



THE NEEMA GROUP

Los Angeles Multifamily Brokerage & Advisory Services

Marcus & Millichap



225

**N. Catalina Street
Los Angeles, CA 90004**

8-Unit True Value-Add Investment Opportunity in Koreatown
Located in a Qualified Opportunity Zone

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EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present 225 North Catalina Street, in Los Angeles, CA 90004. Built in 1950, this 8-unit property totals 5,134 SF on a 7,409 SF lot zoned R3 in a Tier 3 TOC in the middle of Koreatown. The building features singles and one-bedroom units and includes six parking spaces at the rear of the property.

This offering presents an investor the opportunity to purchase a value-add investment with true rental upside located in a Qualified Opportunity Zone. At the asking price, the price per unit is \$218,750 with a pro forma 6.35% CAP rate. In addition, the ability to install laundry on-site can further increase cash flow. With separately metered utilities including individual water heaters and individual trash bins, the building is well run providing ease of management.

The Koreatown submarket remains one of the most desirable addresses for both living and working for residents who need to commute to both Downtown Los Angeles and Hollywood. With over 110,000 people living within one mile and an average home value of over \$830,000 within a three-mile radius, the demand for apartment units continue to increase. The subject property has a walk score of 86 and is within walking distance to the Vermont/Beverly Station.





VERMONT/
BEVERLY
STATION



US 101
HOLLYWOOD
FWY

SILVER LAKE

LOS FELIZ

225 N. Catalina Street
Los Angeles, CA 90004

BEVERLY BOULEVARD

N. CATALINA STREET





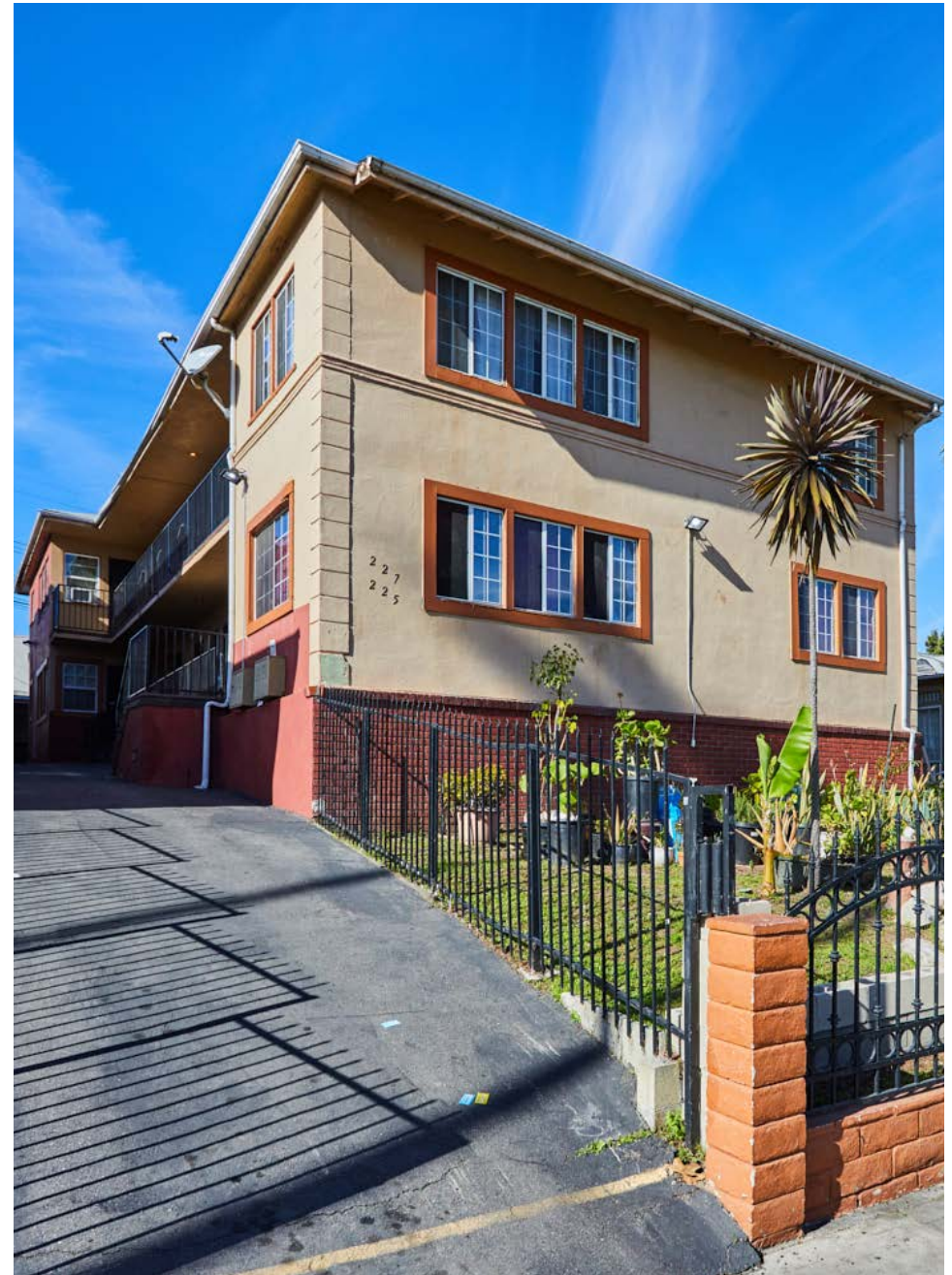
PROPERTY SUMMARY

PROPERTY INFORMATION

Address	225 N. Catalina Street Los Angeles, CA 90004
Number of Units:	8
Approx. Gross SF:	5,134 SF
Approx. Lot Size:	7,409 SF
Year Built/Renovated:	1950
APN	5518-018-017
Zoning	LAR3

PRICING INFORMATION

Sales Price	\$1,750,000
Cost per Legal Unit:	\$218,750
Cost per Bldg SF:	\$341
Current GRM:	15.87
Market GRM:	10.77
Current CAP:	3.64%
Market CAP:	6.21%



8

UNITS

2

SINGLES

6

1+1 UNITS

INVESTMENT HIGHLIGHTS

- 225 North Catalina Street is an 8-unit investment opportunity located in the highly coveted Koreatown neighborhood of Los Angeles, south of Beverly Boulevard between Vermont Avenue & Normandie Avenue; a location revitalized over the past decade rich with cultural diversity and one of the largest concentrations of businesses and restaurants in the entire country
- 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
- The subject property, built in 1950, features two singles and six one-bedroom units; the majority of the units are leased at below-market rents providing an investor a true value-add opportunity to capture the current 32% loss-to-lease by achieving pro forma rents as the units turn
- 225 North Catalina Street is well-maintained with recently renovated landscaping in the front and six parking spaces at the rear of the property with no soft story retrofit required
- In addition to the upside in rents, there is the ability to add laundry on-site to increase income; the property has low utility costs as all are separately metered with individual water heaters as well as individual trash bins
- High walk score of 86 with close proximity to the 101 Freeway as well as walking distance to the Vermont/Beverly Station giving tenants an easy commute to both Downtown Los Angeles and Hollywood
- The subject property is located in the center of one of the most desirable rental submarkets in all of Los Angeles with new developments and rents rising year-over-year; the countless nightlife & entertainment amenities, transportation options to major employers and educational opportunities nearby contribute to this rapidly gentrifying neighborhood



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

VONS
RALPHS
RITE AID
SEAFOOD CITY
SUPERMARKET



WILSHIRE
VERMONT STATION

VERMONT
APARTMENTS



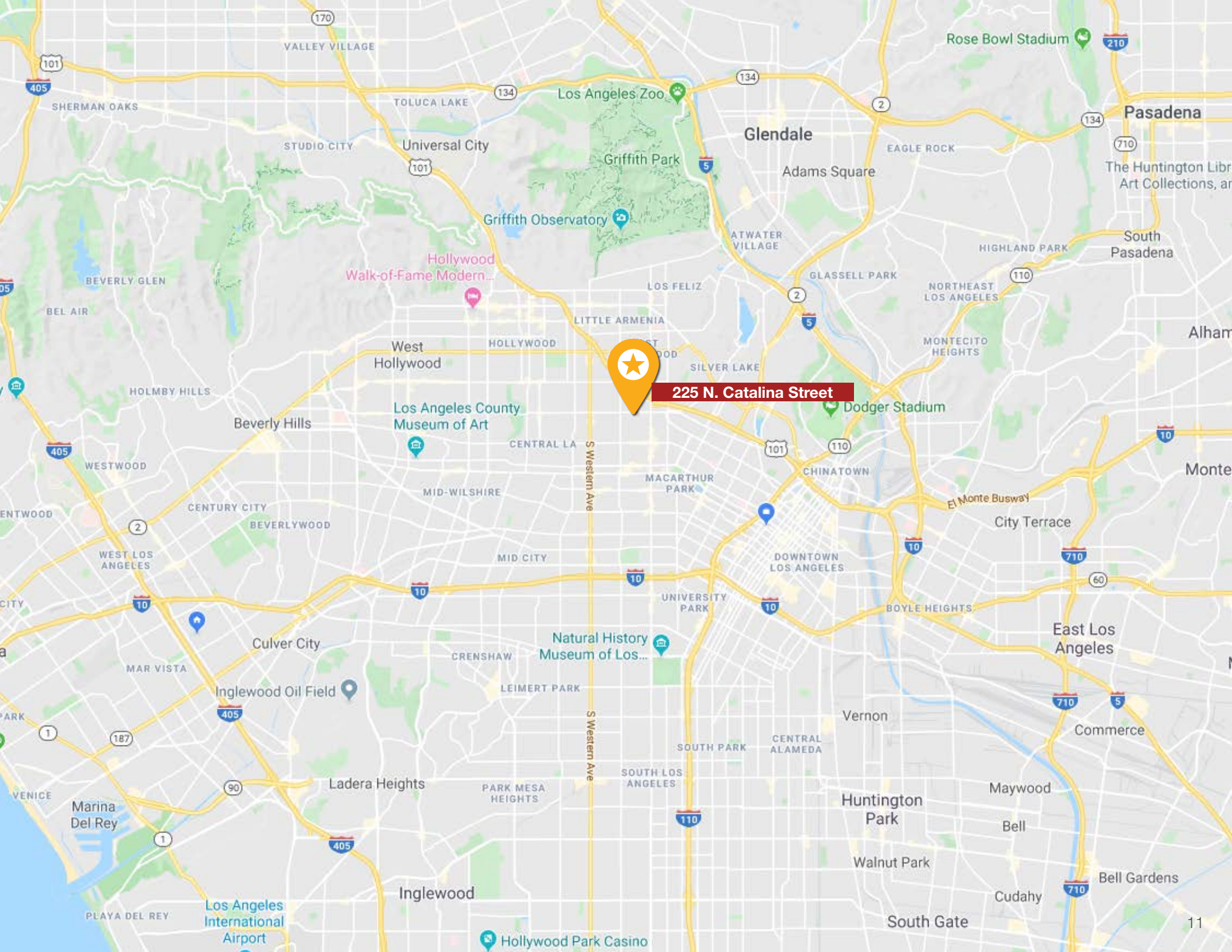
KOREATOWN

N. CATALINA STREET

225

N. Catalina Street
Los Angeles, CA 90004





225 N. Catalina Street





RENT ROLL

UNIT #	UNIT TYPE	ACTUAL RENTS	PROFORMA RENTS
1	Single	\$1,055	\$1,400
2	Single	\$1,395	\$1,400
3	1+1	\$1,763	\$1,785
4	1+1	\$1,763*	\$1,785
5	1+1	\$911	\$1,785
6	1+1	\$636	\$1,785
7	1+1	\$726	\$1,785
8	1+1	\$911	\$1,785
Total Scheduled Rent:		\$9,160	\$13,510
	SCEP	\$29	\$29
Monthly Scheduled Gross Income:		\$9,189	\$13,539
Annual Scheduled Gross Income:		\$110,264	\$162,467

* Includes 4% increase effective May 1st

RENTS BY UNIT TYPE

Single	\$2,450
1+1	\$6,710
Total	\$9,160



FINANCIALS

ANNUALIZED OPERATING DATA	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	110,264		162,467	
Less Vacancy Rate Reserve:	(3,308)	3.0%	(8,123)	5.0%
Gross Operating Income:	106,956		154,343	
Less Expenses:	(43,241)	39.2%	(45,611)	28.1%
Net Operating Income:	63,715		108,733	
Reserves:	(1,600)		(1,600)	
Less Debt Service:	(47,150)		(47,150)	
Pre-Tax Cash Flow:	14,965	1.7%	59,983	6.9%
Plus Principal Reduction:	16,950		16,950	
Total Return Before Taxes:	31,915	3.6%	76,933	8.8%

EXPENSES	%	CURRENT	PROFORMA
Taxes	1.17%	\$20,475	\$20,475
Insurance		\$2,465	\$2,465
Utilities		\$7,236	\$7,236
Repairs & Maintenance		\$4,000	\$4,000
Management	5%	\$5,348	\$7,717
Direct Assessment		\$1,097	\$1,097
Pest Control & Cleaning		\$1,260	\$1,260
Landscaping		\$960	\$960
License & Fees		\$400	\$400
Total Expenses		\$43,241	\$45,611
Per Net Sq. Ft		\$8.42	\$8.88
Per Unit		\$5,405	\$5,701

PRICING

Price:		\$1,750,000
Down Payment:	30%	\$875,000
Number of Units:		8
Cost per Legal Unit:		\$218,750
Current GRM:		15.87
Market GRM:		10.77
Current CAP:		3.64%
Market CAP:		6.21%
Approx. Age:		1950
Approx. Lot Size:		7,409 SF
Approx. Gross SF:		5,134 SF
Cost per Net GSF:		\$341

NEW POTENTIAL FINANCING

New First Loan:	\$875,000
Interest Rate:	3.50%
Amortization:	30
Monthly Payment:	\$3,929.14
DCR:	1.35

SALES COMPARABLES

01



ADDRESS	321 S Harvard Blvd., Los Angeles
SALES PRICE	\$3,200,000
PRICE/SF	\$373.00
BLDG SF	8,576
LOT SIZE	9,008
DATE SOLD	11/15/2019
UNIT MIX	Six 1+1 Four 2+2
PRICE PER UNIT	\$320,000

02



ADDRESS	1155 N Madison Ave, Los Angeles
SALES PRICE	\$4,100,000
PRICE/SF	\$381.00
BLDG SF	10,768
LOT SIZE	12,197
DATE SOLD	9/30/2019
UNIT MIX	16 Singles
PRICE PER UNIT	\$256,250

03



ADDRESS	742 Irolo Street, Los Angeles
SALES PRICE	\$1,750,000
PRICE/SF	\$312.00
BLDG SF	5,607
LOT SIZE	6,534
DATE SOLD	5/31/2109
UNIT MIX	Seven 1+1 One 2+1
PRICE PER UNIT	\$218,750

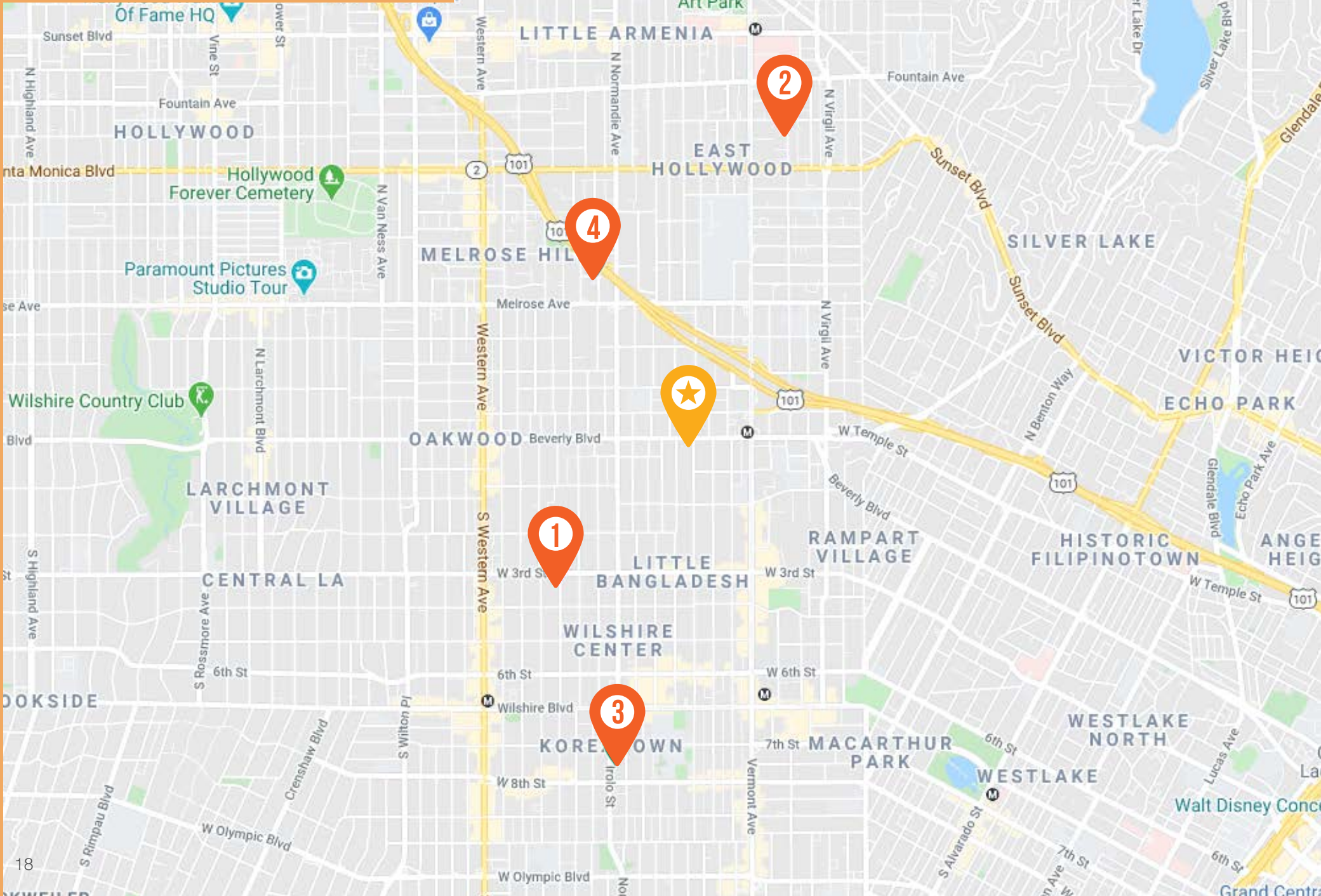
04



ADDRESS	745 N. Ardmore Ave, Los Angeles
SALES PRICE	\$1,920,000
PRICE/SF	\$279.00
BLDG SF	6,872
LOT SIZE	7,405
DATE SOLD	3/22/2019
UNIT MIX	One Single Five 1+1 Three 2+1
PRICE PER UNIT	\$213,333



SALES COMPARABLES MAP



CENTURY CITY

A white circular callout containing four logos: Biergarten (BYE-TOWN GASTROPUB), Galleria M-A-R-K-E-T, DREAM KOREAN BBQ, and TOM N TOMS COFFEE.

A black circular callout containing the logo for PAPER TIGER BAR.

A black circular callout containing the logo for THE COPPER STILL.

WEST HOLLYWOOD

BEVERLY BOULEVARD



RENT COMPARABLES

	ADDRESS	UNIT TYPE	SQ. FT.	\$/PER SF	RENT	NOTES
	205 N Berendo St, Los Angeles, CA 90004	1+1	650	\$2.76	\$1,795	Parking
	123 S Catalina St #212 Los Angeles, CA 90004	1+1	700	\$2.50	\$1,750	Parking
	126 N Catalina St, Los Angeles, CA 90004	1+1	n/a	n/a	\$1,795	Parking
	425 N Hobart Blvd #106 Los Angeles, CA 90004	1+1	710	\$2.43	\$1,725	Parking
		AVG	690	\$2.56	\$1,766	

	ADDRESS	UNIT TYPE	SQ. FT.	\$/PER SF	RENT	NOTES
	354 Normandie Ave Unit 109 Los Angeles, CA 90020	Single	300	\$5.00	\$1,500	Parking
	423 S Hoover St, Los Angeles, CA 90020	Single	570	\$2.62	\$1,495	Parking
	448 S Alexandria Ave, Los Angeles, CA 90020	Single	400	\$3.74	\$1,495	Parking
	206 N Normandie Ave, Los Angeles, CA 90004	Single	400	\$3.74	\$1,495	Street Parking
	4029 Oakwood Ave Unit 303 Los Angeles, CA 90004	Single	500	\$3.10	\$1,550	Street Parking
	205 N Kenmore Ave #15 Los Angeles, CA 90004	Single	400	\$3.56	\$1,425	Street Parking
		AVG	428	\$3.63	\$1,493.33	

AREA OVERVIEW

KOREATOWN

Located just west of Downtown Los Angeles and south of Hollywood, Koreatown is 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.

Koreatown has seen a tremendous revitalization over the last decade. An influx of capital dedicated to the revitalization of Koreatown has attracted a new resident base of young urban dwellers. This new, hip client base has brought new restaurants, night clubs, and retail opportunities, making Koreatown one of the more desirable submarkets in the greater Los Angeles area.

In the past decade, Koreatown has experienced significant gentrification and development, specifically along Wilshire Boulevard. Most notable is the Vermont, a 462-unit luxury apartment with over 30,000 SF of retail and 600 covered parking spaces

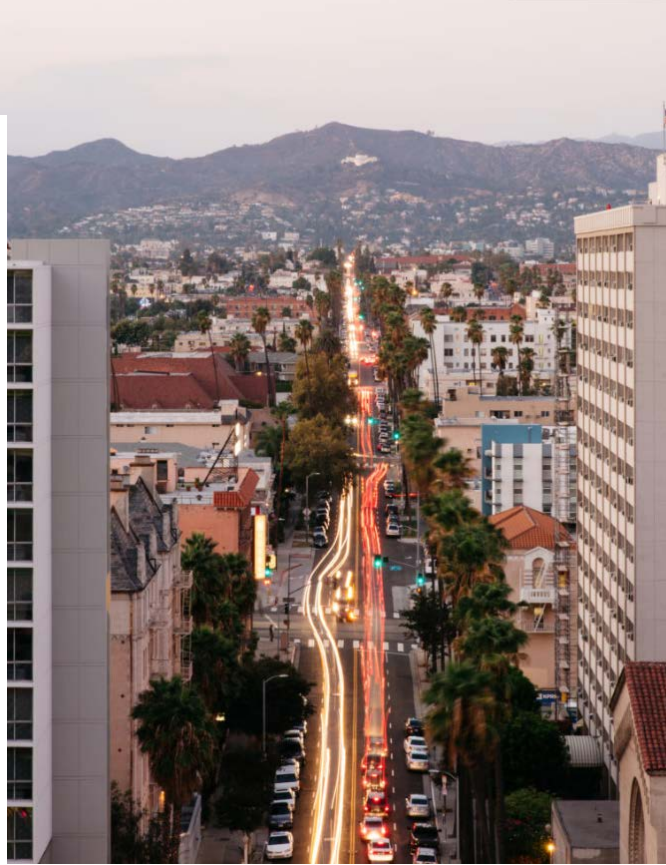
Additionally, residents are given convenient access to the Red and Purple Metro lines. The Red line offers service from the North Hollywood Arts district all the way to Union Station in Downtown LA. The purple line is currently undergoing an extension and once completed, will offer service the current terminus at Wilshire/Western will extend westward for about nine miles and add seven new stations providing easy access to the Westside



“KOREATOWN: AMERICA’S HIPPEST NEIGHBORHOOD” - LA Weekly



Metro Purple Line Extension



AN INFLUX OF CAPITAL DEDICATED TO THE REVITALIZATION OF KOREATOWN HAS ATTRACTED A NEW RESIDENT BASE OF YOUNG URBAN DWELLERS.





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