Morrison 16

NORTH HOLLYWOOD ARTS DISTRICT

INVESTMENT OPPORTUNITY

Disclaimer

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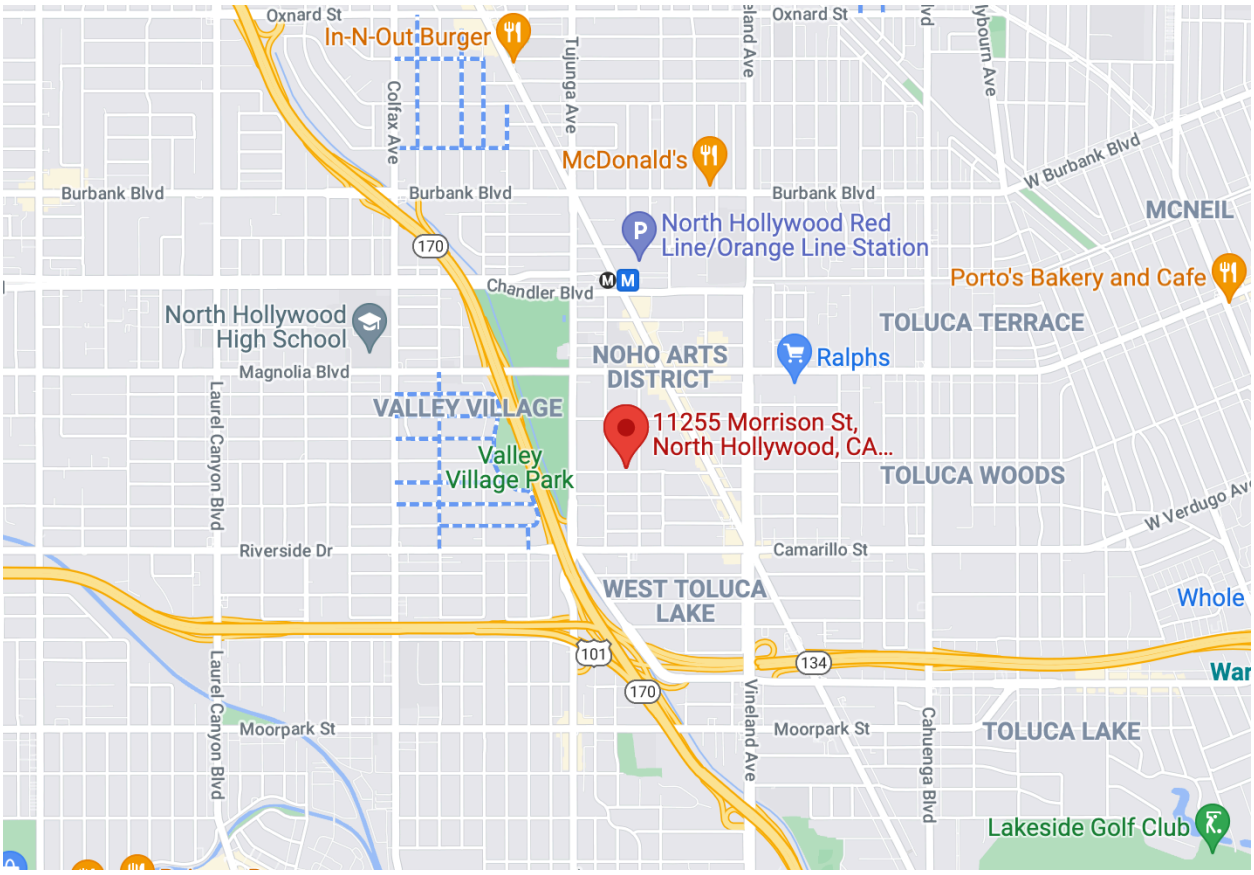
All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Elliman has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Elliman's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Elliman and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

Location

11255 Morrison Street, North Hollywood, CA 91601

& 11259 Morrison Street, North Hollywood, CA 91601

North Hollywood (NoHo) Arts District



Investment Overview

Commercial Broker David Levine Bramante is proud to present the exclusive listing of Morrison 16, a portfolio sale of two adjacent eight-unit apartment buildings in the highly desirable neighborhood of the North Hollywood ("NoHo") Arts District.

These beautiful and well-maintained eight-unit sister buildings are stylish examples of 1960s California living, boasting a phenomenal unit mix with large building square footages and lot sizes.

Morrison 16 is located at 11255 and 11259 Morrison Street, North Hollywood, California 91601. Investors familiar with the NoHo Arts District already know that the creative businesses, office spaces, retail and shops bring an abundant stream of high-quality tenants and rents.

The total unit mix is two three-bedroom / two-bathroom units, two two-bedroom / one-bathroom units, 10 one-bedroom / one-bathroom units, and two single / one-bathroom units, spanning over 12,010 square feet of living space, situated on 14,950 square feet of combined parcels. Each parcel is zoned LAR4, which means a developer can combine lots and build over 50 multifamily units (buyer to confirm with City).

Brimming with acting and dance studios, the NoHo Arts District is home to many performance spaces, including the restored 1926 El Portal Theatre. Sculptures of Emmy Award winners like Lucille Ball and Bob Hope feature in the Television Academy's Hall of Fame Garden.

Nearby, hip cafes, gastropubs, and tiki bars are clustered alongside vintage stores and tattoo parlors on Lankershim and Magnolia boulevards.

The overall neighborhood is extremely accessible for tenants too. They can easily access the major freeways (170-freeway, 101-freeway and 134-freeway), Metro stations in walking distance, and drive the major thoroughfares like Lankershim and Magnolia (plus Ventura Blvd is only a few minutes away). Just south are Universal Studios and other major entertainment and business centers for residents of the Morrison 16.

If you're looking for a stylish multifamily property investment opportunity, with solid income and potential income from rent increases and larger plays like real estate development projects, then Morrison 16 provides all of those opportunities to you unlike any other investment in the Valley.

Public Records

Property Name	**Morrison 16**		
Address	11255 & 11259 Morrison Street, North Hollywood, CA 91601		
Property Use	Portfolio Sale — Two Multifamily Properties		
Property	**11255 Morrison St**	**11259 Morrison St**	
APN	2353-013-033	2353-013-032	
Year Built	1964	1964	
Zoning	LAR4	LAR4	
	Details	**Details**	**Total**
Building Size SF	6,005	6,005	**12,010**
Lot Size SF	7,476	7,474	**14,950**
Number of Units	8	8	**16**
Bedrooms	10	10	**20**
Bathrooms	9	9	**18**

Current Rent Roll

Unit	Apt	Beds	Baths	Status	Current	Pro Forma
11255						
1	**A**	3	2	*Vacant 2-1-2022*	**$ 2,800.00**	**$ 2,800.00**
2	B	0	1		$ 1,167.50	$ 1,500.00
3	C	1	1		$ 1,615.51	$ 1,800.00
4	D	1	1		$ 1,262.41	$ 1,800.00
5	E	2	1		$ 1,750.00	$ 2,400.00
6	F	1	1		$ 1,221.00	$ 1,800.00
7	G	1	1		$ 1,625.00	$ 1,800.00
8	H	1	1		$ 1,248.76	$ 1,800.00
11259						
9	1	3	2		$ 2,100.00	$ 2,800.00
10	2	0	1	*Vacating 2-28-2022*	**$ 1,500.00**	**$ 1,500.00**
11	3	1	1		$ 1,166.00	$ 1,800.00
12	4	1	1		$ 1,251.12	$ 1,800.00
13	5	2	1		$ 1,695.00	$ 2,400.00
14	6	1	1		$ 1,625.00	$ 1,800.00
15	7	1	1		$ 1,550.00	$ 1,800.00
16	8	1	1		$ 1,274.46	$ 1,800.00
Average						
Total	**N/A**	**20**	**18**	**N/A**	**$ 24,852**	**$ 31,400**
Annual					**$ 298,221**	**$ 376,800**

Income & Expenses

	Var.	Current	Pro Forma
INCOME			
GROSS POTENTIAL RENT		**$298,221**	**$376,800**
Other Income			
Parking	N/A	$0	$0
Laundry Room (Estimate)	$400	$4,800	$4,800
GROSS POTENTIAL INCOME		**$303,021**	**$381,600**
Vacancy Factor	3.0%	$9,091	$11,448
EFFECTIVE GROSS INCOME (EGI)		**$293,930**	**$370,152**
EXPENSES			
Real Estate Taxes	1.25%	$56,250	$56,250
Insurance (per SF)	$0.30	$12,796	$12,796
Utilities	$750.00	$9,000	$9,000
Trash Removal		$2,953	$2,953
Pest Control		$1,096	$1,096
Phone & Internet Service		$997	$997
Maintainance & Repairs		$19,506	$19,506
Resident Manager — N/A		$0	$0
Property Management (3% of EGI)	3.00%	$8,818	$8,818
License & Permits		$1,628	$1,628
Landscaping		$1,820	$1,820
Reserves & Replacements	$200	$2,400	$2,400
TOTAL EXPENSES		**$117,264**	**$117,264**
Expenses per Unit	16	$7,328.99	$7,329
Expenses per SF	12,010	$9.76	$9.76
% of EGI		39.9%	31.7%
NET OPERATING INCOME (NOI)		**$176,667**	**$252,888**

Income & Financing

LIST PRICE		$4,500,000
	CURRENT	PRO FORMA
Gross Potential Rent (GPR)	$298,221	$376,800
Gross Potential Income (GPI)	$303,021	$381,600
Effective Gross Income (EGI)	$293,930	$370,152
Total Expenses	$117,264	$117,264
Net Operating Income (NOI)	$176,667	$252,888
Cap Rate	**3.93%**	**5.62%**
Price per SF	$374.69	$374.69
Price per Unit	$281,250	$281,250
Gross Rent Multiplier (GRM)	14.85	11.79
Financing		
Interest Rate	3.60%	5-year fixed
Down Payment	36.75%	$1,653,750
Principal Balance	63.25%	$2,846,250
Amortization (in Years)	30.00	Years
Annual Mortgage	$155,284	$155,284
Debt Coverage Ratio (DCR)	1.14	1.63
Cash Flow	$21,382	$97,604
Return on Investment (Cash on Cash)	1.29%	5.90%

Financial Indicators

LIST PRICE
$4,500,000

Price / Building SF	Price / Lot SF	Price / Unit
$375	$301	$281,250

Current Income	
Cap Rate	GRM
3.93%	14.85

Pro Forma Income	
Pro Forma Cap Rate	Pro Forma GRM
5.62%	11.79

Exclusive Listing Agent

David Levine Bramante is one of Los Angeles' top real estate agents. He's been a real estate professional for over 20 years now, and lives with his wife and kids in Calabasas.

David got started in real estate while attending Palisades Charter High School, helping his mother's property management company manage apartment buildings in Hollywood.

While a student at UCLA, David was lucky enough to purchase a small fourplex in Echo Park, and got experience buying and selling first-hand.

Loving real estate, he obtained his California real estate license in 2005 and joined Sotheby's International Real Estate in Los Feliz.

After several years, he joined Marcus & Millichap Los Angeles. There he was the National Rookie of the Year and National Pacesetter selling multifamily there for five years.

Later, David was recruited to the famous Douglas Elliman Real Estate office in Beverly Hills prior to joining his family brokerage, Realtor Levine. From there, he helps his clients buy and sell their luxury real estate and investment properties through LA County.

He enjoys marketing, negotiating and selling real estate for his clients, friends and family. Outside of real estate, he's very active in the community helping to teach classes at his kids' school, coaching AYSO soccer and Agoura Pony baseball, and loves to read.

David Levine Bramante
Mobile: (310) 906-5459
Fax: (310) 362-8732
David@RealtorLevine.com
RealtorLevine.com
California DRE #01511588

REALTOR LEVINE

Loan Quote

CHASE
Commercial Property Loans
Multi-Family Lending

February 11, 2022

Dear Mr. David Levine Bramante,

Thank you for considering JP Morgan Chase Bank, NA for the financing of the potential apartment purchase located at **11255 Morrison St, North Hollywood, CA 91601.**

Based on a **Purchase Price of $2,250,000.00** and the cash flow of the commercial asset, we are prepared to request a formal Letter of Intent in the amount of up to **$1,305,000**. The specific loan amount and final approval will be contingent upon the appraisal as well as specific property conditions and review of the property's rent roll and operating history statements by our underwriting and credit departments.

In order to move forward with a formal Letter of Intent we will need the following property information:

- **Copy of the Fully Executed Purchase Contract**
- **Current Property Rent Roll**
- **Property Operating History from 2020 & 2021**

Thank you and please contact me directly with any questions,

Kyle Schneekluth

This is not a commitment to lend and approval is subject to credit. Terms and conditions may apply.

Kyle Schneekluth | **JPMorgan Chase** | Multi-Family Loan Originator
M: 949-981-2487
F: 844-811-3712
kyle.schneekluth@chase.com
The Nation's #1 Multi-Family Lender

Rates and programs are subject to change; certain restrictions apply. Credit is subject to approval.

EQUAL HOUSING LENDER

CHASE
Commercial Property Loans
Multi-Family Lending

February 11, 2022

Dear Mr. David Levine Bramante,

Thank you for considering JP Morgan Chase Bank, NA for the financing of the potential apartment purchase located at **11259 Morrison St, North Hollywood, CA 91601.**

Based on a **Purchase Price of $2,250,000.00** and the cash flow of the commercial asset, we are prepared to request a formal Letter of Intent in the amount of up to **$1,535,000**. The specific loan amount and final approval will be contingent upon the appraisal as well as specific property conditions and review of the property's rent roll and operating history statements by our underwriting and credit departments.

In order to move forward with a formal Letter of Intent we will need the following property information:

- **Copy of the Fully Executed Purchase Contract**
- **Current Property Rent Roll**
- **Property Operating History from 2020 & 2021**

Thank you and please contact me directly with any questions,

Kyle Schneekluth

This is not a commitment to lend and approval is subject to credit. Terms and conditions may apply.

Kyle Schneekluth | **JPMorgan Chase** | Multi-Family Loan Originator
M: 949-981-2487
F: 844-811-3712
kyle.schneekluth@chase.com
The Nation's #1 Multi-Family Lender

Rates and programs are subject to change; certain restrictions apply. Credit is subject to approval.

EQUAL HOUSING LENDER

General Terms:
30YR Loan Term
30YR Amortization
Recourse or Non-Recourse with carve outs (subject to credit)
Fixed for 60 months, then rate/payment adjusts semi-annually
5-4-3-2-1% Prepayment Chase Retention
Adjustable interest rate: 6M SOFR plus 2.500%
Interest accrual method: 30/360
Floor rate: 2.500%
Rate cap (subject to rate lock): 9.500%
Processing fee: $2,500.00
Origination fee: $0.00

Interest Rate Info:
5YR Fixed Rate = 3.400% (subject to rate lock)
***Rates change daily with the market until locked in with an approved LOI or Letter of Intent.**
****In order to lock rate we will collect a 1% Rate Lock Deposit, which is refunded at closing thru escrow minus any lender fees.**

Total Bank Costs:
$2,500 processing fee – this fee includes all costs (noted below)

- Includes appraisal
- Includes all legal fees
- Includes all bank fees
- Includes all notary
- Excludes special endorsements on title
- Excludes approx. $160 fee (Wire, UCC file and tax servicing fee)
- No W2s or tax returns
- No origination fees