



1639
S. HOBART BLVD.
LOS ANGELES, CA 90006

**Harvard Heights Value-Add Opportunity Located on the Corner of Venice Blvd
& Hobart Blvd; Over 59% Rental Upside**

**13 Apartment Units and One Commercial Space with 12 One-Bedrooms and 1
Three-Bedroom; 13 Parking Spaces with no Soft Story
Retrofit Required**

Marcus & Millichap
THE NEEMA GROUP

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Marcus & Millichap
THE NEEMA GROUP



EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present 1639 S Hobart Blvd in the Harvard Heights neighborhood of Los Angeles.

Totaling 8,640 SF, the subject property includes 13 apartment units and one commercial space located on the southwest corner of Venice Blvd & Hobart Blvd just east of Western Ave. This is a true value-add opportunity with significant rental upside of over 59%.

Built in 1963, 1639 S Hobart Blvd features a unit mix of 12 one-bedroom units, one three-bedroom unit and one commercial unit currently occupied by an office tenant. Current rents are below market and present an investor the opportunity to capture pro forma rents over time through interior renovations and upgraded exterior facade. At the asking price, the subject

property is being offered at a low price per unit of \$192,308 and pro forma CAP rate of 7.47%. The property has 13 gated parking spaces and there is no soft story retrofit required. 1639 S Hobart Blvd has a secure, gated entry and common area courtyard. The property has limited landlord responsibilities as gas and electricity is separately metered and trash removal is handled by the city of Los Angeles.

Harvard Heights is a densely populated neighborhood with historical and architectural significance. The demand for apartment units increases year-over-year exemplified with surrounding new residential and office developments as well as major employers established in the submarket. The subject property has a walk score of 90 with easy access to public transportation, nightlife, dining, education and the Santa Monica Freeway.

13
APARTMENTS
UNITS

12
1 BR UNITS

1
3 BR UNITS

1
COMMERCIAL
UNIT

13
PARKING
SPACES

PROPERTY SUMMARY

PROPERTY INFORMATION

Address	1639 S. Hobart Blvd. Los Angeles, CA 90006
Number of Units	13 apartment units, 1 commercial
Approx. Gross SF	8,640 SF
Approx. Lot Size	10,015 SF
Year Built	1963
APN	5074-018-025
Zoning	C1-1VL-HPOZ-CPIO

PRICING INFORMATION

Sales Price	\$2,500,000
Cost per Legal Unit	\$192,308
Cost per Bldg SF	\$289
Current CAP Rate	3.69%
Market CAP Rate	7.47%
Current GRM	14.31
Market GRM	8.95



INVESTMENT HIGHLIGHTS

- 1639 S Hobart Blvd is a true value-add investment opportunity located in the Harvard Heights neighborhood of Los Angeles on the southwest corner of Venice Blvd & Hobart Blvd just east of Western Ave, a location just a couple miles from Downtown Los Angeles and Koreatown with easy access to the 10 Freeway
- The building features a unit mix of 12 one-bedrooms, one three-bedroom and one commercial unit that is currently occupied by an office tenant; there are 13 gated parking spaces with no soft story retrofit work required
- Offered at a low price per unit of \$192,308, 1639 S Hobart Blvd is a value-add opportunity with current rents below market and significant upside of over 59%; the majority of the units have not been renovated and allowing an investor to capture pro forma rents over time with an interior renovation program and upgraded exterior facade
- The subject property has a gated entry and common area courtyard; the building has copper plumbing throughout, is separately metered for gas and electric, and the landlord is not responsible for trash removal as it is handled by the city of Los Angeles
- The commercial unit is currently rented as office space on a gross lease expiring in March of 2024; the tenant has a fixed rental increase in April 2023 and one two-year option to extend
- Opportunity to acquire an asset with a loss-to-lease of 38% with a pro forma CAP rate of 7.47%
- The property has a high walk score of 90 and is two blocks from the Western/Venice metro stops; just down the street from Loyola High School as well as major retailers such as CVS and Food 4 Less
- Harvard Heights is a densely populated neighborhood of over 20,000 people that is known for its architecturally significant real estate and sits just west of Downtown Los Angeles

7.47%

PROFORMA CAP RATE

59%

SIGNIFICANT UPSIDE

LOYALA
HIGH SCHOOL

NORMANDIE
RECREATION
CENTER

DTLA

1639

S. HOBART BLVD.

HOBART BLVD

VENICE BLVD

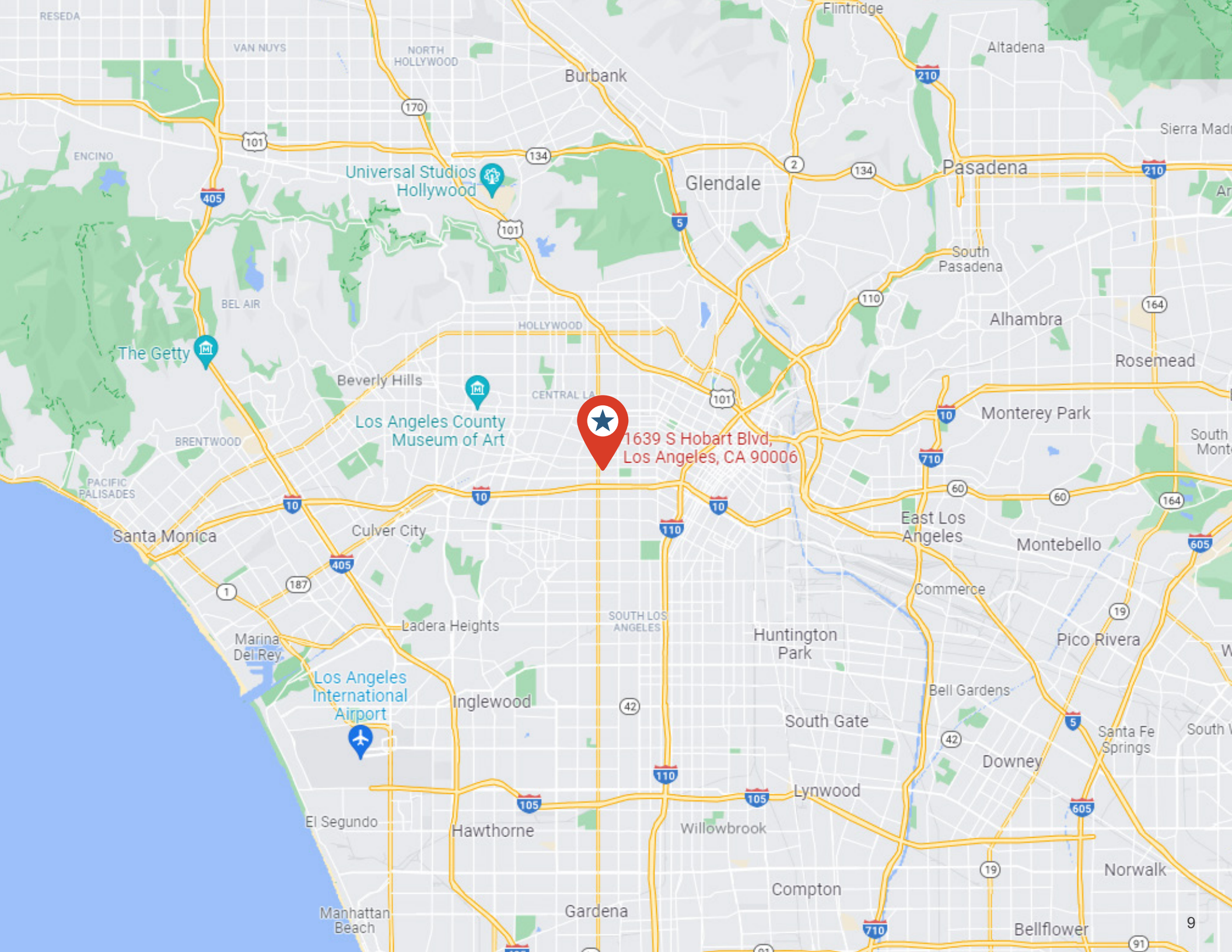
1639
S. HOBART BLVD.

KOREATOWN

Smart
& Final

HOBART BOULEVARD

VENICE BOULEVARD



1639 S Hobart Blvd,
Los Angeles, CA 90006

1639
S. HOBART BLVD.

WESTERN PLAZA
SHOPPING CENTER

WESTERN SQUARE
SHOPPING MALL



VENICE BOULEVARD





VALUE-ADD RENOVATION CONCEPTS

INTERIOR RENOVATIONS

- New appliances
- Modern countertops
- Stylish paint schemes
- Vinyl plank flooring
- New plumbing fixtures
- New light fixtures



RENT ROLL

UNIT NO.	UNIT TYPE	ACTUAL RENTS	PRO FORMA RENTS
	Commercial	\$1,000	\$1,350
1	1+1	\$1,047	\$1,600
2	1+1	\$1,205	\$1,600
3	3+1	\$1,048	\$2,500
4	1+1	\$1,051	\$1,600
5	1+1	\$712	\$1,600
6	1+1	\$989	\$1,600
7	1+1	\$1,050	\$1,600
8	1+1	\$1,020	\$1,600
9	1+1	\$989	\$1,600
10	1+1	\$1,052	\$1,600
11	1+1	\$1,000	\$1,600
12	1+1	\$1,238	\$1,600
14	1+1	\$989	\$1,600
Total		\$14,390	\$23,050

1+1	\$12,342	\$19,200
3+1	\$1,048	\$2,500
Commercial	\$1,000	\$1,350
Total	\$14,390	\$23,050

FINANCIALS

ANNUALIZED OPERATING DATA	CURRENT RENTS	MARKET RENTS
Scheduled Gross Income:	\$174,730	\$279,430
Less Vacancy Rate Reserve:	\$8,737 5.0%	\$(13,972) 5.0%
Gross Operating Income:	\$165,994	\$265,459
Less Expenses:	\$73,659 42.2%	\$(78,632) 28.1%
Net Operating Income:	\$92,335	\$186,827
Reserves:	\$2,600	\$(2,600)
Less Debt Service:	\$80,828	\$(80,828)
Pre-Tax Cash Flow:	\$8,907 0.9%	\$103,399 10.3%
Plus Principal Reduction:	\$29,057	\$29,057
Total Return Before Taxes:	\$37,964 3.8%	\$132,456 13.2%

# OF UNITS	UNIT TYPE	AVG. MO. RENT/UNIT	MONTHLY INCOME	MONTHLY RENT/UNIT	MONTHLY INCOME
12	1+1	\$1,029	\$12,342	\$1,600	\$19,200
1	3+1	\$1,048	\$1,048	\$2,500	\$2,500
1	Commercial	\$1,000	\$1,000	\$1,350	\$1,350

Total Scheduled Rent:	\$14,390	\$23,050
SCEP	\$36	\$36
Parking	\$135	\$200
Monthly Scheduled Gross Income:	\$14,561	\$23,286
Annual Scheduled Gross Income:	\$174,561	\$279,430

EXPENSES	%	CURRENT	PROFORMA
Taxes: Rate	1.20%	\$30,000	\$30,000
Insurance		\$4,320	\$4,320
Utilities:		\$19,093	\$19,093
Repairs & Maintenance		\$6,500	\$6,500
Management	4%	\$8,300	\$13,273
Landscaping		\$1,950	\$1,950
Pest Control		\$700	\$700
License & Fees		\$1,066	\$1,066
Direct Assessment		\$1,730	\$1,730
Total Expenses:		\$73,659	\$78,632
Per Net Sq. Ft.:		\$8.53	\$9.10
Per Unit:		\$5,666.05	\$6,048.61

PRICING		
Price:		\$2,500,000
Down Payment:	40%	\$1,000,000
Number of Units:		13
Cost per Legal Unit:		\$192,308
Current GRM:		14.31
Market GRM:		8.95
Current CAP:		3.69%
Market CAP:		7.47%
Approx. Age:		1963
Approx. Lot Size:		10,015
Approx. Gross SF:		8,640
Cost per Net GSF:		\$289.35

ASSUMABLE FINANCING

New First Loan:	\$1,500,000
Interest Rate:	3.50%
Amortization:	30
Monthly Payment:	\$6,735.67
DCR:	1.15

SALES COMPARABLES



ADDRESS	1639 S. Hobart Blvd. Los Angeles, CA 90006	PRICE/UNIT	\$192,308
SALES PRICE	\$2,500,000	DATE SOLD	-
BLDG SF	8,640 SF	YEAR BUILT	1963
LOT SIZE	10,015 SF	NO. OF UNITS	13
PRICE/SF	\$289	CAP RATE	3.69%

1



ADDRESS 1550 2nd Avenue,
Los Angeles CA 90019

SALES PRICE	\$1,800,000
BLDG SF	6,586
LOT SIZE	7,501
PRICE/SF	\$273
PRICE/UNIT	\$200,000
DATE SOLD	9/3/2020
YEAR BUILT	1964
NO. OF UNITS	9
CAP RATE	-

2



ADDRESS 1732 6th Avenue,
Los Angeles CA 90019

SALES PRICE	\$1,875,000
BLDG SF	6,123
LOT SIZE	7,501
PRICE/SF	\$306
PRICE/UNIT	\$208,333
DATE SOLD	8/20/2021
YEAR BUILT	1965
NO. OF UNITS	9
CAP RATE	4.10%

3



ADDRESS 1962 W. 22nd Street,
Los Angeles, CA 90018

SALES PRICE	\$1,555,000
BLDG SF	5,866
LOT SIZE	6,534
PRICE/SF	\$265
PRICE/UNIT	\$194,375
DATE SOLD	4/9/2021
YEAR BUILT	1964
NO. OF UNITS	8
CAP RATE	4.20%

4



ADDRESS 1650 S. Gramercy Pl,
Los Angeles, CA 90019

SALES PRICE \$3,710,000

BLDG SF 12,446

LOT SIZE 15,246

PRICE/SF \$298

PRICE/UNIT \$185,500

DATE SOLD 5/13/2021

YEAR BUILT 1960

NO. OF UNITS 20

CAP RATE 4.00%

5



ADDRESS 1843 S. Gramercy Pl,
Los Angeles, CA 90019

SALES PRICE \$2,200,000

BLDG SF 9,828

LOT SIZE

PRICE/SF \$224

PRICE/UNIT \$200,000

DATE SOLD 7/21/2021

YEAR BUILT 1962

NO. OF UNITS 11

CAP RATE 3.82%

6



ADDRESS 1501 S. Manhattan Pl,
Los Angeles, CA 90019

SALES PRICE \$3,720,000

BLDG SF 16,380

LOT SIZE 13,146

PRICE/SF \$227

PRICE/UNIT \$186,000

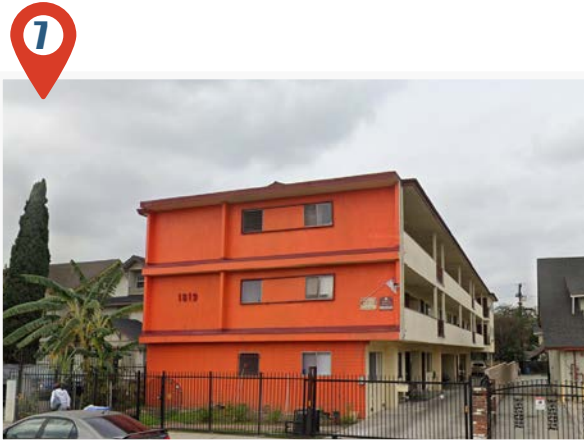
DATE SOLD 5/21/2021

YEAR BUILT 1961

NO. OF UNITS 20

CAP RATE 3.58%

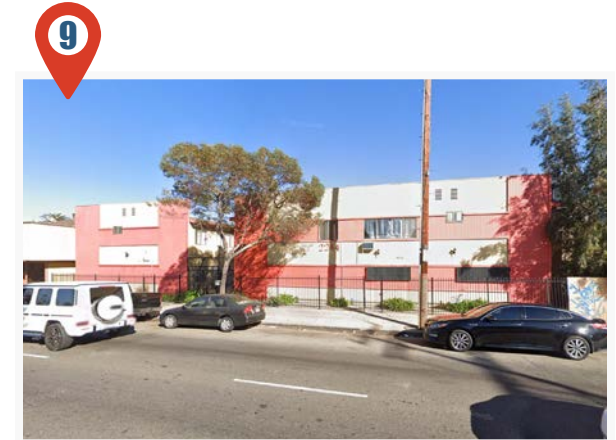
SALES COMPARABLES



ADDRESS	1819 S. Manhattan Pl, Los Angeles, CA 90019
SALES PRICE	\$2,400,000
BLDG SF	10,332
LOT SIZE	9,235
PRICE/SF	\$232
PRICE/UNIT	\$200,000
DATE SOLD	6/8/2021
YEAR BUILT	1965
NO. OF UNITS	12
CAP RATE	2.38%







ADDRESS	1641 S. New Hampshire Avenue, Los Angeles, CA 90006
SALES PRICE	\$1,455,000
BLDG SF	4,809
LOT SIZE	6,534
PRICE/SF	\$303
PRICE/UNIT	\$181,875
DATE SOLD	8/13/2021
YEAR BUILT	1961
NO. OF UNITS	8
CAP RATE	3.45%






ADDRESS	2244 S. Western Ave, Los Angeles, CA 90018
SALES PRICE	\$3,675,000
BLDG SF	13,362
LOT SIZE	15,246
PRICE/SF	\$275
PRICE/UNIT	\$204,167
DATE SOLD	8/13/2021
YEAR BUILT	1964
NO. OF UNITS	18
CAP RATE	3.93%



RENT COMPARABLES

	ADDRESS	UNIT TYPE	SF	RENT	\$/SF
	1401 S Manhattan Pl, Los Angeles, CA 90019	1+1	550	\$3.09	\$1,700
	1905 S Oxford Ave, Los Angeles, CA 90018	1+1	500	\$3.30	\$1,650
	2560 Venice Blvd., Los Angeles, CA 90019	1+1	N/A	N/A	\$1,695
	1513 Arlington Ave, Los Angeles, CA 90019	1+1	475	\$3.58	\$1,700

	ADDRESS	UNIT TYPE	SF	RENT	\$/SF
	1218 S Harvard Blvd, Los Angeles, CA 90006	1+1	550	\$3.00	\$1,650

	ADDRESS	UNIT TYPE	SF	RENT	\$/SF
	1526 S Wilton Pl, Los Angeles, CA 90019	3+1	1200	\$2.25	\$2,700
	1339 S Bronson Ave, Los Angeles, CA 90019	3+2	1000	\$2.50	\$2,500

AREA OVERVIEW

HARVARD HEIGHTS

Strategically Located Near Los Angeles' 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. The subject property is also less than two miles from the Wilshire/Western Metro Station and are within three miles of the under-construction Crenshaw/LAX Line.

Close to Schools, Retail, Entertainment Hubs

Harvard Heights is strategically located near many of Los Angeles' premier educational opportunities, entertainment centers and retail. The subject properties sit 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 five miles of the subject property. Other notable entertainment centers within five miles of the collection 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 within three miles of the property and is rapidly expanding outwards.



90

WALK SCORE

AREA OVERVIEW

NEARBY RETAIL

- Smart & Final
- Dollar Tree
- Alibi Coffee Company
- Papa Cristo's Greek Grill
- Dino's Chicken & Burgers
- Never Caged
- Road to Seoul
- Boulon D'Amour Coffee Shop

Western Plaza Shopping Center

- CVS
- Food 4 Less
- Carl's Jr
- Panda Express
- Fallas Discount Store

Venice & Western Shopping Center

- Pizza Hut
- El Pollo Loco
- Goodwill Discount Store
- O'Reilly Auto Parts

Western Square Shopping Center

- Bank of America
- Winchell's
- WaBa Grill
- McDonalds

SCHOOLS & RECREATION

- Loyola High School
- Los Angeles Elementary School
- Bishop Conaty – Our Lady of Loretto High School
- Normandie Recreation Center

PUBLIC TRANSPORTATION

- Western/Venice Metro Bus Lines





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