

Offering Memorandum

113 MONTEREY BLVD
HERMOSA BEACH, CA 90254

\$3,650,000



Virtual Tour

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Sand Section 4-Plex

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Table of Contents

113 MONTEREY BLVD
HERMOSA BEACH, CA, 90254



Index

Property Overview	3
Financial Overview	6
Property Photography	10
Comparables	13
Area Overview	18
Aerial Map	25
Disclaimer	30



Property Overview

113 MONTEREY BLVD
HERMOSA BEACH, CA 90254

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Property Overview

113 MONTEREY BLVD
HERMOSA BEACH, CA, 90254



Property Summary

Price	\$3,650,000
Address	113 Monterey Blvd
City, State, Zip	Hermosa Beach, CA 90254
County	Los Angeles
Zoning	HBR3YY
Year Built	1969 (Significant Remodel in 2018)
Number Of Units	4
Parking	7 (2) Two-Car Garage & (3) Tandem Parking Spots
Building Size	3,288 SF
Lot Size	2,999 SF
Cap Rate	3.53%
Pro Forma Cap Rate	3.88%
Grm	19.75
Pro Forma Grm	18.43
Price / Bldg Sf	\$1,110.10
Price / Lot Sf	\$1,217.07



Property Overview

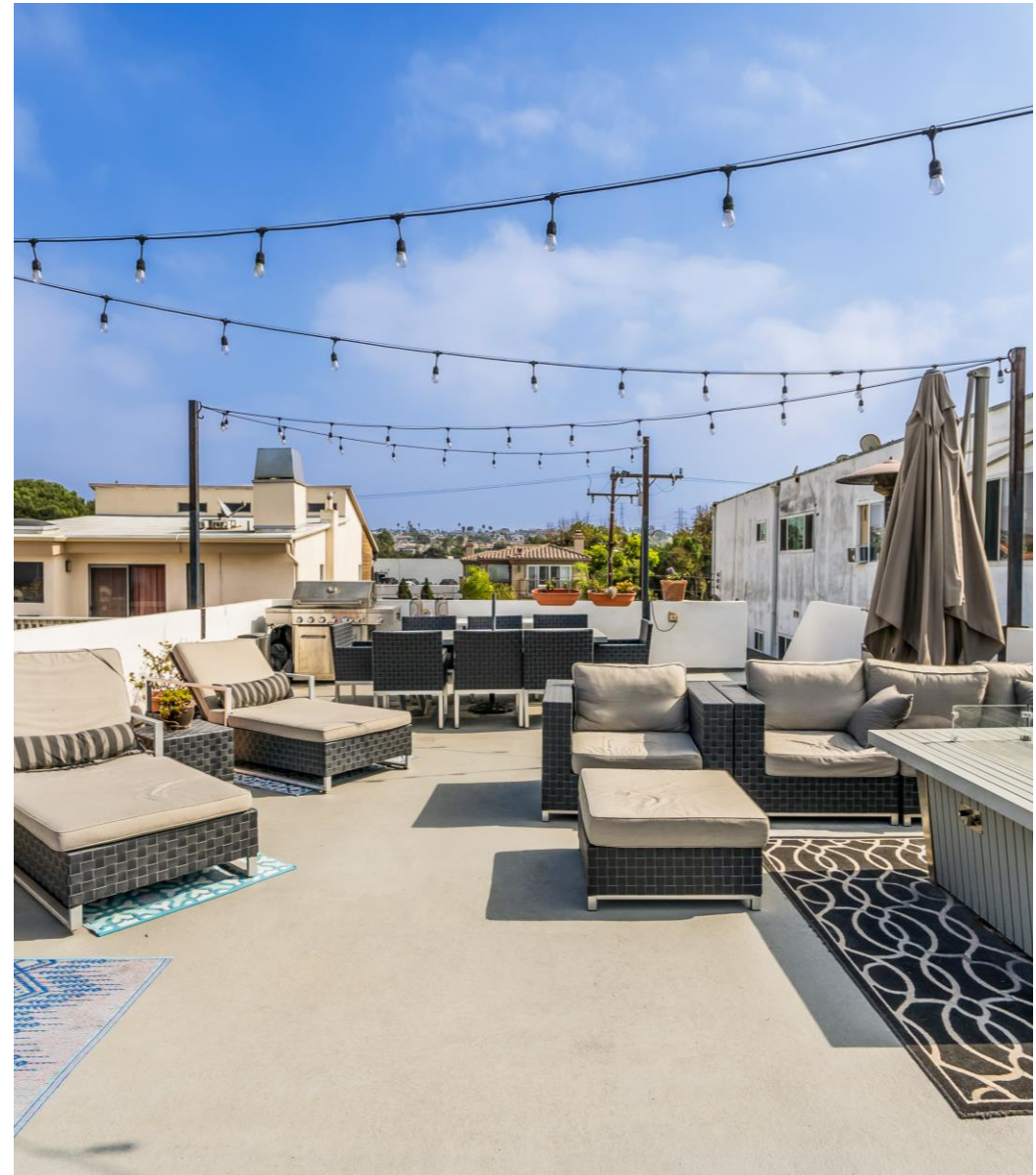
113 MONTEREY BLVD
HERMOSA BEACH, CA, 90254

113 Monterey Blvd, Hermosa Beach 90254 4-Unit | \$ 3,650,000

- Fully Remodeled Interior & Exterior With Top-of-the-Line Upgrades
- Rooftop Deck with Ocean Views | On-Site Laundry Facility
- 7 Total Parking Spots: (2) Two-Car Garages & (3) Tandem Parking Spots
- 3,288 SF Building Situated on a 2,999 SF Street to Alley Lot
- Unit Mix: (3) 2-Bed/2-Bath Units & (1) 1-Bath/1-Bath Unit
- Incredible Location: Only Four Blocks From The Strand

113 Monterey Blvd is a turnkey 4-unit building located in the highly sought-after Sand Section of Hermosa Beach. The building was built in 1969 and consists of 3,288 SF of living space situated on a 2,999 SF lot. 113 Monterey Boulevard offers a great unit mix consisting of (3) 2-bed/2-bath units & (1) 1-bed/1-bath unit and has been recently renovated with top-of-the-line upgrades. The property also features an on-site laundry facility and (7) total parking spaces - (2) two-car garages & (3) tandem parking spaces.

Located just steps from The Strand in one of the most desirable rental markets in California, this is a perfect opportunity for a yield-focused investor looking to purchase an A+ asset.



Financial Overview

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Financial Overview

113 MONTEREY BLVD
HERMOSA BEACH, CA, 90254

7



Price **\$3,650,000**

Property Summary

ADDRESS	113 Monterey Blvd, Hermosa Beach	YEAR BUILT	1969
DOWN PAYMENT	35% (\$1,326,500)	PARKING	(2) Two-Car Garages
NUMBER OF UNITS	4	CURRENT NOI	\$127,440
COST PER UNIT	\$947,500	PRO FORMA NOI	\$140,244
LOT SIZE	2,999SF	CURRENT CAP RATE	3.53%
GROSS RENTABLE SF	3,288 SF	PRO FORMA CAP RATE	3.99%
PRICE PER BLDG SF	\$1,110.10	CURRENT GRM	19.75
PRICE PER LAND SF	\$1,217.07	PRO FORMA GRM	18.43

Proposed Financing

LOAN AMOUNT	\$2,372,500	LOAN-TO-VALUE	65%
DOWN PAYMENT	\$1,277,500	AMORTIZATION	30-YEAR
INTEREST RATE	3.50%	LOAN TERM	30-YEAR FIXED
MONTHLY PAYMENT	\$10,654	PROPOSED/EXISTING	PROPOSED
ANNUAL PAYMENT	\$127,843	DEBT COVERAGE RATION (DCR)	1.01

Financial Overview

113 MONTEREY BLVD
HERMOSA BEACH, CA, 90254



Scheduled Rent Summary

UNIT TYPE	NO. OF UNITS	AVERAGE RENT	MONTHLY INCOME	PRO FORMA RENT	PRO FORMA INCOME
2-Bed/2-Bath	3	\$4,217	\$12,650	\$4,500	\$13,500
1-Bed/1-Bath	1	\$2,750	\$2,750	\$3,000	\$3,000

Annualized Operating Data

	CURRENT ACTUALS		PRO FORMA RENT	
GROSS SCHEDULED INCOME	\$184,800		\$198,000	
VACANY RATE RESERVE	\$5,544	3%	\$5,940	3%
GROSS OPERATING INCOME	\$179,256		\$192,060	
EXPENSES	\$50,323	27%	\$50,323	25%
NET OPERATING INCOME	\$128,933		\$141,737	
LOAN PAYMENTS	\$127,843		\$127,843	
PRE TAX CASH FLOWS	\$1,090	0.09%	\$13,894	1.09%
PRINCIPAL REDUCTION	\$45,531		\$45,531	
TOTAL RETURN BEFORE TAXES	\$46,621	3.65%	\$59,425	4.65%

Scheduled Income

	CURRENT	MARKET
TOTAL SCHEDULED RENT	\$15,400	\$16,500
LAUNDRY	\$0	\$0
GARAGES	\$0	\$0
MONTHLY SCHEDULED GROSS INCOME	\$15,400	\$16,500
ANNUALIZED SCHEDULED GROSS INCOME	\$184,800	\$198,000
UTILITIES PAID BY TENANT	GAS & ELECTRIC	-

Expense Summary

*ESTIMATED	
NEW TAXES (NEW ESTIMATE)	\$39,847
MAINTENANCE (3%)	\$5,544
INSURANCE	\$2,062
UTILITIES	\$2,870
LANDSCAPING	\$0
TOTAL EXPENSES	\$50,323
EXPENSES AS %/SGI	27.23%
EXPENSE PER SF	\$16.78
EXPENSE PER UNIT	\$12,581

* This information has been secured from sources we believe to be reliable but representations, or warranties, expressed or implied, as to the accuracy of the references to square footage, land lines/boundaries and age are approximate. Buyer takes responsibility for all information and bears all risk for any inaccuracies.

Rent Roll

113 MONTEREY BLVD
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Unit #	Unit Type	Actual Rent	Market Rent	Notes
1	1+1	\$2,750	\$3,000	
1	2-2	\$4,250	\$4,500	
1	2-2	\$4,000	\$4,500	
1	2-2	\$4,400	\$4,500	
MONTHLY TOTALS		\$15,400	\$16,500	
ANNUALIZED TOTALS		\$184,800	\$198,000	

Property Photography

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10

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Property Photography

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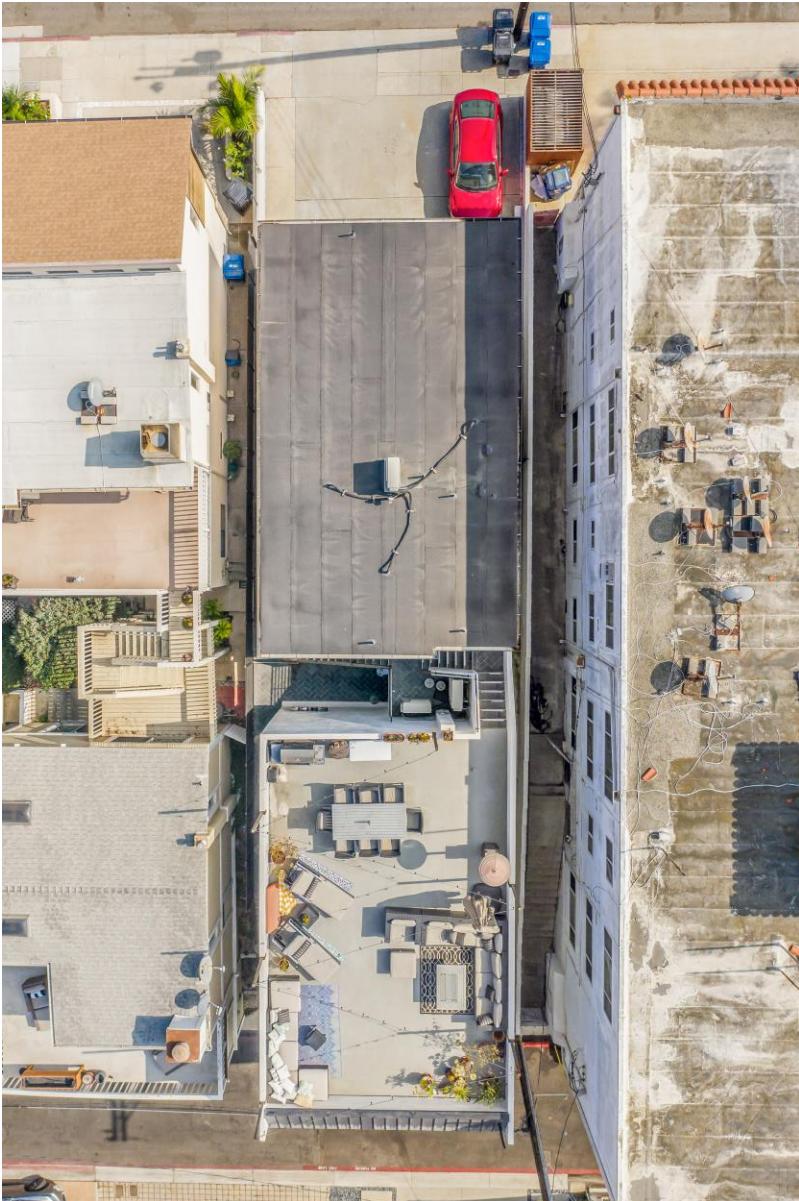
11

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Property Photography

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Interior Photos

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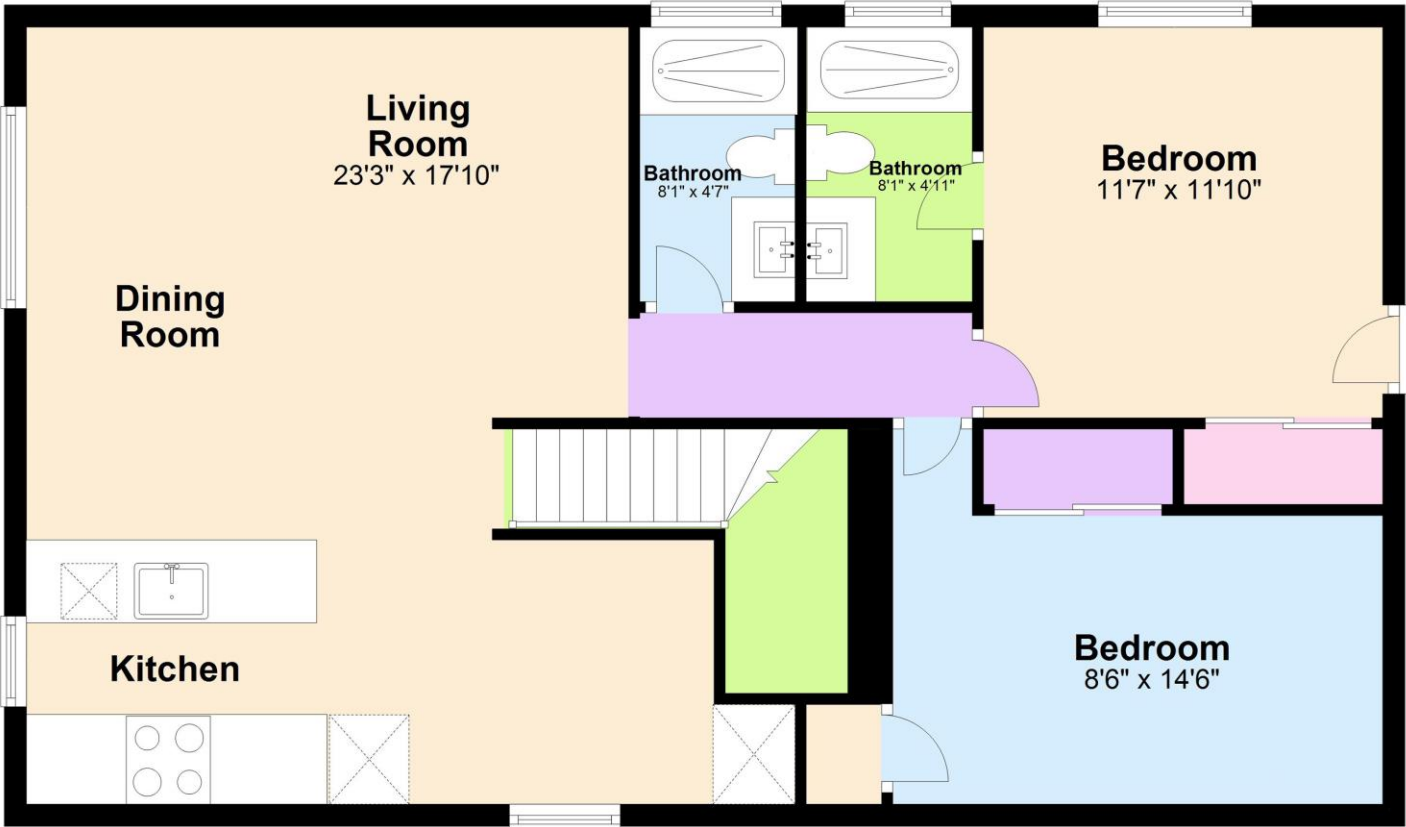
Floor Plan

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Hermosa Beach, CA 90254

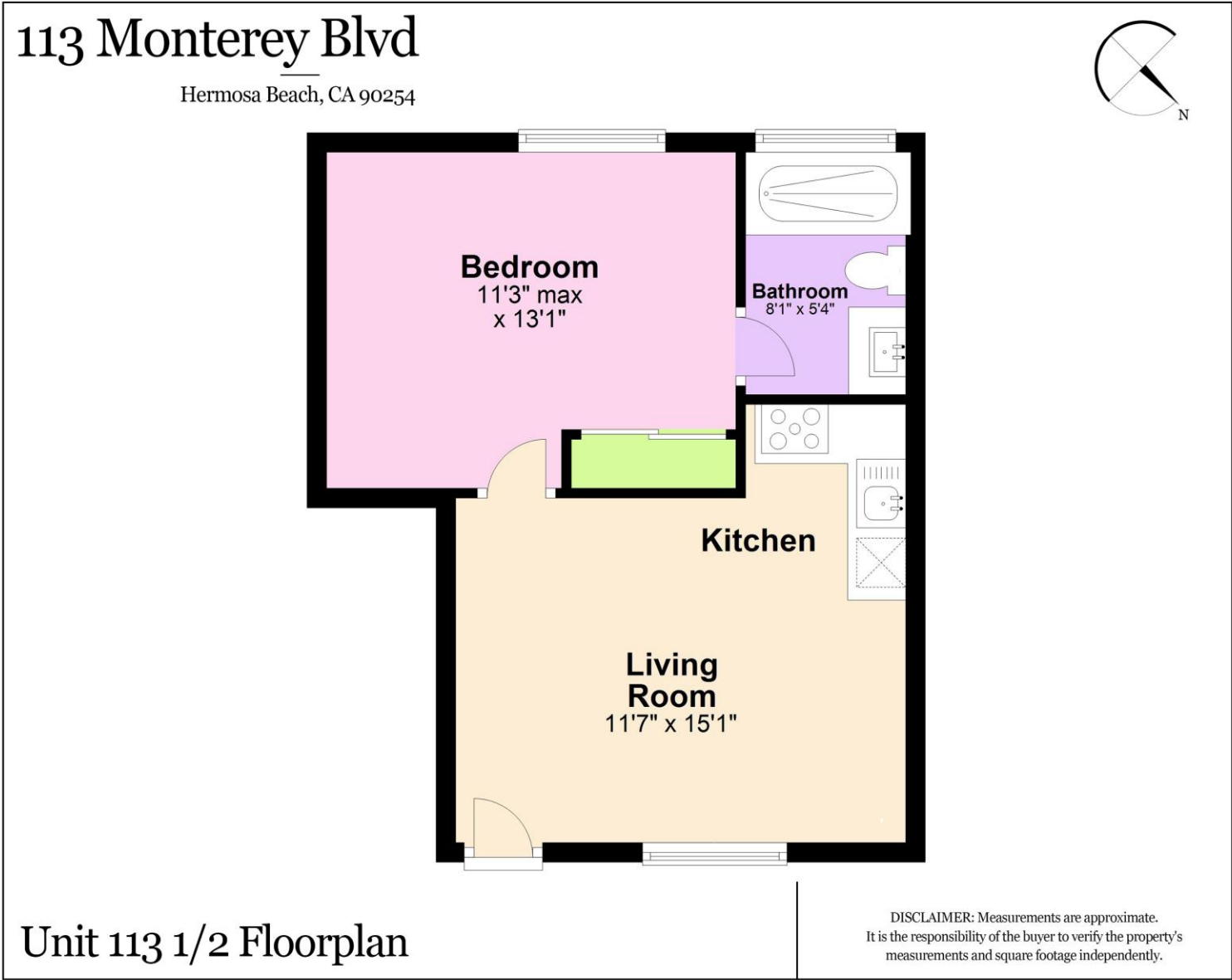


Unit 113 Floorplan

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

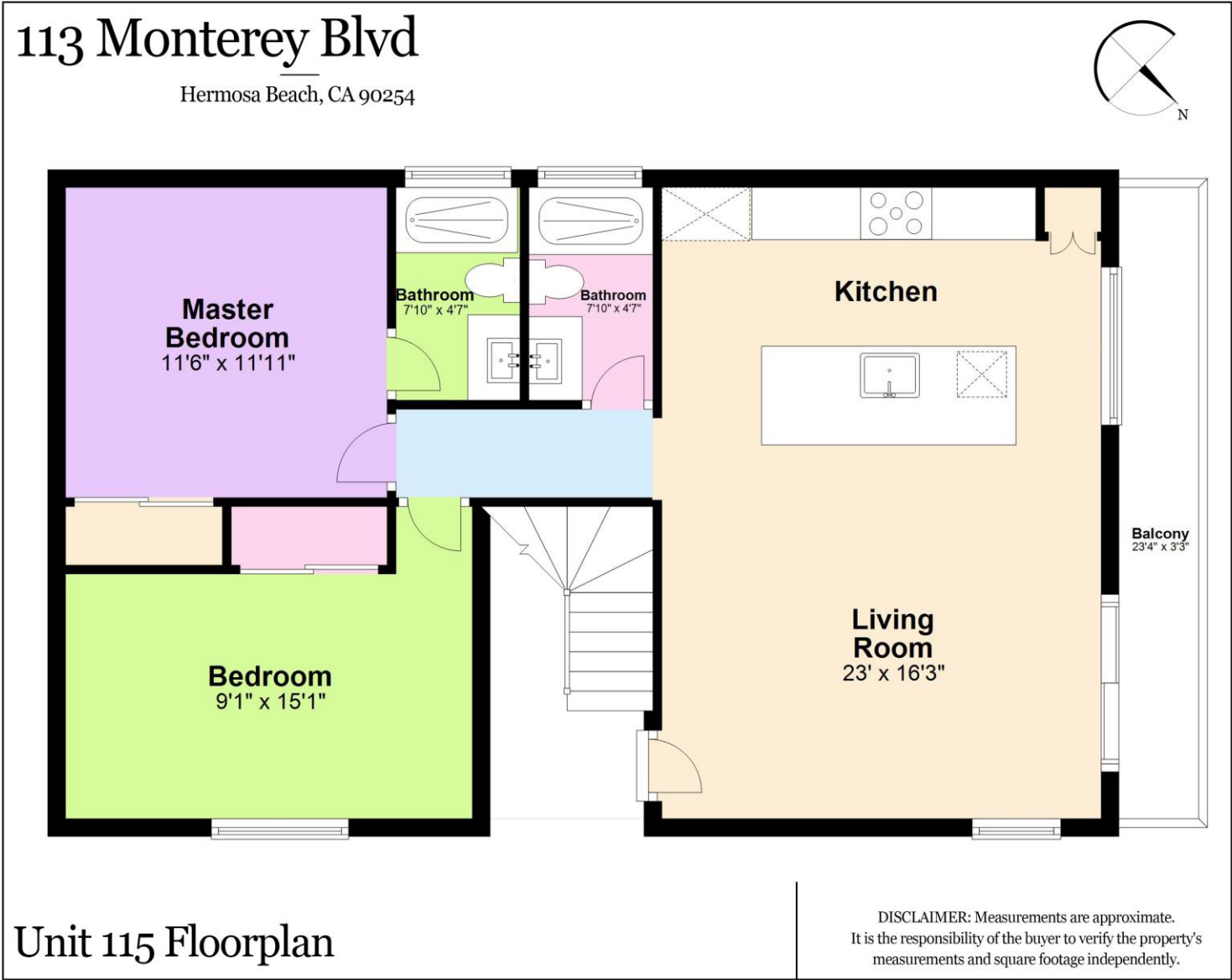
Floor Plan

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Floor Plan

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Floor Plan

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113 Monterey Blvd

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Unit 117 Floorplan

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

Comparables

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18

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Sold Comparables

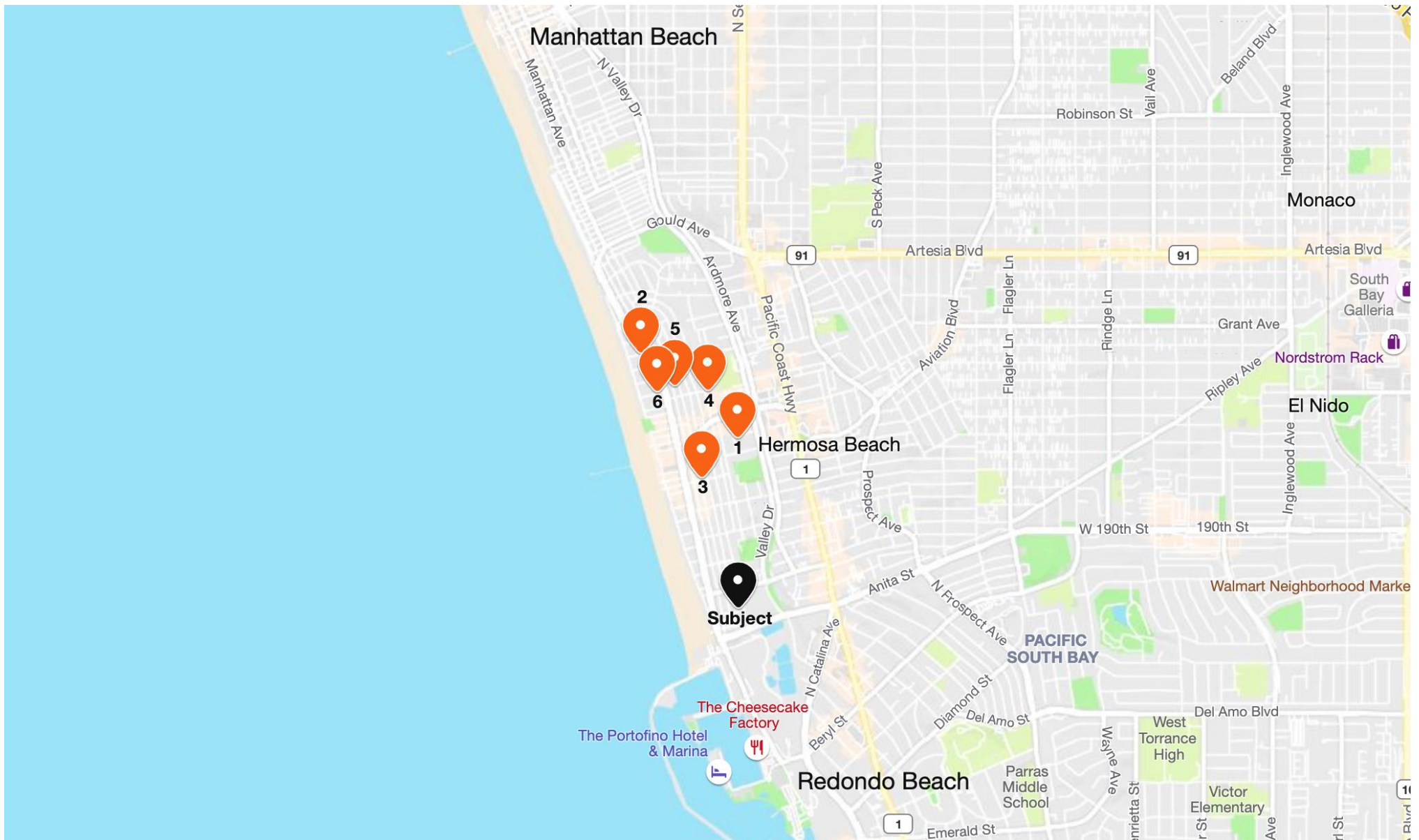
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	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	Sold Date
1	1154 Cypress Ave Hermosa Beach CA 90254	\$1,790,000	2	1954	1,380SF	\$895,000	\$1,297.10	2.15%	29.83	05/26/2020
2	1921 Hermosa Ave Hermosa Beach, CA 90254	\$2,600,000	2	1960	2,411 SF	\$1,300,000	\$1,078.39	2.40%	21.04	04/13/2020
3	1002 Manhattan Ave Hermosa Beach, CA 90254	\$2,900,000	4	1978	2,744 SF	\$725,000	\$1,056.85	2.03%	26.56	09/03/2020
4	1602 Loma Dr Hermosa Beach, CA 90254	\$3,075,000	3	1924	2,112 SF	\$1,025,000	\$1,455.97	2.06%	28.47	08/24/2020
5	1641 Manhattan Ave Hermosa Beach, CA 90254	\$3,175,000	2	1965	2,484 SF	\$1,587,500	\$1,278.18	2.60%	25.94	10/22/2019
6	84 17 th St Hermosa Beach, CA 90254	\$3,485,000	2	1911	2,084 SF	1,742,500	\$1,677.06	2.27%	29.04	10/16/2019
	Averages	\$2,837,500	3	1949	2,159 SF	\$1,212,500	\$1,313	2.25%	26.81	4/7/2020
*	113 Monterey Blvd Hermosa Beach CA 90254	\$3,650,000	4	1969	3,288 SF	\$912,500	\$1,110.10	3.53%	19.75	ACTIVE

Sold Comparables Map

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On-Market Comparables

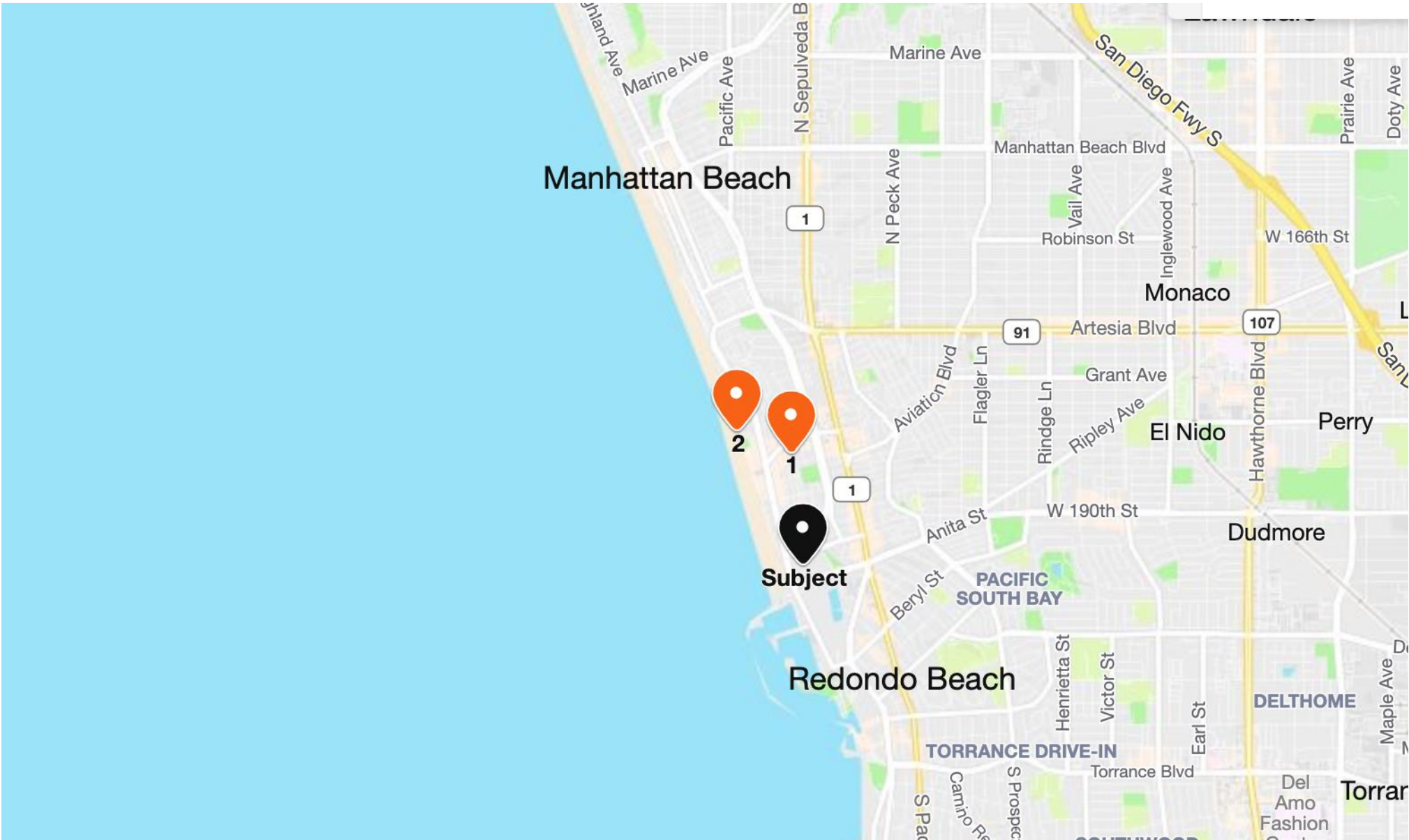
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	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	List Date
1	112 Loma Dr, Hermosa Beach, CA 90254	\$2,925,000	3	1923	2,216 SF	\$975,000	\$1,319.95	2.57%	24.88	08/15/2019
2	74 16 th St Hermosa Beach CA 90254	\$3,850,000	2	1969	3,149SF	\$1,925,000	\$1,222.61	3.77%	24.21	05/20/2020
Averages		\$3,387,500	2.5	1946	2682.5 SF	\$138,270	\$1,271.28	3.17%	24.55	1/1/2020
*	113 Monterey Blvd Hermosa Beach CA 90254	\$3,650,000	4	1969	3,288SF	\$912,500	\$1,110.10	3.53%	19.75	ACTIVE

On-Market Comparables Map

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Lease Comparables

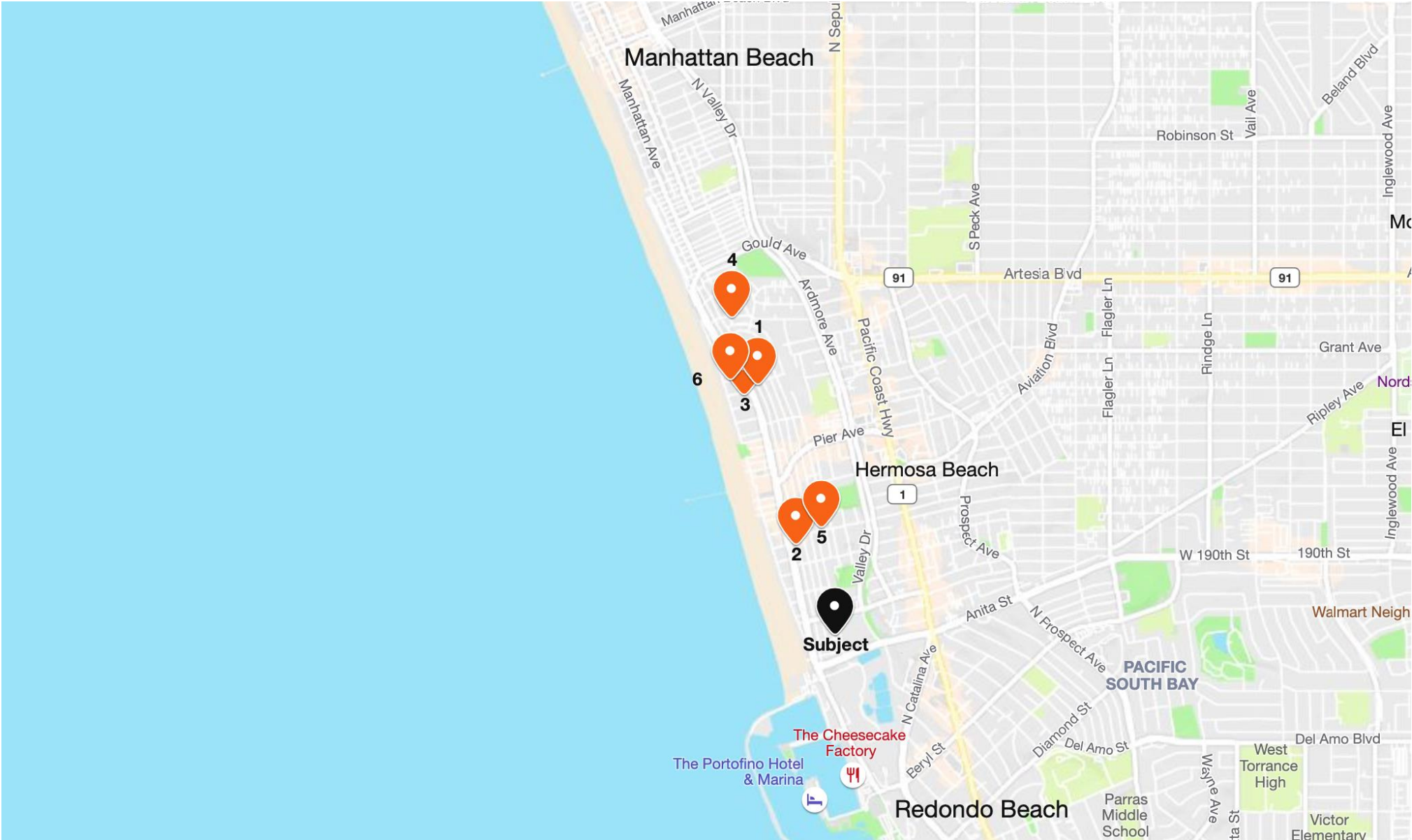
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	Address	Date Listed	Year Built	Unit Type	Unit Size	Rental Rate
1	126 19 th St Hermosa Beach, CA 90254	SEPT 2020	1963	2-Bed/2-Bath	1,000 SF	\$4,300
2	719 Palm Dr Hermosa Beach, CA 90254	JUN 2020	1961	2-Bed/2-Bath	1,150 SF	\$4,150
3	75 18 th St Hermosa Beach, CA 90254	JULY 2020	1970	2-Bed/2-Bath	1,500 SF	\$4,000
4	225 24 th St Hermosa Beach, CA 90254	JUNE 2020	1921	1-Bed/1-Bath	600 SF	\$2,750
5	802 Monterey Blvd Hermosa Beach, CA 90254	NOV 2020	1972	1-Bed/1-Bath	700 SF	\$2,800
6	25 21 st Court Hermosa Beach, CA 90254	SEPT 2019	1964	1-Bed/1-Bath	550 SF	\$3,700
	Averages 2-Bed/2-Bath	APR 2020	1964	2-Bed/2-Bath	1,216 SF	\$4,150
	Averages 1-Bed/1-Bath	SEPT 2019	1952	1-Bed/1-Bath	616 SF	\$3,083
*	113 Monterey Blvd Hermosa Beach, CA 90254	ACTIVE	1951	2-Bed/2-Bath 1-Bed/1-Bath	800 SF 600SF	\$4,217 \$2,750

Lease Comparables Map

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Area Overview

113 MONTEREY BLVD
HERMOSA BEACH, CA 90254

25

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City Overview

113 MONTEREY BLVD
HERMOSA BEACH, CA, 90254



Hermosa Beach

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.



City Projects

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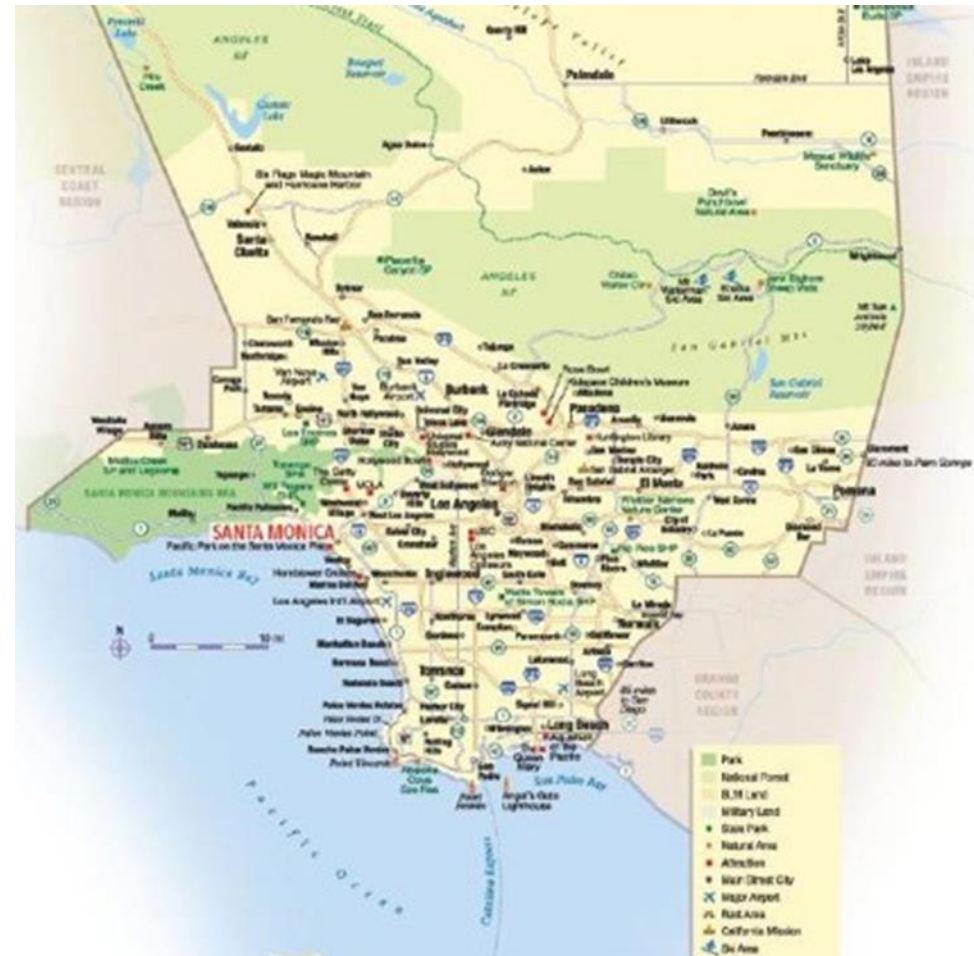


Hermosa Beach

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.

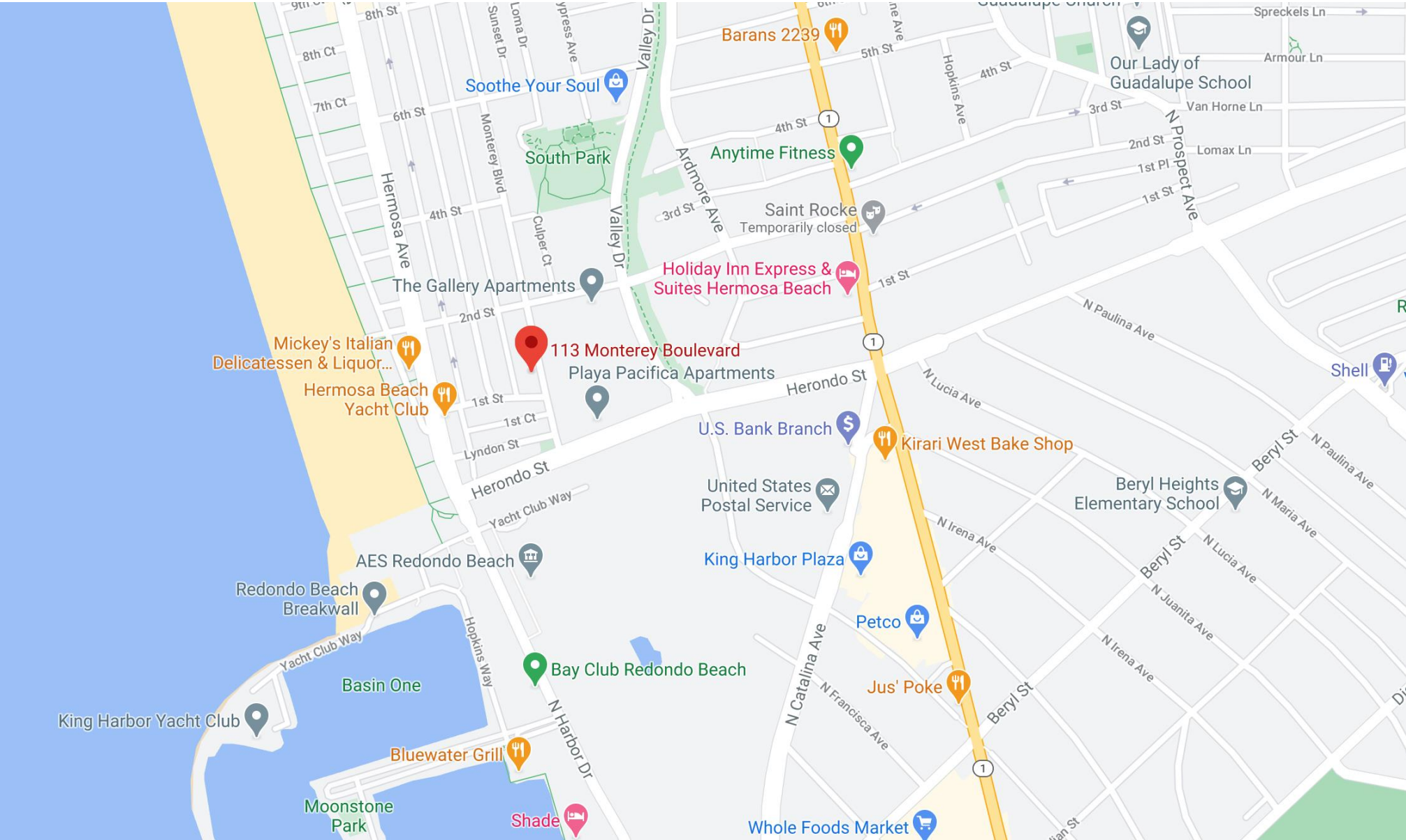
Los Angeles County is well located on the Southern Coast of California, and covers 4,061 square miles, including the San Clemente and Santa Catalina islands. The county is comprised of approximately 88 vibrant and diverse cities hosting more than 244,000 business establishments – the greatest concentration 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.



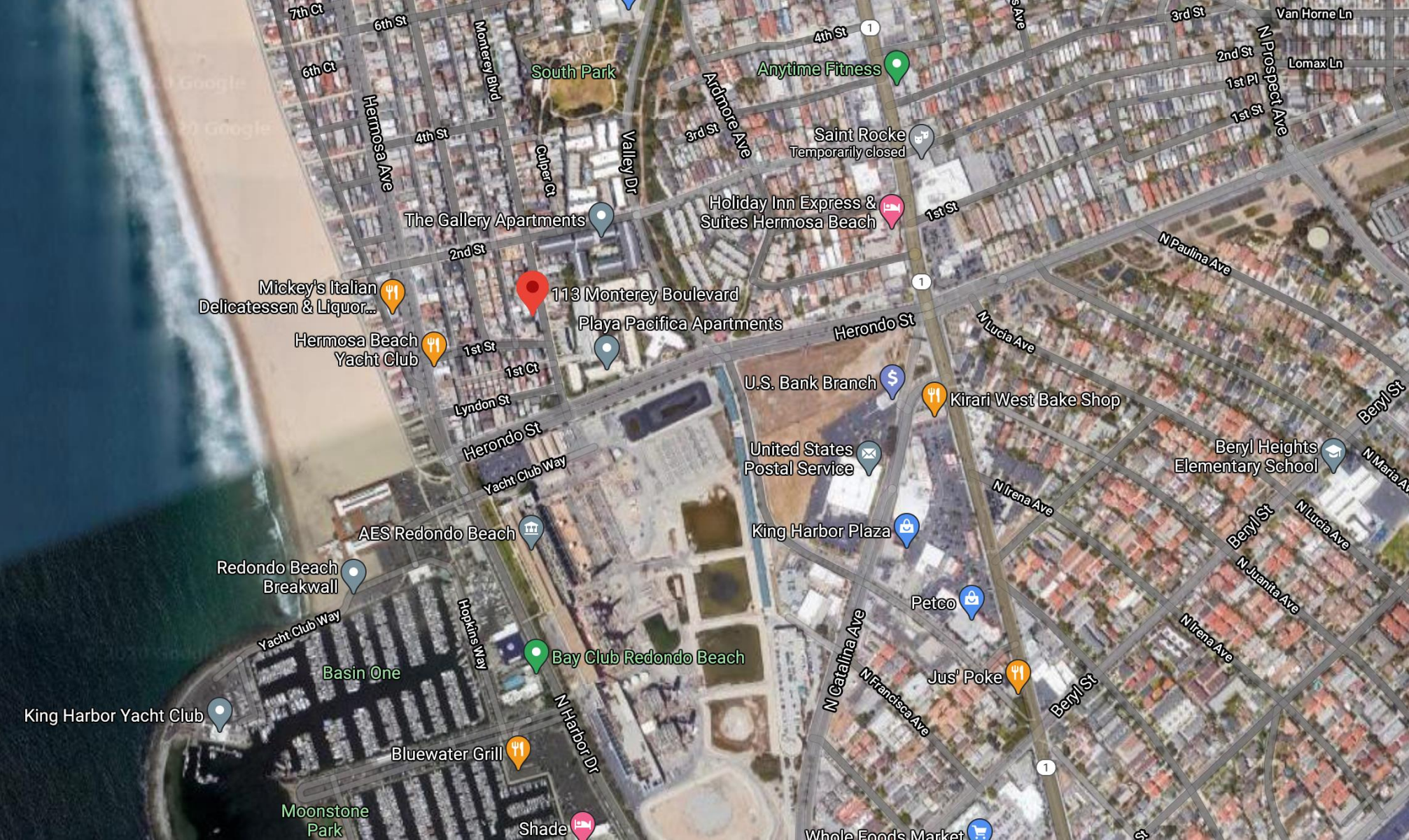
Local Map

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Local Map

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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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