



› OFFERING MEMORANDUM

**13506 RYE ST.**

SHERMAN OAKS, CALIFORNIA 91423

**TEAM GHOBADI | MULTIFAMILY**  
Real Estate Investment Services



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# PROPERTY DESCRIPTION

EXECUTIVE SUMMARY

Nestled in a private cul de sac between Rye St. and Ventura Canyon Ave., 13503 Rye Street is a multi-family building that offers the valuable opportunity to own a well-maintained building in the San Fernando Valley’s trendy city of Sherman Oaks.

Comprised of 14 units, the property boasts a total of 11,156 rentable square footage. There are two studios, two one-bedroom/one-bathroom junior unit, six onebed-room/one bathroom units, one two-bedroom/ one-bathroom unit, one two-bedroom/one and one half bath unit, one three-bedroom/two-bathroom unit, and a larger three-bedroom/two-bathroom unit with private entrance, central a/c, hardwood floors, and private laundry. All unit interiors feature modern appliances, ceramic and travertine tiles, custom closets and sleek design. Furthermore, the building is master metered for gas and individually metered for electricity.

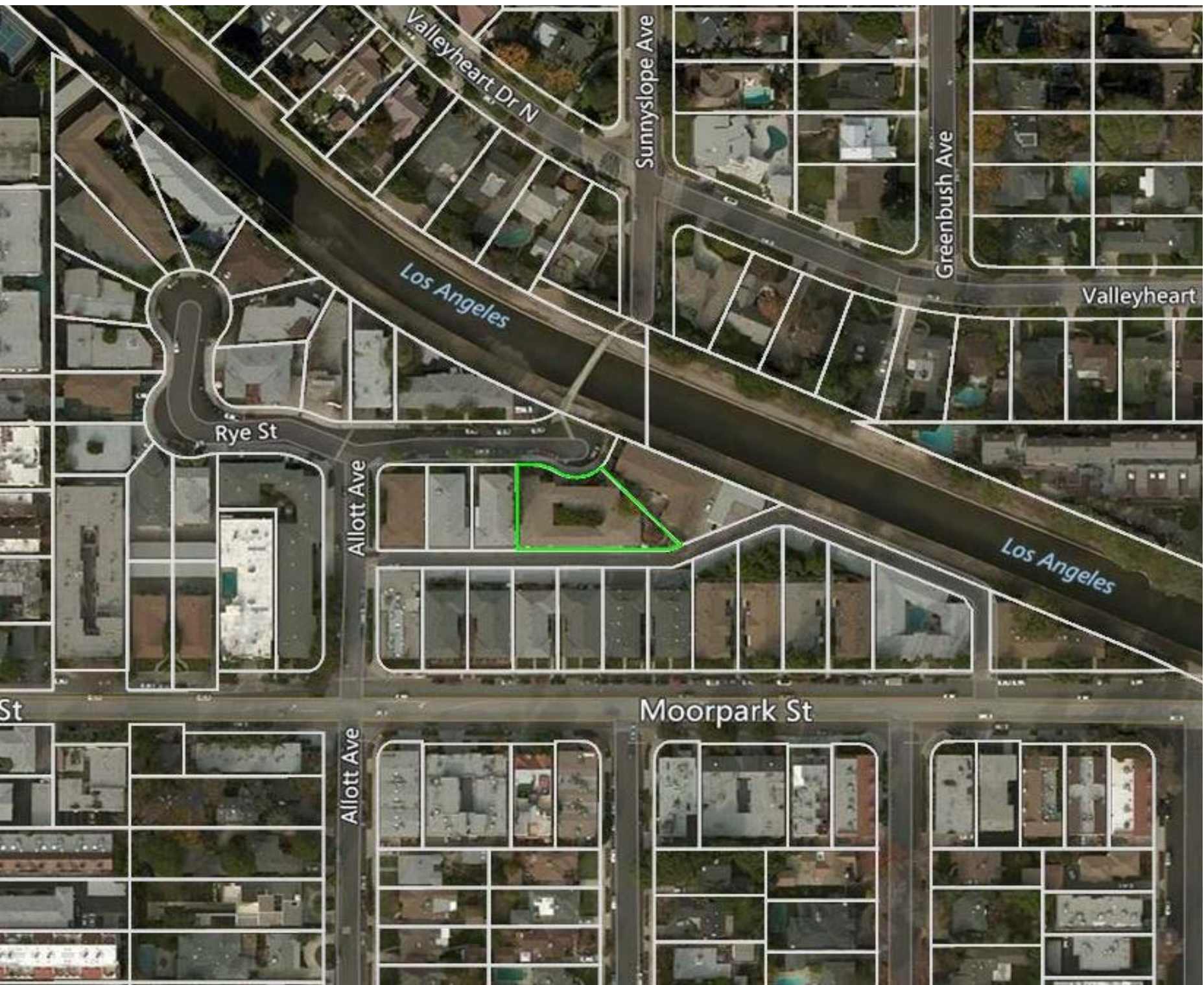
In the heart of Sherman Oaks, 13503 Rye Street is within immediate proximity to dozens of shops, eateries, and galleries on the historic Ventura Boulevard. Also within a short distance is the Sherman Oaks Galleria, an icon in San Fernando Valley history that has evolved into a hot spot of award-winning restaurants and a unique collection of design and home furnishing stores. The District’s notable amenities include Arclight Cinemas, Burke Williams, 24 Hour Fitness SuperSport, and much more opportunity.



PROPERTY OVERVIEW

Address	13506 Rye St. Sherman Oaks, CA 91423
Year Built	1959
Number of Units	14
Building Area	11,156 SF
Land Area	13,107 SF
Zoning	LAR3
APN	2360-014-026
Roof	Pitched
Number of Floors	2
Number of Parking Spaces	14 Total (10 Tuck-under, 2 2-car Garages)
Laundry Facility	Yes
Soft-Story	Yes

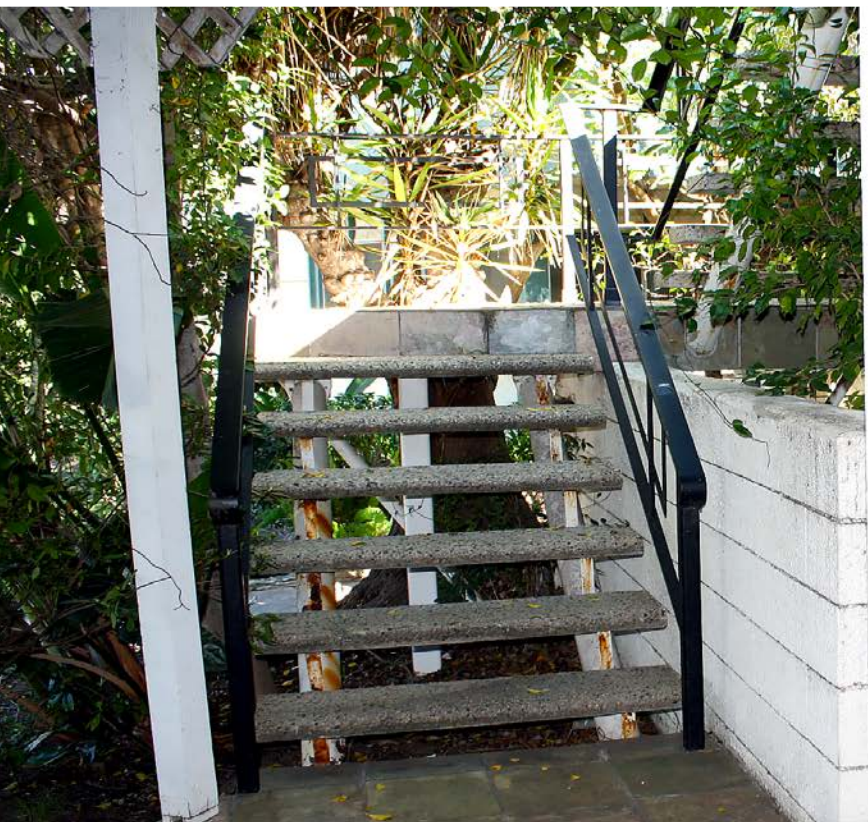
PROPERTY INFORMATION



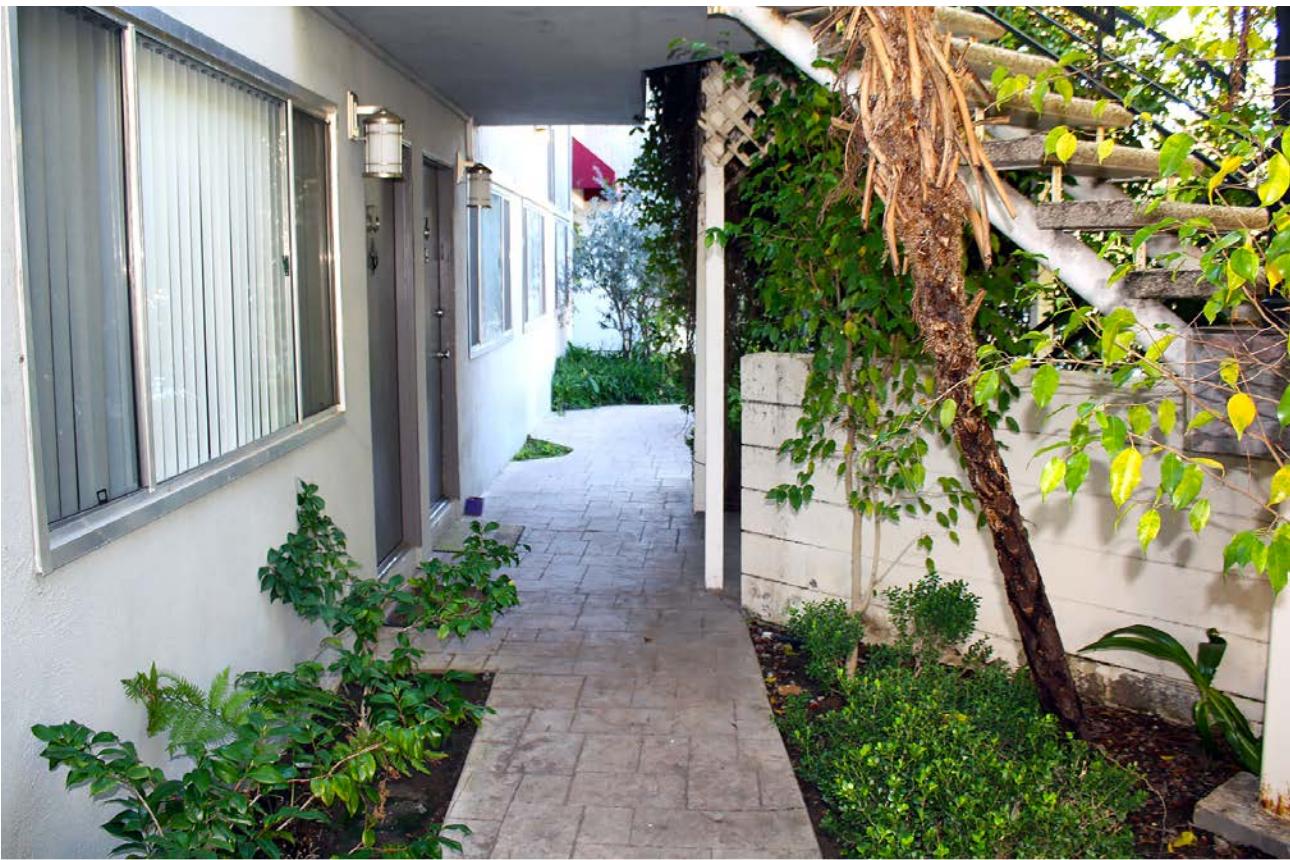
KEY HIGHLIGHTS

- Well-maintained building
- Vibrant courtyard with picnic area
- On-site Laundry facilities
- Copper plumbing - Buyer to verify
- Excellent unit mix
- Located in Prime Area of Sherman Oaks
- Within a private cul de sac.
- Minutes from the I-101 and I-405 freeways
- Master metered gas
- Individually metered electricity

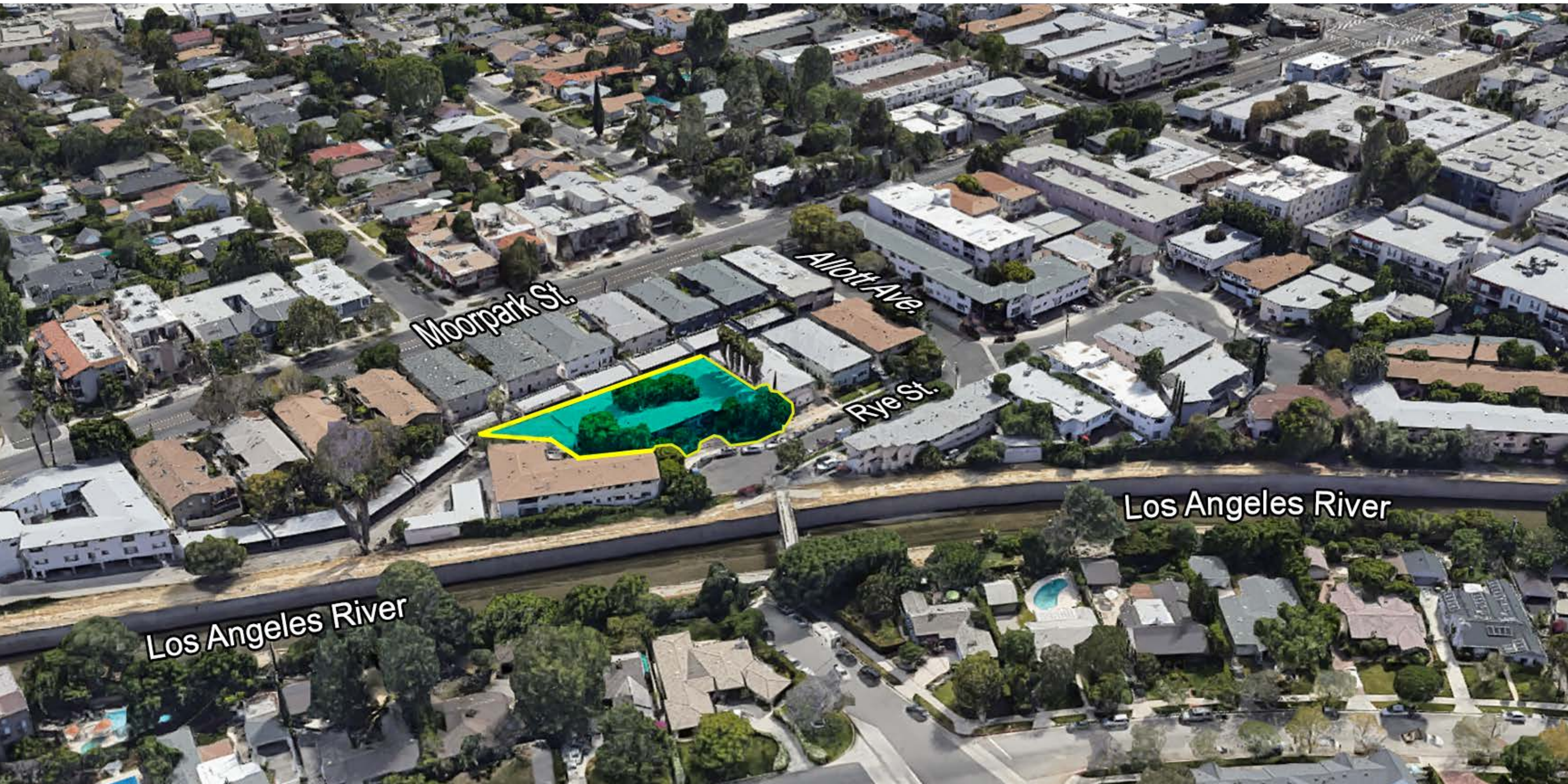
PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY AERIAL



# FINANCIAL ANALYSIS

INVESTMENT SUMMARY

Investment Summary		
Price		\$4,575,000
Down Payment	40%	\$1,830,000
Year Built		1959
Units		14
Price/Unit		\$326,786
RSF		11,156
Price/RSF		\$410.09
Lot Size		13,107
Zoning		LAR3
APN		2360-014-026
CAP Rate		4.29%
GRM		15.00
Proforma CAP Rate		4.89%
Proforma GRM		13.70
Financing Summary		
Loan Amount	60%	\$2,745,000
Down Payment	40%	\$1,830,000
Loan Type		Fixed
Interest Rate		4.50%
Term		5 Years
Monthly Payment		\$13,908.51
Debt Coverage Ratio		1.18

Annualized Income				
	Actual %	Actual	Proforma %	Pro Forma
Gross Potential Rent		\$305,040		\$333,960
Misc. Income		\$2,306		\$2,306
Gross Potential Income		\$307,346		\$336,266
Less Economic Vacancy	-2.00%	-\$6,101	-2.00%	-\$6,679
Effective Gross Income		\$301,245		\$329,587
Less Expenses	34.86%	\$105,023	32.12%	\$105,873
Net Operating Income:		\$196,222		\$223,714
Less Debt Service		\$166,902		\$166,902
Net Cash Flow After Debt Service	1.60%	\$29,320	3.10%	\$56,812

Annualized Expenses				
	Actual %	Actual	Proforma %	Pro Forma
Real Estate Taxes	18.98%	\$57,188	17.35%	\$57,188
Insurance	2.11%	\$6,359	1.93%	\$6,359
Gas	1.23%	\$3,706	1.12%	\$3,706
Electric & Water (DWP)	2.96%	\$8,917	2.71%	\$8,917
Trash	0.93%	\$2,800	0.85%	\$2,800
Professional Management	3.00%	\$9,037	3.00%	\$9,888
Repairs & Maintenance	3.49%	\$10,500	3.19%	\$10,500
Pest Control	0.24%	\$720	0.22%	\$720
Landscaping	0.80%	\$2,400	0.73%	\$2,400
License Fees & Taxes	1.13%	\$3,396	1.03%	\$3,396
Total Expenses	34.86%	\$105,023	32.12%	\$105,873
Expenses Per RSF		\$9.41		\$9.49
Expenses Per Unit		\$7,502		\$7,562

INCOME & EXPENSES

Income	Actual				Pro Forma			
	Annual	Per Unit	Per SF	%	Annual	Per Unit	Per SF	%
Gross Potential Rent	\$305,040	\$21,789	\$27.34		\$333,960	\$23,854	\$29.94	
Other Income								
<i>Laundry Income</i>	\$2,306	\$165	\$0.21	0.77%	\$2,306	\$165	\$0.21	0.70%
Gross Potential Income	\$307,346	\$21,953	\$27.55	102.03%	\$336,266	\$24,019	\$30.14	102.03%
Vacancy/Collection Allowance (% of GPR)	(\$6,101)	(\$436)	(\$0.55)	2.0%	(\$6,679)	(\$477)	(\$0.60)	2.0%
Effective Gross Income	\$301,245	\$21,518	\$27.00	100%	\$329,587	\$23,542	\$29.54	100%

Expenses								
Total Expenses	\$105,023	\$7502	\$9.41	34.9%	\$105,873	\$7562	\$9.49	32.1%
Net Operating Income:	\$196,222	\$14,016	\$17.59	65.1%	\$223,714	\$15,980	\$20.05	67.9%



FINANCIAL MODEL

Unit Mix Summary										
Unit Type	Number of Units	Rentable SF (Approx.)	Total Rentable SF (Approx.)	Actual Rent Per Unit	Actual Rent per SF	Total Actual Rent Potential	Market Rent Per Unit	Market Rent Per SF	Total Market Rent Potential	
Studio	2	N/A	N/A	\$1,290	N/A	\$2,579	\$1,395	N/A	\$2,790	
1 Bredroom 1 Bath	6	N/A	N/A	\$1,616	N/A	\$9,694	\$1,795	N/A	\$10,770	
1 Bedroom 1 Bath Junior	2	N/A	N/A	\$1,552	N/A	\$3,104	\$1,695	N/A	\$3,390	
2 Bedroom 1 Bath	1	N/A	N/A	\$1,862	N/A	\$1,862	\$2,195	N/A	\$2,195	
2 Bedroom 1.5 Bath	1	N/A	N/A	\$2,079	N/A	\$2,079	\$2,295	N/A	\$2,295	
3 Bedroom 2 Bath	1	N/A	N/A	\$2,698	N/A	\$2,698	\$2,795	N/A	\$2,795	
3 Bedroom 2 Bath Large	1	N/A	N/A	\$3,404	N/A	\$3,404	\$3,595	N/A	\$3,595	
Totals / Wtd. Averages	14	797	11,156.00	\$1,815.71	\$2.28	\$25,420	\$1,987.86	\$2.49	\$27,830	
Annual Rent Potential						\$305,040			\$333,960	

RENT ROLL

Unit #	Unit Type	Notes	Move-In Date	Actual	Pro Forma
#1	1+1		9/1/2016	\$1,720	\$1,795
#2	1+1		2/14/2011	\$1447	\$1,795
#3	Studio		3/15/2013	\$1,280	\$1,395
#4	Studio		2/1/2008	\$1,299	\$1,395
#5	1+1		3/12/2016	\$1653	\$1,795
#6	2+1		7/19/2017	\$1,862	\$2,195
#7	2+1.5		8/19/2015	\$2,079	\$2,295
#8	1+1		1/1/2016	\$1,664	\$1,795
#9	1+1	Junior	9/3/2017	\$1,654	\$1,695
#10	1+1		1/1/2017	\$1646	\$1,795
#11	1+1		3/5/2016	\$1,564	\$1,795
#12	3+2		5/5/2015	\$2698	\$2,795
#12A	1+1	Junior	2/7/2018	\$1,450	\$1,695
#14	3+2	Large Unit	2/7/2014	\$3,404	\$3,595
TOTAL			11,156	25,420	27,830

Gross Scheduled Monthly Rental Income	\$25,420	\$27,830
Gross Scheduled Annual Rental Income	\$305,040	\$333,960
Monthly Laundry Income	\$192	\$192
Annual Laundry Income	\$2,304	\$2,304

TOTAL YEARLY SCHEDULED INCOME	\$307,344	\$336,264
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EXPENSES

	Current	Per SF	Per Unit	Pro Forma	Per SF	Per Unit	Current
Real Estate Taxes	\$57,188	\$5.13	\$4,085	\$57,188	\$5.13	\$4,085	Tax Rate based on new value/price
Insurance	\$6,359	\$0.57	\$454	\$6,359	\$0.57	\$454	Actual 2017 P&L
Gas	\$3,706	\$0.33	\$265	\$3,706	\$0.33	\$265	Actual 2017 P&L
Electric & Water (DWP)	\$8,917	\$0.80	\$637	\$8,917	\$0.80	\$637	Actual 2017 P&L
Trash	\$2,800	\$0.25	\$200	\$2,800	\$0.25	\$200	Actual 2017 P&L
Professional Management	\$9,037	\$0.81	\$646	\$9,888	\$0.89	\$706	Estimated at 3% of gross income
Repairs & Maintenance	\$10,500	\$0.94	\$750	\$10,500	\$0.94	\$750	Estimated at \$750 / Unit
Pest Control	\$720	\$0.06	\$51	\$720	\$0.06	\$51	Estimated at \$60 / Month
Landscaping	\$2,400	\$0.22	\$171	\$2,400	\$0.22	\$171	Estimated at \$200/Month
License Fees & Taxes	\$3,396	\$0.30	\$243	\$3,396	\$0.30	\$243	Actual 2017 P&L
Total Expenses	\$105,023	\$9.41	\$7,502	\$105,873	\$9.49	\$7,562	

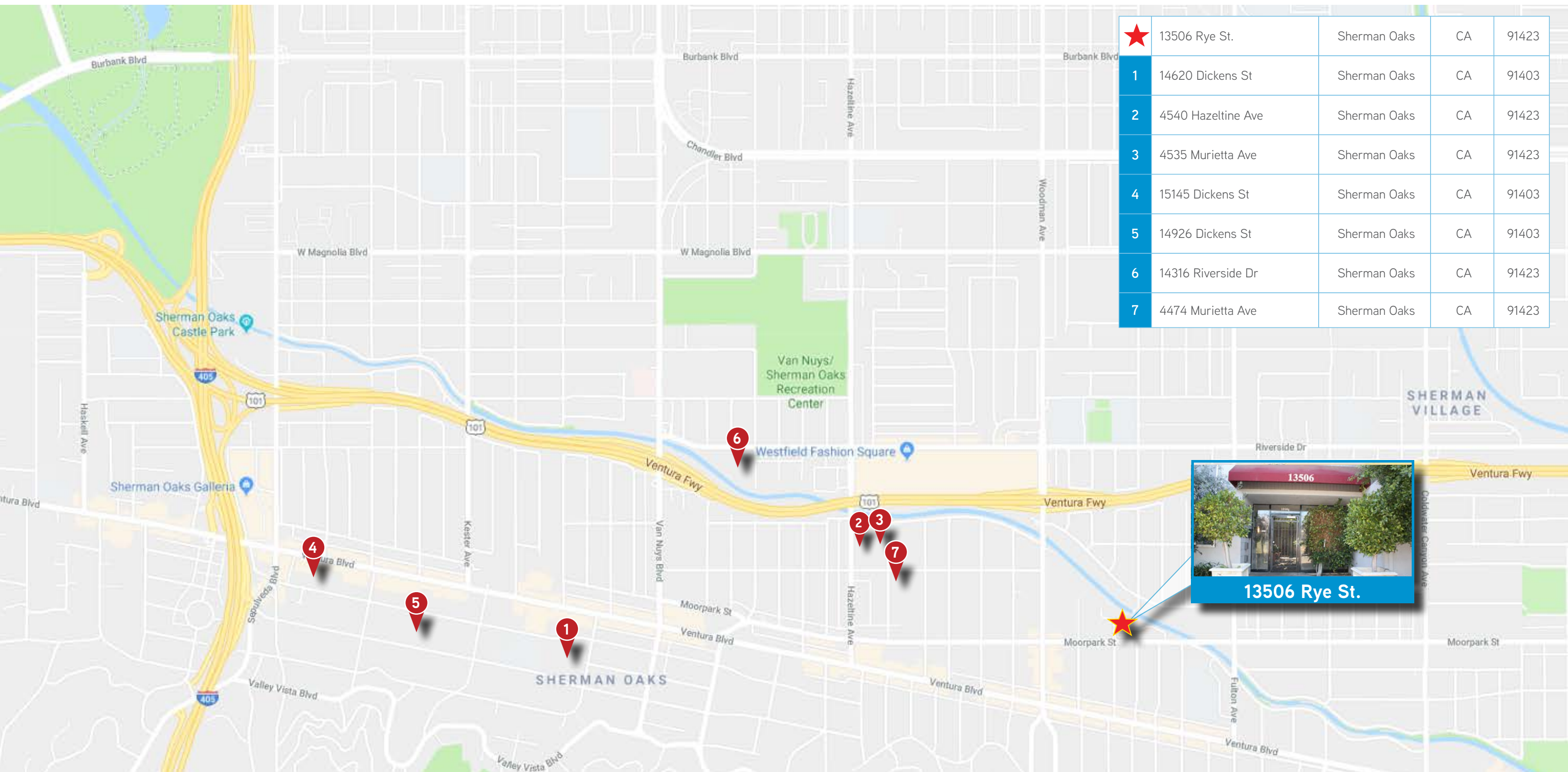


# SALES COMPARABLES

SALE COMPARABLES

#	Property Address	Property City	Property County	Property Zip Code	Number Of Units	Sale Price	Price Per Unit	Price Per SF	Actual Cap Rate	GRM	Bldg SF	Year Built	Sale Date
1	14620 Dickens St	Sherman Oaks	Los Angeles	91403	37	\$12,250,000	\$331,081	\$402.83	3.47%	N/A	30,410	1960	3/22/2018
2	4540 Hazeltine Ave	Sherman Oaks	Los Angeles	91423	23	\$7,750,000	\$336,957	\$353.48	4.02%	N/A	21,925	1951	12/1/2017
3	4535 Murietta Ave	Sherman Oaks	Los Angeles	91423	13	\$3,900,000	\$300,000	\$324.95	3.87%	16.11	12,002	1965	10/20/2017
4	15145 Dickens St	Sherman Oaks	Los Angeles	91403	10	\$3,250,000	\$325,000	\$340.96	3.9%	15.82	9,532	1951	11/9/2017
5	14926 Dickens St	Sherman Oaks	Los Angeles	91403	8	\$2,650,000	\$331,250	\$406.19	4.08%	17.7	6,524	1953	4/24/2017
6	14316 Riverside Dr	Sherman Oaks	Los Angeles	91423	8	\$2,410,000	\$301,250	\$325.68	3.54%	17.68	7,400	1951	4/14/2017
7	4474 Murietta Ave	Sherman Oaks	Los Angeles	91423	8	\$2,400,000	\$300,000	\$278.45	3.66%	16.65	8,619	1954	4/19/2018
AVERAGE							\$317934	\$347.51	3.79%	16.79			

SALES COMPARABLES MAP



★	13506 Rye St.	Sherman Oaks	CA	91423
1	14620 Dickens St	Sherman Oaks	CA	91403
2	4540 Hazeltine Ave	Sherman Oaks	CA	91423
3	4535 Murietta Ave	Sherman Oaks	CA	91423
4	15145 Dickens St	Sherman Oaks	CA	91403
5	14926 Dickens St	Sherman Oaks	CA	91403
6	14316 Riverside Dr	Sherman Oaks	CA	91423
7	4474 Murietta Ave	Sherman Oaks	CA	91423

# RENT COMPARABLES

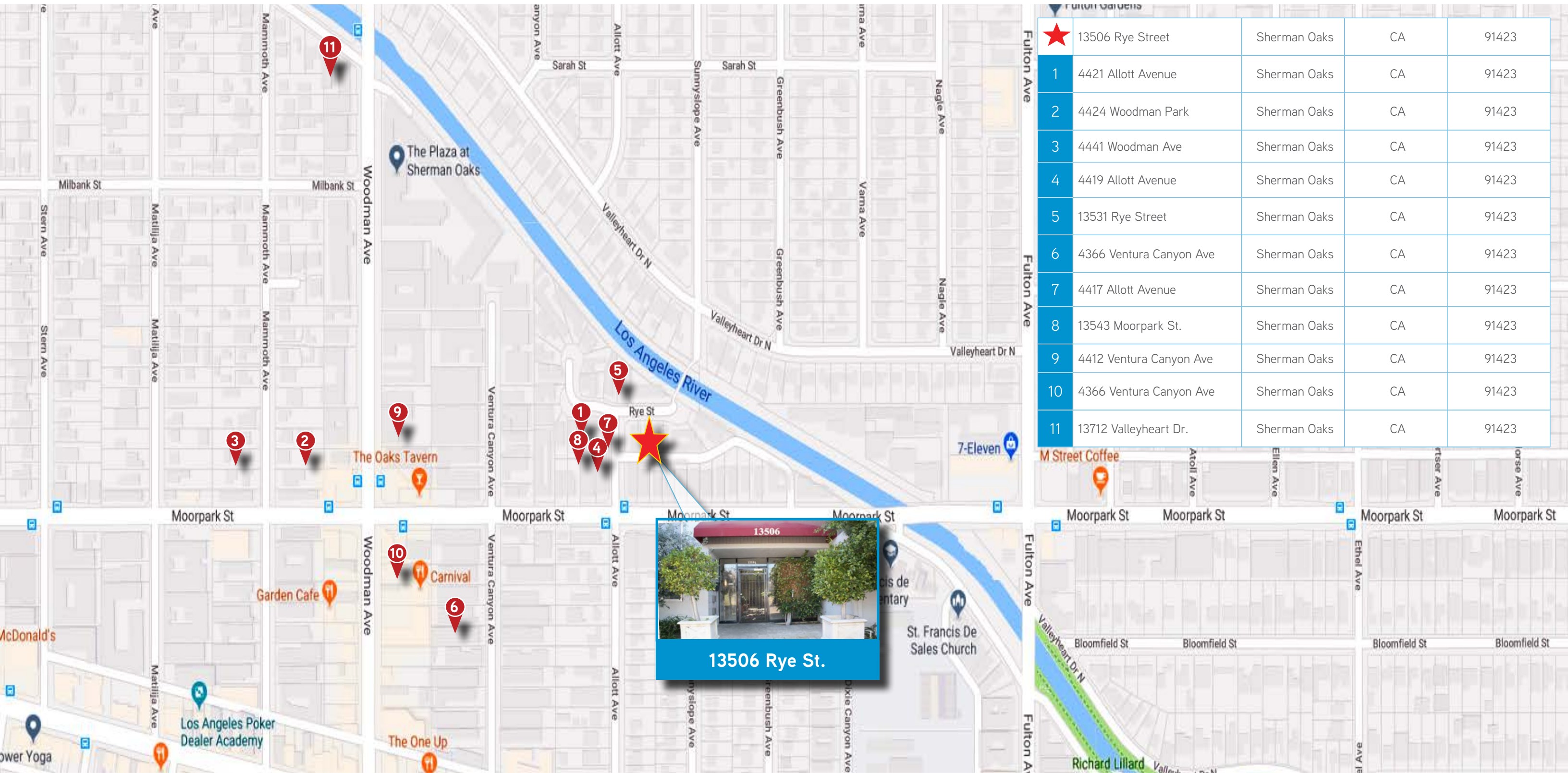
RENT COMPARABLES

#	Property Address	City	State	Zip	Unit Type Detail	Unit Size SF	Rent
1.	4421 Allott Avenue	Sherman Oaks	CA	91423	1+1	800	\$1,995
2.	4424 Woodman Park	Sherman Oaks	CA	91423	1+1	950	\$1,795
3.	4441 Woodman Ave	Sherman Oaks	CA	91423	1+1	650	\$1,800
4.	4419 Allott Avenue	Sherman Oaks	CA	91423	2+1	1000	\$2,595
5.	13531 Rye Street	Sherman Oaks	CA	91423	2+1	N/A	\$2,150
6.	4366 Ventura Canyon Ave	Sherman Oaks	CA	91423	2+1	N/A	\$2,250
7.	4417 Allott Avenue	Sherman Oaks	CA	91423	2+1.5	1000	\$2,695
8.	13543 Moorpark St.	Sherman Oaks	CA	91423	2+2	N/A	\$2,195
9.	4412 Ventura Canyon Ave	Sherman Oaks	CA	91423	2+2	N/A	\$2,400
10.	4366 Ventura Canyon Ave	Sherman Oaks	CA	91423	3+2	1000	\$2,650
11.	13712 Valleyheart Dr.	Sherman Oaks	CA	91423	3+2.5	2100	\$3,599

Total Rent Comparables Average

	SF	Rent
1 Bed, 1 Bath	800	\$1,863
2 Bed, 2 Bath	1000	\$2,380
3 Bed, 2 Bath	1550	\$3,124

RENT COMPARABLES MAP



★	13506 Rye Street	Sherman Oaks	CA	91423
1	4421 Allott Avenue	Sherman Oaks	CA	91423
2	4424 Woodman Park	Sherman Oaks	CA	91423
3	4441 Woodman Ave	Sherman Oaks	CA	91423
4	4419 Allott Avenue	Sherman Oaks	CA	91423
5	13531 Rye Street	Sherman Oaks	CA	91423
6	4366 Ventura Canyon Ave	Sherman Oaks	CA	91423
7	4417 Allott Avenue	Sherman Oaks	CA	91423
8	13543 Moorpark St.	Sherman Oaks	CA	91423
9	4412 Ventura Canyon Ave	Sherman Oaks	CA	91423
10	4366 Ventura Canyon Ave	Sherman Oaks	CA	91423
11	13712 Valleyheart Dr.	Sherman Oaks	CA	91423

# DEMOGRAPHIC ANALYSIS

AREA OVERVIEW



Sherman Oaks benefits from a central location in the San Fernando Valley, situated at the crossroads of the 405 and 101 Freeway. Its neighbors consist of Studio City/Valley Village to the east, Van Nuys to the north and Encino to the west. Sherman Oaks benefits not only from its close proximity to freeways, but also to three Orange Line stations and Ventura Blvd, which transects the neighborhood.

A central location is not all that Sherman Oaks has to offer, as two of the preeminent shopping centers in the San Fernando Valley call it home. Sherman Oaks Galleria and Westfield Fashion Square boast an impressive roster of retailers such as Bloomingdales, Macy’s and Urban Home. Entertainment options and personal services abound as well, with the likes of 24-Hour Fitness and Arclight Cinemas in Sherman Oaks, to name a few. The fun is not restricted to the indoors, however. The Sepulveda Basin Recreation Area sits adjacent to Sherman Oaks, offering residents access to a myriad of parks, sports fields, golf courses, playgrounds and hiking trails all situated on 2,000 acres.

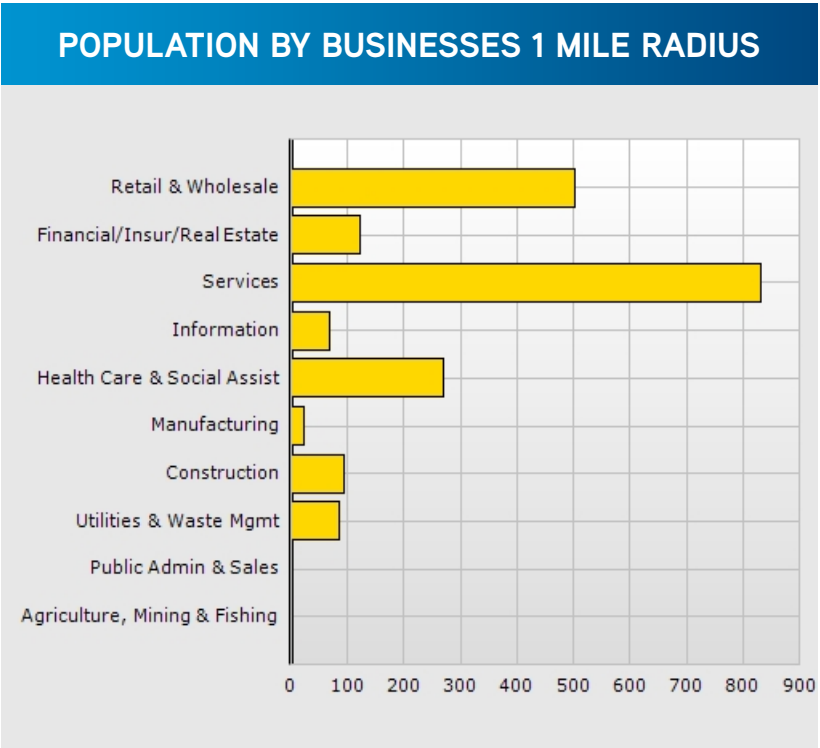
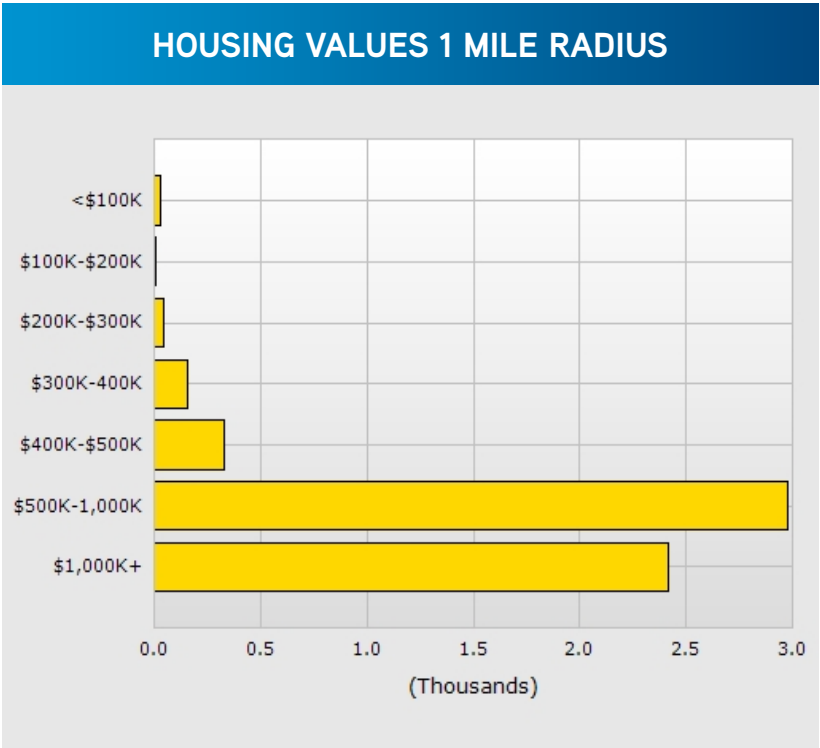
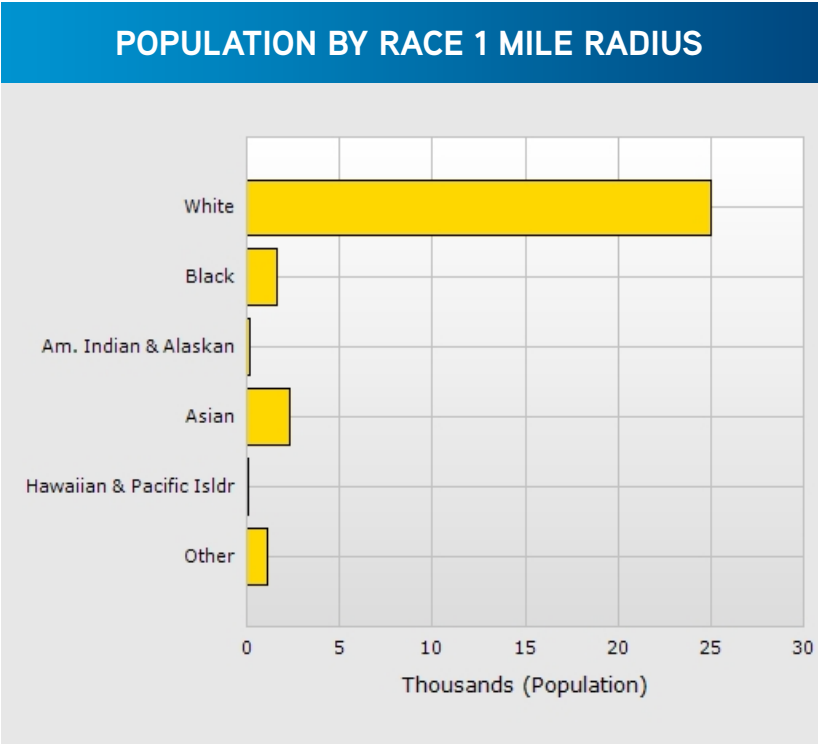
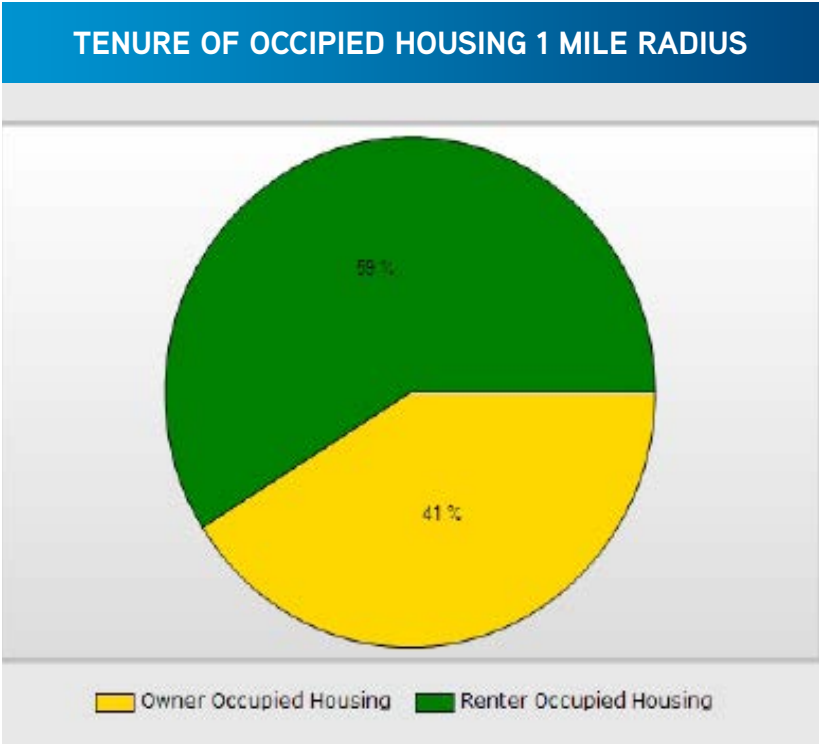
With an unmatched combination of transit access, shopping and dining venues and outdoor recreation amenities, Sherman Oaks offers the very best of the San Fernando Valley for the discerning multi-family investor.



SHERMAN OAKS SUBMARKET HOUSING TRENDS:

- > The Sherman Oaks multifamily market has seen an average rental growth of 5.4% over the last 4 years.
- > Within a 1 mile radius of the property, a majority of units (59.8%) are renter occupied.
- > Population growth within the same radius is expected to reach 4.7% between now and 2022
- > With only 18 units currently under construction in the Sherman Oaks multifamily market, rents will experience upward pressure as the market remains supply-constrained.

AREA DEMOGRAPHICS



DEMOGRAPHICS (SOURCE: COSTAR)			
	1-mile	3-mile	5-mile
Population			
2023 Projection	31,080	217,758	570,645
2018 Estimate	30,279	212,557	556,995
Growth 2018 - 2023	2.65%	2.45%	2.45%
Households			
2018 Estimate	14,459	90,443	214,575
Growth 2018-2023	2.37%	2.20%	2.27%
2018 Est. Occupied Housing Units			
Owner Occupied	5,948	36,846	86,583
Renter Occupied	8,511	53,597	127,992
2018 Est. Households by HH Income			
\$25,000	1,561	15,960	43,660
\$25,000 - \$50,000	2,257	16,428	42,138
\$50,000 - \$75,000	2,166	13,349	31,830
\$75,000 - \$100,000	1,722	10,181	24,222
\$100,000 - \$125,000	1,953	9,089	18,262
\$125,000 - \$150,000	796	5,151	12,103
\$150,000 - \$200,000	1,400	6,815	14,107
\$200,000+	2,605	13,469	28,253
2018 Est Ave Household Income	\$122,842	\$106,806	\$98,920
2018 Est Med Household Income	\$93,089	\$73,982	\$66,048

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