

Marcus & Millichap  
THE NEEMA GROUP

# 959 S SOTO ST

6-UNIT INVESTMENT OPPORTUNITY IN BOYLE HEIGHTS  
SIX TWO-BEDROOMS WITH PARKING | OVER 33% RENTAL UPSIDE





## CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

## SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**

Marcus & Millichap  
THE NEEMA GROUP

**959 S SOTO ST**

EXCLUSIVELY LISTED BY

**NEEMA AHADIAN**

Senior Managing Director of Investments

CA BRE License #01346750

310.909.5444 Tel

Neema@marcusmillichap.com



959 S SOTO ST



The Neema Group of Marcus & Millichap is excited to present an attractive investment opportunity at 959 South Soto St, a 6-unit apartment building in Boyle Heights. Located close to the East Los Angeles Interchange, between 7th Street and Whittier Boulevard, the property has a great mix of two-bedroom units and provides six parking spaces at the rare. Fully occupied upon delivery, investors can take advantage of a strong existing cash flow and a remarkable 33% rental upside during unit turnovers. Directly across from Salesian High School and close to various retail amenities along South Soto St, the property achieves a high Walk Score of 85. Easy access to major freeways like the 60, 5, 10, and 710 ensures a seamless commute to Downtown Los Angeles and the San Gabriel Valley. Positioned on the bustling main thoroughfare of Whittier Blvd, this Boyle Heights neighborhood is undergoing rapid gentrification, presenting a prime investment opportunity in a thriving and well-connected community.



# Property Summary

## PROPERTY INFORMATION

ADDRESS: 959 S Soto St  
Los Angeles, CA 90023

NUMBER OF UNITS: 6

APPROX. GROSS SF: 4,180

APPROX. LOT SIZE: 6,410

YEAR BUILT: 1962

PARCEL NUMBER: 5189-006-011

PROPERTY TYPE: Multi-Family

UNIT MIX: Six 2 Bed 2 Bathroom

ZONING: LAC1

## PRICING INFORMATION

SALE PRICE: \$1,150,000

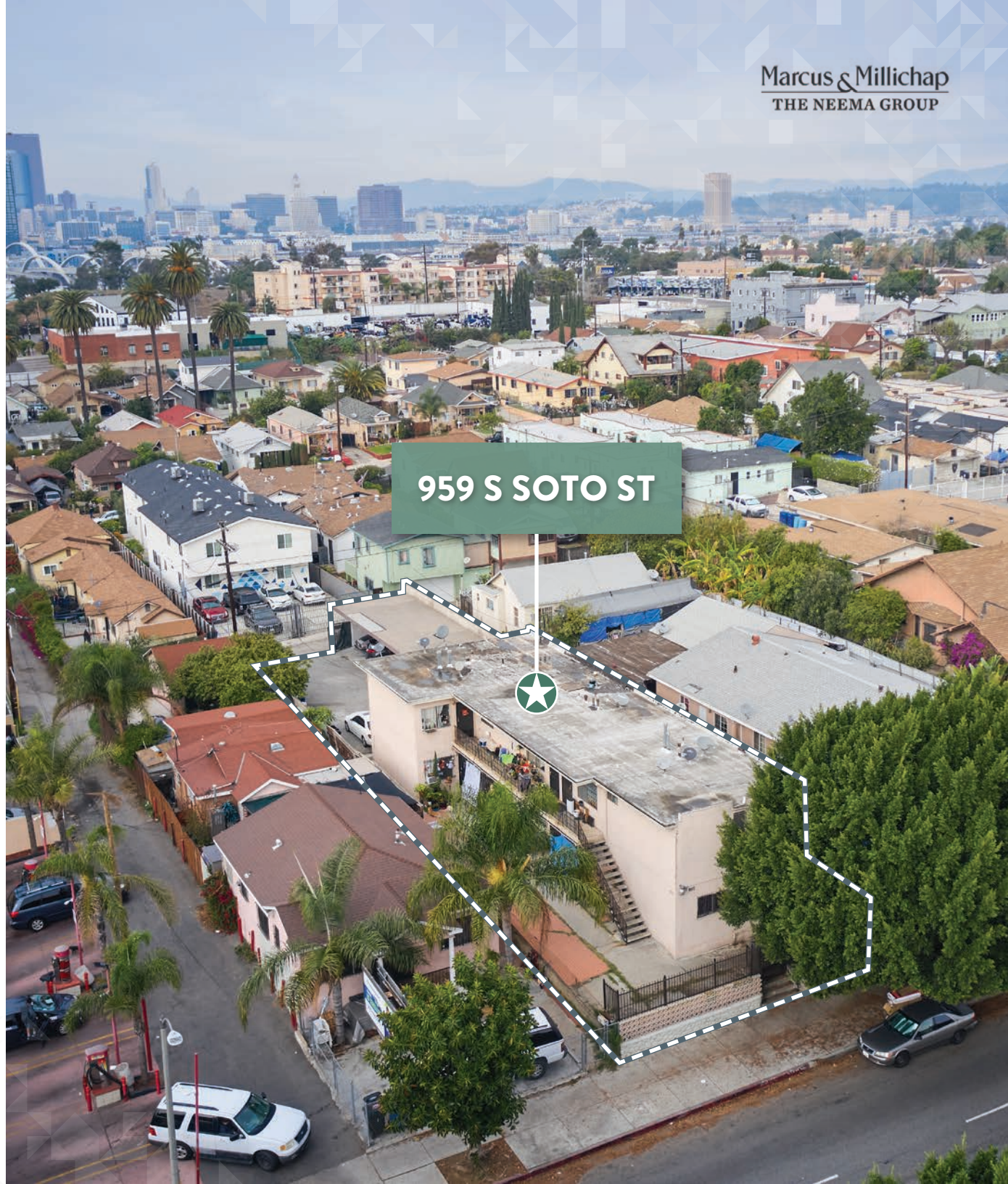
COST PER LEGAL UNIT: \$191,667

CURRENT CAP RATE: 4.93%

CURRENT GRM: 12.15

MARKET CAP RATE: 7.39%

MARKET GRM: 9.13





# Investment Highlights



The Neema Group of Marcus & Millichap is pleased to present 959 S Soto St, a 6-unit apartment building in Boyle Heights located just off of the East Los Angeles Interchange between 7th Street and Whittier Boulevard



The property features an ideal unit mix made up of all two-bedroom units; there are six parking spaces located at the rear of the property



The property will be delivered fully occupied with strong in-place cash flow and significant rental upside of over 33% achievable as units turn



Opportunity to purchase a well-located asset directly across the street from Salesian High School; walking distance to numerous retail amenities down S Soto St



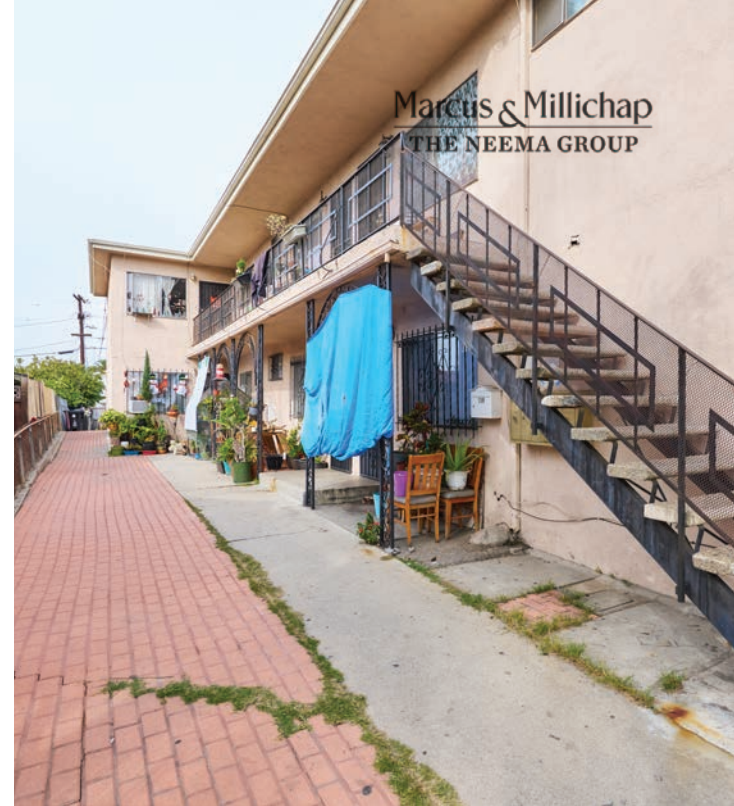
High Walk Score of 85, close proximity to schools, employment, and retail amenities; the property is centrally located with easy access to the 60, 5, 10 and 710 Freeways, allowing an easy commute into Downtown Los Angeles and the San Gabriel Valley



This neighborhood in Boyle Heights is rapidly gentrifying and ideally located on the main thoroughfare of Whittier Blvd













# Boyle Heights

Located just east of downtown Los Angeles and south of Lincoln Heights, Boyle Heights is one of Los Angeles' most historic and vibrant neighborhoods. Currently in the path of development, the city proposed the Boyle Heights Community Plan to promote and encourage its economy, mobility, health and sustainability while preserving its rich history and cultural diversity. Hemmed by major freeways and in close proximity to major employment hubs, local residents of Boyle Heights not only have convenient access to the 10, 5 and 710 freeways, but also several public transportation options and amenities in walking distance.

With the \$5 billion wave of developments sweeping across downtown Los Angeles and the Arts District, Boyle Heights is now seeing sizable public investments into the city to improve public infrastructures and to rebuild its community for economic growth.

From the Breed Street Shul to Mariachi Plaza, the history of Boyle Heights is something to experience. Hollenbeck Park, the old Santa Fe Railroad hospital are just some of the iconic locations in the neighborhood. For over nine decades the Sears Building has been an architectural and commercial beacon for residents and commuters in Los Angeles. The 1.8 million-square-foot Sears complex was one of Los Angeles' largest building projects during the 1920s. The property is currently in a redevelopment phase that will feature a mixture of housing, retail space and potentially a hotel.





## 6th Street Viaduct Project

One of America's most famous and iconic bridges, the Sixth Street Viaduct, acts as a vital connection between the growing Arts District on the west side of the Los Angeles River and the historic neighborhood of Boyle Heights on the east side. The bridge, built in 1932, spans nearly 3,500 feet across the river and has been used to represent Los Angeles's more gritty side in countless movies, music videos and TV commercials, including riverbed car chases. Yet, due to a rare chemical reaction in the cement supports and seismic vulnerability, the Sixth Street Viaduct will soon be demolished and replaced. The \$449 million project to replace the beloved bridge, the Sixth Street Viaduct Replacement Project, is the largest bridge project in the history of Los Angeles. With funding from the Federal Highway Transportation Administration and CALTrans, the project is being led by the City's award-winning Bureau of Engineering.

The design of the bridge, known as "The Ribbon of Light", was created by Los Angeles architect Michael Maltzan, winner of the City's international design contest in 2012. Maltzan is part of the HNTB design-build team and contractors Skanska and Stacy and Witbeck.

The spectacular design of the new bridge and the many parks, open spaces and community features on, next to and below the bridge, is bringing together a working collaboration of residents, elected officials, business leaders, schools, labor unions, cyclists, neighborhood activists and artists and many more, never before seen in a public infrastructure project in Los Angeles.

The 6th street bridge project is scheduled to be complete in the summer of 2022.



# Rent Roll

UNIT NO.	UNIT TYPE	ACUAL RENTS	PRO FORMA RENTS	NOTES
1	2+1	\$ 1,544	5/1/2012	Section 8
2	2+1	\$ 1,455	3/1/2020	
3	2+1	\$ 1,141	4/26/2012	
4	2+1	\$ 1,021	4/20/2012	
5	2+1	\$ 1,456	1/31/2013	
6	2+1	\$ 1,272	6/1/2012	
		<b>\$ 7,889</b>		
	2+1	\$ 1,315	\$ 1,750	
		<b>\$ 45,299</b>	<b>\$ 10,500</b>	



# Financial Analysis

959 S SOTO ST

ANNUALIZED OPERATING DATA	CURRENT RENTS	MARKET RENTS
Scheduled Gross Income:	\$ 94,668	\$ 126,000
Less Vacancy Rate Reserve:	\$ (4,733) 5.0%	\$ (6,300) 5.0%
Gross Operating Income:	\$ 89,935	\$ 119,700
Less Expenses:	\$ (33,246) 35.1%	\$ (34,734) 27.6%
<b>Net Operating Income:</b>	<b>\$ 56,689</b>	<b>\$ 84,966</b>
Reserves:	\$ (1,200)	\$ (1,200)
Less Debt Service:	\$ (44,067)	\$ (44,067)
<b>Pre-Tax Cash Flow:</b>	<b>\$ 11,421 2.0%*</b>	<b>\$ 39,699 6.9%*</b>
Plus Principal Reduction:	\$ 6,539	\$ 6,539
<b>Total Return Before Taxes:</b>	<b>\$ 17,961 3.1%*</b>	<b>\$ 46,238 8.0%*</b>

ESTIMATED ANNUALIZED EXPENSES	CURRENT RENTS	MARKET RENTS
Taxes Rate: 1.20%	\$ 13,800	\$ 13,800
Insurance:	\$ 2,307	\$ 2,307
Utilities:	\$ 7,343	\$ 7,343
Repairs & Maintenance:	\$ 3,000	\$ 3,000
Management: 5%	\$ 4,497	\$ 5,985
Pest Control:	\$ 780	\$ 780
License & Fees:	\$ 492	\$ 492
Direct Assessment:	\$ 1,027	\$ 1,027
<b>Total Expenses:</b>	<b>\$ 33,246</b>	<b>\$ 34,734</b>
Per Net Sq. Ft.:	\$7.95	\$ 8.31
Per Unit:	\$5,541	\$ 5,789

NO. OF UNITS	UNIT TYPE	CURRENT RENTS		SCHEDULED RENTS	
		AVG MONTHLY RENT/UNIT	MONTHLY INCOME	MONTHLY RENT/UNIT	MONTHLY INCOME
6	2+1	\$ 1,315	\$ 7,889	\$ 1,750	\$ 10,500
Total Scheduled Rent:			\$ 7,889		\$ 10,500
Monthly Scheduled Gross Income:			\$ 7,889		\$ 10,500
Annual Scheduled Gross Income:			\$ 94,668		\$ 126,000

## SUMMARY

Price:	\$ 1,150,000
Down Payment:	\$ 575,000
Number of Units:	6
Cost per Legal Unit:	\$ 191,667
Current GRM:	12.15
Market GRM:	9.13
Current CAP:	4.93%
Market CAP:	7.39%
Approx. Age:	1962
Approx. Lot Size:	6,410
Approx. Gross SF:	4,180
Cost per Net GSF:	\$275.12

## NEW POTENTIAL FINANCING

New First Loan:	\$ 575,000
Interest Rate:	6.60%
Amortization:	30
Monthly Payment:	\$ 3,672.29
DCR:	1.29



# Sales Comparables



 **959 S SOTO ST**

<b>SALE PRICE</b>	\$6,700,000
<b>YEAR BUILT</b>	10,606 SF
<b>UNITS</b>	23,101 SF
<b>PRICE PER UNIT</b>	\$197,059
<b>PRICE PER SF</b>	
<b>CAP RATE</b>	1928-1929
<b>GRM</b>	34
<b>SALE DATE</b>	4.97%



**1** **1818 JOHNSTON ST**

<b>SALE PRICE</b>	\$1,050,000
<b>YEAR BUILT</b>	1905
<b>UNITS</b>	6
<b>PRICE PER UNIT</b>	\$175,000
<b>PRICE PER SF</b>	\$259
<b>CAP RATE</b>	
<b>GRM</b>	
<b>SALE DATE</b>	10/30/2023



**2** **1440 TREMONT ST**

<b>SALE PRICE</b>	\$1,300,000
<b>YEAR BUILT</b>	1965
<b>UNITS</b>	7
<b>PRICE PER UNIT</b>	\$185,714
<b>PRICE PER SF</b>	\$269
<b>CAP RATE</b>	5.00%
<b>GRM</b>	
<b>SALE DATE</b>	10/2/2023



**3** **617 ECHANDIA ST**

<b>SALE PRICE</b>	\$1,275,000
<b>YEAR BUILT</b>	1964
<b>UNITS</b>	6
<b>PRICE PER UNIT</b>	\$212,500
<b>PRICE PER SF</b>	\$329
<b>CAP RATE</b>	5.63%
<b>GRM</b>	
<b>SALE DATE</b>	7/25/2023





**4** 625 EUCLID AVE

<b>SALE PRICE</b>	\$1,300,000
<b>YEAR BUILT</b>	1962
<b>UNITS</b>	7
<b>PRICE PER UNIT</b>	\$185,714
<b>PRICE PER SF</b>	\$191
<b>CAP RATE</b>	
<b>GRM</b>	
<b>SALE DATE</b>	7/24/2023



**5** 2727 E 4TH ST

<b>SALE PRICE</b>	\$1,565,000
<b>YEAR BUILT</b>	1923
<b>UNITS</b>	9
<b>PRICE PER UNIT</b>	\$173,889
<b>PRICE PER SF</b>	\$374
<b>CAP RATE</b>	5.48%
<b>GRM</b>	12.98
<b>SALE DATE</b>	4/13/2023



**6** 2015 E 2ND ST

<b>SALE PRICE</b>	\$1,225,000
<b>YEAR BUILT</b>	1923
<b>UNITS</b>	7
<b>PRICE PER UNIT</b>	\$175,000
<b>PRICE PER SF</b>	\$377
<b>CAP RATE</b>	5.25%
<b>GRM</b>	12.73
<b>SALE DATE</b>	1/30/2023



# Sales Comparables Map

Marcus & Millichap  
THE NEEMA GROUP



1818 JOHNSTON ST



1440 TREMONT ST



617 ECHANDIA ST



2015 E 2ND ST



2727 E 4TH ST



959 S SOTO ST



625 EUCLID AVE



959 S SOTO ST

959 S SOTO ST





# 959 S SOTO ST

Marcus & Millichap  
THE NEEMA GROUP

EXCLUSIVELY LISTED BY

**NEEMA AHADIAN**

Senior Managing Director of Investments

CA BRE License #01346750

310.909.5444 Tel

Neema@marcusmillichap.com