

SAN MARINO STREET APARTMENTS

2715 & 2723 SAN MARINO STREET | LOS ANGELES, CA 90006

PROPERTY WEBSITE

OFFERING MEMORANDUM





LUCRUM



SAN MARINO STREET APARTMENTS

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01

INVESTMENT SUMMARY



THE OPPORTUNITY

The Collection on San Marino Street represents a rare opportunity to acquire two adjacent multifamily investment portfolios totaling 5 buildings and 115 units in central Los Angeles, MacArthur Park. The portfolios may be purchased together or separately.

Portfolio 2 (2715 & 2723 San Marino St.) is comprised of 2 adjacent buildings totaling 30 units and Portfolio 1 (2737, 2743 & 2749 San Marino St.) is comprised of 3 adjacent buildings totaling 85 units. Portfolio 1 and Portfolio 2 have a triplex between them that is currently NOT up for sale.

2715 & 2723 San Marino Street is a rare two building portfolio sale located in the highly coveted and emerging sub-market of Macarthur Park, Los Angeles. This investment opportunity presents an ideal income property for an investor looking to acquire a value-add opportunity with significant rental upside potential.

The apartment buildings stand on two adjacent lots with separate APN's and total 30 units. The buildings were constructed in 1923 and 1950 totaling 16,804± building square feet on a combined lot size of 19,866 ± square feet. Zoning is currently LAR4, and the buildings are located in a Transit Oriented Community (TOC), Tier 2 which may allow for a larger redevelopment or the addition of multiple ADU units. Buyer to verify.

These extremely spacious units at San Marino average 560± square feet. A total of 8 units will be delivered vacant at the close of escrow! The units are comprised of:

- (4) Jr. 1 Bedroom + 1 Bath
- (24) 1 Bedroom + 1 Bath
- (2) 2 Bedroom + 1 Bath units

Common area amenities include controlled access, security camera monitoring system, gated covered parking, existing space to install on-site laundry and a central-courtyard. Unit amenities include select units with air conditioning, stove, plenty of closet space. Several units have been upgraded with new flooring and counter tops.

Aesthetically, the property grounds and building are well maintained.

LOCATION AND COMMUNITY DESCRIPTION

MacArthur Park is located just minutes outside of Downtown L.A.'s employment hub in a bustling neighborhood with a diverse demographic. From working professionals, entrepreneurs, artists to blue-collar workers; the MacArthur Park neighborhood is a centrally located sub-market of Los Angeles and is adjacent to other notable neighborhoods including Downtown Los Angeles, Koreatown, Pico Union and a short drive to USC Village. The rental market is dense with endless streets lined with small businesses.

MacArthur Park is designated Cultural Monument #100 in the City of Los Angeles and near Westlake, adjacent to the Metro's Westlake/MacArthur Park Station. This provides convenient access to the Red and Purple Lines. Those lines provide public transportation toward Downtown, North Hollywood and toward Koreatown, with West Side extensions projected to be completed in 2027.

Westlake has recently seen a flurry of development and public safety initiatives, from mixed-use projects to new crosswalks. M2A Architects was contracted to construct a mixed-use project at the intersection of Olympic and Hoover that will feature 173 dwelling units, nearly 37,000 square feet of ground-floor commercial space and parking for 262 vehicles.

Amidi Group, a San Francisco-based developer, is 50% complete with their \$180 million 1027 Wilshire development. The project will span nine stories and feature 376 residential units, approximately 5,000 square feet of ground-floor retail space, and subterranean parking for more than 800 vehicles.

As Koreatown and Downtown Los Angeles continue to experience tremendous growth that is attracting millions of square feet of new developments. The Westlake submarket is benefitting from the spillover. With luxury upscale communities in Koreatown and Downtown Los Angeles continuing to attract a more affluent tenant profile, the area is experiencing tremendous economic growth.

HIGHLIGHTS

- 8 units delivered vacant at the close of escrow!
- Excellent unit mix of (4) Jr. 1 Bedroom + 1 Bath (24) 1 Bedroom + 1 Bath and (2) 2 Bedroom + 1 Bath units
- Value-Add opportunity with immediate upside in rents & potential for several ADUs.
- Located in a Tier 2 Transit Oriented Community (TOC)
- Large 19,886± square foot lot, zoned R4, possible future redevelopment
- Preliminary ADU feasibility study completed w/ possible potential to add 5 ADU units
- Minutes to Downtown LA, Koreatown, Staples Center & USC



02

PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

SAN MARINO APARTMENTS



APN: 5077-028-017
5077-028-018

ZONING: LAR4



BUILDING: ± 16,804 SF



SITE: LOT SIZE: ± 19,886 SF

UNITS: 30 | 8 VACANT



ADDRESS: 2715 & 2723 SAN MARINO ST.
LOS ANGELES, CA 90006



USE: APARTMENT BUILDING

ANNUAL OPERATING DATA	CURRENT	MARKET
SCHEDULED GROSS INCOME	\$439,906	\$559,740
LESS VACANCY RESERVE	(\$13,197) 3.00%*	(\$16,792) 3.00%*
GROSS OPERATING INCOME	\$426,709	\$542,948
LESS EXPENSES	(\$177,509) 40.35%*	(\$177,509) 31.71%*
NET OPERATING INCOME	\$249,199	\$365,438
LESS DEBT SERVICE	(\$147,664)	(\$147,664)
PRE-TAX CASH FLOW	\$101,536 2.99%	\$217,775 6.41%
PLUS PRINCIPAL REDUCTION	\$60,045	\$60,045
TOTAL RETURN BEFORE TAXES	\$161,581 4.76%	\$277,820 8.18%

* As a percentage of Scheduled Gross Income.

** As a percentage of Down Payment.

ESTIMATED ANNUAL EXPENSES	
TAX YEAR	2021
TAX RATE	1.25% \$78,688
INSURANCE (NEW)	\$8,402
MAINT. / REPAIRS	\$16,500
*UTILITIES	\$23,068
RUBBISH	\$9,338
MISC. / RESERVES	\$6,000
OFF-SITE MGMT.	\$17,575
ON-SITE MGMT.	\$17,940
TOTAL EXPENSES	\$177,509
PER GROSS SQ. FT.	\$10.56
EXPENSES PER UNIT	\$5,916.98





LENDER INFORMATION QUOTE SHEET

SAN MARINO APARTMENTS

2715 & 2723 SAN MARINO STREET
LOS ANGELES, CA 90006

INDICATIVE LOAN PRICING		SAN MARINO STREET APARTMENTS		
LOAN PRODUCT	OPTION 1 5 YEAR HYBRID	OPTION 2 7 YEAR HYBRID	OPTION 3 10 YEAR HYBRID	
LOAN AMOUNT	\$2,995,000	\$2,900,000	\$2,805,000	
FIXED FLOATING RATE TERM	5 YEAR 15 YEAR	7 YEAR 13 YEAR	10 YEAR 10 YEAR	
AMORTIZATION	30 YEAR	30 YEAR	30 YEAR	
INTEREST ONLY PERIOD	0 YEARS	0 YEARS	0 YEARS	
PREPAY DURING FIXED, FLOATING	YM, 1%	YM, 1%	YM, 1%	
RATE LOCK PERIOD	STANDARD	STANDARD	STANDARD	
MINIMUM DEBT COVERAGE RATIO	1.20x	1.20x	1.20x	
MAX LOAN TO VALUE	80%	80%	80%	
DEBT COVERAGE RATIO AS UNDERWRITTEN	1.20x	1.20x	1.20x	
ESTIMATED INTEREST RATE	2.79%	3.05%	3.32%	
APPROXIMATE ANNUAL PAYMENT	\$147,484	\$147,658	\$147,787	
APPROXIMATE ANNUAL PAYMENT (IO)	\$84,721	\$89,678	\$94,419	

The interest rates listed above and any spreads derived there from are subject to market influences, which may impact loan proceeds. All terms are subject to review and approval by the lender and are subject to change until rate/spread lock. This analysis is based upon information provided to Walker & Dunlop and/or market assumptions, which may not be supported by final underwriting conclusions. Final terms and conditions are subject to Fannie Mae and/or Freddie Mac approval. | June 1, 2021

WALKER & DUNLOP

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SUMMARY	CURRENT	MARKET
PURCHASE PRICE	\$6,295,000	
DOWN PAYMENT	54% – \$3,394,894	
NUMBER OF UNITS	30	
COST PER LEGAL UNIT	\$209,833	
CURRENT GRM	14.31	11.25
CURRENT CAP	3.96%	5.81%
YEAR BUILT	1923-1950	
APPROX. BUILDING SF	±16,804	
COST PER BUILDING SF	\$374.61	
APPROX. LOT SF	±19,886	
ZONING	LAR4	
PARKING	10 PARKING SPACES	

MONTHLY RENTAL INCOME:	\$35,564*
MONTHLY LAUNDRY INCOME:	\$0.00
MONTHLY GARAGE INCOME:	\$1,095.00
MONTHLY OTHER INCOME:	\$0.00
TOTAL GROSS MONTHLY INCOME:	\$36,659
UTILITIES PAID BY TENANT:	ELECTRIC & GAS

PROPOSED FINANCING	
LOAN	\$2,900,107
INTEREST	3.05%
INTEREST TYPE	7 Years Fixed
TERM (YRS.)	30
AMORTIZATION (YRS.)	30

*Based upon current market rates and terms provided by Walker & Dunlop, which can change without notice.

SCHEDULED INCOME			CURRENT		MARKET	
NO. OF UNITS	BEDS / BATHS	APPROX. SF	MONTHLY AVG. RENT / UNIT	MONTHLY INCOME	MONTHLY RENT / UNIT	MONTHLY INCOME
4	JR 1+1	-	\$1,375	\$5,500	\$1,400	\$5,600
24	1+1	-	\$1,132	\$27,157	\$1,495	\$35,880
2	2+1	-	\$1,454	\$2,907	\$1,795	\$3,590
MONTHLY SCHEDULED RENT				\$35,564		\$45,070
LAUNDRY INCOME				-		\$480
PARKING INCOME				\$1,095		\$1,095
MONTHLY SGI				\$36,659		\$46,645
ANNUAL SGI				\$439,906		\$559,740
UTILITIES PAID BY TENANT			ELECTRICITY & GAS			

RENT ROLL

2715 SAN MARINO ST	BEDS / BATHS		RENTS	NOTES	SEC8 Y/N
1A	1	1	\$1,400.00	Vacant Junior 1Bd	N
1B	1	1	\$1,400.00	Vacant Junior 1Bd	N
2A	1	1	\$1,350.00	Junior 1Bd	N
2B	1	1	\$1,350.00	Junior 1Bd	N
3A	1	1	\$757.81		N
3B	1	1	\$1,495.00	Vacant	N
4A	1	1	\$387.76		N
4B	1	1	\$1,495.00	Vacant	N
5A	1	1	\$1,425.22		N
5B	1	1	\$1,400.00		N
6A	2	1	\$1,600.00		N
6B	2	1	\$1,307.34		N
7A	1	1	\$1,450.00		N
7B	1	1	\$1,450.00		N
8A	1	1	\$673.20		N
8B	1	1	\$1,450.00	Vacating July 1, 2021	N
9A	1	1	\$1,495.00	Resident Manager	N
9B	1	1	\$965.96		N
2723 SAN MARINO ST					
1	1	1	\$1,495.00	Vacant	N
2	1	1	\$1,495.00	Vacant	N
3	1	1	\$755.64		N
4	1	1	\$841.89		N
5	1	1	\$870.62		N
6	1	1	\$816.21		N
7	1	1	\$1,495.00	Vacant	N
8	1	1	\$755.64		N
9	1	1	\$1,146.17		N
10	1	1	\$789.74		N
11	1	1	\$755.64		N
12	1	1	\$1,450.00		N
TOTAL MONTHLY RENT			\$35,563.84		



STAPLES Center

HIGHLIGHTS & LOCATION



SAN MARINO APARTMENTS HIGHLIGHTS



VALUE-ADD
OPPORTUNITY



IDEAL KOREATOWN
ADJACENT



UNIT MIX OF
SINGLES, 1'S & 2'S



LARGE 19,886 SF LOT
ZONED R4



RENTAL
UPSIDE POTENTIAL



ACCESSIBILITY TO SHOPPING
AND PUBLIC TRANSIT



WALKER'S PARADISE
SCORE OF 92



MINUTES TO
DOWNTOWN LA





05 AREA OVERVIEW

PICO-UNION AREA, LOS ANGELES OVERVIEW

The area encompassed by Pico-Union was developed as a middle and upper middle class residential district beginning in the 1910s. Easy access to downtown Los Angeles and the nearby Wilshire District drew large numbers of affluent homeowners. Following the Second World War, the Pico-Union area, like many inner city neighborhoods, experienced an outflux of residents to the suburbs. The loss of residents and business led to high vacancy rates and lower property values in much of the neighborhood by the 1960s.

In the late 1970s and 1980s, the area became a major point of entry for Salvadoran and Guatemalan immigrants seeking refuge from civil war, according to the Pico Union Self-Guided Walking Tour, published in 2009 by the Los Angeles Conservancy.

QUICK FACTS

- The Pico-Union area is conveniently a 15 minute drive from Downtown Los Angeles.
- The Pico-Union neighborhood contains two historic districts, both listed in the National Register of Historic Places.



AVERAGE HOUSEHOLD INCOME
\$57,754



2020 ESTIMATED POPULATION
50,196



BACHELORS DEGREE OR HIGHER
12%



MEDIAN AGE
31



TOTAL HOUSEHOLDS
13,822

LOS ANGELES AREA OVERVIEW



Metro®



The Los Angeles Metro Rail is an urban rail transportation system serving Los Angeles County, California. It consists of six lines, including two subway lines and four light rail lines serving 93 stations. It connects with the Metro Busway bus rapid transit system and also with the Metrolink commuter rail system.

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, 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. It is the only city in North America to have hosted the Summer Olympics twice. Downtown L.A. is the largest government center outside of Washington, D. C. Los Angeles has the only remaining wooden lighthouse in the state (located in San Pedro's Point Fermin Park) and the largest historical theater district on the National Register of Historic Places (located Downtown on Broadway).

Los Angeles is on the leading edge of several growth industries. LA County, with more than 87,000 jobs in the fashion industry, has surpassed New York's fashion district workforce. The LA Five-County area also has more than 700,000 people at work in health services / biomedical activities and 190,000 people in aerospace and technology.

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