

Offering Memorandum

Legacy 14-Unit Property w/ Coastal Development Permit and Plans For 17 Units

[Click Here For Plans, Renderings & CDP](#)

[AIR DNA Data For Short Term Rental](#)

3901
Highland Ave

\$10,500,000

MANHATTAN BEACH



LYONSTAH
INVESTMENT REAL ESTATE

Woody Stahl DRE # 01399621
310.710.3829 | Woody@LyonStahl.com

Brett Lyon DRE # 01717818
310.780.1899 | Broker@LyonStahl.com

Table of Contents

3901 HIGHLAND AVE
MANHATTAN BEACH, CA 90266



Index

Property Overview	3
Development Financials	6
Current Financials	10
Property Photography	14
Comparables	18
Area Overview	23
Aerial Map	27
Disclaimer	28



Property Overview

3901 HIGHLAND AVE,
MANHATTAN BEACH, CA 90266



Property Overview

3901 HIGHLAND AVE
MANHATTAN BEACH, CA 90266



Property Summary

Price	\$10,500,000
Address	3901 Highland Ave
City, State, Zip	Manhattan Beach, CA 90266
County	Los Angeles
Zoning	MNCNE
Year Built	1961
Number Of Units	14
Parking	13 Parking Spaces + 2 Spaces on Crest Ave (Chevron)
Building Size	9,466 SF
Lot Size	6,621 SF
Cap Rate	3.51%
Pro Forma Cap Rate	5.85%
Grm	18.21
Pro Forma Grm	12.40
Price / Bldg Sf	\$1,109.23
Price / Unit	\$750,000



Property Overview

3901 HIGHLAND AVE
MANHATTAN BEACH, CA 90266



14-Units | \$10,500,000

- Trophy 14-Unit in El Porto w/ Sweeping Ocean Views
- Zoned to Permit Short Term Rentals With The Potential To Generate \$1.8M Annual Revenue. Estimated STR Data Obtained from AIRDNA - which is the #1 platform for short-term rental data
- 8.59% Market CAP Operating as AIR BNB
- Current Unit Mix: (4) 2-Bed/2-Bath, (1) 2-Bed-1/Bath, (7) 1-Bed/1-Bath, (2) Studio Units
- Currently 3.5% CAP | 5.85% Market CAP
- Nearby Top-Tier Retail and Restaurants in El Porto including Fishbar, Sloopy's Beach Café & Baja Sharkeez | Only 1.5 Miles From Manhattan Beach Pier
- Coastal Development Permit For 17 Units – Convert (2) Non-Conforming Units to ADUs, Convert 2-Car Garage to ADU, Add (2) Detached ADUs in the Lower Courtyard
- *Seller Will Entertain a Straight Trade or Trade Plus \$\$\$

3901 Highland Ave is a trophy asset situated in the sand section of Manhattan Beach in El Porto. The property currently consists of 14 units with a beautiful courtyard and ocean views from multiple units and the outside decks. The current 9,466 SF building sits on a 6,621 SF lot west of Highland Ave providing easy access to the beach and nearby top-tier retail and restaurants.

This property is zoned to permit short-term rentals with the potential to generate \$1.8M annual revenue (Estimated STR data obtained from AIRDNA - which is the #1 platform for short-term rental data). It has a market cap of 8.59% operating as an AirBNB and offers any buyer the potential to own one of the hottest short-term rental properties in the Beach Cities. Alternatively, it has the potential to build 3 ADUs to maximize rental income.

With its A+ location and upside potential, 3901 Highland Ave is a rare opportunity to add a legacy property to your portfolio at a great price and collect income at a strong CAP Rate for years to come while enjoying long-term appreciation.

*Seller Will Entertain a Straight Trade or Trade Plus \$\$\$



Current Financial Overview

3901 HIGHLAND AVE,
MANHATTAN BEACH, CA 90266



Financial Overview

3901 HIGHLAND AVE
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7



Price **\$10,500,000**

Property Summary

ADDRESS	3901 Highland Ave, Manhattan Beach	YEAR BUILT	1961
DOWN PAYMENT	63% \$6,667,500	PARKING	14 Parking Spaces
NUMBER OF UNITS	14	CURRENT NOI	\$368,672
COST PER UNIT	\$750,000	PRO FORMA NOI	\$614,260
LOT SIZE	6,621 SF	CURRENT CAP RATE	3.51%
GROSS RENTABLE SF	9,466 SF	PRO FORMA CAP RATE	5.85%
PRICE PER BLDG SF	\$1,109.23	CURRENT GRM	18.21
PRICE PER LAND SF	\$1,585.86	PRO FORMA GRM	12.40

Proposed Financing

LOAN AMOUNT	\$3,832,500	LOAN-TO-VALUE	36.5%
DOWN PAYMENT	\$6,667,500	AMORTIZATION	30-YEAR
INTEREST RATE	6.5%	LOAN TERM	10-YEAR FIXED
MONTHLY PAYMENT	\$24,224	PROPOSED/EXISTING	Existing
ANNUAL PAYMENT	\$290,688	DEBT COVERAGE RATION (DCR)	1.27

Financial Overview

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Current Financials

Annualized Operating Data

	Current Actuals		Pro Forma Actuals		
GROSS SCHEDULED INCOME	\$	576,504	\$	847,050	
VACANCY RATE RESERVE	\$	17,295	3%	\$ 42,353	5%
GROSS OPERATING INCOME	\$	559,209		\$ 804,698	
EXPENSES	\$	190,537	33%	\$ 190,537	22%
NET OPERATING INCOME	\$	368,672		\$ 614,160	
LOAN PAYMENTS	\$	290,688		\$ 290,688	
PRE TAX CASH FLOWS	\$	77,984	1.17%	\$ 323,472	4.85%
PRINCIPAL REDUCTION	\$	42,837		\$ 42,837	
TOTAL RETURN BEFORE TAXES	\$	120,820	1.81%	\$ 366,309	5.49%

Scheduled Income	Current	Market
TOTAL MONTHLY SCHEDULED RENT	\$48,042	\$70,338
LAUNDRY	\$200	\$250
MONTHLY SCHEDULED GROSS INCOME	\$48,042	\$70,588
ANNUALIZED SCHEDULED GROSS INCOME	\$576,504	\$847,050

Expense Summary		
New Taxes (New Estimated):	(New Estimated)	\$ 122,551
Maintenance (3%):		\$ 17,295
Insurance (\$.80/SF):		\$ 9,466
Utilities (\$800/unit/year):		\$ 11,200
Landscaping (\$100/mo):		\$ 1,200
Property Management (5%)	(5%)	\$ 28,825
Total Expenses		\$190,537
Expense Per Unit		\$13,610
Expense Per SF		\$28.78

Rent Roll

3901 HIGHLAND AVE
 MANHATTAN BEACH, CA 90266



	Unit Type	Actual Rent	Market Rent	Move-in-Date	Notes
1	2+2	\$6,692	\$10,044		
2	2+2	\$3,913	\$6,678		
7	2+2	\$3,704	\$5,925		
12	2+2	\$3,635	\$6,475		
6	2+1	\$3,574	\$5,805		
3	1+1	\$2,594	\$4,440		
4	1+1	\$3,059	\$4,343		
5	1+1	\$2,638	\$4,343		
8	1+1	\$2,677	\$4,440		
9	1+1	\$3,395	\$3,981		
10	1+1	\$3,685	\$4,380		
11	1+1	\$3,695	\$3,818		Vacant
14	0+1	\$2,500	\$3,396		Vacant
3911	0+1	\$2,271	\$2,271		Non-Conforming, Vacant
MONTHLY TOTALS		\$48,042	\$70,338		
LAUNDRY		\$0	\$250		
ANNUALIZED TOTALS		\$576,504	\$847,050		

Short Term Rental Rent Roll

Estimated w/ Air DNA

3901 HIGHLAND AVE
 MANHATTAN BEACH, CA 90266



	Unit Type	Nightly Rate	Actual Rent	Market Rent	Move-in-Date	Notes
1	2+2	\$550/night	\$6,692	\$16,500		
2	2+2	\$490/night	\$3,913	\$14,700		
7	2+2	\$490/night	\$3,704	\$14,700		
12	2+2	\$490/night	\$3,635	\$14,700		
6	2+1	\$490/night	\$3,574	\$14,700		
3	1+1	\$360/night	\$2,594	\$10,800		
4	1+1	\$360/night	\$3,059	\$10,800		
5	1+1	\$360/night	\$2,638	\$10,800		
8	1+1	\$360/night	\$2,677	\$10,800		
9	1+1	\$360/night	\$3,395	\$10,800		
10	1+1	\$360/night	\$3,695	\$10,800		
11	1+1	\$360/night	\$3,695	\$10,800		Vacant
14	0+1	\$190/night	\$2,500	\$5,700		Vacant
3911	0+1	\$190/night	\$2,271	\$5,700		Non-Conforming
MONTHLY TOTALS			\$48,042	\$162,300		
ANNUALIZED TOTALS			\$576,504	\$1,947,600		

Property Photography

3901 HIGHLAND AVE,
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Exterior Photos

3901 HIGHLAND AVE
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Interior Photos

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Parking Map

3901 HIGHLAND AVE
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3901 HIGHLAND AVE PARKING ASSIGNMENTS



Comparables

3901 HIGHLAND AVE,
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Sold Comparables

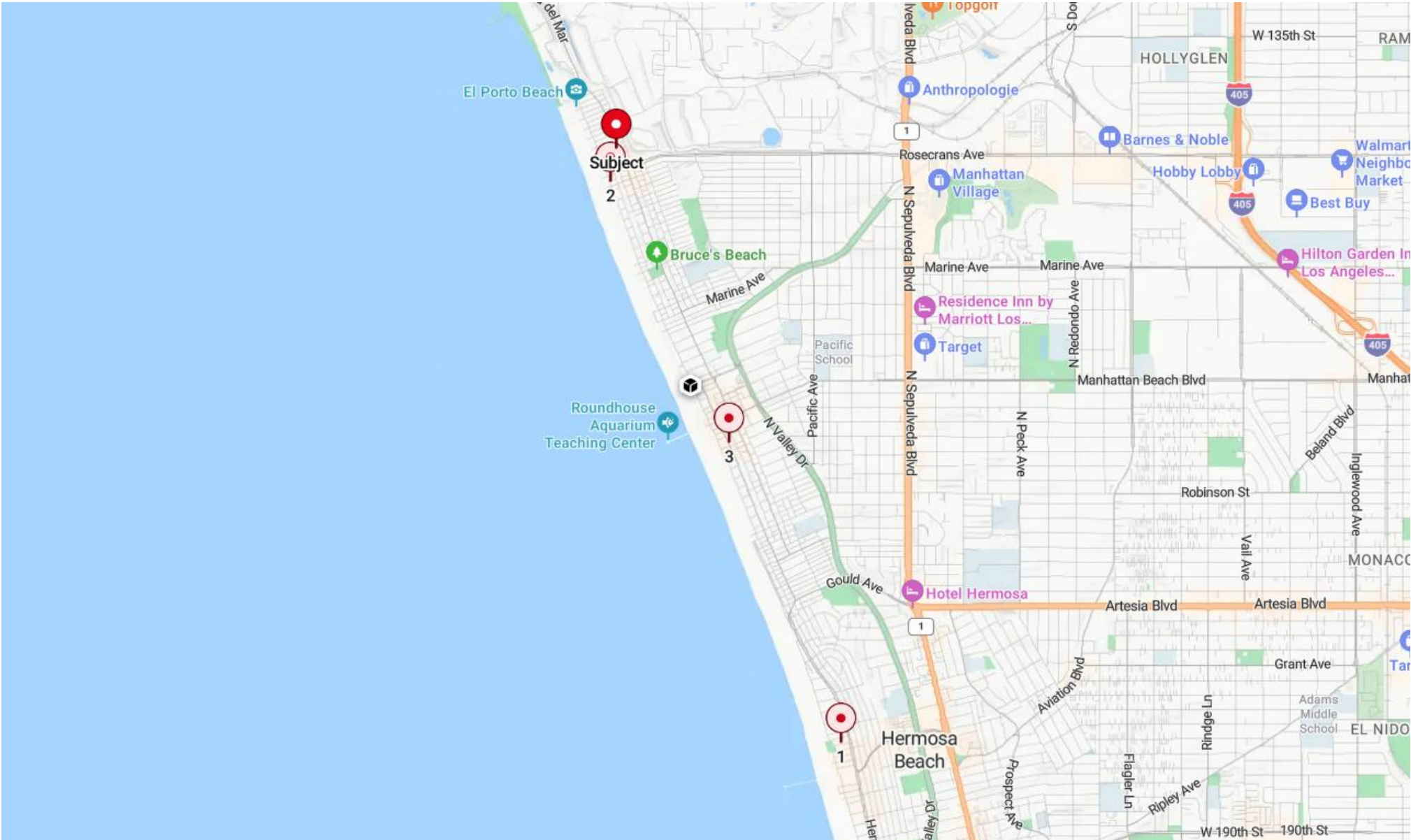
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	Address	Price	Units	Year Built	Building Size	Price/Unit	Price/SF	CAP Rate	Sold Date
1	60 15 th Street Hermosa Beach, CA 90254	\$14,700,000	16	1959	7,905 SF	\$918,750	\$1,860	3.72%	Under Contract
2	3608 The Strand Manhattan Beach, CA 90266	\$21,000,000	11	1952	13,620 SF	\$1,900,000	\$1,541	N/A	Active
3	150 10 th St Hermosa Beach, CA 90254	\$6,700,000	10	1961	6,763 SF	\$670,000	\$991	2.18%	07/29/2022
Averages		\$14,133,333	12	1957	9,429 SF	\$1,162,917	\$1,464	2.95%	
*	3901 Highland Ave Manhattan Beach, CA 90266	\$10,500,000	14	1961	9,466 SF	\$750,000	\$1,109.23	3.5%	ACTIVE

Sold Comparables Map

3901 HIGHLAND AVE
MANHATTAN BEACH, CA 90266



Lease Comparables

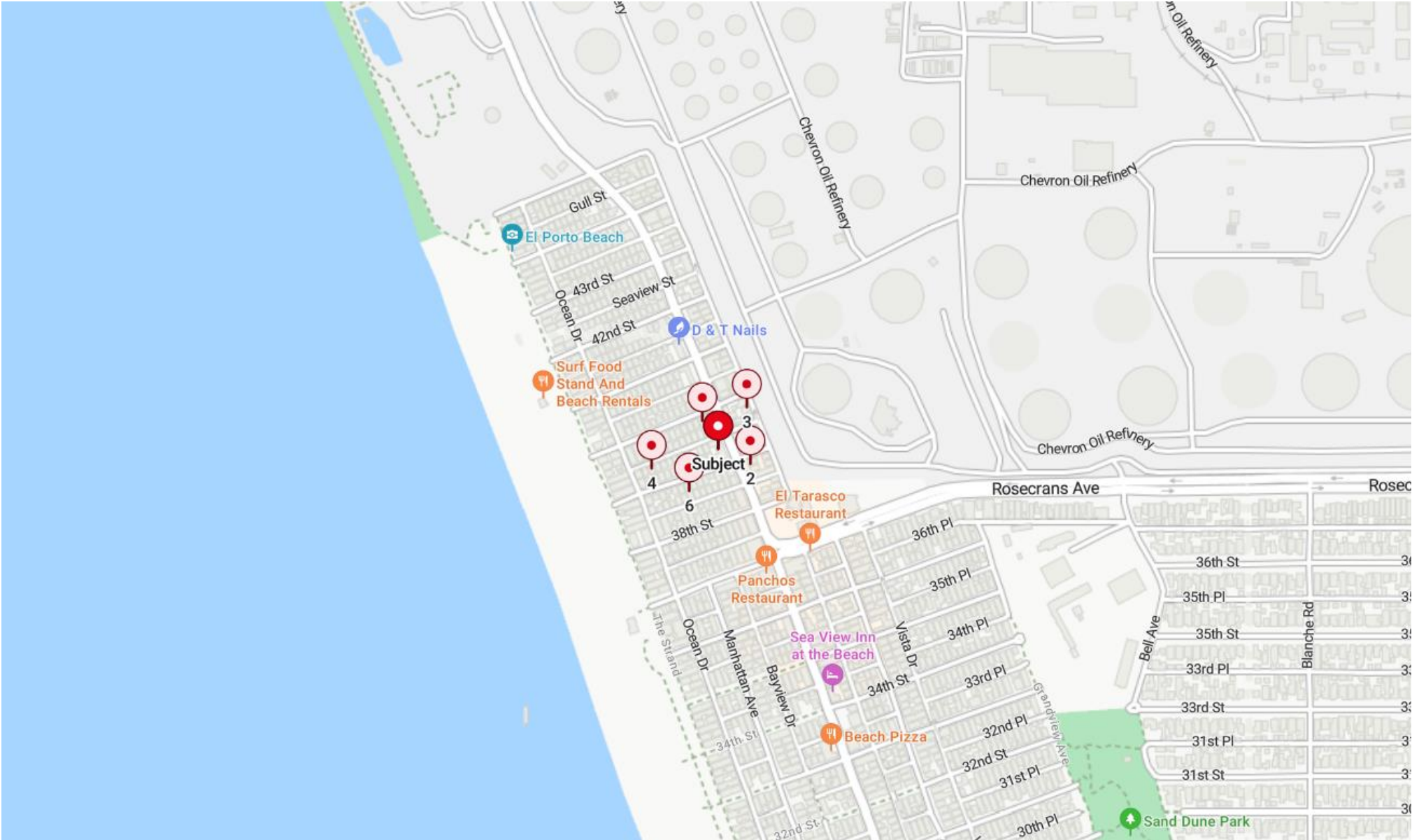
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	Address	Date Listed	Unit Type	Unit Size	Rental Rate
1	228 40 th St Manhattan Beach, CA 90266	JUN 2023	2-Bed/2-Bath	1,400 SF	\$4,995
2	3818 Highland Ave Manhattan Beach, CA 90266	DEC 2023	2-Bed/2-Bath	1,100 SF	\$5,300
3	3917 Crest Dr Manhattan Beach, CA 90266	DEC 2023	1-Bed/1-Bath	550 SF	\$2,600
4	122 El Port St Manhattan Beach, CA 90266	FEB 2024	1-Bed/1-Bath	595 SF	\$3,395
5	230 39 th St Manhattan Beach, CA 90266	NOV 2023	Studio	390 SF	\$2,150
6	205 38 th Pl Manhattan Beach, CA 90266	OCT 2023	Studio	250 SF	\$1,950
Average			2-Bed		\$5,147
			1-Bed		\$2,997
			Studio		\$2,050
*	3901 Highland Ave Manhattan Beach, CA 90266		2-Bed		\$4,454
			1-Bed		\$3,108
			Studio		\$2,386

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 coastal city nestled in the southwestern corner of Los Angeles County, California. Bordering the Pacific Ocean to the west, it is flanked by the neighboring cities of Hermosa Beach to the north and Redondo Beach to the south. Boasting a population of around 35,000 residents, it exudes a quintessential Southern California charm with its pristine beaches, upscale neighborhoods, and vibrant community spirit.

This picturesque city offers a range of housing options, from luxurious oceanfront estates to cozy beachside cottages. The median home price in Manhattan Beach is approximately \$2.5 million, reflecting its status as a highly desirable residential destination for those seeking both luxury and coastal living.

Education is highly valued in Manhattan Beach, and the city is renowned for its top-tier public schools, consistently ranking among the best in the state. Families are drawn to the area for its excellent educational opportunities, nurturing environment, and strong sense of community support.

Manhattan Beach is a haven for outdoor enthusiasts, with its miles of sandy beaches, scenic bike paths, and well-maintained parks. The iconic Manhattan Beach Pier serves as a focal point for residents and visitors alike, offering stunning ocean views and opportunities for fishing, strolling, or simply soaking in the coastal ambiance.

The city's vibrant downtown area is brimming with trendy boutiques, gourmet restaurants, and chic cafes, providing ample opportunities for shopping, dining, and socializing. Residents can also enjoy a variety of cultural and recreational activities, including art galleries, live music performances, and community events throughout the year.

Manhattan Beach has a thriving economy driven by industries such as technology, finance, and entertainment. The city's proximity to major business hubs like Silicon Beach and Los Angeles International Airport further enhances its appeal as a prime location for both work and leisure.

With its laid-back atmosphere, stunning coastal scenery, and active lifestyle, Manhattan Beach epitomizes the California dream. Whether you're soaking up the sun on the beach, exploring the vibrant downtown scene, or simply enjoying the company of neighbors at a local community event, Manhattan Beach offers a unique blend of luxury, leisure, and coastal charm that captivates residents and visitors alike.



County Overview

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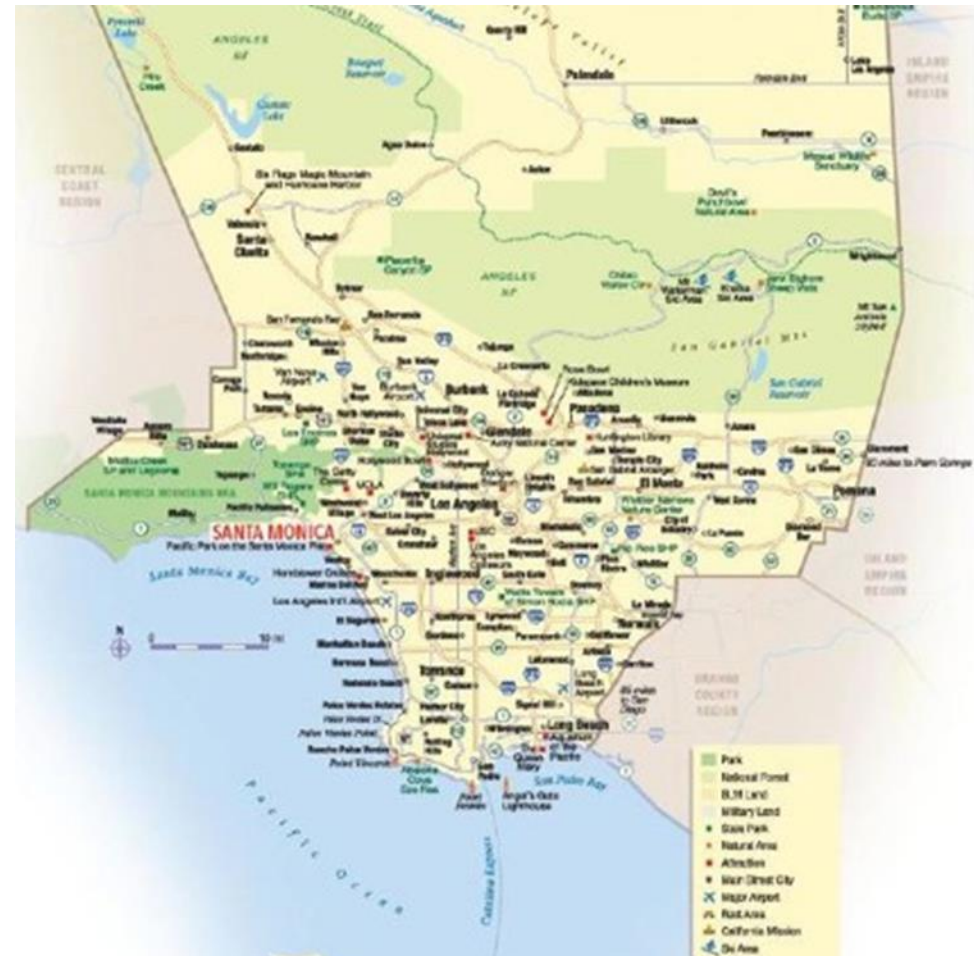


Los Angeles

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.

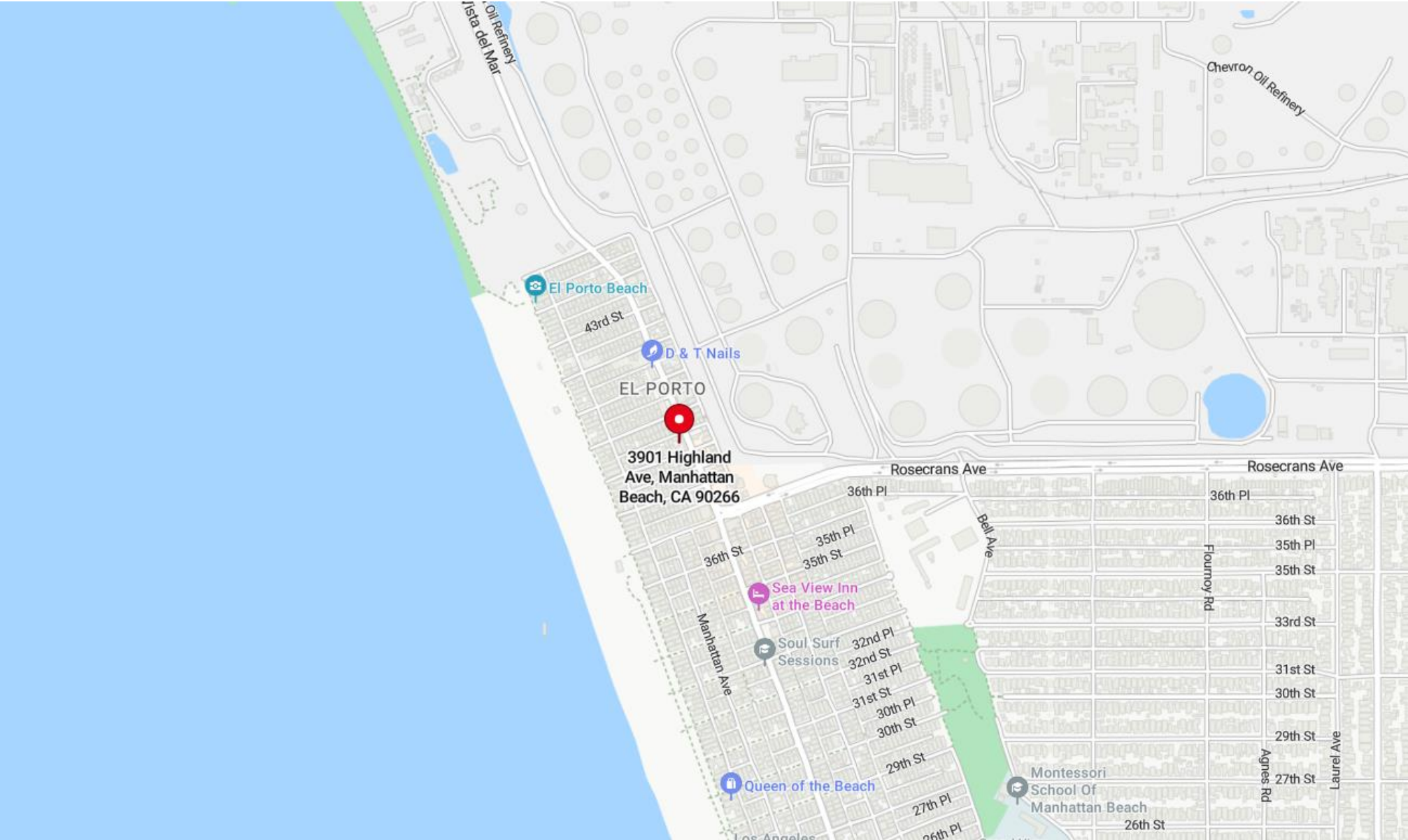
Los Angeles County is well located on the Southern Coast of California, and covers 4,061 square miles, including the San Clemente and Santa Catalina islands. The county is comprised of approximately 88 vibrant and diverse cities hosting more than 244,000 business establishments – the greatest concentration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



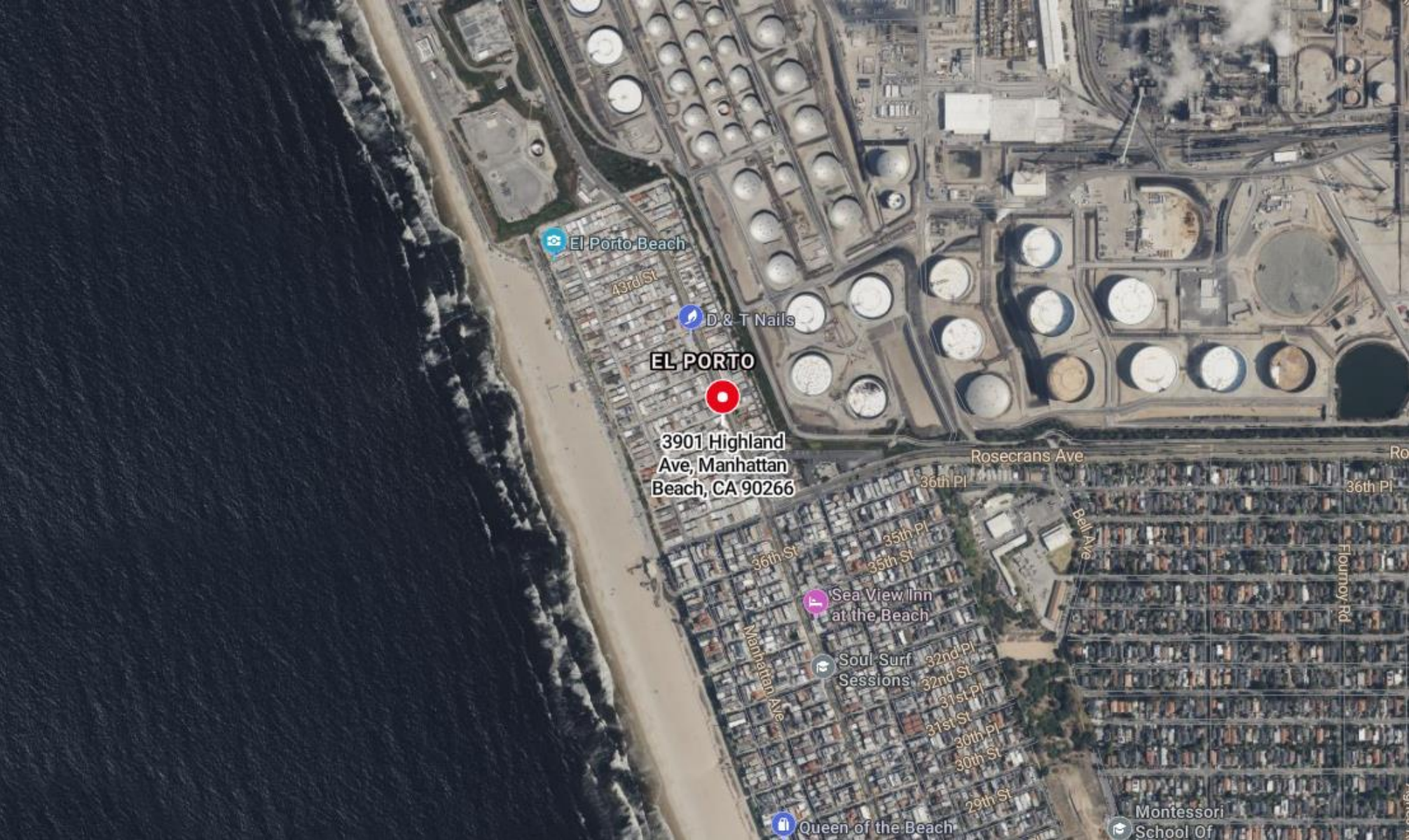
Local Map

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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



Woody Stahl

(310) 710-3829

WOODY@LYONSTAHL.COM

DRE - 01399621

Brett Lyon

(310) 780-1899

BRETT@LYONSTAHL.COM

DRE - 01717818