



# Sapphire Crest



7 Units |  $\pm 6.38\%$  Cash-on-Cash Return | 6.80% Cap Rate | \$1,650,000  
823 Lagoon Ave. Wilmington, CA 90744



Strong day-one cash flow  
 $\pm 6.80\%$  cap rate |  $\pm 6.38\%$   
cash-on-cash return



Turnkey, low-maintenance  
property fully renovated in  
2023 with electrical upgrades



Compelling value metrics  
 $\pm 9.29$  GRM | Attractive basis  
vs. replacement cost



Defined ADU upside  
plans for  $\pm 760$  SF 2BR/2BA  
ADU (not built)



Section 8 Rent Durability  
HACLA standards: \$2,041  
(1BR) | \$2,289 (2BR)



Stable operating profile  
 $\sim 1.20x$  DSCR underwritten  
financing



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823 Lagoon Avenue Wilmington, CA 90744

7 Units

SUMMARY	CURRENT	*MARKET
<b>Purchase Price:</b>	<b>\$1,650,000</b>	
Down Payment: 28%	\$462,000	
Number of Units:	7	
<b>Cost per Legal Unit:</b>	<b>\$235,714</b>	
<b>Current GRM:</b>	<b>9.29</b>	<b>7.77</b>
<b>Current CAP:</b>	<b>6.80%</b>	<b>8.85%</b>
Year Built:	1965	
Approx. Building SF:	5,301	
<b>Cost per Building SF:</b>	<b>\$311.26</b>	
Approx. Lot SF:	7,512	
Zoning:	LARD1.5	
Parking:	7 Spaces: Garage Parking	

PROPOSED FINANCING	
Loan:	\$1,188,000
Interest:	5.70%
Interest Type:	3 Years Fixed
Term (Yrs.):	30
Amortization (Yrs.):	30
Other Terms:	N/A

ANNUAL OPERATING DATA	CURRENT	*MARKET
<b>Scheduled Gross Income:</b>	<b>\$177,648</b>	<b>\$212,484</b>
Less Vacancy Reserve:	(\$5,329) 3.00% *	(\$6,375) 3.00% *
<b>Gross Operating Income:</b>	<b>\$172,319</b>	<b>\$206,109</b>
Less Expenses:	(\$60,092) 33.83% *	(\$60,092) 28.28% *
<b>Net Operating Income:</b>	<b>\$112,226</b>	<b>\$146,017</b>
Less Debt Service:	(\$82,742)	(\$82,742)
<b>Pre-Tax Cash Flow:</b>	<b>\$29,484</b> 6.38% **	<b>\$63,275</b> 13.70% **
Plus Principal Reduction:	\$15,425	\$15,425
<b>Total Return Before Taxes:</b>	<b>\$44,909</b> 9.72% **	<b>\$78,700</b> 17.03% **

\* As a percentage of Scheduled Gross Income. \*\* As a percentage of Down Payment.

HIGHLIGHTS
<b>Property</b>
* Attractive leverage & cash flow
* ADU drawings in hand for 2+2
* Motivated seller, priced to sell
* Curb appeal & charming property
<b>Location</b>
* Robust Wilmington rental mrkt.
* Short drive to 110 Fwy & PCH
* Near LA Harbor College
* 93 Walk Score   86 Bike Score

SCHEDULED INCOME			CURRENT	*MARKET		
No. of Units	Beds / Baths	Approx. Sq.Ft.	Monthly Avg. Rent / Unit	Monthly Income	Monthly Rent / Unit	Monthly Income
4	1+1	-	\$1,899	\$7,597	\$1,950	\$7,800
1	2+1	-	\$2,300	\$2,300	\$2,350	\$2,350
2	2+1.5TH		\$2,350	\$4,700	\$2,450	\$4,900
1	2+2ADU				\$2,450	\$2,450
Architectural drawings completed for a 2+2 ADU unit. The unit is not built and the property is being sold only with the drawings.						
<b>Monthly Scheduled Rent:</b>			<b>\$14,597</b>		<b>\$17,500</b>	
Laundry Income:			\$132		\$132	
Other Income: Garage			\$75		\$75	
<b>Monthly SGI:</b>			<b>\$14,804</b>		<b>\$17,707</b>	
<b>Annual SGI:</b>			<b>\$177,648</b>		<b>\$212,484</b>	
<b>Utilities Paid by Tenant:</b>			Electricity & Gas			

ESTIMATED ANNUAL EXPENSES		
Tax Year	2025	
Tax Rate	1.25%	\$20,625
Insurance (New)	\$7,462	
Maint. / Repairs	\$6,383	
Utilities	\$13,806	
Rubbish	\$5,933	
Misc. / Reserves	\$1,750	
Off-Site Mgmt.	\$4,133	
<b>Total Expenses:</b>	<b>\$60,092</b>	
<b>Per Gross Sq. Ft.:</b>	<b>\$11.34</b>	
<b>Expenses Per Unit:</b>	<b>\$8,584.61</b>	

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