

OFFERING MEMORANDUM

Marcus & Millichap
THE NEEMA GROUP

505 SERRANO AVE

LOS ANGELES, CA 90020

14-UNIT INVESTMENT OPPORTUNITY IN PRIME KOREATOWN
CORNER LOT | FOUR SINGLES & 10 1+1'S WITH PARKING
34% RENTAL UPSIDE

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LOS ANGELES, CA 90020

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INVESTMENT HIGHLIGHTS

§

The Neema Group of Marcus & Millichap is pleased to present a 14-unit investment opportunity in prime Koreatown at 505 Serrano Ave, positioned on a corner lot just east of Western Ave and north of W 6th St

§

The subject property features a unit mix of four singles and 10 one-bedrooms with 10 tandem parking spaces (20 spaces total)

§

Built in 1956, the majority of rents are below market, providing significant rental upside of over 33% as units turn

§

Opportunity to achieve market rents with interior upgrades such as recessed lighting, vinyl plank flooring, new kitchens with modern cabinetry and stainless-steel appliances, and updated bathrooms, as well as exterior cap ex items including exterior paint and new windows

§

The building is separately metered for gas and electric; there are two washers and two dryers on-site that are currently inoperable – opportunity to install upgraded machines for additional income

§

Exceptional Walk Score of 96, close proximity to schools, employment, and transit options along W 6th St and Wilshire Blvd, this central location makes it convenient for residents to commute throughout the city to nearby neighborhoods such as Downtown LA, East Hollywood, Hollywood, Westlake, and Mid-City, among others

§

Koreatown is one of the densest neighborhoods in Los Angeles, with about 120,000 people. With an estimated \$1 billion invested in the development of Koreatown since the early 2000s and various development projects taking place, Koreatown remains one of the highly coveted submarkets in all of Los Angeles

PROPERTY SUMMARY

PROPERTY INFORMATION

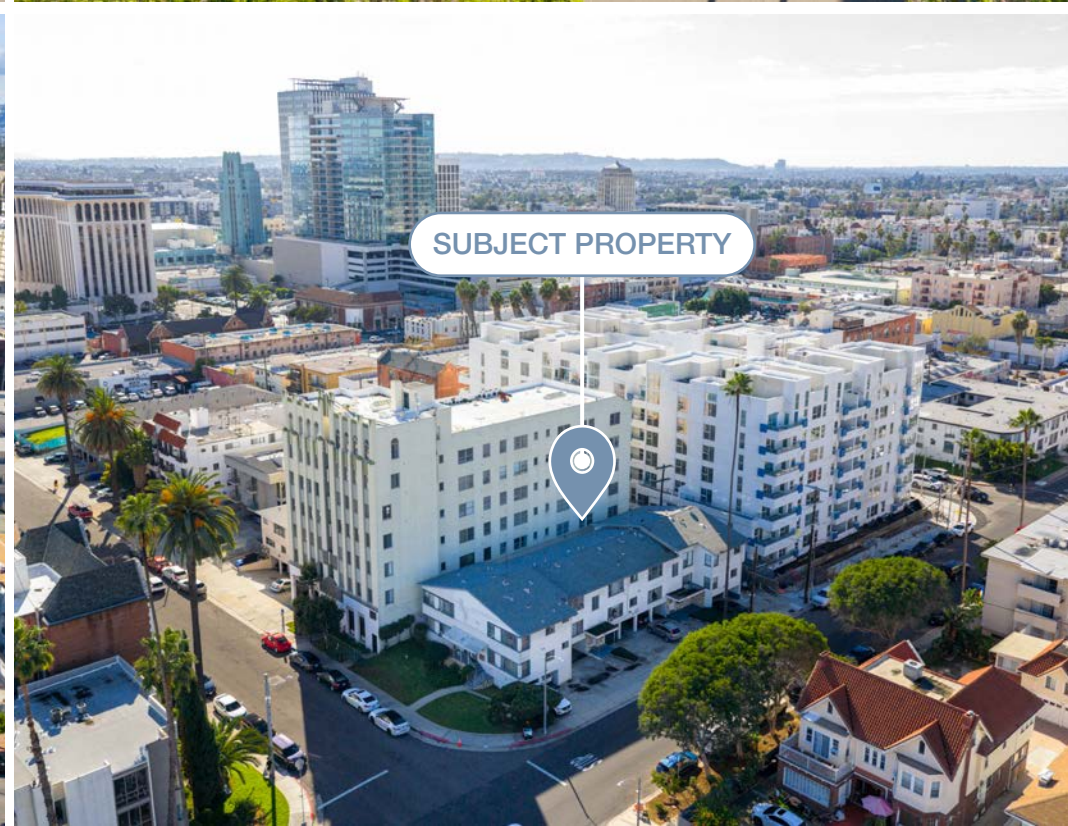
ADDRESS:	505 S Serrano Avenue Los Angeles, CA 90020
NUMBER OF UNITS:	14
APPROX. GROSS SF:	10,036
APPROX. LOT SIZE:	9,381
YEAR BUILT:	1956
PARCEL NUMBER:	5503-020-011
PROPERTY TYPE:	Multi-Family
UNIT MIX:	(4) Single (10) 1+1

PRICING INFORMATION

SALE PRICE:	\$2,500,000
PRICE PER UNIT	\$178,571
PRICE PER SF:	\$249.10
CURRENT CAP RATE:	4.76%
CURRENT GRM:	11.74
MARKET CAP RATE:	7.37%
MARKET GRM:	8.76

NOTE: Unit 505-1 is occupied by an on-site manager and currently pays \$0 in rent. Metrics shown include a projected market rent for that unit based on comparables in the area. Buyer to conduct their own due diligence to confirm the market rent.







CHASE BANK

 WILSHIRE/WESTERN

24 HOUR FITNESS

CVS DRUG STORE

AVANA ON WILSHIRE

LIBERTY PARK

SUBJECT PROPERTY

SERRANO AVE

WEST HOLLYWOOD

HOLLYWOOD

SUBJECT PROPERTY

SERRANO AVE

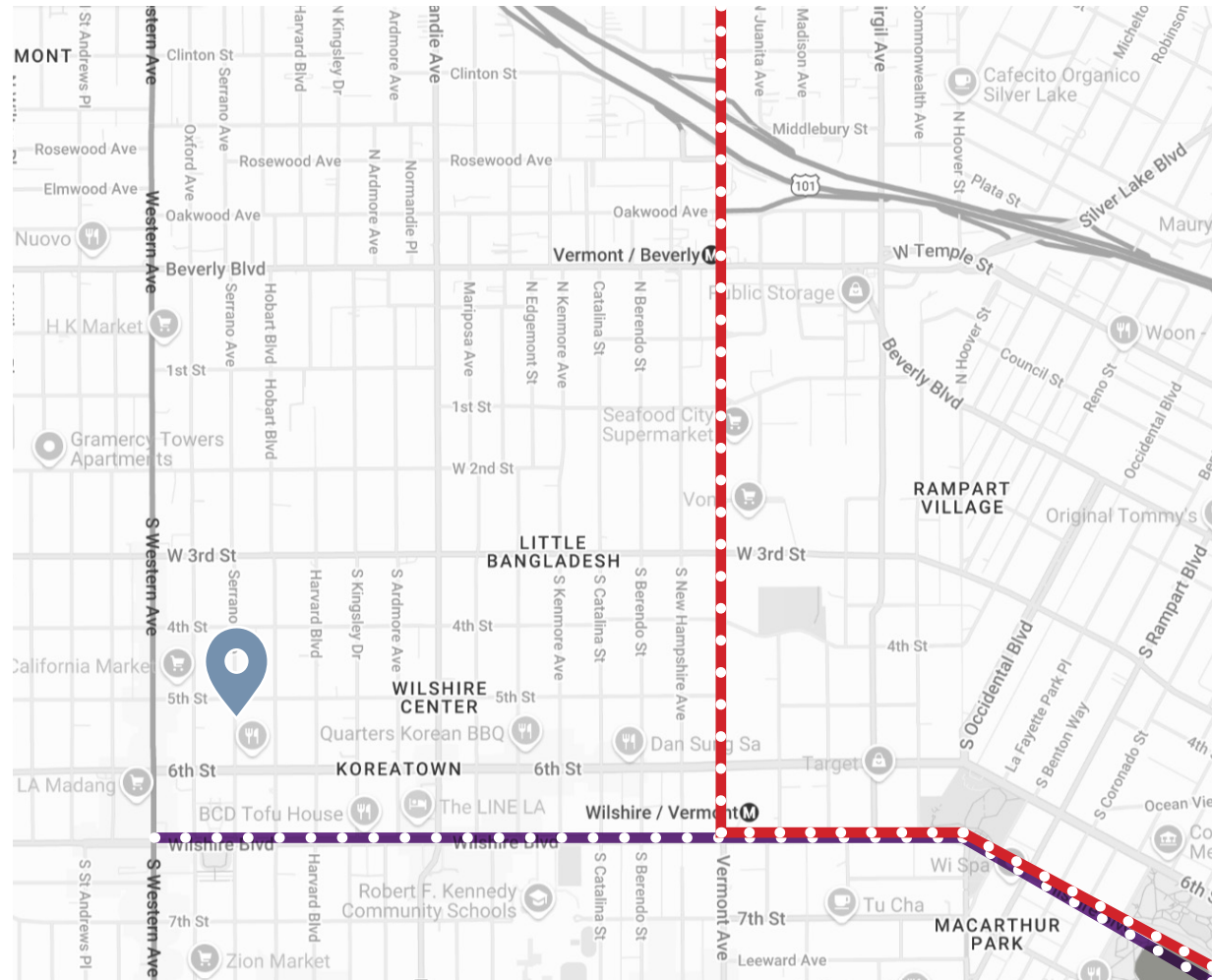


KOREATOWN

Where creativity meets culture, a true urban experience.

505 Serrano Ave is located in prime Koreatown, one of the trendiest neighborhoods in Los Angeles. Boasting its walkability to multiple metro stop as well as a 10 minute drive to the heart of Downtown Los Angeles, the subject property is provided with great transit options to experience the best the Greater Los Angeles area has to offer. Located in a premier pedestrian location, the asset benefits from easy access to employers, major studios, financial firms, entertainment and historic attractions. Koreatown has seen a tremendous revitalization over the last decade. An influx of capital dedicated to the revitalization of Koreatown has attracted a new resident base of young urban dwellers. This new, hip client base has brought new restaurants, night clubs, and retail opportunities, making Koreatown one of the more desirable submarkets in the greater Los Angeles area.

In the past decade, Koreatown has experienced significant gentrification and development, specifically along Wilshire Boulevard. Most notable is Opus, a 428-unit luxury apartment building delivered in 2024. Additionally, residents are given convenient access to the Expo and Purple Metro lines. The Expo line offers service from Downtown LA all the way to Santa Monica. The purple line is currently undergoing an extension and once completed, will offer service to the current terminus at Wilshire/Western will extend westward for about nine miles and add seven new stations providing easy access to the Westside.



WALK SCORE
96

WALKER'S PARADISE

Daily errands do not
require a car.

TRANSIT SCORE
79

EXCELLENT TRANSIT

Transit is convenient for
most trips.

Hollywood affords a vibrant mix of activities and entertainment for all types of residents.

Highly rated restaurants include Katsuya, Cleo, and Musso & Frank Grill (opened in 1919). For the younger cohort, Hollywood also offers an endless amount of bars, chic lounges, and exclusive dance clubs to enjoy. National retailers and original boutiques that line Hollywood Boulevard offer the latest fashions. On Sundays, The Hollywood Farmers Market provides fresh produce and prepared foods. Runyon Canyon Park offers some of Los Angeles' best views and hikes. Residents have affordable public transportation options provided by the Metro Red Line and several bus lines.



HOLLYWOOD

Voted Forbes' Hippest Neighborhood and built around a city reservoir, Silver Lake is well known for its trendy restaurants, nightlife, and avant garde Modernist architecture. Since the end of 1990's the area has also been the center of LA's indie and alternative music scene. Silver Lake has long been a preferred community, but approximately 15 years ago when gentrification began in earnest, home values and rents have sharply increased.

SILVER LAKE



KOREATOWN

Long celebrated for its art deco architectural heritage and immigrant community, today Koreatown has emerged as one of Los Angeles' most fashionable areas. As the densest part of Los Angeles, new residents flock to this neighborhood just west of Downtown to enjoy walkable amenities, fabulous restaurants, and recently opened boutique hotels like the Line and Normandie. The Metro Purple Line traversing Wilshire Boulevard in the heart of Koreatown will further attract new residents. Thanks to Korean and Latino immigrants, the area is dotted with highly rated ethnic eateries.

DOWNTOWN LA



The Downtown submarket of Los Angeles includes its central business district, which contains the nation's third largest employment pool. Additionally, this submarket features many major sports facilities, sightseeing opportunities, skyscrapers, and large multinational corporations. Downtown is also the hub of the city's freeway network and Metro rapid-transit system. LA Live is one of downtown's most innovative developments featuring sports and music venues, nightclubs, restaurants, a bowling alley, museums, and movie theaters.

RENT ROLL

NO. OF UNITS	UNIT NO.	UNIT TYPE	ACTUAL RENTS	PRO FORMA RENTS	MOVE-IN DATE	NOTES
1	505 - 1	1+1	\$1,750	\$1,750	-	On-Site Manager
2	505 - 2	1+1	\$1,523	\$1,750	10/1/2019	
3	505 - 3	1+1	\$1,190	\$1,750	3/14/2006	
4	505 - 4	1+1	\$1,213	\$1,750	2/1/2013	
5	4056 - 1	Single	\$1,063	\$1,550	2/15/2011	
6	4056 - 2	1+1	\$1,239	\$1,750	7/1/2014	
7	4056 - 3	Single	\$1,500	\$1,550	6/5/2007	
8	4056 - 4	1+1	\$1,405	\$1,750	12/1/2018	
9	4062 - 1	Single	\$854	\$1,550	2/11/2006	
10	4062 - 2	1+1	\$1,233	\$1,750	2/1/2015	
11	4062 - 3	1+1	\$1,213	\$1,750	6/1/2014	
12	4062 - 4	1+1	\$1,204	\$1,750	12/1/2016	
13	4062 - 5	1+1	\$1,189	\$1,750	5/1/2011	
14	4062 - 6	Single	\$1,097	\$1,550	7/1/1998	
			\$17,673	\$23,700		

Single	\$4,514	\$6,200
1+1	\$13,159	\$17,500
TOTAL	\$17,673	\$23,700

NOTE: Unit 505-1 is occupied by an on-site manager and currently pays \$0 in rent. Metrics shown include a projected market rent for that unit based on comparables in the area. Buyer to conduct their own due diligence to confirm the market rent.

FINANCIAL SUMMARY

505 SERRANO AVE
LOS ANGELES, CA 90020

ANNUALIZED OPERATING DATA	CURRENT RENTS		PRO FORMA	
Scheduled Gross Income:	\$212,953		\$285,277	
Less Vacancy Rate Reserve:	\$(10,648)	5.0%	\$(14,264)	5.0%
Gross Operating Income:	\$202,305		\$271,013	
Less Expenses:	\$(83,426)	39.2%	\$(86,862)	30.4%
Net Operating Income:	\$118,879		\$184,151	
Reserves:	\$(2,800)		\$(2,800)	
Less Debt Service:	\$(88,491)		\$(88,491)	
Pre-Tax Cash Flow:	\$27,588	2.2%	\$92,860	7.4%
Plus Principal Reduction:	\$16,233		\$16,233	
Total Return Before Taxes:	\$43,821	3.5%	\$109,094	8.7%

ANNUALIZED EXPENSES	CURRENT RENTS		PRO FORMA	
Taxes: Rate 1.19%	\$29,750		\$29,750	
Insurance	\$8,573		\$8,573	
Utilities	\$17,104		\$17,104	
Waste Removal	\$5,316		\$5,316	
Repairs & Maintenance	\$7,000		\$7,000	
Management	\$10,115		\$13,551	
Landscaping	\$1,800		\$1,800	
Pest Control	\$840		\$840	
License & Fees	\$1,148		\$1,148	
Direct Assessment	\$1,780		\$1,780	
Total Expenses:	\$83,426		\$86,862	
Per Net Sq. Ft.:	\$8.31		\$8.66	
Per Unit:	\$5,959		\$6,204	

SCHEDULED INCOME		CURRENT RENTS		PRO FORMA	
No. of Units	Unit Type	Avg. Monthly Rent/Unit	Monthly Income	Avg. Monthly Rent/Unit	Monthly Income
4	Single	\$1,129	\$4,514	\$1,550	\$6,200
10	1+1	\$1,316	\$13,159	\$1,750	\$17,500
Total Scheduled Rent:			\$17,673		\$23,700
SCEP & Rent Reg			\$73		\$73
Monthly Scheduled Gross Income:			\$17,746		\$23,773
Annual Scheduled Gross Income:			\$212,953		\$285,277

SUMMARY

Price:	\$2,500,000
Down Payment: 50%	\$1,250,000
Number of Units:	14
Cost per Legal Unit:	\$178,571
Current GRM:	11.74
Market GRM:	8.76
Current CAP:	4.76%
Market CAP:	7.37%
Approx. Age:	1956
Approx. Lot Size:	9,381
Approx. Gross SF:	10,036
Cost per Net GSF:	\$249.10

NEW POTENTIAL FINANCING

New First Loan:	\$1,250,000
Interest Rate:	5.85%
Amortization:	30
Monthly Payment:	\$7,374.26
DCR:	1.34

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracy.

NOTE: Unit 505-1 is occupied by an on-site manager and currently pays \$0 in rent. Metrics shown include a projected market rent for that unit based on comparables in the area. Buyer to conduct their own due diligence to confirm the market rent.

SALE COMPRABLES



**505 SERRANO AVE
LOS ANGELES, CA 90020**

SALE PRICE \$2,500,000

YEAR BUILT 1956

NO. OF UNITS 14

PRICE PER UNIT \$178,571

PRICE PER SF \$249

ACTUAL CAP RATE 4.76%

GRM 11.74

SALE DATE For Sale



**3555 SAN MARINO ST
LOS ANGELES, CA 90019**

SALE PRICE \$3,145,000

YEAR BUILT 1973

NO. OF UNITS 16

PRICE PER UNIT \$196,563

PRICE PER SF \$279

ACTUAL CAP RATE 4.57%

GRM 12.16

SALE DATE On Market



**845 S KENMORE AVE
LOS ANGELES, CA 90005**

SALE PRICE \$2,400,000

YEAR BUILT 1963

NO. OF UNITS 12

PRICE PER UNIT \$200,000

PRICE PER SF \$355

ACTUAL CAP RATE 7.04%

GRM 9.04

SALE DATE On Market



**1046 S NORTON AVE
LOS ANGELES, CA 90019**

SALE PRICE \$2,000,000

YEAR BUILT 1962

NO. OF UNITS 9

PRICE PER UNIT \$222,222

PRICE PER SF \$252

ACTUAL CAP RATE 4.66%

GRM 12.65

SALE DATE 10/30/2025

SALE COMPRABLES

505 SERRANO AVE
LOS ANGELES, CA 90020



**4955 ROSEWOOD AVE
LOS ANGELES, CA 90004**

SALE PRICE \$3,495,000

YEAR BUILT 1959

NO. OF UNITS 18

PRICE PER UNIT \$194,167

PRICE PER SF \$230

ACTUAL CAP RATE 4.90%

GRM 13.93

SALE DATE 9/23/2025



**333 S SERRANO AVE
LOS ANGELES, CA 90020**

SALE PRICE \$1,900,000

YEAR BUILT 1961

NO. OF UNITS 10

PRICE PER UNIT \$190,000

PRICE PER SF \$138

ACTUAL CAP RATE 5.26%

GRM 10.75

SALE DATE 9/19/2025



**933 S NORTON AVE
LOS ANGELES, CA 90019**

SALE PRICE \$1,744,000

YEAR BUILT 1958

NO. OF UNITS 10

PRICE PER UNIT \$174,400

PRICE PER SF \$228

ACTUAL CAP RATE 5.21%

GRM 10.38

SALE DATE 8/15/2025



**730 CRENSHAW BLVD
LOS ANGELES, CA 90005**

SALE PRICE \$3,250,000

YEAR BUILT 1954

NO. OF UNITS 16

PRICE PER UNIT \$203,125

PRICE PER SF \$290

ACTUAL CAP RATE -

GRM -

SALE DATE 1/15/2025

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