

# OFFERING MEMORANDUM



## OCEAN SANTA MONICA APARTMENTS

901 Ocean Avenue, Santa Monica, CA 90403

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# EXECUTIVE SUMMARY

# PROPERTY INTRODUCTION

## THE OPPORTUNITY

LYON STAHL INVESTMENT REAL ESTATE, AS EXCLUSIVE ADVISOR, IS PLEASED TO PRESENT FOR SALE THE OCEAN SANTA MONICA APARTMENTS LOCATED IN SANTA MONICA, CALIFORNIA.

Ocean Santa Monica Apartments is a pride of ownership asset offering luxurious modern living. This contemporary 28-unit apartment building is positioned to enjoy stunning views of the Santa Monica beaches and sunsets over the Pacific Ocean. Located on Ocean Avenue's Golden Mile, in the Wilshire Montana Neighborhood of Santa Monica, this enviable location, just east of Santa Monica Beach is within close proximity to enjoy the best lifestyle amenities that Santa Monica has to offer such as Santa Monica & Malibu beaches, the Santa Monica Pier, Ocean Avenue dining, the 3rd Street Promenade, Montana Avenue shops, and Palisades Park.



901 Ocean Avenue provides residents with easy access to the 10 Freeway and the Downtown Santa Monica Metro Expo Station. With a Walk Score of 71 (very walkable) and a Bikers Paradise score of 95, tenants enjoy convenient access to an abundance of shopping, restaurants, cafes, fitness studios, art galleries and nightlife.

Built in 1961, and renovated in 2015 and 2021/2022, the Property is comprised of one three-story courtyard style building featuring high-end interior and exterior finishes. The desirable unit mix of 18 one-bedroom units, and 10 two-bedroom, two-bath units total 30,954 square feet of living space.

The community is well appointed and includes an attractive lobby with designer finishes, elevator, heated pool with lounge area and built-in BBQ, rooftop sundeck with spectacular ocean views, and well-manicured landscaping. Additionally, the property provides a controlled access entry, subterranean gated parking, four electric vehicle charging stations, a bicycle parking area, one laundry room per floor, copper plumbing, updated electrical wiring, solar panels and is separately metered for electricity (electricity is separately metered, however, owner pays all utilities and is partially reimbursed through RUBS).



# PROPERTY INTRODUCTION



The spacious unit interiors contain high quality finishes and are equipped with expansive glass railing balconies (some with stunning ocean views), wood or bamboo flooring, recessed lighting, electric wall heaters, mirrored closet doors, well-dressed kitchens & bathrooms with quartz, Caesarstone or granite countertops, large farmhouse style kitchen sinks and stainless-steel appliances, dishwasher & disposal, bathrooms include soaking bathtub and shower (microwave ovens are featured only in the penthouse units).

Santa Monica is one of the most desirable residential and business locations in Los Angeles County. The demographic profile in Santa Monica is very strong with a highly educated populace. For many residents, one of their primary draws to Santa Monica is its convenient Westside location and nearby Culver City and Silicon Beach, leading tech hubs for world-class technology, e-commerce, media and entertainment companies such as Google, Facebook, Snapchat, Hulu, and Electronic Arts, amid many others.

According to CoStar data, on April 27, 2022, Santa Monica real estate investment trust Douglas Emmett in a joint venture bought the 120-unit 1221 Ocean Avenue apartment complex for \$330 million, or about \$2.75 million per unit. The sale is the highest total price paid for an apartment complex in Santa Monica in the past decade. Further, the sale is the biggest price paid per unit for an apartment complex in greater Los Angeles in the past 10 years. At the time of sale, the 16-story building built in 1971 and renovated in 2018 was 98% leased and the average unit size is 1,500 square feet. Available units were marketed for between \$12,420 and \$20,500 per month, according to Apartments.com.

In summary, Ocean Santa Monica Apartments offers an investor the opportunity to own a pride of ownership apartment building in a highly coveted Southern California location. The long-term outlook for the West Los Angeles region is positive and is expected to retain its highly desirable reputation establishing the benchmark for the remainder of the region.



# PROPERTY INTRODUCTION



## DESIRABLE UNIT MIX

Unit mix consists of (18) large 1-Bedroom 1-Bathroom and (10) 2-Bedroom 2-Bathroom style units ideally located within steps to the beach.



## HIGH APARTMENT DEMAND

Supply-constrained market and high cost of home ownership means a steady demand for rental housing and little competition from new apartment construction.



## COVETED LOCATION

Subject to City of Santa Monica rent control.



## STRONG ECONOMIC BASE

Santa Monica has a diverse economic base with numerous jobs in Tech & Startups, Production, Aerospace, Health Care, and Tourism. And is nearby to Los Angeles International Airport, a major employment generator.



# EXECUTIVE SUMMARY PROPERTY PHOTOS



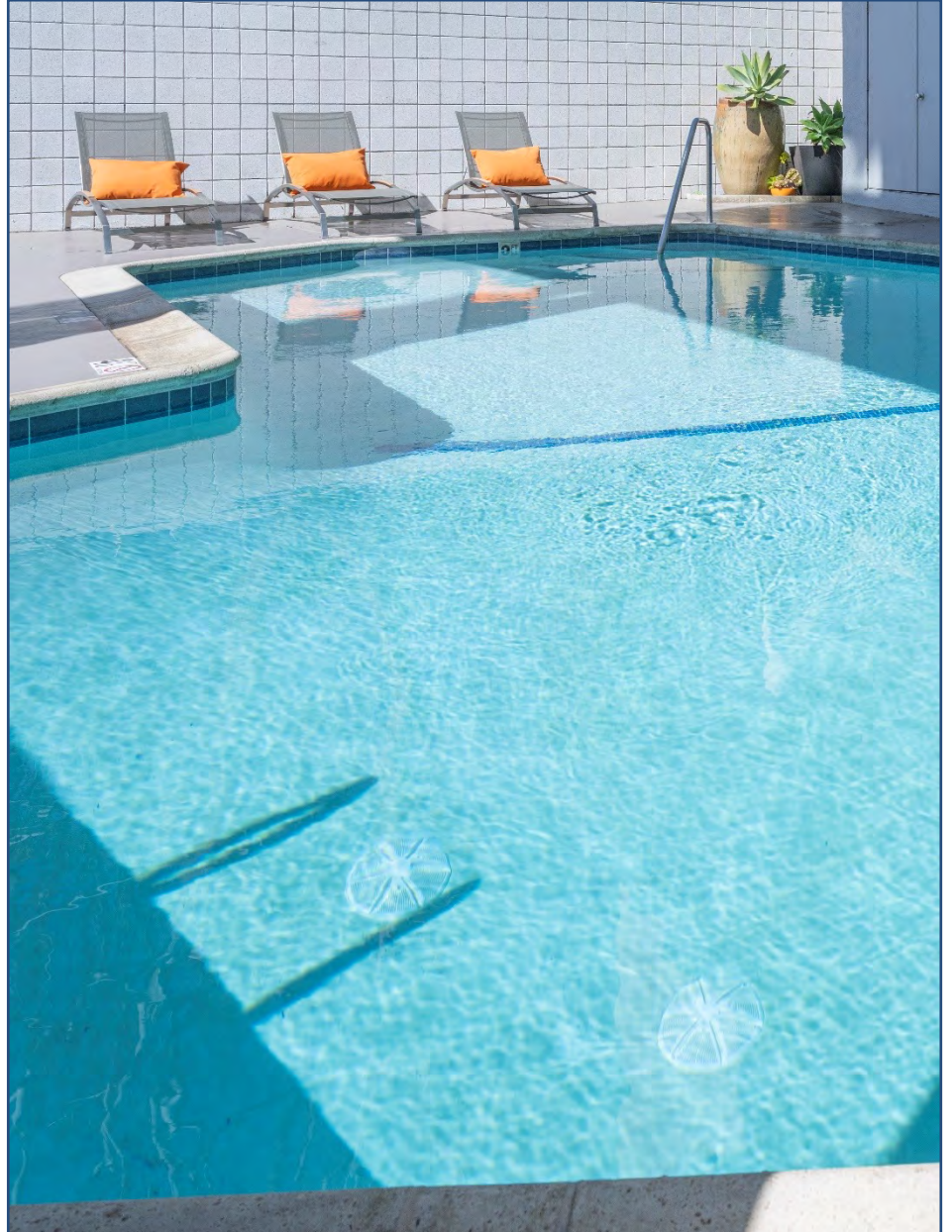


# EXECUTIVE SUMMARY PROPERTY PHOTOS





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EXECUTIVE SUMMARY  
**PROPERTY PHOTOS**



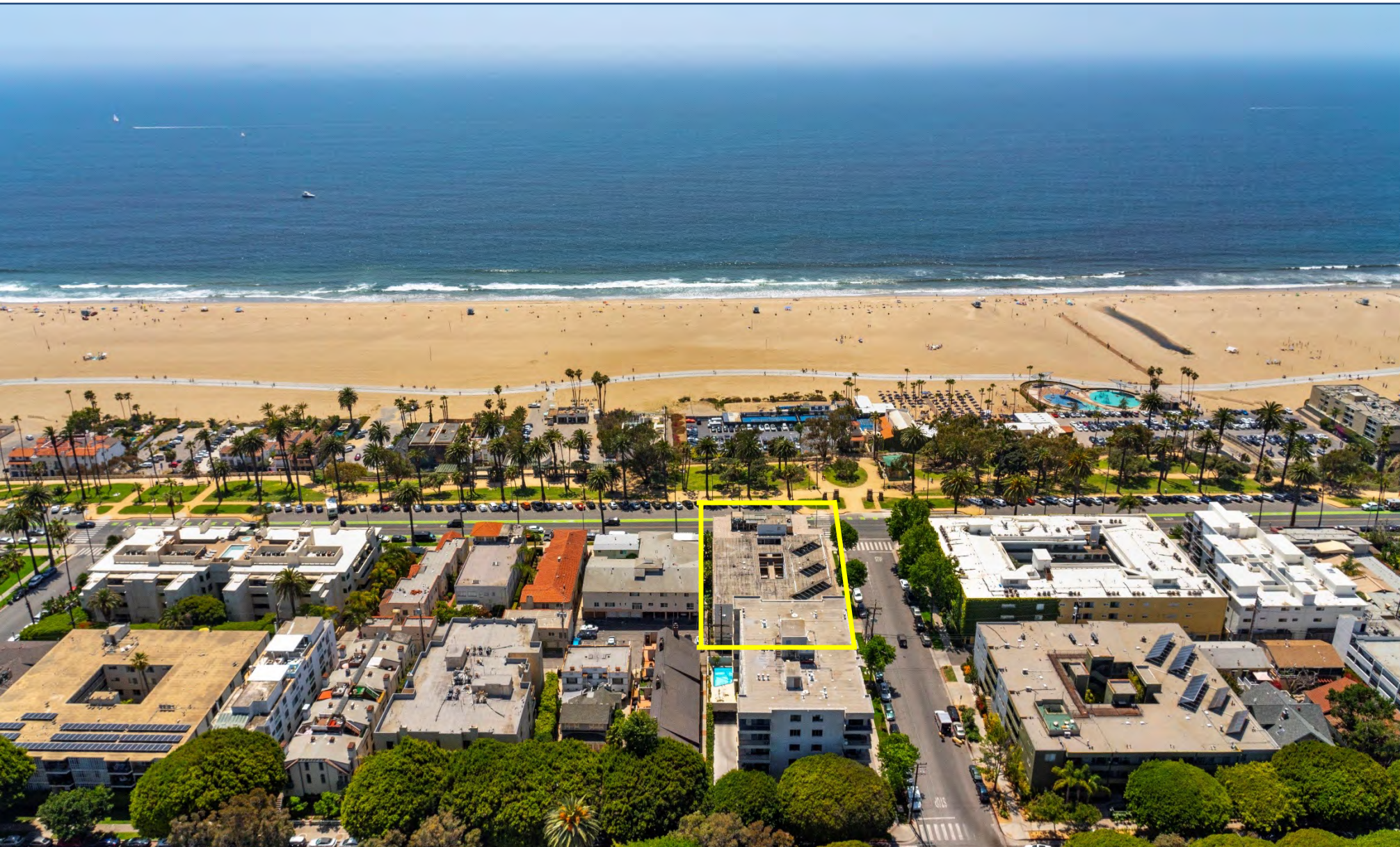


# PROPERTY PHOTOS – AERIAL VIEW





# PROPERTY PHOTOS – AERIAL VIEW



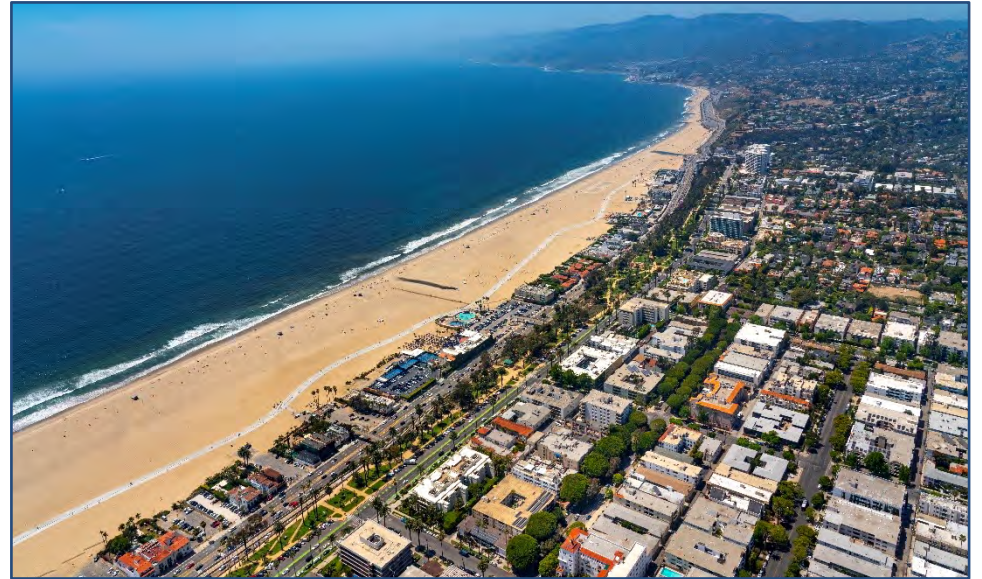


# PROPERTY PHOTOS – AERIAL VIEW





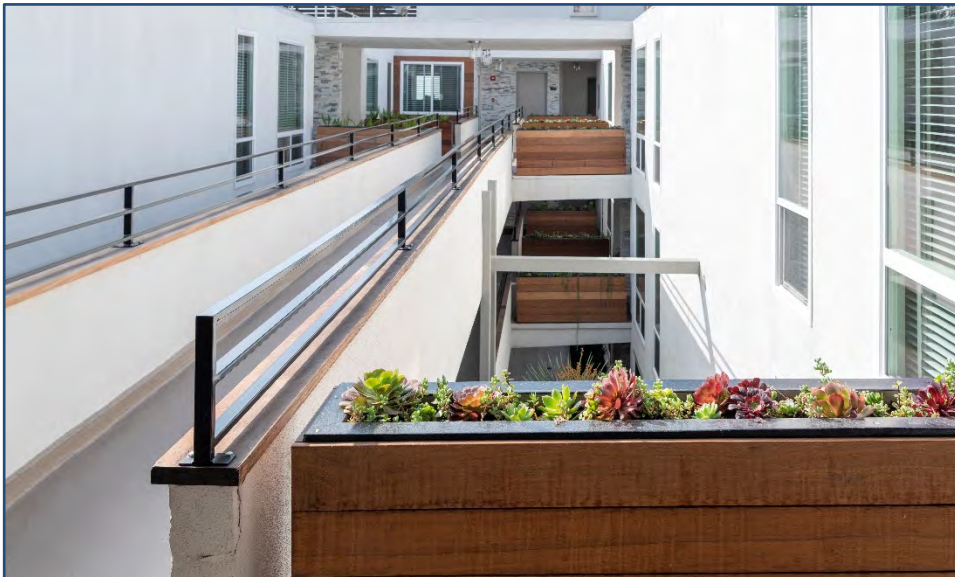
# PROPERTY PHOTOS – AERIAL VIEW





# EXECUTIVE SUMMARY

## PROPERTY PHOTOS





# EXECUTIVE SUMMARY

## PROPERTY PHOTOS





# PROPERTY PHOTOS – PENTHOUSE





# PROPERTY PHOTOS – PENTHOUSE





# PROPERTY PHOTOS – PENTHOUSE





# PROPERTY PHOTOS – PENTHOUSE





# PROPERTY PHOTOS – PENTHOUSE





# PROPERTY PHOTOS – PENTHOUSE





# EXECUTIVE SUMMARY

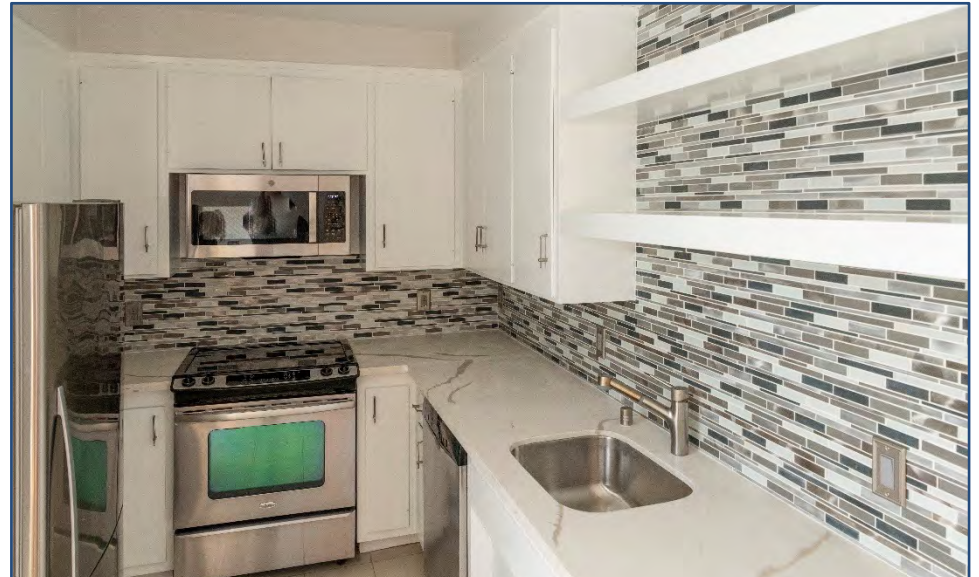
## PROPERTY PHOTOS – INTERIOR





# EXECUTIVE SUMMARY

## PROPERTY PHOTOS – INTERIOR





# PROPERTY PHOTOS – LOBBY AREA LOUNGE





# PROPERTY PHOTOS – LOBBY AREA LOUNGE





# PROPERTY PHOTOS – ROOFTOP LOUNGE





# PROPERTY PHOTOS – ROOFTOP LOUNGE





# PROPERTY PHOTOS – ROOFTOP LOUNGE





# PROPERTY PHOTOS – GROUND LEVEL LOUNGE





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# INVESTMENT HIGHLIGHTS



# PROPERTY DETAILS

## OCEAN SANTA MONICA APARTMENTS

Price	\$32,622,000
Address	901 Ocean Avenue, Santa Monica, CA 90403
Assessor's Parcel Number	4292-026-024
Number of Units	28
Number of Buildings	1
Number of Stories	Three
Unit Mix	(18) 1 Bedroom / 1 Bath (10) 2 Bedroom / 2 Bath
Year Built	1961
Renovated	2015 and 2021/2022
Gross Square Feet (Per Assessor)	30,954
Parking – Gated, Semi-Subterranean	33 Spaces, 4 with Charging Stations
Roof Type	Tar/Gravel
Washer/Dryers	Community Laundry Each Floor Total of 3 Washers & 3 Dryers (Owned)

## UTILITIES

Water	Master Metered, Owner Pays & Some on RUBS
Sewer/Trash	Owner Pays & Some on RUBS
Electric	Individually Metered. Owner Pays electric for One Unit





# PROPERTY DETAILS – INTERIOR DESCRIPTION

## UNIT FEATURES

- Wood or Bamboo Plank Flooring
- Sliding Door to Balcony
- Expansive Balconies with Glass Railings – Some with Gorgeous Ocean Views
- Smooth-Finished Ceilings
- Recessed Lighting
- Luxury Window Treatments
- Mirrored Closet Doors Open to California Closets

## DESIGNER KITCHENS FEATURES

- Full Appliance Package Including – Stainless Steel Gas Range/Oven, Vent Hood, Refrigerator with Ice Maker, Dishwasher, Garbage Disposal, Built-In Microwave Oven (Penthouse Units Only)
- Quartz Caesarstone or Granite Counter Tops
- Large “Farm” Style Sinks
- Custom Natural Wood Cabinets

## DESIGNER BATHROOMS FEATURES

- Quartz Caesarstone or Granite Counter Tops
- Porcelain Sink
- Marble or Tile Flooring
- Soaking Tub/Shower
- Tile Surrounds
- Medicine Cabinet



# PROPERTY DETAILS – PHYSICAL DESCRIPTION

## BUILDING FEATURES

- Pride of Ownership, Renovated in 2015 and 2021/2022
- Three Residential Floors Over Semi-Subterranean Parking
- 28-Units: (18) One Bedroom/One Bath and (10) Two Bedroom/Two Bath
- Balconies or Patios with Glass Enclosures
- Stunning Ocean Views
- Courtyard Style
- Controlled Access Building
- Inviting Lobby
- Outdoor and Indoor Community Lounge Spaces
- Electric Heating
- Heated Pool with Lounge Area and Outdoor Kitchen
- Rooftop Deck with Stunning Ocean Views and Glass Wind Barrier
- Laundry Room on Each Floor (1 Washer and 1 Dryer Each Floor)
- Vinyl Frame Windows
- One Elevator and Two Exterior Stairwells
- 31 Parking Spaces
- 4 Electric Vehicle Charging Stations
- Bicycle Parking Rack in Garage
- Solar Panels
- Copper Plumbing

## INVESTMENT / LOCATION HIGHLIGHTS

- Unparallel Location, Ocean and Sunset Views, Steps to the Beach
- Walk Score of 71 (very walkable) and a Bikers Paradise Score of 95
- Santa Monica, the heart of Silicon Beach, LA's Hottest Tech and Startup Scene
- Close Proximity to World-Class Shopping, Dining and Entertainment; Third Street Promenade, Montana Avenue, the Famous Santa Monica Pier, Abbot Kinney, Rose Avenue and Main Street
- Conveniently located near the 10 Freeway
- 25-Minute Walk to the Downtown Santa Monica Metro Line Station



# 3

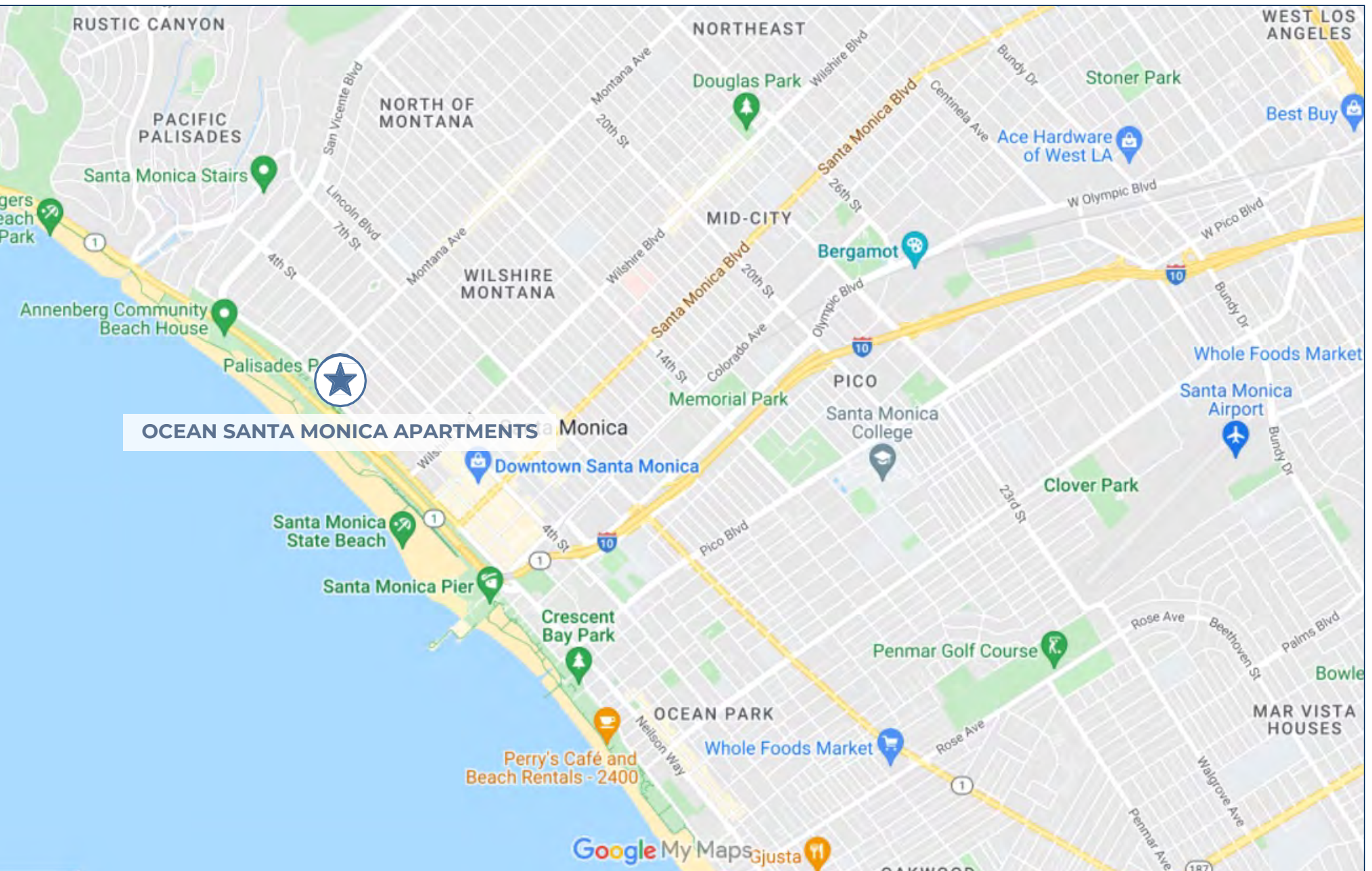
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# MARKET OVERVIEW



# MARKET OVERVIEW

## REGIONAL MAP





## MARKET OVERVIEW

# CITY OVERVIEW

### **Santa Monica**

Santa Monica, an idyllic beachside city on the westside of Los Angeles County, is one of the most desirable places to live in the United States. Situated on the Santa Monica Bay and incorporating a total of 8.3 square miles, it is bordered on five sides by different neighborhoods of the city of Los Angeles: Pacific Palisades to the north, Brentwood on the northeast, West Los Angeles on the east, Mar Vista on the southeast, and Venice on the south.

Offering an environment of unparalleled natural beauty, the city is home to a mix of residential communities, commercial districts, recreational venues, and premier amenities such as fine dining and high-end retail along Montana Avenue and Third Street Promenade, making it a highly sought-after destination for tourists and residents of Los Angeles.

Recently named by National Geographic as one of the Top "10 Beach Cities in the World" and by TIME as one of the "Best Places to Live", Santa Monica features three miles of Pacific beaches and the world-famous Santa Monica Pier. Santa Monica's residential population is approximately 93,000, increasing to an estimated 250,000 during the day with tourists, shoppers, and employees. Tourism attracts over 8 million visitors annually.

Due to a highly favorable climate, ocean border and close proximity to Los Angeles, Santa Monica became a famed resort town by the early 20th century attracting many celebrities. The annual Best Places Comfort Index for Santa Monica is 9.2 (10=best), which means it is one of the most pleasant places in California. The City averages more than 280 days of sunshine a year and offers some of the most spectacular sunsets on the West Coast.

With its strong and diverse economy, Santa Monica is one of the nation's most desirable locations for residents and employers. Santa Monica is within the heart of the Silicon Beach tech region which is on the leading edge of the nation's creative economy, technological innovation and startup scene. The influx of creative companies has attracted a strong tenant base of well-educated, high-income earning residents. The highly-rated Santa Monica-Malibu Unified School District serves both Santa Monica and Malibu residents. Santa Monica College (SMC), one of the state's top two-year community colleges, serves over 30,000 full-time and part-time students on several campuses and offers more than 90 fields of study. Santa Monica's strong education institutions are complemented by the 5-star rated Santa Monica Public Library system. Santa Monica is also home to three renowned and respected health facilities, Providence Saint John's Health Center, Santa Monica-UCLA Medical Center and Kaiser Permanente.

The City of Santa Monica is a national leader in environmental, economic and social sustainability. Great care has been taken to ensure that the City is an exceptional place to live, work, and play. The City is working toward aggressive climate action goals including: water self-sufficiency by 2023, zero waste by 2030, and carbon neutrality by 2050.

Known as a very walkable and bike friendly town, it is easy to get around Santa Monica to experience all that this vibrant city has to offer.



## MARKET OVERVIEW

# CITY OVERVIEW

### LIFESTYLE AND CULTURE

Santa Monica is the perfect beach town with an abundance of attractions, world-renowned shopping, dining, nightlife and entertainment. Residents of 901 Ocean experience unmatched access to lifestyle amenities within a short walk, bike ride or drive.

#### Santa Monica Pier & Pacific Park



The 112 year old Santa Monica Pier, with its iconic entrance, is extremely popular with residents and visitors.

The unique Pacific Park oceanfront amusement park is located on the Santa Monica Pier. There are a total of twelve rides in Pacific Park, including the world's first and only solar-powered Ferris Wheel. Pacific Park has appeared in over 500 movies and television shows. Residents can reach this destination in an approximate 20 minute walk from 901 Ocean.

#### Santa Monica State Beach



Santa Monica State Beach is a famous beach destination that draws visitors from around the globe. It is 3 miles long, covers 245 acres of sand and is managed by the City of Santa Monica in cooperation with California State Parks.

#### Santa Monica Bike Path



The beach bike path in Santa Monica stretches approximately 3 miles from Will Rogers State Beach to the north and Venice Beach to the south. The bike path runs parallel to an adjacent pedestrian path way.



## MARKET OVERVIEW

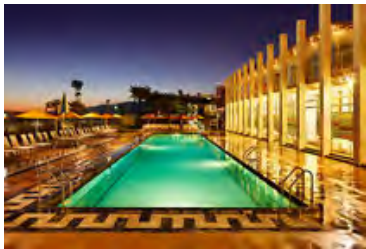
# CITY OVERVIEW

### Muscle Beach



During the 1930s, 40s and 50s, acrobats, muscle men and bathing beauties at the original Muscle Beach located just south of the Santa Monica Pier drew huge crowds. Athletic equipment like rings, parallel bars, balance bars & more available at no charge. The original Muscle Beach is located on Ocean Front Walk, south of Santa Monica Pier.

### Annenberg Community Beach House



A public facility on the beach offering the beach club experience to all, no membership required. Low or no-cost fitness classes, recreation programs and cultural events are offered year-round.

Located at 415 Pacific Coast Highway, Santa Monica, CA 90402. Residents can reach this destination in an approximate 20 minute walk from 901 Ocean.

### Santa Monica Farmers Market



Overflowing with colorful produce from California's rich agricultural land, Santa Monica's farmers markets are a literal feast for the senses. The farmers market offers the largest percentage of certified-organic growers that chefs from all over Los Angeles County convene to get their fresh produce. Strolling these open-air gatherings is a quintessential slice of genuine Southern California life. And with easy bus access and bike-friendly options like bike valets, arriving is easy.

The Four weekly Farmers Markets are held in three locations and occur on Wednesdays, Saturdays and Sundays, bringing the farmers to Downtown, Pico neighborhoods and Main Street.

Downtown Farmers Market: This Wednesday and Saturday market provides an abundance of fresh California grown produce and is featured as the city's largest and longest running farmers markets. Saturdays are on Arizona Avenue, between 4th & 2nd. Wednesdays are on Arizona Avenue, between 4th & Ocean.



## MARKET OVERVIEW

# CITY OVERVIEW

Virginia Avenue/Pico Neighborhood Farmers Market: This Saturday market features unique vendors serving fresh produce, locally caught seafood, and other edible goods.

Main Street Farmers Market: This Sunday market is set between the historic Victorian House and the California Heritage Museum. It is a favorite for families.

### Third Street Promenade (Downtown Santa Monica)



The Third Street Promenade is the perfect place to enjoy upscale shopping, dining and entertainment. Just east of the Pier, the Third Street Promenade consists of three open-air, car-free blocks that are anchored by Santa Monica Place, home to more than 80 retailers. The Third Street Promenade begins at the Santa Monica Place shopping center and spans north towards Wilshire Blvd. Specialty retailers abound here: Patagonia, Lululemon, Anthropologie, Urban Outfitters and Wasteland Vintage, just to name a few!

The Third Street Promenade is a perfect place to people-watch and catch the budding talents of versatile street performers. With everything from fresh farmers-market produce to designer fashions, it's a shopper's nirvana. Likewise, foodies rejoice in the numerous restaurants featuring locally sourced ingredients and craft cocktails.

Life pulses around each corner with hotel guests, street performers, shoppers, office workers, diners, barflies and moviegoers. Additionally, it's the terminus of the Metro Expo Line, which ferries riders by light rail between Santa Monica and Downtown Los Angeles.

### Montana Avenue

Montana Avenue is a one-stop destination providing a relaxed atmosphere for shopping and dining. Just up the road from the scenic Santa Monica coastline, an approximate 5-minute drive from 901 Ocean Avenue, these 10 blocks that stretch from 7th to 17th Street are home to more than 150 stores and restaurants. From unique home boutiques to high-end retailers, there is bound to be something for everyone.

### Employment

Over the last decade, Santa Monica has become a hotbed for technology and media focused companies, bringing with them a strong tenant base of well-educated, high-income earning millennials. Located near Silicon Beach, the tech and media scene provide numerous opportunities for both residents and investors. Residents of the property are within close proximity to several of Santa Monica's premier employers.



# MARKET OVERVIEW

## CITY OVERVIEW

### Silicon Beach



Silicon Beach is the Westside region of the Los Angeles metropolitan area that is home to more than 500 technology companies, including startups. Silicon Beach particularly applies to the coastal strip from Los Angeles International Airport north to the Santa Monica Mountains. Santa Monica, at the heart of Silicon Beach, is a magnet for entrepreneurs and is a flourishing breeding ground for technology, gaming and media innovation.

Startups seeded here include Snapchat and Tinder. Major technology companies that opened offices in the region including Google, Yahoo!, YouTube, BuzzFeed, Facebook, Salesforce, AOL, Electronic Arts, Sony, EdgeCast Networks, MySpace, Amazon.com, Apple, Inc., and Netflix.

hulu

ec EdgeCast Networks



LIONSGATE

SONY



VIACOMCBS



Snapchat

amazonstudios



NETFLIX

tinder

HBO



YAHOO!

myspace®

Aol.

IMAX



BuzzFeed

MACERICH®

BEACHMINT



Red Bull



Google

ACTIVISION®

BMG

LAUNCHPAD LA

amazon

belkin

TrueCar®



FANDANGO



FACEBOOK





## MARKET OVERVIEW

# CITY OVERVIEW

### Education

Higher education institutions headquartered in Silicon Beach include Loyola Marymount University and Otis College of Art and Design.

Other higher education institutions in the nearby Southern California region or with satellite campuses in/nearby Silicon Beach include: Art Center College of Design, California Institute of Technology, University of California Los Angeles, University of Southern California, Occidental College, and the Claremont Colleges.

### Transit

Santa Monica has a history of developing environmental and sustainability strategies, with the most recent focus on community-wide carbon neutrality by 2050 or sooner.

The City-operated Big Blue Bus regional bus service provides over 16.5 million rides for customers each year, all powered by renewable natural gas. Breeze Bike Share was Southern California's first bike share system with 500 bikes at 85 locations.

The Metro Expo Line connects Santa Monica to Downtown Los Angeles, Hollywood, the South Bay, Long Beach, Pasadena and the San Fernando Valley. Travel time from Downtown Santa Monica to Downtown Los Angeles is 41 minutes. The Expo Line has become the second busiest of Metro's four light rail lines.

901 Ocean is a 25-minute walk to the Downtown Santa Monica station of the Metro Line. The Westside area has the highest concentration of jobs outside downtown Los Angeles and many of the Expo Line's new stops are near major employers.

Freeway access to Santa Monica is provided by the Santa Monica Freeway (Interstate 10). The Santa Monica Freeway bisects the city in an east-west direction. It terminates at Pacific Coast Highway, a major north/south coastal route in the state. To the east, the Santa Monica Freeway extends easterly to downtown Los Angeles and then continues to the California state line.

Approximately one mile east of the city's eastern border, the Santa Monica Freeway intersects with the San Diego Freeway (Interstate 405). The San Diego Freeway is a major north/south traffic route in Southern California, running between the San Fernando Valley on the north and San Diego County on the south.



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# FINANCIAL ANALYSIS



# PRO FORMA INCOME & EXPENSES

UNITS	UNITTYPE	AVERAGE UNIT SF	APPROX TOTAL SF	AVERAGE CURRENT RENT	AVERAGE CURRENT RENT/SF	MARKET RENT AVERAGE
18	1 Bedroom / 1 Bath	807	14,526	\$4,524	\$5.61	\$5,018
10	2 Bedroom / 2 Bath	1,022	10,210	\$7,451	\$7.29	\$7,595
<b>28</b>	<b>Averages:</b>	<b>884</b>	<b>24,746</b>	<b>\$5,569</b>	<b>\$6.45</b>	<b>\$5,938</b>





# PRO FORMA INCOME & EXPENSES

INCOME		IN-PLACE	PRO FORMA	
<b>Gross Rental Income</b>		\$1,871,304	\$1,995,180	
Plus: Car Charge Stations (1 Rented @ \$75 each)		\$900	\$2,700	
Plus: Other Income (RUBS)		\$7,452	\$30,000	
<b>Gross Operating Income</b>		<b>\$1,879,656</b>	<b>\$2,027,880</b>	
Less: Vacancy	3.00%	(\$56,139)	(\$59,855)	
<b>Effective Gross Income</b>		<b>\$1,823,517</b>	<b>\$1,968,025</b>	
EXPENSES		PER UNIT	IN-PLACE	PRO FORMA
Property Tax (0.011666%) (Per LA County Assessor)		\$13.592	\$380,568	\$380,568
Direct Assessments (Per LA County Assessor)		\$164	\$4,580	\$4,580
Resident Manager (Estimated)		\$1,200	\$33,600	\$33,600
Professional Management (Estimated)	2.50%	\$1,664	\$45,588	\$49,201
Utilities (Estimated)		\$1,733	\$48,515	\$48,515
Insurance (Actual - Per Owner)		\$867	\$24,266	\$24,266
SMRC Registration Fee (Per City of Santa Monica)	1.1666%	\$240	\$6,720	\$6,720
Maintenance & Repairs (Estimated)		\$500	\$14,000	\$14,000
Janitorial (Actual - Per Owner)		\$446	\$12,500	\$12,500
Landscaping (Actual - Per Owner)		\$750	\$4,000	\$4,000
Elevator Maintenance (Actual - Per Owner)		\$200	\$1,548	\$1,548
Marketing (Estimated)		\$89	\$2,500	\$2,500
<b>Total Expenses</b>			<b>\$578,385</b>	<b>\$581,998</b>
		% of Sch Rent:	<b>30.91%</b>	<b>29.17%</b>
		Per Unit:	\$20.657	\$20.786
		Per SF:	\$23.37	\$23.52
<b>Net Operating Income</b>			<b>\$1,245,132</b>	<b>\$1,386,027</b>



# CAP RATE ANALYSIS & RENT ROLL

CAPE RATE ANALYSIS	PRICE	\$/UNIT	\$/FOOT	CURRENT CAP RATE	PRO FORMA CAP RATE
<i>Price</i>	\$32,622,000	\$1,165,071	\$1,318.27	3.82%	4.25%
			GRM	17.36	16.09





# FINANCIAL ASSUMPTION DETAIL

## EXPENSES

A number of units were operated as Airbnb until the first quarter of 2025. No units are currently operated on a short-term basis. Because of the high operating costs associated with operating short-term rentals, certain operating costs were adjusted to more realistically project future expenses.

- **Property Taxes:** Projected based on Prop-13 plus Direct Assessments.
- **Resident Manager:** The current Resident Manager will be vacating their unit. \$33,600 is projected for a new Resident Manager.
- **Professional Management:** Estimated
- **Insurance:** Based on the owners current cost, less the cost of a FNMA required umbrella policy.
- **SMRC Registration Fee:** Per City of Santa Monica, the fee is \$20 per unit, per month. Tenants pay half of the fee, \$10 per unit, per month is included in their rent.
- **Maintenance & Repair:** Estimated
- **Janitorial:** The Owner has a new contract for common area cleaning at \$250 per week. (Janitorial was much higher for the Airbnb units.
- **Landscaping:** Actual, per owner
- **Elevator:** Actual, per owner
- **Marketing:** Estimated

## INCOME

- **Car Charge Stations:** There are four EV charging stations that the owner charges at \$75 per month. Currently one is Tenant utilized, and three are projected in the PRO FORMA column.
- **Other Income:** New Tenants are charged a portion of water, sewer and trash. The Owner currently collects \$7,452 per year, and \$30,000 is projected at full implementation. The Owner currently charges \$57 per month for 1-Bedroom units, and \$113 per month for 2-Bedroom units. Unit 205 is a “legacy tenant” and their utilities are paid by the Owner.
- **Laundry:** Laundry is free to the Tenants, and no income is listed.
- **Furnished Units:** At one time all of the units were rented on a furnished basis. Units that remain furnished are: 202, 208, 302, 310, and possibly 205 (to be confirmed).



# FINANCIAL ANALYSIS RENT ROLL

UNIT	UNIT TYPE	ESTIMATED RENTABLE SF	CURRENT RENT	MONTHLY RENT/SF	PRO FORMA MARKET RENT	LEASE START	LEASE END	UNIT NOTES
103	1 Bd/1 Ba	808	\$4,500.00	\$5.57	\$5,100.00	8/1/24	7/31/25	Ocean visible from balcony, north-facing, above garage
104	2 Bd/2 Ba	1,129	\$5,900.00	\$5.23	\$6,400.00	8/1/24	7/31/25	Ocean-facing bedroom with large window, no balcony, ocean view
105	1 Bd/1 Ba	811	\$4,652.50	\$5.74	\$5,100.00	5/15/22	5/14/23	Ocean visible from balcony, north-facing
106	1 Bd/1 Ba	801	\$4,695.00	\$5.86	\$4,695.00	Vacant	Unrented	South-facing unit, slight ocean view from balcony
107	1 Bd/1 Ba	809	\$4,750.00	\$5.87	\$4,750.00	4/6/25	4/5/26	Ocean visible from balcony, above garage, north-facing
108	1 Bd/1 Ba	805	\$3,995.00	\$4.96	\$4,900.00	7/1/24	6/30/25	South-facing unit
109	2 Bd/2 Ba	974	\$5,775.00	\$5.93	\$5,775.00	2/22/25	2/21/26	Ocean view from balcony, corner unit
110	1 Bd/1 Ba	790	\$4,565.00	\$5.78	\$4,900.00	6/1/25	5/31/26	South-facing, corner unit
201	2 Bd/2 Ba	1,030	\$9,985.00	\$9.69	\$9,985.00	Vacant	Unrented	Lots of natural light, ocean view, all rooms ocean-facing, glass front balcony
202	2 Bd/2 Ba	1,077	\$10,150.00	\$9.42	\$10,150.00	4/1/25	3/31/26	Lots of natural light, ocean view, ocean-facing glass front balcony, Furnished
203	1 Bd/1 Ba	814	\$4,500.00	\$5.53	\$5,100.00	7/29/24	7/28/25	Ocean visible from balcony, north-facing
204	1 Bd/1 Ba	808	\$4,095.00	\$5.07	\$5,100.00	12/1/24	11/30/25	South-facing unit, slight ocean view from balcony
205	1 Bd/1 Ba	810	\$3,997.50	\$4.94	\$5,100.00	10/1/12		Ocean visible from balcony, north-facing, Furnished?-(To be determined)
206	1 Bd/1 Ba	806	\$4,185.50	\$5.19	\$5,100.00	3/15/23	3/14/24	South-facing unit, slight ocean view from balcony
207	1 Bd/1 Ba	808	\$4,775.50	\$5.91	\$5,300.00	5/26/23	5/25/24	Ocean visible from balcony, north-facing
208	1 Bd/1 Ba	806	\$4,775.00	\$5.92	\$4,775.00	4/1/25	3/31/26	South-facing unit, Furnished.
209	2 Bd/2 Ba	976	\$5,600.00	\$5.74	\$6,200.00	7/3/24	7/2/25	Ocean view, corner unit
210	2 Bd/2 Ba	977	\$5,150.00	\$5.27	\$5,150.00	Vacant	Rented	South-facing, corner unit
301	2 Bd/2 Ba	1,027	\$9,917.50	\$9.66	\$10,250.00	7/8/13		Penthouse unit: Furnished, ocean view, all rooms ocean-facing, glass front balcony
302	2 Bd/2 Ba	1,077	\$10,250.00	\$9.52	\$10,250.00	3/15/25	3/14/26	Penthouse unit: Furnished, ocean view, ocean-facing glass front balcony, large entry foyer
303	1 Bd/1 Ba	814	\$5,282.00	\$6.49	\$5,300.00	10/16/21	10/15/22	Ocean visible from balcony, north-facing
304	1 Bd/1 Ba	808	\$4,500.00	\$5.57	\$5,100.00	12/28/24	6/1/25	South-facing unit, slight ocean view from balcony
305	1 Bd/1 Ba	810	\$4,585.50	\$5.66	\$5,100.00	6/10/23	6/30/24	Ocean visible from balcony, north-facing
306	1 Bd/1 Ba	805	\$4,225.00	\$5.25	\$4,900.00	8/5/24	8/4/25	South-facing unit, slight ocean view from balcony
307	1 Bd/1 Ba	808	\$4,652.50	\$5.76	\$5,300.00	2/15/22	2/14/23	Ocean visible from balcony, north-facing
308	1 Bd/1 Ba	808	\$4,695.00	\$5.81	\$4,695.00	Vacant	Unrented	South-facing unit
309	2 Bd 2 Ba	974	\$5,895.00	\$6.05	\$5,895.00	Vacant	Rented	Ocean view, corner unit
310	2 Bd/2 Ba	976	\$5,895.00	\$6.04	\$5,895.00	4/1/24	3/31/25	South-facing, corner unit



# RENT COMP DETAILS

				
	SUBJECT PROPERTY	1	2	3
	901 Ocean Avenue Santa Monica	757 Ocean Avenue Santa Monica	2101 Ocean Avenue Santa Monica	301 Ocean Avenue Santa Monica
NUMBER OF UNITS	28-units	53-units	17-units	38-units
YEAR BUILT	1961	1958	1959	1952
1 BDRM/1 BATH	\$3,998 - \$5,282	\$4,000 / \$4,600 / \$5,500	\$5,000	\$10,000
SQUARE FEET	790 - 814	732 / 732 / 800	650	1,188
RENT/SF	\$5.06 - \$6.49	\$5.46 / \$6.28 / \$6.88	\$7.69	\$8.42
2 BDRM/2 BATH	\$5,150 - \$10,250	\$7,000	\$6,300 / \$6,500 / \$6,900	\$13,000
SQUARE FEET	974 - 1,129	1,000	900 / 1,150 / 1,300	1,188
RENT/SF	\$5.29 - \$9.08	\$7.00	\$7.00 / \$5.65 / \$5.31	\$10.94

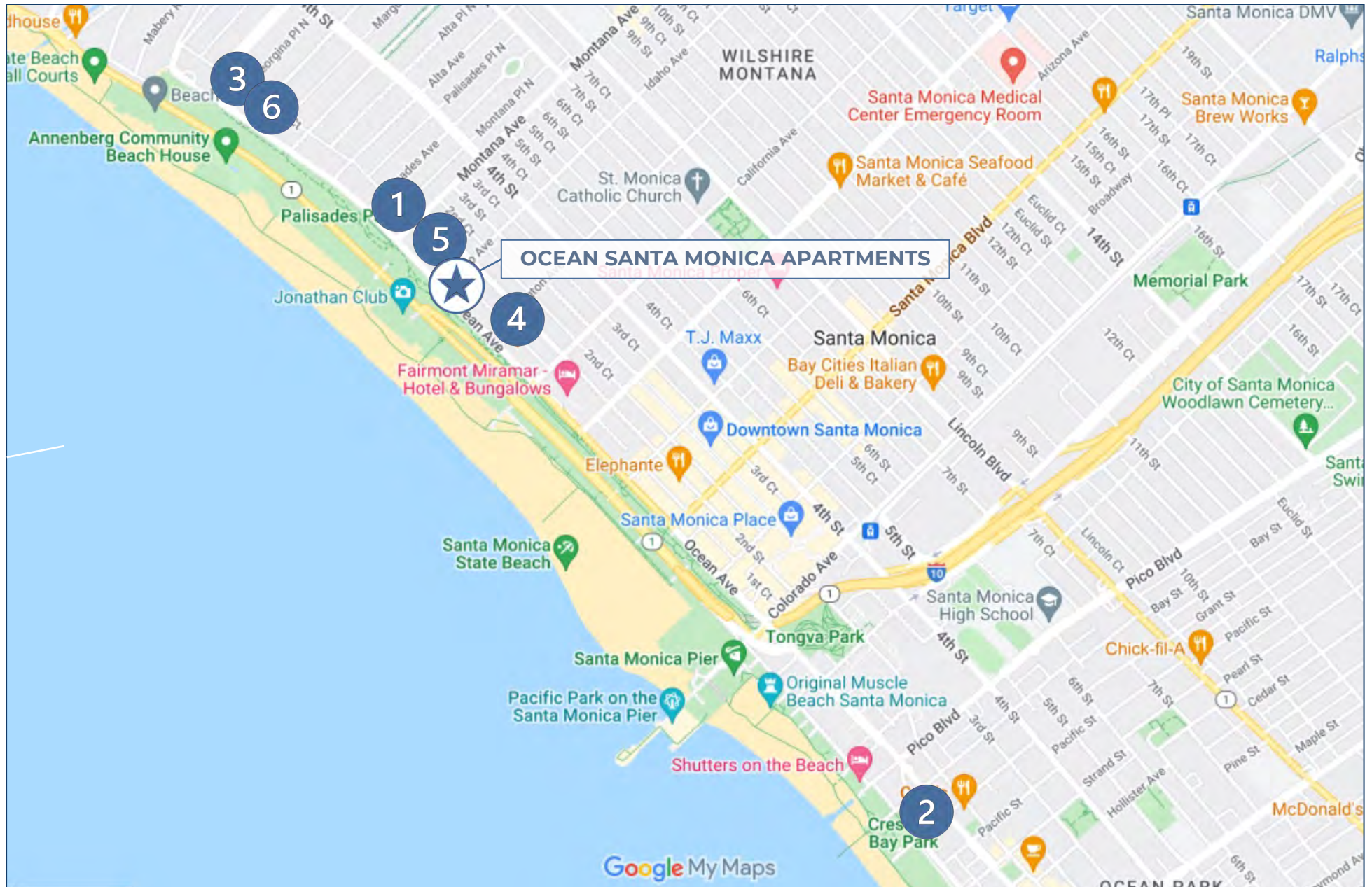


# RENT COMP DETAILS

				
	SUBJECT PROPERTY	4	5	6
	901 Ocean Avenue Santa Monica	1025 Ocean Avenue Santa Monica	833 Ocean Avenue Santa Monica	1033 Ocean Avenue Santa Monica
NUMBER OF UNITS	28-units	21-units	18-units	16-units
YEAR BUILT	1961	1961	1976	1981
1 BDRM/1 BATH	\$3,998 - \$5,282			
SQUARE FEET	790 - 814			
RENT/SF	\$5.06 - \$6.49			
2 BDRM/2 BATH	\$5,150 - \$10,250	\$4,495	\$8,900 - \$9,000	\$10,995
SQUARE FEET	974 - 1,129	1,000	1,477	1,396
RENT/SF	\$5.29 - \$9.08	\$4.50	\$6.03 - \$6.23	\$7.88



# RENT COMPARABLES MAP





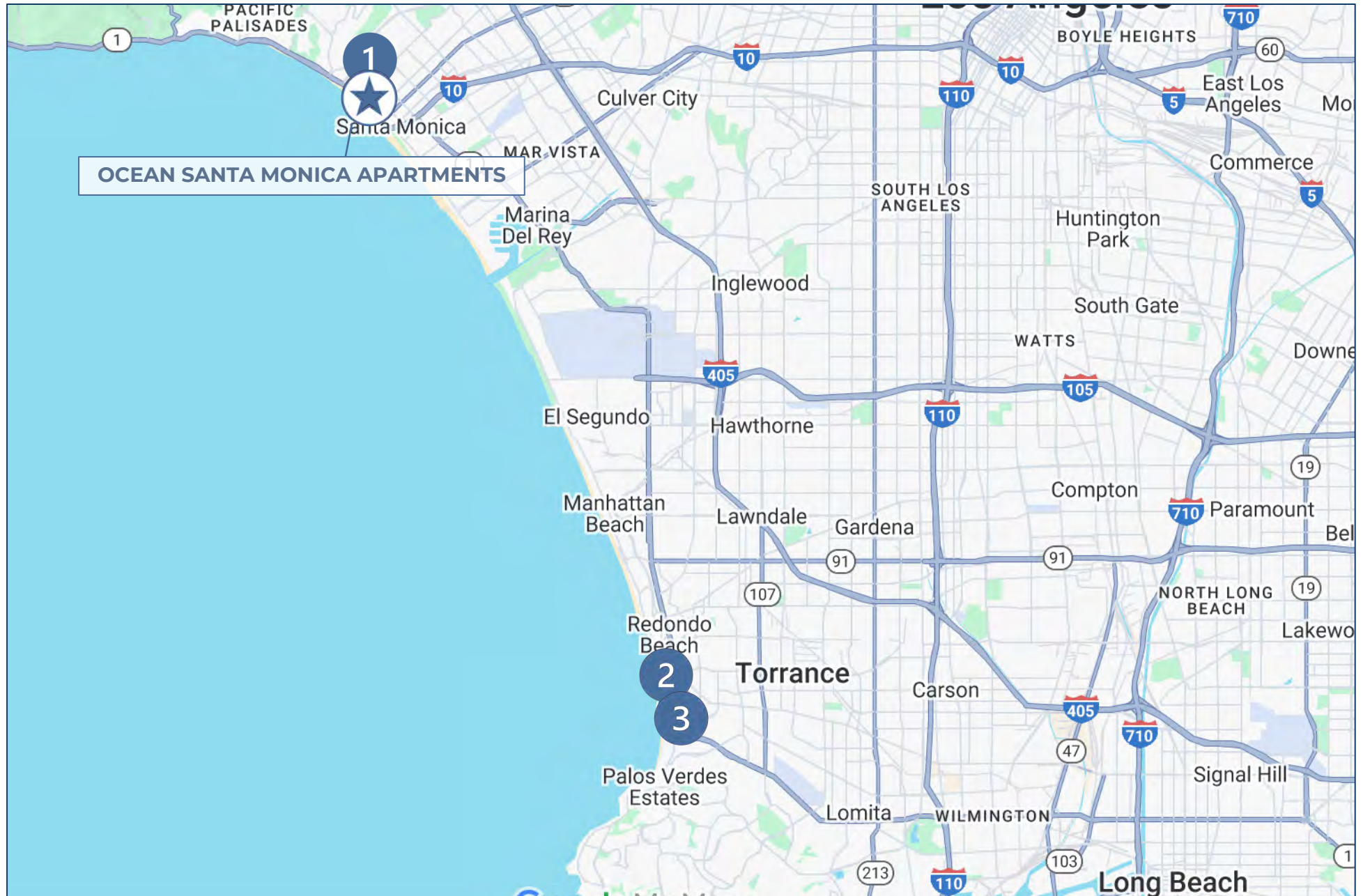
# SALES COMPARABLE ANALYSIS

## CLOSED COMPARABLES

				
	<b>SUBJECT PROPERTY</b>	<b>1</b>	<b>2</b>	<b>3</b>
	<b>901 Ocean Avenue Santa Monica</b>	<b>1012 3rd Street Santa Monica</b>	<b>1100 Esplanade Redondo Beach</b>	<b>300 Palos Verdes Blvd Redondo Beach</b>
# OF UNITS	28	27	16	31
TOTAL SF*	30,954	35,091	15,541	27,807
AVERAGE SF	1,106	1,300	971	897
YEAR BUILT	1961/Renovated 2021/2022	1970	1958	1960
SALE DATE	SUBJECT PROPERTY	6/13/2024	9/26/2024	11/6/2024
SALE PRICE	\$32,622,000	\$16,900,000	\$13,317,750	\$14,400,000
PRICE PER UNIT	\$1,165,071	\$625,926	\$832,359	\$464,516
PRICE PER SF	\$1,054	\$482	\$857	\$518
NET INCOME	\$1,245,132	\$760,500	\$153,408	\$538,560
CAP RATE	3.82%	4.50%	1.15%	3.74%
GROSS INCOME	\$1,879,656	\$1,049,490	\$467,400	\$844,068
GRM	17.36	16.10	28.49	17.06
AVERAGE RENT	\$5,594	\$3,239	\$2,434	\$2,269
UNIT TYPE	18-1/1, 10-2/2	7-1/1, 3-1/1.5, 17-2/2	6-1/1, 7-2/2, 3-3/2	10-1/1, 10-2/1, 11-2/2



# SALES COMPARABLES MAP





# CONFIDENTIALITY & DISCLAIMER

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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 prospects of any tenant or any tenant's plans or intentions to continue occupancy of the Property. The Memorandum has selected information relating to the 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.





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