

OFFERING MEMORANDUM



FOR SALE Opportunity Zone

DEVELOPMENT SITE WITH RTI FOR 26 UNITS

Lies Within New United States Treasury Department's Tax Incentive Opportunity Zone

NAICapital
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

Table of Contents



Emmanuel Ndu, Vice President
818. 742. 1622 | endu@naicapital.com
Cal DRE Lic #1072609

Ziv Kozaski, Senior Vice President
818. 742. 1609 | zkozaski@naicapital.com
Cal DRE Lic #01195573

Ken Simons Senior Vice President
805. 277. 4015 | kensimons@naicapital.com
Cal DRE Lic #00625646

NAI Capital HQ - Encino
15821 Ventura Boulevard Suite 320
Encino, CA 91436

I EXECUTIVE SUMMARY

- A. Property Information
- B. Property Highlights
- C. Property Project Renderings
- D. Aerial Map

II LOCATION OVERVIEW

- A. Panorama City Overview
- B. Light Rail Information
- C. Bus Map
- D. Property To Train Map
- E. Light Rail Map
- F. Los Angeles County
- G. Demographics
- H. Opportunity Zone Map
- I. Nearby Development Project

III MARKET OVERVIEW

- A. Rent Comparables
- B. Sale Comparables
- C. Market Analysis

IV FINANCIAL OVERVIEW

- A. Income Analysis
- B. Expenses

V PROJECT ECONOMICS

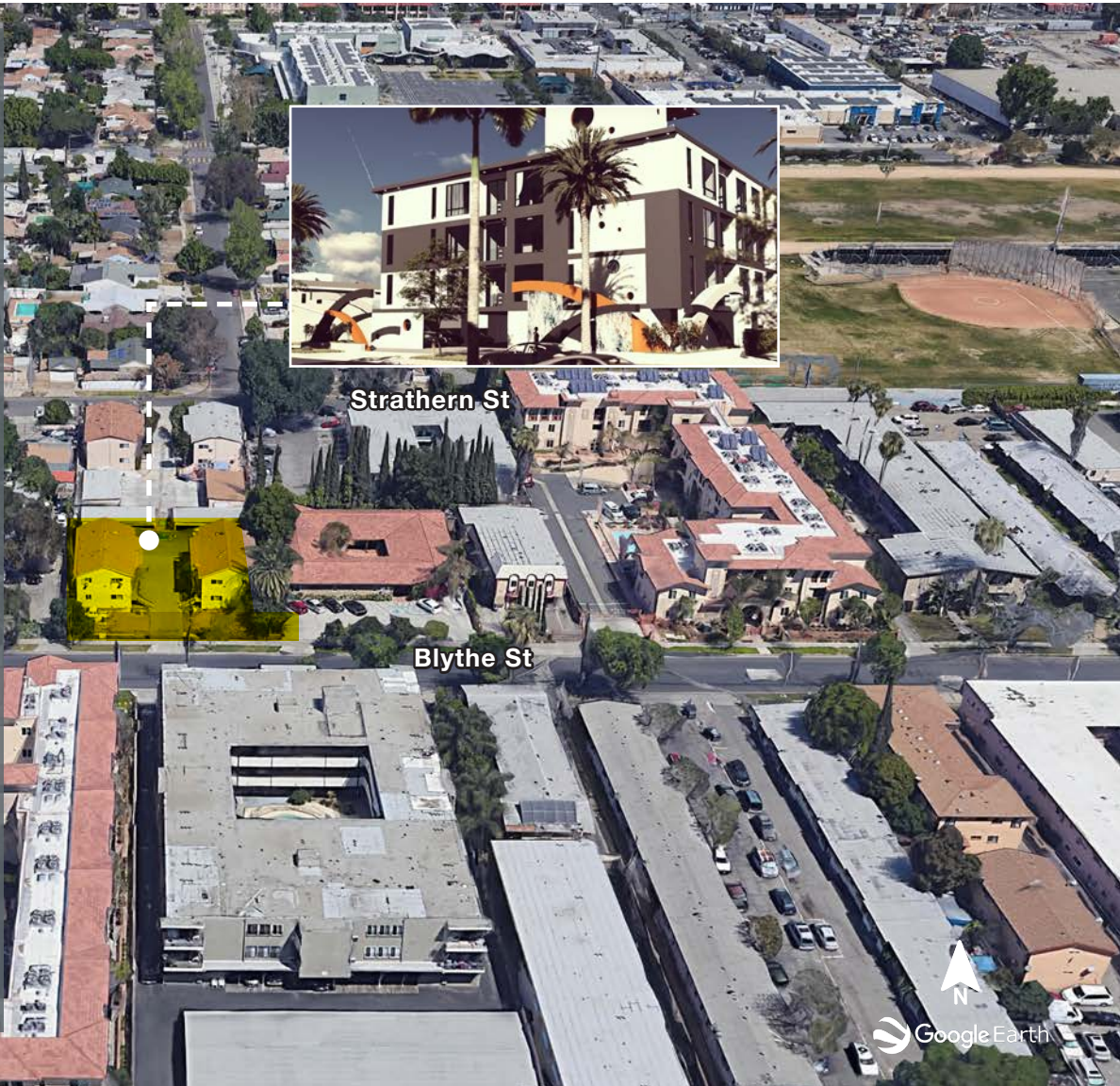
- A. Proforma Project Costs
- B. Exit Pricing Analysis

I EXECUTIVE SUMMARY

A | PROPERTY INFORMATION

PROPERTY INFORMATION

Address	14715-14721 Blythe Street
City State	Panorama City, CA
Parcel Number	2210-020-017 2210-020-018
No of Units	26
Proposed Delivery	2020
Lot Size	15,133 SF Survey indicates Gross Area 16,505 SF. 0.389 Acre Net Area (Excluding Street Easement) 13,505 SQ. FT.
Building Size	34,475 SF
Construction	Four stories (3 stories over on-grade parking)
Unit Mix	20 - 2Bed+2Bath 6 - 1Bed+1Bath
Utilities	Separately metered for Electric, Water and Gas Tenant pays Water, Gas and Electricity
Amenities	Washer and Dryer in Each Unit. Tankless Water Heaters in Each Unit.
Location	Qualified Opportunity Zone
*Parking	23 Parking Spaces + 1 Handicap



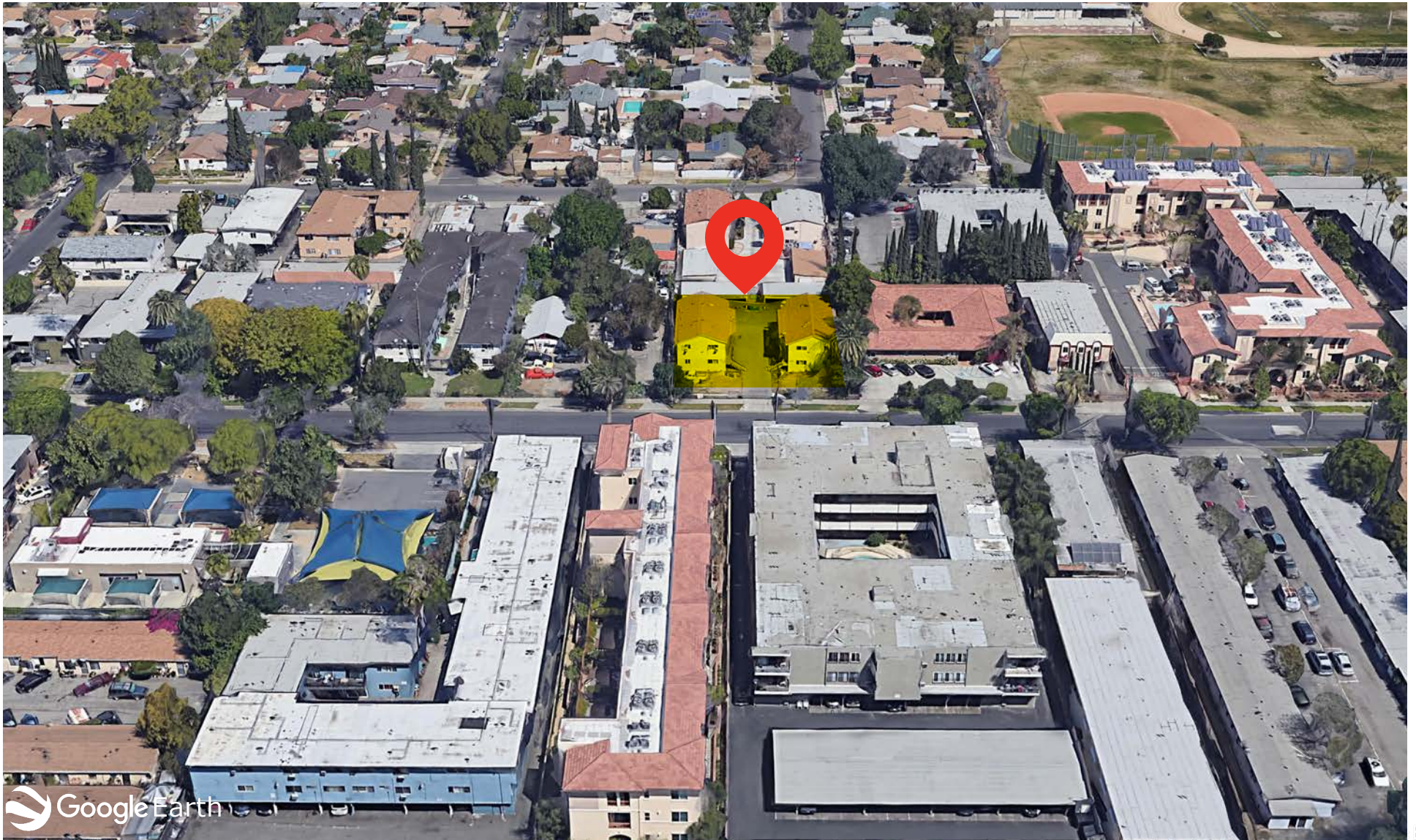
Project Highlights

- Developing area of Panorama City
- Walking distance to the Van Nuys Train Station and all public transportation
- RTI for 26 Apartment units
- Great unit mix comprising 20 units 2 Bedroom & 2 Bath, and 6 units 1 Bedroom & 1 Bath
- New Van Nuys Boulevard Light Rail within walking distance
- Recreation Center and Schools within walking distance
- Walk to a 24 Hour Fitness club
- Walking distance to famous “Plant” Shopping Center, with many dining options, shopping, Home Depot, movies, Smart & Final, and Living Spaces.
- Close to Kaiser Permanente Panorama City Medical Center
- Plans call for Individual Water, Electric, and Gas Meters. Washer and Dryer in each unit.
- Located in the IRS Designated Qualified Opportunity Zone
- This area is designated by the City as a Transit Oriented Communities – Tier 1

ADDRESS	14715-14721 W. Blythe St. Panorama City, CA 91402
APN	2210-020-017, 2210-020-018
RTI PROJECT	26 Apartment Units
TOTAL PROPOSED BUILDING SF	±34,475 SF Gross
CONSTRUCTION TYPE	Four Story Structure (Type IIIA)
ZONING	LAR3
UTILITIES	Separate Metered For Water, Electric and Gas
PARKING	On-Grade Parking *Note that there is a total of 24 Parking spaces 23 plus 1 Handicap

C | PROPERTY PROJECT RENDERINGS





II LOCATION OVERVIEW

PANORAMA CITY rose from humble beginnings in 1948 as the San Fernando Valley’s first planned community. Born from industrial roots, the neighborhood thrived up until the 1980s and 1990s due to its proximity to the Valley’s manufacturing centers. Today, Panorama City is redefining itself as a predominantly residential neighborhood characterized by the relative affordability of its single-family homes and low-rise apartments.

Panorama City benefits from its central location, ease of access and affordable housing. The neighborhood sits between the juncture of I-405, SR-118, and I-5, providing easy access to the San Fernando Valley and greater Los Angeles region.

The first residents of Panorama City tended to be World War II veterans and their families, many of whom purchased their homes with loans received through the G.I. Bill. In 2018, approximately 74,000 residents lived in Panorama City. It has become a popular destination for immigrants and younger residents due to the relative affordability of homes and apartments. The median home price in 2015 was about \$450,000, compared to \$555,000 in Los Angeles County. The average asking rent for multifamily apartments in Panorama City in 2018 was \$1,373 per unit, about 25% less than the average in Los Angeles County.

Panorama City was once adjacent to the General Motors Assembly Plant in Van Nuys, which closed in 1992 due to the decline of American auto manufacturing. Two other major local employers, the Schlitz Brewery and the Carnation Research Laboratory, closed in 1990 and 1994, respectively. The loss of these three employers significantly impacted the local economy

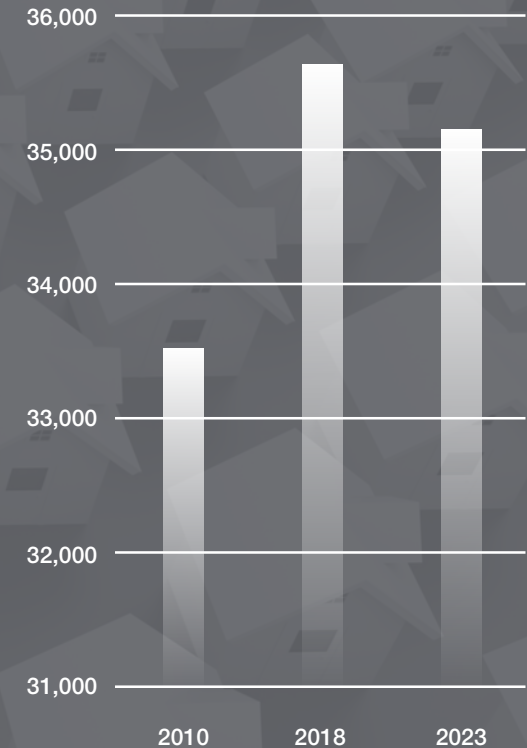
in Panorama City. But recent revitalization efforts have brought some of these sites back in to public use. Panorama High School opened in 2006 on the site of the former Carnation research lab. The former GM site has been transformed into a shopping center, nostalgically called The Plant, that is a popular weekend gathering place for families.

The affordability Panorama City and the success of past redevelopment is beginning to draw attention from developers. The biggest proposed project, a 9-acre development called the Icon at Panorama City, recently received the green light from the City Council. It plans to add 60,000 square feet of retail space and 623 residential units. The ICON at Panorama City is scheduled to begin construction in September 2019.

The ICON development is the newest Apartment project to be approved by the city. The ICON is built on an 8.9-acre site at Roscoe Boulevard just west of Van Nuys Boulevard. A new, seven-building complex will rise there, holding 623 apartments, 60,000 square feet of stores and restaurants, and a 17,000-square-foot landscaped plaza.

The Van Nuys train station is only a five minute walk, and in a few years this station will also be part of the new light rail train for Van Nuys Blvd. The \$1.3-billion rail line will run along Van Nuys Boulevard, the street most synonymous with the Valley’s post-World War II car culture. The line will add 14 stations in Van Nuys, Panorama City, Arleta, Pacoima and San Fernando to the county’s growing rail network.

NEARBY POPULATION
WITHIN 1 MILE



Source: Applied Geographic Solutions

B | LIGHT RAIL INFORMATION

The East San Fernando Valley Transit Corridor Project is a planned 9.2-mile light rail line between the Orange Line's Van Nuys Station and the Sylmar/San Fernando Metrolink Station. The new rail line would run mostly down the center of Van Nuys Boulevard and along the railroad right-of-way that is adjacent to San Fernando Road. The line would have 14 stations with an end-to-end travel time of 31 minutes. Metro staff determined that light rail was faster, offered more capacity and would better serve the community in the future than bus rapid transit (BRT), the other type of transit under study for the project.

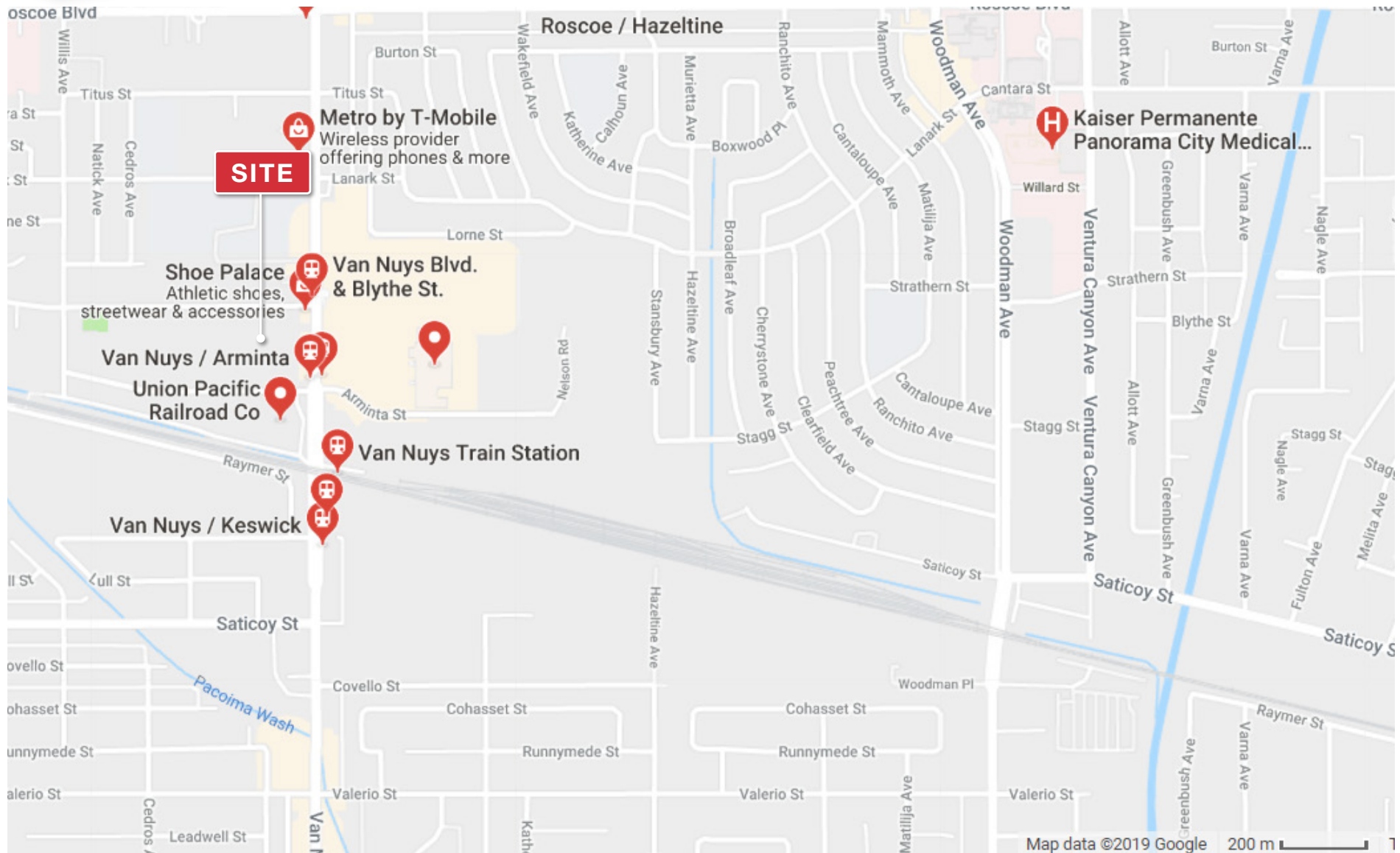
Van Nuys Boulevard is the second-busiest bus corridor in the San Fernando Valley and seventh-highest in the Metro system. The rail line would also offer transfers to/from the Orange Line, several busy Metro bus lines, Metrolink, Amtrak and two future Metro projects — the Sepulveda Transit Corridor rail line and the North San Fernando Valley Bus Rapid Transit project.

The project is slated to break ground in fiscal year 2021-22 and open in 2027. This project is also part of Metro's Twenty Eight by '28 Plan, which seeks to ensure that 28 major projects are completed in time for the 2028 Summer Olympics and Paralympics in the Los Angeles area.

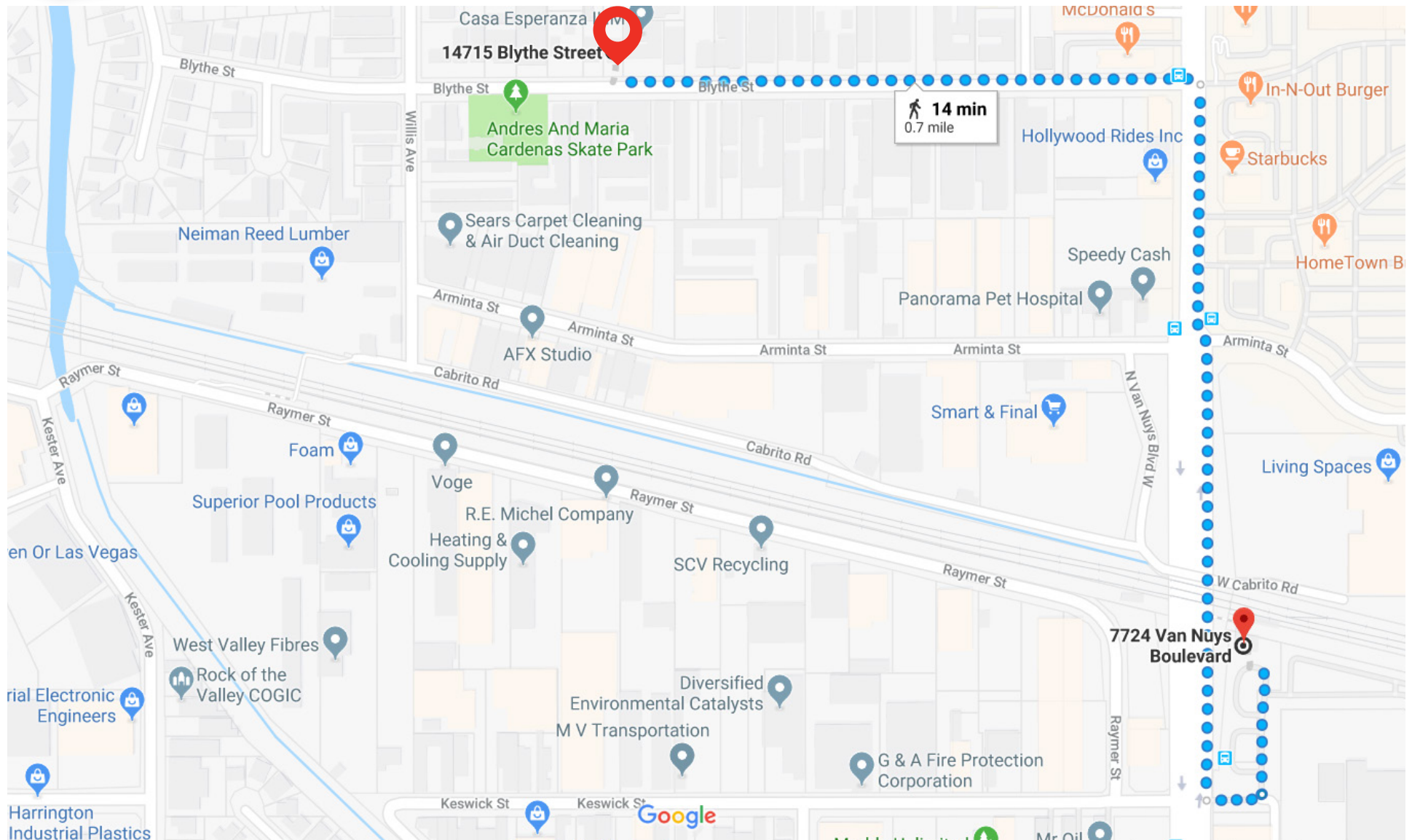
A separate project — the Sepulveda Transit Corridor — is looking at a variety of rail options to run between this project, the Orange Line and the Purple and Expo Lines on the Westside. Initial concepts for that rail project were released earlier, including one concept that would have light rail on the East San Fernando Valley project continue south and tunnel under the Santa Monica Mountains to the Westside. Other concepts include heavy rail (trains that are wider, longer and faster) or monorail trains that would allow for transfers to the East San Fernando Valley Line.

Source: www.thesource.metro.net

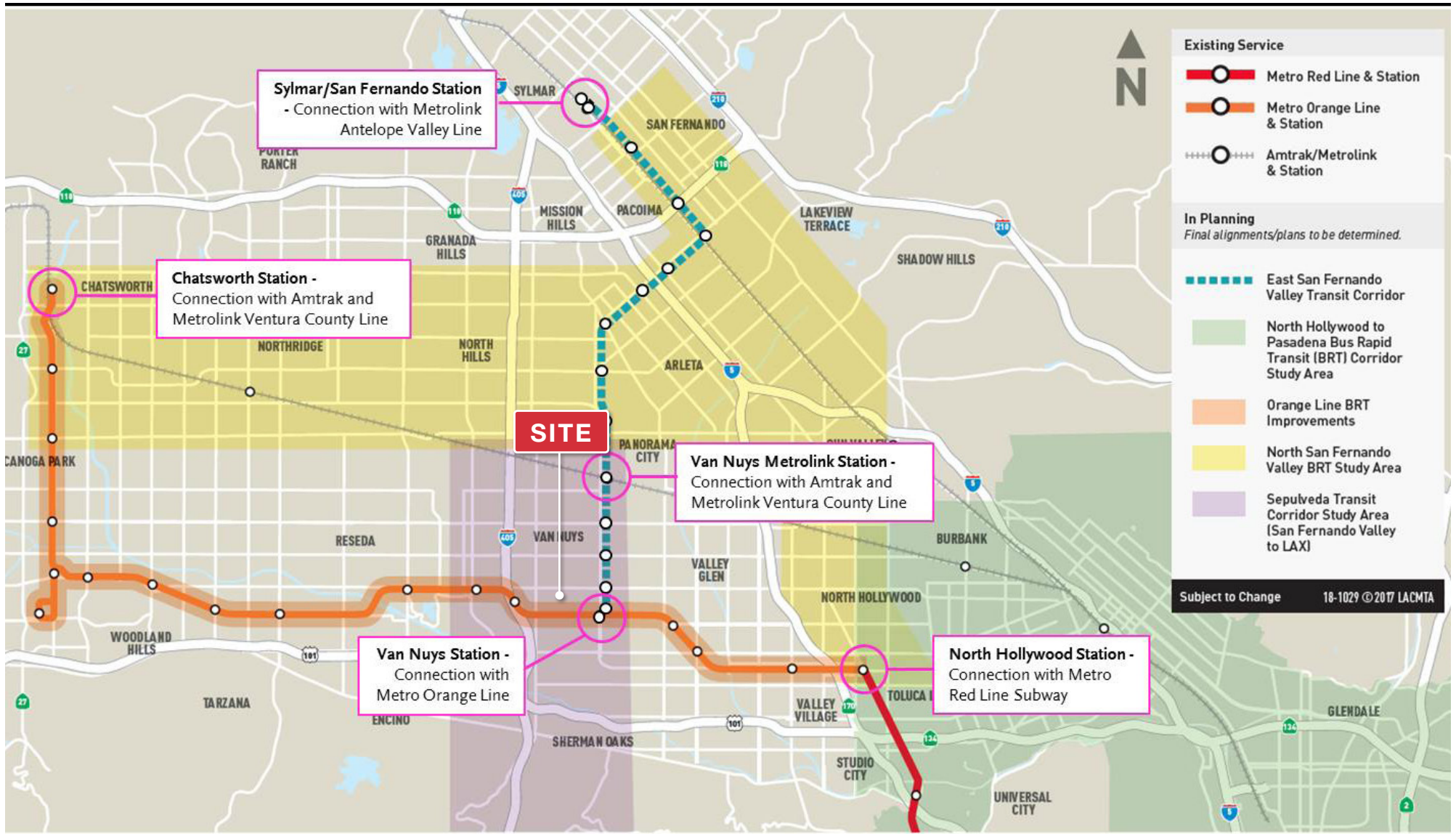




D | PROPERTY TO TRAIN MAP



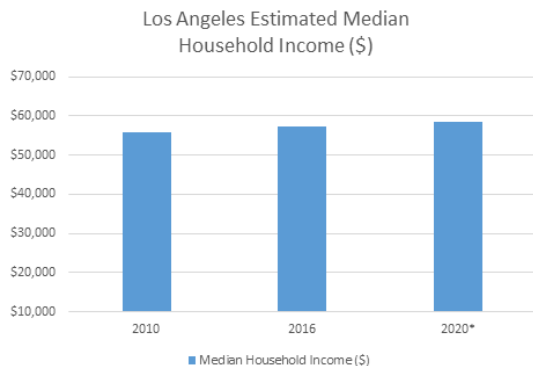
E | LIGHT RAIL MAP



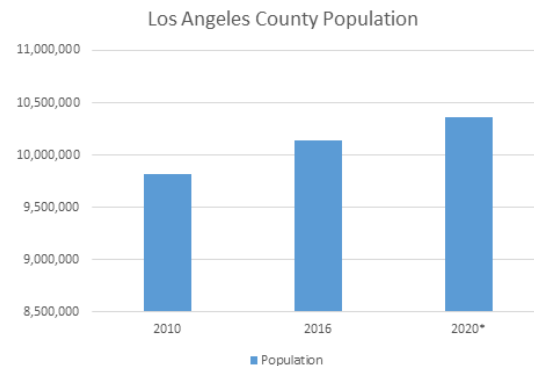
LOS ANGELES COUNTY is the most populous and ethnically diverse county in the United States, and has a population greater than 40 U.S. States. Los Angeles County also has the world's 19th largest economy at \$664 billion, placing it behind the Netherlands and ahead of Switzerland. Los Angeles County is home to more than a quarter of California's residents, and is the economic center of Southern California. Los Angeles County is home to over 88 incorporated cities, with the City of Los Angeles being the most populous at about four million residents.

Originally founded on September 4, 1781 by the Spanish as "El Pueblo de la Reyna de los Angeles," or the Town of the Queen of the Angeles, Los Angeles grew rapidly after it became part of the United States. Following the Second World War, growth in Los Angeles surged and Los Angeles County became known as one of the best locations in the country to live. In 2016, the population of Los Angeles County was estimated to be 10,137,915 residents, with a median household income of \$57,433.

Los Angeles County sits at the confluence of several major transportation networks. Los Angeles is home to one of the busiest ports in the Western Hemisphere, and the ninth busiest port globally. Additionally, Los Angeles is served by several rail lines that connect Los Angeles County to the rest of the United States. Los Angeles County is also served by numerous Interstate Freeways, including the Interstate 5, Interstate 210, and Interstate 10, as well as several State Routes including the 101 Freeway, California State Route 14, and California State Route 60.



Source: ESRI, US Census Bureau *Projection




Source: ESRI, US Census Bureau *Projection

EMPLOYMENT

Los Angeles County has managed to maintain sustained economic growth following the Great Recession from 2008-2009. The unemployment rate peaked at 12.5% in 2010, but has since declined to 4.6% in December 2018. Although Los Angeles is commonly associated with the entertainment industry and digital arts, Los Angeles county is home to 23 Fortune 500 companies, including Northrop Grumman, CBRE, Mattel Inc., Amgen Inc., Edison International, and the Walt Disney Company. Additionally, Los Angeles County has been home to several major technology start-ups, including Snapchat, Riot Games, and Space X.

Rank	Employer	Employees
1	County of Los Angeles	108,500
2	Los Angeles Unified School District	90,800
3	University of California, Los Angeles	63,500
4	City of Los Angeles	61,900
5	Federal Government (non-Defense Dept.)	43,900
6	Kaiser Permanente	36,400
7	State of California (non-education)	30,000
8	University of Southern California	20,100
9	Northrop Grumman Corp.	16,600
10	Providence Health & Services	15,200

Source: Los Angeles Almanac

 Population	1 Mile	3 Miles	5 Miles
2018 Estimated Population	35,387	261,744	529,382
2022 Projected Population	35,264	261,716	529,176
2010 Census Population	33,779	244,203	500,830
2000 Census Population	31,899	226,457	468,828
Projected Annual Growth 2018 to 2023	-0.1%	-	-
Historic Annual Growth 2000 to 2018	0.5%	0.7%	0.6%

 Daytime Population	1 Mile	3 Miles	5 Miles
2018 Est. Total Businesses	634	12,038	26,913
2018 Est. Total Employees	3,666	113,956	241,814

 Age	1 Mile	3 Miles	5 Miles
2018 Est. Population Under 10 Years	4,386	31,533	59,443
2018 Est. Population 10 to 19 Years	4,351	31,015	60,654
2018 Est. Population 20 to 29 Years	5,263	41,214	76,327
2018 Est. Population 30 to 44 Years	7,796	57,480	112,765
2018 Est. Population 45 to 59 Years	7,127	51,403	107,179
2018 Est. Population 60 to 74 Years	4,632	33,623	77,067
2018 Est. Population 75 Years or Over	1,834	15,476	35,947
2018 Est. Median Age	36.2	36.2	38.4

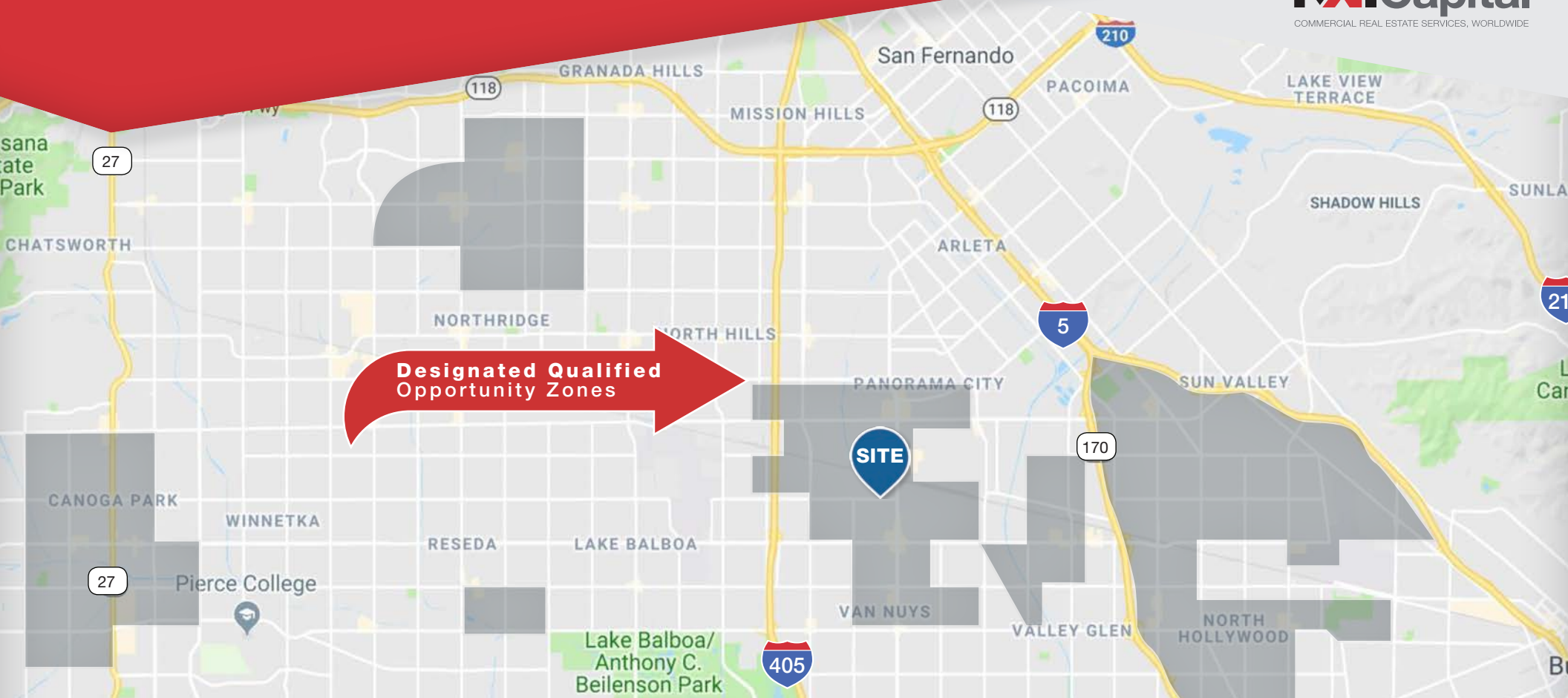
 Race	1 Mile	3 Miles	5 Miles
2018 Est. White	16,109	134,186	307,045
2018 Est. Black	1,846	13,780	27,621
2018 Est. American Indian or Alaska Native	192	1,630	2,769
2018 Est. Asian or Pacific Islander	7,105	41,175	82,178
2018 Est. Other Races	8,299	56,965	81,154

 Households	1 Mile	3 Miles	5 Miles
2018 Estimated Households	10,795	87,390	189,719
2023 Projected Households	11,072	89,799	195,013
2010 Census Households	10,052	78,893	174,303
2000 Census Households	9,924	74,843	168,053
Projected Annual Growth 2018 to 2023	3.8%	4.0%	4.4%
Historical Annual Growth 2000 to 2018	3.1%	2.9%	3.0%

 Household Income	1 Mile	3 Miles	5 Miles
Estimated Median Household Income (2018)	\$68,818	\$66,871	\$79,980
Projected Median Household Income (2023)	\$78,557	\$76,587	\$91,552
Census Median Household Income (2010)	\$57,929	\$55,247	\$64,454
Census Median Household Income (2000)	\$47,398	\$46,250	\$54,834

 Income	1 Mile	3 Miles	5 Miles
2018 Est. HH Income \$200,000 or More	6.1%	6.8%	10.7%
2018 Est. HH Income \$150,000 to \$199,999	6.9%	7.3%	9.2%
2018 Est. HH Income \$100,000 to \$149,999	16.8%	15.8%	17.0%
2018 Est. HH Income \$75,000 to \$99,999	14.7%	12.8%	12.6%
2018 Est. HH Income \$50,000 to \$74,999	19.0%	17.3%	16.5%
2018 Est. HH Income \$35,000 to \$49,999	11.1%	12.0%	10.6%
2018 Est. HH Income \$25,000 to \$34,999	8.8%	8.8%	7.2%
2018 Est. HH Income \$15,000 to \$24,999	6.8%	8.4%	7.2%
2018 Est. HH Income Under \$15,000	9.6%	10.8%	9.2%
2018 Est. Average Household Income	\$90,105	\$86,489	\$106,056
2018 Est. Median Household Income	\$68,818	\$66,871	\$79,980
2018 Est. Per Capita Income	\$27,581	\$28,979	\$38,128

H | OPPORTUNITY ZONE MAP



The Opportunity

The federal tax bill passed at the end of December 2017 allows the Governor to designate certain census tracts as Opportunity Zones. Investments made by individuals through special funds in these zones would be allowed to defer or eliminate federal taxes on capital gains. The Governor can designate up to 25 percent of census tracts that either have poverty rates of at least 20 percent or median family incomes of no more than 80 percent of statewide or metropolitan area family income. There are 3,516 census tracts in 54 California counties that would qualify under one or both of the mandatory criteria, allowing the Governor to designate up to 879 tracts. As census tracts are designed to capture geographic areas of around 4,000 people, more than 3 million Californians would potentially be located in one of these areas.

http://dof.ca.gov/Forecasting/Demographics/opportunity_zones/

Summit Valley
Edmund D.
Edelman Park

Marvin Braude
Gateway Park

I | NEARBY DEVELOPMENT PROJECTS

Recent Development

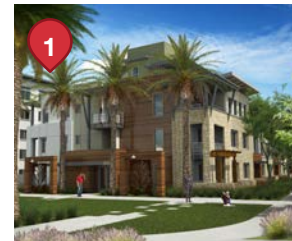
The San Fernando Valley, particularly in the southeast, has received renewed attention thanks to a growing population and relative affordability and availability of housing. North Hollywood, for example, has a burgeoning arts district featuring theaters, galleries, shops, restaurants and transit and is exploding with new development and population growth. Van Nuys is experiencing the spillover effects of the redevelopment of its neighbors and is booming with new renters seeking a degree of affordability. Developers are capitalizing on the opportunities to repurpose underutilized and outdated commercial sites to their highest uses- apartments.

At the end of 2018 there were five projects under construction, all multifamily apartment developments. In all, 298 apartment units are scheduled to be delivered in Van Nuys in 2019, 98% of which are market-rate.

	Project Name	Address	City	# of Units	Developer	Delivery Date
1	Noho West	6150 Laurel Canyon Boulevard	North Hollywood	642 Units	Mm Noho Apartments, Llc	January 2020
2	24	20000 Prairie Street	Chatsworth	660 Units	Mga Entertainment, Inc.	January 2020
3	8811	8811 Sepulveda Blvd	North Hills	364 Units	Metro Development	August 2020
4	Evolution Warner Center	6606 N Variel Ave	Canoga Park	271 Units	Evolution Strategic Partners	Under Construction
5	Icon At Panorama	Roscoe/Van Nuys Blvd	Panorama City	623 Units	Icon Strategic Partners	2021

Economy

The economy of Van Nuys is propelled by its strong industrial base. Van Nuys' industrial base dates to the 1940s when GM operated an automobile assembly factory on Van Nuys Boulevard at the north end of the neighborhood. The factory closed in 1992, but others have moved in to the industrial space. Most famously, Anheuser-Busch opened a Budweiser factory in Van Nuys in 1954. Another significant economic feature is Van Nuys Airport, the world's busiest general aviation airport dedicated to noncommercial air travel. Commercial corridors along Van Nuys Boulevard Sepulveda Boulevard also drive the local economy. Numerous neighborhood retail center with national chain retailers and grocers, ethnic markets, restaurants and all varieties of services can be found. A long stretch of Van Nuys Boulevard known as "auto row" hosts several auto dealerships brought about when the GM assembly plant was operating.



III MARKET OVERVIEW

A | RENT COMPARABLE

8525 Tobias Ave Panorama City

1	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	Panorama City	91402	1985	287		1Bed/1Bath	\$1,470	600	\$2.45
						2Bed/2Bath	\$1,736	865	\$2.01

14745 Blythe St Panorama City

2	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	Panorama City	91402	1986	10	6,844	1Bed/1Bath	\$1,450	708	\$2.05

13610 Strathern St Panorama City

3	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	Panorama City	91402	1986	34	46,663	2Bed/2Bath	\$2,095	1,013	\$2.07
						2Bed/2Bath	\$1,950	1,000	\$1.95

9301 Van Nuys Blvd Panorama City

4	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	Panorama City	91402	1988	120		2Bed/2Bath	\$1,950	1,000	\$1.95

15157 Roscoe Blvd Panorama City

5	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	Panorama City	91402	2018	39		2Bed/2Bath	\$2,525	1,246	\$2.03

A | RENT COMPARABLE

8746 Burnet Ave North Hills

6	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	North Hills	91343	2015	20	33,298	3Bed/2Bath	\$2,545	1,527	\$1.67

8935 Orion Avenue North Hills

7	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	North Hills	91343	2018	33		1Bed/1Bath	\$1,750	699	\$2.50
						2Bed/2Bath	\$2,150	1002	\$2.15

8950 Memory Park Ave North Hills

8	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	North Hills	91343	1985	27		\$1,895	900	\$2.11	\$2.50
						2Bed/2Bath	\$1,950	1,000	\$1.95

9126 Langdon Ave North Hills

9	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	North Hills	91343	2019	15		2Bed/2Bath	\$2,200	1300	\$1.69
						3Bed/2Bath	\$2,450	1475	\$1.66

8435 Orion Ave, North Hills

10	City	Zip Code	Year Built	Number of Units	Building Sq Ft	Unit Type	Rent	Unit Size	Rent /SqFt
	North Hills	91343	2016			3Bed/2Bath	\$2,495	1500	\$1.66
						3Bed/2Bath	\$2,295	1160	\$1.98



14668 Nordhoff St. Panorama City, CA 91402

Property Address:	14668 Nordhoff St
No. Units:	41
Year Built:	1990
Building SF:	34,648
Land SF:	33,032
Sales Price:	\$9,730,000
Close of Escrow:	11/30/2017
Price / Sq. Ft.:	\$280.82
Price / Unit:	\$237,317
GRM:	N/A
Cap Rate:	4.00%
\$/Land Square Ft:	\$294.56



9429 Van Nuys Blvd Panorama City, CA 91402

Property Address:	9429 Van Nuys Blvd
No. Units:	40
Year Built:	1990
Building SF:	37,004
Land SF:	32,666
Sales Price:	\$9,940,000
Close of Escrow:	2/1/2018
Price / Sq. Ft.:	\$268.62
Price / Unit:	\$248,500
GRM:	14.20
Cap Rate:	4.12%
\$/Land Square Ft:	\$304.29



9256 Wakefield Ave, Panorama City, 91402

Property Address:	9256 Wakefield Ave
No. Units:	10
Year Built:	1987
Building SF:	7,674
Land SF:	15,547
Sales Price:	\$3,090,000
Close of Escrow:	1/30/2018
Price / Sq. Ft.:	\$402.66
Price / Unit:	\$309,000
GRM:	17.40
Cap Rate:	3.89%
\$/Land Square Ft:	\$198.75



15004 Nordhoff St, North Hills, 91343

Property Address:	15004 Nordhoff St
No. Units:	15
Year Built:	1988
Building SF:	14,790
Land SF:	23,496
Sales Price:	\$4,125,000.00
Close of Escrow:	6/22/2018
Price / Sq. Ft.:	\$278.90
Price / Unit:	\$275,000
GRM:	15.27
Cap Rate:	3.69%
\$/Land Square Ft:	\$175.56



9147 Van Nuys Blvd, Panorama City, 91402

Property Address:	9147 Van Nuys Blvd
No. Units:	43
Year Built:	1985
Building SF:	21,404
Land SF:	16,988
Sales Price:	\$4,300,000
Close of Escrow:	7/24/2018
Price / Sq. Ft.:	\$200.90
Price / Unit:	\$100,000
GRM:	13.28
Cap Rate:	4.57%
\$/Land Square Ft:	\$253.12

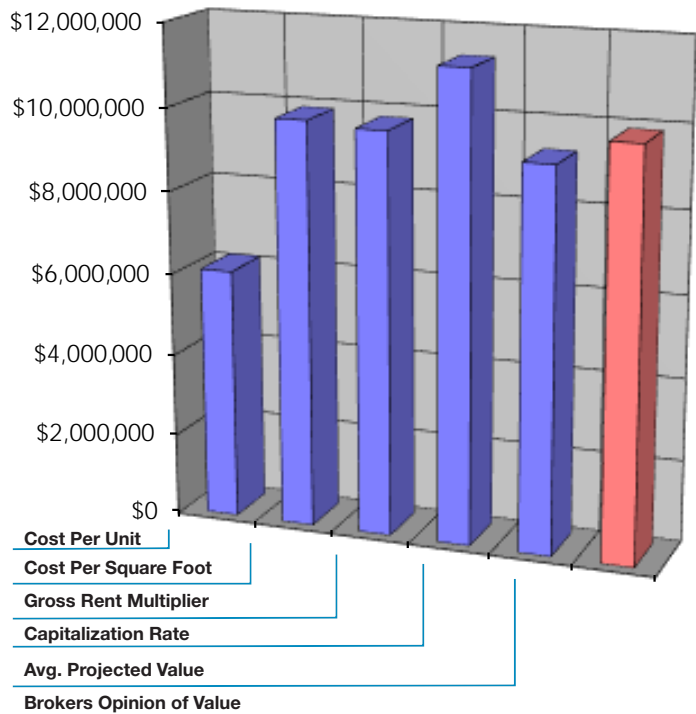


8844 Orion Ave, Panorama City, 91402

Property Address:	8844 Orion Ave
No. Units:	43
Year Built:	1985
Building SF:	36,100
Land SF:	34,874
Sales Price:	\$10,215,000
Close of Escrow:	10/6/2017
Price / Sq. Ft.:	\$282.96
Price / Unit:	\$237,558
GRM:	13.28
Cap Rate:	4.57%
\$/Land Square Ft:	\$292.91

Summary of Valuation:

The following table shows what the averages were for various criteria between the comparable properties. The “Average Projected Value” figure uses the averages from the sales comparables to project the value of the subject property.



Average of Comparables	Subject Property	Projected Value	
*Cost Per Unit:	\$234,563	26 Units	\$6,098,625
*Cost Per Square Foot:	\$285.81	34,475 SF	\$9,853,345
Gross Rent Multiplier:	14.69	\$663,468 SGI	\$9,743,691
Capitalization Rate:	4.14%	\$467,520 NOI	\$11,292,759
		Average Projected Value:	\$9,247,105

***Average 'Price per SF and Cost Per Unit are based on Older buildings. (built year 1990,1988,1987)**

Market Analysis Results	
Cost Per Unit	\$6,098,626
Cost Per Square Foot	\$9,853,345
Gross Rent Multiplier	\$9,743,691
Capitalization Rate	\$11,292,759
Avg. Projected Value	\$9,247,105
Brokers Opinion of Value	\$9,850,000

IV FINANCIAL OVERVIEW

A | INCOME ANALYSIS

Units	Unit Mix	Sq. Ft.	Market Rent / Unit	Total Market Rent	Rent/Sq.Ft.
1	1+1	561	\$1,750	\$1,750	\$3.12
2	1+1	523	\$1,750	\$1,750	\$3.35
3	1+1	685	\$1,750	\$1,750	\$2.55
4	2+2	1,030	\$2,400	\$2,400	\$2.33
5	2+2-L	719	\$1,791	\$1,791	\$2.49
6	2+2	807	\$2,300	\$2,300	\$2.85
7	2+2	924	\$2,300	\$2,300	\$2.49
8	2+2	954	\$2,300	\$2,300	\$2.41
9	2+2	1,079	\$2,450	\$2,450	\$2.27
10	1+1-L	560	\$1,522	\$1,522	\$2.72
11	1+1-L	521	\$1,522	\$1,522	\$2.92
12	1+1-L	684	\$1,522	\$1,522	\$2.23
13	2+2	1,029	\$2,450	\$2,450	\$2.38
14	2+2-L	745	\$1,791	\$1,791	\$2.40
15	2+2	798	\$2,300	\$2,300	\$2.88
16	2+2	923	\$2,300	\$2,300	\$2.49
17	2+2	980	\$2,300	\$2,300	\$2.35
18	2+2	1,078	\$2,450	\$2,450	\$2.27
19	2+2	838	\$2,300	\$2,300	\$2.74
20	2+2	1,052	\$2,450	\$2,450	\$2.33
21	2+2	1,034	\$2,450	\$2,450	\$2.37
22	2+2-L	746	\$1,791	\$1,791	\$2.40
23	2+2	807	\$2,300	\$2,300	\$2.85
24	2+2	922	\$2,300	\$2,300	\$2.49
25	2+2	955	\$2,300	\$2,300	\$2.41
26	2+2	1,082	\$2,450	\$2,450	\$2.26
26		22,036	\$55,289	Rent / Sq.Ft.	\$2.52
			Other Income (monthly)	Avg. Rent / Unit	\$2,126.50
			Total Monthly Income		
			Scheduled Gross Income		
			Vacancy 3%		
			Gross Operating Income		

B | EXPENSES

Overhead Costs	Market	%	At Cost	
Property Taxes (new)		\$123,125	18.5%	\$99,318
Insurance		\$8,619	1.3%	\$8,619
***Utilities		\$2,000	0.3%	\$2,000
Rubbish		\$3,600	0.5%	\$3,600
Gardening/Landscaping		\$2,000	0.3%	\$2,000
Pest Control		\$2,000	0.3%	\$2,000
City Tax		\$1,500	0.2%	\$1,500
License & Permits		\$1,200	0.2%	\$1,200
Maintenance & Repairs		\$10,000	1.5%	\$10,000
On-Site Management		\$10,000	1.5%	\$10,000
Off-Site Management		\$10,000	1.5%	\$10,000
Misc and Reserves		\$2,000	0.3%	\$2,000
Total Expenses		\$176,044	26.4%	\$152,237
NET OPERATING INCOME (Market)		\$467,520		
NET OPERATING INCOME (At cost)				\$491,327

Comments: ***Tenant pays for all utilities

V PROJECT ECONOMICS

A | PROFORMA PROJECT COSTS

Property Information

Lot Size (SF):	15,133
Units to Build:	26
Apartments SF to Build:	22,091
Hallways (SF)	2,192
Stairs & Elevators (SF)	1,532
Parking Area (SF)	7,877
Utilities (SF)	514
Office (SF)	170
Lobby (SF)	99
Total Buildable SF:	34,475

Financing Assumptions

Interest Rate	5%
Period of Initial Loan	12 months
Initial Construction Loan Fee (points)	1%
Average Outstanding Loan Balance	60%
Loan to Cost Ratio	70%

Pricing Scenarios

Land Pricing Method:	Cost /SF	Amount
Cost/Sq Ft	\$286	\$9,850,000

Total Hard Costs

Item	SF	Per Buildable SF	Amount
Building Construction	26,598	\$165	\$4,388,670
Miscellaneous Construction			
Parking (Per Space)			
First Floor Parking	7,877	\$65	\$512,005
Total Hard Costs w/o Contingency			\$4,900,675
Contingency (% of Hard Costs)		5.00%	\$245,034
Total Hard Costs			\$5,145,709

Pro-Forma Financing Costs

Interest on Construction Loan (5%)	\$166,855
Points on construction Loan (1%)	\$55,618
Interest Reserve (5%)	\$397,274
Total Pro-Forma Financing Costs	\$619,747

Soft Costs

Item		NA
Schematics		NA
Permits and Fees		NA
Linkage Fees		NA
Fund Control		NA
CAL/OSHA Permit		NA
B Permit		NA
Legal		NA
Misc. Costs		NA
Parks and Rec Fees		NA
Soft Costs (% of Hard Costs)	5%	\$257,285
Contingency (% of Soft Costs)	5%	\$12,864
Total Soft Costs (including contingency) (w/o financing cost)		\$270,150
Total Soft Costs (including Financing Costs)		\$889,896

Development Costs Summary

Construction Costs (W/O Financing)	\$5,415,859
Project Costs (Including Financing Costs)	\$6,035,605
Construction Costs (Hard Costs, Soft Costs, & Land Costs)(w/o financing)	\$7,945,471
Project Costs (Hard, Soft, Land & Financing costs)	\$8,565,217
Total Development Costs (Including Developer Profit)	\$9,850,000

Development Cost Breakdown

Costs Per Buildable SF:	\$248.45
Costs Per Lot SF:	\$566.00
Hard Cost % of Total:	60.08%
Soft Cost % of Total:	10.39%
Land Costs % of Total	29.53%
Developer Profit (12% of Total Project Costs)	12% \$1,214,395

Land Value


Pro-Forma at Cost	
Stabilized NOI at Cost	\$491,327
Stabilized NOI Yield at Cost	6.18%

B | EXIT PRICING ANALYSIS SUMMARY

14715-14721 W. Blythe St

PRICE	\$9,850,000	
Down Payment	\$3,447,500	35%
First Trust Deed	\$6,402,500	
Interest Rate/Amortization	4.50%	30 Yrs
Second Trust Deed Interest Rate/Due Date		
NET OPERATING INCOME	\$467,520	
Debt Service		
First Trust Deed	\$389,286	
Second Trust Deed		
TOTAL DEBT SERVICE	\$389,286	
Debt Coverage Ratio	1.20	
Pre-Tax Cash Flow	\$78,234	
Cash-On-Cash Return	2.27%	
Gross Rent Multiplier	14.85	
Capitalization Rate	4.75%	
Cost Per Square Foot	\$285.71	
Cost Per Unit	\$378,846	





Emmanuel Ndu, Vice President
818. 742. 1622 | endu@naicapital.com
Cal DRE Lic #1072609

Ziv Kozaski, Senior Vice President
818. 742. 1609 | zkozaski@naicapital.com
Cal DRE Lic #01195573

Ken Simons Senior Vice President
805. 277. 4015 | kensimons@naicapital.com
Cal DRE Lic #00625646

NAI Capital HQ - Encino

15821 Ventura Boulevard Suite 320
Encino, CA 91436

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