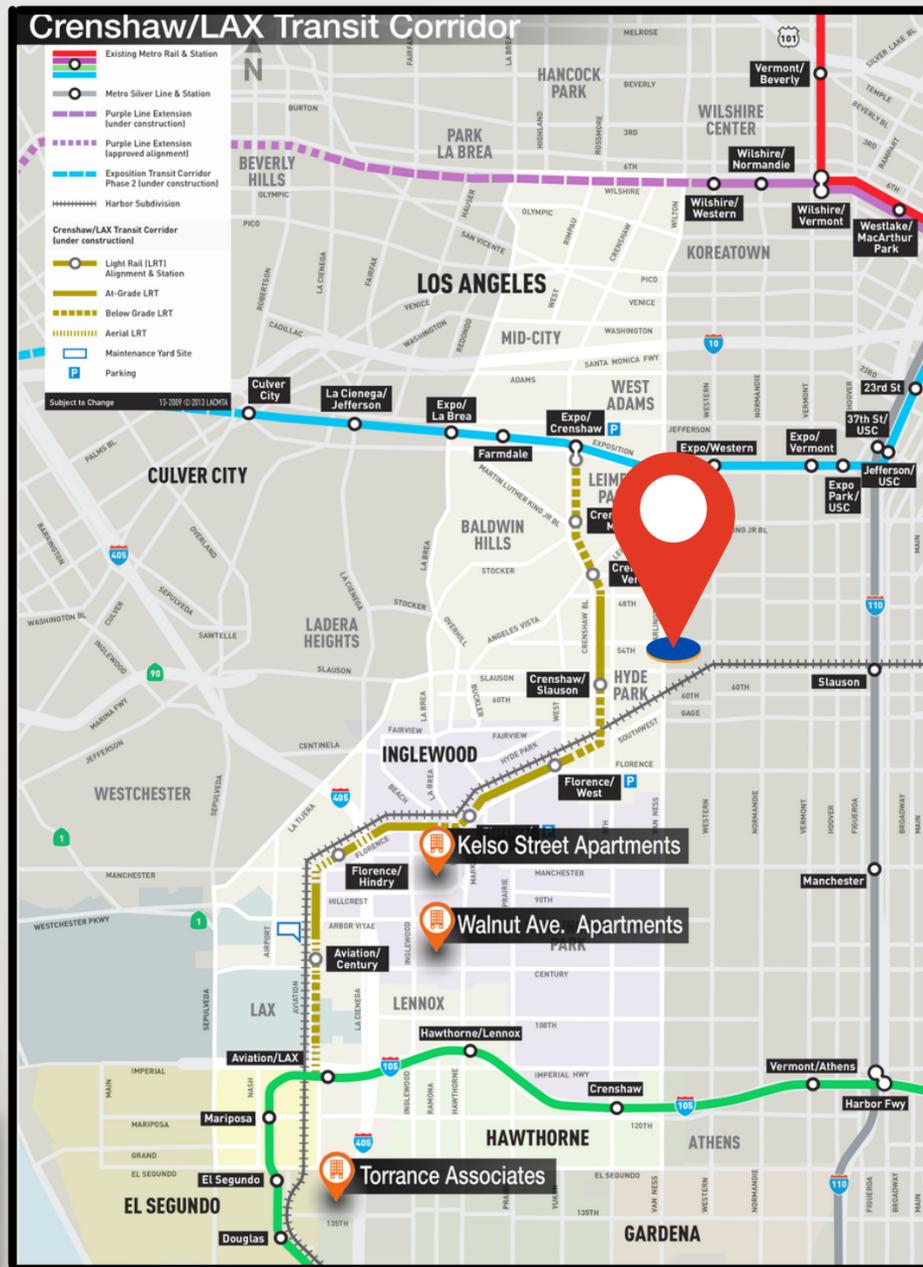
- Stable Job Market

- Cultural Mecca

- Entertainment Capital



# COMMUNITY AMENITIES



**Crenshaw/LAX Transit Project**



**70**/100  
Very Walkable  
Walk Score®



**54**/100  
Good Transit  
Transit Score®



**54**/100  
Bikeable  
Bike Score®



**EDUCATION**



**ENTERTAINMENT**



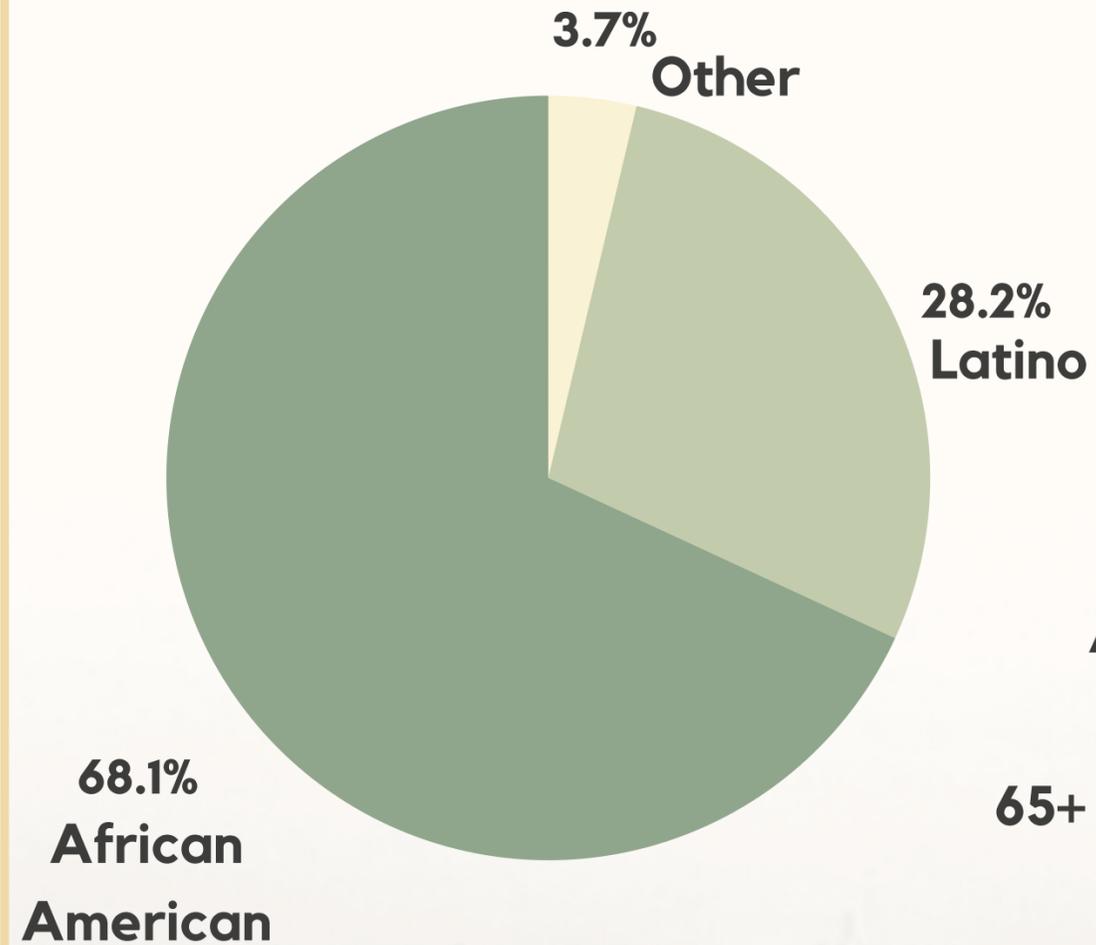
**LOCAL  
RESTAURANTS**



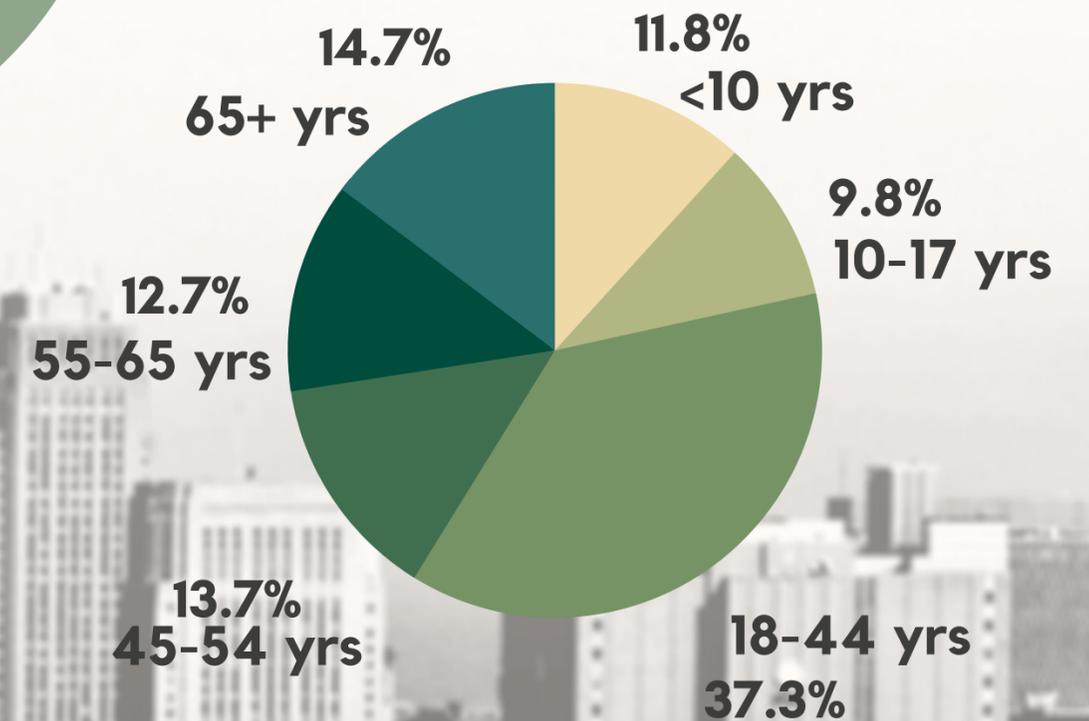
# DEMOGRAPHICS

|                                  |          |
|----------------------------------|----------|
| Hyde Park Population             | 36,635   |
| Population Density / Square Mile | 12,700   |
| Median Age                       | 31       |
| Annual Population Growth         | 1.60%    |
| Median Income / Household        | \$77,300 |

## Ethnicity



## Age Range



# PROPERTY ANALYSIS



# PROPERTY OVERVIEW



SUBMARKET Hyde Park

STORIES 3

PROPERTY TYPE Multifamily

# OF UNITS 12 units

YEAR BUILT 2013

VACANCY RATE 25%

RENTABLE SF 10,200

# OF PARKING 18 spaces

# IN-PLACE PROPERTY AMENITIES

- ▶ Pet Friendly
- ▶ Onsite Parking
- ▶ Large Floor Plans
- ▶ Private Balconies



# PROPERTY INTERIOR

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A photograph of a modern rooftop patio. In the center, a square fire pit with a blue base and a black top is lit with a fire. To the right, there is a long, low wooden lounge bench with a dark metal frame. The patio floor is made of light-colored stone tiles. In the foreground, there is a large area of bright green artificial grass. To the left, there are several rectangular planters with green plants and a red cylindrical object. In the background, there are trees and a brick building with a fire escape.

# VALUE-ADD STRATEGY

# RENT ROLL

| Unit No.           | Unit Type    | Status   | Unit Size | Current Rent | Projected Rent |
|--------------------|--------------|----------|-----------|--------------|----------------|
| 101                | 1BDR, 1 BATH | OCCUPIED | 600 SF    | \$1,500      | \$1,765        |
| * 201              | 4BDR, 2BATH  | VACANT   | 1000 SF   | \$0          | \$2,500        |
| 202                | 3BDR, 2BATH  | VACANT   | 800 SF    | \$0          | \$2,735        |
| * 203              | 3BDR, 2BATH  | OCCUPIED | 800 SF    | \$1,500      | \$2,200        |
| 204                | 3BDR, 2BATH  | OCCUPIED | 800 SF    | \$2,200      | \$2,735        |
| * 205              | 3BDR, 2BATH  | VACANT   | 800 SF    | \$0          | \$2,200        |
| * 206              | 3BDR, 2BATH  | OCCUPIED | 800 SF    | \$1,800      | \$2,200        |
| 207                | 4BDR, 2BATH  | OCCUPIED | 1000 SF   | \$2,200      | \$2,982        |
| 301                | 4BDR, 2BATH  | OCCUPIED | 1000 SF   | \$2,120      | \$2,200        |
| * 302              | 3BDR, 2BATH  | OCCUPIED | 800 SF    | \$1,600      | \$2,735        |
| 303                | 3BDR, 2BATH  | OCCUPIED | 800 SF    | \$2,200      | \$2,500        |
| 304                | 4BDR, 2BATH  | OCCUPIED | 1000 SF   | \$1,700      | \$2,735        |
| Total Monthly Rent |              |          |           | \$16,820     | \$29,487       |

**\*Units are restricted but can still increase rent within 60-90 days of filing with PHA**

**\*Units can be applied towards Section 8 voucher program**

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# VALUE ADD STRATEGY & COSTS



New Unit

**\$34,868**



Laundry Room

**\$5,700**



Gate Renovation

**\$3,658**

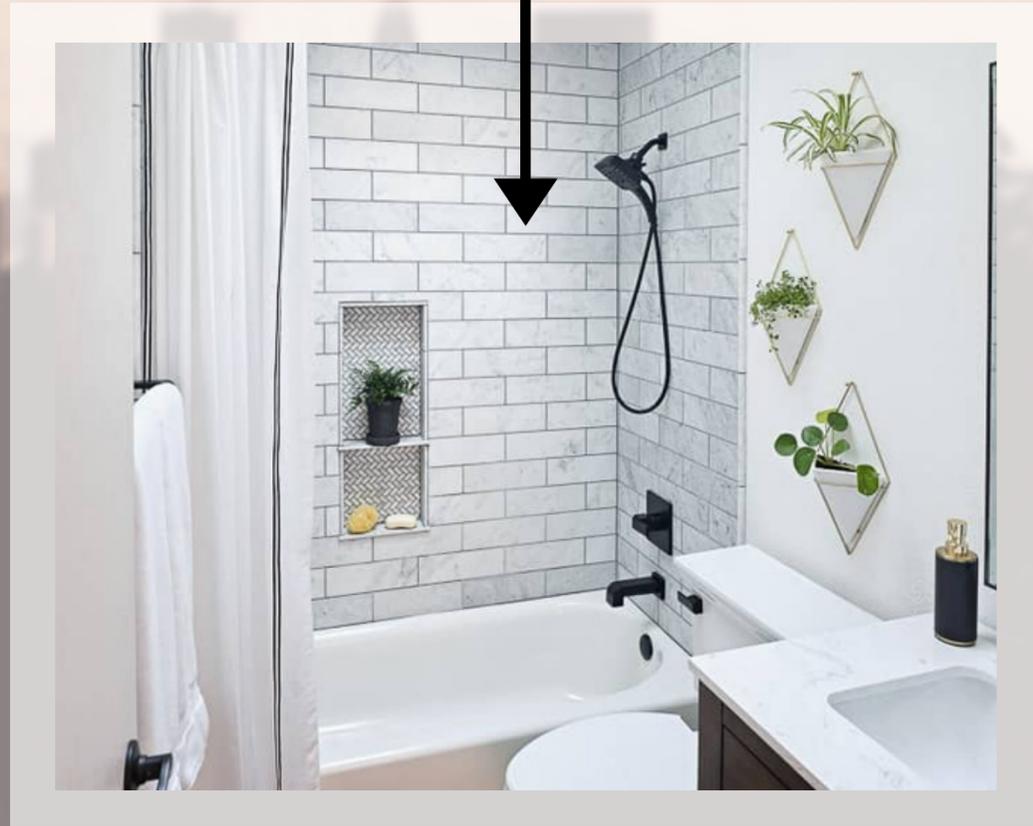
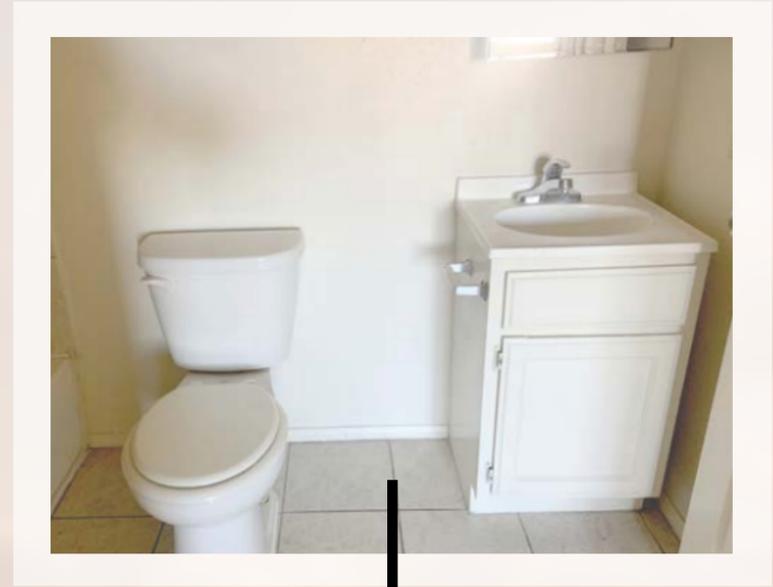
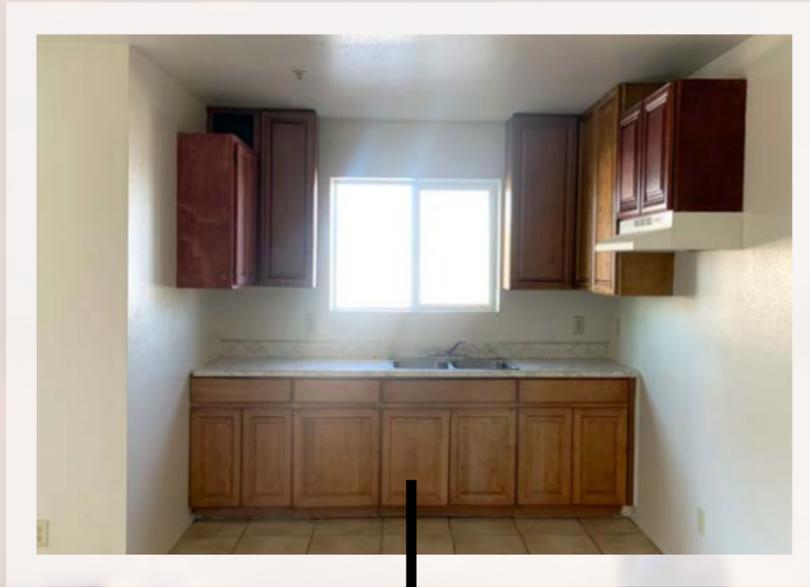
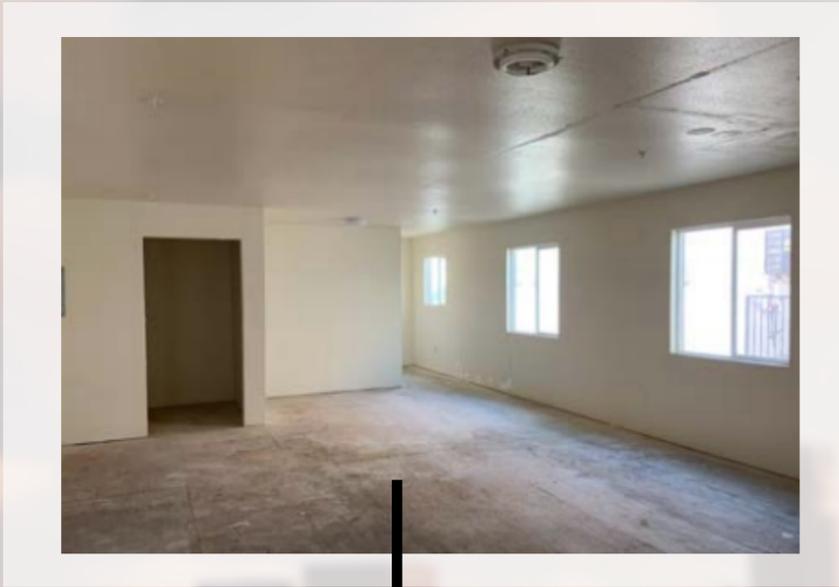


Unit Modernization

**\$124,172**

**LISTING PRICE \$3,750,000 | VALUE ADD BUDGET \$170,000**

# BEFORE & AFTER



# BREAKDOWN OF COSTS

| Value Add Expenses    | Total     |
|-----------------------|-----------|
| Interior Renovations  | \$119,922 |
| New Appliances        | \$15,172  |
| New Unit Construction | \$29,348  |
| Exterior Renovation   | \$3,658   |
| Total Expenses        | \$168,100 |

**YIELD ON COST**  
**74.5%**

# CURRENT VS PROJECTED INCOME STATEMENT

| Income                 | Current   | Per Unit | Projected | Per Unit |
|------------------------|-----------|----------|-----------|----------|
| Gross Potential Rent   | \$303,264 | \$25,272 | \$450,071 | \$34,620 |
| Less Vacancy 5%        | \$15,163  | \$1,264  | \$38,792  | \$1,731  |
| Effective Gross Income | \$288,101 | \$24,008 | \$411,279 | \$32,889 |
| Gross Income           | \$288,101 | \$24,008 | \$411,279 | \$32,889 |
| Expenses               | \$ Amount | Per Unit | Amount    | Per Unit |
| Total Expenses         | \$91,544  | \$7,629  | \$117,793 | \$9,061  |
| Net Operating Income   | \$196,557 | \$16,380 | \$293,486 | \$23,828 |

Rent Increase

**\$146,805**

NOI Increase

**49%**

# SECTION 8 & LOW INCOME LIMITS

## Low Income Units

- 6 out of 12 Units
- Rents capped at 30%

## Section 8 Program

- Voucher payment standards
- H.U.D. covers remainder of rent

## Section 8 Application

- 60-90 days after renovation

# LEASE-UP PLAN

## Construction



Fully Renovate  
Units

## Buffer Period



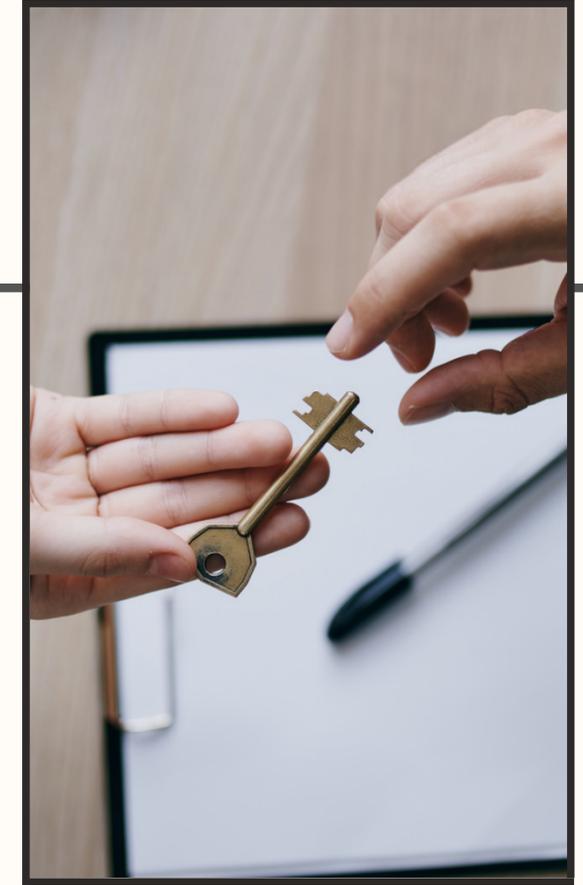
6 Month Buffer  
Period

## Management



Hire Property  
Management

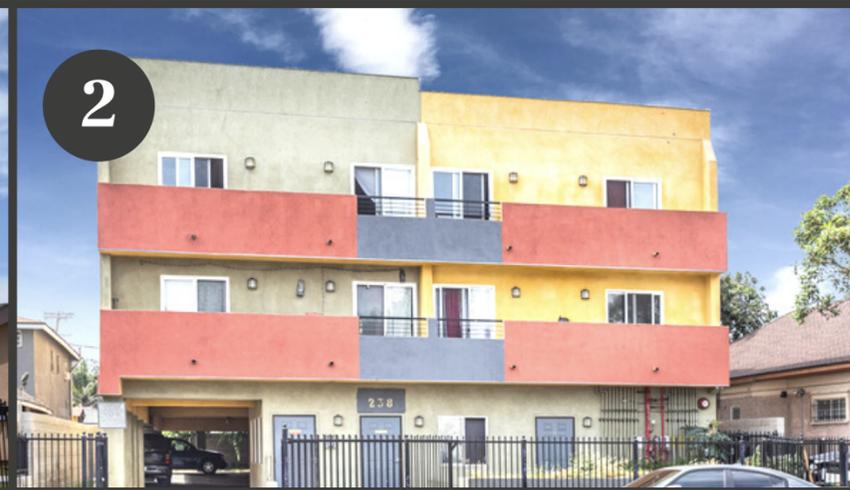
## Occupancy



Close on New  
Tenants

# VALUATION

# SALES COMPARABLES



**6740 Brynhurst Ave.**

**238 East Vernon Ave.**

**1445 S Cloverdale Ave.**

**735 Laconia Blvd.**

**Built in 2019**

**15,370 SF**

**12 units**

**\$4,400,000**

**Hyde Park**

**Built in 2012**

**10,671 SF**

**9 units**

**\$3,050,000**

**Southeast LA**

**Built in 1963**

**6,114 SF**

**9 units**

**\$1,550,000**

**Mid City**

**Built in 1991**

**5,184 SF**

**7 units**

**\$2,075,000**

**Athens**

# SALES COMPS SUMMARY TABLE

| NO.     | UNITS | YEAR BUILT/<br>RENOVATED | LAST SOLD<br>FOR | LAST SOLD | GROSS SF | PRICE/SF | CAP RATE |
|---------|-------|--------------------------|------------------|-----------|----------|----------|----------|
| 1       | 12    | 2019                     | \$4,400,000      | 12/08/20  | 15,370   | \$286    | 5.24%    |
| 2       | 9     | 2013/2019                | \$3,050,000      | 11/25/19  | 10,671   | \$286    | 3.45%    |
| 3       | 9     | 1963/2020                | \$1,550,000      | 10/21/20  | 6,114    | \$254    | 7.40%    |
| 4       | 7     | 1991/2018                | \$2,075,000      | 08/11/20  | 5,184    | \$399    | 5.00%    |
| Average |       |                          | \$3,224,726      |           | 9,335    | \$297    | 5.27%    |

## OUR ASSET

| UNITS | YEAR BUILT/RENOVATED | LAST SOLD FOR | GROSS SF | PRICE/SF | CAP RATE |
|-------|----------------------|---------------|----------|----------|----------|
| 12    | 2013/2021            | \$3,750,000   | 12,395   | \$303    | 5.24%    |

Average Sale Price / SF

**\$297**

Asking Price / SF

**\$303**

# VALUATION SUMMARY

## Sales Comp Approach Value

|                 |             |
|-----------------|-------------|
| Gross SF        | 12,395      |
|                 | ×           |
| Market Price/SF | \$297       |
| .....           |             |
|                 | \$3,681,315 |

## Income Approach Value

|          |             |
|----------|-------------|
| NOI      | \$196,557   |
|          | —————       |
| Cap Rate | 5.27%       |
| .....    |             |
|          | \$3,729,734 |

## Post-Reno Income Approach

|          |             |
|----------|-------------|
| NOI      | \$293,486   |
|          | —————       |
| Cap Rate | 5.27%       |
| .....    |             |
|          | \$5,568,943 |

Asking Price  
\$3,750,000

# DEAL FINANCING

Our company



Business items



SAMANTHA  
BLACK

PHOTOGRAPHY

PHOTOSHOP

INDESIGN

WORDPRESS

TIME KEEPING

ORGANISATION

PROFESSIONAL STATEMENT

REFERENCES

ELIOT BROWN  
0028 01234 5678  
eliot@mypage.com

EDUCATION

WEB ADVERTISING SEMINAR  
2015  
University of London, UK

GRAPHIC DESIGN CREW  
2013  
London Art College, UK  
Leader of the group. Lorem ipsum

HIGH SCHOOL UNIVERSITY  
2008 - 2014  
Short description of the school and the responsibilities you had in this position. Lorem ipsum dolor sit amet, consectetur adipiscing elit.

SCHOOL TITLE LOREM  
2004 - 2008  
Short description of the position and the responsibilities you had in this position.

# FINANCIAL MODEL



**\$5,677,768**

Future Valuation

**\$3,228,351**

Net Cash Flow

**6.5%**

Exit Cap Rate

**10 YEAR**

Hold Period

## Returns

|                           | 4/1/21<br>Year 0   | 3/31/22<br>Year 1 | 3/31/23<br>Year 2 | 3/31/24<br>Year 3 | 3/31/25<br>Year 4 | 3/31/26<br>Year 5 | 3/31/27<br>Year 6 | 3/31/28<br>Year 7 | 3/31/29<br>Year 8 | 3/31/30<br>Year 9 | 3/31/31<br>Year 10 |
|---------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Sale                      | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 5,677,768          |
| Sale Costs                | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | (113,555)          |
| Initial Investment        | (3,980,914)        | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                  |
| NOI                       | -                  | 101,882           | 280,468           | 289,292           | 298,200           | 307,569           | 317,038           | 326,984           | 337,049           | 347,609           | 358,306            |
| <b>Unlevered Cashflow</b> | <b>(3,980,914)</b> | <b>101,882</b>    | <b>280,468</b>    | <b>289,292</b>    | <b>298,200</b>    | <b>307,569</b>    | <b>317,038</b>    | <b>326,984</b>    | <b>337,049</b>    | <b>347,609</b>    | <b>5,922,518</b>   |
| Cash On Cash              | -                  | 2.56%             | 7.05%             | 7.27%             | 7.49%             | 7.73%             | 7.96%             | 8.21%             | 8.47%             | 8.73%             | 9.00%              |

### Unlevered returns

|                        |              |
|------------------------|--------------|
| <b>IRR</b>             | <b>9.61%</b> |
| <b>Equity Multiple</b> | <b>2.14x</b> |

### Acquisition Loan

|                            |           |           |           |           |           |           |           |           |           |           |             |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Draw                       | 2,786,639 | -         | -         | -         | -         | -         | -         | -         | -         | -         | -           |
| Debt Begin Balance         | -         | 2,786,639 | 2,717,442 | 2,645,651 | 2,571,167 | 2,493,889 | 2,413,714 | 2,330,533 | 2,244,232 | 2,154,694 | 2,061,800   |
| Interest                   | -         | (104,499) | (101,904) | (99,212)  | (96,419)  | (93,521)  | (90,514)  | (87,395)  | (84,159)  | (80,801)  | (77,317)    |
| Debt/Principal Repayment   | -         | (69,197)  | (71,792)  | (74,484)  | (77,277)  | (80,175)  | (83,182)  | (86,301)  | (89,537)  | (92,895)  | (2,061,800) |
| Total Debt Service         | -         | (173,696) | (173,696) | (173,696) | (173,696) | (173,696) | (173,696) | (173,696) | (173,696) | (173,696) | (2,139,117) |
| Debt/Principal End Balance | 2,786,639 | 2,717,442 | 2,645,651 | 2,571,167 | 2,493,889 | 2,413,714 | 2,330,533 | 2,244,232 | 2,154,694 | 2,061,800 | -           |
| Prepayment Penalty         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -         | -           |

### Construction Loan

|                            |   |   |   |   |   |   |   |   |   |   |   |
|----------------------------|---|---|---|---|---|---|---|---|---|---|---|
| Draw                       | - | - | - | - | - | - | - | - | - | - | - |
| Debt Begin Balance         | - | - | - | - | - | - | - | - | - | - | - |
| Interest                   | - | - | - | - | - | - | - | - | - | - | - |
| Debt/Principal Repayment   | - | - | - | - | - | - | - | - | - | - | - |
| Total Debt Service         | - | - | - | - | - | - | - | - | - | - | - |
| Debt/Principal End Balance | - | - | - | - | - | - | - | - | - | - | - |
| Prepayment Penalty         | - | - | - | - | - | - | - | - | - | - | - |

### Levered cashflow

|              |             |          |         |         |         |         |         |         |         |         |           |
|--------------|-------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
|              | (1,194,274) | (71,814) | 106,772 | 115,596 | 124,504 | 133,873 | 143,342 | 153,288 | 163,353 | 173,913 | 3,783,401 |
| Cash on Cash | -           | -6.01%   | 8.94%   | 9.68%   | 10.43%  | 11.21%  | 12.00%  | 12.84%  | 13.68%  | 22.34%  | 316.80%   |

### Levered Returns

|                        |               |
|------------------------|---------------|
| <b>IRR</b>             | <b>17.05%</b> |
| <b>Equity Multiple</b> | <b>3.87x</b>  |

# LOAN SUMMARY

Loan Type

FIXED

Loan Term

10 YEARS

Loan Principal

\$2,625,000

Interest Rate

3.75%

DSCR

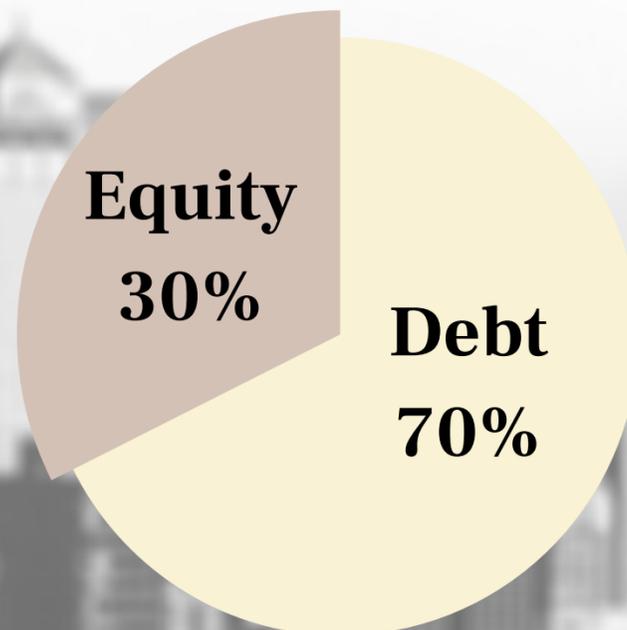
1.69x

# DEAL FINANCING

**Offering Price**  
**\$3,750,000**

**Loan Principal**  
**\$2,625,000**

**Annual Debt Service**  
**\$272,344**



## Sources

|                         |                    |
|-------------------------|--------------------|
| <b>Total Equity</b>     | <b>\$1,194,275</b> |
| <b>Acquisition Loan</b> | <b>\$2,786,639</b> |
| <b>Total Sources</b>    | <b>\$3,980,914</b> |

## Uses

|                         |                    |
|-------------------------|--------------------|
| <b>Purchase Price</b>   | <b>\$3,750,000</b> |
| <b>Value-Add Costs</b>  | <b>\$168,101</b>   |
| <b>Closing Costs</b>    | <b>\$56,250</b>    |
| <b>Origination Fees</b> | <b>\$6,563</b>     |
| <b>Total Uses</b>       | <b>\$3,980,914</b> |

# RETURN METRICS

**UNLEVERED IRR**

9.61%

**LEVERED IRR**

17.05%

**UNLEVERED EQUITY  
MULTIPLE**

2.14x

**LEVERED EQUITY  
MULTIPLE**

3.87x

**PROJECTED NOI**

\$293,486

**CASH ON CASH**

7.45%

# Deal Risks & Mitigants

## Risks

New affordable-housing supply

Existing in-place vacancies

Construction delays and constraints

Costs of improvements and  
availability of capital

## Mitigants

Competitive rent

Buffer period under new management

Liquidated damages, performance, and  
workmanship clauses

Extensive due diligence

# KEY POINTS

**LEVERED IRR**

17.05%

**PROJECTED NOI**

\$293,486

**EXIT CAP RATE**

6.5%

**PURCHASE PRICE**

\$3,750,000

**RETURN ON  
INVESTMENT**

10.33%

**POST-RENOVATION  
VALUATION**

\$5,568,943

# THANK YOU!

TEAM CBRE GLOBAL INVESTORS

**CBRE**  
GLOBAL  
INVESTORS

PROJECT **DESTINED**