



18-UNIT TRUE VALUE-ADD INVESTMENT OPPORTUNITY LOCATED IN THE HEART OF KOREATOWN
CONSISTING OF 14 SINGLE, 2 JUNIOR ONE-BEDROOM, AND 2 ONE-BEDROOM UNITS
LOW PPSF OF \$253 | LOSS TO LEASE OF OVER 41%



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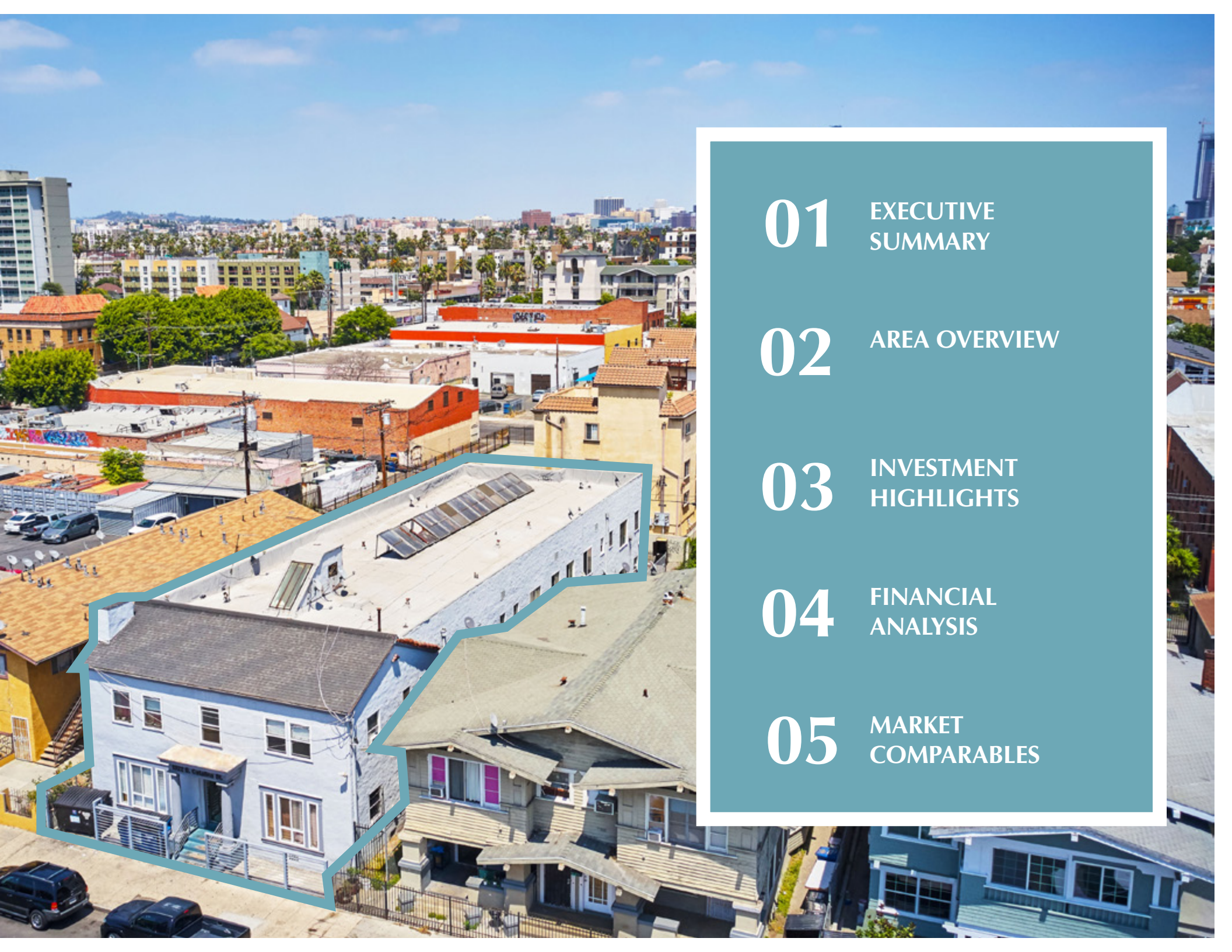


THE NEEMA GROUP

Los Angeles Multifamily Brokerage & Advisory Services

Marcus & Millichap





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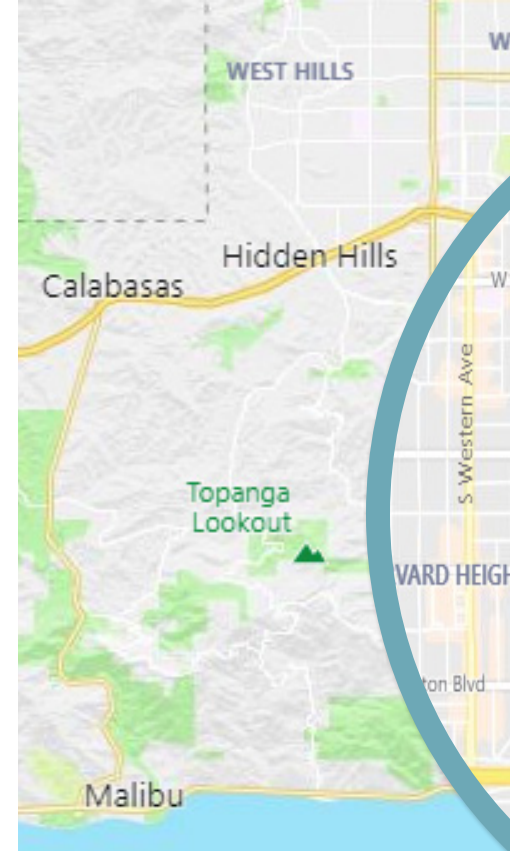
EXECUTIVE SUMMARY

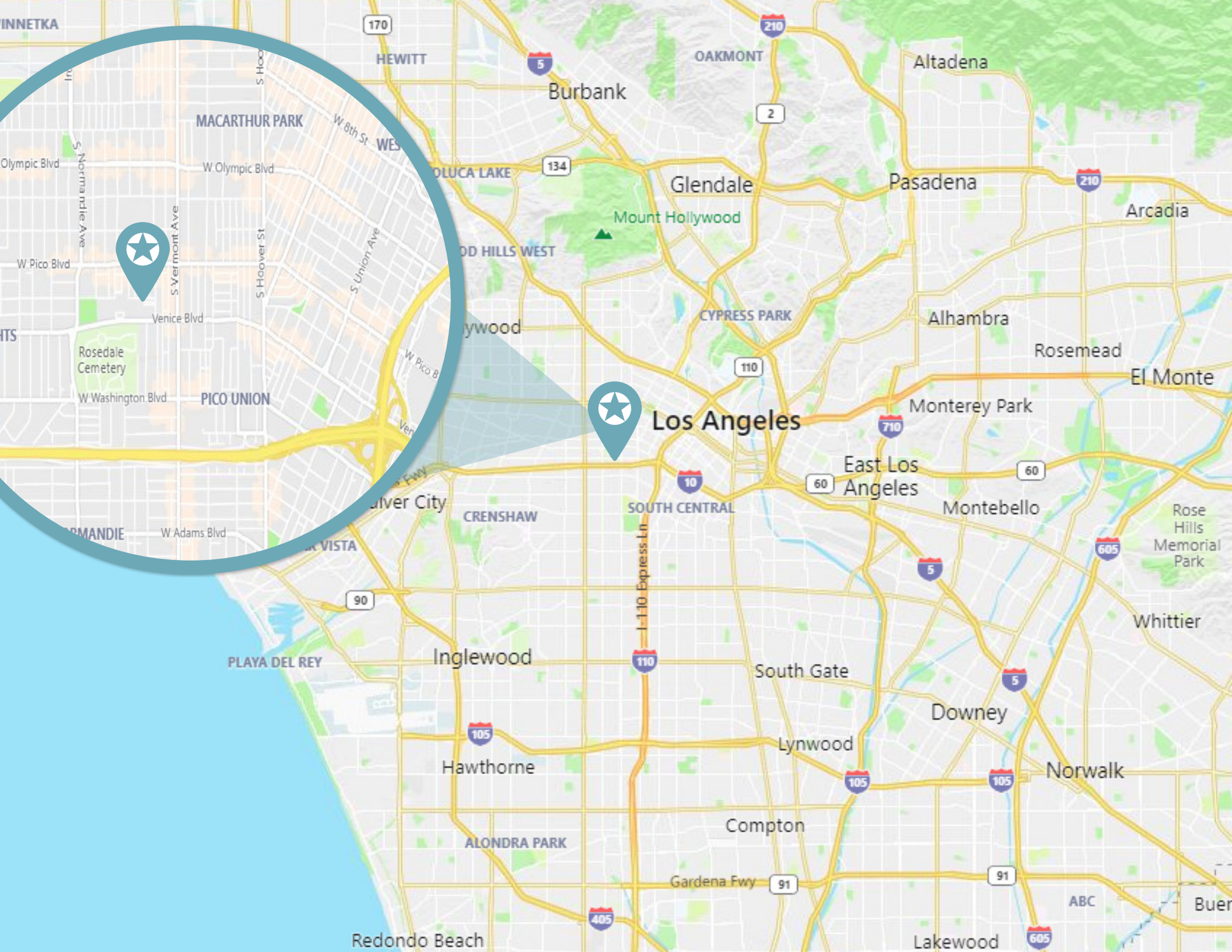
Marcus & Millichap is pleased to present 1322 South Catalina Street, Los Angeles, CA 90006. Built in 1927, this unique 18-unit property totals 10,066 SF located in the heart of Koreatown, between Normandie Ave & Vermont Ave. The building features a unit mix that includes 14 singles, 2 junior one-bedrooms*, and 2 one-bedroom apartments.

This offering presents an investor the opportunity to capture a 69% overall increase in rent with a pro forma CAP rate of 8.07% through renovations when the units turn. The property is being offered at a low price per unit of \$141,667 and a low price per square foot of \$253. The building is well-maintained and separately metered for gas and electricity.

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 93 and is within walking distance to the Wilshire/Vermont Station.

*Jr. 1's converted without permits









1322 S CATALINA STREET



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.

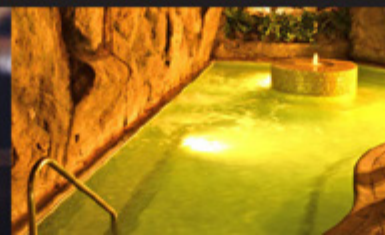
Koreatown has seen a tremendous revitalization over the last decade. An influx of capital dedicated to the revitalization of Koreatown has attracted a new resident base of young urban dwellers. This new, hip client base has brought new restaurants, night clubs, and retail opportunities, making Koreatown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



INVESTMENT HIGHLIGHTS

01

The Neema Group of Marcus & Millichap is pleased to present an 18-unit, true value-add investment opportunity located in Koreatown; the property is located just south of Pico Boulevard, between Normandie Avenue & Vermont Avenue



02

The subject property presents an impressive unit mix throughout consisting of 14 singles, two junior one-bedrooms*, and two one-bedrooms; the majority of the units are currently at below market rent offering an investor the chance to increase cash flow dramatically to a 8.07% pro forma CAP rate when stabilized

*Jr. 1's converted without permits



03

1322 South Catalina Street is being offered at a low price per unit of \$141,667; with the opportunity to capture a 69% overall increase in rents

04

The subject property has a high walk score of 93 and is within walking distance to the Metro Purple Line, multiple bus stops and Loyola High School; nearby amenities give tenants many options for nightlife, employment and education



05

Koreatown is one of the most densely populated submarkets in all of Los Angeles with rising rents year-over-year; with a plethora of transportation options available as well as the close proximity to the 10 Freeway, the location offers tenants an easy commute throughout Los Angeles

PROPERTY DESCRIPTION

ADDRESS
1322 S. CATALINA STREET
LOS ANGELES, CA

NUMBER OF UNITS
18

GROSS SF
10,066 SF

LOT SIZE
6,805 SF

YEAR BUILT
1927

ZONING
R3-1

APN
5075-005-008

UNIT MIX
14 SINGLES
TWO JR ONE
TWO ONE BED



RENT ROLL

UNIT #	UNIT TYPE	APPROX SQFT	ACTUAL RENTS	MARKET RENTS	NOTES
1	1+1		\$717	\$1,585	
2	Jr. 1+1*		\$1,561	\$1,550	Currently Key Holder \$40/month, Section 8
3	Single		\$824	\$1,395	
4	Single		\$552	\$1,395	
5	Single		\$824	\$1,395	
6	Single		\$706	\$1,395	
7	Jr. 1+1*		\$1,550	\$1,550	Vacant
8	Single		\$855	\$1,395	
9	Single		\$706	\$1,395	
10	1+1		\$593	\$1,585	
11	Single		\$1,395	\$1,395	Should be Vacant 9/1, Existing Rent is \$706 per Month
12	Single		\$823	\$1,395	
14	Single		\$823	\$1,395	
15	Single		\$658	\$1,395	
16	Single		\$453	\$1,395	
17	Single		\$824	\$1,395	
18	Single		\$695	\$1,395	
19	Single		\$689	\$1,395	
Total Scheduled Rent:			\$15,248	\$25,800	
Storage			\$25	\$25	
SCEP			\$69	\$69	
Monthly Scheduled Gross Income:			\$15,342	\$25,894	
Annual Scheduled Gross Income:			\$184,103	\$310,727	

*Jr. 1's converted without permits



1322 S CATALINA STREET



1322 S. CATALINA ST. | FINANCIALS & PRICING

ANNUALIZED OPERATING DATA	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	\$184,103		\$310,727	
Less Vacancy Rate Reserve:	\$(5,523)	3.0%	\$(15,536)	5.0%
Gross Operating Income:	\$178,580		\$295,190	
Less Expenses:	\$(84,644)	46.0%	\$(89,309)	28.7%
Net Operating Income:	\$93,935		\$205,882	
Reserves:	\$(3,600)		\$(3,600)	
Less Debt Service:	\$(70,857)		\$(70,857)	
Pre-Tax Cash Flow:	\$19,479	1.5%	\$131,425	10.3%
Plus Principal Reduction:	\$23,699		\$23,699	
Total Return Before Taxes:	\$43,178	3.4%	\$155,124	12.2%

ESTIMATED ANNUALIZED EXPENSES

	Current	ProForma
Taxes: 1.17%	\$29,835	\$29,835
Insurance	\$6,149	\$6,149
Utilities	\$15,686	\$15,686
Landscape & Cleaning	\$960	\$960
Repairs & Maintenance	\$9,000	\$9,000
Waste Removal	\$5,205	\$5,205
Management: 4%	\$7,143	\$11,808
License and Fees	\$900	\$900
Pest Control	\$480	\$480
Direct Assessment	\$1,486	\$1,486
On Site Manager	\$7,800	\$7,800
Total Expenses	\$84,644	\$89,309
Per Net Sq. Ft	\$8.41	\$8.87
Per Unit	\$4,702	\$4,962

PRICING

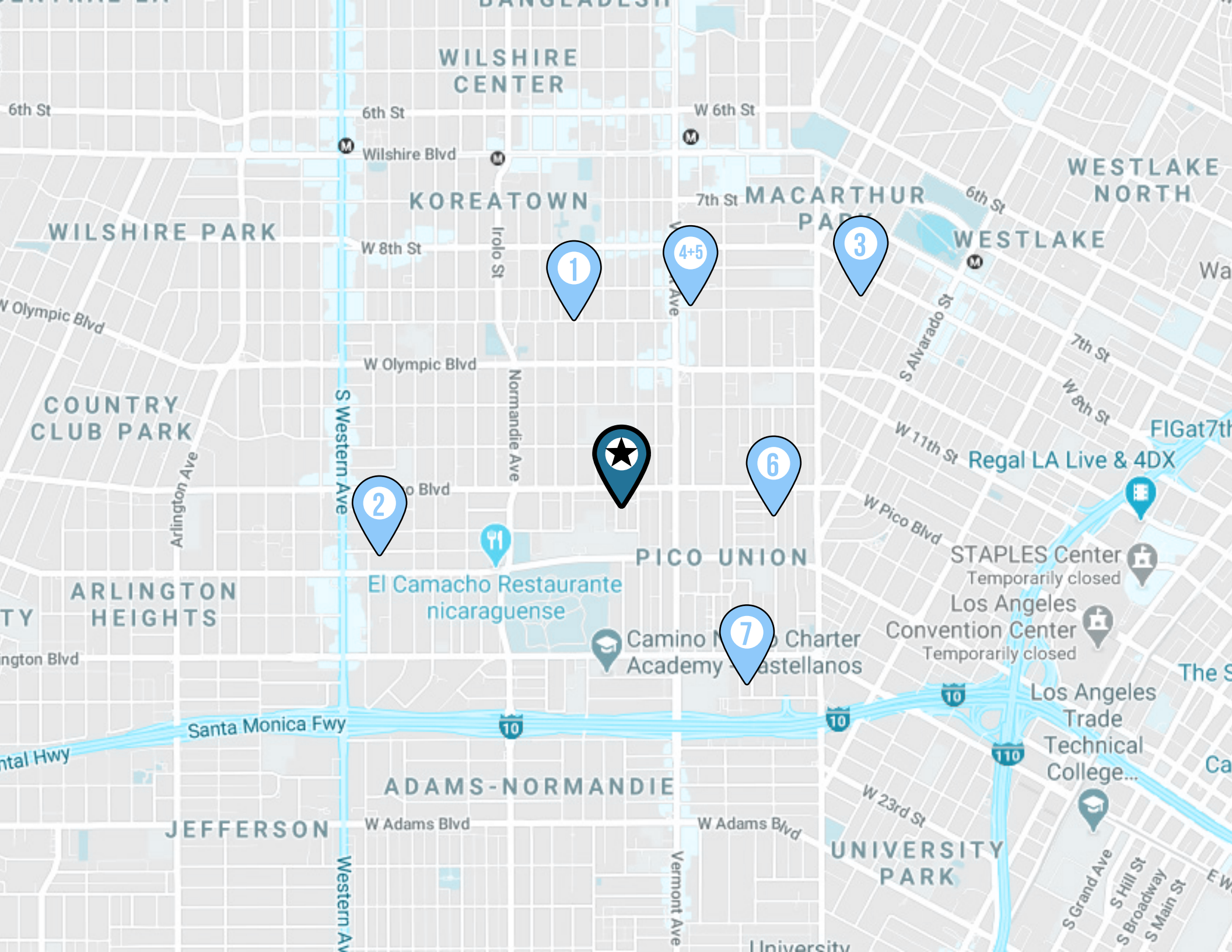
Price:		\$2,550,000
Down Payment:	50%	\$1,275,000
Number of Units:		18
Cost per Legal Unit:		\$141,667
Current GRM:		13.85
Market GRM:		8.21
Current CAP:		3.68%
Market CAP:		8.07%
Approx. Age:		1927
Approx. Lot Size:		6,805
Approx. Gross SF:		10,066
Cost per Net GSF:		\$253

FINANCING

New First Loan:	\$1,275,000
Interest Rate:	3.75%
Amortization:	30
Monthly Payment:	\$5,904.72
DCR:	1.33







SALES COMPARABLES



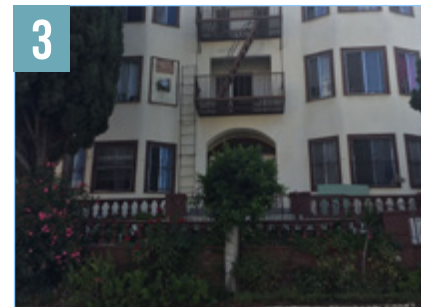
Address	1322 S Catalina St
Sales Price	\$2,550,000
Building SF	6,805
Lot Size	10,066
Price/SF	\$253
No. of Units	18
Price Per Unit	\$141,667
Sale Date	N/A
Year Built	1927
Cap Rate	3.68%
GRM	13.85



Address	941 S Kenmore Ave
Sales Price	\$3,850,000
Building SF	13,800
Lot Size	6,665
Price/SF	\$286
No. of Units	24
Price Per Unit	\$160,417
Sale Date	Under Contract
Year Built	1923
Cap Rate	3.30%
GRM	13.58



Address	2222 Cambridge St
Sales Price	\$2,950,000
Building SF	9,064
Lot Size	6,098
Price/SF	\$325
Price Per Unit	\$163,889
No. of Units	18
Sale Date	12/28/2019
Year Built	1926
Cap Rate	4.90%
GRM	12.90



Address	830 S Park View St
Sales Price	\$1,810,000
Building SF	9,230
Lot Size	7,484
Price/SF	\$196
Price Per Unit	\$164,545
No. of Units	11
Sale Date	11/27/2019
Year Built	1923
Cap Rate	3.11%
GRM	13.37



4

Address	2845 San Marino St
Sales Price	\$3,064,740
Building SF	7,684
Lot Size	6,747
Price/SF	\$399
No. of Units	20
Price Per Unit	\$153,237
Sale Date	11/21/2019
Year Built	1922



5

Address	2869 San Marino
Sales Price	\$2,960,260
Building SF	8,900
Lot Size	7,423
Price/SF	\$333
No. of Units	20
Price Per Unit	\$148,013
Sale Date	11/21/19
Year Built	1923



6

Address	1327 Magnolia Ave
Sales Price	\$2,835,000
Building SF	11,000
Lot Size	7,405
Price/SF	\$258
No. of Units	18
Price Per Unit	\$157,500
Sale Date	11/18/19
Year Built	1913
Cap Rate	4.83%
GRM	11.39



7

Address	1934-1936 New England St
Sales Price	\$1,280,000
Building SF	5,531
Lot Size	7,013
Price/SF	\$231
No. of Units	9
Price Per Unit	\$142,222
Sale Date	11/4/19
Year Built	1913
Cap Rate	4.73%

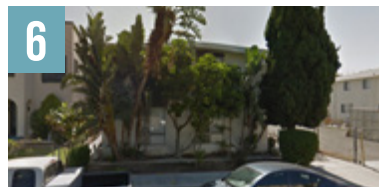
RENTAL COMPARABLES

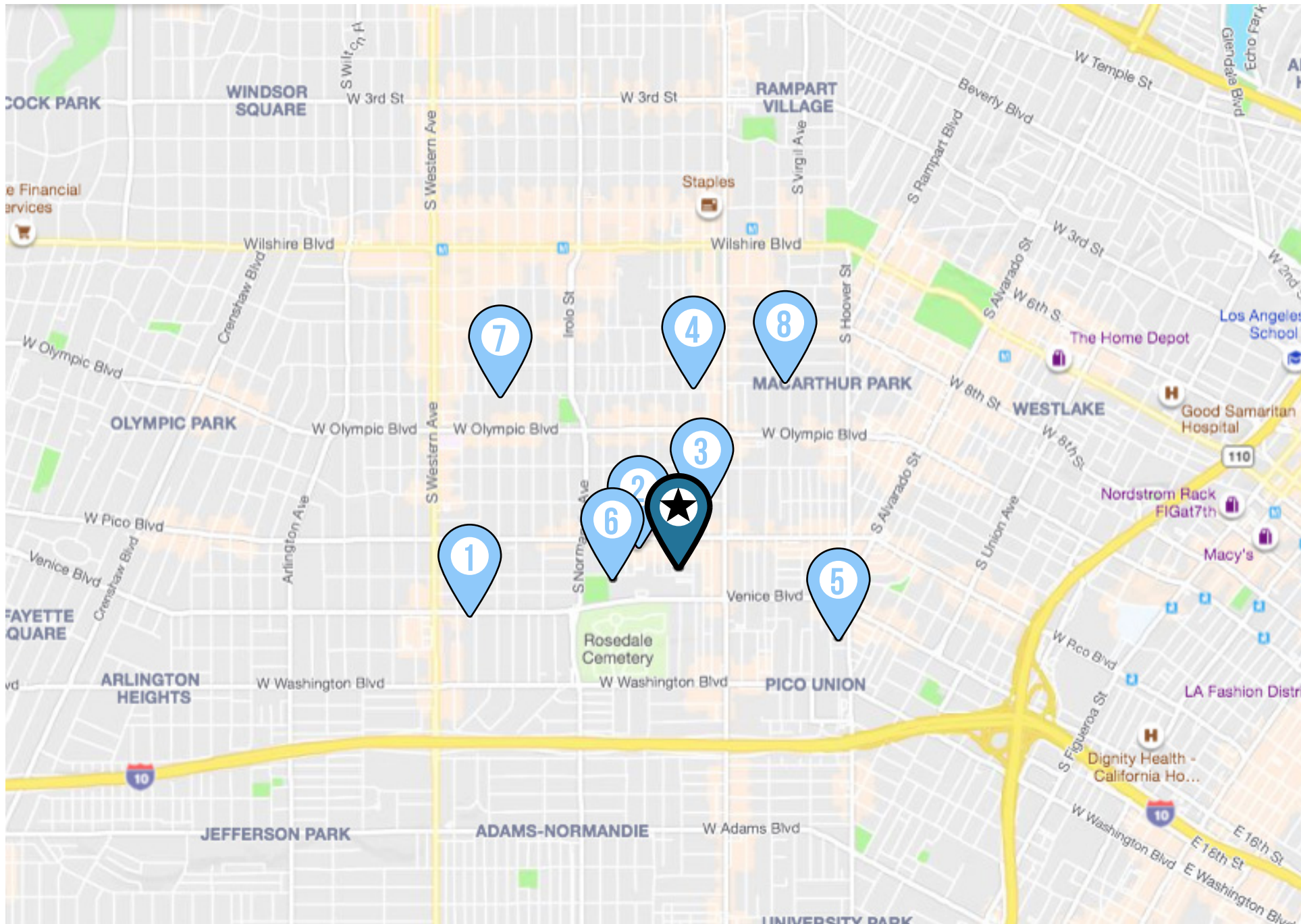
Address	Unit Type	SF	\$/SF	Pro Forma Rent
Subject Property - 1322 South Catalina Street, Los Angeles, CA 90006	Single	500	\$2.79	\$1,395
	Jr. 1+1	500	\$3.10	\$1,550
	1+1	535	\$2.96	\$1,585

Address	Unit Type	SF	\$/SF	Rent
1 2222 Cambridge St, Los Angeles, CA 90006	Single	475	\$3.05	\$1,450
2 1310 S Kenmore Ave, Los Angeles, CA 90006	Single	320	\$4.38	\$1,400
3 1145 S New Hampshire Ave, Los Angeles, CA 90006	Single	450	\$3.06	\$1,375
4 2960 James M Wood Blvd, Los Angeles, CA 90006	Single	500	\$2.79	\$1,395



Address	Unit Type	SF	\$/SF	Rent
5 1634 Arapahoe St. # 1/8, Los Angeles, CA 90006	1+1	N/A	N/A	\$1,595
6 1412 S Mariposa Ave., Los Angeles, CA 90006	1+1	N/A	N/A	\$1,600
7 920 Hobart Blvd. #402, Los Angeles, CA 90006	1+1	500	\$3.20	\$1,600
8 2853 Francis Ave., #204, Los Angeles, CA 90005	1+1	500	\$3.19	\$1,595







Koreatown



Las 7 Regiones De Oaxaca

La Chiquita Market

Dino's Chicken & Burgers

Rinconsito Oxaqueno Market



1322 S CATALINA STREET





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