

**1214 S Lake Street
Los Angeles, CA 90006**

Marcus & Millichap
THE NEEMA GROUP



**37 UNIT VALUE-ADD INVESTMENT OPPORTUNITY IN PRIME WESTLAKE
CONSISTING OF 25 SINGLES AND 12 ONE BEDROOM APARTMENTS
50% RENTAL UPSIDE | LOW PRICE PER UNIT \$148,649 | LOW PPSF \$269**

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EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present 1214 S Lake Ave, Los Angeles, CA 90006. Built in 1914, this 37-unit property is located in the Westlake neighborhood just north of S Alvarado Street between 11th St and Pico Blvd, providing easy access to the 10 & 110 Freeways, Downtown Los Angeles and Koreatown.

The subject property totals 20,460 SF featuring a unit mix that includes 25 singles, 11 one-bedrooms and one one-bedroom plus den. The majority of rents are currently under-market, providing a true value-add opportunity to capture the 50% rental upside through an interior renovation program when units turn. Furthermore, the basement features hookups allowing an investor to install community laundry for additional income. At the asking price, the property is being offered for a low \$148,649 per unit and \$269 per square foot.

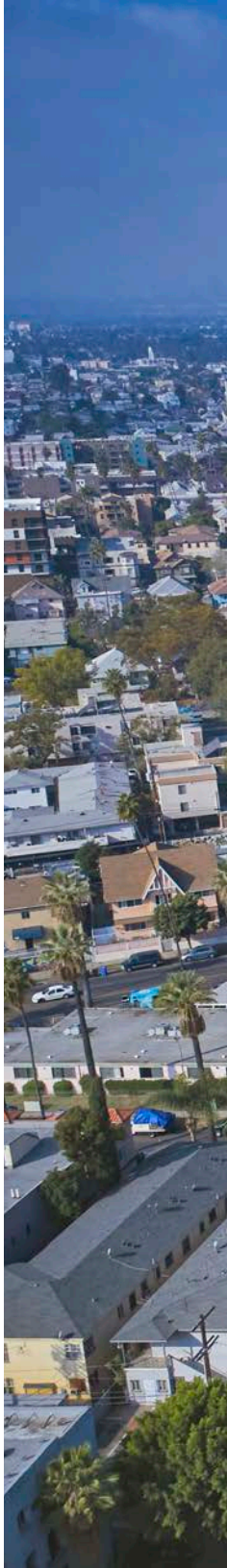
1214 S Lake St has been well-maintained by ownership with recent capital expenditures over the last four years including common area flooring and paint, new security camera system and intercom, exterior trim paint and the installation of a 100-gallon water heater as well as a water pressure regulator and manifold. Additionally, the building is separately metered for gas.

The Westlake neighborhood continues to be one of the most densely populated neighborhoods in all of Los Angeles. The subject property is within walking distance to the 200, 30 & 603 Metro Local Bus Lines and one mile from the Metro Expo Rail Line. With a walk score of 95, close proximity to schools, employment, and transit options, this location makes it convenient for residents to commute throughout the city even without a vehicle.

INVESTMENT HIGHLIGHTS

- 1214 S Lake St is a 37 Unit Value-Add Investment Opportunity located in the Westlake neighborhood just north of S Alvarado Street between 11th St and Pico Blvd, providing easy access to the 10 & 110 Freeways, Downtown Los Angeles and Koreatown.
- The subject property totals 20,460 SF featuring a unit mix that includes 25 singles, 11 one-bedrooms and one one-bedroom plus den.
- The majority of rents are currently under-market, providing a true value-add opportunity to capture the 50% rental upside through an interior renovation program when units turn.
- Furthermore, the basement features hookups allowing an investor to install community laundry for additional income. Additionally, gas is separately metered.
- At the asking price, the property is being offered for a low \$148,649 per unit and \$269 per square foot.
- 1214 S Lake St has been well-maintained by ownership with recent capital expenditures over the last four years including common area flooring and paint, new security camera system and intercom, exterior trim paint and the installation of a 100-gallon water heater as well as a water pressure regulator and manifold.
- High Walk Score of 95, close proximity to schools, employment, and transit options, this location makes it convenient for residents to commute throughout the city even without a vehicle.
- Westlake is the second-most dense neighborhood in Los Angeles County, according to the Los Angeles Times; its rental market continues to thrive as it is in the center of high-growth neighborhoods such as Pico-Union, Koreatown, Echo Park and Downtown Los Angeles

50%
Rental Upside





PROPERTY OVERVIEW

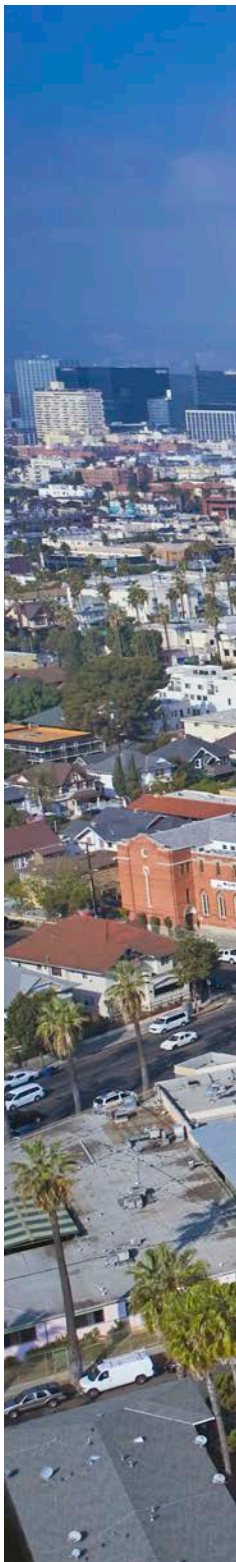
PROPERTY INFORMATION

Address:	1214 S Lake Ave, Los Angeles, CA 90006
Number of Units:	37*
Approx. Gross SF:	20,460
Approx Lot Size:	8,699
Year Built:	1914
APN:	5136-024-012
Zoning:	R4-1-HPOZ

PRICING INFORMATION

Sales Price:	\$5,500,000
Cost per Unit:	\$148,649
Cost Per SF:	\$269
Current GRM:	13.32
Market GRM:	8.89
Current CAP:	3.73%
Market CAP:	7.15%

*Buyer to conduct own due diligence and verify legal unit count, Certificate of Occupancy and rental registration show legal 37 units. Marcus & Millichap and the Seller have not made any investigation and makes no warranty or representation with respect to the presented unit 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.





Westlake

Westlake, located right outside Downtown's employment hub, is a bustling neighborhood with a young professional demographic. Westlake is adjacent to other notable neighborhoods, including Echo Park, Pico Union, Downtown and Koreatown. The neighborhood is extremely dense, with endless streets lined with small businesses. MacArthur Park, designated as the City of Los Angeles Cultural Monument #100, is located in Westlake and is adjacent to the Metro's Westlake/MacArthur Park

Station, which affords access to the Red and Purple lines. Those lines provide public transportation toward Downtown, North Hollywood and toward Koreatown, with West Side extensions projected to be completed in 2027. Westlake has recently seen a flurry of development and public safety initiatives, from mixed-use projects to new crosswalks. M2A Architects was contracted to construct a mixed-use project at the intersection of Olympic and Hoover that will feature 173 dwelling units, nearly 37,000 square feet of

ground-floor commercial space and parking for 262 vehicles. Amidi Group, a San Francisco-based developer, is 50% complete with their \$180 million 1027 Wilshire development. The project will span nine stories and feature 376 residential units, approximately 5,000 square feet of ground-floor retail space, and subterranean parking for more than 800 vehicles.

Bridging the Gap Between Downtown Los Angeles and Koreatown

As Koreatown and Downtown Los Angeles continue to experience tremendous growth that is attracting millions of square feet of new developments, the Westlake submarket is benefitting from the spillover. With luxury upscale communities in Koreatown and Downtown Los Angeles continuing to attract a more affluent tenant profile introducing hundreds of millions of dollars in discretionary income into the submarkets, local businesses are thriving and new social amenities are being drawn to the area further enhancing the region's appeal.



RENT ROLL

UNIT #	UNIT TYPE	ACTUAL RENT	PROFORMA RENT	NOTES	
1	100	1+1	\$1,520	\$1,550	
2	101	1+1+Den	\$817	\$1,750	
3	102	Single	\$919	\$1,300	
4	103	Single	\$583	\$1,300	
5	104	Single	\$947	\$1,300	
6	105	Single	\$862	\$1,300	
7	106	Single	\$930	\$1,300	
8	107	Single	\$783	\$1,300	
9	108	Single	\$949	\$1,300	
10	109	Single	\$557	\$1,300	
11	110	1+1	\$1,024	\$1,550	
12	111	1+1	\$755	\$1,550	
13	200	1+1	\$1,063	\$1,550	
14	201	1+1	\$1,197	\$1,550	
15	202	Single	\$947	\$1,300	
16	203	Single	\$1,195	\$1,300	
17	204	Single	\$777	\$1,300	
18	205	Single	\$859	\$1,300	
19	206	Single	\$619	\$1,300	

UNIT #	UNIT TYPE	ACTUAL RENT	PRO FORMA RENT	NOTES	
20	207	Single	\$805	\$1,300	
21	208	Single	\$654	\$1,300	
22	209	Single	\$1,275	\$1,300	
23	210	1+1	\$1,003	\$1,550	
24	211	1+1	\$941	\$1,550	
25	300	1+1	\$1,237	\$1,550	
26	301	1+1	\$846	\$1,550	
27	302	Single	\$1,300	\$1,300	
28	303	Single	\$1,243	\$1,300	
29	304	Single	\$1,310	\$1,300	
30	305	Single	\$792	\$1,300	
31	306	Single	\$792	\$1,300	
32	307	Single	\$1,300**	\$1,300	vacant
33	308	Single	\$582	\$1,300	
34	309	Single	\$911	\$1,300	
35	310	1+1	\$802	\$1,550	
36	311	1+1		\$1,550	*on-site manager
37	500	Single	\$1,180	\$1,300	

*On-site manager's unit, compensation includes free rent and \$593 per month in wages.

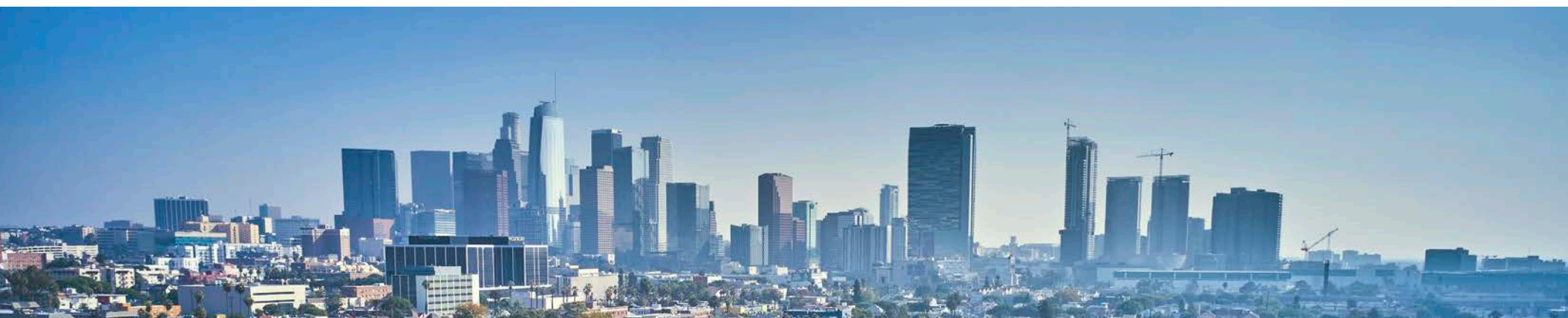
# UNITS	UNIT TYPE	APPROX SF	CURRENT AVG. MONTHLY RENT	CURRENT MONTHLY INCOME	MARKET MONTHLY RENT	MARKET MONTHLY INCOME
25	Single	400	\$923	\$23,071	\$1,300	\$32,500
11	1+1	575	\$944	\$10,388	\$1,550	\$17,050
1	1+1+Den	875	\$817	\$817	\$1,750	\$1,750
TOTAL SCHEDULED RENT				\$34,276		\$51,300
SCEP				\$134		\$134
LAUNDRY						\$150
MONTHLY SCHEDULED GROSS INCOME				\$34,410		\$51,584

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FINANCIAL ANALYSIS

	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	\$412,915		\$619,003	
Less Vacancy Rate Reserve:	\$(20,646)	5.0%	\$(30,950)	5.0%
Gross Operating Income:	\$392,269		\$588,053	
Less Expenses:	\$(186,903)	45.3%	\$(194,734)	31.5%
Net Operating Income:	\$205,366		\$393,319	
Reserves:	\$(7,400)		\$(7,400)	
Less Debt Service:	\$(177,822)		\$(177,822)	
Pre-Tax Cash Flow:	\$20,145	0.9%	\$208,097	9.5%
Plus Principal Reduction:	\$63,925		\$63,925	
Total Return Before Taxes:	\$84,070	3.8%	\$272,022	12.4%



EXPENSES	%	CURRENT	PROFORMA
Taxes: Rate	1.20%	\$66,000	\$66,000
Insurance		\$11,896	\$11,896
Utilities:		\$51,422	\$51,422
Waste Removal		\$9,535	\$9,535
Repairs & Maintenance		\$18,500	\$18,500
Direct Assessment		\$2,373	\$2,373
Management	4%	\$15,691	\$23,522
Cleaning		\$1,500	\$1,500
Pest Control		\$1,020	\$1,020
On Site Manager		\$7,116	\$7,116
License & Fees		\$1,850	\$1,850
Total Expenses:		\$186,903	\$194,734
Per Net Sq. Ft.:		\$9.14	\$9.52
Per Unit:		\$5,051	\$5,263

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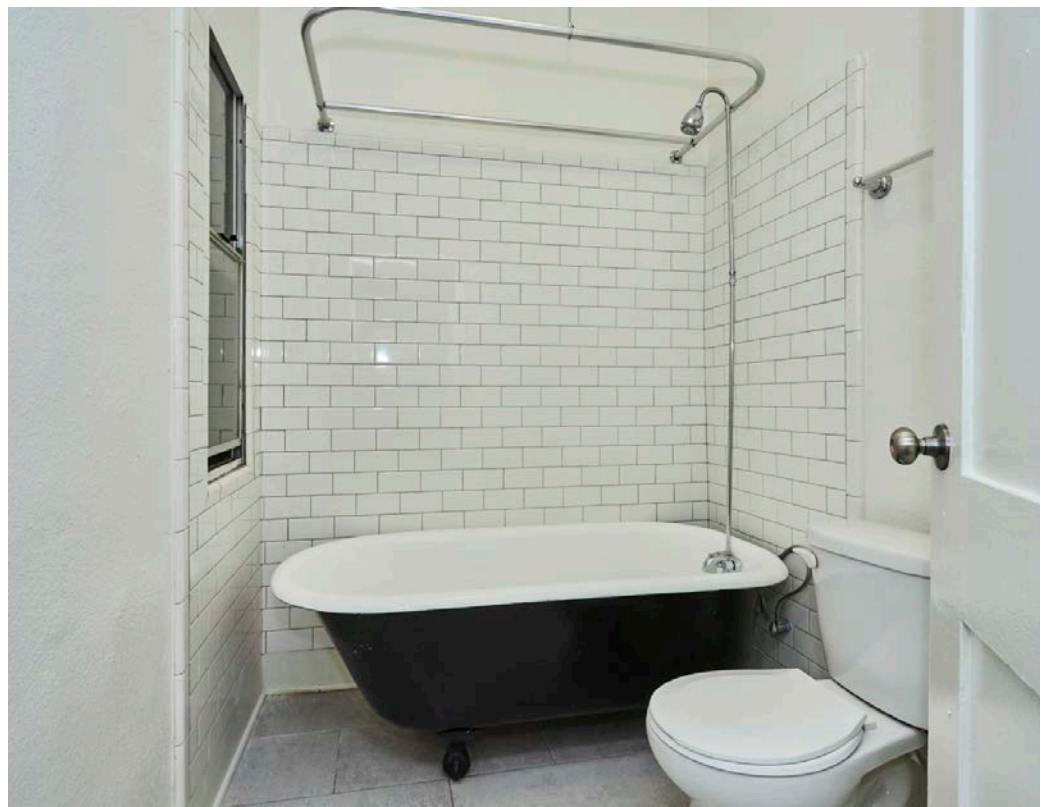
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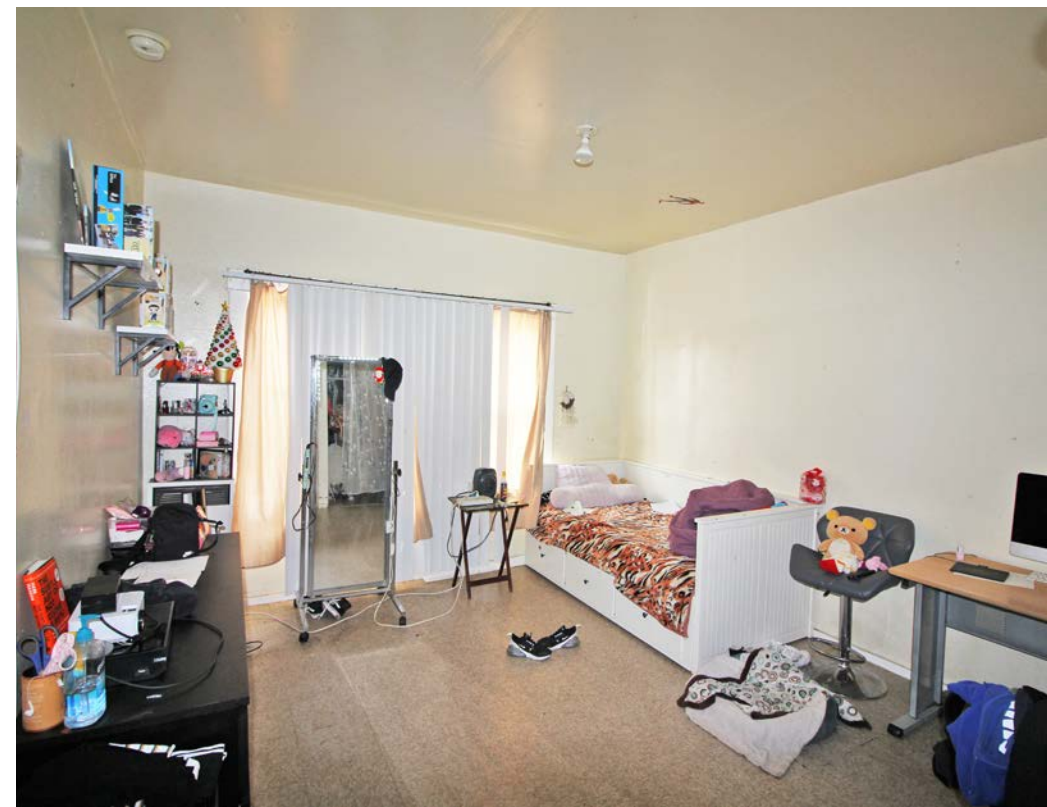
Price:		\$5,500,000
Down Payment:	40%	\$2,200,000
Number of Units:		37*
Cost per Legal Unit:		\$148,649
Current GRM:		13.32
Market GRM:		8.89
Current CAP:		3.73%
Market CAP:		7.15%
Approx. Age:		1914
Approx. Lot Size:		8,699
Approx. Gross SF:		20,460
Cost per Net GSF:		\$269

NEW POTENTIAL FINANCING

New First Loan:		\$3,300,000
Interest Rate:		3.50%
Amortization:		30
Monthly Payment:		\$14,818.47
DCR:		1.15

UNIT 307

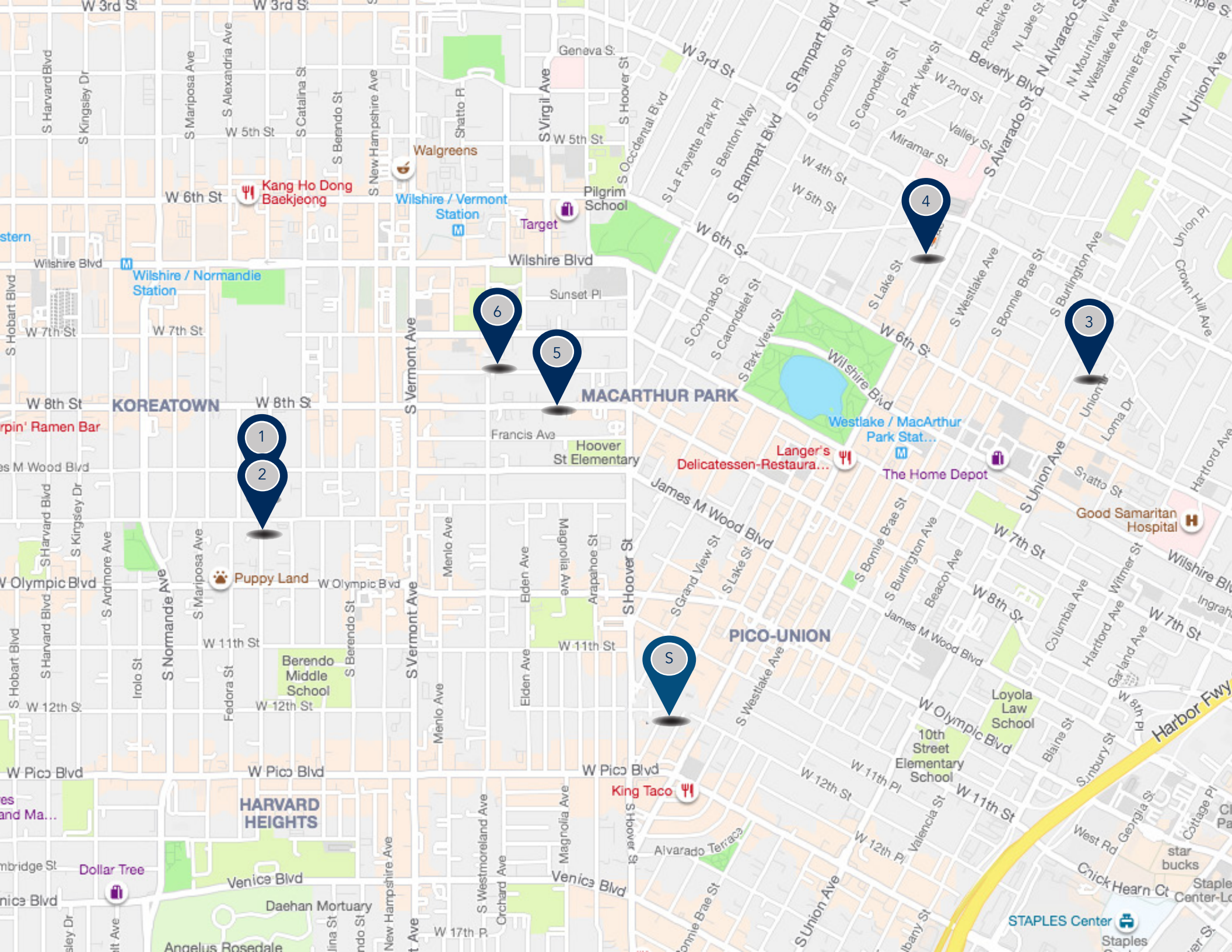




MARKET COMPARABLES

	PROPERTY NAME	SALES PRICE	YEAR BUILT	PRICE/UNIT	PRICE/SF	CURRENT CAP	CURRENT GRM	CLOSING DATE
	1214 S Lake Ave, Los Angeles, CA 90006	\$5,500,000	1914	\$148,649	\$269	3.73%	13.32	N/A
1	915 S Kenmore Ave, Los Angeles, CA 90006	\$2,675,000	1923	\$148,611	\$356	4.40%	12.10	10/14/20
2	941 S Kenmore Ave, Los Angeles, CA 90006	\$3,850,000	1923	\$160,417	\$279	3.37%	13.23	7/7/20
3	430 S Union Ave, Los Angeles, CA 90017	\$4,275,000	1926	\$142,500	\$287	3.88%	13.03	5/8/20
4	412 S Lake St, Los Angeles, CA 90057	\$8,950,000	1927	\$218,293	\$407	5.35%	11.68	10/18/19
5	2795 W 8th St, Los Angeles, CA 90005	\$6,000,000	1925	\$166,667	\$297	4.07%	12.81	9/27/19
6	2975 Leeward Ave, Los Angeles, CA 90005	\$6,550,000	1927	\$142,391	\$302	4.21%	12.67	5/28/19





Kang Ho Dong Baekjeong

Walgreens

Wilshire / Vermont Station

Target

Pilgrim School

Wilshire / Normandie Station

Wilshire Blvd

MACARTHUR PARK

Westlake / MacArthur Park Stat...

Langer's Delicatessen-Restaura...

The Home Depot

Good Samaritan Hospital

Puppy Land

Berendo Middle School

PICO-UNION

Loyola Law School

10th Street Elementary School

HARVARD HEIGHTS

King Taco

Dollar Tree

Venice Blvd

Daehan Mortuary

STAPLES Center

Staples

Harbor Fwy

★ 1214 S Lake Ave
Los Angeles, CA 90006

SUBJECT PROPERTY



Offering Price	\$5,500,000
Number of Units	37
Year Built	1914
GRM	13.32

Price per Unit	\$148,649
Price per SF	\$269
CAP Rate	3.73%

# Units	Unit Type
25	Single
11	1+1
1	1+1+Den

Sales Comparables | 1214 S Lake Street



1 915 S Kenmore Ave
Los Angeles, CA 90006

Sales Price	\$2,675,000
Number of Units	18
Year Built	1923
Price per Unit	\$148,611
Price per SF	\$356
CAP Rate	4.40%
GRM	12.10
Date Sold	10/14/20
# Units	Unit Type
18	Single

2 941 S Kenmore Ave
Los Angeles, CA 90006

Sales Price	\$3,850,000
Number of Units	24
Year Built	1923
Price per Unit	\$160,417
Price per SF	\$279
CAP Rate	3.37%
GRM	13.23
Date Sold	7/7/20
# Units	Unit Type
24	Singles

3 430 S Union Ave
Los Angeles, CA 90017

Sales Price	\$4,275,000
Number of Units	30
Year Built	1926
Price per Unit	\$142,500
Price per SF	\$287
CAP Rate	3.88%
GRM	13.03
Date Sold	5/8/20
# Units	Unit Type
30	Singles

Sales Comparables | 1214 S Lake Street



4 412 S Lake St
Los Angeles, CA 90057

Sales Price	\$8,950,000
Number of Units	41
Year Built	1927
Price per Unit	\$218,293
Price per SF	\$407
CAP Rate	5.35%
GRM	11.68
Date Sold	10/18/19
# Units	Unit Type
33	Singles
8	1+1



5 2795 W 8th St
Los Angeles, CA 90005

Sales Price	\$6,000,000
Number of Units	35
Year Built	1925
Price per Unit	\$166,667
Price per SF	\$297
CAP Rate	4.07%
GRM	12.81
Date Sold	9/27/19
# Units	Unit Type
28	Singles
8	1+1



6 2975 Leeward Ave
Los Angeles, CA 90005

Sales Price	\$6,550,000
Number of Units	46
Year Built	1927
Price per Unit	\$142,391
Price per SF	\$302
CAP Rate	4.21%
GRM	12.67
Date Sold	5/28/19
# Units	Unit Type
44	Singles
2	1+1

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.)

RENT DISCLAIMER

Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Marcus & Millichap makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.

EXCLUSIVELY LISTED BY

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