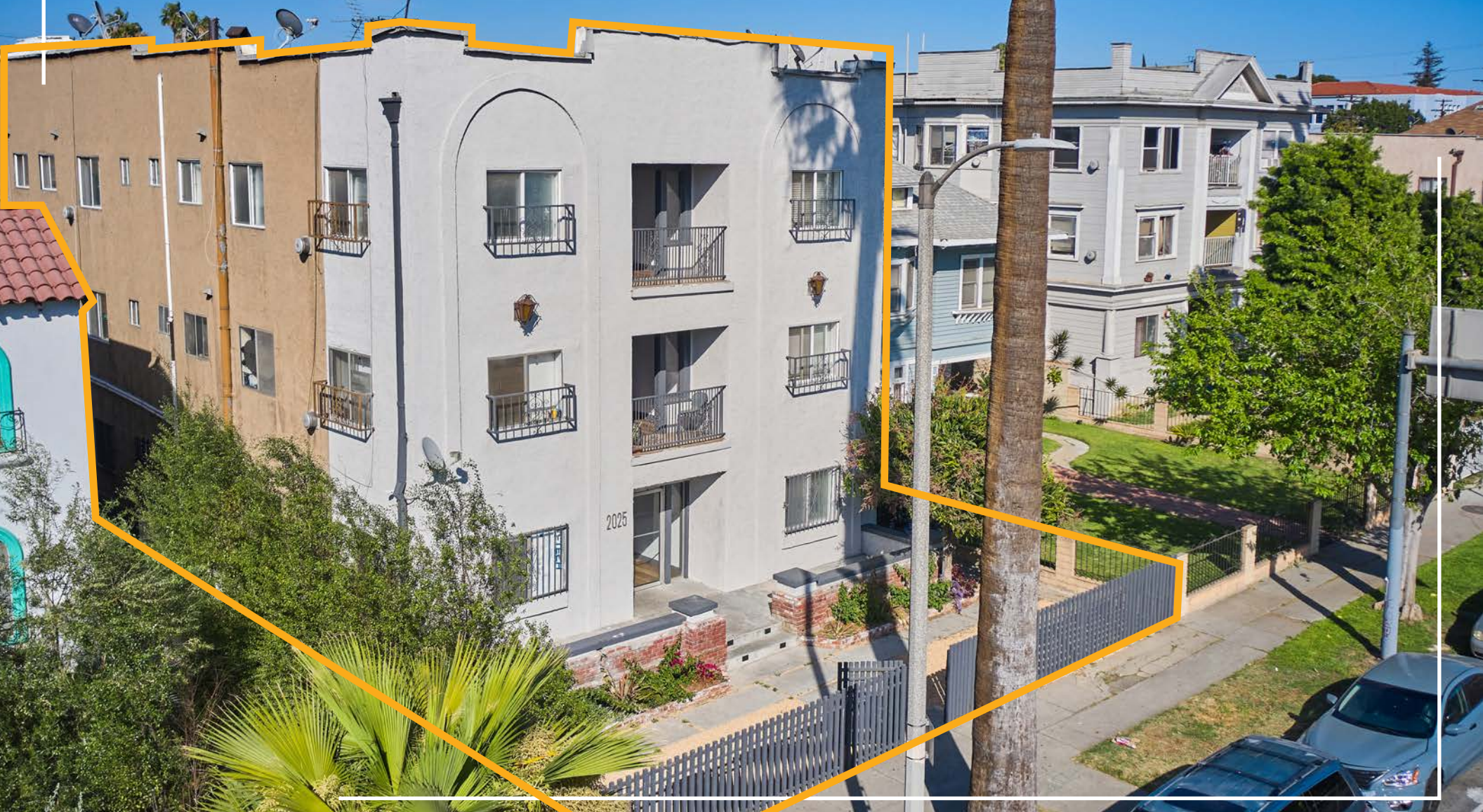


EAST 4TH STREET

2025 EAST 4TH ST LOS ANGELES, CA 90033

Marcus & Millichap
THE NEEMA GROUP



24 UNITS INVESTMENT OPPORTUNITY IN BOYLE HEIGHTS; 22 OF 24 UNITS FULLY RENOVATED. STRONG IN-PLACE CASH FLOW, CAP RATE OF 5.34% ON CURRENT INCOME

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DOWNTOWN LA

HOLLYWOOD

LITTLE TOYKO

ARTS DISTRICT

4TH STREET



EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present 2025 East 4th St, Los Angeles, CA 90033.

2025 East 4th St is a 24-unit recently renovated asset for an investor to add to their portfolio for a steady stream of cash flow and passive income. The subject property is located in Boyle Heights near the corner of East 4th St and S St. Louis St near the entrance the 5-freeway providing easy access to the Arts District and Downtown LA. The subject property totals 11,556 SF featuring a unit mix of 3 singles, 14 junior one-bedrooms* and 7 one-bedrooms. The majority of rents are leased market rate, providing an investor strong in-place income immediately.

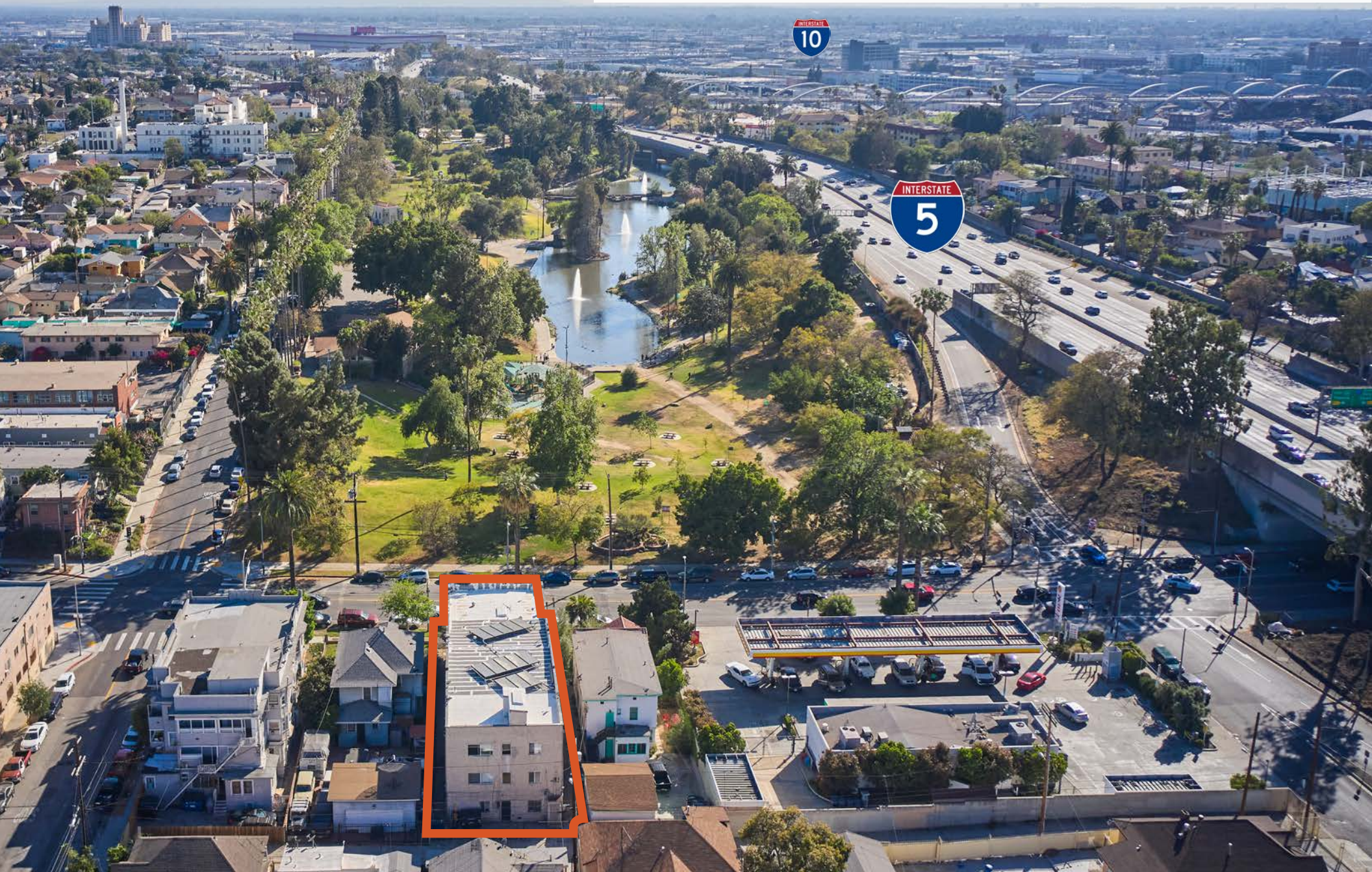
With a high Walk Score of 91, the subject property is in close proximity to schools, employment, and transit options. This location makes it convenient for residents to commute throughout the city even without a vehicle. The Boyle Heights neighborhood remains a strong area to invest in as 75% of their roughly 95,000 residents choose to rent.

*Junior One-Bedrooms were originally singles that the ownership converted to junior one-bedrooms without permits. Buyer shall conduct their own due diligence and investigate the legality of the conversions and assume responsibility if any time in the future the units are to be converted back to singles.

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The subject property totals 11,556 SF featuring a unit mix of 3 singles, 14 junior one-bedrooms and 7 one-bedrooms.



PROPERTY SUMMARY

2025 EAST 4TH ST,
LOS ANGELES, CA 90033

PROPERTY OVERVIEW

Offering Price:	\$4,950,000
APN:	5183-012-030
Number of Units:	24
Zoning	[Q]C2-1-CUGU
Approximate Year Built:	1912
Approximate Lot Size:	6,724 SF
Approximate Gross SF:	11,556 SF
Ownership Type:	Fee Simple

FINANCIAL OVERVIEW

Cost per Unit:	\$206,250
Current GRM:	11.45
Market GRM:	10.57
Current CAP Rate:	5.34%
Market CAP Rate:	5.83%



INVESTMENT HIGHLIGHTS

- 2025 East 4th St is a 24-unit recently renovated asset in Boyle Heights, just off of the 5 Freeway west of Soto St, a central location attracting residents due to the quick commute to the Arts District and Downtown Los Angeles
- The subject property totals 11,556 SF featuring a unit mix of 3 singles, 14 junior one-bedrooms and 7 one-bedrooms; two of the junior one-bedroom units will be delivered vacant at the close of escrow
- The majority of the units are currently rented at market rates with only two legacy tenants, providing investors stable cash flow at a 5.34% CAP rate on current income
- Potential to assume the current financing at a below market rate; 10-year loan with Pacific Premier that commenced in 2021 with a fixed rate of 3.25% until September 2026; currently interest only until September 2023, potential to achieve a 10.9% cash on cash return in year one
- Units were recently renovated with new vinyl plank flooring, stainless steel appliances, kitchen cabinetry, recessed lighting,

91
WALKSCORE

updated bathrooms and paint

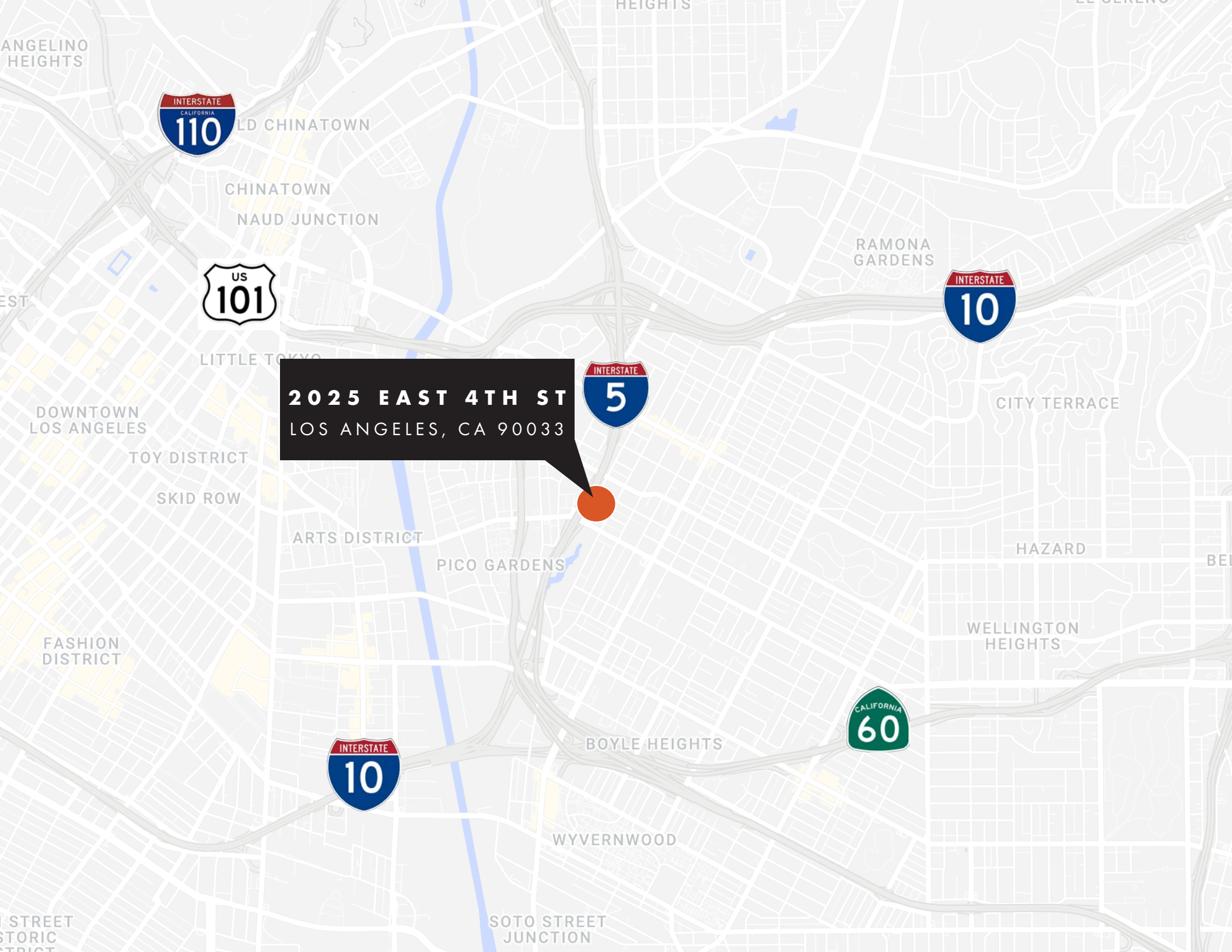
- High Walk Score of 91, close proximity to schools including Breed St Elementary, Roosevelt High School, and St Mary's, employment in Downtown Los Angeles, and transit options such as the Metro L & Gold Lines, this location makes it convenient for residents to commute throughout the city even without a vehicle
- The Boyle Heights neighborhood remains a strong area to invest in as 75% of their roughly 95,000 residents choose to rent

5.34%
CAP RATE

24
UNITS TOTAL

11.45
GRM





2025 EAST 4TH ST
LOS ANGELES, CA 90033

AREA OVERVIEW

BOYLE HEIGHTS

Located just east of downtown Los Angeles and south of Lincoln Heights, Boyle Heights is one of Los Angeles' most historic and vibrant neighborhoods. Currently in the path of development, the city proposed the Boyle Heights Community Plan to promote and encourage its economy, mobility, health and sustainability while preserving its rich history and cultural diversity. Hemmed by major freeways and in close proximity to major employment hubs, local residents of Boyle Heights not only have convenient access to the 10, 5 and 710 freeways, but also several public transportation options and amenities in walking distance.

With the \$5 billion wave of developments sweeping across downtown Los Angeles and the Arts District, Boyle Heights is now seeing sizable public investments into the city to improve public infrastructures and to rebuild its community for economic growth.

From the Breed Street Shul to Mariachi Plaza, the history of Boyle Heights is something to experience. Hollenbeck Park, the old Santa Fe Railroad hospital are just some of the iconic locations in the neighborhood. For over nine decades the Sears Building has been an architectural and commercial beacon for residents and commuters in Los Angeles. The 1.8 million-square-foot Sears complex was one of Los Angeles' largest building projects during the 1920s. The property is currently in a redevelopment phase that will feature a mixture of housing, retail space and potentially a hotel





AREA OVERVIEW

6TH STREET VIADUCT PROJECT

One of America's most famous and iconic bridges, the Sixth Street Viaduct, acts as a vital connection between the growing Arts District on the west side of the Los Angeles River and the historic neighborhood of Boyle Heights on the east side. The bridge, built in 1932, spans nearly 3,500 feet across the river and has been used to represent Los Angeles's more gritty side in countless movies, music videos and TV commercials, including riverbed car chases. Yet, due to a rare chemical reaction in the cement supports and seismic vulnerability, the Sixth Street Viaduct will soon be demolished and replaced. The \$449 million project to replace the beloved bridge, the Sixth Street Viaduct Replacement Project, is the largest bridge project in the history of Los Angeles. With funding from the Federal Highway Transportation Administration and CALTrans, the project is being led by the City's award-winning Bureau of Engineering.

The design of the bridge, known as "The Ribbon of Light", was created by Los Angeles architect Michael Maltzan, winner of the City's international design contest in 2012. Maltzan is part of the HNTB design-build team and contractors Skanska and Stacy and Witbeck.

The spectacular design of the new bridge and the many parks, open spaces and community features on, next to and below the bridge, is bringing together a working collaboration of residents, elected officials, business leaders, schools, labor unions, cyclists, neighborhood activists and artists and many more, never before seen in a public infrastructure project in Los Angeles.

The 6th street bridge project is scheduled to be complete in the summer of 2022.





UNION STATION LOS ANGELES



1

Little Toyko



2

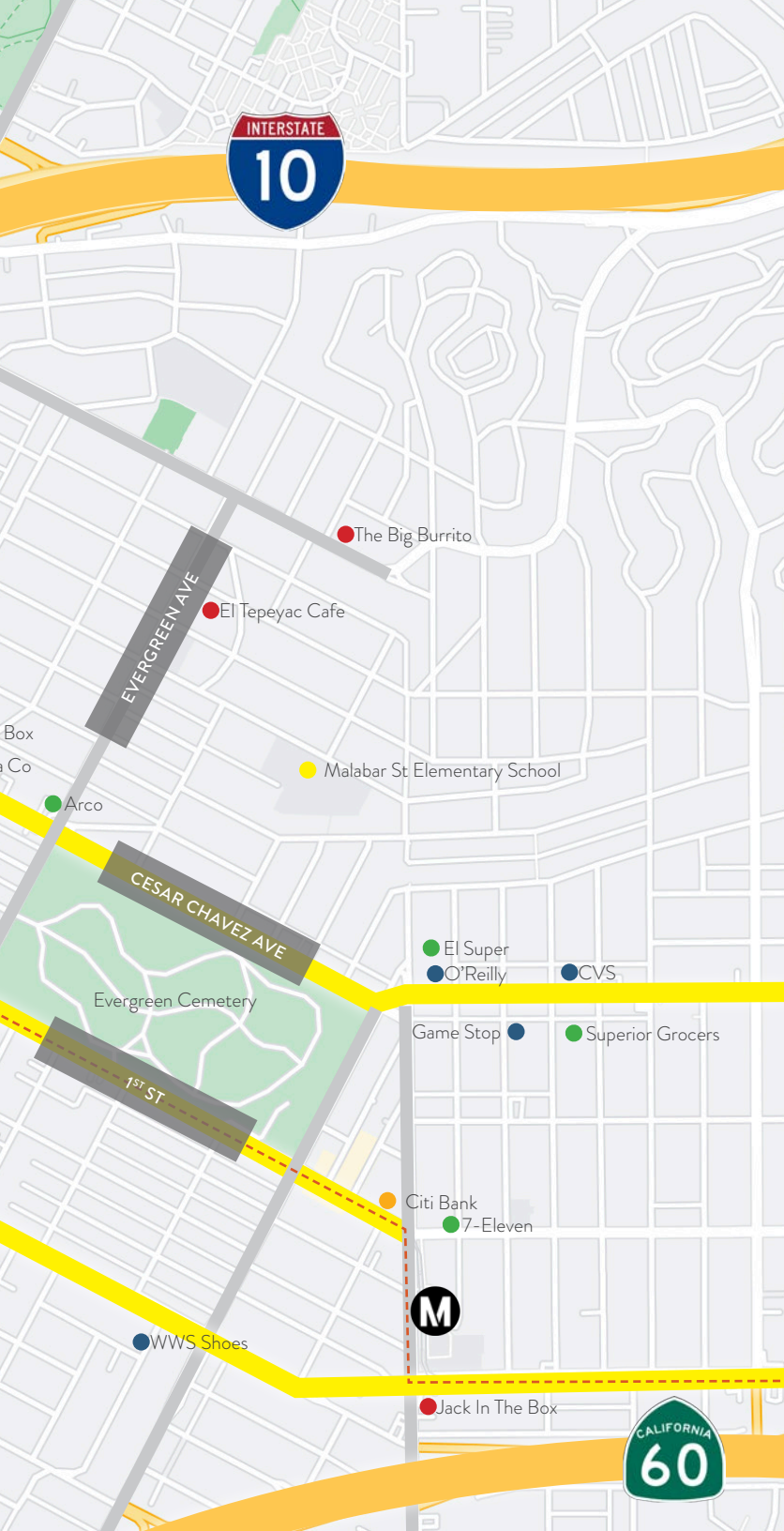
2025 EAST 4TH ST LOS ANGELES, CA 90033



3

ROWDTLA
Rappahannock Oyster Bar
7th St Produce
Banks Jorunal
Athletic Club
Cafe Dulce
Hayato
Kato
Pikunico
Smorgasburg






NEIGHBORHOOD AMENITIES

MAP KEY

- | | | | |
|---|----------------|---|---------------|
|  | RESTAURANTS |  | BANKS |
|  | SHOPPING |  | PARKS |
|  | GROCERY STORES |  | ENTERTAINMENT |
|  | BREWERY & BARS |  | SCHOOLS |

-  LITTLE TOYKO
-  LAC + USC MEDICAL CENTER
-  ROWDTLA
-  METRO GOLD LINE

FINANCIALS

RENT ROLL

	UNIT #	UNIT TYPE	ACTUAL RENTS	PRO FORMA RENTS	MOVE-IN DATE
1	1	1+1	\$1,600	\$1,695	4/3/21
2	2	1+1	\$827	\$1,695	3/1/20
3	3	Jr 1+1*	\$1,454	\$1,495	2/4/21
4	4	Jr 1+1*	\$1,250	\$1,495	2/2/21
5	5	Jr 1+1*	\$1,450	\$1,495	4/1/21
6	6	Jr 1+1*	\$1,450	\$1,495	3/30/21
7	7	Jr 1+1*	\$1,550	\$1,495	3/5/21
8	8	Single	\$1,350	\$1,495	10/23/21
9	9	1+1	\$1,700	\$1,695	4/1/21
10	10	1+1	\$695	\$1,695	3/1/20
11	11	Jr 1+1*	\$1,395	\$1,495	4/26/21
12	12	Jr 1+1*	\$1,495	\$1,495	Vacant
13	14	Jr 1+1*	\$1,495	\$1,495	3/18/21
14	15	Jr 1+1*	\$1,395	\$1,495	4/16/21
15	16	1+1	\$1,629	\$1,695	2/1/21
16	17	Single	\$1,400	\$1,495	7/1/21
17	18	1+1	\$1,650	\$1,695	4/1/21
18	19	1+1	\$1,695	\$1,695	1/2/21
19	20	Jr 1+1*	\$1,495	\$1,495	3/17/21
20	21	Jr 1+1*	\$1,495	\$1,495	4/10/21
21	22	Jr 1+1*	\$1,495	\$1,495	2/21/21
22	23	Jr 1+1*	\$1,495	\$1,495	2/14/21
23	24	Jr 1+1*	\$1,495	\$1,495	Vacant
24	25	Single	\$1,350	\$1,495	2/22/21
			\$34,304	\$37,280	

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E 4TH STREET

S ST. LOUIS STREET

FINANCIALS

ANNUALIZED OPERATING DATA

INCOME		CURRENT		PRO FORMA
Scheduled Gross Income:		\$432,409		\$468,188
Less Vacancy Rate Reserve:	3.0%	\$(12,972)	5.0%	\$(23,409)
Gross Operating Income:		\$419,437		\$444,779
Less Expenses:	35.9%	\$(155,077)	33.4%	\$(156,345)
Net Operating Income:		\$264,359		\$288,434
Reserves:		\$(4,800)		\$(4,800)
Less Debt Service:		\$(119,210)		\$(119,210)
Total Return Before Taxes:	10.9%	\$140,349	12.8%	\$164,424

		CURRENT RENTS		MARKET RENTS	
# OF UNITS	UNIT TYPE	AVG. MO. RENT/UNIT	MONTHLY INCOME	MONTHLY RENT/UNIT	MONTHLY INCOME
3	Single	\$1,367	\$4,100	\$1,495	\$4,485
14	Jr 1+1	\$1,458	\$20,409	\$1,495	\$20,930
7	1+1	\$1,399	\$9,795	\$1,695	\$11,865
Total Scheduled Rent:			\$34,304		\$37,280
SCEP			\$84		\$87
RSO			\$36		\$39
RUBS			\$1,455		\$1,455
Pet Rent			\$155		\$155
Monthly Scheduled Gross Income:			\$36,034		\$39,016
Annual Scheduled Gross Income:			\$432,409		\$468,188

OPERATING EXPENSES	CURRENT	PRO FORMA
Taxes Rate: 1.18%	\$58,410	\$58,410
Insurance	\$7,636	\$7,636
Utilities	\$27,700	\$27,700
Waste Removal	\$6,119	\$6,119
Repairs & Maintenance	\$12,000	\$12,000
Management 5%	\$20,972	\$22,239
On-Site Manager	\$15,000	\$15,000
Landscaping/Cleaning	\$2,400	\$2,400
Pest Control	\$1,140	\$1,140
License and Fees	\$1,200	\$1,200
Direct Assessment	\$2,500	\$2,500
Total Expenses:	\$155,077	\$156,345
Per Net Sq. Ft.:	\$13.42	\$13.53
Per Unit:	\$6,462	\$6,514



OPERATING DATA

Price:		\$4,950,000
Down Payment:	30%	\$1,282,000
Number of Units:		24
Cost per Legal Unit:		\$206,250
Current GRM:		11.45
Market GRM:		10.57
Current CAP:		5.34%
Market CAP:		5.83%

Approx. Age:	1912
Approx. Lot Size:	6,724
Approx. Gross SF:	11,556
Cost per Net GSF:	\$428

ASSUMABLE FINANCING

New First Loan:	\$3,668,000
Interest Rate:	3.25%
Lender:	Pacific Premier

Commenced in July 2021; 10-Year Term
Interest Only Until September 2023
Fixed at 3.25% Until September 2026
Variable Rate of Index Plus 2.75 Margin
Starting in September 2026

SALES

COMPARABLES

★ SUBJECT PROPERTY

ADDRESS	2025 East 4th St, Los Angeles, CA 90033	PRICE /UNIT	\$206,250	CAP	5.34%	UNITS	24
SALES PRICE	\$4,950,000	PRICE/SF	\$428	GRM	11.45	YEAR BUILT	1912



SALES COMPARABLES

01



ADDRESS	706 North Soto Street Los Angeles, CA 90033
SOLD DATE	On Market
SALES PRICE	\$2,395,000
PRICE/UNIT	\$199,583
PRICE/SF	\$225
CAP	4.52%
GRM	13.52
UNITS	12
YEAR BUILT	1922
UNIT MIX	Two Singles, Five 1+1's, Five 2+1's

02



ADDRESS	2527-2529 Cincinnati St Los Angeles, CA 90033
SOLD DATE	2/2/22
SALES PRICE	\$1,700,000
PRICE/UNIT	\$188,889
PRICE/SF	\$194
CAP	5.56%
GRM	11.46
UNITS	9
YEAR BUILT	1929
UNIT MIX	Seven 1+1's, Two 2+1's

SALES COMPARABLES

03



ADDRESS	1404-1406 Warren St Los Angeles, CA 90033
SOLD DATE	10/15/21
SALES PRICE	\$1,700,000
PRICE/UNIT	\$212,500
PRICE/SF	\$421
CAP	5.11%
GRM	12.64
UNITS	8
YEAR BUILT	1908
UNIT MIX	Seven 1+1's, One 2+1

04



ADDRESS	135 S Boyle Ave Los Angeles, CA 90033
SOLD DATE	6/10/21
SALES PRICE	\$2,500,000
PRICE/UNIT	\$312,500
PRICE/SF	\$604
CAP	N/A
GRM	N/A
UNITS	8
YEAR BUILT	1922
UNIT MIX	Eight Singles

SALES COMPARABLES

05



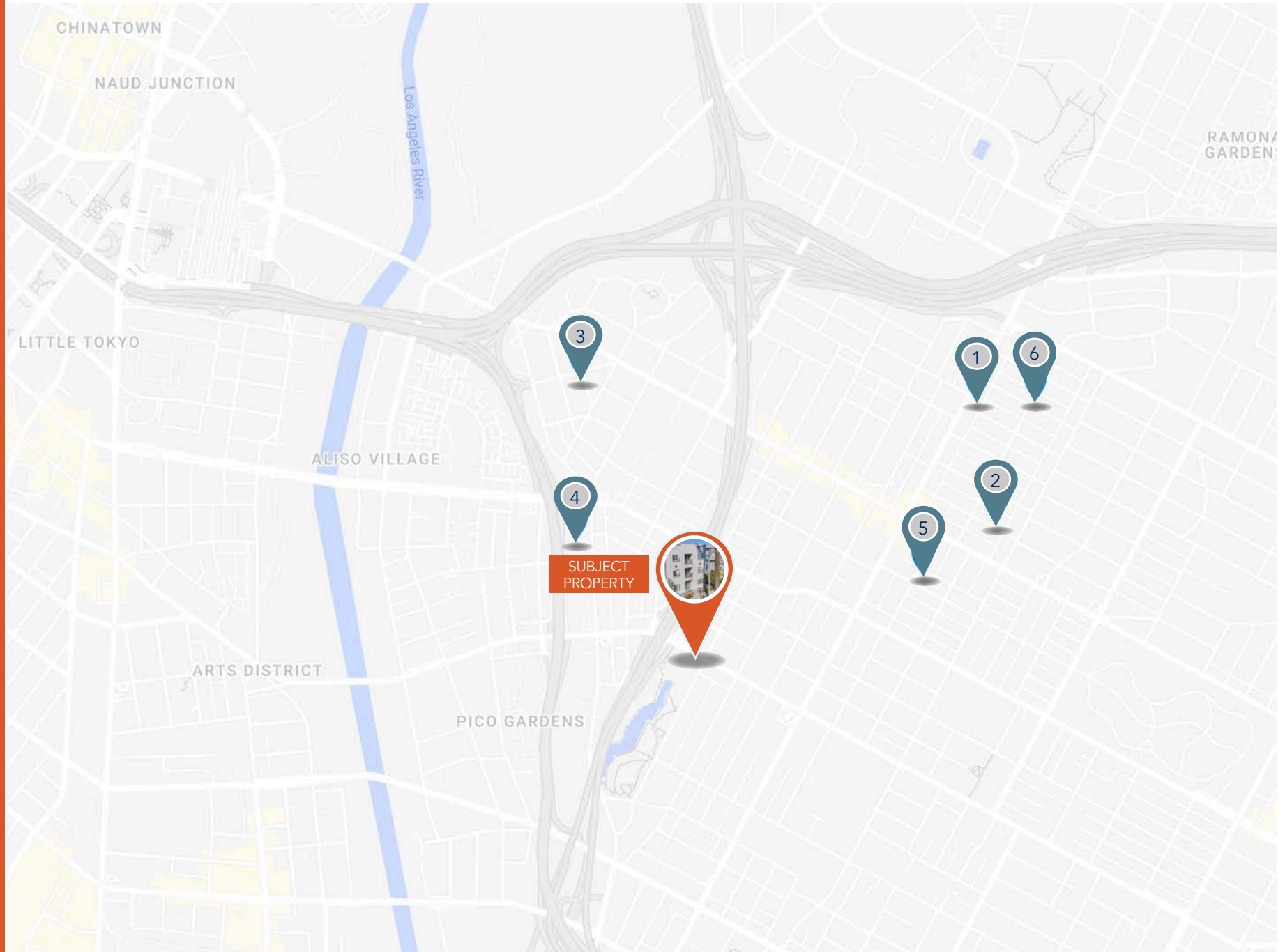
ADDRESS	312 N Mathews St Los Angeles, CA 90033
SOLD DATE	11/10/20
SALES PRICE	\$2,450,000
PRICE/UNIT	\$212,500
PRICE/SF	\$421
CAP	6.15%
GRM	10.92
UNITS	10
YEAR BUILT	1925
UNIT MIX	One Single, Seven 1+1's, Two 3+1's/2's

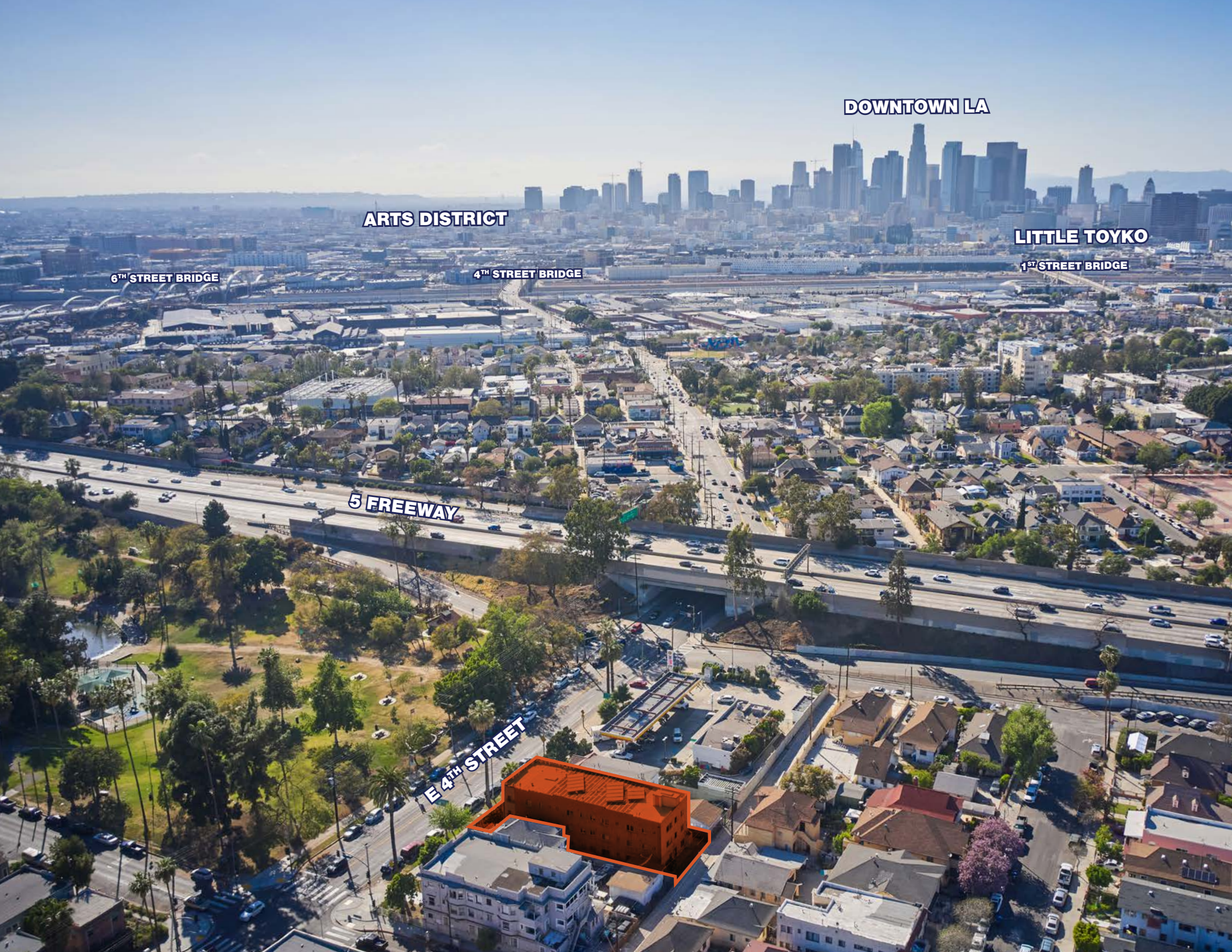
06



ADDRESS	2501 Houston St Los Angeles, CA 90033
SOLD DATE	7/15/20
SALES PRICE	\$1,600,000
PRICE/UNIT	\$200,000
PRICE/SF	\$239
CAP	4.95%
GRM	N/A
UNITS	8
YEAR BUILT	1929
UNIT MIX	Eight 1+1's

COMPARABLES MAP





DOWNTOWN LA

ARTS DISTRICT

LITTLE TOYKO

6TH STREET BRIDGE

4TH STREET BRIDGE

1ST STREET BRIDGE

5 FREEWAY

E 4TH STREET





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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