

OFFERING MEMORANDUM



20 22ND STREET HERMOSA BEACH

SAND SECTION APARTMENT BUILDING

5 UNITS ONE LOT FROM THE STRAND
TWO 2-BED UNITS (OCEAN VIEW)
THREE 1-BED UNITS

PRO FORMA GSI:	\$355,020
PRO FORMA NOI:	\$246,263
PRO FORMA CAP RATE:	3.53%

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20 22ND STREET HERMOSA BEACH

SAND SECTION APARTMENT BUILDING

20 22ND STREET
PROPERTY
DISCLAIMER

The information contained in this Offering Memorandum (“Memorandum”) is proprietary and strictly confidential; it 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.

20 22ND STREET SUBJECT PROPERTY OVERVIEW

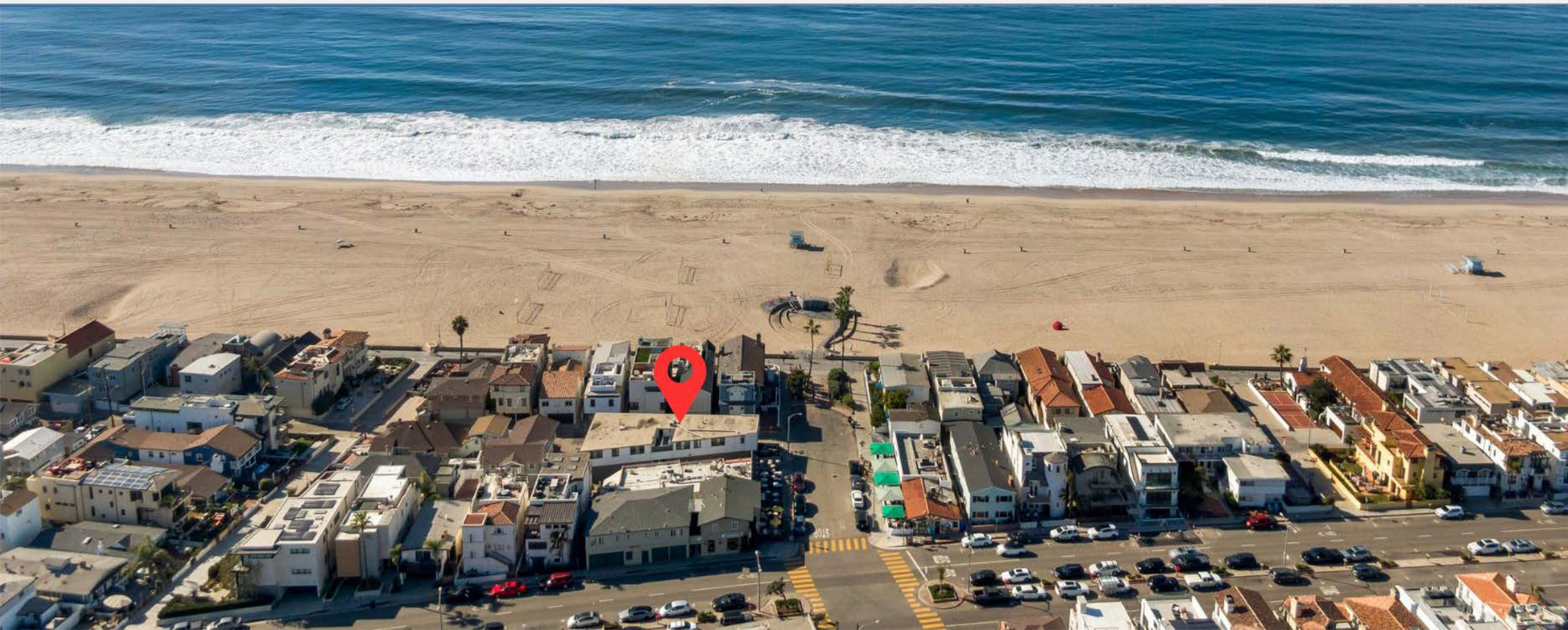
ASKING PRICE:

\$6,975,000

ADDRESS	20 22 ND STREET, HERMOSA BEACH
AREA:	HERMOSA BEACH SAND SECTION
UNITS:	5
PRO FORMA GSI:	\$355,020
PRO FORMA NOI:	\$241,752
PRO FORMA MONTHLY RENT/SF	\$8.11
PRO FORMA CAP:	3.53%
ZONING:	C1
SQUARE FOOTAGE:	3,646
LOT:	3,296
GARAGE/PARKING:	7 Parking Spots (4 Garage Spots)
LAUNDRY:	In-Unit and Building
YEAR BUILT:	1959
APN:	4182-004-008



20 22ND STREET
PROPERTY
HIGHLIGHTS & PHOTOS



20 22ND STREET
PROPERTY
HIGHLIGHTS & PHOTOS



20 22ND STREET
PROPERTY
HIGHLIGHTS & PHOTOS



20 22ND STREET PROPERTY LOCATION HIGHLIGHTS



1) THE GREEN STORE: Since 1914, The Green Store has been a Hermosa Beach icon. Located in the heart of Hermosa Beach on 22nd Street & Hermosa Avenue. Our deli is a great place to stop by right before a picnic and eventful day at the beach, with hundreds of items to choose from.

greenstorehb.com



2) THE BOTTLE INN: A neighborhood gem nestled in the residential seaside community of Hermosa Beach, just south of LAX. We have been catering to our regular patrons, friends, neighbors, tourists & celebrities for over 45 years. Our intimate restaurant is a South Bay landmark known for its romantic, cozy ambiance, sunset views, consistently outstanding classical Italian cuisine.

thebottleinnhermosa.com



3) MARTHA'S: Martha's has been part of the Hermosa Beach community for 40 years ~ and it's where the locals go to get their weekend champagne brunch on! Come enjoy the fun & relaxing neighborhood beach atmosphere just steps from the sand!

marthashermosabeach.com



4) HERMOSA PIER: Located west of Hermosa Avenue, at the end of Pier Avenue is the Hermosa Beach Pier Plaza. The area is pedestrian-friendly, with shops and restaurants.



20 22ND STREET HERMOSA BEACH OVERVIEW

HERMOSA BEACH

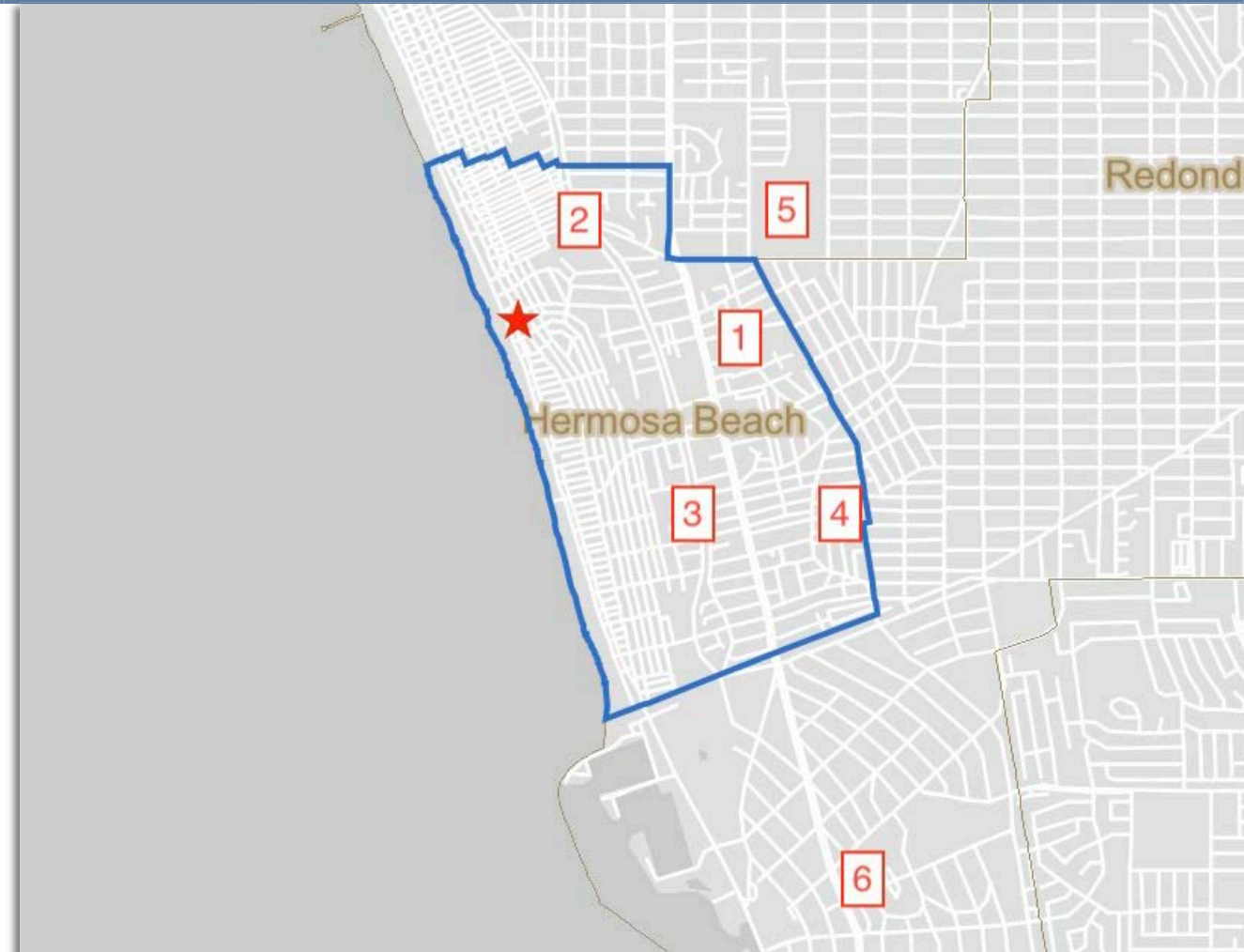
TOTAL POPULATION	19,728
MEDIAN HOUSEHOLD INCOME	\$152,019
MEDIAN NONFAMILY INCOME	\$108,430
MEDIAN AGE	42.1
PERCENTAGE OF TENANTS PAY \$3000+/Mo	43.9%

HERMOSA BEACH SCHOOLS

1) VIEW ELEMENTARY	TK – 1st
2) VISTA ELEMENTARY	2nd – 4 th
3) VALLEY MIDDLE SCHOOL	5 th – 8 th
4) OUR LADY OF GUADALUPE (PRIVATE)	K – 8 th

HIGH SCHOOL OPTIONS

5) MIRA COSTA HIGH SCHOOL	9 th – 12 th
6) REDONDO UNION	9 th – 12 th



20 22ND STREET
FINANCIAL
SUMMARY & METRICS

OPERATING EXPENSES	<i>Actual</i>	<i>Pro Forma</i>
ANNUAL GROSS SCHEDULED INCOME*	\$314,700	\$366,000
ANNUAL VACANCY RESERVE (3%)	\$9,441	\$10,980
<u>TOTAL ADJUSTED GSI</u>	<u>\$305,259</u>	<u>\$355,020</u>

* CURRENT ANNUAL GROSS INCOME INCLUDES PRO FORMA INCOME FOR VACANT UNITS D AND E

OPERATING EXPENSES	<i>Actual</i>	<i>Pro Forma</i>
LICENSE	\$500	\$500
WATER/SEWER	\$2,500	\$2,500
TRASH	\$2,317	\$2,317
CLEANING	\$1,291	\$1,291
MAINTENANCE/REPAIR	\$8,086	\$8,086
GARDENING	\$840	\$840
MANAGEMENT (4%)	\$12,210	\$14,201
OPERATING EXPENSES BEFORE NEW TAXES	\$27,744	\$29,753
ANNUAL NEW TAXES (1.06%)	\$74,022	\$74,022
INSURANCE (Estimated)	\$5,000	\$5,000
<u>TOTAL ANNUAL OPERATING EXPENSE</u>	<u>\$106,767</u>	<u>\$108,757</u>

METRICS	<i>Actual</i>	<i>Pro Forma</i>
NET INCOME	\$198,492	\$246,263
CAP RATE	2.85%	3.53%
GRM	19.65	19.65
PRICE PER UNIT	\$1,395,000	\$1,395,000
PRICE PER SQUARE FOOT	\$1,913	\$1,913
GROSS RENT PER SQUARE FOOT PER MONTH	\$6.98	\$8.11

20 22ND STREET

RENT ROLL

UNIT	BEDS	BATHS	PARKING	MONTHLY	PRO FORMA	LEASE START	LEASE END	FURNISHED
A	2	2	2 (Garage)	\$6,000	\$8,000	7/1/24	6/20/25	Yes
B	1	1	1 (Carport)	\$3,775	\$4,500	10/12/24	10/31/25	
C	1	1	1 (Carport)	\$3,450	\$4,500	7/1/24	6/30/25	Yes
D	1	1	1 (Carport)	VACANT	\$4,500			Yes
E	2	1	2 (Garage)	\$7,000	\$8,500	2/1/25	3/31/25	Yes
Total Rental Monthly					\$30,000			
Storage Unit`					\$500			
Total Monthly Income					\$30,500			
Total Annual Income					\$366,000			

20 22ND STREET

COMPARBALE LEASES

1-BED LEASES HERMOSA SAND

PROPERTY	MIX	LEASE	\$/SF	SF	YEAR	PARKING	DATE
1738 The Strand #2	1/1	\$7,500	\$10.00	750	1993	1	11/28/22
1738 The Strand #2	1/1	\$6,500	\$8.67	750	1993	1	3/8/24
1728 The Strand #3	1/1	\$6,000	\$8.57	700	1953	1	2/23/24
1728 The Strand #3	1/1	\$6,000	\$7.50	800	1953	1	11/28/22
1838 Palm Drive	1/1	\$6,000	\$7.50	800	1958	1	11/25/22
1728 The Strand #4	1/1	\$5,500	\$7.86	700	1953	1	11/27/22
3007 The Strand	1/1	\$5,250	\$6.18	850	1910	0	6/5/24
58 10th CT #A	1/1	\$4,500	\$6.92	650	1953	0	8/21/24
	<i>Average</i>	<i>\$5,906.25</i>	<i>\$7.90</i>				

Note: Subject property pro forma is \$8.11/SF

20 22ND STREET

COMPARBALE LEASES

2-BED LEASES HERMOSA SAND




PROPERTY	MIX	PRICE	GR/SF	SF	YEAR	PARKING	DATE
21 4th Street, Hermosa	2/2	\$10,000	\$8.33	1,200	195	2	1/19/24
1514 The Strand, Hermosa	2/2	\$8,150	\$7.40	1,102	1977	1	7/8/24
427 Man Ave, Hermosa	2/2	\$7,900	\$6.95	1,137	1986	2	11/29/24
63 9th Street, Hermosa	2/1	\$7,340	\$7.34	1,000	1953	1	7/10/24
532 The Strand , Hermosa	2/2	\$7,200	\$6.26	1,150	1953	0	1/10/24
		<i>Average</i>	<i>\$8,118</i>	<i>\$7.26</i>			

Note: Subject property pro forma is \$8.11/SF

20 22ND STREET

COMPARABLE SALES






5+ UNIT BUILDINGS

	PROPERTY	PRICE	UNITS	GSI	NOI	\$/UNIT	CAP	GRM	GR/SF/YR	SF	YR	SALE DATE
	348 Paseo De La Playa, RB	\$7,750,000	8	\$301,800	\$164,186	\$968,750	2.1%	25.68	\$38.00	7,943	1960	6/1/23
	148 Monterey, HB	\$4,000,000	5	\$177,000	\$137,254	\$800,000	3.4%	22.60	\$33.82	5,234	1985	6/30/23
	1536 Monterey, HB	\$4,500,000	6	\$143,180	\$70,920	\$750,000	1.6%	31.43	\$26.36	5,432	1952	5/31/23
	60 15th Street, HB	\$13,887,500	16	\$763,002	\$547,302	\$867,969	3.9%	18.20	\$96.55	7,903	1959	4/30/24
	1402. Esplanade , RB	\$10,250,000	12	\$271,680		\$854,167	0.0%	37.73	\$20.91	12,993	1963	9/6/24
	1100 Esplanade, RB	\$13,317,750	16	\$467,400	\$175,474	\$832,359	1.3%	28.49	\$30.08	15,541	1958	9/26/24
						AVERAGE						
						\$845,541	2.5%	27.35	\$40.95			

20 22ND STREET

COMPARABLE SALES

2-4 UNIT BUILDING SALES

	PROPERTY	PRICE	UNITS	GSI	\$/UNIT	CAP	GRM	GR/SF/YR	SF	YEAR	SALE DATE
	217 2 nd , Street, MB	\$4,500,000	2	\$113,940	\$2,250,000	NA	39.49	\$47.61	2,393	1974	5/12/23
	404 19th Street, MB	\$5,100,000	2	\$276,000	\$2,550,000	NA	18.48		4,427	1998	5/17/23
	128 8th Street, MB	\$5,950,000	2	\$204,000	\$2,975,000	NA	29.17	\$76.98	2,650	1938	4/10/24
	52 18th Street, HB	\$4,150,000	2	\$144,000	\$2,075,000	NA	28.82	\$65.69	2,192	1936	10/4/23
	830 The Strand, HB	\$4,600,000	4	\$141,600	\$1,150,000	1.38%	32.49	\$48.93	2,894	1913	6/9/23
							<i>AVERAGE</i>	<i>\$60.31</i>			

20 22nd STREET FLOOR PLAN UNIT A

UNIT OVERVIEW

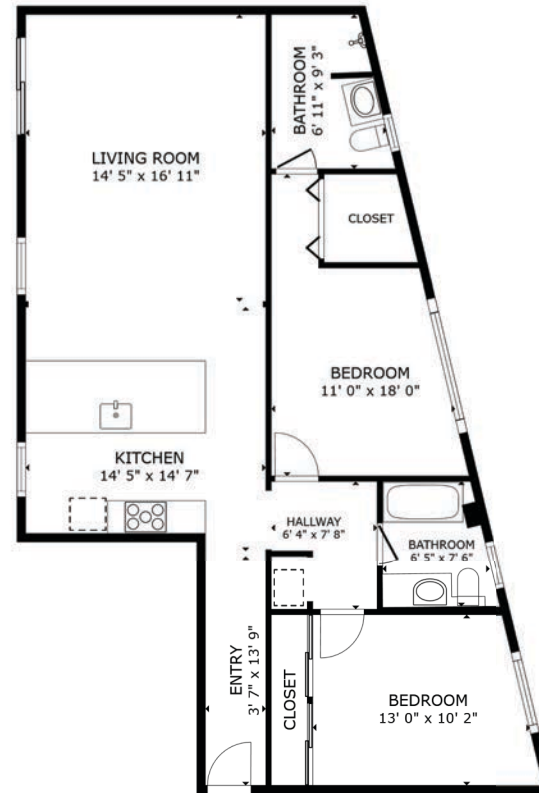
Occupancy:	Occupied
Beds:	2
Baths:	2
Laundry:	In Unit
Features:	Remodeled, High-End Finishes, Ocean View

CURRENT RENT

Current Rent:	\$6,000
Lease Start:	July 1, 2024
Lease End:	June 30, 2025
Laundry:	In Unit

PRO FORMA

\$8,000 (Long Term)
\$9,000 (MTM Furnished)



FLOOR PLAN



20 22nd STREET FLOOR PLAN UNIT B

UNIT OVERVIEW

Occupancy:	Occupied
Beds:	1
Baths	1
Laundry:	Building
Features:	Remodeled, High-End Finishes

CURRENT RENT

Current Rent:	\$3,775
Lease Start:	October 12, 2024
Lease End:	October 31, 2025
Laundry:	Building Shared

PRO FORMA

\$4,500 (Long Term)
\$5,500 (MTM Furnished)



FLOOR PLAN



20 22nd STREET

FLOOR PLAN

UNIT C

UNIT OVERVIEW

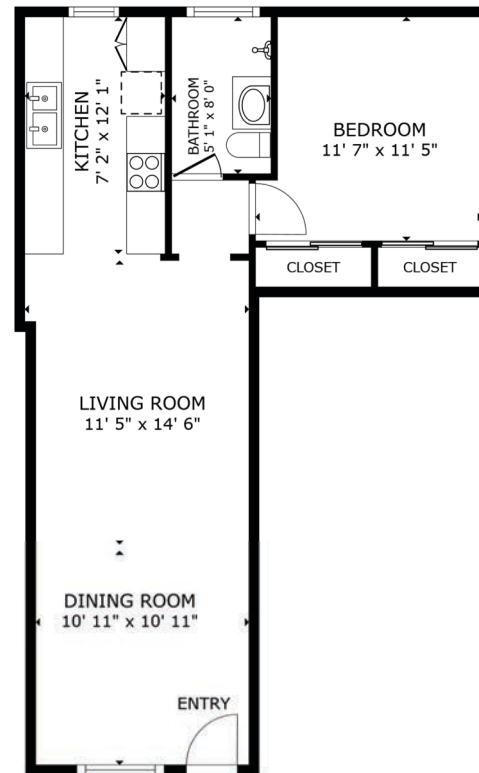
Occupancy:	Occupied
Beds:	1
Baths:	1
Laundry:	Building
Features:	Remodeled, High-End Finishes

CURRENT RENT

Current Rent:	\$3,450
Lease Start:	July 1, 2024
Lease End:	June 30, 2025
Laundry:	Building Shared

PRO FORMA

\$4,500 (Long Term)
\$5,000 (MTM/Furnished)



FLOOR PLAN



20 22nd STREET FLOOR PLAN UNIT D

UNIT OVERVIEW

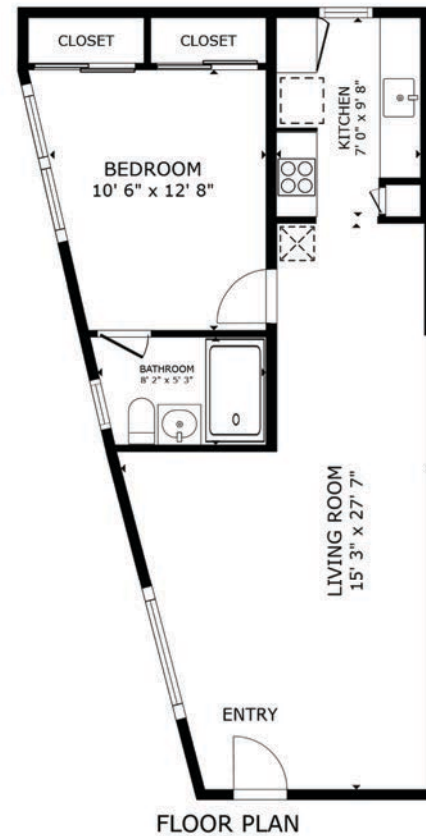
Occupancy:	Vacant
Beds:	1
Baths:	1
Laundry:	Building
Features:	Remodeled, High-End Finishes

CURRENT RENT

Lease Start:	
Lease End:	
Laundry:	Building Shared

PRO FORMA

\$4,500 (Long Term)
\$5,500 (MTM/Furnished)



20 22nd STREET FLOOR PLAN UNIT E

UNIT OVERVIEW

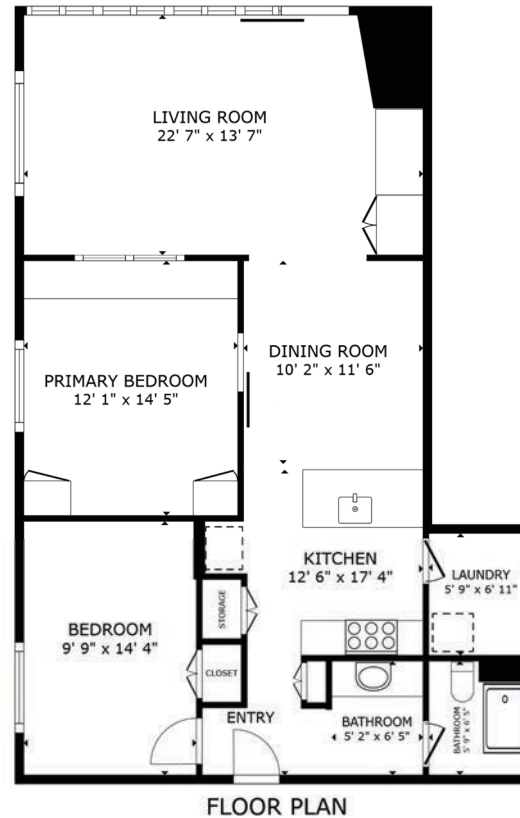
Occupancy:	Occupied
Beds:	2
Baths:	1
Laundry:	Building
Features:	Remodeled, High-End Finishes, Ocean Views

CURRENT RENT

Current Rent:	\$7,000
Lease Start:	1/1/25
Lease End:	3/31/25
Laundry:	Building Shared

PRO FORMA

\$8,500 (Long Term)
\$9,500 (MTM/Furnished)



20 22ND STREET
**CONTACT
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JOSEPH GROUP



**PROPERTY PHOTOS,
VIDEO TOUR, FLOORPLANS**



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