

5737 LEXINGTON AVENUE

LOS ANGELES, CA 90038

20-UNIT MULTIFAMILY INVESTMENT OPPORTUNITY IN HOLLYWOOD JUST WEST OF WILTON PL

6.20% CAP RATE & 8.75 GRM AT THE ASKING PRICE WITH 17% RENTAL UPSIDE



5737

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Marcus & Millichap
THE NEEMA GROUP

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LOS ANGELES, CA 90038

EXCLUSIVELY LISTED BY

NEEMA AHADIAN

Senior Managing Director of Investments

CA BRE License #01346750

TEL: 310.909.5444

Neema@marcusmillichap.com

JEFFREY ESTRADA

Associate of Investments

CA BRE License # 02181778

TEL: 310.909.5423

jeffrey.estrada@marcusmillichap.com

Marcus & Millichap
THE NEEMA GROUP



Marcus & Millichap is pleased to present 5737 Lexington Ave, a 20-unit multifamily investment opportunity in Hollywood located north of Santa Monica Blvd between N Van Ness Ave & Wilton Pl.

The property features a unit mix of 20 singles; renovated units include hardwood floors, updated appliances, tile bathrooms, new cabinetry, and ceiling fans.

At the asking price, the property is being offered at a 6.20% CAP rate at 8.75 GRM on current income with an additional 17% rental upside achievable as units turn through continued interior renovations.

The property has professional landscaping and a secured, gated entrance with intercom access; significant cap ex has been invested

by ownership into the systems and common areas including new security camera system, intercom, common area paint & lighting fixtures, lobby tile flooring, refinished hallway flooring, outdoor furniture, exterior façade paint, and water heater. The building is separately metered for electricity and has an on-site laundry room with two washers and two dryers.

High Walk Score of 87, the property is less than a mile from the Metro Red Rail Line, and walking distance to Metro Local Lines along Santa Monica Blvd & Western Ave. This neighborhood of Koreatown is ideally located with a short commute to Los Feliz, West Hollywood, and Koreatown; easy access to the 101 Freeway via Western Ave.

PROPERTY SUMMARY

PROPERTY INFORMATION

ADDRESS:	5737 Lexington Avenue Los Angeles, CA 90038
NUMBER OF UNITS:	20
APPROX. GROSS SF:	10,292
APPROX. LOT SIZE:	7,501
YEAR BUILT:	1927
PARCEL NUMBER:	5536-005-005
PROPERTY TYPE:	Multi-Family
UNIT MIX:	(20) Single

PRICING INFORMATION

SALE PRICE:	\$2,900,000
PRICE PER UNIT	\$145,000
PRICE PER SF:	\$281.77
CURRENT CAP RATE:	6.20%
CURRENT GRM:	8.75
MARKET CAP RATE:	7.95%
MARKET GRM:	7.49



Investment Highlights

§

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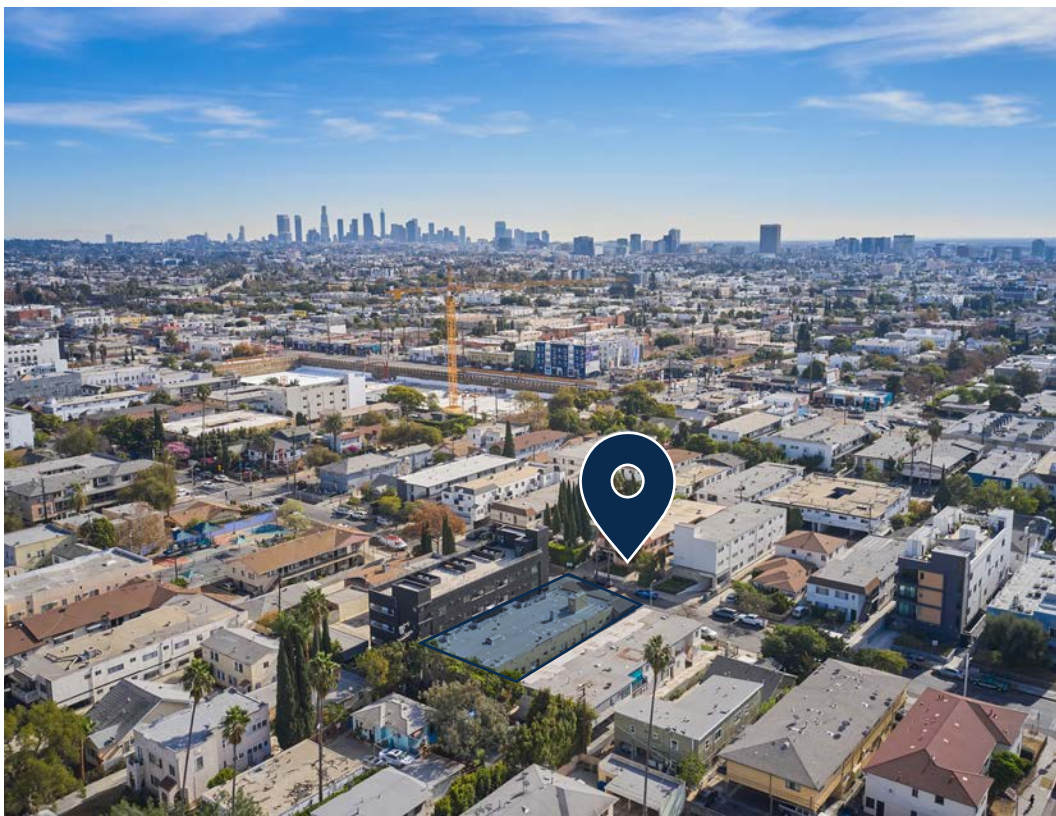
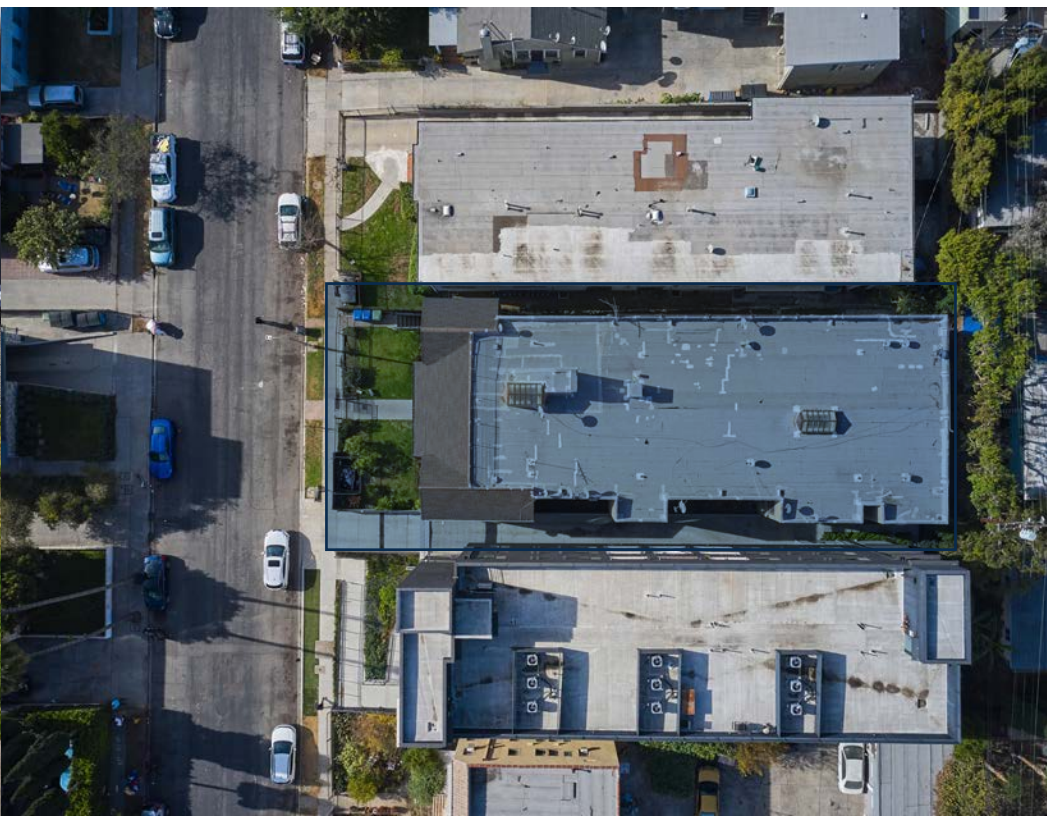
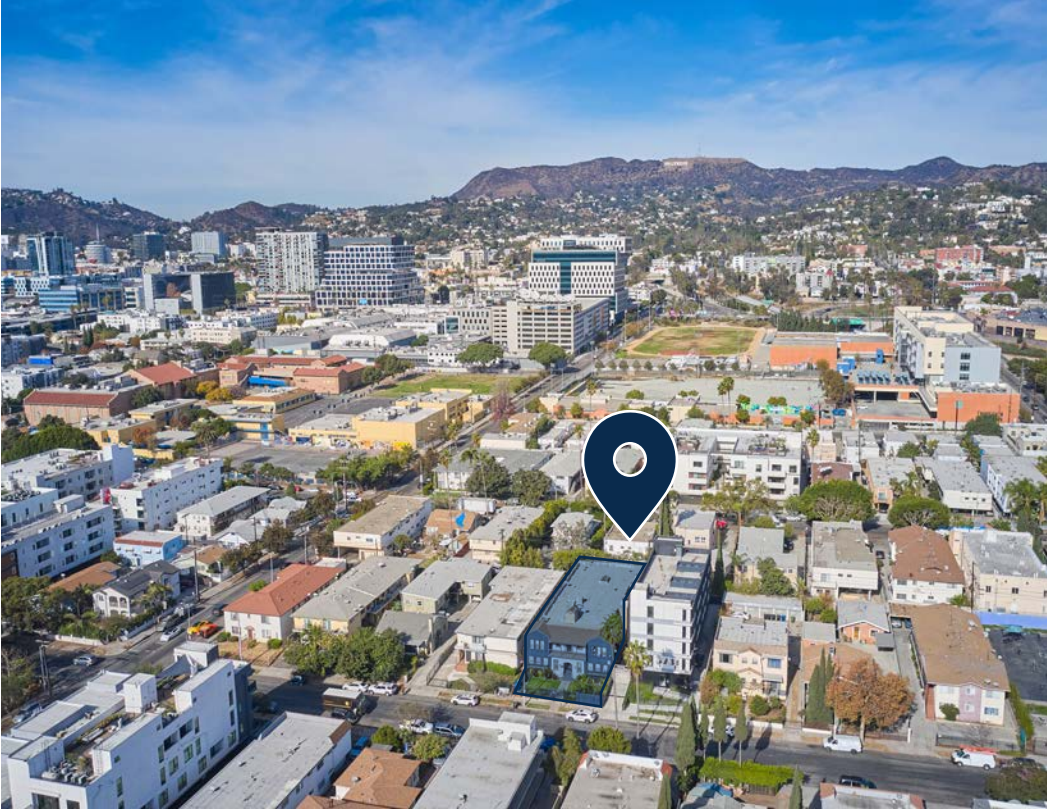
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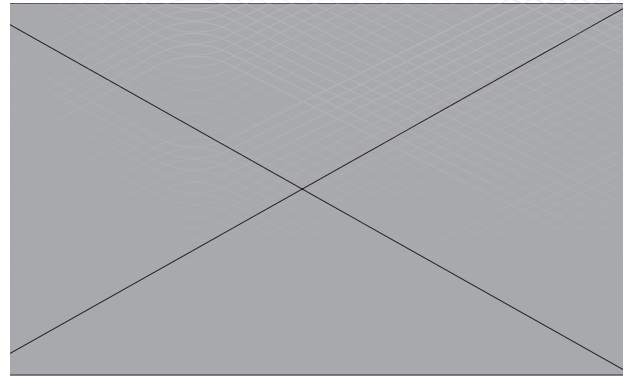
THE NEW HOLLYWOOD

5737 LEXINGTON AVE SITS AT THE NEXUS OF CONTENT AND MEDIA.

Most recently, companies specializing in streaming media, virtual reality, and website development have been flocking to Hollywood to occupy the large swaths of class “A” commercial space being introduced to the market.

The most notable example is Netflix’s lease of Icon (323,000 SF) and Cue (92,000 SF) office buildings at Sunset Bronson Studios. As the company has a-p-proximately \$16 billion in obligations committed to streaming content, “the Netflix Effect” is creating even more economic momentum in the submarket by attracting new employers and more high-paying jobs to Hollywood.

This momentum will have a rising tide effect on real estate values in Hollywood, and in particular, the properties located near the intersection of Vine Street and Sunset Boulevard which is fast becoming the economic center of Hollywood.



PEDESTRIAN ORIENTED COMMUNITY

WALK SCORE
87

Very Walkable

TRANSIT SCORE
64

Good Transit

LOCAL AMENITIES

1. Trader Joe's
2. Gelson's Markets
3. Hollywood Farmers' Market
4. Walgreen's
5. Yoga Works
6. 24 Hour Fitness
7. LA Fitness
8. Equinox
9. SoulCycle Hollywood
10. Pressed Juicery
11. The W Hollywood
12. Franklin Village
13. Home Depot
14. Ralph's
15. Pier 1 Imports
16. PetCo

MAJOR EMPLOYERS & STUDIOS

1. Netflix
2. Sunset Bronson Studios
3. Emerson College LA Center
4. Sunset Gower Studios
5. Canon USA
6. United Recording
7. Siren Studios
8. East West Studios
9. Technicolor
10. Viacom
11. Neuhouse
12. Fender
13. Legend 3D
14. Capitol Records

DINING & DRINKING

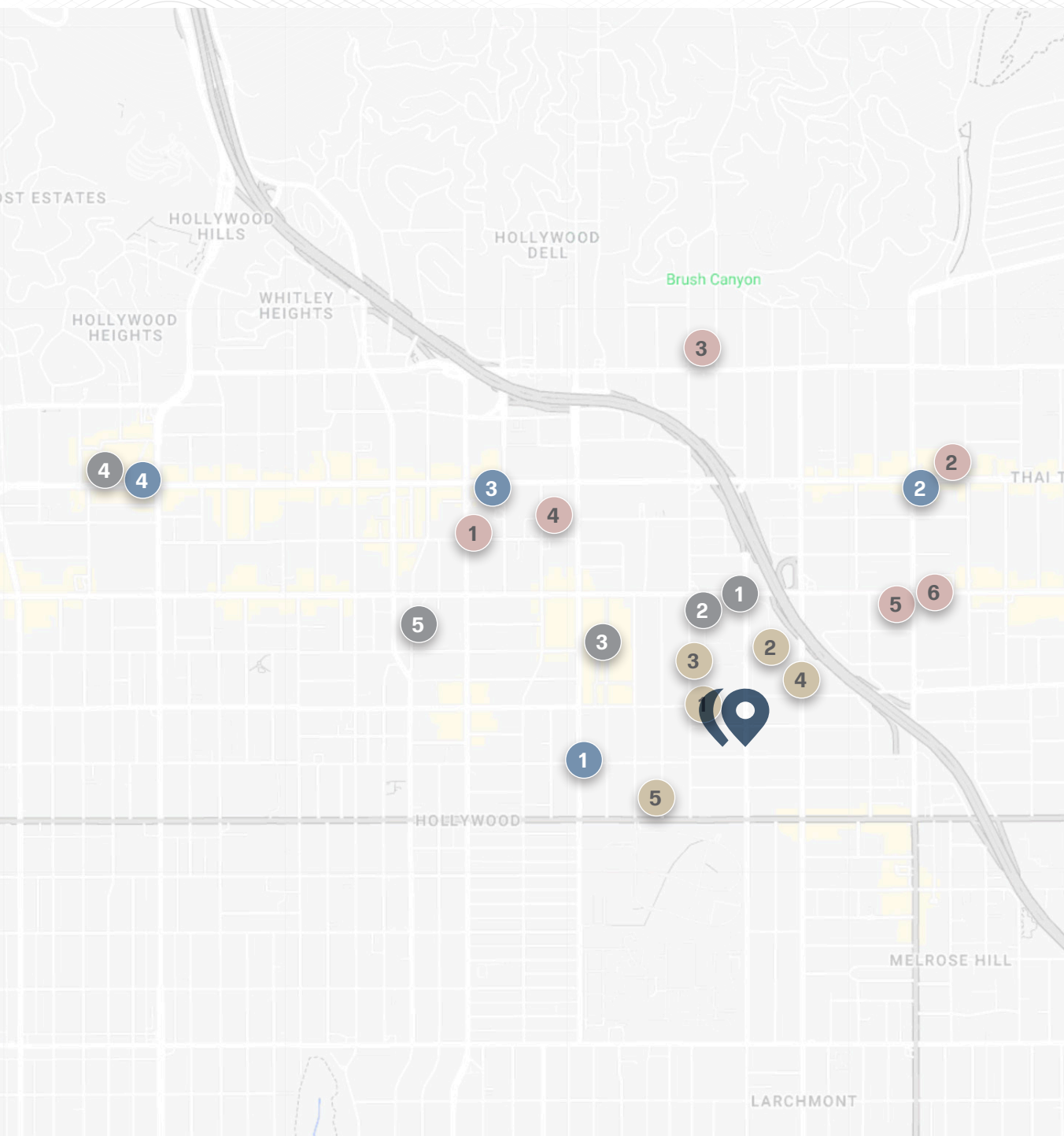
1. Sugarfish
2. Sweetgreen
3. Paley
4. Good Times at Davey Wayne's
5. Roscoe's House of Chicken & Waffles
6. Stella Bara
7. Blue C Sushi
8. Umami Burger
9. The Melt Sunset & Vine
10. Coffee Commissary
11. La Monarca Bakery & Café
12. Sweet Times
13. Delancey
14. Mission Cantina
15. Birch
16. Beauty & Essex
17. Stout Burgers & Beer
18. Shake Shack
19. The Well
20. Off Vine Restaurant
21. Tender Greens
22. Bowery
23. Gwen
24. Rubies+Diamonds
25. Philz Coffee

ENTERTAINMENT

1. Hollywood Palladium
2. Pantages Theatre
3. Cinespia at Hollywood Forever Cemetery
4. ArcLight Cinerama Dome
5. The Fonda Theatre
6. Upright Citizens Brigade (two locations)
7. The Hotel Café



Nearby Retail & Amenities



TRANSPORTATION

- 1 Gower & Lexington (Northbound)
- 2 Hollywood/Western
- 3 Hollywood / Vine Station
- 4 Hollywood / Highland

SCHOOLS

- 1 Joseph Le Conte Middle School
- 2 Bernstein High School
- 3 Citizens of The World Charter School
- 4 STEM Academy Of Hollywood
- 5 Hollywood Elementary School

RETAIL

- 1 Trader Joe's
- 2 Ralph's
- 3 Gelson's Hollywood
- 4 LA Fitness
- 5 Target
- 6 Walgreen's Pharmacy

MISCELLANEOUS

- 1 Netflix
- 2 Sunset Bronson Studios
- 3 Sunset Gower Studios
- 4 TCL Chinese Theatre
- 5 ArcLight Cinemas

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LOS ANGELES, CA 90038

ArcLight
Cinemas

Trader Joe's

Hollywood /
Vine Station

Sunset Gower
Studios

Joseph Le
Conte Middle
School

Citizens of The World
Charter School

Sunset
Bronson
Studios

Netflix

5

3

1

1

3

3

2

1



RENT ROLL

NO. OF UNITS	UNIT NO.	UNIT SF	UNIT TYPE	CURRENT RENTS	PRO FORMA	MOVE-IN DATE	NOTES
1	100	400	Single	\$1,450	\$1,600		Vacant
2	101	400	Single	\$1,475	\$1,600	5/29/2020	
3	102	400	Single	\$1,495	\$1,600	5/20/2022	
4	103	400	Single	\$1,590	\$1,600	10/2/2023	
5	104	400	Single	\$1,450	\$1,600	3/20/2024	On-Site Manager
6	105	400	Single	\$1,480	\$1,600	9/6/2024	
7	106	400	Single	\$1,260	\$1,600	9/1/2014	
8	107	400	Single	\$1,039	\$1,600	10/1/2012	
9	108	400	Single	\$1,425	\$1,600	12/21/2024	
10	109	400	Single	\$1,425	\$1,600	2/22/2025	
11	200	400	Single	\$1,051	\$1,600	1/1/2013	
12	201	400	Single	\$1,234	\$1,600	6/1/2014	
13	202	400	Single	\$1,401	\$1,600	7/15/2019	
14	203	400	Single	\$1,071	\$1,600	6/1/2012	
15	204	400	Single	\$1,401	\$1,600	4/18/2021	
16	205	400	Single	\$1,460	\$1,600	9/27/2021	
17	206	400	Single	\$1,108	\$1,600	9/1/2013	
18	207	400	Single	\$1,550	\$1,600	2/13/2023	
19	208	400	Single	\$1,406	\$1,600	8/1/2018	
20	209	400	Single	\$1,580	\$1,600	8/22/2023	
			TOTAL	\$27,350	\$32,000		
			Single	\$27,350	\$32,000		
			TOTAL	\$27,350	\$32,000		

FINANCIAL ANALYSIS

5737 LEXINGTON AVE
LOS ANGELES, CA 90038

ANNUALIZED OPERATING DATA	CURRENT RENTS		PRO FORMA	
Scheduled Gross Income:	\$331,502		\$387,300	
Less Vacancy Rate Reserve:	\$(16,575)	5.0%	\$(19,365)	5.0%
Gross Operating Income:	\$314,926		\$367,935	
Less Expenses:	\$(135,263)	40.8%	\$(137,383)	35.5%
Net Operating Income:	\$179,663		\$230,552	
Reserves:	\$(4,000)		\$(4,000)	
Less Debt Service:	\$(109,980)		\$(109,980)	
Pre-Tax Cash Flow:	\$65,684	4.5%	\$116,572	8.0%
Plus Principal Reduction:	\$16,787		\$16,787	
Total Return Before Taxes:	\$82,471	5.7%	\$133,359	9.2%

ESTIMATED ANNUALIZED EXPENSES	CURRENT RENTS		PRO FORMA	
Taxes: Rate 1.20%	\$34,800		\$34,800	
Insurance*	\$13,138		\$13,138	
Utilities*	\$23,393		\$23,393	
Waste Removal*	\$11,812		\$11,812	
Repairs & Maintenance	\$15,000		\$15,000	
Management	\$12,597		\$14,717	
On-Site Manager	\$18,000		\$18,000	
Landscaping	\$1,800		\$1,800	
Pest Control	\$1,500		\$1,500	
License and Fees	\$1,640		\$1,640	
Direct Assessment*	\$1,584		\$1,584	
Total Expenses:	\$135,263		\$137,383	
Per Net Sq. Ft.:	\$13.14		\$13.35	
Per Unit:	\$6,763.15		\$6,869.17	

SCHEDULED INCOME		CURRENT RENTS		PRO FORMA	
No. of Units	Unit Type	Avg. Monthly Rent/Unit	Monthly Income	Avg. Monthly Rent/Unit	Monthly Income
20	Single	\$1,368	\$27,350	\$1,600	\$32,000
Total Scheduled Rent:			\$27,350		\$32,000
	Laundry		\$212		\$212
	RSO & SCEP		\$63		\$63
Monthly Scheduled Gross Income:			\$27,625		\$32,275
Annual Scheduled Gross Income:			\$331,502		\$387,300

SUMMARY

Price:	\$2,900,000
Down Payment: 50%	\$1,450,000
Number of Units:	20
Cost per Legal Unit:	\$145,000
Current GRM:	8.75
Market GRM:	7.49
Current CAP:	6.20%
Market CAP:	7.95%
Approx. Age:	1927
Approx. Lot Size:	7,501
Approx. Gross SF:	10,292
Cost per Net GSF:	\$281.77

NEW POTENTIAL FINANCING

New First Loan:	\$1,450,000
Interest Rate:	6.50%
Amortization:	30
Monthly Payment:	\$9,164.99
DCR:	1.63

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracy.

SALE COMPARABLES



5737 LEXINGTON AVE
LOS ANGELES, CA 90038

SALE PRICE \$2,900,000

YEAR BUILT 1927

NO. OF UNITS 20

PRICE PER UNIT \$145,000

PRICE PER SF \$282

ACTUAL CAP RATE 6.20%

GRM 8.75

SALE DATE For Sale



1000 N Serrano Ave
Los Angeles, CA 90029

SALE PRICE \$3,900,000

YEAR BUILT 1923

NO. OF UNITS 24

PRICE PER UNIT \$162,500

PRICE PER SF \$284

ACTUAL CAP RATE 6.75%

GRM 8.63

SALE DATE Under Contract



1217 N Berendo St
Los Angeles, CA 90029

SALE PRICE \$3,050,000

YEAR BUILT 1928

NO. OF UNITS 16

PRICE PER UNIT \$190,625

PRICE PER SF \$279

ACTUAL CAP RATE 6.21%

GRM N/A

SALE DATE 5/10/2024



1317 N Bronson Ave
Los Angeles, CA 90028

SALE PRICE \$2,950,000

YEAR BUILT 1926

NO. OF UNITS 16

PRICE PER UNIT \$184,375

PRICE PER SF \$317

ACTUAL CAP RATE 5.61%

GRM N/A

SALE DATE 1/10/2024

SALE COMPARABLES



1926 Whitley Ave
Los Angeles, CA 90068

SALE PRICE \$3,000,000

YEAR BUILT 1924

NO. OF UNITS 20

PRICE PER UNIT \$150,000

PRICE PER SF \$315

ACTUAL CAP RATE 6.69%

GRM N/A

SALE DATE 1/10/2024



5441 Flemish Ln
Los Angeles, CA 90029

SALE PRICE \$2,390,000

YEAR BUILT 1939

NO. OF UNITS 17

PRICE PER UNIT \$140,588

PRICE PER SF \$156

ACTUAL CAP RATE 5.00%

GRM N/A

SALE DATE 10/12/2023

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NEEMA AHADIAN

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CA BRE License #01346750

TEL: 310.909.5444

Neema@marcusmillichap.com

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Associate of Investments

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