



OFFERING MEMORANDUM

The Russell Residences

7 UNITS

4408 Russell Ave
LOS ANGELES, CA 90027

Stellar Location

High demand rental area

First time on the market in 43 years

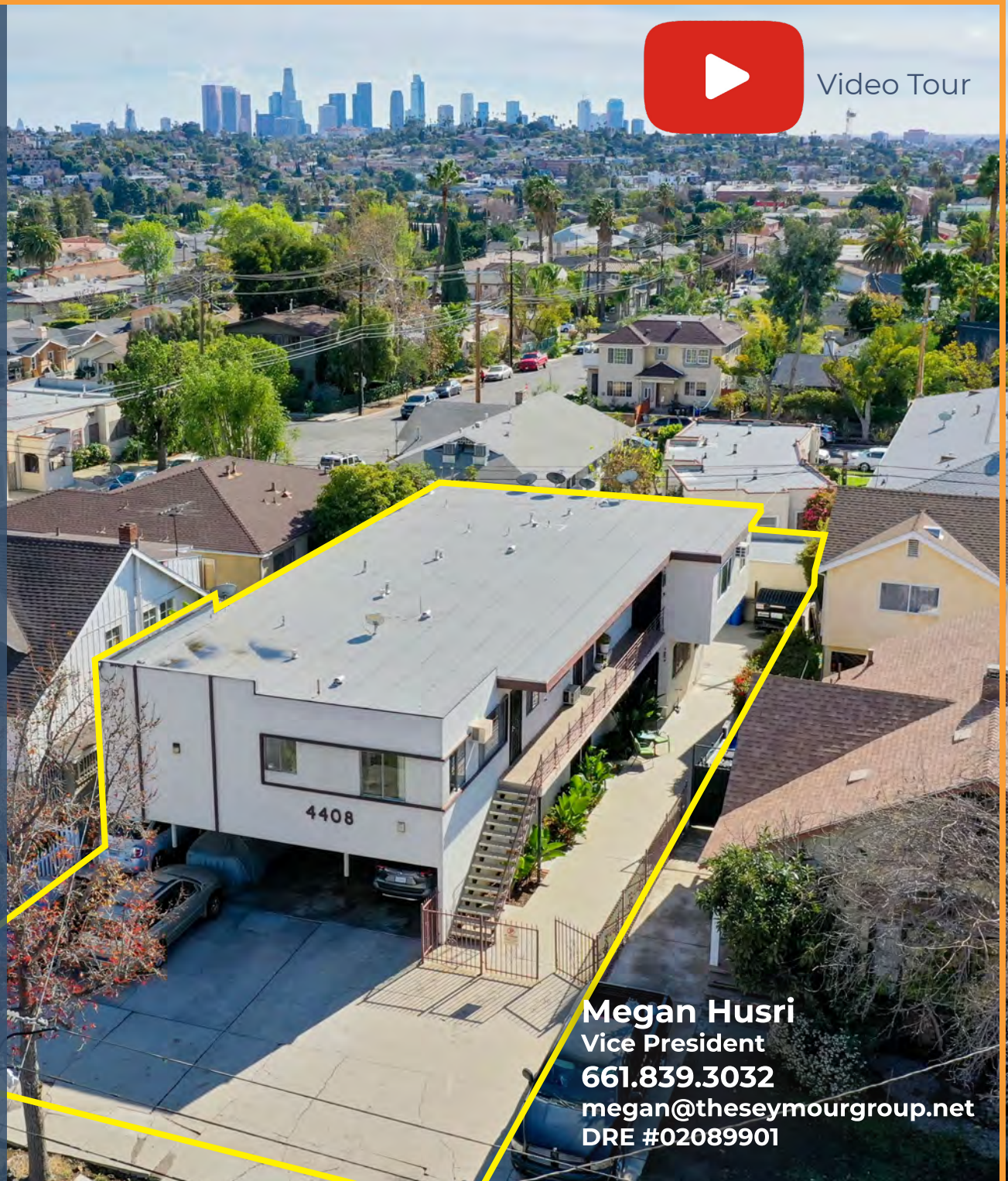


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Video Tour



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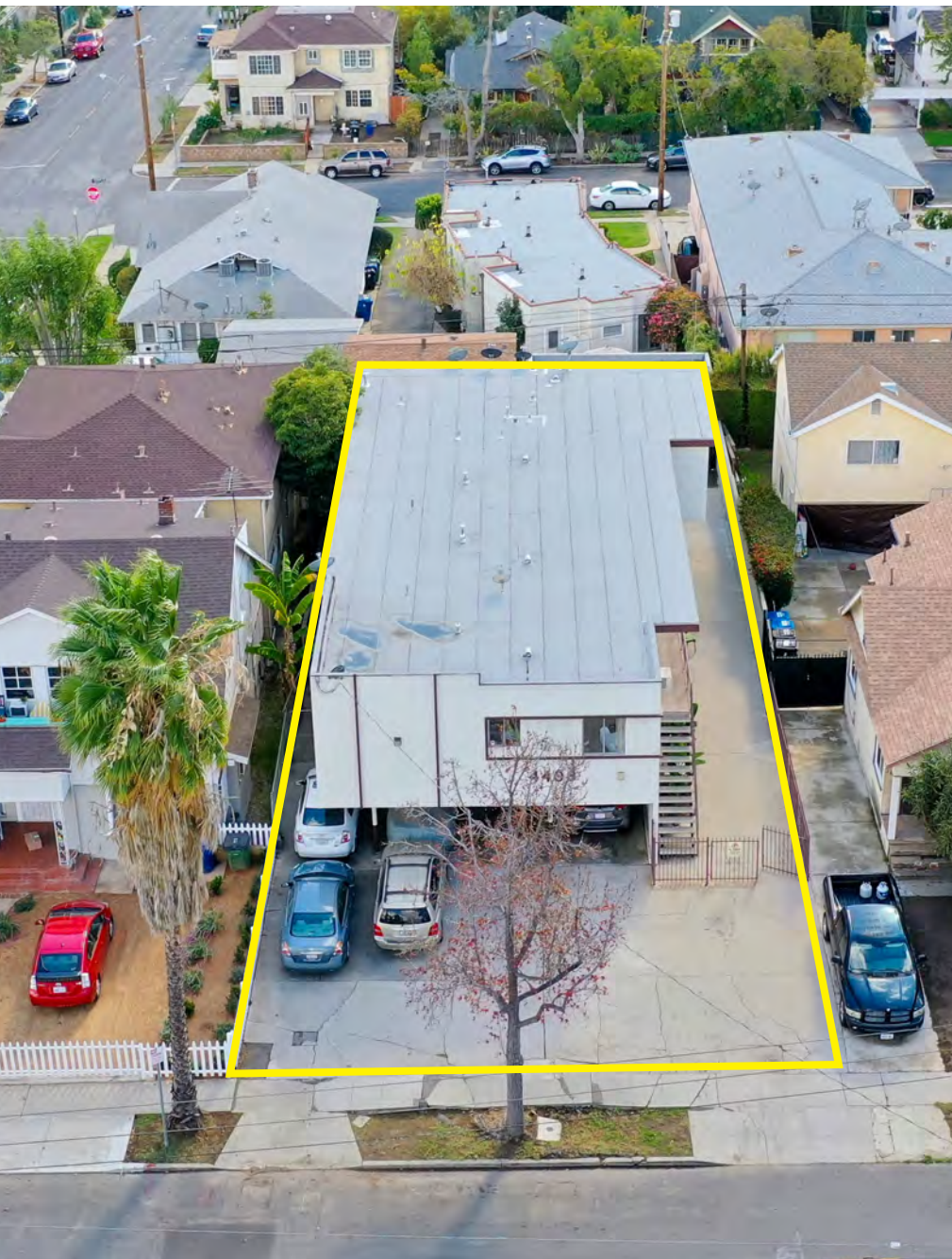
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EXECUTIVE SUMMARY



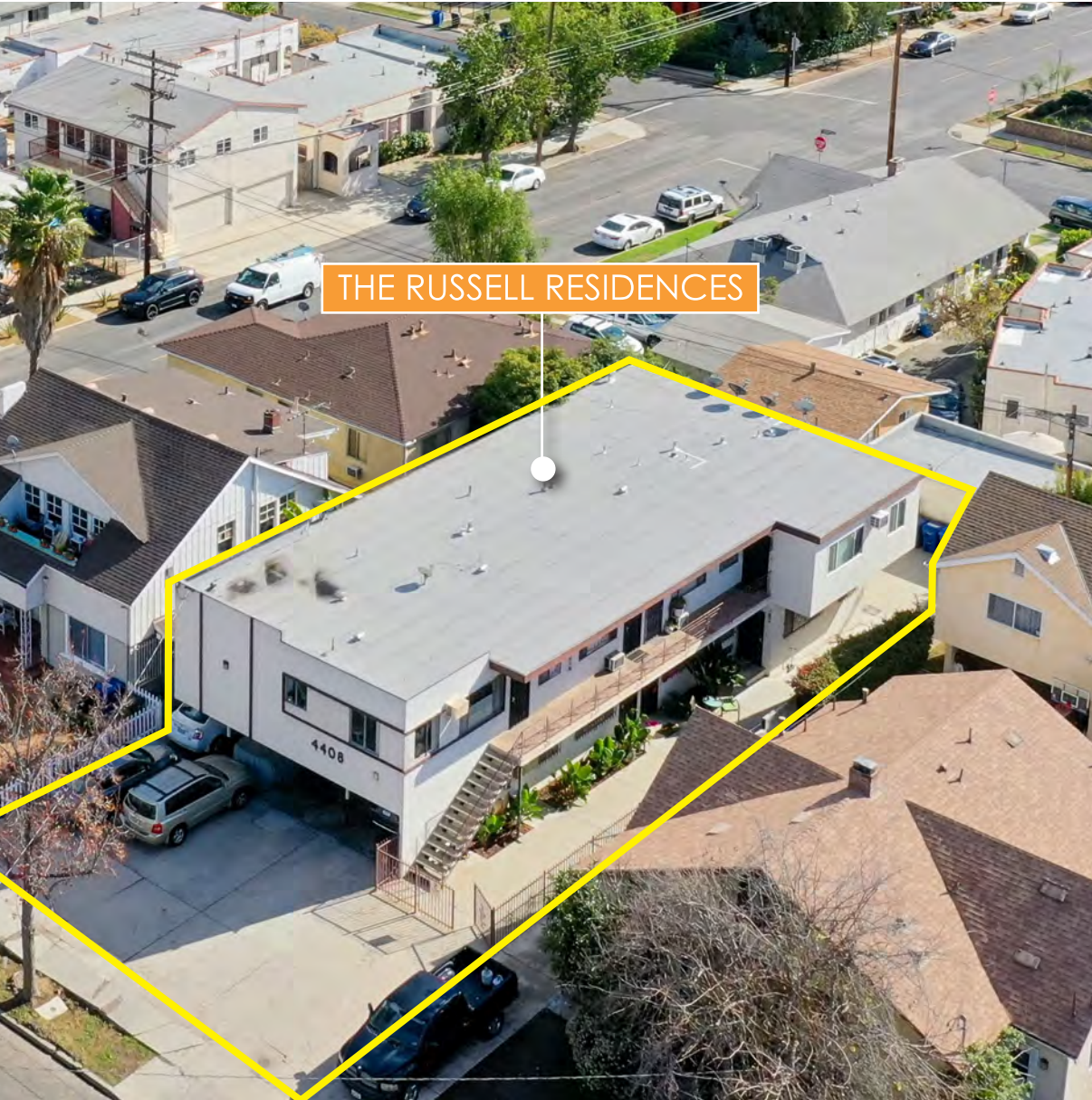
EXECUTIVE SUMMARY

SITE DESCRIPTION

Units	7
Year Built	1960
Lot Sq Ft	6,768
Bldg Gross Sq Ft	4,816
Parking Spaces	8
Zoning	LAR2
Opportunity	Rare

4408 Russell Avenue "The Russell Residences" is a seven-unit 4,816 square foot multifamily property comprised of (6) 1+1's and a renovated 2+1, located in the Los Angeles Submarket "Los Feliz." The property resides on a 6,768 square foot lot.

The Russell Residences, situated in a stellar location and one of the most sought after by buyers and tenants. A new buyer can add value by conducting renovations to the units, common areas, and exterior to increase their yield and stabilize at a 6.3% cap rate.



THE RUSSELL RESIDENCES



7

Total Units



(1) 2 +1
(6) 1+1

Unit Mix



1960

Year Built



4,816 SF

Building Size



6,768 SF

Lot Size



8

Parking

ZIMAS PUBLIC

Generalized Zoning

01/26/2021

City of Los Angeles
Department of City Planning



PROPERTY HIGHLIGHTS





THE RUSSELL RESIDENCES

4408 Russell constructed in 1960, is in an ideal location between, Hillhurst Avenue and Franklin Avenue which are main thoroughfares that tenants can use to dine, shop, or ride bikes.



This 7-unit building features six 1-bedrooms + 1-bathroom units and a renovated 2-bedroom + 1-bathroom unit.



The location of The Russell Residences is in the highly desirable rental market of Los Feliz, known for its trendy eateries, outdoor activities, and cool location where tenants are willing to pay to live in one of the best neighborhoods in all of Los Angeles.





THE OPPORTUNITY:

4408 Russell Avenue offers a new owner a unique and rare opportunity to acquire a true value add building in a stellar location where the rental rate can be increased by completing renovations and raising rents.



SIGNIFICANT UPSIDE POTENTIAL:

A new owner can reposition and upgrade the apartment building to obtain market premium rents.



FANTASTIC WALKABILITY:

With a walk score of 86, this pocket of Los Feliz is a walker's paradise. Leave your car parked and take a stroll onto Hillhurst Avenue to enjoy the buzz of the city with a multitude of dining, shopping, and people watching options available at every turn.



LOS FELIZ HAS IT ALL:

Residents enjoy the history, architecture, diversity, community, walkability, food options, entertainment options, and outdoor activities the area provides. The Russell Villa is near The Greek Theater, Griffith Park, and Los Feliz Village.



STRONG RENTAL DEMAND:

The Russell Residences is in the highly desirable Los Feliz neighborhood, where prospective tenants compete to find housing and are willing to pay a premium in this stellar neighborhood.



RARITY OF SALE:

Historically there are not many multifamily properties available in Los Feliz to purchase, and this is the first time 4408 Russell Ave has been available to purchase in 33 years.



OWNER/USER:

An Owner/User could live in the renovated 2 bedroom and utilize the rents from the other units to pay for the PITI. Own and live in a unit at the fraction of the price of a condo or townhome in the Los Feliz.



THE RUSSELL RESIDENCES

INTERIOR OF UNIT #7 - 2 BEDROOM + 1 BATHROOM





INTERIOR OF UNIT #7 - 2 BEDROOM + 1 BATHROOM





ALL OUT OF

PHOTOS

Colorful magnetic letters: Q, R, P, O, V, W, Y, K, P, C, N, G, L, S, F, T, b

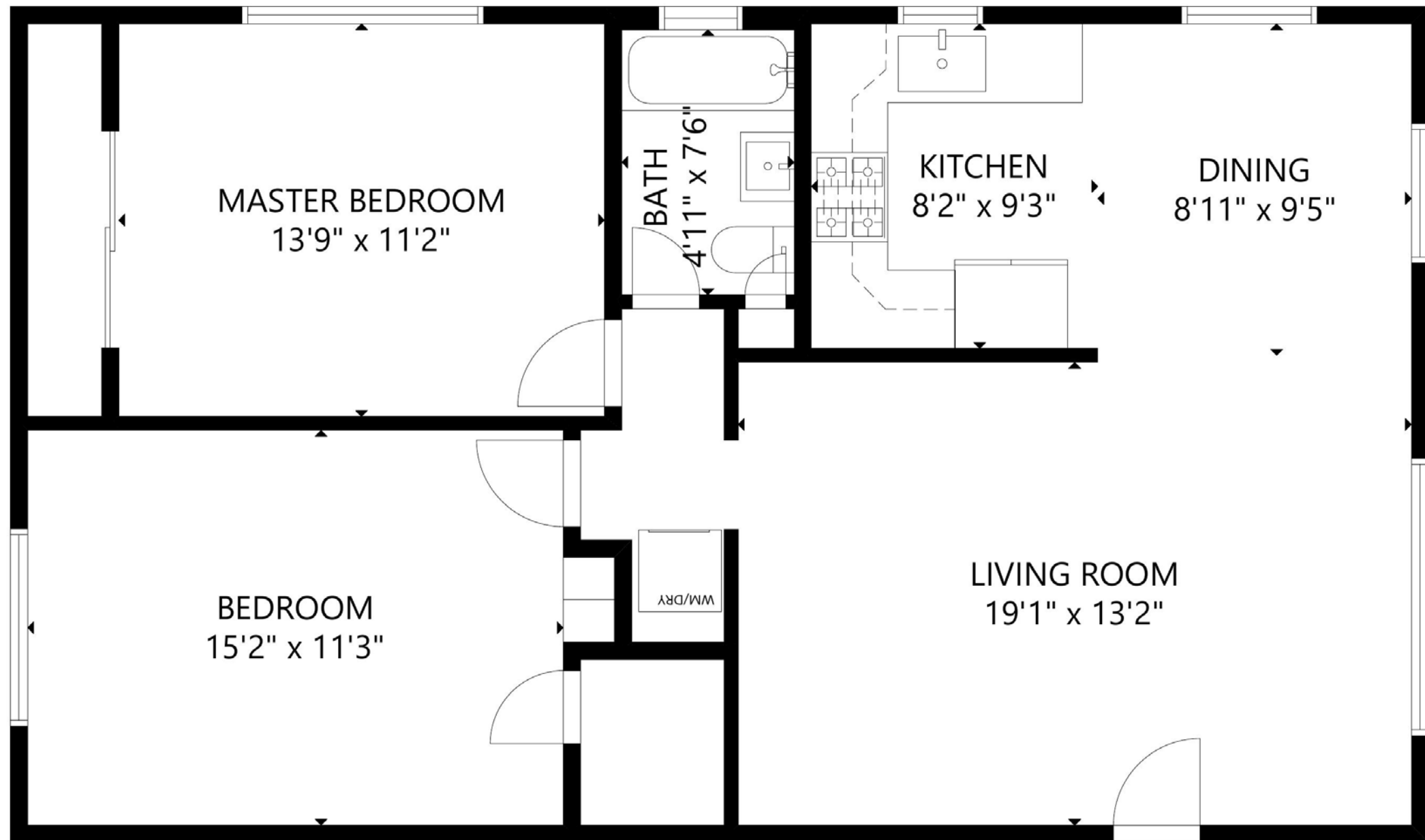
DAILY GRIND
FRESH BREWED
COFFEE



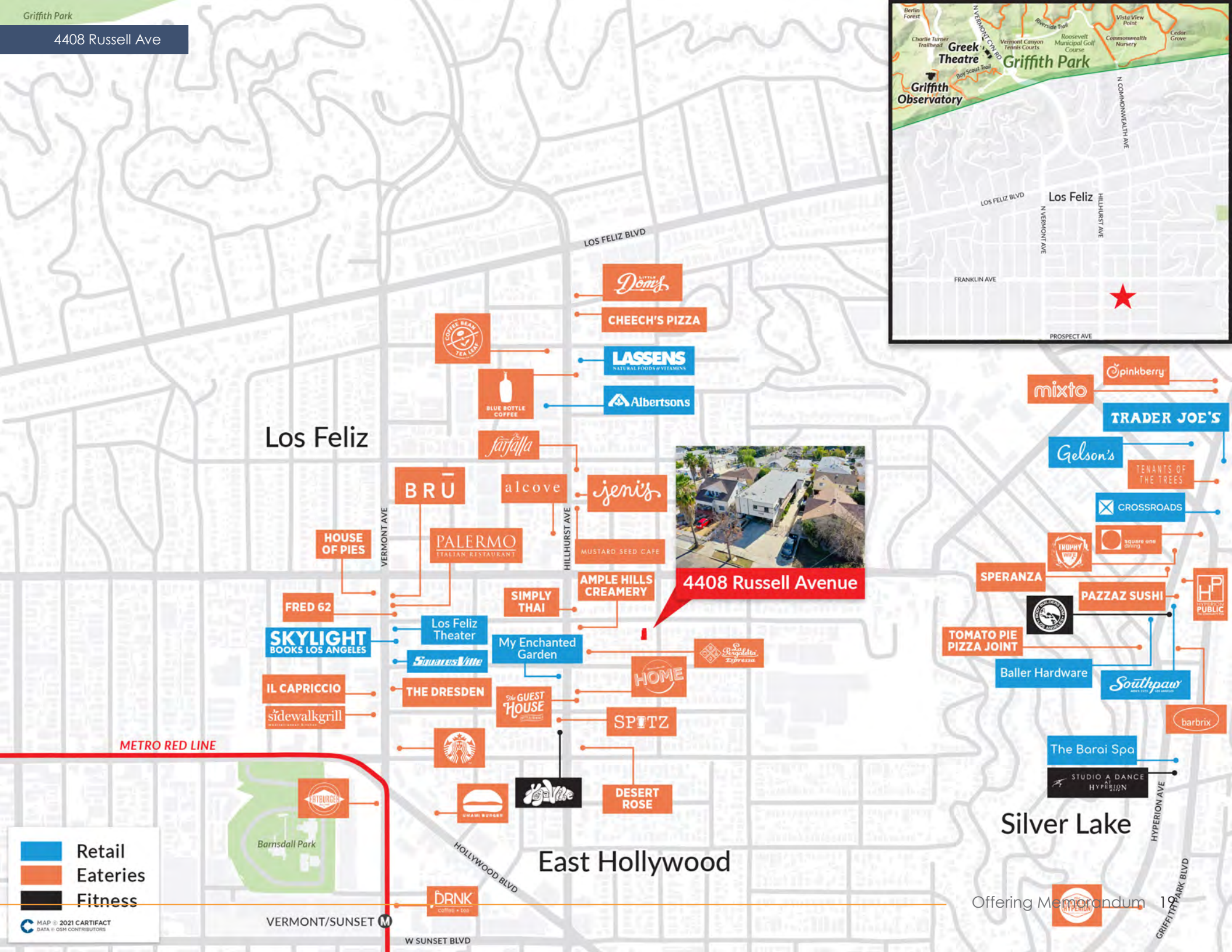
INTERIOR OF UNIT #7 - 2 BEDROOM + 1 BATHROOM



FLOOR PLAN | #7 - 2 BEDROOM + 1 BATHROOM



LOCATION



4408 Russell Avenue

- Retail
- Eateries
- Fitness

LOS FELIZ MARKET OVERVIEW



4408 Russell Avenue is located in the trendy, hip and upscale area of Los Feliz, a unique neighborhood tucked between Griffith Park and the Hollywood Hills, in an area with extremely low vacancy rates, high demand and rising real estate prices. The village in Los Feliz, with over 250 merchants, runs parallel to Hillhurst Avenue to the east and Vermont Avenue to the west.

The Russell Villa is only 3 minutes from the Los Feliz staple Cheech's Pizza, where you can grab piping hot pizza, and just 2 minutes from the family owned and extremely popular Tiki Ti's where you can indulge in a tropical drink from a master mixologist, and 1 minute from some of the best vegan cuisine in L.A. at Greenleaves, and only 6 minutes from Barnsdall Art Park which promotes, interprets, and presents the art of emerging, mid-career, and established artists from culturally diverse Southern California.

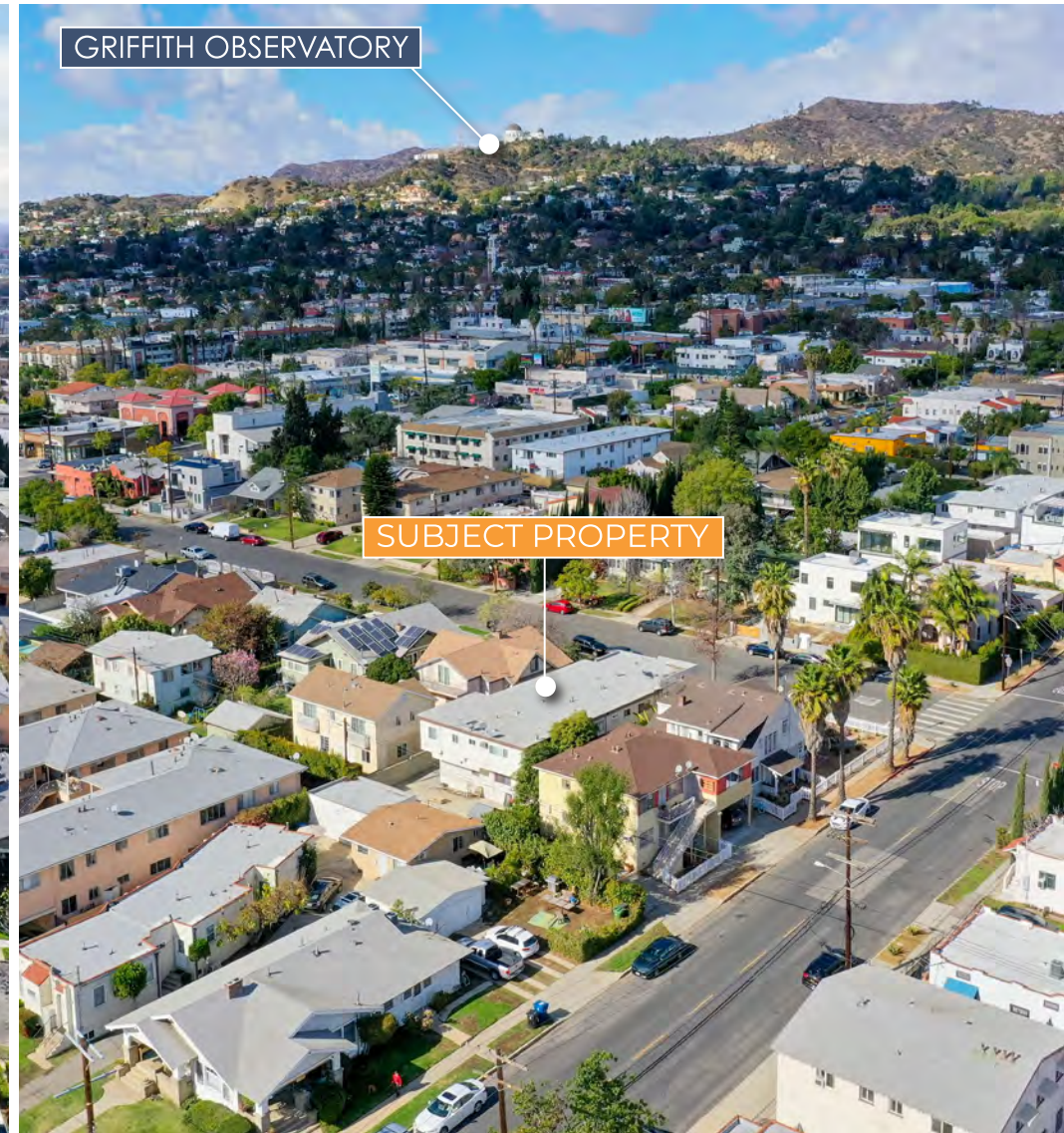




The Los Feliz neighborhood continues to be home to a young demographic that's trendy and cool and wants equally trendy and cool places to dine, shop and experience the community. Los Feliz Village allows these residents to enjoy a wide array of local restaurants, boutique shops, artsy coffee shops, theaters, gastropubs, and parks. Notable establishments include The Dresden Room, which was prominently featured in the movie *Swingers*; Fred 62, a retro 1960's California 24-hour diner, and Alcove Cafe & Bakery, a converted bungalow which has become one of the most reviewed and most popular brunch destinations in Los Angeles. Locals enjoy Barnsdall Art Park which plays host to Los Feliz farmer's market and local theater at Los Feliz Five Star Theaters known for its signature marquee signage.



4408 Russell Avenue is located in a fantastic location with an 85 walk score. Residents enjoy access to a wide variety of employment, entertainment, and cultural experiences that few other neighborhoods in Los Angeles can match. Los Feliz is a highly sought-after location for a young professional demographic. Many residents have created business startups and the area is ripe for continued success in enticing a younger renter demographic. Residents can walk to nearby restaurants and cafes, take the metro into the heart of Hollywood, or spend the afternoon in an adjacent neighborhood via short commute.



WALKABILITY



85 Very Walkable

Most errands can be accomplished on foot.



51 Good Transit

Many nearby public transportation options.



50 Bike Score



FINANCIALS

FINANCIALS

FINANCIAL INDICATORS	
Offering Price	\$2,499,999
Current CAP	4.0%
Market CAP	6.4%
Current GRM	16.6
Market GRM	11.9
Cost Per SF	\$519
Cost Per Unit	\$357,143
Cash on Cash Return	4.0%
Expenses Per Unit	\$6,824
Expenses Per Sq Ft	\$9.92

ESTIMATED ANNUALIZED EXPENSES	
New Property Taxes	\$30,003
Utilities	\$9,341
Property Insurance	\$1,926
Cleaning & Maintenance	\$3,800
Pest Control	\$600
Reserves & Replacements	\$2,100
Total Estimated Expenses	-\$47,770

SOURCE OF INCOME		CURRENT RENTS		MARKET RENTS	
# of Units	Unit Type	Avg. Rent	Total	Avg. Rent	Income
6	1 Bedroom + 1 Bathroom	\$1,587	\$9,519	\$2,450	\$14,700
1	2 Bedrooms + 1 Bathroom	\$2,000	\$2,000	\$2,750	\$2,750
Total Rental Income			\$12,545		\$17,450
* Laundry Income					\$120
Total Monthly Income			\$12,545		\$17,570
Total Annual Income			\$150,534		\$210,840

BUILDING DATA	
Units	7
Year Built	1972
Lot Sq Ft	6,768
Bldg Gross Sq Ft	4,816
Parking Spaces	8
Zoning	LAR2

EST. ANNUALIZED OPERATING DATA	CURRENT		MARKET	
Scheduled Gross Income		\$150,534		\$210,840
Less Vacancy	2.0%	(\$3,011)	2.0%	(\$4,217)
Gross Operating Income		\$147,524		\$206,623
Less Expenses	32%	(\$47,770)	23%	(\$47,770)
Net Operating Income		\$99,753		\$158,853

Underwriting Notations:

Pro Forma rents represent all units at adjusted market rents. Market rents are underwritten using comparable market rents and assume that the buyer will upgrade the units to market levels, with similar features, upgrades, and amenities as surrounding area properties.

- Vacancy loss is underwritten at 2%, which is common for a residential income asset located in this area.
- Real estate taxes are calculated based on the proposed pricing at an ad valorem rate of 1.200129%.
- Property Insurance: Underwritten at .40 per Sq. Ft.
- Utilities (Water, Sewer, Electrical, Trash) upon actual expenses from 2019-2020.
- Pest Control based upon a Pro Forma of \$50.00 per month.
- Laundry Income pro forma based on \$20.00 per unit per month.
- Reserves & Replacements: based upon pro forma of \$300.00 per unit per year







RENT ROLL

UNIT	STATUS	UNIT TYPE	MOVE IN DATE	NOTATIONS	CURRENT RENT	POST RENOVATION MARKET RENT
1	Occupied	1 Bedroom + 1 Bathroom	11/5/18	Renovated/Updated	\$2,000	\$2,450
2	Occupied	1 Bedroom + 1 Bathroom	11/1/18	Renovated/Updated	\$1,900	\$2,450
3	Occupied	1 Bedroom + 1 Bathroom	1/1/97		\$1,056	\$2,450
4	Occupied	1 Bedroom + 1 Bathroom	2/1/20	New Flooring	\$2,100	\$2,450
5	Occupied	1 Bedroom + 1 Bathroom	12/1/97		\$1,025	\$2,450
6	Occupied	1 Bedroom + 1 Bathroom	8/23/12		\$1,438	\$2,450
7	Occupied	2 Bedroom + 1 Bathroom	5/1/19	Renovated/Updated	\$2,000	\$2,750
					\$12,545	\$17,450







LEASE COMPS

LEASE COMPS

2 Bedroom

#	Virtual Showing	Photo	MLS #	AR	S	Address	City	BR	Baths(FTHQ)	SqFt	Lot Sz	YB	LP	SP	Lease Terms	Furnished	DOM	Map
1			20-630938	22	LD	4313 Russell Ave #1	Los Angeles	2	1.00 (1 0 0 0)	1000	6750	1987	\$2,695	\$2,695	1+Year	Unfurnished	90	/
2			20-597848	22	LD	4629 MELBOURNE AVE #1/2	LOS ANGELES	2	1.00 (1 0 0 0)	950	6764	1915	\$2,750 ↓	\$2,750	1+Year, Negotiable	Unfurnished	15	/
3			20-596624	20	LD	1535 N Kenmore Ave #1G	Los Angeles	2	1.00 (1 0 0 0)	775	13516	1988	\$2,775	\$2,775	1+Year	Unfurnished	3	/
4			20-657926	22	LD	1745 N Mariposa Ave #1	Los Angeles	2	1.00 (1 0 0 0)	1000	6895	1956	\$2,995 ↓	\$2,995	1+Year	Unfurnished	24	/
5			20-623044	22	LD	1410 Talmadge St	Los Angeles	2	1.00 (1 0 0 0)	864	6791	1922	\$3,000 ↓	\$3,000	1+Year	Unfurnished	107	/
6			20-589874	22	LD	4511 PROSPECT AVE #103	Los Angeles	2	1.00 (1 0 0 0)	850	6755	1965	\$3,500	\$3,500	1+Year	Unfurnished	17	/

1 Bedroom

#	Virtual Showing	Photo	MLS #	AR	S	Address	City	BR	Baths(FTHQ)	SqFt	Lot Sz	YB	LP	SP	Lease Terms	Furnished	DOM	Map
1			20-558878	22	LD	3161 ROWENA AVE #1	LOS ANGELES	1	1.00 (1 0 0 0)	660	7363	1946	\$2,250 ↓	\$2,250	1-Year	Unfurnished	17	/
2			20-586918	22	LD	1930 N VERMONT AVE #106	Los Angeles	1	1.00 (1 0 0 0)	630	18164	1964	\$2,450	\$2,450	1-Year	Unfurnished	0	/
3			20-589868	22	LD	4511 PROSPECT AVE #203	Los Angeles	1	1.00 (1 0 0 0)	700	6755	1965	\$2,450 ↓	\$2,450	1+Year	Unfurnished	11	/
4			20-636418	22	LD	3461 Waverly Dr #205	Los Angeles	1	1.00 (1 0 0 0)	750	13735	1970	\$2,495 ↓	\$2,600	1+Year	Unfurnished	70	/
5			20-636336	22	LD	1805 Rodney	LOS ANGELES	1	1.00 (1 0 0 0)	650	6751		\$2,650	\$2,650	1+Year	Unfurnished	6	/
6			20-578504	22	LD	4511 PROSPECT AVE #205	LOS ANGELES	1	1.00 (1 0 0 0)	750	6755	1965	\$2,750 ↓	\$2,750	1+Year	Unfurnished	102	/



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