

**Seller will carry 70% LTV at 5% I/O for 2 years!**



## OFFERING MEMORANDUM

5745 Arroyo Dr.  
Los Angeles, CA 90042

*Exclusively Listed by:*  
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### DISCLAIMER AND CONFIDENTIALITY AGREEMENT:

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of:

5745 ARROYO DR, LOS ANGELES CA 90042 ("Property").

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By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or Growth Investment Group. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or Growth Investment Group. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to Growth Investment Group.





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Highland Park  
Demographics





# 01. EXECUTIVE SUMMARY



## Summary

Subject Property:	5745 Arroyo Drive Los Angeles, CA 90042
Price	\$1,450,000
Cap Rate/GRM:	3.15%/18.20
Year Built:	1961
Building Area:	4,092 SF
Lot Size:	5,804 SF
Assessor's parcel number:	5492-006-018
Number of Units:	6
Zoning:	LARD-2
Parking:	6 (Tandem Spaces)
Unit Mix:	6 x 2Bed + 1Bath

Financial analysis on page 15, Rent Roll on page 16

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.





## Executive Summary

The Growth Investment Group is proud to present this attractive 6 Unit Value Add opportunity in one of the hottest Markets in Los Angeles- Highland Park! The building has all 2-bedroom units with 6 tandem parking spaces and is individually metered for gas and electricity. The current rents are considerably below market with rental upside being +/- 75% below comparable nicely renovated units in the area. It is strategically located near all the Figueroa has to offer as well as the Metro Gold Line and 110 freeway with easy access to Downtown LA. These units are perfect for the buyer looking to add significant value as this pocket in Los Angeles has proven the strength of the rental market which continues to improve. The size and location of the building make this a solid hold for all size portfolios!





## Property Highlights

- Great Highland Park Location- Walking distance to Figueroa and Gold line.
- Value Add Opportunity in a very hot market
- Attractive Unit mix with All 2 Bedrooms with Parking
- Tremendous Rental upside: +/- 75%
- Individually metered for Gas / Electricity
- Easy access to Downtown LA
- Walking distance to all Highland Park has to offer



## Investment Highlights

- Superb area amenities, within walking distance to some of the best restaurants/attractions in Highland Park: Highland Park Bowl, Hippo, Otono, Cafe Birdie, ETA, Go Get Em Tiger, Highland Park Theatres, etc.
- Nearby Highland Park Station (light rail), Highland Park Farmers Market, Figueroa St and York Blvd retail corridors!
- Superb access to Downtown Los Angeles via FWY 110; minutes to FWY 2, FWY 134 and FWY 210
- Currently gentrifying location with many new developments in the immediate area





Property Photos



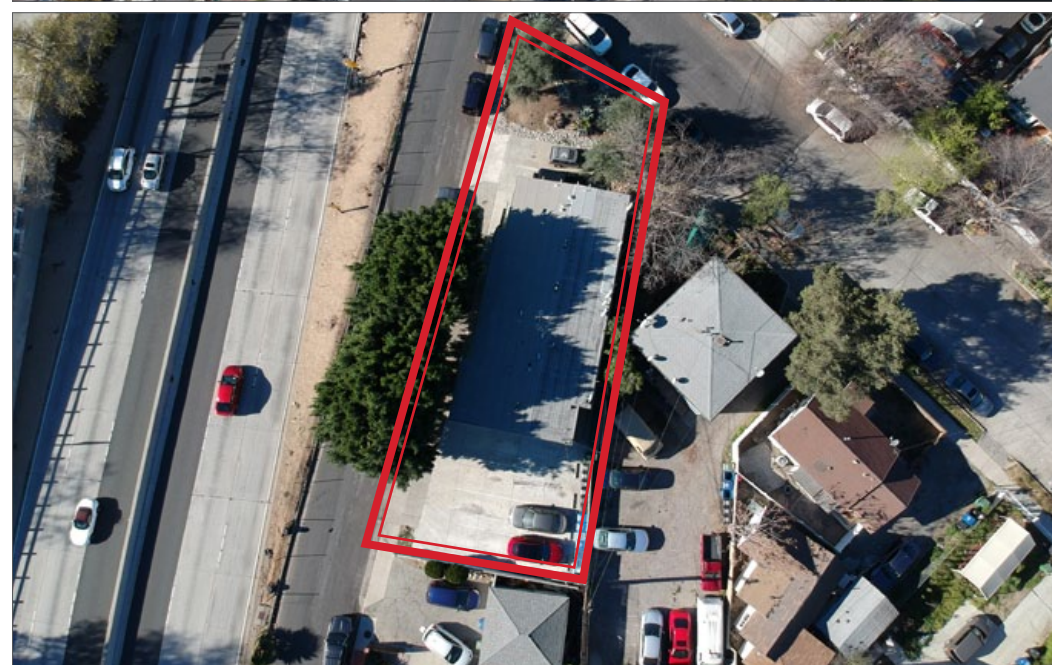
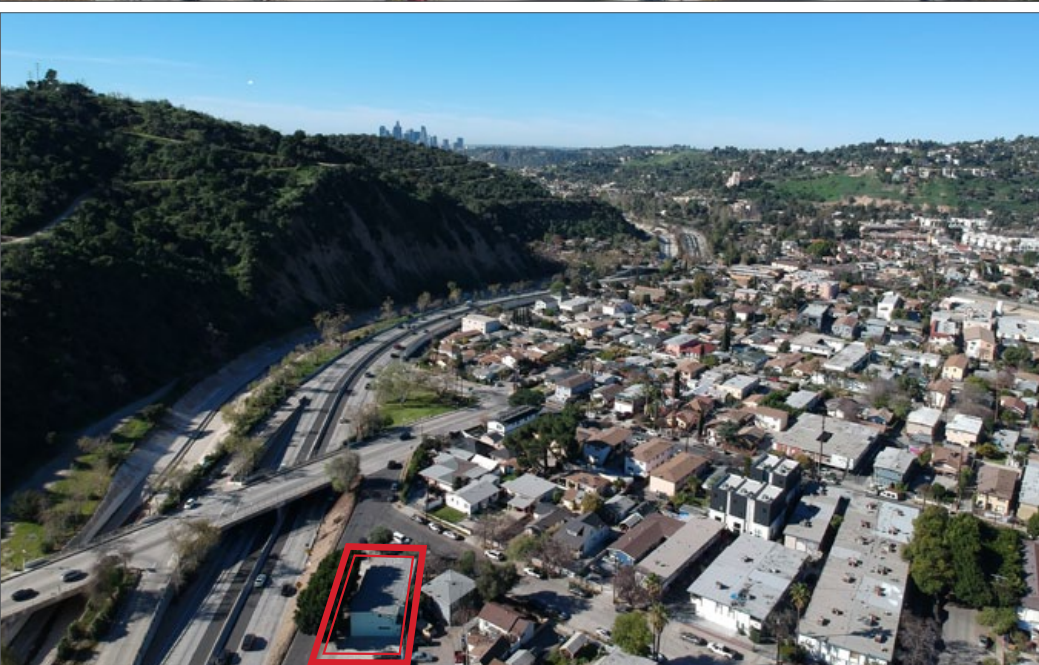
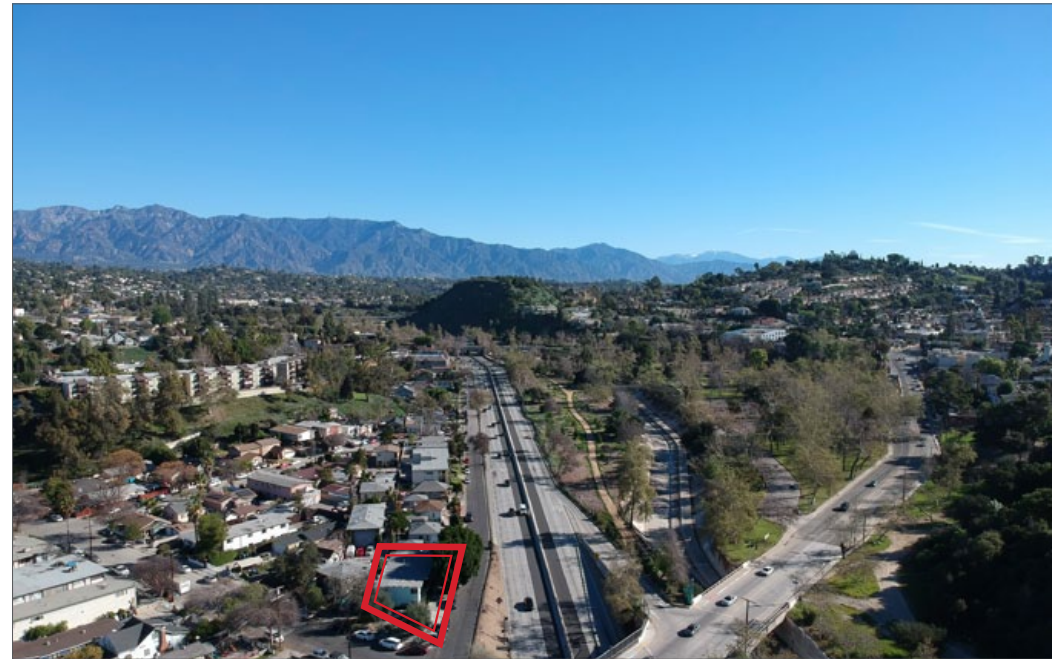
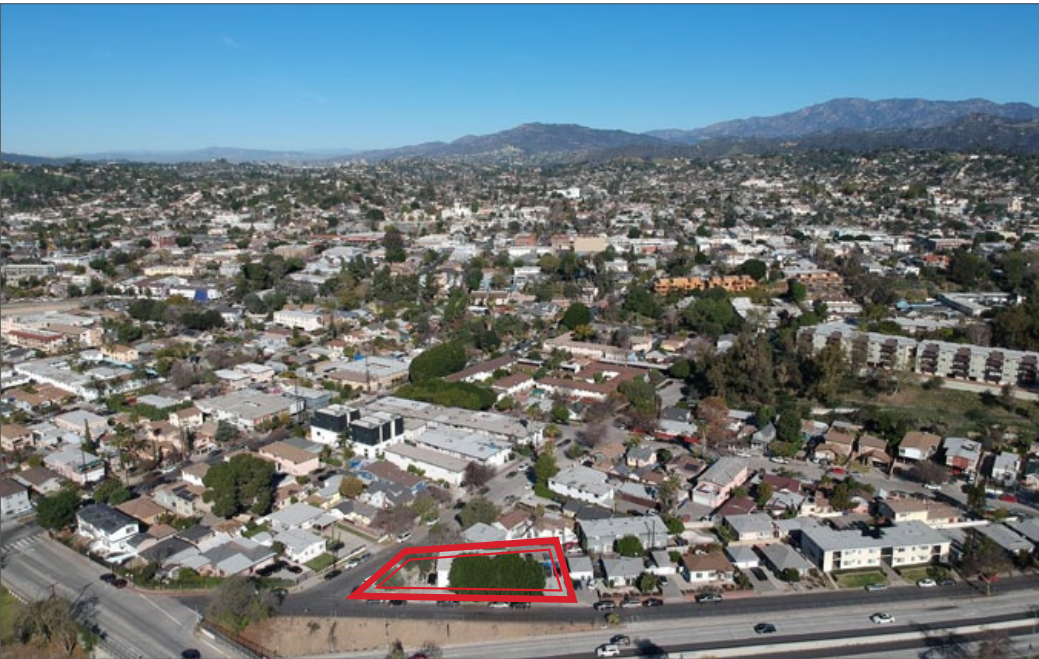


Property Photos





Property Photos (With Selected Aerials)



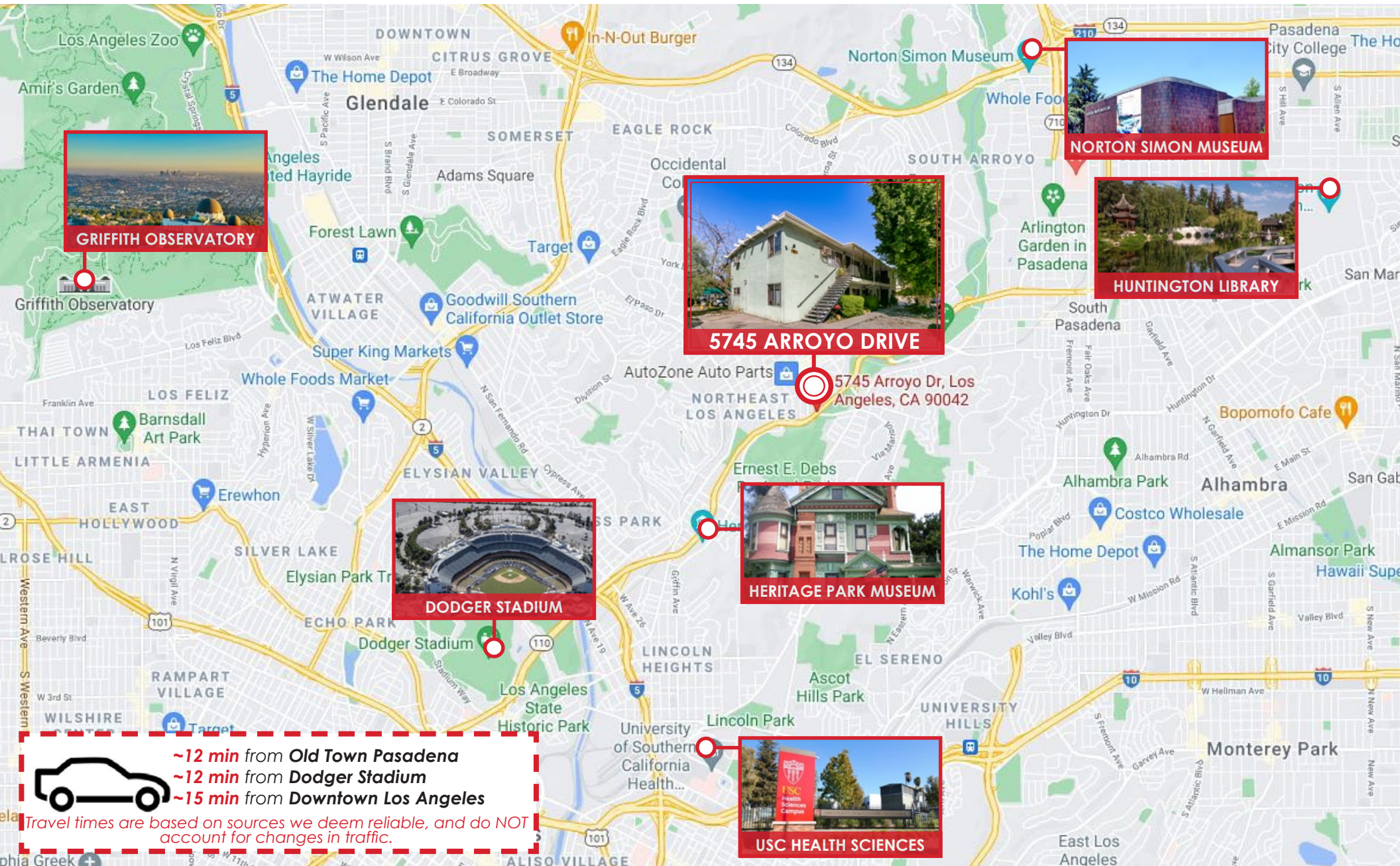


Aerial Photos





## Local Map





## Area Amenities

### Highland Park Bowl



**Distance from 5745 Arroyo:**  
**10 minute walk, 2 minute drive, 0.5 miles**

Highland Park Bowl originated during the midst of prohibition, and the building housed numerous doctors' offices on the second floor, a pharmacy, music store, and recreation space. After peeling away years of layers, 1933 Group exposed the original façade and interior, refurbished the lanes, and discovered a treasure trove of items, which were refurbished, repurposed, and put on display.

### Highland Theatre



**Distance from 5745 Arroyo:**  
**11 minute walk, 3 minute drive, 0.5 miles**

For one of the best deals in town, catch the \$5 showings of new film releases on Tuesdays and Wednesdays and \$7 bargain matinees, daily before 6pm.

### Otoño



**Distance from 5745 Arroyo:**  
**2 minute walk, 1 minute drive, 0.1 miles**

Otoño is a progressive Spanish-inspired restaurant concept exploring tapas and paella beyond tradition and through a modern, urban lens.

Their food is influenced by many cultures and artistic expressions while embracing the bounty of California's land and sea produce to curate a unique dining experience for the vast ethnic palate of Los Angeles.

### Cafe Birdie



**Distance from 5745 Arroyo:**  
**10 minute walk, 2 minute drive, 0.5 miles**

The stunning restaurant is an ode to California cuisine, with a menu populated by toasts (steak tartare, mushroom, burrata), salads, pastas and meat-focused plates like braised meatballs and pork collar.

Stay and have a drink at the marble-topped bar, or head to the bar in the back for a more casual, intimate setting.

### Norton Simon Museum



**Distance from 5745 Arroyo:**  
**12 minute drive, 4.8 miles**

The Norton Simon collections include: European paintings, sculptures, and tapestries; Asian sculptures, paintings, and woodblock prints.

The museum contains the Norton Simon Theater which shows film programs daily, and hosts lectures, symposia, and dance and musical performances year-round.

### HiPPo



**Distance from 5745 Arroyo:**  
**5 minute walk, 3 minute drive, 0.2 miles**

HiPPo is the restaurant that put Highland Park on the map. With James Beard Award-winning chef Matt Molina at the helm, industry vets tending bar and pouring wine, a lofty bow-truss ceiling overhead, and an ever-permeating buzzy vibe, what more could you ask for?



The image shows the exterior of the Norton Simon Museum. The building is a large, curved structure with a facade made of reddish-brown, rectangular tiles. The name "NORTON SIMON MUSEUM" is written in white, capital letters across the middle of the building. Above the main facade is a cylindrical section with a grey, segmented top. In the foreground, there is a green hedge and a black signpost with a green sign. The background features a clear blue sky and distant mountains.

NORTON SIMON MUSEUM

## 02. FINANCIALS



Investment Overview			Unit Mix & Rent Schedule					
Price	\$	1,450,000	Units	Type	Avg. Rent	Total Rent	Proforma Rent	Total Proforma Rent
Price Per Unit	\$	242,000	6	2B + 1B	\$ 1,105	\$ 6,631	\$ 1,950	\$ 11,700
Price Per SF	\$	354	6		TOTAL	\$ 6,631		\$ 11,700
Cap Rate		3.15%						
GRM		18.20						Est. Upside 76%
Property Information			Income					
Building Size		4,092	Annual Gross Rent (Current/Potential)	\$	6,631 per month		Current \$ 79,572	Proforma \$ 140,400
Lot Size		5,804	Laundry/Misc. Income	\$	7 per month		\$ 79	\$ 79
Number of Units		6	Gross Scheduled Income				\$ 79,650	\$ 140,479
Year Built		1961	Vacancy Factor		3.00%		\$ (2,390)	\$ (4,214)
Parcel(s)		5492-006-018	Effective Gross Income				\$ 77,261	\$ 136,264
Zoning		RD2-1						
Parking		6- Tandem Spaces						
Proposed Financing			Expenses					
Down Payment		\$435,000	Operating Expenses (Current/Potential)				Current	Proforma
Approximate Loan Amount		\$1,015,000	New Property Taxes	1.175208%			\$ 17,041	\$ 17,041 Per Assessor
Interest Rate		5.000%	Direct Assessment				\$ 893	\$ 893 Per Assessor
Loan To Value		70.0%	Insurance	\$ 233.92	per month		\$ 2,807	\$ 2,807 Est
Annual Debt Service		\$50,750	Water/ Sewer	\$ 446	per month		\$ 5,350	\$ 5,350 2021
Debt Coverage Ratio		0.92	Electricity	\$ 68	per month		\$ 812	\$ 812 2021
Loan Type		Seller Carry for 2 years, I/O	Gas	\$ 20	per month		\$ 237	\$ 237 2021
			Repair & Maintenance	\$ 500	per unit		\$ 3,000	\$ 3,000 Est
			Gardening	\$ 75	per month		\$ 900	\$ 900 2021
			LA RSO / SCEP	\$ 41	per month		\$ 492	\$ 492 2021
			Fire Safety	\$ 8			\$ 95	\$ 95 2021
							Current	Proforma
			Total Operating Expenses	40% of GSI			\$ 31,627	\$ 31,627
			Expenses Per Unit				\$ 5,271	\$ 5,271
			Expenses Per SF				\$ 7.73	\$ 7.73
*General Assumptions			NET Operating Income					
Estimated Rehab Cost/ Unit	\$	25,000					Current	Proforma
Estimated Relocation/ Unit	\$	25,000						
Estimated Rehab Cost Total	\$	300,000						
Estimated Total Project Cost	\$	1,750,000						
Proforma CAP Post Rehab		5.98%						
Proforma GRM Post Rehab		12.46						

\*General Assumptions are estimate only! Buyer shall conduct their own due diligence and use their own underwriting guidelines to evaluate the performance of this investment offering.



## Rent Roll

Unit No.	Unit Type	Est. Size	Current	Proforma	Move In Date
1	2B + 1B	682	\$ 1,425	\$ 1,950	1/6/2015
2	2B + 1B	682	\$ 1,594	\$ 1,950	10/6/2015
3	2B + 1B	682	\$ 740	\$ 1,950	3/1/2004
4	2B + 1B	682	\$ 1,367	\$ 1,950	8/28/2014
5	2B + 1B	682	\$ 734	\$ 1,950	4/1/2005
6	2B + 1B	682	\$ 771	\$ 1,950	9/1/1999

TOTAL	4,092	\$ 6,631	\$ 11,700
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# Units	Unit Type	AVG RENT	Min Rent	Max Rent	Proforma Rent
6	2B + 1B	\$ 1,105	\$ 734	\$ 1,594	\$1,950





## 03. MARKET OVERVIEW



## Market Overview

### THE NEIGHBORHOOD OF HIGHLAND PARK

Highland Park is a hilly neighborhood in the city of Los Angeles, located in the San Rafael Hills and along the Arroyo Seco. It sits a few miles up the 110 from Downtown LA, just south of Eagle Rock and Pasadena. Its tree-lined residential streets mix with a walkable urban culture, particularly along the burgeoning York Boulevard, a street stocked with trendy gastropubs and art galleries. More recently, Figueroa Street has found itself as another source of increasing pedestrian activity.

Highland Park and neighboring Pasadena became havens for artists and intellectuals who led the Arts and Crafts movement. The city is building a reputation as a mecca for artists, with trendy shops, galleries, bars and restaurants opening throughout the neighborhood. The continuation of several long-time businesses lend credibility to the neighborhood's hipster status and add to its charm.



## TRANSPORTATION

Highland Park is a public transportation hub which is well connected to light rail and bus services. The L Line connects locally at the Highland Park Station.

The district is also served by Metro Local bus lines 81, 182 & 256, which connect to the surrounding areas of Pasadena, South Pasadena, the San Gabriel Valley, and Downtown Los Angeles, among others. Local bus service is provided by LADOT's DASH Highland Park/Eagle Rock bus line, which begins in San Pascual Park and ends near the city limits with Glendale.



## ECONOMY & ENTERTAINMENT

In the 2010s, Highland Park experienced significant job growth, especially with businesses along Figueroa Street and York Boulevard. Its educational, health, and social service careers also developed robustly during this period.

Highland Park has also been home to multiple motion picture shoots, including Reservoir Dogs, Yes Man, The Lincoln Lawyer, and others.



## Demographic &amp; Income Profile (1 mile radius)

Summary	Census 2010	2021	2026	
Population	37,357	37,980	38,065	
Households	12,177	12,376	12,367	
Families	8,144	8,306	8,333	
Average Household Size	3.04	3.04	3.04	
Owner Occupied Housing Units	4,682	4,530	4,561	
Renter Occupied Housing Units	7,495	7,846	7,806	
Median Age	33.0	34.6	36.2	
Trends: 2021-2026 Annual Rate	Area	State	National	
Population	0.04%	0.52%	0.71%	
Households	-0.01%	0.50%	0.71%	
Families	0.06%	0.49%	0.64%	
Owner HHs	0.14%	0.51%	0.91%	
Median Household Income	3.61%	2.52%	2.41%	
Households by Income	2021		2026	
	Number	Percent	Number	Percent
<\$15,000	1,249	10.1%	1,020	8.2%
\$15,000 - \$24,999	1,141	9.2%	940	7.6%
\$25,000 - \$34,999	977	7.9%	866	7.0%
\$35,000 - \$49,999	1,505	12.2%	1,352	10.9%
\$50,000 - \$74,999	2,096	16.9%	1,941	15.7%
\$75,000 - \$99,999	1,483	12.0%	1,522	12.3%
\$100,000 - \$149,999	2,174	17.6%	2,571	20.8%
\$150,000 - \$199,999	803	6.5%	1,013	8.2%
\$200,000+	949	7.7%	1,143	9.2%
Median Household Income	\$63,486		\$75,813	
Average Household Income	\$87,290		\$100,823	
Per Capita Income	\$28,664		\$33,001	