



EIGHT-UNIT INVESTMENT OPPORTUNITY IN  
THE COUNTRY CLUB PARK NEIGHBORHOOD  
OF MID-CITY

STRONG IN-PLACE CASH FLOW OFFERED AT  
A 4.40% CAP RATE ON CURRENT INCOME  
WITH ADDITIONAL RENTAL UPSIDE OF 28%

Marcus & Millichap  
THE NEEMA GROUP

1138

BRONSON AVE

LOS ANGELES, CA 90019

OFFERING MEMORANDUM



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DOWNTOWN  
LOS ANGELES

COUNTRY CLUB DR



SUBJECT PROPERTY

BRONSON AVE



## EXECUTIVE SUMMARY

# 1138 BRONSON AVE

## LOS ANGELES, CA 90019

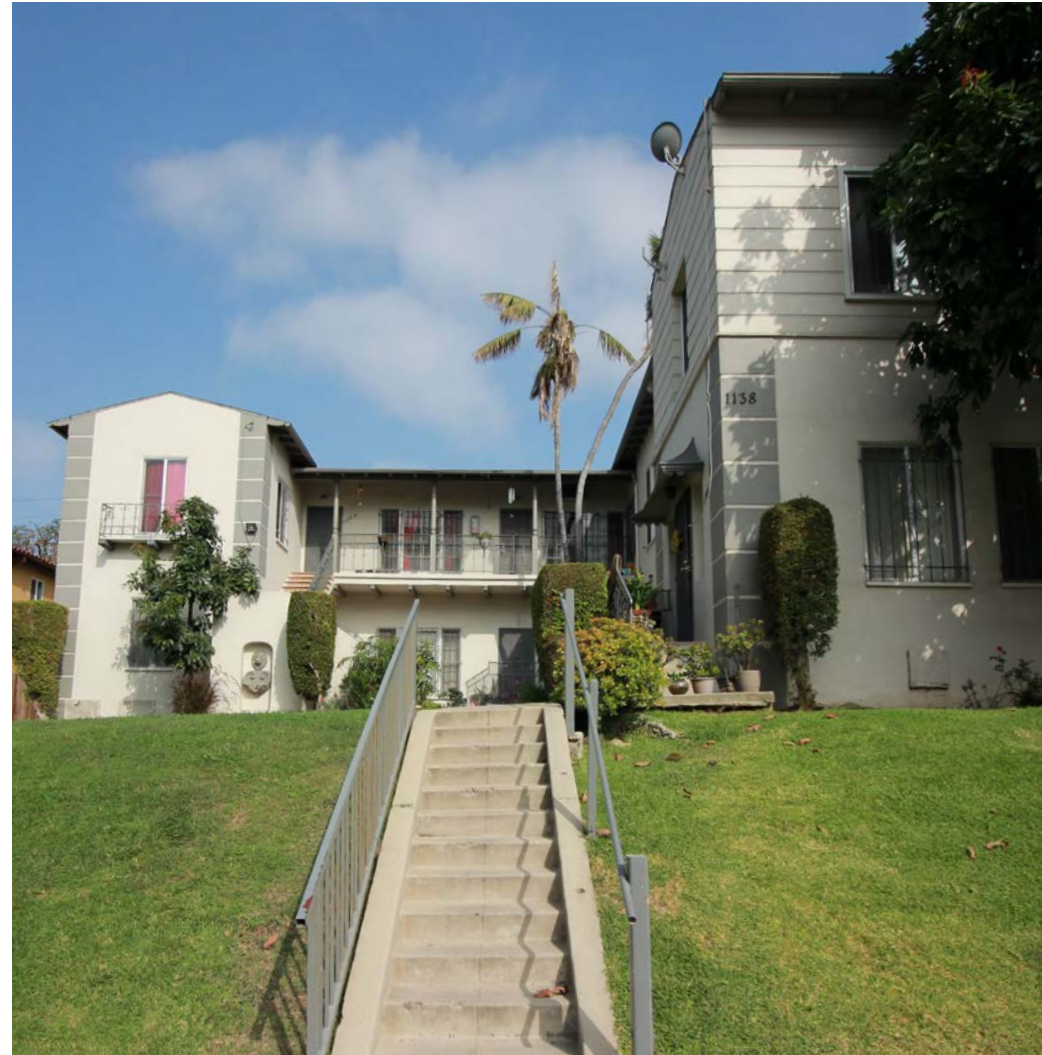
The Neema Group of Marcus & Millichap is pleased to present 1138 S Bronson Avenue, Los Angeles, CA 90019. Built in 1933, this 8-unit property is in the premier Country Club Park neighborhood, located between Olympic Blvd and Pico Boulevard, just south of Wilshire Park. 1138 S Bronson Ave is surrounded by some of the city's most iconic restaurants, nightlife, cafes, and shopping.

1138 Bronson Avenue totals 6,634 SF featuring a unit mix that includes four two-bedrooms and four one-bedroom units. This is a prime opportunity for an investor to acquire a building with strong in-place income with additional rental upside of 28%. The subject property is being offered at a 4.40% CAP rate on current income. Additionally, tenants are responsible for waste removal with individual trash bins and the building is separately metered for gas and electricity.

The units boast dual entrances, hardwood floors throughout, tile floor in the kitchen and bathroom, updated kitchen cabinets, modern appliances (gas oven with designer range top, refrigerator, and microwave) and granite countertops. The units also feature large closets, air-conditioning, and ceiling fans.

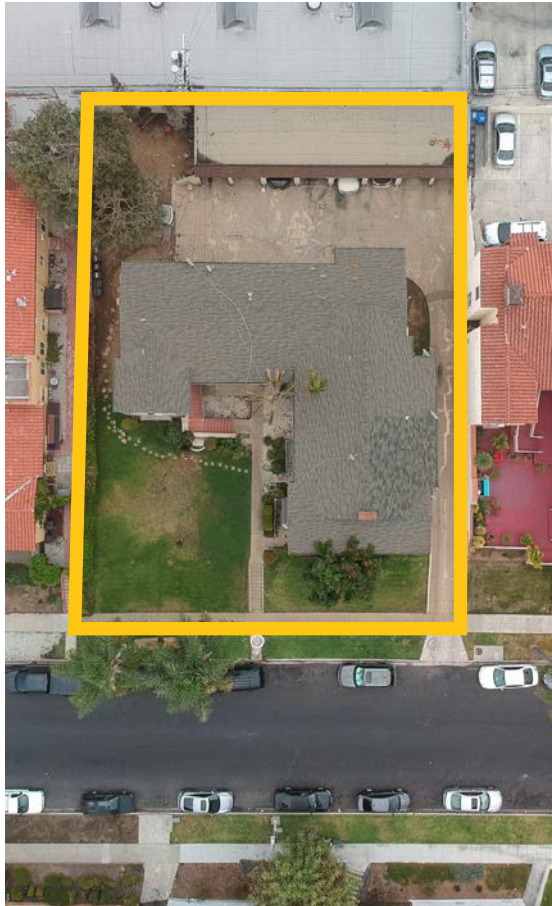
The building is set on a 13,301 SF lot with community landscaped front yard with a water fountain. Furthermore, the property features community laundry and eight parking spaces in covered garages.

Country Club Park is one of the most historic submarkets in Los Angeles and a destination for ethnic cuisine. The subject property boasts a high walk score of 87, a "very walkable neighborhood". Extensive dining and nightlife is in close proximity to the building including the original Café El Chole, BCD Tofu House, Gus's World Famous Fried Chicken, Replublique, and much more.



# 1138 BRONSON AVE

LOS ANGELES, CA 90019



- The subject property was built in 1933, featuring eight units located in the Country Club Park neighborhood between Olympic Blvd and Pico Boulevard, just south of Wilshire Park. 1138 Bronson Ave is surrounded by some of the city's most iconic restaurants, nightlife, cafes, and shopping.
- The Subject property totals 6,634 SF featuring a unit mix that includes four two-bedroom and four one-bedroom units.
- Offered at a 4.40% CAP rate on current income; prime opportunity for an investor to acquire a building with strong in-place income with additional rental upside of 28%.
- Low utilities as tenants are responsible for waste removal with individual trash bins; the building is also separately metered for gas and electricity.
- The units boast dual entrances, hardwood floors throughout, tile floor in the kitchen and bathroom, updated kitchen cabinets, modern appliances (gas oven with designer range top, refrigerator, and microwave) and granite countertops.
- The building is set on a 13,301 SF lot with community landscaped front yard with a water fountain. Furthermore, the property features community laundry.
- The subject property boasts a high walk score of 87, a "very walkable neighborhood".







# INVESTMENT DETAILS

## PROPERTY INFORMATION

Address	1138 Bronson Avenue Los Angeles, CA 90019
Approx. Gross SF	6,634 SF
Approx. Lot Size	13,301 SF
Year Built	1933
APN	5081-006-011
Zoning	R3-1-O-HPOZ

## PRICING INFORMATION

Sales Price:	\$2,495,000
Down Payment (40%):	\$998,000
Cost per Legal Unit:	\$311,875
Cost per SF:	\$376
Number of Units:	8
Current GRM:	14.20
Market GRM:	11.13
Current CAP:	4.40%
Market CAP:	6.02%



## NEW POTENTIAL FINANCING

New First Loan	\$1,497,000
Interest Rate	3.50%
Amortization	30
Monthly Payment	\$6,722.20
DCR	1.36



## AREA OVERVIEW

### MID CITY

Mid-City is bounded on the north by Pico Boulevard, on the east by Crenshaw Boulevard, on the south by the Santa Monica Freeway and on the west by Robertson Boulevard. Mid-City is in a strategic location in Los Angeles, surrounded by job centers in Culver City and Downtown.

Metro is currently constructing the 8.5-mile Metro Crenshaw/LAX train line at the intersection of Exposition and Crenshaw boulevards. The line will run from Leimert Park through Baldwin Hills, Hyde Park and Inglewood before stopping at the Green Line south of LAX. The Mid-City/Mid-Wilshire submarket has seen impressive income growth, highlighted by several notable developments taking shape.

The submarket has seen impressive average household income growth, increasing from \$60,925 to \$72,617 between 2010 and 2018. Notable developments within Mid-City include a mixed-use hotel and residential building at 6075 Pico Boulevard and the redevelopment of the former Google Orange Julius stand at 6001 West Pico Boulevard.





# AMENTIES MAP





## RENT ROLL

	UNIT #	UNIT TYPE	ACTUAL RENT	MARKET RENT	NOTES
1	1138	2+1	\$1,802	\$2,650	
2	1138.5	2+1	\$2,095	\$2,650	
3	1140	2+1	\$1,601	\$2,650	
4	1140.5	2+1	\$2,650	\$2,650	Vacant
5	1142	1+1	\$1,800	\$2,000	
6	1142.5	1+1	\$1,343	\$2,000	
7	1144	1+1	\$1,266	\$2,000	
8	1144.5	1+1	\$2,000	\$2,000	Will be Vacant
Monthly Scheduled Gross Rent			\$14,557	\$18,600	
Additional Income - SCEP			\$25	\$25	
CAP Ex			\$63	\$36	
Annual Scheduled Gross Income			\$175,739	\$224,255	



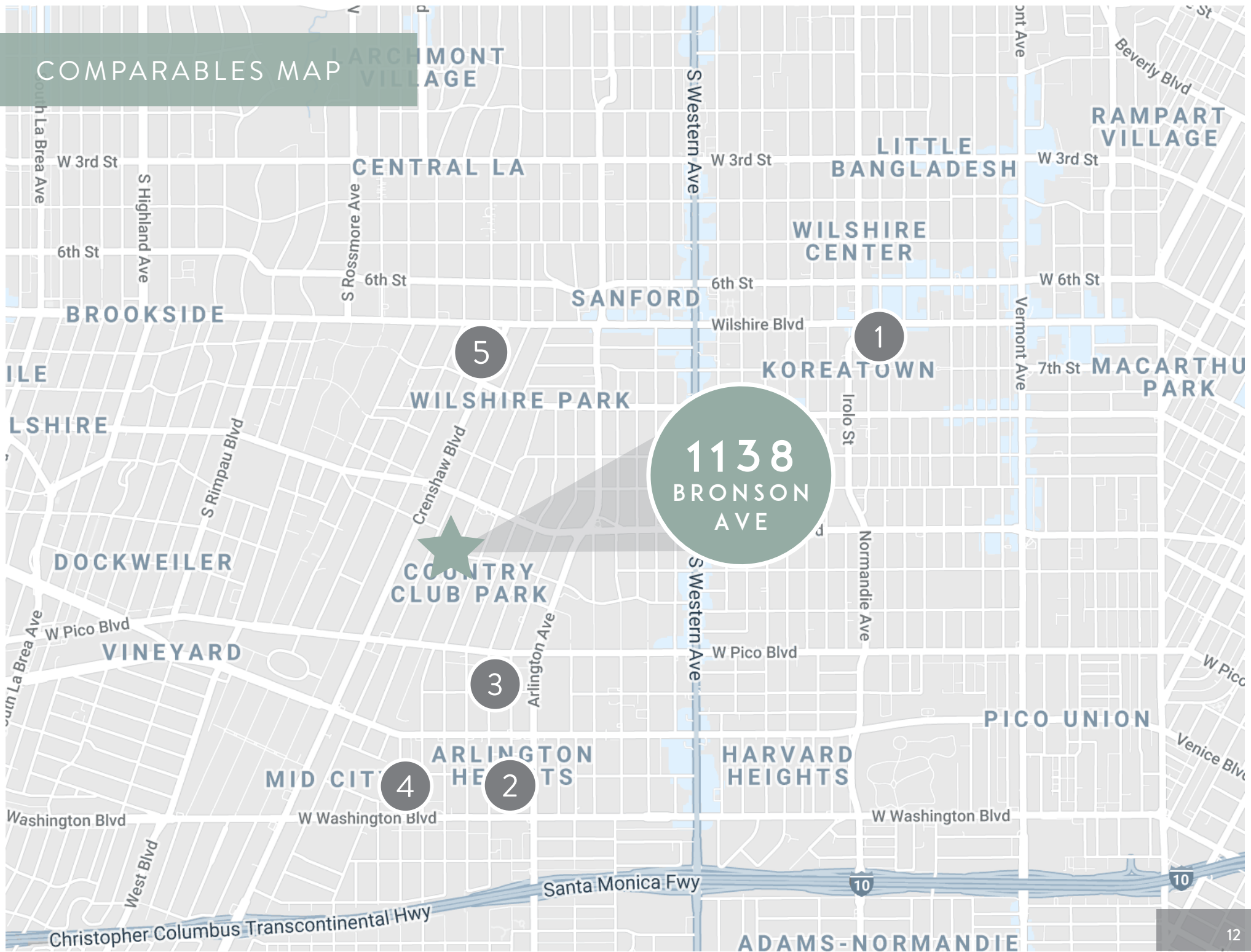
# FINANCIALS

ANNUALIZED OPERATING DATA		CURRENT		MARKET
Scheduled Gross Income		\$175,739		\$224,255
Less Vacancy Rate Reserve	3.0%	(\$5,272)	5.0%	(\$11,213)
Gross Operating Income		\$170,467		\$213,042
Less Expenses	34.6%	(\$60,788)	28.1%	(\$62,917)
Net Operating Income		\$109,678		\$150,125
Reserves		(\$1,600)		(\$1,600)
Less Debt Service		(\$80,666)		(\$80,666)
Pre-Tax Cash Flow	2.7%	\$27,412	6.8%	\$67,859
Plus Principal Reduction		\$28,999		\$28,999
Total Return Before Taxes	5.7%	\$56,411	9.7%	\$96,858

OPERATING EXPENSES		CURRENT		MARKET
Taxes (1.20%)		\$29,940		\$29,940
Insurance		\$2,811		\$2,811
Utilities		\$7,354		\$7,354
Landscaping		\$4,310		\$4,310
Repairs & Maintenance		\$5,600		\$5,600
Management (5%)		\$8,523		\$10,652
Pest Control		\$505		\$505
License & Fees		\$400		\$400
Direct Assessment		\$1,345		\$1,345
Total Expenses		\$60,788		\$62,917
Per Net Sq. Ft		\$9.16		\$9.48
Per Unit		\$7,598.54		\$7,864.64



# COMPARABLES MAP







## SUBJECT PROPERTY

ADDRESS	1138 Bronson Ave Los Angeles CA	BUILDING SIZE	6,634 SF
SALES PRICE	\$2,495,000	PRICE PER UNIT	\$311,875

# 01



ADDRESS	848-850 S Kingsley Dr Los Angeles, CA 90005
SALES PRICE	\$2,250,000
CAP RATE	4.00%
BUILDING SF	5,208 SF
YEAR BUILT	1938
PRICE PER SF	\$432
PRICE PER UNIT	\$250,000
DATE SOLD	2/4/2020
UNIT MIX	3/33% (0 + 1) 5/56% (1 + 1) 1/11% (2 + 1)

## SALES COMPARABLES

# 02



ADDRESS	2001 2nd Ave Los Angeles, CA 90018
SALES PRICE	\$2,918,000
BUILDING SF	7,987 SF
YEAR BUILT	1926
PRICE PER SF	\$365
PRICE PER UNIT	\$486,333
DATE SOLD	3/13/2020
UNIT MIX	2/33% (1 + 1) 4/67% (3 + 2)(3 + 1)

## SALES COMPARABLES

### 03



ADDRESS	1714 3rd Ave Los Angeles, CA 90019
SALES PRICE	\$1,160,000
CAP RATE	5.20%
GRM	12.26
BUILDING SF	3,260 SF
YEAR BUILT	1907
PRICE PER SF	\$356
PRICE PER UNIT	\$193,333
DATE SOLD	5/20/2021
UNIT MIX	3/50% (0 + 1) 3/50% (1 + 1)

### 04



ADDRESS	2204 7th Ave Los Angeles, CA 90018
SALES PRICE	\$3,375,000
BUILDING SF	8,488 SF
YEAR BUILT	1929
PRICE PER SF	\$398
PRICE PER UNIT	\$281,250
DATE SOLD	11/3/2020
UNIT MIX	8/33% (0 + 1) 11/46% (1 + 1) 5/21% (2 + 2)(2 + 1)

### 05



ADDRESS	707-709 Crenshaw Blvd Los Angeles, CA 90005
SALES PRICE	\$2,100,000
GRM	13.00
BUILDING SF	6,362 SF
YEAR BUILT	1940
PRICE PER SF	\$330
PRICE PER UNIT	\$210,000
DATE SOLD	4/7/2021
UNIT MIX	6/60% (0 + 1) 4/40% (2 + 1)






## SUBJECT PROPERTY

ADDRESS	1138 Bronson Ave Los Angeles CA	1+1 CURRENT RENTS	\$1,602
SALES PRICE	\$2,495,000	2+1 CURRENT RENTS	\$2,037

## RENT COMPARABLES

		ADDRESS	UNIT TYPE	SQ. FT.	RENT
1		3800 Country Club Dr, Los Angeles, CA 90019	1+1	750	\$1,899
2		635 S Ridgeley Dr, Los Angeles, CA 90036	1+1	750	\$2,250
3		1438 1/2 S Victoria Ave, Los Angeles, CA 90019	1+1	600	\$2,250
4		1303 S Cloverdale Ave, Los Angeles, CA 90019	1+1	N/A	\$1,920
5		4920 W 20th St, Los Angeles, CA 90016	1+1	750	\$2,195
6		1250 4th Ave, Los Angeles, CA 90019	2+1	1,500	\$2,750
7		1738 S Mansfield Ave, Los Angeles, CA 90019	2+1	1,227	\$2,575
8		1130 S Citrus Ave, Los Angeles, CA 90019	2+1	1,100	\$2,700
9		957 S Gramercy Dr, Los Angeles, CA 90019	2+1	1,000	\$2,800
10		1841 S Manhattan Pl, Los Angeles, CA 90019	2+1	N/A	\$2,500



## 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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