

### 6501 South Vermont Ave Los Angeles, CA 90044

22 Unit Investment Opportunity in South Los Angeles Consisting of 19 Singles & 3 One-Bedroom Apartment Units | Five Units to be Delivered Vacant



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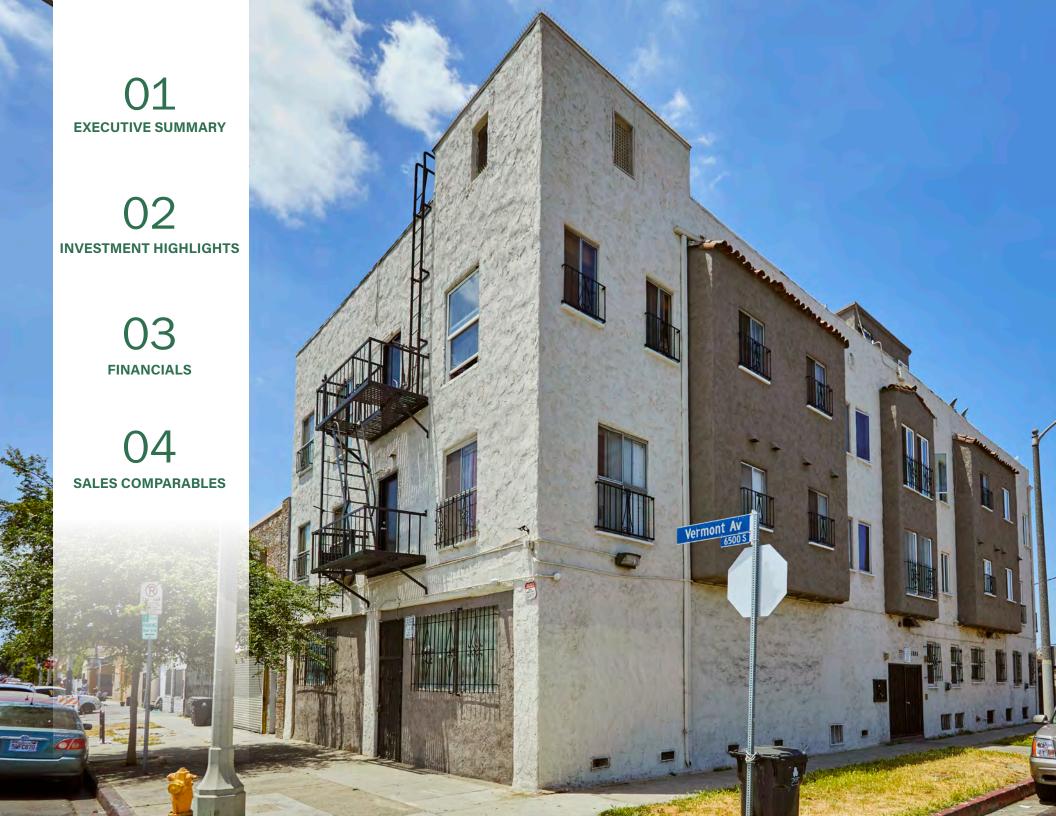
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## **Executive Summary**

The Neema Group of Marcus & Millichap is pleased to present 6501 S Vermont Ave, a 22-unit investment opportunity located on the main thoroughfare of Vermont Ave in South Los Angeles just south of W Gage Ave with easy access to the 110 Freeway.

Built in 1928, there is strong cash flow in place with a CAP rate of 4.47% on current income with an additional 26% upside in rents.

The unit mix consists of 19 singles and 3 one-bedrooms apartment units. The ownership just built two ADU's, a single and a one bedroom that will be delivered vacant. Additionally, three additional single units will be delivered vacant at the close of escrow allowing an investor to achieve market rents for those units immediately.

The subject property is being offered at a 11.44 GRM on current income with a pro forma CAP rate of 6.68%.

Six units have recently been renovated with new flooring, ceiling fans, a stainless steel kitchen refrigerator and oven, countertops, and a fresh coat of paint. In addition, there is community laundry for the building.

Vermont Harbor is a densely populated neighborhood in South Los Angeles just below USC and Exposition Park. The location provides convenient access to the 110 Freeway and Downtown Los Angeles. The subject property is located nearby Vermont Gage Pocket Park, John Muir Middle School, Augustus Hawkins High School, and the Vermont Slauson Shopping Mall.



## **Property Summary**

#### **PROPERTY INFORMATION**

Address	6501 S Vermont Ave Los Angeles, CA 90044
Number of Units	22
Approx. Gross SF	8,734
Approx. Lot Size	4,053
Year Built/Renovated	1928
APN	6014-005-001
Zoning	LAC2

#### PRICING INFORMATION

Sales Price	\$3,250,000
Cost per Legal Unit	\$147,727
Cost per Bldg SF	\$337
Current GRM	11.44
Market GRM	9.04
Current CAP	4.47%
Market CAP	6.60%



### 6501 S Vermont Avenue

22 Unit Investment Opportunity

Consists of 19 Singles & 3 One-Bedroom Apartment Units

26% Rental Upside | 11.44 GRM | \$147,727 Per Unit







## **Investment Highlights**

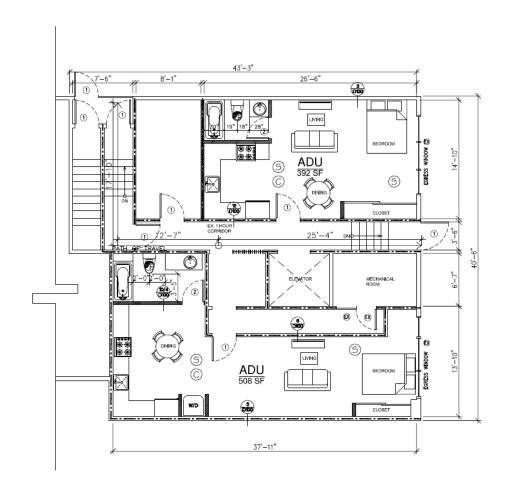
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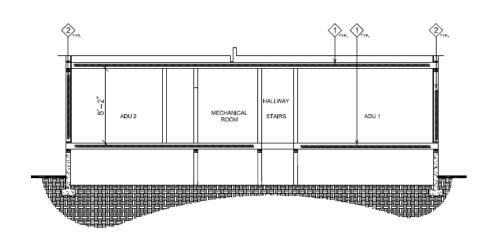
- Six units have recently been renovated with new flooring, ceiling fans, a stainless steel kitchen refrigerator and oven, countertops, and a fresh coat of paint. In addition, there is community laundry for the building.
- Vermont Harbor is a densely populated neighborhood in South Los Angeles just below USC and Exposition Park. The location provides convenient access to the 110 Freeway and Downtown Los Angeles. The subject property is located nearby Vermont Gage Pocket Park, John Muir Middle School, Augustus Hawkins High School, and the Vermont Slauson Shopping Mall.



### **ADU Additions**

Ownership recently built two ADU's (392 SF & 508 SF) in the existing storage area of the building that will be delivered vacant











## Rent Roll

UNIT#	SF	<b>UNIT TYPE</b>	<b>ACTUAL RENTS</b>	PRO FORMA RENTS	NOTES
1	456	Single	\$1,195	\$1,300	
2	456	Single	\$1,300	\$1,300	Vacant
3	456	Single	\$1,300	\$1,300	Vacant
4	456	Single	\$1,095	\$1,300	
5	540	1+1	\$965	\$1,700	
6	456	Single	\$864	\$1,300	
7	456	Single	\$1,095	\$1,300	
8	456	Single	\$780	\$1,300	
9	456	Single	\$909	\$1,300	
10	456	Single	\$965	\$1,300	
11	456	Single	\$864	\$1,300	
12	456	Single	\$1,300	\$1,300	Vacant
13	540	1+1	\$855	\$1,700	Section 8; On-Site Manager*
14	456	Single	\$860	\$1,300	
15	456	Single	\$1,295	\$1,300	
16	456	Single	\$802	\$1,300	
17	456	Single	\$802	\$1,300	
18	456	Single	\$1,195	\$1,300	
19	456	Single	\$1,095	\$1,300	
20	650	Single	\$965	\$1,300	
21	392	Single	\$1,300	\$1,300	Vacant ADU
22	508	1+1	\$1,700	\$1,700	Vacant ADU
			\$23,500	\$29,800	

<sup>\*</sup>On-site manager is a section 8 tenant. Current compensation for management is the ownership paying the tenant's portion of the rent (\$513 per month).

Single	\$19,9805
1+1	\$3,520
Total	\$23,500

## Financials

OPERATING DATA	CUR	RENT RENTS			MARKET RENTS	
Scheduled Gross Income:	\$284,0	068			\$359,683	
Less Vacancy Rate Reserve:	\$(14,2	03)	5.0%		\$(17,983)	5.0%
Gross Operating Income:	\$269,8	364			\$341,683	
Less Expenses:	\$(124	.471)	43.8%		\$(127,343)	35.4%
Net Operating Income:	\$145,	394			\$217,340	
Reserves:	\$(4,40	0)			\$(4,400)	
Less Debt Service:	\$(117,	400)			\$(117,400)	
Pre-Tax Cash Flow:	\$23,59	94	2.1%		\$92,540	8.1%
Plus Principal Reduction:	\$39,26	66			\$39,266	
Total Return Before Taxes:	\$62,86	60	5.5%		\$131,806	11.6%
		Current		Market Rents		
NUMBER OF UNITS	UNIT TYPE	APPROX SF	MONTHLY RENT/UNIT	MONTHLY INCOME	MONTHLY RENT/UNIT	MONTHLY INCOME
19	Single	456	\$1,052	\$19,980	\$1,300	\$24,700
3	1+1	540	\$1,173	\$3,520	\$1,700	\$5,100
Total Scheduled Rent				\$23,500		\$29,800
			RSO	\$101		\$101
			Laundry	\$71		\$71
Monthly Scheduled Gross Income:				\$23,672		\$29,972
Annual Scheduled Gross Income:				\$284,068		\$389,666

## **Financials**

EXPENSES	%	CURRENT	PROFORMA
Taxes:	1.18%	\$38,350	\$38,350
Insurance		\$5,815	\$5,815
Utilities:		\$32,184	\$32,184
Waste Removal		\$9,133	\$9,133
Repairs & Maintenance		\$11,000	\$11,000
Elevator		\$1,500	\$1,500
Management	4%	\$10,795	\$13,667
Telephone/Internet		\$3,442	\$3,442
Cleaning		\$3,300	\$3,300
Pest Control		\$420	\$420
On Site Manager		\$6,156	\$6,156
License & Fees		\$1,100	\$1,100
Direct Assessment		\$1,276	\$1,276
Total Expenses:		\$124,471	\$127,343
Per Net Sq. Ft.:		\$12.91	\$13.21
Per Unit:		\$5,658	\$5,788

#### **PRICING**

Price:		\$3,250,000
Down Payment:	35%	\$1,137,500
Number of Units:		22
Cost per Legal Unit:		\$147,727
Current GRM:		11.44
Market GRM:		9.04
Current CAP:		4.47%
Market CAP:		6.60%
Approx. Age:		1928
Approx. Lot Size:		4,053
Approx. Gross SF:		8,734
Cost per Net GSF:		\$337

#### **NEW POTENTIAL FINANCING**

New First Loan:	\$2,112,500
Interest Rate:	3.75%
Amortization:	30
Monthly Payment:	\$9,783
DCR:	1.21



# SALES COMPARABLES



ADDRESS | 6501 S Vermont Ave Los Angeles, CA 90044 | PRICE /UNIT | \$147,727 | CAP | 4.47% | UNITS | 22

 SALES PRICE
 \$3,250,000
 PRICE/SF
 \$337
 GRM
 11.44
 YEAR BUILT
 1928



### SALES COMPARABLES

01



02



**ADDRESS** 

SALES PRICE PRICE/UNIT

BLDG SF

LOT SIZE

**UNIT MIX** 

CAP RATE

DATE SOLD

1409 W 55th St

Los Angeles, CA 90062

\$2,200,000

\$244,444

5,966

5,663

Eight 1+1's, One 2+1's

N/A

1/31/22

**ADDRESS** 

SALES PRICE

PRICE/UNIT

**BLDG SF** 

LOT SIZE

**UNIT MIX** 

CAP RATE

DATE SOLD

4504 S Hoover St

Los Angeles, CA 90037

\$1,950,000

\$216,667

6,342

6,534

Eight 1+1's, One 2+1's

5.00%

1/20/22

### SALES COMPARABLES

03



04



**ADDRESS** 

SALES PRICE

PRICE/UNIT

**BLDG SF** 

LOT SIZE

UNIT MIX

CAP RATE

DATE SOLD

1045 W 42nd Pl

Los Angeles, CA 90037

\$1,650,000

\$206,250

6,000

7,336

Eight 1+1's

4.50%

12/28/21

**ADDRESS** 

SALES PRICE

PRICE/UNIT

**BLDG SF** 

LOT SIZE

UNIT MIX

CAP RATE

DATE SOLD

305-307 E 76th PI

Los Angeles, CA 90003

\$2,800,000

\$254,545

8,526

12,197

Four 1+1's, Four 2+1's, Three

3+2's

4.85%

11/24/21

### SALES COMPARABLES

05



06



**ADDRESS** 

SALES PRICE

PRICE/UNIT

BLDG SF

LOT SIZE

**UNIT MIX** 

CAP RATE

DATE SOLD

1182 E 52nd St

Los Angeles, CA 90011

\$1,800,000

\$225,000

4,490

17,441

Three 1+1's, Five 2+1's

5.87%

7/28/21

**ADDRESS** 

SALES PRICE

PRICE/UNIT

**BLDG SF** 

LOT SIZE

**UNIT MIX** 

CAP RATE

DATE SOLD

527 W 46th St

Los Angeles, CA 90037

\$2,875,000

\$143,750

10,080

8,107

20 1+1's

N/A

7/21/21

COMPARABLES MAP 27TH STREET HISTORIC HISTORIC SOUTH CENTRAL DISTRICT NEVIN LEIMERT PARK VERMONT Vernon W Vernon Ave SQUARE CORRIDOR W 48th St VERMONT HARBOR CENTRAL ALAMEDA E 54th St SOUTH LOS ANGELES DORSET VILLAGE The Home Depot RK MESA EIGHTS Harvard Park VAN NESS N Gage Ave E Gage Ave DE PARK Bethune Middle School E Florence Ave W Florence Ave W Florence Ave W Florence Ave. W.79th St Florence-Graham NADEAU FIRESTONE PARK MORNINGSIDE PARK

### **AREA OVERVIEW**

### **SOUTH LOS ANGELES**

Vermont Harbor is a densely populated neighborhood in the city of Los Angeles just below USC and Exposition Park. The location provides convenient access to the 110 Freeway and Downtown Los Angeles. The subject property is located nearby Vermont Gage Pocket Park, John Muir Middle School, Augustus Hawkins High School, and the Vermont Slauson Shopping Mall.

As the second largest metropolitan area in the United States, the Los Angeles Metropolitan Statistical Area, or the Southland, consists of both Los Angeles and Orange Counties. These two counties also make up the inner core of the Greater Los Angeles urbanized region. Los Angeles County, one of California's original 27 counties, is one of the nation's largest counties both in land area and population. With nearly 10 million residents, the Los Angeles population accounts for approximately 27 percent of California's population. The area continues to grow, especially given the vigorous residential development in downtown LA.







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