

1129 Verdugo Rd

Glendale, CA 91206



Exclusively Listed by:
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CA DRE# 01898026



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Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by KW Commercial-Santa Monica in compliance with all applicable fair housing and equal opportunity laws.

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LOS ANGELES ECONOMY CONTINUES TO EXPAND ATTRACTING WEALTHY, WELL-EDUCATED, HIGH INCOME EARNERS

Cities that Los Angeles Has Gained the Most Workers From

Rate per 10,000 Members



LOS ANGELES CHALLENGES TO BECOME THE TECH HUB OF THE WORLD

- Los Angeles County Added 66,400 High-Paying Jobs in 2018 continuing it's steady growth and is effectively at full employment (R.E.I.S. 4th Quarter 2018 Highlights)
- Los Angeles has the largest Tech Workforce with 446,000 Jobs (R.E.I.S. 4th Quarter 2018 Highlights)
- Wealthy and Highly Educated Moving to Los Angeles (L.A. Times, Dec. 2018)
- Over 100,000+ New Residents Moved into L.A. County in 2018
- The Net Effect of the Population Growth displaces low-skilled workers in favor of Wealthy High Income Earners

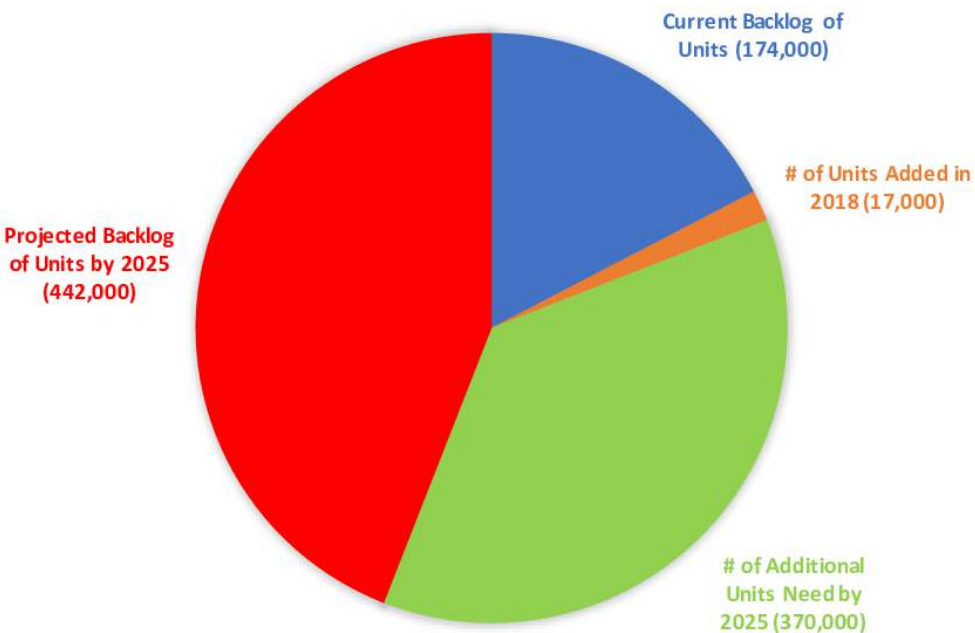


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LOS ANGELES HAS A GROWING BACKLOG OF HOUSING UNITS PROJECTED TO CONTINUE TO INCREASE

BACKLOG OF HOUSING UNITS CONTINUES TO INCREASE



LOS ANGELES HAS A HOUSING SHORTAGE

- 174,000 Housing Unit Backlog in Los Angeles Since 2006
- 370,000 Additional Units Projected to be Needed by 2025
- 17,000 Primarily High-End Units Built in 2018
- 442,000 Units Projected to be Backlogged by 2025
(174,000+370,000) - (17,000 x 6) = 442,000
- Solution: Add Value to Existing Multi-Family Buildings



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HOUSING DEMAND > HOUSING SUPPLY = HIGHER RENTS



HERE COME THE MILLENNIALS

- The young Millennial population now exceeds 80 million people, that's 25% of the Population
- Most of these young people have either been living with their parents or doubling up
- Now that the economy has begun adding jobs these young kids are rapidly moving out on their own
- With housing prices so high they are forced to rent apartments
- With only a 3% vacancy rate in Los Angeles there is literally no housing for them
- With this scarce supply and the constantly increasing excessive demand the Los Angeles rental market shows no signs of slowing down anytime soon



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MILLENNIAL GENERATION CHOOSING TO RENT



6 REASONS MILLENNIALS CHOOSE TO RENT:

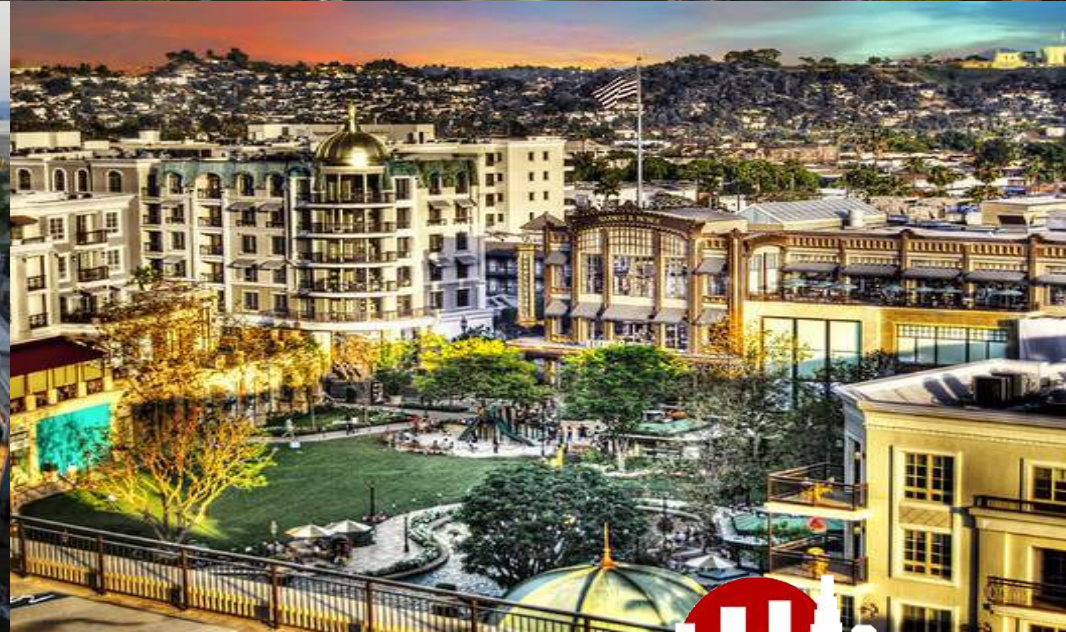
- It's Cheaper
- More Flexibility
- Less Responsibility
- It's the only way they can afford to live in nice neighborhoods
- They prefer less commitment
- They can't get a mortgage



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NEW DEVELOPMENTS CHANGE NEIGHBORHOODS



THE GROVE

- When The Grove was built in 2002, the neighborhood was more a through-way than a place to stop and shop. Now the \$100-million dollar project on 25 acres is one of the highest grossing shopping centers in the country
- It successfully offers a place where people can spend a whole day shopping, eating and connecting with friends both new and old
- The Grove has substantially increased rents and home values in the local community and grown to become an attraction for tourists around the world



THE AMERICANA AT BRAND

- The Americana at Brand, a \$400-Million Dollar development on 15.5 acres modeled after The Grove has also brought astounding success
- What was originally a blighted area in the center of Glendale is not only a Major Shopping Destination for people through-out Los Angeles, but a catalyst for the accelerating revitalization of the entire Glendale community
- Apartments in the area of the Americana at Brand achieve rents which are 30% above market and are 98% leased



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Subject Property





PROPERTY HIGHLIGHTS

- Beautiful well located Triplex in Glendale
- Non Rent Control (*subject to Ordinance #5922)
- Rents approximately 24% below market
- 21.5% Average Annual Return (w/ 7% Annual Rent Increase)
- 4.94% Market Cap
- 14.39 Market GRM
- Perfect Owner/Occupied Property Opportunity
- 2 Garages w/ Driveway Parking



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FINANCIAL ANALYSIS



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CURRENT FINANCIAL ANALYSIS

PRICING		THE ASSET	
Sale Price:	\$1,085,000	Number Of Units:	3
Price / Unit:	\$361,667	Year Built:	1977
Price / SF:	\$500	Building SF:	2,168 SF
GRM:	17.76	Lot Size:	6,867 SF
Cap Rate:	3.7%	APN:	5646-017-008
Market GRM:	14.39		
Market Cap:	4.94%		

FINANCING	
Down (25%)	\$271,250
Loan	\$813,750
Years	30
Interest Rate	4.3%
Payments	\$4,027/month

TYPE	# OF UNITS	% TOTAL	CURRENT RENT	MARKET RENT
1+1	1	33.3	\$1,391	\$1,895
2+1	2	66.7	\$1,850	\$2,195
Monthly Scheduled Gross Rents	3		\$5,091	\$6,285



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ANNUALIZED OPERATING DATA

	CURRENT	MARKET
Annual Scheduled Gross Rents	\$61,092	\$75,420
Vacancy Rate Reserve (3%)	(\$1,833)	(\$2,263)
Gross Operating Income	\$59,259	\$73,157
Expenses	(\$19,579)	(\$19,579)
Expense % of Scheduled Gross Income	(32%)	(26%)
Net Operating Income	\$39,680	\$53,578
Loan Payments	(\$48,324)	(\$48,324)
Principal Reduction	\$12,206	\$12,206
TOTAL RETURN	\$3,562	\$17,460
TOTAL RETURN %	1.3%	6.4%

EXPENSES

Property Taxes (pro forma)	\$12,478	\$12,478
Insurance \$.45/SF (pro forma)	\$976	\$976
Utilities (2018-Actual)	\$2,000	\$2,000
Gardener (Actual)	\$1,200	\$1,200
Miscellaneous/Reserves (pro forma)	\$600	\$600
Maintenance/Repairs (pro forma)	\$2,326	\$2,326
TOTAL EXPENSES	(\$19,579)	(\$19,579)



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7 YEAR CASH FLOW

Cash Flow Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Scheduled Gross Income	\$61,092	\$65,368	\$69,944	\$74,840	\$80,079	\$85,685	\$91,683	
Vacancy Rate Reserve	(\$1,833)	(\$1,961)	(\$2,098)	(\$2,245)	(\$2,402)	(\$2,571)	(\$2,750)	
Gross Operating Income	\$59,259	\$63,407	\$67,846	\$72,595	\$77,677	\$83,114	\$88,932	
Estimated Expenses	(\$19,579)	(\$20,166)	(\$20,771)	(\$21,395)	(\$22,036)	(\$22,698)	(\$23,378)	
Net Operating Income	\$39,680	\$43,241	\$47,074	\$51,201	\$55,640	\$60,417	\$65,554	
Loan 1st TD	<u>(\$48,324)</u>	<u>(\$48,324)</u>	<u>(\$48,324)</u>	<u>(\$48,324)</u>	<u>(\$48,324)</u>	<u>(\$48,324)</u>	<u>(\$48,324)</u>	
Pre-Tax Cash Flow	(\$8,644)	(\$5,083)	(\$1,250)	\$2,876	\$7,316	\$12,092	\$17,229	
Less Depreciation	(\$27,618)	(\$27,618)	(\$27,618)	(\$27,618)	(\$27,618)	(\$27,618)	(\$27,618)	
Plus Principal Reduction	\$12,206	\$13,206	\$14,206	\$15,206	\$16,206	\$17,206	\$18,206	
Taxable Income	-\$24,056	-\$19,495	-\$14,662	-\$9,536	-\$4,096	\$1,680	\$7,818	
Taxes Due (40%)	(\$9,622)	(\$7,798)	(\$5,865)	(\$3,814)	(\$1,638)	\$672	\$3,127	
After Tax Cash Flow	\$978	\$2,715	\$4,615	\$6,691	\$8,954	\$11,420	\$14,102	
Pre-Tax Cash on Cash Return	-3.2%	-1.9%	-0.5%	1.1%	2.7%	4.5%	6.4%	
After Tax Cash on Cash Return	0.4%	1.0%	1.7%	2.5%	3.3%	4.2%	5.2%	
Property Value	\$1,085,000	\$1,182,365	\$1,287,187	\$1,400,009	\$1,521,410	\$1,652,011	\$1,792,477	
Cash at Sale in Year 7	\$986,584							
Cash Flow Stream	(\$271,250)	\$978	\$2,715	\$4,615	\$6,691	\$8,954	\$11,420	\$1,000,687
Average Annual Return	21.5%							
Rent Increase Assumption	7.00%							
Disposition Cap Rate	3.66%							
Principal Reduction	\$106,444							

**The figures above are merely projections to be verified by Buyer. Seller and his/her representative do not warrant the accuracy of these figures. Buyer to conduct his/her own due diligence.



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RENT ROLL

UNIT	BED	BATH	CURRENT RENT	MARKET RENT
1	1	1	\$1,391	\$1,895
2	2	1	\$1,850	\$2,195
3	2	1	\$1,850	\$2,195
Totals/Averages			\$5,091	\$6,285



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Sold Comps



SOLD COMPS

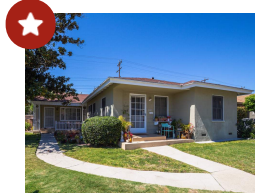


1 **809 N VERDUGO RD**
Glendale, CA
91206



Sale Price: \$1,150,000 Year Built: 1949
Building SF: 2,526 SF Price PSF: \$455.27
No. Units: 3 Price / Unit: \$383,333
Cap: 2.57% GRM: 22.29

UNIT TYPE	# UNITS	% OF
2+1	3	100
TOTAL/AVG	3	100%



SUBJECT PROPERTY
1129 Verdugo Rd
Glendale, CA 91206



Sale Price: \$1,085,000 Year Built: 1977
Building SF: 2,168 SF Price PSF: \$500.46
No. Units: 3 Price / Unit: \$361,667
Cap: 3.66% GRM: 14.51
NOI: \$39,680

UNIT TYPE	# UNITS	% OF	RENT
1+1	1	33.3	\$1,391
2+1	2	66.7	\$1,850
TOTAL/AVG	3	100%	



2 **707 N ISABEL ST**
Glendale, CA
91206



Sale Price: \$1,010,000 Year Built: 1949
Building SF: 2,132 SF Price PSF: \$473.73
No. Units: 3 Price / Unit: \$336,666
Cap: 3.61% Closed: 03/13/2019
GRM: 17.75

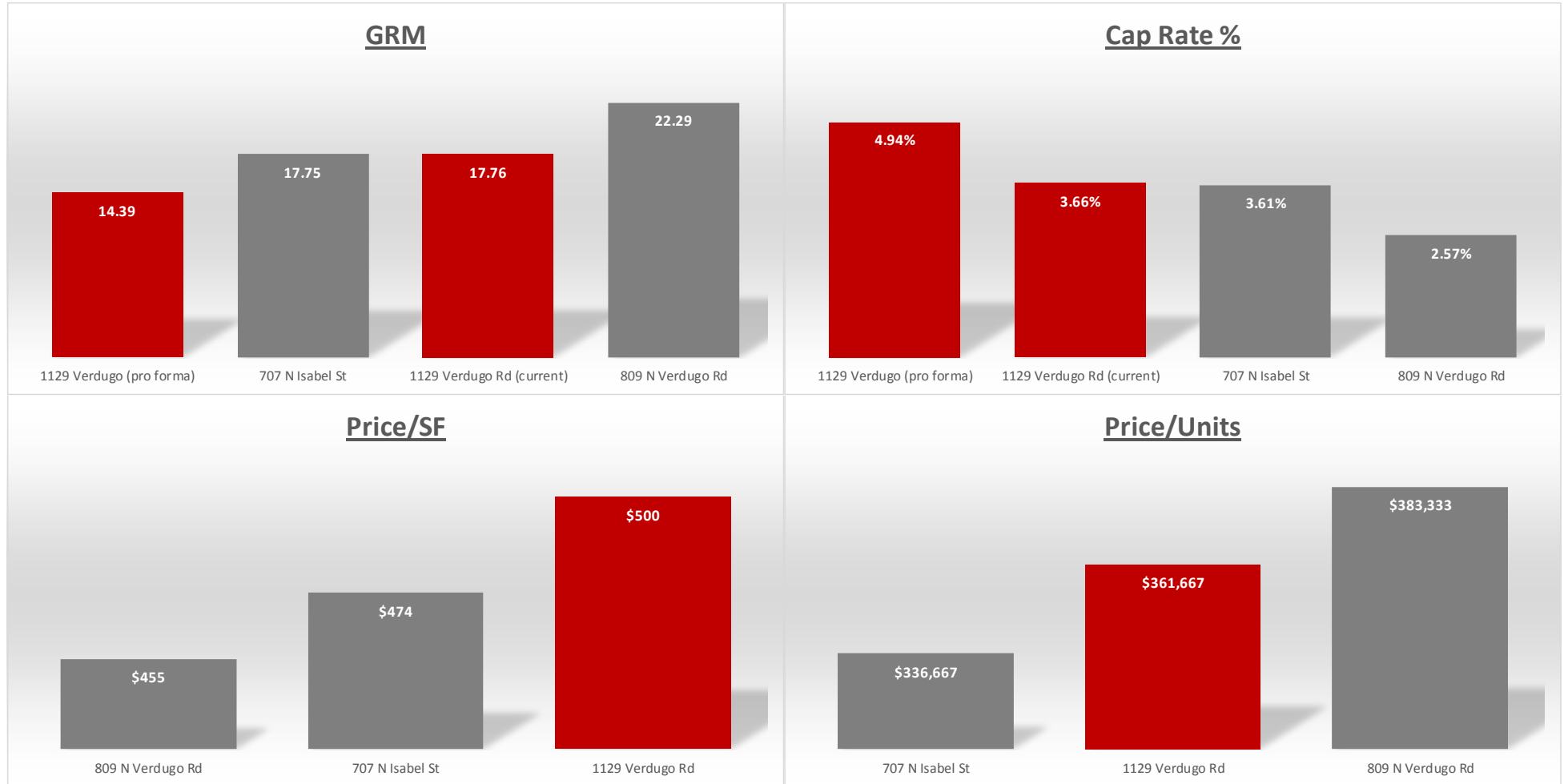
UNIT TYPE	# UNITS	% OF
1+1	2	66.7
2+1	1	33.3
TOTAL/AVG	3	100%



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SOLD COMPS GRAPHS



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1129 Verdugo Rd Glendale, CA 91206

SOLD COMPS SUMMARY

	SUBJECT PROPERTY	PRICE	BLDG SF	PRICE/SF	PRICE/UNIT	CAP	GRM	# OF UNITS	
	 1129 Verdugo Rd Glendale, CA 91206	\$1,085,000	2,168 SF	\$500.46	\$361,667	3.66%	14.51	3	
	SALE COMPS	PRICE	BLDG SF	PRICE/SF	PRICE/UNIT	CAP	GRM	# OF UNITS	CLOSE
	 809 N Verdugo Rd Glendale, CA 91206	\$1,150,000	2,526 SF	\$455.27	\$383,333	2.57%	22.29	3	-
	 707 N Isabel St Glendale, CA 91206	\$1,010,000	2,132 SF	\$473.73	\$336,666	3.61%	17.75	3	03/13/2019
	Totals/Averages	\$1,080,000	2,329 SF	\$463.72	\$360,000	3.09%	20.02	3	

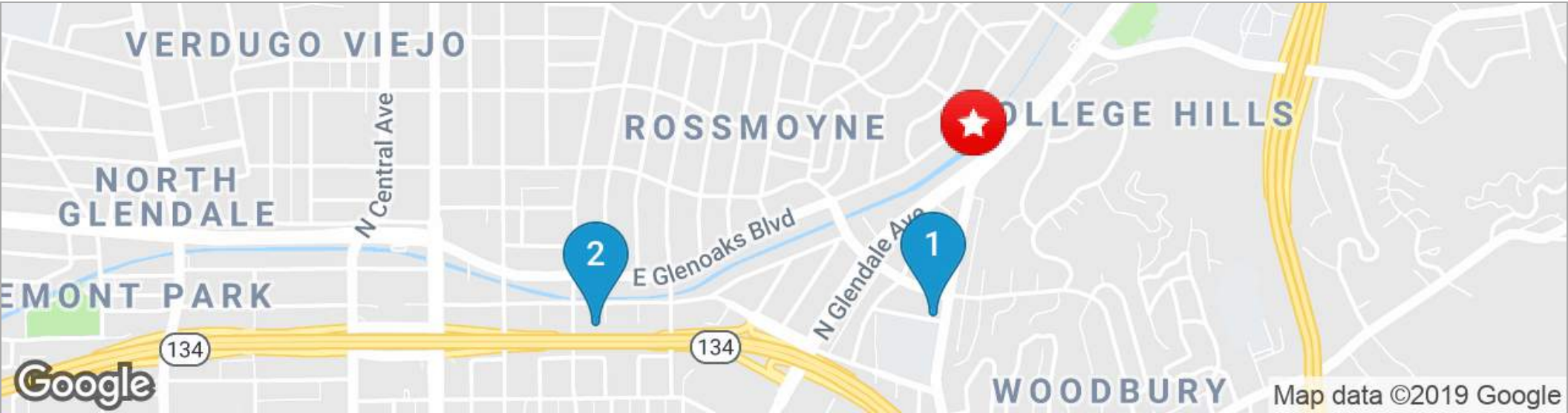


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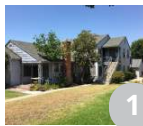
1129 Verdugo Rd Glendale, CA 91206

SOLD COMPS MAP



SUBJECT PROPERTY

1129 Verdugo Rd | Glendale, CA 91206



809 N VERDUGO RD

Glendale, CA
91206



707 N ISABEL ST

Glendale, CA
91206



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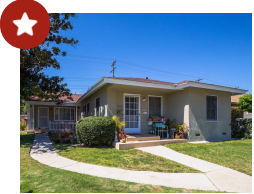
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Rent Comps



1129 Verdugo Rd Glendale, CA 91206

RENT COMPS



SUBJECT PROPERTY
1129 Verdugo Rd
Glendale, CA 91206



1 **1630 CALLE VAQUERO**
Glendale, CA
91206



2 **332 N ISABEL ST**
Glendale, CA
91206



UNIT TYPE	# UNITS	% OF	RENT
1+1	1	33.3	\$1,391
2+1	2	66.7	\$1,850

UNIT TYPE	RENT
1+1	\$1,950
2+1	\$2,500

UNIT TYPE	RENT
1+1	\$1,900



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RENT COMPS



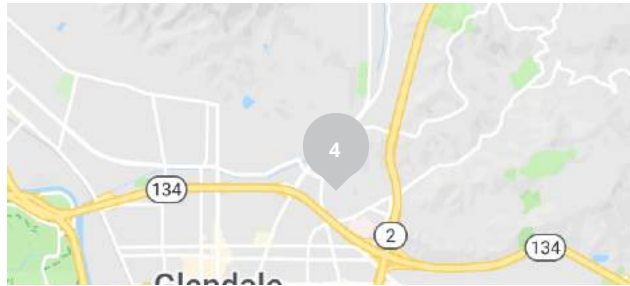
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325 N KENWOOD ST
Glendale, CA
91206



4

916 N VERDUGO RD
Glendale, CA
91206



5

337 N ISABEL ST
Glendale, CA
91206



UNIT TYPE	RENT	UNIT TYPE	RENT	UNIT TYPE	RENT
1+1	\$1,895	2+1	\$2,695	2+1	\$2,200



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1129 Verdugo Rd Glendale, CA 91206

RENT COMPS MAP



SUBJECT PROPERTY

1129 Verdugo Rd | Glendale, CA 91206



14400 FRIAR ST
Van Nuys, CA
91401

1



15215 VICTORY BLVD
Van Nuys, CA
91411

2



14417 TIARA ST
Van Nuys, CA
91401

3



6341 WOODMAN AVE
Van Nuys, CA
91401

4



14242 CALVERT ST
Van Nuys, CA
91401

5



6358 HAZELTINE AVE
Van Nuys, CA
91401

6



14412 KILLION ST
Van Nuys, CA
91401

7



13833 OXNARD ST
Van Nuys, CA
91401

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READY TO BUY OR SELL?

Contact Us to Learn More about
How We Can Help You!

Morgan's strength and expertise in multi-family real estate is a product of his years of experience in investments and production. Kelly spent ten years in the real estate investments and securities business raising millions of dollars for venture capital investments.

Prior to the securities business, Kelly spent 13 years producing television commercials and complex photo shoots for major advertising clients such as McDonalds, Hyundai, Proctor & Gamble, Kraft and Pizza Hut. The commercial advertising's complex production process and intricate client management forged skills that are incomparable in managing major real estate transactions."

