

OFFERING MEMORANDUM

ASHBY APARTMENTS

# 808 HOBART

Marcus & Millichap  
THE NEEMA GROUP

49 Units in the Heart of Koreatown  
Recently Renovated Asset with Rental Upside  
Subterranean and Adjacent Lot Parking Totaling 25 Spaces



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ASHBY APARTMENTS

808 S. HOBART BOULEVARD  
LOS ANGELES, CA 90005

EXCLUSIVELY  
LISTED BY

Marcus & Millichap  
THE NEEMA GROUP

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**NEEMA AHADIAN**

Senior Managing Director of Investments  
West Los Angeles Office  
Neema@marcusmillichap.com  
Direct Phone: (310) 909-5444  
License: CA 01346750  
[www.theneemagroup.com](http://www.theneemagroup.com)

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ASHBY APARTMENTS

# 808 HOBART

A RARE 49-UNIT  
LANDMARK  
PROPERTY  
IN THE HEART  
OF KOREATOWN.

808 S. HOBART BOULEVARD  
LOS ANGELES, CA 90005



## PROPERTY SUMMARY

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# 808 S. HOBART BOULEVARD

LOS ANGELES, CA 90005



## ASHBY APARTMENTS

Ashby Apartments is a five-story landmark property, featuring Art Deco-style architecture, with 49 residential units totaling 36,925 square feet. The subject is a rare opportunity to purchase a property and an adjacent parking lot that has approximately 114 feet of frontage along Hobart Boulevard with another 150 feet of street exposure on 8th Street. Parking income is substantial, with more than \$40,000 annually.

The asset is located in Wilshire Center on the southeast corner of 8th Street and Hobart Boulevard just east of Western Avenue. This location is in the heart of Koreatown, surrounded by new developments in one of the most desirable rental submarkets of all of Los Angeles.

Ashby Apartments includes unique spacious layouts, with 39 singles (approximately 650 square feet) and 10 one-bedrooms (approximately 1,000 square feet). Many of the units have undergone renovations such as new cabinetry, upgraded bathroom sinks and countertops, refinished hardwood floors, walk-in closets and elaborate crown moldings.



The property will be delivered with seven vacancies at the close of escrow.

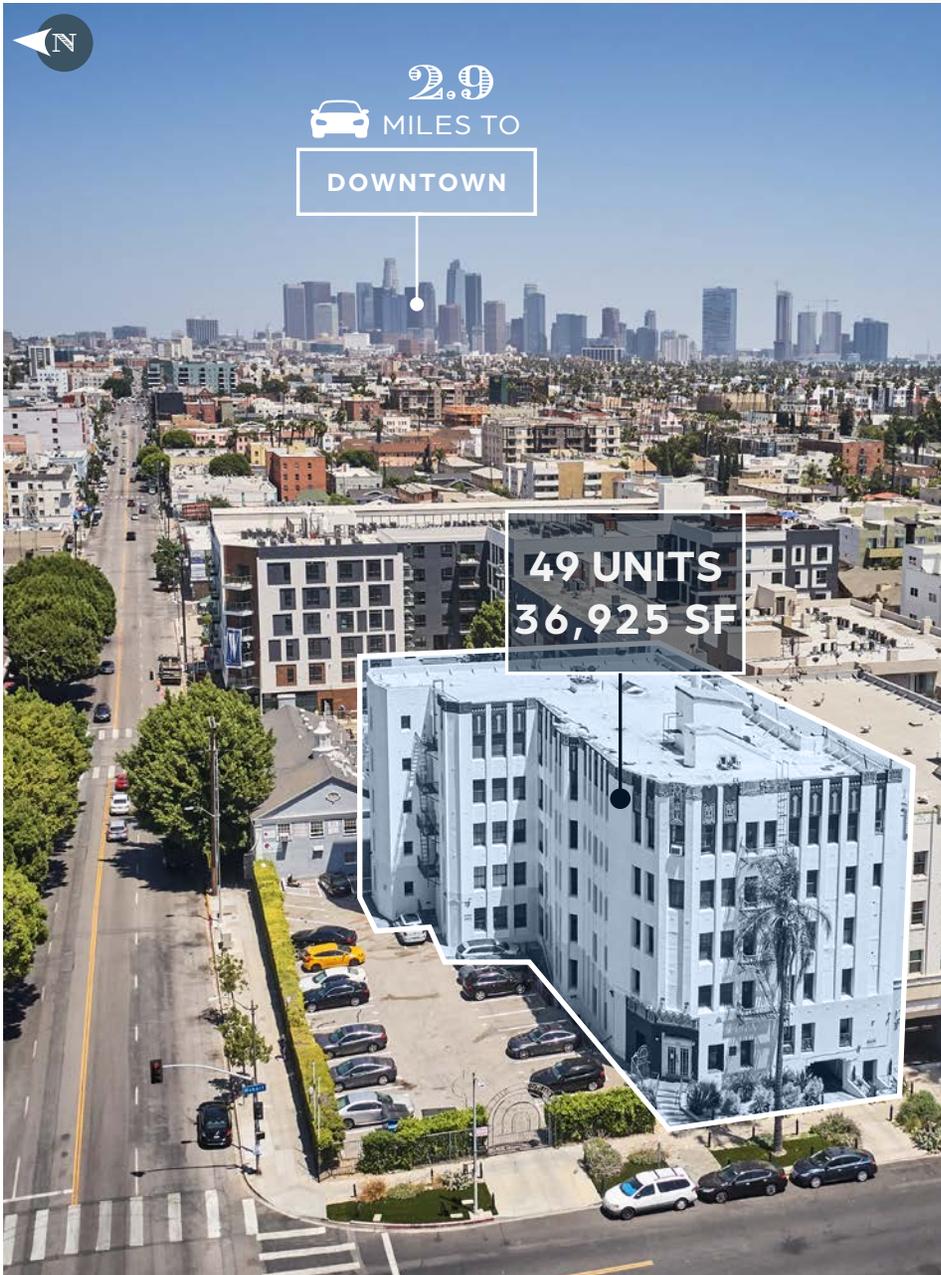
The property offers an investor stable cash flow with additional upside in the rents of more than 17% when units turn, and pro forma rents are achieved.

There is ample parking with 13 subterranean parking spaces as well as 25 spaces in the adjacent parking lot (approximately 6,453 square feet). The building has individually metered electricity and a large percentage of the plumbing has been converted to copper.

From this historic Koreatown location, residents have spectacular views of nearby Downtown Los Angeles. The building has been well maintained, with interior and exterior upgrades in keeping with the 1920s and 1930s Art Deco style, including an open lobby with seating secured with an electronic intercom. There is on-site community laundry in the basement.



# 808 S. HOBART BOULEVARD LOS ANGELES, CA 90005



## UNIT DISTRIBUTION

39

STUDIOS

10

2 BD / 1 BA

- Historic Art Deco Style Exterior and Interior
- Open Lobby with Lounge
- Secure Entry
- On-Site Laundry in Basement
- Subterranean & Lot Parking

# OPERATING STATEMENT 808 S. HOBART BOULEVARD

| INCOME                           |       | CURRENT     |                  | PRO FORMA   |                    |
|----------------------------------|-------|-------------|------------------|-------------|--------------------|
| <b>Scheduled Gross Income:</b>   |       |             | <b>\$921,714</b> |             | <b>\$1,080,556</b> |
| Less Vacancy Rate Reserve:       | 3.0%  |             | \$(27,651)       | 5.0%        | \$(54,028)         |
| Gross Operating Income:          |       |             | \$894,063        |             | \$1,026,528        |
| Less Expenses:                   | 31.9% |             | \$(294,406)      | 27.7%       | \$(299,042)        |
| <b>Net Operating Income:</b>     |       |             | <b>\$599,656</b> |             | <b>\$727,486</b>   |
| Reserves:                        |       |             | \$(9,800)        |             | \$(9,800)          |
| Less Debt Service                |       |             | \$(428,389)      |             | \$(428,389)        |
| Pre-Tax Cash Flow:               | 3.0%  |             | \$161,468        | 5.5%        | \$289,297          |
| Plus Principal Reduction:        |       |             | \$154,002        |             | \$154,002          |
| <b>Total Return Before Taxes</b> |       | <b>6.0%</b> | <b>\$315,470</b> | <b>8.4%</b> | <b>\$443,299</b>   |

## FINANCING

|                          |                    |
|--------------------------|--------------------|
| Proposed New Loan Amount | <b>\$7,950,000</b> |
| Interest Rate            | 3.50%              |
| Amortization             | 30 Years           |
| Debt Coverage Ratio      | 1.40               |

| EXPENSES              |  | CURRENT          |  | PRO FORMA        |  |
|-----------------------|--|------------------|--|------------------|--|
| Real Estate Taxes     |  | \$108,650        |  | \$108,650        |  |
| Insurance             |  | \$17,461         |  | \$17,461         |  |
| Utilities             |  | \$31,827         |  | \$31,827         |  |
| Management (3.5%)     |  | \$31,292         |  | \$35,928         |  |
| Repairs & Maintenance |  | \$24,500         |  | \$24,500         |  |
| Waste Removal         |  | \$7,542          |  | \$7,542          |  |
| Cleaning              |  | \$10,075         |  | \$10,075         |  |
| Landscaping           |  | \$2,160          |  | \$2,160          |  |
| Pest Control          |  | \$1,315          |  | \$1,315          |  |
| Payroll               |  | \$49,249         |  | \$49,249         |  |
| Elevator              |  | \$1,440          |  | \$1,440          |  |
| Direct Assessment     |  | \$4,049          |  | \$4,049          |  |
| License & Fees        |  | \$4,846          |  | \$4,846          |  |
| <b>Total Expenses</b> |  | <b>\$294,406</b> |  | <b>\$299,042</b> |  |
| <b>Expenses/Unit</b>  |  | <b>\$6,008</b>   |  | <b>\$6,103</b>   |  |
| <b>Expenses/SF</b>    |  | <b>\$7.97</b>    |  | <b>\$8.10</b>    |  |

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# RENT ROLL SUMMARY 808 S. HOBART BOULEVARD

| Number of Units        | Unit Type | Approx. Sq. Ft. | CURRENT RENTS          |                | MARKET RENTS      |                |
|------------------------|-----------|-----------------|------------------------|----------------|-------------------|----------------|
|                        |           |                 | Avg. Monthly Rent/Unit | Monthly Income | Monthly Rent/Unit | Monthly Income |
| 39                     | Single    | 650             | \$1,422                | \$55,448       | \$1,650           | \$64,350       |
| 10                     | 1+1       | 1,000           | \$1,730                | \$17,300       | \$2,050           | \$20,500       |
| Total Scheduled Rent   |           |                 |                        | \$72,748       |                   | \$84,850       |
| Gross Annualized Rents |           |                 |                        | \$872,976      |                   | \$1,018,200    |

## PRICING METRICS

Asking Price \$13,250,000

Price per Unit \$270,408

Price per SF \$358.84

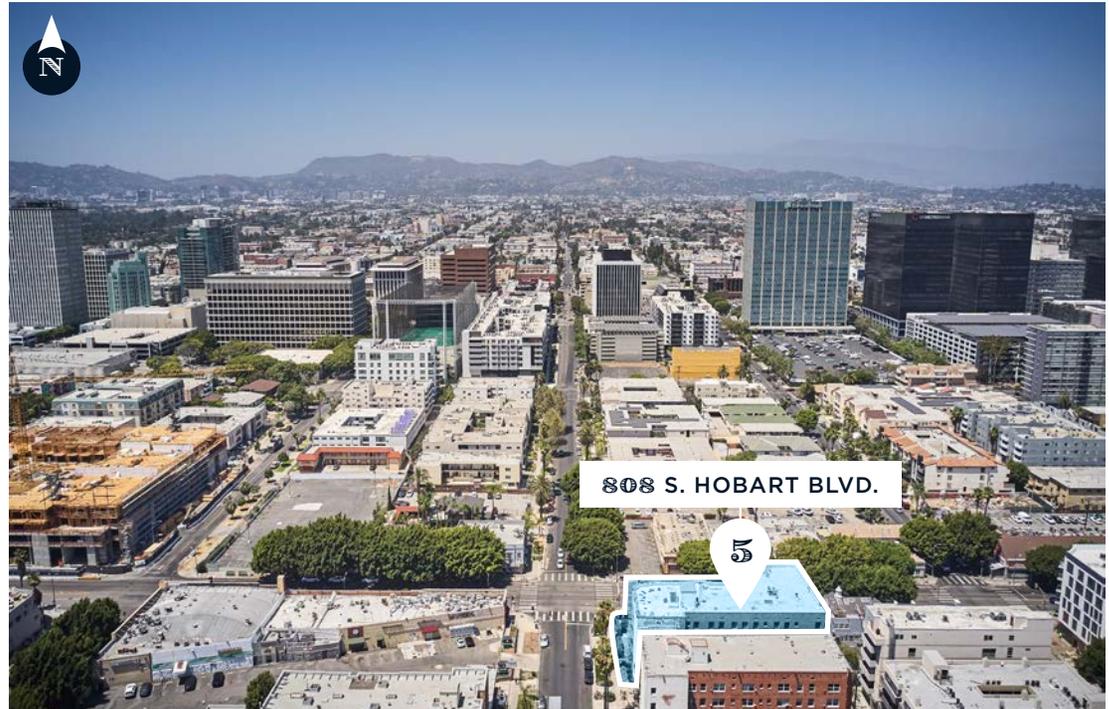
Current GRM 14.38

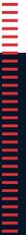
Market GRM 12.26

Current CAP Rate 4.53%

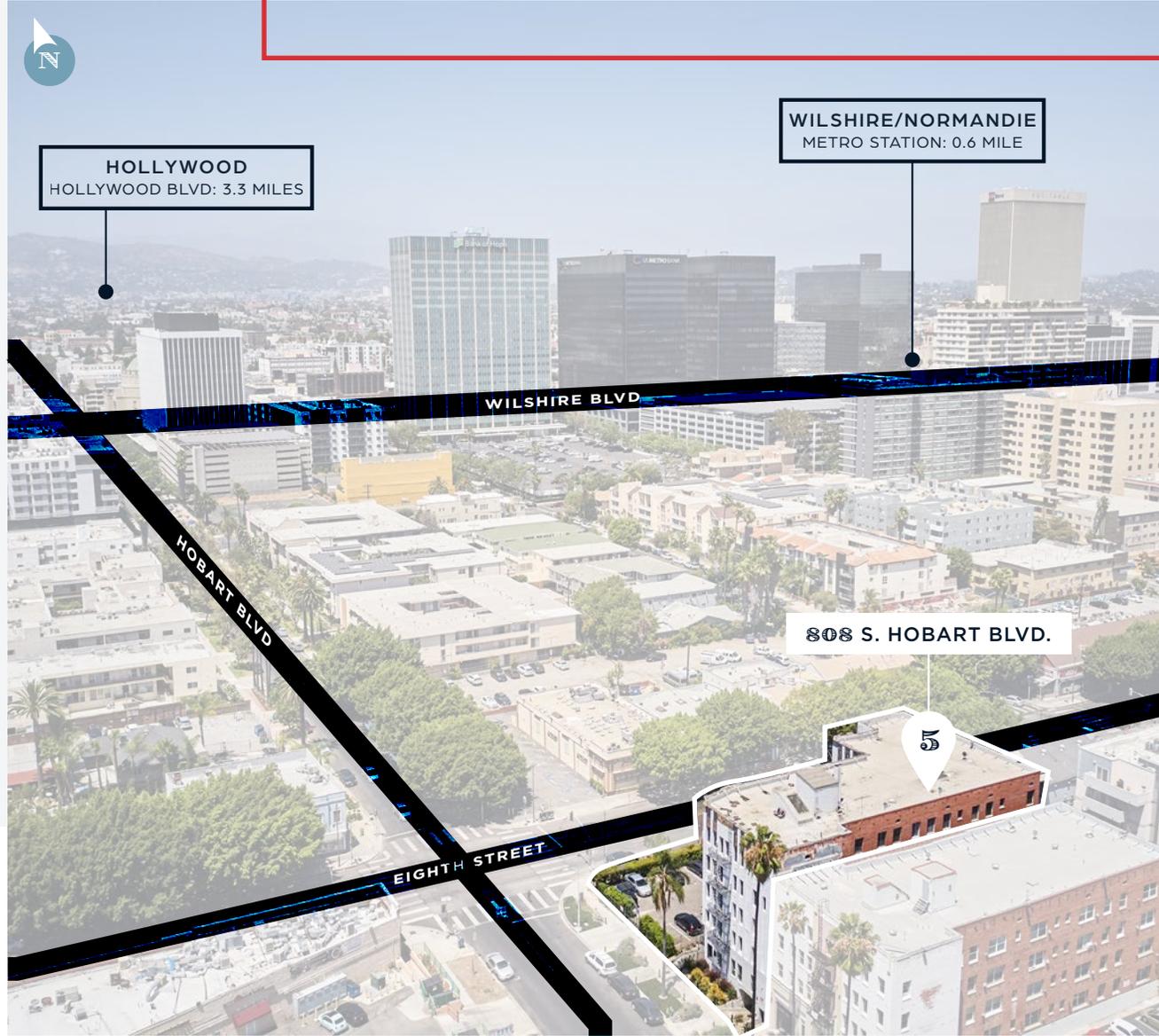
Market CAP Rate 5.49%

**RENTABLE SF: 36,925**





# 808 S. HOBART BOULEVARD



## ONE-MILE RADIUS DEMOGRAPHICS



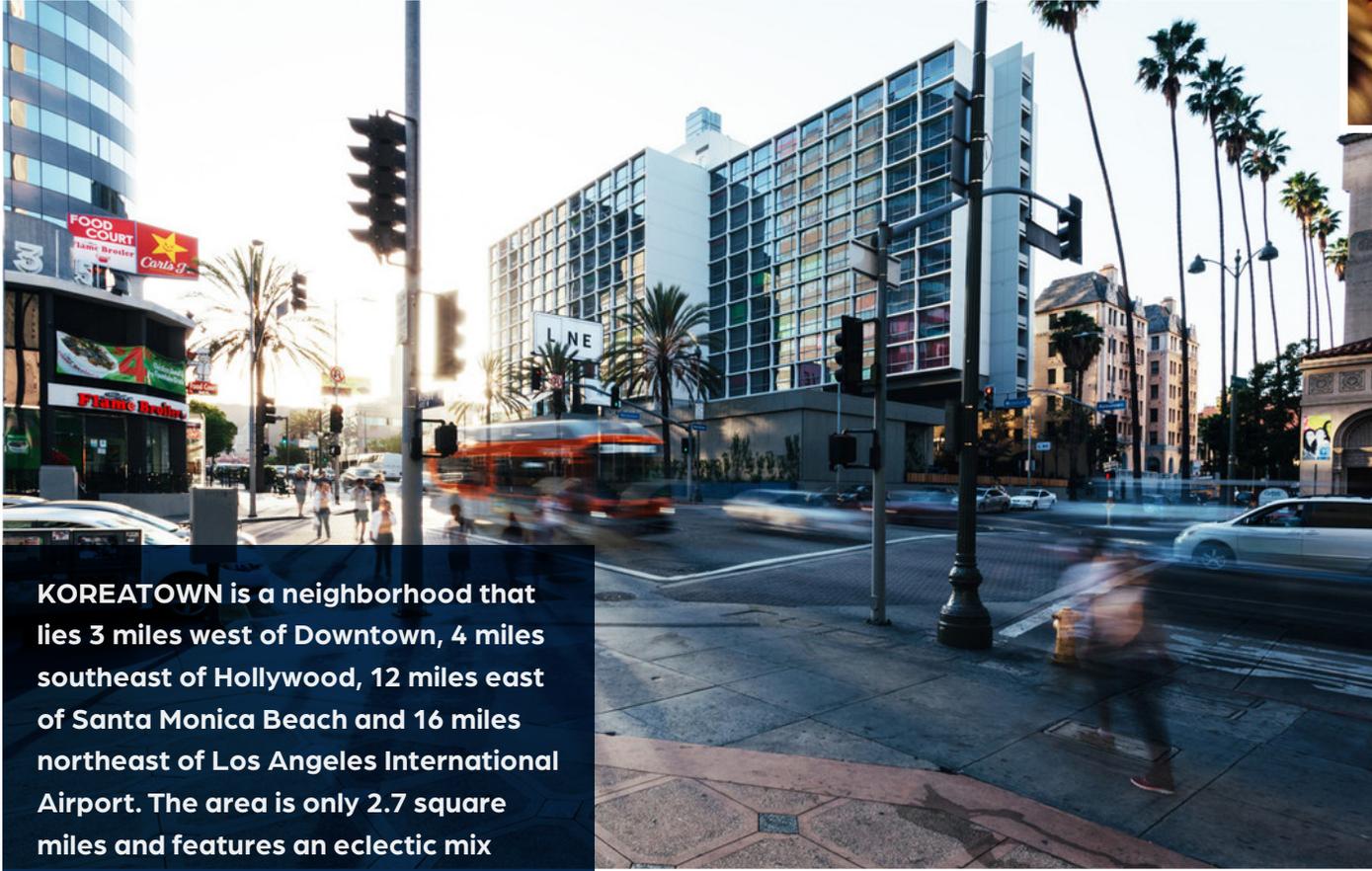
| POPULATION |         |
|------------|---------|
| 115,665    | 117,240 |
| 2018       | 2023*   |

| AVERAGE HOUSEHOLD INCOME |          |
|--------------------------|----------|
| \$55,257                 | \$63,796 |
| 2018                     | 2023*    |

| BACHELOR'S DEGREE OR HIGHER |       |
|-----------------------------|-------|
| 31.3%                       | 31.4% |
| 2018                        | 2023* |

\* Projected

# KOREATOWN



**KOREATOWN** is a neighborhood that lies 3 miles west of Downtown, 4 miles southeast of Hollywood, 12 miles east of Santa Monica Beach and 16 miles northeast of Los Angeles International Airport. The area is only 2.7 square miles and features an eclectic mix of flashing neon lights, old Art Deco buildings, and office buildings that house innovative restaurants and dark nightclubs. Koreatown, as its name would suggest, is primarily home to the Korean community and Korean-owned businesses, including Asiana Airlines, Korean Air, Grupo TACA and the Consulate-General of South Korea.



In late 2008, Koreatown was granted a special graphics district designation that allows the neighborhood to display digital signage similar to Times Square. The Korean community is highly invested in the development of its neighborhood, with an estimated \$1 billion invested since the early 2000s. Koreatown is one of the densest neighborhoods in Los Angeles, with a population of about 120,000 people. Koreatown has been experiencing a development boom, with projects by firms including Jamison Services, Trammell Crow Company, and CIM Group.

## MAJOR EMPLOYMENT

| EMPLOYER                   | # OF EMPLOYEES | DISTANCE         |
|----------------------------|----------------|------------------|
| Union Bank                 | 4,200          | 10 Minutes (3.5) |
| Mercury Insurance Services | 4,000          | 5 Minutes (1.4)  |
| Viacom Networks            | 3,645          | 13 Minutes (4.4) |
| KPMG                       | 3,000          | 12 Minutes (3.3) |
| City of Los Angeles        | 3,000          | 12 Minutes (3.9) |

## NEW DEVELOPMENTS KOREATOWN

\$300M Office Complex Developed by Trammell Crow Company



\$300M Apartment Tower Featuring 644 Apartments, Parking, and Ground Floor Commercial Space



\$150M 364-Unit Mixed-Use Complex Featuring Ground Floor Retail and Parking



# RENT COMPARABLES 808 S. HOBART BOULEVARD



# RENT COMPARABLES 808 S. HOBART BOULEVARD

| ADDRESS  | UNIT TYPE | SF    | \$/SF  | MARKET RENT |
|--|-----------|-------|--------|-------------|
| <b>Subject Property</b>                        |           |       |        |             |
| 808 S. Hobart Boulevard, Los Angeles, CA 90005 | Single    | 650   | \$2.54 | \$1,650     |
|  | 1+1       | 1,000 | \$2.05 | \$2,050     |

## SINGLES

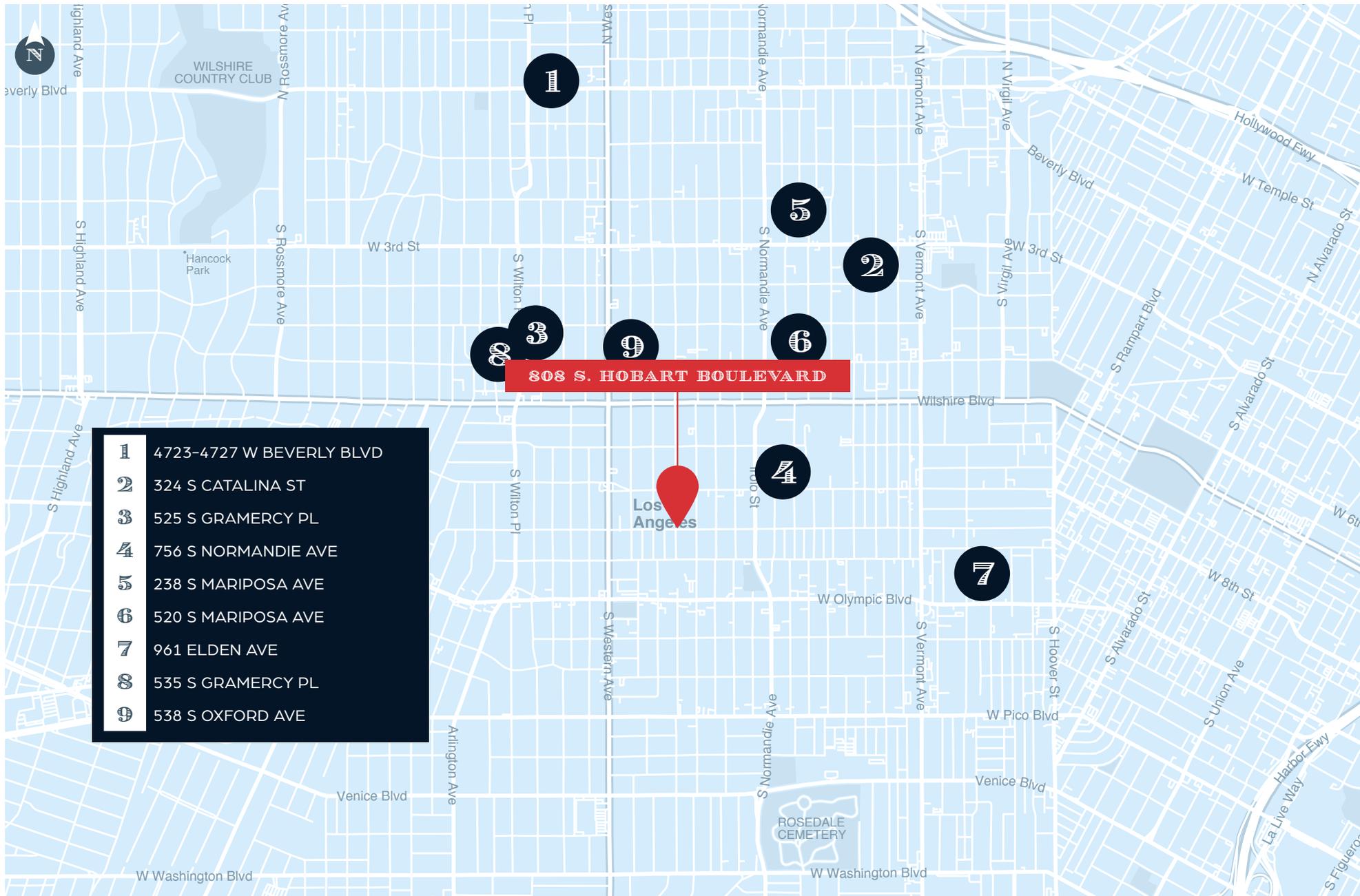
|  |        |     |        |         |
|--|--------|-----|--------|---------|
| 814 S. Hobart Boulevard, Los Angeles, CA 90005 | Single | 330 | \$4.45 | \$1,470 |
| 900 S. Irolo Street, Los Angeles, CA 90006     | Single | 415 | \$3.84 | \$1,594 |
| 715 S. Normandie Avenue, Los Angeles, CA 90005 | Single | 500 | \$3.09 | \$1,545 |
| 687 S. Hobart Boulevard, Los Angeles, CA 90005 | Single | 435 | \$4.37 | \$1,903 |
| 745 S. Normandie Avenue, Los Angeles, CA 90005 | Single | 425 | \$4.69 | \$1,995 |
| 914 S. Wilton Place, Los Angeles, CA 90019     | Single | 384 | \$4.15 | \$1,594 |

## 1-BEDROOMS

|  |     |       |        |         |
|--|-----|-------|--------|---------|
| 835 S. Serrano Avenue, Los Angeles, CA 90005   | 1+1 | 875   | \$2.51 | \$2,200 |
| 917 S. Hobart Boulevard, Los Angeles, CA 90006 | 1+1 | 1,060 | \$1.98 | \$2,100 |
| 860 S. Ardmore Avenue, Los Angeles, CA 90005   | 1+1 | 700   | \$2.56 | \$1,795 |
| 959 S. Gramercy Place, Los Angeles, CA 90019   | 1+1 | 700   | \$2.42 | \$1,695 |

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# SALES COMPARABLES 808 S. HOBART BOULEVARD



# SALES COMPARABLES 808 S. HOBART BOULEVARD



| 808 S. HOBART BOULEVARD |                 |
|-------------------------|-----------------|
| City, State             | Los Angeles, CA |
| Zip Code                | 90005           |
| Sale Price              | \$13,250,000    |
| Building SF             | 36,925 SF       |
| \$/SF                   | \$358.84        |
| Total Units             | 49              |
| Price/Unit              | \$270,408       |
| Year Built              | 1921            |
| Sold                    | -               |



| 4723-4727 W BEVERLY BLVD |                 |
|--------------------------|-----------------|
| City, State              | Los Angeles, CA |
| Zip Code                 | 90004           |
| Sale Price               | \$4,543,634     |
| Building SF              | 11,317 SF       |
| \$/SF                    | \$401.49        |
| Total Units              | 23              |
| Price/Unit               | \$197,549       |
| Year Built               | 1962            |
| Sold                     | 6/1/2020        |



| 324 S CATALINA ST |                 |
|-------------------|-----------------|
| City, State       | Los Angeles, CA |
| Zip Code          | 90020           |
| Sale Price        | \$9,450,000     |
| Building SF       | 22,904 SF       |
| \$/SF             | \$412.59        |
| Total Units       | 47              |
| Price/Unit        | \$201,064       |
| Year Built        | 1926            |
| Sold              | 4/3/2018        |

# SALES COMPARABLES 808 S. HOBART BOULEVARD



|                          |                 |
|--------------------------|-----------------|
| <b>525 S GRAMERCY PL</b> |                 |
| City, State              | Los Angeles, CA |
| Zip Code                 | 90020           |
| Sale Price               | \$9,000,000     |
| Building SF              | 26,102 SF       |
| \$/SF                    | \$344.80        |
| Total Units              | 45              |
| Price/Unit               | \$200,000       |
| Year Built               | 1928            |
| Sold                     | 11/8/2018       |



|                            |                 |
|----------------------------|-----------------|
| <b>756 S NORMANDIE AVE</b> |                 |
| City, State                | Los Angeles, CA |
| Zip Code                   | 90005           |
| Sale Price                 | \$6,250,000     |
| Building SF                | 16,776 SF       |
| \$/SF                      | \$372.56        |
| Total Units                | 30              |
| Price/Unit                 | \$208,333       |
| Year Built                 | 1925            |
| Sold                       | 12/6/2019       |



|                           |                 |
|---------------------------|-----------------|
| <b>238 S MARIPOSA AVE</b> |                 |
| City, State               | Los Angeles, CA |
| Zip Code                  | 90004           |
| Sale Price                | \$7,350,000     |
| Building SF               | 22,720 SF       |
| \$/SF                     | \$323.50        |
| Total Units               | 40              |
| Price/Unit                | \$183,750       |
| Year Built                | 1928            |
| Sold                      | 12/20/2019      |

# SALES COMPARABLES 808 S. HOBART BOULEVARD



|                           |                 |
|---------------------------|-----------------|
| <b>6</b>                  |                 |
| <b>520 S MARIPOSA AVE</b> |                 |
| City, State               | Los Angeles, CA |
| Zip Code                  | 90020           |
| Sale Price                | \$9,375,000     |
| Building SF               | 28,472 SF       |
| \$/SF                     | \$329.27        |
| Total Units               | 48              |
| Price/Unit                | \$195,313       |
| Year Built                | 1928            |
| Sold                      | 8/16/2019       |



|                      |                 |
|----------------------|-----------------|
| <b>7</b>             |                 |
| <b>961 ELDEN AVE</b> |                 |
| City, State          | Los Angeles, CA |
| Zip Code             | 90006           |
| Sale Price           | \$13,501,353    |
| Building SF          | 40,997 SF       |
| \$/SF                | \$329.33        |
| Total Units          | 45              |
| Price/Unit           | \$300,030       |
| Year Built           | 1966            |
| Sold                 | 4/3/2018        |



|                          |                 |
|--------------------------|-----------------|
| <b>8</b>                 |                 |
| <b>535 S GRAMERCY PL</b> |                 |
| City, State              | Los Angeles, CA |
| Zip Code                 | 90020           |
| Sale Price               | \$9,950,000     |
| Building SF              | 31,136 SF       |
| \$/SF                    | \$319.57        |
| Total Units              | 45              |
| Price/Unit               | \$221,111       |
| Year Built               | 1931            |
| Sold                     | 12/4/2019       |



|                         |                 |
|-------------------------|-----------------|
| <b>9</b>                |                 |
| <b>538 S OXFORD AVE</b> |                 |
| City, State             | Los Angeles, CA |
| Zip Code                | 90020           |
| Sale Price              | \$5,250,000     |
| Building SF             | 17,280 SF       |
| \$/SF                   | \$303.82        |
| Total Units             | 24              |
| Price/Unit              | \$218,750       |
| Year Built              | 1966            |
| Sold                    | 9/20/2019       |



An aerial photograph of a city street, likely in Los Angeles, showing a mix of residential and commercial buildings. The image is overlaid with a semi-transparent blue filter. A white rectangular box is centered on the image, containing the text for the offering memorandum. The text is in white, with the address '808 HOBART' in a larger font size than the other text.

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Senior Managing Director of Investments  
West Los Angeles Office  
Neema@marcusmillichap.com  
Direct Phone: (310) 909-5444  
License: CA 01346750  
[www.theneemagroup.com](http://www.theneemagroup.com)