

Offering Memorandum

4-Unit In South Redondo Beach

704

N Paulina Ave

\$2,650,000

REDONDO BEACH



LYON STAHL
INVESTMENT REAL ESTATE

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REDONDO BEACH, CA 90277



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Property Overview

704 N PAULINA AVENUE,
REDONDO BEACH, CA 90277

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Property Overview

704 N PAULINA AVENUE,
REDONDO BEACH, CA 90277



Property Summary

Price	\$2,650,000
Address	704 N Paulina Ave
City, State, Zip	Redondo Beach
County	Los Angeles
Zoning	RBR-1
Year Built	1963
Number Of Units	4
Building Size	4,738 SF
Lot Size	7,549 SF
Cap Rate	2.48%
Pro Forma Cap Rate	4.67%
GRM	22.94
Pro Forma GRM	15.13
Price / Bldg Sf	\$559.31
Price / Lot Sf	\$351.04



Property Overview

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704 North Paulina Ave, Redondo Beach, CA 90277

4-Unit | \$2,650,000

- **4-Unit Building Well Located in Desirable South Redondo Beach**
- **Ideal Unit Mix – (1) 4-Bed/2-Bath, (3) 2-Bed/2-Bath**
- **Front House Allows for an Owner-User Opportunity**
- **4,738 Sq Ft Building located on a 7,549 Sq Ft Lot**
- **Prime Location – In Close Proximity to King Harbor Marina and Local Retail & Restaurants**

Lyon Stahl is pleased to present 704 North Paulina Ave, a 4-unit building well located in desirable South Redondo Beach. The building consists of 4,738 SF of living space situated on a 7,549 SF lot. It has an ideal unit mix – (1) 4-Bed/2-Bath, and (3) 2-Bed/2-Bath units, and the front house allows for an owner-user opportunity. 704 N Paulina Ave is also in a great location – in close proximity to King Harbor Marina and Local Retail & Restaurants.

Given the desirable location and turnkey property condition, this is an excellent opportunity for an owner-user or investor seeking growth, stability and a hedge against inflation.



Financial Overview

704 N PAULINA AVENUE,
REDONDO BEACH, CA 90277



Financial Overview

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Price **\$2,650,000**

Property Summary

ADDRESS	704 N Paulina Ave, Redondo Beach, 90277	YEAR BUILT	1963
DOWN PAYMENT	55% (\$1,457,500)	PARKING	5 Garage Spaces
NUMBER OF UNITS	4	CURRENT NOI	\$65,721
COST PER UNIT	\$662,500	PRO FORMA NOI	\$123,630
LOT SIZE	7,549 SF	CURRENT CAP RATE	2.48%
GROSS RENTABLE SF	4,738 SF	PRO FORMA CAP RATE	4.67%
PRICE PER BLDG SF	\$559.31	CURRENT GRM	22.94
PRICE PER LAND SF	\$351.04	PRO FORMA GRM	15.13

Proposed Financing

LOAN AMOUNT	\$1,192,500	LOAN-TO-VALUE	55%
DOWN PAYMENT	\$1,457,500	AMORTIZATION	30-YEAR
INTEREST RATE	3.00%	LOAN TERM	30-YEAR FIXED
MONTHLY PAYMENT	\$5,028	PROPOSED/EXISTING	PROPOSED
ANNUAL PAYMENT	\$60,336	DEBT COVERAGE RATION (DCR)	1.09

Financial Overview

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Annualized Operating Data

	CURRENT ACTUALS		PRO FORMA RENT	
GROSS SCHEDULED INCOME	\$115,500		\$175,000	
VACANY RATE RESERVE	\$3,465	3%	\$5,256	3%
GROSS OPERATING INCOME	\$112,035		\$169,944	
EXPENSES	\$46,314	40%	\$46,314	26%
NET OPERATING INCOME	\$65,721		\$123,630	
LOAN PAYMENTS	\$60,332		\$60,332	
PRE TAX CASH FLOWS	\$5,390	0.37%	\$63,299	4.34%
PRINCIPAL REDUCTION	\$24,897		\$24,897	
TOTAL RETURN BEFORE TAXES	\$30,287	2.08%	\$88,196	6.05%

Scheduled Income

	CURRENT	MARKET
TOTAL SCHEDULED RENT	\$9,625	\$14,600
LAUNDRY	\$0	\$0
GARAGES	\$0	\$0
MONTHLY SCHEDULED GROSS INCOME	\$9,625	\$14,600
ANNUALIZED SCHEDULED GROSS INCOME	\$115,500	\$175,200
UTILITIES PAID BY TENANT	Gas & Electric	Gas & Electric

* 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.

Expense Summary

*ESTIMATED	Per Unit
NEW TAXES (NEW ESTIMATE)	\$30,779
MAINTENANCE (3%)	\$3,465
INSURANCE	\$1,895
UTILITIES (\$800/unit/year)	\$3,200
LANDSCAPING (\$100/mo)	\$1,200
PROPERTY MANAGEMENT 5%	\$5,775
TOTAL EXPENSES	\$46,314
EXPENSES AS %/SGI	40.10%
EXPENSE PER SF	\$6.14
EXPENSE PER UNIT	\$11,578

Rent Roll

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Unit #	Unit Type	Actual Rent	Market Rent	Move-In Dates
1 Washer & Dryer Included*	4+2	\$3,000	\$5,000	September 1, 2019
2	2+2	\$2,200	\$3,200	May 1, 2021
3	2+2	\$2,025	\$3,200	August 1, 2018
4	2+2	\$2,400	\$3,200	July 1, 2019
MONTHLY TOTALS		\$9,625	\$14,600	
ANNUALIZED TOTALS		\$115,500	\$175,200	



Loan Quotes

704 N PAULINA AVENUE,
REDONDO BEACH, CA 90277



Dustin Rosenberg
(323) 476-0185 (Direct)
privateclient@convoyhomeloans.com
NMLS #2130517



Jonathan Yoo
(323) 476-1785 (Direct)
privateclient@convoyhomeloans.com
NMLS #2130517

Prepared for: Brett Lyon & Joseph Stahl
Property Address: 704 N Paulina Ave, Redondo B

Borrower Name:

10/28/2021
Quote #1

Loan Options	Option 1 30 Year Fixed	Option 2 30 Year Fixed	Option 3 30 Year Fixed	Option 4 30 Year Fixed	Option 5 No Docs/DSCR	Option 6 No Docs/DSCR
Market Value	\$2,650,000	\$2,650,000	\$2,650,000	\$2,650,000	\$2,650,000	\$2,650,000
Loan Amount	\$1,855,000	\$1,722,500	\$1,590,000	\$1,457,500	\$1,457,500	\$1,855,000
Cashout Amount						
Loan-to-Value	70%	65%	60%	55%	55%	70%
Debt Coverage Ratio (DCR)	N/A	N/A	N/A	N/A	1.20	1.00
Current Par Rate with No Points	3.250%	3.125%	3.000%	3.000%		
Discounted Rate with Points					3.375%	3.75%
Point Amount						
Loan Term in Months	360	360	360	30	40	40
Amortization in Years	30	30	30	30	30	30
I/O Monthly Payment	N/A	N/A	N/A	N/A	\$4,099	\$5,797
Monthly Payment (P+I+MI)	\$8,073	\$7,379	\$6,704	\$6,145		
Impounds	No	No	No	No	No	No
Pre-Payment Penalty						
Loan Origination	1%	1%	1%	1%	2%	2%
Lender Credit for Closing Costs						
Estimated Costs:						
Appraisal	\$825	\$825	\$825	\$825	\$825	\$825
Closing/Processing/Underwriting	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200

Alternative fixed and adjustable rate options may be available upon request
Quote subject to satisfactory lender review of credit, property condition, and borrower's financials

Rates and programs are subject to change without notice

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Property Photography

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Property Photography

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Property Photography

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Exterior

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Property Photography

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Interior



Property Photography

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Interior

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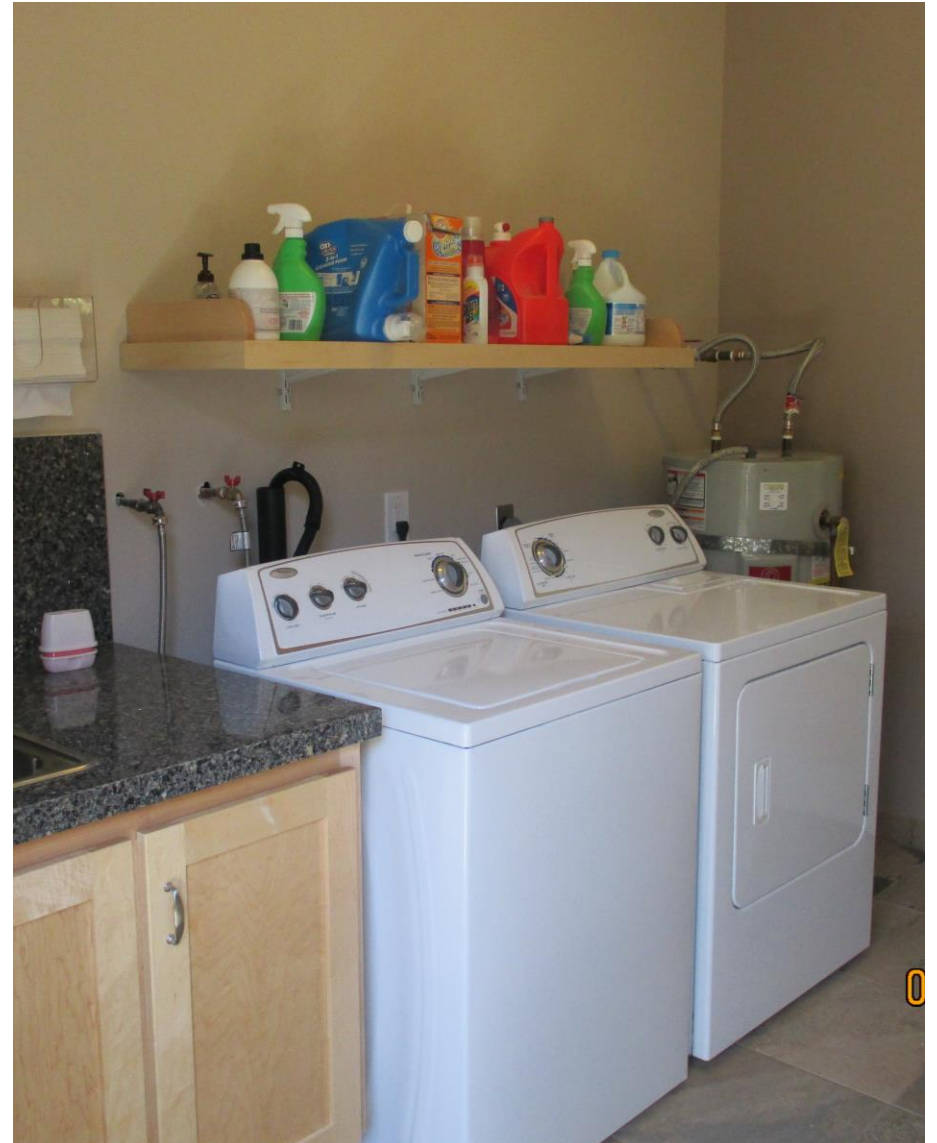
Property Photography

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Washer & Dryer

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Comparables

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Sold Comparables

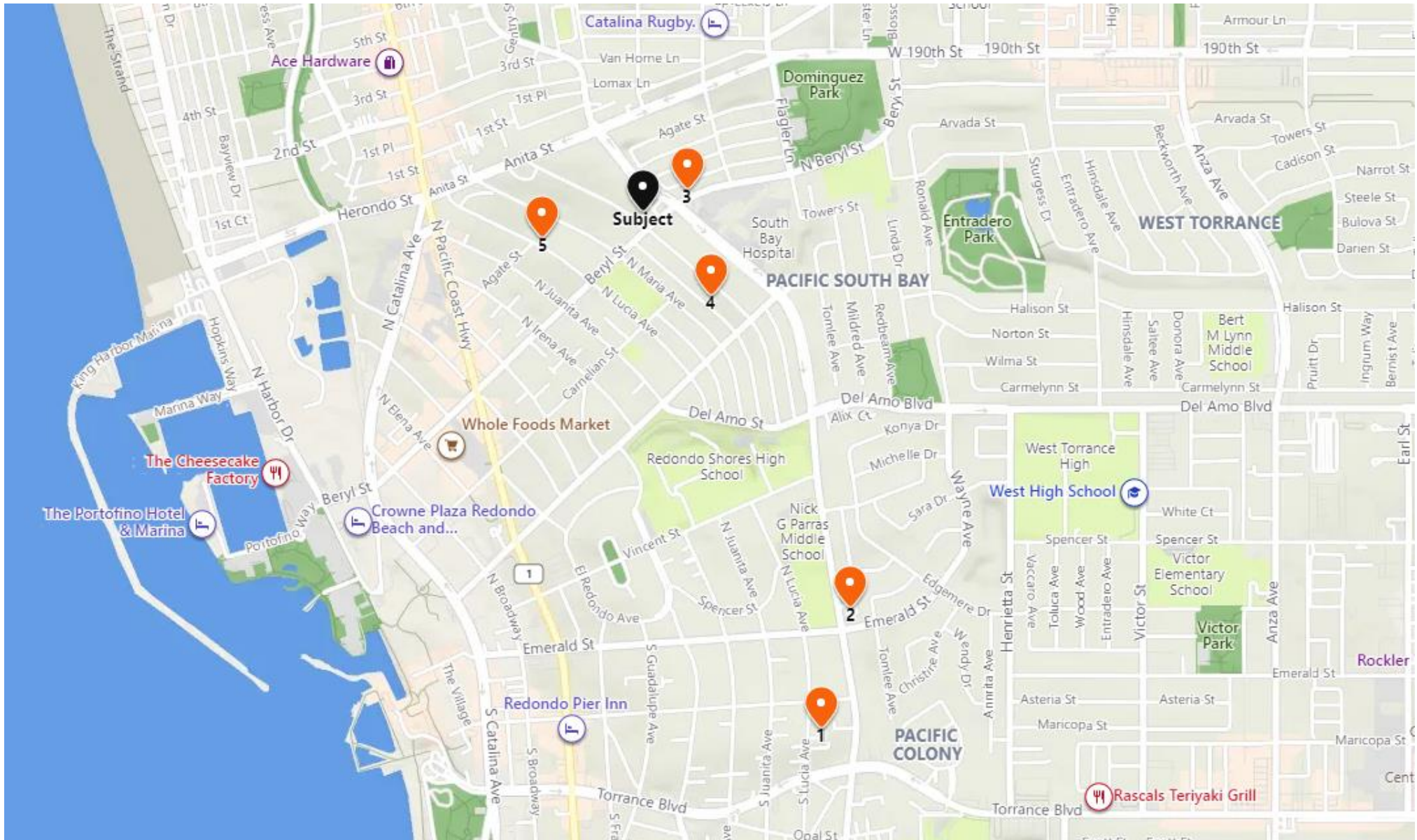
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	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	CAP Rate	GRM	Sale Date
1	210 S Lucia Ave. Redondo Beach, CA	\$2,750,000	4	1971	5,013 SF	\$662,500	\$548.57	3.71%	18.25	08/17/2020
2	108 N Prospect Ave. Redondo Beach, CA	\$2,400,000	4	1973	4,492 SF	\$550,000	\$534.28	3.46%	20.87	07/16/2021
3	1207 Beryl St. Redondo Beach, CA	\$1,870,750	4	1963	4,632 SF	\$468,750	\$403.88	2.85%	23.47	10/14/2020
4	521 N Paulina Ave. Redondo Beach, CA	\$1,952,000	2	1951	3,143 SF	\$950,000	\$621.06	N/A	N/A	07/16/2021
5	730 N Lucia Ave. Redondo Beach, CA	\$1,700,000	3	1963	3,110 SF	\$565,000	\$546.62	3.76%	21.96	03/10/2021
	Averages	\$2,134,550	3	1964	4,078 SF	\$639,250	\$530.88	2.98%	21.13	2/18/2021
*	704 N Paulina Ave. Redondo Beach, CA	\$2,650,000	4	1963	4,738 SF	\$662,500	\$559.31	2.48%	22.94	ACTIVE

Sold Comparables Map

704 N PAULINA AVENUE,
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Lease Comparables

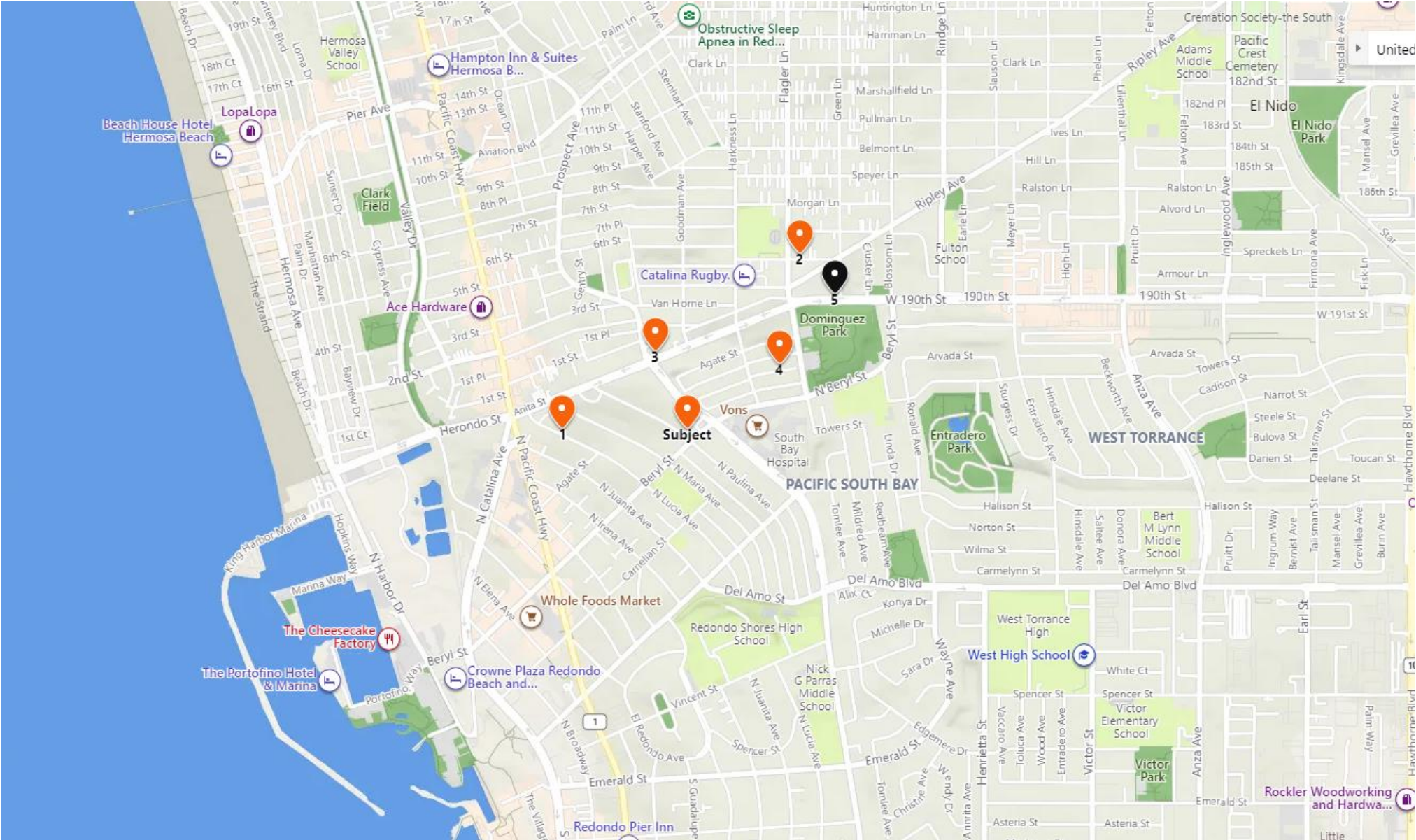
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	Address	Date Leased	Unit Type	Unit Size	Rental Rate
1	828 N Lucia Ave, Redondo Beach, CA	Feb 2021	2-Bed/1-Bath	757 SF	\$2,895
2	1905 Spreckels Ln. Redondo Beach, CA	May 2021	2-Bed/1.5-Bath	1,130 SF	\$2,950
3	900 N Prospect Ave #7, Redondo Beach, CA	Jan 2021	2-Bed/1.5-Bath	1,200 SF	\$2,950
4	1317 Amethyst St. Redondo Beach, CA	Feb 2021	4-Bed/ 2-Bath	1,600 SF	\$4,200
5	501 Green Ln, Redondo Redondo Beach, CA	Aug 2021	4-Bed/2-Bath	1,814 SF	\$5,000
	Averages	Nov 2021 May 2021	2-Bed/1.5-Bath 4-Bed/2-Bath	1,029 SF 1,707 SF	\$2,932 \$4,600
*	704 N Paulina Ave, Redondo Beach, CA	See Rent Roll	2-Bed/2-Bath 4-Bed/2-Bath	SF SF	\$2,208 \$3,000

Lease Comparables Map

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Area Overview

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Area Overview

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City Overview

Redondo Beach is one of three Beach Cities in the South Bay region of Los Angeles bordered by Manhattan Beach, Hermosa Beach, Torrance, Hawthorne, and Lawndale. A main attraction to the city is the Redondo Beach Pier which is the largest endless pier on the California coast.

Much of Redondo Beach's lifestyle is influenced by its sister cities: Manhattan Beach and Hermosa Beach. The city maintains permanent beach volleyball nets year-round and dedicates lanes to the bike path that runs past the Redondo Beach King Harbor Marina complex. Surfing is another essential element to the South Bay lifestyle.

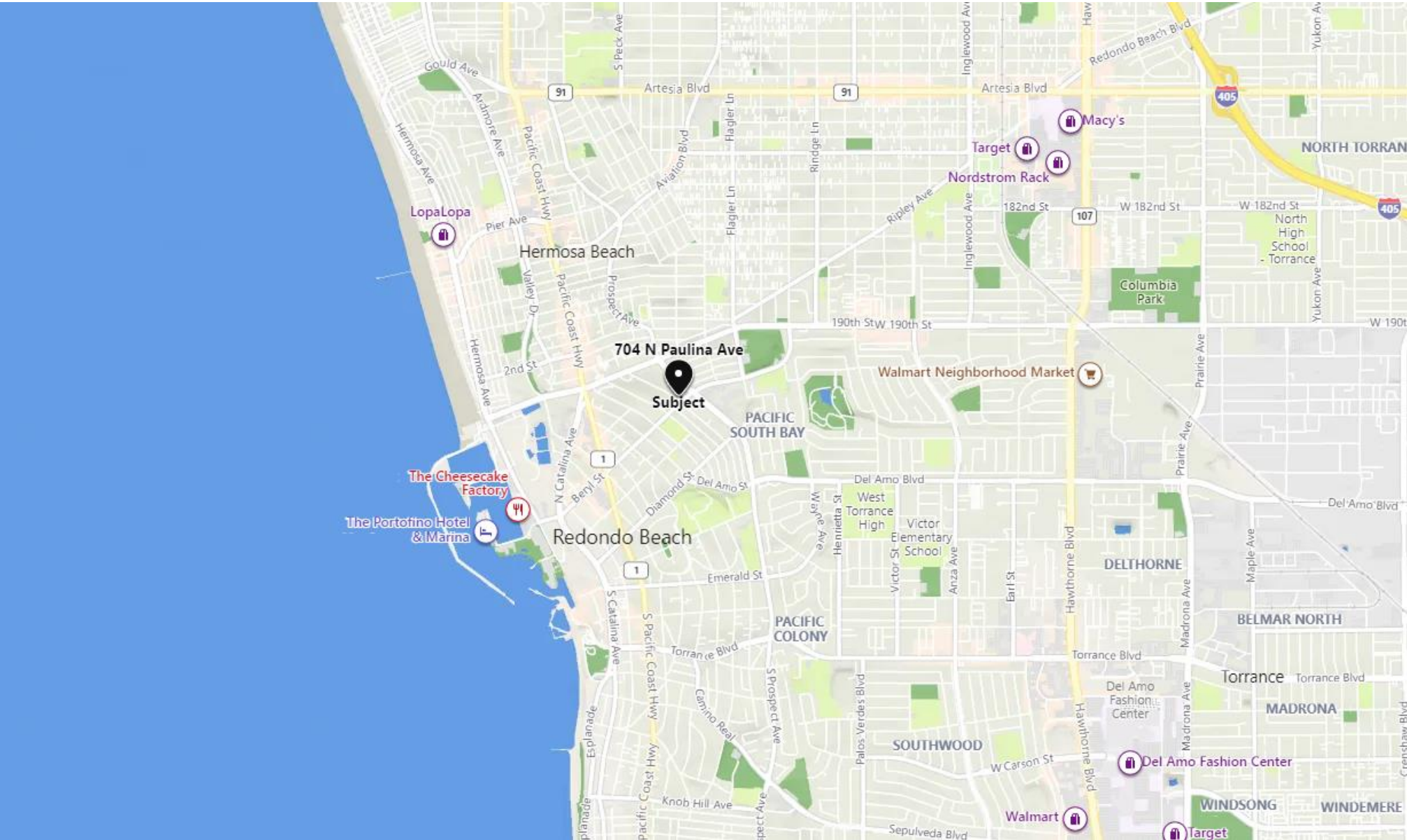
Properties in Redondo Beach within walking distance of the Pacific Ocean routinely sell for above-average prices. The median price of homes listed in the Redondo Beach real estate market is currently \$1,100,000 and home values have gone up 8.4% over the past year.

Redondo Union High School is the zoned high school within the Redondo Beach Unified School District and is ranked in the top 50 high schools in California. Also within the school district are two middle schools, and eight elementary schools, all evenly divided between North and South Redondo Beach.



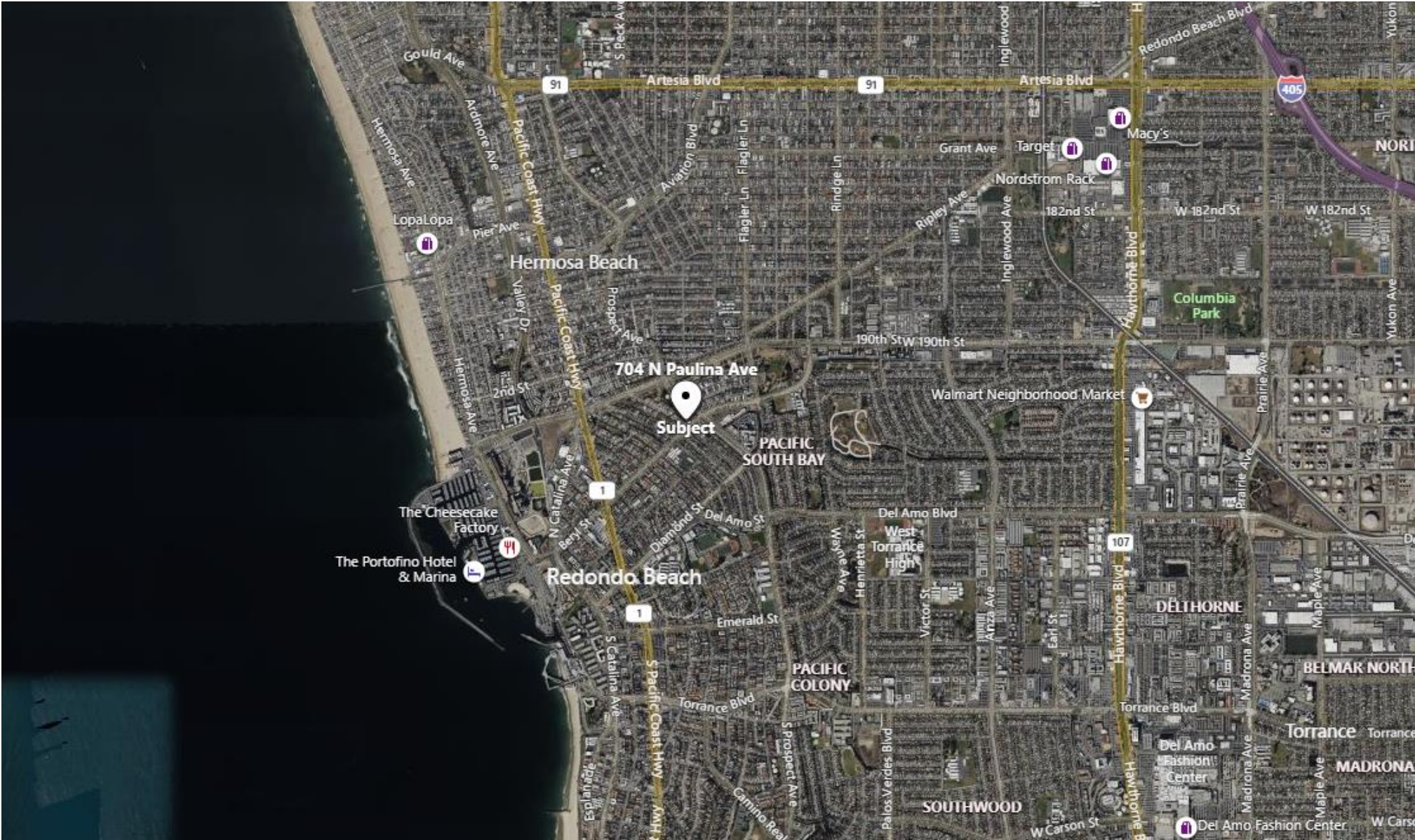
Local Map

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Aerial 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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