

OFFERING MEMORANDUM

2003 GATES AVE

REDONDO BEACH, CA 90278

\$1,350,000



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PROPERTY OVERVIEW

PROPERTY OVERVIEW

2003 GATES AVE

REDONDO BEACH, CA 90278

PRICING SUMMARY

PRICE	\$1,350,000
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PROPERTY SUMMARY

YEAR BUILT	1947
NUMBER OF UNITS	2
BUILDING SIZE	1,957 SF
LOT SIZE	7,499 SF
CAP RATE	1.68%
PRO FORMA CAP RATE	2.70%
GRM	30.82
PRO FORMA GRM	23.44
PRICE PER UNIT	\$675,00
PRICE PER SF	\$689.83



PROPERTY OVERVIEW

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INVESTMENT SUMMARY

Lyon Stahl is excited to present 2003 Gates Ave in Redondo Beach! This North Redondo Beach duplex features 1,957 SF of living space on a 7,499 SF lot. Built in 1947, this property has been well-maintained and contains a landscaped yard and a large driveway with a 2-car garage. The front 3-bed/1-bath unit features a front yard area and shared back patio; the back 1-bed/1-bath unit also includes its own private yard in the rear and will be delivered vacant.

This is an excellent opportunity for a potential investor to obtain 30-year fixed residential financing while rates are at a historical low. Hitting the market for the first time since 1969, 2003 Gates Ave is an excellent owner-user buy, allowing for an owner to live in one unit and enjoy the top of the market rental income from the other.

INVESTMENT HIGHLIGHTS

- North Redondo Duplex Situated on a Large 7,499 Sq Ft Lot
- Front Unit: 3-Bed/1-Bath | Rear Unit: 1-Bed/1-Bath | 1,957 Sq Ft
- Large Driveway Leading to Detached 2-Car Garage
- Built in 1947 | Landscaped Front Yard
- Two Blocks to Manhattan Beach - Short Distance to Redondo Beach Performing Arts Center, Polliwog Park, and South Bay Development Project



EXTERIOR PHOTOGRAPHS

2003 GATES AVE
REDONDO BEACH, CA 90278



INTERIOR PHOTOGRAPHS FRONT HOUSE

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INTERIOR PHOTOGRAPHS FRONT HOUSE

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INTERIOR PHOTOGRAPHS BACK UNIT

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INTERIOR PHOTOGRAPHS BACK UNIT

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FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

2003 GATES AVE

REDONDO BEACH, CA 90278

PRICING SUMMARY

PRICE	\$1,350,000
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PROPERTY SUMMARY

ADDRESS	2003 Gates Ave, Redondo Beach
APN	4155-006-015
NUMBER OF UNITS*	2
YEAR BUILT	1947
BUILDING SIZE	1,957 SF
LOT SIZE	7,499 SF
CURRENT CAP RATE	1.68%
CURRENT GRM	32.61
MARKET CAP RATE	2.70%
MARKET GRM	23.44
PRICE PER UNIT	\$675,000
PRICE PER SF	\$689.83

FINANCIAL SUMMARY

LOAN AMOUNT	\$1,350,000
DOWN PAYMENT	\$472,500
INTEREST RATE	3.625%
MONTHLY PAYMENT	\$4,002
ANNUAL PAYMENT	\$48,024
LOAN-TO-VALUE	65%
AMORTIZATION	30-YRS
LOAN TERM	30-YR FIXED
PROPOSED/EXISTING	PROPOSED
DEBT CONVERAGE RATIO	0.47

SCHEDULED RENT SUMMARY

Unit Type	No. Of Units	Average Rent	Market Rent
3+1	1	\$1,850	\$3,000
1+1	1	\$1,800	\$1,800

SCHEDULED RENT SUMMARY

	Current Actuals	Market Rent
Gross Scheduled Income	\$43,800	\$57,600
Less Vacancy	0%	\$0
Gross Operating Income	\$43,800	\$57,600

EXPENSE SUMMARY

	Current Actuals	Market Pro Forma
Real Estate Taxes and Special Assessment Tax	New Estimated \$16,214	\$16,214
Insurance	\$0.40 / SF \$783	\$783
Utilities	\$800 / Unit \$1,600	\$1,600
Gardener	\$100 / Month \$1,200	\$1,200
Maintenance/Repairs	3% Current GSI \$1,314	\$1,314
TOTAL EXPENSES	\$21,110	\$21,110
Expense Per Unit	\$10,555	\$10,555
Expense Per SF	\$2.82	\$2.82
NET OPERATING INCOME	\$22,690	\$36,490
Pre-Tax Cash Flow	(\$25,333)	(\$11,533)
Principal Reduction	\$16,485	\$16,485
TOTAL RETURN	(\$8,848)	\$4,952

RENT ROLL

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UNIT #	UNIT TYPE	ACTUAL RENT	MARKET RENT	NOTES
Front House		\$1,850	\$3,000	*Relatives
Back House		\$1,800	\$1,800	*Owner
MONTHLY TOTALS		\$3,450	\$4,800	
ANNUALIZED TOTALS		\$41,400	\$57,600	

OFFERING MEMORANDUM

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COMPARABLES

SOLD COMPARABLES

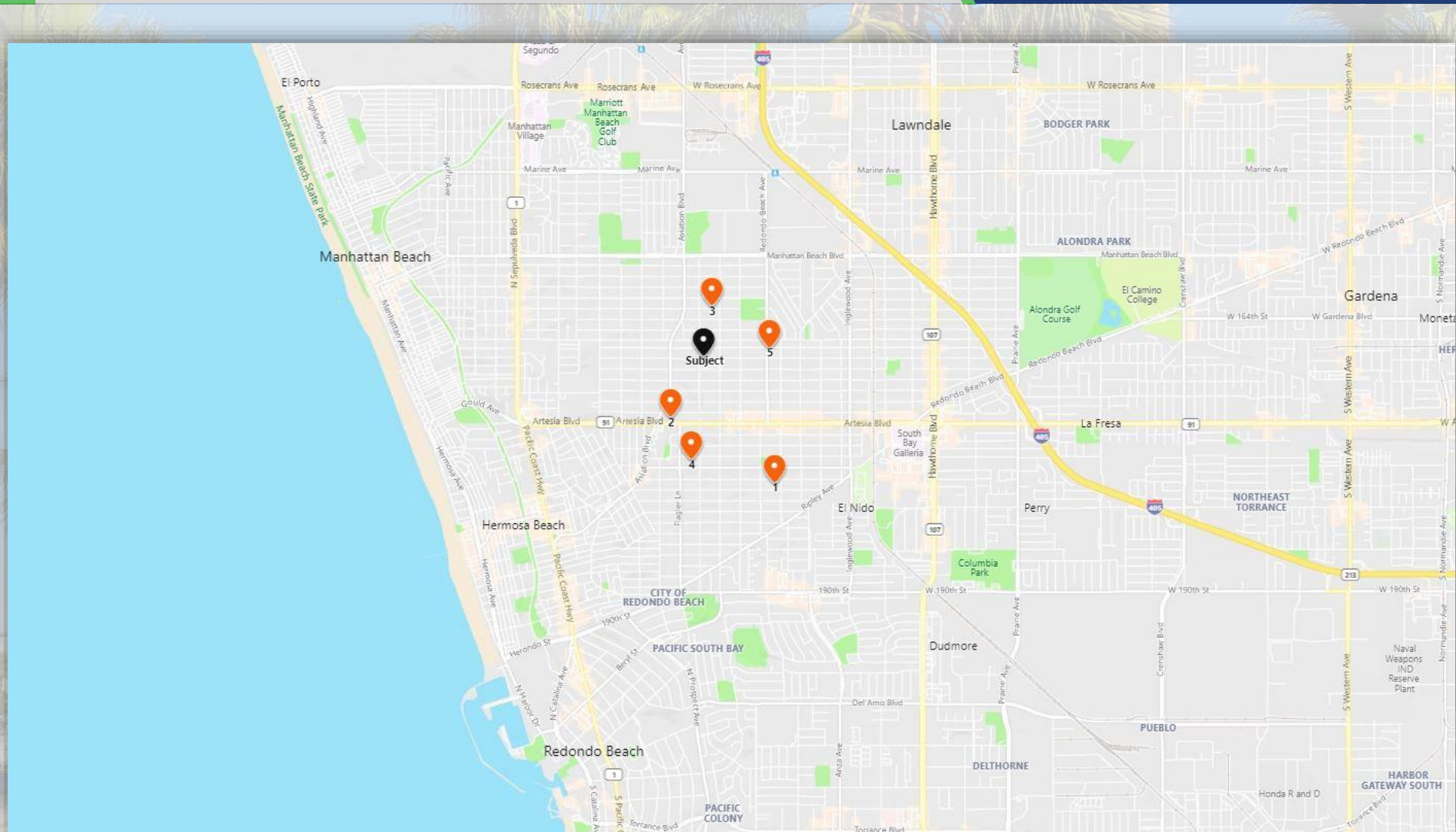
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	Address	Price	Units	Price/Unit	Year Built	Building Size	Price/SF	Sale Date	Cap Rate	GRM
1	2314 Huntington LN Redondo Beach, CA	\$1,350,000	2	\$675,000	1956	1,573 SF	\$858.23	3/26/19	3.19%	20.10
2	2010 Aviation WY Redondo Beach, CA	\$1,440,000	2	\$720,000	1963	1,740 SF	\$827.59	04/10/19	2.36%	24.16
3	2009 Ernest Ave # A Redondo Beach, CA	\$1,545,000	2	\$772,500	1948	2,344 SF	\$659.13	08/15/18	1.12%	36.84
4	1910 Rockefeller Redondo Beach, CA	\$1,755,000	2	\$877,500	1922	3,000 SF	\$585	7/25/19	3.20%	20.89
5	2313 Graham Ave Redondo Beach, CA	\$1,300,000	2	\$650,000	1920	1,082 SF	\$655.57	07/17/19	1.02%	49.24
	Averages	\$452,780	2	\$739,000	1948	1,942 SF	\$717.10	3/31/19	2.18%	30.25
★	2003 Gates Ave Redondo Beach, CA	\$1,350,000	2	\$675,000	1947	1,957 SF	\$689.83	ACTIVE	1.68%	30.82

SOLD COMPARABLES MAP

2003 GATES AVE
REDONDO BEACH, CA 90278



ON-MARKET COMPARABLES

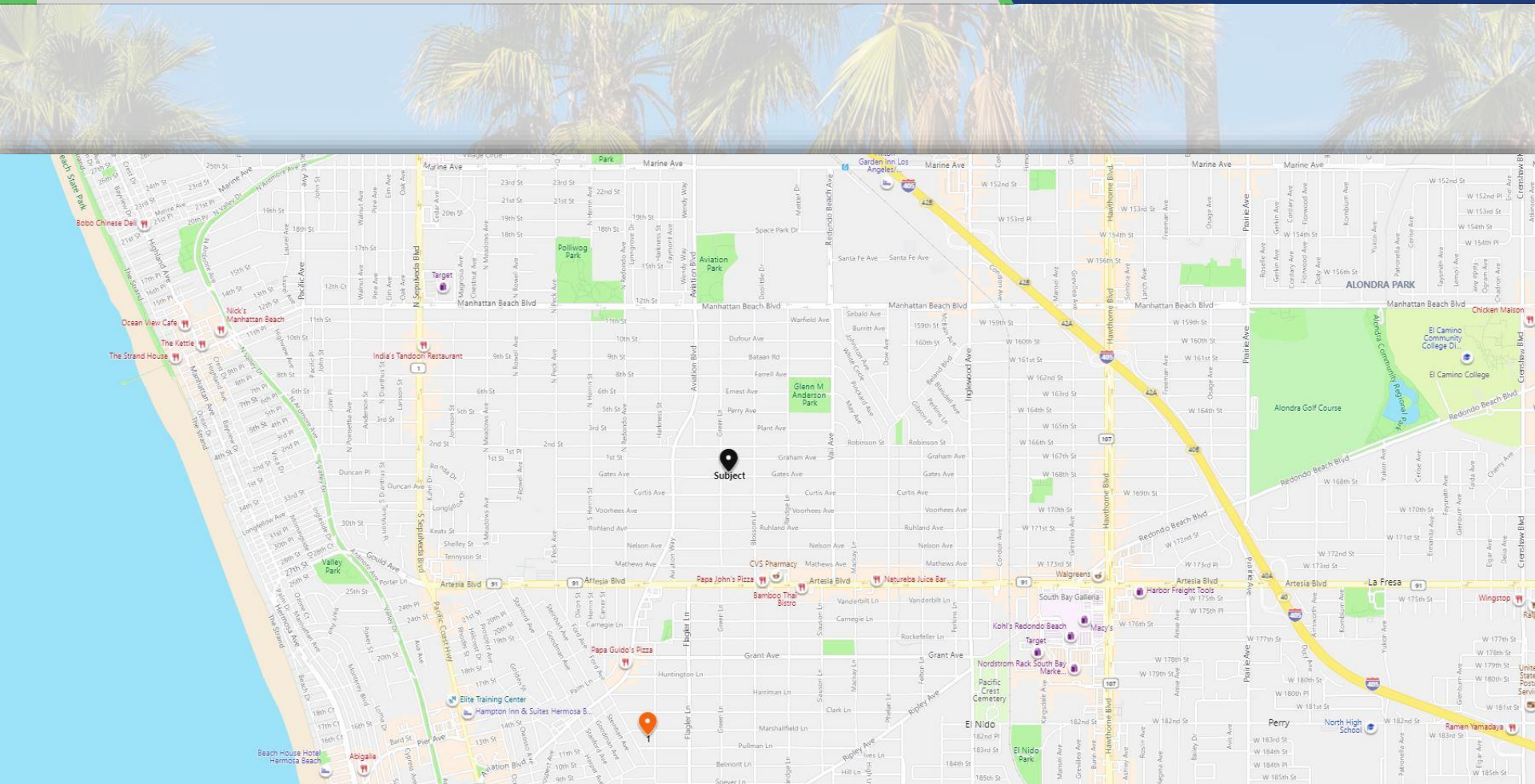
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	Address	Price	Units	Price/Units	Year Built	Building Size	Price/SF	Cap Rate	GRM
1	1710 Marshallfield LN Redondo Beach, CA	\$1,325,000	2	\$662,500	1905	690 SF	\$757.14	3.70%	22.88
	Averages	\$1,325,000	2	\$662,500	1905	690 SF	\$757.14	3.70%	22.88
★	2003 Gates Ave Redondo Beach, CA	\$1,350,000	2	\$675,000	1947	1,957 SF	\$689.83	1.68%	30.82

ON-MARKET COMPARABLES MAP

2003 GATES AVE
REDONDO BEACH, CA 90278



LEASE COMPARABLES

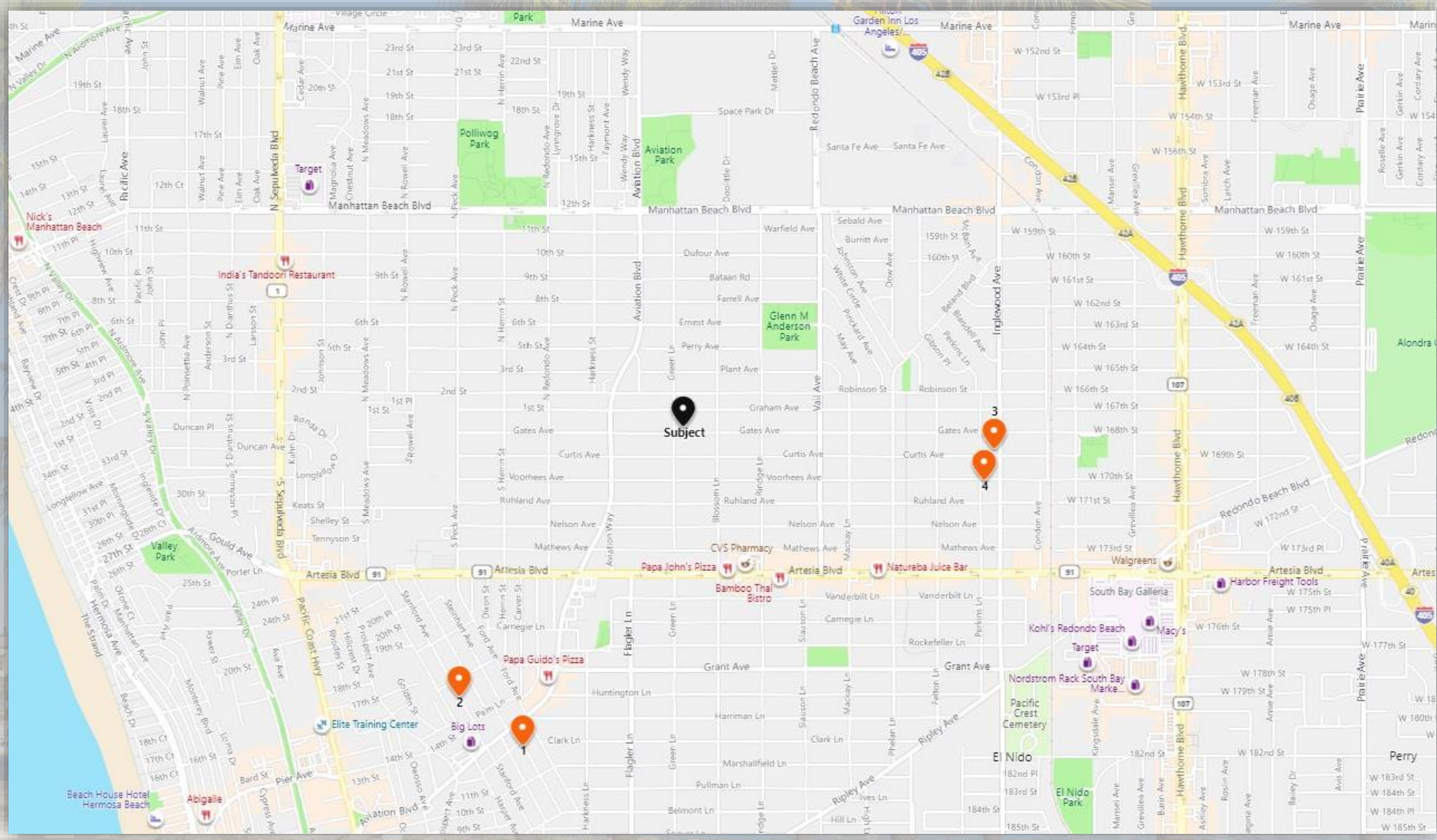
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	Address	Date Leased	Year Built	Unit Type	Rental Rate	Rate / Sq. Ft.
1	1215 Steinhart Ave Redondo Beach, CA	7/28/19	1956	3-Bed/1-Bath	\$3,000	\$3.15
2	1528 Stanford Ave Redondo Beach, CA	4/18/19	1912	3-Bed/1-Bath	\$3,000	\$3.01
3	2703 Curtis Ave Redondo Beach, CA	7/05/19	1962	1-Bed/1-Bath	\$1,795	\$2.39
4	2706 Voorhees Ave Redondo Beach, CA	5/09/19	1973	1-Bed/1-Bath	\$2,200	\$2.44
	Averages	6/07/19	1951	N/A	\$2,499	\$2.18
★	2003 Gates Ave Redondo Beach, CA	<i>Proforma</i>	1947	3-Bed/1-Bath 1-Bed/1-Bath	\$2,800 \$1,600	\$2.45

LEASE COMPARABLES MAP

2003 GATES AVE
REDONDO BEACH, CA 90278



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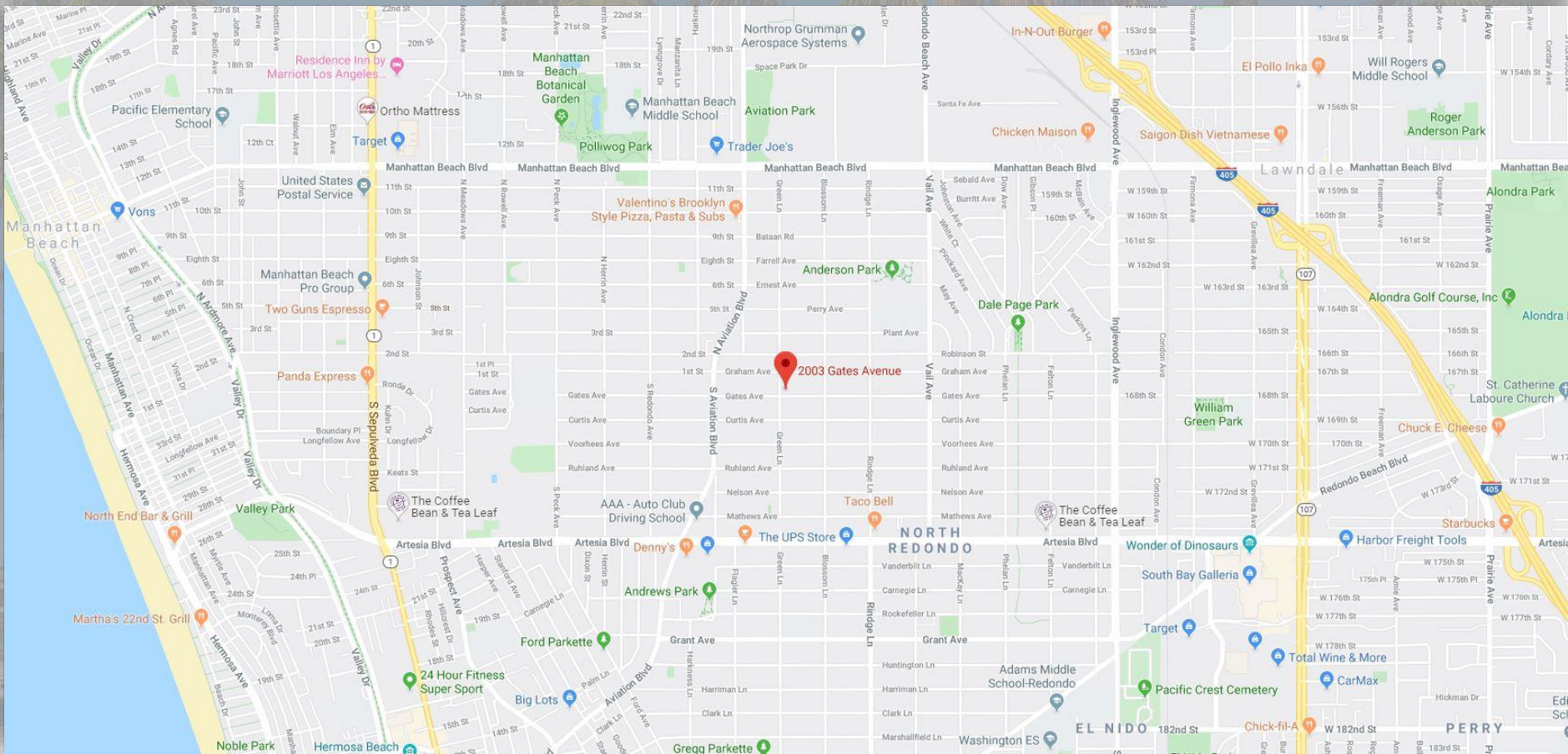
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LOCATION

LOCAL MAP

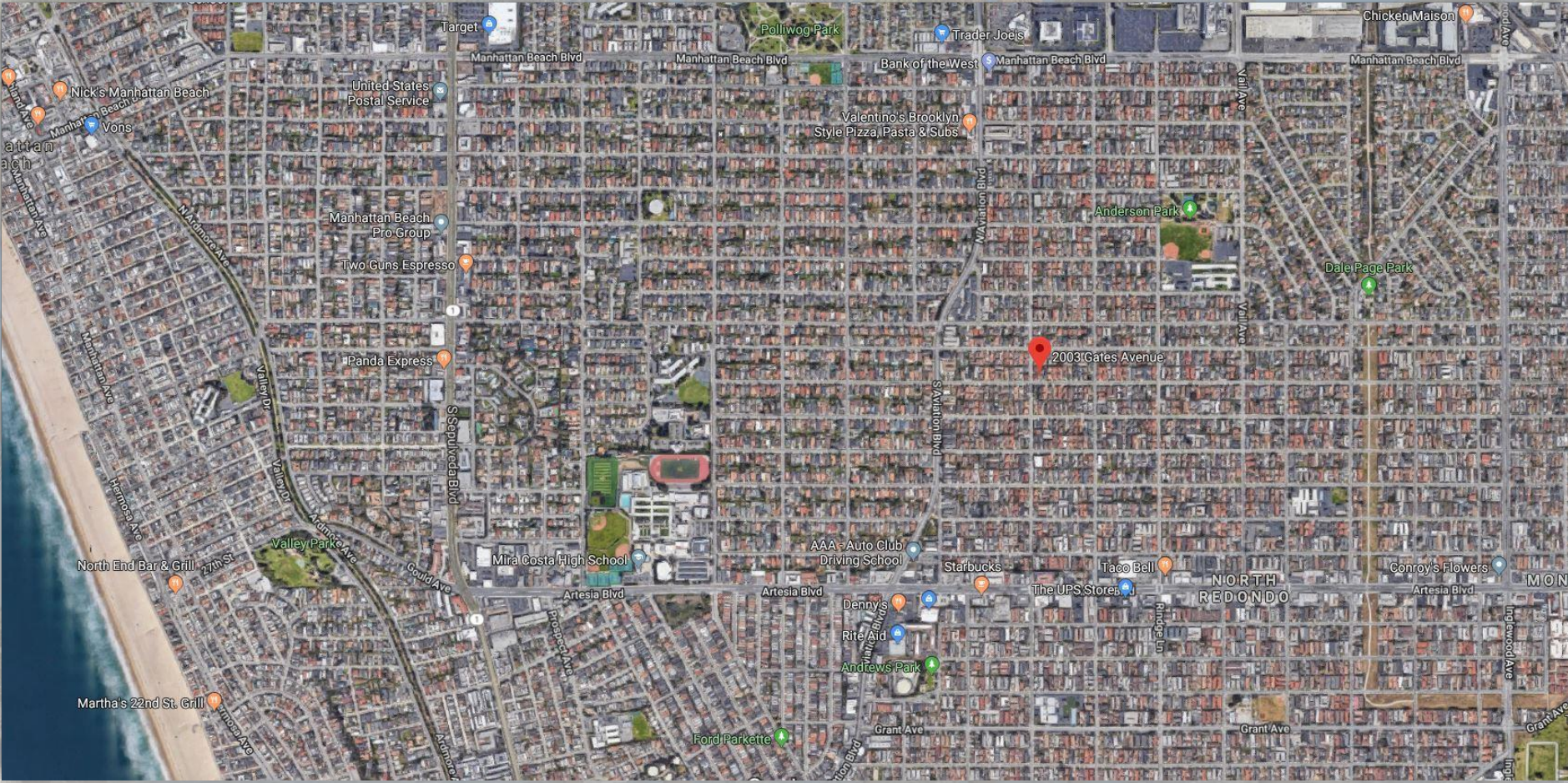
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AERIAL MAP

2003 GATES AVE
REDONDO BEACH, CA 90278



AREA OVERVIEW

2003 GATES AVE

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County Overview

The most heavily populated county in the country is Los Angeles County with approximately 9.9 million people, including about 1 million that live in unincorporated areas of the county. The metropolis - formed by the six neighboring counties of Los Angeles, Ventura, Kern, San Bernardino, Riverside, and Orange - is home to approximately 19 million residents. Los Angeles County is home to one of the most educated labor pools in the country and offers a labor force of more than 4.7 million, of which more than 1.5 million are college graduates. Los Angeles County has the largest population of any county in the nation, exceeded only by eight states. According to the United States Conference of Mayors, Los Angeles County boasts a GDP among the twenty largest in the world. Los Angeles County's continued economic growth, in contrast to other areas of the state and nation, is due to its diversified economy and abundant, well-trained workforce.

Los Angeles County is well located on the Southern Coast of the California, and covers 4,061 square miles, including the San Clemente and Santa Catalina islands. The County is comprised of approximately 88 vibrant and diverse cities hosting more than 244,000 business establishments—the greatest concentration in the state. Los Angeles County has a Gross Domestic Product (GDP) of approximately \$446 billion - placing it among the top 20 economies in the world. The combined GDP of Los Angeles and its five surrounding neighboring counties places it in the top 10. California is generally considered to be in the top five.



AREA OVERVIEW

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County Overview

If Los Angeles County were its own nation, its economy would be the 18th largest in the world. It is home to more than 244,000 businesses, with more minority and women owned businesses than any other in the nation and is the nation's top international trade center and manufacturing center. Los Angeles is recognized worldwide as a leader in entertainment, health sciences, business services, aerospace and international trade. Because the Los Angeles area is so large and diverse, it has something to offer to everyone. While Hollywood and the Los Angeles beach culture are part of our collective image of Los Angeles, the city also has more museums than any other city and some of the best hotels in the world are located in Los Angeles.

Over the years, Los Angeles County has developed a diverse economic base, supported by a number of Fortune 500 companies with headquarters in the area, including Hilton Hotels, Walt Disney, Occidental Petroleum, DirecTV Group, Northrop Grumman, Computer Sciences, KB Home, Health Net, Mattel, and Avery Dennison. Key factors positively impacting the region's economic position include increased local media production by the entertainment industry and a continuing expansion of import flows. Moreover, growth in aerospace, homeland security and in the private business sector have contributed positively to the County's economy. Los Angeles' well educated labor pool, many universities, wonderful climate, and world class infrastructure will enable Greater Los Angeles to continue to be a world leader in economic and cultural significance.



CITY OVERVIEW

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Redondo Beach is one of three Beach Cities in the South Bay region of Los Angeles bordered by Manhattan Beach, Hermosa Beach, Torrance, Hawthorne, and Lawndale. A main attraction to the city is the Redondo Beach Pier which is the largest endless pier on the California coast.

Much of Redondo Beach's lifestyle is influenced by its sister cities: Manhattan Beach and Hermosa Beach. The city maintains permanent beach volleyball nets year-round and dedicates lanes to the bike path that runs past the Redondo Beach King Harbor Marina complex. Surfing is another essential element to the South Bay lifestyle.

Properties in Redondo Beach within walking distance of the Pacific Ocean routinely sell for above-average prices. The median price of homes listed in the Redondo Beach real estate market is currently \$1,100,000 and home values have gone up 8.4% over the past year.

Redondo Union High School is the zoned high school within the Redondo Beach Unified School District and is ranked in the top 50 high schools in California. Also within the school district are two middle schools, and eight elementary schools, all evenly divided between North and South Redondo Beach.



CITY OVERVIEW

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South Bay Galleria

The enclosed shopping mall, built in 1985 by Forest City, occupies a 30-acre property at the southwest corner of Artesia and Hawthorne Boulevards. QIC, which purchased the mall in 2017, is planning to construct multiple buildings on surrounding parking lots that will feature a 150-room hotel, 300 apartments (including up to 30 affordable units), and an additional 217,000 square feet of retail space - up to 175,000 square feet of which could be used for offices.

The existing mall, which features nearly 1 million square feet of rentable space, will be retained and remodeled.

The project, designed by Gensler, will include approximately six acres of landscaped outdoor space opening directly onto a grand staircase entering into the mall. Standalone buildings would be built along the perimeter of the site, with the proposed hotel to rise along Artesia and two apartment buildings along Hawthorne.

Plans call for building 1,621 parking spaces to serve the new apartments, commercial space, and hotel - adding to the more than 4,000 vehicle stalls already located next to the Galleria.

An environmental study conducted in advance of the City Council vote estimated that QIC would break ground on the project in 2020 and complete construction in 2023.



DISCLAIMER & CONFIDENTIALITY AGREEMENT

The information contained in this Offering Memorandum (“Memorandum”) is proprietary and strictly confidential; it is intended to be reviewed only by the party receiving it from Broker and should not be made available to anyone else without the written consent of Broker. By retention or use of this Memorandum, you agree that its contents are confidential, that you will hold it in the strictest confidence, and that you will not disclose any of its contents contrary to these terms.

This Memorandum has been prepared to provide summary, unverified information to establish a preliminary level of interest in the subject property (“Property”). The information in this Memorandum has been obtained from sources Broker believes to be reliable; however, Broker has not conducted sufficient investigation to make any warranty or representation whatsoever including but not limited to the accuracy or completeness of the information, veracity or accuracy of the information, condition of the Property or its compliance or lack of compliance with applicable governmental requirements, developability, suitability or financial performance of the Property, income or expenses for the Property, the size and square footage of the Property and improvements, the presence or absence of contaminating substances, PCB’s or asbestos, the compliance with State or Federal regulations, the physical condition of the improvements thereon, or the financial condition or business Property and does not purport to be an all – inclusive representation regarding the Property or to contain all or part of the information which prospective investors may require to evaluate the purchase of the Property. Additional information and an opportunity to investigate the Property will be made available to interested and qualified prospective purchasers. All information is based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of Broker, therefore, all information is subject to material variation. The information contained herein is not a substitute for a thorough due diligence investigation. Interested parties are expected to review all information of whatever nature independently and not rely on the contents of this Memorandum in any manner.

The Property owner (“Owner”) expressly reserves the right, at its sole discretion, to reject any or all offers to purchase the Property, and/or to terminate discussions at any time with or without notice. The Owner shall have no legal commitment or obligation unless and until written agreement(s) have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.

EXCLUSIVELY MARKETED BY



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