

147 S NORMANDIE AVE

LOS ANGELES, CA 90004



The subject property being sold by way of Receivership. The sale will be subject to a court confirmation overbid hearing. Please contact the agents for additional details.

OFFERING MEMORANDUM

Marcus & Millichap
THE NEEMA GROUP

47 Units in Koreatown | Value Add Opportunity with
Over 25% Rental Upside | Central Location between Beverly Blvd & W 3rd St

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Marcus & Millichap
THE NEEMA GROUP



PROPERTY SUMMARY

PROPERTY INFORMATION

| | |
|-------------------|--|
| ADDRESS: | 147 S Normandie Ave Los Angeles, CA 90004 |
| NUMBER OF UNITS: | 47 |
| APPROX. GROSS SF: | 22,864 SF |
| APPROX. LOT SIZE: | 8,002 SF |
| YEAR BUILT: | 1926 |
| PARCEL NUMBER: | 5518-002-009 |
| PROPERTY TYPE: | Multi-Family |
| UNIT MIX: | 47 Singles |
| ZONING: | R3-1 |

PRICING INFORMATION

| | |
|-------------------|-------------|
| SALE PRICE: | \$5,875,000 |
| COST PER UNIT: | \$125,000 |
| COST PER SF | \$257 |
| CURRENT CAP RATE: | 5.52% |
| CURRENT GRM: | 9.10 |
| MARKET CAP RATE: | 8.09% |
| MARKET GRM: | 7.22 |

INVESTMENT HIGHLIGHTS

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The Neema Group of Marcus & Millichap is pleased to present 147 S Normandie Ave, an apartment investment opportunity in the Westlake neighborhood of Los Angeles located between Beverly Blvd St and 3rd St

ooo

The property features a unit mix made up of 47 singles

ooo

Value add opportunity with over 26% rental upside achievable as units turn

ooo

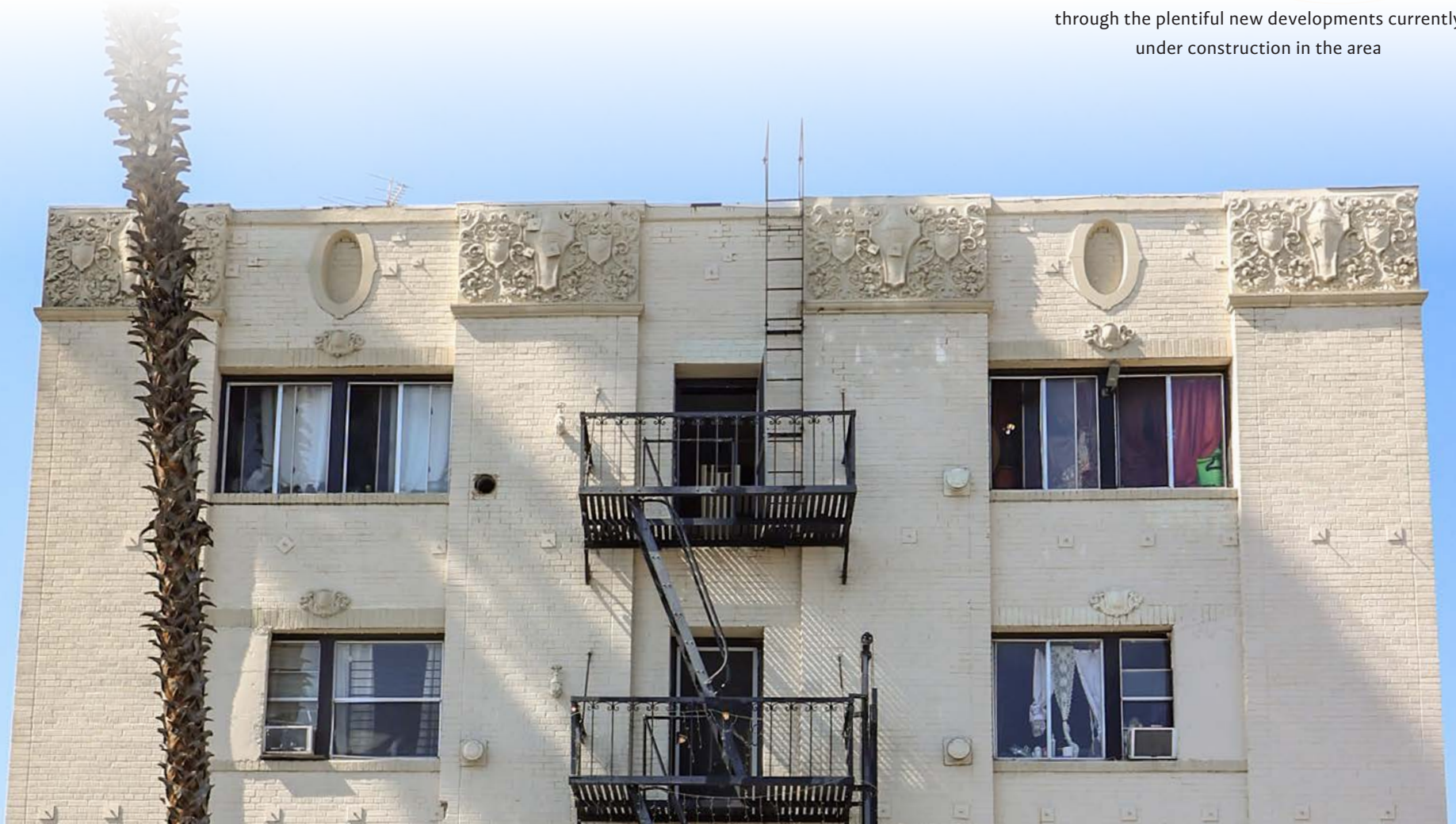
High Walk Score of 87, residents benefit from multiple metro bus line stops along Beverly Blvd and just blocks from the metro rail line

ooo

Central location that is beneficial for residents that commute throughout the city with close proximity to Downtown Los Angeles, Westlake, Echo Park, and Silver Lake, walking distance to retail along S Alvarado St as well as the St. Vincent Medical Center to retail along Beverly Blvd & W 3rd St

ooo

Ideal rental market that continues to grow, illustrated through the plentiful new developments currently under construction in the area



EXECUTIVE SUMMARY

The Neema Group of Marcus and Millichap is proud to present 147 S Normandie Ave, a 47-unit investment opportunity located in the highly sought-after Koreatown neighborhood of Los Angeles. Located between Beverly Blvd St and 3rd St and just a few blocks away from Vermont/Beverly Metro. This is a value add opportunity with over 26% rental upside achievable as units turn.

High Walk Score of 87, 147 S Normandie Ave is a walkers paradise with many nearby markets, shops, schools and restaurants. Central location that is beneficial for residents that commute throughout the city with close proximity to Downtown Los Angeles, Westlake, Echo Park, and Silver Lake, walking distance to retail along Beverly Blvd & W 3rd St., as well as the St. Vincent Medical Center. Located in an ideal rental market that continues to grow, illustrated through the plentiful new developments currently under construction in the area such.

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Property & Location Highlights



**87 Walk
Score**



Singles: 47



22,864 SF

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RENT ROLL

| | UNIT NO. | UNIT TYPE | ACTUAL RENTS | PRO FORMA RENTS | MOVE-IN DATE |
|----|----------|-----------|-----------------|--------------------|-----------------|
| 1 | 101 | Single | \$932 | \$1,430 | 11/1/15 |
| 2 | 102 | Single | \$863 | \$1,430 | 6/1/19 |
| 3 | 103 | Single | \$904 | \$1,430 | 11/1/12 |
| 4 | 104 | Single | \$917 | \$1,430 | 3/5/14 |
| 5 | 105 | Single | \$1,430 | \$1,430 | On-Site Manager |
| 6 | 106 | Single | \$904 | \$1,430 | 1/1/13 |
| 7 | 107 | Single | \$847 | \$1,430 | 6/1/02 |
| 8 | 108 | Single | \$861 | \$1,430 | 6/1/12 |
| 9 | 109 | Single | \$1,400 | \$1,430 | 3/1/22 |
| 10 | 110 | Single | \$918 | \$1,430 | 4/1/13 |
| 11 | 111 | Single | \$917 | \$1,430 | 6/1/14 |
| 12 | 201 | Single | \$904 | \$1,430 | 4/1/12 |
| 13 | 202 | Single | \$900 | \$1,430 | 7/15/10 |
| 14 | 203 | Single | \$1,800 | \$1,430 | 9/8/22 |
| 15 | 204 | Single | \$1,350 | \$1,430 | 9/1/21 |
| 16 | 205 | Single | \$1,800 | \$1,430 | 8/1/22 |
| 17 | 206 | Single | \$1,350 | \$1,430 | 4/1/20 |
| 18 | 207 | Single | \$909 | \$1,430 | 7/1/13 |
| 19 | 208 | Single | \$1,400 | \$1,430 | 4/1/22 |
| 20 | 209 | Single | \$1,350 | \$1,430 | 4/1/21 |
| 21 | 210 | Single | \$1,350 | \$1,430 | 11/1/21 |
| 22 | 211 | Single | \$910 | \$1,430 | 6/1/12 |
| 23 | 212 | Single | \$903 | \$1,430 | 6/1/02 |
| 24 | 301 | Single | \$936 | \$1,430 | 6/1/02 |
| 25 | 302 | Single | \$1,350 | \$1,430 | 8/1/21 |
| 26 | 303 | Single | \$1,400 | \$1,430 | 4/1/22 |
| 27 | 304 | Single | \$1,350 | \$1,430 | 4/1/23 |
| 28 | 305 | Single | \$943 | \$1,430 | 6/1/02 |

| UNIT NO. | UNIT TYPE | ACTUAL RENTS | PRO FORMA RENTS | MOVE-IN DATES | |
|----------|-----------|-----------------|--------------------|---------------|---------|
| 29 | 306 | Single | \$1,400 | \$1,430 | 6/1/22 |
| 30 | 307 | Single | \$861 | \$1,430 | 6/1/13 |
| 31 | 308 | Single | \$1,800 | \$1,430 | 9/1/20 |
| 32 | 309 | Single | \$850 | \$1,430 | 6/1/02 |
| 33 | 310 | Single | \$1,400 | \$1,430 | 3/15/23 |
| 34 | 311 | Single | \$1,430 | \$1,430 | Vacant |
| 35 | 312 | Single | \$904 | \$1,430 | 11/3/11 |
| 36 | 401 | Single | \$756 | \$1,430 | 6/1/19 |
| 37 | 402 | Single | \$1,106 | \$1,430 | 12/2/15 |
| 38 | 403 | Single | \$967 | \$1,430 | 5/1/16 |
| 39 | 404 | Single | \$932 | \$1,430 | 6/1/19 |
| 40 | 405 | Single | \$1,430 | \$1,430 | Vacant |
| 41 | 406 | Single | \$1,350 | \$1,430 | 11/1/20 |
| 42 | 407 | Single | \$861 | \$1,430 | 9/1/12 |
| 43 | 408 | Single | \$1,350 | \$1,430 | 2/1/22 |
| 44 | 409 | Single | \$891 | \$1,430 | 4/1/05 |
| 45 | 410 | Single | \$856 | \$1,430 | 6/1/02 |
| 46 | 411 | Single | \$1,316 | \$1,430 | 6/1/19 |
| 47 | 412 | Single | \$970 | \$1,430 | 3/1/05 |
| | | \$53,225 | \$67,210 | | |

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FINANCIAL ANALYSIS

| ANNUALIZED OPERATING DATA | | CURRENT RENTS | | MARKET RENTS | |
|-----------------------------------|--|------------------|-------|------------------|-------|
| Scheduled Gross Income: | | \$645,435 | | \$813,255 | |
| Less Vacancy Rate Reserve: | | (\$32,272) | 5.0% | (\$40,663) | 5.0% |
| Gross Operating Income: | | \$613,163 | | \$772,592 | |
| Less Expenses: | | (\$289,138) | 44.8% | (\$297,109) | 36.5% |
| Net Operating Income: | | \$324,026 | | \$475,483 | |
| Reserves: | | (\$9,400) | | (\$9,400) | |
| Less Debt Service: | | (\$274,357) | | (\$274,357) | |
| Pre-Tax Cash Flow: | | \$40,269 | | \$191,726 | |
| Plus Principal Reduction: | | \$39,029 | | \$39,029 | |
| Total Return Before Taxes: | | \$79,298 | | \$230,755 | |
| | | 3.4% | | 9.8% | |

| ESTIMATED ANNUALIZED EXPENSES | | CURRENT RENTS | | MARKET RENTS | |
|-------------------------------|--|------------------|--|------------------|--|
| Taxes Rate: 1.17% | | \$68,738 | | \$68,738 | |
| Insurance | | \$19,755 | | \$19,755 | |
| Utilities | | \$94,071 | | \$94,071 | |
| Waste Removal | | \$13,584 | | \$13,584 | |
| Repairs & Maintenance | | \$23,500 | | \$23,500 | |
| Management: 4% | | \$30,658 | | \$38,630 | |
| On-Site Manager | | \$29,220 | | \$29,220 | |
| Landscaping/Cleaning | | \$1,800 | | \$1,800 | |
| Pest Control | | \$1,170 | | \$1,170 | |
| License and Fees | | \$3,854 | | \$3,854 | |
| Direct Assessment | | \$2,788 | | \$2,788 | |
| Total Expenses: | | \$289,138 | | \$297,109 | |
| Per Net Sq. Ft.: | | \$12.65 | | \$12.99 | |
| Per Unit: | | \$6,152 | | \$6,321 | |

| NO. OF UNITS | UNIT TYPE | UNIT SF | CURRENT RENTS | | SCHEDULED RENTS | |
|--|-----------|---------|-----------------------|------------------|-------------------|------------------|
| | | | AVG MONTHLY RENT/UNIT | MONTHLY INCOME | MONTHLY RENT/UNIT | MONTHLY INCOME |
| 47 | Single | | \$1,132 | \$53,225 | \$1,430 | \$67,210 |
| Total Scheduled Rent: | | | | \$53,225 | | \$67,210 |
| Laundry | | | | \$561 | | \$561 |
| Monthly Scheduled Gross Income: | | | | \$53,786 | | \$67,771 |
| Annual Scheduled Gross Income: | | | | \$645,435 | | \$813,255 |

SUMMARY

| | |
|--------------------------|--------------------|
| Price: | \$5,875,000 |
| Down Payment: 50% | \$2,350,000 |
| Number of Units: | 47 |
| Cost per Legal Unit: | \$125,000 |
| Current GRM: | 9.10 |
| Market GRM: | 7.22 |
| Current CAP: | 5.52% |
| Market CAP: | 8.09% |
| Approx. Age: | 1926 |
| Approx. Lot Size: | 8,002 |
| Approx. Gross SF: | 22,864 |
| Cost per Net GSF: | \$256.95 |


NEW POTENTIAL FINANCING

| | |
|------------------------|--------------------|
| New First Loan: | \$3,525,000 |
| Interest Rate: | 6.75% |
| Amortization: | 30 |
| Monthly Payment: | \$22,863.08 |
| DCR: | 1.18 |

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SALES COMPARABLES



 **147 S NORMANDIE AVE**
LOS ANGELES, CA 90004

| | |
|----------------|-------------|
| SALE PRICE | \$5,875,000 |
| BUILDING SF | 22,864 SF |
| LOT SIZE | 8,002 SF |
| PRICE/SF | \$257 |
| PRICE PER UNIT | \$125,000 |
| YEAR BUILT | 1926 |
| NO. OF UNITS | 47 |
| CAP RATE | 5.52% |
| GRM | 9.10 |



1 **440 S BONNIE BRAE ST,**
LOS ANGELES, CA 90057

| | |
|----------------|-------------|
| SALE PRICE | \$4,400,000 |
| BUILDING SF | 10,480 |
| LOT SIZE | 7,292 |
| PRICE/SF | \$227 |
| PRICE PER UNIT | \$151,724 |
| DATE SOLD | 5/2/23 |
| YEAR BUILT | 1923 |
| NO. OF UNITS | 29 |
| CAP RATE | 4.50% |
| GRM | N/A |



2 **167 S NORMANDIE,**
LOS ANGELES, CA 90004

| | |
|----------------|-------------|
| SALE PRICE | \$7,575,000 |
| BUILDING SF | 40,859 |
| LOT SIZE | 8,468 |
| PRICE/SF | \$283 |
| PRICE PER UNIT | \$151,500 |
| DATE SOLD | 4/4/23 |
| YEAR BUILT | 1928 |
| NO. OF UNITS | 50 |
| CAP RATE | 5.35% |
| GRM | 10.90 |



3 **1513 W 12TH PL,**
LOS ANGELES, CA 90015

| | |
|----------------|-------------|
| SALE PRICE | \$2,400,000 |
| BUILDING SF | 42,528 |
| LOT SIZE | 9,008 |
| PRICE/SF | \$182 |
| PRICE PER UNIT | \$133,333 |
| DATE SOLD | 3/9/23 |
| YEAR BUILT | 1905 |
| NO. OF UNITS | 18 |
| CAP RATE | 5.50% |
| GRM | 11.34 |



4 **901 S ARDMORE AVE,**
LOS ANGELES, CA 90006

| | |
|----------------|-------------|
| SALE PRICE | \$4,349,000 |
| BUILDING SF | 8,772 |
| LOT SIZE | 7,841 |
| PRICE/SF | \$209 |
| PRICE PER UNIT | \$161,074 |
| DATE SOLD | 1/17/23 |
| YEAR BUILT | 1928 |
| NO. OF UNITS | 27 |
| CAP RATE | N/A |
| GRM | N/A |



5 2919 W 8TH ST,
LOS ANGELES, CA 90005

| | |
|----------------|-------------|
| SALE PRICE | \$2,701,000 |
| BUILDING SF | 23,072 |
| LOT SIZE | 8,276 |
| PRICE/SF | \$237 |
| PRICE PER UNIT | \$135,050 |
| DATE SOLD | 1/17/23 |
| YEAR BUILT | 1923 |
| NO. OF UNITS | 20 |
| CAP RATE | N/A |
| GRM | N/A |



6 330 N BIXEL ST,
LOS ANGELES, CA 90026

| | |
|----------------|-------------|
| SALE PRICE | \$2,589,000 |
| BUILDING SF | 10,712 |
| LOT SIZE | 7,275 |
| PRICE/SF | \$257 |
| PRICE PER UNIT | \$129,450 |
| DATE SOLD | 1/17/23 |
| YEAR BUILT | 1921 |
| NO. OF UNITS | 20 |
| CAP RATE | N/A |
| GRM | N/A |



7 450 WITMER ST,
LOS ANGELES, CA 90017

| | |
|----------------|-------------|
| SALE PRICE | \$3,126,000 |
| BUILDING SF | 9,102 |
| LOT SIZE | 7,244 |
| PRICE/SF | \$265 |
| PRICE PER UNIT | \$130,250 |
| DATE SOLD | 1/6/23 |
| YEAR BUILT | 1924 |
| NO. OF UNITS | 24 |
| CAP RATE | 4.44% |
| GRM | 11.51 |



8 501 S RAMPART BLVD,
LOS ANGELES, CA 90057

| | |
|----------------|-------------|
| SALE PRICE | \$5,800,000 |
| BUILDING SF | 16,113 |
| LOT SIZE | 8,281 |
| PRICE/SF | \$220 |
| PRICE PER UNIT | \$120,833 |
| DATE SOLD | 12/7/22 |
| YEAR BUILT | 1922 |
| NO. OF UNITS | 48 |
| CAP RATE | 4.00% |
| GRM | 10.14 |



147 S NORMANDIE AVE

Original Tommy's World
Famous Hamburgers



AREA OVERVIEW

WESTLAKE

BRIDGING THE GAP BETWEEN

Westlake is adjacent to other notable neighborhoods, including Echo Park, Pico Union, Downtown and Koreatown. The neighborhood is extremely dense, with endless streets lined with small businesses. MacArthur Park, designated as the City of Los Angeles Cultural Monument #100, is located in Westlake and is adjacent to the Metro's Westlake/MacArthur Park Station, which affords access to the Red and Purple lines. Those lines provide public transportation toward Downtown, North Hollywood and toward Koreatown, with West Side extensions projected to be completed in 2027.

Westlake has recently seen a flurry of development and public safety initiatives, from mixed-use projects to new crosswalks. M2A Architects was contracted to construct a mixed-use project at the intersection of Olympic and Hoover that will feature 173 dwelling units, nearly 37,000 square feet of ground-floor commercial space and parking for 262 vehicles. Amidi Group, a San Francisco based developer, is 50% complete with their \$180 million 1027 Wilshire development. The project will span nine stories and feature 376 residential units, approximately 5,000 square feet of ground floor retail space, and subterranean parking for more than 800 vehicles.

87 Walk Score
WALKER'S PARADISE

73 Transit score
RIDER'S PARADISE





87

Westlake's central location near Downtown Los Angeles results in excellent walkability and accessibility for its residents. The Olympic is walking distance to the MacArthur/Westlake station, with access to the Metro Red and Purple lines





Hollywood affords a vibrant mix of activities and entertainment for all types of residents. Highly rated restaurants include Katsuya, Cleo, and Musso & Frank Grill (opened in 1919). For the younger cohort, Hollywood also offers an endless amount of bars, chic lounges, and exclusive dance clubs to enjoy. National retailers and original boutiques that line Hollywood Boulevard offer the latest fashions. On Sundays, The Hollywood Farmers Market provides fresh produce and prepared foods. Runyon Canyon Park offers some of Los Angeles' best views and hikes. Residents have affordable public transportation options provided by the Metro Red Line and several bus lines.

HOLLYWOOD



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.

SILVER LAKE



147 NORMANDIE AVE



KOREATOWN



Long celebrated for its art deco architectural heritage and immigrant community, today Koreatown has emerged as one of Los Angeles' most fashionable areas. As the densest part of Los Angeles, new residents flock to this neighborhood just west of Downtown to enjoy walkable amenities, fabulous restaurants, and recently opened boutique hotels like the Line and Normandie. The Metro Purple Line traversing Wilshire Boulevard in the heart of Koreatown will further attract new residents. Thanks to Korean and Latino immigrants, the area is dotted with highly rated ethnic eateries.

KOREATOWN

The Downtown submarket of Los Angeles includes its central business district, which contains the nation's third largest employment pool. Additionally, this submarket features many major sports facilities, sightseeing opportunities, skyscrapers, and large multinational corporations. Downtown is also the hub of the city's freeway network and Metro rapid-transit system. LA Live is one of downtown's most innovative developments featuring sports and music venues, nightclubs, restaurants, a bowling alley, a museum, and movie theaters.

DTLA



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