

1358 S Cochran Ave

1358 S Cochran Ave | Los Angeles, CA 90019



- Squeaky clean 8 unit investment property in Wilshire Vista Heights
- All copper plumbing, new electric service, new boiler, new paint, upgraded units, etc.
- Safe, secure environment with decorative wrought-iron gate and Mercury-vapor lighting
- Excellent income & cash-flow with a 6.34 cap rate and 11.34 x Gross at current rents
- On-site parking for 6 cars with a storage unit that can be rented for extra income



Keith Moret, CCIPS

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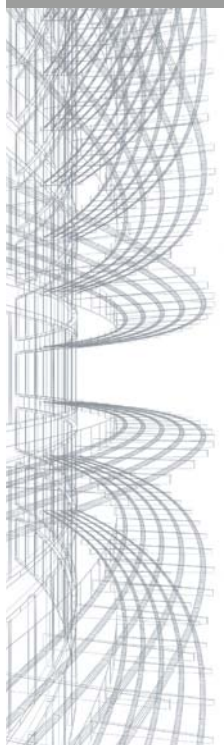


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ANALYSIS

Analysis Date: July 2013



PROPERTY

Property: 1358 S Cochran Ave
Property Address: 1358 S Cochran Ave
 Los Angeles, CA 90019
Year Built: 1954

PURCHASE INFORMATION

Property Type: MultiFamily
Purchase Price: \$1,200,000
Fair Market Value: \$1,200,000
Units: 8
Total Rentable Sq. Ft.: 5,100
Resale Valuation: 1.5% (annual appreciation)
Resale Expenses: 7.2%

FINANCIAL INFORMATION

Down Payment: \$463,750
Closing Costs: \$1,950
LT Capital Gain: 20.00%
Federal Tax Rate: 25.0%
State Tax Rate: 9.0%
Discount Rate: 3.00%

LOANS

	Debt	Term	Amortization	Rate	Payment	LO Costs
Fixed	\$861,250	30 years	30 years	4.0%	\$4,112	\$8,613

INCOME & EXPENSES

Gross Operating Income: \$101,549
Monthly GOI: \$8,462
Total Annual Expenses: (\$26,907)
Monthly Expenses: (\$2,242)

CONTACT INFORMATION

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<Long Text>

8 units in Wilshire Vista Heights
Meticulously maintained , Advanatageously located

This gem of an investment is located in rapidly improving Wilshire Vista Heights and 1/2 block North of the trendy P.I.C.O. corridor. Small in size, but big in heart, Wilshire Vista Heights (WVH) is located in one of the most ethnically and economically diverse areas in Los Angeles. The neighborhood was developed in the 1920s and is home to the architecturally renowned Dunsmuir Flats. The Flats, a classic example of modern architecture, were designed by architect Gregory Ain in 1937 and hailed as his greatest achievement.



The neighborhood is located just east of Wilshire Vista, and encompasses the neighborhoods between Ridgeley Drive to the west, and Cochran to the east. WVH is a close-knit community known for its desirable location and eclectic housing stock (including Spanish-style, Country English and Tudor homes, duplexes and multi-unit buildings), and is bordered by Cochran to the East, Ridgeley to the West, San Vicente to the North and Pico to the South.

1358 S Cochran
Interior and Exterior Shots



Exterior Shot Facing SE on Cochran



Driveway Facing West



Kitchen-Unit #7



Storage area



Parking



Boiler

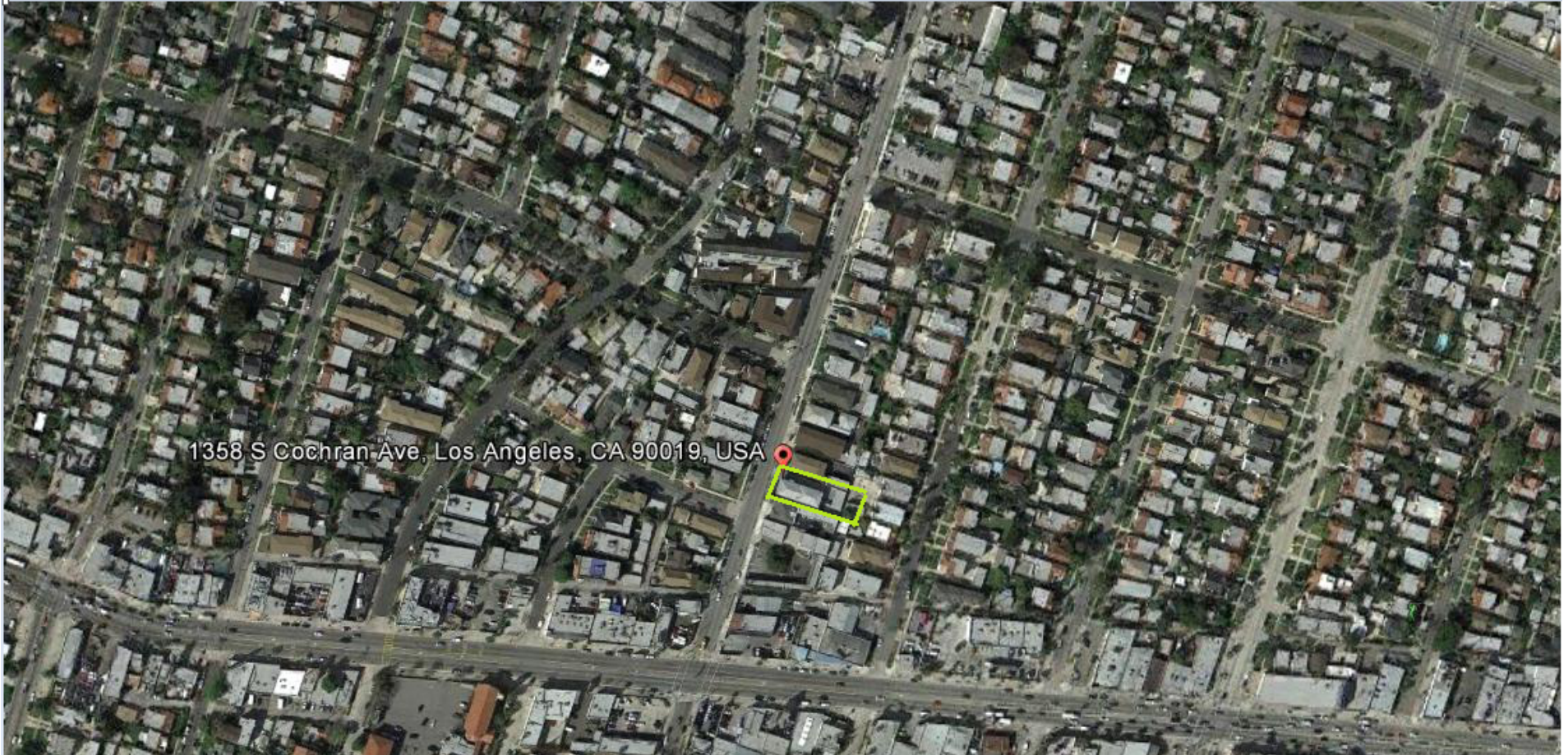
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Maps and Aerials



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Aerial *Google Earth*



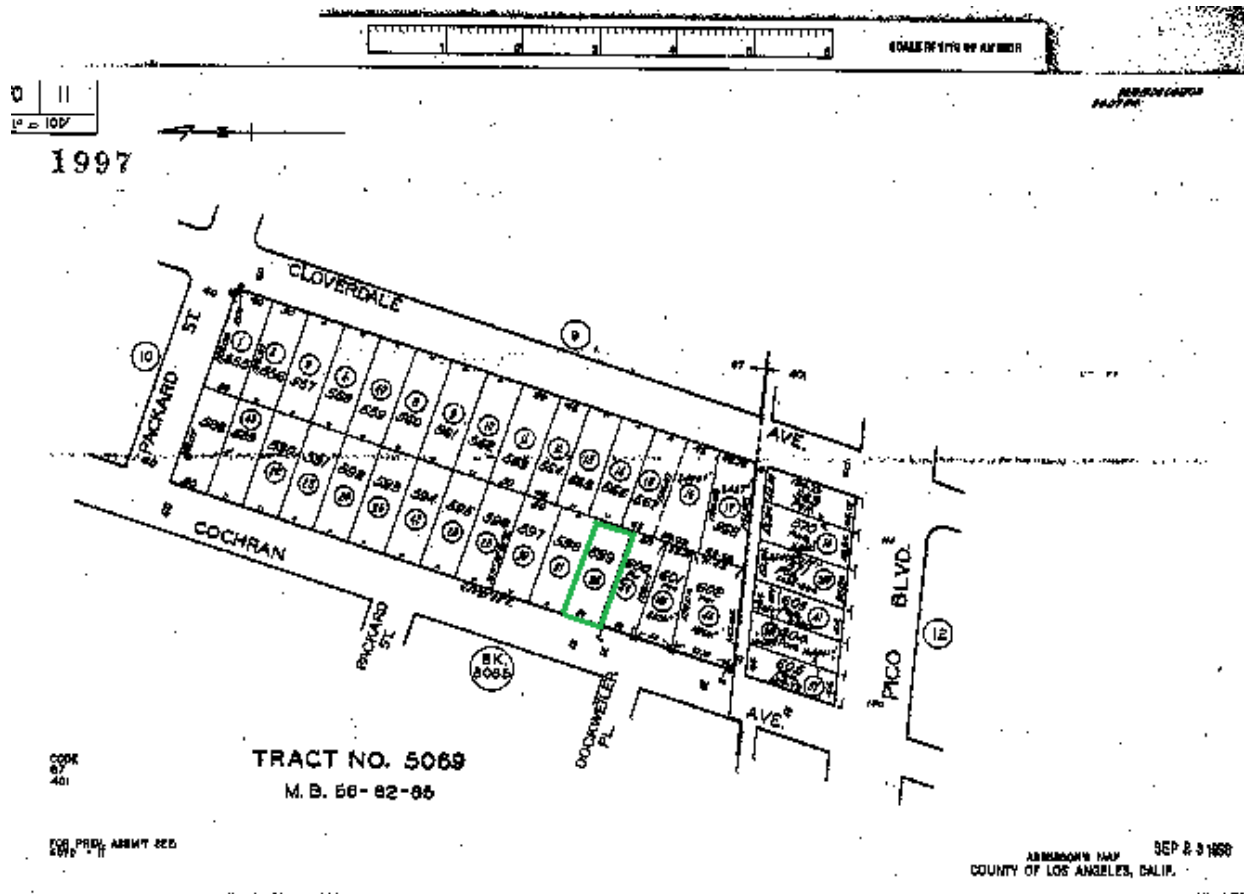
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Maps and Aerials



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Parcel Map LA County Tax Assessors Office





ACQUISITION COSTS

Purchase Price, Points and Closing Costs	\$1,210,563
Investment - Cash	\$474,313
First Loan	\$861,250

INVESTMENT INFORMATION

Purchase Price	\$1,200,000
Price per Unit	\$150,000
Price per Sq. Ft.	\$235.29
Income per Unit	\$13,223
Expenses per Unit	(\$3,363)

INCOME, EXPENSES & CASH FLOW

Gross Scheduled Income	\$105,780
Total Vacancy and Credits	(\$4,231)
Operating Expenses	(\$26,907)
Net Operating Income	\$74,642
Debt Service	(\$49,341)
Cash Flow Before Taxes	\$25,301
Total Interest (Debt Service)	(\$34,174)
Depreciation and Amortization	(\$20,894)
Taxable Income (Loss)	\$19,574
Tax Savings (Costs)	(\$6,655)
Cash Flow After Taxes	\$18,646

FINANCIAL INDICATORS

Cash on Cash Return Before Taxes	5.33%
Optimal Internal Rate of Return (yr 10)	6.62%
Debt Coverage Ratio	1.51
Capitalization Rate	6.22%
Gross Rent Multiplier	11.34
Gross Income / Square Feet	\$20.74
Gross Expenses / Square Feet	(\$5.28)
Operating Expense Ratio	26.50%

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 1358 S Cochran Ave
 Los Angeles, CA 90019

Pro Forma Summary



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INVESTMENT SUMMARY

Price:	\$1,200,000
Year Built:	1954
Units:	8
Price/Unit:	\$150,000
RSF:	5,100
Price/RSF:	\$235.29
Lot Size:	6,904 sf
Floors:	2
Parking Spaces:	1 to 1
APN:	5070-011-032
Cap Rate:	6.22%
Market Cap Rate:	6.96%
GRM:	11.3
Market GRM:	10.9

FINANCING SUMMARY

Loan Amount:	\$861,250
Down Payment:	\$463,750
Loan Type:	Fixed
Interest Rate:	4%
Term:	30 years
Monthly Payment:	\$4,112
DCR:	1.51

UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
1BR/1BA	1	\$13,620	\$13,620	\$13,800	\$13,800
1BR/1BA	1	\$13,488	\$13,488	\$13,800	\$13,800
1BR/1BA	1	\$11,136	\$11,136	\$13,800	\$13,800
1BR/1BA	1	\$13,800	\$13,800	\$13,800	\$13,800
1BR/1BA	1	\$13,524	\$13,524	\$13,800	\$13,800
1BR/1BA	1	\$13,488	\$13,488	\$13,800	\$13,800
1BR/1BA (Vacant)	1	\$13,200	\$13,200	\$13,800	\$13,800
1BR/1BA	1	\$13,524	\$13,524	\$13,800	\$13,800
TOTALS	8		\$105,780		\$110,400

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$105,780	\$110,400
Less: Vacancy	(\$4,231)	\$0
Effective Gross Income	\$101,549	\$110,400
Less: Expenses	(\$26,907)	(\$26,907)
Net Operating Income	\$74,642	\$83,493
Debt Service	(\$49,341)	(\$49,341)
Net Cash Flow after Debt Service	\$25,301	\$34,152
Principal Reduction	\$15,167	\$15,167
Total Return	\$40,468	\$49,319

ANNUALIZED EXPENSES

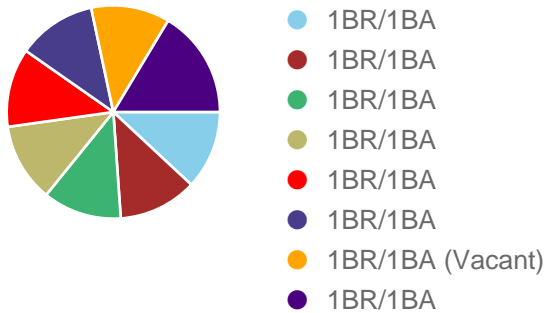
	Actual	Market
Building Insurance	\$2,800	\$2,800
Grounds Maintenance	\$135	\$135
Janitorial	\$150	\$150
LAHD Permit	\$542	\$542
Repairs	\$3,600	\$3,600
Taxes - Real Estate	\$13,500	\$13,500
Trash Removal	\$1,620	\$1,620
Utility - Water & Electricity	\$4,200	\$4,200
Utility - Gas	\$360	\$360
Total Expenses	\$26,907	\$26,907
Expenses Per RSF	\$5.28	\$5.28
Expenses Per Unit	\$3,363	\$3,363



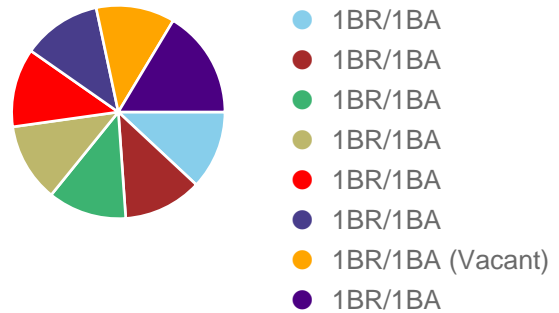
UNIT MIXES

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
1	1BR/1BA	637	\$1,135	\$1,135	\$1,150	\$1,150
1	1BR/1BA	637	\$1,124	\$1,124	\$1,150	\$1,150
1	1BR/1BA	637	\$928	\$928	\$1,150	\$1,150
1	1BR/1BA	637	\$1,150	\$1,150	\$1,150	\$1,150
1	1BR/1BA	637	\$1,127	\$1,127	\$1,150	\$1,150
1	1BR/1BA	637	\$1,124	\$1,124	\$1,150	\$1,150
1	1BR/1BA (Vacant)	637	\$1,100	\$1,100	\$1,150	\$1,150
1	1BR/1BA	637	\$1,127	\$1,127	\$1,150	\$1,150
8		5,096		\$8,815		\$9,200

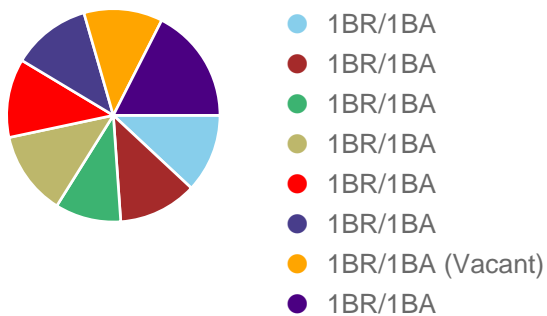
UNIT MIX



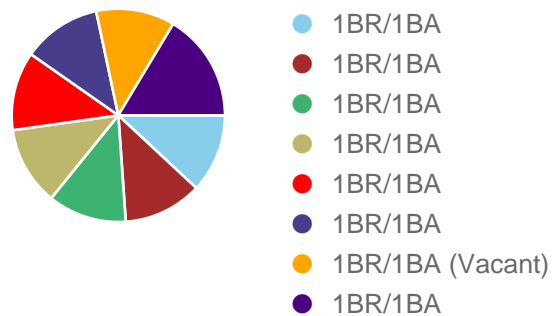
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME



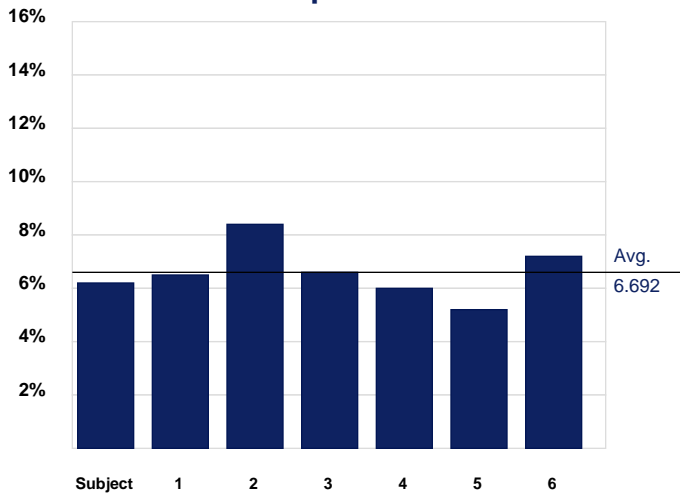
Detailed General Expenses



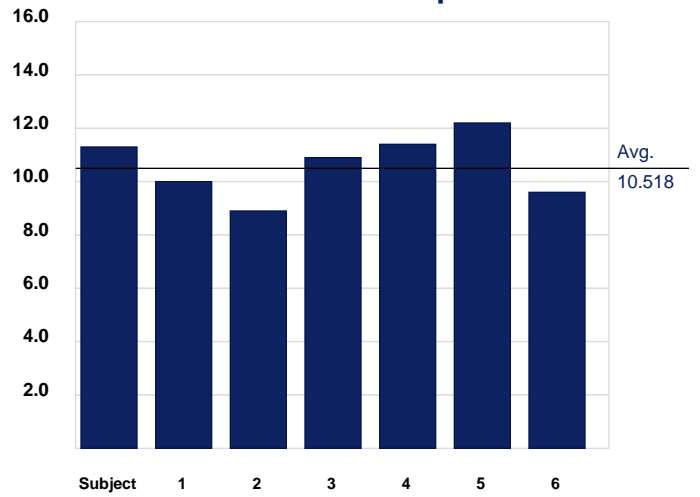
Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Total Expenses	(\$26,907)	(\$27,040)	(\$27,173)	(\$27,309)	(\$27,445)	(\$27,583)	(\$27,723)	(\$27,863)	(\$28,005)	(\$28,149)
Building Insurance	(\$2,800)	(\$2,828)	(\$2,856)	(\$2,885)	(\$2,914)	(\$2,943)	(\$2,972)	(\$3,002)	(\$3,032)	(\$3,062)
Grounds Maintenance	(\$135)	(\$136)	(\$138)	(\$139)	(\$140)	(\$142)	(\$143)	(\$145)	(\$146)	(\$148)
Janitorial	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)	(\$150)
LAHD Permit	(\$542)	(\$547)	(\$553)	(\$558)	(\$564)	(\$570)	(\$575)	(\$581)	(\$587)	(\$593)
Repairs	(\$3,600)	(\$3,636)	(\$3,672)	(\$3,709)	(\$3,746)	(\$3,784)	(\$3,821)	(\$3,860)	(\$3,898)	(\$3,937)
Taxes - Real Estate	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)	(\$13,500)
Trash Removal	(\$1,620)	(\$1,636)	(\$1,653)	(\$1,669)	(\$1,686)	(\$1,703)	(\$1,720)	(\$1,737)	(\$1,754)	(\$1,772)
Utility - Water & Electricity	(\$4,200)	(\$4,242)	(\$4,284)	(\$4,327)	(\$4,371)	(\$4,414)	(\$4,458)	(\$4,503)	(\$4,548)	(\$4,593)
Utility - Gas	(\$360)	(\$364)	(\$367)	(\$371)	(\$375)	(\$378)	(\$382)	(\$386)	(\$390)	(\$394)



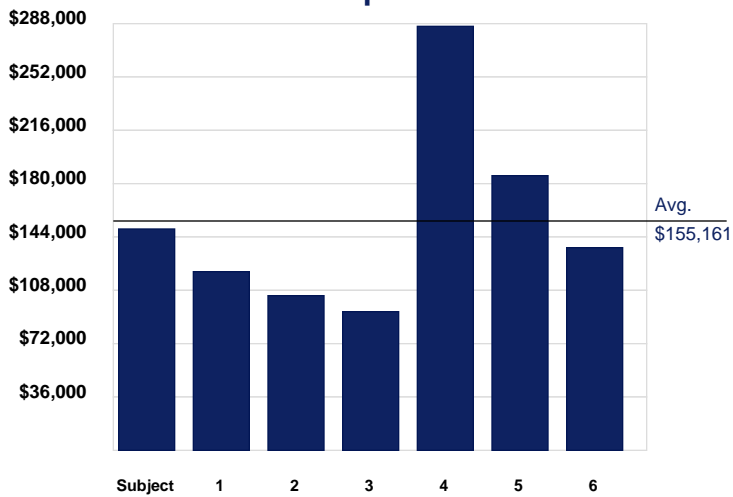
Cap Rate



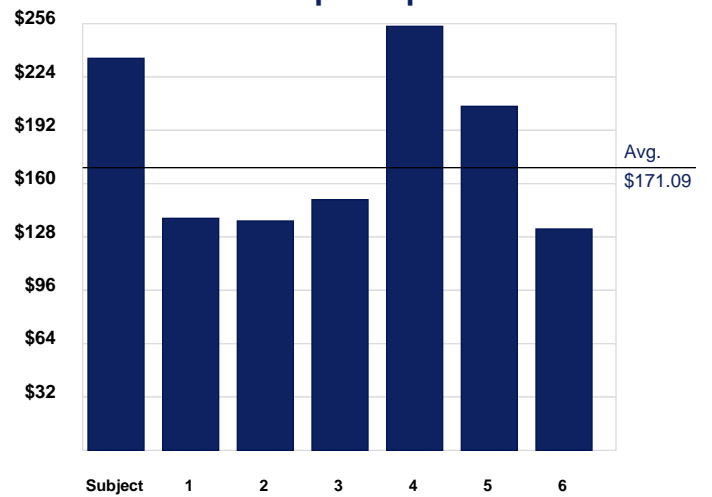
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



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 1358 S Cochran Ave
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Sales Comparables



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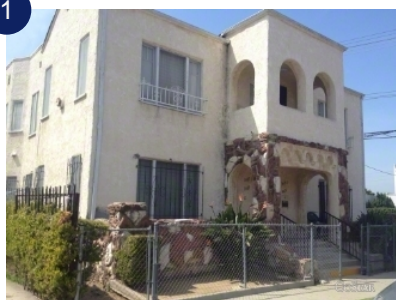
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1358 S Cochran Ave
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		# Units	Unit Type
Sale Price	\$1,200,000	1	1BR/1BA
Units	8	1	1BR/1BA
Price/Unit	\$150,000	1	1BR/1BA
Price/SqFt	\$235.29	1	1BR/1BA
Cap Rate	6.22%	1	1BR/1BA
Year Built	1954	1	1BR/1BA (Vacant)
GRM	11.34	1	1BR/1BA

1



1415 Cloverdale
1415 S Cloverdale
Los Angeles, CA 90019

		# Units	Unit Type
Sale Price	\$732,500	6	One Bedroom One Bath
Units	6	6	One Bedroom One Bath
Price/Unit	\$122,083		
Price/SqFt	\$140.70		
Cap Rate	6.51%		
Year Built	1928		
GRM	10.0		

Sale Date 8/29/2012

NOTES

This property is 3 blocks from Subject in a less desirable area. The property is older (built in 1928) and appears to have deferred maintenance. The sale is 4 months old.

2



1843 La Brea
1843 S La Brea
Los Angeles, CA 90019

		# Units	Unit Type
Sale Price	\$838,000	7	One Bedroom One Bath
Units	8	1	Two Bedroom One Bath
Price/Unit	\$104,750		
Price/SqFt	\$138.24		
Cap Rate	8.47%		
Year Built	1931		
GRM	8.94		

Sale Date 9/28/2012

NOTES

This property is .6 miles from Subject. The sale is 3 months old. The property is underserved for parking with only 5 spaces.

1358 S Cochran Ave
1358 S Cochran Ave
Los Angeles, CA 90019

Sales Comparables



Keith Moret, CCIPS
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3



4706 Lomita
4706 Lomita St
Los Angeles, CA 90019

	Sale Price	# Units	Unit Type
	\$750,000	1	Studio/Efficiency
		7	Two Bedroom One Bath
	Units 8		
	Price/Unit \$93,750		
	Price/SqFt \$151.91		
	Cap Rate 6.63%		
	Year Built 1960		
	GRM 10.9		

Sale Date 8/12/2012

NOTES

This property is .75 miles from Subject in a comparable neighborhood. The property has 40% more net RSF

4



1000 S Ridgeley
1000 S Ridgeley
Los Angeles, CA 90019

	Sale Price	# Units	Unit Type
	\$1,720,000	6	Two Bedroom One Bath
	Units 6		
	Price/Unit \$286,667		
	Price/SqFt \$255.72		
	Cap Rate 6.09%		
	Year Built 1947		
	GRM 11.4		

Sale Date 12/28/2012

NOTES

This property is .25 miles from Subject. The sale is 3 months old.

5



1320 S Ridgeley
1320 S Ridgeley
Los Angeles, CA 90019

	Sale Price	# Units	Unit Type
	\$1,300,000	4	One Bedroom One Bath
		2	Two Bedroom One Bath
		1	Three Bedroom Two Bath
	Units 7		
	Price/Unit \$185,714		
	Price/SqFt \$206.58		
	Cap Rate 5.24%		
	Year Built 1957		
	GRM 12.2		

Sale Date 10/30/2012

NOTES

This is property is .25 miles from Subject in a slightly inferior location. It has 20% larger lot size. The sale is 4 months old

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1358 S Cochran Ave
Los Angeles, CA 90019

Sales Comparables



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6



1801 S Highland
1801 S Highland
Los Angeles, CA 90019

	Sale Price	# Units	Unit Type
Units	\$690,000	1	One Bedroom One Bath
Price/Unit	5	2	Two Bedroom One Bath
Price/SqFt	\$138,000	1	Three Bedroom One Bath
Cap Rate	\$133.36	1	Four Bedroom Two Bath
Year Built	7.21%		
GRM	1928		
	9.67		

Sale Date 12/14/2012

NOTES

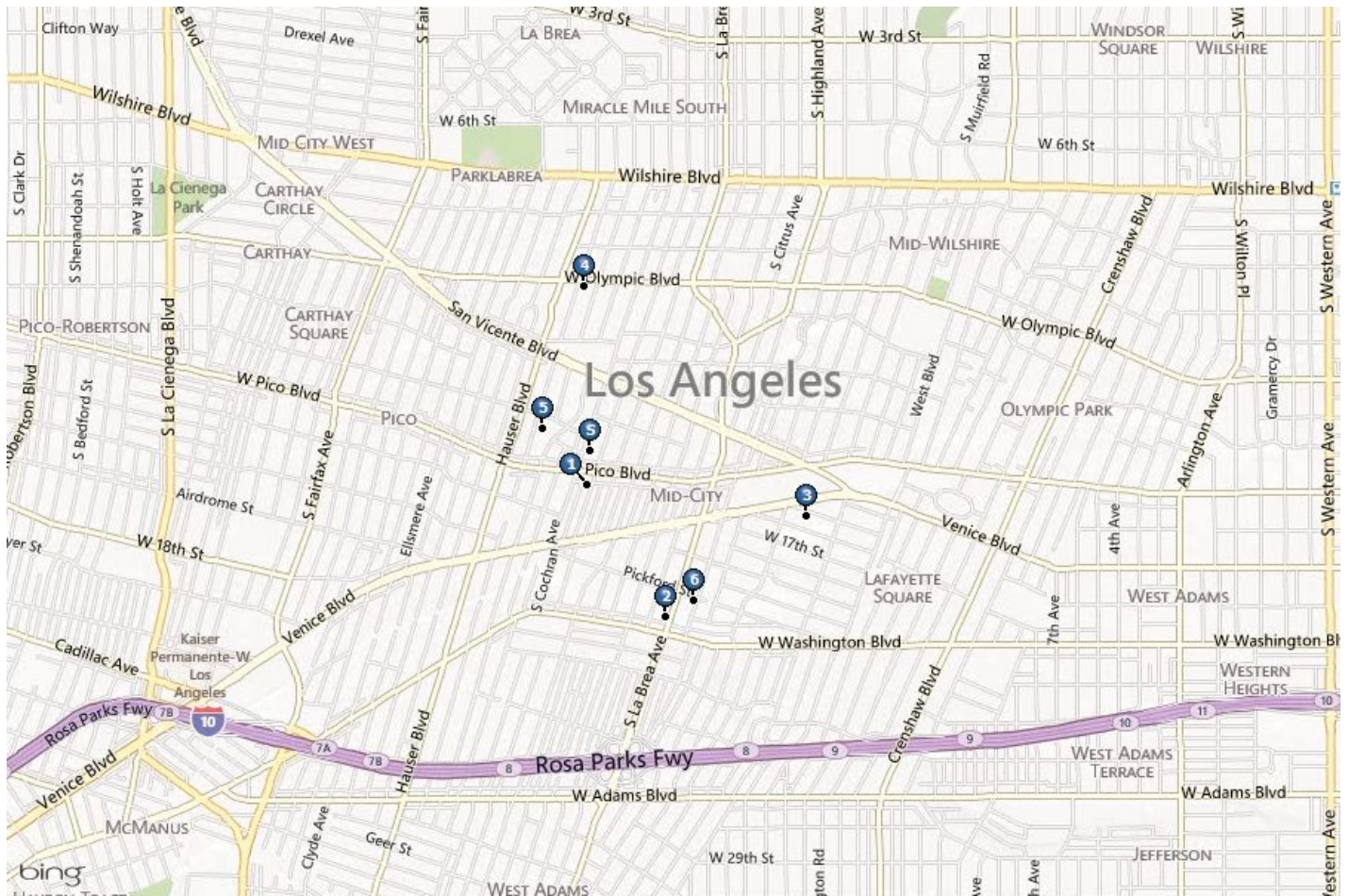
This property is 1 mile from Subject in a slightly more desirable area, just south of Hancock Park. The property was on market for 148 days and sale is 2 months old.

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Sales Comparables



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- S** 1358 S Cochran Ave, Los Angeles, CA 90019 (\$1,200,000)
- 1** 1415 S Cloverdale, Los Angeles, CA 90019 (\$732,500)
- 2** 1843 S La Brea, Los Angeles, CA 90019 (\$838,000)
- 3** 4706 Lomita St, Los Angeles, CA 90019 (\$750,000)
- 4** 1000 S Ridgeley, Los Angeles, CA 90019 (\$1,720,000)
- 5** 1320 S Ridgeley, Los Angeles, CA 90019 (\$1,300,000)
- 6** 1801 S Highland, Los Angeles, CA 90019 (\$690,000)