



Middleton
APARTMENTS

A 29-unit value-add investment opportunity located in
Pico Union (Los Angeles), California

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PROPERTY OVERVIEW



NO PETS ALLOWED

WARNING
Prohibition of smoking and the use of open flames in the building is strictly enforced. Smoking is permitted only in designated areas. Any violation of this policy will result in immediate ejection from the building and may result in legal action.

PROPERTY OVERVIEW

Iconic Investments is pleased to present for sale Middleton Apartments, a multi-family property built in 1912. This classic building has been in the same family for more than 40 years. The sellers self-manage from outside Los Angeles, creating significant upside potential through a more aggressive asset management approach. The seller is willing to seller carry at reasonable terms for qualified buyers.

Middleton Apartments is located at 2255 W. 14th Street in the up-and-coming Pico-Union submarket of Los Angeles. The three-story property with a stucco exterior features 30 units (currently operating as 29 units), twenty-eight Studios and one 1 Bedroom/1 Bath.

Highlights of Middleton Apartments are its inviting lobby and homey feeling throughout. Twenty-five of the units have large closets, which some tenants have elected to use as a bedroom. The upper floors, which face east, have wonderful views of the Downtown Los Angeles skyline. The building is master-metered for both gas and electric.

Middleton Apartments is in very close proximity to Downtown Los Angeles' South Park District. With a central location -- sandwiched between Downtown Los Angeles and Koreatown -- it's only a matter of time before this area begins to blossom and gentrify.

29

Ability to Modernize
29 Apartment Units



1.2

1.2 miles to
Downtown
Los Angeles



3

3 Entertainment Centers
Koreatown
Hollywood
Downtown Los Angeles

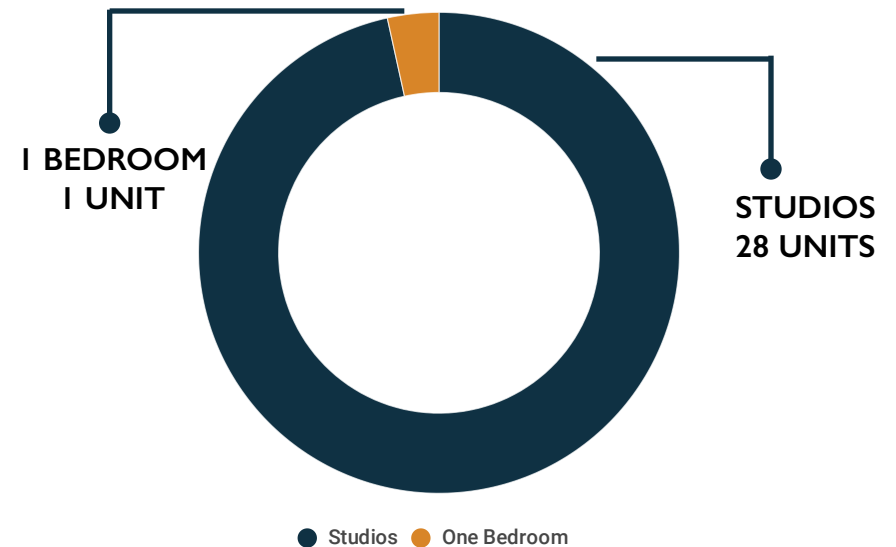


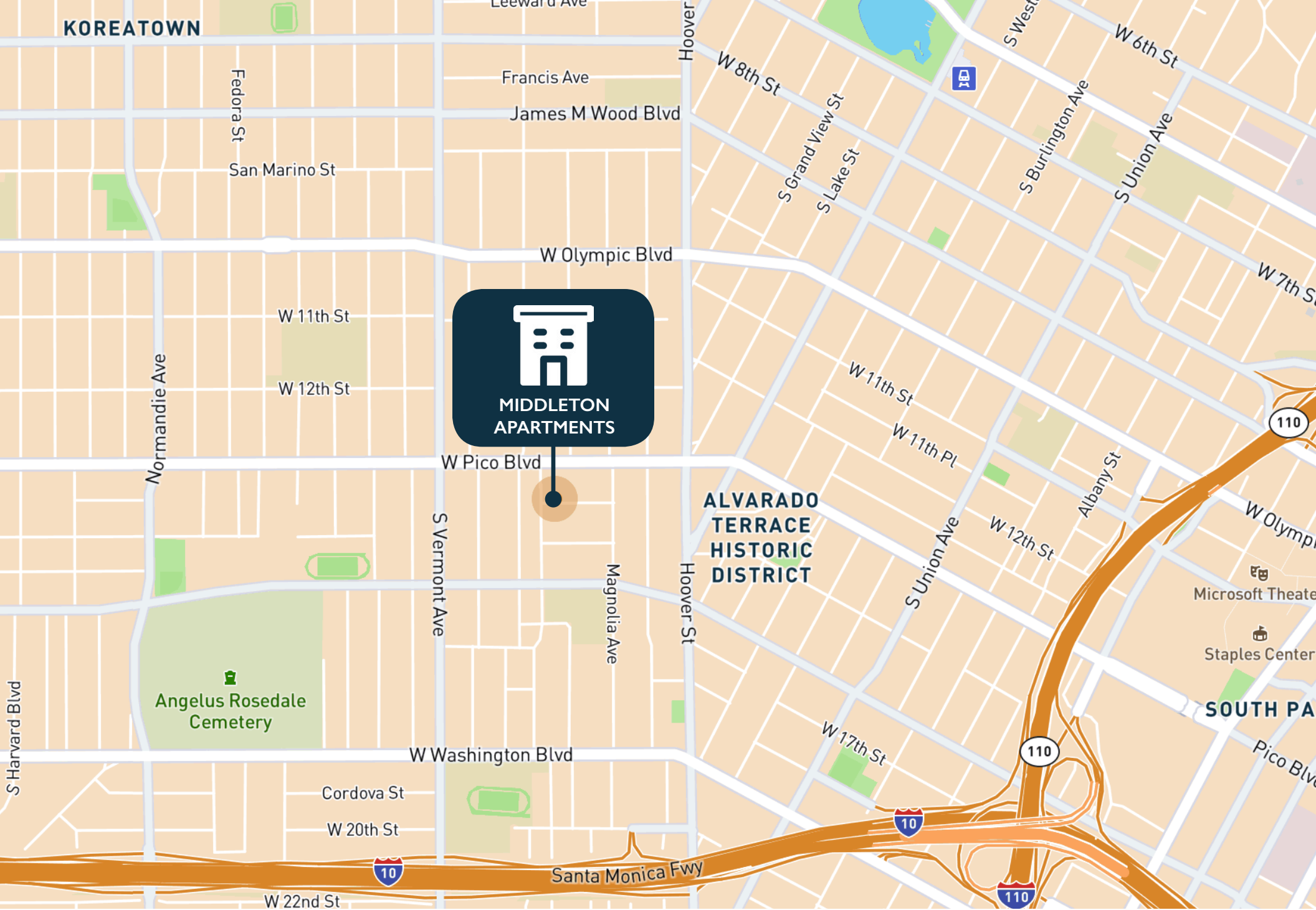
PROPERTY OVERVIEW

Property Address	2255 W 14th Street Los Angeles, CA 90006
Units	29
Sub-Market	Pico Union
Gross SF	16,368
Year Built	1912
Occupancy	100%
Land Area	7,503
Assessor Parcel Number	5056-004-017
Zoning	LAR3

INVESTMENT OVERVIEW

Asking Price	\$3,500,000
Price Per Unit	\$120,690
Price Per Square Foot	\$213.83
CAP Rate (Curr/Renovated)	3.63% / 6.89%
GM Rate (Curr/Renovated)	11.52 / 8.37





**MIDDLETON
APARTMENTS**

**ALVARADO
TERRACE
HISTORIC
DISTRICT**



Middleton
APARTMENTS

LOCATION OVERVIEW

LOCATION OVERVIEW

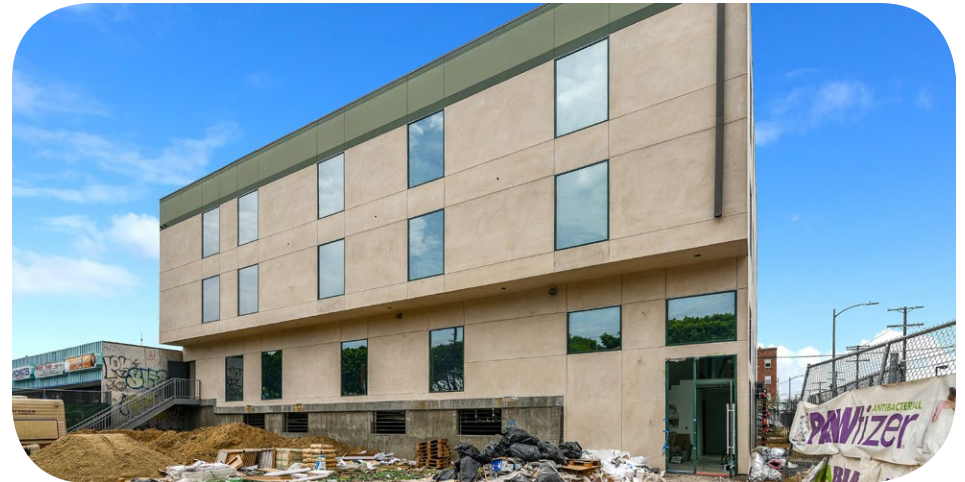
Middleton Apartments is in very close proximity to Downtown Los Angeles' South Park District. With a central location -- sandwiched between Downtown Los Angeles and Koreatown -- it's only a matter of time before this area begins to blossom and gentrify. Planning or construction has recently commenced on a number of ground-up development projects in the area:

2360 W. Pico Blvd: Just behind the Middleton Apartments, on the corner of Orchard & Pico Blvd., this nearly completed medical office building will feature 18,523 square feet of space. The projected completion date is late 2018.

2269 W. 14th St: Adjacent to the Middleton Apartments are two parcels on which the owner intends to build a 25-unit Class B apartment building. Current improvements are two single-family residences. Construction is set to commence in late 2018.

1250 S. Westmoreland Ave: Currently under construction is a seven-story, 93-unit senior apartment building. The developers have reserved a majority of the units for affordable housing. Phase 2 for the adjacent acre plus parcel at Pico and Elden Ave is expected to commence in the next 36 months.

2268 W. Pico Blvd: A 125-room ground-up hotel, featuring a ground-floor restaurant and meeting space, is in planning. Current improvements is an older retail building and parking lot. Rumor has it that the hotel might be branded Holiday Express Inn.





1250 S. WESTMORELAND AVE.
93-unit Senior Housing

2360 W. PICO BLVD
18,523 Sqft Medical Office

2268 W. PICO BLVD
125-Room Hotel

Middleton
APARTMENTS

2269 W 14TH
25-Unit Apartment Building

ENHANCEMENT IDEAS

ENHANCEMENT IDEAS

New ownership has the opportunity to modernize the unit interiors as they become vacant, while enhancing the exterior of the property to highlight the old 1920's charm. Young urban professionals are demanding hip and modern units and paying leading rents. New ownership can significantly push rents by installing new kitchen and bathroom cabinetry and fixtures, hardwood floors, recessed lighting, windows, modern stainless steel appliance packages, split system air conditioning, and new doors. Other enhancements could include new paint, signage and renovation of lobby and common areas.

NEW CABINETS



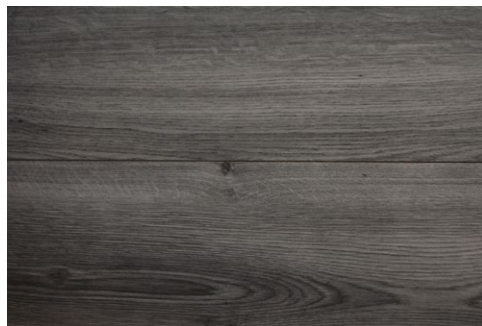
QUARTZ COUNTERTOPS



DESIGNER FAUCETS



HARDWOOD FLOORS



STAINLESS STEEL APPLIANCES



MODERN BATHTUB



ADDITIONAL ENHANCEMENT IDEAS



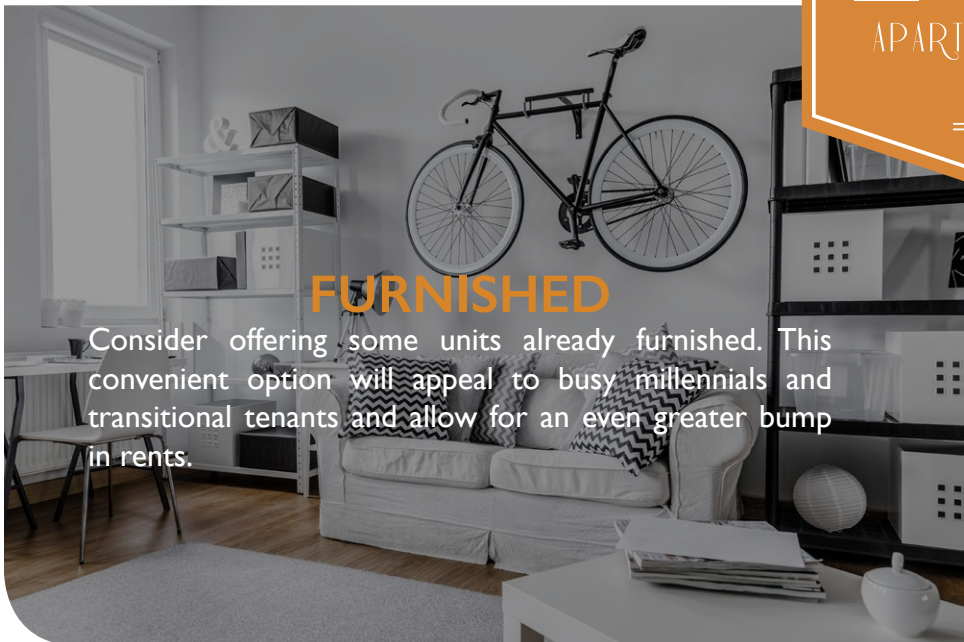
OPEN KITCHEN

To increase flow and natural light, remove the dividing wall between the kitchen and the living room. Add an island with a breakfast bar to save space and boost functionality.



MODERN CABINETS

Spice up the kitchens by installing colored cabinets instead of the standard white shaker cabinets. For the bathrooms, try modern floating vanities.



FURNISHED

Consider offering some units already furnished. This convenient option will appeal to busy millennials and transitional tenants and allow for an even greater bump in rents.



DESIGNER TILES

Use designer tiles for flooring and the kitchen backsplash. They will add style and quality to the unit, and the payoff of higher rents will be well worth the additional expense.





Middleton
APARTMENTS





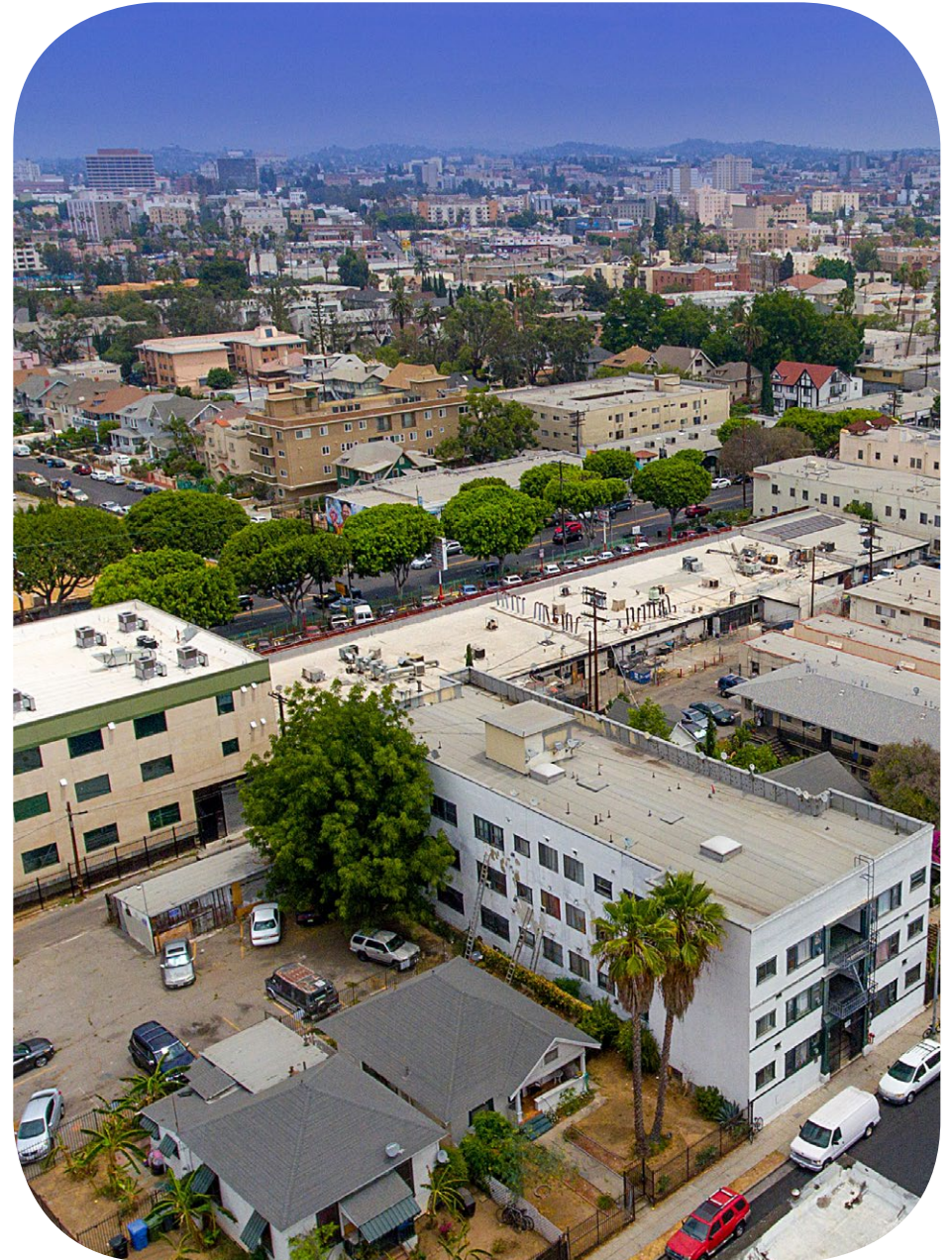
Middleton
APARTMENTS



FINANCIAL OVERVIEW

INVESTMENT SUMMARY

ASSET	Middleton Apartments
LOCATION	2255 W 14th Street Los Angeles, CA 90006
OPPORTUNITY	29 Apartment Units
YEAR BUILT	1912
PURCHASE PRICE	\$3,500,000
PRICE PER UNIT	\$120,690
CURRENT CAP RATE	3.63%
PRO-FORMA CAP RATE	6.89%
CURRENT GRM	11.52
PRO-FORMA GRM	8.37
PRICE PER SF FOOT	\$213.83



RENT ROLL

Unit #	Unit Type	Unit Sq. Ft	CURRENT				RENOVATED	
			Current Rent	Per Sq. Ft	As-Is Market Rent	Per Sq. Ft	Renovated Market Rent	Per Sq. Ft
101	Studio + 1 Bath	460	\$815.00	\$2.04	\$1,100.00	\$2.75	\$1,195.00	\$2.99
102/104-M	1 Bedroom + 1 Bath	700	\$1,395.00	\$1.99	\$1,250.00	\$1.79	\$1,395.00	\$1.99
103	Studio + 1 Bath	460	\$861.00	\$2.15	\$1,100.00	\$2.75	\$1,195.00	\$2.99
105	Studio + 1 Bath	460	\$750.00	\$1.88	\$1,100.00	\$2.75	\$1,195.00	\$2.99
106	Studio + 1 Bath	460	\$901.00	\$2.25	\$1,100.00	\$2.75	\$1,195.00	\$2.99
107	Studio + 1 Bath	460	\$798.00	\$2.00	\$1,100.00	\$2.75	\$1,195.00	\$2.99
108	Studio + 1 Bath	460	\$786.00	\$1.97	\$1,100.00	\$2.75	\$1,195.00	\$2.99
109	Studio + 1 Bath	460	\$653.00	\$1.63	\$1,100.00	\$2.75	\$1,195.00	\$2.99
110	Studio + 1 Bath	460	\$798.00	\$2.00	\$1,100.00	\$2.75	\$1,195.00	\$2.99
201	Studio + 1 Bath	460	\$995.00	\$2.49	\$1,100.00	\$2.75	\$1,195.00	\$2.99
202	Studio + 1 Bath	460	\$786.00	\$1.97	\$1,100.00	\$2.75	\$1,195.00	\$2.99
203	Studio + 1 Bath	460	\$935.00	\$2.34	\$1,100.00	\$2.75	\$1,195.00	\$2.99
204	Studio + 1 Bath	460	\$890.00	\$2.23	\$1,100.00	\$2.75	\$1,195.00	\$2.99
205	Studio + 1 Bath	460	\$676.00	\$1.69	\$1,100.00	\$2.75	\$1,195.00	\$2.99
206	Studio + 1 Bath	460	\$803.00	\$2.01	\$1,100.00	\$2.75	\$1,195.00	\$2.99
207	Studio + 1 Bath	460	\$815.00	\$2.04	\$1,100.00	\$2.75	\$1,195.00	\$2.99
208	Studio + 1 Bath	460	\$1,023.00	\$2.56	\$1,100.00	\$2.75	\$1,195.00	\$2.99
209	Studio + 1 Bath	460	\$743.00	\$1.86	\$1,100.00	\$2.75	\$1,195.00	\$2.99
210	Studio + 1 Bath	460	\$717.00	\$1.79	\$1,100.00	\$2.75	\$1,195.00	\$2.99
301	Studio + 1 Bath	460	\$849.00	\$2.12	\$1,100.00	\$2.75	\$1,195.00	\$2.99
302	Studio + 1 Bath	460	\$995.00	\$2.49	\$1,100.00	\$2.75	\$1,195.00	\$2.99
303	Studio + 1 Bath	460	\$997.00	\$2.49	\$1,100.00	\$2.75	\$1,195.00	\$2.99
304	Studio + 1 Bath	460	\$1,050.00	\$2.63	\$1,100.00	\$2.75	\$1,195.00	\$2.99
305	Studio + 1 Bath	460	\$975.00	\$2.44	\$1,100.00	\$2.75	\$1,195.00	\$2.99
306	Studio + 1 Bath	460	\$808.00	\$2.02	\$1,100.00	\$2.75	\$1,195.00	\$2.99
307	Studio + 1 Bath	460	\$964.00	\$2.41	\$1,100.00	\$2.75	\$1,195.00	\$2.99
308	Studio + 1 Bath	460	\$997.00	\$2.49	\$1,100.00	\$2.75	\$1,195.00	\$2.99
309	Studio + 1 Bath	460	\$717.00	\$1.79	\$1,100.00	\$2.75	\$1,195.00	\$2.99
310	Studio + 1 Bath	460	\$837.00	\$2.09	\$1,100.00	\$2.75	\$1,195.00	\$2.99
TOTAL	29 Units		\$25,329.00	\$2.13	\$32,050.00	\$2.72	\$34,855.00	\$2.95

METRICS

PROPERTY OVERVIEW	
Property Address	2255 W 14th Street Los Angeles, CA 90006
Assessor Parcel Number	5056-004-017
Market	Los Angeles
Sub-Market	Pico Union
Zoning	LAR3
Number of Units	29
Year Built	1912
Gross Building Square Feet	16,368
Lot Size	7,503

INVESTMENT OVERVIEW	
Purchase Price	\$3,500,000
Price Per Unit	\$120,690
Price Per Square Foot	\$213.83

FINANCING OVERVIEW	
Down Payment	\$1,225,000
Loan Amount	\$2,275,000
Loan to Value %	65.00%
Debt Service Coverage Ratio	1.11
Loan Type	Interest Only
Loan Rate	5.25%
Loan Term	Seller Financing - 5 Years

INVESTMENT RETURNS	
GRM - Current	11.52
CAP Rate - Current	3.63%
GRM - Market	9.10
CAP Rate - Market	5.84%
GRM - Renovated	8.37
CAP Rate - Renovated	6.89%

OPERATIONS OVERVIEW

INCOME		CURRENT	AS-IS MARKET	RENOVATED MARKET
Scheduled Market Rent		\$303,948	\$384,600	\$418,260
Less: Vacancy	3.00%	(\$9,118)	(\$11,538)	(\$12,548)
Subtotal: Effective Rental Income		\$294,830	\$373,062	\$405,712
Other Income				
Plus: Laundry Income		\$0	\$2,436	\$2,436
Plus: Miscellaneous Fees		\$500	\$500	\$500
Plus: LAHD/SCEP Reimbursement		\$1,611	\$1,611	\$1,611
Subtotal: Total Other Income		\$2,111	\$4,547	\$4,547
EFFECTIVE GROSS INCOME		\$296,941	\$377,609	\$410,259

EXPENSES				
Fixed Expenses				
Off-Site Management	4.50%	\$13,267	\$16,788	\$18,257
Property Tax	1.19%	\$41,720	\$41,720	\$41,720
Direct Assessments		\$1,438	\$1,438	\$1,438
Property & Liability Insurance		\$10,639	\$10,639	\$10,639
Subtotal: Fixed Expenses		\$67,064	\$70,585	\$72,054
Controllable Expenses				
On-Site Management Payroll		\$7,200	\$7,200	\$7,200
On-Site Management Unit Allowance		\$16,740	\$16,740	\$16,740
LAHD Fees & Administrative Costs		\$3,167	\$3,167	\$3,167
Repairs & Maintenance	\$550	\$16,500	\$16,500	\$16,500
Utilities		\$39,497	\$39,497	\$35,547
Rubbish Removal		\$18,396	\$18,396	\$16,556
Landscaping		\$400	\$400	\$400
Pest Control		\$840	\$840	\$840
Subtotal : Controllable Expenses		\$102,740	\$102,740	\$96,950
TOTAL EXPENSES		(\$169,804)	(\$173,325)	(\$169,004)
NET OPERATING INCOME		\$127,136	\$204,284	\$241,255
Capital Reserves	\$200	(\$5,800)	(\$5,800)	(\$5,800)
Debt Service		(\$119,438)	(\$119,438)	(\$119,438)
NET CASH FLOW		\$1,899	\$79,047	\$116,018
		0.16%	6.45%	9.47%

RENT SURVEY

RENT SURVEY

						STUDIOS		
PROPERTY	UNITS	YEAR BUILT	PARKING	RENOVATED	INDIVIDUALLY METERED	RENT	SF	RENT/SF
2255 W 14th St Los Angeles, CA 90006	29	1912	No	No	Master Metered	\$1,195	460	\$2.59
1205 S Mariposa Ave Los Angeles, CA 90006	10	1926	No	Yes	Yes	\$1,300	430	\$3.02
1405 S Berendo St Los Angeles, CA 90006	20	1928	No	Yes	Yes	\$1,195	460	\$2.60
1421 S Westmoreland Ave Los Angeles, CA 90006	18	1925	No	Yes	Yes	\$1,150	400	\$2.88
2268 W 14th St Los Angeles, CA 90006	47	1928	Yes	Yes	Yes	\$1,050	350	\$3.00
1056 S Normandie Ave Los Angeles, CA 90006	36	1925	No	Yes	Yes	\$1,150	500	\$2.30
984 Oxford Ave Los Angeles, CA 90006	30	1925	No	Yes	Master Metered	\$1,245	480	\$2.59
1327 Magnolia Ave Los Angeles, CA 90006	18	1913	No	Yes	Master Metered	\$1,195	530	\$2.25
1102 Elden Ave Los Angeles, CA 90006	18	1907	No	Yes	Master Metered	\$1,250	460	\$2.72
1214 S Lake St Los Angeles, CA 90006	35	1914	No	Yes	Yes	\$1,195	400	\$2.99
1316 S Fedora Ave Los Angeles, CA 90006	18	1924	No	Yes	Yes	\$1,250	460	\$2.72
AVERAGES						\$1,198		\$2.71



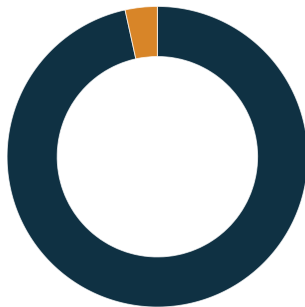
SALES COMPARABLES

SALES COMPARABLES



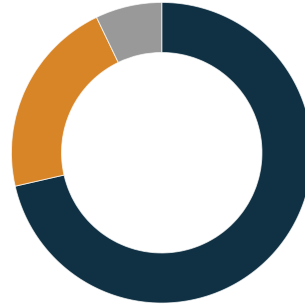
PROPERTY	2255 W 14th St	2411 W 10th St	1237 S Alvarado St	1322 S Catalina St
LOCATION	Pico-Union	Pico-Union	Pico-Union	Pico-Union
NUMBER OF UNITS	29	14	43	19
YEAR BUILT	1912	1912	1912	1927
DATE SOLD	Subject	02/12/2018	03/30/2018	06/30/2017
SALE PRICE	\$3,500,000	\$1,750,000	\$5,273,500	\$1,850,000
PRICE/UNIT	\$120,690	\$125,000	\$122,639	\$97,386
CAP RATE	3.73%	N/A	3.36%	4.28%
GRM	11.52	N/A	13.74	12.75
PRICE/SF	\$213.83	\$205.88	\$225.07	\$183.78

UNIT MIX



● Studios ● One Bedroom

28 - Studios
1 - 1 Bedroom



● Studios ● One Bedroom ● Two Bedroom

10 - Studios
3 - 1 Bedrooms
1 - 2 Bedrooms



● Studios ● Bachelors ● One Bedroom

5 - 1 Bedrooms
22 - Studios
6 - Bachelors



● Studios ● One Bedroom

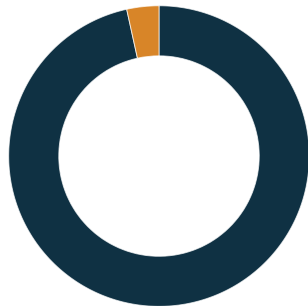
17 - Studios
2 - 1 Bedrooms

SALES COMPARABLES



PROPERTY	2255 W 14th St	941 S Kenmore Ave	1243 S Mariposa Ave
LOCATION	Pico-Union	Koreatown	Pico-Union
NUMBER OF UNITS	29	24	30
YEAR BUILT	1912	1923	1927
DATE SOLD	Subject	03/13/2018	03/23/2017
SALE PRICE	\$3,500,000	\$3,500,000	\$3,150,000
PRICE/UNIT	\$120,690	\$145,833	\$105,000
CAP RATE	3.73%	4.65%	4.32%
GRM	11.52	12.8	11.41
PRICE/SF	\$213.83	\$253.62	\$238.10

UNIT MIX



● Studios ● One Bedroom

28 - Studios
1 - 1 Bedroom



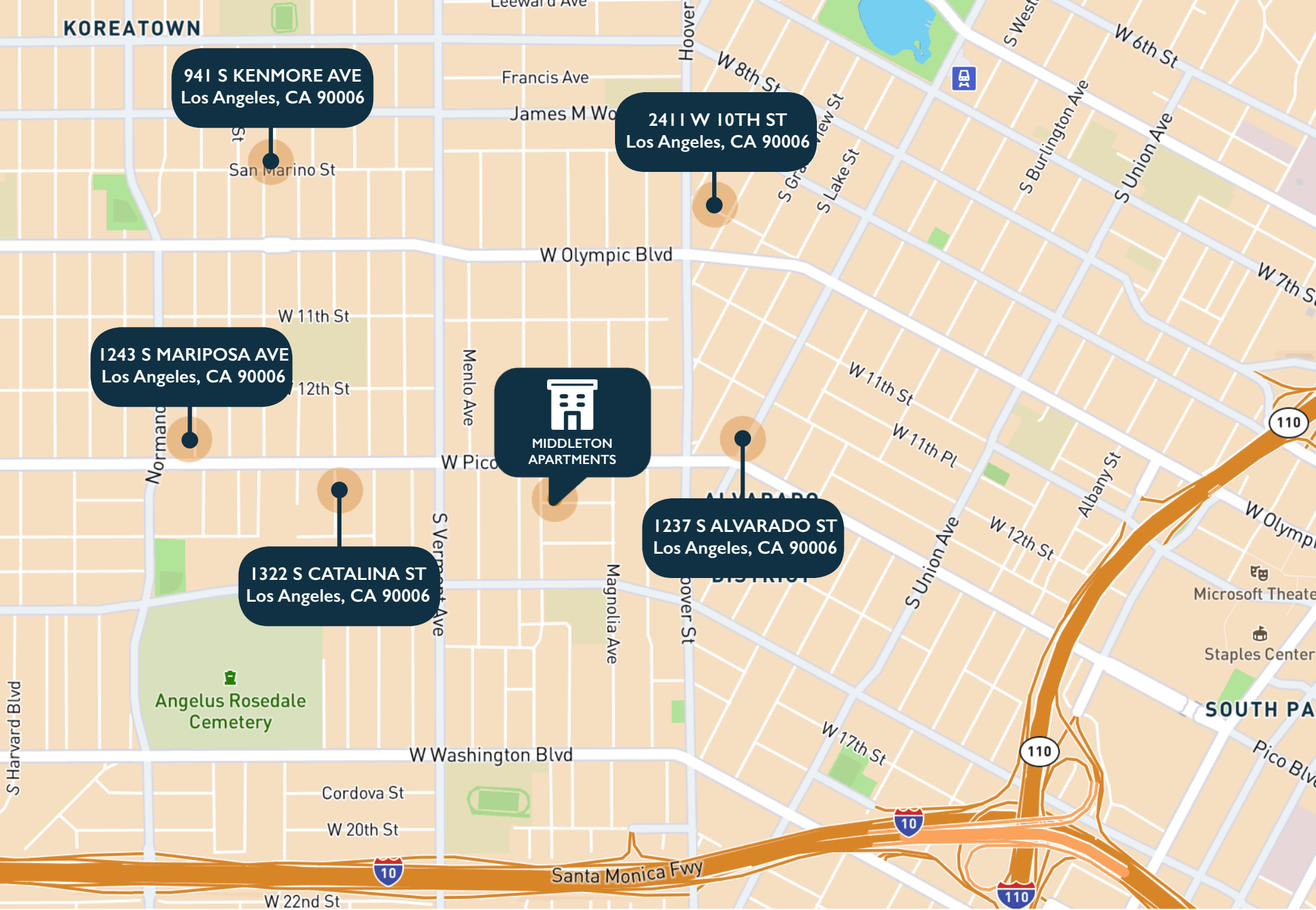
● Studios

All Studios



● Studios ● One Bedroom

18 - Studios
12 - 1 Bedrooms



SALES COMPARABLES MAP



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