

1846 Cordova St

Los Angeles, CA 90007

8 Two-Bedroom Units

8 Parking Spaces with No Soft Story Work Required

Value-Add Opportunity with Current Loss to Lease of 37%

Marcus & Millichap
THE NEEMA GROUP

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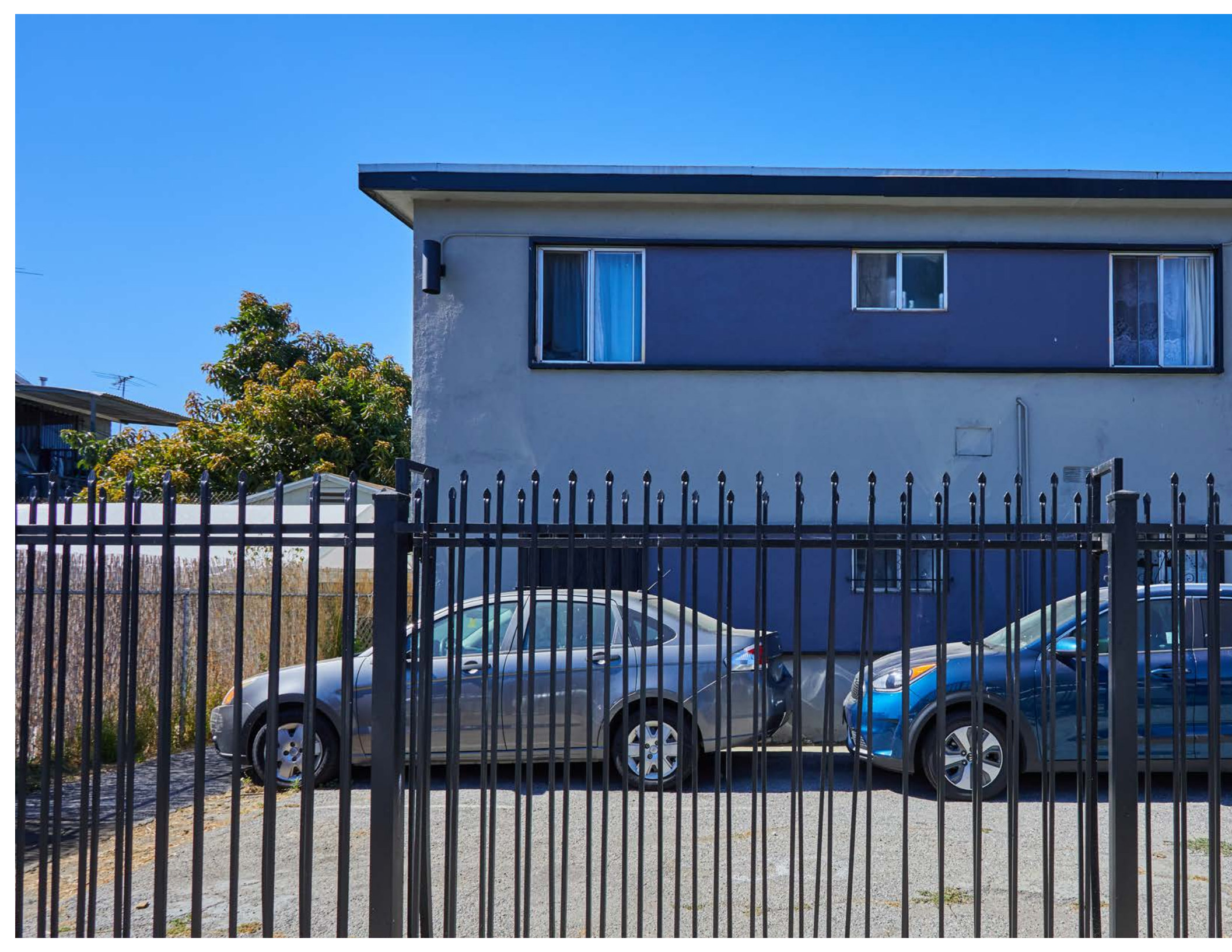
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1846 Cordova St



Executive

Summary

The Neema Group of Marcus & Millichap is pleased to present 1846 Cordova St, Los Angeles, CA 90007. Built in 1959, this 8-unit property totals 5,280 SF located in Mid-City's Harvard Heights, between Normandie Ave & S Mariposa Ave, just south of Washington Blvd. The building features a unit mix of exclusively two-bed one-bath apartments.

This offering presents an investor the opportunity to acquire a value-add asset with a 37% loss-to-lease and a pro forma CAP rate of 7.99% through renovations when the units turn. The property is being offered at a 14.18 GRM on current income and a low price per unit of \$215,625.

Ease of management as gas and electric are separately metered. Furthermore, there are 8 parking spaces for the building secured by a gated entrance.

Mid-city is a densely populated neighborhood with historical and architectural significance. The demand for apartment units in this neighborhood continues to increase year-over-year due to the centralized location with convenient access to the 10 Freeway and transportation options within walking distance such the Washington/Normandie Metro Stop.

The location allows for residents to easily commute throughout Los Angeles to education and employment opportunities in Downtown Los Angeles, Koreatown and Hollywood. The subject property is also located less than two miles from the University of Southern California, one of the largest private employers in the County of Los Angeles.



Property Overview

OFFERING PRICE	\$1,725,000
Number of Units	8
Zoning	R3-1
Year Built	1959
Gross Square Feet	5,280 SF
Lot Size	6,699 SF
Ownership	Fee Simple

Financial Overview

Cost per Unit	\$215,625
Price Per SF	\$327
Current GRM	14.18
Market GRM	8.96
Current CAP Rate	4.25%
Market CAP Rate	7.99%





Investment

Highlights

- 1846 Cordova St is a 8-unit true value-add investment opportunity located in Mid-City's Harvard Heights neighborhood, between Normandie Ave & S Mariposa Ave, with immediate access to the Santa Monica Freeway.
- This subject property, built in 1959, consists of 8 two-bed one-bath apartments. The building has a current loss-to-lease of 37%
- Asking 14.18 GRM on current income with a pro forma CAP rate of 7.99% when market rents are achieved; low price per unit of \$215,625.
- Ease of management as electric and gas are separately metered.
- The property includes 8 parking spaces and no soft story retrofit work is required
- 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.
- 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.

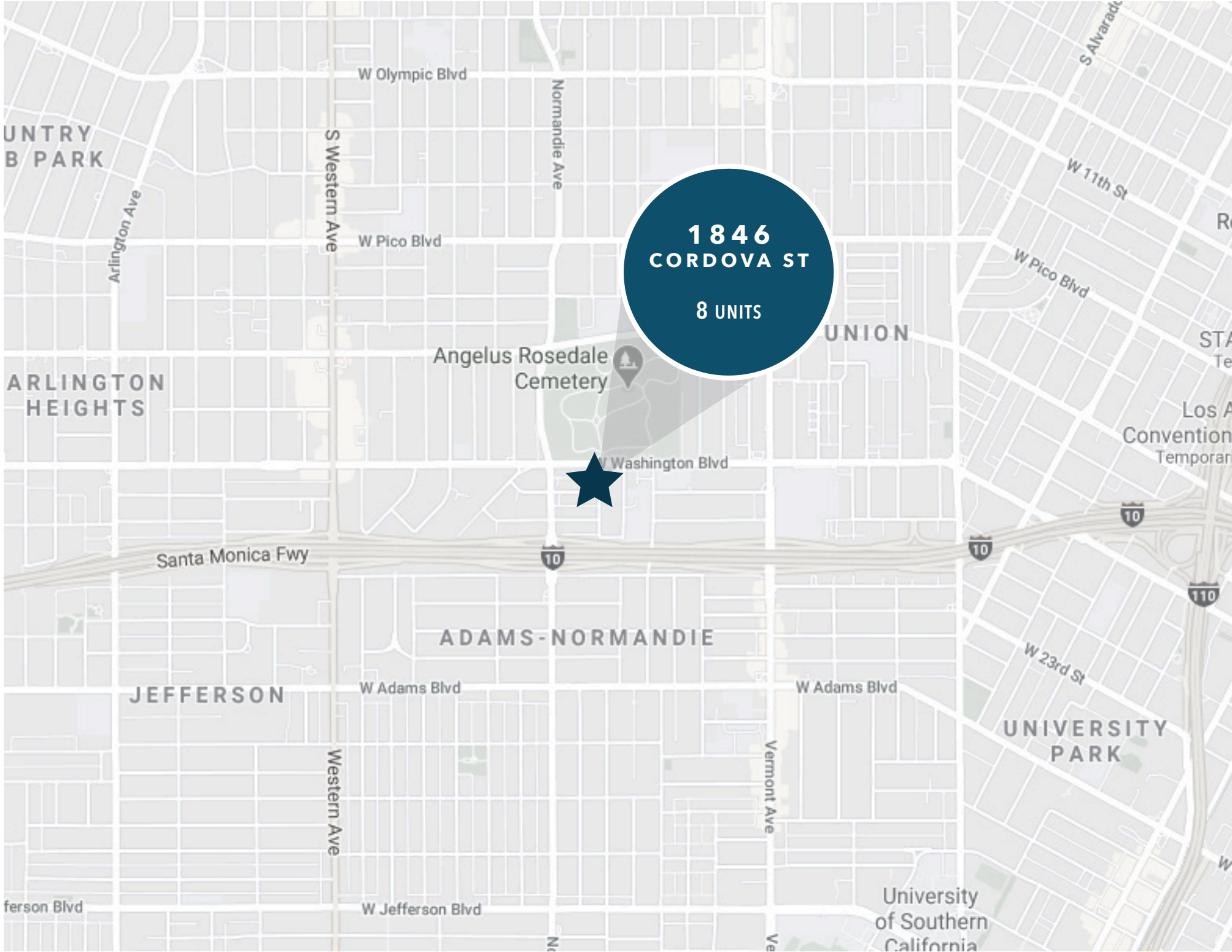


14.18
Current GRM

7.99%
Market CAP

37%
Loss-to-Lease

\$327
Low PPSF



**1846
CORDOVA ST**
8 UNITS



COUNTRY
B PARK

ARLINGTON
HEIGHTS

ADAMS-NORMANDIE

JEFFERSON

UNION

UNIVERSITY
PARK

Angelus Rosedale
Cemetery

University
of Southern
California

Los A
Convention
Temporan

Santa Monica Fwy

10

10

10

110

W Olympic Blvd

W Pico Blvd

Normandie Ave

S Alvarado

W 11th St

W Pico Blvd

W Washington Blvd

W Adams Blvd

W Adams Blvd

W 23rd St

Western Ave

Vermont Ave

Jefferson Blvd

W Jefferson Blvd

Normandie Ave

Vermont Ave

W



Property Description

1846 CORDOVA ST, LOS ANGELES, CA 90007

APN	5075-029-005
Number of Units	8
Year Built	1959
Gross SF	5,280
Lot Size	6,699
Type of Ownership	Fee Simple

CONSTRUCTION

Foundation	Concrete
Framing	Wood
Exterior	Stucco
Parking Surface	Asphalt
Roof	Flat

UTILITIES

Electricity	Separately Metered
Water	Master Metered
Gas	Separately Metered

Area Overview



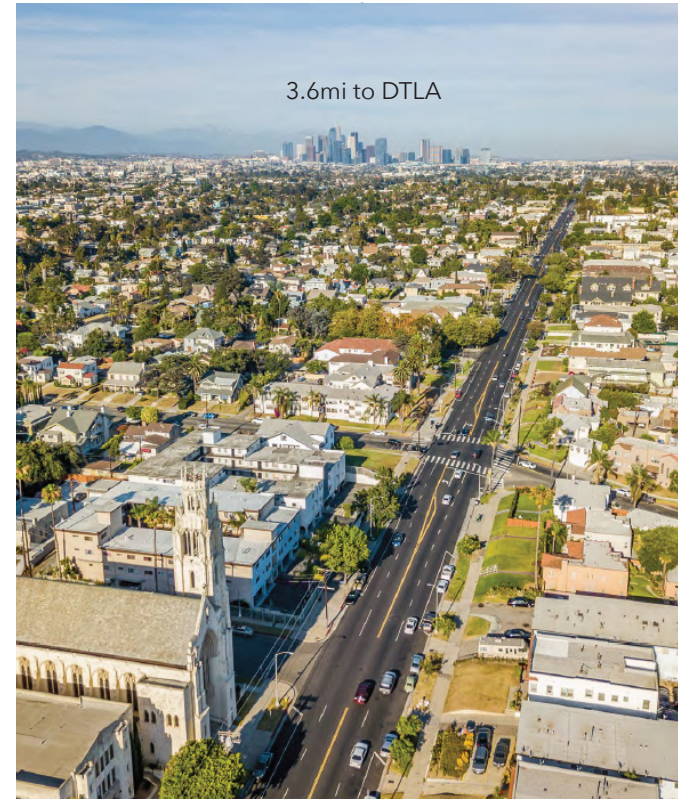
STRATEGICALLY LOCATED NEAR LOS ANGELES' MAJOR FREEWAYS

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 subject property, 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.

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 property sits 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 building. Other notable entertainment centers within five miles of the property 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 less than two miles from the property and is rapidly expanding outwards.





Berendo Middle School

Loyola High School

DUNKIN'
DONUTS

DOLLAR TREE

McDonalds

Western Plaza Shopping Center

El Camacho

Angelus Rosedale Cemetery

RITE
AID
PHARMACY

McDonalds

7
ELEVEN



Burger King

West Adams
Preparatory School

Santa Monica Fwy

Widney Career Preparatory School

BECKETT
MANSION

Valero

Lazaro's Latin Lounge

24TH ST
ELEMENTARY

With Love Market & Cafe

ADAMS-NORMANDI

JEFFERSON

W Adams Blvd

W Adams Blvd

UNIVERSITY
PARK

Jefferson Blvd

W Jefferson Blvd

University
USC University of
Southern California
California



Koreatown

Loyola High School

 **DOLLAR TREE**

El Camacho

McDonalds

Angelus Rosedale Cemetary



Burger King

1846 Cordova St

West Adams
Preparatory School

Sophia T. Salvin Special
Education Center

NORMANDIE AVE



1846 Cordova St



Financial Analysis



UNIT #	UNIT TYPE	ACTUAL RENT	PROFORMA RENT	NOTES
1	2+1	\$645	\$2,000	
2	2+1	\$500	\$2,000	
3	2+1	\$1,795	\$2,000	
4	2+1	\$645	\$2,000	
5	2+1	\$1,995	\$2,000	
6	2+1	\$1,850	\$2,000	
7	2+1	\$1,850	\$2,000	
8	2+1	\$820	\$2,000	
Total		\$10,100	\$16,000	

UNIT BREAKDOWN	UNIT TYPE	APPROX. SQUARE FOOTAGE	CURRENT AVG. MONTHLY RENT	CURRENT MONTHLY INCOME	MARKET MONTHLY RENT	TOTAL MONTHLY INCOME
8	2+1	594	\$1,263	\$10,100	\$2,000	\$16,000
Total				\$10,100		\$16,000

Rent Roll

TOTAL SCHEDULED RENT	CURRENT RENT	PROFORMA RENTS
Total Scheduled Rent	\$10,100	\$16,000
Orindance Income	\$35	\$35
Monthly Scheduled Gross Income:	\$10,135	\$16,035
Annual Scheduled Gross Income:	\$121,615	\$192,415

ANNUALIZED OPERATING DATA	CURRENT RENTS		PROFORMA RENTS	
Scheduled Gross Income:	\$121,615		\$192,415	
Less Vacancy Rate Reserve:	\$(6,081)	5.0%	\$(9,621)	5.0%
Gross Operating Income:	\$115,534		\$182,794	
Less Expenses:	\$(42,217)	34.7%	\$(44,907)	23.3%
Net Operating Income:	\$73,317		\$137,887	
Less Reserves:	\$(1,600)		\$(1,600)	
Less Debt Service:	\$(56,816)		\$(56,816)	
Pre-Tax Cash Flow	\$14,901	2.2%	\$79,471	11.5%
Plus Principal Reduction:	\$19,559		\$19,559	
Total Return Before Taxes:	\$34,460	5.0%	\$99,030	14.4%

EXPENSES	%	CURRENT	PRO FORMA
Taxes	1.17%	\$20,183	\$20,183
Insurance		\$4,358	\$4,358
Utilities		\$4,313	\$4,313
Management	4%	\$4,621	\$7,312
Repairs & Maintenance		\$4,000	\$4,000
Waste Removal		\$3,482	\$3,482
Pest Control		\$360	\$360
Landscaping		\$500	\$500
Direct Assessment		\$400	\$400
License & Fees		\$400	\$400
Total Expenses:		\$42,217	\$44,907
Per Net SF		\$8.00	\$8.51
Per Unit		\$5,277	\$5,613



Pricing Information

PRICING

Price:	\$1,725,000
Down Payment: 40%	\$690,000
Number of Residential Units:	8
Cost per Legal Unit	\$215,625
Current GRM:	14.18
Market GRM:	8.96
Current CAP:	4.09%
Market CAP:	7.99%
Approx. Age:	1959
Approx. Lot Size:	6,699
Approx. Gross SF:	5,280
Cost per Net GSF:	\$327

FINANCING

New First Loan:	\$1,035,000
Interest Rate:	3.65%
Amortization:	30
Monthly Payment:	\$4,734.71
DCR:	1.24





1
8
4
6

DO NOT BLOCK DRIVEWAY
If you are blocking the driveway, you are liable for any damage to the property. This sign is placed here to warn you. If you are blocking the driveway, you are liable for any damage to the property. This sign is placed here to warn you.





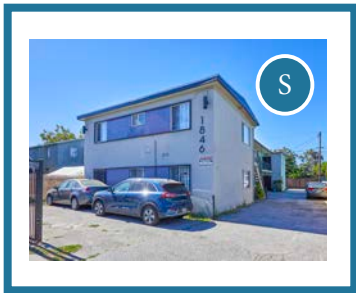


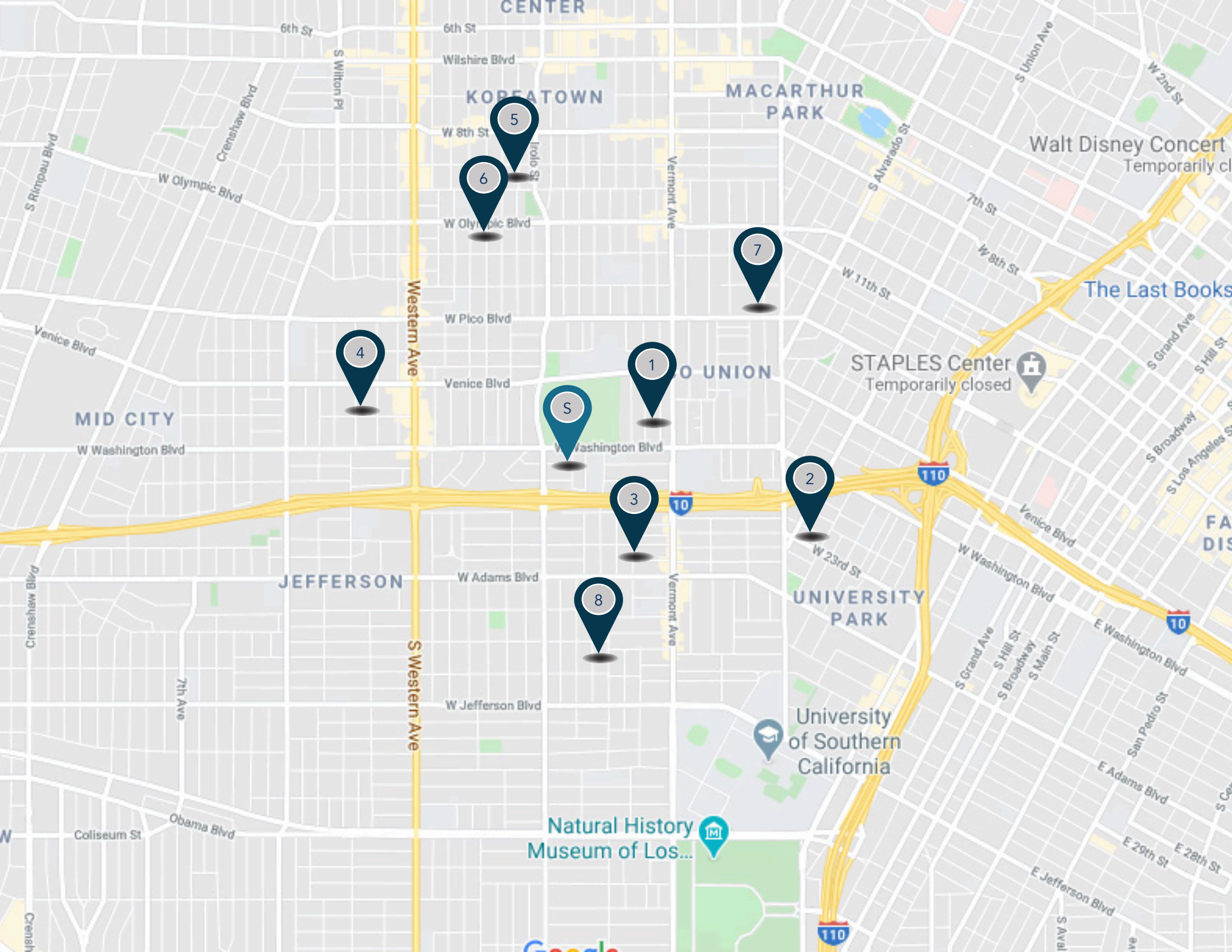
Market

Comparables



	PROPERTY NAME	SALES PRICE	YEAR BUILT	PRICE/UNIT	PRICE/SF	CAP RATE	GRM	CLOSING DATE
	1846 Cordova St, Los Angeles, CA 90007	\$1,725,000	1959	\$215,625	\$327	4.09%	14.18	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	1025 W 23rd St, Los Angeles, CA 90007	\$2,104,000	1964	\$263,000	\$414	4.82%	13.17	12/23/19
3	1465 W 25th St, Los Angeles, CA 90007	\$1,575,000	1964	\$225,000	\$292	4.64%	12.85	9/13/19
4	1649 S St Andrews Pl, Los Angeles, CA 90019	\$2,025,000	1963	\$184,091	\$292	3.01%	N/A	9/3/19
5	933 S Ardmore Ave, Los Angeles, CA 90006	\$1,800,000	1964	\$225,000	\$291	N/A	N/A	6/28/19
6	1028 Harvard Blvd, Los Angeles, CA 90006	\$1,560,000	1963	\$222,857	\$301	N/A	N/A	6/14/19
7	1247 Arapahoe St, Los Angeles, CA 90006	\$1,800,000	1963	\$180,000	\$320	N/A	N/A	5/29/19
8	2922 S Budlong Ave, Los Angeles, CA 90007	\$1,955,000	1964	\$195,500	\$247	3.14%	N/A	1/25/19





CENTER

KOREATOWN

MACARTHUR PARK

MID CITY

JEFFERSON

UNIVERSITY PARK

Natural History Museum of Los...

STAPLES Center
Temporarily closed

University of Southern California

Walt Disney Concert
Temporarily closed

The Last Books

FA
DIS



Sales Comparables | 1846 Cordova St



★ 1846 Cordova St
Los Angeles, CA 90007

1 1815 S New Hampshire Ave
Los Angeles, CA 90006

2 1025 W 23rd St
Los Angeles, CA 90007

Offering Price	\$1,725,000
Number of Units	8
Year Built	1959
Price per Unit	\$215,625
Price per SF	\$327
CAP Rate	4.09%
GRM	14.18

Sales Price	\$1,600,000
Number of Units	8
Year Built	1959
Price per Unit	\$200,000
Price per SF	\$297
CAP Rate	3.62%
GRM	15.68
Date Sold	3/26/20

Sales Price	\$2,104,000
Number of Units	8
Year Built	1964
Price per Unit	\$263,000
Price per SF	\$414
CAP Rate	4.82%
GRM	13.17
Date Sold	12/23/19

Sales Comparables | 1846 Cordova St



3 1465 W 25th St
Los Angeles, CA 90007

Sales Price	\$1,575,000
Number of Units	7
Year Built	1964
Price per Unit	\$225,000
Price per SF	\$292
CAP Rate	4.64%
GRM	12.85
Date Sold	9/13/19



4 1649 S St Andrews Pl
Los Angeles, CA 90019

Sales Price	\$2,025,000
Number of Units	11
Year Built	1963
Price per Unit	\$184,091
Price per SF	\$292
CAP Rate	3.01%
GRM	N/A
Date Sold	9/3/19



5 933 S Ardmore Ave
Los Angeles, CA 90006

Sales Price	\$1,800,000
Number of Units	8
Year Built	1964
Price per Unit	\$225,000
Price per SF	\$291
CAP Rate	N/A
GRM	N/A
Date Sold	6/28/19

Sales Comparables | 1846 Cordova St



6 1028 Harvard Blvd
Los Angeles, CA 90006

Sales Price	\$1,560,000
Number of Units	7
Year Built	1963
Price per Unit	\$222,857
Price per SF	\$291
CAP Rate	N/A
GRM	N/A
Date Sold	6/14/19



7 1247 Arapahoe St
Los Angeles, CA 90006

Sales Price	\$1,800,000
Number of Units	10
Year Built	1963
Price per Unit	\$180,000
Price per SF	\$320
CAP Rate	N/A
GRM	N/A
Date Sold	5/29/19








8 2922 S Budlong Ave
Los Angeles, CA 90007

Sales Price	\$1,955,000
Number of Units	10
Year Built	1964
Price per Unit	\$195,500
Price per SF	\$247
CAP Rate	3.14%
GRM	N/A
Date Sold	1/25/19



Rental Survey

#	ADDRESS	UNIT TYPE	RENT
 1	1672 Harvard, Los Angeles, CA 90006	2+1	\$2,000
 2	2011 La Salle Ave, Los Angeles, CA 90018	2+1	\$1,995
 3	2056-2058 S Harvard Blvd, Los Angeles, CA 90018	2+1	\$2,200
 4	2430 Raymond Ave, Los Angeles, CA 90007	2+1	\$2,000
 5	2526 W 18th St, Los Angeles, CA 90019	2+1	\$2,000





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1846 Cordova St

