INVESTMENT UNDERWRITING

1089 E 7TH STREET

OPERATING + FINANCIAL ANALYSIS

4-UNIT MULTIFAMILY | LONG BEACH, CALIFORNIA

SEPTEMBER 2026

FINANCIAL SNAPSHOT

IN-PLACE INCOME WITH MEASURED RENT UPSIDE

The property reports $96,000 in annual gross rent and $27,465 in total operating expenses, producing $68,535 in stated NOI. Listing projections increase scheduled rent by $9,600 annually. The analysis below holds expenses constant solely to isolate the rent-growth effect.

OFFERING PRICE	ACTUAL NOI	ACTUAL CAP RATE	ACTUAL GRM
$1,399,900	$68,535	4.90%	14.58x

OPERATING METRICS

ACTUAL MONTHLY RENT
$8,000

PROJECTED MONTHLY RENT
$8,800

ACTUAL MONTHLY NOI
$5,711

PROJECTED MONTHLY NOI
$6,511

EXPENSE RATIO
28.61%

PROJECTED CAP RATE
5.58%

RENT ROLL

MONTHLY SCHEDULE

UNIT	BED / BATH	ACTUAL	PROJECTED	MONTHLY DELTA	ANNUAL DELTA
1	2 / 1	$2,200	$2,400	+$200	+$2,400
2	2 / 1	$2,300	$2,400	+$100	+$1,200
3	1 / 1	$1,700	$2,000	+$300	+$3,600
4	1 / 1	$1,800	$2,000	+$200	+$2,400
TOTAL	6 / 4	$8,000	$8,800	+$800	+$9,600

ACTUAL ANNUAL RENT

$96,000

PROJECTED ANNUAL RENT

$105,600

GROSS REVENUE UPSIDE

10.0%

Before vacancy and expense change

UNIT-LEVEL READING

The largest dollar upside is concentrated in Unit 3, a one-bedroom residence projected $300 per month above current rent. All increases are subject to lease terms, applicable rent restrictions, unit condition, tenant turnover and actual market acceptance.

OPERATING STATEMENT

SELLER-REPORTED + ILLUSTRATIVE

OPERATING SUMMARY	ACTUAL	ILLUSTRATIVE PRO FORMA
Scheduled Rental Income	$96,000	$105,600
Less: Vacancy / Credit Loss	$0	$0
Gross Operating Income	$96,000	$105,600
Less: Operating Expenses	($27,465)	($27,465)
NET OPERATING INCOME	$68,535	$78,135
NOI Margin	71.39%	73.99%
Cap Rate at Asking Price	4.90%	5.58%
Gross Rent Multiplier	14.58x	13.26x

EXPENSE / UNIT

$6,866

EXPENSE / BUILDING SF

$9.09

ACTUAL NOI / UNIT

$17,134

EXPENSE DISCLOSURE

Only the aggregate $27,465 expense figure was provided. The listing identifies owner-paid water, gardening and other costs and separately displays a "Tax New" figure of $17,359, but it does not confirm whether that tax amount is included in total expenses. Buyers should obtain an itemized trailing-12-month statement, utility bills, insurance, tax records and repair history.

VACANCY SENSITIVITY

ACTUAL RENT SCENARIO

VACANCY	EFFECTIVE GROSS	NOI	CAP RATE
0%	$96,000	$68,535	4.90%
3%	$93,120	$65,655	4.69%
5%	$91,200	$63,735	4.55%
7%	$89,280	$61,815	4.42%

PROJECTED RENT SCENARIO

VACANCY	EFFECTIVE GROSS	NOI	CAP RATE
0%	$105,600	$78,135	5.58%
3%	$102,432	$74,967	5.36%
5%	$100,320	$72,855	5.20%
7%	$98,208	$70,743	5.05%

READING THE SENSITIVITY

At 5% economic vacancy, actual-rent NOI declines to $63,735 and the cap rate to approximately 4.55%. At projected rents with 5% vacancy, NOI is approximately $72,855 and the cap rate approximately 5.20%. Expenses remain fixed in every scenario.

VALUATION SENSITIVITY

VALUE BY NOI + CAP RATE

NOI BASIS	4.50%	5.00%	5.50%	6.00%
Actual NOI	$1,523,000	$1,370,700	$1,246,091	$1,142,250
Illustrative Pro Forma NOI	$1,736,333	$1,562,700	$1,420,636	$1,302,250

PRICE / UNIT

$349,975

PRICE / BUILDING SF

$463.54

PRICE / ANNUAL RENT

14.58x

Actual gross rent multiple

YIELD THRESHOLDS

TARGET	REQUIRED NOI	MAX EXPENSES*	VS. STATED EXPENSES
5.00% cap on asking price	$69,995	$26,005	$1,460 below stated expenses
5.50% cap on asking price	$76,995	$28,605	$1,140 above stated expenses

* 5.00% threshold uses actual gross income; 5.50% threshold uses projected gross income. Both assume 0% vacancy.

IMPORTANT

Value sensitivity is an arithmetic illustration, not an appraisal or opinion of value. Market pricing also depends on financing costs, asset condition, regulatory constraints, location, buyer competition and transaction terms.

ASSUMPTIONS + DUE DILIGENCE

SOURCE BASIS

Actual rents, projected rents, gross income, total expenses, NOI and offering price are taken from the September 2026 listing package. Calculations are rounded.

PRO FORMA ASSUMPTION

The illustrative pro forma uses projected scheduled rents of $105,600 and holds reported operating expenses at $27,465. It assumes no vacancy unless the table states otherwise.

NOT INCLUDED

No financing terms, debt service, reserves, capital expenditures, closing costs, income taxes, depreciation, tenant concessions or acquisition fees are modeled.

OPERATING DOCUMENTS TO REQUEST

Current leases and ledgers; trailing-12 and prior-year statements; utility bills; insurance declarations and loss runs; property-tax bill; service contracts; repair and capital-improvement history; security-deposit accounting.

PHYSICAL + LEGAL REVIEW

Verify unit legality, permits, square footage, seismic requirements, historical status, rent-control applicability, tenant protections, parking, building systems and all city inspection requirements.

NO GUARANTEE

This analysis is for discussion purposes only and is not a representation of future performance. Buyer and advisers must independently verify every assumption and figure.

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