



**NORTH EDMONT STREET | LOS ANGELES, CA 90004**

12-UNIT CHARMING BUILDING LOCATED IN KOREATOWN



**THE NEEMA GROUP**

Los Angeles Multifamily Brokerage & Advisory Services

**Marcus & Millichap**



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# EXECUTIVE SUMMARY

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## 127 NORTH EDMONT STREET

Los Angeles, CA, 90004

Marcus & Millichap is pleased to present 127 North Edgemont Street, in Koreatown. Built in 1927, this 12-unit property is located in the heart of Koreatown in a neighborhood with consistent population growth and rising rents. The two-story building features singles and one-bedrooms. One unit will be delivered vacant.

This offering presents an investor the opportunity to capture 18% in rental and RUBS upside. The property is being offered at a low price per unit of \$218,750 and has been well-maintained throughout the years with recent upgrades including the replacement of main electric panel and subpanels, seismic bolting and replacement of cripple walls and restoration of wood flooring in the common areas.

The Koreatown neighborhood continues to gentrify at a rapid pace attracting high-end residents with unparalleled access to employment opportunities and entertainment amenities. The subject property has a walk score of 87 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 625,000 within a three-mile radius.











# PROPERTY OVERVIEW

OFFERING PRICE	\$2,625,000
Number of Units	12
Zoning	R3-1
Year Built	1927
Gross Square Feet	7,544 SF
Lot Size	5,364 SF
Ownership	Fee Simple

# FINANCIAL OVERVIEW

Cost per Unit	\$218,750
Current GRM	13.78
Market GRM	11.66
Current CAP Rate	4.72%
Market CAP Rate	5.93%







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# INVESTMENT HIGHLIGHTS

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- ◇ 127 North Edgemont Street is a 12-unit investment opportunity located in the heart of Koreatown, one of the most desirable rental submarkets in all of Los Angeles; between Beverly Boulevard and West 3rd Street, just east of Normandie Avenue
- ◇ The subject property features a two-story building with an impressive unit mix of four single units and eight one-bedroom units; one unit (one single) will be delivered vacant at the close of escrow
- ◇ Opportunity for an investor to capture rental upside through additional RUBS and renovations when units turn; low utilities as the gas and electricity are separately metered and each unit has its own water heater
- ◇ The subject property has on-site laundry for tenants to use; well-maintained building with recent upgrades including the replacement of main electric panel and subpanels, seismic bolting and replacement of cripple walls and restoration of wood flooring in the common areas
- ◇ 127 North Edgemont Street is located in a densely populated rental submarket of Koreatown with over 625,000 people living within a three-mile radius; nearby amenities give tenants many options for nightlife, employment and education
- ◇ The subject property has a very high walk score of 87 and is within walking distance to the Vermont/Beverly Station stop on the Metro Red Line; easy commute to either Downtown Los Angeles or Hollywood



DOWNTOWN LA

WEST 1ST STREET

NORTH EDMONT STREET







# PROPERTY DESCRIPTION

127 NORTH EDMONT STREET, LOS ANGELES, CA 90004

APN	5518-012-006
Number of Units	12
Year Built	1927
Gross SF	7,544
Lot Size	5,364
Type of Ownership	Fee Simple

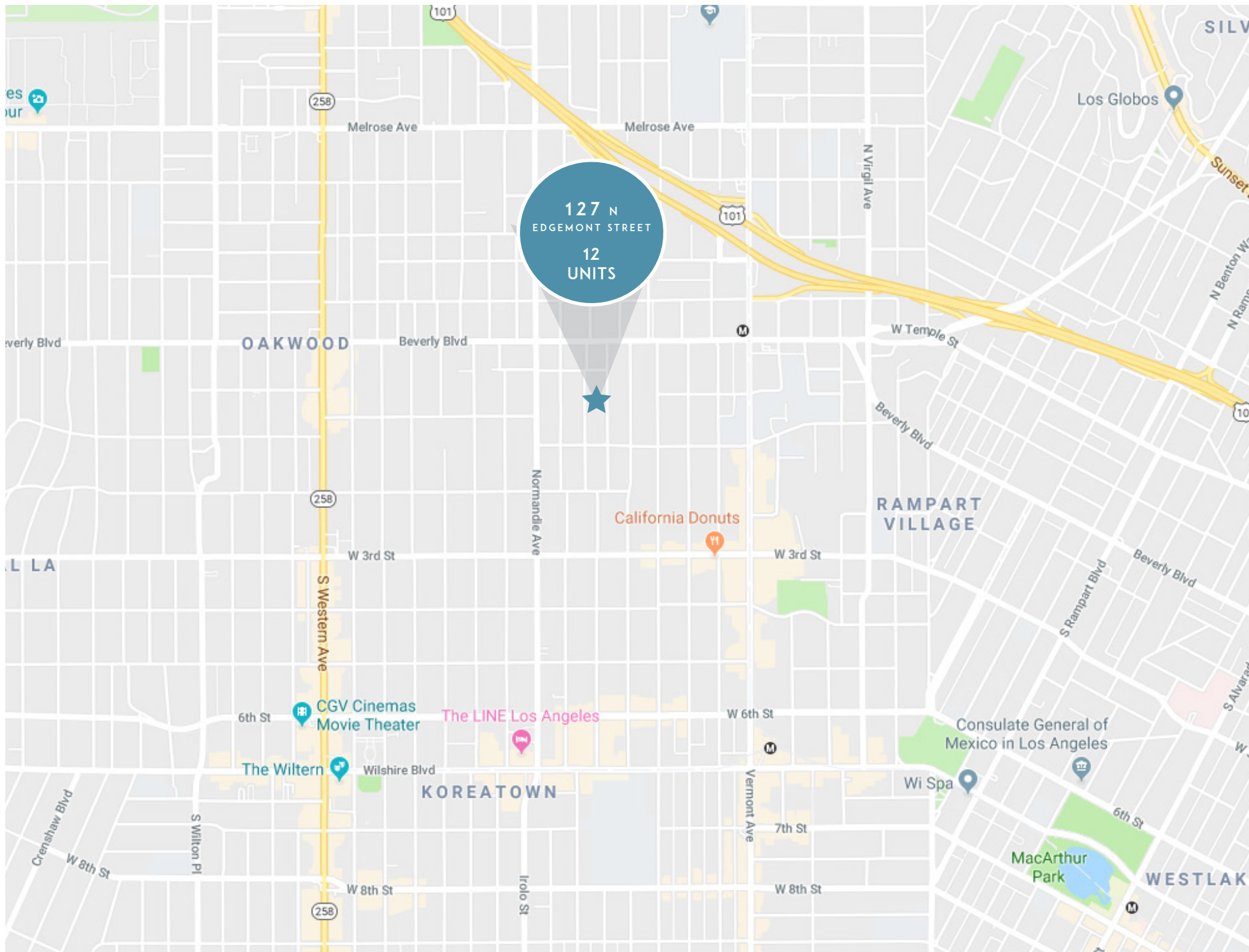
## CONSTRUCTION

Foundation	Concrete
Framing	Wood
Exterior	Stucco
Roof	Flat

## UTILITIES

Electricity	Separately Metered
Water	Master Metered
Gas	Separately Metered







An aerial photograph of Los Angeles, California, showing a dense residential neighborhood in the foreground and the downtown skyline in the background. The sky is blue with wispy white clouds. The text "DOWNTOWN LA" is overlaid in white, bold, sans-serif font, enclosed in a thin white rectangular border. The text "127 N EDMONT ST" is overlaid in white, bold, sans-serif font, positioned in the lower right quadrant of the image.

DOWNTOWN LA

127 N EDMONT ST







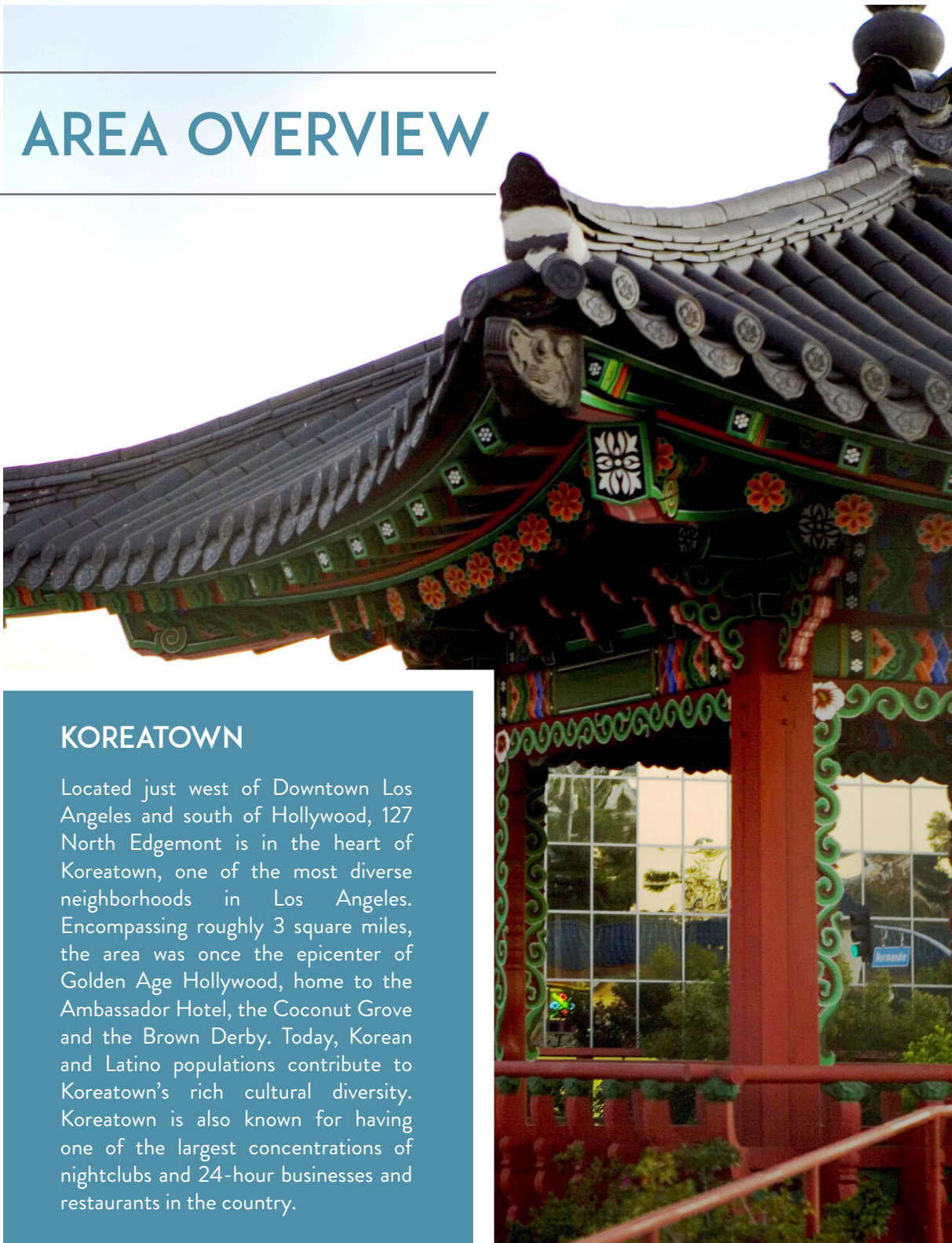




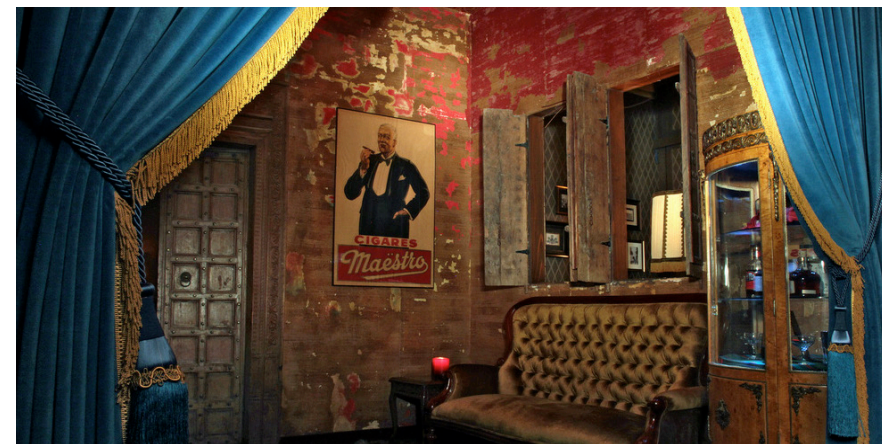
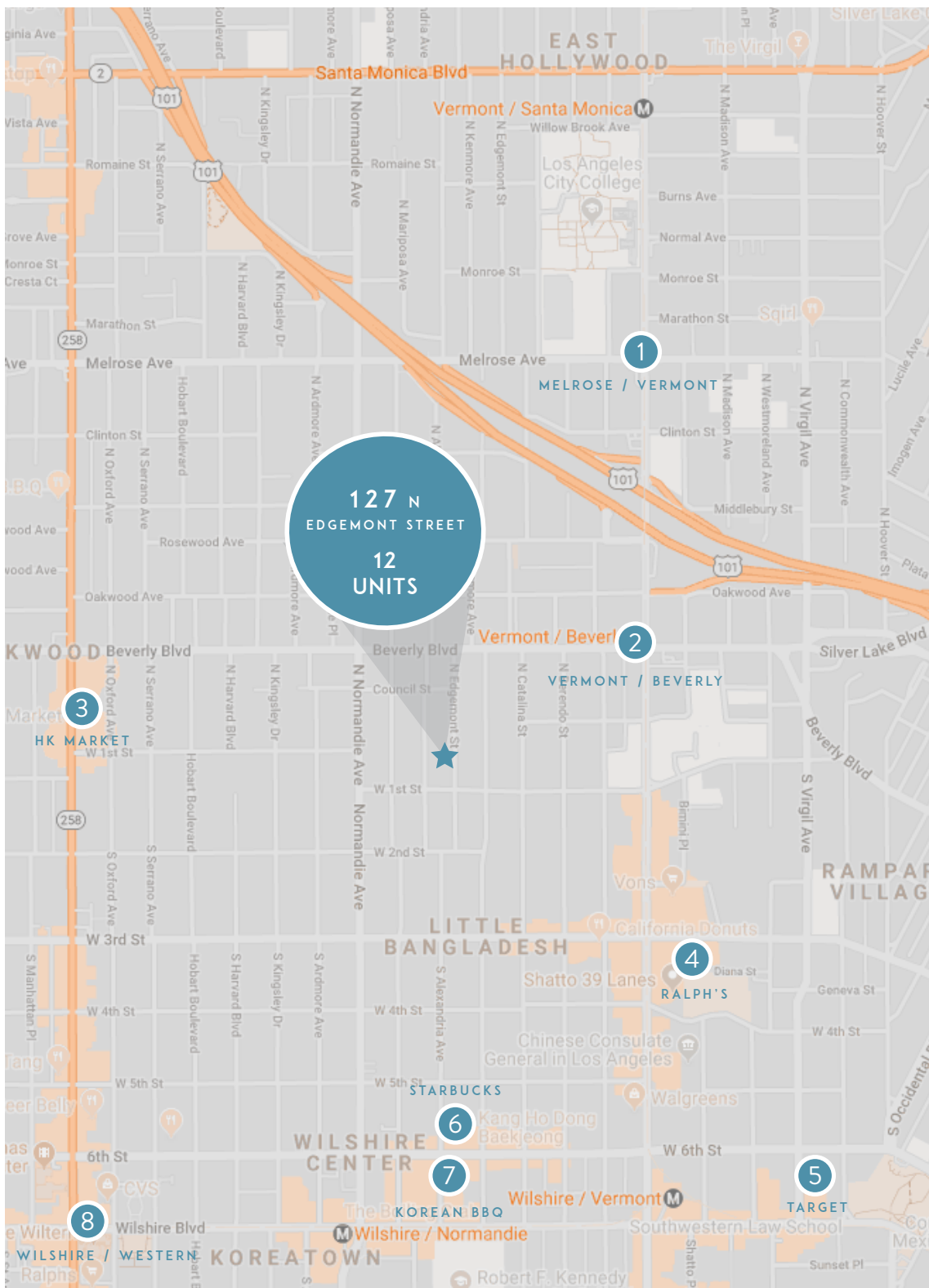
# AREA OVERVIEW

## KOREATOWN

Located just west of Downtown Los Angeles and south of Hollywood, 127 North Edgemont 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. Melrose / Vermont Station
2. Vermont / Beverly Station
3. HK Market
4. Ralph's
5. Target
6. Starbucks
7. Korean BBQ
8. Wilshire / Western Metro Station









# FINANCIAL ANALYSIS

## RENT ROLL

UNIT #	UNIT TYPE	ACTUAL RENTS	PROFORMA RENTS	NOTES
1	Single	\$1,300	\$1,300	
2	1 Bdrm / 1 Bth	\$1,600	\$1,650	
3	1 Bdrm / 1 Bth	\$1,494	\$1,650	
4	1 Bdrm / 1 Bth	\$903	\$1,650	
5	1 Bdrm / 1 Bth	\$886	\$1,650	
6	Single	\$1,225	\$1,300	
7	Single	\$609	\$1,300	
8	1 Bdrm / 1 Bth	\$1,545	\$1,650	
9	1 Bdrm / 1 Bth	\$1,500	\$1,650	
10	1 Bdrm / 1 Bth	\$1,650	\$1,650	
11	1 Bdrm / 1 Bth	\$1,450	\$1,650	
12	Single	\$1,300	\$1,300	Vacant by 8/31/2019*
Total Units - 12				
Total Scheduled Rent		\$15,462	\$18,400	
Additional Income - SCEP		\$56	\$56	
RUBS		\$137	\$231	
Cap Ex Reimbursement		\$148	\$0	
Laundry		\$70	\$70	
Monthly Scheduled Gross Income		\$15,873	\$18,757	

\*Relocation agreement signed for move out by 8/31/2019



## ANNUALIZED OPERATING DATA

INCOME		CURRENT		MARKET
Scheduled Gross Income:		\$190,475		\$225,084
Less Vacancy Rate Reserve:	3.0%	(\$5,714)	3.0%	(\$6,753)
Gross Operating Income:		\$184,761		\$218,331
Less Expenses:	32.0%	(\$60,872)	27.8%	(\$62,551)
Net Operating Income:		\$123,889		\$155,781
Reserves:		(\$2,400)		(\$2,400)
Less Debt Service:		(\$92,977)		(\$92,977)
Pre-Tax Cash Flow:	2.7%	\$28,512	5.8%	\$60,404
Plus Principal Reduction:		\$26,930		\$26,930
Total Return Before Taxes:	5.3%	\$55,442	8.3%	\$87,334

## OPERATING EXPENSES

	CURRENT	MARKET
Real Estate Taxes (1.20%)	\$31,500	\$31,500
Insurance	\$6,000	\$6,000
Utilities	\$4,623	\$4,623
Management (5%)	\$9,238	\$10,917
Repairs & Maintenance	\$6,000	\$6,000
Landscaping	\$960	\$960
Cleaning & Pest Control	\$1,440	\$1,440
Direct Assessments	\$1,111	\$1,111
Total Expenses:	\$60,872	\$62,551
Per Net Sq. Ft.:	\$8.07	\$8.29
Per Unit:	\$5,073	\$5,213





## PRICING DETAILS

Price:	\$2,625,000
Down Payment:	\$1,050,000
Number of Units:	12
Cost per Legal Unit:	\$218,750
Current GRM:	13.78
Market GRM:	11.66
Current CAP:	4.72%
Market CAP:	5.93%
Approx. Age:	1927
Approx. Lot Size:	5,364
Approx. Gross SF:	7,544
Cost per Net GSF:	\$348

## NEW POTENTIAL FINANCING

New First Loan	\$1,575,000
Interest Rate	4.25%
Amortization	30
Monthly Payment	\$7,748
DCR	1.33



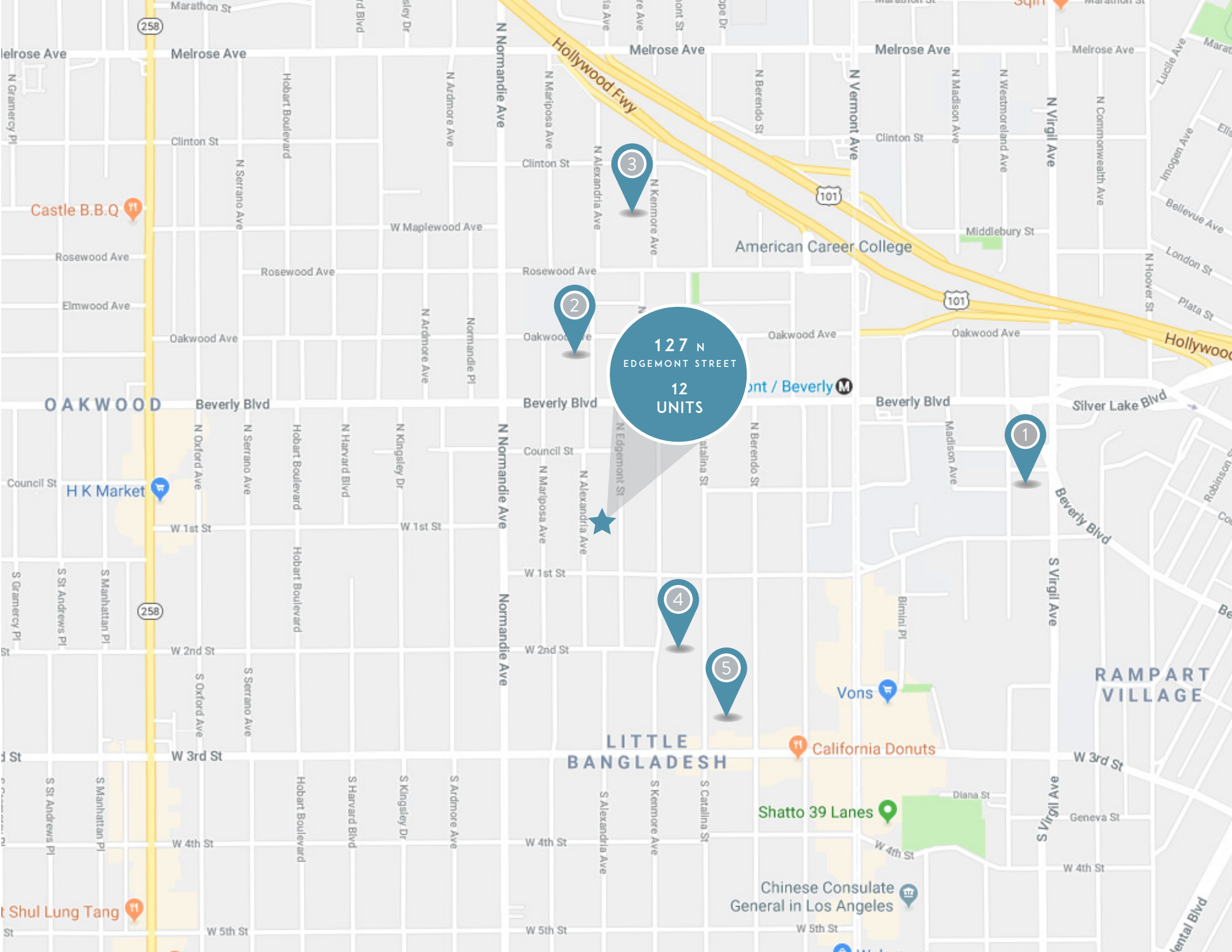


# MARKET COMPARABLES

## SALES COMPARABLES | 127 North Edgemont Street

		PRICE	YEAR BUILT	PRICE/UNIT	PRICE/SF	CLOSING DATE
★	127 N Edgemont Street   Los Angeles, CA 90004	\$2,625,000	1927	\$218,750	\$348	-
4	130 N Westmoreland Ave   Los Angeles, CA 90004	\$5,000,000	1926	\$208,333	\$278	11/28/2018
1	335 N Alexandria Ave   Los Angeles, CA 90004	\$1,775,000	1923	\$221,875	\$322	10/3/2018
3	525 N Kenmore Avenue   Los Angeles, CA 90004	\$1,750,000	1922	\$250,000	\$355	7/18/2018
4	212 S Kenmore Avenue   Los Angeles, CA 90004	\$2,925,000	1924	\$325,000	\$321	4/19/2018
5	232 S Catalina Street   Los Angeles, CA 90004	\$2,793,000	1925	\$232,750	\$297	4/18/2018







## SALES COMPARABLES | 127 North Edgemont Street



★ **127 N EDMONT STREET**  
Los Angeles, CA 90004

Offering Price	\$2,625,000
Number of Units	12
Year Built	1927
Price per Unit	\$218,750
Price per SF	\$348
CAP Rate	4.72%
GRM	13.78



① **130 N WESTMORELAND AVENUE**  
Los Angeles, CA 90004

Sales Price	\$5,000,000
Sale Date	11/28/2018
Number of Units	24
Year Built	1926
Price per Unit	\$208,333
Price per SF	\$278
CAP Rate	5.32%
GRM	11.91



② **335 N ALEXANDRIA AVENUE**  
Los Angeles, CA 90004

Sales Price	\$1,775,000
Sale Date	10/3/2018
Number of Units	8
Year Built	1923
Price per Unit	\$221,875
Price per SF	\$322
CAP Rate	5.00%
GRM	N/A



## SALES COMPARABLES | 127 North Edgemont Street



**525 N KENMORE AVENUE**  
Los Angeles, CA 90004

Sales Price	\$1,750,000
Sale Date	7/18/2018
Number of Units	7
Year Built	1922
Price per Unit	\$250,000
Price per SF	\$355
CAP Rate	N/A
GRM	N/A



**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
CAP Rate	5.29%
GRM	14.13



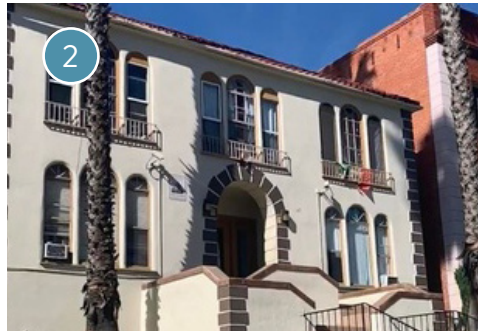
**232 S CATALINA STREET**  
Los Angeles, CA 90004

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
CAP Rate	4.36%
GRM	14.26



## RENT COMPARABLES | 127 North Edgemont Street

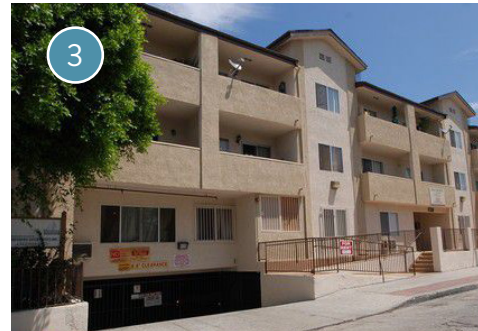
		UNIT TYPE	SF	RENT PSF	PRICE
1	538 N Alexandria Avenue   Los Angeles, CA 90004	Single	400	\$3.21	\$1,350
2	147 N New Hampshire Ave   Los Angeles, CA 90004	Single	450	\$2.88	\$1,295
3	542 N Alexandria Ave   Los Angeles, CA 90004	Single	400	\$3.38	\$1,350
4	200 S Kenmore Ave   Los Angeles, CA 90004	Single	350	\$3.60	\$1,260





## RENT COMPARABLES | 127 North Edgemont Street

		UNIT TYPE	SF	RENT PSF	PRICE
1	636 N Kingsley Drive   Los Angeles, CA 90004	1 Bdr   1 Bth	500	\$3.19	\$1,595
2	140 Commonwealth Avenue   Los Angeles, CA 90004	1 Bdr   1 Bth	600	\$2.66	\$1,595
3	4205 Council Street   Los Angeles, CA 90004	1 Bdr   1 Bth	600	\$2.58	\$1,550
4	615 N Rossmore Avenue   Los Angeles, CA 90004	1 Bdr   1 Bth	550	\$2.82	\$1,550







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