

PRIME VALUE-ADD INVESTMENT OPPORTUNITY IN  
HOLLYWOOD JUST NORTH OF SANTA MONICA BLVD;  
HIGH WALK SCORE OF 90

SINGLES AND ONE-BEDROOMS; 10 UNITS WITH  
PARKING AND SIGNIFICANT RENTAL UPSIDE OF 37%

# 1140

N BEACHWOOD DR  
LOS ANGELES, CA 90038

OFFERING MEMORANDUM



Marcus & Millichap  
THE NEEMA GROUP

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# 1140 N BEACHWOOD DRIVE

LOS ANGELES, CA 90038

The Neema Group of Marcus & Millichap is pleased to present 1140 N Beachwood Dr, a 10-unit value-add investment opportunity in Hollywood. Located just west of the 101 and north of Santa Monica Blvd, this asset is ideally located in a heavily populated submarket. The building features a great unit mix of eight singles and two one-bedrooms. An investor has the opportunity to add value through renovations and achieve the 37% rental upside as units turn. The property features 6 parking spaces in the back of the building with no soft story retrofit work required and a gated, secure entrance.

The subject property is centrally located in the densely populated submarket of Hollywood with easy access to the 101 Freeway as well as multiple Metro Local Lines within walking distance on Santa Monica Blvd. A high walk score of 90 allows residents to accomplish most errands on foot. This neighborhood continues to grow at a rapid pace and has seen new developments flourish nearby.



SUBJECT PROPERTY

DOWNTOWN LOS ANGELES

HOLLYWOOD  
FOREVER CEMETERY

N GOWER STREET

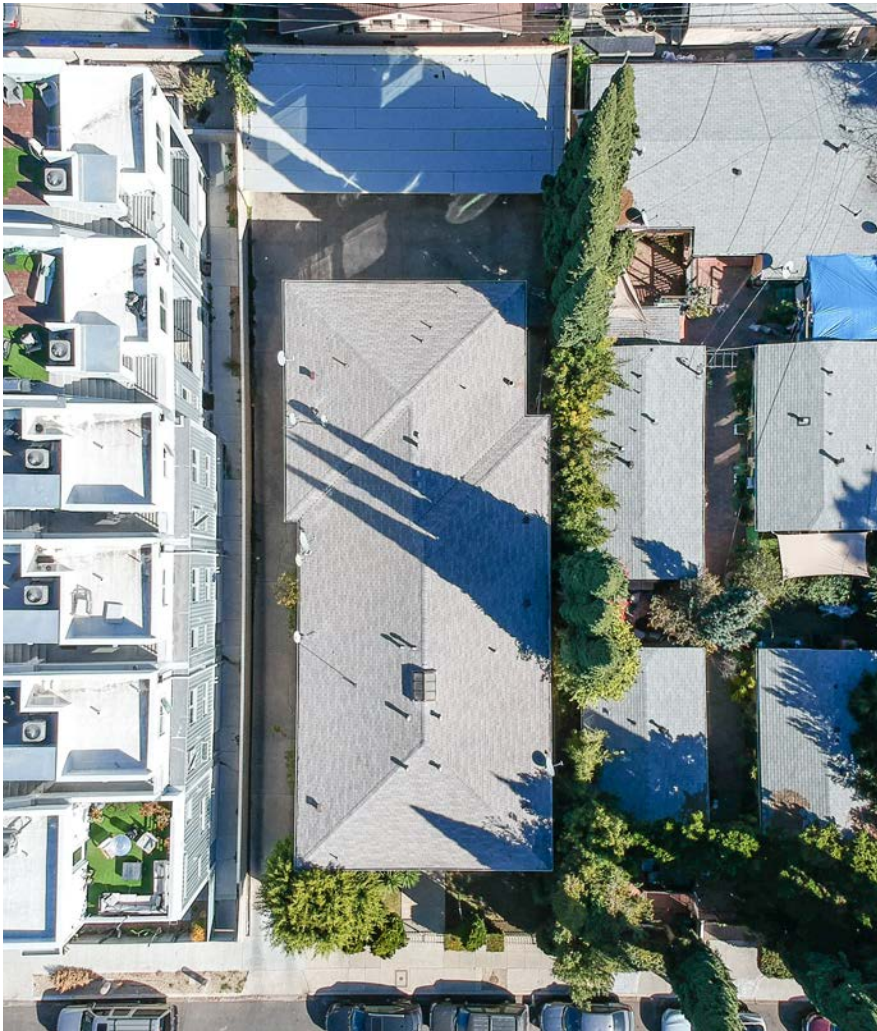
SANTA MONICA BLVD



## INVESTMENT HIGHLIGHTS

# 1140 N BEACHWOOD DRIVE

LOS ANGELES, CA 90038



- The Neema Group of Marcus & Millichap is pleased to present 1140 N Beachwood Dr, a 10-unit value-add investment opportunity in Hollywood just north of Santa Monica Blvd between Gower St and Bronson Ave
- The building features a unit mix of spacious units made up of eight singles and two one-bedrooms; rents are currently below market and provide an investor the opportunity to capture the 37% rental upside as units turn
- The property has six parking spaces at the rear of the property with no soft story work required; the building is separately metered for gas and electric and has a community laundry room
- The property is centrally located with a walk score of 90; easy access to the 101 Freeway as well as multiple Metro Local Lines allows for an easy commute throughout the city
- This Hollywood neighborhood continues to grow at a rapid pace and attracts high-end residents with the unparalleled access to employment opportunities and education options

# INVESTMENT DETAILS

## PROPERTY INFORMATION

Address:	1140 N Beachwood Drive Los Angeles, CA 90038
Number of Units:	10
Approx. Gross SF:	6,752 SF
Approx. Lot Size:	5,343 SF
Year Built:	1956
APN	5534-014-019
Zoning	LAR3

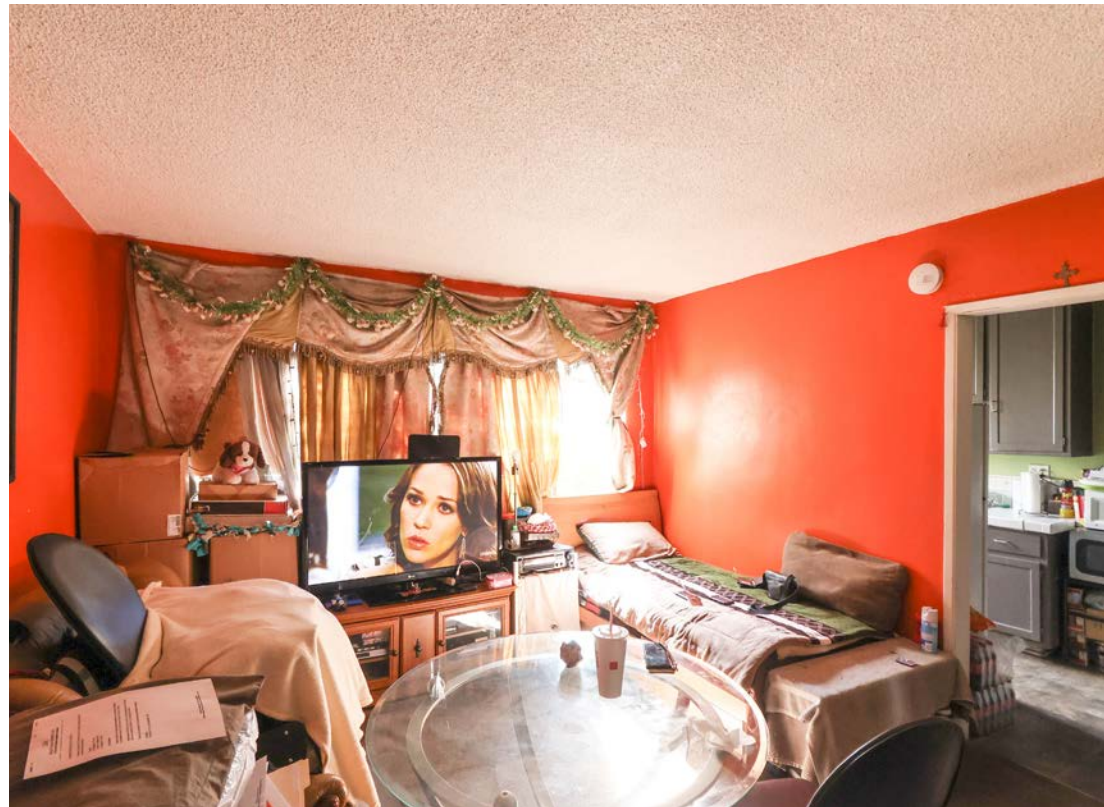
## PRICING INFORMATION

Sales Price:	\$2,000,000
Down Payment: (50%)	\$1,000,000
Cost per Legal Unit:	\$200,000
Price per SF:	\$374
Current GRM:	14.59
Market GRM:	10.65
Current CAP:	3.25%
Market CAP:	5.56%



## NEW POTENTIAL FINANCING

New First Loan	\$1,000,000
Interest Rate	3.25%
Amortization	30
Monthly Payment	\$4,352.06
DCR	1.24



## AREA OVERVIEW

### HOLLYWOOD

Most recently, companies specializing in streaming media, virtual reality, and website development have been flocking to Hollywood to occupy the large swaths of class “A” commercial space being introduced to the market.

The most notable example is Netflix’s lease of Icon (323,000 SF) and Cue (92,000 SF) office buildings at Sunset Bronson Studios. As the company has approximately \$16 billion in obligations committed to streaming content, “the Netflix Effect” is creating even more economic momentum in the submarket by attracting new employers and more high-paying jobs to Hollywood.

This momentum will have a rising tide effect on real estate values in Hollywood, and in particular, the properties located near the intersection of Vine Street and Sunset Boulevard which is fast becoming the economic center of Hollywood.





# AMENITIES MAP



# RENT ROLL

	UNIT #	UNIT TYPE*	ACTUAL RENT	MARKET RENT
1	1140-A	Single	\$1,295	\$1,400
2	1140-B	Single	\$949	\$1,400
3	1140-C	Single	\$600	\$1,400
4	1140-D	Single	\$572	\$1,400
5	1142-A	Single**	\$1,456	\$1,600
6	1142-B	Single	\$1,369	\$1,400
7	1142-C	Single**	\$1,153	\$1,600
8	1142-D	Single**	\$1,450	\$1,600
9	1142-E	1+1	\$1,307	\$1,900
10	1142-F	1+1***	\$1,224	\$1,900
Monthly Scheduled Gross Rent			\$11,376	\$15,600
SCEP			\$29	\$36
Rent Registration			\$15	\$15
Monthly Scheduled Gross Income			\$11,420	\$15,651
Annual Scheduled Gross Income			\$137,038	\$187,813

\*Buyer to verify legal unit mix including but not limited to the legal number of bedrooms. Zimas reports currently show 10 units with two legal bedrooms. 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.

\*\*These units are legally singles, but have been converted without permits to operate as one-bedrooms.

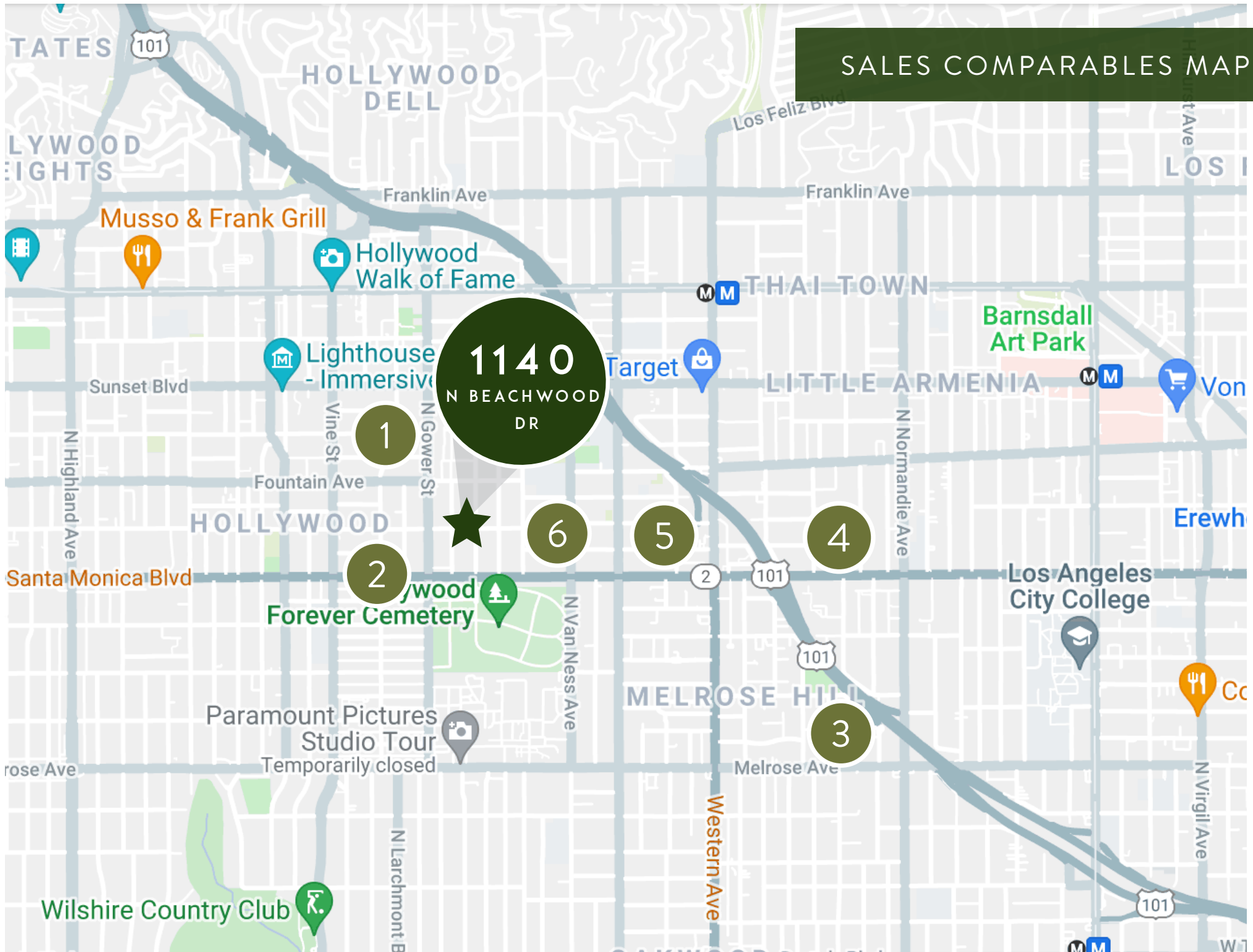
\*\*\*This unit is legally a one-bedroom, but has been converted without permits to operate as a two-bedroom one-bathroom.

# FINANCIALS

ANNUALIZED OPERATING DATA		CURRENT		MARKET
Scheduled Gross Income		\$137,038		\$187,813
Less Vacancy Rate Reserve	5.0%	\$(6,852)	5.0%	\$9,391
Gross Operating Income		\$130,187		\$178,423
Less Expenses	47.6%	\$(65,277)	35.8%	\$67,207
Net Operating Income		\$64,909		\$111,216
Reserves		\$(2,000)		\$2,000
Less Debt Service		\$(52,225)		\$52,225
Pre-Tax Cash Flow	1.1%	\$10,685	5.7%	\$56,991
Plus Principal Reduction		\$20,182		\$20,182
Total Return Before Taxes	3.1%	\$30,866	7.7%	\$77,173

ESTIMATED ANNUALIZED EXPENSES		CURRENT		MARKET
Taxes: Rate 1.18%		\$23,600		\$6,478
Insurance		\$6,478		\$17,155
Utilities		\$17,155		\$4,826
Waste Removal		\$4,826		\$5,000
Repairs & Maintenance		\$5,000		\$7,137
Management: 4%		\$5,207		\$1,020
Landscaping		\$1,020		\$420
Pest Control		\$420		\$500
License & Fees		\$500		\$1,071
Direct Assessment		\$1,071		\$1,071
Total Expenses		\$65,277		\$67,207
Per Net Sq. Ft		\$12.22		\$12.58
Per Unit		\$6,528		\$6,721

SALES COMPARABLES MAP



# SALES COMPARABLES



## SUBJECT PROPERTY



ADDRESS	1140 N Beachwood Dr Los Angeles CA 90038
SALES PRICE	\$2,000,000
BUILDING SF	5,343 SF
PRICE / SF	\$375
PRICE / UNIT	\$200,000
CAP RATE	3.25%
GRM	14.59
UNIT MIX	Studio (5/50%) 1 + 1 (4/40%) 2 + 1 (1/10%)

## 01



ADDRESS	6244 De Longpre Ave Los Angeles, CA 90028
SALES PRICE	\$3,200,000
BUILDING SF	8,056 SF
PRICE / SF	\$397
PRICE / UNIT	\$228,571
CAP RATE	3.84%
GRM	15.97
DATE SOLD	1/11/2022
UNIT MIX	1+1 (14/100%)

## 02



ADDRESS	6107 Eleanor Ave Los Angeles, CA 90038
SALES PRICE	\$2,900,000
BUILDING SF	6,408 SF
PRICE / SF	\$357
PRICE / UNIT	\$254,167
CAP RATE	4.05%
GRM	14.62
DATE SOLD	4/27/2021
UNIT MIX	1 + 1 (7/78%) 2 + 1 (2/22%)

# SALES COMPARABLES

## 03



ADDRESS	719 N Kingsley Dr Los Angeles, CA 90029
SALES PRICE	\$2,060,000
BUILDING SF	7,356 SF
PRICE / SF	\$280
PRICE / UNIT	\$228,889
CAP RATE	4.41%
GRM	13.59
DATE SOLD	12/23/2021
UNIT MIX	1 + 1 (7/78%) 2 + 1 (2/22%)

## 04



ADDRESS	1176 N Kingsley Dr Los Angeles, CA 90029
SALES PRICE	\$2,550,000
BUILDING SF	7,885 SF
PRICE / SF	\$323
PRICE / UNIT	\$231,818
DATE SOLD	2/1/2022
UNIT MIX	1 + 1 (10/91%) 2 + 1 (1/9%)

## 05



ADDRESS	5632 Lexington Ave Los Angeles, CA 90038
SALES PRICE	\$2,000,000
BUILDING SF	7,368 SF
PRICE / SF	\$271
PRICE / UNIT	\$200,000
CAP RATE	2.75%
GRM	23.13
DATE SOLD	10/1/2021
UNIT MIX	1 + 1 (8/80%) 2 + 1 (2/20%)









## SALES COMPARABLES

# 06



ADDRESS	5824 Virginia Ave Los Angeles, CA 90038
SALES PRICE	\$1,719,023
BUILDING SF	6,504 SF
PRICE / SF	\$264
PRICE / UNIT	\$191,002
DATE SOLD	7/28/2021
UNIT MIX	1 + 1 (4/44%) 2 + 1 (5/56%)

# RENT COMPARABLES

	ADDRESS	UNIT TYPE	SQ. FT.	RENT	RENT PER SF
	6212 La Mirada Ave, Los Angeles, CA 90038	Single	325	\$1,275	\$3.92
	750-760 Lillian Way, Los Angeles, CA 90038	Single	300	\$1,350	\$4.50
	1006 N El Centro Ave, Los Angeles, CA 90038	Single	384	\$1,500	\$3.91
	5522 Lexington Ave, Los Angeles, CA 90038	Single	450	\$1,395	\$3.10
	6126 Eleanor Ave, Los Angeles, CA 90038	1+1	760	\$1,650	\$2.17
	5522 Lexington Ave, Los Angeles, CA 90038	1+1	750	\$1,695	\$2.26
	1341 N Bronson Ave, Los Angeles, CA 90028	1+1	500	\$1,695	\$3.39
	5662 Fountain Ave, Los Angeles, CA 90028	1+1	725	\$1,695	\$2.34



# RENT COMPARABLES

ADDRESS	UNIT TYPE	SQ. FT.	RENT	RENT PER SF
 1233 Tamarind Ave, Los Angeles, CA 90038	2+1	750	\$2,250	\$3.00
 1220 Las Palmas N Ave, Los Angeles, CA 90038	2+2	900	\$2,195	\$2.44
 1225 N Mansfield Ave, Los Angeles, CA 90038	2+1	700	\$2,300	\$3.29

An aerial photograph of a city, likely Los Angeles, showing a dense residential area in the foreground with various apartment buildings and houses. In the distance, a prominent skyline of skyscrapers is visible under a clear sky. The text is overlaid on the center of the image.

## SPECIAL COVID-19 NOTICE

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