

Marcus & Millichap
THE NEEMA GROUP

Chateau Lexington
4848 Lexington Ave
Los Angeles, CA 90029



30-UNITS
IN PRIME EAST HOLLYWOOD
LOCATED IN A QUALIFIED OPPORTUNITY ZONE
CURRENT GRM 13.24 | LOW PRICE PER UNIT \$208,333

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EXCLUSIVELY LISTED BY

NEEMA AHADIAN

Senior Managing Director Investments

Tel: (310) 909-5444

Fax: (435) 915-3662

neema@marcusmillichap.com

License: CA 01346750

SEAN NAMI

Senior Associate

Tel: (310) 909-2393

Fax: (435) 915-3662

sean.namigohar@marcusmillichap.com

License: CA 01949705

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4848 LEXINGTON AVE

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FOR RENT
818-742-2344

4848

CENTIN DE
CALLE

Executive

Summary

The Neema Group of Marcus & Millichap is pleased to present 4848 Lexington Avenue, Los Angeles, CA 90029. Built in 1927, this 30-unit property totals 20,874 SF located in East Hollywood, between Fountain Ave & Santa Monica Blvd providing easy access to Hollywood and Silverlake.

This offering presents an investor the opportunity to acquire a well maintained building with a stable income, a 15% loss-to-lease, that can achieve a pro forma CAP rate of 5.73% through further renovations when the units turn. The building features a unit mix of 22 singles and 8 one-bedrooms. The property is being offered at a 13.24 GRM on current income and a low price per unit of \$208,333.

The property is located within a newly established Qualified Opportunity Zone for investment, established by the Tax Cuts and Jobs Act, Section 1400Z.

Five units are currently vacant, allowing an investor to achieve market rents immediately. Ease of management as gas and electric are separately metered and laundry is located on-site.

The East Hollywood neighborhood continues to grow at a rapid pace and attracts high-end residents with the unparalleled access to employment opportunities and education options. The subject property has a walk score of 92 and the location allows for a quick commute to both Hollywood and Downtown Los Angeles via the 101 Freeway. The immediate area surrounding the subject property has a population of over 530,000 within a three-mile radius.



Property Overview

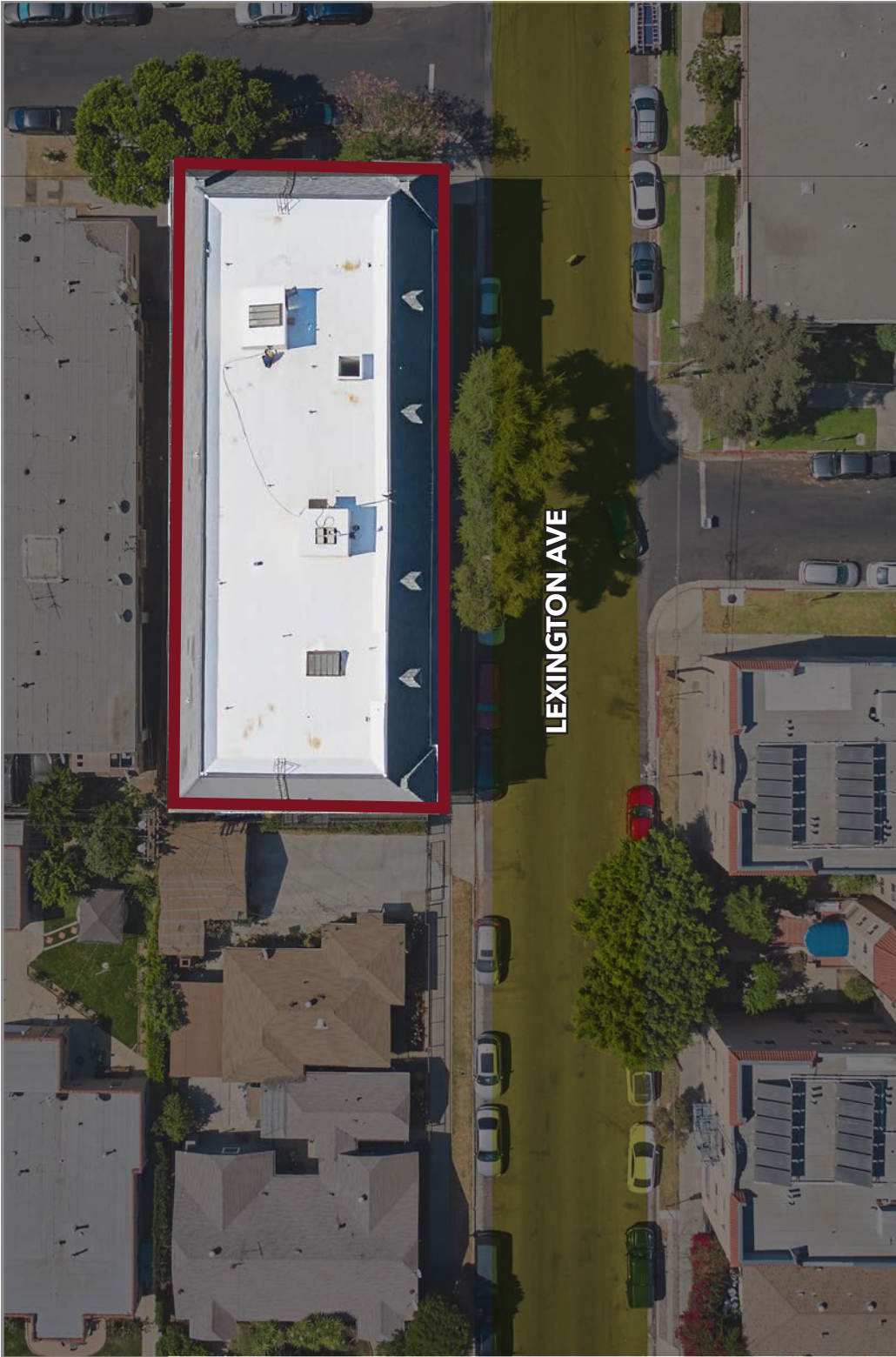
OFFERING PRICE

\$6,250,000

Number of Units	30
Zoning	RD1.5-1XL
Year Built	1927
Gross Square Feet	20,874 SF
Lot Size	7,796 SF
Ownership	Fee Simple

Financial Overview

Cost per Unit	\$208,333
Price Per SF	\$299
Current GRM	13.24
Market GRM	11.29
Current CAP Rate	4.68%
Market CAP Rate	5.73%





Investment

Highlights

- 4848 Lexington Ave is a 30-unit stabilized investment opportunity located in prime East Hollywood, between Fountain Ave & Santa Monica Blvd, providing easy access to Hollywood and Silverlake
- The building features a unit mix of 22 singles and 8 one-bedrooms. Charming 1920's architectural details including original hardwood flooring, ceramic tiles, vintage stove, arched entryways, sit-down vanity desk, tall shuttered windows, and wood-beam vaulted ceilings.
- Asking 13.24 GRM on current income with a pro forma CAP rate of 5.73% when market rents are achieved; low price per unit of \$208,333.
- Located within a newly established Qualified Opportunity Zone for investment, established by the Tax Cuts and Jobs Act, Section 1400Z. The new section 1400Z allows any taxpayer to defer paying tax on capital gains from the sale of property if those gains are timely invested in a Qualified Opportunity Fund (QOF) which, in turn, must invest 90 percent of its assets in businesses located or property used in designated opportunity zone.

- Recent capital expenditures include interior & exterior paint, permitted roof, elevator, water tank, gutters, carpeted hallways, hardwood flooring, and ceramic tile kitchens and baths.
- Ease of management as electric and gas are separately metered and laundry is located on-site; tenants were recently provided with new high speed fiber optic internet.
- 4848 Lexington Ave offers residents a very high walk score of 92 and is located within walking distance to many of Hollywood's premier retail, dining and nightlife attractions; direct access to the 101 Freeway allowing for a quick commute to Downtown Los Angeles and Hollywood
- The East Hollywood neighborhood continues to grow at a rapid pace and attracts high-end residents with the unparalleled access to employment opportunities and education options. Located 0.3mi from Los Angeles City College and 0.7mi from Children's Hospital Los Angeles.

13.24

Current GRM

5.73%

Market CAP

15%

Loss-to-Lease

\$208k

Price Per Unit







Property Description

4848 LEXINGTON AVE, LOS ANGELES, CA 90029

APN	5540-023-001
Number of Units	30
Year Built	1927
Gross SF	20,874 SF
Lot Size	7,796 SF
Type of Ownership	Fee Simple

CONSTRUCTION

Foundation	Concrete
Framing	Wood
Exterior	Stucco
Roof	Flat

UTILITIES

Electricity	Separately Metered
Gas	Separately Metered
Water	Master Metered





AREA OVERVIEW

EAST HOLLYWOOD

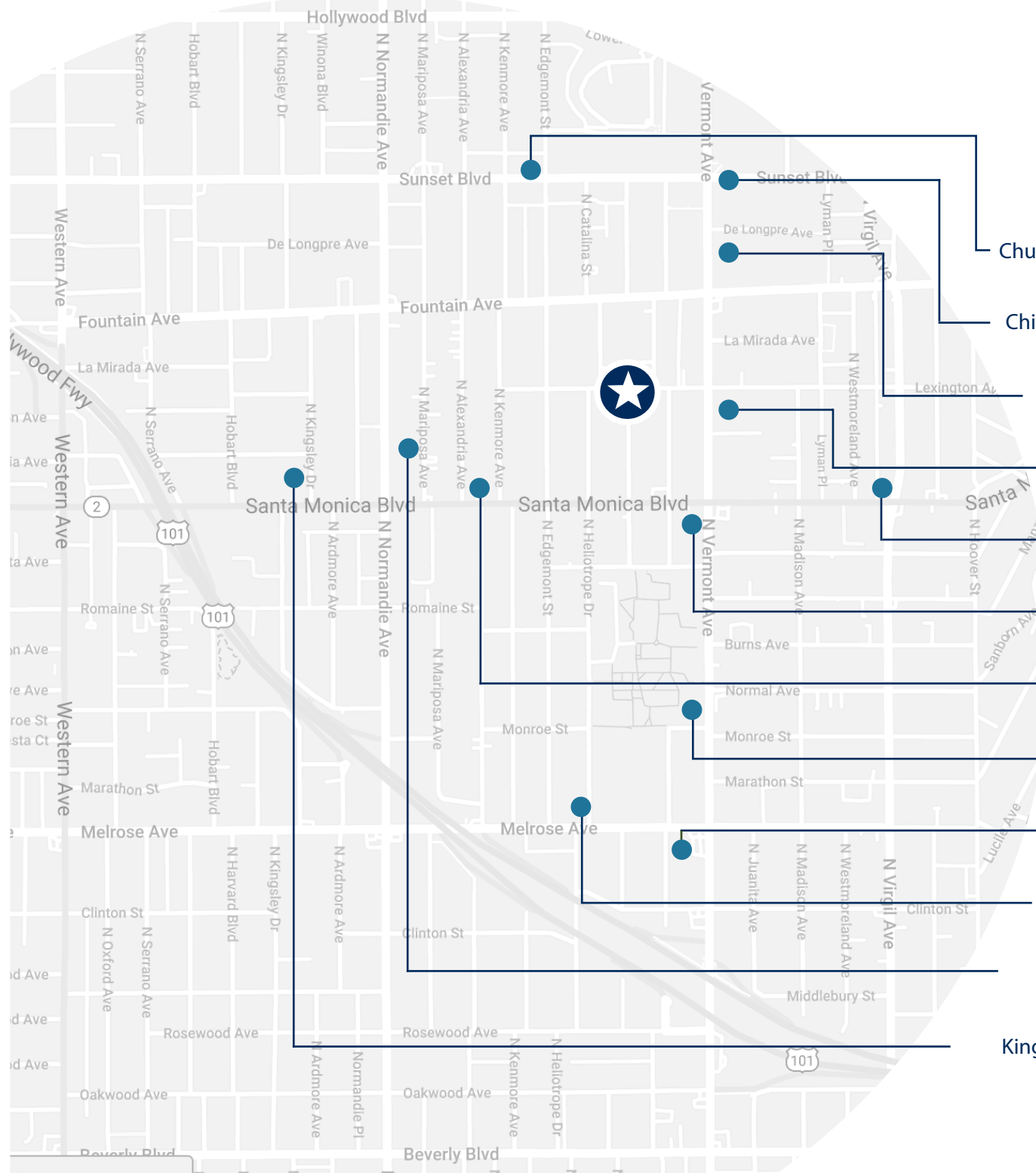
East Hollywood is central to Los Angeles' most prominent and thriving employment center, Downtown Los Angeles, which boasts more than 500,000 jobs within a 30-minute drive. Furthermore, the neighborhood of East Hollywood offers a dense concentration of hospitals that drives employment in the area, such as Kaiser Permanente Medical Center, Children's Hospital Los Angeles, and Hollywood Presbyterian Medical Center.

East Hollywood is a commuter-strategic location with proximity to the 101 & 5 Freeways and other transit options. The community has easy access the Metro Red Line Vermont / Santa Monica Station, which operates between Hollywood and Downtown Los Angeles. Consistent with the greater Los Angeles area, there is a significant affordability gap to homeownership in the East Hollywood neighborhood. As roughly half of the submarket's owner-occupied housing units are valued above \$1,000,000. In recent years the median home price in the area has increased dramatically eluding to the growth of the area, but also the need for substantial renter occupied units.

Along with strong projected population growth in the coming years, increased demand for housing in the submarket will foster substantial rent growth for the foreseeable future, indicating strong market and property performance for years to come. Further supported by dynamic economic base with well-paying jobs, the area has experienced significant growth recently.



AREA MAP



Church of Scientology



Children's Hospital of Los Angeles



Hollywood Presbyterian Medical Center



Hollywood Hotel



The Virgil



Vermont/Santa Monica Station



Desano Pizza



Los Angeles City College



Faultline Bar



The Faculty



Ramona Elementary School

Kingsley Elementary School



4848 LEXINGTON AVE

LEXINGTON AVE

An aerial photograph of a city street, Lexington Avenue, showing a dense urban environment. The street runs vertically through the center of the image. A large, multi-story building with a dark roof and light-colored facade is highlighted with a red outline. The building is situated on the left side of the street, near the bottom of the frame. The surrounding area is filled with various residential and commercial buildings, trees, and parked cars. In the background, a city skyline with several tall skyscrapers is visible under a clear blue sky.

4848 LEXINGTON AVE

Financial Analysis



Rent Roll

UNIT #	UNIT TYPE	ACTUAL RENT	PROFORMA RENT	NOTES
101	Single	\$1,375	\$1,450	
102	Single	\$970	\$1,450	
103	Single	\$1,297	\$1,450	
104	1+1	\$1,042	\$1,700	
105	Single	\$1,330	\$1,450	
106	Single	\$1,090	\$1,450	
107	Single	\$1,450*	\$1,450	Vacant
108	Single	\$1,142	\$1,450	
109	1+1	\$1,037	\$1,700	
110	Single	\$1,375	\$1,450	
201	Single	\$1,028	\$1,450	
202	Single	\$1,248	\$1,450	
203	Single	\$1,450*	\$1,450	Vacant
204	1+1	\$994	\$1,700	
205	Single	\$1,304	\$1,450	
206	Single	\$1,475	\$1,450	
207	Single	\$991	\$1,450	
208	Single	\$1,450*	\$1,450	Vacant
209	1+1	\$1,750	\$1,700	
210	1+1	\$1,750	\$1,700	
301	Single	\$1,083	\$1,475	Vaulted ceilings
302	Single	\$1,495	\$1,475	Vaulted ceilings
303	Single	\$817	\$1,475	Vaulted ceilings
304	1+1	\$1,725	\$1,750	Vaulted ceilings
305	Single	\$1,475	\$1,475	Vaulted ceilings
306	Single	\$1,375	\$1,475	Vaulted ceilings
307	Single	\$815	\$1,475	On-Site Manager, Vaulted ceilings
308	Single	\$1,134	\$1,475	Vaulted ceilings
309	1+1	\$1,825	\$1,750	Vaulted ceilings
310	1+1	\$1,750*	\$1,750	Vacant, Vaulted ceilings
Total		\$39,042	\$45,825	

*Buyer to verify legal bedroom count. Marcus & Millichap and the Seller have not made any investigation and makes no warranty or representation with respect to the presented bedroom count. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable, however the information contained herein is not a substitute for a thorough due diligence investigation.

Unit Breakdown

# UNITS	UNIT TYPE	CURRENT AVG. MONTHLY RENT	CURRENT MONTHLY INCOME	MARKET MONTHLY RENT	MARKET MONTHLY INCOME
22	Single	\$1,282	\$28,211	\$1,458	\$32,075
8	1+1	\$1,354	\$10,831	\$1,719	\$13,750
Total			\$39,042		\$45,825

Total Income

TOTAL SCHEDULED RENT	CURRENT RENT	PROFORMA RENTS
Total Scheduled Rent	\$39,042	\$45,825
Laundry Income	\$300	\$300
Monthly Scheduled Gross Income:	\$39,342	\$46,125
Annual Scheduled Gross Income:	\$472,104	\$553,500



ANNUALIZED OPERATING DATA	CURRENT RENTS		PROFORMA RENTS	
Scheduled Gross Income:	\$472,104		\$553,500	
Less Vacancy Rate Reserve:	\$(14,163)	3.0%	\$(27,675)	5.0%
Gross Operating Income:	\$457,941		\$525,825	
Less Expenses:	\$(165,230)	35.0%	\$(167,945)	30.3%
Net Operating Income:	\$292,711		\$357,880	
Less Reserves:	\$(6,000)		\$(6,000)	
Less Debt Service:	\$(202,070)		\$(202,070)	
Pre-Tax Cash Flow	\$84,641	3.4%	\$149,810	6.0%
Plus Principal Reduction:	\$72,642		\$72,642	
Total Return Before Taxes:	\$157,284	6.3%	\$222,452	8.9%

EXPENSES	%	CURRENT	PRO FORMA
Taxes:	1.17%	\$73,125	\$73,125
Insurance		\$11,158	\$11,158
Utilities:		\$18,750	\$18,750
Waste Removal		\$8,724	\$8,724
Repairs & Maintenance		\$15,000	\$15,000
Management	4%	\$18,318	\$21,033
On-Site Manager		\$10,800	\$10,800
Cleaning/Landscape		\$3,000	\$3,000
Pest Control		\$660	\$660
Elevator		\$1,920	\$1,920
License & Fees		\$1,500	\$1,500
Direct Assessment		\$2,275	\$2,275
Total Expenses:		\$165,230	\$167,945
Per Net SF		\$7.92	\$8.05
Per Unit		\$5,508	\$5,598



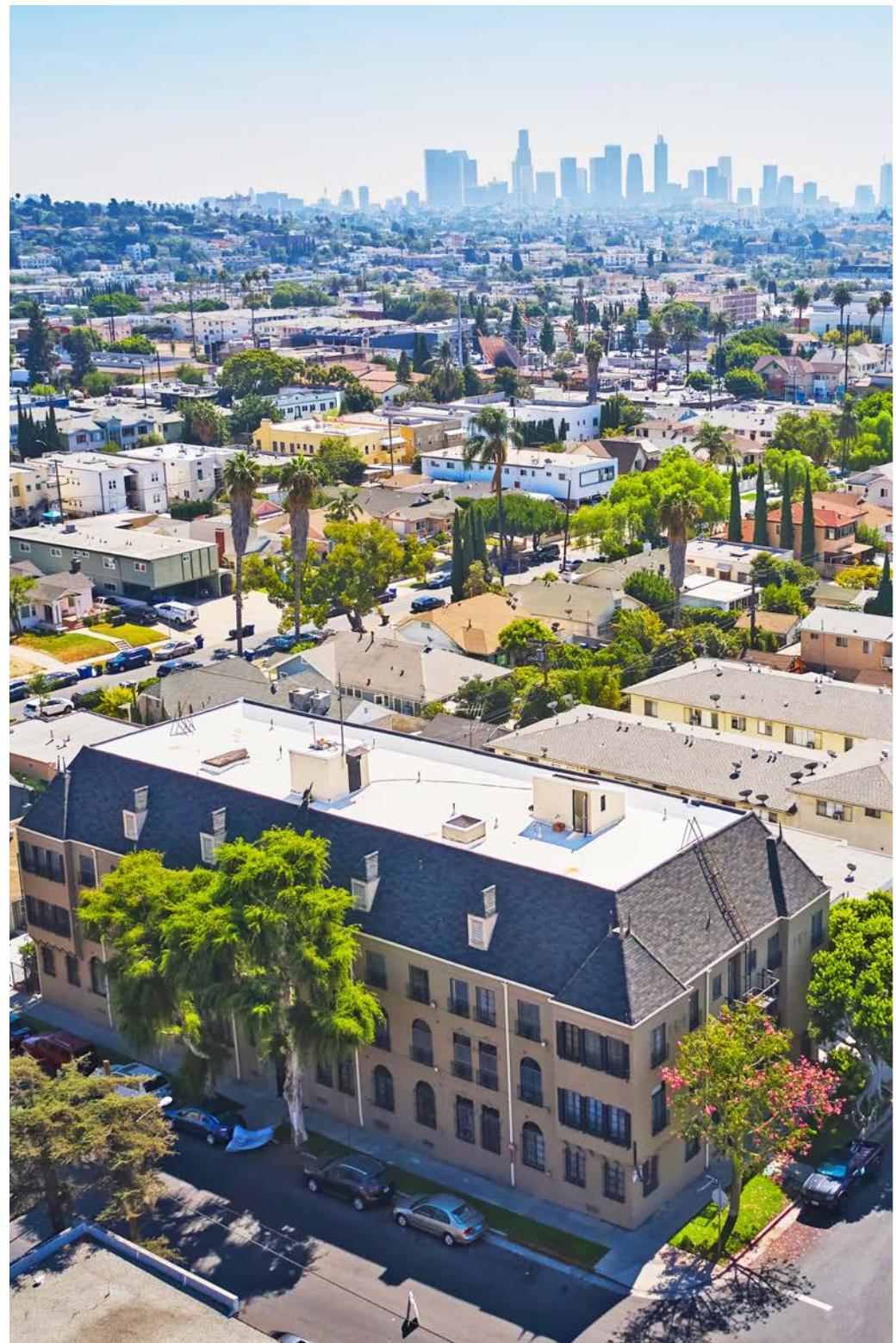
Pricing Information

PRICING

Price:	\$6,250,000
Down Payment: 40%	\$2,500,000
Number of Residential Units:	30
Cost per Legal Unit	\$208,333
Current GRM:	13.24
Market GRM:	11.29
Current CAP:	4.68%
Market CAP:	5.73%
Approx. Age:	1927
Approx. Lot Size:	7,796
Approx. Gross SF:	20,874

FINANCING

New First Loan:	\$3,750,000
Interest Rate:	3.50%
Amortization:	30
Monthly Payment:	\$16,839
DCR:	1.45



GRIFFITH OBSERVATORY

BARNSDALL ART PARK



WELLS
FARGO



4848 LEXINGTON AVE



An aerial photograph of a densely populated urban neighborhood. The street grid is visible, with houses and apartment buildings. A specific building is highlighted with a red outline. In the background, a city skyline is visible under a clear sky.

4848 LEXINGTON AVE

LEXINGTON AVE

N BERENDO ST

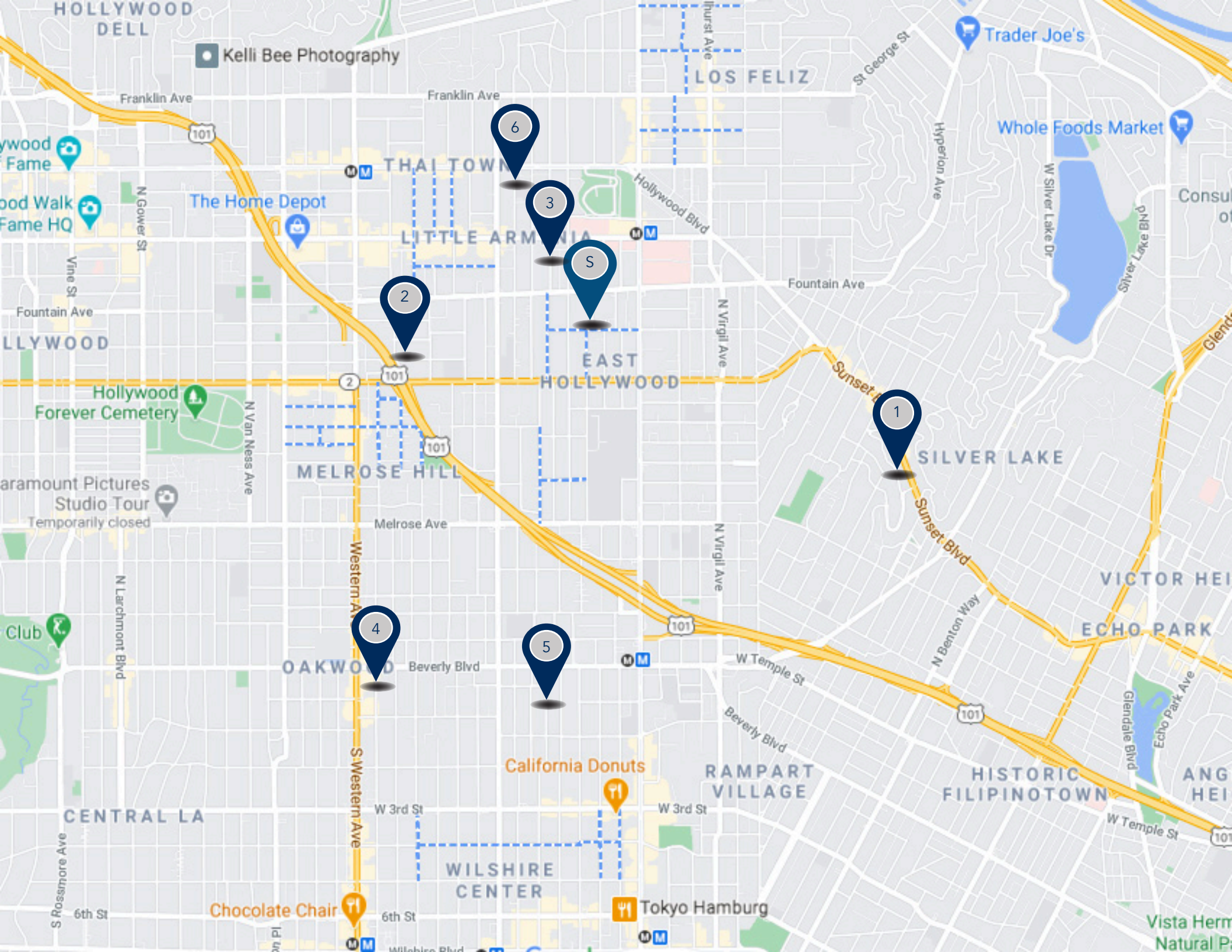


Market Comparables



	PROPERTY NAME	SALES PRICE	YEAR BUILT	PRICE/UNIT	PRICE/SF	CURRENT CAP	CURRENT GRM	CLOSING DATE
	4848 Lexington Ave, Los Angeles, CA 90029	\$6,250,000	1927	\$208,333	\$299	4.68%	13.24	N/A
1	3315 Larissa Dr, Los Angeles, CA 90026	\$2,200,000	1925	\$275,000	\$314	4.50%	N/A	7/23/20
2	5356 Lexington Ave, Los Angeles, CA 90029	\$3,280,000	1928	\$205,000	\$336	4.33%	14.11	3/3/20
3	1416 N Kenmore Ave, Los Angeles, CA 90027	\$2,000,000	1926	\$200,000	\$253	4.80%	N/A	1/24/20
4	207 N Oxford Ave, Los Angeles, CA 90004	\$5,900,000	1927	\$184,375	\$270	N/A	N/A	1/15/20
5	127 N Edgemont St, Los Angeles, CA 90004	\$2,610,000	1927	\$217,500	\$346	4.75%	13.70	8/30/19
6	1623 N Mariposa Ave, Los Angeles, CA 90027	\$5,100,000	1929	\$212,500	\$355	4.52%	12.92	8/6/19





Kelli Bee Photography

Trader Joe's

Whole Foods Market

The Home Depot

2

3

S

1

4

5

California Donuts

Chocolate Chair

Tokyo Hamburg



4848 Lexington Ave
Los Angeles, CA 90029

SUBJECT PROPERTY



Offering Price	\$6,250,000	Price per Unit	\$208,333	# Units	Unit Type
Number of Units	30	Price per SF	\$299	22	Single
Year Built	1927	CAP Rate	4.68%	8	1+1
GRM	13.24				

Sales Comparables | 4848 Lexington Ave



1 3315 Larissa Dr
Los Angeles, CA 90026

Sales Price	\$2,200,000
Number of Units	8
Year Built	1925
Price per Unit	\$275,000
Price per SF	\$314
CAP Rate	4.50%
GRM	N/A
Date Sold	7/23/20
# Units	Unit Type
1	Single
6	1+1
1	2+1



2 5356 Lexington Ave
Los Angeles, CA 90029

Sales Price	\$3,280,000
Number of Units	16
Year Built	1928
Price per Unit	\$205,000
Price per SF	\$336
CAP Rate	4.33%
GRM	14.11
Date Sold	3/3/20
# Units	Unit Type
12	Singles
4	1+1



3 1416 N Kenmore Ave
Los Angeles, CA 90027

Sales Price	\$2,000,000
Number of Units	10
Year Built	1926
Price per Unit	\$200,000
Price per SF	\$253
CAP Rate	4.80%
GRM	N/A
Date Sold	1/24/20
# Units	Unit Type
8	1+1
2	2+1

Sales Comparables | 4848 Lexington Ave



4 207 N Oxford Ave
Los Angeles, CA 90004

Sales Price	\$5,900,000
Number of Units	32
Year Built	1927
Price per Unit	\$184,375
Price per SF	\$270
CAP Rate	N/A
GRM	N/A
Date Sold	1/15/20
# Units	Unit Type
20	Singles
12	1+1



5 127 N Edgemont St
Los Angeles, CA 90004

Sales Price	\$2,610,000
Number of Units	12
Year Built	1927
Price per Unit	\$217,500
Price per SF	\$346
CAP Rate	4.75%
GRM	13.70
Date Sold	8/30/19
# Units	Unit Type
4	Singles
8	1+1



6 1623 N Mariposa Ave
Los Angeles, CA 90027

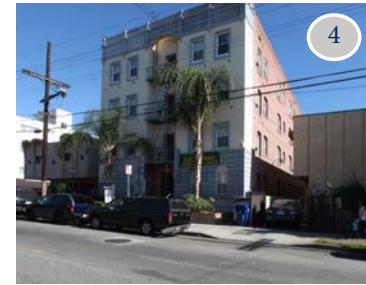
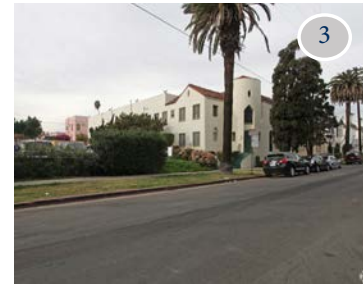
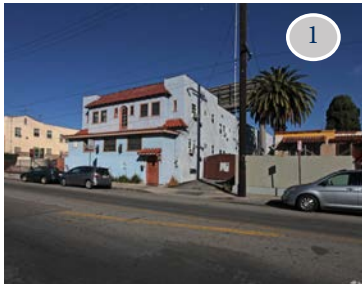
Sales Price	\$5,100,000
Number of Units	24
Year Built	1929
Price per Unit	\$212,500
Price per SF	\$355
CAP Rate	4.52%
GRM	12.92
Date Sold	8/6/19
# Units	Unit Type
6	Singles
15	1+1
3	2+1



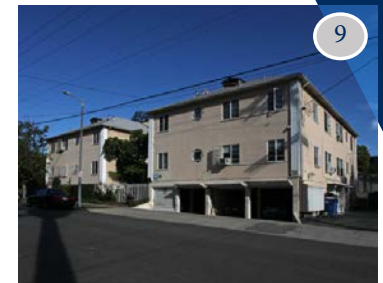
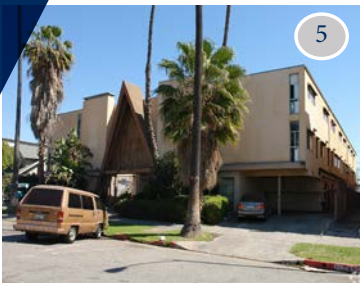
ADDRESS	UNIT TYPE	SF	PRICE/SF	RENT
4848 Lexington Ave, Los Angeles, CA 90029	Single	N/A	N/A	\$1,458

	1+1	N/A	N/A	\$1,719
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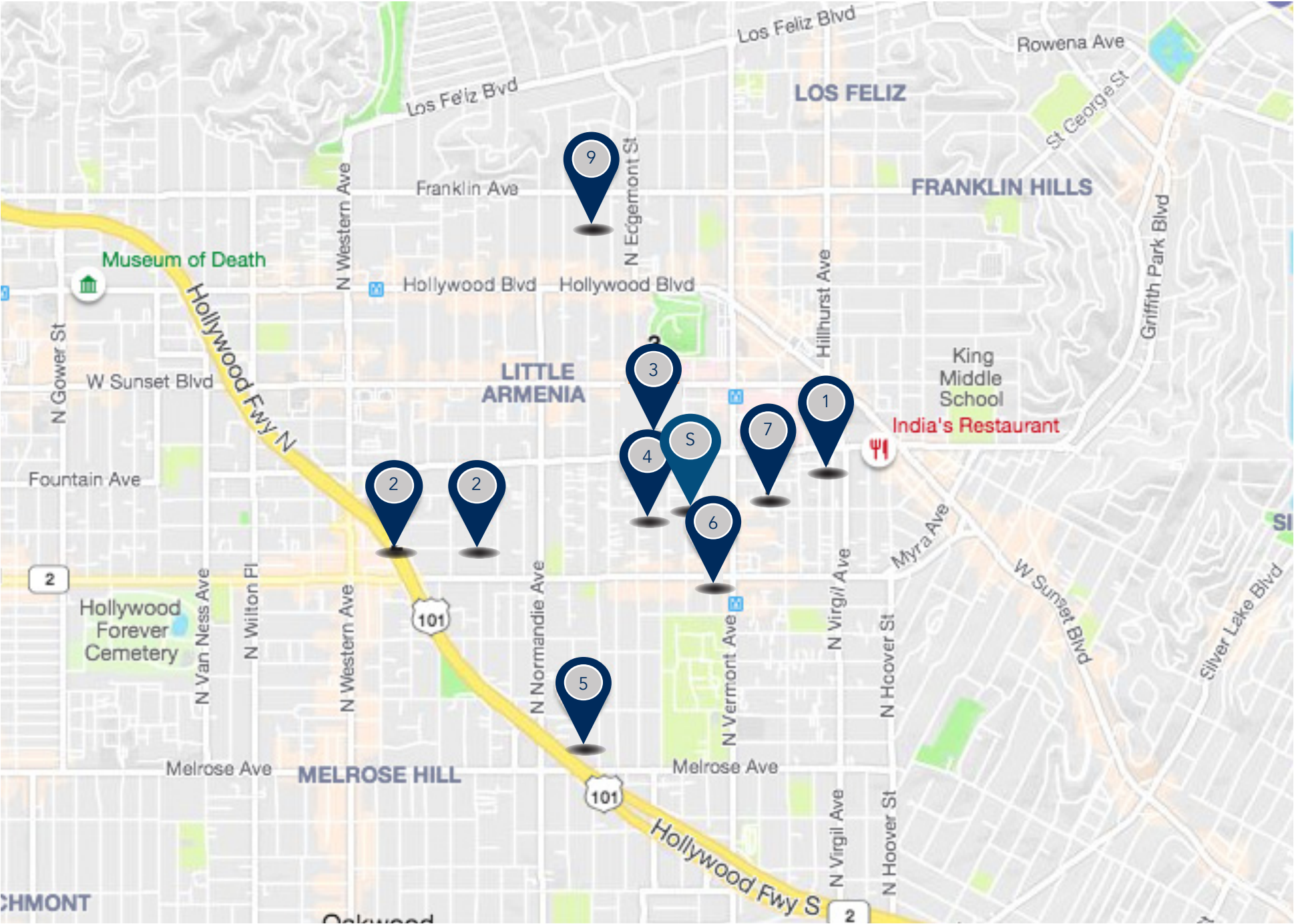
ADDRESS	UNIT TYPE	SF	PRICE/SF	RENT
1 4525 Fountain Ave, Los Angeles, CA 90029	Single	400	\$3.49	\$1,395
2 5406 Lexington Ave, Los Angeles, CA 90029	Single	N/A	N/A	\$1,450
3 1343 N Catalina St, Los Angeles, CA 90027	Single	400	\$3.63	\$1,450
4 1216 N Edgemont St, Los Angeles, CA 90029	Single	415	\$3.36	\$1,395



ADDRESS	UNIT TYPE	SF	PRICE/SF	RENT
5 822 N Mariposa Ave, Los Angeles, CA 90029	1+1	600	\$2.83	\$1,700
6 1124 N New Hampshire Ave, Los Angeles, CA 90029	1+1	450	\$3.56	\$1,600
7 4641 La Mirada Ave, Los Angeles, CA 90029	1+1	550	\$3.05	\$1,675
8 5222 Lexington Ave, Los Angeles, CA 90029	1+1	700	\$2.42	\$1,695
9 1860 N Alexandria Ave, Los Angeles, CA 90027	1+1	700	\$2.49	\$1,745



Rental Comparables



SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

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NEEMA AHADIAN

Senior Managing Director Investments
Tel: (310) 909-5444
Fax: (435) 915-3662
neema@marcusmillichap.com
License: CA 01346750

SEAN NAMI

Senior Associate
Tel: (310) 909-2393
Fax: (435) 915-3662
sean.namigochar@marcusmillichap.com
License: CA 01949705

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