

Offering Memorandum

Sought after 7-Unit in Hermosa Beach

HERMOSA BEACH

32

16th St

\$4,200,000



[Click Here for Virtual Tour](#)

LYONSTAHLL
INVESTMENT REAL ESTATE

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Table of Contents

32 16TH STREET
HERMOSA BEACH, CA 90254

7 UNIT

2



Index

Property Overview	3
Financial Overview	6
Property Photography	9
Floor Plans	13
Comparables	21
Area Overview	27
Aerial Map	29
Disclaimer	30



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Property Overview

32 16th STREET
HERMOSA BEACH, CA 90254



Property Overview

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7 UNIT

4



Property Summary

Price \$4,200,000

Address 32 16th St

City, State, Zip Hermosa Beach, CA, 90254

County Los Angeles

Zoning HBR2B2

Year Built 1923

Number Of Units 7

Building Size 3,786 SF

Lot Size 3,531 SF

Current CAP Rate 2.20%

Pro Forma CAP Rate 4.30%

Current GRM 24.65

Pro Forma GRM 16.59

Price / Bldg Sf \$1,109.35

Price / Unit \$600,000



Property Overview

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7 UNIT

5

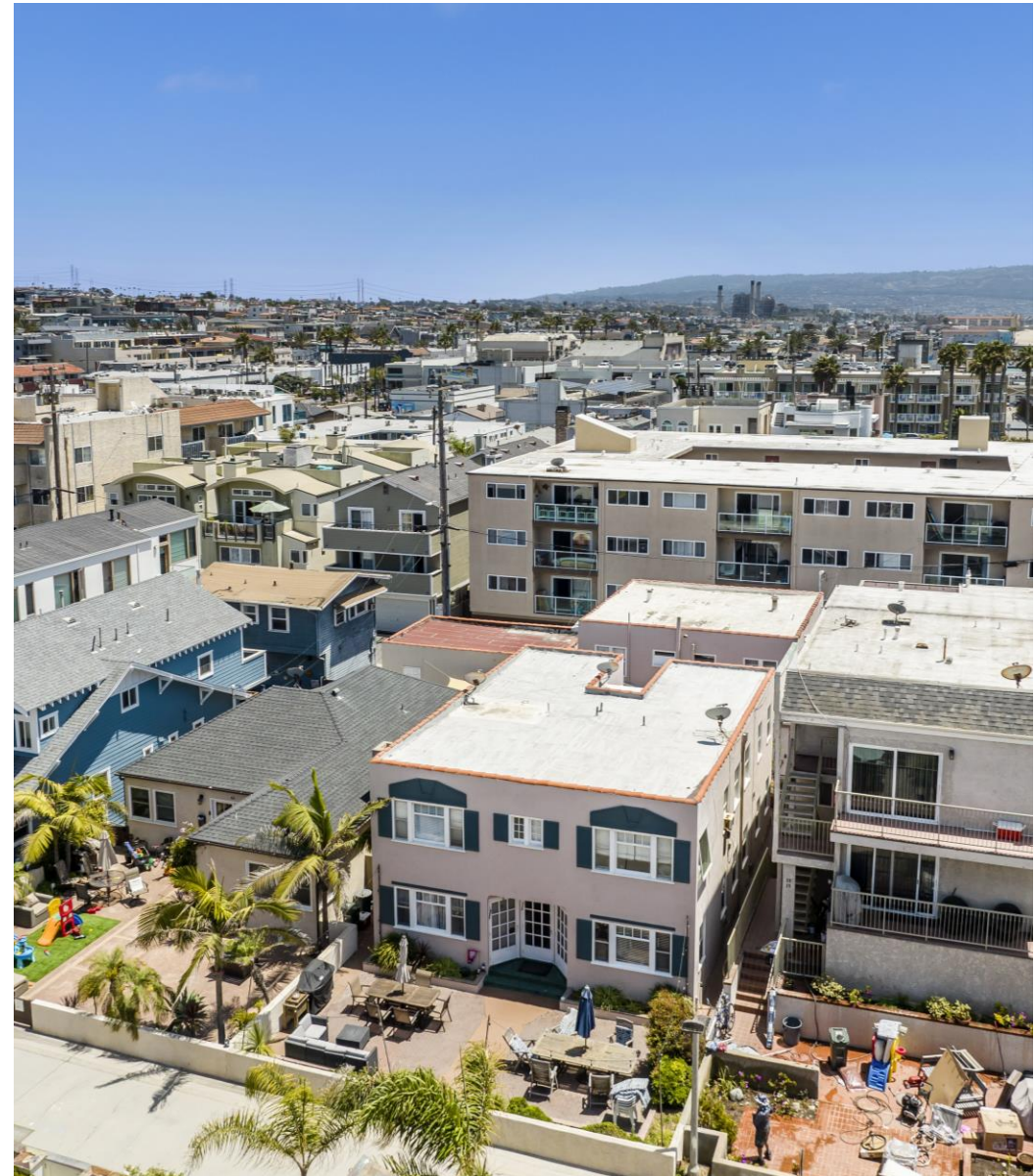


32 16th STREET, HERMOSA BEACH CA 90254 7-UNIT | \$4,200,000

- 7-Units Located on a Walkstreet North of the Pier in Prime Hermosa Beach | (3) Parcels From the Strand
- Unit Mix: (6) 1-Bed/1-Bath, (1) 0-Bed/1-Bath
- Built in 1923 | 3,786 SF Building on a 3,531 SF Lot (Zoned R-23)
- Strong Rental Upside in a High Demand Area | Market Cap: 4.30%
- Includes On-Site Laundry Room, (3) Single-Car Garages, and Courtyard

32 16th Street is a well-positioned 7-Unit building located on a walk street in prime Hermosa Beach only 3 parcels from the Strand. Built in 1923, the 3,786 SF building sits on a 3,531 SF lot, and features (6) 1-bed/1-bath units, and (1) 0-bed/1-bath unit. The building offers strong rental upside in a high demand area with a market cap of 4.30%. The property also includes on-site laundry and 3 single-car garages with a courtyard in between the buildings.

Given the ideal location in a high-growth city and consistent income this building provides, this is a great opportunity to own a quality asset for any Los Angeles CRE investor.



Financial Overview

32 16th STREET
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Financial Overview

32 16TH STREET
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7 UNIT

7



Price **\$4,200,000**

Property Summary

ADDRESS	32 16 th St	YEAR BUILT	1923
DOWN PAYMENT	52.4% (\$2,200,000)	PARKING	3
NUMBER OF UNITS	7	CURRENT NOI	\$92,535
COST PER UNIT	\$600,000	PRO FORMA NOI	\$180,459
LOT SIZE	3,531 SF	CURRENT CAP RATE	2.20%
GROSS RENTABLE SF	3,786 SF	PRO FORMA CAP RATE	4.30%
PRICE PER BLDG SF	\$1,109.35	CURRENT GRM	24.65
PRICE PER LAND SF	\$623.05	PRO FORMA GRM	16.59

Proposed Financing

LOAN AMOUNT	\$2,000,000	LOAN-TO-VALUE	52.4%
DOWN PAYMENT	\$2,200,000	AMORTIZATION	30-YEAR
INTEREST RATE	%5.000	LOAN TERM	10-YEAR FIXED
MONTHLY PAYMENT	\$8,333	PROPOSED/EXISTING	PROPOSED
ANNUAL PAYMENT	\$99,996	DEBT COVERAGE RATION (DCR)	0.94

Rent Roll

32 16TH STREET
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7 UNIT

8



Unit #	Unit Type	Actual Rent	Market Rent	Notes
A	1-Bed/1-Bath	\$1,566	\$3,100	
B	1-Bed/1-Bath	\$1,458	\$3,100	
C	1-Bed/1-Bath	\$3,100	\$3,100	Vacant
D	1-Bed/1-Bath	\$1,663	\$3,100	Effective August 1, 2022
E	1-Bed/1-Bath	\$1,544	\$3,100	Effective August 1, 2022
F	1-Bed/1-Bath	\$3,080	\$3,100	Effective August 1, 2022
G	0-Bed/1-Bath	\$1,788	\$2,500	Effective August 1, 2022
MONTHLY TOTALS		\$14,199	\$21,100	
ANNUALIZED TOTALS		\$170,388	\$253,200	

Property Photography

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Property Photography

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7 UNIT

10

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Property Photography

32 16TH STREET
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7 UNIT

11



Property Photography

32 16TH STREET
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7 UNIT

12



Property Photography

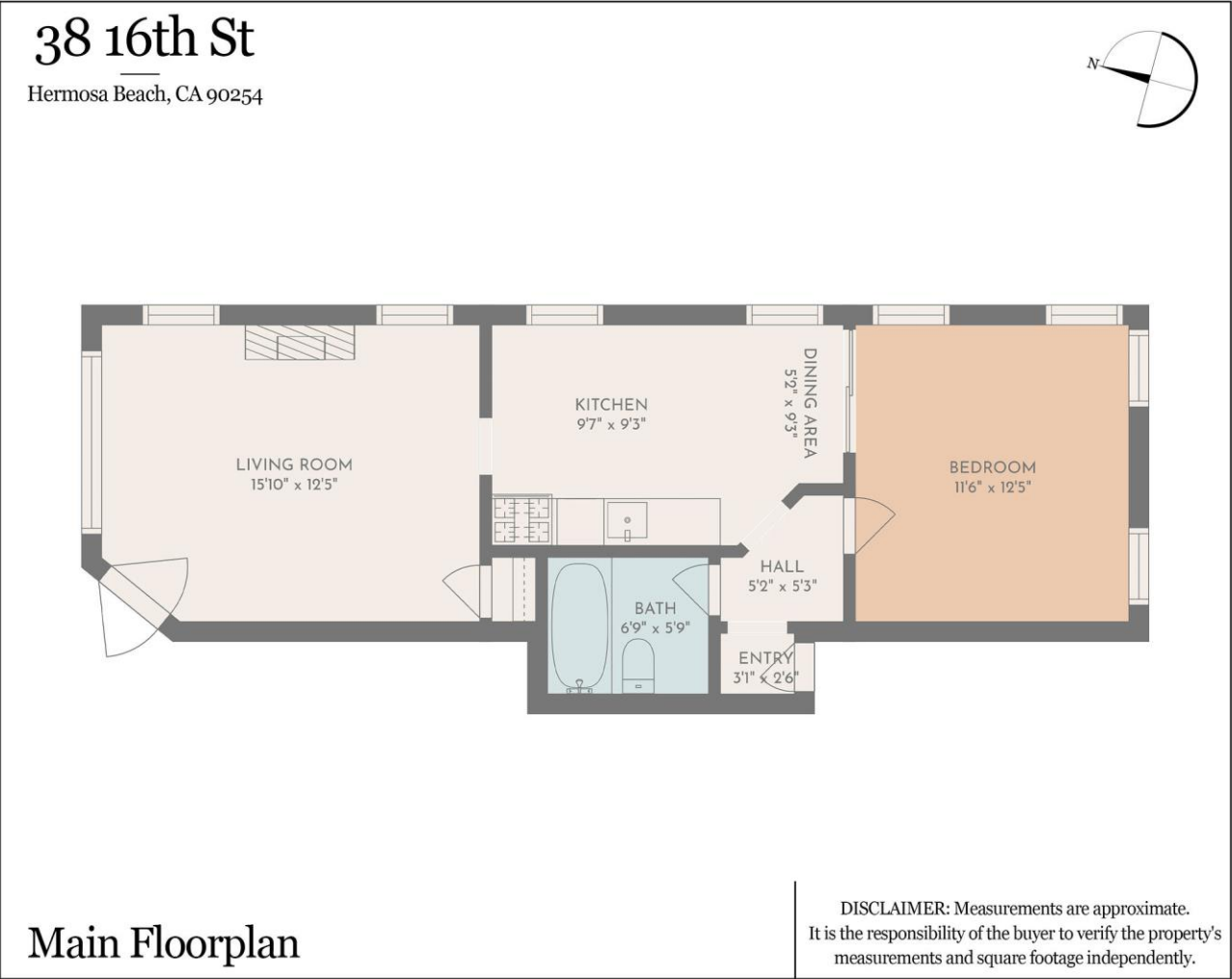
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7 UNIT

13



Floor Plans – 1 BR



Property Photography

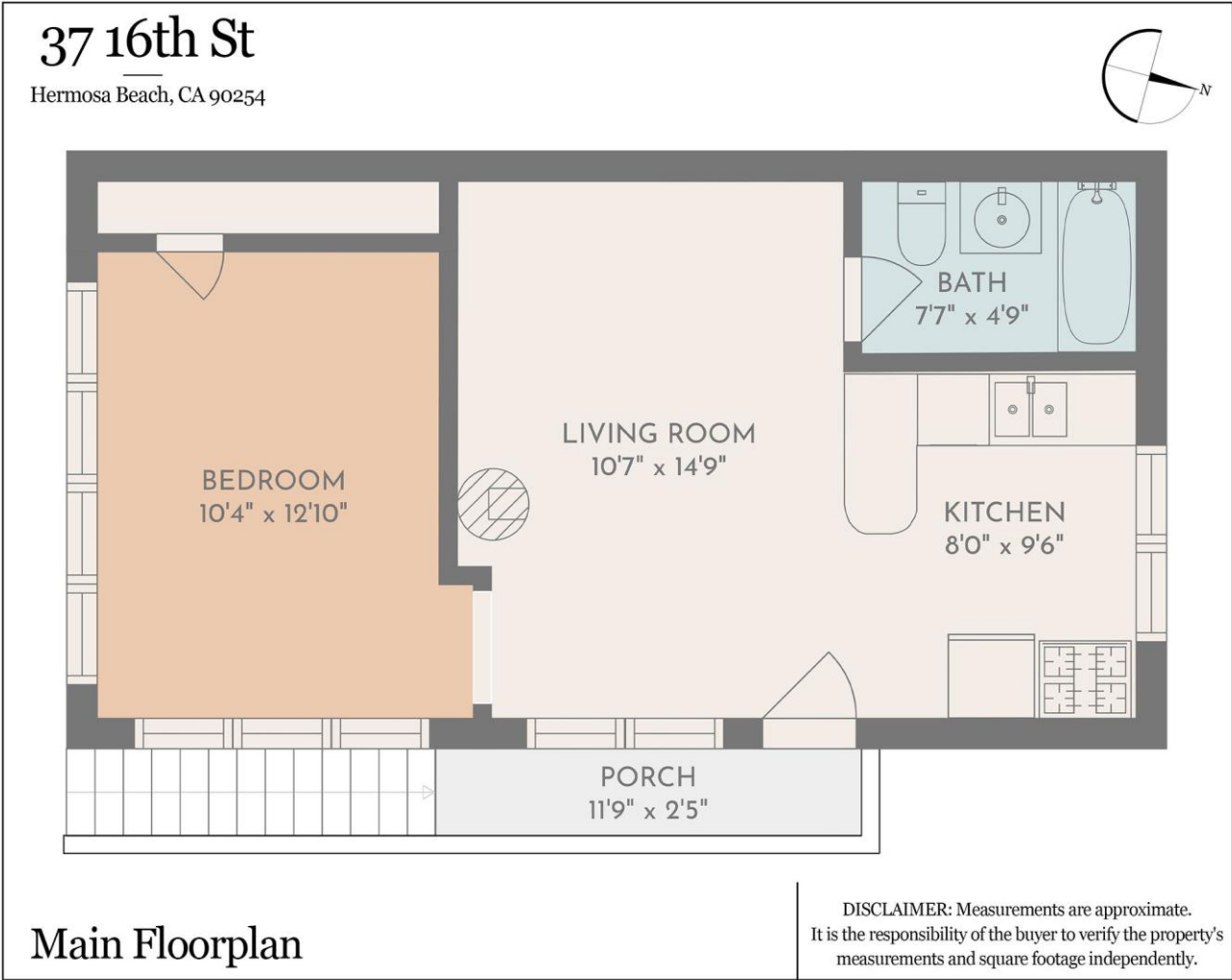
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HERMOSA BEACH, CA 90254

7 UNIT

14



Floor Plans – 1 BR



Property Photography

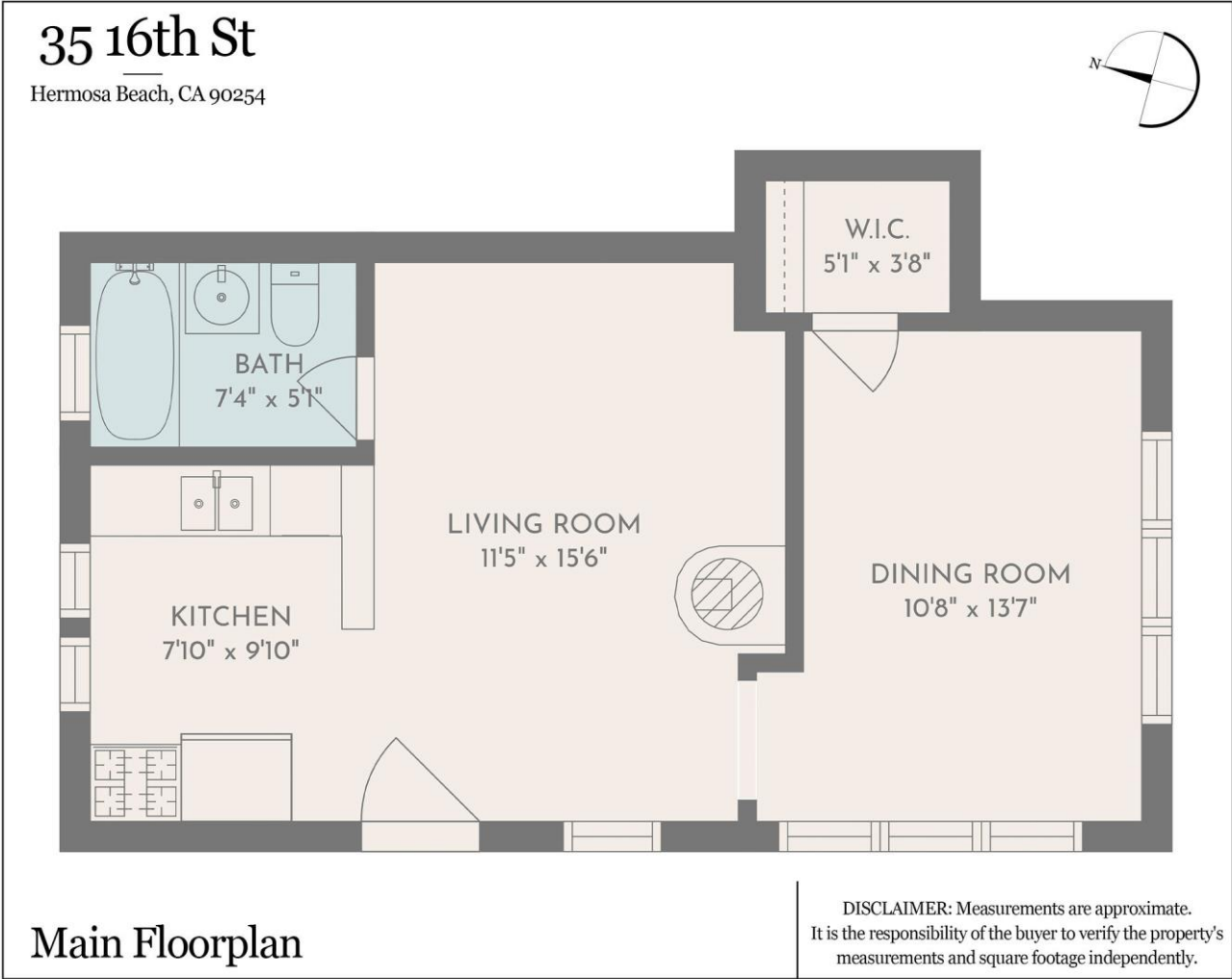
32 16TH STREET
HERMOSA BEACH, CA 90254

7 UNIT

15



Floor Plans – 1 BR



Property Photography

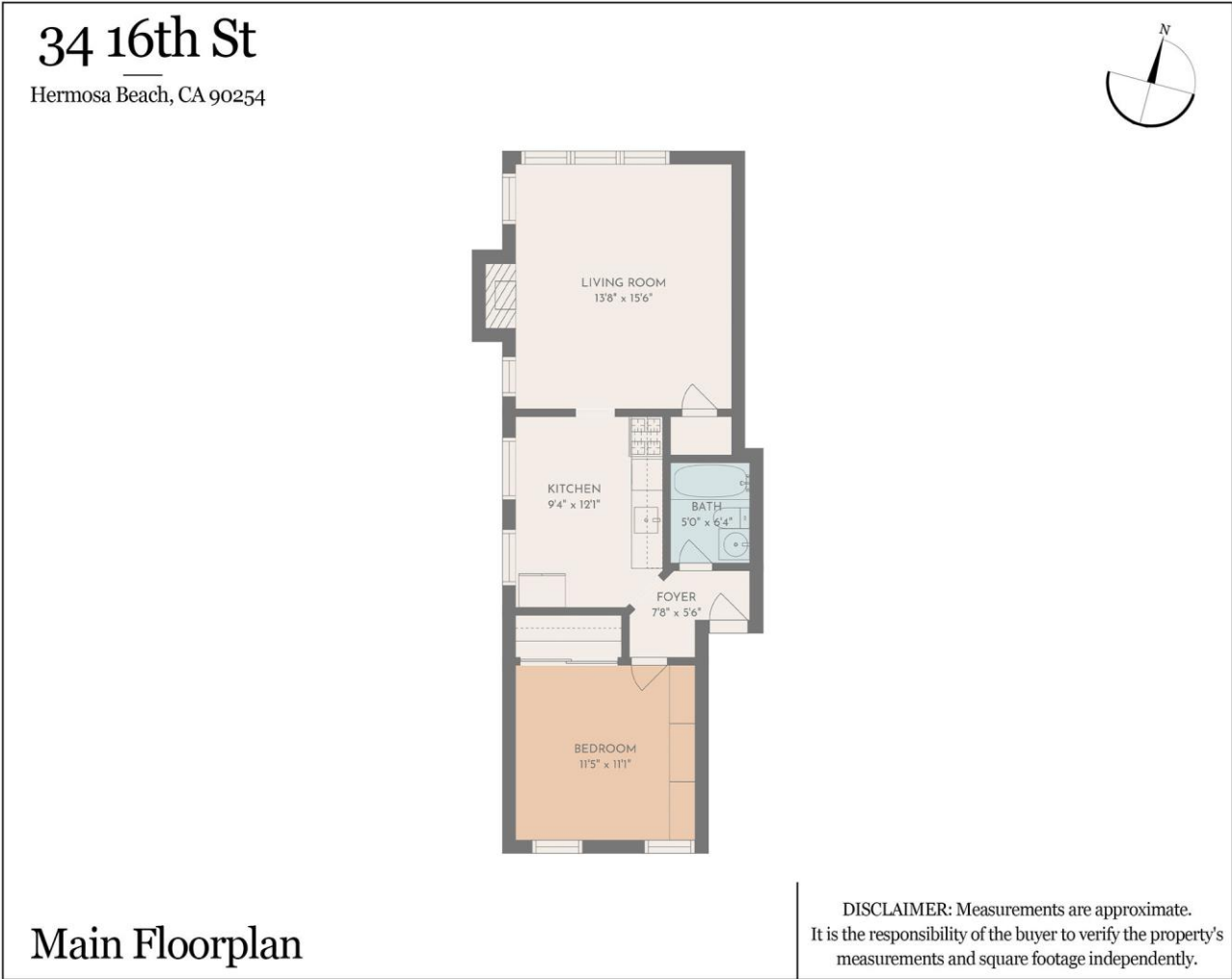
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7 UNIT

16



Floor Plans – 1 BR



Property Photography

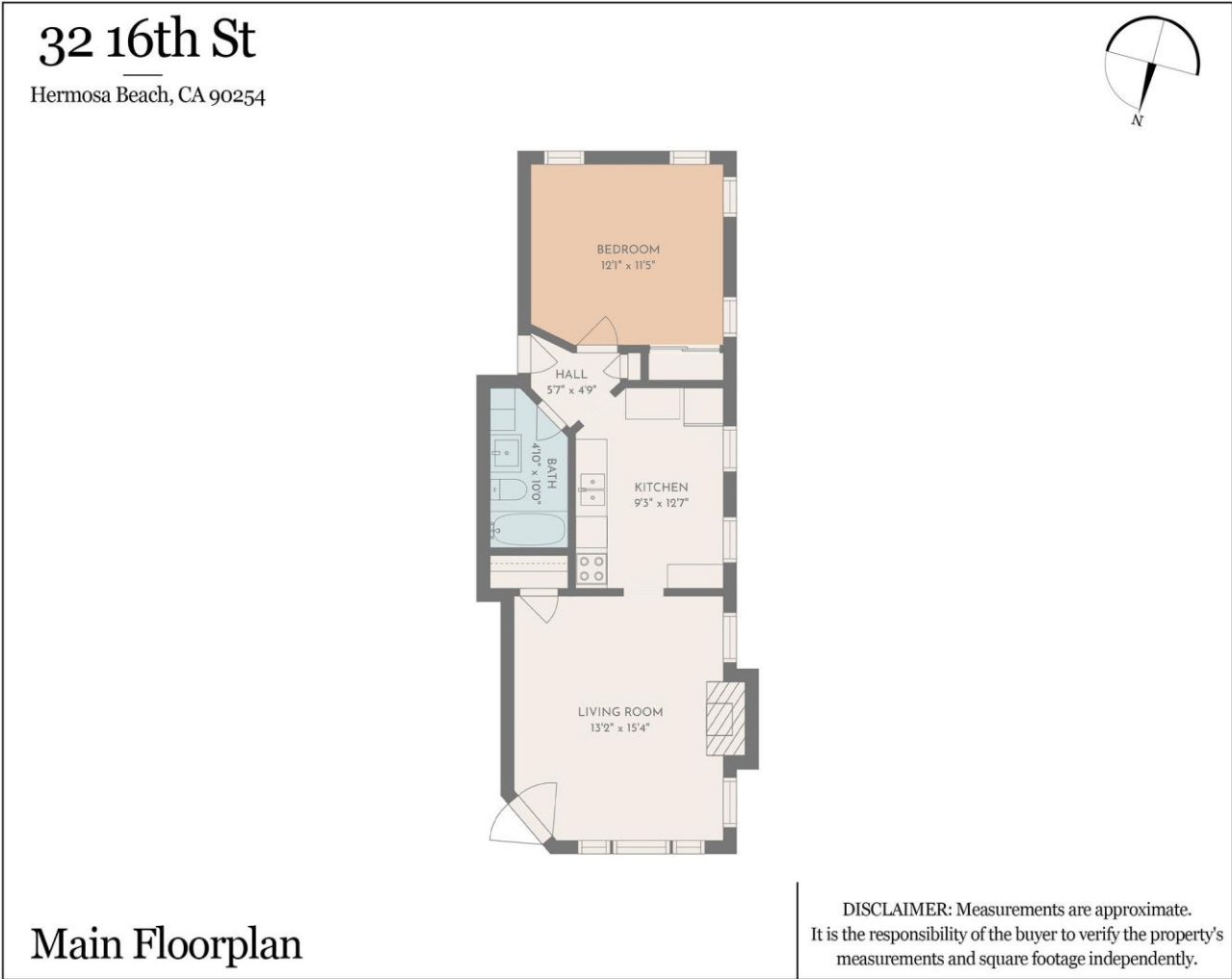
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7 UNIT

17



Floor Plans – 1 BR



Property Photography

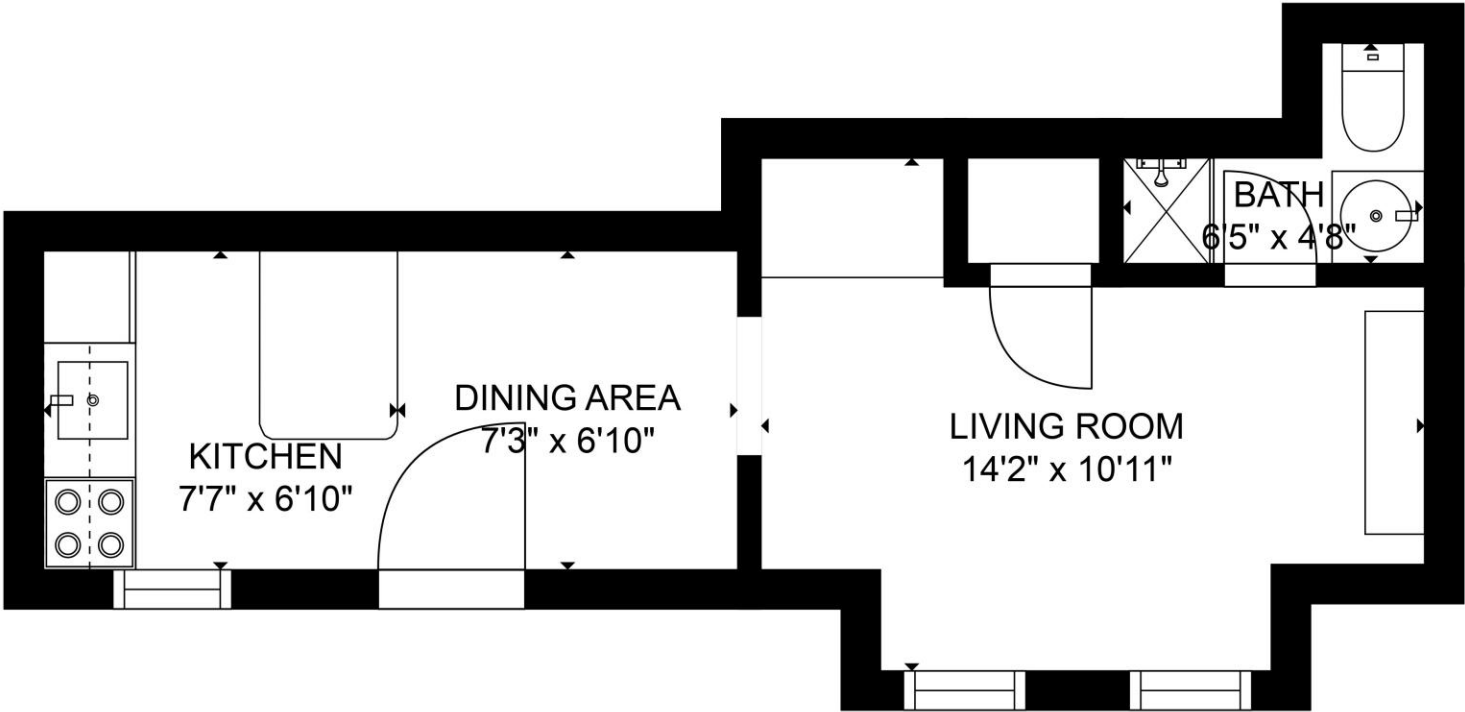
32 16TH STREET
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7 UNIT

18



Floor Plans – Studio



Estimated areas
GLA FLOOR 1: 325 sq. ft, excluded 0 sq. ft
Total GLA 325 sq. ft, total scanned area 325 sq. ft

SIZES AND DIMENSIONS ARE APPROXIMATE, ACTUAL MAY VARY.

Property Photography

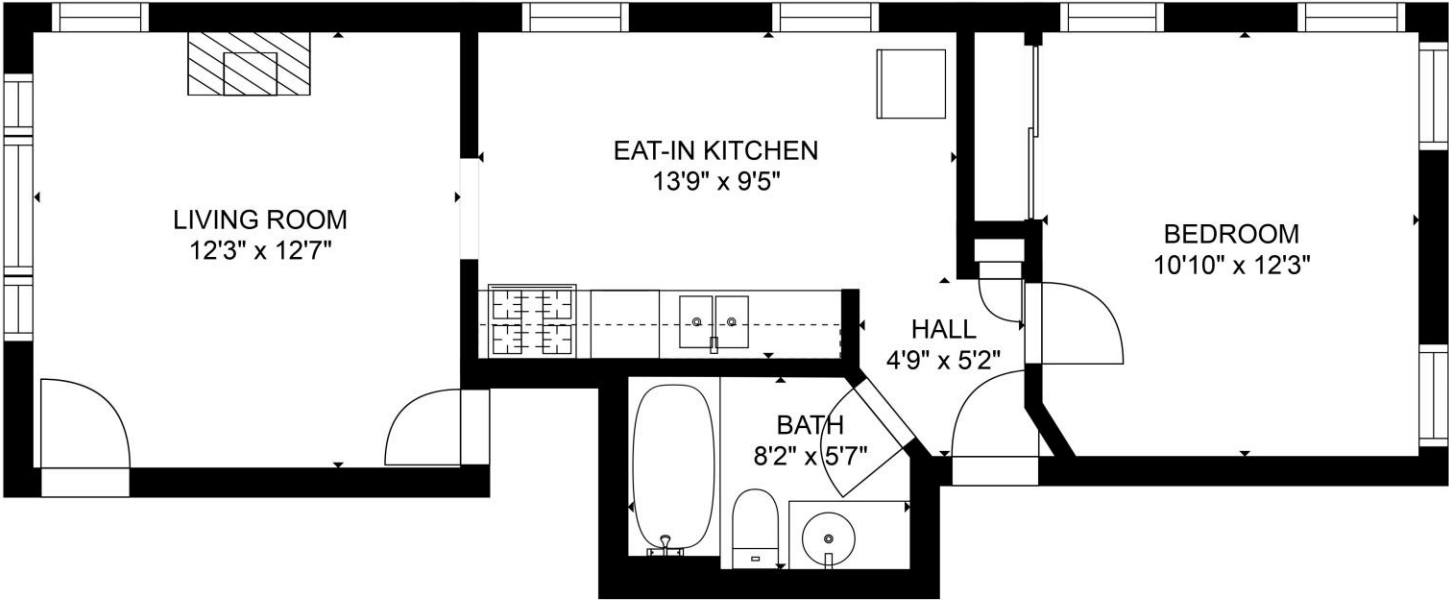
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7 UNIT

19



Floor Plans – 1 BR



Estimated areas
GLA FLOOR 1: 605 sq. ft, excluded 0 sq. ft
Total GLA 605 sq. ft, total scanned area 605 sq. ft

SIZES AND DIMENSIONS ARE APPROXIMATE, ACTUAL MAY VARY.

Property Photography

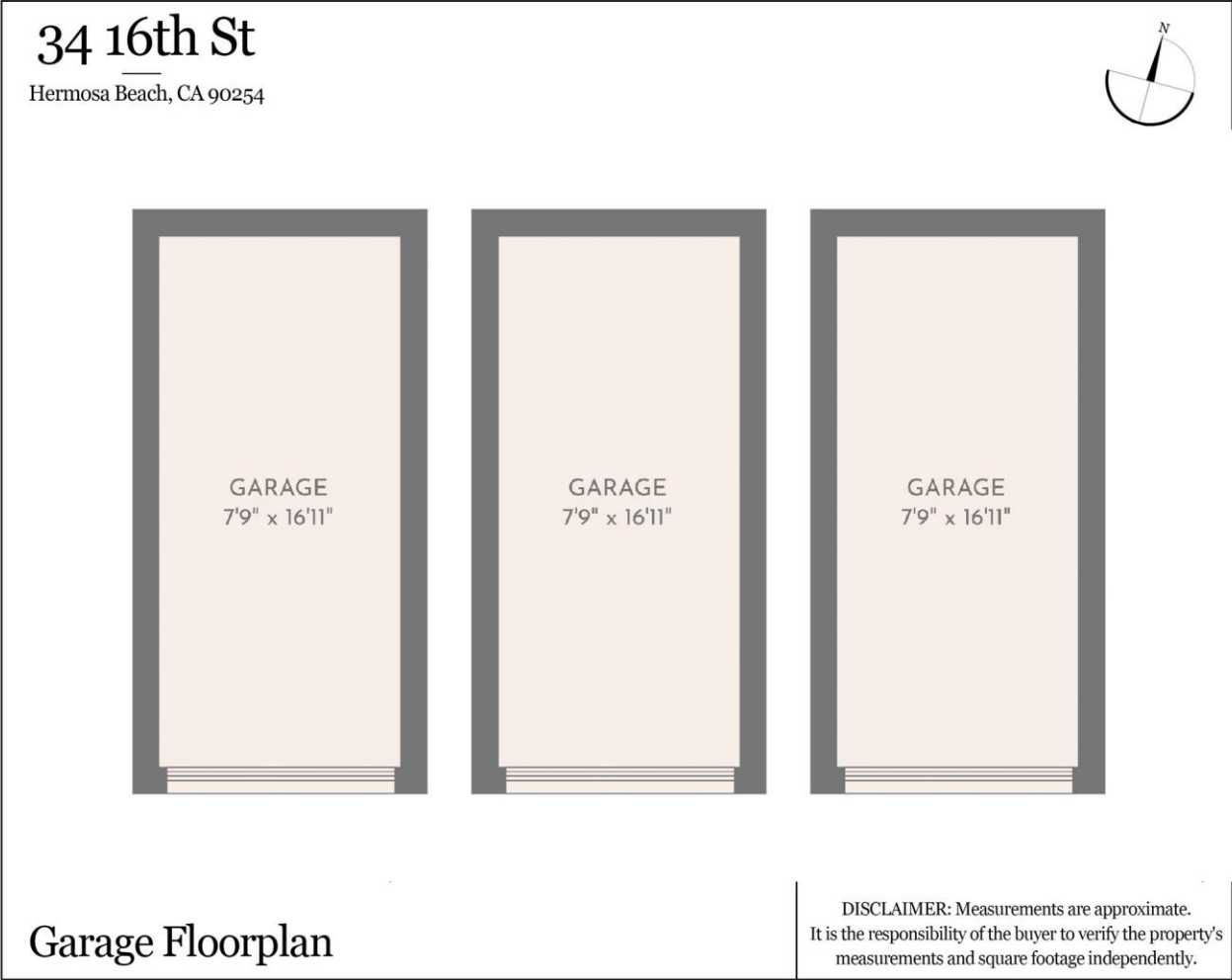
32 16TH STREET
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7 UNIT

20



Floor Plans – Garage



Comparables

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Sold Comparables

32 16TH STREET
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7 UNIT

22



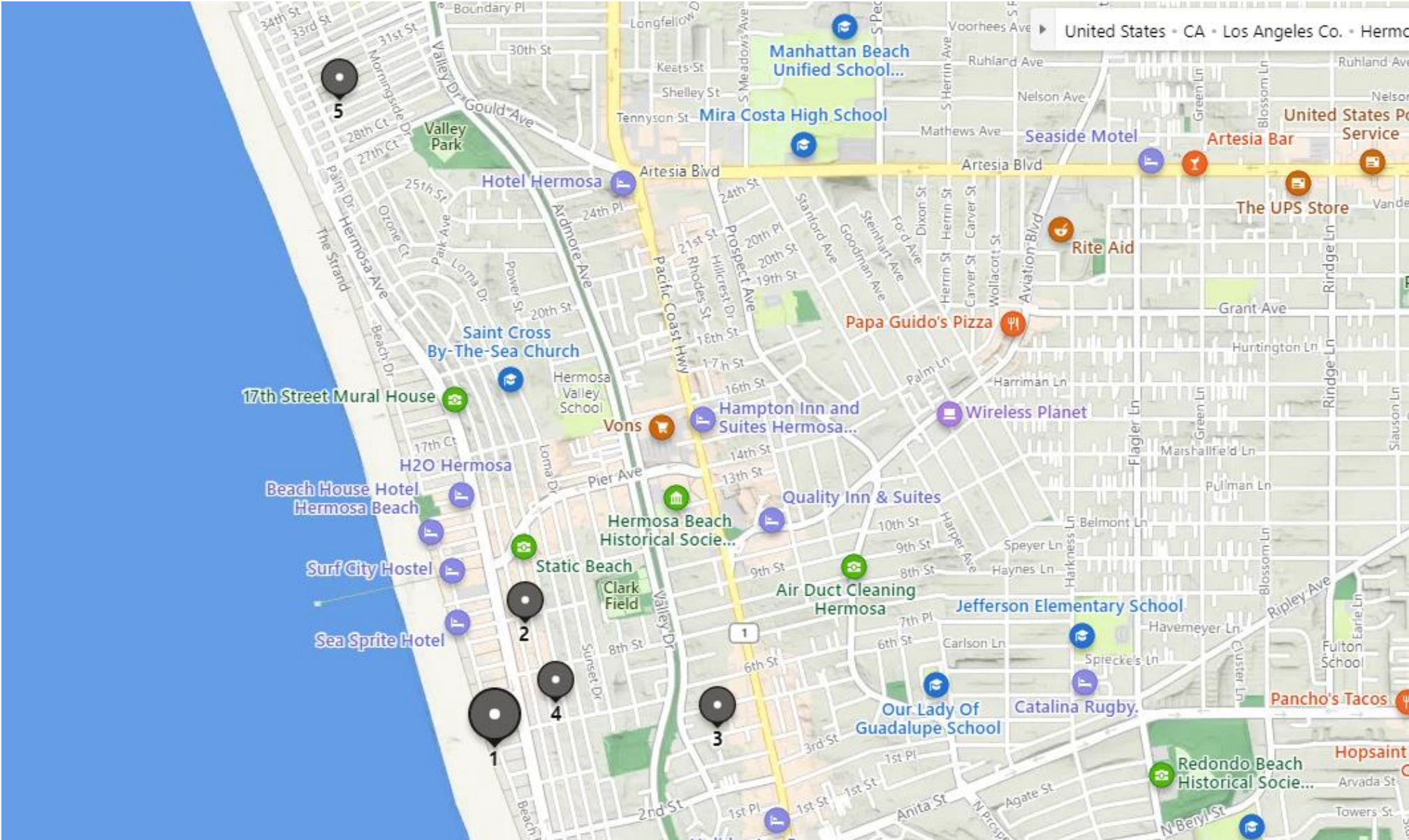
	Address	Price	Units	Year Built	Building Size	Price/SF	Sold Date
1	528 The Strand Hermosa Beach, CA 90254	\$6,499,000	3	1953	2,300 SF	\$285.65	Active
2	150 10 th St Hermosa Beach, CA 90254	\$6,995,000	10	1961	6,763 SF	\$1034.30	Active
3	659 4 th St Hermosa Beach, CA 90254	\$2,760,000	4	1968	3,454 SF	\$799.07	Pending
4	636 Manhattan Ave Hermosa Beach, CA 90254	\$2,500,000	3	1928	1,750 SF	\$1,428.57	06/09/2021
5	140 30 th St Hermosa Beach, CA 90254	\$2,530,000	3	1951	1,824 SF	\$1387.06	11/16/2021
	Averages	\$4,256,800	4.25	1950	3,218 SF	\$986.93	08/28/2021
*	32 16 th St, Hermosa Beach, CA 90277	\$4,200,000	7	1923	3,786 SF	\$ 1,109.35	Active

Sold Comparables Map

32 16TH STREET
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7 UNIT

23



Lease Comparables

32 16TH STREET
HERMOSA BEACH, CA 90254

7 UNIT

24



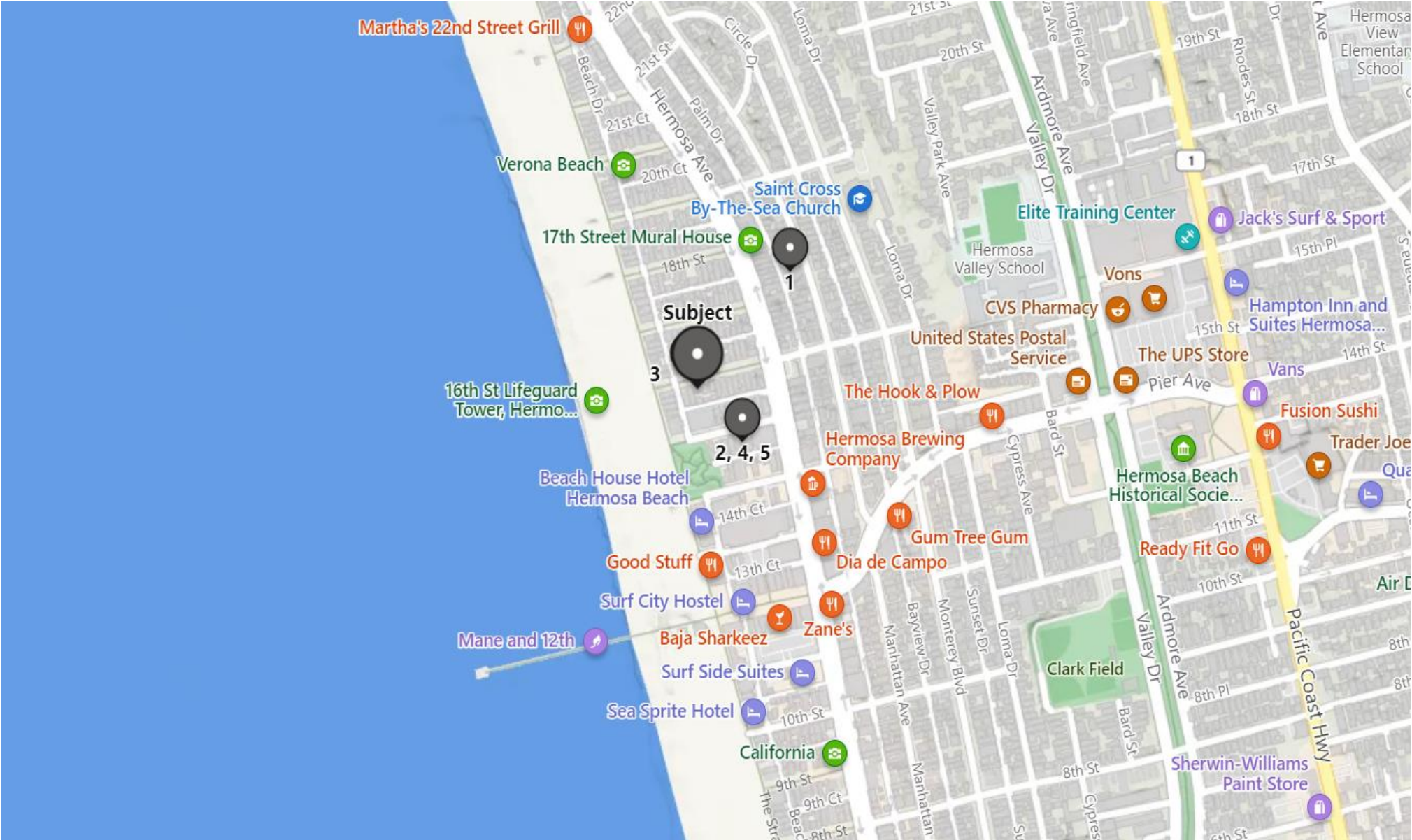
	Address	Date Leased	SQFT	Unit Type	Rental Rate
1	1717 Manhattan Ave #14, Hermosa Beach, CA 90254	APR 2022	400 SF	0-Bed/1-Bath	\$2,395
2	60 15 th St # K Hermosa Beach, CA 90254	JUL 2021	600 SF	1-Bed/1-Bath	\$3,250
3	19 16 th St, Hermosa Beach, CA 90254	FEB 2022	1,066 SF	1-Bed/1-Bath	\$3,500
4	60 15 th St # M, Hermosa Beach, CA 90254	APR 2021	400 SF	1-Bed/1-Bath	\$3,500
5	60 15 th St # E Hermosa Beach, CA 90254	JUL 2021	600 SF	1-Bed/1-Bath	\$3,850
Averages		APR-2022 AUG-2021	400 SF 666 SF	0-Bed/1-Bath 1-Bed/1-Bath	\$2,395 \$3,299
	32 16 th St, Hermosa Beach, CA 90277		Varies	0-Bed/1-Bath 1-Bed/1-Bath	\$1,566 \$2,169

Lease Comparables Map

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7 UNIT

25



Area Overview

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7 UNIT

27

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Hermosa Beach

Hermosa Beach is one of the three Beach Cities, bordered by Manhattan Beach and Redondo Beach. Extending only 15 blocks east to west and 40 blocks north to south, and with a population of 19,506, Hermosa Beach is a small city with sea breezes that can lessen high summertime temperatures to an average of 74 degrees Fahrenheit. The city's wide flat beach is popular for sunbathing, beach volleyball, surfing, paddle boarding, and its numerous restaurants and bars.

The Strand is a paved path that runs along Hermosa's beach from Torrance Beach to the south and approximately 20 miles north up to Santa Monica. Hundreds of people a day can be seen jogging, walking, biking, or rollerblading along the path. Hermosa Beach home prices can reach up to \$20,000,000 along The Strand. The Hermosa Beach real estate market is robust with median price of homes currently listed in Hermosa Beach is \$2,237,000 and values have gone up 8% over the past year.

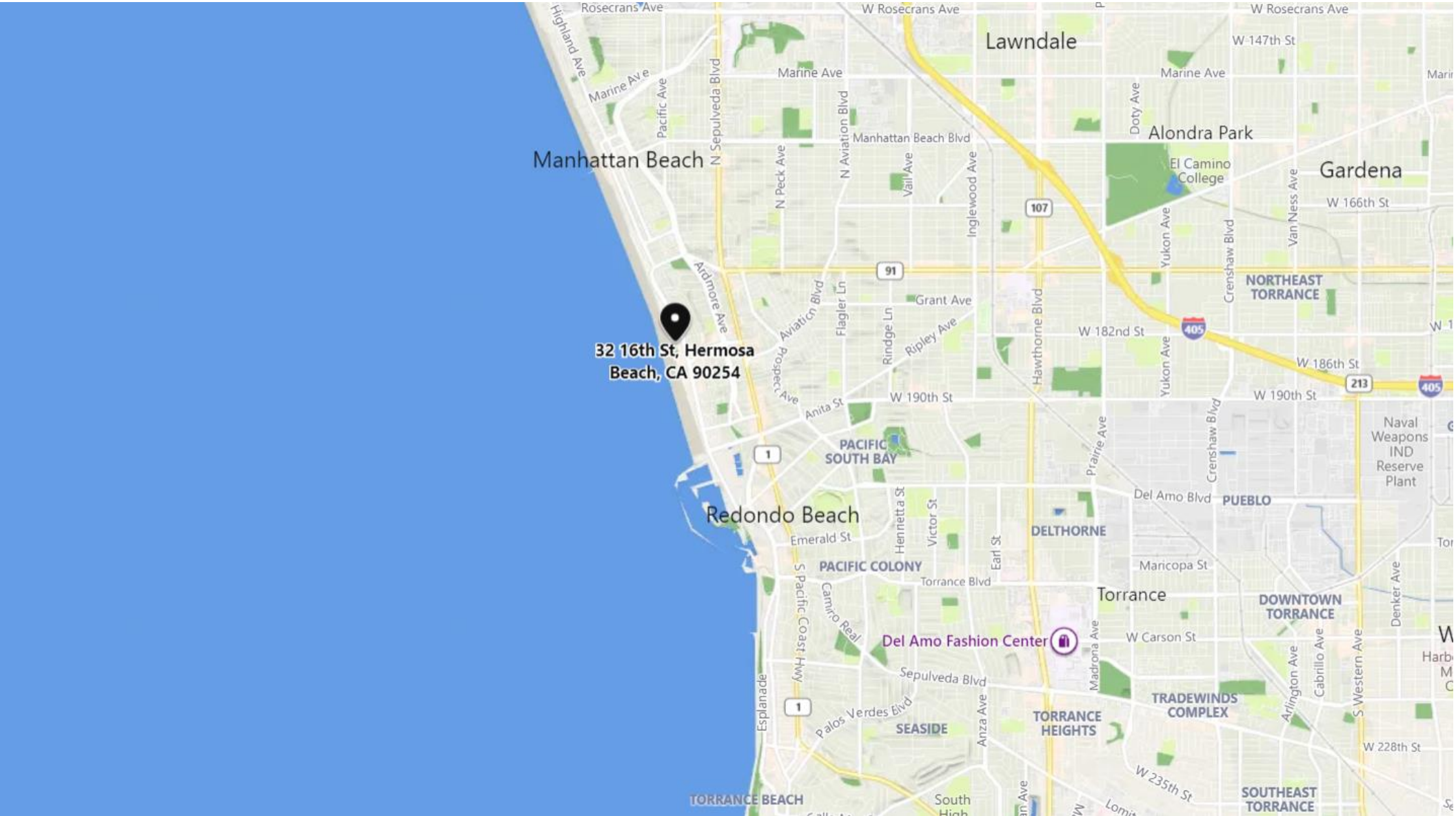
Hermosa Beach has two schools: Hermosa Valley and Hermosa View, both of which rank in the top 10% in California, with students scoring at or above the 90% in the highest grade tested in reading and math. At the high school level, students can choose between Mira Costa in Manhattan Beach or Redondo Union in Redondo Beach.

Hermosa Beach has been named a "world class pedestrian city" thanks to the Hermosa Valley Greenbelt, which is a walking trail converted from a railroad that is part of the federal rails to trails network. The city has eight other public parks, along with a skate park, basketball courts, baseball and softball fields, tennis courts, and a lawn bowling club.



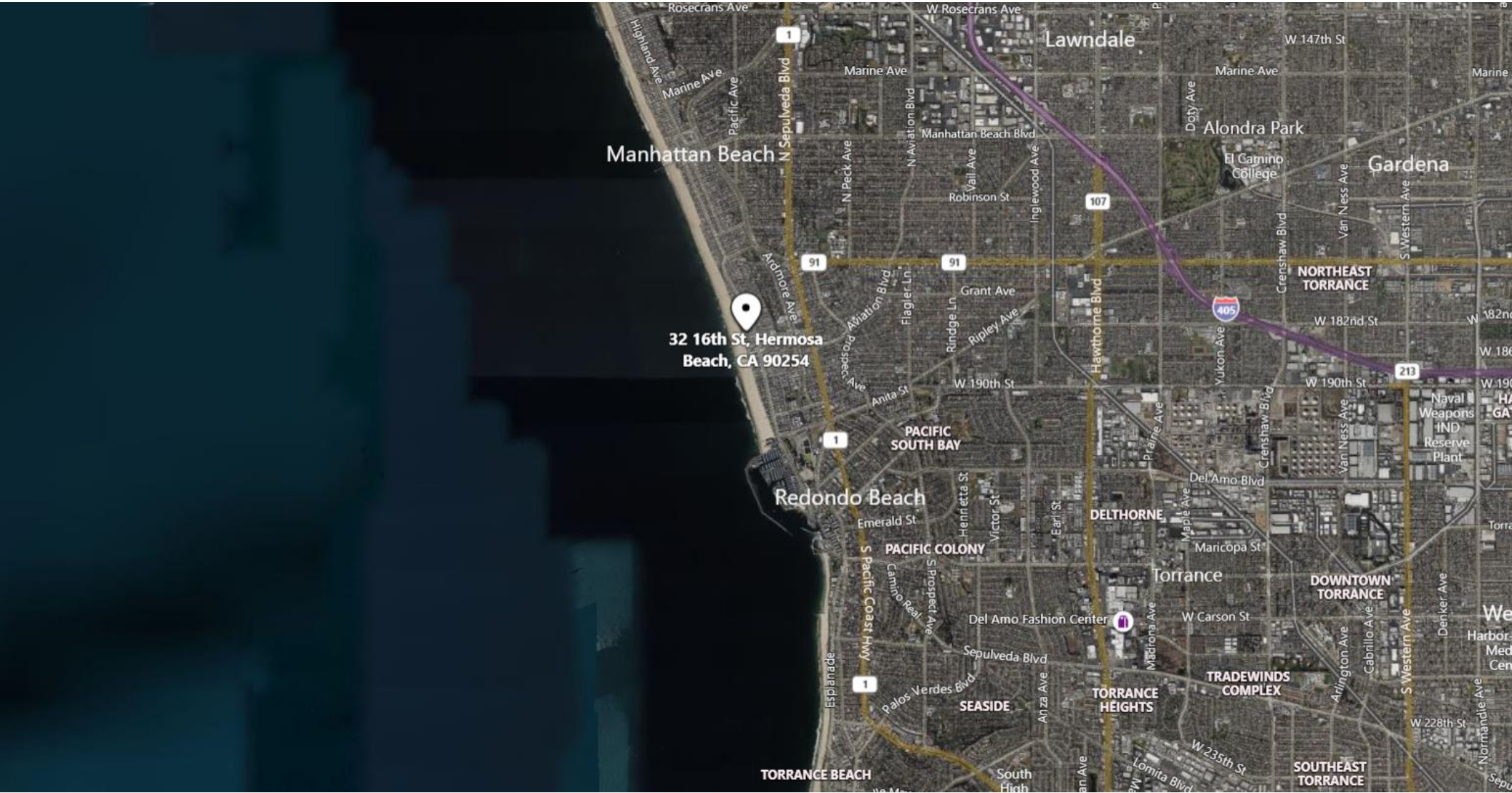
Local Map

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Aerial Map

32 16TH STREET
HERMOSA BEACH, CA 90254



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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.

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