



OFFERING
MEMORANDUM

Kenmore Commons Apartments

Located in Koreatown, Los Angeles

km Kidder
Mathews



TABLE OF CONTENTS

Property Analysis	1
Executive Summary	
Investment Highlights	
Rent Summary	
Financial Summary	

Comparables	10
Rent Comparables	

Market Overview	13
Impact of LA's Growth on Rental Housing	
Koreatown Developments	
Multifamily Demand in Los Angeles	

Resume	17
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Property Analysis

Executive Summary
Investment Highlights
Rent Summary
Financial Summary



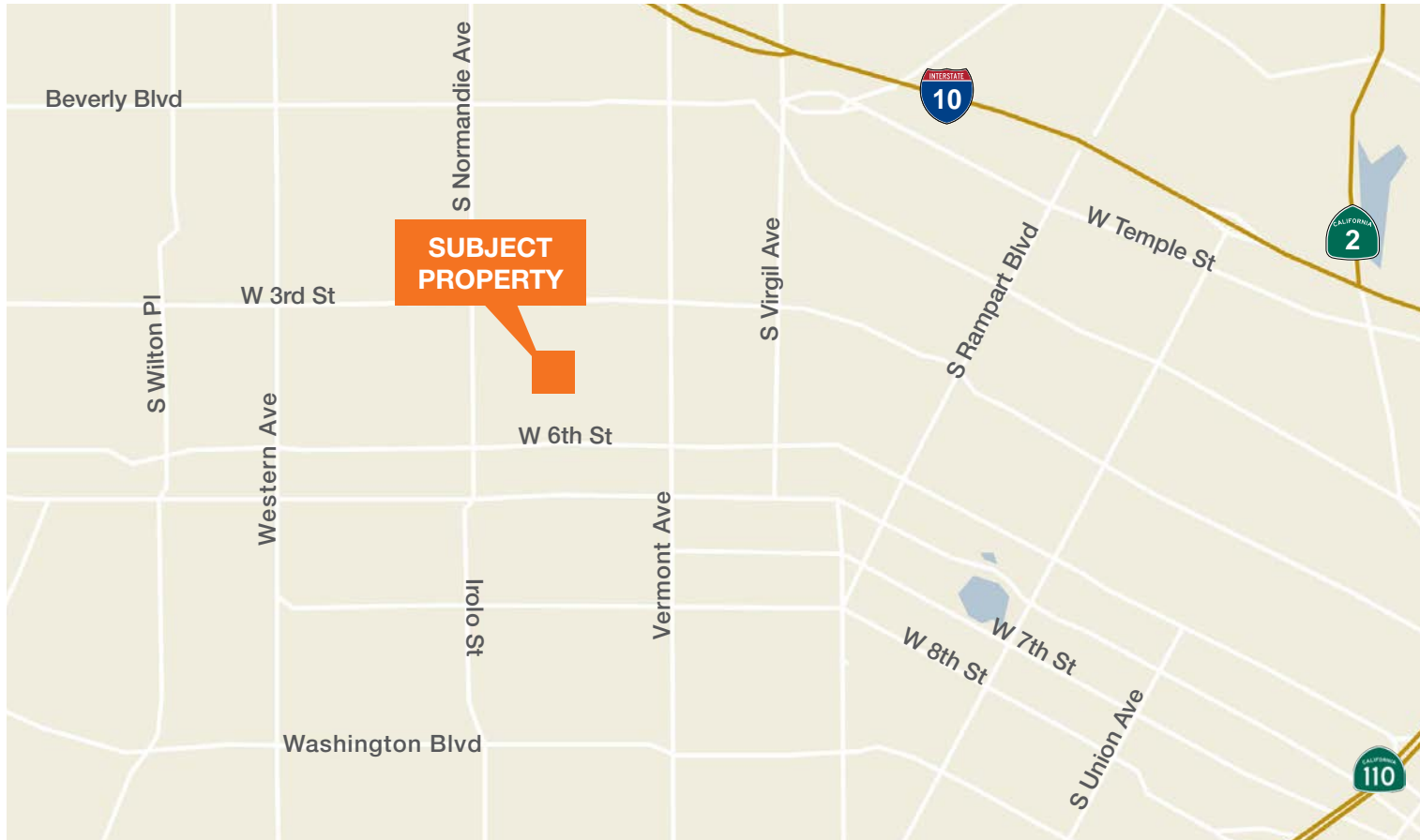
Executive Summary

OPPORTUNITY

Kidder Mathews is pleased to present Kenmore Commons a 22 unit multi-family investment in L.A.'s flourishing and gentrified Koreatown neighborhood. The asset offers a tremendous opportunity to own a completely renovated asset located in vibrant Koreatown, one of the most desirable and diverse neighborhoods in Los Angeles. As a value-add play, the asset offers an investor the ability to build up to 57 units while cash flowing during the entitlement process.

INVESTMENT SUMMARY

Property	Kenmore Commons Apartments
Address	417 S Kenmore Ave
Lot Size	13,178 SF
Number of Units	22
Year Built	1956
Price	\$7,650,000
Cap Rate	5



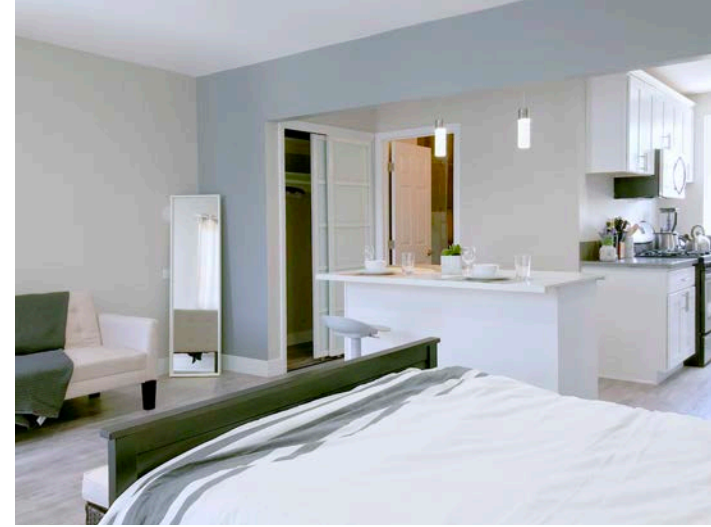
90

Walk Score



80

Transit Score



Investment Highlights

LOCATION, LOCATION, LOCATION

Kenmore Commons offer residents an incredible walk score of 90, bringing amenities galore in the form of transit stops, nightlife, employment and education just steps away from their front door. Located just 2 blocks North of Chapman Plaza it offers highly regarded Restaurants such as Quarters Korean BBQ, Kong Ho-dong and the Lion Hotel.

There are over 50 projects currently in the planning or construction phase within a few blocks of Kenmore Commons. Over 5,000 new luxury apartments with studio rents beginning at \$2,500 are currently being constructed within walking distance of the asset. This gives Kenmore Commons continual rent upside for the foreseeable future.

Koreatown is highly transit oriented. Kenmore Commons is located within walking distance to the Metro Rail Purple Line at Wilshire and Normandie. The Metro Red & Purple lines run along Wilshire and Vermont Boulevards, providing access to the entire city - from Downtown LA to Hollywood, Pasadena to Santa Monica, and even the San Fernando Valley and Orange County. The Koreatown submarket is also heavily serviced by the Metro bus lines, many of which are just a short walk from Kenmore Commons.



Investment Highlights

MECCA OF EMPLOYMENT & EDUCATION

Within four miles surrounding Koreatown there are three major job centers, Downtown LA, Hollywood and Miracle Mile / West Hollywood. These areas combined boast over 91 million square feet of office space. With Downtown LA being the largest, these employment hubs combined offer over 750,000 jobs in a broad spectrum of professions, including technology, film and media, banking and finance, accounting, legal government, manufacturing, and service industries.

Koreatown is also home to Southwestern Law School and benefits from close proximity to University of Southern California (2.4 miles), Fashion Institute of Design and Merchandising (2.3 miles) and LA Community College (3.2 miles).



KENMORE DEVELOPMENT

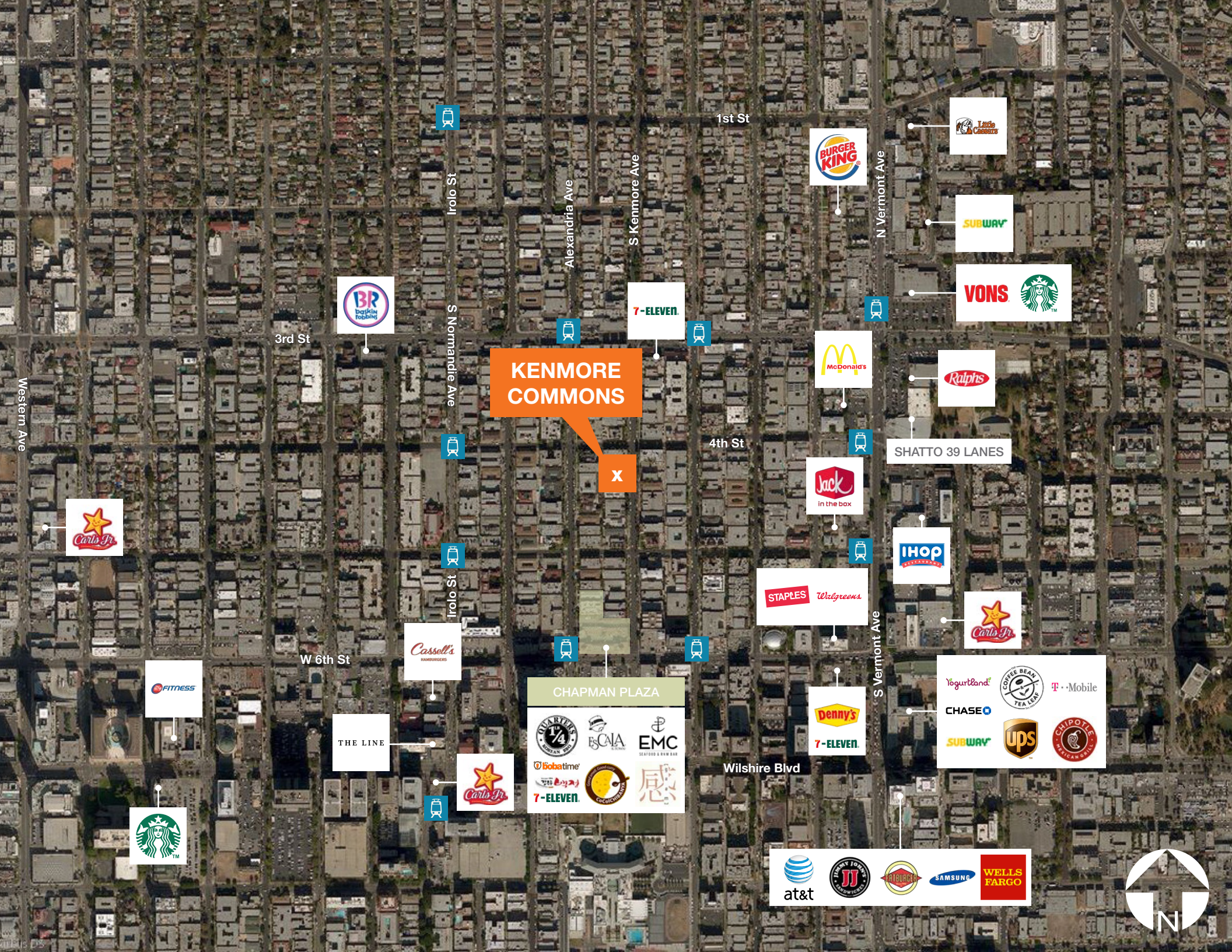
VALUE-ADD POTENTIAL

Kenmore Commons provides an investor with the unique opportunity to realize strong cash flow while implementing plans to build up to 57 units on a redevelopment project (buyer to verify with City). Koreatown has experienced significant increased development over the past several years and demand continues to rise rapidly for quality and luxury housing in a market with historically low inventory.

ONGOING POPULATION GROWTH & HOUSING DEFICIT

According to the US Census Bureau, the Los Angeles-Long Beach-Anaheim MSA is one of the most densely populated “urbanized areas” in the US with nearly 7,000 people per square mile.

Census experts anticipate the population of Los Angeles County to grow by 8.8% over the next 10 years, creating demand for an additional 157,000 housing units and supply is not expected to keep up with projected demand. According to Bloomberg, Los Angeles will become the densest city in the United States by 2025.



KENMORE COMMONS

X

CHAPMAN PLAZA

A collection of logos for businesses located in Chapman Plaza, including OYA BEERS, ESCALIA, EMC, Bobatime, 7-ELEVEN, and others.

SHATTO 39 LANES

Western Ave

3rd St

1st St

4th St

W 6th St

Wilshire Blvd



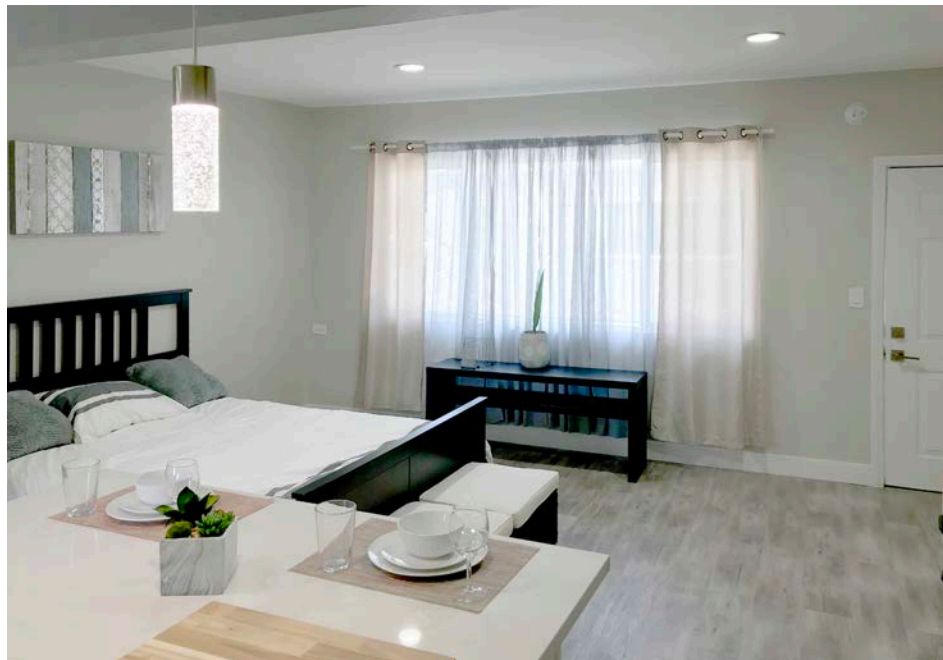
Rent Summary

GROSS POTENTIAL INCOME

UNIT TYPE	SF	UNIT TYPE	NO.	TOTAL SF	UNIT MONTHLY RENT	TOTAL MONTHLY	RENT PER SF
Olympic Commonwealth	450	0/1	9	4,050	\$2,000	\$18,000	\$4.44
Wilshire Premiere	515	0/1	12	6,180	\$2,000	\$24,000	\$3.88
The Vermont Regency	725	2/1	1	725	\$2,600	\$2,600	\$3.59
TOTAL			22	10,955	MONTHLY RENT	\$44,600	
					ANNUAL RENT	\$535,200	

KENMORE COMMONS PARKING

Number	20
Ratio	0.90/ apartment



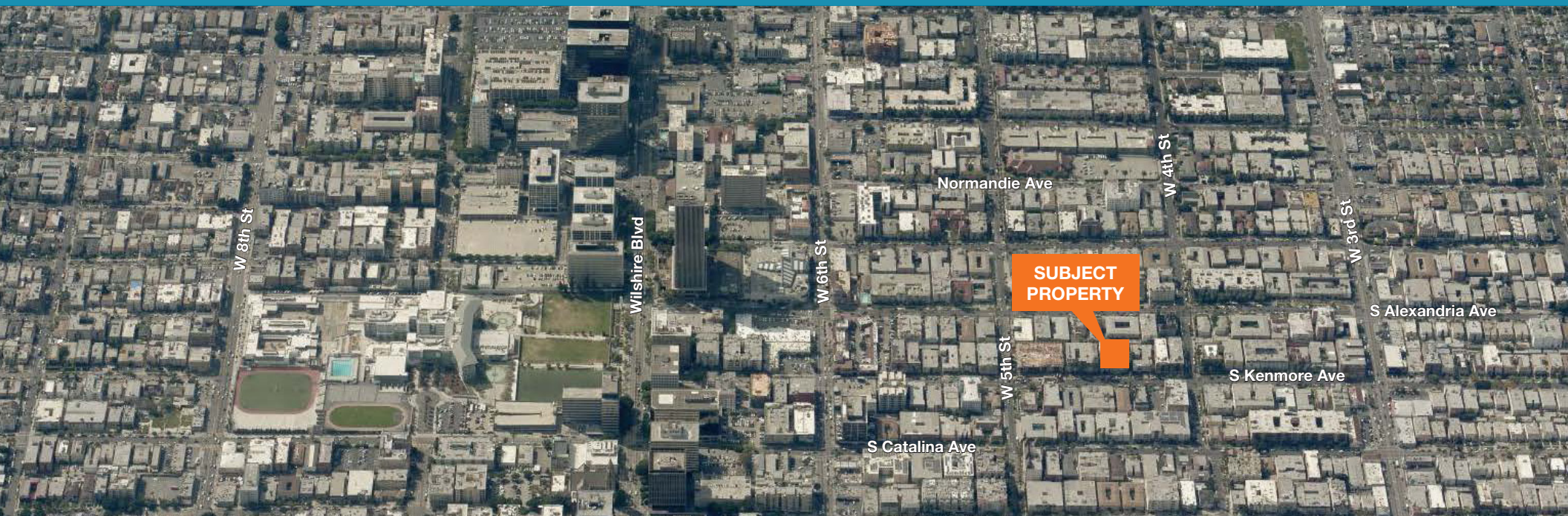
Financial Summary

ANNUALIZED OPERATING DATA

Scheduled Gross Income	\$535,200
Vacancy	-\$10,704
Loss to Lease	\$0
Effective Gross Income	\$524,496
Taxes	\$93,364
Insurance	\$4,196
Management Fee	\$20,980
LADWP, Common Area	\$6,000

CURRENT

Gas	\$4,000
Pest Control	\$1,000
Trash Collection	\$3,026
Landscaping	\$1,200
Repairs & Maintenance	\$3,000
Misc. & Reserves	\$5,500
Total Expenses	\$142,266
Operating Expenses as % of EGI	27%
Net Operating Income	\$382,230



Financial Summary

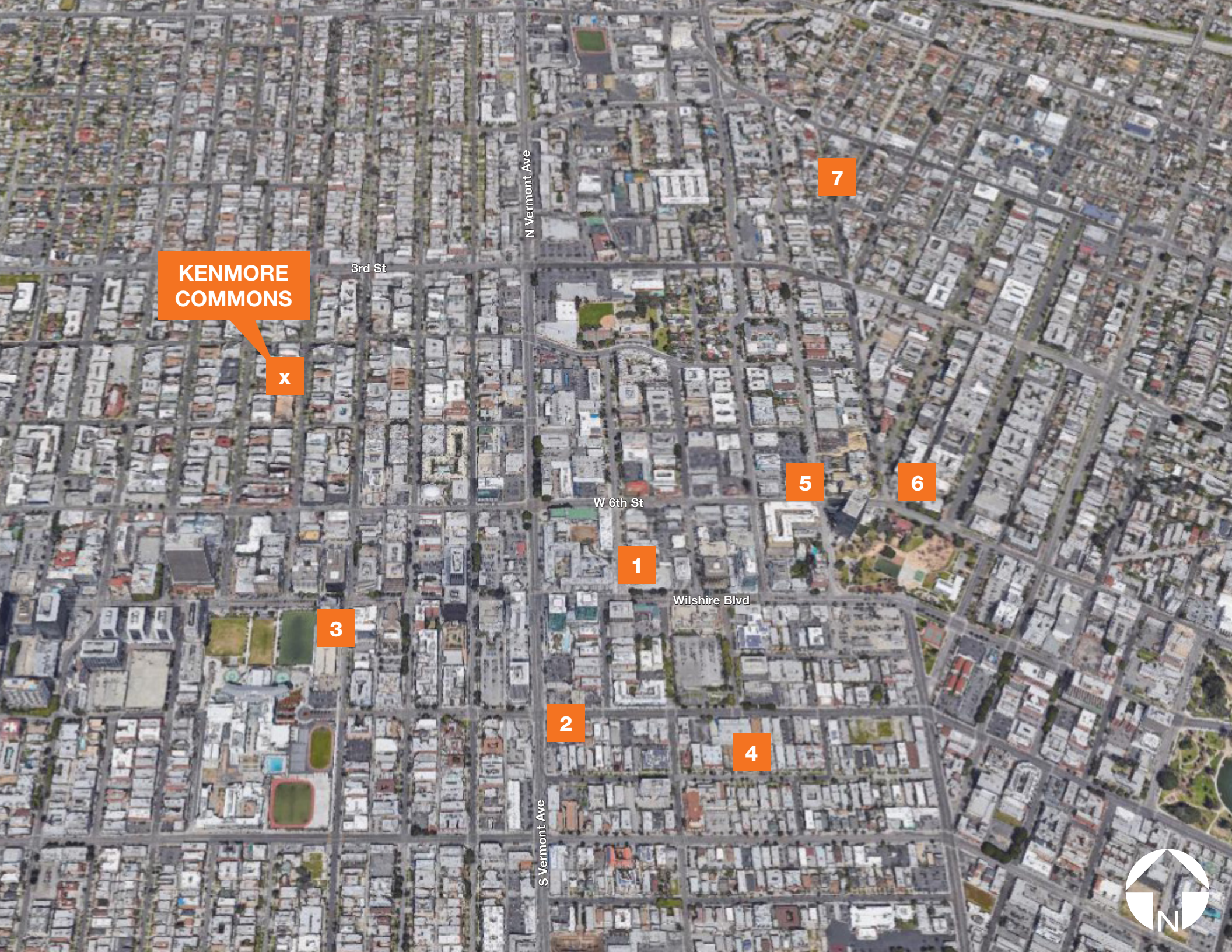
PROFORMA

Year	0	1	2	3	4	5
Occupancy	98%	98%	98%	98%	98%	98%
% Remodel Complete	100%	100%	100%	100%	100%	100%
Income						
Gross Potential Rent	\$535,200	\$551,256	\$567,794	\$584,827	\$602,372	\$620,443
Vacancy	-\$10,704	-\$11,025	-\$11,356	-\$11,697	-\$12,047	-\$12,409
Loss to Lease	\$0	\$16,538	\$17,034	\$17,545	\$18,071	\$18,613
Other Income	\$0	\$0	\$0	\$0	\$0	\$0
Total Income	\$524,496	\$556,769	\$573,472	\$590,676	\$608,396	\$626,648
Expenses						
Taxes	\$93,364	\$93,364	\$93,364	\$93,364	\$93,364	\$93,364
Insurance	\$4,196	\$4,280	\$4,366	\$4,453	\$4,542	\$4,633
Management Fee	\$20,980	\$22,271	\$22,939	\$23,628	\$24,336	\$25,066
LADWP, Common Area	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624
Gas	\$4,000	\$4,080	\$4,162	\$4,245	\$4,330	\$4,416
Pest Control	\$1,000	\$1,020	\$1,040	\$1,061	\$1,082	\$1,104
Trash Collection	\$3,026	\$3,087	\$3,148	\$3,211	\$3,275	\$3,341
Landscaping	\$1,200	\$1,224	\$1,248	\$1,273	\$1,299	\$1,325
Repairs & Maintenance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Misc. & Reserves	\$5,500	\$5,610	\$5,722	\$5,837	\$5,953	\$6,072
Total Operating Expenses	\$142,266	\$144,055	\$145,231	\$146,438	\$147,676	\$148,946
NOI	\$382,230	\$412,714	\$428,240	\$444,238	\$460,720	\$477,702
Margin	73%	74%	75%	75%	76%	76%

Comparables

Rent Comparables





**KENMORE
COMMONS**

X

3rd St

N Vermont Ave

7

W 6th St

5

6

1

Wilshire Blvd

3

2






4

S Vermont Ave



Rent Comparables

KOREATOWN

PROPERTY	ADDRESS	# OF UNITS	YEAR BUILT	UNIT TYPE BD/FB/PB	UNIT SF	QTY	RENT	RENT / SF
 1	Morgan Lofts 3324 Wilshire Blvd, Los Angeles, CA 90010	17	1964	0/1/0 1/1/0	777 1,196	9 8	\$2,444 \$3,463	\$3.15 \$2.89
 2	The Abbey 3550 W 6th St, Los Angeles, CA 90005	110	2016	0/1/0 1/1/0 2/2/0	756 717 820	50 40 20	\$2,306 \$2,122 \$2,855	\$3.06 \$2.96 \$3.46
 3	The Vermont 3150 Wilshire Blvd, Los Angeles, CA 90010	464	2014	1/1/0 2/2/0	628 969	309 155	\$2,427 \$3,424	\$3.86 \$3.54
 4	Villa Adobe Apartments 404 Shatto Pl, Los Angeles, CA 90020	284	1991	0/1/0 1/1/0 2/2/0	650 812 1,150	112 117 55	\$1,759 \$1,995 \$2,600	\$2.76 \$2.46 \$2.26
 5	WM Lofts 201 N Westmoreland Ave, Los Angeles, CA 90040	31	1935	0/1/0 1/1/0	- 31	- 847	\$2,743 \$2,547	- \$3.01

An aerial photograph of Los Angeles, California, showing a dense urban landscape. In the foreground, there are residential neighborhoods with single-family homes and palm trees. The middle ground is filled with a mix of commercial and industrial buildings. In the background, the downtown skyline is dominated by several tall skyscrapers, including the US Bank Tower. The sky is clear and blue.

Market Overview

Impact of LA's Growth on Rental Housing
Koreatown Developments
Multifamily Demand in Los Angeles

Impact of LA's Growth on Rental Housing

As the population of Los Angeles county continues to grow at a rapid pace, demand for quality rental housing will continue to rise exponentially. In addition, studies show the millennial generation is choosing to rent over own for a substantially longer period of time and are willing to spend a larger portion of their income on rent than past generations. These factors will continue to drive rental rates up, vacancy levels down, and a deficit of multifamily housing.

DEMOGRAPHIC COMPREHENSIVE	1 MILE	3 MILE	5 MILE
POPULATION			
2017 Population	143,947	651,216	1,234,100
2022 Projection	149,721	673,155	1,272,565
2017 Estimate	143,947	651,216	1,234,100
Median Age	36.3	35.90	w36.20
Average Age	36.50	36.70	36.90
HOUSEHOLD INCOME			
2017 Avg Household Income	\$46,579	\$58,571	\$65,173
2017 Median Home Value	\$517,610	\$720,845	664,578
Owner Occupied	3,575 (6.42%)	33,832 (13.81%)	90,815 (19.60%)
Renter Occupied	52,089 (93.58%)	211,166 (86.19%)	372,421 (80.40%)
HOUSING			
2017 Avg Household Size	2.50	2.50	2.50
2022 Projection	57,771	253,092	477,440
2017 Estimate	55,644	244,999	463,236

LOS ANGELES AT A GLANCE



10.2M

2015 Population Of LA County



11M

2025 Estimated Population Of LA County



5.7:1

Renters To Rental Housing Unit Ratio



9%

Increase In Population From 2015-2025



1.7M

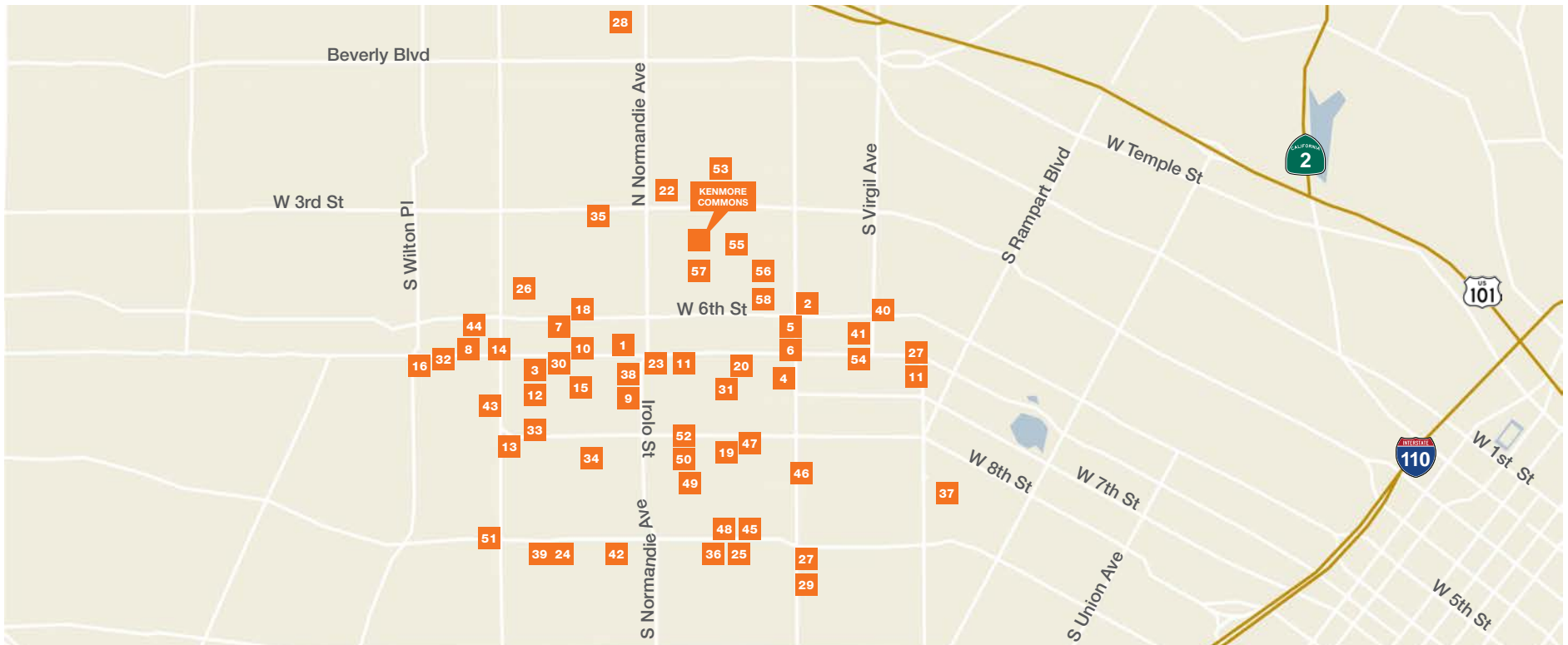
Estimated Renter Households In LA



157,000

Additional New Rental Units Needed To House Estimated 2025 Population

Koreatown Developments

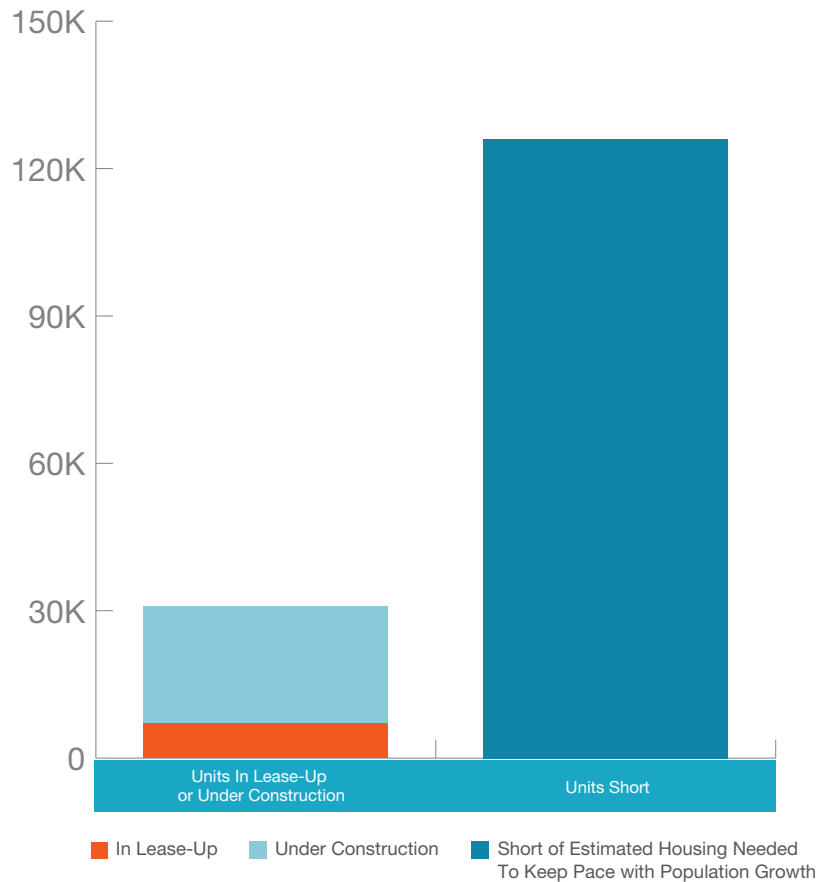


LEGEND

1 3545 Wilshire Boulevard	16 3980 Wilshire Boulevard	31 689 South Catalina Street	46 864 South Vermont Avenue
2 532 S Vermont Avenue	17 2902 Wilshire Boulevard	32 3921 Wilshire Boulevard	47 3100 West Eighth Street
3 3700 Wilshire Boulevard	18 3751 West Sixth Street	33 3525 West Eighth Street	48 966 Dewey Avenue
4 605 S Vermont Avenue	19 811 South Catalina Street	34 826 South Harvard Boulevard	49 849 Fedora Street
5 631 Vermont Avenue	20 3330 Wilshire Boulevard	35 4110 W 3rd Street	50 826 S Mariposa Avenue
6 631 Vermont Avenue	21 2908 Wilshire Boulevard	36 2870 Olympic Boulevard	51 3323 W Olympic Boulevard
7 3800 West Sixth Street	22 244 South Mariposa Avenue	37 2482 James M. Wood Boulevard	52 3216 West Eighth Street
8 640 South St Andrews Place	23 3470 Wilshire Boulevard	38 3540 Wilshire Boulevard	53 269 South Mariposa Ave
9 678 South Ardmore Avenue	24 3170 West Olympic Boulevard	39 1011 South Serrano Avenue	54 2867 Sunset Place
10 3663 Wilshire Boulevard	25 2800 West Olympic Boulevard	40 2999 W 6th Street	55 400 S Catalina
11 3440 Wilshire Boulevard	26 500 South Oxford Avenue	41 616 South Westmoreland Avenue	56 427 S Berendo
12 694 S Oxford Avenue	27 1000 South Vermont Avenue	42 3060 West Olympic Boulevard	57 443 S Kenmore
13 800 South Western Avenue	28 411 Normandie Avenue	43 700 South Manhattan Place	58 511 S Alexandria
14 635 South Western Avenue	29 1074 South Vermont Avenue	44 4000 West Sixth Street	
15 679 South Harvard Boulevard	30 3670 Wilshire Boulevard	45 2789 Olympic Boulevard	

Multifamily Demand in Los Angeles

Steady economic growth over the past several years has kept the multifamily market moving forward. Demand continues to outpace supply despite a significant number of new deliveries over the past year. Favorable demographic trends, strength in the job market and reduced affordability of owning a home will continue to fuel a strong demand for multifamily rental units across Los Angeles.



CURRENT MARKET-RATE MULTIFAMILY DEVELOPMENT IN LOS ANGELES COUNTY



Resume

Chris Armes

SENIOR VICE PRESIDENT



CHRIS ARMES

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CAREER SUMMARY

Chris Armes has over fourteen years of experience in commercial real estate. He specializes in advising clients on the sale, reposition, acquisition and debt of Multifamily and Hospitality properties across all major asset classes. Prior to joining Kidder Mathews, Chris was a vice president with Cushman & Wakefield. Since 2008, he has sold in excess of \$1 billion in commercial properties.

Chris' focus is on acquisition, disposition and debt (both recourse, non-recourse) for multi-family, hospitality sectors.

Chris was a capital markets top producer for Cushman & Wakefield.

EDUCATION

He attended the University of Colorado and graduated with a Bachelor of Arts in Economics.

REAL ESTATE ADVISORY

- Disposition and Acquisition of commercial properties
- Debt Structure
- Debt Reorganization

PROFESSIONAL RECOGNITIONS / AFFILIATIONS

- California Broker's License
- Certified Commercial Investment Member (CCIM) - Currently enrolled

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