

# 2622 S HOBART BLVD

LOS ANGELES, CA 90018

**FIRST TIME EVER ON THE MARKET**

A 16-UNIT TRUE VALUE-ADD INVESTMENT OPPORTUNITY LOCATED IN THE WEST ADAMS NEIGHBORHOOD OF LOS ANGELES



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**2622 S HOBART BLVD**  
**LOS ANGELES, CA 90018**

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THE NEEMA GROUP





The Neema Group of Marcus & Millichap is pleased to present 2622 S Hobart Blvd, a 16-unit value-add investment opportunity in the rapidly evolving West Adams neighborhood of Los Angeles. Just south of W Adams Blvd, the property is situated minutes from Downtown Los Angeles and Koreatown, with convenient access to the 10 Freeway. The subject property was originally a HUD Project-Based Section 8 property and was opted out of the HUD program in September 2011.

The building features a well-balanced unit mix of six one-bedrooms and ten two-bedrooms, along with 16 parking spaces. With current rents significantly below market, the property offers an outstanding opportunity for investors to capitalize on over 88% rental upside.

The property is well positioned for a Naturally Occurring Affordable Housing (NOAH) conversion, as 38% of the current tenants are voucher holders, while the remaining units rent for below approximately 80% of

the area's median income (AMI). This favorable rent structure enhances the property's long-term stability and appeals to both value-add and mission-driven affordable housing operators.

Ideally located less than a mile from the Metro Expo Line and steps from transit stops at W Adams Blvd and S Western Ave, 2622 S Hobart Blvd offers residents excellent connectivity to employment hubs and cultural districts. The property is also within walking distance of local retail, enhancing tenant appeal. Mid-City remains one of Los Angeles' most densely populated and historically significant neighborhoods, with sustained demand for rental housing due to its proximity to major job centers and educational institutions. This investment presents a rare opportunity to acquire a well-located asset with significant value-add potential in one of the city's most dynamic submarkets.

# NOAH Strategy:

## Naturally Occurring Affordable Housing

**PRESERVATION-DRIVEN. MISSION-ALIGNED. TAX-ADVANTAGED.**

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### THE OPPORTUNITY

1701 Westmoreland Blvd exemplifies a high-impact NOAH opportunity in line with Los Angeles' housing preservation goals. With 50% of tenants already voucher-supported and remaining rents below ~80% AMI, the property is well positioned for a low-disruption affordability conversion that protects existing tenants while unlocking investor benefits.

### WELFARE TAX EXEMPTION (RTC §214)

Ownership through a qualified nonprofit (or LP with nonprofit GP) allows eligibility for the California Welfare Tax Exemption, eliminating property taxes on qualifying units. This strategy presents a pathway to a significant increase in net operating income, significantly increasing yield and valuation upon stabilization.

### ALIGNMENT WITH CITY & STATE INITIATIVES

This strategy supports Los Angeles' broader goals to prevent displacement and maintain housing affordability in neighborhoods facing gentrification. It aligns with the Mayor's and LAHD's initiatives to preserve naturally affordable housing, while also fitting within the framework of California's evolving housing policy landscape. As demand grows for socially responsible and impact-oriented real estate investment, NOAH conversions provide an opportunity for buyers to create lasting value for communities.

### CONVERSION PATHWAY

The NOAH conversion process begins by acquiring the property through a nonprofit entity or limited partnership with a nonprofit managing member. Next, the ownership team income-certifies tenants to meet affordability thresholds, typically set at or below 80% of Area Median Income (AMI). A regulatory agreement is then recorded to formalize long-term affordability commitments, and finally, the exemption is filed with the LA County Assessor to obtain the property tax benefit.

### WHY IT WORKS

This strategy is effective because most tenants already qualify by income, meaning minimal operational disruption is required. Affordability is preserved without displacement, while the tax exemption dramatically enhances cash flow. By combining social impact with financial performance, the strategy attracts a wider buyer pool—including nonprofits, mission-driven funds, and ESG-focused capital—and directly aligns with LA's long-term housing policies and public priorities.



# PROPERTY SUMMARY

## PROPERTY INFORMATION

ADDRESS:	2622 S Hobart Blvd Los Angeles, CA 90018
NUMBER OF UNITS:	16
APPROX. GROSS SF:	14,308
APPROX. LOT SIZE:	13,260 SF
YEAR BUILT:	1969
PARCEL NUMBER:	5053-012-034
PROPERTY TYPE:	Multi-Family
UNIT MIX:	(6) 1+1 (10) 2+1

## PRICING INFORMATION

SALE PRICE:	\$2,300,000
PRICE PER UNIT	\$143,750
PRICE PER SF:	\$160.75
CURRENT CAP RATE:	2.88%
CURRENT GRM:	10.90
MARKET CAP RATE:	9.99%
MARKET GRM:	5.79

**2622 S HOBART BLVD**  
LOS ANGELES, CA 90018



# INVESTMENT HIGHLIGHTS

## **NOAH Conversion Opportunity with Immediate Eligibility**

2622 S Hobart Blvd is an ideal candidate for a Naturally Occurring Affordable Housing (NOAH) conversion. With 38% of tenants already on vouchers and the remaining rents below 80% AMI, the asset qualifies for income certification under California's Welfare Tax Exemption (RTC §214). New ownership can pursue full property tax relief while preserving affordability and tenant stability.

## **Welfare Tax Exemption Enhances Cash Flow**

By partnering with a qualified nonprofit or forming a limited partnership with a nonprofit managing member, buyers can pursue the California Welfare Tax Exemption, eliminating property taxes on qualifying units. This strategy significantly enhances net operating income and long-term yield while supporting public affordability goals.

## **Rare Alignment with LA Housing Policy & Future Legislation**

2622 S Hobart Blvd directly supports Los Angeles' anti-displacement initiatives and the City's broader efforts to preserve naturally affordable housing in vulnerable neighborhoods. With strong tenant stability and below-market rents, the property aligns with key public priorities and is positioned as a model for impact-driven preservation investment in a high-demand urban submarket.

## **Significant Rental Upside with Limited Disruption**

Current 2-bedroom rents average ~\$1,152, while market comparables exceed \$2,200 — presenting over 88% rental upside. The property's existing affordability profile allows for low-friction compliance with NOAH guidelines while still offering long-term income growth potential through certification, turnover, or light value-add.

## **SB 1211 Potential (Buyer to Verify)**

Located on an expansive lot in addition to existing tuck under parking, this property offers a unique opportunity under SB 1211, which may allow for significant ADU development beyond traditional limits. This overlay introduces a new avenue for long-term value creation and increased density for investors.

## **Transit-Oriented Location in High-Demand Submarket**

The property is located in the West Adams neighborhood of Los Angeles just south of W Adams Blvd, a short commute from major employment hubs in Downtown Los Angeles and Koreatown. Easy access to the 10 Freeway and Metro stops at W Adams Blvd and S Western Ave support both tenants with cars as well as those that rely on public transport, in addition to being walking distance to neighborhood retail amenities.

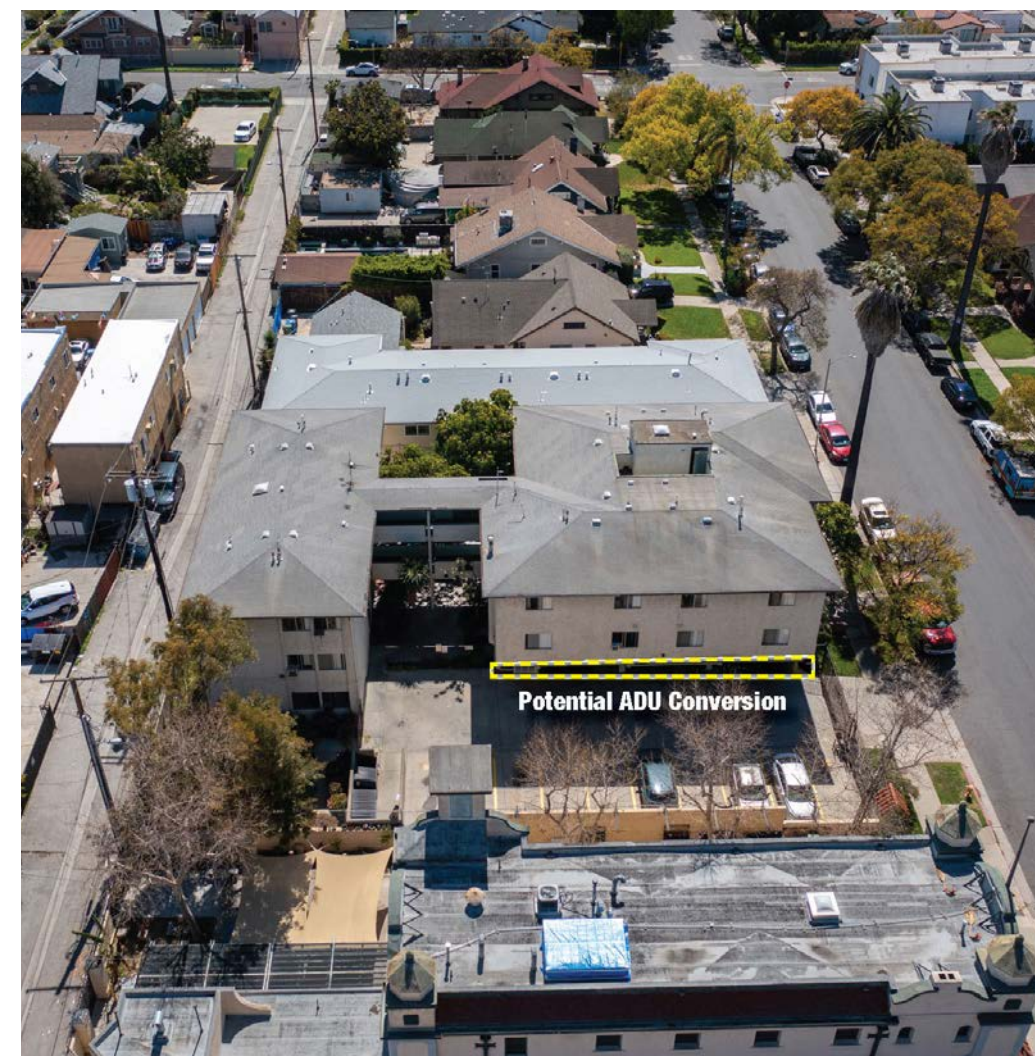
## **Institutional Scale with Favorable Basis**

Available as a portfolio with three other buildings, 2622 S Hobart Blvd offers true scale for operators seeking to grow within LA's urban core. The offering price reflects a favorable cost per unit and square foot when compared to recent sales, with the added advantage of long-term affordability positioning.



# ADU POTENTIAL

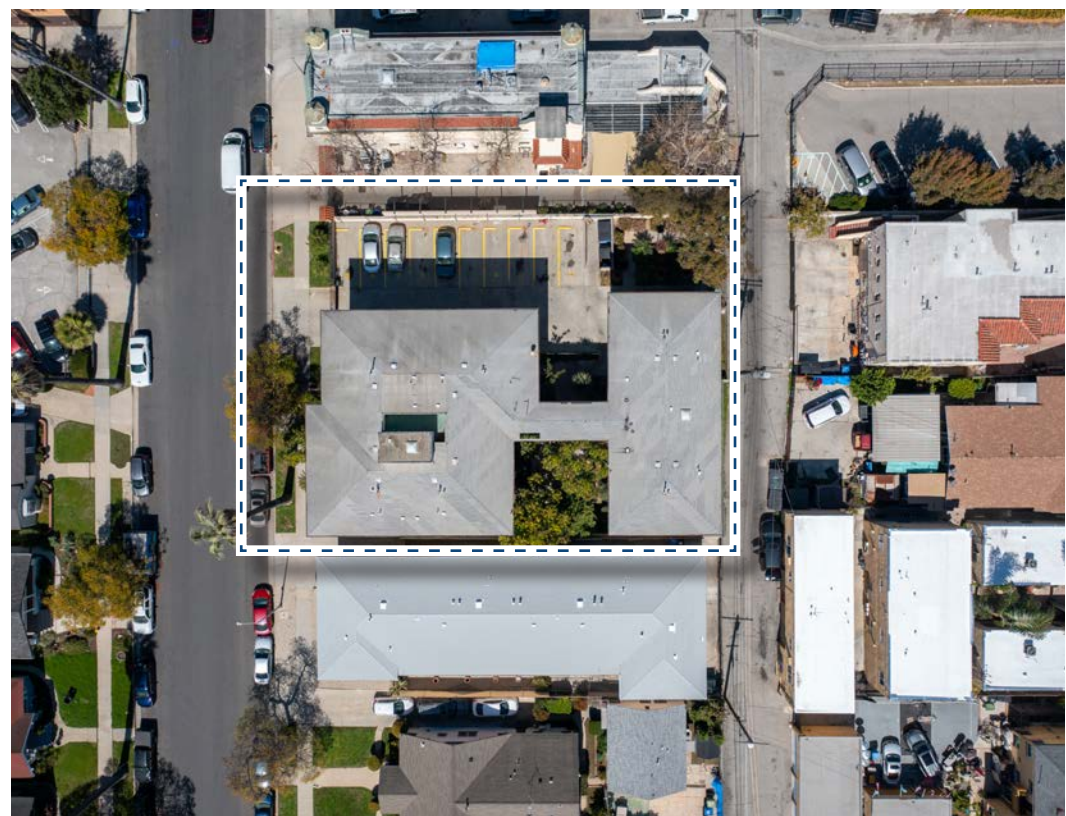
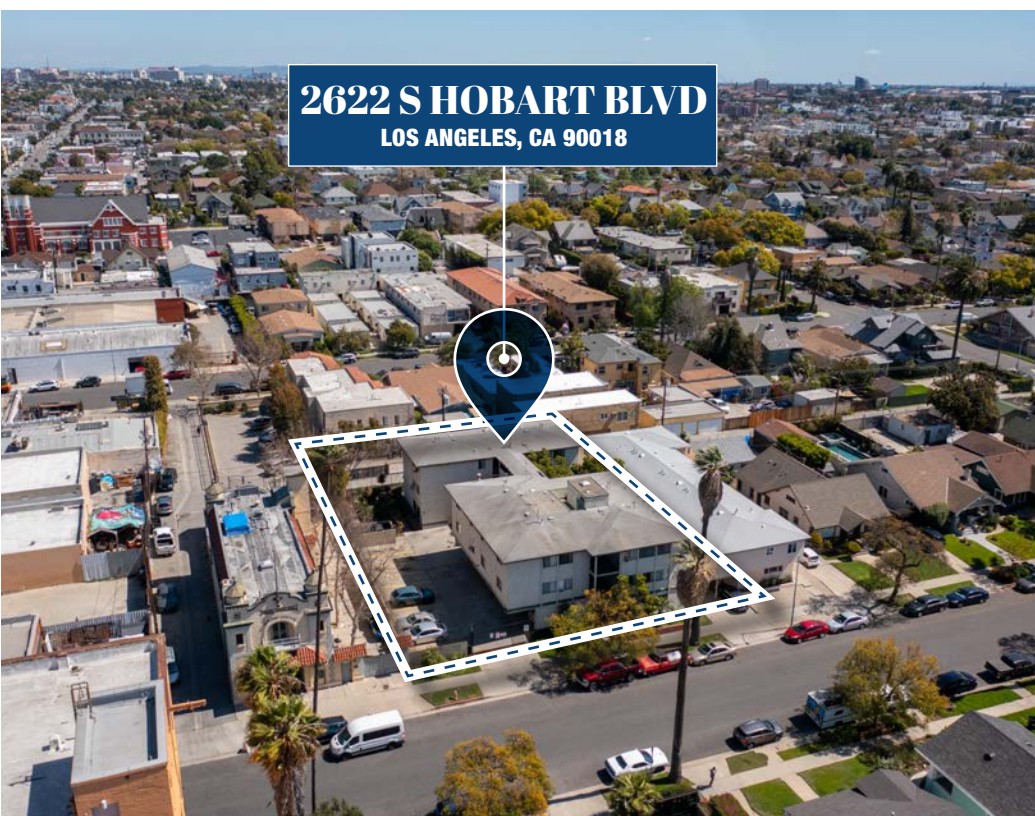
The abundant parking and storage spaces create an opportunity to add several **ADU's** via the newly passed SB 1211 (Buyer to verify)













# RENT ROLL

UNIT NO.	UNIT TYPE	CURRENT RENTS	PRO FORMA RENTS	MOVE-IN DATE	NOTES
1	1+1	\$868	\$1,750	1/20/2010	HACLA
2	1+1	\$1,248	\$1,750	6/1/2023	
3	2+1	\$1,023	\$2,200	4/1/1994	On-Site Manager
4	2+1	\$1,207	\$2,200	11/1/2001	
5	1+1	\$416	\$1,750	4/2/2010	HACLA
6	1+1	\$1,123	\$1,750	12/16/2014	
7	2+1	\$1,054	\$2,200	10/5/2001	HACLA
8	2+1	\$713	\$2,200	6/4/2007	
9	2+1	\$1,433	\$2,200	11/1/2014	
10	2+1	\$1,032	\$2,200	4/12/1996	HACLA
11	1+1	\$1,125	\$1,750	3/1/2012	
12	1+1	\$868	\$1,750	7/1/1993	HACLA
13	2+1	\$1,139	\$2,200	8/3/2009	
14	2+1	\$1,433	\$2,200	4/1/2016	
15	2+1	\$896	\$2,200	1/21/2010	HACLA
16	2+1	\$1,433	\$2,200	4/4/2016	
16	TOTAL	\$17,011	\$32,500		

6	1+1	\$5,648	\$10,500
10	2+1	\$11,363	\$22,000
16	TOTAL	\$17,011	\$32,500

Note: \*Ownership served HACLA units 4.0% increases and are pending approval



# FINANCIAL ANALYSIS

**2622 S HOBART BLVD**  
LOS ANGELES, CA 90018

ANNUALIZED OPERATING DATA	CURRENT RENTS		PRO FORMA	
<b>Scheduled Gross Income:</b>	<b>\$211,096</b>		<b>\$396,964</b>	
Less Vacancy Rate Reserve:	\$(4,222)	2.0%	\$(19,848)	5.0%
Gross Operating Income:	\$206,874		\$377,116	
Less Expenses:	\$(140,641)	66.6%	\$(147,451)	37.1%
<b>Net Operating Income:</b>	<b>\$66,233</b>		<b>\$229,665</b>	

ESTIMATED ANNUALIZED EXPENSES	CURRENT RENTS	PRO FORMA
Taxes: Rate 1.20%	\$27,600	\$27,600
Insurance	\$29,637	\$29,637
Utilities	\$30,877	\$30,877
Waste Removal	\$13,310	\$13,310
Repairs & Maintenance	\$8,000	\$8,000
Management	\$8,275	\$15,085
On-Site Manager	\$13,787	\$13,787
Landscaping	\$3,660	\$3,660
Pest Control	\$531	\$531
Fire & Safety	\$90	\$90
License & Fees	\$2,743	\$2,743
Direct Assessment	\$2,131	\$2,131
<b>Total Expenses:</b>	<b>\$140,641</b>	<b>\$147,451</b>
Per Net Sq. Ft.:	\$9.83	\$10.31
Per Unit:	\$8,790	\$9,216

## SUMMARY

<b>Price:</b>	<b>\$2,300,000</b>
<b>Number of Units:</b>	<b>16</b>
Cost per Legal Unit:	\$143,750
Current GRM:	10.90
Market GRM:	5.79
Current CAP:	2.88%
Market CAP:	9.99%
Approx. Age:	1969
Approx. Lot Size:	13,260
Approx. Gross SF:	14,308
Cost per Net GSF:	\$160.75

SCHEDULED INCOME		CURRENT RENTS		PRO FORMA	
No. of Units	Unit Type	Avg. Monthly Rent/Unit	Monthly Income	Avg. Monthly Rent/Unit	Monthly Income
6	1+1	\$941	\$5,648	\$1,750	\$10,500
10	2+1	\$1,136	\$11,363	\$2,200	\$22,000
<b>Total Scheduled Rent:</b>			<b>\$17,011</b>		<b>\$32,500</b>
Laundry & Vending			\$160		\$160
Retrofit			\$420		\$420
<b>Monthly Scheduled Gross Income:</b>			<b>\$17,591</b>		<b>\$33,080</b>
<b>Annual Scheduled Gross Income:</b>			<b>\$211,096</b>		<b>\$396,964</b>



# SALE COMPARABLES



**2622 S HOBART BLVD**  
LOS ANGELES, CA 90018

SALE PRICE \$2,300,000

YEAR BUILT 1969

NO. OF UNITS 16

PRICE PER UNIT \$143,750

PRICE PER SF \$161

ACTUAL CAP RATE 2.88%

GRM 10.90

SALE DATE For Sale



**1532-1534 S WILTON PL**  
Los Angeles, CA 90019

SALE PRICE \$2,750,000

YEAR BUILT 1960

NO. OF UNITS 14

PRICE PER UNIT \$196,429

PRICE PER SF \$277

ACTUAL CAP RATE 5.46%

GRM 10.61

SALE DATE 2/19/2025



**4077 W 23<sup>RD</sup> ST**  
Los Angeles, CA 90018

SALE PRICE \$1,900,000

YEAR BUILT 1947

NO. OF UNITS 12

PRICE PER UNIT \$158,333

PRICE PER SF \$232

ACTUAL CAP RATE 8.61%

GRM N/A

SALE DATE 1/8/2025



**1245 W 39<sup>TH</sup> PL**  
Los Angeles, CA 90037

SALE PRICE \$1,880,000

YEAR BUILT 1963

NO. OF UNITS 12

PRICE PER UNIT \$156,667

PRICE PER SF \$287

ACTUAL CAP RATE 6.40%

GRM 10.10

SALE DATE 10/2/2024



# SALE COMPARABLES



**1256 W 39<sup>TH</sup> ST**  
Los Angeles, CA 90037

SALE PRICE \$1,700,000

YEAR BUILT 1956

NO. OF UNITS 12

PRICE PER UNIT \$141,667

PRICE PER SF \$213

ACTUAL CAP RATE 4.55%

GRM N/A

SALE DATE 8/30/2024



**2176 VENICE BLVD**  
Los Angeles, CA 90006

SALE PRICE \$3,325,000

YEAR BUILT 1963

NO. OF UNITS 17

PRICE PER UNIT \$195,588

PRICE PER SF \$357

ACTUAL CAP RATE 6.86%

GRM 11.31

SALE DATE 6/11/2024



**1819 S OXFORD AVE**  
Los Angeles, CA 90006

SALE PRICE \$4,620,000

YEAR BUILT 1961

NO. OF UNITS 24

PRICE PER UNIT \$192,500

PRICE PER SF \$254

ACTUAL CAP RATE N/A

GRM N/A

SALE DATE 6/10/2024



**1861 MLK BLVD**  
Los Angeles, CA 90062

SALE PRICE \$1,990,000

YEAR BUILT 1954

NO. OF UNITS 12

PRICE PER UNIT \$165,833

PRICE PER SF \$269

ACTUAL CAP RATE 5.83%

GRM 10.21

SALE DATE 4/23/2024

# AREA OVERVIEW

## WEST ADAMS

### STRATEGICALLY LOCATED NEAR LOS ANGELES' MAJOR FREEWAYS

Adams-Normandie is a densely populated neighborhood with historical significance. It sits west of Downtown Los Angeles and near the West Adams neighborhood. The neighborhood is largely protected within a Los Angeles Historic Preservation Overlay Zone, for its architecturally significant real estate. Adams-Normandie is about one mile from West Adams, which has seen recent development activity from developers such as CIM Group and Carmel Partners.

Adams-Normandie sits below the Santa Monica Freeway, which provides easy access to surrounding neighborhoods like West Adams and job centers in Downtown Los Angeles and Culver City. Koreatown, just north of Adams-Normandie is exploding with mixed-use developments from esteemed developers like Jamison Services, Inc. For example, a mixed-use project underway at the intersection of Olympic and Vermont, less than two miles from the portfolio, will include a seven-story structure featuring 228 condominiums, approximately 53,000 square feet of retail space and a subterranean parking garage for 563 vehicles. The subject property is also less than two miles from the Wilshire/ Western Metro Station and are within three miles of the under-construction Crenshaw/LAX Line.

### CLOSE TO SCHOOLS, RETAIL, AND ENTERTAINMENT

Adams-Normandie is strategically located near many of Los Angeles' premier educational opportunities, entertainment centers and retail. The subject property sit just west of Downtown Los Angeles, with easy freeway access to the city's numerous entertainment centers. Staples Center, home to the NBA's Los Angeles Lakers and Clippers as well as the NHL's Kings, is within three miles of the property. Other notable entertainment centers within five miles of the collection include LA Live!, the Los Angeles Convention Center, the Grammy Museum, the Natural History Museum of Los Angeles and Grand Central Market. Adams-Normandie is within one mile of Loyola High School, established in 1865 and the oldest educational institution in Los Angeles. The University of Southern California is within three miles of the property and is rapidly expanding outwards.



OFFERING MEMORANDUM

# 2622 SHOBART BLVD

LOS ANGELES, CA 90018

EXCLUSIVELY LISTED BY

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