



**1813-1817**  
**GRACE AVENUE**

LOS ANGELES, CA 90028

Two Vacant Fourplexes; Value-Add or Redevelopment Opportunity  
Located in a Qualified Opportunity Zone; 13,256 SF Lot Zoned {Q}R4-2 in a Tier 3 TOC

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## EXCLUSIVELY LISTED BY:

### NEEMA AHADIAN

Senior Vice President of Investments

Tel: (310) 909-5444

Fax: (435) 915-3662

nahadian@marcusmillichap.com

License: CA 01346750

**Marcus & Millichap**



# Executive Summary

Marcus & Millichap is pleased to present 1813-1817 Grace Avenue, in Hollywood, CA. Built in 1924 & 1937, this unique property made up of two fourplexes will be delivered completely vacant. This is an ideal true value-add investment or redevelopment opportunity in one of the most sought-after locations in all of Los Angeles. The lot is 13,256 SF currently zoned {Q} R4-2 in a Tier 3 TOC. Additionally, the property is located within a Qualified Opportunity Zone.

The buildings feature a unit mix made up of one-bedrooms and two-bedrooms, each with a spacious layout. The offering as a value-add investment presents the opportunity to capture the pro forma rents immediately once renovations are complete. The properties are fully parked with six existing garage spaces as well as tandem spaces at the rear of the property; three existing storage spaces can also be converted to garage spaces. There is no soft story retrofit required. The buildings are separately metered for gas & electric, have individual water heaters as well as central A/C throughout. Furthermore, there is a community laundry room in each building.

This exclusive pocket of Hollywood remains one of the most desirable addresses for both living and working. With the median household income continuing to rise and average home value of over \$1 million within three miles, the demand for apartment units increases year-over-year exemplified with surrounding new residential and office developments as well as major employers established in the submarket. 1813-1817 Grace Avenue is ideally situated to benefit from this economic growth as thousands of new high-paying jobs are within walking distance. The subject property has a walk score of 97 with unparalleled access to nightlife, dining, education and employment opportunities.





## Property Summary

### PROPERTY INFORMATION

<b>Address</b>	1813-1817 Grace Avenue Los Angeles, CA 90028
<b>Number of Units</b>	8
<b>Approx. Gross SF</b>	8,571 SF
<b>Approx. Lot Size</b>	13,256 SF
<b>Year Built/Renovated</b>	1924/1937
<b>APN</b>	5547-005-014/013
<b>Zoning</b>	{Q}R4-2



### PRICING INFORMATION

<b>Sales Price</b>	\$4,750,000
<b>Cost per Legal Unit</b>	\$593,750
<b>Cost per Bldg SF</b>	\$554
<b>Cost per Lot SF</b>	\$358

\*Buyer to verify legal unit count including recent conversions. Certificates of occupancy currently show 7 apartment units and 1 guest room. Zimas reports currently show 10 units. Marcus & Millichap and the Seller have not made any investigation and makes no warranty or representation with respect to the presented unit count. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable, however the information contained herein is not a substitute for a thorough due diligence investigation.



Rare offering consists of two fourplexes in an A+ location giving an investor the opportunity to purchase a trophy asset with all eight units delivered vacant at the close of escrow.

## Investment Highlights

**8,571  
BLDG SF**

**13,256  
LOT SF**

**{Q}R4-2  
ZONING**

- 1813-1817 Grace Avenue is a two-parcel, 8-unit true value-add investment or redevelopment opportunity located in an irreplaceable location of Hollywood, west of Cahuenga Boulevard between Franklin Avenue & Hollywood Boulevard, generational real estate in one of Los Angeles' most renowned rental submarkets
- This is rare offering consists of two fourplexes in an A+ location giving an investor the opportunity to purchase a trophy asset with all eight units delivered vacant at the close of escrow; pro forma rents can be achieved in the neighborhood through high-end renovations within the classic architecture
- Located within a newly established Qualified Opportunity Zone for investment, established by the Tax Cuts and Jobs Act, Section 1400Z. The new section 1400Z allows any taxpayer to defer paying tax on capital gains from the sale of property if those gains are timely invested in a Qualified Opportunity Fund (QOF) which, in turn, must invest 90 percent of its assets in businesses located or property used in designated

- Located on a large lot totaling 13,256 SF; current zoning is {Q} R4-2 located in a Tier 3 TOC offering redevelopment potential
- The subject properties, built in 1924 & 1937, features a variety of one-bedrooms and two-bedrooms; the ownership converted these buildings from ten to eight units making each unit layout unique and spacious with the feel of a home residence
- Ample parking totaling six garage spaces as well as tandem parking at the rear of the buildings with no soft story retrofit work required; three current storage spaces can also be converted into garage spaces; on-site community laundry with a washer & dryer in each of the buildings
- Ease of management as gas & electric are separately metered as well as individual water heaters; central A/C throughout both buildings

Located within a newly established Qualified Opportunity Zone for investment, established by the Tax Cuts and Jobs Act, Section 1400Z.

- Opportunity to renovate and stabilize 100% of the building starting immediately at the close of escrow in one of the most sought-after submarkets in all of Los Angeles driven by economic growth through employment opportunity in the area
- Amazing walk score of 97, walking distance to the heart of Hollywood with countless nighttime entertainment and dining options; surrounded by new developments in the neighborhood as well as major employers in Los Angeles such as LiveNation, Capitol Records, HBO and Netflix among many others
- Significant affordability gap to home ownership in Hollywood. The monthly payment on a median-priced home—inclusive of condos—is drastically higher than average rents in the area, which serves as a constant occupancy driver for apartment communities in Hollywood









## Rent Roll

UNIT #	UNIT TYPE	UNIT SF	PROJETED RENTS - LOW	PROJETED RENTS - HIGH
<b>1813 GRACE AVENUE</b>				
1813	2+2	987	\$3,250	\$3,400
1813 1/2	2+2+Den	1,272	\$3,500	\$3,650
1815	2+2	952	\$3,200	\$3,400
1815 1/2	2+2+Den	1,178	\$3,500	\$3,650
<b>1817 GRACE AVENUE</b>				
1821	1+1	553	\$2,150	\$2,350
1821 A&B	2+2	1,106	\$3,600	\$3,800
1817	2+1	690	\$3,000	\$3,150
1819	1+1+Den	673	\$2,750	\$3,000
<b>Total</b>			<b>\$24,950</b>	<b>\$26,400</b>

\*All units are currently vacant, all rental amounts are projections

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# Financials

ANNUALIZED OPERATING DATA	PROJECTED RENTS - LOW		PROJECTED RENTS - HIGH	
Scheduled Gross Income:	299,400		316,800	
Less Vacancy Rate Reserve:	(14,970)	5.0%	(15,840)	5.0%
Gross Operating Income:	284,430		300,960	
Less Expenses:	(88,422)	29.5%	(89,083)	30.9%
<b>Net Operating Income:</b>	<b>196,008</b>		<b>211,877</b>	
Reserves:	(1,600)		(1,600)	
Less Debt Service:	(131,988)		(131,988)	
<b>Pre-Tax Cash Flow:</b>	<b>62,420</b>	<b>1.4%</b>	<b>78,289</b>	<b>1.9%</b>
Plus Principal Reduction:	44,146		44,146	
<b>Total Return Before Taxes:</b>	<b>106,566</b>	<b>3.3%</b>	<b>122,435</b>	<b>3.9%</b>

EXPENSES	%	PROJECTED - LOW	PROJECTED - HIGH
Taxes	1.17%	\$55,575	\$55,575
Insurance		\$3,428	\$3,428
Utilities:		\$7,200	\$7,200
Landscaping & Cleaning		\$1,800	\$1,800
Repairs & Maintenance		\$4,000	\$4,000
Waste Removal		\$2,880	\$2,880
Management	4%	\$11,377	\$12,038
Direct Assessment		\$1,281	\$1,281
License and Fees		\$400	\$400
Pest Control		\$480	\$480
<b>Total Expenses</b>		<b>\$88,422</b>	<b>\$89,083</b>
Per Net Sq. Ft		\$10.32	\$10.39
Per Unit		\$11,052	\$11,135

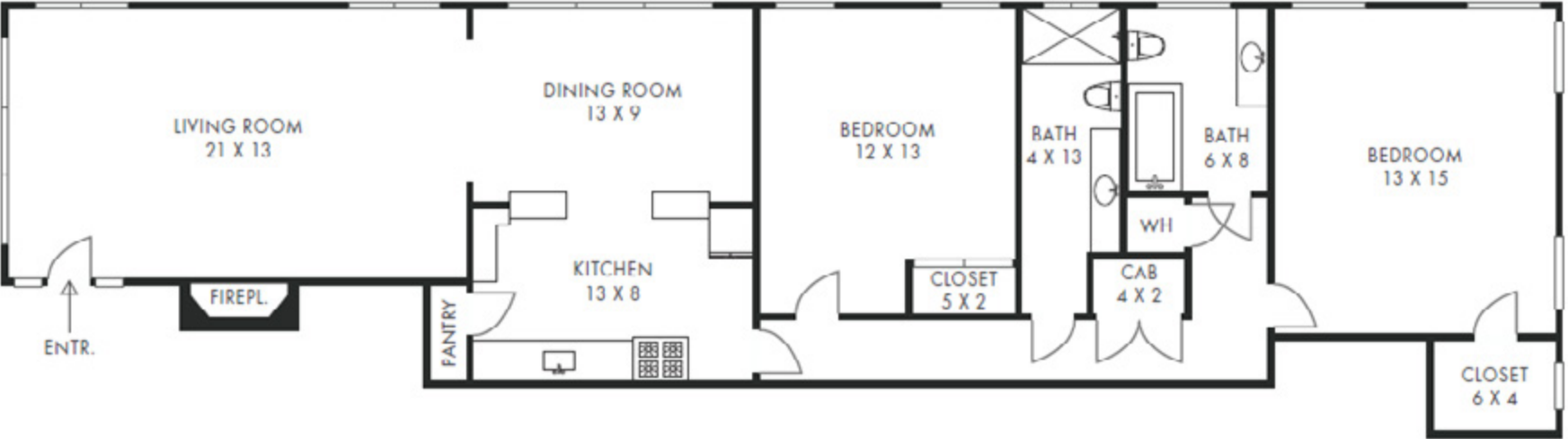
PRICING		
<b>Price:</b>		<b>\$4,750,000</b>
Down Payment:	50%	\$2,750,000
Number of Units:		8
Cost per Legal Unit:		\$593,750
Approx. Age:		1924/1937
Approx. Lot Size:		13,256
Approx. Gross SF:		8,571
Cost per Net GSF:		\$554
Cost per Lot SF		\$358

## NEW POTENTIAL FINANCING

New First Loan:	\$2,375,000
Interest Rate:	3.75%
Amortization:	30
Monthly Payment:	\$10,999
DCR:	1.49

# Floor Plans

**1813 GRACE AVENUE**



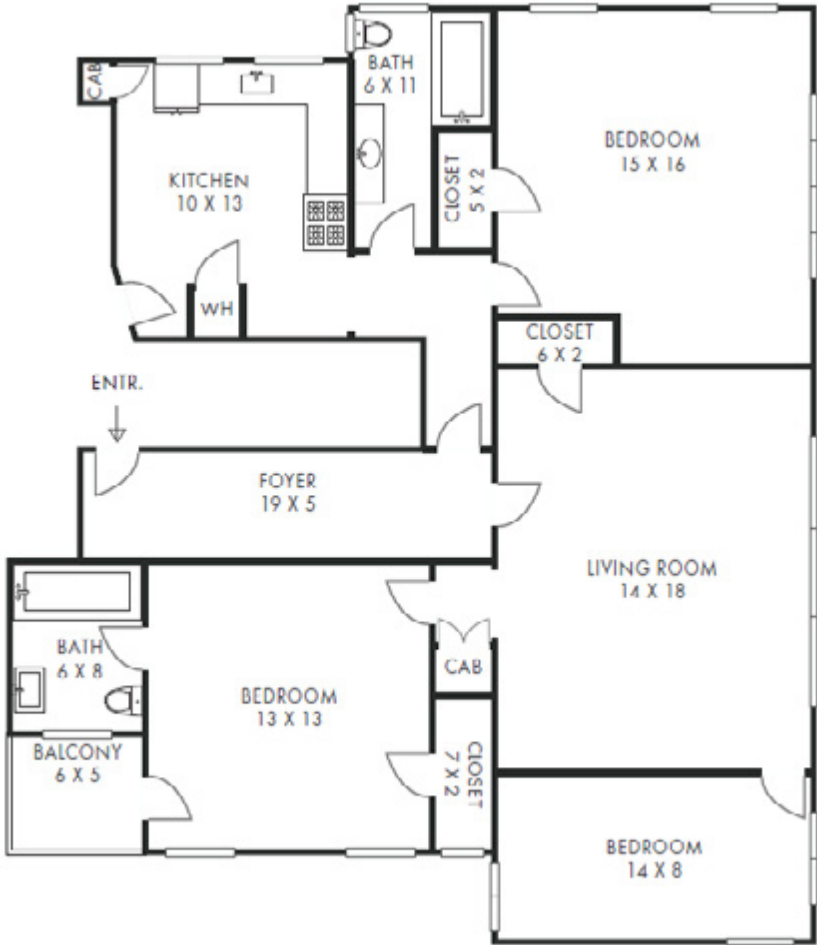
**1815 GRACE AVENUE**



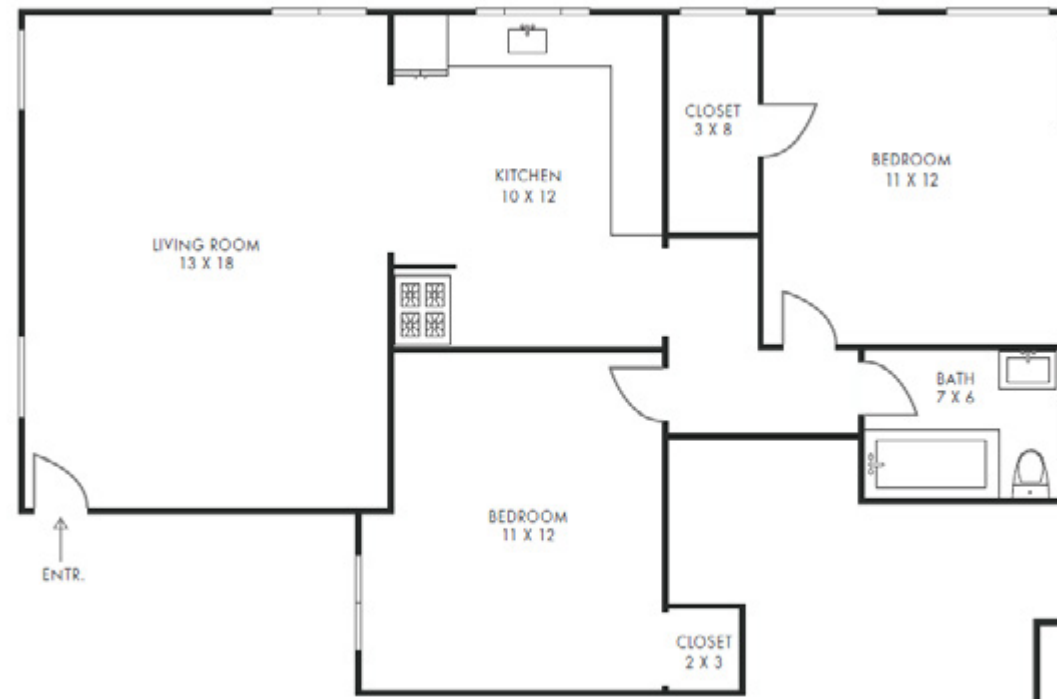
**1813 1/2 GRACE AVENUE**



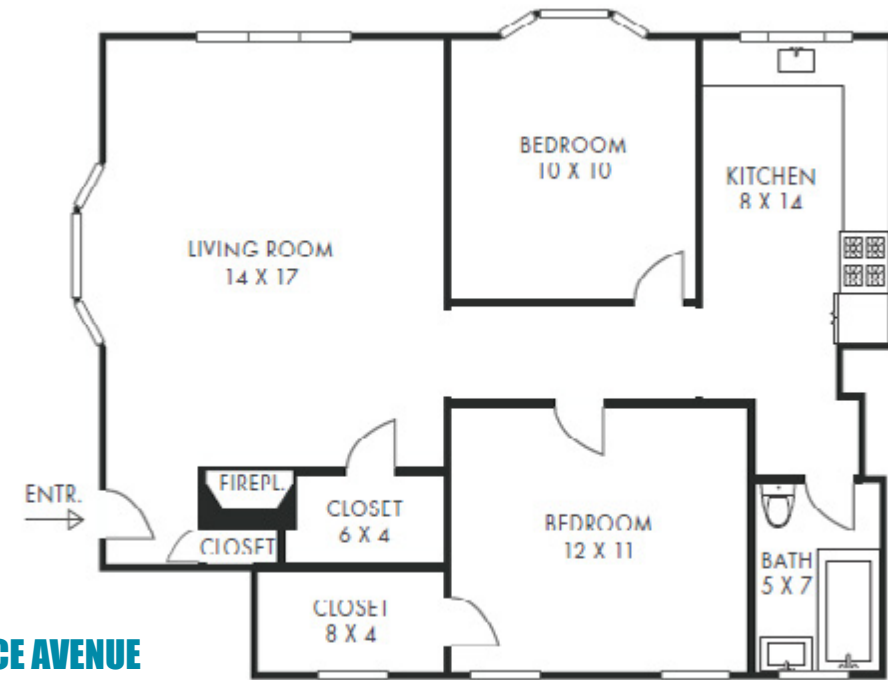
**1815 1/2 GRACE AVENUE**



# Floor Plans



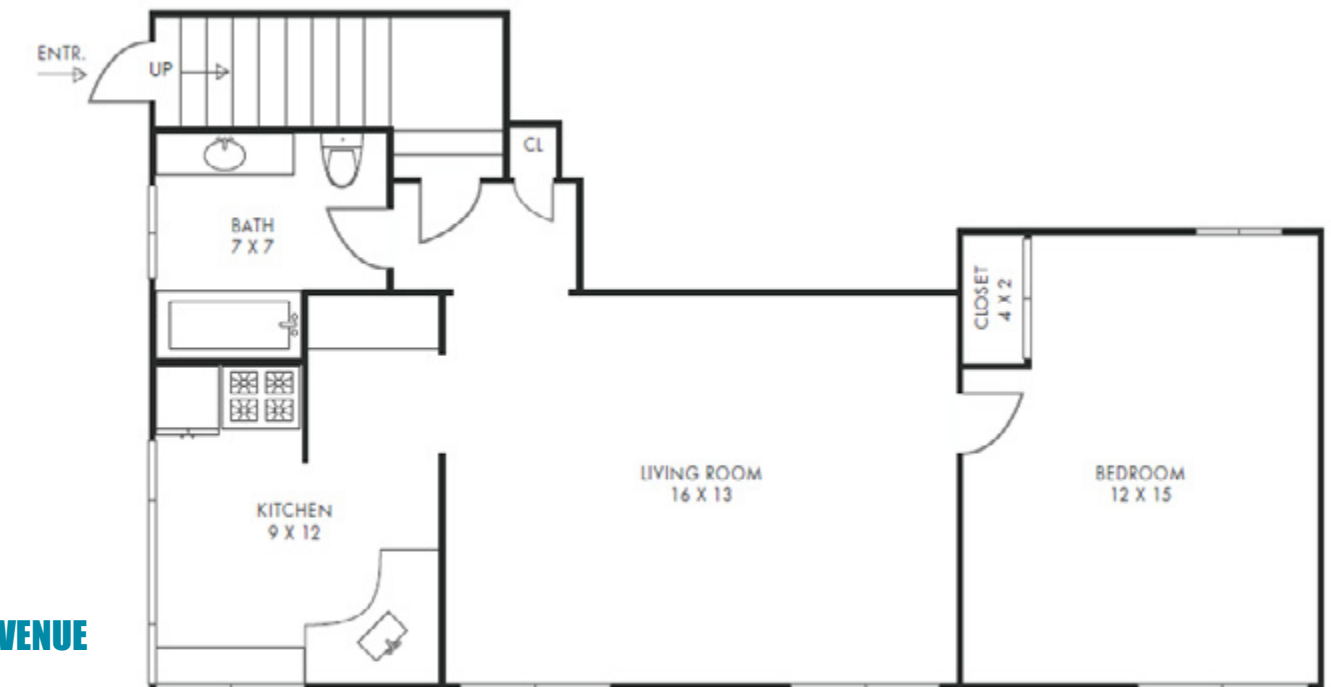
**1817 GRACE AVENUE**



**1819 GRACE AVENUE**



**1821 A GRACE AVENUE**



**1821 GRACE AVENUE**

# Sales Comparables

01



<b>ADDRESS</b>	1901 Orchid Avenue, Los Angeles
<b>SALES PRICE</b>	\$12,500,000
<b>BLDG SF</b>	10,573
<b>LOT SIZE</b>	15,128
<b>PRICE/SF</b>	\$1,182
<b>PRICE/UNIT</b>	\$1,250,000
<b>DATE SOLD</b>	1/28/2020
<b>YEAR BUILT</b>	1929
<b>UNIT MIX</b>	One Single Two 1 Bedroom Five 2 Bedroom Two 3 Bedroom

02



<b>ADDRESS</b>	1718 N. Vista Street, Los Angeles
<b>SALES PRICE</b>	\$4,500,000
<b>BLDG SF</b>	10,916
<b>LOT SIZE</b>	27,417
<b>PRICE/SF</b>	\$412
<b>DATE SOLD</b>	1/24/2020
<b>YEAR BUILT</b>	1938

03



<b>ADDRESS</b>	6110 De Longpre Avenue, Los Angeles
<b>SALES PRICE</b>	\$2,600,000
<b>BLDG SF</b>	4,632
<b>LOT SIZE</b>	6,617
<b>PRICE/SF</b>	\$561
<b>PRICE/UNIT</b>	\$650,000
<b>CAP RATE</b>	4.30%
<b>DATE SOLD</b>	11/1/2019
<b>YEAR BUILT</b>	1921
<b>UNIT MIX</b>	Four 2 Bedroom

04



<b>ADDRESS</b>	1347 N Mansfield Avenue, Los Angeles
<b>SALES PRICE</b>	\$1,826,000
<b>BLDG SF</b>	3,424
<b>LOT SIZE</b>	5,229
<b>PRICE/SF</b>	\$533
<b>PRICE/UNIT</b>	\$456,500
<b>DATE SOLD</b>	On Market
<b>YEAR BUILT</b>	1931
<b>UNIT MIX</b>	Four 1 Bedroom

05



<b>ADDRESS</b>	1254 N Citrus Avenue, Los Angeles
<b>SALES PRICE</b>	\$4,000,000
<b>BLDG SF</b>	6,098
<b>LOT SIZE</b>	8,712
<b>PRICE/SF</b>	\$655
<b>PRICE/UNIT</b>	\$500,000
<b>CAP RATE</b>	3.61%
<b>DATE SOLD</b>	8/30/2019
<b>YEAR BUILT</b>	1922
<b>UNIT MIX</b>	Eight 1 Bedroom

06



<b>ADDRESS</b>	6027 Barton Avenue, Los Angeles
<b>SALES PRICE</b>	\$5,821,963
<b>BLDG SF</b>	6,333
<b>LOT SIZE</b>	6,499
<b>PRICE/SF</b>	\$919
<b>PRICE/UNIT</b>	\$727,745.38
<b>DATE SOLD</b>	6/26/2019
<b>YEAR BUILT</b>	1931
<b>UNIT MIX</b>	Eight 1 Bedroom

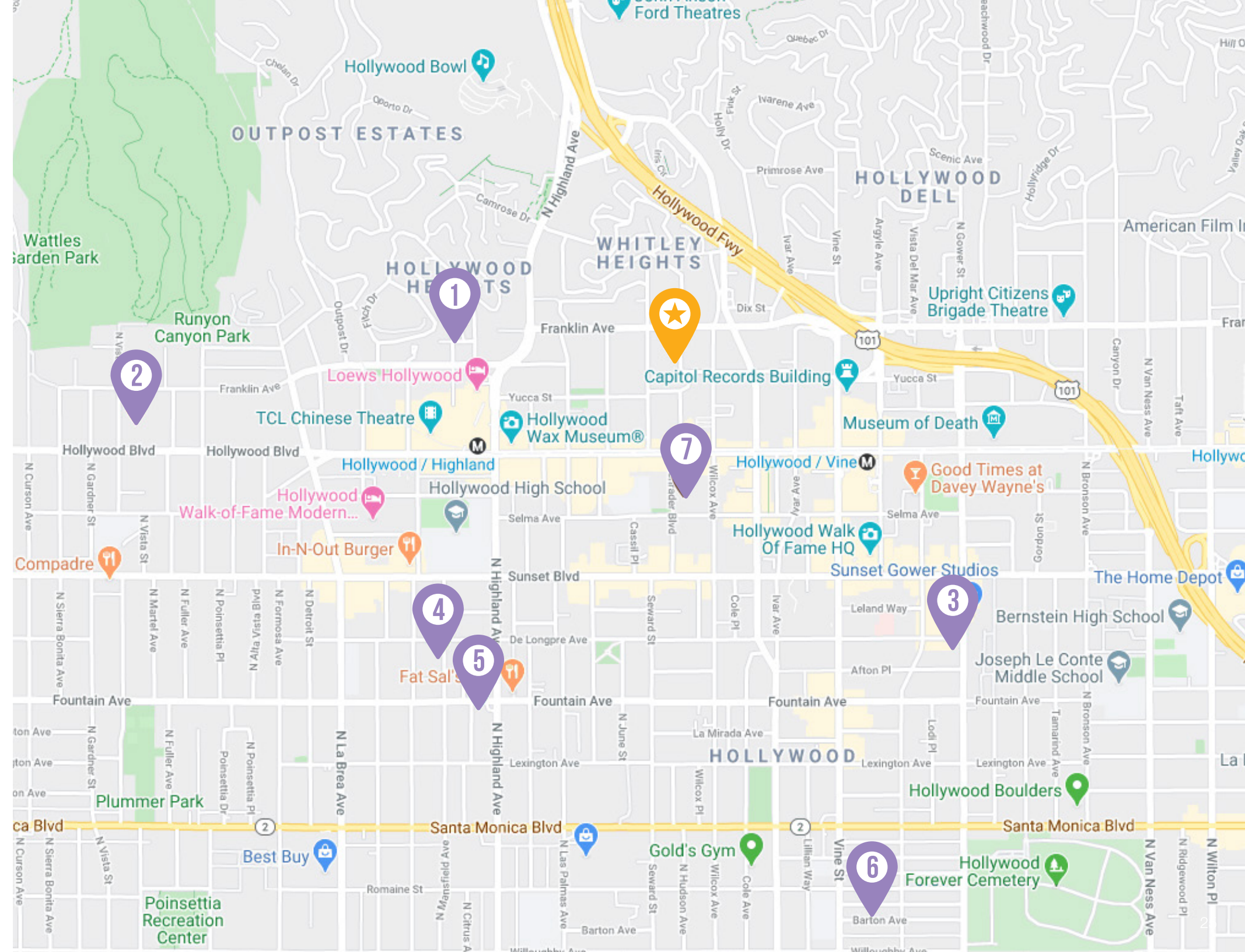


# Sales Comparables


07



<b>ADDRESS</b>	1614 N Schrader Boulevard, Los Angeles
<b>SALES PRICE</b>	\$12,429,914
<b>BLDG SF</b>	9,170
<b>LOT SIZE</b>	12,463
<b>PRICE/SF</b>	\$1,355
<b>PRICE/UNIT</b>	\$1,035,826.17
<b>DATE SOLD</b>	5/24/2019
<b>YEAR BUILT</b>	1930
<b>UNIT MIX</b>	Six Singles Six 1 Bedroom



# Rent Comparables

	ADDRESS	UNIT TYPE	SQ. FT.	\$/PER SF	RENT	NOTES
	1954 Hillcrest Rd, Los Angeles, CA 90068	1+1	700	\$3.86	\$2,700	Renovated, Vaulted Ceilings, Garage Parking
	6543 Franklin Ave, Los Angeles, CA 90028	1+1	750	\$3.13	\$2,345	Renovated, Garage Parking, Shared Laundry
	2101 Ivar Ave, Los Angeles, CA 90068	1+1	750	\$3.53	\$2,650	Upstairs Unit, Parking, Shared Laundry
	1770 El Cerrito Pl, Los Angeles, CA 90028	1+1	950	\$2.11	\$2,000	Renovated, Pool, Parking Space

	ADDRESS	UNIT TYPE	SQ. FT.	\$/PER SF	RENT	NOTES
	2137 Vine St, Los Angeles, CA 90068	2+1	950	\$3.37	\$3,200	Upstairs Unit of Fourplex, No Parking, In-Unit Laundry
	2052 Ivar Ave, Los Angeles, CA 90068	2+1	750	\$3.93	\$2,950	Renovated, Part of Duplex, No Parking
	1930 N Bronson Ave, Los Angeles, CA 90068	2+2	1,000	\$3.30	\$3,300	Renovated, One Parking Space, Laundry In-Unit
	6666 Yucca St, Los Angeles, CA 90028	2+2	N/A	N/A	\$3,095	Parking, Laundry In-Unit
	2010 Holly Dr, Los Angeles, CA 90068	2+2	1,450	\$2.66	\$3,850	Vaulted Ceilings, Parking, Laundry In-Unit

# Area Overview

## UNPARALLELED LOCATION

Hollywood is world renowned as the “entertainment capital of the world.” This iconic neighborhood is one of the most prestigious in the world, populated with many successful lawyers, studio executives, and celebrities. The surrounding area is filled with world-class shopping, dining, tourist attractions and hiking trails, including Runyon Canyon, one of the most popular trails in Los Angeles. In recent years developers have transformed the area into a mixed-use community for people to live, work, and play.

## ENTERTAINMENT CAPITAL OF THE WORLD

The history of movie production in Hollywood dates back to the early 1900s, exemplified by landmarks such as the Egyptian and Chinese theaters. While many studios have relocated to neighboring communities such as Studio City and Burbank, the neighborhood remains a primary location for pre- and post-production processes. Today, Hollywood is renowned for its tourist attractions, which draw more than 25 million visitors annually.

The famed Sunset and Hollywood boulevards offer visitors an endless array of entertainment and historic destinations, including the Hollywood and Highland complex, El Capitan Theatre, the Pantages Theatre, the Hollywood Walk of Fame, and a variety of trendy restaurants and night-clubs. Other attractions in the area feature the Hollywood Bowl, Runyon Canyon, and the Griffith Observatory.



## ECONOMY

Most recently, companies specializing in streaming media, virtual reality, and website development have been flocking to Hollywood to occupy the large swaths of class “A” commercial space being introduced to the market.

The most notable example is Netflix’s lease of Icon (323,000 SF) and Cue (92,000 SF) office buildings at Sunset Bronson Studios. As the company has approximately \$16 billion in obligations committed to streaming content, “the Netflix Effect” is creating even more economic momentum in the submarket by attracting new employers and more high-paying jobs to Hollywood.

This momentum will have a rising tide effect on real estate values in Hollywood, and in particular, the properties located near the intersection of Vine Street and Sunset Boulevard which is fast becoming the economic center of Hollywood.



## NEARBY AMENITIES

### NIGHTLIFE

- The Library Bar
- Club DV8 & OHM Nightclub
- Sound Nightclub
- Playhouse Hollywood
- Boulevard3
- The Room Hollywood
- Lure Nightclub
- The Argyle
- Good Times at Davey Wayne’s
- Avalon Hollywood

### RETAIL

- Ralph’s
- Ross Dress for Less
- Off Broadway Shoe Warehouse
- Ralphs
- Target, Best Buy, GameStop
- Staples
- Urban Outfitters
- Walgreens
- Bed Bath & Beyond
- Trader Joe’s

### ENTERTAINMENT

- Runyon Canyon Park
- TCL Chinese Theatre
- El Capitan Theatre
- Hollywood Bowl
- Ripley’s Believe It or Not
- Hollywood Wax Museum
- Guinness World Records Museum
- Egyptian Theatre
- ArcLight Hollywood
- Hollywood Palladium



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Tel: (310) 909-5444

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[nahadian@marcusmillichap.com](mailto:nahadian@marcusmillichap.com)

License: CA 01346750