

EXCLUSIVE OFFERING MEMORANDUM

THE MORRISON APARTMENTS

14 WESTMINSTER AVENUE, VENICE, CA 90291



21 UNITS - OFFERED AT \$6,000,000

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NRT

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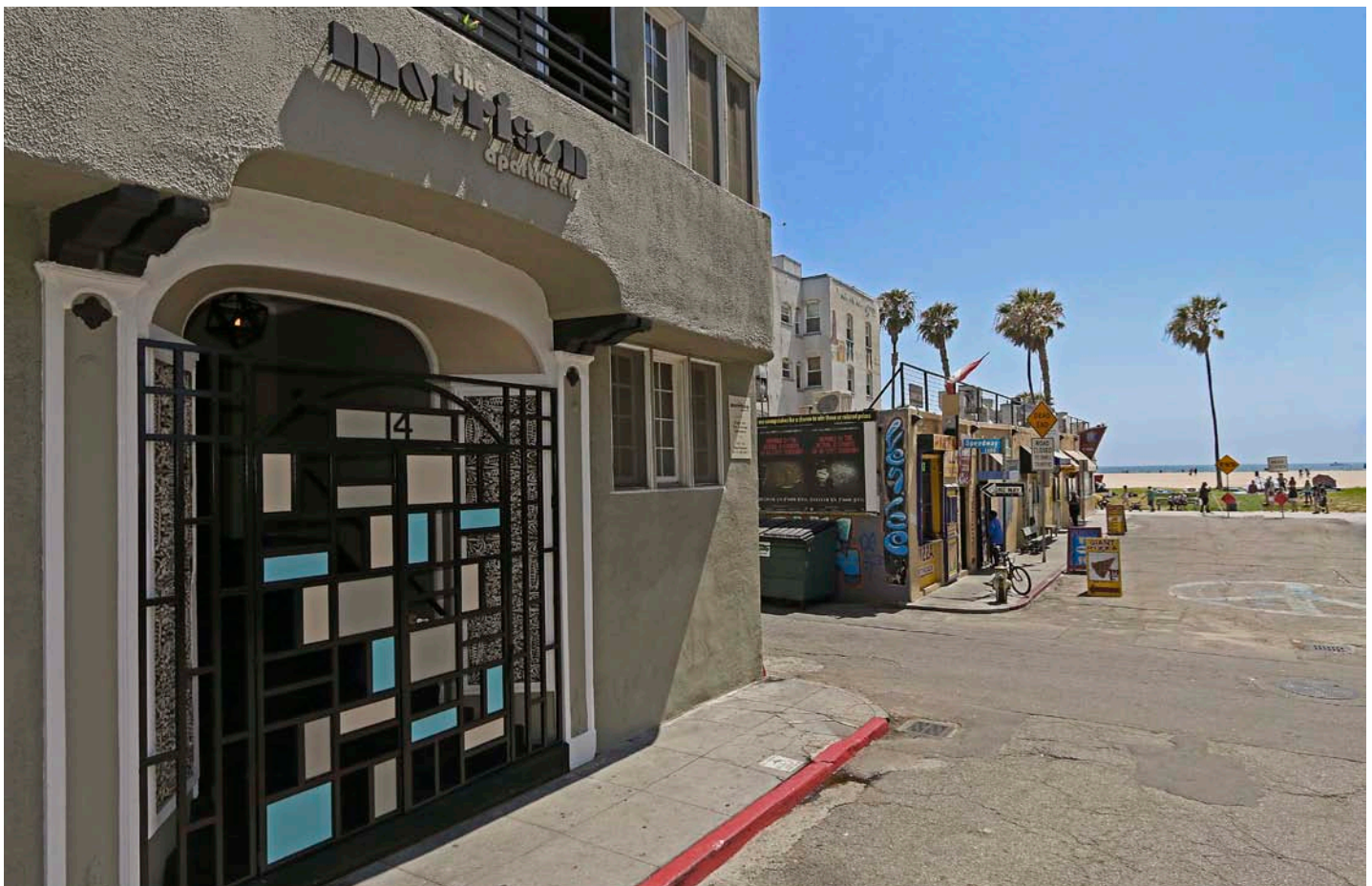
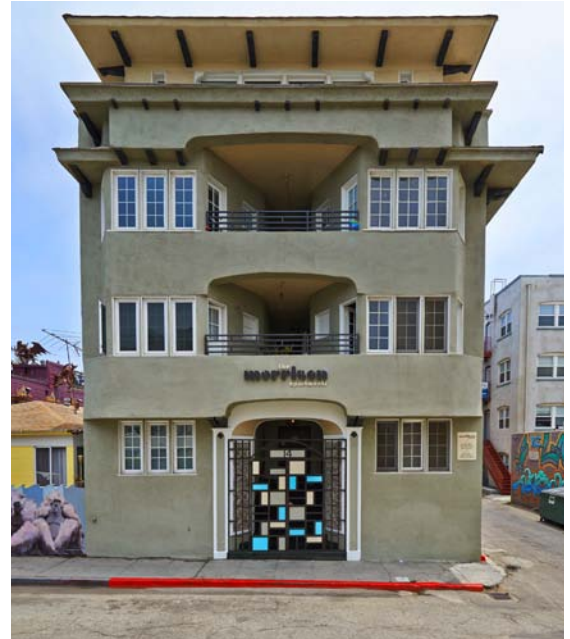
THE ASSET



PROPERTY SUMMARY

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

ADDRESS:	14 Westminster Avenue, Venice, CA 90291
AP NUMBER:	4226-006-005
BUILDING SIZE:	± 9,350 Sq. Ft.
NO. UNITS	21
LOT SIZE:	± 3,148 Sq. Ft.
LOT WIDTH	Approx. 35 feet
LOT DEPTH	Approx. 90 feet
YEAR BUILT:	1912
ZONING:	LARD1.5
STORIES:	4



PROPERTY SUMMARY

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

BUILDING DESCRIPTION

A one-of-a-kind building with several attractive architectural features, The Morrison Apartments' historical character is enhanced by its beautiful curb appeal. The four-story building, constructed in 1912 with wood frame and stucco, has been well maintained and cared for.

In addition to the 21 units, there are four large storage rooms and a laundry room. The units and hallways are bright and clean and several units have views of the ocean. All units have separate kitchens with stoves and ovens. All units have bathtubs and showers or stall showers. Units have been upgraded to varying degrees.

BUILDING IMPROVEMENTS

Past improvements include new vertical and horizontal copper plumbing for water supply lines, replacement of drain lines and newer roof (approximately 10 years ago.) Exterior stucco and paint are in very good condition. Interior common areas, including carpet, paint and lighting fixtures have been tastefully upgraded over the past several years and there is much more room for improvement. The building is on circuit breakers.

HISTORY

The Morrison Apartments – named after the **Doors'** **Jim Morrison** who once lived there – is a truly unique property due to its **Fabulous Location**, **Great Curb appeal** and **Upgraded Condition**.



PROPERTY SUMMARY

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

LOCATION DESCRIPTION

Located in the revitalized area of Silicon Beach, the property is just steps from the beach and the Venice Boardwalk. Sitting prominently on the corner of Speedway and Westminster Avenue, the property is surrounded by charming apartment buildings as well as houses and condominiums that sell in excess of \$1,000/foot.

The property is convenient to shopping and entertainment along the Boardwalk, Main Street and Abbot Kinney Boulevard - which GQ named "the coolest block in America."

Additionally, the property's rental pool is bolstered by the demand of employees from the hundreds of tech and entertainment-related start-up companies that proliferate the area. These companies employ more workers per-square-foot than do traditional office uses.

DEMOGRAPHICS

Area demographics show Average Household Income of approximately \$103,000 within a 1 mile radius of the property, \$100,000 within 2 miles and \$100,000 within 3 miles.

Renters occupy 75% of the households within 1 mile of the property, 69% within 2 miles and 65% within 3 miles.



THE OPPORTUNITY

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

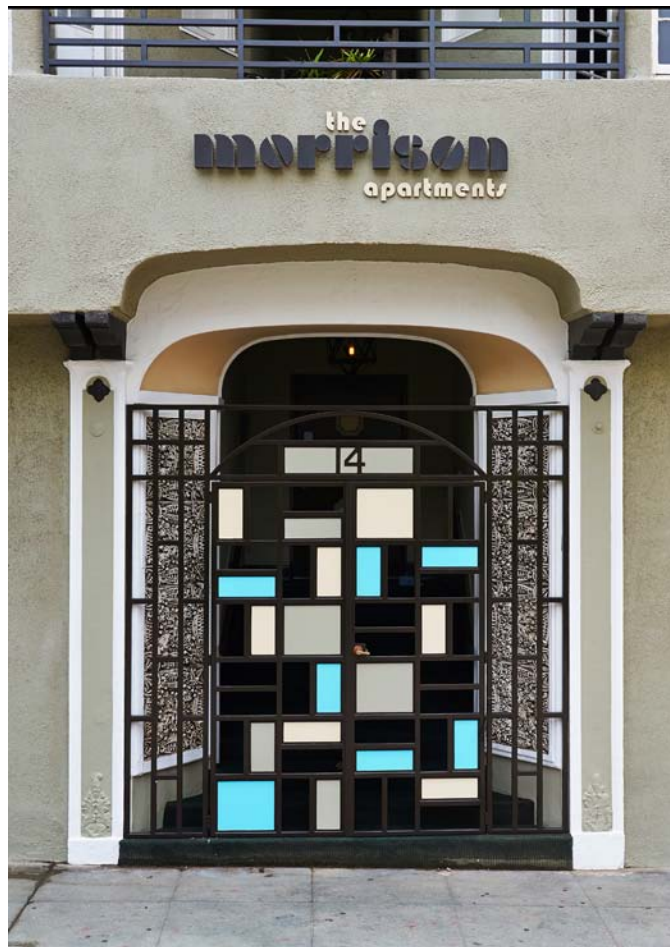
MULTI-FAMILY INVESTMENT

As a straight multi-family investment, The Morrison Apartments offering represents a rare opportunity to acquire a great multi-family building in one of the highest-demand rental markets in the city where properties of this size rarely come available for sale. It's a great opportunity to upgrade units and raise rents in a very high-demand rental market. Please see current and market income/expense and rent roll numbers on pages 11 through 13.

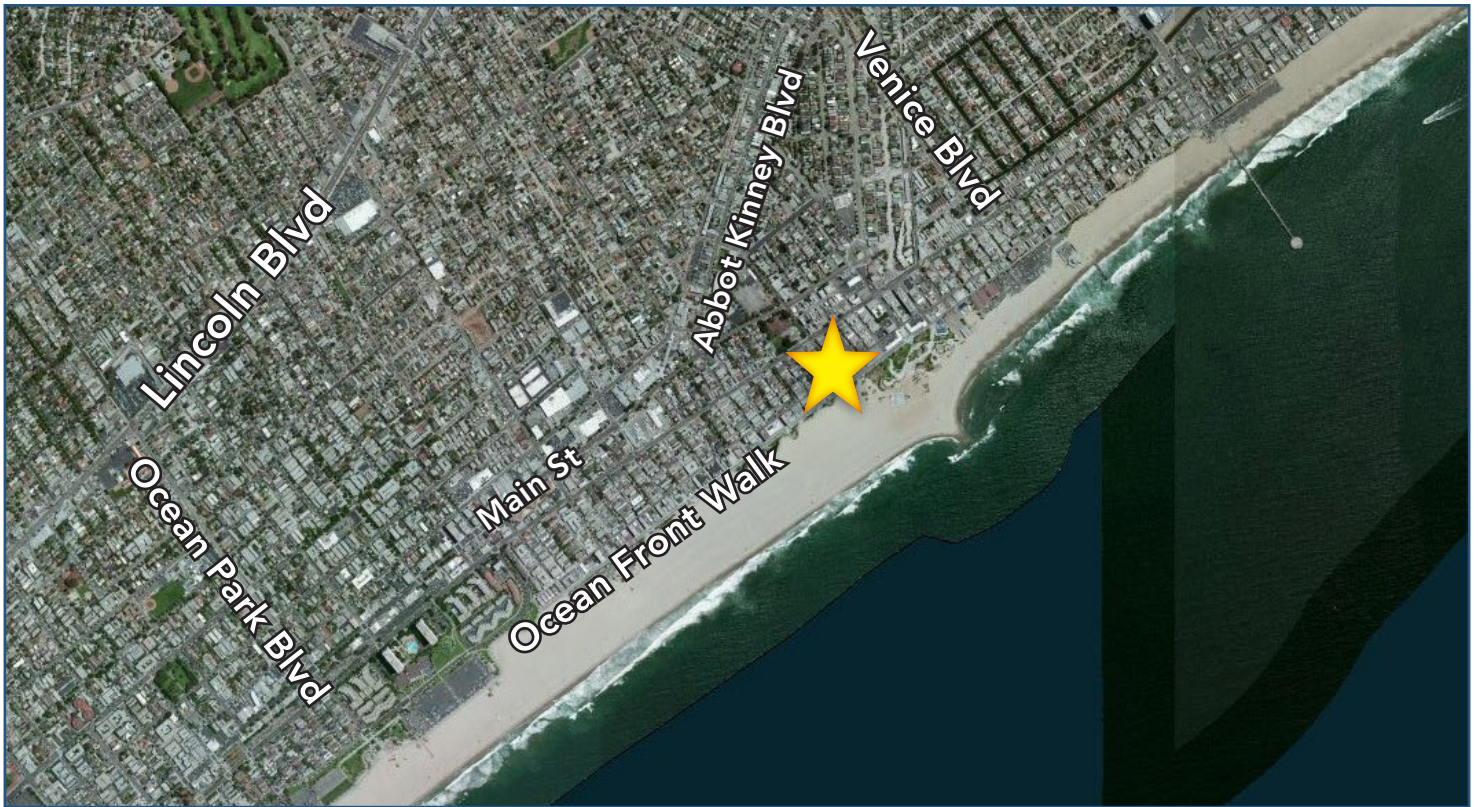
CONVERSION TO AIRBNB, VRBO OR OTHER VACATION HOUSING

The building's character, architectural details, location and history make it a prime candidate for conversion to short-term stay housing (check with city.)

Current average asking rates for Airbnb single units in the area are approximately \$138/night and \$144/night for one-bedroom units. The Morrison Apartments is in an above average location so it is likely that it will over-perform the market as a whole. Please see the Airbnb/VRBO Analysis on pages 15 through 18.

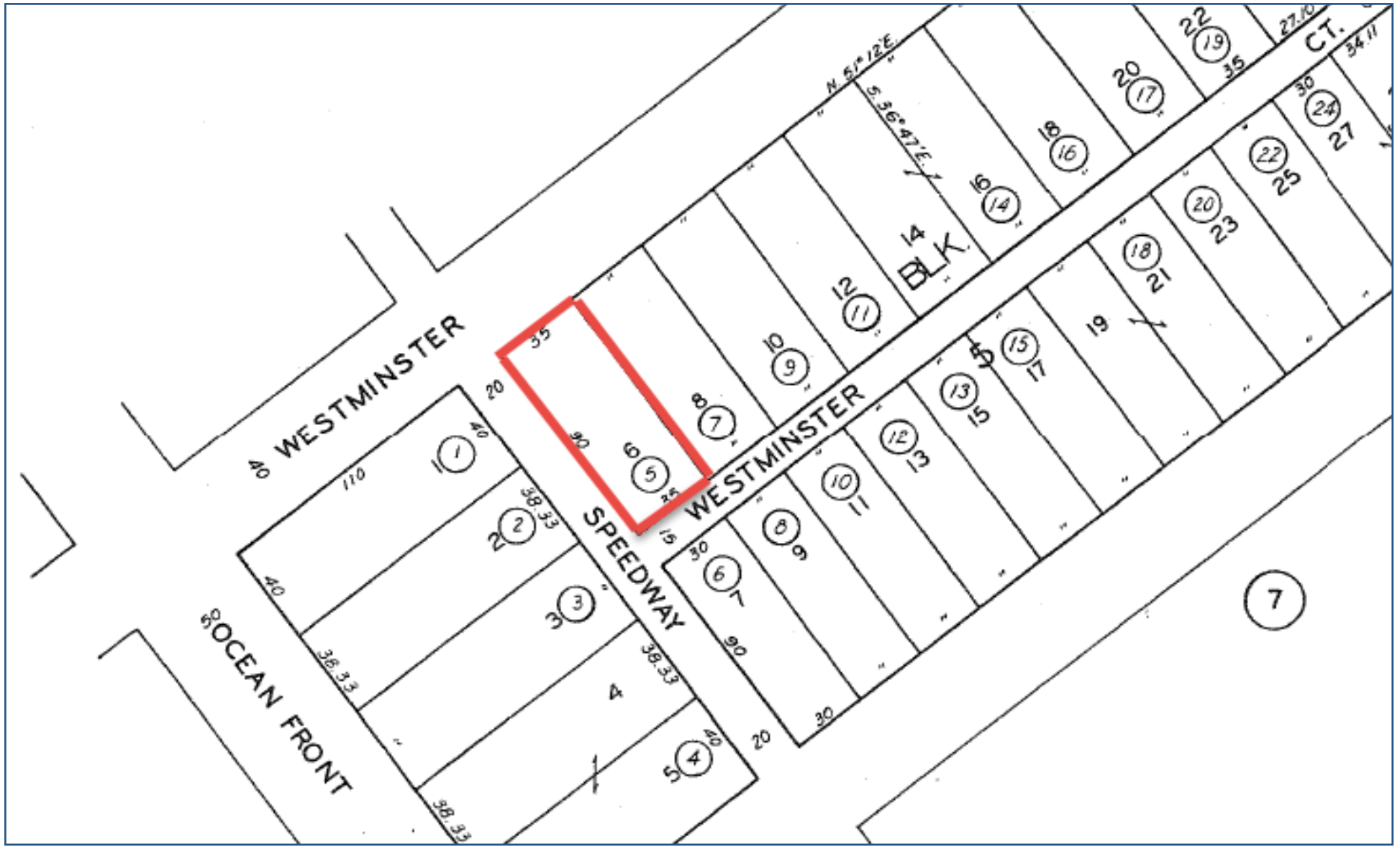


MAPS



PLAT MAP

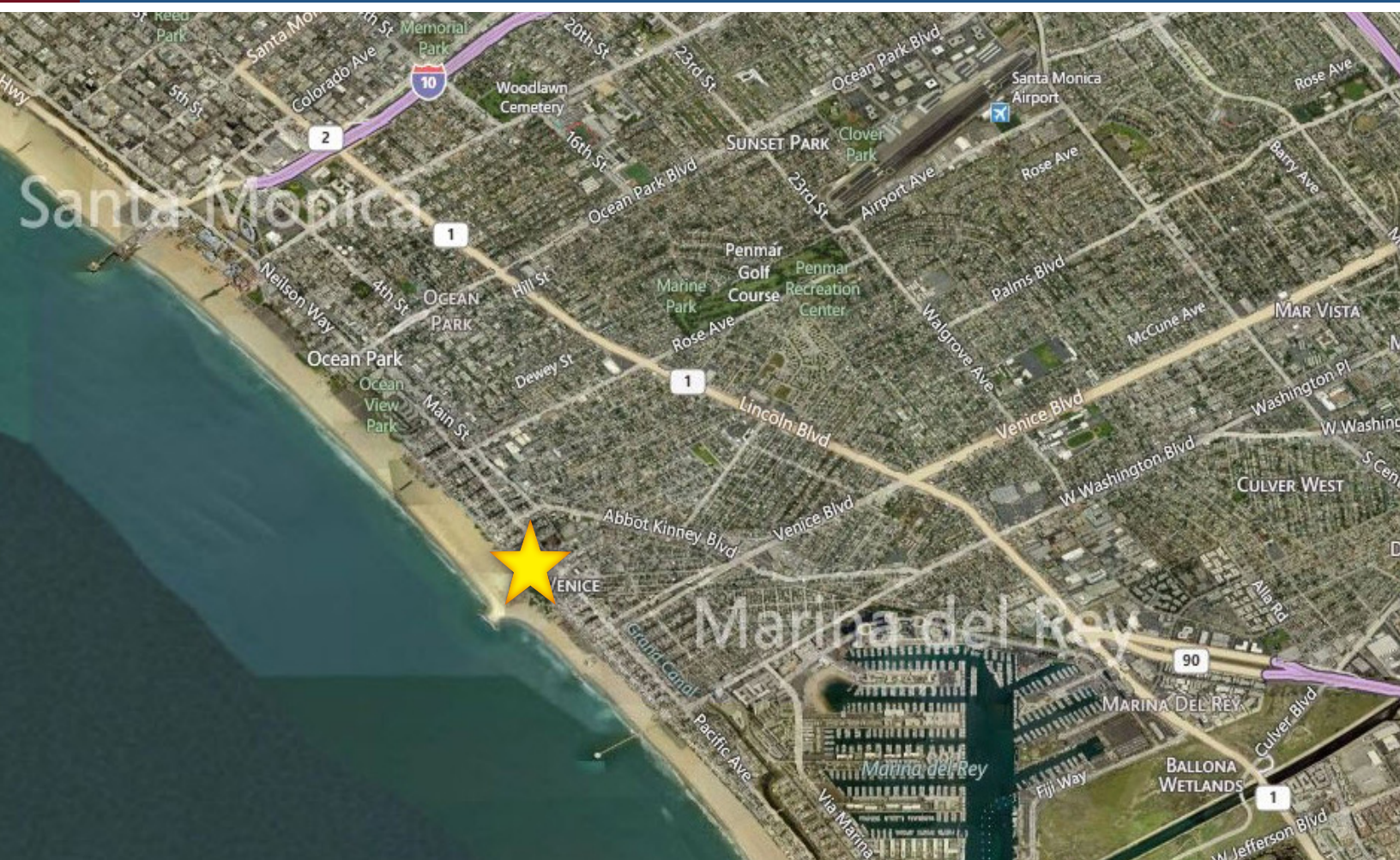
The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291



PRICING AND FINANCIALS

THE MORRISON APARTMENTS

APN# 4226-006-005



FINANCIAL OVERVIEW

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

INVESTMENT SUMMARY

Price:	\$6,000,000
Year Built:	1912
Units:	21
Price/Unit:	\$285,714
RSF:	9,350
Price/RSF:	\$641.71
Lot Size:	3,148 sf
Floors:	4
Cap Rate:	2.87%
Market Cap Rate:	4.77%
GRM:	16.76
Market GRM:	12.48

FINANCING SUMMARY

Loan Amount:	\$2,400,000
Down Payment:	\$3,600,000
Loan Type:	Fixed
Interest Rate:	3.5%
Term:	5 years
Monthly Payment:	\$10,777
DCR:	1.33



UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
Single	12	\$13,288	\$159,456	\$17,400	\$208,800
1+1	7	\$14,772	\$103,404	\$23,400	\$163,800
2+1	1	\$22,440	\$22,440	\$28,800	\$28,800
2+1	1	\$37,800	\$37,800	\$38,400	\$38,400
TOTALS	21		\$323,100		\$439,800

ANNUALIZED INCOME

	Actual	Market
Gross Potential Rent	\$323,100	\$439,800
Less: Vacancy	(\$9,693) (3.0%)	(\$13,194) (3.0%)
Misc. Income	\$34,860	\$40,800
Effective Gross Income	\$348,267	\$467,406
Less: Expenses	(\$176,339) (49.2%)	(\$181,007) (41.2%)
Net Operating Income	\$171,928	\$286,399
Debt Service	(\$129,325)	(\$129,325)
Net Cash Flow after Debt Service	\$42,603 (1.2%)	\$157,074 (4.4%)
Principal Reduction	\$46,059	\$46,059
Total Return	\$88,662 (2.5%)	\$203,133 (5.6%)

ANNUALIZED EXPENSES

	Actual	Market
Property Management Fee	\$12,924	\$17,592
Taxes	\$75,000	\$75,000
City Taxes	\$5,760	\$5,760
State Taxes	\$1,720	\$1,720
Insurance	\$5,191	\$5,191
Laundry	\$1,314	\$1,314
Repairs & MTN	\$47,047	\$47,047
Utilities	\$26,383	\$26,383
Other Expenses	\$1,000	\$1,000
Total Expenses	\$176,339	\$181,007
Expenses Per RSF	\$18.86	\$19.36
Expenses Per Unit	\$8,397	\$8,619

INCOME AND EXPENSE DETAIL

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

INCOME

	Actual	Per Unit	Market	Per Unit
Gross Potential Rent	\$323,100	\$15,386	\$439,800	\$20,943
Less: Vacancy	(\$9,693)	(\$462)	(\$13,194)	(\$628)
Misc. Income	\$34,860	\$1,660	\$40,800	\$1,943
Effective Gross Income	\$348,267	\$16,584	\$467,406	\$22,257

OPERATING EXPENSES

	Actual	Per Unit	Market	Per Unit
Property Management Fee	\$12,924	\$615	\$17,592	\$838
Taxes	\$75,000	\$3,571	\$75,000	\$3,571
City Taxes	\$5,760	\$274	\$5,760	\$274
State Taxes	\$1,720	\$82	\$1,720	\$82
Insurance	\$5,191	\$247	\$5,191	\$247
Laundry	\$1,314	\$63	\$1,314	\$63
Repairs & MTN	\$47,047	\$2,240	\$47,047	\$2,240
Utilities	\$26,383	\$1,256	\$26,383	\$1,256
Other Expenses	\$1,000	\$48	\$1,000	\$48
Total Expenses	(\$176,339)	(\$8,397)	(\$181,007)	(\$8,619)
Net Operating Income	\$171,928	\$8,187	\$286,399	\$13,638



RENT ROLL

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

Unit	Description	Approx. Sq. Ft.	Current Rent	Pro Forma Rent	Comments
1	1+1	500	\$1,254	\$1,900	1st Floor
2	1+1	500	\$1,295	\$1,900	1st Floor
3	Single	300	\$1,095	\$1,400	1st Floor
4	Single	300	\$1,075	\$1,400	1st Floor
5	Single	300	\$1,080	\$1,400	1st Floor
6	1+1	500	\$1,325	\$1,900	1st Floor
7	Single	300	\$1,044	\$1,400	1st Floor
21	2+1	1,000	\$1,870	\$2,300	2nd Floor / Ocean View (Manager)
23	Single	300	\$1,195	\$1,400	2nd Floor / Ocean View
24	Single	300	\$1,125	\$1,400	2nd Floor
25	Single	300	\$1,130	\$1,400	2nd Floor / Ocean View
26	1+1	500	\$1,295	\$1,900	2nd Floor
27	Single	300	\$860	\$1,400	2nd Floor / Ocean View
31	1+1	500	\$983	\$1,900	3rd Floor / Ocean View (Manager)
32	1+1	500	\$1,316	\$1,900	3rd Floor
33	Single	300	\$1,120	\$1,400	3rd Floor / Ocean View
34	Single	300	\$1,325	\$1,400	3rd Floor
35	Single	300	\$1,195	\$1,400	3rd Floor / Ocean View
36	1+1	500	\$1,149	\$1,900	3rd Floor
37	Single	300	\$1,044	\$1,400	3rd Floor / Ocean View
PH	2+1	600	\$3,150	\$3,200	PH / Ocean View

Misc. Income

Storage	\$682	\$1,100	Storage Unit A
Storage	\$1,080	\$1,100	Storage Unit B/C
Storage	\$1,043	\$1,100	Storage Unit D
Laundry (Estimate)	\$100	\$100	Laundry



AIRBNB/VRBO ANALYSIS

THE MORRISON APARTMENTS

APN# 4226-006-005



AIRBNB/VRBO PRO FORMA INTRODUCTION

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

PRO FORMA ASSUMPTIONS

- It is estimated that an investment of approximately \$4,000 per unit will be required for upgrades and furnishing of the units.
- It is assumed that the units will be occupied 67% of the time and, thus, in our analysis, we took a 33% vacancy factor to reflect market vacancy.
- Current average asking rates for Airbnb single units in the area are approximately \$138/night and \$144/night for one-bedroom units. The Morrison Apartments is in an above average location so it is likely that it will over-perform the market as a whole .
- We also increased expenses to almost \$25/foot. Using these assumptions, a 100% conversion can result in \$1,167,000 of Scheduled Gross Income and \$791,790 of Effective Gross Income.



AIRBNB/VRBO COMPARABLES

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

Average Daily Rate for AirBnB & VRBO Units in Immediate Area

Street	Sub-Market	Zip	Unit Type	Daily Rate
28th Ave	Venice	90291	1-Bedroom/1-Bath	\$ 199
Brooks Ave	Venice	90291	1-Bedroom/1-Bath	\$ 145
Innes Pl	Venice	90291	1-Bedroom/1-Bath	\$ 130
17th Ave	Venice	90291	1-Bedroom/1-Bath	\$ 115
S. Venice Blvd	Venice	90291	1-Bedroom/1-Bath	\$ 145
30th Ave	Venice	90291	1-Bedroom/1-Bath	\$ 114
Breeze Ave	Venice	90291	1-Bedroom/1-Bath	\$ 160
Park Ave	Venice	90291	1-Bedroom/1-Bath	\$ 150
Paloma Ave	Venice	90291	1-Bedroom/1-Bath	\$ 125
Sunset Ave	Venice	90291	1-Bedroom/1-Bath	\$ 127
Pacific Ave	Venice	90291	1-Bedroom/1-Bath	\$ 150
Rose Ave	Venice	90291	1-Bedroom/1-Bath	\$ 145
Navy St	Venice	90291	1-Bedroom/1-Bath	\$ 140
Clubhouse Ave	Venice	90291	1-Bedroom/1-Bath	\$ 125
San Juan Ave	Venice	90291	1-Bedroom/1-Bath	\$ 155
Clubhouse Ave	Venice	90291	1-Bedroom/1-Bath	\$ 155
Thornton Ave	Venice	90291	1-Bedroom/1-Bath	\$ 160

\$ 144

Avg. Daily Rate

Breeze Ave	Venice	90291	0-Bedroom/1-Bath	\$ 140
North Venice Blvd	Venice	90291	0-Bedroom/1-Bath	\$ 150
Pacific Ave	Venice	90291	0-Bedroom/1-Bath	\$ 125
20th Ave	Venice	90291	0-Bedroom/1-Bath	\$ 119
Dudley Court	Venice	90291	0-Bedroom/1-Bath	\$ 155

\$ 138

Avg. Daily Rate

View from the roof



AIRBNB/VRBO PRO FORMA RENT ROLL

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

Unit	Description	Approx. Sq. Ft.	Market Rent	Comments
1	1+1	500	\$5,250	1st Floor
2	1+1	500	\$5,250	1st Floor
3	Single	300	\$3,750	1st Floor
4	Single	300	\$3,750	1st Floor
5	Single	300	\$3,750	1st Floor
6	1+1	500	\$5,250	1st Floor
7	Single	300	\$3,750	1st Floor
21	2+1	1,000	\$6,000	2nd Floor / Ocean View (Manager)
23	Single	300	\$3,750	2nd Floor / Ocean View
24	Single	300	\$3,750	2nd Floor
25	Single	300	\$3,750	2nd Floor / Ocean View
26	1+1	500	\$5,250	2nd Floor
27	Single	300	\$3,750	2nd Floor / Ocean View
31	1+1	500	\$5,250	3rd Floor / Ocean View (Manager)
32	1+1	500	\$5,250	3rd Floor
33	Single	300	\$3,750	3rd Floor / Ocean View
34	Single	300	\$3,750	3rd Floor
35	Single	300	\$3,750	3rd Floor / Ocean View
36	1+1	500	\$5,250	3rd Floor
37	Single	300	\$3,750	3rd Floor / Ocean View
PH	2+1	600	\$7,000	PH / Ocean View

Misc. Income

Storage	\$700	Storage Unit A
Storage	\$1,000	Storage Unit B/C
Storage	\$700	Storage Unit D
Laundry (Estimate)	\$100	Laundry



AIRBNB/VRBO PRO FORMA FINANCIAL OVERVIEW

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

INVESTMENT SUMMARY

Price:	\$6,100,000
Year Built:	1912
Units:	21
Price/Unit:	\$290,476
RSF:	9,350
Price/RSF:	\$652.41
Lot Size:	3,148 sf
Floors:	4
Cap Rate:	9.21%
GRM:	5.23

FINANCING SUMMARY

Loan Amount:	\$2,440,000
Down Payment:	\$3,660,000
Loan Type:	Fixed
Interest Rate:	3.5%
Term:	5 years
Monthly Payment:	\$10,957
DCR:	4.27



UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Market	Market
Single	12	\$45,000	\$540,000
1+1	7	\$63,000	\$441,000
2+1	1	\$72,000	\$72,000
2+1	1	\$84,000	\$84,000
TOTALS	21		\$1,137,000

ANNUALIZED INCOME

	Market
Gross Potential Rent	\$1,137,000
Less: Vacancy	(\$375,210) (33.0%)
Misc. Income	\$30,000
Effective Gross Income	\$791,790
Less: Expenses	(\$229,907) (19.7%)
Net Operating Income	\$561,883
Debt Service	(\$131,480)
Net Cash Flow after Debt Service	\$430,403 (11.8%)
Principal Reduction	\$46,827
Total Return	\$477,230 (13.0%)

ANNUALIZED EXPENSES

	Market
Property Management Fee	\$31,672
Taxes	\$76,250
City Taxes	\$5,760
State Taxes	\$1,720
Insurance	\$5,191
Laundry	\$1,314
Repairs & MTN	\$50,000
Utilities	\$28,000
Marketing/Ad	\$20,000
Misc. Expense	\$10,000
Total Expenses	\$229,907
Expenses Per RSF	\$24.59
Expenses Per Unit	\$10,948

DEMOGRAPHIC DETAIL

The Morrison Apartments - 14 Westminster Ave, Venice, CA 90291

Building Type: **Multi-Family**

Building Size: **9,350 SF**

of Units: **21**

Avg Unit Size: **402 SF**



Radius	1 Mile		3 Mile		5 Mile	
Population						
2019 Projection	28,417		168,518		436,027	
2014 Estimate	27,290		161,793		418,045	
2010 Census	25,907		153,467		394,692	
Growth 2014 - 2019	4.13%		4.16%		4.30%	
Growth 2010 - 2014	5.34%		5.43%		5.92%	
2014 Population by Hispanic Origin	4,819		30,536		78,412	
2014 Population By Race	27,290		161,793		418,045	
White	23,035	84.41%	130,148	80.44%	316,915	75.81%
Black	1,654	6.06%	8,228	5.09%	20,694	4.95%
Am. Indian & Alaskan	299	1.10%	1,491	0.92%	3,741	0.89%
Asian	1,282	4.70%	15,550	9.61%	59,178	14.16%
Hawaiian & Pacific Island	51	0.19%	378	0.23%	907	0.22%
Other	969	3.55%	5,998	3.71%	16,609	3.97%
Households						
2019 Projection	15,294		85,655		206,745	
2014 Estimate	14,716		82,458		198,638	
2010 Census	14,085		79,013		189,083	
Growth 2014 - 2019	3.93%		3.88%		4.08%	
Growth 2010 - 2014	-1.47%		-0.39%		0.88%	
Owner Occupied	3,752	25.50%	25,436	30.85%	69,674	35.08%
Renter Occupied	10,964	74.50%	57,022	69.15%	128,964	64.92%
2014 Households by HH Income	14,717		82,455		198,637	
Income: <\$25,000	2,666	18.12%	17,048	20.68%	38,654	19.46%
Income: \$25,000 - \$50,000	2,461	16.72%	13,940	16.91%	34,241	17.24%
Income: \$50,000 - \$75,000	2,222	15.10%	12,239	14.84%	30,474	15.34%
Income: \$75,000 - \$100,000	1,803	12.25%	9,574	11.61%	23,544	11.85%
Income: \$100,000 - \$125,000	1,631	11.08%	8,479	10.28%	19,651	9.89%
Income: \$125,000 - \$150,000	981	6.67%	5,119	6.21%	12,218	6.15%
Income: \$150,000 - \$200,000	1,047	7.11%	6,067	7.36%	15,732	7.92%
Income: \$200,000+	1,906	12.95%	9,989	12.11%	24,123	12.14%
2014 Avg Household Income	\$102,902		\$98,957		\$99,985	
2014 Med Household Income	\$75,132		\$70,839		\$71,551	



**COLDWELL
BANKER
COMMERCIAL**

CONTACT INFORMATION



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