



THE NEEMA GROUP

Los Angeles Multifamily Brokerage & Advisory Services

Marcus & Millichap



1554

South Gramercy Place

Los Angeles, CA 90019

20-UNIT VALUE-ADD INVESTMENT OPPORTUNITY
LOCATED IN MID-CITY'S HARVARD HEIGHTS NEIGHBORHOOD
CURRENT LOSS TO LEASE OF 27%

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Marcus & Millichap
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OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com



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NEEMA AHADIAN

Senior Managing Director of Investments
West Los Angeles Office
Direct: (310) 909-5444
nahadian@marcusmillichap.com
BRE #: 01346750

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EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present:

1554 South Gramercy Place, Los Angeles, CA 90019.

Built in 1963, this 20-unit property totals 13,792 SF located in Mid-City's Harvard Heights neighborhood, on the corner of Venice Blvd & Gramercy Place. The building features a unit mix that includes 3 singles, 11 one-bedrooms, and 6 two-bedrooms.

This offering presents an investor the opportunity to capture market rents through renovations when the units turn. The property is being offered at a 4.28% CAP rate on current income with substantial rental upside as the current loss to lease is 27%.

The property features 20 parking spaces. The soft-story retrofit work has been completed. The building is separately metered gas & electric. Furthermore, there is a community laundry room for the building with two washers & dryers. The lot is 12,687 SF and zoned R3-1-CPIO.

Harvard Heights is a densely populated neighborhood with historical and architectural significance. 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. The subject property has a walk score of 85 with easy access to public transportation, nightlife, dining, education and the Santa Monica Freeway.

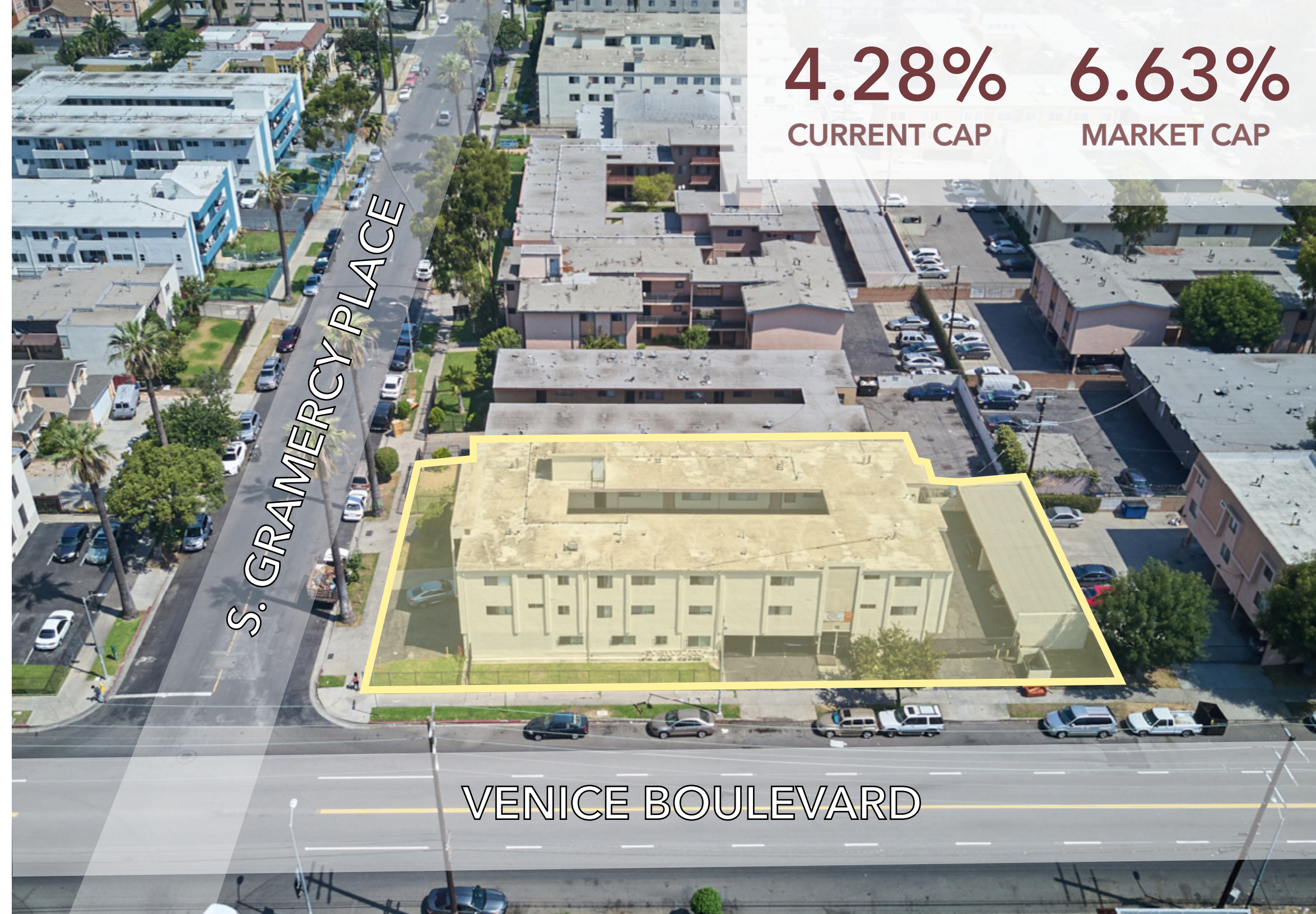


INVESTMENT HIGHLIGHTS

- 1554 South Gramercy Place is a 20-unit true value-add investment opportunity located in Mid-City's Harvard Heights, on the corner of Venice Boulevard between Western Avenue & Arlington Avenue, with easy access to the Santa Monica Freeway.
- This subject property, built in 1963, consists of 3 single, 11 one-bedroom, and 6 two-bedroom apartments; 8-units include balconies. Opportunity to achieve a 6.63% pro forma CAP rate as units turn.
- At the asking price, offered at a 4.28% CAP rate on current income. One unit to be delivered vacant at the close of escrow.
- Ample parking, one space for each unit. Soft story retrofit work completed. On-site community laundry with two washers & dryers.
- Ease of management as gas & electric are separately metered.
- High walk score of 85, walking distance to public transportation, nightlife, and dining attractions; direct access to the Santa Monica Freeway allowing for a quick commute to Downtown Los Angeles.
- The Mid-City neighborhood continues to develop at a rapid pace, including growing educational opportunities, as well as retail, public transportation, and city-shaping development projects.

4.28%
CURRENT CAP

6.63%
MARKET CAP





KOREATOWN

WESTLAKE

20 UNITS
13,792 SF

SOFT STORY RETROFIT COMPLETED

20
UNITS

3
SINGLES

11
1+1 UNITS

6
2+1 UNITS

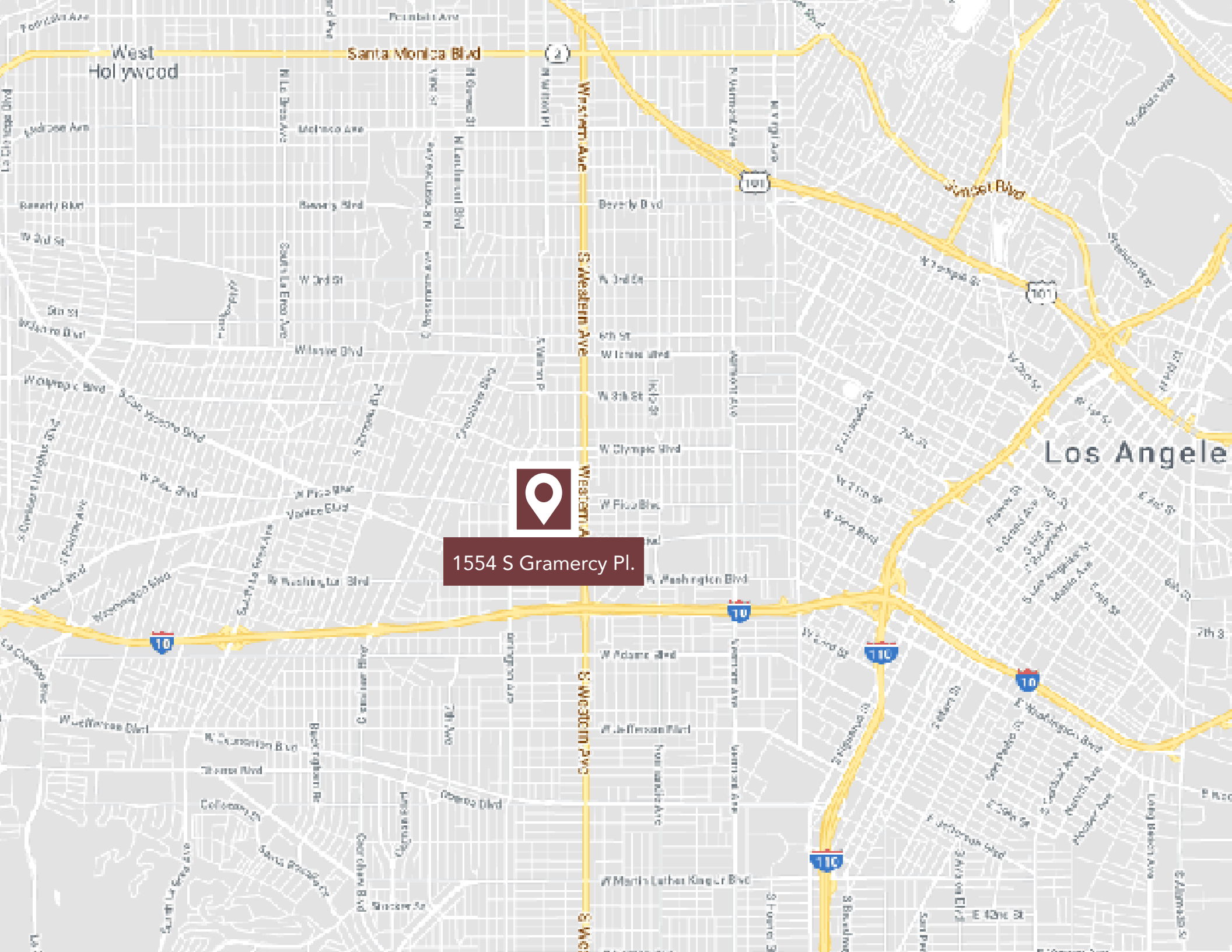
PROPERTY OVERVIEW

PROPERTY INFORMATION

Address:	1554 S. Gramercy Pl. Los Angeles, CA 90019
Number of Units:	20
Approx. Gross SF:	13,792
Approx Lot Size:	12,687
Year Built:	1963
APN:	5073-007-008
Zoning:	R3-1-CPIO

PRICING INFORMATION

Sales Price:	\$4,200,000
Cost per Unit:	\$210,000
Cost Per SF:	\$305
Current GRM:	13.21
Market GRM:	9.70
Current CAP:	4.28%
Market CAP:	6.63%



HARVARD HEIGHTS OVERVIEW

STRATEGICALLY LOCATED NEAR LOS ANGELES' MAJOR FREEWAYS

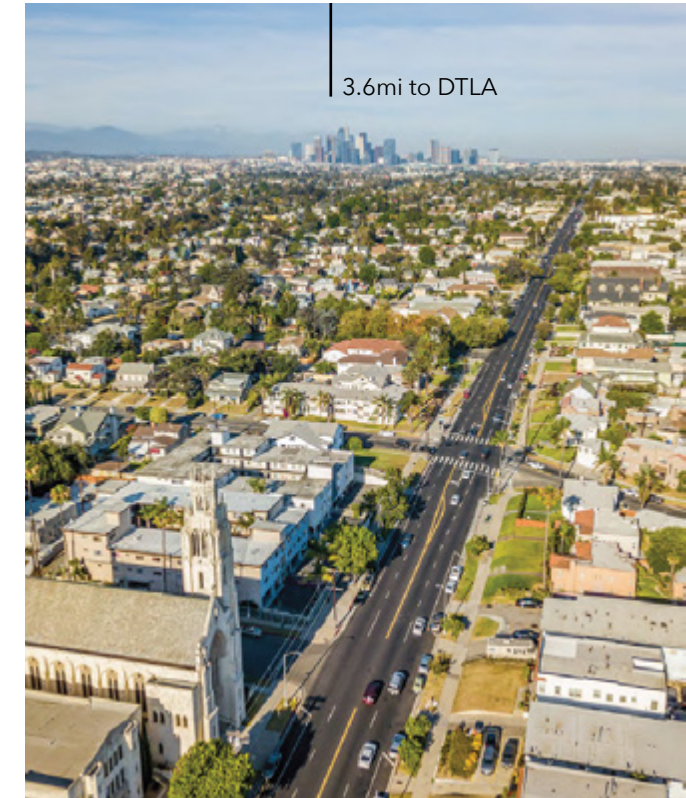
Harvard Heights is a densely populated neighborhood with historical significance. It sits west of Downtown Los Angeles and near the West Adams neighborhood. The neighborhood is largely protected within a Los Angeles Historic Preservation Overlay Zone, for its architecturally significant real estate. Harvard Heights is about one mile from West Adams, which has seen recent development activity from developers such as CIM Group and Carmel Partners.

Harvard Heights sits above the Santa Monica Freeway, which provides easy access to surrounding neighborhoods like West Adams and job centers in Downtown Los Angeles and Culver City. Koreatown, just north of Harvard Heights, is exploding with mixed-use developments from esteemed developers like Jamison Services, Inc. For example, a mixed-use project underway at the intersection of Olympic and Vermont, less than two miles from the portfolio, will include a seven-story structure featuring 228 condominiums, approximately 53,000 square feet of retail space and a subterranean parking garage for 563 vehicles. The subject properties are also less than two miles from the Wilshire/Western Metro Station and are within three miles of the under-construction Crenshaw/LAX Line.

CLOSE TO SCHOOLS, RETAIL, AND ENTERTAINMENT HUBS

Harvard Heights is strategically located near many of Los Angeles' premier educational opportunities, entertainment centers and retail. The subject properties sit just west of Downtown Los Angeles, with easy freeway access to the city's numerous entertainment centers. Staples Center, home to the NBA's Los Angeles Lakers and Clippers as well as the NHL's Kings, is within three miles of the portfolio. Other notable entertainment centers within five miles of the collection include LA Live!, the Los Angeles Convention Center, the Grammy Museum, the Natural History Museum of Los Angeles and Grand Central Market. Harvard Heights is within one mile of Loyola High School, established in 1865 and the oldest educational institution in Los Angeles. The University of Southern California is within three miles of the property and is rapidly expanding outwards.

85
WALK SCORE



RENT ROLL

UNIT #	UNIT SF	UNIT TYPE	CURRENT RENTS	PRO-FORMA RENTS	NOTES
1	375	Single	\$836	\$1,400	
2	750	2+1	\$1,241	\$2,225	Section 8
3	600	1+1	\$,1081	\$1,650	Section 8
4	750	2+1	\$2,225	\$2,225	*On-Site Manager
5	600	1+1	\$1,113	\$1,650	Section 8
6	600	1+1	\$1,273	\$1,650	Section 8
7	750	2+1	\$,1505	\$2,225	Section 8
8	600	1+1	\$1,650	\$1,650	Vacant
9	600	1+1	\$1,501	\$1,650	Section 8
10	600	1+1	\$1,191	\$1,650	
11	375	Single	\$819	\$1,400	
12	750	2+1	\$2,000	\$2,225	
13	600	1+1	\$,1570	\$1,650	Section 8
14	600	1+1	\$997	\$1,650	Section 8
15	750	2+1	\$1,326	\$2,225	
16	600	1+1	\$1,545	\$1,650	
17	600	1+1	\$1,072	\$1,650	
18	600	1+1	\$1,009	\$1,650	Section 8
19	375	Single	\$847	\$1,400	
20	750	2+1	\$1,326	\$2,225	

TOTAL INCOME	CURRENT	MARKET
Total Scheduled Rent	\$26,127	\$35,700
SCEP	\$61	\$61
Laundry	\$204	\$204
Parking	\$100	\$100
Monthly Scheduled Gross Income:	\$26,493	\$36,065
Annual Scheduled Gross Income:	\$317,911	\$432,781



FINANCIALS

	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	\$317,911		\$432,781	
Less Vacancy Rate Reserve:	\$(9,537)	3.0%	\$(21,639)	5.0%
Gross Operating Income:	\$308,374		\$411,142	
Less Expenses:	\$(128,741)	40.5%	\$(132,852)	30.7%
Net Operating Income:	\$179,633		\$278,291	
Reserves:	\$(4,000)		\$(4,000)	
Less Debt Service:	\$(151,717)		\$(151,717)	
Pre-Tax Cash Flow:	\$23,916	1.6%	\$122,574	8.3%
Plus Principal Reduction:	\$50,744		\$50,744	
Total Return Before Taxes:	\$74,660	5.1%	\$173,318	11.8%



FINANCIALS

EXPENSES	%	CURRENT	PROFORMA	PRICING	
Taxes	1.17%	\$49,140	\$49,140	Price:	\$4,200,000
Insurance		\$6,484	\$6,484	Down Payment:	35% \$1,470,000
Utilities		\$25,182	\$25,182	Number of Units:	20
Landscaping		\$1,800	\$1,800	Cost per Legal Unit:	\$210,000
Repairs & Maintenance		\$10,000	\$10,000	Current GRM:	13.21
Waste Removal		\$6,630	\$6,630	Market GRM:	9.70
Management	4%	\$10,000	\$16,446	Current CAP:	4.28%
License and Fees		\$2,241	\$2,241	Market CAP:	6.63%
Pest Control		\$1,140	\$1,140	Approx. Age:	1963
Direct Assessment		\$1,789	\$1,789	Approx. Lot Size:	12,687
On Site Manager		\$12,000	\$12,000	Approx. Gross SF:	13,792
Cleaning		\$656	\$656	Cost per Net GSF:	\$304.52
SCEP		\$61	\$61	NEW POTENTIAL FINANCING	
Total Expenses:		\$128,741	\$132,852	New First Loan:	\$2,730,000
Per Net Sq. Ft.:		\$9.33	\$9.63	Interest Rate:	3.75%
Per Unit:		\$6,437.05	\$6,642.58	Amortization:	30
				Monthly Payment:	\$12,643.06
				DCR:	1.18

SALES COMPARABLES



ADDRESS	1554 Gramercy Pl Los Angeles, CA 90019
SALES PRICE	\$4,200,000
BLDG SF	13,794
LOT SIZE	12,687
PRICE/SF	\$305
PRICE/UNIT	\$210,000
DATE SOLD	On-Market
YEAR BUILT	1963



ADDRESS	3960 W 8th St Los Angeles, CA 90005
SALES PRICE	\$2,580,000
BLDG SF	7,728
LOT SIZE	7,405
PRICE/SF	\$334
PRICE/UNIT	\$258,000
DATE SOLD	4/23/2019
YEAR BUILT	1956



ADDRESS	933 S Ardmore Ave Los Angeles, CA 90006
SALES PRICE	\$1,800,000
BLDG SF	6,192
LOT SIZE	6,752
PRICE/SF	\$291
PRICE/UNIT	\$225,000
DATE SOLD	6/28/2019
YEAR BUILT	1964



ADDRESS	1841 S Manhattan Pl Los Angeles, CA 90019
SALES PRICE	\$6,300,000
BLDG SF	22,017
LOT SIZE	17,825
PRICE/SF	\$286
PRICE/UNIT	\$225,000
DATE SOLD	12/20/2019
YEAR BUILT	1965



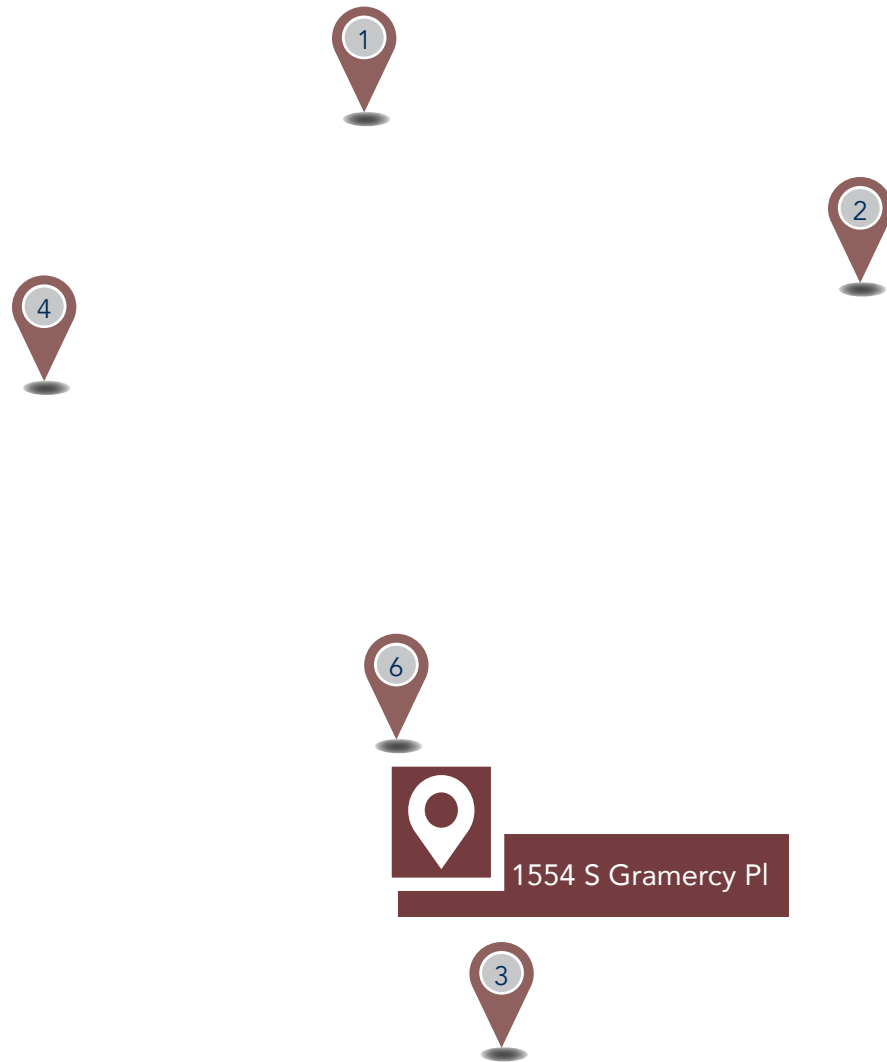
ADDRESS	1026 S Norton Ave Los Angeles, CA 90019
SALES PRICE	\$2,075,000
BLDG SF	8,591
LOT SIZE	9,148
PRICE/SF	\$241
PRICE/UNIT	\$207,500
DATE SOLD	5/29/2019
YEAR BUILT	1957



ADDRESS	3807-3815 W Adams Blvd Los Angeles, CA 90018
SALES PRICE	\$2,925,000
BLDG SF	9,778
LOT SIZE	12,981
PRICE/SF	\$299
PRICE/UNIT	\$243,750
DATE SOLD	10/29/2019
YEAR BUILT	1948



ADDRESS	1330 S Wilton Pl Los Angeles, CA 900019
SALES PRICE	\$2,950,000
BLDG SF	8,204
LOT SIZE	13,159
PRICE/SF	\$360
PRICE/UNIT	\$268,182
DATE SOLD	6/25/2019
YEAR BUILT	1960



 1554 S Gramercy Pl





RENTAL COMPARABLES

	PROPERTY NAME	UNIT TYPE	UNIT SF	PRICE/SF	RENT
S	1554 Gramercy Pl Los Angeles, CA 90019	Single	375 SF	\$2.22	\$834
1	1164 S Norton Ave, Los Angeles, CA 90019	Single	500 SF	\$2.80	\$1,400
2	1037 S Norton Ave, Los Angeles, CA 90019	Single	n/a	n/a	\$1,395
3	845 Normandie Ave, Los Angeles, CA 90005	Single	350 SF	\$3.93	\$1,375
S	1554 Gramercy Pl Los Angeles, CA 90019	1+1	600 SF	\$2.12	\$1,273
1	2110 6th Ave, Los Angeles, CA 90018	1+1	700 SF	\$2.36	\$1,650
2	1454 S Norton Ave, Los Angeles, CA 90019	1+1	650 SF	\$2.54	\$1,650
3	2619-2631 Brighton Ave, Los Angeles, CA 90018	1+1	n/a	n/a	\$1,650
S	1554 Gramercy Pl Los Angeles, CA 90019	2+2	750 SF	\$2.14	\$1,604
1	2056-2058 S Harvard Blvd, Los Angeles, CA 90018	2+2	723 SF	\$3.04	\$2,200
2	3759 W 27th St, Los Angeles, CA 90018	2+2	n/a	n/a	\$2,200
3	2249 W 24th St, Los Angeles, CA 90018	2+2	n/a	n/a	\$2,295

SINGLES



1+1



2+1



SUBJECT





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EXCLUSIVELY LISTED BY:

NEEMA AHADIAN

Senior Managing Director of Investments
West Los Angeles Office

Direct: (310) 909-5444

nahadian@marcusmillichap.com

BRE #: 01346750