

817

N MADISON AVE

OFFERING MEMORANDUM

Photo Taken February 2021



LILLY ENTERPRISES, INC.
LILLY PROPERTY MANAGEMENT CO.

Matthew C Lee | Executive Managing Director | CalDRE# 01881080

Overview

Lilly Enterprises, Inc., as the exclusive listing agency, is pleased to present for sale 817 N Madison Avenue, a 7 unit apartment offering in Los Angeles (East Hollywood), CA. Deferred maintenance and under market rents (**± 300% in rental upside**), present an investor with the possibility to achieve long term growth through turnover and renovation. The property is subject to The City of LA Rent Stabilization Ordinance (RSO), which supersedes the Assembly Bill 1482 "Tenant Protection Act of 2019." The property is **not subject to The City of LA Soft-Story Retrofit Program**.

Two separate structures reside on a single ± 7,500 SF lot with a triplex in the front and a quad in the rear. There are 3 undesignated and unassigned parking spaces, which can all be gated from the front entry. A large common area patio resides in the rear, which is currently being used as an outdoor fitness space. Plumbing is a combination of galvanized in the front and **copper in the rear**. **The roof was replaced within the last year**. Unit sizes range from ± 675 SF for the 1BR/1BA's and ± 775 SF for the 2BR/1BA's. Each unit is serviced by individual wall heaters and water heaters. Landlord is responsible for water, sewer and electric. Tenants are responsible for gas.

817 N Madison is located 2 blocks NE of N Vermont Ave. & Melrose Ave., one block E of Los Angeles City College. Residents are serviced by close proximity to neighborhood amenities, eateries, shopping, public transportation and convenient access to the 10 and 110 Freeways. The East Hollywood neighborhood of Los Angeles is located in the Central Los Angeles region and is surrounded by other vibrant neighborhoods such as Hollywood, Larchmont, Koreatown, Silver Lake and Los Feliz.

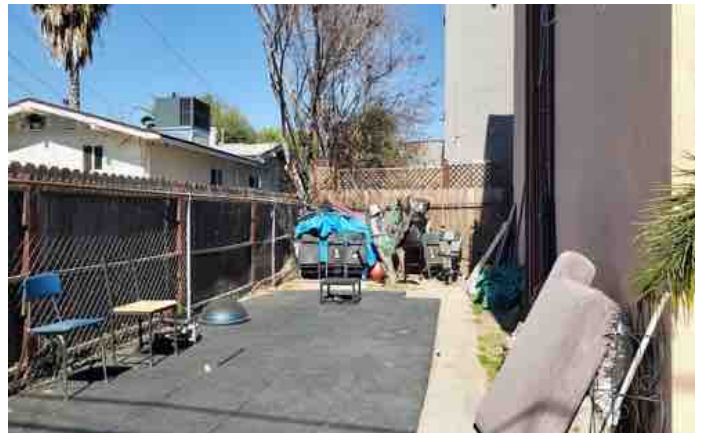
Please do not disturb the tenants. Property being sold in as-is condition. Property inspection & due diligence material provided upon an accepted offer. Seller's relative occupies one of the units.

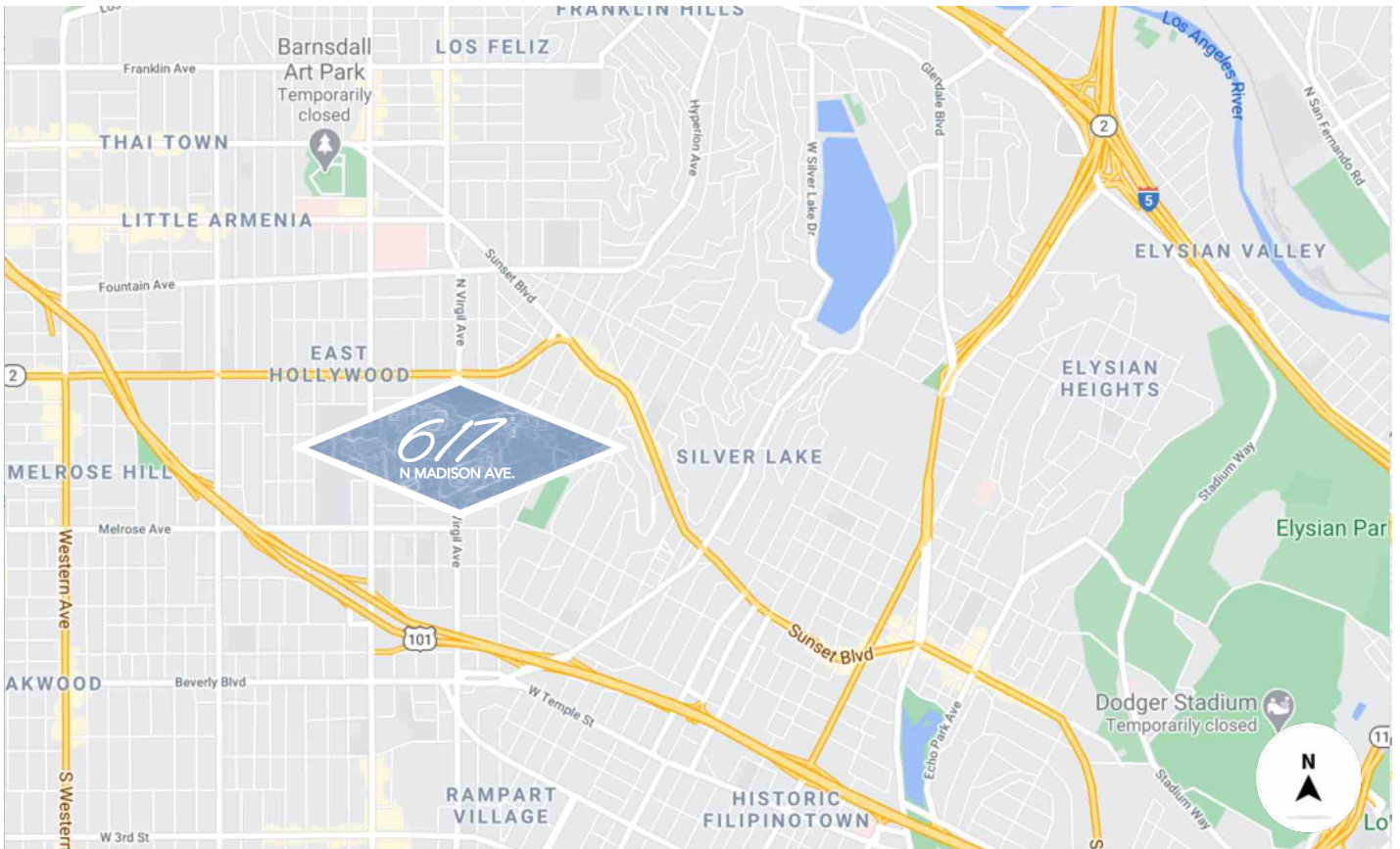
The marketing information has been secured from sources believed to be reliable, however Agent/Broker make no representation or warranties, express or implied to the accuracy of this information. References to square footage, age, or pro-forma expectations are approximate. Buyer must verify and bears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



Summary

Property Address	817 N Madison Ave., Los Angeles, CA 90029
Asset Type	Multi-Family
Building Size (SF)	± 5,224 SF (Buyer to Verify)
Land Size (SF)	± 7,513 SF (Buyer to Verify)
Unit Mix	1BR/1BA (2) + 2BR/1BA (5)
Occupancy	85%
Year Built	1957
Number of Stories	2
Total Parking	3 (Gated)
Laundry	N/A
Utilities (Landlord)	Water/Sewer, Electricity
Utilities (Tenant)	Gas
Zoning	LARD1.5 (Restricted Density Multiple Dwelling)
Rent Control	Yes
Assessor Parcel #	5539-015-003





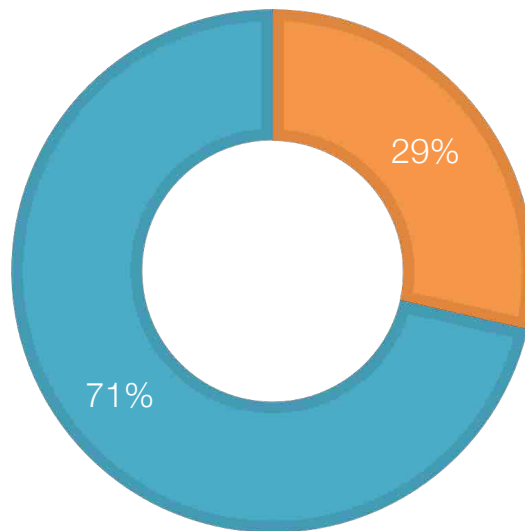
Rent Roll

817 N Madison Ave., Los Angeles, CA 90029

	Unit #	Type	Est. Size	Status	Current Rent	Stabilized Rent
Front Structure	819	1BR/1BA	± 675 SF	Vacant	\$0.00	\$1,500.00
	819 1/4	2BR/1BA	± 775 SF	Current	\$500.00	\$2,200.00
	819 1/2	1BR/1BA	± 675 SF	Current	\$500.00	\$1,500.00
Rear Structure	1	2BR/1BA	± 775 SF	Current	\$618.00	\$2,200.00
	2	2BR/1BA	± 775 SF	Current	\$500.00	\$2,200.00
	3	2BR/1BA	± 775 SF	Current	\$540.00	\$2,200.00
	4	2BR/1BA	± 775 SF	Current	\$550.00	\$2,200.00
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	7			Monthly	\$3,208.00	\$14,000.00
				Annually	\$38,496.00	\$168,000.00

UNIT MIX

■ 1BR/1BA (2) ■ 2BR/1BA (5)



Executive Summary

817 N Madison Ave., Los Angeles, CA 90029

	Current		Stabilized	
Building Size (SF)	5,224		5,224	
Lot Size (SF)	7,513		7,513	
# of Units	7		7	
Year Built	1957		1957	
Price	\$1,600,000.00		\$1,600,000.00	
Gross Scheduled Income	\$56,496.00		\$168,000.00	(300%↑)
Vacancy	\$2,824.80	(5%)	\$8,400.00	(5%)
Additional Income (Parking)	\$0.00		\$0.00	
Effective Gross Income	\$53,671.20		\$159,600.00	
Property Taxes (1.25%)	\$20,000.00		\$20,000.00	
Insurance (Est. \$0.40/SF)	\$2,100.00		\$2,100.00	
Operating Expenses (Remaining)	\$4,900.00		\$4,900.00	
Total Operating Expense	\$27,000.00	(50%)	\$27,000.00	(17%)
Net Operating Income (NOI)	\$26,671.20		\$132,600.00	
Down Payment	\$800,000.00	(50%)	\$800,000.00	(50%)
Mortgage Amount	\$800,000.00	(50%)	\$800,000.00	(50%)
Debt Service (30 YR., 3.50% INT)	\$43,108.29		\$43,108.29	
Debt Coverage Ratio	0.62		3.08	
Pre-Tax Cash Flow	-\$16,437.09		\$89,491.71	
Pre-Tax Cash-on-Cash Return	-2.05%		11.19%	
Capitalization Rate	1.67		8.29	
Gross Rent Multiplier	28.32 X		9.52 X	
Price/Unit	\$228,571.43		\$228,571.43	
Price/Bldg. SF	\$306.28		\$306.28	
Rent/SF/Month	\$0.90		\$2.68	



Exclusively Listed By



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Matthew C Lee

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