FIVE UNITS (SFR + 2 DUPLEXES) IN NORTH HOLLYWOOD

6926 MORELLA

THE 2-4 UNIT SPECIALISTS®

DUPLEX | TRIPLEX | FOURPLEX REALTY

OFFERING MEMORANDUM

Presented by

THE 2-4 UNIT SPECIALISTS®

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Just look for the orange door!

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OFFERING SUMMARY

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The 2-4 Unit Specialists are pleased to present 6926 Morella, a rare new construction OPPORTUNITY ZONE 5-unit in NoHo that is expected to be completed in September/ October! This property is located LESS THAN A MILE FROM "NOHO WEST", the exciting new mixed use development that brought Trader Joe's, Regal Cinema, Starbucks, LA Fitness (coming soon), and so much new excitement to the neighborhood. Upon completion, we expect this property will achieve an outstanding 5.36% cap rate (rare in this market of sub-5% cap rates). For those of you looking for a similar property a little farther until completion, we have an almost identical new construction 5-unit located at 6836 N Gentry that will be finished around late 2021. Ask us about that one too!

6926 Morella features two tri-level duplexes and a freestanding SFR, making for a total of five beautifully designed, open floorplan units. The unit mix consists of two enormous 4 bedrooms and three huge 3 bedrooms. A total of 10-parking spots are on site- 6 garage spaces and 4 exterior spots. The two rear units have access to a large, private back patio/yard area, which we have found to bring premium rents!

In addition to the impressive return, buyers will enjoy other notable perks including: no rent control, a 1-year builder's warranty, brand new EVERYTHING, little to no maintenance, separate meters for gas, water & electric, and extreme desirability amongst renters for years to come.

PROPERTY OVERVIEW

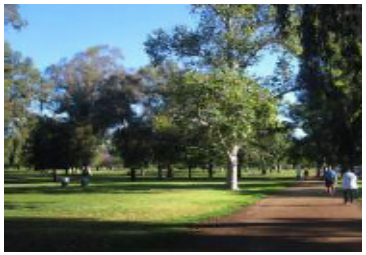
THE PROPERTY:	Address:	6926 Morella Ave, North Hollywood, CA 91605
	APN:	2321-016-017
	# Units:	5
	# Buildings:	3
	Year Built:	2021
	Building Size (SF):	8,005
	Lot Size (SF):	7,901
	Opportunity Zone:	Yes
	Zoning:	LARD1.5
THE OFFERING:	List Price:	$2,900,000
	Cap Rate:	5.36%
	GRM:	13.73
	Price Per Unit:	$580,000
	Price Per SF:	$362.27
UTILITIES:	Water:	Separately Metered (Tenant Pays)
	Electric:	Separately Metered (Tenant Pays)
	Gas:	Separately Metered (Tenant Pays)
AMENITIES:	Stories:	3
	Appliances:	Stainless Steel
	Parking:	6 Garage Spaces and 4 Exterior Spaces (10 Spaces Total)
	Air/Heat:	Central
	Landscaping:	Drought Tolerant
	Balconies:	Living Room and Bedroom Balconies

INVESTMENT HIGHLIGHTS

- We project an outstanding 5.36% cap rate, which is impossible to find in this market of sub-5% caps!
- No rent control!
- New construction inventory in North Hollywood is extremely rare and hard to come by now!
- We project huge appreciation on properties in this area of North Hollywood.
- Enormous units with spacious, open floorplans.
- Less than a mile to NoHo West!
- All units have 2 parking spaces.
- Rear units benefit from a back yard/patio area, which positively impacts rents!
- All units separately metered for gas, electric AND water! Very low expenses.
- Great way to obtain easy, passive income!
- Modern units with stainless steel appliances and upscale design elements!

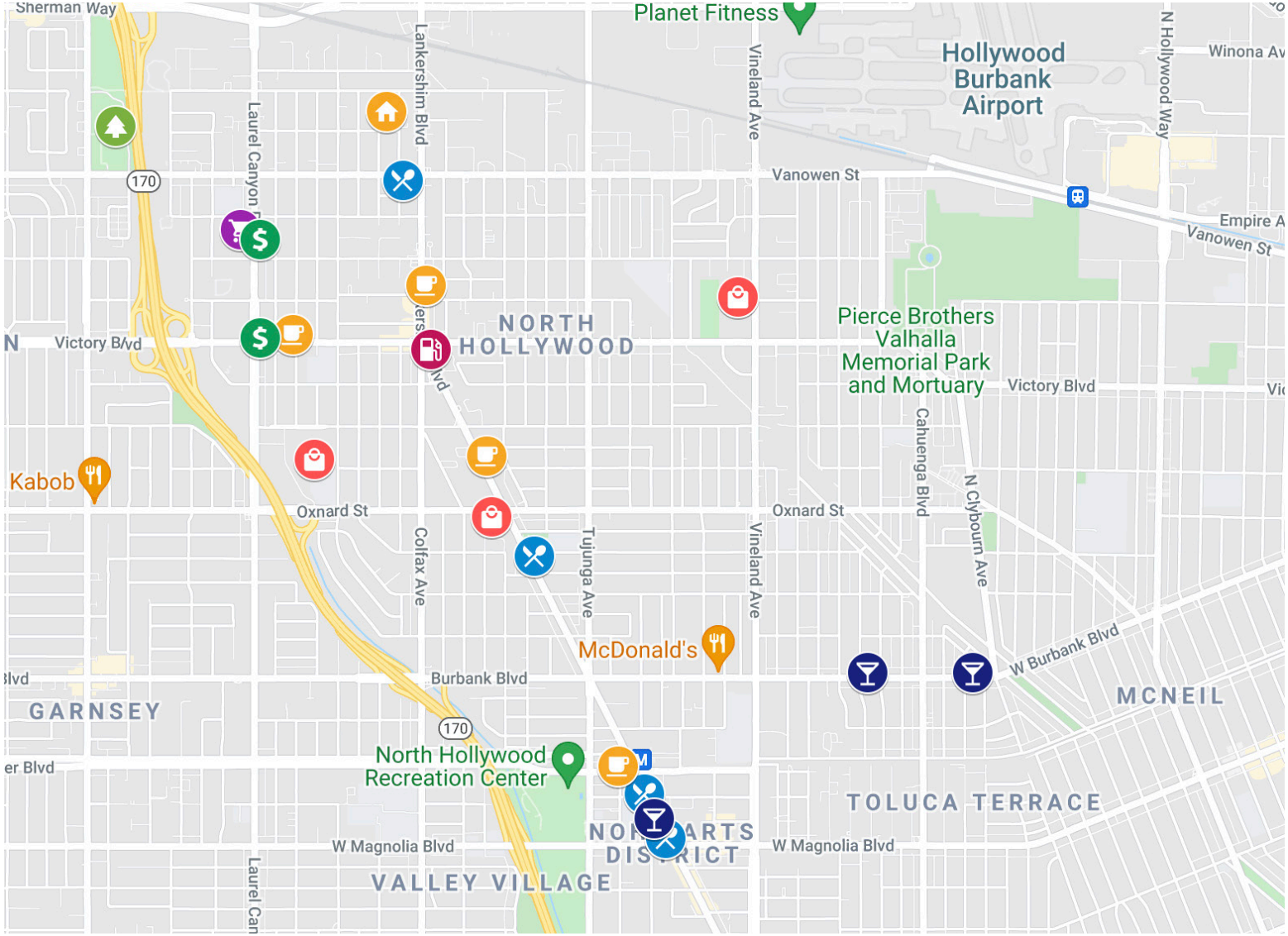
LOCATION HIGHLIGHTS

- This property is located less than a mile from NoHo West, the exciting new NoHo development that brought a brand new Trader Joe's, Starbucks, Regal Cinema, LA Fitness, and so much more to NoHo!
    - More information here: www.nohowest.com
- With lower entry prices in this neighborhood, we project huge appreciation on this property. With massive development on just about every nearby street, it's not long till this area sees a large jump in prices. Get in now to take advantage of the coming major growth.
- Walking distance to countless shops, markets, restaurants, banks, schools, parks and businesses. Quick access to anything you could need!
- North Hollywood's rental market is on fire, attracting high quality tenants who are drawn to the convenience of nearby entertainment jobs and opportunities.
- As prices in further south locations of NoHo are going up, this area surrounding 6836 Gentry is gentrifying quickly. New construction and highly renovated apartments and homes are popping up all throughout this part of town, creating an area that tenants are flocking to. This location is much like a "Silver Lake of the Valley."



LOCATION HIGHLIGHTS MAP

- 6926 Morella Ave
- Salsa & Beer
- In-N-Out Burger
- The Federal NoHo
- Pitfire Pizza
- The Good Nite
- The Other Door
- District Pub NoHo
- Ralphs
- Shell
- Target
- CVS
- NOHO West
- Starbucks
- Groundwork Coffee Co.
- Maggie's Bakery
- Lilit Bakery & Cafe
- Chase Bank
- Bank of America
- Whitsett Sports Field



PRICING & FINANCIALS

FINANCIAL SUMMARY & RENT ROLL

SUMMARIZED PRICING METRICS:		
Price:		$2,900,000
Down:	30%	$870,000
Current GRM:		13.73
Pro Forma GRM:		13.73
Current Cap Rate:		5.36%
Pro Forma Cap Rate:		5.36%
$/Unit:		$580,000
$/SF:		$362.27

BUILDING DESCRIPTION:	
No. of Units:	5
Yr. Built:	2021
Bldg SF:	8,005
Lot Size (SF):	7,901
Lot Size (acres):	0.18
Zoning:	LARD1.5
Opportunity Zone:	Yes
Rent Control:	No

FINANCING:	
Loan Amount:	$2,030,000
Interest Rate:	3.10%
Monthly Payment:	($8,668.43)
LTV:	70%
Amortization (Years):	30
Proposed/Assumption:	Proposed
Minimum DSCR:	1.25

RENT ROLL:

UNIT #	STATUS	UNIT TYPE	UNIT SIZE	CURRENT RENT	SCHEDULED GROSS INCOME	CURRENT RENT PER SF	PRO FORMA RENT	PRO FORMA RENT PER SF	LOSS-TO-LEASE
1	Vacant	4b/4b	1,660	$0	$4,000	$2.41	$4,000	$2.41	$0
2	Vacant	4b/4.5b	1,750	$0	$3,800	$2.17	$3,800	$2.17	$0
3	Vacant	3b/3.5b	1,460	$0	$3,200	$2.19	$3,200	$2.19	$0
4	Vacant	3b/3.5b	1,568	$0	$3,300	$2.11	$3,300	$2.11	$0
5	Vacant	3b/3.5b	1,568	$0	$3,300	$2.11	$3,300	$2.11	$0
5	Totals/Averages:		8,005	$0	$17,600	$2.20	$17,600	$2.20	$0

FINANCIAL ANALYSIS

# UNITS	UNIT MIX	% OF TOTAL	SIZE	AVG RENT	AVERAGE RENT/SF	MONTHLY INCOME	AVG PRO FORMA RENT	AVERAGE PRO FORMA RENT/SF	PRO FORMA MONTHLY INCOME
1	4b/4b	20%	1,660	$4,000	$2.41	$4,000	$4,000	$2.41	$4,000
1	4b/4.5b	20%	1,750	$3,800	$2.17	$3,800	$3,800	$2.17	$3,800
3	3b/3.5b	60%	1,460	$3,267	$2.24	$9,800	$3,267	$2.24	$9,800
	Totals/Averages:		1,601	$3,520	$2.20	$17,600	$3,520	$2.20	$17,600
Gross Potential Income:						**$211,200**			**$211,200**

ANNUALIZED OPERATING DATA:

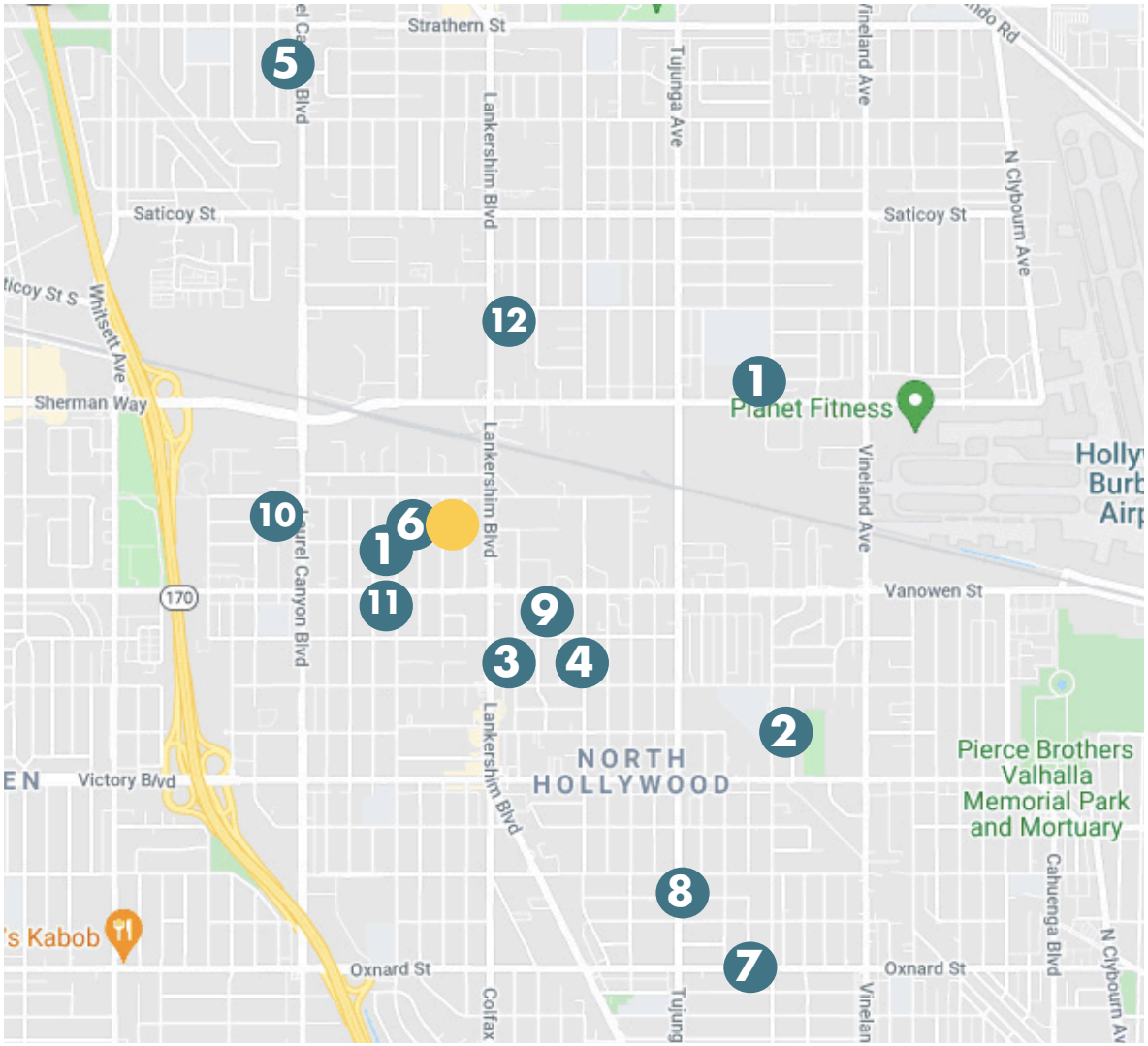
		CURRENT		PRO FORMA
Gross Potential Rental Income		$211,200		$211,200
Gain (Loss)-to-Lease		$0		$0
Gross Scheduled Rental Income		$211,200		$211,200
Less: Vacancy	4.0%	($8,448)	4.0%	($8,448)
Effective Gross Income		$202,752		$202,752
Less: Expenses		($47,287)		($47,287)
Miscellaneous Other Income		$0		$0
Net Operating Income		**$155,465**		**$155,465**
Debt Service		($104,021)		($104,021)
Pre-Tax Cash Flow	**5.91%**	**$51,443**	**5.91%**	**$51,443**
Principal Reduction		$41,680		$41,680
Total Return	**10.70%**	**$93,123**	**10.70%**	**$93,123**

ANNUALIZED EXPENSES:

		CURRENT	PRO FORMA
Fixed Expenses			
Real Estate Taxes	1.2001%	$34,803	$34,803
Insurance	.40/s.f.	$3,202	$3,202
Utilities	$/unit	$0	$0
Controllable Expenses			
Contract Services	$240/unit	$1,200	$1,200
Management	3%	$6,083	$6,083
Repairs & Maintenance	$400/unit	$2,000	$2,000
TOTAL EXPENSES		**$47,287**	**$47,287**
EXPENSES/UNIT		$9,457	$9,457
EXPENSES/SF		$5.91	$5.91
% of EGI		23.3%	23.3%

SALES COMPS

SALES COMPARABLES MAP

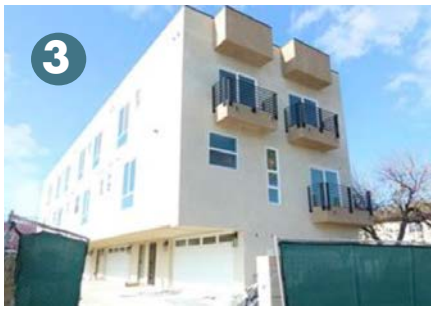


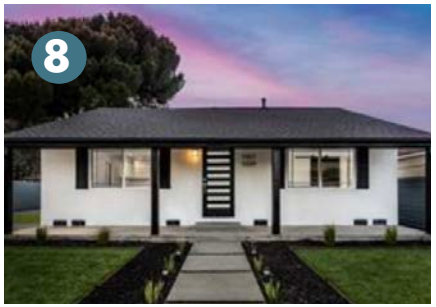
- 6926 Morella (Subject Property)
- 1 6851 Radford
- 2 6505 Bonner
- 3 6633 Troost
- 4 6625 Beck
- 5 7912 Vantage
- 6 6922 Radford
- 7 6002 Klump
- 8 11357 Delano
- 9 6732 Irvine
- 10 12132 Hart
- 11 11918 Vanowen

SALES COMPARABLES CHART

#	ADDRESS	UNITS	SALES PRICE	$/SF	$/UNIT	CAP RATE	GRM	BLDG SF	LOT SQFT	CLOSE DATE	YEAR BUILT
1	6851 Radford	4	$2,475,000	$359.32	$618,750	5.96%	12.89	6,888	9,015	7/8/21	2020
2	6505 Bonner	2	$1,260,000	$465.46	$630,000	5.02%	15.00	2,707	7,140	12/29/20	2019
3	6633 Troost	4	$2,350,000	$439.66	$587,500	5.07%	15.06	5,345	6,752	7/31/20	2020
4	6625 Beck	4	$2,235,000	$374.06	$558,750	5.72%	13.52	5,975	6,751	7/31/20	2020
5	7912 Vantage	2	$1,050,000	$399.24	$525,000	6.02%	13.06	2,630	7,500	6/17/20	2020
6	6922 Radford	4	$2,100,000	$354.13	$525,000	5.65%	13.78	5,930	7,886	4/27/20	2019
7	6002 Klump	6	$3,300,000	$402.44	$550,000	5.54%	13.55	8,200	9,368	3/31/20	2019
8	11357 Delano	2	$905,000	$534.55	$452,500	5.33%	14.17	1,693	8,012	7/31/19	1940/2019
9	6732 Irvine	4	$2,100,000	$368.42	$525,000	5.80%	13.36	5,700	7,799	4/9/19	2019
10	12132 Hart	9	$3,912,000	$486.87	$434,667	3.36%	18.59	8,035	8,816	7/31/18	2017
11	11918 Vanowen	4	$2,220,000	$368.16	$555,000	4.98%	14.12	6,030	5,940	8/8/17	2017
AVERAGE:		4.09	$2,173,364	$404.29	$531,267	5.31%	14.28	5,376	7,725	N/A	N/A
6926 MORELLA:		5	$2,900,000	$362.27	$580,000	5.36%	13.73	8,005	7,901	N/A	2021

SALES COMPARABLES PHOTOS



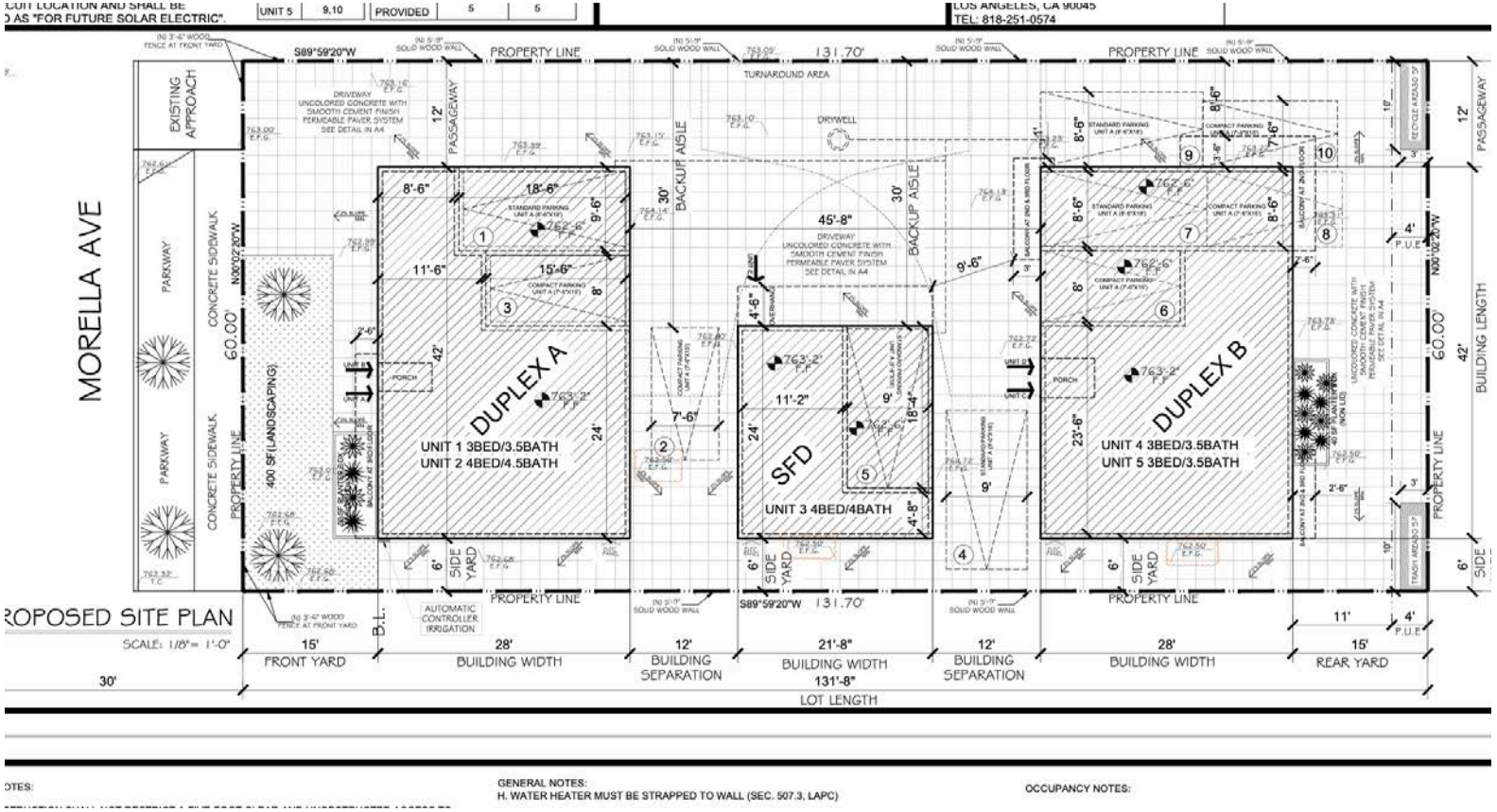


PROPERTY PHOTOS

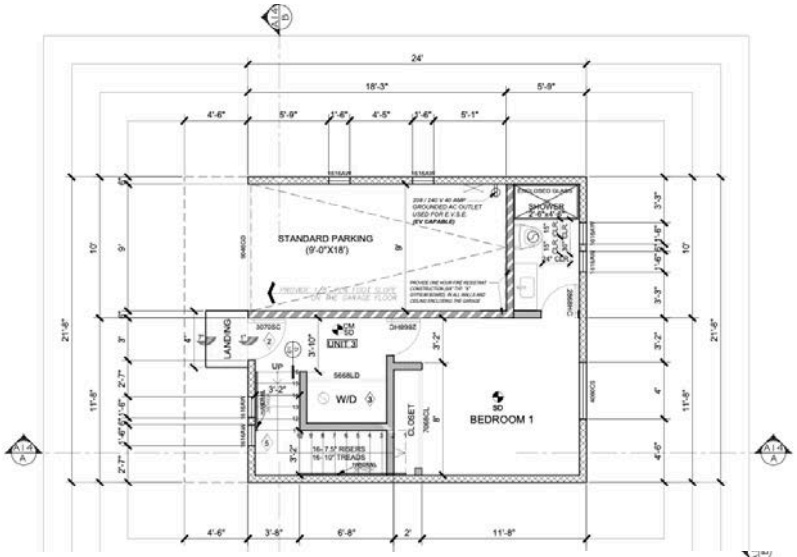
EXTERIOR PHOTOS

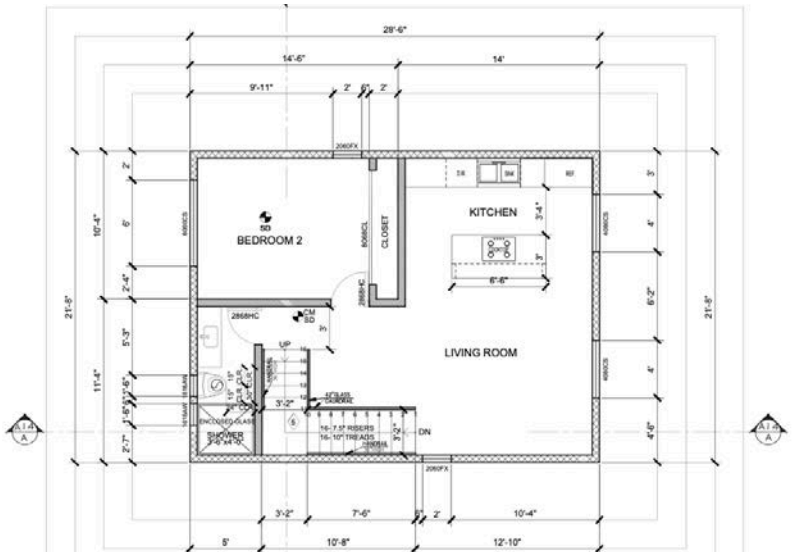
PROPERTY PHOTOS (UNDER CONSTRUCTION)

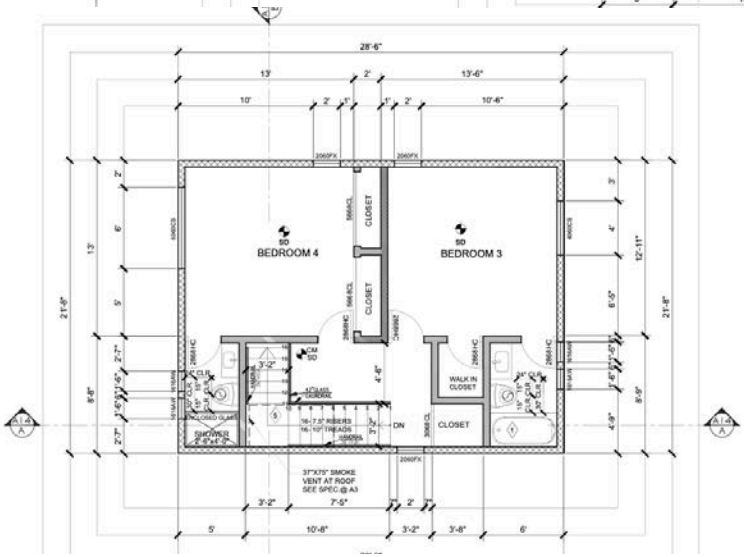
PLOT PLAN


MORELLA AVE
EXISTING APPROACH
PARKWAY
CONCRETE SIDEWALK
PROPERTY LINE
60.00'
S89°59'20"W
131.70'
PROPERTY LINE
TURNAROUND AREA
PASSAGEWAY
12'
BACKUP AISLE
30'
DRYWELL
DRIVEWAY
UNCOLORED CONCRETE WITH SMOOTH CEMENT FINISH PERMEABLE PAVER SYSTEM SEE DETAIL IN A4
400 SF (LANDSCAPING)
DUPLEX A
UNIT 1 3BED/3.5BATH
UNIT 2 4BED/4.5BATH
SFD
UNIT 3 4BED/4BATH
DUPLEX B
UNIT 4 3BED/3.5BATH
UNIT 5 3BED/3.5BATH
PORCH
SIDE YARD
6'
AUTOMATIC CONTROLLER IRRIGATION
B.L.
4' P.U.E.
BUILDING LENGTH
42'
ROPOSED SITE PLAN
SCALE: 1/8"= 1'-0"
15' FRONT YARD
28' BUILDING WIDTH
12' BUILDING SEPARATION
21'-8" BUILDING WIDTH
12' BUILDING SEPARATION
28' BUILDING WIDTH
15' REAR YARD
30'
131'-8" LOT LENGTH
GENERAL NOTES:
H. WATER HEATER MUST BE STRAPPED TO WALL (SEC. 507.3, LAPC)
OCCUPANCY NOTES:

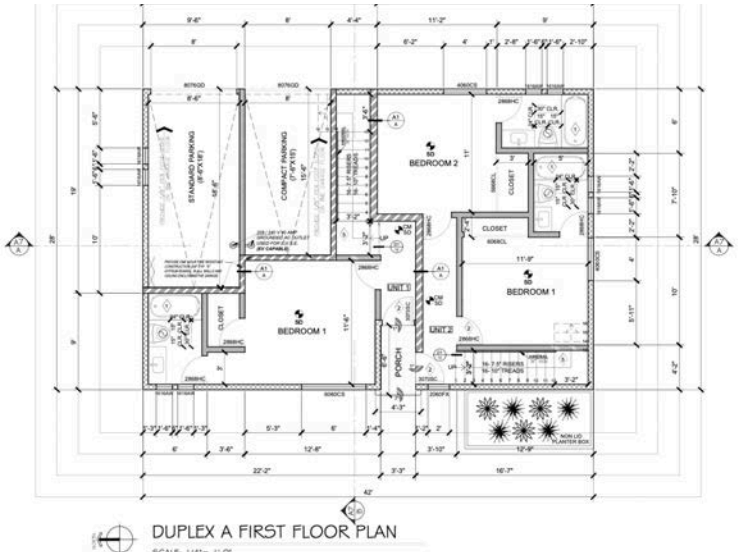
SFR FLOOR PLAN



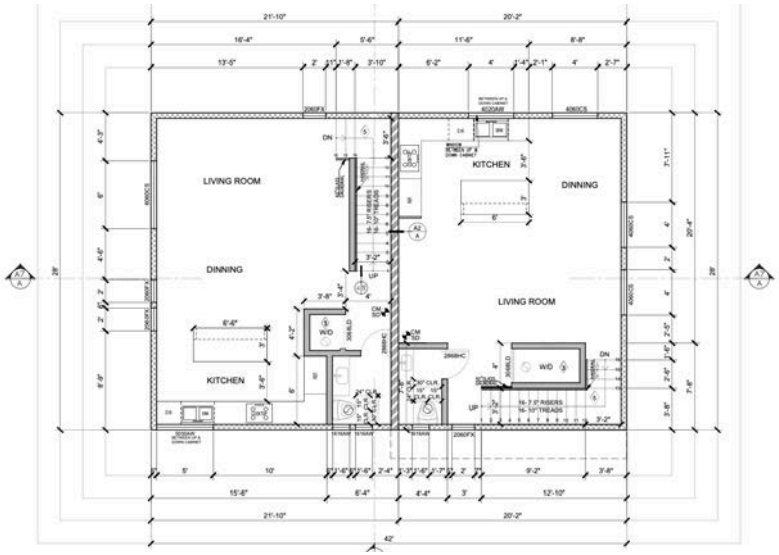


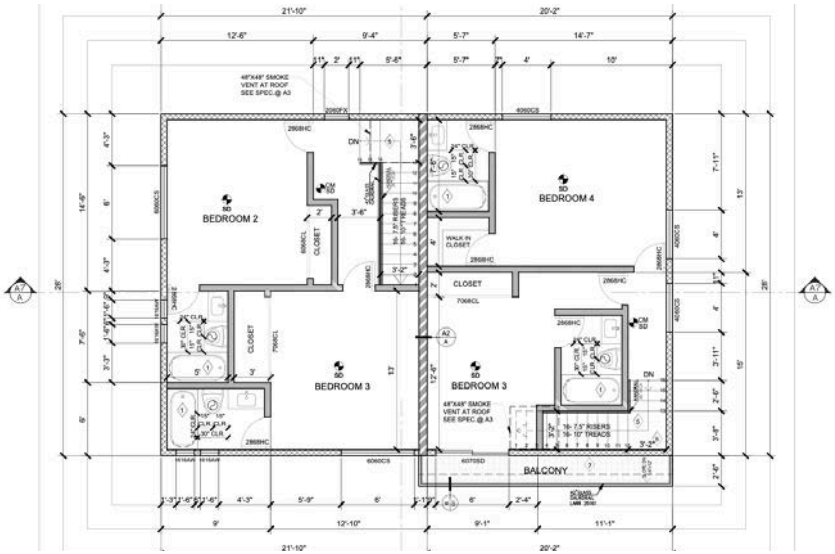


DUPLEX A FLOOR PLAN

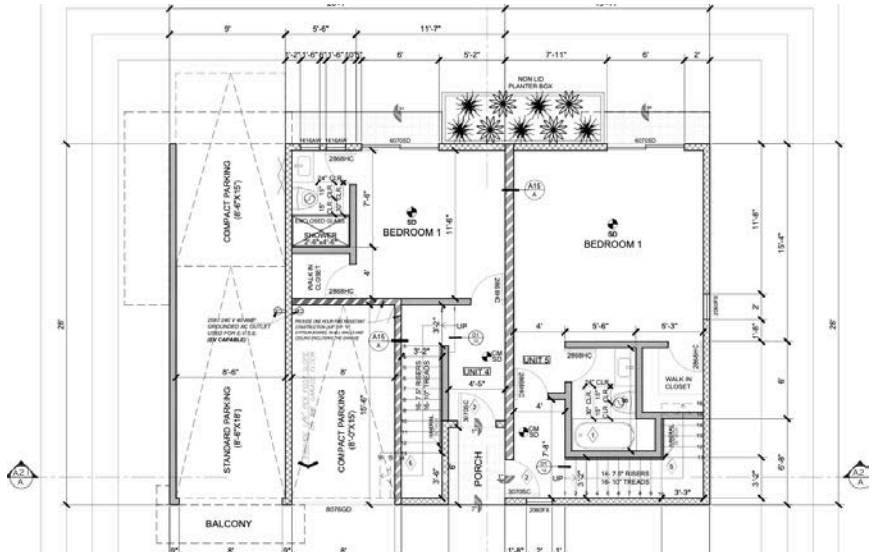


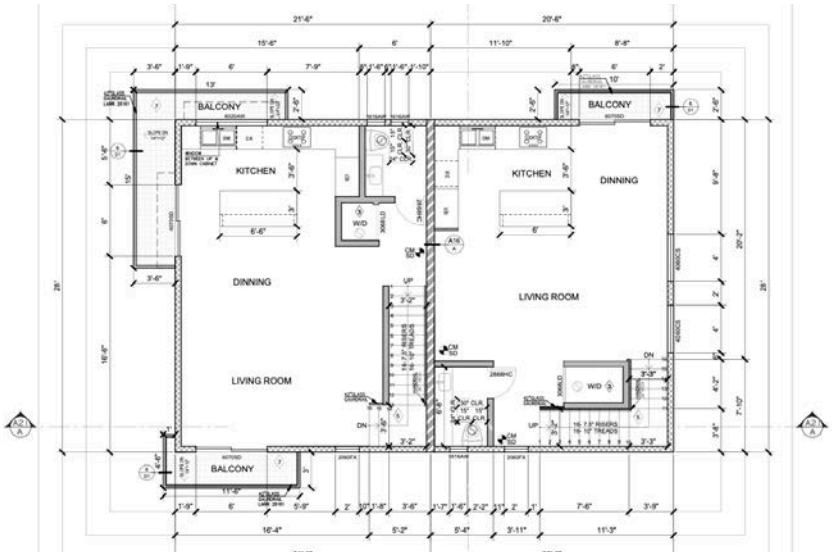
DUPLEX A FIRST FLOOR PLAN

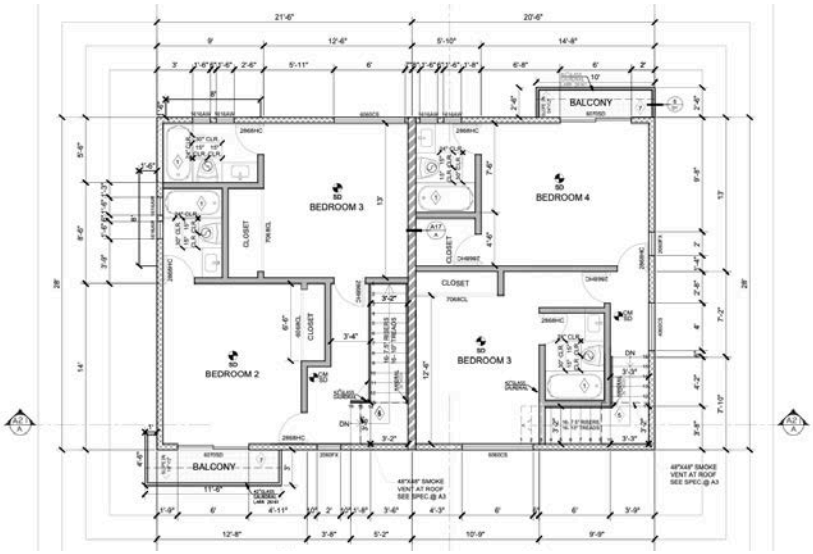




DUPLEX B FLOOR PLAN







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