



FOR SALE

2886 & 2888 E Walnut Street
Pasadena, California

PICTURE OF PROPERTY
Draft Package

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DRE License # CA DRE # 01279002

For Sale: 12-Unit Artist/Business Work/Live Studios – 2886 & 2888 E Walnut Street, Pasadena, CA 91107

Asking Price: \$6,500,000 (subject to terms and closing timeline)

This well-positioned 12-unit commercial work/live community in Pasadena, California, presents a compelling investment opportunity. Located at the corner of Walnut Street and Sunnyslope Avenue, directly across from Home Depot and the Rusnak Dealership, the property offers strong income potential. The current cap rate is approximately 5.16%, with the opportunity to increase it to over 7.5% by adjusting rents to market rates. Additionally, the property is ideal for an owner-user, non-profit, or company headquarters, and could potentially be converted into 12 individual commercial work/live condominiums for sale.

Originally built between 1946 and 1955 as industrial warehouses, the property was converted into work/live studios in the early 2000s under a Conditional Use Permit (CUP). The CUP allows for various uses, including office space, company headquarters, photography, sculpture, music recording studios, non-profit organizations, and service companies. The units are designed for both residential and commercial purposes, catering to artists, entrepreneurs, and small businesses.

Key Investment Highlights:

- **Lot Size:** 15,578 sq. ft (114 ft. frontage on Walnut Street, 137 ft. frontage on Sunnyslope Avenue) on two Legal Parcels
- **2 Legal Parcel APN's:** 5748-006-034, 5748-006-035
- **Building Size:** 16,250 sq. ft. (including mezzanines, common areas, and storage)
- **Rentable Square Footage:** 15,200 sq. ft.
- **Parking:** 13 dedicated spaces
- **Year Built:** 1946-1955; fully renovated in the mid-1990s and early 2000s
- **Current Use:** 12 leased work/live units, occupied by artists, service companies, and small businesses
- **Zoning:** Commercial/Residential (East Pasadena Specific Plan), with home occupations permitted
- **Environmental:** Soil tests conducted in the 1990s confirm no issues from previous industrial use

Financial Overview:

- **Actual Gross Rents:** \$406,000 annually with a current cap rate of 4.68% at \$6,500,000 and to 5.16% at 6 Million
- **Proforma Gross Rents:** \$535,000 annually, with a projected cap rate of 6.69% at \$6,500,000 and 7.56% at \$6,000,000

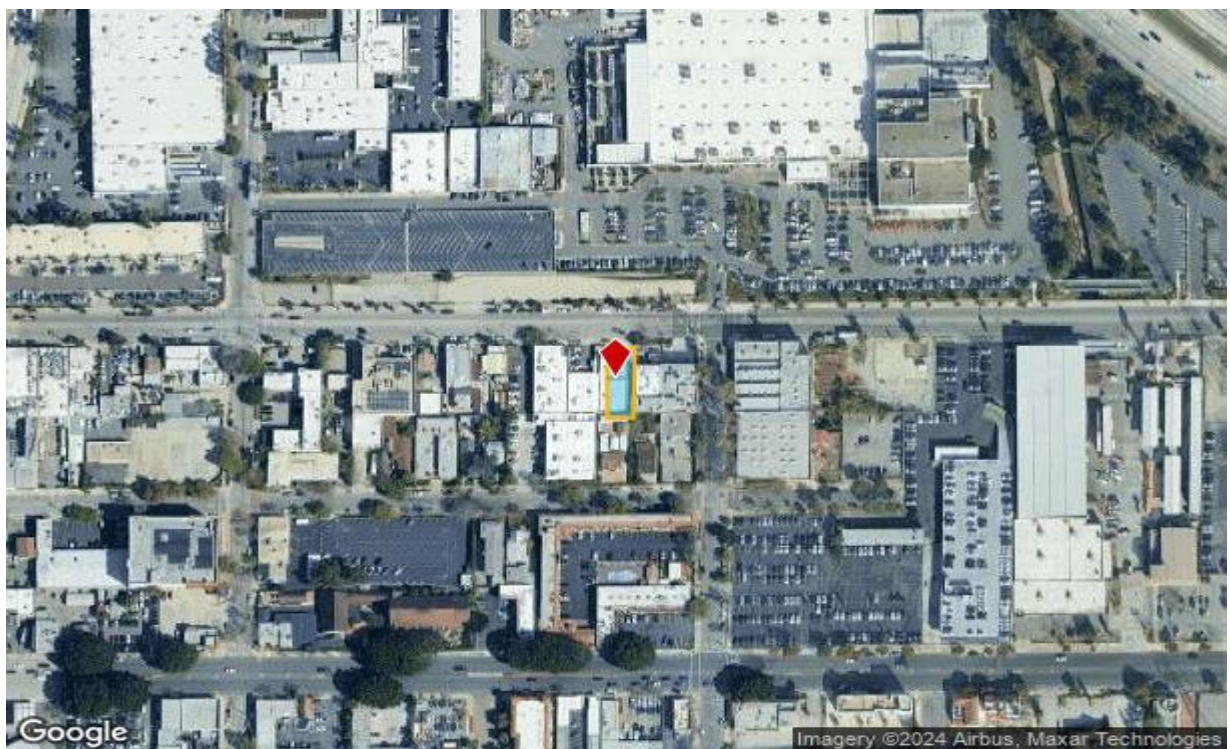
Value-Add Opportunities:

- Convert to college classrooms or extension facilities (previously leased by Occidental College for its Art School)

- Potential to create a condo map and sell individual units (plans are already in place)
- Adapt the space for a company headquarters with integrated housing
- Capitalize on future redevelopment opportunities in this high-demand location

Prime Location: The property is strategically located near major retail centers, including Home Depot and the Rusnak Dealership, with easy access to the 210 Freeway. It is a short drive to the Rose Bowl, Old Town Pasadena, and Downtown Los Angeles, providing significant visibility and access for tenants.

This property offers a unique combination of creative, residential, and commercial space in one of Pasadena's most desirable locations, making it a solid investment opportunity with multiple avenues for value enhancement and long-term growth.



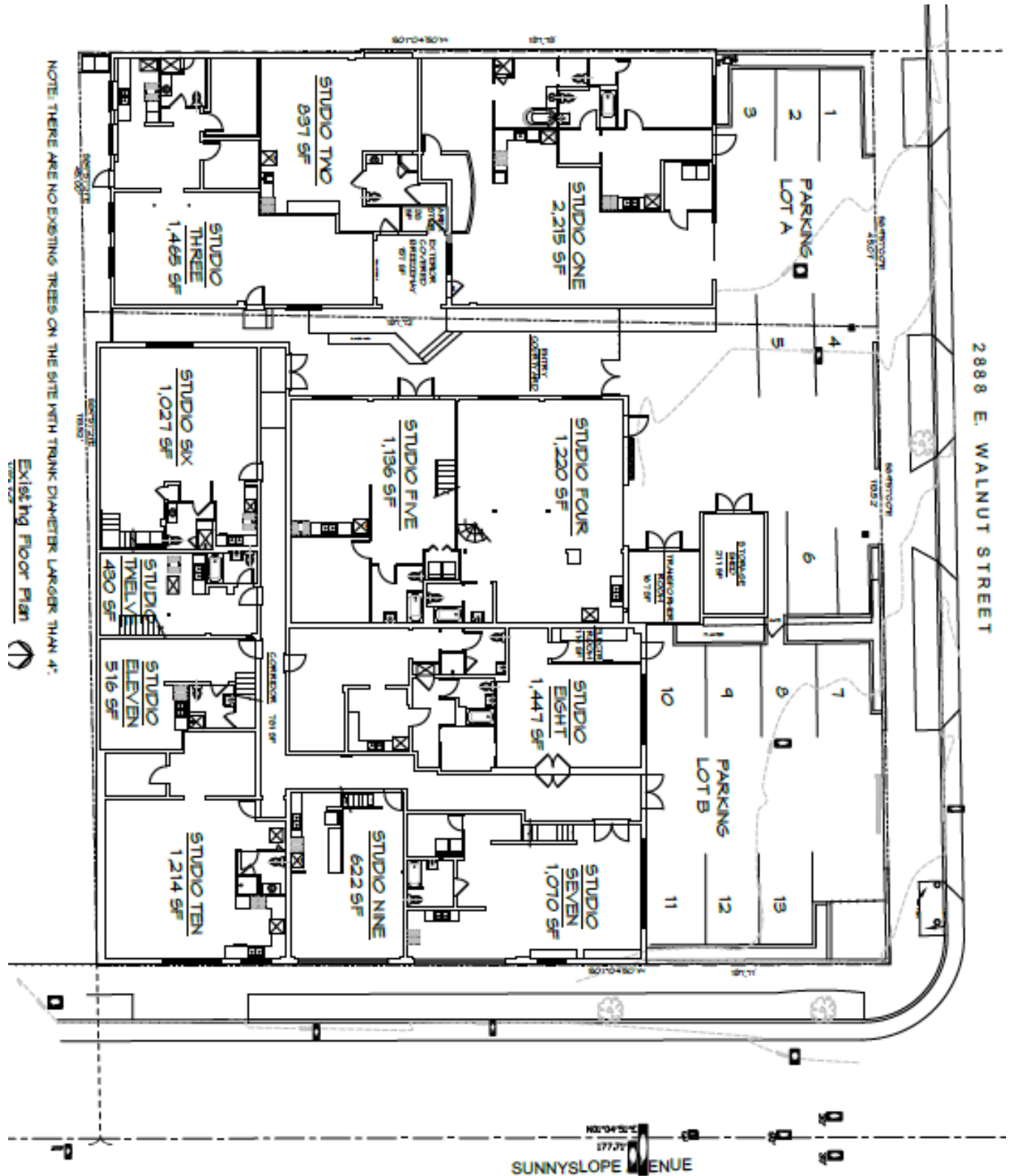
Actual & Proforma Rent Roll For 2024: 2888 E Walnut Pasadena CA

Studio Number	Tenant	Actual Rent	Proforma Rent	Total Rentable SF	Footprint	Actual Price PSF Per Month	Proforma Price PSF Per Month With CAM Charge	NOTES
Studio # 1a	VACANT	\$ 1,569.40	\$ 1,569.40	532	532	\$2.95	\$2.95	Vacant Unit (Was a part of #1 but has been separated) - Used Proforma For Actual
Studio # 1	Occupied	\$ 2,720.00	\$ 4,961.90	1682	1682	\$1.62	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 2	Occupied	\$ 2,350.00	\$ 2,908.70	986	792	\$2.38	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 3	Occupied	\$ 2,810.00	\$ 4,321.75	1465	1465	\$1.92	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 4	Occupied	\$ 2,950.00	\$ 4,693.45	1591	1220	\$1.85	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 5	Occupied	\$ 3,200.00	\$ 4,366.00	1480	1136	\$2.16	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 6	Occupied - Owner's Unit	\$ 3,501.65	\$ 3,501.65	1187	1027	\$2.95	\$2.95	Owner Unit - Used Proforma for Actual
Studio # 7	Occupied	\$ 3,300.00	\$ 3,899.90	1322	1027	\$2.50	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 8	Occupied - Recording Studio	\$ 3,475.00	\$ 4,882.25	1655	1447	\$2.10	\$2.95	Unit is broken into 2 units (Unit #8 and #13), MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 9	Travis Diener/Lori Eicholzer	\$ 2,350.00	\$ 2,480.95	841	622	\$2.79	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 10	Occupied - Architect	\$ 2,800.00	\$ 3,581.30	1214	1214	\$2.31	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 11	Occupied	\$ 1,360.00	\$ 1,522.20	516	516	\$2.64	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Studio # 12	Occupied - Acupuncture	\$ 1,500.00	\$ 1,932.25	655	430	\$2.29	\$2.95	MTM Lease - Can Increase Rent to Proforma w/ CAM's in 90 days
Monthly		\$ 33,886.05	\$ 44,621.70	15,126	13,110	\$2.24	\$2.95	
Annually		\$ 406,632.60	\$ 535,460.40			\$26.88	\$35.40	
Notes: Each Unit has its own Gas & Electrical Meter. However, Property has 1 House Electric Meter & 2 Water Meters								
Common Area Maintenance Costs Include Water, Sewer, Trash, Pest Service, Gardening, and Maintenance/Repairs - Currently Paid By Landlord								
Landlord pays Property Insurance and Property Taxes								
Potential Value Add: Start Charging CAM or NNN's and increase Rentable Square Footage to include common area								

INCOME SENSITIVITY ANALYSIS:

INCOME ANALYSIS AT \$6,000,00 SALE PRICE:						
			Actual	Proforma	Potential Sale Price	\$6,000,000.00
Gross Income			\$406,632.60	\$535,460.40	Property Tax Rate	1.10%
Expenses:					Profroma PSF Per Month	Profroma CAM Charge Per Unit
Water/Sewer			\$3,240.00	\$0.00	\$2.95	\$105.00
Electric			\$1,680.00	\$0.00		
Pest Control			\$1,200.00	\$0.00	# of Units	12
Gardener			\$2,400.00	\$0.00		
Trash			\$4,200.00	\$0.00		
Other/Maintenance			\$2,400.00	\$0.00		
Property Taxes			\$66,000.00	\$66,000.00		
Property Insurance			\$16,000.00	\$16,000.00		
Total Expenses			\$97,120.00	\$82,000.00		
Net Operating Income			\$309,512.60	\$453,460.40		
Return on Investment / Cap Rate:			5.16%	7.56%		
CAM CHARGR PER UNIT PER YEAR			\$1,260.00			
CAM CHARGE PER UNIT PER MONTH			\$105.00			
INCOME ANALYSIS AT \$6,250,000:						
			Actual	Proforma	Potential Sale Price	\$6,250,000.00
Gross Income			\$406,632.60	\$535,460.40	Property Tax Rate	1.10%
Expenses:					Profroma PSF Per Month	Profroma CAM Charge Per Unit
Water/Sewer			\$3,240.00	\$0.00	\$2.95	\$105.00
Electric			\$1,680.00	\$0.00		
Pest Control			\$1,200.00	\$0.00	# of Units	12
Gardener			\$2,400.00	\$0.00		
Trash			\$4,200.00	\$0.00		
Other/Maintenance			\$2,400.00	\$0.00		
Property Taxes			\$68,750.00	\$68,750.00		
Property Insurance			\$16,000.00	\$16,000.00		
Total Expenses			\$99,870.00	\$84,750.00		
Net Operating Income			\$306,762.60	\$450,710.40		
Return on Investment / Cap Rate:			4.91%	7.21%		
CAM CHARGR PER UNIT PER YEAR			\$1,260.00			
CAM CHARGE PER UNIT PER MONTH			\$105.00			
INCOME ANALYSIS AT \$6,500,000:						
			Actual	Proforma	Potential Sale Price	\$6,500,000.00
Gross Income			\$406,632.60	\$535,460.40	Property Tax Rate	1.10%
Expenses:					Profroma PSF Per Month (NNN)	Profroma CAM Charge Per Unit
Water/Sewer			\$3,240.00	\$0.00	\$2.95	\$105.00
Electric			\$1,680.00	\$0.00		
Pest Control			\$1,200.00	\$0.00	# of Units	12
Gardener			\$2,400.00	\$0.00		
Trash			\$4,200.00	\$0.00		
Other/Maintenance			\$2,400.00	\$0.00		
Property Taxes			\$71,500.00	\$71,500.00		
Property Insurance			\$16,000.00	\$16,000.00		
Total Expenses			\$102,620.00	\$87,500.00		
Net Operating Income			\$304,012.60	\$447,960.40		
Return on Investment / Cap Rate:			4.68%	6.89%		
CAM CHARGR PER UNIT PER YEAR			\$1,260.00			
CAM CHARGE PER UNIT PER MONTH			\$105.00			

EXISTING USEABLE SQUARE FOOTAGE FLOOR PLAN –
THIS PLAN DOES NOT SHOW THE ADDITIONAL
MEZZINANE SQUARE FOOTAGE:



Subject Photographs



Aerial View

Subject Photographs



Subject Front/Eastern Elevation



Subject Front/Western Elevation



Subject Front



Subject Rear/Eastern Elevation



Walnut Street (Facing West)



Walnut Street (Facing East)

Subject Photographs



Sunny Slope Street (Facing South)



Subject Gas Meters



Subject Secured Entrance



Subject Surface Parking



Subject Surface Parking



Operational, but not Utilized Loading Door

Subject Photographs



Subject Interior – Studio



Subject Interior - Kitchen



Subject Interior - Restroom



Subject Interior – Towards Kitchen/Loft

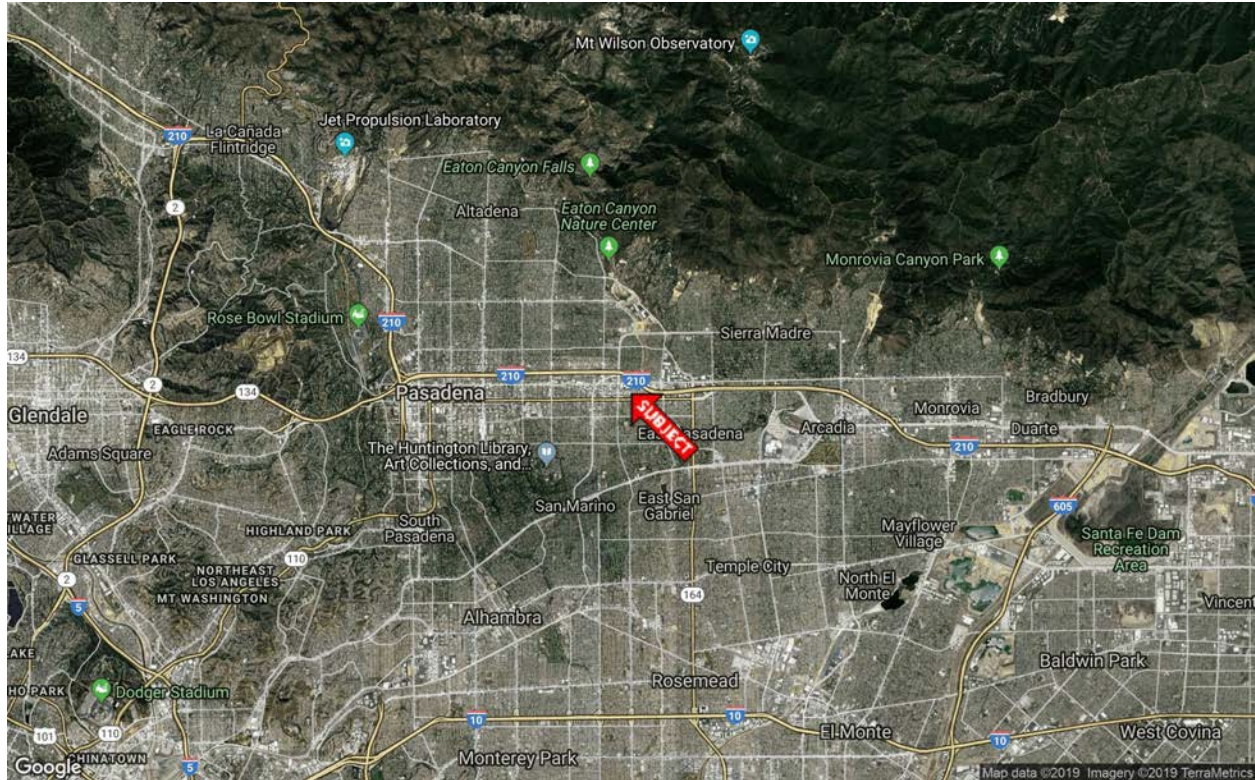


Subject Interior – Studio with Loft



Subject Interior – Towards Kitchen/Loft

Neighborhood Analysis



LOCATION

The subject is in the city of Pasadena and is considered a suburban location. The city of Pasadena is situated in the northern portion of the Los Angeles Metro. It is northwest of the city of Los Angeles.

BOUNDARIES

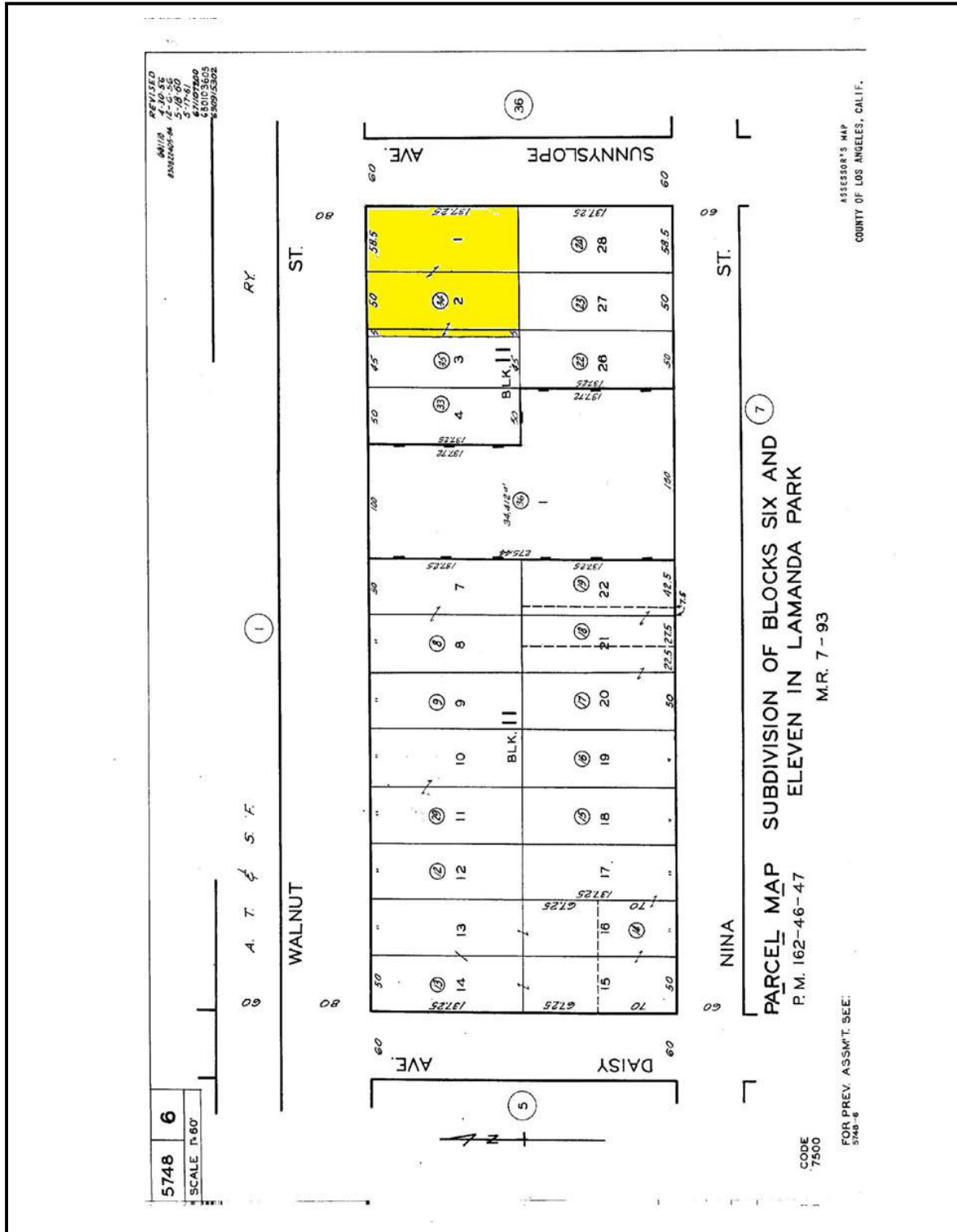
The neighborhood boundaries are detailed as follows:

- North: Angeles National Forest
- South: 605 Freeway
- East: 10 Freeway
- West: Route 2

LAND USE

Land uses within the subject neighborhood consist of a mixture of commercial and residential development. The immediate area surrounding the subject is an older industrial area consisting mostly of warehouses. Pasadena City College and California Institute of Technology are west of the subject. Downtown Pasadena (Old Pasadena) is further west of the subject near the intersection of Route 134 and Interstate 210.

Plat Map



EAST PASADENA

East Pasadena is a major regional retail area and provides jobs, goods, and services to the City. The current East Pasadena Specific Plan, which was adopted on October 23, 2000, focuses on facilitating the expansion of existing businesses and development of new businesses to provide additional employment opportunities for Pasadena residents, as well as the addition of new housing opportunities to enable residents to live close to jobs and transit. **An update to the East Pasadena Specific Plan is underway** – information regarding the draft plan that was presented to the community in 2020 and ways to participate can be found at <https://www.ourpasadena.org/east-pasadena>. The draft specific plan for East Pasadena focuses on implementing the General Plan goal for East Pasadena as a semi-urban environment with higher-density mixed-use developments incorporating retail, office, and housing uses to provide more opportunities to walk and use transit.

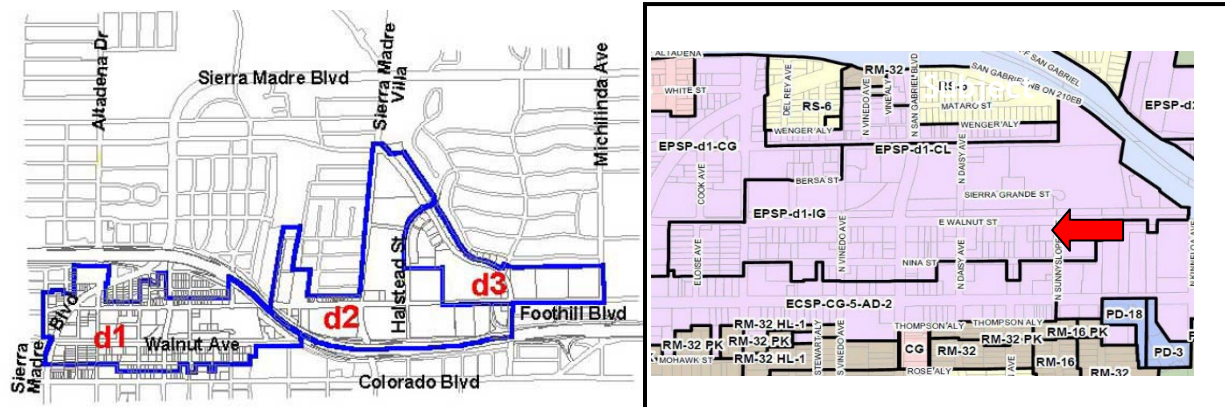
To review the currently adopted 2000 East Pasadena Specific Plan, please see the information below.

d1. East Foothill Industrial District (SUBJECT SITE LOCATION)

In this area, the Specific Plan will encourage this area's continued use as an industrial district with moderate amounts of additional office and commercial development. The Specific Plan will facilitate transit oriented development near the proposed light rail station at Sierra Madre Villa and the 210 freeway.

d2. Foothill, Rosemead- Sierra Madre Villa

d3. Hastings Ranch/Foothill-Rosemead Shopping Center Areas



History

In 1992, the present owner stumbled on a very sad, badly bruised cluster of warehouses that nobody wanted to own, not even the bank. There was a recognition that Walnut was an interesting corridor of printers, engravers, auto body shops, glass studios and even some small bungalows that grew up along the now defunct Santa Fe Railroad that ran through Pasadena at its Northern boundaries. With the 210 freeway, it was no longer a viable artery for large trucks. At the same time it seemed these were great volumes of space with natural northern daylight streaming in that artists are always hoping to find for work space. Hey and its a great living space too. Turns out the City thought the same thing and was looking for a way to put such a valuable use in its zoning law. An idea was born! Working with the City of Pasadena, a work/live component was added to the East Pasadena. The Studios @ Walnut, LLC holds the first 13 allocated by the City.

The first tenant was Occidental College that housed their sculpture program here from 1993 through 2000 while a new Art facility was being built at their Eagle Rock campus. During this same time, and up to the present, there have been a variety of persons who have discovered in the Studios a solution for their creative needs. These include musicians, opera singers, conga players, graphic artists, photographers, designers and sculptors, writers, microbiologists, physicists, food stylists, athletes, and magazine publishers. We're a creative bunch!

