

Marketing Package



Sherman Terrace

14925 Sherman Way

Van Nuys, CA 91405



FOR SALE
\$7,000,000

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Multi-Family Operating Information

14921-5 Sherman Way, Van Nuys CA 91405

SUMMARY



Sherman Terrace Apartments - Well Maintained - Opportunity Zone in San Fernando Valley, Pool, Private Patios / Balconies, Retrofit Completed, Rents are +50% Below Market

Price:	\$7,000,000
Down Payment: 59%	\$4,100,000
Number of Units:	32
Cost per Legal Unit:	\$ 218,750
Current GRM:	13.45
Market GRM:	8.92
Current CAP:	4.00%
Market CAP:	7.37%
Year Built	1964
Approx. Lot Size (SF):	29,594
Approx. Gross (SF):	26,760
Cost per Net GSF:	\$261.58

FINANCING ASSUMPTIONS

New First Loan:	\$2,900,000
Interest Rate:	5.65%
Amortization	30
Monthly Payment:	\$16,740
DCR	(1.39)
5-Year Fixed Rate	

ANNUALIZED OPERATING DATA

Scheduled Gross Income:

Less Vacancy Rate Reserve:

Gross Operating Income:

Less Expenses:

Net Operating Income:

Less Loan Payments:

Pre-Tax Cash Flow:

Plus Principal Reduction:

Total Return Before Taxes:

CURRENT RENTS

520,375	
(10,408)	2.0%
509,968	
(229,978)	44.2%
279,990	
(200,878)	
79,112	1.9% *
39,003	
118,115	2.9% *

MARKET RENTS

785,148	
(39,257)	5.0%
745,891	
(229,978)	29.3%
515,912	
(200,878)	
315,034	7.7% *
39,003	
354,037	8.6% *

* As a percent of the down payment

SCHEDULED INCOME

ESTIMATED ANNUALIZED EXPENSES

No. of Units	Bdrms/ Baths	Approx. SF	PROFORMA RENTS		MARKET RENTS	
			Monthly Rent	Monthly Income	Monthly Rent/Unit	Monthly Income
14	1+1	750	\$780-\$1,550		\$ 1,800	\$ 25,200
18	2+2	900	\$1,016-\$1,900		\$ 2,200	\$ 39,600

Taxes:	Rate	1.24%	\$	86,450
Insurance			\$	10,420
Utilities			\$	66,355
Maintenance	4.0%		\$	20,815
Contract Services			\$	8,025
Off-site Manager	3.5%		\$	18,213
On-site Payroll			\$	16,200
General & Admin			\$	3,500

Total Scheduled Rent:	* \$ 42,736	\$ 64,800
Laundry & Other:	\$ 350	\$ 350
Misc: SCEP, Seismic Recovery, RSO fees	\$ 279	\$ 279
Monthly Scheduled Gross Income:	\$ 43,365	\$ 65,429
Annual Scheduled Rent:	\$ 512,827	\$ 777,600
Annual Scheduled Gross Income:	\$ 520,375	\$ 785,148

Total Expenses:	\$ 229,978
Per Net Sq. Ft.:	\$ 8.59
Per Unit:	\$ 7,187

Property Description

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The Sherman Terrace apartments are located just west of Kester on Sherman Way in the heart of Van Nuys, a submarket of the San Fernando Valley in the City of Los Angeles, California. This location offers tremendous visibility on this large east / west major artery in the Valley and easy access to the 405 freeway.

This 32-unit two-story garden style complex has gated entry, a pool, laundry room and landscaped courtyard. The parking is also gated and has 24 tuck under spaces, 9 carport spaces and one open space for a total of 34 cars. The City of Los Angeles mandatory seismic retrofit work has already been completed by the owner. Other capital improvements include repaving the driveway and putting on a new roof about 10 years ago.

The building is separately metered for both gas and electricity and the majority of the units have a private patio or balcony. The unit mix is excellent of 56% two bedrooms, two baths units averaging \$1.59 psf and 44% one bedroom units averaging \$1.34 psf. Both unit types are currently renting significantly below the current market of at least 50%.

This well-maintained complex offers an investor stable cash flow with upside that will appreciate in value over time. The property is also located in an Opportunity Zone, which offers an investor the potential to defer and eliminate capital gains if they substantially improve the asset per the existing OZ laws.



Investment Highlights:

- Located in Opportunity Zone
- Very well maintained
- Great Mix of 1 & 2 Bedrooms with Balconies / Private Patios
- Gated Parking & Entry
- Pool, Laundry and Landscaped Courtyard



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Rent Roll

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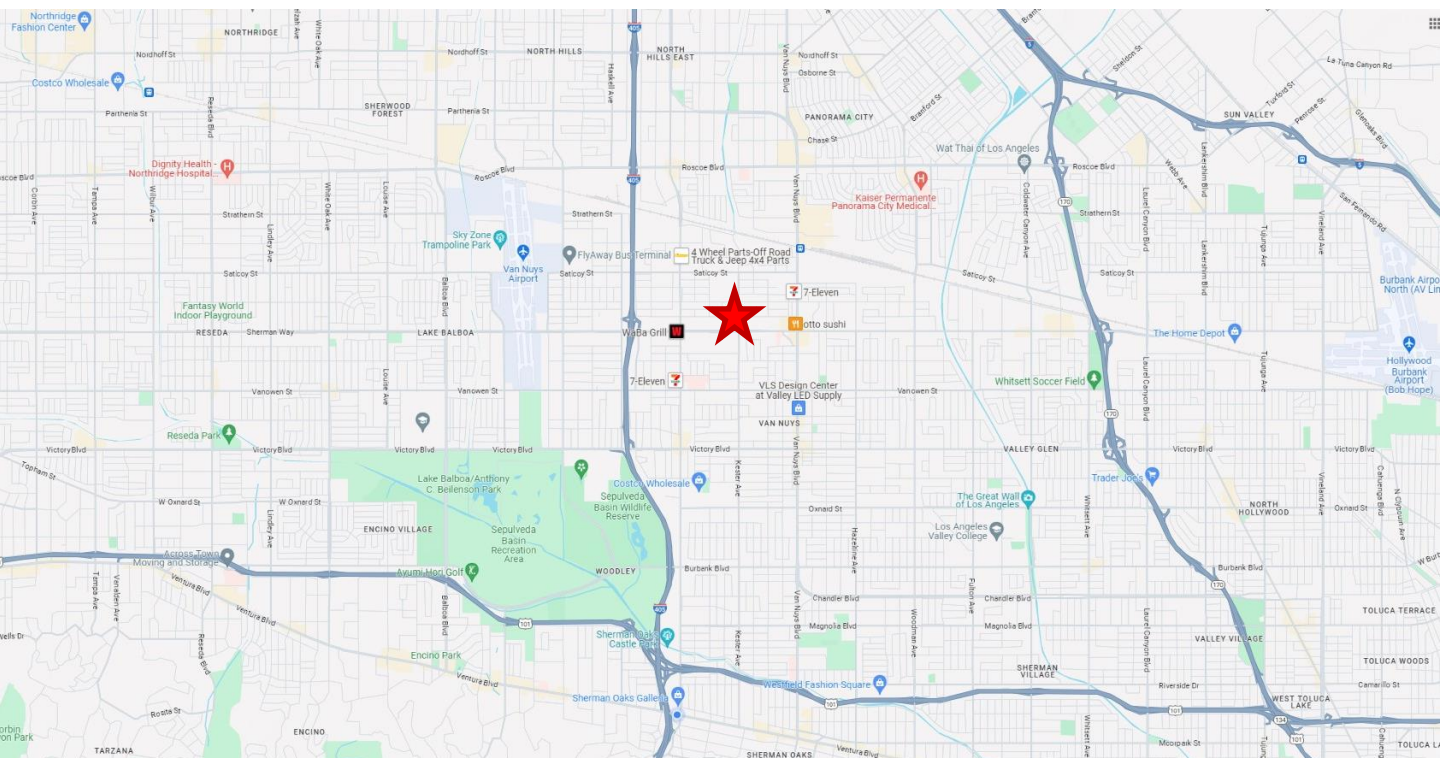
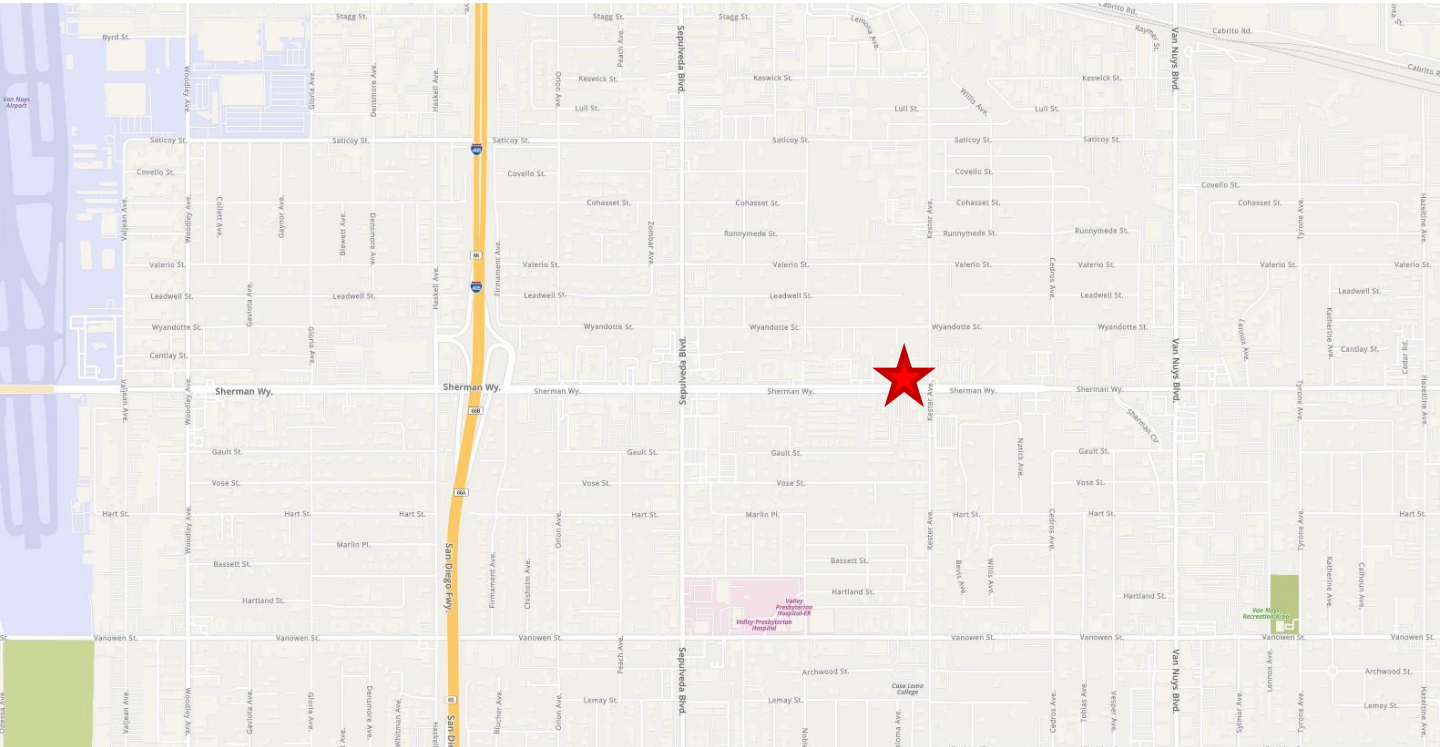


Unit #	Unit Type	SF	Current Rent	Rent / SF	Market Rent
101	2+2	900	\$ 1,477.23	\$ 1.64	\$ 2,200.00
102	2+2	900	\$ 1,477.23	\$ 1.64	\$ 2,200.00
103	1+1	750	\$ 1,003.76	\$ 1.34	\$ 1,800.00
104	1+1	750	\$ 812.14	\$ 1.08	\$ 1,800.00
105	1+1	750	\$ 912.40	\$ 1.22	\$ 1,800.00
106	1+1	750	\$ 975.34	\$ 1.30	\$ 1,800.00
107	1+1	750	\$ 1,003.76	\$ 1.34	\$ 1,800.00
108	2+2	900	\$ 1,222.10	\$ 1.36	\$ 2,200.00
109	2+2	900	\$ 1,536.27	\$ 1.71	\$ 2,200.00
110	1+1	750	\$ 975.34	\$ 1.30	\$ 1,800.00
111	1+1	750	\$ 973.68	\$ 1.30	\$ 1,800.00
112	2+2	900	\$ 1,339.08	\$ 1.49	\$ 2,200.00
114	2+2	900	\$ 1,120.72	\$ 1.25	\$ 2,200.00
115	2+2	900	\$ 1,536.27	\$ 1.71	\$ 2,200.00
116	2+2	900	\$ 1,383.20	\$ 1.54	\$ 2,200.00
117	2+2	900	\$ 2,200.00	\$ 2.44	\$ 2,200.00
201	2+2	900	\$ 1,976.00	\$ 2.20	\$ 2,200.00
202	2+2	900	\$ 1,120.72	\$ 1.25	\$ 2,200.00
203	1+1	750	\$ 1,600.00	\$ 2.13	\$ 1,800.00
204	1+1	750	\$ 1,612.00	\$ 2.15	\$ 1,800.00
205	1+1	750	\$ 1,600.00	\$ 2.13	\$ 1,800.00
206	1+1	750	\$ 1,612.00	\$ 2.15	\$ 1,800.00
207	1+1	750	\$ 812.70	\$ 1.08	\$ 1,800.00
208	2+2	900	\$ 1,924.00	\$ 2.14	\$ 2,200.00
209	2+2	900	\$ 1,536.27	\$ 1.71	\$ 2,200.00
210	1+1	750	\$ 1,004.31	\$ 1.34	\$ 1,800.00
211	1+1	750	\$ 848.90	\$ 1.13	\$ 1,800.00
212	2+2	900	\$ 1,536.27	\$ 1.71	\$ 2,200.00
214	2+2	900	\$ 1,056.67	\$ 1.17	\$ 2,200.00
215	2+2	900	\$ 1,418.18	\$ 1.58	\$ 2,200.00
216	2+2	900	\$ 1,872.00	\$ 2.08	\$ 2,200.00
217	2+2	900	\$ 1,456.00	\$ 1.62	\$ 2,200.00
Totals		26,700	\$ 42,735.62	\$ 1.60	\$ 64,800.00

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Location

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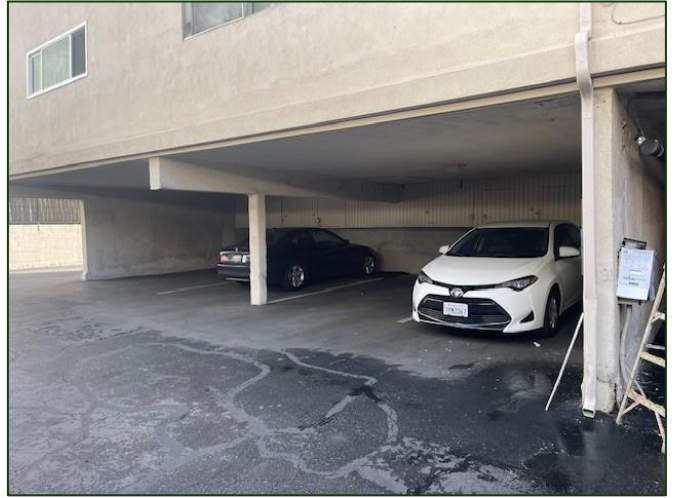
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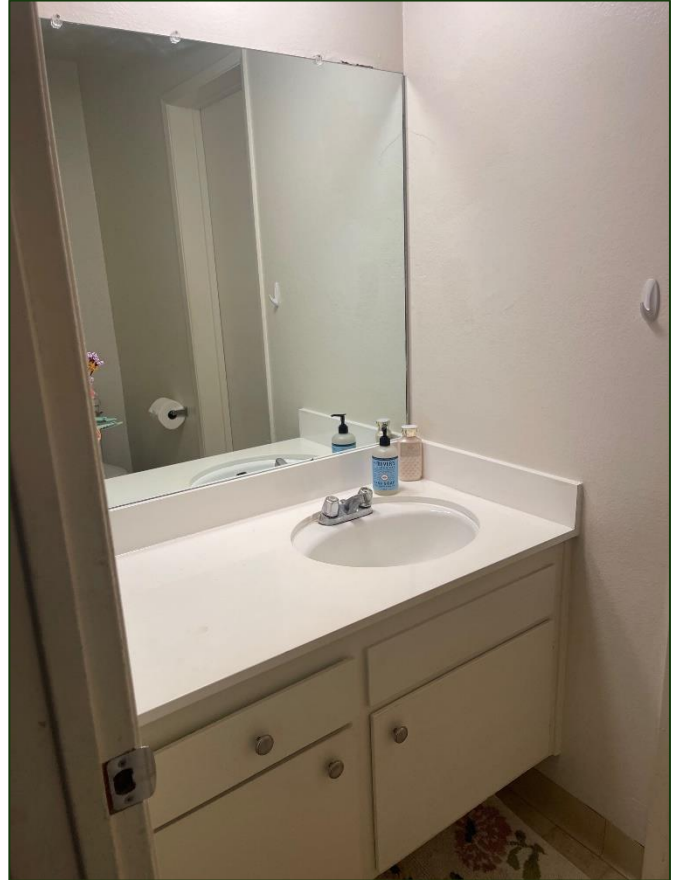
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Sales Comparables

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Sales Comps:

6461 Kester Ave

Sold 4/18/2023

\$2,545,000

\$168,333 / Unit

\$264.54 / SF

4.18% CAP / 12.01 GRM

(12) 1+1

13925 Sherman Way

Sold 9/21/2023

\$8,090,000

\$269,666 / Unit

\$282.88 / SF

5.62% CAP / 12.39 GRM

(10) studios

(10) 1+1

(10) 2+2

13425 Vanowen St

Sold 7/11/2023

\$3,050,000

\$190,625 / Unit

\$256.11 / SF

13.23 GRM

(16) studios

14147-14149 Vanowen St

Sold 8/31/2023

\$3,500,000

\$205,882 / Unit

\$233.61 / SF

3.71% CAP / 13.14 GRM

(1) studio

(6) 1+1

(10) 2+1

14921 Vanowen St

Sold 8/18/2023

\$3,200,000

\$213,333 / Unit

\$270.45 / SF

4.90% CAP / 12.91 GRM

(15) 2+1

13440 Victory Blvd

Sold 2/14/2023

\$3,000,000

\$230,760 / Unit

\$127.52 / SF

1.56% CAP / 22.95 GRM

(13) studios

Rent Comparables

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1-Bedroom Rent Comps:

14335 Sherman Way
\$1,850

14737 Sherman Way
\$1,695

6910 Kester
\$1,800

7010 Sepulveda
\$1,750

7317 Sepulveda
\$1,695

2-Bedroom Rent Comps:

14535 Hartland
\$2,400
1960, 14 units

14612 Saticoy
\$2,000
1971, 41 units

15454 Sherman Way - San Regis
\$2,720
1,000 sq. ft.
1967, 390 units - lot of amenities

15225 Victory
\$2,550
1,000 sq. ft.
1964, 32 units - remodeled with pool



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