



THE NEEMA GROUP

Los Angeles Multifamily Brokerage & Advisory Services



South Berendo Street | Los Angeles, CA 90004

An 8-unit Value-Add Investment Opportunity - 5 of 8 Units Will Be Delivered Vacant
Excellent Koreatown Location, High Walkscore of 89
Lowest Price Per Foot with Parking on the Market in Koreatown

Marcus & Millichap

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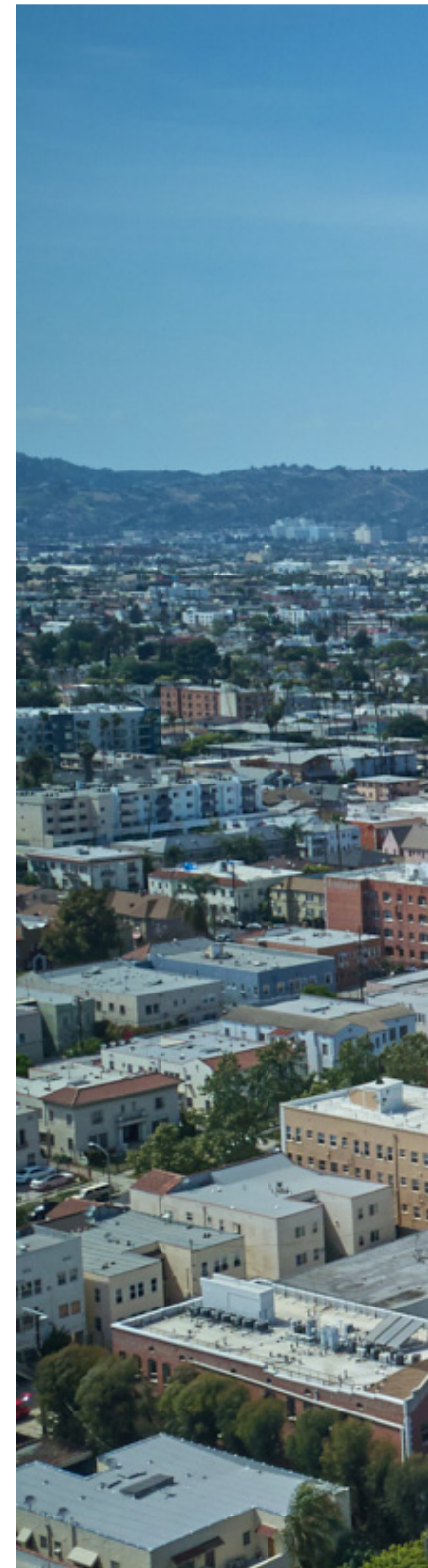
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An aerial photograph of a city, likely Los Angeles, showing a dense urban landscape with various colored buildings, streets, and palm trees. In the background, hills and a city skyline are visible under a clear blue sky. A large green rectangular overlay with a white border is positioned on the right side of the image, containing a table of contents.

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03 Area Overview

04 Financial Analysis

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Executive Summary

211 South Berendo Street

Los Angeles, CA, 90004

Marcus & Millichap is pleased to present 211 S Berendo St, in Los Angeles, CA. Built in 1925, this 8-unit property is located on 9,387 SF lot in the Wilshire Center- Koreatown neighborhood. The two-story building features spacious one-bedroom units, many with dual entrances.

This offering presents an investor the opportunity to capture the 21% rental upside through renovations when the units turn as well as the possibility of converting into two bedrooms* (contact broker for additional details). Five of the units will be delivered vacant at the close of escrow. Additionally, the subject property has 8 total parking spaces, very rare for the neighborhood. The property is being offered at a low price per SF of \$239.

The Wilshire Center- Koreatown neighborhood continues to grow at a rapid pace and attracts high-end residents with the unparalleled access to employment opportunities and entertainment amenities. The subject property has a walk score of 89 and the location allows for a quick commute to both Hollywood and Downtown Los Angeles. The immediate area surrounding the subject property has a population of over 640,000 within a three-mile radius.







Property Overview

OFFERING PRICE	\$1,900,000
Number of Units	8
Zoning	R3-1
Year Built	1925
Gross Square Feet	7,948 SF
Lot Size	9,387 SF
Ownership	Fee Simple

Financial Overview

Cost per Unit	\$237,500
Price per SF	\$239
Current GRM	12.37*
Market GRM	10.42*
Current CAP Rate	5.05%*
Market CAP Rate	6.27%*

* Based on five vacancies leased at proposed market rent





Investment Highlights

- ◇ 211 S Berendo Street is an 8-unit value-add investment opportunity located in Los Angeles' Koreatown neighborhood just north of 3rd St between Normandie Ave and Vermont Avenue, a location that attracts high-end residents with unparalleled access to employment opportunities and entertainment amenities
- ◇ The subject property features a two-story building consisting of eight large one-bedroom units; five of the units will be delivered vacant; each unit has a spacious layout totaling approximately 844 SF
- ◇ Located on a 9,387 square foot lot, current zoning is R3-1; laundry room on-site as well as low utilities due to separately metered gas and electric
- ◇ Eight total parking spaces at the rear of the building (seven covered and one uncovered); no soft-story work is required
- ◇ Significant rental upside when the units turn; current loss-to-lease of 16% provides an investor a value-add opportunity through further renovations and possibility of unit conversions* (contact broker for further details)
- ◇ The subject property has a secure, gated entrance and is within walking distance to the Metro Red Line and Metro Purple Line
- ◇ 211 S Berendo Street has an incredible walk score of 89 and is an easy commute to both Hollywood and Downtown Los Angeles; over 640,000 people within a three-mile radius makes this a highly desirable submarket with rents increasing substantially year over year





Property Description

211 SOUTH BERENDO STREET, LOS ANGELES, CA 90004

APN	5518-022-020
Number of Units	8
Year Built	1925
Gross SF	7,948 SF
Lot Size	9,387 SF
Type of Ownership	Fee Simple

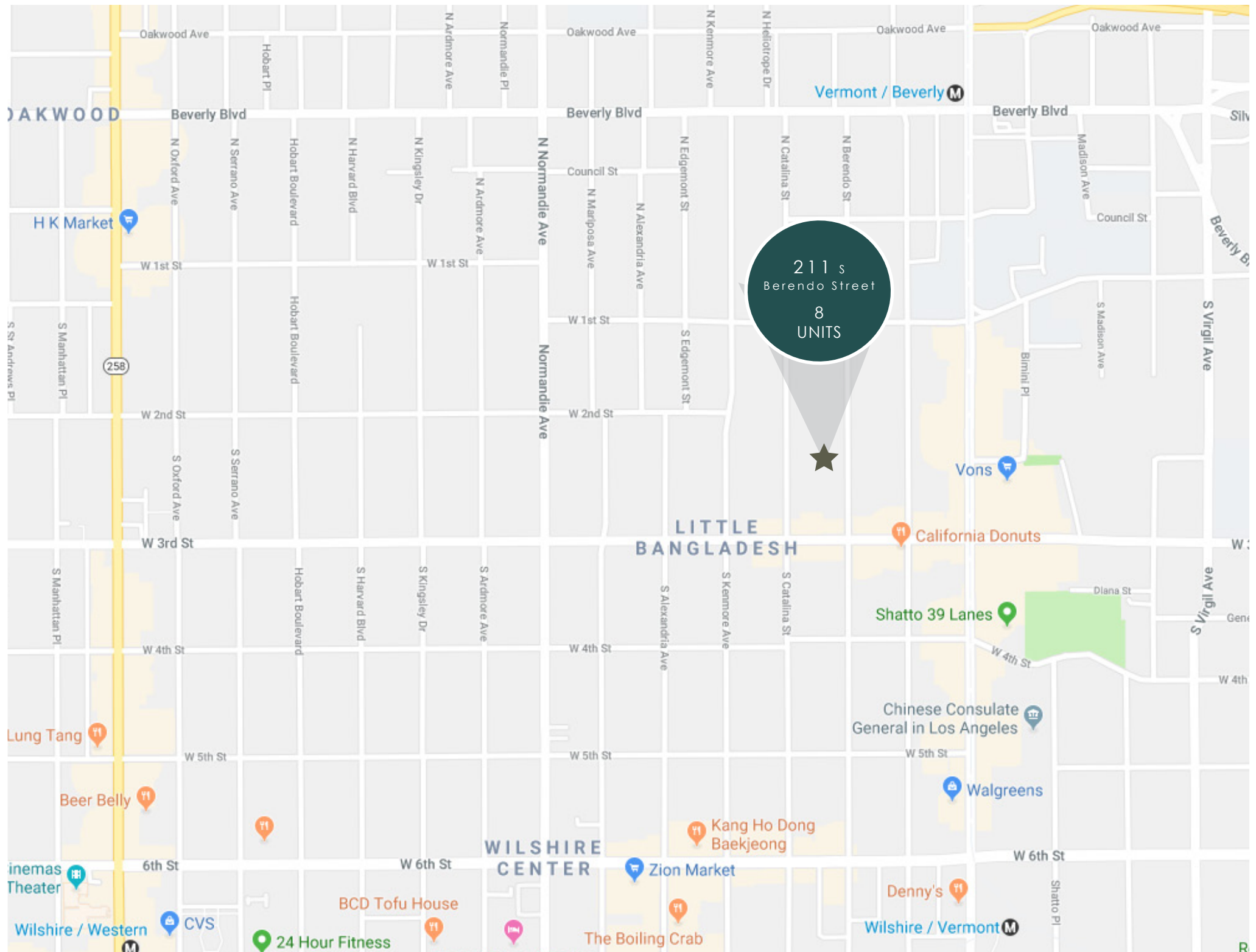
CONSTRUCTION

Foundation	Concrete
Framing	Brick
Exterior	Brick
Roof	Flat

UTILITIES

Electricity	Separately Metered
Water	Master Metered
Gas	Separately Metered





An aerial photograph of a dense urban area in Los Angeles, showing a grid of streets and a variety of residential and commercial buildings. The sky is clear and blue. Three white text boxes with black borders are overlaid on the image. The top box spans the width of the image and contains the text 'NETFLIX/PACIFIC DESIGN CENTER'. The middle-left box contains 'MIRACLE MILE'. The middle-right box contains 'THE GROVE/LA BREA'. The bottom-center box contains '211 BERENDO ST'.

NETFLIX/PACIFIC DESIGN CENTER

MIRACLE MILE

THE GROVE/LA BREA

211 BERENDO ST





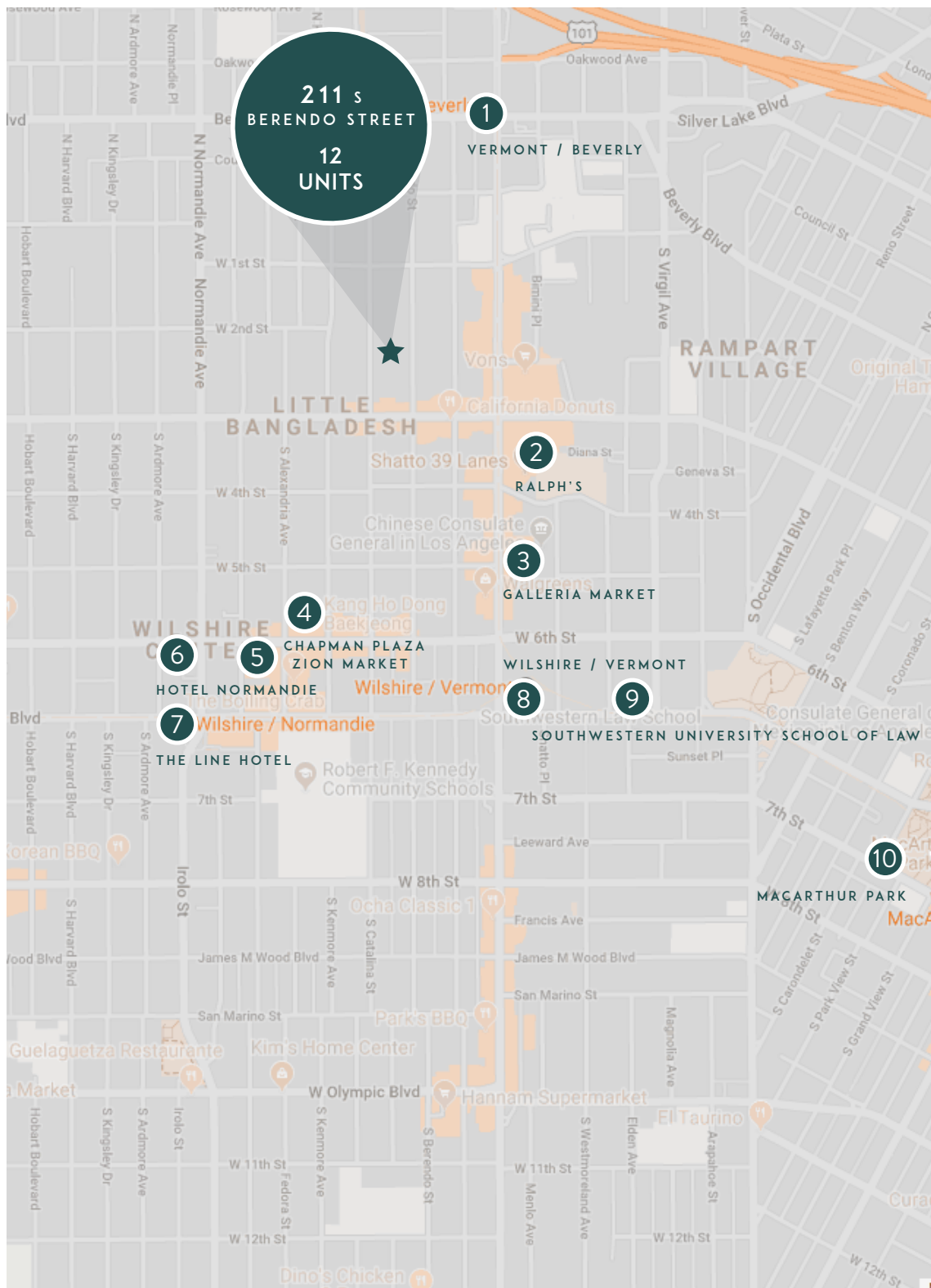
Area Overview



PRIME KOREATOWN LOCATION

Located just west of Downtown Los Angeles and south of Hollywood, 211 S Berendo Street is in the heart of Koreatown, one of the most diverse neighborhoods in Los Angeles. Encompassing roughly 3 square miles, the area was once the epicenter of Golden Age Hollywood, home to the Ambassador Hotel, the Coconut Grove and the Brown Derby. Today, Korean and Latino populations contribute to Koreatown's rich cultural diversity. Koreatown is also known for having one of the largest concentrations of nightclubs and 24-hour businesses and restaurants in the country.





1. Vermont / Beverly Station
2. Ralph's
3. Galleria Market
4. Chapman Plaza
5. Zion Market
6. Hotel Normandie
7. The LINE Hotel
8. Wilshire / Vermont Station
9. Southwestern University School of Law
10. MacArthur Park



Financial Analysis

Rent Roll

UNIT #	UNIT TYPE	SF	ACTUAL RENTS	PROFORMA RENTS	NOTES
1	1 + 1	844	\$1,800*	\$1,800	Vacant
2	1 + 1	844	\$911	\$1,800	
3	1 + 1	844	\$1,243	\$1,950	Dual Entrance
4	1 + 1	844	\$1,950*	\$1,950	Vacant - Dual Entrance
5	1 + 1	844	\$998	\$1,800	
6	1 + 1	844	\$1,800	\$1,800	Vacant
7	1 + 1	844	\$1,950*	\$1,950	Vacant - Dual Entrance
8	1 + 1	844	\$1,950*	\$1,950	Vacant - Dual Entrance
Total Units - 8					
Total Scheduled Rent			\$12,602**	\$15,000	
Additional Income - Laundry			\$67	\$67	
Parking			\$131	\$131	
Monthly Scheduled Gross Income			\$12,800	\$15,198	

* Proposed proforma rents post revnoation

** Based on five vacancies leased at proposed market rent

Annualized Operating Data

INCOME		CURRENT		MARKET
Scheduled Gross Income:		\$153,600*		\$182,376
Less Vacancy Rate Reserve:	3.0%	(\$4,608)	5.0%	(\$9,119)
Gross Operating Income:		\$148,992		\$173,257
Less Expenses:	34.5%	(\$52,962)	29.7%	(\$54,175)
Net Operating Income:		\$96,030		\$119,082
Reserves:		(\$1,600)		(\$1,600)
Less Debt Service:		(\$56,081)		(\$56,081)
Pre-Tax Cash Flow:	4.0%	\$38,349	6.5%	\$61,401
Plus Principal Reduction:		\$16,243		\$16,243
Total Return Before Taxes:	5.7%	\$54,592	8.2%	\$77,644

Operating Expenses

	CURRENT	MARKET
Taxes: Rate - 1.20%	\$22,800	\$22,800
Insurance	\$3,179	\$3,179
Utilities	\$9,421	\$9,421
Management - 5%	\$7,450	\$8,663
Repairs & Maintenance	\$4,000	\$4,000
Waste Removal	\$3,277	\$3,277
Landscape	\$1,200	\$1,200
Pest Control	\$480	\$480
Direct Assessment	\$1,155	\$1,155
Total Expenses:	\$52,962	\$54,175
Per Net Sq. Ft.:	\$6.66	\$6.82
Per Unit:	\$6,620	\$6,772

* Based on five vacancies leased at proposed market rent



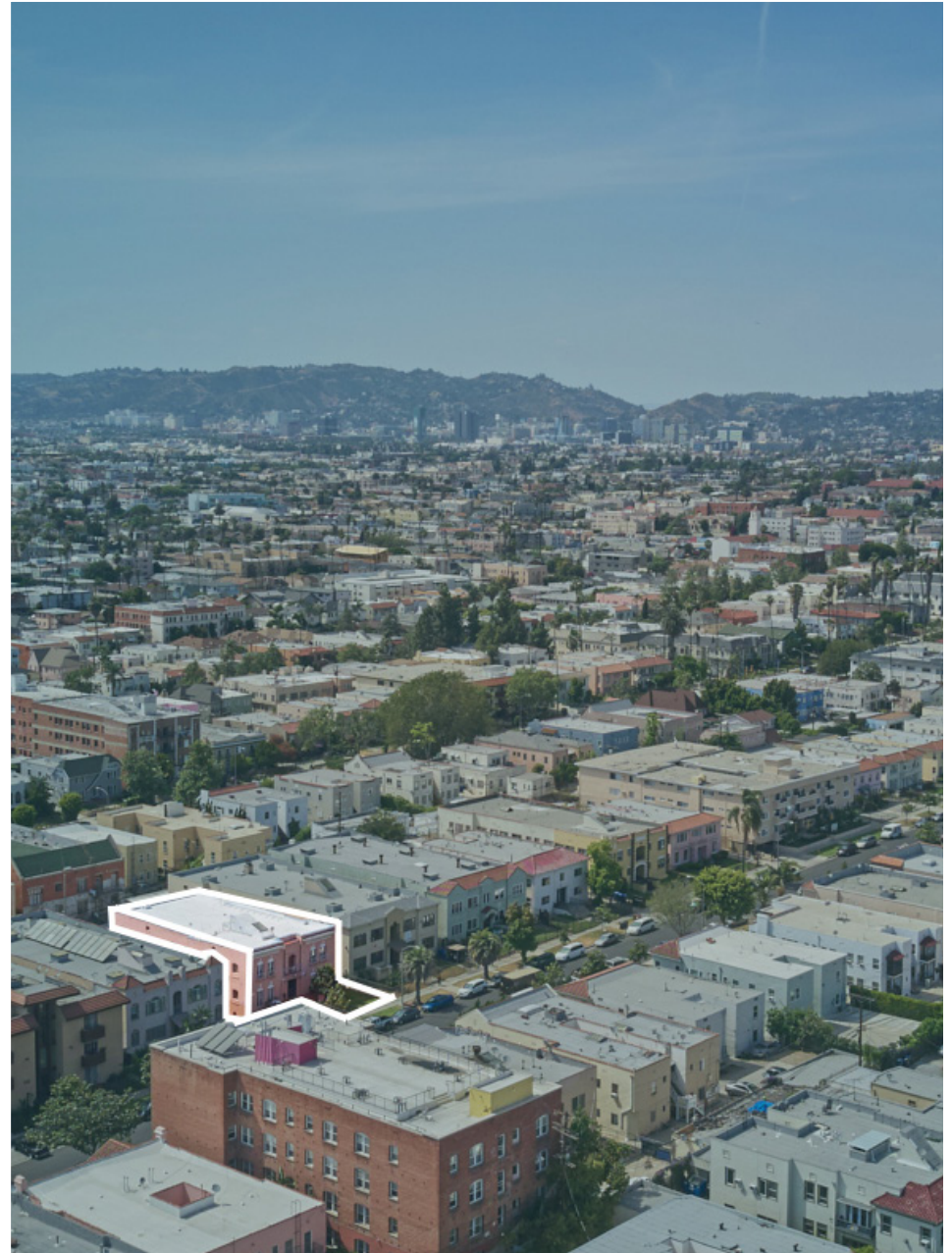
Pricing Details

Price:		\$1,900,000
Down Payment:	50%	\$950,000
Number of Units:		8
Cost per Legal Unit:		\$237,500
Price per SF:		\$239
Current GRM:		12.37*
Market GRM:		10.42
Current CAP:		5.05%
Market CAP:		6.27%
Approx. Age:		1925
Approx. Lot Size:		9,387 SF
Approx. Gross SF:		7,948 SF

New Potential Financing

New First Loan	\$950,000
Interest Rate	4.25%
Amortization	30
Monthly Payment	\$4,673.43
DCR	1.69

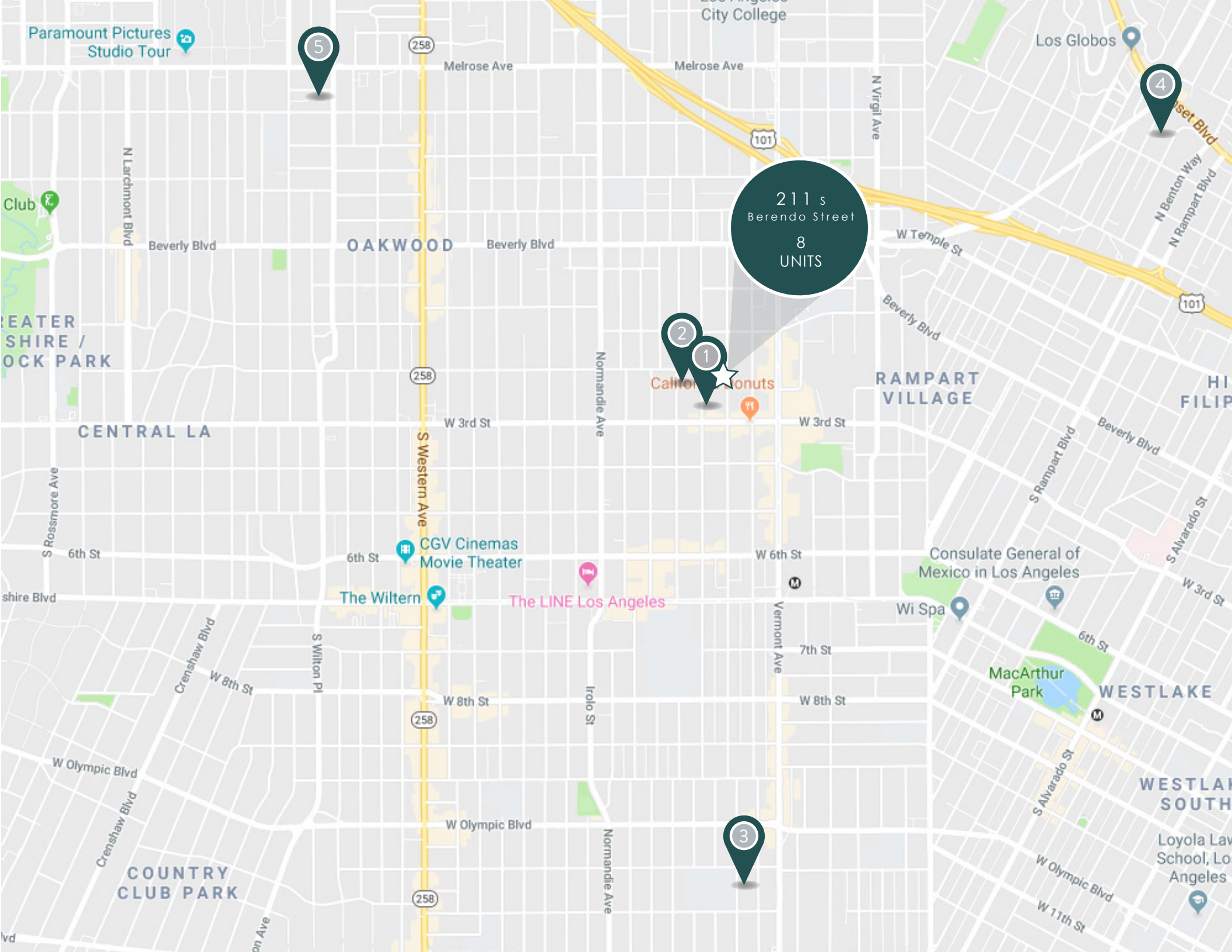
* Based on five vacancies leased at proposed market rent



Market Comparables

Sales Comparables | 211 South Berendo Street

		Price	Year Built	PRICE/UNIT	PRICE/SF	CLOSING DATE
★	211 S Berendo St Los Angeles, CA 90004	\$1,900,000	1925	\$237,500	\$239	N/A
1	232 S Catalina St Los Angeles, CA 90004	\$2,793,000	1925	\$232,750	\$297	4/18/2018
2	212 S Kenmore Ave Los Angeles, CA 90004	\$2,925,000	1924	\$325,000	\$321	4/19/2018
3	1145 S New Hampshire Ave Los Angeles, CA 90006	\$2,400,000	1929	\$200,000	\$358	4/17/2018
4	800-804 N Occidental Blvd Los Angeles, CA 90026	\$2,260,000	1923	\$208,333	\$354	11/27/2018
5	5122 Raleigh St Los Angeles, CA 90029	\$2,332,500	1922	\$233,250	\$376	11/2/2018



211 s
Berendo Street
8
UNITS



Sales Comparables | 211 South Berendo Street



★ **211 S BERENDO STREET**
Los Angeles, CA 90004

Offering Price	\$1,900,000
Number of Units	8
Year Built	1925
Price per Unit	\$237,500
Price per SF	\$239



① **232 S CATALINA STREET**
Los Angeles, CA 90004

Sales Price	\$2,793,000
Sale Date	4/18/2018
Number of Units	12
Year Built	1925
Price per Unit	\$232,750
Price per SF	\$297



② **212 S KENMORE AVENUE**
Los Angeles, CA 90004

Sales Price	\$2,925,000
Sale Date	4/19/2018
Number of Units	9
Year Built	1924
Price per Unit	\$325,000
Price per SF	\$321

Sales Comparables | 211 South Berendo Street



1145 S NEW HAMPSHIRE AVENUE
Los Angeles, CA 90006

Sales Price	\$2,400,000
Sale Date	4/17/2018
Number of Units	12
Year Built	1929
Price per Unit	\$200,000
Price per SF	\$358



800-804 N OCCIDENTAL BOULEVARD
Los Angeles, CA 90026

Sales Price	\$2,260,000
Sale Date	11/27/2018
Number of Units	8
Year Built	1923
Price per Unit	\$282,500
Price per SF	\$354



5122 RALEIGH STREET
Los Angeles, CA 90029

Sales Price	\$2,332,500
Sale Date	11/2/2018
Number of Units	10
Year Built	1922
Price per Unit	\$233,250
Price per SF	\$376

Rent Comparables | 211 South Berendo Street

		Unit Type	SF	Price PSF	Price
1	4664 W 3rd St, Los Angeles, CA 90020	1+1	800	\$2.31	\$1,850
2	732-736 N Gramercy Pl, Los Angeles, CA 90038	1+1	800	\$2.31	\$1,850
3	532 N Juanita Ave Los Angeles, CA 90004	2+1	800	\$2.41	\$1,925
4	212 S Kenmore Ave Los Angeles, CA 90004A15	2+1	900	\$2.44	\$2,200
5	5533 Barton Ave, Los Angeles, CA 90038	2+1	800	\$2.62	\$2,095





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Los Angeles, CA 90004

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