


# THE ROYAL HOTEL

SAN PEDRO, CALIFORNIA |
20-ROOM RESIDENTIAL HOTEL
INVESTMENT OPPORTUNITY

**OFFERING PRICE: $1,899,999**

# Confidentiality Notice

This presentation has been prepared solely to assist prospective purchasers in evaluating The Royal Hotel.

All information has been obtained from sources believed reliable, including ownership materials, marketing sources, and public information, but no representation or warranty is made as to accuracy or completeness.

Prospective buyers must conduct their own independent investigations regarding physical condition, legal status, zoning, permits, operations, financial performance, rent collections, and regulatory compliance.

Any projections, stabilization scenarios, cap-rate sensitivities, and value-creation estimates shown in this deck are analytical illustrations only. They are not guarantees of future performance and are materially dependent on management execution, leasing assumptions, regulatory conditions, and market conditions.

The property may be withdrawn from the market, sold to another party, or repriced without notice.

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COASTAL SAN PEDRO SRO INVESTMENT

# EXECUTIVE SUMMARY

The Royal Hotel offers in-place cash flow with near-term operational upside in a renovated 20-room residential hotel asset near the LA Waterfront, now at a revised asking basis.

LIST PRICE

**$1,899,999**

| | |
|---|---|
| **20** ROOMS | **7.46%** IN-PLACE CAP RATE |
| APPROX. **60%** OCCUPANCY | APPROX. **$95,000** PRICE PER ROOM |
| **$20,000–$21,000** MONTHLY COLLECTIONS | **7.54X–7.92X** IMPLIED GRM |
| **$141,713** IN-PLACE NOI | **7.54X–7.92X** IMPLIED GRM |

At the revised basis, current yield improves materially while lease-up upside remains intact.

# INVESTMENT HIGHLIGHTS

"The income story is stronger today, and the revised basis makes the yield story even more compelling."

- **Stronger In-Place Income:** Revised in-place NOI is $141,713.09, supporting a 7.46% cap rate on the new asking price.
- **Operating Upside Remains:** Current occupancy is approximately 60%, leaving additional room for lease-up and revenue optimization.
- **Scarce SRO Asset Type:** Protected residential hotel framework supports long-term scarcity value.
- **Basis Below Replacement Cost:** Offered at approximately $95,000 per room for a renovated coastal San Pedro asset.
- **Waterfront Momentum:** West Harbor redevelopment and port-adjacent activity strengthen long-term neighborhood relevance.

| Asking Price | In-Place NOI | In-Place Cap Rate | Current Occupancy |
|---|---|---|---|
| **$1,899,999** | **$141,713.09** | **7.46%** | **~60%** |



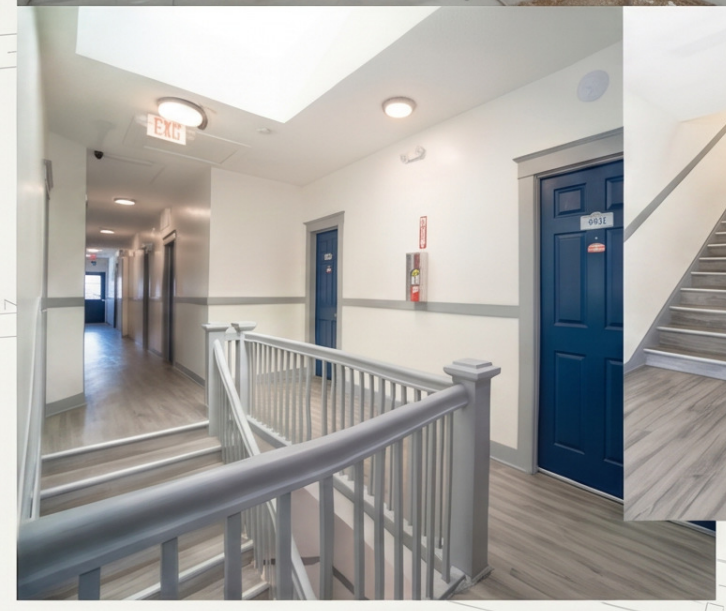
# PROPERTY OVERVIEW

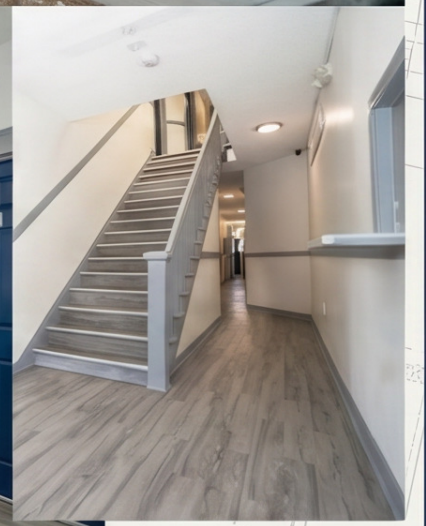
The Royal Hotel is a renovated 20-room residential hotel / SRO asset in coastal San Pedro, featuring updated systems, refreshed common areas, and a highly functional rooming-house layout designed for immediate leasing activity.

| | |
|---|---|
| **Address:** | 238 W. 10th Street, San Pedro, CA 90731 |
| **Property Type:** | 20-Room SRO / Residential Hotel |
| **Year Built:** | 1923 |
| **Building Size:** | 5,304 SF |
| **Lot Size:** | 5,005 SF |
| **Stories:** | 2 |
| **Manager's Unit:** | 1-bedroom manager's unit |
| **Common Areas:** | shared restrooms and renovated corridors |
| **Laundry:** | on-site laundry |

**Recent capital improvements include new electrical, upgraded PEX and copper plumbing, a new roof completed in 2023, and a new rear staircase completed in 2023.**



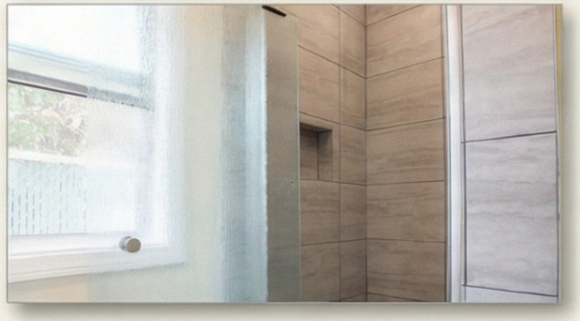



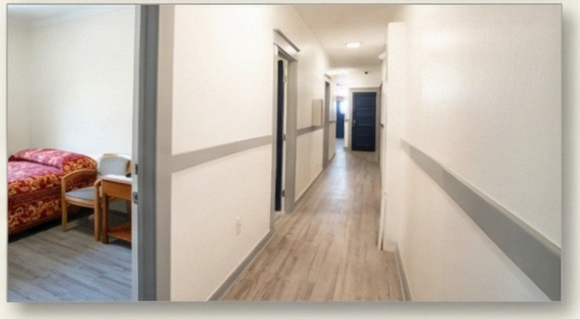
# Interior Quality & Leasing Readiness

Updated corridors, functional rooms, and clean wet areas support immediate lease-up execution.









**Leasing-readiness callouts**

1) Renovated common areas improve first impression and circulation quality.

**Leasing-readiness callouts**

2) Functional room layouts support budget-conscious renter demand.

**Leasing-readiness callouts**

3) Refreshed bathroom finishes reduce deferred-maintenance perception.

The visual condition of the asset suggests that the remaining value-creation work is primarily operational and leasing-focused rather than major capital rehabilitation.

Source: Provided property photography

# WEST HARBOR & WATERFRONT CATALYST

**42-ACRE**
WATERFRONT REDEVELOPMENT

**~300,000 SF**
DINING, RETAIL, & ENTERTAINMENT

**1 MILE** OF WATERFRONT ACCESS

PLANNED 6,200-SEAT WATERFRONT VENUE

The **Royal Hotel** benefits from proximity to a transforming LA Waterfront while serving workforce and modest-income residential demand near the port.



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# LOCATION & MARKET POSITIONING

Central San Pedro location, near the LA Waterfront, Port of Los Angeles, Harbor Boulevard, and Vincent Thomas Bridge, operating as protected affordable residential housing in a coastal infill setting serving workforce and budget-conscious renters.

**San Pedro Population:** 82,513

**Population Growth:** 7.6% since 2010

**Proximity:** Adjacency to Waterfront Amenities & Port of Los Angeles.

Source: City of Los Angeles Department of City Planning demographic profile and property marketing materials.



# CURRENT OCCUPANCY & COLLECTIONS SNAPSHOT

Current operations indicate approximately 60% occupancy and roughly $20,000-$21,000 in monthly rent collections.

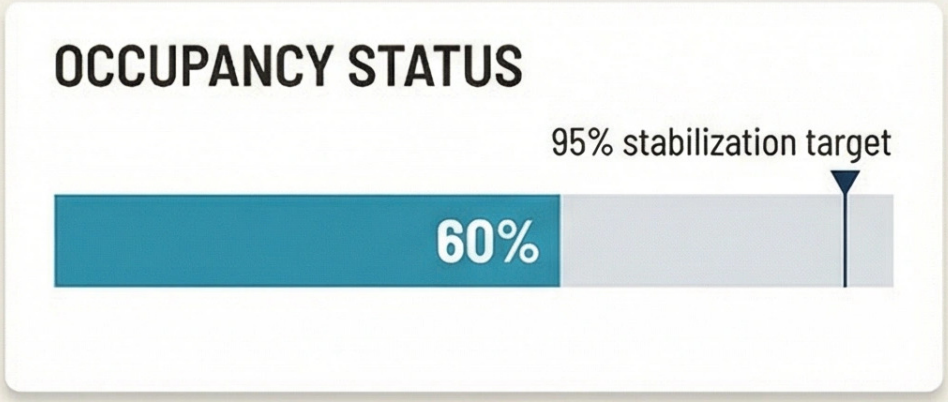
**Occupancy**
**~60%**

**Monthly Collections**
**~$20K-$21K**

**Annualized Collections**
**~$240K-$252K**

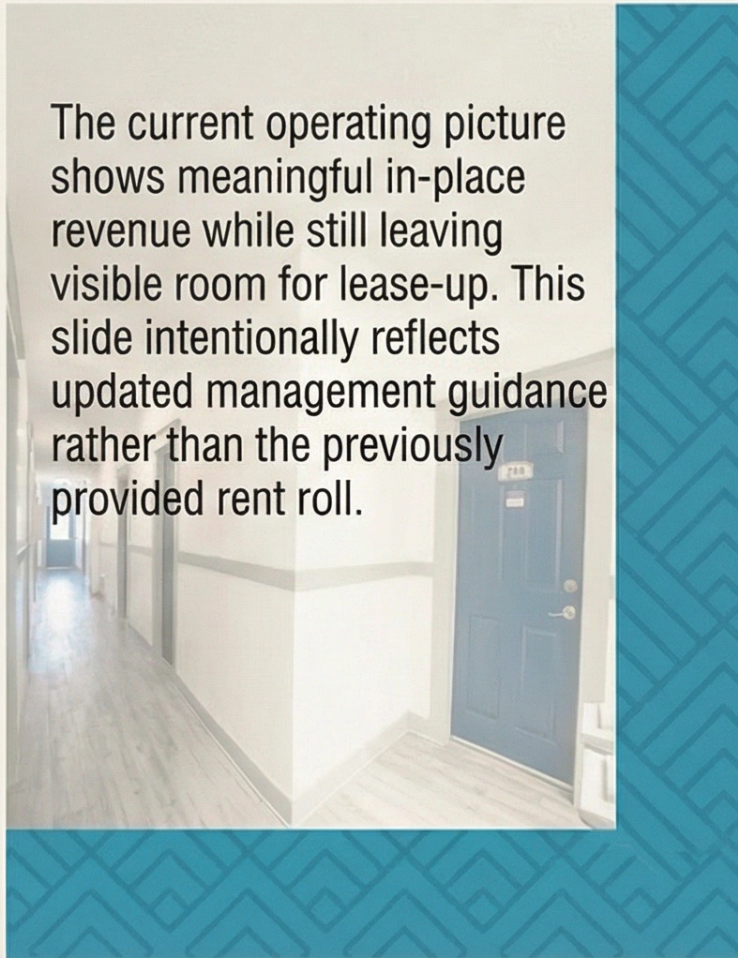
**20 Total Rooms**

**Implied Occupied Rooms**
**~12**









The current operating picture shows meaningful in-place revenue while still leaving visible room for lease-up. This slide intentionally reflects updated management guidance rather than the previously provided rent roll.

## REVISED IN-PLACE FINANCIAL PROFILE

# At the new asking basis, the property now presents a stronger in-place yield profile.

### KEY METRICS SUMMARY

Asking Price:
**$1,899,999**

In-Place NOI:
**$141,713.09**

In-Place Cap Rate:
**7.46%**

Implied GRM:
**7.54x-7.92x**

Price per Room:
**Approx. $95,000**

### FINANCIAL BRIDGE: COLLECTIONS TO NOI




### INTERPRETATION & ANALYSIS

The updated price significantly improves the in-place return profile, reflecting more favorable yield metrics. These operating assumptions are based on current management guidance for occupancy and collections, providing a realistic outlook rather than relying on the prior rent roll. This presents a compelling opportunity for investors seeking a stable and attractive return on investment.

Figures reflect revised in-place operations and the updated asking price.

# LEASE-UP UPSIDE REMAINS VISIBLE

## Even with a stronger current NOI, meaningful value creation remains through occupancy lift from roughly 60% toward stabilization.

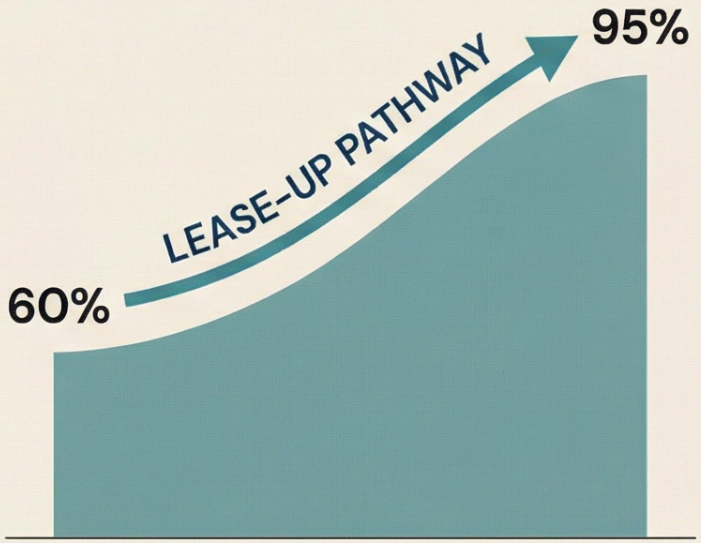
### CURRENT CASE

Occupancy: ~60%

60%

Monthly Collections:
~$20K–$21K

In-Place NOI:
$141,713.09




### ILLUSTRATIVE STABILIZED CASE

Occupancy: 95%

95%

Monthly Collections:
~$31.7K–$33.3K

Illustrative Stabilized NOI Range:
$281,713.09–$288,713.09

**Midpoint: $285,213.09**

This scenario is a directional framework based on current occupancy and current collection levels held constant on a per-occupied-room basis, and does not rely on the previously uploaded rent roll.

Current income is stronger; the lease-up thesis still matters.



# SCHEDULE A TOUR

Contact Jack Patel to arrange property access, underwriting discussion, or an on-site tour.


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Tours and offering details available upon request.