



OFFERING MEMORANDUM

# VILLA FORMOSA

1234 N. FORMOSA AVE. WEST HOLLYWOOD, CA 90046

Multifamily Investment Opportunity

FOR SALE

PROPERTY WEBSITE

—[lucrumre.com](http://lucrumre.com)





INVESTMENTS CONTACTS

## VILLA FORMOSA

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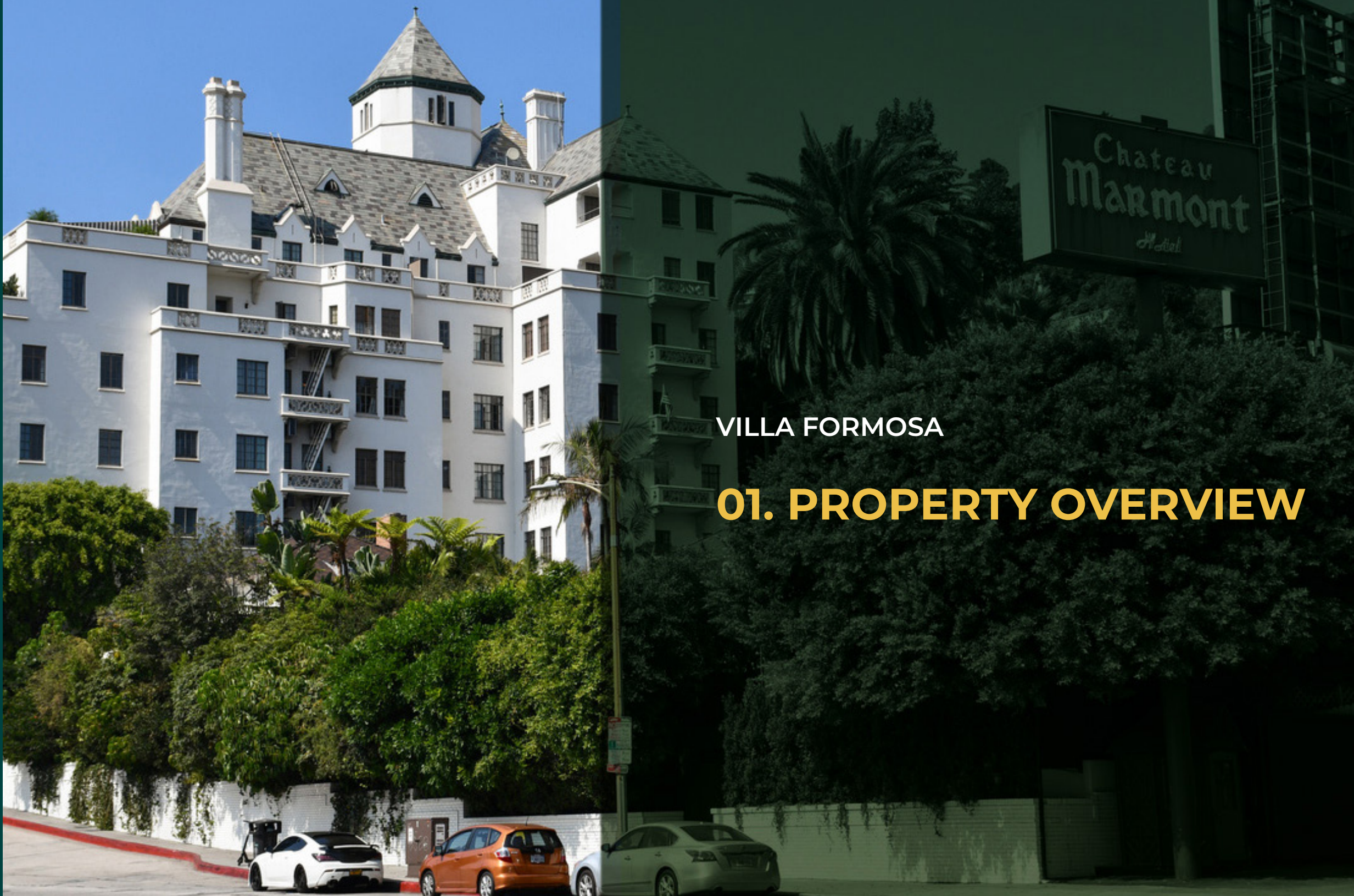


VILLA FORMOSA

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VILLA FORMOSA

## 01. PROPERTY OVERVIEW



# VILLA FORMOSA

## PROPERTY OVERVIEW

<b>Street Address:</b>	1234 N. Formosa Ave.
<b>City:</b>	West Hollywood
<b>State:</b>	California
<b>Zip Code:</b>	90046
<b>APN:</b>	5531-008-017
<b>Rentable Square Feet:</b>	±10,080 SF
<b>Lot Size:</b>	±6,907 SF
<b>Year Built:</b>	1927-1931   2016
<b>Number of Units:</b>	16
<b>Number of Buildings:</b>	1
<b>Number of Stories:</b>	2
<b>Water:</b>	Master-Metered
<b>Electric:</b>	Individually Metered
<b>Gas:</b>	Individually Metered
<b>Construction:</b>	Painted Stucco & Brick Exterior
<b>Roof:</b>	Flat
<b>Parking:</b>	Street
<b>Zoning:</b>	WDR3C
<b>Unit Mix:</b>	(4) S/1 Bath   (12) 1 Bed/1 Bath





# VILLA FORMOSA



## PROPERTY DESCRIPTION

Lucrum Real Estate Group is proud to present Villa Formosa, located at 1234 North Formosa Avenue. Villa Formosa is a stunning Spanish revival multifamily investment property located in the highly coveted City of West Hollywood. This rare investment opportunity represents a turnkey and high income generating property with roughly  $\pm 23\%$  rental upside potential.

In 2016, Villa Formosa underwent a substantial renovation that amounted to a roughly \$1.5 million dollar floor to ceiling rebuild. Ownership replaced every major system, including main sewer line, plumbing, electrical, framing, flooring, and roof.

The apartment building totals  $\pm 10,080$  square feet and offers 16 large, light, and bright spacious units in one two-story building comprise of:

- (4) Studios + One-Bath
- (12) One-Bedroom + One-Bath

The property is situated on a  $\pm 6,907$  square foot lot zoned WDR3C and originally constructed in 1927-1931.



All but one unit are completely reframed and rebuilt with a convenient and open floor-plan. Unit amenities include fully redesigned kitchens and baths with the utmost attention to detail, large arched windows and exposed brick in select units, wood floors throughout and split-unit central AC and heat.

Aesthetically, the property grounds and building are pristine, offering residents a comfortable living experience.

## LOCATION DESCRIPTION

West Hollywood, California is a robust economic and cultural center and is centrally located near Hollywood Hills, Beverly Hills, and the districts of Fairfax and Beverly Grove. WeHo is a densely populated and high demand rental market comprised of small lots, mixed land use, and walkable street grids. It is ranked as one of the most walkable cities in all of California.

Main sources of business and social activities in WeHo are driven by shopping, dining, nightlife, and entertainment. All of which are primarily located in and around the Sunset Strip, Santa Monica Boulevard, and the Avenues of Art & Design along Robertson, Melrose, and Beverly Boulevard. People from all over the globe visit West Hollywood for its iconic destinations and its unparalleled historical connection to music, entertainment, architecture, fashion, and culture-making.

In addition, Villa Formosa is just minutes from some of the most iconic and world-famous attractions, including;

- + Chateau Marmont (1.9 mi)
- + Mondrian Hotel (2.1 mi)
- + The Comedy Store (2.1 mi)
- + The Grove (2.4 mi)
- + The Abbey (2.6 mi)
- + Petit Ermitage (2.6 mi)
- + The Sunset Strip (2.6 mi)
- + The Viper Room (2.8)
- + Pacific Design Center (2.8 mi)
- + Whiskey a Go Go (2.8 mi)
- + Troubadour (2.9 mi)







# VILLA FORMOSA

## PROPERTY HIGHLIGHTS

- + Rebuilt and fully renovated in 2016 at a cost of roughly \$1.5 million
- + All major building systems are new circa 2016
- + High income producing turnkey asset with roughly ±23% rental upside potential
- + Units completely reframed and rebuilt with a convenient and open floor-plan
- + Attractive financing available
- + Diverse unit mix of (4) studios + one-bath & (12) one-bed + one-bath
- + Select units feature exposed brick and split-unit central AC & heat

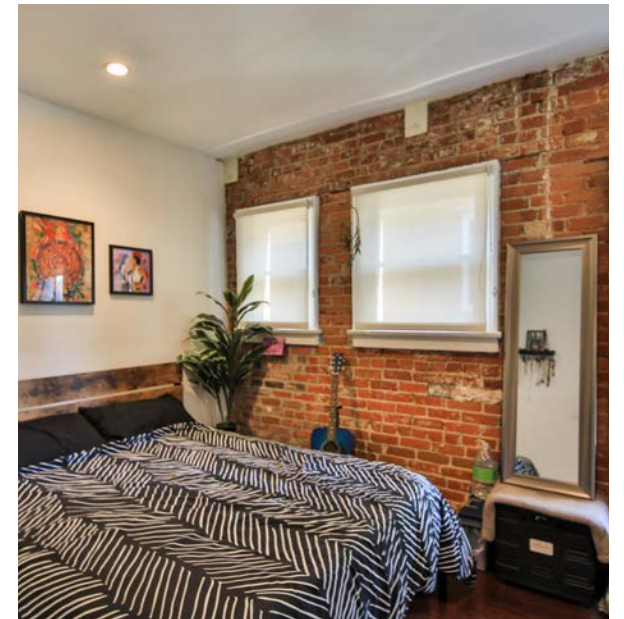
## LOCATION HIGHLIGHTS

- + Located in the heart of West Hollywood, California
- + Adjacent to Hollywood, Fairfax, and La Brea Tar Pits
- + Located near some of the hottest nightlife and restaurants in all of Los Angeles
- + Walk Score of 91 by "Walkers Paradise"



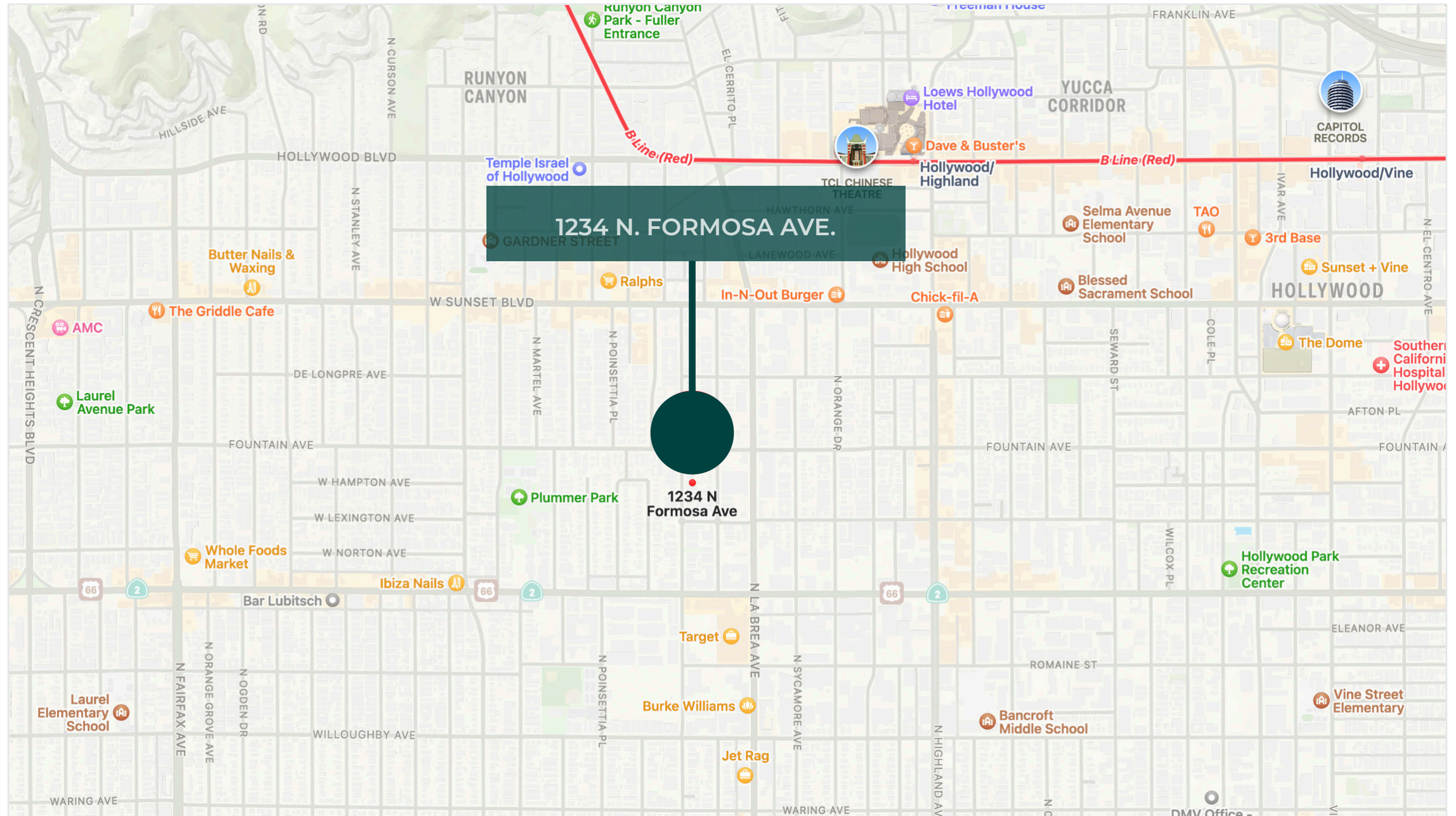






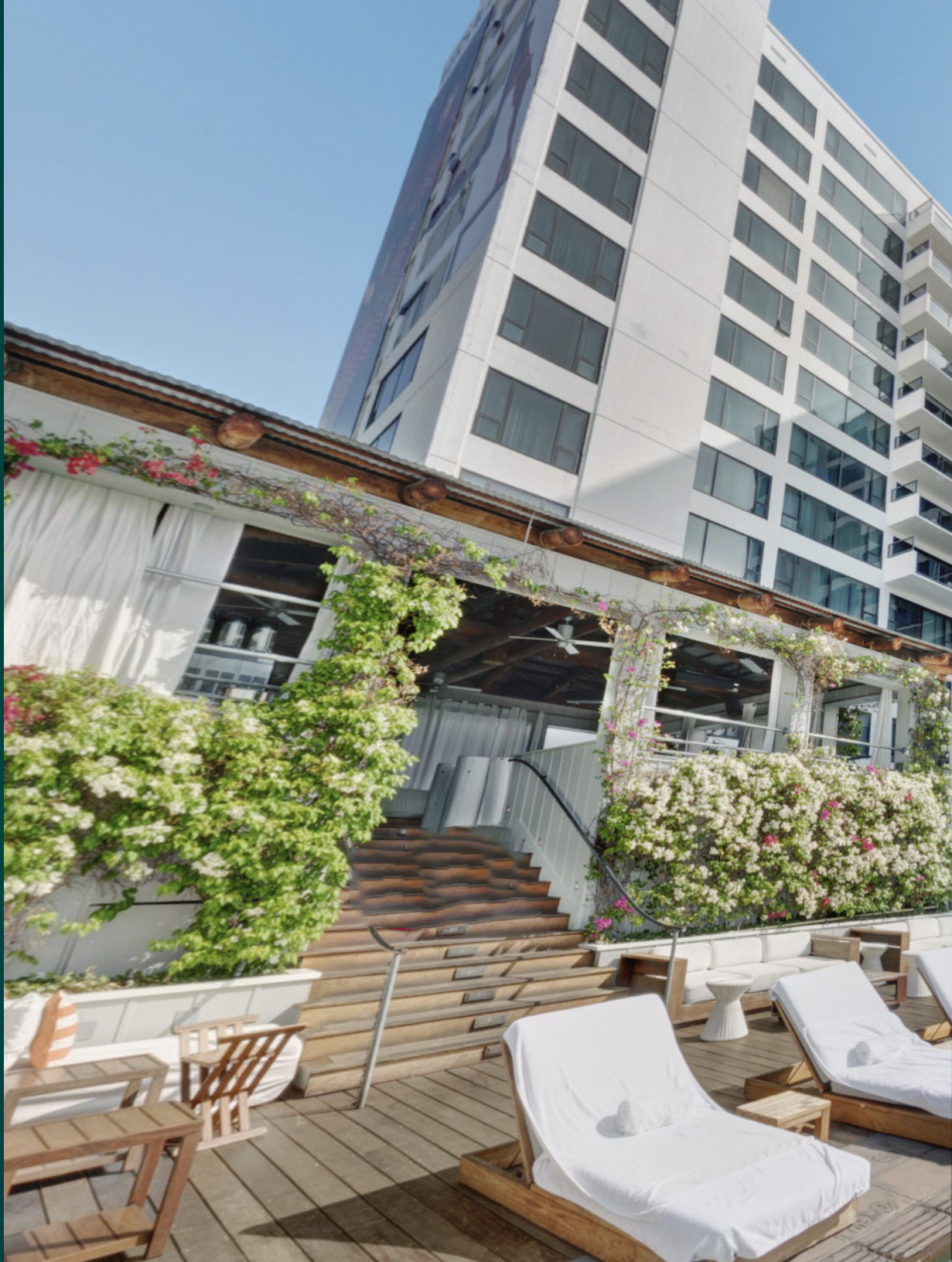


# STREET MAP



# SATELLITE MAP (3D)





VILLA FORMOSA

## 02. FINANCIALS





# FINANCIALS **PRICING DETAILS**

<b>PRICE</b>	<b>\$ 5,625,000</b>
Number of units	16
Price per unit	\$ 351,563
Price per Square Foot	\$ 558.04
Gross Square Footage	10,080
Lot Size	6,907±
Year Built	1927-1931   2016

<b>RETURNS</b>	<b>CURRENT</b>	<b>PRO FORMA</b>
CAP Rate	4.00%	5.37%
GRM	15.88	12.97

## RENT ROLL SUMMARY

<b># OF UNITS</b>	<b>UNIT TYPE</b>	<b>AVG CURRENT</b>	<b>PRO FORMA</b>
4	S + 1	\$ 1,674	\$ 1,950
12	1 + 1	\$ 1,835	\$ 2,295



# FINANCIALS OPERATING DATA

ANNUAL INCOME		CURRENT		PRO FORMA
Scheduled Gross Income		\$ 354,330		\$ 433,788
Less: Vacancy/Deductions	3.00%*	(\$ 10,630)	3.00%*	(\$ 13,014)
Gross Operating Income		\$ 343,700		\$420,774
Less: Expenses	33.56%*	(\$ 118,909)	27.41%*	(\$ 118,909)
Net Operating Income		\$ 224,791		\$301,866
Less Debt Service		(\$125,050)		(\$125,050)
Pre-Tax Cash Flow	3.87%**	\$99,741	6.87%**	\$176,816

## EXPENSES

Real Estate Taxes				\$ 68,625
Insurance				\$ 5,040
Utilities				\$ 9,413
Maintenance & Repairs				\$ 9,040
Offsite Management				\$ 14,173.20
Onsite Management				\$5,236.36
Rubbish				\$3,781
Miscellaneous & Reserves				\$ 3,600
Total Expenses				\$ 118,909
Per Square Foot				\$ 11.80
Per Unit				\$ 7,431.78

\* As a percentage of Scheduled Gross Income.

\*\*As a percentage of Down Payment.



# FINANCIALS RENT ROLL

16 UNITS | 1234 N. FORMOSA AVE.

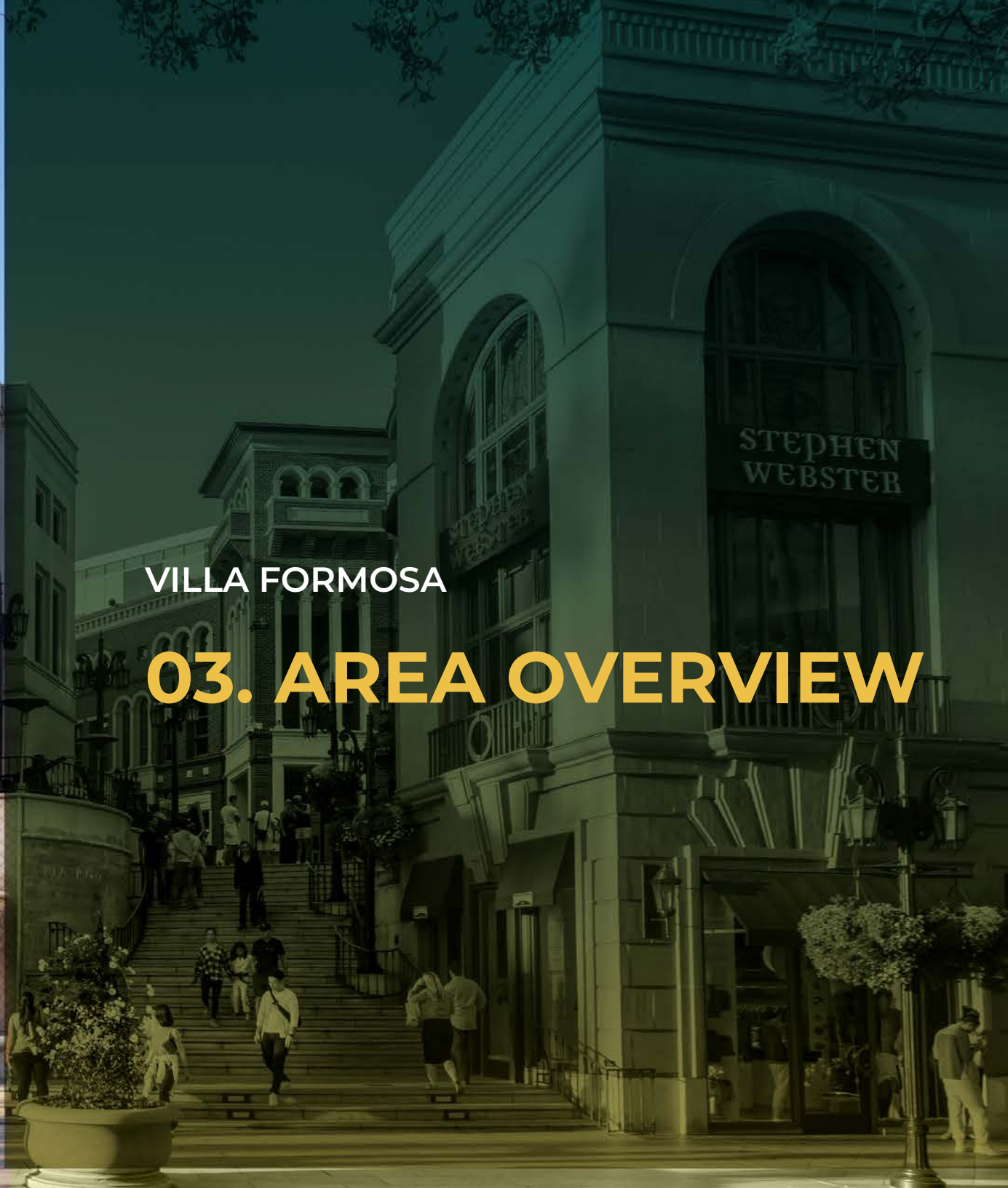
#	UNIT TYPE	SF	RENT	RENT PER SF	PRO FORMA RENT	PRO FORMA RENT PER SF	NOTE
1	1 Bed/1 Bath	-	\$1,895.00	-	\$2,295.00	-	
2	1 Bed/1 Bath	-	\$1,950.00	-	\$2,295.00	-	
3	1 Bed/1 Bath	-	\$1,925.00	-	\$2,295.00	-	
4	1 Bed/1 Bath	-	\$1,895.00	-	\$2,295.00	-	
5	Studio/1 Bath	-	\$1,600.00	-	\$1,950.00	-	
6	Studio/1 Bath	-	\$1,600.00	-	\$1,950.00	-	
7	1 Bed/1 Bath	-	\$1,900.00	-	\$2,295.00	-	
8	1 Bed/1 Bath	-	\$1,925.00	-	\$2,295.00	-	



# FINANCIALS RENT ROLL

16 UNITS | 1234 N. FORMOSA AVE.

#	UNIT TYPE	SF	RENT	RENT PER SF	PRO FORMA RENT	PRO FORMA RENT PER SF	NOTE
9	1 Bed/1 Bath	-	\$2,050.00	-	\$2,295.00	-	
10	1 Bed/1 Bath	-	\$2,200.00	-	\$2,295.00	-	
11	1 Bed/1 Bath	-	\$1,800.00	-	\$2,295.00	-	
12	1 Bed/1 Bath	-	\$933.18	-	\$2,295.00	-	Only Unit NOT renovated
13	Studio/1 Bath	-	\$1,600.00	-	\$1,950.00	-	
14	Studio/1 Bath	-	\$1,895.00	-	\$1,950.00	-	
15	1 Bed/1 Bath	-	\$1,775.00	-	\$2,295.00	-	
16	1 Bed/1 Bath	-	\$1,775.00	-	\$2,295.00	-	

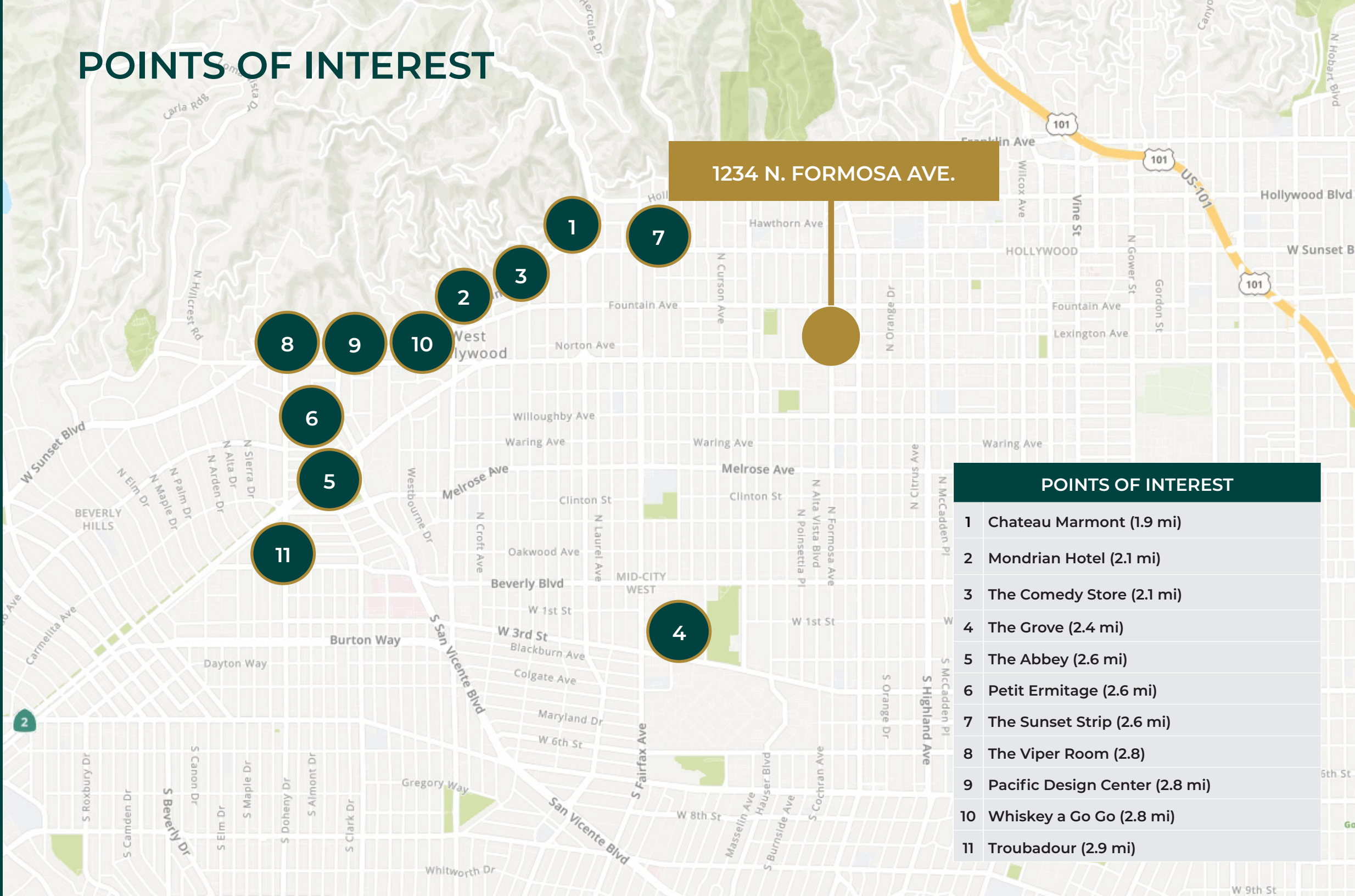


VILLA FORMOSA

# 03. AREA OVERVIEW



# POINTS OF INTEREST



1234 N. FORMOSA AVE.

## POINTS OF INTEREST

1	Chateau Marmont (1.9 mi)
2	Mondrian Hotel (2.1 mi)
3	The Comedy Store (2.1 mi)
4	The Grove (2.4 mi)
5	The Abbey (2.6 mi)
6	Petit Ermitage (2.6 mi)
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10	Whiskey a Go Go (2.8 mi)
11	Troubadour (2.9 mi)



# DEMOGRAPHICS

## WEST HOLLYWOOD, LOS ANGELES, CA

The City of West Hollywood is like no other city in the world. In 1984, the idea for the City of West Hollywood was proposed by an unlikely coalition of LGBT activists, seniors, and renters. These groups came together to advocate for cityhood.

Located in the heart of metropolitan Los Angeles, at 1.9 square miles, West Hollywood is a robust economic and cultural center instilled with idealism and creativity. West Hollywood shares boundaries with the cities of Beverly Hills and Los Angeles. West Hollywood has a Council-Manager form of government with five elected members of the City Council. Law enforcement is provided by the Los Angeles County Sheriff's Department and fire protection is provided by the

Los Angeles County Fire Department.

### QUICK FACTS:

- + The first West Hollywood City Council in 1984 established West Hollywood as the first City in the nation to have a majority openly gay governing body.
- + The City of West Hollywood has been voted The Most Walkable City in California by Walk Score, a service that helps promote walkable neighborhoods across the country. (Source: weho.org)



AVERAGE HOUSEHOLD  
INCOME

**\$61,127.00**



MEDIAN AGE

**39 years old**



2022 ESTIMATED  
POPULATION

**36,661**



TOTAL HOUSEHOLDS

**22,232**



BACHELORS DEGREE  
OR HIGHER

**43.95%**



## OVERVIEW

# LOS ANGELES, CALIFORNIA

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.







## INVESTMENT CONTACTS

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