

FULLY-LEASED 6.24% CAP RATE IN PRIME EAST HOLLYWOOD

632 N NORMANDIE



OFFERING MEMORANDUM

Prepared by
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TABLE OF CONTENTS

Offering Summary	5 - 10
Pricing & Financials	11 - 13
Sales Comps	14 - 15
Property Photos & Plans	16 - 20





OFFERING SUMMARY

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The 2-4 Unit Specialists are excited to present 632 N Normandie Ave, a fully leased fourplex offering an exceptional (and real) 6.24% cap rate and gross annual income of \$290,784. Fully occupied by tenants under a fully managed room for rent model (COMPLETELY HANDS OFF FOR BUYERS!), the property benefits from consistent, reliable, and subsidized rental income. With built-in annual rent increases, management already in place, and a multi-year rental contract, this asset is poised to deliver substantial income for years with essentially no work or hassle. Sit back, collect rent, and watch this centrally-located property appreciate in value!

632 N Normandie Ave consists of four spacious, beautifully designed 4-bedroom, 4.5-bathroom tri-level townhome-style units in an outstanding location minutes from the center of Hollywood. The excellent location, combined with the modern construction and upscale finishes make these townhomes ultra-rentable in both the current model, as well as a standard rental model.

These premium townhomes feature thoughtfully designed floorplans with large, tenant-friendly kitchens and living areas, as well as luxury touches, including designer tiles, stainless steel appliances, numerous balconies, modern cabinetry, ample closets, waterproof natural wood vinyl flooring, and abundant natural light throughout. There are 8 parking spots on site, a key feature for new constructions. Additionally, the property offers separate meters for all utilities, ensuring minimal operating expenses, and is backed by a 1-year builder's warranty for added peace of mind.

With its unparalleled income, modern amenities, and fully leased status, 632 N Normandie Ave is an exceptional investment opportunity that stands out in the East Hollywood market. Don't miss your chance to secure this rare find—contact us today!



PROPERTY OVERVIEW

THE PROPERTY: Address: 632 Normandie Ave Los Angeles, CA 90004
APN: 5520-003-045
Units: 4
Buildings: 2
Unit Mix: 4 x 4b/4.5b
Year Built: 2024
Building Size (SF): 7,274
Lot Size (SF): 6,906
Zoning: LARD1.5

THE OFFERING: List Price: \$3,490,000
Cap Rate: 6.24%
GRM: 12.00
Price Per Unit: \$872,500
Price Per SF: \$479.79

UTILITIES: Water: Separately Metered (Tenant Pays)
Electric: Separately Metered (Tenant Pays)
Gas: Separately Metered (Tenant Pays)

AMENITIES: Laundry: Private Washers/Dryers for Each Unit
Parking: 8 Parking Spots



INVESTMENT HIGHLIGHTS



- Fully-leased at an exceptional 6.24% cap rate!
- Boasts built-in annual rent increases, management already in place, and a multi-year rental contract.
- Generates \$290,784 in gross annual income.
- Prime East Hollywood location walking distance to Melrose and minutes from the heart of Hollywood Four modern 4-bed, 4.5-bath townhome units.
- Rented by the room under a housing program for stable, subsidized income.
- On-site manager ensures seamless operations, with management easily transferable to the buyer.
- High-end finishes: designer tiles, stainless appliances, and modern cabinetry.
- Separate utility meters for low operating expenses.
- 8 parking spaces on site.
- Located in a high-demand rental market with consistent tenant interest.
- Modern tri-level floorplans designed to attract long-term tenants.
- Ideal for investors seeking a low-maintenance, high-yield opportunity.























LOCATION HIGHLIGHTS

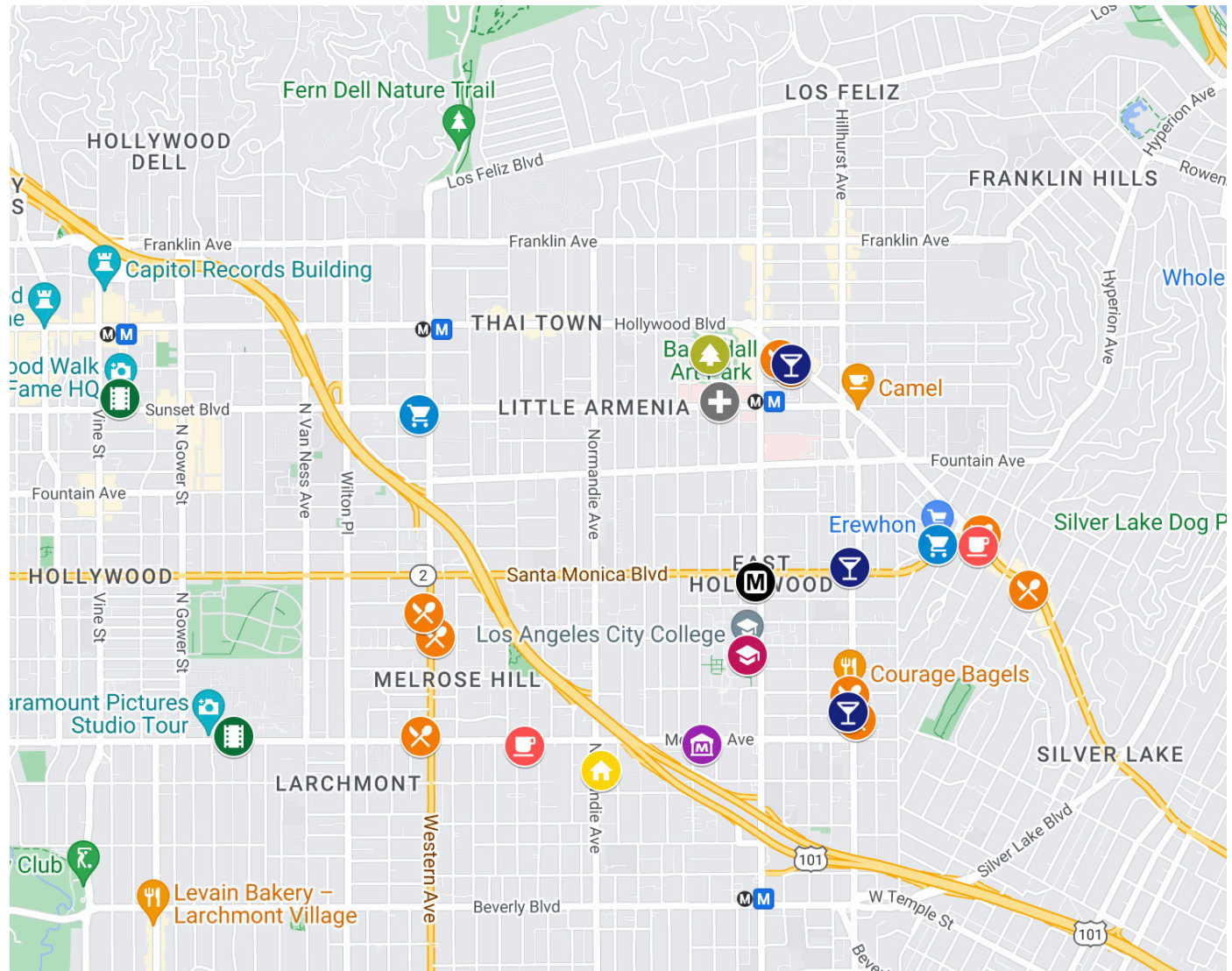


- Located in East Hollywood, an area seeing a tremendous amount of development due to its central location moments from the heart of Hollywood, Los Feliz, Silver Lake, Larchmont Village, Virgil Village, Koreatown, Echo Park and Downtown Los Angeles!
- Steps from shopping and dining in Virgil Village, such as Sqirl, Melody Wine Bar, Courage Bagel, Voodoo Vin. Bolita and Alma's Cider & Beer!
- Walking distance to the restaurants and local conveniences on Melrose and Santa Monica Blvd.
- A 5-minute drive to trendy Vermont and it's countless trendy destinations such as Covell, HomeState, Mirate, Figaro Bistro, Los Feliz Theater, Atrium, Kismet, Taco Tu Madre and so much more!
- 1.5 miles from Sunset Junction in Silver Lake, which boasts notable establishments like Intelligentsia Coffee, Café Stella, Sweetgreen, 4100 Bar, and 33 Taps, Salt & Straw, offering a diverse array of experiences in dining, shopping, and entertainment.
- A 7-minute drive to Paramount Pictures and Raleigh Studios, among countless other "Hollywood" destinations. This neighborhood is a magnet for tenants in the entertainment industry.



LOCATION HIGHLIGHTS MAP

-  632 Normandie Ave
-  Paramount Pictures
-  Hollywood Walk of Fame
-  Bacari Silverlake + Bar Bacari
-  Ggiata Delicatessen
-  sweetgreen
-  HomeState
-  Sqirl
-  Kismet
-  Dave's Hot Chicken
-  Courage Bagels
-  Chick-fil-A
-  Intelligentsia Coffee
-  Maison Matho
-  Melody
-  The Virgil
-  Covell
-  Target
-  Barnsdall Art Park
-  Los Angeles City College
-  Kaiser Permanente Medical
-  Vermont/Santa Monica





PRICING & FINANCIALS

FINANCIAL SUMMARY & RENT ROLL

SUMMARIZED PRICING METRICS:			BUILDING DESCRIPTION:			FINANCING:	
Price:		\$3,490,000	No. of Units:		4	Loan Amount:	\$2,094,000
Down:	40%	\$1,396,000	Yr. Built:		2024	Interest Rate:	6.60%
Current GRM:		12.00	Bldg SF:		7,274	Monthly Payment:	(\$13,373.52)
Pro Forma GRM:		12.00	Lot Size (SF):		6,906	LTV:	60%
Current Cap Rate:		6.24%	Lot Size (acres):		0.16	Amortization (Years):	30
Pro Forma Cap Rate:		6.24%	Zoning:		LARD1.5	Proposed/Assumption:	Proposed
\$/Unit:		\$872,500	Opportunity Zone:		No	Minimum DSCR:	1.25
\$/SF:		\$479.79	Rent Control:		Yes		

RENT ROLL:

UNIT #	STATUS	UNIT TYPE	UNIT SIZE	CURRENT RENT	SCHEDULED GROSS	CURRENT RENT	PRO FORMA	PRO FORMA	LOSS-TO-LEASE
					INCOME	PER SF	RENT	RENT PER SF	
1	Occupied	4b/4.5b	1,756	\$6,058	\$6,058	\$3.45	\$6,058	\$3.45	\$0
2	Occupied	4b/4.5b	1,756	\$6,058	\$6,058	\$3.45	\$6,058	\$3.45	\$0
3	Occupied	4b/4.5b	1,881	\$6,058	\$6,058	\$3.22	\$6,058	\$3.22	\$0
4	Occupied	4b/4.5b	1,881	\$6,058	\$6,058	\$3.22	\$6,058	\$3.22	\$0
4	Totals/Averages:		7,274	\$24,232	\$24,232	\$3.33	\$24,232	\$3.33	\$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
4	4b/4.5b	100%	1,819	\$6,058	\$3.33	\$24,232	\$6,058	\$3.33	\$24,232
Totals/Averages:			1,819	\$6,058	\$3.33	\$24,232	\$6,058	\$3.33	\$24,232
Gross Potential Income:						\$290,784			\$290,784

ANNUALIZED OPERATING DATA:

		CURRENT		PRO FORMA
Gross Potential Rental Income		\$290,784		\$290,784
Gain (Loss)-to-Lease		\$0		\$0
Gross Scheduled Rental Income		\$290,784		\$290,784
Less: Vacancy	3.0%	(\$8,724)	3.0%	(\$8,724)
Effective Gross Income		\$282,060		\$282,060
Less: Expenses		(\$64,136)		(\$64,136)
Miscellaneous Other Income		\$0		\$0
Net Operating Income		\$217,924		\$217,924
Debt Service		(\$160,482)		(\$160,482)
Pre-Tax Cash Flow	4.11%	\$57,442	4.11%	\$57,442
Principal Reduction		\$22,965		\$22,965
Total Return	5.76%	\$80,407	5.76%	\$80,407

ANNUALIZED EXPENSES:

		CURRENT	PRO FORMA
Fixed Expenses			
Real Estate Taxes	1.1994%	\$41,859	\$41,859
Insurance	.58/s.f.	\$4,254	\$4,254
Permit Fee	\$171/unit	\$684	\$684
Management	5%	\$14,539	\$14,539
Controllable Expenses			
Contract Services	\$300/unit	\$1,200	\$1,200
Repairs & Maintenance	\$400/unit	\$1,600	\$1,600
TOTAL EXPENSES		\$64,136	\$64,136
EXPENSES/UNIT		\$16,034	\$16,034
EXPENSES/SF		\$8.82	\$8.82
% of EGI		22.7%	22.7%



SALES COMPS

SALES COMPARABLES CHART | NEW CONSTRUCTION COMPS

#	ADDRESS	UNITS	SALES PRICE	\$/SF	\$/UNIT	CAP RATE	GRM	BLDG SF	LOT SQFT	CLOSE DATE	YEAR BUILT
1	1406 N Sycamore Ave	4	3,699,000	\$575.45	\$924,750	6.02%	13.02	6428	6,025	04/12/24	2024
2	6222 Banner Ave	4	3,600,000	\$542.17	\$900,000	5.31%	14.38	6640	6,250	09/13/24	2024
3	1947 N Vista Del Mar	4	3,700,000	\$448.92	\$925,000	6.05%	10.27	8242	6,223	07/31/24	2023
4	1227 N June St	4	3,650,000	\$519.13	\$912,500	5.83%	13.02	7031	5,122	03/26/24	2024
5	603 N Harvard Blvd	5	3,890,000	\$535.52	\$778,000	5.48%	14.12	7264	6,306	09/29/23	2023
AVERAGE:			\$3,797,000	\$542.24	\$888,050	5.73%	12.96	7221	5,985.2	N/A	N/A
632 N Normandie Ave:		4	\$3,490,000	\$479.79	\$872,500	6.24%	12.00	7,274	6,906	N/A	2024



PROPERTY PHOTOS

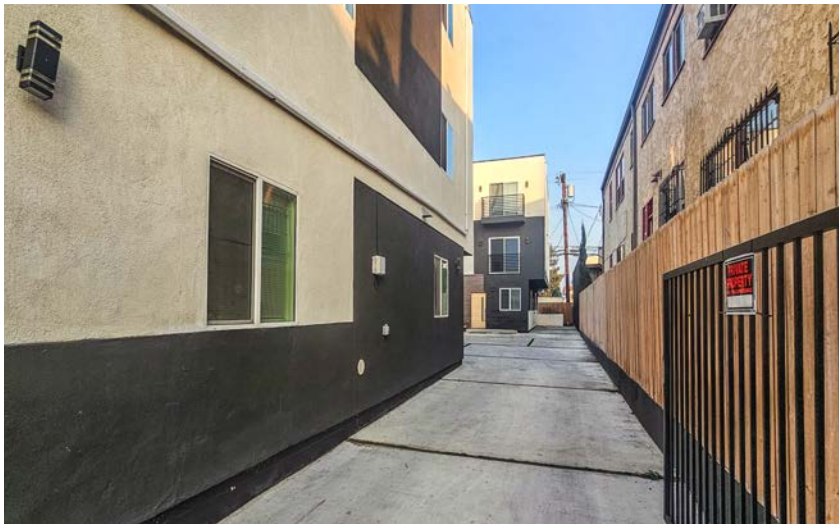
PHOTOS



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the 2-4 unit
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