



941

S. Kenmore Ave
Los Angeles, CA 90006

24-UNIT VALUE-ADD INVESTMENT OPPORTUNITY LOCATED IN
KOREATOWN; CURRENT LOSS TO LEASE OF 23%

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EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present 941 South Kenmore Avenue, in Los Angeles, CA 90006. Built in 1923, this 24-unit property totals 13,800 SF on a 6,664 SF lot in the heart of Koreatown. The building features single units and has a community laundry room on-site.

This offering presents an investor the opportunity to purchase a value-add investment with true rental upside. At the asking price, the price per square foot is \$286 with a pro forma GRM of 10.52. The building is separately metered for gas and the exterior has just been painted.

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. The subject property is surrounded by new developments between 8th Street & Olympic Boulevard. With over 125,000 people living within one mile and an average home value of over \$700,000 within a three-mile radius, the demand for apartment units continues to increase. The subject property has a walk score of 93 and is within walking distance to the Wilshire/Normandie Station.





941

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Los Angeles, CA 90006

SAN MARINO ST

S KENMORE AVE



PROPERTY SUMMARY

PROPERTY INFORMATION

Address	941 S. Kenmore Ave Los Angeles, CA 90006
Number of Units:	24
Approx. Gross SF:	13,800 SF
Approx. Lot Size:	6,664 SF
Year Built/Renovated:	1923
APN	5094-023-030
Zoning	R4-1

PRICING INFORMATION

Sales Price	\$3,950,000
Cost per Legal Unit:	\$164,583
Cost per Bldg SF:	\$286
Current GRM:	13.58
Market GRM:	10.52
Current CAP:	3.26%
Market CAP:	5.05%



24

SINGLE UNITS

INVESTMENT HIGHLIGHTS

- 941 South Kenmore Avenue is an 24-unit investment opportunity located in the highly coveted Koreatown neighborhood of Los Angeles, on the corner of San Marino Street & Kenmore Avenue between Vermont Avenue & Irolo Street; a location in one of the most desirable submarkets of Los Angeles attracting high-end residents with unparalleled access to employment opportunities and entertainment amenities
- The subject property, built in 1923, features twenty-four singles units; the majority of the units are leased at below-market rents providing an investor a true value-add opportunity to capture the current 22% loss-to-lease by achieving pro forma rents as the units turn
- Offered at an attractive price per square foot of \$286; the building is separately metered for gas and has a laundry room on-site
- 941 South Kenmore Avenue is well-maintained with a secure, gated entrance in the front and recent exterior painting of the entire building
- Incredible walk score of 93 with easy access to the 10 & 110 Freeways as well as walking distance to the Metro Purple Line at the Wilshire/Normandie Station stop giving tenants an easy commute to both Downtown Los Angeles and Hollywood
- The subject property is surrounded by new development mixed-use and residential projects between 8th Street and Olympic Boulevard, exemplifying the rapid gentrification of the neighborhood that will continue to support the rental market



An aerial photograph of a Los Angeles neighborhood. In the foreground, a yellow semi-transparent rectangle highlights a four-story building with many windows. A white line connects the top of this building to a yellow callout box. The background shows a dense urban landscape with various buildings, palm trees, and the Los Angeles skyline under a clear blue sky.

941

S. Kenmore Ave.
Los Angeles, CA 90006

S. KENMORE AVE



NEARBY DEVELOPMENTS

- | | | | |
|-----------|---|-----------|---|
| 01 | 3100 WEST 8TH STREET
98 Residential Units Currently Under Construction | 06 | 2870 WEST OLYMPIC BOULEVARD
Proposed 120-Unit Residential Project |
| 02 | 923-937 SOUTH KENMORE AVENUE
Proposed 75 Residential Units | 07 | 968 S FEDORA STREET
Proposed 50-Unit Residential Project |
| 03 | 924 SOUTH CATALINA STREET
30 Residential Units Currently Under Construction | 08 | 2800 WEST OLYMPIC BOULEVARD
67 Residential Units with Retail Currently Under Construction |
| 04 | 941 FEDORA STREET
15 Residential Units Currently Under Construction | 09 | 951-959 FEDORA STREET
60 Residential Units Currently Under Construction |
| 05 | 966 SOUTH KENMORE AVENUE
50 Residential Units Currently Under Construction | 10 | 837 FEDORA STREET – MARIPOSA & FEDORA II
200 Residential Units Currently Under Construction |

AREA OVERVIEW

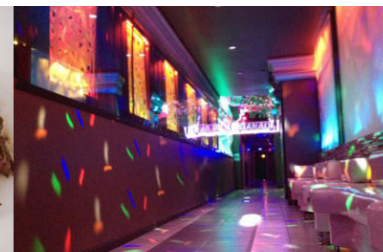
KOREATOWN

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.

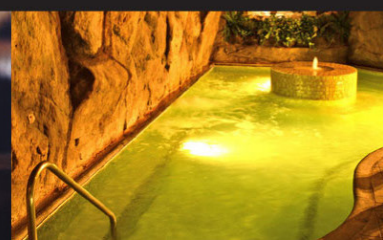
Koreatown has seen a tremendous revitalization over the last decade. An influx of capital dedicated to the revitalization of Koreatown has attracted a new resident base of young urban dwellers. This new, hip client base has brought new restaurants, night clubs, and retail opportunities, making Koreatown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

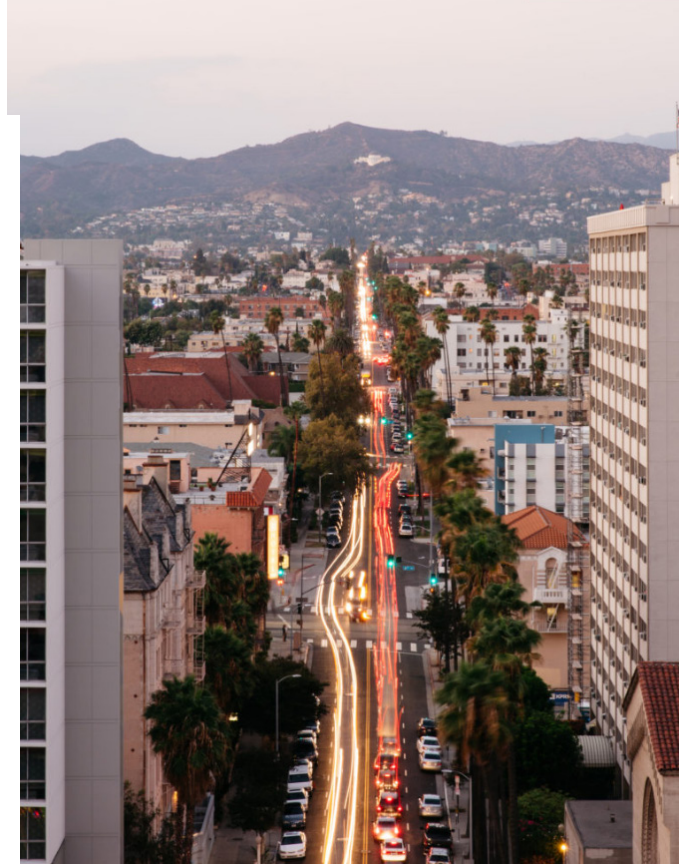
Additionally, residents are given convenient access to the Red and Purple Metro lines. The Red line offers service from the North Hollywood Arts district all the way to Union Station in Downtown LA. The purple line is currently undergoing an extension and once completed, will offer service the current 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

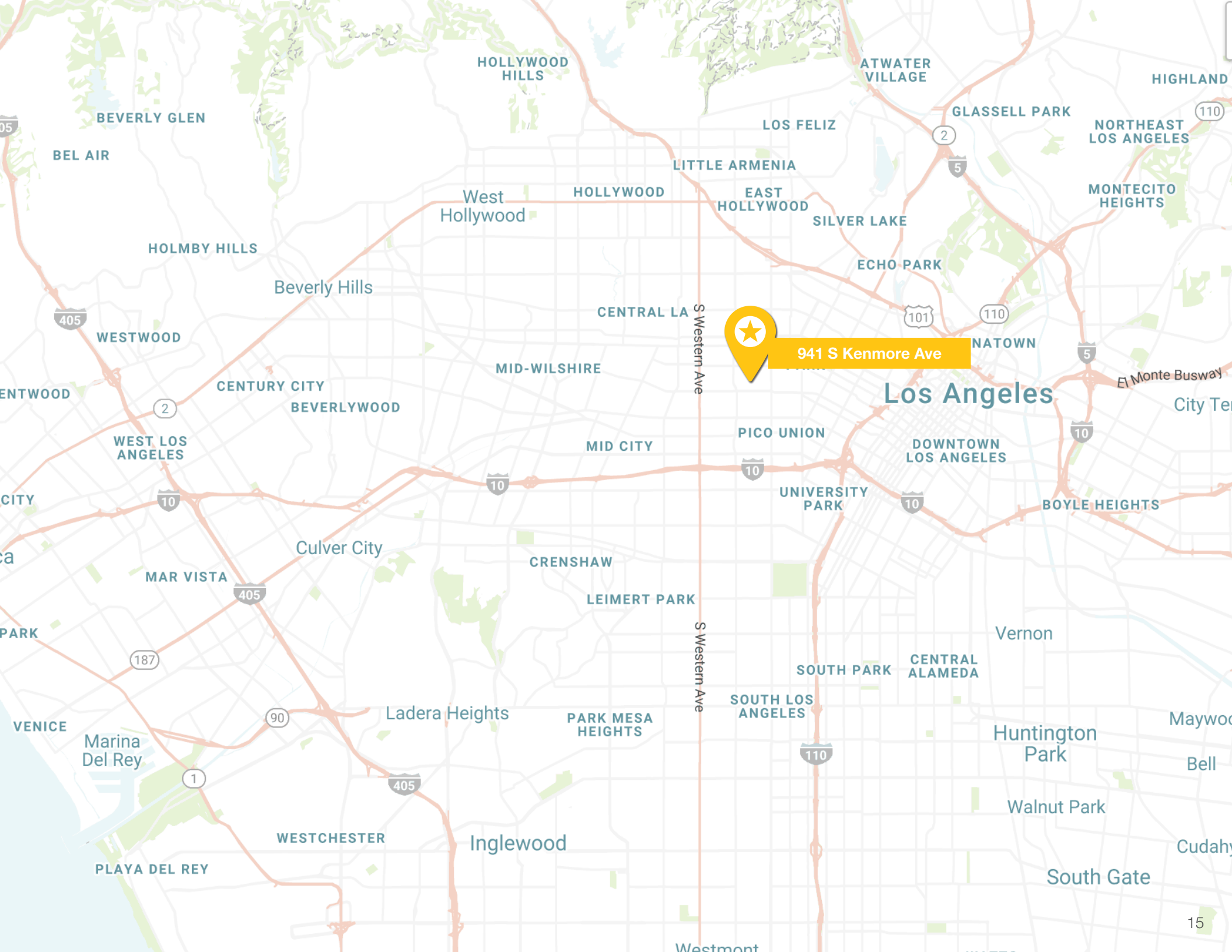


Metro Purple Line Extension



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





941 S Kenmore Ave





RENT ROLL

UNIT #	UNIT TYPE	ACTUAL RENTS	PROFORMA RENTS
101	Single	\$883	\$1,295
102	Single	\$967	\$1,295
103	Single	\$1,061	\$1,295
104	Single	\$1,061	\$1,295
105	Single	\$906	\$1,295
106	Single	\$803*	\$1,295
107	Single	\$803*	\$1,295
108	Single	\$983	\$1,295
201	Single	\$954*	\$1,295
202	Single	\$983	\$1,295
203	Single	\$803*	\$1,295
204	Single	\$1,243	\$1,295
205	Single	\$803*	\$1,295
206	Single	\$1,050	\$1,295
207	Single	\$803*	\$1,295
208	Single	\$1,119**	\$1,295
301	Single	\$1,250	\$1,295
302	Single	\$966	\$1,295
303	Single	\$961	\$1,295
304	Single	\$1,103	\$1,295
305	Single	\$1,060	\$1,295
306	Single	\$1,133	\$1,295
307	Single	\$1,050	\$1,295
308	Single	\$1,295	\$1,295 Vacant
Total Scheduled Rent:		\$24,045	\$31,080
Laundry		\$126	\$126
Ordinance Income		\$75	\$75
Monthly Scheduled Gross Income:		\$24,246	\$31,281
Annual Scheduled Gross Income:		\$290,946	\$375,370

* Includes 5% increase effective March 1st

**Under Eviction - should be vacant by April



FINANCIALS

ANNUALIZED OPERATING DATA	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	\$290,946		\$375,370	
Less Vacancy Rate Reserve:	(\$8,728)	3.0%	(\$18,768)	5.0%
Gross Operating Income:	\$282,218		\$356,601	
Less Expenses:	(\$153,568)	52.8%	(\$157,287)	41.9%
Net Operating Income:	\$128,650		\$199,314	
Reserves:	(\$4,800)		(\$4,800)	
Less Debt Service:	(\$106,424)		(\$106,424)	
Pre-Tax Cash Flow:	\$17,426	0.9%	\$88,090	4.5%
Plus Principal Reduction:	\$38,258		\$38,258	
Total Return Before Taxes:	\$55,685	2.8%	\$126,349	6.4%

EXPENSES	%	CURRENT	PROFORMA
Taxes	1.17%	\$46,215	\$46,215
Insurance		\$6,635	\$6,635
Utilities*		\$54,285	\$54,285
Landscaping		\$1,440	\$1,440
Repairs & Maintenance		\$12,000	\$12,000
Waste Removal		\$5,933	\$5,933
Management	5%	\$14,111	\$17,830
License & Fees		\$1,200	\$1,200
Pest Control		\$360	\$360
Direct Assessment		\$1,789	\$1,789
On Site Manager		\$9,600	\$9,600
Total Expenses		\$153,568	\$157,287
Per Net Sq. Ft		\$11.13	\$11.40
Per Unit		\$6,399	\$6,554

*Please note that there was a leak in 2019 which has been resolved, utilities should run lower in 2020

PRICING		
Price:		\$3,950,000
Down Payment:	50%	\$1,975,000
Number of Units:		24
Cost per Legal Unit:		\$164,583
Current GRM:		13.58
Market GRM:		10.52
Current CAP:		3.26%
Market CAP:		5.05%
Approx. Age:		1923
Approx. Lot Size:		6,664
Approx. Gross SF:		13,800
Cost per Net GSF:		\$286

NEW POTENTIAL FINANCING

New First Loan:	\$1,975,000
Interest Rate:	3.50%
Amortization:	30
Monthly Payment:	\$8,868.63
DCR:	1.21

SALES COMPARABLES

01



ADDRESS	2222 Cambridge Street Los Angeles
SALES PRICE	\$2,950,000
PRICE/SF	\$325.46
BLDG SF	9,064
LOT SIZE	6,098
DATE SOLD	12/28/2019
UNIT MIX	16 Singles Two 1+1
PRICE PER UNIT	\$163,890

02



ADDRESS	830 S Park View Street Los Angeles
SALES PRICE	\$1,810,000
PRICE/SF	\$196.10
BLDG SF	9,230
LOT SIZE	7,484
DATE SOLD	11/27/2019
UNIT MIX	Three Singles Six 1+1
PRICE PER UNIT	\$164,545

03



ADDRESS	2869 San Marino Street Los Angeles
SALES PRICE	\$2,960,260
PRICE/SF	\$332.61
BLDG SF	8,900
LOT SIZE	7,423
DATE SOLD	11/21/2019
UNIT MIX	20 Singles
PRICE PER UNIT	\$218,750

04



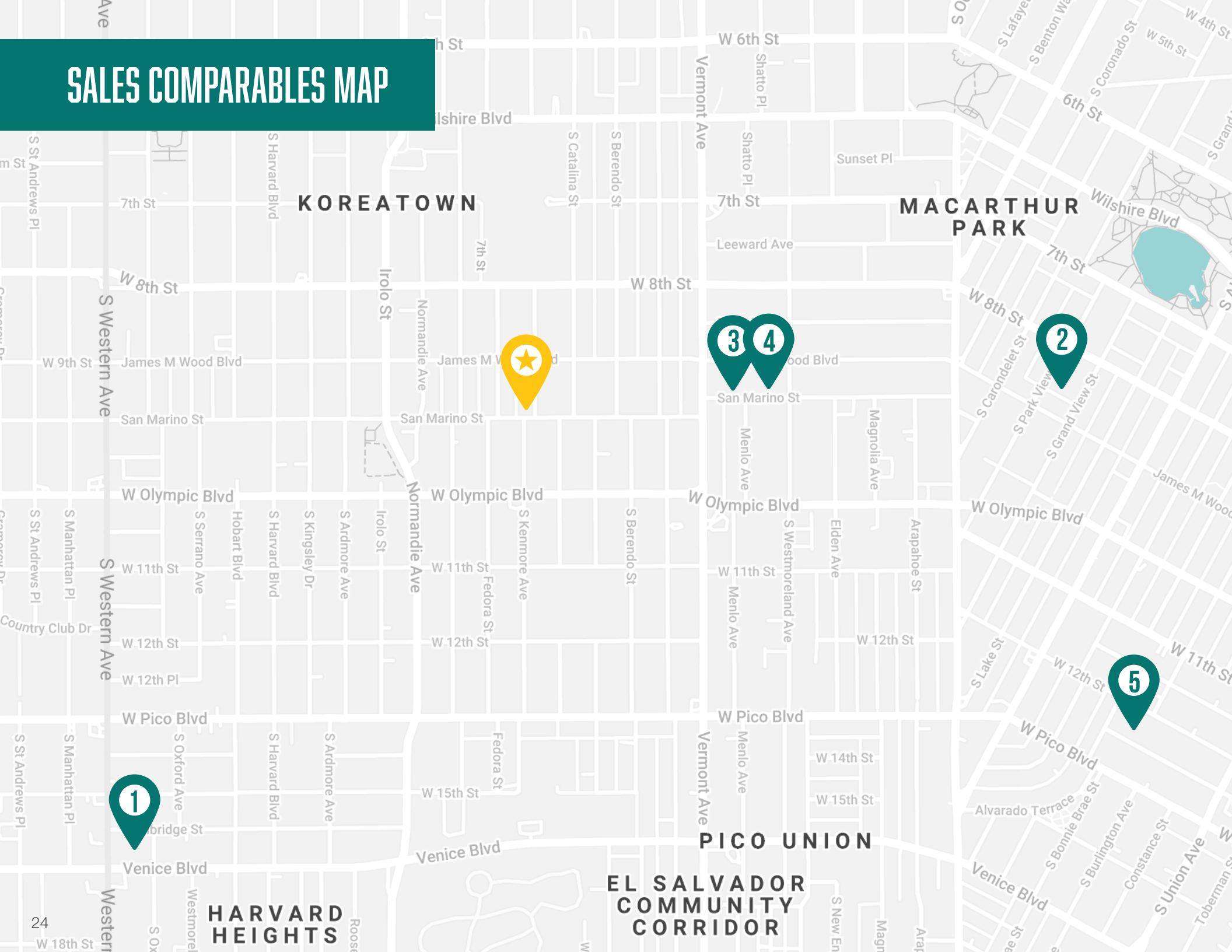
ADDRESS	2845 San Marino Street Los Angeles
SALES PRICE	\$3,064,740
PRICE/SF	\$398.85
BLDG SF	7,684
LOT SIZE	6,747
DATE SOLD	11/21/2019
UNIT MIX	20 Singles
PRICE PER UNIT	\$153,237

05



ADDRESS	1839 12th Street Los Angeles
SALES PRICE	\$3,790,000
PRICE/SF	\$271.22
BLDG SF	13,974
LOT SIZE	6,229
DATE SOLD	10/1/2019
UNIT MIX	12 Singles Twelve 1+1
PRICE PER UNIT	\$213,333

SALES COMPARABLES MAP





RENT COMPARABLES

	ADDRESS	UNIT TYPE	SQ. FT.	\$/PER SF	RENT
	1145 S New Hampshire Ave Unit 5. Los Angeles, CA 90006	Single	450	\$3.06	\$1,375
	3045 Leeward Ave Unit 304, Los Angeles, CA 90005	Single	450	\$2.78	\$1,250
	687 Shatto PI Unit 407, Los Angeles, CA 90005	Single	500	\$2.79	\$1,395
	687 Shatto PI Unit 407, Los Angeles, CA 90005	Single	500	\$2.80	\$1,399
	730 S Catalina St Unit 110, Los Angeles, CA 90005	Single	525	\$2.57	\$1,350
	728 S Berendo St Unit 408, Los Angeles, CA 90005	Single	425	\$3.35	\$1,425
	979 S Ardmore Ave Unit 4, Los Angeles, CA 90006	Single	N/A		\$1,295



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