



AMERICAN APARTMENTS

303 S. HEWITT ST
LOS ANGELES, CA 90013

OFFERING MEMORANDUM

| THG | THE HARRIS GROUP





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THG

Wurstküche





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STAPLES CENTER

STAPLES Center

NOKIA
Theatre
LA LIVE

NOKIA

STAPLES

Center

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| Executive Summary |

THE OFFERING

The Harris Group, as the exclusive listing agent, is pleased to present the opportunity to acquire The American Apartments, a mixed-use asset located in the Arts District in Downtown Los Angeles, California. The project was constructed in 1906 and includes one building, with 47 units totaling 11,400 rentable square feet. The asset also includes 3 retail tenants, totaling 4,400 square feet on the ground floor. The rental units are comprised of 37 single occupancy and 10 double occupancy units on the 2nd, 3rd and 4th floors.

The asset is located in the vibrant Arts District in Downtown Los Angeles, California. It borders roughly Alameda Street on the West, the 101 Freeway to the North, the LA River to the East and 7th Street to the South. The city of Los Angeles passed its "Artist in Residence" or "AIR" ordinance in 1981 which allowed residential use of formerly industrial buildings. These buildings became popular within the Los Angeles Art Community in the 1970s and artists began buying and renting the buildings to use as art lofts. The popularity of the neighborhood started attracting more affluent residents looking for the "artist lifestyle". New residential developments have brought new residents, many of whom are young professionals, to the area.



OFFERING SUMMARY

AMERICAN APARTMENTS	
Price:	\$4,000,000
Address:	303 S Hewitt St, Los Angeles, CA
APN(S):	5163-012-007
Number of Units:	47
Number of Retail Tenants:	3
Gross Square Footage:	21,938
Retail Square Footage:	5,700
Year Built	1906
Zoning:	LAM3
Lot Size (Acres):	.1377
Number of Buildings:	1
Number of Stories:	4
Construction:	Four Story Structural Brick Building With Extensive Seismic Reinforcements, Concrete Slab Foundation and Flat Composition Built-Up Roofing
Frontage:	51.1' x 117.6' (Approximately)
Topography:	Level and on Street Grade
Building Description:	The Ground Floor Has Three Retail Spaces and Floors 2, 3, and 4 Have 39 Single Apartment Units, 7 Double Apartment Units and 1 Laundry Room
Street Description:	The Property is Located on the NE Corner of Hewitt Street and Traction Avenue. Hewitt Street is a 50-foot Wide Secondary Street in the North/South Direction and Runs Between Traction and E 4th Place. Hewitt Street Provides One Lane in Either Direction. Traction Avenue is Approximately 70-feet Wide and Provides One Lane in Either Direction. Street Parking is Available on Both Sides of Each Street. Street Improvements Near the Subject Consist of Asphalt Paving, Concrete Curbs, Gutters, Sidewalks and Streetlights
Site Access:	There is No Vehicular Access to the Subject Site
SRO:	The Residential Hotel Preservation Ordinance (RHPO) of May 2008 Preserves the Single Room Occupancy (SRO) Nature of the Property



OFFERING SUMMARY TERMS

INTEREST OFFERED

100% fee simple interest in American Apartments, a 47-unit & 3 retail space, 21,938 gross square foot, mixed-use asset located at 303 S Hewitt St, Los Angeles, CA 90013.

OFFERING PRICE

\$4,000,000

TERMS OF THE SALE

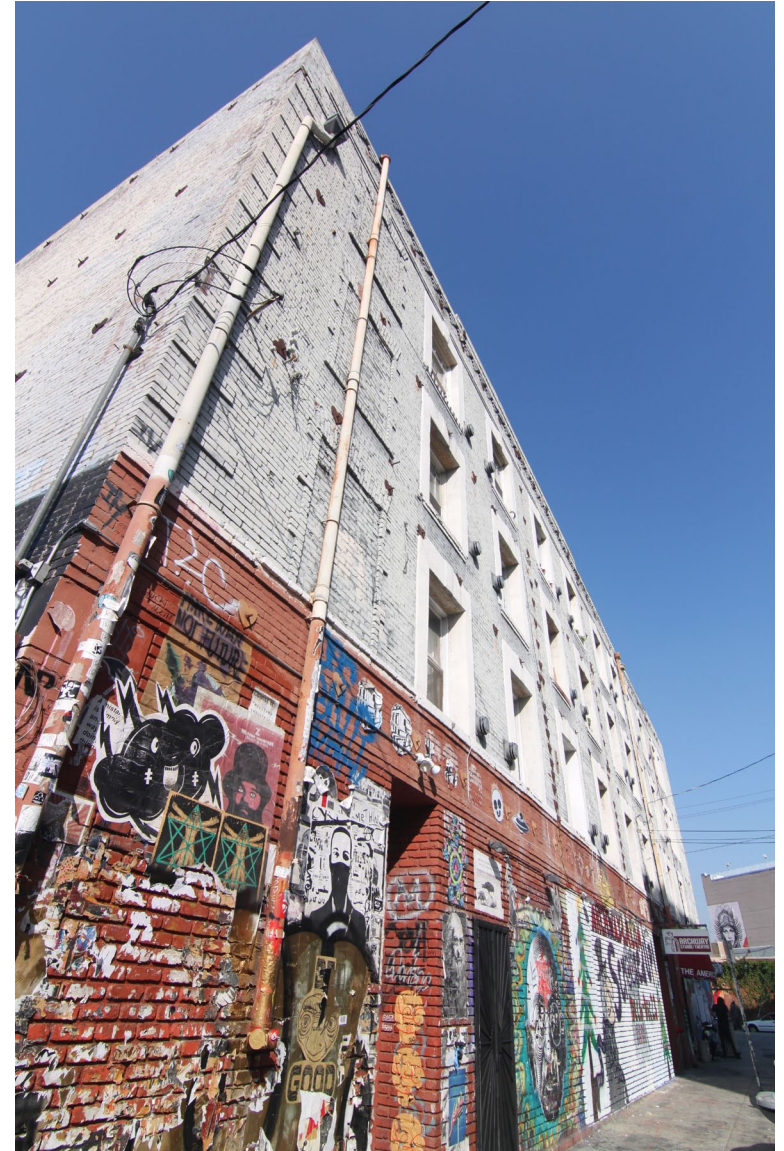
The property is being offered free and clear

OFFER DEADLINE

To be determined

PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting offers. Please do not contact the on-site management or staff without prior approval. All property tours must be coordinated through the listing team.



INVESTMENT HIGHLIGHTS

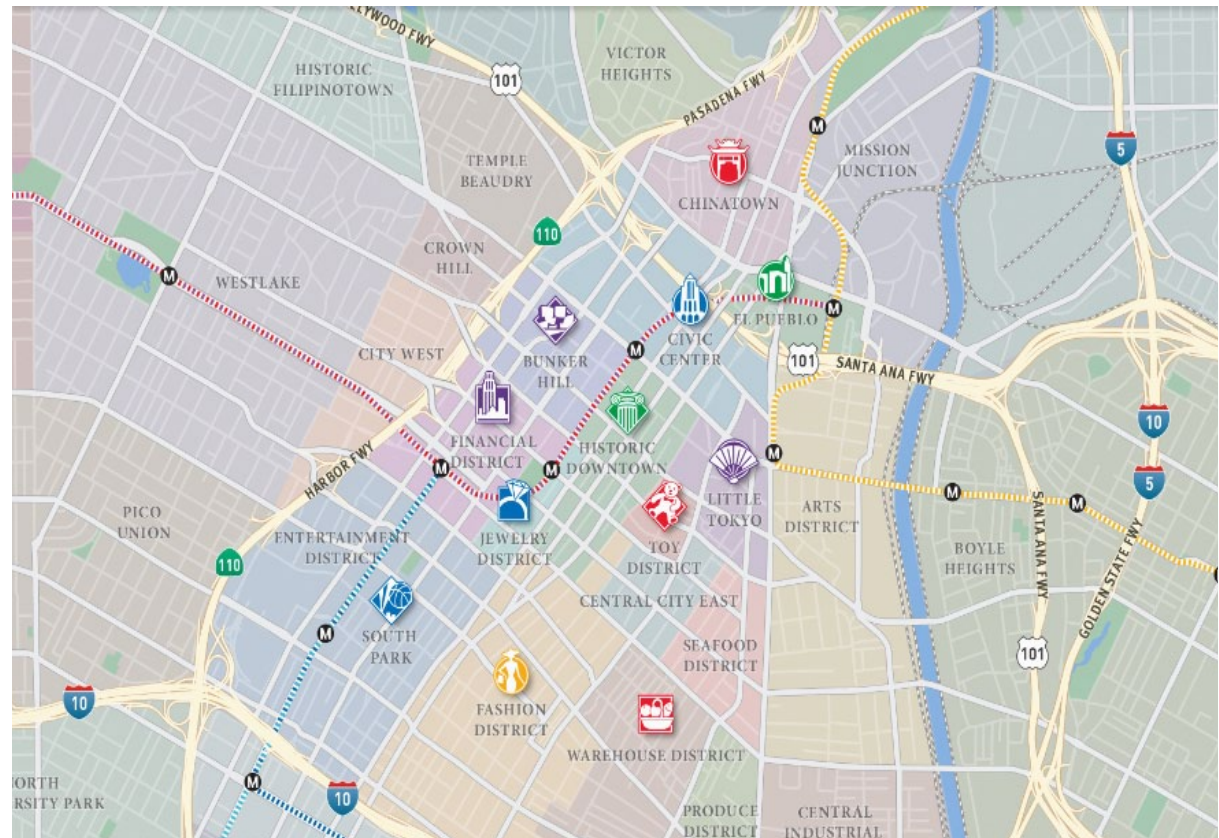
- Located in the Newly Gentrified Arts District in Downtown Los Angeles
- Across the Street From Downtown Los Angeles' Renowned Restaurant Wurstküche
- Built in Residential Demand Exists with Approximately 500 Students and 80 Faculty Members at Southern California Institute of Architecture Located at Santa Fe Ave, Approximately 0.3 Miles From the Property
- Future Residential Demand Will Come From "La Kretz Innovation Campus", a New Development Located in the Clean Tech Corridor in the Arts District, Expected to Open in Summer 2013 and Add Approximately 1,600 New Jobs Over the Next Five Years
- Within 2 Miles from Staples Center, L.A Live, Walt Disney Concert Hall and the Museum of Contemporary Art (MOCA)
- Closely Located to Different Educational Facilities Including Southern California Institute of Architecture (SCI-Arc), University of Southern California (USC), University of California Los Angeles (UCLA), Loyola Law School, The Fashion Institute of Design and Merchandising (FIDM)
- Located Near Southern California's Largest Concentration of Class A Office Towers With More Than 30 Million Square Feet of Premier Office Space
- Easy Access to the Hollywood Freeway (101), Santa Monica Freeway (10) and the Harbor Freeway (110)



LOCATION OVERVIEW

Downtown Los Angeles is the Central Business District of Los Angeles, California, which is the nation's second largest city. In 1999, the Los Angeles City Council passed an adaptive reuse ordinance, making it easier for developers to convert outmoded, vacant office and commercial buildings into renovated lofts and luxury apartment and condo complexes.

Downtown Los Angeles features many of the city's major arts institutions and sports facilities, sightseeing opportunities, a variety of skyscrapers and associated large multinational corporations and an array of public art and unique shopping opportunities. It features more than 200 restaurants, 24 hotels, 9 museums and 8 performing art venues. The area is also recognized for its world-class destinations including Walt Disney Concert Hall, Staples Center, L.A. Live, The Museum of Contemporary Art, Pershing Square, Exposition Park and Dodger Stadium.



AREA AMENITIES

Walt Disney Concert Hall (1.0 miles from subject) – Bounded by Hope Street, Grand Avenue and 1st and 2nd Streets, it seats 2,265 people and serves as the home of the Los Angeles Philharmonic orchestra and the Los Angeles Master Chorale. The Frank Gehry designed building opened on October 24, 2003.

Orpheum Theatre (1.1 miles from subject) – Located on Broadway in Downtown Los Angeles, The Orpheum Theatre opened in 1926 as the fourth and final Los Angeles venue for the Orpheum vaudeville circuit. The Orpheum Theatre is one of Los Angeles' most venerable landmarks. This venue has hosted an array of theatrical productions, religious events, concerts, weddings, film festivals, seminars, private parties, variety shows, award shows, movie shoots, music video shoots, television shows including "American Idol" and commercial shoots.

Chinatown (1.4 miles from subject)– Bounded by Broadway, Spring Street and Hill Street, Chinatown is located directly north of Downtown Los Angeles, between Dodger Stadium and the Los Angeles Civic Center. Chinatown offers a myriad of bustling courtyards, alleyways, plaza stalls, art galleries and antique stores.

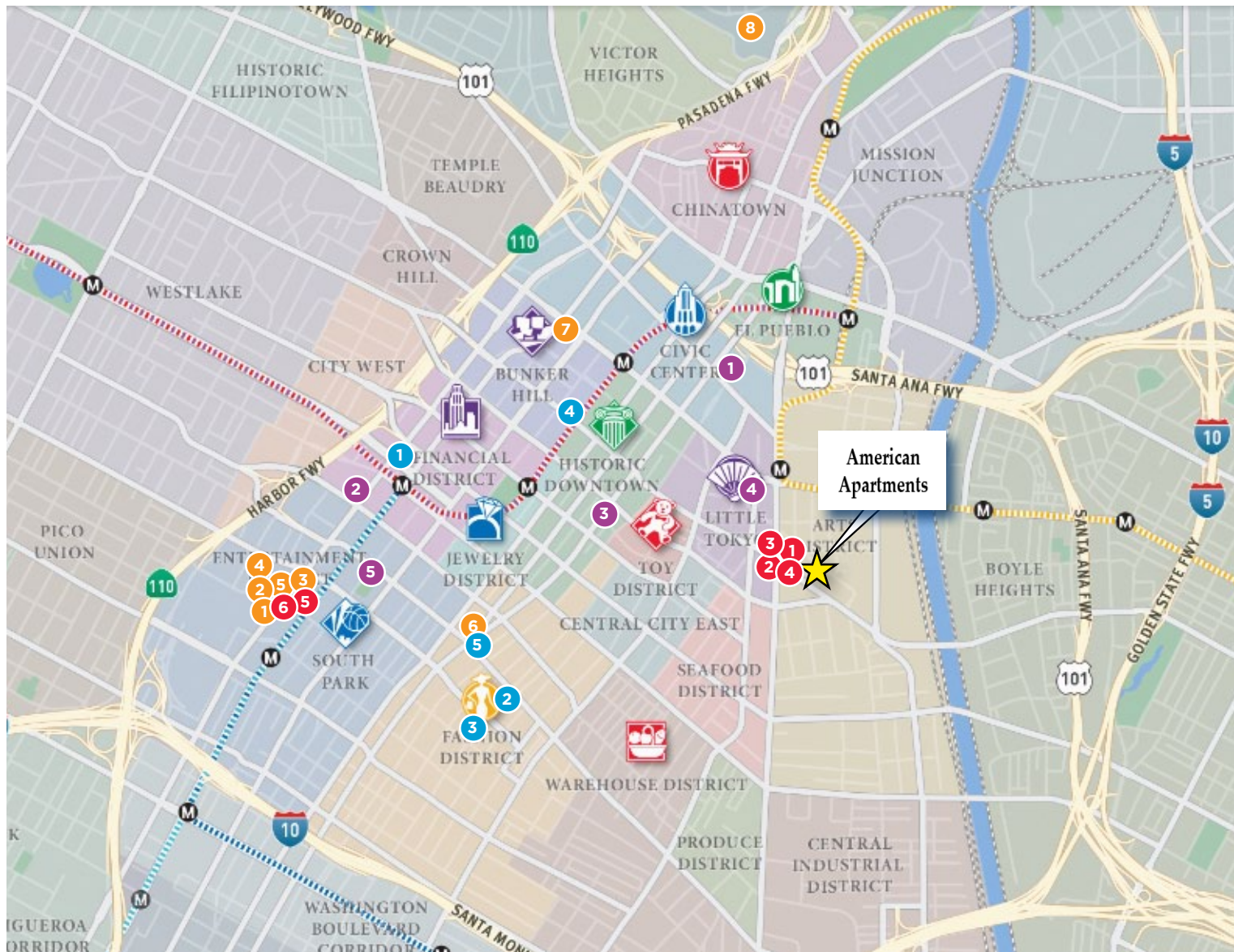
Staples Center (1.8 miles from subject)– Staples Center is a multi-purpose sports arena located in Downtown Los Angeles. It is located next to the Los Angeles Convention Center complex along Figueroa Street. The arena is home to the Los Angeles Lakers and the Los Angeles Clippers of the National Basketball Association, the Los Angeles Kings of the National Hockey League, the Los Angeles Sparks of the Women's National Basketball Association. Staples Center hosts over 250 events and nearly 4,000,000 guests a year.

L.A. Live (1.8 miles from subject) – L.A. Live is an entertainment complex in downtown Los Angeles adjacent to the Staples Center that features sports and music venues, night clubs, restaurants, a bowling alley, museum and movie theatres. L.A. Live is the premier destination for live entertainment in Downtown Los Angeles.



Staples Center, Nokia Theatre, L.A. Live

AREA AMENITIES MAP



DINING/RESTAURANTS

- 1 Wurstküche
- 2 Honda Ya Izakaya
- 3 Manna Korean BBQ
- 4 Urth Cafe
- 5 Rivera
- 6 Mastro's Steakhouse

GROCERY/DRUGSTORES

- 1 CVS
- 2 Target
- 3 Rite Aid
- 4 Nijiya Market
- 5 Ralphs

RETAIL/SHOPPING CENTERS

- 1 Macy's Plaza
- 2 Fashion District
- 3 Santee Alley
- 4 Grand Central Market
- 5 California Market Center

ENTERTAINMENT

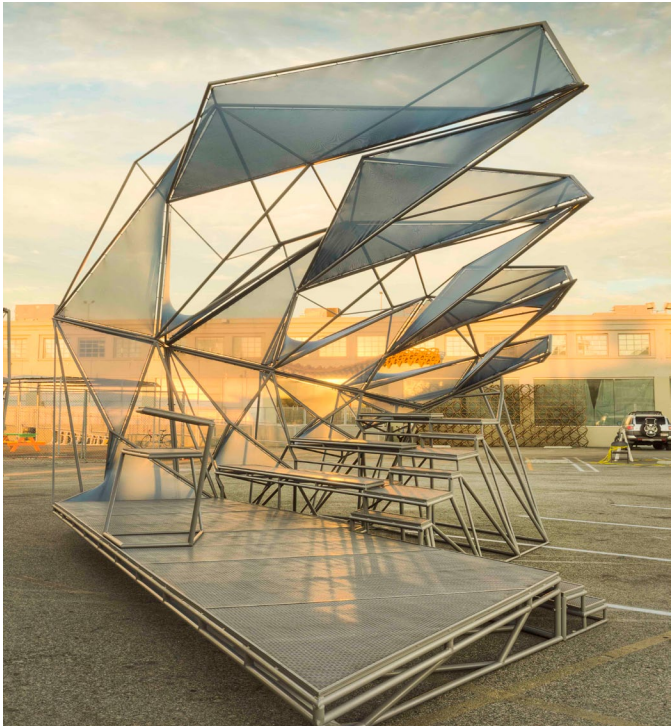
- 1 Staples Center
- 2 Nokia Theatre
- 3 LA Live
- 4 Lucky Strike Bowling
- 5 Regal Theatres
- 6 Orpheum Theatre
- 7 Walt Disney Concert Hall

ARTS DISTRICT SUBMARKET OVERVIEW

The site is located in the Downtown Los Angeles Arts District, which occupies the eastern side of Downtown Los Angeles. It consists of approximately 53 blocks between Alameda Street on the West, the 101 Freeway on the North, the Los Angeles River on the East, and 7th Street on the South. The freeway and river provide natural boundaries and the West side of the District shares a boundary with the Downtown Industrial District BID and the Little Tokyo BID. The properties South of the District are primarily used for industrial purposes.

This area is sometimes referred to as the “Artist” or “Artist’s District” on official City of Los Angeles signs. The Arts District is home to a major rail yard, cold storage, warehouses, food processing, furniture and fashion design/manufacturing, personal storage, government facilities, and film locations. It is also home to thousands of artists and their live/work spaces that support creative entrepreneurial business and non-profits. It also boasts a variety of eclectic retail shops and galleries, the internationally acclaimed Southern California Institute of Architecture (SCI-Arc) and the Los Angeles offices of the Daily Journal, California’s Legal daily newspaper.

ARTS DISTRICT FACTS	
Number of Employees	5,322
Number of Businesses	398
Number of Property Owners	200
Acres	320
Annual Sales	\$611,000,000



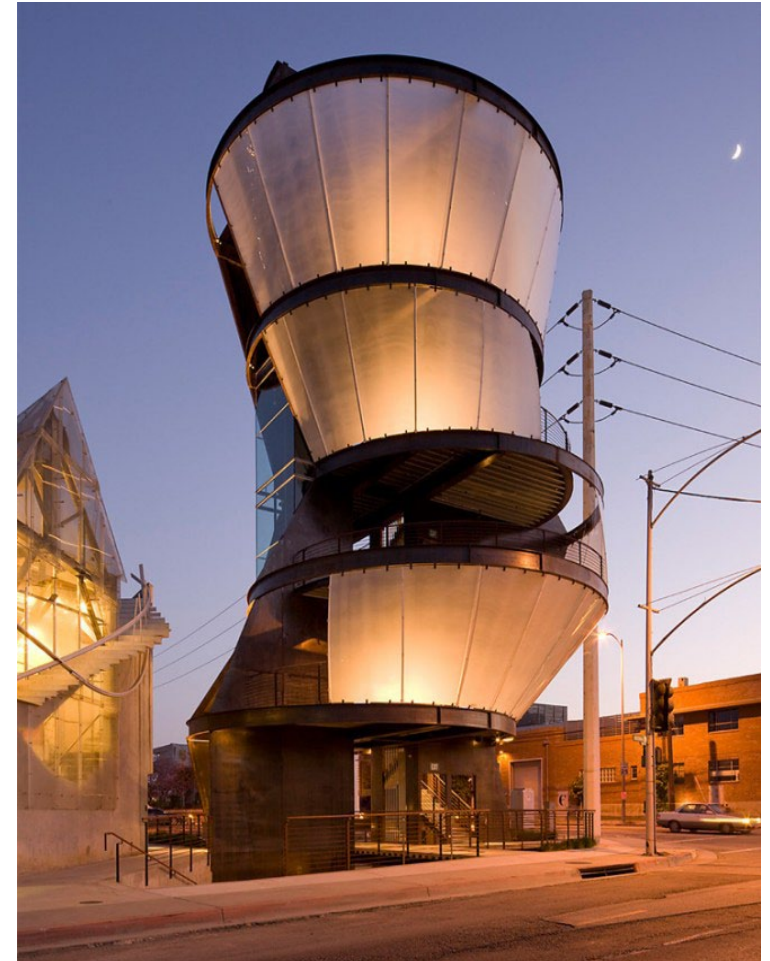
SCI- Arc



Arts District - Los Angeles

ARTS DISTRICT SUPPLY PIPELINE

NUMBER	PROJECT	TOTAL UNITS	YEAR BUILT
1	120 S Vignes	20	1990
2	201 S Santa Fe	17	1990
3	415 Molino St	10	1991
4	800 Traction Ave	21	1990
5	819 E 3rd St	10	1990
6	811-815 Traction Ave	10	1990
7	821 Traction Ave	10	1990
8	900 E 1st St	50	1990
9	912 E 3rd St	30	1990
10	923 E 3rd St	35	1990
11	929 E 2nd St	14	1990
12	American Apartments	39	1990
13	Artisan on Second	118	2008
14	Brick Lofts	21	2010
15	Center Street Lofts	30	1990
16	Factory Place Arts Complex	180	2009
17	Factory Place Lofts	80	2004
18	Hewitt Street Lofts	39	1990
19	Loft 726	22	2006
20	Seaton & Fifth Building	9	1990
TOTAL CURRENT INVENTORY		765	
21	Seven and Bridge	78	EOY 2012
23	One Santa Fe	438	EOY 2015
TOTAL FUTURE INVENTORY		516	
TOTAL INVENTORY		1,281	



ARTS DISTRICT - NEW DEVELOPMENT



THE LEKRETZ INNOVATION CAMPUS	
Type	Education / Incubator
Location	Clean Tech Corridor
Size	60,000 Sq. Ft



ONE SANTA FE	
Type	Mixed-Use Project
Location	Santa Fe Ave / 1st & 4th St
Size	50,000 Sq. Ft. Outdoor Space, 78,620 Sq.Ft. Office & Retail, 15,000 Sq.Ft Grocery Store, 438 Apartments



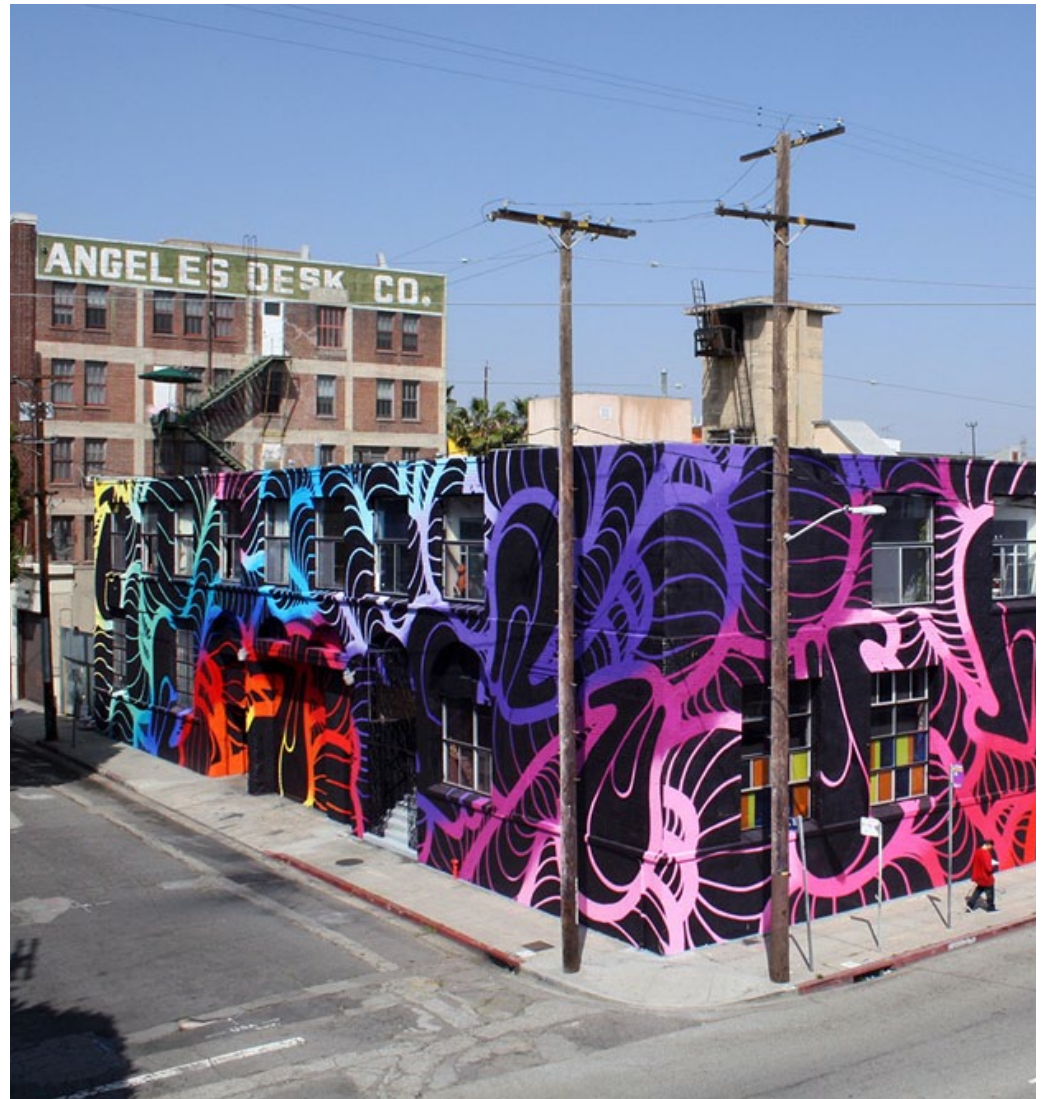
7+ BRIDGE LOFTS	
Type	Residential Apartment
Location	2121 E. 7th Place
Size	78 units



| Single Residence Occupancy |

SINGLE RESIDENCE OCCUPANCY

- In 2005, the City of Los Angeles adopted an Interim Control Ordinance to stop the conversion of SROs to market-rate housing
- SROs provide a needed source of affordable housing to low-income residents
- The Residential Hotel Unit Conversion and Demolition Ordinance provides, citywide, that the conversion or demolition of a Residential Hotel, or any new development on the site of a destroyed or demolished Residential Hotel, shall not be approved until the LA Housing Department approves an application for clearance filed by the owner
- Applicable Provisions of the Conversion Ordinance:
 - Any building containing 6 or more guest rooms or efficiency units, intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by guests, and which is also the primary residence of those guests
 - Conversion Ordinance prohibits the conversion or demolition of a Residential Hotel, or any new development on the site of a destroyed or demolished Residential Hotel until LAHD has approved an application for clearance
 - To Seek clearance to convert an SRO designated property, the owner must file an Application for Clearance with the LAHD. Application for Clearance must contain the following information: (1) Legal and mailing address of the SRO; (2) the names and addresses of all owners or operations of the SRO; (3) the names of all tenants in the SRO; (4) the total number of units in the SRO and the current uses; (5) the current rental rates for the SRO; and (6) the length of tenancy of the tenants affected



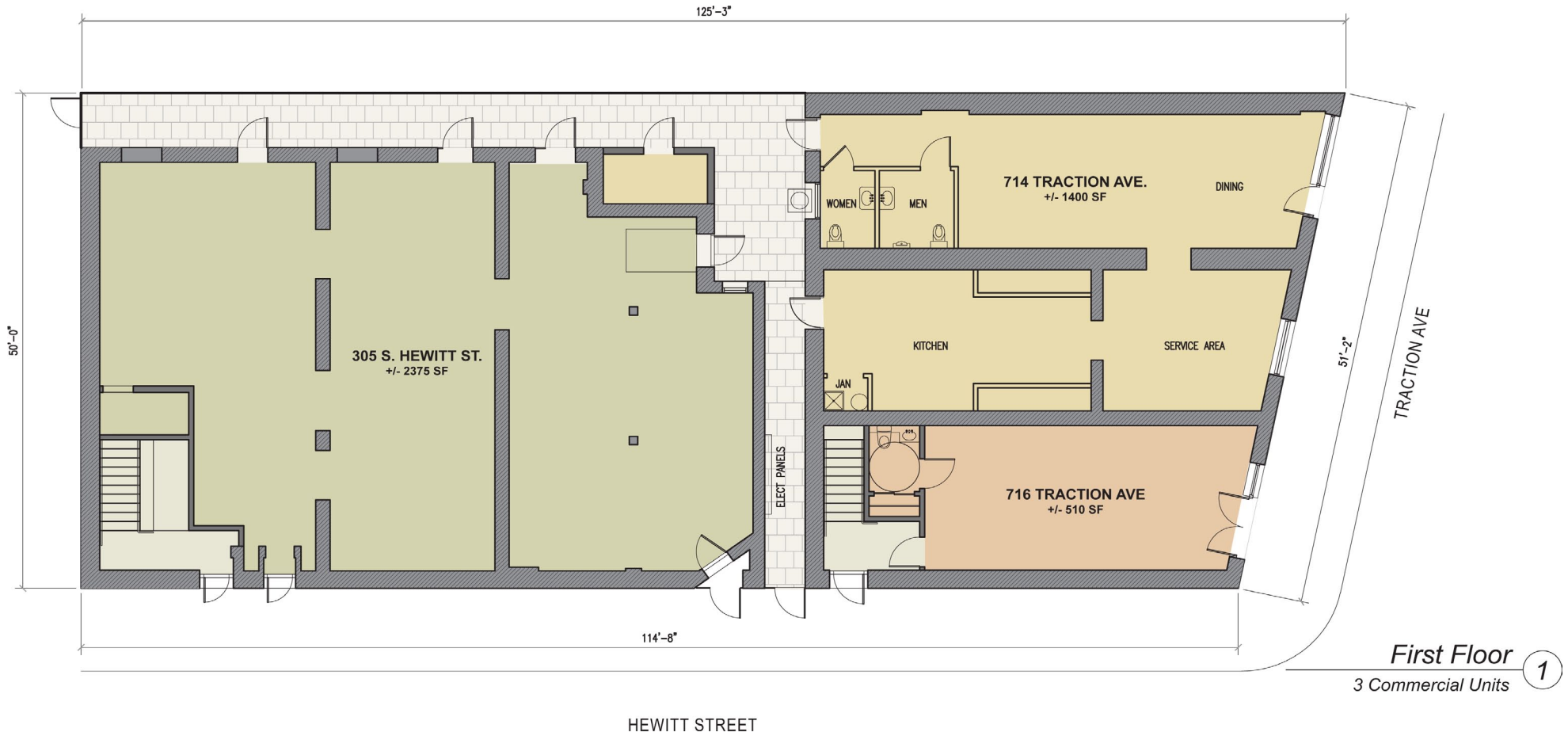
| Micro Lofts Concepts + Plans |

MICRO LOFTS

A redevelopment into a Micro Loft concept while maintaining the existing SRO designation could create further value to an investor. There are currently no specific restrictions within SRO guidelines to the level of upgrades allowed. Therefore an investment of approximately 15,000 per unit to redevelop into micro lofts is conservatively projected to increase rents by 45%. As such, the return on cost for this investment is approximately 20% and value creation of approximately \$2MM assuming a 6% capitalization rate.



MICRO LOFTS - PLAN (FLOOR 1)



MICRO LOFTS - PLAN (FLOORS 2-4)



Floors 2-4
13 Units Per Floor / 39 Total

1

MICRO LOFTS CONCEPTS



MICRO LOFTS CONCEPTS

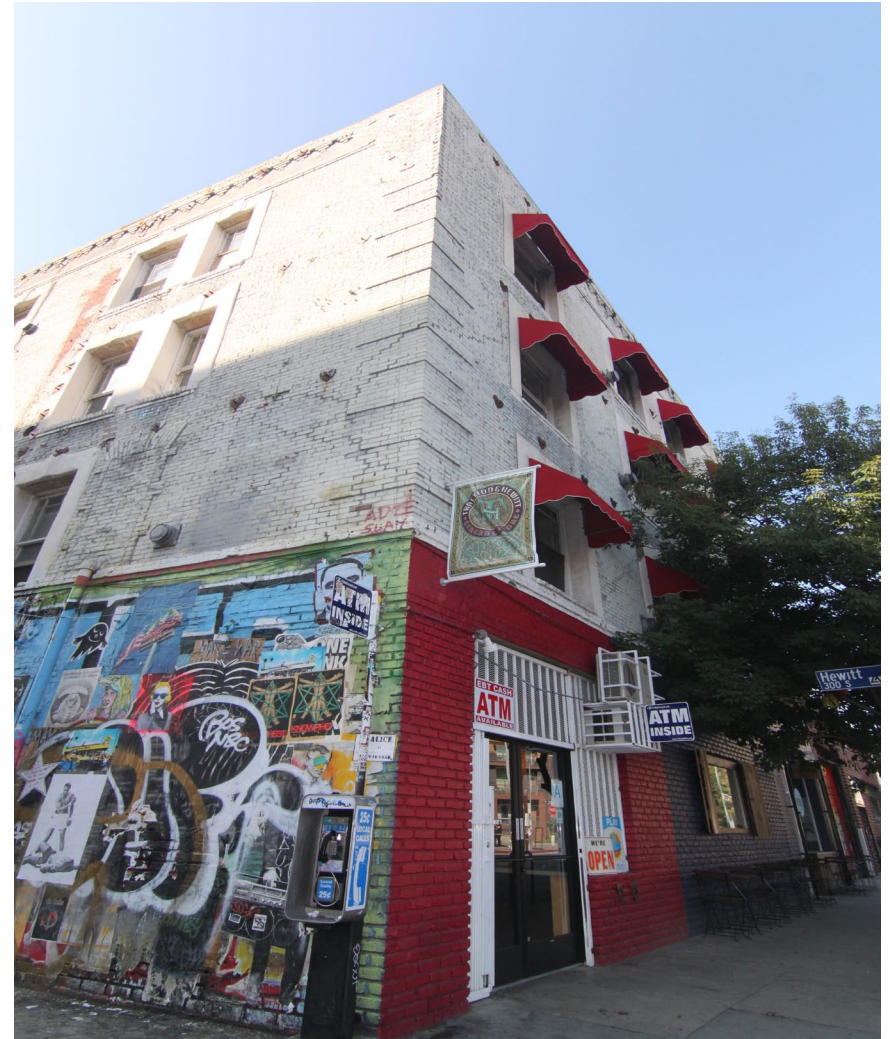


*Photos represent conceptual layouts, not actual drawings/plans

| Financial Analysis - Existing SRO |

FINANCIAL SUMMARY

PROPERTY DESCRIPTION	
Property	American Apartments
Property Address	303 S. Hewitt St, Los Angeles, CA
Number of Units	47
Total Gross Square Footage	21,938
Net Rentable Area (Apartments & Retail)	15,800
Year Built	1906
PRICING	
Sales Price	\$4,000,000
PROJECTED INCOME	
Current NOI	\$174,734
Market NOI (Partial Renovation)	\$230,818



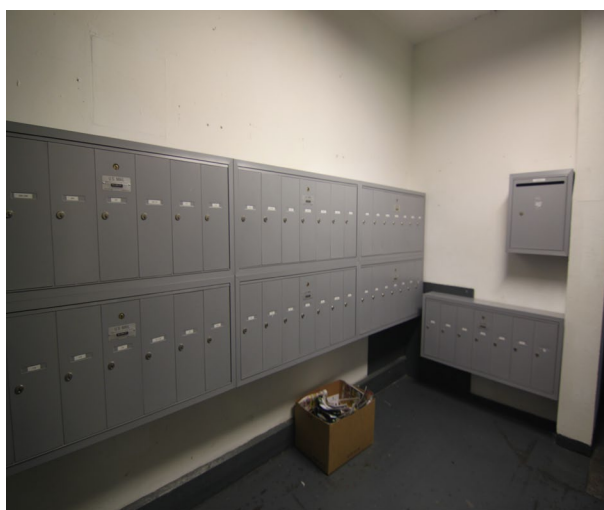
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APARTMENT UNIT MIX

Number of Units	Unit Type	Approx. Sq. Ft.	Current Rental Range			Average Rent	Average Rent per SF	Monthly Income	Market Rent (Partial Renovation)	Market Rent per SF	Monthly Income
37	Single Ocpncy	200	\$290	-	\$500	\$448	\$2.24	\$16,582	\$500	\$2.52	\$18,000
10	Double Ocpncy	400	\$472	-	\$750	\$645	\$1.61	\$6,452	\$770	\$1.75	\$7,700
47	Total/Avg	251				\$490	\$2.02	\$23,034	\$543	\$2.24	\$25,500

RETAIL UNIT MIX

Tenant Name	Approx. Sq. Ft.	Lease Start	Lease Expire	Average Rent	Average Rent per SF	Monthly Income	Market Rent (Partial Renovation)	Market Rent per SF	Monthly Income
STS Productions	2,500	9/1/11	10/31/14 (3 Yr Ext Option)	\$2,500	\$1.00	\$2,500	\$5,000	\$2.00	\$5,000
The Pie Hole	1,330	5/1/11	7/31/16	\$3,500	\$2.63	\$3,500	\$3,500	\$2.63	\$3,500
Vivian UM	570	4/1/11	4/1/17	\$1,500	\$2.63	\$1,500	\$1,500	\$2.63	\$1,500
Total/Avg	4,400			\$7,500	\$1.70	\$7,500	\$10,000	\$2.27	\$10,000



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EXPENSE ANALYSIS

EXPENSE ANALYSIS									
	2012 YE	Per Unit	Per SF	Current	Per Unit	Per SF	Market	Per Unit	Per SF
Property Taxes	17,692	\$376	\$1.55	24,700	\$526	\$2.17	24,700	\$526	\$2.17
Insurance	0	\$0	\$0.00	9,400	\$200	\$0.82	9,400	\$200	\$0.82
Utilities	27,285	\$581	\$2.39	27,285	\$581	\$2.39	27,285	\$581	\$2.39
Repairs & Maintenance	27,280	\$580	\$2.39	14,100	\$300	\$1.24	14,100	\$300	\$1.24
Unit Turnover	326	\$7	\$0.03	3,525	\$75	\$0.31	3,525	\$75	\$0.31
Building Services	874	\$19	\$0.08	3,995	\$85	\$0.35	3,995	\$85	\$0.35
Management Fee	17,500	\$372	\$1.54	10,584	\$225	\$0.93	12,318	\$262	\$1.08
Payroll	60,022	\$1,277	\$5.27	47,000	\$1,000	\$4.12	47,000	\$1,000	\$4.12
General & Administrative	11,617	\$247	\$1.02	9,400	\$200	\$0.82	9,400	\$200	\$0.82
Marketing	400	\$9	\$0.04	1,175	\$25	\$0.10	1,175	\$25	\$0.10
Reserves	0	\$0	\$0.00	9,400	\$200	\$0.82	9,400	\$200	\$0.82
Commercial/Retail Expenses (Taxes)	0	\$0	\$0.00	18,420	\$392	\$1.62	18,420	\$392	\$1.62
TOTAL EXPENSES	\$162,996	\$3,468	\$14.30	\$178,984	\$3,677	\$14.64	\$180,718	\$3,845	\$15.85

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SRO + RETAIL

Current Market (Partial Renovation Residential + Market Rate Retail)

Apartments	GROSS POTENTIAL RENTAL INCOME	\$276,406			\$306,000			
	Less: Vacancy	(13,820)	5.00%	1	(15,300)	5.54%	1	1
	Less: Bad Debt	(2,764)	1.00%	1	(3,060)	1.11%	1	1
	Less: Rental Concessions	0	0.00%	1	0	0.00%	1	1
	Less: Non-Revenue Unit(s)	(2,700)	0.98%	1	(2,700)	0.98%	1	1
	Gross Rental Income	\$257,122			\$284,940			
	Apartment Other Income	5,445			5,445			
	Utility Income (RUBS)	0			0			
	Effective Gross Income	\$262,567			\$290,385			
	Less: Expenses (Apartment)	(160,564)	61.15%	2	(162,298)	55.89%	2	2
NET OPERATING INCOME		\$102,003			\$128,086			

Retail	GROSS POTENTIAL RENTAL INCOME		\$90,000		\$120,000			
	Less: Vacancy/Delinquency	0	0.00%	2	0	0.00%	2	2
	Gross Rental Income	\$90,000			\$120,000			
	NNN Reimbursements	1,151			1,151			
	Effective Gross Income	\$91,151			\$121,151			
	Less: Expenses (Retail)*	(18,420)	20.21%	4	(18,420)	15.20%	4	4
	NET OPERATING INCOME	\$72,731			\$102,731			

*Represents Retail Base Tax, Increases Pass Through to Tenants

Combined	NET OPERATING INCOME		\$174,734		\$230,818			
	Loan Payments		0		0			
	Pre Tax Cash Flows		\$174,734		\$230,818		4.37% 5 5.77% 5 5	
	Principal Reduction		0		0			
	TOTAL RETURN BEFORE TAXES		\$174,734		\$230,818		4.37% 5 5.77% 5 5	

1 As a percent of Apartment Gross Potential Rental Income

2 As a percent of Apartment Effective Gross Income

3 As a percent of Retail Gross Potential Rental Income

4 As a percent of Retail Effective Gross Income

5 As a percent of Down Payment

Pricing Metrics			
Stabilized Price			\$4,000,000
Number of Units			47
Price per Unit			\$85,106
Price per Gross Sq. Ft.			\$182.33
Capital Expenditures	per Unit	Total Budget	All-in Value
Current	\$0	\$0	\$4,000,000
Market (Partial Renovation)	\$2,000	\$94,000	\$4,094,000
	CAP Rate	All-in CAP Rate	
Current	4.37%	-	
Market (Partial Renovation)	5.77%	6.43%	



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THG

American Apartments
303 S. Hewitt St, Los Angeles, CA

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Fire House #17 in the Arts District

| Financial Analysis - Microloft Concept |

FINANCIAL SUMMARY

PROPERTY DESCRIPTION	
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Property Address	303 S. Hewitt St, Los Angeles, CA
Number of Units	39
Total Gross Square Footage	21,938
Net Rentable Area (Apartments & Retail)	15,800
Year Built	1906
PRICING	
Sales Price	\$4,000,000
PROJECTED INCOME	
Market NOI (Microloft Renovation)	\$318,242



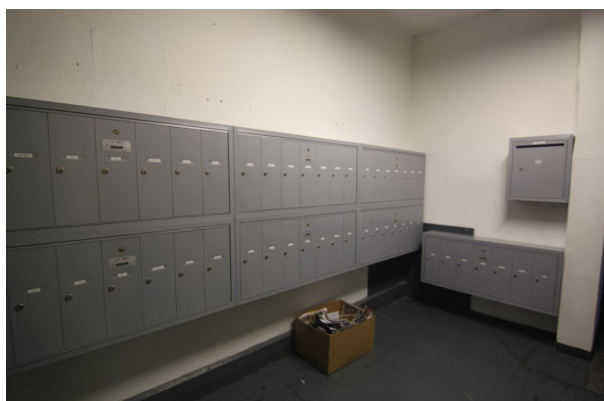
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APARTMENT UNIT MIX

Number of Units	Unit Type	Approx. Sq. Ft.	Current Rental Range			Market Rent (Microloft Renovation)	Market Rent per SF	Monthly Income
27	Single Ocpncy	260	\$750	-	\$750	\$750	\$2.88	\$20,250
3	Single Ocpncy	325	\$900		\$900	\$900	\$2.77	\$2,700
3	Double Ocpncy	340	\$925		\$925	\$925	\$2.72	\$2,775
3	Double Ocpncy	345	\$925		\$925	\$925	\$2.68	\$2,775
3	Double Ocpncy	410	\$1,000	-	\$1,000	\$1,000	\$2.44	\$3,000
39	Total/Avg	289				\$807.69	\$2.79	\$31,500

RETAIL UNIT MIX

Tenant Name	Approx. Sq. Ft.	Lease Start	Lease Expire	Market Rent (Microloft Renovation)	Market Rent per SF	Monthly Income
STS Productions	2,500	9/1/11	10/31/14 (3 Yr Ext Option)	\$6,250	\$2.50	\$6,250
The Pie Hole	1,330	5/1/11	7/31/16	\$3,500	\$2.63	\$3,500
Vivian UM	570	4/1/11	4/1/17	\$1,500	\$2.63	\$1,500
Total/Avg	4,400			\$11,250	\$2.56	\$11,250



Any projections, opinions, assumptions or estimates used here within are for example purposes only and do not represent the current or future performance of the property.

EXPENSE ANALYSIS

EXPENSE ANALYSIS							
	2012 YE	Per Unit	Per SF		Market (Microloft Renovation)	Per Unit	Per SF
Property Taxes	17,692	\$454	\$1.57		24,700	\$633	\$2.19
Insurance	0	\$0	\$0.00		7,800	\$200	\$0.69
Utilities	27,285	\$700	\$2.42		27,285	\$700	\$2.42
Repairs & Maintenance	27,280	\$699	\$2.42		11,700	\$300	\$1.04
Unit Turnover	326	\$8	\$0.03		2,925	\$75	\$0.26
Building Services	874	\$22	\$0.08		3,795	\$97	\$0.34
Management Fee	17,500	\$449	\$1.55		14,799	\$379	\$1.31
Payroll	60,022	\$1,539	\$5.32		47,000	\$1,205	\$4.17
General & Administrative	11,617	\$298	\$1.03		7,800	\$200	\$0.69
Marketing	400	\$10	\$0.04		1,950	\$50	\$0.17
Reserves	0	\$0	\$0.00		7,800	\$200	\$0.69
Commercial/Retail Expenses	0	\$0	\$0.00		18,420	\$472	\$1.63
TOTAL EXPENSES	\$162,996	\$4,179	\$14.45		\$175,974	\$4,512	\$15.60

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MICROLOFT + RETAIL

Market (Partial Renovation Residential + Market Rate Retail)

Apartments	GROSS POTENTIAL RENTAL INCOME	\$378,000		
	Less: Vacancy	(18,900)	5.00%	1
	Less: Bad Debt	(3,780)	1.00%	1
	Less: Rental Concessions	0	0.00%	1
	Less: Non-Revenue Unit(s)	(2,700)	0.71%	1
	Gross Rental Income	\$352,620		
	Apartment Other Income	5,445		
	Utility Income (RUBS)	0		
	Effective Gross Income	\$358,065		
	Less: Expenses (Apartment)	(157,554)	44.00%	2
	NET OPERATING INCOME	\$200,511		

Retail	GROSS POTENTIAL RENTAL INCOME	\$135,000		
	Less: Vacancy/Delinquency	0	0.00%	2
	Gross Rental Income	\$135,000		
	NNN Reimbursements	1,151		
	Effective Gross Income	\$136,151		
	Less: Expenses (Retail)*	(18,420)	13.53%	4
	NET OPERATING INCOME	\$117,731		

*Represents Retail Base Tax, Increases Pass Through to Tenants

Combined	NET OPERATING INCOME	\$318,242		
	Loan Payments	0		
	Pre Tax Cash Flows	\$318,242	7.96%	5
	Principal Reduction	0		
	TOTAL RETURN BEFORE TAXES	\$318,242	7.96%	5

1 As a percent of Apartment Gross Potential Rental Income

2 As a percent of Apartment Effective Gross Income

3 As a percent of Retail Gross Potential Rental Income

4 As a percent of Retail Effective Gross Income

5 As a percent of Down Payment

Pricing Metrics			
Stabilized Price			\$4,000,000
Number of Units			39
Price per Unit			\$102,564
Price per Gross Sq. Ft.			\$182.33
Capital Expenditures	per Unit	Total Budget	All-in Value
Market (Microloft Renovation)	\$25,000	\$975,000	\$4,975,000
			All-in CAP Rate
Market (Microloft Renovation)			6.40%



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THG

American Apartments
303 S. Hewitt St, Los Angeles, CA

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| Rent Comparables |

RENT COMPARABLES

1

The Rosslyn Lofts

451 South Main Street, Los Angeles



Unit Mix	Square Feet	Market Rent	Rent PSF
Studio	315	\$832	\$2.64
Units: 297	Year Built: 2009		

Owner: Amerland Group

Manager: Logan Property Management

Concessions: None.

Amenities: This property features a spacious lobby/communal area, subterranean parking, proximity to the metro line, and unique architecture. Unit interiors include stainless steel appliances in market-rate lofts/kitchenettes in affordable microlofts, large closets, finished concrete floors, and high quality finishings.

Utilities/RUBS: Property is master metered for all utilities.

2

The Alexandria

501 South Spring Street, Los Angeles



Unit Mix	Square Feet	Market Rent	Rent PSF
Studio	355	\$750	\$2.11
Units: 463	Year Built: 2010		

Owner: Amerland Group

Manager: Logan Property Management

Concessions: None.

Amenities: This property features a spacious lobby/communal area, subterranean parking, proximity to the metro line, and unique architecture. Unit interiors include stainless steel appliances in market-rate lofts/kitchenettes in affordable microlofts, large closets, finished concrete floors, and high quality finishings.

Utilities/RUBS: Property is master metered for all utilities.

| Market Overview |

FUTURE ECONOMIC DEVELOPMENTS



BROADWAY REVITALIZATION

The project would revitalize the historic Broadway corridor, activate the theatres, reactivate vacant commercial space, create a sense of place and history through urban planning, design and streetscapes, and facilitate transportation through a streetcar.

Website: <http://www.bringingbackbroadway.com/About/OVERVIEW/index.htm>



GRAND AVENUE CIVIC PARK

A 12-acre vibrant and beautiful outdoor park that features expansive green space for gatherings large and small, pathways, and a small dog run. Grand Park celebrates the cultural vitality of Los Angeles County and is host to community events, cultural experiences, holiday celebrations and many activities.

Website: <http://grandpark.lacounty.gov/>



LOS ANGELES RIVER REVITALIZATION

The Los Angeles River Revitalization Master Plan would incorporate bike trails, recreational parks and green ways along the banks of the LA River but keep the river partially cemented for flood control.

Website: <http://lariverncorp.org/>

FUTURE ECONOMIC DEVELOPMENTS



LOS ANGELES STATE HISTORIC PARK

A 32-acre facility on the edge of Chinatown that will include a welcome pavilion, a promenade for farmers market, an amphitheatre, some wetlands areas and infrastructure improvements such as permanent restrooms by 2015.

Website: http://www.parks.ca.gov/?page_id=26953



LOS ANGELES STREET CAR

The proposed Downtown LA Streetcar will be an approximately 4-mile urban streetcar system which would run 7 days a week, about 18 hours a day. It would serve areas including Bunker hill, Grand Ave and the Music Center, Historic Broadway and the Historic Core, South Park, LA Live and the Los Angeles Convention Center. The Streetcar aims to connect, revitalize and restore Downtown LA districts and its historic core.

Website: <http://www.metro.net/projects/historic-streetcar-service/>



REGIONAL CONNECTOR

A fully underground light-rail link that would decrease travel times on regional rail and subway network to Downtown Los Angeles. The Regional Connector will connect the Metro Gold Line, Blue Line and Expo Line enabling passengers to travel from Montclair to Long Beach and from East Los Angeles to Santa Monica as a "one seat ride".

Website: <http://www.metro.net/projects/connector/>

FUTURE ECONOMIC DEVELOPMENTS



FARMERS FIELD

Farmers Field is a proposed state-of-the-art sports stadium, entertainment, and premier convention center in Downtown LA by 2016. The Farmers Field project would include renovations of the convention center and expansion of the Blue Line's Pico Station.

Website: <http://farmersfield.com/pages/our-plan/>



SPRING STREET PARK

A collaboration between the Architectural Division of the City of Los Angeles Bureau of Engineering and Lehrer Architects LA. As residential density has increased in this burgeoning area of Downtown Los Angeles, the need for additional infrastructure has become evident, and this new urban park will provide much needed outdoor public space to the neighborhood.

Website: <http://boe.lacity.org/uprs/report/ProjectInfoReport.cfm?k=4745>



BUDOKAN LOS ANGELES

A 38,000 Sq. Ft. recreational facility in Little Tokyo that would include a four-court gymnasium, community space, rooftop garden with a jogging track, outdoor deck which can be utilized for events and performances, 4 high school regulation sized indoor basketball courts, meeting rooms for community use and commercial kitchen for special events and private functions.

Website: <http://www.budokanoflosangeles.com/index.php/about>



AMERICAN APARTMENTS

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