

# 4417 Toland Way

EAGLE ROCK, CA



## OFFERING MEMORANDUM

**Marcus & Millichap**  
Real Estate Investment Services

# 4417 Toland Way

EAGLE ROCK, CA

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PRICING AND FINANCIAL ANALYSIS

**4417 Toland Way**

EAGLE ROCK, CA

### OFFERING SUMMARY



#### Unit Mix

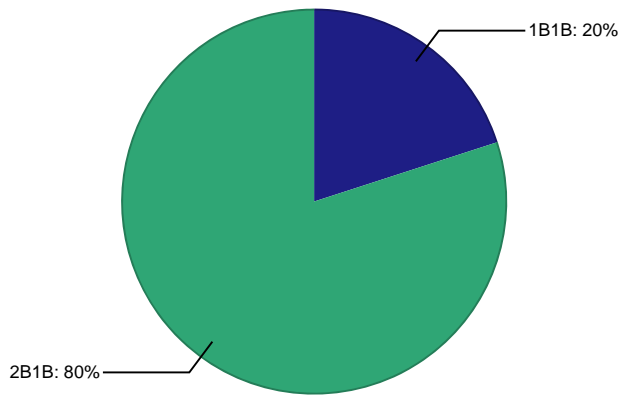
No. of Units	Unit Type	Approx. Square Feet
2	1 Bdr 1 Bath	N/A
8	2 Bdr 1 Bath	N/A
<b>10</b>	<b>Total</b>	<b>7,800</b>

Price	\$1,250,000
Down Payment	35% / \$437,500
Price/Unit	\$125,000
Price/SF	\$160.26
Number of Units	10
Rentable Square Feet	7,800
Number of Buildings	1
Number of Stories	2
Year Built	1972
Lot Size	16,267 SF
<b>Vital Data</b>	
CAP Rate - Current	5.75%
GRM - Current	10.51
Net Operating Income - Current	\$71,917
Net Cash Flow After Debt Service - Current	6.1% / \$26,763
Total Return - Current	9.5% / \$41,703
CAP Rate - Pro Forma	7.19%
GRM - Pro Forma	9.00
Net Operating Income - Pro Forma	\$89,927
Net Cash Flow After Debt Service - Pro Forma	10.2% / \$44,773
Total Return - Pro Forma	13.6% / \$59,713

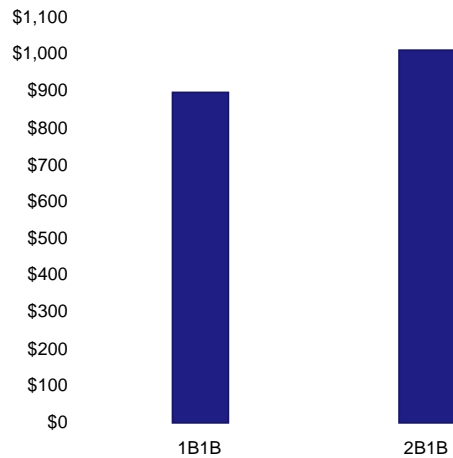
### UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Monthly Income	Pro Forma Rents	Monthly Income
2	1 Bdr 1 Bath		\$895 - \$901	\$1,796	\$985	\$1,970
8	2 Bdr 1 Bath		\$821 - \$1,028	\$8,111	\$1,200	\$9,600
<b>10</b>	<b>TOTAL</b>	<b>7,800</b>		<b>\$9,907</b>		<b>\$11,570</b>

Unit Mix



Unit Rent & Rent/SF





## INCOME &amp; EXPENSES

Total Number of Units: 10  
 Total Rentable Area: 7,800 SF

Income	Current	Per Unit	Pro Forma	Per Unit
<b>GROSS POTENTIAL RENT</b>	<b>\$118,884</b>	<b>\$11,888</b>	<b>\$138,840</b>	<b>\$13,884</b>
<b>Other Income</b>				
Laundry Income	\$720	\$72	\$720	\$72
<b>Total Other Income</b>	<b>\$720</b>	<b>\$72</b>	<b>\$720</b>	<b>\$72</b>
<b>GROSS POTENTIAL INCOME</b>	<b>\$119,604</b>	<b>\$11,960</b>	<b>\$139,560</b>	<b>\$13,956</b>
Vacancy/Collection Allowance (GPR)	5.0% / \$5,944	\$594	5.0% / \$6,942	\$694
<b>EFFECTIVE GROSS INCOME</b>	<b>\$113,660</b>	<b>\$11,366</b>	<b>\$132,618</b>	<b>\$13,262</b>
<b>Expenses</b>				
Real Estate Taxes (1.2500%)	\$15,600	\$1,560	\$15,600	\$1,560
Insurance	\$2,730	\$273	\$2,730	\$273
Utilities	\$7,851	\$785	\$7,851	\$785
Gardener	\$1,368	\$137	\$1,368	\$137
Repairs & Maintenance	\$5,000	\$500	\$5,000	\$500
Pest Control	\$672	\$67	\$672	\$67
Waste Services	\$1,656	\$166	\$1,656	\$166
Management Fee	5.0% / \$5,683	\$568	5.0% / \$6,631	\$663
Direct Assessments	\$1,183	\$118	\$1,183	\$118
<b>TOTAL EXPENSES</b>	<b>\$41,743</b>	<b>\$4,174</b>	<b>\$42,691</b>	<b>\$4,269</b>
Expenses per SF	\$5.35		\$5.47	
% of EGI	36.7%		32.2%	
<b>NET OPERATING INCOME</b>	<b>\$71,917</b>	<b>\$7,192</b>	<b>\$89,927</b>	<b>\$8,993</b>



## FINANCIAL OVERVIEW

## Location

4417 Toland Way  
Eagle Rock, CA 90041

Price	\$1,250,000
Down Payment	35% / \$437,500
Number of Units	10
Price/Unit	\$125,000
Rentable Square Feet	7,800
Price/SF	\$160.26
CAP Rate - Current	5.75%
CAP Rate- Pro Forma	7.19%
GRM - Current	10.51
GRM- Pro Forma	9.00
Year Built	1972
Lot Size	16,267 SF
Type of Ownership	Fee Simple

## Financing

## FIRST TRUST DEED

Loan Amount	\$812,500
Loan Type	Proposed New
Interest Rate	3.75%
Amortization	30 Years

Loan information is time sensitive and subject to change. Contact your local Marcus & Millichap Capital Corporation representative.

## Annualized Operating Data

Income	Current	Pro Forma
<b>Gross Potential Rent</b>	<b>\$118,884</b>	<b>\$138,840</b>
Other Income	\$720	\$720
Gross Potential Income	\$119,604	\$139,560
Less: Vacancy/Deductions (GPR)	5.0% / \$5,944	5.0% / \$6,942
Effective Gross Income	\$113,660	\$132,618
Less: Expenses	\$41,743	\$42,691
<b>Net Operating Income</b>	<b>\$71,917</b>	<b>\$89,927</b>
Net Cash Flow Before Debt Service	\$71,917	\$89,927
Debt Service	\$45,154	\$45,154
Debt Coverage Ratio	1.59	1.99
Net Cash Flow After Debt Service	6.1% / \$26,763	10.2% / \$44,773
Principal Reduction	\$14,940	\$14,940
<b>Total Return</b>	<b>9.5% / \$41,703</b>	<b>13.6% / \$59,713</b>

## Expenses

Real Estate Taxes	\$15,600	\$15,600
Insurance	\$2,730	\$2,730
Utilities	\$7,851	\$7,851
Gardener	\$1,368	\$1,368
Repairs & Maintenance	\$5,000	\$5,000
Pest Control	\$672	\$672
Waste Services	\$1,656	\$1,656
Management Fee	\$5,683	\$6,631
Direct Assessments	\$1,183	\$1,183
<b>Total Expenses</b>	<b>\$41,743</b>	<b>\$42,691</b>
<b>Expenses/unit</b>	<b>\$4,174</b>	<b>\$4,269</b>
<b>Expenses/SF</b>	<b>\$5.35</b>	<b>\$5.47</b>
<b>% of EGI</b>	<b>36.73%</b>	<b>32.19%</b>

## Scheduled Income

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Monthly Income	Pro Forma Rents	Monthly Income
2	1 Bdr 1 Bath		\$895 - \$901	\$1,796	\$985	1,970
8	2 Bdr 1 Bath		\$821 - \$1,028	\$8,111	\$1,200	9,600
<b>10</b>	<b>Total/Wtd. Avg.</b>	<b>7,800</b>		<b>\$9,907</b>		<b>\$11,570</b>

**PROPERTY DESCRIPTION**

**4417 Toland Way**

EAGLE ROCK, CA

## INVESTMENT OVERVIEW

### Investment Highlights

- Attractive Unit Mix with Eighty Percent Two Bedrooms
- Copper Plumbing Throughout
- Large Lot - 16,267 Square Feet
- 10.5 GRM with an Upside Potential to 8.5 GRM
- 22 Parking Spots
- Well Maintained with Minimal Deferred Maintenance



Marcus & Millichap is proud to present this 10-unit apartment building located at 4417 Toland Way in Eagle Rock, CA. Positioned on a 16,267-square foot lot, this rare offering consists of two one-bedroom/one-bathroom units and eight two-bedroom/one-bathroom units. The apartment features gated parking for 22 open parking spots, on-site laundry, lush landscaping and has been converted to copper plumbing. This asset is currently being offered at a 10.5 GRM and a 5.80 percent cap rate. However, there is the potential to increase rental rates nearly 25 percent, to approximately a 8.5 GRM and a true 7.00 percent cap.

This well-maintained 1970s construction is adjacent to many neighboring employment centers such as Herbalife, PR Talent and Fresh & Easy Neighborhood Market. Less than a block away from Toland Way Elementary, and a half a mile away from Occidental College, the subject property enjoys close proximity to both schools consisting of approximately 400 and 2,100 students respectively.

Just south of Eagle Rock Boulevard, 4417 Toland Way allows an investor to acquire an apartment building in a highly demanded and dense rental pocket of the Eagle Rock submarket. With significant upside in rental rates, this investment opportunity allows an investor to make over a six percent cash on cash return, making it a unique opportunity in a minimal inventory area.

### PROPERTY SUMMARY

#### The Offering

Property Address	4417 Toland Way Eagle Rock, CA 90041
Assessor's Parcel Number	5474-024-010
Zoning	LARD1.5-1

#### Site Description

Number of Units	10
Number of Buildings	1
Number of Stories	2
Year Built	1972
Rentable Square Feet	7,800
Lot Size	16,267 SF
Type of Ownership	Fee Simple
Parking	22
Landscaping	Lush

#### Utilities

Water	Master Metered
Electric	Separately Metered
Gas	Separately Metered

#### Construction

Framing	Stucco
Roof	Pitched

## PROPERTY PHOTOS





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## PROPERTY DESCRIPTION



Local Map



Regional Map



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# 4417 Toland Way

EAGLE ROCK, CA

## PROPERTY DESCRIPTION



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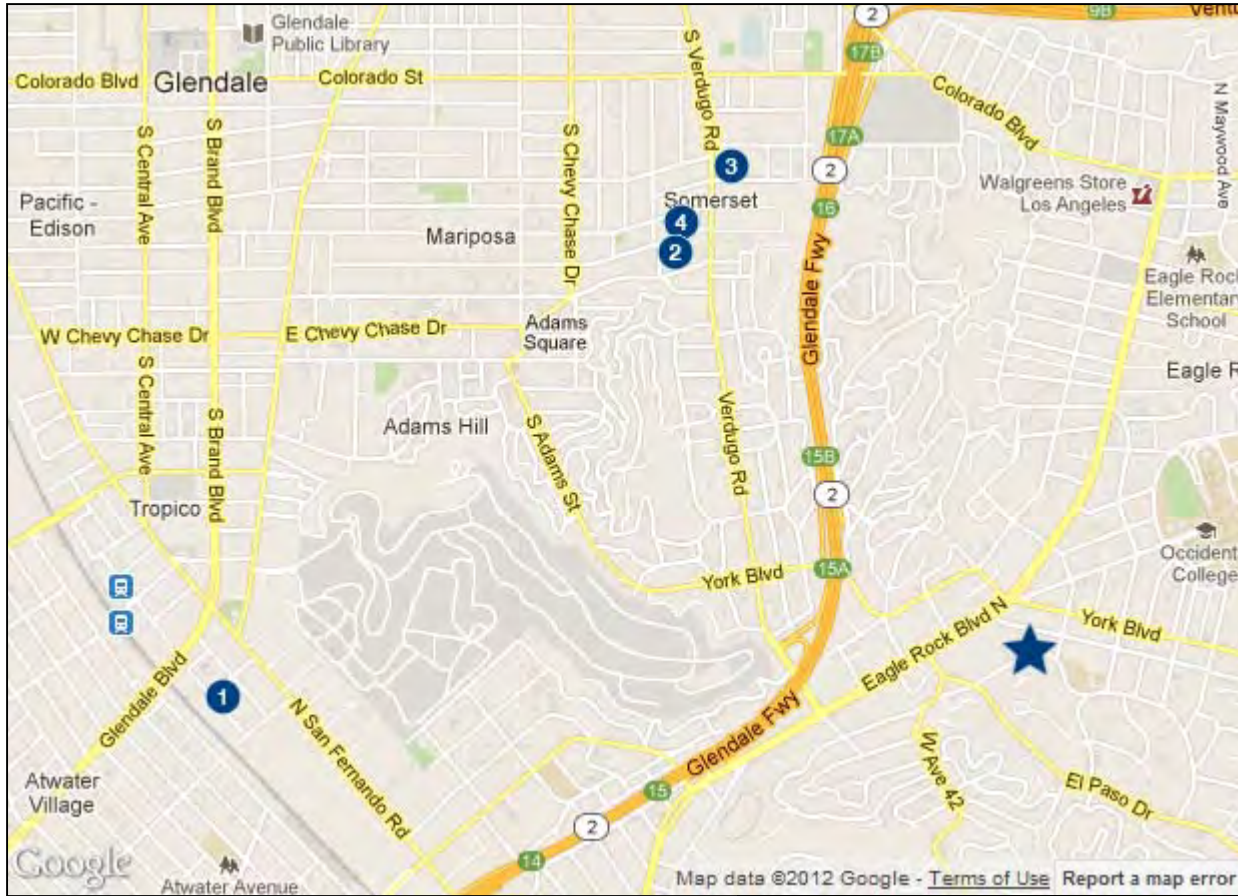
RECENT SALES

**4417 Toland Way**

EAGLE ROCK, CA



## RECENT SALES MAP



- ★ 4417 Toland Way
- 1) 1911 Gardena Avenue
- 2) 1363 East Acacia Avenue
- 3) 1432 Maple Street
- 4) 1370 East Garfield Avenue

RECENT SALES



**Subject Property**

4417 Toland Way  
Eagle Rock, CA 90041

No. of Units: 10  
Year Built: 1972  
Sale Price: \$1,250,000  
Price/Unit: \$125,000  
Price/SF: \$160.26  
CAP Rate: 5.75%  
GRM: 10.51

Units	Unit Type
2	1 Bdr 1 Bath
8	2 Bdr 1 Bath

1



Close of Escrow: 1/19/2011

1911 Gardena Avenue  
Glendale, CA 91204

No. of Units: 9  
Year Built: 1963  
Sale Price: \$1,250,000  
Price/Unit: \$138,889  
Price/SF: \$182.40  
CAP Rate: 5.80%  
GRM: 11.87

Units	Unit Type
5	1 Bdr 1 Bath
4	2 Bdr 1 Bath

2



Close of Escrow: 1/9/2012

1363 East Acacia Avenue  
Glendale, CA 91205

No. of Units: 10  
Year Built: 1963  
Sale Price: \$1,560,000  
Price/Unit: \$156,000  
Price/SF: \$214.14  
CAP Rate: 6.90%  
GRM: 11.14

Units	Unit Type
6	1 Bdr 1 Bath
4	2 Bdr 1 Bath

## RECENT SALES

3



Close of Escrow: 7/19/2011

1432 Maple Street  
Glendale, CA 91205

No. of Units: 9  
Year Built: 1964  
Sale Price: \$1,115,000  
Price/Unit: \$123,889  
Price/SF: \$141.66  
CAP Rate: 8.10%  
GRM: 11.35

Units	Unit Type
4	1 Bdr 1 Bath
5	2 Bdr 1 Bath

4



Close of Escrow: 6/15/2011

1370 East Garfield Avenue  
Glendale, CA 91205

No. of Units: 9  
Year Built: 1962  
Sale Price: \$1,250,000  
Price/Unit: \$138,889  
Price/SF: N/A  
CAP Rate: 5.40%  
GRM: 13.19

Units	Unit Type
9	2 Bdr 2 Bath

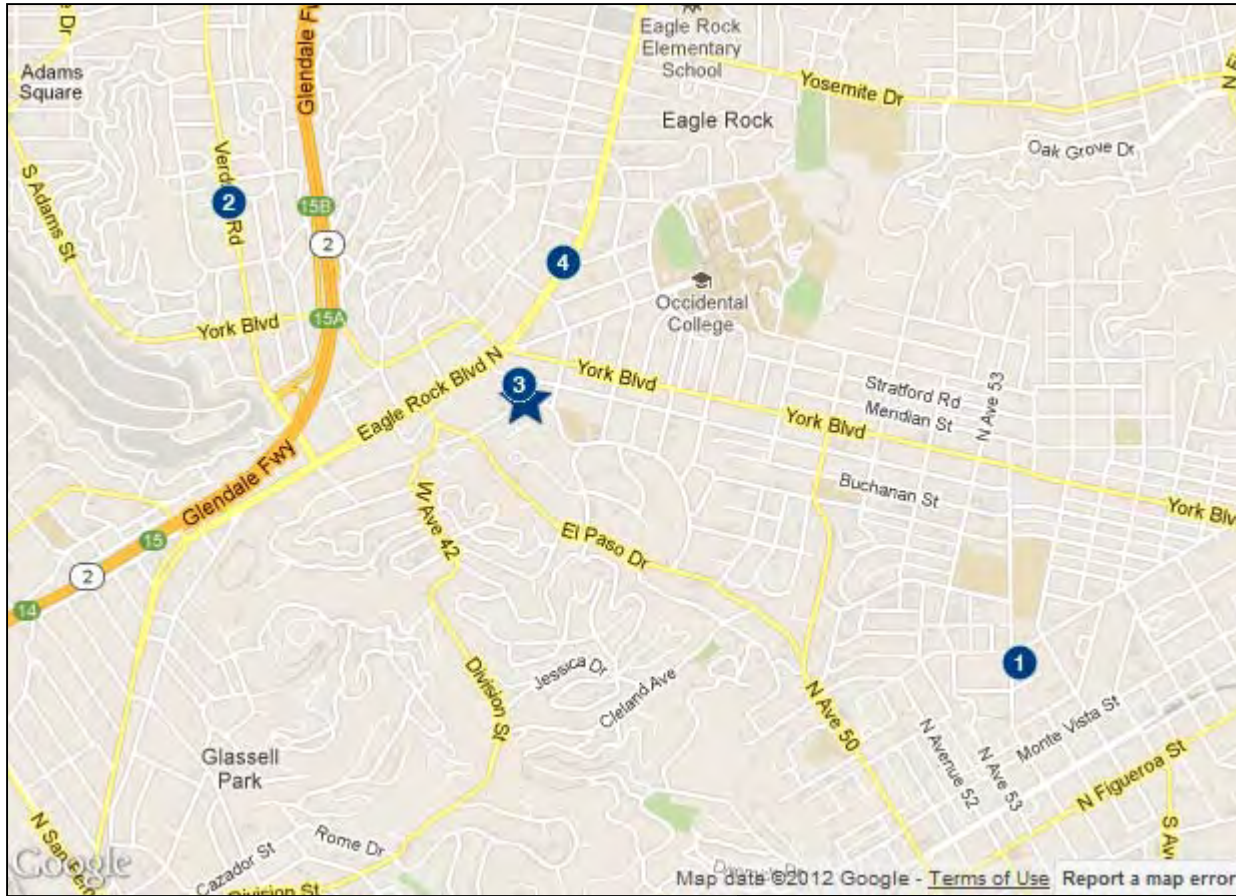
**RENT COMPARABLES**

**4417 Toland Way**

EAGLE ROCK, CA



### RENT COMPARABLES MAP



- ★ 4417 Toland Way
- 1) 5433 Abbott Place
- 2) Verdugo Mesa
- 3) 4403 Toland Way
- 4) 4548 Eagle Rock Boulevard

### RENT COMPARABLES



**Subject Property**

No. of Units: 10  
 Occupancy: 90%  
 Year Built: 1972

4417 Toland Way  
 Eagle Rock, CA 90041

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	2	N/A	\$895 - \$901	N/A
2 Bdr 1 Bath	8	N/A	\$821 - \$1,028	N/A
<b>Total/Avg.</b>	<b>10</b>	<b>7,800</b>	<b>\$911</b>	<b>\$1.27</b>

1



No. of Units: 18  
 Occupancy: 94%  
 Year Built: 1926

5433 Abbott Place  
 Los Angeles, CA 90042

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	18	460	\$950	\$2.07
<b>Total/Wtd. Avg.</b>	<b>18</b>	<b>8,356</b>	<b>\$950</b>	<b>\$2.07</b>

**Comments**

Hardwood floors, stainless steel appliances, maple cabinets, granite-style counters, Spanish courtyard, air conditioning, gated parking, paid water, trash and gardener.

2



No. of Units: 132  
 Occupancy: 96%  
 Year Built: 1951

**Verdugo Mesa**  
 4269 Verdugo Road  
 Los Angeles, CA 90065

Unit Type	Units	SF	Rent	Rent/SF
1 Bdr 1 Bath	1	675	\$1,040	\$1.54
2 Bdr 1 Bath	1	775	\$1,295	\$1.67
<b>Total/Wtd. Avg.</b>	<b>2</b>	<b>41,455</b>	<b>\$1,167</b>	<b>\$1.61</b>

### RENT COMPARABLES

3



4403 Toland Way  
Los Angeles, CA 90041

No. of Units: 17  
Occupancy: 94%  
Year Built/Renovated: 1990

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 2 Bath	1	800	\$1,250	\$1.56
<b>Total/Wtd. Avg.</b>	<b>1</b>	<b>17,721</b>	<b>\$1,250</b>	<b>\$1.56</b>

4



4548 Eagle Rock Boulevard  
Los Angeles, CA 90041

No. of Units: 5  
Occupancy: 80%  
Year Built/Renovated: N/A

Unit Type	Units	SF	Rent	Rent/SF
2 Bdr 1 Bath	1	750	\$1,300	\$1.73
<b>Total/Wtd. Avg.</b>	<b>1</b>	<b>3,729</b>	<b>\$1,300</b>	<b>\$1.73</b>

**Comments**

Hardwood floors, common yard.

# 4417 Toland Way

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