

RUSSELL APARTMENTS

4310 RUSSELL AVE LOS FELIZ, CA 90027



OFFERING MEMORANDUM

The subject property is currently under contract and being sold by way of Receivership. The sale is subject to a court confirmation overbid hearing. Please contact the agents for additional details.

Marcus & Millichap
THE NEEMA GROUP

34-Unit Investment Opportunity in Los Feliz just East of Hillhurst Ave

Ideal Unit Mix of 32 Two-Bedrooms, One Single, and One Two-Bedroom Townhouse

1987 Construction not Subject to Los Angeles RSO

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PROPERTY SUMMARY



PROPERTY INFORMATION

ADDRESS:	4310 Russell Ave Los Angeles, CA 90027
NUMBER OF UNITS:	34
APPROX. GROSS SF:	33,504 SF
APPROX. LOT SIZE:	27,033 SF
YEAR BUILT:	1987
PARCEL NUMBER:	5591-024-026
PROPERTY TYPE:	Multi-Family
UNIT MIX:	One Single 32 2+2 One 2+2.5 TH
ZONING:	R2-1XL

PRICING INFORMATION

SALE PRICE:	\$12,900,000
COST PER BLDG SF:	\$385
CURRENT CAP RATE:	5.79%
CURRENT GRM:	11.27
MARKET CAP RATE:	6.91%
MARKET GRM:	9.88

*Buyer to verify legal unit count. Zimas report and property profile currently show 42 units; however, only 37 are currently in operation. Marcus & Millichap and the Seller have not made any investigation and makes no warranty or representation with respect to the presented unit 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.



EXECUTIVE SUMMARY

The Neema Group of Marcus & Millichap is pleased to present 4310 Russell Ave., an investment opportunity of a 34-unit apartment building in Los Feliz, one of the most coveted rental submarkets in all of Los Angeles, located just east of Hillhurst Ave. between Commonwealth Ave and Talmadge St. This is a rare opportunity to purchase a sizeable asset in this pocket of the submarket adjacent to American Broadcast Studios. Los Feliz is considered a premier rental market of Los Angeles attracting quality tenants and providing easy access to amenities in Hollywood as well as the 101 & 5 Freeways.

The building features an ideal, rare unit mix of 32 two-bedrooms (1,000 SF), one single (350 SF), and one 2+2.5 townhouse (1,200 SF) – each with their own private balcony. The property has 66 gated parking spaces and secure entry and exit. Furthermore, there is a community laundry room with washers and dryers. The rental income provides stable current cash flow to an investor with additional upside over 14% achievable through increasing rent as units turn. The 1987 construction does not fall within the city of Los Angeles rent control.

The neighborhood of Los Feliz is highly desirable and a densely populated rental market of Los Angeles. Surrounded by multimillion-dollar single-family residences north and south of Los Feliz Blvd, the property provides apartment renters the opportunity to reside in an affluent community. The neighborhood borders sprawling Griffith Park, beloved by locals for its hiking, concerts at the Greek Theatre and stargazing at Griffith Observatory.

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Property & Location Highlights



**88 Walk
Score**



Singles: One

2+2 Bedrooms: 32

Townhouse: One



33,504 SF

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INVESTMENT HIGHLIGHTS

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The property features a unit mix made up of 32 2-bedrooms, one single and one townhouse ; all units have balconies

ooo

The property has 66 gated parking spaces and secure entry and exit

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The 1987 construction does not fall within the city of Los Angeles rent control

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The neighborhood of Los Feliz is highly desirable and a densely populated rental market of Los Angeles.

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Surrounded by multimillion-dollar single-family residences north and south of Los Feliz Blvd, the property provides apartment renters the opportunity to reside in an affluent community. The neighborhood borders sprawling Griffith Park, beloved by locals for its hiking, concerts at the Greek Theatre and stargazing at Griffith Observatory



4310 RUSSELL AVE

LOS FELIZ, CA 90027

Griffith Park

SUBJECT PROPERTY

American Broadcast Studios

Talmadge St.



RENT ROLL

UNIT NO.	UNIT TYPE	ACTUAL RENTS	PRO FORMA RENTS	MOVE IN DATES	NOTES
1	2+2	\$2,915	\$3,200	1/15/19	
2	2+2	\$2,400	\$3,200	2/1/21	
3	2+2	\$2,800	\$3,200	8/10/03	Section 8
4	2+2	\$2,800	\$3,200	7/24/03	Section 8
5	2+2	\$2,800	\$3,200	2/1/09	Section 8
6	2+2	\$3,200	\$3,200		Vacant
7	2+2	\$3,200	\$3,200		Vacant
8	2+2	\$2,800	\$3,200	1/1/23	
9	2+2.5 TH	\$2,590	\$3,600	3/5/96	
10	2+2	\$2,800	\$3,200	6/17/09	Section 8
11	2+2	\$2,800	\$3,200	9/1/09	Section 8
12	2+2	\$2,400	\$3,200	7/1/07	
13	2+2	\$2,700	\$3,200	10/15/12	
14	2+2	\$2,700	\$3,200	6/1/19	
15	2+2	\$2,800	\$3,200	6/1/00	
16	2+2	\$2,800	\$3,200	1/21/09	Section 8
17	2+2	\$3,200	\$3,200		Vacant
18	2+2	\$3,200	\$3,200		Manager
19	2+2	\$3,025	\$3,200	10/1/19	

UNIT NO.	UNIT TYPE	ACTUAL RENTS	PRO FORMA RENTS	MOVE IN DATES
20	2+2	\$2,853	\$3,200	11/1/19
21	2+2	\$2,915	\$3,200	9/1/17
22	2+2	\$2,640	\$3,200	2/2/15
23	2+2	\$3,000	\$3,200	9/21/22
24	2+2	\$2,500	\$3,200	5/1/11
25	2+2	\$3,200	\$3,200	Vacant
26	2+2	\$2,448	\$3,200	6/1/10
27	2+2	\$2,950	\$3,200	
28	2+2	\$2,650	\$3,200	8/1/20
29	2+2	\$2,950	\$3,200	
30	2+2	\$2,800	\$3,200	1/1/20
31	2+2	\$2,800	\$3,200	8/15/97
32	2+2	\$2,750	\$3,200	6/1/18
33	2+2	\$2,750	\$3,200	11/1/21
34	Single	\$1,100	\$1,600	9/1/16
		\$94,236	\$107,600	
1	Single	\$1,100	\$1,600	
32	2+2	\$90,546	\$102,400	
1	2+2.5 TH	\$2,590	\$3,600	
		\$94,236	\$107,600	

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FINANCIAL ANALYSIS

ANNUALIZED OPERATING DATA	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	\$1,145,136		\$1,305,510	
Less Vacancy Rate Reserve:	(\$57,257)	5.0%	(\$65,276)	5.0%
Gross Operating Income:	\$1,087,879		\$1,240,235	
Less Expenses:	(\$340,851)	29.8%	(\$348,469)	26.7%
Net Operating Income:	\$747,028		\$891,766	
Reserves:	(\$6,800)		(\$6,800)	
Less Debt Service:	(\$587,065)		(\$587,065)	
Pre-Tax Cash Flow:	\$153,163	3.0%	\$297,901	5.8%
Plus Principal Reduction:	\$89,609		\$89,609	
Total Return Before Taxes:	\$242,773	4.7%	\$387,510	7.5%

ESTIMATED ANNUALIZED EXPENSES	CURRENT RENTS		MARKET RENTS	
Taxes Rate: 1.17%	\$150,930		\$150,930	
Insurance	\$15,956		\$15,956	
Utilities	\$48,960		\$48,960	
Waste Removal	\$10,536		\$10,536	
Repairs & Maintenance	\$17,000		\$17,000	
Management: 4%	\$54,394		\$62,012	
On-Site Manager	\$28,200		\$28,200	
Landscaping/Cleaning	\$8,707		\$8,707	
Pest Control	\$780		\$780	
License and Fees	\$2,788		\$2,788	
Direct Assessment	\$2,600		\$2,600	
Total Expenses:	\$340,851		\$348,469	
Per Net Sq. Ft.:	\$10.17		\$10.40	
Per Unit:	\$10,025		\$10,249	

NO. OF UNITS	UNIT TYPE	UNIT SF	CURRENT RENTS		SCHEDULED RENTS	
			AVG MONTHLY RENT/UNIT	MONTHLY INCOME	MONTHLY RENT/UNIT	MONTHLY INCOME
1	Single	350	\$1,100	\$1,100	\$1,600	\$1,600
32	2+2	1,000	\$2,830	\$90,546	\$3,200	\$102,400
1	Townhouse	1,200	\$2,590	\$2,590	\$3,600	\$3,600
Total Scheduled Rent:				\$94,236		\$107,600
Laundry				\$1,193		\$1,193
Monthly Scheduled Gross Income:				\$95,428		\$108,793
Annual Scheduled Gross Income:				\$1,145,136		\$1,305,510

SUMMARY

Price:	\$12,900,000
Down Payment: 50%	\$5,160,000
Number of Units:	34
Cost per Legal Unit:	\$379,412
Current GRM:	11.27
Market GRM:	9.88
Current CAP:	5.79%
Market CAP:	6.91%
Approx. Age:	1987
Approx. Lot Size:	27,033
Approx. Gross SF:	33,504
Cost per Net GSF:	\$385.03

NEW POTENTIAL FINANCING


New First Loan:	\$7,740,000
Interest Rate:	6.50%
Amortization:	30
Monthly Payment:	\$48,922.07
DCR:	1.27

* As a percent of the down payment

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SALES COMPARABLES



 **4310 RUSSELL AVE**
LOS ANGELES, CA 90027

SALE PRICE	\$12,900,000
BUILDING SF	33,504 SF
LOT SIZE	27,033 SF
PRICE/SF	\$385
PRICE/UNIT	\$379,412
YEAR BUILT	1987
NO. OF UNITS	34
CAP RATE	5.79%
GRM	11.27



1 **1806 N BERENDO ST,**
LOS ANGELES, CA 90027

SALE PRICE	\$15,600,000
BUILDING SF	10,480
PRICE/SF	\$411
PRICE/UNIT	\$458,824
DATE SOLD	10/26/22
YEAR BUILT	1988
NO. OF UNITS	34
CAP RATE	N/A
GRM	N/A



2 **1752 N KINGSLEY DR,**
LOS ANGELES, CA 90027

SALE PRICE	\$7,600,000
BUILDING SF	40,859
PRICE/SF	\$467
PRICE/UNIT	\$584,615
DATE SOLD	10/17/22
YEAR BUILT	2007
NO. OF UNITS	13
CAP RATE	3.86%
GRM	N/A



3 **950 EDGECLIFFE DR,**
LOS ANGELES, CA 90026

SALE PRICE	\$4,930,000
BUILDING SF	42,528
PRICE/SF	\$399
PRICE/UNIT	\$410,833
DATE SOLD	10/12/22
YEAR BUILT	1985
NO. OF UNITS	12
CAP RATE	3.67%
GRM	N/A



4 **1540 N BRONSON AVE,**
LOS ANGELES, CA 90028

SALE PRICE	\$6,533,334
BUILDING SF	8,772
PRICE/SF	\$487
PRICE/UNIT	\$435,556
DATE SOLD	7/7/22
YEAR BUILT	1996
NO. OF UNITS	15
CAP RATE	4.29%
GRM	N/A



5

1212 N GOWER ST,
LOS ANGELES, CA 90038

SALE PRICE	\$7,105,000
BUILDING SF	23,072
PRICE/SF	\$365
PRICE/UNIT	\$444,063
DATE SOLD	6/10/22
YEAR BUILT	1989
NO. OF UNITS	16
CAP RATE	3.66%
GRM	15.90



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2123 RODNEY DR,
LOS ANGELES, CA 90027

SALE PRICE	\$22,000,000
BUILDING SF	10,712
PRICE/SF	\$480
PRICE/UNIT	\$523,810
DATE SOLD	3/25/22
YEAR BUILT	1986
NO. OF UNITS	42
CAP RATE	2.99%
GRM	19.41



SALES COMPARABLES MAP

The map displays six numbered locations for sales comparables in Los Angeles:

- 1**: A modern, multi-story building with a glass facade, located in the Thai Town area.
- 2**: A multi-story building with a light-colored facade, located near Los Feliz Blvd.
- 3**: A modern, multi-story building with a glass facade, located in the Silver Lake area.
- 4**: A multi-story building with a light-colored facade, located near Hollywood Blvd.
- 5**: A multi-story building with a light-colored facade, located near Hollywood Blvd.
- 6**: A multi-story building with a light-colored facade, located near Los Feliz Blvd.

A red star and line highlight the subject property at **4310 RUSSELL AVE**, located in the Silver Lake area.

SUBJECT PROPERTY

American Broadcast Studios



AREA OVERVIEW

LOS FELIZ

Los Feliz is a hillside neighborhood in the central region of Los Angeles, California. This highly desirable area borders Hollywood and encompassing part of the Santa Monica Mountains. Los Feliz is situated between Griffith Park, Atwater Village, Silver Lake, Hollywood and the Hollywood Hills. From hiking Griffith Park to seeing a show at The Greek Theatre, there is no shortage of things to do in Los Feliz. The neighborhood is also home to some of the greatest architecture masterpieces including Frank Lloyd Wright's Mayan-inspired house.

Los Feliz offers a perfect mix of shopping and nightlife, always with the option to take a breather in one of the largest urban parks in North America—4,310 acres to be exact. Because of that, residents are as likely to spend Saturday afternoons sipping a stiff cocktail at one of the local watering holes as they are to hit the trails of Griffith Park with a cold-pressed juice in hand. Inhabited by an eclectic mix of residents, this east side enclave is a wonderful hodgepodge of historic mansions and charming apartment buildings. This rare hybrid manages to offer city life in the form of local shops, restaurants, and bars, and nature, thanks to the many trails and grassy knolls of Griffith Park. Dotted with restaurants, coffee shops, boutiques, vintage stores, and even an independent movie theater, the heart of this neighborhood rests within a stretch of downtown's Vermont Avenue. Skylight Books is a reader's dream come true and beloved Italian restaurant Little Dom's is a local favorite.





88

Inhabited by an eclectic mix of residents, this east side enclave is a wonderful hodgepodge of historic mansions and charming apartment buildings. This rare hybrid manages to offer both urban charm in the form of local shops, restaurants, and bars, and nature, thanks to the many trails and grassy knolls of Griffith Park.



Nearby Retail & Amenities

1. Messhall Kitchen
2. Starbucks
3. Little Dom's
4. Cafe Los Feliz
5. Mexico City
6. Blue Bottle Coffee
7. Yuca's
8. Albertson's
9. Nossa Restaurant
10. Vinoteca Farfalla
11. Jeni's Splendid Ice Cream
12. Mustard Seed Cafe
13. Alcove Restaurant
14. Qwench Juic Bar
15. Drawing Room
16. Home
17. Spitz
18. Bru Coffeebar
19. Palermo Italian
20. Los Feliz Theatre
21. United States Post Office
22. Atrium
23. The Dresden
24. Ill Capriccio
25. Rockwell Table & Stage



With over 4,210 acres of both natural chapparral-covered terrain and landscaped parkland and picnic areas, Griffith Park is one of the largest municipal parks with urban wilderness areas in the United States. Situated in the eastern Santa Monica Mountain range, the Park's elevations range from 384 to 1,625 feet above sea level. With an arid climate, the Park's plant communities vary from coastal sage scrub, oak and walnut woodlands to riparian vegetation with trees in the Park's deep canyons. The California native plants represented in Griffith Park include the California species of oak, walnut, lilac, mountain mahogany, sages, toyon, and sumac. Present, in small quantities, are the threatened species of manzanita and berberis.



GRIFFITH PARK

RUSSELL APARTMENTS

Los Feliz

MELROSE



Melrose Avenue is one of L.A.'s most famous streets, featuring a myriad of shopping, dining and entertainment destinations. Melrose runs north of Beverly Boulevard and south of Santa Monica Boulevard. Along its "west end," Melrose Avenue is all about strolling and shopping, so bring dough and plenty of it. The street begins at Santa Monica Boulevard where the cities of Beverly Hills and West Hollywood meet, otherwise known as the intersection of posh and funky.

Eagle Rock is an eclectic neighborhood northeast of Downtown, with working class roots and a hip, laid-back vibe. Vintage shops, coffeehouses, Southern-inspired diners and old-school Italian joints line commercial strips that surround quaint residential blocks. A retro-cool bowling alley and Occidental College, a small liberal arts school, liven up the area, along with several craft beer-focused watering holes.

EAGLE ROCK



SILVER LAKE



Voted Forbes' Hippest Neighborhood and built around a city reservoir, Silver Lake is well known for its trendy restaurants, nightlife, and avant garde Modernist architecture. Since the end of 1990's the area has also been the center of LA's indie and alternative music scene. Silver Lake has long been a preferred community, but approximately 15 years ago when gentrification began in earnest, home values and rents have sharply increased.

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