



4651

Council Street

LOS ANGELES, CA 90004

Seven-Unit Multifamily Investment Opportunity in Koreatown
Two One-Bedrooms and Five Two-Bedrooms with 10 Parking Spaces
Over \$500k in Cap Ex Completed by Ownership

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Property Summary

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PROPERTY INFORMATION

Address: 4651 Council Street
Los Angeles, CA 90004

Number of Units: 7

Approx. Gross SF: 7,444

Approx. Lot Size: 7,424

Year Built: 1958

Parcel Number: 5516-020-010

Property Type: Multi-Family

Unit Mix: (2) 1+1
(5) 2+1.75

PRICING INFORMATION

Sale Price: \$2,585,000

Cost per Legal Unit: \$369,286

Cost per Bldg SF: \$347.26

Current Cap Rate: 5.76%

Current GRM: 11.77

Market Cap Rate: 6.96%

Market GRM: 10.00

Investment Highlights

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The Neema Group of Marcus & Millichap is pleased to present a seven-unit investment opportunity in Koreatown at 4651 Council St, a corner lot just south of Beverly Blvd

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The property features an ideal unit mix of two one-bedrooms and five two-bedrooms with 10 parking spaces; the soft story retrofit work has been completed

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Ownership has completed full renovations of five units with upgrades including in-unit washers & dryers, vinyl plank flooring, stainless steel appliances, new kitchen cabinets and tile backsplashes, new plumbing fixtures and improvements, new drywall, paint, and base moldings, and energy efficient LED lighting, among others

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In addition to interior unit renovations, ownership has recently completed exterior and common area capital expenditures including LED lighting, house panel and subpanel upgrades, new door numbers, new landscaping, and new paint throughout the common areas

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Opportunity to acquire an asset with little to no deferred maintenance and strong in-place cash flow at a 5.76% CAP rate and 11.77 GRM on current income with an additional 19% rental upside

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High Walk Score of 93, close proximity to schools, employment, and transit options;

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Central location makes it convenient for residents to commute throughout the city to nearby neighborhoods such as Downtown LA, East Hollywood, Hollywood, Westlake, and Mid-City, among others

ooo

Koreatown is one of the densest neighborhoods in Los Angeles, with about 120,000 people. With an estimated \$1 billion invested in the development of Koreatown since the early 2000s and various development projects taking place, Koreatown remains one of the highly coveted submarkets in all of Los Angeles



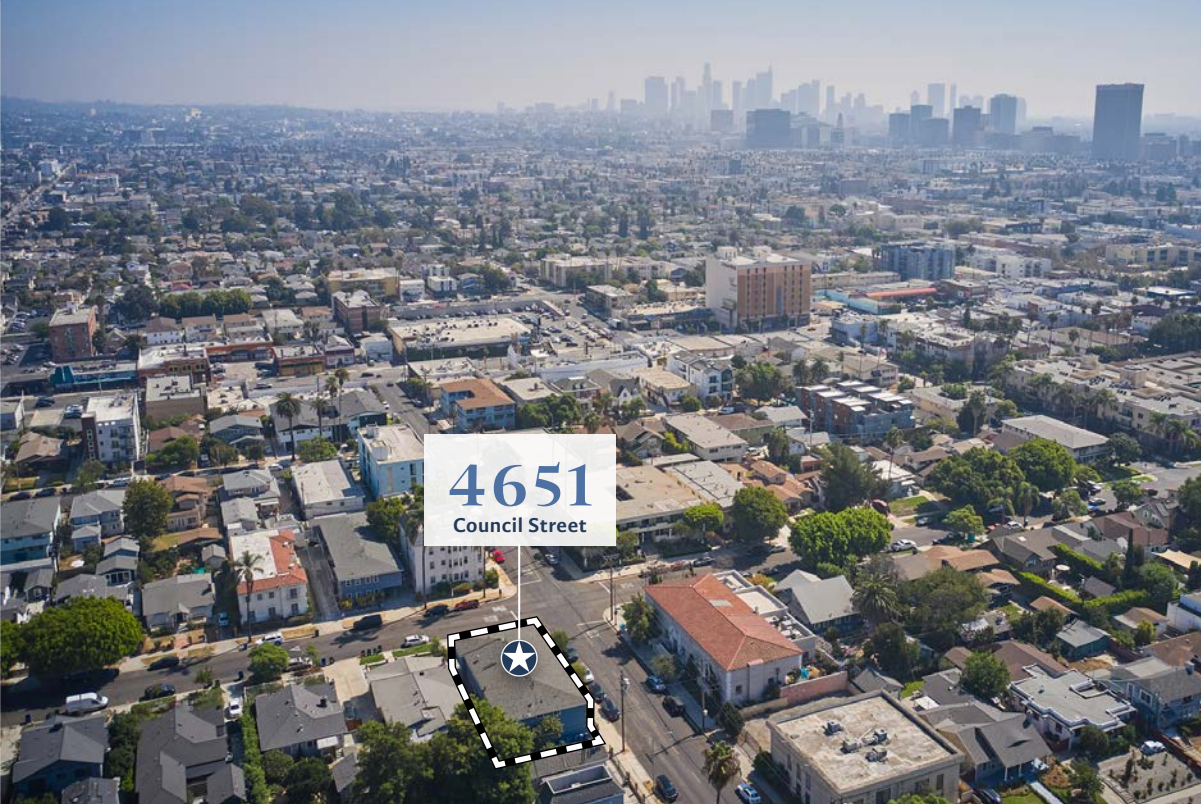
Beverly /
Wilton Pl

2

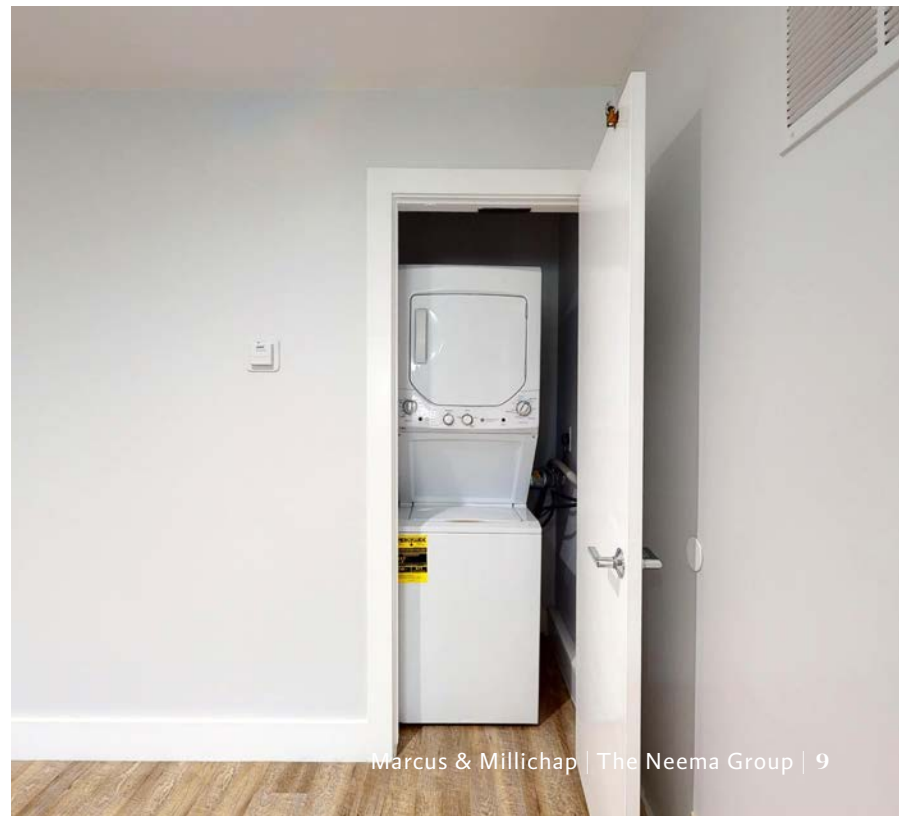
4651
Council Street

Beverly Blvd









Nearby Retail & Amenities

TRANSPORTATION

- 1 Vermont / Beverly
- 2 Beverly / Wilton Pl
- 3 Beverly / Western

SCHOOLS

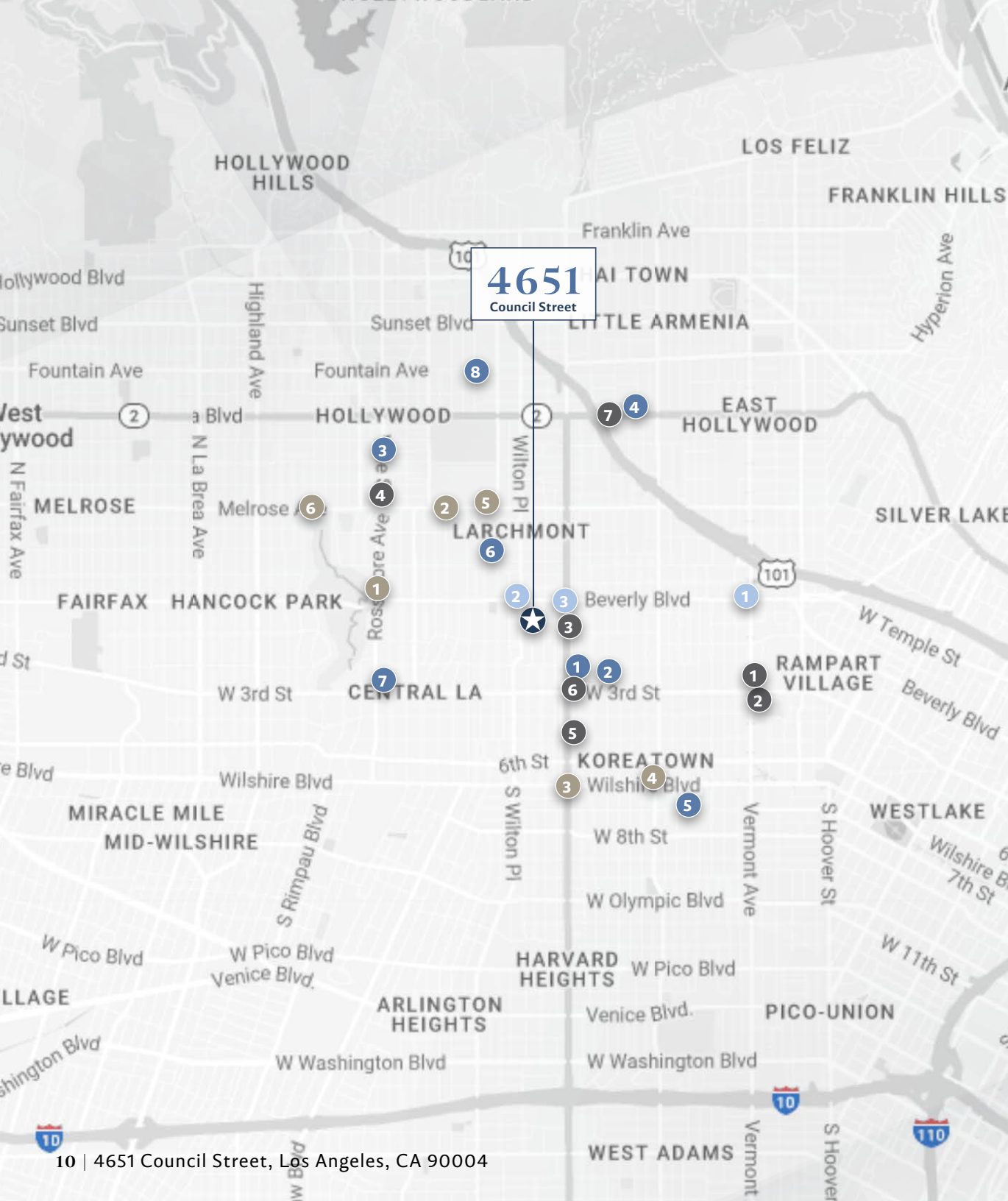
- 1 Charles Kim Elementary School
- 2 Cahuenga Elementary School
- 3 Vine Street Elementary School
- 4 Kingsley Elementary School
- 5 Robert F. Kennedy Community Schools
- 6 Van Ness Avenue Elementary School
- 7 Marlborough School
- 8 Joseph Le Conte Middle School

RETAIL

- 1 Vons
- 2 Ralphs
- 3 H K Market
- 4 Pavilions
- 5 California Market
- 6 Anderson Munger Family YMCA
- 7 JONS International Marketplace

MISCELLANEOUS

- 1 Wilshire Country Club
- 2 Paramount Pictures Studio Tour
- 3 The Wiltern
- 4 The LINE LA
- 5 Paramount Theatre
- 6 John C. Fremont Branch Library



H K Market

Charles Kim
Elementary School

California
Market

Anderson
Munger Family
YMCA

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Koreatown

Where Creativity Meets Culture, A True Urban Experience.

4651 Council St is located in the heart of Koreatown, one of the trendiest neighborhoods in Los Angeles. Boasting its a 10 minute drive to the heart of Downtown Los Angeles, the subject property provides residents with great transit options to experience the best Los Angeles has to offer. Located in a premier pedestrian location, the asset benefits from easy access to employment hubs, major creative studios, financial firms, entertainment and historical monuments.

Koreatown has seen a tremendous revitalization over the last decade. An influx of capital dedicated to the revitalization of Koreatown has attracted a new resident base of young urban dwellers. This new, hip client base has brought new restaurants, night clubs, and retail opportunities, making Koreatown one of the more desirable submarkets in the greater Los Angeles area.

In the past decade, Koreatown has experienced significant gentrification and development, specifically along Wilshire Boulevard. Most notable is the Vermont, a 462-unit luxury apartment with over 30,000 SF of retail and 600 covered parking spaces.

Additionally, residents are given convenient access to the Red and Purple Metro lines. The Red line offers service from the North Hollywood Arts district all the way to Union Station in Downtown LA. The purple line is currently undergoing an extension and once completed, will offer service to the current terminus at Wilshire/Western will extend westward for about nine miles and add seven new stations providing easy access to the Westside.



93 Walk Score
Walker's Paradise

The Westlake Collection's central location near Downtown Los Angeles results in excellent walkability and accessibility for its residents. The properties are within walking distance of stops on the Metro Red and Purple lines, one stop away from the Metro Blue and Expo lines, within a block of stops for five bus lines, and at the heart of the Los Angeles freeway system.

Hollywood affords a vibrant mix of activities and entertainment for all types of residents. Highly rated restaurants include Katsuya, Cleo, and Musso & Frank Grill (opened in 1919). For the younger cohort, Hollywood also offers an endless amount of bars, chic lounges, and exclusive dance clubs to enjoy. National retailers and original boutiques that line Hollywood Boulevard offer the latest fashions. On Sundays, The Hollywood Farmers Market provides fresh produce and prepared foods. Runyon Canyon Park offers some of Los Angeles' best views and hikes. Residents have affordable public transportation options provided by the Metro Red Line and several bus lines.

Voted Forbes' Hippest Neighborhood and built around a city reservoir, Silver Lake is well known for its trendy restaurants, nightlife, and avant garde Modernist architecture. Since the end of 1990's the area has also been the center of LA's indie and alternative music scene. Silver Lake has long been a preferred community, but approximately 15 years ago when gentrification began in earnest, home values and rents have sharply increased.



HOLLYWOOD



SILVER LAKE

4651
Council Street



KOREATOWN

Long celebrated for its art deco architectural heritage and immigrant community, today Koreatown has emerged as one of Los Angeles' most fashionable areas. As the densest part of Los Angeles, new residents flock to this neighborhood just west of Downtown to enjoy walkable amenities, fabulous restaurants, and recently opened boutique hotels like the Line and Normandie. The Metro Purple Line traversing Wilshire Boulevard in the heart of Koreatown will further attract new residents. Thanks to Korean and Latino immigrants, the area is dotted with highly rated ethnic eateries.



DTLA

The Downtown submarket of Los Angeles includes its central business district, which contains the nation's third largest employment pool. Additionally, this submarket features many major sports facilities, sightseeing opportunities, skyscrapers, and large multinational corporations. Downtown is also the hub of the city's freeway network and Metro rapid-transit system. LA Live is one of downtown's most innovative developments featuring sports and music venues, nightclubs, restaurants, a bowling alley, a museum, and movie theaters.

Rent Roll

	UNIT NO.	UNIT TYPE	ACUAL RENTS	PRO FORMA RENTS	MOVE-IN DATES
1	4651-1	2+1.75	\$ 3,095	\$ 3,200	1/1/2025
2	4651-2	1+1	\$ 2,491	\$ 2,550	11/3/2022
3	4653	1+1	\$ 2,295	\$ 2,550	6/1/2024
4	4655-1	2+1.75	\$ 3,115	\$ 3,200	12/20/2021
5	4655-2	2+1.75	\$ 3,023	\$ 3,200	6/20/2021
6	4655-3	2+1.75	\$ 1,600	\$ 3,200	9/1/1990
7	4655-4	2+1.75	\$ 2,238	\$ 3,200	5/1/2017
			\$ 17,857	\$ 21,100	
			1+1	\$ 4,786	\$ 5,100
			2+1.75	\$ 13,071	\$ 16,000
			\$ 17,857	\$ 21,100	

Financial Analysis

ANNUALIZED OPERATING DATA

	CURRENT RENTS		MARKET RENTS	
Scheduled Gross Income:	\$ 219,690		\$ 258,611	
Less Vacancy Rate Reserve:	\$ (6,591)	3.0%	\$ (12,931)	5.0%
Gross Operating Income:	\$ 213,099		\$ 245,680	
Less Expenses:	\$ (64,171)	29.2%	\$ (65,800)	25.4%
Net Operating Income:	\$ 148,928		\$ 179,879	
Reserves:	\$ (2,500)		\$ (2,500)	
Less Debt Service:	\$ (117,641)		\$ (117,641)	
Pre-Tax Cash Flow:	\$ 28,787	2.8%	\$ 59,739	5.8%
Plus Principal Reduction:	\$ 17,957		\$ 17,957	
Total Return Before Taxes:	\$ 46,744	4.5%	\$ 77,696	7.5%

ESTIMATED ANNUALIZED EXPENSES

	CURRENT RENTS		MARKET RENTS	
Taxes: Rate 1.19%	\$ 30,762		\$ 30,762	
Insurance	\$ 5,365		\$ 5,365	
Utilities	\$ 9,255		\$ 9,255	
Repairs & Maintenance	\$ 3,500		\$ 3,500	
Landscaping	\$ 1,800		\$ 1,800	
Management 5%	\$ 10,655		\$ 12,284	
Pest Control	\$ 1,020		\$ 1,020	
License & Fees	\$ 574		\$ 574	
Direct Assessment	\$ 1,241		\$ 1,241	
Total Expenses:	\$ 64,171		\$ 65,800	
Per Net Sq. Ft.:	\$8.62		\$8.84	
Per Unit:	\$9,167		\$9,400	

No. of Units	Unit Type	CURRENT RENTS		SCHEDULED RENTS	
		Avg Monthly Rent/Unit	Monthly Income	Monthly Rent/Unit	Monthly Income
2	1+1	\$ 2,393	\$ 4,786	\$ 2,550	\$ 5,100
5	2+1.75	\$ 2,614	\$ 13,071	\$ 3,200	\$ 16,000
Total Scheduled Rent:			\$ 17,857		\$ 21,100
Renters Insurance			\$ 20		\$ 20
Capex Reimbursement			\$ 76		\$ 76
RUBS			\$ 328		\$ 328
SCEP & RSO			\$ 27		\$ 27
Monthly Scheduled Gross Income:			\$ 18,307		\$ 21,551
Annual Scheduled Gross Income:			\$219,690		\$258,611

SUMMARY

Price:	\$ 2,585,000
Down Payment: 40%	\$ 1,034,000
Number of Units:	7
Cost per Legal Unit:	\$369,286
Current GRM:	11.77
Market GRM:	10.00
Current CAP:	5.76%
Market CAP:	6.96%
Approx. Age:	1958
Approx. Lot Size:	7,424
Approx. Gross SF:	7,444
Cost per Net GSF:	\$347.26

NEW POTENTIAL FINANCING

New First Loan:	\$ 1,551,000
Interest Rate:	6.50%
Amortization:	30
Monthly Payment:	\$9,803.38
DCR:	1.27

Sales Comparables



★ **4651 Council St**

Sale Price	\$2,585,000
Year Built	1958
Units	7
Price Per Unit	\$369,286
Price Per SF	\$347
CAP Rate	5.76%
GRM	11.77
Sale Date	N/A



3520-3530 W 5th St

Sale Price	\$2,495,000
Year Built	1950
Units	6
Price Per Unit	\$415,833
Price Per SF	\$234
CAP Rate	5.50%
GRM	10.96
Sale Date	On Market



805-809 N Mccadden Pl

Sale Price	\$2,429,000
Year Built	1941
Units	7
Price Per Unit	\$347,000
Price Per SF	\$627
CAP Rate	4.50%
GRM	14.86
Sale Date	On Market



1125 Lodi Pl

Sale Price	\$2,800,000
Year Built	1953
Units	8
Price Per Unit	\$350,000
Price Per SF	\$537
CAP Rate	N/A
GRM	N/A
Sale Date	6/21/2024



812 N Martel Ave

Sale Price	\$3,300,000
Year Built	1964
Units	10
Price Per Unit	\$330,000
Price Per SF	\$369
CAP Rate	5.21%
GRM	13.69
Sale Date	2/5/2024



4116 Los Feliz Blvd

Sale Price	\$2,415,000
Year Built	1941
Units	6
Price Per Unit	\$402,500
Price Per SF	\$419
CAP Rate	5.12%
GRM	13.52
Sale Date	10/18/2023



1864-1874 Talmadge St

Sale Price	\$2,307,000
Year Built	1950
Units	6
Price Per Unit	\$384,500
Price Per SF	\$534
CAP Rate	4.58%
GRM	14.09
Sale Date	4/21/2023

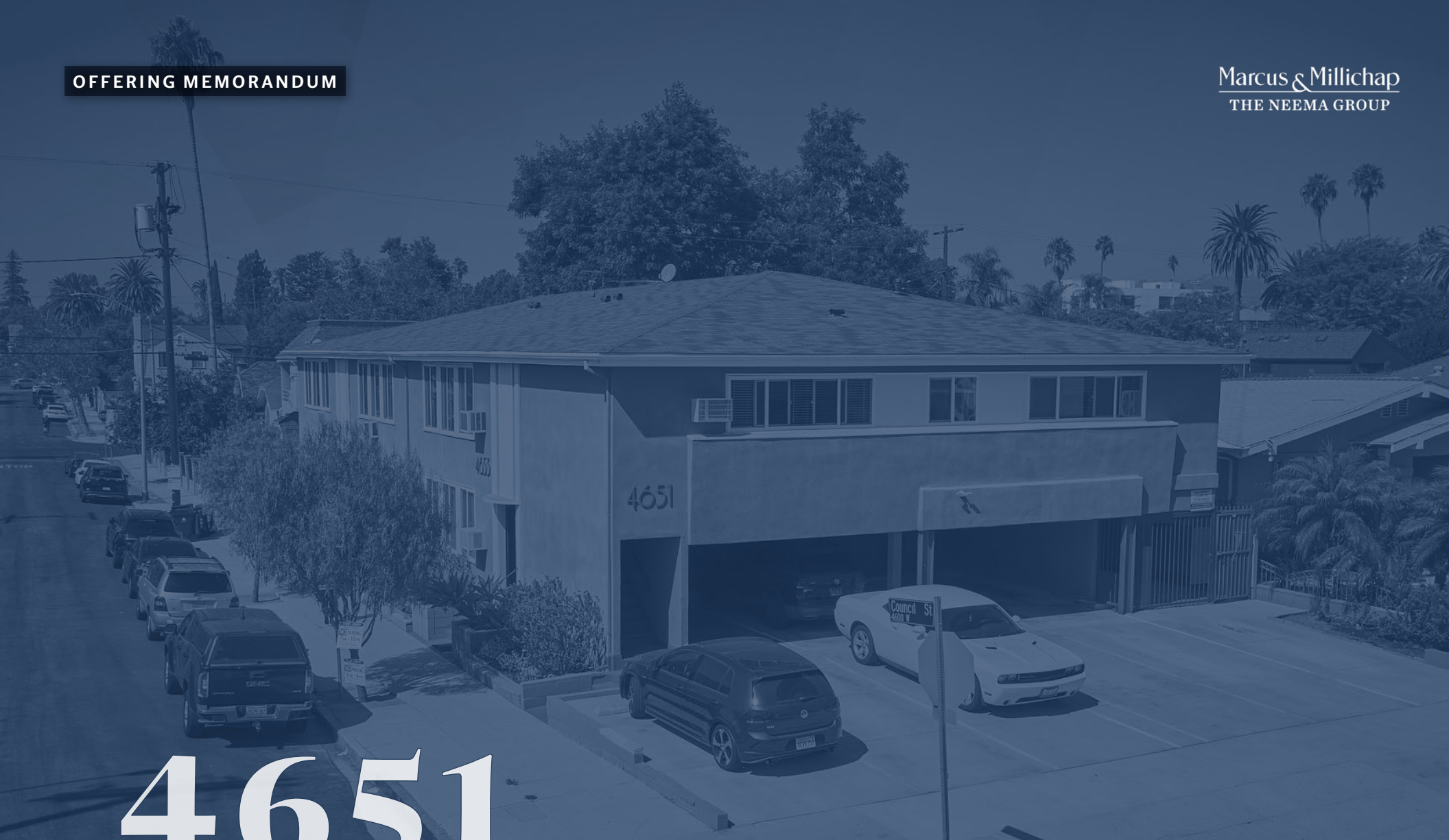


2103 S Harcourt Ave

Sale Price	\$2,330,000
Year Built	1945
Units	6
Price Per Unit	\$388,333
Price Per SF	\$449
CAP Rate	5.00%
GRM	N/A
Sale Date	3/29/2023

OFFERING MEMORANDUM

Marcus & Millichap
THE NEEMA GROUP



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