

Golden State Fwy

Marcus & Millichap

LAAA TEAM

CONFIDENTIAL BROKER OPINION OF VALUE
409 S Boyle Ave

409 S Boyle Avenue

Los Angeles, California 90033

32 1730

UNITS

15,862

SQUARE FEET

1924

YEAR BUILT

0.41 Ac

ACRES



Glen Scher
SMDI



Filip Niculete
SMDI

February 2026

Team Track Record

LA APARTMENT ADVISORS AT MARCUS & MILLICHAP

LAAA Team of Marcus & Millichap

Expertise, Execution, Excellence.

501

CLOSED TRANSACTIONS

All-Time

\$1.6B

TOTAL SALES VOLUME

All-Time

5,000+

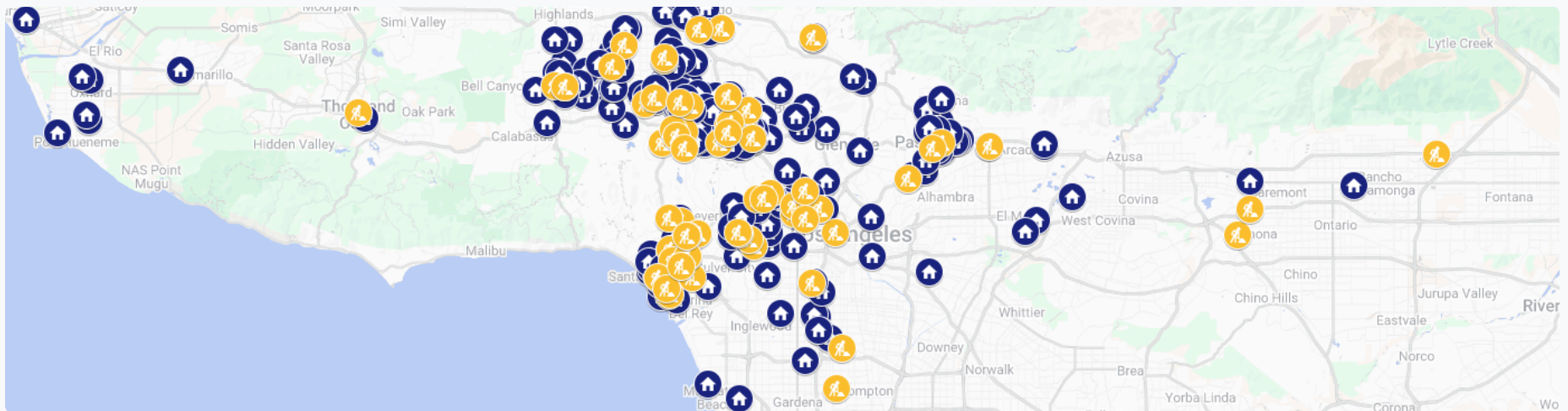
UNITS SOLD

All-Time

34

MEDIAN DAYS ON MARKET

Apartments



We Didn't Invent Great Service, We Just Work Relentlessly to Provide It

At LAAA Team, we are dedicated to delivering expert multifamily brokerage services in Los Angeles, helping investors navigate the market with precision, strategy, and results-driven execution. With over 500 closed transactions and \$1.6B in total sales volume, our team thrives on providing data-driven insights, strategic deal structuring, and hands-on client service to maximize value for our clients.

Founded by Glen Scher and Filip Niculete, LAAA Team operates with a commitment to transparency, efficiency, and market expertise. We take a relationship-first approach, guiding property owners, investors, and developers through every stage of acquisition, disposition, and asset repositioning.

Our mission is simple: To be the most trusted and results-oriented multifamily advisors in Los Angeles, leveraging deep market knowledge, innovative technology, and a proactive deal-making strategy to drive long-term success for our clients.

Our Team

#1 Most Active Multifamily Sales Team in LA County

COSTAR • 2019, 2020, 2021 • #4 IN CALIFORNIA



Glen Scher

SENIOR MANAGING DIRECTOR INVESTMENTS

Senior Managing Director at Marcus & Millichap and co-founder of the LAAA Team. Over 450 transactions and \$1.4B in closed sales across LA and the Ventura & Santa Barbara counties, consistently closing 40+ deals per year. Glen joined M&M in 2014 after graduating from UC Santa Barbara with a degree in Economics. Before real estate, he was a Division I golfer at UCSB, earning three individual titles and UCSB Male Athlete of the Year.



Filip Niculete

SENIOR MANAGING DIRECTOR INVESTMENTS

Senior Managing Director at Marcus & Millichap and co-founder of the LAAA Team. A 15-year veteran with over \$650 million in personal sales volume and more than 220 closed transactions. Born in Romania and raised in the San Fernando Valley, Filip studied Finance at San Diego State University and joined M&M in 2011. He has built a reputation for execution, integrity, and relentless work ethic across Los Angeles multifamily.



Aida Memary

SENIOR ASSOCIATE



Logan Ward

ASSOCIATE



Morgan Wetmore

ASSOCIATE



Luka Leader

ASSOCIATE



Jason Mandel

ASSOCIATE



Alexandro Tapia

ASSOCIATE INVESTMENTS



Blake Lewitt

ASSOCIATE INVESTMENTS



Mike Palade

AGENT ASSISTANT



Tony H. Dang

BUSINESS OPERATIONS MANAGER

KEY ACHIEVEMENTS

- **Chairman's Club** - Marcus & Millichap's top-tier annual honor (Glen: 2021; Filip: 2018, 2021)
- **National Achievement Award** - Glen: 5 years; Filip: 8 consecutive years
- **Sales Recognition Award** - Glen: 10 consecutive years; Filip: 12 years total
- **Traded.co National Rankings** - Glen Scher: #8 Deal Junkies, #8 Hot List, #8 Rising Talent
- **Connect CRE Next Generation Award** - Filip Niculete (2019)
- **SFVBJ Rookie of the Year** - Glen Scher

Our Marketing Approach & Results

HOW WE MARKET YOUR LISTING

30,000+

EMAILS SENT
Per Listing

10,000+

ONLINE VIEWS
Per Listing

3.7

AVERAGE OFFERS
Per Listing

18

DAYS TO ESCROW
Per Listing Average

*"We are **PROACTIVE** marketers, not reactive. We don't list online and wait for calls. We pick up the phone, call every probable buyer, and explain why your property is a good investment for them."*

Direct Phone Outreach

- **30+ probable buyers** called directly per listing
- **1,500 cold calls per week** across our team of 8 agents
- Focus on 1031 exchange buyers, recent purchasers, and nearby property owners

Email Campaigns

- **30,000+ verified** investor and broker email addresses
- **~8,000 unique opens** per "Just Listed" email blast
- **~800 clicks** per campaign downloading the full marketing package

Online Platforms

- **9 listing platforms** with highest-tier exposure on each
- **10,000+ views per listing** across all platforms combined
- Custom profile on MLS, CoStar, LoopNet, Crexi, Brevitas, Redfin, M&M, LAAA.com, ApartmentBuildings.com

Additional Channels

- **"Just Listed" postcards** mailed to nearby property owners
- **Social media** across Facebook, LinkedIn, Instagram, and X
- **Current inventory attachment** sent ~25 times/day by all team members

Pricing Accuracy

- **97.6%** average sale-price-to-list-price ratio
- **1 in 5 listings** sell at or above the asking price
- Our pricing methodology is data-driven and comp-backed

Marketing Speed

- **18 days** average to open escrow after hitting the market
- **17.5%** of our listings sell in the first week
- **3.7 signed offers** per listing on average

Contract Strength

- **10-day average** contingency period
- We almost never allow a loan or appraisal contingency
- **Less than 60 days** average escrow timeframe
- **10%** open escrow with zero contingencies

Exchange Expertise

- **61%** of our sellers complete a 1031 exchange
- **29%** of listings sell to a 1031 exchange buyer
- **76%** of transactions involve at least one exchange

Investment Overview

BOYLE HEIGHTS - 409 S BOYLE AVE, LOS ANGELES 90033

32

TOTAL UNITS

15,862

BUILDING SF

0.41 Ac

LOT SIZE

1924

YEAR BUILT

The LAAA Team is proud to present 409 S Boyle Avenue, a 32-unit rent-stabilized multifamily property situated in the heart of Boyle Heights, one of Los Angeles' most transit-connected eastside neighborhoods. Originally constructed in 1924 as a two-story wood-frame building, the property comprises 30 studios and 2 one-bedroom units across approximately 15,862 square feet of rentable area. As an RSO asset with vacancy decontrol under Costa-Hawkins, the building offers a buyer predictable in-place cash flow with the ability to reset rents to market upon unit turnover.

What distinguishes this asset from comparable offerings is the depth of capital investment already completed by the current ownership. Over the past several years, ownership has executed more than \$400,000 in building system upgrades - including a full 400-amp electrical service with 32 individual 60-amp subpanels (finalized September 2025), a 151-window dual-pane changeout to NFRC-certified units, and a solar hot water system - materially reducing deferred maintenance risk for a new buyer. Additionally, the property holds a Plan Check-approved attached ADU entitlement (approved December 2024) with a second detached ADU application pending.

From a market perspective, Boyle Heights continues to benefit from its immediate proximity to Downtown Los Angeles - just 1.5 miles from the Arts District across the LA River. The property sits a seven-minute walk from the Metro E Line at Mariachi Plaza Station, carries a Walk Score of 84, and is anchored by LAC+USC Medical Center with over 9,600 employees within 1.4 miles. The submarket has recorded rent growth exceeding 3% year-over-year, supported by a 4.9% vacancy rate and limited new multifamily supply.



Investment Highlights

- **Institutional-Quality CapEx Completed** - Full 400-amp electrical upgrade finalized in 2025, 151 dual-pane NFRC windows, and solar hot water system substantially reduce near-term capital requirements for a new buyer
- **ADU Entitlements in Hand** - Attached ADU Plan Check-approved (December 2024) with detached ADU application pending, delivering permitted density upside without entitlement risk or delay
- **Individually Metered Electric** - Separately metered electric confirmed, with tenants paying their own usage - a cost structure advantage uncommon in pre-war RSO product
- **DTLA-Adjacent Transit Corridor** - 0.3-mile walk to Metro E Line (Mariachi Plaza Station), Walk Score of 84, and direct freeway access via I-5, I-10, and I-101
- **Strong Submarket Fundamentals** - Boyle Heights rent growth of 3.13% YoY, 4.9% vacancy, and 76.7% renter population with limited new construction pipeline
- **RSO Vacancy Decontrol Across 32 Units** - Costa-Hawkins allows rent-to-market resets upon turnover, providing incremental revenue growth across a diversified unit count

Location Overview

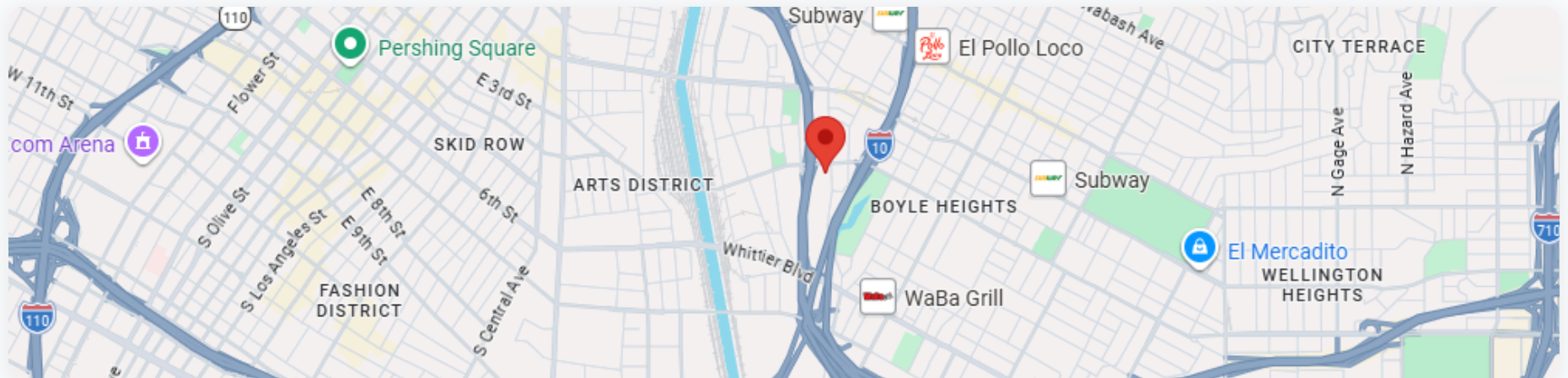
BOYLE HEIGHTS - 90033

Boyle Heights is one of Los Angeles' oldest and most culturally rooted neighborhoods, situated directly east of Downtown across the LA River. The area has maintained a distinct residential identity defined by its walkable streetscape, dense housing stock, and strong community institutions - while benefiting from the economic gravity of a rapidly expanding DTLA just 1.5 miles to the west. The Arts District, now one of LA's highest-rent submarkets, sits across the river and continues to drive spillover demand into adjacent eastside neighborhoods where rents remain meaningfully lower.

The property's transit access is a defining attribute. Mariachi Plaza Station on the Metro E Line is a seven-minute walk - approximately 0.3 miles - providing a direct one-seat ride to Santa Monica, Long Beach, and connections throughout the Metro system. The Walk Score of 84 ("Very Walkable") and Transit Score of 69 ("Good Transit") reflect the neighborhood's dense service network. LAC+USC Medical Center - one of the nation's largest public hospital campuses with over 9,600 healthcare workers - sits 1.4 miles from the property, serving as a primary employment anchor.

Boyle Heights' rental market fundamentals support the investment thesis. The submarket has recorded year-over-year rent growth of 3.13%, driven by limited new multifamily supply and sustained demand from a population that is 76.7% renter. The housing vacancy rate sits at 4.9%, well below the threshold that would indicate softening conditions. New construction in the area remains constrained by regulatory overlays and community resistance, which limits the competitive supply pipeline and insulates existing assets from rent compression.

LOCATION DETAILS	
Walk Score	84 ("Very Walkable")
Transit Score	69 ("Good Transit")
Nearest Metro	Mariachi Plaza Station (E Line), 0.3 mi
Nearest Freeway	I-5, I-10, I-101 (all within 1 mi)
Major Employers	LAC+USC Medical Center (1.4 mi, 9,600+ workers)
Grocery	Food 4 Less, local markets within 1 mi
Parks	Hollenbeck Park (0.3 mi)
Median HH Income	\$56,623
Renter Percentage	76.7%
Population	81,701



Property Details

409 S BOYLE AVE, LOS ANGELES, CA 90033

PROPERTY OVERVIEW			SITE & ZONING	
Address	409 S Boyle Ave, Los Angeles, CA 90033		Lot Size	17,832 SF (0.41 Acres)
APN	5174-002-014		Zoning	[Q]R4-1-RIO-CUGU
Year Built	1924		TOC Tier	3
Units	32 (30 Studios, 2 One-Bedrooms)		Community Plan	Boyle Heights
Building SF	15,862		Council District	CD 14 - Ysabel Jurado
Avg Unit SF	~496		Parking	12 Surface Spaces (0.38/unit)
Stories / Buildings	2 Stories / 1 Building		Flood / Fire	Outside Flood Zone, Not in VHFHSZ
Construction	Wood Frame			
BUILDING SYSTEMS & CAPITAL IMPROVEMENTS			REGULATORY & COMPLIANCE	
Electrical	400-amp, 32 x 60-amp subpanels	Finaled 9/2025 - NEW	Rent Control	LA RSO (pre-1978, vacancy decontrol applies)
Windows	151 dual-pane NFRC-certified	Permitted 5/2021	Soft-Story Retrofit	NOT Required (confirmed LADBS)
Solar	Solar hot water system	Finaled 6/2018	ADU Entitlements	Attached ADU - PC Approved 12/2024; Detached - Pending
HVAC	Individual 15K BTU direct vent	Replacements 2001-2020	Code Enforcement	2 Cases on File (nature unknown)
Roof	Flat, Class A/B torch-down	2009 (17 years old)	Certificate of Occupancy	0 on file (typical for pre-war)
Plumbing	Original - condition unknown	Water heater replaced 2017		
Water Heaters	Solar hot water system			
Metering	Electric: individual; Gas/Water: master	Confirmed		

Transaction History

OWNERSHIP & SALE RECORD

DATE	GRANTOR / GRANTEE	SALE PRICE	\$/UNIT	\$/SF	NOTES
05/2012	Orion Ventures LLC to SRD Commercial Group LLC	\$1,915,500	\$59,859	\$121	Current owner
07/2007	East Valley Capital Partners to Orion Ventures LLC	~\$2,135,000	\$66,719	\$135	Part of multi-property deal (\$4.15M combined)
2001	Goldstein to East Valley Capital Partners	Unknown	-	-	-
1997	Cal Bay Mtg Group to Goldstein	\$385,000	\$12,031	\$24	-

The current owner, SRD Commercial Group LLC (Danny Bahng), acquired 409 S Boyle Avenue in May 2012 for \$1,915,500 - a basis of \$121 per square foot and \$59,859 per unit - during the post-Great Financial Crisis recovery period when multifamily pricing in secondary LA submarkets remained well below peak levels. The prior owner, Orion Ventures LLC, had purchased the property in July 2007 as part of a multi-property transaction valued at \$4.15 million, near the peak of the pre-recession cycle.

Since acquiring the property, Danny has executed a disciplined capital improvement program totaling more than \$400,000 in building system upgrades - including a full 400-amp electrical service (finaled 2025), 151 dual-pane NFRC-certified windows, a solar hot water system (finaled 2018), and multiple HVAC unit replacements. Ownership has also secured ADU entitlements, with an attached ADU receiving Plan Check approval in December 2024 and a detached ADU application pending. At the suggested list price of \$3,200,000, the property reflects approximately 67% appreciation over 14 years of ownership.

Buyer Profile & Anticipated Objections

TARGET INVESTORS & DATA-BACKED RESPONSES

TARGET BUYER PROFILE

1031 Exchange Investor - The 32-unit count provides meaningful scale for a tax-deferred exchange, and the RSO designation with completed capital expenditures offers stable, predictable cash flow with limited near-term capital needs. Separately metered electric and recent systems upgrades minimize operating risk for a passive holder.

Local Value-Add Operator - Interior renovation opportunity exists across the studio units, where long-tenured tenants occupy units at below-market rents. Vacancy decontrol under Costa-Hawkins allows rent reset to market (\$1,500-\$1,650/mo) upon turnover, creating 30-60% per-unit upside without structural work. The ADU entitlements provide additional income potential without entitlement risk.

Long-Term Developer / Land Banker - R4 zoning with TOC Tier 3 designation in a Transit Priority Area creates significant future density upside. The 50% density bonus potential, combined with a Walk Score of 84 and location 0.3 miles from the Metro E Line, positions the site for redevelopment when market conditions warrant.

The property's combination of stable current income, renovation upside, and development optionality positions it to attract interest across multiple buyer segments, supporting competitive pricing and a manageable marketing period.

Anticipated Buyer Objections

"At \$100,000/unit, isn't this expensive for Boyle Heights studios?"

The most comparable closed sale - 223 N Breed St (32 studios, 1927) - traded at \$87,344/unit in January 2026, but that property had 7 vacant units, needed full renovation, and lacked ADU entitlements. The subject's completed \$400K+ in capital improvements, 94% occupancy, separately metered electric, and plan-check-approved ADU justify a 15% premium. The median non-distressed RSO comp is \$121,742/unit. At \$100,000/unit, the subject is priced below the non-distressed median.

"The 1924 building likely needs a full repipe - that's \$150,000-\$200,000."

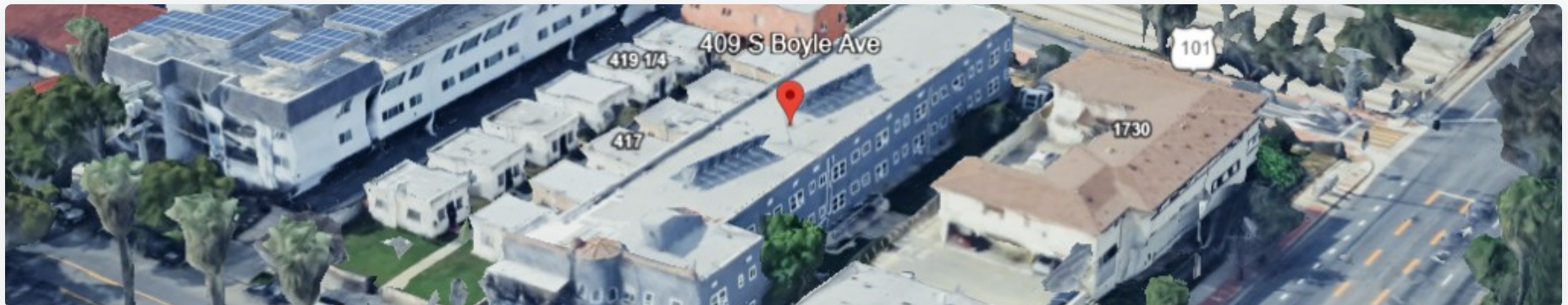
This is a legitimate risk that should be scoped during due diligence. However, the current owner has invested over \$400,000 in other building systems - electrical, windows, solar, HVAC - demonstrating a pattern of capital reinvestment. The expected sale range of \$2.9M-\$3.1M provides a buyer with room to absorb a repipe scenario and still acquire at a discount to the non-distressed comp median.

"The cap rate at \$3.2M is only 8.71% - that's reasonable but tight."

The 8.71% is a buyer-normalized cap rate that accounts for reassessed property taxes at the new purchase price, professional management, an on-site manager per California law, and capital reserves. The 8.71% exceeds the non-distressed comp range of 2.39% to 7.13%, with a median of 5.69%. The pro forma cap rate of 10.43% reflects significant rent upside achievable through natural turnover.

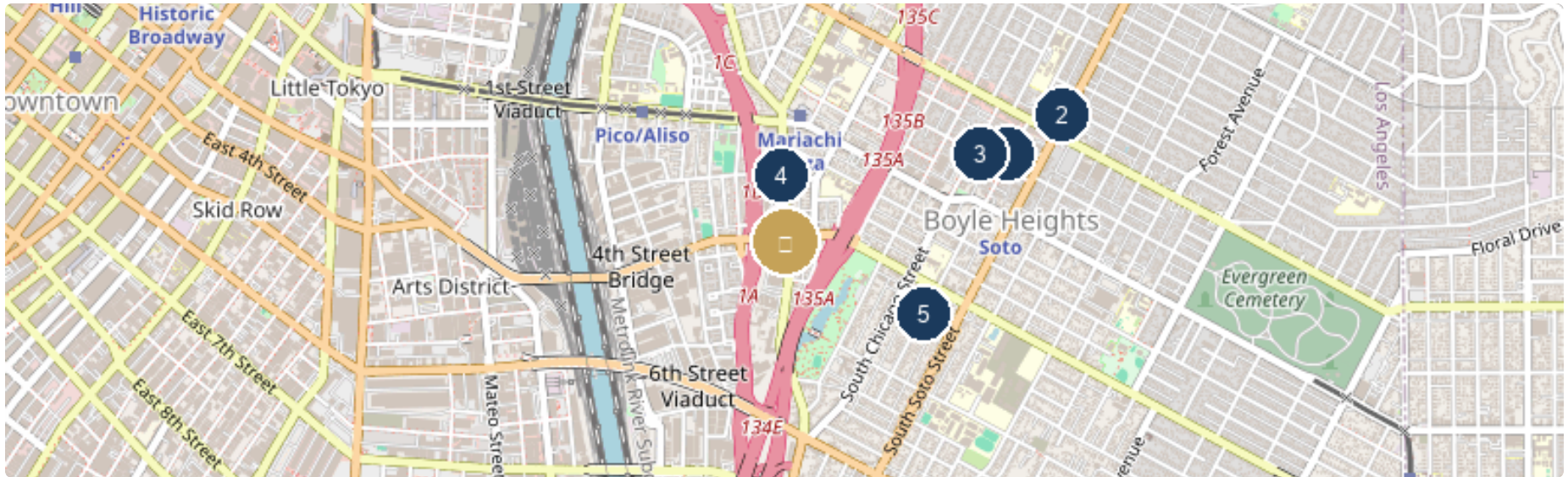
"Unit 116 at \$250/month - is that a permanent affordable restriction?"

This requires verification with the owner. If the unit is occupied by a building employee or reflects a data entry error, the below-market rent resolves naturally at turnover. The pricing strategy accounts for the rent roll as reported, including this unit - it is not a hidden liability.



Comparable Sales Analysis

7 CLOSED SALES IN BOYLE HEIGHTS / EAST LA - PAST 18 MONTHS



#	ADDRESS	UNITS	SALE DATE	PRICE	\$/UNIT	\$/SF	CAP	GRM	YR BUILT	NOTES
S	409 S Boyle Ave	32	Proposed	\$3,200,000	\$100,000	\$202	8.71%	5.68	1924	Subject Property
1	223 N Breed St	32	01/13/2026	\$2,795,000	\$87,344	\$232	7.13%	8.93	1927	32 studios/efficiencies; 7 vacant; value-add; orig \$3,195K
2	323 N Soto St	40	09/30/2024	\$2,500,000	\$62,500	\$241	12.34%	4.86	1929	Court sale; distressed; 13 vacant
3	2221 Michigan Ave	32	09/30/2024	\$2,500,000	\$78,125	\$271	11.45%	5.07	1926	Court sale; distressed; same portfolio as #2
4	301 S Boyle Ave	27	05/29/2024	\$3,025,000	\$112,037	\$218	5.47%	8.45	1908	Same street; debt assumption (\$1.47M JPM)
5	456 S Breed St	24	04/02/2024	\$3,600,000	\$150,000	\$191	2.39%	n/a	1972	1972; elevator; 27 parking; 1BD/2BD mix
6	571 Fairview Ave	38	03/13/2024	\$4,995,000	\$131,447	\$416	5.90%	n/a	1964	37 singles + 1 1BD; pool; mid-century
7	2649 Marengo St	24	06/04/2025	\$5,145,000	\$214,375	\$177	6.01%	9.71	1989	NOT RSO (1989); mixed BD; 46 parking
Non-Distressed Avg					\$120,207	\$264	5.22%	8.69		
Non-Distressed Median					\$121,742	\$225	5.69%	8.69		

Individual Comp Analysis

223 N Breed St (32 units, \$2.795M, 01/2026) - Most Comparable: Nearly identical to the subject - 32 studios in a 1927 building in Boyle Heights. Traded at \$87,344/unit and a 7.13% cap rate after 93 DOM, closing at 87.5% of its original \$3.195M list price. The key distinction is condition: Breed had 7 vacant units at sale, rents 62% below market, and requires renovation throughout. The subject has completed over \$400,000 in capital improvements (400-amp electrical, 151 windows, solar hot water), maintains 94% occupancy, has separately metered electric, and holds plan-check-approved ADU entitlements. These advantages support a 15% premium over Breed, placing the subject at \$100,000+/unit.

323 N Soto St (40 units, \$2.5M, 09/2024) - Distressed: Court-ordered portfolio sale with 13 vacant units. Traded at \$62,500/unit and 52.6% of list price after 150 DOM. This represents floor and distress pricing - not arm's-length market value. The subject is not distressed and should not be priced against this transaction.

2221 Michigan Ave (32 units, \$2.5M, 09/2024) - Distressed: Same court-ordered portfolio as Soto, closing at \$78,125/unit and 58.1% of list. Originally listed at \$4.3M (\$134,375/unit), which is more indicative of the seller's perception of market value before the court-mandated discount. Useful only as a floor reference.

301 S Boyle Ave (27 units, \$3.025M, 05/2024) - Geographic Match: Located on the same street just five blocks north. Traded at \$112,037/unit - a 1908-vintage building with a 1-bedroom unit mix that commands higher per-unit pricing than studios. The sale included a \$1.47M debt assumption from JPMorgan Chase. The subject should trade at a modest discount due to its studio product, partially offset by its newer vintage, larger unit count, and recent capital upgrades.

456 S Breed St (24 units, \$3.6M, 04/2024) - Different Product: A 1972-built building with an elevator, 27 parking spaces, and a 1BD/2BD unit mix - fundamentally different from the subject's pre-war studios. Traded at \$150,000/unit at a 2.39% cap rate reflecting deeply below-market rents. Serves as a ceiling reference only.

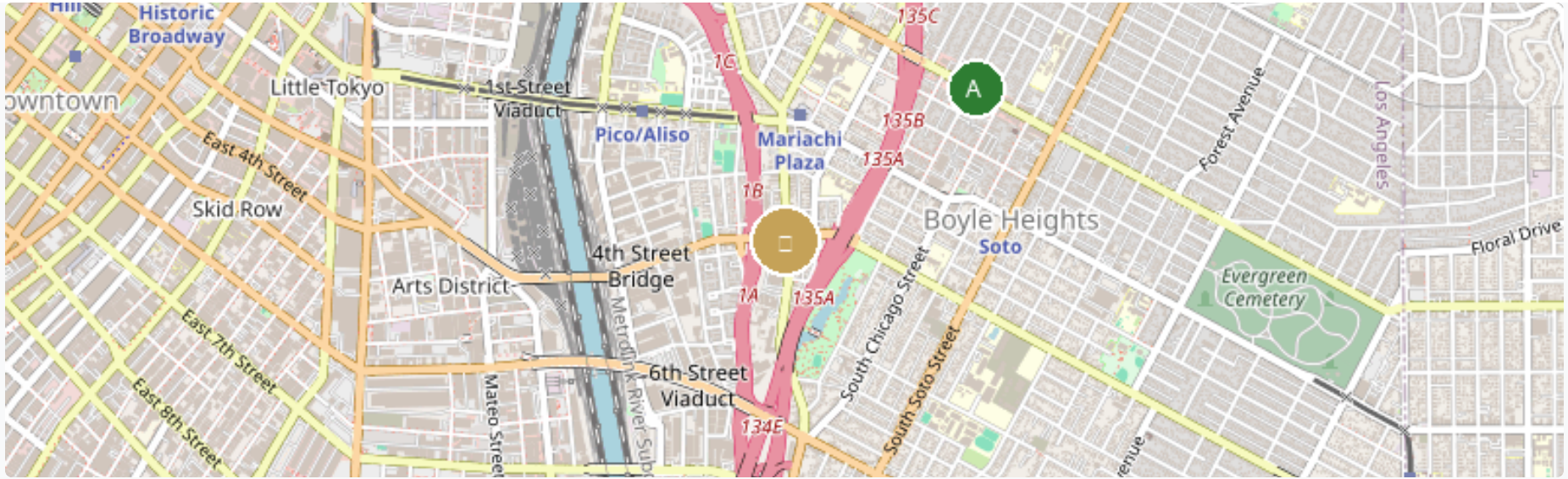
571 Fairview Ave (38 units, \$4.995M, 03/2024) - Larger / Mid-Century: A 38-unit, 1964-built building with 37 singles, a pool, and mid-century design appeal. Traded at \$131,447/unit and a 5.90% cap rate after 63 DOM. The subject is 40 years older with fewer amenities but has a stronger CapEx profile and ADU development upside. A 15-20% discount from Fairview implies \$105,000-\$112,000/unit for the subject.

2649 Marengo St (24 units, \$5.145M, 06/2025) - Non-RSO Outlier: A 1989-built building not subject to the RSO. Its mixed bedroom count, 46 parking spaces, and \$214,375/unit price reflect a different product class entirely. Excluded from primary pricing analysis. Its 98.9% SP/LP ratio is notable as a data point on buyer appetite for Boyle Heights multifamily.

Boyle Heights multifamily is actively trading, with seven closed comps identified in the past 12-18 months and three on-market listings in the immediate submarket. Non-distressed SP/LP ratios of 78-99% suggest 10-15% negotiating room from list price is standard for this product type. The weight of non-distressed evidence supports studio product in Boyle Heights trading at \$87,000-\$131,000/unit, with the subject's completed CapEx profile, ADU entitlements, and 94% occupancy positioning it in the \$96,000-\$106,000/unit range.

On-Market Comparables

ACTIVE LISTINGS IN BOYLE HEIGHTS & COMPARABLE SUBMARKETS



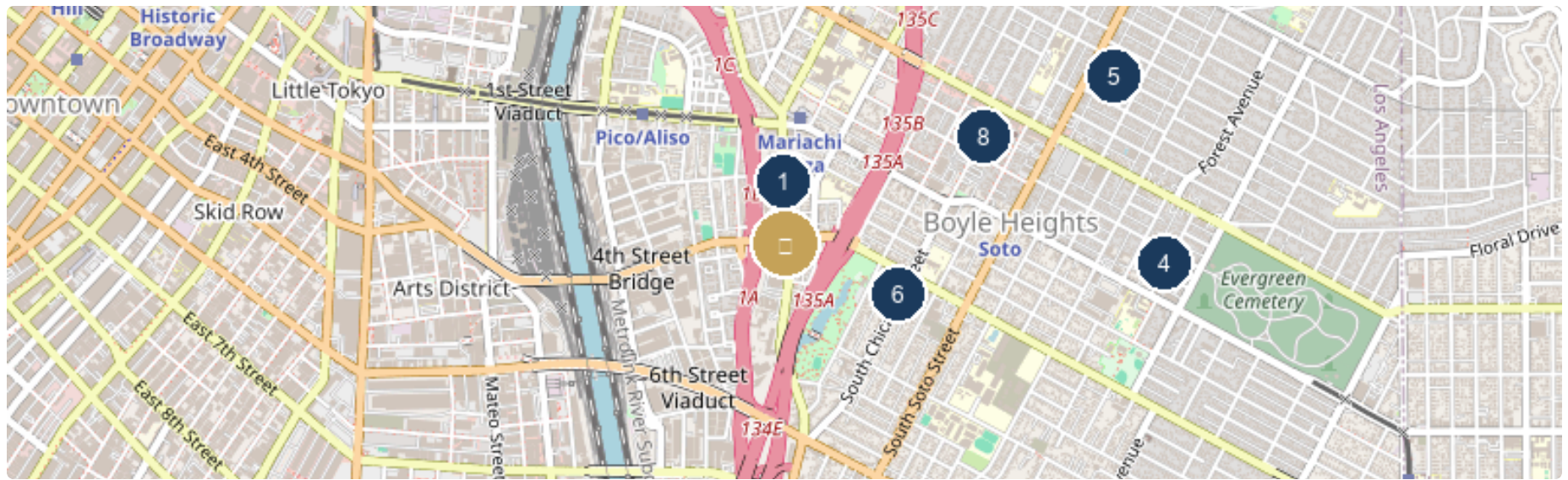
#	ADDRESS	UNITS	LIST PRICE	\$/UNIT	\$/SF	CAP	GRM	DOM	NOTES
A	2107 E Cesar Chavez Ave	30	\$3,795,000	\$126,500	\$307	7.23%	8.35	35	Mixed-use (27 res + 3 commercial)
B	124 N Westmoreland Ave	30	\$4,350,000	\$145,000	\$196	7.29%	8.16	--	All studios; Koreatown; broker says trading 15%+ below list

The most relevant on-market benchmark is 124 N Westmoreland Ave in Koreatown - a 30-unit, all-studio, 1927 RSO building asking \$145,000/unit (\$4.35M). Broker intel from Taylor Avakian at Lyon Stahl (February 16, 2026) indicates buyer activity is "below list 15%+" with buyers "interested and writing," implying an expected trade around \$123,000/unit (\$3.7M). Koreatown is a materially stronger submarket than Boyle Heights - higher rents, stronger tenant demand, better retail amenities - so the subject should be discounted 15-20% from Westmoreland's expected trade price. That produces \$98,000-\$105,000/unit, consistent with the \$100,000/unit suggested list price derived from closed comp analysis.

2107 E Cesar Chavez Ave is a mixed-use property with 27 residential units and 3 commercial spaces, making it an imperfect multifamily comparison. However, the residential component - 27 furnished studios in a 1927 building - is relevant. The asking price of \$126,500/unit with a 7.23% cap rate on actual income provides useful context for where the market is pricing studio product in the 90033 zip code.

Rent Comparables

RENOVATED STUDIO RENTS IN THE BOYLE HEIGHTS SUBMARKET



#	ADDRESS	DIST.	RENT	SF	\$/SF	YR BUILT	UNITS	CONDITION	NOTES
1	308 S Boyle Ave	0.1	\$1,500	400-500	\$3.33	Pre-1930	20	Renovated	Granite counters, hardwood, stainless; 0.2 mi to E Line
2	571 Fairview Ave	0.6	\$1,895	~350	\$5.41	1964	38	Renovated	Pool, laundry, A/C; units \$1,495-\$1,995
3	2707 Pomeroy Ave	0.9	\$1,575	460	\$3.42	Pre-1960	20	Renovated	Hardwood, granite, new windows, balcony
4	207 N Savannah St	0.7	\$1,595	500	\$3.19	1932	17	Renovated	Seismic retrofit complete
5	2448 Boulder St	0.5	\$1,495	352	\$4.25	1964	8	Renovated	Laminate floors, newer appliances
6	444 S Chicago St	0.3	\$1,750-\$1,795	~600	\$2.99	Pre-1940	Small MF	Renovated	Larger studio; priced higher due to size
7	529 S Lorena St	1.1	\$1,650	525	\$3.14	Pre-1960	Small MF	Updated	East BH / Lorena corridor
8	234 N Chicago St	0.3	\$1,975	~450	\$4.39	Pre-1930	16+	Renovated	Highest comp in core BH
9	2019 City View Ave	0.8	\$1,475	~400	\$3.69	Pre-1950	Small MF	Updated	Lower end; less renovation
10	1849 Sichel St	1.5	\$1,695	350	\$4.84	Pre-1960	Small MF	Renovated	Lincoln Heights

Pro Forma Rent Recommendation

SCENARIO	RENT/MO	\$/SF (EST. 450 SF)	BASIS
Conservative	\$1,500	\$3.33	Floor set by Comps #1, #5, #9. Basic renovation, standard finishes.
Moderate (Recommended)	\$1,625	\$3.61	Supported by Comps #3, #4, #6, #7. Standard renovation with granite, LVP/hardwood, updated bath.
Aggressive	\$1,800	\$4.00	Supported by Comps #2, #8. Higher-end finishes, Arts District/DTLA spillover tenants.

The moderate scenario at \$1,625/mo is supported by the weight of comparable evidence. The subject's advantages - Metro proximity at 0.3 miles from the E Line, recent systems upgrades that reduce CapEx risk for a renovating buyer, and 32-unit scale - offset its disadvantages, including the 1924 vintage and unknown plumbing condition. The \$1,625 range is achievable with a \$15,000-\$20,000 per-unit renovation and reflects current asking rents for renovated studios in older Boyle Heights buildings.

Important context: these are asking rents, not achieved rents. Actual lease-up may require one to two months of vacancy loss or modest concessions. RSO vacancy decontrol under Costa-Hawkins allows rent reset to market on turnover, but the turnover rate depends on tenant demographics. With approximately 37% of the building occupied by Brilliant Corners voucher tenants, turnover on those units may be lower than average, extending the timeline to fully stabilize the rent roll at pro forma levels.

Financial Analysis

INVESTMENT UNDERWRITING

Unit Mix & Rent Roll

UNIT	TYPE	SF	CURRENT RENT	RENT/SF	MARKET RENT	MARKET/SF
101	Studio	496	\$1,266	\$2.55	\$1,625	\$3.28
102	Studio	496	\$1,550	\$3.12	\$1,625	\$3.28
103	Studio	496	\$1,500	\$3.02	\$1,625	\$3.28
104	Studio	496	\$1,575	\$3.18	\$1,625	\$3.28
105	Studio	496	\$1,480	\$2.98	\$1,625	\$3.28
106	Studio	496	\$1,600	\$3.23	\$1,625	\$3.28
107	Studio	496	<i>Vacant</i>	-	\$1,625	\$3.28
108	Studio	496	<i>Vacant</i>	-	\$1,625	\$3.28
109	Studio	496	\$1,550	\$3.12	\$1,625	\$3.28
110	Studio	496	\$1,475	\$2.97	\$1,625	\$3.28
111	Studio	496	\$1,100	\$2.22	\$1,625	\$3.28
112	Studio	496	\$1,425	\$2.87	\$1,625	\$3.28
113	Studio	496	\$1,550	\$3.12	\$1,625	\$3.28
114	Studio	496	\$1,650	\$3.33	\$1,625	\$3.28
115	1BD/1BA	500	\$1,873	\$3.75	\$1,875	\$3.75
116	1BD/1BA	500	\$250	\$0.50	\$1,875	\$3.75
201	Studio	496	\$1,575	\$3.18	\$1,625	\$3.28
202	Studio	496	\$1,550	\$3.12	\$1,625	\$3.28
203	Studio	496	\$1,600	\$3.23	\$1,625	\$3.28
204	Studio	496	\$1,525	\$3.07	\$1,625	\$3.28
205	Studio	496	\$1,575	\$3.18	\$1,625	\$3.28
206	Studio	496	\$1,550	\$3.12	\$1,625	\$3.28
207	Studio	496	\$1,575	\$3.18	\$1,625	\$3.28
208	Studio	496	\$1,525	\$3.07	\$1,625	\$3.28
209	Studio	496	\$1,550	\$3.12	\$1,625	\$3.28

UNIT	TYPE	SF	CURRENT RENT	RENT/SF	MARKET RENT	MARKET/SF
210	Studio	496	\$1,500	\$3.02	\$1,625	\$3.28
211	Studio	496	\$1,450	\$2.92	\$1,625	\$3.28
212	Studio	496	\$1,575	\$3.18	\$1,625	\$3.28
213	Studio	496	\$1,525	\$3.07	\$1,625	\$3.28
214	Studio	496	\$1,650	\$3.33	\$1,625	\$3.28
215	Studio	496	\$1,200	\$2.42	\$1,625	\$3.28
216	Studio	496	\$926	\$1.87	\$1,625	\$3.28
TOTAL	32 Units	15,880	\$43,695	\$2.75	\$52,500	\$3.31

Occupancy: 93.75% (30 occupied, 2 vacant). Unit 116 at \$250/month is an anomaly - verify with owner. ~12 Brilliant Corners voucher tenants (~37.5% of building).

Operating Statement

INCOME	ANNUAL	PER UNIT	\$/SF	% EGI
Gross Scheduled Rent	\$563,340	\$17,604	\$35.52	-
Less: Vacancy (5%)	(\$28,167)	(\$880)	(\$1.78)	-
Other Income (RSO/SCEP Passthroughs) ^[1]	\$910	\$28	\$0.06	-
Effective Gross Income	\$536,083	\$16,753	\$33.80	100.0%
EXPENSES	ANNUAL	PER UNIT	\$/SF	% EGI
Real Estate Taxes ^[2]	\$38,720	\$1,210	\$2.44	7.2%
Insurance ^[3]	\$18,672	\$584	\$1.18	3.5%
Utilities (Water/Sewer/Gas/Trash/Common Electric) ^[4]	\$80,528	\$2,516	\$5.08	15.0%
Repairs & Maintenance ^[5]	\$28,800	\$900	\$1.82	5.4%
On-site Manager ^[6]	\$24,000	\$750	\$1.51	4.5%
Contract Services & Supplies ^[7]	\$11,200	\$350	\$0.71	2.1%
Administrative & Legal ^[8]	\$8,143	\$254	\$0.51	1.5%
LAHD Registration ^[9]	\$6,615	\$207	\$0.42	1.2%
Marketing ^[10]	\$2,000	\$62	\$0.13	0.4%
Reserves ^[11]	\$9,600	\$300	\$0.61	1.8%
Other (Permits, State Tax, Misc) ^[12]	\$7,771	\$243	\$0.49	1.4%
Management Fee (4%) ^[13]	\$21,443	\$670	\$1.35	4.0%
Total Expenses	\$257,492	\$8,047	\$16.23	48.0%
Net Operating Income	\$278,591	\$8,706	\$17.56	52.0%

Property taxes reassessed at 1.21% of \$3,200,000 purchase price. The pricing matrix recalculates taxes at each price point.

Notes to Operating Statement

[1] Other Income: RSO/SCEP passthroughs only (\$330 RSO + \$580 SCEP from 2024 T-12). No laundry or parking income currently collected.

[2] Real Estate Taxes: Reassessed at 1.21% of \$3,200,000 purchase price. Seller currently pays \$30,725 on a Prop 13 basis.

[3] Insurance: Seller actual of \$18,672 (\$583/unit). Within benchmark range for pre-war RSO product.

[4] Utilities: Seller actual verified across 2023 and 2024 operating data. Master-metered gas and water; individually metered electric (tenants pay their own). Includes common area electric.

[5] Repairs & Maintenance: \$900/unit based on Tier 4 benchmark. Recent \$400K+ in capital expenditures (electrical 2025, windows 2021, solar 2018) substantially reduce near-term repair burden.

[6] On-site Manager: Required per CA Civil Code Section 17995.1 for 16+ units. Free unit + stipend.

[7] Contract Services: Tier 4 benchmark at \$350/unit. Includes cleaning supplies, maintenance materials, and landscaping.

[8] Administrative & Legal: Seller actuals for administrative (\$4,748) and legal (\$3,395). Within benchmark ranges.

[9] LAHD Registration: RSO registration + SCEP fees. Partially passable to tenants under allowable passthroughs.

[10] Marketing: \$63/unit turnover advertising budget.

[11] Reserves: \$300/unit. Reduced from standard \$450 benchmark to reflect recent major capital expenditures (400-amp electrical 2025, 151 windows 2021, solar hot water 2018).

[12] Other: Permits (\$2,023) + California franchise/entity tax (\$2,923) + miscellaneous (\$2,825).

[13] Management Fee: 4.0% of EGI for professional third-party management.

SUMMARY

OPERATING DATA	
Price	\$3,200,000
Down Payment (45%)	\$1,440,000
Number of Units	32
Price Per Unit	\$100,000
Price Per SqFt	\$201.74
Gross SqFt	15,862
Lot Size	0.41 Acres
Approx. Year Built	1924

RETURNS	CURRENT	PRO FORMA
CAP Rate	8.71%	10.43%
GRM	5.68	5.13
Cash-on-Cash	10.93%	14.77%
Debt Coverage Ratio	2.30	2.75

FINANCING	
Loan Amount	\$1,760,000
Loan Type	New
Interest Rate	5.60%
Amortization	30 Years
Loan Constant	6.89%
LTV	55.0%
DSCR	2.00x

UNIT SUMMARY	#	AVG SF	SCHED.	MARKET
Studio	30	496	\$1,485	\$1,625
1 Bed / 1 Bath	2	500	\$1,062	\$1,875

INCOME	CURRENT	PRO FORMA
Gross Scheduled Rent	\$563,340	\$624,000
Less: Vacancy (5%)	(\$28,167)	(\$31,200)
Effective Rental Income	\$535,173	\$592,800
Other Income	\$910	\$910
Effective Gross Income	\$536,083	\$593,710

CASH FLOW	CURRENT	PRO FORMA
Net Operating Income	\$278,591	\$333,913
Less: Debt Service	(\$121,245)	(\$121,245)
Net Cash Flow	\$157,346	\$212,667
Cash-on-Cash Return	10.93%	14.77%
Principal Reduction (Yr 1)		\$23,277
Total Return (Yr 1)	12.54%	16.39%

EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$38,720	\$38,720
Insurance	\$18,672	\$18,672
Utilities	\$80,528	\$80,528
Repairs & Maintenance	\$28,800	\$28,800
On-site Manager	\$24,000	\$24,000
Contract Services	\$11,200	\$11,200
Administrative & Legal	\$8,143	\$8,143
LAHD Registration	\$6,615	\$6,615
Marketing	\$2,000	\$2,000
Reserves	\$9,600	\$9,600
Other	\$7,771	\$7,771
Management Fee (4%)	\$21,443	\$23,748
Total Expenses	\$257,492	\$259,797
Expenses as % of EGI	48.0%	43.8%
Expenses / Unit	\$8,047	\$8,119

SUGGESTED LIST PRICE

\$3,200,000

\$100,000

PRICE PER UNIT

\$202

PRICE PER SF

8.71%

CURRENT CAP RATE

5.68

CURRENT GRM

Pricing Matrix

Highlighted row represents the suggested list price. Property taxes recalculated at 1.21% of each purchase price, which adjusts NOI and cap rate at every row.

PURCHASE PRICE	CURRENT CAP	PRO FORMA CAP	CASH-ON-CASH	\$/SF	\$/UNIT	PF GRM
\$3,500,000	7.86%	9.44%	9.04%	\$221	\$109,375	5.61x
\$3,450,000	7.99%	9.59%	9.33%	\$218	\$107,812	5.53x
\$3,400,000	8.12%	9.75%	9.63%	\$214	\$106,250	5.45x
\$3,350,000	8.26%	9.91%	9.94%	\$211	\$104,688	5.37x
\$3,300,000	8.41%	10.08%	10.26%	\$208	\$103,125	5.29x
\$3,250,000	8.55%	10.26%	10.59%	\$205	\$101,562	5.21x
\$3,200,000	8.71%	10.43%	10.93%	\$202	\$100,000	5.13x
\$3,150,000	8.86%	10.62%	11.28%	\$199	\$98,438	5.05x
\$3,100,000	9.03%	10.81%	11.64%	\$195	\$96,875	4.97x
\$3,050,000	9.19%	11.01%	12.01%	\$192	\$95,312	4.89x
\$3,000,000	9.37%	11.21%	12.40%	\$189	\$93,750	4.81x
\$2,950,000	9.55%	11.42%	12.79%	\$186	\$92,188	4.73x
\$2,900,000	9.73%	11.64%	13.21%	\$183	\$90,625	4.65x
\$2,850,000	9.92%	11.86%	13.63%	\$180	\$89,062	4.57x
\$2,800,000	10.12%	12.10%	14.07%	\$177	\$87,500	4.49x

A TRADE PRICE IN THE CURRENT INVESTMENT ENVIRONMENT OF

\$2,900,000 — \$3,100,000

Pricing Rationale

The suggested list price of **\$3,200,000** (\$100,000 per unit) is anchored primarily by comparable sales in the Boyle Heights submarket. The most comparable closed sale - 223 N Breed St, a nearly identical 32-studio building that traded in January 2026 at \$87,344 per unit - serves as the pricing floor. The subject commands a 15% premium over Breed due to completed capital improvements (\$400,000+ in electrical, windows, solar, and HVAC), superior occupancy (94% vs 78%), entitled ADUs (Planning Commission approved December 2024), and separately metered electric. This premium is further supported by 301 S Boyle Ave at \$112,037 per unit (same street, larger units) and the median non-distressed sale price of \$121,742 per unit.

The expected sale range of \$2,900,000 to \$3,100,000 accounts for the 10-15% negotiating discount that is standard in this submarket, where the average sale price-to-list price ratio among non-distressed comps is 87%. The pricing is further contextualized by the on-market benchmark at 124 N Westmoreland Ave in Koreatown - a 30-unit, all-studio, 1927-built RSO building asking \$145,000 per unit, with broker intel indicating an expected trade at approximately \$123,000 per unit. Applying a 15-20% Boyle Heights location discount yields \$98,000 to \$105,000 per unit, consistent with the suggested list of \$100,000 per unit.

Assumptions & Conditions: Financing terms are estimates and subject to change; contact your Marcus & Millichap Capital Corporation representative. Vacancy modeled at 5.0%. Management fee of 4.0% of EGI reflects third-party professional management. Real estate taxes estimated at 1.21% of sale price reflecting Proposition 13 reassessment at close of escrow. Operating reserves at \$300/unit reduced for recent capital expenditures. Pro forma rents at \$1,625/month moderate scenario per rent comp survey. All information believed reliable but not guaranteed; buyer to verify independently.

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