

Offering Memorandum

SAND SECTION DUPLEX

119

40th Street

\$2,150,000

MANHATTAN BEACH



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119 40th STREET
MANHATTAN BEACH, CA 90266



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Property Overview

119 40TH STREET
MANHATTAN BEACH, CA 90266



Property Overview

119 40th STREET
MANHATTAN BEACH, CA 90266



Property Summary

Price	\$2,150,000
Address	119 40 th Street
City, State, Zip	Manhattan Beach, CA 90266
County	Hawthorne
Zoning	MNRH
Year Built	1988
Number Of Units	2
Parking	(4) Garage Spaces + (2) Driveway Spaces
Building Size	1,552 SF
Lot Size	1,353 SF
Cap Rate	1.96%
Pro Forma Cap Rate	4.42%
Grm	27.56
Pro Forma Grm	16.74
Price / Bldg Sf	\$1,385.31
Price / Unit	\$1,075,000



Property Overview

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MANHATTAN BEACH, CA 90266



Duplex | \$2,150,000

- Rare Sand Section Duplex Less Than A Block From The Beach
- (2) 2-Bed/1-Bath Units
- Both Units Feature Beautiful Ocean Views From Living Rooms & Balconies
- Spacious (4) Car Garage w/ Storage Compartments + (2) Driveway Spots | On-Site Laundry
- 1,552 RSF on a 1,353 SF Lot
- 1.96% CAP | 4.42% Market CAP
- Significant Upside w/ Interior Remodel – Contact Us For Interior Photos
- Short Term Nightly Rental Permit Available – Estimated Short Term Rental Yearly Income of \$196.5K According to AIR DNA the #1 Platform For STR Data



119 40th Street presents a rare opportunity in the Sand Section, less than a block from the beach. This duplex offers (2) 2-Bed/1-Bath units, each showcasing stunning ocean views from living rooms and balconies. The property also features a spacious (4) car garage w/ storage compartments + (2) driveway spots, plus the convenience of on-site laundry. Currently at 1.96% CAP with a 4.42% Market CAP, this property promises potential appreciation and rental upside with interior remodel. Short Term Rental Permits are also available for this property. According to Air DNA, the #1 platform for STR Data, The short-term yearly rental income is \$196.5K. With its location, configuration, and upside - 119 40th St is an ideal asset for any Beach Cities investor or owner-user.

Financial Overview

119 40TH STREET
MANHATTAN BEACH, CA 90266



Financial Overview

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Price **\$2,150,000**

Property Summary

ADDRESS	119 40 th Street	YEAR BUILT	1988
DOWN PAYMENT	40% \$860,000	PARKING	(4) Garage Spaces + (2) Driving Spaces
NUMBER OF UNITS	2	CURRENT NOI	\$42,225
COST PER UNIT	\$1,075,000	PRO FORMA NOI	\$94,965
LOT SIZE	1,353 SF	CURRENT CAP RATE	1.96%
GROSS RENTABLE SF	1,552 SF	PRO FORMA CAP RATE	4.42%
PRICE PER BLDG SF	\$1,385.31	CURRENT GRM	27.56
PRICE PER LAND SF	\$1,589.06	PRO FORMA GRM	16.74

Proposed Financing

LOAN AMOUNT	\$1,290,000	LOAN-TO-VALUE	60%
DOWN PAYMENT	\$860,000	AMORTIZATION	30-YEAR
INTEREST RATE	6.875%	LOAN TERM	30-YEAR FIXED
MONTHLY PAYMENT	\$8,474	PROPOSED/EXISTING	Proposed
ANNUAL PAYMENT	\$101,692	DEBT COVERAGE RATION (DCR)	N/A

Financial Overview

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Annualized Operating Data

	Current Actuals		Pro Forma Actuals		
GROSS SCHEDULED INCOME	\$	78,000	\$	128,400	
VACANCY RATE RESERVE	\$	2,340	3%	\$ -	0%
GROSS OPERATING INCOME	\$	75,660		\$ 128,400	
EXPENSES	\$	33,435	43%	\$ 33,435	26%
NET OPERATING INCOME	\$	42,225		\$ 94,965	
LOAN PAYMENTS	\$	101,693		\$ 101,693	
PRE TAX CASH FLOWS	\$	(59,468)	-6.91%	\$ (6,728)	-0.78%
PRINCIPAL REDUCTION	\$	13,423		\$ 13,423	
TOTAL RETURN BEFORE TAXES	\$	(46,045)	-5.35%	\$ 6,695	-0.78%

Scheduled Income	Current	Market
TOTAL MONTHLY SCHEDULED RENT	\$6,500	\$10,700
ANNUALIZED SCHEDULED GROSS INCOME	\$78,000	\$128,400

Expense Summary		
Real Estate Taxes and Special Assessment Tax	(New Estimated)	\$ 26,355
Maintenance & Repairs		\$ 2,340
Insurance		\$ 1,940
Utilities		\$ 1,600
Landscaping	(5%)	\$ 1,200
Total Expenses		\$33,435
Expense Per Unit		\$16,718
Expense Per SF		\$24.71

Rent Roll

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Unit Type		Actual Rent	Market Rent	Notes
A (Upstairs)	2+2	\$3,250	\$5,500	Month-to-Month
B (Downstairs)	2+2	\$3,250	\$5,200	Month-to-Month
MONTHLY TOTALS		\$6,500	\$10,700	
ANNUALIZED TOTALS		\$78,000	\$128,400	

Loan Quote

119 40th STREET
 MANHATTAN BEACH, CA 90266



Jonathan Yoo
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 NMLS #1590915



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Prepared for:
 Address: 119 40th St

5/8/24
 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 30 Year Fixed with 10 Year IO
Market Value	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000	\$2,250,000
Loan Amount	\$1,687,500	\$1,575,000	\$1,462,500	\$1,350,000	\$1,575,000
Doc Type	Conventional Investment	Conventional Investment	Conventional Investment	Conventional Investment	Portfolio Investment
Loan-to-Value	75%	70%	65%	60%	70%
Debt Coverage Ratio (DCR)	N/A	N/A	N/A	N/A	N/A
Rate with NO Buydown	7.375%	7.125%	7.000%	6.875%	7.500%
Rate with Buydown	6.750%	6.625%	6.500%	6.375%	7.125%
Loan Term in Months	360	360	360	360	360
Amortization in Years	30	30	30	30	20
I/O Monthly Payment					
Monthly Payment	\$11,655	\$10,611	\$9,730	\$8,869	\$9,844
Monthly Payment with Buydown	\$10,945	\$10,085	\$9,244	\$8,422	\$9,352
PMI (Private Mortgage Insurance)				No	No
Index/Caps					
Pre-Payment Penalty*	None	None	None	None	3 Years 3%-2%-1%
Loan Origination	1.00%	1.00%	1.00%	1%	1.00%
Buydown (If Selected)	1.50%	1.50%	1.50%	1.50%	1.50%
Estimated Costs:					
Appraisal	\$725	\$725	\$725	\$725	\$725
Closing/Processing/Underwriting	\$1,295	\$1,295	\$1,295	\$1,295	\$1,295

* Alternative fixed and adjustable rate options and Prepayment Penalty Periods 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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 licensed Real Estate Broker - CA Dept. of Real Estate - License Number: DRE#02147305

Property Photography

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Exterior Photos

119 40th STREET
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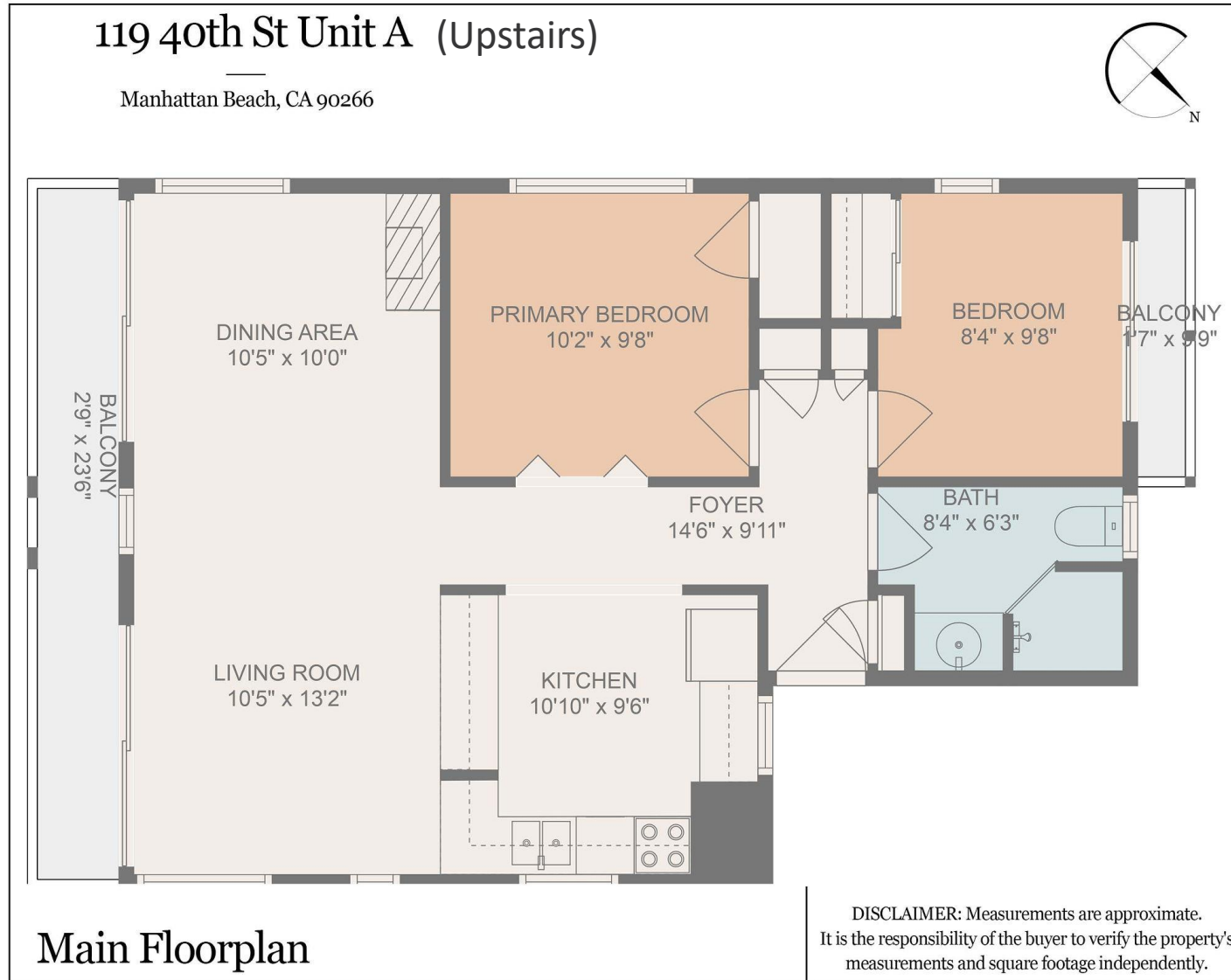
Exterior Photos

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Floor Plan

119 40th STREET
MANHATTAN BEACH, CA 90266



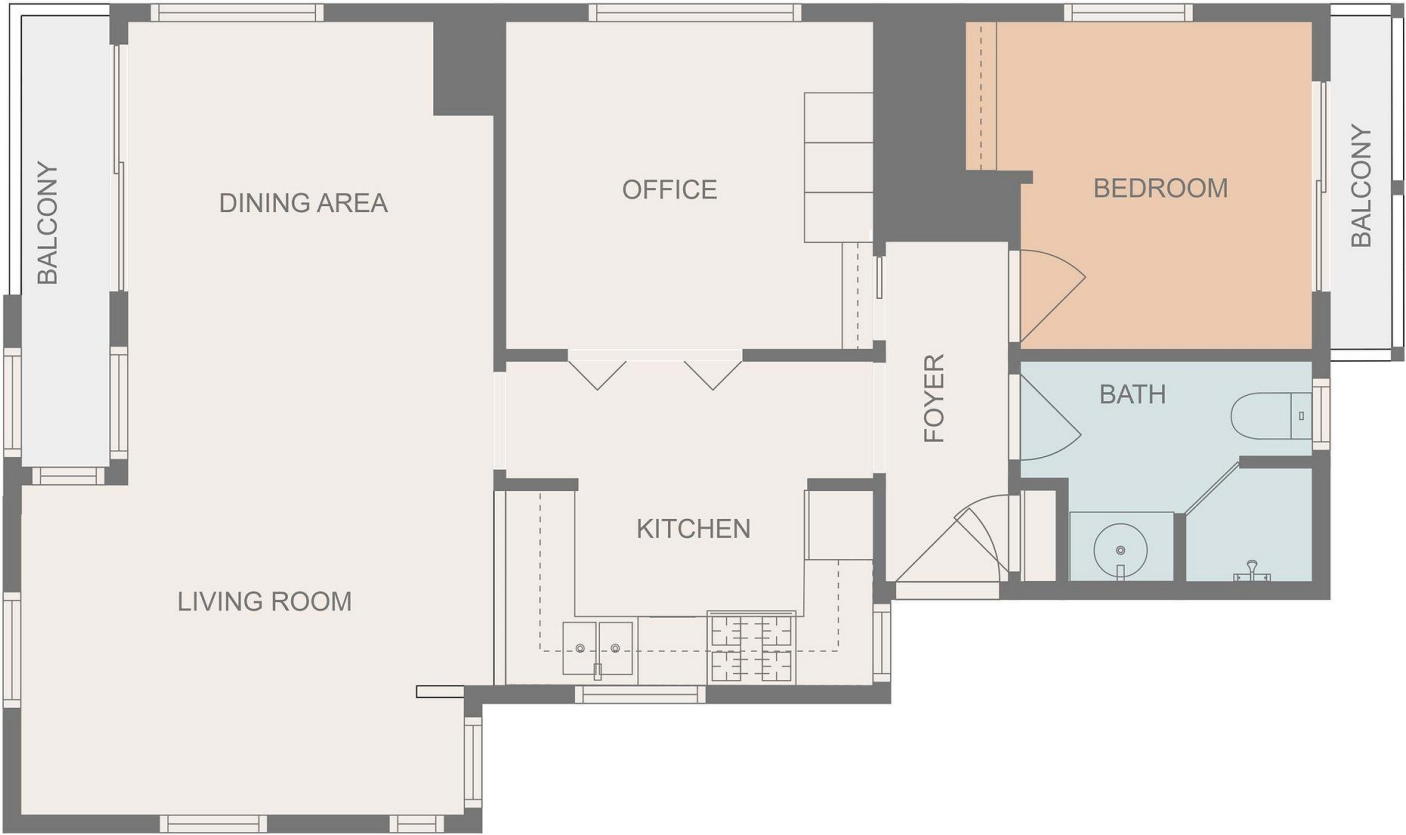
Floor Plan

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119 40th St Unit B (Downstairs)

Manhattan Beach, CA 90266



Main Floorplan

It is the responsibility of the buyer to verify the property's measurements and square footage independently.

Garage Photos

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Comparables

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Sold Comparables

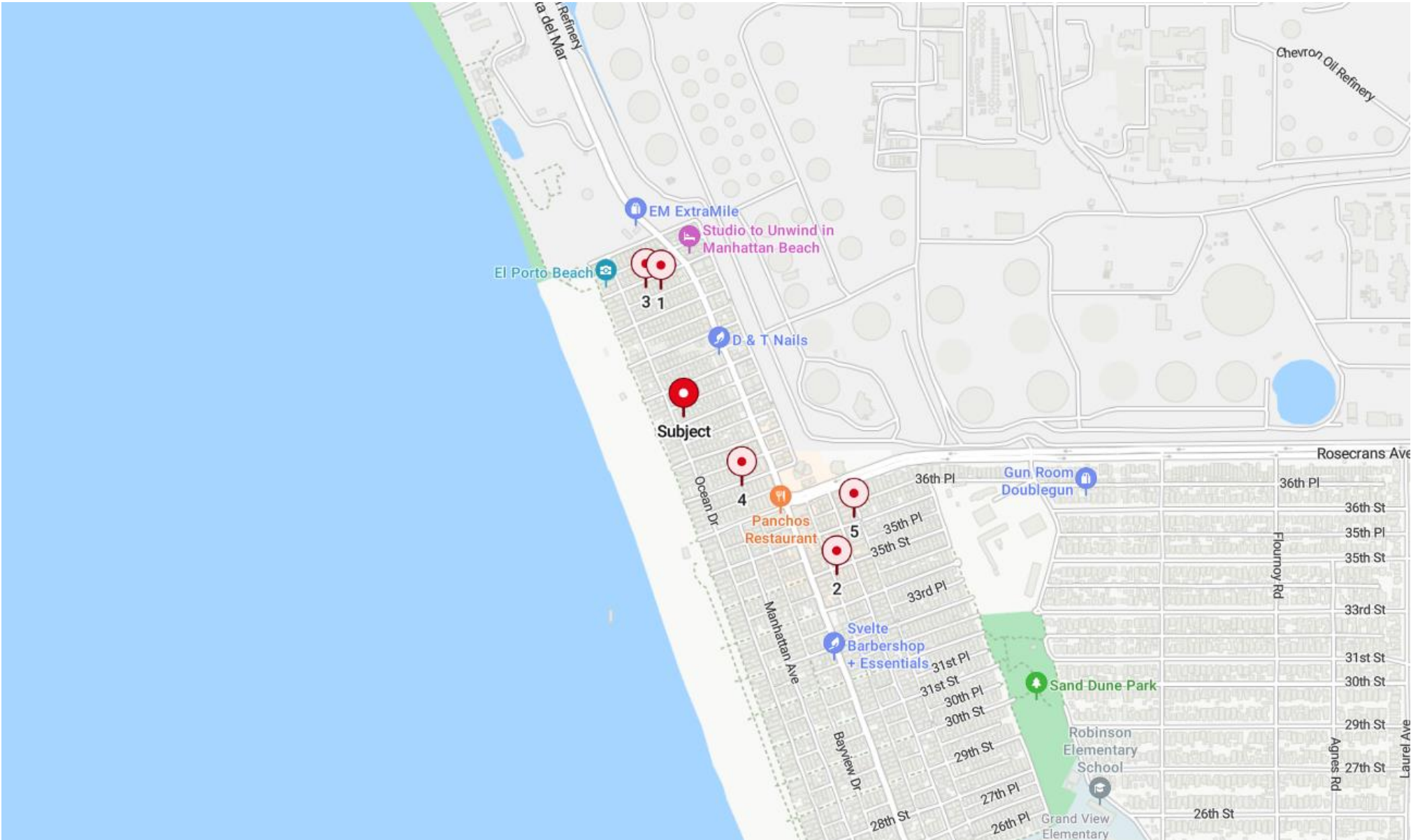
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	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	CAP Rate	GRM	Sold Date
1	211 Shell Street Manhattan Beach CA 90266	\$1,770,000	2	1958	1,350 SF	\$885,000	\$1,311	3.34%	20.17	1/03/2024
2	316 35 th Street Manhattan Beach CA 90266	\$1,800,000	2	1941	1,175 SF	\$900,000	\$1,531	1.85%	N/A	4/30/2024
3	128 44 th Street Manhattan Beach CA 90266	\$2,099,000	2	1958	6,044 SF	\$1,100,000	\$1,729	1.91%	N/A	08/04/2023
4	201 38 th Place Manhattan Beach CA 90266	\$2,250,000	2	1972	1,838 SF	\$1,125,000	\$1,224	4.48%	N/A	4/12/2024
5	411 36 th Street Manhattan Beach CA 90266	\$2,384,300	2	1962	1,837 SF	\$1,192,150	\$1,297	N/A	N/A	1/26/2024
	Averages	\$2,060,660	2	1981	2,448 SF	\$1,040,430	\$1,418	2.90%	20.17	
*	119 40 th Street Manhattan Beach CA 90266	\$2,150,000	2	1988	1,552 SF	\$1,075,000	\$1,449	1.96%	27.56	N/A

Sold Comparables Map

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Lease Comparables

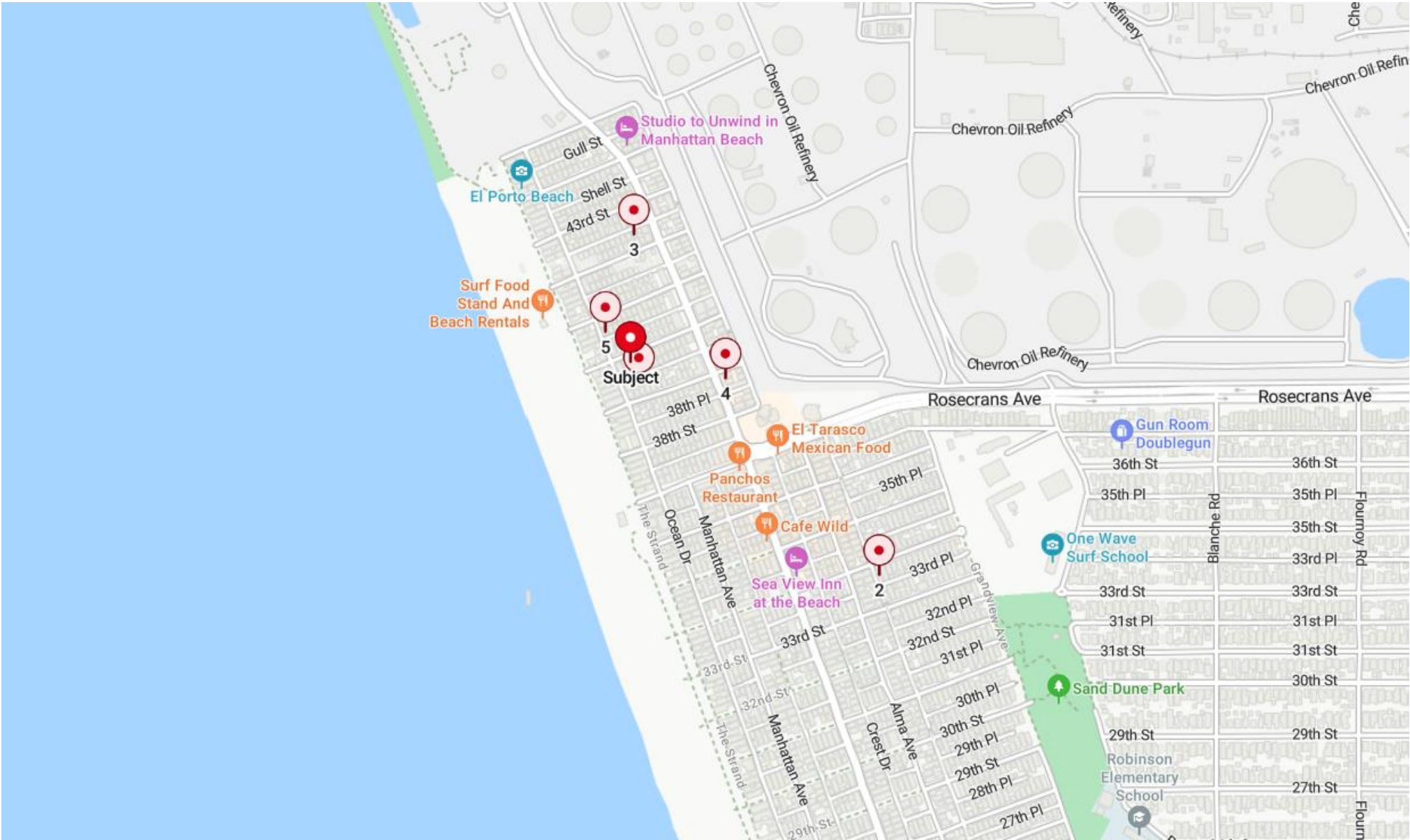
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	Address	Date Listed	Unit Type	Unit Size	Rental Rate
3	224 Seaview St Manhattan Beach CA 90266	FEB 2024	2-Bed/2-Bath	1,800 SF	\$6,700
4	3818 Highland Ave Manhattan Beach CA 90266	Dec 2023	2-Bed/2-Bath	1,100 SF	\$5,300
5	4012 Ocean Drive Manhattan Beach CA 90250	OCT 2023	2-Bed/2-Bath	1,000 SF	\$5,300
Average			2-Bed		\$5,766
*	119 40 th Street Manhattan Beach CA 90266		2-Bed		\$3,250

Lease Comparables Map

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Area Overview

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City Overview

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Manhattan Beach

Manhattan Beach is an affluent suburb in southwest LA, neighboring El Segundo and Hermosa Beach. Manhattan Beach is the second most educated city in LA County and the fifth most educated city in California, according to US Census data.

Known for its clean, wide beaches, Manhattan Beach attracts over 3.8 million visitors annually. Various paths for walking and biking include The Strand, Greenbelt, and a concrete bikeway along the beach that extends from Palos Verdes north to Santa Monica. Restrooms and showers are provided adjacent to the Strand paths to wash up after beach volleyball, body boarding, surfing, or swimming.

The Manhattan Beach Unified School District was ranked sixth best in the United States by Forbes and has test scores ranked third best in California, according to California Department of Education statistics. Mira Costa High School in Manhattan Beach is ranked in the top 1% of high schools nationally.



County Overview

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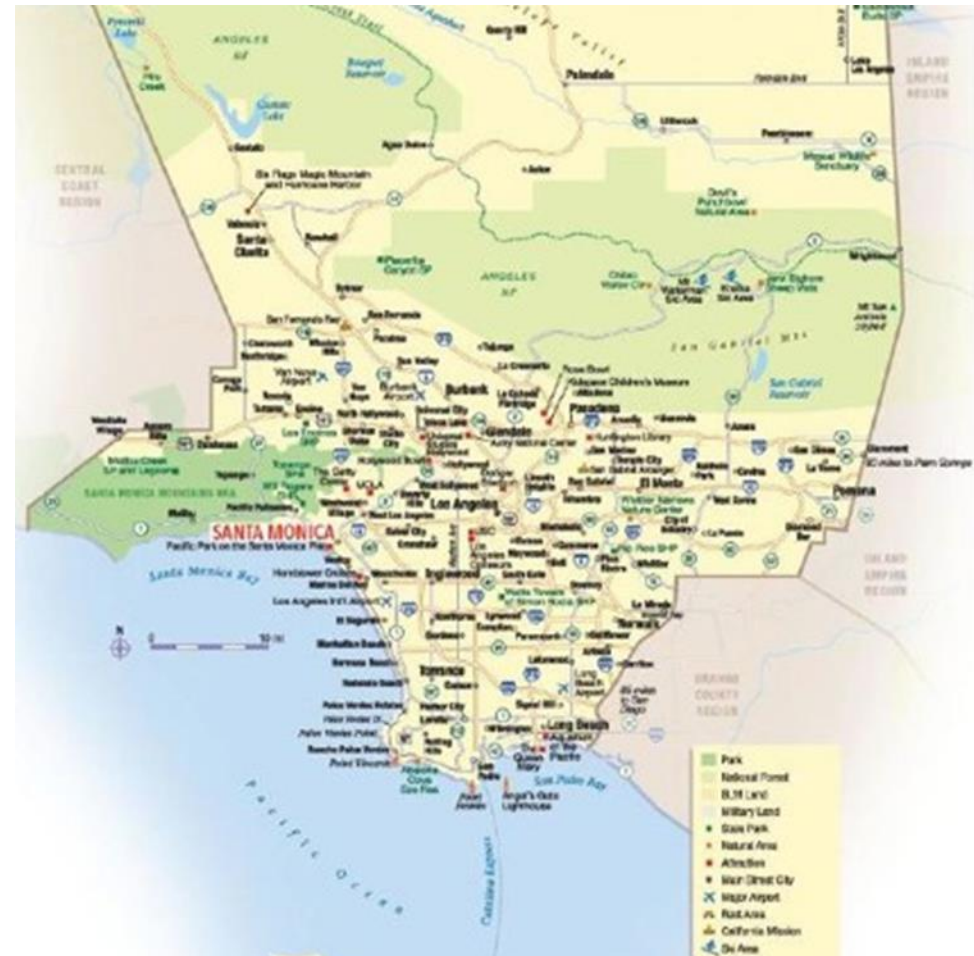


Los Angeles

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.

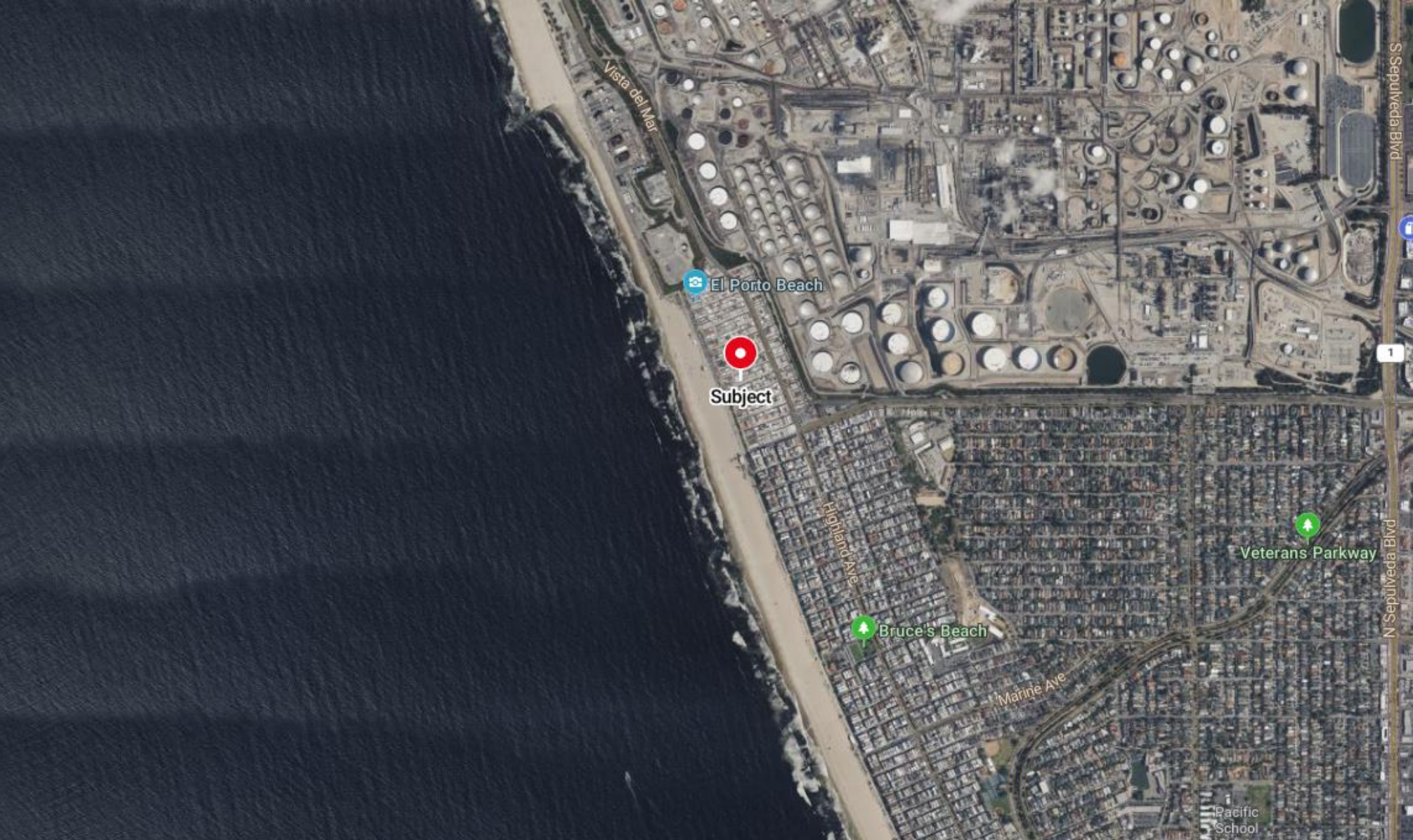
Los Angeles County is well located on the Southern Coast of California, and covers 4,061 square miles, including the San Clemente and Santa Catalina islands. The county is comprised of approximately 88 vibrant and diverse cities hosting more than 244,000 business establishments – the greatest concentration 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.



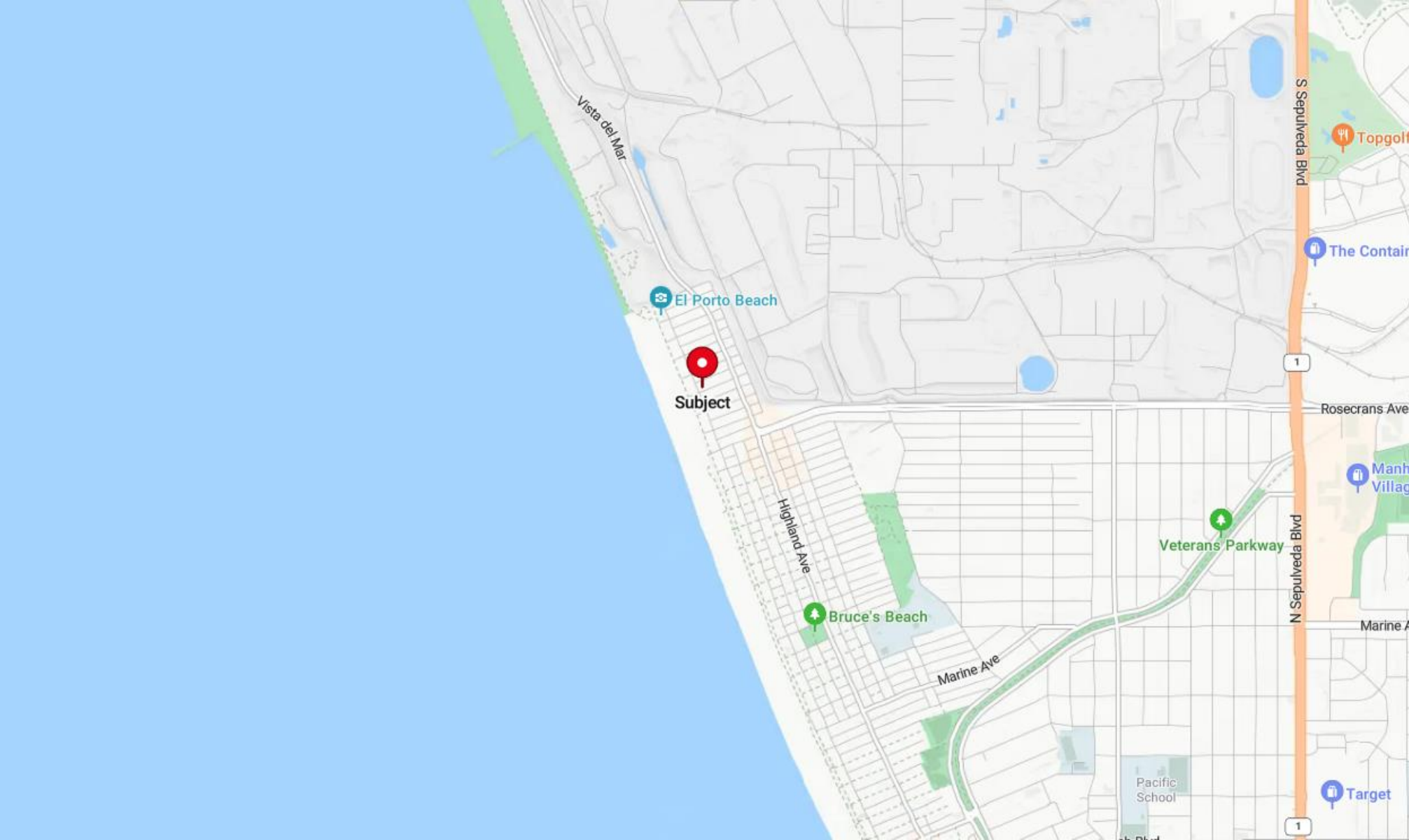
Local Map

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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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