

SHELL



NNN COVERED LAND PLAY POTENTIAL RE-DEVELOPMENT OPPORTUNITY

KOREATOWN (LA County)

270 S. Western Avenue, Los Angeles, CA 90004

INVESTMENT PROPERTIES | CAPITAL MARKETS

CBRE

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Property Summary

270 S. WESTERN AVENUE, LOS ANGELES, CA 90004

PURCHASE PRICE
\$5,300,000

BUILDING SIZE*
2,945 SQ. FT.

LAND AREA
12,695 SF

LAND PRICE/SF
\$417.49

TRAFFIC COUNTS
**47,000+ CPD
@ INTERSECTION**

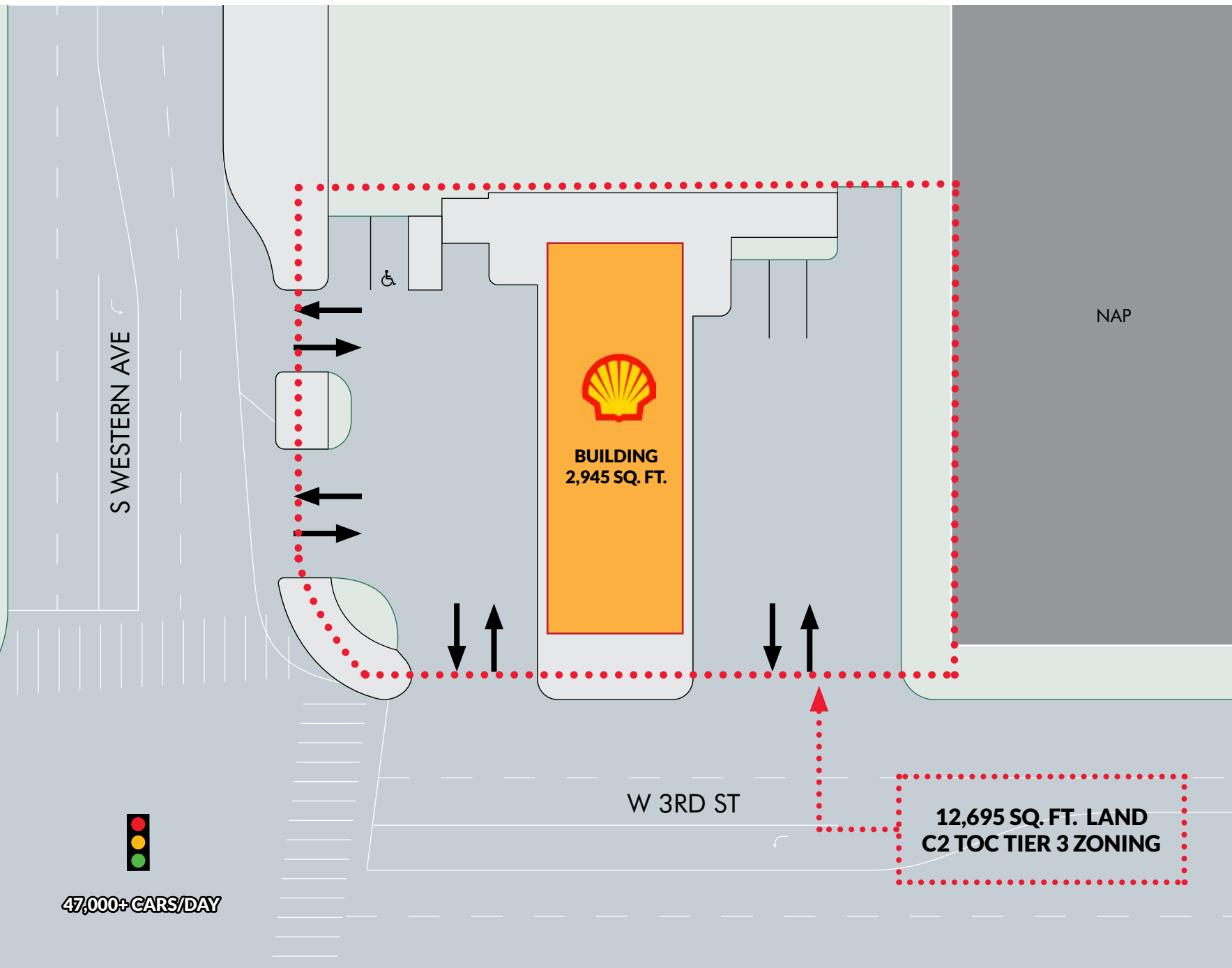
CURRENT NOI
\$120,000

YEAR BUILT
1970

ZONING
C2-1, TOC TIER 3

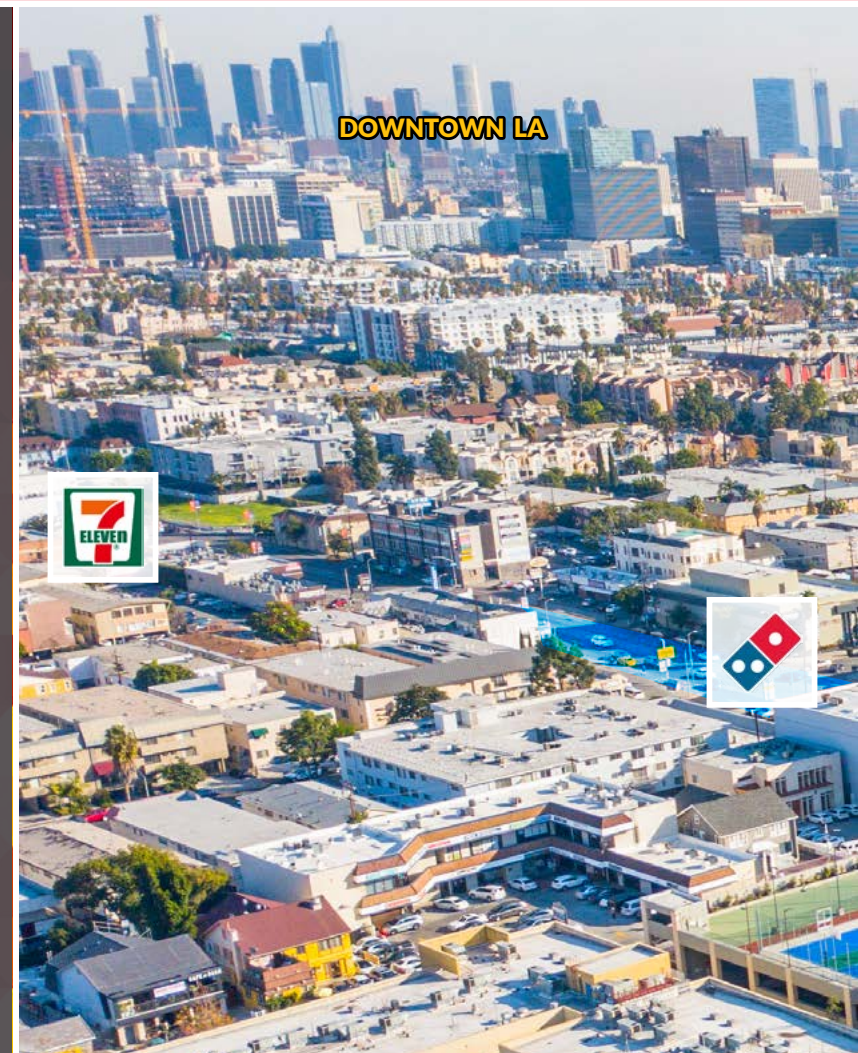
APN
5517-007-021

Site Plan



Property Highlights

- **Trophy Investment** – The subject property presents an exceptional opportunity for an investor to purchase a rare passive investment with future development potential.
- **Coveted Corner Lot Location** – The property is situated at the signalized intersection of Western Ave. and 3rd Street, the gateway to LA's highly desirable submarket of Koreatown.
- **Established Tenant with Corporate Lease** – Shell has occupied the property for multiple decades with the lease recently being assigned to CF United Opc LLC, a subsidiary of Fortress Investment Group and Soft Bank Group.
- **Significant Rental Upside** – With approximately 2.5+ years remaining of lease term and option rent being established at Fair Market Value, investors can benefit from strong potential to increase future income.
- **Located Along Major North-South Thoroughfare** – Western Avenue is one of the busiest north-south arterials in Los Angeles, connecting the region's most traveled neighborhoods.
- **Vast Development Potential** – Benefits from C2-1, TOC Tier 3 Zoning, which allows for an array of future re-development projects ranging from commercial to mixed-use.
- **Exceptional Exposure and Frontage** – Traffic counts at the intersection exceed 47,000 cars per day with 120+ feet of frontage on Western Ave. and 100+ feet on 3rd Street.
- **Excellent Walkability** – The property is within easy walking distance to schools, the Wilshire/Western Metro Stop, restaurants, grocery stores, and other retail amenities.
- **Dense Core Los Angeles Demographics** – Subject property is ideally situated in the heart of a dense, infill trade area featuring over 105,653 residents and average household incomes exceeding \$65,957 within a 1-mile radius and over 653,434 residents and average household incomes exceeding \$72,809 within a 3-mile radius.



DEMOGRAPHIC HIGHLIGHTS - 3 MILE RADIUS

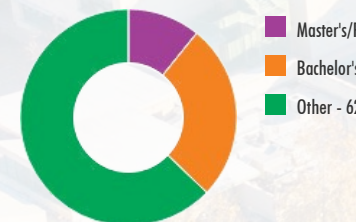
EMPLOYMENT

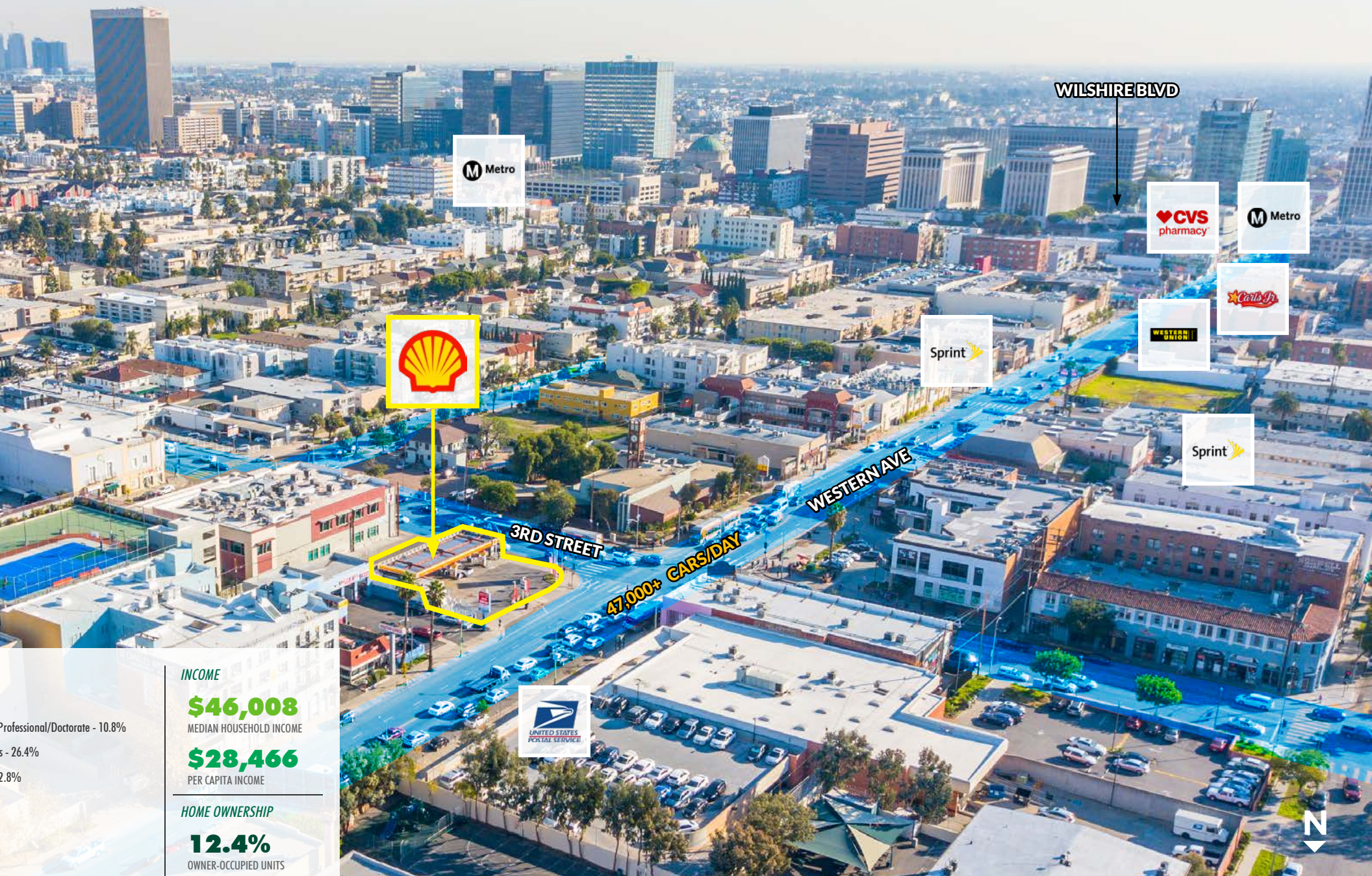
238,324 EMPLOYEES

30,624 BUSINESSES

19.2% RESIDENTIAL UNEMPLOYMENT RATE

EDUCATION





INCOME

\$46,008

MEDIAN HOUSEHOLD INCOME

\$28,466

PER CAPITA INCOME

HOME OWNERSHIP

12.4%

OWNER-OCCUPIED UNITS

Professional/Doctorate - 10.8%

s - 26.4%

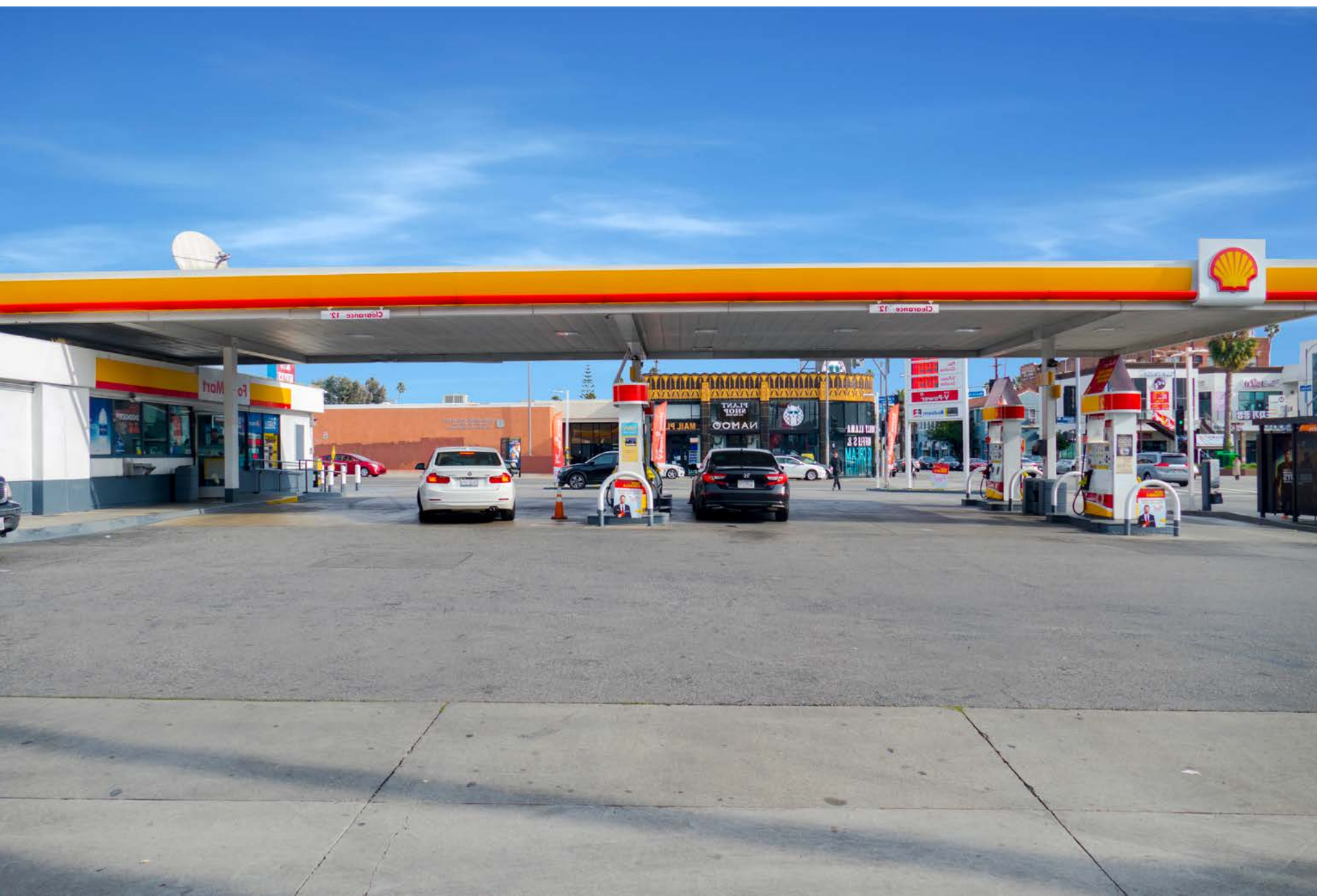
2.8%



Lease Abstract

TERMS	Commencement: 9/1/98		
	Termination: 8/31/23		
	Lease Term: 25 years		
	Remaining Term: 2.5+ years		
	Options: One 5 year option remaining		
RENT	Current Rent:	\$120,000/year	\$10,000/month
	Rent Increases:	None until option period. Option rent shall be either: \$133,200/year or Fair Market Value. Whichever amount is greater.	
Rent Schedule:		Per Year	Per Month
9/1/2018-8/31/2023		\$120,000	\$10,000
Option: 9/1/2023-8/31/2028		\$133,200 (or FMV)	\$11,100 (or FMV)
LEASE INFO	Type:	Absolute NNN	
	Ownership:	Fee Simple	
	Tenant:	CF United Opco LLC (Fortress)	





Tenant Overview

Shell branded service station currently operated by CF United Opco LLC, a subsidiary of Fortress.



Shell Oil Company including its consolidated companies and its share in equity companies, is one of America's largest oil and natural gas producers and marketers, gasoline marketers and petrochemical manufacturers. Its products include fuels, oils, and car services as well as exploration, production, and refining of petroleum products. With over 25,000 Shell-branded gas stations in the United States alone, Shell is among one of the largest oil companies in the world.

CORPORATE OVERVIEW

TYPE:	Wholly Owned Subsidiary
PARENT:	Royal Dutch Shell
INDUSTRY:	Oil & Gas; C-Store
HEADQUARTERS:	Houston, TX
YEAR FOUNDED:	1912
EMPLOYEES:	82,000+
LOCATIONS:	25,000+
REVENUE:	\$388.4 Billion
WEBSITE:	www.shell.us



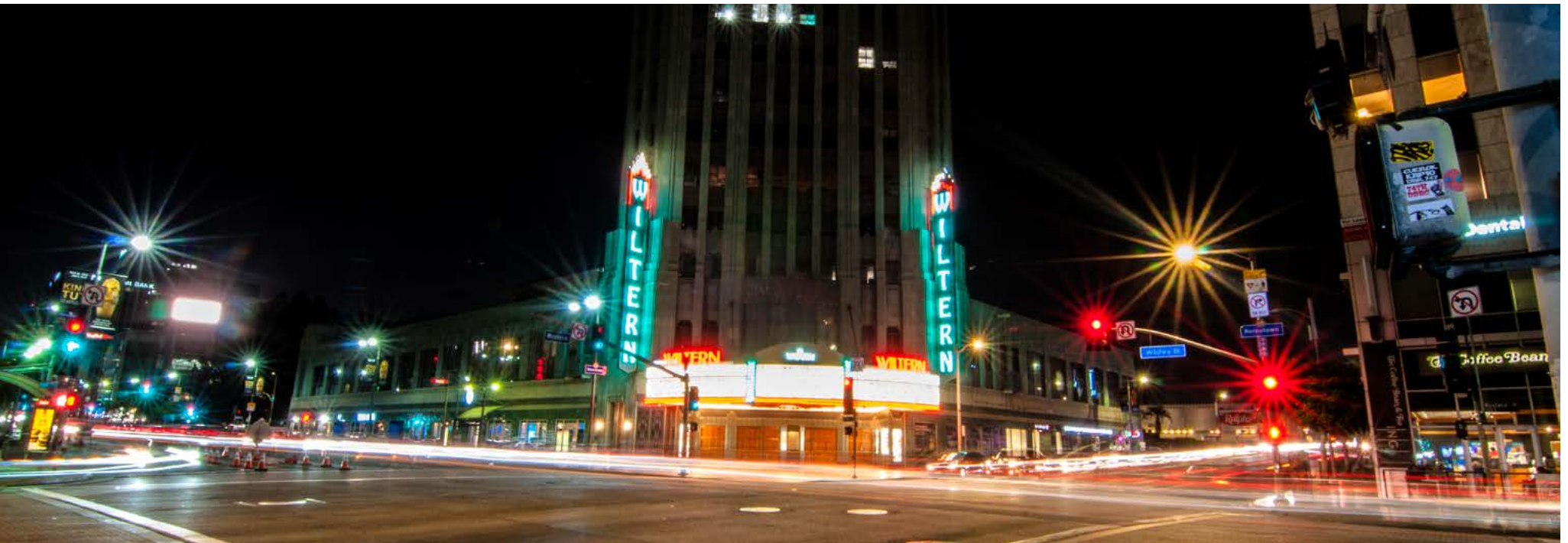
Fortress Investment Group

Fortress Investment Group is an investment management firm based in New York City. Founded in 1998 as a private equity firm, Fortress would become the first large private equity firm in the United States to be publicly traded, at the time NYSE. The firm manages a portfolio of assets in excess of \$70 billion. A majority share of Fortress would eventually be purchased and hence become a subsidiary of the SoftBank Group, the 36th largest company in the world according to Forbes.

CORPORATE OVERVIEW

TYPE:	Subsidiary
PARENT:	Soft Bank Group
INDUSTRY:	Private Equity
HEADQUARTERS:	New York, New York
YEAR FOUNDED:	1998
REVENUE:	\$1.1 Billion
WEBSITE:	www.fortress.com





Area Overview

Koreatown, Los Angeles

Koreatown is a neighborhood towards the central-east side of Los Angeles, conveniently located between Silver Lake, Westlake, East Hollywood, and Mid-Wilshire. Often referred to as K-Town, Koreatown is a vibrant and culturally diverse area of the city and has continued to slowly become a central hub for locals and tourists to visit for the latest restaurants, shopping and nightlife.

In the 1960s, Koreans began immigrating to California and found housing the Mid-Wilshire area. Several began to open businesses as

they found tolerance and affordable rent in housing within the local area. Today, its historic art deco buildings and terra cotta facades have been preserved as the buildings remain economically viable for these new businesses that continue to grow here.

Koreatown continues to emerge as one of the city's top residential neighborhoods. It is one of the most densely populated districts and fastest growing communities in Los Angeles County.

SHOPPING & ENTERTAINMENT

Koreatown Galleria – The Koreatown Galleria is located in the heart of Koreatown offering over 70 retail stores, food court and other dining options. Its prime location along Western and Olympic make it an ultimate shopping destination within the community.

The Wiltern – The Wiltern is one of the finest examples of Art Deco architecture in the nation with its blue-green terra cotta tile. It is a landmark in the city and is located along Wilshire Boulevard and Western Avenue, immediately adjacent from the Wilshire/Western Metro Station.

MaDang Courtyard – MaDang is a three-level outdoor shopping and entertainment complex located just above Wilshire Boulevard and on the western side of Western Avenue. The courtyard offers over 20 retailers including H-Mart and Paris Baguette.

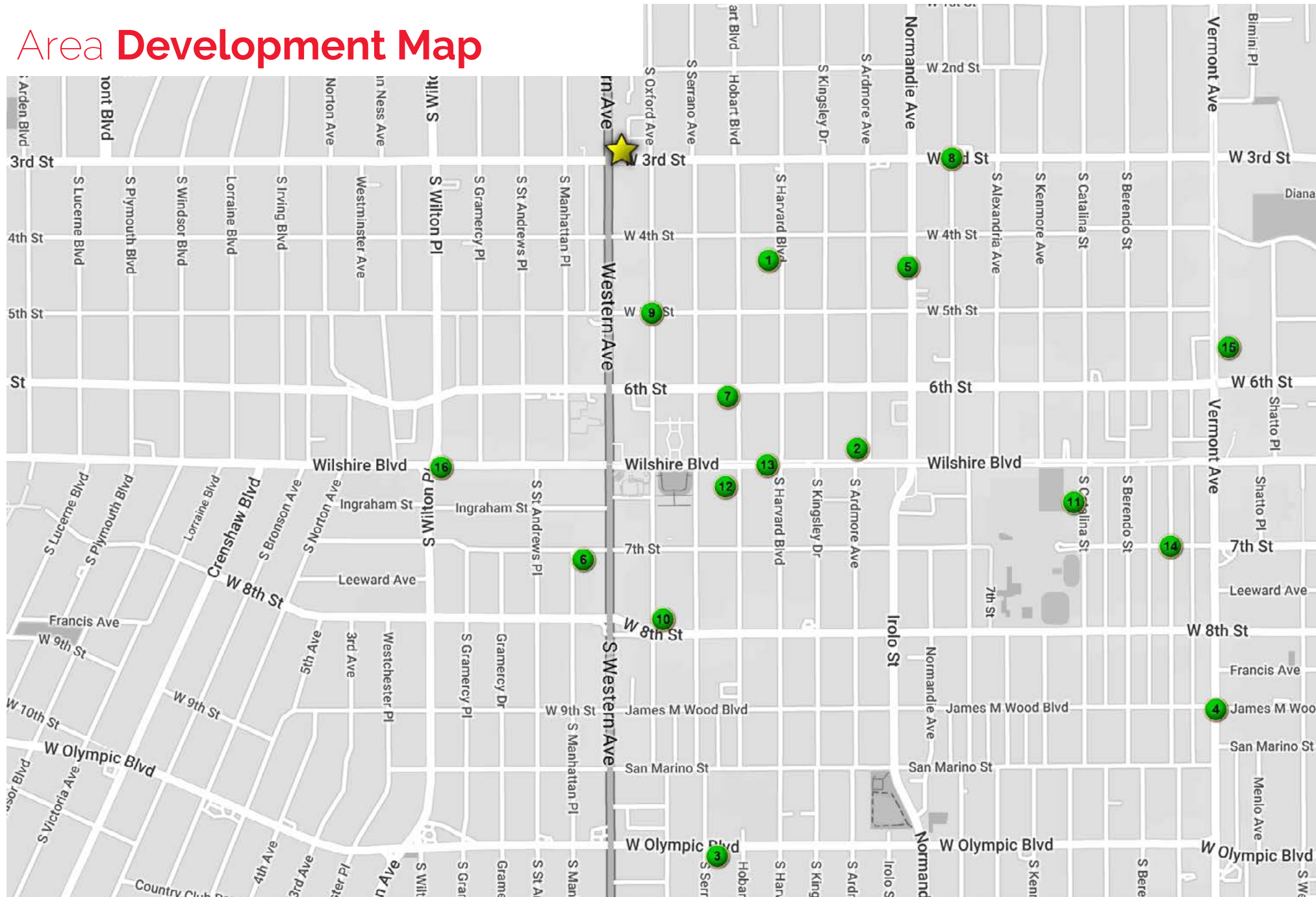
HOTELS

The LINE – The LINE is a mid-century boutique hotel that offers floor-to-ceiling windows showcasing the Los Angeles views, custom furnishings, and modern artwork. The hotel boasts three restaurants, an outdoor pool and a furnished sun terrace for its guests.

Hotel Normandie – Hotel Normandie was originally built in 1926 and is a historic Wilshire District hotel that features 24-hour reception, an on-site library and rooftop with views of the city. The history of the hotel and close proximity to other establishments like The Wiltern, DTLA, and Hollywood make it appealing to its customers.



Area Development Map



LEGEND

	270 S. Western Ave
1	S Harvard Blvd & S Kingsley Dr
2	3545 Wilshire Blvd
3	3170 W Olympic Blvd
4	900 S Vermont Avenue
5	411 Normandie
6	700 Manhattan Pl
7	Hyatt Centric 3800 W 6th St
8	The Mariposa 3rd St & Marisposa Ave
9	500 S Oxford Avenue
10	Rise Koreatown 3525 W 8th St
11	3350 Wilshire Blvd
12	The Pearl 687 S Hobart Blvd
13	Luna on Wilshire 3640 Wilshire Blvd
14	698 S. New Hampshire St
15	LA County Department of Mental Health
16	3980 Wilshire Blvd



Area **Developments** Proposed/Under Construction/Recently Completed



1

S Harvard Blvd & S Kingsley Dr

Developer: Jamison Services
Units: 760
Status: Proposed

Renderings were recently submitted to the Wilshire Center-Koreatown Neighborhood Council consisting of a twin tower residential project. One 28-story and one 23-story building with a combined 760 units.



2

3545 Wilshire Blvd

Developer: Jamison Services
Units: 428
Status: Proposed

The project consists of a 510,000 SF mixed-complex highlighted by a 32 story tower and a 14 story tower. The full buildout would potentially contain 428 residential units and 32,000 SF of retail space. **Expected delivery 2023.**



3

3170 W Olympic Blvd

Developer: CBS Property Group
Units: 252
Status: Proposed

The seven-story structure will contain 252 units and 32,100 SF of retail space along with 46 units as affordable housing, also featuring a rooftop deck and courtyard with a swimming pool. **Expected delivery 2023.**



4

900 S Vermont Avenue

Developer: Jamison Services
Units: 193
Status: Proposed

The project is among one of the first projects to be approved through the TOC guidelines and features 193 apartments, which includes 20 affordable units. **Expected delivery 2021.**

5



411 Normandie

Developer: Jamison Services
Units: 224
Status: Complete

Seven-story podium-type building with 224 units. The apartment complex features a contemporary look and amenities such as a pool deck and fitness center.

6



700 Manhattan PI

Developer: Jamison Services
Units: 160
Status: Complete

The 7-story, 160 unit multifamily structure offers upscale designer interiors with over 17,000 SF of amenity spaces said to be completed in 2019. The residents of 700 Manhattan will benefit from a high-end clubroom, meeting room, pool deck, putting green, barbeque and outdoor screening areas.

7



Hyatt Centric 3800 W 6th St

Developer: Maxsum Development
Units: 304
Status: Under Construction

The high rise development is set to begin construction in 2019 for the 21-story tower with over 122 residential units, a 192 room hotel and 14,500 SF of commercial space. The high rise will include a pool deck on top of the building and subterranean parking. **Expected delivery 2022.**

8



The Mariposa 3rd St & Marisposa Ave

Developer: CGI Strategies
Units: 121
Status: Complete

The mixed-use project is a seven-story building, featuring 121 apartments and 4,600 of ground floor retail space. It is set to open this year and features a rooftop pool deck, theater room and fitness center.

Area **Developments** (cont.)



500 S Oxford Avenue

Developer: Inland Development
Units: 89
Status: Under Construction

In early 2018, The Los Angeles Department of City Planning approved a seven-story building project featuring 89 residential units to begin construction. The currently vacant lot will become a multifamily residential complex. **Expected delivery 2020.**



Rise Koreatown 3525 W 8th St

Developer: Cal Coast/Rescore & Nadel
Units: 364
Status: Under Construction

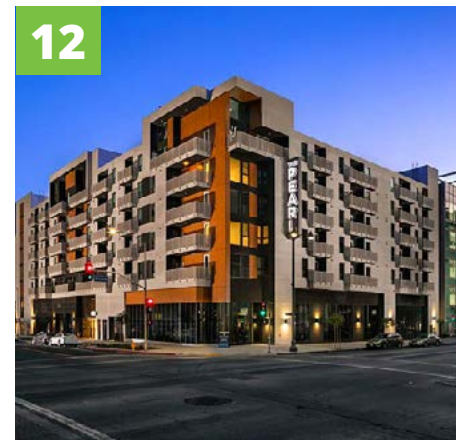
The mixed-use complex is set to begin construction in 2019, featuring 364 units, 52,000 SF of retail and a 23,000 SF Korean grocery chain. **Expected delivery 2021.**



3350 Wilshire Blvd

Developer: Jamison Services
Units: 216
Status: Complete

The current space will be redeveloped into 216 residential apartments, with amenities including a roof top pool dock and a terrace 9 floors above Wilshire Blvd, along with a gym, basketball court and karaoke room.



The Pearl 687 S Hobart Blvd

Developer: Cityview
Units: 346
Status: Complete

The 364 unit multifamily building, The Pearl has recently been completed and offers high end services to its tenants including dog walking, dry cleaning, housekeeping, rooftop and pool deck.

13



Luna on Wilshire 3640 Wilshire Blvd

Developer: Jamison Services
Units: 209
Status: Complete

Luna on Wilshire is a 7-story, 209 unit apartment building with 3,100 SF of commercial space on the ground floor. Its amenities includes a fitness center, zen garden, pool and rooftop terrace.

14



698 S. New Hampshire St

Developer: Harridge Development Grp
Units: 555
Status: Proposed

The 555 unit development will include 355 luxury condominiums within a 35 story building as well as a 160 room hotel all within a 415,000 sf. structure. **Expected delivery 2023.**

15

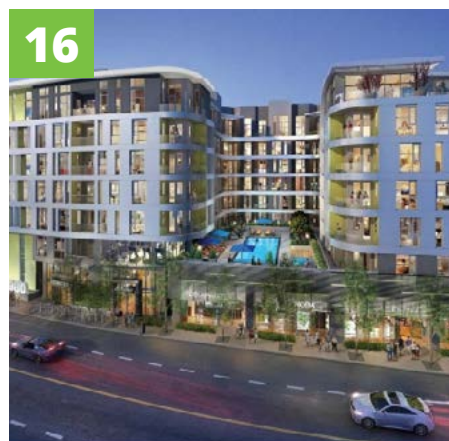


LA County Department of Mental Health

Developer: Tramell Crow Company
Status: Under Construction

Mixed-use office development that will rise 20 stories. LA County is the primary tenant but will include additional office space to be leased as well as retail on the ground floor. **Expected delivery 2021.**

16



3980 Wilshire Blvd

Developer: Jamison Services
Units: 228
Status: Complete

Designed by KTG Architecture, the 7-story 205,000 sf. mixed-use building consists of 228 units.

Area **Developments** Analysis

Zoning Overview

- C2-1 Zone
- Allows for Residential 4 uses within Height District 1
- No D designation limiting development
- Not within a Specific Plan
- General Plan land use commands High/Medium Residential
- Located within Transit Oriented Community Tier 3 (approximately .5 miles north of Wilshire Western Metro Station)



By-Right Development Analysis

- Units Buildable: Lot Size - .29 Acres – 12,695 sf.
- Alley Size: Height – 57 ft. Width – 20 ft. – $57 \times 20 / 2 = 570$
- Total Basis for Unit Allocation: Lot Size + $\frac{1}{2}$ Alley = 13,265
- Total Buildable Units: $13,265 / 400 = 33.2$ (round up) = **34 units**
- Buildable Area: Floor Area Ratio (FAR) **1.5:1** - Lot Size: .29 Acres - 12,695 sf. - $12,695 \times 1.5 = \mathbf{19,043 \text{ sf. with a 6 story or 75 ft. height limit}}$

*** Allocations confirmed per Department of City Planning Zoning Regulations as of June 2019**

Increase in Number of Dwelling Units

In each Tier, the maximum increase in the otherwise maximum allowable number of dwelling units permitted under the applicable zoning ordinance shall be as follows:

- I. Tier 1 - 50%
- II. Tier 2 - 60%
- III. Tier 3 - 70%**
- IV. Tier 4 - 80%

TOC Development Analysis

- Units By-Right increased by 70% - $34 \times 1.7 = 57.8$ (round up) - **58 units**
- FAR By-Right increased to **3.75:1**
- Buildable Area: $12,695 \times 3.75 = \mathbf{47,606 \text{ sf}}$

Floor Area Ratio (FAR)

In each Tier, the maximum increase in the allowable FAR permitted shall be equal to the following, provided that any additional floor area provided through this section is utilized only by residential uses:

I. Tier 1 - Percentage increase of up to 40%, or an FAR increase resulting in at least a 2.75:1 FAR in commercial zones, whichever is greater.

II. Tier 2 - Percentage increase of up to 45%, or an FAR increase resulting in at least a 3.25:1 FAR in commercial zones, whichever is greater.

III. Tier 3 - Percentage increase of up to 50%, or an FAR increase resulting in at least a 3.75:1 FAR in commercial zones, whichever is greater.

IV. Tier 4 - Percentage increase of up to 55%, or an FAR increase resulting in at least a 4.25:1 FAR in commercial zones, whichever is greater.



Area Demographics



POPULATION	1 MILE	3 MILES	5 MILES
2020 Population	105,653	653,434	1,206,146
2025 Population	110,699	679,304	1,255,397
2010 Population - Census	101,370	620,942	1,135,426
2020-2025 Annual Pop. Growth Rate	0.94%	0.78%	0.80%



HOUSEHOLD	1 MILE	3 MILES	5 MILES
2020 Households	42,063	254,244	473,970
2025 Households	43,995	265,095	495,634
2010 Households - Census	40,364	240,744	443,305
2020-2025 Annual Growth Rate	0.90%	0.84%	0.90%
2020 Average Household Size	2.50	2.52	2.46



INCOME	1 MILE	3 MILES	5 MILES
2020 Average Household Income	\$65,957	\$72,809	\$82,766
2025 Average Household Income	\$72,661	\$83,295	\$94,375
2020 Median Household Income	\$43,389	\$46,008	\$51,650
2025 Median Household Income	\$47,829	\$52,063	\$57,765



HOUSING	1 MILE	3 MILES	5 MILES
2020 Housing Units	46,233	279,209	519,939
2020 Vacant Housing Units	4,170	24,965	45,969
2020 Occupied Housing Units	42,063	254,244	473,970
2020 Owner Occupied Housing	4,197	31,548	88,822
2020 Renter Occupied Housing	37,866	222,696	385,148



EDUCATION	1 MILE	3 MILES	5 MILES
2020 Population 25 and Over	75,024	461,651	854,389
Less than 9th Grade	9,439	68,355	114,775
9-12th Grade - No Diploma	6,723	39,844	71,277
High School Diploma	14,952	82,930	143,168
GED or Alternative Credential	779	5,950	12,220
Some College - No Degree	10,553	67,978	135,112
Associate's Degree	3,949	25,042	48,338
Bachelor's Degree	21,197	121,623	223,460
Graduate or Professional Degree	7,432	49,929	106,039



AGE	1 MILE	3 MILES	5 MILES
Age 0-4	5,652	36,355	64,887
Age 5-9	5,596	34,770	62,505
Age 10-14	5,643	33,910	61,335
Age 15-19	5,826	35,264	67,254
Age 20-24	7,913	51,482	95,774
Age 25-29	9,544	65,804	117,966
Age 30-34	9,276	63,165	113,155
Age 35-39	9,129	57,023	103,230
Age 40-44	8,118	47,662	86,794
Age 45-49	8,047	44,267	81,684
Age 50-54	7,202	40,115	75,369
Age 55-59	6,267	36,177	68,469
Age 60-64	5,397	31,727	59,711
Age 65-69	4,350	25,451	48,356
Age 70-74	3,252	19,333	37,394
Age 75-79	2,104	12,904	25,348
Age 80-84	1,262	8,759	17,474
Age 85 and Older	1,075	9,266	19,439



PLACE OF WORK	1 MILE	3 MILES	5 MILES
2020 Businesses	6,496	30,624	76,490
2020 Employees	42,491	238,324	609,059

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