



5405-5419 FERNWOOD AVE

LOS ANGELES, CA

INTERACTIVE OFFERING MEMORANDUM



MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

TABLE OF CONTENTS

03 PROPERTY OVERVIEW

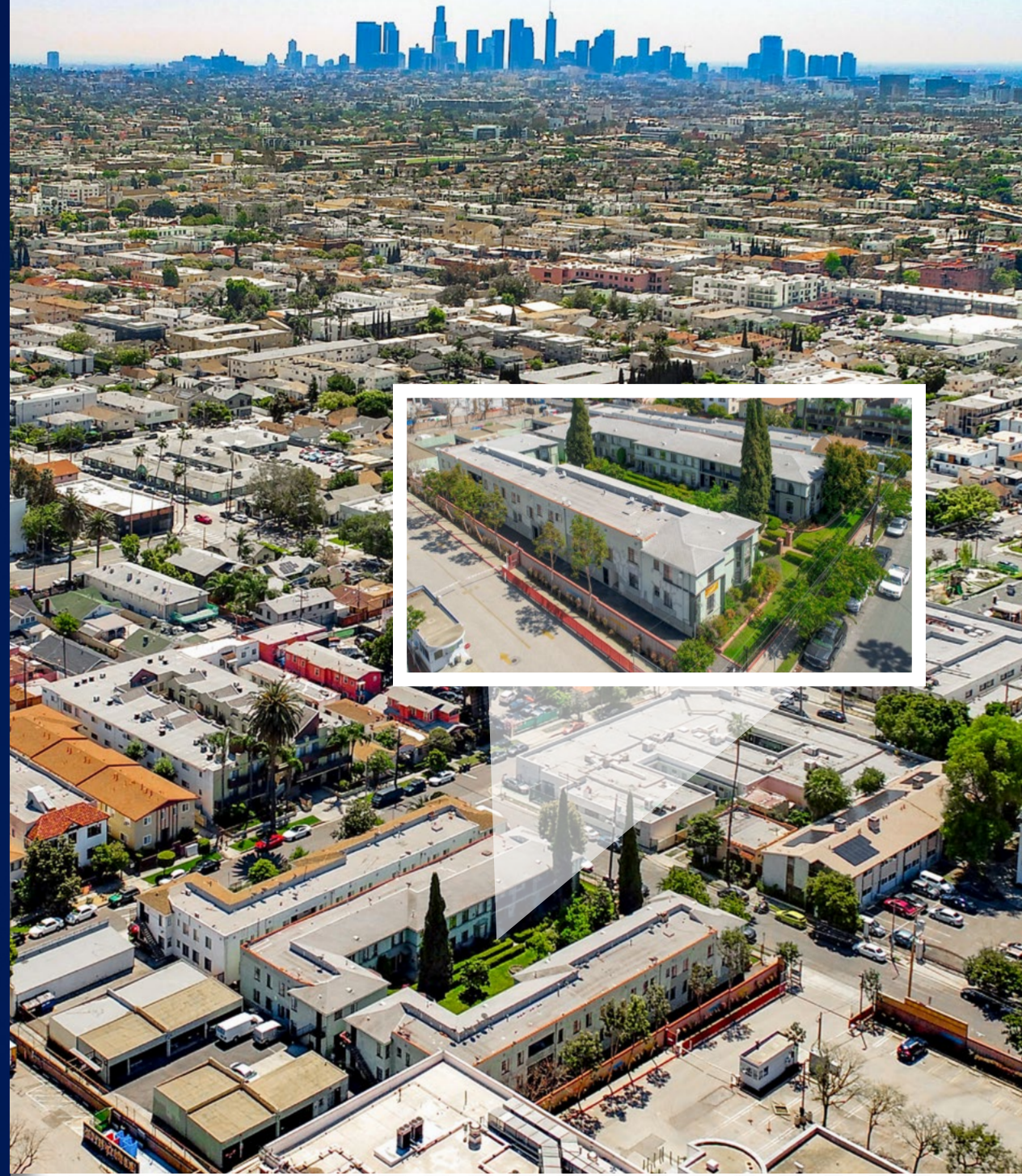
11 FINANCIAL OVERVIEW

16 SALES COMPARABLES

20 RENT COMPARABLES

24 AREA OVERVIEW

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PROPERTY OVERVIEW

5405-5419 FERNWOOD AVE | LOS ANGELES, CA

OPPORTUNITY

Matthews Real Estate Investment Services™ is pleased to present 5405-5419 Fernwood Ave, a 28-unit apartment complex in Los Angeles, CA. The property provides a unit mix of one-bedroom and two-bedroom apartments. The garden-style layout offer a spacious, secure entrance, tiled common areas, and designated carport parking. All units are individually metered for gas and electric. There is also an on-site laundry facility for tenant convenience. Situated near the Hollywood Strip, tenants of the building benefit from the ample entertainment and eateries in the surrounding area.

PROPERTY HIGHLIGHTS

- 28 units, built in 1939
- Unit mix: (16) 1+1, (12) 2+1
- Onsite parking
- A close distance to schools and hospitals providing a sensible housing option for families.
- Close distance to high-end retail, eateries, and entertainment options in the Hollywood and Melrose area
- 24,088 square foot building on a ±0.80 acre lot



28

NUMBER OF UNITS



1939

YEAR BUILT



±24,088

BUILDING SIZE (SF)

PROPERTY OVERVIEW

Address 5405-5419 Fernwood Ave,
Los Angeles, CA

Number of Units 28

Year Built 1939

APN 5544-032-008

Building SF ±24,088 SF

Average SF Per Unit ±860 SF

Lot Size (Acres) ±0.80 AC

Zoning LAR4

Opportunity Zone Yes

Unit Types Apartments

Density 35



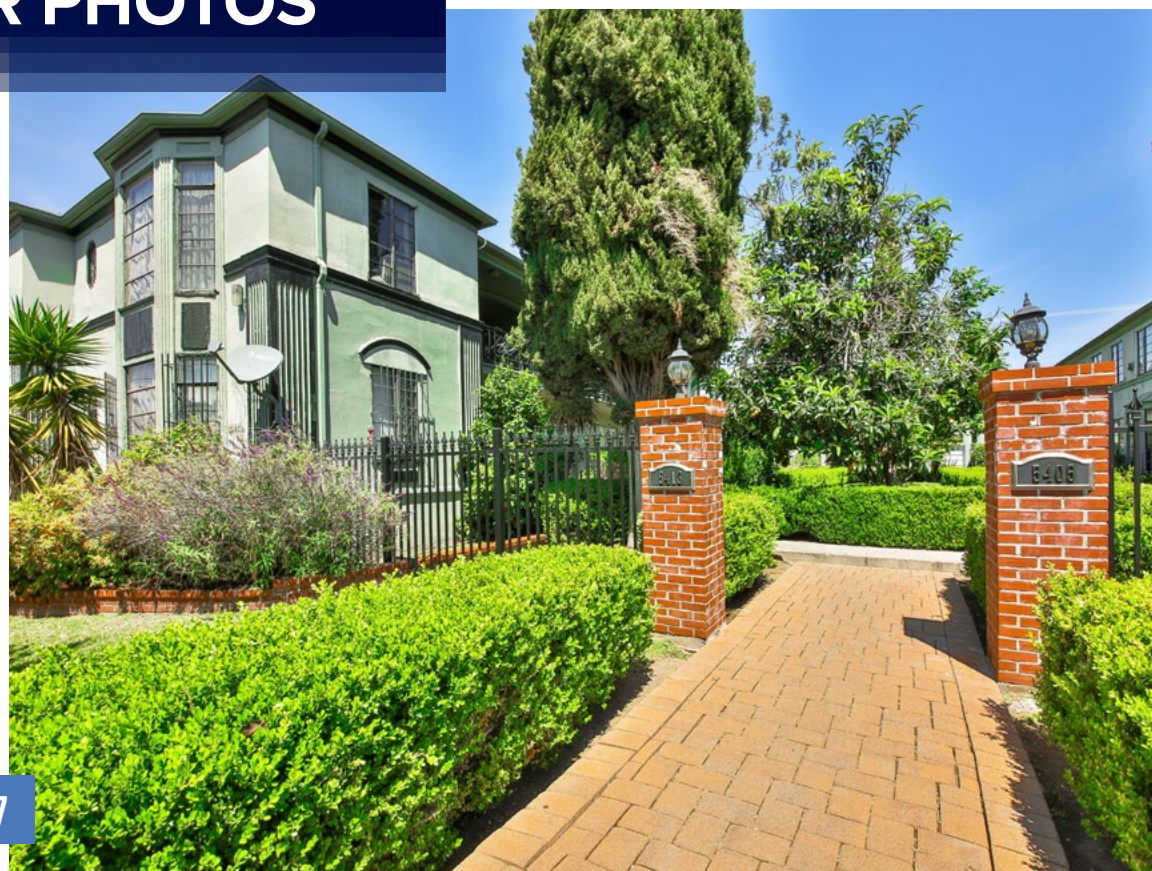


INTERIOR PHOTOS





EXTERIOR PHOTOS





EXTERIOR PHOTOS





BERNSTEIN HIGH SCHOOL
640 STUDENTS



GRANT ELEMENTARY
461 STUDENTS



NW



THE FIFTY FIVE FIFTY APARTMENTS
280 UNITS



ARDENCE & BLOOM APARTMENTS
184 UNITS



URBANIZE



SUBJECT PROPERTY

FERNWOOD AVE





 **HOBART CONTINENTAL APARTMENTS**
62 UNITS

Goodwill

 **HOLLYWOOD ROYALE APARTMENTS**
111 UNITS



URBANIZE



GOLD STAR
BAKERY



 **KINGSLEY COURT APARTMENTS**
18 UNITS

SERRANO

SUBJECT PROPERTY 

 **HOBART GARDEN APARTMENTS**
142 UNITS



FERNWOOD AVE



SUBJECT PROPERTY

FINANCIAL OVERVIEW

5405-5419 FERNWOOD AVE | LOS ANGELES, CA

INVESTMENT SUMMARY

LIST PRICE	PRICE/UNIT	PRICE/FOOT	CURRENT		MARKET	
			CAP RATE	GRM	CAP RATE	GRM
\$7,700,000	\$275,000	\$319.66	5.01%	11.74	6.16%	10.21

UNIT MIX & SCHEDULED INCOME

TOTAL UNITS	UNIT MIX	UNIT MIX %	CURRENT AVG RENT	MARKET AVG RENT	CURRENT MONTHLY RENT	MARKET MONTHLY RENT
16	1+1	57%	\$1,573	\$1,850	\$25,166	\$29,600
12	2+1	43%	\$2,037	\$2,350	\$24,449	\$28,200
		Average:	\$1,772	\$2,064	\$49,615	\$57,800
28		Total:	\$49,615	\$57,800	\$595,379	\$693,600

ANNUAL OPERATING SUMMARY

		CURRENT	PER UNIT	MARKET	PER UNIT
Gross Potential Rent	<u>Pro Forma Estimates</u>	\$595,379		\$693,600	16% Upside
Less Vacancy	-3.0%	-\$17,861	-3.0%*	-\$20,808	-3.0%*
Income (Laundry, Pet, Parking, Storage)	\$1,984.66 Per Unit	\$55,570	\$1,985	\$55,570	\$1,985
Other Income	\$173.45 Per Unit	\$4,857	\$173	\$4,857	\$173
Utility Reimbursement (LADWP)	\$212.50 Per Unit	\$5,950	\$212	\$6,069	\$217
Gross Operating Income		\$643,895		\$739,288	
Expenses		\$258,076	43.35%*	\$264,630	38.15%*
Net Operating Income:		\$385,819	\$13,779	\$474,658	\$16,952
Pre-Tax Cash Flow		\$385,819	5.01%**	\$474,658	6.16%**
Total Return Before Taxes		\$385,819	5.01%**	\$474,658	6.16%**

*As a Percent of Gross Potential Rent

**As a Percent of List Price

PRO FORMA ANNUAL OPERATING EXPENSES

	ESTIMATED EXPENSES		% OF SGI	CURRENT	PER UNIT	MARKET	PER UNIT	% OF SGI
Real Estate Taxes	1.199398%	% of Purchase Price	15.51%	\$92,354	\$3,298	\$94,662	\$3,381	13.65%
Property Management Fee	4.0%	x GOI	4.33%	\$25,756	\$920	\$26,502	\$946	3.82%
Insurance	\$0.80	Per SF	3.24%	\$19,270	\$688	\$19,752	\$705	2.85%
Payroll	\$1,014	Per Unit	4.77%	\$28,392	\$1,014	\$29,102	\$1,039	4.20%
General and Administrative	\$200	Per Unit	0.94%	\$5,600	\$200	\$5,740	\$205	0.83%
Contract Services	\$75	Per Unit	0.35%	\$2,100	\$75	\$6,273	\$224	0.90%
Landscaping/Grounds	\$219	Per Unit	1.03%	\$6,120	\$219	\$2,153	\$77	0.31%
Turnover	\$200	Per Unit	0.94%	\$5,600	\$200	\$5,740	\$205	0.83%
Repairs & Maintenance	\$850	Per Unit	4.00%	\$23,800	\$850	\$24,395	\$871	3.52%
Trash Removal	\$318	Per Unit	1.50%	\$8,904	\$318	\$9,127	\$326	1.32%
Utilities	\$1,235	Per Unit	5.81%	\$34,580	\$1,235	\$35,445	\$1,266	5.11%
Reserves	\$200	Per Unit	0.94%	\$5,600	\$200	\$5,740	\$205	0.83%
Total Expenses			43.35%	\$258,076	\$9,217	\$264,630	\$9,451	38.15%

RENT ROLL

UNIT MIX	UNIT #	CURRENT RENT	MARKET RENT
2+1	5405	\$2,100	\$2,350
1+1	5405 1/2	\$1,368	\$1,850
2+1	5405 1/4	\$2,250	\$2,350
1+1	5405 3/4	\$1,825	\$1,850
1+1	5407	\$1,508	\$1,850
1+1	5407 1/2	\$1,850	\$1,850
1+1	5409	\$1,615	\$1,850
1+1	5409 1/2	\$1,725	\$1,850
1+1	5409 1/4	\$1,390	\$1,850
1+1	5411	\$1,092	\$1,850
2+1	5411 1/2 Fernwood Ave #1	\$2,150	\$2,350
2+1	5411 1/2 Fernwood Ave #2	\$2,350	\$2,350
2+1	5411 1/2 Fernwood Ave #3	\$1,822	\$2,350
2+1	5411 1/2 Fernwood Ave #4	\$2,150	\$2,350
2+1	5413	\$2,000	\$2,350
1+1	5413 1/2	\$1,850	\$1,850
2+1	5413 1/4	\$1,813	\$2,350
1+1	5413 3/4	\$1,520	\$1,850
1+1	5415	\$1,508	\$1,850
1+1	5415 1/2	\$1,424	\$1,850
1+1	5417	\$1,534	\$1,850
1+1	5417 1/2	\$1,800	\$1,850
1+1	5417 1/4	\$1,507	\$1,850
1+1	5419	\$1,649	\$1,850
2+1	5419 1/2 Fernwood Ave #1	\$1,794	\$2,350
2+1	5419 1/2 Fernwood Ave #2	\$1,872	\$2,350
2+1	5419 1/2 Fernwood Ave #3	\$1,898	\$2,350
2+1	5419 1/2 Fernwood Ave #4	\$2,250	\$2,350
Averages		\$1,772	\$2,064
Totals	28	\$49,615	\$57,800

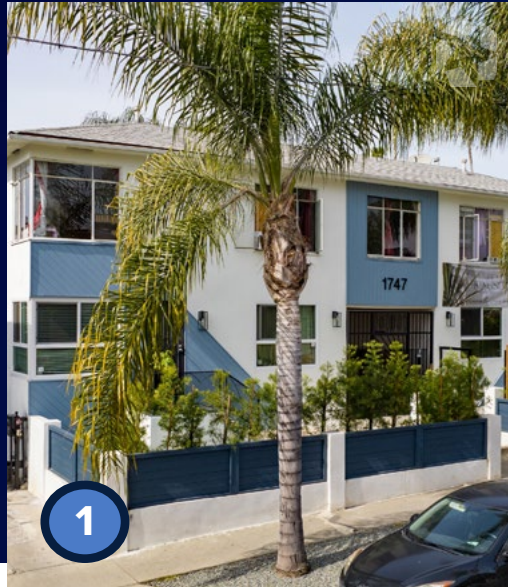


SALES COMPARABLES

5405-5419 FERNWOOD AVE | LOS ANGELES, CA

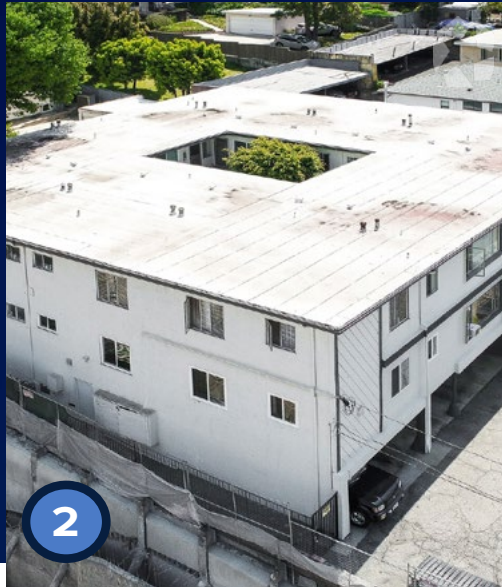
SALES COMPARABLES

1747 N KINGSLEY DR
Los Angeles, CA



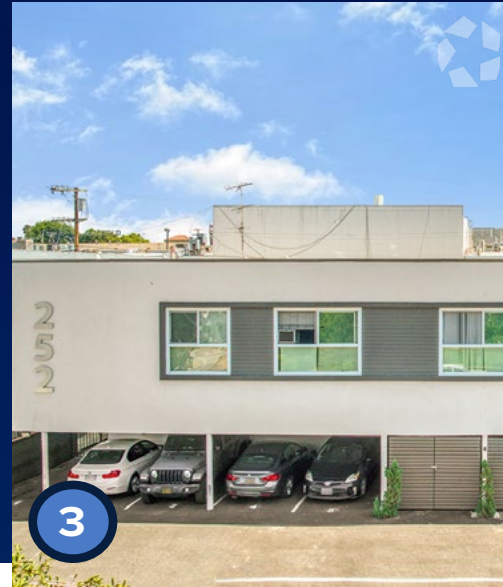
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2320 GLENDALE BLVD
Los Angeles, CA



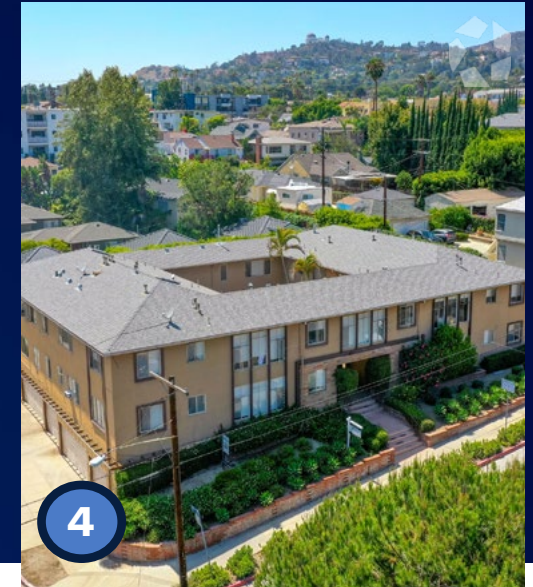
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252 S NEW HAMPSHIRE AVE
Los Angeles, CA



3

2005 TALMADGE ST
Los Angeles, CA



4

Sale Price	\$6,375,000
Sale Date	9/30/2024
Price/Unit	\$318,750
Price/SF	\$450.72
GRM	-
Cap Rate	5.87%
Total Units	20
Building SF	±14,144 SF
Year Built	1953

Sale Price	\$4,000,000
Sale Date	8/7/2024
Price/Unit	\$250,000
Price/SF	\$317.86
GRM	11.96
Cap Rate	5.31%
Total Units	16
Building SF	±12,584 SF
Year Built	1957

Sale Price	\$4,237,000
Sale Date	7/22/2024
Price/Unit	\$223,000
Price/SF	\$379.12
GRM	12.01
Cap Rate	5.43%
Total Units	19
Building SF	±11,176 SF
Year Built	1955

Sale Price	\$4,800,000
Sale Date	6/17/2024
Price/Unit	\$300,000
Price/SF	\$443.38
GRM	12.5
Cap Rate	5.50%
Total Units	16
Building SF	±10,826 SF
Year Built	1953

SALES COMPARABLES

1940-1950 N VERMONT AVE
Los Angeles, CA



Sale Price	\$4,440,000
Sale Date	5/28/2024
Price/Unit	\$296,000
Price/SF	\$282.08
GRM	13.68
Cap Rate	4.75%
Total Units	15
Building SF	±15,740 SF
Year Built	1946

1801-1825 MORTON AVE
Los Angeles, CA



Sale Price	\$19,600,000
Sale Date	12/29/2023
Price/Unit	\$ 296,970
Price/SF	\$360.08
GRM	-
Cap Rate	5.43%
Total Units	66
Building SF	±54,433 SF
Year Built	1972

5405-5419 FERNWOOD AVE
Los Angeles, CA



Sale Price	\$7,700,000
Sale Date	-
Price/Unit	\$275,000
Price/SF	\$319.66
GRM	11.74
Cap Rate	5.01%
Total Units	28
Building SF	±24,088 SF
Year Built	1939

SALES COMPARABLES AVERAGES

Price/Unit	\$280,787
Price/SF	\$372.21
GRM	12.54
Cap Rate	5.38%
Total Units	25

SALES COMPARABLES MAP



 SUBJECT PROPERTY

 1747 N Kingsley Dr

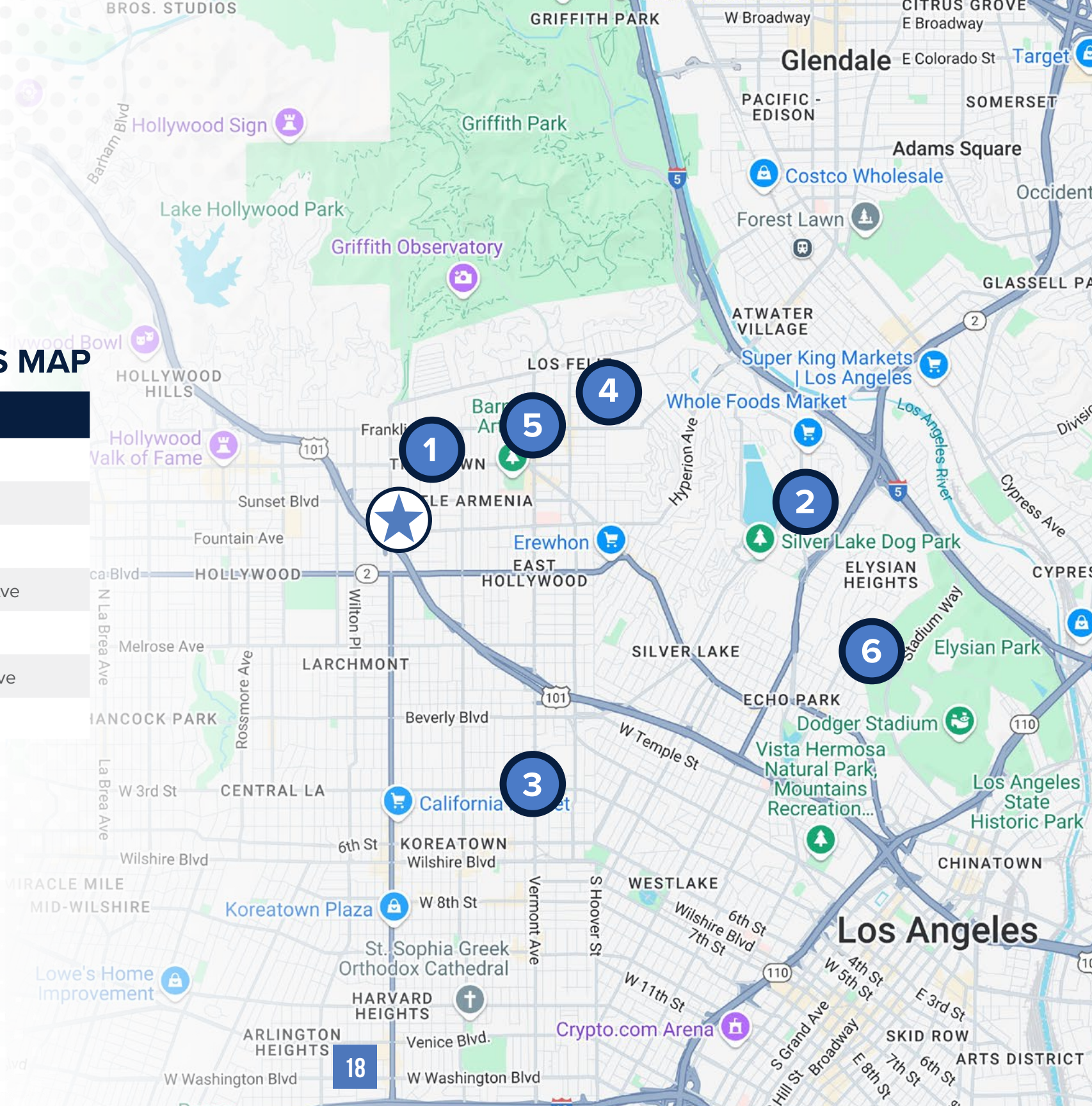
 2320 Glendale Blvd

 252 S New Hampshire Ave

 2005 Talmadge St

 1940-1950 N Vermont Ave

 1801-1825 Morton Ave





RENT COMPARABLES

5405-5419 FERNWOOD AVE | LOS ANGELES, CA

RENT COMPARABLES

ONE BEDROOM COMPARABLES

	PROPERTY ADDRESS	# UNITS	YEAR BUILT	FLOOR PLAN	ASKING RENT	AVG SF	RENT PSF
★	SUBJECT PROPERTY	28	1939	1+1	\$1,573	-	-
1	5414 Fountain Ave, Los Angeles, CA 90029	10	1923	1+1	\$1,675	-	-
2	5526 Carlton Way, Los Angeles, CA 90028	21	1992	1+1	\$1,695	±500 SF	\$3.39
3	1545 N Hobart Blvd, Los Angeles, CA 90027	111	1970	1+1	\$1,750	±720 SF	\$2.43
4	1625 N Hobart Blvd, Los Angeles, CA 90027	20	1952	1+1	\$1,795	±575 SF	\$3.12
5	1736 N Mariposa Ave, Los Angeles, CA 90027	10	1964	1+1	\$1,800	±700 SF	\$2.57
6	1830 N Kingsley Dr, Los Angeles, CA 90027	24	1961	1+1	\$1,800	-	-
7	1344 N Serrano Ave, Los Angeles, CA 90027	30	1989	1+1	\$1,825	±600 SF	\$3.04
Average			1964		\$1,763	±619 SF	\$2.91

TWO BEDROOM COMPARABLES

	PROPERTY ADDRESS	# UNITS	YEAR BUILT	FLOOR PLAN	ASKING RENT	AVG SF	RENT PSF
★	SUBJECT PROPERTY	28	1939	2+1	\$2,037	-	-
1	1258 N Harvard Blvd, Los Angeles, CA 90029	8	-	2+1	\$2,379	±900 SF	\$2.64
2	5437 Harold Way, Los Angeles, CA 90027	20	1989	2+2	\$2,400	±1000 SF	\$2.40
3	1205 N Kenmore Ave, Los Angeles, CA 90029	6	1948	2+2	\$2,600	±1000 SF	\$2.60
4	1631 Rodney Dr, Los Angeles, CA 90027	26	1941	2+1	\$2,695	±900 SF	\$2.99
5	1511 N Mraiposa Ave, Los Angeles, CA 90027	8	1990	2+2	\$2,800	±900 SF	\$3.11
Average			1967		\$2,575	±940 SF	\$2.75

RENT COMPARABLES MAP

1 BEDROOM



SUBJECT PROPERTY

1

5414 Fountain Ave, Los Angeles, CA

2

5526 Carlton Way, Los Angeles, CA

3

1545 N Hobart Blvd, Los Angeles, CA

4

1625 N Hobart Blvd, Los Angeles, CA

5

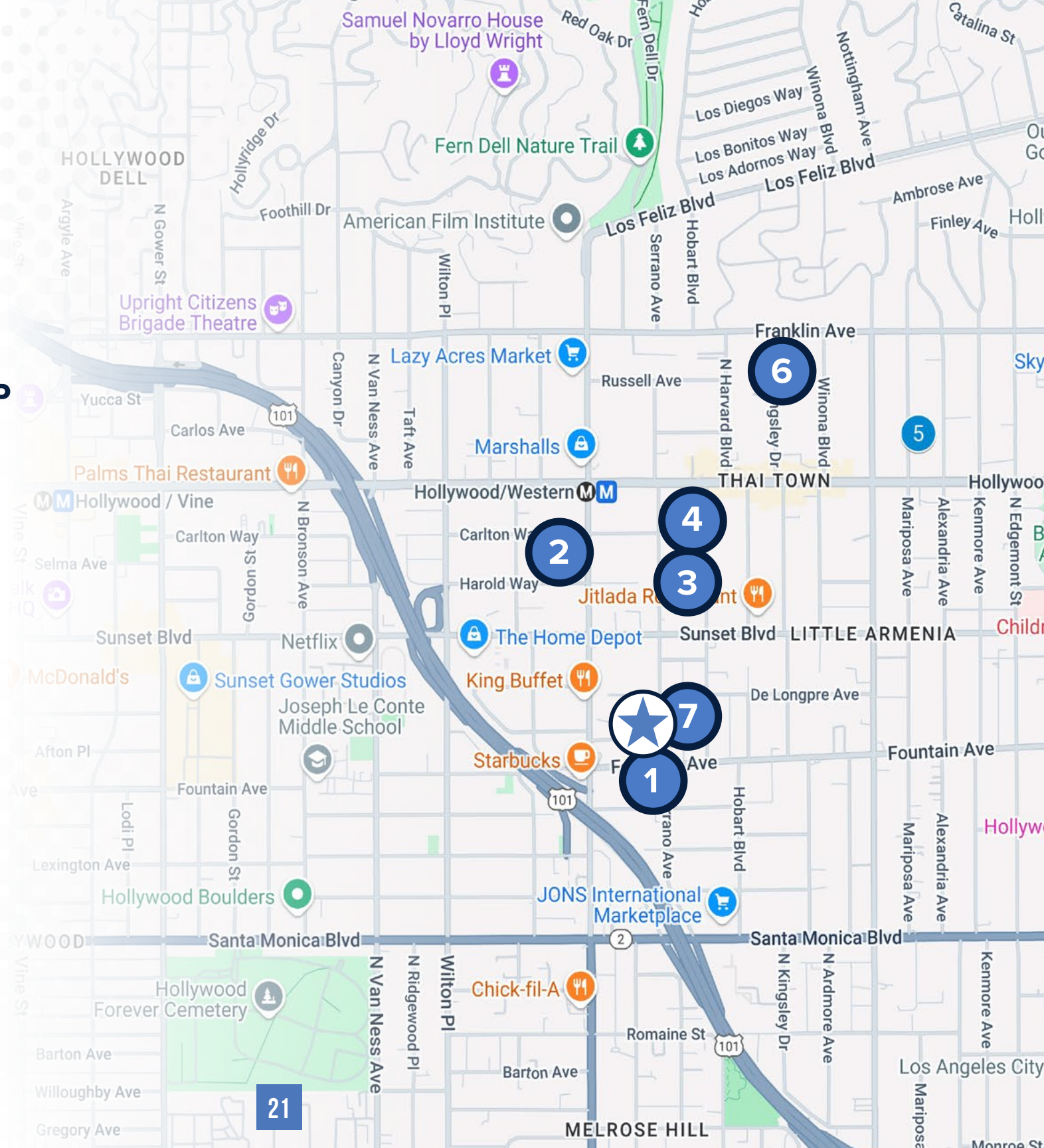
1736 N Mariposa Ave, Los Angeles, CA

6

1830 N Kingsley Dr, Los Angeles, CA

7

1344 N Serrano Ave, Los Angeles, CA



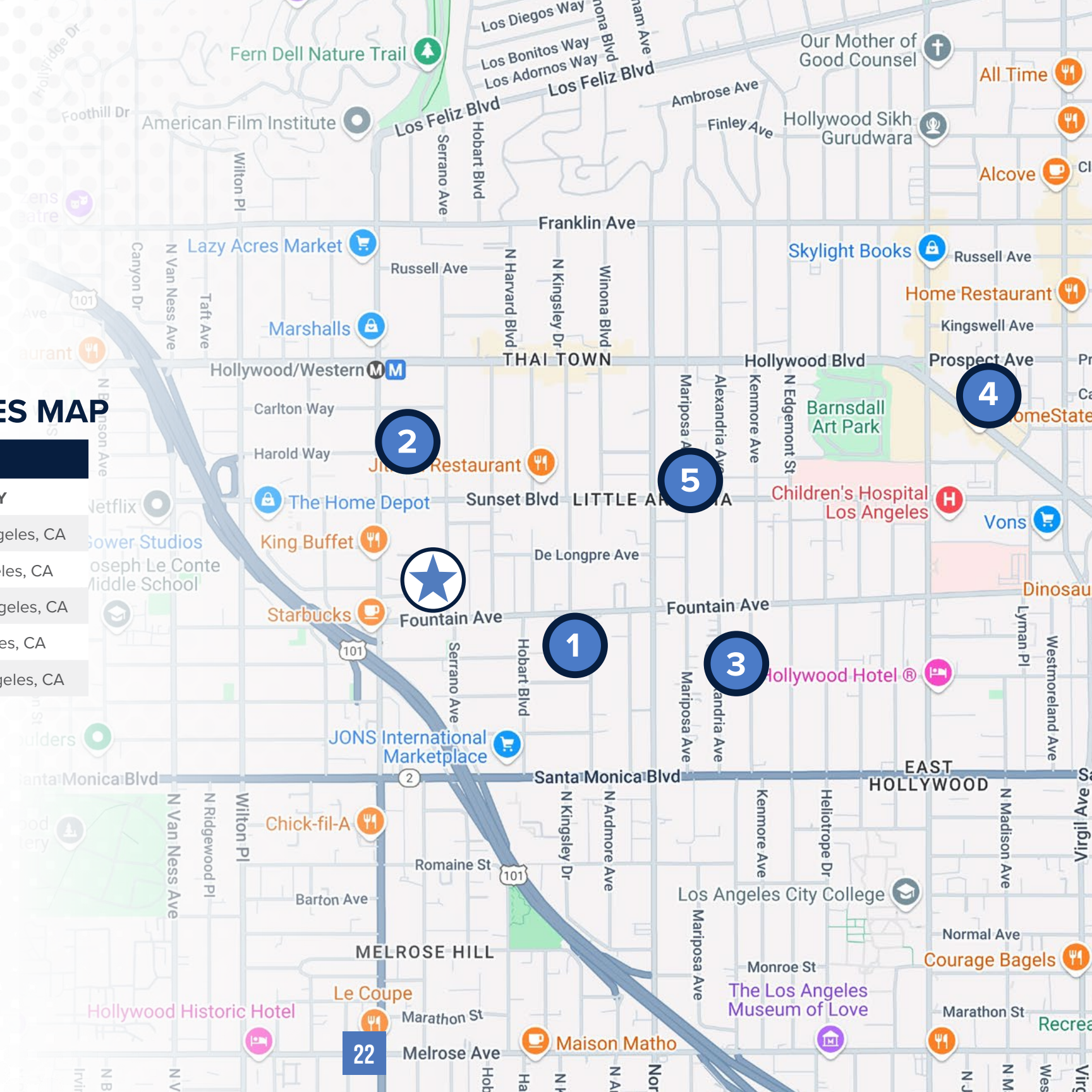
RENT COMPARABLES MAP

2 BEDROOM



SUBJECT PROPERTY

- 1 1258 N Harvard Blvd, Los Angeles, CA
- 2 5437 Harold Way, Los Angeles, CA
- 3 1205 N Kenmore Ave, Los Angeles, CA
- 4 1631 Rodney Dr, Los Angeles, CA
- 5 1511 N Mraiposa Ave, Los Angeles, CA





AREA OVERVIEW

LOS ANGELES, CALIFORNIA

LOS ANGELES

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most populous city in California; the second most populous city in the United States, after New York City; and the third most populous city in North America, after Mexico City and New York City. With an estimated population of nearly four million people, Los Angeles is the cultural, financial, and commercial center of Southern California.

The city of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, many of them world-class, and a paradise of idyllic weather. From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be.

Los Angeles is on the leading edge of several growth industries. The Los Angeles metropolitan area, with more than 23,000 art jobs, is the country's leading artistic center, surpassing the previous champion, New York. In other words, Los Angeles has both a larger concentration and an absolute number of artists than New York. The L.A. five-county area is also a major tech center, with more than 700,000 people at work in health services/biomedical activities and 190,000 people in aerospace. Here are some more facts and figures about Los Angeles: the city, the county, and the region.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2024 Estimate	74,528	433,820	1,039,989
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2024 Estimate	32,965	199,664	458,010
INCOME	1-MILE	3-MILE	5-MILE
2024 Avg. HH Income	\$70,288	\$88,817	\$93,043



Los Angeles County employs over 913,000 people in several growing industries



A culturally diverse city, with a growing culinary scene, shopping, museums, and a reputation for being the creative center of America.



It is the largest and most populous city in the state of California and the cultural, financial, and commercial center of Southern California.

TOURISM

Los Angeles shattered previous records by hosting an impressive 55 million tourists in the year 2023 (The LA Insider). The tourism industry, a cornerstone of the city's economic vitality, revealed remarkable figures for the preceding year. Los Angeles tourism sector generated a staggering \$34.5 billion in total business sales in 2022. This impactful contribution extended to supporting over 528,200 tourism-related careers and generating \$3 billion in tax revenues.

Tourism contributed \$287 million into the City's General Fund, a crucial source for various public initiatives (Discover LA). Annual visitors to the Los Angeles region are projected to rise to more than 70 million by the year 2030, which would result in creating more than 400,000 additional jobs for Angelenos and adding as much as a billion dollars a year in tax revenue for the city (City of LA).



ATTRACTIONS

Some of the world's best-known and most iconic landmarks and attractions call Los Angeles home: the Hollywood Sign; Griffith Observatory; the Getty Center; the Walt Disney Concert Hall at the Music Center in Downtown L.A.; the Hollywood Walk of Fame; the TCL Chinese Theatre; Space Shuttle Endeavour at the California Science Center; the Battleship USS Iowa located at the Port of Los Angeles in San Pedro; Air Force One at the Ronald Reagan Library; and Universal Studios Hollywood, with its dynamic immersive experience, The Wizarding World of Harry Potter™.



55 MILLION

50 Million People traveled to Los Angeles last year



\$34.5 BILLION

L.A. visitors spent \$34.5 billion on hotels, restaurants, shopping, attractions and more



528,200

There are 525,000 jobs supported by the Los Angeles tourism industry



9 YEARS

L.A. has celebrated 9 consecutive years of record growth



ARTS & CULTURE

With various museums and exhibits, Los Angeles is full of inspiring art and diverse cultural experiences. In fact, Los Angeles has more museums and theatres than any other city in the U.S., making it the perfect place to be immersed in arts and culture. Los Angeles is home to more than 105 museums, 225 theaters, 55 magnificent structures by the world's top architects and 16 of the world's most beautiful gardens. It also boasts more than 1,500 theatrical productions annually.

TOURISM

With famous venues like the Crypto.com Arena at L.A. LIVE, home to the NBA's Los Angeles Lakers and Los Angeles Clippers, NHL's L.A. Kings, and Dodger's Stadium, where the Los Angeles Dodgers serve as a main attraction sports fans flock to in L.A. Los Angeles is also home to several esteemed universities that have large sports followings such as USC and UCLA.



LOS ANGELES LAKERS
(National Basketball Association)
18,997 Avg. Attendance



LOS ANGELES RAMS
(National Football League)
71,229 Avg. Attendance



LOS ANGELES DODGERS
(Major League Baseball)
49,065 Avg. Attendance



LOS ANGELES KINGS
(National Hockey League)
18,000 Avg. Attendance

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **5405-5419 Fernwood Ave, Los Angeles CA 90027** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services have not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity’s name or logo, including any commercial tenant’s name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews Real Estate Investment Services, the property, or the seller by such entity.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

5405-5419 FERNWOOD AVE

LOS ANGELES, CA

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