

3662 Keystone Ave

Los Angeles, CA 90034

Offering Memorandum
9 Unit Apartment Building

THE **JAMES** GROUP

www.JamesGroupRE.com

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THE JAMES GROUP

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THE JAMES GROUP



Section 1

Executive Summary

EXECUTIVE SUMMARY

3662 Keystone Ave is a 9 unit apartment building built in 1961 and is located in the highly desirable Palms submarket of Los Angeles, walking distance to Culver City, which is become a major tech hub drawing the attention of major tech companies.

The James Group is pleased to present a 9 unit offering in one of the best Palms locations at 3662 Keystone Ave, just a short walk to the new developments along Overland Blvd and short distance to downtown Culver City. The offering consists of (6) 1 Bed, 1 Bath, (1) 2 Bed, 2 Bath, (1) 2 Bed, 1.5 Bath, and (1) Studio, 1 Bath units that are spread out over 7,512 square feet, which offers spacious unit layouts. The property was built in 1961 and sits on a 7,500 square foot lot that is zoned LAR3. The investment offering provides an excellent value-add opportunity for future investors with rents approximately 30% below market, in one of the best rental pockets of LA's Westside. The building offers 10 parking spaces and on-site laundry for tenants. There is a brand new roof and the property features copper plumbing offering ease of maintenance for a future investor. With it's excellent unit mix and future upside potential, an investor is poised to take advantage of a generational real estate asset in a prime location that has experienced tremendous growth and development.

The Palms market has continued to prove to be one of the best rental pockets in all of Los Angeles. With continued rent growth and low vacancy rates, renters continue to seek out opportunities in the immediate area surrounding the subject property. With Culver City directly to the south, Venice directly west, and high end neighborhoods just to the north, Palms is strategically located and will continue to see massive growth. Area amenities include high end restaurants, bars and nightlife along with shopping and a robust office market making it a perennial economic hub in Southern California. With tech companies like Amazon, Youtube and TikTok, the location and rental upside make this an opportunity to own a generational asset in one of LA's best neighborhoods.



INVESTMENT SUMMARY

PRICING SUMMARY

Price	\$2,500,000
Price / Unit	\$277,778
Price / SF	\$332
Cap Rate	4.55%
Market Cap Rate	6.54%
GIM	12.96
Market GIM	9.92

PROPERTY SUMMARY

Address	3662 Keystone Ave
APN	4314-002-024
Year Built	1961
No. of Units	9
Square Feet	7,512
Lot Size	7,500
Parking	10 Spaces
Zoning	LAR3
Utilities	Separately Metered
Construction	Wood Frame Stucco

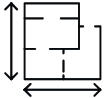


INVESTMENT HIGHLIGHTS



Premier Palms Location

The subject property is located **Adjacent to Downtown Culver City**, which has become a tech hub for Los Angeles with companies like Amazon occupying the majority of the office space.



Great Unit Mix

The unit mix is comprised of (6) 1 Bed, 1 Bath, (1) 2 Bed, 2 Bath, (1) 2 Bed, 1.5 Bath, and (1) Studio, 1 Bath unit that is spread out over 7,512 square feet, which offers spacious unit layouts.



Well Maintained Asset

Subject property features a **Brand New Roof, New Paint** and **Copper Plumbing** offering an investor a well maintained asset positioned for long term growth with limited large capital expenditures.



Upside Potential

A rent comparable analysis shows approximately **30% upside in rents**, in a rental pocket that offers easy access to new office spaces in Culver City and also ease of access to major business hubs on the Westside and Downtown Los Angeles



Walk Score of 89

Excellent **walk score of 89** making this a “Very Walkable” location. Tenants are able to take advantage of Downtown Culver City and it’s shops, dining and entertainment.



D Line Expansion

Walking distance to **Expo Line stop**, which allows residents access to major business hubs from Downtown to Santa Monica. This is a major draw for tenants and future renters making Palms a premier rental pocket and providing for low historical vacancy.





Section 2

The Property

PROPERTY OVERVIEW



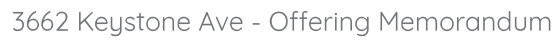
No. of Units	8 Units + 1 Bachelor
Year Built	1961
Rentable SF	7,512
Lot Area	7,500
APN	4314-009-024
Zoning	LAR3
Rent Control	LARSO
Roof Type	Flat
Parking	10
Unit Mix	(1) Bachelor/1 Bath, (6) 1 Bed/1 Bath, (1) 2 Bed / 2 Bath, (1) 2 Bed/1.5 Bath
Utilities	Separately Metered

PROPERTY DESCRIPTION

The subject property is a 9 Unit unit apartment building located at 3662 Keystone Ave in the Palms submarket of the Westside of Los Angeles. The property is adjacent to Culver City in a great rental pocket of the Westside. Built in 1961, the property consists of (1) Bachelor/1 Bath, (6) 1 Bed/1 Bath, (2) 2 Bed / 2 Bath, (1) 2 Bed/1.5 Bath. Sitting on a 7,500 sf lot zoned LAR3, the improvements consist of 7,512 square feet of leasable area. Utilities are separately metered. Parking for the subject

property is located in the front and the rear of the property totalling 10 spaces. The tuckunder spaces in the back of the property are accessible by the alley. The soft story retrofit has recently been completed. The property is located north of Venice Blvd, adjacent to Culver City. Venice is located directly to the west of the property with Cheviot Hills and Beverlywood situated to the north of the subject property.

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PROPERTY PHOTOS



PROPERTY PHOTOS

CULVER CITY

3662
Keystone

VENICE

SANTA MONICA

3662
Keystone



Section 3

The Financials

RENT ROLL

Unit No.	Unit Type	Unit SF	Monthly Rent	Rent/SF	Pro Forma Monthly	PF Rent/SF	Comments
1	1 Bed, 1 Bath	850	\$1,487.00	\$1.75	\$2,350	\$2.76	
2	1 Bed, 1 Bath	850	\$1,718.00	\$2.02	\$2,350	\$2.76	
3	1 Bed, 1 Bath	850	\$1,718.00	\$2.02	\$2,350	\$2.76	
4	1 Bed, 1 Bath	850	\$1,308.00	\$1.54	\$2,350	\$2.76	
5	2 Bed, 1.5 Bath	950	\$2,249.00	\$2.37	\$2,700	\$2.84	
6	1 Bed, 1 Bath	850	\$1,872.00	\$2.20	\$2,350	\$2.76	
7	1 Bed, 1 Bath	850	\$2,350.00	\$2.76	\$2,350	\$2.76	Vacant
8	2 Bed, 2 Bath	1,000	\$2,704.00	\$2.70	\$2,800	\$2.80	
9	Studio, 1 Bath	450	\$665.00	\$1.48	\$1,400	\$3.11	
TOTAL		7,500	\$16,071		\$21,000		

FINANCIAL SUMMARY

Price \$2,500,000

Down (46%) \$1,125,000

Price/Unit \$277,778

Price/SF \$332.80

Cap Rate 4.81%

Proforma Cap Rate 6.82%

GRM 12.96

Proforma GRM 9.92

Address 3662 Keystone Ave

City Los Angeles

State CA

Zip 90034

No. of Units 9

Net Rentable Sq. Ft. 7,512

Lot Size 7,500

Zoning LAR3

APN 4314-009-024

Year Built 1961

Loan Amount \$1,375,000

Interest Rate 5.85%

Monthly Payment (\$8,111.69)

Loan-to-Value 55%

DCR 1.23

Term 5 Year Fixed

INCOME

		Current		Proforma
Base Rental Income		\$192,852		\$252,000
Laundry Income (estimated)		\$2,400		\$2,400
Gross Potential Income		\$195,252		\$254,400
Less Vacancy	3%	\$5,858	5%	\$12,720
Effective Gross Income		\$189,394		\$241,680
Operating Expenses	37%	\$69,212	30%	\$71,303
Net Operating Income		\$120,183		\$170,377
Debt Service		-\$97,340		-\$97,340
Pre-Tax Cash Flow	2.03%	\$22,842	6.49%	\$73,036
Principal Reduction		-\$17,363		-\$17,363
Total Return Before Taxes	3.57%	\$40,206	8.04%	\$90,400

EXPENSES

Taxes (1.199691%)	\$29,992	\$29,992
Insurance (Estimated \$1/sf)	\$7,512	\$7,512
Utilities (Actual)	\$9,819	\$9,819
Repairs & Maintenance (\$500/Unit)	\$4,500	\$4,500
Management Fee (4% of EGI)	\$7,576	\$9,667
Gardener (\$100/month)	\$1,200	\$1,200
Reserves (\$200/Unit)	\$1,800	\$1,800
Direct Assessments (Actual)	\$1,317	\$1,317
Trash	\$5,496	\$5,496
Operating Expenses	\$69,212	\$71,303
Total Expenses per Unit	\$7,690	\$7,923
Total Expenses per SF	\$9.21	\$9.49

RENT SUMMARY

Unit Mix	No. of Units	Average Rent	Monthly	Average Rent	Monthly
Studio, 1 Bath	1	\$665	\$665	\$1,400	\$1,400
1 Bed, 1 Bath	6	\$1,742	\$10,453	\$2,350	\$14,100
2 Bed, 2 Bath	1	\$2,704	\$2,704	\$2,800	\$2,800
2 Bed, 1.5 Bath	1	\$2,249	\$2,249	\$2,700	\$2,700



UNDERWRITING NOTES

INCOME

Income	Building is 88% occupied. Laundry income is estimated.
Vacancy	Vacancy Rate is 3% of Gross Rental Income.
Proforma	Market Rents based on Rent Analysis of Submarket Area.
Unit SF	Unit Square Footages are Estimated

EXPENSES

Property Tax Rate	Actual per Los Angeles Tax Assessor 1.199691%
Insurance	Estimated @ \$1.00/sf
Utilities	Actuals based on 2024
Repairs & Maintenance	Estimated annually \$500 per unit
Management Fee	4% of Effective Gross Income.
Direct Assessments	Actual per Los Angeles Tax Assessor
Gardener	\$100/month
Reserves	\$200 per unit
Trash	Estimated



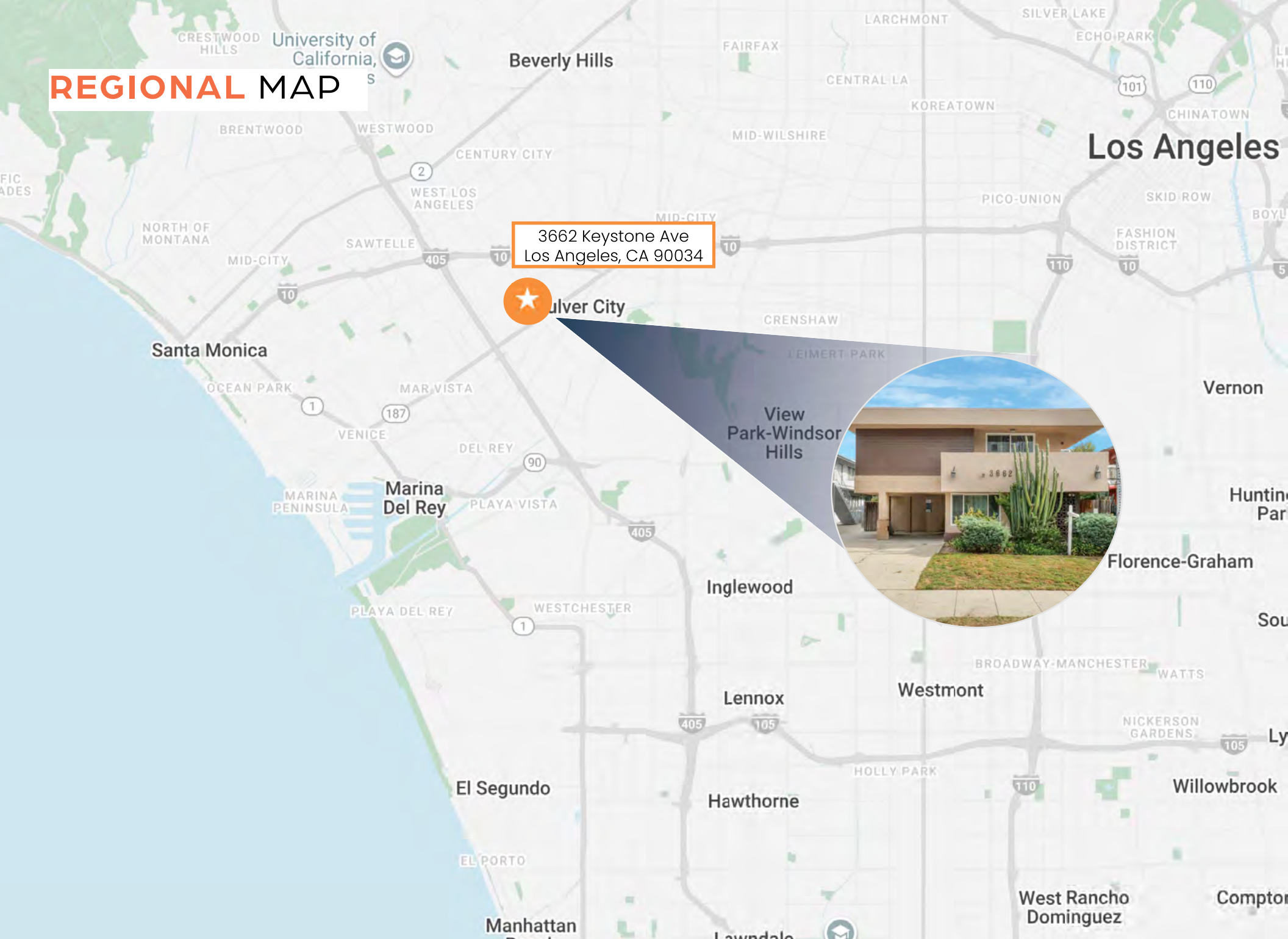
Section 4

The Location

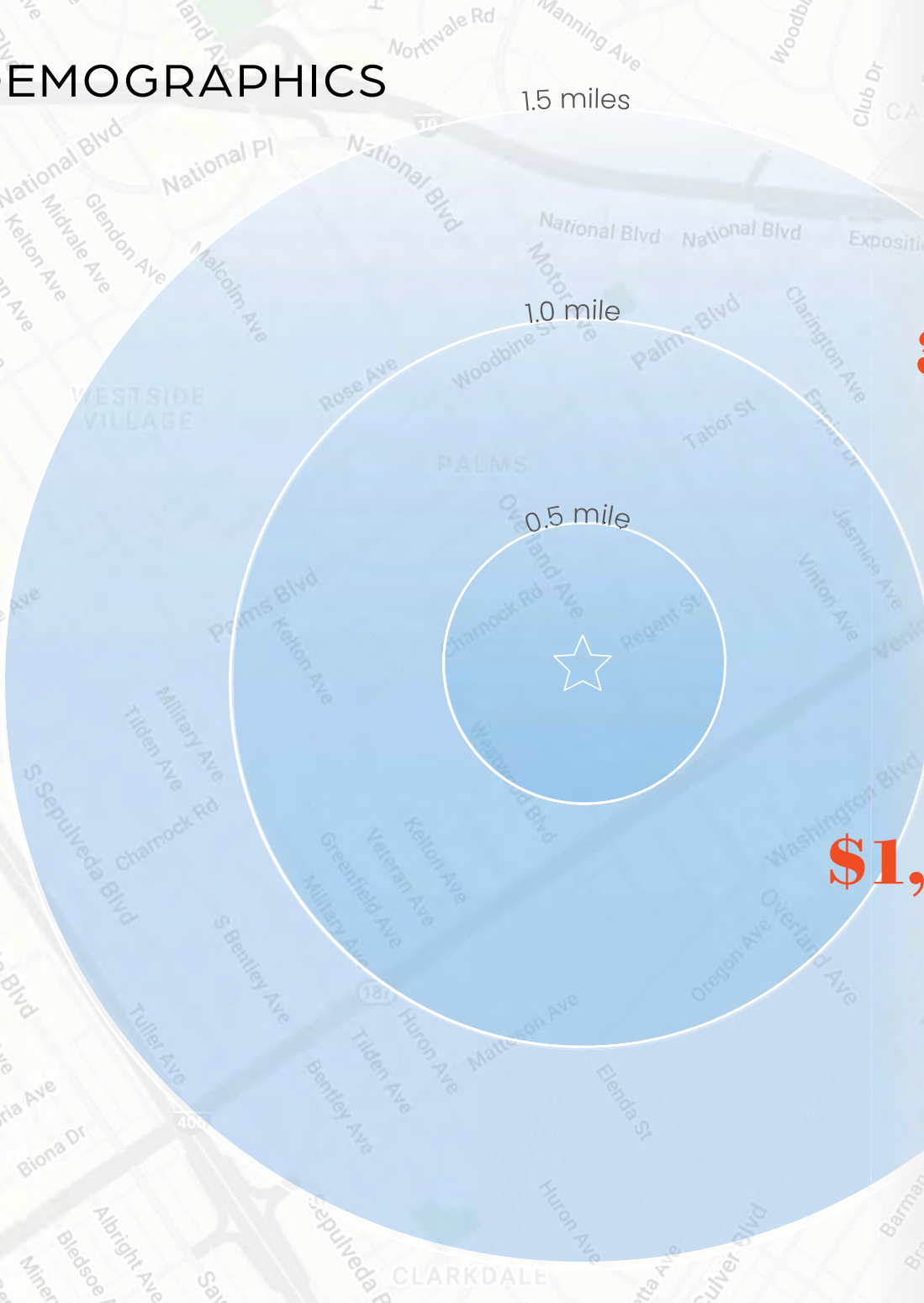
NEIGHBORHOOD MAP



REGIONAL MAP



PALMS DEMOGRAPHICS



Demographics

90%

Household Renters
90% of the households in Palms are renting their homes.

35 years

Median Age
The median age of people living in Palms is 35 years old.

\$99,696

Household Income
The average household income in Palms is \$99,696 a year.

55,406

Population
There are 55,406 people living in the Palms submarket

\$1,195,412

Average Home Value
Average home value in the immediate area is \$1,195,412

Transportation



96
Walker's Paradise



77
Very Bikeable

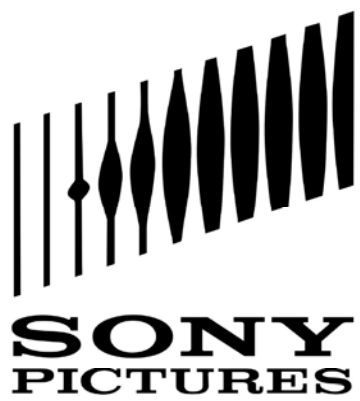


60
Good Transit

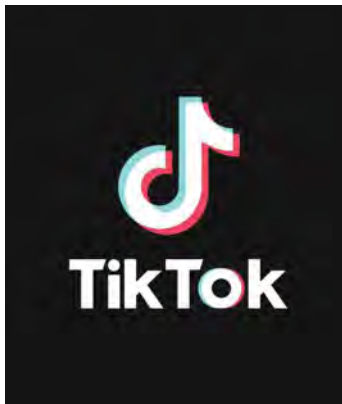
LOCATION OVERVIEW

PALMS

The community of Palms is located in the city of Los Angeles and is bordered by Culver City to the southeast, Cheviot Hills and Beverlywood to the north, Mid-City to the East, and Mar Vista to the west, with immediate access to the San Diego (I-405) Freeway and Santa Monica (I-10) Freeway, and only approximately five miles from the UCLA campus. Technically the oldest neighborhood in Los Angeles, Palms, originally called 'The' Palms has become a target location for young professionals, families, and renters looking to capitalize on one of the most amenitized neighborhoods in all of Los Angeles. With high profile tech companies like Amazon and TikTok, and the recent developments of the Platform and The Culver Steps, Palms has become a go-to destination for renters looking to work close to premium housing options.



EQUINOX



Shops and Markets

- The Platform
- The Culver Steps
- Ross
- The Monocle Shop
- Reformation
- Trader Joes
- Simpang Asia
- Stanley's Wet Goods
- Sprouts

Dining

- Kogi Taqueria
- Overland Café
- The Garage on Motor
- Bigfoot Lodge West
- In N Out
- Margot
- Etta
- Bianca
- Rush St
- Cafe Vida
- n/naka

Major Employers

- Sony Studios
- Tik Tok
- Amazon Studios
- Southern California Hospital

Schools

- Charnock Road Elementary
- Palms Middle School
- Palms Elementary School
- Clover Avenue Elementary

RECENT DEVELOPMENTS

THE PLATFORM

A collection of independent retail, restaurants and creative businesses in the heart of LA. The Platform is a community shopping center in Culver City consisting of about 50,000 square feet of retail and restaurant space and 80,000 square feet of creative and office space, in a group of three story buildings along Washington Blvd near Landmarket Avenue. Fast Company has called Platform a “template for a new kind of shopping experience”. The center won the annual LA Architectural Awards in 2017.



RECENT DEVELOPMENTS

THE CULVER STEPS

Situated between The Culver Studios, home to Amazon Studios, and The Culver Hotel, the Culver Steps offers tenants a primetime location in the heart of Screenland, LA's dynamic hub of creative talent. Tenants include Erewhon, Mendocino Farms, Corepower Yoga, Philz Coffee, Pop's Bagels, Salt & Straw, Sephora. It is also a great location for outdoor movies, concerts and other special events.



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