

OFFERING MEMORANDUM

526 Union

526 Union Dr, Los Angeles, CA 90017

**MULTIFAMILY INVESTMENT OPPORTUNITY | 51 UNITS IN WESTLAKE
\$93,137 PER UNIT AND \$148 PSF AT THE ASKING PRICE**



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Marcus & Millichap
THE NEEMA GROUP



The Neema Group of Marcus & Millichap is pleased to present 526 Union Dr, a 51-unit multifamily investment opportunity in the highly walkable Westlake neighborhood of Los Angeles, located just north of 6th St and a half-mile from Good Samaritan Hospital. The property features a unit mix of 45 singles and six one-bedrooms and is being offered at a 6.73% CAP rate and 7.42 GRM on current income, with an additional 36% rental upside achievable through interior renovations as units turn.

The building is separately metered for gas and electricity and includes an on-site laundry room with four washers and four dryers under a lease with Wash. Boasting a high Walk Score of 93, the property is less than a mile from the Metro A-E Rail Lines and Metro Local Lines along 6th St, providing convenient transit options. It is also within walking distance

of major retailers such as The Home Depot, Rite Aid, and McDonald's, among others along 6th St.

The Westlake neighborhood offers a central location with a short commute to Downtown Los Angeles, Hollywood, and Koreatown, with nearby attractions including MacArthur Park, Echo Park, Dodger Stadium, and The Broad Museum. This offering presents an exceptional opportunity to acquire a well-positioned asset with immediate income and future value-add potential in a thriving Los Angeles submarket.

Property Summary

Property Information

ADDRESS:	526 Union Dr, Los Angeles, CA 90017
NUMBER OF UNITS:	51
APPROX. GROSS SF:	32,001
APPROX. LOT SIZE:	7,807
YEAR BUILT:	1926
PARCEL NUMBER:	5153-006-016
PROPERTY TYPE:	Multi-Family
UNIT MIX:	(45) Single (6) 1Bed 1Bath

Pricing Information

SALE PRICE:	\$4,750,000
COST PER LEGAL UNIT:	\$93,137
COST PER BLDG SF:	\$148.43
CAP RATE:	6.73%
GRM:	7.42
PRO FORMA CAP RATE:	11.20%
PRO FORMA GRM:	5.44



Investment Highlights



The Neema Group of Marcus & Millichap is pleased to present 526 Union Dr, a 51-unit multifamily investment opportunity in the Westlake neighborhood of Los Angeles located just north of 6th St and a half mile from Good Samaritan Hospital



At the asking price, the property is being offered at a 6.73% CAP rate at 7.42 GRM on current income with an additional 36% rental upside achievable as units turn through interior renovations



The building is separately metered for gas and electricity and has an on-site laundry room with four washers and four dryers (lease with Wash) and new security cameras; significant cap ex has been invested by ownership into the systems and common areas



The property features a unit mix of 45 singles and six one-bedrooms



High Walk Score of 93, the property is less than a mile to the Metro A-E Rail Lines, and Metro Local Lines along 6th St



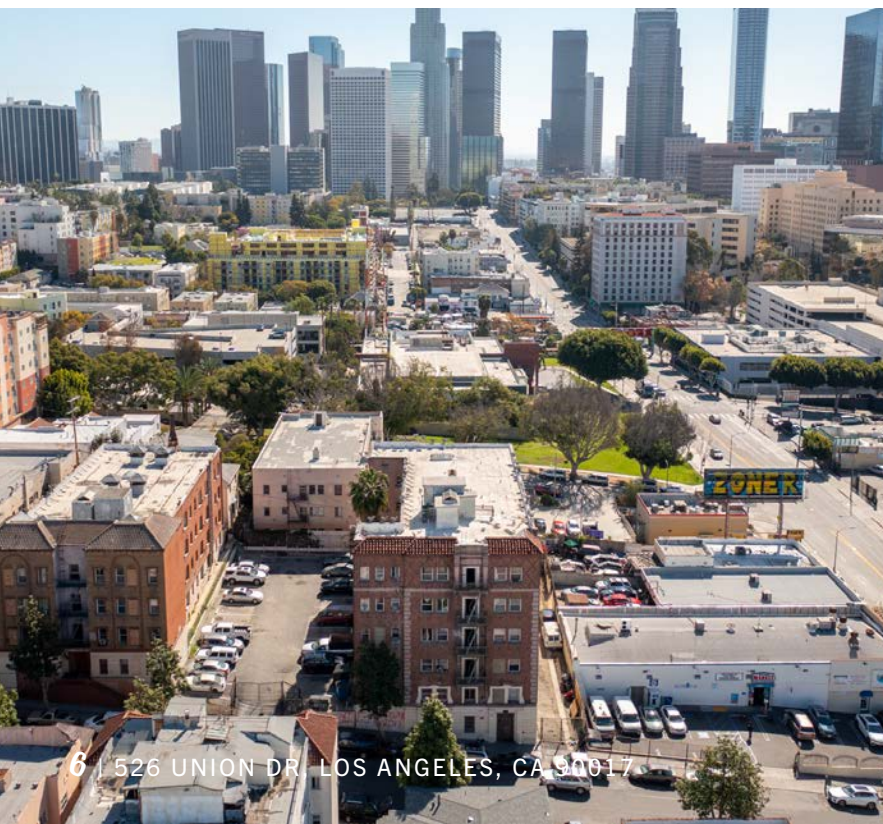
Walking distance to retailers such as The Home Depot, Rite Aid, and McDonald's, among others along 6th St



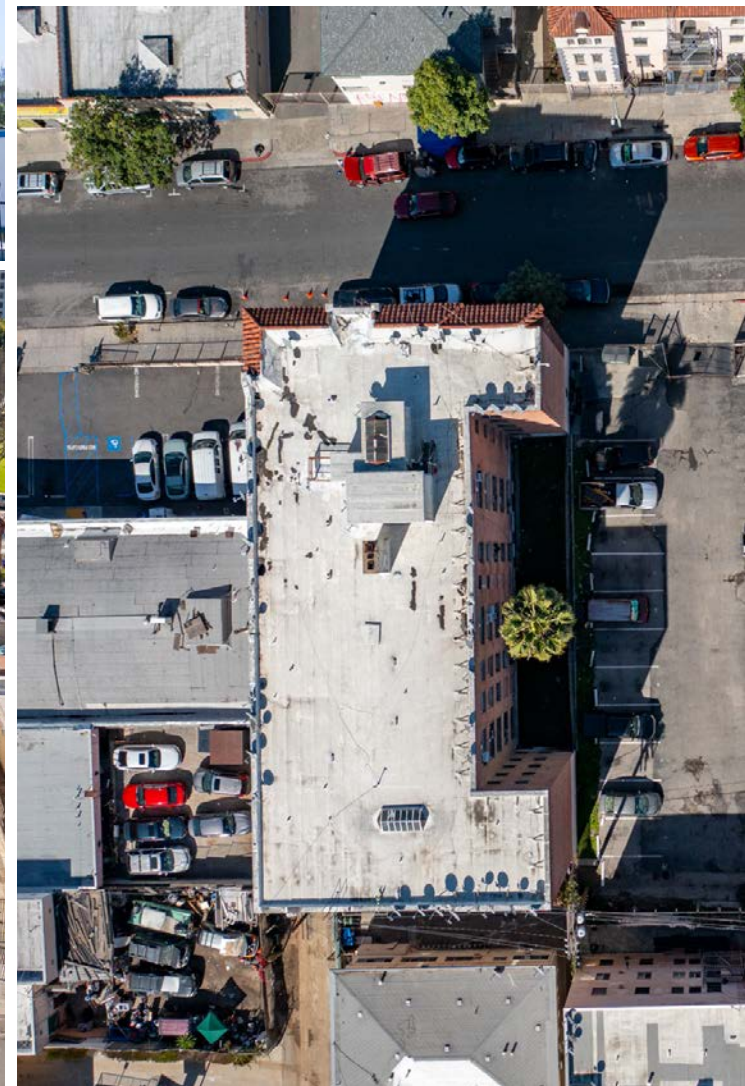
This neighborhood of Westlake is ideally located with a short commute to Downtown Los Angeles, Hollywood, and Koreatown. Proximity to MacArthur Park, Echo Park, Dodger Stadium, and The Broad Museum



Marcus & Millichap
THE NEEMA GROUP



6 | 526 UNION DR, LOS ANGELES, CA 90017



Nearby Retail & Amenities

Transportation

- 1 Westlake/ MacArthur Park Subway Station
- 2 7 th St/ Metro Center Light Rail Station
- 3 6 th St/ Witmer St

Schools

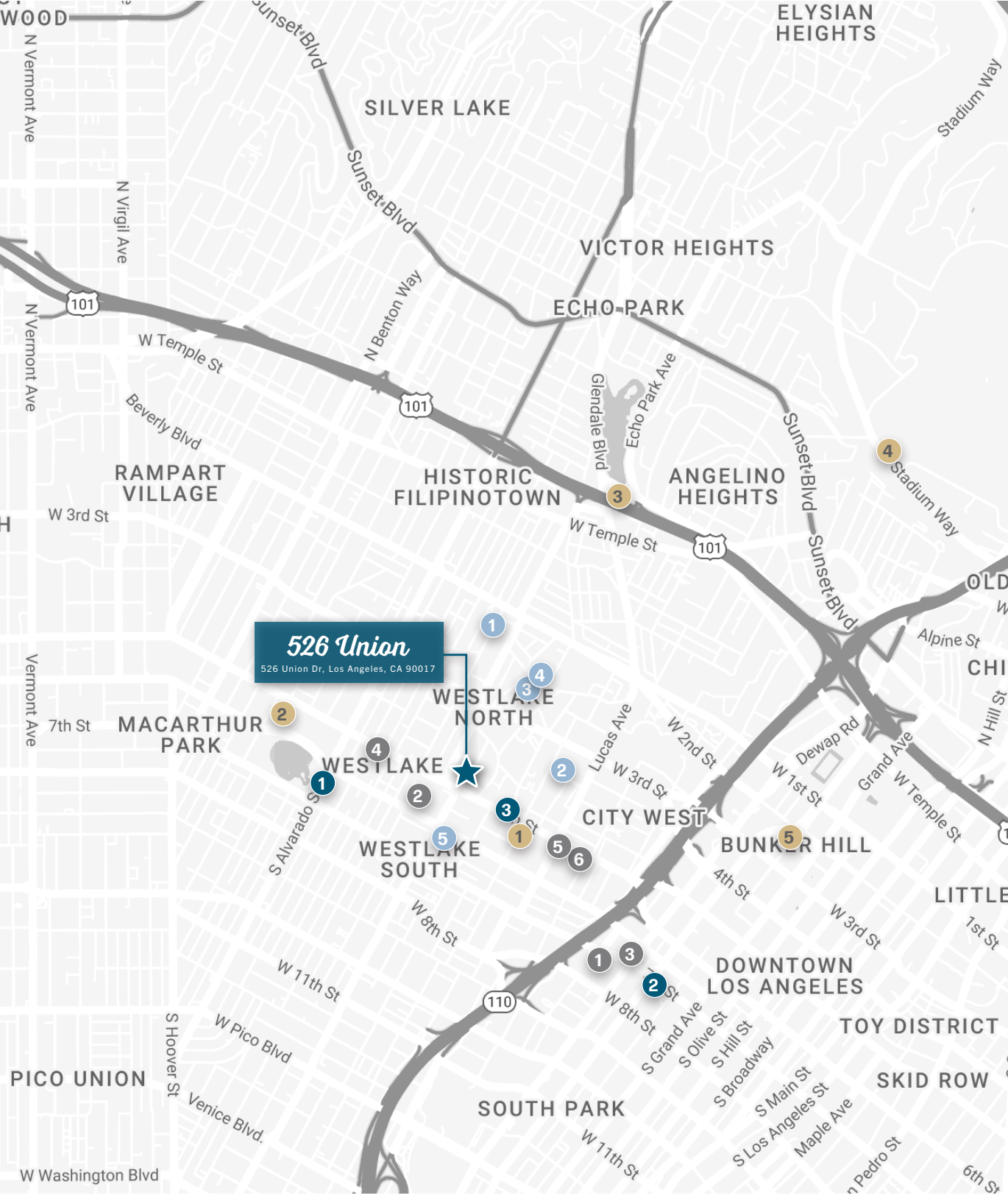
- 1 Union Avenue Elementary School
- 2 Gratts Elementary School
- 3 Belmont High School
- 4 Harris Newmark High School
- 5 John Liechty Middle School

Retail

- 1 Figat7th
- 2 The Home Depot
- 3 Chick-fil-A
- 4 Jack in the Box
- 5 Chipotle
- 6 Starbucks

Miscellaneous

- 1 Good Samaritan Hospital
- 2 MacArthur Park
- 3 Echo Park
- 4 Dodger Stadium
- 5 The Broad





Westlake/ MacArthur
Park Subway Station

McArthur Park

Ross Dress For Less

McDonald's

Home Depot

Rite Aid

Jack in the Box

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Westlake

BRIDGING THE GAP BETWEEN

Downtown LA & Koreatown

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% completed their \$180 million 1027 Wilshire development. project spans nine stories and features 376 residential units, approximately 5,000 square feet of groundfloor retail space, and subterranean parking for more than 800 vehicles.



93 Walk score
WALKER'S PARADISE

85 Transit score
RIDER'S PARADISE

The Westlake Collection's central location near Downtown Los Angeles results in excellent walkability and accessibility for its residents. The properties are within walking distance of stops on the Metro Red and Purple lines, one stop away from the Metro Blue and Expo lines, within a block of stops for five bus lines, and at the heart of the Los Angeles freeway system.

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.



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

HOLLYWOOD

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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.

DOWNTOWN LA



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.

Rent Roll

UNIT #	UNIT TYPE	ACTUAL RENTS	MARKET RENTS	MOVE IN	NOTES	
1	10	1+1	\$1,725	\$1,595	07/01/2022	On-Site Manager
2	20	Single	\$910	\$1,395	11/01/2011	
3	21	1+1	\$1,234	\$1,595	09/01/2009	
4	22	Single	\$1,220	\$1,395	04/01/2018	Vacant
5	23	Single	\$1,395	\$1,395		
6	24	Single	\$910	\$1,395	03/01/2012	
7	25	Single	\$910	\$1,395	03/01/2012	
8	26	Single	\$953	\$1,395	11/01/2015	
9	27	Single	\$972	\$1,395	01/01/1970	
10	28	Single	\$933	\$1,395	11/01/2014	
11	29	Single	\$913	\$1,395	04/01/2011	
12	30	Single	\$974	\$1,395	12/15/1996	
13	31	1+1	\$1,072	\$1,595	05/14/1997	
14	32	Single	\$659	\$1,395	02/01/1995	
15	33	Single	\$910	\$1,395	12/03/2001	
16	34	Single	\$911	\$1,395	06/18/1997	
17	35	Single	\$910	\$1,395	12/01/2012	
18	36	Single	\$953	\$1,395	01/01/2006	
19	37	Single	\$953	\$1,395	06/01/2006	
20	38	Single	\$943	\$1,395	05/01/2009	
21	39	Single	\$910	\$1,395	05/01/2013	
22	40	Single	\$901	\$1,395	08/15/2001	
23	41	1+1	\$1,475	\$1,595	02/01/2012	
24	42	Single	\$1,395	\$1,395	07/15/2024	
25	43	Single	\$913	\$1,395	02/01/2002	
26	44	Single	\$827	\$1,395	02/01/1998	
27	45	Single	\$946	\$1,395	02/01/2009	
28	46	Single	\$1,395	\$1,395	07/01/2024	
29	47	Single	\$1,395	\$1,395	01/01/2025	
30	48	Single	\$964	\$1,395	03/01/2016	

UNIT #	UNIT TYPE	ACTUAL RENTS	MARKET RENTS	MOVE IN	NOTES
31	49	Single	\$910	\$1,395	05/01/2010
32	50	Single	\$1,482	\$1,395	07/01/2023
33	51	1+1	\$1,391	\$1,595	07/01/1998
34	52	Single	\$974	\$1,395	12/02/1998
35	53	Single	\$1,005	\$1,395	06/01/2016
36	54	Single	\$910	\$1,395	04/01/2013
37	55	Single	\$910	\$1,395	03/01/2013
38	56	Single	\$913	\$1,395	11/01/2013
39	57	Single	\$829	\$1,395	07/10/1999
40	58	Single	\$910	\$1,395	04/01/2012
41	59	Single	\$910	\$1,395	09/01/2011
42	60	Single	\$892	\$1,395	12/01/2000
43	61	1+1	\$1,449	\$1,595	07/06/1999
44	62	Single	\$943	\$1,395	12/01/2008
45	63	Single	\$910	\$1,395	06/01/2011
46	64	Single	\$1,395	\$1,395	02/01/2024
47	65	Single	\$910	\$1,395	09/01/2012
48	66	Single	\$912	\$1,395	06/01/2013
49	67	Single	\$1,034	\$1,395	08/01/2016
50	68	Single	\$943	\$1,395	04/01/2009
51	69	Single	\$943	\$1,395	08/01/2008
		\$52,951	\$72,345		

Single	\$44,604	\$62,775
1+1	\$8,347	\$9,570
Total	\$52,951	\$72,345

Financial Analysis

ANNUALIZED OPERATING DATA	CURRENT RENTS	MARKET RENTS
Scheduled Gross Income:	\$640,361	\$873,090
Less Vacancy Rate Reserve:	\$(32,018) 5.0%	\$(43,655) 5.0%
Gross Operating Income:	\$608,343	\$829,436
Less Expenses:	\$(288,823) 45.1%	\$(297,666) 34.1%
Net Operating Income:	\$319,521	\$531,769
Reserves:	\$(10,200)	\$(10,200)
Less Debt Service:	\$(198,153)	\$(198,153)
Pre-Tax Cash Flow:	\$111,167 5.2%	\$323,416 15.1%
Plus Principal Reduction:	\$30,246	\$30,246
Total Return Before Taxes:	\$141,413 6.6%	\$353,662 16.5%

ESTIMATED ANNUALIZED EXPENSES	CURRENT RENTS	MARKET RENTS
Taxes: Rate 1.20%	\$57,000	\$57,000
Insurance	\$38,186	\$38,186
Utilities	\$84,255	\$84,255
Waste Removal	\$11,218	\$11,218
Repairs & Maintenance 4%	\$38,250	\$38,250
Management	\$24,334	\$33,177
On-Site Manager	\$21,000	\$21,000
Landscaping	\$2,400	\$2,400
Pest Control	\$2,925	\$2,925
License and Fees	\$5,467	\$5,467
Direct Assessment	\$3,788	\$3,788
Total Expenses:	\$288,823	\$297,666
Per Net Sq. Ft.:	\$9.03	\$9.30
Per Unit:	\$5,663	\$5,837

NO. OF UNITS	UNIT TYPE	CURRENT RENTS		SCHEDULED RENTS	
		AVG MONTHLY RENT/UNIT	MONTHLY INCOME	MONTHLY RENT/UNIT	MONTHLY INCOME
45	Single	\$991	\$44,604	\$1,395	\$62,775
6	1+1	\$1,391	\$8,347	\$1,595	\$9,570
Total Scheduled Rent:			\$52,951		\$72,345
	RSO & SCEP		\$231		\$231
	Laundry:		\$182		\$182
Monthly Scheduled Gross Income:			\$53,363		\$72,758
Annual Scheduled Gross Income:			\$640,361		\$873,090

SUMMARY

Price:	\$4,750,000
Down Payment: 40%	\$2,137,500
Number of Units:	51
Cost per Legal Unit:	\$93,137
Current GRM:	7.42
Market GRM:	5.44
Current CAP:	6.73%
Market CAP:	11.20%
Approx. Age:	1926
Approx. Lot Size:	7,807
Approx. Gross SF:	32,001
Cost per Net GSF:	\$148.43

NEW POTENTIAL FINANCING

New First Loan:	\$2,612,500
Interest Rate:	6.50%
Amortization:	30
Monthly Payment:	\$16,512.78
DCR:	1.61

Sales Comparables



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SALE PRICE \$4,750,000

YEAR BUILT 1926

NUMBER OF UNITS 51

PRICE PER UNIT \$93,137

PRICE PER SF \$148

ACTUAL CAP RATE 6.73%

GRM 7.42

SALE DATE N/A



400 Witmer St Los Angeles, CA 90017

SALE PRICE \$3,350,000

YEAR BUILT 1924

NUMBER OF UNITS 24

PRICE PER UNIT \$139,583

PRICE PER SF \$342

ACTUAL CAP RATE 6.98%

GRM 8.41

SALE DATE UC



401 S Witmer St Los Angeles, CA 90017

SALE PRICE \$3,300,000

YEAR BUILT 1924

NUMBER OF UNITS 20

PRICE PER UNIT \$165,000

PRICE PER SF \$376

ACTUAL CAP RATE 7.28%

GRM 8.96

SALE DATE UC

Sales Comparables



311 S Witmer St
Los Angeles, CA 90017

SALE PRICE \$2,700,000

YEAR BUILT 1923

NUMBER OF UNITS 20

PRICE PER UNIT \$135,000

PRICE PER SF \$249

ACTUAL CAP RATE 7.29%

GRM 8.50

SALE DATE UC



130 S Coronado St
Los Angeles, CA 90057

SALE PRICE \$2,200,000

YEAR BUILT 1926

NUMBER OF UNITS 21

PRICE PER UNIT \$104,762

PRICE PER SF \$120

ACTUAL CAP RATE 6.86%

GRM 7.91

SALE DATE 8/23/2024



1435 Alvarado Ter
Los Angeles, CA 90006

SALE PRICE \$3,300,000

YEAR BUILT 1912

NUMBER OF UNITS 30

PRICE PER UNIT \$110,000

PRICE PER SF \$206

ACTUAL CAP RATE 4.75%

GRM 9.02

SALE DATE 8/8/2024

Sales Comparables



2809 W 8th St
Los Angeles, CA 90005

SALE PRICE \$3,215,000

YEAR BUILT 1923

NUMBER OF UNITS 24

PRICE PER UNIT \$133,958

PRICE PER SF \$224

ACTUAL CAP RATE 4.50%

GRM 11.38

SALE DATE 3/11/2024



1112 Elden Ave
Los Angeles, CA 90006

SALE PRICE \$2,100,000

YEAR BUILT 1911

NUMBER OF UNITS 20

PRICE PER UNIT \$105,000

PRICE PER SF \$202

ACTUAL CAP RATE N/A

GRM 9.13

SALE DATE 2/7/2024



925 S Alvarado St
Los Angeles, CA 90057

SALE PRICE \$4,100,000

YEAR BUILT 1908

NUMBER OF UNITS 32

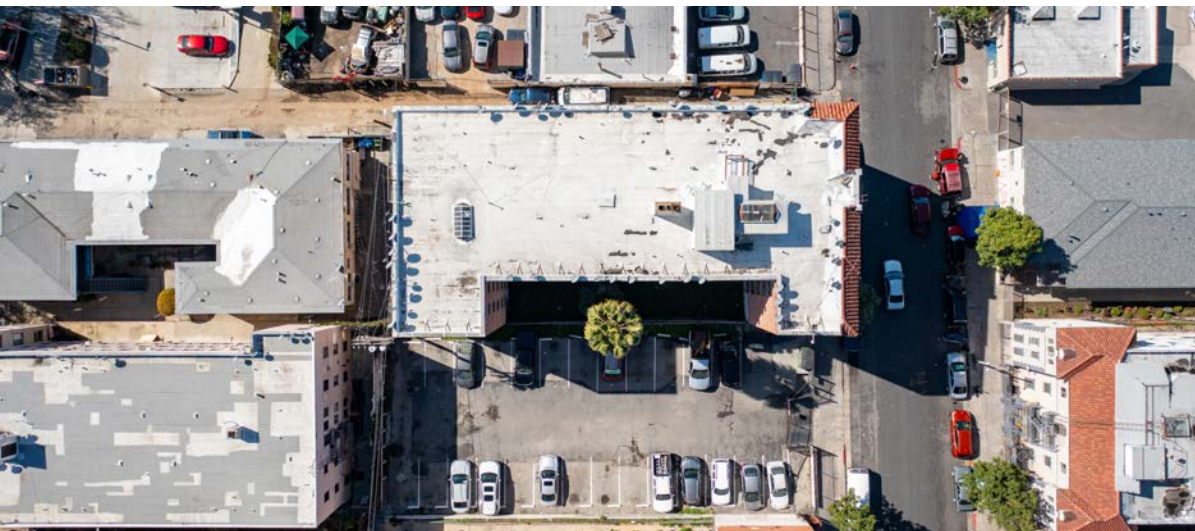
PRICE PER UNIT \$128,125

PRICE PER SF \$173

ACTUAL CAP RATE 5.90%

GRM 9.37

SALE DATE 12/21/2023



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