



836 W. 66th St  
Los Angeles, CA 90003

Offering Memorandum  
11 Unit Apartment Building

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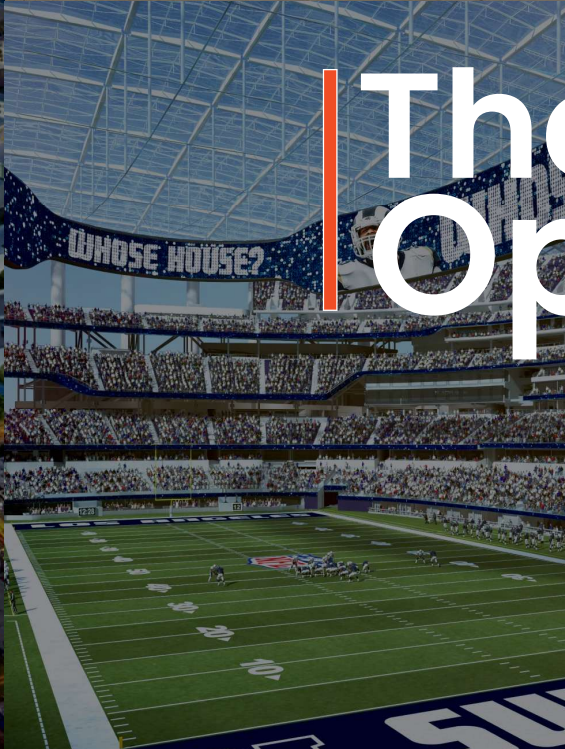
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Section 1



# The Opportunity

# EXECUTIVE SUMMARY

***Part of a Portfolio! 836 W. 66th St is an excellent cash flow opportunity with future upside potential.***

We are pleased to present this 11-unit opportunity in a great South Los Angeles location, just east of Vermont Street and west of Hoover on 66th St. The subject property consists of eight (8) studio / 1 bath units and three (3) 1 bedroom / 1 bath totaling 3,534 square feet, situated on a 7,150 square foot lot zoned LARD2. The opportunity provides an investor to capture future upside potential.

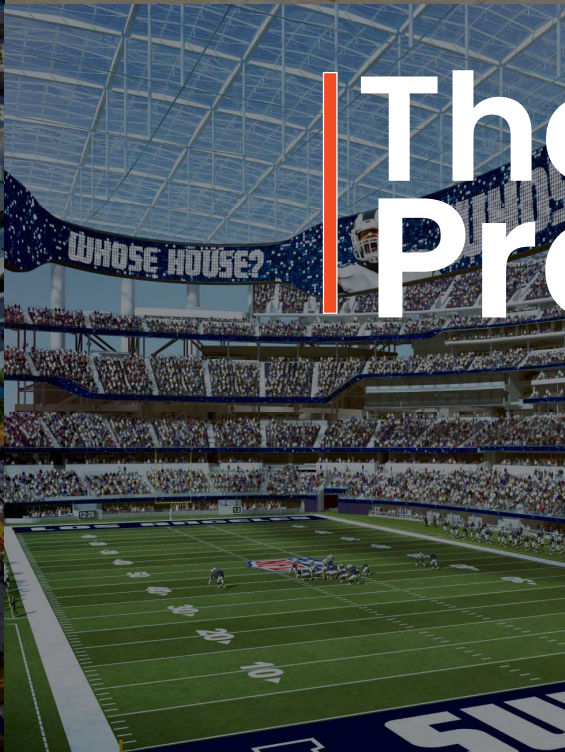
The property features secure entry for tenants and a desirable bungalow-style layout. It is conveniently located near the 110 freeway, making it attractive to tenants commuting to major employment hubs.

This asset offers investors future upside potential in a dense, supply-constrained rental market, within a location that has experienced tremendous growth in recent years.

## Highlights:

- Great immediate cash flow opportunity with excellent cash on cash return on day one
- Great unit mix consisting of (3) 1 Bed/1 Bath and (8) Studio Units spread out over 3,534 square feet
- Value add opportunity with huge upside in rents
- Strategically located in an area that has seen growth and is located in close proximity to the major business hubs of Los Angeles





## Section 2

# The Property

# PROPERTY OVERVIEW



## PROPERTY DETAILS

No. of Units	11
Year Built	1923
Rentable SF	3,534
Lot Area	7,150
APN	6013-010-030
Zoning	LARD2
Rent Control	LA RSO
Roof Type	Pitched
Unit Mix	(3) 1 Bed/1 Bath (8) Studios
Utilities	Separately Metered

## PROPERTY DESCRIPTION

The subject property is an 11-unit multifamily apartment building located in the South Los Angeles submarket, just west of Hoover Street and east of Vermont Avenue on 66th St. 836 W. 66th St was built in 1923. The single-story bungalow-style structure offers 3,534 square feet of gross leasable area on a 7,150 square foot parcel zoned LARD2. The property is secured by a gated entry and features a

unit mix of three (3) one bedroom/one bathroom units and two (8) studio units, all separately metered for gas and electricity. The units are subject to Los Angeles Rent Stabilization Ordinance(RSO). There is parking located in the front of the building.

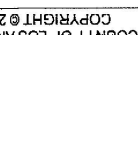
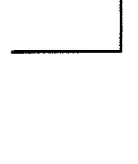
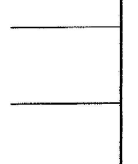
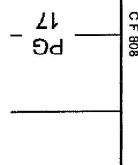
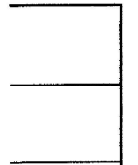
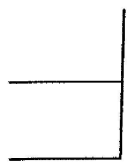
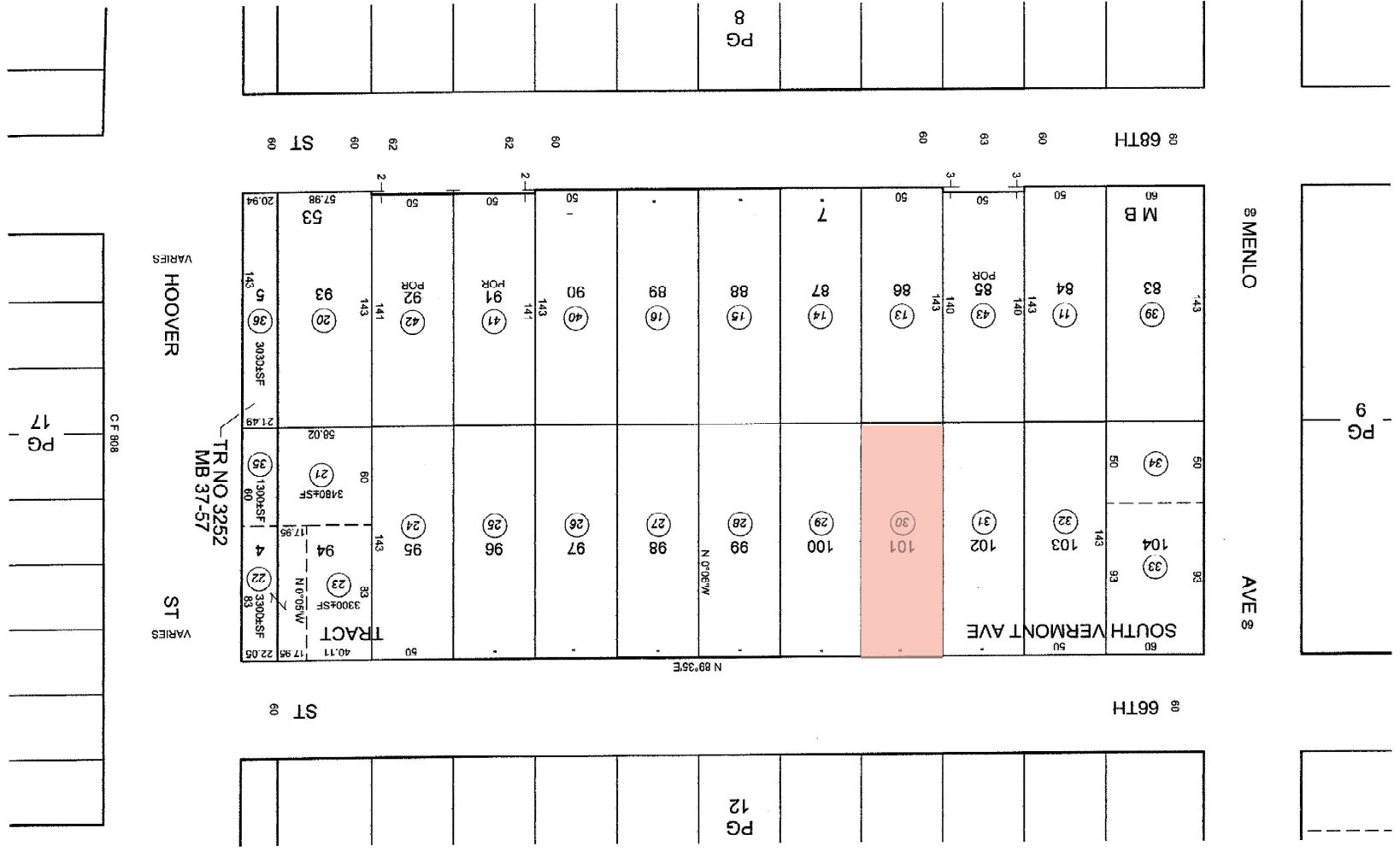
# PARCEL MAP

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MAPPING AND GIS SERVICES  
SCALE 1" = 60'



2017



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# PROPERTY PHOTOS

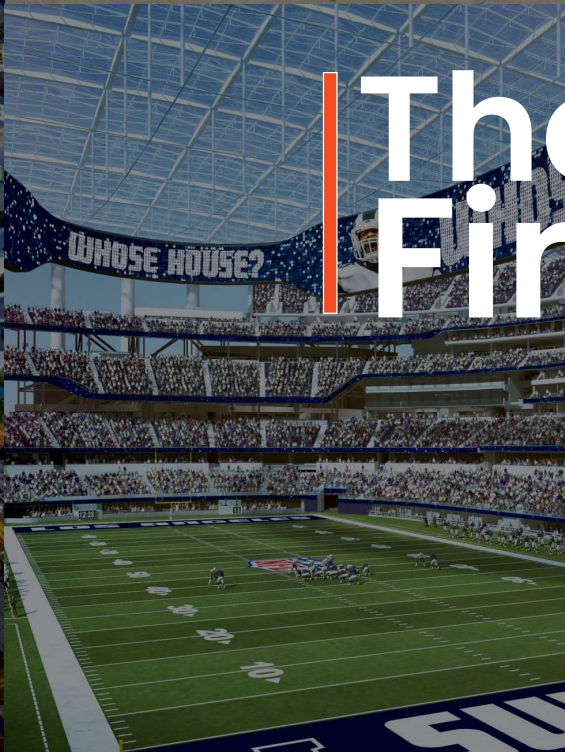




836  
W. 66th



836  
W. 66th



Section 3

# The Financials

# RENT ROLL

Unit No.	Unit Type	Unit SF	Monthly Rent	Rent/SF	PF Rent	PF Rent/SF
836	Single	300	\$1,499	\$5.00	\$1,500	\$5.00
836.25	1 Bed / 1 Bath	400	\$709	\$1.77	\$1,900	\$4.75
836.5	Single	300	\$745	\$2.48	\$1,500	\$5.00
836.75	Single	300	\$523	\$1.74	\$1,500	\$5.00
836.875	Single	300	\$672	\$2.24	\$1,500	\$5.00
838.75	1 Bed / 1 Bath	400	\$1,816	\$4.54	\$1,900	\$4.75
840	Single	300	\$661	\$2.20	\$1,500	\$5.00
840.25	Single	300	\$661	\$2.20	\$1,500	\$5.00
840.5	1 Bed / 1 Bath	400	\$709	\$1.77	\$1,900	\$4.75
840.75	Single	300	\$650	\$2.17	\$1,500	\$5.00
840.875	Single	300	\$650	\$2.17	\$1,500	\$5.00
<b>TOTAL</b>		<b>3,600</b>	<b>\$9,295</b>		<b>\$17,700</b>	

# FINANCIAL SUMMARY

## Price **\$1,200,000**

Down (35%)	\$540,000
Price/Unit	\$109,091
Price/SF	\$340
Cap Rate	5.12%
Proforma Cap Rate	12.86%
GRM	10.76
Proforma GRM	5.65

## Property

Address	836 W 66th St
City	Los Angeles
State	CA
Zip	90044
No. of Units	11
Net Rentable Sq. Ft.	3,534
Lot Size	7,150
Zoning	LA RD2
APN	6013-010-030
Year Built	1923

## Financing

Loan Amount	\$660,000
Interest Rate	6.25%
Monthly Payment	(\$4,064)
Loan-to-Value	55%
Debt Cover Ratio	30
Term	5 Year Fixed

## Operating Data

		Current		Proforma
Base Rental Income		\$111,540		\$212,400
Gross Potential Income		\$112,126		\$212,986
Less Vacancy	3%	\$3,364	3%	\$6,390
Effective Gross Income		\$108,762		\$206,596
Operating Expenses	44%	\$47,347	25%	\$52,239
Net Operating Income		\$61,415		\$154,358
Debt Service		-\$48,765		-\$48,765
Pre-Tax Cash Flow	2.34%	\$12,650	19.55%	\$105,593
Principal Reduction		-\$7,734		-\$7,734
Total Return Before Taxes	3.77%	\$20,384	20.99%	\$113,327

## Expenses

Taxes (1.25%)	\$15,000	\$15,000
Insurance (\$1.50/SF)	\$5,301	\$5,301
Utilities(T-12)	\$11,058	\$11,058
Repairs & Maintenance (\$650/mo)	\$7,150	\$7,150
Gardener (\$100/month)	\$1,200	\$1,200
Reserves(\$200/month)	\$2,200	\$2,200
Management Fee (5.0%)	\$5,438	\$10,330

Operating Expenses	\$47,347	\$52,239
Total Expenses per Unit	\$4,304	\$4,749
Total Expenses per square foot	\$13	\$15

## Rent Roll Summary

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
Single	8	\$758	\$6,061	\$1,500	\$12,000
1 Bed / 1 Bath	3	\$1,078	\$3,234	\$1,900	\$5,700

## SECTION 8 VOUCHER STANDARDS

Bedroom Size	Voucher Payment Standard
0	\$2,041
1	\$2,289
2	\$2,887
3	\$3,668
4	\$4,067
5	\$4,667
6	\$5,287

### Voucher Payment Standards (VPS)

The Section 8 Department Voucher Payment Standard is the most the Housing Authority can pay to help a family with rent. The family's voucher will show the number of bedrooms authorized by the Housing Authority, based on the number of persons in the family.

The Housing Authority establishes Voucher Payment Standards (VPS) based on the Fair Market Rents, (FMR), which are established at least annually by the U.S. Department of Housing and Urban Development (HUD). The VPS is the maximum subsidy the Housing Authority can provide toward the contract rent (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant). If the contract rent (rent plus utility allowance) is more than the VPS, the family must make up the difference out of its own pocket.

The Housing Authority must use the SMALLER of the number of bedrooms in the rental unit or the number of bedrooms on the voucher to determine the VPS. For example, if a family locates a two-bedroom unit with a three-bedroom voucher, the two bedroom VPS must be used to calculate the tenant portion of the rent.

The following chart depicts the VPS for the Housing Authority of the City of Los Angeles (HACLA).

# UNDERWRITING NOTES

## INCOME

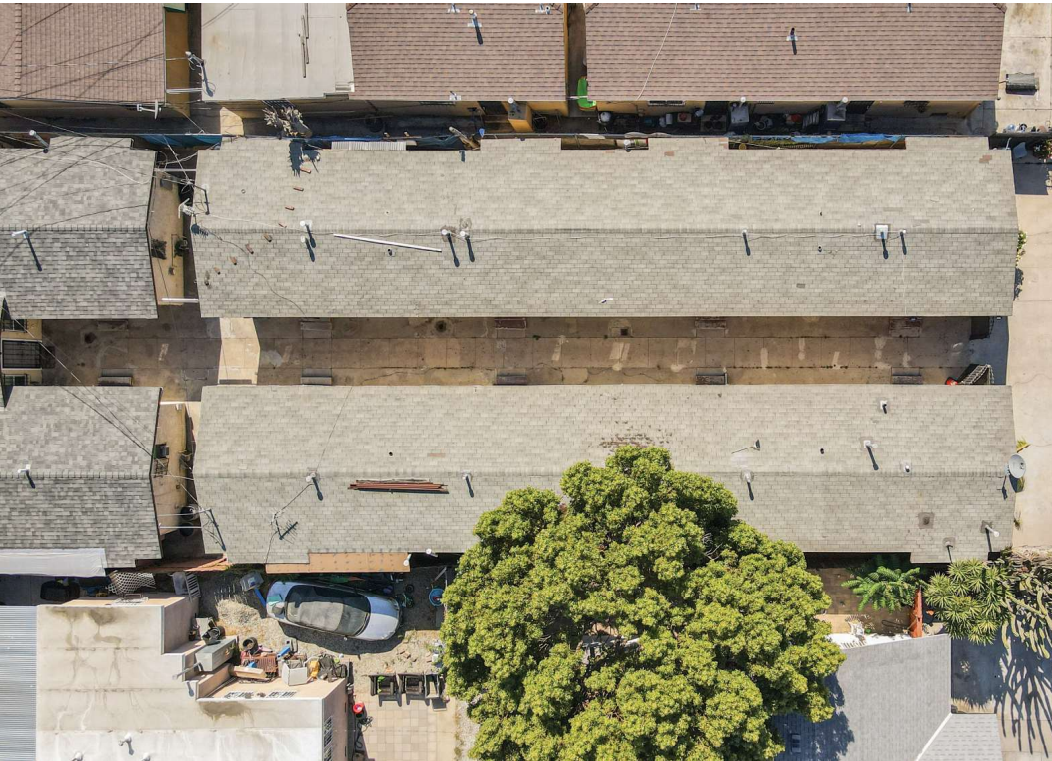
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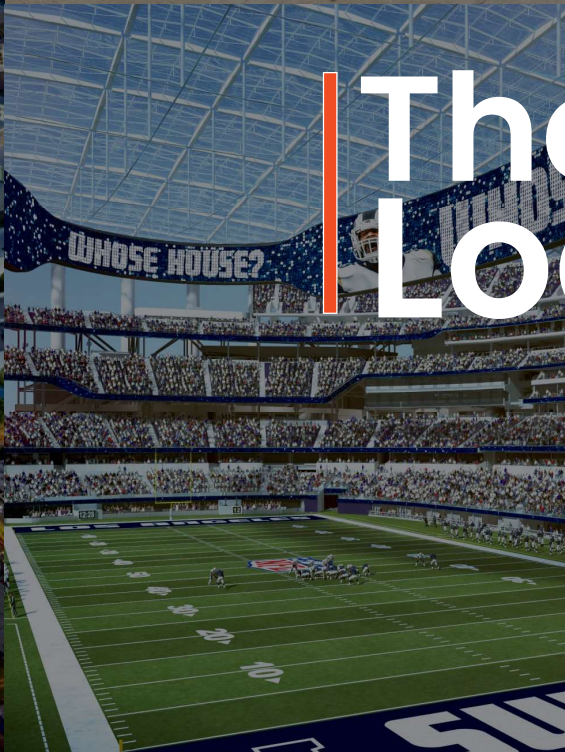
Income	Building is 100% occupied.
Vacancy	Vacancy Rate is 3% of Gross Rental Income.
Proforma	Market Rents based on Rent Analysis of Submarket Area.
Unit SF	Unit Square Footages are Estimated

## EXPENSES

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Property Tax Rate	Estimated at 1.25%
Insurance	Estimated \$1.50/sf
Utilities	Actual T12
Repairs & Maintenance	Estimated annually \$650 per unit
Management Fee	5% of Effective Gross Income.
Gardener	\$100/month
Reserves	\$200 per unit





Section 4

# The Location

# LOS ANGELES

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most popular city in the United States, after New York City; and the third most populous city in North America, after Mexico City and New York City. With an estimated population of nearly four million people, Los Angeles is the cultural, financial, and commercial center of Southern California.

The city of Los Angeles holds many distinctions. L.A. is the entertainment capital of the world, a cultural mecca boasting more than 100 museums, many of them world-class, and a paradise of idyllic weather.

From tourist attractions like the Walk of Fame's collection of stars (numbering more than 2,614 and growing by one or two a month) to career opportunities like those presented in the expanding tech industry, Los Angeles is the place to be. Los Angeles is on the leading edge of several growth industries.

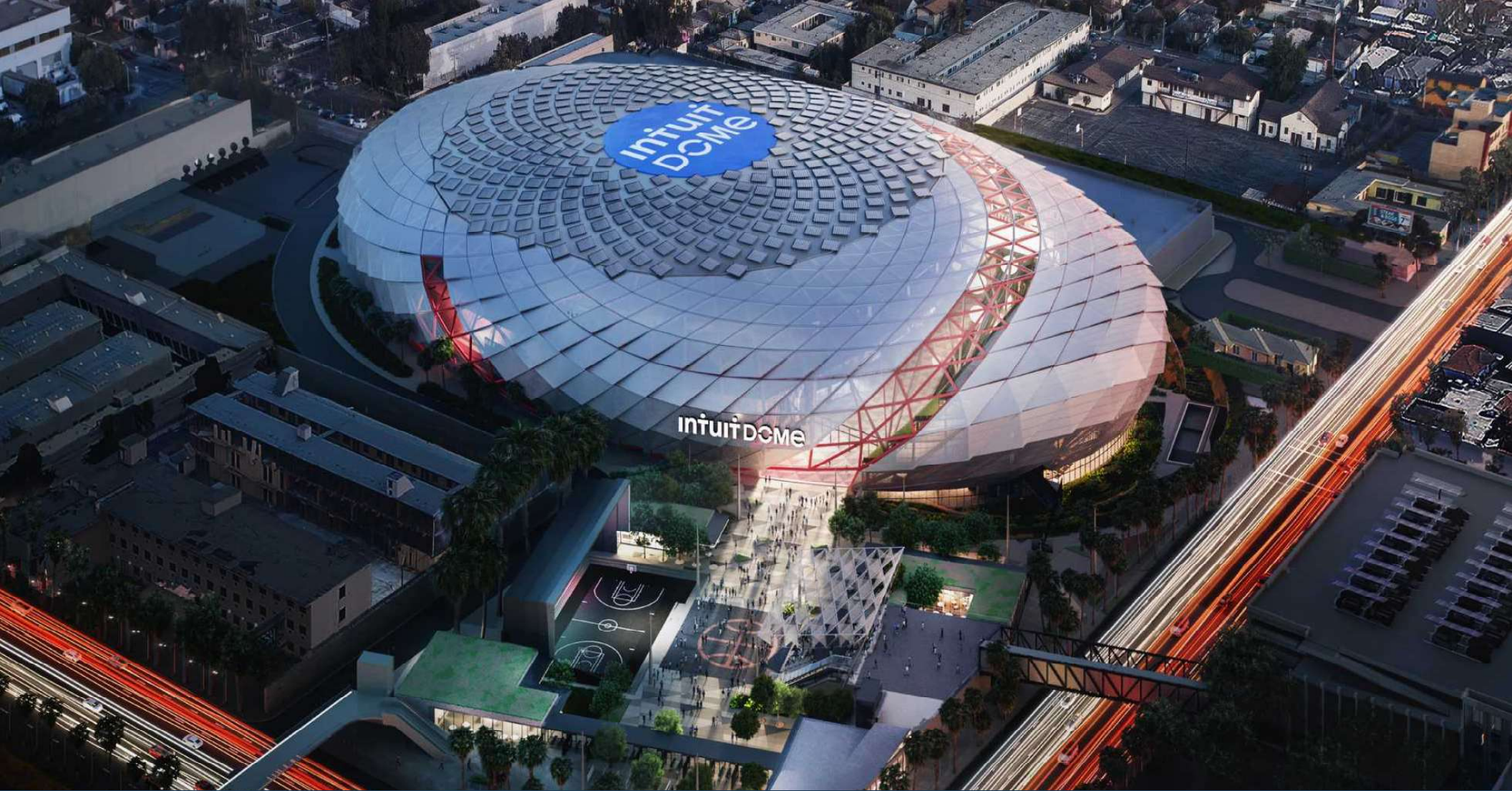
The Los Angeles Metropolitan area, with more than 23,000 art jobs, is the country's leading artistic center, surpassing the previous champion, New York. In other words, Los Angeles has both a larger concentration and an absolute number of artists than New York. The L.A. five-county area is also a major tech center, with more than 700,000 people at work on health services/biomedical activities and 190,000 people in aerospace.





# SOFI STADIUM

The new home for the Los Angeles Chargers and Rams is currently the largest stadium in the NFL. Costing upwards of \$5 billion, the 3 million square foot is able to seat 70,240. The stadium will be home to the 2022 Super Bowl and the Summer Olympics in 2028.



# INTUIT DOME

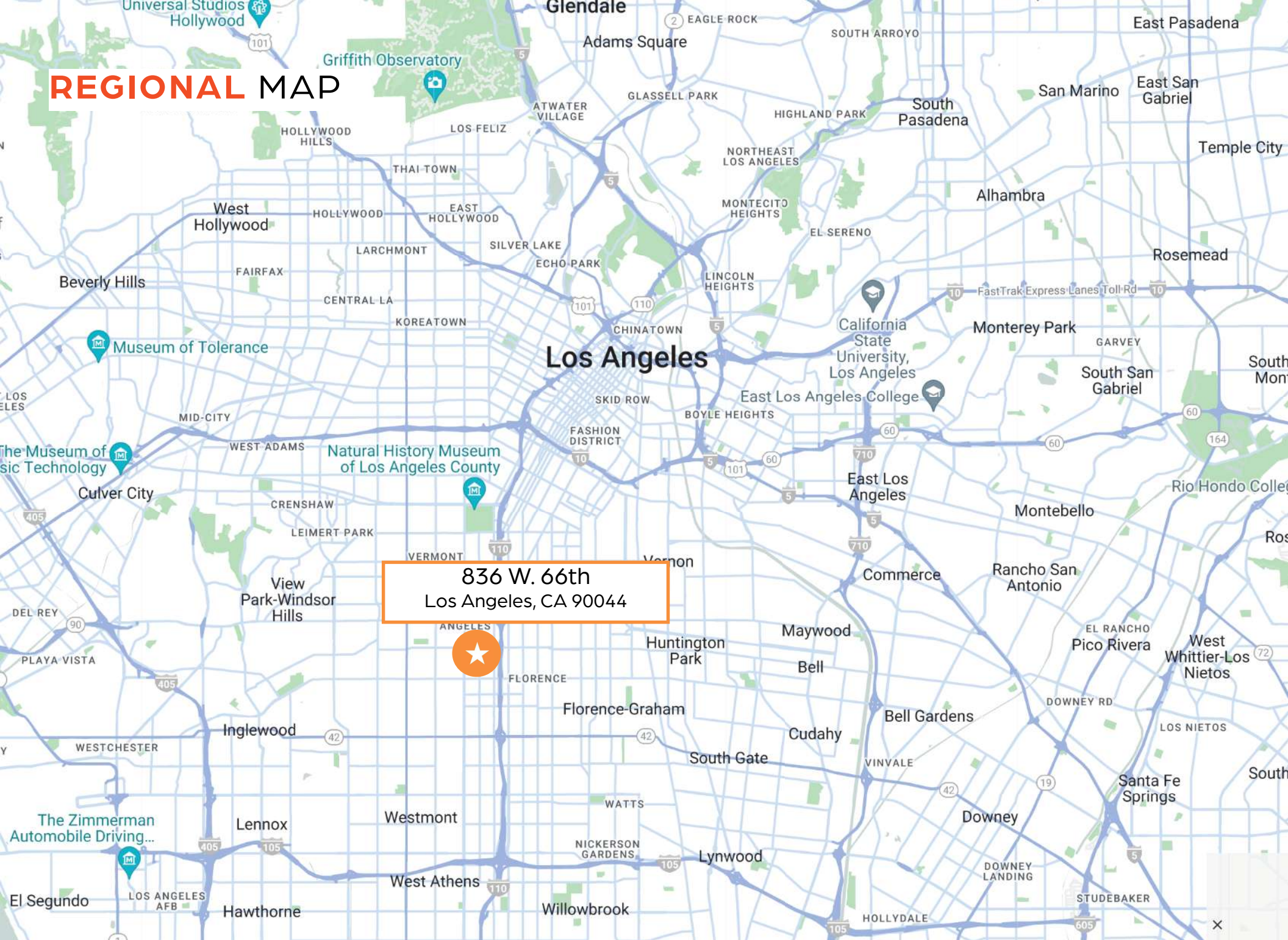
The NFL stadium isn't the only professional sporting area bound for Inglewood. The Los Angeles Clippers will move out to Downtown's L.A. Staples Center and into the South Los Angeles City. Construction the brand Intuit Dome broke ground in 2021, and should be ready for the 2023 season. The city released a document that spells out it would seat 18,000 fans and would be joined by a new practice facility, retail space, and outdoor plazas with basketball courts that are open to the public.



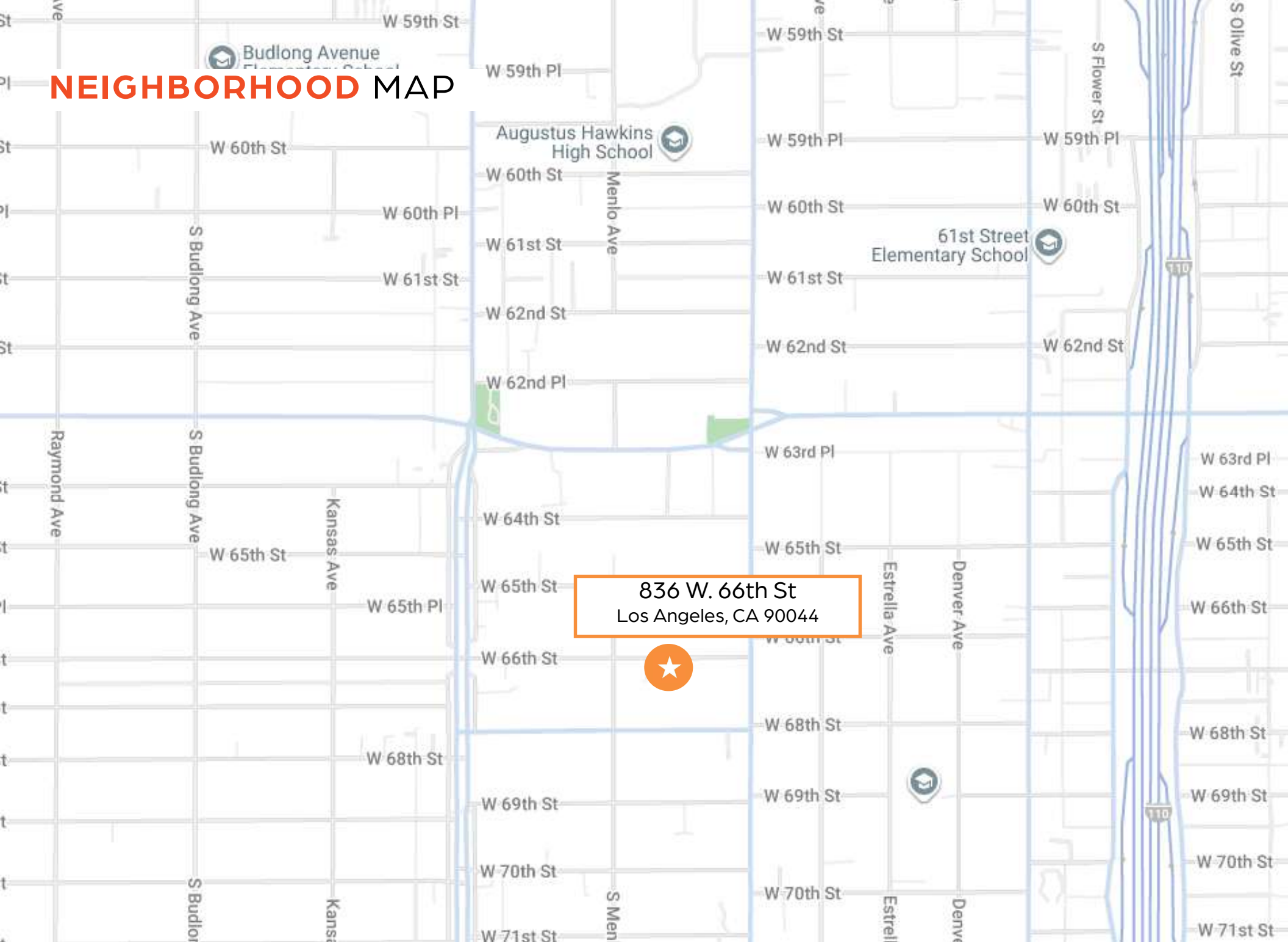
# HOLLYWOOD PARK

Hollywood Park spans approximately 300 acres and is central to the Westside, South Bay and greater Los Angeles communities. Modern architecture, dramatic open space, and state-of-the-art technology differentiate the physical place. One end of the projects is anchored by a 500,000 s.f retail and entertainment district that offers local and global fashions and flavors to deliver shopping, dining, recreation, entertainment and nightlife unlike any place else. This retail district is complimented by luxury apartments and best-in-class office campuses that offer great design and cutting-edge technology while prioritizing opportunities for social interaction.

# REGIONAL MAP



# NEIGHBORHOOD MAP



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