Offering Memorandum

THE GRACE APARTMENTS

1918 Grace Ave, Los Angeles, CA 90068

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Rare Value-Add Opportunity in A+ Hollywood Location | 96 Walk Score | ADU Expansion

5.6% Existing Cap Rate at $227k/unit with Upside Potential to 10.5% Cap Rate

TABLE OF CONTENTS

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PROPERTY SUMMARY

PROPERTY DESCRIPTION

Lee & Associates Investment Services Group is pleased to present 1918 Grace Avenue, an 18 unit apartment building located in the heart of Hollywood. The subject property is conveniently located near major dining and entertainment destinations such as the Hollywood Farmer's Market, The Dolby Theater and The Hollywood Bowl. The 10,588 sf two-story building sits on a 10,399 sf lot and is comprised of (18) one bedroom and one bathroom units. The subject property is ready for a new investor to take full advantage of its upside potential.

PROPERTY HIGHLIGHTS

- Prime Hollywood Location
- Great Value Add Potential
- 10 On-Site Gated Parking Spaces
- Outstanding Panoramic City Views

OFFERING SUMMARY

SALE PRICE:	$4,095,000
NUMBER OF UNITS:	18
LOT SIZE:	10,399 SF
BUILDING SIZE:	10,588 SF

DEMOGRAPHICS	0.25 MILES	0.5 MILES	1 MILE
TOTAL HOUSEHOLDS	2,681	7,952	24,937
TOTAL POPULATION	4,841	13,417	42,718
AVERAGE HH INCOME	$84,205	$83,194	$102,469

PROPERTY DESCRIPTION

1918 N Grace Ave sits in an A+ north-of-Hollywood Boulevard enclave, where premier lifestyle amenities and consistent rental demand converge. The gated property comprises 18 one-bedroom units, offered at $227,500 per unit, with an in-place 5.6% cap rate and upside to approximately 10.5%. The building features an authentic Hollywood-cool architectural presence, abundant natural light, and curated exterior artwork by KeeneVisions, reinforcing its creative appeal and neighborhood character.

Positioned moments from the Hollywood Bowl, Franklin Village, major film and television studios, and a deep roster of dining and entertainment destinations, the asset consistently attracts young professionals and creative-industry tenants. Additional highlights include 10 gated on-site parking spaces and a Walk Score of 96, placing the property among the most walkable residential locations in Los Angeles.

From an operational standpoint, the property offers immediate income growth. Eight of the 18 units have been renovated, with select units featuring in-unit laundry, supporting meaningful rent premiums. For investors evaluating subsidized rental strategies, HACLA payment standards in the desirable 90068 zip code reach up to $2,805 for a one-bedroom. Even at a conservative $2,595 pro forma rent, the property reflects approximately 50% rental upside. Long-term residents further enhance stability while providing a predictable path to incremental rent growth as units naturally turn.

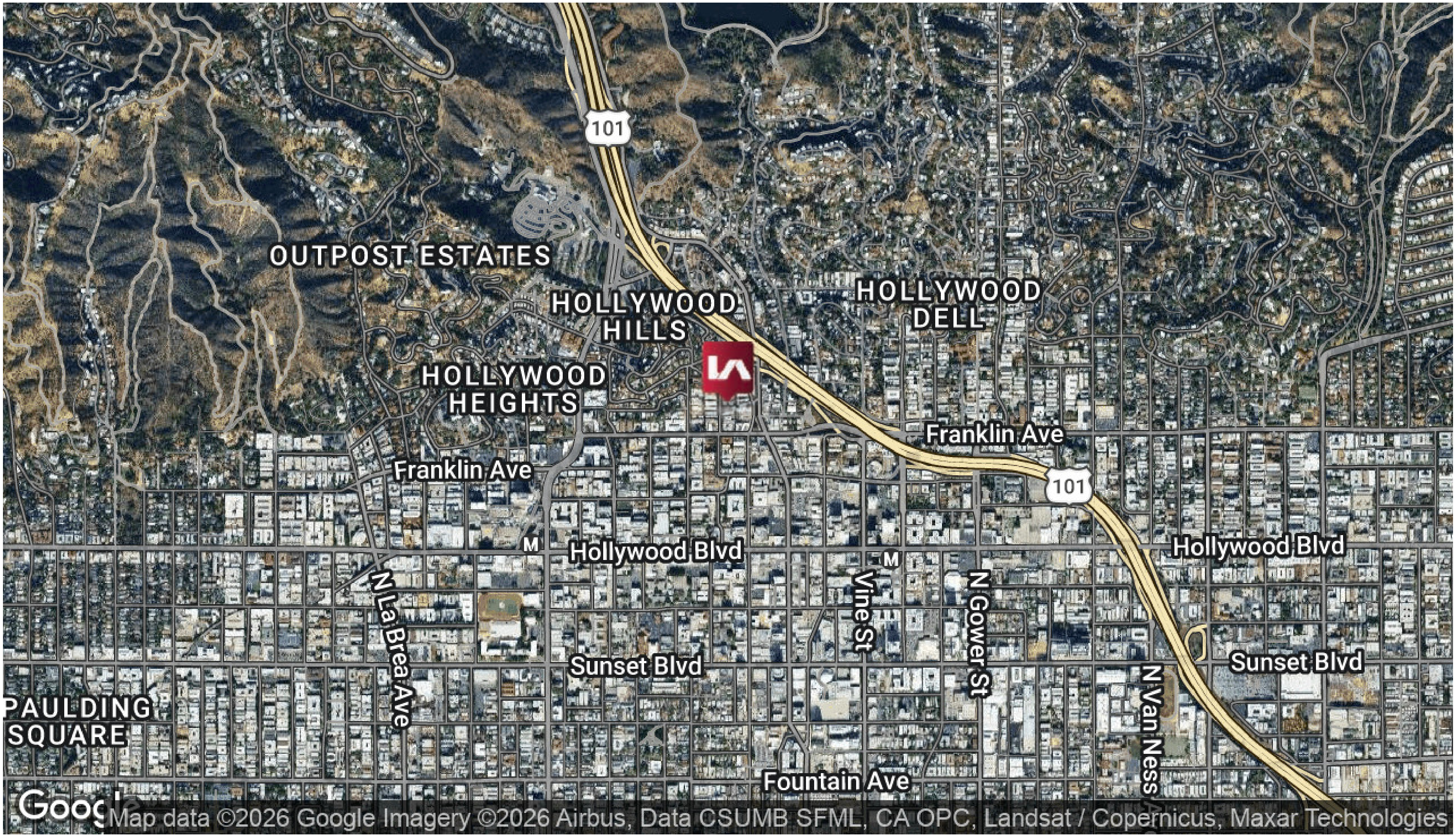
The expansive 10,399 sq. ft. R4 lot, combined with open yard areas and elevated topography, creates the potential to add up to eight detached ADUs with panoramic city views. This unlocks multiple value-add strategies, from yield enhancement through additional rental units to longer-term redevelopment optionality.

1918 N Grace Ave delivers a rare combination of character, cash flow, rental upside, and expansion potential in one of Hollywood's most coveted submarkets. Few multifamily opportunities offer this level of existing income, built-in growth, and long-term flexibility making it an exceptional acquisition for both yield-focused buyers and strategic investors seeking a flagship asset in core Hollywood's premier 90068 pocket.

- 18-unit Hollywood apartment building in an A+ north-of-the-Boulevard location (96 walk score) on a 10,399 SF lot, featuring spacious one-bedroom units with city views
- Strong in-place valuation at $227k/unit and a 5.6% Cap Rate and 11.2 GRM, with upside to a 10.5% Cap Rate
- Significant value-add potential with room for eight detached ADUs to further boost long-term revenue and overall return

SITE OVERVIEW

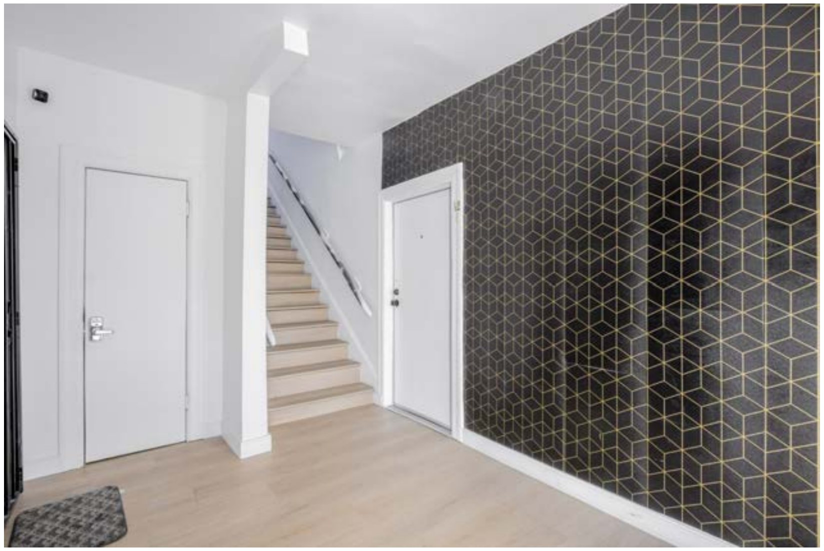
AERIAL MAP


101
OUTPOST ESTATES
HOLLYWOOD HILLS
HOLLYWOOD DELL
HOLLYWOOD HEIGHTS
Franklin Ave
Franklin Ave
101
Hollywood Blvd
Hollywood Blvd
N La Brea Ave
Vine St
N Gower St
Sunset Blvd
Sunset Blvd
N Van Ness
PAULDING SQUARE
Fountain Ave
Map data ©2026 Google Imagery ©2026 Airbus, Data CSUMB SFML, CA OPC, Landsat / Copernicus, Maxar Technologies

EXTERIOR PHOTOS

INTERIOR PHOTOS

INTERIOR PHOTOS



FINANCIAL OVERVIEW

INVESTMENT SUMMARY

THE GRACE APARTMENTS								
Multi-Residential	1918 Grace Avenue		N-Franklin	Los Angeles	CA	90068		5575-002-013
Type	**Address**		**Cross Street**	**City**	**State**	**Zip**		**APN**
$4,095,000	18	$227,500	5.6%	10.5%	11.2	7.1	10	1910
Price	**# of Units**	**Price Per Unit**	**Current CAP**	**Proforma CAP**	**Current G.R.M.**	**Proforma G.R.M.**	**Parking Spaces**	**Year Built**
$4,095,000	100.0%	5.6%		R4-1	10,588	10,399	$387	$394
Down Payment	**D/P %**	**Cash Return**		**Zoning**	**Gross Bldg. Sq. Ft.***	**Lot Size**	**Price Per Bldg. Sq. Ft.**	**Price Per Land Sq. Ft.**

ANNUALIZED OPERATING DATA	CURRENT (Based on Current Income)				PROFORMA (Based on Est'd. Market Rents)			
	%		$/Sq.Ft.	$/Unit/Year	%		$/Sq.Ft.	$/Unit/Year
Scheduled Lease Income:	100.0%	$364,840	$34.46	$20,269	97.9%	$562,920	$53.17	$31,273
Parking Income:	0.0%	$0	$0.00	$0	2.1%	$12,000	$1.13	$667
Total Income:	100.0%	$364,840	$34.46	$20,269	100.0%	$574,920	$54.30	$31,940
* Less Vacancy:	3.0%	($10,945)	($1.03)	($608)	3.0%	($17,248)	($1.63)	($958)
Gross Operating Income:	97.0%	$353,895	$33.42	$19,661	97.0%	$557,672	$52.67	$30,982
Less Expenses:	34.2%	($124,638)	($11.77)	($6,924)	22.4%	($128,709)	($12.16)	($7,151)
Net Operating Income:	62.8%	$229,257	$21.65	$12,736	74.6%	$428,963	$40.51	$23,831
Less Loan Payments:	0.0%	$0	$0.00	$0	0.0%	$0	$0.00	$0
Pre-Tax Cash Flow:	62.8%	$229,257	$21.65	$12,736	74.6%	$428,963	$40.51	$23,831
Cash on Cash Return:		**5.6%**				**10.5%**		
Capitalization Rate:		**5.6%**				**10.5%**		
Gross Rent Multiplier:		**11.2**				**7.1**		
Debt Coverage Ratio:		**-----**				**-----**		

FINANCIAL ANALYSIS

	CURRENT INCOME & EXPENSE ANNUAL	PER UNIT	POST RENOVATION MARKET RENT ANNUAL	PER UNIT
GROSS POTENTIAL INCOME	$574,920	$31,940	$574,920	$31,940
Loss to Lease	($210,080)	($11,671)	$0	$0
SCHEDULED GROSS INCOME	$364,840	$20,269	$574,920	$31,940
Less Vacancy 3% / 3%	($10,945)	($608)	($17,248)	($958)
NET RENTAL INCOME	$353,895	$19,661	$557,672	$30,982
Parking Income	$0	$0	$12,000	$667
Laundry Income	$0	$0	$2,400	$133
RUBS Reimbursement Income	$0	$0	$0	$0
EFFECTIVE GROSS INCOME	**$353,895**	**$19,661**	**$572,072**	**$31,782**
OPERATING EXPENSES				
Utilities	$15,300	$850	$15,300	$850
Trash Removal	$11,772	$654	$7,692	$427
Pest Control	$1,500	$83	$1,500	$83
Internet	$780	$43	$780	$43
Common Area Cleaning	$3,000	$167	$3,000	$167
Maintenance & Repairs	$12,600	$700	$12,600	$700
On-Site Manager	$2,400	$133	$2,400	$133
Off-site Management 4%	$14,156	$786	$22,307	$1,239
Insurance	$14,400	$800	$14,400	$800
Property Taxes 1.190%	$48,731	$2,707	$48,731	$2,707
OPERATING EXPENSES	**($124,638)**	**($6,924)**	**($128,709)**	**($7,151)**
NET OPERATING INCOME (N.O.I.)	**$229,257**	**$12,736**	**$428,963**	**$23,831**
Gross Rent Multiplier - Current/Market	**11.2**		**7.1**	
Capitalization Rate - Current/Market	**5.6%**		**10.5%**	
Operating Expense/Unit/Year:	**$6,924**		**$7,151**	
Operating Expense/Square Foot/Year:	**$11.77**		**$12.16**	

RENT ROLL

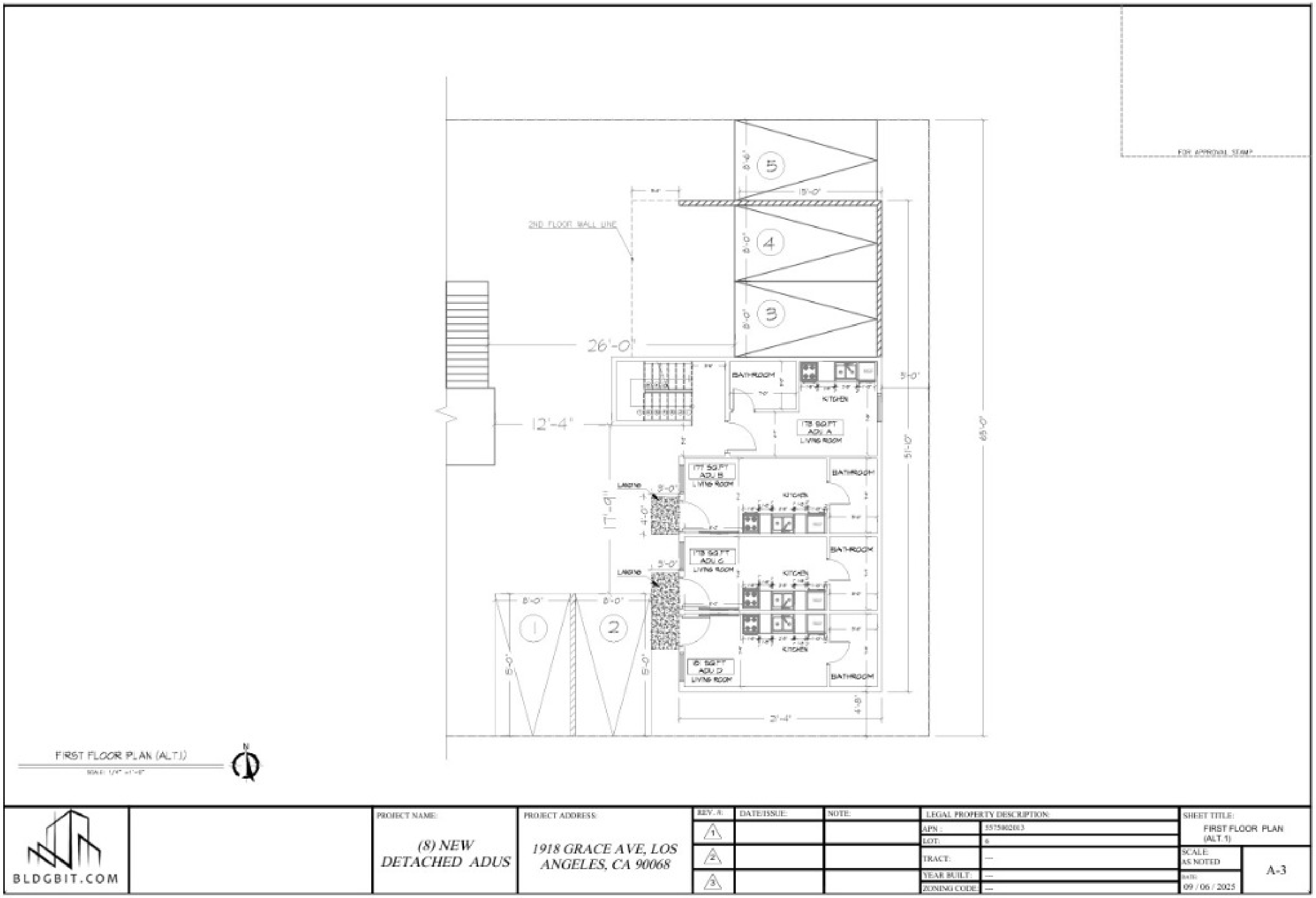
Unit #	Unit Type			Rent	Unit #	Unit Type			Rent
1	1 Bedroon	+	1 Bath	$2,025.00	10	1 Bedroom	+	1 Bath	$2,363.00
2	1 Bedroon	+	1 Bath	$1,433.27	11	1 Bedroom	+	1 Bath	$1,434.89
3	1 Bedroon	+	1 Bath	$2,508.00	12	1 Bedroom	+	1 Bath	$2,428.00
4	1 Bedroon	+	1 Bath	$1,174.83	14	1 Bedroom	+	1 Bath	$880.53
5	1 Bedroon	+	1 Bath	$979.08	15	1 Bedroom	+	1 Bath	$2,524.00
6	1 Bedroon	+	1 Bath	$816.25	16	1 Bedroom	+	1 Bath	$2,580.00
7	1 Bedroon	+	1 Bath	$1,006.24	17	1 Bedroom	+	1 Bath	$922.25
8	1 Bedroon	+	1 Bath	$1,244.35	18	1 Bedroom	+	1 Bath	$2,432.00
9	1 Bedroon	+	1 Bath	$2,595.00 **V**	19	1 Bedroom	+	1 Bath	$1,056.66

CURRENT SCHEDULED MONTHLY RENTAL INCOME:	$30,403.35
MONTHLY LAUNDRY/PARKING INCOME:	$0
TOTAL SCHEDULED MONTHLY INCOME:	$30,403.35
CURRENT ANNUAL GROSS SCHEDULED INCOME:	$364,840.20

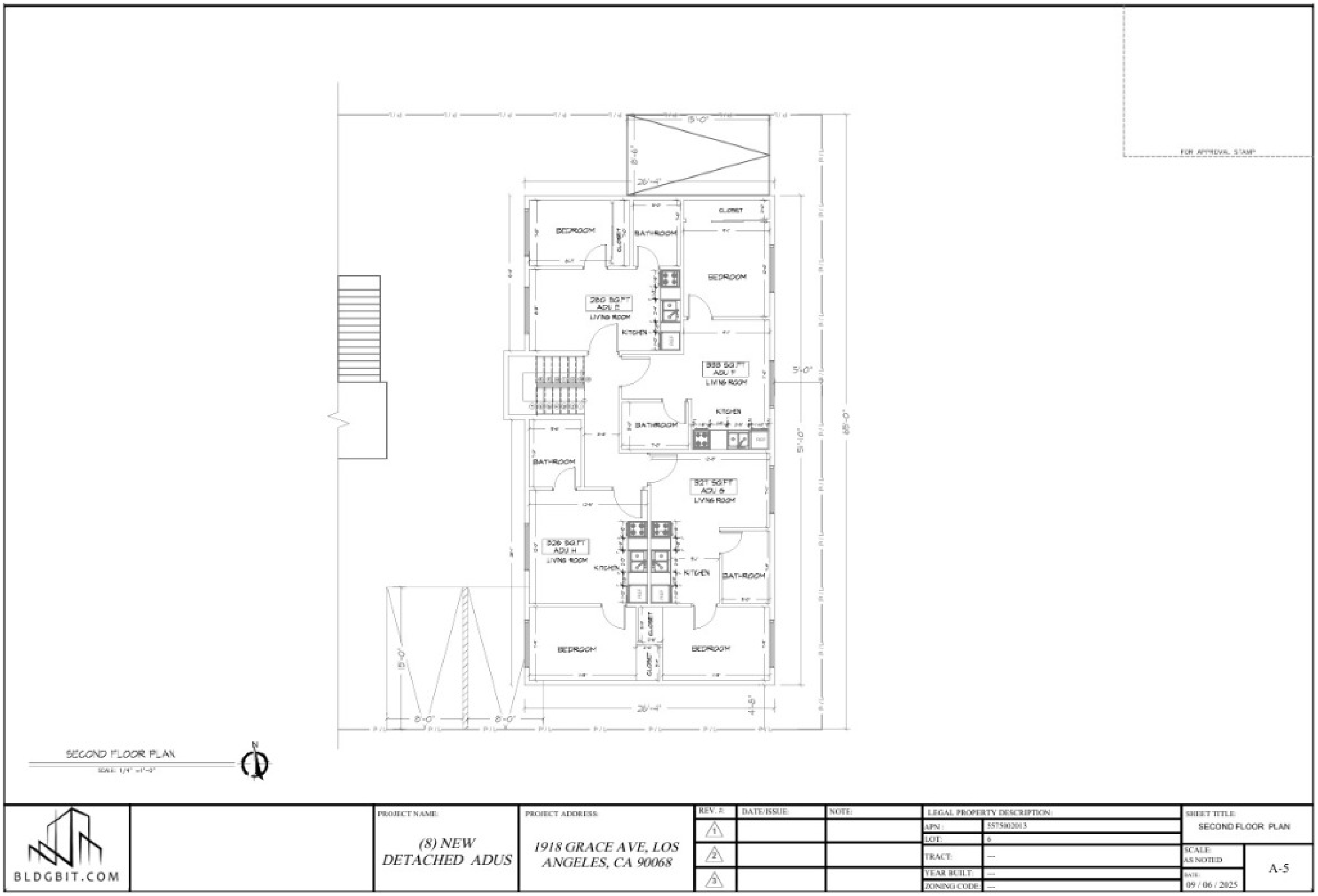
V = Vacant E = Eviction in Progress M = Manager

MARKET RENT - POST RENOVATED:										
18	1 Bed + 1 Bath	@	**$2,595**	/mo	=	$46,710	/mo	=	$560,520	/yr
	Laundry Income	@	**$200**	/mo	=	$200	/mo	=	$2,400	/yr
	Parking	@	**$1,000**	/mo	=	$1,000	/mo	=	$12,000	/yr
18	**ANNUAL MARKET RENT**					**$47,910**	**/mo**	**=**	**$574,920**	**/yr**

ADU FLOOR PLAN - 1ST FLOOR



ADU FLOOR PLAN - 2ND FLOOR



SALE COMPARABLES

		Site Address City/State Year Built	Average Rent/Unit Rent/SF SF	# of Units	Unit Mix	Sale Date	Price Down Payment % Down Lender	Price/Unit Price/SqFt Price/Room	Grm Cap
1		5535 Carlton Way Los Angeles, CA 90028 1965	**N/A** **N/A** **733** **sf**	36	3-2+2 30-1+1 3-Studios	05/26	$7,600,000 $ 1,900,000 25% Chase Bank	$211,111 $288 $70,370	N/A N/A
2		4141 Los Feliz Blvd Los Angeles, CA 90027 1950	**$1,554** **$1.38** **1123** **sf**	17	1-2+2 4-2+1 12-1+1	03/26	$3,995,000 $3,995,000 100%	$235,000 $209 $64,435	12.6 4.5%
3		5947 Carlton Way Los Angeles, CA 90028 1960	**$1,546** **$1.87** **827** **sf**	13	3-2+2 8-1+1 2-Studio	02/26	$2,750,000 $1,030,000 37%	$211,538 $256 $68,750	11.4 5.1%
4		1734-1740 Taft Avenue Los Angeles, CA 90068 1957	**$1,391** **$1.98** **701** **sf**	20	2-2+2 3-2+1 14-1+1 1-Studios	01/26	$3,750,000 $1,000,000 27%	$187,500 $267 $58,594	11.2 5.5%
5		1834 N Harvard Blvd Los Angeles, CA 90027 1955	**$1,558** **$2.13** **731** sf	23	2-2+1 20-1+1 1-Studio	01/26	$4,600,000 $2,475,000 54%	$200,000 $274 $65,714	10.7 5.9%
SUBJECT PROPERTY									
		1918 Grace Avenue Los Angeles, CA 90068 1910	**$1,689** **$2.87** **588** **sf**	18	18-1+1	N/A	$4,095,000 $4,095,000 100%	$227,500 $387 $75,833	11.2 5.6%

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SALE COMPARABLES

		Site Address City/State Year Built	Average Rent/Unit Rent/SF SF	# of Units	Unit Mix	Sale Date	Price Down Payment % Down Lender	Price/Unit Price/SqFt Price/Room	Grm Cap
6		5643 Carlton Way Los Angeles, CA 90028 1964	**$1,807** **$2.00** **902 sf**	24	9-2+2 15-1+1	12/25	$5,776,000 $5,776,000 100%	$240,667 $267 $44,092	11.1 5.6%
7		5427 Carlton Way Los Angeles, CA 90028 1957	**$1,765** **$2.54** **696 sf**	22	20-1+1 2-Studios	12/25	$5,080,000 $2,020,000 40% Center Street Lending	$230,909 $332 $79,375	10.9 6.2%
8		1545 Gordon Street Los Angeles, CA 90028 1965	**$1,894** **$2.09** **906 sf**	16	7-2+2 9-1+1	12/25	$4,000,000 $1,800,000 45% Chase Bank	$250,000 $276 $72,727	11.0 5.2%
9		1860 N Alexandria Avenue Los Angeles, CA 90027 1951	**$1,428** **$2.30** **620 sf**	16	12-1+1 4-Studios	11/25	$3,125,000 $1,035,000 33%	$195,313 $315 $71,023	11.4 5.6%
10		1827 N Van Ness Avenue Los Angeles, CA 90028 1964	**$1,647** **$1.84** **894 sf**	16	8-2+2 8-1+1	12/25	$3,700,000 $1,460,000 39% Citizens Bank	$231,250 $259 $66,071	11.7 5.2%
	SUBJECT PROPERTY								
		1918 Grace Avenue Los Angeles, CA 90068 1910	**$1,689** **$2.87** **588 sf**	18	18-1+1	N/A	$4,095,000 $4,095,000 100%	$227,500 $387 $75,833	11.2 5.6%

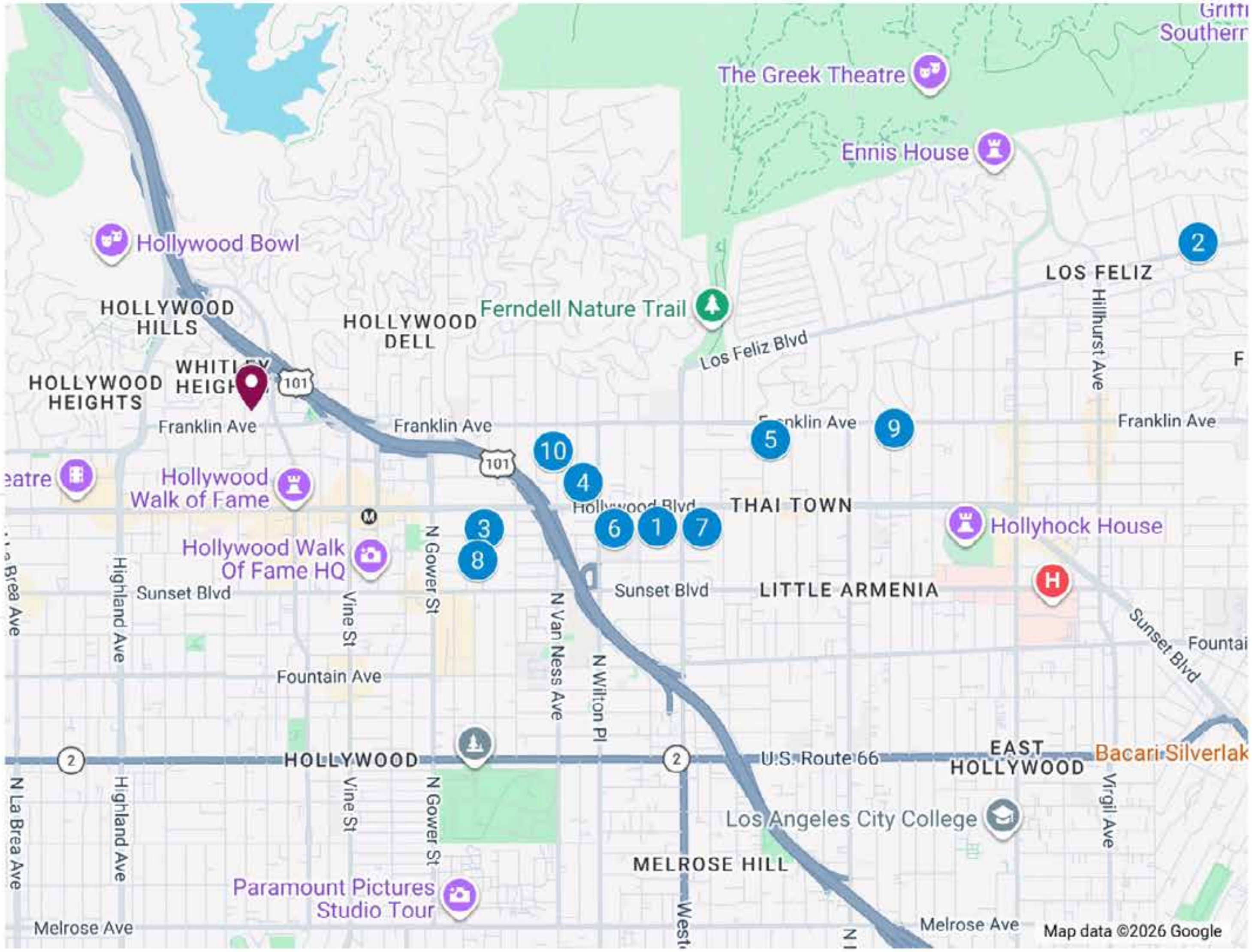
SALE COMPARABLES MAP

Sales Comparables

1. 5535 Carlton Way
2. 4141 Los Feliz Blvd
3. 5947 Carlton Way
4. 1734 Taft Ave
5. 1834 N Harvard Blvd
6. 5643 Carlton Way
7. 5427 Carlton Way
8. 1545 Gordon St
9. 1860 Alexandria Ave
10. 1827 N Van Ness Ave

Subject

1918 Grace Ave



SUBMARKET OVERVIEW

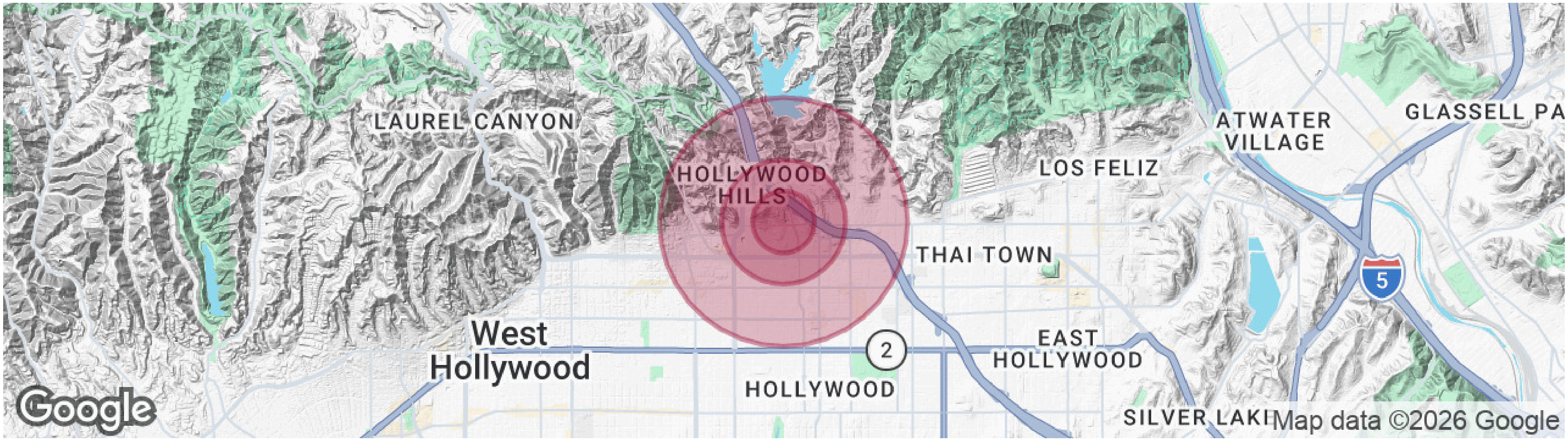
HOLLYWOOD

The Subject is located just north of Franklin Avenue in an area of Los Angeles known as the Hollywood Dell between Cahuenga Boulevard to the East and Highland Avenue to the west. Hollywood Boulevard is three blocks to the south and the Hollywood Freeway is 2 blocks to the north. The Subject's close proximity to major freeways, such as, the Hollywood (101), Golden State (5), Pasadena/Harbor (110) & the Santa Monica (10) Freeways provides ready access to the beaches in Santa Monica, Venice and Malibu.

The Hollywood Dell is a residential neighborhood located in the Hollywood HIlls section of Los Angeles. This area sits in the hills just above the commercial and tourist popular parts of Hollywood, giving tenants some peace and quiet while also having easy access to urban amenities such as bars, restaurants, comedy clubs and shopping.

Typical residences in the Hollywood Dell are single family houses with a heavy influence of Spanish Colonial Revival Style architecture.

DEMOGRAPHICS



POPULATION	0.25 MILES	0.5 MILES	1 MILE
TOTAL POPULATION	4,841	13,417	42,718
MEDIAN AGE	33.9	36.8	37.6
MEDIAN AGE (MALE)	35.5	39.4	38.8
MEDIAN AGE (FEMALE)	31.3	35.1	37.4

HOUSEHOLDS & INCOME	0.25 MILES	0.5 MILES	1 MILE
TOTAL HOUSEHOLDS	2,681	7,952	24,937
# OF PERSONS PER HH	1.8	1.7	1.7
AVERAGE HH INCOME	$84,205	$83,194	$102,469
AVERAGE HOUSE VALUE	$1,936,075	$1,858,978	$1,470,221

For more information, please contact one of the following individuals:

MARKET ADVISORS

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