

60 15TH STREET

PREMIER BEACH LOCATION



16 UNITS ■ HERMOSA BEACH, CA 90254



Vista

Sotheby's
INTERNATIONAL REALTY

3.08% Assumable Interest Only Loan
Matures 6/1/2030

60 15TH STREET ■ HERMOSA BEACH, CA 90254

STEVEN MULLINS

Realtor/Broker Associate

(310) 901-4687

steven@stevenmullins.com

CalDRE License: 01487977

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Sotheby's International Realty and it should not be made available to any other person or entity without the written consent of Sotheby's International Realty. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the Offering Memorandum. If you have no interest in the subject property at this time, please return this Offering Memorandum to Sotheby's International Realty.

This Offering Memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Sotheby's International Realty has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and 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 its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Sotheby's International Realty has not verified, and will not verify, any of the information contained herein, nor has Sotheby's International Realty conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Sotheby's International Realty has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Sotheby's International Realty's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Sotheby's International Realty and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.)

Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Sotheby's International Realty makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.



Vista

Sotheby's
INTERNATIONAL REALTY



SECTION 1

EXECUTIVE SUMMARY



60 15TH STREET



60 15TH STREET

HERMOSA BEACH, CA 90254

PROPERTY SUMMARY

PRICING

OFFERING PRICE		\$14,700,000
PRICE/UNIT		\$918,750
PRICE/SF		\$1,860
GRM	19.27	18.30
CAP RATE	3.72%	3.73%
	Current	Market

THE ASSET

Units		16
Year Built		1959
Year Renovated		2019
Gross SF		7,905
Lot SF		8,573
Zoning		R-3
APN		4183-004-010

3.08% Assumable Interest Only Loan
Matures 6/1/2030

PROPERTY OVERVIEW

Iconic Hermosa Beach trophy property, The Beach House, is now available. This fully furnished renovated property sits just a few doors from the Hermosa Strand and Hermosa's world class volleyball and beaches. Completely renovated in 2019 with another refresh in 2022 by the current owners, this property is fully stabilized with a 3.08% assumable interest only loan. This 3.08% loan is like going back in time and even better, it does not mature until June 1, 2030. It includes 15 1-bedroom/1-bath units and one 2-bedroom/2-bath unit, each loaded with amenities. Your tenants just have to unpack their clothes and start renting at strong proven rents.

The units include washer/dryer, television, Wi-Fi, heating and cooling, stainless steel appliances, and beautiful interiors. The courtyard is truly a unique gathering place for all tenants. It includes 3 large TVs, full WIFI coverage, a built-in BBQ, custom fire-pit, full size bar and 5 daybeds. The amenities continue with an on-site workout room/gym and 16 enclosed garages. The property is fully gated within an amazing community just steps from Pier Avenue and the bars, restaurants, yoga studios and other attractions.

3.08% Assumable Interest Only Loan Matures 6/1/2030

Fully Furnished

Outdoor TVs and Couches

In-Unit Washer/Dryer

Gated Building

A few doors to the famous Hermosa Beach Strand and Pier Avenue

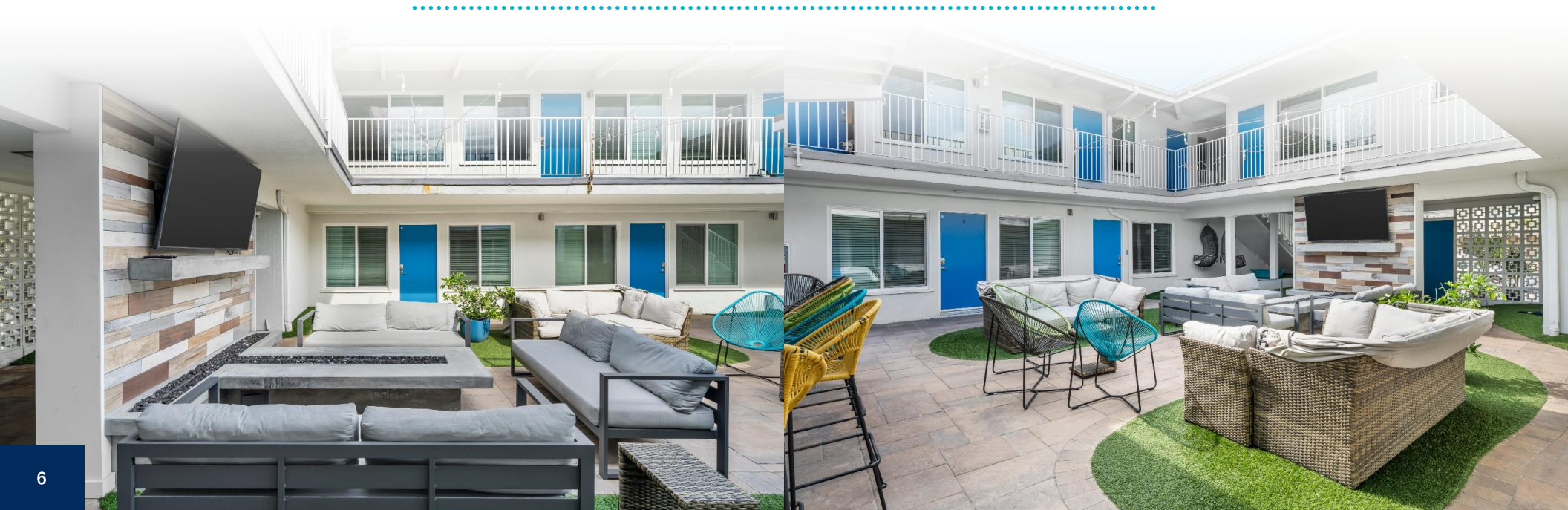
16 units with Courtyard and Entertaining Space

16 garages

Air Conditioning



60 15TH STREET

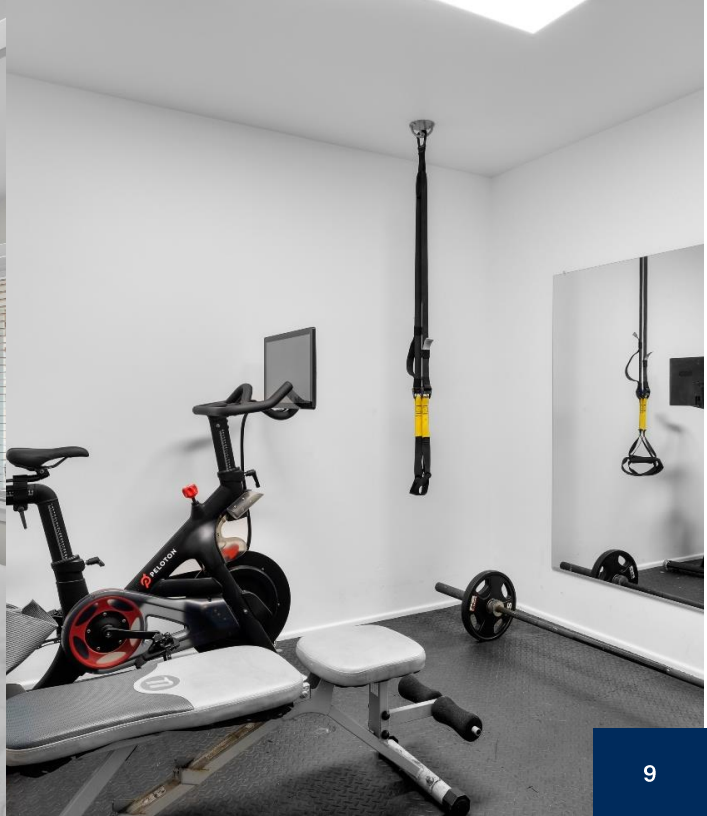




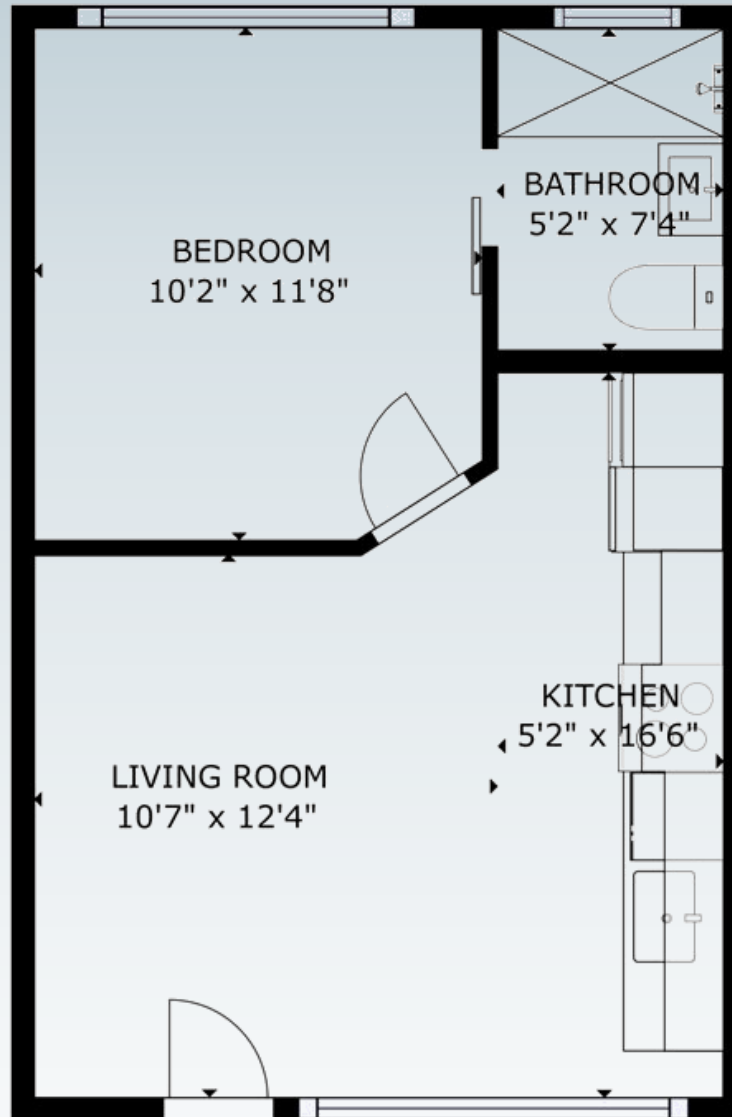
16 UNITS PRIME LOCATION







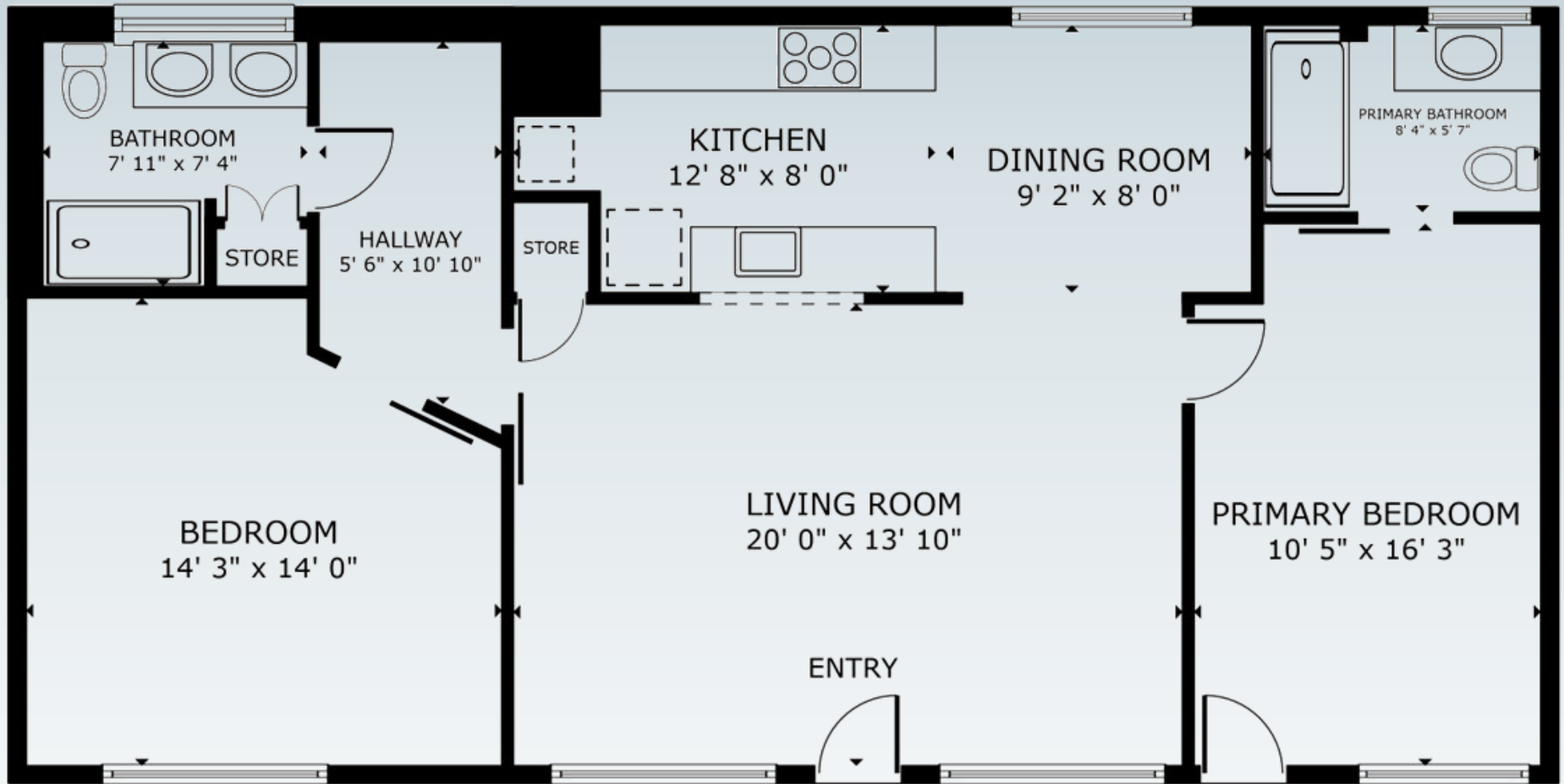
ONE BED UNIT



GROSS INTERNAL AREA
FLOOR 1: 380 sq ft
TOTAL: 380 sq ft

SIZES AND DIMENSIONS ARE APPROXIMATE, ACTUAL MAY VARY

TWO BED UNIT



FLOOR PLAN

GROSS INTERNAL AREA
FLOOR PLAN 994 sq.ft.
TOTAL : 994 sq.ft.

SIZES AND DIMENSIONS ARE APPROXIMATE, ACTUAL MAY VARY.

60 15TH STREET

PREMIER BEACH LOCATION



American Junkie
the **bar** method.

THE BREWS HALL
HERMOSA BEACH



Playa Hermosa
FISH & OYSTER CO.



Beach House
HERMOSA BEACH

HERMOSA
BEACH PIER

SUBJECT

NOBLE
PARK

HERMOSA AVE

An aerial photograph of a coastal city. The top half shows a vast, clear blue ocean under a bright sky, with a long pier extending into the water on the right. The bottom half shows a dense residential area with various multi-story buildings, some with flat roofs and solar panels. A large green park with palm trees is visible on the left side of the residential area. The text 'SECTION 2' is overlaid in large white letters on the ocean background, and 'FINANCIAL ANALYSIS' is overlaid in smaller white letters on a dark blue horizontal band. '60 15TH STREET' is overlaid in white letters on the residential area.

SECTION 2

FINANCIAL ANALYSIS

60 15TH STREET

FINANCIAL ANALYSIS

PRICING

OFFERING PRICE		\$14,700,000
PRICE/UNIT		\$918,750
PRICE/SF		\$1,860
GRM	19.27	18.30
CAP RATE	3.72%	3.73%
	Current	Market

ASSUMABLE FINANCING

Down	\$7,993,000
Loan	\$6,707,000
Interest Rate	3.08%
Average I/O Payments	\$17,241.63

MONTHLY RENT SCHEDULE

# of Units	Type	Avg. Current	Current Total	Market	Market Total
15	1+1	\$3,990	\$59,850	\$4,200	\$63,000
1	2+2	\$5,700	\$5,700	\$6,000	\$6,000
Total Scheduled Rent			\$65,550		\$69,000

ANNUALIZED INCOME

	Current	Market
Scheduled Gross Income	\$786,600	\$828,000
Vacancy Rate Reserve:	3% (\$23,598)	3% (\$24,840)
Gross Operating Income	\$763,002	\$803,160

ESTIMATED ANNUALIZED EXPENSES

	Current	Market
Property Management Fees	-	\$39,600
Repairs and Maintenance	\$10,800	\$10,800
Real Estate Taxes 1.1	\$164,945	\$164,945
Rental Property Insurance	\$9,600	\$9,600
General & Administrative	\$600	\$600
Utilities (Electric/Gas/Trash/Water/Internet/TV)	\$32,400	\$32,400
Advertising	\$600	\$600
Total Expenses	\$218,945	\$258,545
Expenses/Unit	\$13,684	\$16,159
Expenses/SF	\$27.70	\$32.71
% of GOI	28.7%	32.2%

RETURN

	Current	Market
NOI	\$544,057	\$544,615

RENT ROLL

Unit #	Type	Current Rent	Market Rent	Special Features
A	2 Bed + 2 Bath	\$5,700	\$6,000	2 Bedroom Lower Level
B	1 Bed + 1 Bath	\$4,100	\$4,200	
C	1 Bed + 1 Bath	\$4,100	\$4,200	
D	1 Bed + 1 Bath	\$4,000	\$4,200	
E	1 Bed + 1 Bath	\$4,000	\$4,200	Corner Unit/Ocean Peek
F	1 Bed + 1 Bath	\$3,100	\$4,200	Manager Unit
G	1 Bed + 1 Bath	\$4,100	\$4,200	
H	1 Bed + 1 Bath	\$4,000	\$4,200	
I	1 Bed + 1 Bath	\$4,100	\$4,200	Corner Unit/Ocean Peek
J	1 Bed + 1 Bath	\$4,100	\$4,200	
K	1 Bed + 1 Bath	\$4,100	\$4,200	
L	1 Bed + 1 Bath	\$4,100	\$4,200	
M	1 Bed + 1 Bath	\$4,100	\$4,200	Corner Unit/Ocean Peek
N	1 Bed + 1 Bath	\$3,850	\$4,200	
O	1 Bed + 1 Bath	\$4,100	\$4,200	
P	1 Bed + 1 Bath	\$4,000	\$4,200	Corner Unit/Ocean Peek
Totals:		\$65,550	\$69,000	










SECTION 3

MARKET COMPARABLES

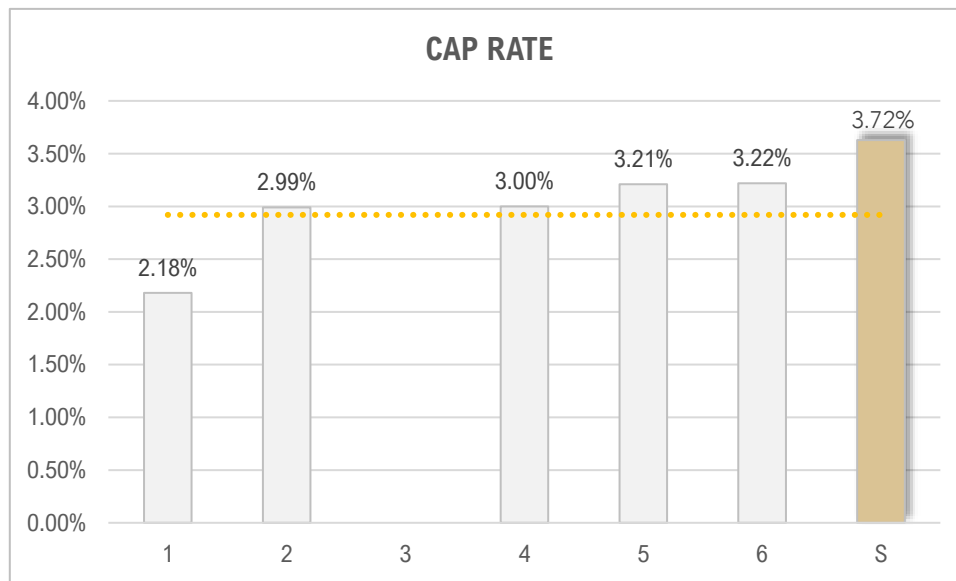
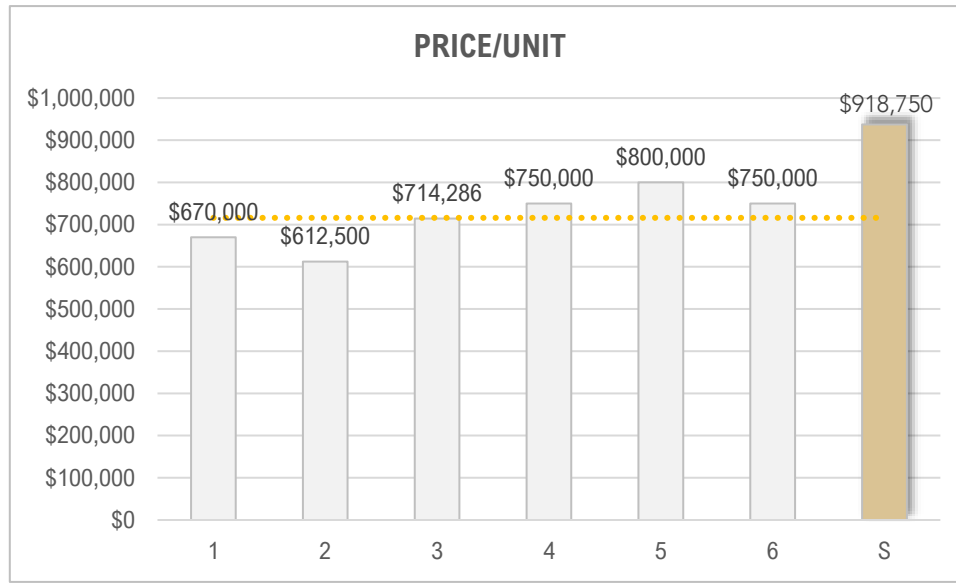


60 15TH STREET

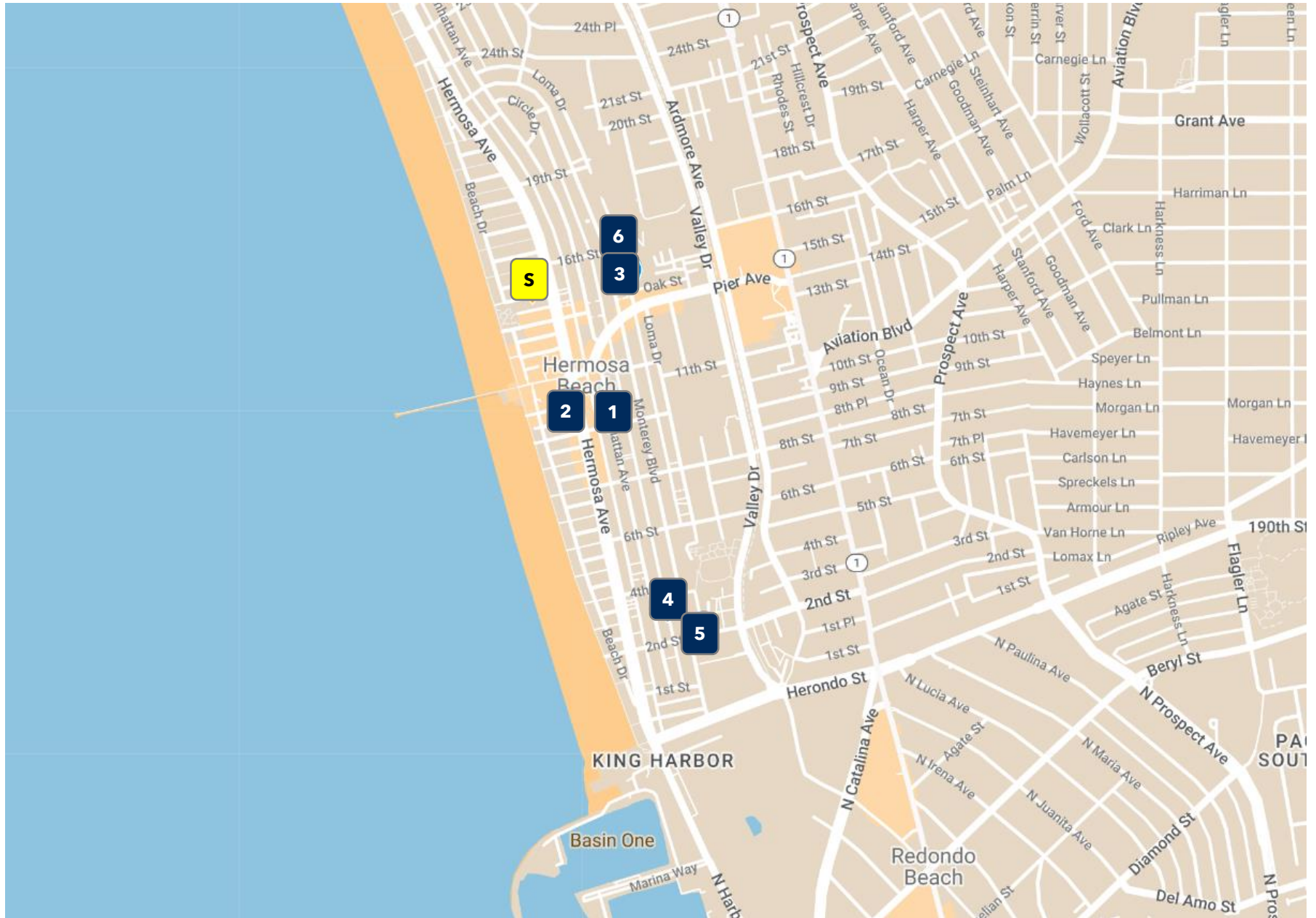
SALES COMPARABLES

PHOTO	ADDRESS	UNITS	BUILT	GROSS SF	LOT SF	UNIT MIX	SALE DATE	PRICE	PRICE/UNIT	PRICE/SF	CAP
	1 150 10th St Hermosa Beach, CA 90254	10	1961	6,763	5,990	9 - 1+1 1 - 3+2	7/29/2022	\$6,700,000	\$670,000	\$991	2.18%
	2 59 10th St Hermosa Beach, CA 90254	8	1953	3,200	5,232	8 - 1+1	6/30/2023	\$4,900,000	\$612,500	\$1,531	2.99%
	3 1428-1448 Monterey & 1436 Loma Dr Hermosa Beach, CA 90254	42	1962 1972	32,544	23,928	42 - Studio	2/2/2022	\$30,000,000	\$714,286	\$922	-
	4 236 Manhattan Ave Hermosa Beach, CA 90254	6	1970	5,288	3,920	6 - Studio	11/18/2022	\$4,500,000	\$750,000	\$851	3.00%
	5 148 Monterey Blvd Hermosa Beach, CA 90254	5	1985	5,000	4,792	5 - 1+1	7/6/2023	\$4,000,000	\$800,000	\$800	3.21%
	6 1536 Monterey Blvd Hermosa Beach, CA 90254	6	1952	5,432	5,001	4 - 1+1 2 - 2+1	4/11/2023	\$4,500,000	\$750,000	\$828	3.22%
AVERAGES				9,705	8,144				\$716,131	\$987	2.92%
	S Subject 60 15th Street Hermosa Beach, CA	16	1958	7,905	8,573	15 - 1+1 1 - 2+2	On Market	\$14,700,000	\$918,750	\$1,860	3.72%

SALES COMPARABLES



SALES COMPARABLES





SECTION 4

LOCATION OVERVIEW



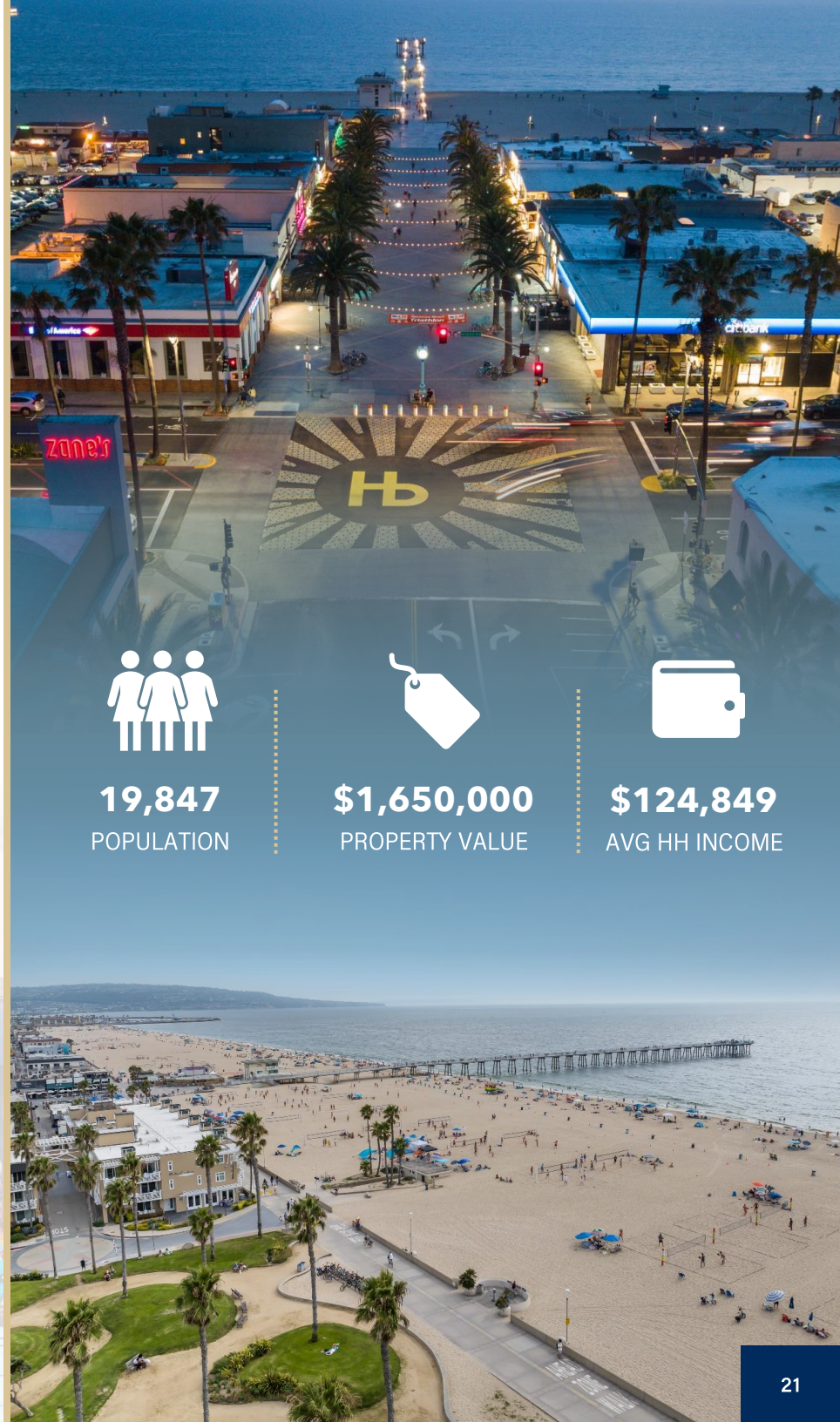
60 15TH STREET



Hermosa Beach

CALIFORNIA

A sunny small beach City of 1.43 square miles, Hermosa Beach sits at the center of Los Angeles County's South Bay coastline, just 6 miles south of Los Angeles International Airport and twenty-one miles from Downtown Los Angeles. A bedroom community with a flourishing downtown, the City of Hermosa Beach serves a stable population of 19,847, according to the State's latest population estimate. However, as a lively beach City and tourist destination, Hermosa experiences a high visitor population. Due to this high visitor population, the City operates in many ways like a larger city. During the 2018–19 fiscal year, beach attendance ranged from a low of 21,700 in February 2019 to a high of 1,282,200 in July 2018, according to the Los Angeles County Fire Department, Lifeguard Division.



19,847
POPULATION



\$1,650,000
PROPERTY VALUE



\$124,849
AVG HH INCOME

AREA LIFESTYLE

The town is the very essence of the Southern California lifestyle, with temperatures ranging on average from highs of 78 degrees in the summer to 65 degrees in winter, and nighttime temperatures that rarely fall below 55 degrees. There are architecturally diverse residences on the Strand, bungalows scattered throughout the town, and multilevel homes in the hills with ocean views. There are a myriad of regular outdoor activities such as volleyball, surfing, skateboarding, and boogie boarding to name a few. Other favorite activities include jogging, skating or biking along the Strand - the paved strip paralleling the beach and connecting Hermosa with the neighboring beach cities. The City has a police department, a robust park system, green belt, and exceptional schools and facilities. Beginning December 30, 2017, the City contracted with the Los Angeles County Fire Department for Fire Services.



AMENITIES

SUBJECT



Hermosa Beach Pier



Hermosa Beach



KING HARBOUR

King Harbor Marina



Redondo Beach



- ❖ Minutes from the ocean and within walking distance to high-end shopping, dining, hotels, entertainment, outdoor recreation and attractions.
- ❖ Nearby affluent communities include Redondo Beach, Manhattan Beach, and Palos Verdes among other beach communities.
- ❖ Centrally located, the property offers tenants excellent regional access. It has been a preferred resort destination for more than a century.
- ❖ The Hermosa Beach Pier is at the end of Pier Avenue, which is one of the beach community's main shopping, dining and entertainment areas.

HERMOSA BEACH ECONOMY

Hermosa Beach is a “bedroom community” as evidenced by a household count of +10,000 and an in-city business count of under 1,000 (excluding apartments and home occupations). As of the 2019 Assessor’s Report Hermosa Beach had growth of 6.0% in secured and unsecured assessed valuation, as compared to 6.2% for Los Angeles County. The 6.0% growth was the 32nd highest of 88 cities in Los Angeles County. Median home prices in Hermosa Beach as of February 2020 were \$1,576,250, compared to \$620,000 for Los Angeles County. Home values adjacent to the beach increased for the eighth year in a row after declining 2009-2011.

As a beach city, the three highest occupations are management, sales, and administrative support, however residents enjoy access to a much more diverse employment base with the close proximity of all of the other cities in Los Angeles County, as well as many of the largest and best known names in corporate America in such fields as aerospace, high tech, industrial, service and finance. The unemployment rate in Hermosa Beach is 2.1%, compared with 4.5% for Los Angeles County, and 4.1% for California as of June 2019.

TOP AREA EMPLOYERS

27,000 Employees

NORTHROP GRUMMAN

17,700 Employees

LOCKHEED MARTIN

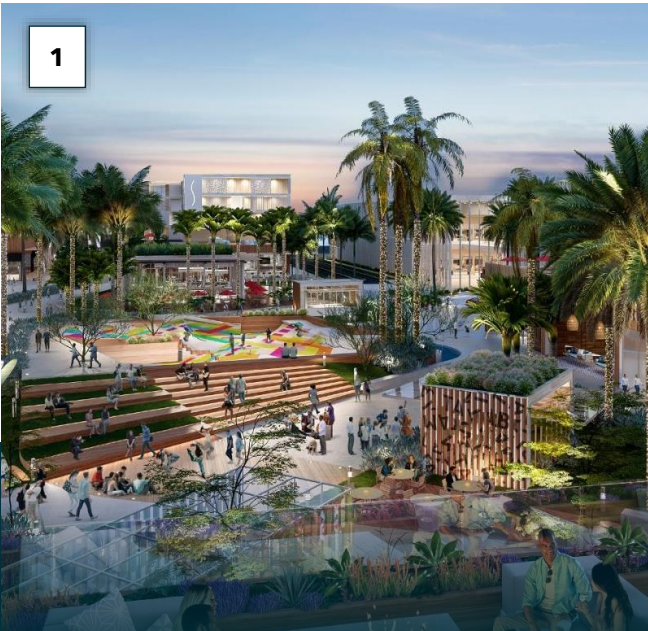
16,768 Employees

BOEING

7,000 Employees

Raytheon

REGIONAL DEVELOPMENTS



1

SOUTHBAY GALLERIA

30-acre property acquired by L Catterton Real Estate (LCRE) in 2021, and will feature a 150-room hotel, 300 apartments, and an additional 217,000 sq ft of office and retail scheduled to break ground in late 2022.



2

DEL AMO FASHION CENTER

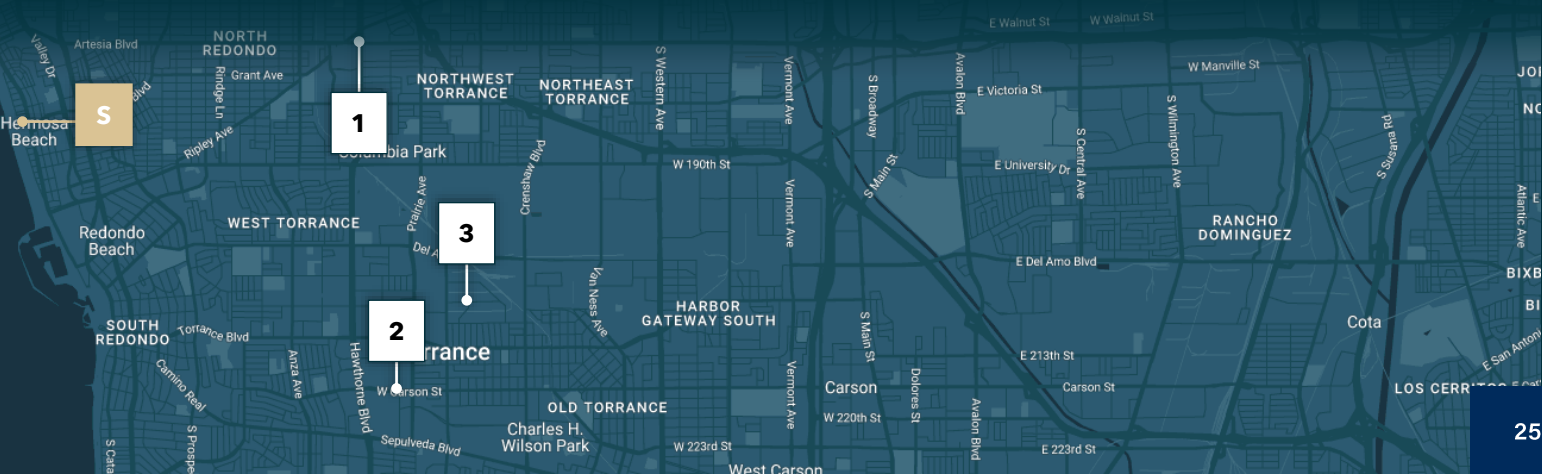
A three-level regional luxury shopping mall and lifestyle center with a GLA of 2,500,000 sq ft, making it the sixth largest shopping mall in the United States.



3

TOYOTA CAMPUS

CalBay Development purchased 5.3 acres of the 110-acre Toyota HQ from Sares-Regis with plans to develop a hotel, health club, retail and restaurants. Rumored that Amazon is considering an office campus here.



60 15TH STREET

16 UNIT APARTMENT OFFERING ■ HERMOSA BEACH, CA 90254

STEVEN MULLINS

Realtor/Broker Associate

(310) 901-4687

steven@stevenmullins.com

CalDRE License: 01487977



Vista

Sotheby's
INTERNATIONAL REALTY