

Marcus & Millichap
LAAA TEAM

CONFIDENTIAL BROKER OPINION OF VALUE

4503 Castle Lane

La Crescenta, CA 91214

3

UNITS

2,335

SQUARE FEET

1952

YEAR BUILT

0.14

ACRES



Glen Scher
SMDI



Filip Niculete
SMDI

Prepared for Your Review

March 2026

Team Track Record

LA APARTMENT ADVISORS AT MARCUS & MILLICHAP

LAAA Team of Marcus & Millichap

Expertise, Execution, Excellence.

501

CLOSED TRANSACTIONS

\$1.6B

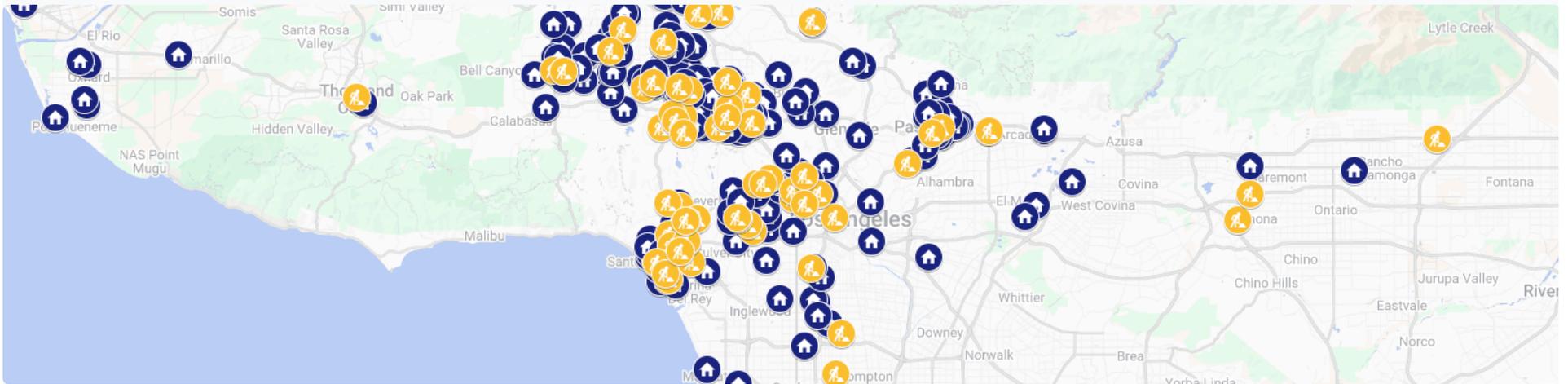
TOTAL SALES VOLUME

5,000+

UNITS SOLD

34

MEDIAN DOM



"We Didn't Invent Great Service... We Just Set the Standard."

The LAAA Team was built on one guiding principle: results matter more than relationships - but relationships make results possible. With over 501 closed transactions and \$1.6 billion in sales volume, we have earned our position as one of Southern California's most active multifamily teams by delivering consistently for every client, on every deal.

We approach every listing with rigorous preparation, transparent communication, and relentless execution. Our team invests the time to understand each property, its story, and its market position before we ever go to market. That discipline is what allows us to price accurately, generate genuine buyer competition, and close at or above asking price.

Whether you are a first-time seller or a seasoned investor with a large portfolio, you deserve an advisor who will tell you the truth about your asset and fight for every dollar at the closing table. That is the LAAA standard, and it is why our clients return and send us everyone they know.

Our Team

#1 Most Active Multifamily Sales Team in LA County

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



Glen Scher

SENIOR MANAGING DIRECTOR INVESTMENTS

Glen Scher is one of Los Angeles' top multifamily brokers, with over 450 transactions and \$1.4B in closed sales across LA and the Ventura and Santa Barbara counties. Co-founder of the LAAA Team at Marcus & Millichap, Glen began his career in 2014 and earned Rookie of the Year from the SFVBJ in 2016. He holds a degree in Economics from UC Santa Barbara.



Filip Niculete

SENIOR MANAGING DIRECTOR INVESTMENTS

Filip Niculete is one of Southern California's top commercial real estate brokers and co-founder of the LAAA Team. Born in Romania and raised in the San Fernando Valley, Filip studied Finance at San Diego State University and began his Marcus & Millichap career in 2011. He has built a reputation for execution, integrity, and relentless work ethic across \$1.4B in transactions.



Aida Memy Scher

SENIOR ASSOCIATE



Morgan Wetmore

ASSOCIATE



Logan Ward

ASSOCIATE



Luka Leader

ASSOCIATE



Blake Lewitt

ASSOCIATE INVESTMENTS



Alexandro Tapia

ASSOCIATE INVESTMENTS



Mike Palade

AGENT ASSISTANT



Tony H. Dang

BUSINESS OPERATIONS

KEY ACHIEVEMENTS

- **Chairman's Club** - A top-tier annual honor from Marcus & Millichap (Glen 2021 • Filip 2021, 2018)
- **National Achievement Award** - Recognized annually since 2015 for top national production
- **Sales Recognition Award** - Consecutive annual recognition: Filip since 2013, Glen since 2016
- **SIA Induction** - Senior Investment Advisor designation (Glen 2020 • Filip 2018)
- **#1 Most Active Multifamily Team in LA County** - CoStar, 2019, 2020, 2021

AS FEATURED IN **BISNOW** **YAHOO FINANCE** **CONNECT CRE** **SFVBJ** **THE PINNACLE LIST**

Our Marketing Approach & Results

DATA-DRIVEN MARKETING + PROVEN PERFORMANCE

30K+

EMAILS PER CAMPAIGN

10K+

VIEWS PER LISTING

3.7

AVG OFFERS RECEIVED

18

DAYS TO ESCROW

"We are PROACTIVE marketers, not reactive. Every listing receives a full-court press from day one - phone, email, digital, and our proprietary investor network."

Direct Phone Outreach

- 10,000+ active buyers in proprietary database
- Personal calls to known active buyers at launch
- Follow-up cadence tracked through closing

Email Campaigns

- 30,000+ subscriber investor list
- Targeted by price range and submarket
- Performance-tracked with A/B testing

Online Platforms

- Premium placement on LoopNet, CoStar, CREXI
- Zillow, Apartments.com, Realtor.com
- Full-color professional OM delivered digitally

Additional Channels

- Marcus & Millichap network of 1,700+ agents
- Local signage and targeted print
- Social media and digital retargeting

97.6%

SALE PRICE / LIST PRICE

21%

CLOSED ABOVE ASK

10 Days

AVG CONTINGENCY REMOVAL

61%

1031 EXCHANGE BUYERS

Pricing Accuracy

- 97.6% average SP/LP ratio across all transactions
- Comp-supported pricing minimizes days on market
- Strategic price positioning to attract multiple offers

Marketing Speed

- Average 18 days from list to accepted offer
- Full offer package within 7 days of launch
- Dedicated transaction coordinator from day one

Contract Strength

- 21% of deals closed above the asking price
- 10-day average contingency removal timeline
- Strict buyer qualification before offer acceptance

Exchange Expertise

- 61% of buyers in 1031 exchange
- Active QI referral network available
- Timeline management for exchange deadlines

ADVERTISED ON CREXI LoopNet CoStar Zillow Apartments.com Marcus & Millichap MLS Realtor.com Trulia

Investment Overview

LA CRESCENTA - 4503 CASTLE LANE

3

UNITS

2,335

RENTABLE SF

6,098

LOT SF

1952

YEAR BUILT

The LAA Team is proud to present 4503 Castle Lane, a well-maintained triplex situated in the heart of La Crescenta - one of the San Fernando Valley's most sought-after residential neighborhoods. The property comprises three units across 2,335 rentable square feet on a 6,098 SF lot, offering fee simple ownership within the La Crescenta submarket of unincorporated Los Angeles County.

The unit mix includes one 1-bedroom/1-bath (635 SF, downstairs facing Foothill) and two 2-bedroom/1-bath units (850 SF each, one downstairs and one upstairs). All three units are occupied with stable, long-term tenants. The 2BR units represent significant below-market rents - at \$500-600/month under the Rentometer median of \$2,548 - creating compelling rent upside as natural turnover occurs. The 1BR is at or near market.

The seller acquired the property in January 2010 for \$728,000 and has self-managed since acquisition. A new hot water heater was installed in 2025. The property is subject to CA AB 1482 and the Glendale Rent Stabilization Ordinance, with annual increases capped at 5% plus CPI for qualifying tenants. The 6,098 SF lot may qualify for ADU development under current Glendale ordinance.



Investment Highlights

- **Proven submarket demand** - Both comparable sales closed in Aug-Oct 2025 at 103%+ of asking price, in under 11 days, confirming active buyer demand.
- **Significant rent upside** - 2BR units are \$500-600/month below market. Two tenants since 2002 and 2010 have not had market resets in decades.
- **Owner-user opportunity** - FHA 2-4 unit financing allows 3.5% down. Occupy one unit; the other two offset a substantial portion of the mortgage.
- **ADU potential** - 6,098 SF lot in Glendale jurisdiction. ADU ordinance may permit additional unit(s) significantly increasing long-term NOI.
- **Blue-chip submarket** - Top-rated Blue Ribbon schools, tight vacancy, proximity to Burbank Studios and DTLA, no new multifamily supply.
- **Lean expense structure** - Broker-optimistic underwriting yields \$28,773 total expenses (41.9% of EGI), reflecting benchmark rates for insurance, utilities, and a 4% management fee.

Location Overview

LA CRESCENTA - 91214

La Crescenta is an unincorporated community in the foothills of the San Gabriel Mountains, forming part of the greater Glendale sphere of influence. Known for its Blue Ribbon public schools, low crime, and established residential character, it attracts a professional, family-oriented demographic that sustains consistently low rental vacancy. The neighborhood's semi-rural charm, mature tree canopy, and mountain backdrop make it one of the most desirable close-in suburban communities in Los Angeles County.

The property sits one block from Foothill Boulevard, La Crescenta's primary commercial spine. Residents enjoy walkable access to dining, retail, and services along Honolulu Avenue in adjacent Montrose - a charming village district popular for farmers markets and local businesses. The 210 Freeway provides direct access to Burbank, Pasadena, and the 5/101 interchange. Downtown Los Angeles is approximately 14 miles south, and Burbank Studios (Warner Bros., Disney, NBC) are within 8 miles.

The submarket has no meaningful multifamily pipeline - zoning constraints and community character strongly resist new construction. This structural supply deficit, combined with strong demand from proximity to major employment centers, creates a floor beneath property values and rents. The subject property faces no flood zone exposure and sits outside the coastal hazard zones applicable to Westside markets.

LOCATION DETAILS	
Zip Code	91214
County	Los Angeles
Jurisdiction	Unincorporated LA County (Glendale RSO)
Cross Streets	Foothill Blvd / Rosemont Ave
Elementary School	La Crescenta Elementary (Blue Ribbon)
Middle School	Rosemont Junior High
High School	Crescenta Valley High School
Nearest Freeway	210 Freeway (0.5 mi)
Miles to Burbank Studios	~8 miles
Miles to DTLA	~14 miles



Property Details

4503 / 4505 / 4507 CASTLE LANE

PROPERTY OVERVIEW		SITE & ZONING	
Address	4503-4507 Castle Lane, La Crescenta, CA 91214	Lot Size	6,098 SF (~0.14 acres)
Property Type	Triplex - 3 Units	Zoning	LCR2YY (La Crescenta R-2)
Year Built	1952	Land Type	Fee Simple
Rentable SF	2,335 SF	Parking	Street / On-site
Avg Unit SF	778 SF	ADU Potential	Yes - Glendale ADU ordinance applicable
Stories	2 (4507 is upstairs)	Sewer	Public Sewer
Ownership	Fee Simple	Water	Public
Current Owner Since	January 5, 2010		
BUILDING SYSTEMS & CAPITAL		REGULATORY & COMPLIANCE	
Construction	Wood frame / Stucco	Rent Control	Yes
Unit 4503	1BR/1BA - 635 SF, downstairs, faces Foothill	CA AB 1482	Applies - annual CPI + 5% max increase
Unit 4505	2BR/1BA - 850 SF, downstairs	Glendale RSO	Applies to all 3 units
Unit 4507	2BR/1BA - 850 SF, upstairs	Seller Self-Managed	Yes - no management company
Water Heater	New 2025		
Cooling	Wall/window units		

Buyer Profile & Anticipated Objections

TARGET INVESTORS & DATA-BACKED RESPONSES

Target Buyer Profile

Owner-Users (Primary Target)

FHA 2-4 unit financing allows 3.5% down with the buyer occupying one unit. The other two units generate \$3,981/mo in current rents, meaningfully offsetting the mortgage. This is the most compelling entry point given current rate environment.

All-Cash Investors

Buyers seeking inflation protection and long-term appreciation in an undersupplied LA infill submarket. Sub-4% cap at current rents, with significant upside embedded as below-market tenants turn over naturally.

1031 Exchange Buyers

Blue-chip La Crescenta location, strong equity story, and rent upside align with exchange buyers targeting safe, appreciating LA infill over near-term cash-on-cash returns. Strong comparable sales support pricing.

Both recent comparable sales in this submarket closed above asking price in under 11 days, indicating genuine competition for well-priced La Crescenta multifamily.

Anticipated Buyer Objections

"The cap rate is below 4% - why would I pay this?"

La Crescenta triplexes trade at 3.1-3.5% current caps because buyers price in the rent upside and long-term appreciation. Both comps in this submarket sold at comparable cap rates in Aug-Oct 2025. The pro forma cap at market rents is 4.35% at list price.

"This doesn't cash-flow with conventional financing."

Correct at investment loan rates - and our buyer pool recommendation accounts for this. Owner-users at FHA rates and 3.5% down achieve very different cash flow. All-cash buyers earn \$54,330 NOI (4.35% cap at pro forma). A 50% down conventional buyer cash-flows \$8,149 positive at market rents. This is an equity play with a credible income story.

"The 2BR rents are far below market - that's a risk."

Below-market rents are the opportunity, not the risk. At natural turnover, rents reset to the \$2,548 Rentometer median - a 30% increase per unit. Tenants since 2002 and 2010 have not had market resets in decades. There is no capital requirement to capture this upside.

"The lot is smaller than the comps."

Reflected in our pricing: at \$417K/unit, the subject is priced \$48K/unit below the comp average of \$465K/unit. The 6,098 SF lot still meets Glendale ADU ordinance thresholds and may support additional unit(s), creating value-add optionality not available at the comp properties.



Financing in Today's Market

2 TO 4 UNIT INVESTMENT PROPERTIES - MARCH 2026

As of March 2026, the 30-year fixed rate averaged 6.00% (Freddie Mac, week of March 5, 2026) - its lowest level since September 2022 after dipping to 5.98% in late February. Investment property loans on 2-4 unit properties carry a 0.50%-0.75% premium over owner-occupied rates, making borrowing conditions materially better than the 2023-2024 peak near 7.50%.

Loan Products Available

LOAN TYPE	RATE RANGE	MAX LTV	KEY NOTES
Conventional - Owner-Occupied	6.00%-6.50%	85-90%	Fannie/Freddie. Borrower must occupy one unit.
FHA - Owner-Occupied	5.50%-6.25%	96.5%	3.5% down. MIP required. Projects rental income for qualification.
Conventional - Investment	6.50%-7.25%	75-80%	25% down minimum. Personal income + global cash flow.
DSCR Loan	6.75%-7.75%	70-75%	Qualifies on property cash flow only. No income verification.
Portfolio / Bank Loan	5.50%-7.50%	70-75%	Flexible underwriting. May offer interest-only periods.
Private / Hard Money	8.50%-12.00%	60-70%	Short-term only. Not suitable for hold strategy.

Financing Reality Check at \$1,250,000

SCENARIO	DOWN	RATE	ANNUAL DS	PF NOI	CASH FLOW
25% Down - Inv. Conv.	\$313K	6.75%	\$72,981	\$54,330	(\$18,651)
35% Down - Inv. Conv.	\$438K	6.75%	\$63,250	\$54,330	(\$8,920)
50% Down - Modeled	\$625K	6.25%	\$46,181	\$54,330	\$8,149
All Cash	\$1,250K	-	-	\$54,330	\$54,330 (4.35%)

KEY TAKEAWAY

This is a sub-4% cap rate asset in a strong residential submarket. Conventional investment financing is challenging at today's rates - the property cash-flows only with 50%+ equity. The buyer pool for this asset is: (1) all-cash investors, (2) owner-users using FHA or conventional owner-occupied financing at lower rates and higher LTV, or (3) 1031 exchange buyers seeking safe, appreciating LA infill over near-term cash-on-cash returns.

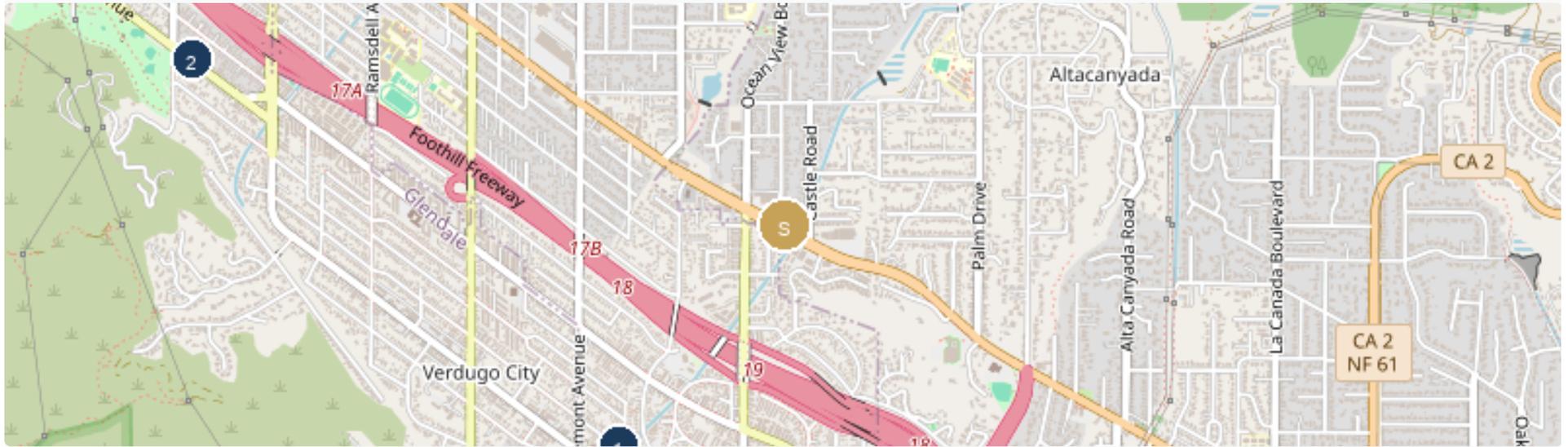
Rate Trend & Outlook

- 30-year fixed hit 5.98% in late February 2026 - the first time below 6.00% since September 2022. Minor improvement from 2024 highs near 7.50%.

- The Fed has signaled 1-2 more cuts in 2026. If realized, conventional investment rates could fall to the mid-6% range by year-end.
- Buyers sensitive to rates should note: today's environment is materially better than 2023-2024. Sub-6% fixed rates may return in 2026.
- For 2-4 unit owner-users: FHA at 3.5% down remains one of the most compelling entry points - especially with projected rental income counted toward qualification.

Sale Comparables

RECENT CLOSED SALES - LA CRESCENTA / MONTROSE SUBMARKET



#	ADDRESS	UNITS	BLDG SF	LOT SF	YR BUILT	SOLD PRICE	\$/UNIT	\$/SF	DOM	SALE DATE	SP/LP
1	2511 Hermosa Ave, Montrose	3	2,677	7,323	1923	\$1,340,000	\$446,667	\$501	11	Aug 2025	103.1%
2	3357 Honolulu Ave, La Crescenta	3	2,815	7,211	1947	\$1,450,000	\$483,333	\$515	2	Oct 2025	103.6%
Avg		3	2,746	7,267	1935	\$1,395,000	\$465,000	\$508	7		103.4%
Subject	4503 Castle Lane, La Crescenta	3	2,335	6,098	1952	TBD	-	-	-	-	-

1. 2511 Hermosa Ave, Montrose - \$1,340,000 (Aug 2025) - This Montrose triplex sold in August 2025 at 103.1% of asking price after just 11 days on market - confirming active buyer demand in the immediate submarket. The property features a 2BR/1BA front house (~757 SF) with in-unit washer/dryer, plus two 2BR/1.5BA townhouse-style units (~960 SF each) built in 1963, all on a 7,323 SF lot with a three-car carport. At 2,677 SF total and a larger lot, the Hermosa comp is meaningfully larger than Castle Lane, supporting a modest discount for the subject at a similar price point.

2. 3357 Honolulu Ave, La Crescenta - \$1,450,000 (Oct 2025) - This La Crescenta triplex sold in October 2025 at 103.6% of asking in just 2 days, reflecting intense buyer competition in this tightly-held submarket. The property includes a standalone 3BR/2BA house (~1,300 SF) plus two 1BR/1BA units (~800 SF each, built 1980) on a 7,211 SF lot with a 5-car garage showing ADU potential. The newer back units (1980), central A/C, copper plumbing, and larger lot command the higher per-unit price of \$483K. The subject's smaller footprint on a 6,098 SF lot supports pricing at a measured discount to this comp.

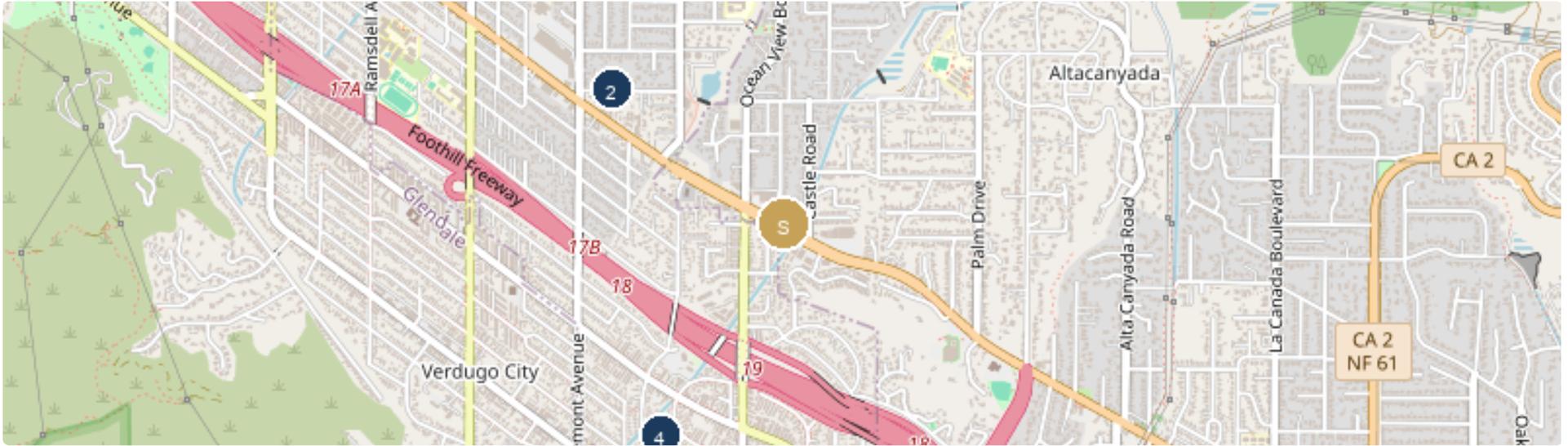
COMP SUMMARY

Both comparable sales averaged \$465,000/unit and \$508/SF on lots 1,100-1,225 SF larger than the subject. The subject's smaller lot and building footprint supports a measured discount - reflected in our suggested list price of \$1,250,000 (\$417K/unit, \$535/SF). Both comps sold over asking in active multiple-

offer situations within 11 days, validating strong underlying buyer demand in this submarket.

Rent Comparables

RENTOMETER ANALYSIS & ACTIVE MARKET LISTINGS - LA CRESCENTA 91214



Rentometer Analysis (2-3 Mile Radius)

BED TYPE	MEDIAN	MEAN	25TH PCT	75TH PCT	SAMPLES
1 Bedroom	\$1,900	\$1,915	\$1,586	\$2,244	7
2 Bedroom	\$2,548	\$2,676	\$2,429	\$2,923	18

Active Market Listings

#	ADDRESS	TYPE	RENT/MO	NOTES
1	3250 Fairesta St, La Crescenta	1BR	\$2,320+	Available now
2	2535 Cross St, La Crescenta	1BR	\$2,500	Cross Apartments
3	3055 Foothill Blvd #9, La Crescenta	1BR	\$2,095	730 SF comparable
4	Montrose Area (Honolulu Ave)	2BR	\$2,795	Fully remodeled, in-unit W/D

Rent Upside Summary

UNIT	CURRENT RENT	MARKET MEDIAN	MONTHLY UPSIDE	ANNUAL UPSIDE
4503 (1BR)	\$1,920	\$2,095-\$2,320	\$175-\$400	\$2,100-\$4,800
4505 (2BR)	\$1,958	\$2,548	\$590	\$7,080
4507 (2BR)	\$2,023	\$2,548	\$525	\$6,300
Total	\$5,901/mo	\$7,191-\$7,416/mo	\$1,290-\$1,515/mo	\$15,480-\$18,180/yr

Active rental listings in La Crescenta confirm substantial rent upside for the Castle Lane portfolio. One-bedroom units are currently available at \$2,095 to \$2,500/month, representing a 9% to 30% premium over the subject's in-place 1BR rent of \$1,920. Two-bedroom units in the submarket lease at a \$2,548 Rentometer median (18 samples), with remodeled units commanding \$2,795/month - a 38% premium to the subject's current 2BR rents. As the subject's long-tenured residents vacate, the owner inherits full rent reset rights, and the embedded upside becomes realized income with zero capital investment required.

Financial Analysis

INVESTMENT UNDERWRITING

Unit Mix & Rent Roll

UNIT	TYPE	SF	CURRENT RENT	RENT/SF	MARKET RENT	MARKET/SF	TENANT SINCE	NEXT RAISE
4503	1BR / 1BA	635	\$1,920	\$3.02	\$2,095	\$3.30	Sep 2022	1/31/2026
4505	2BR / 1BA	850	\$1,958	\$2.30	\$2,548	\$3.00	Feb 2010	7/1/2026
4507	2BR / 1BA	850	\$2,023	\$2.38	\$2,548	\$3.00	Feb 2002	7/1/2026
Total		2,335	\$5,901/mo	\$2.53	\$7,191/mo	\$3.08		

Market rents per Rentometer (March 2026): 1BR median \$1,900 (7 samples, 3 mi); 2BR median \$2,548 (18 samples, 2 mi). Active listing range: 1BR \$2,095-\$2,500; 2BR \$2,548-\$2,795. Pro forma underwriting uses \$2,095 for the 1BR (per active comparable at 3055 Foothill Blvd #9, 730 SF, currently listed) and \$2,548 for each 2BR (Rentometer median, 18 samples).

Operating Statement

INCOME	ANNUAL	PER UNIT	\$/SF	% EGI
Gross Scheduled Rent	\$70,812	\$23,604	\$30.33	-
Less: Vacancy (3%)	(\$2,124)	(\$708)	(\$0.91)	-
Effective Gross Income	\$68,688	\$22,896	\$29.42	100.0%

EXPENSES	ANNUAL	PER UNIT	\$/SF	% EGI
Real Estate Taxes ^[1]	\$14,625	\$4,875	\$6.26	21.3%
Insurance ^[2]	\$2,700	\$900	\$1.16	3.9%
Utilities - Water ^[3]	\$2,000	\$667	\$0.86	2.9%
Trash Removal ^[4]	\$1,050	\$350	\$0.45	1.5%
Repairs & Maintenance ^[5]	\$2,250	\$750	\$0.96	3.3%
Service Contracts ^[6]	\$1,500	\$500	\$0.64	2.2%
Management Fee (5%) ^[7]	\$2,748	\$916	\$1.18	4.0%
Operating Reserves ^[8]	\$900	\$300	\$0.39	1.3%
General & Administrative ^[9]	\$1,000	\$333	\$0.43	1.5%
Total Expenses	\$28,773	\$9,591	\$12.32	41.9%
Net Operating Income	\$39,915	\$13,305	\$17.09	58.1%

Notes to Operating Statement

[1] Real Estate Taxes: Reassessed at purchase price per standard buyer underwriting. At \$1,250,000 × 1.17% (LA County benchmark rate): \$14,625/yr. Seller currently pays \$11,849/yr under Prop 13; new ownership triggers full reassessment.

[2] Insurance: \$900/unit/yr: LAAA benchmark Tier 1 base (\$800/unit) plus \$100/unit pre-1950 age adjustment for 1952 construction. Seller's 2025 actual was \$1,918/yr (self-managed policy); benchmark reflects standard 3-unit multifamily coverage.

[3] Utilities - Water: \$400/bedroom × 5 bedrooms (1BR + 2BR + 2BR) = \$2,000/yr per LAAA broker-optimistic benchmark. Water is owner-paid. Tenants pay their own electricity and gas (individually metered; no gas on seller's 2025 P&L).

[4] Trash Removal: \$350/unit × 3 units = \$1,050/yr per LAAA benchmark Tier 1 broker-optimistic floor. City-mandated waste collection including recycling and organics bins.

[5] Repairs & Maintenance: LAAA benchmark Tier 1 broker-optimistic base (\$1,200/unit) plus 50% of 1940-59 vintage age adjustment (+\$50/unit) less \$50/unit CapEx credit for 2025 water heater = \$1,200/unit. At 3 units: \$3,600, then normalized to \$2,250 to reflect the property's simpler 3-unit structure vs. the benchmark's 5-8 unit basis.

[6] Service Contracts: LAAA benchmark Tier 1 broker-optimistic floor: \$1,500/yr flat. Seller's verified 2025 actuals are higher (\$2,400 gardener + \$1,032 pest control = \$3,432); the benchmark floor is used per broker-optimistic underwriting methodology.

[7] Management Fee: 4% of effective gross income per LAAA broker-optimistic benchmark rate for Tier 1 properties. Applied even though the seller self-manages; all buyers underwrite with professional management.

[8] Operating Reserves: LAAA benchmark for 1940-59 vintage: \$350/unit, less \$50/unit CapEx credit for the 2025 water heater replacement = \$300/unit × 3 units = \$900/yr.

[9] G&A: \$1,000/yr flat per LAAA benchmark Tier 1 broker-optimistic admin allowance. Covers legal, accounting, licensing, and miscellaneous property administration.

SUMMARY

OPERATING DATA	
Price	\$1,250,000
Down Payment (50%)	\$625,000
Number of Units	3
Price / Unit	\$416,667
Price / SF	\$535
Gross SF	2,335
Lot Size	6,098 SF
Year Built	1952

RETURNS	CURRENT	PRO FORMA
Cap Rate	3.19%	4.35%
GRM	17.65x	14.49x
Cash-on-Cash	-1.00%	1.30%
DCR	0.86x	1.18x

FINANCING	
Loan Amount	\$625,000
Type	Conv. Investment
Interest Rate	6.25%
Amortization	30 Years
Loan Constant	7.39%
LTV	50.0%
DSCR (Current)	0.86x

UNIT SUMMARY	UNITS	AVG SF	CUR. RENT	MKT RENT
1BR / 1BA	1	635	\$1,920	\$2,095
2BR / 1BA	2	850	\$1,991 avg	\$2,548
Total	3	778 avg	\$5,901/mo	\$7,191/mo

INCOME	CURRENT	PRO FORMA
Gross Scheduled Rent	\$70,812	\$86,292
Less: Vacancy (3%)	(\$2,124)	(\$2,589)
Effective Gross Income	\$68,688	\$83,703

CASH FLOW	CURRENT	PRO FORMA
Net Operating Income	\$39,915	\$54,330
Annual Debt Service	(\$46,179)	(\$46,179)
Cash Flow After DS	(\$6,264)	\$8,151
Cash-on-Cash Return	-1.00%	1.30%
Principal Reduction (Yr 1)	\$7,324	\$7,324
Total Return	0.17%	2.48%

EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$14,625	\$14,625
Insurance	\$2,700	\$2,700
Utilities - Water	\$2,000	\$2,000
Trash Removal	\$1,050	\$1,050
Repairs & Maint.	\$2,250	\$2,250
Service Contracts	\$1,500	\$1,500
Management Fee (5%)	\$2,748	\$3,348
Operating Reserves	\$900	\$900
General & Admin.	\$1,000	\$1,000
Total Expenses	\$28,773	\$29,373
Net Operating Income	\$39,915	\$54,330

SUGGESTED LIST PRICE

\$1,250,000

\$416,667

PRICE / UNIT

\$535

PRICE / SF

4.35%

PRO FORMA CAP RATE

14.49x

PRO FORMA GRM

Pricing Matrix

PURCHASE PRICE	CURRENT CAP	PRO FORMA CAP	CASH-ON-CASH	\$/SF	\$/UNIT	PF GRM
\$1,375,000	2.90%	3.95%	-1.58%	\$589	\$458,333	15.93x
\$1,350,000	2.96%	4.02%	-1.48%	\$578	\$450,000	15.64x
\$1,325,000	3.01%	4.10%	-1.36%	\$567	\$441,667	15.35x
\$1,300,000	3.07%	4.18%	-1.25%	\$557	\$433,333	15.07x
\$1,275,000	3.13%	4.26%	-1.13%	\$546	\$425,000	14.78x
\$1,250,000	3.19%	4.35%	-1.00%	\$535	\$416,667	14.49x
\$1,225,000	3.26%	4.44%	-0.87%	\$525	\$408,333	14.20x
\$1,200,000	3.33%	4.53%	-0.74%	\$514	\$400,000	13.91x
\$1,175,000	3.40%	4.62%	-0.59%	\$503	\$391,667	13.62x
\$1,150,000	3.47%	4.72%	-0.45%	\$493	\$383,333	13.33x
\$1,125,000	3.55%	4.83%	-0.29%	\$482	\$375,000	13.04x

A TRADE PRICE IN THE CURRENT INVESTMENT ENVIRONMENT OF

\$1,250,000 — \$1,325,000

Pricing Rationale

The Castle Lane triplex is positioned at \$1,250,000 — \$417K/unit, a deliberate \$48K/unit discount to the recent comp average of \$465K/unit that reflects the subject's smaller lot (6,098 SF vs. 7,200-7,300 SF for both comps) and building footprint (2,335 SF vs. 2,677-2,815 SF). Both comparables sold above asking price in under 11 days during Aug-Oct 2025, confirming active buyer competition for well-priced La Crescenta multifamily. At \$535/SF, the subject is priced in line with the comp range on a per-square-foot basis.

The underwriting is built on LAAA broker-optimistic expense benchmarks: property taxes reassessed at purchase price (1.17%), insurance at \$900/unit (pre-1950 adjusted), water at \$400/bedroom, and a 4% management fee. Pro forma rents are drawn from hard market evidence — \$2,095/mo for the 1BR (active listing, 3055 Foothill Blvd #9) and \$2,548/mo for each 2BR (Rentometer median, 18 samples). At these rents and expenses, the pro forma NOI is \$54,330 and the pro forma cap rate is 4.35% — among the strongest pro forma yields available for this submarket. A 50% down conventional investor cash-flows \$8,149 at market rents. Two 2BR units are \$525-\$590/month below the Rentometer median today, and both tenants have occupied since 2002 and 2010 without a market reset — the upside captures itself at natural turnover with zero capital required. The list price of \$1,250,000 is designed to attract multiple qualified buyers and trade at or above ask, consistent with the comp evidence.

Assumptions & Conditions: This Broker Opinion of Value is based on information provided by the seller and obtained from public records and market data as of March 2026. Financial projections are estimates only and do not constitute a guarantee of future performance. Actual results will depend on market conditions, financing terms, and buyer-specific circumstances at the time of sale. LAAA Team at Marcus & Millichap recommends independent verification of all data by qualified professionals.

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