

OPPORTUNITY ZONE INVESTMENT



OFF MARKET NEW CONSTRUCTION EIGHT UNIT

5246 CLEON AVE, NORTH HOLLYWOOD, CA 91601

\$3,888,000

5.1 % CAP RATE | 14.1 GRM

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CLEON 8

NOHO ARTS DISTRICT NEW CONSTRUCTION EIGHT UNIT

WE ARE PLEASED TO ANNOUNCE A NEW CONSTRUCTION EIGHT-UNIT COMPLEX, COFO ISSUED, GREEN CERTIFIED, LOCATED IN THE HIGHLY COVETED NORTH HOLLYWOOD ARTS DISTRICT.

THIS NON-RENT-CONTROLLED LUXURY COMPLEX IS COMPRISED OF FOUR DUPLEXES, TOTALING EIGHT TOWNHOUSE STYLE UNITS, EACH WITH PRIVATE LAUNDRY ROOMS AND TWO PARKING SPACES. EACH UNIT IS EQUIPPED WITH SEPARATE METERS FOR WATER, GAS AND ELECTRICITY AS WELL AS AN OWNER'S COMMON AREA ELECTRIC METER FOR EXTERIOR LIGHTING AND COMMON AREA WATER METER FOR SERVICING AND LANDSCAPE IRRIGATION. THE PROPERTY WILL BE COMPLETED WITH DROUGHT TOLERANT LANDSCAPING, AS WELL AS ENERGY EFFICIENT BUILDING MATERIALS, APPLIANCES AND FIXTURES PRESENTING THE BUYER WITH A LOW MAINTENANCE, ENVIRONMENTALLY FRIENDLY PROPERTY.

CLEON AVE, AND THE SURROUNDING PEACEFUL TREELINED STREETS, OFFER THE WELCOMING RESIDENTIAL ATMOSPHERE OF HOME WHILE BEING JUST STEPS AWAY FROM ABUNDANT AMENITIES. TENANTS ARE SURE TO BE DRAWN TO THE SAFE AND QUANT FEEL OF ENTERING A GATED COMMUNITY OF RESIDENCES, PARKING IN THEIR OWN GARAGE AND WALKING INTO THEIR PRIVATE TOWNHOME. THE LAYOUTS OF THE UNITS ARE SPACIOUS AND BRIGHT, ONLY SHARING ONE WALL WITH A SINGLE NEIGHBOR.

WHERE THIS PROPERTY STANDS OUT AGAINST MUCH OF THE OTHER NEW CONSTRUCTION IN THE AREA IS THE STABLE AND SUSTAINABLE INCOME OF TWO-BEDROOM UNITS. WHEREAS MOST NEW CONSTRUCTION PROPERTIES ON THE MARKET PROMOTE LOFTY CAP RATES DUE TO MULTIPLE ROOMMATES RENTING BY THE ROOM, SHARING UP TO FIVE BEDROOMS IN A UNIT WITH ONLY TWO PARKING SPACES, CLEON 8 TAKES THE HISTORICALLY PROVEN MODEL OF ALL TWO-BEDROOM UNITS EACH WITH TWO PARKING SPACES. THIS MEANS ONE PARKING SPACE FOR EVERY BEDROOM IN THE DEVELOPMENT, FAR LESS CONGESTION, AND SIMPLE RENT COLLECTIONS. AS SUCH CLEON 8 WILL SEE MUCH LOWER TURNOVER, LOWER MAINTENANCE, AND HIGHER VALUE THAN A RENT-BY-ROOM APPROACH USED ON HIGH BEDROOM COUNT UNITS.

NOHO HAS SEEN AN INCREDIBLE SURGE OF DEVELOPMENT OVER THE LAST FEW YEARS, WITH THE TARGET BEING THE ARTS DISTRICT DUE TO THE SOUGHT-AFTER LIFESTYLE INCLUDING SHOPPING, DINING AND ENTERTAINMENT ALL WITHIN WALKING DISTANCE AS WELL AS A VIBRANT COMMUNITY OF ARTS AND ENTERTAINMENT PROFESSIONALS.



| | |
|---------------------------------------|-------------------|
| APN: | 2416-006-027 |
| # of Units: | 8 |
| Year Built: | 2020 |
| Gross Living Area (GLA): | 5,578 |
| Gross Building Area (GBA): | 7,688 |
| Lot Size (SF): | 7,757 |
| Zoning: | R3 -1VL |
| List Price: | \$3,888,000 |
| Annual Gross Rental Income: | \$274,800 |
| Net Operating Income: | \$198,423 |
| GRM: | 14.1 |
| Cap Rate: | 5.1% |
| Price per SF (GBA): | \$506 |
| Price per Unit: | \$486,000 |
| Garage: | 14 |
| Uncovered Parking: | 2 |
| Laundry: | Private Each Unit |
| Tenant Meters (water/gas/electric): | 8 |
| Owner/Common Meters (water/electric): | 1 |
| Floors: | 3 |

SUMMARIZED PRICING METRICS

| | |
|---------------------|-------------|
| PRICE: | \$3,888,000 |
| DOWN (40%): | \$1,555,200 |
| PRO FORMA GRM: | 14.1 |
| PRO FORMA CAP RATE: | 5.1% |
| \$/UNIT: | \$486,000 |
| \$/SF (GBA): | \$506 |
| \$/SF (GLA): | \$697 |

BUILDING DESCRIPTION

| | |
|---------------------|--------------|
| APN | 2416-006-027 |
| NO. OF UNITS | 8 |
| LOT SIZE (SQ FT) | 7,757 |
| GROSS BUILDING AREA | 7,688 |
| GROSS LIVING AREA | 5,578 |
| ZONING | R3 - 1VL |
| COMPLETION | NOV 2020 |

PROPOSED FINANCING

| | |
|----------------------|-------------|
| LOAN AMOUNT | \$2,332,800 |
| INTEREST RATE | 3.75% |
| MONTHLY PAYMENT | \$10,804 |
| LTV | 60% |
| AMORTIZATION (YEARS) | 30 |
| DSCR | 1.53 |

ANNUALIZED OPERATING DATA**PRO FORMA**

| | | |
|--------------------------------------|-------|---------------|
| GROSS POTENTIAL RENTAL INCOME | | \$274,800 |
| GAIN (LOSS)-TO-LEASE | | \$0 |
| GROSS SCHEDULED RENTAL INCOME | | \$274,800 |
| LESS: VACANCY | 3.0% | -\$8,244 |
| EFFECTIVE GROSS INCOME | | \$266,556 |
| LESS: EXPENSES | | -\$68,132.51 |
| MISCELLANEOUS INCOME | | \$0.00 |
| NET OPERATING INCOME | | \$198,423.49 |
| DEBT SERVICE | | -\$129,642.73 |
| PRE-TAX CASH FLOW | 4.4% | \$68,780.77 |
| PRINCIPAL REDUCTION | | \$42,162.73 |
| TOTAL RETURN | 7.13% | \$110,943.49 |

ANNUALIZED EXPENSES**PRO FORMA****FIXED EXPENSES**

| | | |
|---|-----------|----------|
| REAL ESTATE TAXES | 1.174% | \$45,656 |
| INSURANCE | .35/SQ FT | \$1,952 |
| UTILITIES (WATER AND ELECTRIC) | | \$1,684 |
| WASTE (OPTIONAL AS UNITS ARE RESIDENTIAL) | | \$2,978 |

CONTROLLABLE EXPENSES

| | | |
|-----------------------|------------|----------|
| MANAGEMENT SERVICES | 4% | \$10,662 |
| REPAIRS & MAINTENANCE | \$400/UNIT | \$3,200 |
| UNIT TURNOVER | \$250/UNIT | \$2,000 |

TOTAL EXPENSES

| | | |
|----------------|--|----------|
| EXPENSES/UNIT | | \$17,033 |
| EXPENSES/SQ FT | | \$12.21 |
| % OF EGI | | 25.6% |

RENT ROLL

| UNIT # | STATUS | UNIT TYPE | UNIT SIZE | PRICE / SQ FT | PRO FORMA | | LAUNDRY |
|--------------------|---------------|--------------------|-------------|---------------|-----------------|---|---------------------|
| | | | | | RENTS | PARKING | |
| 5242 CLEON AVE | VACANT | 2 BED / 1 BATH | 687 | \$4.15 | \$2,850 | 2 GARAGE | PRIVATE ROOM |
| 5242 1/2 CLEON AVE | VACANT | 2 BED / 1 BATH | 716 | \$4.02 | \$2,875 | 2 GARAGE | PRIVATE ROOM |
| 5248 CLEON AVE | VACANT | 2 BED / 1 BATH | 687 | \$4.15 | \$2,850 | 2 GARAGE | PRIVATE ROOM |
| 5248 1/2 CLEON AVE | VACANT | 2 BED / 1 BATH | 716 | \$4.02 | \$2,875 | 2 GARAGE | PRIVATE ROOM |
| 5244 CLEON AVE | VACANT | 2 BED / 1 BATH | 686 | \$4.15 | \$2,850 | 2 GARAGE | PRIVATE ROOM |
| 5244 1/2 CLEON AVE | VACANT | 2 BED / 1 BATH | 700 | \$4.11 | \$2,875 | 1 GARAGE / 1 UNCOVERED | PRIVATE ROOM |
| 5246 CLEON AVE | VACANT | 2 BED / 1 BATH | 686 | \$4.15 | \$2,850 | 2 GARAGE | PRIVATE ROOM |
| 5246 1/2 CLEON AVE | VACANT | 2 BED / 1 BATH | 700 | \$4.11 | \$2,875 | 1 GARAGE / 1 UNCOVERED | PRIVATE ROOM |
| 8 | VACANT | 16 BD/ 8 BT | 5578 | \$4.11 | \$22,900 | 14 GARAGE / 2 UNCOVERED PARKINGS | PRIVATE ROOM |



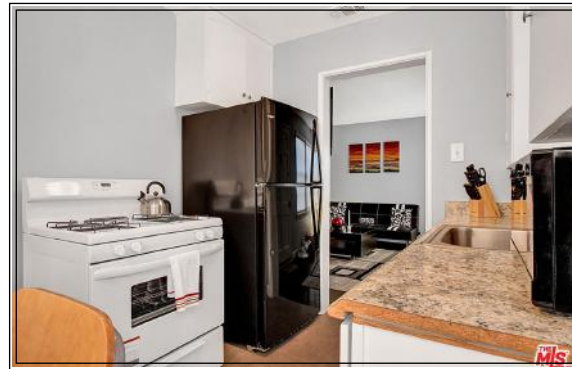
PUBLICLY LISTED RENTAL COMPS

| ADDRESS | STATUS | UNIT TYPE | YR. BUILT | UNIT SIZE | RENT | \$/SF | LEASE DATE |
|----------------------------------|--------|------------------|-------------|------------|----------------|---------------|------------|
| 11058 CHANDLER BLVD #1040, 91601 | LEASED | 1 BED / 1 BATH | 2018 | 953 | \$2,961 | 3.11 | 4/7/20 |
| 11230 LA MAIDA ST, 91601 | LEASED | 2 BED / 1 BATH | 1938 | 750 | \$2,950 | 3.93 | 2/18/20 |
| 5110 TUJUNGA AVE #2, 91601 | LEASED | 2 BED / 2 BATH | 1987 | 1,006 | \$2,900 | 2.88 | 5/21/20 |
| 11127 LA MAIDA ST #20, 91601 | LEASED | 2 BED / 1.5 BATH | 1984 | 932 | \$2,700 | 2.90 | 9/8/20 |
| 11058 CHANDLER BLVD #5045, 91601 | ACTIVE | 1 BED / 1 BATH | 2018 | 737 | \$3,038 | 4.12 | ACTIVE |
| 11058 CHANDLER BLVD #5017, 91601 | ACTIVE | 2 BED / 2 BATH | 2018 | 1,082 | \$3,656 | 3.38 | ACTIVE |
| 11525 CHANDLER BLVD #319, 91601 | ACTIVE | STUDIO / 1 BATH | 2019 | 720 | \$3,495 | 4.85 | ACTIVE |
| COMPARABLE AVERAGE: | | | 1997 | 883 | \$3,100 | \$3.60 | |
| SUBJECT PROPERTY: | | | 2020 | 697 | \$2,863 | \$4.11 | |

11058 CHANDLER BLVD #1040, 91601



11230 LA MAIDA ST, 91601



5110 TUJUNGA AVE #2, 91601



11127 LA MAIDA ST #20, 91601



11058 CHANDLER BLVD #5045, 91601



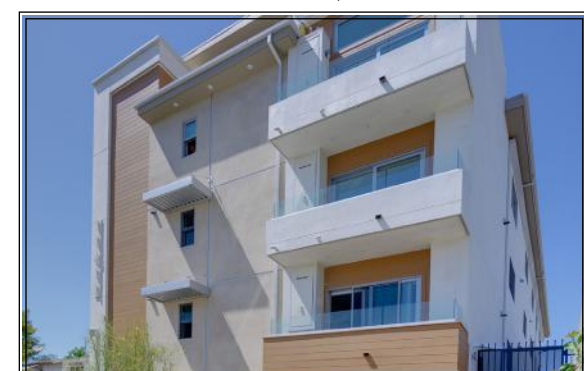
11525 CHANDLER BLVD #319, 91601



PUBLICLY LISTED SALE COMPS

| ADDRESS | STATUS | UNIT COUNT | BED/ BATH COUNT | YR. BUILT | GROSS SF | PRICE | GRM | \$/SF | SALE DATE | CAP RATE |
|---------------------------|--------------------|------------|-----------------------|-------------------------------------|--------------|--------------------|--------------------|--------------|------------------------|--------------------|
| 11611 MOORPARK ST, 91602 | ACTIVE | 6 | 18 BED / 12 BATH | 2019 | 8,880 | \$5,300,000 | 19.16 | \$597 | ACTIVE | 3.34% |
| 6842 WOODMAN AVE, 91405 | SOLD | 15 | 28 BED / 24 BATH | 2017 | 15,720 | \$5,650,000 | 15.22 | \$359 | 8/14/19 | 4.66% |
| 6002 KLUMP AVE, 91601 | SOLD | 6 | 18 BED / 12 BATH | 2019 | 8,200 | \$3,300,000 | NA | \$402 | 3/31/20 | NA |
| 11565 ERWIN ST, 91601 | SOLD | 8 | 8 BED / 8 BATH | 1958 | 10,386 | \$3,500,000 | NA | \$337 | 8/18/20 | 4.30% |
| 20015 GRISMER AVE, 91504 | SOLD | 14 | 28 BED / 14 BATH | 1987 | 11,334 | \$6,000,000 | 18.27 | \$529 | 3/29/20 | 3.88% |
| 10833 CAMARILLO ST, 91602 | SOLD | 8 | 16 BED / 8 BATH | 2003 | 6,396 | \$3,250,000 | 15.07 | \$508 | 10/25/19 | 4.50% |
| COMP AVERAGE: | | | | 2001 | 10,153 | \$4,500,000 | 16.93 | \$456 | | 4.14% |
| SUBJECT PROPERTY: | VACANT | 8 | 2 BED / 1 BATH | 2020 | 7,688 | \$3,888,000 | 14.15 | \$506 | | 5.10% |
| COMP \$/SQ FT | \$455.53 | | | COMP GRM | | | 16.93 | | COMP CAP RATE | 4.14% |
| SUBJECT SQ FT | 7,688 | | | SUBJECT GROSS POTENTIAL RENT | | | \$274,800 | | SUBJECT NOI | \$198,423 |
| SUGGESTED VALUE | \$3,502,145 | | | SUGGESTED VALUE | | | \$4,652,207 | | SUGGESTED VALUE | \$4,797,037 |
| BLENDED VALUATION | | | | | | | \$4,317,130 | | | |

11611 MOORPARK ST, 91602



6842 WOODMAN AVE, 91405



6002 KLUMP AVE, 91601



11565 ERWIN ST, 91601



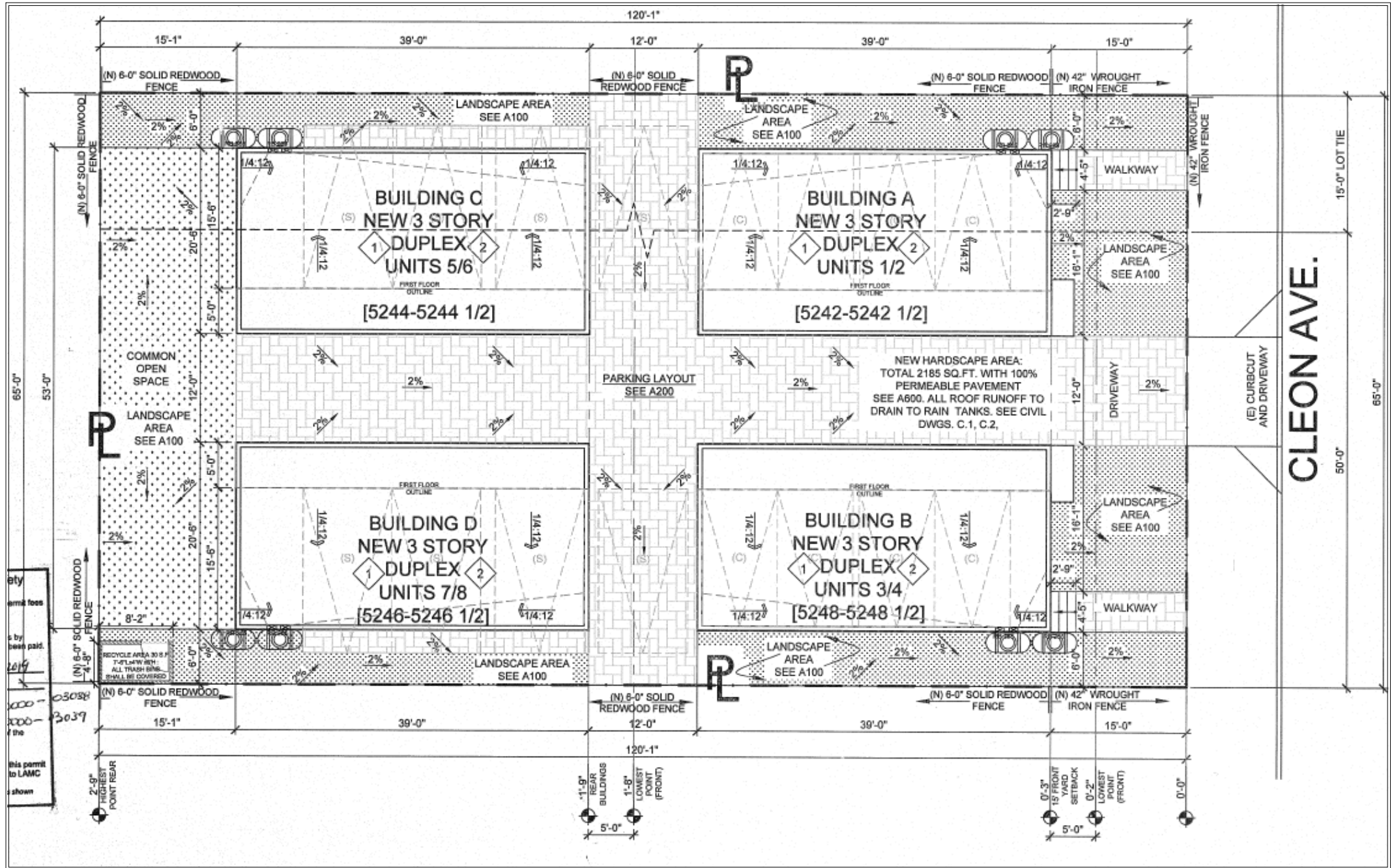
20015 GRISMER AVE, 91504



10833 CAMARILLO ST, 91602



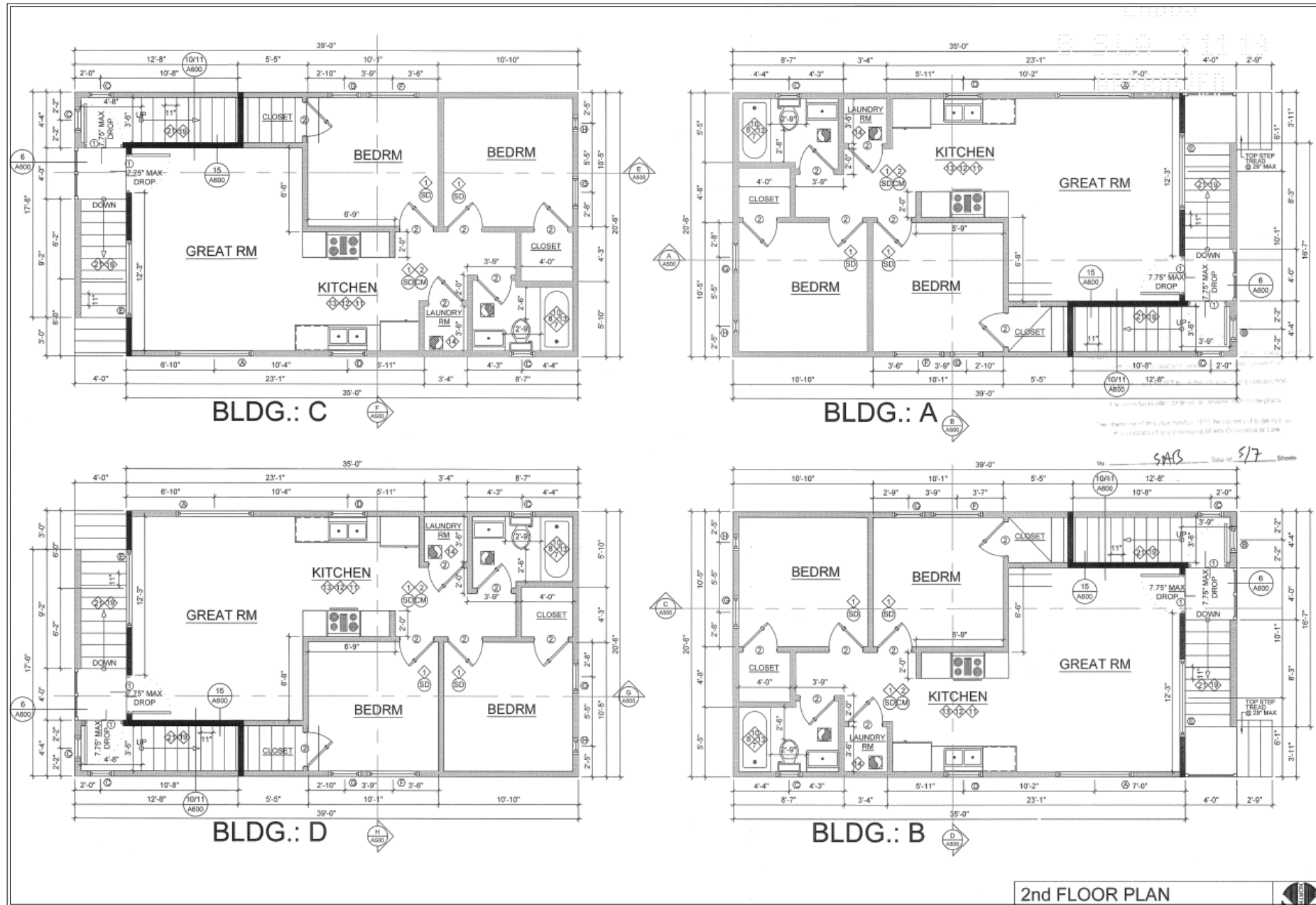
SITE PLAN



FIRST FLOOR PLAN



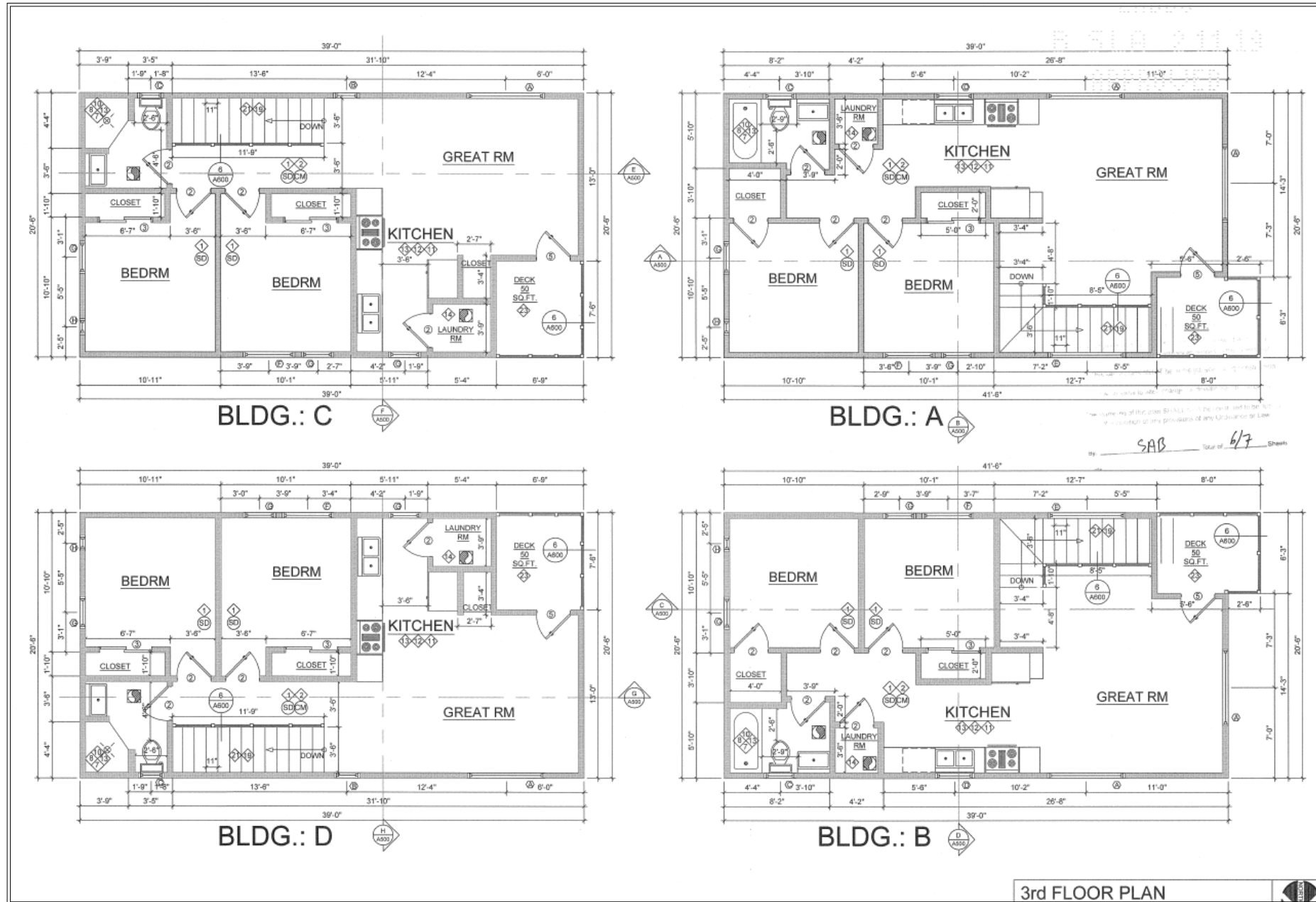
SECOND FLOOR PLAN



2nd FLOOR PLAN

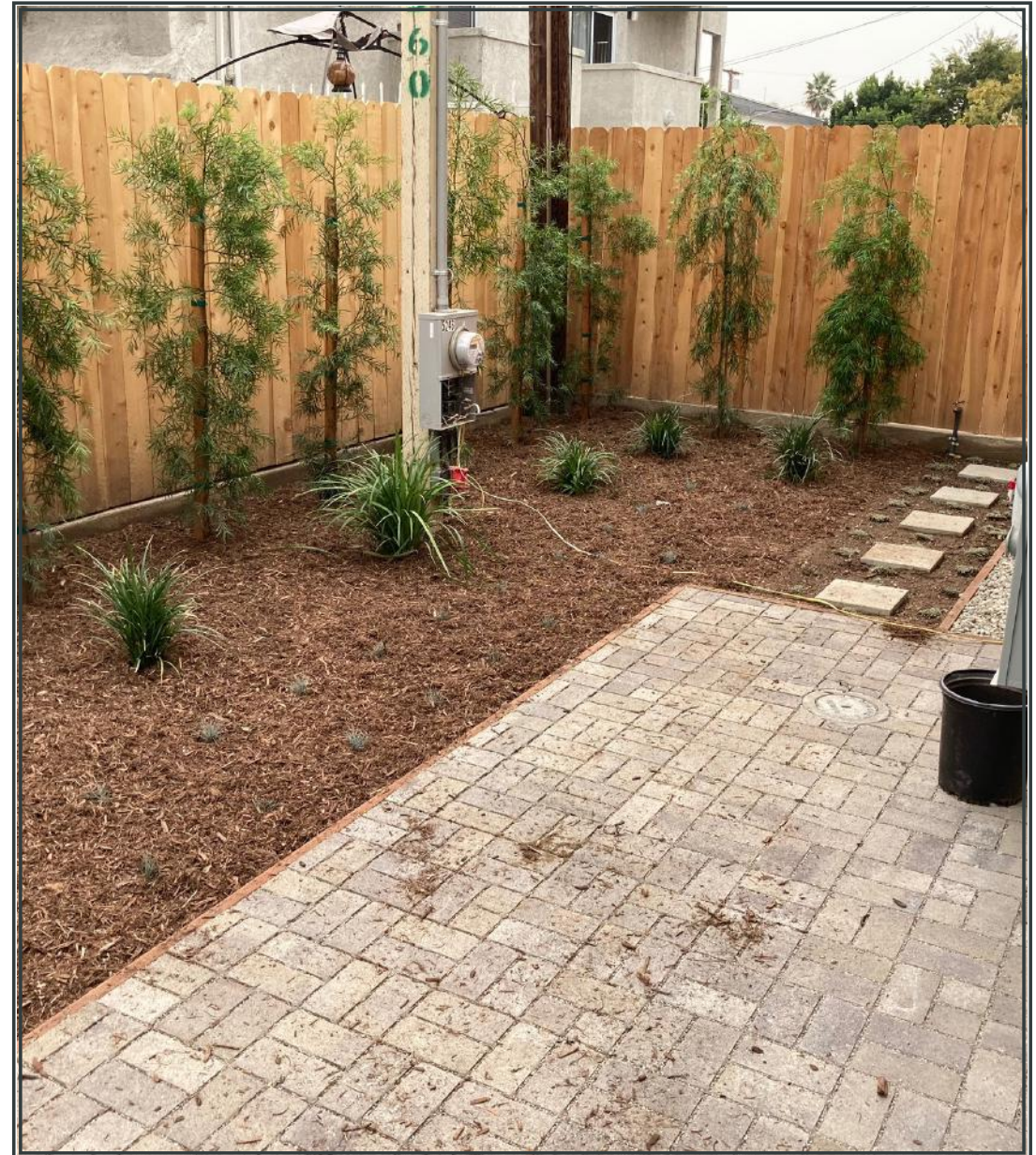


THIRD FLOOR PLAN



























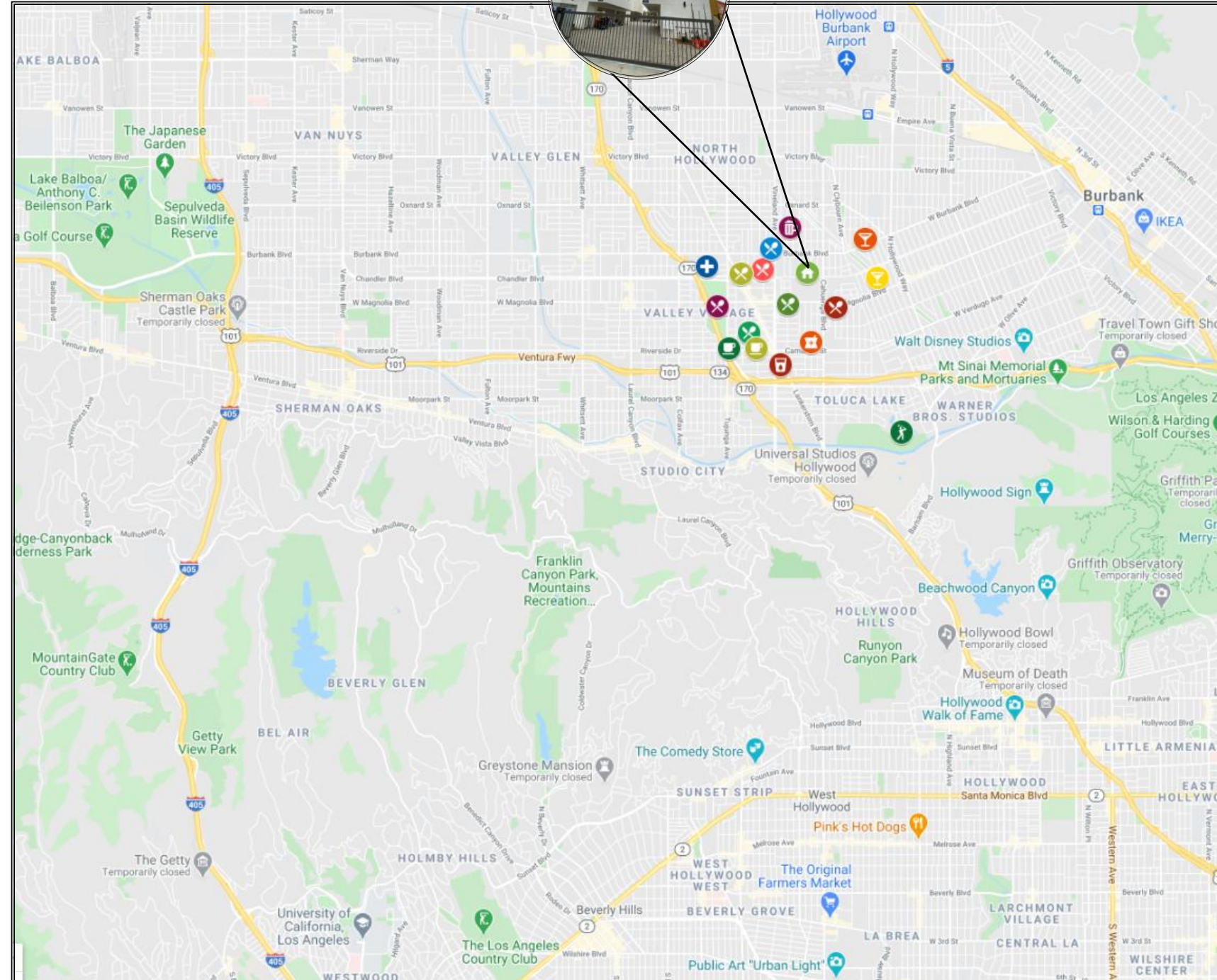


NEIGHBORHOOD AREA MAP

OFFERING MEMORANDUM - 5246 CLEON AVE



-  5246 Cleon Ave
-  RioZonas Açai North Hollywood
-  Rodini Park
-  The Bar-B-Que Bar
-  Walgreens
-  The Juice Parlor
-  Starbucks
-  Hayat's Kitchen
-  Club Cobra
-  The Other Door
-  Muddle & Twist
-  St. Anne's Restaurant & Bar NoHo
-  The Fat Dog
-  EAT
-  Tiki No
-  Lakeside Golf Club
-  Los Angeles Zoo
-  Kaiser Permanente North Hollywood



NEIGHBORHOOD AREA

OFFERING MEMORANDUM - 5246 CLEON AVE



MUDDLE AND TWIST - 0.08 MILES



THE FAT DOG - 0.3 MILES



ST. ANNE'S - 0.3 MILES



TIKI NO - 0.3 MILES



GROUNDWORK COFFEE CO- 0.5 MILES



SLUSHEELAND - 1 MILES

CONTACT INFO

PLEASE VISIT: [STREETLAMP PARTNERS.COM](https://streetlamppartners.com)
FOR MORE INFORMATION ON OUR UPCOMING PROPERTIES.

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[2.5% COOPERATING BROKER COMPENSATION](#)

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