



# 259 S NORMANDIE AVE

LOS ANGELES, CA 90004

DISPOSITION PROPOSAL

**MATTHEWS**<sup>TM</sup>  
REAL ESTATE INVESTMENT SERVICES

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# DOWNTOWN LA



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# PROPERTY OVERVIEW



## THE OPPORTUNITY

259 S Normandie Avenue is an 12-unit apartment building in the Normandie Square neighborhood of Los Angeles, CA. Built in 1958, the two-story property is comprised of four (4) studio units, six (6) one-bedroom, one- bathroom units and two (2) two-bedroom, two-bathroom units. The property offers gated tuck-under and surface parking and an in-unit washer and dryers. The units are individually metered for gas and electricity. This property provides a clear path for an investor to execute their business plan and add value to the property.

## 259 S NORMANDIE AVE

LOS ANGELES, CA 90004

- 12 Units Built in 1958
- Unit Mix: (4) Studio, (6) 1+1, (2) 2+1.5
- Prime Koreatown location with low vacancy and high rent growth
- LAR3 zoned
- Gated entry with 14 parking spots
- Each Unit has in-unit Washer and Dryer
- Koreatown is one of the most densely populated neighborhoods in the country
- Individually Metered for gas and electricity
- Property has great rental upside allowing an investor great future return
- Ample access to public transportation with the new purple metro line located a few blocks south on Wilshire
- Walking distance to Nightlife and Offices allowing easy travel access and commute times

VERMONT/  
BEVERLY STATION



DOWNTOWN  
LOS ANGELES

VALERIE  
*confections*



VONS

W. 3RD ST

W. 1ST ST

SUBJECT  
PROPERTY



NORMANDIE AVE

DOWNTOWN LOS ANGELES

WILSHIRE/  
NORMANDIE STATION

WILSHIRE BLVD



NORMANDIE AVE

W. 3RD ST

SUBJECT  
PROPERTY

# AREA OVERVIEW



# KOREATOWN & WESTLAKE

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Just south of Downtown Los Angeles, Koreatown and Westlake neighborhoods continue to attract the attention of developers. Koreatown, an already densely populated area, is expected to experience a 6-9% increase in population growth by 2024. With several new development projects underway and nearing construction, the increase in housing supply will be extremely beneficial for the increasing demand occurring over the next 5 years. These mixed-use developments are positively impacting the local economy by creating new job opportunities through placing a high priority for hiring local labor for construction. The new projects continue to generate millions in annual tax revenue from operations, occupancy, and parking taxes, as well.

Designed with the intention to improve the quality of life, these mixed-use projects will transform the area by creating a modern, multicultural destination for residents and visitors. While maintaining an eco-friendly focus, the new developments will help the city meet its “green goals” through the integration of smart systems. Through embracing environmentally friendly design techniques, building materials, and local partnerships, the city’s energy and water usage will be significantly reduced.



# NEW DEVELOPMENTS



- 2-Story Building
- 103 Units of Housing
- Roof Garden, Meeting Rooms, Offices
- Projected Completion: Fall 2020



- 37-Floor Hotel
- 730 Guest Rooms
- 73,000+ SF Publicly Accessible Space
- Projected Completion: 2025



- 9-Story Mixed-Use Complex
- 376 Live & Work Units
- Rooftop Pool Deck, Theater, Fitness Center
- Projected Completion: Fall 2020



- 25-Story Mixed-Use Complex
- 644 Units
- 15,000+ SF Commercial Space
- Projected Completion: Fall 2021



- 7-Story Mixed-Use Complex
- 160 Units; 10,300 SF Ground Retail Space
- Pool Deck, BBQ, Club House, Dog Run
- Available Now



- 7-Story Mixed-Use Complex
- 228 Units; 17,000 SF Street-Front Space
- Rooftop Deck, Pool, Fitness Center
- Projected Completion: Fall 2020

# NEW DEVELOPMENTS



- 12-Story Building
- 216 Units; Ground Retail Space
- Rooftop Deck, Karaoke Room, Basketball Court
- Projected Completion: April 2020



- 6-Story Apartment Complex
- 108 Units
- Projected Completion: April 2020



- 13-Story Mixed-Use Complex
- 206 Live & Work Lofts
- Ground-floor Retail
- Projected Completion: Fall 2020



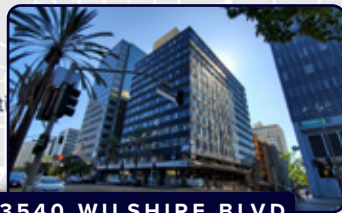
- 2 High Rise Buildings (32 & 14 Stories)
- 760 Units; 32,000 SF Ground Retail Space
- Rooftop Decks
- Groundbreaking: 2020



- 2 High Rise Buildings
- 640 Units; Ground-floor Retail
- Amenity Decks, Landscaped Paseo
- Groundbreaking: 2022



- 33-Story Mixed-Use Complex
- 250 Condo Units; 200 Hotel Rooms
- 28,490 SF Retail Space; 49,227 SF Office Space
- Projected Completion: Fall 2023



**CENTRAL PLAZA**

**THE ALBANY**

**SUBJECT  
PROPERTY**

**CHAPMAN PLAZA**



sweetgreen®

*Cassell's*  
HAMBURGERS

6TH ST

**WILSHIRE/  
NORMANDIE STATION**



CITY CENTER ON 6TH  
  
**EMC**  
SEAFOOD & RAW BAR

**ALEXANDRIA PLAZA**

WILSHIRE BLVD

**WILSHIRE/  
VERMONT STATION**



LINE   
  
**ALFRED**  
BREAK ROOM 86

  
**HONEYMEE™**

# LOS ANGELES, CA

Los Angeles officially the City of Los Angeles and often known by its initials L.A., is the most populous city in California; the second most populous city in the United States, after New York City; and the third most populous city in North America, after Mexico City and New York City. With an estimated population of nearly four million people, Los Angeles is the cultural, financial, and commercial center of Southern California.

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, many of them world-class, 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.

Los Angeles is on the leading edge of several growth industries. The Los Angeles metropolitan area, with more than 23,000 art jobs, is the country's leading artistic center, surpassing the previous champion, New York. In other words, Los Angeles has both a larger concentration and an absolute number of artists than New York. The L.A. five-county area is also a major tech center, with more than 700,000 people at work in health services/biomedical activities and 190,000 people in aerospace. Here are some more facts and figures about Los Angeles: the city, the county, and the region.

## POPULATION

	1-Mile	3-Mile	5-Mile
2025 Projection	123,406	652,809	1,212,479
2020 Population	121,472	646,869	1,203,536
2010 Population	108,487	600,886	1,129,318
Annual Growth 2020-2025	0.3%	0.2%	0.1%
Annual Growth 2010-2020	1.2%	0.8%	0.7%

## HOUSEHOLDS

	1-Mile	3-Mile	5-Mile
2025 Projection	47,152	250,418	465,142
2020 Households	46,517	248,335	461,992
2010 Households	42,102	231,860	435,177
Annual Growth 2020-2025	0.3%	0.2%	0.1%
Annual Growth 2010-2020	0.8%	0.8%	0.7%

## INCOME

	1-Mile	3-Mile	5-Mile
Avg Household Income	\$59,187	\$71,516	\$78,187



*Los Angeles County employs over 913,000 people in several growing industries*



*A culturally diverse city, with a growing culinary scene, shopping, museums, and a reputation for being the creative center of America.*



*It is the largest and most populous city in the state of California and the cultural, financial, and commercial center of Southern California.*

# ECONOMY

The LA economy is famously and heavily based on the entertainment industry, with a particular focus on television, motion pictures, interactive games, and recorded music - the Hollywood district of Los Angeles and its surrounding areas are known as the “Movie Capital of the United States” due to the region’s extreme commercial and historical importance to the American motion picture industry. Other significant sectors include shipping/ international trade - particularly at the adjacent Port of Los Angeles and Port of Long Beach, together comprising the United States’ busiest seaport - as well as aerospace, technology, petroleum, fashion and apparel, and tourism.

L.A. County is an entertainment, manufacturing and international trade behemoth, with a fast-growing high-tech and digital media industry cluster largely centered in West L.A. and, increasingly, in the Hollywood area and beyond.

## MAJOR EMPLOYERS IN LOS ANGELES



With \$807 billion in annual output, Los Angeles County ranks among the world’s largest economies. Its GDP, which would rank No. 19 in the world if it were a standalone nation, is larger than Switzerland and Saudi Arabia, and right behind Netherlands and Turkey, underscoring the magnitude of the region’s economy.



# TOURISM

Tourism accelerated Los Angeles County's economic prosperity in 2018 as visitors pumped an all-time high \$23.9 billion directly into the L.A. economy, generating a record \$36.6 billion in total economic impact. A new economic impact report released today by Los Angeles Tourism & Convention Board demonstrates the power of tourism in Los Angeles during National Travel & Tourism Week, an annual event established by Congress and organized by the U.S. Travel Association to celebrate the impact of travel.

Tourism supported 534,258 jobs in L.A. County's Leisure & Hospitality sector, its highest total on record, employing 1 in every 8.5 workers in the county. Reaffirming the strength of the sector, tourism added 9,700 new jobs last year.



# ATTRACTIONS

Some of the world's best-known and most iconic landmarks and attractions call Los Angeles home: the Hollywood Sign; Griffith Observatory; the Getty Center; the Walt Disney Concert Hall at the Music Center in Downtown L.A.; the Hollywood Walk of Fame; the TCL Chinese Theatre; Space Shuttle Endeavour at the California Science Center; the Battleship USS Iowa located at the Port of Los Angeles in San Pedro; Air Force One at the Ronald Reagan Library; and Universal Studios Hollywood, with its dynamic immersive experience, The Wizarding World of Harry Potter™.



**50 MILLION**

*50 Million People traveled to Los Angeles last year*



**\$22 BILLION**

*LA visitors spent \$22 billion on hotels, restaurants, shopping, attractions and more*



**525,000**

*There are 525,000 jobs supported by the Los Angeles tourism industry*



**8 YEARS**

*LA has celebrated 8 consecutive years of record growth*

# ARTS & CULTURE

With various museums and exhibits, Los Angeles is full of inspiring art and diverse cultural experiences. In fact, Los Angeles has more museums and theatres than any other city in the U.S., making it the perfect place to be immersed in arts and culture. Los Angeles is home to more than 105 museums, 225 theaters, 55 magnificent structures by the world's top architects and 16 of the world's most beautiful gardens. It also boasts more than 1,500 theatrical productions annually.

# SPORTS

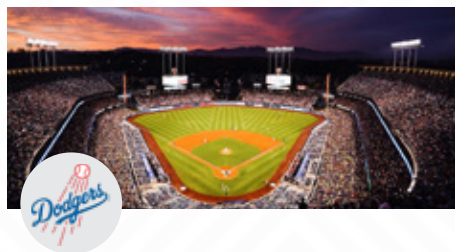
With famous venues like the Staples Center at L.A. LIVE, home to the NBA's Los Angeles Lakers and Los Angeles Clippers, NHL's L.A. Kings, and Dodger's Stadium, where the Los Angeles Dodgers serve as a main attraction sports fans flock to in L.A. Los Angeles is also home to several esteemed universities that have large sports followings such as USC and UCLA.



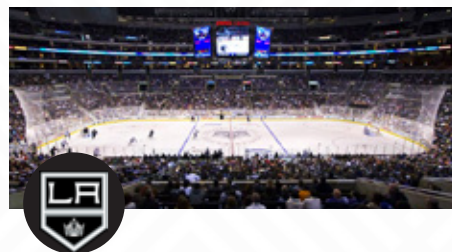
**LOS ANGELES LAKERS**  
(National Basketball Association)  
18,997 Avg. Attendance



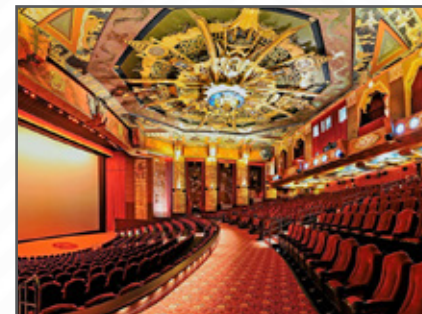
**LOS ANGELES RAMS**  
(National Football Association)  
71,229 Avg. Attendance



**LOS ANGELES DODGERS**  
(Major League Baseball)  
49,065 Avg. Attendance



**LOS ANGELES KINGS**  
(National Hockey Association)  
18,000 Avg. Attendance



# LOS ANGELES

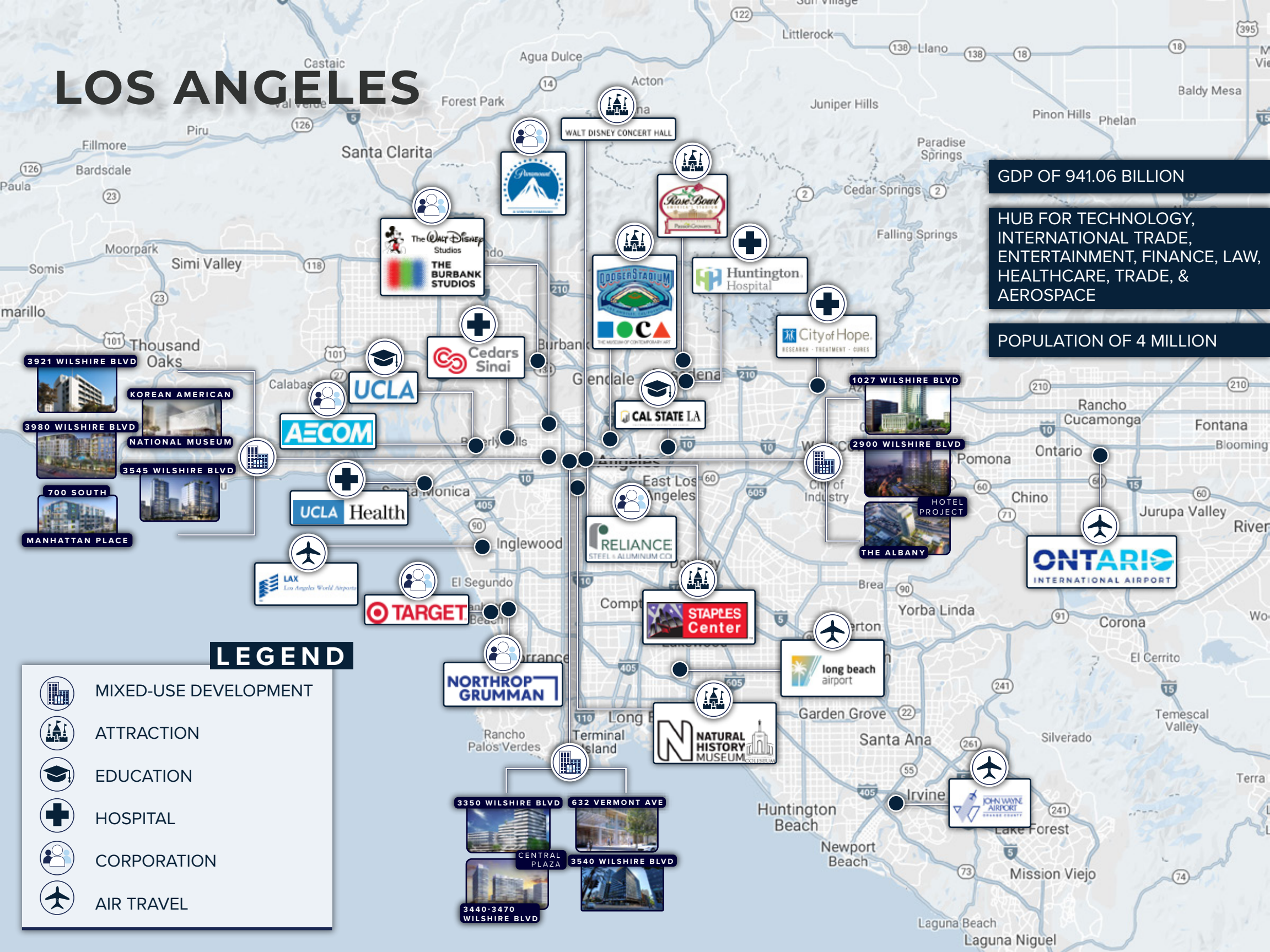
GDP OF 941.06 BILLION

HUB FOR TECHNOLOGY,  
INTERNATIONAL TRADE,  
ENTERTAINMENT, FINANCE, LAW,  
HEALTHCARE, TRADE, &  
AEROSPACE

POPULATION OF 4 MILLION

## LEGEND

-  MIXED-USE DEVELOPMENT
-  ATTRACTION
-  EDUCATION
-  HOSPITAL
-  CORPORATION
-  AIR TRAVEL





259 S.

PROJECTED  
PRO FORMA  
FINANCIAL  
ANALYSIS



## INVESTMENT SUMMARY

Offering Price:	\$2,600,000	Number of Units:	12
Property Address:	259 S Normandie Ave, Los Angeles, CA 90004	Year Built:	1958
Price Per Unit:	\$216,667	APN:	5518-001-012
Price Per S.F.:	\$340.40	Gross Sq. Ft.:	7,638
Cap (current / market):	2.13% / 5.52%	Lot Size	7,962
GRM (current / market):	17.96 / 10.81	Zoning	LAR3

## UNIT MIX & SCHEDULED INCOME

TOTAL UNITS	UNIT MIX	UNIT MIX %	CURRENT AVG RENT	CURRENT MONTHLY RENT	MARKET RENT	MARKET MONTHLY RENT
4	single	33%	\$883	\$3,533	\$1,400	\$5,600
6	1+1	50%	\$1,037	\$6,222	\$1,700	\$10,200
2	2+2	17%	\$1,128	\$2,256	\$2,100	\$4,200
Scheduled Monthly Rent:				\$12,011		\$20,000
Scheduled Yearly Rent:				\$144,126		\$240,000

# ANNUAL OPERATING SUMMARY

		CURRENT		MARKET
Scheduled Gross Income:		\$144,126		\$240,000 67% <i>Upside</i>
Less Vacancy Reserve:	3.0%	\$4,324	3.0%	\$7,200 *
Laundry Income: T-12		\$48		\$48
Ordinance Income:		\$570		\$570
Gross Operating Income:		\$140,420		\$233,418
Expenses:	59.1%	\$85,137	37.4%	\$89,787 *
<b>Net Operating Income:</b>		<b>\$55,283</b>		<b>\$143,631</b>
Loan Payments:		\$45,288		\$45,288
Cash-on-Cash Return:	0.6%	\$9,995	5.6%	\$98,343 **
Plus Principal Reduction:		\$16,612		\$16,612
Total Return Before Taxes:	1.5%	\$26,606	6.6%	\$114,954 **
* As a percent of Scheduled Gross Income				
** As a percent of Down Payment				

# PRO FORMA ANNUAL OPERATING EXPENSES

	PRO FORMA ESTIMATES		CURRENT	PER UNIT	% OF SGI
*Taxes	1.250%	x Sale Price	\$32,500	\$2,708	23%
*Insurance	Actual	2020	\$4,665	\$389	3%
Off-Site Management	5.0%	x GOI	\$7,021	\$585	5%
Repairs & Maintenance	Actual	2020	\$9,299	\$775	6%
Pest Control	Actual	2020	\$440	\$37	0%
Trash Removal	Actual	2020	\$5,301	\$442	4%
Landscape	Actual	2020	\$293	\$24	0%
Water & Sewer	Actual	2020	\$17,446	\$1,454	12%
Electricity	Actual	2020	\$986	\$82	1%
Gas	Actual	2020	\$4,186	\$349	3%
General Administration	\$250	x Units	\$3,000	\$250	2.08%
<b>Total Expenses</b>			<b>\$85,137</b>	<b>\$7,095</b>	<b>59.1%</b>
			<u>Current</u>	<u>Per Unit</u>	<u>% of SGI</u>
Non-controllable expenses: Taxes, Ins., Reserves:			\$37,165	\$3,097	25.8%
Total Expense without Taxes			\$52,637	\$4,386	36.52%

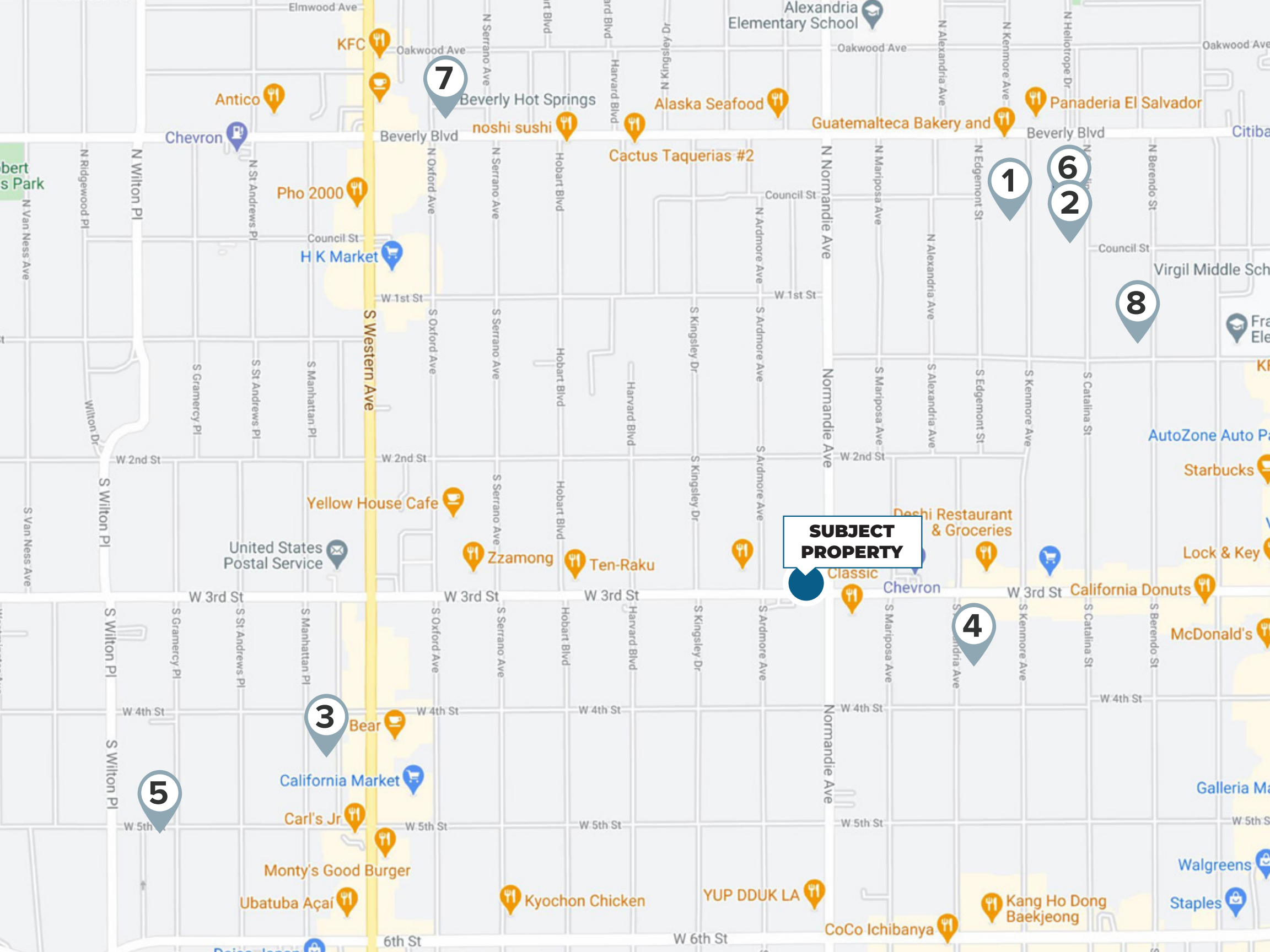
## RENT ROLL

#	UNIT	MIX	RENT	MARKET RENT
1	1	1+1	\$970.26	\$1,700
2	2	1+1	\$930.09	\$1,700
3	3-4	2+2	\$1,134.03	\$2,100
4	5	1+1	\$870.35	\$1,700
5	6	Single	\$677.74	\$1,400
6	7	Single	\$1,350.00	\$1,400
7	8	1+1	\$930.09	\$1,700
8	9	1+1	\$1,227.76	\$1,700
9	10-11	2+2	\$1,121.67	\$2,100
10	12	1+1	\$1,293.68	\$1,700
11	14	Single	\$839.45	\$1,400
12	15	Single	\$665.38	\$1,400
<b>Totals</b>		<b>10</b>	<b>\$12,011</b>	<b>\$20,000</b>
<b>Averages</b>			<b>\$1,001</b>	<b>\$1,667</b>

## FINANCING

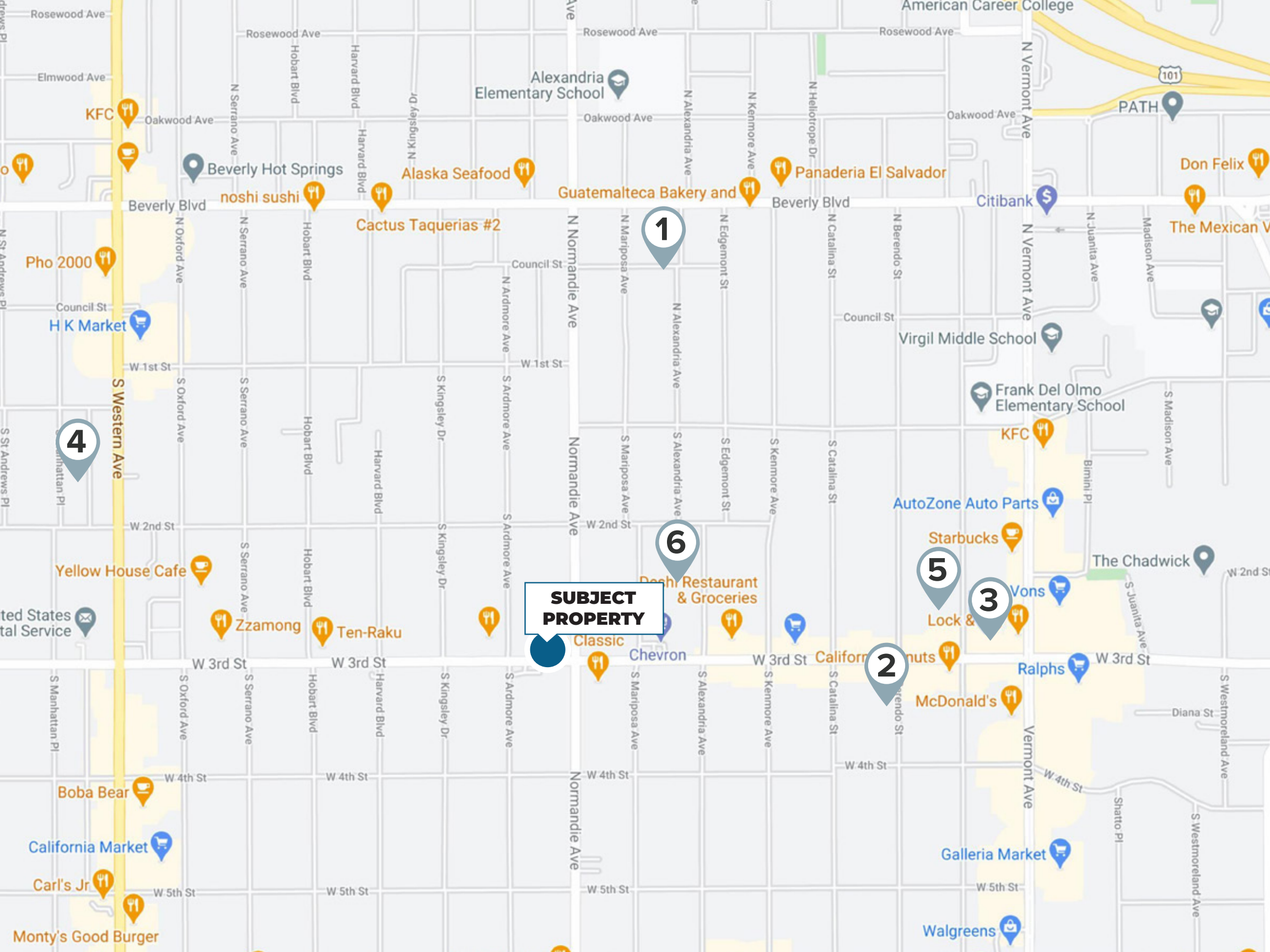
Loan Amount		\$851,000	Terms: 30
Down Payment:	67%	\$1,749,000	Interest: 3.40%
Yearly Pmt:		\$45,288	Monthly Pmt: \$3,774
Debt Coverage:		1.22	

*For the purposes of this financial analysis, we are utilizing pro forma financials. A pro forma financial analysis is one that contains estimates and projections of both the income and expenses to show the possible operational performance of this investment property on an annual basis.*



# SALES COMPARABLES

	ADDRESS	ZIP	UNITS	YR BUILT	SQ FT	PRICE	PER UNIT	PER FOOT	CAP RATE	GRM	SOLD DATE	UNIT MIX
	259 S Normandie Ave	90004	12	1958	7,638	\$2,600,000	\$216,667	\$340.40	2.13%	17.96	-	(2) - 2/2, (6) - 1/1, (4) - Singles
1	225 N Kenmore Ave	90004	6	1950	4,528	\$1,220,000	\$203,333	\$269.43	2.81%	16.31	1/15/21	(6) - 1/1
2	221 N Catalina St	90004	9		7,586	\$2,315,000	\$257,222	\$305.17	5.57%	12.04	12/8/20	(2) - 2/1, (7) - 1/1
3	410-414 S Manhattan Pl	90020	42	1963	32,004	\$10,250,000	\$244,048	\$320.27	3.88%	14.18	10/30/20	(12) - 2/2, (24) - 1/1, (6) - Singles
4	320 S Alexandria Ave	90020	30	1968	24,801	\$7,600,000	\$253,333	\$306.44	4.11%	15.44	9/2/20	(8) - 2/1, (16) - 1/1, (6) - Singles
5	453 S Gramercy Pl	90020	14	1966	8,594	\$4,050,000	\$289,286	\$471.26	4.86%	14.26	5/21/20	(6) - 1/1, (8) - Singles
6	225 N Catalina St	90004	8	1950	5,134	\$1,730,000	\$216,250	\$336.97	3.70%	15.69	5/5/20	(6) - 1/1, (2) - Singles
7	322 N Oxford Ave	90004	8	1961	6,302	\$1,920,000	\$240,000	\$304.67	N/A	N/A	5/5/20	(8) - 1/1
8	121 N Berendo St	90004	5	1921	5,952	\$1,360,000	\$272,000	\$228.49	2.53%	19.21	7/16/20	(8) - 1/1
	AVERAGES		15	1954	11,863	\$3,805,625	\$246,934	\$317.84	3.92%	15.30		



**SUBJECT  
PROPERTY**

1

6

5

3

2

4

## RENT COMPARABLES

ADDRESS		MIX	SQ/FT	PRICE	PER FOOT
259 S Normandie Ave - 90004		Single	400	\$1,400	\$3.50
		1+1	550	\$1,700	\$3.09
		2+2	750	\$2,100	\$2.80
1	213 S Alexandria Ave	Single	600	\$1,795	\$2.99
2	309 S Berendo St	Single	459	\$1,550	\$3.38
3	252 S New Hampshire Ave	1+1	600	\$1,795	\$2.99
4	120 S Manhattan Pl	1+1	800	\$1,799	\$2.25
5	241 S New Hampshire Ave	2+2	900	\$2,562	\$2.85
6	213 S Alexandria Ave	2+2	800	\$2,495	\$3.12
AVERAGES			615	\$1,735	\$2.90

## CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **259 S Normandie Ave, Los Angeles, CA 90004** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. 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 Matthews Real Estate Investment Services.

Owner, Matthews Real Estate Investment Services, expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller, Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

259 S.

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