



LAS ESCALERAS  
APARTMENTS

An 8-unit renovation opportunity delivered with four vacant units, possibly a fifth unit. Located in Koreatown.

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# PROPERTY OVERVIEW





## PROPERTY OVERVIEW

Iconic Investments is pleased to present for sale Las Escaleras Apartments (located at 329 N. Alexandria Ave). This charming Spanish bungalow-style property was built in the 1920s and features five separate buildings on a 8,254-square-foot lot.

With four studios and four one-bedroom/one-bath units, the character of the building -- including clay roof tiles, stucco exteriors, arched doorways and casement windows -- reinforces the old-world charm. The property sits perched on a hill, with many of the units offering sweeping views of Silverlake and Downtown Los Angeles.

Las Escaleras is the ideal investment opportunity for all renovation-oriented buyers. The property will be delivered with four vacant units and possibly a fifth unit that is currently under eviction. That is a rare opportunity, especially in light of a potential Costa-Hawkins repeal that could permit vacancy control. Having the majority of the units vacant allows new ownership to immediately renovate, remodel and reposition the property to capture a higher-income tenant base and top-of-market rents. It also allows a buyer to put their own personal touch on the renovations while bringing the property's appealing features back to life.

# 8

Ability to Reposition  
8 Apartment Units  
Delivered with Vacancy



# 1

Near the Metro Station  
Vermont/Beverly



# 3

3 Entertainment Centers  
Koreatown  
Hollywood  
Downtown Los Angeles

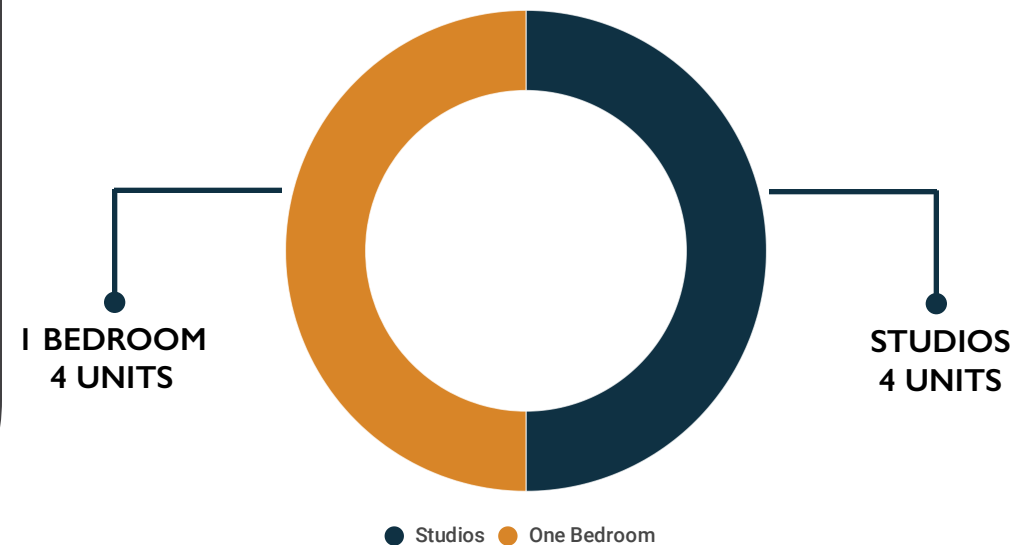


## PROPERTY OVERVIEW

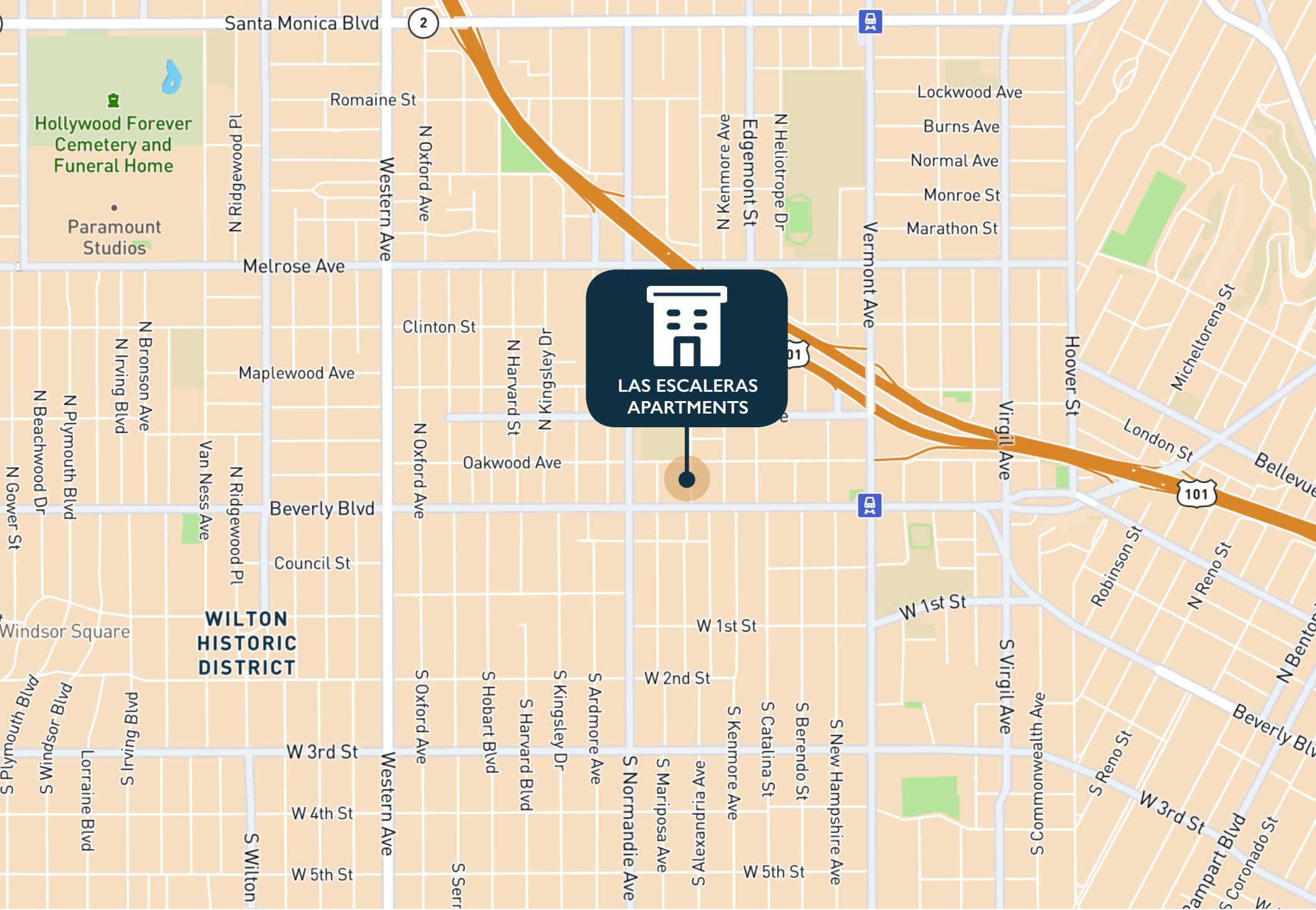
Property Address	329 N Alexandria Ave Los Angeles, CA 90004
Units	8
Sub-Market	Koreatown
Gross SF	3,882
Year Built	1923
Occupancy	50%
Land Area	8,254
Assessor Parcel Number	5520-024-006
Zoning	LAR3

## INVESTMENT OVERVIEW

Asking Price	\$1,675,000
Price Per Unit	\$209,375
Price Per Square Foot	\$431.48
CAP Rate (Curr/Renovated)	4.80% / 6.75%
GM Rate (Curr/Renovated)	13.34 / 10.61







  
**LAS ESCALERAS  
APARTMENTS**

**WILTON  
HISTORIC  
DISTRICT**



LAS ESCALERAS  
APARTMENTS

# LOCATION OVERVIEW

# LOCATION OVERVIEW

The purchaser of this property will reap the benefit of participating in the growth of not one but two of the hottest submarkets in Los Angeles. Las Escaleras is located equidistant from the heart of Koreatown along the Wilshire Corridor and East Hollywood's Virgil Village.

Once overlooked by developers and apartment hunters, this area north of Beverly Boulevard and south of Melrose Avenue has begun to blossom. Both Koreatown and East Hollywood have transformed into highly desirable places for hip urban living due to their walkability, trendy hotels and restaurants, access to public transportation and cultural diversity.

There are over 5,000 new luxury apartments in development in Koreatown. These projects include 200,000-plus square feet of retail, including new retailers like Target, which recently opened on 6th and Virgil, and Yoga Works, which opened on 7th Street. Just north of Beverly Boulevard, there are a handful of new development projects, either in planning or under construction. Some include: 517 N. Harvard Blvd. (9 units), 644 N. Hobart Blvd. (12 units), 546 N. Oxford Ave. (25 units) and 4760 Melrose Ave. (33 units).

In East Hollywood, Virgil Village is increasingly lined with exciting outdoor restaurants and innovative retailers. Along Virgil Avenue are hip eateries, like SQIRL, Melody and Rick's Product Market; clothing boutiques, like Virgil Normal; flower shops, like Twig & Twine; and nightlife spots, like The Virgil Bar and The Faculty.

Las Escaleras is located .4 Miles to the Vermont/Beverly Metro Station. It's also in close proximity to Larchmont Village.



# KOREATOWN HIGHLIGHTS



## WHY KOREATOWN?



**CENTRALLY LOCATED - SUPER HIGH DENSITY - 3 SQUARE MILE COMMUNITY | RAPIDLY EXPANDING RENTAL MARKET - 5000+ APARTMENTS IN DEVELOPMENT TRUE TRANSPORTATION ORIENTED COMMUNITY - NUMEROUS SUBWAY OPTIONS**  
**RICH IN AMENITIES - RESTAURANTS, RETAIL, ENTERTAINMENT**



# LOCATION HIGHLIGHTS



## KOREATOWN IS BOOMING

There are over 5000+ new luxury apartments in development in Koreatown. These projects include 200,000+ square feet of retail space with new retailers entering the market like Target on 6th and Virgil, and Yoga Works on 7th Street.

Koreatown is abuzz with construction – ground-up developments and significant rehab projects are seeing its share of action. Projects surrounding Las Escaleras range from 4 to 33-unit apartment buildings, small lot subdivision homes, and communal housing projects. These projects target millennials and other renters that want to live in a lively, walkable community.



## LOCATION FUNDAMENTALS

Millennials have ditched the suburbs for a more active and dynamic urban lifestyle. Many don't own or want to own cars, so they rely on walking, biking, Metro or Uber.

There is a highly limited supply of housing in Los Angeles, and especially in Koreatown, which is causing upward pressure on rents. In fact, rental rates are expected to increase by 25% over the next five years, according to Axiometrics.

## NEW YORK IN LA

The Metro has been a catalyst for transportation-oriented growth, leading to demographic shifts in areas like Downtown LA, Koreatown, Hollywood and Pasadena. LA residents now have a greater choice in where they live while still being connected to major employment hubs.

Residents of Las Escaleras can walk to three metro stations: Vermont/Beverly, Wilshire/Vermont and Wilshire/Normandie. That gives them easy access to a number of key lines:

- The Purple Line provides access to Downtown LA to the east and is being extended through Miracle Mile, Beverly Hills, Century City and Westwood.
- The Red Line provides access to Downtown LA in the east and Hollywood and North Hollywood to the northwest.
- The Expo Line, dubbed the “subway to the sea,” extends from Downtown LA to the beaches of Santa Monica and Silicon Beach employment hubs.
- The Gold Line allows residents to travel to cities like Pasadena and Azusa.



# LOCATION HIGHLIGHTS



## AFFORDABILITY GAP - BUY VS RENT

The median neighborhood home price is over \$725,000, with adjacent markets approaching \$1 million, making home purchase out of reach for most local renters. Renting at Las Escaleras offers tenants a modern, sophisticated alternative at a fraction of the cost of home ownership. This disparity is a leading reason behind high occupancy and demand throughout the marketplace.



## MOST SEARCHED NEIGHBORHOOD

Koreatown is the #1 searched-for rental market in Los Angeles, well ahead of other popular submarkets such as Hollywood, West Los Angeles and Mid-City, according to the online property rental site Zumper.com. The convergence of gourmet-restaurants, shopping and chic hotels like The Line is a leading reason behind Koreatown's emergence as "America's Hippest Neighborhood."



## URBAN LIVING WITH WALKABILITY

Densely-populated, Koreatown is a sprawling three-square-mile community in the middle of the city. It is a highly walkable submarket served by multiple subway and bus lines. Residents can travel on foot to complete their daily errands and stroll to the many restaurants, clubs, chic hotels and restaurants that make up Koreatown's vibrant nightlife. While there is a newness to Koreatown, its palm-lined streets are also rich in architectural charm and cultural heritage.





## "AMERICA'S HIPPEST NEIGHBORHOOD"

Despite its name, the population of Koreatown is highly diversified with only one-third of local residents claiming Korean descent. Las Escaleras residents can enjoy the nearby eclectic mix of bars, restaurants, entertainment venues and shops. New thriving hipster hangouts include the Line Hotel with its two popular bars, Break Room 86 and Pot.

# KOREATOWN AREA AMENITIES

## GROCERY STORES

- Ralphs
- H Mart
- Hank Kook
- Zion Market
- Galleria Market
- Jons Marketplace
- Vons
- California Market
- Plaza Market
- Sang Nok Soo
- Asian Market
- Family Discount Store
- East West Market

## FITNESS & SPA

- Yoga Works
- Whole Body Pilates
- Strength RX Crossfit
- WilFit Sports Club
- Fitness M
- Flywheel Sports
- 24 Hour Fitness
- Movement Pilates
- Taejo Kickboxing
- Wi Spa
- Beverly Hot Springs

## ENTERTAINMENT & SHOPPING

- Target 6th and Virgil
- Wiltern
- Shrine Karaoke
- Koreatown Galleria
- Vermont Galleria
- Koreatown Plaza

## RESTAURANTS & BARS & HOTELS

- Pot Lobby Bar
- Lock & Key
- Mountain Café
- Beer Belly
- The Normandie Club
- Cassell's Burgers
- Apt 503 Lounge
- The Virgil
- Sumo Dog
- Horse's Mouth
- Line Hotel
- Hotel Normandie
- Shelter Hotel

## WITHIN DRIVING DISTANCE

- Larchmont Village
- Staples Center/ LA Live
- Walt Disney Concert Hall
- Broad Museum
- Griffith Observatory
- ArcLight Cinemas
- 7th & Fig
- MOCA
- Dodger Stadium
- Natural History Museum



# ENHANCEMENT IDEAS

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With a majority of the units being delivered vacant, new ownership has the opportunity to immediately modernize the unit interiors, while enhancing the exterior of the property to highlight the old 1920's charm. Young urban professionals are demanding hip and modern units and pay leading rents for Spanish bungalow-style buildings. New ownership can significantly push rents by installing new kitchen and bathroom cabinetry and fixtures, refinish existing hardwood floors, recessed lighting, windows, modern stainless steel appliances packages, split system air conditioning, new doors, and in-unit washer and dryers. Other enhancements could include private patios and reconfiguring units to make the space more efficient.

## NEW CABINETS



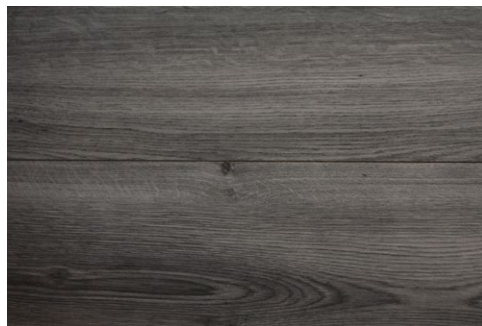
## QUARTZ COUNTERTOPS



## DESIGNER FAUCETS



## HARDWOOD FLOORS



## STAINLESS STEEL APPLIANCES



## MODERN BATHTUB

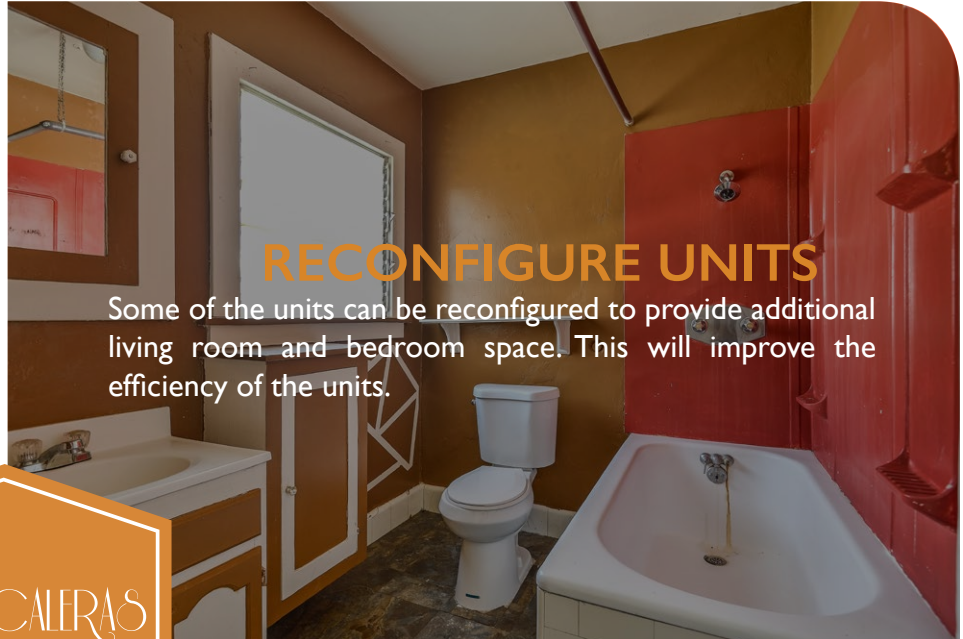


# ADDITIONAL ENHANCEMENT IDEAS



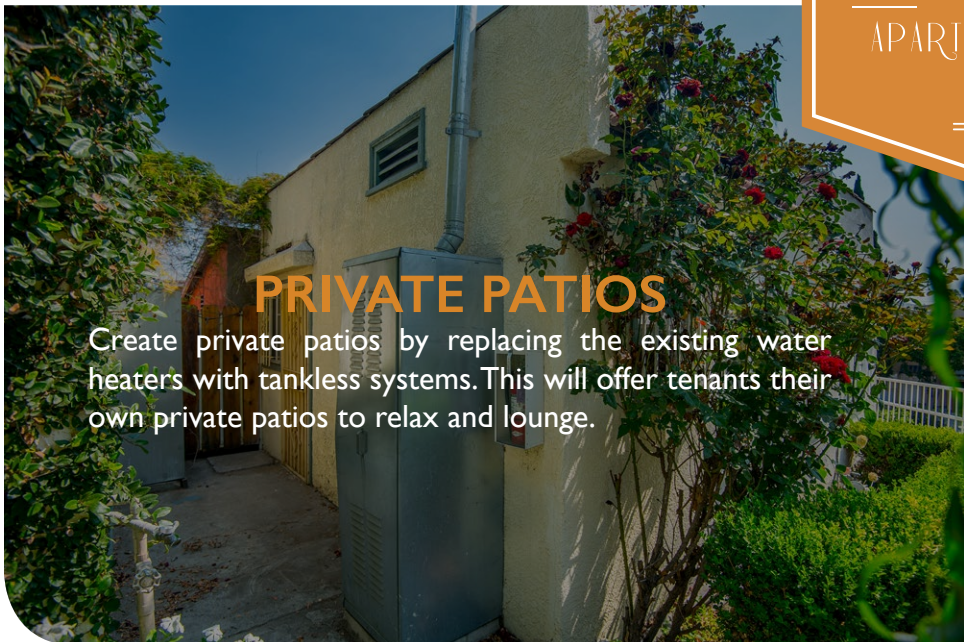
## OPEN KITCHEN

To increase flow and natural light, remove the dividing wall between the kitchen and the living room. Add an island with a breakfast bar to save space and boost functionality.



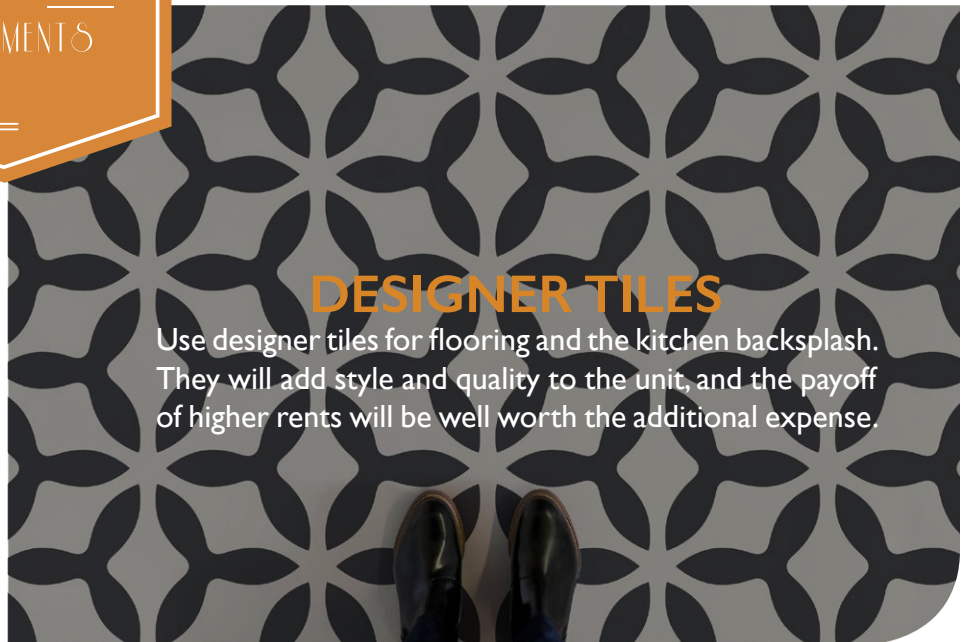
## RECONFIGURE UNITS

Some of the units can be reconfigured to provide additional living room and bedroom space. This will improve the efficiency of the units.



## PRIVATE PATIOS

Create private patios by replacing the existing water heaters with tankless systems. This will offer tenants their own private patios to relax and lounge.



## DESIGNER TILES

Use designer tiles for flooring and the kitchen backsplash. They will add style and quality to the unit, and the payoff of higher rents will be well worth the additional expense.



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# FINANCIAL OVERVIEW

# INVESTMENT SUMMARY

ASSET	Las Escaleras
LOCATION	329 N Alexandria Ave Los Angeles, CA 90004
OPPORTUNITY	8 Apartment Units
YEAR BUILT	1923
PURCHASE PRICE	\$1,675,000
PRICE PER UNIT	\$209,375
CURRENT CAP RATE	4.80%
PRO-FORMA CAP RATE	6.75%
CURRENT GRM	13.34
PRO-FORMA GRM	10.61
PRICE PER SF FOOT	\$431.48



# RENT ROLL

Unit #	Unit Type	Unit Sq. Ft	CURRENT				RENOVATED		
			Current Rent	Per Sq. Ft	As-Is Market Rent	Per Sq. Ft	Renovated Market Rent	Per Sq. Ft	
329 1/2	Occupied	1 Bedroom + 1 Bath	550	\$724.09	\$1.32	\$1,500.00	\$2.73	\$1,795.00	\$3.26
331	Occupied	Studio + 1 Bath	400	\$722.03	\$1.81	\$1,300.00	\$3.25	\$1,495.00	\$3.74
331 1/4	Occupied	Studio + 1 Bath	400	\$643.75	\$1.61	\$1,300.00	\$3.25	\$1,495.00	\$3.74
333	Eviction	1 Bedroom + 1 Bath	550	\$1,795.00	\$3.26	\$1,500.00	\$2.73	\$1,795.00	\$3.26
329	Vacant	1 Bedroom + 1 Bath	550	\$1,795.00	\$3.26	\$1,500.00	\$2.73	\$1,795.00	\$3.26
331 1/2	Vacant	1 Bedroom + 1 Bath	550	\$1,795.00	\$3.26	\$1,500.00	\$2.73	\$1,795.00	\$3.26
331 1/4	Vacant	Studio + 1 Bath	400	\$1,495.00	\$3.74	\$1,300.00	\$3.25	\$1,495.00	\$3.74
331 1/2	Vacant	Studio + 1 Bath	400	\$1,495.00	\$3.74	\$1,300.00	\$3.25	\$1,495.00	\$3.74
TOTAL		8 Units	3800	\$10,464.87	\$2.75	\$11,200.00	\$2.99	\$13,160.00	\$3.50

# UNIT MIX SUMMARY

UNIT TYPE	# OF UNITS	AVG SQUARE FEET	AVERAGE CURRENT RENTS	RENT \$/SF	CURRENT MONTHLY INCOME	AS-IS MARKET RENTS	AS-IS MARKET \$/SF	AS-IS MARKET MONTHLY INCOME	RENOVATED MARKET RENTS	RENOVATED MARKET \$/SF	RENOVATED MARKET MONTHLY INCOME
Studios	4	400	\$1,089	\$2.72	\$4,355.78	\$1,300	\$3.25	\$5,200	\$1,495	\$3.74	\$5,980
1 Bedroom + 1 Bath	4	550	\$1,300	\$2.36	\$6,109.09	\$1,500	\$2.73	\$6,000	\$1,795	\$3.26	\$7,180
Totals/Averages	8	475	\$1,194	\$2.54	\$10,464.87	\$1,400	\$2.99	\$11,200	\$1,645	\$3.50	\$13,160



# METRICS

PROPERTY OVERVIEW	
Property Address	329 N Alexandria Ave Los Angeles, CA 90004
Assessor Parcel Number	5520-024-006
Market	Los Angeles
Sub-Market	Koreatown
Zoning	LAR3
Number of Units	8
Year Built	1923
Gross Building Square Feet	3,882
Lot Size	8,254

INVESTMENT OVERVIEW	
Purchase Price	\$1,675,000
Price Per Unit	\$209,375
Price Per Square Foot	\$431.48

FINANCING OVERVIEW	
Down Payment	\$536,000
Loan Amount	\$1,139,000
Loan to Value %	68.00%
Debt Service Coverage Ratio	1.16
Loan Type	Fully Amortizing
Loan Rate	4.50%
Loan Term	5 Years

INVESTMENT RETURNS	
GRM - Current	13.34
CAP Rate - Current	4.80%
GRM - Market	12.46
CAP Rate - Market	5.44%
GRM - Renovated	10.61
CAP Rate - Renovated	6.75%

# OPERATIONS OVERVIEW

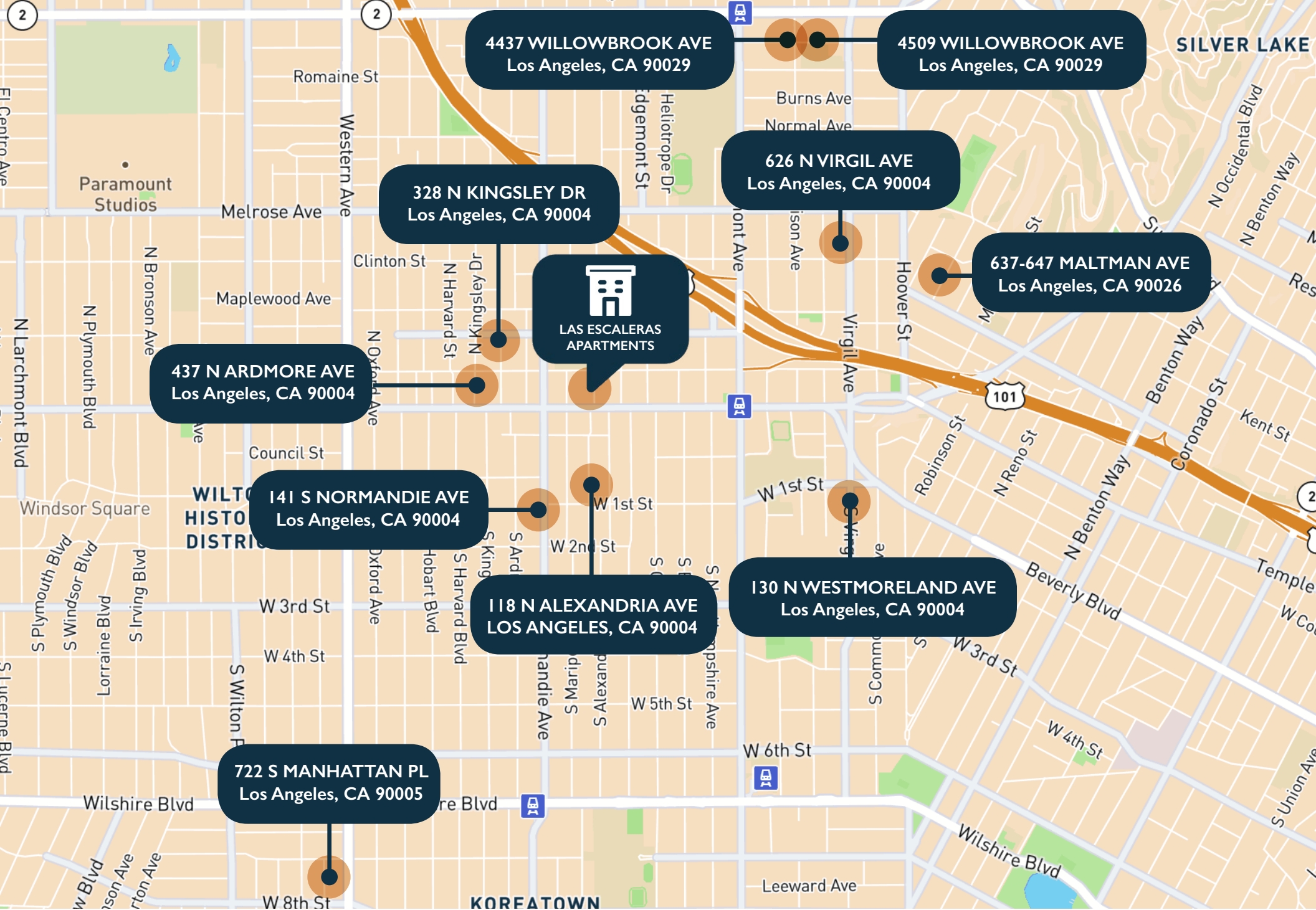
INCOME		CURRENT	AS-IS MARKET	RENOVATED MARKET
Scheduled Market Rent		\$125,578	\$134,400	\$157,920
Less: Vacancy	3.00%	(\$3,767)	(\$4,032)	(\$4,738)
Subtotal: Effective Rental Income		\$121,811	\$130,368	\$153,182
Other Income				
Plus: Laundry Income		\$0	\$2,500	\$2,500
Plus: Miscellaneous Fees		\$300	\$300	\$300
Plus: LAHD/SCEP Reimbursement		\$642	\$642	\$642
Subtotal: Total Other Income		\$942	\$3,442	\$3,442
EFFECTIVE GROSS INCOME		\$122,753	\$133,810	\$156,624

EXPENSES				
Fixed Expenses				
Off-Site Management	4.00%	\$4,872	\$5,215	\$6,127
Property Tax	1.19%	\$19,966	\$19,966	\$19,966
Direct Assessments		\$1,038	\$1,038	\$1,038
Property & Liability Insurance		\$2,200	\$2,200	\$2,200
Subtotal: Fixed Expenses		\$28,076	\$28,419	\$29,331
Controllable Expenses				
LAHD Fees & Administrative Costs		\$814	\$814	\$814
Repairs & Maintenance	\$600	\$4,800	\$4,800	\$4,800
Utilities		\$6,800	\$6,800	\$6,800
Rubbish Removal		\$360	\$360	\$360
Landscaping		\$720	\$720	\$720
Pest Control		\$780	\$780	\$780
Subtotal : Controllable Expenses		\$14,274	\$14,274	\$14,274
TOTAL EXPENSES		(\$42,350)	(\$42,693)	(\$43,605)
NET OPERATING INCOME		\$80,403	\$91,117	\$113,019
Capital Reserves	\$200	(\$1,600)	(\$1,600)	(\$1,600)
Debt Service		(\$69,254)	(\$69,254)	(\$69,254)
NET CASH FLOW		\$9,549	\$20,264	\$42,165
		1.78%	3.78%	7.87%
Principal Reduction		\$18,375	\$18,375	\$18,375
TOTAL RETURN		\$27,924	\$38,638	\$60,540
		5.21%	7.21%	11.29%

# RENT SURVEY

# RENT SURVEY

PROPERTY	BEDROOMS	UNITS	YEAR	PARKING	RENOVATED	METERED	RENT	SQUARE FOOT	RENT/SF
329 N Alexandria Ave Los Angeles, CA 90004	Studio	8	1923	Yes	No	Individual	\$1,495.00	400	\$3.74
118 N Alexandria Ave Los Angeles, CA 90004	Studio	24	1926	No	Yes	Individual	\$1,450.00	550	\$2.64
722 S Manhattan Pl Los Angeles, CA 90005	Studio	18	1936	No	Yes	Individual	\$1,600.00	525	\$3.05
437 N Ardmore Ave Los Angeles, CA 90004	Studio	69	1925	No	Yes	Individual	\$1,395.00	450	\$3.10
637-647 Maltman Ave Los Angeles, CA 90026	Studio	10	1923	Yes	Yes	Individual	\$1,625.00	450	\$3.61
329 N Alexandria Ave Los Angeles, CA 90004	1 Bed/1 Bath	8	1923	Yes	No	Individual	\$1,795.00	550	\$3.26
328 N Kingsley Dr Los Angeles, CA 90004	1 Bed/1 Bath	21	1924	Yes	Yes	Individual	\$1,800.00	550	\$3.27
141 S Normandie Ave Los Angeles, CA 90004	1 Bed/1 Bath	36	1929	Yes	Yes	Individual	\$1,525.00	550	\$2.77
626 N Virgil Ave Los Angeles, CA 90004	1 Bed/1 Bath	10	1921	No	Yes	Individual	\$1,775.00	550	\$3.22
130 N Westmoreland Ave Los Angeles, CA 90004	1 Bed/1 Bath	24	1926	No	Yes	Individual	\$1,775.00	825	\$2.15
4509 Willowbrook Ave Los Angeles, CA 90029	1 Bed/1 Bath	14	1923	No	Yes	Individual	\$1,850.00	630	\$2.94
4437 Willowbrook Ave Los Angeles, CA 90029	1 Bed/1 Bath	10	1924	Yes	Yes	Individual	\$1,900.00	480	\$3.96



# SALES COMPARABLES

# SALES COMPARABLES



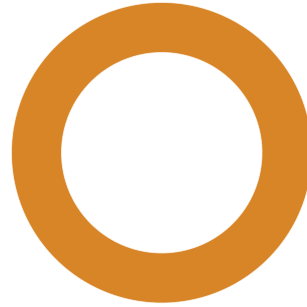
PROPERTY	329 N Alexandria Ave	4509 Willowbrook Ave	4515 Willowbrook Ave	4167 Oakwood Ave
LOCATION	Koreatown	East Hollywood	East Hollywood	Koreatown
NUMBER OF UNITS	8	14	12	14
YEAR BUILT	1923	1923	1924	1923
DATE SOLD	Subject	May-18	Jan-18	Nov-17
SALE PRICE	\$1,675,000	\$3,800,000	\$2,775,000	\$3,150,000
PRICE/UNIT	\$209,375	\$271,429	\$231,250	\$225,000
CAP RATE	4.80%	4.92%	4.34%	4.83%
GRM	13.34	13.69	14.84	13.76
PRICE/SF	\$431	\$431	\$476	\$339

## UNIT MIX



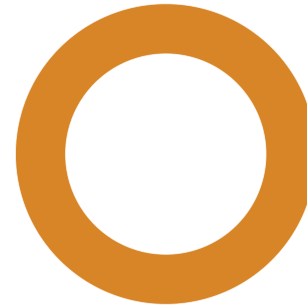
● Studios ● One Bedroom

4 - Studios  
4 - 1 Bedrooms



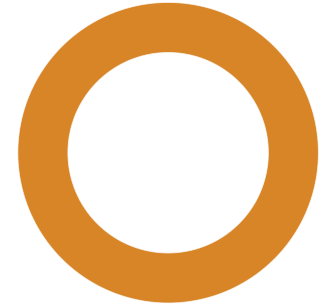
● One Bedroom

14 - 1 Bedrooms



● One Bedroom

12 - 1 Bedrooms



● One Bedroom

14 - 1 Bedrooms

# SALES COMPARABLES



PROPERTY	329 N Alexandria Ave	212 S Kenmore Ave	4331 Burns Ave
LOCATION	Koreatown	Koreatown	East Hollywood
NUMBER OF UNITS	8	9	5
YEAR BUILT	1923	1924	1914
DATE SOLD	Subject	Apr-18	Jun-18
SALE PRICE	\$1,675,000	\$2,925,000	\$1,125,000
PRICE/UNIT	\$209,375	\$325,000	\$225,000
CAP RATE	4.80%	5.29%	4.01%
GRM	13.34	14.13	16.79
PRICE/SF	\$431	\$321	\$263

## UNIT MIX



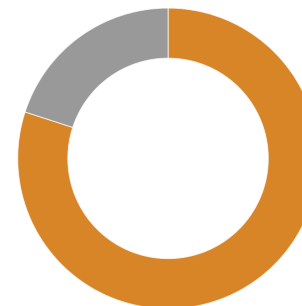
● Studios ● One Bedroom

4 - Studios  
4 - 1 Bedrooms



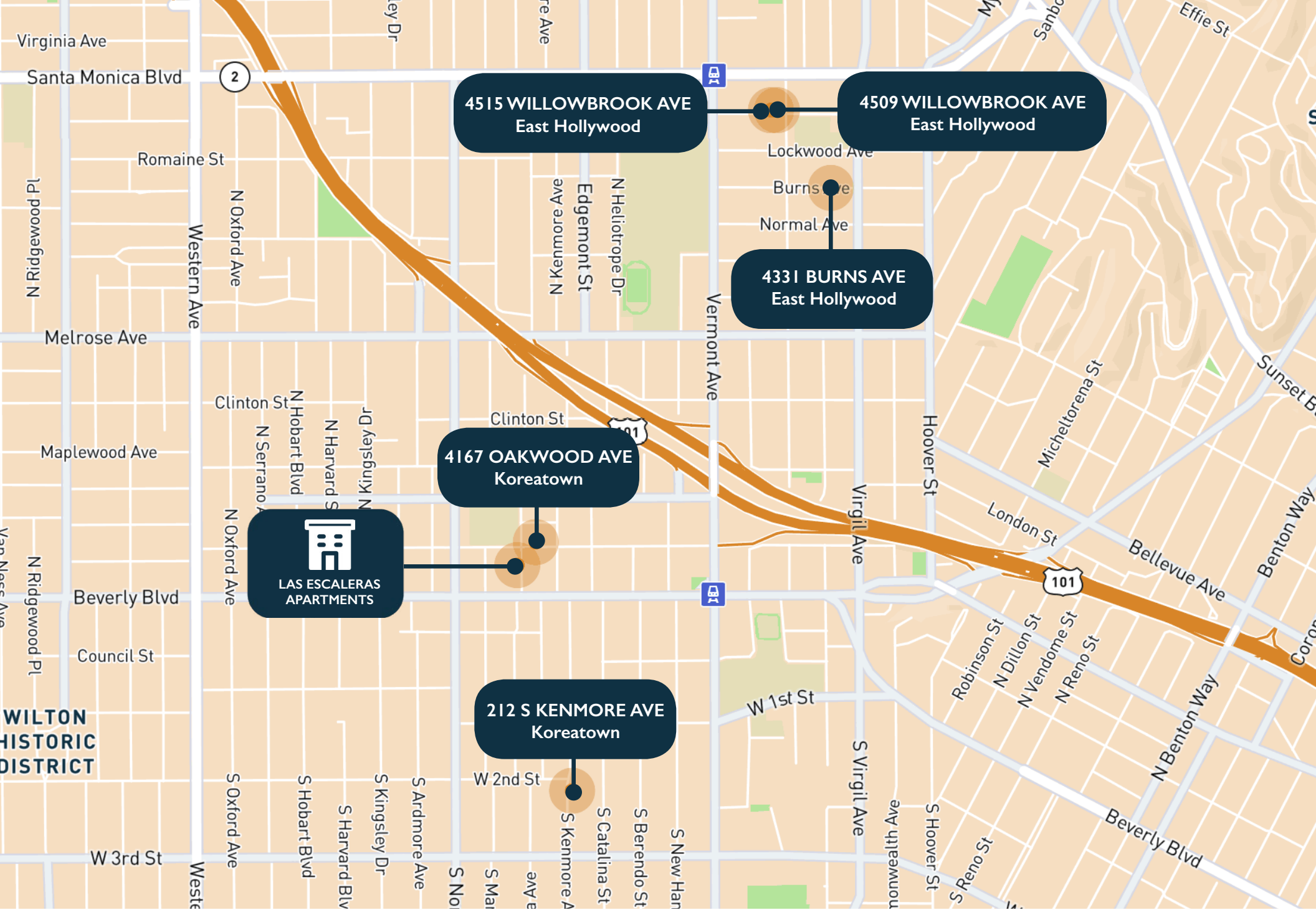
● Studios ● One Bedroom

2 - Studios  
6 - 1 Bedrooms



● One Bedroom ● Two Bedroom

4 - 1 Bedrooms  
1 - 2 Bedroom







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