



Colliers



Investment Opportunity | Offering Memorandum

19531 E Cienega Avenue

Covina, CA 91724

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Investment Summary

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Investment Overview

The Pacific Partners of Colliers International proudly present for sale a 20-unit multifamily property situated at 19531 E Cienega Ave in Covina. This property offers investors the opportunity to acquire a pride-of-ownership, value-add real estate asset in the heart of the San Gabriel Valley.

Constructed in 1988, the property features a favorable unit mix consisting entirely of large 2-bedroom, 2-bathroom units. The units total approximately 16,191 square feet on a spacious 0.94-acre lot. Each unit includes its own patio or balcony and is separately metered for gas and electricity, providing added convenience. The property boasts an onsite laundry facility, a swimming pool, and secure gated entries. Parking accommodations include ample carports and uncovered spaces on the large lot.

The property has been well-maintained under long-term ownership for over 20 years with most units having been renovated. Current rents are more than 25% below market, presenting a clear path for income growth. Located in unincorporated Los Angeles County, the property falls under the county's rent stabilization ordinance. Additionally, there is potential for additional rental income by adding accessory dwelling units (ADUs), subject to verification by the buyer.

Strategically positioned, 19531 E Cienega Ave offers convenient access to a multitude of amenities and attractions. The property is in close proximity to supermarkets, national retailers, restaurants, and schools, with easy access to major transportation arteries, including the 210 and 10 freeways and the Covina Metrolink Station. This sought-after location provides investors with the prospect of acquiring a lucrative multifamily asset poised to generate substantial cash flow while offering a hedge against inflation in the thriving city of Covina.

Investment Highlights:

- 1988 construction with ideal unit mix of 100% large 2-bedroom, 2-bathroom units
- Majority of the units renovated with 25% upside on rents
- Amenities include onsite laundry facility, swimming pool, and secure gated entries
- Ample carports and uncovered parking spaces on large 0.94 AC lot
- Potential for adding accessory dwelling units (ADUs), subject to verification
- Close proximity to supermarkets, restaurants, schools, 210/10 freeways and Covina Metrolink Station



Property Information

Offering Memorandum
19531 E Cienega Avenue





Property Profile

Property Name 19531 E Cienega Avenue

Property Address 19531 E Cienega Ave.
Covina, CA 91724

Number of Units 20

Year Built 1988

Lot Size 0.94 Acres

Building SF 16,191 SF

Unit Types 20 Two Bedroom Unit

APN 8404-002-038



69

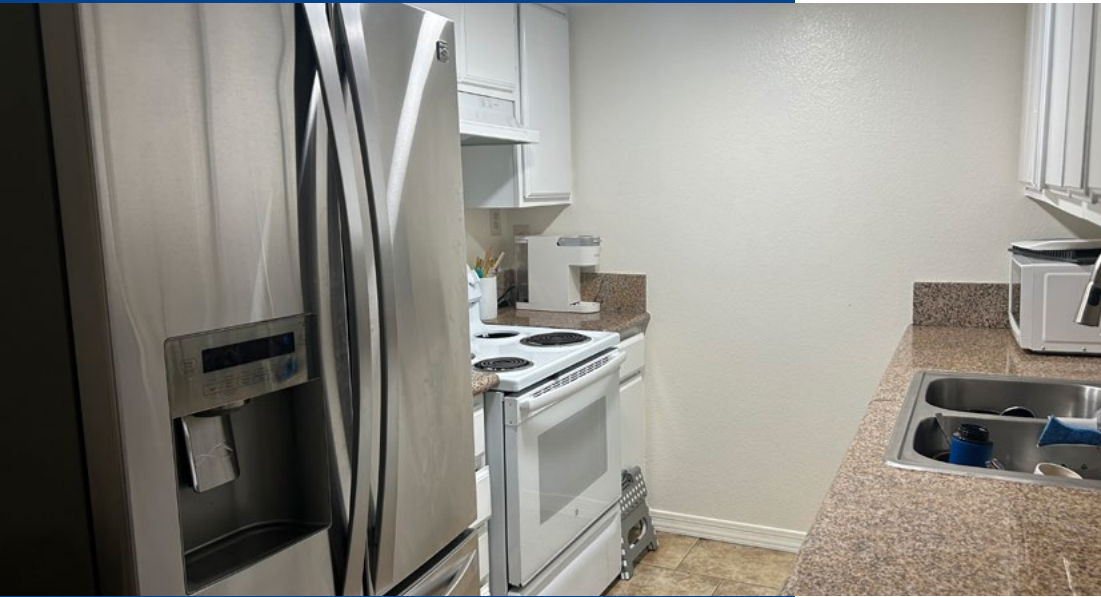
Walker's Paradise



57

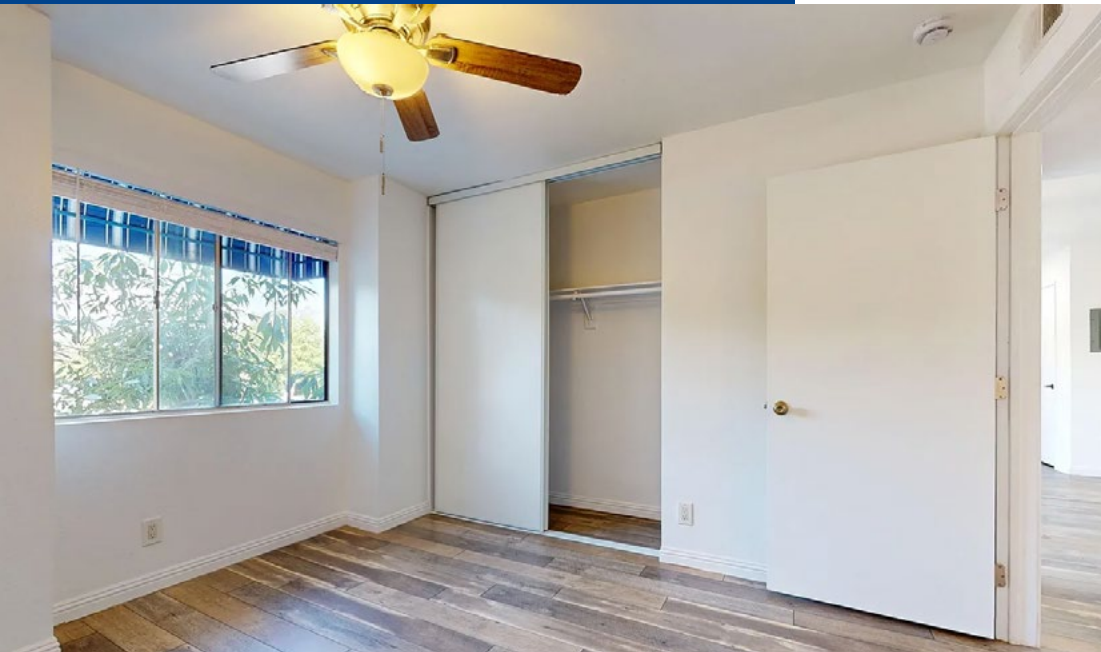
Bikeable

Interior Images



Offering Memorandum
19531 E Cienega Avenue

Interior Images



Offering Memorandum
19531 E Cienega Avenue

Market Overview

Offering Memorandum
19531 E Cienega Avenue



Neighborhood Overview

- Covina is the hub of the East San Gabriel Valley
- Founded in 1882, Covina is seven square miles
- Within walking distance of schools, parks, and churches
- Surrounded by the 10, 210 and 605 freeways and State Route 57
- Located approximately 22 miles east of downtown Los Angeles



Major Roads

57 & 10 Freeways
Less than 5 miles



Airports

Ontario International Airport
30 min. / 20 miles

Los Angeles International Airport
80 min. / 40 miles



Transportation

Covina is serviced by LA County Metro, Foothill Transit and Metrolink





Market Overview

Covina & West Covina, California

Household & population characteristics



\$92,580

Median household income



675,202

Median home value



62.0%

Owner occupied housing units



37.7

Median age



51.0%

Female population



46.3%

% Married (age 15 and older)

Annual lifestyle spending



\$2,528

Travel



\$33

Tickets to Movies



\$62

Theatre/Operas/Concerts



\$58

Admission to Sports Events

Households & population



159,005

Current total population



157,101

5 year total population



50,303

Current total households



50,083

5 year total households

Education

13%

No high school diploma



25%

High school graduate



29%

Some college



31%

Bachelor's/graduate/prof degree

Race



- White Population
- Black Population
- American Indian Population
- Asian Population
- Pacific Islander Population
- Other Race Population
- Population of 2 or more races

Business



5,738

Total businesses



48,860

Total employees

Employment



66%

White collar



33%

Blue collar



48%

Services

4.9%

Unemployment rate

Annual household spending



\$2,464

Apparel & Services



\$307

Computers & Hardware



\$4,165

Eating Out



\$7,567

Groceries



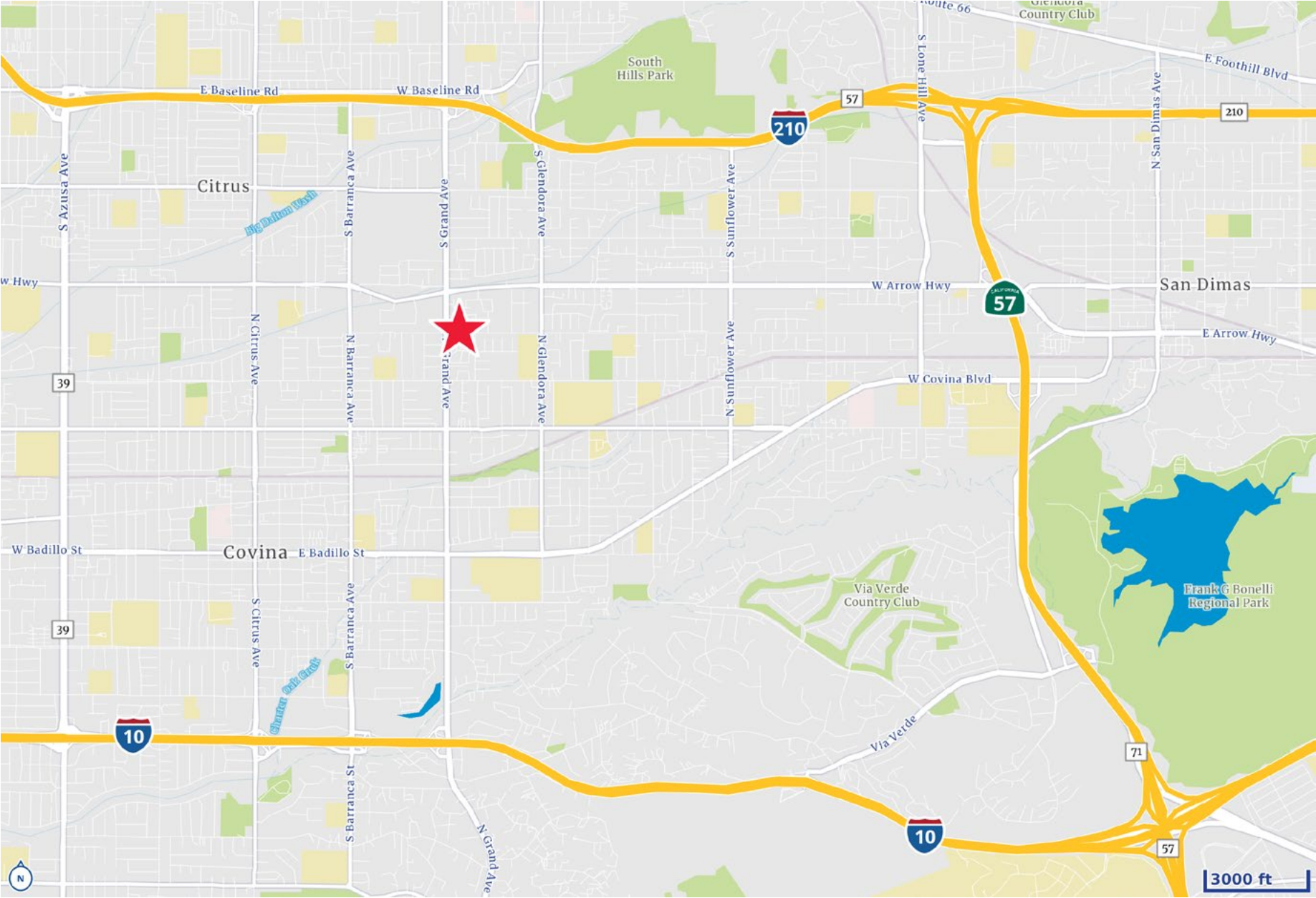
\$1,174

Health Care

Property Aerial



Area Map



Financial Overview



Offering Memorandum
19531 E Cienega Avenue

Rent Roll

19531 E Cienega Ave - Rent Roll as of June 2024

Unit	Unit Type	Square Feet	Current Rent/Mo.	Current Rent/SF/Mo.	Potential Rent/Mo.	Potential Rent/SF/Mo.
101	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
102	2 Bedroom 2 Bath	810	\$1,760	\$2.17	\$2,600	\$3.21
103	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
104	2 Bedroom 2 Bath	810	\$2,295	\$2.83	\$2,600	\$3.21
105	2 Bedroom 2 Bath	810	\$1,759	\$2.17	\$2,600	\$3.21
106	2 Bedroom 2 Bath	810	\$1,759	\$2.17	\$2,600	\$3.21
107	2 Bedroom 2 Bath	810	\$1,980	\$2.45	\$2,600	\$3.21
108	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
109	2 Bedroom 2 Bath	810	\$1,811	\$2.24	\$2,600	\$3.21
110	2 Bedroom 2 Bath	810	\$2,569	\$3.17	\$2,600	\$3.21
201	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
202	2 Bedroom 2 Bath	810	\$2,351	\$2.90	\$2,600	\$3.21
203	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
204	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
205	2 Bedroom 2 Bath	810	\$2,179	\$2.69	\$2,600	\$3.21
206	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
207	2 Bedroom 2 Bath	810	\$1,979	\$2.44	\$2,600	\$3.21
208	2 Bedroom 2 Bath	810	\$2,295	\$2.83	\$2,600	\$3.21
209	2 Bedroom 2 Bath	810	\$2,221	\$2.74	\$2,600	\$3.21
210	2 Bedroom 2 Bath	810	\$1,865	\$2.30	\$2,600	\$3.21
Total		16,191	\$39,877	\$2.46	\$52,000	\$3.21

Operating Statement

Income

		Current		Proforma	Notes	Per Unit	Per SF
Gross Current Rent		478,524		624,000		31,200	38.54
Physical Vacancy	3.0%	(14,356)	3.0%	(18,720)		(936)	(1.16)
Total Vacancy	3.0%	(\$14,356)	3.0%	(\$18,720)		(\$936)	(\$1)
Effective Rental Income		\$464,168		\$605,280		\$30,264	\$37.38
Other Income							
Laundry Income		7,000		7,000		350	0.43
Pet Income		1,366		1,366		68	0.08
Total Other Income		\$8,366		\$8,366		\$418	\$0.52
Effective Gross Income		\$472,534		\$613,646		\$30,682	\$37.90

Expenses

		Current		Proforma	Notes	Per Unit	Per SF	Note & Assumptions
Real Estate Taxes		63,758		63,758	[1]	3,188	3.94	[1] New Tax Rate of 1.118553%
Insurance		5,638		16,000	[2]	800	0.99	[2] Actual; Pro Forma Insurance Estimated at \$800/Unit
Utilities - Water & Trash		20,171		20,171	[3]	1,009	1.25	[3] Actual
Utilities - Electricity		4,089		4,089	[4]	204	0.25	[4] Actual
Utilities - Gas		4,536		4,536	[5]	227	0.28	[5] Actual
Trash Removal		6,501		6,501	[6]	325	0.40	[6] Actual
Repairs & Maintenance		23,627		30,682	[7]	1,534	1.90	[7] Estimated at 5% of Effective Gross Income
Landscaping		4,200		4,200	[8]	210	0.26	[8] Actual
Pool Maintenance		4,800		4,800	[9]	240	0.30	[9] Actual
Onsite Manager		6,000		6,000	[10]	300	0.37	[10] Actual
Management Fees	4.0%	18,901	4.0%	24,546	[11]	1,227	1.52	[11] Estimated at 4% of Effective Gross Income
Total Expenses		\$162,220		\$185,282		\$9,264	\$11.44	
Expenses as % of EGI		34.3%		30.2%				
Net Operating Income		\$310,314		\$428,364		\$21,418	\$26.46	

Pricing & Financial Summary

Property Address	19531 E Cienega Ave. Covina, CA 91724
Price	\$5,700,000
Down Payment	40% \$2,280,000
Number of Units	20
Price/Unit	\$285,000
Rentable Square Feet	16,191
Price/SF	\$352.05
CAP Rate - Current	5.44%
CAP Rate - Pro Forma	7.52%
GRM - Current	11.91
GRM - Pro Forma	9.13
Cash-on-Cash - Current	2.82%
Cash-on-Cash - Pro Forma	8.00%
Debt Coverage Ratio - Current	1.26
Debt Coverage Ratio - Pro Forma	1.74
Approx. Year Built	1988
Lot Size	0.94 Acres
Type of Ownership	Fee Simple

Financing

FIRST LOAN	
Loan Amount	\$3,420,000
Loan Type	New
Interest Rate	6.00%
Amortization	30 Years
Year Due	2031

Loan information is time sensitive and subject to change. Contact Edward Pan or David Lin for updated information or questions about your analysis.

Income

		Current		Proforma
Gross Scheduled Rent		\$478,524		\$624,000
Less: Vacancy/Deductions	3.0%	\$14,356	3.0%	\$18,720
Total Effective Rental Income		\$464,168		\$605,280
Other Income		\$8,366		\$8,366
Effective Gross Income		\$472,534		\$613,646
Less: Expenses	34.3%	\$162,220	30.2%	\$185,282
Net Operating Income		\$310,314		\$428,364
Cash Flow		\$310,314		\$428,364
Debt Service		\$246,056		\$246,056
Net Cash Flow After Debt Service	2.82%	\$64,259	8.00%	\$182,308
Principal Reduction		\$41,998		\$44,588
Total Return	4.66%	\$106,257	9.95%	\$226,897

Pricing & Financial Summary - Cont

Expenses

	Current	Proforma
Real Estate Taxes	\$63,758	\$63,758
Insurance	\$5,638	\$16,000
Utilities - Water, Trash, Electric	\$20,171	\$20,171
Utilities - Electricity	\$4,089	\$4,089
Utilities - Gas	\$4,536	\$4,536
Trash Removal	\$6,501	\$6,501
Repairs & Maintenance	\$23,627	\$30,682
Landscaping	\$4,200	\$4,200
Pool Maintenance	\$4,800	\$4,800
Onsite Manager	\$6,000	\$6,000
Management Fees	\$18,901	\$24,546
Total Expenses	\$162,220	\$185,282
Expenses/Unit	\$8,111	\$9,264
Expenses/SF	\$10.02	\$11.44

Current Rents

# of Units	20
Unit Type	2 Bedroom
SF/Unit	810
Current Rents	\$1,994
Market Rents	\$2,600

Rent Comparables

Offering Memorandum
19531 E Cienega Ave



Rent Comparables



19531 E Cienega Ave | Covina, CA

Year Built: 1988 # of Units: 20 Units

Unit Type	SF	Rent	Rent PSF
2BR/2BA	810	\$1,994	\$2.46

1



321 S San Jose Ave | Covina, CA

Year Built: 1964 # of Units: 28 Units

Unit Type	SF	Rent	Rent PSF
2BR/2BA	1,090	\$2,550	\$2.34

2



1601 E Cypress St | Covina, CA

Year Built: 1979 # of Units: 28 Units

Unit Type	SF	Rent	Rent PSF
2BR/1.5BA	1,200	\$2,595	\$2.16

3



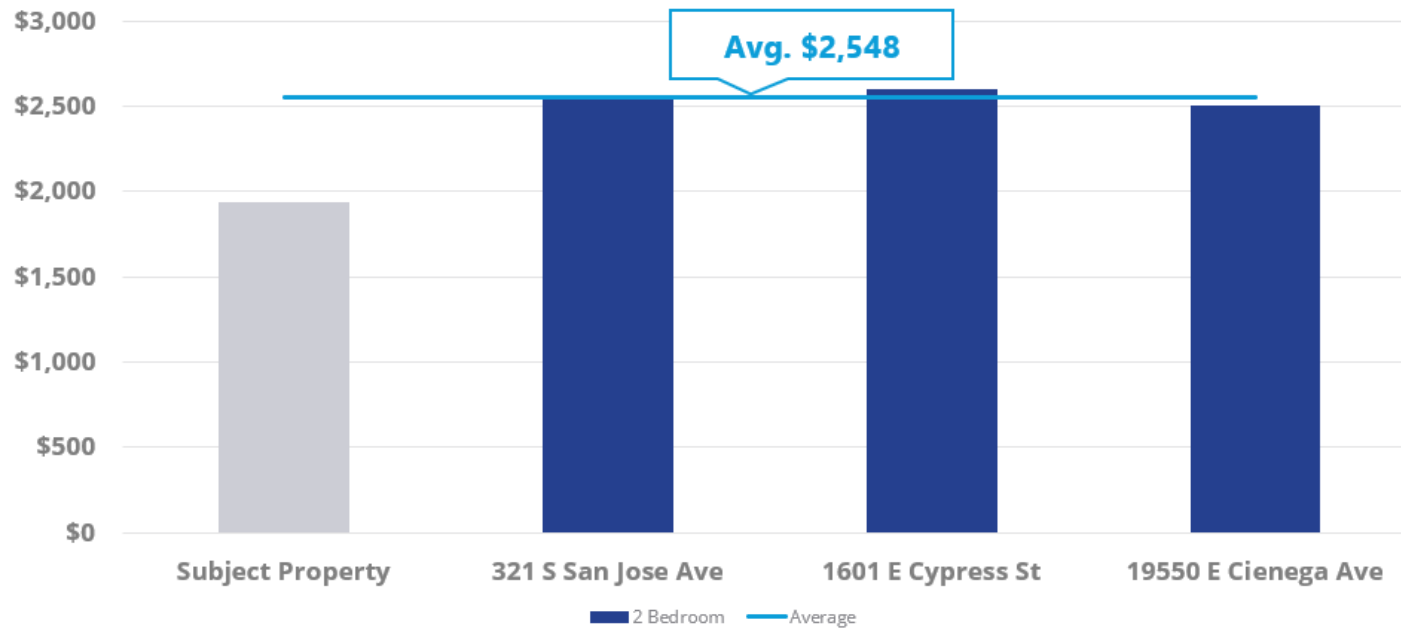
19550 E Cienega Ave | Covina, CA

Year Built: 1988 # of Units: 78 Units

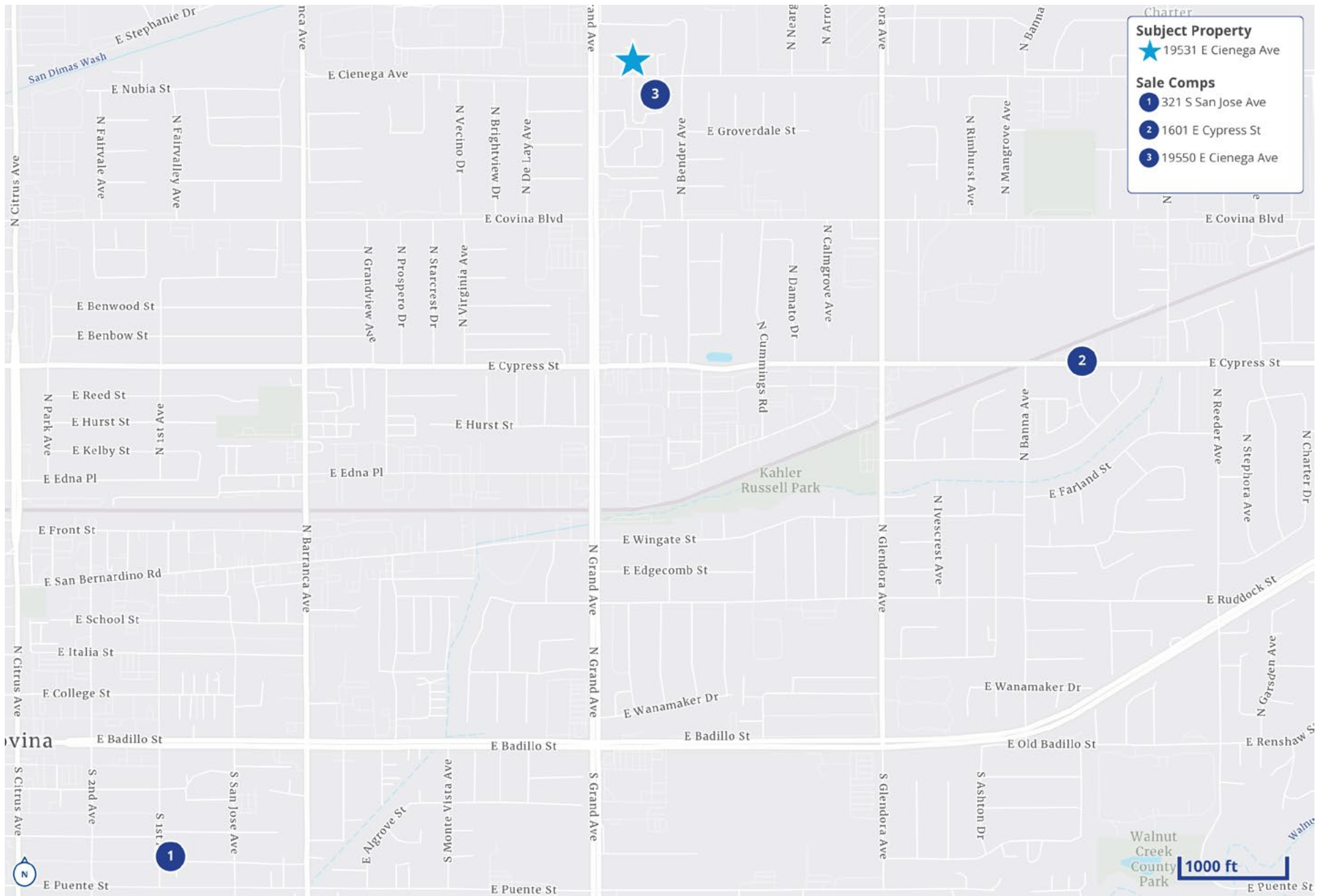
Unit Type	SF	Rent	Rent PSF
2BR/2BA	800	\$2,350	\$2.94

Rent Comparables Graph

Two Bedroom Rent Comps



Rent Comparables Map



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