

PLAYA APARTMENTS

638 GRANT STREET | SANTA MONICA, CA 90405

OFFERING MEMORANDUM





LUCRUM



PLAYA APARTMENTS

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01
INVESTMENT SUMMARY



PLAYA APARTMENTS

The Playa Apartments are a value-add multifamily investment opportunity located in the desirable beachside community of Santa Monica. This asset presents an ideal income property for an investor in search of acquiring a well-positioned property with the potential of adding value through capital improvements and increasing rents over time.

This charming apartment building is comprised of 8 units in one two-story building that was constructed in 1957. There are (5) parking spaces at the rear of the property and an on-site laundry room. This well-located building totals 3,740± square feet and is constructed of wood frame with pitched roof and painted stucco exterior. Lot size is 5,897 ± square feet and zoning is SMOP2*.

The unit mix is comprised of (4) 1 bedroom + 1 bath units and (4) single + 1 bath units. Select units have recently undergone substantial renovation. Three of the units are currently vacant and can be leased up immediately at market rents!

Currently the property is being operated off of 4 electrical meters & 5 gas meters. The owner is paying utilities for most of the units. Partial work has been completed & filed for installation of individual electrical and gas meters but has yet to be completed, finalized & connected. The table is set for the new owner to complete this process and reap the benefits of increasing the NOI!

INVESTMENT SUMMARY

LOCATION AND COMMUNITY DESCRIPTION

638 Grant Street is located in Santa Monica, California. Santa Monica is one of the most desirable beach community locations in Southern California and Los Angeles. Located on the 600 block of Grant Street, the property is situated a few blocks from the beach, between Lincoln Blvd & 6th St., just south of Pico Blvd.

Santa Monica is an epicenter for shopping, dining and entertainment. The Playa Apartments are located central to both Abbott Kinney, Main Street and Venice Beach, boasting a Walk Score of 94. This high demand location attracts tenants looking for the ideal Southern California location to call home, which in turn demands some of the strongest rents in Los Angeles.

HIGHLIGHTS

- Attractive Cost Per Unit
- Three Units to be Delivered Vacant at Close
- Potential to be Individually Metered for Gas & Electric
- On-Site Parking and Laundry Room
- Ideal Value-Add Opportunity
- +/- 26% Rental Upside Potential
- Only a few Blocks to the Beach
- Minutes to Main Street, Abbott Kinney & Venice Beach







PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

PLAYA APARTMENTS



APN: 4289-005-005



ZONING: SMOP2*



BUILDING: ± 3,740 SF



SITE: LOT SIZE: ± 5,897 SF

UNITS: 8 | 3 VACANT



ADDRESS: 638 GRANT STREET
SANTA MONICA, CA 90405

USE: APARTMENT BUILDING

ANNUAL OPERATING DATA	CURRENT	MARKET
SCHEDULED GROSS INCOME	\$169,512	\$213,960
LESS VACANCY RESERVE	(\$5,085) 3.00%*	(\$6,419) 3.00%*
GROSS OPERATING INCOME	\$164,427	\$207,541
LESS EXPENSES	(\$56,600) 33.39%*	(\$56,600) 26.45%*
NET OPERATING INCOME	\$107,827	\$150,941
LESS DEBT SERVICE	-	-
PRE-TAX CASH FLOW	\$107,827 3.48%	\$150,941 4.87%
PLUS PRINCIPAL REDUCTION	-	-

* As a percentage of Scheduled Gross Income.

** As a percentage of Down Payment.

ESTIMATED ANNUAL EXPENSES	
TAX YEAR	2021
TAX RATE	1.25% \$38,750
INSURANCE (NEW)	\$1,870
MAINT. / REPAIRS	\$4,000
*UTILITIES	*\$8,880
RUBBISH	\$1,500
MISC. / RESERVES	\$1,600
TOTAL EXPENSES	\$56,600
PER GROSS SQ. FT.	\$15.13
EXPENSES PER UNIT	\$7,075.00

* Currently the Landlord Pays for Utilities



638





03
PROPERTY LEASE DATA

SUMMARY	CURRENT	MARKET
PURCHASE PRICE	\$3,100,000	
DOWN PAYMENT	100% – \$3,100,000	
NUMBER OF UNITS	8	
COST PER LEGAL UNIT	\$387,500	
CURRENT GRM	18.29	14.49
CURRENT CAP	3.48%	4.87%
YEAR BUILT	1957	
APPROX. BUILDING SF	±3,740	
COST PER BUILDING SF	\$828.88	
APPROX. LOT SF	±5,897	
ZONING	SMOP2*	
PARKING	5	

RENT ROLL

APT #	BEDS / BATHS	RENTS	NOTES
1	1 1	\$2,595.00	Vacant
2	S 1	\$647.00	
3	S 1	\$1,127.00	
4	1 1	\$2,595.00	
5	1 1	\$2,595.00	Vacant
6	S 1	\$1,260.00	
7	S 1	\$1,850.00	Vacant
8	1 1	\$1,407.00	



PROPERTY LEASE DATA

MONTHLY RENTAL INCOME:	\$14,076.00*
MONTHLY LAUNDRY INCOME:	\$50.00
MONTHLY GARAGE INCOME:	\$0.00
MONTHLY OTHER INCOME:	\$0.00
TOTAL GROSS MONTHLY INCOME:	\$14,126.00
UTILITIES PAID BY TENANT:	SEE PROPERTY DESCRIPTION

PROPOSED FINANCING	
LOAN	ALL CASH
INTEREST	-
INTEREST TYPE	-
TERM (YRS.)	-
AMORTIZATION (YRS.)	-

* Based on Current Market Rates and Terms, which can change without notice. Buyer to verify.

SCHEDULED INCOME			CURRENT		MARKET	
NO. OF UNITS	BEDS / BATHS	APPROX. SF	MONTHLY AVG. RENT / UNIT	MONTHLY INCOME	MONTHLY RENT / UNIT	MONTHLY INCOME
4	SINGLE	-	\$1,221	\$4,884	\$1,850	\$7,400
4	1+1	-	\$2,298	\$9,192	\$2,595	\$10,380
MONTHLY SCHEDULED RENT				\$14,076	\$17,780	
LAUNDRY INCOME				\$50	\$50	
OTHER INCOME						
MONTHLY SGI				\$14,126	\$17,830	
ANNUAL SGI				\$169,512	\$213,960	
UTILITIES PAID BY TENANT		SEE PROPERTY DESCRIPTION				





HIGHLIGHTS & LOCATION

PLAYA APARTMENTS HIGHLIGHTS



ATTRACTIVE
COST PER UNIT



NEAR MAIN STREET &
ABBOT KINNEY



THREE UNITS
DELIVERED VACANT



ONLY SEVERAL BLOCKS
FROM THE BEACH



RENTAL
UPSIDE POTENTIAL



QUIET
RESIDENTIAL STREET



ONSITE
PARKING AVAILABLE



MINUTES TO
RETAIL & DINING







05
AREA OVERVIEW

SANTA MONICA, CALIFORNIA OVERVIEW

Santa Monica is a beachside city of 8.3 square miles on the westside of Los Angeles County. Offering an environment of unparalleled natural beauty, the city is home to a mix of residential communities, commercial districts, and recreational venues. Recently named by National Geographic as one of the Top “10 Beach Cities in the World” and by TIME as one of the “Best Places to Live”, Santa Monica features three miles of Pacific beaches and the Santa Monica Pier. Santa Monica’s residential population is approximately 93,000, increasing to an estimated 250,000 during the day with tourists, shoppers, and employees. Tourism attracts over 8 million visitors annually.

Like other coastal beach communities, coastal erosion due to coastal infrastructure and high human usage is an increasing challenge, and will become worse due to sea level rise. Santa Monica has a history of developing environmental and sustainability strategies, with the most recent focus on community-wide carbon neutrality by 2050 or sooner.

QUICK FACTS

- Santa Monica is conveniently a 30 minute drive from Downtown Los Angeles.
- Santa Monica is home to “Silicon Beach,” a hub for Start-Up companies such as YouTube, Hulu & Snapchat.



AVERAGE HOUSEHOLD INCOME
\$74,534



2020 ESTIMATED POPULATION
91,577



BACHELORS DEGREE OR HIGHER
46.5%



MEDIAN AGE
40



TOTAL HOUSEHOLDS
44,497

LOS ANGELES, CALIFORNIA OVERVIEW



Metro®



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).

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.

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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