



# 2637

S. MANHATTAN PL  
LOS ANGELES

Built in 2007

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C  
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ANDERSON  
COMMERCIAL  
REAL ESTATE

9-UNIT AFFORDABLE  
HOUSING

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EXECUTIVE  
SUMMARY

2637 South Manhattan place is a 9-unit affordable multifamily property located In the Jefferson Park neighborhood of Los Angeles, in close proximity to USC, the Metro, Downtown, and the 10 Freeway.

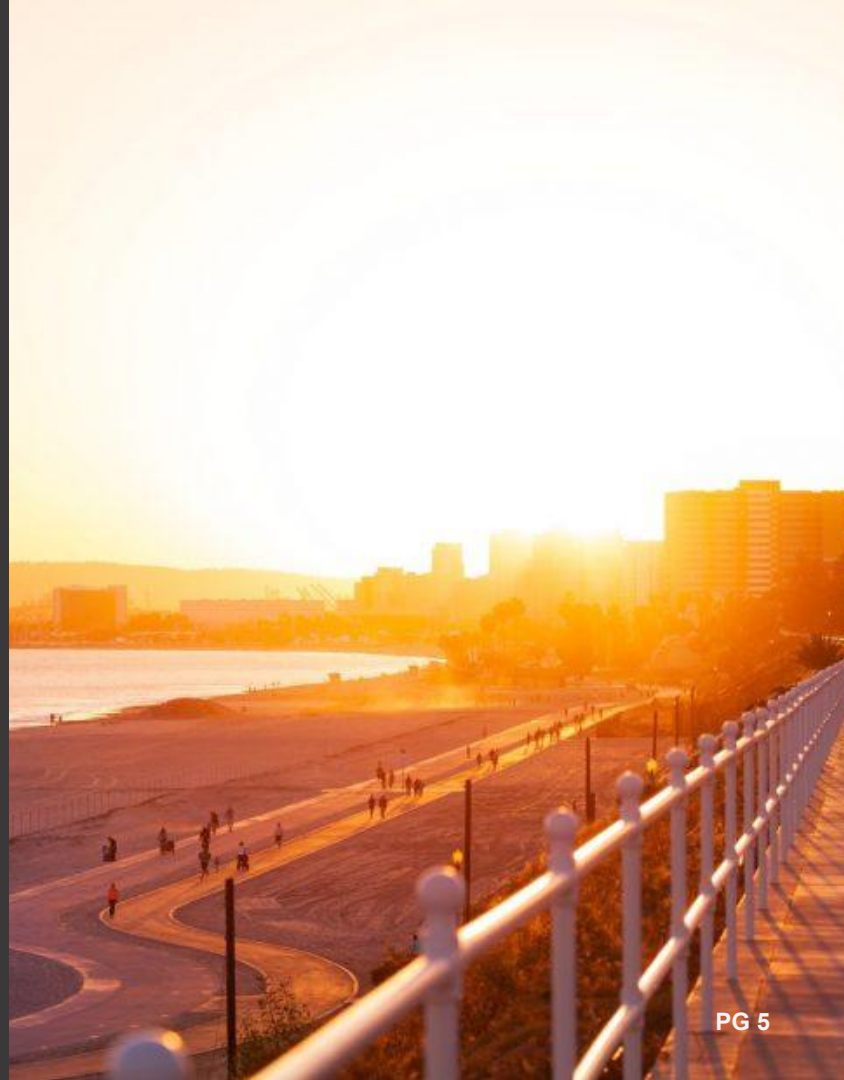
Originally built in 2007, the property features an attractive unit mix of eight (3 Bedroom) and one (4 Bedroom) units, each with in-unit laundry, private balcony, and on-site, secured parking.

This property offers Investors a rare opportunity to acquire a well-maintained and stabilized asset (low turnover) with strong upside potential in rents at an attractive 5.2% going-in cap rate.

Property is under a 30-year affordability covenant that runs through 2036. All units currently have Section 8 tenants. Section 8 offers many benefits including a large tenant pool—which limits downside risk and vacancy—and guaranteed payments. Since the property was constructed in 2007, it is not subject to rent control.

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2637 S. Manhattan Pl. | [commercial@andersonreg.com](mailto:commercial@andersonreg.com)



# Investment Summary

## LOCATION

- Located in close proximity to the University of Southern California and Downtown Los Angeles
- Ideally located near the Metro and 10 Freeway

## BUILDING

- Offers eight three bedroom units and one four bedroom unit
- Larger bedroom units in high demand
- Build in 2007, this property is not subject to rent control
- All utilities separately metered

## AFFORDABLE HOUSING

- Large tenant pool limits downside risk
- Property falls under a 30 year affordability covenant that runs through 2036
- Currently one vacancy at the property

Offer Price	\$3,100,000
Unit Mix	6 (3 bed / 2 bath) 2 (3 bed / 1 bath) 1 (4 bed / 2 bath)
Total Building Area	9,168 SF
Lot Size	6,524 SF
Parking	9 covered spaces
Laundry	In-unit
LTV (Proposed)	65%
Debt Coverage	1.24x (Current)
Interest Rate (Proposed)	4.75%
Term/Amort (Proposed)	30 Years
Current Cap   GRM	5.03%   13.60
Year Built	2007
Utilities	
Water	Individually Metered
Gas	Individually Metered
Electric	Individually Metered



**STREET VIEW**



**AERIAL**



**AERIAL**



FINANCIAL  
OVERVIEW



# INCOME & EXPENSES

## EXPENSES

	CURRENT**	PROFORMA
Property Tax	36,394	38,750
Insurance	3,209	3,209
Management	8,000	13,328
Landscaping	350	600
Maintenance	6,250	10,662
Utilities	10,098	10,098
Reserve	865	1,800
<b>TOTAL</b>	<b>65,166</b>	<b>78,447</b>

## INCOME

	CURRENT**		PROFORMA	
<b>Gross Potential Rent</b>	<b>228,000</b>		<b>274,800</b>	
Less: Vacancy	(6,840)	3%	(8,244)	3%
<b>Effective Gross Income</b>	<b>221,160</b>		<b>264,556</b>	
Less: Expenses	(65,166)	30%	(78,447)	29%
<b>NET OPERATING INCOME</b>	<b>155,994</b>		<b>188,109</b>	
Debt Service	(126,134)		(126,134)	
Cash Flow	29,860		61,975	
Principal Reduction	31,093		31,093	
<b>Gross Equity Income</b>	<b>60,953</b>		<b>93,068</b>	
Annual Depreciation	76,655		76,655	
Cap Rate	5.03%		6.07%	

\*\*Current – based on current rents per executed lease agreements. Actual expenses per seller except as noted.

\*Updated property tax at 1.17%

# RENT ROLL

## INCOME HIGHLIGHTS

The property is subject to a 30-year affordability covenant that began in April 2006.

In September 2019, the Housing Authority approved Unit 1 for a Section 8 rate of \$2,600.

Units 2 through 9 are all month to month and were served increases on 11/1/2018. They are all currently eligible for a rent increase. All 3 BED units have been approved by section 8 for rents of \$2,600 per month.

The property was built in 2007 and is **not subject to rent control.**

Unit #	Unit Type	Unit SF*	Section 8	Rent	Rent/SF	Rent	Rent/SF
1	3 Bed / 2 Bath	900	Yes	\$2,600	\$2.89	\$2,600	\$2.89
2	3 Bed / 2 Bath	900	Yes	\$1,850	\$2.06	\$2,600	\$2.78
3	3 Bed / 1 Bath	850	Yes	\$1,750	\$2.06	\$2,250	\$2.65
4	3 Bed / 2 Bath	900	Yes	\$1,850	\$2.06	\$2,500	\$2.78
5	4 Bed / 2 Bath	1100	Yes	\$2,300	\$2.09	\$2,900	\$2.50
6	3 Bed / 2 Bath	900	Vacant**	\$2,600	\$2.36	\$2,600	\$2.50
7	3 Bed / 1 Bath	850	Yes	\$1,750	\$2.06	\$2,250	\$2.65
8	3 Bed / 2 Bath	900	Yes	\$1,850	\$2.06	\$2,600	\$2.89
9	3 Bed / 2 Bath	900	Yes	\$2,450	\$2.72	\$2,500	\$2.78
<b>Total/Average</b>		<b>8,400</b>		<b>\$19,000</b>	<b>\$2.26</b>	<b>\$22,900</b>	<b>\$2.73</b>

\* Unit square footage is approximated / buyer to verify.

\*\*Vacant rent based on recently rented unit 1



PROPERTY  
COMPARABLES

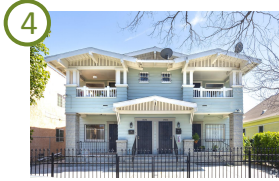
# SALES COMPS



2204 W 26th St.



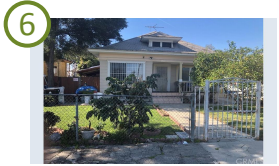
2217 S Hobart



1816 W 25th St



2619 Brighton Ave.



2927 S Catalina



2637 S Manhattan Pl  
(Subject)

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# SALES COMPS

Comp	Address	# Units	Year Built	Bldg SF	Lot SF	Price	\$/Unit	NOI	Cap Rate	GRM	Unit Mix	COE
2	2204 W 26th Pl	5	1960	3,992	5,005	\$1,230,000	\$246,000	\$45,887	3.7%	15.56	3 - 2b/1b 2 - 1b/1b	7/22/19
3	2217 S Hobart	3	1904	4,667	10,701	\$1,790,000	\$596,667	\$89,040	4.9%		2 - 2b/2b 1 - 5b/3b	7/31/19
4	1816 W 25 <sup>th</sup> St	5	1910	5,087	6,638	\$1,676,000	\$335,200	\$95,415	5.6%		3 - 1b/1b 2 - 2b/1b	8/20/19
5	2619 Brighton	18	1957	9,906	13,298	\$6,750,000	\$375,000	\$210,438	3.1%	16.27	18 - 1b/1b	5/3/19
6	2927 S Catalina	3	1964	3,407	6,249	\$1,185,000	\$395,000				2 - 2b/1b 1 - 3b/2b	10/24/19
<b>Averages</b>		<b>7</b>	<b>1939</b>	<b>5,412</b>	<b>8,738</b>	<b>\$2,526,200</b>	<b>\$389,573</b>		<b>4.33%</b>			
1	2637 S Manhattan	9	2007	9,168	6,524	\$3,400,000	\$377,778	\$152,472	4.48%	14.91	5 - 3b/2b 2 - 3b/1b 2 - 4b/2b	



MARKET  
OVERVIEW

# JEFFERSON PARK MARKET TRAJECTORY

## SIGNIFICANT REVITALIZATION

One of Los Angeles's best examples of an early street car suburb and early 1900s Arts and Crafts movement, Jefferson Park boasts many single story bungalows from the growing middle class. The neighborhood is best known for its diverse community of residents--a melting pot of cultures and backgrounds.

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## Surrounding Los Angeles Area



### Transportation

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- One Mile to Expo/Western Station
- Located close to the 10 FWY



### Dining & Retail

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- Trader Joe's
- Target
- Harold & Belles
- Phillips Bar-B-Que
- Taco Window
- Highly Likely
- Alta



### Employers

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Located near new company locations including:

- Apple
- Amazon
- HBO
- Wholefoods



### Entertainment

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- Near Downtown Los Angeles
- Upcoming Renovated Crenshaw Plaza Mall
- Easy drive to Koreatown



### Education

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- Located near USC
- California Science Center
- Natural History Museum



### Sports & Attractions

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- LA Coliseum
- Staples Center
- Banc of Cal Stadium
- LAX Airport
- Andrews Clark Memorial Library
- California Science Center

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