LYONSTAHL
INVESTMENT REAL ESTATE

837 S. Normandie Ave.

Los Angeles, CA 90005

Offering Memorandum

THE JAMES GROUP
www.JamesGroupRE.com

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TABLE OF CONTENTS

INVESTMENT OVERVIEW

Pricing Details

Offering Price	$3,300,000
Price/Unit	$206,250
Price/SF	$321.89
Current GIM	9.76
Current Cap Rate	6.61%
Market GIM	7.67
Market Cap Rate	9.21%

Property Details

No. of Units	16
Year Built	1925
Rentable SF	10,252
Lot Area	7,446
APN	5094-019-008
Zoning	LAR4
Rent Control	LA RSO
Roof Type	Flat
Utilities	Separately Metered for Electric

Proposed Financing

Loan Amount	$2,145,000
Down Payment	35.00%
Interest Rate	6.25%
Amortization	30 Years
Loan Term	5 Year Fixed
Monthly Payment	$11,172

EXECUTIVE SUMMARY

We are delighted to introduce this 16 unit offering, located in the highly sought-after Koreatown neighborhood. This property boasts an impressive unit mix, including (16) 1 Bed/1 Bath units. The apartment building, comprised of 10,252 square foot in improvements, sits on a 7,446 square foot lot zone LAR4 and was built in 1925.

The building is well-maintained and does not require a soft-story parking retrofit. The property offers significant upside potential in terms of rental income, with the possibility to increase rents by approximately 30%. In addition to the remaining rental upside, there is great Year One Cash Flow at 7.28%.

Residents benefit from the central Koreatown location that has continued to experience tremendous growth with new shops, dining, and entertainment venues within a 0.5 mile walking distance to Wilshire Boulevard. The property has a Walk Score of 94, and benefits from its proximity to the Retail and Restaurants of W 8th Street and Irolo Street. Importantly, the South Normandie Ave apartments are in very close proximity to major employment hubs such as Koreatown, Downtown, and Mid-City.

INVESTMENT HIGHLIGHTS

Positive Leverage Deal – listed at a **6.61%** cap rate with upside to a proforma **9.21%** cap rate

The highest cap rate on the market in the 90005 zip code

1925 construction, 16 unit apartment building with the majority of the units recently upgraded and renovated under current ownership

Excellent Unit Mix of (16) 1 Bed/1 Bath, with an estimated average of 625 square foot unit size

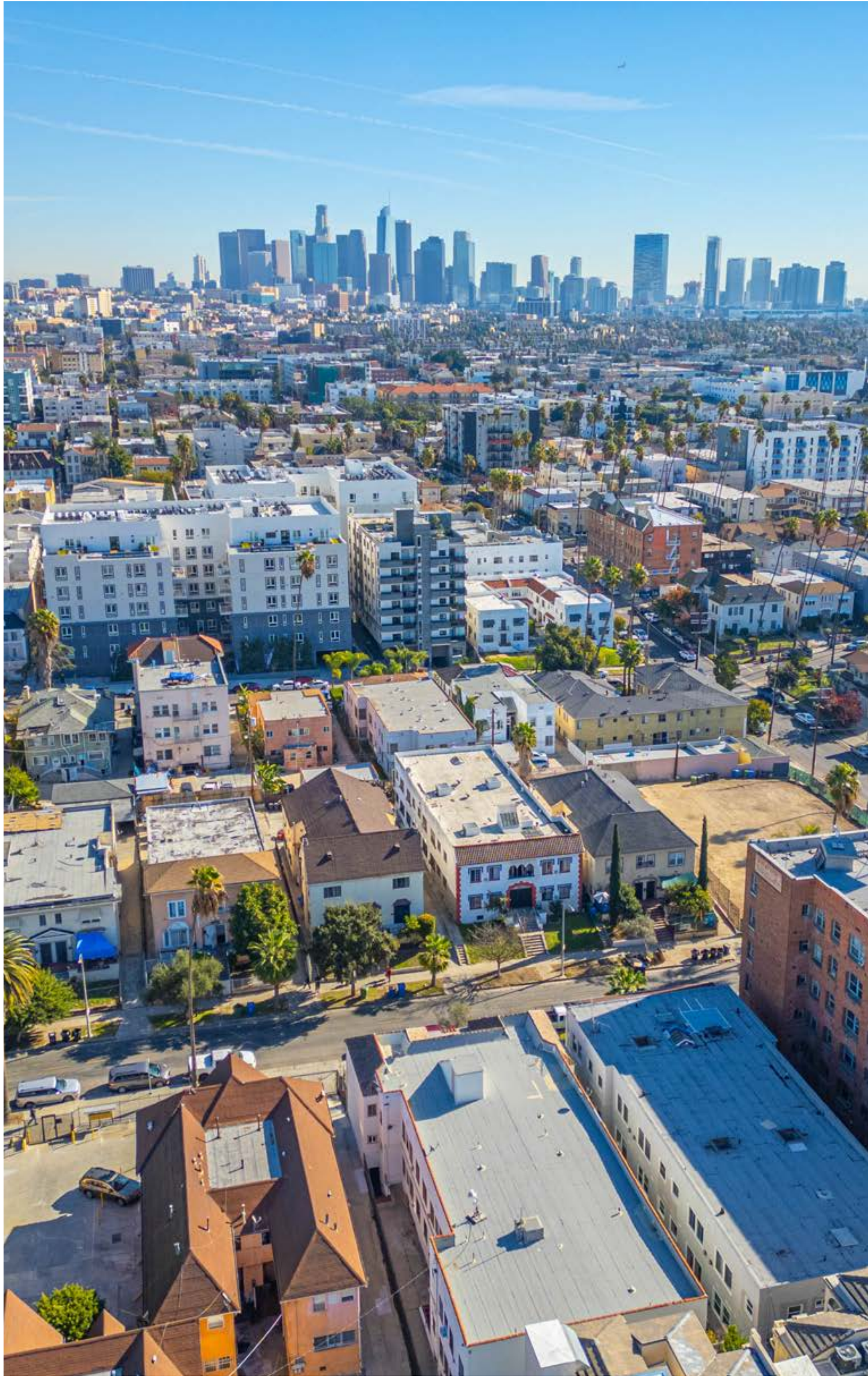
Tremendous upside potential with **30% Remaining Rental Upside**

Year One 7.28% Cash on Cash Return. High Cashflow opportunity with 60% Bonus Depreciation in 2024

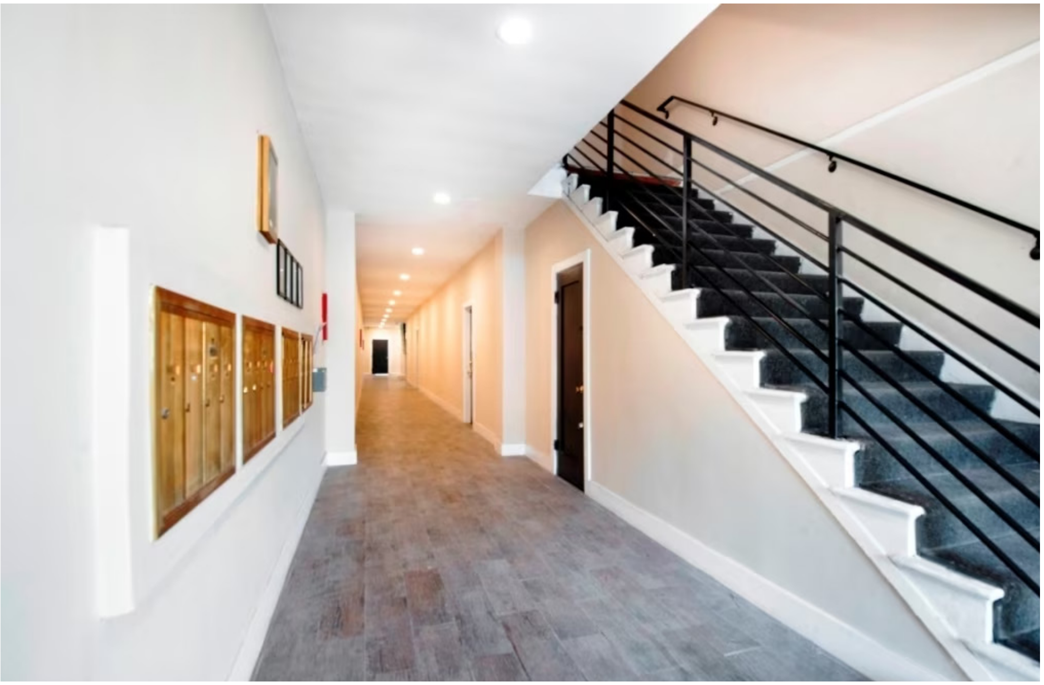
Walker's Paradise! Walk Score of 94, Only 1 Block from Retail and Restaurants on Irolo St & West 8th St.

Lcoated in Prime Koreatown, at the intersection of S. Normandie Ave and James M Wood Blvd

No Soft-Story Parking Retrofit Required



PROPERTY PHOTOS



PROPERTY PHOTOS

RENT ROLL

UNIT	UNIT TYPE	UNIT SF	CURRENT	RENT/SF	MARKET RENT	PF RENT/SF	COMMENTS
101*	1 Bed/1 Bath	625	$1,996.94	$3.20	$2,195	$3.51	
102	1 Bed/1 Bath	625	$1,795.00	$2.87	$2,195	$3.51	
103*	1 Bed/1 Bath	625	$1,333.96	$2.13	$2,195	$3.51	
104	1 Bed/1 Bath	625	$2,195.00	$3.51	$2,195	$3.51	Vacant
105*	1 Bed/1 Bath	625	$1,679.19	$2.69	$2,195	$3.51	
106*	1 Bed/1 Bath	625	$1,975.29	$3.16	$2,195	$3.51	
107*	1 Bed/1 Bath	625	$1,463.94	$2.34	$2,195	$3.51	
108*	1 Bed/1 Bath	625	$1,309.81	$2.10	$2,195	$3.51	
201	1 Bed/1 Bath	625	$1,854.44	$2.97	$2,195	$3.51	
202*	1 Bed/1 Bath	625	$1,658.19	$2.65	$2,195	$3.51	
203*	1 Bed/1 Bath	625	$1,320.09	$2.11	$2,195	$3.51	
204	1 Bed/1 Bath	625	$1,966.94	$3.15	$2,195	$3.51	
205*	1 Bed/1 Bath	625	$1,579.44	$2.53	$2,195	$3.51	
206	1 Bed/1 Bath	625	$1,750	$2.80	$2,195	$3.51	
207*	1 Bed/1 Bath	625	$1,347.39	$2.16	$2,195	$3.51	
208	1 Bed/1 Bath	625	$2,195.00	$3.51	$2,195	$3.51	Vacant
Total		**10,000**	**$27,421**		**$35,120**		

Unit SF are estimated

* **5% rental increase** has been included (4% base with additional 1% gas) – applicable Feb. 2024

RENT ROLL SUMMARY

NO. OF UNITS	UNIT MIX	CURRENT AVG	TOTAL	MARKET AVG	TOTAL
16	1 Bed, 1 Bath	$1,713	$27,421	$2,195	$35,120
TOTAL SCHEDULED RENT			**$27,421**		**$35,120**

FINANCIAL SUMMARY

Price	**$3,300,000**
Down (35%)	$1,155,000
Price/Unit	$206,250
Price/SF	$321.89
Cap Rate	6.61%
Proforma Cap Rate	9.21%
GIM	9.76
Proforma GIM	7.67

PROPERTY

Street	837 S Normandie Ave
City	Los Angeles
State	CA
Zip	90005
No. of Units	16
Net Rentable Sq. Ft.	10,252
Lot Size	7,446
Zoning	LAR4
APN	5094-019-008
Year Built	1925

FINANCE

Loan Amount	$2,145,000
Interest Rate	6.25%
Monthly Payment	$11,171.88
Loan-to-Value	65%
Amortization	30 Years
Term	5 Year Fixed Interest Only

INCOME

		Current		Proforma
Base Rental Income		$329,047		$421,440
Additional RUBS Income		$9,000		$9,000
Gross Potential Income		$338,047		$430,440
Less Vacancy	3%	$10,141	3%	$12,913
Effective Gross Income		$327,906		$417,527
Operating Expenses	33%	$109,767	27%	$113,463
Net Operating Income		$218,139		$304,064
Debt Service		-$134,063		-$134,063
Pre-Tax Cash Flow	7.28%	$84,076	14.72%	$170,001
Principal Reduction		$0		$0
Total Return Before Taxes	7.28%	$84,076	14.72%	$170,001

EXPENSES

Taxes (1.16552%)	$38,462	$38,462
Insurance ($.85/sq. ft.)	$8,714	$8,714
Utilities (LADWP, Gas, Electricity)	$26,400	$26,400
Repairs & Maintenance ($500/Unit)	$8,000	$8,000
Management Fee (4% of GPI)	$13,522	$17,218
Gardener ($100/month)	$1,200	$1,200
Pest Control ($50/month)	$600	$600
Direct Assessments	$1,581	$1,581
Trash (Estimated @ $524/mo)	$6,288	$6,288
On-Site Manager	$5,000	$5,000
Operating Expenses	$109,767.12	$113,462.82
Total Expenses per Unit	$6,860.44	$7,091.43
Total Expenses per square foot	$10.71	$11.07

RENT SUMMARY

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
1 Bed/1 Bath	16	$1,714	$27,421	$2,195	$35,120

UNDERWRITING NOTES

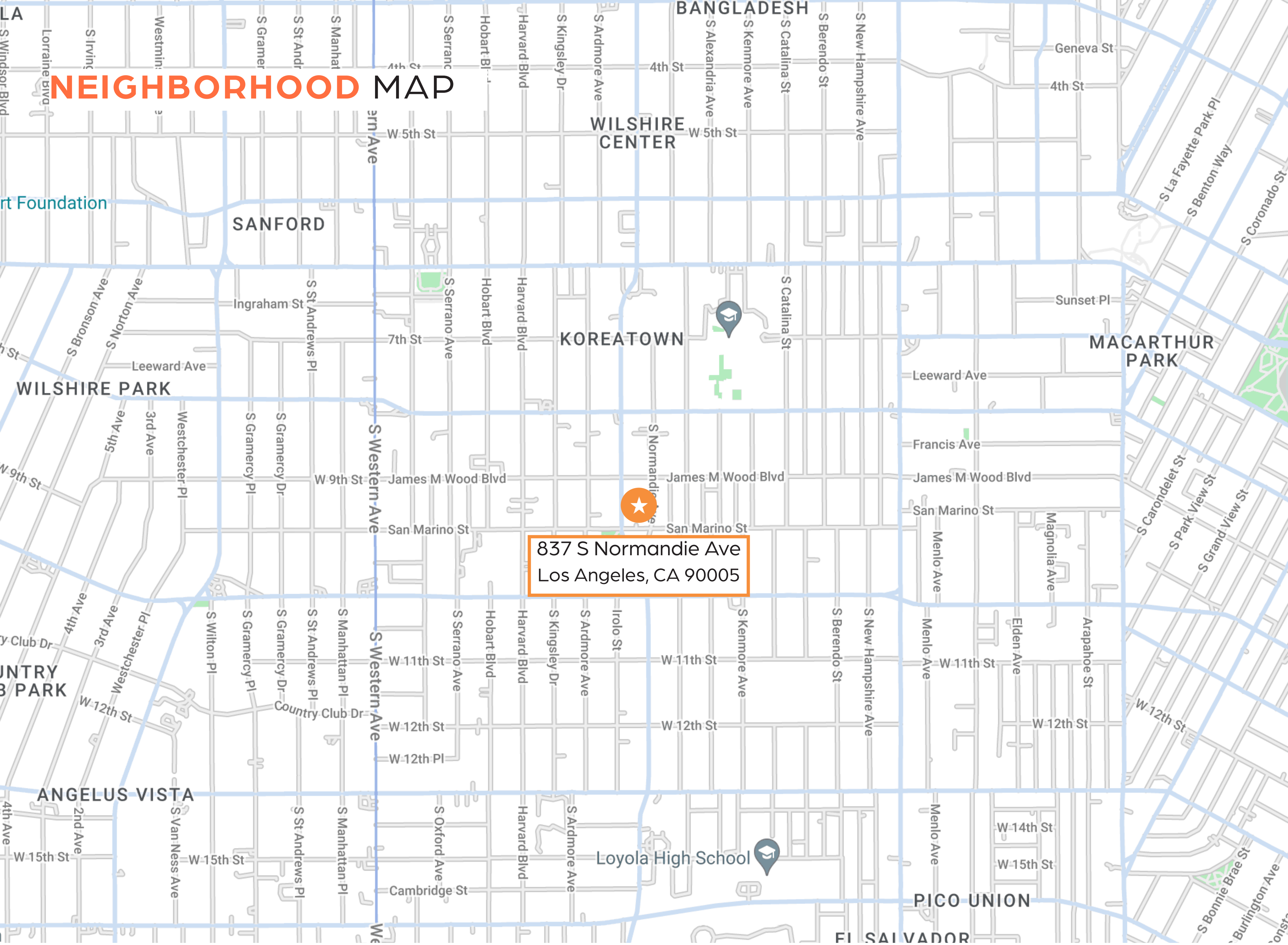
INCOME

Income	Unit #104 – vacant Unit #208 – vacant 5% rental increase has been applied to units leased prior to 02/01/2023
Vacancy	Vacancy Rate is 3% of Gross Potential Income.
Proforma	Market Rents based on Rent Analysis of Submarket Area and 2024 Voucher Payment Standards provided by HACLA

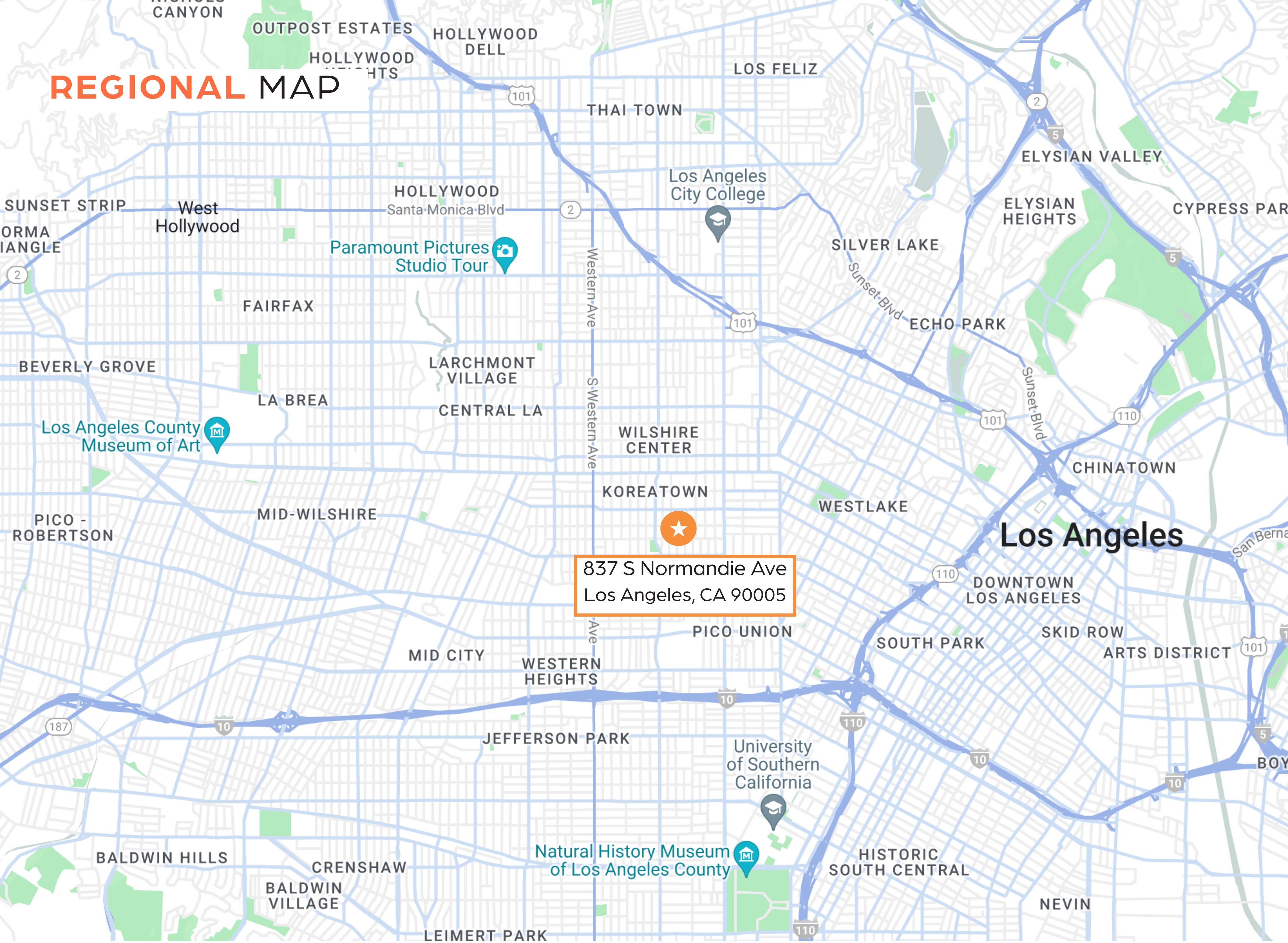
EXPENSES

Property Tax Rate	Actual per Los Angeles Tax Assessor 1.16552%
Direct Assessments	Actual per Los Angeles Tax Assessor
Insurance	Estimated – $0.85/SF
Off-Site Management Fee	4% of Gross Potential Income
Utilities (LADWP & Electricity)	Prorated Per 2023 Expenses ($138/unit/month)
Repairs & Maintenance	Estimated – $500/unit
Pest Control	Estimated – $50/month
Gardener	Estimated – $100/month
Trash	Estimated – $524/month
On-Site Manager	Estimated – $5,000/year

NEIGHBORHOOD MAP



REGIONAL MAP



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