

OFFERING MEMORANDUM

600 1st STREET
HERMOSA BEACH, CA 90254

\$2,995,000



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HERMOSA BEACH, CA 90254

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OFFERING MEMORANDUM

600 1st STREET

HERMOSA BEACH, CA 90254

PROPERTY OVERVIEW

PROPERTY OVERVIEW

600 1st Street

HERMOSA BEACH, CA 90254

PROPERTY SUMMARY

PRICE	\$2,995,000
ADDRESS	600 1 st Street
CITY, STATE, ZIP	Hermosa Beach, CA 90254
COUNTY	Los Angeles

YEAR BUILT	1987
NUMBER OF UNITS	4
BUILDING SIZE	3,932 SF
LOT SIZE	4,397 SF
CAP RATE	3.54%
PRO FORMA CAP RATE	4.17%
GRM	19.72
PRO FORMA GRM	17.02
PRICE / BLDG SF	\$761.70
PRICE / LOT SF	\$681.15



PROPERTY OVERVIEW

600 1st Street

HERMOSA BEACH, CA 90254

Lyon Stahl Investment Real Estate, Inc. is pleased to present 600 1st St in Hermosa Beach, a townhouse style 4-unit property built in 1987. The building consists of all 2-Bed/2-Bath units with nearly 1,000 square feet per unit. Select units feature ocean and Palos Verdes views, with a combined living area of 3,932 square feet on a 4,397 square foot lot. Each unit also contains two garage spaces and the rear unit was recently remodeled with brand new countertops and appliances.

This well-maintained building is West of PCH in one of the strongest rental markets in California, just a few blocks from King Harbor Marina and all the amenities in Downtown Hermosa Beach. The property has fantastic in-place income and is near market rent for all units. This is an ideal investment opportunity for a yield-focused investor interested in building equity in an A+ location.

- (4) Large 2-Bed/2-Bath Units | Separately Metered for Gas & Electricity
- Built in 1987 | Located West of PCH with Ocean Views
- 8 Total Garage Spaces and Private Balconies for Each Unit
- Excellent Location - Blocks from the Beach, King Harbor Marina, and Downtown Hermosa Beach



PROPERTY PHOTOGRAPHS

600 1st Street

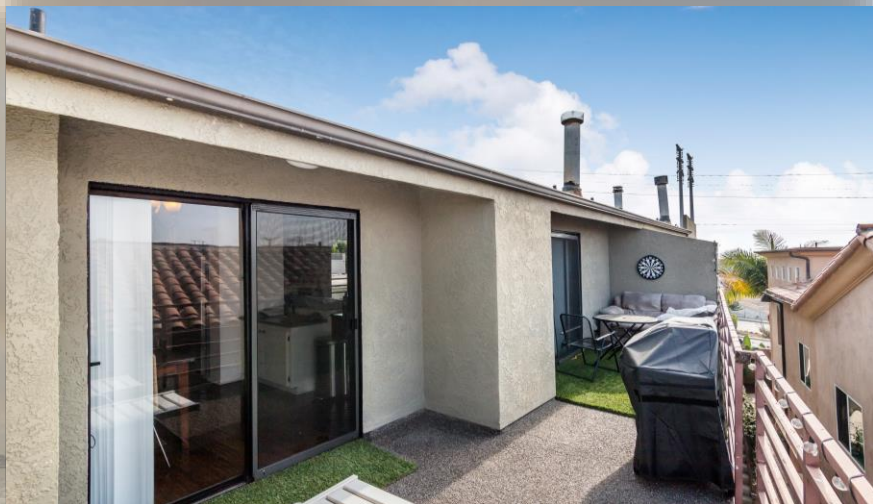
HERMOSA BEACH, CA 90254



UNIT 2 PHOTOGRAPHS

600 1st Street

HERMOSA BEACH, CA 90254

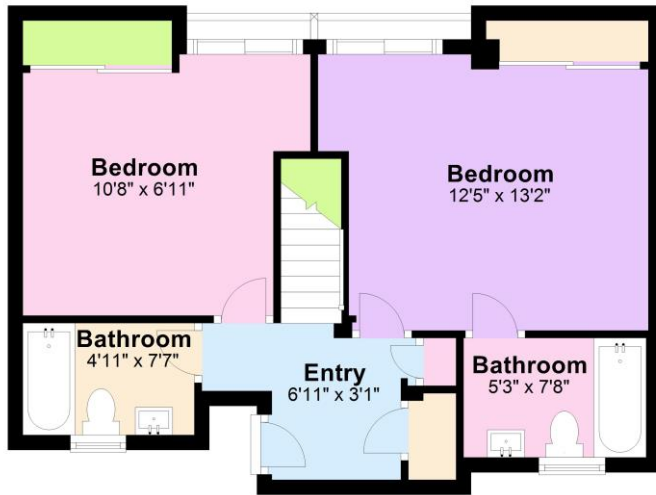


UNIT 2 FLOOR PLAN

600 1st Street

HERMOSA BEACH, CA 90254

600 1st St Unit 2
Lower Floorplan



DISCLAIMER: Measurements are approximate. It is the responsibility of the buyer to verify the property's measurements and square footage independently.

600 1st St Unit 2
Upper Floorplan

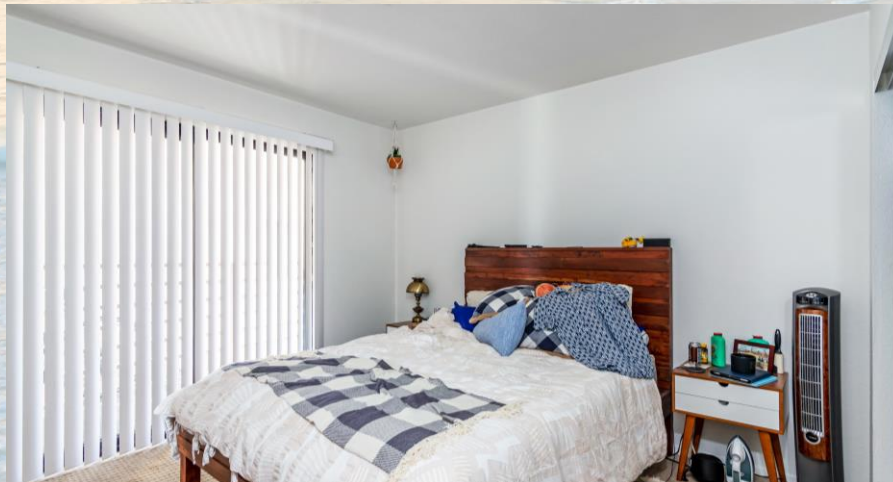


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UNIT 4 PHOTOGRAPHS

600 1st Street

HERMOSA BEACH, CA 90254



UNIT 4 FLOOR PLAN

600 1st Street

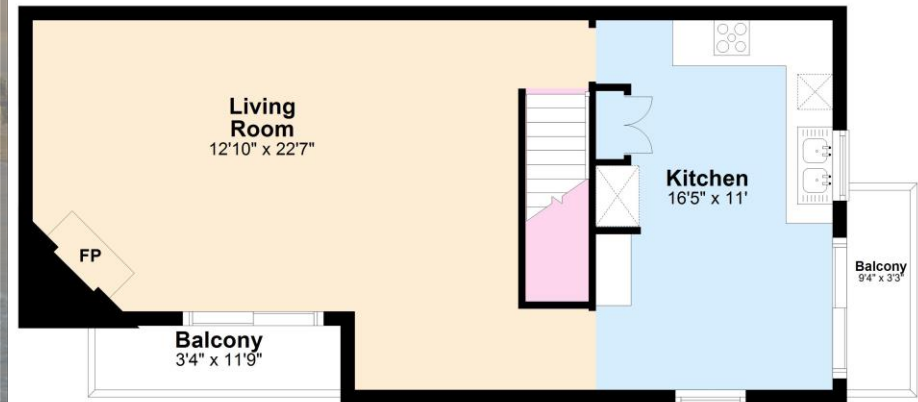
HERMOSA BEACH, CA 90254

600 1st St Unit 4
Lower Floorplan



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600 1st St Unit 4
Upper Floorplan



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UNIT 1 FLOOR PLANS

600 1st Street

HERMOSA BEACH, CA 90254

600 1st St Unit 1
Lower Floorplan



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600 1st St Unit 1
Upper Floorplan

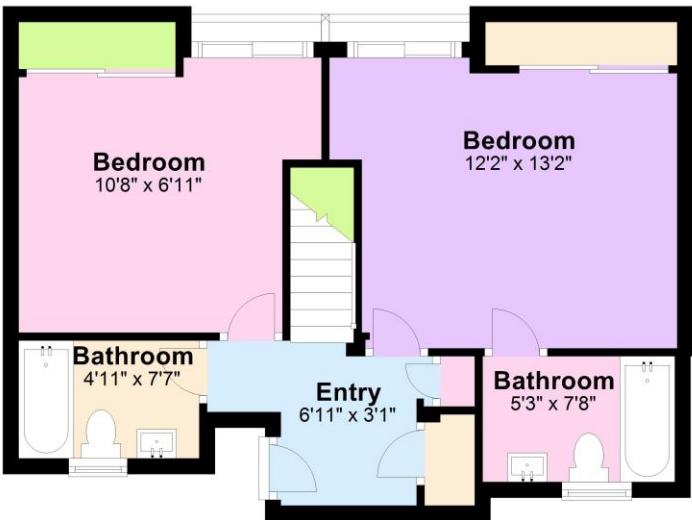


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UNIT 3 FLOOR PLANS

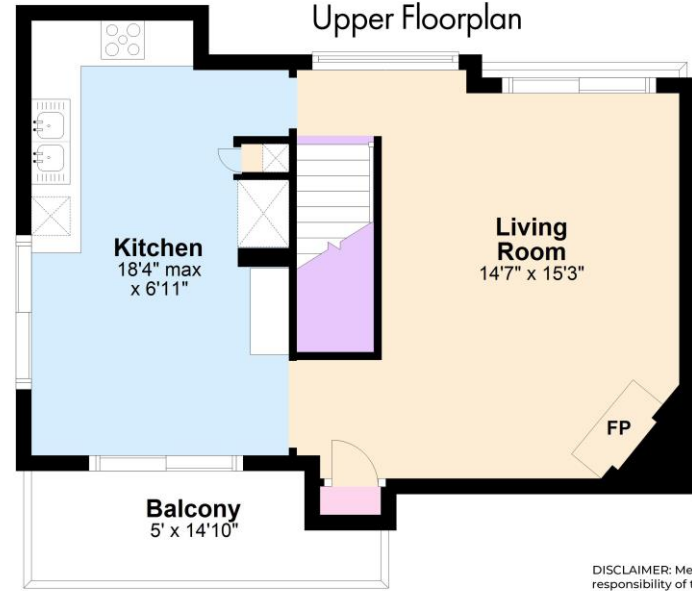
600 1st Street

HERMOSA BEACH, CA 90254



600 1st St Unit 3
Lower Floorplan

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600 1st St Unit 3
Upper Floorplan

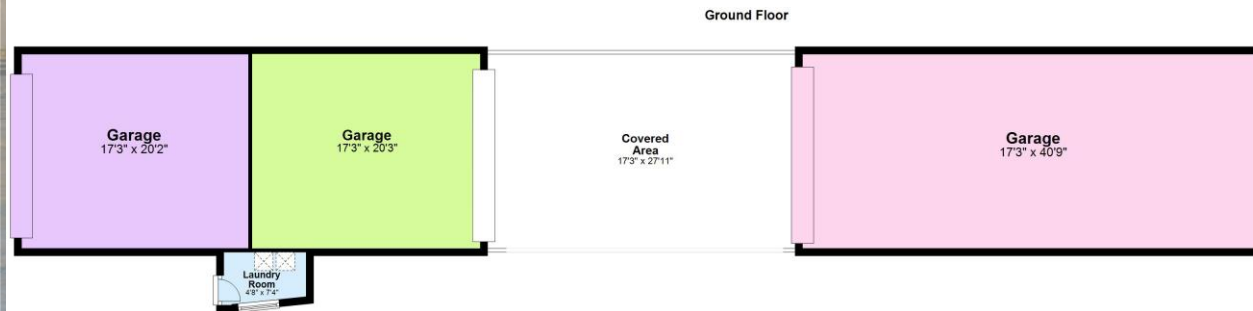
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GARAGE & LAUNDRY FLOOR PLAN

600 1st Street

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600 1st St Garage Floorplan

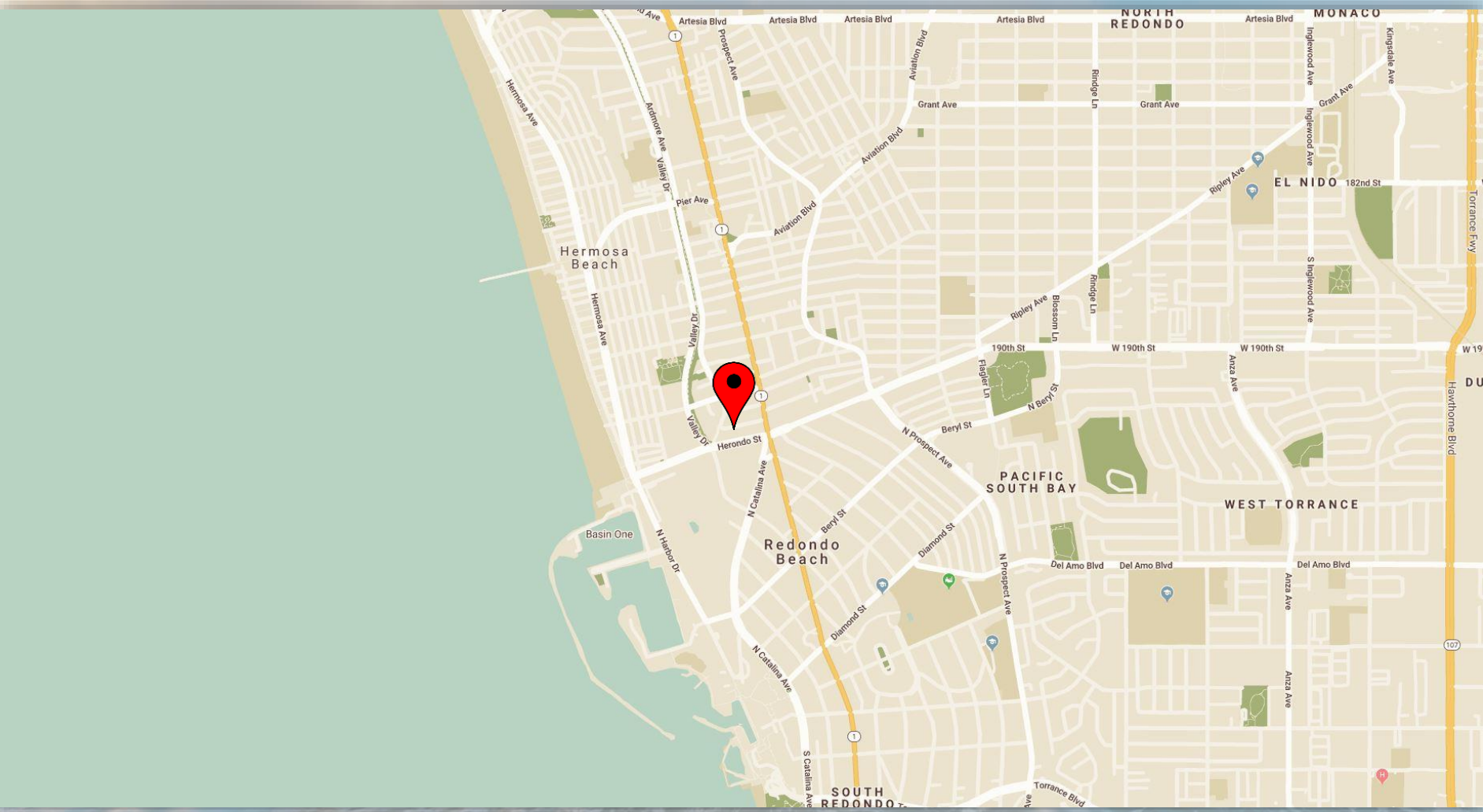


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LOCAL MAP

600 1st Street

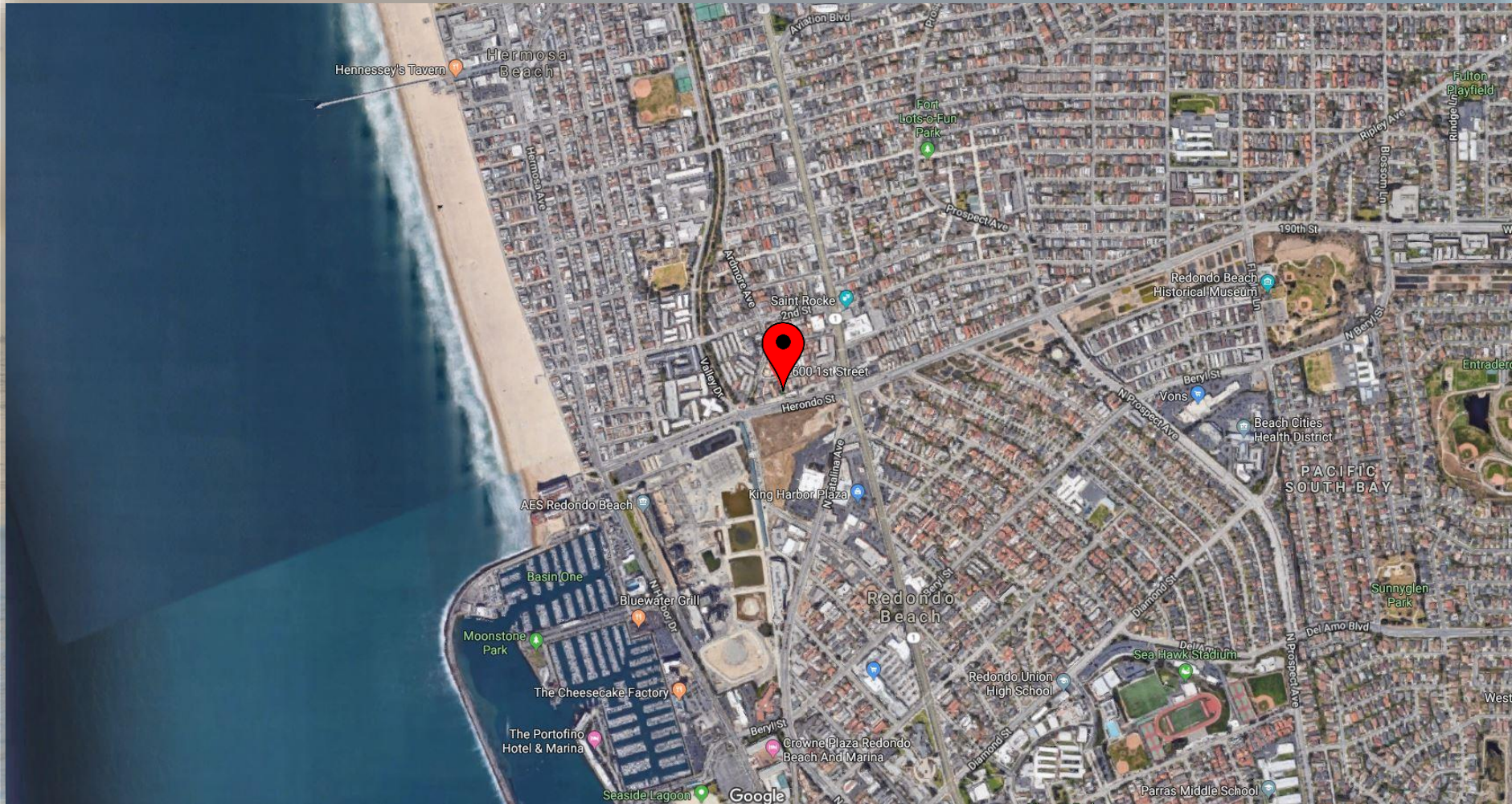
HERMOSA BEACH, CA 90254



AERIAL MAP

600 1st Street

HERMOSA BEACH, CA 90254



OFFERING MEMORANDUM

600 1st STREET

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FINANCIAL OVERVIEW

FINANCIAL OVERVIEW

600 1st Street

HERMOSA BEACH, CA 90254

PRICING SUMMARY

PRICE	\$2,995,000
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PROPERTY SUMMARY

ADDRESS	600 1 st Street, Hermosa Beach
APN	4188-027-026
NUMBER OF UNITS	4
YEAR BUILT	1987
BUILDING SIZE	3,932
LOT SIZE	4,397
CURRENT CAP RATE	3.54%
CURRENT GRM	19.72
MARKET CAP RATE	4.17%
MARKET GRM	17.02
PRICE PER UNIT	\$748,750
PRICE PER SF	\$761.70

FINANCIAL SUMMARY

LOAN AMOUNT	\$1,647,250
DOWN PAYMENT	\$898,000
INTEREST RATE	3.50%
MONTHLY PAYMENT	\$9,414
ANNUAL PAYMENT	\$112,968
LOAN-TO-VALUE	70%
DEBT CONVERAGE RATIO	0.94
PROPOSED/EXISTING	PROPOSED
TERM	10-YR FIXED
AMORITZATION	30-YR

SCHEDULED RENT SUMMARY

Unit Type	No. Of Units	Average Rent	Market Rents
2-BED/2-BATH	4	\$3,149	\$3,650

SCHEDULED RENT SUMMARY

		Current Actuals		Market Rents
Gross Scheduled Income		\$151,890		\$175,956
Less Vacancy	0%	\$0	3%	\$5,279
Gross Operating Income		\$151,890		\$170,677

ESTIMATED ANNUALIZED EXPENSES

		Current Actuals		Market Rents	
Real Estate Taxes and Special Assessment Tax	(Actual)	\$33,087		\$33,087	
Insurance		\$2,564		\$2,564	
Utilities		\$4,136		\$4,136	
Maintenance & Cleaning		\$4,920		\$4,920	
Gardening		\$600		\$600	
Pest		\$465		\$465	
TOTAL EXPENSES		\$45,772		\$45,772	
Expense Per Unit		\$11,443		\$11,443	
Expense Per SF		\$10.41		\$10.41	
NET OPERATING INCOME		\$106,118		\$124,905	
Pre-Tax Cash Flow		\$(6,853)		\$11,934	
Principal Reduction		\$40,235		\$40,235	
TOTAL RETURN		\$33,381	3.72%	\$52,169	5.81%

RENT ROLL

600 1st Street

HERMOSA BEACH, CA 90254

# of Units	UNIT TYPE	CURRENT RENT	PRO FORMA RENT	NOTES
1	2+2	\$3,230	\$3,800	
1	2+2	\$3,070	\$3,600	
1	2+2	\$3,045	\$3,600	
1	2+2	\$3,250	\$3,600	
ADDITIONAL INCOME		\$63	\$63	
MONTHLY TOTALS		\$12,658	\$14,663	
ANNUALIZED TOTALS		\$151,890	\$175,956	

OFFERING MEMORANDUM

600 1st STREET

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COMPARABLES

ON-MARKET COMPARABLES

600 1st Street

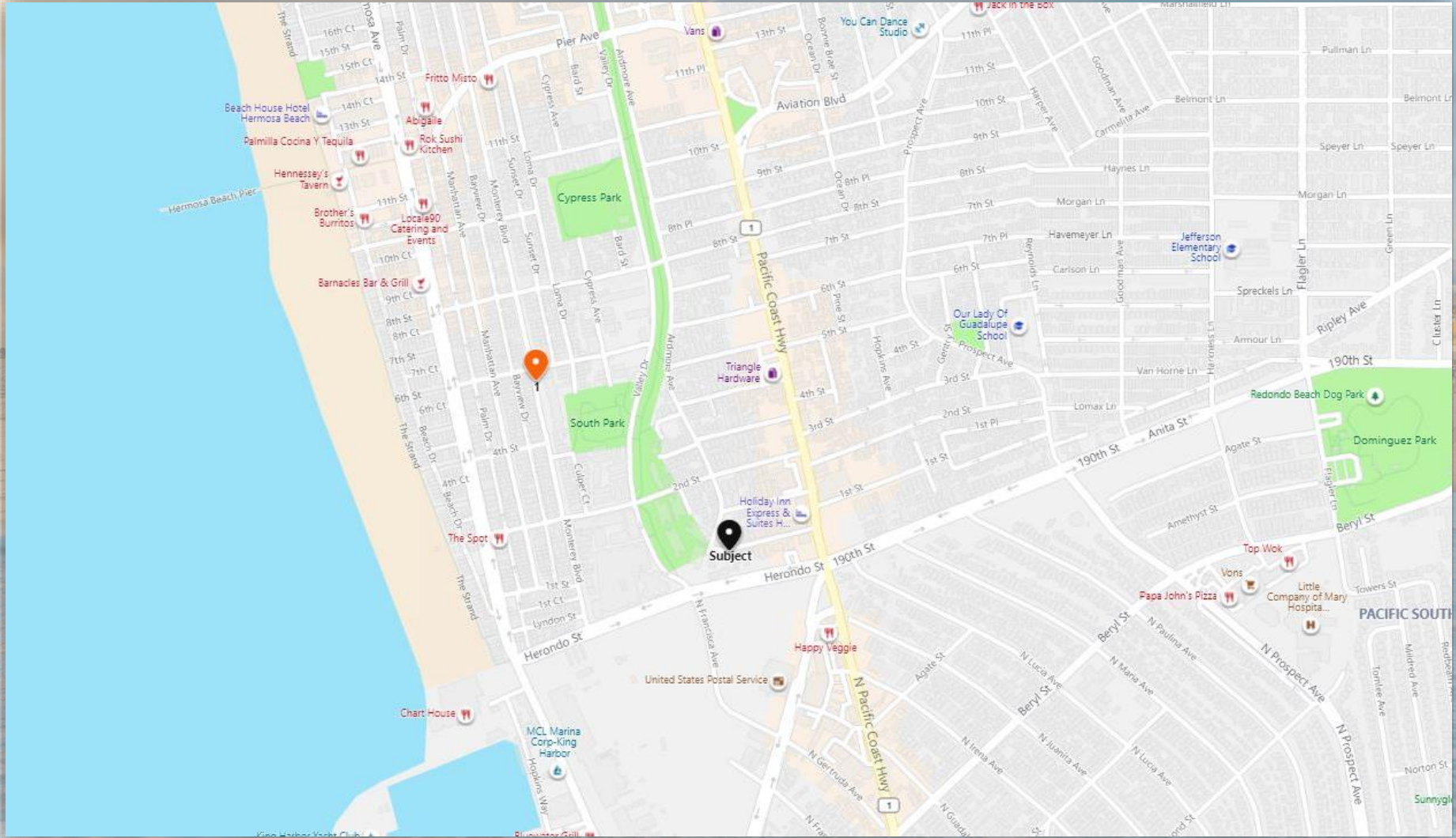
HERMOSA BEACH, CA 90254

	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	DOM
1	546 Monterey Blvd Hermosa Beach	\$2,950,000	4	1957	3,360 SF	\$737,500	\$877.98	3.05%	15.16	152 Days
	Averages	\$4,648,750	4	1957	3,360 SF	\$737,500	\$877.98	3.05%	15.16	152 Days
★	600 1 st Street, Hermosa Beach	\$2,995,000	4	1987	3,932 SF	\$748,750	\$761.70	3.54%	19.72	ACTIVE

ON-MARKET COMPARABLES MAP

600 1st Street

HERMOSA BEACH, CA 90254



SOLD COMPARABLES

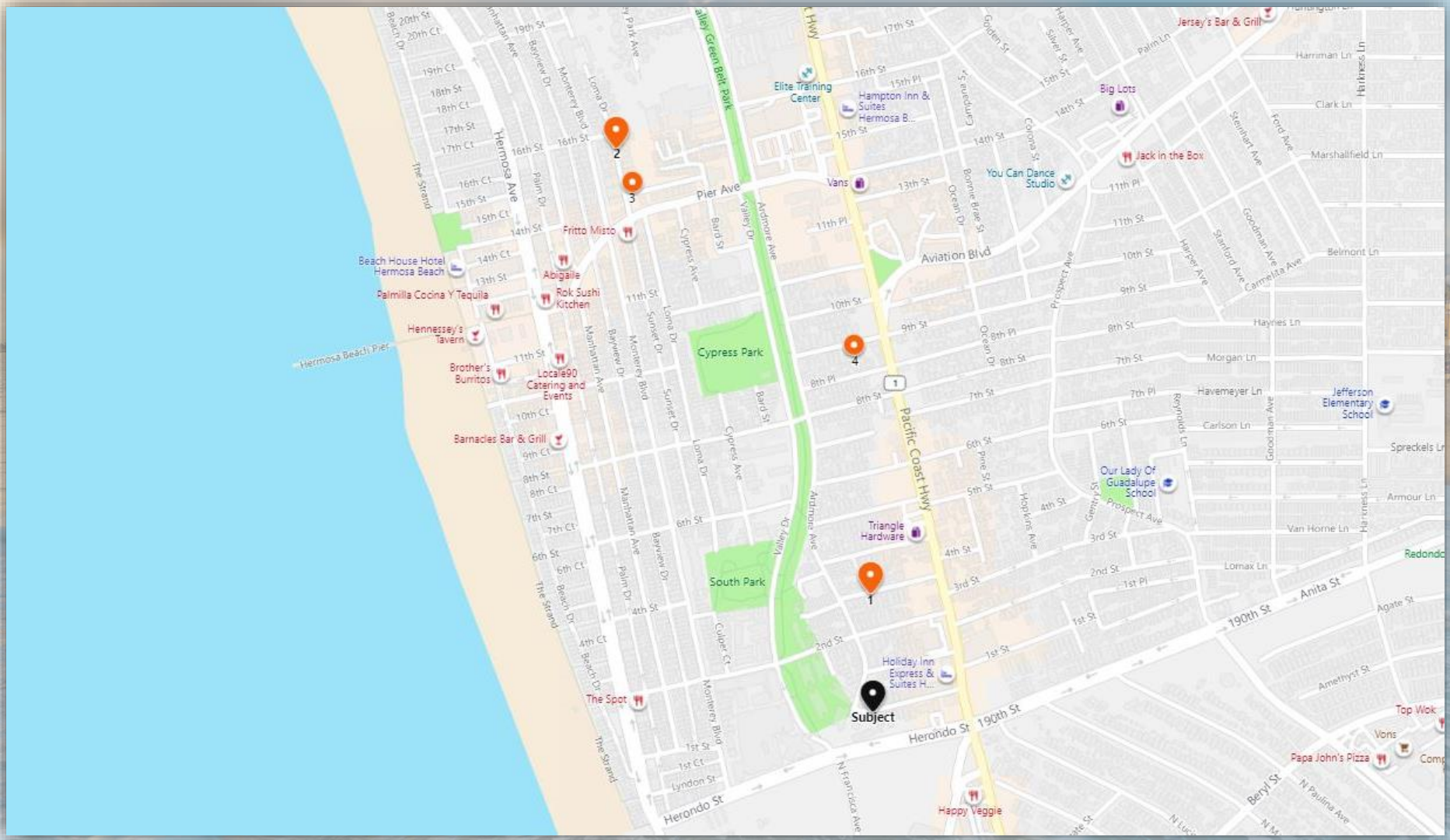
600 1st Street

HERMOSA BEACH, CA 90254

	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	Sale Date
1	630 Third St, Hermosa Beach, CA	\$2,768,700	4	1986	5,000 SF	\$692,175	\$553.74	3.55%	20.06	03/29/2019
2	1538 Loma Dr, Hermosa Beach, CA	\$2,495,000	4	1964	2,856 SF	\$623,750	\$873.60	3.45%	20.02	09/11/2019
3	1444 Loma Dr, Hermosa Beach, CA	\$2,400,000	4	1964	3,390 SF	\$600,000	\$707.96	4.57%	21.28	06/04/2019
4	732 9 th St, Hermosa Beach, CA	\$2,310,000	4	1964	3,840 SF	\$577,500	\$601.56	3.46%	19.27	08/23/2019
	Averages	\$2,493,425	4	1969	3,772 SF	\$623,356	\$684.22	3.76%	20.16	07/02/19
★	600 1 st Street, Hermosa Beach	\$2,995,000	4	1964	4,397 SF	\$748,750	\$761.70	3.54%	19.72	ACTIVE

SOLD COMPARABLES MAP

600 1st Street
HERMOSA BEACH, CA 90254



LEASE COMPARABLES

600 1st Street

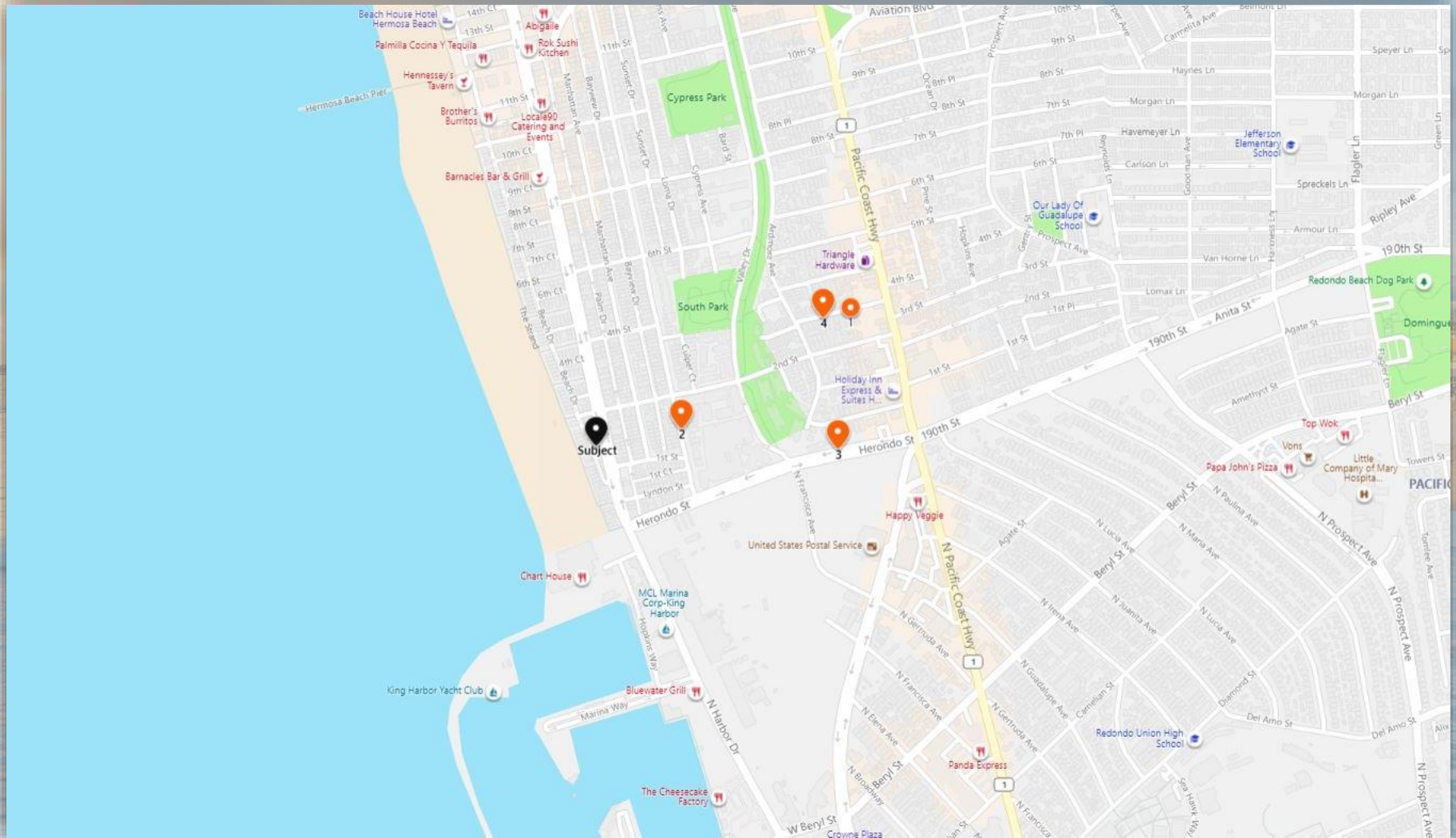
HERMOSA BEACH, CA 90254

	Address	Date Leased	Year Built	Unit Type	Unit Size	Rental Rate
1	715 3 rd St, Hermosa Beach, CA	October 2019	1985	2-Bed/2-Bath	1,438 SF	\$3,200
2	132 Monterey Blvd, Hermosa Beach, CA	October 2019	1999	2-Bed/2-Bath	1,947 SF	\$3,400
3	447 Herondo St Unit 103 Hermosa Beach, CA	August 2019	1978	2-Bed/2-Bath	1,398 SF	\$3,295
4	630 3 rd St Unit #2, Hermosa Beach, CA	November 2019	1986	2-Bed/2-Bath	1,250 SF	\$3,595
	Averages	N/A	N/A	2-Bed/2-Bath	712 SF	\$2,438
★	600 1 st St, Hermosa Beach, CA	ACTIVE	1987	2-Bed/2-Bath	983 SF	\$3,600

LEASE COMPARABLES MAP

600 1st Street

HERMOSA BEACH, CA 90254



OFFERING MEMORANDUM

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LOCATION

CITY OVERVIEW

600 1st Street

HERMOSA BEACH, CA 90254

Hermosa Beach is one of the three Beach Cities, bordered by Manhattan Beach and Redondo Beach. Extending only 15 blocks east to west and 40 blocks north to south, and with a population of 19,506, Hermosa Beach is a small city with sea breezes that can lessen high summertime temperatures to an average of 74 degrees Fahrenheit. The city's wide flat beach is popular for sunbathing, beach volleyball, surfing, paddle boarding, and its numerous restaurants and bars.

The Strand is a paved path that runs along Hermosa's beach from Torrance Beach to the south and approximately 20 miles north up to Santa Monica. Hundreds of people a day can be seen jogging, walking, biking, or rollerblading along the path. Hermosa Beach home prices can reach up to \$20,000,000 along The Strand. The Hermosa Beach real estate market is robust with median price of homes currently listed in Hermosa Beach is \$2,237,000 and values have gone up 8% over the past year.

Hermosa Beach has two schools: Hermosa Valley and Hermosa View, both of which rank in the top 10% in California, with students scoring at or above the 90% in the highest grade tested in reading and math. At the high school level, students can choose between Mira Costa in Manhattan Beach or Redondo Union in Redondo Beach.

Hermosa Beach has been named a "world class pedestrian city" thanks to the Hermosa Valley Greenbelt, which is a walking trail converted from a railroad that is part of the federal rails to trails network. The city has eight other public parks, along with a skate park, basketball courts, baseball and softball fields, tennis courts, and a lawn bowling club.



COUNTY OVERVIEW

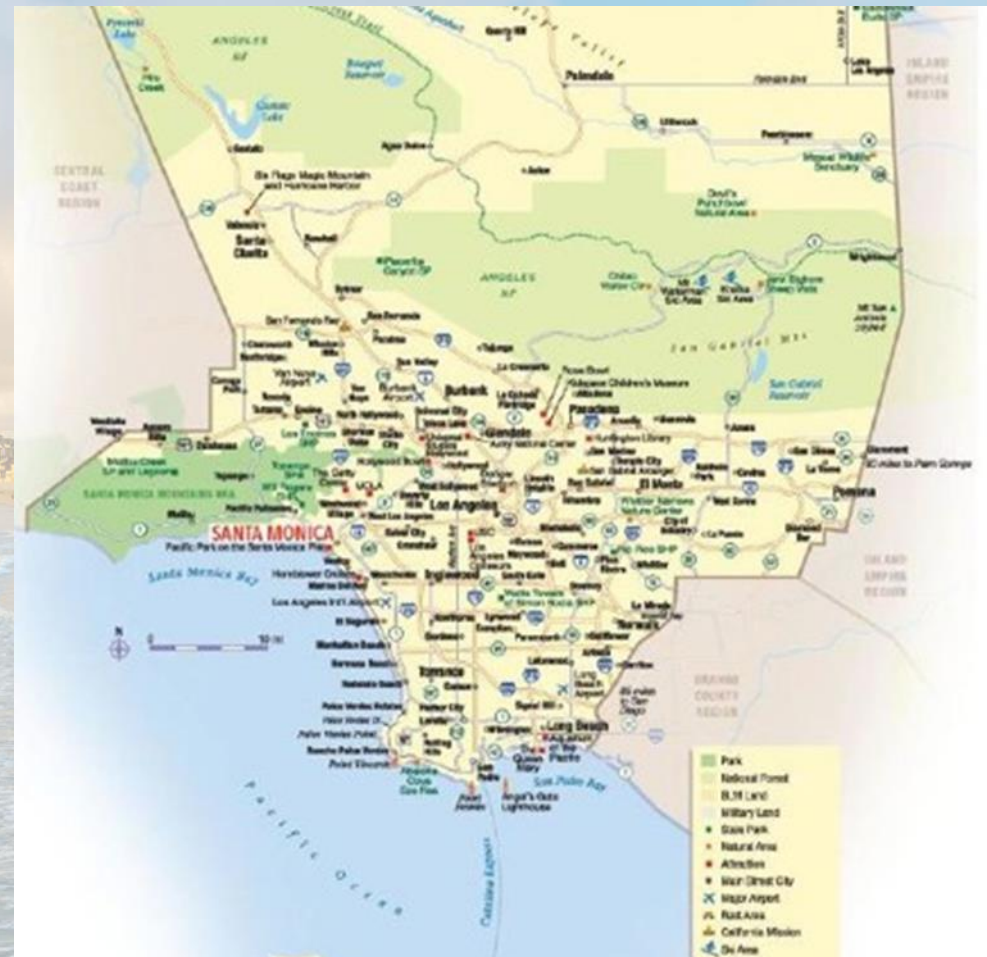
600 1st Street

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Los Angeles County is the most heavily populated 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 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.

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 state 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 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.



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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