

**8930-8934 STATE ST**

**3-TENANT RETAIL**

**SOUTH GATE, CA 90280**



**KW** COMMERCIAL<sup>SM</sup>

**OFFERING MEMORANDUM**

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**CA BRE License No: 01216376**



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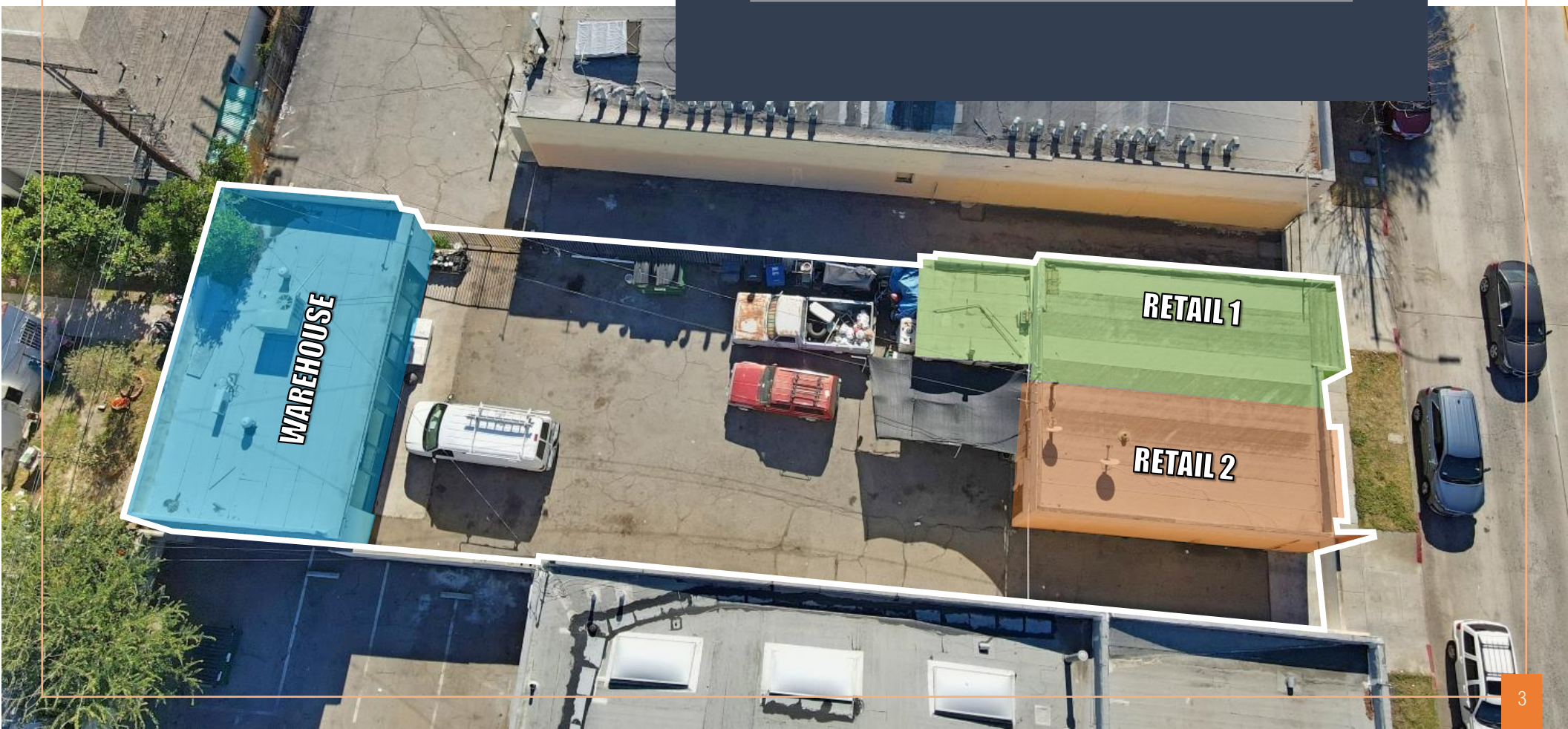


# PROPERTY

## *Summary*

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ADDRESS	8930-8934 State St, South Gate, CA 90280
LIST PRICE	\$648,000
PARCEL #	6210-026-038
BUILDING AREA ±	2,020
YEAR BUILT	1946
LAND AREA ±	5,589
ZONING	Zoning: NM = Neighborhood Medium



# Property Overview

We are pleased to present a 3-unit retail & warehouse property, located in the City of South Gate on State Street near the large signalized intersection of State Street and Firestone Boulevard. This property presents a rare opportunity to purchase an affordable multi-tenant property that will allow an owner-user to occupy one of the suites and rent out the rest of the units to generate income.

The property is approximately 2,030 square feet in size and is situated on nearly 5,600 square foot of land. Each unit is between 600 to 700 square feet, with two retail storefronts units in the front and an office-warehouse unit in the back. There is a driveway which leads from State Street to the parking lot in the rear.

At the present time, the property has one retail unit and the rear workshop unit occupied. All of the tenants are on a month-to-month or short term lease and are enjoying below market rents. We ask that you do not disturb the tenants and contact the Listing Agent for additional details.

- A 3-Unit Retail & Warehouse Property
- Affordable Three Unit Property
- Includes Private Parking Lot with Entrance from State St
- Centrally Located Near Firestone Boulevard
- All Tenants are on Month to Month
- One Vacant Unit Ready to Occupy



# PRICING

## Summary

PRICING SUMMARY	CURRENT	PROFORMA
<b>LIST PRICE</b>	<b>\$648,000</b>	<b>\$648,000</b>
Net Operating Income	\$ 20,330	\$37,629
Cap Rate	3.14%	5.81%
Building Size	2,030	2,030
Lot Size	5,589	5,589
Price Per Square Foot (Building)	\$319	\$319
Price Per Square Foot (Lot)	\$116	\$116

### PROPOSED FINANCING

Down Payment	55%	\$356,400	\$356,400
Loan Balance		\$291,600	\$291,600

Interest Rate		4.50%	4.50%
Term (Years)		25	25
Loan Due (Years)		5	5

Mortgage (Annual)		\$19,665	\$19,665
Mortgage (Monthly)		\$1,639	\$1,639

Cash on Cash Return	0.2%	\$664	\$17,964
Return on Investment		0.23%	5.04%
Debt Coverage Ratio		1.03	1.9

[1] Building and Lot sizes have not been verified by Agent or Seller. Buyer to conduct its own investigation.

[2] Proposed Financing may be substantially different or unavailable to Buyer.



# Operating Statement

	CURRENT	PROFORMA
Revenue		
<b>Scheduled Gross Income</b>	<b>\$30,600</b>	<b>\$50,400</b>
Vacancy Factor	\$0 0.00%	-\$2,520 5.00%
Total Gross Rental Income	\$30,600	\$47,880
<b>OPERATING EXPENSES</b>		
Real Estate Taxes (Estimated Tax Rate 1.2%)	\$7,970 1.23%	\$7,951 1.23%
Insurance	\$1,500	\$1,500
Utilities: Electric (Tenants pay directly - Separately Metered)	\$0	\$0
Utilities: Water (Tenants split the water bill)	\$0	\$0
Utilities: Gas	\$0	
Trash (Tenants split the Trash bill)	\$0	\$0
Repairs & Maintenance	\$800	\$800
Total Operating Expenses	\$10,270	\$10,251
Expense Ratio (% of EGI)	34%	21%
Expense PPSF	\$5	\$5
<b>NET OPERATING INCOME</b>	<b>\$20,330</b>	<b>\$37,629</b>

[1] Some expenses are estimates.

[2] Real Estate taxes assume a 1.23% tax rate.

[3] Buyer should conduct his/her own investigation prior to purchasing.

# PROPERTY

## Rent Roll

		Square	% of	Lease Term		CURRENT RENT		CURRENT		PROFORMA RENT		PROFORMA
Suite	Tenant	Feet	Property	Begin	End	Monthly	PSF	LEASE TYPE		Monthly	PSF	RENT TYPE
FRONT RETAIL UNITS												
8932	Vacant	700	34%	-	-	-	-	Gross		\$1,450	\$2.07	Gross
8934	Herbalife Sales	600	30%	07/01/10	MTM	\$1,150	\$1.92	Gross		\$1,250	\$2.08	Gross
REAR OFFICE-WAREHOUSE UNIT												
8930	Contractor's Office Warehouse (Back Unit)	720	35%	11/01/20	MTM	\$1,400	\$1.94	Gross		\$1,500	\$2.08	Gross
Totals/Averages		2,020	100%		Monthly	\$2,550	\$1.93			\$4,200	\$2.08	
Occupied		2,020	100%		Annual	\$30,600				\$50,400		
Vacant		0	0%									



DOWNTOWN LA



HUNTINGTON PARK

Firestone Handwash

LA Smiles



Chinafood Express

Pure Waterland

Un Dollar Store

L.A. Auto Emporium

Marlena's

State Motel

FIRESTONE BLVD



El Sombrero Azul

State Dental

STATE STREET

Sparklean Laundry







El Super  
cuesta menos

76

Chinafood Express  
Pure Waterland  
Un Dollar Store

Zeny Pet Grooming

Maloney Meat Co.

La Playita Auto

South Gate  
High School

Chevron

UNITED STATES  
POSTAL SERVICE

FIRESTONE BLVD

STATE STREET

El Saborero Azul

State Dental

Sparkle LAUNDRY  
HOME OF THE FREE WASH

3-UNIT RETAIL & WAREHOUSE | SOUTH GATE











# SOUTH GATE

Located in the heart of the Los Angeles Metropolitan Area, the City of South Gate is a busy, urban community consisting of residential, commercial, and industrial development spread over 7.4 square miles. It currently ranks as the 73rd largest city in California and 17th largest in Los Angeles County with a population of 98,633. South Gate is known for its outstanding city services, remarkable parks and recreation facilities, and family-friendly environment.

*South Gate is the seventeenth largest city in Los Angeles County, California, with 7.4 square miles (19 km<sup>2</sup>). South Gate is located 7 miles (11 km) southeast of Downtown Los Angeles. It is part of the Gateway Cities region of southeastern Los Angeles County. As of the 2010 census, the city had a population of 94,396.*





# Location

## *Snapshot*

### AREA ACCESSIBILITY

Incorporated on January 20, 1923, the city is strategically located along the 710 Freeway with close access to the 105 Freeway. South Gate is 20 miles north of the Ports of Los Angeles and Long Beach, 7 miles south of downtown Los Angeles, and 13 miles east of the Los Angeles International Airport, making it an ideal location for residents in the Los Angeles County area, and a main thoroughfare for regional, national, and global transportation and trade for businesses.

### SOUTH GATE'S COMMERCIAL ACTIVITY IS CONCENTRATED IN THE FOLLOWING ZONES:

- Tweedy Mile (on Tweedy Blvd. from Alameda St to Atlantic Ave.)
- Firestone Blvd. (from Alameda St. to Garfield Ave.)
- El Paseo (Corner of Firestone Blvd. and Garfield Ave.)
- Hollydale (on Garfield Ave. from I-105 to Imperial Hwy.)

### NEIGHBORHOOD HIGHLIGHTS

- An affordable option: South Gate's plentiful stock of modest yet sturdy single-family homes makes it one of the last bastions of affordability in the L.A. basin.
- A working suburb: With more than 24,000 jobs within the city limits, South Gate offers solid employment opportunities without a long commute.
- Planning for the future: With a light-rail line coming within the next 10 years, and redevelopment of historic Tweedy Boulevard in the works, South Gate is actively working to modernize its infrastructure.

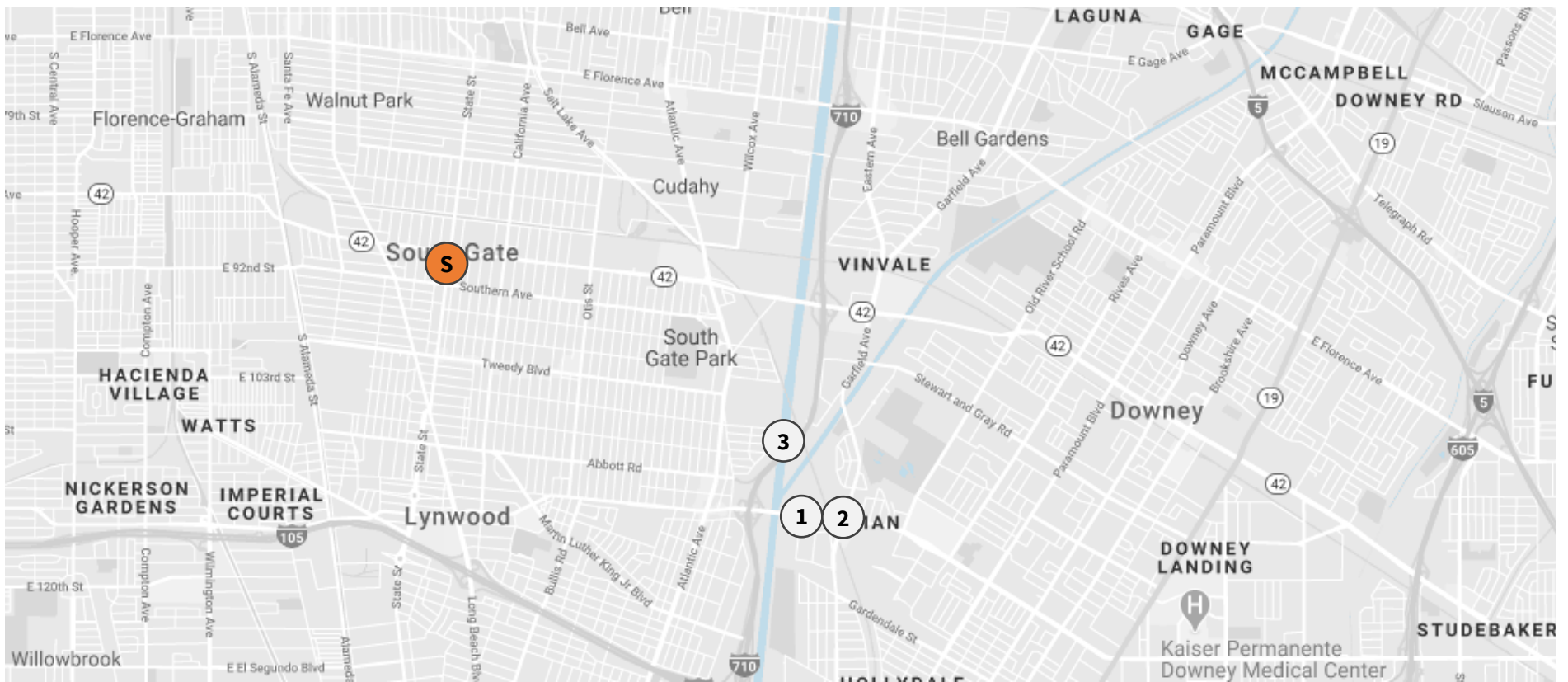




# SOUTH GATE

## *Developments*

LOCATION	DESCRIPTION
1 <b>5610 Imperial Highway</b>	5610 Imperial Highway, will consist of a four-story building featuring 60 studio and one-bedroom apartments reserved for veterans and formerly homeless persons with chronic health conditions. The apartments will offer rents considered affordable to households earning between 30 and 60 percent of the area median income.
2 <b>Imperial Highway and Garfield Avenue</b>	Plans call for a four-story edifice containing 244 one-, two-, and three-bedroom apartments, wrapping around a 458-car parking structure. Planned on-site amenities include a pool deck, a dog run, and two courtyards.
3 <b>Los Angeles River Adjacent</b>	The Urban Orchard Project, described as a passive recreation area, would span a linear 30-acre site on the River's east bank - running 1.1 miles between Firestone Boulevard in the north and the Rio Hondo Channel in the south.





# COMMUNITY

## *Amenities*

### HIGHWAYS

- Interstate 710
- Imperial Highway

### BUSES

- South Gate is served by Metro Local and Metro Rapid buses. The City of South Gate operates the Get Around Town Express (GATE) to provide local service.

### CITY PARKS

- South Gate Park covers a total of 96.8 acres and is the largest park within the city limits. This park is used to carry out most of the Parks and Recreation Department's community programs. There are a total of six different facilities at this park, some of which can be rented out for a variety of events. These facilities include the Municipal Auditorium, Girls Club House, 9 hole Par 3 Golf Course, Senior Recreation Center, Swim Stadium, and Sports Center. The site also features athletic fields, outdoor basketball courts, two playgrounds, tennis courts, a skate park, several shaded areas for picnics, and a Jr. Hockey Rink.

### FRESH FARMERS MARKET MONDAY

- Every Monday without fail, several trucks and food stands make their way onto the park district premises of South Gate park to hold a fresh market fair. Here one can find many sorts of fresh food products, from fresh produce to flowers for putting in one's garden to culturally diverse products that one might not find in a regular local grocery store.

### TWEEDY MILE FAIR

- From general retail establishments, to specialty and chain restaurants, cyber cafes, video entertainment, beauty salons, sportswear, gymnasiums, financial, law, and medical services, Tweedy Mile offers a wide range of products and services for everyone. The fair attracts over 250,000 visitors from the Los Angeles County South East communities. Working with city authorities TMA strives to develop a healthy commercial mix in the area by providing a safe family-friendly shopping, and an enjoyable cultural experience. TMA in cooperation with the City of South Gate produces the Annual Street Fair, organizes merchant's sidewalk sales, and provides community programs such as art and signing contests, Halloween and Christmas celebrations.

### CONCERTS IN THE PARK

- Located at South Gate Park Bandstand concerts in the park are free to the public. They are held every Friday at 6pm and range from Mariachi to Reggae. This is a great place for families and friends to gather together to relax on the grass in such a beautiful environment. Held by Parks and Recreation department these concerts are fun for all.

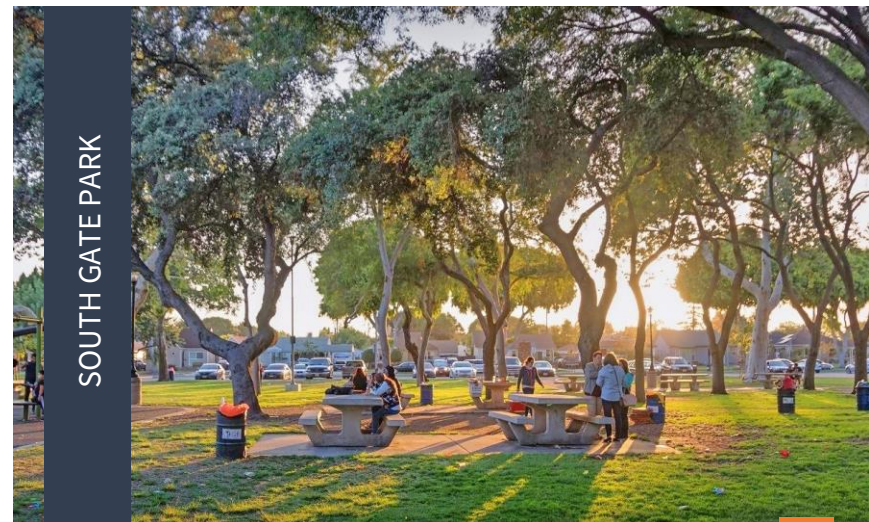
FARMER'S MARKET



TWEEDY MILE FAIR



SOUTH GATE PARK







UNIVERSITY PARK

Unive  
of Southern  
California

Natural History  
Museum of Los...



EXPOSITION PARK CALIFORNIA

CAAM



VERMONT HARBOR

SOUTH PARK

SOUTH LOS ANGELES

CENTRAL ALAMEDA

Vernon

BOYLE HEIGHTS

East Los Angeles

Huntington Park

Walnut Park

Bell Gardens

Lynwood

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