KMM
KELLY MORGAN MULTIFAMILY
GROUP

12600 Correnti Street

The Oasis

HOUZE REAL ESTATE MGMT & DEVELOPMENT
A Division of Alactic Systems

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PROPERTY HIGHLIGHTS

12600 CORRENTI ST, PACOIMA, CA 91331

- Cash on Cash Return of $96,576 | 16.2%
- 14 Renovated Units
- Potential to Add 20 Additional Units, 7 by right and 13 ADUs
- Attractive Assumable Loan of $2.48MM @ 3.9% through 9/1/2027
- Covered Land Play with Huge Upside

OFFERING SUMMARY

Price:	$3,075,000	APN #:	2537-012-024
Number of Units:	14	Unit Mix:	1 (0+1) 13 (1+1)
Cap Rate:	8.00%	Building Sq Ft Approximate:	5,334
GRM:	9.21	Approximate Lot Size:	9,001
Price per Unit:	$219,643	Year Built:	1950
Price per Square Foot:	$576	Parking:	14

PRO-FORMA AFTER ADDING 20 ADDITIONAL PROPOSED UNITS/ADUs

Cap Rate:	13.9%	Number of Units: (20 New Units)	34
GRM:	5.52	Building Sq Ft: (6,684 SF New Units)	12,018
Price Per Unit:	$139,588	Total Price:	$4,746,000
Price per Square Foot:	$395	Construction Cost: ($250/SF)	$1,671,000

ESTIMATED RETURN ON INVESTMENT

Purchase Price **$3,075,000** + Construction Cost **$1,671,000** = Total Cost **$4,746,000**

Estimated Resale Value **$8,600,000** − Total Cost *Including Resale Closing Costs $673,380 **$5,419,380** = Estimated Profit **$3,180,620**

Total Cash Investment **$2,266,000** − Current Cash on Cash Return **$96,576** = Net Cash Investment **$2,169,424**

Levered Equity ROI **146.52%**

The Value Add Guy

Potential to refi out total cash investment after Unit/ADU additions.

*All figures are projections and subject to due diligence.
*See page 27 & 28 for breakdown. Please verify our numbers.

PROPERTY PHOTOS

12600 CORRENTI ST, PACOIMA, CA 91331

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https://www.dropbox.com/scl/fo/b1dtdcl16xwppizlf10g9/AC8gcBwbmD6T43VLIt9TvFY?rlkey=1cnvl90p5iljjikziwox72dv2i&dl=0

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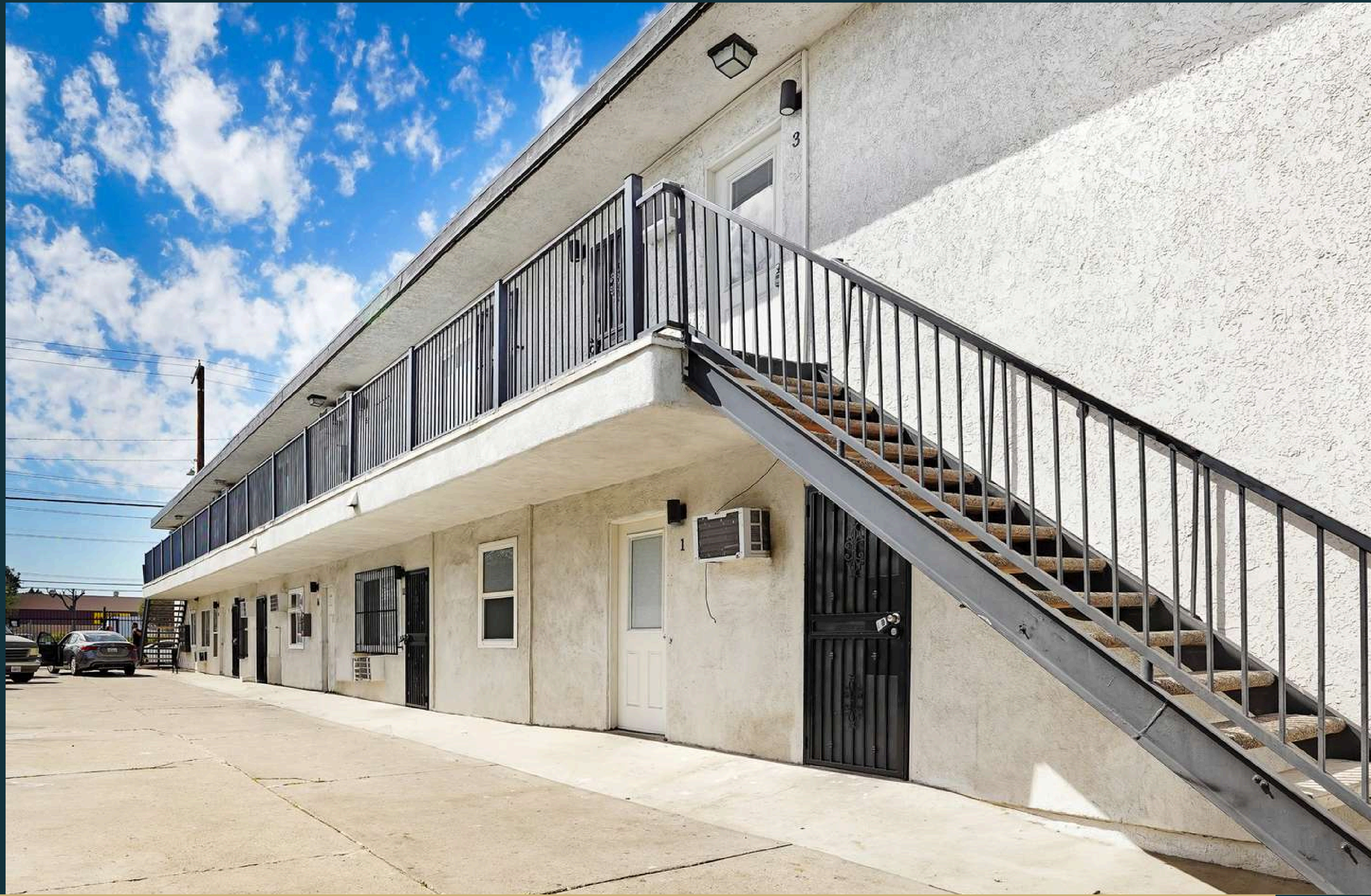

ADDITIONAL UNITS POTENTIAL

12600 CORRENTI ST, PACOIMA, CA 91331

*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding additional units.

CURRENT CONDITIONS

PROPOSED ADDITIONAL UNITS

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CURRENT CONDITIONS

PROPOSED ADDITIONAL UNITS

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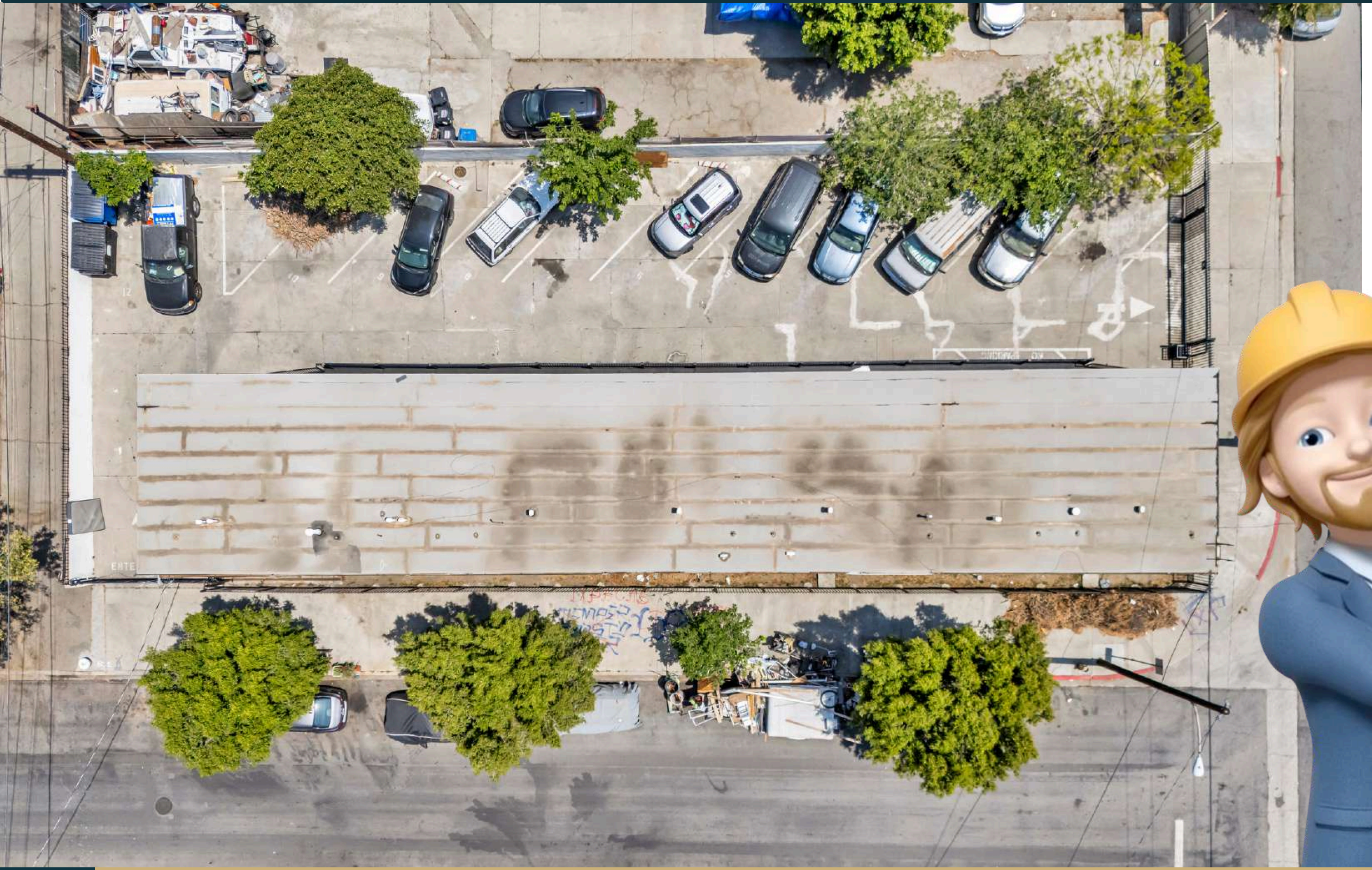
CURRENT CONDITIONS



PROPOSED ADDITIONAL UNITS

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FINANCIAL ANALYSIS

12600 CORRENTI ST, PACOIMA, CA 91331

Financial Analysis

Table of Contents

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FINANCIAL ANALYSIS

CURRENT

Summary		Current Rents	Pro Forma	Proposed Financing		
Price		$3,075,000		First Loan Amount	$2,480,000	Assumable
Down Payment	19%	$595,000		Terms	3.98%	Fixed thru 9/1/27
Number of Units		14				
Cost per Unit		$219,643				
GRM		9.21	8.00			
CAP		8.0%	9.6%			
Year Built / Age		1950				
Approx. Lot Size		9,001				
Approx. Bldg SF		5,334				
Cost per Net RSF		$576				

Scheduled Income		Current Rents		Pro Forma	
No. of Units	Bdrms/ Baths	Monthly Rent/Unit ($)	Monthly Income ($)	Monthly Rent/Unit ($)	Monthly Income ($)
1	0+1	$911	$911	$2,289	$2,289
13	1+1	$2,071	$26,921	$2,289	$29,757
Total Scheduled Rent			$27,832		$32,046

*Market Rents Based on Section 8 Standards | Loan payment based on original loan of $2,612,000, approx $2,480,000 balance remaining

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ANNUALIZED OPERATING DATA

CURRENT

Total Gross Current Monthly Rents	Current	Pro Forma
Total Scheduled Rent	$27,832	$32,046
Annualized Scheduled Gross Income	$333,978	$384,552

Annualized Operating Data	Current		Pro Forma	
Scheduled Gross Income	$333,978		$384,552	
Vacancy Rate Reserve	($10,019)	3.0%	($11,537)	3.0%
Gross Operating Income	$323,959		$373,015	
Expenses	($78,103)	-23.4%	($78,103)	-20.3%
Net Operating Income	$245,856		$294,912	
Loan Payments	($149,280)		($178,067)	
Cash on cash return	**$96,576**	**16.2%**	$116,846	19.6%
Principal Reduction	$37,200		$37,125	
Total Return	$133,776	22.5%	$153,971	25.9%

Estimated Expenses	Current	Pro Forma
Real Estate Tax (1.17%)	$35,978	$35,978
Property Insurance ($1.25/SF)	$6,668	$6,668
Utilities ($850/Unit)	$11,900	$11,900
Pest Control ($100/Month)	$1,200	$1,200
Repairs & Maintenance ($500/Unit)	$7,000	$7,000
Management (4%)	$12,958	$12,958
Cleaning & Gardening ($200/Month)	$2,400	$2,400
Total Expenses	**($78,103)**	**($78,103)**
Per Net Sq. Ft.	($14.64)	($14.64)
Per Unit	($5,579)	($5,579)

FINANCIAL ANALYSIS

WITH 20 ADDITIONAL UNITS / ADUS CONSTRUCTION COSTS & INCOME

Summary		**Current Rents**	**Pro Forma**
Price		$3,075,000	
Down Payment	19%	$595,000	
*ADU Construction Costs ($250/Sq Ft)		$1,671,000	$1,671,000
Exterior Rehab		$0	$0
Interior Rehab		$0	
Total Cost		$4,746,000	$4,746,000
Total Cash Investment		**$2,266,000**	$2,266,000
Number of Units		34	
Cost per Unit		$139,588	
GRM		5.52	5.21
CAP		13.92%	14.96%
Year Built / Age		1950	
Approx. Lot Size		9,001	
Approx. Bldg SF		12,018	
Cost per Net RSF		$395	

Proposed Financing		
First Loan Amount	$2,480,000	Assumable
Terms	3.98%	i/o thru 9/1/27

Scheduled Income			**Current Rents**		**Pro Forma**	
No. of Units	Bdrms/ Baths	Approx. Sq. Ftg.	Monthly Rent/Unit ($)	Monthly Income ($)	Monthly Rent/Unit ($)	Monthly Income ($)
1	0+1		$911	$911	$2,289	$2,289
13	1+1		$2,071	$26,921	$2,289	$29,757
13 ADUs & 7 Additional units						
7	1+1	391	$2,289	$16,023	$2,289	$16,023
5	1+1	391	$2,289	$11,445	$2,289	$11,445
8	S	249	$2,041	$16,328	$2,041	$16,328
Total Scheduled Rent				$71,628		$75,842

*Market Rents Based on Section 8 Standards. Construction costs of $250/Sq Ft based on Seller's estimate.

Buyer may refi out most or all of the initial investment after the expiration of the i/o period provided all additional units and ADUs have been completed and leased (*see resale after ADU setup*)

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ANNUALIZED OPERATING DATA

WITH 20 ADDITIONAL UNITS / ADUS CONSTRUCTION COSTS & INCOME

Total Gross Current Monthly Rents	**Current**	**Pro Forma**
Total Scheduled Rent	$71,628	$75,842
Annualized Scheduled Gross Income	$859,530	$910,104

Annualized Operating Data	**Current Rents**		**Pro Forma**	
Scheduled Gross Income	$859,530		$910,104	
Vacancy Rate Reserve	($25,786)	3.0%	($27,303)	3.0%
Gross Operating Income	$833,744		$882,801	
Expenses	($173,000)	-20.1%	($173,000)	-19.0%
Net Operating Income	$660,744		$709,800	
Loan Payments	($149,280)		($178,426)	
Cash on cash return	**$511,464**	**22.6%**	$531,374	**23.4%**
Principal Reduction	$37,200		$37,200	
Total Return	$548,664	24.2%	$568,574	25.1%

Estimated Expenses	**Current**	**Pro Forma**
Taxes (1.17%)	$55,528	$55,528
Insurance ($1.25/SF)	$15,023	$15,023
Utilities ($850/unit)	$28,900	$28,900
Pest Control ($100/Month)	$1,200	$1,200
Cleaning & Gardening ($200/Month)	$2,400	$2,400
Off Site Manager (4%)	$33,350	$33,350
On Site Mgr ($500/month)	$6,000	$6,000
Misc/Reserves ($400/unit)	$13,600	$13,600
Maint/Repairs ($500/unit)	$17,000	$17,000
Total Expenses	**$173,000**	**$173,000**
Per Net Sq. Ft.	($14.40)	($14.40)
Per Unit	($5,088)	($5,088)

FINANCIAL ANALYSIS

RESALE AFTER 20 ADDITIONAL UNITS / ADUS

Summary		Current Rents	Pro Forma	Proposed Financing		
Price		$8,600,000		First Loan Amount	$6,450,000	NEW
Down Payment	25%	$2,150,000		Terms	6.0%	5 YR Fixed
Number of Units		34				
Cost per Unit		$252,941				
GRM		10.01	9.45			
CAP		7.0%	7.6%			
Year Built / Age		1950				
Approx. Lot Size		9,001				
Approx. Bldg SF		12,018				
Cost per Net RSF		$716				

Scheduled Income			Current Rents		Pro Forma	
No. of Units	Bdrms/ Baths	Approx. Sq. Ftg.	Monthly Rent/Unit ($)	Monthly Income ($)	Monthly Rent/Unit ($)	Monthly Income ($)
1	0+1		$911	$911	$2,289	$2,289
13	1+1		$2,071	$26,921	$2,289	$29,757
13 ADUs & 7 Additional units						
7	1+1	391	$2,289	$16,023	$2,289	$16,023
5	1+1	391	$2,289	$11,445	$2,289	$11,445
8	S	249	$2,041	$16,328	$2,041	$16,328
				$71,628		$75,842

*Market Rents Based on Section 8 Standards

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ANNUALIZED OPERATING DATA

RESALE AFTER 20 ADDITIONAL UNITS / ADUS

Total Gross Current Monthly Rents	Current		Pro Forma	
Total Scheduled Rent	$71,628		$75,842	
Annualized Scheduled Gross Income	$859,530		$910,104	
Annualized Operating Data	**Current Rents**		**Pro Forma**	
Scheduled Gross Income	$859,530		$910,104	
Vacancy Rate Reserve	($25,786)	3.0%	($27,303)	3.0%
Gross Operating Income	$833,744		$882,801	
Expenses	($228,412)	-26.6%	($228,412)	-25.1%
Net Operating Income	$605,332		$654,389	
Loan Payments	($387,000)		($464,052)	
Cash on cash return	**$218,332**	**10.2%**	$190,336	8.9%
Principal Reduction	$96,750		$96,750	
Total Return	$315,082	14.7%	$287,086	13.4%
Estimated Expenses	**Current**		**Pro Forma**	
Taxes (1.17%)	$100,620		$100,620	
Insurance ($1.25/SF)	$15,023		$15,023	
Utilities ($850/unit)	$28,900		$28,900	
Pest Control ($100/Month)	$1,200		$1,200	
Cleaning & Gardening ($200/Month)	$2,400		$2,400	
Off Site Manager (4%)	$33,350		$33,350	
On Site Mgr ($500/month)	$16,320		$16,320	
Misc/Reserves ($400/unit)	$13,600		$13,600	
Maint/Repairs ($500/unit)	$17,000		$17,000	
Total Expenses	**$228,412**		**$228,412**	
Per Net Sq. Ft.	($19.01)		($19.01)	
Per Unit	($6,718)		($6,718)	

*This information is conceptual only. Buyers are advised to conduct a thorough investigation and consult with professionals as to the feasibility of adding ADUs.

CURRENT RENT ROLL

Unit	Unit Type	Move in Dates	Current Rent
1	1+1	10/18/24	$2,500.44
2	1+1		$1,680.00
3	1+1	08/20/25	$1,745.00
4	1+1	vacating-pf	$2,289.00
5	1+1	11/05/25	$1,690.00
6	1+1	05/29/21	$1,945.44
7	1+1	08/14/25	$2,271.44
8	0+1	04/01/12	$910.63
9	1+1	05/22/24	$2,488.00
10	1+1	05/16/25	$2,049.70
11	1+1		$1,924.00
12	1+1	01/08/21	$1,944.44
13 Newer Unit Built in 2021	1+1	02/16/22	$2,126.44
14 Newer Unit Built in 2021	1+1	08/06/25	$2,267.00
Current Monthly Income			**$27,832**
Annual Income			**$333,978**

RENT ROLL WITH NEW UNITS & ADUS

Unit	Unit Type	Approx Sq Ft	Current Rent
New Unit 1	1+1	391	$2,289.00
New Unit 2	1+1	391	$2,289.00
New Unit 3	1+1	391	$2,289.00
New Unit 4	1+1	391	$2,289.00
New Unit 5	1+1	391	$2,289.00
New Unit 6	1+1	391	$2,289.00
New Unit 7	1+1	391	$2,289.00
New Attached ADU 1	1+1	391	$2,289.00
New Attached ADU 2	1+1	391	$2,289.00
New Attached ADU 3	1+1	391	$2,289.00
New Attached ADU 4	1+1	391	$2,289.00
New Attached ADU 5	1+1	391	$2,289.00
New Detached ADU 1	0+1	266	$2,041.00
New Detached ADU 2	0+1	260	$2,041.00
New Detached ADU 3	0+1	260	$2,041.00
New Detached ADU 4	0+1	263	$2,041.00
New Detached ADU 5	0+1	266	$2,041.00
New Detached ADU 6	0+1	216	$2,041.00
New Detached ADU 7	0+1	216	$2,041.00
New Detached ADU 8	0+1	245	$2,041.00
Pro Forma Monthly Income			**$71,628**
Pro Forma Annual Income			**$859,530**

Preferred Financing

12600 Correnti St · Pacoima, CA 91331

One loan · One close — Single facility covering both acquisition and full construction.

PROJECT SNAPSHOT

Purchase Price	**$3,300,000**	Construction Cost	**$1,671,000**
Total Project Cost	**$4,971,000**	Pro-Forma Cap Rate (34 units)	**13.93%**

LOAN TERMS

Rate	Term	Prepayment	Max LTC	Covers
6.50%	2-Year Interest Only	None	Up to 75%	Purchase + Construction

LOAN SCENARIOS — BASED ON $4,971,000 TOTAL PROJECT COST

	70% LTC	72.5% LTC	75% LTC (max)
Loan Amount	$3,479,700	$3,603,975	$3,728,250
Buyer Equity Required	$1,491,300	$1,367,025	$1,242,750
Monthly IO Payment	$18,849	$19,522	$20,195
Annual IO Payment	$226,181	$234,258	$242,336

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With over 20 years of focused exploration and experience in capital markets such as Equity, Debt and Real Estate combined with Advertising and Marketing, Kelly Morgan Commercial Group brings a unique and unparalleled approach to the marketplace. We have dedicated ourselves to the deep understanding of the Southern California real estate market by taking the time to walk, examine, and analyze our landscape of submarkets.

Our clients best interest is our priority. Real estate marketing intelligence infused with financial planning has allowed us to help our clients make informed decisions about their real estate investment options. Our educated agents work hard to get our sellers the highest price. Relationships and expertise are keys to creating Investment Property Wealth.

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