FOR SALE $10,000,000

Fashion District

420

East 11th Street

LOS ANGELES, CA 90015

GILL | BURNS | YOO

CUSHMAN & WAKEFIELD

Executive Summary

420 East 11th Street offers an opportunity to purchase a 3-story multi-tenant building at the core of the Fashion District. The property's premiere location at the corner of 11th and Wall Street is just blocks away from the City Market Development, Santee Alley, and San Pedro Wholesale Mart. With the stabilized, existing cash flow in place, 420 East 11th street is an opportunity to invest in a transforming neighborhood with incredible potential.

Over the past three years, the Fashion District has experienced unprecedented growth and development due to the neighborhood's adaptation of new wholesale centers, as well as mixed-use and residential developments. The Fashion District averages $10 billion in sales and employs around 30,000 people.

Highlights

- 3-story multi-tenant building in the heart of the Fashion District
  - Fashion is a $18 billion industry in Los Angeles
- Stabilized investment with great potential
- Pivotal corner location with frontage on 11th and Wall Street
- 2 blocks to City Market Development
- 2 blocks to Santee Alley
- 3 blocks to San Pedro Wholesale Mart
- Future growth potential as many residential and mixed-use projects expand to the Fashion District

Property Details

RENTABLE SQUARE FEET:
27,899 SF

LAND SIZE:
12,255 SF

STORIES:
3 **(plus 2 level parking garage)**

PARKING:
55 Spaces

CONSTRUCTION:
Steel Frame

YEAR BUILT:
1991

ZONING:
M2

APN:
5145-023-038

Parcel Map

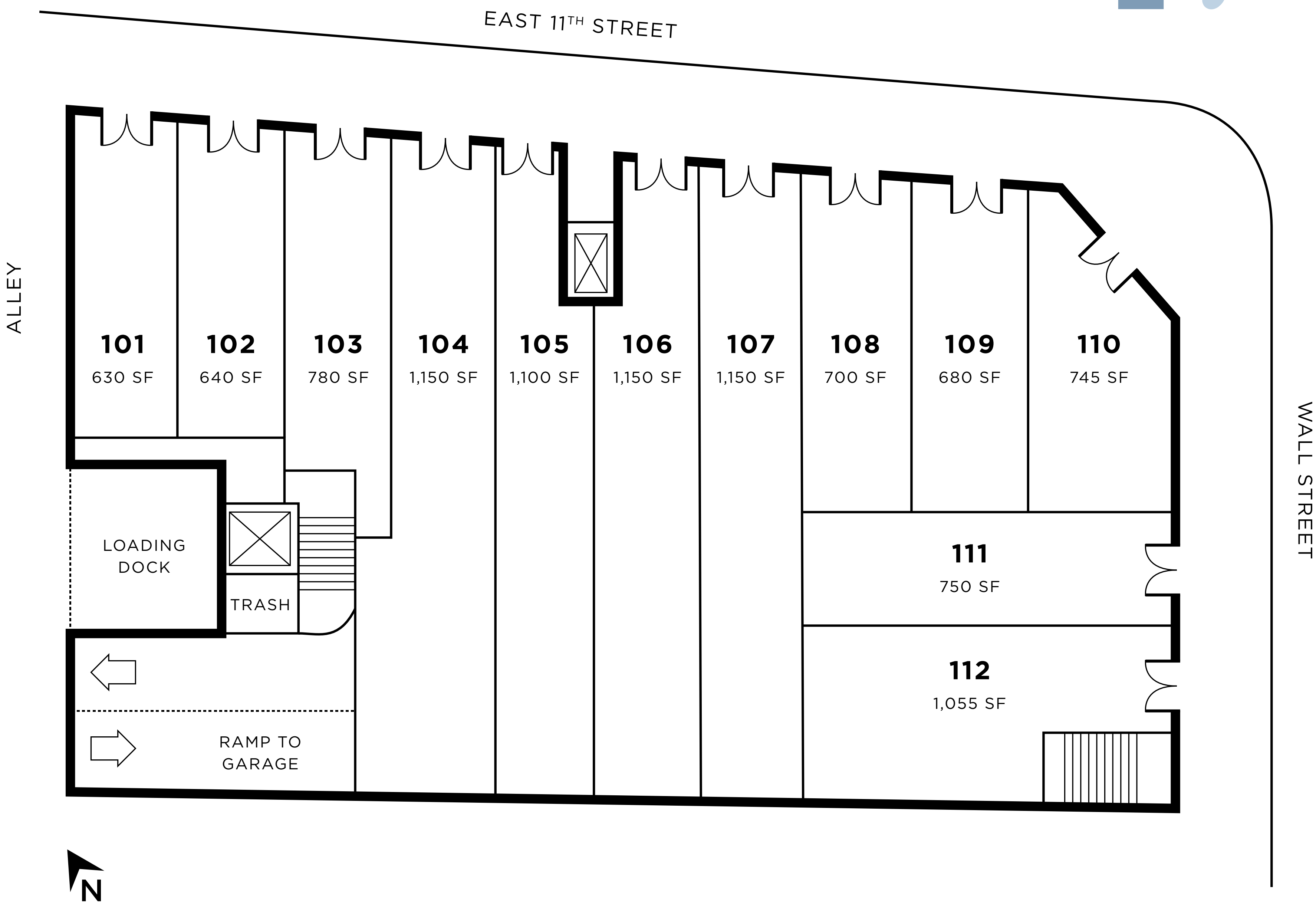

11TH ST.
MAPLE AVE.
12TH ST.
WALL ST.
6 BLK. 11


LANDPAC REALTY
S☀L CLOTHING & ACCESSORIES
ica U.S.A.
STORE FOR LEASE
LA BES
V&C CASUAL
SKC


207

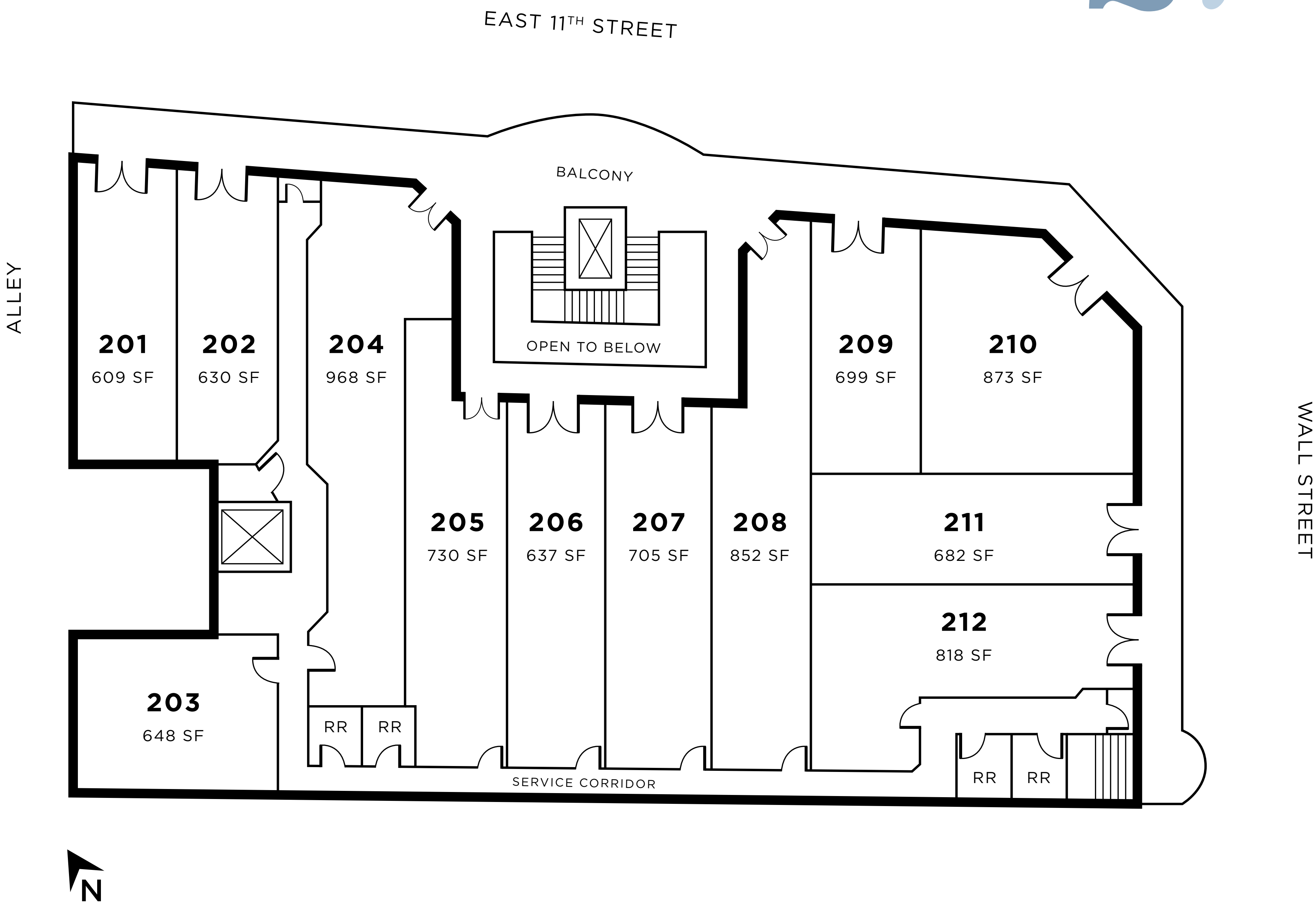

10
420
East 11th Street
Santee Alley
EAST 11TH STREET
WALL STREET

1st Floor



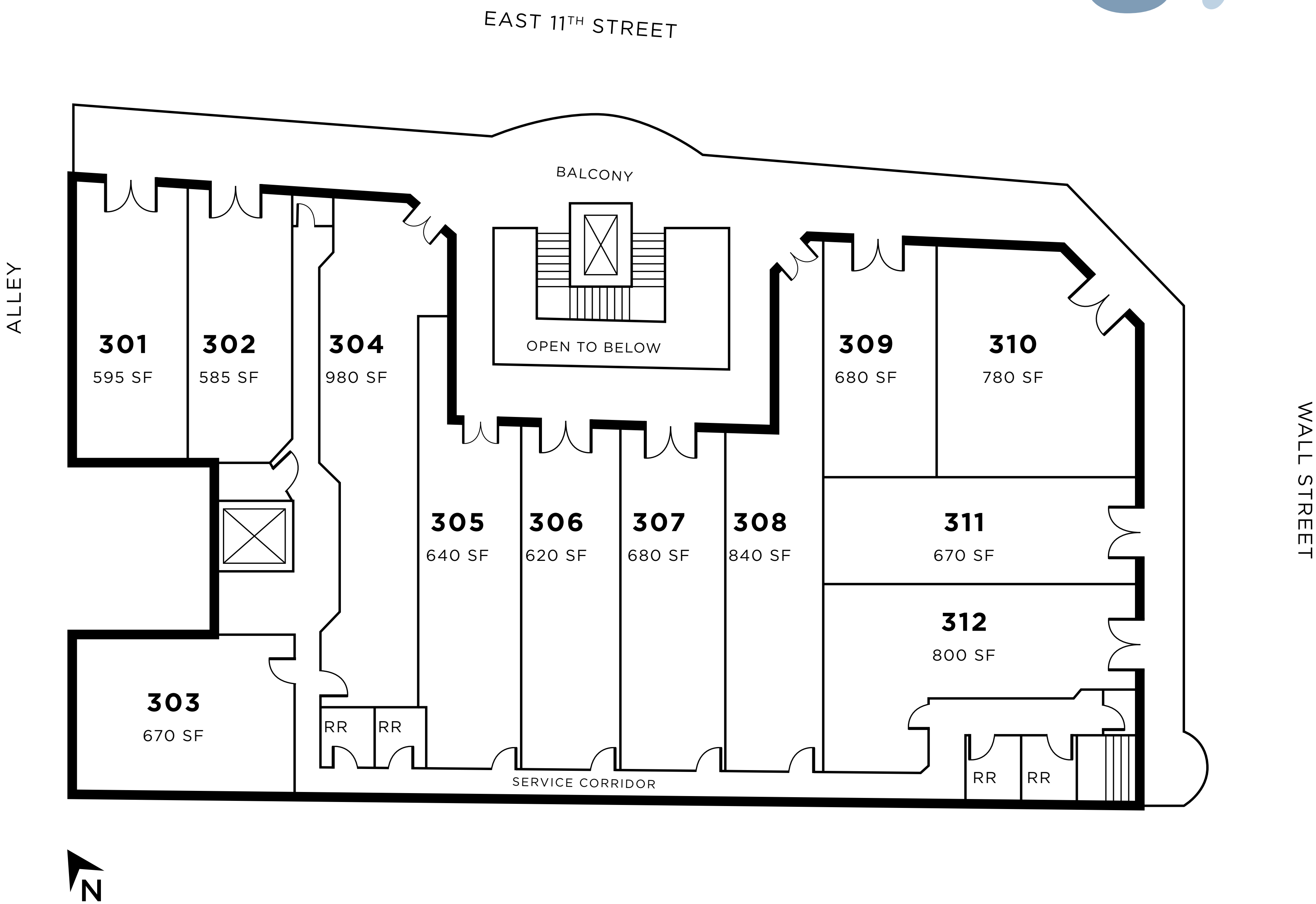
*NOT TO SCALE - For Discussion Purposes Only

2nd Floor



*NOT TO SCALE - For Discussion Purposes Only

3rd Floor



*NOT TO SCALE - For Discussion Purposes Only

RENT ROLL

Total Monthly Income:

$55,452

Total Gross Annual Income:

$665,424

Total Rentable Square Footage:

27,899 SF

Floor	Suite #	Tenant	Square Feet	Lease Term Begin	Lease Term End	Rental Rates Monthly	Rental Rates Annually
FIRST FLOOR	101	Elwin R Mova	630	2/1/10	2/28/19	$2,500	$30,000
	102	Vacant	640	-	-	-	-
	103	Vacant	780	-	-	-	-
	104	Tom Kang	1,150	6/1/18	6/30/20	$3,200	$38,400
	105	Danny/Myong Kim	1,100	12/1/14	11/30/18	$3,000	$36,000
	106	Vacant	1,150	-	-	-	-
	107	Ok Joo Lee	1,150	8/1/11	7/31/20	$3,750	$45,000
	108	Sita Rani aka S.R. Fashion Inc.	700	Month to Month	-	$3,000	$36,000
	109	Kyung Sook Yu and Hong Injoo Yu	680	6/1/16	7/31/19	$2,750	$33,000
	110	Kyung Sook Yu and Hong Injoo Yu	745	8/15/15	8/31/20	$4,800	$57,600
	111	Roberto Alvirde	750	3/1/12	2/28/19	$3,700	$44,400
	112	Daniel J Mcconagle	1,055	6/15/17	6/30/18	$5,000	$60,000
SECOND FLOOR	201	Hyun J Huh	609	5/15/17	5/31/19	$669	$8,028
	202	Jongsun Kim	600	8/1/16	7/31/17	$750	$9,000
	203	Eleazar Soriano	648	5/15/18	5/31/21	$600	$7,200
	204	Carlos Hernandez	968	12/15/17	12/31/18	$950	$11,400
	205	Juan Carlos Jimenez	730	6/16/16	6/30/17	$600	$7,200
	206	Alley Records Electronics Inc.	637	12/1/17	11/30/17	$850	$10,200
	207	Scott Sungmin Lim	705	2/1/16	1/31/19	$850	$10,200
	208	Vacant	852	-	-	-	-
	209	Rodolfo I. Zepeda Rosales/Shekina Accountax	697	7/1/16	6/30/18	$787	$9,444
	210	Kyung Sook Yu and Hong Injoo Yu	873	5/1/16	8/31/20	$800	$9,600
	211	Sunny Sun Young Park	682	10/1/17	10/31/18	$700	$8,400
	212	Jose M Rodriguez	818	5/15/18	5/31/19	$850	$10,200
THIRD FLOOR	301	Young Kim	595	3/1/18	3/31/19	$600	$7,200
	302	Fashid Khazan	585	4/1/12	12/31/17	$500	$6,000
	303	Sita Rani aka S.R. Fashion Inc.	670	Month to Month	-	$415	$4,980
	304	Pacific Walnut Center	980	6/1/18	5/31/22*	$600	$7,200
	305	Won Sam aka Julie Fashion	640	3/1/12	2/28/18	$992	$11,904
	306	Hyun Jung An	620	11/15/15	11/30/18	$725	$8,700
	307	Eleazar Soriano	680	6/16/14	6/30/20	$714	$8,568
	308	Eleazar Soriano	840	12/1/15	11/30/18	$750	$9,000
	308-1	Escaped		Month to Month	-	$200	$2,400
	309	Eleazar Soriano	680	5/1/17	4/30/20	$650	$7,800
	310	Diego Maldonado	780	7/1/17	6/30/19	$800	$9,600
	311	Eleazar Soriano	670	4/15/13	4/14/20	$700	$8,400
	312	Eleazar Soriano	800	9/1/13	8/31/17	$752	$9,024
	Parking	City Center Parking Inc.		5/1/11	4/30/17	$6,948	$83,376

*Plus 4 Year Option

CASH FLOW

REVENUES	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Scheduled Base Rent										
1st Floor	$380,400	$391,812	$403,566	$415,673	$428,144	$440,988	$454,217	$467,844	$481,879	$496,336
2nd Floor	$100,878	$103,904	$107,021	$110,232	$113,539	$116,945	$120,454	$124,067	$127,789	$131,623
3rd Floor	$100,776	$103,799	$106,913	$110,121	$113,424	$116,827	$120,332	$123,942	$127,660	$131,490
Parking	$83,376	$85,877	$88,454	$91,107	$93,840	$96,656	$99,555	$102,542	$105,618	$108,787
Total Gross Revenue	$665,430	$685,393	$705,955	$727,133	$748,947	$771,416	$794,558	$818,395	$842,947	$868,235
Operating Expenses	($253,188)	($260,784)	($268,607)	($276,665)	($284,965)	($293,514)	($302,320)	($311,389)	($320,731)	($330,353)
Management Fee	($7,608)	($7,836)	($8,071)	($8,313)	($8,563)	($8,820)	($9,084)	($9,357)	($9,638)	($9,927)
Total Operating Expenses	($260,796)	($268,620)	($276,678)	($284,979)	($293,528)	($302,334)	($311,404)	($320,746)	($330,368)	($340,279)
In Place NOI	**$404,634**	$416,773	$429,276	$442,155	$455,419	$469,082	$483,154	$497,649	$512,578	$527,956
Pro Forma	$150,000	$154,500	$159,135	$163,909	$168,826	$173,891	$179,108	$184,481	$190,016	$195,716
General Vacancy Loss	($46,580)	($47,978)	($49,417)	($50,899)	($52,426)	($53,999)	($55,619)	($57,288)	($59,006)	($60,776)
Projected NOI	**$508,054**	$523,296	$538,995	$555,164	$571,819	$588,974	$606,643	$624,842	$643,588	$662,895


DISTRICTS OF
Downtown
Los Angeles
Chinatown
US 101
Civic Center
Financial District
Historic Core
Little Tokyo
Arts District
South Park
Fashion District
Industrial District
LA RIVER
110
110
5
10

DTLA

Downtown Los Angeles hasn't seen this much construction since the 1920's

$28.9 Billion+

TOTAL INVESTMENT IN DOWNTOWN LA FROM 1999-2017

Downtown Los Angeles is one of the hottest development markets in the country. This boom is fueled by a number of factors, including the influx of high-income residents flocking to the amenities an urban lifestyle provides. Downtown is home to many award-winning restaurants, numerous entertainment and performing arts venues, a powerful business district, some of the world's finest sports franchises, and a growing number of stunning art museums. Propelled by foreign and institutional investment, the city's renaissance (which began in the mid-1990s) continues to accelerate.

The downtown population continues to grow, is highly educated, affluent, and employed at levels that exceed city and county averages, according to the DCBID Downtown LA demographic study. From the Historic Core/ Old Bank District and Broadway, to Bunker Hill and the Financial District, to South Park and the Fashion District, Downtown LA compacts a world of goods, services, and experiences into an efficient urban cluster.

DTLA 2040

DTLA 2040 is the updated community plan for Downtown Los Angeles. It's goal is to create and implement a future vision for Downtown Los Angeles and will support and sustain the ongoing revitalization while thoughtfully accommodating projected future growth.

420 East 11th Street is part of the MARKETS area of DTLA 2040 plan designations.

Markets

Maximum FAR: 4.5:1 - 8:1

General Uses:

- **Wholesale**
- **Commercial**
- **Creative Office**
- **Limited Multi-family**
- **Residential and Live/Work**

Market areas are comprised of medium-scale buildings that accommodate wholesale, commercial, retail, limited housing, etc. These bustling centers of commercial activity are characterized by porous, fine-grained blocks – each with its own mini-economy of specialized commercial offerings. Patrons spill out from the storefronts on to sidewalks and active alleys, creating a high-energy street life that is sustained day and night. Adaptive-reuse of existing structures maintains the unique character and supports sustainable development.

By the year 2040, Downtown will add approximately:

+125,000 Residents

+70,000 Housing Units

+55,000 Jobs

Opportunity Zones

The Opportunity Zones Program has been introduced as an innovative approach to unlocking long-term private investment to support low-income urban and rural communities across the United States.

Investors are eligible to receive certain tax benefits on unrealized capital gains reinvested in Opportunity Zones through pooled Opportunity Funds. The program is designed to minimize cost and risk to the taxpayer. Investors bear the risk on all their originally deferred capital gains, minus a modest reduction for long-term holdings, regardless of whether subsequent investments have increased or decreased in value. Neither tax credits or public-sector financing is involved.

Investors would receive partial forgiveness and be taxed less on their capital gains and neighborhoods designated as Opportunity Zones would receive a nice jolt of economic activity.

OPPORTUNITY ZONES IN DOWNTOWN LA

420 East 11th Street is located within an Opportunity Zone!

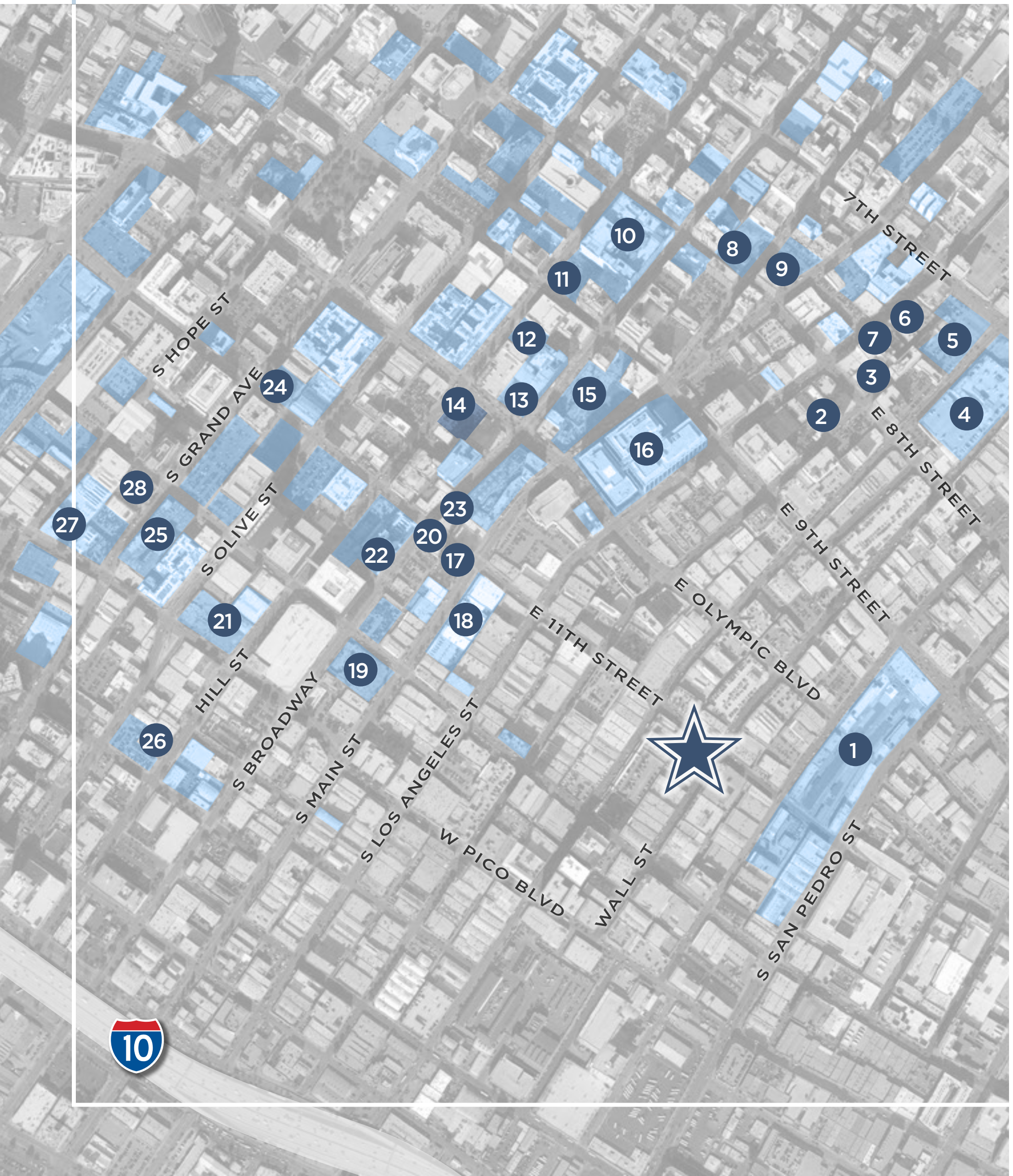
Fashion District

The Downtown Los Angeles Fashion District generates more than $10 billion a year in economic activity.

The Fashion District in Downtown is the hub of the Los Angeles Fashion Industry. There are 100 blocks of independently owned retail and wholesale businesses with apparel, accessories, footwear, beauty, and cosmetics for the entire family. The district is also home to The LA Flower District – including the LA Flower Market, the largest flower market in the USA, and Santee Alley – the famed downtown open air bazaar; and the LA Fabric District – with the largest selection of fabrics and notions in Southern California.

Nearby Developments

DOWNTOWN LOS ANGELES



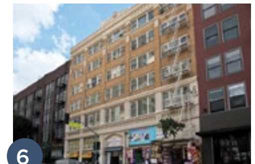

1 CITY MARKET


2 MAXFIELD LOFTS


3 GARMENT LOFTS

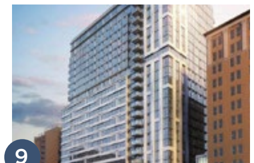

4 FLOWER MARKET


5 7TH & MAPLE

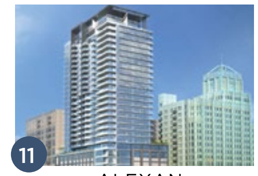

6 GRETHER & GRETHER

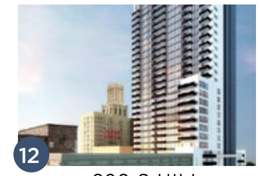

7 GILL LOFTS


8 8TH & SPRING


9 732 SPRING ST

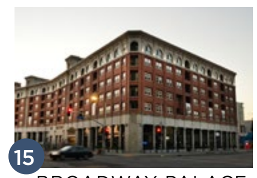

10 BROADWAY TRADE CENTER

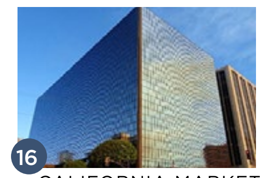

11 ALEXAN

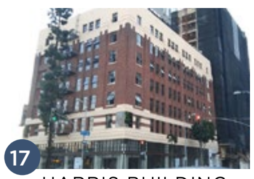

12 920 S HILL


13 BROADWAY LOFTS


14 1000 S HILL ST

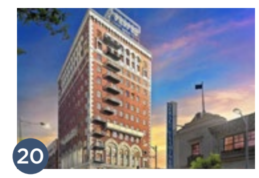

15 BROADWAY PALACE


16 CALIFORNIA MARKET


17 HARRIS BUILDING

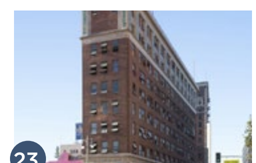

18 11TH & MAIN

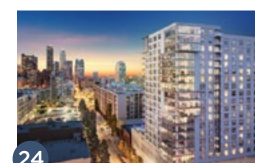

19 11 X 12


20 PROPER HOTEL


21 WREN


22 HERALD EXAMINER


23 HOXTON HOTEL


24 TEN50


25 G12


26 EMERALD


27 MORRISON HOTEL


28 ARRIS

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