

OFFERING MEMORANDUM

907 5<sup>th</sup> STREET  
HERMOSA BEACH, CA 90254

\$3,300,000



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HERMOSA BEACH, CA 90254

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# PROPERTY OVERVIEW

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907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

## PROPERTY SUMMARY

PRICE	\$3,300,000
ADDRESS	907 5 <sup>th</sup> Street
CITY, STATE, ZIP	Hermosa Beach, CA 90254
COUNTY	Los Angeles

YEAR BUILT	1986
NUMBER OF UNITS	3
BUILDING SIZE	5,542 SF
LOT SIZE	3,485 SF
CAP RATE	2.75%
PRO FORMA CAP RATE	3.68%
GRM	24.12
PRO FORMA GRM	19.10
PRICE / BLDG SF	\$595.45
PRICE / LOT SF	\$946.92



# PROPERTY OVERVIEW

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

Lyon Stahl is excited to present 907 5th St in Hermosa Beach, a townhouse style triplex built in 1986. This building consists of one (1) 3-Bed/2.5-Bath unit and two (2) 3 Bed/2-Bath units with nearly 2,000 SF per unit. Each tri-level unit features ocean views, with a combined living area of 5,542 square feet on a 3,485 square foot lot. The building is separately metered for gas and electricity, and each unit contains its own washer/dryer and 2-car garage.

This well-maintained property is just one block from PCH and is in close proximity to Pier Avenue, local restaurants, retail, and The Strand. One (1) unit can be delivered vacant.

Located in one of the strongest rental markets in California - this is an excellent opportunity for a potential investor to obtain 30-year fixed residential financing while rates are at a historic low.

- (1) Large 3-Bed/2.5-Bath Unit & (2) Large 3-Bed/2-Bath Units
- (1) Unit Can Be Delivered Vacant
- Attractive Seller Financing Available (Minimum 25% down payment and low interest only financing)
- Built in 1986 | Located One Block From PCH with Ocean Views
- (6) Total Garage Spaces | In-Unit Washer/Dryer
- Separately Metered For Gas & Electric



# PROPERTY PHOTOGRAPHS

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254



# AERIAL PHOTOGRAPHS

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254



# INTERIOR PHOTOGRAPHS

907 5<sup>TH</sup> STREET  
HERMOSA BEACH, CA 90254





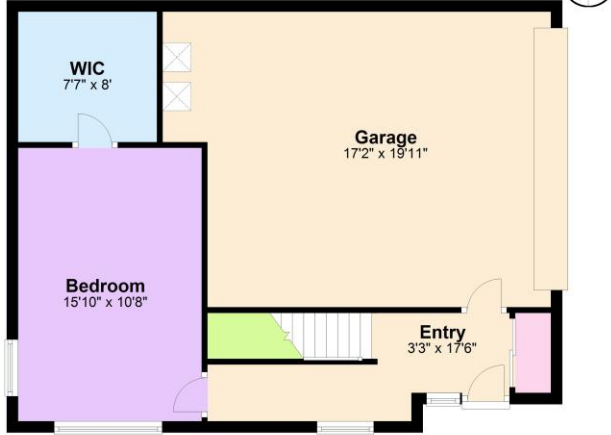
# UNIT A FLOOR PLAN

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

907 5th St

Hermosa Beach, CA



Main Floorplan Unit A

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

907 5th St

Hermosa Beach, CA



Upper Floorplan Unit A

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907 5th St

Hermosa Beach, CA



2nd Upper Floorplan Unit A

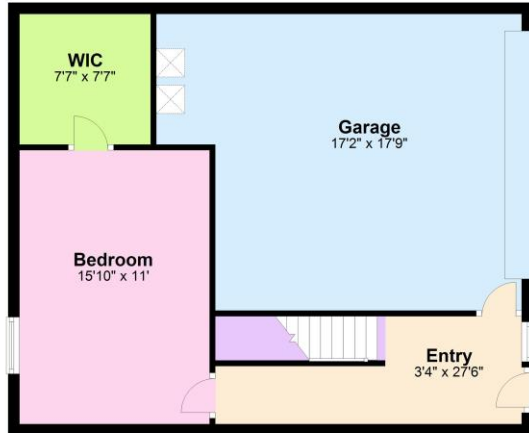
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# UNIT B FLOOR PLAN

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

907 5th St  
Hermosa Beach, CA



Main Floorplan Unit B

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

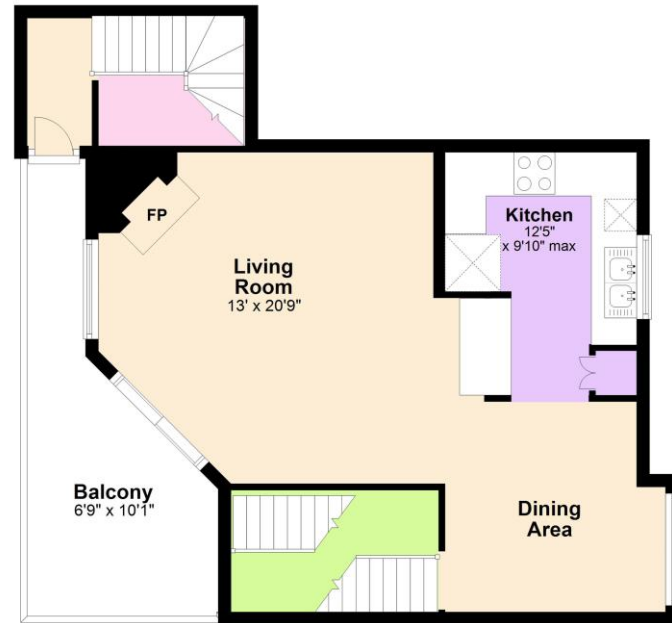
907 5th St  
Hermosa Beach, CA



Upper Floorplan Unit B

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

907 5th St  
Hermosa Beach, CA



2nd Upper Floorplan Unit B

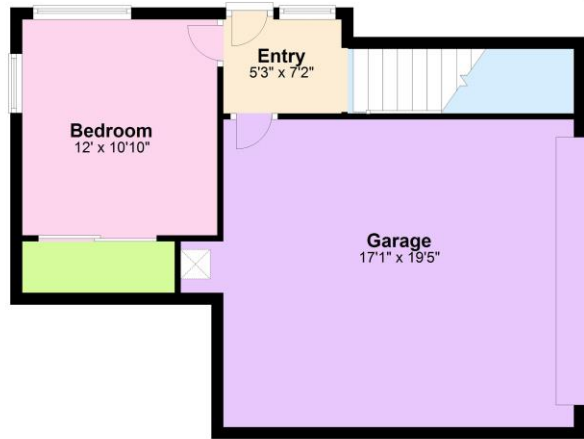
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# UNIT C FLOOR PLAN

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

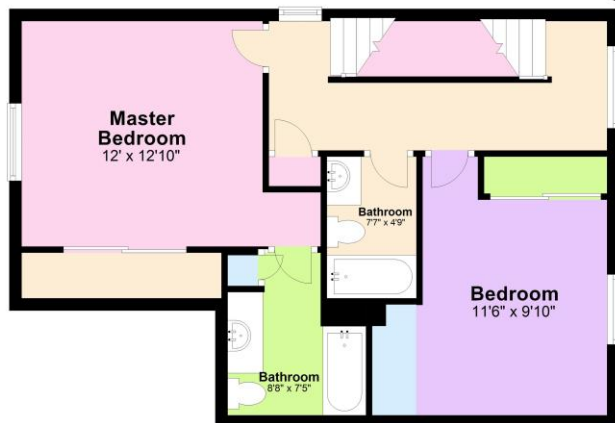
907 5th St  
Hermosa Beach, CA



Main Floorplan Unit C

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907 5th St  
Hermosa Beach, CA

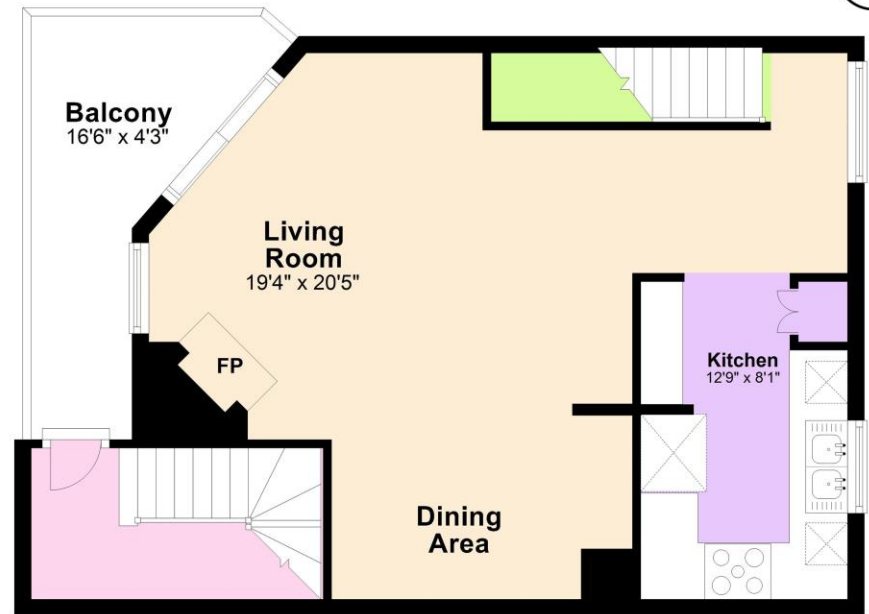


Upper Floorplan Unit C

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907 5th St

Hermosa Beach, CA

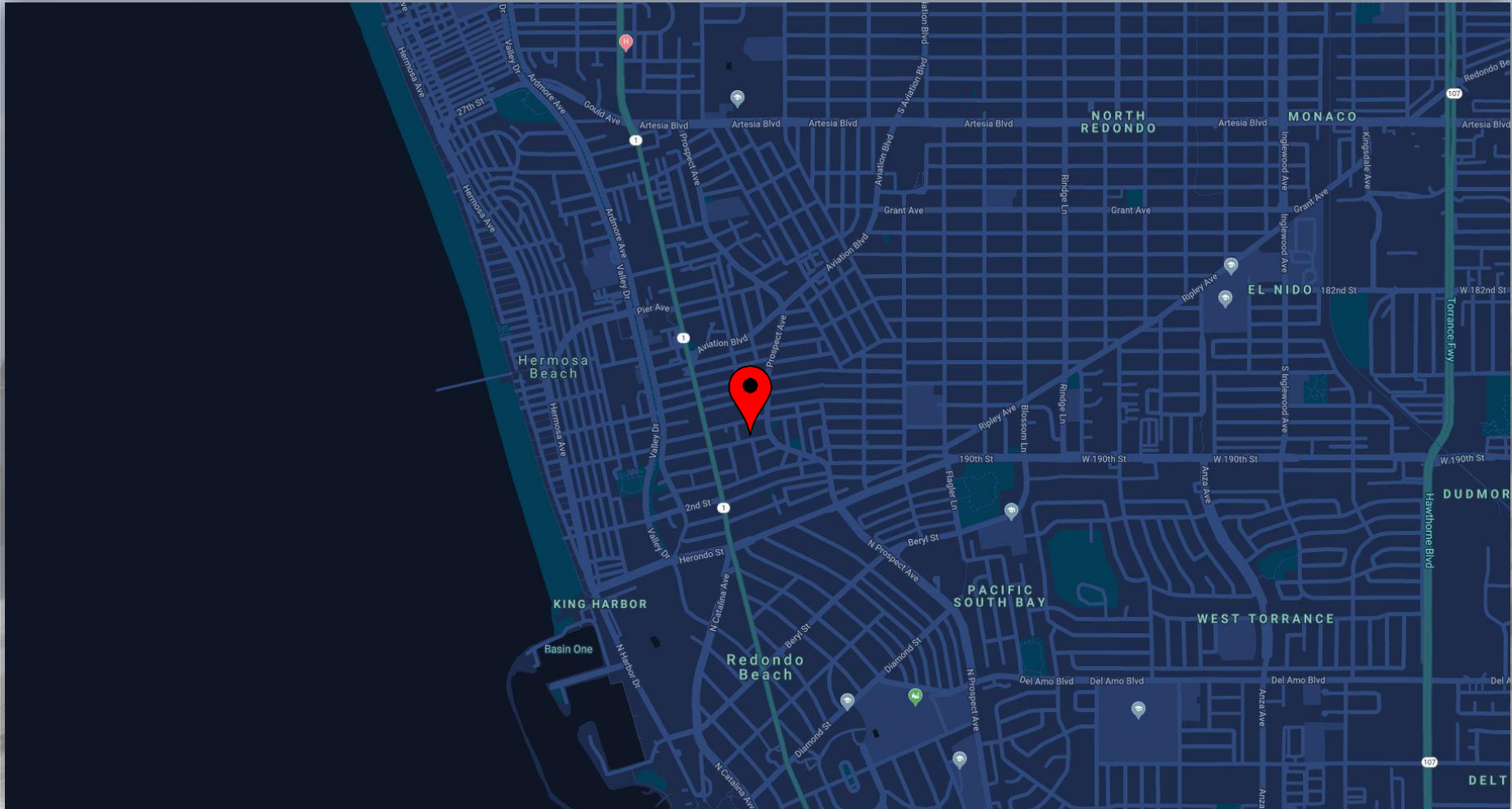


2nd Upper Floorplan Unit C

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# LOCAL MAP

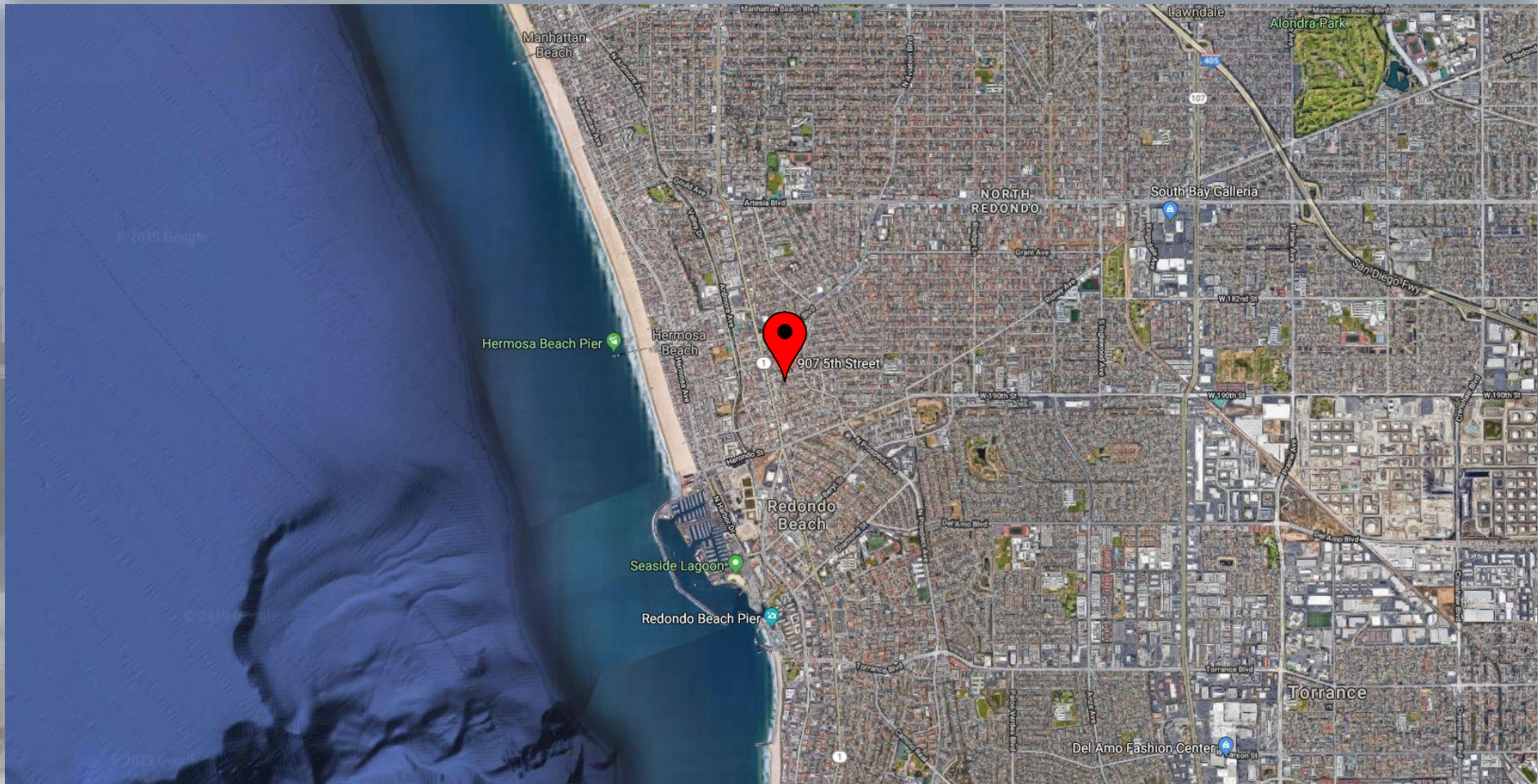
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# AERIAL MAP

907 5<sup>TH</sup> STREET

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# FINANCIAL OVERVIEW

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907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

## PRICING SUMMARY

PRICE	\$3,300,000
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## PROPERTY SUMMARY

ADDRESS	907 5 <sup>TH</sup> STREET, HERMOSA BEACH
APN	4186-016-011
NUMBER OF UNITS	3
YEAR BUILT	1986
BUILDING SIZE	5,542
LOT SIZE	3,485
CURRENT CAP RATE	2.75%
CURRENT GRM	24.12
MARKET CAP RATE	3.68%
MARKET GRM	19.10
PRICE PER UNIT	\$1,100,000
PRICE PER SF	\$595.45

## FINANCIAL SUMMARY

LOAN AMOUNT	\$2,310,000
DOWN PAYMENT	\$990,000
INTEREST RATE	3.75%
MONTHLY PAYMENT	\$10,698
ANNUAL PAYMENT	\$128,376
LOAN-TO-VALUE	70%
DEBT CONVERAGE RATIO	0.71
PROPOSED/EXISTING	PROPOSED
TERM	30-YR FIXED
AMORITZATION	30-YR

## SCHEDULED RENT SUMMARY

Unit Type	No. Of Units	Average Rent	Market Rents
3-BED/2.5-BATH	1	\$3,900	\$4,800
3-BED/2-BATH	2	\$3,750	\$4,800

## SCHEDULED RENT SUMMARY

		Current Actuals		Market Rents
Gross Scheduled Income		\$136,800		\$172,800
Less Vacancy	0%	\$0	3%	\$5,184
Gross Operating Income		\$136,800		\$167,616

## ESTIMATED ANNUALIZED EXPENSES

		Current Actuals		Market Rents	
Real Estate Taxes and Special Assessment Tax	(Real)	\$36,205		\$36,205	
Insurance		\$2,217		\$2,217	
Utilities		\$2,400		\$2,400	
Landscaping	(\$100/Mo)	\$1,200		\$1,200	
Maintenance/Repairs	(All New)	\$4,104		\$4,104	
<b>TOTAL EXPENSES</b>		\$46,126		\$46,126	
Expense Per Unit		\$15,375		\$15,375	
Expense Per SF		\$13.24		\$13.24	
<b>NET OPERATING INCOME</b>		\$90,674		\$90,674	
Pre-Tax Cash Flow		\$(37,701)		\$(6,885)	
Principal Reduction		\$42,476		\$42,476	
<b>TOTAL RETURN</b>		\$4,774	0.48%	\$35,590	3.59%

# RENT ROLL

907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

# of Units	UNIT TYPE	CURRENT RENT	PRO FORMA RENT	NOTES
1	3+2.5	\$3,900	\$4,800	
2	3+2	\$3,750	\$4,800	
MONTHLY TOTALS		\$11,400	\$14,400	
ANNUALIZED TOTALS		\$136,800	\$172,800	



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# COMPARABLES

# SOLD COMPARABLES

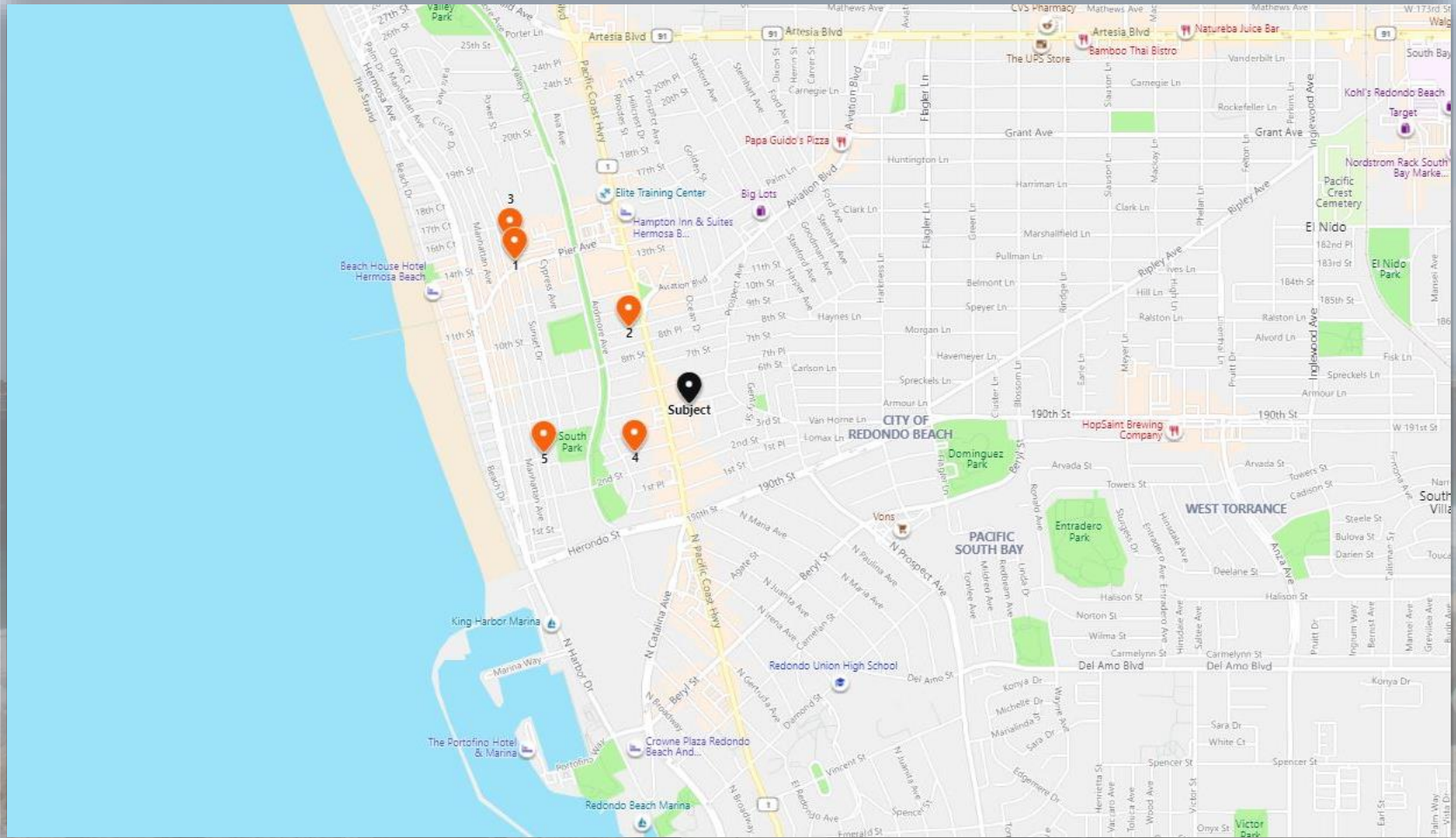
907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	DOM
1	1444 Loma Dr, Hermosa Beach, CA	\$2,400,000	4	1964	3,840 SF	\$600,000	\$707.96	4.57%	21.27	2 Days
2	732 9 <sup>th</sup> St, Hermosa Beach, CA	\$2,310,000	4	1964	3,840 SF	\$577,500	\$601.56	3.46%	19.27	75 Days
3	1538 Loma Dr, Hermosa Beach, CA	\$2,495,000	4	1964	2,856 SF	\$623,750	\$873.60	3.50%	20.02	0 Days
4	630 Third St, Hermosa Beach, CA	\$2,768,000	4	1986	5,000 SF	\$692,000	\$553.74	3.55%	20.06	23 Days
5	546 Monterey Blvd, Hermosa Beach, CA	\$2,800,000	4	1972	3,360 SF	\$700,000	\$833.33	3.21%	22.22	130 Days
	Averages	\$2,554,600	4	1970	3,779 SF	\$638,650	\$674	3.66%	20.57	46 Days
★	907 5 <sup>th</sup> Street, Hermosa Beach, CA	\$3,300,000	3	1986	3,485 SF	\$1,100,000	\$595.45	2.75%	24.12	ACTIVE

# SOLD COMPARABLES MAP

907 5<sup>TH</sup> STREET  
HERMOSA BEACH, CA 90254



# ON-MARKET COMPARABLES

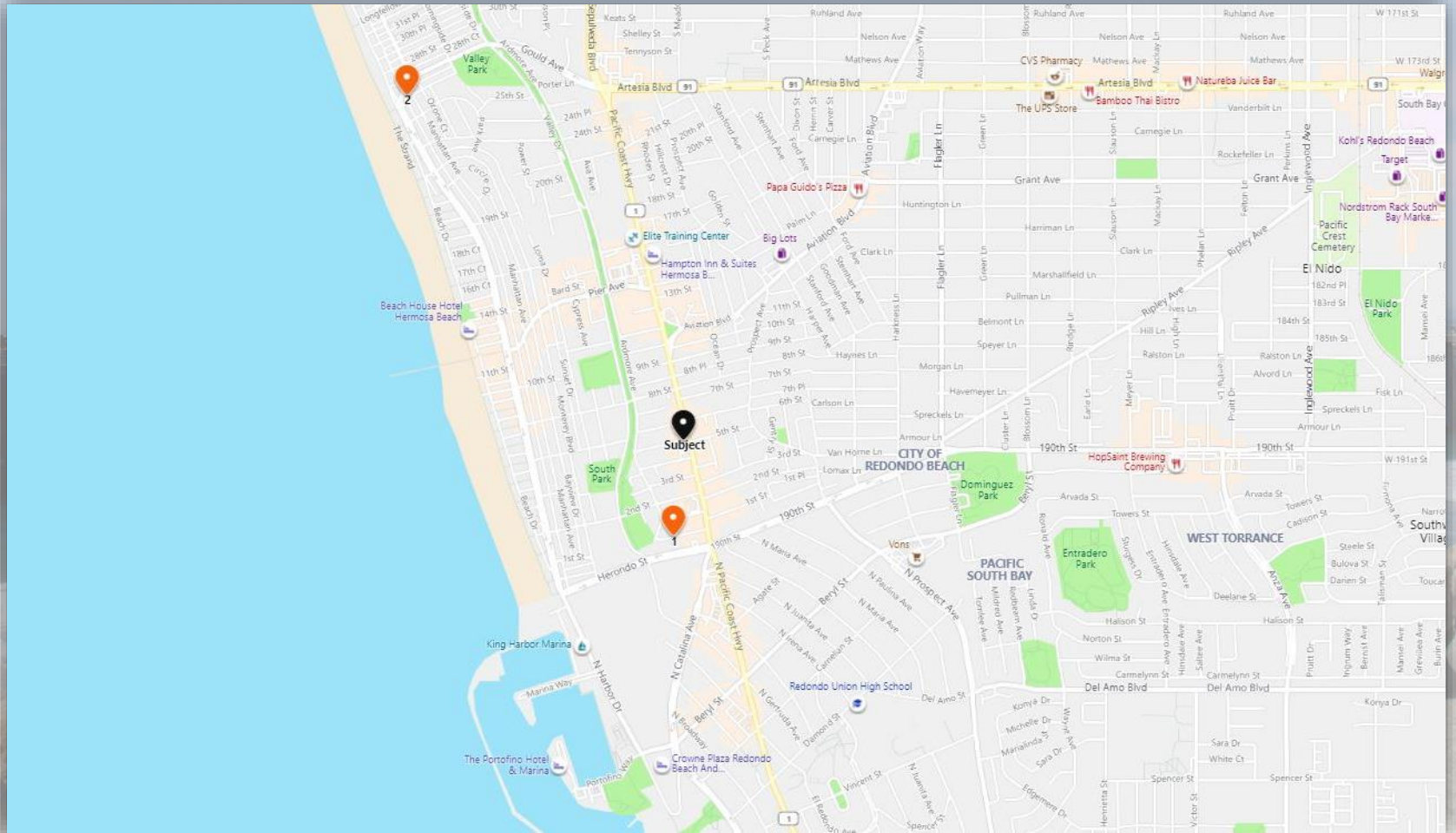
907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	Cap Rate	GRM	DOM
1	600 1 <sup>st</sup> St, Hermosa Beach	\$2,995,000	4	1987	3,932 SF	\$748,750	\$615.01	3.54%	19.72	5 Days
2	2615 Manhattan Ave, Hermosa Beach	\$4,100,000	6	1935	3,693 SF	\$683,333	\$1,110	3.07%	19.36	84 Days
	Averages	\$3,547,500	5	1961	3,813 SF	\$716,042	\$863.51	3.31%	20.54	45 Days
★	907 <sup>th</sup> 5 <sup>th</sup> St, Hermosa Beach, CA	\$3,300,000	3	1986	5,542 SF	\$1,100,000	\$595.45	2.75%	24.12	ACTIVE

# ON-MARKET COMPARABLES MAP

907 5<sup>TH</sup> STREET  
HERMOSA BEACH, CA 90254



# LEASE COMPARABLES

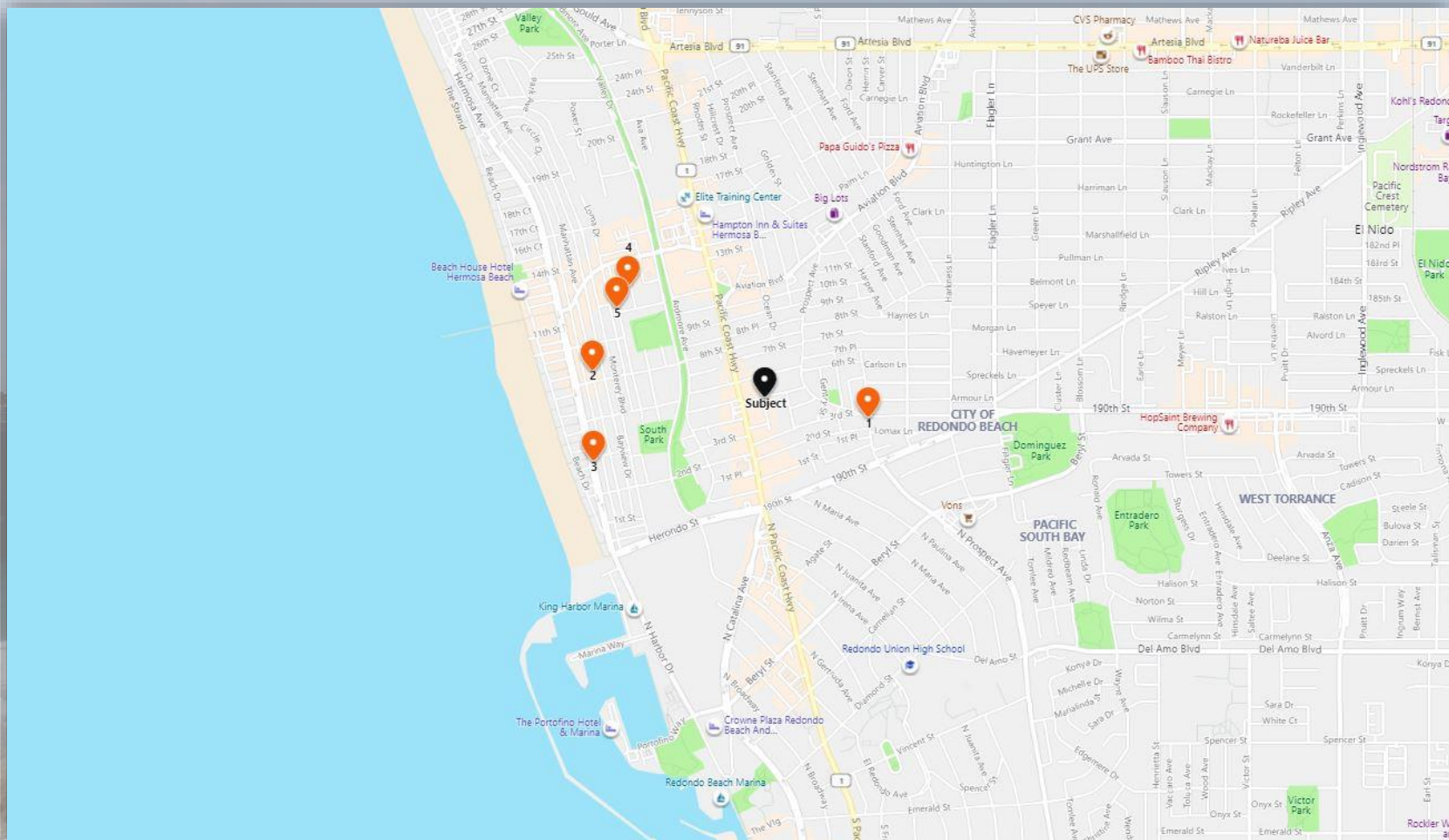
907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

	Address	Date Leased	Year Built	Unit Type	Unit Size	Rental Rate
1	1265 Van Horne Ln, Hermosa Beach, CA	April 2019	1947	3-Bed/2-Bath	1,550 SF	\$4,850
2	817 Manhattan Ave, Hermosa Beach, CA	April 2019	1950	3-Bed/2-Bath	2,200 SF	\$4,950
3	446 Monterey Ave, Hermosa Beach, CA	March 2019	1961	3-Bed/2-Bath	1,450 SF	\$4,800
4	1184 Cypress Ave, Hermosa Beach, CA	January 2019	1955	3-Bed/3-Bath	1,700 SF	\$4,850
5	1085 Loma Dr, Hermosa Beach, CA	January 2019	1984	3-Bed/1.5-Bath	1,368 SF	\$5,100
	Averages	February 2019	1959	N/A	1653 SF	\$4,910
★	907 <sup>th</sup> 5 <sup>th</sup> Street, Hermosa Beach, CA	ACTIVE	1964	3-Bed/2.5-Bath 3-Bed/2-Bath	1,847 SF	\$4,800

# LEASE COMPARABLES MAP

907 5<sup>TH</sup> STREET  
HERMOSA BEACH, CA 90254



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HERMOSA BEACH, CA 90254

# LOCATION



# CITY OVERVIEW

907 5<sup>TH</sup> 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

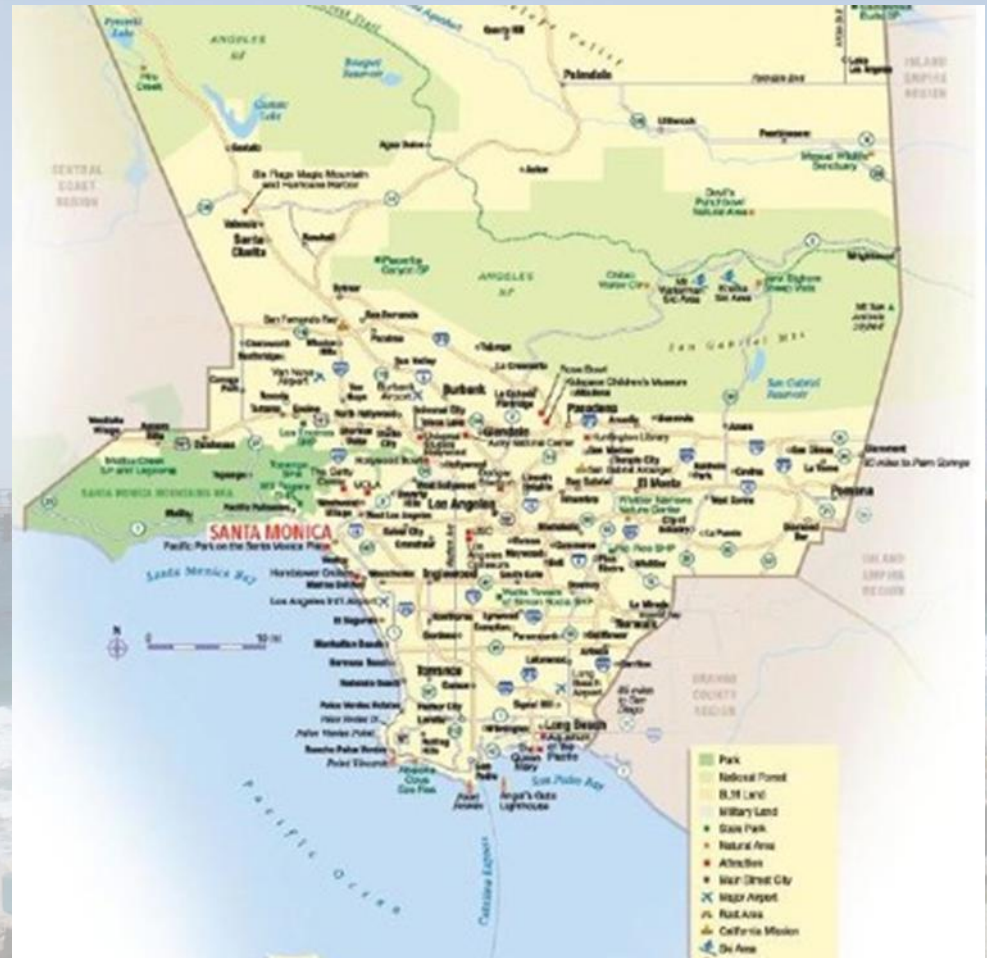
907 5<sup>TH</sup> STREET

HERMOSA BEACH, CA 90254

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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