

# 143 N. RENO STREET, LOS ANGELES, CA

offering memorandum



Marcus & Millichap



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# INVESTMENT ANALYSIS

Marcus & Millichap



# EXECUTIVE SUMMARY

## PRICING INFORMATION

Offering Price	\$1,995,000
Price/Unit	\$124,688
Price/SF	\$216
Cap Rate (Current)	5.32%
Cap Rate (Market)	9.75%

## PROPERTY DETAILS

Address	143 N Reno Street, Los Angeles CA 90026
Units	16
Building SF	9,240
Year Built	1927
Lot SF	6,000
APN	5156-011-003
Zoning	LAR3

## UTILITIES

Electricity	Master Metered
Gas	Master Metered
Water	Master Metered







## INVESTMENT DESCRIPTION

Marcus & Millichap is pleased to present to market 143 North Reno Street in Los Angeles' popular Westlake neighborhood. Under the same ownership for 25 years, this offering is an excellent opportunity to reposition a pride-of-ownership asset and capture 44 percent rental upside.

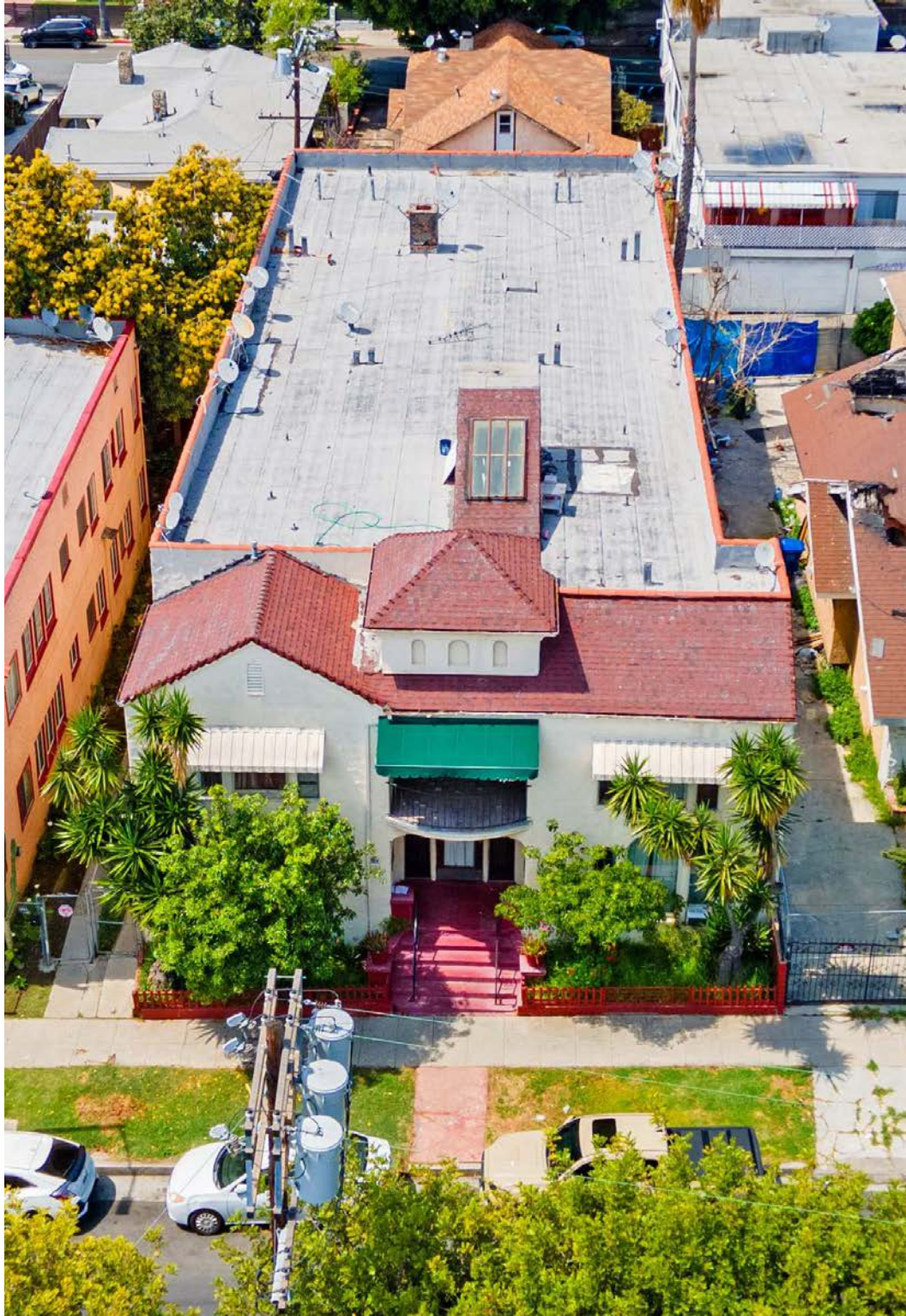
143 North Reno Street is a well-maintained, Spanish-style 1927 construction with 13 studios and three one-bedroom/one-bath units. The building also offers on-site laundry.

The property's Westlake location offers easy access to world-class entertainment, dining and retail, and convenient proximity to the 101 Freeway and Downtown Los Angeles.

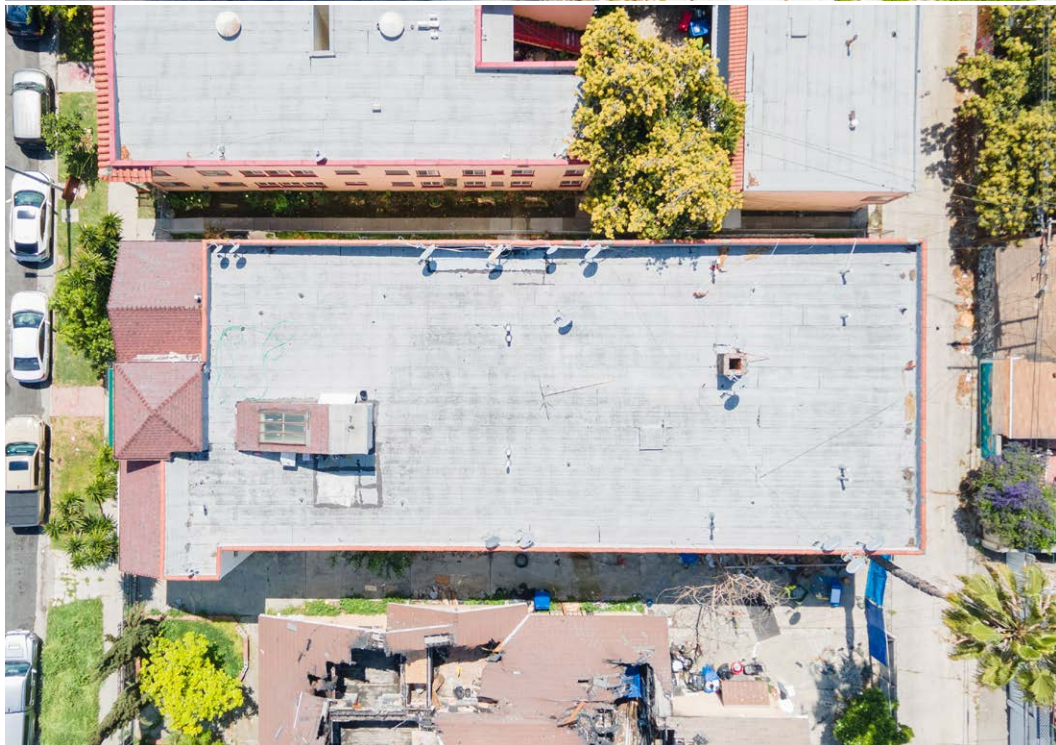


# INVESTMENT HIGHLIGHTS

- Pride-of-ownership 16-unit apartment building in Los Angeles' popular Westlake neighborhood
- Opportunity to capture 44 percent rental upside in a consistently strong rental submarket
- Building offers 13 studios, three one-bedroom units, and on-site laundry

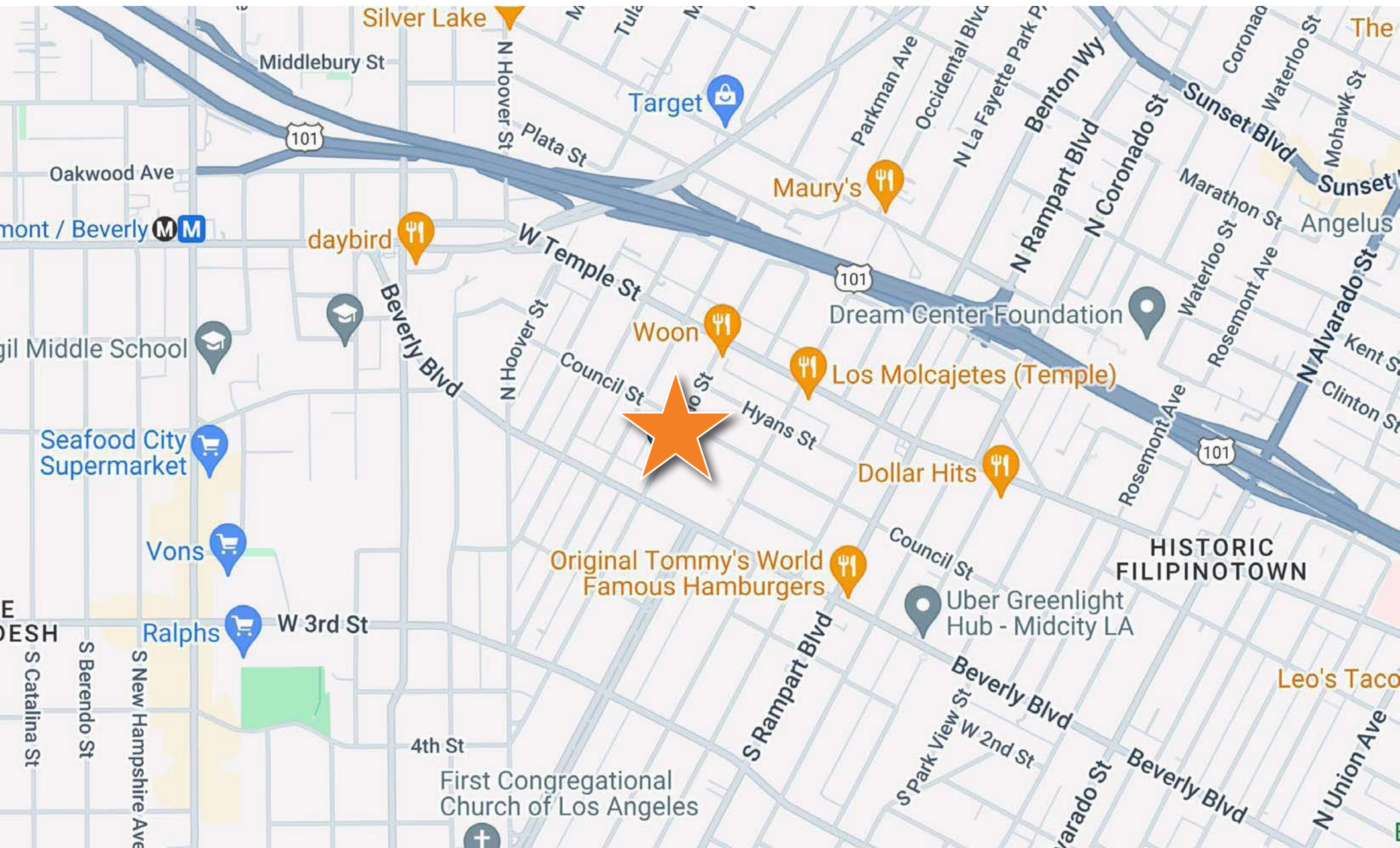








# PROPERTY LOCATION







SUBJECT PROPERTY



# PRICING SUMMARY

## PRICING & PROPERTY DETAILS

Address	143 N Reno Street
	Los Angeles CA 90026
Offering Price	\$1,995,000
Units	16
Rentable SF	9,240
Price/Unit	\$124,688
Price/SF	\$215.91
Lot Size (SF)	6,000
Year Built	1927

VITAL DATA	CURRENT	PRO FORMA
NOI	\$106,106	\$194,510
Cap Rate	5.32%	9.75%
GRM	9.11	6.35





# INCOME & EXPENSES

NO. OF UNITS	UNIT TYPE	% OF UNITS	AVG. CURRENT RENT	TOTAL RENT	PRO FORMA RENT	TOTAL RENT
3	1BR / 1BA	19%	\$1,140	\$3,421	\$1,800	\$5,400
13	Studio	81%	\$1,140	\$14,825	\$1,600	\$20,800
16	Total			\$18,246		\$26,200

ANNUALIZED EXPENSES	CURRENT	PRO FORMA
Real Estate Taxes	\$25,371	\$25,371
Insurance	\$4,930	\$4,930
Utilities	\$42,503	\$42,503
Repairs & Maint.	\$6,712	\$6,712
On-Site Payroll	\$19,200	\$19,200
General & Admin	\$1,095	\$1,572
Management Fee	\$8,647	\$12,350
CAPEX/Reserves	\$1,600	\$1,600
<b>Total</b>	<b>\$110,058</b>	<b>\$114,238</b>
Per Unit	\$6,879	\$7,140
Per SF	\$11.91	\$12.36
% EGI	50.91%	37.00%

ANNUALIZED OPERATING DATA	CURRENT	PRO FORMA
All Units at Market Rent	\$314,400	\$314,400
Less: Loss to Lease	\$95,448	\$0
Gross Potential Rent	\$218,952	\$314,400
Less: Vacancy Allowance	\$6,569	\$9,432
Other Income	\$3,780	\$3,780
Effective Gross Income	\$216,163	\$308,748
Less: Expenses	\$110,058	\$114,238
<b>Net Operating Income</b>	<b>\$106,106</b>	<b>\$194,510</b>



# RENT ROLL

UNIT NO.	UNIT TYPE	CURRENT RENT	PRO FORMA RENT
1	1BR / 1BA	\$1,133	\$1,800
2*	Studio	\$1,600	\$1,600
3	Studio	\$1,035	\$1,600
4	Studio	\$975	\$1,600
5	Studio	\$950	\$1,600
6	Studio	\$1,030	\$1,600
7	Studio	\$990	\$1,600
8	Studio	\$955	\$1,600
9	1BR / 1BA	\$1,170	\$1,800
10	1BR / 1BA	\$1,118	\$1,800
11	Studio	\$965	\$1,600
12	Studio	\$950	\$1,600
13	Studio	\$1,500	\$1,600
14	Studio	\$950	\$1,600
15	Studio	\$1,325	\$1,600
16**	Studio	\$1,600	\$1,600
16	Total	\$18,246	\$26,200

\*on-site manager

\*\*vacant



# 10-YEAR CASH FLOW

	SEP-26	SEP-27	SEP-28	SEP-29	SEP-30	SEP-31	SEP-32	SEP-33	SEP-34	SEP-35
Income										
All Units at Market Rent	\$326,976	\$340,055	\$353,657	\$367,804	\$382,516	\$397,816	\$413,729	\$430,278	\$447,489	\$465,389
Gain (Loss)-to-Lease	\$91,630	\$87,965	\$84,446	\$81,068	\$77,826	\$74,713	\$71,724	\$68,855	\$66,101	\$63,457
Gross Potential Rent	\$235,346	\$252,090	\$269,211	\$286,735	\$304,690	\$323,104	\$342,005	\$361,423	\$381,388	\$401,932
Vacancy Allowance	(\$7,060)	(\$7,563)	(\$8,076)	(\$8,602)	(\$9,141)	(\$9,693)	(\$10,260)	(\$10,843)	(\$11,442)	(\$12,058)
Other Income	\$3,893	\$4,010	\$4,131	\$4,254	\$4,382	\$4,514	\$4,649	\$4,788	\$4,932	\$5,080
Effective Gross Income	\$232,179	\$248,538	\$265,265	\$282,387	\$299,931	\$317,924	\$336,394	\$355,369	\$374,879	\$394,954
Expenses										
Taxes	\$25,879	\$26,396	\$26,924	\$27,463	\$28,012	\$28,572	\$29,144	\$29,726	\$30,321	\$30,927
Insurance	\$4,930	\$5,078	\$5,230	\$5,387	\$5,549	\$5,715	\$5,887	\$6,063	\$6,245	\$6,433
Utilities	\$42,503	\$43,778	\$45,091	\$46,444	\$47,838	\$49,273	\$50,751	\$52,273	\$53,842	\$55,457
Repairs & Maint.	\$6,712	\$6,913	\$7,121	\$7,334	\$7,554	\$7,781	\$8,014	\$8,255	\$8,503	\$8,758
On-Site Payroll	\$19,200	\$19,776	\$20,369	\$20,980	\$21,610	\$22,258	\$22,926	\$23,614	\$24,322	\$25,052
General & Admin	\$1,095	\$1,128	\$1,161	\$1,196	\$1,232	\$1,269	\$1,307	\$1,346	\$1,387	\$1,428
Management Fee	\$9,287	\$9,942	\$10,611	\$11,295	\$11,997	\$12,717	\$13,456	\$14,215	\$14,995	\$15,798
CAPEX/Reserves	\$1,600	\$1,648	\$1,697	\$1,748	\$1,801	\$1,855	\$1,910	\$1,968	\$2,027	`
Total Expenses	\$111,206	\$114,659	\$118,205	\$121,849	\$125,593	\$129,440	\$133,395	\$137,460	\$141,641	\$143,853
Net Operating Income	\$120,973	\$133,879	\$147,060	\$160,539	\$174,339	\$188,484	\$202,999	\$217,908	\$233,238	\$251,101



# INCOME & EXPENSE NOTES

Pro forma rents represent all units at adjusted market rents. Market rents are underwritten using comparable market rents and assume that the buyer will continue to upgrade the units to market levels, with similar features, upgrades, and amenities as surrounding area properties.

Other income is based on historic operations. Laundry income is underwritten at \$3,780 per year.

Pro forma vacancy loss is underwritten at 3%, which is common for an asset located in this area. Loss-to-lease is underwritten as market rents, less the properties current rent roll.

Real estate taxes are calculated on proposed pricing at an ad valorem rate of 1.199691% on the full value of the land and improvements and \$1,437.38 for special assessments which was obtained from the LA County Tax Assessor's Office.

Pro forma insurance is underwritten as provided from historical operations.

Pro forma utilities is underwritten as provided from historical operations.

Pro forma repairs and maintenance expense is underwritten as provided from historical operations.

Pro forma on-site payroll is underwritten as provided from historical operations.

Pro forma general and administrative expense is underwritten at 1.25% of gross potential rent.

Pro forma management fee expense is underwritten at 4% of gross operating income.

Pro forma replacements and reserves is underwritten at \$140 per unit, and represents industry standards for an asset of this size and age.



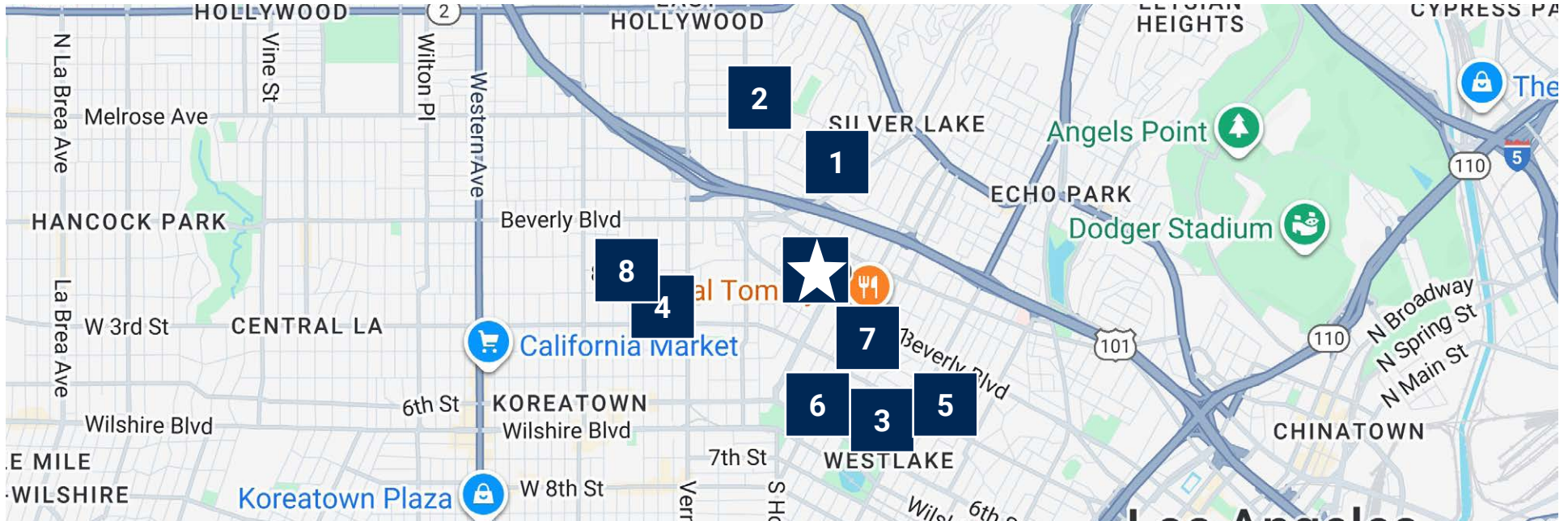


# SALES COMPARABLES

Marcus & Millichap



# SALES COMPARABLES

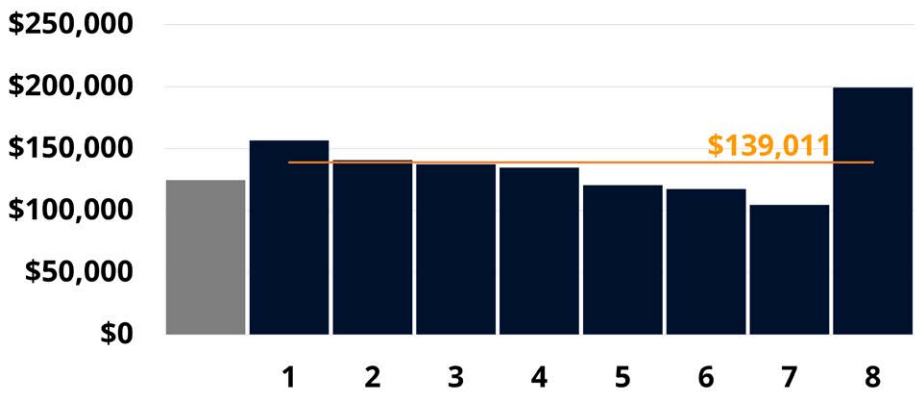


NO	ADDRESS	PRICE	UNITS	PRICE/UNIT	PRICE/SF	CAP RATE	GRM	COE
1	3309 Ellsworth Street	\$1,880,000	12	\$156,667	\$271.36	N/A	N/A	11/20/2024
2	3942 Marathon Street	\$845,000	6	\$140,833	\$145.59	N/A	N/A	10/28/2024
3	436 S Grand View Street	\$1,650,000	12	\$137,500	\$260.42	6.15%	10.57	2/12/2025
4	212-216 S Catalina Street	\$2,425,000	18	\$134,722	\$167.08	N/A	N/A	1/28/2025
5	1913 W 3rd Street	\$4,950,000	41	\$120,732	\$251.01	5.63%	9.74	7/25/2024
6	446 S Rampart Boulevard	\$3,525,000	30	\$117,500	\$224.69	7.02%	7.91	7/11/2025
7	130 S Coronado Street	\$2,200,000	21	\$104,762	\$120.20	6.86%	7.92	8/23/2024
8	101 S Kenmore Ave	\$1,595,000	8	\$199,375	\$204.33	6.60%	9.65	7/21/2025
Comparables Average				\$139,011	\$205.59	6.45%	9.16	
Subject	143 N Reno Street	\$1,995,000	16	\$124,688	\$215.91	5.32%	9.11	

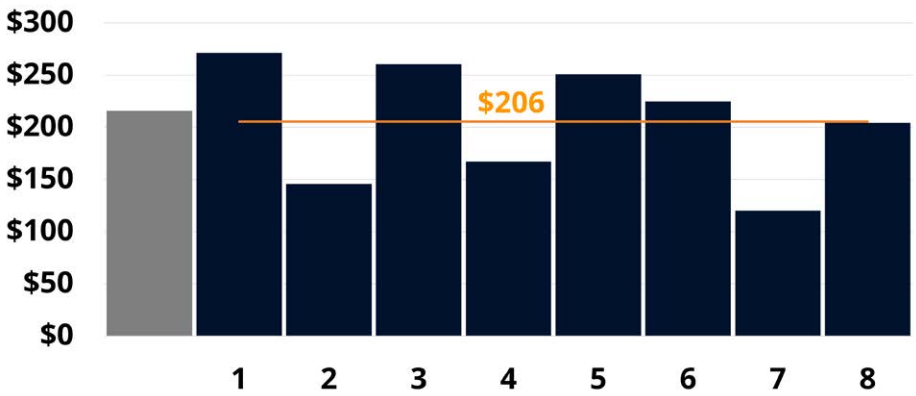


# SALES COMPARABLES

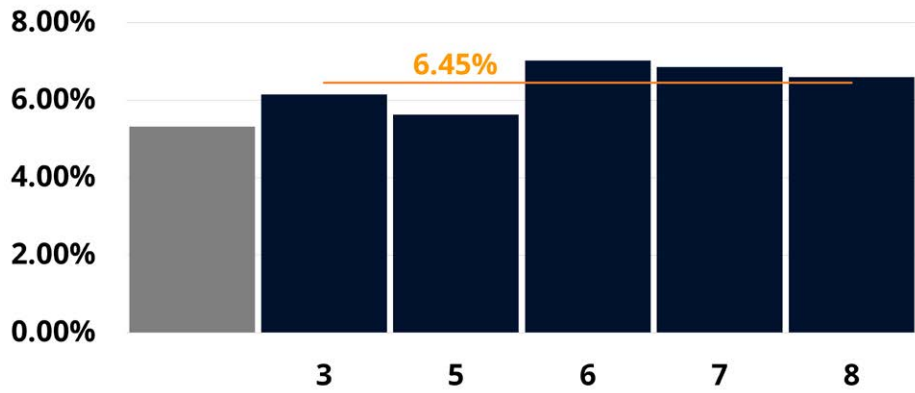
Price Per Unit



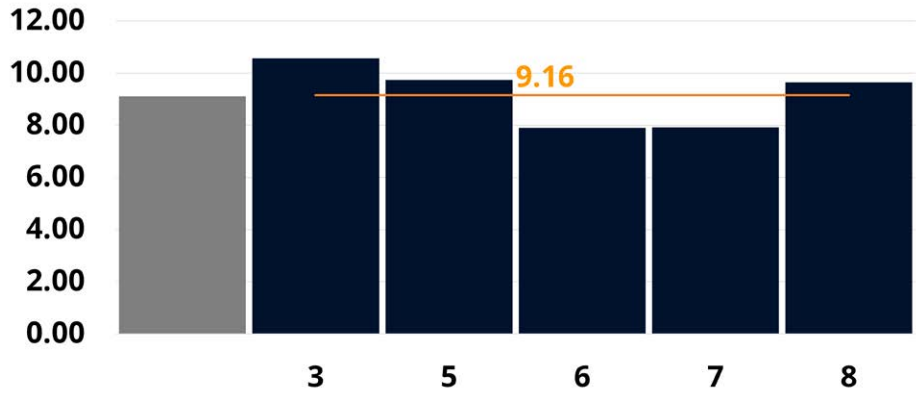
Price Per SF



Cap Rate



GRM





# SALES COMPARABLES



**3309 Ellsworth Street**

**Los Angeles, CA 90026-3610**

Sale Date	11/20/2024
Price	\$1,880,000
Units	12
Price/Unit	\$156,667
Price/SF	\$271.36
Cap Rate	N/A
GRM	N/A
Year Built	1929

Unit Mix	
12	One-Bedroom



**3942 Marathon Street**

**Los Angeles, CA 90029-3602**

Sale Date	10/28/2024
Price	\$845,000
Units	6
Price/Unit	\$140,833
Price/SF	\$145.59
Cap Rate	N/A
GRM	N/A
Year Built	1926

Unit Mix	
3	One-Bedroom
2	Two-Bedroom
1	Three-Bedroom



**436 S Grand View Street**

**Los Angeles, CA 90057**

Sale Date	2/12/2025
Price	\$1,650,000
Units	12
Price/Unit	\$137,500
Price/SF	\$260.42
Cap Rate	7.67%
GRM	10.57
Year Built	1923

Unit Mix	
12	One-Bedroom



# SALES COMPARABLES

4



**212-216 S Catalina Street**  
**Los Angeles, CA 90004**

Sale Date	1/28/2025
Price	\$2,425,000
Units	18
Price/Unit	\$134,722
Price/SF	\$167.08
Cap Rate	N/A
GRM	N/A
Year Built	1925
Unit Mix	
18	Studio

5



**1913 W 3rd Street**  
**Los Angeles, CA 90057-2366**

Sale Date	7/25/2024
Price	\$4,950,000
Units	41
Price/Unit	\$120,732
Price/SF	\$251.01
Cap Rate	5.63%
GRM	9.74
Year Built	1923
Unit Mix	
35	Studio
6	One-Bedroom

6



**446 S Rampart Boulevard**  
**Los Angeles, CA 90057-1784**

Sale Date	7/11/2025
Price	\$3,525,000
Units	30
Price/Unit	\$117,500
Price/SF	\$224.69
Cap Rate	7.02%
GRM	7.91
Year Built	1922
Unit Mix	
30	Studio



# SALES COMPARABLES



130 S Coronado Street  
Los Angeles, CA 90057

Sale Date	8/23/2024
Price	\$2,200,000
Units	21
Price/Unit	\$104,762
Price/SF	\$120.20
Cap Rate	6.86%
GRM	7.92
Year Built	1926

Unit Mix	
17	Studio
4	One-Bedroom



101 S Kenmore Ave  
Los Angeles, CA 90057-1875

Sale Date	7/21/2025
Price	\$1,595,000
Units	8
Price/Unit	\$199,375
Price/SF	\$204.33
Cap Rate	6.60%
GRM	9.65
Year Built	1925

Unit Mix	
8	One-Bedroom



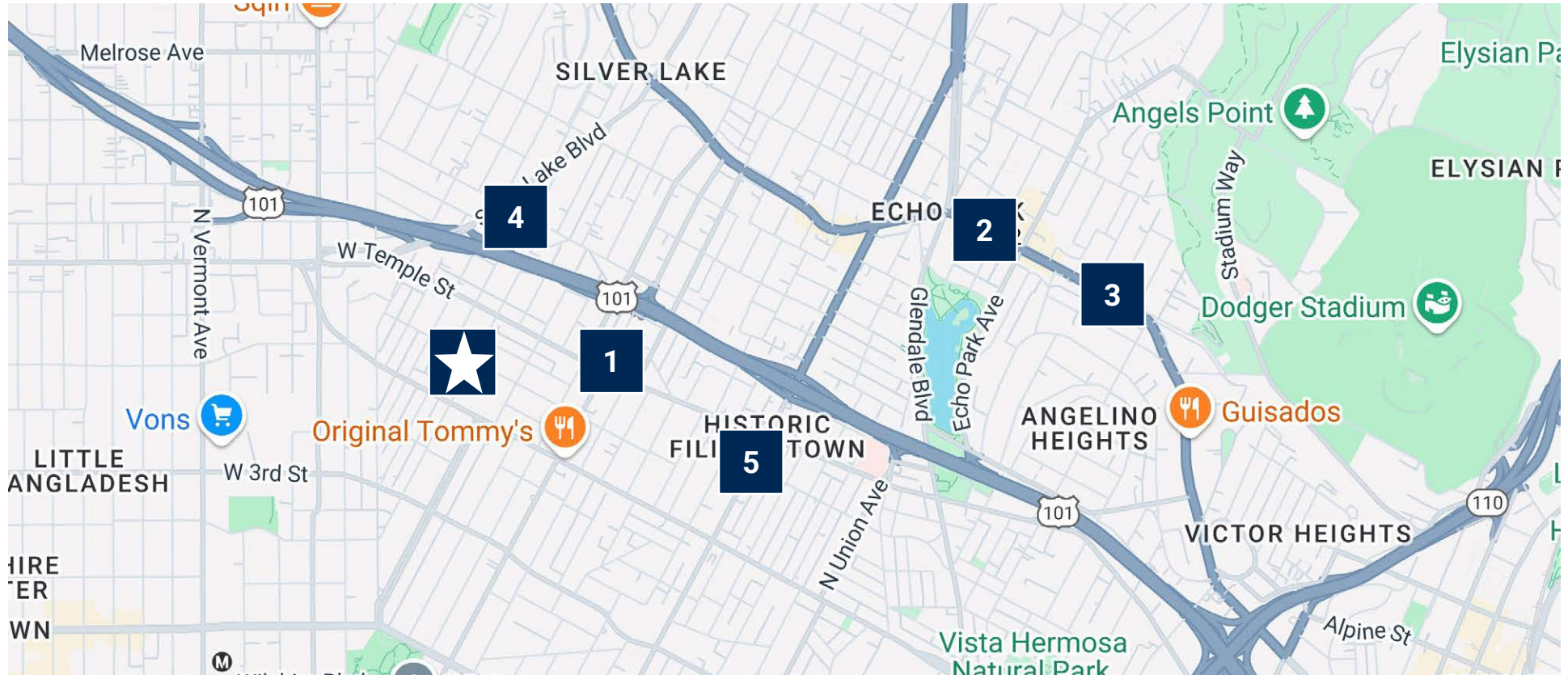


# RENT COMPARABLES

Marcus & Millichap



# RENT COMPARABLES



NO	ADDRESS	UNIT TYPE	RENT
1	307 N Rampart Blvd	Studio	\$1,595
2	1706 W Sunset Blvd	Studio	\$1,895
3	1461 W Sunset Blvd	Studio	\$1,895
4	3100 Bellevue Avenue	1BR / 1BA	\$1,995
5	301 N Alvarado Street	1BR / 1BA	\$1,895





# MARKET OVERVIEW

Marcus & Millichap

# MARKET OVERVIEW

## GREATER DOWNTOWN L.A.

Greater Downtown Los Angeles consists of the Downtown, Mid-Wilshire and Hollywood submarkets. The market has been an epicenter of multifamily development in the county over the past five years, as more than 20,000 units were added during this span. The market's sizable development pipeline will support continued revitalization that will boost the local populace, which is projected to reach 840,000 residents by 2028. Downtown's numerous corporations, retail and entertainment venues are positioned to benefit from this growth.



**Population**  
**818K**

Growth 2023-2028\*  
**2.8%**



**Households**  
**364K**

Growth 2023-2028\*  
**3.4%**



**Median Age**  
**37.6**

U.S. Median  
**38.7**



**Median HH Income**  
**\$59,200**

U.S. Median  
**\$68,500**

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

### Metro Highlights

- Improved Infrastructure & Connectivity: Nearly \$900 million of public funds has been allocated to the Los Angeles area in preparation for the 2028 Summer Olympics, including extensions to the D Line subway.
- Rapid Household Growth: Household formation will increase during the next five years, with the addition of roughly 13,000 households.
- Robust Health Sector: Health care provides many jobs in the downtown area, employing thousands of workers and supported by public health care initiatives.

### Economy Highlights

- Major employers in the market include Farmers Insurance, Kaiser Permanente, Paramount Pictures, Deloitte, Ernst & Young, the University of Southern California and Transamerica Insurance.
- Professional sports is a major economic driver in the area, as the Los Angeles Lakers and Clippers of the NBA, Kings of the NHL, and Dodgers of the MLB, all play their home games here. Professional sports across Los Angeles and Orange Counties is a \$3 billion a year industry.
- A well-educated population provides companies with a skilled workforce. Roughly 40 percent of people ages 25 and older hold a bachelor's degree; among those residents, about a quarter have also gone on to earn a graduate or professional degree.



# LOCAL DEMOGRAPHICS

POPULATION	1 MILE	3 MILES	5 MILES
2029 Projection	92,076	590,421	1,153,799
2024 Estimate	91,519	581,699	1,141,285
2020 Census	91,270	575,184	1,150,207
2010 Census	93,839	571,202	1,141,932
Growth 2024 - 2029	0.61%	1.50%	1.10%
Growth 2020 - 2024	0.27%	1.13%	-0.78%
Growth 2010 - 2020	-2.74%	0.70%	0.72%
Daytime Population	73,065	792,133	1,367,380
Median Age	35.0	37.0	36.0

HOUSEHOLDS	1 MILE	3 MILES	5 MILES
2029 Projection	39,793	262,134	482,204
2024 Estimate	38,856	254,612	471,090
2020 Census	37,573	244,309	455,833
2010 Census	34,764	219,663	417,208
Growth 2024 - 2029	2.41%	2.95%	2.36%
Growth 2020 - 2024	3.41%	4.22%	3.35%
Growth 2010 - 2020	8.08%	11.22%	9.26%

2024 HOUSEHOLD INCOME	1 MILE	3 MILES	5 MILES
\$200,000 or More	5.64%	8.60%	9.86%
\$150,000 - \$199,999	5.34%	6.61%	7.18%
\$100,000 - \$149,999	13.51%	13.51%	14.42%
\$75,000 - \$99,999	13.21%	11.30%	11.58%
\$50,000 - \$74,999	17.87%	15.06%	14.79%
\$35,000 - \$49,999	12.76%	10.75%	10.52%
\$25,000 - \$34,999	10.53%	9.22%	8.71%
\$15,000 - \$24,999	7.68%	9.17%	8.64%
\$10,000 - \$14,999	5.84%	7.23%	6.44%
Under \$9,999	7.64%	8.53%	7.84%
Average Household Income	\$77,062	\$83,284	\$88,485
Median Household Income	\$59,100	\$62,152	\$66,565
Per Capita Income	\$33,724	\$38,260	\$38,709

2024 HOUSING UNITS	1 MILE	3 MILES	5 MILES
Owner-Occupied	7.8%	11.2%	16.5%
Renter-Occupied	85.5%	80.6%	76.0%
Vacant	6.67%	8.16%	7.47%

# INVESTMENT FORECAST

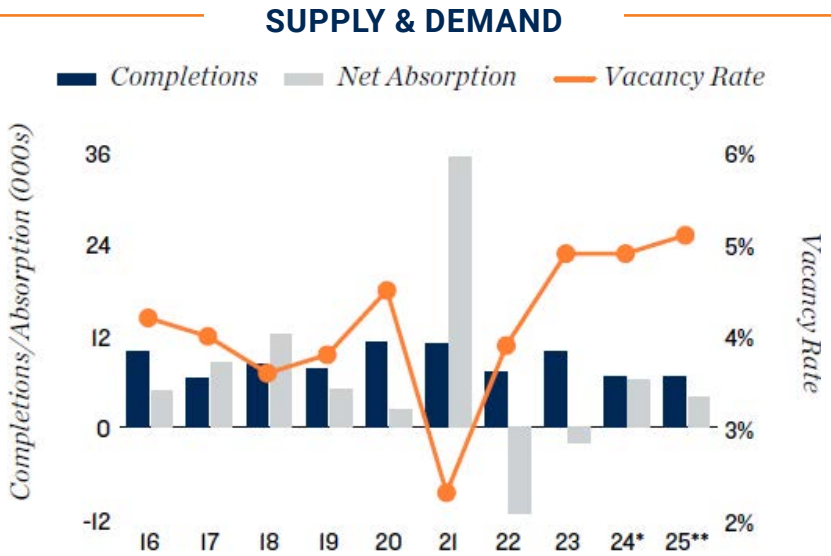
## LOS ANGELES METRO 2025

### Epicenters of Local Development Activity Shift as Developers Respond to Emerging Trends

Deliveries focused in some of the least vacant areas. After falling to 2.1 percent in early 2022, vacancy in Los Angeles rose 300 basis points over the next eight quarters. This spike prompted a pullback in multifamily permitting, dropping deliveries 1,800 units below the local average of the past 10 years. The most notable reduction will occur in the CBD, which is comprised of Downtown Los Angeles, Mid-Wilshire and Hollywood. Here, the decline is warranted, as more than 8,000 rentals were added over the prior two years — a supply wave that pushed local vacancy near 6 percent. Westside Cities will also register a noteworthy pullback in completions, with deliveries minimal in South Bay and Bur-bank-Glendale-Pasadena. In contrast, the San Gabriel and San Fernando valleys — home to some of the metro’s lowest vacancy rates — receive a collective 3,100 units after combin-ing for 1,000 new rentals last year. These additions may translate into some local upward vacancy momentum over the short-term. Still, the moderation in deliveries elsewhere should help foster a level of demand for rentals that supports a second-straight year of positive net absorption.

Sales outside of Los Angeles proper make up a larger share of activity. Deal flow took a notable step forward in the final quarter of 2024, due in part to interest rate cuts and the failure of Proposition 33. Based on preliminary data, the three-month span was the stron-gest in more than two years, with trades in Los Angeles proper accounting for one-third of sales activity. Nearly all these trades, however, were below the \$5 million mark. This trend will persist into the foreseeable future as a direct result of Measure ULA. Many investors seeking assets that

require capital deployments above this threshold will target areas outside the city, including Southeast Los Angeles, Long Beach, and the San Gabriel and San Fernando valleys. Relatively lower rents here spur steadfast Class B and C demand.



\* Estimate; \*\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.



## 2025 Market Forecast



**0.8%**  
employment  
increase

### EMPLOYMENT

Local job creation improves in 2025, with the county slated to welcome 36,000 positions. Of these, 15 percent are within traditionally office-using sectors, aiding Class A rental demand.



**6,600**  
units  
will be completed

### CONSTRUCTION

For the third time in four years, Los Angeles' rental inventory expands by 0.6 percent. Projects scheduled for delivery this year comprise an average of 105 units.



**20**  
basis point  
increase in vacancy

### VACANCY

The metro registers positive net absorption; however, supply outpaces demand, lifting vacancy to 5.1 percent. The January wildfires may put downward pressure on vacancy rates.

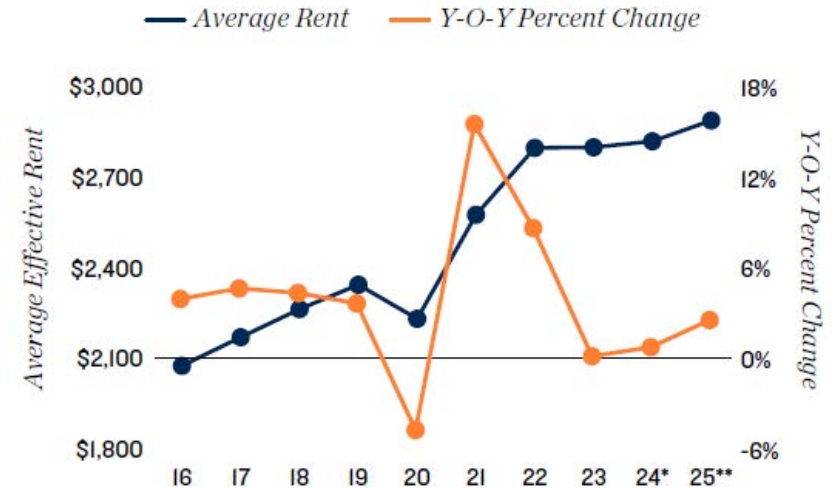


**2.5%**  
increase in  
effective rent

### RENT

Household demand for lower-cost rentals supports moderate rent growth in the Class B and C sectors, lifting Los Angeles' overall effective rate to an average of \$2,883 per month.

## RENT TRENDS



## SALES TRENDS



\* Estimate; \*\* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics; RealPage, Inc.



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