

# ARCHES WEST

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17093 CHATSWORTH STREET | GRANADA HILLS, CA 91344

OFFERING MEMORANDUM









## ARCHES WEST

### INVESTMENT CONTACTS

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# ARCHES WEST

17093 CHATSWORTH STREET | GRANADA HILLS, CA 91344

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# 01 INVESTMENT SUMMARY





## ARCHES WEST

On behalf of ownership as the exclusive listing agent, Lucrum Real Estate Group of KW Commercial is proud to offer for sale – for the first time in 24 years, Arches West Apartments. Located at 17093 Chatsworth Street, Arches West is a tranquil 8-unit garden-style multifamily complex built in 1963 located in Granada Hills, CA. The building is 2 stories and construction is of wood frame with a flat roof and painted stucco exterior / wood panel accent. The asset is +/- 6,461 building square feet on a +/- 6,849 square foot lot zoned LAR3.

The apartment units are spacious and consist of 5 one-bedroom/one-bath units, 2 two-bedroom/one-bath units and 1 two-bedroom/two-bath unit. Three of the eight units have been renovated. Common area amenities include controlled access, partial covered & garage parking and one laundry facility. Unit amenities include air conditioning, stove, plenty of closet space, semiprivate balconies / patios, and in select units new flooring and counter tops.

The building is accessible in the front of the property off Chatsworth St. through the front gate and through the rear alleyway via gated parking. There are a total of 10 parking spaces.

Capital improvements include soft story retrofit completion and installation of a new water heater.

Aesthetically, the property grounds and building are well maintained and attractive. The landscaping is well kept and manicured. The structure has impressive frontage providing for attractive curb appeal.



# INVESTMENT SUMMARY

## LOCATION AND COMMUNITY DESCRIPTION

17093 Chatsworth St. is located in prime Granada Hills, CA close to the intersection of Balboa Boulevard and Chatsworth Street, the property is centrally located near the 118-freeway in a well-sought-after community of the San Fernando Valley. Boasting a “walk score” of 70, the location is very walkable. The complex serves a population of 53,678 and median household income of \$87,919. Nearby offerings include dining, retail shopping, hospital, recreation center, and movie theater. As one drives down Chatsworth Street towards Zelzah Avenue, the street begins to be lined with popular shops and a regional shopping destination commonly known as the Granada Business District. This incorporated city also boasts the #2 ranked California charter high school for 2020.

## ECONOMIC INDICATORS & MARKET TRENDS

Low vacancy rates in the San Fernando Valley coupled with continued low interest rates have led to multifamily investment properties becoming a highly attractive asset class. With many units at below market rents amidst a thriving rental market, 17093 Chatsworth street offers astute investors significant rental upside potential of roughly 18.2%

## DEAL POINTS & FINANCING OPTION

- Offered at \$1,995,000
- 4.25% current cap rate | 5.48% pro forma cap rate
- 14.19 current GRM
- \$249,375 cost per unit
- \$308.78 building price per square foot

Debt options remain strong for those seeking a loan. The offering includes a rate quoted for 35% down at 3.5% interest rate fixed for 5 years.











# 02

## PROPERTY DESCRIPTION



# PROPERTY DESCRIPTION

## ARCHES WEST



**APN:** 2696-029-008



**ZONING:** LAR3



**SITE:** LOT SIZE ACREAGE: ±0.1572  
LOT SIZE SF: ±6,849



**UNITS:** 8 | 0 VACANT



**ADDRESS:** 17093 CHATSWORTH ST.  
GRANADA HILLS, CA 91344



**USE:** APARTMENT BUILDING

ANNUAL OPERATING DATA	CURRENT	MARKET
<b>SCHEDULED GROSS INCOME</b>	\$140,594	\$166,020
LESS VACANCY RESERVE	(\$4,218) 3.00%*	(\$4,981) 3.00%*
<b>GROSS OPERATING INCOME</b>	\$136,377	\$161,039
LESS EXPENSES	(\$51,680) 36.76%*	(\$51,680) 31.13%*
<b>NET OPERATING INCOME</b>	\$84,696	\$109,359
LESS DEBT SERVICE	(\$69,876)	(\$69,876)
<b>PRE-TAX CASH FLOW</b>	\$14,820   2.12%	\$39,483   5.65%
PLUS PRINCIPAL REDUCTION	\$24,886	\$24,886
<b>TOTAL RETURN BEFORE TAXES</b>	\$39,707   5.69%**	\$64,370   9.22%**

\* As a percentage of Scheduled Gross Income.

\*\* As a percentage of Down Payment.

ESTIMATED ANNUAL EXPENSES	
TAX YEAR	2019
TAX RATE	1.25%   \$24,938
INSURANCE (NEW)	\$3,231
MAINT. / REPAIRS	\$4,800
UTILITIES	\$8,135
RUBBISH	\$2,953
MISC. / RESERVES	\$2,000
OFF-SITE MGMT.	\$5,624
<b>TOTAL EXPENSES</b>	\$51,680
<b>PER GROSS SQ. FT.</b>	\$8.00
<b>EXPENSES PER UNIT</b>	\$6,460.03











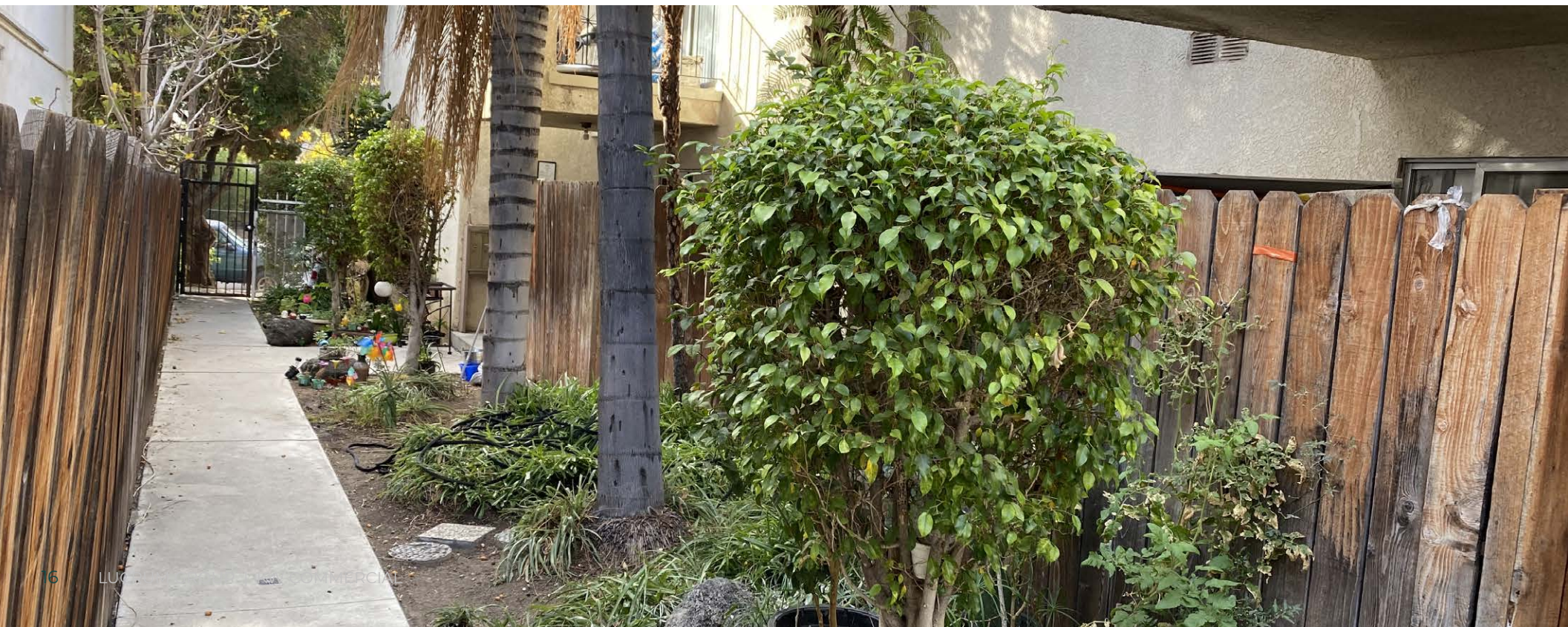




SUMMARY	CURRENT	MARKET
PURCHASE PRICE	\$1,995,000	
DOWN PAYMENT	35% – \$698,250	
NUMBER OF UNITS	8	
COST PER LEGAL UNIT	\$249,375	
CURRENT GRM	14.19	12.02
CURRENT CAP	4.25%	5.48%
YEAR BUILT	1963	
APPROX. BUILDING SF	±6,461	
COST PER BUILDING SF	\$308.78	
APPROX. LOT SF	±6,849	
ZONING	LAR3	
PARKING	10	

## RENT ROLL

APT #	BEDS / BATHS	RENTS	NOTES
1	2 2	\$1,580.02	
2	1 1	\$1,180.33	
3	1 1	\$1,186.09	
4	2 1	\$1,850.00	Renovated Unit
5	1 1	\$1,493.50	Renovated Unit
6	1 1	\$1,176.24	
7	1 1	\$1,595.00	Renovated Unit   Vacant
8	2 1	\$1,580.02	





# PROPERTY LEASE DATA

<b>MONTHLY RENTAL INCOME:</b>	\$11,641.20
<b>MONTHLY LAUNDRY INCOME:</b>	\$75.00
<b>MONTHLY GARAGE INCOME:</b>	\$0.00
<b>MONTHLY OTHER INCOME:</b>	\$0.00
<b>TOTAL GROSS MONTHLY INCOME:</b>	\$11,716.20
<b>UTILITIES PAID BY TENANT:</b>	ELECTRICITY & GAS

PROPOSED FINANCING	
<b>LOAN</b>	\$1,296,750
<b>INTEREST</b>	3.50%
<b>INTEREST TYPE</b>	5 YEARS FIXED
<b>TERM (YRS.)</b>	30
<b>AMORTIZATION (YRS.)</b>	30

SCHEDULED INCOME			CURRENT		MARKET	
NO. OF UNITS	BEDS / BATHS	APPROX. SF	MONTHLY AVG. RENT / UNIT	MONTHLY INCOME	MONTHLY RENT / UNIT	MONTHLY INCOME
5	1 + 1	-	\$1,326	\$6,631	\$1,595	\$7,975
2	2+1	-	\$1,715	\$3,430	\$1,895	\$3,790
1	2+2	-	\$1,580	\$1,580	\$1,995	\$1,995
<b>MONTHLY SCHEDULED RENT</b>				\$11,641		\$13,760
<b>LAUNDRY INCOME</b>				\$75		\$75
<b>OTHER INCOME</b>						
<b>MONTHLY SGI</b>				\$11,716		\$13,835
<b>ANNUAL SGI</b>				\$140,594		\$166,020
<b>UTILITIES PAID BY TENANT</b>		Electricity & Gas				









# 04

## HIGHLIGHTS & LOCATION



# ARCHES WEST HIGHLIGHTS



**SOFT-STORY  
RETROFIT COMPLETED**



**CENTRAL SFV LOCATION  
NEAR CSUN**



**NEWLY INSTALLED  
WATER HEATER**



**CHARMING TOWN  
GRANADA HILLS**



**3 UNITS  
NICELY RENOVATED**



**ONE UNIT  
DELIVERED VACANT**



**SPACIOUS  
PATIOS & BALCONIES**



**THRIVING  
RENTAL MARKET**

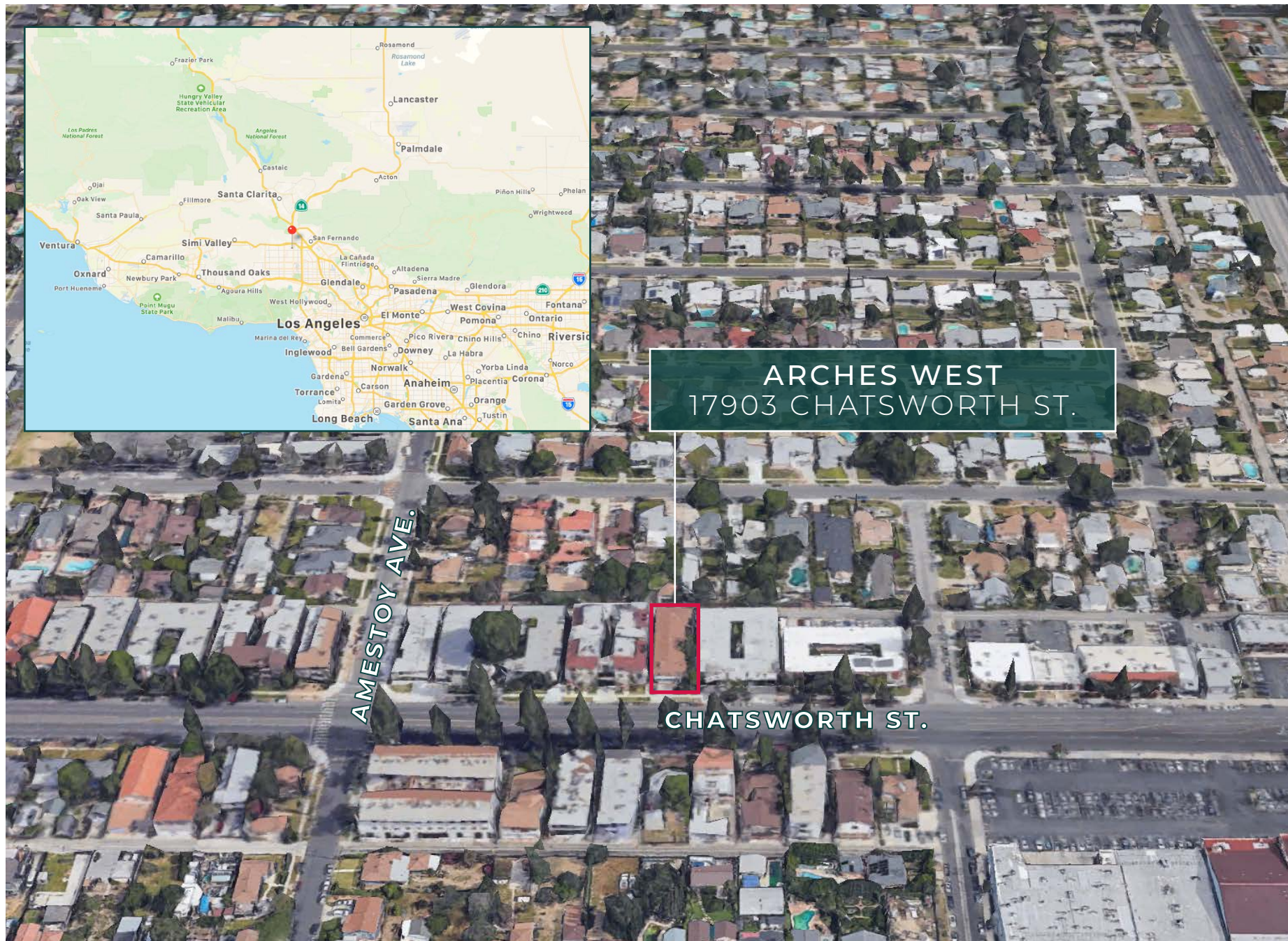


**18.2% RENTAL  
UPSIDE POTENTIAL**



**GREAT RESIDENTIAL  
COMMUNITY**













# 05

AREA OVERVIEW



# GRANADA HILLS, CALIFORNIA OVERVIEW

Granada Hills is a suburban residential neighborhood in the San Fernando Valley portion of the city of Los Angeles, California. The community has a sports program and a range of city recreation centers. The neighborhood has fourteen public and ten private schools. In 1916, the San Fernando Valley's first oil well was drilled in what is now Granada Hills. The oil well was located at the northern tip of Zelzah Avenue. Granada Hills was founded in 1926 as "Granada;" the "Hills" portion of the name was added 15 years later

## QUICK FACTS

- Granada Hills is conveniently a 30 minute drive from downtown Angeles.
- The median yearly household income in 2008 was \$83,911.
- 3,344 people per square mile, among the lowest densities for the city of Los Angeles and among the lowest densities for the county.



AVERAGE HOUSEHOLD INCOME  
**\$92,286**



2020 ESTIMATED POPULATION  
**53,266**



BACHELORS DEGREE OR HIGHER  
**46.5%**



MEDIAN AGE  
**43.3**



TOTAL HOUSEHOLDS  
**16,820**



# CAL STATE UNIVERSITY, NORTHRIDGE OVERVIEW

**California State University, Northridge**, or CSUN, part of the California State University system, offers bachelor's and master's degrees in a number of disciplines. The school is a major producer of K12 teachers in the region and the nation as a whole. CSUN also has engineering, business, and film programs.

CSUN had its beginnings as a college on Nordhoff Street and Etiwanda Avenue and officially opened in 1956 as "San Fernando Valley Campus of Los Angeles State College of Applied Arts and Sciences." Two years later it separated from its parent and became "San Fernando Valley State College." By the early 1970s, however, this institution became known as "California State University, Northridge." By fall of 2016, CSUN had reached enrollment of almost 40,000 students.





#### INVESTMENT CONTACTS

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