

A TRUE VALUE-ADD INVESTMENT OPPORTUNITY IN MID-CITY
FEATURING 2 ONE-BED AND 6 TWO-BED TWO-BATH APARTMENTS

Marcus & Millichap
THE NEEMA GROUP

**1962 W. 22ND STREET
LOS ANGELES, CA 90018**

76% RENTAL UPSIDE
\$196,250 PER UNIT
\$267.64 PER SF AT ASKING PRICE



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Marcus & Millichap
THE NEEMA GROUP



Executive Summary

The Neema Group of Marcus & Millichap is pleased to present 1962 W 22nd St, Los Angeles, CA 90018. Built in 1964, this unique 8-unit property totals 5,866 SF located in Mid-City's Adams-Normandie neighborhood, between Normandie Ave & S Western Ave. The building features a unit mix that includes 2 one-bedroom and 6 two-bedroom two-bath apartments.

This offering presents an investor the opportunity to capture a 76% overall increase in rent with a pro forma CAP rate of 9.01% through renovations when the units turn. The property is being offered at a 13.86 GRM on current income and a low price per unit of \$196,250 and a low price per square foot of \$267.64.

The property features 8 parking spaces and the soft story retrofit work has been completed. Furthermore, there is a community laundry room for the building.

Mid-city is a densely populated neighborhood with historical and architectural significance. The demand for apartment units continues to increase year-over-year in this submarket with such close proximity to job and educational opportunities in Downtown Los Angeles, as well as the numerous transportation options available for an easy commute throughout the city. The subject property is centrally located with easy access to the Western Ave Metro Expo Line and the Santa Monica Freeway.





SANTA MONICA FREEWAY

W 22ND ST

Executive Summary

PROPERTY INFORMATION

ADDRESS	1962 W 22nd Ave. Los Angeles, CA 90018
NO. OF RESIDENTIAL UNITS	8 units
APPROX. GROSS SF	5,866 SF
APPROX. LOT SIZE	6,731 SF
YEAR BUILT	1964
APN	5058-023-026
ZONING	R3-1-CPIO

PRICING INFORMATION

SALES PRICE	\$1,570,000
COST PER BLDG SF	\$267.64
CURRENT GRM	13.86
MARKET GRM	7.88
CURRENT CAP RATE	4.16%
MARKET CAP RATE	9.01%





Area Overview



STRATEGICALLY LOCATED NEAR LOS ANGELES' MAJOR FREEWAYS

Adams-Normandie 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. Adams-Normandie is about one mile from West Adams, which has seen recent development activity from developers such as CIM Group and Carmel Partners.

Adams-Normandie sits below 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 Adams-Normandie 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 property is 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

Adams-Normandie is strategically located near many of Los Angeles' premier educational opportunities, entertainment centers and retail. The subject property 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 property. 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. Adams-Normandie 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.



1962 West 22nd St

NEARBY AMENITIES

LOCAL ACCESS

- Expo/Western Midtown DASH Bus Stop
- Expo/Western Metro E Line Bus Stop
- The Beckett Mansion
- Loren Miller Recreation Center

SCHOOLS

- 24th Street Elementary
- University of Southern California
- Loyola High School
- Widney Career Preparatory
- Vermont Avenue Elementary School

RETAIL

- Ralph's
- La Barca
- La Catrina
- Jack in the Box
- El Rincon
- Shell
- Valero



Points Of Interest





LA BARCA



Ralphs

Vermont Ave. Elementary



USC University of Southern California



EL RINCON



Investment Highlights

- 1962 W 22nd St is a 8-unit true value-add investment opportunity located in Mid-City's Adams-Normandie neighborhood, between Normandie Ave & S Western Ave, with immediate access to the Santa Monica Freeway
- This subject property, built in 1964, consists of 2 one-bed and 6 two-bed two-bath apartments. The building can achieve a 76% overall increase through renovations when units turn
- Asking 13.86 GRM on current income with a pro forma CAP rate of 9.01% when market rents are achieved; low price per unit of \$196,250 and low price per square foot of \$267.64
- Assumable Financing with Chase Bank at 4.00% interest rate, interest only
- Ease of management as electric is separately metered; no waste removal expenses as trash is handled by the city
- Soft story retrofit work has been completed; includes 8 parking spaces and on-site community laundry machines
- Walking distance to dining attractions, the Western Ave Metro Expo Line, and provides direct access to the Santa Monica Freeway allowing for a quick commute to Downtown or West LA

76%

Upside

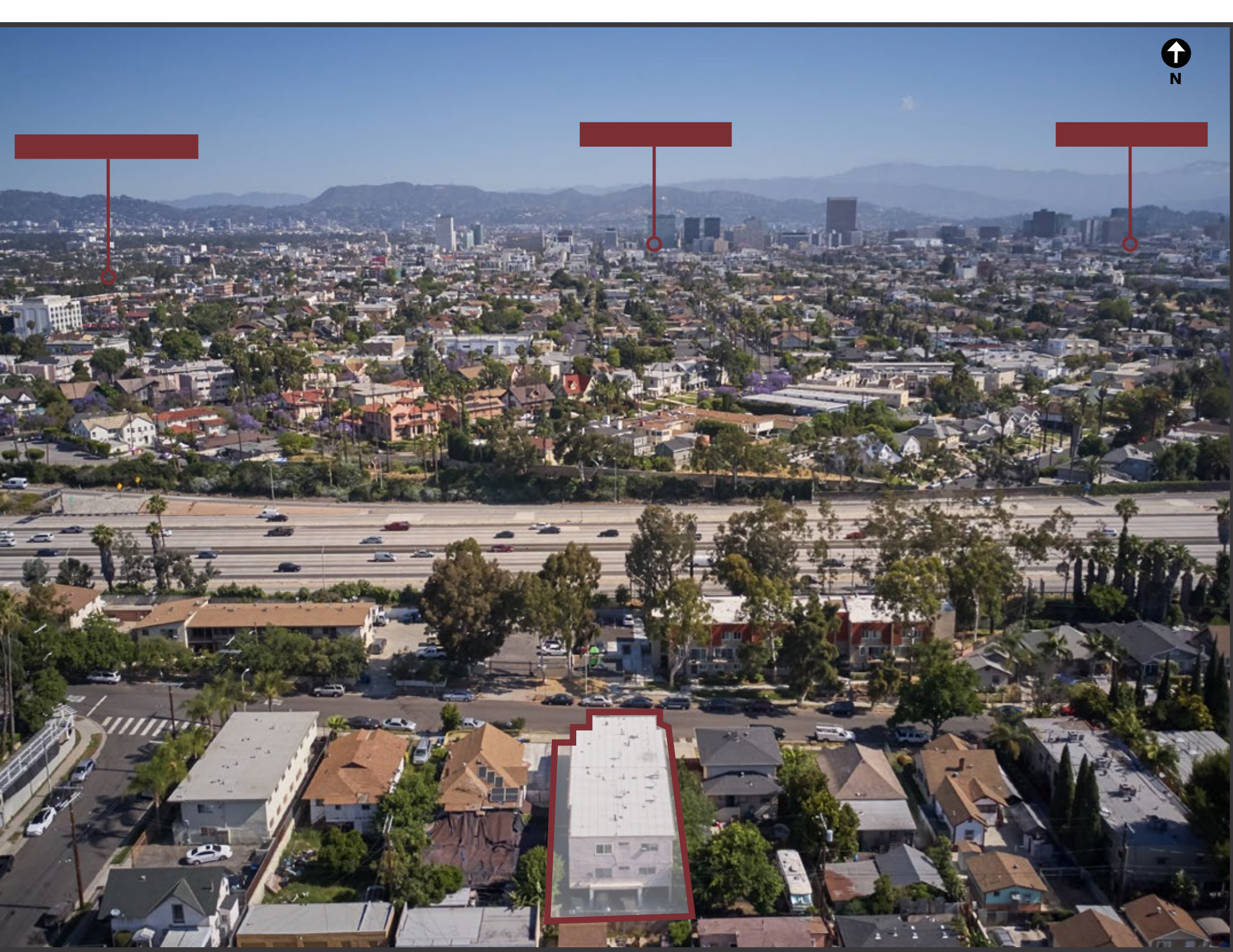
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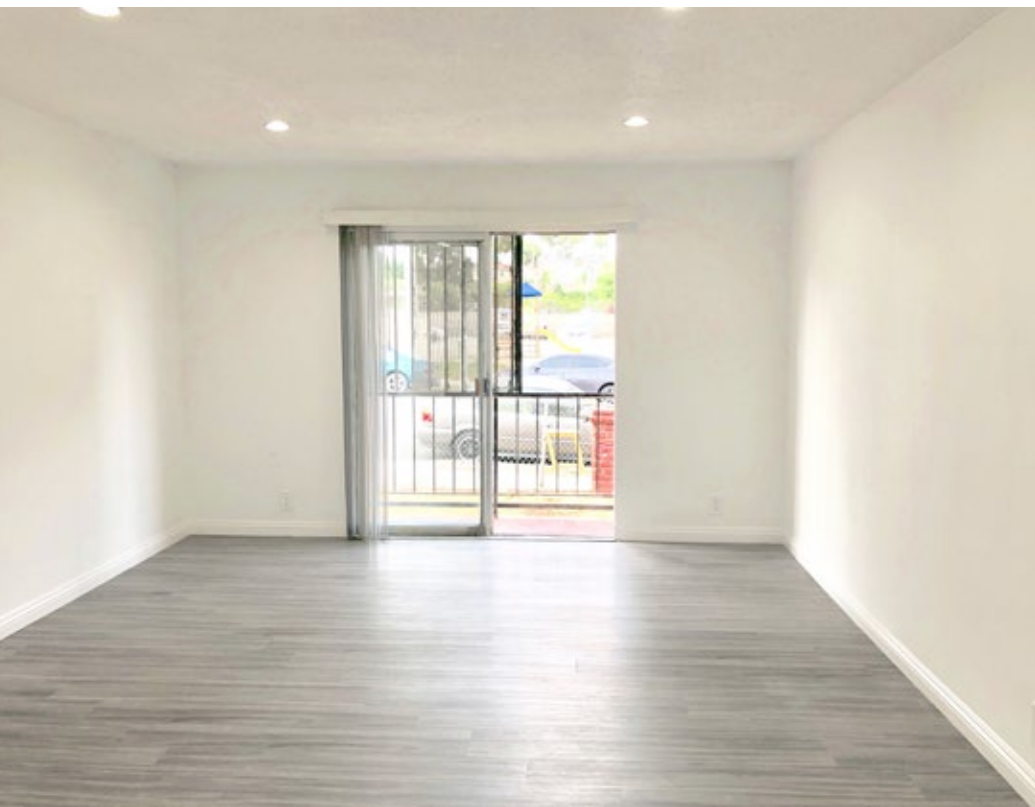
Market Cap

\$267.64

PPSF

ASSUMABLE FINANCING WITH CHASE BANK AT 4.00% INTEREST RATE, INTEREST ONLY







Renovated Unit



Rent Roll & Expenses

UNIT #	UNIT TYPE	ACTUAL RENT	PROFORMA RENT
1	2+2	\$2,145	\$2,200
2	1+1	\$718	\$1,650
3	2+2	\$2,200	\$2,200 Vacant
4	2+2	\$927	\$2,200
5	2+2	\$835	\$2,200
6	1+1	\$714	\$1,650
7	2+2	\$897	\$2,200
8	2+2	\$903	\$2,200
Total		\$9,338	\$16,500

UNIT BREAKDOWN	UNIT TYPE	CURRENT AVG. MONTHLY RENT	CURRENT MONTHLY INCOME	MARKET MONTHLY INCOME	TOTAL MONTHLY INCOME
2	1+1	\$716	\$1,432	\$1,650	\$3,300
6	2+2	\$1,318	\$7,906	\$2,200	\$13,200
Total			\$9,338		\$16,500

TOTAL SCHEDULED RENT	CURRENT RENT	PROFORMA RENTS
Total Scheduled Rent	\$9,338	\$16,500
Orindance Income	\$29	\$29
Laundry	\$73	\$73
Monthly Scheduled Gross Income:	\$9,440	\$16,602
Annual Scheduled Gross Income:	\$113,277	\$199,222

PRICING

Price:	\$1,570,000
Down Payment: 44%	\$615,000
Number of Residential Units:	8
Cost per Legal Unit	\$196,250
Current GRM:	13.86
Market GRM:	7.88
Current CAP:	4.16%
Market CAP:	9.04%
Approx. Age:	1964
Approx. Lot Size:	6,731
Approx. Gross SF:	5,866
Cost per Net GSF:	\$267.64

EXPENSES

	%	CURRENT	PRO FORMA
Taxes	1.20%	\$18,840	\$18,840
Insurance		\$2,933	\$2,933
Utilities		\$9,062	\$9,062
Management	4%	\$4,395	\$7,570
Repairs & Maintenance		\$5,600	\$5,600
Pest Control		\$480	\$480
License & Fee's		\$2,200	\$2,200
Direct Assessment		\$1,105	\$1,105
Total Expenses:		\$44,615	\$47,790
Per Net Sq. Ft.		\$7.61	\$8.15
Per Unit		\$5,576.89	\$5,973.80

ASSUMABLE FINANCING

Loan Balance:	\$955,000
Interest Rate:	4.00%
Monthly Payment:	\$3,183
DCR:	1.72

ANNUALIZED OPERATING DATA

CURRENT RENTS

PROFORMA RENTS

Scheduled Gross Income:	113,277		199,222	
Less Vacancy Rate Reserve:	(3,398)	3.0%	(9,961)	5.0%
Gross Operating Income:	109,879		189,261	
Less Expenses:	(44,615)	39.4%	(47,790)	24.0%
Net Operating Income:	65,263		\$141,470	
Less Reserves:	2,500		2,500	
Less Debt Service:	(38,200)		(38,200)	
Pre-Tax Cash Flow:	\$29,563	4.8%**	\$105,770	17.2%**

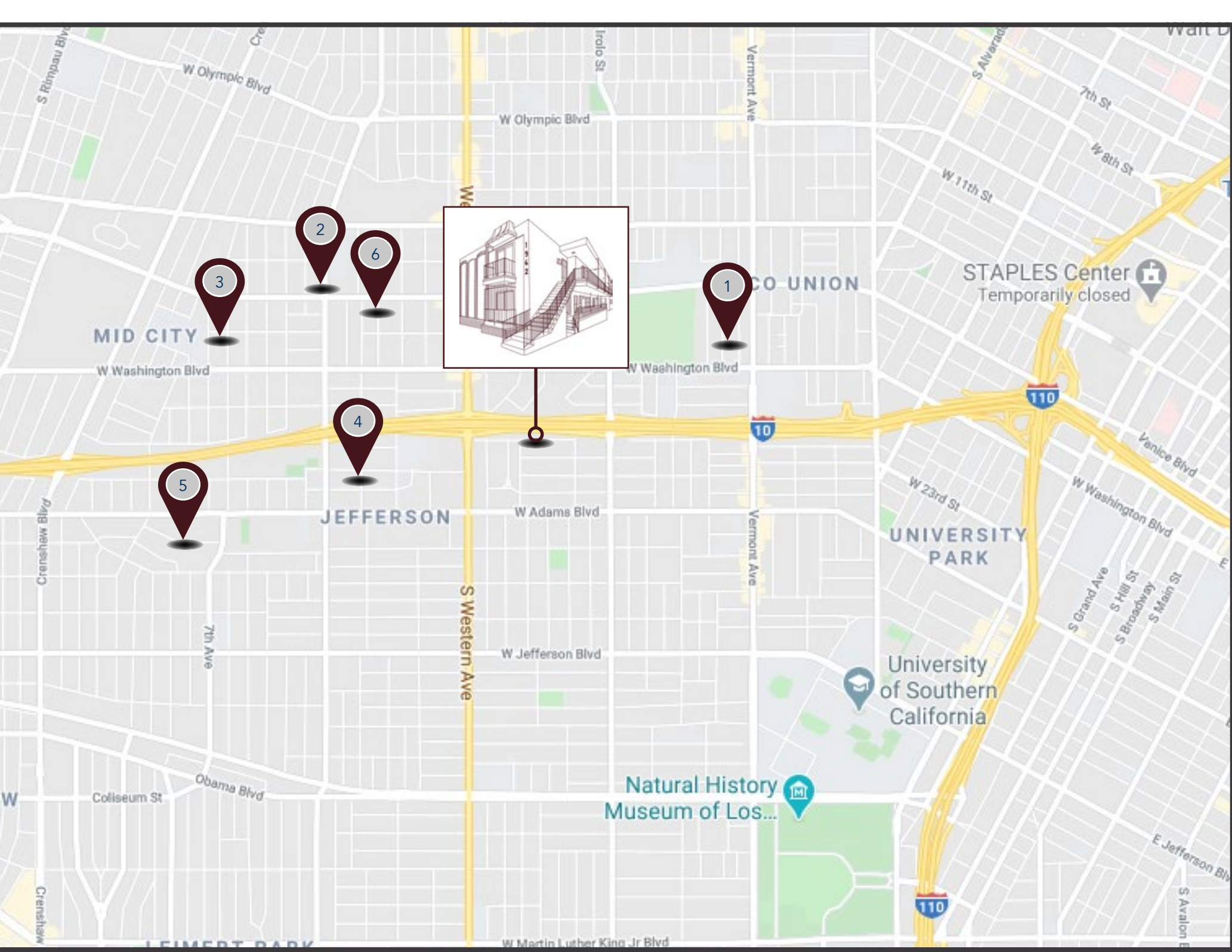
*Financing from Chase Bank, interest only

** As a percent of the down payment










Sales Comparables Summary

	PROPERTY NAME	SALES PRICE	YEAR BUILT	PRICE/UNIT	PRICE/SF	CAP RATE	GRM	CLOSING DATE
	1962 W 22nd St. Los Angeles, CA 90018	\$1,570,000	1964	\$196,250	\$267.64	4.16%	13.86	N/A
1	1815 S New Hampshire Ave, Los Angeles, CA 90006	\$1,600,000	1959	\$200,000	\$297	3.62%	15.68	3/26/20
2	1550 2nd Ave Los Angeles, CA 90019	\$1,800,000	1964	\$200,000	\$273.31	N/A	N/A	9/3/2020
3	1714 7th Ave Los Angeles, CA 90019	\$1,075,000	1949	\$179,167	\$356.20	N/A	13.67	12/29/2020
4	2244 W 24th St Los Angeles, CA 90018	\$1,575,000	1960	\$225,000	\$196.19	N/A	N/A	8/12/2020
5	4037 W 28th St, Los Angeles, CA 900018	\$2,500,000	1956	\$208,333	\$280.11	4.67%	13.50	7/17/2020
6	1629 S Van Ness Ave, Los Angeles, CA 90019	\$1,600,000	1960	\$266,667	\$249.88	N/A	12.30	12/2/2020





Rent Comparables Summary

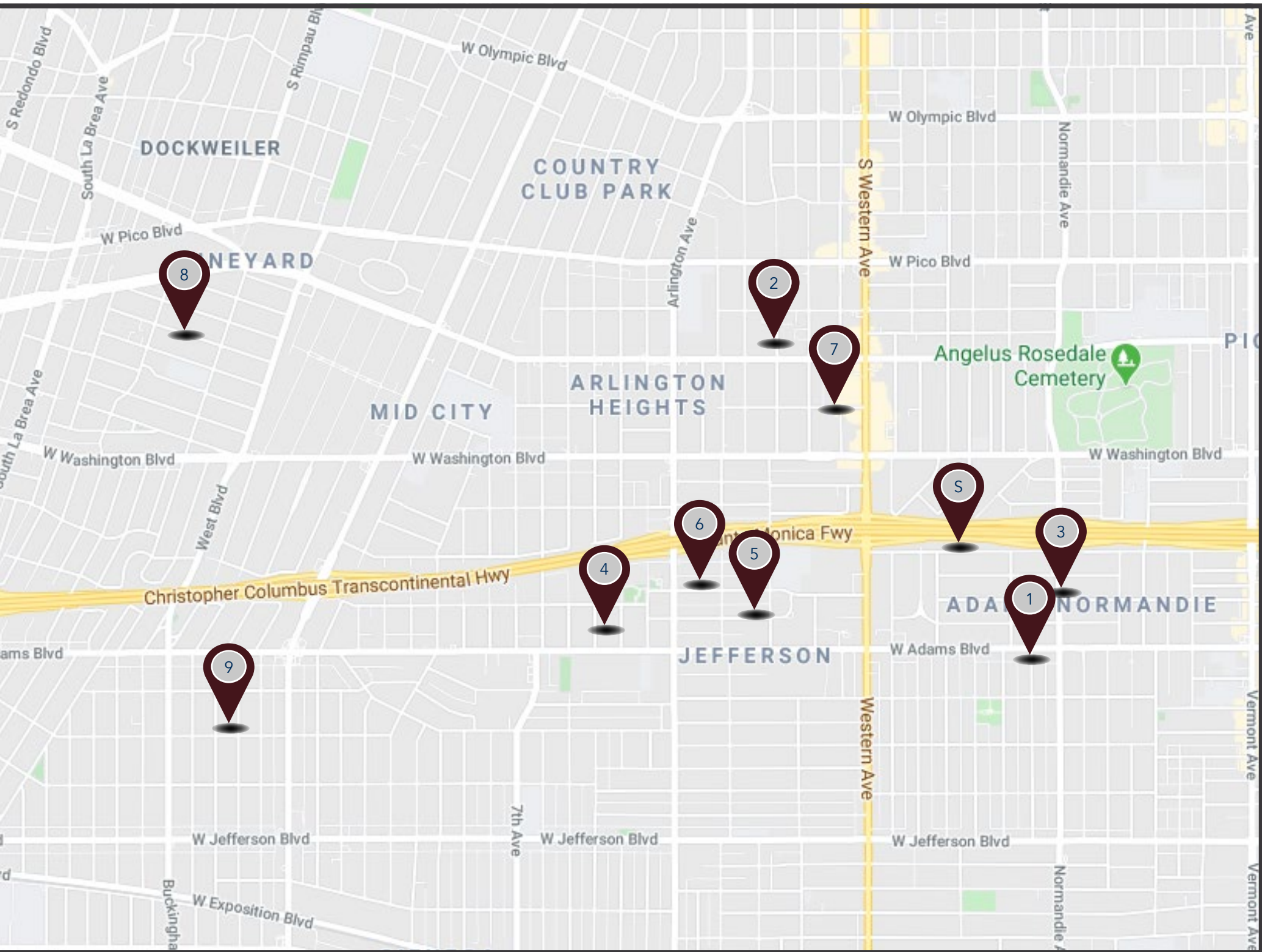
	#	ADDRESS	UNIT TYPE	RENT
	1	2619-2631 Brighton Ave, Los Angeles, CA 90018	1+1	\$1,650
	2	1554 S Gramercy Pl, Los Angeles, CA 90019	1+1	\$1,650
	3	1688 W 24th St, Los Angeles, CA 90007	1+1	\$1,675
	4	2538 4th Ave, Los Angeles, CA 90018	1+1	\$1,695
	5	2177 W 25th St, Los Angeles, CA 90018	2+1	\$2,195
	6	2249 W 24th St, Los Angeles, CA 90018	2+1	\$2,195
	7	2346 W 18th St, Los Angeles, CA 90019	2+1	\$2,225
	8	4702 W 17th St, Los Angeles, CA 90019	2+2	\$2,195
	9	4206 W 29th St, Los Angeles, CA 90016	2+2	\$2,395

\$1,668

AVG

\$2,241

AVG



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