

6633-6639

N SEPULVEDA BLVD., VAN NUYS, CA 91411

OFFERING MEMORANDUM



Photo Taken October 2019.



LILLY ENTERPRISES, INC.
LILLY PROPERTY MANAGEMENT CO.

Matthew C Lee | Executive Managing Director | CalDRE# 01881080

6633 6630

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OFFERING MEMORANDUM



Photo Taken October 2011



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Overview

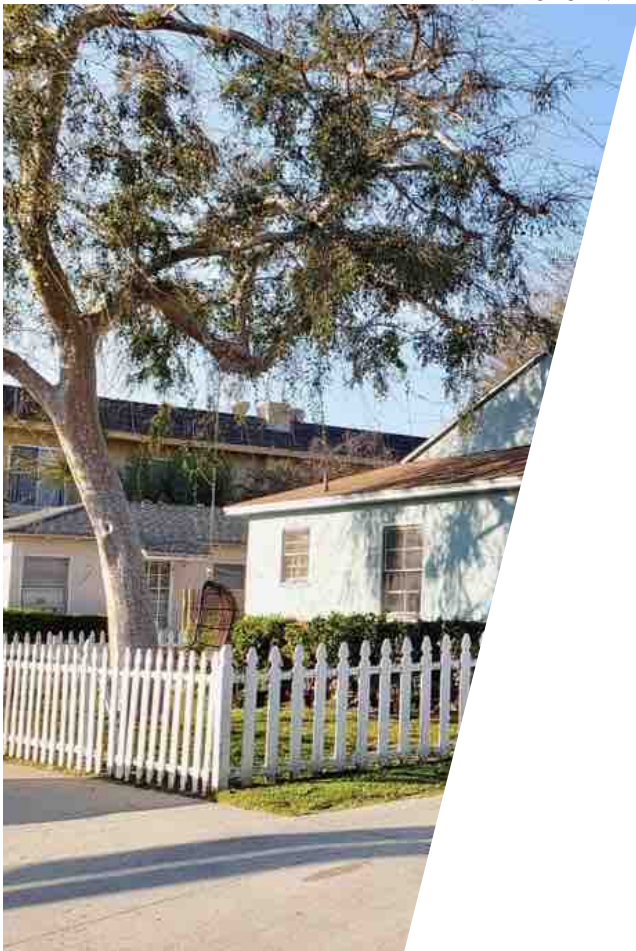
Lilly Enterprises, Inc., as the exclusive listing agency, is pleased to present for sale **(for the first time in over 30 years)** 6633 and 6639 N Sepulveda Blvd., a combined two (2) quadraplex offering situated across a large double lot totaling **±18,600 SF** in Van Nuys, CA. The offering presents numerous options (owner occupy, buy and hold, redevelopment, fixer-upper, ADU add-on) for an investor (new or experienced) to acquire a very well-maintained and stable asset with **±45% in rental upside (stabilized ±5.75 CAP & ±12.5 X)** achievable through unit turnover and renovation. The property is subject to The City of LA Rent Stabilization Ordinance (RSO), which supersedes the new Assembly Bill 1482 "Tenant Protection Act of 2019." The property is **not subject to The City of LA Soft-Story Retrofit Program**. There is a possibility to finance both properties individually as residential loans (confirm with your lender).

The building comes with little deferred maintenance and most major components (i.e. the roof, electrical, plumbing and foundation) are in fair condition. Building amenities include an on-site laundry room (leased machines), overhang storage cabinets for each unit, four (4) garage doors with each door containing two (2) parking spaces, three (3) additional uncovered parking spaces and two (2) large enclosed front yards. The building is serviced by individual wall/floor heaters and furnaces. The owner is responsible for water/sewage and tenants are responsible for gas, electric and trash. The 1BR/1BA units are approximately 850 SF and the 2BR/1BA units are approximately 950 SF. The most recently renovated units included granite countertops, remodeled bathrooms and refinished hardwood floors. Both building exteriors and the laundry room were recently repainted.

6633 and 6639 N Sepulveda Blvd. are located between Vanowen St. and Victory Blvd., roughly 6 blocks E of the 405 Freeway. Both properties reside along smaller N Sepulveda Blvd., which is divided from the busy and major Sepulveda Blvd. Abutting both properties to the W is an upscale Van Nuys neighborhood. One block N and S are 2 large residential developments currently underway. Within close distance are numerous national operators such as **Costco, Target, CVS, 99 Ranch, Office Depot, Petco**, amongst many others. 2 major blocks E along Van Nuys Blvd. is the **upcoming \$1.3B Metrolink Van Nuys Blvd. Light Rail Project**, which is scheduled to break ground in 2021 and be completed by 2027. In advance of the construction start date, The City of LA is already taking steps to plan for new development surrounding each of the 14 stations that will run along the 9.2 mile line, terminating at the Sylmar Metrolink Station to the N and the Orange Line Busway to the S. Van Nuys is a neighborhood within the San Fernando Valley region of Los Angeles County, surrounded by Panorama City, North Hills, Northridge, Lake Balboa, Sepulveda Basin, Sherman Oaks, Valley Glen and Sun Valley.

Please do not disturb the tenants. Property being sold in as-is condition. APN #'s 2234-017-015 & 2234-017-016 must be sold together. Buyer to cooperate in effectuating Seller's 1031 Tax Deferred Exchange. Property inspection & due diligence material provided upon an accepted offer.

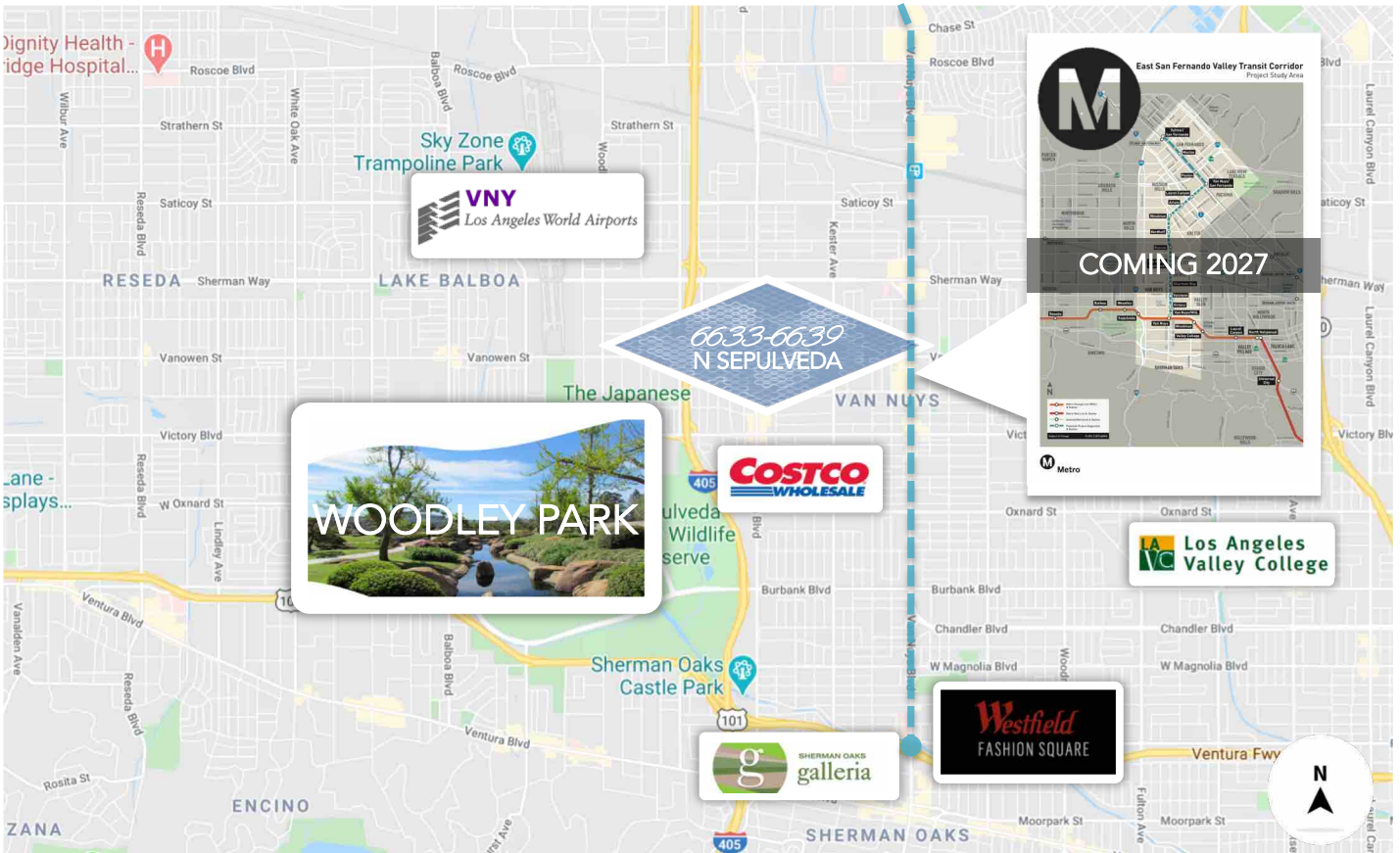
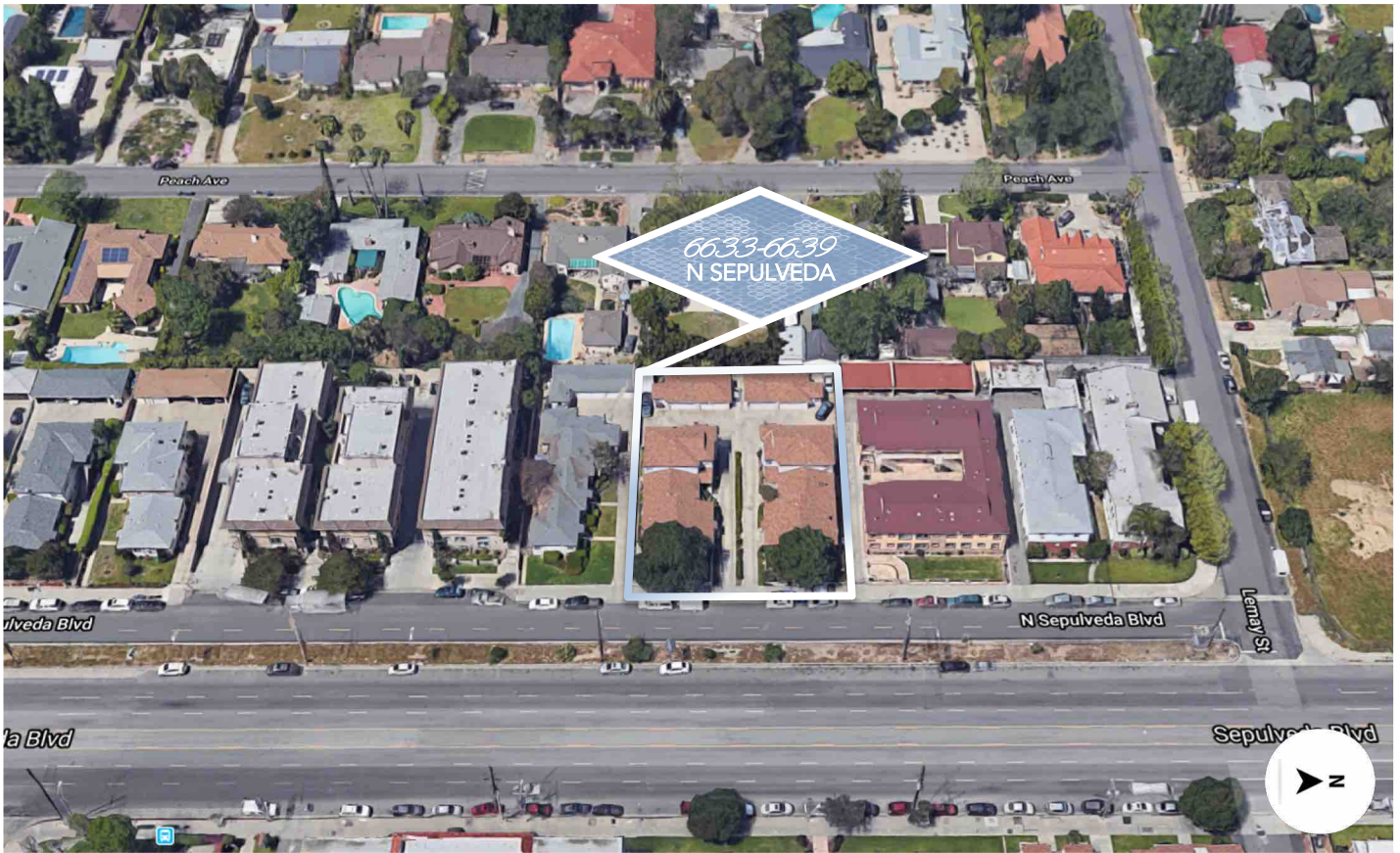
The marketing information has been secured from sources believed to be reliable, however Agent/Broker make no representation or warranties, express or implied to the accuracy of this information. References to square footage, age, or pro-forma expectations are approximate. Buyer must verify and bears all risk for any inaccuracies.



Summary

Property Address	6633 & 6639 N Sepulveda Blvd., Van Nuys, CA 91411
Asset Type	Quadraplex x 2
Building Size (SF)	±7,416 SF (Buyer to Verify)
Land Size (SF)	±18,594 SF (Buyer to Verify)
Unit Mix	1BR/1BA (2) + 2BR/1BA (6)
Occupancy	100%
Year Built	1951
Number of Stories	2
Total Parking	11
Laundry	On-Site (Leased Machines)
Utilities (Landlord)	Water/Sewer
Utilities (Tenant)	Electric, Gas, Trash
Zoning	LARD1.5 (Restricted Density Multiple Dwelling)
Rent Control	Yes
Assessor Parcel #	2234-017-015 / 2234-017-016



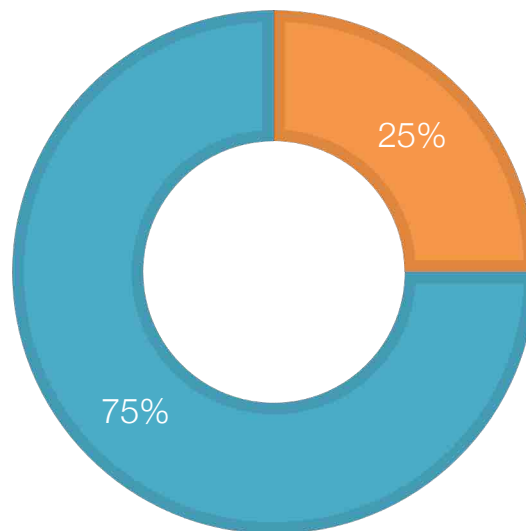


Rent Roll

Unit #	Type	Est. SF	Status	Current Rent	Stabilized Rent	
6633	2BR/1BA	±950	Current	\$1,780.62	\$2,100.00	
6635	1BR/1BA	±850	Current	\$1,187.07	\$1,500.00	
6637	2BR/1BA	±950	Current	\$1,180.16	\$2,100.00	
6637 1/2	2BR/1BA	±950	Current	\$1,394.68	\$2,100.00	
6639	2BR/1BA	±950	Current	\$1,243.62	\$2,100.00	
6641	1BR/1BA	±850	Current	\$1,356.26	\$1,500.00	
6643	2BR/1BA	±950	Current	\$1,479.44	\$2,100.00	
6643 1/2	2BR/1BA	±950	Current	\$1,441.22	\$2,100.00	
8				Monthly	\$10,763.07	\$15,600.00
				Annually	\$129,156.84	\$187,200.00

UNIT MIX

■ 1BR/1BA (2) ■ 2BR/1BA (6)



Executive Summary

	Current		Stabilized	
Building Size (SF)	7,416		7,416	
Lot Size (SF)	18,594		18,594	
# of Units	8		8	
Price	\$2,400,000.00		\$2,400,000.00	
Gross Scheduled Income	\$129,156.84		\$187,200.00	(45%↑)
Vacancy	\$6,457.84	(5%)	\$9,360.00	(5%)
Additional Income (Parking & Laundry)	\$4,409.00		\$4,409.00	
Effective Gross Income	\$127,108.00		\$182,249.00	
Property Taxes (1.25%)	\$30,000.00		\$30,000.00	
Insurance (Est. \$0.40/SF)	\$2,970.00		\$2,970.00	
Utilities (Water & Sewage)	\$6,550.00		\$6,550.00	
Operating Expenses (Remaining)	\$5,040.00		\$5,040.00	
Total Operating Expense	\$44,560.00	(35%)	\$44,560.00	(24%)
Net Operating Income (NOI)	\$82,548.00		\$137,689.00	
Down Payment	\$1,200,000.00	(50%)	\$1,200,000.00	(50%)
Mortgage Amount	\$1,200,000.00	(50%)	\$1,200,000.00	(50%)
Debt Service (30 YR., 3.10% INT)	\$61,490.36		\$61,490.36	
Debt Coverage Ratio	1.34		2.24	
Pre-Tax Cash Flow	\$21,057.64		\$76,198.64	
Pre-Tax Cash-on-Cash Return	1.75%		6.35%	
Capitalization Rate	3.44		5.74	
Gross Rent Multiplier	17.97 X		12.53 X	
Price/Unit	\$300,000.00		\$300,000.00	
Price/Bldg. SF	\$323.62		\$323.62	
Rent/SF/Month	\$1.45		\$2.10	

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Exclusively Listed By



LILLY ENTERPRISES, INC.
LILLY PROPERTY MANAGEMENT CO.



Matthew C Lee

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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 inaccuracies his 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 inaccuracies.

October 2020