



Offering Memorandum

Sapphire Crest

823 Lagoon Ave. Wilmington, CA 90744

Multifamily Investment Opportunity

For Sale

PROPERTY WEBSITE

lucrumre.com



EQUITY
UNION
COMMERCIAL



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Sapphire Crest

01. PROPERTY OVERVIEW



Sapphire Crest

Property Overview

Street Address:	823 Lagoon Ave.
City:	Wilmington
State:	California
Zip Code:	90744
APN:	7416-025-027
Rentable Square Feet:	±5,301 SF
Lot Size:	±7,512 SF
Year Built:	1965
Number of Units:	7
Number of Buildings:	1
Number of Stories:	2
Water:	Master-Metered
Electric:	Individually-Metered
Gas:	Individually-Metered
Construction:	Wood-Frame
Roof:	Flat
Parking:	7 Spaces
Zoning:	LARD1.5
Unit Mix:	(4) 1 Bed/1 Bath (1) 2 Beds/1 Bath (2) 2 Beds/1.5 Bath Townhouse





Sapphire Crest



Property Description

Lucrum Real Estate Group is pleased to present Sapphire Crest, a fully renovated, seven-unit multifamily investment opportunity located at 823 Lagoon Avenue in Wilmington, California. This two-story, garden-style asset encompasses approximately $\pm 5,301$ square feet on a $\pm 7,512$ -square-foot LARD1.5-zoned lot, offering investors a compelling combination of stabilized income, strong value metrics, and reduced operational risk.

Sapphire Crest is currently operating with stabilized in-place rents, generating approximately \$177,648 in scheduled gross annual income and delivering an attractive current $\pm 7.08\%$ cap rate with a $\pm 7.42\%$ cash-on-cash return under prevailing financing assumptions. At a competitive ± 8.98 GRM and favorable price per unit relative to replacement cost, the property supports efficient leverage scenarios while providing immediate day-one cash flow and predictable yield.

Originally constructed in 1965, the property underwent a comprehensive renovation in 2023, including fully remodeled interiors, a new roof, new windows, drought-tolerant landscaping, and a freshly painted exterior. In May 2024, all electrical subpanels were replaced, materially strengthening core building systems and minimizing near-term capital expenditure exposure for future ownership. Wilmington's employment-driven rental base and proximity to major ports and logistics corridors support consistent demand, enhancing income stability and downside protection for long-term investors.



Units feature modern finishes, updated kitchens and bathrooms, new flooring, wall air conditioning, and ample cabinet and storage space, positioning the asset at the top of its competitive set within the sub-market.

From an operational standpoint, the property benefits from separately metered gas and electricity, on-site laundry facilities, and garage parking for seven vehicles, supporting expense control, tenant retention, and long-term income durability. In addition to stabilized operations, the asset includes architectural drawings for a potential ±760-square-foot two-bedroom, two-bath ADU, offering a clearly defined pathway for future income growth without altering existing operations, subject to buyer verification and local approvals. With major capital improvements completed and diversified income across seven units, Sapphire Crest represents a turnkey, low-maintenance acquisition well-suited for investors seeking reliable cash flow with optional long-term upside.



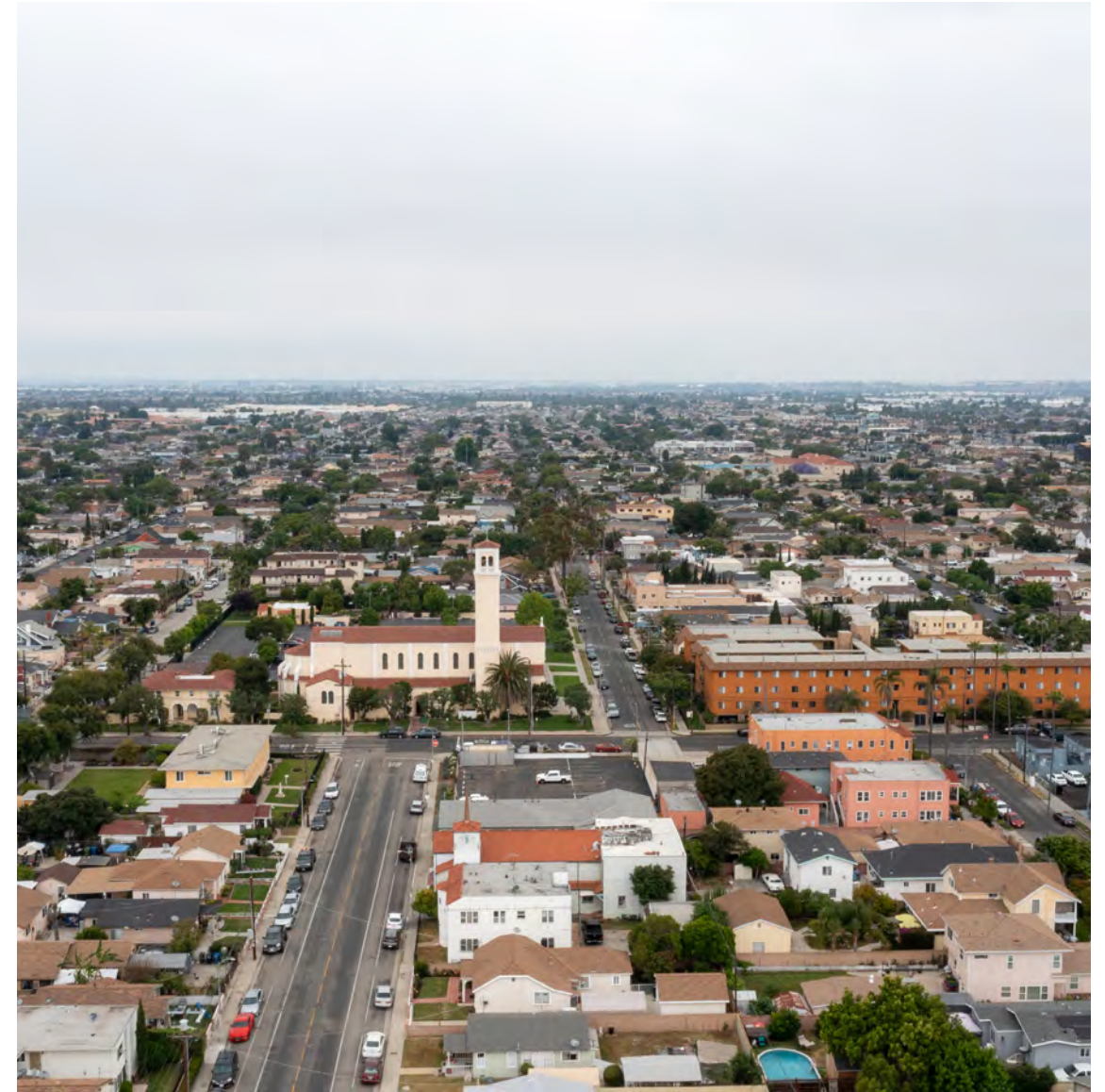


Location Description

Sapphire Crest is located within an established residential pocket of Wilmington in Los Angeles County, offering convenient access to major employment centers, coastal cities, and regional transportation corridors. The property benefits from proximity to Long Beach, San Pedro, Carson, Torrance, and Lakewood, supporting broad tenant demand across multiple employment bases.

The property offers efficient access to the 110 and 1 Freeways, enabling connectivity throughout the South Bay and greater Los Angeles region. Long Beach Harbor and the Queen Mary are approximately a 15-minute drive, while nearby anchors such as Los Angeles Harbor College and Ken Malloy Harbor Regional Park further support neighborhood stability and livability.

The immediate area provides strong walkability and bike accessibility, with nearby retail, dining, and daily-needs services contributing to the property's high Walk and Bike Scores. This combination of residential character, accessibility, and regional connectivity reinforces Sapphire Crest's position as a durable, long-term rental asset within a supply-constrained coastal submarket.





Sapphire Crest

Property Highlights

- + **Strong In-Place Cash Flow & Day-One Returns:** Approximately \$177,648 in scheduled gross annual income with a $\pm 7.08\%$ cap rate and $\pm 7.42\%$ cash-on-cash return under prevailing financing assumptions.
- + **Compelling Value Metrics:** ± 8.98 GRM and a competitive price per unit relative to replacement cost, supporting attractive basis and downside protection.
- + **Efficient Leverage Profile:** Underwritten loan scenarios supporting approximately $\sim 1.20x$ debt coverage, enhancing cash flow stability and financing flexibility.
- + **Turnkey Capital Position:** Comprehensive 2023 renovation and upgraded electrical systems (2024) materially reduce near-term capital expenditure risk.
- + **Defined Upside Optionality:** Architectural drawings completed for a potential ± 760 SF two-bedroom, two-bath ADU (not built; property conveyed with plans only), offering a clear pathway for future income growth.
- + **Expense Control & Operational Efficiency:** Separately metered gas and electricity reduce owner-paid utilities, supporting long-term margin preservation.

- + **Balanced, High-Demand Unit Mix:** Combination of one-bedroom, two-bedroom, and townhouse-style units supporting broad renter appeal and diversified income.
- + **Operational Amenities:** On-site laundry facilities and garage parking for seven vehicles enhance tenant retention and ancillary income.
- + **Section 8 Rent Durability:** HACL A payment standards in the subject ZIP code support income stability, including approximately \$2,289 for 1-bedroom units and \$2,887 for 2-bedroom units.





Sapphire Crest

Location Highlights

- + **Employment-Driven Rental Market:** Wilmington's proximity to the Ports of Los Angeles and Long Beach and related logistics and industrial employment supports consistent housing demand.
- + **Established Coastal Submarket:** Limited new multifamily supply in established residential pockets supports occupancy stability and income durability.
- + **Proximity to Major Ports:** Approximately 6.5 miles to the Port of Los Angeles and 8 miles to the Port of Long Beach, anchoring long-term economic activity.
- + **Regional Freeway Connectivity:** Convenient access to the I-110 and I-710 Freeways, supporting commuter and employment accessibility throughout the Harbor Area and South Bay.
- + **Transit & Tenant Accessibility:** Multiple nearby bus routes, access to the Wilmington train station, and strong walkability and bike access support tenant convenience and retention.



















Satellite Map (3D)





Sapphire Crest

02. FINANCIALS



Financials Pricing Details

Price	\$1,595,000
Number of units	7
Price per unit	\$227,857
Price per Square Foot	\$300.89
Gross Square Footage	±5,301
Lot Size	±7,512 SF
Year Built	1965
Returns	Current *Pro Forma
Cap Rate	7.08% *9.20%
GRM	8.98 *7.51

Rent Roll Summary

# of Units	Unit Type	Avg Current	*Pro Forma
4	1 Bed + 1 Bath	\$1,899	\$1,950
1	2 Beds + 1 Bath	\$2,300	\$2,350
2	2 Beds + 1.5 Bath TH	\$2,350	\$2,450
*1	2 Beds + 2 Baths ADU	--	\$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.



Financials Operating Data

Annual Income		Current		***Pro Forma
Scheduled Gross Income		\$177,648		\$212,484
Less: Vacancy/Deductions	3.00%*	(\$5,329)	3.00%*	(\$6,375)
Gross Operating Income		\$172,319		\$206,109
Less: Expenses	33.44%*	(\$59,405)	27.96%*	(\$59,405)
Net Operating Income		\$112,914		\$146,705
Less Debt Service		(\$83,316)		(\$83,316)
Pre-Tax Cash Flow	7.42%**	\$29,597	15.90%**	\$63,388
Plus Principal Reduction		\$15,532		\$15,532
Total Return Before Taxes	11.32%**	\$45,129	19.79%**	\$78,920
Expenses				
Real Estate Taxes				\$19,938
Insurance				\$7,462
Utilities				\$13,806
Rubbish				\$5,933
Maintenance & Repairs				\$6,383
Misc. / Reserves				\$1,750
Off-Site Management				\$4,133
Total Expenses				\$59,405
Per Square Foot				\$11.21
Per Unit				\$8,486.39

* As a percentage of Scheduled Gross Income.

** As a percentage of Down Payment.

***Architectural drawings completed for a 2+2 ADU unit. The unit is not built and the property is being sold only with the drawings.



Financials **Rent Roll**

#	Unit Type	SF	Rent	Rent Per SF	*Pro Forma Rent	Pro Forma Rent Per SF	Note
1	1 Bed/1 Bath	--	\$1,950.00	--	\$1,950.00	--	Renting Gar. #4 for \$75.00 per Month
2	2 Beds/1.5 Bath	--	\$2,350.00	--	\$2,450.00	--	Townhouse Style Unit
3	2 Beds/1.5 Bath	--	\$2,350.00	--	\$2,450.00	--	Townhouse Style Unit
4	1 Bed/1 Bath	--	\$1,917.00	--	\$1,950.00	--	Section 8
5	1 Bed/1 Bath	--	\$1,930.00	--	\$1,950.00	--	Section 8
6	1 Bed/1 Bath	--	\$1,800.00	--	\$1,950.00	--	--
7	2 Beds/1 Bath	--	\$2,300.00	--	\$2,350.00	--	--
*8	2 Beds/2 Baths	--	--	--	\$2,450.00	--	ADU Potential
Totals		--	\$14,597.00	--	\$17,500.00	--	--

*Architectural drawings completed for a 2+2 ADU unit. The unit is not built and the property is being sold only with the drawings.



Financials **Rent Roll**

Other Income	--	Monthly Income	--	*Pro Forma Income	--	Note
Laundry Income	--	\$132.00	--	\$132.00	--	--
Other Income: Garage	--	\$75.00	--	\$75.00	--	--
Total Other Income	--	\$207.00	--	\$207.00	--	--
Monthly SGI	--	\$14,804.00	--	\$17,707.00	--	--

*Architectural drawings completed for a 2+2 ADU unit. The unit is not built and the property is being sold only with the drawings.



Financials **Loan Options**

Indicative Loan Pricing	Sapphire Crest		
Loan Product	Option 1 3-Year Fixed	Option 2 3-Year Fixed	Option 3 5-Year Fixed
Loan Amount	\$1,196,250	\$1,135,000	\$1,135,000
Down Payment	\$398,750	\$460,000	\$460,000
Loan-to-Value	75%	71%	71%
Debt Coverage Ratio (DCR)	1.20	1.20	1.20
Current Interest Rate	5.70%	5.60%	5.70%
Index	30-Day Average SOFR	30-Day Average SOFR	30-Day Average SOFR
Margin	2.35%	2.35%	2.35%
Floor/Ceiling	5.70% / 10.70%	5.60% / 10.60%	5.70% / 10.70%
Loan Term	30	15	15
Amortization in Years	30	30	30
Monthly Payment	\$6,943	\$6,516	\$6,588
Recourse	Yes	Yes	Yes
Impounds	No	No	No
Pre-Payment Penalty	Years 1-3 3-2-1%	Years 1-2 2-1%	Years 1-3 3-2-1%
Loan Fee	1%	1%	1%
Appraisal/Due Diligence	\$5,000	\$4,000	\$4,000
Closing/Processing/Underwriting	Included Above	Included Above	Included Above

The interest rates listed above and any spreads derived there from are subject to market influences, which may impact loan proceeds. All terms are subject to review and approval by the lender and are subject to change until rate/spread lock. This analysis is based upon information provided by Convoy Capital. Final terms and conditions are subject to change. March 11, 2026.

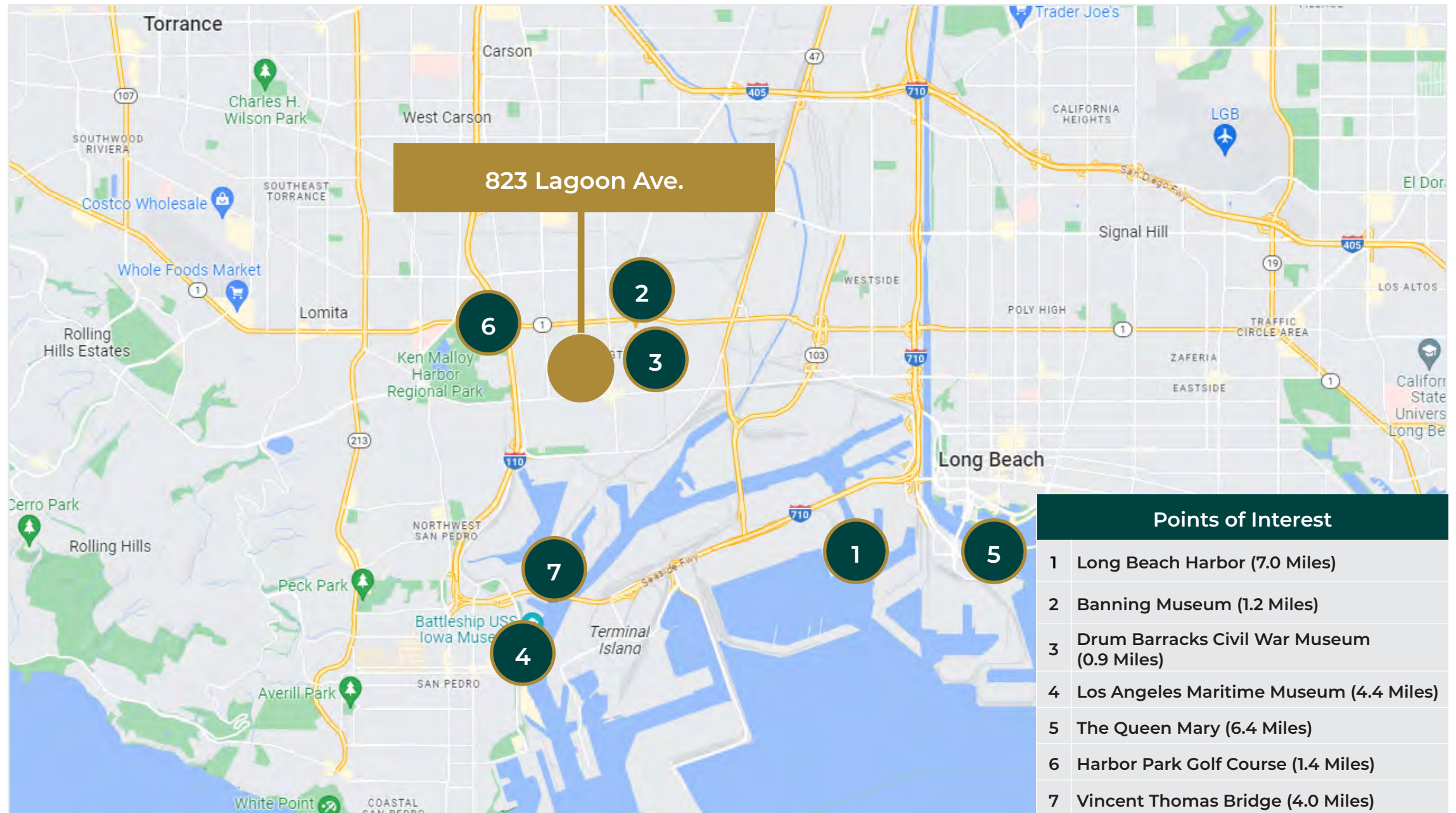


Sapphire Crest

03. AREA OVERVIEW



Points of Interest





Local Developments



Harbor View Place (Mixed-Income Housing Development)

Harbor View Place is the first phase of the Dana Strand Revitalization, delivering a mixed-income, mixed-use community with garden-style affordable family homes and shared community space. Located in Wilmington's port-adjacent neighborhood, the development supports local housing demand and advances broader neighborhood revitalization efforts.



Supportive Housing Development at 11435 N. Eubank Avenue

SagePointe is a newly constructed permanent supportive housing community in Wilmington, providing 55 one-bedroom homes for unhoused seniors. Designed by D33 Design & Planning, the three-story development features on-site supportive services, community amenities, outdoor gathering space, and sustainable infrastructure.



Front Street Beautification / Port of Los Angeles Projects

While focused on the Port area, these improvements — including streetscape upgrades — serve as economic catalysts that support regional job growth and mobility, indirectly benefiting residential neighborhoods nearby.



Demographics

Wilmington, Los Angeles, CA

Wilmington is a vibrant neighborhood located in the southern part of Los Angeles, California. Known for its rich maritime history and diverse community, it offers a variety of attractions and convenient access to nearby transit options. With its historical landmarks, picturesque waterfront, and access to transportation, Wilmington offers visitors and residents diverse range of experiences, blending the charm of its past with the conveniences of the present.

Quick Facts:

+ Wilmington is home to the Port of Los Angeles, one of the busiest ports in the world. It serves as a major economic center, handling a significant portion of the nation's cargo and international trade.

- + Wilmington is known for its diverse community, with a mix of ethnicities and cultures. The neighborhood has a strong sense of community pride and hosts events and festivals that celebrate its multicultural heritage.
- + Wilmington offers convenient access to public transportation. The neighborhood is served by the Metro Blue Line, which provides easy connections to downtown Los Angeles, Long Beach, and other parts of the city. The proximity to major freeways also allows for easy commuting and travel within the region.



Average Household
Income

\$83,982



Median Age

32 years old



2023 Estimated
Population

53,678



Total Households

14,959



Bachelors Degree
or Higher

12.4%



Overview

Los Angeles, California

The Los Angeles Metro Rail is an urban rail transportation system serving Los Angeles County, California. It consists of six lines, including two subway lines and four light rail lines serving 93 stations. It connects with the Metro Busway bus rapid transit system and also with the Metrolink commuter rail system.



The City of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, and a paradise of idyllic weather. From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be. It is the only city in North America to have hosted the Summer Olympics twice. Downtown L.A. is the largest government center outside of Washington, D. C. Los Angeles has the only remaining wooden lighthouse in the state (located in San Pedro's Point Fermin Park) and the largest historical theater district on the National Register of Historic Places (located Downtown on Broadway).

Los Angeles is on the leading edge of several growth industries. LA County, with more than 87,000 jobs in the fashion industry, has surpassed New York's fashion district workforce. The LA Five-County area also has more than 700,000 people at work in health services / biomedical activities and 190,000 people in aerospace and technology.





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