

4 Unit Hermosa Beach

1538 Loma Dr Hermosa Beach CA 90254



Raymond Barrette

310-542-1575 ext 2 ray@brei.com
553 N. Pacific Coast Hwy. #B-180
Redondo Beach, CA 90277
CAL BRE # 01943971

 **BARRETTE**
Real Estate Investments, Inc.

Financial Overview

Asking Price: \$ 2,495,000

\$ per Sq.ft: \$ 873

\$ per Unit: \$ 623,750

Current GSI: \$ 124,620

Current GRM: 20

Market GSI: \$ 144,000

Market GRM: 17.3

Unit #	Bed/Bath	Current	Market
1	2bd/1ba	\$ 2,200	\$ 3,000
2	2bd/1ba	\$ 2,995	\$ 3,000
3	2bd/1ba	\$ 2,990	\$ 3,000
4	2bd/1ba	\$ 2,200	\$ 3,000
	Total	\$ 10,385	\$ 12,000

Property Overview

Building Sqft: 2,856

Land Area: 3,995

Year Built: 1964

Parking: 4 enclosed garages

Copper Plumbed

Vinyl windows in 3 units

Large patio in rear

Large deck above garages

Units 1,2 & 3 have upgraded kitchens & flooring

Mirrored closet doors

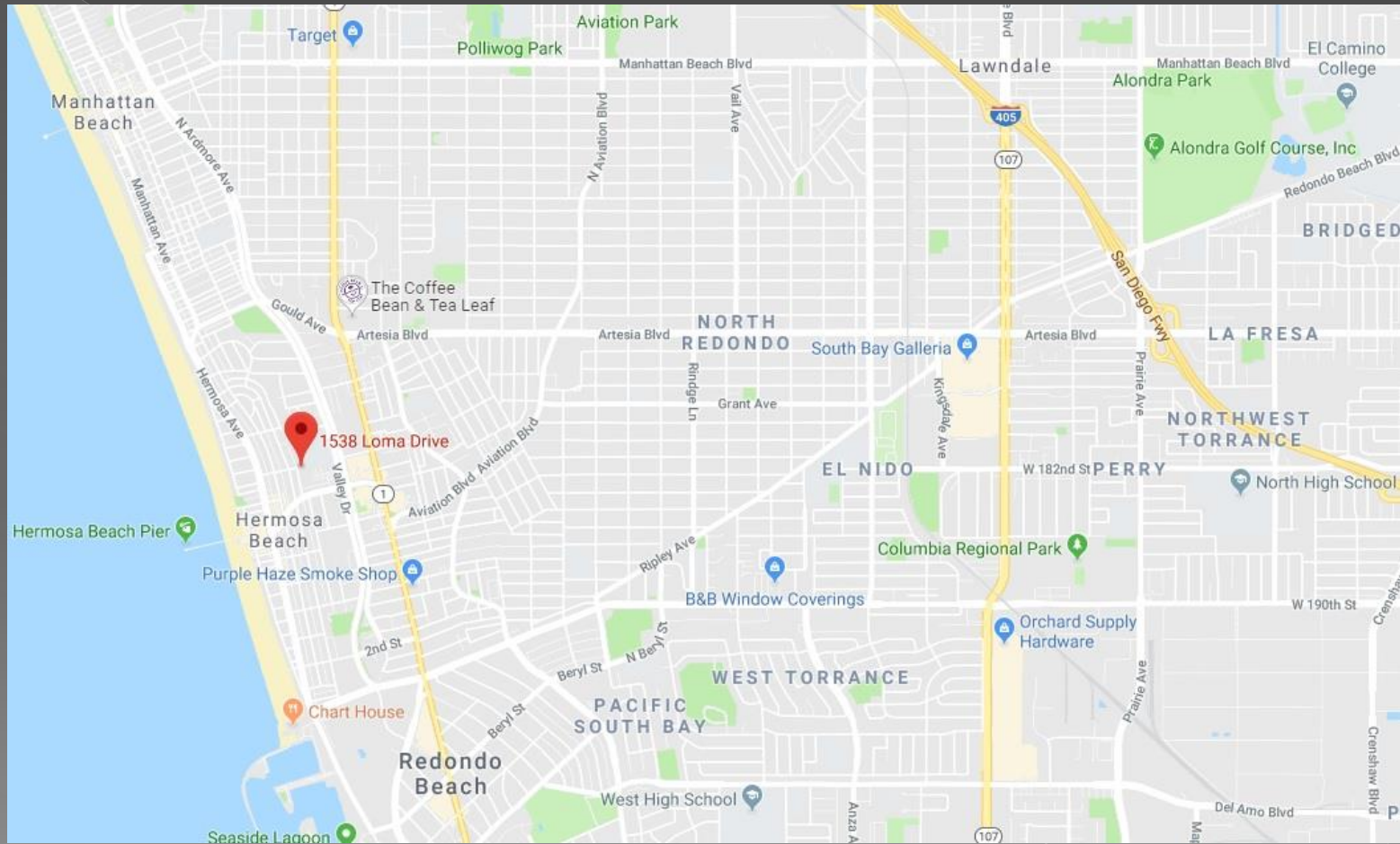
Extra parking for 2-3 cars



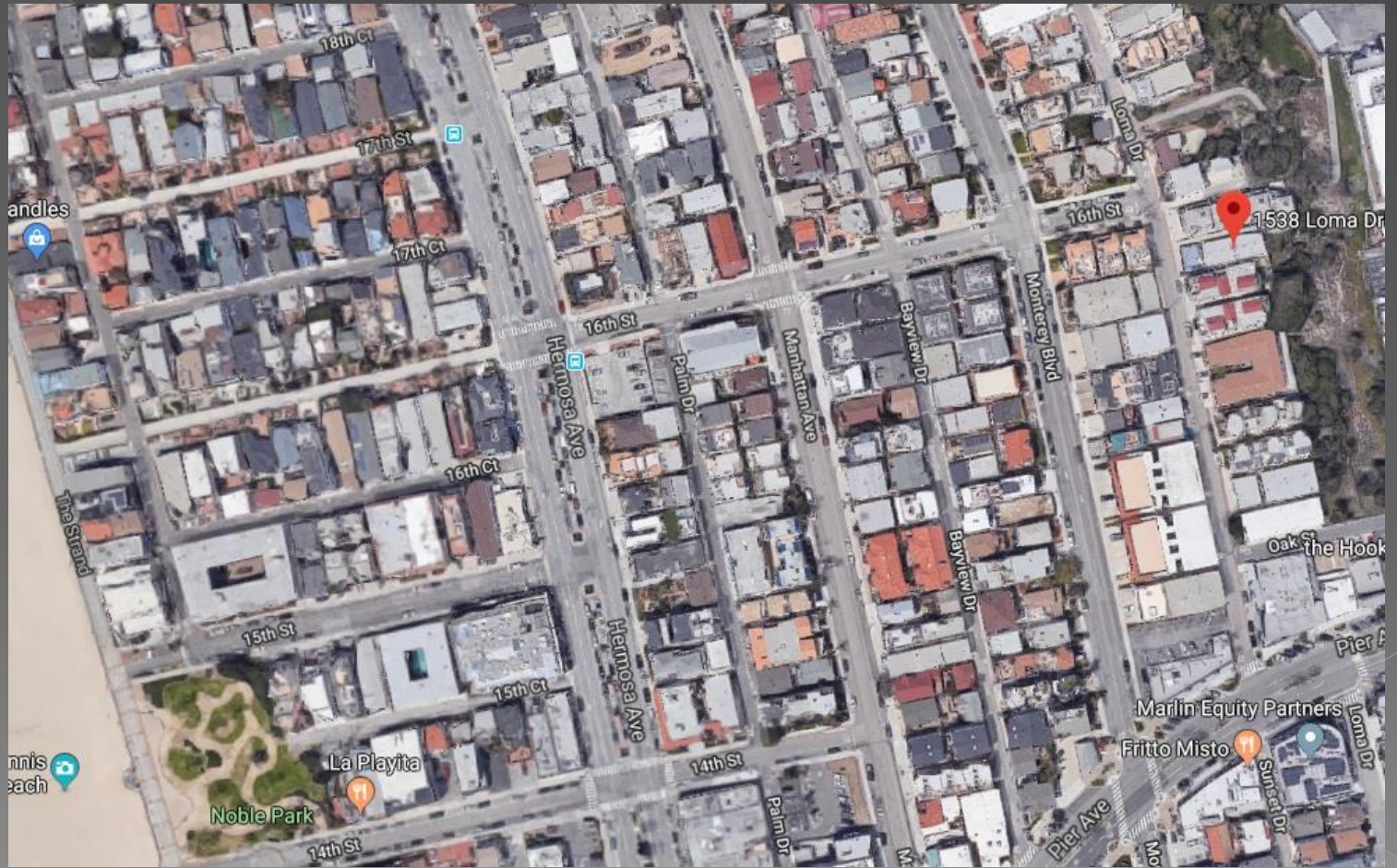
Financial Analysis

<u>Annual Income</u>	Pro-forma		<u>Sales Information</u>			
Gross Scheduled Income	\$ 124,620	\$ 144,000	Sales Price	\$ 2,495,000		
Less Vacancy (1%)	\$ 1,246	\$ 1,440	Down Payment 30%	\$ 748,500		
Laundry			Balance to be Financed	\$ 1,746,500		
Gross Operating Income	\$ 123,374	\$ 142,560				
 			<u>Finance Summary</u>			
Annual Expenses			Term	Int	Per Mo.	Per Yr.
R.E. Taxes =1.15% of Sale Price	\$ 28,693	\$ 28,693	30	4.00%	\$ 8,338	\$ 100,057
Insurance	\$ 1,500	\$ 1,500				
Water/Sewer	\$ 1,000	\$ 1,000				
Electric	\$ 700	\$ 700				
Pest Control	\$ 550	\$ 550				
Trash	\$ 350	\$ 350				
Maintenance & Repairs (\$500/door)	\$ 2,000	\$ 2,000				
Licenses, Reserves, Misc (2%)	\$ 2,492	\$ 2,880				
Total Expenses =	\$ 37,285	\$ 37,673				
Net Operating Income	\$ 86,089	\$ 104,888				
Cap Rate	3.45%	4.20%				
 			<u>Estimated Depreciation Schedule (first year)</u>			
			Land	\$ 1,621,750		
			Buildings (35% of Value)	\$ 873,250		
			Total Basis	\$ 2,495,000		
			Total Yearly Depreciation	\$ 30,112		
 			<u>Return on Equity</u>			
					Pro-forma	
			Cash Flow Before Inc. Tax	\$ (13,968)	\$ 4,831	0.64%
			Inc. Tax Savings	\$ 4,463	\$ (1,834)	
			(=)Cash Flow After Inc. Tax	\$ (9,504)	\$ 2,997	0.40%
			(+)Equity Growth (Debt Reduction)	\$ 30,757	\$ 30,757	4.45%
			(+)Appreciation at 3% per year	\$ 74,850	\$ 74,850	
			(=)TOTAL RETURN ON EQUITY	\$ 86,598	\$ 111,600	14.71%
			NET MONTHLY INCOME	\$ 7,216	\$ 9,299.97	
 			<u>Income Tax Computations</u>			
Net Operating Income	\$ 86,089	\$ 104,888	Down Payment	\$ 748,500		
Approximate Annual Interest	\$ (69,300)	\$ (69,300)	Estimated Closing Costs	\$ 10,000		
Estimated Annual Depreciation	\$ (30,112)	\$ (30,112)	Beginning Equity= Cash to Close Escrow	\$ 758,500		
Net Taxable Income	\$ (13,323)	\$ 5,475				
N.T.I. x Marginal Tax Bracket	\$ 4,463	\$ (1,834)				
33.5% Tax Savings						

AERIAL MAP



AERIAL Photo



732 9th St

**Pending** •**\$2,450,000** ↓

75 days on the market • Listed On 04/10/2019

4 units • \$612,500/unit • 3,840 sqft • 4,866 sqft lot • \$638.02/sqft • Built in 1964

732 9th Street is a four-unit apartment building in prime Hermosa Beach, California. This offering presents an excellent opportunity to acquire a partially renovated asset with significant potential upside in rents, a strong unit mix, and an outstanding location in an affluent rental market. The property is well-located less than a mile from the Hermosa Beach Pier and all of the popular retail, re... [More](#)

Hermosa Beach • [Map](#)

ML# PW19081294

1444 Loma Dr

**Closed** •

List / Sold:

\$2,400,000 / \$2,400,000

2 days on the market • Sold On 06/04/2019

4 units • \$600,000/unit • 3,390 sqft • 3,991 sqft lot • \$707.96/sqft • Built in 1964

GREAT LOCATION. STEPS TO BEACH AND LOADS OF RESTAURANTS AND SHOPS ON PIER AVENUE. LOCATED ON DEAD END STREET SO NO THROUGH TRAFFIC. COMMUNITY LAUNDRY SHARED BY ALL FOUR UNITS. 2 UNITS HAVE SWEDISH FIREPLACE. 2 UNITS HAVE DECK OR PATIO. BUILDING IN EXCELLENT CONDITION. SOME UNITS WITH CITY LIGHT AND HILLS VIEW.... [More](#)

Hermosa Beach • [Map](#)

ML# SB19089253

1650 Manhattan Ave

**Closed** • **Quadruplex**

List / Sold:

\$2,575,000 / \$2,400,000 ↓

21 days on the market • Sold On 07/13/2018

4 units • \$643,750/unit • 3,294 sqft • 2,334 sqft lot • \$728.60/sqft • Built in 1922

An outstanding opportunity to obtain a 4 unit property in the heart of Hermosa Beach! Create an income opportunity now and land bank, or bring in income while planning a future custom single family home with jaw-dropping ocean views! An ideal location close to all the shopping, dining and community activity in Downtown Hermosa and just a few short blocks from The Strand and the beach. **FRONT BUILDI... [More](#)

Hermosa Beach • [Map](#)

ML# SB18090730

DISCLAIMER, CONFIDENTIALITY & NON-CIRCUMVENTION

DISCLAIMER:

This information package has been prepared to provide summary information to prospective purchasers and to establish a preliminary level of interest in the property described herein. It does not, however, purport to present all material information regarding the subject property, and it is not a substitute for a thorough due diligence investigation. In particular, Barrette Real Estate Investments, Inc. and its agents have not made any investigation of the actual property, the tenants, the operating history, financial reports, leases, square footage, age, the presence or absence of contaminating substances, mold, pcb's or asbestos, the compliance with city, state and federal regulations or any other aspect of the property and make no warranty or representation with respect to the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue or renew its occupancy of the subject property. The information contained in this information package has been obtained from sources we believe to be reliable, however, Barrette Real Estate and its agents have not conducted any investigation regarding these matters and make no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Any proformas, projections, opinions, assumptions or estimates used are for example only and do not necessarily represent the current or future performance of the property.

Barrette Real Estate Investments, Inc. and its agents strongly recommend that any prospective purchaser conducts an in depth investigation of every physical and financial aspect of the property to determine if the property meets their needs and expectations. We also recommend that you consult with your tax, financial and legal advisors on any matter that may affect your decision to purchase the property and the subsequent consequences of ownership.

CONFIDENTIALITY:

The information provided herein and/or any other information subsequently provided by Barrette Real Estate Investments, Inc. shall be used solely for the purpose of evaluating the possible acquisition of this property by prospective purchasers and shall not be used or duplicated for any other purpose. Prospective purchasers and/or their agents shall keep all information herein strictly confidential; provided, however, that such information may be given to third parties only for the purpose of giving advice with respect to the possible purchase of this property; provided, however, that any such third parties shall be informed of the confidential nature of this information and shall be directed to keep all information confidential and to use this information only in connection with the analysis of this property for possible purchase. Prospective purchasers shall not communicate with the property manager or tenants of the property without the prior consent of the property owner or owner's agent.

NON-CIRCUMVENTION:

This information is being made available to prospective purchasers and their agents on the assumption that all discussions and negotiations pertaining to the sale and purchase of this property shall be handled through Barrette Real Estate Investments, Inc. Prospective purchasers and/or their brokers shall not to have any direct dealings with the seller of this property relating to the potential purchase of this property and all negotiations or questions pertaining to the property shall be handled through Barrette Real Estate, as the seller's intermediary. Broker's that fail to abide by this stipulation shall be deemed to have waived their right to share any commissions with Barrette Real Estate Investments, Inc.