PADS ON PASADENA AVENUE

22 UNITS · LINCOLN HEIGHTS

DUAL-USE · ADAPTIVE REUSE SUBAREA

9.82% GOING-IN CAP

On the buyer’s own reassessed tax basis, not the seller’s.

$0.5M OF CAPITAL ALREADY INVESTED

$22,740 per unit, 0% into long-lived systems. Paid for, and it conveys.

OFFERING MEMORANDUM

2301 Pasadena Avenue
Los Angeles, CA 90031

LOGAN ALTMAN
BROKER · CalDRE #01965826

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01 Executive Summary

Investment Summary

Investment Highlights

Unit Mix Summary

INVESTMENT SUMMARY

OFFERING SUMMARY

Address	**2301 Pasadena Avenue**
City / ZIP	**Los Angeles, CA 90031**
County	**Los Angeles**
Market / Submarket	**Central LA / Lincoln Heights**
Building SF (gross, Assessor)	**6,358 SF**
Net Rentable SF (rent roll)	**0 SF**
Average Unit Size (net rentable)	**0 SF**
Land SF	**5,760 SF (90' × 64', corner)**
Number of Units	**22**
Parking	**No dedicated parking property**
Year Built	**c. 1910**
Year Renovated	**—**
APN	**5205-023-004**
Zoning	**[Q]C2-1XL-CDO**
Rent Control	**LA City RSO**
Occupancy (leased)	**13.6%**

FINANCIAL SUMMARY

Offering Price	**$1,795,000**
Effective Gross Income	**$304,968**
Operating Expenses	**$128,738**
Net Operating Income	**$176,230**
Capitalization Rate	**9.82%**
Price per Unit	**$81,591**
Price per Gross SF	**$282**
Gross Rent Multiplier	**5.87**
Replacement Reserves	**$6,600 (below the NOI line)**

Forward year 1 July 2026 – 30 June 2027. Income is built unit by unit from the August 31, 2026 rent roll at recurring contract charges, less a 5.38% vacancy and collection factor; parking, storage and laundry carry a 17.5% factor. **Real estate taxes are carried at 1.25% of the offering price** — the reassessed tax a buyer pays from day one — so the capitalization rate above is the yield to the buyer.

PROPOSED FINANCING STRUCTURE

Loan Type	**New — offered free of existing financing**
Interest Rate	**6.00%**
Amortization	**30 Years**
Loan to Value	**70%**
Target Cap Rate (submarket)	**7.15%**

DEMOGRAPHICS

Building, land and zoning per the Los Angeles County Assessor parcel record and City of Los Angeles ZIMAS. Demographics are ZIP-level estimates.

INVESTMENT HIGHLIGHTS

$500K of Capital Already Invested — $22,740 per Unit

Ownership has put **$500,275** into this building, **$1,394 of it (0%) into long-lived systems** — electrical & low-voltage, windows, stucco & envelope. That work is done, paid for, and conveys with the property. A purchaser inherits the remaining useful life rather than funding the replacement cycle out of year-one cash flow.

Efficiency Product Serving the Deepest Segment of the Los Angeles Rental Market

At **289 gross square feet per unit** this is efficiency product. High door count per square foot of building drives revenue per square foot well above conventional multifamily of comparable vintage, and the segment carries the least new supply and the shallowest vacancy in Los Angeles.

Recoverable Utility Cost Currently Carried by Ownership

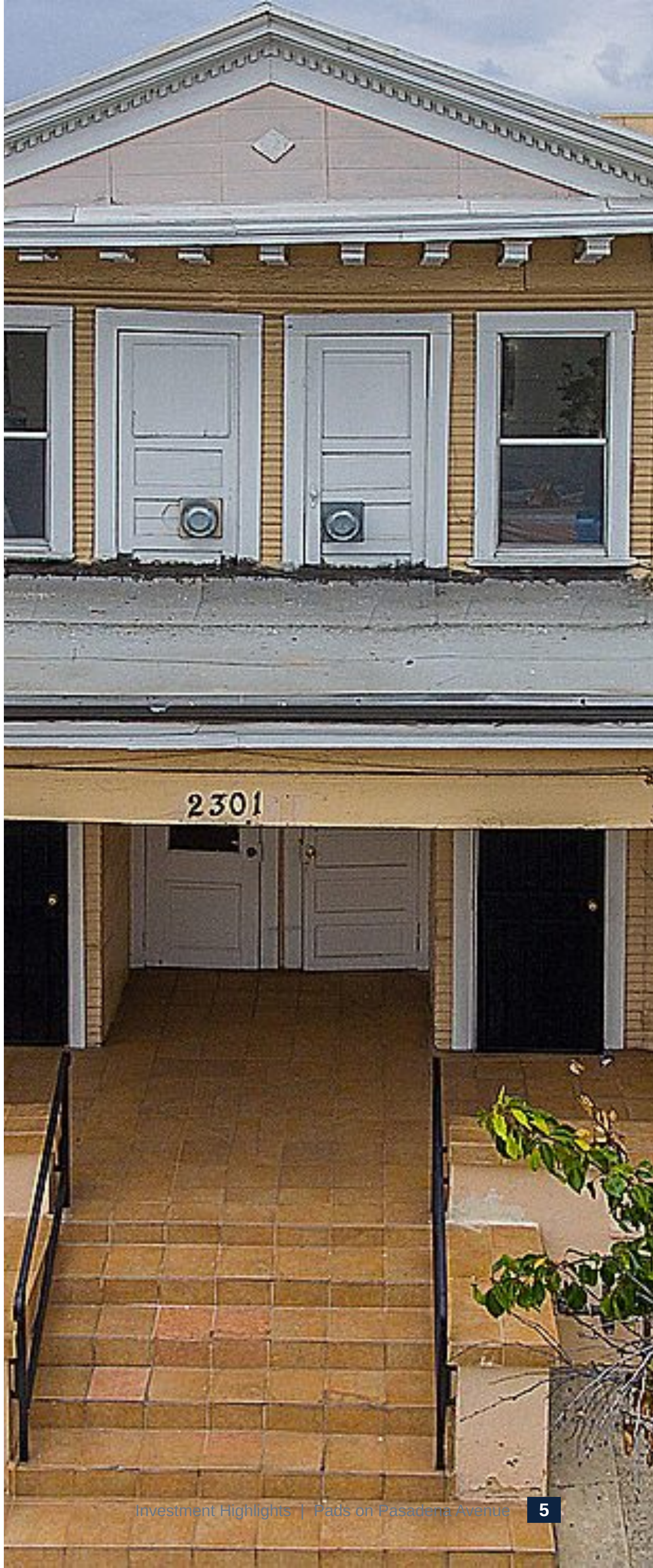
Water and sewer of **$4,583** runs against **$0** recovered, leaving **$4,583** absorbed as a fixed expense. California permits recovery by individual submeter or by a ratio utility billing system. Converting it is a direct addition to net operating income that requires no rent increase.

Property-Specific Considerations

Ready-to-issue approved plans to add kitchens and bathrooms convey with the property. Lincoln Heights Community Design Overlay and an Adaptive Reuse Subarea; listed on HistoricPlacesLA. Operates as a boutique hostel and carries a valid LAHD RSO certificate permitting operation as conventional apartments.

Offered Free of Existing Financing

The asset is delivered unencumbered, allowing a purchaser to structure its own capital — conventional, agency or mission-aligned — against current rates rather than inheriting a basis. Also available as part of a larger offering of separately-owned Los Angeles multifamily assets, operated on a single management platform and transactable as one deal.



UNIT MIX SUMMARY

BY UNIT SIZE (NET RENTABLE)

Unit Size	# Units	Avg SF	Total SF	% of Units	Avg In-Place Rent	Monthly Income
Under 200 SF	3	0	0	100.0%	$449	$449
TOTAL / AVERAGE	**3**	**0**	**0**	**100.0%**	**$150**	**$449**

BY UNIT TYPE

Unit Type	# Units	% of Units
One Bedroom	1	33.3%
Studio / Efficiency	2	66.7%

OCCUPANCY

Total Units	**22**
Occupied	**3**
Vacant	**0**
Leased	**13.6%**
Net Rentable SF	**0 SF**
Gross Building SF	**6,358 SF**
Gross SF per Unit	**289 SF**

Monthly income is the recurring contract charge on occupied units as of the August 31, 2026 rent roll. Vacant units carry no income here and are underwritten at contract rent in the income and expense analysis. A resident-manager unit is carried at zero here and grossed to market in the income statement.

02

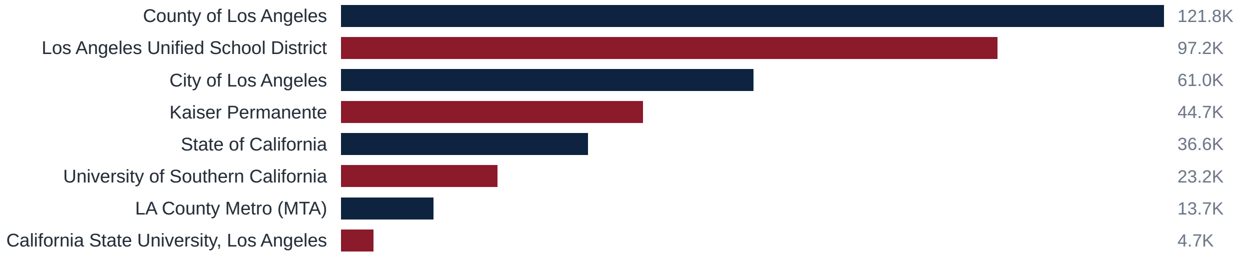
Location

Location Summary

Aerial View

LOCATION SUMMARY — LINCOLN HEIGHTS

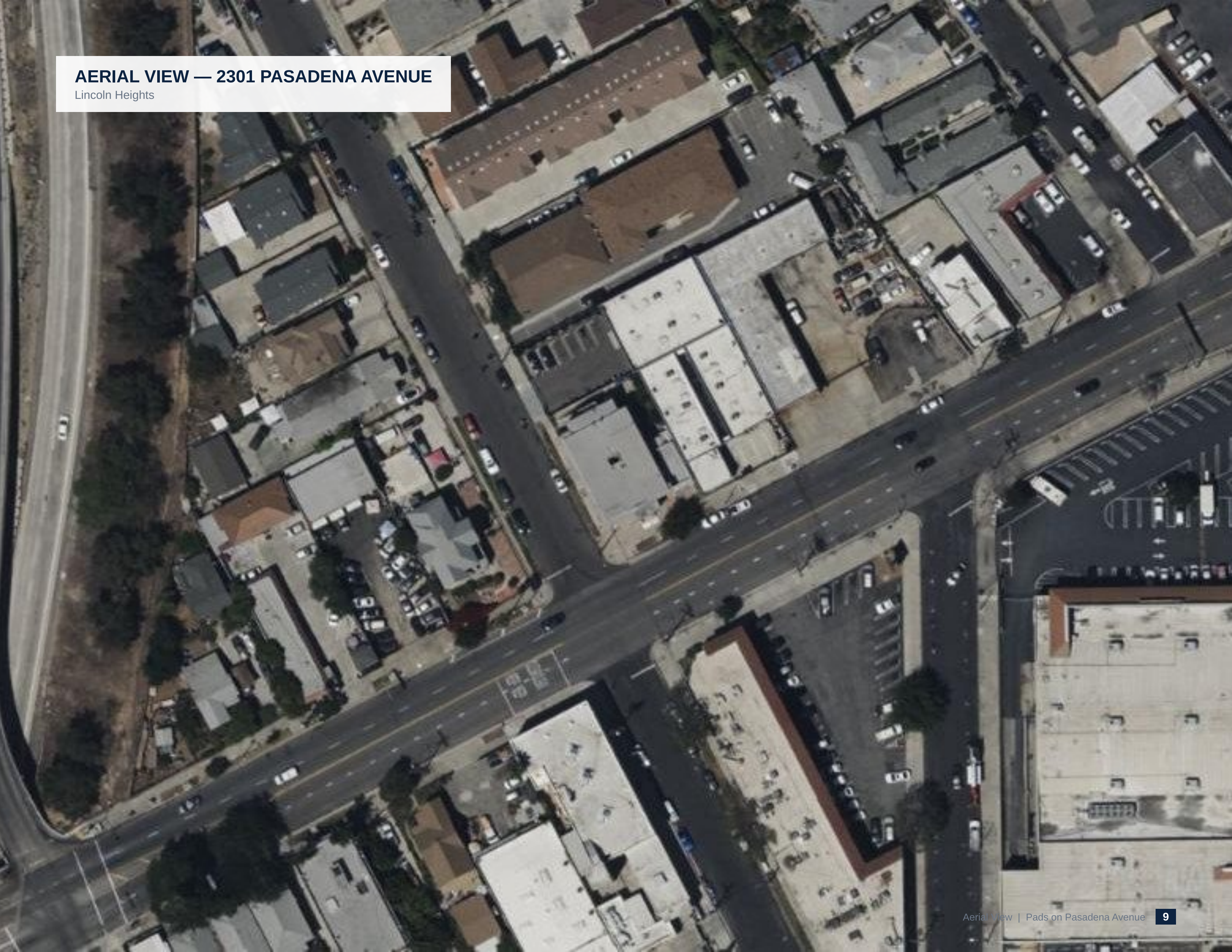
LARGEST AREA EMPLOYERS — LOS ANGELES COUNTY



Source: Los Angeles Almanac, compiled from California EDD, Government Compensation in California and LA Business Journal employer surveys. Countywide employer totals, not site-level headcount.

AERIAL VIEW — 2301 PASADENA AVENUE

Lincoln Heights



03 Property Description

Property Features

Property Images

PROPERTY FEATURES

Number of Units	**22 legal units (3 rental keys)**
Parking	**None**
Building SF (gross, Assessor)	**6,358 SF**
Net Rentable SF	**0 SF**
Average Unit Size	**0 SF**
Year Built	**c. 1910**
Land SF	**5,760 SF (90' × 64', corner)**
APN	**5205-023-004**
Zoning	**[Q]C2-1XL-CDO**

UTILITIES

Water	**LADWP**
Trash	**RecycLA**
Gas	**SoCalGas**
Electric	**LADWP**

Building, land and zoning characteristics verified against the LA County Assessor parcel record and City of Los Angeles ZIMAS, August 21, 2026.

COMMON AMENITIES

- Renovated rooms with kitchenettes
- Architect-approved plans for a private bath in every unit
- On-site shared laundry
- Characterful c.1910 building with apartment optionality
- Turnkey interim boutique-hostel operation
- Adjacent to LAC+USC Medical Center
- Minutes to Downtown Los Angeles and the Metro L Line





OVER 6,000 LBS
2301
Avenue 23
100 N

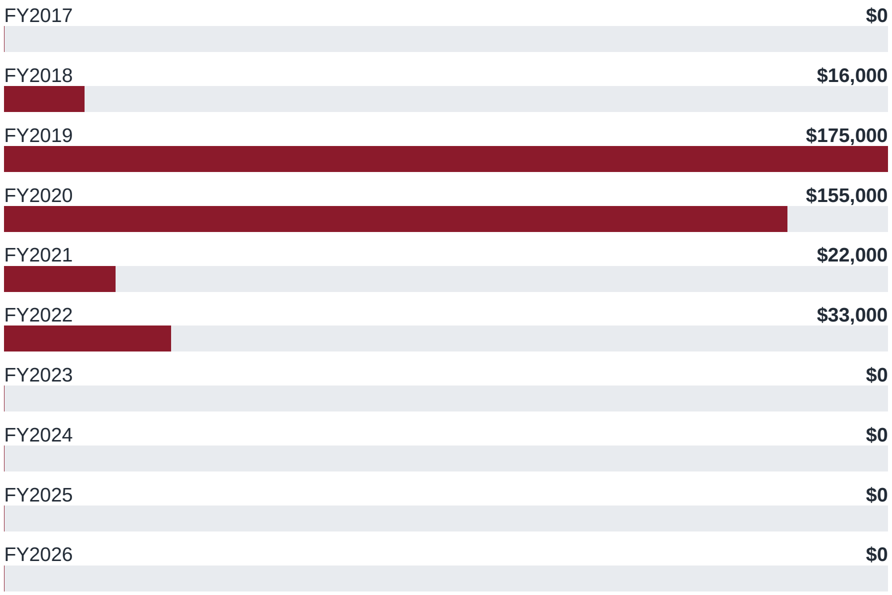
CAPITAL IMPROVEMENTS

$400,074
CAPITAL INVESTED

$18,185
PER UNIT

None
PEAK INVESTMENT YEAR

CAPITAL SPEND BY YEAR



This property has **not** been renovated. Capital spend to date is almost entirely **architectural and engineering fees** incurred to obtain **ready-to-issue (RTI) approved plans** to build kitchens and bathrooms in the units. The plans are approved and convey with the property; the construction itself has not been performed. A purchaser acquires the entitlement work already completed and paid for, and controls the timing and cost of the build-out.

Ownership has invested **$500,275** at this property, **$22,740 per unit**, with the heaviest single year of investment in **None**. **$1,394 of that — 0% — went into long-lived building systems** rather than finish work: electrical & low-voltage, windows, stucco & envelope. The categories below are this property's own general-ledger detail.

Category	Invested	Per Unit	% of Total
Electrical & Low-Voltage service, panels, branch wiring and low-voltage distribution	$1,328	$60	0.3%
Windows, Stucco & Envelope windows, stucco and building envelope	$66	$3	0.0%
Kitchens, Baths & Appliances kitchens, baths, cabinetry and appliances	$3,258	$148	0.7%
Interior Renovation & Finishes interior renovation, flooring, paint and finishes	$437,422	$19,883	87.4%
Architecture, Engineering & Permits design, engineering and municipal permitting	$58,201	$2,646	11.6%
TOTAL	**$500,275**	**$22,740**	**100.0%**

Capital additions per the general ledger on an accrual basis, January 2017 to date, covering capitalized improvements, renovation and construction in progress. Depreciation, amortization and acquisition or financing activity are excluded. Historical cost; not a representation of current condition or remaining useful life.

04 Comparables

On-Market Comparables

Closed Sale Comp Set

ON-MARKET COMPARABLES

Multifamily assets listed for sale in and around Lincoln Heights as of 2026-09-02 — the alternatives a buyer is weighing against this offering.

Address	Zip	Units	Asking Price	Price/Unit	Bldg SF	Price/SF	Year Built	Asking Cap	GRM
2202 Michigan Ave	90033	28	$7,400,000	$264,286	22,124	$334	1985	6.28%	n/p
2614 Griffin Avenue	90031	24	$3,880,000	$161,667	n/p	n/p	n/p	n/p	n/p
1909 N Broadway	90031	16	$1,985,000	$124,062	7,607	$261	1915	5.70%	n/p
1927 Griffin Avenue	90031	15	$2,100,000	$140,000	6,764	$310	1946	5.47%	n/p
2341 Sheridan St	90033	14	$4,200,000	$300,000	8,500	$590	2026	5.90%	n/p
MEDIAN — on-market set				**$161,667**				**5.80%**	
SUBJECT — Pads on Pasadena Avenue	**90031**	**22**	**$1,795,000**	**$81,591**	**6,358**	**$282**	**c. 1910**	**9.82%**	**5.87**

What this set is. These are **asking** prices on assets currently listed for sale, not closed transactions, and an asking cap rate is the seller's own underwriting rather than an achieved result. They are shown to frame the choice a buyer actually faces today; the closed sale comparables on the following page are the evidence of value. Where a listing does not publish a figure it is marked "n/p" and nothing has been derived in its place. Development and entitlement sites priced per approved unit are excluded, as they distort price per door. Source: listings live on Crexi as of 2026-09-02.

CLOSED SALE COMPARABLES

Address	Zip	Sale Date	Sold Price	Units	Price/Unit	Bldg SF	Price/SF	SF/Unit	Year Built	Sold Cap
919 N Stone St	90063	Jul 2026	$1,000,000	8	$125,000	7,164	$140	896	1930	7.14%
600 N Soto St	90033	Jun 2026	$1,625,000	16	$101,563	11,034	$147	690	1924	n/p
223 N Breed St †	90033	Jan 2026	$2,795,000	32	$87,344	12,064	$232	377	1927	n/p
2505 Malabar St	90033	Jan 2026	$1,200,000	10	$120,000	4,974	$241	497	1924	n/p
4346 Union Pacific Ave	90023	Nov 2025	$1,700,000	9	$188,889	5,413	$314	601	1960	7.15%
145 E Avenue 35	90031	Sep 2025	$685,000	8	$85,625	3,778	$181	472	1908	7.73%
2539 Wabash Ave	90033	May 2025	$2,300,000	14	$164,286	10,555	$218	754	1965	n/p
1069 S Gage Ave	90023	Apr 2025	$1,051,000	11	$95,545	5,159	$204	469	1927	n/p
MEDIAN — comparable closed set					**$110,781**		**$211**			**7.15%**
SUBJECT — Pads on Pasadena Avenue	**90031**	**—**	**$1,795,000**	**22**	**$81,591**	**6,358**	**$282**	**289**	**c. 1910**	**9.82%**

Basis of the subject capitalization rate. The subject cap is struck on the **buyer's reassessed tax basis** — real estate taxes at 1.25% of the offering price — the same figure carried in the Investment Summary and the Income & Expense Analysis. It is the yield to a purchaser.

How to read this table. The subject averages **289 gross SF per unit** against a comp set running materially larger. A denser building prices **above** the comp median per square foot and **below** it per unit — both readings are consistent, and **capitalization rate is the reliable comparator**. Only sales publishing an achieved **sold** cap rate are shown as such; "n/p" means not published, and no cap rate has been derived from any reported income. Asking cap rates are excluded entirely. Auction, receivership, portfolio, nominal-price, related-party and rescinded transfers were identified and excluded. Source: Crexi Comps & Records and PropertyRadar recorded-transfer data.

05 Rent Roll

Unit-by-Unit Rent Roll

RENT ROLL — ALL 3 RENTAL KEYS

Unit	BD/BA	Status	SF	In-Place Rent
06	1/1.00	Occupied	0	—
07	0/0.50	Occupied	0	—
22	0/0.50	Occupied	0	$448.51

TOTALS — 3 rental keys across 22 legal units · 0 net rentable SF · 3 occupied / 0 vacant · 100.0% leased	**In-Place Monthly: $448.51**	**In-Place Annual: $5,382**

Source: AppFolio Rent Roll (Itemized), August 21, 2026. In-place rent is the unit's total recurring monthly charge — base residential rent plus Section 8 subsidy, bulk utility reimbursement, insurance services, city housing tax and pet fees where applicable. Vacant units carry no in-place rent. Market rents, move-in dates, deposits and tenant ledgers available on request. Tenant names withheld.

VALUE-ADD — PRIVATE-BATH CONVERSION, PLANS IN HAND

Ownership holds architect-prepared plans to add a private bathroom to every guest room, converting the shared-hall-bath rooms into self-contained, private-bath studios with kitchenettes. This is the property's core value-creation thesis and a fully drawn path to rents above the stabilized underwriting shown in this memorandum. The drawings are architect-prepared and available in diligence; permitting has not been completed and remains a purchaser's undertaking.

During construction and lease-up the asset can continue to generate interim income as a boutique hostel across the major online travel platforms — a natural bridge, with the 2028 Los Angeles Olympic Games reinforcing citywide hospitality demand.

SCOPE OF THE PLAN SET

- A new private bathroom added to each unit, per the drawn plans
- Kitchenettes retained, producing true self-contained studios
- Twenty-minute fire-rated entry doors and solid-core bath doors
- New smoke and carbon-monoxide alarms and exhaust ventilation throughout
- Architect-stamped plan set available to a purchaser in diligence

HOTEL OPTIONALITY — THE SECOND PATH FOR A BUILDING THAT IS ALREADY EMPTY

Twenty of the twenty-two units are vacant today and two legacy tenancies remain. That is unusual, and it is the point: a purchaser is not buying an occupied building and hoping to reposition it over years of turnover. The building is available now, and the choice of use is the buyer's to make.

The property was built as, and still functions as, small-format guest rooms with kitchenettes. It can be leased up as residential apartments — the basis on which this memorandum is priced — or operated as a hotel, with the architect-prepared private-bath conversion applied to either path. The interim boutique-hostel operation across the major travel platforms is the bridge between them, and the 2028 Los Angeles Olympic Games sit inside the likely hold period.

WHAT A PURCHASER WOULD NEED TO CONFIRM

- The certificate of occupancy and permitted use with the Department of Building and Safety
- The City's Residential Hotel Unit Conversion and Demolition Ordinance, which governs a change of use in this building type
- Rent stabilization as it applies to the two remaining legacy tenancies
- Community Plan Implementation Overlay review, which applies to this parcel
- Transient occupancy tax registration and any operating licenses a hotel use would require

06 Financial Analysis

Income & Expense Analysis

Value-Add Opportunities

INCOME & EXPENSE ANALYSIS — STABILIZED PRO FORMA — LEASE-UP

This property is offered on a lease-up basis. 20 of the 22 units are vacant and 2 legacy tenancies remain, so the figures below are a stabilized projection, not in-place income.

Line	Annual	Per Unit
Residential scheduled income 22 units at market rent	$314,400	$14,291
Vacancy and credit loss 3% of scheduled income	-$9,432	$429
EFFECTIVE GROSS INCOME	**$304,968**	**$13,862**
Total operating expenses 42.2% of effective gross income	-$128,738	$5,852
NET OPERATING INCOME	**$176,230**	**$8,010**

Offering Price	**$1,795,000**
Capitalization Rate	**9.82%**
Basis	**Stabilized pro forma**
Price per Unit	**$81,591**
Price per Gross SF	**$282**
Gross Rent Multiplier	**5.87**
Operating Expense Ratio	**42.2% of effective gross income**

Stabilized pro forma carried forward from the prior offering memorandum. Real estate taxes are carried at **1.25% of the offering price** — the reassessed tax a buyer pays from the first year. The property is offered free of existing financing; **seller financing is not offered**. A stabilized projection is not a forecast of results and a purchaser should underwrite its own lease-up assumptions.

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