OFFERING MEMORANDUM

14037-14103 CERISE AVE

HAWTHORNE, CA 90250

NON-ENDORSEMENT AND DISCLAIMER NOTICE

NON-ENDORSEMENTS

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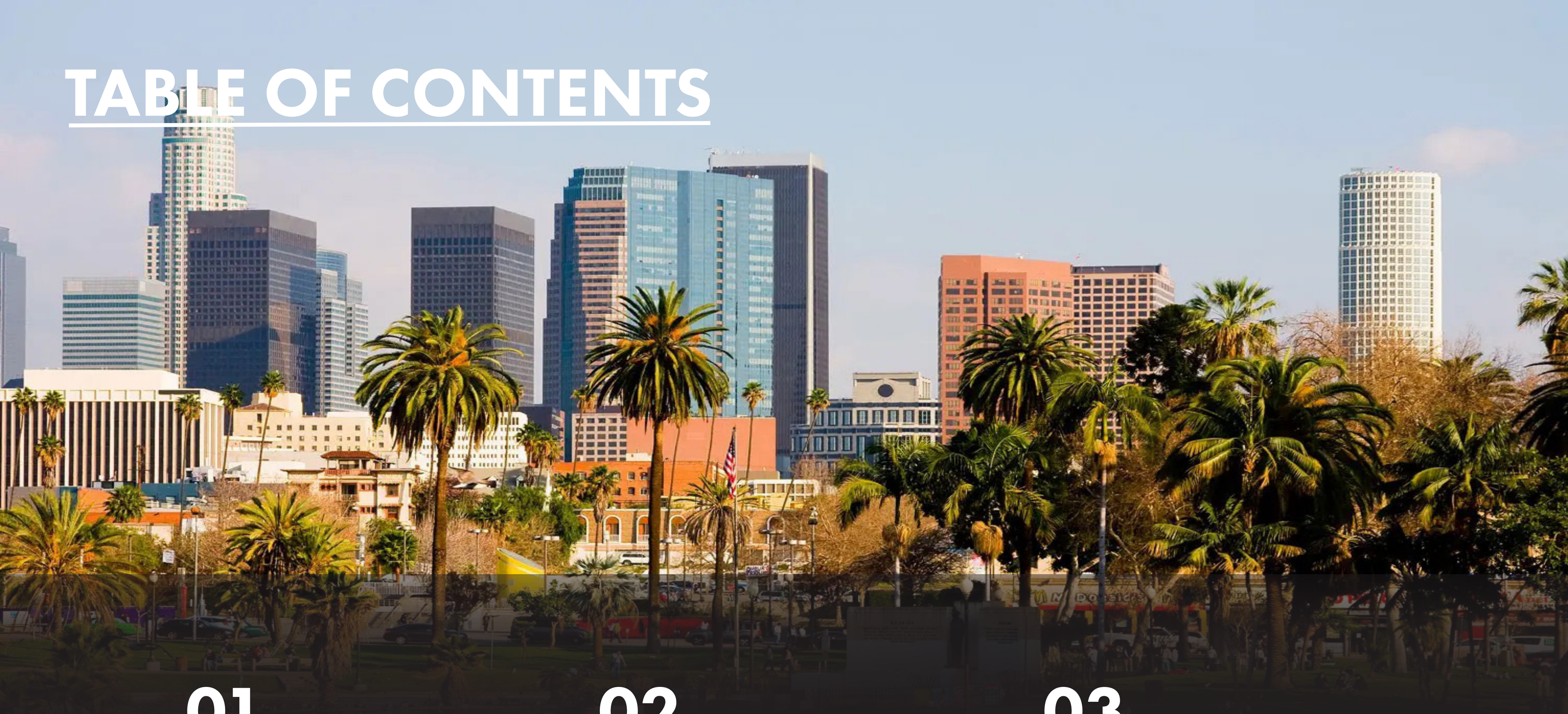
TABLE OF CONTENTS



01

PROPERTY DESCRIPTION

Marcus & Millichap
THE AZZI GROUP

PROPERTY DETAILS

The Azzi Group of Marcus and Millichap is pleased to present the opportunity to acquire 14037-14103 Cerise Ave, a 46-unit multifamily investment opportunity located in the highly desirable 90250 zipcode of Hawthorne.

SUBJECT PROPERTY		
Property Address	14037-14103 Cerise Ave Hawthorne, CA 90250	
Assessor's Parcel Number	4052-029-063 & 4052-029-078	
Zoning	HAR4*	
Number of Units	46	
Number of Parking Spaces	81	
Number of Buildings	2	
Number of Stories	3	
Year Built	1987 & 1989	
Gross Square Feet	35,610	
Lot Size	39,269	SF
Type of Ownership	Fee Simple	
Utilities: Gas and Electric	Separately Metered	
Utilities: Water	Master Metered	

INVESTMENT HIGHLIGHTS

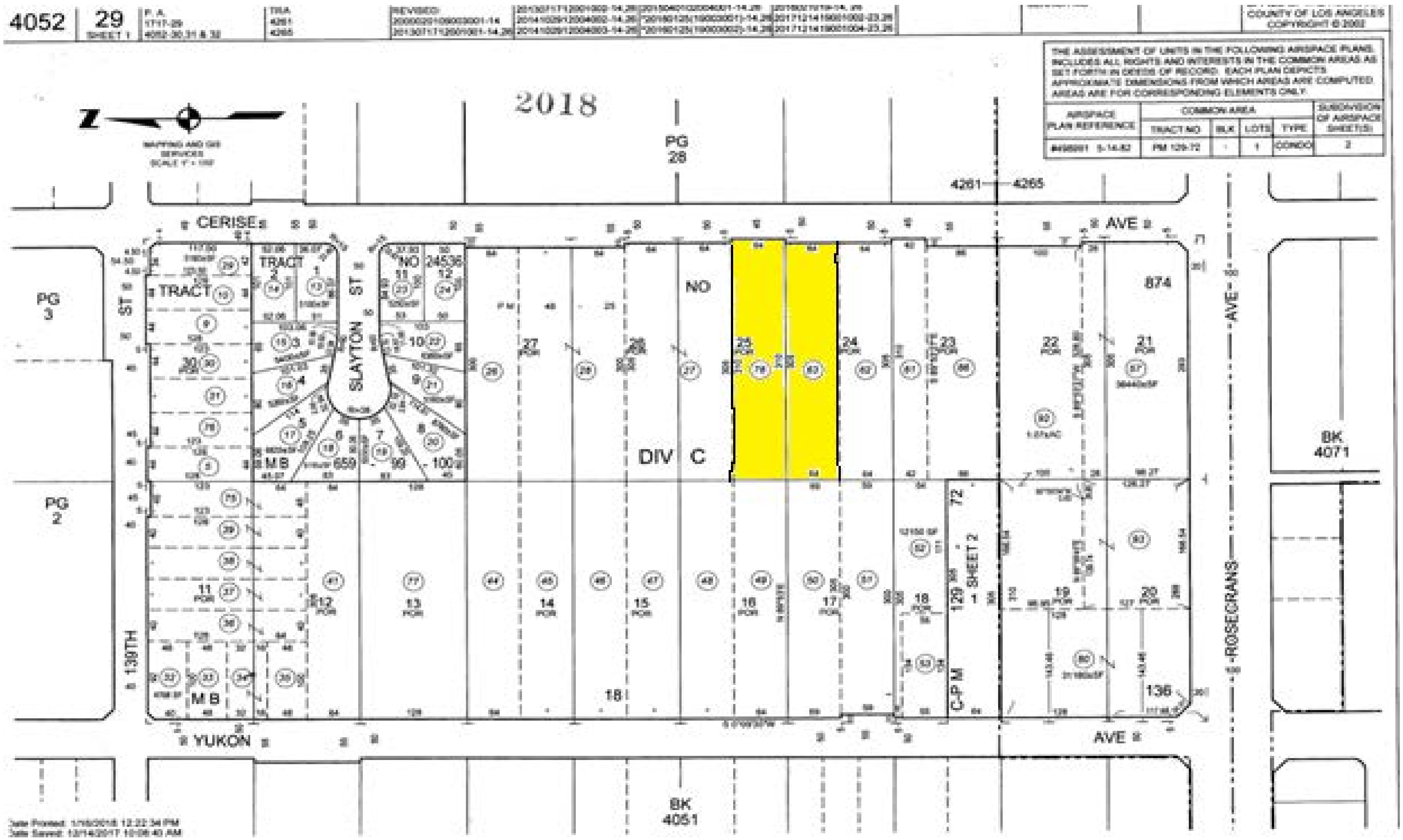
- First time ever on the market! Property is being sold by the original developer
- 46-unit multifamily community built in 1987 & 1989 totaling approximately 35,610 SF across two adjacent parcels on a 39,269 SF lot (0.90 acres).
- Fantastic Unit Mix: (44) 2 Bed/1 Bath units and (2) 1 Bed/1 Bath units.
- 100% occupied with strong in-place cash flow!
- On-site laundry facilities and secured entry for tenants
- Located in the City of Hawthorne and not subject to local rent control! Property is subject to statewide AB 1482, with a current maximum annual rent increase of 8.7%.
- Ample Parking! 81 on-site parking spaces, including 69 covered and 12 surface spaces.
- Tenant amenities include on-site laundry facilities and an enclosed pet area!
- Tenants are responsible for electricity and gas, helping reduce owner-paid utility exposure.
- WalkScore.com rates 14037-14103 Cerise Ave as Very Walkable!
- Prime South Bay location with convenient access to Del Amo Fashion Center, South Bay Galleria, El Camino College, LAX and the I-405 Freeway, providing excellent connectivity throughout the South Bay and greater Los Angeles.

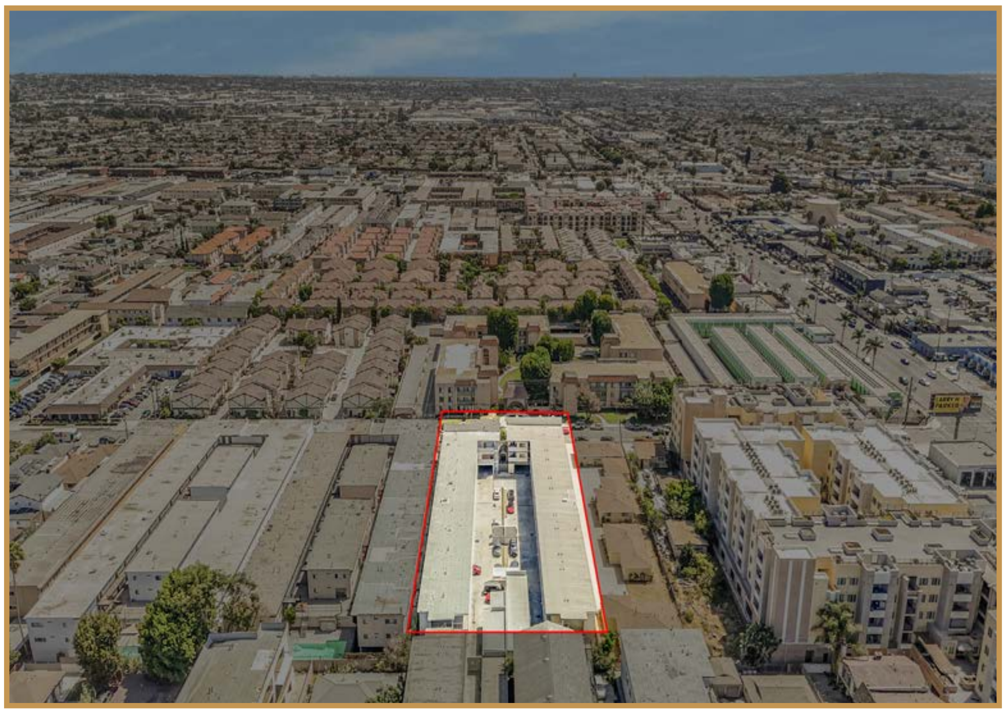
AERIAL MAP

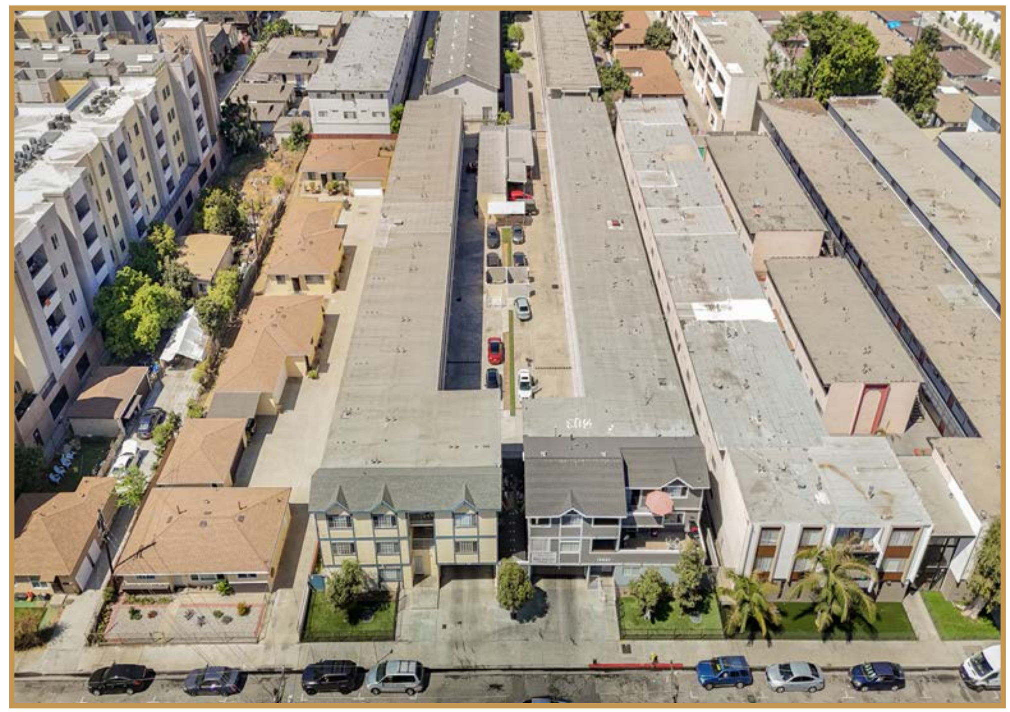
Villa Fiorita
Kornblum Ave.
Yukon Ave
Ricardo Saavedra Taboada
Bud Carson Middle School
Rcar Wash mobile
Hawthorne Chateau Apartments
VR AUTO COLLISION CENTER
Cerise Ave
Chadron Apartments
Galli St
139th St
Hawthorne School District Learning Center
Chef's choice
Villa Cerise Apartment
Fountain Villa
Lemoli Ave
Lemoli Way
Club Pacifica
McDonald's
Fabulous Charbroiled Burgers
B&R Burgers
Rosecrans Car Wash
A1 CATERING
14037

TAX MAP

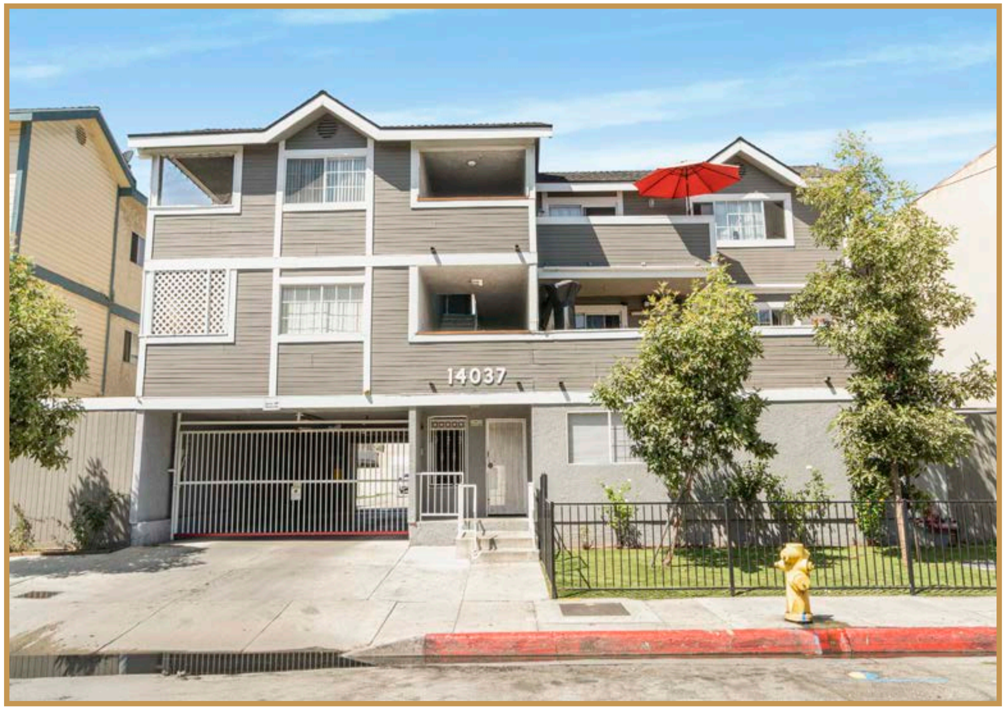
APN: 4052-029-063 & 4052-029-078











14037

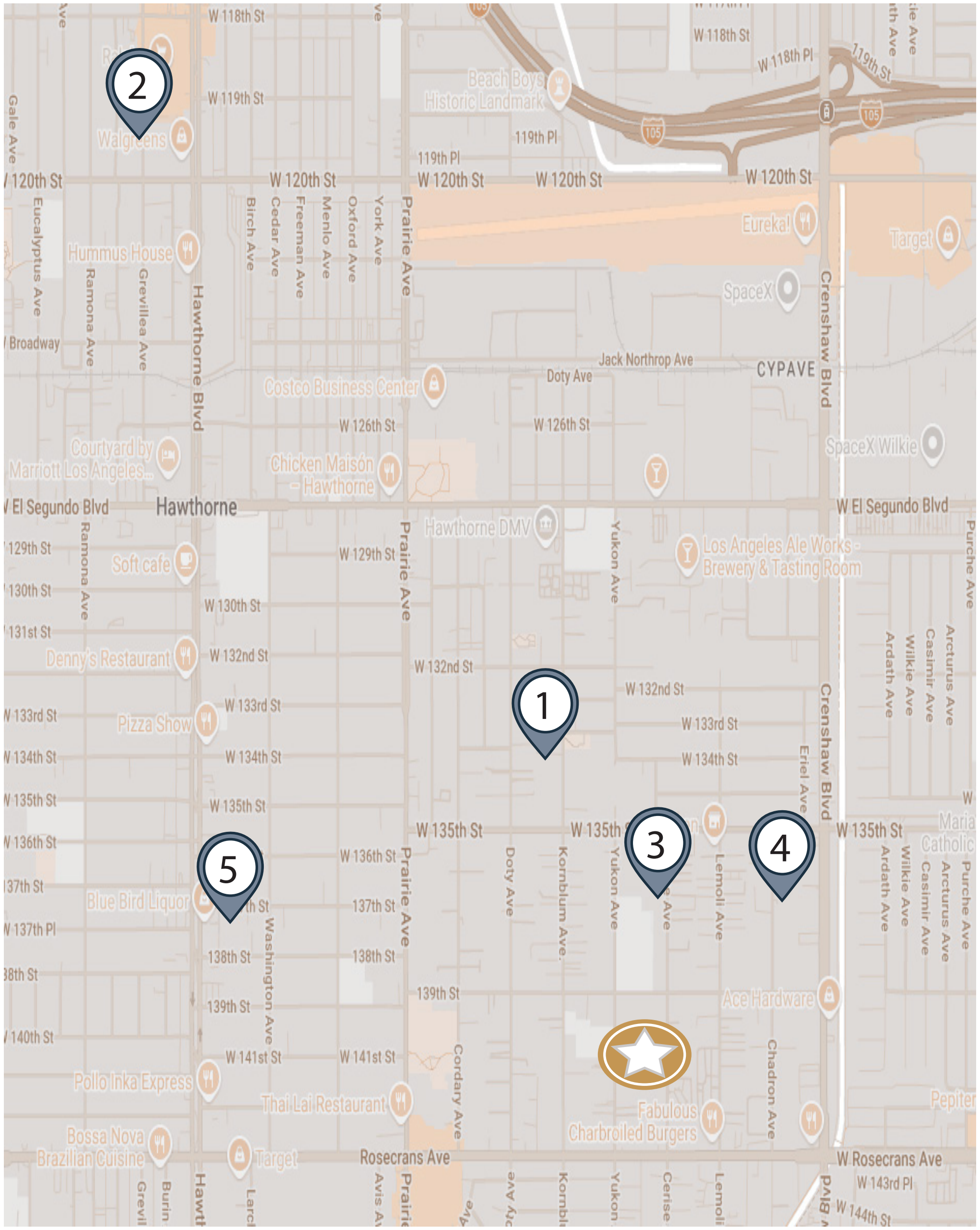

14103

02

COMPARABLES

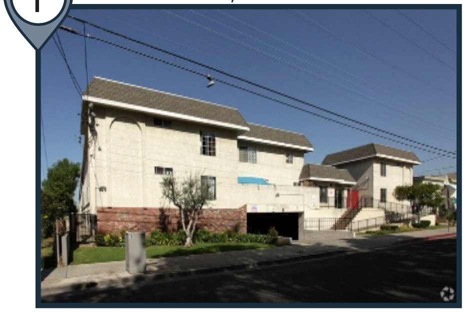
Marcus & Millichap
THE AZZI GROUP

SALE COMPARABLES

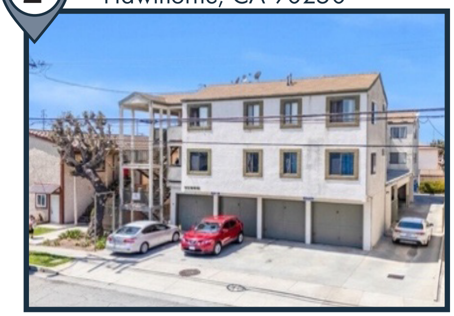


14037-14103 Cerise Ave
Hawthorne, CA 90250

1 13325 Kornblum Ave
Hawthorne, CA 90250

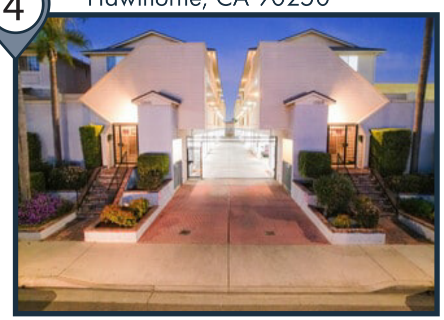


2 11943 Grevillea Ave
Hawthorne, CA 90250

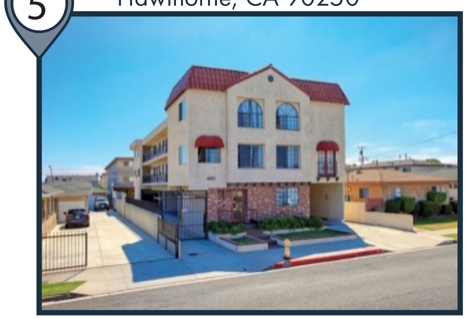


3 13605 Cerise Ave
Hawthorne, CA 90250

4 13604-13608 Chadron Ave
Hawthorne, CA 90250



5 4360 W 137th St
Hawthorne, CA 90250

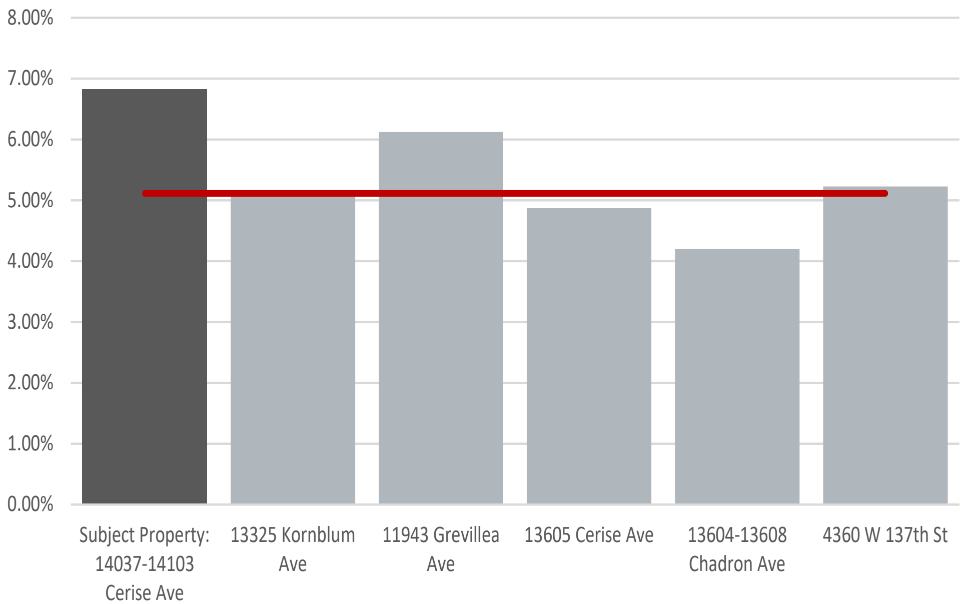


SALE COMPARABLES

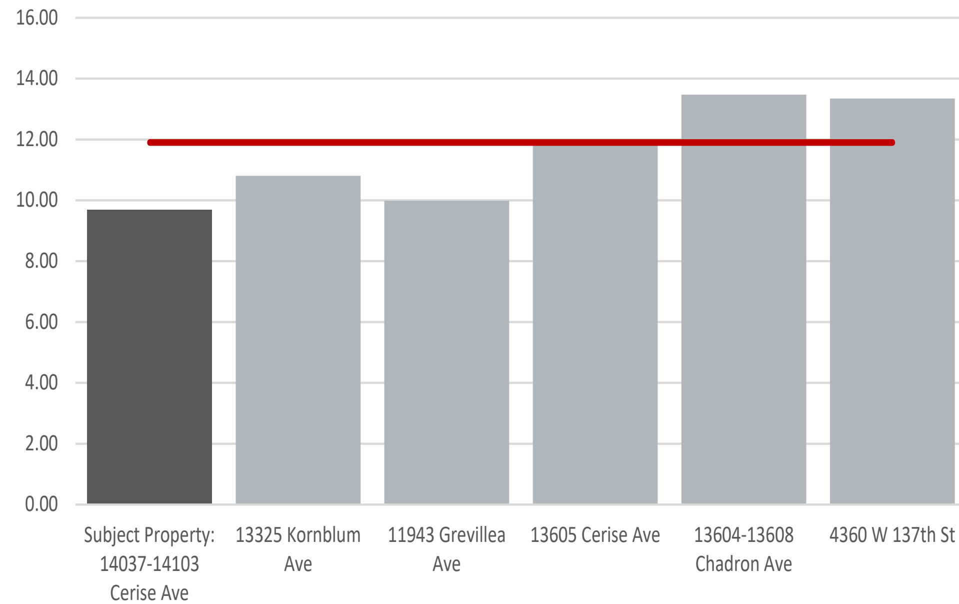
	ADDRESS	SALE PRICE	YEAR BUILT	NO. OF UNITS	PRICE/ UNIT	PRICE/ SF	CAP Rate	GRM	COE	Unit Mix
	Subject Property: 14037-14103 Cerise Ave Hawthorne, CA 90250	**$12,000,000**	**1987 & 1989**	**46**	**$260,870**	**$336.98**	**6.82%**	**9.68**	**N/A**	**(2) 1 + 1 (44) 2 + 1**
1	13325 Kornblum Ave Hawthorne, CA 90250	$9,025,000	1985	49	$184,184	$254.23	5.15%	10.80	9/9/2025	(49) 1+1
2	11943 Grevillea Ave Hawthorne, CA 90250	$2,300,000	1984	10	$230,000	$297.43	6.12%	9.98	9/5/2025	(8) 1+1 (2) 2+1
3	13605 Cerise Ave Hawthorne, CA 90250	$3,800,000	1986	15	$253,333	$294.94	4.87%	11.88	1/27/2025	(12) 1+1 (1) 2+1 (1) 2+2
4	13604-13608 Chadron Ave Hawthorne, CA 90250	$6,200,000	1986	30	$206,667	$302.62	4.20%	13.47	1/15/2025	(28) 1+1 (2) 2+1.5
5	4360 W 137th St Hawthorne, CA 90250	$2,850,000	1985	10	$285,000	$367.65	5.23%	13.34	1/8/2025	(3) 1+1 (1) 1+2 (6) 2+2
				AVG	**$231,837**	**$303.37**	**5.11%**	**11.89**		

SALE COMPARABLES

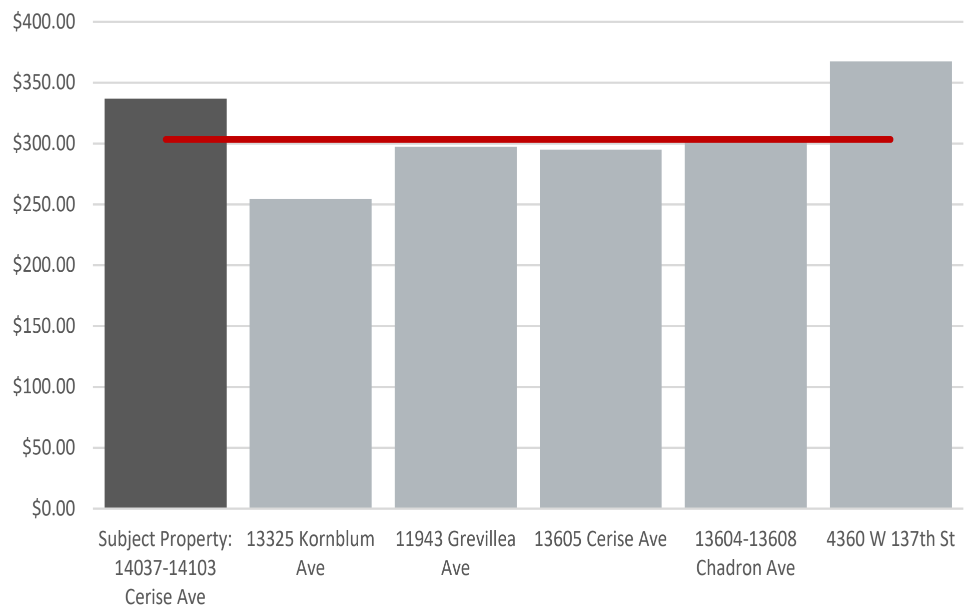
AVERAGE CAP RATE 5.11%



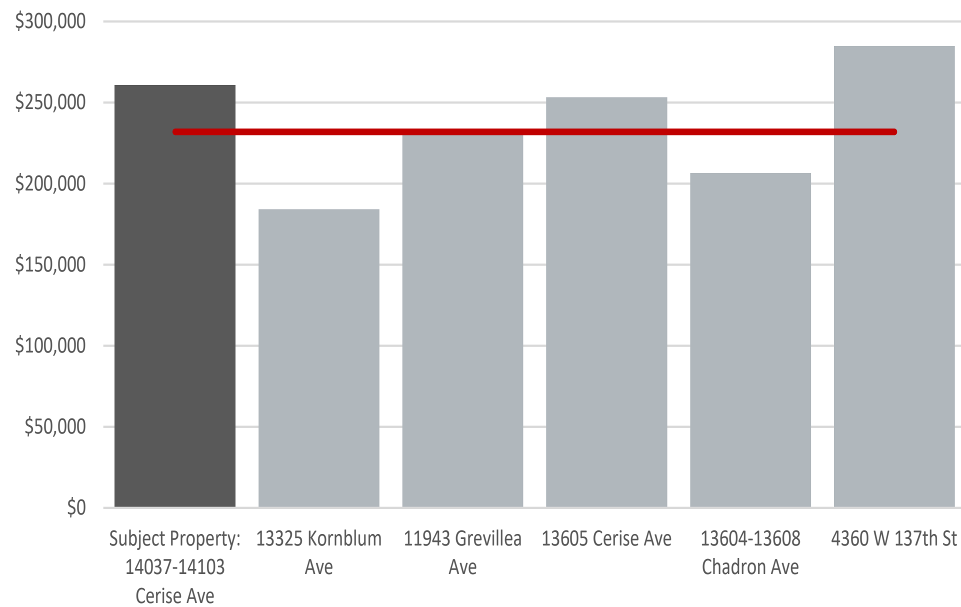
AVERAGE GRM 11.89



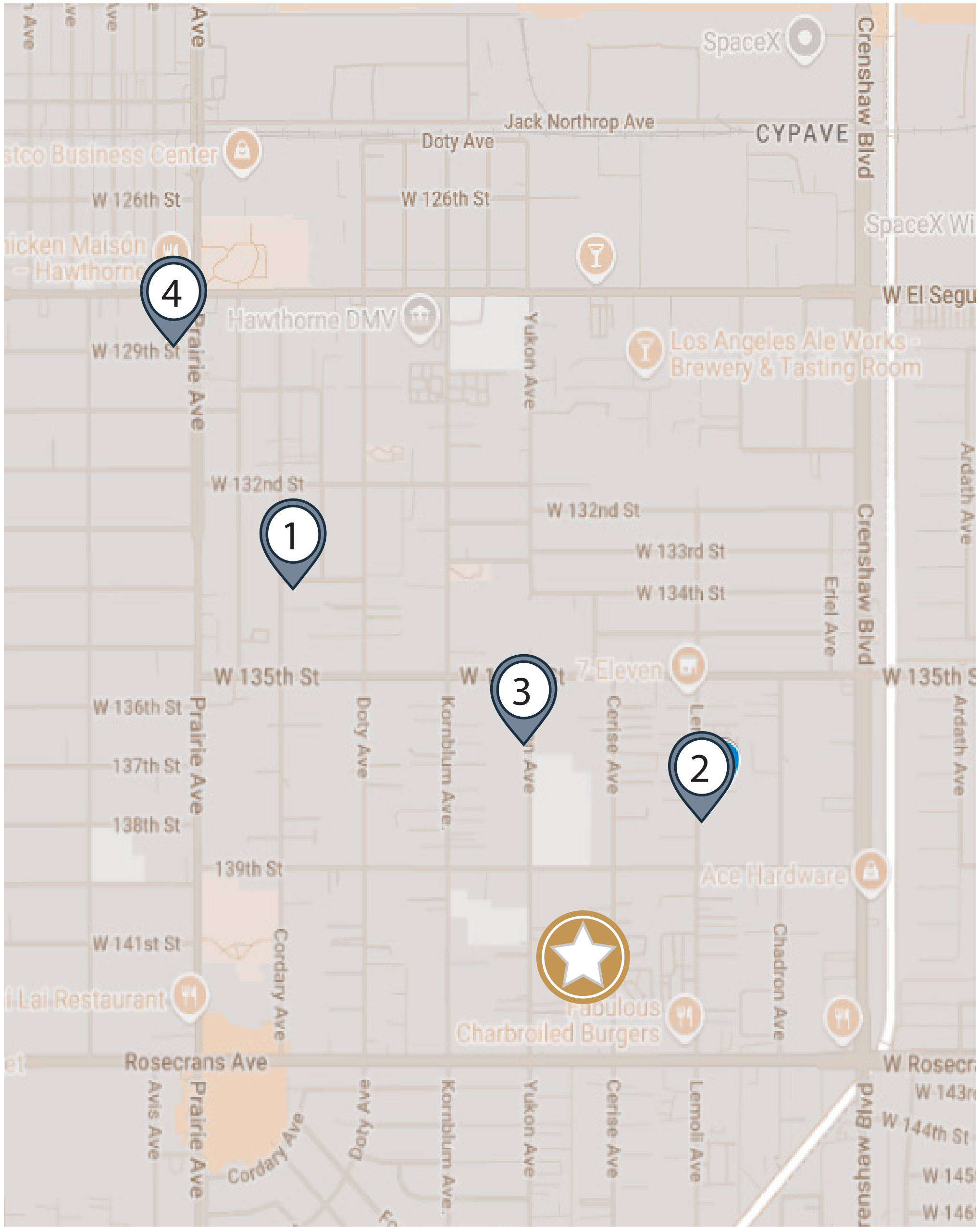
AVERAGE PRICE PER SF $303.37



AVERAGE PRICE PER UNIT $231,837



RENT COMPARABLES



14037-14103 Cerise
Hawthorne, CA 90250

1 13519 Yukon Ave
Hawthorne, CA 90250

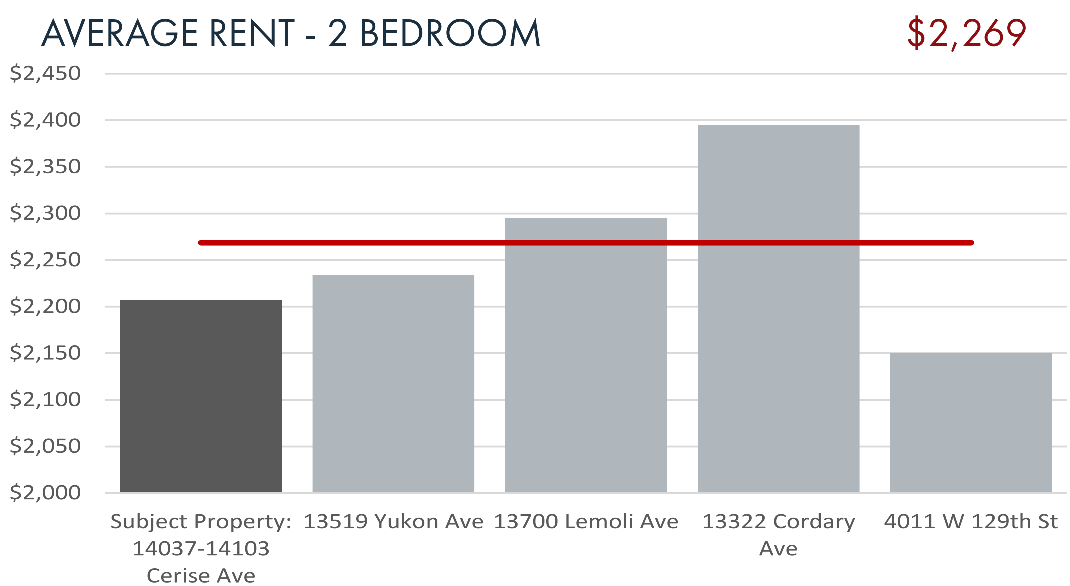
2 13700 Lemoli Ave
Hawthorne, CA 90250

3 13322 Cordary Ave
Hawthorne, CA 90250

4 4011 W 129th St
Hawthorne, CA 90250

TWO BEDROOM FLOORPLANS

	PROPERTY NAME		UNIT TYPE	NO. OF UNITS	YEAR BUILT	ASKING RENT	UNIT SIZE (SF)	RENT/SF	UNITS AVAILABLE	OCCUPANCY
	Subject Property: 14037-14103 Cerise	**Hawthorne, CA 90250**	**2 Bed - 1 Bath**	**44**	**1987 & 1989**	**$2,192**	**723**	**$2.92**	**0**	**100%**
1	13519 Yukon Ave	Hawthorne, CA 90250	**2 Bed - 1 Bath**	58	1971	$2,234	850	$2.63	2	97%
2	13700 Lemoli Ave	Hawthorne, CA 90250	**2 Bed - 1 Bath**	20	1986	$2,295	804	$2.85	2	90%
3	13322 Cordary Ave	Hawthorne, CA 90250	**2 Bed - 1 Bath**	3	1963	$2,395	870	$2.75	1	67%
4	4011 W 129th St	Hawthorne, CA 90250	**2 Bed - 1 Bath**	26	1967	$2,150	650	$3.31	1	96%
					AVG.	**$2,269**	**794**	**$2.89**		**87%**



03
FINANCIAL OVERVIEW

Marcus & Millichap
THE AZZI GROUP

RENT ROLL

Tenant	Unit Type		Approx. Unit SF*	Current Rent	Rent/SF	Pro Forma Rent	Pro Forma Rent/SF	Move in Date
14103 Cerise Ave 1	2 Bed	1 Bath	780	$2,187	$2.80	$2,300	$2.95	9/15/1999
14103 Cerise Ave 2	1 Bed	1 Bath	657	$1,900	$2.89	$2,000	$3.04	1/1/2022
14103 Cerise Ave 3	2 Bed	1 Bath	710	$2,350	$3.31	$2,300	$3.24	8/1/2023
14103 Cerise Ave 4	2 Bed	1 Bath	710	$2,100	$2.96	$2,300	$3.24	12/1/2017
14103 Cerise Ave 5	2 Bed	1 Bath	710	$2,000	$2.82	$2,300	$3.24	5/1/2017
14103 Cerise Ave 6	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	5/15/2025
14103 Cerise Ave 7	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	9/1/2025
14103 Cerise Ave 8	2 Bed	1 Bath	710	$2,300	$3.24	$2,300	$3.24	9/12/2025
14103 Cerise Ave 9	2 Bed	1 Bath	710	$2,100	$2.96	$2,300	$3.24	11/8/1998
14103 Cerise Ave 10	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	9/4/2003
14103 Cerise Ave 11	2 Bed	1 Bath	710	$2,300	$3.24	$2,300	$3.24	8/1/2023
14103 Cerise Ave 12	2 Bed	1 Bath	710	$2,300	$3.24	$2,300	$3.24	10/21/2024
14103 Cerise Ave 13	2 Bed	1 Bath	780	$1,700	$2.18	$2,300	$2.95	4/5/2008
14103 Cerise Ave 14	1 Bed	1 Bath	657	$1,850	$2.82	$2,000	$3.04	8/1/2023
14103 Cerise Ave 15	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	11/1/2020
14103 Cerise Ave 16	2 Bed	1 Bath	710	$2,300	$3.24	$2,300	$3.24	9/1/2023
14103 Cerise Ave 17	2 Bed	1 Bath	710	$2,300	$3.24	$2,300	$3.24	8/1/2023
14103 Cerise Ave 18	2 Bed	1 Bath	710	$2,300	$3.24	$2,300	$3.24	10/1/2024
14103 Cerise Ave 19	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	10/6/2025
14103 Cerise Ave 20	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	1/1/2025
14103 Cerise Ave 21	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	9/8/2018
14103 Cerise Ave 22	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	1/1/2023
14103 Cerise Ave 23	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	3/17/2025
14103 Cerise Ave 24	2 Bed	1 Bath	710	$2,200	$3.10	$2,300	$3.24	3/11/2025

*Estimated

RENT ROLL

Tenant	Unit Type		Approx. Unit SF*	Current Rent	Rent/SF	Pro Forma Rent	Pro Forma Rent/SF	Move in Date
14037 Cerise Ave 1	2 Bed	1 Bath	735	$2,300	$3.13	$2,300	$3.13	2/27/2003
14037 Cerise Ave 2	2 Bed	1 Bath	846	$2,360	$2.79	$2,300	$2.72	6/17/2017
14037 Cerise Ave 3	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	8/1/2019
14037 Cerise Ave 4	2 Bed	1 Bath	735	$2,300	$3.13	$2,300	$3.13	1/17/2024
14037 Cerise Ave 5	2 Bed	1 Bath	735	$2,000	$2.72	$2,300	$3.13	6/1/2012
14037 Cerise Ave 6	2 Bed	1 Bath	735	$2,250	$3.06	$2,300	$3.13	5/12/2025
14037 Cerise Ave 7	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	7/25/2025
14037 Cerise Ave 8	2 Bed	1 Bath	735	$2,300	$3.13	$2,300	$3.13	1/1/2025
14037 Cerise Ave 9	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	2/1/2023
14037 Cerise Ave 10	2 Bed	1 Bath	735	$2,300	$3.13	$2,300	$3.13	7/18/2025
14037 Cerise Ave 11	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	1/15/2026
14037 Cerise Ave 12	2 Bed	1 Bath	735	$2,000	$2.72	$2,300	$3.13	10/18/2011
14037 Cerise Ave 13	2 Bed	1 Bath	846	$2,400	$2.84	$2,300	$2.72	9/1/2024
14037 Cerise Ave 14	2 Bed	1 Bath	735	$2,150	$2.93	$2,300	$3.13	8/13/2014
14037 Cerise Ave 15	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	1/1/2026
14037 Cerise Ave 16	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	8/15/2025
14037 Cerise Ave 17	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	9/1/2014
14037 Cerise Ave 18	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	9/1/2020
14037 Cerise Ave 19	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	11/1/2022
14037 Cerise Ave 20	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	12/7/2024
14037 Cerise Ave 21	2 Bed	1 Bath	735	$2,300	$3.13	$2,300	$3.13	3/1/2024
14037 Cerise Ave 22	2 Bed	1 Bath	735	$2,200	$2.99	$2,300	$3.13	7/1/2025
0	TOTAL	VACANT		$0		$0		
46	TOTAL	OCCUPIED		$100,847		$105,200		
46	TOTAL		33,466	$100,847	$3.02	$105,200	$3.15	

*Estimated

INCOME & EXPENSES

Total Number of Units	46
Total Area (Gross)	35,610 SF

INCOME		CURRENT	PER UNIT		PRO FORMA	PER UNIT
GROSS POTENTIAL RENT		$1,210,164	$26,308		$1,262,400	$27,443
Other Income						
Laundry*		$12,000	$261		$12,000	$261
Parking*		$18,000	$391		$18,000	$391
Total Other Income		$30,000	$652		$30,000	$652
GROSS POTENTIAL INCOME		$1,240,164	$26,960		$1,292,400	$28,096
Vacancy/Collection Allowance (GPR)	3.0%	$36,305	$789	3.0%	$37,872	$823
EFFECTIVE GROSS INCOME		$1,203,859	$26,171		$1,254,528	$27,272

EXPENSES					
Real Estate Taxes*	1.21%	$145,200	$3,157	$145,200	$3,157
Insurance*	$1.25	$44,513	$968	$44,513	$968
Utilities: Power, Gas & Water		$35,880	$780	$35,880	$780
Trash Removal		$16,100	$350	$16,100	$350
Repairs & Maintenance*	5%	$60,193	$1,309	$62,726	$1,364
Groundskeeper*		$2,500	$54	$2,500	$54
Pest Control*		$2,500	$54	$2,500	$54
Management Fee*	5%	$60,193	$1,309	$64,620	$1,405
On-Site Manager*		$15,600	$339	$15,600	$339
Reserves*		$2,500	$54	$2,500	$54
TOTAL EXPENSES		$385,178	$8,373	$392,139	$8,525
Expenses per SF		$10.82		$11.01	
% of EGI		32.00%		31.26%	
NET OPERATING INCOME		$818,681	$17,797	$862,389	$18,748

FINANCIAL OVERVIEW

LOCATION

14037-14103 Cerise Ave

Hawthorne, CA 90250

Price		$12,000,000	
Down Payment	35%	$4,200,000	
Number of Units		46	
Price/Unit		$260,870	
Gross Square Feet		35,610	
Price/SF		$336.98	
CAP Rate - Current		6.82%	
CAP Rate - Pro Forma		7.19%	
GRM - Current		9.68	
GRM - Pro Forma		9.29	
Year Built		1987 & 1989	
Lot Size		39,269	SF
Type of Ownership		Fee Simple	

FINANCING

Loan Amount	$7,800,000	
Loan Type	Proposed New	
Interest Rate	6.500%	
Amortization	30	Years
Monthly Payments	$49,301.31	

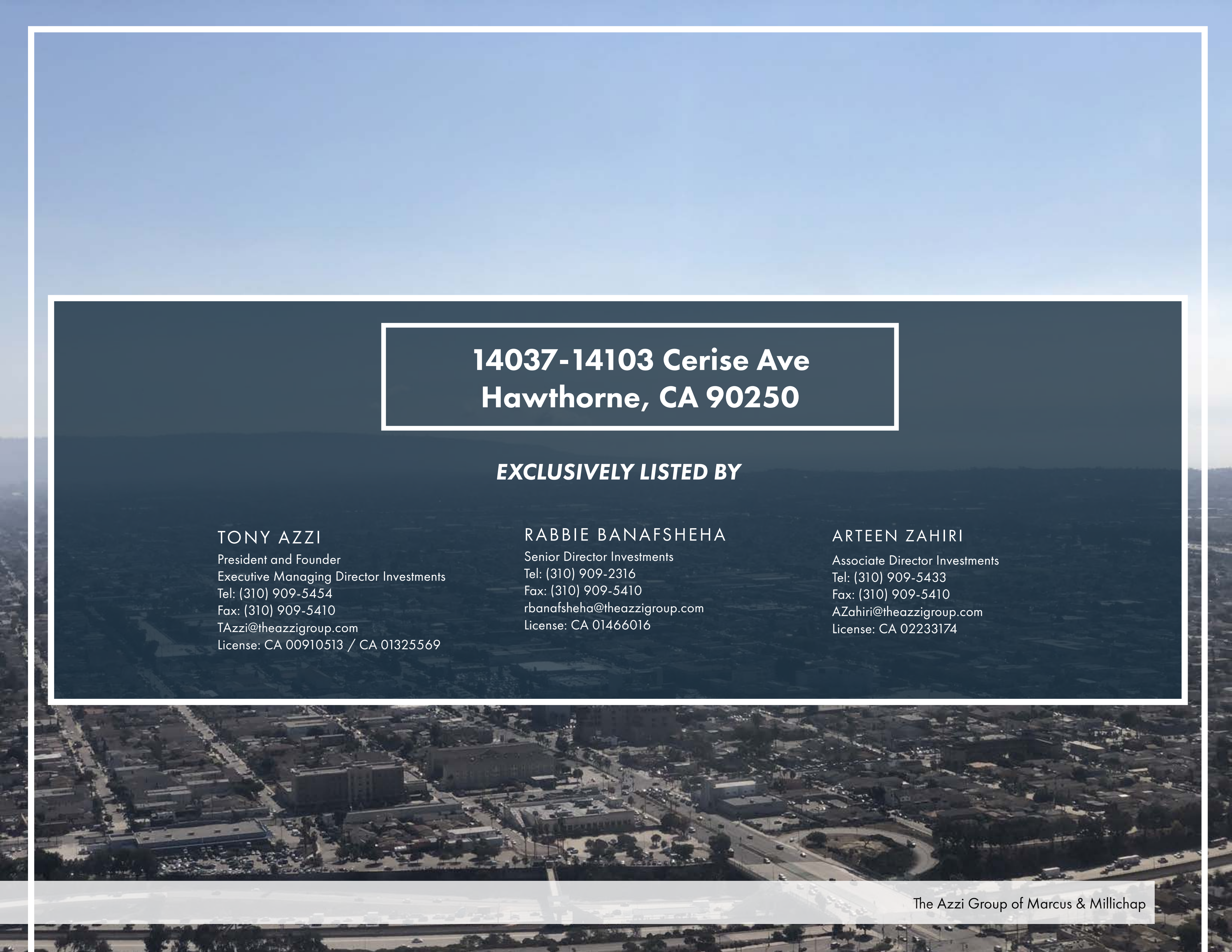
Loan information is time sensitive and subject to change. Contact your local Marcus & Millichap Capital Corporation representative.

ANNUALIZED OPERATING DATA

Income		Current		Pro forma
Gross Potential Rent		$1,210,164		$1,262,400
Other Income		$30,000		$30,000
Gross Potential Income		$1,240,164		$1,292,400
Less: Vacancy/Deductions (GPR)	3.0%	$36,305	3.0%	$37,872
Effective Gross Income		$1,203,859		$1,254,528
Less: Expenses		$385,178		$392,139
Net Operating Income		$818,681		$862,389
Net Cash Flow Before Debt Service		$818,681		$862,389
Debt Service		$591,616		$591,616
Debt Service Coverage Ratio (DSCR)		1.38		1.46
Net Cash Flow After Debt Service	5.4%	$227,065	6.4%	$270,773
Principal Reduction		$90,304		$90,304
Total Return	7.6%	$317,369	8.6%	$361,077

Expenses			
Real Estate Taxes*	1.21%	$145,200	$145,200
Insurance*	$1.25	$44,513	$44,513
Utilities: Power, Gas & Water		$35,880	$35,880
Trash Removal		$16,100	$16,100
Repairs & Maintenance*	5%	$60,193	$62,726
Groundskeeper*		$2,500	$2,500
Pest Control*		$2,500	$2,500
Management Fee*	5%	$60,193	$64,620
On-Site Manager*		$15,600	$15,600
Reserves*		$2,500	$2,500
Total Expenses		$385,178	$392,139
Expenses/Unit		$8,373	$8,525
Expenses/SF		$10.82	$11.01
% of EGI		32.00%	31.26%

*Estimated



14037-14103 Cerise Ave
Hawthorne, CA 90250

EXCLUSIVELY LISTED BY

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