

Marcus & Millichap
LAAA TEAM



OFFERING MEMORANDUM
324 W 51st Street, Los Angeles, CA 90037

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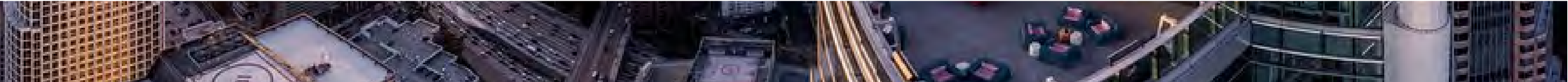
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LOCATION OVERVIEW



PROPERTY OVERVIEW

Marcus & Millichap



THE OFFERING

The LAAA Team of Marcus & Millichap is pleased to present a unique value-add development opportunity located at 324 West 51st Street in Los Angeles, California. The site currently consists of a fully vacant 4-unit multifamily property totaling 3,916 square feet and sits on a single parcel totaling 5,508 square feet (.13 acres) zoned LARD2 with Tier 1 TOC Bonus.

The offering comes complete with RTI plans that permit the new investor to upgrade the units from 1 Bedroom / 1 Bathroom to (2) 3 Bedroom / 1 Bathroom, and (2) 3 Bedroom / 1.5 Bathroom units. Additionally, the deal will be delivered with RTI plans that permits the new investor to add two (2) detached, 641.5 square foot ADU's behind the existing structure which would bring the total unit count to six (6) and with a total square footage of 5,200. The addition of the ADU's combined with the unit conversions will heavily increase the property's value and allow the new investor to collect significantly higher rents than what would have been possible before.

With the Summer Olympics coming to Los Angeles in 2028, as well as the recent opening of the nearby SoFi Stadium in Inglewood, the subject property will benefit greatly by being situated in one of the most quickly gentrifying pockets in the city. The continued growth that's expected in the property's vicinity will promote the creation of capital, tourism, jobs, and an influx of skilled workers which will serve as a great benefit to the new investor for years to come.

What makes this offering most attractive is that the pieces are already in place for the new investor to quickly capture significant upside, both in terms of potential rents, and property value. The road map that's in place will result in hundreds of thousands of dollars in profit in a short period of time, much less time than what could be expected as achievable across most other investment vehicles.

Given the fact that the deal will be delivered with all of the plans for the improvements in place, the new investor will be able to begin work on the renovations right away and will allow them to reap the benefits of a major value-add project without having to endure the hassle of dealing with the City and Planning Department.





CURRENT VALUE

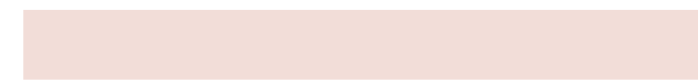
PRICING DETAILS

PRICE	\$1,095,000
Number of Units	4
Price Per Unit	\$273,750
Price Per SqFt	\$279.62
Gross SqFt	3,916
Lot SqFt	0.13 Acres
Approx. Year Built	1922

RENT ROLL

UNIT TYPE SUMMARY

Number	Unit Type	SF
1	1 Bed / 1 Bath Vacant	979
2	1 Bed / 1 Bath Vacant	979
3	1 Bed / 1 Bath Vacant	979
4	1 Bed / 1 Bath Vacant	979





FINISHED VALUE RENT ROLL

UNIT TYPE SUMMARY

Number	Unit Type	SF	Current Rent	Market Rent
1	3 Bed / 1 Bath	979	\$2,295	\$2,295
2	3 Bed / 1 Bath	979	\$2,295	\$2,295
3	3 Bed / 1.5 Bath	979	\$2,350	\$2,350
4	3 Bed / 1.5 Bath	979	\$2,350	\$2,350
5	2 Bed / 1 Bath ADU	641.5	\$2,025	\$2,025
6	2 Bed / 1 Bath ADU	641.5	\$2,025	\$2,025
			\$13,340	\$13,340



FINISHED VALUE

PRICING DETAILS

PRICE	\$1,900,000
Number of Units	6
Price Per Unit	\$316,667
Price Per SqFt	\$365.53
Gross SqFt	5,198
Lot SqFt	0.13 Acres
Approx. Year Built	1922/2022

RETURNS	CURRENT	PRO FORMA
CAP Rate	5.72%	5.72%
GRM	11.87	11.87
CASH ON CASH	6.57%	6.57%
DEBT COVERAGE RATIO	1.67	1.67

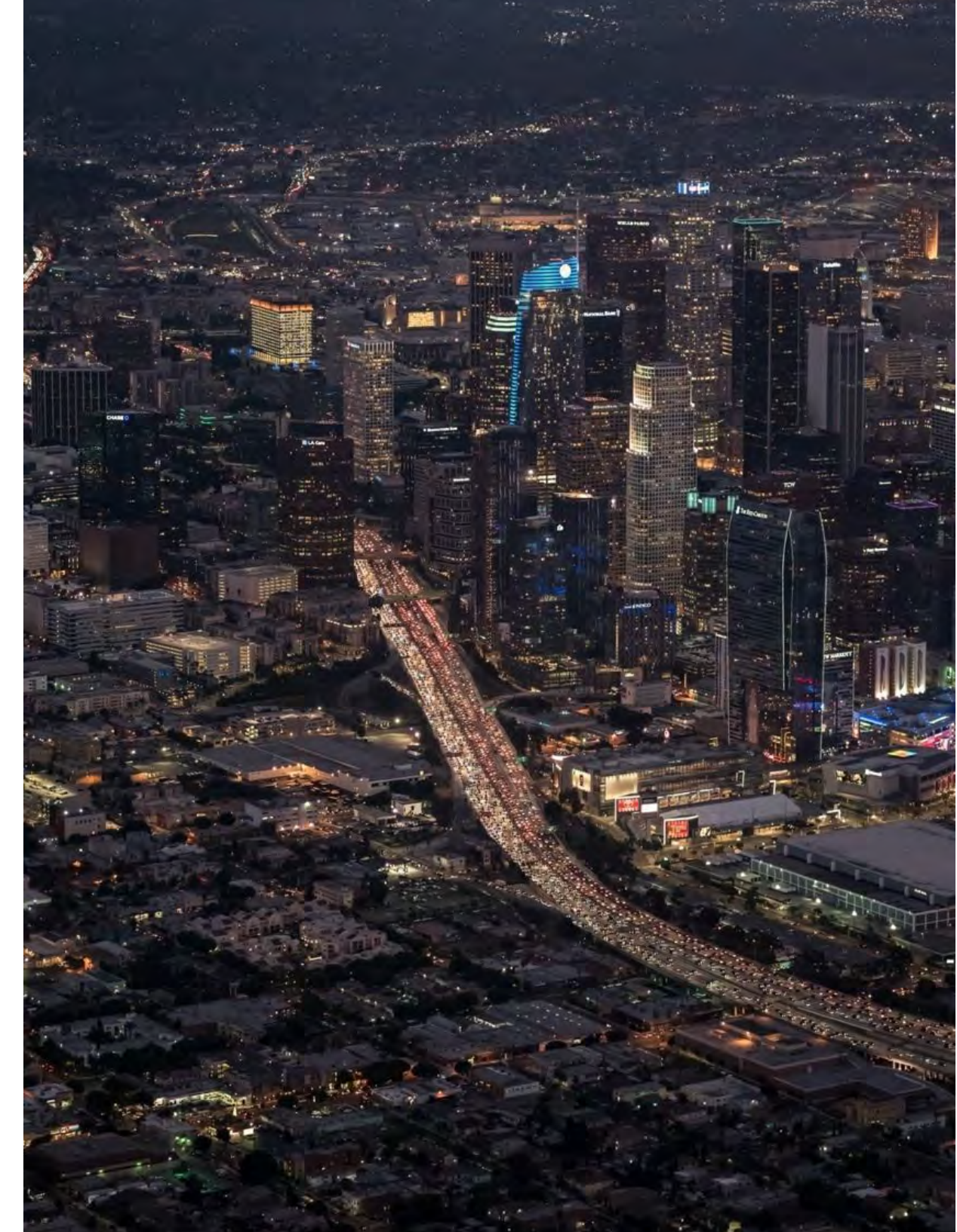
FINANCING	1ST LOAN	
Loan Amount	\$1,235,000	
Down Payment	\$665,000	35%
Interest Rate	3.30%	
Amortization	30 Years	
Year Due	2026	

# OF UNITS	UNIT TYPE	SF	AVG RENT
2	2 Bed / 1 Bath ADU	641.5	\$2,025
2	3 Bed / 1 Bath	979	\$2,295
2	3 Bed / 1.5 Bath	979	\$2,350

OPERATING DATA

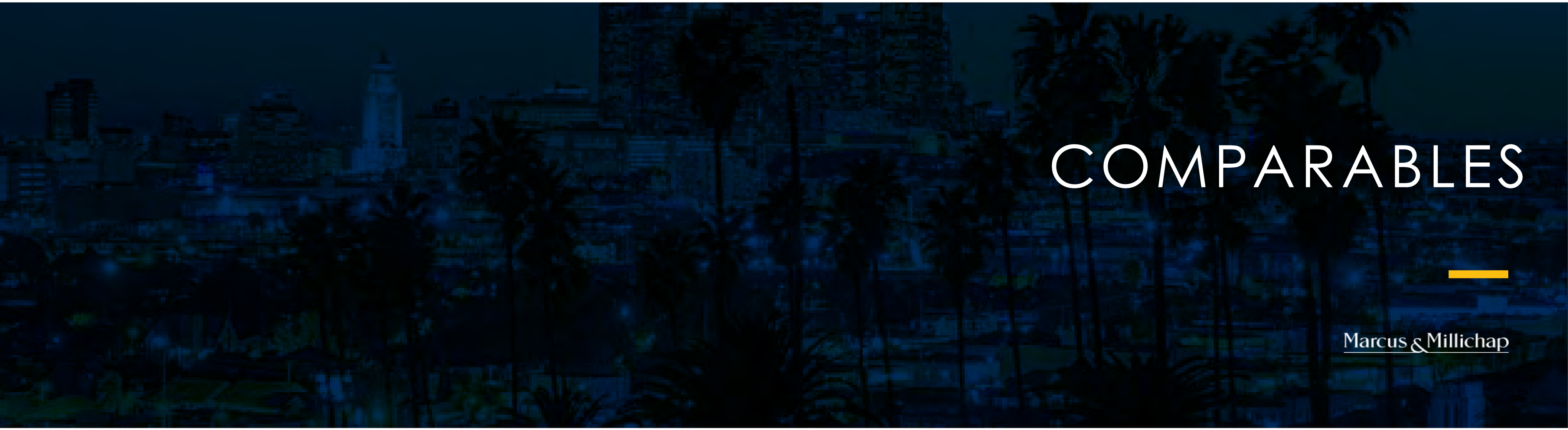
INCOME		CURRENT		PROFORMA
Gross Scheduled Rent		\$160,080		\$160,080
Less: Vacancy/Deductions	3.0%	\$4,802	3.0%	\$4,802
Effective Gross Income		\$155,278		\$155,278
Less: Expenses	30.1%	\$46,661	30.1%	\$46,661
Net Operating Income		\$108,616		\$108,616
Cash Flow		\$108,616		\$108,616
Debt Service		\$64,905		\$64,905
Net Cash Flow After Debt Service	6.57%	\$43,712	6.57%	\$43,712
Principle Reduction		\$24,519		\$25,340
Total Return	10.26%	\$68,230	10.38%	\$69,052

EXPENSES	CURRENT	PROFORMA
Real Estate Taxes	\$23,750	\$23,750
Insurance	\$2,600	\$2,600
Utilities	\$4,320	\$4,320
Trash	\$3,600	\$3,600
Repairs & Maintenance	\$3,000	\$3,000
Landscaping	\$1,200	\$1,200
Pest Control	\$480	\$480
Operating Reserves	\$1,500	\$1,500
Management Fee	\$6,211	\$6,211
Total Expenses	\$46,661	\$46,661
Expenses/Unit	\$7,777	\$7,777
Expenses/SF	\$8.98	\$8.98





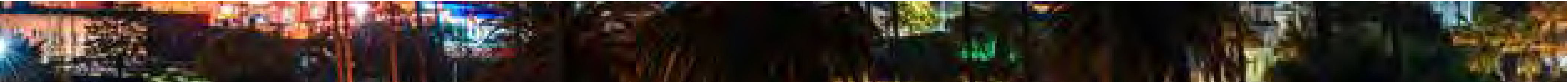




COMPARABLES



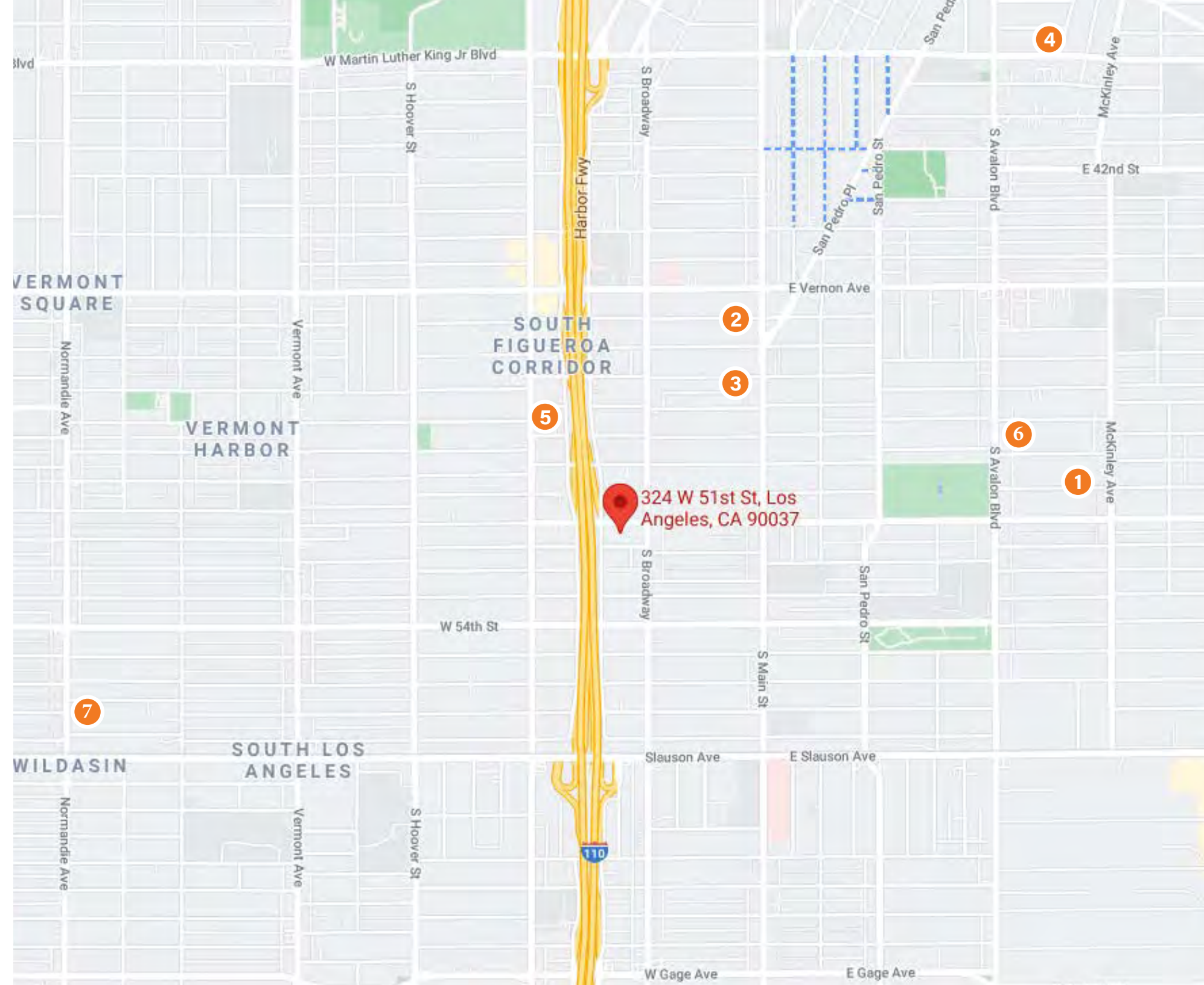
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324 W 51st Street

SALES COMPARABLES

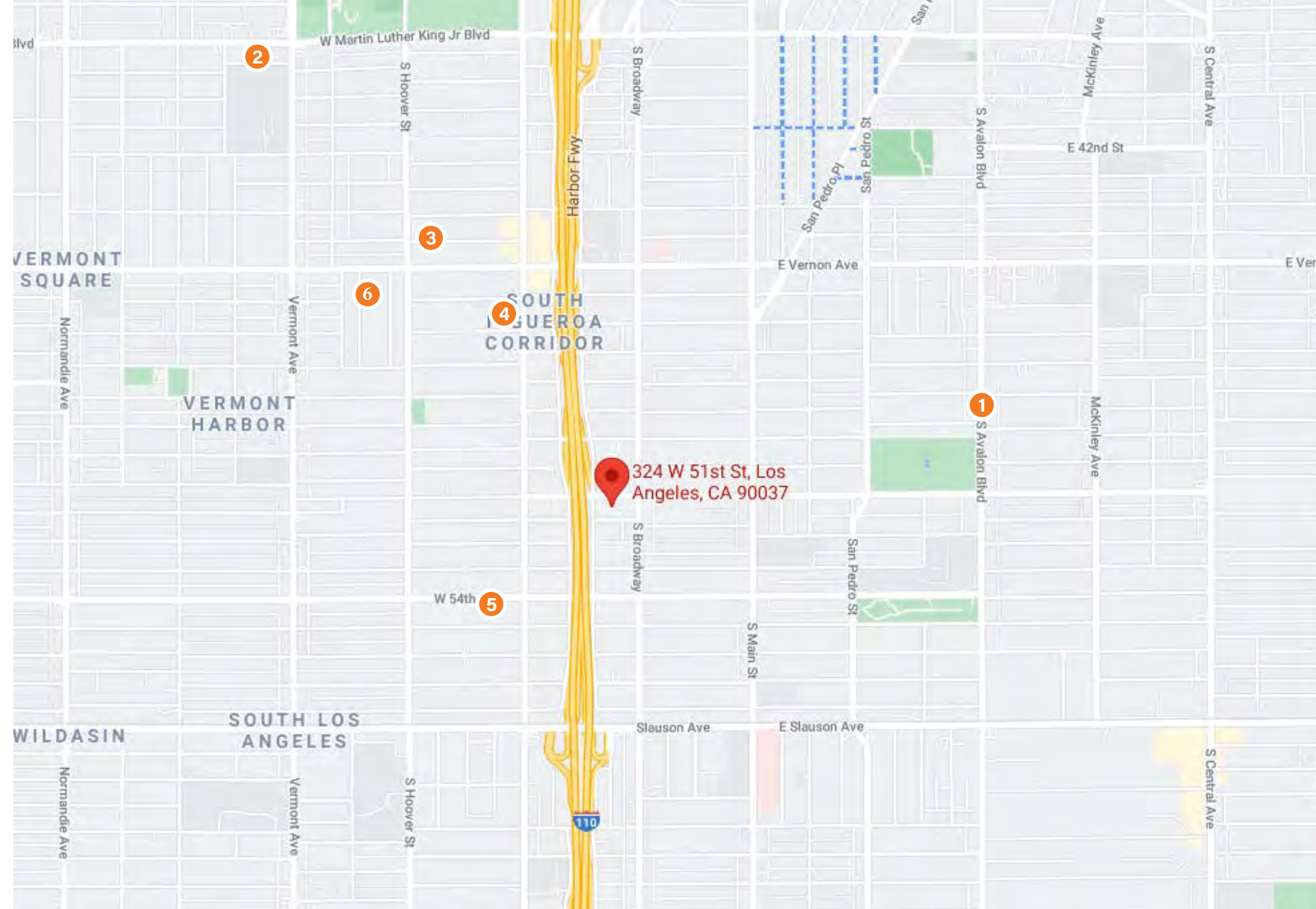
#	ADDRESS	SALE PRICE	YR BUILT	UNITS	\$/UNIT	\$/SF	CAP RATE	GRM	COE DATE	NOTES
1	762 E 50th St Los Angeles, CA 90011	\$1,325,000	1924/2020	5	\$265,000	\$412.77	7.53%	9.66	01/11/2021	Fully renovated
2	155 W 41st Pl Los Angeles, CA 90037	\$1,125,000	1923/2020	5	\$225,000	\$227.96	5.81%	10.94	12/18/2020	4 of 5 units renovated
3	153 W Vernon Ave Los Angeles, CA 90037	\$1,050,000	1921/2020	5	\$210,000	\$336.97	6.29%	12.45	12/18/2020	3 units renovated
4	731 E Jefferson Blvd Los Angeles, CA 90011	\$1,100,000	1955	7	\$157,143	\$343.75	5.59%	11.70	02/05/2021	Full exterior rehab
5	4716 S Figueroa St Los Angeles, CA 90037	\$1,545,000	1925/2019	5	\$309,000	\$345.95	5.58%	11.10	12/13/2019	Fully renovated
6	4812 Avalon Blvd Los Angeles, CA 90011	\$1,850,000	2015	7	\$264,286	\$333.39	4.70%	13.19	09/18/2019	
7	1346 W 57th St Los Angeles, CA 90037	\$1,257,000	1940/2020	5	\$251,400	\$332.28	6.12%	11.80	12/22/2020	Fully renovated
Average					\$240,261	\$333.30	5.95%	11.55		

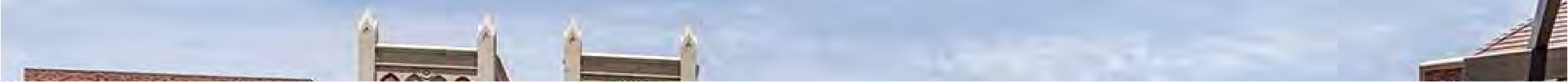


324 W 51st Street

RENT COMPARABLES

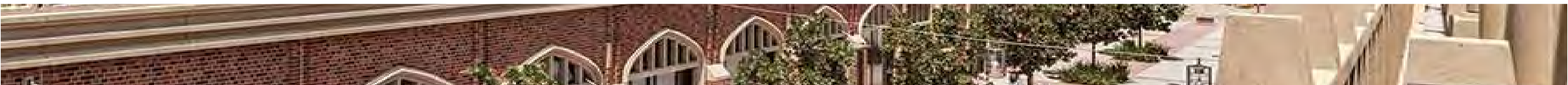
#	ADDRESS	UNIT TYPE	YR BUILT	SF	RENT	RENT/SF
1	3974 Halldale Ave Los Angeles, CA 90062	2+1	1914	700	\$2,000	\$2.86
2	843 W 43rd Pl Los Angeles, CA 90037	2+1	1922	1,100	\$2,099	\$1.91
3	976 W 46th St Los Angeles, CA 90037	2+1	1963	800	\$2,100	\$2.63
4	479 E 49th St Los Angeles, CA 90011	2+1 3+1	1940	1,000 1,300	\$1,945 \$2,245	\$1.95 \$1.73
5	718 W 74th St Los Angeles, CA 90037	3+2	1913	1,050	\$2,350	\$2.24
6	738 W 56th St Los Angeles, CA 90037	3+2	1923	1,270	\$2,195	\$1.73
Average						\$2.15





LOCATION OVERVIEW

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LOS ANGELES

Natural Beauty, Boutique Dining, Famed Shopping an iconic urban experience.

ECONOMICS

The population in the 90037 zip code is approximately 67,640 in its 2.8 square miles. There are 17,699 households in this area with 3.8 persons per household. 36% of the population are married. The median age is 30.7 years old. The median household income is \$35,424.

DINING, SHOPPING & ENTERTAINMENT

The offering is less than 4 miles from the world class dining, shopping and entertainment of Downtown Los Angeles and L.A. Live, home of the Staples Center. Just north is the Natural History Museum and the soon to be revamped Exposition Park. To the south, prospective tenants are 6.2 miles away from the new Sofi Stadium.

HOUSING

The median housing value in the area is \$407,200. There are 18,682 housing units in the area.

SOCIAL

52.4% of the population are of high school grad or higher and 7% have attained a bachelor's degree or higher. 44.3% of the population are foreign born. 1.5% of the population have veteran status.



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