2060 S. Hobart Blvd

Los Angeles, CA 90018

LYONSTAHL
INVESTMENT REAL ESTATE

Offering Memorandum

20 Unit Apartment Building

THE JAMES GROUP

www.JamesGroupRE.com

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Section 1

The Opportunity

EXECUTIVE SUMMARY

2060 S. Hobart Blvd is a 20 unit value-add multifamily investment opportunity in Prime Harvard Heights. The property has undergone recent upgrades and offers a true-value add play with 53% upside in rents.

The James Group is pleased to present 2060 S. Hobart Blvd, a value-add multifamily investment opportunity in Harvard Heights, just South of Koreatown.

The subject property is a three story apartment building built in 1963 and consist of (1) Studio, (11) one bedrooms, and (8) two bedroom units in a 15,461 square foot building. Currently 100% occupied, the property sits on a large 11,994 square foot lot zoned RD2. There are a total 20 parking spaces including 14 individual parking spaces and 6 tandem spaces. The property is separately metered for both gas and electricity. A communal laundry is located on the ground floor.

The property has undergone exterior and common area renovations which include an updated lobby, new paint, Amazon locker, updated security door, and updated interior and exterior lights. 4 of the 20 units have been renovated. The street is very quiet surrounded by homes with very little traffic.

- Current rents are 53% under market with proforma GIM of 9.47 and proforma cap rate of 7.55%

- The property is situated in a prime Harvard Heights neighborhood surrounded by single family homes and very little traffic.

INVESTMENT HIGHLIGHTS

Prime Harvard Heights Location

The property is in the Havard Heights submarket of Los Angeles, a prime location along the 10 fwy just South of Koreatown. This block of Hobart does is not a through street allowing very little traffic.

Renovated Exterior & Common Area

The property has undergone extensive exterior and common area upgrades including a new glass security door, a renovated lobby, new mailboxes, Amazon delivery box, updated exterior paint and lights. Interior renovations include updated hallways, unit numbers, updated common laundry area.

ADU Potential

Immediate value can be created with the addition of ADUs at the property. SB1211 will allow an increased number of attached and detached ADUs to be built. Buyer to verify.

Upside Potential

There is currently 53% upside in the current rents. Average one-bedroom rents are $1,317/mo with nearly $800 in monthly upside in rents. The average rents for two-bedroom units is $1,576/mo with over $800 in monthly upside in rents. Proforma cap rate is 7.55% and proforma GRM is 9.78.

Building Amenities

The property offers several amenities including secured entrance into the lobby with intercom code access. An Amazon locker is provided in the lobby. A communal laundry room is located on the ground floor offering 3 washer and 3 dryers. There are 14 individual parking spaces and 6 tandem spaces.

Section 2

The Property

PROPERTY OVERVIEW

Property Details

Address	2060 S. Hobart Blvd Los Angeles, CA 90018
Units	20
Year Built	1963
Building Area	15,461 SF
Lot Area	11,994 SF
APN	5074-032-007
Zoning	RD2-1-HPOZ
Rent Control	Los Angeles RSO
Construction	Woodframe Stucco
Parking	14 Individual, 6 Tandem
Unit Mix	(1) Studio / 1 Bath (11) 1 Bed / 1 Bath (8) 2 Bed / 1 Bath
Utilities	Separately Metered for Gas and Electricity

Property Description

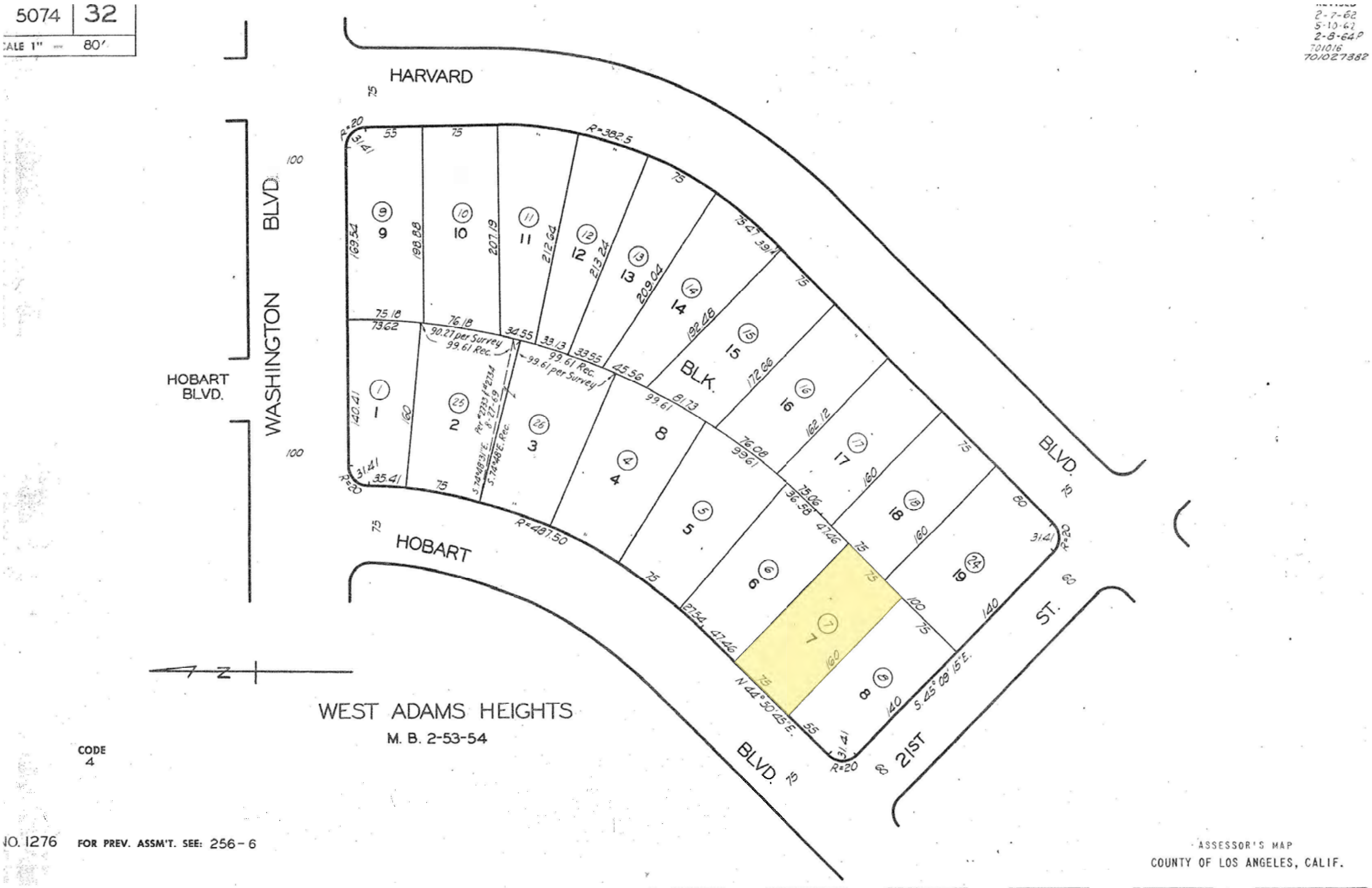
2060 S. Hobart Blvd is a 20-unit value-add multifamily investment built in 1963 in the Harvard Heights sub-market of Los Angeles. The 15,461 square foot property, on an approximately 11,994 square foot lot, consists of (1) studio, one bath, (11) one bed, one bath units and (8) two bed, one bath units. There are twenty total parking spaces including 14 individual spaces and 6 tandem spaces. All units are separately metered for gas and electricity.

Building amenities include an on-site communal laundry facility with two leased washers and dryers. The newly renovated lobby is equipped with a new Amazon locker, updated mailboxes, and a new glass security door with intercom access. Interior and exterior common areas have been updated recently.

The property benefits from being in a prime Harvard Heights location surrounded by historical homes in a very low density residential neighborhood.

Additional value can be created with construction of ADUs via new legislation. Buyer to verify feasibility.

PARCEL MAP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SCALE 1" = 80'
HARVARD
HOBART BLVD.
WASHINGTON BLVD.
HOBART
BLVD.
21ST ST.
BLK.
WEST ADAMS HEIGHTS
M. B. 2-53-54
CODE 4
NO. 1276 FOR PREV. ASSM'T. SEE: 256-6
ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

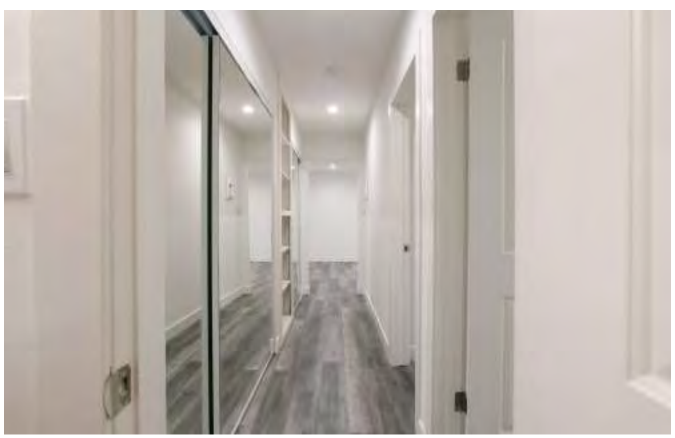
PROPERTY PHOTOS







PROPERTY PHOTOS



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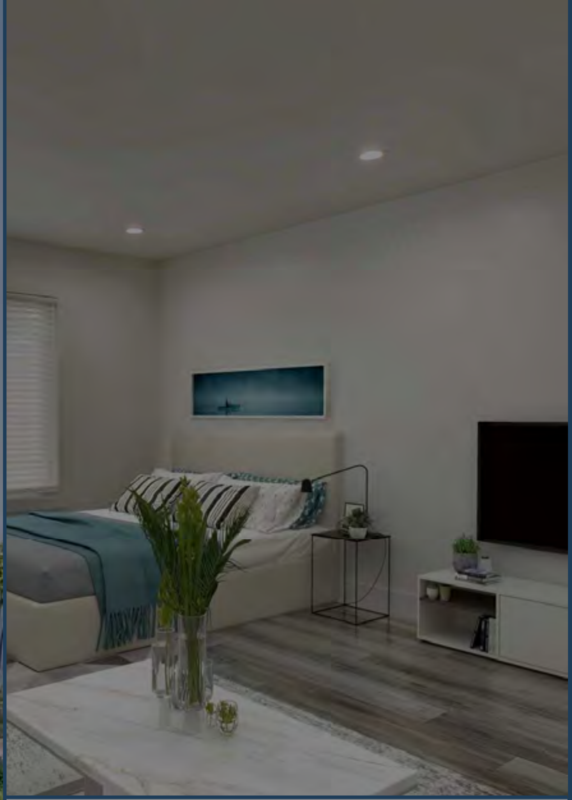


Section 4

The Financials

RENT ROLL

Unit No.	Unit Type	Monthly Rent	Pro Forma Monthly Rent	Comments
101	2 Bed, 1 Bath	$1,820	$2,600	
102	1 Bed, 1 Bath	$1,055	$2,400	
103	2 Bed, 1 Bath	$2,491	$2,600	Renovated
104	Studio, 1 Bath	$1,550	$1,800	Renovated
201	2 Bed, 1 Bath	$1,659	$2,600	
202	2 Bed, 1 Bath	$1,487	$2,600	
203	1 Bed, 1 Bath	$2,400	$2,400	On-Site Mgr
204	2 Bed, 1 Bath	$1,375	$2,600	
205	1 Bed, 1 Bath	$1,080	$2,400	
206	1 Bed, 1 Bath	$1,046	$2,400	
207	1 Bed, 1 Bath	$1,081	$2,400	
208	1 Bed, 1 Bath	$1,080	$2,400	
301	2 Bed, 1 Bath	$1,407	$2,600	
302	2 Bed, 1 Bath	$1,243	$2,600	
303	1 Bed, 1 Bath	$790	$2,400	
304	2 Bed, 1 Bath	$1,125	$2,600	
305	1 Bed, 1 Bath	$2,075	$2,400	Renovated
306	1 Bed, 1 Bath	$1,300	$2,400	
307	1 Bed, 1 Bath	$1,800	$2,400	Renovated
308	1 Bed, 1 Bath	$1,284	$2,400	
TOTAL		$29,148	$49,000	

FINANCIAL SUMMARY

Price	**$5,150,000**
Down (48.5%)	$2,497,750
Price/Unit	$257,500
Price/SF	$333.10
Cap Rate	4.20%
Proforma Cap Rate	8.51%
GRM	14.03
Proforma GRM	8.51

Property

Street	2060 S. Hobart Blvd
City	Los Angeles
State	CA
Zip	90018
No. of Units	20
Building Sq. Ft.	10,487
Lot Size	11,994
Zoning	RD2-1-HPOZ
APN	5074-032-007
Year Built	1963

Financing

Loan Amount	$2,652,250
Interest Rate	5.50%
Monthly Payment	($15,059)
Loan-to-Value	52%
Debt Cover Ratio	1.20
Term	5 Year Fixed

Operating Data

		Current		Proforma
Base Rental Income		$349,776		$588,000
Laundry & Parking Income		$5,400		$5,400
Capital Improvements Pass Thru		$11,880		$11,880
Gross Potential Income		$367,056		$605,280
Less Vacancy	3%	$10,493	3%	$17,640
Effective Gross Income		$356,563		$587,640
Operating Expenses	39%	$140,130	25%	$149,373
Net Operating Income		$216,433		$438,267
Debt Service		-$180,710		-$180,710
Pre-Tax Cash Flow	1.43%	$35,723	10.31%	$257,557
Principal Reduction		-$35,728		-$35,728
Total Return Before Taxes	2.86%	$71,451	11.74%	$293,285

Expenses

Taxes (1.199398%)	$61,769	$61,769
Insurance (Estimated)	$15,461	$15,461
Utilities (Actual 2023)	$21,752	$21,752
Repairs & Maintenance ($500/Unit)	$10,000	$10,000
Management Fee (4% of EGI)	$14,263	$23,506
Pest Control ($100/month)	$1,200	$1,200
Reserves ($150/Unit)	$3,000	$3,000
Direct Assessments (Actual)	$2,189	$2,189
Trash	$5,496	$5,496
On-Site Mgr	$5,000	$5,000
Operating Expenses	$140,130	$149,373
Total Expenses per Unit	$7,006	$7,469
Total Expenses per SF	$9.06	$9.66

Rent Roll Summary

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
Studio, 1 Bath	1	$1,550	$1,550	$1,800	$1,800
1 Bed, 1 Bath	11	$1,363	$14,991	$2,400	$26,400
2 Bed, 1 Bath	8	$1,576	$12,607	$2,600	$20,800

UNDERWRITING NOTES

INCOME

Income	Building is 100% occupied. Market rents used for vacancy. Cap Ex Pass Thru commenced 1/1/2024 and will remain for 72 months (18 of 20 units)
Vacancy	Vacancy Rate is 3% of Gross Rental Income.
Proforma	Market Rents based on Rent Analysis of sub-market Area.
Unit SF	Unit Square Footages are Estimated

EXPENSES

Property Tax Rate	Actual per Los Angeles County Tax Assessor 1.199%
Insurance	Estimated ($1/sq. ft.)
Utilities	Actual 2023 Expense
Repairs & Maintenance	Estimated annually $500 per unit
Management Fee	Off-Site: 4% of EGI On-Site: $5,000/annual
Direct Assessments	Actual per Los Angeles Tax Assessor
Pest	$100/month
Reserves	$200 per unit
Trash	Actual 2023 Expense less transport fees. Bins can be placed in front on North side of lot.

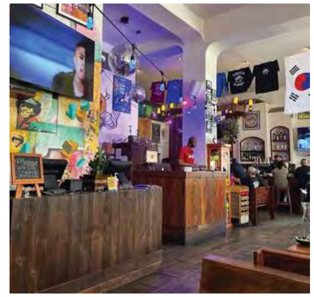
Section 5

The Location

Koreatown

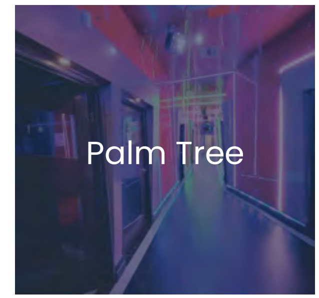
Koreatown, located in central Los Angeles, is a vibrant and bustling neighborhood known for its rich culture, delicious food, and bustling nightlife. It has become a trending social hotspot, attracting young professionals and food enthusiasts alike. The area is famous for its countless Korean BBQ restaurants, trendy cafes, and karaoke bars. In recent years, Koreatown has seen significant development with new high-rise apartment buildings and mixed-use developments popping up, catering to the growing demand for urban living. With its diverse community, lively atmosphere, and convenient location, Koreatown continues to be a must-visit destination for both locals and tourists.

THE NEIBORHOOD

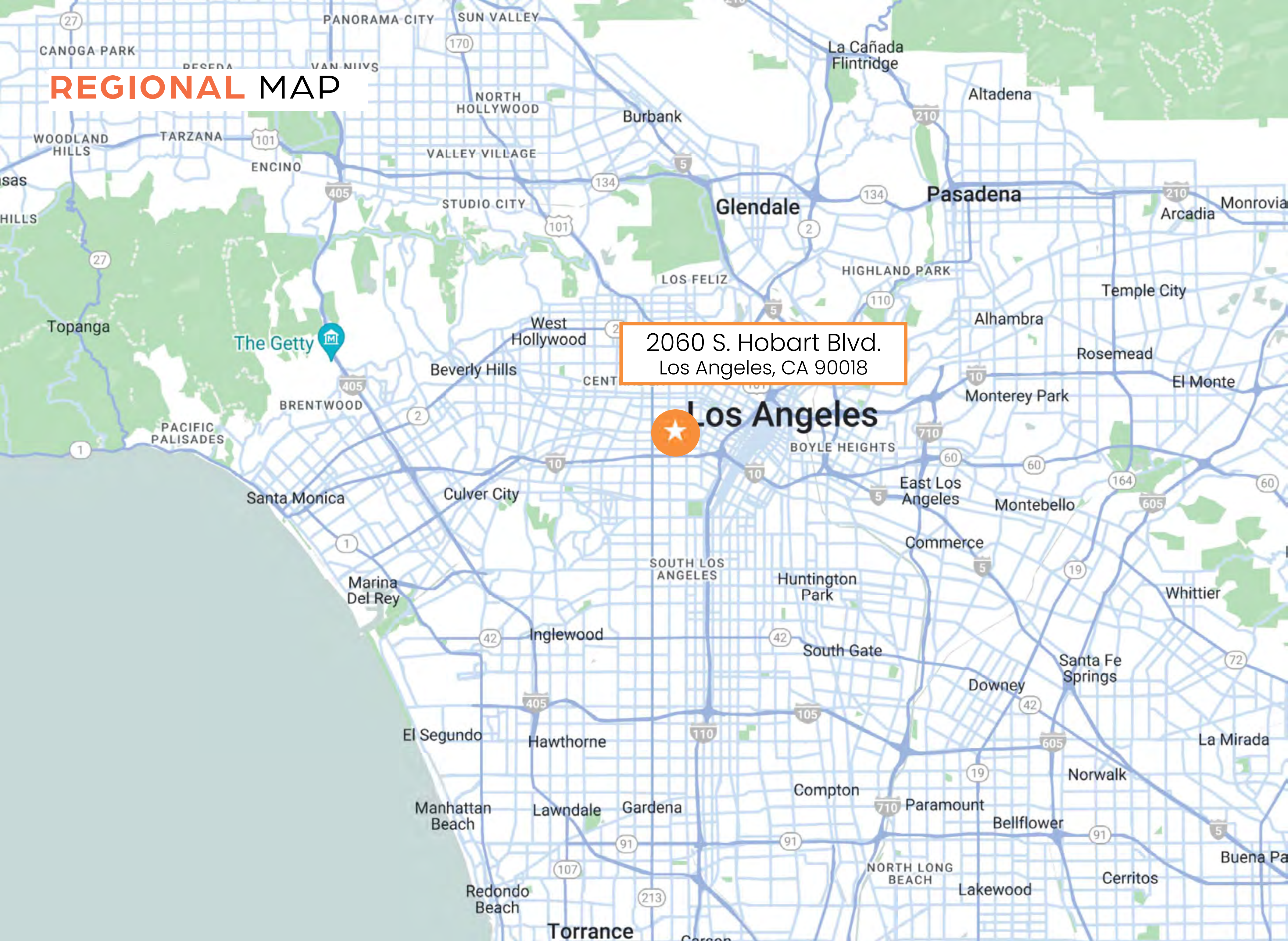




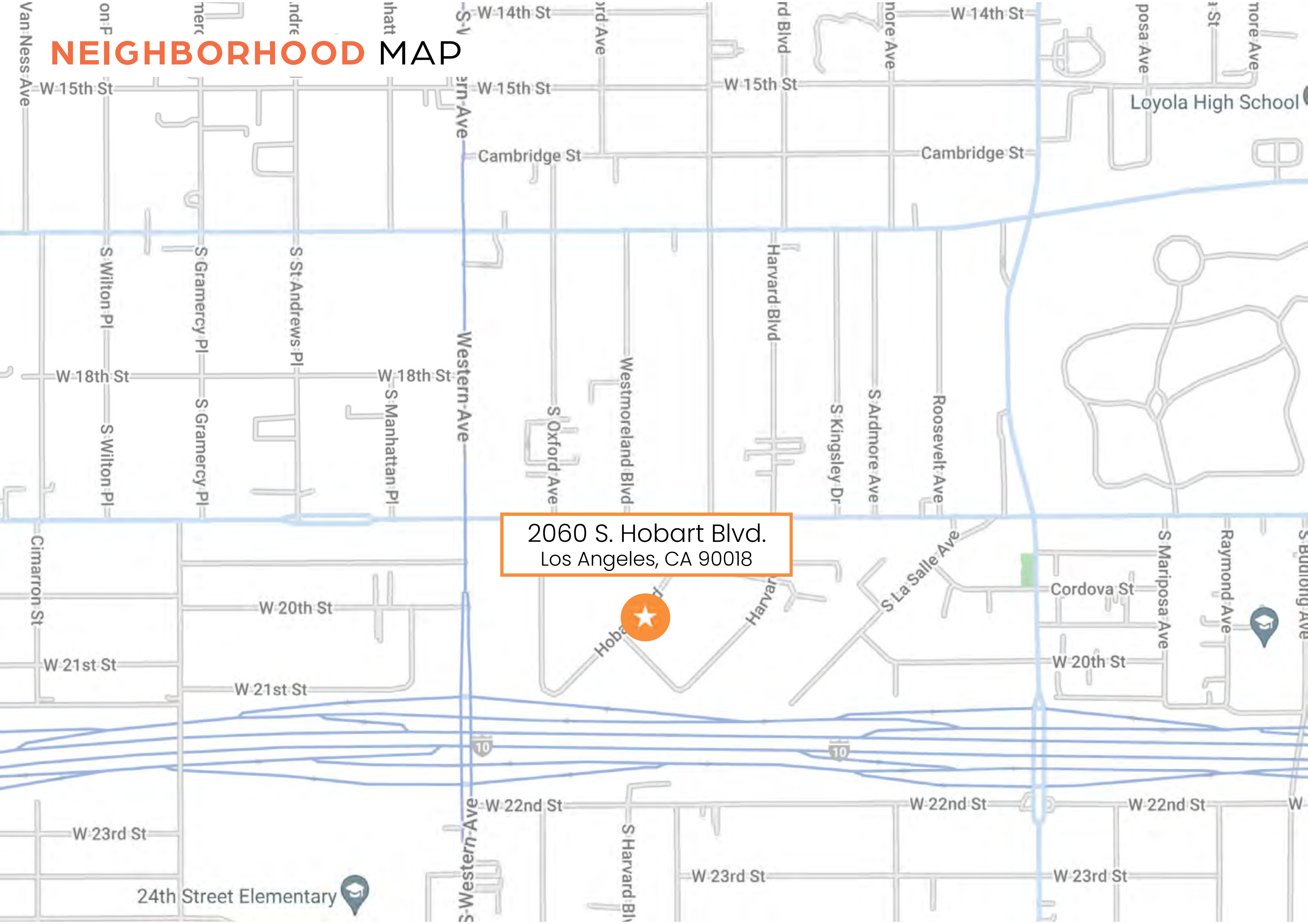






REGIONAL MAP



NEIGHBORHOOD MAP



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